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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, SECOND SESSION

SENATE—*Tuesday, March 14, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 8:30 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend L. R. Elson, D.D., offered the following prayer:

Let us pray.

"Lord of all life, below, above
Whose light is truth, whose warmth is love,
Before Thy ever-blazing throne
We ask no lustre of our own.

"Grant us Thy truth to make us free,
And kindling hearts that burn for Thee
Till all Thy living altars claim
One holy light, one heavenly flame."
—Oliver Wendell Holmes, 1848.

O Thou Light of lights, burn out of us all that is base and mean and ugly and shine into our souls that we may be guided by the pure light of Thy presence until our work is done and done well. Then grant that we may rest in the peace of those who are righteous in Thy sight.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 14, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that the Legislative Journal be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the two nominations under Department of Justice.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I would only advise the majority leader that both these items under New Reports, Department of Justice, are cleared for action on this calendar, and we have no objection to them.

Mr. President, I would revise my remarks to identify those two nominations as the first two items appearing under Department of Justice, being James R. Williams, of Ohio, and Richard W. Nehring, of Iowa, that are cleared on this calendar for action at this time.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of James R. Williams, of Ohio, to be U.S. attorney for the northern district of Ohio.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The second assistant legislative clerk read the nomination of Richard W. Nehring, of Iowa, to be U.S. marshal for the southern district of Iowa.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Rhode Island (Mr. CHAFEE) is recognized, as in legislative session, for not to exceed 15 minutes.

Mr. CHAFEE. I thank the Chair.

S 2739—FEDERAL BUILDINGS ARTISTIC ENHANCEMENT ACT

Mr. CHAFEE. Mr. President, every day we and our staffs come to work in buildings rich in works of art and historical heritage. Do we take these surroundings for granted? I do not think so—at least I hope not. Our Capitol and indeed all the artistic and cultural treasures of Washington, D.C., call forth thousands of visitors from homestate communities each year. But Washington, D.C., has no claim to being the only locus point of fine American art. The Smithsonian Institution recognizes this and has established its sites program for the loan of Smithsonian treasures to other groups. Nor is artistic talent limited to one or a few locations. Many of our country's communities can boast of fine artists.

Mr. President, I make these remarks to preface my introduction today of legislation to provide a program for acquiring, exhibiting, and circulating works of art and history among Federal buildings. I am very pleased that Senator MOYNIHAN has agreed to be a principal cosponsor of this bill. When we think of the millions of people who work in and visit Federal buildings daily, it makes sense to refuse to condemn these buildings to a sterile existence.

My bill will provide: First, a program for exhibiting and circulating, among GSA-managed Federal buildings, works of art loaned by contemporary American artists. Artists from various geo-

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

graphical locations will be represented. GSA would seek assistance from the National Endowment for the Arts in selecting the artists.

Second, the bill directs the General Services Administration to work with the Smithsonian Institution to develop for Federal buildings, exhibits of Smithsonian works which reflect the heritage of our Nation. The exhibits would circulate among our Federal buildings, with special preference given to smaller communities which do not have convenient access to museums of art and history. Also, this program would give thousands of people from communities, large and small, who cannot visit Washington, a chance to view cultural and historic treasures from the Smithsonian. This section would be coordinated with the Smithsonian Sites program.

Finally, the legislation provides statutory authority to an existing GSA program to acquire and install works of art in Federal buildings under the agency's jurisdiction, and would extend this authority to buildings leased by GSA, as well.

As we recall, this is a new venture. We already have some guidance in legislation suggesting that in GSA-owned buildings there be works of art, but this would extend it and make it mandatory that works of art be in GSA-leased buildings.

The Administrator shall utilize one-half of 1 percent of the total funds expended for construction, alteration, and repair of public buildings and one-twentieth of 1 percent expended for the lease of public buildings, for the purposes set forth in this bill. Thus, the program will not be a financial drain on existing budgets, nor will it involve large authorizations. Yet we shall realize great benefits from our dollar through initiatives to bring our artistic heritage to many more communities.

Mr. President, in 1976, the Committee on Environment and Public Works and the Congress passed the Public Buildings Cooperative Use Act. This legislation was a major step in opening our Federal buildings to use by the community, both during and after work hours. In addition, the act authorized the use of Federal building entry-level space for shops and restaurants. The legislation I will introduce today will continue and broaden the commitment to make our Federal buildings a source of pride to their respective communities. It would say to the GSA: "We want you to continue the art-in-architecture program at the current level, at a minimum. We do not want the one-half of 1 percent decreased to three-eighths or one-fourth of 1 percent or zero, depending on the whims of current management."

From 1972 through the end of fiscal year 1977, GSA commissioned 55 works of art at a cost of approximately $2.8 million, for Federal buildings across the country. The program was originally limited to new construction in the past and was temporarily cut to three-eighths of 1 percent for awhile. However, the program has recently been expanded to existing structures, making art possible for historic landmarks. For example, the old post office in Washington, D.C., which will soon undergo an $18 million renovation, will include works of art and will also incorporate the multiuse concept. And I propose to expand the Federal buildings art program to GSA-leased buildings, as well.

The Committee on Environment and Public Works has jurisdiction over GSA's public buildings program. As a member of that committee, I look forward to working with GSA and representatives of the Federal and private art community to explore the initiatives in this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2739

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Buildings Artistic Enhancement Act."

SEC. 2. The Public Buildings Act of 1959, as amended, is amended by adding at the end thereof the following new section:

"SEC. 18 (a) (1) The Administrator of General Services, with the advice and assistance of the Chairman of the National Endowment for the Arts (hereinafter referred to as the Chairman), shall acquire by loan, or by lease at nominal fees, works of art by living American artists. Works of art acquired under this subsection shall be organized into exhibitions and circulated on a rotating basis by the Administrator among public buildings throughout the United States. Such works of art shall be selected from artists representative of the different regions of the United States and its territories, and shall include diverse media.

"(2) (A) The Administrator, in conjunction with the Chairman of the Smithsonian Institution, shall develop exhibitions which reflect the artistic, cultural, social, scientific, and industrial heritage of the United States or illustrate the continuing development of the Nation's art, culture, society, science, and industry.

"(B) The Administrator shall circulate and show exhibits developed under this subsection in public buildings throughout the United States. Preference shall be given to public buildings in communities that otherwise do not have convenient access to museums of art and history.

"(C) The Administrator shall reimburse the Smithsonian Institution an amount not less than the cost to the Institution of carrying out the provisions of this subsection.

"(b) (1) The Administrator, with the advice and assistance of the Chairman, shall acquire by purchase and install suitable works of art in public buildings (including temporary installation in leased buildings), and provide for necessary services to keep and preserve such works of art in a state of high quality. In carrying out this subsection, the Administrator shall insure that (A) preference is given works of art that reflect the common heritage, or the unique characteristics, of the region of the country in which they will be installed, (B) public buildings selected to receive such works of art are equitably distributed within the United States and its territories, and (C) such works of art reflect the diversity of artistic media and techniques.

"(2) In carrying out the provisions of this section, the Administrator, with the advice and assistance of the Chairman, shall establish such procedures as may be necessary to encourage artists, including local artists, to participate in such program, and to award commissions, with or without competition. He shall encourage the selection of a variety of compatible works for the enhancement of each such public building.

"(c) (1) The Administrator is authorized to utilize for the purposes of this section one-half of one per centum of the total sums available in fiscal year 1979 and each fiscal year thereafter for the design, construction, repair, renovation, alteration, and acquisition of public buildings, and one-twentieth of one per centum of the sums available for the lease of public buildings.

"(2) Funds available under this subsection shall be available, without fiscal year limitation, to the Administrator for the purposes set forth in subsections (a) and (b) of this section: *Provided,* That not to exceed 15 per centum of such funds shall be expended for purposes set forth in paragraph (a) (1), not to exceed 10 per centum shall be expended for purposes set forth in paragraph (a) (2), and not to exceed 75 per centum of such funds shall be expended for purposes set forth in subsection (b).

"(d) As used in this Act, the term 'works of art' includes, but is not limited to, paintings, sculptures, mosaics, tapestries, crafts, ceramics, and photographs."

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Delaware (Mr. ROTH) is recognized, as in legislative session for not to exceed 15 minutes.

Mr. BAKER. Mr. President, will the Senator from Delaware yield to me for a moment?

Mr. ROTH. I am happy to yield to the distinguished minority leader.

Mr. BAKER. Mr. President, under the order previously entered, I am allocated 15 minutes on special order time this morning. I ask unanimous consent that I may yield that 15 minutes to the distinguished Senator from Delaware for his purpose.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROTH. I thank the senior Senator from Tennessee for his thoughtfulness in granting me his time.

THE PANAMA CANAL TREATIES

Mr. ROTH. Mr. President, the Senate's decision on the Panama Canal Treaties will have very important implications for the future security and the economy of the United States. I am proud of our predecessors in this body who at the turn of the century showed the wisdom and foresight to recognize our interests in the canal, advise and consent to the 1903 treaty with Panama, and appropriate millions of dollars to construct a facility that is a lasting monument to American technology and industry.

Seventy-five years later, the Senate is again called upon to make a historic decision. With the passage of time, our stake in the Panama Canal has not diminished. It has expanded as our involvement in the world has expanded. At the beginning of this century, the United

States did not have security interests and commitments around the world. Now we have, and the Panama Canal is vital to our ability to meet these commitments. At the beginning of this century, international trade accounted for only a very small part of our economy. Today, exports provide jobs for millions of American industrial workers and farmers, and we import many raw materials that are critical to maintaining a healthy American economy.

I disagree with some who say that the canal is no longer important to the United States or that it will no longer be by the end of this century. Only two decades ago, many people were saying the same things about our railroads. Even more recently, it was conventional wisdom that coal was on its way out as a major energy source.

There is little more permanent in our world than the location of oceans and continents. A glance at the globe confirms the importance of a few geographical chokepoints—the Straits of Gibraltar, the Suez Canal, the Straits of Malacca, and the Panama Canal. These strategic waterways will continue to have vital importance to international commerce and the world's navies. The key issue in our debate in the Senate, therefore, is not whether or not the Panama Canal remains important to the United States because it does, but what kinds of arrangements with the Republic of Panama will best protect our security and economic interests in the use of the canal. These treaties must be judged not on the basis of emotional arguments, nationalism, or the legal issue of who has sovereignty. We must judge them on whether or not they advance American security and commercial interests. On this issue, intelligent and patriotic Americans disagree.

Over the past few weeks, I have listened to the debate and have kept an open mind on these treaties. I have talked to supporters and to opponents. It is my belief that it is important in evaluating these treaties to understand the basic thrust of what they do.

The general thrust is that the United States retains very substantial rights in the Panama Canal through the year 1999. After that time, American strategic and economic interests are protected only by the so-called Neutrality Treaty. For this reason, I believe that the Neutrality Treaty is the key document we are considering, and for this reason, I voted with the leadership in urging that the neutrality treaty be considered first.

I do not believe the Neutrality Treaty adequately protects American interests after the year 1999, and for this reason I will not vote for it. It does not represent a sound basis for constructing a new partnership with the Republic of Panama; instead it carries the seeds of future conflict. The Neutrality Treaty does not provide any effective role for the United States in operating and maintaining the canal beyond the year 1999. These very fundamental deficiencies cannot be rectified by the leadership amendments. The changes that would be needed are so fundamental and far-reaching that the only means of salvaging this treaty would be to return it to the President with instructions to completely renegotiate a number of important provisions.

As presently drafted, and as amended by the leadership amendments, the Neutrality Treaty does provide the United States with the right to intervene militarily should the regime of neutrality set out in the treaty be violated. It also imposes certain obligations on Panama regarding the maintenance of the canal, tolls, and rules of transit. Panama pledges not to allow foreign countries to operate the canal or to maintain military forces, defense sites or military installations in the Republic of Panama. These obligations, however, are often vaguely worded. They are not unambiguous. They are subject to different interpretations by the United States and Panama. Moreover, they are paper rights and obligations. There is no effective mechanism to enforce them except in one case—a major conventional war.

Consider the question of tolls. The Neutrality Treaty provides that tolls and other charges shall be "just, reasonable, equitable, and consistent with the principles of international law." It does not provide for any U.S. participation in setting toll rates. "Just," "reasonable," and "equitable" are all very imprecise and subjective terms. What does "just" mean? What is just to one man may be rank injustice to another man. What does "equitable" mean? One may argue that it means no higher rate is charged to one country than another, but it is not difficult for me to imagine a Panamanian Government arguing that it is equitable to charge ships of developed countries more than ships of developing countries. What is "reasonable" rate? OPEC countries argue that extortionist oil prices are reasonable. What principles of international law govern toll rates?

The supporters of this treaty argue that Panama will have a national economic interest in maintaining rates competitive with other forms of transportation. In my judgment, it is very foolish to rely on a presumed identity of the interests of the country that operates the canal. It is unwise to trust in imprecise and uncertain projections of competitive transportation costs over the period that this treaty will operate, which theoretically extends forever. There are no easy alternatives to the canal. Shipping around Cape Horn at the southern tip of South America adds 9,000 miles to the distance between the east and west coast, while the other alternative would be transshipment by train or truck across the continental United States, adding extra handling and other costs.

It is not at all unlikely that the United States and Panama will have differences of opinion on toll charges or on the rules governing transit. Nor is it unlikely that the two countries will have differences on the amount of revenue that should be used for the purpose of maintaining the canal in tip-top working order. In these cases, what mechanisms does the Neutrality Treaty provide to resolve the dispute?

There is no mechanism for arbitration. There is no requirement for a fact-finding body or for referral to an international body such as the World Court or the Organization of American States. The only alternatives provided the United States are those of traditional diplomacy and the right of military intervention to protect the regime of neutrality.

Military intervention is not an effective means of settling a dispute on an economic issue, such as the rate of tolls. After the year 1999, it would require mounting a military operation from the continental United States or Puerto Rico. The costs of such an operation would be staggering—both financially and politically. Consequently, even the threat of military intervention would not be an effective bargaining tool on the economic disputes that could arise at the end of American control in 22 more years.

Consider now our right to transit under the Neutrality Treaty. In a war similar to World War II, the United States could and probably would intervene to protect its use of the Panama Canal against any immediate threat. But the more likely kind of military contingency would be a limited war or crisis like the Cuban missile crisis of 1962. This kind of war would require the United States to move military ships or men through the canal in a hurry. We would have the right under the leadership amendments to send our ships to the head of the line, but what good will that do if leftist labor unions in Panama prevented or delayed these ships from moving through the locks. What if the Panamanian Government itself announced that it was sympathetic to the opponents of the United States and closed the canal for several days for repairs.

These are hardly far-fetched scenarios. Our only recourse under the neutrality treaty would be to send in American troops to protect our transit rights, but once again, this is not a viable means of enforcing our rights. Such action would only precipitate a second crisis and require new military actions on a second front in addition to the already existing military requirements. It would precipitate fighting around the canal, presenting a high risk that it would be put out of operation for days, weeks, or months completely thwarting the original purpose of the intervention.

In sum, Mr. President, military intervention is an effective means of defending American rights under the regime of neutrality only in the most extreme circumstances. There is no protection provided in the treaty against the more likely threats of petty harassments or disputes on economic issues.

The United States has a very important asset in the canal. I believe a new partnership with Panama is needed, that with creative and farsighted diplomacy such a partnership could be developed protecting the interests of both the

United States and Panama. Such a partnership would involve the United States and the Republic of Panama jointly operating the canal for the benefit of world commerce, jointly setting rates and rules of transit. It would also join the two countries in a firm commitment to construct a new sea-level canal if their joint interests and international shipping required it. Such a partnership would recognize the legitimate interests of Panama as the nation occupying the strategic isthmus between the world's two greatest oceans and the legitimate interests of the United States as the builder of the canal and its largest user.

Mr. President, it has been predicted that if these treaties are rejected, there could be serious disturbances in Panama. I do not think this danger should be lightly discarded. I believe, however, that the two treaties taken together create a situation that in the long run is fraught with greater dangers for the kind of close American-Panamanian relations that are needed to maintain our use of the canal. The transition period through the year 1999, as outlined in the Panama Canal Treaty and proposed implementing legislation, will, in my judgment be a very difficult one, with many possibilities for a series of American-Panamanian crises. And, as I have pointed out, after the year 1999, vital American economic and military interests are not adequately protected creating the risks of a continuing difficult relationship. In sum, the treaties are unlikely to accomplish their central purpose—the establishment of a new and better arrangement protecting American use of the canal.

I, therefore, wholeheartedly endorse the suggestion made by Senator GRIFFIN to return these treaties to the President for renegotiation. I believe the Senate should advise the President of the kind or kinds of provisions we find desirable and that a special Senate advisory committee on the Panama negotiations should be established to work with the executive branch in devising new and beneficial arrangements with the Republic of Panama protecting this most important asset to both our nations.

Mr. President, I yield back the remainder of my time.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MARK O. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED STATES-ROMANIAN ECONOMIC RELATIONS

Mr. MARK O. HATFIELD. Mr. President, in less than 1 month, the President of Romania, the Honorable Nicolae Ceausescu, will be coming to the United States to meet with President Carter to discuss various issues of mutual concern to both of our countries. Of course, one of the major topics of discussion will be the future of the long-term economic relations between the United States and Romania, particularly as they relate to an extension of most-favored-nation tariff treatment for Romania.

With the granting of MFN to Romania 3 years ago through the United States-Romanian Trade Agreement, Congress took a major step toward normalizing trade between our two nations. In 1976 U.S. trade with Romania reached $448 million, an increase of about 40 percent over the 1975 two-way figure. Even more revealing is the growth in trade between 1965 and 1977. From a trade total valued at $8 million in 1965, bilateral trade reached $79.5 million in 1970, and preliminary figures show that it has climbed to an alltime high of almost $500 million in 1977. The United States has continued to maintain a positive trade surplus in each of these years, helping our balance-of-payments position.

Because I recognize the realities of global economic interdependence, I believe it is in the best long-term economic interests of the United States to expand our ties with Romania. I hark back to my days as Governor of Oregon when we organized some of the first trade missions to Japan. Now our State supplies some 60 percent of Japan's wheat imports and we maintain a healthy local trade surplus. At that time, I stressed that trade builds two types of bridges—economic and personal. We have certainly seen such bridges built with the Romanians over the past years as a direct result of the most-favored-nation trade status which we have accorded the Romanians.

Mr. President, it is my belief that an expansion of our commercial relations with Romania can play a significant role in encouraging her economic and political independence. In fact, a central reason for urging a continuation of MFN treatment for Romania is the unique role it occupies among the Comecon countries. The independence shown by President Nicolae Ceausescu in his political and economic relations with the Soviet Union and fellow Warsaw Pact and Comecon allies is well-recognized and should be encouraged. I do not pretend that Romania is an ally of the United States, but she is a country with whom we can minimize our differences as we broaden our ties. Because of the independence shown by Romania, I believe that it would certainly be appropriate for discussions to take place between the appropriate congressional committees and the State Department regarding suggestions that a more long-term extension of MFN status be granted to Romania.

As the author of a human rights amendment to last year's Omnibus Multilateral Institutions Act of 1977 (which was defeated on the Senate floor because some thought it too strict), I am naturally interested in questions surrounding Romania's emigration policies. As my colleagues are well aware, such concerns are fundamentally linked to the granting of MFN status. From the information that I have reviewed, it appears that Romania is making positive efforts to liberalize its emigration policies. Certainly when compared with the situation before MFN, there have been marked improvements. While I firmly believe that the emigration issue should continue to be monitored closely to insure that emigration remains an option for those wanting to leave the country, I am convinced that it is only within the framework of a firm relationship between our two countries, of which MFN forms a part, that such positive results as we have seen in the past few years can be encouraged and expanded.

Mr. President, I would hope that the Carter administration will carefully study the future long-term economic relations between the United States and Romania, and that it will take appropriate actions to solidify the growing cooperation between our two countries. Again, such discussion might begin with a reevaluation of the present 1-year extension of MFN to Romania.

I ask unanimous consent that the time I have consumed in speaking may be considered as having come out of the time of the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. MARK O. HATFIELD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE FOUNDING FATHERS SAY A TREATY CANNOT DISPOSE OF FEDERAL PROPERTY WITHOUT ENABLING LEGISLATION

AMENDMENTS NOS. 84 AND 85 AND DECLARATION NO. 1

Mr. GOLDWATER. Mr. President, I wish to direct the attention of the Senate once again to the fundamental question of whether or not the President can, by a treaty, dispose of territory or property of the United States, without the enactment of authorizing legislation by the Congress. The answer to this question underlies the validity of the two pending treaties and we cannot ignore it.

To assure that the issue gets the attention it deserves, I am submitting today two amendments to the basic treaty and one declaration to the Neutrality Treaty, each of which provide that U.S. property in the Canal Zone will not be given away without strict adherence to article IV of the Constitution. This article gives to Congress the specific power to dispose of Federal property.

Mr. President, the first amendment I submit for printing provides that the Panama Canal Treaty will become effective only upon the enactment of the implementing legislation which the Carter administration says it will seek to carry out the transfer to Panama of U.S. military bases now located in the zone.

The second amendment would provide that the treaty shall take effect only

upon enactment of specific legislation by the Congress authorizing disposal of all the property belonging to the United States in the zone.

The declaration which I am submitting is a possible alternative to the above amendments. The declaration would be attached to the ratification resolution of the Neutrality Treaty. It would provide that before the instruments of ratification could be exchanged, the Congress shall have enacted legislation authorizing the transfer of all property belonging to the United States in the Canal Zone.

Mr. President, I believe it is urgent we should start now to seriously consider the basic constitutional question involved.

For this reason, I will review today why I believe the question is so important to the future of the country.

Frankly, I am disappointed that the administration up to now has not gone into the fundamental, constitutional issue. The State Department, for example, has ignored the Constitution itself by attempting to divert the debate to a question of precedents. I have previously described in detail why these highly dubious precedents are irrelevant to the Panama Canal Treaty.

Rather than go over an analysis of these claimed precedents once again, I wish to discuss today the meaning of the Constitution itself. Surely, the State Department is not contending that if the Constitution has been violated in the past, this is a reason for violating it in the future.

Therefore, let us put aside any discussion of precedents, and instead direct our attention to what the Constitution means.

Mr. President, I believe there are at least three grounds on which the Constitution makes it clear that property belonging to the United States in the Canal Zone cannot be transferred to Panama without the specific authority of both Houses of Congress.

First, there is strong authority for the doctrine that where a treaty attempts to carry into operation one of the powers specifically delegated to the Congress, that treaty does not become effective until it has obtained the sanction of the legislative department, that is to say, both Houses of Congress.

Second, there is convincing evidence that the Constitution confers upon Congress exclusively the power to dispose of property belonging to the United States.

Third, it seems clear that even if the President has concurrent power by a treaty to deal with the disposal of public property, the Constitution gives Congress the power to preempt the subject.

I. LEGISLATIVE SANCTION REQUIRED OF TREATIES WHICH OPERATE ON SUBJECTS EXPRESSLY DELEGATED TO CONGRESS

Mr. President, this issue has been with us as long as the Constitution. The matter was debated at great length in the House of Representatives in 1796, when President Washington asked the House to pass appropriations implementing the Jay Treaty with Great Britain. The published debates fill almost 400 pages of the Annals of Congress, with debate on the constitutional powers of the House having started on March 7 and only ended on April 7.

The episode is best remembered for the attempt by the House to call on President Washington for the disclosure of certain papers relating to the treaty negotiations and his refusal to provide the documents on the ground that the House does not have a role in the making of treaties.

However, what is forgotten about this early confrontation between the President and legislature is the fact that the House insisted on asserting its discretionary power to put treaties into effect which bear on the powers specifically delegated to Congress. The House of Representatives adopted a resolution by an overwhelming vote in 1796 stating that when a treaty attempts to regulate any of the subjects submitted by the Constitution to the power of Congress, it must depend, for its execution, on a law to be passed by Congress.

Moreover, the House deliberately changed the resolution providing for implementation of the Jay Treaty by striking out the words "provision ought to be made by law" for carrying into effect the treaty and substituting the words "it is expedient to pass the laws necessary" for carrying the treaty into effect. Although the House eventually approved appropriations for the Jay Treaty, it made abundantly clear by this amendment that it was not bound to pass the appropriations, but had a discretion in carrying the treaty into effect.

In 1871, the House passed an identical resolution to the one it had adopted in 1796. This resolution reads as follows:

> [W]hen a treaty stipulates regulations on any of the subjects submitted by the Constitution to the power of Congress, it must depend for its execution as to such stipulations on the law or laws to be passed by Congress; and it is the constitutional right and duty of the House of Representatives in all such cases to deliberate on the expediency or inexpediency of carrying such treaty into effect, and to determine and act thereon as in their judgment may be most conducive to the public good.

Today, the House has in effect acted on the matter once again. There presently are more than 230 Members of the House of Representatives who have joined in sponsoring a resolution declaring that the Panama Canal treaties are without effect until the Congress approves enabling legislation.

The position consistently taken by the House has also been adopted by the Senate in the past. For example, in 1815, a joint House-Senate conference committee issued a report on legislation implementing regulations established by the treaty of 1815 with Great Britain, which affected duties on imports. The report contained the following statement:

> [I]t is by no means the intention of the Senate to assert the treaty-making power to be in all cases independent of the legislative authority. So far from it, that they [the committee] are believed to acknowledge the necessity of legislative enactment to carry into execution all treaties which contain stipulations requiring appropriations, or which might bind the nation to lay taxes, to raise armies, to support navies, to grant subsidies, to create States, or to cede territory. * * *

I repeat, Mr. President, that the Senate admitted as early as 1815 that implementing legislation is necessary to transfer Federal property under a treaty with a foreign power.

The reasoning, which supports the necessity for enabling legislation to carry out treaties calling for the exercise of one of the powers expressly delegated to Congress, has been explained by no less an authority on the Constitution than James Madison. In a brilliant speech delivered on March 10, 1796, Madison demonstrated that the President and Senate can make treaties relating to the same subjects as the powers specifically vested in Congress, but require legislative sanction in order to carry such treaties into effect.

Now, Madison did not argue that the Constitution excludes from treaties altogether the enumerated subjects submitted to the power of Congress. He also rejected as an absurdity the notion that a concurrent authority might be exercised by the treaty and legislative powers on the same subjects, each of them liable to be superseded by the other. Rather, he believed that when a treaty embraces legislative objects, implementing legislation becomes necessary to give it effect.

A fundamental objection which Madison had to the concurrent powers theory, in his words, is—

> that if the treaty power alone could perform any one act for which the authority of Congress is required by the Constitution, it may perform every act for which the authority of that part of the Government is required.

If the President and Senate can exercise one of the enumerated powers by treaty alone, Madison said, then they can also exercise any of the others. It did not seem possible to him to draw any line between the enumerated powers.

Madison pointed out that according to the construction maintained by the other side, the President and Senate by means of a treaty might make the United States party to a war. He said:

> They might stipulate subsidies, and even borrow money to pay them; they might furnish troops to be carried to Europe, Asia or Africa . . . for the purpose of co-operating, on given contingencies with an ally, for mutual safety, or other common objects.

Those of my colleagues who hold that a treaty alone cannot commit the United States to go to war, without a declaration of war or other specific legislative authorization, might do well to heed the warning given by Madison. If they accept now the constitutional theory that a self-executing treaty can exercise one of the specific powers conferred upon Congress—the authority to dispose of Federal property—then they will concede that a treaty can also commit the United States to carry on war.

If any reasonable line can be drawn, except one arbitrarily made to serve the immediate purposes of the treaty proponents, it ought to be submitted. Otherwise, as sure as night follows day, we will be setting an open-ended precedent should the Senate consent to these treaties.

In the words of Professor Berger of Harvard Law School, the successors to the present Carter administration spokesmen "will say that they have a precedent. The Senate retreated and in

the future they will insist on it as a matter of Executive right."

Madison was joined in his argument by Albert Gallatin, one of the political giants of the Jeffersonian Republicans. He said:

> The Treaty-making power is limited by the Constitution, when in the first section of Article I it is said that "All Legislative power" is granted to Congress.

Although the treaty power is expressed without any limitation in article II, Gallatin contended the words "All legislative power" in article I limited the undefined power of treaties. Under the general rule of statutory interpretation, he argued that the specific governs the general. Thus, Gallatin said:

> If any other specific powers were given to a different branch of the government, they must limit the general powers.

Like Madison, he believed that unless it is allowed that "the special powers granted to Congress limit the general power of treatymaking, there are no bounds to it, it must absorb all others, * * * and act without control." Gallatin did not say that such a treaty is unconstitutional, but he did say that it was not the supreme law of the land until it received the sanction of the legislature.

The Constitution declares that treaties made "under the authority of the United States" shall be the supreme law of the land. Gallatin argued from this that a treaty which affects powers vested in Congress is not made "under the authority of the United States" until Congress passes a law to carry it into effect.

Another point made by both Gallatin and Madison was that British Parliamentary practice, which illuminates the understanding of the framers as to the meaning of many of the terms and phrases used in the Constitution, subjected treaties made by the King to legislative sanction. They quoted the famous British jurist, Blackstone, to show that the power of treatymaking in England was as extensively vested in the King as it can possibly be said to be here in our Executive and the Senate. Yet the consent of Parliament was necessary to the completion of a treaty in England when it touched on legislative powers.

The practice in 18th century England has particular relevance to the meaning which the framers gave to the treaty power because many of them considered treaties to be on a similar footing in both countries. At the Virginia Convention, for example, Mr. Nicholas made a direct comparison between treaties in England and treaties made by the President and Senate.

At the Pennsylvania Convention, James Wilson, one of the most influential members of both the Federal and State conventions, drew a similar parallel. He said:

> That though the House of Representatives possess no active part in making treaties, yet their Legislative authority will be found to have strong restraining influence upon both President and Senate.

He said, in England:

> If the King and his Ministers find themselves, during their negotiations, to be embarrassed, because an existing law is not repealed, or a new law is not enacted, they give notice to the Legislature of their situation, and inform them that it will be necessary, before the treaty can operate, that some law be repealed, or some be made.

"And will not the same thing take place here?" he asked.

During the same debate in Congress in 1796, five Congressmen from North Carolina who had been members of the convention in that State on ratifying the Constitution, took the position that the general impression of the convention was that the treatymaking power was limited by the need for legislative sanction of treaties touching on powers vested in Congress.

For example, Representative Holland said:

> It was said [at the Convention of North Carolina], that the President, with two-thirds of the Senate, could make Treaties and make stipulations unfavorable to commerce. But those in favor of its adoption (of which I had the honor to be a member) said, that commercial regulations had been previously and expressly given to Congress, and to them secured. Under that conception I was in its favor; but should have been opposed to it upon the other construction.

Congressman Holland, together with four of his former colleagues in the North Carolina Convention, Nathan Bryan, James Gillespie, Matthew Locke, and Absalom Tatom, each favored the Resolution of 1796 asserting the power of the House of Representatives over the implementation of treaties which embrace legislative subjects.

Consistent with this interpretation of the Constitution, there also is the statement made at the Massachusetts Convention on adoption of the Federal Constitution by Mr. King. He emphasized that "the Treaty-making power would be found as much restrained in this country as in any country in the world."

Another member of the Massachusetts Convention, Mr. Choate stated that "as the regulation of commerce was under the control of Congress, it could not be regulated by Treaty without their consent and concurrence."

So by a study of the debates in the Conventions of the States which ratified the Constitution, it is shown by abundant proof that the framers and friends of the Constitution construed it to limit the effect of treaties until Congress had passed enabling legislation in those cases where treaties encroach upon the enumerated legislative powers. Remember it is not to the enemies of the Constitution, who tried to portray it in unpopular terms, that we must look, but it is the friends of the Constitution, who will give us accurate guidance as to how the majority actually explained and accepted the Constitution.

Another interesting point made by Albert Gallatin during the debate on the 1796 resolution is that the very words used by the framers in conferring the treaty power—"to make treaties"—were universally understood by the law of nations to require implementing legislation whenever the conditions of a treaty were of a legislative nature.

Gallatin argued that all the writers on international law who were known to the framers of the Constitution "recognized as a principle of the law of nations, that in all limited governments, the powers vested in the other branches of government, and especially in the legislative body, operated as limitations to the general power of making treaties, lodged in the Executive."

Gallatin explained that according to international law "the power given generally to the Executive of making contracts with other nations, does not imply that of making legislative regulations, but that when the contract happens to embrace legislative objects, the assistance of the Legislature becomes necessary to give it effect."

Thus, Mr. President, if we will study the past and review what words meant to the brilliant men who wrote and voted for the Constitution, we can gain an insight into the true meaning of its provisions.

II. CONGRESS IS VESTED WITH EXCLUSIVE POWER TO DISPOSE OF FEDERAL PROPERTY

Mr. President, there also is strong historical evidence that the majority who voted for the Constitution at State ratification conventions believed the power to dispose of Federal property was vested in Congress as an exclusive power.

Governor Randolph, who was a delegate both to the Federal and Virginia conventions, discussed this very issue at the State convention. In answer to the charge that thereis no restriction with respect to making treaties, he replied that the Constitution provided "the most express restriction" on yielding property rights of the Nation in article IV, which empowers Congress to dispose of territory or property of the United States.

Randolph was not the only one who took this view. Francis Corbin added at the Virginia convention that the people were protected against bad treaties by another provision of the Constitution. Corbin said that if property is sought to be transferred by an agreement in the nature of a commercial treaty—a description which certainly fits a treaty relating to commerce through the Panama Canal—"the consent of the House of Representatives would be requisite, because of the correspondent alternations that must be made in the law."

Mr. President, this view is entirely in accord with a Constitution that is marked throughout with limitations and checks. In fact, it has even been adopted by the Senate in the past.

In 1942, for example, Senator Tom Connally, chairman of the Foreign Relations Committee made an elaborate defense of the role of the entire Congress in disposing of Federal property.

During Senate debate on a joint resolution authorizing an executive agreement for the transfer of certain land in the Canal Zone to Panama, Senator Connally said:

> Those who are opposing the measure object because the matter is brought before the Senate in the form of a joint resolution. They say it should be in the form of a treaty.
>
> Mr. President, I am and have been and in the future shall continue to be ardent in my maintenance of the integrity and the rights of the Senate of the United States in all its proper functions as a branch of

the Government; but the matter covered by the joint resolution has to be passed by the Congress sooner or later in some form, for the simple reason that under the Constitution of the United States, Congress alone can vest title to property which belongs to the United States. The Constitution itself confers on Congress specific authority to transfer territory or lands belonging to the United States. So, if we had a formal treaty before us and if it should be ratified, it still would be necessary for the Congress to pass an act vesting in the Republic of Panama the title to the particular tracts of land; because "the Congress" means both bodies. The House of Representatives has a right to a voice as to whether any transfer of real estate or other property shall be made either under treaty or otherwise.

So said Tom Connally on behalf of the Senate Foreign Relations Committee in 1942.

CONGRESS HAS PREEMPTED THE SUBJECT OF THE PANAMA CANAL

The third ground on which I believe the canal treaties must be conditioned upon the passage of enabling legislation is that Congress has preempted the subject.

George Leonard, a well-known attorney with considerable experience in constitutional matters, raised this point before the Senate Subcommittee on Separation of Powers last year. He reminded us that Congress has legislated relative to the canal ever since its origin. In the Spooner Act of 1902, he reminded us, Congress authorized the President to acquire property and "perpetual control" of a strip of land in the then territory of Colombia, and to "perpetually maintain, operate, and protect thereon a canal" from the Caribbean Sea to the Pacific Ocean. Thus, it was pursuant to the will of Congress in the Spooner Act that the Panama Canal Treaty of 1903 was negotiated and concluded.

Since that time, Congress has established courts, enacted civil and criminal codes, provided for defense, and maintained, administered, and operated the canal and the Canal Zone.

In the face of this considerable activity by Congress concerning the canal, Mr. Leonard makes a persuasive case that Congress has preempted any concurrent power that the President may have had to dispose of the canal by treaty alone.

Mr. President, to illustrate the point that the Executive at no time may utilize the treaty power in opposition to legislation by Congress which has preempted the field, Mr. Leonard has cited the recent court case of *Consumer's Union* v. *Rogers*, 352 Federal Supplement 1319. In this case, the District Court of the District of Columbia made a significant statement about the field of foreign commerce, which is an example of a field where concurrent powers exist between the President and the Congress.

The court said:

All parties recognize that if in fact Congress has preempted the relevant field of foreign trade and commerce, then the President lacks authority to act in a manner inconsistent with the requirements of the preemption legislation.

This 1973 case brings out the point I am making. Even if it can be shown by the administration that the treatymaking power possesses concurrent authority with Congress to deal with the disposal of property belonging to the United States, it loses this authority once Congress has acted on the identical subject.

Mr. President, in summary, I believe the evidence is overwhelming that the Panama Canal Treaty cannot take effect until Congress has passed enabling legislation; and I request the State Department or someone supporting the administration position to answer, if they can, Madison and the other framers of the Constitution who believed implementing legislation to be necessary in order to carry out treaties as the ones before us.

I am today submitting two amendments and a declaration which will allow us to vote on this matter, and so that my colleagues may review them. I ask unanimous consent that they shall be printed in the RECORD.

There being no objection, the amendments and declaration were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 84

At the end of article I, add the following: "5. The provisions of this Treaty relating to the disposal of any real property of the United States of America which is located in the former Canal Zone and which, on the day before the date of entry into force of this Treaty, was under the jurisdiction of a Secretary of a military department of the United States of America shall take effect only if the Congress of the United States of America enacts legislation providing for the transfer of such property to the Republic of Panama.

AMENDMENT NO. 85

At the end of article I, add the following: "5. The provisions of this Treaty relating to the disposal of property or territory belonging to the United States of America shall take effect only if the Congress of the United States of America enacts implementing legislation providing for the transfer of such property or territory to the Republic of Panama.".

DECLARATION NO. 1

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the declaration that the United States shall not exchange its instrument of ratification of the Treaty until after the enactment of legislation which implements the provisions of the Panama Canal Treaty relating to the disposal of property or territory belonging to the United States by providing for the transfer of such property or territory to the Republic of Panama".

QUORUM CALL

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The ACTING PRESIDENT pro tempore. The pending question is on the agreeing to the amendment by the Senator from Alabama (Mr. ALLEN), on which there are 2 hours, to be equally divided and controlled by the Senator from Alabama (Mr. ALLEN) and the Senator from Idaho (Mr. CHURCH), and with the vote relating thereto delayed until 2 p.m.

Mr. CHURCH. Mr. President, I yield myself 1 minute.

A few days ago our distinguished colleague, Senator MCINTYRE, of New Hampshire, made a remarkable address in support of the pending treaties. For his action, he has been properly characterized as a profile in granite.

Today in the Washington Post, columnist Marquis Childs has written a column in praise of Senator MCINTYRE's courage.

Mr. President, I ask unanimous consent that the text of the Marquis Childs column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCINTYRE'S STAND AGAINST THE RADICAL RIGHT

(By Marquis Childs)

The Panama Canal treaties, heaven help the Republic! In the Senate chamber with its glossy pseudo-elegance, owing something perhaps to MGM, Sen. Harry F. Byrd Jr. (I-Va.) is droning on with all the vibrancy and dynamism of a sleepy night watchman in a marshmallow factory. He is repeating the warmed-over testimony of retired admirals and generals opposed to the treaties.

Tactics of obstruction and delay are dragging out the process of ratification until it has become an intolerable charade. The 15 or so undecideds have no real reason to perch on the fence, since all the arguments pro and con have been rehearsed a dozen times.

It has a welcome relief when with remarkable forthrightness and courage a senator who had every reason to duck and waver stood up and declared for the treaties. Thomas J. McIntyre (D-N.H.), whose term expires this year, is marked for extermination by the radical right led by Gov. Meldrim Thomson and his partner William Loeb, publisher of the Manchester Union-Leader.

"By proceeding from the flawed premise that all of us are alike," McIntyre said, "it is easy for ideologues to conclude that we must see every issue as they see it—unless there is something sinister in our motivation. And they proceed from that premise with an arrogance born of the conviction that they and they alone have a corner on patriotism, morality and Gods own truths, that their values and standards and viewpoints are so unassailable they justify any means, however coarse and brutish, of imposing them on others."

McIntyre had hardly finished speaking when Loeb opened up with a front-page editorial, a favorite device, attacking him and quoting him as having made a disparaging remark about the voters in his home town of Laconia. A wire service story in the same edition belied the quote in the Loeb editorial.

Elected to a short term and then twice reelected to full terms, McIntyre as a member

of the Senate Armed Services Committee has won a reputation for a sane and reasonable approach to defense and security. Under normal circumstances he would have little trouble this fall. But Thomson and Loeb, working with the state Conservative Caucus, are getting a firmer grip on the state.

Thomson has hinted he might run against McIntyre for the Senate seat. He is busy building himself up around the country as a leader of the radical right. In Los Angeles he made an inflammatory speech to a convention of the John Birch Society attacking President Carter for leading "America along the path of communism to national suicide."

If he runs for the Senate, he will give up what is likely to be sure reelection to a fourth two-year term as governor. Looking forward to 1980, Thomson puts a high premium on the governorship since, again, New Hampshire will be the first state with a presidential primary. That will be Thomson's opening to start the ball rolling for a conservative candidate.

That would presumably be Ronald Reagan, the former governor of California, although Loeb, whom McIntyre has called "the master practitioner of the politics of threat and vengeance," has some doubts about Reagan's conservation. The Thomson-Loeb partnership has been busy drumming possible Republican candidates out of consideration.

Foremost, of course, is Sen. Howard Baker of Tennessee, a leader of the pro-treaty forces. John Connally of Texas has been roundly denounced as a dangerous one-worlder. The only acceptable Republican is Sen. Robert Dole of Kansas. In the long winter in tax-free New Hampshire, they dream of tickets for 1980—Reagan and Dole or Reagan and Thomson or—but this is pretty far out—Thomson and Dole.

Even in his own fiefdom. Thomson is now and then rebuked. Accepting an invitation to visit South Africa, he called the State Department "un-American" and John Vorster "one of the great world statesmen of today." Fourteen of New Hampshire's religious leaders issued a statement saying that "our Christian consciences will not allow the [governor's] statement to go unanswered." And naturally Loeb rushed to Thomson's defense, calling the clergymen innocents who had been brainwashed and praising the regime in South Africa "for doing their best to bring these blacks out of the jungle."

McIntyre's decision in favor of the treaties was obviously not an impulsive act. He had spent many weeks in careful study of the treaties themselves and the pros and cons put forward at the start of the controversy.

His decision should be an example to waverers who face odds much safer than those that confront the senator from New Hampshire. The potential Republican opposition thus far is not too impressive. Leaving aside the weight in the political scales, McIntyre has stood up against the computerized New Right, and for that alone he deserves high marks.

AMENDMENT NO. 77

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. ALLEN. May I ask the clerk to state the amendment which is the pending business?

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself, Mr. NUNN, Mr. HARRY F. BYRD, JR., Mr. DOLE, Mr. HELMS, Mr. LAXALT, Mr. HATCH, and Mr. THURMOND, proposes an amendment numbered 77:

To strike out the period at the end of Article V and insert in lieu thereof a comma and the following: "subject to the condition, to be included in the instrument of ratification of the Treaty to be exchanged with the Republic of Panama, that nothing in this Treaty shall preclude the Parties from making in accordance with their respective constitutional processes any agreements or arrangements to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements or arrangements for any United States military presence after that date in the Republic of Panama that the Parties may deem necessary or appropriate."

Mr. ALLEN. Mr. President, I yield such time as he may require to the distinguished Senator from Virginia, Mr. HARRY F. BYRD, JR., who is one of the cosponsors of the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, the pending proposal, as I understand it, was drafted by the distinguished Senator from Georgia (Mr. NUNN), who is a cosponsor of the amendment offered by the Senator from Alabama (Mr. ALLEN).

The Senator from Georgia, in drafting this proposal, has considered offering it as a reservation to the treaty. If it is going to have greater meaning, it should be incorporated in the treaty as an amendment.

This proposal, as I view it, is not nearly strong enough. As a cosponsor of this amendment, I would prefer that it be a much stronger amendment. However, if it is to be considered as a reservation—and I understand that was the original proposal—I think it would be much better to incorporate it into the treaty as an amendment.

What this amendment seeks to do is to make clear that if the proposed new treaties are approved, the United States will not be prevented by these treaties from discussing with the Republic of Panama the possibility of continuing to have the use of what are now American military bases in the Canal Zone.

(Mr. SARBANES assumed the chair.)

Mr. HARRY F. BYRD, JR. Mr. President, what these proposed treaties do is give to the United States the duty and the obligation of defending the neutrality of the canal, but, simultaneously, it denies to the United States the rights to use military bases in the Canal Zone in order to protect the Panama Canal.

As the able former chairman of the Joint Chiefs of Staff, Admiral Moorer, told the Committee on Armed Services, speaking as a military expert, if these treaties are approved, the United States would be assuming an obligation, assuming a duty, as Dictator Torrijos stated, a duty to defend the canal. Yet we would not have the tools with which to make possible that defense. The pending amendment—and I emphasize it was drafted, I understand, by the Senator from Georgia (Mr. NUNN) as a reservation—would give the United States some little leeway, at least, in opening negotiations with Panama for the continued use of what are now American bases there.

Mr. President, as I have listened to this debate through many days, spread over a period of 3 to 4 weeks, I have heard so much said about what we must do in the way of making concessions and giving away American property to the Republic of Panama. We must do this, the proponents say, in order to develop more friendly and amicable relations with that nation. Well, the way that argument impresses me is that it is the same old philosophy that the U.S. Congress and the U.S. Senate have been using for so long now, that the way to operate our foreign policy is to use our financial resources to try to buy the friendship of other nations. I am convinced, Mr. President, that we, as individuals, cannot buy friends. I am convinced that we, as a nation, cannot buy friends.

The one difference between the Panama Canal Treaty and the vast foreign aid programs that this country has been utilizing for so many years, the basic difference is that along with giving Panama vast sums of American tax dollars, we will also be giving Panama a vast amount of property now owned collectively by the taxpayers of the United States.

According to the Panama Canal Company, the depreciated book value of American-owned property in Panama is approximately $1 billion. According to the Panama Canal Company, the replacement value of the canal, of the port facilities, of the air bases, of the other military bases that the United States has built there, approaches $10 billion. All of that will be given away. All of that will be given away if these treaties are ratified. Along with all of that property, along with an expanded foreign aid program to Panama, the United States will be simultaneously denied the right to use these bases in the defense of the Panama Canal should it be necessary to go to the defense of that waterway in order to keep it open. That Panama Canal is vitally important to the United States; it is important from a defense point of view; it is important from an economic point of view.

I think the American people, as they hear more of these debates, are coming more and more to realize that these treaties are very dangerous to the welfare of the United States, as well as being very expensive to the taxpayers of the United States.

I, for one, am very reluctant to have our Government, our Nation, assume the duty of keeping open and defending the Panama Canal and yet, simultaneously, denying ourselves the right to use any property there for the purpose of accomplishing the result of defending that canal.

The pending amendment, sponsored primarily by the able Senator from Alabama (Mr. ALLEN) and cosponsored by the Senator from Georgia (Mr. NUNN), by myself as Senator from Virginia, by the Senator from Kansas (Mr. DOLE), by the Senator from North Carolina (Mr. HELMS), by the Senator from Nevada (Mr. LAXALT), by the Senator from Utah (Mr. HATCH), and by the Senator from South Carolina (Mr. THURMOND), seeks at least to keep open the door a little bit by stating that nothing in the treaties shall prevent the United States from opening discussions with Panama so that,

in the future, we might be able to use bases there if it becomes necessary.

I say again that, in my judgment, this amendment is not strong enough, it does not do the job. But unless we are going to take the view that we do not want to even leave open the possibility of negotiating for the use of these bases, then I think it would be very desirable for the Senate to adopt the pending amendment. I should prefer a much stronger one and perhaps, at a later date, a stronger one will be offered. In the meantime, this is a vehicle, an amendment that would be desirable, I feel, to add to the pending treaties.

I thank the Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Virginia for his eloquent, forceful, and analytical remarks, which certainly show that if this proposition is to be added anywhere, it needs to be added as an amendment to the treaty rather than as a reservation.

Mr. President, I will yield to the distinguished Senator from Idaho if he wishes to answer the distinguished Senator from Virginia.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

Mr. President, two propositions that I have addressed remarks to were discussed yesterday by the distinguished Senator from New York (Mr. JAVITS). One of these principles was a point of order that I raised with respect to the leadership amendment on the ground that it was not an amendment, even though it was so labeled on the sheet of paper on which the amendment was printed.

I contended in raising the point of order that the paper really was only an understanding. I made the point that all it did was to give a construction of words that were already in the treaty, to give the understanding of the United States with respect to the language of the treaty, and that it added no substance to the provisions of the treaty.

The Chair ruled against my point of order and I did not take an appeal.

I find that on yesterday, Mr. JAVITS, who certainly is a well-recognized authority on international law, certainly one of the ablest Members of the Senate, if, in fact, not the ablest, and certainly in my judgment he is the ablest Member of the Senate, said, not discussing this point of order that I raised, but still discussing this principle, and I quote from his remarks appearing in today's RECORD at page 6546:

> It seems quite settled in terms of international law that there are two propositions. Proposition No. 1 is that whether you call something an interpretation, an understanding, or a reservation, that does not make it so, just because you give it a name. That is just as true of the word "amendment." In short, everyone of these things has to be agreed on by the other government before it becomes an element of agreement between the parties.
>
> The only question, therefore, is the juridical question: If we do ratify this treaty as it is, has the other government accepted it in a perfectly and proper and legal way?

So, Mr. President, I appreciate the recognition, and I so regard it, by the distinguished Senator from New York (Mr. JAVITS), after the fact, that no matter what a document calls itself, it is judged by what it does.

All the leadership amendment does is to insert an understanding as to the meaning of the treaty.

It would seem to me that the point of order should have been sustained.

I have also made this proposition, and enunciated this principle, as the leadership has stonewalled against all amendments, as they are calling on the Senate to give its approval to these treaties without changing a single word in the treaty except for the leadership amendments that they say occupy a different status. They are asking us not to amend the treaties other than the leadership amendments, saying that any amendment is going to kill the treaties. Well, I differ with that.

Even if they did call a new plebiscite, why would that kill the treaty?

But I made this statement, Mr. President, that no matter how often or in what manner we amend these treaties, Mr. Torrijos is going to say, and he is the one-man government, as we all know, in Panama, "These amendments are acceptable. It is perfectly all right. I will send a note transmitting an instrument of ratification."

He is not going to give up the $100 million a year that his government is going to receive just because amendments have been added here in the Senate. So, why this fear of amendments? Why should not the Senate be allowed to shape these treaties? Why should we be told to take the treaties just as they are, following the leadership amendments, which are absolutely inadequate, as I view them, to protect our national interests?

I have contended that, no matter what we do with regard to amending the treaties, they will be accepted and, if they are accepted, Mr. President, I have contended that there will be nothing that we can do about it.

We cannot question the validity of their acceptance. If they say they have accepted the treaty after we have finished amending it, well, it is accepted by the Government of Panama and we cannot question that acceptance.

Let us see what the distinguished Senator from New York (Mr. JAVITS) said, not on the contention that I am making right at this moment, but generally. Let us see what he says about that, reading further from page 6546 of today's RECORD, reflecting yesterday's proceedings:

> And the other fundamental proposition, which I gather from the international law on the subject, is that it is the determination of that government, with relation to its constitutional processes, which is not open to collateral attack. If that government decides that it ratifies its constitutional processes, by which it does ratify, so long as it is a recognized government within international law—it certainly is by the United States—that represents the acts of that government.

Exactly what the Senator from Alabama has been contending all along.

But amendments have been offered here on the floor by Senators who are trying to strengthen these treaties and the leadership, having, certainly, a substantial majority of Senators supporting their position, says that they are either frivolous, or they are redundant, or they are unnecessary, but, certainly, not to be agreed to. That is what we are faced with, Mr. President, if we try to strengthen these treaties.

I maintain that no Senator can say categorically and with certainty that any amendment or any series of amendments would cause the defeat of these treaties at the hands of Panama.

I read from Mr. JAVITS' statement on yesterday:

> If that government decides that it ratifies its constitutional processes by which it does ratify—

I think his language was taken down in jumbled fashion, possibly in the printing—

> so long as it is a recognized government within international law—it certainly is by the United States—that represents the acts of that government.

Going back several lines: "which is not open to collateral attack."

So if Torrijos said, "I ratify it," the Government of Panama ratifies it. How are we going to say it was not properly ratified? It is not open to collateral attack.

Mr. JAVITS says that his remarks are confined to the leadership amendments, but I would say that what is sauce for the goose would be sauce for the gander. Just because the leadership amendments would be all right and might be accepted without a plebiscite, why should amendments offered by those who are not part of the monolithic leadership group not be all right as well?

Mr. President, we have tried to amend these treaties in order to protect the interests of the United States and our right and our ability to defend the canal after the year 2000. Here, again, I suppose the public wonders why in the world we are working on a treaty which does not go into full effect until the year 2000, when we have not even decided the question of whether or not we are going to give the Panama Canal away and the conditions under which we are to give it away. Yet, that is what the leadership has decreed the Senate must do. They put this treaty first, even though we tried to shift the order of consideration back to the realistic position of considering first whether we are going to give the canal away, before we worry about defending it in the year 2000.

Under the treaties—and I am leading up to why we are offering this really weak amendment—we tried to give the President of the United States the option to keep our troops in Panama after the year 2000 because, under the treaty, all our troops, every one of them, has to be out of Panama by the year 2000. We sought to amend the treaties to provide that if the President of the United States deemed that it was necessary, for the defense of the canal and for maintaining its neutrality, to keep a military presence in Panama beyond the year

2000, by so certifying to the Government of Panama, we could do so.

The leadership rejected that amendment. Under their system, they gave us have the right to defend the canal; but, as the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) said, they deprive us of the means of defense because all our troops have to be out of Panama. How are we going to defend it from outside unless we invade Panama for that purpose?

Also, the leadership amendment says that as we do exert our efforts to defend the canal after the year 2000, we cannot do anything to interfere with the internal affairs of Panama, we cannot do anything that would encroach on the territorial integrity of Panama, and we cannot do anything to upset the political independence of Panama—which means, without exactly coming out and saying so, that we cannot do anything to upset the dictatorial regime in Panama.

Then we had an amendment, the leadership having turned thumbs down on that, that said:

> Well, if we are in a state of war, if the United States is at war with another nation, we would be allowed to keep troops in Panama beyond the year 2000 and 6 months after the expiration of the state of war.

The leadership said, "No. That is a bad amendment. We cannot take that."

If we are at war, we have to pull out, and thereby deprive us of our right to maintain troops in the Panama Canal Zone for the defense of the canal.

That amendment was rejected. Other amendments were offered, one after another, giving us, the United States, some opportunity to maintain troops in Panama beyond 2000, if it were necessary for the defense of the canal, under varying cricumstances, stating in different language the circumstances under which they would be allowed to stay. Every one of those amendments was turned down.

So, with respect to strong amendments giving us well-defined rights to keep troops in Panama if it were necessary for the defense of the canal, the leadership has turned those down. They say, "Approve it like it is. Don't change a word."

Mr. President, I believe the U.S. Senate should occupy a little loftier role than that. This is not just a debating society, to debate this issue, and then the leadership say, "Well, you debated it long enough. Let's vote now and vote it down." And that is what happened.

A number of Senators are being talked with by the administration and the leadership—I assume that is the joint leadership—about "What will it take to get you to vote for these treaties?" I think it is rather interesting, Mr. President, right here in the last couple of days of consideration of these treaties, that the administration and the leadership are having to literally move heaven and earth to try to get these treaties through the Senate. What is wrong with the treaties, if they cannot get Senators in sufficient number to come over to supporting the treaties? There is plenty wrong with the treaties, Mr. President.

In the first place, the canal should not be given away. In the second place, it should not be left without adequate defense by the United States.

So, in effect, Mr. President, the leadership and the administration—and if I am wrong in these assertions, I am sure that I will be corrected when the leadership speaks on this amendment—in effect they are saying, "What will it take to get you to vote for these treaties?" I have not been questioned on the subject, but I have been informed by Senators who have been questioned. I cannot support the treaties. I cannot vote to give the canal away.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes; I yield.

Mr. ROBERT C. BYRD. Mr. President, speaking for the leadership, the leadership has never asked any Senator what it will take to get him to vote for these treaties. The leadership has tried to explore the concern of the Senators, but not only Senators who are not yet committed, but also Senators who are already committed, and out of those discussions have come certain reservations which will be offered by Senators and which I hope will be approved.

But let me debunk the Senator's idea and any thought of such an idea that the leadership has approached other Senators to ask them what it would take to get their votes.

Mr. ALLEN. Very well.

Has the Senator agreed to support the Nunn reservation?

Mr. ROBERT C. BYRD. I will support it.

Mr. ALLEN. I think that answers the question and justifies my position.

Mr. ROBERT C. BYRD. Is the Senator saying that I asked Senator NUNN what it would take to get his vote?

Mr. ALLEN. Possibly that was not the right wording, but the Senator has agreed to support the Nunn reservation, and the Senator understands that, in return for this reservation being agreed to, the distinguished Senator from Georgia will vote for the treaties; is that correct?

Mr. ROBERT C. BYRD. No commitments were requested and none were made.

Mr. ALLEN. I see.

Mr. ROBERT C. BYRD. I just want to make the record clear. I do not want the Senator to get away with any kind of statement that the leadership has asked Senators what it would take to get their votes.

Mr. ALLEN. Since the Senator has raised this question, has the distinguished majority leader requested any Members of the Senate to vote for the treaties?

Mr. ROBERT C. BYRD. I have talked with Senators.

Mr. ALLEN. Sir.

Mr. ROBERT C. BYRD. I have talked with Senators about their votes on the treaties. But I have never said "What will it take to get your vote?" That is my responsibility.

Mr. ALLEN. I was not giving that as a direct quote of the Senator. I was giving that as the effect of what is taking place here.

Mr. ROBERT C. BYRD. The Senator implies that when he says, you see—that is the implication, that is the inference, that people who are listening to this debate are to draw, and it is the wrong inference. I do not intend to sit idly by and let that inference be drawn without challenging it.

Mr. ALLEN. Very well.

Since the Senator is raising this point then, has the Senator discussed with Senators just what they would like to have in the treaties?

Mr. ROBERT C. BYRD. I have discussed with the Senators what their concerns—the Senator smiles as though he has scored a point. I have discussed not only with Senators who are not committed but also Senators who are committed. I am a Senator who is committed, and I had some understandings and reservations drawn myself.

I am not going to offer those, but I will join with others who are. But I was committed, and other Senators are committed, with whom I have explored the same concern, and some of the Senators who are committed will probably join in cosponsoring the reservation.

Mr. ALLEN. The Senator then, to use his words, has spoken to other Senators about the concerns they have with respect to the treaties that have prevented them from voting for the treaties.

Mr. ROBERT C. BYRD. In answer to the Senator, I have spoken with Senators who are committed against the treaties about their concern.

Mr. ALLEN. In an effort to get them to——

Mr. ROBERT C. BYRD. Oh, no, not in an effort to change their votes. What has the Senator done? He started out months ago against these treaties from the beginning—and I respect him for that. He has stood up for his viewpoint, but he has from the very beginning taken a position against the treaties.

Mr. ALLEN. That is correct.

Mr. ROBERT C. BYRD. It does not make any difference what reservations are relevant, what reservations have been offered, it makes no difference. He made up his mind early. He has been against the treaties from the beginning.

Mr. ALLEN. That is right.

Mr. ROBERT C. BYRD. He offered amendment after amendment after amendment.

Mr. ALLEN. That is right.

Mr. ROBERT C. BYRD. I suppose perhaps not so much in the hope that they will be agreed to but, perhaps, in the hope if they are agreed to they will defeat the treaties, because that is what his object is. He makes no bones about that.

Mr. ALLEN. Well, the distinguished majority leader, talking to Senators who are uncommitted, about their concerns——

Mr. ROBERT C. BYRD. And Senators who are committed.

Mr. ALLEN. All right. Talking to Senators who are committed about their concerns, I do not believe, and if I am in error I am sure the distinguished majority leader will point it out, I do not believe the distinguished majority leader has asked the Senator from Alabama

what has concerned him about the treaties.

Mr. ROBERT C. BYRD. No, because the Senator from Alabama was against these treaties from the beginning, before he listened to the debate, before he saw the committee report, before he did anything. He announced his position. He was against the treaties, period. That is it.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I will be glad to talk with the Senator about his concern, but I do not think it will do any good for me to talk to him about it.

Mr. ALLEN. The Senator was not concerned about what concerned the Senator from Alabama then?

Mr. ROBERT C. BYRD. I am answering the Senator's question.

Mr. ALLEN. I asked the Senator a question. I do not recall the Senator's asking me a question. What was the question? What is your question?

Mr. ROBERT C. BYRD. I responded to the Senator's statement that I had not contacted him about his concerns.

Mr. ALLEN. Well, did the Senator contact me about my concerns?

Mr. ROBERT C. BYRD. No. I said there was no reason to.

Mr. ALLEN. In other words, somebody you knew was not going to change his mind you did not bother to contact him, but you did talk to people who were not committed to the treaties; is that correct?

Mr ROBERT C. BYRD. And people who were committed, I repeat it for about the third time.

Mr. ALLEN. Very well.

The Senator from Alabama did not come to this position just recently, and I might say I took the stand on this issue and had it in my newsletter in October 1971.

Mr. ROBERT C. BYRD. And made 24 speeches, good speeches, excellent speeches.

Mr. ALLEN. I believe the Senator from West Virginia back in 1974 had a different position from what he has now, did he not?

Mr. ROBERT C. BYRD. Yes, I am glad to respond to that question. The Senator from West Virginia in 1974 did not have before him these treaties, but now we have treaties that have been negotiated over a period of 13 years under four Presidents and under both political parties, so we now have two treaties that are the results of those negotiations.

In my opinion, after having carefully studied the treaties, read the committee report, studied the hearings, gone to Panama with the senatorial delegation to ascertain facts for ourselves, I have come to the conclusion that these two treaties are to the advantage of the United States, and that to renegotiate them, as we might have to do if an amendment were to be agreed to, would, I believe, not redound to the best interests of the United States, and I do not think a renegotiation, which would result from the attaching of any of the Senator's amendments to the treaties——

Mr. ALLEN. I disagree with the Senator.

Mr. ROBERT C. BYRD (continuing). Would result in treaties that would be as advantageous to our own country as are these.

So, yes, in 1974 I was speaking to a concept, an idea. Someone passed around a resolution or something asking, "Will you sign?" It is a little bit like the catch phrases that have gone out during the debate on this treaty, "Do you believe in giving the Panama Canal away," or some such, and that was an idea that was a concept that was not before the Senate.

But we have a different situation here. We have the real thing before us. We have the treaties before us that have resulted from all of these negotiations under both parties and under four Presidents, and the time is coming to show down on it, and so I reached my decision after careful thought, after careful scrutiny of the treaties. I have come to the conclusion that they are in the best interests of the United States.

So I think that a man who changes his mind shows he is a wiser man today than he was yesterday because today he sees, he studies, he has thought the matter through, he has something before him, and he decides to come down to that. He should not be held to something he may have said in 1974 when he did not have these treaties, precisely these treaties, in front of him, you see. So I am glad the Senator gave me the chance to argue.

Mr. ALLEN. I appreciate that. I just wonder why, the Senator is talking about having something before him and not having anything before him before, and I wonder why he was so quick to come to a conclusion in 1974 without having anything before him?

Mr. ROBERT C. BYRD. Well, I do not know, I do not know. Perhaps it was a mistake, but the Senator from Alabama came to a quick conclusion.

Mr. ALLEN. Yes, he did. He made a study of it at that time.

Mr. ROBERT C. BYRD. The Senator from Alabama came to a quick conclusion when he had nothing before him.

Mr. ALLEN. He had something before him because these negotiations were before him for 13 years.

Mr. ROBERT C. BYRD. But he did not have the treaties before him.

Mr. ALLEN. No.

Mr. ROBERT C. BYRD. He looked at it, he just looked at the pig in a poke and he said, "I am against it, period." He made 24 speeches.

Mr. ALLEN. Yes, and I have stuck by them.

Mr. ROBERT C. BYRD. Absolutely, the Senator stuck by them.

Mr. ALLEN. The Senator shifted his position.

Mr. ROBERT C. BYRD. No, no. This Senator has not shifted his position.

Mr. ALLEN. Then I misunderstood the Senator. I thought he said in 1974 he was against it, now he is for it.

Mr. ROBERT C. BYRD. No. My position has been the same, one and the same, once I had the treaties before me. I had an opportunity to study them, study them carefully, study the hearings, went into the matter very thoroughly, finally reached my decision, and I stuck to that decision.

Mr. ALLEN. Well, I understood the Senator to say in 1974 he was opposed to the concept of giving the Panama Canal away.

Mr. ROBERT C. BYRD. The Senator did not misunderstand me. There was no treaty text before us in 1974; the Senators knows that.

Mr. ALLEN. No, no treaties, but you opposed giving the canal away at that time.

Mr. ROBERT C. BYRD. Oh, giving it away.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Listen to this catch phrase. We are not donating it.

Mr. ALLEN. Well transferring it, whatever you call it.

Mr. ROBERT C. BYRD. Well, I am using the Senator's words.

Mr. ALLEN. Yes; that is giving it away.

Mr. ROBERT C. BYRD. All right.

Mr. ALLEN. Very well; the distinguished Senator made a statement that I am going to reply to. I would say to the distinguished majority leader that I hate to respond harshly to the statement of the Senator, but when he came in to the floor from his office after having heard my remarks on the floor, he was speaking in pretty harsh terms to the Senator from Alabama.

Mr. ROBERT C. BYRD. I did not mean to be harsh. I was simply stating the leadership position and defending the leadership against a charge. I did not think that charge ought to go unanswered. The charge was that the leadership sought to find out from Senators what would get their vote, implying that the leadership was asking Senators to sell their votes.

Mr. ALLEN. No, no.

Mr. ROBERT C. BYRD. I am not talking about money.

Mr. ALLEN. No, the Senator from Alabama is not that desperate.

Mr. ROBERT C. BYRD. Well, but you were implying——

Mr. ALLEN. Mr. President, I did not make any such statement.

Mr. ROBERT C. BYRD. Whatever the Senator said, the leadership has not asked any Senator what it would take to get his vote. No Senator.

Mr. ALLEN. All right. So you asked them what their concerns are; is that right?

Mr. ROBERT C. BYRD. Yes; if the Senator wishes——

Mr. ALLEN. Very well, I will amend my remarks, then, to say that the leadership has asked Senators on both sides of the question what their concerns are about the treaty, and Mr. NUNN having expressed his concerns, the distinguished majority leader has agreed to support the reservation that he has entered.

Mr. ROBERT C. BYRD. He asked me if I would allow him to put my name on the reservation, and I said, "Yes."

Mr. ALLEN. Yes. Well, now, I might invite the distinguished Senator, inasmuch as the pending amendment is the precise wording of the Nunn reservation, only it is an amendment to the treaty, if he would also be willing to add his name as a cosponsor of this amendment.

Mr. ROBERT C. BYRD. I would like to ask the Senator——

Mr. ALLEN. And if not, why not?

Mr. ROBERT C. BYRD. I will be glad to answer that, but I would like first to ask the Senator, if his amendment is adopted, will he vote for the treaties?

Mr. ALLEN. No, I will not do that, because this amendment is practically meaningless, just like the reservation is practically meaningless.

Mr. ROBERT C. BYRD. So the Senator is doing a vain thing.

Mr. ALLEN. Yes; I have done a lot of vain things. I have offered two dozen amendments, all of which have been stonewalled by the leadership, which is proof that the leadership is stonewalling every amendment except the leadership amendments, and asking the Senate to rubberstamp those.

Mr. ROBERT C. BYRD. No, we are not stonewalling. When the Senator offered amendment after amendment, he finally saw that his stonewalling was not having any effect, and he withdrew his amendments. That was where the stonewalling occurred.

Mr. ALLEN. I do not quite get the connection on stonewalling.

Mr. ROBERT C. BYRD. The Senator never gets the connection except when he is using the word.

Mr. ALLEN. Well, let me respond, since I have the floor. I would feel that stonewalling is resisting someone's efforts to do something. The Senator from Alabama has been seeking to strengthen these treaties by giving defense rights to the United States as to the canal. Now, that is not stonewalling; that is fighting against the stonewalling which the leadership is doing.

I note that the Senator is conferring with staff.

Mr. ROBERT C. BYRD. I am not conferring with staff.

Mr. ALLEN. I hope they give a good suggestion to him. I have no staff people assisting me.

Mr. ROBERT C. BYRD. Well, the Senator from West Virginia can take care of himself very well.

Mr. ALLEN. Yes, I know the Senator can.

Mr. ROBERT C. BYRD. And without any staff people.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I did not ask the staff people one word; not one. They had asked something of me, and I had the courtesy to listen.

Mr. ALLEN. I want to ask the distinguished Senator——

Mr. ROBERT C. BYRD. I have not answered the Senator's question yet. The reason why I opposed this amendment is that any amendment to this treaty, in my judgment, automatically opens it to renegotiation. A reservation does not automatically open the treaties to renegotiation, and the position of the leadership has been that as they are drawn and as they have been negotiated throughout 13 years of negotiation, these treaties represent the most advantageous treaties that we can expect to get in this situation. Any amendments would open them up to renegotiation, which would allow the other party to put forth new demands; and it is for that reason that we have opposed the amendments.

Mr. ALLEN. Yes. I thank the Senator. I want to disagree with him on his feeling or his contention that an amendment would cause a renegotiation of the treaties, or that an amendment would, as the distinguished Senator from West Virginia, the majority leader, has said on more than one occasion here—that certain amendments that the Senator from Alabama offered would, if adopted, kill the treaties. I want to comment on that.

In my judgment, no number of amendments would of necessity kill the treaties or subject the treaties to further negotiation. We are dealing with a one-man government. If he says that the treaties are satisfactory, he can accept the treaties, and we would not be able to raise any question about them.

I do not feel that dictator Torrijos is going to turn down the $100 million a year that he would get under these treaties—and I am not picking that figure out of the air. Economic Minister Baretta of Panama said that in the 22 years of the Panama Canal Treaty, Panama would receive $2,262 billion. That is a little over $100 million a year. He is not going to allow a few amendments to keep him from receiving this $100 million a year, because it will prop up his dictatorial regime there in Panama.

Now I want to quote from the distinguished Senator from New York (Mr. JAVITS) on yesterday, as to the point of us being able to go beyond their concept of what it takes to agree to the treaties after we amend them here. It is on page 6546 of yesterday's CONGRESSIONAL RECORD, the RECORD that came out today:

> And the other fundamental proposition, which I gather from the international law on the subject, is that it is the determination of that government, with relation to its constitutional processes, which is not open to collateral attack. If that government decides that it ratifies its constitutional processes, by which it does ratify, so long as it is a recognized government within international law—it certainly is by the United States—that represents the acts of that government.

So, Mr. President, in my judgment—and I guess I am entitled to have a judgment on it, just as the distinguished Senator from New York has a right to have a judgment——

In my judgment, if we add dozens of amendments to the treaty, Mr. Torrijos would submit the matter to a plebiscite or he can say, well, this is within the spirit of the treaties and it is within the spirit of the memorandum that I agreed to with the President. They are OK with me. And all he would have to do is send a note of ratification to the President and we would not be able to question, in my judgment, because Senator JAVITS says it is a recognized government in international law and we would not be able to——

Mr. GRIFFIN. Will the Senator from Alabama yield for a very brief inquiry?

Mr. ALLEN. Yes, I will.

Mr. GRIFFIN. I have something I want to say about the spirit of the pending amendment before we vote. I do not know whether——

Mr. ALLEN. I yield some time to the distinguished Senator from Michigan.

Mr. GRIFFIN. This has been an interesting discussion but I——

Mr. ALLEN. The Senator from Alabama did not initiate the discussion. My good friend over there, the distinguished majority leader, initiated this peripheral discussion, but——

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I would say to the distinguished Senator from Michigan, if the distinguished majority leader would bear with me for a moment, that I admit it is a weak amendment. I have tried to put strong amendments in. We were prevented from doing that by a vote of the Senate. This is the reservation, and I wish the distinguished majority leader would state—he is looking at the Senator from Alabama's amendment—if this is not in fact the wording of the nonreservation that he says he is going to support, but since we have been unable to get strong amendments adopted, the Senator from Alabama and some 10 cosponsors of the amendment said that it would be stronger as an amendment rather than as a reservation because the distinguished majority leader said that reservations do not take any negotiation.

Now, I yield——

(Mr. CHURCH assumed the chair.)

Mr. SARBANES. Will the Senator yield on our time?

Mr. ALLEN. I yield to the distinguished Senator from Michigan.

Mr. SARBANES. In fairness to Senator JAVITS——

Mr. ALLEN. I read it word for word.

Mr. SARBANES. You did not read it all. That is the trouble.

The PRESIDING OFFICER. The Senator on his own time may read anything he wants.

Mr. SARBANES. I appreciate that. I appreciate the Senator from Michigan deferring—I do think this is time to respond to the Senator from Alabama, if I may.

The distinguished Senator from Alabama in quoting Senator JAVITS should have kept on reading. It is all fine and good to take part of the quotation and not go on with the balance of it.

Mr. ALLEN. I took three or four paragraphs.

Mr. SARBANES. I agree with the Senator's laudatory comments earlier about the abilities of the distinguished Senator from New York. Right after the section the distinguished Senator from Alabama read, the able Senator from New York continued on in the RECORD to say—and I am now quoting Senator JAVIT'S:

> And having been to Panama and gone over the question with Torrijos himself, the end result is that that government, acting through its own processes, according to its constitution, construes the plebiscite which was taken as having approved this treaty with all that it means and all that the memorandum of understanding between the President of the United States and General Torrijos, the leader, as he is called, of the Republic of Panama, represented the understanding which is already contained in the treaties.
>
> Now, we construe it to require amendment and so we made an amendment. They have simply stated that the way they put it to

their people by this agreement simply carried out what was in the treaty already.

And then later the Senator questioned Senator JAVITS.

Mr. ALLEN. That is right.

Mr. SARBANES. And Senator JAVITS was very careful in his response to the Senator from Alabama and the Senator from Alabama said to Senator JAVITS—and I hope he will track me now in the RECORD because I am going to quote him.

Mr. ALLEN. Wait a minute. Is the Senator skipping about?

Mr. SARBANES. I am now on page S3519.

Mr. ALLEN. The Senator is skipping about.

Mr. SARBANES. I am moving——

Mr. ALLEN. I did not think the Senator wanted to do that.

Mr. SARBANES. I am moving to the exchange between the Senator from New York and the Senator from Alabama.

Mr. ALLEN. What is the intervening part?

Is the Senator worrying about me and just reading part of what——

Mr. SARBANES. I am happy to go on reading the intervening part.

Mr. ALLEN. I read three or four paragraphs without skipping at all. Now the Senator is skipping about.

Mr. SARBANES. Well, Senator JAVITS then continued.

Let us read the intervening part because it only bolsters further the argument I am making:

Now, how they construe it and how we construe it does not matter. The end point is that we agree and that we agree juridically as two governments on these propositions. They, say, well, the treaty said so anyhow. We said, so let us put it in writing.

I have used that argument here before and we have put it in writing, and it is just as much a matter of the treaty and a part of the contract as if it were an amendment, but how they approved that is something which they as a government judge and they have judged, based upon their juridical and their constitutional processes, that they can ratify this treaty as it is, if it contains these two amendments which we have made or without a plebiscite. Now, the last proposition, Mr. President, is I think a very important one and that is the standing and status in international law of the Panamanian Government. There is no question about the fact that we recognize it and that it is generally recognized throughout the world as the legitimate Government of Panama, and that an international law for these purposes—

Mr. ALLEN. Just a moment. If I might ask the Chair, who has the floor?

Mr. SARBANES (reading):

of treatymaking is not subject to collateral attack.

Mr. ALLEN. I approved——

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. ALLEN. Mr. President, I suggest to the distinguished Senator that I have yielded only for him to make a comment. I did not yield the floor.

Mr. SARBANES. Well, the Senator has asked me to read from the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Maryland has asked to speak.

Mr. ALLEN. That is not the understanding of the Senator from Alabama.

Since the Chair has overruled me, I will also be very careful not to yield to the distinguished Senator from Maryland at his request if that is what the Chair is going to approve.

Mr. ROBERT C. BYRD. Mr. President, I respectfully say to the Chair that it was my understanding that the Senator from Alabama yielded to the Senator from Maryland for the purpose only of reading some matter from the RECORD on the Senator from Maryland's own time.

Mr. SARBANES. On my time, but I do think he did——

Mr. ALLEN. The Senator——

Mr. ROBERT C. BYRD. But I did not think that the Senator from Alabama had yielded the floor.

Mr. SARBANES. I think that is correct.

The PRESIDING OFFICER. The Chair understands correctly, and the Senator from Alabama still has the floor.

Mr. ALLEN. I thank the distinguished Presiding Officer, the distinguished Senator from Idaho (Mr. CHURCH) for his revised ruling.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request only.

Mr. ALLEN. I yield.

COMMITTEE MEETING

Mr. SARBANES. Mr. President, I ask unanimous consent that the Subcommittee on Employment, Poverty and Migratory Labor and the Subcommittee on the Handicapped of the Human Resources Committee be authorized to meet during the session of the Senate today to hold hearings on the reauthorization of Head Start and other programs within the Community Services Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Proceeding on my own time, because the Senator was anxious that we set out the whole statement and I think in fairness to Senator JAVITS we should do so. Senator JAVITS then went on:

I have summarized the legal situation which motivated the Foreign Relations Committee to act as it did.

And he then introduced in the RECORD a textual brief from the State Department.

The Senator from Alabama then questioned Senator JAVITS.

Mr. ALLEN. Correct.

Mr. SARBANES. And the Senator from Alabama asked him:

The Senator seems to be saying—I hope he will correct me if I am wrong—that if the Senate should amend one of the treaties or both of the treaties in ways, in addition to the leadership amendment, that the Government of Panama, that being, I assume, Dictator Torrijos, could determine whether or not its constitutional processes required the submission of the amended treaties to further plebiscite.

Is that correct?

And Senator JAVITS responded:

The Senator is not making any broadscale generalizations of that character. The Senator is confining himself to this particular agreement between President Carter and Mr. Torrijos. I do not know what other amendment the Senate may adopt. When we adopt it, I will give my opinion on that one, but all I am discussing now, as a matter of law, as I see it, is this particular situation, and on this particular situation I do not feel that our ratification requires the condition that there be another plebiscite in Panama. That is what I am saying.

And the Senator from Alabama pursued that same point with the Senator from New York and he continued to respond in the same vein throughout the questioning.

Now in fairness to the Senator from New York, I think it ought to be recognized that what he addressed himself to was the joint statement, of the two national leaders and the amendments of the leadership which put that statement into the treaties.

Mr. ALLEN. Wait a minute. The Senator——

Mr. SARBANES. And the fact that the substance of these amendments had been put to the people of——

Mr. ALLEN. Well, the Senator is departing.

Mr. SARBANES (continuing). Panama in the plebiscite.

Mr. ALLEN. I thought the Senator wanted to read what Senator JAVITS said.

Mr. SARBANES. I did read what Senator JAVITS said.

Mr. ALLEN. Let us finish it because there is more to come.

Now if the Senator wants to read the whole statement, I request that he read it.

Mr. SARBANES. The rest of it repeats.

Mr. ALLEN. No, it does not. I wish the Senator, since he pointed out the Senator from Alabama did not read the whole statement and he wanted to read it——

Mr. SARBANES. I read enough of Senator Javits' statement to show that the position which the Senator from Alabama was earlier placing Senator JAVITS in was not the position he took on the floor yesterday.

Mr. ALLEN. He has not finished reading the statement which he stated he was going to read.

Mr. SARBANES. Does the Senator contend that Senator JAVITS did not adhere to this position throughout the dialog?

Mr. ALLEN. I am not stating anything. I just ask that he read the statement, as he stated he was going to.

Mr. SARBANES. Very well:

Mr. ALLEN. The Senator is not saying the rule would apply to other amendments?

Mr. JAVITS. I will not say that because I do not know, but when the Senator gives me an amendment, which is adopted by the Senate, then I will give him my opinion.

Mr. ALLEN. Well——

Mr. JAVITS. I am not going to speculate on that. The Senator may but I am not.

Mr. ALLEN. Well, then we get to the proposition that we started with originally and that is that it is up to the Government of Panama to determine by their own constitutional proceses whether or not a plebiscite is required.

Mr. JAVITS. Whether or not, in this situation, on this agreement, in view of the inter-

pretations which they put on it and that we put on it a plebiscite is required. They have decided it is not. It is my argument that the ratification of this particular treaty with these two conditions or amendments without a plebiscite is fully binding on Panama and on the United States.

Mr. ALLEN. Yes.

Mr. JAVITS. That is all I am saying.

I am not arguing as to what might be, and what amendment. If there is one, I am simply confining myself to this state of facts, taking them all together.

Mr. ALLEN. As I understand it, though, the Senator stated that it will be up to the Panamanian Government to act and that their action could not be attacked collaterally.

Mr. JAVITS. It could not be attacked as to this particular state of facts. That is all I am arguing. No other. That is all.

Mr. ALLEN. If that applied to this set of facts, it applied to all sets of facts on the matter of collateral attack.

Mr. JAVITS. The Senator can argue that all he pleases. That is his problem.

All I am saying in my argument only is on this state of facts with these amendments. I do not believe that the ratification is open to collateral attack. That is it.

Mr. ALLEN. The Senator is not reading that with as much emphasis as he read the other. I wonder what he has in mind.

Mr. SARBANES. It is difficult for the Senator to maintain the same degree of emphasis throughout as it is possible for the Senator from Alabama to maintain:

Mr. ALLEN. I would conclude from what the Senator has said then, that no matter how many amendments we placed on it, if the Panamanian Government, that is, dictator Torrijos did not want to submit it to a plebiscite we could not attack it collaterally.

Mr. JAVITS. That is the Senator's conclusion. It is not either yes or no, in my opinion. All I am giving is an opinion on this state of facts.

Mr. ALLEN. Well, the Senator does not say that I am not correct, apparently.

I thank the Senator for yielding.

Mr. President, I think that exchange makes it very clear. The description which was given earlier in the course of this debate of the position of the distinguished Senator from New York was not accurate, and in fairness to him I thought it important to set out that full exchange. I think this makes it very clear that Senator JAVITS was passing judgment with respect to the need or the necessity of a plebiscite only with respect to the two amendments offered by the leadership which carried forward into the treaty the joint statement reached between President Carter and General Torrijos.

I thank the Senator for yielding.

Mr. SARBANES (subsequently said). Mr. President, I ask unanimous consent that earlier in the day in the course of the exchange with Mr. ALLEN concerning Senator JAVITS' comments that there be printed at the end of my comments a letter from Herbert Hansell, legal adviser to the State Department, which Senator JAVITS wanted included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE PANAMANIAN CONSTITUTION AND THE OCTOBER PLEBISCITE

Under the Constitution of Panama, the National Assembly of Panama has the function "to approve or reject public treaties signed by the Executive." (Pan. Const. Art. 141(1).).

Treaties involving the Panama Canal or the Canal Zone, however, must be submitted to a national plebiscite. Article 274 of the Constitution provides:

"Treaties which are concluded by the executive with respect to the existing canal, the zone adjacent thereto and the defense of the Canal as well as to the construction of a new Canal at sea level or a third row of locks must be submitted to a national plebiscite."

The 1977 Panama Canal Treaties were submitted to a plebiscite pursuant to Law No. 33 of September 13, 1977, which provided for "yes" or "no" votes on the following proposition:

"I am in agreement with the new Panama Canal Treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and the Connected and Annexed Agreements between the Governments of Panama and the United States of America Signed by them on Wednesday, September 7, 1977."

The Senate is in the process of amending the Neutrality Treaty to incorporate the text of the October 14 Carter-Torrijos joint statement.

The October joint statement, which interpreted the terms of the Neutrality Treaty, was publicized to the Panamanian populace prior to the plebisicite on the Treaties.

The question under consideration is of course one of Panamanian law. There apparently is no conclusive Panamanian authority on the point. On the basis of our examinations of available source materials and consultations with authorities available to us, we have reached the conclusion with respect to the October Statement that another plebiscite would not be necessitated by insertion of the October Statement into the Neutrality Treaty. We have been advised by the Panamanian Government and Panamanian legal authorities that they have reached the same conclusion.

HERBERT J. HANSELL,
Legal Adviser.

Mr. ALLEN. I thank the Senator.

Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. Four minutes remain.

Mr. GRIFFIN. Mr. President, I would like to be recognized in my own right. Perhaps I can have some time from the other side, if they will not use it all. I would certainly like to have more than 4 minutes. I ask the Senator from Maryland if he could make some time available?

Mr. ALLEN. I will be glad to yield 4 minutes.

Mr. GRIFFIN. The Senator from Michigan would like to have more than 4 minutes. We have not had any discussion yet on the merits of this amendment, at least that I am aware of.

Mr. SARBANES. In fairness to the Senator from Michigan, who I know wants to make a statement, even though we are on opposite sides with respect to the amendment, if I yielded an additional 6 minutes, which would give him 10 minutes, would that be sufficient?

Mr. GRIFFIN. I thank the Senator from Maryland as well as the Senator from Alabama.

Mr. ALLEN. I thank the Senator from Maryland for his generosity. I know he does not want to deprive the Senator of any time. I yield 4 minutes.

Mr. GRIFFIN. Mr. President, it seems to me we should examine this amendment which we are about to vote on more carefully, particularly since the language of this amendment is similar to the reservation which will later be presented and about which we have been, I take it, reading in the newspapers. I do not know whether the newspapers are accurate or not, but I understand that some of the undecided Senators have been concerned that after the year 2000 the United States would have no military presence in Panama. As I understand it, they are seeking something that would indicate that the United States would have more authority after the year 2000 than is contemplated on the street.

Mr. ALLEN. Will the Senator yield?

Mr. GRIFFIN. Yes.

Mr. ALLEN. I assure this is the precise wording of the Nunn reservation. I assure that from Mr. NUNN himself. The only difference is that this is being offered as an amendment whereas Senator NUNN offers it as a reservation. He prefers, by becoming a cosponsor of this amendment, the amendment route.

Mr. GRIFFIN. I thank the Senator from Alabama. The Senate and everyone else interested in following this debate ought to be aware, then, that we are talking about the same language, whether it is offered as an amendment or as a reservation.

The operative or the important words in this amendment go like this:

Nothing in this treaty shall preclude the parties from making in accordance with their respective constitutional processes any agreements or arrangements to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the treaty, including agreements or arrangements for any United States military presence after that date in the Republic of Panama that the parties may deem necessary or appropriate.

As a lawyer I find it very difficult to understand what that adds to the treaty.

Could I have the attention of the Senator from Alabama?

Mr. ALLEN. Yes.

Mr. GRIFFIN. I would like to hear his response. Does this amendment suggest that there is something in the treaty which would preclude the Republic of Panama and the United States from negotiating a new treaty if they so desired?

Mr. ALLEN. No, there is not. Article V states that after the expiration of the term of the Panama Canal Treaty, the Republic of Panama only shall maintain troops in Panama. That would not preclude the right of the parties to negotiate an agreement where troops could come in.

Mr. GRIFFIN. I thank the Senator.

Mr. ALLEN. The Senator from Alabama, in referring to the materiality or

strength of this amendment, is merely saying that if we are going to have the Nunn reservation it ought to be an amendment rather than a reservation.

Mr. GRIFFIN. I thank the Senator from Alabama. It seems to me the answer to his question—I certainly invite the comment of any other Senator—is that this amendment means precisely nothing. It means nothing as an amendment and it would mean less as a reservation, because, with or without this language, the two countries of Panama and the United States can always negotiate another agreement which would affect or modify the treaty we are about to vote on. Is that not correct?

Mr. ALLEN. If the Senator will yield, yes, that is correct. The purpose of the amendment is to show that the leadership will vote this down, since it is an amendment, but later on today they will accept it as a reservation.

Mr. GRIFFIN. I understand what the Senator from Alabama is trying to do, and I hope everybody else does, too. I agree with him.

Mr. ALLEN. The leadership will find new merit in the amendment when it becomes a reservation.

Mr. GRIFFIN. The point is that this amendment or this language, presented in the form of a reservation, will add absolutely nothing whatever to the treaty. Is that not true?

Mr. ALLEN. Yes; I would certainly agree on that. But the leadership is going to find new merit in it when it becomes a reservation.

Mr. GRIFFIN. I find it very, very strange that any Senator, if there are any, who is otherwise opposed to the treaty could suddenly find it possible to support the treaty by the adoption of this kind of language, whether as an amendment or as a reservation.

Mr. ALLEN. I agree with the Senator.

Mr. GRIFFIN. You know, if any Senator can explain to me what this does or what this adds, I would certainly like to listen to him. All it says is that nothing in the treaty precludes the two countries—namely, the Republic of Panama and the United States—from negotiating another agreement if they want so to negotiate. Well, of course they can. Nobody has ever said they could not, and there is not a word in the treaty anywhere that says they cannot.

I find it beyond all sense and reason that we would be considering seriously language of this kind and that any Senator would suggest that he would change his mind about voting on the ratification of the treaty with the adoption of language such as this. It does not add a thing.

Let me read it again:

> Nothing in this Treaty shall preclude the Parties from making in accordance with their respective constitutional processes any agreements—

That is fine—

> or arrangements to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements—

So, it applies to all agreements, including these agreements—

> or arrangements for any United States military presence after that date in the Republic of Panama that the Parties may deem necessary or appropriate.

In other words, that the parties may agree upon. Well, we are saying, we are adding language to this treaty that says there is nothing in the treaty to prevent the parties from having further negotiations at a later date to have a new treaty.

Of course, there is nothing to prevent that. There is nothing in the 1903 treaty to keep us from negotiating this treaty, and if this treaty is ratified, there will be no reason why the United States and the Republic of Panama could not sit down a week later and write another treaty. If it can be agreed to and ratified, they could have a new treaty. This means absolutely nothing. It is absurd, ridiculous, and frivolous. I cannot believe that the leadership would seriously come in here and contend to the Senate and the country that this is going to mean anything when it is offered as a reservation. I want to hear the Senators get up and explain how this means that they are going to change their votes by the adoption of this. I am going to vote against it, both as an amendment and as a reservation, because it tends to mislead the Senate and the public.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER (Mr. HODGES). The Senator from Idaho (Mr. CHURCH).

MR. CHURCH. Mr. President, I suppose that the most helpful way to sort out the arguments that have been made this morning is to proceed in simple sequence. First of all, let us assume that the Senate were to reject both the amendment to the treaty itself, offered by the Senator from Alabama, and then were to vote later in the day to reject the reservation, which I understand will be offered by the Senator from Georgia.

In that event, article V of the treaty would remain in full force and effect. Article V reads:

> After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory.

Assuming that sequence of events and assuming that the treaty were then to be ratified, if nothing happened between then and the end of the century it would be necessary for the United States to remove its troops from the Canal Zone and, following December 31, 1999, only Panamanian troops could occupy Panamanian soil.

Now, the Senator from Michigan says, well, it is open to the United States and Panama, sometime between now and then, to enter into a new treaty. Of course. It is always open to nations to negotiate new treaties which supplant old treaties if they are willing to do it; just as it is always open to Congress to pass a new law which will supplant an old law or modify it or repeal it. There is nothing that we can do here to handcuff the future.

Nevertheless, if article V is left in its present form, then it will be necessary to amend this treaty in the future, if American troops are to remain in Panama after the end of the century. That being the case, it is wrong to characterize either the amendment offered by the Senator from Alabama or the reservation later to be offered by the Senator from Georgia as meaningless. Indeed, what we would accomplish through the adoption of such an amendment or reservation would be to eliminate any future need to alter or amend the provisions of this treaty, in order to keep American forces in Panama after the end of the century. That could be done by a simple status of forces agreement between Panama and the United States. That could be done without the need for negotiating a new treaty.

Mr. GRIFFIN. Will the Senator yield?

Mr. CHURCH. So it is quite wrong, Mr. President, to assert that the amendment or reservation, in whatever form the Senate may choose to adopt it, is meaningless.

I shall yield to the Senator as soon as I have finished with my argument.

The next question we face is whether the Senate should adopt this proposal in the form of an amendment to the text of the treaty itself, or whether we should adopt the proposal in the form of a reservation to the articles of ratification.

Mr. President, there is a good reason why the Senate should adopt this proposal in the form of an amendment to the articles of ratification. In the first place, that is normally the way the Senate attaches conditions, reservations, or limitations, upon a treaty.

Until the Panama Canal Treaty and this Neutrality Treaty came along, the Senate had not amended the text of a treaty in 56 years. The reason we have not done so is that the regular, the customary, procedure has been to effect changes, not by altering the terms of the contract entered into by the two governments, but by making those changes through amendments to the instrument of ratification.

It is in this manner that the Senate customarily exercises its constitutional power to grant or withhold its consent to treaties.

We do not undertake to rewrite treaties on the floor of the Senate. Drafting treaties is an executive function, not a legislative function.

We have not been involved in the negotiating process that brings these treaties to the Senate. That, too, is an executive function, not a legislative function.

The Constitution vested in the Senate of the United States the right to give, or refuse to give, consent to a treaty; its power usually exercised by the action it chooses to take on the articles of ratification. If the Senate wishes to impose some condition upon its consent, which will have the effect of changing a given provision in a treaty, then customarily it has done so by adopting an amendment, or reservation, to the articles of ratification.

Now, that is what should be done in this case. As far as the legal effect is concerned, it is the same.

If the Senate of the United States amends the articles of ratification to say that we consent to this treaty upon the condition that it will be open to the United States to negotiate with Panama

for the retention of American forces in Panama after the end of this century, then the whole treaty is subject to that condition. The consent of the Senate is based upon that condition. If Panama accepts the condition, it will do so in its own instrument of ratification, in which case the treaty, so conditioned, will take effect. If Panama refuses to accept the condition, there can be no treaty because the Senate has only given its conditional consent.

So, Mr. President, we can accomplish everything that the Senator from Alabama would do with an amendment to the text of the treaty, we can accomplish it with the same binding effect by following our customary procedure of amending the articles of ratification.

It is wise for the Senate to proceed in that fashion because then we are not tampering with the text of the treaty itself and we are not risking that such changes in the text might result in another plebiscite in Panama that could torpedo these treaties.

Those who oppose the treaties, of course, want that to happen and try for changes in the treaty, any way they can.

They know that we will be free to negotiate to keep American forces in Panama after the year 2000 by amending the articles of ratification. They know that accomplishing that goal means we would not, in the future, have to negotiate to alter, amend, or change the treaty before us.

But their purpose is not to accomplish that goal. Their purpose is to force some change in the wording of the treaty that would complicate the situation and raise problems in Panama, due to its constitutional requirment for a plebiscite, and thus contribute to the defeat of the treaties themselves.

For those of us who believe that the treaties are the best way for the United States to preserve continued use of the Panama Canal in the future; for those of us who agree with the Chiefs of Staff that these treaties represent the best way to keep the canal secure in the years to come; for those of us who believe that these treaties represent a good bargain, fairly struck, based upon principles we have customarily proclaimed; for those of us who believe that in this changing world it is no longer feasible for the United States to preserve a colony in a foreign land against the wishes of the inhabitants of that country; for those of us who believe that these treaties will improve not only our good relations with Panama, but also will lay the groundwork for a new era of good relations with all of our neighbors south of the border; for those of us who believe that these treaties will strengthen the national security of the United States, the way to accomplish this goal, the way to leave the door open for troop negotiations in the future, is to amend the articles of ratification.

So I strongly urge the Senate to reject this amendment now, which is why I will move to table it, and then to consider the matter again, as it should properly be considered, as an amendment to the articles of ratification.

Mr. President, I am willing to yield back the remainder of my time. But I promised to yield to the Senator from Michigan, and I am happy to do so now.

Mr. GRIFFIN. I wonder if I may ask the Senator from Idaho a question or two.

One of the most important provisions of this Neutrality Treaty, so far as the Panamanians are concerned, is article V, which says that all the troops will be out of Panama by the year 2000 and no troops will be there except Panamanian troops.

My reading of the discussions in Panama preceding the plebiscite and everything I have been able to learn about what was going on in Panama indicates to me that, so far as the negotiators were concerned and so far as others were concerned, that is a very vital provision. Regardless of what we think of it, it is vital in terms of their interests.

I just want to be sure I understand what the Senator from Idaho is arguing. Is he trying to say that there can be a later agreement that would modify that provision and that it can be done by a reservation that would not have to be subject to a plebiscite of the Panamanian people now, and that later it should not have to be subject to a plebiscite?

Suppose there is a subsequent agreement that the United States will maintain troops in Panama after the year 2000. What is necessary for Panama to agree to that, under this language, if it is adopted as a reservation?

Mr. CHURCH. If we adopt an amendment to the articles of ratification, it is then up to the Panamanians to determine whether or not that requires a plebiscite under their law.

Mr. GRIFFIN. And if it were adopted as a reservation?

Mr. CHURCH. My answer is based upon the premise that the Senate adopts an amendment in the form of a reservation to the articles of ratification. In that event, it is up to the Panamanians to decide, under their law, whether such a reservation requires another plebiscite.

I am not an authority on Panamanian law. All those familiar with Panamanian law appear to agree that a change in the text of the treaty, other than one that already has been agreed upon by the two governments and confirmed by the earlier plebiscite, such as the amendments offered by the leadership, in all probability would require another plebiscite in Panama.

That is simply an opinion on Panamanian law presented by those who are knowledgeable. The Senator from Idaho would not presume to interpret Panamanian law for the Panamanians. After all, they are the ultimate judge of their own law and constitutional processes.

Mr. GRIFFIN. The Senator from Idaho is suggesting to the Senate that the same thing could be accomplished in a substantive way by doing it as a reservation rather than as an amendment. Is that correct?

Mr. CHURCH. Yes; so far as our purpose is concerned, the same thing can be accomplished by amending the articles of ratification as by amending the treaty itself.

Mr. GRIFFIN. First of all, I think that if the Senator will check the authorities, he will find that, under international law, if the substance of a treaty is changed in any way, whether it is by amendment, reservation, or understanding, the same constitutional processes must be followed or it is not going to be valid under international law.

Second, it seems to me that it should be very important to the United States that the treaty we end up with is a treaty that is agreed to by the people of Panama. As I have said over and over again, to answer that we do not care what their processes are and that we are going to leave it to Dictator Torrijos to decide whether or not this is going to be subject to a plebiscite is not exactly serving our interests. If we end up only with a treaty with a temporary dictator and not an agreement with the people of Panama, we certainly have not solved the problems we are seeking to solve in the Senate.

Mr. CHURCH. Mr. President, I cannot follow the argument of the Senator from Michigan.

Whether we wanted to or not, there is no way for us to decide for Panama what their law or their Constitution may require of them. It is a question that must be left to them to decide.

We do know that changing the text of the treaty, in all likelihood, will necessitate another plebiscite. Those knowledgeable in Panamanian law advise us that this is their best opinion.

If we are going to provide that article V of this treaty, as well as all other parts of the treaty, are subject to the condition that the United States and Panama can, in the future, negotiate whether or not American forces will remain in Panama after the end of the century, without requiring either a new treaty or changes in the present treaty, then the best way to do that is to amend the articles of ratification. I strongly urge the Senate, if it is disposed to support this proposal, to do so in that manner.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the distinguished Senator from Maryland, who has been exceedingly cogent and effective in his arguments on behalf of these treaties during the past 4 weeks. I want to tell him how much I appreciate his contribution to this debate.

Mr. SARBANES. I thank the Senator.

I simply want to say to the Senator from Michigan that the concern he expressed about the nature of Panamanian acceptance of the arrangements is one that I welcome and share. But I point out to him that rejection of that concern, insensitivity to that concern, has been reflected on the floor of the Senate by opponents of these treaties, excluding the Senator from Michigan, who has reflected such concern both in the committee and again on the floor.

Mr. GRIFFIN. I thank the Senator from Maryland for making that point.

Mr. SARBANES. However, prior to the distinguished Senator from Michigan taking the floor, the distinguished Sena-

tor from Alabama, once again—as he has done time after time—said that "Dictator Torrijos will accept anything, that it is a one-man government; that he can do anything he wants; that there is no need to worry about another plebiscite. Do anything you want to these treaties and send them down—in his terms—to Dictator Torrijos."

It is very clear that the Panamanians felt that the arrangement had to be submitted to a plebiscite. The question of a plebiscite is an important matter, as the distinguished Senator from Idaho pointed out very carefully.

I find it passing strange that the very people who are pushing so hard to amend this treaty, some of those same people are engaged in this debate in such a way as almost to insure that if you had another plebiscite in Panama no approval could be obtained because of the nature of the characterization made of Panama and the Panamanian people by some in this debate.

This debate is being carried in Panama on radio by simultaneous translation so that the people of that country can follow the debate in the U.S. Senate. I hope they understand, as we understand in this country, that each Member of the Senate is elected by the people of his State and is free to speak as he chooses; that in those instances in which the abilities or the capacities of the Panamanian people have been questioned or these instances in which their understanding of the 20th century has been questioned or in which they have been told that a relationship which they have perceived as unfair for more than 70 years has really been a tremendous accommodation by the United States, that such opinions represent only the views of that individual Senator.

What is taking place on the part of some of the opponents of this treaty is, on the one hand, they seek amendments to the text of the treaty to compel a new plebiscite since that changed text would not have been before the electorate in Panama in the previous plebiscite and, at the same time, they use in the course of this debate such negative characterizations of the Panamanians as to virtually assure that nothing submitted to a new plebiscite would have a chance of approval.

Now, that is one of the tactics that is taking place. I see the Senator from Michigan standing, and I hope he appreciates that at the outset I excluded him from this tactic because I understand the nature of his concerns in this area, and I think they are sensitive ones, and I appreciate them. But I reaffirm what I said with respect to the tactics that are being used by some of the opponents.

There are people now getting up on the floor of the Senate and offering amendments who have been against any treaty from time immemorial, and who have admitted as much on the floor of the Senate. Before there were any treaties before this body. before we had any document to consider, had any text to look at, they knew they were against it—against anything. Now those opponents are going to have to face the fact that if their position were to prevail what is going to occur in Panama and what is going to occur with respect to the Panama Canal? This is not an issue without consequences on both sides. There are consequences which will flow from the rejection of these treaties just as there are consequences that will flow from their acceptance, and the choice which Members of the Senate have to make, and which the people in the country have to recognize, is that they have to make a judgment as to what those consequences will be, a wise judgment.

What is going to occur in Panama? What will happen with respect to our use of the Panama Canal? What will happen with respect to our relationship in Latin America, and how will we proceed from this point?

The choice, if these treaties are rejected, is going to be a choice either between maintaining the American position, as we choose to define it, by force or eventually negotiating a new set of arrangements with Panama.

I submit to you that we will never negotiate a new set of arrangements—which of course the other party must agree to—as favorable and as accommodating and as protective of American interests as what is contained in these documents. If you reject these treaties and go back for a new set of negotiations, I submit to you that what is in these documents will be the starting point—the beginning point—for the new negotiations, not the ending point. We have obtained rights in these documents that are enormously important to the United States: The right to keep troops in our facilities in Panama for the next 22 years. No other country has given us that term of years for the maintenance of the American presence.

We have the right thereafter—after the end of the century—to take whatever action we deem necessary to maintain the neutrality of the canal. That is a right without any limitation as to time. It goes on and on and on, and gives us the authority to use our power to maintain the neutrality of the canal.

We are given the right of priority passage for our warships to go to the head of the line, again a right without any limitation as to time.

Mr. CHURCH. Mr. President, will the Senator yield on that point?

Mr. SARBANES. I yield to the Senator from Idaho.

Mr. CHURCH. The rights we obtained in these treaties are unique. We often speak of the NATO alliance and its importance to the defense of the western world, yet we have no such rights under the NATO alliance.

I recall that, during the last war in the Middle East, the Yom Kippur war, the United States was denied use of NATO bases in all Western European countries. We could not use those bases, even though we were attempting to deal with a very serious crisis that could have ignited a general war. Only Portugal permitted us use of air bases in the Canary Islands during that emergency.

I think it should be emphasized, as the Senator from Maryland has done, that in the Panama treaties the United States obtains extraordinarily important concessions not found in any other treaty this country has entered into with other foreign powers.

I believe that Secretary Brown, our Secretary of Defense, made the same essential point when he said:

> The canal was built for shipping, not slogans. We seek to guarantee transit of vessels, not theoretical claims of title. These goals we have sought, as I said at the beginning, are practical. The issues before you are practical ones. Our negotiations have obtained instruments which, more certainly than thousands of forces and their armaments on the spot, will assure those practical objectives for generations to come.

So again, Mr. President, I hope that the Senate will not change the text of the treaty since it can accomplish its purpose with equally binding legal effect by amending the resolution of ratification.

I am prepared, Mr. President, to yield back the remainder of my time.

Mr. SARBANES. Mr. President, will the Senator yield for a moment?

Mr. GRIFFIN. Mr. President, will the Senator yield for 30 seconds?

I want to thank the Senator from Maryland for his kind reference, and I want to join the Senator from Idaho in commending the Senator from Maryland for his able leadership on the other side of the issue. He has been articulate and he has been a very able lawyer. Despite the fact that we have vigorously opposed each other on most of the issues, I join the Senator from Idaho in paying tribute to the Senator from Maryland who has carried a lot of the burden, I know, for the other side.

I might just say the Senator from Kansas has been trying to get a word in edgewise on this amendment. I understand the time is going to expire very shortly. I do not know whether any time will be available to him.

Mr. CHURCH. Mr. President, how much time remains to the two sides?

The PRESIDING OFFICER. The Senator from Alabama has no more time. The Senator from Idaho has 5 minutes.

Mr. CHURCH. I am happy to oblige the Senator by giving proponents' time to him, but we have only 5 minutes left. Would the Senator like 3 of the 5 minutes? Mr. President, I yield 3 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

(Mrs. HUMPHREY assumed the chair.)

Mr. DOLE. Madam President, let me say, first of all, that we are getting down to the nitty-gritty now on this debate, and there is more and more interest, obviously, being expressed by Members of the Senate and by others who sometimes watch the Senate.

I guess what is being suggested now by the distinguished Senator from Alabama and others who have cosponsored his amendment is that we want to keep the door open just a little bit—and that is really all the amendment does; it does not do very much. The Senator from Alabama never said it did anything, but the point was made, I think, later, that if this does not do anything, what does

the reservation do? It cannot possibly do anything, and that is the point the Senator from Kansas wanted to make.

I offered an amendment last Friday on this floor that simply added 10 words to article V. It added the words "except as the United States and Panama may otherwise agree." It was not a very significant amendment from the standpoint of making any agreement after the year 2000; it just left the door ajar.

That amendment was tabled. It was denounced as unnecessary, as obstructionist—all the reasons that we have heard here time after time.

I commend the distinguished Senator from Maryland, but I do take issue with the argument that everyone who offers an amendment is somehow flatly opposed to the treaties. Certainly that is not the position of the Senator from Kansas. I have had an opportunity to have some input in the so-called leadership amendments, and I have said from the start that if we could make some changes, I would support the treaties.

It is obvious to this Senator that we are now reaching accommodation time. The votes are not there. We will get one vote this way, one that way, and sooner or later we will have a magic number, 67. Whether that magic number comes today or tomorrow, or whether it comes on Thursday at the last minute, will depend on just what changes may be necessary to accommodate Senators who have real problems with these treaties.

They are not the best treaties. They can be improved. But we are told that if we offer an amendment, somehow we will obstruct the process, and we are told there has not been an amendment for 56 years. I think it is more accurate to say 44 years—but treaties have been amended in this body, and I just suggest that we have a responsibility, too.

So, Madam President, I am a cosponsor of this amendment, which is based on the same concept as the amendment I proposed last Friday.

This simple clause would keep the door open just a crack to the possibility that both Panama and the United States will agree at some point that a continued American military presence is necessary.

The Senator from Kansas will not reiterate. We have already had discussion on the general problem, the general concern. We have repeated on this floor the concerns of Admiral Holloway and General Wilson and others who support the treaty, who are concerned about Article V.

We have discussed that point with regard to my earlier amendment No. 58. It is clear on the record that American military advisers feel that a continued military presence beyond 1999 is important for "efficient" and "economical" defense of the canal in the next century.

I say to my colleagues that this may be the one last opportunity we will have to keep the door open—not for imposing our continued presence upon Panama, but for reaching mutual agreement that the presence is desirable and needed. None of us knows what conditions may confront us in the year 2000, yet we are expected today to determine that there will be no need for U.S. troops or bases to protect the canal at that time. We are effectively foreclosing any option that our two countries might find such an arrangement agreeable—unless we add these simple words to the end of article V.

Madam President, I am all the more convinced that this provision is critical in light of information that American negotiators proposed similar language during treaty negotiations advised by his own sources—sources very close to the treaty negotiations—that our negotiators laid the following language on the table for negotiation, and that this was their bargaining position up until mid-1977:

ARTICLE V

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory, except as the United States and Panama may otherwise agree.

That was what was laid on the table—a perfectly reasonable and responsible position that would have kept the options for both nations open, without endangering the interests of either. That was the amendment language proposed by the Senator from Kansas last Friday.

When the Senator from Kansas sought further information on this stage of the negotiations, he was advised by his source that:

This phrase was dropped because the Panamanians refused to accept the possibility that the question of a continued U.S. participation in the defense of the canal after the year 2000 would be contemplated. Until this phrase was dropped, it has been the consensus of the U.S. Government and its clear intention that adequate arrangements for defense of the canal after the year 2000 might well include retaining U.S. troops or bases in Panama. There was no Panamanian concession made in return for the dropping of this provision. It was dropped in May of 1977.

If, in fact, Madam President, there was "no Panamanian concession made in return for the dropping of this provision," then I can see no reason why the Senate should feel constrained against placing a like provision back in article V. I must say that this Senator cannot imagine why the crucial 10 words were dropped without any equal concession by Panama. Perhaps the distinguished members of the Senate Foreign Relations Committee, who are more familiar with the secret treaty negotiations than the Senator from Kansas, could shed some light on this point. I think all of us would welcome such information.

The important thing to consider is that amendment No. 77 offers a responsible, fair, even-handed and open-minded approach to what is admittedly a delicate issue. It keeps the door open—not to colonialism, not to intrusion, but to mutual agreement. It is an approach that recognizes the vital elements of equality and mutuality that should guide our relations in future years.

I feel the emphasis should be focused on that key word, "agreement." Only when our two countries "agree" that continued presence is desirable and necessary, would this option be exercised.

That is reasonable, that is responsible, and I hope my colleagues will join me in supporting this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SARBANES. Madam President, I want to close out this debate by quoting the testimony of David McCullough, the historian and author of the highly acclaimed book, "The Path Between the Seas," which, as has been frequently noted, many, on both sides, have been quoting in this debate. He said:

I support the treaties because I support the canal. I know its importance; I know our interest in it is vital. . . .

Inevitably there will be risks involved, there will be problems along the way. But the risks of holding fast, of trying to hang on to what has been, cannot help but be far greater. Things simply can't go on as they are in Panama. . . .

The Panama Canal is expressive of one of the oldest, noblest desires in the human heart, to bridge the divide and to bring people closer together. These treaties are expressive of that same desire. They are a progressive step, an act of strength and confidence and of good will.

Madam President, these treaties are an opportunity to develop a relationship between the American people and the Panamanian people which can be held up as an example to the entire world of how a large, powerful nation can cooperate with a small nation and respect their sense of pride and their sense of dignity. We have the opportunity here to place our relationship on a basis of mutual accord and cooperation, of mutual respect, with a sense of the dignity of the two peoples, and we ought not to lose that opportunity, Madam President.

The PRESIDING OFFICER. All time has expired.

Mr. CHURCH. Madam President, I ask unanimous consent that at the hour of 2 p.m., when the vote must come on this amendment, a motion to lay on the table may be made, and I ask unanimous consent that it be in order at this time to order the yeas and nays on that motion.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHURCH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. CHURCH. I ask unanimous consent, Madam President, that the yeas and nays n.ay be ordered at 2 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Nevada (Mr. LAXALT) is recognized for not to exceed 30 minutes.

Mr. LAXALT. Madam President, first of all, I thank the Chair for affording me this time at a critical point in the debate. I am going to yield some of this time to the Senator from Pennsylvania (Mr. SCHWEIKER). Late yesterday afternoon the Senator from Pennsylvania indicated that he had completed his deliberations in connection with his decision on the Neutrality Treaty, and he asked me at that time whether or not time could be

reserved for him for the purpose of stating to the U.S. Senate here today the basis and reasoning that went into his decision, and to make the announcement of the decision itself.

I, therefore, yield whatever time he requires to the Senator from Pennsylvania (Mr. SCHWEIKER).

Mr. SCHWEIKER. Madam President, shortly after the Panama Canal Treaty agreement was announced by President Carter, I told my constituents I would listen to both sides and objectively evaluate the arguments before making this most important decision.

I pointed out then that there were three general areas of concern I wished to explore: First, the ability of the United States to defend the Panama Canal after the year 2000; second, whether the economic arrangement for the transfer of the canal actually was self-liquidating, and, third, the provision giving Panama the right to veto our construction of a sea level canal outside Panama. These three areas have, in fact, become the center of the canal controversy.

We have been presented with an unfortunate choice between giving up the canal and our military presence on the one hand, or on the other hand rejecting a treaty which has given rise to great expectations among the people of Panama.

After months of careful study, I have concluded that the reason for this dilemma in which Members of the Senate find themselves placed is that the American negotiators did not represent the best interests of the United States.

Our negotiators did not represent our best defense interests. They chose to vacate all of our bases and remove our military presence by the year 2000. Much has been made of the fact that the neutrality treaty gives us the right to defend the canal after the year 2000. But having the right to do something and actually being able to exercise that right are not necessarily identical. For example, in many countries of the world, such as the Soviet Union, people have very elaborately defined rights on paper, but, in reality, dare not exercise these rights.

Simply having the theoretical right to defend the canal does not, in fact, guarantee that the United States will be able to exercise that right. If, for example, the leaders of Panama were to invite Cuban troops and Soviet pilots into the Canal Zone, our paper right to defend the Canal Zone might not be worth very much. Of course, we would have the option of invading a country defended by Russian pilots and Cuban troops. However, recalling so well the Cuban missile crisis, I question whether we would put ourselves in the position of being labeled an aggressor in the eyes of the world and at the same time being accused of taking the world to the brink of world war III and an American-Soviet nuclear conflict. Then Panamanians, of course, would argue that their invitation to these troops was an internal matter and no business of ours. Under these circumstances having the right to defend the canal and being able to exercise that right are two entirely different matters. I believe this is a fatal defect in the treaties.

Our American negotiators did not represent our best strategic interests. In World War II, of course, we did not allow enemy ships to go through the canal. It is rather natural to assume that the country which bought and built the canal would have the right to exclude its enemies in time of war from the canal. Yet under the terms of the new treaties, we would be required to stand idly by while our enemies used that canal because our negotiators had bargained away our right.

Our negotiators did not represent our best economic interests. Originally the Carter administration told us the treaties would not cost the taxpayers a dime. Now we find the facts completely contradict that position. Comptroller General Staats and Canal Zone Governor Parfitt now tell us that even with a 30-percent increase in tolls, there is great doubt that after the year 1984 canal revenues will be sufficient to finance the $80-to-$100 million annual payments expected by Panama. And the treaty leaves open the possibility that Americans might have to pay the difference from 1984 to 2000. In addition, it is now admitted that just transferring the Panama Canal to Panama and terminating our interest there will cost between $700 million to $1 billion. This, too, is completely contradictory to what we were first led to believe.

Our negotiators did not represent our best commercial interests. It has become increasingly clear that, with the substantial national debt Panama has accumulated, along with its continuing annual budget deficits, the temptation will be great to divert canal revenues from canal maintenance to meet these domestic needs. And the treaty leaves open the possibility that Americans might have to pick up the tab for canal operating and maintenance costs.

Our negotiators did not represent our best transportation interests with their proviso giving Panama veto power over construction of any sea level canal outside Panama. It is inconceivable to me that we should have wanted to put this provision in the treaty in the first place. Whether we will want to build a sea level canal outside Panama is unknown but retaining the right to do so is very important. It is not in our best interest to give Panama monopolistic control over all possible routes by eliminating the competition of other possible routes in Nicaragua or Colombia.

Our American negotiators must recognize how poorly they represented our interests. Our interests were so ill-defined that both countries have interpreted key sections of the treaties in completely different ways. One of the first requisites of a good treaty is that both sides understand and agree upon exactly what it means. Clearly this has not been the case with the Panama Canal Treaties.

Senator GRIFFIN, in his minority views accompanying the committee report, has discussed these differing interpretations chronologically. Although some of these differences apparently have been patched over, many others still exist today. This is the worst way in the world to begin a new relationship and implement a new treaty that affects our vital economic and defense interests.

Much has been made of the significant breakthrough these treaties represent after a 13-year negotiating period. The more I study the treaties, the more I am convinced that this so-called breakthrough is not so significant because many of our vital defense, strategic, economic, commercial, and transportation interests have been sacrificed by our negotiators. We have an agreement today only because our American negotiators were willing to concede these major points—something other administrations in other times refused to do.

In short, I will vote against both treaties because our negotiators did such a poor job. They have given away everything—including the kitchen sink.

Part of our debate has focused on the proper role of the Senate in ratifying the treaties. I recall very well that at the time of the Carswell nomination, the White House argued that the Senate's only role was to accept or reject Carswell on the basis of narrow standards the White House had set down. It seems to me the same argument is being made now by the White House which insists we have no right to establish a Senate standard defining our Nation's best interests. And so instead of letting the Senate work its will, the White House has indiscriminately opposed virtually all significant amendments. In effect they are saying that only the executive branch has the right to shape the treaties, that we in the Senate only have the right to say "yes" or "no." I reject that concept. I do not believe the advice and consent role of the Senate is so limited.

In short, we are being asked to ratify these treaties as they stand, or like Chicken Little, the administration says, the sky will fall in. I reject that argument too. In fact, I believe that if voted down, the Neutrality Treaty could be further amended either on the floor of the Senate or in the Foreign Relations Committee to reflect the obvious and growing belief that these treaties in their present form do not represent our best interests. The treaties should be amended to reflect the best interests of the United States as well as the best interests of Panama.

There is no question that a number of us who have decided to oppose these treaties believe it is time for a new relationship with Panama. We feel Panama should play a much larger role in that future relationship. But it is inconceivable to me to say that the Senate can only choose between maintaining the status quo or completely relinquishing our best interests.

I will vote no on the Panama Canal treaties because I believe the American people deserve better.

Mr. LAXALT. Madam President.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. LAXALT. How much time does the Senator from Nevada have remaining?

The PRESIDING OFFICER. The Senator has 18 minutes.

Mr. LAXALT. I thank the Chair.

I commend the Senator from Pennsylvania for what I consider to be a very cogent, a very well-reasoned statement

in reference to his position on the Neutrality Treaties. I think in a few short minutes he has distilled literally hundreds of hours that we have spent here on the Senate floor trying to define what the issues are.

He has now come to the point where he feels that basic issues relate to the right of this United States after the year 2000 to properly defend its canal. Of course, this is of major importance.

Under the terms of the treaty, and it is going to be eventually resolved here one way or the other, at the present time we are excluded. Our physical presence will be for naught at the year 2000. We then are going to be left in the position of attempting to negotiate in some manner with Panama, to be able to protect our interests in the canal at that time.

As we pointed out time after time on this floor, that is fraught with peril, because one of the basic thrusts of the debate and of the negotiations has been that the ratification of these treaties, each one of them, will result in better relationships with the Panamanians.

If the matter of defense and the matter of military presence is left unresolved, obviously that represents a potential source of serious friction between our two countries.

I, for one, have been at a total loss in trying to determine if the thrust is that surely after the year 2000 we will be able once again to regain the military presence. Why do we not put it in the four corners of the instrument? Where is the harm of that position?

From the standpoint of our own security, from the standpoint of hemispheric security and, yes, from the standpoint of Panamanian security, it should be within the four corners.

He has done an excellent job, too, I think, in defining economic problems.

We have heard that since the beginning of this debate, when it was made to appear that no taxpayer money was going to be involved, in connection with these treaties. It has now become abundantly clear, coming from administration sources themselves, that it is going to cost an abundant amount of money to finance these treaties. The comments of the Senator from Pennsylvania in respect to the release and the waiver of our rights, in reference to the sea level canal, are also critical.

So, in summary, without taking additional time at this point, I once again commend the Senator from Pennsylvania (Mr. SCHWEIKER) for a very courageous and cogent statement at this point in this debate, where every single vote counts. It is that close. We certainly welcome his support.

I yield now, for whatever time he may require, to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Madam President, I thank my distinguished colleague. It seems to the Senator from Kansas, as I indicated just a few moments ago, that the Senate is now getting down to the nub of the problem, I guess, or the nub of the controversy, more specifically: Will the treaties be ratified or will the treaties be rejected?

The Senator from Kansas must say that if the treaties should be rejected, then I think those who have stonewalled any efforts to approve the treaties on the floor must bear the responsibility. The Senator from Kansas has not supported every amendment which has been offered, but it does seem that a case can be made for trying to strengthen the treaties, and it does seem to this Senator that good faith efforts have been made to strengthen the treaties. Time after time after time we have been told, "We cannot do that because General Torrijos would not like that. It might require another plebiscite." Whatever version you want to assume or accept.

We have offered 8-word amendments, 10-word amendments, 12-word amendments, and we were told on this floor by the distinguished leader of the protreaty forces, the distinguished Senator from Idaho (Mr. CHURCH) that we could not add one word to the treaty, not one word.

I think they have made their position quite clear.

But that stone wall could crumble, as we near the time for a vote, and this Senator counts the votes, depending on what happens in two or three places, that there cannot be more than three or four undecided Senators, and neither side can claim victory.

I would hope that those who are so concerned about changing even one word would take a look at the treaties, take a look at some of the amendments, and then try to accommodate not the desires of some Senator, but accommodate the desires of the American people who want the best possible treaties.

I would only conclude by suggesting that on last Friday the Senator from Kansas offered a very simple amendment. It was not very complicated. It just added words to article V. Article V says:

> After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

That is article V.

Back in 1977, just a year ago, in fact less than a year ago, there was some language which was on the negotiating table, eight words, and they added to article V the following: "except as the United States and Panama may otherwise agree." Well, it is 10 words.

It seems to the Senator from Kansas that was a fairly responsible amendment. It kept the door open. It said we had a right to make an agreement for some presence after the year 2000. That amendment was laid on the table just as every amendment has been laid on the table by the protreaty forces in their efforts to stonewall. So far they have been successful. But now the time is coming.

Mr. LAXALT. Will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. LAXALT. Is it true that we here in the Senate have a constitutional responsibility to advise and consent on treaties?

Mr. DOLE. That has always been my understanding, but I am beginning to wonder after listening to all the pleas on the other side that we cannot change one word, not one word.

Mr. LAXALT. Has not the posture of this debate, from the very outset on the leadership amendment, been one that we cannot correct one word in those treaties?

Mr. DOLE. That is right. If they found a spelling error, I assume we would have to get Torrijos' approval before we could change it. I am not sure that this meaningless reservation which will be cleared this afternoon has been cleared with General Torrijos. I assume it has. If there was any chance that it would require a plebiscite, it would require his prior approval.

That has been the trend of the debate. We can offer good amendments and they are ignored, they are ridiculed. It seems to this Senator we can surrender our rights as Senators, surrender our rights as responsible Members of this body, and say, "Well, we do not want to do anything that might upset General Torrijos, that might require another plebiscite."

We all want to accommodate the President of the United States. We all want the President of the United States to succeed whether it be foreign policy or domestic policy. On the other hand, I am sure he wants us to perform our duties as Senators.

Mr. LAXALT. We do not want to accommodate anyone by becoming a rubber stamp in this Chamber and that is precisely what we are becoming, is it not?

Mr. DOLE. That is what it seems to be. I am sure the President understands our responsibility. He has been diligent to persuade Senators to support the treaties. I do not quarrel with that, but I have not seen forthcoming from the other side amendments to the treaties. They are understandings, or they are accommodations, whatever they are, to secure votes. It seems to me if we are concerned about the treaties, we should amend the treaties. If we are concerned about some other thing, we will figure out another arrangement.

I appreciate the Senator from Nevada yielding. I believe the distinguished Senator from Nebraska is waiting.

Mr. CURTIS. Will the distinguished Senator yield?

Mr. LAXALT. The Senator will gladly yield to the Senator from Nebraska however much time remains. How much time remains, Madam President?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. LAXALT. I yield whatever time he may require to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator from Nevada.

Madam President, I sat here yesterday and heard a most outstanding speech. It was scholarly, it was sound, and it was informal. There have been many good speeches. This time I refer particularly to the statement of the distinguished Senator from Michigan (Mr. GRIFFIN). I commend him for his long hours of work on this treaty and the thought he has given to it.

He brought us some facts yesterday that should challenge every Senator. He pointed out that Secretary of State

Vance, back on January 13, said in substance:

If you amend the treaty, it has to go back to Panama for another plebiscite.

He pointed out that the chief Panamanian negotiator held the same view; that the dean of the political science school of Panama University likewise agreed; that a distinguished professor of law held the same view.

He pointed out that all the political parties, even though they are banned under dictator Torrijos, held the same view as Secretary Vance.

Then it came along that there are a couple of special amendments, leadership amendments, part of the polishing, part of the sugar coating. Then the report on page 7 was cited by the distinguished Senator.

The committee is informed by the Department of State that the Government of the Republic of Panama has concluded that no new plebiscite would be required for the approval of the two (leadership) amendments.

Madam President, what kind of a government of law is that, that the status of an amendment determines who offers it; that the leadership amendments mean something different than any other amendments?

Madam President, this is not one of the Senate's finest hours, when we adopt a premise of that kind. It invites the ridicule and the derision of the proponents of the treaty, which we anticipate. We anticipate it. The word goes out over the air, we must end colonialism.

Madam President, I sometimes wonder about those who would blacken the character of the builders of the Panama Canal: the great Theodore Roosevelt, Dr. Walter Reed, Dr. Lazear and others, who made this contribution to humanity—they were evil characters. But the great Torrijos is a benevolent man, even though he came to power with a gun. They have not had any election since 1916. Civil rights are banned. Individuals are in jail without a trial, and political parties are banned. Yet the great Torrijos is to be followed, and we are to tell the American people that we should be ashamed of the builders of the Panama Canal.

It is not supported by history. Everyone knows we have lived through a few decades where there have been those, as part of the destructive processes of our country, who have tried to debunk history. But it is not true here.

Why do we have it referred to as colonialism? When you have a colonial power, they go into their territory by force, they take out their valuable resources. What did we ever take out of Panama? Nothing. What did we put in Panama? We built a canal that has been a blessing to all mankind. We have operated it for the good of all people.

Never were the tolls increased until just 2 or 3 years ago, when, because of inflation, it had to be done. We promised the world we would operate it at cost and this we have done.

Whenever you have a colonial power, they draft the subjects into their military forces. Have we ever done that with Panama? No. There are none of the characteristics of the colonial power.

As to the reference to the U.S. relation to Panama because of what we have done for Panama, they have the highest per capita income in all Central America. As I cited the other day, in our foreign aid program, we have given more per capita to Panama than to any other country in the world.

Mr. President, I am not ashamed of Theodore Roosevelt or the builders of the Panama Canal. I am not ashamed of those brave doctors who conquered disease and made it possible. I challenge the proponents of this treaty to cite any injustice that we have invoked in the operation of that canal, where we have been unfair to any people, any ships, any nationality.

Oh, no one has any objections, in the light of all the present-day expenses, to more generous treatment of the Panamanians. But it is not necessary to add to the retreat, all around the globe, of the forces of stability and freedom in order to change some of the finances in reference to the Panama Canal. This is part and parcel of the retreat and the desertion of freedom around the world.

Madam President, I try to stay here practically all the time for these debates and I am waiting for a proponent of this treaty to tell us how the canal will run better if the United States goes.

The PRESIDING OFFICER. The Senator's time has expired.

Under the previous order, the Senator from Georgia (Mr. TALMADGE) is recognized.

Mr. TALMADGE. Madam President, the Panama Canal Treaties are the result of negotiations spanning some 14 years and the administrations of four Presidents.

Had I been President Johnson, President Nixon, or President Ford, I would not have conducted negotiations to relinquish U.S. control over the Panama Canal.

Had I been President Carter, I would not have signed these treaties.

But, the treaties were negotiated. They have been signed by the President. They have been ratified by a plebiscite of the Panamanian people.

The U.S. Senate and the American people are presented with a fait accompli.

Now, we must decide the best course of action. That decision, above all else, must be in the long-range best interests of the United States.

In acting on these treaties, we must look forward, not backward.

I determined at the outset to study these treaties in all their ramifications as closely as I could, in order that I might make a judgment in the national interest and consistent with the future safety and security of the United States and the world.

I have read everything available on the treaties. I have talked to and questioned military experts and foreign policy advisers.

I have met with business people, clergymen, attorneys, farmers, and citizens from all walks of life who have given me their reasons for either favoring or opposing these treaties.

All have had the best interests of the United States at heart. So do I.

Although opinion is greatly divided, there is unanimous and universal agreement on one issue: the Panama Canal must be kept open and operating.

That is the overriding consideration. We must determine how best to insure that the canal remains open for U.S. commerce and military defense.

It is in this light that Senators must decide on whether to approve these treaties or not.

We are confronted with a great dilemma. It must be resolved. We cannot erase it by undoing what already has been done.

On the one hand, if these treaties are ratified, we will turn over to the Government of Panama, in the year 2000, a valuable national asset with a replacement value of almost $10 billion.

We will relinquish control and ownership of the Panama Canal that is so important to our National security, international commerce, and the economy of the United States.

On the other hand, if the treaties are rejected, what many people regard as today's hottest emotional issue may turn out to be tomorrow's disaster.

Panama and her neighbors and supporters throughout all of the Americas are strongly and totally committed to these treaties.

We could wipe out overnight the good neighbor policy which the United States has nurtured since it was first made diplomatic policy in this hemisphere by President Roosevelt in 1933.

Just as all the eyes of the world were focused on the United States during construction of the canal—so now are all the nations of the world, especially those of Latin and South America, anxiously awaiting action by the U.S. Senate in voting to ratify or reject the treaties.

I do not know, frankly, what will occur between now and the year 2000 and beyond if these treaties are ratified.

If they are approved, it is my personal hope and prayer that the United States will be entering into a working partnership with Panama to insure that the canal will be kept open and operating for vessels of the United States and all nations.

That is our paramount objective. It also must be the paramount objective of Panama.

We have amended the treaties, and I was a cosponsor to give the United States "first access" rights in time of war or emergency.

We have amended the treaties, and I was a cosponsor to provide that the United States may use military force, if necessary, to preserve neutrality of the canal and to keep it operating, not only until the year 2000, but beyond the year 2000.

The further amendment that I was a sponsor of, and I believe the Senate will agree to, will permit the United States, with the approval of the Government of Panama, to permit troops to be stationed in the Canal Zone after the year 2000.

I am a cosponsor and I hope that the Senate will approve a further amendment that would not inhibit the U.S. Government from building another canal

with a third country without the consent of Panama itself.

Now, to turn the argument around, if these treaties are rejected I am fairly sure of what will happen.

A preponderance of evidence presented by military and diplomatic experts indicates with little doubt that there will be strife, violence, sabotage, and perhaps even armed conflict between U.S. soldiers and Panamanian citizens.

Under such conditions, the canal would be closed and put out of operation a substantial part of the time.

In that event, we would be standing guard over a worthless piece of real estate, of not much use to anyone.

The argument is made that we are having to act under an implied threat.

It is more than implied. We face a very real threat to the security and the economy of the United States.

That is why, in acting on these treaties, we must come down to this fundamental question: What is the best interests, now and in the future, of the United States?

I went through the Panama Canal twice while serving in the U.S. Navy during World War II.

It is only 10 miles wide, and surrounded by rivers, lakes, mangrove swamps, and mountains.

It could very easily be sabotaged by small guerrilla teams lobbing rocket shells into the locks.

The possibilities for sabotage are virtually infinite and this kind of thing could occur over and over again.

Determined guerrillas, operating from jungles more dense than those in Vietnam, could keep the canal closed more than it is open.

Military experts estimate that it could require as many as 100,000 U.S. troops to stand guard over the canal.

We cannot operate the Panama Canal at the point of a bayonet.

Under such conditions, which would lead to armed confrontations between American troops and Panamanian civilians, it would only be a matter of time before the American people demanded that we extricate ourselves, or Panama and her friends and allies kicked us out entirely.

In that case, there would be no defense treaty.

There would be no "first access" rights.

There would be no guarantee of neutrality for the Canal Zone.

We would have nothing.

In addition to the likely military consequences, armed enforcement costs could run into billions of dollars over the years in new military construction and maintenance.

The U.S. Treasury cannot stand this extra burden.

We must ask ourselves what price we are willing to pay to retain title and ownership of the canal.

Moreover, if the canal cannot be kept open and operating, what does it matter who claims title to the property?

I do not think the American people are prepared to risk guerrilla warfare.

I do not think we are prepared to defoliate the whole Isthmus of Panama to prevent guerrilla tactics.

I do not think we want to commit an army to Panama or spend billions of dollars trying to keep the canal open and operating.

This brings us back to the fundamental question of what is in the best long-term interests of the American people.

The future of our country cannot be built or maintained on "gunboat diplomacy."

In the troubled world in which we live, the future and security of our Nation can be assured only through the exercise of consummate skill and foresight.

It is unfortunate that ratification of these treaties has become the focal point of our country's foreign policy.

Many problems are far more important to national security than the canal treaties.

The most important international problem confronting our Nation today is the need for some kind of enforceable and binding agreement to limit nuclear arms and to lessen the likelihood of a nuclear war with the Soviet Union which would destroy civilization as we know it.

We also must devote our energies and resources to avert the possibility of another explosion in the Middle East, which could bring the United States and the Soviet Union to a nuclear confrontation.

In addition, we are faced with increasingly sensitive situations in Ethiopia and Somalia, and the Horn of Africa.

The most important national issue facing the United States today is the deplorable state of our economy which is bringing down the dollar abroad and firing inflation here at home.

We do not have a sound economic policy. We do not have a national energy policy.

Trade deficits threaten to destroy the value of the dollar. The situation will worsen until we free ourselves from the chains of foreign oil.

These are but a few of the critical problems which demand total commitment by the U.S. Government and the American people.

We cannot afford a conflagration here in our own hemisphere.

We do not want to destroy the bargaining power or diplomatic credibility of the United States.

We must be able to deal effectively with the Soviet Union in the nuclear arms agreement—to continue efforts to settle the crisis in the Middle East—and to effectively negotiate with other nations to improve our trade balance and save the dollar.

The world shrinks each day. More and more our survival depends on getting along in this world.

All of us have emotions. We are patriotic. We love our country. We are proud of its past.

Our heritage is dear to all of us. Our national policy certainly must not abandon these values and these beliefs.

But we must advance them in an enlightened manner and with the full interests of the country protected.

No longer can the United States allow itself to be maneuvered into the role, voluntarily or involuntarily, of a goliath in its business with other nations, small ones in particular.

The day has passed when any nation can have its way through use of military force alone.

Taking into account all these considerations, and after thoughtful deliberation, I have reached the conclusion that individual Senators must act in accordance with their own best judgment.

That is what I have attempted to do after soul-searching and prayer.

As for me, I have realized from the onset of this crucial issue that whatever judgment is made must as much as possible come from the head rather than the heart.

Realizing and taking into account all these facts and circumstances, it is my belief that the only hope for keeping the Panama Canal open and operating securely in the years ahead is afforded by these treaties.

In that knowledge, and based upon what I must regard as the best interests of my country and her people, I will vote "aye" on ratification.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to my distinguished colleague, the Senator from Idaho.

Mr. CHURCH. Mr. President, the address just given by the distinguished senior Senator from Georgia balances, as well as any I have heard, considerations of principle and pragmatism. I regard it as a highly statesmanlike address, and I commend the Senator for it.

Mr. TALMADGE. I am grateful to the distinguished senior Senator from Idaho for the generosity of his comments.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. FORD). Under the previous order, the junior Senator from Georgia is recognized until 12:30.

THE UNITED STATES AND THE PANAMA CANAL

Mr. NUNN. Mr. President, like most Americans I would prefer permanent American control of the Panama Canal in an environment characterized by a cooperative and friendly Panama. Unfortunately, we do not live in an ideal world. The goals of permanent American control and a friendly Panama are incompatible.

Four American Presidents have supported negotiations aimed at establishing a new set of relationships between the United States and Panama with respect to the canal. The treaties before us represent the culmination of those negotiations. They represent 14 long years of hard and sometimes rancorous bargaining between two countries. The treaty of 1903 can no longer provide a realistic framework for United States-Panamanian relations. Even the most vigorous opponents of the treaties now under consideration—including Governor Reagon and my colleagues and friends Senators DOLE, HATCH, THURMOND, HELMS, MCCLURE, and LAXALT—concede that the 1903 treaty must be supplanted by a new relationship.

Mr. President, casting a vote on the Panama Canal and neutrality treaties is a difficult decision for many of us. At certain times during the debates both proponents and opponents have tended to exaggerate or oversimplify some of the arguments. Emotion has sometimes clouded calm consideration of the legitimate issues surrounding the treaties. The enormous importance of the canal to the country of Panama as an economic and social enterprise has at times not been adequately separated from the significance of the canal to the United States as a military asset.

I envy those who quickly reached a judgment on the treaties and who casually dismiss opposing views as having little or no merit. The treaties are complex. Their language is often ambiguous. Their consequences are uncertain. In my view, passage of the treaties does not guarantee an untroubled future relationship with Panama.

I have sought to strengthen the treaties through amendment. As I stated last November, I could not support the treaties as originally submitted to the Senate. The treaties' vague and equivocal language concerning U.S. defense rights beyond the year 1999 and the priority passage of U.S. vessels in times of emergency would have laid the foundation for conflicting interpretations. These potential differences someday could have jeopardized the very regime of neutrality the treaties seek to establish for the canal.

Accordingly, I joined many of my colleagues in cosponsoring the amendments of Senators BYRD and BAKER which clearly provide the United States the right to intervene militarily to protect the canal after the year 1999, and which further clearly provide U.S. ships the right to go to the head of the line in time of emergency. I am pleased that those amendments passed overwhelmingly and are now part of the treaties.

I am also dissatisfied with article V of the Neutrality Treaty, which prohibits the United States from retaining any military installations in Panama beyond the year 1999. In my view, a small but select U.S. military presence in Panama beyond 1999 would be highly desirable for both of our nations and for all who use the canal. I do not believe that our negotiators were as tough on this issue as they could have been. I believe we could have negotiated treaties which would have provided U.S. base rights in Panama beyond 1999 while at the same time accommodating Panama's commercial and nationalistic interests with respect to future control and operation of the canal.

Accordingly, I have sponsored a change in the treaties specifying that the United States and Panama in the future could, by mutual consent, begin negotiations for an extension of a U.S. military presence in the Canal Zone beyond the year 1999. I have been assured by both the leadership of the Senate and the executive branch that this significant change is now acceptable, and I will be introducing that later today. To me this is a very important improvement. While U.S. base rights will not be guaranteed after the year 1999, this change permits such rights to be negotiated by the parties. I believe that a maturing relationship based on a true partnership in the canal will change public opinion in Panama prior to the year 2000, and that the Panamanian people will see the great advantage of a small but meaningful U.S. military presence to assist them in protecting the canal.

The second treaty we will consider provides that the United States will not negotiate with any other nation for a sea-level canal between now and the year 2000. I have also joined several other Senators in sponsoring changes which would allow the United States to negotiate with countries other than Panama for possible future construction of a sea-level canal. Even though a sea-level canal may not prove to be economically feasible, I do not believe we should limit our flexibility in this regard. I am hopeful that this change will also be accepted by the Senate.

Mr. President, some have suggested that the treaties should be ratified on the basis of Latin American opinion or our image in the Third World. While this is a factor, I do not believe it should be a decisive factor. International opinion is fickle, transitory, and often uninformed. It should not take precedence over our own national security interests.

Some have suggested that the treaties should be ratified on the basis of President Teddy Roosevelt's alleged colonial transgressions. I do not agree. Panama owes its very existence to President Teddy Roosevelt. As conservative columnist George Will—who supports the treaties—has pointed out, the way to restore Panama to its precolonial status is "not to cede control of the canal to Panama but to cede Panama to Colombia, from which Panama seceded."

I do not have any illusions about General Torrijos and the nature of his regime. Nor, for that matter, do I assume that the treaties will not cost the American taxpayer. I have carefully studied the testimony before the Armed Services Committee by U.S. Comptroller General Elmer B. Staats, Canal Zone Governor, H. R. Parfitt, and Frank A. Nicolai, executive vice president of American Management Systems, Inc. Additional revenue for Panama will come from increased tolls rather than the American taxpayer. Other costs of implementing the treaties, however, will be borne by the American Treasury.

Between now and the year 2000, the United States could well confront costs totaling $1 billion or more for items not covered by Panama Canal tolls. These costs could include the costs of relocation of U.S. forces from Panama to the United States, early civil service retirement for U.S. employees of the Canal Company, forfeiture of interest payments to the U.S. Treasury, and contingent payments to Panama. Other potential liabilities of the U.S. Government include $345 million in foreign military sales credits, AID housing guarantees, Export-Import Bank credits, and Overseas Private Investment Corporation loan guarantees to Panama.

Overshadowing these financial clouds on the treaties' horizon is the distinct possibility that, in the 1980's, the canal itself may no longer be a financially viable enterprise. To the extent that it is not, the U.S. Government will have to subsidize it until the year 2000. If the treaties are ratified, of course, and if the canal remains a losing asset beyond 1999, losses will be borne solely by Panama. In short, the potential costs of ratification to the taxpayer could total as much as $1.4 billion over the next 22 years.

Some have suggested that the canal is becoming obsolete or unimportant. I do not agree. The canal remains beneficial to our defense and our commerce. Closure of the canal by any means would disrupt our maritime commerce and would impose additional burdens on our naval forces which could be shouldered only through increases in the defense budget.

In my view, Mr. President, there is no silver lining in the cloud of ratification. Ratification will not solve all of our problems with respect to the future operation of the canal. Some provisions of the treaties themselves are likely to be the source of future disagreements between the United States and Panama.

For example, the treaties have conferred on the United States and Panama possibly conflicting interests in devising future canal toll rate structures. Moreover, Panama has already voiced interpretations of other treaty provisions—such as the $10 million contingency payment—which differ from our own. I am hopeful that these economic ambiguities will be corrected and clarified as the Senate considers the Panama Canal Treaty, and I will support efforts to do so. It is also possible that Panamanian assumption of control over the canal after the year 2000 will lead to less efficient operation of the canal.

I believe that in the final analysis the issue is not whether ratification will end a nagging American headache in Central America—it would not. The issue is whether failure to ratify the treaties will transform that nagging headache into a crippling migraine.

Mr. President, in reaching a decision in the best interest of this Nation we must also consider the serious probable consequences of failure to ratify the treaties. I would like to discuss that with my colleagues this afternoon. Based on overwhelming military testimony, the one threat to the canal—other than a nuclear attack—against which there is no effective defense, is a guerrilla-terrorist campaign supported by a local population hostile to the United States.

Our principal national security interest in the canal is, as it always has been, the free and uninterrupted passage of our warships and commercial vessels through the canal. This interest overrides any consideration of world opinion, the character of the Hay-Bunau-Varilla Treaty of 1903 or the moral stature of General Torrijos. It also overrides the questions of sovereignty within the Canal Zone. Would it really matter whose flag flew over the Gatun locks if the powerplant servicing the locks had been wrecked by anti-American saboteurs?

Even vigorous opponents of the trea-

ties concede that failure to ratify them is likely to increase popular Panamanian resentment against the United States, thus increasing the chances for local violence directed against the canal. Many opponents are also prepared to concede that this violence could ultimately assume the form of an organized guerrilla-terrorist campaign supported by Cuban professionals and Soviet arms. Indeed, the preponderance of military testimony before the Armed Services Committee, as well as numerous private conversations I have had with active and retired military leaders lead me to the conclusions that a rejection of the treaties would almost certainly result, at some point, in guerrilla-terrorist activities against the canal and the American military presence.

The real issue then, Mr. President, is not whether rejection of the treaties would heighten potential internal threats to the canal, but whether the United States could effectively deal with these threats without the active support and cooperation of the Panamanian people and government.

It is important to realize, Mr. President, that the Joint Chiefs of Staff unanimously support these treaties. These are the same military leaders who dissented from the White House position on both the Korean withdrawal and the B–1 cancellation. I have talked to each of these men personally and privately, and I am certain that their public position is also their honest private view.

It is also interesting to note that whereas several—although by no means all—former Chiefs of Naval Operations and fleet commanders have voiced opposition to the treaties, most former Army Chiefs of Staff, as well as many retired Army officers familiar with the inherent problems of protecting the canal against internal threats, strongly favor the treaties. Retired Generals Lucius Clay, Maxwell Taylor, Matthew Ridgway, J. Lawton Collins, William Westmoreland, and Arthur Collins support the treaties. So, for that matter, do former Commander in Chief Pacific Adm. Noel Gaylor, former Chief of Naval Operations Elmo Zumwalt and former 7th Fleet Commander and Naval Academy Superintendent Vice Adm. William P. Mack.

The support of these prominent and knowledgeable military men rests upon a judgment similar to that expressed by Gen. J. Lawton Collins in a recent letter to Chairman STENNIS. In that letter, General Collins states, and I quote:

> Our experience in the jungles of the South Pacific and Viet Nam demonstrated that it is almost impossible to prevent sabotage or surprise attacks by infiltrating guerrillas if they are supported by the native population. I feel certain that we could not protect the locks and the dams that impound the water essential for the operation of the canal without the active, friendly cooperation of the Panamanians.
>
> Since the canal is the chief source of revenue for Panama, it is in the interest of the Panamanians to cooperate with the United States in protecting the canal. I am convinced that we can get such cooperation if we ratify these treaties and do not needlessly alienate Panama . . . With their support we may be able to keep the canal open in the event of war. Without such support it will be impossible to insure the continuous operation of the canal.

A similar judgment was recently expressed in an article in the Officer magazine by retired Gen. Arthur Collins—no relation to the other General Collins whom I have quoted—who served in Panama and later became Deputy Commander of the U.S. Strike Command. With the indulgence of my colleagues, Mr. President, I would like to quote it at some length.

Mr. President, I know that my time is about to expire. Would it be possible for me to get another 10 or 12 minutes?

The PRESIDING OFFICER. The Chair would state to the Senator that there is a previous order that relates to recognition of the Senator from South Carolina. The Senator from Georgia may ask unanimous consent to extend his time.

Mr. CHURCH. Mr. President, I ask unanimous consent that the distinguished Senator from Georgia may have an additional 12 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. I thank my colleagues.

Proceeding with the quotation from Gen. Arthur Collins, he stated:

> This is the era of the extremist, the terrorist, the guerrilla. Extremists with terrorist tendencies abound in the Free World and the Third World. Defeat of the treaty would provide the cause and the slogans they need to creat conflict in Panama where there is a strong sense of nationalism. Guerrillas would be easy to recruit and the local populace would be sympathetic and provide sanctuary, support, and good intelligence. Cuba would almost surely offer these "democratic freedom fighters" training cadres and light weapons from Soviet arsenals.
>
> Small lightly armed forces, operating from just outside the Zone, could suddenly emerge from the jungle to attack canal facilities or ships in the canal. From the Canal Zone borders to any target in the Zone is at most five miles, a set of locks, school, housing area, power plant, or whatever the target might be. Hostile groups could strike from either side of the Zone so selection of targets and timing of attacks would be made easy for guerrillas operating from secure bases in Panama. Ammunition, arms, radios and other equipment could be hidden in the small villages that dot the borders of the Canal Zone.
>
> Portable rockets and mortars would complement the small groups attacking U.S. installations. Locks and maintenance and support facilities would be key target areas and all are within range of these weapons: attacks would be frequent. A rocket hitting a school, fuel farm, or tanker could be devastating.
>
> In brief, a small well-directed hostile group would have an enormous capacity for inflicting damage on U.S. citizens and embarrassing the United States. Their attacks would be disruptive, sometimes damaging, often fatal, and most difficult to stop.
>
> Such a situation would be less likely to occur if the Panamanian government had a direct hand in the continued operation of the canal. If the treaties are not ratified, however, the Panamanian government might not have much control, not much interest. Patriotism is not unique to the United States; emotions run strong in small nations too, and resentment of the United States is long standing. So it is not unlikely that the government of Panma would stand back; after all, it wouldn't be their property under attack.

Mr. President, "Save the canal" is the common theme of those who oppose the treaties; however, it is also an appropriate theme for those who will vote for the treaties. The question is how do we save it for our own use—by ratifying or by rejecting the treaties?

I am not suggesting that ratification of the treaties will provide us an absolute guarantee against the emergence of the kind of threat outlined by General Collins. Retired Chief of Naval Operations Elmo Zumwalt testified before the Foreign Relations Committee that "even if these treaties are ratified, the canal can be put out of action."

However, he added—and I agree:

> The significant difference will be that we will have a Government of Panama which is more likely to be working with us than it would be if we do not ratify the treaties, and that increases by some appreciable degree the likelihood that we can prevent sabotage.

Admiral Zumwalt's testimony was strongly supported by that of the present Vice Chief of Naval Operations, Adm. Robert Long. After reviewing the potential external threat to the canal, Admiral Long stated:

> The second threat to our continued use of the canal is the internal threat from subversive, clandestine, or local guerrilla activities. The defense against such a threat in the formidable jungle terrain of the canal area would be extremely difficult, particularly in view of the vulnerability of the lock system to disruption as the result of relatively minor damage to critical mechanical components.
>
> Defense against a persistent and continuing internal threat would be particularly difficult. Defending against the internal threat is significantly enhanced if the cooperation of the local interests, the Panamanians and Central Americans, can be maximized. On the other hand, our ability to defend and protect the canal so as to insure its continued operation would become extremely difficult in the face of an adversary relationship with our Latin neighbors or an active hostility on the part of the local population.

Mr. President, according to Gen. D. P. McAuliffe, who now commands U.S. Forces in the Canal Zone, defense of the canal against a Commmunist-backed guerrilla-terrorist threat supported by a hostile local population, and an indifferent or antagonistic Panamanian Government, would require an open-ended commitment of no fewer than 40,000 and up to 100,000 additional U.S. ground troops.

The costs of such a contingency make the potential costs associated with the implementation of the treaties pale in comparison. The United States currently maintains about 9,500 troops in the Canal Zone. My rough estimates indicate that deployment of 50,000 troops on temporary assignment to Panama—1 to 2 years—would require an expenditure of about $65 million for deployment and temporary construction costs alone. Comparable costs for 100,000 troops on temporary duty would be about $125 million. If it became necessary to permanently base these additional troops in Panama to secure the canal, the cost could total as much as $1 to $2 billion in military construction alone.

If the threat persisted, and if fulfillment of the normal NATO or Asian mis-

sions of those U.S. Forces redeployed to Panama continued to be essential to our national security, the cost of expanding our force structure to replace those forces in Panama could total as much as $1 to $2 billion each year.

It is readily apparent that defending against either a short-term or long-term guerrilla threat would be very expensive. If the treaties are rejected and if the threat lasted for say 10 years—as was the case in Vietnam—the cost to the U.S. taxpayer would be tens of billions of dollars. This does not even include the cost of actual tactical operations on the battlefield. Thus, in terms of comparing the costs to the U.S. taxpayer over the next 22 years—the "worst case costs" if the treaties are ratified is $1½ to $2 billion. The "worst case costs" if the treaties are not ratified would be many times this amount.

In summary, Mr. President, I believe that rejection of the treaties by the Senate is likely to cause serious consequences. These consequences include attempts to disrupt the canal. They include an expansion of U.S. Forces in the Canal Zone. They include a substantial increase in defense spending with no increase in overall U.S. power measured against our principal adversary. They include the emergence of new opportunities for the Soviet Union and its Cuban henchmen to fan the flames of anti-Americanism throughout Latin America and the Third World.

Mr. President, in 1964, before our substantial involvement in Vietnam, the United States enjoyed a substantial advantage in almost every category of military power in comparison with the Soviet Union. Today, 50,000 American dead, thousands wounded, and $150 billion later, we are struggling to maintain parity with the Soviet Union in military power; we are legitimately concerned that the Russians may gain a decisive military superiority unless present trends are reversed.

We live in an era of dramatically expanding Soviet military power and shrinking American force levels; in an era of increased Soviet military and political pressure in Europe, northeast Asia, and Africa; and in an era of growing U.S. dependence on foreign, seaborne raw materials.

One of the great pillars of America's strength during the past century has been the absence of hostile neighbors in our own hemisphere. This is a meaningful advantage we still possess, compared to the Soviet Union's border problems. We have rarely been compelled to orient a significant portion of our military forces toward the protection of our own territory from Canada or our good neighbors south of the Rio Grande.

For our Nation to become bogged down in defending the canal against a guerrilla-terrorist campaign would provide the Soviet Union a golden opportunity to achieve major military and propaganda gains in Central America, and to exploit these gains in many places throughout the world as they did during the Vietnam era.

We must remember that the treaties now before this Chamber preserve for the next 22 years an American military presence in the Canal Zone and that they preserve for the next 22 years American rights and capabilities to defend the canal with forces already in place. Moreover, the changes I have sponsored in the treaties will keep open the possibility of preserving an American military presence in Panama indefinitely.

Mr. President, with these national security considerations paramount in my mind, I have decided to vote for ratification of the treaties as amended and changed.

Finally, I feel the treaties should be placed in their proper perspective. In the final analysis, no treaty or legal document ever written can bar a nation from doing what it deems necessary to preserve its national security interests. As George Will pointed out in a recent column before the amendments passed clarifying our defense rights:

> A treaty is only a parchment barrier, which means no barrier, to a nation's protection of its vital interests against weaker nations. If in an emergency the U.S. lacks the will to do what is necessary rather than what a treaty explicitly says the U.S. can do, then the U.S. lacks the will to do the unpleasant things it would have to do to protect the canal after rejecting the treaties.

Moreover, defeat of the Panama Canal treaties—whatever their merits or lack thereof—could deal a severe blow to presidential effectiveness in the conduct of foreign policy. I do not believe the Senate should ignore the effect of these treaties on the Office of the President of the United States.

I am proud that we have a Georgian in the White House. I am not, however, concerned primarily because the President is from Georgia or because he is a Democrat. I believe an objective analysis of my record on foreign policy and national security issues during the terms of Presidents Nixon, Ford, and Carter demonstrates that I approach these critical issues for our Nation in a nonpartisan manner.

If the Senate rejects these treaties which have been negotiated by four Presidents—two Democrats and two Republicans—I believe that a dangerous erosion of executive branch effectiveness in foreign affairs would inevitably result and thus adversely affect our foreign policy long after the Carter Presidency. We must remember that the history of the past 10 years is that of increasingly battered presidential authority.

I would immediately override this concern and vote against the treaties if I felt that these treaties, or any other treaty, jeopardized our national security or endangered our economy. For reasons I have already discussed, I foresee more potential national security problems if we reject the treaties than if we ratify the treaties.

Finally, the Panama Canal and neutrality treaties bring to mind Lincoln's wise counsel. Quoting former President Lincoln:

> The true rule, he once said, in determining to embrace, or reject any thing, is not whether it have any evil in it; but whether it have more evil, than of good. There are few things wholly evil, or wholly good. Almost everything . . . is an inseparable compound of the two; so that our best judgment of the preponderance between them is continually demanded.

I thank my colleague for yielding me the additional time.

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senator from South Carolina (Mr. THURMOND) is recognized to call up an amendment on which there shall be 1½ hours, to be equally divided and controlled by the Senator from South Carolina (Mr. THURMOND) and the Senator from Idaho (Mr. CHURCH), with a vote in relation thereto to occur following the vote on the Allen amendment.

The Senator from South Carolina is recognized.

AMENDMENT NO. 73 AS MODIFIED

Mr. THURMOND. Mr. President, I send my amendment to the desk, with a slight modification in the original amendment, and ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. THURMOND (for himself, Mr. ALLEN, Mr. DOLE, Mr. GOLDWATER, Mr. HATCH, Mr. HELMS, Mr. LAXALT, and Mr. SCOTT) proposes Amendment No. 73, as modified:

ARTICLE IX

The American Battle Monuments Commission is authorized—

(1) to arrange for the removal of the remains of citizens of the United States of America from Mount Hope Cemetery to the American sector of Corozal Cemetery not later than two years after the date of entry into force of this Treaty, except that if the nearest living relative of any citizen of the United States of America whose remains would be moved objects in writing to the American Battle Monuments Commission not later than six months after such date, then the remains of such citizen shall not be moved; and

(2) to operate and maintain, without compensation to the Republic of Panama, the American sector of Corozal Cemetery, which sector shall be only under the flag of the United States of America."

The PRESIDING OFFICER. The Senator from South Carolina has 37 minutes.

Mr. THURMOND. What is the time of the order for the amendment?

I understood that I would have an hour-and-a-half.

The PRESIDING OFFICER. The time of 12:30 arrived, and the Senator from Georgia was given an additional 12 minutes.

Mr. THURMOND. Well, that should not count against this amendment, should it?

The PRESIDING OFFICER. The vote has to come on the amendment by the previous order at 2 o'clock.

Mr. THURMOND. Mr. President, this amendment protects the honor and sanctity of the remains of Americans buried in the Panama Canal Zone.

There are two cemeteries in the Canal Zone containing the remains of American citizens. Mount Hope Cemetery on the Atlantic side of the canal contains the remains of 1,332 Americans, of whom 175 are veterans. The graves of 3,395 Americans, including 741 veterans, are located in the Corozal Cemetery on the Pacific side of the canal. Immediately upon ratification of the treaties now be-

fore the Senate, Mount Hope Cemetery will pass to Panamanian control. The Corozal Cemetery, however, will remain under U.S. control until the canal is completely turned over to Panama.

Mr. President, the sanctity of the American gravesites in the Canal Zone must be protected. The problem of what should be done to protect the honor of the American dead buried in the Canal Zone has been thoroughly aired in the House Veterans Affairs Committee under the chairmanship of the Honorable RAY ROBERTS of Texas. Congressman ROBERTS is to be commended for his foresight in bringing this issue of importance and interest to veterans and, indeed, all Americans to public light. On January 23, 1978, Congressman ROBERTS raised the issue in the House of Representatives as to what disposition should be made of the graves of the American dead in Panama. Mr. President, this question was considered very carefully in the House and Mr. ROBERTS made an important statement relative to the options available to meet this problem.

I believe the surest approach is adoption of my amendment as article IX to the pending treaty.

Mr. President, as is indicated in the statement by Congressman ROBERTS, three alternatives have been proposed for protecting our national interests in the American graves in Panama. The first alternative would involve negotiating an agreement wherein Panama would maintain the cemeteries in question. A second proposal would authorize the American Battle Monuments Commission to assume responsibility for maintaining the graves of the Americans buried in the two cemeteries. A third proposal would call for the disinterment of the remains of all Americans in the two cemeteries and for their eventual reinterment in a National cemetery in the United States. A fourth alternative, of course, and the one pursued by the Department of State in negotiating the treaties, would be to do absolutely nothing. As a matter of fact, Richard Wyrough, Deputy Director and Senior Advisor for Treaty Affairs with the Department of State, who testified before the House Subcommittee on Cemeteries and Memorials on this issue on March 1, 1978, indicated that the Department of State simply did not address the cemetery matter at the treaty negotiations. Although it is abundantly clear that the provisions of the treaties call for Senate abdication of its responsibilities in the area of national defense, the blatant failure of American negotiators to protect our Nation's interests in these graves raises speculation as to what other interests involving traditional American notions of human decency were not addressed or protected in the treaty negotiations.

Mr. President, the amendment which we propose offers the only rational course to pursue in this matter. It simply provides for the disinterment of the remains of the American dead in the Mount Hope Cemetery and their reinterment in the Corozal Cemetery within two years from the effective date of this treaty. Next of kin of deceased Americans buried in the cemeteries who object to the removal of the remains of their kin may prevent such disinterment by registering their objection within 6 months of the effective date of the treaty with the American Battle Monuments Commission. The amendment would further authorize the American Battle Monuments Commission to exercise jurisdiction over the American Sector of the Corozal Cemetery in perpetuity without payment or taxation. A separate amendment which I am offering to the treaty would grant the United States the exclusive right to fly the U.S. flag over such American sector.

Mr. President, the amendment which we offer presents a scheme for caring for the remains of our American dead in the Canal Zone similar to that recommended by National Commander-in-Chief of the Veterans of Foreign Wars John Wasylik in his testimony before the Senate Veterans Affairs Committee on March 7, 1978.

I might say, Mr. President, that this is the very recommendation that the Veterans of Foreign Wars made to the Senate Veterans' Affairs Committee.

The proposal also has the support of the American Legion, the Disabled American Veterans, AMVETS, the Non-Commissioned Officers Association, the Reserve Officers Association, and numerous other veterans organizations. I am sure this amendment would have the support of that body whose opinions have been largely unheeded in all the negotiations on the treaties—the great majority of the American people. Finally, the amendment would assure the effectuation of a course of decency. It would not leave the protection of the sanctity and honor of these gravesites to future negotiations, the eventual occurrence of which would be extremely doubtful.

I hope that this proposal, one which is made without partisanship, receives the full support of my comrades.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 31 minutes remaining.

Mr. THURMOND. Mr. President, I would like to reserve the remainder of my time in case the opposition has anything to say at this time.

The PRESIDING OFFICER. Who yields time?

The Senator from Maryland.

Mr. SARBANES. Mr. President, with respect to the amendment which the distinguished Senator from South Carolina has offered, which is, of course, an amendment to the text of the treaty, and which addresses a matter which I believe is of importance to every Member of the Senate, the distinguished Senator from California (Mr. CRANSTON), chairman of the Senate Committee on Veterans' Affairs, who has been a very effective and forceful leader of that committee in its consideration of problems which affect our Nation's veterans, in a letter to the Members of the Senate has addressed himself to this amendment.

He has suggested in that letter an alternative way of dealing with this matter which I think is quite constructive, which would address the situation which the Senator from South Carolina has described, and to which his amendment is addressed. It would address it in a way that more adequately meets the problem with which we are concerned.

I see the distinguished Senator from California is present. It had been my intention to read the letter he has sent to each Senator into the record. However, he may wish to proceed in his own way and I yield to him at this point for that purpose.

Mr. CRANSTON. I thank the Senator.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I thank the Senator from Maryland (Mr. SARBANES) very much for yielding to me. I thank him more for the truly effective leadership he has provided on the floor of the Senate in the effort that so many of us are making on behalf of these treaties, which we believe are deeply in the interests of our country, its scurity and well-being, and, indeed, its peace.

The Senator from Maryland has been remarkably diligent and remarkably effective. Many of us in this body, and many more outside this body, are deeply in his debt.

Mr. President, I regret very much that I rise in opposition to the amendment of my good friend from South Carolina. In our capacities as chairman and ranking minority member, respectively, of the Committee on Veterans' Affairs, Senator THURMOND and I rarely disagree on matters affecting veterans and their survivors.

In fact, he and I are clearly in agreement on the underlying issues he has brought before the Senate. I feel strongly, as he does, that a fair and enduring solution must be found to the problems which he has so effectively outlined.

Certainly, every effort should be made to secure and provide appropriate continuing honors for the remains of the veterans, approximately 350 of whom are war dead, and the other U.S. citizens buried in the two cemeteries in the Canal Zone—the Mount Hope Cemetery and the Corozal Cemetery. I have expressed my very strong conviction in this regard to the administration. And there is no disagreement on this point, inside this body or outside this body.

Both the Department of Defense and the Department of State, as well as the White House, are in full agreement that we must obtain a satisfactory resolution of this problem prior to the date on which the treaties would go into effect and thereby remove the jurisdiction now exercised by the Canal Zone government over the territory in which the Mount Hope Cemetery is located. This would occur 6 months after the exchange of ratification instruments between our Government and the Government of the Republic of Panama.

However, I do find myself in disagreement with my colleague from South Carolina about the form in which his amendment proposes to deal with this matter. The amendment that he proposes, if adopted, would clearly require a plebiscite in Panama since it would grant continuing rights to our country to operate the American

sector of the Corozal Cemetery after 1999. It would do that by amending the treaty now before this body. I must oppose that amendment for all of the reasons previously stated in debate on the treaties in regard to amendments. Although I am fully sympathetic—and I stress this—with the goal involved—that is, to bring about the same result: The securing of the remains of all Americans buried in the Canal Zone, and the operation, under the U.S. flag, of the American sector of the Corozal Cemetery by the American Battle Monuments Commission, in perpetuity and without charge. These are the same terms and conditions that apply to all overseas cemeteries operated by the Commission on behalf of this Nation.

I do not believe it is necessary, and I do not believe it is appropriate, however, to seek to impose this result on the Government of Panama. I have no reason to believe that we cannot in a matter of months secure an appropriate executive agreement from the Government of Panama under which this important result would be obtained. Indeed, the State Department has expressed no reason why this cannot be worked out smoothly and well in advance of the transfer of any jurisdiction over Canal Zone territory. I would point out to my colleagues that the routine and recognized method of obtaining such jurisdiction for an American Battle Monuments Commission cemetery—indeed the method designated in the law itself—is the execution of an executive agreement between our country and the other nation.

There are two other matters at stake here. First is the question of the arrangements for the orderly removal of all American remains from the Mount Hope Cemetery to the Corozal Cemetery during the 6 months following ratification. Again, there is no disagreement on this. The administration is fully prepared to undertake a responsible and prompt program to see that these remains are secured and brought under the control of our forces remaining in Panama until the year 2000, and thereafter administered pursuant to the executive agreement which I fully believe would be forthcoming. Again, there is no disagreement on the goal, but no amendment to the treaties is necessary to bring about this result.

Second is the question of the continued flying of our flag over the Corozal Cemetery American sector after the treaties go into effect. Senator THURMOND indicated last Thursday, when he first submitted this amendment, that he intended to offer an amendment to deal with this situation.

Again, we are in full agreement on our goals. As a matter of fact, the U.S. flag is flown as a standard procedure over all American Battle Monuments Commission cemeteries overseas, everywhere on the face of this Earth.

However, we believe that the best way to deal with this issue—which may be a very sensitive one both from our standpoint and from the standpoint of the Panamanians—would be to take advantage of the specific provision in article VII, paragraph 3, of the Panama Canal Treaty which provides that the two parties may, by agreement, expressly provide for the display, during the life of that treaty, of the U.S. flag at places other than those specified in that treaty.

Mr. President, I believe there is an effective way to deal with this situation as well as the first two I have described by the alternative I am about to outline.

This alternative is set forth in the reservations which the Senator from West Virginia (Mr. RANDOLPH), an esteemed member of our Veterans' Affairs Committee, the distinguished majority leader (Mr. ROBERT C. BYRD), the ranking majority member of our committee (Mr. TALMADGE), and I intend to propose to the treaty in the form of an amendment to the resolution of ratification of the Neutrality Treaty. This amendment has been submitted for printing by the Senator from West Virginia, and a copy has been placed on the desk of every Senator.

This amendment to the ratification resolution would establish three reservations in connection with the Senate's giving advice and consent to the Neutrality Treaty. The three reservations would deal fully and effectively, we believe, with each of the issues which I have just outlined.

Specifically, the first reservation would state that the governments of both countries will negotiate an executive agreement for the permanent operation of the American sector of the Corozal Cemetery by the American Battle Monuments Commission on the normal terms and under the normal practices, privileges, and immunities associated with the administration of overseas cemeteries by the American Battle Monuments Commission. This would include the display of the U.S. flag over the American sector at the Corozal Cemetery after the year 2000. As I mentioned earlier, the State Department has agreed to proceed with these negotiations immediately upon ratification. This kind of executive agreement is the standard method for securing the right for administration of an overseas cemetery by the ABMC.

Second, we would add a reservation that the U.S. flag would continue to be flown over the American sector of the Corozal Cemetery pursuant to the express provision for agreements to that effect contained in article VII, paragraph 3, of the Panama Canal Treaty. We believe that upon exchange of ratification instruments by the two Governments, this reservation would constitute an agreement between the parties within the terms of those provisions of the Panama Canal Treaty. This would secure the flying of our flag in honor of those now buried or to be buried in Corozal.

Finally, we would add a third reservation fully spelling out the obligation of our Government to arrange for the orderly removal of remains from the Mount Hope Cemetery in the 6 months following ratification. The language of the reservation would express the obligation of our Government to make public announcement of the removal plan, take all appropriate steps to notify next of kin, and arrange for removal to the Corozal Cemetery, unless the next of kin requests transportation back to this country for burial in a U.S. national cemetery or, after full advice of the adverse consequences of such an alternative, requests that the remains be left in the Mount Hope Cemetery. Also, within 30 months after the entry into force of the treaties, next of kin of any persons buried at Corozal will have the option of removal of the remains to a U.S. national cemetery. All this will be done at U.S. Government expense. Again, the administration has agreed to all this as well.

Mr. President, I urge again that we not go about dealing with this issue through a treaty amendment. The administration is in agreement regarding the policies involved here. I am satisfied that we can resolve all three matters fully and fairly through the alternative of the reservations to the neutrality treaty which will be proposed in the amendment to the resolution of ratification which I have just described, and which we shall offer this week.

I regret that the Calendar which determines the order in which amendments must be considered and actions taken has made it impossible to bring up our amendment prior to the amendment brought up by the Senator from South Carolina, but I have no doubt about the fact that our amendment can carry. I have no doubt about the fact that it will achieve the goals that all of us in this body share. I have no doubt, therefore, that it is in the best interests of our country to defeat the pending amendment.

The PRESIDING OFFICER (Mr. DECONCINI). Who yields time?

Mr. THURMOND. Mr. President, I believe I have 30 minutes left.

The PRESIDING OFFICER. The Senator has 30 more minutes.

Mr. THURMOND. Mr. President, I hold in high esteem the able Senator from California, and I know of his dedication to help our veterans. I also hold in high esteem the distinguished Senators from West Virginia (Mr. RANDOLPH and Mr. ROBERT C. BYRD). I know of their interest to help veterans, too. However, I do not think that the reservation which they are offering here is the proper procedure.

I realize that the adoption of this amendment might require another plebiscite. However, if this is the proper course to pursue, why should we not follow it, even if it does require a plebiscite? Mr. President, I think we have to vote on amendments on the basis of what is best for this country—in this case, what is best for the veterans and their families. This is the only way that I feel we can do justice to the American people. The differences in my approach and that espoused by the able Senator from California I shall point out.

In the first instance, the amendment that we have offered would be binding. Under an amendment reservation of the Mount Hope Cemetery would be assured. We have this cemetery in the Canal Zone now and we would merely reserve the American sector of the Corozal Cemetery where all these veterans and Americans

could be buried. We now have the Canal Zone and this cemetery in perpetuity. We have it forever. All I am asking is that we not give up the portion of the cemetery where the Americans are buried. Let us reserve that, because it certainly cannot affect the operation of the canal. So why give that up?

Even if proper disposition of this issue does call for an amendment to the treaty, and even if passage of such amendment would require another plebiscite, if it is a proper course to pursue, I think we ought to do it.

I remind the Senate that the reservation that will be offered here is to the resolution of ratification. The fact that such reservation would not be binding is important. In other words a reservation to the resolution of ratification would not be binding, whereas the amendment which we are offering would be. I think this distinction is important.

Under Panamanian law, only that which is included in the body of the treaty is considered binding. I am sure that those who favor the treaties would agree with that. Understandings and reservations are not considered in any way binding. Notwithstanding this fact, however, those who would try to accomplish the result that I am trying to achieve are offering a reservation.

A reservation, therefore, would not be binding on Panama to protect the cemeteries as would an amendment.

Mr. President, under Panamanian law, any document submitted for ratification by plebiscite must be clearly designated. The Carter-Torrijos understanding, now incorporated in articles IV and VI of the Neutrality Treaty, was not so specified and, as such, is subject to a legal challenge in Panama.

Mr. President, the amendment which we offer calls for a positive course of action. Under the reservation, which will be offered, the fate of the cemetery issue is left to future negotiations. My point in this matter is underscored by the recent testimony of Richard Wyrough, Deputy Director and Senior Adviser for Treaty Affairs, Office of Panamanian Affairs, before the House Veterans' Affairs Committee, Subcommittee on Cemeteries and Burial Benefits, on March 1, 1978.

This is his statement:

Mr. Chairman and Members of the Subcommittee: I am very pleased on behalf of the Department of State to be able to discuss with you the Administration's plans concerning the proper care under the new treaties of Americans buried in what is now the Canal Zone. I was a member of the United States delegation that negotiated the treaties, and I must say that it is a matter which was not specifically addressed during the negotiations. We first examined the question sometime after the treaties were signed in September 1977 as we began to turn our attention to the details of planning their eventual implementation.

The Administration has explored in a preliminary way several possible solutions to the problem. We have not yet, however, approached the Panamanians with our ideas, although they are aware of the matter.

As Assistant Secretary Blumenfeld mentioned, our immediate concern has been with Mt. Hope cemetery, since it will be one of the properties turned over to Panama when the treaties are implemented. One option we have considered, inasmuch as Mt. Hope is actively being used by Panama today and would presumably continue to be so when it reverts to actual Panamanian control, is to negotiate an agreement for the maintenance of the American sector of the cemetery. Possible problems in connection with this option include funding, assuring proper American oversight responsibilities of the maintenance work, and assuring general access to American gravesites for relatives and friends of those who are interred in the cemetery.

A second option is to offer a proposal to the next of kin of the deceased Americans buried at Mt. Hope whereby the United States Government at its expense would disinter the remains, transport them to the United States and reinter them at a site chosen by the relatives. All other costs associated with the move, such as purchase of the burial plot, headstone, etc., would be borne by the next of kin. Apart from the question of where to find the funding for our Government's portion of this proposal, there are other problems, such as the difficulty in locating the next of kin, what to do with the remains of those not claimed by next of kin, making arrangements for next of kin who claim the remains, but cannot afford the costs involved, etc.

As you can see, the problem is a thorny one, and the possible solutions I have discussed are not without their drawbacks. However, as Assistant Secretary Blumenfeld mentioned, we do have a proposal to put before you which we think presents a feasible approach to the matter. In closing, I should like to mention that the matter is not, as I mentioned earlier, something that we have discussed in detail with the Panamanians. While we do not anticipate any particular difficulties, we cannot be certain at this point as to their reaction.

If I may, then, yield to General Adams who will offer the details of the American Battle Monuments Commission's proposal.

Mr. President, Mr. Wyrough, who was a member of the U.S. delegation that negotiated the treaties, says that the cemetery problem was a matter which was not specifically addressed during the negotiations.

Since this issue was not addressed during the negotiations, how do we know what Mr. Torrijos will do? How do we know what Panama will agree to?

In the closing sentence of his statement, Mr. Wyrough asserts that no one can be certain at this point as to Panamanian reactions of Senate efforts to resolve the cemetery problem.

Does not Mr. Wyrough's statement make clear that no one knows what Torrijos will agree to? No one really knows what will finally be agreed upon. Therefore, why take the chance?

Why not adopt this amendment, which is supported by the American Legion, the Veterans of Foreign Wars, AMVETS, the Disabled American Veterans, the Noncommissioned Officers Association of the United States, and the Reserve Officers Association of the United States?

These organizations have no axe to grind. None of these organizations has an axe to grind. They are simply interested in the veterans of our country. Our Nation's veterans are the people who fought to preserve our freedom. They are buried down there and these veterans organizations want to be sure that their remains are properly cared for. Therefore, they favor the amendment which we offer.

I realize again, as I have said, that there is some opposition because of the possibility of another plebiscite.

Suppose another plebiscite is held? If the people of Panama will not agree to protect properly the remains of the Americans buried there, why should we enter into the treaty anyway? If the Panamanians are agreeable to respect our Nation's interest in those graves, then they would act favorably on the plebiscite.

Mr. President, another point I want to mention is that our amendment would provide that the American flag only will fly over the American sector of the Corozal Cemetery.

However, the reservation which will be offered looks to article VII of the Panama Canal Treaty. This article states that the entire territory of the Republic of Panama will be under the Panamanian flag, which must always occupy the position of honor even in the U.S. areas of use.

Mr. President, if the Senate adopts the reservation, that means that the Panamanian flag, even in the American sector of the cemetery down there, will occupy an honored position over the American flag.

I do not believe that is what the American people want. I do not believe that is what they would approve of. That is certainly not what the veterans organizations in this country approve of.

Why should we take a back seat and fly our flag under the Panamanian flag? Again, that does not seem to make much sense.

Mr. President, I might say here that our amendment provides that the American Battle Monuments Commission shall operate the American sector without compensation to Panama.

In other words, our amendment provides that there will not be any compensation paid to Panama. However, the reservation is silent on the point of compensation.

We certainly do not want to have to pay Panama for the privilege of operating an American sector in the Corozal Cemetery. Suppose they hold out for payment? What will happen if we ratify this treaty and leave this point to future negotiations?

Mr. President, I say further that under our amendment the remains of the deceased American citizens would be transferred to the American sector of the Corozal Cemetery and the American Battle Monuments Commission would have the right to operate it in perpetuity. Again, the reservation which will be offered is silent on the point of how long the Battle Monuments Commission will be permitted to operate the cemetery. Suppose Panama later says, "Well, we want you to get out entirely, take the bodies out entirely."

As I read a few moments ago, reservations are not binding under Panamanian law. When reservations and understandings are not considered in any way binding on Panama, how can we be sure we are going to get results, unless we amend this treaty?

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. THURMOND. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Mr. President, will the Senator from Maryland yield for a unanimous-consent request?

Mr. SARBANES. I yield.

Mr. HART. Mr. President, I ask unanimous consent that Genta Hawkins, of my staff, have the privilege of the floor during the deliberations on the pending measure and throughout the debate on the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, how much time remains to the managers of the bill?

The PRESIDING OFFICER. Twenty-three minutes.

Mr. SARBANES. Mr. President, I want to address a number of the points that were made by the distinguished and able Senator from South Carolina, who has set out this matter so well before this body.

First of all, the term "reservation" in treatymaking, according to general international usage, means a formal declaration by a State when signing, ratifying, or adhering to a treaty, which modifies or limits the substantive effect of one or more of the treaty provisions as between the reserving State and other States party to the treaty.

So a reservation has a real substantive effect, and the proposal which the Senator from California (Mr. CRANSTON) has indicated will be submitted on his behalf and on behalf of Senator RANDOLPH, Senator TALMADGE, and Senator ROBERT C. BYRD is a proposal which carries with it a real effect. It is designed to deal with this situation in a way different from that suggested by the Senator from South Carolina and, I am frank to say, in a more complete and more constructive way.

A reservation would involve a change in the international obligations to be undertaken by the United States by the treaty and would have to be communicated to, and agreed to by, the other party. It would be made as an amendment to the articles of ratification. It then would be put as part of the articles to the Panamanians for acceptance. Of course, the treaty is conditional upon acceptance of the items contained in the resolution of ratification, including reservations offered by Senators CRANSTON, RANDOLPH, TALMADGE, and ROBERT C. BYRD, that would deal with the subject matter to which the Senator from South Carolina has addressed himself.

Just to review that, the reservations provide:

(1) that, before the date of entry into force of the Treaty, the two Parties shall begin to negotiate for an agreement under which the American Battle Monuments Commission would, upon the date of entry into force of such agreement and thereafter, administer, in accordance with the practices, privileges, and immunities associated with the administration of cemeteries outside the United States by the American Battle Monuments Commission, including the display of the flag of the United States, such part of Corozal Cemetery in the former Canal Zone as encompasses the remains of citizens of the United States;

(2) that the flag of the United States may be displayed, pursuant to the provisions of paragraph 3 of article VII of the Panama Canal Treaty, at such part of Corozal Cemetery in the former Canal Zone as encompasses the remains of citizens of the United States; and

(3) that the President—

(A) shall have announced, before the date of entry into force of the Treaty, his intention to transfer, consistent with an agreement with the Republic of Panama, and before the date of termination of the Panama Canal Treaty, to the American Battle Monuments Commission the administration of such part of Corozal Cemetery as encompasses the remains of citizens of the United States; and

(B) shall have announced, immediately after the date of exchange of the instruments of ratification, plans, to be carried out at the expense of the United States Government, for

(i) removing, before the date of entry into force of the Treaty, the remains of citizens of the United States from Mount Hope Cemetery to such part of Corozal Cemetery as encompasses such remains, except that the remains of any citizen whose next of kin objects in writing to the Secretary of the Army not later than three months after the date of exchange of the instruments of ratification of the Treaty shall not be removed; and

(ii) transporting to the United States for reinterment, if the next of kin so requests, not later than 30 months after the date of entry into force of the Treaty, any such remains encompassed by Corozal Cemetery and, before the date of entry into force of the treaty, any remains removed from Mount Hope Cemetery pursuant to subclause (i); and

(C) shall have fully advised, before the date of entry into force of the Treaty, the next of kin objecting under clause (B) (i) of all available options and their implications.

Mr. President, that is a very comprehensive way of dealing with the situation. In fact, it addresses a number of problems which are not touched upon in the proposal of the distinguished Senator from South Carolina, including one of the points he raised in the course of speaking, concerning the cost of these transfers. This reservation carries with it the provision that the President shall have announced, immediately after the date of exchange of the instruments of ratification, plans to be carried out at the expense of the U.S. Government, and then sets out the plans that our Government will carry out at our expense with respect to the removal of remains of our citizens, and will offer to people the various choices that are contained in the proposed reservations.

The reservations seek to deal with this matter in some detail; they seek to deal with it comprehensively. They are designed really to answer the concerns which people have raised. As accomplished by a reservation to the articles of ratification, they then would require the concurrence of Panama in the articles of ratification, and the reservations then would have effect, and we would be able to implement the provisions which I have just read to the Members of the Senate.

This is an effective way of dealing with this problem. It is a constructive way of dealing with it. In fact, it is a most comprehensive and detailed way of addressing this problem. For the families who are so deeply concerned and involved with this matter, it sets out a series of options which seeks to respond to all their understandable human concerns.

Mr. President, I submit that the proposal which the Senator from California Mr. CRANSTON and Senator RANDOLPH, TALMADGE, and ROBERT C. BYRD intend to offer, and which the Senator from California spoke about earlier in some detail, is the way to address the situation that is now before us.

Mr. President, how much time remains on this side?

The PRESIDING OFFICER. Fifteen minutes.

Mr. SARBANES. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield myself such time as I may require.

Mr. President, if this amendment is defeated, I will support the reservation that will be offered. But I submit that a reservation is not as strong as an amendment. I think the distinguished Senator from Maryland will agree with that, will he not—that a reservation is not as strong as an amendment to the treaty?

Mr. SARBANES. I say to the Senator that a reservation has a binding effect and can accomplish in every respect what an amendment can do. In this instance, of course, I feel that this reservation, in terms of how it deals with the matter, even more successfully meets the problem.

You will recall that what Senator Lodge offered to the Versailles Treaty were reservations, and I do not think there is any question that the reservation is what the Senate has used in the last 56 years to accomplish substantive changes, and I do not think there is any question that a reservation has real effect, real and binding effect.

Mr. THURMOND. If the Senator had to rank them in order of strength, an amendment to the treaty or a reservation, which would he rank first?

Mr. SARBANES. I frankly would say to the Senator they both carry comparable effect. Now some people make the assertion that an amendment to the treaty is of greater effect, but it is clear that both are of binding effect. The reservation is of binding effect. A reservation constitutes a condition to our consent to the treaty. In other words, we, in effect, will have conditioned, through a reservation made to the Articles of Ratification, our consent to the treaty, and that condition will require the concurrence of the other government, in this instance Panama, and, therefore, has an effect.

Let me simply read again the statement:

The term "reservation" in treaty-making, according to general international usage, means a formal declaration by a State when signing, ratifying, or adhering to a treaty, which modifies or limits the substantive effect of one or more of the treaty provisions as between the reserving state and other states party to the treaty.

So it has a binding effect and, therefore, I think this reservation would deal with the situation which the Senator has brought to our attention.

Mr. THURMOND. Mr. President, I think the mere fact that a plebiscite might be required upon the adoption of an amendment is evidence in itself that an amendment to the treaty is stronger than a reservation. If an amendment and a reservation are the same, why do you object to the amendment?

Mr. President, Mr. Wyrough in his statement before the Veteran's Affairs Committee of the House made this statement:

> One option we have considered, inasmuch as Mt. Hope is actively being used by Panama today and would presumably continue to be so when it reverts to actual Panamanian control, is to negotiate an agreement for the maintenance of the American sector of the cemetery.

Then he goes on to say that there are "Possible problems in connection with this * * *"

Exactly what you would have to do if you did not dispose of this issue by putting it in the treaty would be to negotiate. Years of negotiating may be required and more money paid to Panama.

Mr. Wyrough further indicates that another possible problem in connection with this option includes funding.

That is a problem right there. That is what Mr. Wyrough says, funding, and funding means money. It means money that America will have to pay to Panama in order to get the privilege of operating an American sector in the Corozal Cemetery. Apparently $8 to $10 million is not enough for the cemetery.

Mr. Wyrough also mentions a third problem that would require negotiation—that of assuring proper American oversight responsibilities of the maintenance work.

In other words, we would even have to get Panama's permission to assure the proper oversight for the maintenance of this work.

> and assuring general access to American gravesights for relatives and friends of those who are interred in the cemetery.

Mr. President, you would have to get an agreement with Panama on that. Why, American families could not even visit these graves unless there was an agreement providing that they could do so. So there are all kinds of questions here that one would have to negotiate if a reservation is adopted. However, the amendment which we offer would reserve that sector of the American portion for the gravesights of our veterans.

Mr. President, there is no comparison, in my judgment, with the importance of putting this in a treaty in the form of an amendment as compared to a reservation. Again, I say I do not see why there is any great objection to having a plebiscite.

We have turned down amendment after amendment here on the floor of this Senate, and I think it has been a great mistake. This Senate has turned down, for instance, an amendment offered by the distinguished Senator from Alabama that would maintain a military presence after the year 2000 if the President certifies it as necessary for the defense of the canal. If the President says it is necessary for the defense of the canal, why did the Senate turn it down?

We have turned down a provision to allow U.S. military presence after 1999, if the President deems that Panama is under the domination of a foreign power. Think of that. Is it not unthinkable if the President of the United States in 1999 says that Panama is Communist or it is under the domination of a foreign power that then we cannot have any military presence there? That amendment would have allowed us to retain presence there under those circumstances.

Mr. President, it seems there is a tendency to turn down every amendment regardless of how valid it is, how helpful it would be to the American people and to our Government. I am just amazed at how far the Senate has gone in this debate in turning down amendments which it knows, or ought to know, are for the best interests of the people of the United States.

Another amendment that was turned down is one which stated the treaty would not be construed as permitting warships of nations at war with the United States to have the right of undisturbed transit of the canal. In other words the amendment would not permit warships of other nations at war with the United States to have the right of undisturbed transit of the canal. Why, the Senate turned that down.

It seems they are determined to turn down everything for fear you would have to have another plebiscite.

Suppose you do have to have another plebiscite and Panama turns it down? All they will do is come back and negotiate another treaty.

Mr. President, I think this treaty, in its present form, is not in the best interests of America. This treaty, in its best form, is not in the best interests of the families of the deceased American veterans buried down there for the reasons I have stated.

I hope the Senate will see fit to adopt this amendment. I realize they have turned down all other amendments for fear there would have to be a plebiscite. But that is certainly not a sound reason for denying this amendment. This amendment should receive the unanimous support of my colleagues.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I concur in the views expressed by the able Senator from South Carolina. I think it is very unfortunate that a majority of the Senate refuses to consider any significant amendment to the proposed treaties.

The American people, I think, deserve some protection. These treaties do not in any way, in the judgment of the Senator from Virginia, protect the defense and economic interests of the people of the United States.

Some of these amendments, if they had been adopted, the proposed treaties would be considerably improved. But a majority of the Senate has taken the view that it would be inappropriate, for some reason or another, for the Senate to adopt any significant amendment to the treaties worked out by President Carter and General Torrijos.

The claim is constantly made that if a significant amendment is added to the treaty that that would require a new plebiscite in Panama. So what? So what? Why should not there be another plebiscite in Panama if the U.S. Senate, in an effort to protect the defense interests of the United States, concludes that an amendment or amendments should be added to the treaties? Panama is getting a tremendous benefit from these treaties.

But take just one item, the American property, bought and paid for by the people of the United States, with a depreciated book value of more than $1 billion, will be turned over to Panama. That same property, the canal, the air bases, the seaports, the land, all of that have a replacement value, according to the Panama Canal Company, of almost $10 billion. Yet the proponents of the treaty contend, "No, we cannot add any amendments because that might require a plebiscite in Panama."

Well, the Panama Canal, I submit, has been beneficial to the United States, it has been beneficial to Panama, and it has been beneficial to the world. The United States has had the sole responsibility for this international waterway ever since it was built, and Panama has benefited from it just as the United States has benefited. As a result of the U.S. presence in Panama, that small country has the highest per capita income of any Central American nation. It has the fourth highest per capita income of any of the 18 Latin American nations. And yet Panama is a small nation of only 1,700,000 persons.

I deplore the fact that the Senate, by a majority vote, is unwilling to adopt any significant amendments, and I have the feeling that this is one reason why the American people, if one can judge their sentiment, are becoming even more determined in their opposition to these proposed treaties.

Mr. THURMOND. Mr. President, I would like to ask the distinguished Senator from Virginia if it makes sense, if in the first place we turned over the Panama Canal, an $8 billion to $9 billion investment, and paid Panama over $2 billion to take it, if we go further and put in this treaty a provision with regard to the cemetery down there where American bodies will be transferred, to have to pay Panama additional compensation for that.

Mr. HARRY F. BYRD, JR. I cannot conceive, may I say to the Senator from South Carolina, how any Member of the Senate could oppose adding an amendment to this treaty saying that the bodies of Americans in the American cemetery there could be removed.

Mr. THURMOND. Or adding a provision onto this reservation that the American flag will take a second place and be under Panama's flag, which it will probably be if we do not adopt this amendment; does that make sense?

Mr. HARRY F. BYRD, JR. Not to the Senator from Virginia, I might say. I cannot see how the Senate can reject certain amendments to these treaties which say that the flag of the United States shall fly over the American cemetery in Panama. It is a very important point to the relatives of those individuals who lie in that cemetery.

Mr. THURMOND. Now, Mr. Richard Wyrough, the Pan-American affairs officer who helped negotiate these treaties, admitted in his statement that there are three things that will have to be negotiated if these treaties are adopted without amendment to the treaties we are suggesting. First is the question of funding, the question of how much we are going to pay them to allow these bodies to be moved to the American sector of the Corozal Cemetery.

Mr. HARRY F. BYRD, JR. You mean the American taxpayers will have to pay that?

Mr. THURMOND. The American taxpayers will have to make that up. They will have to pay Panama; Mr. Wyrough says funding is a question we will have to negotiate.

Another question is American oversight of the maintenance of the work. We will even have to get their permission to see that these bodies are properly moved, and that the maintenance of the work there after they have been moved is carried on properly, and that proper access to the gravesites is granted to the relatives. All of these things would have to be negotiated. That might take years. It would certainly take money.

All of these questions can be resolved simply by adopting our amendment. This is what would be accomplished if the American people had their way.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. THURMOND. My time is up, Mr. President. I thank the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I just want to underscore that the proposed reservation which the Senator from West Virginia, Mr. RANDOLPH, and Senators TALMADGE, CRANSTON, and ROBERT C. BYRD will offer will deal with the problem in much better perspective than the amendment which the Senator from South Carolina is offering.

It is, indeed, an important point to consider the families of those who are buried in these cemeteries, the Mount Hope Cemetery and the Corozal Cemetery; and the reservation will offer to those families an option with respect to what they want done at the expense of the U.S. Government, which will include the possibility of reinterment in the United States or of placing in Corozal Cemetery, which, under the proposal, will then be operated by the American Battle Monuments Commission.

I suggest to the Members of this body that the concerns are much more comprehensively addressed in the reservation which is to be proposed, and that, therefore, the reservation should clearly be adopted in preference to the amendment.

Let me say one other word that is prompted by some comments by the distinguished Senator from Virginia, for whose very clear and lucid statements on the floor of the Senate I have great respect. That involves the question of the other amendments that have been proposed and rejected.

I think it is important to understand that these amendments are being offered, in many instances—not in all, but in many instances—by Senators who are absolutely opposed to the treaties in any way, shape, or form, with or without the amendments; offered by Senators who have made that position clear from the very outset.

In fact, there are Senators who had taken a position in opposition long before they even saw the treaty documents to examine with respect to how American interests were protected and safeguarded. Years ago they took the position that under no circumstances would they support any treaty changes or revisions, and that was their posture.

In fact, some have even taken the position in the past that there should not even be any negotiation, there should not even be consideration of revising the relationship.

In many instances, on the floor of the Senate, those very same Senators have proposed amendments. They are very clear that if their amendments are adopted, they are still opposed to the treaties, but they are proposing amendments. Then when the amendments are rejected because they are found deficient, not helpful, not effective, they become upset. After all, it takes two parties to make an agreement—you do not make a treaty with just one party; you make a treaty with two parties—it takes two parties to make a treaty. All the changes have to be judged in the light of what that does to an agreement that has been reached. All of that is pointed out to the opponents of the treaties as they press on with their amendments. Then the amendments are rejected. The opponents of the treaties underscore that fact, but the hard fact of the matter is that those offering these amendments have been very clear that they are opposed to the treaties; that adoption of the amendment would not alter their attitude towards the treaty. Many of them have been opposed to the treaties for a very long period of time, well before the documents ever came before us to read. Before we even knew what the treaty provided they were opposed to a treaty.

So, I suggest that the wailings and lamentations that we are hearing now with respect to the rejection of the amendments be perceived within that framework and within the understanding of the opposing position, which many of those who are offering the amendments have consistently taken in the past, well before we even had treaty documents before us to consider.

Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. Ten minutes remain.

Mr. SARBANES. Do I understand, Mr. President, that under the unanimous-consent order entered into on yesterday, with respect to proceedings today on the treaty concerning the permanent neutrality and operation of the Panama Canal, that at 2 p.m. the Senate will vote in respect to the amendment by the Senator from Alabama (Mr. ALLEN)?

The PRESIDING OFFICER. The Senator is correct.

Mr. SARBANES. And that that will be immediately followed by a vote in respect to the amendment by the Senator from South Carolina (Mr. THURMOND) which we have just been discussing?

The PRESIDING OFFICER. The Senator from Maryland is correct.

Mr. SARBANES. Mr. President, let me conclude this consideration by underscoring, with respect to the problem which the Senator from South Carolina has raised, that the situation to which he addressed himself was clearly recognized by the Senator from California in his statement and that the proposed reservation which he and others have put forward is designed to deal with that matter.

Now, the Senator from California on yesterday sent to each Member of the Senate a letter discussing the problem with which we are confronted and indicating what he intended to propose along with Senator RANDOLPH, Senator TALMADGE and Senator BYRD of West Virginia.

In that letter he indicated, as he stated on the floor earlier in this debate, sympathy with the goals of the amendments and his intention to see those goals accomplished.

It is important, and no one denies the importance, that the remains of Americans currently buried in the Canal Zone must be provided for in an appropriate and dignified manner before the Neutrality Treaty takes effect.

But as the Senator from California points out, both in his letter and as he did in his statement, the effective way to deal with that is through the reservations to be offered which cover every aspect of the problem. I want to underscore that feature of the reservations. The reservations cover every aspect of the problem. The reservations have been developed in order to deal with the matter comprehensively, so they deal with the matter of the American Battle Monuments Commission, so it can operate the cemeteries on the normal terms in which it does so overseas and in other countries.

The reservations also addressed the question of the flying of the American flag, and addressed the problems of the families of those that are now buried there, who may wish to choose among options as to what will be done with the remains of their loved-ones and this reservation gives them a number of choices, and it does it at the expense of the U.S. Government.

Mr. President, in view of that, I think the wise way for the Senate to proceed would be not to accept the amendment of the Senator from South Carolina but to deal with the matter comprehensively, as it is proposed to do, when the reservations come before the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SARBANES. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, earlier in the day——

The PRESIDING OFFICER. The Senator has 1 minute left.

Mr. SARBANES. A unanimous-consent request was made for the yeas and nays. I understand that it is the preference of the leadership on both sides that the yeas and nays not be obtained by unanimous consent but through a show of hands, and I ask unanimous consent, therefore, that that order be vacated.

The PRESIDING OFFICER. Is there objection to that?

Mr. THURMOND. Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. THURMOND. I want to ask unanimous consent to have a rollcall. I want a rollcall.

Mr. ROBERT C. BYRD. There will be a rollcall.

Mr. SARBANES. I assure the Senator we intend to do that.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Maryland?

Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask for the yeas and nays on our amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on a motion to table the amendment by Mr. THURMOND at this time, but that vote will not come until the other vote occurs.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTIONS TO TABLE

Mr. SARBANES. Mr. President, I now move to table the amendment offered by the Senator from Alabama (Mr. ALLEN) and ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask for the yeas and nays on a motion to table the amendment by Mr. THURMOND.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table the amendment by the Senator from Alabama. The yeas and nays have been ordered, and the clerk will call the roll.

(Mr. LEAHY assumed the chair.)

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from Montana (Mr. HATFIELD), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The result was announced—yeas 53, nays 41, as follows:

[Rollcall Vote No. 56 Ex.]

YEAS—53

Anderson	Hatfield, Mark O.	Metzenbaum
Baker	Hathaway	Morgan
Bentsen	Hayakawa	Moynihan
Biden	Hodges	Muskie
Byrd, Robert C.	Hollings	Nelson
Case	Huddleston	Pearson
Chafee	Humphrey	Pell
Chiles	Inouye	Percy
Church	Jackson	Proxmire
Clark	Javits	Ribicoff
Cranston	Kennedy	Riegle
Culver	Leahy	Sarbanes
Danforth	Magnuson	Sparkman
Durkin	Mathias	Stafford
Eagleton	Matsunaga	Stevenson
Glenn	McGovern	Stone
Gravel	McIntyre	Weicker
Hart		Williams

NAYS—41

Allen	Garn	Randolph
Bartlett	Goldwater	Roth
Bellmon	Griffin	Sasser
Brooke	Hansen	Schmitt
Burdick	Haskell	Schweiker
Byrd, Harry F., Jr.	Hatch	Scott
Cannon	Heinz	Stennis
Curtis	Helms	Stevens
DeConcini	Laxalt	Talmadge
Dole	Lugar	Thurmond
Domenici	McClure	Tower
Eastland	Melcher	Wallop
Ford	Nunn	Young
	Packwood	Zorinsky

NOT VOTING—6

Abourezk	Hatfield, Paul G.	Long
Bayh	Johnston	
Bumpers		

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. Pursuant to the previous order, the Senate will now proceed to vote on the amendment offered by the Senator from South Carolina.

Mr. CHURCH. Mr. President, I move to lay on the table the amendment offered by the Senator from South Carolina.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Idaho. The yeas and nays have been ordered. The clerk will call the roll.

(Mr. LEAHY assumed the chair.)

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Montana (Mr. HATFIELD) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

The result was announced—yeas 58, nays 38, as follows:

[Rollcall Vote No. 57 Ex.]

YEAS—58

Anderson	Haskell	McIntyre
Baker	Hatfield, Mark O.	Metzenbaum
Bayh	Hathaway	Moynihan
Bentsen	Hayakawa	Muskie
Biden	Heinz	Nelson
Bumpers	Hodges	Pearson
Byrd, Robert C.	Hollings	Pell
Case	Huddleston	Percy
Chafee	Humphrey	Proxmire
Church	Inouye	Ribicoff
Clark	Jackson	Riegle
Cranston	Javits	Sarbanes
Culver	Kennedy	Sasser
Danforth	Leahy	Sparkman
Durkin	Long	Stafford
Eagleton	Magnuson	Stevenson
Ford	Mathias	Weicker
Glenn	Matsunaga	Williams
Gravel	McGovern	Zorinsky
Hart		

NAYS—38

Allen	Garn	Randolph
Bartlett	Goldwater	Roth
Bellmon	Griffin	Schmitt
Brooke	Hansen	Schweiker
Burdick	Hatch	Scott
Byrd, Harry F., Jr.	Helms	Stennis
Cannon	Laxalt	Stevens
Chiles	Lugar	Stone
Curtis	McClure	Talmadge
DeConcini	Melcher	Thurmond
Dole	Morgan	Tower
Eastland	Nunn	Wallop
	Packwood	Young

NOT VOTING—4

Abourezk	Hatfield, Paul G.	Johnston
Domenici		

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HEINZ be recognized at this time, for not to exceed 10 minutes; that upon his yielding the floor, Mr. SCHMITT be recognized to call up his amendment, on which there is a 45-minute time limit agreement; that upon the disposition of the amendment by Mr. SCHMITT, Mr. STEVENS, and Mr. BELLMON be recognized to call up their amendment, and that it be disposed of prior to 4 p.m., in accordance with the order previously entered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Pennsylanvia (Mr. HEINZ).

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Pennsylvania will suspend until the Senate is in order.

Mr. HEINZ. Mr. President, on Thursday the Senate will vote on the Neutrality Treaty. Without doubt, this is the critical vote that will decide the question of the proposed treaties with the Republic of Panama. I can recall few issues that have been as difficult, far reaching, and controversial—for our Nation, for the people of my State of Pennsylvania, and for the Senate.

I have said it before, and I will say it again, that the treaties negotiated last August by the administration and Gen-

eral Torrijos do not sufficiently protect our national security interests, and, as originally submitted, I do not support them. The fact that the Senate has already found it necessary to amend the treaty by adopting the Baker-Byrd amendments indicates that the Senate as a whole also found the treaties flawed.

The Baker-Byrd amendments specifically guarantee our unquestioned right to defend the canal militarily, after we transfer operational control to the Republic of Panama after the year 2000, and they guarantee the right of American warships to go to the head of the line in time of emergency. The treaties have been vastly improved by these amendments, but they have not been improved enough.

Just over 6 weeks ago, I visited Panama to see and judge for myself what effect the adoption of the treaties would have on the canal. I wanted to learn at first hand whether the treaties would actually succeed in keeping the Panama Canal open, fully secure, efficiently operated and properly maintained. I talked with members of the Panamanian Government, including General Torrijos, Panamanian clergy and opposition party members, U.S. military and civilian residents of the Canal Zone. It was in this way I formed several strong opinions about the treaties.

First, I concluded that the right to intervene militarily and to have priority of passage for our warships had to be incorporated into the treaties. This has now been done by the Baker-Byrd amendments.

Second, I became convinced that article V of the Neutrality Treaty, as currently written, effectively and permanently excludes the United States from having any base or continuing military presence in Panama after the year 2000 even if the Panamanians want us present. As sent to the Senate by the President, article V states:

> After termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites, and military installations within its national territory.

I believe it makes no sense whatsoever to lock ourselves out of any continuing military presence in Panama after the year 2000. Neither we nor the Panamanians are in a position to judge what new and more serious threats may emerge from hostile countries during the next 22 years. Article V as written, unwisely prevents the United States and the Republic of Panama from agreeing to a continued military presence. It is for this reason that I have drafted a reservation, to be incorporated as part of the ratification document which the Republic of Panama must affirmatively accept in writing. My printed reservation No. 5 definitively states that, notwithstanding article V, "the United States shall have the right to a continued military presence in Panama if agreed to by both governments." I believe this reservation is vital to protect our legitimate security interests. If this reservation, or one at least as strong, is not incorporated into the treaty, I will not support ratification.

Third, I returned from Panama with the conviction that the treaties do not adequately assure the efficient operation and proper maintenance of the canal once it is turned over to the Republic of Panama in the year 2000. This is because there will almost certainly be tremendous internal political pressures on the Government of Panama to spend canal revenues for social welfare purposes rather than for the canal maintenance and capital equipment replacement that will be necessary. Panama is an underdeveloped country, its economy is stagnant, and its tremendous social needs are unlikely to be met within the next 22 years. Just as the Penn-Central Railroad directors yielded to the temptation to defer maintenance and modernization, with disastrous results, so too I am concerned that a similar yielding by the Panamanian Government might ultimately render the canal inoperable, perhaps in a short time. As written, the treaties provide an inadequate mandate and weak safeguards to prevent the indiscriminate siphoning off of canal revenues from proper maintenance needs. This problem demands additional assurances which I have also written as a reservation to the treaties, to be incorporated into the ratification document. My printed reservation No. 6 requires that canal revenues must be first used for proper operation and maintenance of the canal before payments can be made for any other purpose. If this reservation is not adopted, I will oppose ratification.

Fourth, I also returned concerned that the Panama Canal treaties may subject the American taxpayers to a unpleasant surprise. In particular, any balance of the $10 million per year contingency payments unpaid constantly accumulates as an obligation. If the worst occurred, and no contingency payments were made over the 22-year life of this treaty, the American taxpayers could be liable for a $220 million due bill from the Panamanian Government. This is clearly unacceptable.

For this reason, article XIII of the Panama Canal Treaty which states that the canal "shall be turned over in operating condition and free of liens and debts" must be corrected with an amendment to the ratification document that authoritatively states that any accumulated contingency payments are not obligations that become due and payable when the Panama Canal Treaty terminates. Without such a change, I could not support the treaties.

If the three reservations I have mentioned are adopted by the Senate, then I will support the treaties as modified. It is a close and difficult decision, but I believe it is the right decision.

My constituents in Pennsylvania have been properly concerned about the treaties originally negotiated by President Carter and General Torrijos. It is to satisfy these legitimate concerns that I have supported the Baker-Byrd amendments and will insist on these three additional changes. With these changes I believe we meet our essential needs for security, proper maintenance and protecting the American taxpayer.

Many of my constituents have asked why we need any new treaties with Panama. The idea of new treaties originated with the Eisenhower administration, and four successive American Presidents have negotiated for a new treaty with the Panamanians. I happen to believe, unlike some, that the 1903 treaty was a good treaty, beneficial to both the United States and Panama in its time.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. HEINZ. Mr. President, I ask unanimous consent to continue for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized.

Mr. HEINZ. But times have changed and the treaties should change.

Some say we must have new treaties because the canal is indefensible. I do not agree. The canal is defensible, we know how to defend it, and we will if we have to. If the treaties are rejected, and if there is a threat to the security of the canal, I will support taking every necessary action to keep the canal open.

However, I believe that new treaties which maintain and strengthen our friendship with the Panamanian people are a much better way to insure the security of the canal and the strengthening of our relationships with the peoples of Latin America.

By changing and improving the treaties as I have described I believe we will best serve the long-term interests of the United States. It is no coincidence that leftist groups both in Panama and other nations oppose these treaties. The fact is that radical groups would like to cause trouble for the United States in Panama and in the rest of Latin America, and they will seize any opportunity we give them to do so.

A final consideration that motivates me to strengthen these treaties to merit ratification is the effect rejection would have on the Presidency. If we reject these treaties because we cannot perfect them to meet our fundamental security interests, then the Senate has done its duty. But if we reject improved and responsible treaties, we call into question throughout the world the power and influence not only of this President, but of the Presidency itself. In a world which needs the strength and leadership that can only be provided by an American President, this would be a grave risk to take.

Mr. President, the question of the Panama Canal treaties is one of the most difficult and controversial the Senate has ever faced. I have studied each question exhaustively.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HEINZ. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

Mr. MELCHER. Mr. President, I ask unanimous consent that the Senator from Pennsylvania may proceed for 3 minutes.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, we have a real time problem here

on our hands in that Senator STEVENS wishes to address the Senate after Senator SCHMITT concludes, and all must finish by 4 o'clock.

I wonder if the Senator from New Mexico would yield 1 minute of his time?

Mr. SCHMITT. I would be happy to yield 1 minute of my time to the distinguished Senator from Pennsylvania.

Mr. HEINZ. I thank my distinguished colleague from New Mexico.

I have read my constituents letters and listened to their advice. Within the last 2 months I have held open discussions with my constituents in almost every area of my State. I am convinced my constituents oppose, as I do, the treaties as originally negotiated. And I am equally convinced that my constituents expect us to improve the treaties if we can and to ratify them if they protect our vital interests.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. SCHMITT. How much more time does the Senator require?

Mr. HEINZ. Thirty seconds.

Mr. SCHMITT. I will yield 30 seconds.

Mr. HEINZ. I believe the treaty changes I have outlined will protect our vital interests, I believe these changes will be adopted by the Senate, and, when and if these changes are adopted, I intend to support the treaties.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania has 10 seconds remaining, and the Senator from New Mexico is recognized.

Mr. BAKER. Mr. President, will the Senator yield 1 minute to me?

Mr. SCHMITT. Mr. President, I yield 1 minute to the minority leader.

Mr. BAKER. Mr. President, I thank the Senator not only for yielding 1 minute to me but accommodating the requirements of the distinguished Senator from Pennsylvania.

I only rise, Mr. President, to commend the Senator from Pennsylvania for his courageous action, for his carefully reasoned point of view, and to assure him that I have the highest respect for the manner in which he has reached this decision and for the final conclusion he has now reached.

Mr. SCHMITT. Mr. President, I also wish to yield 1 minute to the distinguished Senator from Montana.

Mr. MELCHER. I thank the Senator for yielding.

Mr. President, I wish to commend the Senator from Pennsylvania for his very fine statement, but—if I could have the attention of the Senator from Pennsylvania (Mr. HEINZ) for a moment, I commend the Senator for his very fine statement and commend him reaching the conclusion that he has that the treaties need strengthening. However, I have one question, if the Senator from New Mexico will yield to the Senator from Pennsylvania to answer.

Mr. SCHMITT. Yes.

Mr. MELCHER. Would not the Senator from Pennsylvania (Mr. HEINZ) feel more confident and more assured if the reservations that he mentions, instead of being reservations, were incorporated in the body of the treaty?

Mr. HEINZ. I would have no objection to these understandings being incorporated by amendment into the resolution of ratification or otherwise incorporated into a document that is positively and affirmatively accepted in writing by the Panamanian Government. Indeed, nothing less than that will satisfy this Senator.

Mr. MELCHER. I thank the Senator for his answer. While I reach the same conclusions that he does on two of the points he raised, I feel less than confident about their acceptance in Panama, and their true meaning as parts of the treaty, unless incorporated in the body of the treaty as amendments to the treaty. For that reason, I do not find the reservations he proposes make the Neutrality Treaty satisfactory.

Mr. SCHMITT. Mr. President, I ask for the yeas and nays on amendment No. 78 when I call it up.

The PRESIDING OFFICER. The Senator would have to offer the amendment first, or ask unanimous consent.

Mr. BAKER. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays at this time on amendment No. 78.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 78

Mr. SCHMITT. Mr. President, I call up my amendment No. 78, in the nature of a substitute.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. SCHMITT) offers an amendment numbered 78, in the nature of a substitute.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

"PREAMBLE

"Recognizing that the interconnection of the Atlantic Ocean with the Pacific Ocean through Central America is of great benefit to the nations of the world and particularly to the nations of the Americas therefore making such interconnection highly desirable,

"Acknowledging that the natural geographic configuration of Central America which permits, via technology, creation of waterways which interconnect the Atlantic Ocean and the Pacific Ocean, is part of the common heritage of the Americas,

"Satisfied that this common heritage principle necessitates the keeping of any and all such Hemispheric Waterways neutral and open for use,

"Noting that there presently exists one such Hemispheric Waterway in the Americas which has been operated, since its official and formal opening on July 12, 1920, as a neutral open and effective public service for the nations of the world.

"Desiring to insure continuance of the operation of this Hemispheric Waterway as a neutral, open and effective public service for the nations of the world as well as providing for its security and continual upgrading of its facilities and structures,

"Acknowledging that this Hemispheric Waterway and the adjacent zone of land, being physically located within the Republic of Panama, has heretofore been under the use, occupation and control of the United States of America and that the United States had all the rights, power and authority within the zone which it would have possessed and exercised if it were the sovereign to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority,

"Believing that use, occupation and control of this Hemispheric Waterway should vest in an organization whose membership is composed of the nations of the Americas and that this organization should assume the rights, power and authority from the United States which is necessary and proper to effectuate the principles set forth herein,

"The United States of America, the Republic of Panama, and other interested nations of the Americas agree as follows:

"ARTICLE I

"Establishment of INTERSEA

"In accordance with the principles set forth in the Preamble to this Treaty, the Parties establish the regional organization INTERSEA for the purpose of continuing the operation and maintenance of an interoceanic canal located in the Republic of Panama.

"ARTICLE II

"Scope of INTERSEA Activities

"To carry out the provisions of article I, INTERSEA shall provide on a commercial not for profit basis facilities and services for the interoceanic canal of high, functional quality and reliability to be available on an open and nondiscriminatory basis of vessels, whether civilian or military, of all nations and to insure the neutrality and security of the interoceanic canal.

"ARTICLE III

"Juridical Personality

"1. INTERSEA shall possess juridical personality and enjoy the capacity to—

"(a) conclude agreements with States or international organizations;

"(b) contract;

"(c) acquire and dispose of property;

"(d) be a party to legal proceedings; and

"(e) borrow money and issue bonds.

"2. Sach Party shall take such action as is necessary for the purpose of making effective within its jurisdiction the provisions of this Article.

"ARTICLE IV

"Financial Principles

"1. The interest in INTERSEA of each Party shall be equal to the amount arrived at by the application of its usage share to the valuation effected pursuant to Article 4 of the Operating Treaty.

"2. Each Party shall have a usage share corresponding to its percentage of all utilization of the INTERSEA canal by all Parties as determined in accordance with the provisions of Article 4 of the Operating Treaty. However, no Party, even if its utilization of the INTERSEA canal is nil, shall have an usage share less than the minimum established in the Operating Treaty, and no Party shall have an usage share more than the maximum established in the Operating Treaty.

"3. Each party may contribute to the capital requirements of INTERSEA, and shall receive capital repayment and compensation for use of capital in accordance with the provisions of Article 3 of the Operating Treaty. Upon dissolution of INTERSEA there shall be a distribution of assets in accordance with usage share percentages after all capital contributions have been repaid.

"4. All users of the INTERSEA canal shall pay utilization charges determined in accordance with the provisions of this Treaty and Article 5 of the Operating Treaty. The rates of canal utilization charge for each type of utilization shall be the same for all users of the canal for that type of utilization.

"ARTICLE V

"Structure of INTERSEA

"1. INTERSEA shall have the following organs:

"(a) the Assembly of Parties;

"(b) the Board of Governors;

"(c) the Board of Users; and

"(d) an executive organ, responsible to the Board of Governors.

"2. Except to the extent that this Treaty or the Operating Treaty specifically provides otherwise, no organ shall make determinations or otherwise act in such a way as to alter, nullify, delay or in any other manner interfere with the exercise of power or the discharge of a responsibility or a function attributed to another organ by this Treaty or the Operating Treaty.

"3. Subject to paragraph 2 of this Article, the Assembly of Parties and the Board of Governors shall each take note of and give due and proper consideration to any resolution, recommendation or view made or expressed by each other acting in the exercise of the responsibilities and functions attributed to it by this Treaty or the Operating Treaty.

"ARTICLE VI

"Assembly of Parties

"1. The Assembly of Parties shall be composed of all the Parties and shall be the principal organ of INTERSEA.

"2. The Assembly of Parties shall give consideration to those aspects of INTERSEA which are primarily of interest to the Parties as sovereign States. It shall have the power to give consideration to general policy and long-term objectives of INTERSEA consistent with the principles, purposes and scope of activities of INTERSEA, as provided for in this Treaty. In accordance with paragraphs 2 and 3 of Article V of this Treaty, the Assembly of Parties shall give due and proper consideration to resolutions, recommendations and views addressed to it by the Board of Governors.

"3. The Assembly of Parties shall have the following functions and powers—

"(a) in the exercise of its power of considering general policy and long-term objectives of INTERSEA, to formulate its views or make recommendations, as it may deem appropriate, to the other organs of INTERSEA;

"(b) to determine what measures should be taken to prevent the activities of INTERSEA from conflicting with any general multilateral convention which is consistent with this Treaty and which is adhered to by at least two-thirds of the Parties;

"(c) to enter into the Security Agreement required by Article XVI of this Treaty, and to provide for the establishment and maintenance of a standing Defense Board provided for in said Article;

"(d) to consider and take decisions on proposals for amending this Treaty in accordance with Article XIII of this Treaty and to consider and take decisions on proposals for amending the Operating Treaty;

"(e) to make biannual determinations for the purpose of representation on the Board of Governors in accordance with Article VII of this Treaty;

"(f) to establish general rules, upon the recommendation of and for the guidance of the Board of Governors concerning the establishment and adjustment of the rates for utilization of the INTERSEA canal on a non-discriminatory basis;

"(g) to consider and express its views on the reports presented by the Board of Governors concerning the implementation of general policies, the activities and the long-term program of INTERSEA;

"(h) to take decisions, pursuant to Article XII of this Treaty, in connection with the withdrawal of a Party from INTERSEA;

"(i) to decide upon questions concerning formal relationships between INTERSEA and States, whether Parties or not, or international organizations;

"(j) to consider complaints submitted to it by States other than Parties, international organizations and users;

"(k) to select the legal experts referred to in Article 8 of the Operating Treaty;

"(l) to act upon the appointment of the Director General in accordance with Article IX of this Treaty;

"(m) to adopt the organization structure of the executive organ;

"(n) to exercise any other powers coming within the purview of the Assembly of Parties according to the provisions of this Treaty; and

"(o) to enter into an agreement with the Hemispheric Canal Commission to implement the gradual assumption of management of the hemispheric canal located in the Republic of Panama along with its related facilities by the INTERSEA Organization, including those functions performed by the Consultative Committee and the Joint Commission on Environment.

"4. The first ordinary meeting of the Assembly of Parties shall be convened by the United States within one year following the date of entry into force of this Treaty. Ordinary meetings shall thereafter be scheduled to be held every two years. The Assembly of Parties, however, may decide otherwise from meeting to meeting.

"5. (a) In addition to the ordinary meetings provided for in paragraph 4, the Assembly of Parties may meet in extraordinary meetings, which may be convened either upon request of the Board of Governors acting pursuant to the provisions of Article VIII of this Treaty, or upon the request of one or more Parties which receives the support of at least one-third of the Parties including the requesting Party or Parties.

"(b) Requests for extraordinary meetings shall state the purpose of the meeting and shall be addressed in writing to the Director General, who shall arrange for the meeting to be held as soon as possible and in accordance with rules of procedure of the Assembly of Parties for convening such meetings.

"6. A quorum for any meeting of the Assembly of Parties shall consist of representatives of a majority of the Parties.

"7. Decisions on all matters shall be taken by affirmative vote cast by a three-quarters majority of the Parties whose representatives are present and voting, with each Party having one vote. At the request of any Party, a second vote must be taken on any matter pursuant to paragraph 8 and the results of the second vote shall determine the decision.

"8. Decisions on all matters brought to a second vote shall be taken by affirmative vote cast by a three-quarters majority of the Parties whose representatives are present and voting, with each Party having the number of votes equalling the number of its usage shares as described in paragraph 2 of Article IV of this Treaty.

"9. The Assembly of Parties shall adopt its own rules of procedure, which shall include provision for the election of a Chairman and other officers.

"10. Each Party shall meet it own costs of representation at a meeting of the Assembly of Parties. Expenses of meetings of the Assembly of Parties shall be regarded as an administrative cost of INTERSEA for the purpose of Article 5 of the Operating Treaty.

"ARTICLE VII

"Board of Governors: Composition and Voting

"1. The Board of Governors shall be composed of:

"(a) one Governor representing each Party whose usage share is not less than the minimum usage share as determined in accordance with paragraph 2 of this Article;

"(b) one Governor representing each group of any two or more Parties not represented pursuant to subparagraph (a) whose combined usage share is not less than the minimum usage share as determined in accordance with paragraph 2 of this Article and which have agreed to be so represented;

"(c) one Governor representing the Board of Users;

"(d) one Governor representing the host country; and

"(e) one Governor representing the United States.

"2. (a) During the period between the date of entry into force of this Treaty and the first meeting of the Assembly of Parties, the minimum usage share that will entitle a Party or pair of Parties to be represented on the Board of Governors shall be equal to the usage share of the Party holding position ten in the list of the descending order of size of initial usage shares of all the Parties.

"(b) Subsequent to the period mentioned in subparagraph (a), the Assembly of Parties shall determine biannually the minimum usage share that will entitle a Party or group of Parties to be represented on the Board of Governors. For this purpose, the Assembly of Parties shall be guided by the desirability of the number of Governors being approximately fifteen and shall make such determination by a three-quarters majority vote pursuant to paragraphs 7 and 8 of Article VI of this Treaty.

"(c) For the purpose of making the determinations referred to in subparagraph (b), the Assembly of Parties shall fix a minimum usage share according to the following provisions—

"(i) if the Board of Governors, at the time the determination is made, is composed of fifteen, sixteen, or seventeen Governors, the Assembly of Parties shall fix a minimum investment share equal to the usage share of the Party which, in the list in effect at that time, holds the same position held in the list in effect when the previous determination was made, by the Party selected on that occasion;

"(ii) if the Board of Governors, at the time the determination is made, is composed of more than seventeen Governors, the Assembly of Parties shall fix a minimum usage share equal to the usage share of a Party which, in the list in effect at that time, holds a position above the one held in the list in effect when the previous determination was made, by the Party selected on that occasion; and

"(iii) if the Board of Governors, at the time the determination is made, is composed of less than fifteen Governors, the Assembly of Parties shall fix a minimum usage share equal to the usage share of a Party which, in the list in effect at that time, holds a position below the one held in the list in effect when the previous determination was made, by the Party selected on that occasion.

"(d) If, by applying the ranking method set forth in subparagraph (c)(ii), the number of Governors would be less than fifteen, or, by applying that set forth in subparagraph (c)(iii), would be more than seventeen, the Assembly of Parties by a three-quarters vote as in paragraph 2(b), shall determine a minimum usage share that will better ensure that there will be fifteen Governors.

"(e) For the purpose of the provisions of this paragraph, usage shares determined pursuant to Article 4 of the Operating Treaty

shall take effect from the first day of the ordinary meeting of the Assembly of Parties following such determination.

"3. Whenever a Party or pair of Parties fulfills the requirements for representation pursuant to subparagraph (a) or (b) of the first paragraph of this Article, it shall be entitled to be represented on the Board of Governors; however, the host country and the United States shall be represented by one Governor apiece.

"4. In order to ensure continuity within the Board of Governors, every Party or pair of Parties represented pursuant to subparagraph (a) or (b) of the first paragraph of this Article shall remain represented, either individually or as part of such group, until the next determination made in accordance with paragraph 2 of this Article, regardless of the changes that may occur in its or their usage shares as the result of any adjustment of usage shares. However, representation as part of a pair constituted pursuant to paragraph 1(b) of this Article shall cease should one of the pair withdraw.

"5. Each Governor shall have a voting participation equal to the usage share of the Party or pair of Parties he represents, provided that no Governor may cast more than forty percent of the total voting participation of all Parties and pairs of Parties represented on the Board of Governors. To the extent that the voting participation of any Governor exceeds forty percent of such total voting participation, the excess shall be distributed equally to the other Governors on the Board of Governors. The Governor representing the User Board shall have a voting participation equal to the Governor with the lowest voting participation.

"6. For the purposes of composition on the Board of Governors and calculation of the voting participation of Governors, the usage shares determined pursuant to Article 4 of the Operating Treaty shall take effect from the first day of the ordinary meeting of the Assembly of Parties following such determination.

"7. A quorum for any meeting of the Board of Governors shall consist of either a majority of the Board of Governors, which majority shall have at least two-thirds of the total voting participation of all Parties and pairs of Parties represented on the Board of Governors, or else the total number constituting the Board of Governors minus three, regardless of the amount of voting participation they represent.

"8. The Board of Governors shall endeavor to take decisions unanimously. However, if the Board fails to reach unanimous agreement, it shall take decisions—

"(a) on all substantive questions, either by an affirmative vote cast by at least four Governors having at least two-thirds of the total voting participation of all Parties and pairs of Parties represented on the Board of Governors taking into account the distribution of the excess referred to in paragraph 5 of this Article, or else by an affirmative vote cast by at least the total number constituting the Board of Governors minus three, regardless of the amount of voting participation they represent; and

"(b) on all procedural questions, by an affirmative vote representing a simple majority of Governors present and voting, each having one vote.

"9. Disputes whether a specific question is procedural or substantive shall be decided by the Chairman of the Board of Governors. The decision of the Chairman may be overruled by a two-thirds majority of the Governors present and voting, each having one vote.

"10. The Board of Governors, if it deems appropriate, may create advisory committees to assist it in the performance of its responsibilities.

"11. The Board of Governors shall adopt its own rules of procedure, which shall include the method of election of a Chairman and such other officers as may be required. Notwithstanding the provisions of paragraph 8, such rules may provide for any method of voting in the election of officers which the Board of Governors deems appropriate.

"12. The first meeting of the Board of Governors shall be convened in accordance with the Annex to the Operating Treaty. The Board of Governors shall meet as often as is necessary but at least four times a year.

"ARTICLE VIII

"Board of Governors: Functions

"1. The Board of Governors shall have the responsibility for the operation and maintenance of the INTERSEA canal and for the design, development, construction, establishment, operation and maintenance of any INTERSEA canal improvements and, pursuant to this Treaty, the Operating Treaty and such determinations that in this respect may have been made by the Assembly of Parties pursuant to Article VI of this Treaty for carrying out any other activities which are undertaken by INTERSEA. The responsibilities described in this Article will be assumed according to the gradual assumption of management duties schedule agreed upon between INTERSEA and the Hemispheric Canal Commission. To discharge the foregoing responsibilities, the Board of Governors shall have the powers and shall exercise the functions coming within its purview according to the provisions of this Treaty and the Operating Treaty, including—

"(a) adoption of policies, plans and programs in connection with the operation and maintenance of the INTERSEA canal and the design, development, construction, establishment, operation and maintenance of any INTERSEA and canal improvements and, as appropriate, in connection with any other activities which INTERSEA is authorized to undertake;

"(b) to prepare and present to the Assembly of Parties, and to the Parties, reports concerning the implementation of general policies, the activities and the long-term program of INTERSEA;

"(c) adoption of financial policies and annual financial statements, and approval of budgets;

"(d) formulation of recommendations to the Assembly of Parties in relation to the establishment of the general rules referred to in paragraph 3(f) of Article VI of this Treaty;

"(e) periodic establishment of the rates of charge for utilization of the INTERSEA canal, in accordance with such general rules as may have been established by the Assembly of Parties;

"(f) direction of the negotiation with the Party in whose territory the headquarters of INTERSEA is situated, and submission to the Assembly of Parties for decision thereon, of the Headquarters Agreement covering privileges, exemptions and immunities;

"(g) decisions on the making of arrangements for overdrafts and the raising of loans in accordance with Article 3 of the Operating Treaty;

"(h) submission to the Assembly of Parties and the Parties of reports and recommendations on any other matter which the Board of Governors deems appropriate for consideration by the Assembly of Parties;

"(i) provision of such information as may be required by any Party to enable that Party to discharge its obligations under this Treaty or the Operating Treaty;

"(j) appointment and removal from office of the Director General pursuant to Articles VI and IX of this Treaty;

"(k) designation of a senior officer of the executive organ to serve as Acting Director General pursuant to paragraph 4(a) of Article IX of this Treaty;

"(l) determination of the number, status and terms and conditions of employment of all posts on the executive organ upon the recommendation of the Director General;

"(m) approval of the appointment by the Director General of senior officers reporting directly to him;

"(n) arrangement of contracts in accordance with paragraph 3(b) of Article IX of this Treaty;

"(o) action in accordance with Article XII of this Treaty and Article 9 of the Operating Treaty in connection with the withdrawal of a Party from INTERSEA; and

"(p) expression of its views and recommendations on proposed amendments to this Treaty pursuant to Article XIII of this Treaty and the expression of its views and recommendations on proposed amendments to the Operating Treaty pursuant to Article 10 of the Operating Treaty.

"2. In accordance with the provisions of paragraphs 2 and 3 of Article V of this Treaty the Board of Governors shall—

"(a) give due and proper consideration to resolutions, recommendations and views addressed to it by the Assembly of Parties and the Board of Users; and

"(b) include in its reports to the Assembly of Parties information on actions or decisions taken with respect to such resolutions, recommendations and views, and its reasons for such actions or decisions.

"ARTICLE IX

"Director General

"1. The executive organ shall be headed by the Director General.

"2. (a) The Director General shall be the chief executive and the legal representative of INTERSEA and shall be directly responsible to the Board of Governors for the performance of all management functions.

"(b) The Director General shall act in accordance with the policies and directives of the Board of Governors.

"(c) The Director General shall be appointed by the Board of Governors, subject to confirmation by the Assembly of Parties. The Director General may be removed from office for cause by the Board of Governors on its own authority.

"(d) The paramount consideration in the appointment of the Director General and in the selection of other personnel of the executive organ shall be the necessity of ensuring the highest standards of integrity, competency and efficiency. The Director General and the personnel of the executive organ shall refrain from any action incompatible with their responsibilities to INTERSEA.

"3. (a) The permanent management arrangements shall be consistent with the basic aims and purposes of INTERSEA, its hemispheric character and its obligation to provide on a not for profit basis, effective interoceanic canal service.

"(b) The Director General, on behalf of INTERSEA, shall contract out, to one or more competent entities, technical and operational functions to the maximum extent practicable with due regard to cost and consistent with competence, effectiveness, and efficiency. Such entities may be of various nationalities or may be an international corporation owned and controlled by INTERSEA. Such contracts shall be negotiated, executed, and administered by the Director General. Such contracts will be entered into pursuant to the agreement for gradual assumption of management duties between INTERSEA and the Hemispheric Canal Commission.

"4. (a) The Board of Governors shall designate a senior officer of the executive organ to serve as the Acting Director General whenever the Director General is absent or is unable to discharge his duties, or if the office of Director General should become vacant. The Acting Director General shall have the capacity to exercise all the powers of the Director General pursuant to this Treaty and

the Operating Treaty. In the event of a vacancy, the Acting Director General shall serve in that capacity until the assumption of office by a Director General appointed and confirmed, as expeditiously as possible, in accordance with paragraph 2(c) of this Article.

"(b) The Director General may delegate such of his powers to other officers in the executive organ as may be necessary to meet appropriate requirements.

"ARTICLE X

"Rights and Obligations of Members

"1. The Parties shall exercise their rights and meet their obligations under the Treaty in a manner fully consistent with and in furtherance of the principles stated in the Preamble and other provisions of this Treaty.

"2. All Parties shall be allowed to attend and participate in all conferences and meetings in which they are entitled to be represented in accordance with any provisions of this Treaty or the Operating Treaty as well as in any other meeting called by or held under the auspices of INTERSEA, in accordance with the arrangements made by INTERSEA for such meetings regardless of where they may take place. The executive organ shall ensure that arrangements with the host Party for each such conference or meeting shall include a provision for the admission to the host country and sojourn for the duration of such conference or meeting, of representatives of all Parties entitled to attend.

"3. The Parties agree to refrain from either individually or jointly, the construction or establishment of an interoceanic canal through Central America, and to prohibit any person or entity within the jurisdiction of a Party to do some, unless said construction or establishment is done jointly through the INTERSEA organization.

"ARTICLE XI

"INTERSEA Headquarters, Privileges, Exemptions, Immunities

"1. The headquarters of INTERSEA shall be in the host country.

"2. Each Party other than the host country shall grant in accordance with the Protocol referred to in this paragraph and the host country shall grant in accordance with the Headquarters Agreement referred to in this paragraph, the appropriate privileges, exemptions and immunities to INTERSEA, to its officers, and to those categories of its employees specified in such Protocol and Headquarters Agreement, to Parties and representatives of Parties, and to persons participating in arbitration proceedings. In particular, each Party shall grant to these individuals immunity from legal process in respect of acts done or words written or spoken in the exercise of their functions and within the limits of their duties, to the extent and in the cases to be provided for in the Headquarters Agreement and Protocol referred to in this section. The host country shall, as soon as possible, conclude a Headquarters Agreement with INTERSEA covering privileges, exemptions and immunities. The Headquarters Agreement shall include a provision that all Parties acting in their capacity as such shall be exempt from national taxation on income earned from INTERSEA in the territory of such Party. The other Parties shall also as soon as possible conclude a Protocol covering privileges, exemptions and immunities. The Headquarters Agreement and the Protocol shall be independent of this Treaty and each shall prescribe the conditions of its termination.

"3. Within the scope of activities authorized by this Treaty, INTERSEA and its property shall be exempt in all States Party to this Treaty from all national income and direct national property taxation and from customs duties. Each Party undertakes to use its best endeavors to bring about, in accordance with the applicable domestic procedure, such further exemption of INTERSEA and its property from income and direct property taxation, and customs duties, as is desirable, bearing in mind the particular nature of INTERSEA.

"ARTICLE XII

"Withdrawal

"1. (a) Any party may withdraw voluntarily from INTERSEA. A party shall give written notice to the Depositary of its decision to withdraw. The decision of a Party to withdraw shall be notified in writing to the executive organ by the Party which has designated it and such notification shall signify the acceptance by the Party of such notification of decision to withdraw.

"(b) Voluntary withdrawal shall become effective and this Treaty and the Operating Treaty shall cease to be in force for a Party three months after the date of receipt of the notice referred to in subparagraph (a) or, if the notice so states, on the date of the next determination of usage shares pursuant to Article 4 of the Operating Treaty following the expiration of such three months.

"2. If a Party appears to have failed to comply with any obligation under this Treaty, the Assembly of Parties, having received notice to that effect or acting on its own initiative, and having considered any representations made by the Party, may decide by a three-quarter vote pursuant to paragraphs 7 and 8 of Article VI of this Treaty, if it finds that the failure to comply has in fact occurred, that the Party be deemed to have withdrawn from INTERSEA. This Treaty shall cease to be in force for the Party as of the date of such decision. An extraordinary meeting of the Assembly of Parties may be convened for this purpose.

"3. Upon the receipt by the Depository or the executive organ, as the case may be, of notice of decision to withdraw pursuant to paragraph 1(a) of this Article, the Party giving notice shall cease to have any rights of representation and any voting rights in any organ of INTERSEA, and shall incur no obligation or liability after the receipt of the notice, except that the Party, unless the Board of Governors decides otherwise pursuant to Article 7 of the Operating Treaty shall be responsible for contributing its share of the capital contributions necessary to meet both contractual commitments specifically authorized before such receipt and commitments specifically authorized before such receipt and liabilities arising from acts or omissions before such receipt.

"4. Settlement between INTERSEA and a Party for which this Treaty and the Operating Treaty have ceased to be in force shall be accomplished as provided in the Operating Treaty.

"5. (a) Notification of the decision of a Party to withdraw pursuant to paragraph 1 (a) shall be transmitted by the Depositary to all Parties and to the executive organ.

"(b) If the Assembly of Parties decides that a Party shall be deemed to have withdrawn from INTERSEA pursuant to paragraph 2, the executive organ shall notify the Depositary, and the latter shall transmit the notification to all Parties.

"ARTICLE XIII

"Amendment

"1. Any Party may propose amendments to this Treaty. Proposed amendments shall be submitted to the executive organ, which shall distribute them promptly to all Parties.

"2. The Assembly of Parties shall consider each proposed amendment at its first ordinary meeting following its distribution by the executive organ, or at an earlier extraordinary meeting convened in accordance with provisions of Article VI of this Treaty, provided that the proposed amendment has been distributed by the executive organ at least ninety days before the opening date of the meeting. The Assembly of Parties shall consider any views and recommendations which it receives from the Board of Governors with respect to a proposed amendment.

"3. The Assembly of Parties shall take decisions on each proposed amendment in accordance with the provisions relating to quorum and voting contained in Article VI of this Treaty. It may modify any proposed amendment, distributed in accordance with paragraph 2, and may also take decisions on any amendment not so distributed but directly consequential to a proposed or modified amendment.

"4. An amendment which has been approved by the Assembly of Parties shall enter into force in accordance with paragraph 5 after the Depositary has received notice of approval, acceptance or ratification by all of the Parties.

"5. Tht Depositary shall notify all the Parties as soon as it has received the acceptances, approvals or ratifications required by paragraph 4 for the entry into force of an amendment. Ninety days after the date of issue of this notification, the amendment shall enter into force for all Parties.

"6. Notwithstanding the provisions of paragraphs 4 and 5 of this Article, an amendment shall not enter into force less than eight months or more than eighteen months after the date it has been approved by the Assembly of Parties.

"ARTICLE XIV

"Settlement of Disputes

"1. All legal disputes arising in connection with the rights and obligations under this Treaty or in connection with obligations undertaken by Parties pursuant to the Operating Treaty, between Parties with respect to each other, or between INTERSEA and one or more Parties, if not otherwise settled within a reasonable time, shall be submitted to arbitration in accordance with the provisions of Article 8 of the Operating Treaty. Any legal dispute arising in connection with the rights and obligations under this Treaty or the Operating Treaty between one or more Parties may be submitted to arbitration in accordance with the provisions of Article 8 of the Operating Treaty, provided that the Party or Parties involved agree to such arbitration.

"2. All legal disputes arising in connection with the rights and obligations under this Treaty, or in connection with the obligations undertaken by Parties pursuant to the Operating Treaty, between a Party and a State which has ceased to be a Party or between INTERSEA and a State which has ceased to be a Party, and which arise after the State ceased to be a Party, if not otherwise called within a reasonable time, shall be submitted to arbitration. Such arbitration shall be in accordance with the provisions of Article 8 of the Operating Treaty, provided that the State which has ceased to be a Party so agrees. If a State ceases to be a Party after a dispute in which it is a disputant has been submitted to arbitration pursuant to the first paragraph of this Article, the arbitration shall be continued and concluded.

"3. All legal disputes arising as a result of agreements between INTERSEA and any Party shall be subject to the provisions on settlements of disputes contained in such agreements. In the absence of such provisions, such disputes, if not otherwise settled, may be submitted to arbitration in accordance with the provisions of Article 8 of the Operating Treaty if the disputants so agree.

"4. All other disputes arising as a result of the operation and maintenance of the INTERSEA canal which are not covered by paragraphs 1, 2, and 3 of this Article will be under the jurisdiction of the tribunal as

established in Article 8 of the Operating Treaty. Said tribunal will also serve as the final court of appeals for the judicial system of the INTERSEA Canal Zone.

"ARTICLE XV

"Board of Users

"1. There shall be established under the auspices of INTERSEA a Board of Users consisting of representatives from nations whose shipping interests utilize the INTERSEA canal.

"2. All users of the INTERSEA canal shall be invited to a charter conference during which the organizational structure of the Board of Users shall be created and an agreement between that entity and INTERSEA formalized.

"3. The Board of Users shall be entitled to have a representative serve as a Governor on the Board of Governors as described in Article VII of this Treaty. Reasonable staff support and funding for the Board of Users shall be provided by INTERSEA to allow the Board of Users to perform its functions as set forth in this Treaty. Said Board of Users representative shall be entitled to the rights and privileges of a Governor as set forth in paragraphs 1 and 2 of Article X and Article XI of this Treaty.

"4. The Board of Users shall advise INTERSEA on matters of policy affecting the INTERSEA canal's operation, administration, and maintenance and advise INTERSEA on policy alternatives for plans for the canal's future. The Board of Users may appoint such subcommittees as it deems appropriate to carry out its functions.

"ARTICLE XVI

"Protection and Defense

"1. The United States of America, the Republic of Panama, and any member nation of INTERSEA which enters into the Security Agreement with INTERSEA, have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations and therefore commit themselves to protect and defend the INTERSEA Canal. Each Party shall act in accordance with their respective constitutional processes to defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

"2. The United States of America shall have primary responsibility to protect and defend the Canal. The rights of the United States of America to station, train, and move military forces within the Republic of Panama are described in the Security Agreement. The use of areas and installations and the legal status of the armed forces of the United States of America or any other nation in the Republic of Panama shall be governed by the aforesaid Agreement.

"3. In order to facilitate the participation and cooperation of the armed forces of Parties in the protection and defense of the Canal, the Assembly of Parties shall establish a standing Defense Board comprised of an equal number of senior military representatives of each Party. Such representatives shall be charged by their respective governments with consulting and cooperating on all matters pertaining to the protection and defense of the Canal, and with planning for actions to be taken in concert for that purpose. Such combined protection and defense arrangements shall not inhibit the identity or lines of authority of the armed forces of the Parties. The Defense Board shall provide for coordination and cooperation concerning such matters as—

"(a) the preparation of contingency plans for the protection and defense of the Canal based upon the cooperative efforts of the armed forces of the Parties;

"(b) the planning and conduct of combined military exercises; and

"(c) the conduct of military operations with respect to the protection and defense of the Canal.

"4. The Defense Board shall, at five-year intervals, review the resources being made available by the Parties for the protection and defense of the Canal. Also, the Defense Board shall make appropriate recommendations to the Parties respecting projected requirements, the efficient utilization of available resources of the Parties, and other matters of mutual interest with respect to the protection and defense of the Canal.

"5. For the purposes of its primary defense mandate, under this Article, the United States shall have all the rights necessary to protect and defend the Canal, including but not limited to the rights that:

"(a) The installations owned or used by the agencies or instrumentalities of the United States pursuant to this Article and related agreements, and their official archives and documents, shall be inviolable.

"(b) The agencies and instrumentalities of the United States operating in the Republic of Panama pursuant to this Article and related agreements shall be immune from the jurisdiction of the Republic of Panama.

"(c) The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation, or international agreements or take any other action which purports to regulate or would otherwise interfere with the exercise on the part of the United States of America of any right granted under this Article or related agreements.

"(d) The United States of America and the Republic of Panama shall cooperate in taking such steps as may from time to time be necessary to guarantee the security of the Forces of the United States of America and the members thereof, the civilian component of the United States Forces, the dependents of members of the Forces and the civilian component, and their property, and the contractors of the United States Forces, their dependents, and their property. The Republic of Panama will seek from its Legislative Branch such legislation as may be needed to carry out the foregoing purposes and to punish any offenders.

"(e) The vessels of war and auxiliary vessels of the United States will be entitled to transit the Canal expeditiously. This is intended, and it shall be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.

"6. To the extent possible consistent with its primary responsibility for the protection and defense of the Canal, the United States of America will endeavor to maintain its armed forces in the Republic of Panama in normal times at a level not in excess of that of the armed forces of the United States of America in the territory of the former Canal Zone immediately prior to the entry into force of this Treaty.

"7. Nations which enter into the Security Agreement may obtain similar rights granted to the United States under paragraph 5 of this Article.

"8. This does not mean, nor shall it be interpreted as a right of intervention of any nation in the internal affairs of the Republic of Panama. Any action under this Article will be directed at insuring that the Canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity or political independence of the Republic of Panama.

"ARTICLE XVII

"Treaty Concerning the Hemispheric Canal Located in the Republic of Panama

"After termination of the Treaty Concerning the Hemispheric Canal Located in the Republic of Panama, INTERSEA shall operate the Canal.".

Mr. SCHMITT. Mr. President, amendment No. 78 embodies the concept of international management and defense of the Panama Canal, which I have referred to as Intersea.

The passage of this amendment will advise the President and, indeed, the world, that the President is prepared, upon the rejection of the treaties themselves, to adhere to another type of management system rather than that which would be in the hands of one nation.

Intersea rests on a growing realization that there are truly international resources, not only on this planet but in space itself—resources which are, in the one case, technological in nature. The most well-known example of such a technological resource is the global satellite communications system managed by Intelsat—an international management system that this country helped to found.

Maritime satellites have similar potential. Earth resources satellites and weather satellites are in various ways moving toward international management.

Also, there are geographical resources. The oceans are obviously the traditional resource that has been considered of international utility. The old concept of freedom of the seas relates to the international perspective that nations have always had of the oceans.

Another area which in this century has become of international utility is the Antarctic. More distant in our future, of course, is the international character of the Moon, and that is also embodied in treaty relationships at the present time.

There are other resources which combine international utility, both technological and geographic. One which we will begin to hear more and more of in this body and elsewhere is the resources of the seabeds. Obviously we are dealing with technological resources, because it is limited geographically although extremely extensive in potential, but it takes a very vast technology to reach those resources.

Today we are discussing an international resource created by this country that is geographically confined to the Isthmus of Panama; namely, the interoceanic canal known as the Panama Canal. There is a growing tendency toward regionalism in international alliances. National elements tied together by common interests have formed increasingly into regional organizations. Intersea combines, first, an international geographic resource—namely, a narrow neck of land between continents; second, an international technological resource—namely, a canal that crosses that neck of land; and third, a regional hemispheric management organization. Intersea does not require any nation to give up or assume responsibility for the

Panama Canal; it only requires that responsibility be shared between all nations of the hemisphere.

The Intersea amendment (amendment No. 78 in the nature of a substitute) is one of four necessary agreements that would have to be further negotiated with our friends in the hemisphere: the Intersea agreement itself; an operating treaty, which would outline the operation of that regional body, a transition treaty, to get us from where we are now into that future; and finally, a security agreement that would define the mechanism by which the canal would be defended and the particular role of the United States in that defense.

The preamble of the Intersea amendment sets forth the principles upon which the negotiations to establish Intersea would be based. I quote now from the preamble to amendment 78:

"Recognizing that the interconnection of the Atlantic Ocean with the Pacific Ocean through Central America is of great benefit to the nations of the world and particularly to the nations of the Americas therefore making such interconnection highly desirable,

"Acknowledging that the natural geographic configuration of Central America which permits, via technology, creation of waterways which interconnect the Atlantic Ocean and the Pacific Ocean, is part of the common heritage of the Americas,

"Satisfied that this common heritage principle necessitates the keeping of any and all such Hemispheric Waterways neutral and open for use,

"Noting that there presently exists one such Hemispheric Waterway in the Americas which has been operated, since its official and formal opening on July 12, 1920, as a neutral open and effective public service for the nations of the world.

"Desiring to insure continuance of the operation of this Hemispheric Waterway as a neutral, open and effective public service for the nations of the world as well as providing for its security and continual upgrading of its facilities and structures,

"Acknowledging that this Hemispheric Waterway and the adjacent zone of land, being physically located within the Republic of Panama, has heretofore been under the use, occupation and control of the United States of America and that the United States had all rights, power and authority within the zone which it would have possessed and exercised if it were the sovereign to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority,

"Believing that use, occupation and control of this Hemispheric Waterway should vest in an organization whose membership is composed of the nations of the Americas and that this organization should assume the rights, power and authority from the United States which is necessary and proper to effectuate the principles set forth herein,

"The United States of America, the Republic of Panama, and other interested nations of the Americas agree as follows:

The "as follows" is the establishment of Intersea as stated in article I.

The subsequent articles of the Intersea amendment develop in considerable detail the character of this model organization called Intersea. I will not summarize for my colleagues each article, but I strongly recommend that they study several of them, and in particular the article that deals with the protection and the defense of the canal, article XVI. In this, the rights of the United States as well as the rights of the hemisphere are fully protected. I believe Intersea establishes an instrument to guarantee the defense in perpetuity of the canal by this country, in cooperation with the hemisphere.

Mr. President, the details of this model organization will change with further negotiations with our friends in the hemisphere. These details are really not at issue with this amendment. What is at issue is the message the United States sends to the rest of the world about its future, its future policy, and its preparation for the future management of international resources on this planet.

With the acceptance of the Intersea amendment as a substitute for the Neutrality Treaty, the Senate actually would be advising the President that it will consent to a new Panama Canal Treaty only if it looks to the future, only if it creates an international arrangement that is self-enforcing, and only if it creates an international institution whose good management and defense is clearly in the self-interests of its members, and not just in the interest of one nation.

Mr. President, neither ratification nor rejection of these treaties is acceptable to the American people. The United States does need a new relationship with the Republic of Panama. These treaties, however, do not establish the type of relationship which will serve the best interests of the United States, the Republic of Panama, or the other nations of the Western Hemisphere.

It is for this reason, Mr. President, that the Senate must fulfill its constitutional obligation of advising the President and offer an alternative which does meet the needs of all the nations involved with the Panama Canal.

I offer my amendment, in the nature of a substitute, as such an alternative. It is a concept of the future—that of international management and defense of an international resource. The Senate now has the opportunity to remain in the past with the administration's proposed bilateral treaties or lead the country into the future with hemispheric operation and defense of the canal. This latter alternative will provide the framework for closer relations and cooperation among the nations of the Americas; the type of relationship envisioned by President Monroe when he voiced what has become known as the Monroe Doctrine, the type of cooperation envisioned by President Kennedy when the unveiled the "Alliance for Progress."

Yesterday, the Senator from Idaho (Mr. CHURCH) stated that international cooperation is a concept of the past, one whose time has passed. I categorically reject this interpretation and I feel that my colleagues will, after some thought, reject this interpretation.

Mr. President, we have examples of successful international and regional cooperation all around us. The Senator from Idaho is correct that nationalism is a stronger force in the world today than ever before. But international or regional cooperation is not inconsistent with nationalism. On the contrary, the enlightened nationalism in the world today understands the need for cooperation in what seems like a constantly shrinking world.

I have pointed out the success of the international communications system, Intelsat. We are presently negotiating with the other nations of the world for international solutions to deep-seabed mining. Are the proponents of this treaty suggesting that we not seek a solution to this situation? It is, after all, an international resource, as is the Panama Canal. Is not an international solution appropriate to both situations?

Western European nationalism is strong yet the Common Market has grown in strength and support among the nations of Western Europe. At the same time that these nations are exhibiting greater independence, they are also working to strengthen the NATO alliance. Another example is Spacelab. Perhaps, the best example of nationalism working for the best interests of a region is the African situation. Nationalism is stronger in Africa than possibly anywhere else in the world. Yet the Organization of African Unity is an important and strong force in that part of the world.

Mr. President, a few weeks ago, the President submitted to the Senate two United Nations covenants dealing with economic and political rights of individuals throughout the world. I find it incredible that the administration sees the protection of individual rights as the domain of the United Nations but will not even acknowledge that the protection of economic and strategic concerns of the nations of the Western Hemisphere is the right of these nations working together in cooperation.

Mr. President, could it be that the administration and those Senators who often advocate international solutions to most world problems are only selective in their approach? Is the Senate being told that international cooperation is only appropriate when the administration feels it is?

We cannot provide solutions to tomorrow's problems with yesterday's solutions. This is what we are doing with the proposed treaties. My amendment, that of hemispheric operation and defense of the canal, offers a solution for the future. The events around us point to this solution for an international resource.

Intersea provides the basis for cooperation of all the nations of the Americas. Neither the so-called Neutrality Treaty, nor any bilateral treaty, can provide for the fair and efficient operation of the canal. Only a stable political and economic base can provide these guarantees. The United States has these resources and expertise. This guarantee will be enhanced by the direct cooperation and participation of the nations of both North and South America.

Mr. President, this proposal, Intersea, is the wave of the future. If adopted by the Senate, it would set the groundwork for further negotiation by the United States with the Republic of Panama and

the other interested nations of the hemisphere. I hope the Senate looks to the future and not the past when we vote on this treaty and the Panama Canal Treaty.

The vote on this Neutrality Treaty is going to be close. If the treaty is not ratified then the vote on the Intersea amendment can be a message to the administration and the world that the new negotiations will be based on a better way of doing things, a way that has the future in mind not the past.

Mr. President, I reserve the remainder of my time. The Senator from New Mexico will yield the time.

Mr. CHURCH. Mr. President, how much time——

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH (continuing). Do we have on our side?

The PRESIDING OFFICER. Fifteen minutes.

Mr. CHURCH. Mr. President, the concept proposed by the Senator from New Mexico departs entirely from the treaties negotiated by the United States and Panama. It is not the function of the Senate to negotiate, or to draft treaties on the Senate floor. This is the function of the executive branch of Government. Under the Constitution, the Senate is vested with the authority to pass judgment on treaties negotiated between the President of the United States, acting through the Secretary of State, and the Chief of State of the other signator, in this case Panama.

We can either consent to the treaty by adopting the articles of ratification, we can dissent, by refusing to adopt those articles, or we can qualify our consent by adding certain conditions, reservations, or understandings, to the articles of ratification.

There is no proper way for the Senate to draft a substitute treaty, for, of course, that process necessarily involves the two negotiating governments.

(Mr. HART assumed the chair.)

Mr. CHURCH. The proposal which is now offered by the Senator from New Mexico provides for multinational control of the Panama Canal under a complex formula involving the user nations, the sovereign nation, and nations having the other principal economic and military interests in the canal. It would require Panama to relinquish its goals as expressed in these treaties. More importantly, it would require the United States to relinquish the advantages we obtain by these treaties.

The United States would lose its definitive right to manage and operate the canal during the next 22 years, and the definitive right to act unilaterally to insure the neutrality, security, and accessibility of the canal thereafter.

The United States then would be dependent on the collective judgment of a group of nations whose interests might well conflict with ours. We would be at the mercy of management and financial decisions made by the nations represented on the various boards and committees proposed by the Senator from New Mexico, with their complex voting formulas.

Under the Panama Canal Treaty the United States has the final vote on all management decisions.

The so-called Intersea proposal advanced by the Senator from New Mexico provides a forum, and a vote, for conflicting interests, both military and economic, which may not be in harmony with our own. It is not at all analogous to the commonality of interests encompassed in other international organizations, such as Intelsat.

It would require scratching 13 years of patient negotiations with Panama only to substitute a vague and uncertain concept, however innovative and worthy of consideration in a more perfect world. If this was a situation where no reasonable solution had been devised, it would be different. But the treaties present a reasonable and workable formula that has been agreed upon by the two countries.

Mr. President, I could continue detailing why the Senate should not adopt this substitute proposal. I could point out that it would require scuttling treaties which are supported by both the Latin American nations and the user nations of the world. I could point out how it would require renegotiation of the entire set of bilateral agreements represented by these treaties. I could underscore that the United States would lose its right to decide when to come to the defense of the canal and to take whatever actions might be necessary to insure its security. Since we all know that the United States is the only nation in the hemisphere which can insure the security of the canal, our right to act should not be subjected to a nebulous collective judgment.

Perhaps, Mr. President, in a more perfect world, the Senator's proposal could be considered. As I said to him yesterday, there was a time when people were still stunned by the terrible destruction wrought by the Second World War, when there were high hopes that the United Nations would preserve the peace, when some kind of regional formula for the control of international waterways, such as the Panama Canal, the straits of Gibraltar, the Dardanelles, the Suez Canal, might have been timely. But that day has passed, and the hallmark of the period which followed has not been regionalized or internationalism but rather nationalism, a fiery nationalism so intense that it brought down all the prevailing empires that had lasted for two to three centuries and had dominated continents such as Africa, Asia, and much of Latin America. This is the prevailing force of our time.

In the treaty pending before the Senate, we have attempted to accommodate the intense feeling of nationalism that exists in Panama, as indeed it does in every other country of the world.

(Mr. LEAHY assumed the chair.)

Mr. CHURCH. I suggest that, even though the proposal of the Senator from New Mexico is well motivated, even though there could have been a time in the immediate aftermath of the Second World War when such a proposal might have been seriously entertained, it is no longer practicable to attempt such an approach and make it applicable to the Panama Canal alone.

For these reasons, Mr. President, I would hope that now, in the 11th hour of this debate, on the threshold of passing judgment upon the treaties negotiated for the past 14 years between the two countries, the Senate would reject the substitute offered by the Senator from New Mexico.

Mr. HART. Will the Senator yield for not to exceed 2 minutes?

Mr. CHURCH. I am happy to yield.

Mr. HART. Mr. President, I will oppose this amendment for at least two of the reasons which the Senator from Idaho has stated; namely, that a negotiating decision was made some 13 or 14 years ago by four administrations past as to the best course of action for this country and the course which it should pursue; namely, a traditional negotiating posture.

The second reason, as the Senator from Idaho has stated, is that the scope of the Senate's authority in negotiating treaties is extremely limited, if it exists at all.

On the other hand, I would like to identify myself with the thrust of this amendment. I think the Senator from New Mexico is to be congratulated for putting into an orderly and structured form a concept which others have suggested as a concept in recent weeks. Unlike the distinguished floor manager of the treaties, I do not find this idea or proposal as fraught with peril as he seems to, from a diplomatic point of view.

I think the concept has a great deal of merit. I do not think this is the proper forum or time for its serious consideration.

If these treaties were to fail, and I hope they do not, I think the idea in one form or another as contained in this proposal deserves serious consideration by this administration. I thank the Senator from Idaho.

Mr. SCHMITT. Mr. President, how much time remains to the Senator from New Mexico?

The PRESIDING OFFICER (Mr. HART). The Senator from New Mexico has 7 minutes remaining.

Mr. SCHMITT. I thank the Chair.

Mr. President, I thank the Senator from Idaho and the Senator from Colorado for their comments, many of which were constructive. I certainly appreciate Senator HART's feeling that in the long run the idea of international management of international resources has merit.

Mr. President, I must say in rebuttal that the Intersea amendment merely sets the philosophical stage for further negotiations. It is not the Senate negotiating the treaty. We cannot do that. But it does send the message of the kind of general outline under which we would expect a new treaty to be negotiated. It also sets the practical stage for the development of an operating treaty which would take care of the activities of Intersea after the transition time, as with treaties under consideration, conceived to be the year 2000: a transition treaty that would get us to that point; and,

most importantly, a security agreement. I wish again to call the Senators' attention to article XVI, which outlines the basis by which the Senate would provide for not only the security of the canal but the legitimate interests of the United States of America. It is not something that has been thought about in an offhanded way. It is something that would be incorporated along these lines within such a treaty.

The Intersea concept, the Intersea idea, is designed for an imperfect world, not a perfect world. It was created within this structure. It is not as complex as the Senator from Idaho has led us to believe. If the amendment is studied, one sees that it creates a management and defense system that is self-enforcing. That is exactly what we need in an imperfect world.

That is what we have lacked in this imperfect world, self-enforcing mechanisms to have all the nations looking after their own self-interest—political, economic, military, and otherwise, but doing so within a framework where they reinforce each other, rather than destroy each other.

The function of the Senate, Mr. President, is to advise on what will be acceptable to the American people. We represent the American people in the negotiating process. Unfortunately, over the past 14 years, I think the American people clearly have not been fully represented in the negotiating process with the Republic of Panama.

I agree that we should not draft a treaty. We should only indicate the kind of treaty that we would find acceptable should we, in fact, find that the neutrality treaty and/or the Panama Canal Treaty, presently before us, are unacceptable.

We would not lose our rights under Intersea. As a matter of fact, the guarantee of those rights, in this Senator's opinion, is much stronger under the Intersea concept than it is under the present treaties. I think that if the Senator from Idaho and others had just considered the nature of Intersea, the nature of the amendment, they would see that that is so.

We have joined with many nations in other concepts of international management. Some of them have worked, some of them have not. I call again the attention of my colleagues to the fact that we have given up some rights, but we have gained many others, when we joined with Intelsat and with other nations in the Intelsat organization to manage an essential resource for mankind, global satellite communications.

It is 14 years, as the Senator has noted, since we began the negotiations on the Panama Canal Treaty. That is a long time. It means, unfortunately, that we are wedded to the past by the treaties that we have before us. The Senator from New Mexico merely intends to try to get the Senate to look to the future.

Again, I say that, even if this amendment is not passed, through the votes on the amendment in the nature of a substitute, we can, in fact, tell the world and the administration what we will be willing to do and what they should do if the treaties fail.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Will the Senator from Idaho yield me some time?

Mr. CHURCH. I am constrained to ask the Senator from Alabama if he is rising to oppose the substitute?

Mr. ALLEN. I merely ask the Senator if he will yield me 3 or 4 minutes.

Mr. CHURCH. I am happy to yield 4 minutes.

Mr. ALLEN. That will be satisfactory.

The PRESIDING OFFICER. The Senator from Idaho has only 3 minutes remaining.

Mr. CHURCH. Would the Senator be satisfied with 2 minutes?

Mr. ALLEN. Yes, that will be fine. I thank the Senator from Idaho.

Mr. President, I have not often found myself in agreement with the distinguished Senator from Idaho on the issue before the Senate during the course of this debate. As a matter of fact, I have voted for every single amendment that has been offered on the Senate floor because I believed that they would improve the treaty and not because I felt that they would cause some difficulty in approval by Panama of the treaties.

I commend the distinguished Senator from New Mexico for his lofty and high-level approach to this problem and the altruism with which he has gone about his study of this question. But I seriously doubt if we want to move in the direction of international control of the body. I think it is enough that we are giving the canal to Panama, but we will have, certainly, a favored relationship with Panama. I hope that the distinguished Senator from New Mexico—having introduced this amendment, having had it printed in the RECORD, having had debate on the floor, and having predicted that this concept will come back, again and again—will be satisfied with the thought and the hope and the expectation that, at some time, this will be an idea whose time has come and that he will not insist at this time that the time for this idea has come.

I hope that he will. at the end of the debate period. withdraw the amendment from consideration before the Senate rather than have a vote on it.

I thank the distinguished Senator from Idaho for yielding me time.

Mr. SCHMITT. Mr. President, I greatly admire the Senator from Alabama. I appreciate his comments and his thoughts and his question. I feel, however, that I cannot do that, because I believe it is an idea whose time has come, not only with respect to the Panama Canal, but with respect to other debates we will have soon on this floor.

I remind the Senator from Alabama that if the treaties before us are ratified essentially as they stand, after a period of time, we will have no effective sovereignty in the Panama Canal, we will only have some pieces of paper. Unfortunately, very rapidly, we will begin to lose effective control over the operation, management, and defense of the canal. Under the Intersea concept, we will retain that effective sovereignty to the extent that we utilize the canal, as will every other nation in the hemisphere gain a certain amount of sovereignty. It is in that sharing of sovereignty that lies the strength of Intersea. That is the strength, for us as well as the hemisphere and for other users throughout the world, of this very, very important waterway.

Mr. President, if there is no further debate, I am happy to yield back the remainder of my time.

Mr. CHURCH. Mr. President, if, 14 years ago, when negotiations commenced with Panama for a new arrangement, the Senator's proposal had been laid before the nations of this hemisphere, perhaps we would have today, some kind of hemispheric treaty before us. However, it took us 14 years to get a treaty with one country. The Senator's proposal would require the agreement of 31 countries. Even 14 years might not have been enough for a hemispheric accord, but obviously, at this point in the discussion of the treaty before us, it is untimely to consider the substitute. I urge the Senate to reject it.

The PRESIDING OFFICER. All time has expired.

Mr. CHURCH. Mr. President, I move to lay the amendment on the table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay Mr. SCHMITT's amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Montana (Mr. PAUL G. HATFIELD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Maine (Mr. MUSKIE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

The result was announced—yeas 65, nays 30, as follows:

[Rollcall Vote No. 58 Ex.]

YEAS—65

Allen	Hart	Melcher
Anderson	Haskell	Metzenbaum
Bayh	Hatfield, Mark O.	Moynihan
Bentsen	Hathaway	Nelson
Biden	Hayakawa	Nunn
Bumpers	Heinz	Pearson
Burdick	Hodges	Pell
Byrd, Robert C.	Hollings	Percy
Cannon	Huddleston	Proxmire
Case	Humphrey	Randolph
Chafee	Inouye	Ribicoff
Chiles	Jackson	Riegle
Church	Javits	Sarbanes
Clark	Kennedy	Sasser
Cranston	Leahy	Sparkman
Culver	Long	Stafford
Danforth	Magnuson	Stevenson
Durkin	Mathias	Stone
Eagleton	Matsunaga	Talmadge
Ford	McGovern	Weicker
Glenn	McIntyre	Williams
Gravel		Zorinsky

NAYS—30

Baker	Garn	Roth
Bartlett	Goldwater	Schmitt
Bellmon	Griffin	Schweiker
Brooke	Hansen	Scott
Byrd, Harry F., Jr.	Hatch	Stevens
Curtis	Helms	Thurmond
DeConcini	Laxalt	Tower
Dole	Lugar	Wallop
Domenici	McClure	Young
Eastland	Morgan	
	Packwood	

NOT VOTING—5

Abourezk	Johnston
Hatfield, Paul G.	Muskie
	Stennis

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. PEARSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, for some time now, we all have been studying the Panama Canal treaties. Having gone to Panama with two other Members of the Senate, I would like once again to speak as one who is opposed to the treaties as presented to the Senate, but one who also firmly believes that a new relationship is needed between Panama and the United States, to assure the security, proper operation, and maintenance of the canal.

I have developed a series of amendments to create a permanent partnership between the Republic of Panama and the United States of America in which, after the year 2000, Panama would be the active partner in the security, operation, and maintenance of the canal, and the United States would be a silent partner, acting to protect the security and assure proper maintenance and operation of the canal only when the Republic of Panama was unable or unwilling to do so.

I point out that, under the other treaty, approximately up to the year 2000 the United States would be a senior partner in the operation of the canal, under the documents before the Senate. I believe that a permanent partnership scenario in which Panama is the active partner and the United States the silent partner after the year 2000 is the proper mechanism for the Republic of Panama and the United States to meet their respective future needs.

The treaties as drafted are ambiguous and fraught with inconsistencies. These documents, however, could have been corrected by amendments.

My staff and I have developed a series of amendments which, if adopted, in my opinion, would protect the security and economic interests of the United States.

Mr. President, I ask unanimous consent that these amendments and the explanation of each be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARTICLE I

(Explanation)

The amendment to Article I changes the Neutrality Treaty by adding clear language which makes the new relationship between Panama and the United States a partnership. Amendments to Articles IV, V, and VI and a technical conforming amendment to Article II establish Panama as the active partner; the United States as the silent partner acting only when Panama is unable or unwilling to properly defend, operate or maintain the Canal.

In Article II the added words "and the United States of America" conform the Article to the change in Article I.

In Article IV all of the new language is needed to set out the active partner/silent partner role between the Republic of Panama and the United States. It is a visual rendition of the rights of the United States.

The first half of the first sentence of new language to Article V and the second sentence of the new language to that Article, corrects an inconsistency between the partnership obligations of Article IV and the exclusiveness of Panama's right under existing Article V.

In the first line of Article I, after the word "Panama" insert the words "and the United States of America" and delete the word "declares" and insert in lieu thereof the word "declare". Immediately after the first sentence of Article I, add the sentence "Such regime establishes a new relationship which continues the partnership between the Republic of Panama and the United States of America with respect to the security and neutral operation and maintenance of the Canal, including its complementary works, equipment and installations."

ARTICLE I

(As amended)

The Republic of Panama and the United States of America declare that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. Such regime establishes a new relationship which continues the partnership between the Republic of Panama and the United States of America with respect to the security and neutral operation and maintenance of the Canal, including its complementary works, equipment and installations. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama.

ARTICLE II

(Explanation)

The new words "and the United States of America" is a technical, conforming change to your Article I amendment. If we were not forced to work article by article, this language would properly be part of the Article I amendment.

In the first line of Article II, after the word "Panama", insert the words "and the United States of America" and delete the word "declares" and insert in lieu thereof the word "declare".

ARTICLE II

(As amended)

The Republic of Panama and the United States of America declare the neutrality of the Canal in order that both in time of peace and time of war, it shall remain secure and open to peaceful transit by vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason, and so that the Canal, and therefore the Isthmus of Panama, shall not be the target of reprisals in any armed conflict between the nations of the world. The foregoing shall be subject to the following requirements:

(a) Payment of tolls and other charges for transit ancillary services, provided they have been fixed in conformity with the provisions of Article III(c);

(b) Compliance with applicable rules and regulations, provided such rules and regulations are applied in conformity with the provisions of Article III;

(c) the requirement that transiting vessels commit no acts of hostility while in the Canal; and

(d) Such other conditions and restrictions as are established by this Treaty.

ARTICLE IV

(Explanation)

Sets out the rights of the United States as a partner in the permanent security and neutral operation of the Panama Canal. This new language is needed to establish the active partner/silent partner role between Panama and the United States. It is a visual rendition of the rights of the United States.

In Article IV, line 1, after the word "Panama" and before the word "agree" insert the words ", acting as partners with respect to the permanent security and neutral operation and maintenance of the Panama Canal,".

At the end of Article VI, add the following paragraph:

"2. The United States of America and the Republic of Panama, acting as partners in the maintenance of the regime of neutrality, shall have the right and the responsibility to unilaterally act in order to assure the security and neutral operation and maintenance of the Canal. The two contracting partners shall, inter alia, unilaterally have the right to:

(a) Act to preclude any military or paramilitary forces from interfering with the security or neutral operation and maintenance of the Canal;

(b) Act to preclude any attempt by a foreign nation to garrison military or paramilitary forces or maintain defense sites or other military installations in the Republic of Panama except as provided in the Panama Canal Treaty;

(c) Inspect the Canal, its complementary works, equipment and installations, and provide such technical assistance or other forms of participation as may be necessary and appropriate to maintain the efficient operation of the Canal;

(d) Take such steps as may be necessary and appropriate to uphold the regime of neutrality so as to assure the permanent security and neutral operation and maintenance of the Panama Canal, including its complementary works, equipment and installations."

Renumber the existing paragraph accordingly.

ARTICLE IV

(As amended)

1. The United States of America and the Republic of Panama, acting as partners with respect to the permanent security and neutral operation and maintenance of the Panama Canal, agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall have the right and the responsibility standing as any other treaties entered into by the contracting parties.

2. The United States of America and the Republic of Panama, acting as partners in the maintenance of the regime of neutrality, shall have the right and the responsibility to unilaterally act in order to assure the security and neutral operation and maintenance of the Canal. The two contracting partners shall, inter alia, unilaterally have the right to:

(a) Act to preclude any military or paramilitary forces from interfering with the security or neutral operation and maintenance of the Canal;

(b) Act to preclude any attempt by a foreign nation to garrison military or paramilitary forces or maintain defense sites or any other military installations in the Republic of Panama except as provided in the Panama Canal Treaty;

(c) Inspect the Canal, its complementary works, equipment and installations, and provide such technical assistance or other forms of participation as may be necessary and appropriate to maintain the efficient operation of the Canal;

(d) Take such other steps as may be necessary and appropriate to uphold the regime of neutrality so as to assure the permanent security and neutral operation and maintenance of the Panama Canal, including its complementary works, equipment and installations.

ARTICLE V

(Explanation)

The first half of the first sentence of new language to Article V and the second sentence of the new language to that Article corrects an inconsistency between the partnership obligations of Article IV and the exclusiveness of Panama's rights under existing Article V.

The new language also affirms the right of the United States of America and Panama to negotiate a new treaty for American bases in the Republic of Panama.

The new paragraph 2 assures that Panama will properly use the tolls and other operating revenues for the operation and maintenance of the Canal. This avoids the problem of Panama channeling the tolls and operating revenues from the Canal to their national treasury, leaving the United States to bear the costs of maintenance and operation of the Canal.

At the end of Article V, after the word "territory.", add the following: "Nothing in this Article shall be construed as prohibiting the United States of America from conducting such operation and maintenance of the Canal or maintaining such military forces, defense sites and military installations as are necessary to fulfill its rights and responsibilities under Article IV, nor shall anything in this Treaty be construed as prohibiting the United States of America and the Republic of Panama from entering into any other treaty which provides for the garrisoning of military forces of the United States of America or the establishment of defense sites or installations of the United States of America within the Republic of Panama.

"2. All tolls and other operating revenues of the Canal shall be used to the extent necessary for the operation and maintenance of the Canal."

Renumber the existing paragraph accordingly.

ARTICLE V

(As amended)

1. After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory. Nothing in this Article shall be construed as prohibiting the United States of America from conducting such operation and maintenance of the Canal or maintaining such military forces, defense sites and military installations as are necessary to fulfill its rights and responsibilities under Article IV, nor shall anything in this Treaty be construed as prohibiting the United States of America and the Republic of Panama from entering into any other treaty which provides for the garrisoning of military forces of the United States of America or the establishment of defense sites or installations of the United States of America within the Republic of Panama.

2. All tolls and other operating revenues of the Canal shall be used to the extent necessary for the operation and maintenance of the Canal.

Mr. STEVENS. Some Members of the Senate object to all amendments to the Panama Canal treaties because they could potentially force a second plebiscite in Panama. Under the present treaties, after the year 2000 the United States would have no ability to protect its defense and economic interests in the Panama Canal except by the use of force. Mr. President, I believe it is imprudent for the U.S. Senate to grant its advice and consent to any arrangement which places us in such an untenable position. I see no reason why we should be put in the position where our only relationship after the year 2000 can be developed through the use of force, only through the use of force, in regard to the operation, maintenance, and security interests of this canal.

My amendments, by creating a partnership arrangement, place the United States in the position where it can peacefully and without the use of force maintain a presence in the Canal Zone to conduct inspections of the canal and when such inspections show that the Panamanians are unable or unwilling to properly maintain the canal, would allow the United States to enter and conduct routine maintenance as necessary. The American people have a right to demand that a continuing relationship be created between Panama and the United States which will allow the United States to asssure the proper maintenance and operation of the Canal without the use of military intervention.

A second plebiscite is less onerous than leaving to future generations problems caused by ambiguities and misinterpretations which, in their time, would only be solvable by use of force. My amendments are substantive—not dilatory. If these amendments are adopted and the problem of funding in the other treaty is resolved, I can support these treaties. I have waited to offer my amendments until after the Senate finished considering the articles of the Neutrality Treaty, but I feel they must be considered under the arrangement, as I understand the Senate is in now, while we are still in the Committee of Whole.

I offer this one amendment as a key amendment to article I. If it fails I shall not offer the remaining amendments which I have discussed with other Members of the Senate. Mr. President, I understand full well the time arrangement. Unfortunately, I was not here last evening when the time arrangement was made, and the time expires now, and we must go into the resolution of ratification at 4 p.m.

It would be my intention to ask, if there is to be a motion to table this amendment, that there just be a voice vote on it prior to that time.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I have been, and continue to be, on record in support of the Panama Canal treaties, and I would like to think they could be considered without reference to any other external remarks or comments that are made.

But I have got to confess I am troubled and disgusted by the reports of the deals that are being made in exchange for votes on this treaty.

Several papers this morning carried stories that the President has traded a $250 million copper purchase for a vote; that he has traded support on a farm bill for a vote. I do not know whether these stories are true or not, but if they are then a new factor has been thrown into the consideration of this treaty.

The President has indicated that for the sake of support of the Presidency we must support these treaties. While I am not overly moved by that argument, I have no desire to embarrass the President in his efforts to negotiate overseas. But, on the other hand, if he is bartering away votes on other matters for the sake of votes for the canal, then he has thrown another element into the support for the Presidency, and that is that no occupant of the White House can stoop so low that he is willing to trade the integrity and honor of that office for votes on the canal treaties.

That in and of itself is not a sufficient end to justify voting for it no matter what else may come before that vote.

(Mr. GRAVEL assumed the chair.)

I would like to think that the occupant of the White House is still the President of the United States and not the master of ceremonies on "Let's Make a Deal." If the rumors of these trades are true, then I will have no alternative but to reconsider my previous support of this treaty and weigh very heavily the other factors that now seem to be coming into play.

UP AMENDMENT NO. 10

(Purpose: To make the Republic of Panama and the United States partners in the future security, operation and maintenance of the Canal.)

Mr. STEVENS. Mr. President, I would like to call up my amendment at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for himself, Mr. BELLMON, and Mr. GARN, proposes an unprinted amendment numbered 10:

In the first line of Article I, after the word "Panama" insert the words "and the United States of America" and delete the word "declares" and insert in lieu thereof the word "declare". Immediately after the first sentence of Article I, add the sentence "Such regime establishes a new relationship which continues the partnership between the Republic of Panama and the United States of America with respect to the security and neutral operation and maintenance of the Canal, including its complementary works, equipment and installations".

Mr. STEVENS. I might say to the manager of the bill, the proponents of the treaty, that is, I realize the time situation, and I too have been caught. I do not wish to be unfair. I assume he will make a motion to table this amendment at 4 o'clock and, therefore, I yield the floor at this time.

Mr. CHURCH. Mr. President, the amendment offered by the able Senator

from Alaska is just one of a series of amendments which, if adopted, would rewrite both the Neutrality Treaty and the Panama Canal Treaty.

We cannot rewrite these two treaties at this late hour nor is there any assurance that the concept of partnership would ever be acceptable. Presumably, had such a concept been acceptable to Panama, it would have been considered in the negotiations over the past 14 years.

I do not know what the final vote will be when the Senate passes on the Neutrality Treaty and the Panama Canal Treaty. If the Senate rejects them, and we go back to the bargaining table I doubt very much that we will ever get another agreement as satisfactory to the United States as the treaties now before us.

In any event, the partnership concept would require negotiation ab initio and is, therefore, inappropriate for the Senate to consider at this time.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to my good friend, Senator SARBANES.

Mr. SARBANES. I want to emphasize the point made by the very able Senator from Idaho (Mr. CHURCH) that these negotiations now have gone on since 1964 in an effort to arrive at documents which both parties felt protected their interests and upon which they could agree.

I have heard Members stand on the floor of the Senate and say, "Well, we can reject these treaties and we will just go back and negotiate a new set of treaties."

I would urge Members to stop for a moment and think about that. If these treaties are rejected, I submit to you the choice that is going to be before us is either to maintain the American position in Panama through force or eventually to reach a new set of agreements which I am prepared to predict will not be as accommodating or as favorable or as protective of America's needs as the treaties that are before us now.

These have been negotiated over a long period of time, under, in some instances, very difficult circumstances, and the assumption which some people seem to have that they can be rejected and we will go back and get the Panamanians to agree to a new set of arrangements more favorable to the United States. I think is without any foundation whatsoever.

To begin with, I think it is very questionable that you will get them to agree at all, and certainly if any agreement is ever reached it will be far less accommodating to American interests than the provisions of the treaties before us.

Mr. CHURCH. The Senator is correct. In my judgment, if the Senate rejects these treaties, we will rule the Canal Zone by the sword, and if we again have access to the pen, we will never get agreements as favorable to the United States as those now before us.

On that basis, Mr. President, I move to table the amendment offered by the Senator from Alaska.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Alaska. (Putting the question.)

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, as long as the Senator from Maryland and the Senator from Idaho are here, I would like to have them answer a question for me. Maybe they cannot do it formally——

RESOLUTION OF RATIFICATION

The PRESIDING OFFICER. The time for debate has expired. The hour of 4 o'clock having arrived, under the previous order, the clerk will state the resolution of ratification.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, together with the Annexes and Protocol relating thereto, done at Washington on September 7, 1977 (Executive N, Ninety-fifth Congress, first session), subject to the following amendment:

(A) At the end of Article IV, insert the following:

"A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of Understanding issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty, as follows:

" 'Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

" 'This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.'."

(B) At the end of the first paragraph of Article VI, insert the following:

"In accordance with the Statement of Understanding mentioned in Article IV above: 'The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the lines of vessels in order to transit the Canal rapidly.' ".

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. SCOTT) is recognized for not to exceed 1 hour.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. SCOTT. I am glad to yield 2 minutes to the distinguished Senator from Washington.

Mr. MAGNUSON. I want to pose this question, if I may get the attention of the managers of the treaty.

We are now in the process of appropriating money for next year, for fiscal 1979. There is in the budget the usual appropriation for the maintenance of the Panama Canal. It has been about the same over the years; it is not up or down.

I have not yet heard from anyone in this debate—I have not been here every minute of the debate, but I have been here quite frequently. Will we be faced, with the ratification of this treaty as it is now written, with a supplemental appropriation for the Panama Canal to carry out the treaty, and, if so, how much money are we talking about?

I am very much concerned about that. Are we going to have to appropriate more money? There are a lot of people in this country who might be for this diplomatic and political arrangement, but when it comes to their tax dollars, they want to know what this means.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. MAGNUSON. I want to know what it means. I do not want to be faced, if and when we get through with this debate and say it is ratified with amendments, with a big supplemental coming up from downtown because of the fact that we have taken this so-called diplomatic action.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. MAGNUSON. I would like to know the figures. I have not been able to get them. I do not know where they are, and I must say, frankly, I might take another look at this thing if they are too high, because I have the responsibility of appropriating the money.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. MAGNUSON. If they are too high, or if they are not justified. But I would like to know before I vote on this matter what is this going to cost in dollars and cents? That is what I would like to know.

Mr. SARBANES. Will the Senator from Virginia yield additional time?

Mr. SCOTT. Mr. President, I am going to address myself to that question, and I have previously made some comments with regard to it.

Mr. MAGNUSON. I will just leave the question open. It may be difficult to get the figures, if they are there. You can put them in the RECORD, or I will come here and listen tomorrow.

Mr. SCOTT. Mr. President, I do have remarks to make, and have reserved the time.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. SCOTT. Mr. President, I appreciate the opportunity to share some thoughts on the final action to be taken with regard to the Neutrality Treaty after we have finished the reading of the treaty for amendment and prior to final action on the resolution of ratification. Although numerous amendments have been proposed, only the leadership amendments have been adopted. But, in my judgment, the crucial issue is the final action taken on the Neutrality Treaty and its effect, if any, on the canal treaty.

As always, reasonable people can disagree on the desirability of ratification and I would hope that nothing I say would be interpreted to reflect upon the judgment or integrity of any colleague who may have an entirely different point of view. Nevertheless, it appears to me that these treaties were negotiated under pressure from Panama. The Panamanian dictator, General Torrijos, over a period of years has fostered a climate of hostility to the American presence in the Canal Zone and the White House and Senate leadership, time and again, have indicated their opposition to amendments that might cause another plebiscite to be taken by Panama, that Torrijos might not like that. Let me submit that General Torrijos is part of the problem. The agitation over the past decade to a large extent generated by General Torrijos is reminiscent of a spoiled child having a temper tantrum when he does not get his way.

We should call to mind that this is a man who used his position of leadership within the naticnal guard of his country to overthrow a legaily elected government and forcibly to establish himself as chief of state. Therefore, it does not seem reasonable that he can legitimately represent the aspirations of the people of Panama when he came into power through a coup, or military overthrow of the legitimate government of Panama.

In a broad sense, the treaties appear to be written in a way to meet the demands of Panama and to further the interest of Panama rather than the interest of the United States. Under the advise and consent clause of the Constitution, however, we are now charged with the responsibility to act in the best interests of the people of the United States. Our loyalty, our concern should be for the American people with only a collateral interest in fairness to Panama. At the present time, the United States has ownership, possession, and control of the Canal Zone and from the viewpoint of our own national interest, there does not appear to be any need to negotiate new treaties. Senators made this somewhat clear during the 94th Congress when more than one-third of the Members joined in cosponsoring a resolution calling upon the executive branch not to negotiate a treaty that would give away our rights in the Canal Zone.

Under the two treaties before the Senate we do not obtain any new benefits but we lose substantially all interests we now have within the Canal Zone. It would appear that our negotiators were willing to give Panama anything it wanted and Panama wanted everything it could get. This has resulted in one-sided treaties, no mutuality, treaties that, in my judgment, are not in the best interest of the people of the United States, or in the best interest of the people of the free world.

For example, article V of the 1903 treaty grants to the United States in perpetuity a monopoly for the construction of a canal anywhere within the country of Panama. Yet, article XII of the proposed Panama Canal Treaty provides that no interocean canal can be constructed within Panama for the duration of that treaty except in accordance with the terms of the treaty, or if the two parties may otherwise agree and the following paragraph states that for the duration of the treaty, the United States shall not even negotiate for the right to construct an interocean, or any other route in the Western Hemisphere except as the two parties may otherwise agree. Mr. President, this provision would not only prevent us from constructing a second canal within Panama without its consent but would prevent us from even negotiating with Colombia, or any of the Central American countries, or with Mexico for a possible alternative interocean canal. This portion of the treaty seems to be contrary to commonsense.

We obtained our interest in the Canal Zone primarily from four sources: The 1903 treaty with Panama, the purchase of all rights of the French company which attempted to construct a canal through the Isthmus, the purchase of private, proprietary rights of owners and squatters and what was tantamount to a quitclaim from Colombia. We provided a wonderful source of revenue for the country of Panama, rid the country of yellow fever, controlled malaria, provided sanitary water and sewage systems and over the years, have substantially aided Panama in obtaining the highest standard of living within Central America. Yet, under the proposed treaties, we would give up title and control to the Government of Panama. Over a period of years, both our civilian employees and our military forces would be phased out so that in less than 22 years we would have no military and few civilian employees within the Canal Zone. If any Americans remained within the zone after that time, they will be working for the Panamanian Government and living as foreigners within what is now the American Canal Zone.

Much discussion has been had about the neutrality of the canal after we turn over ownership, operation, and control to Panama. The leadership's amendments adopted by the Senate have included the statement of understanding between General Torrijos and President Carter in an effort to guarantee our rights to protect the security of the canal and its use by all of the countries of the world. Yet, we cannot ignore the last paragraph of amendment 20 being a part of this unsigned understanding which reads:

This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

Attempts to add clarifying amendments of the second degree to the leadership amendments have been wholly unsuccessful but this memorandum of understanding, as are many of the treaty provisions, is vague and uncertain subject to interpretation in one manner by our Nation and another manner by the Panamanians. To say that under no circumstances can we interfere in the internal affairs of Panama could be to agree in advance that we would not interfere in any alliance that might be established between Torrijos and Castro, with any Communist invitees controlling the canal and, in fact, provides little protection of the canal in a world in which Cuban and Russian excursions often by the use of satellite Warsaw Pact nations are commonplace.

Under the Monroe Doctrine, for the past 165 years, we have considered America for the Americans, and all of us would hope that there will be no adverse change in this doctrine. But it does appear that under the treaties we could defend the canal if Panama wanted us to do so, but would have no unilateral right to return to the Canal Zone without its permission.

All of us are aware that the administration has been urging ratification and has stressed the long period of negotiation by four Presidents, with emphasis on the support of Latin American countries and the need to yield to world opinion to relinquish the Canal Zone. But in this country, sovereignty resides in the people, not in the President, not in Cabinet officers, and not in the leadership of the Senate. And it would seem that the will of the American people should be reflected in our decision. This is not to say that we should not exercise independent judgment on matters coming before the Senate, but when the overwhelming majority of the American people favor a course of action, if we have faith in the collective will of the majority, if we believe that in America the people do rule, then it would appear that we should reject these treaties.

There are reports that Senators who have not publicly stated whether or not they will vote for ratification or may not have made up their minds have been lobbied by the White House and have been promised special inducements if they vote for ratification. If these reports are true, it would appear that the White House is attempting to offer the carrot of special favors for Senators in order to obtain the necessary two-thirds vote for ratification. I would hope that Senators might react adversely to the President's efforts. Most, if not all, Senators appear to be above trading their votes for special favors. Nevertheless, if the reports of special offers are accurate, it reflects adversely upon the high office of the President of the United States. And I am sure that the American people disapprove of these attempts.

The only public plebiscite on the proposed treaties that we have had in this

country so far as I know was in Westminster, Calif. in which the question was posed: "Should the United States retain control of the Panama Canal?" And the response by the voters only a week ago was 4,867 yes, and 895 no. That is from between 5 and 6 to 1 in favor of the United States retaining control. This ratio is almost identical with the poll I took somewhat earlier of the citizens of Virginia. It showed that Virginians favored rejection by a margin of 87 percent to 13 percent. Each Senator, of course, talks with his own constituents and receives mail from them, but all of the Senators I have discussed this with have indicated that their mail was running strongly against ratification.

It would seem well to remember that we are here in a representative capacity as servants and not masters of the people, and I believe we need to pay more attention to the feelings of our constituents than to the White House or the Senate leadership of either party, because they, too, are servants of the people.

Mr. President, my staff put together a few quotations of early American leaders about reliance upon the views of the American people, and I would like to share some of these quotes with you: Jefferson indicated:

> Every government degenerates when trusted to the rulers of the people alone. The people themselves, therefore, are its only safe depositaries.

In a letter to John Adams, he added:

> No government can continue good, but under the control of the people.

John Marshall said:

> The government of the union is emphatically and truly a government of the people. In form and in substance it emanates from them. Its powers are granted by them and are to be exercised directly on them and for their benefit.

In No. 49 of the Federalist Papers it says:

> * * * people are the only legitimate fountain of power, and it is from them that the constitutional charter, under which the several branches of government hold their power, is derived.

Daniel Webster in a Senate speech said that—

> The people's government (is) made for the people, made by the people, and answerable to the people.

Abraham Lincoln, in his 1861 inaugural address, said:

> Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?

But, Mr. President, while many Senators may be far more familiar with the history and the workings of our Government than the Senator from Virginia. It just seems contrary to our heritage to vote contrary to what I consider to be the desire of the overwhelming majority of the American people to retain the Canal Zone as American property, and to reject these treaties. It does not seem reasonable to give away Government property having a replacement value of $10 billion, to give away a canal zone into which our Government has poured so much money since 1903, through which we have operated a canal since 1914 for the benefit of all of the peoples of the world and at cost. At the present time, with complete ownership and control, with military bases and American personnel, the canal is safe. From a security point of view our present situation is far preferable to the vague and uncertain language of the so-called Neutrality Treaty and from the complete loss of ownership and control of the Canal Zone.

In the March 13 issue of Time magazine, 15 pages are devoted to socialism, its trials and errors, and it has a map covering two pages showing the parts of the world that are under the Marxist/Lenin economic system, those under the social/democratic, the third world socialists showing the growth that has been made of socialism and communism within the past generation.

Newsweek magazine of the same date shows the Cubans in Africa. It refers to Cubans being in 19 African and Arab countries and, again, has a map with a heading, "Have Guns, Will Travel." One interesting paragraph on page 40 reads as follows:

> During the 1962 Cuban missile crisis, the Russians lack of muscle obligated them to back away from the confrontation with the United States. Now with its wide-ranging navy and air force, its powerful army and its nuclear umbrella, Moscow can compete on equal terms anywhere in the world but most analysts discount the notion that Russia has launched a thorough challenge to the United States. In this view, the Kremlin has merely concluded that the post-Vietnam era is a good time to exploit local opportunities. The Soviets have concluded that the United States is in a very introspective, relatively impotent phase.

Elsewhere it reads:

> Some experts reason that the use of Cuban troops has enabled Moscow to operate with impunity in Africa.

Do not these quotations from rather liberal magazines, these national news magazines, indicate that Cuba might well operate with like impunity within the Canal Zone in the event all of the U.S. troops are removed and we give up our proprietary and sovereign rights to the Canal Zone, and it becomes completely under the control of the Panamanian Government? These and other news accounts are widely read and the American people are well informed. Can you imagine,

If circumstances were reversed, if the Soviet Union had ownership and control of the Canal Zone, that it would give away its rights to a small, unstable nation of 1.7 million people? The Canal Zone, it seems to me, is a passageway that has important commercial and military value to the United States, to all of North and South America; in fact, it is one of the points that we should not permit to come under the control of the Soviet Union, either directly or indirectly. This is one of the things that former Chairman of the Joint Chiefs of Staff, Admiral Moorer, said before both the Subcommittee on Separation of Powers of the Committee on the Judiciary and the Senate Armed Services Committee. It is a view I also heard from the chiefs of state of a number of South American countries, the fear that somehow the Soviet Union or the Communists would obtain control of the canal in the event that we left. My mail indicates that this represents a serious concern among Americans today.

As previously discussed in greater detail, this is the matter that the distinguished chairman of the Appropriations Committee, the Senator from Washington, was interested in a few minutes ago. These treaties will cost the American taxpayer a minimum of $758 million over the next 22 years for the privilege of giving up our $10 billion canal.

This $758 million figure includes $440 million in interest payments that will no longer accrue to the U.S. Treasury, $165 million in early retirement costs—and under present law, when any new rights are created for the civil service retirement trust fund, when any new obligations are incurred under which additional money must be paid out, there is an obligation for the Congress to appropriate additional funds to meet that need. That is something that will come before the Senate Appropriations Committee; $110 million in costs to the Department of Defense primarily for certain schooling costs—I would think that would be a matter that would come before the Appropriations Committee—and $43 million for certain military base relocations. I would also think that would come before the Appropriations Committee.

In addition to this tremendous $758 million direct burden to the taxpayer, Panama will also receive from tolls over $1.5 billion over the next 22 years, if sufficient income is produced from canal traffic.

Let me briefly quote from testimony of Comptroller General Staats, the head of our General Accounting Office, in his testimony before the Armed Services Committee:

> If the canal transits fall short of what is currently estimated, it is possible that toll revenues will be insufficient to cover the costs of the Commission, including the scheduled payments to Panama. In this eventuality, the U.S. Government is likely to be required to provide financial assistance either through the congressional appropriations or by allowing the Commission to borrow from the U.S. Treasury.

Looking at the possibilities of increased costs over the company's initial estimates, that is, the operating company under the treaties—Mr. Staats concluded:

> It seems to me there are some very real concerns as to whether we can adjust tolls upward, assuming you do all these things that I have just listed, and still make it possible to operate the canal without serious deficits.

While one can make different assumptions on factors affecting future canal revenues and arrive at different conclusions as to whether the canal operation will be financially sound, there is a substantial possibility that the canal will suffer operating deficits during the life of the treaty, and if so, the Comptroller General, our chief Government accountant, says it will be our taxpayers who will make up the deficits.

We should not lose sight of the fact that ratification of the canal treaty is giving away American property to satisfy the outcries in Panama and could cause other nations to believe that we are conceding that we have maintained a colonial position with regard to the canal over the years, that we are not ready to stand up for the welfare of our own country, and cause nations of the free world to further lose faith in the United States. We can only lose property, prestige, and influence within the world community by the ratification of these treaties.

Both proposed treaties recognize Panama as territorial sovereign and with this concession on behalf of the United States, Panama can interpret the treaties as it sees fit without recourse to the United States, unless we resort to the use of military force.

It is interesting also to note that in the protocol provisions, annex B of the Neutrality Treaty, all nations of the world will be invited to agree to the neutrality of the waterway. Some might conbe a departure from the Monroe Doctrine, to have countries like Red China and Russia and other nations in the Communist world agreeing to the neutrality of the waterway. Some might consider that as also guaranteeing the neutrality of the canal between the two American continents. It appears to be entirely contrary to the tradition of the United States that America is for Americans.

What I am suggesting, Mr. President, is that we look at the basics rather than a phrase or two in the treaties; that we consider the history, the fact the canal has been maintained and operated by the United States at cost for use by all the nations of the world, with a high degree of efficiency under U.S. ownership and management, and the fact that we have no assurance that such practice will continue under the Panamanian Government. There is even considerable doubt that Panamanians have the managerial skill or the technical knowledge to operate and maintain the canal. It is also questionable as to who they might get to assist them in its operation after the termination of the treaties. It is quite apparent that they want as much profit from the operation of the canal as they can get. However, the law of diminishing returns may set in but, in my judgment, Panama intends to milk the canal for everything that the traffic will bear.

Mr. President, when we vote on Thursday regarding ratification of the Neutrality Treaty, I believe we should give consideration to what effect, if any, that vote will have on the canal treaty. They are connected together and, certainly, we should not mislead the Panamanians by a favorable vote on one treaty to believe that the second treaty will also be ratified. Yet, I do not believe any Senator who votes for the Neutrality Treaty is necessarily obligated to vote for the canal treaty. It would give a lot of comfort to the American people and would enable the Senate to proceed to legislative proposals which have been held in abeyance if we could defeat the Neutrality Treaty on Thursday, because such action yould necessarily signal the defeat of the more comprehensive canal treaty.

Mr. DOLE. Mr. President, will the distinguished Senator from Virginia yield? Does he have any time to yield to me?

Mr. SCOTT. Yes; I am glad to yield to the distinguished Senator from Kansas.

The PRESIDING OFFICER (Mr. HODGES). The Senator from Kansas is recognized.

Mr. DOLE. First, Mr. President, let me say that I share the views expressed by my colleague. It seems to the Senator from Kansas that we have witnessed an operation stonewall now for some time. We have had 22 treaty amendments proposed. Only two amendments, the so-called leadership amendments, have been approved by a majority of the Senate with the blessing of the administration. All other amendments have been branded killer amendments and have been rejected at the behest of the leadership and the administration.

It seems to this Senator that the time is drawing near for the Senate to exercise its judgment.

The Senator from Virginia indicated that we have some responsibility, too, as Senators. Certainly, we want to support our President. Certainly, this is not, in any sense, a partisan matter before the Senate. The Senator from Kansas is convinced that they are not going to accept any amendments. We have already reached that point now that there will be no more amendments, the Senator from Kansas understands, considered to the treaty itself, the so-called Neutrality Treaty.

The Senator from Kansas became first opposed to the treaty amendments last September. I suggested that we analyze the treaties in an objective and responsible manner.

I think most every Senator did that. But that at every turn, as the Senator from Virginia knows, the leadership tabled or set aside each of those amendment proposals.

At one point, as many as 40 Members of this body opposed a tabling motion and that, certainly, suggests a genuine concern for the treaties themselves.

I might say, in the view of this Senator, there is a growing concern with reference to the treaties and their validity and whether or not it is best for us to follow in the Senate. The fact that 20 of the 22 treaty amendments proposed were rejected is not to say the administration will not have to yield to public pressure on certain points, because I recall last September the administration suggesting no amendments, no reservations, and maybe understandings and declarations.

I do not want to take any further time unless the Senator from Virginia has additional time.

Mr. SCOTT. Mr. President, in line with what the distinguished Senator from Kansas indicated, he will recall the item reported by the media on the plebiscite, the only one that I know that was taken, in Westminster, Calif.

The question was asked, "Should the United States retain control of the Panama Canal?"

This was only a week or so ago and the response was 4,867, yes, and 895, no. A better than 5-to-1 majority in favor of our retaining the Panama Canal.

I think that is in line with the reasoning of the distinguished Senator from Kansas.

Mr. DOLE. If the Senator will yield further I think there has been some concern expressed by the American people. Of course, there is a division on the treaties. Some Americans support the treaties, some oppose the treaties. But I suggest a great many more oppose than support.

I have been asked by people around the country in various States if we listen to our constituents. I suggest that we do and that sometimes we do not always agree with the constituents and we should make an independent judgment based on the facts.

But I do not see how we can square that with this approach of no amendments, no amendments because we might somehow require another plebiscite; no amendments unless they fit into the pattern of the so-called leadership amendments.

I understand the reason for that. The knowledge of the Carter-Torrijos memorandum was available when the plebiscite was held in Panama and, therefore, they, in effect, voted on this amendment.

But, on the other hand, what do we do, I might ask the distinguished Senator from Virginia, as Members of the U.S. Senate?

Why have we spent so many days on this treaty? It is obvious we are not having any impact insofar as amendments are concerned, but I think we are having an impact insofar as individual Senators are concerned. I see the momentum shifting in opposition to the treaties because of the genuine concern many Senators have, many undecided Senators have.

I would guess that when it gets down to another 24 hours, there may be other amendments. Maybe by that time the administration will want to back up and accept a few amendments. It may be that is the way to play it. Do not take more than we have to take, but take enough to get 67 votes.

If that is the strategy, maybe that is the right strategy.

But it seems to me that we have had a stonewall strategy. Those of us who have offered amendments have been somehow categorized as being flat-out opponents of the treaties. I think there have been efforts to paint some in the corners some right-wing radical group opposed to the treaties, and that is certainly not the case. If that is, there are a lot of right-wing Americans out there opposing the treaties.

But it would seem to me that in retrospect the better part of wisdom might be some strategy to work out responsible amendments, and maybe these treaties could have passed by a vote of 80 to 20, or maybe even a higher percentage.

But we were never given that opportunity. We were given an opportunity to

offer amendments and have them tabled. We could not even have an up-or-down vote.

We were told by the distinguished Senator from Idaho (Mr. CHURCH), the leader of the protreaty forces, that we could not add one word. If we offered the word "American" in this treaty, I bet it would be tabled. We could not offer the word "American" and get a majority vote in this Senate because it would be tabled by the proponents of the treaty.

I just wonder how far we extend that strategy. Where do we draw the line? What is reasonable and what is not reasonable?

I have always felt that people who voted for us exercised pretty good judgment. Those same people are wondering now what happens when we, 8 to 1, 9 to 1, whatever the survey may be in that area, say we think the treaties ought to be changed and the Senate ought to have a role to play. Why is it just a flat strategy of no amendments, not one word?

I do not believe that can ever be explained to the American people. Even those who support the treaty will not understand how we could not add the word "American" to the treaty if we wanted to.

Mr. LEAHY. Will the Senator yield?

Mr. DOLE. I do not have the floor.

Mr. SCOTT. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has until 5:02.

Mr. LEAHY. Will the Senator from Virginia yield 3 minutes?

Mr. SCOTT. Mr. President, I promised to yield to my distinguished colleague from Virginia for 10 minutes. but I will be glad to yield to the Senator from Vermont if we can talk within the next 2 minutes.

Mr. LEAHY. Very well.

There are a number of points to be made, but on just one, I am concerned when we talk about polls taken and what goes on here.

I hope we do not feel that Winchester, Calif., or Middlesex, Vt., or any other town, might dictate what we do here.

If we went solely by polls, my vote would be very easy. The most recent poll taken in the State of Vermont shows the people in the State almost exactly evenly split on the question of the Panama Canal treaties with the so-called leadership amendments attached. So it is almost a 50–50 split. That was 2 or 3 weeks ago, and mail from Vermont since then has been running heavily in favor of the treaties.

But that is not the way I would make up my mind on it. I feel that I am here to work hard for the people of Vermont, to listen to them, but in the ultimate conclusion, exercise my own judgement and rely on my own judgement and conscience, and never vote against that judgment, never vote against that conscience, no matter what a poll might say, one way or the other.

I daresay the people on both sides of this issue will vote the way their judgment and the way their conscience tells them to and not because of a poll one way or the other.

That is probably the greatest red herring we could possibly have, that a poll taken of people not involved in the debate, not required to make the ultimate decision, not involved in all the consideration and study of this matter, that such a poll should determine this question.

Mr. SCOTT. Mr. President, I cannot yield further to the distinguished Senator.

Mr. LEAHY. We had 2 minutes. I have used my 2 minutes, and I yield back.

Mr. SCOTT. Mr. President, certainly, I believe that any Senator ought to use his own judgment. But, Mr. President, we do not have representative government when we completely ignore the will of the people who elected us to office.

If these two treaties are ratified, in my own judgment, we will be ignoring the vast majority of the American people.

I do pay attention to the views of the people of Virginia. During the campaigns for both the House and the Senate, the people knew before they voted that they were voting for a conservative Virginian.

I am glad to yield to my distinguished colleague from Virginia.

Mr. HARRY F. BYRD, JR. I thank my colleague from Virginia.

Mr. President, I wish to read to the Senate an Associated Press dispatch which has just come over the wire. The Associated Press dispatch to which I refer is datelined Washington, and it reads as follows:

> Panamanian officials said today the Senate vote on part of the new canal treaty is too close to predict but that they are "preparing for the worst—whatever that may be."
>
> The officials also said they expect Thursday's scheduled Senate vote to be postponed if treaty supporters conclude that they don't have the votes to win.
>
> The Carter administration now is weighing demands made by undecided Senators whose votes are needed to win Senate passage. Sen. Dennis DeConcini, for example, is pushing for an amendment that would enable the United States to take unilateral military action to open the canal if it were closed.

I might say parenthetically that I regard that as a very fine amendment.

I continue to read from the dispatch:

> One Panamanian source, who asked not to be identified, said his government would not object to some proposed treaty changes.
>
> "We are willing to take anything (attached to the treaty) that does not cross our line of indignity," the Panamanian source said. "That includes proposals made by DeConcini—if he does not cross that line, if he has not already," he added.
>
> Panamanian officials say they don't know which way the Senate will vote Thursday and they consider it a strong possibility that a treaty vote will be deferred until after this year's congressional elections if it appears the Senate would reject the proposed pacts now.
>
> "We really can't predict which way it's going to go," he said. "We're preparing for the worst, whatever that may be."
>
> If it appears that the treaties would fail, Senate leaders "could send them back to the Foreign Relations Committee, freeze the treaties there, and reintroduce them next fall," the source said.

That is a dispatch just off the Associated Press wire.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. ALLEN. That would seem to be different from the approach taken by the leadership in the Senate, I understood the Senator to say that the Panamanians would accept DECONCINI's amendment. Yet, the leadership here is assuring us that no amendment will be accepted.

I just want to make that comment, and I will take no more of the Senator's time.

Mr. HARRY F. BYRD, JR. I thank the Senator.

I read again from the Associated Press dispatch. The Senator from Virginia has no way of knowing the accuracy of it, but the Associated Press dispatch quotes the unnamed Panamanian official as saying:

> We are willing to take anything that does not cross our line of indignity . . . That includes proposals made by DeConcini—if he does not cross that line, if he has not already.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. SARBANES. Is that an Associated Press dispatch out of Panama?

Mr. HARRY F. BYRD, JR. It is out of Washington.

Mr. SARBANES. I suggest that, in either event, it carries no authority. That is about the attention we should pay it.

Mr. HARRY F. BYRD, JR Each Senator can make his or her own decision.

Mr. SARBANES. Absolutely. But I thought I should underscore that fact. I know that the good and able Senator from Virginia never makes his own decisions or judgments from what he sees coming over the ticker or over the wire. I know him well enough to know that he is a much more prudent and responsible Senator than that.

Mr. HARRY F. BYRD, JR. The Senator is correct that the Senator from Virginia does not make decisions based on assertions in a wire story; but I did think it had some significance, as both the Associated Press and the United Press are news-gathering organizations which have a reputation for considerable credibility.

I thank my distinguished colleague from Virginia for yielding.

Mr. SCOTT. Mr. President, I yield the remainder of my time to the distinguished Senator from Illinois (Mr. PERCY).

The PRESIDING OFFICER. There are 2 minutes remaining.

Mr. PERCY. Mr. President, I listened with great interest to the senior and junior Senators from Virginia, because in a sense the comments tie together.

Senator HARRY F. BYRD, Jr. has pointed out the dangers of inflation, about which we are all deeply concerned. Senator SCOTT has pointed out some of the figures and concerns expressed by the Comptroller General of the United States, Elmer Staats.

I think we have a grave concern when we have costs of about $700 million which are associated with implementation of the Panama Canal Treaty.

There are three grave concerns that I have had: First, that we have the unilateral right to do what is necessary at any time bevond the year 2000 to protect the neutrality of the canal. We have assured that in an amendment to the treaty language.

Second, that U.S. warships have the right to go to the head of the line for rapid transit when it is in our national interest. We have now taken care of that through an amendment.

The third concern I have is the economic concern. I feel strongly that payment of taxpayer costs must come to the greatest extent possible from users of the canal, those ships that transit the canal, those 70 nations that use the canal, and we have a period of 22 years over which to find ways to do this.

We have always had toll levels at a point where, in a sense, we were subsidizing the cost of all countries, but now I think it is time we look at this as a business in the renegotiated treaties.

The PRESIDING OFFICER (Mr. BUMPERS). All time has expired.

Under the previous order, the Senator from Georgia (Mr. NUNN) is recognized to offer a reservation.

Mr. SARBANES. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. PERCY. Mr. President, will the distinguished colleague yield 2 minutes that I might finish my statement?

Mr. NUNN. I yield. The unanimous-consent request, perhaps, can be made first, and then I will yield the Senator 2 minutes.

Mr. SARBANES. Mr. President, I ask unanimous consent that Jan Kalitski, of Senator KENNEDY's staff, have the privileges of the floor during debate and votes on the Neutrality Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. I thank the Senator for yielding.

The PRESIDING OFFICER. Without objection, the Senator from Illinois is recognized for 2 additional minutes.

Mr. NUNN. I yield to the Senator from Illinois without losing my right to the floor.

Mr. PERCY. I thank my distinguished colleague.

As the distinguished Senator from Virginia has pointed out, the interest income the United States is giving up is currently $20 million a year. An interest payment is now being deposited, and has been deposited since the 1950's, in the U.S. Treasury. I think the State Department is absolutely wrong to recommend that under the new treaty we not charge that any longer.

It is a lost source of income. It costs the taxpayers $20 million, and we have to say over 22 years that is $440 million we would have had that we will not have because we are renegotiating these treaties.

I think the toll revenue must be increased. The best study we have shows it can be increased 50 percent, and increasing revenue rather than reduce revenue. We should try to maximize that toll revenue to recover that interest cost, and to recover as much of the cost of the early retirement cost the distinguished Senator from Virginia has pointed out.

In good conscience I could not vote for the treaties unless I tried to find ways of recovering the maximum amount of costs.

Two of the concerns I have laid down have certainly been now met, I think, adequately by the amendments and the language of the treaties themselves. But I think we must see if we cannot figure out a way in the implementing legislation to maximize our revenues so that we can recover at least a substantial part of that $700 million. I think Panama and the countries using the canal will understand if we try to do that because that is a cost of keeping the canal open—I think they will understand that.

I thank my distinguished colleague very much indeed for yielding. I am most grateful to my distinguished colleague from Georgia.

The PRESIDING OFFICER. The Senator from Georgia.

UP RESERVATION NO. 11

(Subsequently numbered Reservation No. 8.)

Mr. NUNN. Mr. President, I have a reservation at the desk that I call up.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN) for himself, Mr. BELLMON, Mr. DECONCINI, Mr. BROOKE, Mr. TALMADGE, Mr HEINZ, Mr. RANDOLPH, Mr. CHILES, Mr. JACKSON, Mr. ZORINSKY, and Mr. BAYH proposes an unprinted reservation numbered 11:

Strike out the period at the end of the resolution of ratification and insert in lieu thereof a comma and the following:

"subject to the condition that the instruments of ratification of the Treaty shall be exchanged only upon the conclusion of a Protocol of Exchange, to be signed by authorized representatives of both Governments, which shall constitute an integral part of the Treaty documents and which shall include the following:

That nothing in this Treaty shall preclude Panama and the United States from making, in accordance with their respective constitutional processes, any agreement or arrangement to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements or arrangements for the stationing of any United States military forces or maintenance of defense sites after that date in the Republic of Panama that Panama and the United States may deem necessary or appropriate."

Mr. NUNN. Mr. President, article V of the treaty now before this Chamber prohibits any foreign military presence in Panama after the year 1999. Thus the Neutrality Treaty itself would have to be changed if during the next 22 years the United States and Panama decided that an extension of the U.S. military presence in Panama beyond 1999 was necessary or desirable.

In my view, article V is unnecessarily rigid as it applies to the United States. It inhibits the flexibility of both the United States and Panama to change their minds with respect to continuing the U.S. military presence beyond the expiration date of the Panama Canal Treaty.

Accordingly, the reservation which I have submitted, and which has just been read by the clerk, is really in the form of an amendment to the Resolution of Ratification of the Neutrality Treaty, which would modify article V by stating that the parties may agree to arrangements for future U.S. military presence in Panama after 1999 should both countries agree to do so.

With this reservation, the Neutrality Treaty itself would not have to be modified later on if we and the Panamanians reach an agreement on another type of military arrangement, including a possible indefinite military presence in Panama.

Mr. President, most of our military leaders, including the Chief of Naval Operations James Holloway, the Marine Commandant Louis Wilson, and others, have stressed the advantages to the United States of a continued military presence in Panama beyond 1999. Such a presence would clearly make it easier for us to carry out our responsibilities under the Neutrality Treaty.

It would also serve, in my opinion, to deter military adventurism in Panama by potential adversaries.

I think the American people are clearly concerned over the total U.S. military pullout mandated by the Neutrality Treaty. I believe that the vast majority of Americans in this country who are aware of this treaty and have studied this treaty want changes which would grant both the United States and Panama greater flexibility on this issue; 1999 is a long way off, and there is no military or political analyst in the country today who can confidently predict what the situation is likely to be in Panama 22 years from now.

So to me, Mr. President, this is a very important improvement. While U.S. base rights will not be guaranteed after the year 1999, this change permits such rights to be negotiated by the parties. I happen to believe that a maturing relationship, based on a true partnership in operating and protecting the canal, will emerge over the next few years, and will change popular opinion in Panama prior to the year 2000. I also believe that the Panamanian people will see the great advantage of a small but meaningful U.S. military presence to assist them in protecting the canal.

The reservation which is before this body now will keep alive the possibility of such a military presence and such a military base arrangement, and, by retaining an attitude of cooperation on this issue, I think it would keep the door open to future negotiations with Panama on this important issue.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at this point, without losing his right to the floor?

Mr. NUNN. I am glad to yield without losing my right to the floor.

Mr. ROBERT C. BYRD. Is the Senator willing to have a vote on this amendment to the Resolution of Ratification this evening?

Mr. NUNN. Yes, I am willing.

Mr. ROBERT C. BYRD. Could we agree on a time?

Mr. HANSEN. Mr. President, reserving the right to object, and I do not intend to object, did the distinguished majority leader ask the Senator from

Georgia if he would be willing to have a vote on his amendment?

Mr. ROBERT C. BYRD. On his amendment to the Resolution of Ratification, yes.

Mr. HANSEN. And this is an amendment to the Resolution of Ratification?

Mr. ROBERT C. BYRD. It is an amendment to the Resolution of Ratification.

Would the Senator from Alabama be willing to have a vote on this amendment this evening?

Mr. ALLEN. No, I do not believe so. I want to discuss the amendment somewhat. I would hesitate to agree on a vote tonight. So the answer is "no."

Mr. ROBERT C. BYRD. Would the distinguished Senator from Alabama rule out a vote on the Randolph amendment tonight, if we could get unanimous consent and if the Senator from Georgia would be willing to set aside his amendment temporarily? Would it be possible to ascertain whether we could get a vote on the Randolph amendment tonight?

Mr. ALLEN. I would say, in answer to the distinguished majority leader's question, that we have been discussing amendments to the treaty, and we are advised that amendments to the treaty would cause a new plebiscite. I have not made a full study of the effect of amendments to the Resolution of Ratification, and I would like to have an opportunity to study that and make sure we do not run the risk of requiring further negotiations or another plebiscite by the adoption of these amendments to the Resolution of Ratification.

I am sure there would be no desire to have that result. So at this time I am going to object, and will object for the rest of the evening.

Mr. ROBERT C. BYRD. Very well; the Senator from Alabama has answered my question. I thank the Senator from Georgia for his courtesy in yielding.

Mr. TALMADGE. Mr. President, will my distinguished colleague yield at this point?

Mr. NUNN. I am delighted to yield to my senior colleague from Georgia.

Mr. TALMADGE. I commend my colleague for his amendment to the resolution of ratification of this treaty between the Government of the United States and the Government of Panama, and I am glad to cosponsor this amendment with him, together with several other colleagues in the Senate.

Is it not a fact that, according to international law, this resolution of ratification has the same effect as the treaty itself?

Mr. NUNN. That is the understanding of the junior Senator from Georgia.

Mr. TALMADGE. That is my understanding also, and I have had some research done in this regard.

The purpose of this understanding and reservation, as I understand it, is that under the treaty as submitted, without the Senator's amendment, it would be absolutely impossible to station troops in the Panama Canal Zone after the year 2000 without another treaty that must be approved by the parliamentary processes of the Republic of Panama and the parliamentary processes of the United States; is that not correct?

Mr. NUNN. The Senator is correct. I think the leadership on the floor might be of help on this. As far as any base arrangement is concerned, that is my understanding. But, of course, the Senator from Georgia is aware of the rights reserved under the leadership amendments to intervene militarily if necessary to protect the neutrality of the canal.

Mr. TALMADGE. In time of emergency.

Mr. NUNN. That is right, in time of emergency.

Mr. TALMADGE. But if everything was going peacefully, and we wanted to have a military presence in the Panama Canal Zone for the purpose of protecting the canal or for any other purpose, it would require a further treaty on the part of the U.S. Government and the Government of the Republic of Panama?

Mr. NUNN. Without this reservation, the Senator is correct. With this reservation it would not require another treaty.

Mr. TALMADGE. And that means the Senate itself would have to formally adopt another treaty with Panama?

Mr. NUNN. The Senator is correct; and I would also assume, if another treaty were adopted, it would have to go through the same constitutional processes in Panama that this treaty has.

Mr. TALMADGE. Is there any other government on the face of the Earth with which we have a treaty, that prohibits us from stationing troops there except by amendment of that treaty and future treaties?

Mr. NUNN. As far as the junior Senator from Georgia knows, there is no such precedent.

Mr. TALMADGE. The Senator is a member of the Armed Services Committee. Does he have any idea of approximately in how many foreign countries we have American troops stationed at the present time?

Mr. NUNN. I cannot give you that figure off the top of my head, but there would be a considerable number of countries where we do have some troops.

Mr. TALMADGE. At least 25 or 30?

Mr. NUNN. I would say 25 as a minimum, but more than that, I would guess.

Mr. TALMADGE. And none of them are there by treaty?

Mr. NUNN. Well, there are some treaties that provide U.S. base rights. Normally it is done by executive agreement; it depends, I understand, on whether we have any kind of mutual obligation to come to each other's assistance in time of emergency.

So I would say there are some treaties that provide affirmatively for base rights with some countries, but I know of no treaty which provides there can be no troops without it.

Mr. TALMADGE. There is no other country in the world which says we cannot have troops there unless we negotiate a future treaty, is there?

Mr. NUNN. I know of no such precedent.

Mr. TALMADGE. We can have troops stationed in the Soviet Union by mutual consent of the U.S. Government and the Soviet Government, can we not?

Mr. NUNN. I think the Senator is correct, theoretically.

Mr. TALMADGE. We can have troops stationed in Red China by mutual consent of the U.S. Government and the Government of Red China, can we not?

Mr. NUNN. The Senator is theoretically correct.

Mr. TALMADGE. I think the Senator has made a great improvement in this treaty. I commend him for offering his amendment. I think it is a definite improvement over the Panama Canal Treaty, because I share with my colleague the view that before the year 2000, if the working relationship between the U.S. Government and the Panamanian Government is such as we hope and expect, they may desire to have a future military presence on the part of the U.S. Government in the Canal Zone, and in the event they do it would not require another formal treaty in order to do that, would it?

Mr. NUNN. The Senator is entirely correct. The junior Senator from Georgia feels and hopes we will have a maturing relationship with Panama, and that at some point in the future, it will be advantageous to have an American presence there that would be of mutual advantage to Panama, the United States, and all the other users of the canal.

Mr. TALMADGE. I thank my colleague, and commend him for offering this amendment.

Mr. DOLE. Mr. President, will the Senator from Georgia yield?

Mr. NUNN. For a question or a statement?

Mr. DOLE. For a question.

Mr. NUNN. I will be glad to yield to the Senator from Kansas.

Mr. DOLE. I appreciate the Senator's yielding.

I think the reservation is much like the amendment sponsored earlier by the Senator from Georgia and the Senator from Kansas. Is my understanding correct that if this reservation is not adopted, the Senator from Georgia would not vote for the Neutrality Treaty?

Mr. NUNN. I do not think the Senator from Kansas should assume that at this point. The Senator from Georgia understands that the leadership and the executive branch will support his reservation.

The Senator from Georgia has said that he thinks this reservation is a great improvement over the present situation. I have no hesitation on that subject, as to whether or not I will support the treaty based on this amendment.

I certainly think this amendment is in the best interests of the United States and in the best interests of the relationship between the United States and Panama, and it eliminates a part of my problem with the treaty.

Mr. DOLE. The Senator from Kansas has the same—not the same identical concern expressed by the Senator from Georgia, but it seemed to us earlier in the debate, or at least to this Senator, that an amendment to the resolution of ratification would not have the same

force and effect as an amendment to the treaty itself. Perhaps the Senator from Georgia has been satisfied in that regard, and if he has, it would be helpful to the rest of us if he can express that to us.

Mr. NUNN. Yes, I have satisfied myself. Of course, I do not profess to be an international law expert. We do not have much international law in the middle district of Georgia where I practice, but I do have opinions from various legal counsel, State Department legal counsel. Also, my own staff has done some research on the matter and I am satisfied that the legal effect of this reservation is the same in international law—as far as the United States and the Panamanian Governments are concerned—as an amendment would have been. I think it does have some degree of difference internally, but I would let the floor manager address that concern.

As the Senator from Kansas knows, I voted for the amendment with language which was not identical to this but was very similar, but I believe that, since that has failed, we would certainly be well served to put in a reservation which would accomplish the same result.

Mr. LAXALT. Will the Senator from Georgia yield for additional questions?

Mr. NUNN. I will be glad to yield to the Senator from Nevada.

Mr. ALLEN. Will the Senator yield momentarily then, in order that I might call for the yeas and nays?

Will the Senator yield for that purpose?

Mr. NUNN. What is that?

Mr. ALLEN. Will the Senator yield the floor so that I might call for the yeas and nays, inasmuch as we have another Senator here that supports such a question.

Mr. NUNN. What is the preference of the floor manager?

Mr. SARBANES. I am encouraged to hear that request from the Senator from Alabama. Does that carry with it the implication that we might be able to go to a vote this evening on the amendment to the articles of ratification, which the Senator from Georgia has laid before the body?

Mr. NUNN. The Senator from Georgia does not agree with the timing, but I would agree with the yeas and nay.

Mr. ALLEN. The Senator does not have the floor, so he has to use the Senate rules by responding.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. NUNN. I will yield to the Senator from Alabama for the purpose of answering that question, retaining my right to the floor.

Mr. ALLEN. I asked if the Senator would yield for the purpose of allowing me to request the yeas and nays. That was my original request.

Mr. NUNN. Well, I have not yielded for that purpose. We are discussing at this point the time. I would like the floor manager to consider that request, with all of his parliamentary knowledge and all of the knowledge of the Senator from Alabama, and I would yield in this regard, and then after the Senator from Maryland has apprised the majority leader of this request we can certainly discuss it and I would consider yielding at a later point on this.

But I would just ask the Senator from Alabama whether he would be willing to have a vote on this reservation this afternoon.

Mr. ALLEN. I still do not have the floor. If I had the floor I would make the request for the yeas and nays, but I told the distinguished majority leader that before agreeing to any time limit on the reservation I wanted to make a study of the effect of the reservations.

The distinguished Senator from Georgia (Mr. NUNN), whom I admire very much stated, as I understood it, that the effect of this reservation would have the same effect as an amendment to the treaty. I want to study it and see if that is correct.

Mr. NUNN. That is my understanding.

Mr. ALLEN. I do not believe that is right, because if that was right I would have thought that the leadership would have accepted the amendment.

The Senator from Alabama and the Senator from Georgia (Mr. NUNN) offered what was practically the same identical language. So, obviously, there must be some difference between the two.

Mr. NUNN. I take it that the Senator from Alabama is not ready to agree on the time at this point.

Mr. LAXALT. Will the Senator from Georgia yield?

Mr. NUNN. I thank the Senator.

I thank the Senator from Alabama. I have been asked to yield to the Senator from Nevada. The Senator from Nevada wanted to ask a question.

Mr. LAXALT. The Senator from Georgia shares the concern that many of us have here on the floor in connection with the security of the canal and our military presence, and I gather that the reservation is directed to that concern.

Mr. NUNN. The Senator is correct.

Mr. LAXALT. And I can honestly say sitting here in the Chamber in past debates that I know of no one who handles the matters in relations, and security, and defense better than the Senator from Georgia. I say that with all sincerity.

Mr. NUNN. I thank my colleague.

Mr. LAXALT. I wondered, though, in what manner does this proposed reservation change the existing situation other than signifying the intention on the part of both parties that perhaps the door can be opened later for negotiations, if they mutually agree to do so.

Mr. NUNN. I have stated very particularly and carefully that this reservation, similar to the amendment that the Senator from Alabama offered, neither of these would guarantee the U.S. base rights in Panama after the year 2000. This amendment eliminates the provision in the treaty which precludes any hope of base rights without having a substantive treaty. So, this really eliminates that and leaves the possibility open for negotiations between Panama and the United States for military presence in Panama after the year 2000.

Mr. LAXALT. Well, is it not true that in the absence of this reservation to the amendment that was offered before, if we saw fit to do so, the Congress of the United States, the Government of the United States, and the Government of Panama would be free to negotiate this kind of agreement anyhow?

Mr. NUNN. With another treaty, which would have to, as I understand it, go through the constitutional processes of both countries. That is right.

Under the present situation we could negotiate a treaty with Panama. It would have to go through their constitutional processes and it would have to go through ours. I would think by the year 1995, 1997, it would be to the advantage of both countries not to have to go through that kind of formalized tedious process which, as we all have witnessed here, does not move very fast and very rapidly.

Mr. LAXALT. If that be the case, would you not agree it would make it more meaningful to build that type of understanding within the four corners of the treaty now?

Mr. NUNN. If the Senator from Nevada is asking the Senator from Georgia whether he will support an amendment or a reservation which would assure us and guarantee us military base presence in Panama after the year 2000 the answer is yes, I will, and I have. I think my record is clear on that. I prefer that. It is obvious that both documents do not exist on the floor to pass that kind of amendment and reservation, and therefore I sponsored this one in anticipation that it is certainly better than not having any at all. It does not go as far as the Senator from Georgia would prefer.

Mr. LAXALT. One additional point or two and then I will relinquish the floor to the Senator from Pennsylvania.

In that connection, you are indicating that you have not buried yourself in international law, but I doubt very much that many of our colleagues have as well, and I know that we have had a lot of conflicting opinions about the distinction between a reservation to the articles and an amendment to the treaty. But again will the Senator from Georgia indicate to me whether or not he perceives any single difference between a reservation in this form and the amendment which was previously voted down, in terms of the legal effects?

Mr. NUNN. Is the Senator from Nevada asking if the reservation has the same legal effect as the amendment to the main treaty would have had?

As far as the United States and international law is concerned, the Senator from Georgia understands it does have the same legal effect. The reservation is a normal way of changing or amending treaties to reservations to the——

Mr. LAXALT. Articles.

Mr. NUNN. Articles. That is the normal way.

I have a statement here from the State Department which says that it has been years and years since the treaty was amended. There have been a lot of reservations made by the Senate but very few amendments. It has been almost 50 years, according to the memorandum I have from the State Department.

Mr. LAXALT. It is my understanding,

and it is basically the same as the Senator from Georgia, that there are material changes which are effected by virtue of the reservation and it has the same legal effect as an amendment to the treaty.

Let us go to the next point.

If that be the case——

Mr. NUNN. Does the Senator from Nevada agree with that?

Mr. LAXALT. Basically, I agree with that.

If that be the case, and we are, by virtue of the structure and mechanism of a reservation effecting a change in the treaty, making it better, as you have indicated in your observations, does the Senator from Georgia have any indication based upon the research that he has conducted with his staff and the advice he has received as to whether this would require another plebiscite in Panama?

Mr. NUNN. In answer to my friend from Nevada, this Senator believes that is a question which has to be answered by the Panamanians. There are several amendments which did fail, and which would have precipitated a plebiscite in Panama. It is not my purpose here to avoid a plebiscite. I think that is a question which has to be resolved by the Panamanians. I could not give a legal opinion on that. They would have to determine that from their own constitution.

Mr. LAXALT. I thank the Senator from Georgia.

Mr. HEINZ. Will the Senator from Georgia yield?

Mr. NUNN. I will yield for a question.

Mr. HEINZ. I thank the Senator from Georgia. As I understand his reservation, it would be true, if this reservation were adopted, that nothing in article V of the treaty could be construed as precluding the United States from negotiating an agreement or concluding an agreement with the Republic of Panama on continuing a military presence of the United States in the Republic of Panama after the date of the termination of the Panama Canal Treaty?

Mr. NUNN. I am sorry, I have to apologize to my friend and colleague from Pennsylvania. I hate to ask him to repeat a question. I was carrying on a dialog with the Senator from Maryland. I will have to ask the Senator to repeat the question.

Mr. HEINZ. Would my understanding be correct that if the Senator's reservation were adopted, that by virtue of its adoption nothing in article V of the Neutrality Treaty—and I would say that it is article V that currently reads, "After the termination of the Panama Canal Treaty only the Republic of Panama shall operate the canal and maintain military forces, defense sites, and military installations within its national territory"—that that language in article V would not be construed as precluding the United States from either negotiating an agreement or concluding an agreement with the Republic of Panama on a continuing military presence of the United States in the Republic of Panama after the date of the termination of the Panama Canal Treaty, that is to say, December 31, 1999? Is my understanding correct?

Mr. NUNN. The Senator from Pennsylvania is correct. Article V of this reservation would not preclude such negotiations.

Mr. HEINZ. I thank the Senator. I appreciate his comments which accord with my own judgment. The language I just read the Senator comes from my own reservation I had intended to propose. I think the Senator's reservation accomplishes precisely the same goal and, as the Senator well knows, I support his reservation. I ask that I might be included as a cosponsor of his reservation. I thank the Senator for yielding.

Mr. NUNN. I thank my colleague from Pennsylvania. His reservation, as proposed, would accomplish virtually the same purpose as this reservation. He and I have both indicated this. I do appreciate the fact that he is cosponsoring this reservation with me.

I might also add, Mr. President, I do not know whether the names of the cosponsors have been read. They are: Senator BELLMON, Senator DECONCINI, Senator BROOKE, Senator TALMADGE, Senator HEINZ, Senator RANDOLPH, Senator CHILES, Senator JACKSON, and Senator ZORINSKY.

Mr. THURMOND. Will the Senator yield?

Mr. NUNN. I yield for a question.

Mr. THURMOND. Mr. President, I have a very high regard for the able Senator from Georgia. However, I do not construe this reservation he has offered as protecting the United States after the year 2000 by having a presence there, by having troops there, but it only allows agreements to be entered into if the two countries see fit to do so. Is that correct?

Mr. NUNN. The Senator is correct. I have not in any way led anyone to believe that this reservation would guarantee that the United States would have a military presence in Panama after 1999. What this does is leave it up to the parties, the Panamanian Government and the U.S. Government, to make an agreement on that.

As has been said, I believe with the maturing relationship between the two countries, both countries would continue, by the time we get to that point, to have a military presence. I hate to see 22 years from now we would not guarantee U.S. military bases in Panama.

Mr. THURMOND. I am just wondering if the Senator would be in favor if he worded the resolution along the line if the President certified it was necessary for the defense of the canal that we maintained a military presence there.

Mr. NUNN. I had stated on the floor that I voted for several amendments earlier that would have guaranteed or assured the American military presence in Panama. I would have preferred that those amendments to have been adopted. They were not adopted. I do not believe there are enough votes on the floor to pass any such amendments. Therefore, even though I would agree with the sentiment of the Senator from South Carolina, as expressed, I would not agree that the passage would be accomplished, as has been demonstrated.

Mr. THURMOND. Of course, after the year 1999, if Panama had become a Communist country or under the domination of a foreign power, then a reservation of this kind would not matter.

Mr. NUNN. Well, of course, I assume that in the Senator's question he is assuming there had been no breach of the neutrality provisions and the treaties had already been ratified with the leadership amendments. Of course, if the Panamanian Government decides that they are adamantly opposed to the U.S. military bases, then it is clear that there would have to be an agreement by the parties, and we would not have any guaranteed right.

Mr. THURMOND. Considering how close Mr. Torrijos is to Mr. Castro, I wonder if the Senator feels this amendment would mean very much.

Mr. NUNN. Of course, I do not know how long General Torrijos is going to be the leader of Panama. I do not suppose anyone knows that. I do not know how long they will have the type of government they have now. I think in the years ahead a lot of changes will occur. But I do believe it is in the best interests of both countries to leave open the possibility from the very beginning, with both governments understanding that we do have the right to negotiate an agreement with Panama, if both parties agree.

Mr. THURMOND. I thank the Senator for his answer. I am just wondering if he feels we need more than this reservation to protect the American people and to protect our interests in that part of the world, from a strategic standpoint.

Mr. NUNN. If the Senator is asking the Senator from Georgia whether he would prefer to have a guaranteed military presence in Panama, the answer is in the affirmative. I would prefer that.

I will not repeat a speech I made on the floor this morning. I spent about 45 minutes on the floor this morning talking about some of the problems I see in the treaties. I think there is a possibility of some headaches if the treaties are ratified, the alternative being a sort of migraine if the treaties are rejected. But I do not think it is a question of the Senator from Georgia being satisfied with each and every provision in the treaties. I probably never would have signed the treaties if I had been the President of the United States, and I probably would never have negotiated them. But I do not think that is the question facing the Senate now.

I think we have to decide what is in the best interest of the country: Is the country better served by ratification of the treaties or by rejection?

Mr. THURMOND. Would not the Senator feel, in view of all these important amendments turned down by the Senate and the dubious situation in which we will find ourselves after the year 2000, that it might be better if we did turn down this treaty and let them negotiate another treaty that will better protect our country and our people?

Mr. NUNN. If the junior Senator from Georgia felt that, by turning down this treaty, we would come back with another treaty that is better than this one between the Panamanian Government and the United States Government, the jun-

ior Senator from Georgia would conclude exactly as the Senator from South Carolina has. But the junior Senator from Georgia does not feel that would be the result of the rejection of these treaties.

I have thought about that question long and hard, and I feel that the rejection of these treaties by the U.S. Senate will have an adverse effect. I do not think the climate exists for the kind of negotiations the Senator from South Carolina desires.

Mr. THURMOND. One last question: Would not the Senator from Georgia feel that, if this treaty is not what the distinguished Senator from Georgia feels it ought to be, what many of us feel it ought to be, and what many of the American people feel it ought to be, would it not be better if we turned it down whether we got a new treaty or not?

Mr. NUNN. Of course, that is a matter of judgment. I believe there would be very adverse circumstances that would develop very rapidly if the Senate of the United States does not ratify these treaties. I would like to see them improved. I voted for a great number of amendments which would do that. But we are now at the stage, or drawing close to the stage, where we are going to have to decide to ratify or not ratify. I would say every Senator will have to make that decision with his own conscience. I think this is a decision that will affect the people of our country for a long time and affect the Panamanians for a long time. I think every Senator has to make that decision.

I believe there can be adverse circumstances whether we reject or whether we ratify, but I foresee that the circumstances will be much worse if we reject.

Mr. THURMOND. I thank the able Senator.

I do not want to take more of the Senator's time, but I should like to read a letter that I received from Charles S. Stough.

Mr. NUNN. I think the Senator from Alabama has arranged it so that I have plenty of time tonight.

Mr. THURMOND. If the Senator gives up the floor, I shall be glad to get the floor and read this letter into the RECORD at this point, if I could.

Mr. NUNN. I reserve my right to the floor. Reserving my right to reclaim the floor, I yield to the Senator for the purpose of reading that letter, if that is permissible.

Mr. THURMOND. It is a three-page letter, but I think——

Mr. NUNN. Will the Chair assure me that I shall have the right to the floor if I yield?

The PRESIDING OFFICER. The Chair assures the Senator from Georgia that he may yield for that purpose and retain his right to the floor.

Mr. NUNN. I thank the Chair.

I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, Mr. Charles S. Stough, chairman of the Panama Canal Zone Regional Democratic Party, sent to me a three-page letter outlining the position of his group relative to the Panama Canal Treaties. This is a most interesting document in that his letter presents a local viewpoint not properly considered by the State Department and the Senate.

Mr. Stough not only offers some good advice to the Senate, he advises that the Democratic Party there is opposed to these treaties.

Mr. President, it is a most interesting letter. I think it is probably one of the best-prepared letters on this subject that has come to my attention from either side. It reads this way:

DEAR SENATOR: As the time draws near for a vote on the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, The Canal Zone Regional Democratic Party would like to present our positions on various aspects of these two treaties.

During the past several months we have witnessed a parade of Senators, aides, counsels and others to Panama for the express purpose of seeing the situation on the ground and to have the opportunity to speak with those best qualified to provide answers concerning the treaties. Unfortunately, the preparation of itineraries was left up to United States Ambassador's staff and the visiting Senators were subjected to a carefully orchestrated snow job. The persons selected to talk to the various delegations were invariably the same and not too surprisingly supporters of the treaties. Those opponents of the treaties that were allowed to meet with the delegations were those whose objections were sure to be petty and self serving. In other words, the visiting senatorial delegations received a pro treaties indoctrination from persons guaranteed to say the right thing as predetermined by the State Department.

The Canal Zone Regional Democratic Party was not afforded an opportunity to visit with any of the delegations. By leaving a phone number at the hotel desk one of our representatives was able to speak briefly with one or two Senators who took the time to call back. For this we are grateful to those Senators but we cannot help but feel that these brief telephonic encounters were less than satisfactory from our point of view.

The Canal Zone Regional Democratic Party membership reflects the complete spectrum of opinion concerning United States relationships with Panama and the treaties. Some of us are residents and workers in the Canal Zone. Others of us are residents of Panama and have nothing to do with the operation of the Canal or its government. All of us are United States citizens and Democrats though and we have hammered out some basic positions which we believe represent a more objective viewpoint than is available from the sometimes shrill opposite poles of opinion or from the singularly one sided State Department attitude.

The Canal Zone Regional Democratic Party approximates consensus on the following points:

Item. The 1903 treaty with Panama needs modernization.

Item. The interests of the United States and the free world are best served by the continued United States presence in the Canal Zone.

Item. The Canal Zone employee should not have to bear the brunt of the effects of any new accommodation with Panama. Job placement, early retirement without loss of annuity and/or severance pay are minimum requirements.

Item. There is a difference between sovereignty and property rights. No justification exists for the transfer of ownership without payment by Panama of the United States owned land, buildings, houses, facilities, machinery and equipment. This United States owned property/controlled by the Panama Canal Company/Government or the Department of Defense has an estimated value of $7 to $10 billion. In the past week, as a result of a conference between representatives of Panama and the Panama Canal Board of Directors, Chaired by the Secretary of the Army, it was decided that employees living in the Canal Zone would hold priority in the purchase of the United States owned homes they occupy from the Republic of Panama!

Item. The proposed treaties and the under-the-table grants, loans, credits, etc., perpetuatates a dictatorial regime in which human rights are denied. Referring to the hiatus in persecution of dissidents as an "Indian Summer" Panamanians warn that once the treaties are ratified that once again the suppressive decrees will be reinstituted. When dealing with Torrijos it must be remembered that he violated the human rights of a whole nation when he threw out the constitutionally elected government of Panama and assumed power. The fact that representatives of Panamanian political parties felt it necessary to meet in Florida recently to discuss their common opposition to Torrijos should tell us something.

Item. The removal of United States courts leaves a judicial vacuum since Panama has no maritime law or maritime court.

Item. The removal of United States police, courts and the protection of the United States Constitution places United States citizens who remain to operate and defend the Panama Canal until the year 2000 under the jurisdiction of the Panamanian government with none of the rights and protections afforded all other Americans by the Bill of Rights. It is one thing to deplore the denial of human rights to Panamanians by Panamanian dictators but to place United States citizens under these circumstances is not only unwise . . . it is immoral.

Item. Requirements for the defense of the Canal have been grossly overestimated. In the seventy five years of United States presence in the Canal Zone the only threats to the Canal Zone have been from the Panamanians. These threats were never directed towards the canal itself but rather toward the concept of a United States presence Panamanian incursions into the Canal Zone were sparked by a minority concerned with flying the flag or some similar pursuit of little moment. Even the most extreme "crazies" have no desire to destroy Panama's major source of income . . . the Panama Canal. Panama has about five battalions of troops, many of whom are committed to the defense of governmental institutions from the populace. The estimate given by the Joint Chiefs of Staff that 100,000 United States troops (five divisions) would be required to protect the Panama Canal from five battalions of Panamanians and an essentially disarmed populace is patently ridiculous. To assemble the weapons, explosives and people necessary to launch an effective attack by guerrilla means against the locks or dams is beyond the capability of those in Panama that might be tempted to try it. The statements abroad to the effect that a hand grenade in the locks would put them out of commission is sheer stupidity.

Item. The theory advanced by some proponents of the treaties that favorable action by the Senate will insure an improvement in United States relationships with the rest of Latin America is fallacious and betrays a complete lack of understanding of the latin psyche. Most Latin Americans, and for that matter most Panamanians, don't give a doodeldy damn about the Panama Canal. It does not affect their lives or well being in any manner. If the United States wants to give away a $10 billion asset they will graciously accept, but, Panamanians know that a sizable chunk of that gift will find its way

into the pockets of the individuals in control of the government. How else, they say, could an impecunious officer in the Guardia National own a castle in Spain, a hotel in Costa Rica, a factory in Belize and vast holdings in Panama on his salary . . . In the rest of Latin America charity and concern for ones neighbor is foreign to them as nations and as individuals. They view a concession as weakness and in their "macho" world it is certainly nothing to be admired. The Latin understands and respects firmness. The soft line give-em-everything militates against a more favorable attitude towards the United States. An uniformly fair and firm policy towards Latin America is what we need . . . not largess.

Item. The concept of joint responsibility for police and defense matters during the transitional period is a sure recipe for conflict. Transfer of responsibility and command at a specified time and date is the only responsible and reasonable approach. This principle is taught to junior officers at all of our service schools . . . why it has escaped the collective minds of the Joint Chiefs of Staff gives one pause to wonder.

I hope that you have gathered from the above that we believe that the proposed treaties are bad treaties, poorly drafted, ambiguous, and not in the best interests of the United States. We believe that it is possible to accomodate Panama's interest in sovereignty without turning over control and operation of the canal, without paying out vast sums from the Treasury or by giving away United States owned property, equipment and housing. In other nations around the world our presence in bases does not impinge on the sovereignty of the host nations, nor do they assume ownership of United States property and equipment or control of our forces housed therein.

We believe that the Senate should reject the treaties and advise the Chief Executive to immediately commence negotiations on a treaty that takes cognizance of the will of the people of the United States, the advice of the Senate and the best interests of the United States. Such a treaty should transfer to the Republic of Panama all lands, housing, equipment and machinery when no longer necessary for the operation and defense of the canal AND on receipt of payment at a fair market value by the Republic of Panama. That portion of the present Canal Zone necessary for the operation and defense of the canal should be designated Fort Necessity and all employees transferred to the Department of the Army as civilian employees. A status of forces agreement should then be negotiated to cover the rights and responsibilities of the United States and the US citizens living and working within the compound.

Thank you for your consideration of these points.

Very truly yours,

CHARLES S. STOUGH,
Chairman.

As I said, he is chairman of the Panama Canal Zone Regional Democratic Party.

Mr. President, this is one of the best statements I have seen on this subject by anyone who has spoken on this question. It is very practical. It is by U.S. citizens who live in the Canal Zone or in Panama and they have come up with a position here that they feel is so important that the U.S. Senate should get the benefit of their views.

They have also recommended that if we wish to transfer the property, there is a way to do it, but not in accordance with the treaties we have here before us.

They feel the treaties we have before us are poor treaties. They are bad from the standpoint of the United States. They are bad from the standpoint of the people of Panama and not in the best interests of the people of this country.

I thank the distinguished Senator from Georgia for yielding to me.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. NUNN. I thank my colleague from South Carolina.

I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask the distinguished Senator from Georgia (Mr. NUNN) the following question:

Article V of the Neutrality reads as follows:

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

That article would mean, of course, that the United States could not enter into any agreement with the Republic of Panama after the date of December 31, 1999, would it not, that would provide for the stationing of any U.S. military forces in the Republic of Panama?

Mr. NUNN. The Senator is correct. So far as the Senator from Georgia is concerned, I think that would be the correct reading of that.

Mr. ROBERT C. BYRD. So that without the Senator's amendment to the Resolution of Ratification which he has called up, or some other amendment to the Resolution of Ratification which would provide, in a sense, the same, the United States would not be able to enter into a status of forces agreement with the Republic of Panama after December 31, 1999, without a repeal—without a repeal—of the neutrality treaty, or without a new treaty at some point between this date and that date, am I correct?

Mr. NUNN. The Senator from Georgia has that exact understanding. Without a change in the treaty, without a new treaty, or without an amendment to this treaty, if it passes, we would not be able to have any kind of permanent basing agreement with Panama.

Mr. ROBERT C. BYRD. Now, may I say parenthetically that article V, as it is presently written, precludes the Republic of Panama from entering into any agreement with some other country than the United States which would allow that other country to establish a military base or to garrison military forces in Panama after the date of December 31, 1999, and, of course, there is no legal basis on which we could complain if the Republic of Panama were to do that at this time, as long as the stationing of such forces or the location of such a base were outside the Panama Canal Zone.

So to that extent I think that article V is a good article, because it precludes the Republic of Panama from allowing any foreign country to station military forces in Panama or to establish a military base there after December 31, 1999; but it also prevents the United States from entering into such an agreement, and that is what the Senator's amendment would correct.

That is the flaw in article V that needs to be corrected; else, the United States would be shut out. It would not have the same prerogative, the same privilege, that it now has with Spain, Turkey, Greece, and other countries. It would be precluded, by the verbiage of article V, from entering into such an agreement with the Republic of Panama, unless the Neutrality Treaty is repealed or amended or a new treaty is entered into in the meantime. Am I correct?

Mr. NUNN. The Senator from West Virginia is correct.

I might say that article V, as it pertains to other nations, nations other than the United States, would not in any way be changed or affected by this reservation.

Mr. ROBERT C. BYRD. From the standpoint of its effect on other nations, I think it is a good article. But the Senator from Georgia and the other cosponsors of his amendment have detected this flaw and are seeking to remedy this flaw insofar as it pertains to the United States. His amendment would subject the ratification of the treaty—and certainly subjects the approval of the Senate—to a condition, does it not?

Mr. NUNN. The Senator is correct.

Mr. ROBERT C. BYRD. That condition being that the protocol of exchange to be signed by the authorized representatives of both governments will constitute an integral part of the treaty documents and will include language which makes clear that the United States and Panama may, in accordance with their respective constitutional processes, enter into agreements for the stationing of U.S. military forces or the maintenance of defense sites after December 31, 1999, in the Republic of Panama, if both Panama and the United States deem such stationing to be necessary or appropriate. Am I correct in that interpretation?

Mr. NUNN. The Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. I think he has rendered a service in offering this amendment.

Will the Senator now yield to me so that I may propound a unanimous-consent request?

Mr. NUNN. I am glad to yield to the Senator from West Virginia for that purpose.

Mr. President, before I do that, I should like to inquire as to whether or not the distinguished Senator from Alabama would be willing for a vote to occur today on the amendment offered by Senator NUNN and other Senators.

Mr. ALLEN. I will state, in answer to that, that, following the custom as to amendments that have been offered to the treaty, I would be willing to have a vote on a motion to table the amendment. I would be willing to have that vote tonight.

Mr. ROBERT C. BYRD. Would the Senator be willing to follow that vote

immediately with a vote on the amendment, up or down?

Mr. ALLEN. No, sir, I would not. I stated that I have not had an opportunity to speak on the reservation. I did speak on the amendment that uses the same language as this. I am trying to ascertain just what the effect of a reservation might be, as to whether that might cause a plebiscite in Panama. I know that the leadership does not want another plebiscite, so I want to be sure that that is not required.

In answer to the Senator's question, I would agree to a vote tonight on a motion to table, because that seems to be the custom in the Senate when amendments are offered.

Mr. ROBERT C. BYRD. Would the Senator inform the Members of the Senate as to how he intends to go about ascertaining whether or not the adoption of the amendment offered by the distinguished Senator from Georgia and other Senators would result in a plebiscite?

Mr. ALLEN. I am making a detailed study of that question and hope to come up with an answer before long.

Mr. ROBERT C. BYRD. Would the Senator enter into a time agreement that would allow a vote to occur on the amendment of the Senator from Georgia at a given time on tomorrow?

Mr. ALLEN. We just have to wait and see, I suggest to the distinguished majority leader. I really wonder why he is singling out the Senator from Alabama on this matter. I would think it would be something to address to the entire Senate, not just the Senator from Alabama.

Mr. ROBERT C. BYRD. I think the reason is obvious. I sought earlier today to ascertain the answer to that question, and the Senator from Alabama said he would object, at which time I asked if there would be an objection to setting aside the amendment that has been offered by the distinguished Senator from Georgia, so as to permit Senator RANDOLPH to proceed with his amendment to the resolution of ratification; and the distinguished Senator from Alabama, if my ears did not deceive me, indicated at that time that the answer was "No," we would not have any votes on these amendments this afternoon. That is why I am addressing my question to the Senator.

Mr. ALLEN. I would be willing to agree to the customary motion to table.

Mr. ROBERT C. BYRD. The customary motion is fine with me. I would be very glad to enter into an agreement on that point, provided we also agree that if that motion to table fails—and it is also customary around here, I think, if a motion to table fails—a vote then occur up or down on the amendment; because the motion to table cannot be repeated within the time we have left on the resolution of ratification.

I do not believe that the Chair would allow another motion to table to be entered within the course of 48 hours. I believe the precedent speaks of a reasonable time. A reasonable time, I believe, has been determined to be something like 3 days.

Mr. ALLEN. I have not completed my research on the question. I hope the Senator will allow me to study this question for an appropriate time, before making any agreements.

I am just wondering whether we should tamper with this resolution of ratification, whether it might not be best just to send a clean treaty back to the Panamanians.

I do not set any store by these reservations. I do not believe that a bale of them has any weight at all. So I want to see if I am correct in that assumption before making any decisions.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Georgia yield to me further?

Mr. NUNN. I am glad to yield to the Senator.

Mr. ROBERT C. BYRD. I have a very high regard for the opinion of the distinguished Senator from Alabama; but, in my judgment, reservations are recognized in the field of international law—depending upon their substance, of course—as having in some instances the same effect as an amendment to the treaty. They certainly require the assent of the other parties—in this instance, it would be the other party—and this is a condition, and everybody knows what a condition is. If the other party does not accede to that condition, then all bets are off.

However, be that as it may, I simply want to remind the Senate—and I do not think I have to do this—that at no later than 4 p.m. the day after tomorrow, the Senate will proceed to vote on the resolution of ratification.

Of course, if the amendment of the Senator from Georgia is still pending at that time, the Senate will vote on it; and if the motion to table is made, that will be voted on. If the motion to table fails, then the vote will occur on the amendment. At that time, if other Senators have amendments to the resolution of ratification, they will be entitled to call them up. They will not be entitled to debate them; but if the Senator from Alabama will not allow a vote to occur on the amendment of the Senator from Georgia in time for other Senators to have a little time on their amendments, then he will have to explain his position to them.

Does the Senator from Georgia yield to me so that I may respond to the Senator from Alabama?

Mr. NUNN. I yield first to the Senator from Arizona.

Mr. DECONCINI. I ask this of the majority leader: It is my understanding that all amendments at the desk regarding the resolution of ratification will have an opportunity to be voted on prior to 4 p.m. on Thursday. Is that correct?

Mr. ROBERT C. BYRD. Yes. When the hour of 4 p.m. arrives on Thursday, just as in the case of a unanimous-consent agreement on a bill—when that hour arrives——

Mr. DECONCINI. The majority leader is saying that if we do not get an opportunity to debate or discuss these amendments because of continued debate and discussion regarding the pending amendment of the Senator from Georgia, we will just vote on them one at a time?

Mr. ROBERT C. BYRD. Yes.

Mr. DECONCINI. And they will all receive an opportunity to vote on them?

Mr. ROBERT C. BYRD. Senators will be entitled to call up their amendments at that time but will not be able to debate them, so I hope we will reach an agreement which will allow the Senate to vote on the reservation which has been called up by the Senator from Georgia and his colleague, the equally distinguished senior Senator from Georgia, sometime tomorrow, so the Senate could turn its attention to the amendments of other Senators.

I know Mr. RANDOLPH, my senior colleague, has an amendment that is very important, and I am sure it has the support of veterans organizations of this country. It is the amendment that deals with the veterans cemetery or with the cemeteries, one at Mount Hope, and the other one on the Pacific coast of Panama.

There may be other amendments, and with time fleeting I would hope we can have some understanding as to when the Senate might be able to vote on the reservation by the Senator from Georgia.

Mr. President, I ask unanimous consent, if the Senator from Georgia will allow me to make a request—but first, I will yield to the Senator.

Mr. ALLEN. If I am not misstating what the rule is, and I would like at this time to make a parliamentary inquiry, under the unanimous-consent agreement we are scheduled to vote on the Resolution of Ratification no later than 4 o'clock. Now, that does not admit of the vote on other amendments, and I would like to make a parliamentary inquiry of the Chair if the Senator from Alabama is not correct.

The PRESIDING OFFICER (Mr. MELCHER). Does the Senator from Georgia yield for that purpose?

Mr. NUNN. I yield to the Senator from Alabama for that purpose.

The PRESIDING OFFICER. The Senator from Alabama will restate his parliamentary inquiry.

Mr. ALLEN. I asked the Chair if under the wording of the unanimous-consent agreement, which says, and I quote:

> that the vote on the Resolution of Ratification occur no later than 4 o'clock p.m. on Thursday, March 16, 1978

Does that wording permit a vote on amendments to the Resolution of Ratification subsequent to 4 o'clock or must we at 4 o'clock proceed to a vote on the Resolution of Ratification as it then stands?

The PRESIDING OFFICER. The unanimous-consent agreement permits votes on reservations, understandings and amendments, et cetera.

Mr. ALLEN. But they have to be acted on before 4 o'clock, is that not correct?

The PRESIDING OFFICER. They would not have to be acted upon before 4 o'clock. When the hour of 4 o'clock comes, debate is shut off, but any pending reservation, et cetera, will be voted upon

at that time. Also at that time others could be offered but not debated.

Mr. ALLEN. I thank the Chair. I will state to the Chair that the Parliamentarian informed me just yesterday just the opposite opinion.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator will yield to me——

Mr. NUNN. I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, it is rather elementary around here, I think, and I must say I expressed the greatest surprise—the distinguished Senator from Alabama who, in my judgment, is the best parliamentarian in this body—when he comes around with this idea that under a unanimous-consent agreement when the time for a final vote arrives it shuts off other Senators who have amendments. It does not preclude them from calling up amendments, that is elementary. In our unanimous-consent agreements we always follow that policy that when the time for a final vote arrives Senators who have been shut out can call up their amendments, not debate them, but have a vote on them, and the same thing is true here.

I am glad the Senator asked that question because that is precisely the point I was bearing down on prior to his questioning of the Chair so as to point out that delay, after a vote on the reservation by the Senator from Georgia, is coming out of the time of Senators who have further amendments to the resolution of ratification.

Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. NUNN. I yield to the Senator.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Is there objection?

Mr. FORD. Reserving the right to object, Mr. Leader——

Mr. ROBERT C. BYRD. Yes.

Mr. FORD. What will be the procedure for time for statements?

The PRESIDING OFFICER. Does the Senator from Georgia yield?

Mr. NUNN. I yield to the Senator from Kentucky.

Mr. FORD. I merely want to ask the leader a question. Will there be time tomorrow for statements?

Mr. ROBERT C. BYRD. Yes, indeed, and I was going to include that in my requests.

Mr. FORD. The statements then will be sometime after 12 noon tomorrow?

Mr. ROBERT C. BYRD. When the Senator would like to speak I would propound a request.

Mr. FORD. I would like to ask the leader if I could have 15 minutes sometime shortly after the opening of the session.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW; RESUMING CONSIDERATION OF THE RESOLUTION OF RATIFICATION; AND RECOGNITION OF SENATORS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow; and that immediately after the prayer, the Senate resume its consideration of the resolution of ratification; and after a 15-minute order for Mr. LEAHY, that Mr. FORD be recognized for not to exceed 15 minutes; that Mr. RIEGLE then be recognized for not to exceed 15 minutes.

Mr. DECONCINI. Reserving the right to object, I would like to ask a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. DECONCINI. How many amendments are there at the desk regarding the resolution of ratification?

Mr. ROBERT C. BYRD. Six amendments, five reservations, and eight understandings.

Mr. DECONCINI. A further parliamentary inquiry for a further clarification. My understanding is the Chair ruled if those amendments are brought up prior to 4 p.m. Thursday there would be a vote on them?

The PRESIDING OFFICER. The Chair has already stated that even if the reservations, amendments, et cetera, are brought up at 4 o'clock or after they will not be debated, but they will be voted on if offered before the resolution of ratification is acted on.

Mr. DECONCINI. A further clarification. The Chair is saying they will be voted on prior to the vote under the unanimous-consent agreement at 4 p.m.

The PRESIDING OFFICER. The Senator from Arizona has stated it correctly.

Mr. DECONCINI. I thank the Chair.

The PRESIDING OFFICER. The Senate precedents are clear on this type of unanimous-consent agreement, which did not preclude additional amendments, reservations, et cetera.

Mr. CURTIS. Mr. President, parliamentary inquiry.

Mr. ROBERT C. BYRD. Mr. President, could I have my request either objected to or acted upon?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. CURTIS. Reserving the right to object, and I shall not object, I would like to know if amendments to the resolutions of ratification can be called up after the expiration of time, and amendments to the Neutrality Treaty can be called up.

The PRESIDING OFFICER. No. The Chair has ruled that amendments to the resolution of ratification will be considered at any time but not debated after 4 o'clock, but amendments to the treaty will not be in order.

Mr. CURTIS. I thank the Chair.

The PRESIDING OFFICER. As a matter of fact, additional amendments to the articles of the treaty are no longer in order at this time——

Mr. GRIFFIN. Mr. President, reserving the right to object——

The PRESIDING OFFICER (continuing). Because the resolution of ratification has already been presented and it is under debate before the Senate at this time.

The Senator from Michigan reserves the right to object.

Mr. GRIFFIN. For the purpose of clarifying one matter, the Chair has indicated that reservations, understandings, or amendments to the resolution of ratification could be called up after the hour of 4 o'clock on Thursday; but it goes without saying, I take it, that those must be at the desk before 4 o'clock to be eligible?

The PRESIDING OFFICER. No; that is not the case. They do not have to be at the desk. The Senate is not operating under the cloture rule.

Mr. GRIFFIN. So any time after 4 o'clock somebody can come up with another amendment?

The PRESIDING OFFICER. If the Senate has not yet voted on the resolution of ratification, that is the case.

Mr. ROBERT C. BYRD. But they cannot be debated.

The PRESIDING OFFICER. I repeat, they cannot be debated.

Mr. ROBERT C. BYRD. Mr. President, have the reservations of objection to my request been disposed of?

The PRESIDING OFFICER. The Senator is correct.

Mr. HANSEN. Mr. President, reserving the right to object, I do not intend to object, but I want to have clarified this point raised by the Senator from Michigan.

Do I correctly understand that despite the fact that amendments do not have to be at the desk, as I understood the Presiding Officer to state, an amendment could be offered and it would be considered despite the fact that the hour of 4 o'clock may have arrived?

The PRESIDING OFFICER. Any Senator may have his amendments, et cetera, to the resolution of ratification at the desk prior to the vote, and on that basis they will be in order to be considered and will be considered.

Mr. HANSEN. They would not necessarily need to be at the desk?

The PRESIDING OFFICER. Be at the desk.

Mr. HANSEN. What?

The PRESIDING OFFICER. It does not have to be at the desk. It must be at the desk or called up by the individual Senator on the floor.

Mr. HANSEN. Would I be correct, then, in assuming that if a Senator proposed to offer an amendment, all that would be necessary in order for that amendment to be considered and voted upon would be first to stand and attempt to receive recognition, despite the fact that the hour of 4 o'clock may have arrived?

Mr. ROBERT C. BYRD. The Senator is correct.

The PRESIDING OFFICER. The Senator is correct. And let the Chair restate that even the Senator having an amendment, et cetera, at the desk must seek recognition to offer that amendment, et cetera.

Mr. HANSEN. And he will be recognized?

The PRESIDING OFFICER. The Senator is correct; under the rules he will be recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Georgia yield further?

Mr. NUNN. I yield to the Senator from West Virginia for an observation, question, or whatever he would like.

ORDER FOR RECOGNITION OF SENATORS LONG, GARN, AND HATCH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of Mr. RIEGLE tomorrow for 15 minutes, the Senator from Louisiana (Mr. LONG) may be recognized for not to exceed 30 minutes, and that following Mr. LONG, Mr. GARN, and Mr. HATCH may be recognized for not to exceed 45 minutes between them.

The PRESIDING OFFICER. Before the Chair inquires whether there is objection, are all of these orders to precede the resumption of the consideration of the resolution of ratification?

Mr. ROBERT C. BYRD. Oh, no. I am glad the Chair asked that question. The only order that, under my request, would precede the resumption of the consideration of the resolution of ratification would be the order for the recognition of Mr. LEAHY.

The PRESIDING OFFICER. As in legislative session?

Mr. ROBERT C. BYRD. As in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I wonder if we could get a time limitation on Mr. NUNN's amendment. His amendment will be pending before the Senate at such time as the orders which have been entered have been consummated. The question then will be on the adoption of the amendment offered by Mr. NUNN.

I wonder if we could get a time limitation agreement now, which would allow for time for debate on that amendment at that time, which would not preclude a motion to lay on the table if a Senator wished to move to table.

I ask unanimous consent that there be a 1-hour time limitation on that amendment, the time to be equally divided between Mr. ALLEN and Mr. NUNN.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. With Senators' rights to move to table reserved.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Georgia continue to yield?

Mr. NUNN. I yield to the majority leader.

Mr. ROBERT C. BYRD. I ask unanimous consent that there be a 2-hour limitation on the amendment by Mr. NUNN, that 2 hours to begin running at the conclusion of the orders that have been entered, and, of course, reserving the rights of Senators to move to table.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Reserving the right to object, I have stated there can be no agreement tonight on the subject; I do not know why the majority leader keeps propounding these requests. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Very well; I will not persist.

Mr. ALLEN. I thank the majority leader.

Mr. CURTIS. Mr. President, will the Senator from Georgia yield for a question?

Mr. NUNN. Not at this moment.

Mr. President, I send a modification of my amendment to the reservation of ratification to the desk. It would merely add four words between the word "arrangement" and the word "to." The full words would be "between the two countries." I send that modification to the desk.

The PRESIDING OFFICER. The reservation will be so modified.

The amendment, as modified, is as follows:

Strike out the period at the end of the resolution of ratification and insert in lieu thereof a comma and the following:

"subject to the condition that the instruments of ratification of the Treaty shall be exchanged only upon the conclusion of a Protocol of Exchange, to be signed by authorized representatives of both Governments, which shall constitute an integral part of the Treaty documents and which shall include the following:

that nothing in this Treaty shall preclude Panama and the United States from making, in accordance with their respective constitutional processes, any agreement or arrangement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements or arrangements for the stationing of any United States military forces or maintenance of defense sites after that date in the Republic of Panama that Panama and the United States may deem necessary or appropriate."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. NUNN. The Senator from Nebraska had asked me to yield for a question.

Mr. CURTIS. I will defer to the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Nebraska. I was merely going to ask unanimous consent that when the Senator from Georgia yields the floor, the Senate consider some routine morning business, and at the end of that period it go out.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that when the Senator from Georgia yields the floor, there be a period for the transaction of routine morning business, as in legislative session, the period not to extend beyond 15 minutes, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Mr. President, reserving the right to object, and I do not reserve the right to try to prolong the session this evening, I do have some questions, and I was wondering if, under the unanimous-consent request as I understand it, that upon the conclusion of the remarks made by the distinguished Senator from Georgia we would move directly to morning business, following the conclusion of which we would stand in adjournment or recess——

Mr. ROBERT C. BYRD. It would be my intention, at the conclusion of the period for the transaction of routine morning business, to recess over until tomorrow and go out.

Mr. HANSEN. If I understand further, there would be no opportunity, then, to ask any further questions on the amendment of the Senator from Georgia regarding his amendment this evening?

Mr. ROBERT C. BYRD. No, this would not preclude further questions. The Senator from Georgia would hold the floor as long as Senators wished to address questions to him; but, upon his yielding the floor, the period for routine morning business would begin.

Mr. HANSEN. Well, then, all that could be said, if I understand the request of the distinguished majority leader, would be to permit such questions as might be acceptable to the distinguished Senator from Georgia, and would afford no Senator here an opportunity to take any action on his own; am I right about that, excepting with the consent of the Senator from Georgia?

The Senator is correct, but I have no desire to shut out other Senators from the floor this evening. I was merely attempting to——

Mr. NUNN. Nor does the Senator from Georgia.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. The Senator from Georgia.

Mr. ALLEN. Will the Senator yield?

Mr. NUNN. I yield to the Senator from Alabama for that purpose, reserving my right to the floor.

Mr. ALLEN. I want to help the distinguished majority leader expedite the Senate's business and I will make this proposal in the form of a unanimous-consent request that all amendments or reservations to the Resolution of Ratifi-

cation to not to exceed 1 hour and a half but that at the hour of 4 o'clock, irrespective of the amendments being in the hands of Senators, on the desk or in their minds, or wherever, we vote on the Resolution of Ratification at 4 o'clock.

Mr. ROBERT C. BYRD. Well, Mr. President, there are 19 amendments to the Resolution of Ratification and I am in no position to say that——

Mr. ALLEN. Well, let us make it 1 hour then.

Mr. ROBERT C. BYRD. I am in no position to answer for any Senator who may not be on the floor at this time, as to whether or not he is willing to have an objection of 1 hour on his particular amendment to the Resolution of Ratification. Perhaps this could be worked out overnight and such an arrangement could be reached, but I think——

Mr. ALLEN. The important issue, as I see it, is that we establish a time to vote. Both sides would have the opportunity of abusing the 4 o'clock hour as now interpreted by the Parliamentarian through the Chair. If we could nail down 4 o'clock, I will not object to any time limit on any of the amendments.

Mr. ROBERT C. BYRD. Well, the only problem with that is that any poor Senator who does not get recognized prior to the hour of 4 p.m. on Thursday next would be completely shut out from having the Senate consider his amendment, vote up or down on it, and it may be that we will have three or four Senators who will be seeking recognition and they will be recognized, as the Chair hears them seek recognition, and if we have a time limitation on each amendment there will be 19 Senators, perhaps, or 15, or whatever it might be, who will be fortunate enough to have been recognized and to have run the time on their amendments, and there might be two or three Senators who will be completely shut out and this does not accord with our normal practice of letting Senators at least call up their amendments.

Mr. ALLEN. I appreciate the distinguished majority leader's concern for the Senators. I know that is his duty and responsibility and one that he takes very seriously, but I am wondering if in some way we can protect the 4 o'clock voting time. That would be what the Senator from Alabama is concerned about.

Mr. ROBERT C. BYRD. I understand that, but that is always the case. We set a time for final vote on a matter. It is always with the understanding that it does not shut out Senators from offering their amendments at this point and at least getting a vote on it.

And I would not want to take the responsibility of shutting them out in this instance. I will be glad to attempt to ascertain overnight if this would meet with the approval of other Senators.

Mr. ALLEN. Yes. I would hate to visualize a concept possibly of there being a filibuster by amendment starting at 4 o'clock Thursday afternoon.

Mr. ROBERT C. BYRD. A filibuster would not a occur on the part of the proponents of the treaty.

Mr. ALLEN. Is that an assurance to the Senator?

Mr. ROBERT C. BYRD. It is an assurance, so far as I can give it personally.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. The unanimous-consent request does not have objection.

Mr. ALLEN. What is the unanimous-consent request at this time?

The PRESIDING OFFICER. The unanimous-consent request is that at the time that the Senate majority leader yields the floor there will be a period for routine morning business and, as in legislative session, not to exceed 15 minutes.

Mr. NUNN. Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator.

I think now an assurance can be given to the Senators that there will be no further rollcall votes today.

Mr. NUNN. Mr. President, just to probe further inquiry, my modification, as suggested, has been accepted as a modification in that part of the original amendment; is that correct?

The PRESIDING OFFICER. The Senator's reservation has been so modified.

Mr. NUNN. I thank the Chair.

May I ask the Senator from West Virginia. The Senator from Georgia is prepared to yield the floor, if that is what the Senator from West Virginia would desire.

Mr. ROBERT C. BYRD. It would be perfectly all right with me. I thank the Senator for his patience in yielding to the Senators as he has done.

Mr. NUNN. I thank you very much.

I yield the floor, Mr. President.

Mr. HANSEN. Mr. President.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. I ask for the yeas and nays on the amendment by the distinguished Senator from Georgia.

Mr. ROBERT C. BYRD. Mr. President, I have no objection to ordering the yeas and nays. Automatically, we would go into a period for morning business on the order but I would suggest we give the Senator his yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Now, Mr. President, we are in morning business.

The PRESIDING OFFICER. Is there morning business?

Mr. ROBERT C. BYRD. Yes, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I would inquire of the distinguished minority leader if there is any objection on his side to proceeding to the consideration of the following calendar orders numbered 617 through 639.

Mr. BAKER. Mr. President, I would say to the majority leader that on our calendar we show calendar orders numbered 616 through 637 cleared for passage and No. 639 cleared for passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

DR. NAZEEH A. L. ABDUL-HADI

The bill (S. 222) for the relief of Dr. Nazeeh A. L. Abdul-Hadi, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Doctor Nazeeh A. L. Abdul-Hadi shall be held and considered to have complied with the provisions of section 316 of that Act as they relate to residence and physical presence.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–675), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

BRIGITTE MARIE HARWOOD

The bill (S. 391) for the relief of Brigitte Marie Harwood, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of paragraphs (9) and (23) of section 212(a) of the Immigration and Nationality Act, Brigitte Marie Harwood may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act. This Act applies solely to the grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of enactment of this Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–676), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to waive the excluding provisions of existing law relating to one who has been convicted of a crime involving moral turpitude and a violation of a law governing the taxing of a narcotic in behalf of the spouse of a U.S. citizen.

DENNO CHUNG-SANG LI, NICHOLAS LIT-YUNG LAM, AND AUGUSTINE KA-CHEUNG WU

The bill (S. 513) for the relief of Denno Chung-Sang Li, Nicholas Lit-Yung Lam, and Augustine Ka-Cheung Wu, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Denno Chung-Sang Li, Nicholas Lit-Yung Lam, and Augustine Ka-Cheung Wu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–677), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Denno Chung-Sang Li, Nicholas Lit-Yung Lam, and Augustine Ka-Cheung Wu. The bill provides for payment of the required visa fees and for appropriate visa number deductions.

RUSSELL WARREN HOWE

The bill (S. 1079) for the relief of Russell Warren Howe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, the periods of time Russell Warren Howe, an alien lawfully admitted for permanent residence to the United States, has resided in the United States shall be held and considered to meet the residence and physical presence requirements of section 316 of such Act. Russell Warren Howe may file a petition for naturalization with any court having naturalization jurisdiction under section 310 of such Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–678), explaining the purposes of the measure.

There being no objection, the excerpt was orderd to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of this bill is to enable the beneficiary to file a petition for naturalization.

YOUNG-SOON CHOI

The bill (S. 1135) for the relief of Young-soon Choi, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Young-soon Choi may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Douglas L. R. Neeley, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–679), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to facilitate the entry into the United States as an immediate relative of the alien child adopted by citizens of the United States.

KWAN DO SUN

The bill (S. 1399) for the relief of Kwan Do Sun, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a)(19) of the Immigration and Nationality Act, Kwan Do Sun may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–680), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to waive the excluding provision of existing law relating to one who sought to procure a visa by fraud or willful misrepresentation of a material fact in behalf of the brother of a U.S. citizen.

MRS. DESOLINA SCIULLI

The bill (H.R. 1432) for the relief of Mrs. Desolina Sciulli, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–681), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to waive the excluding provision of existing law relating to one who has been convicted of a crime involving moral turpitude.

MEDA ABILAY FLORIN

The bill (H.R. 1939) for the relief of Meda Abilay Florin, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–682), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to facilitate the adjustment of status as an immediate relative of the adopted child of lawful permanent resident aliens of the United States.

SU-HWAN CHOE

The bill (H.R. 2761) for the relief of Su-Hwan Choe, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–683), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the adopted son of citizens of the United States to qualify for first preference status as the unmarried son of citizens, thus facilitating his adjustment of status to that of permanent residence.

MRS. CHONG SUN YI RAUCH

The bill (H.R. 3081) for the relief of Mrs. Chong Sun Yi Rauch, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–684), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to waive the excluding provision of existing law relating to one who has been convicted of a violation relating to the illicit possession of a narcotic in behalf of the spouse of a U.S. citizen.

KWI SOK BUCKINGHAM (NEE KIM)

The bill (H.R. 4401) for the relief of Kwi Sok Buckingham (nee Kim), was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–685), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to waive the excluding provision of existing law relating to one who nas been convicted of a narcotics violation in behalf of the spouse of a U.S. citizen.

SUN DAY

The joint resolution (H.J. Res. 715) proclaiming May 3, 1978, "Sun Day," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

● Mr. PERCY. Mr. President, May 3, 1978, is going to be a very important day. It is going to be Sun Day, a day of celebration for solar energy. If the public's reaction to it is anywhere near as enthusiastic as the Congress, Sun Day will be a very popular event indeed.

We are today considering Senate Joint Resolution 110 (H.J. Res. 715), which establishes May 3 as Sun Day and asks the President to issue an official proclamation. The resolution is cosponsored by 57 Senators. The identical resolution is cosponsored by a majority of Representatives, and has already passed the House by a vote of 348 to 7. I congratulate the House of Representatives on its rapid action, and on its overwhelming support of Sun Day. I am grateful to the Senate Judiciary Committee for its support of the Sun Day resolution and for its approving the resolution at the earliest possible time.

There is good cause for all this support. Sun Day is not anti-anything. It is simply and solely prosolar energy. For one day energy problems will take a back seat to an energy solution. While no single solar technology is going to solve our energy problems, the combination of all solar technologies can handle many of our needs. And Sun Day can make people aware of the scope and potential of solar energy.

To some people, the term "solar energy" conjures up images of glass covered solar collectors and greenhouses. Others think of photovoltaic cells. But direct sunlight is not the only harnessable form of solar energy. Wind power is actually solar energy in disguise, and so is falling water. Biomass—the green plants that photosynthesize and store solar energy chemically—can also provide usable energy for human needs. All these forms of solar energy are plentiful, clean, safe, and inexhaustible. Yet not that many people are aware of them, and fewer still have actually seen them in operation.

The events and activities on and around Sun Day can increase the awareness of the American people of the reality of solar energy. It can change the public attitude toward solar energy from one of curiosity to one of commitment. Indeed, I very much hope to see Sun Day strengthen this country's commitment to solar energy. The very fact that the Sun Day resolution can be so noncontroversial and supported by such a broad coalition of Senators and Representatives speaks clearly to the attractiveness of solar energy. And yet our present commitment to solar energy is inadequate.

The Congress is beginning to act. In 1976, I organized an Illinois Solar Energy Conference, which was immensely successful. I know many of my colleagues have held similarly successful conferences in their States. The solar coalition is becoming a strong legislative force. Of the nine bills it sponsored last year, seven have either passed or been integrated into the National Energy Act now in conference. This year's solar coalition package is being introduced today. Like last years' it is a many-pronged effort to increase the Federal Government's support of the development and implementation of solar technologies. Sun Day and the solar coalition's package can help each other very much.

Mr. President, Sun Day is a project that is deserving of our support, and will benefit by it. But we, too, will benefit from a successful Sun Day. Sooner or later, this country will turn to solar energy to satisfy a major portion of its energy needs. Sun Day can help us do it sooner and easier.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–686), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the legislation is to authorize and request the President to proclaim May 3, 1978 as "Sun Day."

STATEMENT

By designating May 3, 1978 as "Sun Day" industry, labor and the general public will become better informed about solar technology and the potential of the sun in meeting the Nation's energy needs.

Senator Percy stated the pupose of the joint resolution when he introduced the companion joint resolution to the Senate:

Wednesday, May 3, 1978, is no longer just Wednesday. It is also Sun Day. Sun Day will be a nationwide celebration of solar energy. Citizens all across the country are organizing solar fairs, demonstrations of solar technologies, conferences, educational programs and the like to take place on and around May 3. These programs will demonstrate solar energy in all its forms: Wind, crop-drying, and fast-growing plants as well as direct solar heating and cooling, and electricity generation. Sun Day will be a widely celebrated, and very important, event.

Though Sun Day has been designed as a grassroots effort, it needs and deserves all the support we in Congress can give it. As a first step, Mr. President, I am today introducing a resolution which does three things: It proclaims May 3, Sun Day; it authorizes and requests the President to urge the general public, industry and labor to celebrate the day; and it further urges the President to direct all appropriate Federal agencies to participate. It gives me great pleasure, Mr. President, to be joined by 53 of my colleagues in submitting this resolution. Already a majority of the Senate endorses the efforts of Sun Day to focus national attention on solar energy's potential ability to meet substantial portions of our energy needs.

The committee believes it appropriate to call upon the President to proclaim May 3, 1978 as "Sun Day." Accordingly, the committee recommends favorable consideration of House Joint Resolution 715 without amendment.

COST

The enactment of this legislation involves no direct additional expenditure to the Government.

SAMY ENNABE

The Senate proceeded to consider the bill (S. 219) for the relief of Samy Ennabe, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, for the purposes of sections 203(a)(1) and 204 of the Immigration and Nationality Act, Samy Ennabe shall be held and considered to be the natural-born alien son of Thomas Ennabe, a citizen of the United States: *Provided*, That the brothers and sisters and the natural mother of the beneficiary shall not, by virtue of such relationship or parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–687), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to qualify for first preference status as the unmarried son of a citizen of the United States. The bill has been amended in accordance with established precedents.

TIN FOO CHAN

The Senate proceeded to consider the bill (S. 511) for the relief of Tin Foo Chan (also known as Michael Chan), which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, for the purposes of the Immigration and Nationality Act, Tin Foo Chan (also known as Michael Chan) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-688), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant tne statuts of permanent residence in the United States to Tin Foo Chan (also known as Michael Chan). The bill provides for tne payment of the required visa fee and for an appropriate visa number deduction. The bill has been amended in accordance with established precedents.

ERNESTO GARCIA, JR.

The Senate proceeded to consider the bill (S. 958) for the relief of Ernesto Garcia, Jr., which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, in the administration of the Immigration and Nationality Act, Ernesto Garcia, Junior may be classified as a child within the meaning of section 101(b)(1)(C) of such Act upon approval of a petition pursuant to section 204 of such Act filed in his behalf by Ernesto Juan Garcia, a citizen of the United States: *Provided*, That the brothers and sisters and the natural mother of the beneficiary shall not, by virtue of such relationship or parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-689), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to confer immediate relative status upon the son of a U.S. citizen. The purpose of the amendment is to conform the language of the bill to established precedents.

SHENN-SONG THERESA LEE

The Senate proceeded to consider the bill (S. 1639) for the relief of Shenn-Song Theresa Lee, which had been reported from the Committee on the Judiciary with an amendment on page 1, beginning with line 11, strike through and including page 2, line 2, and insert the following in lieu thereof:

year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Shenn-Song Theresa Lee shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-690), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Shenn-Song Theresa Lee. The bill provides for the payment of the required visa fee and for an appropriate visa number deduction. The bill has been amended in accordance with established precedents.

ANWAR

The Senate proceeded to consider the bill (S. 1933) for the relief of Anwar, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 5, strike "102" and insert "101", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Anwar may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Kenneth Pekarek, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The amendments was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-691), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to facilitate the adjustment of status as an immediate relative of the prospective adopted child of U.S. citizens. The bill has been amended to correct a typographical error.

OH SOON YI

The Senate proceeded to consider the bill (H.R. 1552) for the relief of Oh Soon Yi, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 7, strike "Maria Farrow" and insert "Maria Farrow Previn", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Oh Soon Yi may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by André Prévin, and Maria Farrow Prévin, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-692), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to facilitate the admission into the United States of the prospective adoptive child of citizens of the United States, notwithstanding the fact that the prospective adoptive parents have had the maximum number of petitions approved. The bill has been amended for purposes of clarification.

SHIN MYONG NYO SIN PURDOM

The Senate proceeded to consider the bill (S. 1335) for the relief of Shin Myong Nyo Sin Purdom, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 4, strike "Myong Nyo Sin Purdom" and insert "Shin Myong Yo Purdom," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a)(23) of the Immigration and Nationality Act, Shin Myong Yo Purdom, also known as Myong Yo Sin may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill for the relief of Shin Myong Yo Purdom, also known as Myong Yo Sin.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-693), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to waive the excluding provision of existing law relating to one who has been convicted of a violation relating to the illicit possession of a narcotic in behalf of the spouse of a U.S. citizen. The bill has been amended to refer to the beneficiary by her full and correct name.

MR. AND MRS. BLAINE JOHNSON

The Senate proceeded to consider the bill (S. 1418) for the relief of Mr. and Mrs. Blaine Johnson, of Salt Lake City, Utah, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, in the administration of the Immigration and Nationality Act, Sang Soo Lee shall be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Blaine Johnson, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill for the relief of Sang Soo Lee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–694), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to facilitate the admission into the United States as an immediate relative of the prospective adoptive child of U.S. citizens, notwithstanding the fact that the prospective adoptive parents have previously had the maximum number of petitions approved. The bill has been amended in accordance with established precedents.

MIRIAMA JONES

The Senate proceeded to consider the bill (S. 337) for the relief of Miriama Jones, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 1, line 4, strike "a child" and insert "an orphan".

On page 5, line 5, strike out the following, "the meaning of section 101(b)(1)(F) of such Act upon approval of a petition filed in their behalf of Mr. and Mrs. David Lyman, citizens of the United States, pursuant to section 204 of such Act the natural brothers and sisters of the said Miriama Jones shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act." and insert in lieu thereof the following, "the definition of section 101(b)(1)(F) of such Act and a petition filed in her behalf by Mr. and Mrs. David Lyman, citizens of the United States, pursuant to section 204 of such Act, shall be approved upon compliance with the remaining requirements of said section 101(b)(1)(F). The natural parents, brothers, and sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Miriama Jones may be classified as orphan within the definition of section 101(b)(1)(F) of such Act and a petition filed in her behalf by Mr. and Mrs. David Lyman, citizens of the United States, pursuant to section 204 of such Act, shall be approved upon compliance with the remaining requirements of said section 101(b)(1)(F). The natural parents, brothers, and sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–695), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to facilitate the admission into the United States of the prospective adopted alien child of U.S. citizens.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the votes by which the measures were passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make that motion.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished minority leader if he has been able to clarify the status of Calendar Orders Nos. 638 and 639.

Mr. BAKER. Mr. President, I will advise the majority leader that 638 may have been cleared, although it is not so marked on my calendar. Calendar Order No. 639 has been cleared. We have no objection to proceeding to its consideration at this time. I will continue to see if we can clear Calendar Order No. 638.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 639.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN NUMBER OF ADMINISTRATIVE LAW JUDGE POSITIONS

The bill (H.R. 6975) to amend title 5, United States Code, to provide that hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–697), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

H.R. 6975 proposes to increase the number of hearing examiners in supergrade ranks by 100 and to change by statute the title hearing examiner to administrative law judge.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NORTH DAKOTA'S GARRISON DIVERSION IRRIGATION PROJECT

Mr. YOUNG. Mr. President, North Dakota's Garrison diversion irrigation project is a reclamation project which Secretary of the Interior Andrus has placed on his hit list. This is a project which was first authorized in 1944 and reauthorized in 1965.

Secretary Andrus has, I believe, disregarded the directives of Congress in this case. Last year, being fully aware of a stipulation between the National Audubon Society and the Department of the Interior approved by U.S. Judge Richey, Congress appropriated the Bureau of Reclamation's full capability of $18.6 million for this project. In addition, the Senate Appropriations Committee wrote strong report language directing the Secretary to spend these funds as authorized by Congress.

This language was subsequently specifically confirmed by the House conferees. Notwithstanding this, Secretary Andrus has refused to expend any of these funds.

This is a project on which the Federal Government has already spent over $170 million. The Department of the Interior, in behalf of the Federal Government, has entered into contracts with the Garrison Diversion Conservancy District. It has also entered into a separate contract with the city of Minot to provide it with a sorely needed source of municipal water. Secretary Andrus has not only broken these contracts but, equally important, he has disregarded the strong directives of the U.S. Congress.

One of the reasons Secretary Andrus has given for not proceeding with this project is that he is awaiting completion of the national water policy review. The State of North Dakota filed an action in Federal district court for North Dakota, requesting that Secretary Andrus and the Carter administration be enjoined from submitting their recommendations pursuant to this national water policy review until the requirements of the National Environmental Policy Act had

been met. We had all assumed that the law applied as well to the Federal Government and that it, too, had to complete environmental impact statements.

This suit was resisted by the Department of the Interior. Apparently, Secretary Andrus feels that NEPA is a handy tool to use when he wants to stop a project but that he can ignore it when it best suits his interests. The Federal district court in North Dakota ruled in favor of the State of North Dakota and has enjoined the administration from proceeding further, until an environmental impact statement is filed.

Secretary Andrus was so incensed with the decision of the Federal district court in North Dakota that he severely criticized the court. This is a court which has a longstanding reputation for honesty and fairness.

I would like to quote from a statement defending U.S. Judge Van Sickle by North Dakota's Democratic Governor, Arthur A. Link, as carried in an Associated Press story dated March 11:

The comments by Secretary Andrus were a direct attack upon the integrity of the people of North Dakota and can only lead to a further deterioration of relations between the states and the federal government.

I would also like to quote from the same story the following statement by our Republican Attorney General Allen I. Olson:

I am outraged by the scurrilous references made by Andrus and directed at a respected federal judge and every citizen of North Dakota. The secretary has resorted to mudslinging.

I ask unanimous consent that all of the AP story referred to be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. YOUNG. Mr. President, I share completely the feelings of outrage of North Dakota's Governor and attorney general. Secretary Andrus has embarked upon a vicious, ill-advised campaign not only to stop all future reclamation projects but to gut some projects which are partially completed. This is the major reason why people all over the West, and especially Democrats, are infuriated with this administration.

EXHIBIT 1

LINK, OLSON RESPOND SHARPLY TO ANDRUS' REMARKS ON SUIT

Two top North Dakota politicians have lashed out at Interior Secretary Cecil Andrus for linking a federal court decision slowing his department's water policy review and the troubled Garrison Diversion project.

Andrus said in Seattle Wednesday there was an obvious connection between the decision of U.S. District Court Judge Bruce Van Sickle and the irrigation project, which is popular among the state's politicians but under fire from environmentalists.

Andrus has proposed slashing the proposed 250,000-acre project by about 60 percent.

Gov. Arthur A. Link, a Democrat, said he was "amazed and extremely disappointed" by the remarks.

"The comments by Secretary Andrus were a direct attack upon the integrity of the people of North Dakota and can only lead to a further deterioration of relations between the states and the federal government," Link said.

Republican Attorney General Allen Olson, who brought the suit, said Andrus should apologize.

"I am outraged by the scurrilous references made by Andrus and directed at a respected federal judge and every citizen of North Dakota," Olson said. "The Secretary has resorted to mudslinging."

What got Link and Olson upset was Andrus' response to Van Sickle's order barring the Interior Department, the Office of Management and Budget and the Council on Environmental Quality from sending water policy recommendations to President Carter until an environmental impact statement is prepared.

"The people who brought it (the injunction request) were heavy supporters of Garrison and a North Dakota judge heard it, so how do you think it was connected? Very definitely," Andrus said.

Andrus said the federal government would appeal.

The water policy review was begun last May at Carter's direction. Governors of dry western states have objected to its pace and said they are wary that the federal government might encroach on western states' rights to allocate water.

The irrigation project, which would cost more than $600 million if built as Congress authorized it in 1965, has been in trouble for more than a year.

Carter put it on his water projects "hit list" last year, although the Congress eventually overrode his recommendation.

However, construction has been virtually halted by an agreement between the National Audubon Society and the Interior Department. The agreement called for a review that led to the Andrus proposal to slash Garrison to 96,300 acres.

The Canadian and U.S. governments also are scheduled to enter negotiations on the project. The Canadians have said the project would harm their waters, and a two-nation panel has called for a halt to construction that would affect Canadian fisheries.

THE VOICE OF AMERICA

Mr. PERCY. Mr. President, there is an excellent article about the Voice of America in the New York Times of March 12, 1978, by the distinguished Times writer James Reston. In his article, Mr. Reston reports very favorably about the quality and candor of news reporting carried on the Voice of America. I must say that this is very pleasing to those of us who have fought over the years for accurate, objective, and comprehensive news on the Voice.

Mr. Reston's evaluation might be considered a tribute to Peter Straus, present director of the Voice of America, to Alan Heil, chief of the VOA news and current affairs division, and to Bernard Kamenske, chief of the VOA news division. It also reflects credit on the immediate past director of the Voice, Kenneth Giddens, who supported professionalism and honesty in broadcasting at the Voice against bureaucratic intervention for several years.

It is a tribute as well to all those who contribute to the good work of the Voice of America, among them the VOA correspondents whose reports add so much to the spontaneity and credibility of Voice broadcasts.

I ask unanimous consent that the Reston article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE VOICE OF AMERICA

(By James Reston)

DAMASCUS, SYRIA, March 11.—In the struggle over the Middle East, Washington's official overseas radio service, the Voice of America, is in the center of a ceaseless propaganda battle. And since its work is now under review and even attack by some members of Congress, a report from the field may be in order.

In the last three months, I have listened carefully to its English language broadcasts in such diverse places as Japan, Australia, Tahiti, West Germany, Yugoslavia, Italy, Egypt, Jordan, and here in Syria. This may seem an extreme statement, but for detailed accounts of the world's news, I believe there is nothing on the commercial networks of the United States that equals its performance.

The Voice may not be quite as effective in the Middle East as the BBC, which produces a clearer signal from the island of Cyprus than the Voice does from its relay transmitter on the island of Rhodes off the coast of Turkey, but it has more reporters in more places than the BBC, and like the BBC, it has learned over the years that the best propaganda is an honest account of the facts.

Two technical improvements have increased its authority: New, modern transmitters, carefully placed in strategic places around the world, have extended its reach, and new shortwave radio receiving sets, comparatively inexpensive and no bigger or heavier than an average paperback book, are now coming on the market from Japan and reducing those hideous squeaks and howls that discouraged shortwave reception in the past.

Moscow Radio has held its own and more in the technical broadcast race. It comes over every shortwave channel loud and clear, from more transmitters and with more programs, but it has two problems. This propaganda battle is not directed primarily at the general public, but at the educated elites, and one of the most important facts of international life today is that English has established itself as the language of the modern intellectual and commercial world. Even here in Syria, which was dominated by France for many years, English is clearly the second language of the people who influence public opinion.

The Soviet broadcasters have another problem. They don't broadcast news to the elites who listen and think, but beam outrageous propaganda at the boobs, who don't listen. Soviet Ambassador Anatoly Dobrynin, who is so genial in his arguments for détente and a reduction of tensions between Washington and Moscow, should listen sometime to this intellectual garbage coming out of Moscow. The way they muck-rake America, night and day, is an international scandal, and fortunately, the more they spread it, the less it is likely to be believed.

Maybe when they talk to Africa in the dialects—and they are talking to Africa these days as if it were the dominant center of world politics—they are believable, but when they are talking to opinion-makers in English, they claim to have the answer to all the problems of countries whose names they can't even pronounce.

The Voice of America is quite different. It is very cool. It says here is the news, and even Walter Cronkite wouldn't be ashamed to read it. The coal strike in the United States is reported in detail, including the threat of the miners to defy President Carter and the Taft-Hartley Act. The decline of the dollar on the money markets of the world, and the latest rise in food prices are reported, along with the new technical and scientific inventions in the United States.

Anybody who has been listening here to the Voice of America in Damascus in the last

few days knows all about the forthcoming meeting of President Carter and Prime Minister Begin of Israel at the White House, and the debate in America about what the President should say to him.

The press is censored here, but people know by radio about the latest news out of Paris on the French elections, the efforts to reach a compromise in the war between Ethiopia and Somalia, and what Ian Smith said about going to a conference to reach a final settlement in Rhodesia. And they hear the latest song hits out of Broadway and Hollywood, not only from the Voice of America, but from Radio Moscow, which has learned that most people are more interested in American music than news from anywhere.

The Voice of America performs another service. In the last generation, with the development of large multinational corporations, tens of thousands of young American executives have gone abroad with their educated wives and children, not only in commerce but in the official foreign service. The Voice is a link to home for these people, particularly the wives, who are having trouble finding independent jobs and live abroad.

It is a costly service, which is what worries the Congress. It is an honest service, reporting our national failures as well as our virtues, which also troubles those who want it to produce nothing but propaganda. But heard over here, a long way from home, it seems worth the money and even makes you proud.

PROSECUTIVE DISCRETION: IS IT TOO BROAD?

Mr. PERCY. Mr. President, in passing S. 1437, the Criminal Code Reform Act, the Senate acted on its belief that judicial discretion in sentencing was overly broad, and often arbitrary and unfair. That discretion was limited in S. 1437 and made subject to the guidelines of a Sentencing Commission. These guidelines will help to insure that those who violate our laws receive fair and equitable treatment, and will do away with the serious disparities in sentencing that violators of Federal crimes have suffered.

While S. 1437 reduced discretion in sentencing, it is well understood that a certain amount of discretion must exist in the criminal justice system. U.S. prosecutors must be allowed considerable latitude in determining their prosecutive priorities. Prosecutive discretion is essential to the fair and effective operation of the criminal justice system, and we necessarily must place a great deal of faith in the wisdom and integrity of our Attorney General and his assistants. Congress, the executive, and the courts have all recognized the need for this discretion.

Nevertheless, an unwarranted degree of discretion exists in the hands of the Nation's prosecutors. A General Accounting Office report which was released on February 27, 1978, revealed that, of 1.2 million criminal complaints available for prosecution to U.S. attorneys during fiscal years 1970–76, 731,000 or 62 percent of those complaints were not prosecuted by the United States.

Many of these complaints are without prosecutive merit. They lack sufficient evidence or involve minor infractions that do not warrant the cost of prosecution. Some are turned over to Federal administrative agencies or to State and local authorities for action. But U.S. attorneys admit that between 22 and 50 percent of those cases declined were prosecutable in Federal court.

This significant degree of discretion over which cases to try led GAO to conclude that:

Suspected violations of certain criminal statutes are generally not being prosecuted;

Suspected violations of other criminal statutes are being prosecuted in one U.S. attorney's district but not in another; and

Several law enforcement and regulatory agencies are sometimes receiving inadequate prosecutive support.

Mr. President, our Federal laws cannot enforce themselves. We must create efficient administrative structures and supply them with adequate resources to assure that justice is served.

Crime, especially white-collar crime, is occurring at an alarming rate in our country today. Moreover, the public demand for just and responsible government has encouraged more extensive investigative efforts on the part of our administrative and law enforcement agencies, leading to an increase in the percentage of crimes reported. The demands placed on our criminal justice system have become critical, as illustrated by the GAO report:

In fiscal year 1976 there were an estimated 54,000 federal enforcement and investigative personnel who referred about 172,000 criminal complaints to about 1,500 assistant U.S. attorneys who, in turn, had to determine whether to prosecute the cases before about 400 federal district judges. This did not include thousands of other criminal complaints that were not referred for prosecution by law enforcement officials and 56,000 civil matters received by the U.S. attorneys.

The problem we face is whether our laws can be applied fairly, impartially, and consistently throughout our Nation in the face of burgeoning demands on our administrative and law enforcement structures. The solution, as GAO recognizes, cannot be simply to pour more money and personnel into our Federal agencies. New demands require new insights to protect our democratic ideals.

GAO suggests several adjustments in our laws that will help to assure citizens the equal justice they are guaranteed under our Constitution. Expanding the authority of Federal magistrates, granting civil fine authority to other Federal agencies, and setting up pretrial diversion programs can all help to relieve the demands presently placed on our U.S. attorneys.

Congress must keep a watchful eye on the efficiency, the fairness, and the priorities of the national bureaucracy. We must tap the expertise and wisdom of Federal prosecutors without allowing them to make overly broad and arbitrary decisions. To protect the rights and privileges of U.S. citizens, Federal law enforcement officials must be given clear guidelines at the national level.

The GAO report is a constructive critique of the U.S. prosecutive system, and I ask unanimous consent that the introduction, the recommendations, and selected portions of the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. ATTORNEYS DO NOT PROSECUTE MANY SUSPECTED VIOLATORS OF FEDERAL LAWS

CHAPTER 1.—INTRODUCTION

One goal of the criminal justice system is to protect individual rights. The prosecutor occupies a critical position in this system. It is the prosecutor who must focus the power of the Government on those who defy its laws. In this regard, in the Federal judicial districts throughout the United States, U.S. attorneys are the chief law enforcement representatives of the Attorney General.

Although States and local jurisdictions carry the greatest share of the burden of fighting violent street crime and administering criminal justice, U.S. attorneys handle a wide variety of litigation for the Government, ranging from prosecution of Federal criminal violations, such as fraud, bank robbery, and interstate crime, to representing the United States in environmental suits and other litigation. In addition to conducting litigation for the United States, U.S. attorneys develop and investigate cases before grand juries and provide advice and assistance to enforcement and regulatory agencies.

Evidence for criminal prosecution is generally developed by various law enforcement and regulatory agencies and is referred directly to the U.S. attorneys' offices. The decision to institute a criminal proceeding is primarily the responsibility of the U.S. attorneys. Usually, this decision is made soon after the referring agency brings the matter to their attention. Often the referring agency will simply call the U.S. attorney, or other attorneys under him who are authorized to accept or decline cases, and explain the facts of the matter.

The U.S. attorney will often make a decision to prosecute or decline the matter based upon this initial discussion of the facts. If a decision has been made to prosecute an individual and the case has been filed with the court, the U.S. attorney can still decide not to pursue the case. For instance, if the U.S. attorney became aware of new evidence that would vindicate the accused, he would apply to the court for a dismissal.

The manner in which U.S. attorneys exercise their prosecutive discretion affects the entire Federal criminal justice system. For example, the U.S. attorney's prosecutive priorities can affect the type of violations to which investigative agencies will commit their resources.

His decisions to prosecute affect the rate of flow of cases into the courts, and, subsequently, have an impact on prison populations and on probation and parole officers' workloads.

The Attorney General exercises general supervision of U.S. attorneys through the Executive Office for U.S. Attorneys. This office maintains liaison between U.S. attorneys and other Department of Justice divisions, bureaus, and offices, as well as with other Federal agencies.

U.S. attorneys are appointed for a 4-year term by the President with the advice and consent of the Senate. When the 4-year term expires, a U.S. attorney continues to perform the duties of his office until a successor is appointed and is found to have the qualifications for the office. Each U.S. attorney is subject to removal by the President. Assistant U.S. attorneys are appointed by the Attorney General and are subject to removal by him.

There are 94 U.S. attorneys, 1 for each Federal judicial district and 1 for each U.S. territory. Their approved budget for fiscal year

1976 was about $90 million, and they were supported by 1,517 assistant U.S. attorneys and 1,755 non-attorney personnel. The average number of assistant U.S. attorneys assigned to each district, the number of criminal and civil filings, and the number of grand jury proceedings vary considerably among the districts. The following table shows the differences in the number of attorneys for the eight districts we reviewed and the total criminal and civil filings and grand jury proceeding for all districts.

Judicial district	Fiscal year 1976			
	Average number of assistant U.S. attorneys	Criminal filings	Civil filings	Grand jury proceedings
Reviewed in detail:				
California Central	85	2,191	1,562	1,482
California Southern	30	1,810	343	908
New York Southern	98	1,427	1,223	854
Michigan Eastern	28	1,533	903	811
Limited audit work performed:				
Pennsylvania Eastern	36	862	1,079	646
Kentucky Western	8	418	472	259
Alaska	5	140	146	60
Arizona	25	1,453	715	1,017
Total	315	9,834	6,443	6,037
Total for the 94 districts	1,517	44,172	49,472	23,735
Average for the 94 districts	16.1	470	526	252
Range for the 94 districts	1–157	29–2,191	3–1,971	0–1,482

Prosecution capability could be increased but alternatives must be considered

Many suspects who are considered prosecutable are released without being prosecuted, thereby avoiding possible punishment if they were tried and found guilty. Increasing the number of assistant U.S. attorneys would be one way to alleviate this problem. However, because of the workload of the Federal courts, even an increase in staff may not result in a significantly increased number of prosecutions. Although the number of investigators and the size of U.S. attorney staffs have greatly increased between 1970 and 1976, the number of authorized Federal district judges has remained almost constant. In addition, some violations were considered so minor they did not even warrant the cost of prosecution.

We believe that if the size of U.S. attorneys' staffs are significantly increased, the number of Federal district judges and supporting judicial personnel would also have to be increased to handle the number of prosecutable cases that are now being declined. In addition, the effect of an increased number of prosecutions on Federal prison and correctional institutions would also need to be taken into consideration.

One way to increase the number of prosecutions without increasing the number of judgeships would be to expand the authority of Federal magistrates [1] and/or increase their use.

In a previous report [2] we recommended, in part, that district judges make greater use of magistrates under existing legislation and that the Congress further define the authority of magistrates. Also, we said the Congress should consider modifying the Federal Magistrates Act to expand the magistrates' trial jurisdiction to include most misdemeanors. (See app. I.) By increasing the magistrates' criminal jurisdiction to include all misdemeanors, the district judges' workload could be reduced and, therefore, allow them to spend more time on felony and civil matters.

The Department of Justice has also endorsed the expansion of the magistrates' authority and trial jurisdiction. The Attorney General in two addresses given on May 4, 1977, stated:

"We are developing a proposal to expand duties of U.S. Magistrates. The magistrates would assume a heavier criminal jurisdiction, as well as a broader civil role. At present, in the main, magistrates have criminal jurisdiction over only petty offenses and civil authority over only motions. We are proposing that magistrates be able to decide misdemeanors and impose a sentence of up to 1 year and fines of any allowable amount. In addition, they would be given some jurisdiction to decide civil cases, with the right to appeal to the District Judge and then by certiorari only to the Courts of Appeals."

A bill (S. 1613), based on the Department's proposal, recently passed the Senate and is currently being considered by the House of Representatives.

We also recognize that many suspected violators who are not prosecuted are charged with crimes that may not warrant the expense of prosecution. Examples of such crimes include a suspected violator accused of forging a $25 Government check, or a bank fraud and embezzlement case involving only $40. Although the magnitude of these cases may not justify prosecution, alternative actions are needed to deal with such conduct. Therefore, we believe that alternatives to traditional prosecution may in some cases be in the Government's best interest since they (1) could be less costly, (2) have a deterrent effect on misconduct, or (3) may be more suitable for the misconduct involved.

Also, under current Federal law, some agencies have no alternative to criminal prosecution—a suspect is either prosecuted or avoids legal action. Since limited resources prevent U.S. attorneys from prosecuting many suspected violators, alternatives are needed. Several alternatives, including civil fine authority and pretrial diversion, have been suggested.

Civil Fine Authority

Officials of several agencies said that civil fines would be a useful enforcement tool and would be a deterrent to suspected violators who cannot be prosecuted. The Administrative Conference of the United States [3] has a similar view. In 1972 the Conference recommended that Federal agencies consider requesting the Congress to give them authority to use civil fines or other substitute sanctions.

The Conference did not propose eliminating criminal penalties; but, rather, it suggested alternatives to criminal penalties. It stated that civil fines are an important and useful enforcement tool for agencies with a large number of cases to be processed; and more severe penalties should be pursued for use when appropriate civil fines could contribute to agencies' obtaining quicker corrective action for civil violations.

The Conference stated that the use of civil fines would not reduce or eliminate the due process protection now being provided under criminal penalty situations. Civil fines would be assessed in accordance with the Administrative Procedure Act (5 U.S.C. 554), and if appealed, reviewed by a Federal court in accordance with that act (5 U.S.C. 702). The Conference also suggested that agencies be allowed to compromise or mitigate any civil fine either before or after assessment.

Most U.S. attorneys and Department of Justice officials we interviewed agreed that civil fines would be a plausible alternative to criminal prosecution of certain misconduct.

Pretrial Diversion

Pretrial diversion is a voluntary program which removes charged suspects from the traditional criminal justice process before trial and places them in a program of supervision, generally by the Federal Probation System, for a specified period of time. Successful participants have their charges dismissed, while unsuccessful participants are returned for prosecution.

The major objectives of pretrial diversion are:

1. To prevent future criminal activity among certain defendants against whom prosecutable cases exist by diverting them from traditional processing into community supervision and services.

2. To save prosecutive and judicial resources for concentration on major cases.

Although U.S. attorneys are using the pretrial diversion alternative to some extent, the majority of prosecutable suspects who are not prosecuted are simply released. Declining to prosecute suspected offenders may reduce U.S. attorneys' workloads; however, it has little, if any, deterrent effect on crime.

Prospective discretion needs guidance and control

The courts have recognized that U.S. attorneys have considerable latitude in determining their prosecutive priorities through the exercise of prosecutive discretion. We also recognize that prosecutive discretion is essential to the efficient and effective application of the U.S. attorney's responsibilities. The U.S. attorney must have the latitude to decide which violations deserve the commitment of his limited resources, although we also believe that his decisions should be in consonance with definitive priorities and guidelines established by the Department of Justice. Such departmental priorities and guidelines are needed to give national direction and control to Federal enforcement efforts.

What has not been recognized, however, is the impact prosecutive discretion has on the criminal justice system. The Department of Justice does not exercise control over this discretion, and there is no mechanism to monitor prosecutive discretion to insure that the discretionary mechanism operates fairly. The Department of Justice has not provided prosecutors with policy or guidelines to be used as a framework to mold prosecutive discretion. Thus, current prosecution philosophy, priorities, and guidelines reflect individual district think-

[1] Since 1969, the year the magistrate system began, several bills concerning the authority of magistrates have been introduced in the Congress. Public Law 94–577, 90 Stat. 2729, was enacted in October 1976. It defined the pretrial jurisdiction of magistrates but did not increase their trial jurisdiction. The 95th Congress is currently considering a bill (S. 1613), which would enlarge the civil and criminal jurisdiction of U.S. magistrates.

[2] "The U.S. Magistrates: How Their Services Have Assisted Administration of Several District Courts; More Improvements Needed," B–133322, September 19, 1974.

[3] The Conference was established to study and make recommendations concerning the efficiency, adequacy, and fairness of Federal agencies' administrative procedures.

ing rather than a nationwide policy. Consequently, differing applications of justice occur.

U.S. Attorneys Establish Their Own Priorities and Guidelines

Staff constraints and the large number of criminal suspects have forced U.S. attorneys to be increasingly selective in the criminal complaints they prosecute. Prosecutive priorities and guidelines are established by individual U.S. attorneys and are based, in part, on their opinions of which violations are the most significant, as well as on workloads, Department of Justice input, local conditions and needs, discussion with enforcement agencies, and suggestions from district judges.

There is no set form for priorities or guidelines. They may be written or verbal, general or specific, for the U.S. attorney's use only, or provided to referring agencies.

Some guidelines which U.S. attorneys have issued to enforcement agencies automatically decline (blanket declinations) certain types of complaints, thus screening these complaints out of the criminal justice system at the investigative level. For example, the U.S. attorney in one district, due to the large number of immigration violations, issued guidelines to the Immigration and Naturalization Service detailing the types of immigration cases that would be considered for prosecution. It is not known to what extent guidelines have screened out complaints because U.S. attorneys may or may not require enforcement agencies to report the number of complaints they decline under blanket declinations.

The certainty of conviction is another aspect that some U.S. attorneys consider when determining whether or not to prosecute. Heavy workloads and crowded court dockets prevent the prosecution of some complaints with a lower certainty of conviction unless there are compelling reasons to prosecute, such as lengthy criminal record, extreme violence of the crime, or other aggravating circumstances.

Uniformity in Prosecution Lacking Among U.S. Attorneys' Offices

In addition to substantially limiting the enforcement of certain statutes, prosecutive priorities established independently by each U.S. attorney have resulted in violations of the same type being prosecuted by one U.S. attorney while not being prosecuted by others. Thus, whether or not a suspect is federally prosecuted may depend more on the district handling the complaint than on the quality of the case. The extent of the problem is unknown because the prosecutive priorities, guidelines, and practices of the various U.S. attorneys are not fully reported to, nor compiled by, the Department of Justice.

The following schedule shows how the magnitude of the offense affects the probability of prosecution in some districts.

AMOUNT NECESSARY FOR PROSECUTION

District	Marihuana	Heroin	Bank embezzlement	Theft from interstate shipment	Obscene matter
1	2.2 lb	No guidelines.	No guidelines.	No guidelines.	Large commercial venture.
2	25 lb	½ oz	do	$500	Do.
3	Must be distributor.	1 g	$5,000	$1,500	No prosecution.
4	100 lb	No guidelines.	$1,000	$5,000	Large commercial venture.
5	100 lb	2 oz	$500	No guidelines.	Do.
6	50 lb	No guidelines.	$1,000	$1,000	No guidelines.

Most U.S. attorney's office officials interviewed agreed that uniformity of prosecution is desirable from a legal standpoint. One U.S. attorney said that Federal statutes are the same in all districts and should be enforced equally. However, the same officials generally viewed complete uniformity of prosecution as impracticable.

The following problems and differences between districts were among those mentioned as creating obstacles to complete uniformity:

Workload variances in some instances permit prosecution in one district and prevent it in another.

The types of cases judges are willing to accept vary among districts.

Individual district court decisions create differences in legal and evidential requirements among districts.

State sovereignty questions arise when State statutes provide penalties different from the corresponding Federal statutes.

Values and mores of individual communities differ.

Department of Justice officials pointed out that districts have different crime problems which require variant prosecutive guidelines. They noted, for example, that drug smuggling and illegal entry of foreign nationals were large problems in several districts along the U.S. southwest border. Because of the size of the problem, they believed that prosecutive guidelines far different than those in other districts of the country were needed and justified.

Although it may not be practicable to achieve complete uniformity of prosecution, we believe that the Department of Justice should strive for the maximum practicable uniformity of prosecution among districts. Each citizen has the right to expect that Federal law will be applied equally to all. A former U.S. attorney expressed a similar opinion, stating that the lack of direction and coordination in some areas points up the great need for national enforcement priorities.

Recommendations

We recommend that the Attorney General review the prosecutive priorities and guidelines of the U.S. attorneys to see that the maximum practicable uniformity in prosecution among Federal jurisdictions is achieved.

As an important adjunct to this review, we recommend that the Attorney General develop for consideration by the Congress a comprehensive proposal for dealing with the overflow of prosecutable complaints received by U.S. attorneys. This proposal should present the results of the Department of Justice's consideration of all the following alternatives as well as any others the Department may identify.

Giving agencies civil fine authority.

Deferring criminal prosecution for suspects who qualify for a pretrial diversion program.

CHAPTER 3.—AGENCY COMMENTS AND OUR EVALUATION

The Department of Justice generally believes that the findings presented in this report are accurate. It agrees that it should (1) attempt to eliminate unwarranted disparities in the enforcement of Federal criminal laws and (2) develop alternatives to criminal prosecution for dealing with the overflow of prosecutable complaints received by U.S. attorneys. (See app. II.) The Department said that in the area of unwarranted disparities in the enforcement of Federal criminal law, the Office for Improvements in the Administration of Justice is currently engaged in two major projects: the development of prosecutive discretion "guidelines," and an empirical study of the prosecutive policies and practices of the U.S. attorneys' offices.

The prosecutive discretion guidelines project was begun by a Department task force in 1975. Based on the work of the task force, the Office drafted proposed guidelines relating to several areas of prosecutive discretion, including decisions to prosecute or decline prosecution. These guidelines were distributed informally to U.S. attorneys. The Attorney General has recently requested that the Office examine the possibility of developing additional guidelines for areas of prosecutive discretion other than those covered earlier and reexamine the desirability of formal distribution of the proposed guidelines already developed.

As a corollary to developing prosecutive discretion guidelines, the Office has formulated a research project designed to study the prosecutive policies and practices of a selected sample of U.S. attorneys' offices. This study is scheduled to commence in early 1978 and to be completed within 12 to 18 months. It is aimed at establishing empirically the extent of disparities in the exercise of prosecutive discretion in the Federal criminal justice system and developing a means for achieving uniformity and consistency in the discretionary decisions of Federal prosecutors.

The Department also said that, with respect to the development of alternatives to criminal prosecution, the Office has been actively engaged in the analysis and evaluation of an experimental pretrial diversion program begun by the Department in 1974. Pursuant to that program, U.S. attorneys have been authorized to use pretrial diversion as an alternative to prosecution except in certain types of cases. More than 30 districts have participated in the program, and in five demonstration districts the program has been conducted under controlled conditions for study purposes. Early in 1977 a survey of all U.S. attorneys' offices was conducted by the Office to gather data concerning the operation of the program. Analysis of the data is now under way, and an evaluation of the program is expected to be completed this fall.

In addition to these major projects, the Office is considering ways to develop an information system that would enable the Department to monitor prosecutions in all U.S. attorneys' offices. Such a retrieval system would make possible the rapid identification of the types of cases presented to and prosecuted by the U.S. attorneys and would facilitate efforts by the Department to ensure the maximum practicable uniformity in prosecution between Federal districts.

The Department has recently developed a statutory proposal which would make more effective use of judicial resources. The criminal jurisdiction of Federal magistrates would be increased by permitting them to try all misdemeanor cases. It said that a bill based on this proposal recently passed the Senate (S. 1613) and is expected to receive favorable consideration by the House of Representatives.

LABOR-MANAGEMENT COMMITTEES

Mr. PERCY. Mr. President, the January–February 1978 issue of the Harvard Business Review contains a most interesting article on labor-management committees. Written by

William L. Batt, Jr., and Edgar Weinberg, the article traces the growing development of joint labor-management committees, a trend that I have long advocated. As the authors note, the objective of the process is to obtain benefits for both labor and management, not to bargain over the division of gains.

The article describes a number of committees in operation today and the types of issues they deal with. Although the authors state that the prospects for rapid widespread adoption of the cooperative approach are not favorable given the traditional mistrust between labor and management, nevertheless, there is likely to be a continuing but gradual increase in the number of cases of cooperation.

Because of the importance of this topic and the potential it holds for increased labor-management cooperation, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR-MANAGEMENT COOPERATION TODAY

(By William L. Batt, Jr., and Edgar Weinberg)

Much has been written about the indifference, even hostility, of U.S. labor leaders as well as employers to the type of developments in codetermination and industrial democracy that are taking place in Western Europe.

Through legislation, trade unions in West Germany and Scandinavia have achieved representation on boards of directors. U.S. labor, however, is opposed to being involved with policy decisions outside the employment area, which have usually been left up to stockholders, directors, and managers.

The concept of industrial democracy in the United States still means collective bargaining with a concentration on job-related issues. Thomas Donahue, executive assistant to the president of the AFL–CIO, states U.S. labor's position emphatically:

"We do not seek to be a partner in management—to be, most likely, the junior partner in success and the senior partner in failure. . . . [Codetermination] offers little to American unions in the performance of their job unionism role . . . and it could only hurt U.S. unions as they pursue their social unionism function. . . . We don't want to blur in any way the distinction between the respective roles of management and labor in the plant."

According to Irving Bluestone, vice president of the United Auto Workers (UAW), "the concept of codetermination as it is understood in Europe has not made marked inroads on our shores."

While both unions and management on this side of the Atlantic firmly rule out codetermination, interest in grass roots cooperation and acceptance of various types of it are more widespread today than at any time since World War II. This cooperation often takes the form of joint labor-management committees, plant production committees, Scanlon Plans, quality-of-work-life committees, and similar consultative bodies at the plant level. Experiments in autonomous work groups—shop-floor democracy along the lines tried in Scandinavia—are also being undertaken. In the railroad and retail food industries and the construction industry, too, union-management committees have been formed to consider industry-wide issues.

The distinctive feature of these arrangements is the agreement to extend collective bargaining beyond its traditional limits—that is, to deal jointly with issues of mutual interest without impairing either party's bargaining strength. The committees take up such issues as energy conservation, work methods, employee morale, waste reduction, and similar workplace problems. The objective of the process is to obtain benefits for both parties, not to bargain over the division of gains.

Will the spread of plant-level cooperation be the American version of the European movement to increase worker participation? It is far too early to judge. So far, there are still relatively few cases of this type of cooperation, but current economic and social trends certainly favor such efforts.

These trends include the pressures to improve productivity, which has been lagging, and to counteract the squeeze on profits coming from rapidly rising energy and material costs and slow growth of demand. Further, with capital per worker rising, measures to maintain industrial peace and reduce absenteeism become vital to profitability. Also, the high costs of arbitration, training, and hiring put a premium on measures to reduce grievances and turnover. For a generation of managers educated in the doctrines of McGregor, Likert, and Drucker, improving communication and participation through union-management cooperation may no longer seem heretical.

Although only a few national leaders have committed themselves to specific action on the issue, the general concept of labor-management committees is widely endorsed. Among union leaders, I. W. Abel, former president of the United Steelworkers, and Bluestone of the UAW have been leading sponsors of action within their industries. Arthur Burns, chairman of the Federal Reserve Board, sees much merit in voluntary grass roots joint efforts for productivity improvement that could reinforce anti-inflationary measures taken at the national level.

In Washington, D.C., Senators Jacob Javits, Charles Percy, and Sam Nunn sponsored the creation in 1975 of the National Center for Productivity and Quality of Working Life. One of the National Center's primary functions is to encourage the formation of labor-management committees following the model widely used during World War II. Congress is also now considering the Human Resources Development Act of 1977, a bill introduced by Representative Stanley Lundine and Senator Javits, both of New York, to provide funding for over 200 demonstration projects in joint work restructuring, gains sharing, and community and state labor-management programs.

MUTUAL CONCERNS

The idea of labor-management cooperation is not new. It goes back over 50 years.

In the 1920s, the Baltimore and Ohio Plan attracted wide attention The B&O Railroad and the Machinists formed joint committees in the repair shops to screen workers' suggestions about matters outside the scope of the usual collective bargaining, such as ways to increase efficiency, reduce waste, improve working conditions, and expand business.

The most extensive experience with labor-management production committees took place during World War II, when industry was trying to increase military output in the face of shortages of labor, materials, and energy. Over 5,000 joint committees were formed, about 1,000 of which concentrated on production problems. In the opinion of many employers and union leaders, these committees improved productivity and morale and enhanced mutual understanding of the broad problems of the common enterprise. When the war ended, most of the committees were discontinued.

As the scope of collective bargaining has expanded, some unions and employers have established committees on health and safety, education and training, pensions, drug addiction, alcoholism, and preretirement counseling. Bluestone has pointed out that "in the [joint safety and health committee] programs thus far undertaken in the auto industry, literally thousands of corrective actions have resulted from the joint efforts of union-management teams at the national and the local level." Successful joint efforts in these areas have led to joint experiments on the quality of work life.

Most of the 180 active committees that we have studied were formed as a result of union and management taking the initiative at various plants.[1] To get started, a few have drawn on the services of impartial third parties from the Federal Mediation and Conciliation Service (FMCS), from productivity and quality of working life centers, or from state institutes of labor and industrial relations.

Automotive industry committees have formed at General Motors, Chrysler, Bendix, Dana, Rockwell, Kelly-Springfield, TRW, and the Harman International plant at Bolivar, Tennessee. Among the food companies with joint committees are A&P, General Foods, Giant, Heinz, Kroger, Oscar Mayer, and Safeway. Steel companies making the effort include U.S. Steel, Armco, Bethlehem, Kaiser, and Crucible. All told, 113 in-plant committees are listed in 89 companies.

Unions represented include the Machinists, the Autoworkers, the Steelworkers, the Teamsters, the Meatcutters, and the Paperworkers. They include 147 locals in these and other internationals.

Also listed are 49 committees active in agencies in the public sector at federal, state, and local levels. Most of these are the result of pressures from citizens against increased taxes but for increased services. The unions most involved are the State, County, and Municipal Employees and the American Federation of Government Employees.

UNTESTED WATERS

What issues do labor-management committees deal with? What do they offer that collective bargaining does not provide? Bruce Thrasher, a Steelworkers representative, reminds us that "such committees are not a substitute for or an alternative to free collective bargaining. Successful committees require a mutuality of interest and serve to complement the collective bargaining process."

In recent years, worker participation through joint labor-management committees has been gradually expanding into new and previously untested waters. These include bidding on new work and bringing in work previously subcontracted outside, organizing the layout of machinery and equipment in a new plant and reorganizing it in an old one, helping to select key supervisory personnel, and planning and overseeing quality-of-work-life programs.

BRINGING IN NEW BUSINESS

At the American Sterilizer Corporation's Amsco Equipment Company, which manufactures hospital equipment in Jamestown, New York, a labor-management committee has been active since 1972 by agreement with the International Association of Machinists. James Laughner, Amsco's plant manager, was recently seeking new products to promote company growth and job security for its 200 workers when the opportunity came up to bid on a new product, one that the company had previously bought outside.

Industrial engineering had been used before in a similar situation but without success. This time, the labor-management committee suggested using production workers to develop a bid. A team of four workers and an engineer was formed and instructed in the bidding process. By conferring with the

[1] *Directory of Labor-Management Committees*, first edition (Washington, D.C.: National Center for Productivity and the Quality of Working Life, 1976).

workers most concerned, the team developed realistic estimates of the time required to make and assemble the components. The team came in with a bid significantly lower than the purchase price of the existing product or the previous industrial engineering estimate, and plant management was able to obtain approval from corporate headquarters for the capital investment required to produce the product. This meant a 15 percent annual increase in the plant's volume and 40 more jobs.

DESIGNING PLANT LAYOUTS

At the Rockwell Standard Division of Rockwell International at a new plant in Battle Creek, Michigan, the Rockwell-UAW joint labor-management committee helped design the plant's original layout. The people with the responsibility for running the machinery collaborated with the engineers in finding a location and designing the flow of production.

In a similar case, the Carborundum Company's 37-year-old Falconer, New York plant, which makes castings for the glass industry, faced an acute need for streamlining plant layout to improve productivity. In addition to retaining an engineering consulting firm, the plant manager decided to involve the plant's labor-management committee, a 12-member group that meets every two months and deals with issues of production improvement, quality control, and safety. The six union members are from the Fireman and Oilers and the Machinists unions.

Rather than mastermind ideas for redesign themselves, the committee members surveyed the employees with questions on plant layout and product flow. Ideas were solicited through small group meetings in each department and shift. The groups met on released time, and the foremen and shop stewards participated. As a result, the committee collected a total of 167 statements of problems and recommendations to solve them. In August 1977, Carborundum announced a $5.1 million expansion at the facility and based the design in large part on these recommendations.

PICKING SUPERVISORS

Increased worker participation in the selection of key supervisory people is another novel use for labor-management committees.

In 1971, the executive editor of the Minneapolis Star and Tribune was about to appoint two new assistant city editors for the Tribune. The local newspaper guild asked for veto power because of the critical effect this job has on reporters' morale. While this request was denied, management did agree to pick the new editors from the people suggested by the labor-management committee. It proposed two nominees, and management appointed them both. Since then, committees have been formally organized under the contract at both newspapers, and they meet monthly to consider common problems, including promotions to 15 supervisory positions below the city editor level. This cooperative arrangement has worked so well that within the past few months the publisher of the Star has sought the cooperation of the labor members of the labor-management committee in recruiting a new editor for that paper.

Under their contracts, they have agreed to discuss "any matter affecting the relationship between the employer and the employee . . . not covered by the normal bargaining and grievance machinery." These have included the quality of the newspaper, their morale, communication, and staff size, and recently the problems caused by incoming technology.

John Carmichael, executive Secretary of the Newspaper Guild of the Twin Cities, was a prime mover in these committees. As Carmichael put it, "The idea of being asked, 'What do you think about your work?' is so strange and so seldom occurs that simply posing the question to a worker does all kinds of things in terms of raising his image of what he thinks you think about him and what he thinks about himself. In all too many cases, the attitude is, 'Get over there and do the job. We don't care what you think. It's not your job to think but to do what we tell you to.' That's a common attitude. If you reverse it, it's a shock."

The Star and Tribune and the guild are currently exploring the desirability of extending their committee with its six years of experience into a more sophisticated quality-of-work-life project. This would include other crafts as well.

IMPROVING WORK LIFE

Planning and overseeing just such quality-of-work-life programs is the primary function of the labor-management committee in unionized plants where both management and union usually cosponsor such projects.

In the General Motors Corporation, a company-wide committee cochaired by George B. Morris, Jr., GM's vice president for personnel, and UAW's Bluestone oversees all joint projects. Programs are under development in most divisions of the corporation, almost all involving the UAW.

At the Fisher Body No. 2 Plant in Grand Rapids, the labor-management committee began a program in 1973. A key element was to get employees to think as a "business team"—that is, to think in terms of cross-functional lines instead of vertical lines from the standard organizational chart. The objective was to lower the level of decision making and to develop an atmosphere of mutual trust. The pilot project was in the cutting room, where cloth and vinyl are cut for body interiors. From this beginning, the business team concept has spread through the entire plant.

At a recent conference sponsored by the National Center for Productivity and Quality of Working Life, Richard Norton, a GM manufacturing superintendent, explained that "the business team concept actually created a smaller business which set its own goals and whose members are responsible to each other for the success of the business."

In Phillipsburg, Pennsylvania, the Rushton Coal Mines has been experimenting for four years with autonomous work groups. A steering committee consists of Warren H. Hinks, Jr., Rushton's president, the mine foreman and other management executives, officers of the Mineworkers union, and several members of both the mine and the safety committees.

This committee, assisted by a research team from Pennsylvania State University and the University of Pennsylvania, planned the project and now oversees its implementation. The Department of Commerce has provided research and training funds. Autonomous work groups were first tried in a section of the mine and involved 27 volunteers, 9 for each of 3 shifts. All 27 have been trained in all jobs to permit full job rotation. They have been given special training in both federal and state mine safety laws and paid the top rate. Crew foremen are primarily responsible for safety and planning; the crew itself is responsible for production. This test group was successful, particularly in improving safety, so the experiment has now been extended to the entire mine.

Mark Naylor, a member of the trial group, reported that "suddenly we felt we mattered to somebody. Somebody trusted us. . . . When a machine busts down nowadays, most of the time we don't bother to call a maintenance man. We just fix it ourselves because, like I said, we feel it's as much ours as our own car at home."

According to Hinks, "We feel that the men are coming up with better attitudes; they are finding the work more interesting. Emphasis on safety has greatly increased. Formerly the idea was that you either had to go for coal output or for doing all of the safety things that complied with the law, but not for both. When the mine inspector wasn't around, the emphasis by the foreman would be on productivity, and a lot of the safety regulations would not be carried out. But now the autonomous teams do all of the work needed to be done to comply with safety regulations."

FAMILIAR TERRITORY

The more customary uses to which committees are put include improving productivity, increasing job security, and promoting the general success of the enterprise. Another frequent use of the committees is stabilizing labor-management relations. This stabilization has often come about because of an awareness on both sides after a protracted strike that there must be a better way.

JOINING IN THE COMMON CAUSE

Committees in the steel industry are of the job security and productivity improvement sort. They grew out of the crisis caused by competition from Japanese and German imports, which gained impetus from the shortages of domestic steel during the long 1959 strike.

Although the steel industry agreement specifically excludes matters pertaining to the collective bargaining agreement, the areas that joint committees in that industry focus on are fairly broad. They include such matters as business conditions facing the company and the industry; foreign competition; excessive absenteeism; workers' morale, safety. and health; quality of work; equipment maintenance and downtime; reduction of rejects, waste, rework, and scrap; and saving of materials and energy—in short, things that improve productivity and thus job security.

In Pascagoula, Mississippi, the Litton Industries shipyard is second in size only to the yards at Newport News and builds half the U.S. Navy's ships. It is the largest industrial employer in the Southeast. With 23,500 employees, 14 unions, and up to 500 union stewards in the plant on any given day, communication is a major problem

Its labor-management committee, which meets monthly and consists of 50 members, discusses problems that affect the greatest number of employees, reviews policy changes before implementation, explores productivity improvement, and provides an opportunity for dialogue on pressing production problems. This committee grew out of a month-long strike in 1965. It was formed with the assistance of the Federal Mediation and Conciliation Service.

The need for improved communications is also felt in smaller plants like the American Velvet Company in Stonington, Connecticut, which has 375 workers. For over 30 years, the company has held morning meetings in which managers share information and ideas with each other. In recent years, the Textile Workers local union president and a union member have joined those meetings. Members read incoming mail together and talk with the sales manager in New York on conference calls. These informal daily meetings are in response to the volatility of that industry, which experiences daily shifts in demand.

Communications are also aided by the quarterly meeting of a profit-sharing committee in which all employees can offer and discuss suggestions. When demand for velvet decreased in 1975, the committee decided to operate and shut down on alternate weeks in preference to the traditional layoffs. This was done for four months until demand picked up.

Improving labor relations is the primary function of many labor-management committees, not just a by-product. Usually these committees grow out of strikes and a determination of the parties to achieve lasting industrial peace. They deal with issues that

give rise to grievances and other problems before contract negotiation time.

Layoff and recall, safety and security, equal employment opportunity, overtime distribution, and fringe benefits are typical agenda items. FMCS mediators often act as third parties, usually conducting what they call a relationship-by-objectives program and then helping to organize and provide ongoing technical assistance to the committees. This concern about grievances and other contract-related matters contrasts with joint committees in industries like steel, which ordinarily rule these matters out of consideration.

SCANLON PLANS

Labor-management committees are also used to plan and administer gains-sharing programs like the Scanlon Plan. Although they have been around since the late 1930s, these plans are of special interest because they have been widely adopted in the past few years as the pressures on management for increasing productivity and widening worker participation have intensified.

Scanlon Plans take their name from Joe Scanlon, an innovative accountant turned open hearth worker and local union president during the Depression. Faced with the failing fortunes of his employer, a marginal steel company in eastern Ohio in 1937, he and a labor-management group went for counsel to Clinton Golden, then the Steelworkers vice president at the Pittsburgh headquarters. What emerged from their collaboration was a three-point program.

Point one was to agree on a philosophy of cooperation, participation, and frank and open consultation among plant management, workers, and the union at both shop-floor and plant-wide levels for all kinds of production problems. Point two was to establish shop-floor production committees of three members each—the foreman plus two elected workers—and a plant-wide review committee including the plant manager and the union president. Their function: to generate and pass on workers' suggestions for improvements in methods for doing the plant's work. Point three was to base a group-bonus, or gains-sharing, plan on each month's performance and to pay it monthly.

Although arrangements vary, the bonus scheme agreed on between the Edgerton, Wisconsin plant of the Dana Corporation and the Autoworkers is typical. At Dana Edgerton, a network of 21 committees generated 535 suggestions in 1976, an average of one for every two employees. Resultant bonuses averaged 14 percent of payroll in 1974, 22 percent in 1975, and 20 percent in 1976. For the average worker, these amounted to $1,221 in 1974, $2,176 in 1975, and $2,153 in 1976.

Ron Sanderson, UAW local president, reported that "our people learn to be cost conscious, aware of the fact that we have to produce quantity and quality to remain competitive in the actual market, thus providing us with job security."

Scanlon Plans appear to produce readily measurable results more quickly for more employees and to last longer than many other reforms in work organization for a number of reasons.

First, Scanlon Plans do not depend heavily for survival on the continuance on the job of a single supportive manager, management, or union official, who is subject to change. Everyone has a visible, measurable stake in its continuation, the monthly bonus check. And there are regular opportunities for everybody to contribute suggestions and for elected shop committees to take part in discussion and decision making every month.

Second, Scanlon Plans are agreed on voluntarily by both union and management outside the contract and must be accepted by a substantial majority of all employees. Acceptance is determined by two secret ballot votes, one for a year's trial period and another for final adoption based on that experience.

Third, as soon as they are adopted, Scanlon Plans reach everyone from plant managers to sweepers. Many other quality-of-work-life experiments are far more ambitious but may take years of experimentation and evaluation with a small segment of employees before the benefits spread to everyone. Philips Lamp, for example, discovered in 1973—after ten years of innovative work restructuring—that only 3.5 percent of the 100,000 employees in its 39 Dutch plants were affected. "We forgot to let people participate," a company official said. Today more employees are involved.

Finally, Scanlon Plans give a continuing incentive for communications to improve in all directions—top down, bottom up, and laterally. The monthly bonus figure signals immediately how the company is doing. Lateral communications improve too because everyone soon realizes that the success of each person and group depends on the success of the entire enterprise.

SIGNIFICANT FACTORS

Whatever these joint committees do, and their activities vary widely as we have seen, they all have several points in common. They provide workers a regular, periodic opportunity to participate in decision making, especially on the shop floor, where their work is most directly affected. They help management at all levels to identify and solve problems facing the organization. They provide a learning experience for all concerned on the workings of the enterprise and the way in which each person relates to it.

While the factors that are significant in the successful operation of labor-management committees differ from case to case, practitioners highlight a few crucial points:

One of the first lessons is that joint efforts require modification of deep-seated attitudes, and these changes do not come readily. Only a relatively few managers and union officials have been willing to recast themselves as cooperative problem solvers.

Managers often report a fear of losing prerogatives in decision making, doubts that workers can make worthwhile contributions, and concern that giving workers a voice will strengthen the union's position. Managers with labor-management committees have a receptive, experimental, and open attitude. At Rushton, Hinks said, "The average worker wants to make an intelligent and creative contribution. I know it may be difficult for some of you to believe, but miners like their work. They want to be involved in decision making that involves them."

For their part, unions and employees often equate productivity with loss of jobs and workers' effort or fear that cooperation may weaken their ability to bargain for their primary goals. Thus cooperation requires a common understanding of the link between the establishment's competitiveness and job security. Where competition is intense this connection is readily perceived. For example, the joint production committees in the steel industry were renamed Employment Security and Productivity Committees to underscore the relationship. The president of one steel local noted that "once membership realizes that productivity is job-supporting not job-eliminating they begin to respond."

More fundamental in lessening employees' fears are specific measures for protecting job security and for sharing the gains. Companies with a "no layoff" or attrition policy in cases of technological change are likely to be able to reduce antagonism and achieve cooperation for improving productivity readily. Under the Scanlon Plans, participation through joint production committees is reinforced by a mechanism for measuring productivity gains and sharing them according to a preestablished formula.

For both sides, one inhibitor to action is the fear of failure. And some plans do fail. Many of these, like other human relationships dependent on mutual trust and good faith, are very fragile. The failures are hard to discover because it is not in the nature of most people to publicize their failures. Sometimes, labor-management committees suspend their activities when collective bargaining and internal political issues in management or the union become more pressing. This has taken place in the Amsco case cited earlier.

The second lesson underscores the importance of free communication and sharing of ideas as the basis of a successful joint committee. Productive committee discussion requires, according to Clyde Caldwell, special representative of the International Brotherhood of Boilermakers at the Tennessee Valley Authority (TVA), a willingness on the part of management "to leave its authoritative hat at the door and talk eyeball to eyeball and gut to gut across the table and hear what those people really feel. Let them lay it out to you without feeling hostile, without having elements of reprisal.

"On the union side, are you willing to go in there and make suggestions to improve the quality of work and reduce the inefficiency of that plant that you and your people walking around in that plant see every day? Are you willing to take the initiative in this crisis situation that this American economy finds itself in?"

Furthermore, rank-and-file employees and supervisors must be kept fully informed about committee activities and involved wherever possible. Otherwise, rank-and-file members may charge union committee members with "selling out," and line supervisors may feel that the union representatives are going over their heads.

Feedback from management regarding employees' questions about operations and suggestions for improvement is indispensable if their interest is to be maintained. Management's willingness to discuss the logic of what it is doing is the heart of the process. If employees get such information, observes William Black, Jr., administrator of TVA's labor-management relations, "You can count on their being more excited about their work, much more involved in it, and much more productive. Feeding the committee maintains the interest of the participants in the process."

A third lesson to observe is that a sense of commitment, mutual trust, and mutual respect is essential for the smooth functioning of a joint committee. Top plant management and union officers not only sanction cooperative efforts but also usually participate in committee meetings. Above all, trust is forthcoming as long as each party refrains from using the committee to undermine the collective bargaining process.

Finally, experienced consultants can play a useful role as catalysts to bring about cooperation. In some situations, trusted outside experts help adversaries accept a problem-solving approach by exploring differences and areas of common interest. Establishes a Scanlon Plan requires the services of accountants and other specialists. Quality-of-work-life experiments often involve behavioral scientists acting in the role of educators, facilitators, or researchers. Experience suggests that the decision to employ consultants and the choice and payment of experts can be best left to the labor-management committee.

FAVORABLE INFLUENCES

Given the traditional mistrust between labor and management, however, the prospects for rapid widespread adoption of the cooperative approach are not favorable.

Nevertheless, there is likely to be a continuing but gradual increase in the number of cases of cooperation, particularly in the Midwest and the Northeast, where most of the committees are now operating. These are

the old, established industrial areas with generally older, unionized plants facing competition from newer, nonunion plants in the South and abroad.

Another factor is the efforts of communities like Jamestown and Buffalo, New York; and Muskegon, Michigan; and of states like Maryland, Massachusetts, New York, and Ohio, which encourage the formation of cooperative in-plant programs in an effort to improve their economies, save jobs, and combat unemployment.

Still other favorable influences nationwide are the long-term trends in our society to increase recognition of the individual (evident in the civil rights and the women's movements) and to use collective bargaining.

Foreign visitors over several generations have consistently found American workers to be skillful and hardworking. Cooperation through joint committees at the plant and the shop-floor level may be one of the most effective ways for management to tap the creativity and ingenuity of this resourceful labor force to improve productivity and the quality of work life.

OPPOSITION TO THE PROPOSED NAZI MARCH IN SKOKIE

Mr. PERCY. Mr. President, the village of Skokie, Ill., is currently undergoing an agonizing and tragic episode which has brought to the forefront of public attention the question of what is protected free speech under the first amendment of the Constitution. For many months, the town has sought to enforce three local ordinances that would prohibit a planned march by the American Nazi Party through Skokie.

Such a march would be repugnant to any American community. But it is particularly abhorrent to the townspeople of Skokie, who include many survivors of the concentration camps of World War II.

The sight of person in full Nazi regalia goosestepping down the street is a disgusting spectacle to anyone. These people espouse bigotry and hatred. They show complete scorn for democratic institutions. The fact that they would want to march on April 20, the anniversary of Adolf Hitler's birth, gives us a clear picture of their mentality.

However, it is difficult for those of us who did not undergo the experience of the holocaust to fathom the nightmare such a sight would be to those who saw their loved ones dragged away and murdered by Nazi stormtroopers. To them, it is an incitement that goes far beyond simply an opposing point of view.

This proposed march has had one salutary effect. It has forced all of us who strongly believe in the protections of the first amendment to reexamine our deeply held principles and beliefs and determine what are the proper limits on speech and expression. The public debate it has engendered is itself a demonstration of the value of our right to free speech. We can debate the issue fully and completely in the public forum. All Americans can freely express their opinions on the meaning of our constitutional rights and how they ought to be applied. We must never forget that the first amendment rights of freedom of speech and assembly are the basic underpinnings of our democratic society.

I firmly oppose the proposed march through Skokie, and I have urged the townspeople to pursue to the fullest extent possible their legal remedies to prohibit this offensive display. I have also joined with others in Illinois who have called for a massive counterrally by all religious and ethnic groups to express abhorrence of Nazi beliefs and to affirm our faith in the democratic system.

DEFICITS, DEBT, AND INFLATION

Mr. HARRY F. BYRD, JR. Mr. President, as chairman of the Subcommittee on Taxation and Debt Management, I presided over hearings today to hear the Secretary of the Treasury, Mr. Blumenthal, and the Director of the Office of Management and Budget, Mr. McIntyre, as to how much the Government's debt limit should be increased to accommodate the huge deficit projected by the Carter administration's new budget.

First, some facts and figures to put the matter in perspective.

The Carter budget calls for an increase of more than 8 percent in the cost of Government for fiscal year 1979. Under this spending program, the administration estimates that the gross Federal debt will reach $874 billion by October of next year.

This means that the national debt will have doubled since 1972—a period of 7 years.

During this period of time, the interest costs on the national debt will have more than doubled, from $23 billion to $56 billion in President Carter's new budget.

We need to keep in mind that our Government has two different budgets—a unified budget and a Federal funds budget.

The unified budget includes revenues for trust funds. These trust funds can, by law, be used only for specific purposes, such as social security. The trust funds, as a whole, are running a surplus.

The Federal funds budget is for the general operation of the Government, and the revenues to finance it come from general taxation. It is the Federal funds deficit that determines the size of the Federal debt.

The Carter administration projects a Federal funds deficit of $72 billion for the current fiscal year and more than $74 billion for the upcoming fiscal year. Thus, the 2-year deficit of $146 billion is greater than the entire cost of Government in 1968.

Yes, the 2-year deficit—just the deficit—will be greater than the entire cost of Government 11 years ago.

It is because of these huge and accelerated deficits that the administration witnesses appeared before this committee today, projecting an unprecedented increase in the statutory debt ceiling of $89 billion for fiscal year 1979.

It is the accelerated and accumulated deficit spending by the Federal Government that is a major cause, if not the major cause, of the Nation's inflation.

Albert E. Sindlinger, the economic pollster, told this committee last month that his daily survey of consumers throughout the Nation finds that the big Government deficits have become a matter of major concern to American consumers, and have reduced their confidence in the future growth of our economy.

Until the deficit is reduced or eliminated, there can be no lasting cure for either inflation or economic stagnation.

The Gallup poll reported on February 16 that by a 9-to-1 margin the public agrees that controlling inflation is more important than achieving a tax cut. This is highly significant as most Americans, I believe, would like a tax cut.

Government planners would be wise to put a greater value on the instincts and the collective judgment of the American people.

While not pretending to be experts on Government finance, the American people instinctively know that there is something "rotten in Denmark," when the Federal Government is now going deeper into the hole by more than $1 billion per week on the average.

Secretary Blumenthal testified that the Federal Government will need to borrow from the public, for 1979, the sum of $75 billion in new borrowing and an additional $175 billion to finance Government debt coming due in fiscal 1979. Thus, the Government will be in the money market for at least $250 billion. Interest rates, almost certainly, are headed upward.

I conclude by emphasizing again that the 2-year deficit, this year and next, will be greater than the entire cost of Government in 1968.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the deficits in Federal funds and interest on the national debt, 1959 through 1979, and a second table showing the national debt in the 20th century.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT FOR FISCAL YEARS 1959-79, INCLUSIVE

[In billions of dollars]

[Prepared by Senator Harry F. Byrd, Jr., of Virginia]

Year	Receipts	Outlays	Surplus (+) or deficit	Debt interest
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+ .8	9.5
1961	75.2	79.3	− 4.1	9.3
1962	79.7	86.6	− 6.9	9.5
1963	83.6	90.1	− 6.5	10.3
1964	87.2	95.8	− 8.6	11.0
1965	90.9	94.8	− 3.9	11.8
1966	101.4	106.5	− 5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	− 5.5	17.6
1970	143.2	156.3	−13.1	20.0
1971	133.8	163.7	−29.9	21.6
1972	148.8	178.1	−29.3	22.5
1973	161.4	187.0	−25.6	24.8
1974	181.2	199.9	−18.7	30.0
1975	187.5	240.0	−52.5	33.5
1976	200.3	269.1	−68.8	37.7
Transition quarter	54.0	65.0	−11.0	8.3
1977	240.4	294.9	−54.5	42.6
1978[1]	267.9	340.0	−72.1	49.2
1979[1]	289.1	363.6	−74.5	55.9

[1] Estimated figures

Source: Office of Management and Budget.

The national debt in the 20th Century
(Totals at the End of Fiscal Years 1970–79)
(Rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	20
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	40
1940	43
1941	49
1942	72
1943	137
1944	201
1945	259
1946	269
1947	256
1948	251
1949	252
1950	256
1951	254
1952	258
1953	265
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	383
1971	410
1972	437
1973	468
1974	486
1975	544
1976	632
TQ	646
1977	709
1978*	786
1979*	874

*Estimated figures.

SOURCE.—Office of Management and Budget (January, 1978).

ORDER FOR RECOGNITION OF SENATOR BARTLETT ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of Mr. GARN and Mr. HATCH tomorrow, Mr. BARTLETT be recognized for not to exceed 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NAZI MARCH IN SKOKIE PROVES NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the American Nazi Party has chosen to march in Skokie, Ill. Their choice of Skokie was both deliberate and provocative. Much of Skokie's citizenry is Jewish, and many are survivors of the Nazi concentration camps. They cannot flee their terrible memories; the scar which genocide has left on them will never heal.

On March 9, 1978, an article appeared in the Washington Post entitled "Holocaust Survivors: A Uniquely Vulnerable Group." The article was written by Rabbi Stephen Fuchs. Rabbi Fuchs refers to Justice Brandeis' opinion in Whitney against California, in which Justice Brandeis stated the three grounds on which there is justification for suppressing speech which would otherwise be constitutionally protected. As Justice Brandeis said:

. . . There must be reasonable ground (1) to fear that serious evil will result if free speech is practiced . . . (2) to believe that the danger apprehended is imminent, and (3) to believe that the evil to be prevented is a serious one.

Rabbi Fuchs concludes that:

On all three grounds, there is reason to justify suppression of the present Nazi activity, especially in places like Skokie, where many Holocaust survivors live.

I could not be more sympathetic to Rabbi Fuchs' concern. But I cannot agree with Rabbi Fuchs that we should suppress the right which the members of any group has to express their views, however deplorable they may be.

Oliver Wendell Holmes was one of the most vigorous protectors of first amendment rights this country has ever known. Rabbi Fuchs quotes one of Justice Holmes' most famous statements, and it is a statement which I feel is as applicable in this case as it will ever be. Justice Holmes said:

If there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who agree with us, but freedom for the thought that we hate.

But however the courts may act in cases involving the Nazi march through Skokie, we can act to insure that the inhuman practices of the Nazis during World War II will never be visited upon this Earth again.

I can think of no better way for the Senate to take such action than through ratification of the Genocide Convention. What better way could there be to show our support for the principles of human rights? What better way could there be to show how utterly we detest the events which occurred in Nazi Germany, events which the American Nazi Party would seem to applaud today, some 30 years later?

For nearly 30 years, since 1949, the Genocide Convention has been before the Senate. The purpose of the Genocide Convention is to make the commission of genocide an international crime, and over 80 nations have seen fit to ratify its provisions. Has not the time finally come, even as the American Nazi Party is planning its march, for the Senate to act affirmatively on the Genocide Convention? Must we wait until the lessons of history are taught to us again? I hope not. I sincerely hope not. I urge the Senate to ratify the Genocide Convention as soon as possible.

I also ask unanimous consent that the article by Rabbi Fuchs be printed in the RECORD in full immediately following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOLOCAUST SURVIVORS: A UNIQUELY VULNERABLE GROUP

(By Stephen Fuchs)

Jewish law and legend accord the victims of great suffering—the widowed and the orphaned—an extraordinary degree of compassion and protection. The Torah reflects their special status: "You shall not mistreat a widow or a fatherless child. If you afflict them in any way, I shall surely heed them when they cry out to me." (Exodus 22: 21–22)

Abraham Ibn Ezra commented that even if only one individual added to the suffering of widows and orphans, the entire community incurred divine wrath if it did not rise up as one body to protect and defend the victims.

When the Hebrew Bible and later Jewish tradition speak of the widow and the orphan, they speak broadly of particularly vulnerable individuals whose prior suffering demands that protection lest their wounds be reopened.

Many people who experienced the Holocaust are still alive. They have lost their families; many have lost their mobility, their sexuality and their ability to hope that life can be a good and positive thing because of the horror they lived through in Europe a generation ago.

Those survivors are a unique group of people whose immeasurable suffering must entwine itself inextricably into any discussion of free speech as it applies to the rights of Nazis to march in full regalia and thereby evoke memories of Hitler's policies and practices.

It is true, as The Post noted in a recent editorial, that the Supreme Court has followed a zigzag path in applying the First Amendment's guarantee of freedom of speech. It is not true, as the editorial contended, that such a zigzag path is unfortunate.

Freedoms are rarely absolute. Often one conflicts with another. When such clashes occur, courts must decide which freedom should take precedence.

As Felix Frankfurter wrote in his opinion in *Dennis v. United States* in 1951: "Not every type of speech occupies the same position on the scale of values. There is no substantial public interest in permitting certain kinds of utterances . . . those which by their very utterance inflict injury or tend to incite an immediate breach of the peace."

In arguing for the primacy of free speech, the Post editorial quoted Oliver Wendell

Holmes's famous statement: "If there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate."

The argument there is not with hateful thoughts but with the immediate consequences wrought by the public expression of certain hateful thoughts. An equally famous quote from Justice Holmes's 1919 opinion in *Schenk v. United States* speaks to that vital issue. He wrote: "The most stringent protection of free speech would not protect a man in falsely shouting fire in a theater and causing a panic. It does not even protect a man from an injunction against uttering words that may have all the effect of force."

The justices differ over the magnitude a potential disaster must possess to permit that disaster to restrict free speech. However, the Nazi issue pits basic values of the American system against one another and forces us to confront our priorities and abridge for a few and for a time the right to free expression.

Last April the American Nazi party opened the Rudolph Hess Bookstore on Taravel Street in San Francisco directly across from Congregation B'nai Emunah. A huge swastika stared defiantly at a synagogue attended largely by refugees of Hitler's Holocaust. Sixty percent of B'nai Emunah's members are concentration-camp survivors.

The question is: Which takes precedence—the Nazis right of free speech or the emotional sensibilities and, yes, the physical well-being of this unique group of Americans?

The story of Tauba Weiss, which appeared in the last April 3 issue of the San Francisco Examiner, is unfortunately not an uncommon one among Holocaust refugees. She sobbed: " 'I lost four brothers and two sisters. I saw them take my mother away.'

"She knelt and put her hands to her neck and described how as a boy her husband watched the Nazis 'chop his father' to death.

" 'So,' she said through high-pitched cries, 'If you see a swastika you get all hysterical.' "

Tauba Weiss's fears are hardly unique. Similar reactions are stirred in thousands of European Americans by the sight of a Nazi uniform or the sound of exhortations similar to those that preceded the destruction of one-third of the world's Jews a generation ago.

The reflex of many of these people—whether in San Francisco or in Skokie—is instant and unavoidable. Public Nazi demonstrations involve a clear and present danger to the physical and emotional health of these citizens.

The fact that we have, as Aryeh Neier of the American Civil Liberties Union wrote in a recent Post article, "the freedom to express with all due vehemence our detestation for the Nazis" does nothing to help the already scarred Holocaust victim. If the Nazis were only "enemies of freedom" with evil intent, there would be insufficient reason to stifle them. Unlike any of Neier's other examples, though, a Nazi march and rally would bring severe and immediate suffering on a significant group of Americans.

No, the survival of the country is not imminently threatened by allowing Nazis to parade and demonstrate, but the health and welfare of certain Americans clearly are. Far more is involved than the mere freedom to be vile, as The Post suggested.

In his 1917 opinion in *Whitney v. California*, Louis Brandeis wrote about three grounds on which suppression of free speech can be justified: ". . . There must be reasonable ground 1) to fear that serious evil will result if free speech is practiced, . . . 2) to believe that the danger apprehended is imminent, and 3) to believe that the evil to be prevented is a serious one."

On all three counts there is reason to justify suppression of the present Nazi activity, especially in places like Skokie, where many Holocaust survivors live.

In *Whitney*, though, Justice Brandeis also wrote: "To courageous, self-reliant men with confidence in the power of free and fearless reasoning applied through the processes of popular government, no danger flowing from speech can be deemed clear and present unless the incidence of the evil apprehended is so imminent that it may befall before there is opportunity for full discussion. If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the processes of education, the remedy to be applied is more speech, not enforced silence. Only an emergency can justify repression."

Those words of the Justice also ring true. As long as direct sufferers of the Holocaust survive, the state of emergency justifying the repression of public Nazi demonstrations continues to exist.

The time will come soon, though, when those of us without numbers tatooed on our arms must prepare to defeat in full and open discussion any Nazi menace that rears its head. We must be ready to confront—with truth, reason and calm—swastikas, goose steps and outlandish lies.

For now, though, too many of our people have lived through too much to be able to act with such equanimity. Allowing free expression to Nazi zealots would jeopardize the health and well-being of many Holocaust survivors as surely as any physical assault.

The courageous "widows and orphans" of humanity's greatest tragedy deserve a special measure of protection. Lest our society merit the divine wrath of which Ibn Ezra spoke, we must rise up as one body to prevent their further suffering.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–3078. A communication from the Comptroller General of the United States, reporting, pursuant to law, on two new deferrals and two supplementary reports to previously proposed deferrals, to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Finance, jointly, pursuant to order of January 30, 1975.

EC–3079. A communication from the Acting Chairman, U.S. Railway Association, transmitting, pursuant to law, an Affirmative Finding made by the Finance Committee, a unanimous consent resolution of the Board, and further comments and recommendations of the Board; to the Committee on Commerce, Science, and Transportation.

EC–3080. A communication from the Secretary of the Interior, transmitting, pursuant to law a report on the Teton Dam Claims Program, for the period ending December 31, 1977; to the Committee on Energy and Natural Resources.

EC–3081. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at 1201 E Street NW., Washington, D.C.; to the Committee on Environment and Public Works.

EC–3082. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the conceptual design for a financial management system for the government of the District of Columbia; to the Committee on Governmental Affairs.

EC–3083. A communication from the Director, National Science Foundation, reporting, pursuant to law, a planned addition to the NSF system of records for review; to the Committee on Governmental Affairs.

EC–3084. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Customs Penalty Assessment and Mitigation Procedures—Changes Would Help Both the Government and Importers," March 13, 1978; to the Committee on Governmental Affairs.

EC–3085. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Further Improvements Needed in Investigations of Medicaid Fraud and Abuse in Illinois," March 10, 1978; to the Committee on Governmental Affairs.

EC–3086. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report for calendar year 1977 concerning positions in the United States Accounting Office in grades GS–16, 17, and 18 and their incumbents; to the Committee on Governmental Affairs.

EC–3087. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The 20-Year Military Retirement System Needs Reform," March 13, 1978; to the Committee on Governmental Affairs.

EC–3088. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report on disposal of foreign excess personal property located in areas outside of the United States, Puerto Rico, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands; to the Committee on Governmental Affairs.

EC–3089. A communication from the Executive Secretary, National Mediation Board, transmitting, pursuant to law, the Forty-Second Annual Report of the National Mediation Board, including the report of the National Railroad Adjustment Board; to the Committee on Human Resources.

EC–3090. A communication from the Commissioner, Immigration and Nationalization Service, Department of Justice, requesting that the case of Mary Mut-Lai Lieu, A12–507–677, involving suspension of deportation under the provisions of Section 244(a)(1) of the Immigration and Nationality Act of 1952, as amended, be withdrawn from Congress and returned to the jurisdiction of the Service in accordance with order of the Immigration Judge dated February 2, 1978; to the Committee on the Judiciary.

EC–3091. A communication from the Executive Secretary, Administrative Conference of the United States, transmitting, pursuant to law, a report regarding agency experience in dealing with Freedom of Information Act requests in calendar year 1977; to the Committee on the Judiciary.

EC–3092. A communication from the Administrator, U.S. Small Business Administration, transmitting, pursuant to law, a report regarding agency experience in dealing with Freedom of Information Act requests in calendar year 1977; to the Committee on the Judiciary.

EC–3093. A communication from the Freedom of Information Officer, Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, a report regarding experience in dealing with Freedom of Information Act requests in calendar year 1977; to the Committee on the Judiciary.

EC–3094. A communication from the Secretary, Railroad Retirement Board, transmitting, pursuant to law, a report regarding experience in dealing with Freedom of Information Act requests in calendar year 1977; to the Committee on the Judiciary.

EC–3095. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1976 through September 1977; to the Select Committee on Small Business.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions, which were referred as indicated:

POM–523. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Agriculture, Nutrition, and Forestry:

"SENATE JOINT RESOLUTION No. 11

"Whereas, since agriculture is the largest industry in Virginia and has a significant effect upon the overall economy of the Commonwealth, it is essential that the problems facing farmers be fully examined and alleviated; and

"Whereas, these problems include, but are not limited to, increased production costs, low commodity prices, and inadequate exportation of farm products abroad; and

"Whereas, the drought in Virginia during nineteen hundred seventy-seven caused a decline in crop cash receipts of one hundred million dollars to one hundred twenty-five million dollars, a significant decline in livestock cash receipts, a ten per centum decline in total farm income, and will continue to produce adverse effects in nineteen hundred seventy-eight; and

"Whereas, the average net income of Virginia farmers in nineteen hundred seventy-seven fell to two thousand dollars, a decline of more than fifty per centum since nineteen hundred seventy-three; and

"Whereas, the problems of Virginia farmers are the same as those problems shared by farmers throughout the nation; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That Congress is hereby memorialized to create and implement policies directed toward alleviating the economic problems of farmers in the United States; and, be it

"Resolved further, That the Clerk of the Senate is directed to send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the United States Department of Agriculture and to the members of the delegation to the Congress of the United States of this Commonwealth in order that they may be apprised of the sense of this body."

POM–524. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE JOINT RESOLUTION No. 38

"Whereas, the Farm Production Protection Act of 1977 was enacted into law by the United States Congress; and

"Whereas, the Farm Production Protection Act of 1977 established a federal crop insurance program for tobacco and peanuts in disaster and other emergency situations which the farmer has no control over; and

"Whereas, participation by farmers in the highly successful Federal crop insurance program is entirely voluntary and very inexpensive and is self-sustaining through the individual payment of premiums; and

"Whereas, Federal crop insurance has limited availability for crops besides peanuts and tobacco; and

"Whereas, the drought which occurred during the summer of nineteen hundred seventy-seven caused a two hundred and sixty two million dollar ($262 million) loss in grain production, hay and other crops grown by Virginia's farmers; and

"Whereas, one hundred seventeen Virginia localities were declared eligible for Federal drought aid and assistance; and

"Whereas, the after-effects of that drought will be felt for a long time in this Commonwealth; and

"Whereas, the widespread availability of crop insurance for all crops and livestock losses during the nineteen hundred seventy-seven drought would have been extremely beneficial to farmers and would have saved all levels of government millions of dollars in loan and assistance programs; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That the Congress of the United States and the Secretary of the Department of Agriculture are hereby memorialized to investigate the potential for expanding the coverage afforded by Federal crop insurance as set forth in the Farm Production Protection Act of 1977 to livestock and to crops other than tobacco and peanuts, and to seek ways to interest more farmers in obtaining such insurance; and, be it

"Resolved further, That the Clerk of the Senate is directed to send copies of this Resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the United States Department of Agriculture and the members of the Virginia delegation to the Congress of the United States in order that they may be apprised of the sense of this Body."

POM–525. A joint resolution adopted by the Legislature of Micronesia:

"HOUSE JOINT RESOLUTION No. 7–127

"Whereas, Public Law No. 95–134 (91 Stat. 1159) provides, in Section 101, authorization for an appropriation for the Trust Territory Government in the amount of $122.7 million for Fiscal Year 1979; and

"Whereas, the Office of Management and Budget has forwarded to the United States Congress a budget for the Trust Territory for Fiscal Year 1979 in the amount of $106.9 million, composed of $49 million for Trust Territory Government operations, $51.7 million for the Capital Improvement Program and $6 million for the rehabilitation and resettlement of Bikini Atoll; and

"Whereas, the figure of $49 million for governmental operations, which represents a reduction of approximately $3 million from the operational budget for Fiscal Year 1978, was achieved, in part, by reducing the operational budgets of the administrative districts by 5.8 percent; and

"Whereas, this action results in a loss of $1.94 million in the economies of the districts, aggravating a continuing decline in the per capita income of the districts at a time when the Trust Territory desperately needs economic development; and

"Whereas, the Congress of Micronesia has sought a reduction in the operational costs of the Headquarters of the Trust Territory, which is located outside the geographical boundaries of the Trust Territory, with the savings in Headquarters operations to be reallocated to the districts so as to stimulate economic development within the districts: and

"Whereas, the figure of $51.7 million for the Capital Improvement Program for Fiscal Year 1979 represents a reduction of $18.6 million from the optimal level of $70.3 million which has been programmed by the Office in Charge of Construction, United States Navy, Marianas, into a series of logically sequenced construction packages which were designed for maximum efficiency in putting the most infrastructure in place for the dollars spent; and

"Whereas, the net effect of the reduction in the funding level for the Capital Improvement Program for Fiscal Year 1979 is to further delay the implacement of vitally needed infrastructure which is directly related to economic development despite repeated promises and assurances from various United States officials that the necessary infrastructure would be in place prior to the termination of the Trusteeship Agreement; now, therefore,

"Be it resolved by the House of Representatives of the Seventh Congress of Micronesia, Second Regular Session, 1978, the Senate concurring, that the Congress of Micronesia hereby requests the United States Congress to appropriate, in addition to the amount submitted by the Department of the Interior, $1.94 million to be allotted to the administrative districts of the Trust Territory and to fund the Capital Improvement Program for Fiscal Year 1979 in the amount of $70.3 million, so that the program of the Office in Charge of Construction, United States Navy, Marianas, may be carried out at the optimal level; and

"Be it further resolved that certified copies of this House Joint Resolution be transmitted to the United States Congress, the President of the Senate, the Speaker of the House of Representatives, Senator Robert C. Byrd, Senator Henry M. Jackson, Senator Ted Stevens, Representative Phillip Burton, Representative Sidney R. Yates; the Secretary of the Interior; the Director, Office of Territorial Affairs; and the High Commissioner."

POM–526. A resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"HOUSE RESOLUTION No. 51

"Whereas, As a result of the California Public Utilities Commission's regulation of the rates of intrastate air travel, air fares for flights within California are approximately one-half that for comparable flights outside California; and

"Whereas, Congress is now considering several measures dealing with aviation regulatory reform which, with the exception of certain provisions which adversely affect the State of California, the Assembly of the State of California heartily endorses; and

"Whereas, Each measure would preempt the authority of the California Public Utilities Commission to regulate the rates of interstate carriers on intrastate trips, and the rates and routes of intrastate carriers, when at least 25 percent of the revenue comes from interstate travel; and

"Whereas, The objective of all of these measures is to provide greater competition between airlines, allow greater flexibility in the setting of rates, and provide for a reduction in air fares nationally; and

"Whereas, In their present form, these measures would result in an increase in air fares in California and in the loss of California's ability to maintain lower air fares; and

"Whereas, The California Public Utilities Commission has computed the cost to California consumers to be between sixteen million dollars ($16,000,000) and forty-two million dollars ($42,000,000) during the first year and a potential longer term cost in excess of two hundred million dollars ($200,000,000) per year; and

"Whereas, The objective of these measures can be achieved without the preemption of California's existing authority to set intrastate air fares; now, therefore, be it

"Resolved by the Assembly of the State of California, That the Members memorialize the Congress of the United States to amend the measures pending before it on aviation regulatory reform so as to preserve the right of the State of California to regulate fares for intrastate air travel so as to maintain low intrastate air fares in the state, and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of Transportation, to the Speaker of the House of Representatives, to each member of the Senate Committee on Commerce, Science, and Transportation, to each member of the House Committee on Public Works, to Congressmen Glenn M. Anderson and Harold T. Johnson, to each Senator and other Representatives from California in the Congress of the United States, to the Governor, and to the Public Utilities Commission."

POM-527. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Committee on Commerce, Science, and Transportation:

"SENATE CONCURRENT RESOLUTION No. 343

"Whereas, The increased use of new substances has lead to much concern about health. In addition, greatly improved medical and scientific skills have facilitated the detection of substances that are injurious to our health, property, and environment; and

"Whereas, There have been numerous accidents involving toxic substances that have caused grievous harm to many individuals. Many of these individual citizens suffer untold economic and personal hardships through absolutely no fault of their own; and

"Whereas, According to the figures of the Federal Farmers Home Administration, in Michigan there are forty-three cases in which people have been delinquent on their accounts due to the economic injuries caused by toxic substances (PBB). Of this forty-three, twelve cases are involved in liquidation processes to the amount of $1,314,636, while many are experiencing varying degrees of financial difficulty; and

"Whereas, To provide just and adequate compensation for people whose health or property are afflicted by toxic substances is a financial burden far beyond any which can be borne by the individual states. Clearly the only recourse to alleviate some of the anguish caused by mishaps involving toxic substances must come from the federal government; and

"Whereas, In addition, federal control is the sole means of providing uniform compensation for toxic substance victims. Consideration for the needs of those affected makes it imperative that swift action be taken such as the enactment of legislation including or similar to S-1531, 1330, 899, H.R. 7174, and H.R. 9616; now, therefore, be it

"Resolved by the Senate (the House of Representatives concurring), That the Michigan Legislature hereby memorialize the Congress of the United States to enact legislation concerning toxic substance victim compensation; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States Senate and the Speaker of the United States House of Representatives and to each member of the Michigan Delegation to the Congress of the United States.

"Pursuant to rule 32, the concurrent resolution was referred to the Committee on Senate Business."

POM-528. A concurrent resolution adopted by the Legislature of tht State of South Dakota; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 15

"Whereas, the Pick-Sloan Missouri Basin Flood Control Act of 1944 authorized the conservation, control, and beneficial use of the flood waters of the Missouri River; and

"Whereas, that plan provided for the construction of dams on the Missouri River in South Dakota; and

"Whereas, the water impounded by said dams inundated 509,000 acres of South Dakota agricultural land; and

"Whereas, persons outside the state's borders receive a majority of the flood control and electrical power benefits resulting from said dam construction and South Dakota land loss; and

"Whereas, the Pick-Sloan Missouri Basin Flood Control Act of 1944 also provided for construction of a multi-purpose water development project in South Dakota known as the Oahe Unit, which was authorized by Congress in 1968 and was designed to serve irrigation water needs in the Dakota Lake Plain, municipal and industrial water needs in the development area, fish and wildlife conservation and development, and expanded recreational opportunities; and

"Whereas, the authorizing legislation allocated a portion of the power revenues from electrical power sales to defray the costs of water development in South Dakota as partial compensation for the sacrifice of land in South Dakota to the said dams and reservoirs; and

"Whereas, the Oahe Conservancy Sub-District, acting through its Board of Directors, holding a contract with the United States for construction of Oahe Unit, has conducted hearings within the project area and has concluded that the authorized Oahe Unit is unacceptable to the Sub-District; and

"Whereas, the Oahe Conservancy Sub-District Board of Directors has adopted a resolution requesting the Congress to deauthorize Oahe Unit feeling such action was necessary to clear the way for acceptable water development, to request no further funding for the project and to request funding and support for (1) development of riverside irrigation in counties bordering the Missouri River served by closed pipeline systems, (2) development of pipeline delivery systems to meet municipal and rural domestic water needs and (3) development of a voluntary watershed program on the James River Basin; and

"Whereas, resolution of the issue is necessary for South Dakota to develop a program of flexible and desirable water resource use; and

"Whereas, the Lower James Conservancy Sub-District has requested a modification of Oahe Unit; and

"Whereas, the federal government is considering, as an option for replacement of direct water development projects, block grants to states; and

"Whereas, the South Dakota Oahe task force has been created to continuously monitor and examine the Oahe Unit as outlined in the construction schedule of the Bureau of Reclamation, to report annually to the Legislature on the progress of the project, and where appropriate, pursue or assist in pursuing modification and improvement in the project in the areas of: canalside irrigation; soil preservation; channelization; public access to project data; municipal, rural and industrial water supply; beneficial economic and environmental purposes and wildlife mitigation and enhancement; and

"Whereas, the South Dakota Oahe Unit task force has gone on record requesting the Bureau of Reclamation and the Fish and Wildlife Service to eliminate the list of landowners for wildlife mitigation in the Revised Wildlife Plan and to notify the individuals involved; and

"Whereas, the South Dakota Oahe Unit task force has recommended to the South Dakota Legislature that, before any further construction of Oahe Unit and before deauthorization of Oahe Unit, the Bureau of Reclamation with the cooperation of the South Dakota department of natural resources development study the feasibility of canalside irrigation in Hughes County and Sully County, and study the feasibility of irrigation pumping directly from Lake Oahe as compared with the feasibility of supplying water to Missouri riverside irrigation areas through the Pierre Canal and Blunt Reservoir, and that the Bureau of Reclamation conduct an appraisal study of the Lower James Conservancy Sub-District proposal for modification of Oahe Unit, including alternate sites for the pumping station and water delivery system; and the Oahe Unit task force further recommended that Legislature direct the task force to begin negotiations with the Federal government for a block grant or share of power generation revenues to offset the loss of 509,000 acres inundated in South Dakota by the Missouri River impoundments:

"Now, therefore, be it resolved, by the Senate of the Fifty-third Legislature of the state of South Dakota, the House of Representatives concurring therein, that the Legislature of the state of South Dakota does hereby memorialize and urge the Congress of the United States and the United States Department of the Interior to assist in development of water resources in South Dakota by allocating resources to cooperate with the South Dakota department of natural resources development, in consultation with the Department of Agriculture, Department of Environmental Protection State Planning Agency, and the Department of Game, Fish and Parks, in study of alternate water development projects in South Dakota, including but not limited to those requested by the recommendations for modifications and alternatives made by the Oahe Conservancy Sub-District Board of Directors; by the Lower James Conservancy Sub-District proposal for modification of Oahe Unit; by the WEB Water Development Association proposal; and by the Oahe Unit task force; and

"Be it further resolved, that the Legislature requests the United States Department of the Interior to immediately commence such study work in cooperation with the South Dakota department of natural resources development, the conservancy sub-districts involved, and the Oahe Unit task force, in consultation with the Department of Agriculture, Department of Environmental Protection, State Planning Agency, and the Department of Game Fish and Parks, using unobligated fiscal year 1977 carryover construction funds where appropriate: and

"Be it further resolved, that the Oahe Unit task force further assist in evaluation of other alternate water development project proposals as such proposals are offered to the extent of its fiscal and time constraints; and

"Be it further resolved, that the Legislature requests the United States Department of the Interior to eliminate the list of identified potential wildlife mitigation lands contained in the proposed Oahe Unit Revised Wildlife Plan and to notify the landowners involved of the elimination of such list; and

"Be it further resolved, that the Legislature of South Dakota asks Congress to refrain from any action to deauthorize Oahe Unit until analysis of such alternate water development projects is completed, or an acceptable cash settlement in the form of a block grant or a percentage of the annual power generated revenues from the facilities operating within the state on the Missouri River, has been negotiated by a team consisting of the Oahe task force and the South Dakota congressional delegation, pro-

vided that the authorized Oahe plan to develop irrigation in Brown and Spink Counties is not completed nor endorsed for completion; and

"Be it further resolved, that the Secretary of the Senate is hereby directed to forward copies of this resolution to the presiding officers of the United States Senate and House of Representatives, the members of the South Dakota Congressional Delegation the Secretary of the United States Department of the Interior, the Governor of South Dakota, the Oahe Unit task force, and the President of the United States."

POM–529. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION—THE COMMONWEALTH OF MASSACHUSETTS

"Whereas, In recent years the government of the Republic of Uganda has engaged in a consistent pattern of gross violations of internationally recognized human rights; and

"Whereas, Nearly four years ago the United States of America terminated its foreign aid program and closed the United States embassy in Kampala; and

"Whereas, Members of the Ugandan diplomatic mission to the United States and members of the Ugandan delegation to the United Nations have been involved in harassing Ugandan exiles in the United States, especially those exiles who are political opponents of Idi Amin, and have engaged in intelligence gathering on these individuals; and

"Whereas, Continuing repressive measures taken by the government of the Republic of Uganda have outraged the international community and have been condemned by the United States on several occasions; now therefore, be it

"Resolved, That the United States should, consistent with its obligations as the host for the headquarters of the United Nations, limit travel within the United States by members of delegations to the United Nations and has done so in the past to prevent improper activities within the United States; and be it further

"Resolved, That the Massachusetts Senate urges the Congress and the President to forthrightly enact legislation pending in the United States Congress to prohibit the importation of Ugandan coffee into the United States and furthermore to take all steps necessary to totally disassociate our nation from the government of Idi Amin in Uganda; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the Secretary of State, to the presiding officer of each branch of the Congress, and to each member thereof from the Commonwealth."

POM–530. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION—THE COMMONWEALTH OF MASSACHUSETTS

"Whereas, The three major branches of Christianity are Eastern Orthodoxy, Roman Catholicism and Protestantism; and

"Whereas, The Chief Bishop of the Eastern Orthodox Church is located in Constantinople, Turkey, and has been there for over one thousand five hundred years; and

"Whereas, Constantinople was one of the five main sees of the ancient church along with Rome, Alexandria, Antioch and Jerusalem; and

"Whereas, Since the capture of Constantinople in nineteen hundred and forty-three by Turkish invaders, the Patriarchate has been subject to persecution from time to time; and

"Whereas, In nineteen hundred and fifty-five, this persecution resumed and has included the deportation of thirty thousand persons and two bishops, the closing of the Patriarchate's newspaper, the refusal to permit certain bishops to be considered for election as Patriarch in nineteen hundred and seventy-two, the closing of the Patriarchal Seminary, which was an international theological institution, and the denial of passports from time to time to bishops of the Patriarchate for foreign travel; and

"Whereas, The government of Turkey in the Treaty of Lausane in nineteen hundred and twenty-three agreed to respect the rights of the Patriarchate and Christians and Jews living in Turkey; and

"Whereas, The Eastern Orthodox Church has two hundred million members and over three million in the United States, including a significant membership in the Commonwealth of Massachusetts; now therefore be it

"Resolved, That the Massachusetts Senate hereby urgently requests the President and the Congress of the United States to strongly protest to the government of Turkey the renewed persecution of the Ecumenical Patriarchate and of the Christians living in Turkey; and be it further

"*Resolved,* That it is the sense of the Massachusetts Senate that the United States should take steps to ensure religious freedom of the Christians and Jews in Turkey and respect for the status of the Ecumenical Patriarchate, and that the President and Secretary of State should take personal steps to ensure the religious freedom of the Ecumenical Patriarchate; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officers of each branch of the Congress, to the chairmen of the foreign relations committees of each branch of the Congress, to the United States Secretary of State and to His Eminence Archbishop Iakovos of New York City."

POM–531. A resolution adopted by the legislature of the State of Minnesota; to the Committee on Foreign Relations:

"H.F. No. 1732

"Whereas, the construction of an electrical generating facility located at Atikokan, Ontario, Canada has raised considerable concern regarding its environmental impact on the Province of Ontario, the State of Minnesota, and neighboring states; and

"Whereas, the regulatory power of the State of Minnesota does not extend to the proposed facility; and

"Whereas, there has been a long history of friendly relations and the resolution of problems between Canada and the United States to the mutual satifaction of each; and

"Whereas, it is recognized that there are legitimate energy needs related to the proposed facility; and

"Whereas, the United States government is the proper authority to deal with transborder concerns of this nature; now, therefore,

"Be it resolved, that the Legislature of the State of Minnesota urge the federal government, through the President and Congress, to take appropriate action to assure that adequate environmental safeguards are utilized in connection with the proposed Atikokan facility while, at the same time, the legitimate energy needs of the area are taken into account; and

"Be it further resolved that the Secretary of State of the State of Minnesota be directed to forward copies of this resolution to the President of the United States, the Secretary of State of the United States, and to each member of the Minnesota Congressional delegation."

POM–532. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Select Committee on Indian Affairs:

"SENATE CONCURRENT RESOLUTION No. 5

"Whereas, the present system of funding federal programs on Indian reservations is not effective; and

"Whereas, state agencies have responsibility for programs, but little authority over Indian reservations; and

"Whereas, the federal government does not encourage tribal governments to develop their own human services delivery systems and administrative expertise; and

"Whereas, inequities exist in program benefit levels on Indian reservations which extend beyond the boundaries of South Dakota:

"Now, therefore, be it resolved, by the Senate of the Fifty-third Legislature of the state of South Dakota, the House of Representatives concurring therein, that the Fifty-third Legislative Assembly of the state of South Dakota respectfully urges Congress and the federal government to:

"(1) Directly fund human resources programs on Indian reservations; and

"(2) Work with tribal governments to develop administrative capability to deliver human services; and

"(3) Deliver uniform benefits to all reservations; and

"Be it further resolved, that copies of this Concurrent Resolution be transmitted by the Secretary of the Senate to the President of the United States, to the secretary of the United States department of health, education and welfare, to each member of the South Dakota Congressional Delegation, and to the presiding officers of the United States Senate and House of Representatives."

POM–533. A joint resolution adopted by the Legislature of the State of California; to the Committee on Veterans' Affairs:

"ASSEMBLY JOINT RESOLUTION No. 68

"Whereas, Legislation has been introduced in Congress to provide a pension to veterans of World War I or their surviving spouses; and

"Whereas, The persons who would receive benefits under such a bill are certainly deserving and in need of such benefits; and

"Whereas, Such persons are generally not eligible for the wider range of benefits available to veterans of later wars and it is most fitting and proper for veterans of World War I to receive additional benefits under the provisions of the legislation; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to enact legislation which provides increased service pension benefits for veterans of World War I and for certain survivors of such veterans; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–534. A joint resolution adopted by the Legislature of the State of California; to the Committee on Human Resources:

"ASSEMBLY JOINT RESOLUTION No. 55

"Whereas, It has come to the attention of the California Legislature that many residents of United States possessions are unable to participate in educational opportunities available to United States residents; and

"Whereas, United States possessions and trust territories frequently have no accredited institution of higher learning in which students of those areas may pursue professional or career studies; and

"Whereas, In order to pursue their educational goals, those students must attend colleges and universities on the mainland and pay the additional tuition charges which

such institutions generally impose on out-of-state residents; and

"Whereas, It is in the best interests of the United States that residents of United States possessions and trust territories receive educational opportunities equal to those available to students residing on the mainland; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of of California respectfully memorializes Congress to give consideration to the enactment of legislation whereby the United States would alleviate the hardships of residents of United States possessions and trust territories by making available tuition grants for the payment of out-of-state tuition imposed upon such persons when attending an accredited college or university in the United States; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-535. A resolution adopted by the Minot Chamber of Commerce, Minot, N. Dak., opposing ratification of the Panama Canal Treaty; laid on the table.

POM-536. A resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works, jointly, by unanimous consent:

"HOUSE RESOLUTION No. 118

"Whereas, The Congress of the United States has before it Senate Bill 790 which, if enacted in its present form, would mandate an inland waterways user fee in addition to providing for the replacement of a certain dam and locks; and

"Whereas, Such user fee is in reality a tax upon the use of inland waterways, the imposition of which would raise the cost of water transportation: and

"Whereas, Inland waterways provide the most energy efficient means of transportation: and

"Whereas, The United States Department of Transportation reports that in terms of ton miles carried per gallon of fuel oil or gasoline consumed, a gallon will move 300 ton-miles by water, but only 180 ton-miles by and rail 50 ton-miles by truck; and

"Whereas, Every ton taken off the river will end up in either a train or a truck thus increasing the Nation's energy consumption; and

"Whereas, Inland waterway transportation causes less air and noise pollution as well as having the best safety record; and

"Whereas, The iron, steel and other industries in the Pittsburgh and western Pennsylvania area are dependent to a great extent on efficient water transportation; and

"Whereas, The increased cost of the transportation of fuels. raw materials and finished products resulting from the imposition of this tax would have a deleterious effect upon the industry of western Pennsylvania; and

"Whereas, The joining of legislation dealing with a specific project authorization, with an issue involving a major policy consideration with substantial economic impact is ill advised, the two issues should be separated and each decided strictly on its own merits; therefore be it

"Resolved. (the Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to divide the specific project authorization from the waterways user fee proposal currently joined in Senate Bill 790, and to let each issue be divided separately as its own merits; and be it further

"Resolved (the Senate concurring). That the General Assembly of the Commonwealth of Pennsylvania memorialize the President and Congress of the United States that the members of this General Assembly oppose the inland waterways user fee as proposed in Senate Bill No. 790; and be it further

"Resolved. That copies of this resolution be transmitted to the President of the United States, to the presiding officers of each house of the Congress of the United States and to each senator and representative from Pennsylvania in the Congress of the United States."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a resolution transmitted by the House of Representatives of the Commonwealth of Pennsylvania, relative to inland waterways user fees, be referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on the Judiciary, with an amendment, an amendment to the preamble, and an amendment to the title:

S.J. Res. 101. A joint resolution to authorize the President to issue a proclamation designating the Sunday following Fire Service Recognition Day as Memorial Sunday for firefighters who have been disabled or killed in the line of duty during the preceding year (Rept. No. 95-700).

By Mr. BAYH from the Select Committee on Intelligence, with amendments:

S. 1566. A bill to amend title 18, United States Code, to authorize applications for a court order approving the use of electronic surveillance to obtain foreign intelligence information (with additional views) (Rept. No. 95-701).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CULVER, from the Committee on Environment and Public Works:

Stephen John Gage, of Maryland, to be an Assistant Admininstrator of the Environmental Protection Agency.

(The nomination from the Committee on Environment and Public Works was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Evelyn T. Davidson, of Colorado, to be Superintendent of the Mint of the United States at Denver.

Manuel A. Sanchez, Jr., of New York, to be Superintendent of the U.S. Assay Office at New York, New York.

Shallie M. Bey, Jr., of New Jersey, to be Superintendent of the Mint of the United States at Philadelphia.

(The nominations from the Committee on Banking, Housing, and Urban Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

● Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Vice Adm. Howard E. Greer, U.S. Navy, (age 56) for appointment to the grade of vice admiral on the retired list; and Rear Adm. Kinnaird R. McKee, U.S. Navy, to be vice admiral; and there are 8 in the Navy for temporary promotion to the grade of rear admiral (list beginning with Melvin Museles). Also, Gen. Samuel Jaskilka, U.S. Marine Corps (age 58) for appointment to the grade of general on the retired list; and Lt. Gen. Joseph C. Fegan, U.S. Marine Corps (age 57) for appointment to the grade of lieutenant general on the retired list; and Brig. Gen. Jack M. Frisbie, Marine Corps Reserve, for permanent appointment to the grade of major general. Also, Maj. Gen. Thomas P. Stafford, U.S. Air Force, to be lieutenant general; and William C. Groeniger III and Joseph L. Tiago, Jr., U.S. Marine Corps Reserve, for permanent appointment to the grade of brigadier general; and there are 18 in the Air Force Reserve for appointment to the grade of brigadier general and major general (list beginning with Thomas Diab). I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. In addition, Mr. President, there are 306 in the Reserve of the Air Force for promotion to the grade of colonel (list beginning with Bryan Alkesich); and there are 557 in the Army for promotion to the grade of colonel (list beginning with Albert A. Ackerman; and there are 57 in the Army for appointment and reappointment to the grade of colonel and below (list beginning with Charles S. Horn). Also, there are 44 in the Navy for temporary and permanent appointment and reappointment to the grade of lieutenant commander and below (list beginning with Mark A. Battle); and there are 158 graduates for permanent appointment to the grade of second lieutenant in the Marine Corps (list beginning with Gregory E. Andrews). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's Desk for the information of any Senator.●

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to be placed on the Secretary's desk were printed in the RECORD of February 20 and February 28, 1978, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CHAFEE (for himself, Mr. MOYNIHAN, Mr. STAFFORD, Mr. RANDOLPH, Mr. ANDERSON, Mr. BROOKE, Mr. BURDICK, Mr. GRAVEL, Mr. HASKELL, Mr. MCCLURE, Mr. MORGAN, Mr. PELL, and Mr. WALLOP):

S. 2739. A bill to enhance the utility and ambience of Federal buildings by circulating throughout the United States exhibits of art and history among public buildings managed by the General Services Administration, and for other purposes; to the Committee on Environment and Public Works.

By Mr. JAVITS:

S. 2740. A bill to establish an Urban Service Corps; to the Committee on Human Resources.

By Mr. DOMENICI:

S. 2741. A bill to amend the Internal Revenue Code of 1954 to allow a refundable credit against income tax liability for increases in social security taxes resulting from increases in social security tax rates effective after December 31, 1977; to the Committee on Finance.

By Mr. NELSON (for himself, Mr. ANDERSON, Mr. FORD, Mr. HUDDLESTON, Mrs. HUMPHREY, Mr. MCINTYRE, and Mr. SPARKMAN):

S. 2742. A bill to amend the Internal Revenue Code of 1954 to provide simplification, reform, and relief for small business; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE (for himself, Mr. MOYNIHAN, Mr. STAFFORD, Mr. RANDOLPH, Mr. ANDERSON, Mr. BROOKE, Mr. BURDICK, Mr. GRAVEL, Mr. HASKELL, Mr. MCCLURE, Mr. MORGAN, Mr. PELL, and Mr. WALLOP):

S. 2739. A bill to enhance the utility and ambience of Federal buildings by circulating throughout the United States exhibits of art and history among public buildings managed by the General Services Administration, and for other purposes; to the Committee on Environment and Public Works.

(The remarks of Mr. CHAFEE when he introduced the bill appear earlier in today's proceedings.)

By Mr. JAVITS:

S. 2740. A bill to establish an Urban Service Corps; to the Committee on Human Resources.

URBAN SERVICE CORPS

● Mr. JAVITS. Mr. President, today I am introducing a bill to establish in the Action Agency an Urban Service Corps. This legislation would establish programs in which residents of urban areas are encouraged to volunteer their services on a full- or part-time basis to help relieve the serious crisis in our central cities and other urban areas which has been caused by chronic financial distress and severe national recession.

This is a particularly propitious time for introduction and consideration of this legislation because a recent Gallup poll shows that 89 percent of city residents would be willing to contribute their time, efforts, or money to help resolve urban problems.

This is the essence of my proposal for an Urban Service Corps, to wit: To tap the potential volunteer spirit that is latent in our cities.

The purpose of the Urban Service Corps is to mobilize the people of such cities and areas by enlisting voluntary associations, business, labor organizations, and trade associations and similar agencies and individuals in volunteer activities designed to halt and reverse the decline of municipal services and the deterioration of neighborhoods.

The Gallup poll confirms my belief that citizens are ready to come forward and help in solving the problems of their cities. They need only the opportunity to become involved in meaningful projects that can make use of their energies and dedication.

In my own city of New York, Mr. President, we have some of the most indefatigable and public-spirited persons in our country. They do not wish to stand by while their city slips so materially, as it has so far. They stand ready, willing and able to enlist in this Urban Service Corps and contribute their time and talent to the amelioration of our economic and social ills.

Another very important function of the Urban Service Corps would be to provide meaningful employment opportunities to unemployed people, particularly youth ages 18 to 24, who are residents of the most deprived sectors of cities and urban areas; and older people. Part-time opportunities for service would also be afforded those who currently hold full-time jobs but wish to volunteer their time and effort for this cause.

Thus, for youth and older people, participation in the Urban Service Corps would have a two-fold benefit: improved services for the recipients and work experience and some income for the volunteers. For other volunteers, there would be the chance to express civic patriotism through community service.

Mr. President, last year I was joined by Senator CRANSTON in introducing an amendment to increase the appropriations for the Action Agency by $4.4 million; $3 million of that was to be earmarked for the development of three model programs in title I, part C of the Domestic Volunteer Service Act of 1973 as amended, to wit: The Urban Service Corps; the fixed income counseling program; and the displaced homemakers program. The remaining $1.4 million was to have been for an increase in the Vista stipend.

The chairman of the Labor-HEW Appropriations Subcommittee (Mr. MAGNUSON) and the ranking minority member (Mr. BROOKE) requested that we withdraw the amendment pending further study of these various programs and possible inclusion in a supplemental budget request. I have concluded that new authority for an Urban Service Corps is necessary if this program is to have an opportunity for the kind of broad scale test I believe it merits.

In my judgment, the Urban Service Corps has great potential to help alleviate the serious distress in our Nation's cities. In cities like New York, where municipal financial problems have resulted in the layoff of thousands of civil servants, some of our necessary public services have been almost eviscerated. And this phenomenon is by no means restricted to New York City. Indeed it has happened and will continue to occur throughout the United States.

To help deal with this problem in New York beginning in 1975, and in cooperation with the mayor and Governor of New York, my then Senate colleague Jim Buckley, and the ranking members of the New York congressional delegation, Representatives DELANEY and WYDLER, I caused to be created the Citizens Committee for New York City which, under the leadership of Oz Elliot and Dennis Allee and now Sandra Silverman as executive director inspired thousands of New Yorkers to volunteer their time and effort to help maintain these desperately needed services.

Mr. President, I believe our experience can be a model of what can be achieved through our country by the establishment, under the ACTION Agency, of an urban service corps.

I was assured by ACTION Director Sam Brown, and Deputy Director, Mary B. King during their confirmation hearings last year, that they were for this idea. Quite recently, ACTION has concluded an agreement with DOL to fund a demonstration project for youth in Syracuse, N.Y. This $8 million effort is financed by a transfer of DOL funds made available under authority of the Youth Employment and Demonstration Projects Act of 1977, a bill with which I have been closely identified. I was delighted that Syracuse was chosen as the testing ground for this pilot program, which will have 1,650 participants, ages 16 to 21, who will be involved in full time community service projects. Participants will serve in both public agencies and private nonprofit organizations, for which they will receive a stipend of $78 a week, full medical coverage, and a $400 entitlement for education and training.

Mr. President, the Urban Service Corps provides an opportunity for our Nation's youth and others to take part in a positive work-service experience. With proper safeguards to protect existing employees, volunteers can work in their own urban neighborhoods, and can be utilized for such services as block security, child care, park beautification, and home improvement projects. Such qualitative and one-on-one services in the cities have been materially diminished and the reason for this is to be found in a lack of adequate funds. Personal and esthetic services are always the first to go. The creation of an Urban Service Corps can greatly help to improve these services and help restore the morale of our urban citizens.

Mr. President, I would like now to explain briefly the major provisions of my bill.

Specifically, full- or part-time volunteer services programs would be established for unemployed youth aged 16 to 19. This would create a two-way benefit, to wit: To the unemployed youths themselves and to the communities which are in desperate need of their services. In addition, full- or part-time volunteer opportunities would be made available for older persons and all other persons who wanted to take part in the program.

These would concentrate on social services, such as emergency shelters, service to the elderly or disabled, and child care; and community services, such as block security, housing, housing renovation, park beautification, and sanitation. Technical assistance will also be provided to individuals and organizations seeking to establish or continue businesss in deteriorating urban neighborhoods.

Cities with populations of 100,000 or more persons, and afflicted by substantial unemployment and financial distress, would be eligible for this program. The Director would establish, by regulation, criteria for determining eligibility for assistance.

Allowances, stipends, and other support would be permitted to the volunteers in amounts not in excess of those authorized under part A of title I.

Urban Service Corps programs are to coordinate with other Federal, State, and local government programs, with private nonprofit organizaticns and with businesses and labor organizations to provide the maximum possible outreach and utilization of volunteers within areas served by the Urban Service Corps.

Mr. President, I hope this bill will be given every possible consideration by our committee and, in particular, by the members of the Subcommittee on Child and Human Development. I know the subcommittee chairman, Senator CRANSTON, has great interest in exploring the potentials of such a program and we hope to have his continued support.

Let us give our citizens the opportunity to volunteer; let us give them a chance to direct their spirit, their talent, and their passion for our cities' survival in constructive ways that can best help resolve these severe problems.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Service Corps Act".

SEC. 2. The Domestic Volunteer Service Act of 1973 (hereinafter referred to as the "Act") is amended by adding, at the end of Title I thereof, the following new part:

"PART D—URBAN SERVICE CORPS

"STATEMENT OF PURPOSE

"SEC. 131. This part provides for programs in which residents of urban areas are encouraged to volunteer their services on a full or part-time basis to help relieve the serious crisis in our cities and urban areas caused by financial distress and severe national depression. Its purpose is to mobilize the existing human resources of such cities and areas by involving voluntary associations, business, labor organizations, public agencies, and individuals in volunteer activities designed to halt and reverse the decline of municipal services and the deterioration of neighborhoods. A further purpose of this part is to provide meaningful service opportunities to unemployed young people, aged 18 to 24, who are residents of the most deprived sectors of cities and urban areas.

"AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

"SEC. 132 (a). The Director is authorized to develop and conduct, and to make grants and contracts to public agencies and private nonprofit organizations for the development and conduct of a broad range of full and part-time volunteer programs in urban areas to assist in the solution of problems afflicting such urban areas, particularly problems related to poverty and unemployment in the most seriously deteriorated parts of our urban areas. Such programs may include, but are not limited to:

(1) Programs of full or part-time volunteer service for unemployed youth, aged 18 to 24 which provide meaningful opportunities for service to their communities, which may include, as part of such service, such training or education components as the Director deems appropriate;

(2) Programs of full or part-time volunteer service which provide, or supplement, needed community services such as block security, housing renovation, park beautification, and sanitation;

(3) Programs of full or part-time volunteer service which provide or augment needed social services such as emergency shelters, service to the elderly or disabled, and child care;

(4) Programs of full- or part-time volunteer service in which persons with business or professional experience provide technical assistance to individuals and organizations seeking to establish or continue businesses in deteriorating urban neighborhoods.

(b) For the purposes of this part, "urban area" means a unit of general local government which has a population of 100,000 or more persons.

(c) Assistance under this part shall be limited to urban areas which are afflicted by substantial unemployment and financial distress. The Director shall establish, by regulation, criteria for determining eligibility for assistance.

"VOLUNTEER SUPPORT

"SEC. 133. (a). Assignment of volunteers under this part shall be on such terms and conditions as the Director shall determine.

"(b) The Director may provide to persons serving as volunteers in programs under this part such allowances, stipends and other support, in amounts not in excess of those authorized to be provided to volunteers under part A of this title, as he determines are necessary to permit them to carry out the purposes of this part.

"TECHNICAL AND FINANCIAL ASSISTANCE TO VOLUNTEER PROGRAMS

"SEC. 134. The Director may provide such technical and financial assistance to public agencies and private nonprofit organizations which utilize or desire to utilize volunteers for purposes designed to carry out the purposes of this part as he deems necessary.

"COORDINATION OF PROGRAMS

"SEC. 135. The Director shall insure that Urban Service Corps programs are coordinated with other Federal, State, and local government programs, with private nonprofit organizations which utilize volunteers for purposes similar to the purposes of this part, and with businesses and labor organizations to provide the maximum possible recruitment and utilization of volunteers within areas served by the Urban Service Corps.

"LIMITATION ON ASSISTANCE

"SEC. 136. Financial assistance extended to an organization or agency pursuant to this part shall not exceed 90 per centum of the approved cost of the assisted project or activity. The Director may, however, approve assistance in excess of 90 per centum if he determines, in accordance with regulations establishing objective crieria, that such action is required in furtherance of the purposes of this part." ●

By Mr. DOMENICI:

S. 2741. A bill to amend the Internal Revenue Code of 1954 to allow a refundable credit against income tax liability for increases in social security taxes resulting from increases in social security tax rates effective after December 31, 1977; to the Committee on Finance.

● Mr. DOMENICI. Mr. President, I am sending to the desk a bill which would establish a refundable income tax credit to compensate taxpayers for increases in the social security tax rates which become effective after December 31, 1977. This bill is designed to provide direct dollar-for-dollar relief to most individual taxpayers, the self-employed and employers from the rising burden of financing our social security program.

The social security system is a vital income maintenance program which provides much-needed support for over 33 million aged and disabled Americans. The total social security program is a vital component in our overall economic health. This year, social security will pay out benefits totaling $103 billion and this will enable millions of Americans to actively participate in our economic system as consumers. The failure to adequately fund the social security system would have a very adverse impact on our Nation's economy.

On the other hand, Mr. President, we must be very careful not to stifle our economy under an increasingly heavy burden of social security taxes. Thus we are caught in a cruel dilemma. Social security benefits help millions of Americans live in dignity and independence, but, at the same time, social security taxes reduce the income and buying power of over 100 million taxpayers each year. The effect of the social security tax increase on employers also has serious negative economic consequences in that it is inflationary, will lead to reductions of the number of jobs available, thus fueling unemployment, and diminishes capital formation which is needed to keep the economic recovery on track.

The President has proposed a $25 billion tax package that is designed to compensate, in part, for the various tax increases he is seeking. But, upon further analysis, we find that his proposals will do little to ease the rapid rise in taxes on individual Americans.

Mr. President, when we study the administration's tax cut package, we find most Americans will still pay higher taxes in 1979 than they did last year—even with the proposed cuts. The National Journal has reported that only single taxpayers with incomes between $3,300 to $4,500 per year, and families of four with incomes ranging from $8,000 to $17,000 will be better off under the President's approach.

Mr. President, I ask unanimous consent that the article entitled "Even Under Carter Tax Plan, Most People Lose," which appeared in the February 4, 1978, edition of the National Journal,

be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, my approach is simple, direct, and easy to administer. It is not an economic "shell game" which seeks to redistribute income. It does not require a new or enlarged bureaucracy to administer and it will give direct relief to the people who pay the increased tax burden. Individuals who earn less than $17,700 (the wage base for social security in 1977) will receive a dollar-for-dollar credit for all increases in the social security tax rate above 5.85 percent. Thus a credit of 0.20 percent would be allowed in tax year 1978, 0.28 percent in 1980, 1.20 percent in 1985, and 1.80 percent in 1990 for individual employees and employers. Self-employed individuals would receive relief as their tax rises above 7.90 percent. Individuals whose earnings exceed the social security wage base will receive relief from increases in the tax rate but it will fall somewhat short of dollar-for-dollar relief because of the rise in the wage base. Although the relief for individuals in this category will be somewhat less than total—it will still be much more complete than the administration's approach.

My proposal will benefit the economy and individual taxpayers in three important ways. First, it is a refundable credit, thus it will offer relief to persons with little or no tax liability. Second, it provides relief for the hard pressed self-employed. Third, it provides relief for employers who might otherwise reduce the number of their employees in an effort to cut personnel costs. The tax burden on all businesses, and small businesses in particular, have reacted to a point where employment levels and the future health of an important sector of our economy is being threatened.

Mr. President, we all accept the fact that social security taxes will continue to rise over the coming years. We all acknowledge the absolute importance of having a strong and viable social security system. But we must fund social security without further taxing the poor, impoverishing the middle class, destroying private pension plans, and crippling capital formation. The Social Security Financing Amendments of 1977 have been called the largest peacetime tax increase in our history. My approach will help to minimize the adverse impact of that tax package without jeopardizing the funding mechanism for social security.

Mr. President, I believe that we should move promptly to enact legislation that would provide meaningful relief from the increased social security tax burden we have so recently imposed upon our citizens. My approach is direct, fair, and easily administered. According to Dr. Arthur Okum of the Brookings Institute:

> This tax credit will reduce the regressive tax on employees and the inflationary impact on employers due to the recent social security tax increase, thus making a better tax system.

I urge the Senate Finance Committee to give its prompt and favorable attention to S. 2741.

Mr. President, I ask unanimous consent that a table relating to a tax cut associated with social security tax credit be printed in the RECORD, together with the text of the bill.

There being no objection, the table and bill were ordered to be printed in the RECORD, as follows:

Tax cut associated with social security tax credit proposed by Senator Pete V. Domenici

[In billions of dollars]

Fiscal year	(1)	(2)	(3)	(4)
1979	2.4	.1	2.4	4.9
1980	3.0	.1	3.0	6.1
1981	7.7	.4	7.7	15.8
1982	10.6	1.2	10.6	22.4
1983	11.6	1.4	11.6	24.6

[1] Employee.
[2] Self employed.
[3] Employer.
[4] Total.

S. 2741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF CREDIT.

(a) General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44C. INCREASES IN SOCIAL SECURITY TAX LIABILITY.

"(a) General Rule.—

"(1) Employees and self-employed individuals.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the excess social security tax liability of the individual for the taxable year.

"(2) Employers.—In the case of a taxpayer which is an employer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the excess social security employer tax liability of the taxpayer for the taxable year.

"(b) Definitions, Special Rules.—

"(1) Excess social security tax liability.—For purposes of this section, the term 'excess social security tax liability' means the amount by which—

"(A) the liability of the individual for taxes imposed under sections 1401 and 3101 for the taxable year, exceeds

"(B) the amount of such liability which would be determined for the taxable year if—

"(i) the rates of tax imposed under section 1401 totaled 7.9 percent, and

"(ii) the rates of tax imposed under section 3101 totaled 5.85 percent.

"(2) Special rule for State and local government employees.—For purposes of this section, any tax imposed on an employee of any State or political subdivision thereof—

"(A) which is paid by the State to the Federal Government under an agreement under section 218 of the Social Security Act, and

"(B) which, under such agreement, is equivalent to the tax imposed by section 3101, shall be treated as a tax imposed by section 3101.

"(3) Excess social security employer tax liability.—The term 'excess social security employer tax liability' means the amount by which—

"(A) the liability of the taxpayer under subchapter B of chapter 21 for the taxable year exceeds

"(B) the amount of such liability which would be determined for the taxable year if the rates of tax imposed under section 3111 totaled 5.85 percent.".

(b) Refund of Excess Credit.—

(1) Subsection (b) of section 6401 of such Code (relating to excessive credits) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44C (relating to credit for increases in social security tax liability),", and

(B) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44C".

(2) Paragraph (4) of section 6201(a) of such Code (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "39 or 43" in the caption and inserting in lieu thereof "39, 43, or 44C", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof "section 43 (relating to earned income), or section 44C (relating to credit for increases in social security tax liability),".

(c) Clerical Amendment.—The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44C. Increase in social security tax liability.".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply with respect to taxable years ending after September 30, 1978.

EXHIBIT 1

EVEN UNDER CARTER TAX PLAN, MOST PEOPLE LOSE

(By Joel Havemann and Robert J. Samuelson)

Even if President Carter's proposed $25 billion tax cut is enacted, most individuals and families of four will pay a greater percentage of their income in federal taxes in 1979 than in 1977—assuming that their salaries rise with the cost of living.

The effect of the new tax system would not be so much progressive as perverse. Taxpayers at both the bottom and the top of the tax scale would pay more; only those in the middle would gain.

A National Journal analysis of the proposed tax changes shows that the only single taxpayers who would benefit are those whose 1977 incomes fell in the narrow range of $3,300 to $4,500. Probably only about 10 per cent of all single taxpayers fall in this range. The very poor, and the many single taxpayers whose incomes exceeded $4,500, would pay more.

The only families of four who would be better off are those with 1977 incomes between about $8,000 and $17,000. Those whose incomes ranged up to $22,000 would come out about the same. But for poor families whose incomes fall below $8,000, as well as families whose incomes exceeded $22,000, the tax bite would be worse in 1979 than 1977. Such families probably represent at least 45 per cent of all families of four.

Of course, most people who pay income taxes would be better off with the Carter tax proposals than without them. The perverse effects of the Carter proposals are the result of two factors that offset the tax cuts: social security tax increases legislated in 1977 and the effect of inflation as it pushes taxpayers into higher income tax brackets.

Taking these factors into account, Na-

tional Journal compared the 1977 and 1979 tax bites of individuals and families of four with incomes up to $30,000 in 1977. The results are shown in the graph above.

Single taxpayers would have to pay as much as an additional 1.7 per cent of their income in federal income and social security taxes. In dollar terms, they would have to pay as much as $1,400 in additional federal taxes.

Families would get hit hard at both the low end and the high end of the income scale. Families with 1977 incomes of $6,000 would see their tax bite increase from 2.5 per cent of their income in 1977 to 4.5 per cent in 1979, while $30,000-a-year families would experience an increase from 18.4 per cent to 20.1 per cent. At the upper end of the income scale, that percentage difference means $1,400.

Because of the earned income credit, very poor families would continue to pay a negative income tax—that is, they would collect more money from the tax system than they would pay. But they would benefit less than before, because of the increase in the social security tax rate.

In its calculations, National Journal assumed that 1977 incomes would be inflated by 14.5 per cent in 1979. This increase, of about 7 per cent a year, is equal to the increase that Congress, anticipating inflation, originally assumed in setting maximum wages subject to the social security tax.

Income taxes were computed according to actual 1977 tax tables and Carter's proposed 1979 tax tables. The standard deduction ($2,200 for individuals, $3,300 for families) was used for taxpayers in the lower brackets, but the average itemized deduction was used in higher brackets.

The social security tax is scheduled to rise from 5.85 per cent in 1977 to 6.13 per cent in 1979, and the maximum wages subject to the tax will rise from $16,500 to $22,900. Families of four were assumed to have two wage earners contributing social security taxes, with the lower-paid worker earning one-third of the social security wage base.●

By Mr. NELSON (for himself, Mr. ANDERSON, Mr. FORD, Mr. HUDDLESTON, Mrs. HUMPHREY, Mr. MCINTYRE, and Mr. SPARKMAN):

S. 2742. A bill to amend the Internal Revenue Code of 1954 to provide simplification, reform, and relief for small business; to the Committee on Finance.

SMALL BUSINESS SIMPLIFICATION REFORM ACT OF 1978

● Mr. NELSON. Mr. President, in behalf of myself, Mr. ANDERSON, Mr. FORD, Mr. HUDDLESTON, Mrs. HUMPHREY, Mr. MCINTYRE, and Mr. SPARKMAN, I am introducing today a bill to reform the depreciation system for small business.

WHAT THIS BILL WOULD DO

This bill would permit any business to recover more rapidly the capital which it has invested in machinery and equipment by allowing depreciation deductions to be taken over a 3-year period for purchases of up to $100,000 of such property each year. This provision would be optional, and those firms which elected it would apply only straight-line depreciation, so that this system would make available a massive simplification of depreciation for the 97 percent of the 14 million U.S. businesses which are defined as small business.

BACKGROUND

Depreciation is one of the most complicated areas of the tax law.

In a memorandum which we presented to the President and Vice President in October 1977, and placed before the Senate earlier this year, we summarized the reasons why small business has problems with the existing 100 pages of rules and regulations, as follows:

Complexity results from the interaction of rules contained in the statute, regulation, and accounting convention, such as bonus depreciation investment credit; rapid depreciation methods including: First, double declining balance (or 150 percent) for machinery; second, 150 percent or 125 percent for real estate; and third, sum of the digits method; and also 5-year amortization in certain special areas; ADR; recapture, salvage value; and half-year and half-month conventions.

Because of these complications, expert and therefore expensive accounting and legal services are required for a small business to understand and comply with the law. Naturally, this puts the greatest strain upon the newest and smallest enterprises.

The Internal Revenue Service's monitoring programs have consistently shown that the two greatest sources of difficulty for small business are depreciation and inventory accounting. Accordingly, we believe that the Service would be favorable to simplification in this area, which would enable and encourage greater numbers of new and smaller firms to meet their obligations.

STUDIES SHOW SMALL BUSINESS NEEDS SIMPLEST FORM OF DEPRECIATION

A series of studies by several institutions in 1954, 1959, 1963, and 1971, as cataloged by the Congressional Research Service, show conclusively that the smaller businesses which possess depreciable assets have always lagged far behind in utilizing any specialized capital recovery provisions in the law. Our own research shows that the asset depreciation range (ADP system of depreciation) is utilizied by less than 1 percent of the 1 million firms with less than $500,000 in assets, 0.9 percent, while 63.1 percent of the firms with $1 billion or more in assets use this provision.

Similarly with the investment tax credit. The Congressional Joint Tax Committee estimates that 76.1 percent of the credit is taken by firms with over $100 million in assets, while those firms with up to $100,000 in assets collectively account for less than 1 percent, 0.8 percent.

These statistics, as well as the nature of smaller business, confirm that these enterprises need the simplest possible tax and accounting systems. At present, the tables setting forth the useful lives of different types of property covers 20 pages in one of the commercial tax services. Our proposal would make all types of machinery and equipment subject to a uniform 3-year life for most smaller businesses up to the $100,000 yearly limit.

IMPACT OF INFLATION

Under present law, the aggregate useful life of business property is about 10½ years. This makes capital recovery highly vulnerable to inflation. It squeezes business two ways: The dollars which they get back are worth less every year; and the new equipment they must buy to modernize, let alone expand, usually costs much more. For the past few years, inflation has been running at the rate of over 5 percent a year. The longer the business must wait to recover its capital, of course, the worse off it is.

The present depreciation system is therefore forcing businesses to use up their capital instead of "recovering," renewing, or expanding it. The adequacy of capital is directly related to the ability to produce needed goods and services, to provide jobs, and to exert downward pressure on prices through competition.

INTERNATIONAL COMPETITION

Because of these inflationary pressures, most of the industrialized countries which compete with the United States have accelerated their depreciation system in one form or another. This proposal would be a start toward keeping pace here. Our proposal does depart from the strict "useful life" theory which has existed in our law for many years. However, it recognizes realistically that the purposes of the depreciation system in the United States cannot be adequately fulfilled for smaller business in the present inflationary environment. It would also appear that if accelerated depreciation is not adopted in our law, it will increase pressures for some other anti-inflation system, such as, indexing historical cost, or replacement cost accounting. The latter is already the subject of experiment by the Securities and Exchange Commission for the largest firms, and is therefore receiving consideration by various professional groups. It is apparent that indexing or replacement cost accounting is many times more technical and complex and thereby even more adverse to new, small, and independent businesses than the present system.

HISTORY OF COMMITTEE CONCERN

Because of these factors, the Senate Small Business Committee began several years ago to call for simplified depreciation. After 6 days of hearings on small business tax reform in that year, my statement of July 30, 1975, urged the Ways and Means Committee to adopt simplified depreciation as a "tax reform" measure in the following terms:

3. Capital recovery

These provisions of the Code should be greatly simplified so they will be more equally accessible to business of smaller size and resources. Complexity is as much a problem as inflation for new and smaller firms seeking to recover their capital for renewal of existing plant and equipment. Our Committee hopes to delve more deeply into comparisons between the Canadian and American capital recovery systems, and the proposals for accelerated capital recovery costs versus inflation-indexed accounting. (Testimony reprinted Congressional Record, August 1, 1975, at page 15057.)

In 1977 the Council on Small and Independent Business Association (COSIBA) developed a proposal for depreciation over a 2- and 3-year period for certain types of equipment and 10 years for real estate. During 1977, the committee consulted with many small business organizations and presented a proposal for 3-year simplified depreciation which evolved into the bill we are introducing today.

In October 1977, we presented our

proposal as part of an extensive memorandum to the White House in behalf of a consensus of 27 small business organizations representing 750,000 members. It advocated a simplified 3-year depreciation for $100,000 or $200,000 worth of annual equipment purchases. The administration produced a proposal of its own for more rapid depreciation for certain limited amounts of assets which is yet to be fully spelled out. These alternatives were evaluated in an extensive committee study which we have just published.

The sponsors of this measure feel that the advantages of the Small Business Committee approach entitle it to serious consideration as part of the 1978 tax package.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Simplification Reform Act of 1978".

SEC. 2. DEPRECIATION REFORM.

Section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by adding at the end thereof the following new subsection:

"(q) Three-year Useful Life, Straight-Line Depreciation.—

"(1) General rule.—In the case of a taxpayer who has made an election under this subsection for the taxable year, the term 'reasonable allowance' as used in subsection (a) means (with respect to property which has a useful life of 36 months or more) an allowance based on a useful life of 36 months computed under the straight-line method (within the meaning of subsection (b)(1)).

"(2) $100,000 Basis Limitation.—For purposes of this subsection, the basis (as determined under subsection (g)) of property placed in service during the taxable year shall, to the extent that such basis exceeds $100,000 for the taxable year, not be taken into account.

"(3) Election.—An election under this subsection for any taxable year shall be made at such time, in such manner, and subject to such conditions as may be prescribed by the Secretary by regulations.".

SEC. 3. EFFECTIVE DATE.

The amendment made by section 2 of this Act shall apply in the case of property acquired after the date of enactment of this Act and placed in service in taxable years ending after the date of enactment of this Act.●

ADDITIONAL COSPONSORS

S. 506

At the request of Mrs. HUMPHREY, her name was added as a cosponsor of S. 506, the Wage Supplements for Handicapped Individuals Act.

S. 1964

At the request of Mr. HATHAWAY, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 1964. a bill to amend the Emergency School Aid Act to extend to Franco-Americans the same benefits afforded other minority groups under the act, and to incorporate cultural heritage preservation activities into the purposes of the act.

S. 2384

At the request of Mr. CRANSTON, the Senator from Alabama (Mr. SPARKMAN) was added as a cosponsor of S. 2384, the Veterans' and Survivors' Income Security Act.

S. 2388

At the request of Mr. JAVITS, the Senator from Michigan (Mr. GRIFFIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. PELL), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2388, the Employee Education Assistance Act.

S. 2398

At the request of Mr. CRANSTON, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 2398, a bill to extend the period of eligibility for a Vietnam-era veterans' readjustment appointment within the Federal Government.

S. 2481

At the request of Mr. DOLE, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 2481, a bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 crops.

S. 2487

At the request of Mr. CLARK, the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 2487, a bill to amend the Public Health Service Act to provide for greater emphasis on rural health care needs in health planning.

S. 2501

At the request of Mr. HATHAWAY, the Senator from Colorado (Mr. HASKELL) was removed as a cosponsor of S. 2501, the Social Security Financing Act of 1978.

S. 2550

At the request of Mr. KENNEDY, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 2550, the Women in Science and Technology Equal Opportunity Act.

S. 2626

At the request of Mr. HODGES, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2626, the Consumer and Agricultural Protection Act of 1978.

S. 2627

At the request of Mr. GRAVEL, the Senator from Wyoming (Mr. HANSEN), the Senator from Florida (Mr. STONE), the Senator from North Dakota (Mr. YOUNG), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2627, a bill to amend the Internal Revenue Code of 1954 to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans.

S. 2723

At the request of Mr. DOMENICI, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 2723, a bill to amend and clarify the Emergency School Aid Act.

SENATE RESOLUTION 416—SUBMISSION OF A RESOLUTION RELATING TO DISAPPROVAL OF PROPOSED SOCIAL SECURITY STANDARDS

Mr. GRIFFIN submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 416

Resolved, That the Senate does not approve the standards (as authorized under section 402(a)(26)(B) of the Social Security Act) transmitted to the Congress on January 23, 1978.

AMENDMENTS SUBMITTED FOR PRINTING

RECLAMATION LANDS FAMILY FARM ACT—S. 1812

AMENDMENT NO. 1728

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. NELSON submitted an amendment intended to be proposed by him to the bill (S. 1812) to supplement and clarify the Federal reclamation laws, to promote the settlement of family farmers in Federal irrigation projects, to provide for acreage equivalency between class 1 lands and lands of lesser productive capability, and for other purposes.

REVISIONS TO THE RECLAMATION LANDS FAMILY FARM ACT

● Mr. NELSON. Mr. President, last June I introduced S. 1812, the Reclamation Lands Family Farm Act along with Senators HASKELL, ABOUREZK, and the late Senator Metcalf. In the following months, the issue of acreage limitation in reclamation projects has become a very controversial issue. Soon, I will submit a report of the Senate Small Business Committee on the subject. Today, I would like to submit an amendment in the nature of a substitute for S. 1812. The amendment makes a number of changes in the bill, which are as follows:

The proposed changes reflect suggestions that have been made by a number of people on the original version of S. 1812. They do the following:

First, the original version of the bill limited the amount of land that could be owned to 160 acres of class 1 land or its equivalent for any one owner. An owner was entitled to purchase no more than an additional 160 acres for a dependent or dependents. The new version simply places the farm size limitation to 320 acres of class 1 land or its equivalent in lands of lesser productivity. The effect of this change is to allow a single person to farm a larger acreage.

Second, the original version of the bill did not allow lands to be leased. The new version allows an individual to purchase up to 160 acres of class 1 land, or its equivalent, provided that none of his dependents have already purchased land. This land can be leased to a family farmer, but, as indicated above, farm size still cannot exceed 320 acres of class 1 land or its equivalent in lands of lesser productivity. The individual leasing the land to the farmer would have to reside within 25 miles of the land.

Third, the original version was ambiguous on the point of cooperative or joint

farming ventures. The new version clarifies the sponsors' intentions that each farm family is entitled to the full limitation. In other words, two brothers, a father and his grown son, two partners, et cetera, could farm a 640-acre farm, provided that both actually farm the land, and provided that this arrangement does not apply to a husband and wife or to a parent and minor children.

Fourth, the original bill limited the equivalency formula to no more than 480 acres per farm; this version removes the limit and instead directs the Secretary to assure that the formula provides for adequate revenues for farm operation, debt retirement and personal income and also insures the broadest possible distribution of reclamation benefits.

Fifth, the original version only allowed lineal descendants inheriting land 3 years to come into compliance with the act; this version gives them 10 years.

These proposed changes do not reflect a change in the basic philosophy of S. 1812, but rather conform the bill to genuine concerns of family farmers. The availability of land for leasing, for instance, is needed for many farmers to get started. A strict residency requirement will at least assure that those people purchasing land as an investment will be local investors, not distant nonfarmers interested in taking advantage of reclamation law. The provision for joint or cooperative farms larger than the basic limitation was always the intention of the sponsors, but was not clear in the original language. The lifting of a ceiling on the equivalency formula is a response to data recently acquired from the Department of the Interior that provided a clearer picture of the acreage needs of farmers in the high plains States and some other areas with poor land. Allowing lineal descendants more time to come into compliance recognizes the concern of many farmers that land they pass on to their children can be held by those children while they decide whether or not to return to farming.

I think that recent events have given further confirmation to the need for a bill along the lines proposed here. The Department of Agriculture reported that its extensive study for reclamation projects showed that on a 320 acre farm, net income would be $14,000 to $53,000 annually. They also showed that in one California district, the annual subsidy from the reclamation program would be $76,000 for a 640 acre farm. Interior figures show that this would be a typical subsidy level for other projects. USDA census figures show that the vast majority of farms that irrigate land in the West irrigate 200 acres or less; over 90 percent are less than 500 acres. The same figures hold for reclamation projects, according to Bureau of Reclamation sample surveys. Clearly, a limitation of 320 acres of the most productive land or its equivalent in lands of lesser productivity would net a farm family a good living, and given the enormous subsidy of the reclamation program, the limitation should not be any longer than that needed to provide such a living. The benefits of the program, in other words, should be spread as broadly as possible.

There have been other proposals to limit farm size to 1,280 acres, plus equivalency. I know the proponents of these proposals share my concern with promoting the family farm, but I fear that a limitation this size is really no limitation at all. There are very, very few farms this size, and they would be in the top few percent of total farm income. A farm this size would be receiving a present value subsidy, according to the Interior Department, of $1.3 to $2.6 million, or an annual subsidy of $75,000 to $200,000 per year, depending on the project and various assumptions used. The total subsidy for the reclamation program is many times the amount we spend on soil conservation programs, yet we are losing vastly more land to erosion than we are reclaiming through Federal irrigation. The amount is almost equal to the total annual budget for agricultural research and extension. At the very least, the subsidy should be provided only to true family farmers, and it should go to as many of them as possible.

I believe that this bill accomplishes that purpose, while at the same time setting up a fair and modern acreage limitation that takes into account variations and climate and growing seasons. I urge my colleagues to consider it.●

CIVIL SERVICE REFORM ACT OF 1978—S. 2640

AMENDMENT NO. 1729

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. McINTYRE (for himself and Mr. DURKIN) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2640) to reform the civil service laws.

Mr. McINTYRE. Mr. President, today I am submitting an amendment to S. 2640, the Civil Service Reform Act of 1978, that would delete all proposed changes in veterans' preference in the Federal civil service.

I believe that the reform of the civil service is long overdue and necessary. The administration has presented to the Congress a good and comprehensive reform measure that, if amended, I will fully support. The bill as it now stands would reduce the preference for disabled veterans and end the preference for nondisabled veterans. My amendment would delete these changes.

The proposed change in the veterans' preference would be a serious blow in our attempts to lower unemployment among Vietnam veterans. Veterans of World War I and II and the Korean conflict have, in most cases, either used their preference or found employment in the private sector. However, Vietnam veterans are still plagued with high unemployment. I ask unanimous consent that a Bureau of Labor Statistics table detailing the employment status of male Vietnam-era veterans and nonveterans 20 to 34 years of age be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 6.—EMPLOYMENT STATUS OF MALE VIETNAM ERA VETERANS AND NONVETERANS 20 TO 34 YR OF AGE QUARTERLY AVERAGES

[Numbers in thousands]

Employment status	Not seasonally adjusted		Seasonally adjusted								
			1975		1976				1977		
	III 1976	III 1977	III	IV	I	II	III	IV	I	II	III
VETERANS[1]											
Total, 20 to 34 yr:											
Civilian noninstitutional population[2]	6,710	6,815	6,488	6,584	6,640	6,668	6,710	6,797	6,853	6,848	6,815
Civilian labor force	6,336	6,531	6,106	6,186	6,223	6,312	6,335	6,427	6,495	6,503	6,529
Employed	5,882	6,093	5,522	5,575	5,746	5,832	5,808	5,880	6,033	6,017	6,019
Unemployed	454	438	585	610	478	480	527	547	462	486	510
Unemployment rate	7.2	6.7	9.6	9.9	7.7	7.6	8.3	8.5	7.1	7.5	7.8
20 to 24 yr:											
Civilian noninstitutional population[2]	1,071	1,042	1,146	1,128	1,101	1,088	1,071	1,082	1,084	1,069	1,042
Civilian labor force	938	948	1,003	967	926	951	931	957	963	938	942
Employed	785	798	812	756	765	793	758	789	804	794	773
Unemployed	153	150	191	211	161	158	173	168	159	144	169
Unemployment rate	16.3	15.8	19.0	21.8	17.4	16.6	18.6	17.5	16.5	15.4	17.9
25 to 29 yr:											
Civilian noninstitutional population[2]	3,250	2,994	3,471	3,463	3,421	3,328	3,250	3,186	3,109	3,039	2,994
Civilian labor force	3,064	2,872	3,286	3,292	3,240	3,160	3,063	3,017	2,941	2,896	2,868
Employed	2,862	2,700	3,009	3,002	3,015	2,940	2,840	2,763	2,732	2,678	2,680
Unemployed	202	172	277	290	255	220	223	254	209	218	187
Unemployment rate	6.6	6.0	8.4	8.8	6.9	7.0	7.3	8.4	7.1	7.5	6.5
30 to 34 yr:											
Civilian noninstitutional population[2]	2,389	2,779	1,871	1,993	2,118	2,252	2,389	2,528	2,660	2,740	2,779
Civilian labor force	2,334	2,711	1,817	1,927	2,057	2,201	2,341	2,453	2,590	2,669	2,720
Employed	2,235	2,595	1,701	1,818	1,965	2,099	2,210	2,328	2,457	2,545	2,566
Unemployed	99	116	116	109	92	103	131	125	94	124	154
Unemployment rate	4.2	4.3	6.4	5.7	4.5	4.7	5.6	5.1	3.6	4.6	5.7

Employment status	Not seasonally adjusted		Seasonally adjusted								
			1975		1976				1977		
	III 1976	III 1977	III	IV	I	II	III	IV	I	II	III
NONVETERANS											
Total, 20 to 34 yr:											
Civilian noninstitutional population [2]	16,849	17,711	16,006	16,200	16,419	16,640	16,849	16,999	17,191	17,445	17,711
Civilian labor force	15,487	16,284	14,395	14,520	14,747	15,000	15,180	15,474	15,617	[3] 15,720	15,950
Employed	14,281	15,171	12,911	13,110	13,499	13,811	13,884	14,066	14,336	[3] 14,606	14,755
Unemployed	1,206	1,113	1,484	1,410	1,248	1,189	1,296	1,408	1,281	1,115	1,195
Unemployment rate	7.8	6.8	10.3	9.7	8.5	7.9	8.5	9.1	8.2	[3] 7.1	7.5
20 to 24 yr:											
Civilian noninstitutional population [2]	7,951	8,181	7,639	7,723	7,819	7,885	7,951	7,982	8,037	8,106	8,181
Civilian labor force	7,006	7,236	6,433	6,465	6,621	6,693	6,716	6,881	6,931	6,863	6,930
Employed	6,306	6,584	5,518	5,613	5,856	5,975	5,985	6,045	6,179	6,196	6,250
Unemployed	700	652	915	852	765	718	731	835	752	667	680
Unemployment rate	10.0	9.0	14.2	13.2	11.6	10.7	10.9	12.1	10.8	9.7	9.8
25 to 29 yr:											
Civilian noninstitutional population [2]	5,120	5,355	4,493	4,626	4,775	4,972	5,120	5,173	5,240	5,301	5,355
Civilian labor force	4,853	5,057	4,243	4,355	4,487	4,678	4,843	4,882	4,943	4,991	5,038
Employed	4,515	4,767	3,882	4,030	4,191	4,385	4,465	4,512	4,580	4,701	4,714
Unemployed	338	290	361	326	296	293	378	370	363	390	324
Unemployment rate	7.0	5.7	8.5	7.5	6.6	6.3	7.8	7.6	7.3	5.8	6.4
30 to 34 yr:											
Civilian noninstitutional population [2]	3,778	4,175	3,874	3,851	3,825	3,783	3,778	3,844	3,914	4,038	4,175
Civilian labor force	3,628	3,991	3,720	3,700	3,638	3,630	3,621	3,711	3,743	3,866	3,981
Employed	3,460	3,820	3,512	3,468	3,452	3,452	3,434	3,509	3,577	3,709	3,791
Unemployed	168	181	208	232	187	178	187	202	165	157	191
Unemployment rate	4.6	4.3	5.6	6.3	5.1	4.9	5.2	5.4	4.4	4.1	4.8

[1] Vietnam era veterans are those who served between August 5, 1964, and May 7, 1975.
[2] Since seasonal variations are not present in the population figures, identical numbers appear in the unadjusted and seasonally adjusted columns.
[3]=Corrected.
Source: Bureau of Labor Statistics, USDL 77-900.

Mr. McINTYRE. As one can see, Mr. President, the unemployment rates for young Vietnam-era veterans are higher than the rate for comparable nonveterans.

The cost of this high unemployment in terms of lost productivity is great and the cost of States for unemployment compensation costs is staggering. I ask unanimous consent that a table detailing unemployment insurance costs for the latest year available, 1975, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

UNEMPLOYMENT INSURANCE

NO. 494. UNEMPLOYMENT INSURANCE—ALL PROGRAMS AND FEDERAL PROGRAMS, SUMMARY, 1955 TO 1975, AND BY STATES AND OTHER AREAS, 1975

[Includes State programs for all years shown. UCFE program effective January 1955, and UCX program, October 1958]

Year and State or other area	All regular programs [1]				UCFE (Federal employee) program				UCX (ex-servicemen) program	
					Covered employment [3]					
	Initial claims (1,000)	Weeks compensated (1,000)	Average weekly beneficiaries (1,000)	Benefits paid [2] (million dollars)	Average monthly (1,000)	Annual wages (million dollars)	Beneficiaries, 1st payments [2] (1,000)	Benefits paid [2] ($1,000)	Beneficiaries, 1st payments [4] (1,000)	Benefits paid [2] ($1,000)
1955	12,255	60,476	1,163	1,467	NA	NA	93	28,951	X	X
1960	17,718	89,941	1,723	2,867	2,188	13,074	94	55,733	207	84,262
1965	12,441	61,804	1,189	2,283	2,609	17,877	73	49,951	153	67,478
1970	16,100	84,319	1,621	4,131	2,881	28,141	94	79,704	352	203,210
1971	16,119	102,033	1,962	5,422	2,860	29,880	96	109,489	414	355,956
1972	14,273	88,338	1,699	5,198	2,856	31,974	97	125,241	346	361,806
1973	13,362	76,229	1,466	4,415	2,832	33,878	106	128,301	230	209,377
1974	19,436	103,178	1,984	6,646	2,893	36,872	105	148,733	249	249,220
1975, total	25,489	182,578	3,504	[5] 12,560	[6] 2,893	[6] 36,872	120	277,332	303	[5] 528,567
Alabama	388	2,628	51	159	60	819	3	3,413	5	8,792
Alaska	60	451	9	36	18	242	2	4,143	1	2,652
Arizona	224	1,702	33	119	34	411	2	2,916	4	6,873
Arkansas	273	1,701	33	99	19	221	1	1,404	4	6,379
California	2,903	20,802	400	1,427	326	4,098	15	40,337	50	76,555
Colorado	179	924	18	75	49	625	1	1,401	3	4,460
Connecticut	589	4,024	77	308	21	273	1	2,181	3	7,237
Delaware	79	637	12	50	6	68	Z	414	1	1,523
District of Columbia	60	840	16	75	215	3,291	5	15,504	1	2,850
Florida	684	5,244	101	328	82	968	2	2,744	2	17,635
Georgia	570	4,140	80	247	78	958	4	8,164	9	17,198
Hawaii	73	764	15	58	31	399	2	6,301	2	4,473
Idaho	91	467	9	30	11	130	1	1,530	2	2,458
Illinois	1,149	9,065	174	693	109	1,358	4	7,076	10	12,742
Indiana	681	4,023	77	254	43	523	1	1,945	5	7,498
Iowa	194	1,366	26	100	20	230	Z	672	4	6,773
Kansas	131	999	19	63	26	301	1	1,096	3	3,922
Kentucky	294	2,379	46	149	40	448	2	3,269	5	8,190
Louisiana	240	1,948	36	121	32	375	1	3,480	6	11,230
Maine	180	1,062	20	57	9	107	1	637	2	2,936
Maryland	390	2,681	52	191	129	1,741	2	3,963	4	6,157
Massachusetts	763	6,884	132	516	58	768	4	22,702	6	16,605
Michigan	1,773	11,360	218	[5] 875	56	713	3	[5] 7,572	12	[5] 31,508
Minnesota	290	2,752	53	188	31	381	1	2,249	6	10,519
Mississippi	197	1,253	24	60	25	299	1	1,142	2	1,814
Missouri	679	3,817	73	244	69	866	3	5,025	7	13,845
Montana	73	466	9	27	13	156	1	1,451	1	1,657
Nebraska	96	784	15	49	18	209	1	1,030	1	1,658
Nevada	116	720	14	54	9	117	1	4,230	1	2,432
New Hampshire	113	771	15	47	13	155	Z	224	2	1,817
New Jersey	925	9,059	174	683	72	997	4	11,995	7	19,934
New Mexico	84	640	12	33	29	355	2	2,327	2	3,373

Footnotes at end of table.

UNEMPLOYMENT INSURANCE—Continued

NO. 494. UNEMPLOYMENT INSURANCE—ALL PROGRAMS AND FEDERAL PROGRAMS, SUMMARY, 1955 TO 1975, AND BY STATES AND OTHER AREAS, 1975—Continued

[Includes State programs for all years shown. UCFE program effective January 1955, and UCX program, October 1959]

Year and State or other area	All regular programs [1]				UCFE (Federal employee) program				UCX (ex-servicemen) program	
					Covered employment [3]					
	Initial claims (1,000)	Weeks compensated (1,000)	Average weekly beneficiaries (1,000)	Benefits paid [2] (million dollars)	Average monthly (1,000)	Annual wages (million dollars)	Beneficiaries, 1st payments [2] (1,000)	Benefits paid [2] ($1,000)	Beneficiaries, 1st payments [4] (1,000)	Benefits paid [2] ($1,000)
New York	2,344	18,777	361	1,307	173	2,198	6	17,909	14	34,818
North Carolina	1,201	5,515	106	312	47	524	2	2,316	8	9,439
North Dakota	30	220	4	13	10	109	1	649	1	1,325
Ohio	1,275	8,561	165	667	95	1,298	3	5,914	14	27,245
Oklahoma	177	1,369	26	83	53	637	4	10,591	5	7,417
Oregon	395	2,322	45	150	27	348	2	3,239	5	7,493
Pennsylvania	1,844	13,606	262	1,015	136	1,642	6	14,619	14	29,465
Rhode Island	215	1,437	28	102	11	137	1	9,141	1	4,538
South Carolina	357	2,724	52	167	34	389	1	1,480	5	8,354
South Dakota	28	199	4	11	11	124	1	671	2	945
Tennessee	483	3,618	70	210	56	692	5	5,284	6	10,623
Texas	561	3,707	71	206	162	2,004	6	11,561	15	18,907
Utah	92	728	14	47	38	449	3	4,079	2	2,122
Vermont	59	468	9	30	4	51	z	474	1	1,351
Virginia	317	2,255	43	147	148	1,986	2	2,442	5	5,981
Washington	594	3,382	65	227	60	771	5	10,099	9	17,272
West Virginia	163	1,098	21	64	15	175	z	473	2	3,370
Wisconsin	505	3,625	70	272	26	309	1	2,155	6	10,168
Wyoming	16	108	2	7	6	76	1	374	z	217
Puerto Rico	294	2,508	48	108	10	114	1	1,292	2	3,734
Virgin Islands	1	1	----------	NA	1	7	z	34	z	99

[1] Includes State programs shown in table 495. Represents unduplicated counts. 1955 and 1960, includes temporary unemployment programs and UCV (Korea veterans) program which terminated Jan. 31, 1960.

[2] Includes payments under State (not Federal) temporary extended unemployment insurance provisions.

[3] Source: U.S. Bureau of Labor Statistics, "Employment and Wages," quarterly.

[4] Excludes 1st payments filed jointly with State unemployment insurance programs.

[5] Preliminary.

[6] 1974 data; latest available by States. Includes FBI employment and wages not distributed by States.

— Represents zero.
NA—Not available.
X—Not applicable.
Z—Less than 500.

Source: Except as noted, U.S Employment and Training Administration (formerly U.S. Manpower Administration), "Unemployment Insurance Statistics."

Mr. McINTYRE. The Vietnam-era veteran faces special problems in finding employment, Mr. President. I do not think that either the Congress or the administration has done enough to increase employment opportunities for Vietnam veterans. We should intensify our efforts in this area and the last thing we should do is mak it harder for veterans to find employ nent. By curtailing veterans' preference we are doing exactly that.

Veterans have proved to be, in most cases, excellent Government employees. Veterans are experienced in handling responsibility and they are men and women who have shown their dedication to their country by serving America when they were needed.

Mr. President, I sincerely hope that the Senate Governmental Affairs Committee will give this matter careful attention and amend this bill in committee to insure that veterans' preference in the Federal civil service remains intact.

Mr. President, I ask unanimous consent that the following documents be printed in the RECORD:

First. A letter from Mr. William B. Gardiner, national director of legislation for the Disabled American Veterans;

Second. Material from the Veterans of Foreign Wars in support of the retention of veterans' preference;

Third. Letter and enclosures from Mylio S. Kraja, director of the National Legislative Commission of the American Legion;

Fourth. Civil Service Commission statistics for the past 2 fiscal years showing the number of new hires who claimed veterans' preference by governmental agency; and

Fifth. A Congressional Research Service report of December 6, 1974, detailing the history of veterans' preference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DISABLED AMERICAN VETERANS,
Washington, D.C., March 10, 1978.

Hon. THOMAS J. McINTYRE,
U.S. Senate, Russell Office Building, Washington, D.C.

DEAR SENATOR McINTYRE: On behalf of the 550,000 members of the Disabled American Veterans, I wish to commend you for your efforts to preserve veterans preference in federal employment and to express our strong support for your amendment to eliminate the ill-conceived revisions proposed by S. 2640, the Civil Service Reform Act of 1978.

If approved by the Congress and enacted into law, the impact of the Civil Service Reform Act on the five-point preference currently given to non-disabled veterans seeking federal employment would be drastic. For those not retired from military service, the period during which they could use their preference would be reduced to ten years following discharge. For veterans retiring at ranks below Major, the preference period would be cut to three years, while veterans retiring at the rank of Major and above would lose all preference rights. These veterans would also be stripped of almost all the protection they currently receive during reductions-in-force after three years of civil service employment.

Contrary to the Administration's claims that the reform bill would inflict no harm on the ten-point preference accorded to veterans with service-connected disabilities, our examination of S. 2640 reveals several subtle—but real—erosions of the preference rights of disabled veterans.

For instance, under the current system, personnel managers must choose from the top three candidates for a job in the Federal Government. The civil service reform bill proposes to expand the number of eligible candidates to seven, making it easy to avoid hiring service-connected disabled veterans and choose from whatever group is clamoring the loudest at any given time.

In the name of providing managers with "greater flexibility," the bill also proposes to allow them to pick and choose among a number of other means of selecting new federal employees. When translated into plain English, it is our opinion that the phrase "greater flexibility" means nothing less than additional ways to avoid the application of veterans preference in civil service employment.

The Civil Service Reform Act would also repeal a section of the Veterans Preference Act of 1944 that grants compensably disabled veterans preference for re-employment in federal jobs. Again, this would erode statutory rights now accorded disabled veterans and leave these matters up to the judgment of individual federal managers and the new Office of Personnel Management which would replace the current Civil Service Commission.

Additionally, the long-term intentions of the Administration are revealed in the report of the President's reorganization project which states "further consideration should be given to limiting the time period in which disabled veterans and certain wives and widows retain preference in reductions-in-force," after some experience has been gained in the operation of similar reductions for non-disabled veterans.

The DAV is therefore unilaterally opposed to any weakening or circumvention of the Veterans Preference Act of 1944, and we vigorously support your amendment to strike any revisions in veterans preference from the Civil Service Reform Act of 1978.

Sincerely,

WILLIAM B. GARDINER,
National Director of Legislation.

VETERANS OF FOREIGN WARS,
OF THE UNITED STATES,
Washington, D.C. January 11, 1978.

Letter to all members of both the House and Senate Veterans Affairs Committees, the House Post Office and Civil Service Committee, the Subcommittee on Civil Service and General Services of the Senate Governmental Affairs Committee, and the leadership of the House and the Senate:

Perhaps unbeknownst to you, the Civil Service Commission under date of December 20, 1977 published an unsigned paper entitled the "Minute" which would effec-

tively emasculate veterans preference in federal employment and destroy the merit system, the keystone of Federal Civil Service. You will find enclosed a copy of my letter dated January 10, 1978 to the Chairman of the Civil Service Commission, the Honorable Alan K. Campbell, with respect to his Commission's "Minute".

Veterans preference has been under heavy attack and during the first session of the 95th Congress the Subcommittee on Civil Service of the House Post Office and Civil Service Committee held oversight hearings with respect to veterans preference on October 4 and 5, 1977. The tenor of questioning during these hearings was not sympathetic to retaining the Veterans Preference Act of 1944, as amended, in its present form. Any erosion of veterans preference would most seriously hurt our younger Vietnam veterans and minorities, who already suffer an inordinately high rate of unemployment.

It would now appear that during this election year the administration which is desirous of restricting veterans preference if not eliminating it in its entirety, is receding from a frontal attack thereon. The strategy now appears to be to circumvent the law of land by administrative fiat. That such should originate or be encouraged within the very Commission sworn to uphold current law is unbelievable.

As a Member of Congress, we of the Veterans of Foreign Wars of the United States look to you to resoundingly quash this blatant attempt to usurp your prerogatives and to enjoin the Civil Service Commission to comply with both the letter and spirit of current law.

With best wishes and kind regards, I am

Sincerely,

JOHN WASYLIK,
National Commander-in-Chief.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
January 10, 1978.

HON. ALAN K. CAMPBELL,
Chairman, U.S. Civil Service Commission, Washington, D.C.

DEAR MR. CHAIRMAN: This organization has had an opportunity to review the Special Emphasis Employment Program as it is set forth in an unsigned paper entitled the "Minute," and dated December 20, 1977.

At the outset, I must state that it is unbelievable to me that the Civil Service Commission would favorably endorse a hiring program that is in reality a return to the "spoils system" for a substantial portion of federal job openings. It is unbelievable to the extent that a copy of the unsigned paper referred to is enclosed herewith with the request that you first advise me as to whether it is an authentic expression of the position of the Commission in this matter.

I will assume, for the purpose of the remainder of this letter, that the attached "Minute" is authentic.

Volumes have been written about the detestable and heinous spoils system that began with our first President, and continued as a matter of national policy until the Congress passed the Civil Service Act of 1883, sometimes referred to as the "revolution of 1883." Your predecessor, Robert E. Hampton, once wrote:

"As to the critical significance of the 'revolution of 1883,' some scholars have gone so far as to suggest that the Civil Service Act may have saved the Republic. They have said that the Government probably could not have survived the continuing onslaught of hungry officeseekers—one of whom vented his disappointment in the assassination of President Garfield."

One of the better written summaries of the history of federal civil service (1883–1973), and of the ninety-six years of spoils system preceding the year 1883, was originated in the Commission itself, in a publication entitled "Biography of An Ideal"—the ideal of merit principles as the foundation for staffing of the public service. That publication recites the gradual blanketing in of federal jobs to merit system jurisdiction by successive Administrations beginning with President Cleveland in 1884, and also reports concurrent spoils system activity as to those excepted positions.

At page 99 of "Biography of An Ideal," in commentary concerning the Intergovernmental Personnel Act of 1970, it is stated:

"For the first time in law, Congress declared the merit approach the best route to improve the quality of public service at all levels, and expounded a simple but brilliant set of merit principles. This articulation of merit principles came at a time when a focus on public understanding of merit principles was urgent. Growing in number were the spokesmen favoring quotas over qualifications, and asking preferential hiring in the name of recompense for past injustice. Growing, too, was the concern of government of all levels for the quality of public service and for opportunities consonant with fairness to all citizens.

Quality and fairness are inherent in the merit principles set out in the Intergovernmental Personnel Act."

Merit principles, Mr. Chairman, merit principles. They must be retained. They must be made stronger, not weaker.

Where are the merit principles in making federal job appointments by lottery? (par. 6(a) of "Minute")

Where are the merit principles in reopening an examination and limiting application to—"those individuals who have expressed interest in employment by the selecting authority?" (par. 6(d) of "Minute")

Where are the merit principles in constructing a list of "individuals who have expressed interest in employment, but fail to meet a portion of requirements for the position, which requirements might be satisfied by serving a period as trainee?" (par. 6(f) of "Minute")

Where are the merit principles in authorizing the use of the methods outlined in par. 6 of "Minute," to "supplement" internal promotion programs?

I will not attempt to comment on all of the listed methods set forth in par. 6 of "Minute," for it appears that agencies are given unlimited discretion to recommend other methods by par. 6(g).

The Special Emphasis Employment Program is a cavalier attempt to circumvent the Veterans Preference Laws, but it is far more than that. It is an abuse of the authority to make excepted appointments. It is not considered to be lawful. It is an insult to the intelligence of the American people who have a right to expect merit staffing and promotions in federal jobs. It is an affront to today's career civil servants and to the accomplishments and loyalty of the pioneers of the civil service system.

Your comments together with answers to my questions will be appreciated.

Very truly yours,

JOHN WASYLIK,
Commander-in-Chief.

Enclosure.

MINUTE

Whereas Title VII of the Civil Rights Act vests in the Civil Service Commission a duty to carry out affirmative action programs; and

Whereas the President of the United States has directed all Departments and Agencies to pursue affirmative action efforts; and

Whereas the Civil Service Commissioners believe that there is evidence of adverse impact in many Federal occupations; and

Whereas the October 18, 1977 draft of Federal Executive Agency Guidelines approved by the Commissioners suggests the use of alternative selection procedures as a method of overcoming adverse impact; and

Whereas the Commissioners have received legal opinions from a variety of sources including the Deputy Assistant Attorney General, Office of Legal Counsel; Assistant Attorney General, Civil Rights Division; General Counsel H. Patrick Swygert; and, Acting Deputy General Counsel Joyce Evans, all of which conclude that a properly designed and operated special emphasis employment program may be constitutionally valid.

Therefore, the Civil Service Commission does determine as a matter of policy that there shall be a Special Emphasis Employment Program and directs the staff to take actions enumerated below.

A. The staff will prepare a detailed implementation program authorizing excepted appointments and conversion after two years to competitive status. We will use excepted appointments when the Commission desires to experiment with new and unproven selection procedures.

B. The Executive Director is requested to submit to the Commission regulations and policy guidance based on the following principles:

1. The Special Emphasis Program shall be an experimental program for a period of five years.

2. The program shall cover all those classes of employees protected by Title VII of the Civil Rights Act as amended, as well as those protected against discrimination on the basis of handicapping condition. The Commission recognizes that there may be classes of employees other than those usually recognized, and will consider such evidence as may be presented demonstrating that such groups are adversely impacted.

3. The program shall embrace determinations at two levels:

(a) A management determination shall be made at the national level that there is evidence of adverse impact on a national basis and therefore, that the use of excepted hiring authority and special selection procedures is justified for that particular occupation.

(b) A decision on the application of those authorities to a particular selecting officer shall be made by the Regional Directors and the Director of the Washington Area Office.

4. Determinations at the national level shall be made on the best available data. At this time the Commission has determined that participation in the labor force (national data) is the best available data for the clerical, technical, administrative and other categories of occupations. For professional occupations the Commission has determined that data on college enrollees during the periods 1966–1976 is the best available data. The Commission believes that evidence of adverse impact sufficient for a national management decision exists when the employed population in a class (based on latest available data) is less than 80% of what might be expected on the basis of the criteria above. A finding that two or more protected classes are experiencing adverse impact in an occupation shall trigger the determination authorized in Paragraph 3(a).

5. Regional Directors may authorize a selecting authority to make a maximum of 20% of appointments in an occupation on an excepted basis. The determination of the proportion shall take into account the goals and timetables of that agency, the availability of applicants from the protected classes, and the feasibility of additional recruiting from among the protected classes. The Regional Directors shall also determine which special selection procedures a seelcting authority may be authorized to use. CSC staff shall assist the agencies in developing Special selection lists for these occupations and may authorize direct hire authority using such lists.

6. A Special selection list may be developed using a variety of special methods. Each of these methods must provide for competition on the basis of education, experience, performance, and/or record of accomplishment. Each must be open to all applicants without discrimination on the basis of age, sex, race, national origin, or political affiliation. These methods may include, but are not limited to:

(a) Rearranging an existing civil service register on a lottery basis.

(b) Constructing a list of applicants who are superior students and who have indicated their availability for employment by the selecting authority.

(c) Selecting from a register using selective qualification requirements which have a prima facie relationship to the jobs being filled by the selecting authority.

(d) Reopening examinations and limiting application to those individuals who have expressed interest in employment by the selecting authority.

(e) Developing an appropriate selection procedure and limiting applicants to individuals who have demonstrated an ability to overcome economic adversity or handicapping condition through successful participation in a government or privately sponsored program for economically disadvantaged or handicapped people.

(f) Constructing a list of individuals who have expressed interest in employment, but fail to meet a portion of requirements for the position, which requirements might be satisfied by serving a period as a trainee.

(g) Such other methods as agencies may recommend that have a prima facie validity.

7. Agencies should be authorized to use any of the methods outlined in paragraph six (6) to supplement their internal promotion programs.

8. Individuals appointed under this program may be granted competitive status after two years of successful service, provided that their performance has been evaluated as successful in accordance with a plan approved by the Commission.

C. The Executive Director is requested to submit a plan for consolidating the leadership of CSC regional and national affirmative action activities.

D. The Executive Director is requested to submit a proposed regulation requiring agencies to include goals and timetable in their affirmative action plans.

E. The Executive Director is requested to submit a plan for training of CSC and agency personnel in the policies called for by this Minute.

F. The Executive Director is requested to submit a regulation, as well as such proposed legislation as may be necessary to consolidate planning and reporting requirements for affirmative action programs.

G. The Executive Director is requested to submit a plan for evaluating the validity of selection procedures used in this program.

[Veterans of Foreign Wars of the United States, National Legislative Service]

STATEMENT OF DONALD H. SCHWAB, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and Members of the Subcommittee:

Thank you for the privilege of appearing before this distinguished Subcommittee to present the views of the Veterans of Foreign Wars of the United States with respect to veterans preference in federal employment.

My name is Donald H. Schwab and my title is Director, National Legislative Service, Veterans of Foreign Wars of the United States.

Let me state at the onset, Mr. Chairman, we are appalled that these hearings are even being held; that the Honorable Alan K. Campbell, Chairman of the Civil Service Commission, pledged to uphold the Veterans Preference Act of 1944, as amended, has attacked veterans preference and, further, that the President's Federal Personnel Management Project has circulated a number of options with respect to veterans preference for comment, and yet—not one of these options calls for upholding current law with respect to veterans preference. As a matter of fact, we were unable to find even one favorable comment with respect to veterans organizations had no representation in this project. To cite just one instance of how veterans preference has been blatantly and erroneously depicted, it is only necessary to cite one statement appearing on page 3 of Option Paper No. 3, September 14, 1977, which reads as follows: "Veterans preference is perhaps the most extreme inhibitor of diversity within the federal work force." Mr. Chairman, no statement could be more erroneous or purposely inflammatory. Veterans are male and female. They are white, they are red, they are yellow, they are brown and they are black. They reside in every county and parish in the United States.

It has been stated that veterans preference, as it exists today, has hurt the promotion system and the quality of the Civil Service, and discriminates against women and minorities. This is fallacious reasoning—if not outright deceptive, for the following reasons: (1) Veterans preference has nothing whatsoever to do with promotion under the Federal Civil Service merit system. (2) There are enough women with veterans preference, 881.5 thousand, to fill nearly all of the Federal Civil Service jobs now held by women, 893.5 thousand. Broken down, there are 557,000 women entitled to veterans preference in their own right, based upon service in our Armed Forces; 222.4 thousand widows, whose husbands were killed on active duty or died as a result of disabilities incurred therein; and approximately 82,000 wives of veterans who are 100% permanently and totally disabled. Although only 53,000 such women have chosen to exercise their right under veterans preference, there are more than 25 million male veterans who also have not used their veterans preference in federal employment. (3) It is well documented that minorities carried more than their fair share of the Vietnam Conflict and any dilution of veterans preference will hurt this needy group most.

There are presently 2.7 million federal employees, of whom, 1.2 million are male veterans, slightly over ½ million male nonveterans, and 893.5 thousand women, including the more than 53,000 who, as previously stated, are enjoying veterans preference. Thus, male veterans in federal employment constitute approximately 5 percent of the total veteran working force.

Although male veterans constitute approximately 50 percent of the Federal Civil Service work force, this has been so for nearly a quarter of a century, since that figure was reached in 1953. However, the new hiring of veterans fell to approximately 32 percent in 1976, which is comparable to the 1932–33 hiring percentage of veterans.

Anti-veteran spokesmen argue that veterans preference is inconsistent with a merit system, is therefore undesirable, and should be eliminated. In the next breath, these same spokesmen offer, as a means to achieve equal employment opportunity goals, a plan that would give 5 and 10-point preference to women and minorities. This lesson in logical reasoning is indeed remarkable.

It has also been alleged that the higher paying Civil Service entry level positions go to veterans to the detriment of women. This simply is not the case. Of selectees from the Professional and Administrative Career Examination (PACE) in the last fiscal year, 29 percent were veterans, while slightly over 30 percent were women.

Women's activists groups have stated women were discriminated against during periods of armed conflict and unable to earn an equal share of veterans preference because of quotas imposed on their service. Let us examine the facts. During World War II, the Korean Conflict, and Vietnam, the number of women authorized to serve on active duty was restricted to 2 percent of the authorized strength of our armed forces. During World War II, women who chose to serve totaled 1.5 percent of authorized strength; during Korea, 1.2 percent, and during Vietnam, 1 percent. In other words, during the last three conflicts, women could have constituted 6 percent of the total armed forces, but, in fact, only 3.7 percent chose to serve, thus missing their quota by 2.3 percent.

Granted, the bulk of veterans occupying higher positions within the Civil Service system are presently World War II male veterans. However, had there not been a World War II, it is quite likely these same men would have risen to the positions they now hold as nonveterans, and the composition of the work force which now includes more and more women, in all likelihood, would not have changed so radically. Those old enough to recall know that prior to World War II, women who worked, for the most part, were high-school graduates working only until they married, or widows, who had to work to hold the family together.

According to information furnished by the Civil Service Commission 65 percent of federal positions in grades GS–13 through GS–18 are filled by male veterans. This is not surprising since veterans, as a class, have proved themselves in ability to take orders, exercise leadership, work as a team, and in their loyalty to the United States Government.

The foregoing is borne out in recent testimony of Dr. Campbell before the Subcommittee on Investigations of the House Post Office and Civil Service Committee. Much to Dr. Campbell's credit and for which we commend him, he cited the following advantages of hiring veterans and military retirees:

(1) A prudent employer hires on the basis of skills possessed by the applicant. Many persons leaving the military are highly skilled.

(2) A thoughtful employer seeks trained workers. Military people are often among the best trained.

(3) Supervisors appreciate versatility on the job, and this is a trait often acquired in abundance through military experience.

Additionally, Dr. Campbell stated "Military retirees and veterans often rise to the top in open competition."

It has been stated that veterans preference is discriminatory, and discriminatory it is intended to be, but against neither women nor minorities. Veterans preference does discriminate against the draft dodgers who fled our nation in its time of need to seek a haven in foreign countries. Veterans preference does discriminate against those who, for a variety of other reasons, did not serve their country in uniform. Yes, these people are discriminated against and it is intended they should be. They have already gotten their preference—the draft dodgers by being alive, not maimed, and safe from harm's way. The others who remained civilians have gotten their preference by attaining an early education and establishing themselves in the job market while their contemporaries answered their country's call and shouldered arms.

We all constantly make reference to the Veterans Preference Act of 1944, as amended, since this is the current law reflecting the gratitude of our nation through the wisdom of Congress. However, the first law granting veterans preference was section 1754 of the Revised Statutes, which was passed March 3, 1865 and is identified as 13 Stat. 571. This law provided that "Persons honorably discharged

from the military or naval service by reason of disability resulting from wounds or sickness incurred in the line of duty, shall be preferred for appointment to civil offices, provided they be found to possess the business capacity necessary for the proper discharge of the duties of such offices."

The first law granting preference to veterans in reduction in force in the Federal Civil Service was the Act of August 15, 1876, identified as 19 Stat. 169, provided: "That in making any reduction in force in any of the executive departments the head of such department shall retain those persons who may be equally qualified who have been honorably discharged from the military or naval service of the United States and the widows and orphans of deceased soldiers and sailors."

Even predating the foregoing law, in 1754, during the French and Indian War, Colonel George Washington communicated from the field with the Virginia House of Burgesses, to urge that that body provide simple assurance that the service-connected disabled veterans would not be "discharged and turned upon an uncharitable world to beg, steal or starve." Colonel Washington further stated, "There are few men who would choose to have their lives exposed, without some view or hope of a reward, to the insults of a merciless enemy."

Veterans Preference in federal employment, as we know it today, is provided by the Veterans' Preference Act of 1944. Basically, the law provides:

1. Five point preference—the veteran must attain the minimum passing score (70), and the five points is added to the examination score to determine the position of the veteran on the register.

2. Ten-point preference for disabled veterans. When a 10-point compensatory veteran qualified for a register, the veteran goes to the top of the list, regardless of the raw test score.

3. Preference for job retention over those in same competitive area and competitive level, in the event of a reduction of force.

4. Reemployment rights in the event that job is interrupted for military service.

5. Preference in meeting medical/physical requirements of civil service positions.

6. Preference in filing an application for a job after a competitive examination has been closed, under certain conditions.

7. Certain preferences in appeal rights.

8. Absolute preference for certain jobs (guards, messengers, etc.).

9. Miscellaneous other benefits/preferences.

When a Civil Service vacancy exists, the agency concerned can fill same by (1) promotion, (2) reassignment from another agency, (3) reinstatement of a former employee, or (4) selection from a register. If selection is made from a register, the "rule-of-three" must be followed, that is, one of the top three names must be chosen if the individual is available and qualified. If a veteran or preference eligible is passed over and a non-veteran selected, the reasons therefore must be justified by the agency in writing and approved by the Civil Service Commission. (The term preference eligible is used to distinguish those spouses, widows, etc. who are eligible for veterans' preference benefits.)

Let me point out at this juncture that veterans preference for job retention is not as absolute as opponents thereof would like you to believe. During the fiscal year 1976, some 1800 veterans failed to survive reduction in force (RIF) and were separated, as were approximately 2,000 nonveterans. With respect to reductions in grade during the same period, of some 8,000 so adversely affected, approximately half were veterans.

The Chairman of the Civil Service Commission, the Honorable Alan K. Campbell, has proposed to restrict veterans preference as follows:

(1) Limit 5-point veterans preference or limit length of use or change the "rule-of-three."

(2) Limit 10-point preference to one-time use and eliminate top-of-the-list of advantage.

(3) Eliminate retention advantage in reduction in force.

(4) Eliminate preference for veterans who are in retired military status.

Apparently, Dr. Campbell does not agree with the statement of one of his Career Executives, who, before this very Subcommittee, this past March, stated, in part, "First, veterans preference is a longstanding legitimate expression of public policy that has been folded into the over-all merit system framework. We feel the present laws are achieving their intended effect of giving an advantage to veterans while preserving the essential elements of competition on which our system is founded."

Dr. Campbell would eliminate veterans preference for Armed Forces retirees, both male and female. It is inconceivable to me that we should grant veterans preference to those who served in one war and deny like consideration to those who fought in as many as three conflicts. Military retirees constitute a mere five percent of the Federal Civil Service and 80 percent of those are retired enlisted personnel, whose average retired pay is a little over $4,000 per annum. To deny veterans preference to this group would establish a very dangerous precedent for all retirees, even Civil Service retirees, and have a most deleterious effect upon those war veterans still in service because of the further erosion of the benefits which attracted them to serve in our Armed Forces, in the first place.

Dr. Campbell further stated ". . . What is not permissible from the standpoint of merit and affirmative actions is a dilution of the competency of the work force through preferential treatment of less qualified workers." The Honorable Ray Roberts, Chairman of the Committee on Veterans' Affairs, United States House of Representatives, responded most succinctly in a news release September 16, 1977, wherein he stated, in part, "In reference to Mr. Campbell's statement on not diluting the competency of the work force through preferential treatment of less qualified workers, Mr. Roberts pointed out the inconsistency in this philosophy with the basic philosophy behind a Civil Service Commission Program—the Worker-Trainee Program. Roberts stated that, according to the Civil Service Commission, the purpose of the Worker-Trainee Program is to emphasize motivation and interest in doing low-level work where previously employees who had been chosen for these positions on the basis of the merit system showed undesirable turnover rates. Therefore, he said, a "reverse register" is created by the Worker-Trainee Program whereby the least educated, experienced, and qualified workers are moved up on the register and hired for Worker-Trainee Programs over applicants with higher educations and proven ability and desire to work. On this issue, Roberts stated: "I fail to see how you can discriminate against veterans and other more highly qualified applicants by use of the Worker-Trainee register on the one hand and then say that veterans' preference is discriminatory and is a 'dilution of the competency of the work force' on the other hand."

The deep concern of the membership of the Veterans of Foreign Wars of the United States with respect to veterans preference is reflected in the following resolutions passed by the voting delegates to our 78th National Convention, held in Minneapolis, Minnesota last August, representing our more than 1.8 million members, which are here listed and copies thereof appended to my testimony.

Resolution No. 601 entitled, "Perserve and Extend Veterans Preference."

Resolution No. 611 entitled, "Veterans Employment—CETA"

Resoltuion No. 612 entitled, "Federal Personal Service Contract"

Resolution No. 627 entitled, "Employment of Veterans"

Resolution No. 629 entitled, "Defense of Veterans Earned Rights and Benefits"

Resolution No. 643 entitled, "Insure Veterans Preference—Federal Funding State and Local Government Contracts"

Resolution No. 672 entitled, "Restore Confidence in the United States Civil Service System.

In addition to the foregoing, seven of the priority legislative goals of our Commander-in-Chief, Dr. John Wasylik, address veterans preference in federal employment.

It is inconceivable that when two of the three branches of our Government, the Legislative and Judicial, believe that veterans are entitled to preference in federal employment, the third branch of government should constantly attempt to dilute the provisions thereof.

This year, veterans' benefits have come under heavy attack nearly across the board by anti-veteran forces and social welfare planners, both within and without the government. The one redeeming factor is that any change in veterans' rights and benefits must be made by changes in the law of the land and, as usual, we must look to the Congress of the United States for the protection of these benefits. Not only our membership, but all veterans and their families, who constitute nearly half the population of this great nation, will be following Congress' response to these attacks very closely.

The Veterans of Foreign Wars of the United States is unalterably opposed to any dilution of the Veterans Preference Act of 1944, as amended, and our Commander-in-Chief so advised Mr. Dwight Ink, the Executive Director of the President's Reorganization Project in a letter dated September 22, 1977, which is appended to my testimony, just as we are making our position a matter of record in this hearing.

Thank you.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., September 22, 1977.

Mr. DWIGHT INK,
Executive Director, President's Reorganization Project, Federal Personnel Management Project, c/o U.S. Civil Service Commission, Washington, D.C.

DEAR MR. INK: This will transmit the thoughts of the 1.8 million members of the Veterans of Foreign Wars of the U.S. and the 565,000 members of the Ladies Auxiliary to the V.F.W. concerning proposed changes to the laws granting veterans preference in the Federal government.

We are unalterably opposed to and will fight with determination any and all changes which would weaken present laws. We find that the Civil Service Commission now circumvents current laws through administrative procedures and recommend that your discussions with the President center around the enforcement of present laws.

The concept of veterans preference began with the founding of our great nation and has been public policy for over one hundred years. The philosophy behind this entitlement for those who specially served their nation while others established themselves through educational and business pursuits recognized that there should be discrimination when the veteran returned and desired federal employment. No apology need be made for this.

Our first President while commanding the armies, urged by letter that discrimination

be made in favor of those who suffered in the service of their soon-to-be country.

Preference in government employment was enacted by the legislative branch of government. It has been upheld as constitutional by the Supreme Court of the United States, the judicial branch.

When two out of three branches of government feel that veterans are entitled to preference in federal employment, the third branch of the government should not attempt constantly to dilute its provisions.

We firmly believe that there are no options open to the President to weaken veterans preference. Should he attempt such through legislation, we will point out to the American people that his actions continue to indicate an anti-veteran posture and let the voters of this land determine if veterans' service is honorable or something of which to be ashamed. We would hope that never again would a President have to ask our youth to bear arms in the defense of the things we hold so dear. But, should that occasion arise, the veteran must be assured that his country will be grateful for that service.

Sincerely,

JOHN WASYLIK.
Commander-in-Chief.

STATEMENT OF JOHN WASYLIK, NATIONAL COMMANDER IN CHIEF, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and Members of the Committee:

It is indeed, both an honor and a privilege for me to appear before this most distinguished Committee representing the more than 2.4 million members of the Veterans of Foreign Wars of the United States and its Ladies Auxiliary, to present our Priority Legislative Program for this Second Session of the 95th Congress. Appended to my testimony is a copy of our pamphlet entitled, V.F.W. Priority Goals—Legislative and Security—For 1978. Without objection, it is requested this pamphlet be made a part of the transcript of this hearing.

On behalf of our entire membership and all veterans, I wish to thank you, Mr. Chairman, and your colleagues on this Committee for having introduced and shepherded through Congress the First Session the many bills which became Public Laws improving veterans benefits. I would be remiss, also, in not commending members of your entire staff for working in such close harmony with the Executive Director of our Washington Office, Cooper T. Holt, our National Legislative Director, Donald H. Schwab, and their staffs, and in particular, Jonathan Steinberg, Chief General Counsel, Edward Scott, General Counsel, former Congressman Garner Shriver, Minority Counsel, and Gary Crawford, Associate Minority Counsel.

Accompanying me today are those who comprise the leadership of our great organization, our Past Commanders-in-Chief, national and state officers, and national committee members. Through their dedication and hard work the V.F.W. is enjoying its 26th consecutive year of increased membership, including more than 500,000 Vietnam veterans, all of whom served overseas in combat areas.

Mr. Chairman, as we are all well aware, veterans benefits have come under the heaviest attack ever by anti-veteran forces and social welfare planners this past year. You will recall following appointment, the Secretary of Health, Education and Welfare, the Honorable Joseph A. Califano, Jr., included the Veterans Administration's compensation and pension programs in his nationwide welfare reform study. The Chairman of the Civil Service Commission, the Honorable Alan K. Campbell, attacked the Veterans Preference Act of 1944, as amended, the very day he was sworn into office. The National Academy of Sciences submitted a report to Congress which cost the American taxpayer some $7.2 million, including support furnished by the Veterans Administration, which recommended in essence that the Veterans Administration's hospital and medical care system be integrated into some future national health insurance program, and that the seven replacement and one new VA hospitals approved by two Presidents not be built. Finally, there are those who would turn the VA Home Loan Program over to the Department of Housing and Urban Development, and the VA Educational Programs over to the Department of Health, Education and Welfare or to a new Department of Education. The foregoing are all undeniable signs of the heavy hand of anti-veteran forces and social welfare planners, the great levelers, within our government. To such people no one is special and everyone equal, regardless of contributions to our nation or the total absence thereof. Our veterans and their survivors are very special, for because of them, and only because of them, we have a free nation where we, you and I may live with dignity and honor in freedom and progress in accordance with our individual abilities and motivation. Today, as in the past, we look to this Committee and its counterpart in the United States House of Representatives to uphold the speciality, dignity and honor of our veterans.

Mr. Chairman, the starting point each year in providing the benefits and services to which our veterans, their dependents and survivors are entitled by law, by virtue of honorable service in the armed forces of the United States during periods of war and hostility, is the Veterans Administration budget contained within the HUD-Independent Agencies Appropriation.

The Administration's proposed Fiscal Year 1979 budget of $500.2 billion in outlays, over half a trillion dollars for the first time in the history of our great nation, has been variously described in editorials and news items as "lean and tight", "cautious", "restrained" and "bare-bones". Mr. Chairman, I am unaware of any appropriation or budget to which "bare-bones" more aptly applies than that of the Veterans Administration at $19.2 billion in outlays. For the first time in a decade the VA budget has fallen to 3.8 percent of the National Budget. In 1955, the VA budget was 6.9 percent of the National Budget and in the intervening twenty-three years, the veteran population has increased nearly 40 percent.

Mr. Chairman, according to economists, including the Director of the Government's Council on Wage and Price Stability, Mr. Barry Bosworth, inflation will increase at a rate between six and seven percent the next fiscal year. At least one economist, Mr. Lacy H. Hunt, Vice President and Economist of the Fidelity Bank in Philadelphia, Pennsylvania, estimates 7.2 percent. Predicated thereon, and at the close of the first Session of the 95th Congress, I recommended to you, Mr. Chairman, an increase in the VA budget of $2.3 billion in outlays or, based upon current estimates, $21.5 billion in outlays for the next fiscal year. This amount would permit at least a 6.5 percent increase in all the benefits programs amounting to $600 million, new legislative initiatives, to include restructuring of the pension program at a cost of $1 billion, staffing increases within the Veterans Administration and a needed increase in research funding totaling $400 million and money for major and minor construction in the amount of $300 million.

Mr. Chairman, the very heart and keystone of veterans benefits is the Compensation and Dependency and Indemnity Compensation Program, which in part, and only in part, remunerates our veterans for disabling injuries or diseases contracted in or aggravated by active duty in our armed forces, and the survivors of those veterans who expired due to service connected disabilities. As previously stated, my recommendation at this time is for at least a 6.5 percent cost-of-living increase in these programs, as opposed to the Administration's inadequate 5.8 percent. In addition, and as a new legislative initiative, the passage of legislation to authorize Dependency and Indemnity Compensation to the widows and orphans of 100 percent service connected disabled veterans regardless of the cause of death, and to insure that such DIC is not subjected to a needs test.

Mr. Chairman, the non-service connected and death pension programs have been a constant source of consternation to all concerned over the years due to inequities and the reduction or termination of pension six months following increases in Social Security benefits. In addition, one of the prime objectives of the President's Office of Management and Budget has been to greatly restrict the pension program long before whatever portion of the now living 13 million World War II veterans reach age 65. In our opinion, the vast majority of World War II veterans will never be able to qualify for such pension even under current law due to increases in Social Security benefits and both private and federal retirement programs. However, pension reform legislation presently under consideration by both this Committee and its counterpart in the House, will greatly curtail the pension program for future applicants and their dependents. Granted, in the overall scheme of things, this may be necessary, but, believe me, we of the V.F.W. will never stand idly by and see any veteran or his survivors receive less benefits than those granted to aliens or welfare recipients. We have no doubt, you, as the veteran's champion in Congress, are with us one hundred percent in this respect. In addition, another of our priority goals is to support a separate pension for our World War I comrades and their widows. Some have claimed such would remove the pension program from one based up need to an outright bonus. Perhaps. Perhaps these people are right. Let us just say such would be recompense for that which our government never did for these veterans.

Much to the credit of this Committee and the Congress of the United States, the current GI Bill has certainly proven its worth and success in that to date 64.3 percent of Vietnam era veterans have received education or training thereunder, compared to 43.4 percent participation under the Korean GI Bill, and 50.5 percent under the World War II GI Bill. The Congress in its wisdom last session passed legislation which became Public Law 95-202, the "GI Bill Improvement Act of 1977," which not only granted a 6.6 percent cost-of-living increase to those undergoing education and training but further expanded benefits by increasing the maximum loan from $1,500 to $2,500 per school year, and included a "forgiveness of loan provision." The GI Bill, in its present form, is by far the most liberal of all GI Bills. Notwithstanding the foregoing, I was shocked that the Administration's budget, for the second consecutive year, contains not one cent for a cost-of-living increase for those taking advantage of education and training benefits under the GI Bill. Therefore, and in accordance with another of our priority goals, I am recommending at this time at least a 6.5 percent cost-of-living increase for those Vietnam veterans and dependents availing themselves of benefits under Chapters 31, 34 and 35, Title 38 of the United States Code.

While speaking of the Veterans Administration's education programs, it has come to my attention a number of bills have been introduced in both houses of Congress to establish a Department of Education, with considerable backing by the Administration.

Although these bills do not specifically state the VA educational programs would be absorbed therein, should some of these bills become law, they contain authority for the President merely by Executive Order to include any federally funded educational program in a new Department of Education. We have, in writing, asked to testify when the Governmental Affairs Committee holds hearings thereon, at which time we will request a specific exclusion of the Veterans Administration's educational programs and I would urge you, Mr. Chairman, and all the Members of this Committee to do likewise.

The VA Loan Guaranty Program is, without question, the most used benefit by veterans. To date more than ten million loans have been approved under this program and nearly six million such loans have been paid in full, with only some 423,000 defaults since inception of the program. An enviable record, indeed. However, our younger Vietnam veterans, because of the high cost of real estate, which has outstripped every other form in inflation, find exceedingly great difficulty in securing loans for permanent housing. To alleviate this situation we now, as in the past, recommend that legislation be introduced and passed authorizing the Veterans Administration to subsidize interest rates in excess of six percent under the loan guaranty programs. In addition, and in view of the foregoing, it would appear the time is at hand to increase the amount of guaranty entitlement available to veterans from $17,500 to $25,000, which has already been accomplished by law for those in need of specially adapted housing.

Veterans preference in federal employment in one form or another has been the law of the land for more than 113 years, when Congress passed the first law granting such in appointment to civil offices. The current Administration, through the Chairman of the Civil Service Commission, is bringing all possible pressure to bear to drastically curtail this benefit, if not entirely eliminate veterans preference using the wholly fallacious reasoning that such has discriminated against women and minorities. Last October the Subcommittee on Civil Service of the House Post Office and Civil Service Committee held oversight hearings with respect to veterans preference. It is my understanding that the tenor of questioning during these hearings was not at all sympathetic, if not hostile, to retaining veterans preference in its present form. Subsequently, on December 20, 1977, a document announced in a title alien to American usage, known as the "Minute" was published by the Civil Service Commission which laid out a plan to effectively emasculate veterans preference and destroy the merit system, the very keystone of federal civil service.

In January, I brought this paper to the attention not only of every member of this Committee, but the House Veterans Affairs Committee, the House Post Office and Civil Service Committee, the appropriate Subcommittee of the Senate Governmental Affairs Committee, and the leadership of both the Senate and the House of Representatives. This plan would circumvent Public Law passed by the Congress of the United States by administrative fiat and not only make a shambles of federal employment but be completely demoralizing to all career employees, veterans or not. If there is to be any modification in the Veterans Preference Act of 1944, as amended, we look to you and all members of Congress, our elected representatives, to stand up and be counted this election year with respect to your position thereon. We do not, and I am sure you do not, intend to sit idly by and acquiesce to the Executive Branch of our government usurping your prerogatives in carrying out the law of the land.

Another action by the Civil Service Commission is working an extreme hardship on those Civil Service employees who are also military retirees and the dependents of active duty armed forces personnel in Alaska, Hawaii, Puerto Rico, the Virgin Islands and Guam. By that which we believe to be a misinterpretation of Executive Order 10000, dated September 16, 1948, as amplified by Executive Order 11938, dated September 29, 1976, the Commission has directed a lesser cost-of-living allowance or eventual abolishment thereof in non-foreign areas for military retirees, their spouses and the spouses of active duty armed forces personnel. These people have earned their right to military or federal housing, commissary and post exchange facilities. We believe the restrictive language in the Executive Orders was intended to reduce the cost-of-living allowances for those Civil Service employees who, as part of their hire, were granted housing, commissary and post exchange privileges to which they had no inherent entitlement. Since both the Civil Service Commission and the Office of Management and Budget have remained adamant in their anti-veteran position, class action suits have been initiated in the federal courts in both Alaska and Hawaii by those adversely affected. Last October the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee, chaired by the Honorable Gladys Noon Spellman, held oversight hearings with respect to payment of cost-of-living allowances to federal employees. S. 716 cosponsored by the Vice Chairman of your Subcommittee on Compensation and Pension, the Honorable Spark M. Matsunaga, is pending before the Governmental Affairs Committee and would resolve the cited injustice. I urge this Committee, in its oversight function, to encourage timely consideration and passage of this remedial legislation.

At this juncture, Mr. Chairman, I would like to register the continuing and deepening disenchantment of the Veterans of Foreign Wars with respect to the administration of veterans employment by the Department of Labor. Following the confirmation hearing by this Committee to appoint the Deputy Assistant Secretary for Veterans Employment last year, the present incumbent stated quite emphatically that the position of Director of the Veterans Employment Service would be retained under his stewardship. Such is not the case since this position has been abolished. The track record of the Department of Labor with respect to employment of Vietnam veterans is deplorable, illustrating most graphically what happens to a veterans program when not under the umbrella of the Veterans Administration. We believe the position of Director of Veterans Employment Services is essential if there is to be real, positive and dynamic leadership in this area.

Mr. Chairman, I am quite certain no one would attempt to dispute the fact that our Veterans Administration hospital and medical care system is one of our nation's greatest assets. However, the budget cuts in this area most glaringly reflect the Office of Management and Budget's unbelievable insensitivity to the needs of the veterans of this nation. To say that we were shocked to learn $98 million for the construction of the 480 bed general hospital in Camden, New Jersey was deleted from the budget is an understatement, indeed. President Carter had reaffirmed his previous decision initiated by his predecessor, former President Gerald R. Ford, to build this badly needed hospital and the Veterans Administration fully supported and again justified its need in response to the National Academy of Sciences' study recommending that it not be built.

Substituting an outpatient clinic in Camden, New Jersey and constructing a 120-bed nursing home care facility in Philadelphia, Pennsylvania will certainly not fill the void created by not constructing a 480 bed hospital. A nursing care bed resembles a hospital bed "only as the mist resembles rain." We are also no less concerned with the budget cut of $32 million by eliminating over 3,100 hospital beds for veterans. Average daily census reports furnished by the Veterans Administration indicate a rejection rate throughout the hospital system of 18 percent. However, and this reflects a most disturbing trend, there are twenty hospitals with rejection rates in excess of 31 percent, and five with much higher rates, for example: Buffalo, New York 51.7%; Shreveport, Louisiana 45.7%; Bronx, New York 44.3%; Durham, North Carolina 42.5%; Cleveland, Ohio 45.1%. We have stated for years that many veterans needing and seeking hospitalization are turned away by the Veterans Administration, who are subsequently hospitalized in community hospitals.

Another jolt in the VA budget for 1979 is the reduction of $7.6 million in the domiciliary construction program precluding planned new starts. This, again, in spite of the General Accounting Office's documented need for the expansion and replacement of antiquated facilities.

Although research funding has been increased by $264 thousand, we are advised monies allocated for this purpose are to be siphoned off and diverted to other projects. Research funding, as I am sure you are aware, has been "straight-lined" for years resulting in a progressively regressive budget. Research is to be reduced or terminated in fifty-three hospitals with the concurrent reduction of some thirty-four positions. Under the theory that you always exploit a success, one would think that even the most callous administration would beef up a program in which two of their physicians won Nobel prizes this past year, but such is not the case. Along with other deficiencies, professional shortages continue in the areas of American trained physicians, nurses and paramedical personnel. Still another shortfall in the VA budget is the fact that there is no money whatsoever included for cost-of-living increases for VA employees, which will have to be absorbed in the overall budget. Another subterfuge is the projected savings in the budget predicated on the passage of legislation terminating benefits never seriously considered by Congress. For example: authorization for private insurers and other third parties to reimburse the VA for medical treatment of non-service connected illnesses; elimination of flight and correspondence school training; and elimination of reimbursement for travel expenses required by veterans being treated on an outpatient basis for a non-service connected illness.

Another of our priority goals is that "States without an open national cemetery will be given top priority after the completion of the seven cemeteries already authorized by Congress, until all states have a national cemetery." In view thereof, we are pleased indeed, the budget contains necessary funding for the maintenance and operation of the existing 141 cemeteries, and that the cemetery at Riverside, California will open for interments in November, 1978, and in September of this year, those at Bourne, Massachusetts and Calverton, New York. In addition, development of acreage at Quantico, Virginia and Indiantown Gap, Pennsylvania will continue, as will site selection planning for two new cemeteries in regions IV and V. The V.F.W. has contended for years, Mr. Chairman, that there should be an open national cemetery in every state so that our veterans may be interred in close proximity to their survivors. While speaking of cemeteries, the V.F.W. is deeply concerned about the graves of those American veterans in the Panama Canal Zone, should the treaties be ratified.

As you are aware, there are some 1,332 Americans, of whom 175 are veterans, interred in the Mount Hope Cemetery on the

Atlantic side of the canal, and 741 veterans interred in the Corozal Cemetery on the Pacific side of the canal. Inasmuch as the Mount Hope Cemetery would pass immediately to Panamanian control if the treaties are ratified, and the Corozal Cemetery would remain under U.S. control until the canal is completely turned over to the government of Panama, an early decision with respect to these honored dead should be made. It has been recommended that an agreement be negotiated, wherein the government of Panama would agree to continue to maintain these cemeteries, that the American Battle Monuments Commission assume responsibility of maintaining the graves of Americans interred therein, or that legislation be enacted to provide for the disinterment and reinterment of our veterans in national cemeteries within the United States at government expense.

Last week the Subcommittee on Cemeteries and Burial Benefits of the House Veterans Affairs Committee held hearings with respect to this most pressing problem. Our recommendation to the Subcommittee was that all the Americans, veterans or not, interred in the Mount Hope Cemetery, be disinterred and reinterred in the Corozal Cemetery. In addition, that provision be made in the treaties, or by supplemental amendment after the treaties become effective, for the American Battle Monuments Commission to have jurisdiction over the American Sector of the Corozal Cemetery in perpetuity without payment or taxation and the the right be granted by the Panamanian Government to fly the Flag of the United States over the American Sector of the Corozal Cemetery. Further, that, if so requested by the next of kin, the remains of veterans in either of the cemeteries be disinterred and reinterred in a national cemetery within the United States at government expense. I urge you, Mr. Chairman, to see that this Committee and, you, personally, as the Majority Whip of the Senate, take timely action to assure the continued sanctity of the remains of our veterans and other Americans intered in Panama.

Mr. Chairman, there is another area of growing concern within our organization. That is the continuing failure of government agencies, and in particular, the Veterans Administration, to timely submit reports to Congress mandated by Public Law. The cavalier attitude with which reports are submitted months late, ostensibly due to dilatory tactics by the Office of Management and Budget, works undue hardship on both this Committee and those who must testify with respect to pending legislation. It is hoped, Mr. Chairman, action will be taken to rectify this situation.

Mr. Chairman and Members of the Committee, I trust each of you will be with us tonight on the occasion of our annual Congressional Banquet at the Sheraton-Park Hotel. We will be honoring the Honorable John J. Rhodes of Arizona, the Minority Leader of the House of Representatives, with our 15th Annual V.F.W. Congressional Award. The reception will begin at 6:00 p.m., with dinner promptly at 7:00 p.m. I assure all of you, our program will conclude at approximately 9:15 p.m.

Thank you, Mr. Chairman and Members of the Committee.

THE AMERICAN LEGION,
Washington, D.C., March 13, 1978.

Hon. THOMAS J. MCINTYRE,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR MCINTYRE: In response to your inquiry of March 10, 1978 we have enclosed:

1. Excerpts from a statement delivered by Mr. Al Keller, Jr., Chairman of the National Economic Commission of The American Legion before the Subcommittee on Civil Service of the House Committee on Post Office and Civil Service on October 5, 1977, which reiterate The American Legion's position on veterans' preference in Federal employment.

2. Copies of Resolution No. 28 (Oppose any Expansion in the Present "Rule of Three") and No. 220 (Oppose any Weakening of the Veterans' Preference Act of 1944, as Amended), adopted at the 59th Annual Convention of The American Legion at Denver, Colorado in August, 1977.

3. A statement by Mr. Samuel Borzilleri, Legal Consultant of The American Legion, on the contractual nature of the 1944 Veterans' Preference Act.

The American Legion is grateful to you for introducing an amendment to S. 2640 which, we understand, would exempt veterans' preference from the proposed civil service reform. We, however, will reserve official endorsement of your amendment until we have had the opportunity to review its text.

Sincerely,

MYLIO S. KRAJA,
Director,
National Legislative Commission.

Enclosures.

EXCERPTS OF MR. AL KELLER'S STATEMENT

The American Legion's position on veterans' preference is that it should be restricted to those who serve in wartime, in peacetime campaigns, or in expeditions for which campaign badges or service badges have been authorized. This mandate justified the Legion's support for the elimination of veterans' preference for those entering the armed forces after 14 October 1976. The American Legion has in an oversight capacity opposed abuse of veterans' preference benefits by veterans themselves. As an example, in 1928 The American Legion was represented on a panel headed by the President of the U.S. Civil Service Commission which recommended that 10-point preference be granted only when officially established by records of the armed services.

The very concept of special preference for veterans has come under attack from certain organizations. The Civil Service Commission's attitude is that ". . . Veterans' preference in the Federal Government unduly restricts management's flexibility to choose from among the best qualified candidates in filling jobs; introduces nonjob-related factors into the employment and retention process; has an adverse impact on certain groups, especially women; and impedes good personnel management practices." It also claims that "veterans preference is perhaps the most extreme inhibitor of diversity within the Federal work force."

The American Legion takes exception to those conclusions.

First of all, we believe that it is necessary to bring certain aspects of the problem into perspective. A statistic often quoted by the Chairman of the Civil Service Commission is that "veterans comprise over 50 percent of the Federal service but only 22 percent of the total work force." That is simply not true. There are nearly 30 million veterans in this country, about 26 million of whom are employed, and at least 24 million of them full-time. The "total work force" includes members of the armed forces, both the employed and the unemployed, and full-time, part-time, and seasonal employees. The employed civilian work force amounts to about 85 million—51 million men and 34 million women. However, only about 70 percent of the men—about 36 million, are employed full-time the year around, and only 42 percent of the women—a little more than 14 million—fall in that category. Thus in terms of fulltime employment, the only meaningful comparison to Federal employment, veterans account for nearly half of the national work force, which is approximately equal to the ratio of veterans in Federal service.

Another matter that should be put into perspective is how veterans are distributed within the Federal Government, for to say that "veterans comprise over 50 percent of the Federal service" may give the impression that that ratio holds true "across the board." In fact, more than 75 percent of the veterans employed in the Government are employed by three agencies: the Department of Defense (DOD), the United States Postal Service, and the Veterans Administration. DOD, which employs 560,000 veterans—40 percent of the total—includes many military-oriented positions for which those with specialized military training and experience have a clear competitive edge over non-veteran job applicants, and employs more than 70 percent of the Government's 500,000 "blue collar" workers, almost all of whom are male and in many instances happen to be veterans. Although the Civil Service Commission claims that "veterans' preference . . . is not a job-related criterion," in the case of the DOD it clearly is.

The Postal Service employs 420,000 veterans, 30 percent of the total. Because of the nature of postal work, the Postal Service has not appealed to women as a career, so it is 85 percent male. Thus it is not surprising that 60 percent of its 680,000 employees are veterans. Finally, the VA employs about 88,000 veterans, about 40 percent of its 220,000 employees and 6 percent of all veterans employed in the Federal Service. Although the VA is hardly looked upon as a private preserve of veterans, as in the case of DOD, prior military service is often a "job related criterion."

Veterans thus account for only 37 percent of the Federal jobs outside those three organizations. That is a significant figure, but it is considerably lower than the ratio of veterans in the full-time national work force.

We should also mention a few salient facts about the employment of women and minorities in the Federal Government. Minorities, who account for about 15 percent of the nation's population, hold about 20 percent of all Federal jobs. Women hold nearly 35 percent of all Government jobs and more than 40 percent of the General Schedule jobs. That is lower than the ratio of women in the total population, but is significantly above the 20 percent of the full-time, year-round jobs they hold in the civilian work force, which includes Federal employment. In 1975, minorities held 28 percent of the Federal jobs at the GS 1–4 level; 22 percent of the jobs at the GS 5–8 level; and nearly 12 percent of the jobs at the GS 9–11 level. Women accounted for more than 65 percent of the GS 1–7 "white collar" jobs and 25.5 percent of GS 7–12 "white collar" jobs.

In terms of total employment and the lower and lower-middle grade levels, minorities and women are reasonably well represented and, as the Civil Service Commission acknowledges, in some respects, overrepresented. It is the upper-middle and upper grade levels, GS–12 and above, that are of most concern to the Civil Service Commission. It points out the fact that "veterans account for over 60 percent of those Federal employees in grades 15 and above" and that "The percentage of 5-point veterans grows rapidly as one goes up the grade and pay scale, reaching almost 65 percent of the GS–18's."

Once again we believe that everything should be put in perspective. First, the great majority of people in the upper grade levels have more than 10 years of seniority on the job. Due to various socio-economic factors, there has traditionally been a higher turnover rate among female Federal employees than among males. Only 21 percent of the Federal employees with 10 years or more than 20 years of service are female.

Most of the veterans in those positions are World War II and Korean War veterans who have many years of continuous service. Second, more than 60 percent of the Federal employees at the GS–15 level and above hold advanced degrees. Despite progress made by women in recent years, there is still a great disparity between males and females with regard to graduate education; the male-female ratio among those with more than four years of college is 2.5 to 1. That ratio is even higher in such Government-related fields as law, physical and life sciences, business administration and management, economics, and engineering. As recently as 1974 women earned only 6 percent of the 34,000 advanced degrees awarded in the business and management fields. In 1955 women earned only 3.5 percent of the law degrees conferred, and that ratio had increased to only 8 percent by 1973. The educational disparity between the majority and the minorities is even greater. Third, it should be pointed out that veterans preference does not apply to promotions.

In fact, the dominance of male and thus veterans at the higher levels of the Government is reflected in our society as a whole. Some 65 percent of our Senators are veterans, as are 80 percent of the members of the House of Representatives. Two-thirds of the members of President Carters' Cabinet are veterans. In all probability, an analysis of the higher levels of most professional groups would show a predonderance of males and veterans. To say this is not to express approval or disapproval of domination by males and veterans in our society and Government, but to point out that it would be inaccurate to blame that situation on veterans' preference.

The General Accounting Office has pointed out that scarcity of women and minorities in some occupations and competition from private industry make it difficult to attract women and minorities.

The General Accounting Office report, of September 29, 1977, on the effect of veterans' preference on the hiring of women, concludes that veterans' preference does diminish the employment of women since they selodm have veterans status. The main difficulty is because veterans are scoring too high on the examinations, and the addition of the five points puts them over other qualified persons. Some agencies reported all-, or nearly all-veteran registers. If the goal is hiring qualified persons, the present method of veterans' preference is successful. It is possible that some agencies are using veterans' preference as a scapegoat for not hiring more women. Cetrainly, the questionable procedures given as a way to bypass veterans on the registers in order to hire women are the same methods agencies have been using for years, although not for the purpose of hiring women. When asked why their hiring of veterans was low, most of the Federal agencies responded that most of their jobs were predominantly female oriented or too technical and professional for veterans.

Veterans are accused of being selected for jobs in the middle-level area out of proportion to qualified women. However, upon analyzing the statistics provided, it is obvious that the real disparity is between nonveterans and veterans; nonveterans, both male and female, received 71 percent of the jobs, leaving 29 percent to the veterans. Some of these veterans' preference eligibles, of course, were women.

The American Legion would not only like to express its opposition to any alteration of veterans' preference benefits, except for limiting them to wartime veterans, but would also like to take advantage of this opportunity to point out the fact that veterans' preference laws already on the books are being increasingly ignored or circumvented. Over the past three years there has been a 4 percent decrease in veteran employment of women. During the last half of 1975, 43 percent of the new hires were women and veterans' preference appointments—including the women who used it—amounted to only 25 percent, with only 21 percent of the appointments going to disabled veterans.

The Veterans Preference Act provides that selection for job vacancies shall be made from the three highest names on a certificate of eligibles. It is being recommended that this requirement be changed to achieve greater "flexibility." Such enlargement of the pool of eligibles would nullify the concept of selection on the basis of job-related qualifications; selections could be made of persons far down on the scale on the basis of whatever preference was currently fashionable. The American Legion has a specific resolution opposing any change in this "rule of three," which I am attaching to this statement.

Another instance of evasion of the Veterans Preference Act is the situation in the United States Postal Service in which the Civil Service Commission has not exercised the enforcement authority of the Act to stop the Postal Service from using a so-called "realignment" procedure which the Civil Service Commission itself had earlier recognized as a reorganization to which reduction-in-force procedures should apply. Another is the widespread use of contracting out of custodial and protective services which by law are to be restricted to veterans' preference eligibles as long as such applicants are available.

Still another is the Civil Service Commission extension—its third—to the Department of Defense of a waiver from veterans' preference in overseas hiring. I believe the Subcommittee is aware, also, of the widespread circumvention of veterans' preference in both hiring and retention rights in various Federal agencies.

It has been traditional philosophy in this country, and in The American Legion, that, "those who were preferred to serve their Nation in the armed forces in time of war should be preferred to serve their Nation in a civilian capacity when qualified." Removal of this preference is a matter that goes beyond any question of "flexibility," greater employment of other groups, or like concerns. It is really a question of whether this is a country that feels free, in time of national emergency, to call upon its very best to serve in its armed forces and face death, injury, disruption of normal life, and all the other conditions of that service, and then for the country to discard them as veterans, to announce they must compete "as equals" against all nonveterans, except for such nonveterans as may be given preference in recruiting, examination and selection. Right now we have no need for an emergency armed service, but if the need arises, the response will be forth coming. However, the law should be there, needing only a slight amendment on qualifying dates of service, to acknowledge that the Nation that calls for sacrifice will also hire its veterans when qualified.

[From the National Executive Committee of the American Legion, Indianapolis, Ind., May 4–5–1977]

RESOLUTION NO. 28—OPPOSE ANY EXPANSION IN THE PRESENT "RULE OF THREE" IN FEDERAL CIVIL SERVICE

Whereas, The Veterans' Preference Act, now codified under Title 5, United States Code, and the Civil Service Rules and regulations relating thereto, provided that when an appointing officer is to fill a vacancy by appointment of persons who have qualified through Civil Service examination, he shall ask for, and the Civil Service Commission shall certify from the top of the appropriate register of eligibles, a number of names sufficient to permit the nominating or appointing officer to consider at least three names in connection with each vacancy; and

Whereas, The nominating or appointing officer shall make selection for each vacancy from not more than the three highest names available for appointment on such certificate of eligibles, a method known as the "rule of three;" and

Whereas, There have been in the past, and continue to be from time to time, efforts to expand this "rule of three" into a system which would require a greater number of names, with suggestions ranging from four to as many as fifteen, to be provided from the appropriate register of eligibles; and

Whereas, The "rule of three" provides a selecting official with a discretionary choice among the top-rated applicants; and

Whereas, Expansion of the number of applicants to be considered would create untenable administrative burdens, such as increasing the number of applicants to be interviewed and evaluated and thereby increasing the length of time necessary to fill vacancies; and

Whereas, An increase in the number of applicants to be submitted to appointing officers would also nullify the concept of selection from those applicants most qualified, and would increase the possibility of selection on the basis of factors irrelevant to merit; and

Whereas, It has been traditional American Legion philosophy that "those who were preferred to serve their Nation in the armed forces in time of war should be preferred to serve their Nation in a civilian capacity when qualified;" and

Whereas, In line with that philosophy, The American Legion supports the system of veterans' preference, as set forth in Title 5, United States Code, as an integral part of the Federal merit system, with the result that an action that damages the merit system also weakens and might destroy the present system of veterans' preference; now therefore be it

Resolved, by the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on May 4–5, 1977, that The American Legion strenuously oppose any expansion in the present "rule of three" system as stipulated in the Veterans' Preference Act of 1944, as amended and codified under Title 5, United States Code, and rules and regulations of the Civil Service Commission, which require the nominating or appointing officer to make selection for each vacancy from not more than the highest three names available for appointment on a certificate of eligibles.

[From the 59th Annual National Convention of the American Legion, Denver, Colo., August 23–25, 1977]

RESOLUTION NO. 220—OPPOSE ANY WEAKENING OF THE VETERANS PREFERENCE ACT OF 1944, AS AMENDED

Whereas, A grateful nation, through the Congress of the United States, has continued the long history of employing the returning veterans by passing the Veterans Preference Act of 1944, now codified in Title 5, United States Code; and

Whereas, The term "veteran" includes every category of society, sex, region, ethnic groups, colors, races, creeds, and national origin; and

Whereas, The Veterans Preference Act seeks to overcome the burden placed on the war veteran by his absence from the job market and which gives his peers a head start in work, and also provides an opportunity for the veterans to stay on the job when reductions in force are necessary; and

Whereas, There is an extremely high rate of unemployment among veterans, especially for the young minority and the disabled, and the President has urged special efforts to employ these veterans on the part of both the private sector and the Federal government; and

Whereas, Veterans preference has been an integral part of the Federal merit system,

with many of its initial features extended to all other Federal employees, and is not extended to those serving in the present volunteer armed services; and

Whereas, The Chairman of the Civil Service Commission has been quoted as regarding the Veterans Preference Act as a hindrance to efficient personnel practice and a handicap to the promotion of certain non-veterans, and has announced the intention of recommending that Congress amend the Veterans Preference Act of 1944 to eliminate or lessen those remaining aspects of that Act that are helpful to veterans preference eligibles in obtaining and retaining Federal employment; now therefore be it

Resolved, by the American Legion in National Convention assembled in Denver, Colorado, August 23, 24, 25, 1977, that the American Legion reaffirms its traditional support of the preference in Federal employment extended by a grateful Nation, and pledges to strenuously oppose any and all attempts to weaken or reduce veterans rights and benefits in Federal employment as provided and set forth in Title 5, United States Code.

CIVIL SERVICE COMMISSION 113-F FISCAL YEAR 1977 (CUMULATIVE) OCTOBER 1976-SEPTEMBER 1977—PREFERENCE HIRES

Agencies	VEV			Non-VEV			Other 10 pt.	Total veterans	VRA appointments	Conversions	Losses		Onboard	New hires
	5 pt.	10 D.	10 C.	5 pt.	10 D.	10 C.					Involuntary	Voluntary		
General Accounting Office	56	1	4	59	2	1	0	123	1	0	0	0	1	406
Government Printing Office	93	1	0	49	2	2	1	148	67	86	8	24	142	540
State Department (Regular)	178	0	3	173	2	2	0	358	4	2	0	2	16	1,767
AID	35	0	1	57	4	1	0	98	0	0	0	0	0	600
Treasury	1,708	62	151	841	30	63	114	2,969	385	306	25	255	603	21,213
Army	7,866	334	771	8,550	312	719	262	18,814	2,063	1,491	153	898	3,712	67,596
Navy	10,611	126	329	6,063	139	230	286	17,784	2,845	1,151	213	1,276	4,021	36,906
Air Force	3,913	113	346	4,428	167	422	167	9,556	1,094	271	404	923	1,863	37,446
Defense Supply	1,111	36	78	446	28	51	46	1,796	445	186	15	83	559	6,714
Other Defense	497	8	41	290	7	13	8	864	36	32	1	7	48	4,833
Justice	1,200	32	41	268	5	9	29	1,584	363	209	41	109	573	7,280
Interior	2,305	62	125	4,054	154	272	81	7,053	255	107	17	135	344	38,917
Agriculture	3,703	116	221	4,836	168	228	108	9,380	355	53	46	183	413	57,833
Commerce	479	20	46	545	9	11	19	1,129	123	107	3	52	169	11,504
Labor	172	11	25	397	24	29	13	671	24	6	0	64	33	4,098
Health, Education, and Welfare	811	29	76	3,036	120	231	106	4,409	303	0	27	180	1,000	27,938
Housing and Urban Development	34	0	9	82	6	11	4	146	10	35	0	29	43	3,832
Transportation	1,812	31	89	1,134	31	79	22	3,198	392	355	14	85	665	7,744
Civil Service Commission	227	3	21	87	6	7	13	364	54	17	2	20	63	2,110
Environmental Protection Agency	11	0	0	356	15	15	7	404	12	10	0	2	21	3,581
Energy Research and Development Administration	175	8	12	107	2	4	3	311	0	0	0	0	0	0
Federal Deposit Insurance Corporation	76	3	3	19	1	0	0	102	3	0	0	1	2	613
Federal Energy Administration	204	12	16	91	4	5	5	337	17	5	0	9	5	679
General Services Administration	1,084	34	65	524	16	31	23	1,777	204	151	5	90	269	6,567
Information Agency	27	1	0	34	0	0	0	62	0	0	0	0	1	368
NASA	184	0	9	83	2	2	6	286	57	36	2	19	79	2,556
National Labor Relations Board	37	1	4	13	0	0	4	59	0	1	0	0	1	587
Nuclear Regulatory Commission	63	4	0	34	0	0	0	101	0	0	0	0	0	0
Small Business Administration	55	5	7	289	14	7	5	382	17	8	0	8	27	1,632
Smithsonian Institution	379	6	1	215	6	2	2	611	263	44	17	127	269	1,008
Tennessee Valley Authority	6,430	0	0	8,157	0	0	5	14,592	0	0	0	0	0	29,316
U.S. Postal Service	14,977	1,598	4,198	9,192	989	3,417	1,010	35,381	0	191	0	5	0	105,755
Veterans Administration	12,664	184	565	4,826	78	285	210	18,812	6,304	2,581	774	2,954	7,620	60,062
Total	73,177	2,841	7,257	59,335	2,343	6,149	2,559	153,661	15,696	7,441	1,767	7,540	22,562	552,001

VEV=Vietnam Era Veteran.

CIVIL SERVICE COMMISSION 113-F FISCAL YEAR 1976T (TRANSITIONAL QUARTER) JULY-SEPTEMBER 1976—PREFERENCE HIRES

Agencies	VEV	Non-VEV	Other 10 pt.	Total veterans	VRA appointments	Conversions	Losses		Onboard	New hires
							Involuntary	Voluntary		
General Accounting Office	67	17	1	85	0	0	0	0	0	171
Government Printing Office	63	5	0	68	37	16	2	4	193	214
State Department (Regular)	74	49	0	123	2	4	0	1	15	389
AID	4	19	0	23	0	0	0	0	0	119
Treasury	406	203	27	636	80	87	8	60	805	4,724
Army	3,396	1,813	64	5,273	833	521	42	353	4,141	18,895
Navy	3,048	1,125	123	4,296	639	357	63	124	223	10,101
Air Force	1,271	1,675	45	2,991	318	29	40	135	2,367	11,037
Defense Supply	119	95	8	222	65	66	2	9	898	804
Other Defense	132	62	4	198	6	7	1	3	52	780
Justice	304	94	2	400	121	73	7	31	569	2,551
Interior	635	1,205	21	1,861	52	32	13	41	348	11,226
Agriculture	959	1,133	29	2,121	86	16	9	61	340	15,214
Commerce	183	117	2	502	35	25	0	19	208	2,366
Labor	14	8	0	22	0	2	0	26	79	892
Health, Education, and Welfare	391	807	55	1,253	139	1	10	59	904	9,187
Housing and Urban Development	24	19	2	45	11	6	1	0	97	801
Transportation	415	270	5	690	73	56	5	11	727	1,835
Civil Service Commission	43	26	6	75	9	3	0	6	48	510
Environmental Protection Agency	1	175	4	180	1	2	0	3	21	1,411
Energy Research and Deve opment Administration	97	33	0	130	0	0	0	0	0	0
Federal Deposit Insurance Corporation	14	4	0	18	0	0	0	0	0	185
Federal Energy Administration	38	19	1	58	1	0	0	0	2	162
General Services Administration	221	113	8	342	49	53	1	29	311	1,225
Information Agency	13	10	0	23	0	0	0	0	1	108
NASA	46	23	1	70	12	25	0	6	79	464
National Labor Relations Board	14	7	0	21	2	0	0	6	2	164
Small Business Administration	13	77	1	91	11	1	0	6	26	411
Smithsonian Institution	108	23	1	132	46	7	3	19	194	245
Tennessee Valley Authority	1,687	2,071	0	3,758	0	0	0	0	0	6,800
U.S. Postal Service	5,067	3,982	149	9,198	0	141	0	4	196	16,311
Veterans Administration	3,801	1,549	64	5,414	1,707	881	201	907	7,626	19,167
Total	22,668	16,828	623	40,119	4,335	2,411	408	1,903	20,021	138,528

V V=Vietnam Era Veteran.

CIVIL SERVICE COMMISSION 113-F, FISCAL YEAR 1976 (CUMULATIVE) JULY 1975-JUNE 1976—PREFERENCE HIRES

Agencies	VRA appointments	Complete conversions	Losses		Onboard	VEV appointments	Other appointments	10 point other	Total veterans	New hire
			Involuntary	Voluntary						
Army	2,368	2,147	202	1,102	4,254	10,585	6,137	258	16,980	58,015
Air Force	558	470	231	368	2,253	3,296	2,677	89	6,062	28,535
Navy	2,164	1,411	818	2,223	128	9,591	4,428	307	14,326	33,223
Defense Supply	181	463	13	64	410	394	493	26	913	3,823
Defense Nuclear	2	1	0	1	2	11	0	0	11	94
Miscellaneous Defense	36	19	0	16	55	461	188	15	564	2,118
Treasury	322	331	36	241	880	2,253	1,147	125	3,525	20,185
Justice	475	174	21	133	559	1,230	421	16	1,667	8,840
Postal Service	4	520	0	51	341	25,706	20,200	759	46,665	82,346
Interior	317	101	35	142	382	2,749	4,939	87	7,775	39,618
Agriculture	283	37	52	117	340	3,981	5,004	86	9,071	50,799
Commerce	119	69	3	30	217	633	469	16	1,118	7,979
Labor	29	6	0	23	107	138	141	8	287	4,929
HEW	398	34	18	103	835	1,412	1,953	93	3,458	28,164
HUD	5	1	0	2	93	14	18	4	36	2,992
Transportation	456	239	13	51	726	2,385	1,553	48	3,986	8,416
General Accounting Office	0	0	0	0	0	184	65	11	260	706
General Services Administration	141	206	14	103	345	979	507	28	1,514	5,604
Government Printing Office	76	120	9	28	178	130	45	1	176	684
Veterans' Administration	6,575	1,938	1,039	2,473	7,907	14,848	5,478	265	20,591	59,808
Information Agency	0	0	0	0	1	34	38	0	72	309
Small Business Administration	15	10	0	8	22	80	258	9	347	1,421
Selective Service	0	0	0	7	0	0	0	0	0	0
FEA	1	0	0	0	1	1	77	3	81	144
NASA	63	14	1	10	98	186	115	6	307	2,643
EPA	20	10	0	12	25	19	425	4	448	3,420
Smithsonian and Gallery	158	27	16	50	177	441	90	3	534	1,077
Civil Service	39	24	1	13	48	211	111	9	331	1,471
FDIC	0	1	0	1	0	93	40	2	135	728
Energy Reseach and Development Administration	0	0	0	0	0	326	229	3	558	0
Federal Trade Commission	2	3	0	0	6	2	0	0	2	598
State, regular	16	7	1	3	18	172	190	1	363	2,028
AID	0	0	0	0	0	11	61	0	72	442
TVA	0	0	0	0	0	5,577	7,470	0	13,047	23,494
Total	14,814	8,383	2,523	7,375	20,408	88,133	64,967	2,282	155,382	484,644

VEV=Vietnam era-Veterans.

VETERANS' PREFERENCE IN THE FEDERAL CIVIL SERVICE

INTRODUCTION

Three times during this century, prior to the Vietnam era, millions of U.S. servicemen came home to begin a transition back to civilian life. Over 7 million veterans have been separated from military service during the Vietnam era, startng on August 4, 1964. These most recent veterans have been subject to the same aspirations, anxieties, and needs as veterans from other periods, though many also have had particular problem resulting from their recent military service and their reentry into civilian life.

One critical problem for many Vietnam era veterans is unemployment. The decline in the Vietnam military force commitment and accompanying reduction in the size of the armed forces coincided with a period of serious economic dislocation. Thus, at a time when the Vietnam era veterans returned to society in greatest numbers, the nation has witnessed its highest unemployment rates in more than a decade.

Because many veterans are new entrants into the labor market, high unemployment rates are not an unexpected problem. However, a great deal of interest has been expressed in providing employment assistance to recently discharged veterans and help is now available from many public and private sources to assist the veteran in obtaining employment.

Within both the public and private sector of the economy, the veteran has certain reemployment rights. Men and women who leave permanent jobs may claim reemployment in their old jobs. Employers are required to retain a veteran for at least one year unless he is discharged or laid off for proper cause. Veterans must generally apply for reemployment within 90 days after their discharge, although special extensions are available for the disabled.

This report discusses the veterans' preference system within the Federal government. The term "veterans' preference" as used here means those benefits to which men and women who served honorably in the armed forces of the United States are entitled in connection with employment in the Federal government, including the government of the District of Columbia. The term is also used to refer to such benefits when they are extended to the widows or widowers, spouses, or mothers of veterans.

I. History of veterans' preference in the United States Government

United States' veterans have been accorded some degree of preference in appointments to government or public positions since early colonial times. However, no statutory provision was made until immediately after the Civil War.

The rapid disbanding of the Union Army threw so many veterans into the labor market that those with disabilities found great difficulty in securing employment. The act of March 3, 1865 (13 Stat. 571) was designed to meet this situation. It provided:

That persons honorably discharged from the military or naval service by reason of disability resulting from wounds or sickness incurred in the line of duty, should be preferred for appointments to civil offices, provided they shall be found to possess the business capacity necessary for the proper discharge of the duties of such offices.

The same law also recommended that businessmen give returning veterans preference for employment. The effect of the law, however, was only such as each appointing officer was willing to give it; there was no enforcement agency.[1]

The first Civil Service Commission, established in 1871, recognized the principle of veterans' preference, although no mention was made of the privilege in the legislation establishing the Commission. In its report to the President in 1874, the Civil Service Commission reported that widows of deceased veterans, or wives of disabled Union soldiers or of other public servants were required to pass an examination in penmanship, copying, grammar, and arithmetic and then might be appointed to Federal positions "irrespective of relative qualifications as tested by competition."[2]

The first mention of veterans' preference in connection with reduction in force (RIF) procedures appeared in an act of August 15, 1876 (19 Stat. 169) which stated:

That in making any reduction in force in any of the Executive departments the head of such department shall retain those persons who may be equally qualified, who have been honorably discharged from the military or naval service of the United States and the widows and orphans of deceased soldiers and sailors.

The Civil Service Act of 1883, (Pendleton Act, Stat. 403) retained the provisions of the 1865 Act:

But nothing herein shall be construed to take from those honorably discharged from the military or naval service any preference conferred by the seventeen hundred and fifty-fourth section of the Revised Statutes.

According to the 1874 Annual Report of the Civil Service Commission, preference was afforded veterans in the form of waiving age limits, physical and State apportionment requirements, giving priority in certification for appointment, allowing disabled veterans to "pass" on a rating of 65 instead of 70, and in making reinstatements.[3]

For many years the situation regarding veterans' preference remained relatively unchanged, that is, granting disabled veterans preference. In 1912 another provision was added to the law relative to preference in connection with reductions in force.

The act of August 23 (37 Stat. 413) provided:

That in the event of reductions being made in the force in any of the executive departments no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary.

During this period, the Civil Service rules provided that persons preferred under the 1865 law, (i.e. disabled veterans) who received a rating of 65 or more should be placed above all others on the proper register.[4]

The next major item in the development of veterans' preference came in 1919, after

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the end of World War I. An act passed on March 3, 1919, (41 Stat. 37) and amended on July 11 of the same year, provided that in making appointments to clerical and other positions in the executive departments and agencies preference should be given to honorably discharged soldiers, sailors, and marines and widows of such "if they are qualified to hold such positions"—thus including *non-disabled* veterans.

In the years that followed, prior to World War II, there was a continuing struggle between purists who believed that nothing, including veterans' preference, should be allowed to interfere with the principle of merit as the basis of appointment to public office and those who considered public employment a proper reward for veterans' service.[5]

President Harding on March 3, 1923 issued Executive Order 3810 which provided:

Waiver of physical standards in favor of disabled veterans;

10 points preference for disabled veterans on examination ratings and 5 points for other veterans;

Entrance on registers according to the augmented rating;

Crediting of military service as experience;

Requirement of giving reasons for passing over a veteran for appointment;

Certification without reference to the apportionment among the States;

Retention of veterans in reductions in force if their record was good.

Five years later, Congress passed a bill giving veterans absolute preference in appointments but President Coolidge vetoed it and created a special committee to ascertain ways to make government positions available for disabled veterans.

One of Coolidge's last acts as President was the issuance of Executive Order 5068 on March 2, 1929 which placed disabled veterans on registers ahead of all others, regardless of ratings, gave 10 point preference to widows of veterans and wives of disabled veterans and certified them ahead of other veterans and nonveterans, and provided more liberal retention privileges for preference eligibles in reduction-in-force actions. Other preferences allowed at this time included release from age, height, and weight limitations except in a few cases, and the opening of closed examinations under certain conditions.[6]

In 1930 Congress passed a law, rescinded in 1933, which gave World War I veterans the ten-point disability preference for veterans with disabilities incurred in non-service status. The National Civil Service Reform League raised vigorous objections and President Hoover appointed a committee to study the problem. Executive Order 5610, issued April 24, 1931 provided:

10 point disability preference for service-connected disabilities which existed at the time of application for the examination;

Reasons for passing over a veteran were to be filed with the Civil Service Commission but need not be furnished to the veteran or anyone else;

Military personnel retired for other than disability were required to establish disability preference claims in the same way as all others;

Civil Service Commission was authorized to hold quarterly examinations open only to 10-point disability eligibles who would then go to the head of existing registers.

The Civil Service rules were amended in 1932 to grant disability preference, not necessarily service-connected, to honorably discharged veterans over 55 years of age who were entitled to disability pension, compensation, or allowance under existing laws. This provision was also applicable to wives work.[7]

In June of 1944, two major pieces of veterans legislation were enacted: the Veterans' Readjustment Act of 1944 (58 Stat. 284–301) and the Veterans' Preference Act of 1944 (58 Stat. 387).

The objective of the Veterans' Readjustment Act, with reference to the employment of veterans, was to safeguard their preference in employment, both private and public. It was the intent and purpose of Congress that an effective job-counseling and employment placement service be established.

The Administrator of Veterans' Affairs was authorized to appoint an honorably discharged veteran in each state whose duty it was to cooperate with existing employment facilities and on their own initiative, with government encouragement, discharge the following responsibilities:

Supervise the registration of veterans for employment;

Maintain current information files listing all available employment possibilities;

Disseminate information which will tend to encourage private employers to employ qualified veterans;

Make contact with employers and veterans' organizations with the objective of increasing veteran employment;

Insure that laws pertaining to veterans' preference are duly observed, and, to the fullest extent practicable, persuade employers to give preference to veterans over nonveterans where the personal qualifications are similar.

All Federal job-placement activities were intended to apply to veterans of all wars.

Although the United States Employment Service was vested with the actual function of providing jobs for veterans and guarding their employment preference, the Administrator of Veterans' Affairs was delegated the responsibility for veterans' employment.

The next and undoubtedly most significant action came when the 78th Congress passed the Veterans' Preference Act of 1944 which, except for relatively minor amendments, is in full force today. This Act incorporated into law many provisions which had previously existed in Executive Orders or in the rules promulgated by the Civil Service Commission by the direction of the President.

An unusual feature of the bill was its provision, the first ever granted by Congress, for women members of the Armed Forces. They were now to be entitled to employment preference, along with the husbands or widowers of the ex-service women.

Section 3 established by law the Civil Service rules which granted an additional 10 points for disabled veterans and 5 points for others. Among exclusive provision was in reference to certain classes of positions, such as guards, elevator operators, messengers, and custodians. So long as qualified veterans were available for these positions, they were to have exclusive rights for appointment. In fact, the act went even further—to authorize the President during World War II, and for 5 years following, to set aside for the exclusive appointment of veterans certain types of classes of government positions.

Section 6 of the bill waived the requirement for apportionment according to State population, as established by the Civil Service Act of 1883, for those positions for which veterans were qualified for appointment. Also set aside was the provision of the Civil Service Act which required that only one member of a family might have such an appointment.

Another strengthening of veterans' preference was the requirement that any appointing agency which happened to decline the appointment of a veteran had to state in writing the specific reasons for having passed over a veteran. The statement had to be made to the Civil Service Commission and the latter had to institute an investigation.

Reductions in force and the transferring or consolidations of functions of any government agencies had to be made with due regard for veterans' preference.

It is interesting to observe that the legislation was adopted with no adverse comment having been offered by any Member of Congress.

The Major subsequent amendments to Public Law 78–359 are summarized as follows:

61 Stat. 723 (1947). Granted preference eligibles the right to make personal appearances in presenting evidence in their behalf.

62 Stat. 3 (1948). Added provisions extending veterans' preference to widowed mothers of ex-service personnel provided that they have not remarried and were widows at the time of the death or disability of said ex-service personnel.

62 Stat. 575 (1948). Added provision compelling compliance by other agencies of finding of Civil Service Commission on appeal.

62 Stat. 1233 (1948). Clarified the fact that to receive a mothers' preference the widowed mother need not be the mother of an only ex-serviceman son or daughter, and that the mother need not be a divorcee or be "legally" separated but that she may be a divorcee or legally separated, but she must not have married.

63 Stat. 666 (1949). Permitted mothers and widows who acquire veterans' preference eligibility, and then lose such preference by reason of remarriage, to regain the preference after divorce or legal separation following such remarriage.

64 Stat. 1117 (1950). Extended veterans' preference for appointment to mothers of deceased or totally disabled veterans when the father is totally and permanently disabled or when the mother is widowed, divorced, or separated and her present husband is totally and permanently disabled.

66 Stat. 626, 627 (1952). Extended veterans' preference benefits to persons serving in the Armed Forces of the United States after April 28, 1952 (the date of the signing of the treaty terminating the state war between the United States and the government of Japan) and prior to July 2, 1955 (the date on which inductions under the Universal Military Training and Service Act were terminated).

67 Stat. 581 (1953). Provided that additional credits for preference can be given only to those obtaining a passing grade in the examination and to limit competition to veterans on certain job fields as determined by the President.

Permitted placing at the top of the register preference eligibles who have compensable service-connected disabilities of 10 percent or more except for professional or scientific positions in grade GS–9 or higher.

Required an appointing officer who passed over an eligible veteran and selects a nonveteran to comply with the Commission's findings as to the sufficiency or insufficiency of the reasons for his action.

II. Application of veterans' preference

This section summarizes the current state of veterans preference laws.

Examinations.—In all examinations to determine qualifications of applicants for Federal positions, 10 points are added to the ratings of those eligible for disability preference and five points to the ratings of other veteran preference eligibles. Thus, to pass an examination: a nonveteran would require a rating of 70; a nondisabled veteran a rating of 65 plus his 5 points perference; and a disabled veteran a rating of 60 plus his 10 points preference. In other words, earned rating plus preference must amount to at least 70. Examinations for positions of guards, elevator operators, messengers, and custodians are restricted to persons entitled to preference under the 1944 act. The President was authorized by that law to restrict other positions to veterans and for a period of five years after the end of the war, the President designated the following positions as restricted: Veterans' Relations Advisor; contact officer, assistant contact officer, senior contact representative, and contact repre-

Footnotes at end of article.

sentative in the Veterans Administration; correctional officer, Bureau of Prisons; and substitute postal transportation clerk, Post Office Department. These positions reverted to open status in 1952. Two other positions have been restricted to veterans by other laws: Superintendents of National Cemeteries and Veterans' Employment Representatives in the United States Employment Service. Civil Service rules require that before a non-veteran can be appointed to a position restricted to veterans, positive efforts must be made to recruit qualified veterans.[8]

Crediting of experience.—Time spent in the military service is credited as experience where actual employment in a similar vocation was interrupted by military service. Time spent in the service is also credited in seniority, leave, retirement, and related accounts.

Waiver of requirements.—Physical requirements for a position must be waived if, after due consideration has been given to the recommendation of an accredited physician, the veteran appears to be physically able to discharge the duties efficiently and without hazard to himself or others. Age, height, and weight requirements are those most frequently found. In certain cases where physical requirements are essential, a specific agreement may be made between the employing agency and Civil Service Commission to maintain those requirements. No minimum educational requirement may be established for any examination except for technical, scientific, or professional positions where such requirement is essential. Reasons for a decision by the Civil Service Commission requiring minimum educational qualifications must be made a part of the public record. The members-of-family requirement, whereby no more than two members of the same family may be employed in the Federal service, is waived for veteran preference eligibles. The apportionment of appointments among the several states is also waived relative to veterans, but residence must be indicated for statistical purposes.[9]

Entry on registers.—The names of applicants who have qualified in examinations for the competitive service are entered on the registers in the following order:

(1) For scientific and professional positions in GS–9 or higher, in the order of their ratings, points added for preference eligibles; and

(2) For all other positions—

(a) Disabled veterans, in order of their ratings, including 10 points added for preference; and

(b) Remaining applicants, in order of their ratings, including 5 points added for preference.

The names of preference eligibles are entered ahead of others having the same rating.[10]

Certification.—An interesting feature of the Veterans Preference Act of 1944 is that it incorporated into law for the first time the so-called "rule of three" for certification of names from Civil Service registers to the appointing officer. From the three names supplied him as available for appointment to a position, the appointing officer must select one, unless objection is made and sustained by the Civil Service Commission. If, in selecting the person to be appointed, the appointing officer passes over a veteran, he must submit his reasons in writing for so doing. These reasons are made available to the veteran or his representative upon request. Objections to a veteran may be based upon the same factors as for other eligibles—age, inability to obtain bond, physical fitness, lack of education, insufficient proof of preference. Showing that a non-veteran is superior or has served in a temporary capacity in the position is not sufficient reason for passing over a qualified veteran. If the Civil Service Commission finds the appointing officer's reasons insufficient, it requires him to submit more detailed information. Findings of the Commission as to sufficiency or insufficiency of reasons are sent to the appointing officer and to the veteran upon request. When a veteran has been passed over three times for reasons found sufficient by the Commission, certification of his name may be dropped, prior notice being sent to the veteran.[11]

Reopening examinations.—Persons entitled to a 10-point preference may submit an application for examination at any time for positions filed within the preceding 3 years. The examination shall be held during the quarter following application.[12]

Reduction in force.—Section 12 of the Veterans' Preference Act of 1944 provides:

In any reduction in personnel in any civilian service of any Federal agency, competing employees shall be released in accordance with Civil Service Commission regulations which shall give due effect to tenure of employment, military preference, length of service, and efficiency ratings: *Provided,* That the length of time spent in active service in the armed forces of the United States of each such employee shall be credited in computing length of total service: *Provided further,* That preference employees whose efficiency ratings are below "good" shall be retained in preference to competing nonpreference employees who have equal or lower efficiency ratings.

In accordance with this provision, the Civil Service Commission has established regulations setting up retention groups of Career, Career Conditional, and Indefinite employees. Within each of these groups, veterans have preference. Thus a veteran serving under a permanent appointment would be in the top part of the top group, his exact ranking there depending upon his length of service and his efficiency rating in competition with other preference eligibles, who would be followed by nonveterans with permanent appointments. Reduction in force procedures may be appealed on the basis of violation of veterans' preference rights. (See the section on appeals below.)

Appeals.—An agency may take adverse action against a preference eligible employee, or bar him from future appointment only for such cause as will promote the efficiency of the service and reasons given in writing at least 30 days in advance. The veteran is entitled to a reasonable time for answering the notice personally and in writing and for furnishing affidavits in support of his answer. The veteran also must be notified of his right to appeal adverse decisions of administrative officers to the appropriate office of the Civil Service Commission. He has a right to a hearing and to appear personally or through or accompanied by a designated representative. He has the right to produce witnesses, cross-examine, and to have a copy of the transcript. The decision on the appeal is made by the Chief Law Officer or by a regional director of the Commission and recommendations are made to the employing agency for corrective action. A copy of the decision is supplied to the appellant with notification of his right of further appeal to the Commissioners of the Civil Service Commission. It is mandatory for the administrative officers of the employing agency to take such corrective action as the Commission finally recommends.[13]

Restoration and re-employment.—Veterans have substantial restoration and reemployment rights which will not be discussed in full here. Restorations may be made on a permanent basis (usually restorations are temporary) in cases resulting from appeal to the Civil Service Commission under Section 14 of the Veterans' Preference Act. Displaced career employees with 10 point preference are certified ahead of all other eligibles on those registers which place 10 point eligibles at the top. Appellants from dismissal or furlough without pay who cannot be reemployed in their own agencies may be entered on current open competitive registers. Veterans who have resigned may be entered on current open competitive registers. Veterans who lost eligibility due to military service may be restored to registers.

Vietnam era veterans.—There are other phases of veterans preference carried out under public laws dealing with readjustment benefits, as in training programs. In addition, Executive Order 11521, March 26, 1970, established noncompetitive appointments of Vietnam veterans to established positions in the competitive service in grades 1 through 5. Veterans must meet minimum qualification requirements for the positions in grades 4 and 5, including passing a written test if that is required, but need not compete with other applicants. Honorable military service after August 5, 1964 meets the full qualification requirement for grades 1 through 3. Employment is contingent on participation in a program of education or training. Veterans with no more than 14 years of education who served in the armed forces on or after the above date are eligible for these noncompetitive appointments for 1 year after separation, or 1 year after release from hospitalization or treatment following honorable discharge.

In fiscal year 1972, 148,970 veterans were appointed by Federal agencies, of whom 74,450 were Vietnam era veterans. Of the Vietnam era veterans, 14,422 received this special noncompetitive appointment leading to career tenure.

III. Eligibility for veterans' preference

The following section of this report explains in greater detail some of the requirements for eligibility for veterans' preference. It is based largely on the Veterans' Preference Act of 1944.

Types of preference.—Five-point preference is allowed to an ex-service-man when he is separated under honorable conditions from active duty that included service:

During a war;

During the period April 28, 1952, through July 1, 1955;

For more than 180 consecutive days other than for training, after January 31, 1955; or

In a campaign or expedition for which a campaign badge is authorized.

Ten-point preference is allowed for disability resulting from active duty in the armed forces at any time, with honorable discharge. Disability may be established by its present existence or by current receipt of compensation, disability retirement benefits, or pension as a result of disability.

Spouse preference of 10 points is granted when the spouse is qualified for appointment and the veteran, who must be honorably separated, has a service-connected disability which prevents him from qualifying for civil service appointment along the general lines of his usual occupation.

Widow or widower preference of 10 points is granted when:

(1) The widowed party was the spouse of the actually, or legally, dead veteran on whose service the claim is based and has not remarried since the death;

(2) The veteran either:

(a) Was separated under honorable conditions from active duty that included service:

During a war;

Footnote at end of article.

During the period April 28, 1952, through July 1, 1955; or

In a campaign or expedition for which a campaign badge is authorized; or

Died while on active duty that included service specified above, provided the conditions surrounding his death would not have been caused for other than honorable separation.

Mother's preference of 10 points is awarded under two conditions: death and disability.

The mother of a deceased veteran is entitled to preference when: She is the natural mother of the veteran who lost his life under honorable conditions when on active duty:

During a war;

During the period April 28, 1952, through July 1, 1955; or

In a campaign or expedition for which a campaign badge is authorized.

The mother of a living disabled veteran is entitled to preference when she is the natural mother of the veteran who was separated under honorable conditions from active duty performed at any time and the veteran has a service-connected disability rated permanent and total that disqualifies him for civil service appointment along the general lines of his usual occupation.

For either category of mother preference, it is further required that:

(1) She is, or was, married to the father of the veteran on whose service she bases her claim; and

(2) She either:

(a) Lives with her totally and permanently disabled husband (either the veteran's father or the husband of her remarriage);

(b) Is widowed, divorced, or separated from the father of the veteran and has not remarried; or

(c) Is remarried and is the widow of, or if divorced or legally separated from the husband of her remarriage.

Two persons may have preference based on one person's service. Both a veteran's mother and spouse (or widow or widower) may have preference on the basis of the veteran's service when both meet the requirements. But both a veteran and spouse may not have preference based on the veteran's service alone, although the spouse may have preference based on her own service. Both a mother and her veteran offspring may not have preference based on the offspring's service.[14]

Factors not affecting preference.—Section 18, of the Veterans' Preference Act of 1944 provides that the Act is not to be construed to take away from any preference eligible any rights previously granted to him under any existing law, Executive Order, Civil Service Commission rule or regulation. Secondly, citizenship does not affect preference but aliens are subject to the citizenship requirements for entry into the Federal civil service. (It might be added that service in the armed forces of an ally of the United States does not carry preference rights.) Thirdly, a subsequent discharge under other than honorable conditions does not affect the preference granted as a result of a previous honorable tour of duty.

Loss of preference.—Preference may be lost in a number of ways, including: recovery from disability; divorce from an ex-serviceman; remarriage of an ex-serviceman's widow; remarriage of a mother receiving preference or by a spouse after death of the disabled veteran.

Exemptions.—Section 20 of the Veterans' Preference Act of 1944 exempts positions in the legislative and judicial branches of the Federal Government, and other positions requiring Senate confirmation of appointees.

IV. Arguments favoring veterans preference

The principle of veterans' preference has become so firmly established that relatively little has been said on the subject of its merits or flaws. There has been, in fact, little question as to the General principle. Most objections which have been made to veterans' preference in the Federal Civil Service have usually been directed at some specific provision which infringed upon the rights or beliefs of some other group.

The 1944 Veterans' Preference Act was based upon recognition of the fact that millions of young men had been called upon to give up their usual occupations, often as a great economic sacrifice, and had been put through vigorous training, with many of them being exposed to personal danger and hardships. It was felt that the readjustment to civilian life would be difficult for many, that those who remained at home had acquired a tremendous head start financially over the serviceman and that, therefore, some assistance should be given to the veterans in readjusting and regaining lost ground. Veterans' preference in the Civil Service is only one phase of the total program. The Federal Government as the largest single employer in the country undertook to provide employment opportunities for as many veterans as possible.

When the Veterans' Preference Act of 1944 was debated, Congressman Starnes of Alabama, in urging adoption of the bill, commented in part as follows:

. . . The biggest problem in the postwar period is providing jobs for able-bodied American citizens who have served in the Armed Forces—jobs by which they can support themselves and their families, jobs which will permit them to retain their self-respect and feel that the country for which they have offered their all has not failed them.

When this war is over and our boys come home, they should not be forced to tramp the streets looking for jobs, nor to live on charity. There should be a job ready and waiting in private enterprise or with the Government, Federal, State, and local, for every American fighting man when he comes home when a victory has been won.[15]

Unemployment, as well as competing for and holding jobs, is still uppermost in the minds of many. According to a recent Harris Survey, unemployment and the lack of jobs is listed as the greatest problem facing returning veterans, by both the general public and the employers polled. It is interesting to note, however, that employers cited the general state of economy to a significantly greater extent than did the public.[16]

There have been few comments as to how the veterans are performing in the Civil Service. The American Legion noted that veterans are superior to most nonveterans in their jobs, pointing out that 95 percent of the men with the highest grades in the various Federal intern programs, designed to develop the best employees for administrative or supervisory positions, were veterans. Before World War II, the President's Committee on Civil Service Improvement found that most veterans secured eligibility in Civil Service examinations without the addition of preference points. The Civil Service Commission in its annual report for 1949 stated:

Experience with young veterans who have already entered the Federal Civil Service shows that they also apply themselves with diligence to their duties. Their work is of high quality, and they are proving to be, in every way, assets to the Civil Service.[17]

V. Arguments opposing veterans' preference

The broadest objection to the principle of veterans' preference, and one which is almost invariably voiced by everyone who opposes any part of the program, is that it interferes with the principle of merit as the basis for selection for public services. One writer evaluated the Veterans' Preference Act of 1944 in the following words:

The effect of the Veterans' Preference Act was, despite the obvious laudable intention behind it, very much like that of a handful of sand in a gear box. It fouled and stalled the whole delicate machinery that had been set up to find, measure, and secure merit—the basic purpose of the Civil Service Act. Essentially, the Veterans' Preference Act meant that patriotic service—but in the armed forces alone—was being rewarded by falsely equating patriotic service with special ability.[18]

This view was somewhat more extreme than that voiced by others, although the National Civil Service League was at one time vigorous and consistent in its opposition, claiming that the merit system was being blamed for the malfunctioning of the veterans' preference program to such an extent that the very survival of the merit system was threatened.[19]

It has also been contended that the veterans' preference system violates the principle of equality of opportunity, and the appointment of unqualified persons to Federal service is unfair both to the Government and to the employees. The question has been raised as to whether Civil Service should be used as a vehicle for rewarding war service, and whether veterans, as such, should be set up as a specially favored class. It has also been pointed out that the number of veterans is now so large that if the granting of preference hurts the Federal service, it also hurts all veterans who are, after all, taxpayers and citizens with an intense interest in good government. Others hold that the "sacrifice" theory relative to veterans is unwarranted, since all citizens are expected to make some sacrifices for their country and since the degree of sacrifice, if any, varies greatly within the armed forces.[20]

The following major criticisms of the present veterans' preference system have been made:

The appointment of unqualified or inferior persons can result with the addition of preference points to earned ratings on Civil Service examinations.

Thus, it has been claimed, the Federal Government is less efficient and therefore more costly. The public interest demands the maintenace of existing minimum standards. As Frances Cahn has remarked:

Since 70 is the passing point for Civil Service examinations, the law assures the inclusions upon the registers of those the Commission has marked down as incompetent.

The preference point system is inequitable among veterans. The argument here is that many veterans who are not disabled have actually performed more significant service and are more entitled to preference than some disabled veterans with relatively minor disabilities. It is also possible for a disabled veteran who receives a score of 60 on an examination to receive appointment over a well-qualified veteran who receives a perfect score on the examination.

The present system can force out well-qualified career employees by veterans with little service.

Appeals procedures make it more difficult to fire veterans.

The restriction of certain positions to veterans is counter to American convictions as to the nature of democracy.

FOOTNOTES

[1] Section 1754, Revised Statutes; Fenlon, Lawrence J. *Veterans' preference in employment.* Extension of remarks of Barratt O'Hara. *Congressional Record,* June 8, 1953: A3476–77.

[2] U.S. Civil Service Commission, 1871–1875. Report to the President, April 15, 1874. Washington, U.S. Govt. Print. Off., 1874, p. 34.

[3] Ibid. p. 57–53.

[4] U.S. Civil Service Commission. Veteran preference. Washington, U.S. Govt. Print. Off., 1914. p. 7.

[5] Mosher, Fritz. Is veteran preference the answer? Personnel administration (Washington) v. 8, January 1946:1.

[6] U.S. President's Committee on Civil Service Improvement. Documents and reports. Washington, U.S. Govt. Print. Off., 1942. v. 3, pt. 2, p. 59.

[7] *Ibid.*

[8] *Ibid.* Chapter 330, Subchapter 4.

[9] Veterans Preference Act of 1944, Sections 5 and 6; 5 U.S.C. 3308, 3306(a)(2), 3319(b).

[10] 5 U.S.C. 3313.

[11] Veterans' Preference Act of 1944, Section 8; 5 U.S.C. 3317.

[12] Veterans' Preference Act of 1944, Section 10; 5 U.S.C. 3305.

[13] Veterans' Preference Act of 1944, Section 14; 5 U.S.C. 3315(b); 7512(a)(b); 7701.

[14] U.S. Civil Service Commission. Federal personnel manual. Chapter 211. Subchapter 1.

[15] Congressional Record, Vol 90, pt. 3, April 17, 1944, p. 3502.

[16] Harris, Louis & Associates, Inc. A study of the problems facing Vietnam era veterans: their readjustment to civilian life. Washington, U.S. Govt. Printing Off. 1972. p. 56–57.

[17] Sher, Jack. How GI employment laws work. American Legion magazine (Indianapolis). v. 45, Aug. 1948. p. 49; U.S. President's Committee on Civil Service Improvement, op. cit., p. 73; U.S. Civil Service Commission 66th Annual Report, 1949. Washington, U.S. Govt. Print. Off., 1950. p. 42.

[18] Cahn, Frances T. Federal employees in war and peace. Washington, Brookings, Institution, 1949. p. 92.

[19] Too much preference? Veterans laws threaten government's career system. Good Government (New York) v. 70, May–June 1953: 17–22.

[20] Veterans' preference. New York Times, June 5, 1949: 18C (editorial)

Mr. DURKIN. Mr. President, I am today cosponsoring with my senior colleague, TOM MCINTYRE, an amendment to the administration's civil service reform proposals which is designed to insure that our veterans continue to receive the civil service preferences to which they are entitled because of the sacrifices they made by serving our Nation in uniform.

Our amendment is simple. It would delete those portions of the administration's proposals which change the present veterans' preference structure, such as the 5-point preference for veterans and the 10-point preference for disabled veterans.

At the outset, I want to say that there is perhaps no stronger proponent of reform of the bureaucracy than myself. The present system is a nightmare which all too often stifles initiative, rewards mediocrity, and encourages timidity. The entire system needs to be taken by the lapels and shaken vigorously. Federal bureaucrats in Washington must learn one fundamental lesson which pervades the private sector—there is no right to a lifetime job regardless of your performance. If you fail to perform up to standards, then you should be in another line of work. For these reasons, I applaud the administration's initiatives to overhaul this time-worn system. However, I must oppose proposals in the name of reform which only serve to penalize men and women who have given years of their lives to military service in defense of the greatest country in the world.

Mr. President, I strongly oppose the portion of the administration's civil service reform plan which would eliminate this preference for those men and women who have been separated from the service more than 10 years, because I believe the present system does no more than recognize that our Nation owes a special debt to those who left the comforts of civilian life to serve in the military, many during the times of crisis.

The present system insures that once the candidates have met the basic job qualifications, preference is given to those with military service or with service-connected disabilities. Considering the sacrifices made by our veterans during their service, this special recognition is the least we should do.

Perhaps someone who has not served in uniform cannot appreciate the substantial sacrifices made by those serving in the military, whether it be frigid winter warfare maneuvers or subtropical jungle exercises, or prolonged separations from family. Additionally, thousands of veterans currently qualifying for the civil service preference are men who have served in combat, making the most difficult and painful sacrifices that men can make for their country. I do not think that a recognition of these sacrifices results in unfairness to the civil service system or unfairness to the Nation.

Mr. President, I would also like to make the point that for every veteran making sacrifices in uniform, there are often two or three others sharing in those sacrifices. I am of course referring to the parents, spouses, or children of veterans, who necessarily often feel very deeply and very personally the financial sacrifices, the separations, and the loneliness. They are also the ones who receive some benefit, although indirect, from the current veterans' preferences, and I can no more justify taking this away from them than I can justify taking this away from the veterans themselves.

Mr. President, I believe that the administration's proposals would not only weaken the civil service system the President is trying to improve, but they would also weaken our military structure, which must continue to attract competent and well-qualified men and women to make it the strong and effective fighting force we need in this age of uncertainty.

For these reasons, I am today cosponsoring this amendment, which will leave the present civil service veterans' preference system in place as it exists today Because of its importance, I urge its adoption by my colleagues.

PANAMA CANAL TREATIES—EX. N, 95–1

AMENDMENTS NOS. 84 AND 85

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted two amendments intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

(The remarks of Mr. GOLDWATER when he submitted the amendments appear earlier in today's proceedings.)

RESERVATIONS SUBMITTED FOR PRINTING

RESERVATION NO. 8

(Ordered to be printed.)

Mr. NUNN (for himself, Mr. DECONCINI, Mr. BROOKE, Mr. TALMADGE, Mr. HEINZ, Mr. RANDOLPH, Mr. CHILES, Mr. JACKSON, Mr. ZORINSKY, and Mr. BAYH) proposed a reservation to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

UNDERSTANDINGS SUBMITTED FOR PRINTING

UNDERSTANDING NO. 13

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE (for himself, Mr. BELLMON, Mr. BROOKE, Mr. DECONCINI, and Mr. HEINZ) submitted an understanding intended to be proposed by them, jointly, to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

UNDERSTANDING NO. 14

(Ordered to be printed and to lie on the table.)

Mr. LONG submitted an understanding intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

DECLARATION SUBMITTED FOR PRINTING

DECLARATION NO. 1

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted a declaration intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

(The remarks of Mr. GOLDWATER when he submitted the declaration appear earlier in today's proceedings.)

NOTICES OF HEARINGS

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

● Mr. STONE. Mr. President, I wish to announce that the Agriculture Subcommittee on Foreign Agricultural Policy will

hold a hearing on Wednesday, March 22, 1978, at 9 p.m., in 324 Russell Senate Office Building. The purpose of this hearing is to provide the Florida winter vegetable producers with a forum so that they can describe the problems they encounter with vegetables from foreign countries that have no equivalent inspection standards as U.S. produce.●

COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Committee on Small Business has scheduled a hearing on Friday, April 14, 1978, at 9 a.m., in room 424 of the Russell Senate Office Building, on the nomination of Milton D. Stewart, of New York, to be Chief Counsel for Advocacy of the Small Business Administration. Persons wishing to testify or submit statements, please contact the committee office at 224–5175.●

RAIL TRANSPORT OF HAZARDOUS MATERIALS

● Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices and Open Government will be holding joint hearings with the Subcommittee on Civil Service and General Services on the Rail Transport of Hazardous Materials on Monday, March 20, 1978, at 9 a.m., in 1224 Dirksen Senate Office Building. For further information regarding the hearings, please contact Mr. Ronald A. Chiodo, subcommittee chief counsel and staff director (224–0211).●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices and Open Government will hold hearings on the Buy American Act Amendments of 1977 (S. 2318) on Friday, March 17, in Pittsburgh, Pa.; on Thursday, March 23, at 9:30 a.m., in room 3302, Dirksen Senate Office Building; and on Wednesday, April 5, at 9:30 a.m., in room 318, Russell Senate Office Building. For further information regarding the hearings, please contact Mr. Joseph W. Robinson of the subcommittee staff (224–0211).●

RESCHEDULING OF HEARING ON S. 571

● Mr. BAYH. Mr. President, the hearings on S. 571—to amend title VIII of the act commonly called the Civil Rights Act of 1968 with respect to the awarding of attorney's fees and the authority of the Department of Housing and Urban Development to initiate a civil action to enforce the provisions of such title have been postponed. The hearings have been rescheduled for April 10, 1978, at 9 a.m. in room 2228, Dirksen Senate Office Building.

Anyone wishing to submit testimony for the hearing record should send his or her statement to or contact Ben Dixon, room 102–B, Russell Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

TERRORISM IN THE MIDDLE EAST

Mr. EAGLETON. Mr. President, the terrorist attack launched by the Palestine Liberation Organization against Israel over the weekend was a tragic reminder that the peacemaking process in the Middle East is, at best, fragile and tenuous. It should also remind us that the PLO will resort to the most contemptible tactics in their effort to prevent the negotiation of a peace settlement.

Terrorism is nothing new in the Middle East, but with each incident it becomes that much more intolerable, and that much fiercer. And with each incident, the possibility of a meaningful peace settlement is set back. The recent attack which took the lives of 30 Israelis was senseless and despicable and was clearly intended to disrupt the current Middle East negotiations which are in a delicate stage.

I would like to take this opportunity to add my voice to those condemning this and all acts of terrorism. It is time to set aside hatred and weapons and to push even harder for a peace settlement. Any other course of action would only serve to bolster the PLO's objectives. It is only under the mantle of peace that a united Middle East can deal effectively with terrorist organizations which seek only to serve their own selfish motives by perpetuating the violence which pits neighbor against neighbor. It is time for Arabs and Israelis together to renounce the terrorist activities which seek only to deepen their differences, and to work together to construct a peace which will put the terrorists out of business.

Mr. President, I ask unanimous consent that an excellent editorial which appeared in today's New York Times, entitled "To Break the Cycle of Hate" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TO BREAK THE CYCLE OF HATE

It is not enough to condemn the senseless terror against Israel. It is not enough to warn that if the negotiations falter now, the Fatah guerrillas will have won again, destroying not the lives of dozens but the peace of millions. It is not enough to recognize that the terror, born in Palestinian hate, also threatens the interests of other Arab nations, notably Egypt. None of this is enough because in their torment Israelis also hate.

Inevitably, the Israelis will respond with force against the terrorist havens in Lebanon. They believe it necessary for self-defense and to still the fear of a vulnerable population. The world that expects Israel, yet again, to contain its grief and to regain its faith will have to demonstrate understanding for that impulse. Beyond messages of condolence, it owes the Israelis an honest sympathy and partnership in measures to punish terrorism on every front.

And those neighbors of Israel who share its revulsion and sense of danger owe it a sign that their common humanity transcends the claims of Arab unity. Those who seek Israel's trust ought now to reaffirm their acceptance of the Jewish state in the Middle East and their renunciation of the threats and terror that they once embraced. If Egypt and Saudi Arabia and perhaps also Jordan and some Palestinians intend to build a stable peace upon Israel's recognition of Palestinian rights, they need to seize this moment to show that they are strong enough to stand with Israel against Palestinian wrongs.

The calculus of this week ought to go beyond the chilling rosters of victims and numbers killed in retaliation. The Israelis will be counting their supporters against terrorism. They must not be left to conclude, as so often before, that they stand alone.●

TAXES, TAXES, TAXES

● Mr. GARN. Mr. President, the other day I received an interesting letter from a constituent, complaining about his taxes. We all get letters from constituents complaining about taxes, of course; we probably complain about them ourselves. But this man had done something different. He had included a chart showing exactly how his tax bite was pinching him.

Year	(1)	Federal income tax (2)	(3)
1970	100.0	$2,979	100.0
1971	105.1	3,184	106.9
1972	113.3	3,434	115.3
1973	129.3	4,332	145.4
1974	150.2	5,819	195.3
1975	180.3	7,629	256.1
1976	193.3	8,844	296.9

[1] Income as a percent of 1970 income.
[2] Amount.
[3] Percent of 1970 tax.

Mr. President, the figures this man presents are incredible. Since 1970, his personal income taxes have almost tripled. Of course, his taxes might well increase, if he is now making more money, but the fact is that there is no real indication that he is making more money. Because of the inflation that has raged through our economy since the early 1970's, it is quite conceivable that his buying power is even less than it was in 1970. Certainly, his buying power has not tripled. He has been inflated into a higher tax bracket by the cruelest tax of all, inflation.

That is a situation which is simply too often these days, Mr. President, and it has to stop. There can be no denying the impact of such tax rates on the willingness of our citizens to increase their productivity, or even on their willingness to pay their taxes. Why should they work harder, or smarter, to produce more? The Government will simply take from them any gains they might make in monetary income. How long are they expected to resist the temptation forced on them by a callous government to fudge on their income taxes?

Indeed, there is ample evidence that many of them are not resisting the temptation. An editorial in Friday's Salt Lake Tribune commented on the so-called underground economy. This economy operates in the shadows of our society, often in large cities, but increasingly in smaller ones as well. Simply put, our people are restorting to an exchange of services in order to keep their transactions off their books, and out of the

hands of the tax collector. To quote the Tribune:

So-called off-the-books earnings are an attempt to lighten what the evader considers a too heavy tax burden. Failure to report such income is clearly illegal but the odds against getting caught are apparently attractive enough to encourage this kind of defiance.

A barter economy is inherently inefficient. That is why it is normally replaced by a money economy. However, when the money economy involves rates of taxation which are, at the margin, confiscatory, barter regains its attractiveness. Apparently, an increasing number of people regard today's tax rates as confiscatory at the margin. Business Week magazine recently estimated that the underground economy might total as much as $195 billion per year. Had that amount been subject to today's taxes, says Business Week, last year's deficit, which totaled $48 billion, would not have existed.

Unfortunately, as long as tax rates are what they are, there is little likelihood of that "off-the-books" economy surfacing to be accounted for. It is much more likely that it will increase. Especially in view of President Carter's tax proposals for this year, which simply increase the tax burden on the most productive members of our society. Never have I seen tax proposals so openly biased to transfer resources from the most productive to the least productive sectors of our economy.

Of course Government can tighten the tax collecting screws. We can hire more tax collectors, increase enforcement, write more restrictive tax rulings. The Congress can write more laws closing off loopholes, and so on. History clearly teaches that such efforts will fail. Human ingenuity is stronger than the most determined tax collector. This country was founded on opposition to unfair taxation. I would not like to see it founder on the same rock. We must not allow ourselves to be persuaded that millions of Americans are unfairly sheltering income, and that they should be squeezed by the Internal Revenue Service and the Congress. In fact, an article in this morning's Washington Post shows clearly that the common understanding of who pays the taxes in this Nation is a misconception. According to the Post reporter, the richer half of the people in the United States pay 94 percent of the income taxes. The most incredible thing about that statement, Mr. President, is that is those who make over $17,000 per year. In other words, if you make over $17,000, you are in the richer half of the country. You are one of those President Carter, and before him, my colleague Senator McGovern, wanted to take money away from. And the very richest, those 0.3 percent of us who make over $100,000 per year, pay over 10 percent of the taxes. We simply have to admit that this 0.3 percent have been judged by the rest of us as the most productive individuals in the country. That is why they make over $100,000 a year. These are not bank robbers.

And how do we reward them for their productivity? We tax the hell out of them.

Fortunately, there is another way. The Roth-Kemp tax reduction bill, which I have cosponsored, would reduce tax rates across-the-board. It would encourage the subterranean economy to surface, thus actually increasing tax revenues to the Government, and would reduce the powerful incentive which now exists for individuals to cheat on their income taxes. It is critical that we move now to pass this bill. Our constituents are being eaten alive by taxes, and they demand relief. They do not want tinkering, they do not want redistribution of income. They want tax relief, and only the Roth-Kemp bill offers it.

I ask unanimous consent that the articles and editorials referred to be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Salt Lake Tribune, Mar. 10, 1978]

CHANGE TAX LAWS TO NEUTRALIZE DISRUPTIVE INFLATION FACTOR

When taxes are too high people find ways of not paying them. That applies to levies on cigarettes, on automobiles, on incomes and other items.

That excessive tobacco taxes in some states have given rise to widespread bootlegging from low tax states is well documented. Although proof is not as easy to come by, there are mounting indications that soaring income tax bills have triggered extensive evasion, too.

Inflation has pushed millions of workers into higher income tax brackets where they are subject to steeper tax rates although their inflation-sapped buying power bears little relation to income.

To compensate, a growing number of normally conscientious taxpayers are thought to be taking payment for goods and services in cash and not reporting it as income.

Peter Gutmann, head of the Department of Economics at Baruch College of the City University of New York, estimates that the "underground work force" accounts for about 10 percent of the gross national product already. That translates into some $176 billion on which no taxes are being paid.

A Wall Street Journal editorial reprinted the other day in The Tribune explained why striking coal miners would have gained almost no income under terms of the recently rejected contract proposal. The miners would have been pushed into higher tax brackets and inflation over the three-year period of the agreement would eat up what taxes didn't take.

So-called "off-the-book" earnings are an attempt to lighten what the evader considers a too heavy tax burden. Failure to report such income is clearly illegal but the odds against getting caught are apparently attractive enough to encourage this kind of defiance.

The United States has long taken pride in its high degree of taxpayer cooperation. But this cooperation is based on a general belief among taxpayers that the system is equitable. If, in fact, many people are cheating, there is more at stake than individual morals and lost tax revenue. The income tax system itself is being challenged.

Any tax reform Congress considers must include an attempt to neutralize the disruptive inflation factor.

[From Business Week, Mar. 13, 1978]

THE FAST GROWTH OF THE UNDERGROUND ECONOMY

Paul Green sells sneakers at flea markets in New Jersey, earns $25,000 a year, and files no income tax return; Charlotte Kane waits on tables part-time in Florida, makes $150 a week, but reports only $50 of it; Tom Wright, a West Virginia coal miner, picks ginseng roots in the summer and earns an extra $1,000 that he does not report on his tax return; Dr. John Sloan, a general practitioner in Los Angeles, pressures patients to pay cash and routinely under-reports his income by about one-third. These names are, of course, fictitious. But it is no fiction that people such as these are members of what may be the fastest growing segment of U.S. society: the subterranean economy.

Some members of the subterranean economy are engaged in illegal activities, such as prostitution, gambling, and narcotics. A far greater number, however, work legally, but what they do and how much they earn simply goes unreported to government agencies, especially to the Internal Revenue Service. Although no one knows precisely how big this underground economy is, most experts agree that it is enormous. One controversial estimate puts this income generated in the subterranean economy in 1977 at a mind-numbing $195 billion, or about 10 percent of the recorded gross national product.

The implications of this underground stream of money for economic and tax policy are equally enormous:

To the extent that the subterranean economy is growing faster than the "legal economy," both the level and rate of growth of economic activity are being seriously understated by the GNP numbers. Further, had taxes on subterranean income been paid, last year's $48 billion federal budget deficit would have been almost wiped out.

The official unemployment rate, which in January stood at 6.3 percent, probably overstates the amount of actual unemployment in the nation. It is fairly easy to work in ghettos without reporting income, for example. Likewise, the actual number of families living in poverty is less than the official estimate.

The U.S. may be approaching the point where heavy marginal tax rates are eroding the traditional belief that Americans voluntarily pay their taxes far more readily than citizens in other democracies (box).

Peter M. Gutmann, of Baruch College of the City University of New York, is the economist creating all the controversy with this estimate that the underground economy produces $195 billion in income. "Getting a direct estimate of the subterranean economy may be impossible," he says. "I use an indirect measure based on the sharp increase in the growth rate of currency. And it indicates that the subterranean economy is huge and growing rapidly."

Gutmann focuses on trends in the relationship of cash to checking deposits. That proportion had been falling since the turn of the century. In the period immediately before World War II, cash amounted to about 21% of demand deposits. By 1945, as taxes were raised, black markets mushroomed, and the avoidance of taxes accelerated, the the public demanded more cash, and cash rose to 36% of demand deposits. It dropped off after the war as black markets disappeared but has been rising ever since. Last year the proportion was almost back to its 1945 high.

THE EXCESS OF DOLLARS

Gutmann attributes the rise to the growth in the subterranean economy, which needs cash to operate. Were the same relation of cash to demand deposits that existed in the

late 1930s to prevail today, there would be $30 billion less in circulation than there actually are. The additional currency, Gutmann asserts, is lubricating a subterranean economy that produces almost $200 billion in goods and services a year.

"No one has adequately explained the sharp increase in cash, especially in light of the so-called move to the cashless society," says Gutmann. Indeed, Gutmann argues his estimate may be low because demand for cash should have declined as credit cards increased.

Many economists believe that Gutmann may be overstating the size of the underground economy. "I'm sympathetic to what he is doing," says Phillip Cagan of Columbia University, who in the early 1960s examined the problem of the increasing demand for cash. "But the estimates that you get this way are only suggestive. You can't pinpoint the amount of cash that should be outstanding and then conclude the residual is due to the subterranean economy." Cagan argues, for example, that Gutmann fails to consider the growing amount of U.S. currency that is held overseas.

HOARDING

While conceding that "there is a huge subterranean economy out there," Robert Laurent of the Federal Reserve Bank of Chicago also questions Gutmann's estimate. He argues that Gutmann failed to make two important adjustments to his data: the more than one-third decline over the past 40 years in the rate at which the typical dollar's worth of currency circulates, and the more than fivefold increase in the rate at which the typical dollar's worth of demand deposit moves through the economy. Both of these developments would tend to increase the ratio of cash to checking accounts for each level of the GNP, Laurent notes. "There's also a lot more hoarding of cash than Gutmann allows for, and his estimate is therefore biased upward," Laurent adds.

Fitting the components of income together like a giant GNP jigsaw puzzle indicates that Gutmann's estimate is not wildly off the mark, however. It is not difficult, in fact, to come up with an estimate close to $100 billion for the size of the subterranean economy. For example, the IRS estimates that 99.8% of all wages that should have been reported were indeed reported. This estimate is based on 50,000 randomly selected tax returns that have been extensively audited by the IRS. Unlike the normal auditing procedure, this audit, called TCMP, for taxpayer compliance measurement program, checks into every source of income and all deductions. TCMP is conducted every three years to refine the statistical method for selecting returns to be audited on a normal basis.

UNREPORTED INCOME

But TCMP seems to do a far better job getting at questionable deductions than it does ascertaining the correct reporting of income. Says Ross Summers, a planning officer at IRS, "TCMP does not get at unreported income with a great degree of reliability." Adds Nelson McClung, assistant director for personal tax at the Treasury Dept.: "Almost all wages subject to withholding are reported. But the reporting of wages not subject to withholding is very, very low. I would be amazed if more than 95% of all wage income is reported." If McClung is right, unreported wages alone could amount to $50 billion, and most would not be picked up in the GNP.

A far higher percentage of the income earned by the self-employed is underreported to the IRS. According to the TCMP, the self-employed fail to report about 19% of their income, and the Commerce Dept.'s Bureau of Economic Analysis adds this 19% in when figuring the GNP numbers. But one BEA economist says, "The unreported figure is probably 30%." And other government experts believe that it may be closer to 40%. This works out to about $25 billion of which only half is included in the GNP.

RETICENT FARMERS

Similar problems afflict other BEA estimates incorporated in the GNP accounts. The bureau uses tax returns to estimate the rental income of individuals and corporate profits, for example. And the rental income of individuals and corporate profits of small corporations are underreported by as much as 50%, according to many estimates. This could add another $25 billion to the GNP.

These legal income receipts that evade inclusion in the GNP add up to over $85 billion. And no taxes are paid on them, either. There are also huge amounts of income that, while included in the GNP, escape taxation. Farmers' income is a notorious example. The IRS estimates that farmers fail to report about 30% of income, while the Census Bureau estimates that 52% goes unreported .

Similarly, although the IRS figures that taxpayers report 97.7% of interest income received, John Gorman of the BEA concludes that taxpayers were underreporting interest income by one-third, or some $14 billion.

So, even if Gutmann's estimate of the underground economy is overblown by half, much of last year's federal deficit could have been eliminated if taxes on unreported income had been paid.

COUNTING THE UNEMPLOYED

Gutmann will venture no firm estimate of how much lower is the actual unemployment rate, but he is convinced that it is lower. Cagan agrees: "The high unemployment rates reported for the ghettos, especially among the young, are unrealistic. Many are working, performing economic services for small businesses, but it doesn't show up in data."

Furthermore, according to the evidence turned up by the states, between 2% and 3% of those receiving unemployment benefits were found to be working off-the-books. This may be a bare minimum. Says Charles C. McMann, director of labor special investigations for New York State: "We're trying to uncover those working off-the-books. But we never know whether we merely have the tip of the iceberg."

Not only is the unemployment rate overstated, but so too is the government estimate of families who live in poverty. Based on a 1977 Congressional Budget Office study, the estimate of 10.7 million families whose income falls below the poverty level would be reduced by about 1 million if adjustment is made for unreported income.

Like Gutmann, Cagan argues that the subterranean economy is growing. "High income tax rates are being eroded by people doing business outside the government's purview," he says. And this may be as true for the doctor and lawyer as it is for the waitress and cab driver. For example, the Treasury Dept. took 1929 income tax returns and projected them to 1973 levels. That projection indicates that average income for the group earning over $72,000 should come to $282,000. But actual returns for 1973 showed an average of only $123,000. Part of the difference probably reflects the incentive to avoid taxes as tax rates rise sharply. Says Cagan: "We are beginning to pay the long-run costs of heavy taxation."●

[From the Washington Post, Mar. 13, 1978]

RICHER HALF OF U.S. PAYS 94 PERCENT OF INCOME TAXES

(By Art Pine)

The richest one-fourth of American households—those with incomes of $17,000 a year or higher—took home half the income in this country in 1976 and paid more than 70 percent of all personal income taxes.

By contrast, those in the poorest one-fourth—wage earners making less than $5,000 a year—received less than 5 percent of the nation's income that year and paid a minuscule 0.1 percent or less of the income-tax tab.

Those in the richest 5 percent of the country—taxpayers with incomes of $30,000 or more—earned 22 percent of the income in 1976 and paid 39.2 percent of all income taxes.

By contrast, the poorer half of all persons filing tax returns earned 19 percent of all income and pai d6 percent of the personal income taxes in 1976, while the richer half paid 94 percent.

Those figures, compiled by the Treasury Department from estimates based on 1976 income levels, show a stark fact about the way the tax burden is distributed in this country:

While it's true, as some studies show, that wealthier persons enjoy the biggest tax breaks and deductions, they also shoulder a disproportionate share of the tax burden—far beyond what is perceived generally.

Moreover, the distortion has been heightened by the tendency of Congress in recent years to skew most of the tax breaks it has enacted to those at the lower end of the income scale.

To make up for inflation and higher Social Security payroll taxes, the lawmakers have cut income taxes. But most of the cuts have benefited lower- and lower-middle-income taxpayers—not the middle or the top.

The result of all this has been a significant tax squeeze on the so-called "middle" and "upper-middle" income brackets—the 10.7 million taxpayers whose incomes fall between $20,000 and $35,000 a year.

While the proportion of Americans' personal income eaten up by the income tax has remained relatively constant over the past few years, at about 13 percent, the burden of that tax load has shifted to higher-income brackets.

For example, figures compiled by the Tax Foundation show that the richest 25 percent of the nation's taxpayers paid 68.3 percent of all taxes in 1970. By 1975, that figure had risen to 72 percent.

Those in the richer 50 percent paid 89.7 percent of the total tax in 1970. By 1975, that had increased to 92.9 percent. All taxpayers in the richer 50 percent bracket saw their share of the total tax tab rise.

At the same time, those in the poorer half enjoyed a shrinking tax burden during the period. The taxes paid by the lower half fell from 10.3 percent in 1970 to 7.1 percent in 1975.

For the poorest 25 percent of all taxpayers, the proportion of the total tax bill fell to 0.4 percent in 1975, from 0.9 percent in 1970. In any case, the trend is clear.

President Carter's new tax-cut package would only heighten the disparity. Carter has proposed replacing the present $750-a-dependent personal exemption with a new $240 credit that would shift the burden further toward the middle- and upper-middle-income brackets.

The battle in Congress now is precisely over how far that shift should be allowed to go. Members of the House Ways and Means Committee have indicated that they are concerned about the tax burden borne by upper-income brackets and most likely will revamp the Carter proposals.

Moreover, the heavier tax burden continually is reaching downward to include people who used to be in lower-middle-income brackets. As inflation pushes incomes higher, taxpayers are thrust into higher brackets.

With the combination of inflation and higher tax rates in the upper brackets, the wealthiest of the nations' taxpayers pay disproportionately high shares of the total tax burden—even including their shelters and deductions.

For example, the richest 1.4 per cent of the nation's citizens—some 985,000 whose incomes total $50,000 or more a year—take home 10.7 percent of the income, but pay 23 percent of the taxes.

The wealthiest 0.3 per cent—those in the $100,000-and-up category—receive 4.5 percent of the total income, but pay 10.5 percent of the tax burden. (The poorest 0.3 percent escape taxes altogether.)

The breakdown portrayed by these figures pertains only to personal income taxes. With Social Security payroll taxes included, the pattern is different but the point remains the same.

The figures used in the computations include income from capital gains—profits from the sale of stocks or other assets—only half of which are subject to tax. The totals for tax liability include writeoffs and deductions.

But the fact remains that, for all the complaining about wealthy taxpayers, those in the richer half of the nation's income brackets are paying 94 percent of the personal income taxes. The other half is paying the rest.●

HUMANITARIAN FOOD FOR LAOS

● Mr. KENNEDY. Mr. President, reports from Laos continue to tell of growing food shortages that threaten famine conditions in many areas. Despite the efforts of several United Nations agencies and private voluntary agencies, as well as several governments, the food needs of Laos are still great.

The ravages of drought and the dislocations of war have seriously affected many areas of Laos. My office has received extensive information from the United Nations on the scope of humanitarian needs in Laos, and its efforts to help, if sufficient support is received from the international community.

And representatives of the Mennonite Central Committee, who recently returned from several years service in Vientiane, have described in personal terms the hardships confronting thousands of Laotian refugees attempting to return to their lands and homes, only to find it impossible to grow the food they need.

The need for humanitarian food for Laos was thoughtfully reviewed today in an article in the New York Times, which I commend to the attention of my colleagues. I am hopeful that in the days ahead the United States will finally take action to provide emergency food for Laos—to redeem our humanitarian tradition of responding to appeals for food and assistance by any country in need of help.

Mr. President, I ask unanimous consent that the article in the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAOS' NEED: U.S. RICE

(By Peter Kovler)

WASHINGTON.—As a result of widespread drought last year, Laos faces food shortages and, in many areas, the likelihood of famine. To try to stave off the impending disaster, the Laotian Government has appealed to the world for aid, and in early January made a direct request to the Carter Administration. But the State Department and the Administration have refused to respond.

Instead of giving the necessary rice, the Government has decided to play politics with starving Laotians' lives.

That is, for fear of seeming too liberal to the Congress, an especially dangerous image that President Carter wants to avoid as he tries to get the Panama Canal treaties ratified, the Administration has refused to make a decision. But for the Laotians no decision is tantamount to a direct refusal.

According to a joint Laotian Ministry of Agriculture and United Nations report in December, Laos must survive a rice deficit of 261,000 tons (about 40 percent of its annual national requirement) until next autumn. The report emphasized that the drought was especially destructive in the traditional rice-exporting areas in the south where last summer's rainfall was 75 percent below normal. The situation is so precarious in the southern provinces of Saravene and Khammouane that many people are already eating one bowl of rice a day.

The difficulties of postwar recovery have added to Laos's hardships. Some 385,000 displaced persons have returned to homes and native villages. According to two Mennonite missionaries who have just returned from Laos, Murray and Linda Hiebert, these refugees have discovered that irrigation networks have collapsed and that paddy fields are pockmarked with bomb craters. Other observers estimate that in the Plain of Jars 50,000 of 83,000 buffalo have been killed. Consequently, often groups of eight farmers will have to harness themselves to plows to till fields.

Worse, unexploded bombs buried in the ground hamper food production. Since 1973, it is believed, munitions in fields have killed 267 civilians and seriously injured 343 in Xiengkhouang Province alone. No safe method of removing the weapons has been found. Particularly dangerous are bombs the size of tennis balls that explode when simply touched by a farmer's tool or when stepped on.

According to the Laos-United Nations report, Laotians would be able to survive barely if they can get 113,000 tons of rice in the next few months. That figure would mean that a Laotian's diet would be 12 kilograms of rice per person per month, or 1.8 pounds per person per day—a minimal ration. As of March 7, some 59,000 tons had been pledged. There is still a need for 54,000 more tons. People who watch the world rice market closely will tell you that the United States, with the largest surplus, can offer it most easily.

However, there is such great fear in the Administration that it will appear to be pro-Communist, thereby jeopardizing the canal treaties, that approval of the "Laotian case"—as it is called in Washington—is believed politically imprudent. Even though some officials, including the Assistant Secretary of State for East Asia and Pacific Affairs, Richard Holbrooke, favor granting the aid immediately, there is a general belief that "the time just isn't right."

Undoubtedly President Carter is also in a dangerous political situation because last year the Congress specifically forbade direct aid to Laos. Nevertheless, there is an exemption in Public Law 480, the Food for Peace law, which allows the President to provide free food to people in need.

In a recent Senate speech, Edward Kennedy pointed out how it has been a "hallmark of our country to have a humanitarian tradition." Irrespective of another nation's ideology, we have given: whether it was in the 1920's when the United States sent food to the Soviet Union, or after World War II when aid went to our former enemies, Germany, Italy and Japan, as well as to Communist countries.

It is imperative that President Carter move to help the Laotians. Any more delay in Washington would simply compound the barbarity that the United States has already brought to that region. In short, Laos must not become another sub-Saharan Africa, where people died because governments had more "pressing matters."●

UNIFIED SOLAR ENERGY AND ENERGY CONSERVATION PROGRAM

● Mr. DECONCINI. Mr. President, at a time when the use of fossil fuels is leading this country to an ever-increasing trade deficit and causing us to be more dependent on foreign nations for our basic energy needs, the current administration continues to budget a disproportionate share of its energy research and development funds for reliance on "hard path," nonrenewable energy sources.

It is heartening to note this same short sightedness does not exist at the local level of government. I would like to share with my distinguished colleagues the efforts of the residents of Pima County, Ariz. in both exploring and implementing the possibilities of solar energy. The Unified Solar Energy Committee, a group composed of representatives from county government, the University of Arizona, and local business has for the last 2 years been pooling money and awarding grants to develop Arizona's most abundant resource: sunshine.

Mr. President, I hope administration officials charged with setting energy priorities will follow the example set by Pima County, Ariz. in moving forward with renewable energy source development as a top national energy priority. I request that an item appearing in the Tucson Daily Citizen of January 10, 1978, entitled "Solar Subsidies Awarded" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOLAR SUBSIDIES AWARDED

Cash subsidies of $12,847—including $10,000 in Pima County funds—were to be distributed today to 11 builders installing solar heating equipment on houses in the Inner City Parade of Homes.

In addition, the University of Arizona has agreed to provide an estimated $10,000 in manpower to monitor for one year the performance of the equipment at the homes' site, near West St. Mary's and North Silverbells roads.

The project is the fourth, directed by the Unified Solar Energy Committee, a two year-old coalition of government, university and business representatives formed to encourage solar energy projects.

Three builders, Herder Construction Co., Miller Homes, and William Lester Pritchett & Sons, will receive $3,000 grants to help defray the costs of installing solar space heating equipment.

The rest of the grant will be divided among building firms installing solar water heaters.

The $2,847 in non-government funds is being supplied by six local banks; the Arizona Bank, Banco Internacional de Arizona, First National Bank of Arizona, Union Bank, United Bank of Arizona and Valley National Bank.

Scheduled for completion in March, the Parade of Homes is a 6.2-acre, 35-home project sponsored by the Southern Arizona Home Builders Association and the City of Tucson, at a cost of $1.77 million in private funds and nearly $290,000 federal and local tax dollar.●

ON RETIREMENT OF CONGRESSMAN JOE D. WAGGONNER

● Mr. LONG. Mr. President, it is with deep regret that I note the decision of a close and valued friend and colleague, Congressman JOE D. WAGGONNER, JR., not to seek reelection this year.

The people of Louisiana's Fourth District, and the Nation as a whole, will be less effectively represented here in the Congress without JOE WAGGONNER. By any standard, JOE is one of the truly great Congressmen of all time, a man who reflects the fundamental good sense and patriotism of the people of north Louisiana. America needs as much of that kind of philosophy as can be found.

Undoubtedly, another good man can represent the same general point of view. But it will take many years for someone to gain the respect, the stature and the following that JOE WAGGONNER has acquired in his 17 years of devoted and hard work in the House of Representatives.

It has been my earnest wish that JOE's constituents would be able to demonstrate how much they appreciate him and persuade him to continue his service to America here in Congress.

However, JOE's decision apparently is final. I am greatly saddened to see a man who has been such an effective and dedicated legislator lay down the cudgel in the prime of his career.

Mr. President, I hope that JOE WAGGONNER will continue to be active and offer us his counsel and guidance whenever possible.

He will be able to devote more time to his family. Shedding the burden on long hours, along with the opportunity to enjoy the love and companionship of his family and friends in Louisiana can only be of benefit to JOE.

Their gain is the Congress loss. Few men have ever displayed such an understanding of the legislative process here, or have been as effective in performing the arduous duties of the office.

Mr. President, I ask unanimous consent to print in the RECORD JOE's statement issued when he announced he would not run again for Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY CONGRESSMAN JOE D. WAGGONNER, JR.

After the most arduous and searching examination of my life and affairs and after the most prayerful consultation with my family, I have concluded to retire from public life. I will not be a candidate for re-election to the office I now hold.

Of the thirty-five years of my married life, almost thirty have been spent in service to my country in public office and in the armed forces. My desire to be with my family and to share with them for a while God's abundance of life has been ever pressing through all these years. It is an urge I can no longer resist. I must yield to the clear logic of the Son of David in the Third Chapter of Ecclesiastes: "For everything there is a season and a time for every matter under heaven." It is time for me to leave public life.

I harbor no regret for having chosen public service as my life's work though there is, perhaps, no more demanding a life than in the political arena nor a more brutal one. It can also be the most disappointing if one were to let it be, but I have not.

I have tried to make it the noble and honorable profession it can be. I have spent seventeen years trying to represent the people of the Fourth Congressional District in the Congress, to act for them singly as they would act for themselves if they were there collectively. I have fought to preserve the greatest concept of government man has yet devised, and I have sought to preserve the free enterprise system that has given this Nation its freedom and its dignity. I have struggled to limit the increasing domination of the lives of our people by the government and those who look to the government for solution to our every problem—both real and imaginary. I have long believed that too many Americans expect too much from the government without a contribution on their part. I am completely convinced that we have long since exceeded our ability to pay for the cost of government at every level in this country.

I entered public life without any obligation save to my Maker and without any yoke around my neck. I leave it in the same manner. I recognize that some of those who would enjoy dictating my every action resent this independence.

It is not for me to judge to what degree I succeeded in my life's work. History will write it clearly. I believe that history will reflect that I understood representative government and practiced what I preached. I have not been a political expedient. I know my people.

The burden and responsibility of equitable and impartial representation in government is awesome. A clear conscience would not allow me to be the spokesman and unbending advocate of management alone, or labor alone, or government alone, though on occasion this would have been the easier course. On more occasions than were known, my alternative choices of action were both bad and I conscientiously sought the lesser of the two evils. Sometimes these dilemmas were misunderstood, and I did not and do not expect everyone to agree with my every choice. With a constituency of almost half-a-million, it was and is manifestly impossible. I ask only the understanding that I did, in every case, what I thought was best for us all.

In public office, men often do one of two things: they swell or they grow. I hope that, in the judgment of my constituents, I have grown. I did not seek after personal power, vain publicity, or monetary gain. I sought only two things: the trust and respect of those who elected me and the same trust and respect of my colleagues. "Plain Dealing" has been my watchword. I have attempted to run an office with an open door and accessibility. I have tried hard to serve all our people and in an effort to do so have turned no one away who came to me with a problem seeking help. Literally thousands have come. On occasion, we succeeded in helping; on others, we failed but we always tried. I have treated everyone as good as they would let me.

Though I now retire from public life, I intend to associate actively with the private sector. And though I do not anticipate ever again being a candidate for office, my interest in public affairs has not and will not diminish. I consider that I have a vested interest in what happens to my state and my nation.

I make this announcement five months before any qualifying deadline to insure that the machinery of elections has full time to function and to allow the voters full time to decide upon my successor. Too few understand the magnitude and totally demanding nature of this job. None who seek it should take lightly its effect on their personal and family lives. Every American should face reality and know that if some existing attitudes continue to prevail that the day will soon come when a draft will be required to get desirable candidates to seek public office.

I am painfully conscious of my indebtedness to so many people; a debt I will never be able to satisfy. To, first of all, my family whose patience and understanding were my principal succor and support. There is no means, monetary or otherwise, of compensating for their sacrifices. To past and present members of my staff who unselfishly gave of their own lives to share with me the burdens and sacrifices of public office. To the voters who, by their votes, paid me their highest compliment.

The rewards have been more than I was worthy of having. I was given the opportunity to gain a perspective of government and the world. I was privileged to walk with Presidents, Kings, Potentates, and Princes. I have been more privileged to walk with the people of the Fourth District of Louisiana, my fellow men.

To the question, can I come back home now and be content in a simpler life after such an exhilarating experience, my answer is: I never left.

I sought your approval, and you gave it to me. My accomplishments may have been meager, but I discharged your trust to the best of my ability. If I could have done more, I call all Heaven to be my witness, I would have done it. I lay claim to nothing but an honest effort.

Again, for my family and myself, from the depths of my heart, I thank you for your patience, your understanding, your friendship, your support, and your prayers.●

RECOMMENDED READING ON SALT

● Mr. MATHIAS. Mr. President, Averill Harriman is generally acknowledged to be one of America's sagest and most experienced statesmen. He is also one of its most alert and conscientious citizens.

Not content to rest on the mountain of laurels earned in his unique career of public service, Averill Harriman continues to be an energetic student of public affairs, educating himself constantly on the swiftly flowing stream of events and plunging far beneath the surface of these events to examine their true significance.

It is for this reason, that whenever Governor Harriman speaks, I listen and I learn. And whenever Governor Harriman commends some book or article to my attention, I read it and invariably my perceptions are enhanced.

Recently Governor Harriman called my attention to an article that appeared in the New York Times magazine on November 27, 1977, which I consider so important that I now commend it to the attention of my colleagues. As we move closer to a SALT agreement with the Soviet Union, the arguments advanced by its author G. B. Kistiakowsky, are more important than ever. I ask unanimous consent that this article, "The Arms Race: Is paranoia Necessary for Security?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ARMS RACE: IS PARANOIA NECESSARY FOR SECURITY?

(By G. B. Kistiakowsky)

Thirty years after the start of the cold war, the United States and the Soviet Union still live in a state of uncertainty and insecurity. In America, this condition has been attributed from the start to the aggressiveness of Soviet Communism, which is seen as striving for world hegemony and bent on the destruction of its principal obstacle, the United States. In Moscow, just as consistently, the guilt has been assigned to the evil designs of American militarism and imperialism.

Today, in facing the consequences of this confrontation, we Americans are at a crossroads. Depending on which road we take, we may win, or lose, one of those rare opportunities in modern times to bring a measure of stability to an increasingly dangerous world.

For five years now, an interim agreement known among the experts as SALT I has limited the number of strategic land-and sea-based ballistic-missile launchers on each side. The agreement expired last October, and although both sides have promised to continue abiding by its provisions, the self-restraint this requires, in the absence of a new formal agreement, could well erode fairly soon. For waiting in the wings on both sides are new types of strategic weapons—bigger and more accurate ICBM's with multiple warheads, some even mobile, and the long-range air-, land-and sea-based cruise missiles. Many of these new weapons are clearly capable of more than a deterrent or defensive mission, and are, therefore, provocative by nature. Others are difficult to detect by reconnaissance satellites, and thus add to the other side's sense of insecurity. Some are destabilizing in both ways.

The Soviet-American negotiations for a new agreement—SALT II—that were resumed last spring have been making headway, but accord is still blocked by a number of technically complex issues. President Carter, Secretary of State Cyrus Vance, Secretary of Defense Harold Brown and Arms Control Director Paul Warnke have all shown a clear understanding of the dire potential consequences of the arms race, and have given arms control new priority on their agenda. Yet, despite the urgency of the situation, the Administration's policy, and the narrowness of the gap that separates the parties to the talks, there is real danger that no agreement will be reached—or, if reached, that it will not be ratified by the Senate.

Why?

Part of the answer has to do with the technicalities of missile performance, and with differences between the strategic doctrines and negotiating tactics of the two sides. But another, and perhaps the major, reason, is to be found in the domestic politics of arms control.

Once again, as so often in the past, there are powerful voices in this country urging intensification of the cold war and rejection of efforts at moderation—efforts that are construed as serving Moscow's aggressive designs. Once again, we are asked to determine our actions not in the light of our demonstrated ability to more than compensate for any Soviet military advance, but, rather, in response to imaginings, fueled by fears, as to what the Soviets *might* do. This, lamentably, has been the pattern of our decisions on weapon acquisitions and arms control since World War II. To understand it, we must go back to the beginnings of the nuclear age.

While the origins of the cold war are too complex to go into here, it is undeniable that, by the end of the 1940's, political positions in Washington and Moscow had hardened. West Berlin was under Soviet blockade; the Korean War was only months away; the United States was heavily committed against Communist insurgency in Greece; and, in Congress, the House Un-American Activities Committee was riding high. Stalin's extreme secretiveness at home, and his iron curtain on the world, kept the Truman Administration guessing about Soviet military capabilities and foreign-policy objectives. Diplomatic negotiations were at a standstill. Then, in September 1949, the first Soviet atom bomb shattered American illusions of a prolonged United States monopoly in atomic weapons.

In January 1950, President Truman ordered a speedup on research on the hydrogen bomb and asked for a secret reassessment of our defense and foreign posture. The resulting paper—N.S.C. 68—made predictions that were nothing short of apocalyptic in substance and tone. "It is quite clear . . . that the Kremlin seeks to bring the free world under its domination," wrote the authors of the report; being "inescapably militant," the Soviet Union "seeks to impose its absolute authority over the rest of the world"; and so on. Given its grim conclusions, which had strong impact on government policy and fed the country's apprehensive political mood, the paper naturally urged a sizable increase in the country's military budget. With the additional stimulus of the Korean War, military budgets rose from $15 billion in 1949 to $50 billion in 1953.

Though much of this money was spent fighting in South Korea's defense, a good portion went to a general buildup of military strength, and especially of the Strategic Air Command. Fragmentary and flimsy intelligence about Soviet bomber forces was characterized by Air Force partisans as evidence of a disastrous "bomber gap." The result was a great buildup of our nuclear-armed heavy-bomber force was modest in size, and that the the intercontinental B–52. Some years later, it was generally agreed that the Soviet heavy-bomber force was modest in size, and that the "bomber gap" was a myth. But, by then, another "gap" was in the making.

In 1957, a top-secret study group (the Gaither panel) reported to President Eisenhower that, according to the latest intelligence, the Soviet threat would "become critical by 1959 or early 1960," since, by then, the U.S.S.R. would "acquire significant ICBM delivery capability with megaton warheads." Once again, the White House was urged to increase military spending—and, in addition, to initiate a multibillion-dollar civil-defense program to counter a similar program attributed to the Soviet Union.

President Eisenhower took unkindly to most of the report's recommendations. But the contents were leaked to the press, and, in the summer of 1959, the syndicated columnist Joseph Alsop argued for the existence of a "missile gap." Secretary of Defense Thomas Gates denied the existence of this new gap, but Senator John F. Kennedy used the issue effectively against the Republicans in his 1960 Presidential campaign. And although Kennedy learned upon entering the White House that the "missile gap" was indeed a myth, he had our Minuteman and Polaris strategic-missile programs greatly enlarged in compliance with his campaign promises.

The real missile gap, in point of fact, had been in our favor. This advantage over the Soviets continued on an increasing scale well into the 1960's. It probably was a factor in Nikita Khrushchev's 1962 decision to deploy medium-range missiles in Cuba—and it certainly was a factor in his subsequent compliance with American demands to remove the missiles from the island. In the aftermath of this fearful crisis, the Soviet Union embarked on a buildup of its own strategic missile forces, both land- and submarine-based. A decade later, these Soviet forces were substantially larger numerically (in terms of launchers, not warheads) than those of the United States. This massive Soviet program was underestimated by Secretary of Defense Robert McNamara and overestimated by his successor, Melvin Laird.

The shifts in numerical strength had been accompanied by shifts in strategic doctrine. The American doctrine of massive retaliation, devised when the United States still had a virtual monopoly of nuclear weapons, was succeeded in the early 1960's by the concept of "mutual deterrence." The reasoning was that, by that time, both the United States and the Soviet Union knew, beyond any doubt, that each had the means to visit on the other a degree of destruction exceeding anything that any government could accept. The American program projected a force of 1,000 land-based Minuteman ICBM's; 54 of the larger but older land-based Titan II ICBM's; 41 Polaris submarines deploying a total of 656 missiles, and a fleet of B–52's and other heavy bombers—an arsenal considered powerful enough to assure "unacceptable damage" to the Soviet Union (and/or China) even after a surprise Soviet or Chinese nuclear attack.

In spite of that, there were suggestions at several junctures during the 1960's—indeed, they took on the proportions of public campaigns—that Soviet weapons development might have rendered our capability for "assured destruction" inadequate to the task—and, hence, that deterrence might fail.

First came stories about a rapid expansion of the Soviet civil-defense program—measures that would give the Soviet population added protection against any retaliatory American strike, and that would therefore make the option of a Soviet first strike more tempting to the Soviet leaders.

Then came reports that our intelligence-gathering satellites had spotted a ring of antimissile defenses (ABM's) around Moscow, as well as signs of another ABM system being deployed in other parts of the Soviet Union. To Pentagon officials dedicated to the "worst-case" approach to uncertain intelligence data—what is the worst that the potential enemy is capable of doing to us?—these sightings raised the specter of a countrywide Soviet air-defense system. The following sequence of events was thereupon envisaged: The Soviets could launch a first strike; those of our missiles that survived this attack would be launched against their Soviet targets; yet most of the retaliatory American warheads would be unable to penetrate the Soviet air-defense system; and the damage inflicted by the few that did penetrate the Soviet shield would not be "unacceptably" severe. Expectations of this outcome would make the Soviet leaders confident of their military superiority.

Though rejected on available evidence by more objective American analysts, this pro-

jection was a major factor in the decision to develop a new missile system—MIRV's. Each MIRV (Multiple Independently Targetable Re-entry Vehicle) would be equipped with several warheads; each warhead could be released at a separate target; the new system would multiply the warhead count of an American retaliatory strike and overwhelm the best air defense the Soviets could put up.

While the MIRV's were being developed, however, new and clearer evidence indicated that the Soviet countrywide air-defense system had been designed not against missiles but against bombers, and that construction of the ABM system around Moscow had been halted halfway. In spite of that, the MIRV program was continued—justified by the new argument that we had to be able to destroy a larger number of targets in the U.S.S.R. It didn't take great expertise to understand that deploying these MIRV's could stabilize the state of mutual deterrence: With each MIRV'ed missile capable of destroying more than one missile silo, a surprise pre-emptive strike aimed at destroying the other side's entire land-based missile force would become a worrisome possibility. Yet little heed was paid to this aspect of the program.

It stood to reason that the Soviet Union would match our MIRV program with one of its own. Yet when the strategic arms limitation talks (SALT) began in 1969, the Pentagon vetoed suggestions that the United States propose a moratorium on MIRV development by both sides. At that juncture, such a freeze could have been accomplished by simple agreement with little likelihood of undetectable violations. Today with MIRV's being extensively deployed within the Soviet Union, detection is a much more difficult problem and concern about this new factor is understandably acute in the United States. Once again, a missed opportunity for restraint has led to another erosion in our own security.

The same blind opposition to restraining American weapon development plagued every effort to arrive at a total nuclear-test ban. Opponents of the idea in the 50's and 60's concocted elaborate scenarios on the feasibility of clandestine Soviet tests, belittling the central issue that a comprehensive ban would have been to our advantage, in view of our technological lead. Once again, the political opposition prevailed: The Kennedy Administration had to settle for a partial ban limited to tests in the atmosphere, outer space and under water. The treaty, concluded in 1963, is now adhered to by many nations, though not among the nuclear powers, by France and China. It has resulted in an immense reduction in radioactive falling from nuclear testing above ground. The underground testing has been pushed by the superpowers at a much faster clip, so that development of new nuclear weapons has continued as before.

The SALT I agreement signed by President Nixon and Secretary General Brezhnev in Moscow in 1972 was accompanied by much fanfare about détente that has been rendered questionable by the passage of time. Yet the atmospherics were accompanied by a significant accomplishment—a treaty to limit each side to only two ABM sites (later reduced to one); to refrain from testing and deploying new ABM technology and, most important, to refrain from interfering with each other's technical means, such as satellites of gathering intelligence on each other's weapon development.

The American and Soviet Governments' willingness to virtually clear their territories of ABM defenses left the population of each of the two countries hostage, in effect, to the others' strategic nuclear force. By inference the treaty recognized that a surprise attack by either side would be too irrational for any sane Government to undertake. Under the conditions that prevailed in 1972, no surprise attack could be expected to destroy the other side's offensive forces; most of the forces would be left undamaged—more than enough to inflict lethal distruction on the aggressor nations populace and civilization. In such a war, there could be no winner.

SALT I also produced a five-year interim agreement on offensive missiles. This left our strategic forces unchanged, while putting a ceiling on further expansion of Soviet land-based missiles—but, in recognition of the Soviets' weaker overall position, permitting further numercial expansion of their sea-based missile force. Today, the forces on both sides stand at about the agreed level—some 1,500 Soviet versus 1,054 American land-based ICBM's, and about 880 Soviet versus 656 American submarine-based ballistic missiles. To these should be added more than 400 American heavy bombers, armed with air-to-ground missiles or gravity bombs, versus 140 rather obsolescent Soviet bombers. The Soviet Union now has about a two-to-one advantage in megatonnage—the total nuclear payload or "throw weight" of its missile forces. But the United States, because of its more extensive MIRVing, has about 7,500 missile warheads, smaller but much more accurate than the Soviet Union's 3,500. This gives the United States a two-to-one advantage in targeted warheads—the truest measure of nuclear strength—quiet apart from our superiority in bombers.

There the situation remains, except for the refinements added by President Ford and Secretary Brezhnev at their 1974 meeting in Vladivostok. The guidelines produced there—never converted to a formal agreement—set a top limit of 2,400 offensive delivery vehicles (whether strategic missiles or bombers) for each side, with the qualification that only 1,320 of these could be MIRV'ed. Our forces today are well below this total, but not much below the MIRVing limit; the Soviet Union's forces are slightly over the total numerically but nowhere near the permitted quota for MIRV's. The destructive potential on each side is staggering—at least a thousand times greater than that of all the bombs exploded during World War II.

In this history of the nuclear arms race, the United States has been first with most of the technological innovations and new weapon systems, except for some systems of defense, to which the Soviet Union has traditionally dedicated a far greater portion of its military effort. The American innovations—such as heavy bombers, solid-fueled missiles (whether land-based or aboard submarines), inertial guidance and MIRV's—were all followed a few years later by the Soviet versions. Soviet political and military writers have argued that the nuclear arms race is in large measure a consequence of this pattern of American innovation—and, hence, solely the fault of the United States. The truth is not that simple.

Soviet military intelligence analysts, reading transcripts of Congressional committee hearings, the budgets and annual "posture statements" of the Secretary of Defense, periodicals like Aviation Week and other open material, have no trouble obtaining fairly accurate knowledge of American forces in being and of what they will be like a few years hence. For us, however, reliable estimates of current Soviet military capabilities were virtually unobtainable a couple of decades ago, and only the advent of sophisticated "national technical means" of information gathering, such as satellites, has rectified this deficiency to some degree. Projection of future Soviet capabilities, however, still depends largely on value judgments, in view of the lack of open public debate on these matters in the Soviet Union, and in view of the Soviet practice of shrouding official policy statements in generalities. By necessity, therefore, American projections, such as the National Intelligence Estimates, involve a wide range of possibilities. The "worst-case" assessment that frequently prevails can often call for anticipatory measures, including a research-and-development project for some novel weapons system. This prudent, if often exaggerated, American reaction has not differed, in essence, from the ways other nations have responded to similar stimuli. It is something the Soviet leaders would have been wise to foresee, since prodding the American military industry into greater production cannot have been part of their objective, and is clearly against their interests, as it is against ours.

On several occasions, as we have noted, American proponents of an uncompromising "worst-case" view of Soviet intentions have sought to swing public opinion behind them. Sometimes their efforts have taken the form of exaggerated stories devoid of technical foundation—current science fiction about particle-beam weapons are an example of the genre—that tend to spread concern. That, in turn, tends to generate additional pressures for a new American arms program to meet the new alleged threat. A heated campaign of this type has now been under way for about a year, led by two private groups—the newly formed Committee on the Present Danger and the older American Security Council (not to be confused with the National Security Council, the President's advisory body).

The campaign was highlighted last December by leaks to the press about a collision between the professional group responsible for the National Intelligence Estimate and what the reports described as the winner of the contest—an ad-hoc "Team B" of outsiders selected by the Ford White House to represent the "hard line" view. "Team B" concluded, to no one's surprise, that there was an imminent threat of Soviet domination of the world. Its findings are said to have been largely dismissed by the Carter Administration, after a detailed study, but the thrust provided by the episode is still very much with us. The views of the hard-liners deserve our careful consideration.

While some members of this school have made much of a possible gap between Soviet and American capabilities, it is Soviet intentions that have dominated the new debate, almost to the exclusion of technical realities. Those who have sounded the alarm anew are fond of citing Soviet military writers to show that the Soviets reject the concept of mutual deterrence, stress the Clausewitz dictum that war is but an extension of diplomacy, and deny that nuclear weapons have ruled out war as a policy option. For instance, it is pointed out, in his 1963 book on military strategy, Soviet Marshal Vassily Sokolovsky argued that nuclear war can be fought and won by the Soviet Union.

Citing Soviet military writers as guides to Soviet military policy is, however, of questionable value. The argument attributed to Sokolovsky has been developed by other Soviet officers as well, but what should one expect from a senior Soviet military figure? Should he tell his juniors that they cannot win a future nuclear war? In the old Stalinist days he could have been stood up against the wall and shot for such heresy.

Even if genuine, belief that nuclear wars can be "won" is not limited to Soviet generals

and marshals. Gen. Curtis LeMay, of Strategic Air Command fame, used to urge on us an ability "to fight and win any war—including a general war." Former Defense Secretary Melvin Laird, in his book "A House Divided" (issued in 1962 and reissued in 1969), wrote that our "strategy must aim at fighting, winning and recovering"; that we must therefore develop "the willingness . . . to wage total nuclear war," and that we must make it "credible to the enemy that we will take the initiative and strike first." Another Defense Secretary of the Nixon era, James Schlesinger, talked repeatedly while in office of "surgical" strikes against military targets, and of other aspects of waging "flexible" nuclear wars.

The plain fact is that it is easy to find examples of aggressive or provocative utterances on both sides. But it is definitely not a fact that they represent the stated policies or known beliefs of the leaders of either country. In any case, statements of political intent, unsupported by capability, should be pretty much discounted. The real question is whether the Soviet Union could arrive at the military capability to bring the United States to its knees.

The hard-line scenario for such an eventuality goes something like this:

By the time it completes deploying its very heavy—and now MIRV'ed—SS–18 ICBM and its somewhat smaller SS–19, the Soviet Union will have the capability to destroy virtually all American ICBM's in their silos, all our bombers not in flight, and all our missile submarines in port—all this at one blow and with the expenditure of only a small part of its missile forces. A massive Soviet civil-defense program, now under way, will provide blast shelters for the country's political and industrial cadres, while the plain people will be told to evacuate the cities and dig fallout shelters for themselves in the countryside—a process, according to Soviet civil-defense manuals, that is to take three days. Since the only remaining American forces would be those armed with small warheads, Soviet cities and industrial plants could be restored within an acceptable period of time after an American retaliatory strike; and, because of the mass-evacuation measures, there would be only 10 million to 20 million Soviet citizens killed—no more than perished during World War II. By contrast, the remaining Soviet strategic forces could destroy American society totally, and kill a large part of the population. Confronted with such a prospect, the United States would concede world hegemony to the Soviet Union without war.

How is one to evaluate this kind of thinking? What, for one thing, is the past record of the prophets? Many of the men who proclaimed the bomber gap, the missile gap and the ABM gap are the very ones who today warn of the civil-defense gap and the Soviet Union's nuclear superiority. Paul Nitze, for example, was chairman of the staff that produced N.S.C. 68 in 1950 and a member of the Gaither panel in 1957. During the missile buildup, the test-ban debates and the ABM scares of the 60's, he was Secretary of the Navy and Deputy Secretary of Defense. He was a member of "Team B" in 1976, and is one of the moving spirits of the Committee on the Present Danger.

Men of Nitze's persuasion are entitled, of course, to their opinion, and no one should question their motives or their good faith. But the American public, in evaluating that opinion, may well ask whether it is a reflection of reality or a repetition of the all too familiar myth-making of the past.

It is difficult to regard these doomsday scenarios as anything more than baseless nightmares. First, an attack on our very hard—that is, blast-and shock-resistant—missile silos would be a highly complex and very uncertain operation. The first nuclear explosions of the first incoming warheads can destroy the other warheads still coming into the target area, and they can do so in ways and for periods of time that cannot be calculated accurately in advance. Some of the targeted missile silos would thus be left undestroyed, and the attacker would have to cope with an unpredictable number of retaliatory ICBM's launched during and after his strike.

Nor would it be a simple matter for the Soviets to catch us off our guard with a surprise attack. We would in all likelihood have advance warnings of a less obvious nature than the trek of millions of Muscovites armed with shovels to the countryside. Our space sensors would be primed to signal a Soviet launch; or they would be put out of commission in advance by Soviet antisatellite systems, and this in itself would alert us to imminent attack. The Soviets well know that, instead of waiting a minute longer, the American President could order our own ICBM's launched against the Soviet Union, leaving empty silos for the Soviets to destroy.

Moreover, an American retaliatory strike by only a portion of our strategic force would inflict damage of such magnitude that the ability of Soviet society to recover from the blow would be in serious question. By the mid-80's, our Polaris, Poseidon and Trident submarines—two-thirds of them safely at sea at all times—will be armed with about 7,000 missile warheads. The smallest of these warheads will have at least three to four times the explosive power of the Hiroshima bomb. The Soviet Union has a fragile transportation system, mostly railroads and ship canals; its heavy industries tend to be concentrated in giant units; its cities are compact. Our submarine-based warheads alone could wreak total destruction on nearly all Soviet habitation centers, industrial plants, railroad yards, canal locks and airfields.

As to the latest evocation of the specter of Soviet civil defense, this rests on gross exaggeration of the program's ability to protect the populace. It is asserted that the Soviets spend five to 10 times more on civil defense than we spend in the United States, and it is true that their manuals imply a state of great preparedness, including plans for the evacuation of their cities. But American civil-defense manuals similarly claim a state of readiness that includes shelters for nearly the entire population; the literature goes into descriptions of blast shelters for millions in mine galleries. Yet it requires only a short sojourn in our cities to realize that the populace, except for the civil-defense officialdom, is so uninvolved in these preparations that it would take a long and arduous effort by the American Government to put the country on a state of civilian preparedness.

Common sense suggests that the Soviet civil-defense program is not unlike our own. But let us, for the sake of argument, accept the claims that our hard-liners make on its behalf. How effective, even then, could the program be? The Soviet populace and the more privileged cadres, on emerging from their shelters shortly after an American strike, would find themselves without transportation; facing starvation; without shelter for the winter in a landscape of ruined cities and towns contaminated by radioactivity and millions of decaying bodies; with tens of millions of victims of radiation sickness to care for, and with epidemics certainly in store.

What rational policymaker would take action inviting consequences of that sort? Our "realists" nonetheless insist that the Soviet Government can be expected to do just that—and to use arms-control agreements as subterfuge for advancing toward global hegemony. What they propose is that we proceed to arm ourselves at an accelerated pace, so as to put the United States in a position of military superiority beyond the Soviets' reach. What awaits us if we succumb to this advice and, in the words of one of the proponents of that course, former Under Secretary of State Eugene Rostow, "arm ourselves to the teeth"?

Some of our actions are likely to be potentially provocative. Thus, by equipping our Minuteman III with the new Mk 12A warheads, and with the ultraprecise guidance systems that are now in an advanced state of development, we would make that missile into an effective weapon against the Soviets' land-based ICBM's, the backbone of their strategic forces. If we then proceed to deploy our MX ICBM—a larger follow-up on the Minuteman that is now under development—it would increase the explosive potential of our offensive force still further. If the MX missiles are made mobile, instead of being stationary, as our silo-based missiles are at present, the Soviets will be left in the dark about the very magnitude of our ICBM forces.

President Carter's decision to deploy the long-range cruise missile, designed to be launched from B–52 bombers some distance from Soviet borders, may be compatible with the mutual-deterrence posture, if kept within the authorized limits. But deploying a much larger number of cruise missiles with long-range capacity—missiles that could be launched from land or sea from just about all points of the compass—would totally negate the mutual monitoring of strategic forces now in effect and could be regarded as highly provocative by the Soviet Union.

The Soviets, of course, will not be indifferent to such moves; we can be sure that, once again, they will respond in kind. Deployment of the MIRV'ed SS–18, and of the still more advanced missile that, according to Defense Secretary Harold Brown, are now under development, will doubtless be stepped up. Mobile ICBM systems can be expected to spread over the land mass of the Soviet Union, leaving us in reciprocal ignorance about the number of missiles involved. After a few years' time, we will learn of the deployment of the Soviet version of our long-range cruise missiles—perhaps aboard ships off our coasts.

In this atmosphere of all-out competition for military superiority, any political crisis that may arise between the United States and the Soviet Union is not likely to be resolved the way the Cuban missile crisis was in 1962. That experience must have been a humiliating one not only for Khrushchev but for the entire Soviet hierarchy. Since then, the Soviets have made major sacrifices for their huge armament effort, designed to assure that never again will they have to back down on a major issue because of military inferiority to the United States. The American people, for their part, have had much difficulty in accepting the Soviet Union as equal to the United States in power terms on the international plane. To give in to the Soviet Union in some future crisis might be infinitely difficult for us. Because of these attitudes both in Washington and in Moscow, the crisis could become unmanagable, in spite of the hot line and the Soviet-American agreement of 1973 not to seek recourse to nuclear arms.

Apart from the risk of war by miscalculation, due to the hair-trigger readiness of the strategic forces of both sides, there are other factors that will make crisis situations increasingly probable if the strategic arms race is allowed to heat up. For example, increased

emphasis on nuclear arms by the superpowers would intensify the urge among nonnuclear states to acquire nuclear weapons. That would create new focuses for the germination of nuclear wars. In that new context, Soviet-American cooperation in measures against nuclear proliferation is likely to collapse. And without such East-West cooperation—evidenced recently by the intense pressure on South Africa to suspend preparations for a nuclear weapons test—nuclear proliferation around the world is certain to accelerate.

Another adverse effect would arise in the area of "conventional" arms. The strategic arms race has been paralleled by an arms race for general armed forces, including tactical (or battefield) nuclear warheads and all types of conventional arms. Advanced conventional weapons and delivery systems have become a substantial part of international trade. Some of the hardware being provided to the nonnuclear countries could be used to deliver nuclear warheads, and this makes acquisition of a nuclear capability more tempting to those states.

Imported modern arms have been used in numerous local wars since the end of World War II. Through the sale of such arms, the superpowers have acquired a patron status in many of these regions—this apart from local conflicts in which the superpowers' involvement was more direct. If the arms race heats up, the patron-client relationship characteristic of the third world will inevitably be emphasized, and the occasions for Soviet-American confrontations, like the one that occurred during the 1973 Mideast war, will be multiplied.

Is all this inevitable? Yes, but only if we fail to make a genuine effort to end or at least curb the Soviet-American arms race and progress toward a more satisfactory state of detente, or peaceful coexistence, than we now have. These are, of course, risks inherent in the effort—though far smaller than the risks of an intensified nuclear arms race—and we should be clear-eyed in making the attempt. We should, for example, assure ourselves of adequate means to verify Soviet compliance with any agreements we reach. But to reach such agreements, we must—unequivocally—concede equal status to the Soviet Union and accept its own legitimate security needs.

The ultimate objective should be the elimination of all nuclear arsenals. But more immediately urgent is the need to stop deploying those new strategic weapon systems that destabilize deterrence and increase tensions by virtue of their provocative character. Top priority should go to an agreement to curtail further deployment of any "counterforce" missiles (those aimed against the other side's missile silos) that have already been developed. A close second should be an agreement to limit missile tests to those necessary for the quality control of deployments already in effect. Both agreements could be monitored by currently accepted, nonintrusive means of verification. Each would go far toward stabilizing the state of mutual deterrence.

High priority should also go to an international treaty for a total nuclear test ban. A move in that direction would signify to the rest of the world that the superpowers are in earnest about ending the nuclear arms race. Constraints against nuclear proliferation would be immeasurably strengthened if the ban covered not only weapons tests but so-called peaceful nuclear explosions—a proposition seemingly agreed to by Brezhnev in a recent speech.

Progress along this road would be rocky, at best, because of the different natures of American and Soviet societies, because of mutual suspicions nurtured by many years of angry confrontation, and because of the opposition of the hard-liners in both camps. President Carter's SALT proposals of last March constituted an important move toward genuine arms control, and it is regrettable that they were summarily rejected by the Soviet Union. Progress, or lack of it, in the current SALT II negotiations will indicate whether the proposals were rejected because they were sprung on the Soviets, as some say; or because some of the specifics were disadvantageous to the Soviets, as Moscow claimed; or because of an intrinsically hard-line position of the Soviet Union, as our own hard-liners assert. One must hope that the initial Soviet reaction is not the final one, that a SALT II agreement will be reached, and that this will be the starting point for a winding down of the arms race and a new and safer era.●

THE ATTACK BY PLO TERRORISTS

● Mr. BAYH. Mr. President, the thoroughly reprehensible and savage attack by PLO terrorists on Israeli civilians this past weekend has prompted the revulsion and condemnation by the United States and the international community it so clearly deserves.

The most recent bloody and barbaric attempt by radical elements in the Arab world is meant not only to intimidate the courageous pople of Israel but also to wreck the peace process itself. However, as history has shown, such cowardly acts serve only to stiffen the resolve of the Israelis to defend their homeland and the determination of Israel's friends to stand steadfastly by her in time of need.

Leaders of conscience, hope, and vision such as Prime Minister Begin of Israel and President Sadat of Egypt will surely continue their search for a just and lasting peace in the Middle East. Despite the wanton fanaticism of the PLO and cruel suffering again inflicted upon innocent men, women, and children this search will go on. A determination has been made that political power will not be allowed to grow out of the barrel of a gun and no amount of PLO brutality will be able to stifle the yearning for peace by the people in the Middle East.●

GOV. WESLEY BOLIN

● Mr. DECONCINI. Mr. President, when Governor Bolin passed away last week, it ended a great era of Arizona's history. His service to the State of Arizona, spanning a period of 40 years, is impressive.

He was born in 1909 on a farm outside of Butler, Mo., and moved to Arizona 61 years ago. Although Arizona was his life, he had regrets that it was not the State of his birth. Wes served the State of Arizona in its highest office, Governor, as well as secretary of state, justice of the peace, and constable. He will always be remembered for his service as secretary of state, which spanned a period of 29 years and six Governors. Howard Pyle, Ernest McFarland, Paul Fannin, Sam Goddard, Jack Williams, and Raul Castro, and each of them was in attendance at his funeral. He was able to work with Governors of both political parties and all of them trusted him.

Whether he was serving as Governor of the State of Arizona or constable of the West Phoenix precinct, his first thoughts were of the people that he represented and he spent hour after hour of his time working with, talking with, and helping those people.

Wesley Bolin served the people of Arizona continuously since I was an infant and during all of those years, he served well. My memories of Wesley Bolin go back to when I was a little boy and his office and my father's were not very far apart. Those memories of Wes were of a good and kind man, epitomizing the "Western image," and one who was always there to help if help was ever needed.

The State of Arizona has suffered a great loss in the passing of Wesley Bolin, but he died doing the thing that he liked best—serving the people of Arizona.●

MALCOLM JOHNSON RETIRES WITH GOOD COUNSEL

● Mr. CHILES. Mr. President, a man who many in Florida thought surely was a permanent fixture on the journalistic scene in Tallahassee, our State capitol, has instead seen fit to retire. He did so because, he said:

I have this awful compulsion to do nothing compulsory. I must try indulging it. Forty-two years of making deadlines is enough.

That is the same kind of logical, basic approach Malcolm Johnson applied to his work and life, and he carried it into the retirement column he wrote as part of the "I Declare" columns he has been writing for years. True to form, he made this column one of value, worth sharing beyond the 25 Florida papers that regularly carry it. Mr. President, I ask unanimous consent that this column, headlined "Newspapering Is a Fun Career," be entered in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEWSPAPERING IS A FUN CAREER

After more than four decades at it, I still can't imagine being able to enjoy working for a living except as a newspaperman.

That sentiment was written 10 years ago for a publication only in a little leaflet the Tallahassee Democrat produced for high school students who might want to follow our craft.

I've come now to the week I can begin not working for a living, having earned by labor and advancing age a retirement to seeking enjoyment outside the workaday world.

But I wouldn't back down from that advice I gave to the kids casting about for a career. It was recalled when someone read it at a retirement party, as a summation of one man's newspaper career. It went like this:

It's for each to his own taste and talents, fortunately; and if our game isn't for you, hunt one that is because life is too short and pay not sufficient to compensate for an unhappy career.

But for myself, I never see a doctor called out of a party or a meeting or a football game that I don't give a little thanks for whatever

whim or judgment it was switched me, late in college, from pre-med to journalism.

How else could a man of no special position in life have come to meet and know governors, presidents, ambassadors, multi-millionaires, artists, celebrities of sports, science and aeronautics—and quite a few intriguing tramps, rogues and charlatans—in both their success and distress?

What other work could have sat me at the ringside of history in national politics, scentific advance, and natural phenomena? Flying with astronomers to get above the clouds to photograph an eclipse . . . watching the first movies of development of a chicken in the egg . . . talking to a killer moments before his walk to the electric chair . . . reporting the birth of a third political party presidential candidate . . . watching men rise to seats of the mighty, and fall again . . .

My field has been politics, Florida's in particular. Others of our craft have and do find the same excitement in sports, in covering riots and raids, crime and courts, war and economics.

Whatever there is that people want to read and know about, you'll find a person dedicated to learning and writing about it for their benefit—and reaping high satisfaction, even after inevitable frustrations in his pursuit of the news.

And it always will be that way, because people will keep on yearning for information they haven't the time or means to gather firsthand.

We'll need reporters, analysts, interpreters of events and personalities even if we do away with presses and the printed page and someday develop communication by some process of mass mental telepathy.

Also we'll need the salesmen and technicians to relay the information to people at a profit sufficient to pay the cost.

The opportunity in our kind of work, as in others, will multiply with the broadening of human problems and experiences.

"Interested in such a career?" I asked.

Well, it takes burning interest to succeed at it . . . intellectual curiosity bold to the point of brashness . . . a relentless desire to learn and tell . . . and all the tact, courtesy, character and poised confidence that are required to rise above the crowd in any field you choose.

It takes a talent for expression, which a teacher may not be entirely able to impart, a smattering of information about nearly everything under the sun, a touch of healthy skepticism but never a dogmatic disbelief.

Compensation? I know reporters who started with nothing and became rich and famous, some who ended up owning great papers; and others who never attained much affluence, but wouldn't trade places with those who did.

If it's money alone you're looking for, no trade or profession is likely to satisfy you.

Mr. President, Malcolm Johnson has enjoyed an outstanding journalistic career. Following his graduation from the University of Florida in 1936, having abandoned pre-med studies in his junior year because journalism looked more interesting to him he went to work for the Jacksonville Journal, later reporting and editing for the Daytona Beach Sun-Record and the Tallahassee Democrat before joining the Associated Press in Jacksonville in 1939. Later, he moved to AP's Tallahassee bureau to cover State government, staying there 14 years, 11 as bureau chief, before taking the job of editor of the Tallahassee Democrat which he has held the past 23 years.

What kind of journalist has he been? The best testimony is a listing of some of the awards he has gained: Florida Bar award for State's outstanding journalistic contribution to the administration of justice (three times); University of Florida Centennial Award for Meritorious Service; Freedom Foundation citation for editorial writing; Tallahassee Jaycee's award for outstanding contribution to better government; Florida Legislators' Press Award as outstanding columnist; Florida Historical Society's Award of Merit for presentation of Florida history; University of Florida Journalism Honor Award; National Newspaper Association Herrick Editorial Award; Florida Engineering Society Protection of Environment Award.

Malcolm Johnson also found time for involvement in his community, having been president of the Tallahassee Historical Society, the Rotary Club, and the Tallahassee Torch Club. In 1970 he started and still heads Funders, Inc., a nonprofit organization which has been raising funds and sending needy children to camp. Then there's Springtime Tallahassee, a spring celebration he helped found, and the Upsy Daisy Plant Uplift Society, which he was responsible for initiating to salvage plant life that would otherwise we lost to bulldozer "progress."

His "I Declare" column has been the primary means of spreading his reputation beyond Tallahassee, being carried by newspapers around the State. He had long since become an authority in particular on Florida politics and State government, and through the column he shared that knowledge and understanding, often accompanying it with a sting or prod for those of us in public office.

Since I got to know Malcolm Johnson while serving in the State legislature, my respect for him has grown, for there has never been a time I could question his good motives or high principles whether I agreed with him or not. His efforts have served Florida well, and I hope retirement serves him as well.

THREE QUARTERS OF A MONOPOLY

Mr. STEVENS. Mr. President, I recently had occasion to talk to my good friend, the former Senator from Utah, Frank Moss. Senator Moss is still active in public affairs and he is interested in the ongoing FTC investigation of the cereal industry. Ted brought to my attention a recent editorial in the Wall Street Journal entitled, "Three Quarters of a Monopoly." Because of his interest in this matter he has asked that I insert the editorial in the RECORD so other Senators might have a chance to consider it. I am delighted to do so as a courtesy to my old friend and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THREE QUARTERS OF A MONOPOLY

What is good news for Quaker Oats Company must logically be good news for the other ready-to-eat cereal companies in the industry's almost eight-year struggle against the Federal Trade Commission.

Quaker last week won from Harry R. Hinkes, administrative law judge of the FTC, a dismissal as defendant in the agency's "shared monopoly" case. Quaker, he decided, was not sharing in the monopoly. What this leaves us with is the silly proposition that Kellogg, General Foods and General Mills now constitute three quarters of a monopoly. This confounds logic as much as the idea of a three-quarters murder, which suggests to us that the sooner the government dismisses the entire case the sooner it can wipe the egg off its face.

The whole concept of shared monopoly was a silly one from the start, the idea that when a few producers share a major portion of the market they can act as a monopoly even without conspiring or colluding. The government would have us believe the four companies would make believe they were competing, dividing up the market with winks and signals, rigging high prices and preventing new competition from coming in to beat these shared-monopoly prices by spending lavish amounts on advertising that the "little guy" can't afford.

Quaker, we see, gets off this twisted hook because it increased its market share to 9 percent in 1972 from 2 percent in 1960 and because it evidenced "more rivalry" than the others in seeking supermarket shelf space. Thus, says Mr. Hinkes in his dismissal, the "record fails to show that an order against Quaker is necessary to restore competition in the industry."

It does not take a Jesuit to figure out that it takes two to tango and at least two to compete for supermarket shelf space. And if indeed the other three companies were somehow sharing a monopoly, it is not much of a monopoly if it allows a competitor to quadruple its market share. If there is no case against Quaker there's no case against anyone. We think the FTC and even much of its staff must know it has been engaging in foolishness.

And very costly foolishness at that. Quaker estimated that "despite efforts to minimize costs by handling its defense 'in house' (we) estimate the direct cost to it alone to be $1,888,405 aside from the nonquantifiable disruptive effects to Quaker's business and the substantial expenditure of taxpayers' money by Complaint Counsel."

Indeed the FTC's staff architect of this effort, Michael Glassman, almost gave Judge Hinkes no other choice when he testified that relief against Quaker "was not essential and would do very little, only make a marginal contribution to increasing competition in the industry," and relief should be pursued only if "It could be obtained cheaply." Dropping Quaker, he said, "would save the public some money."

Does this mean that our bureaucrats in Washington are beginning to sense that their moments of whimsy, as with the concoction of the shared-monopoly theory, involve extraordinary expenses to the taxpaying and consuming public? FTC Chairman Michael Pertschuk says yes, from now on there will be a "cost-benefit analysis" of each FTC proceeding "to make sure consumers are better off than they were before as a result of our action."

But wait a minute! On the very day Quaker finally got out from under the shared-monopoly suit the Federal Trade Commission announced a brave, new proceeding. An inquiry would begin on whether or not all television advertising aimed at children should be banned altogether. An incredible FTC bureaucrat named Tracy Weston appeared on the Today Show to announce, wild-eyed, that television commer-

cials manipulate little minds and must be prohibited. "Parents are helpless," he said. "Government must help parents, who after all cannot police their children day and night."

Who buys those commercials? Cereal companies. Luther McKinney, Quaker's senior vice president who personally argued the Quaker case on the shared monopoly suit, thus did not get even one day to celebrate. "The advertising ban proceedings," he says. "may take four or five years."●

TIGER TEAGUE: THE VETERANS' FRIEND

● Mr. CRANSTON. Mr. President, Congressman OLIN (TIGER) TEAGUE has received the highest honor the Veterans' Administration can bestow and it was granted—for the first time—to someone outside that Agency.

I have worked with TIGER since I first came to the Senate in 1969 and I learned a great deal from him. I know firsthand just how valuable his contributions have been to the veterans of America.

The Exceptional Service Award, which he received, recognizes the able leadership of TIGER TEAGUE and reads:

In recognition of his unmatched service to the veterans of America and for the invaluable guidance and support he has given the Veterans Administration during his long tenure in the House of Representatives.

TIGER TEAGUE has announced his retirement from the Congress at the end of this session after 32 years. He will be most sorely missed as the veterans' friend and champion.

I would like to share with all of you a letter I sent to TIGER congratulating him on this well-deserved honor. I ask unanimous consent that this letter and the Veterans' Administration press release be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., March 13, 1978.

Hon. OLIN E. TEAGUE,
U.S. House of Representatives,
Washington, D.C.

DEAR TIGER: I want to extend to you my very warmest congratulations as the first person outside the Veterans Administration to receive that agency's Exceptional Service Award.

No one more deserves the high honor, Tiger.

As one of the most decorated combat soldiers of World War II, a disabled veteran, and Chairman of the House Veterans' Affairs Committee for 18 years, you have been the veterans most steadfast friend and ally in the Congress for the last quarter century. As VA Administrator Max Cleland said, the award was made "with admiration and gratitude".

Again, my very best wishes. We in Congress and this nation's veterans will surely miss your support and leadership next year.

With warmest best wishes,

Cordially,

ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs.●

WATERWAY USER CHARGES: KMOX–TV SAYS USER FEES ARE ONLY FAIR

● Mr. DOMENICI. Mr. President, a recent editorial was carried on KMOX–TV in St. Louis, discussing the issue of waterway user charges. KMOX urged the Senate to adopt a waterway user charge proposal broader than the "token" adopted by the House. Specifically, KMOX–TV said the Senate should "adopt the broader reform proposal that would require barges to pay user fees on the waterways built and maintained by our tax money. It is only fair."

Because of the significance of these views from people in an area served by a major inland waterway port and the area of locks and dam 26, I ask unanimous consent that a copy of this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHO PAYS THE TOW?

The U.S. Senate is about to vote on a bill that would make barge operators pay for the free ride they now get on inland waterways, like the Mississippi River. We think that's a good idea.

About $400 million in federal tax money is now spent each year to maintain and improve our inland waterway system. Allowing barges to use that system for free gives them an unfair advantage over financially-troubled railroads in the Mississippi Valley and elsewhere. It just doesn't seem right that our tax dollars should support this advantage.

The White House supports the effort to change this system. The Senate bill would require barges to pay fees along segments of inland waterways equal to 50 percent of construction costs and 100 percent of operating costs of the waterways. Barge operators have countered with a proposal for a six cent per gallon tax on fuel sold along the routes.

President Carter says this fuel tax is merely a token, and we agree. The President says he will withhold approval of all new waterway construction until the system gets the reform it needs. That includes the $432 million reconstruction of the Alton Locks and Dam, which are now so inadequate that grain traffic on the river gets backed up three to four days sometimes.

We urge the Senate to adopt the broader reform proposal that would require barges to pay user fees on the waterways built and maintained by our tax money. It's only fair. If you agree, let your Senators know.●

THE KOREAN INVESTIGATIONS

● Mr. STEVENSON. Mr. President, I have just read the remarks of Senator WEICKER yesterday in which he indicated that the executive branch was aware of a systematic plan by the Republic of Korea to influence the Congress in the early 1970's.

There was such a plan, and, as the Senator says, the agencies of the executive branch were aware of it. The distinguished Senator goes on to say that the executive branch "tracked" the implementation of the plan and was aware of the identity of "bribers" and "bribees." The Senator is correct in suggesting that the executive branch failed to take all the steps available to enforce the law and thwart these efforts to influence American policy. If he has any reason to think that the executive branch under President Carter is not now enforcing the law, or taking such steps, he will, I assume, make his complaints, together with his evidence, known to the Justice Department. The Senator indicates that something should be done about past derelictions, and, of course, he is right.

Mr. President, something is being done. The Select Committee on Ethics is investigating possible improprieties in the Senate, and the Select Committee on Intelligence is investigating the performance of the intelligence community, including the Justice Department, during the events in question. As chairman of the Ethics Committee and a member of the Intelligence Committee, I can assure the Members that these investigations are coordinated and going forward diligently. There are still other aspects of this unfortunate matter which bear looking into. With the efforts in the Senate, together with those in the House, as much as can be done to ascertain the facts is being done. In time, reports, including possible recommendations for remedial action, will be available to the public. In the meantime, we have hard work to do in both the Ethics and Intelligence Committees of the Senate.

I appreciate the kind words yesterday of the distinguished Senators, Messrs. WEICKER, MORGAN, and SCHMITT. Their work on the Ethics Committee has been invaluable. Senator MORGAN, like myself, also serves on the Intelligence Committee. And I am confident that he would agree with me that the lengthy investigation by that committee has been conducted with skill, persistence and a fair measure of success. Finally, Mr. President, a word of commendation is owing to the staffs of both these committees. They are thoroughly professional, nonpartisan, highly capable and unswerving in their determination to ascertain the truth. In time that truth will be told.●

A REVIEW OF MINING IN 1977

● Mr. STEVENS. Mr. President, 1977 was an important year in many legislative areas. Not the least of these was the area of public land legislation; more specifically, that which deals with America's mining industry. Among the different issues considered by Congress during 1977 was the revision of the general mining laws which this country has been operating under for the past century; the designation of new parks, wildlife refuges, forests, and wild and scenic rivers in Alaska; and the passage of surface mining control and reclamation legislation. These are only three of the many matters which most affected the mining industry during 1977.

The Federal Government has also been involved with the mining industry through the publication of administrative regulations. A number of these administrative activities are ongoing and will be further resolved in 1978. In a recent issue of the Mining Congress Journal, a good summary of activities which have affected the mining industry was published. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUBLIC LANDS—1977: MINERS EXPERIENCE A YEAR OF UNCERTAINTY AND TURMOIL

1977 began with a new administration and Congress, and for the mining industry the outlook for public land legislation, rulemaking and management was murky. As the year progressed it became more than clear that mining on public lands would continue to be controversial.

The thrust of the new administration's "mining program" rapidly became apparent when it initiated recommendations to repeal the Mining Law of 1872, completely halt onshore leasing with the exception of oil and gas, lock up more than 90 million acres of land in Alaska, restrict use of off-road vehicles, and add large areas to the National Wilderness Preservation System.

The administration was not alone in its zeal to stifle mining on public lands. On Capitol Hill the Congress was considering legislative proposals that would add several million acres to the Wilderness System, withdraw almost 150 million acres of land in Alaska from mineral entry and repeal the mining law.

Notwithstanding this onslaught, the mining industry was able to effectively muster opposition at the grassroots level to these attempts to make it more difficult to mine on public lands.

What follows is a closer look at some of the major public land issues of 1977.

AMC PROPOSAL TO MODERNIZE MINING LAW GAINS SUPPORT

Addressing members of the American Mining Congress at the association's annual meeting in January 1977, Rep. Morris K. Udall (D–Ariz.), chairman of the House Interior Committee, stated his belief that a new mining law should be written and recommended legislation that would establish a leasing system for hard-rock minerals. Nine months later Udall was voicing support for retention of a modified location/patent system, an approach recommended by the American Mining Congress, and also saying he would work diligently and aggressively to defeat proposals that would establish a leasing system for hard-rock minerals.

Udall's switch is a result of increasing pressure on him to defer "to the needs and judgment of the people I represent." It is also indicative that pressure to change or repeal the Mining Law of 1872 is intense and cannot be expected to abate in the near future.

The AMC-supported bill to reform the general mining laws was introduced as H.R. 5831 by Rep. Philip E. Ruppe (R-Mich.), the ranking Republican on the House Interior Committee's Mines and Mining Subcommittee, and as S. 2210 by Sen. James A. McClure (R-Idaho). The bill, drafted by the AMC Public Lands Committee, would establish a modified location/patent system closely modeled on the recommendations of the Public Land Law Review Commission.

Bills to repeal the Mining Law and establish a leasing system for hard-rock minerals have been introduced. H.R. 9292 and S. 2133 embody the proposals of the administration. President Carter, in his environmental message to Congress, called for "development of legislation to replace the anachronistic Mining Law of 1872 with one that establishes a leasing system for hard-rock minerals." According to the President, the law is outdated and inadequate and fails to set forth clear authority for establishing environmental standards.

The administration-backed bills would establish a leasing system for hard-rock minerals with explicit federal discretionary authority over exploration and development on public lands. Strict standards would be set for environmental protection and reclamation, with a requirement for approval of operation and reclamation plans before mining could begin. These bills also require royalties and integration of mining into land use plans.

Sen. Lee Metcalf (D-Mont.), chairman of the Subcommittee on Public Lands and Resources, Senate Committee on Energy and Natural Resources, introduced S. 1248. This bill, which would establish a leasing system for hard-rock minerals, is similar in philosophy to the administration approach and contains all of the deficiencies of the administration bill.

The Subcommittee on Mines and Mining of the House Interior Committee held three days of hearings in October on H.R. 5831 and H.R. 9292. Howard L. Edwards, chairman of the AMC Public Lands Committee, told the committee that the ability of the domestic mining industry to explore for and develop minerals would be greatly affected by the outcome of congressional deliberations. He outlined the problems that would be encountered under a federal leasing system, stating that such a system for hard-rock minerals would be tantamount to a ban on new exploration for years. Edwards stated why the AMC believes that H.R. 5831 is a sound and sensible approach to mining law revision, saying that the AMC would endorse new language to be added to H.R. 5831 that would provide for reasonable environmental regulations and protection of the surface owner over federally owned minerals.

The committee gave Secretary of the Interior Cecil Andrus a thorough going over, charging that H.R. 9292 would be another severe blow to the domestic mining industry, which already finds itself in severe difficulties resulting in part from ill-conceived legislation. It was pointed out to Andrus that, according to Interior Department reports, there is actually more land withdrawn from mineral exploration and development under the mineral leasing laws than under the general mining laws. He was hard put to explain why a similar situation would not occur under a new leasing law for hard-rock minerals.

Senate and House committees have announced that field hearings will be scheduled, and further congressional activity can be expected this year.

THE FUTURE OF ALASKA: FOR WHAT AND FOR WHOM?

The Alaska Native Claims Settlement Act, among other things, authorized the study of up to 80 million acres of land as potential additions to the National Park, Forest, Wildlife Refuge and Wild and Scenic Rivers Systems. A bill introduced in Congress, H.R. 39, would dispose of these so-called "d–2 lands" in a way that presents a grave threat to the economic potential Alaska offers the whole nation. Under its provisions more than 100 million acres would be designated as wilderness and thus closed to mining.

All geologic evidence indicates that Alaska is rich in minerals. Thirty-three minerals of strategic importance to the United States are found there, many in known commercial quantities.

The House Interior Subcommittee on General Oversight and Alaska Lands held nationwide hearings on Alaska land bills during the course of the year. Howard L. Edwards, chairman of the AMC Public Lands Committee, represented AMC before the subcommittee. He pointed out that Alaska's mineral potential is unknown and should be inventoried so that land use in Alaska can be adequately planned to maximize the return to society from its public lands. "To the extent Congress closes the door to mineral activity in Alaska, Congress is locking away an uninventoried resource." He expressed concern about the long-term mineral needs of the nation. Edwards emphasized that only a true multiple-use administrative system would provide the flexibility required to properly evaluate the mineral potential of the virtually unexplored areas of the state.

Washington hearings originally scheduled for four days were extended to seven days to accommodate the flood of witnesses. Additional hearings were held in Chicago, Atlanta, Denver, San Francisco, Seattle, Sitka, Juneau, Ketchikan, Anchorage and Fairbanks. Hearings in the "lower 48" were generally dominated by preservationist groups with the exception of the Seattle hearing, where pickets appeared in opposition to H.R. 39 and where there was considerable testimony in opposition to the bill.

In contrast, the hearings in Alaska produced overwhelming testimony in opposition to H.R. 39, primarily centering around job losses from a curtailed timber and mining industry that would result from passage of the bill.

In September the Carter administration made its recommendations on d-2 lands legislation. Under the proposal, some 92 million acres of federal land would be put into the "four systems" as follows: (1) National Park System, 41.7 million acres; (2) National Wildlife Refuges, 45.1 million acres; (3) Wild and Scenic Rivers, 2.45 million acres, and (4) National Forest System, 2.5 million acres.

Rep. Don Young (R-AK) submitted an alternate proposal that would designate some 16 million acres for addition to the National Park System, 11 million acres to the National Refuge System, 9.6 million acres to the National Forest System, and 600,000 acres to the Wild and Scenic Rivers System. Existing d-2 withdrawals in areas not covered by these classifications would be extended for five years with an inventory of surface and subsurface values mandated.

The Alaska lands issue will be at the top of the congressional agenda this year since 1978 is the deadline set by Congress for its resolution. Uncertainty about the future of the d-2 lands robs exploration of all incentives. They should not be padlocked before finding out what is inside. Economic growth and environmental protection can exist harmoniously in Alaska.

REPORTS CONFIRM EXCESS WITHDRAWALS, BUT THEY CONTINUE UNABATED

Two reports published in 1977 confirmed previous allegations that a large proportion of federal land is withdrawn from mining and that the federal government has no accurate inventory of the total withdrawn.

The 1977 report of the Secretary of the Interior under the Mining and Minerals Policy Act of 1970 concluded that until the status of lands affected by the Alaska Native Claims Settlement Act is decided, about two-thirds of federal lands have moderate to prohibitive restrictions on mineral exploration and development. For lands not affected by that act, about 50 percent of federal lands have similar restrictions. The report pointed out that severe restrictions on mineral development are likely to continue.

"Because it is impossible to predict where valuable minerals may be discovered in the future, there can be no means of proving or disproving that these restrictions on mineral development will reduce domestic mineral production. In any event, the effect of these restrictions will not be felt for years, as existing mineral deposits are depleted and as fewer new discoveries are made because of restrictions on mineral development on federal lands. At that point, a decision to reverse the trend and again allow mineral exploration on federal lands will take years to show significant results because of the inherently long lags in the exploration and discovery process. In addition to the uncertainty of when a discovery will be made, it sometimes takes as much as 20 years between the initial identification of a promis-

ing deposit and the start of commercial production."

In July the report of the Interior Department's Task Force on The Availability of Federally Owned Mineral Lands was released. Interior Secretary Andrus, obviously displeased with its conclusions, then published the following memorandum: "The Task Force on Mineral Lands Availability was created by the previous administration. This report was prepared by that task force and was submitted to the department. As such, its findings and recommendations do not represent the official views or policy of the Department of the Interior." Printing of additional copies of the report reportedly has been frozen.

What caused the Secretary to disavow the report?

The task force pointed out that hidden mineral deposits are difficult to evaluate and finding such deposits requires access to large areas for mineral exploration while only small areas are needed for development. Because of the rarity of economic mineral deposits, their occurrence usually gives high economic values to land.

It further states that federal lands play a significant role in supplying mineral needs; and it summarizes the present estimates of federal mineral lands available, which has substantially decreased in recent years.

The task force recommended that a comprehensive inventory of the availability of federal lands be prepared.

Included among the findings and recommendations of the task force are the following:

Withdrawal inventory and information base—The task force found that increasing restrictions on the amount of land available for mineral exploration will reduce future mineral production from such lands. The lack of a comprehensive inventory of withdrawn lands has resulted in an inadequate information base for making land use decisions. To correct this deficiency, the task force recommended preparation of an inventory of federal lands where mineral exploration and development are prohibited or restricted.

Specific problem areas of formal and informal withdrawal process—The task force found that administrative and other decisions to withdraw land have been made without knowledge of the cumulative effects of such decisions. It stated that the Federal Land Policy and Management Act of 1976 will remove many of the problems encountered by the formal withdrawal process. The task force recommended that all land use decisions that excluded mineral development on 5,000 acres or more should be submitted for review and recommendation to the Geological Survey and Bureau of Mines prior to a final decision.

Mining Law—The task force found that one reason for many formal withdrawals was the belief that mining activity could not be controlled under the 1872 Mining Law. It found to the contrary that mining operations can be regulated, although the regulations now in effect by the Forest Service and National Park Service and proposed by the Bureau of Land Management will not solve the problem associated with patenting. The task force recommended amending the Mining Law to spell out more clearly the scope of the Secretary's authority to regulate access and mining operations and to amend the patenting provisions so that a patent can be granted only to the mineral estate.

Improved mineral assessments—The task force found that mineral assessments are frequently not sufficient for use in making land use decisions. It recommended that the department institute standardized procedures for preparing and reviewing mineral assessments of areas proposed for withdawal.

Improved land use decision-making—The task force found that mineral assessments often were duplicated or inadequately considered during the withdrawal decision-making process. It recommended that complete information should be available when making land use decisions.

Withdrawal review—The task force found that the present system for reviewing existing withdrawals was ineffective. It recommended that an effective withdrawal review program be implemented at an early date.

Increased revocation and restoration of withdrawn lands—The task force found that a large backlog of applications to revoke outstanding withdrawals exists. It recommended that all such applications be processed within 18 months from submission and that sufficient funds be made available so that processing can be made current.

The Forest Service in June announced its intent to restudy 56 million acres of roadless areas for identification of wilderness characteristics and potential recommendations for additions to the National Wilderness Preservation System.

To explain the program, the Department of Agriculture held an "exploratory get together" with organizations interested in management of national forest lands. Present from the Department of Agriculture were Assistant Secretary Rupert Cutler, Forest Service Chief John R. McGuire and Deputy Chief Tom Nelson.

Cutler opened the session with an outline of the new program which he said was being undertaken because of concern with the slow pace of the Forest Service land use planning process and because it was necessary to complete the Wilderness System.

Environmental groups were thinking of an eventual 40 to 60 million-acre wilderness system when the Wilderness Act passed, Cutler said, of which the national forests would contribute 30 million acres. "Progress has been agonizingly slow to complete the system."

During the first Forest Service review of roadless areas, 56 million acres were identified for further study. It was agreed that impact statements would be completed on the roadless areas identified for potential inclusion in the Wilderness System (some 12.6 million acres), but according to Cutler, so many steps have been added to the process that it could take 10 or more years to reach a decision. "Some areas simply don't need all these steps."

So as to be able to respond to wilderness groups' pleas for more wilderness and to concern expressed by industry that thousands of acres would be tied up during this period, Cutler ordered the Forest Service to telescope the process which he characterized as "all planning and no decisions."

Cutler expressed the belief that the only way to make "multiple use" operational is to identify "key values." By doing this, he said, we can move away from the "glib generality" of multiple use. Cutler stressed that the key values must be identified on these 56 million acres in faster fashion. "In most cases, with the possible exception of mineral data, we have a good data base to develop a set of alternatives to submit to the interagency review."

The study schedule was announced as follows:

June 1977—Begin review process

October 1, 1977—Complete mapping and inventory with concomitant public involvement (workshops)

February 1, 1978—Completion of analysis and development of alternatives

March 1978—Complete draft environmental impact statement

August 1978—Publish final environmental statement.

The Forest Service was asked that, in view of the statement that an adequate data base is available, with the possible exception of mineral data, how it expects to obtain adequate data on minerals within one year on some 56 million acres of land, presuming that minerals are considered a "key value." Cutler replied that this would probably form the basis for putting some areas into the wilderness study category. If the area appears to have wilderness potential, he stated, but there is insufficient mineral information available, it would "probably" be put in the study category.

Under questioning Cutler also admitted that the Resources Planning Act passed by Congress envisions some 24 to 30 million acres of national forest wilderness. He is going to see if that shouldn't be expanded. Cutler also suggested that wilderness organizations review their policies as to where priorities lie. We should get the "good stuff" into the system soon, he said. He also stated that "we" ought to proceed in recognition that there is a limit at some point in the number of acres of wilderness that should be included in the system.

In November the Forest Service announced that about 65.7 million acres in 1,920 areas had been identified as roadless and undeveloped within the National Forest System. These areas will be evaluated to determine which are best suited for wilderness designation and which should be devoted to other uses. Of the areas identified, 1,615 covering 63.4 million acres are in the West, and they include 16 areas in national grasslands. The other 305 areas cover 2.3 million acres in eastern national forests.

Evaluation of the roadless areas began immediately. This evaluation will examine "the wilderness, social and economic values of the roadless areas to determine which should contribute to a total federal wilderness system and which have other resource values that would indicate they should be used for nonwilderness purposes."

A draft environmental statement will be issued in late spring 1978 on alternative proposals for wilderness and nonwilderness designations. It will include information on other resource values, as well as wilderness qualities, in alternative proposals. The public will be given the opportunity to comment on the alternative proposals next summer.

A final environmental statement will be issued later this year and will include decisions on which areas should be proposed to Congress for wilderness classification and which will be designated nonwilderness areas. Areas lacking resource information and on which no decision is reached will be studied further through the national forest land management planning process.

A one-million-acres-plus withdrawal will be accomplished by enactment of H.R. 3454, The Endangered American Wilderness Act. It is now under congressional consideration. The legislation in effect, would designate "instant" wilderness without benefit of the study and review procedures established and carried out for other areas within national forests. AMC strenuously objected to enactment of H.R. 3454 as follows:

"We . . . suggest that if consideration is to be given to these areas for possible addition to the National Wilderness Preservation System, established review and study procedures be followed, including adequate and accurate mineral surveys. Wilderness is not costless in today's world. The values foregone when wilderness is created should be put before the public. This was the intent of the review, study and public hearing process."

BLM ANGERS MINERS

Regulations to control surface effects of mineral development on locatable lands, published by the Bureau of Land Management in December 1976, continued to be the object of strong objections from miners. BLM received several thousand comments on the proposed rulemaking and, following extensive public hearings, retired to the drawing room to redraft the regulations. By the end of 1977, the new proposal was not yet ready.

Twelve U.S. senators found the regulations so objectionable that they cosigned a letter to BLM Director Curt Berklund and recommended that:

Field hearings be held to receive comments on the regulations followed by issuance of modified proposed regulations with final rulemaking 30 to 60 days later.

Regulations take effect after the end of the current field season so as not to interfere with this year's assessment work requirements.

The Bureau of Land Management work closely with the Forest Service to minimize conflicts between the agencies' respective mining regulations.

The Department of the Interior published in the Federal Register final regulations pertaining to recordation of mining claims.

The department disagreed with the contention of the AMC that it had exceeded the authority granted it in Section 314 of the BLM Organic Act. "... [C]omments objecting to the regulations as beyond the intent of the Act address the wrong issue [instead of regulatory authority of the department under the Mining Law of 1872] and are not accepted."

The rules requiring recordation of mining claims are, in the opinion of many people, including some members of Congress, invalid because they go far beyond the intent of the BLM Organic Act which they are supposed to implement. The legality of these regulations has been challenged.

Bureau of Land Management officials were called before the Subcommittee on Indian Affairs and Public Lands of the House Interior Committee in October and questioned on implementation of the BLM Organic Act.

Guy R. Martin, Assistant Secretary of the Interior for Land and Water Resources, in his prepared statement, said that procedures for public participation in rulemaking need improvement. In regard to the wilderness review required under the BLM Organic Act, he said a draft wilderness policy is now being prepared that will include a suggested review procedure covering criteria to be used to identify wilderness characteristics and define wilderness study areas.

He estimated that 120 million roadless acres and 13,000 roadless islands would be studied for wilderness suitability. "It is our intention not to utilize a purist concept in identifying study areas." According to Martin, man-made features may be included in study areas as long as they do not detract from wilderness values.

Committee members gave Martin and BLM officials a thorough grilling, covering implementation of several provisions of the BLM Organic Act. The wilderness study was the primary topic. Rep. Jim Santini (D-NV) suggested that bureaucratic imagination is being invited and expressed concern that provisions of the 1964 Wilderness Act were being degraded and that the intent of Congress is being subverted.

THE AMERICAN MINER—AN ENDANGERED SPECIES?

Oversight hearings on the Endangered Species Act of 1973 were conducted by the Resource Protection Subcommittee of the Senate Committee on Environment and Public Works in July. The announced purpose was to explore the progress and problems which have been encountered in administration of the act.

The witnesses on behalf of the administration emphasized that amendments to the act were not necessary and were particularly defensive of Section 7. That section requires all federal agencies to insure that their actions do not jeopardize the continued existence of endangered or threatened species or result in the destruction of critical habitats.

They stressed that almost all the conflicts created by Section 7 had been resolved through consultation with the Endangered Species Office of the U.S. Fish and Wildlife Service. The only admitted unresolved conflict was the Tellico Dam case. It was suggested that congressional resolution was necessary in that case.

Jerry L. Haggard of Evans, Kitchel and Jenckes testified on behalf of AMC. In his testimony he stressed the need for amendments to the act, particularly Section 7. Sen. Malcolm Wallop (R-WY) requested Haggard to supply for the record a discussion of specific actions which have been prevented by the act.

The subcommittee is currently engaged in a review of the hearing records. It has not been decided whether amendments to the act are necessary or whether, if amendments are necessary, they should be limited to the Tellico Dam case.

THE TRAGIC STATE OF MINERAL LEASING

The mineral leasing situation is nicely summed up in a memorandum from Secretary of the Interior Andrus to the director of BLM issued early in the year which states: "Until further notice, there will be no leases issued for coal, oil shale, oil and gas on the OCS, uranium, phosphate, potash or sodium without my express approval. You may continue to process upland oil and gas leases as usual."

Most of the controversy swirled around coal. In September the U.S. District Court for the District of Columbia, in Natural Resources Defense Council v. Hughes, held that the environmental impact statement on the proposed federal coal leasing program (coal programmatic) prepared by the Department of the Interior was inadequate and enjoined the department from taking, directly or indirectly, any steps to implement the new coal leasing program except:

(1) When the proposed lease is required to maintain an existing mining operation at present levels of production; or

(2) When the proposed lease is necessary to provide reserves to meet existing contracts, and

(3) The reserves of the proposed lease are not greater than required to meet the above two criteria for more than three years in the future.

The coal programmatic was held inadequate because the Energy Minerals Activity Recommendation System (EMARS) was not adequately explained and lack of an alternative to present policy. The Interior Department was directed to issue a press release, publish a notice in the Federal Register and take other appropriate steps announcing that Interior will reevaluate its coal leasing program and policy and that it will accept comments on the final EIS for a period of 60 days. Subsequently, Interior must publish a draft supplement to the final EIS seeking to correct the defects with a 45-day comment period. Thereafter, Interior is to prepare a new final environmental impact statement.

Coal leasing appears to remain at a standstill.

In October the Senate Committee on Energy and Natural Resources began a series of oversight hearings on the coal leasing program and general impacts of coal development in the West. Guy Martin, Assistant Secretary of the Interior, Land and Water Resources, estimated that leasing of coal could begin in mid-1980.

The Department of the Interior ruled in August that prospecting permits issued for coal and phosphate under the Mineral Leasing Act of 1920 would be invalid if mining claims have been filed covering the same ground for minerals located under the Mining Law of 1872.

Solicitor Leo M. Krulitz concluded in an opinion that the Mineral Leasing Act authorizes issuance of prospecting permits only in "unclaimed areas." The ruling does not affect noncompetitive preference-right leases already issued. However, the opinion could invalidate in part many of 183 pending preference-right lease applications covering 466,000 acres and nine billion tons of coal, and 40 preference-right lease applications covering 35,000 acres and 130 million tons of phosphate. Pending applications will be reviewed on a case-by-case basis.

Krulitz stated that Congress has said prospecting permits for coal and phosphate should be issued only where little mineral information is available. According to Krulitz, areas covered by mining claims have already been explored, and Congress did not intend to authorize issuance of prospecting permits and ultimately noncompetitive leases in such areas.

The decision would not totally invalidate an existing prospecting permit if only part of the area covered by the permit includes a mining claim, but it would invalidate that portion where a prior mining claim exists.

The Department of the Interior in January 1977 proposed to amend 43 CFR in two respects: (1) provide that a sodium, phosphate, potash or sulfur preference-right lease applicant or lessee may in certain situations exchange the preference-right lease entitled to or held to a mineral lease to another deposit of the same mineral of comparable value, and (2) provide that a coal lessee or preference-right lease applicant may in certain circumstances relinquish same in exchange for bidding rights equal to the fair market value of the relinquished leasehold.

The reason given for seeking these regulations, according to the Interior Department, is "to remedy those situations in which, due to newly identified or newly established environmental land or resource values, operations on an existing or a preference-right lease are not regarded as in the public interest."

In September 1976 the courts ordered the Secretary of the Interior to issue phosphate leases in the Osceola National Forest in Florida to Kerr-McGee Chemical Corp. In March 1977 the district court reaffirmed that order and directed the department to take the necessary steps to comply. The government has filed a notice of appeal and asked for a stay of the decision.

OUTLOOK FOR 1978 IS CLOUDY

1978 will probably bring a repeat of 1977. Congressional action will continue on Mining Law Revision, Alaska land legislation and other withdrawal issues.

The executive branch will no doubt continue the ban on onshore hard mineral leasing. BLM is expected to repropose its surface management regulations, and the final recommendations of the Forest Service for inclusion of areas in the National Wilderness Preservation System should become known.●

CONSUMER AND AGRICULTURAL PROTECTION ACT OF 1978

● Mr. BAYH. Mr. President, since January, when the current organized effort

by farmers first began in Washington. much has been said about problems on the farms. There have been long discussions in every Senate office and numerous speeches in this Chamber. Now, it is the middle of March and across the country it is time to start planning this year's crops. In part of the South it is already time to return to the fields. Here, in the Nation's Capitol, it is due time that Congress take action to improve the agricultural crisis. The provisions of the 1977 farm bill have proven to be inadequate for this emergency situation. We must establish a responsible pricing policy to help farmers produce adequate food supplies and earn fair incomes.

Today, I am pleased to cosponsor S. 2626, a bill authored by my distinguished colleagues from Arkansas, Senator BUMPERS and Senator HODGES. S. 2626, through commodity loans and reserves, will establish equitable prices and provide needed price stability in domestic and foreign markets. I have long believed that we should seek a farm policy that will assure market price levels which are high enough to cover reasonable production costs and provide reasonable profits to family farmers. This price policy must be coupled with substantial crop reductions when necessary to insure that the taxpayers do not carry the burden of buying huge quantities of farm produce that may be too great for the market to absorb. The policy must also provide for farmer-held grain reserves to meet foreign trade demands as well as protect us from possible domestic shortages.

Although I have reservations about certain aspects of the bill, I strongly support the overall intent to aid America's farmers and the specific intent to establish a farm price level that will allow farmers to make a reasonable living. The exact composition and authority of the Agricultural Governors Board created by S. 2626, and the bill's effect on international trade should be considered carefully by the Committee on Agriculture. The anticipated powers of the Board should be defined more precisely and limited in some respects, especially where those powers may overlap with the responsibilities now shared by other bodies. For example, we must avoid overly restrictive import duties on any products which might decrease our foreign markets in other products. However, import policies should remove unfair advantages which now exist for some foreign producers. I am confident that these and other areas of question can be worked out in committee.

If we want to preserve our productive family farms and secure foods supplies, we must act quickly. Congress must take steps to avert the potential disaster which threatens all segments of the economy. I encourage my colleagues now to lend their support to the pricing policies contained in S. 2626. American agriculture and indeed the entire American economy cannot wait much longer.●

SENATOR HASKELL AND SOCIAL SECURITY REFORM

● Mr. HATHAWAY. Mr. President, Senator FLOYD HASKELL is a close friend and valuable colleague on the Senate Finance Committee. He is a champion of both social security reform and tax reform.

Senator HASKELL speaks eloquently of the need to infuse general Treasury revenues into the social security system. He has supported legislation to revise the current payroll financing of the program.

However, through a clerical error Senator HASKELL has been erroneously listed as a cosponsor of S. 2501.

He has asked that the sponsors of this bill be revised to delete his name.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ENVIRONMENTAL PROTECTION AGENCY

Mr. ROBERT C. BYRD. Mr. President, the Committee on Environment and Public Works has reported favorably today the nomination of Stephen John Gage, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency. I ask unanimous consent that the Senate proceed, notwithstanding the 1-day rule, to the consideration of that nomination.

Mr. BAKER. Mr. President, reserving the right to object, and will not object, I merely want to say that we have cleared this nominee, this nomination, and this course of action in proceeding, and we have no objection to proceeding in this manner.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of Stephen John Gage, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, in this case I will not move to reconsider.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of two nominations on the Executive Calendar under New Reports, James C. Cissell and William M. Isaac.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of James C. Cissell, of Ohio, to be U.S. attorney for the southern district of Ohio.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FEDERAL DEPOSIT INSURANCE CORPORATION

The second assistant legislative clerk read the nomination of William M. Isaac, of Kentucky, to be a member of the board of directors of the Federal Deposit Insurance Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be notified of the confirmation of the nominations of Mr. Cissell and Mr. Isaac.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 11 a.m. After the prayer, Mr. LEAHY will be recognized, as in legislative session, for not to exceed 15 minutes, after which the Senate will resume its consideration of the Resolution of Ratification on the Neutrality Treaty, at which time Mr. FORD will be recognized for not to exceed 15 minutes, to be followed by Mr. RIEGLE for not to exceed 15 minutes, to be followed by Mr. LONG for not to exceed 30 minutes, to be followed by Mr. GARN and Mr. HATCH for not to exceed 45 minutes between the two Senators, to be followed by Mr. BARTLETT for not to exceed 30 minutes, after which the question will be on the adoption of the amendment to the Resolution of Ratification offered by Mr. NUNN and Mr. BELLMON. Rollcall votes will occur during tomorrow.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess, in executive session, until the hour of 11 o'clock a.m. tomorrow.

The motion was agreed to; and at 6:50 p.m. the Senate, in executive session, recessed until Wednesday, March 15, 1978, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 14, 1978:

DEPARTMENT OF JUSTICE

James R. Williams, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years.

Richard W. Nehring, of Iowa, to be U.S. marshal for the southern district of Iowa for the term of 4 years.

James C. Cissell, of Ohio, to be U.S. attorney for the southern district of Ohio for the term of 4 years.

FEDERAL DEPOSIT INSURANCE CORPORATION

William M. Isaac, of Kentucky, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

ENVIRONMENTAL PROTECTION AGENCY

Stephen John Gage, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, March 14, 1978*

The House met at 12 o'clock noon.

Rabbi Morris D. Rosenblatt, Congregation K'neseth Israel, Annapolis, Md., offered the following prayer:

Paraphrasing the 23d Psalm:

The Lord is my pacesetter, I shall not rush
He makes me pause and rest for quiet moments
He provides me with images of still waters which restore my serenity.
He leads me in ways of efficiency through calmness of mind.
Even though I am pressured in many directions each day,
I will not fear, for His presence is with me.
His timelessness, His all importance will keep me in balance
He prepares refreshment and renewal in the midst of my busy hours,
By anointing my mind with oils of tranquility.
My cup of joyous energy runneth over,
Surely harmony and effectiveness shall be the fruits of my labors
For I shall walk in the pace of my Lord and dwell in His house forever.
His house is your house
His house is wherever you will let him in.
His house is wherever we praise his name.

Amen.

CALL OF THE HOUSE

Mr. RHODES. Mr. Speaker, under rule I, clause 1, of the rules of the House, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 138]

Anderson, Ill.	Garcia	Risenhoover
Andrews, N.C.	Goldwater	Rogers
Archer	Harrington	Rostenkowski
Ashley	Harsha	Ruppe
Beard, R.I.	Heckler	Santini
Beilenson	Hubbard	Scheuer
Bingham	Jones, Okla.	Shipley
Bonker	Kastenmeier	Shuster
Breaux	Kindness	Skubitz
Chappell	Krueger	St Germain
Collins, Ill.	Long, La.	Steiger
Conyers	Lujan	Teague
Cornwell	McCloskey	Thornton
Cunningham	McHugh	Tsongas
D'Amours	McKinney	Tucker
Davis	Mathis	Waxman
Dent	Metcalfe	Weaver
Diggs	Meyner	Wiggins
Drinan	Nix	Wilson, C. H.
English	Nolan	Wilson, Tex.
Erlenborn	Pressler	Young, Tex.

The SPEAKER pro tempore (Mr. MEEDS). On this rollcall 371 Members have recorded their presence by electronic device, a quorum.

Without objection, further proceedings under the call will be dispensed with.

Mr. RHODES. Mr. Speaker, reserving the right to object, yesterday the House Administration Committee voted out a bill on campaign financing that can only be described as a legislative assassination of the minority party and the two-party system. It was born without warning, and voted out of committee without hearings. It is designed to change the rules in the middle of the game so as to establish the present majority as a permanent majority. The Democratic leadership apparently has decided that even two-thirds of the House and the present set of campaign regulations, which they wrote, have not provided enough of an advantage. They want more. At stake here is not only the two-party system. This move also threatens representative government as we know it. A permanent and fixed majority, locked into office with legislative keys it fashioned, is a great deal less concerned with, and accountable to, the public.

The newly displayed predatory nature of the majority requires that the minority now act, not only to protect itself, but to protect the two-party system and the very concept of representative government. We will demonstrate our concern by invoking the rules of the House, and by demonstrating the efficacy of those rules. Our purpose is not delay for the sake of delay. It is the only way we have to call public attention to the unconscionable, unfair, and uncalled-for assault the majority is mounting. Our hope is that this delay, and increasing public attention, will assist the majority in coming to its senses and calling a halt to this unwarranted attack. Let me underscore that the actions of the minority are not aimed at any measure now on the floor or to be on the floor. They are a direct consequence of the disregard for political responsibility shown by the majority in the measure voted out by the House Administration Committee. The great strength of the American political system has been the willingness and ability of the two major parties to compete vigorously, but in an atmosphere of "live and let live." Now, however, the majority has seen fit to draw the sword with intent to kill, and the minority must take what steps it can to protect itself and our two-party system. The minority has long been the anvil upon which the majority has shaped the legislation emerging from this body. We would hope that there can be a return to an atmosphere under which the minority and majority can work in their own ways for the good of the country. But until then, we intend to draw upon every resource at our command to preserve the American two-party system.

Mr. MICHEL. Mr. Speaker, further reserving the right to object, far be it from me to interfere in the internal affairs of the majority party, but I would like to suggest a new party symbol.

A new symbol is obviously needed because the majority is going all out to change the campaign spending laws to its advantage. This crude power grab leaves no doubt that the donkey, traditional symbol though it may be, no longer suffices to capture the true spirit of the Democratic Party.

Let me first suggest a steamroller. That would capture the essence of this reform. It would more accurately portray to the American people how the 2-to-1 Democrat majority operates around here.

But perhaps the majority wishes to retain an animal as its symbol. If so, why not the dinosaur? It has all of the attributes of an overbloated majority party: a powerful, unwieldy body, a tiny brain, and an inability to adapt to changing circumstances.

Admittedly, for those of us in the minority, it is a fight for our survival and we are now being forced to utilize every parliamentary device to defend ourselves.

The majority party has positioned itself outside the boundaries of fair play and basic justice.

Perhaps, the dinosaur best represents the majority party which by its action in the last few days has to be regarded as the first step toward its planned extinction of our Republican Party.

Mr. Speaker, for those reasons I must object to dispensing with further proceedings under the call.

The SPEAKER pro tempore. Objection is heard.

MOTION OFFERED BY MR. SISK

Mr. SISK. Mr. Speaker, I move that the House dispense with further proceedings under the call.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. SISK).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MICHEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 331, nays 72,

answered "present" 1, not voting 30, as follows:

[Roll No. 139]

YEAS—331

Addabbo	Evans, Ind.	Mathis
Akaka	Fary	Mattox
Alexander	Fascell	Mazzoli
Allen	Findley	Meeds
Ambro	Fisher	Meyner
Ammerman	Fithian	Mikulski
Anderson, Calif.	Flippo	Mikva
	Flood	Milford
Andrews, N.C.	Florio	Miller, Calif.
Andrews, N. Dak.	Flowers	Mineta
	Flynt	Minish
Annunzio	Foley	Mitchell, Md.
Applegate	Ford, Mich.	Mitchell, N.Y.
Ashley	Ford, Tenn.	Moakley
Aspin	Fountain	Moffett
AuCoin	Fowler	Mollohan
Bafalis	Fraser	Montgomery
Baldus	Frey	Moore
Barnard	Fuqua	Moorhead, Pa.
Baucus	Garcia	Moss
Beard, R.I.	Gaydos	Motti
Bedell	Gephardt	Murphy, Ill.
Beilenson	Giaimo	Murphy, N.Y.
Benjamin	Gibbons	Murphy, Pa.
Bennett	Gilman	Murtha
Bevill	Ginn	Myers, John
Biaggi	Glickman	Myers, Michael
Bingham	Goldwater	Natcher
Blanchard	Gonzalez	Neal
Blouin	Gore	Nedzi
Boggs	Gradison	Nichols
Boland	Green	Nix
Bolling	Gudger	Nolan
Bonior	Hagedorn	Nowak
Bowen	Hall	O'Brien
Brademas	Hamilton	Oakar
Breckinridge	Hammer-schmidt	Oberstar
Brinkley		Obey
Brodhead	Hanley	Ottinger
Brooks	Hannaford	Panetta
Brown, Calif.	Harkin	Patten
Brown, Ohio	Harris	Patterson
Broyhill	Harsha	Pattison
Buchanan	Hawkins	Pease
Burgener	Heckler	Pepper
Burke, Calif.	Hefner	Perkins
Burke, Mass.	Heftel	Pickle
Burleson, Tex.	Hightower	Pike
Burlison, Mo.	Holland	Poage
Burton, John	Holt	Preyer
Burton, Phillip	Holtzman	Price
Byron	Horton	Quayle
Carney	Howard	Quie
Carr	Huckaby	Quillen
Carter	Hughes	Rahall
Cavanaugh	Hyde	Rangel
Chappell	Ichord	Reuss
Chisholm	Ireland	Rhodes
Clausen, Don H.	Jeffords	Richmond
	Jenkins	Rinaldo
Clay	Jenrette	Risenhoover
Coleman	Johnson, Calif.	Roberts
Collins, Tex.	Johnson, Colo.	Robinson
Conable	Jones, N.C.	Rodino
Conte	Jones, Okla.	Roe
Corman	Jones, Tenn.	Rogers
Cornell	Jordan	Roncalio
Cornwell	Kastenmeier	Rooney
Cotter	Kazen	Rose
D'Amours	Ketchum	Rosenthal
Daniel, Dan	Keys	Roybal
Daniel, R. W.	Kildee	Runnels
Danielson	Kostmayer	Russo
Davis	Krebs	Ryan
de la Garza	LaFalce	Santini
Delaney	Lagomarsino	Sarasin
Dellums	Le Fante	Satterfield
Derrick	Leach	Sawyer
Derwinski	Lederer	Scheuer
Devine	Leggett	Schroeder
Dickinson	Lehman	Sebelius
Dicks	Levitas	Seiberling
Dingell	Lloyd, Calif.	Sharp
Dodd	Lloyd, Tenn.	Sikes
Downey	Long, La.	Simon
Drinan	Long, Md.	Sisk
Duncan, Tenn.	Luken	Skelton
Early	Lundine	Skubitz
Eckhardt	McCormack	Slack
Edgar	McDade	Smith, Iowa
Edwards, Ala.	McFall	Solarz
Edwards, Calif.	McKay	Spellman
Edwards, Okla.	McKinney	Spence
Eilberg	Madigan	St Germain
English	Maguire	Staggers
Ertel	Mahon	Stark
Evans, Colo.	Mann	Steed
Evans, Del.	Markey	Steers
Evans, Ga.	Marriott	Steiger
Stockman	Vanik	Whitley
Stokes	Vento	Wiggins
Stratton	Volkmer	Wilson, Tex.
Studds	Waggonner	Wirth
Taylor	Walgren	Wolff
Thompson	Walker	Wright
Thone	Walsh	Wylie
Traxler	Watkins	Yates
Treen	Waxman	Yatron
Trible	Weiss	Young, Mo
Udall	Whalen	Zablocki
Ullman	White	Zeferetti
Van Deerlin	Whitehurst	

NAYS—72

Abdnor	Frenzel	Myers, Gary
Archer	Goodling	Pettis
Armstrong	Grassley	Pritchard
Ashbrook	Guyer	Pursell
Badham	Hansen	Railsback
Bauman	Hillis	Regula
Beard, Tenn.	Hollenbeck	Rousselot
Broomfield	Jacobs	Rudd
Brown, Mich.	Kasten	Schulze
Burke, Fla.	Kelly	Shuster
Butler	Kemp	Smith, Nebr.
Caputo	Latta	Snyder
Cederberg	Lent	Stangeland
Clawson, Del	Livingston	Stanton
Cleveland	Lott	Stump
Cochran	McClory	Symms
Cohen	McDonald	Vander Jagt
Corcoran	McEwen	Wampler
Coughlin	Marks	Wilson, Bob
Crane	Marlenee	Winn
Dornan	Martin	Wydler
Emery	Michel	Young, Alaska
Fenwick	Miller, Ohio	Young, Fla.
Fish	Moorhead, Calif.	
Forsythe		

ANSWERED "PRESENT"—1

Duncan, Oreg.

NOT VOTING—30

Anderson, Ill.	Harrington	Ruppe
Bonker	Hubbard	Shipley
Breaux	Kindness	Teague
Collins, Ill.	Krueger	Thornton
Conyers	Lujan	Tsongas
Cunningham	McCloskey	Tucker
Dent	McHugh	Weaver
Diggs	Metcalfe	Whitten
Erlenborn	Pressler	Wilson, C. H.
Gammage	Rostenkowski	Young, Tex.

Messrs. STEERS, JEFFORDS, MADIGAN, THONE, KETCHUM, MITCHELL of New York, CONABLE, MOORE, FREY, HAGEDORN, JOHNSON of Colorado, HYDE, WALKER, BROWN of Ohio, TAYLOR of Missouri, EDWARDS of Oklahoma, QUAYLE, DICKINSON, and COLLINS of Texas changed their vote from "nay" to "yea."

Messrs. DORNAN, MARKS, KELLY, MARLENEE, FISH, BADHAM, CORCORAN of Illinois, STANGELAND, LENT, RUDD, FORSYTHE, BEARD of Tennessee, and SCHULZE changed their vote from "yea" to "nay."

Mr. ROUSSELOT and Mr. McEWEN changed their vote from "present" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. For what purpose does the gentleman from Maryland (Mr. BAUMAN) rise?

Mr. BAUMAN. Mr. Speaker, I offer a preferential motion.

The SPEAKER pro tempore. The Chair will state that we have not reached that point. The Chair will protect the gentleman's rights.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. BAUMAN. Mr. Speaker, I object to the approval of the Journal.

The SPEAKER pro tempore. Objection is heard.

Does the gentleman from Maryland offer a motion?

Mr. BAUMAN. I do, Mr. Speaker.

PREFERENTIAL MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN Mr. Speaker, I offer a preferential motion.

The SPEAKER pro tempore. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. BAUMAN moves that the Journal be read in full.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 99, nays 301, not voting 34, as follows:

[Roll No. 140]

YEAS—99

Abdnor	Forsythe	Myers, Gary
Armstrong	Frenzel	Myers, John
Ashbrook	Frey	O'Brien
Badham	Goodling	Pettis
Bafalis	Grassley	Pritchard
Bauman	Guyer	Pursell
Beard, Tenn.	Hammer-schmidt	Quayle
Broomfield		Quillen
Brown, Ohio	Hansen	Railsback
Broyhill	Harsha	Rinaldo
Buchanan	Heckler	Robinson
Burton, John	Hollenbeck	Rousselot
Butler	Hyde	Rudd
Carter	Jeffords	Sawyer
Cederberg	Johnson, Colo.	Schulze
Clawson, Del	Kasten	Sebelius
Cleveland	Ketchum	Shuster
Cochran	Lagomarsino	Skubitz
Cohen	Latta	Smith, Nebr.
Coleman	Lent	Spence
Collins, Tex.	Livingston	Stangeland
Conable	Long, La.	Steers
Corcoran	Lott	Steiger
Coughlin	McClory	Stockman
Crane	McDonald	Symms
Daniel, R. W.	Madigan	Thone
Dent	Marks	Trible
Derwinski	Marriott	Vander Jagt
Dickinson	Martin	Walker
Dornan	Michel	Walsh
Duncan, Tenn.	Miller, Ohio	Wampler
Edwards, Ala.	Mitchell, N.Y.	Whitehurst
Emery	Moorhead, Calif.	Wydler
Fenwick		

NAYS—301

Addabbo	Bennett	Byron
Akaka	Bevill	Caputo
Alexander	Biaggi	Carney
Allen	Bingham	Carr
Ambro	Blanchard	Cavanaugh
Ammerman	Blouin	Chappell
Anderson, Calif.	Boland	Chisholm
	Bolling	Clausen, Don H.
Andrews, N.C.	Bonior	
Andrews, N. Dak.	Bonker	Clay
	Bowen	Conte
Annunzio	Breckinridge	Corman
Applegate	Brinkley	Cornell
Archer	Brodhead	Cornwell
Ashley	Brooks	Cotter
Aspin	Brown, Calif.	Cunningham
AuCoin	Brown, Mich.	D'Amours
Baldus	Burgener	Daniel, Dan
Barnard	Burke, Calif.	Danielson
Baucus	Burke, Fla.	de la Garza
Beard, R.I.	Burke, Mass.	Delaney
Bedell	Burleson, Tex.	Dellums
Beilenson	Burlison, Mo.	Derrick
Benjamin	Burton, Phillip	Devine

Dicks	Kazen	Rahall
Dingell	Kelly	Rangel
Dodd	Kemp	Regula
Downey	Keys	Reuss
Drinan	Kildee	Rhodes
Duncan, Oreg.	Kindness	Richmond
Early	Kostmayer	Risenhoover
Eckhardt	Krebs	Roberts
Edgar	LaFalce	Rodino
Edwards, Calif.	Le Fante	Roe
Edwards, Okla.	Leach	Rogers
Eilberg	Lederer	Roncalio
English	Lehman	Rooney
Ertel	Levitas	Rose
Evans, Colo.	Lloyd, Calif.	Rosenthal
Evans, Del.	Lloyd, Tenn.	Roybal
Evans, Ga.	Long, Md.	Runnels
Evans, Ind.	Luken	Russo
Fary	Lundine	Santini
Fascell	McCormack	Sarasin
Findley	McEwen	Satterfield
Fish	McFall	Scheuer
Fisher	McHugh	Schroeder
Fithian	McKay	Seiberling
Flippo	McKinney	Sharp
Flood	Maguire	Sikes
Florio	Mahon	Simon
Flowers	Mann	Sisk
Flynt	Markey	Skelton
Foley	Marlenee	Slack
Ford, Mich.	Mathis	Smith, Iowa
Ford, Tenn.	Mattox	Snyder
Fountain	Mazzoli	Solarz
Fowler	Meeds	Spellman
Fraser	Meyner	St Germain
Fuqua	Mikulski	Staggers
Garcia	Mikva	Stanton
Gaydos	Milford	Stark
Giaimo	Miller, Calif.	Steed
Gibbons	Mineta	Stokes
Gilman	Minish	Stratton
Ginn	Moakley	Studds
Glickman	Moffett	Stump
Gonzalez	Mollohan	Taylor
Gore	Montgomery	Thompson
Gradison	Moore	Traxler
Green	Moorhead, Pa.	Tsongas
Gudger	Moss	Udall
Hagedorn	Motti	Ullman
Hall	Murphy, Ill.	Van Deerlin
Hamilton	Murphy, N.Y.	Vanik
Hanley	Murphy, Pa.	Vento
Hannaford	Murtha	Volkmer
Harkin	Myers, Michael	Waggonner
Harrington	Natcher	Walgren
Harris	Neal	Watkins
Hawkins	Nedzi	Waxman
Hefner	Nichols	Weiss
Heftel	Nix	Whalen
Hightower	Nolan	White
Hillis	Nowak	Whitley
Holland	Oakar	Whitten
Holt	Oberstar	Wiggins
Holtzman	Obey	Wilson, Bob
Horton	Ottinger	Wilson, Tex.
Howard	Panetta	Winn
Huckaby	Patten	Wirth
Hughes	Patterson	Wolff
Ireland	Pattison	Wright
Jacobs	Pease	Wylie
Jenkins	Pepper	Yates
Jenrette	Perkins	Yatron
Johnson, Calif.	Pickle	Young, Fla.
Jones, N.C.	Pike	Young, Mo.
Jones, Okla.	Poage	Zablocki
Jones, Tenn.	Preyer	Zeferetti
Jordan	Price	
Kastenmeier	Quie	

NOT VOTING—34

Anderson, Ill.	Hubbard	Ryan
Boggs	Ichord	Shipley
Brademas	Krueger	Teague
Breaux	Leggett	Thornton
Collins, Ill.	Lujan	Treen
Conyers	McCloskey	Tucker
Davis	McDade	Weaver
Diggs	Metcalfe	Wilson, C. H.
Erlenborn	Mitchell, Md.	Young, Alaska
Gammage	Pressler	Young, Tex
Gephardt	Rostenkowski	
Goldwater	Ruppe	

Messrs. McCLORY, SCHULZE, WALKER, DICKINSON, VANDER JAGT, STANGELAND, STEERS, and LIVINGSTON changed their vote from "nay" to "yea."

Messrs. MOORE, EDWARDS of Oklahoma, STRATTON, MARLENEE, DON H. CLAUSEN, and BURGENER changed their vote from "yea" to "nay."

The SPEAKER pro tempore (Mr. MEEDS). All time has expired.

The Chair will take votes of those Members who have not had an opportunity to vote, and those who have had such an opportunity can clear the well. If there are people here who have not voted, the Chair will take those votes. Otherwise, the vote is closed.

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER pro tempore. All time has expired.

POINT OF ORDER

Mr. ASHBROOK. Mr. Speaker, a point of order.

The SPEAKER pro tempore (Mr. MEEDS). The gentleman will state it.

Mr. ASHBROOK. Mr. Speaker, under Cannon's Precedents it says clearly:

> The vote of a Member failing to be recorded, he may insist that it be recorded even after the Chair has declared the result and the Chair then makes a new declaration (V, 6064, 6065; VIII, 3143).

Under the precedents, I would like to suggest that the Chair is not making a proper ruling.

The SPEAKER pro tempore. Those precedents apply only to rollcalls preceding the installation of the electronic device and are not a precedent for holding the vote by electronic device open indefinitely.

All time has expired.

So the motion was rejected.

The result of the vote was announced as above recorded.

POINT OF ORDER

Mr. SCHULZE. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. SCHULZE. Mr. Speaker, I attempted to change my vote under the electronic device process before the conclusion of the vote and was unable to do so. So, if we are not going to be able to change our vote by electronic device then we must be able to change our vote in the well or change the electronic device so that we can watch our vote.

The SPEAKER pro tempore (Mr. MEEDS). The gentleman's objection will be noted. The Chair will rule that a point of order will not lie when the Chair exercises his discretion to close the voting.

In the absence of an objection the Chair will approve the Journal.

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. FOLEY. Mr. Speaker, I move that the Journal be approved.

Mr. BAUMAN. Mr. Speaker, I demand that the gentleman submit a written motion.

Mr. FOLEY. I have a written motion at the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

MOTION OFFERED BY MR. FOLEY

The Clerk read as follows:

> Mr. FOLEY moves that the Journal be approved.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The question was taken and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 371, nays 29, not voting 34, as follows:

[Roll No. 141]

YEAS—371

Abdnor	Cunningham	Hillis
Addabbo	D'Amours	Holland
Akaka	Daniel, Dan	Hollenbeck
Alexander	Daniel, R. W.	Holt
Allen	Danielson	Holtzman
Ambro	Davis	Horton
Ammerman	de la Garza	Howard
Anderson, Calif.	Delaney	Huckaby
Andrews, N.C.	Dellums	Hughes
Andrews, N. Dak.	Dent	Ichord
Annunzio	Derrick	Ireland
Applegate	Derwinski	Jeffords
Archer	Devine	Jenkins
Ashbrook	Dicks	Jenrette
Ashley	Dingell	Johnson, Calif.
Aspin	Dodd	Johnson, Colo.
AuCoin	Dornan	Jones, N.C.
Badham	Downey	Jones, Okla.
Bafalis	Drinan	Jones, Tenn.
Baldus	Duncan, Oreg.	Jordan
Barnard	Duncan, Tenn.	Kasten
Baucus	Early	Kastenmeier
Bauman	Eckhardt	Kazen
Beard, R.I.	Edgar	Kelly
Beard, Tenn.	Edwards, Ala.	Kemp
Bedell	Edwards, Calif.	Ketchum
Beilenson	Edwards, Okla.	Keys
Benjamin	Eilberg	Kildee
Bennett	Emery	Kostmayer
Bevill	Ertel	Krebs
Biaggi	Evans, Colo.	LaFalce
Bingham	Evans, Del.	Lagomarsino
Blanchard	Evans, Ga.	Latta
Blouin	Evans, Ind.	Le Fante
Boggs	Fary	Lederer
Boland	Fascell	Lehman
Bonior	Fenwick	Lent
Bonker	Findley	Levitas
Bowen	Fish	Lloyd, Tenn.
Brademas	Fisher	Long, La.
Breckinridge	Fithian	Long, Md.
Brinkley	Flippo	Lott
Brodhead	Flood	Luken
Brooks	Florio	Lundine
Broomfield	Flynt	McCormack
Brown, Calif.	Foley	McDade
Broyhill	Ford, Mich.	McDonald
Buchanan	Ford, Tenn.	McEwen
Burgener	Fountain	McFall
Burke, Calif.	Fowler	McHugh
Burke, Fla.	Fraser	McKay
Burke, Mass.	Frenzel	McKinney
Burleson, Tex.	Frey	Madigan
Burlison, Mo.	Fuqua	Maguire
Burton, John	Garcia	Mahon
Burton, Phillip	Gaydos	Mann
Butler	Gephardt	Markey
Byron	Giaimo	Marks
Caputo	Gibbons	Marlenee
Carney	Gilman	Marriott
Carr	Ginn	Mathis
Carter	Glickman	Mattox
Cavanaugh	Gonzalez	Mazzoli
Cederberg	Goodling	Meeds
Chappell	Gore	Michel
Chisholm	Gradison	Mikulski
Clausen, Don H.	Grassley	Mikva
Clawson, Del	Green	Milford
Clay	Gudger	Miller, Calif.
Cleveland	Guyer	Miller, Ohio
Cochran	Hagedorn	Mineta
Cohen	Hall	Minish
Coleman	Hamilton	Mitchell, N.Y.
Collins, Tex.	Hanley	Moakley
Conte	Hannaford	Moffett
Corcoran	Hansen	Mollohan
Corman	Harkin	Moore
Cornell	Harrington	Moorhead, Calif.
Cornwell	Harris	Moorhead, Pa.
Cotter	Harsha	Motti
Coughlin	Hawkins	Murphy, Ill.
Crane	Heckler	Murphy, N.Y.
	Hefner	Murphy, Pa.
	Heftel	Murtha
	Hightower	

Myers, Michael	Rose	Thone
Natcher	Rosenthal	Traxler
Neal	Rousselot	Treen
Nedzi	Roybal	Trible
Nix	Rudd	Tsongas
Nolan	Runnels	Udall
Nowak	Russo	Ullman
O'Brien	Santini	Van Deerlin
Oakar	Sarasin	Vander Jagt
Oberstar	Satterfield	Vanik
Obey	Sawyer	Vento
Ottinger	Scheuer	Volkmer
Panetta	Schroeder	Waggonner
Patten	Schulze	Walgren
Patterson	Sebelius	Walker
Pattison	Seiberling	Walsh
Pease	Sharp	Wampler
Pepper	Sikes	Watkins
Perkins	Simon	Waxman
Pickle	Sisk	Weiss
Pike	Skelton	Whalen
Poage	Skubitz	White
Preyer	Slack	Whitehurst
Price	Smith, Iowa	Whitley
Quie	Smith, Nebr.	Whitten
Rahall	Snyder	Wiggins
Rangel	Solarz	Wilson, Bob
Regula	Spellman	Wilson, Tex.
Reuss	Spence	Winn
Rhodes	St Germain	Wirth
Richmond	Staggers	Wolff
Rinaldo	Stanton	Wright
Risenhoover	Stark	Wylie
Roberts	Steed	Yates
Robinson	Stokes	Yatron
Rodino	Stratton	Young, Alaska
Roe	Studds	Young, Fla.
Rogers	Stump	Young, Mo.
Roncalio	Symms	Zablocki
Rooney	Thompson	Zeferetti

NAYS—29

Armstrong	Kindness	Quayle
Brown, Mich.	Leach	Quillen
Brown, Ohio	Livingston	Railsback
Conable	Lloyd, Calif.	Shuster
Dickinson	McClory	Stangeland
Forsythe	Martin	Steers
Hammer-schmidt	Myers, Gary	Steiger
	Myers, John	Stockman
Hyde	Pettis	Taylor
Jacobs	Pritchard	Wydler

NOT VOTING—34

Anderson, Ill.	Krueger	Rostenkowski
Bolling	Leggett	Ruppe
Breaux	Lujan	Ryan
Collins, Ill.	McCloskey	Shipley
Conyers	Metcalfe	Teague
Diggs	Meyner	Thornton
English	Mitchell, Md.	Tucker
Erlenborn	Montgomery	Weaver
Flowers	Moss	Wilson, C. H.
Gammage	Nichols	Young, Tex.
Goldwater	Pressler	
Hubbard	Pursell	

The SPEAKER pro tempore. Are there Members in the Chamber who have failed to cast their votes?

The Chair will advise Members that the electronic voting stations are still open, and they will remain open for 5 minutes.

Mr. BADHAM. My card did not work, Mr. Speaker.

The SPEAKER pro tempore. If there are Members who do not have cards, the Chair will certainly take the word of those Members and they may vote in the well.

Mr. BROWN of Michigan. Mr. Speaker, I do not recall that the rules provide for qualification.

The SPEAKER pro tempore. Members who desire to vote may do so. The voting stations will remain open for 5 minutes.

PARLIAMENTARY INQUIRIES

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The Chair will take the parliamentary inquiry, although he is not required to do so during the vote.

Mr. BAUMAN. The gentleman from Maryland thanks the Chair for his indulgence.

The gentleman from Maryland was aware that the Speaker of the House of Representatives had previously announced rules governing the operation of the electronic voting device. Is the Chair now announcing that those rules have been permanently changed, and that there will be no 5-minute closed period at the end of all 15-minute rollcalls?

The SPEAKER pro tempore. The Chair will state that he is not making a change. He is just adapting the procedure to fit the situation.

Mr. BAUMAN. I thank the Chair.

Mr. MARTIN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MARTIN. Mr. Speaker, the Speaker has announced that the electronic recording devices are open. They are, but they have neglected to throw the switch which will allow us to change our vote, which is what I have been trying unsuccessfully to do.

The SPEAKER pro tempore. The Chair would advise the gentleman that the voting stations remain open for those Members who have not yet recorded their votes. Pursuant to the announcement of the Speaker on March 22, 1976, changes in votes already recorded may not be made from the voting stations during the last 5 minutes of a vote taken by electronic device, but must be made by card from the well.

Mr. MARTIN. That is right, Mr. Speaker, because I have not been able to change my vote.

The SPEAKER pro tempore. Will the gentleman from North Carolina (Mr. MARTIN) bring his card to the well?

The gentleman will not be able to change his vote at this time; he will be able to vote for the first time. If the gentleman desires to change his vote, he should come to the well when we take changes at the end of the 5 minutes.

The SPEAKER pro tempore. Five minutes has expired. The Chair will accept changes for an additional 5 minutes.

Messrs. JOHNSON of Colorado, SCHULZE, HAGEDORN, KETCHUM, WAMPLER, COUGHLIN, O'BRIEN, WALKER, COLLINS of Texas, CRANE, DEL CLAWSON and TREEN changed their vote from "nay" to "yea."

Messrs. KINDNESS, DICKINSON, LIVINGSTON, MARTIN, and STEERS changed their vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

PREFERENTIAL MOTION OFFERED BY MR. EDWARDS OF OKLAHOMA

Mr. EDWARDS of Oklahoma. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. EDWARDS of Oklahoma moves to reconsider the vote whereby the Journal was approved.

MOTION OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER pro tempore. The question is on the motion to table the motion to reconsider.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 308, nays 91, not voting 35, as follows:

[Roll No. 142]

YEAS—308

Addabbo	Ertel	Lloyd, Calif.
Akaka	Evans, Colo.	Lloyd, Tenn.
Alexander	Evans, Ind.	Long, La.
Allen	Fary	Long, Md.
Ambro	Fascell	Luken
Ammerman	Findley	Lundine
Anderson, Calif.	Fish	McClory
	Fisher	McCormack
Andrews, N.C.	Fithian	McEwen
Andrews, N. Dak.	Flippo	McHugh
	Flood	McKay
Annunzio	Florio	McKinney
Applegate	Flynt	Madigan
Ashley	Foley	Maguire
Aspin	Ford, Mich.	Mahon
AuCoin	Ford, Tenn.	Mann
Baldus	Fountain	Markey
Barnard	Fowler	Mathis
Baucus	Fraser	Mattox
Beard, R.I.	Frey	Mazzoli
Bedell	Fuqua	Meeds
Beilenson	Gammage	Mikva
Benjamin	Garcia	Milford
Bennett	Gaydos	Miller, Calif.
Bevill	Gephardt	Miller, Ohio
Biaggi	Giaimo	Mineta
Bingham	Gibbons	Minish
Blanchard	Gilman	Mitchell, Md.
Blouin	Ginn	Moakley
Boggs	Glickman	Moffett
Boland	Gonzalez	Mollohan
Bolling	Goodling	Moore
Bonior	Gore	Moorhead, Pa.
Bonker	Gradison	Mottl
Bowen	Grassley	Murphy, Ill.
Brademas	Green	Murphy, N.Y.
Breckinridge	Gudger	Murphy, Pa.
Brinkley	Guyer	Murtha
Brodhead	Hagedorn	Myers, Michael
Brooks	Hall	Natcher
Brown, Calif.	Hamilton	Neal
Broyhill	Hanley	Nedzi
Burgener	Hannaford	Nichols
Burke, Calif.	Harkin	Nolan
Burke, Mass.	Harrington	Nowak
Burleson, Tex.	Harris	Oakar
Burlison, Mo.	Hawkins	Oberstar
Burton, Phillip	Heckler	Ottinger
Byron	Hefner	Panetta
Caputo	Heftel	Patten
Carney	Hightower	Patterson
Carr	Holland	Pattison
Carter	Hollenbeck	Pease
Cavanaugh	Holt	Pepper
Cederberg	Holtzman	Perkins
Chappell	Horton	Pickle
Chisholm	Howard	Pike
Clay	Huckaby	Poage
Conte	Hughes	Preyer
Corman	Ichord	Price
Cornell	Ireland	Quie
Cotter	Jacobs	Rahall
Cunningham	Jenkins	Railsback
D'Amours	Jenrette	Rangel
Daniel, Dan	Johnson, Calif.	Reuss
Danielson	Jones, N.C.	Rhodes
Davis	Jones, Okla.	Richmond
de la Garza	Jones, Tenn.	Rinaldo
Delaney	Jordan	Risenhoover
Dellums	Kastenmeier	Roberts
Dent	Kazen	Robinson
Derwinski	Ketchum	Rodino
Devine	Keys	Roe
Dicks	Kildee	Rogers
Diggs	Kostmayer	Roncalio
Dingell	Krebs	Rooney
Dodd	LaFalce	Rose
Drinan	Latta	Rosenthal
Duncan, Oreg.	Le Fante	Roybal
Early	Leach	Rudd
Eckhardt	Lederer	Runnels
Edgar	Lehman	Russo
Edwards, Calif.	Lent	Santini
Eilberg	Levitas	Sarasin
English	Livingston	Satterfield

Scheuer	Studds	Whalen
Schroeder	Stump	White
Simon	Taylor	Whitley
Sisk	Thompson	Whitten
Skelton	Thone	Wiggins
Skubitz	Traxler	Wilson, Tex.
Slack	Tsongas	Wirth
Smith, Iowa	Udall	Wolff
Smith, Nebr.	Ullman	Wright
Solarz	Van Deerlin	Wydler
Spellman	Vanik	Wylie
St Germain	Vento	Yates
Staggers	Volkmer	Yatron
Stanton	Waggonner	Young, Alaska
Stark	Walgren	Young, Mo.
Steed	Walsh	Zablocki
Steers	Watkins	Zeferetti
Stokes	Waxman	
Stratton	Weiss	

NAYS—91

Abdnor	Edwards, Okla.	Myers, Gary
Archer	Emery	Myers, John
Armstrong	Evans, Del.	O'Brien
Ashbrook	Evans, Ga.	Pettis
Badham	Fenwick	Pritchard
Bafalis	Forsythe	Pursell
Bauman	Frenzel	Quayle
Beard, Tenn.	Goldwater	Quillen
Broomfield	Hammer-schmidt	Regula
Brown, Mich.	Hansen	Rousselot
Brown, Ohio	Harsha	Sawyer
Buchanan	Hillis	Schulze
Burke, Fla.	Hyde	Sebelius
Burton, John	Jeffords	Shuster
Butler	Johnson, Colo.	Sikes
Clausen, Don H.	Kasten	Snyder
Clawson, Del	Kelly	Spence
Cleveland	Kemp	Stangeland
Cochran	Kindness	Steiger
Cohen	Lagomarsino	Stockman
Coleman	Lott	Symms
Collins, Tex.	McDade	Treen
Conable	McDonald	Trible
Corcoran	Marks	Vander Jagt
Coughlin	Marlenee	Walker
Crane	Marriott	Wampler
Daniel, R. W.	Martin	Whitehurst
Dickinson	Michel	Wilson, Bob
Dornan	Mitchell, N.Y.	Winn
Duncan, Tenn.	Moorhead, Calif.	Young, Fla.
Edwards, Ala.		

NOT VOTING—35

Anderson, Ill.	Lujan	Ruppe
Breaux	McCloskey	Ryan
Collins, Ill.	McFall	Seiberling
Conyers	Metcalfe	Sharp
Cornwell	Meyner	Shipley
Derrick	Mikulski	Teague
Downey	Montgomery	Thornton
Erlenborn	Moss	Tucker
Flowers	Nix	Weaver
Hubbard	Obey	Wilson, C. H.
Krueger	Pressler	Young, Tex.
Leggett	Rostenkowski	

Messrs. RINALDO, MOORE, ROBINSON, STEERS, and RAILSBACK changed their vote from "nay" to "yea."

Mr. McEWEN changed his vote from "present" to "yea."

Mr. BEARD of Tennessee changed his vote from "yea" to "nay."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

RABBI MORRIS ROSENBLATT

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, it is my great privilege to welcome to the House my constituent and friend, Rabbi Morris Rosenblatt.

Rabbi Rosenblatt has been associated with the Congregation Kneseth Israel in Annapolis, Md., for the past 33 years. He is a native of Galveston, Tex., and spent his early years in New York City. He holds a bachelor's degree from the City College of New York and was ordained as a rabbi 40 years ago from Yeshiva University.

Throughout his service in Annapolis, he has consistently demonstrated a high degree of spiritual leadership and community activity. Some of his extensive activities include service as president of the ministers group, a member of the board of governors of the Anne Arundel County General Hospital, and he is affiliated with the Rabbinical Council of America.

Rabbi Rosenblatt has been married to his lovely wife Esther for 40 years, and they have two sons and four grandchildren.

I am pleased to welcome him to the House and thank him for his inspiring prayer.

CONFERENCE REPORT ON H.R. 5383, AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS OF 1978

Mr. HAWKINS submitted the following conference report and statement on the bill (H.R. 5383) to amend the Age Discrimination in Employment Act of 1967 to extend the age group of employees who are protected by the provisions of such act, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95-950)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5383) to amend the Age Discrimination in Employment Act of 1967 to extend the age group of employees who are protected by the provisions of such Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Age Discrimination in Employment Act Amendments of 1978".

SENIORITY SYSTEMS AND EMPLOYEE BENEFIT PLANS

SEC. 2. (a) Section 4(f)(2) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623(f)(2)) is amended by inserting after "individual" a comma and the following: "and no such seniority system or employee benefit plan shall require or permit the involuntary retirement of any individual specified by section 12(a) of this Act because of the age of such individual".

(b) The amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act, except that, in the case of employees covered by a collective bargaining agreement which is in effect on September 1, 1977, which was entered into by a labor organization (as defined by section 6(d)(4) of the Fair Labor Standards Act of 1938), and which would otherwise be prohibited by the amendment made by section 3(a) of this Act, the amendment made by subsection (a) of this section shall take effect upon the termination of such agreement or on January 1, 1980, whichever occurs first.

APPLICATION OF AGE LIMITATION

SEC. 3. (a) Section 12 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 631) is amended to read as follows:

"AGE LIMITATION

"SEC. 12. (a) The prohibitions in this Act shall be limited to individuals who are at least 40 years of age but less than 70 years of age.

"(b) In the case of any personnel action affecting employees or applicants for employment which is subject to the provisions of section 15 of this Act, the prohibitions established in section 15 of this Act shall be limited to individuals who are at least 40 years of age.

"(c)(1) Nothing in this Act shall be construed to prohibit compulsory retirement of any employee who has attained 65 years of age but not 70 years of age, and who, for the 2-year period immediately before retirement, is employed in a bona fide executive or a high policymaking position, if such employee is entitled to an immediate nonforfeitable annual retirement benefit from a pension, profit-sharing, savings, or deferred compensation plan, or any combination of such plans of the employer of such employee, which equals, in the aggregate, at least $27,000.

"(2) In applying the retirement benefit test of paragraph (1) of this subsection, if any such retirement benefit is in a form other than a straight life annuity (with no ancillary benefits), or if employees contribute to any such plan or make rollover contributions, such benefit shall be adjusted in accordance with regulations prescribed by the Secretary, after consultation with the Secretary of the Treasury, so that the benefit is the equivalent of a straight life annuity (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions are made.

"(d) Nothing in this Act shall be construed to prohibit compulsory retirement of any employee who has attained 65 years of age but not 70 years of age, and who is serving under a contract of unlimited tenure (or similar arrangement providing for unlimited tenure) at an institution of higher education (as defined by section 1201(a) of the Higher Education Act of 1965).".

(b)(1) Sections 12(a), 12(c), and 12(d) of the Age Discrimination in Employment Act of 1967, as amended by subsection (a) of this section, shall take effect on January 1, 1979.

(2) Section 12(b) of such Act, as amended by subsection (a) of this section, shall take effect on September 30, 1978.

(3) Section 12(d) of such Act, as amended by subsection (a) of this section, is repealed on July 1, 1982.

ENFORCEMENT PROCEDURE

SEC. 4. (a) Section 7(c) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 626(c)) is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) In an action brought under paragraph (1), a person shall be entitled to a trial by jury of any issue of fact in any such action for recovery of amounts owing as a result of a violation of this Act, regardless of whether equitable relief is sought by any party in such action.".

(b)(1) Section 7(d) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 626(d)) is amended to read as follows:

"(d) No civil action may be commenced by an individual under this section until 60 days after a charge alleging unlawful dis-

crimination has been filed with the Secretary. Such a charge shall be filed—

"(1) within 180 days after the alleged unlawful practice occurred; or

"(2) in a case to which section 14(b) applies, within 300 days after the alleged unlawful practice occurred, or within 30 days after receipt by the individual of notice of termination of proceedings under State law, whichever is earlier.

Upon receiving such a charge, the Secretary shall promptly notify all persons named in such charge as prospective defendants in the action and shall promptly seek to eliminate any alleged unlawful practice by informal methods of conciliation, conference, and persuasion.".

(2) The amendment made by paragraph (1) of this subsection shall take effect with respect to civil actions brought after the date of enactment of this Act.

(c)(1) Section 7(e) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 626(e)) is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) For the period during which the Secretary is attempting to effect voluntary compliance with requirements of this Act through informal methods of conciliation, conference, and persuasion pursuant to subsection (b), the statute of limitations as provided in section 6 of the Portal-to-Portal Act of 1947 shall be tolled, but in no event for a period in excess of one year.".

(2) The amendment made by paragraph (1) of this subsection shall take effect with respect to conciliations commenced by the Secretary of Labor after the date of enactment of this Act.

FEDERAL GOVERNMENT EMPLOYMENT

SEC. 5. (a) Section 15(a) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a(a)) is amended by inserting "who are at least 40 years of age" after "applicants for employment" and by inserting "personnel actions" after "except".

(b)(1) Section 3322 of title 5, United States Code, relating to temporary appointments after age 70, is repealed.

(2) The analysis for chapter 33 of title 5, United States Code, is amended by striking out the item relating to section 3322.

(c) Section 8335 of title 5, United States Code, relating to mandatory separation, is amended—

(1) by striking out subsections (a), (b), (c), (d), and (e) thereof;

(2) by redesignating subsections (f) and (g) as subsections (a) and (b), respectively; and

(3) by adding after subsection (b), as so redesignated, the following new subsections:

"(c) An employee of the Alaska Railroad in Alaska and an employee who is a citizen of the United States employed on the Isthmus of Panama by the Panama Canal Company or the Canal Zone Government, who becomes 62 years of age and completes 15 years of service in Alaska or on the Isthmus of Panama shall be automatically separated from the service. The separation is effective on the last day of the month in which the employee becomes age 62 or completes 15 years of service in Alaska or on the Isthmus of Panama if then over that age. The employing office shall notify the employee in writing of the date of separation at least 60 days in advance thereof. Action to separate the employee is not effective, without the consent of the employee, until the last day of the month in which the 60-day notice expires.

"(d) The President, by Executive order, may exempt an employee from automatic separation under this section when he determines the public interest so requires.".

(d) Section 8339(d) of title 5, United States Code, relating to computation of annuity is amended by striking out "section 8335(g)" and inserting in lieu thereof "section 8335(b)".

(e) Section 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a) is amended by adding at the end thereof the following new subsections:

"(f) Any personnel action of any department, agency, or other entity referred to in subsection (a) of this section shall not be subject to, or affected by, any provision of this Act, other than the provisions of section 12(b) of this Act and the provisions of this section.

"(g)(1) The Civil Service Commission shall undertake a study relating to the effects of the amendments made to this section by the Age Discrimination in Employment Act Amendments of 1978, and the effects of section 12(b) of this Act, as added by the Age Discrimination in Employment Act Amendments of 1978.

"(2) The Civil Service Commission shall transmit a report to the President and to the Congress containing the findings of the Commission resulting from the study of the Commission under paragraph (1) of this subsection. Such report shall be transmitted no later than January 1, 1980.".

(f) The amendments made by this section shall take effect on September 30, 1978, except that section 15(g) of the Age Discrimination in Employment Act of 1967, as amended by subsection (e) of this section, shall take effect on the date of enactment of this Act.

REPORT BY SECRETARY OF LABOR

SEC. 6. (a)(1) Section 5 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 624) is amended by inserting "(a)(1)" after the section designation, and by adding at the end thereof the following new sentence: "Such study shall include—

"(A) an examination of the effect of the amendment made by section 3(a) of the Age Discrimination in Employment Act Amendments of 1978 in raising the upper age limitation established by section 12(a) of this Act to 70 years of age;

"(B) a determination of the feasibility of eliminating such limitation;

"(C) a determination of the feasibility of raising such limitation above 70 years of age; and

"(D) an examination of the effect of the exemption contained in section 12(c), relating to certain executive employees, and the exemption contained in section 12(d), relating to tenured teaching personnel.".

(2) Section 5(a) of the Age Discrimination in Employment Act of 1967, as so redesignated by paragraph (1) of this subsection, is amended by adding at the end thereof the following new paragraph:

"(2) The Secretary may undertake the study required by paragraph (1) of this subsection directly or by contract or other arrangement.".

(b) Section 5 of the Age Discrimination in Employment Act of 1967, as amended by subsection (a) of this section, is further amended by adding at the end thereof the following new subsection:

"(b) The report required by subsection (a) of this section shall be transmitted to the President and to the Congress as an interim report not later than January 1, 1981, and in final form not later than January 1, 1982.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. Section 17 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 635) is amended by striking out ", not in excess of $5,000,000 for any fiscal year,".

And the Senate agree to the same.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
JOHN H. DENT,
EDWARD P. BEARD,
MICHAEL O. MYERS,
JOSEPH A. LE FANTE,
TED WEISS,
W. L. CLAY,
BALTASAR CORRADA,
CLAUDE PEPPER,
ALBERT H. QUIE,
RONALD A. SARASIN,
JAMES M. JEFFORDS,
C. PURSELL,
PAUL FINDLEY,
GLADYS NOON SPELLMAN
(only for consideration of sections 4(c) and 5, relating to Federal Government employment, of the House bill),
CECIL HEFTEL
(only for consideration of sections 4(c) and 5, relating to Federal Government employment, of the House bill),
ED DERWINSKI
(only for consideration of sections 4(c) and 5, relating to Federal Government employment, of the House bill),

Managers on the Part of the House.

HARRISON A. WILLIAMS, Jr.,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
GAYLORD NELSON,
DON RIEGLE,
EDWARD M. KENNEDY,
J. K. JAVITS,
RICHARD S. SCHWEIKER,
ROBERT T. STAFFORD,
JOHN T. CHAFEE,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5383) to amend the Age Discrimination in Employment Act of 1967 to extend the age group of employees who are protected by the provisions of such Act, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

BONA FIDE OCCUPATIONAL QUALIFICATION EXCEPTION

Senate amendment

The Senate amendment clarifies the meaning of section 4(f)(1) which provides that it is not unlawful to mandatorily retire an

employee at an age less than the upper age limitation in the Age Discrimination in Employment Act of 1967 where the employer demonstrates that age is a bona fide occupational qualification.

The House bill

The House bill contains no comparable provision.

Conference agreement

The Senate recedes.

The conferees agree that the amendment neither added to nor worked any change upon present law.

PROHIBITION AGAINST MANDATORY RETIREMENT

Senate amendment

The Senate clarifies section 4(f)(2) of the Act to prohibit the mandatory retirement of an employee within the protected age group pursuant to a bona fide employee benefit plan or seniority system which requires or permits such retirement.

House bill

The House bill is substantially the same.

Conference agreement

House recedes to the Senate amendment.

The conferees agree that the purpose of the amendment to section 4(f)(2) is to make absolutely clear one of the original purposes of this provision, namely, that the exception does not authorize an employer to require or permit involuntary retirement of an employee within the protected age group on account of age.

In *McMann* v. *United Airlines* (98 S. Ct. 244 (1977), the Supreme Court held to the contrary, reversing a decision reached by the Fourth Circuit Court of Appeals, 542 F.2d 217 (1976). The conferees specifically disagree with the Supreme Court's holding and reasoning in that case. Plan provisions in effect prior to the date of enactment are not exempt under section 4(f)(2) by virtue of the fact that they antedate the Act or these amendments.

COLLECTIVE BARGAINING EXEMPTION

Senate amendment

The Senate amendment defers the effective date of the prohibition against mandatory retirement of persons 65 through 69 years of age if such retirement is required or permitted by bona fide employee benefit plans or seniority systems provided by collective bargaining agreements in effect on September 1, 1977. The effective date of the prohibition in these situations is the termination date of the collective bargaining agreement or January 1, 1980, whichever occurs first.

House bill

The House bill delays the effective date in such cases for collective bargaining agreements in effect at least 30 days before the date of enactment. The delay is for 2 years after the date of enactment or until the termination of such agreement, whichever occurs first.

Conference agreement

The House recedes.

BONA FIDE EXECUTIVE EXEMPTION

Senate amendment

The Senate amendment provides that certain high-level executives may be mandatorily retired between the ages of 65 and 70. The amendment includes in the exempted group those who are members of a select group of management or highly compensated employees who are entitled to an immediate nonforfeitable annual retirement benefit provided by the employer which is the equivalent of a straight life annuity equal to $20,000 per year, exclusive of Social Security, amounts attributable to employee contributions and contributions by prior employers. The Senate amendment provides that the Secretary of Labor shall annually adjust the retirement income amount to reflect increases or decreases in the cost of living. The amendment also authorizes the Secretary to develop regulations regarding the computation of the retirement income test.

House bill

The House bill contains no such provision.

Conference agreement

The House recedes with an amendment. To prevent an employer from circumventing the law by appointing an employee to a bona fide executive or high policymaking position shortly before retirement in order to permit compulsory retirement of that employee, the conference agreement provides that the exemption applies only to those employees who for the two years prior to retirement serve in such a capacity.

Under the conference agreement, the retirement income test is raised from $20,000 to $27,000 per year and the provision requiring the Secretary of Labor to make an annual adjustment for increases or decreases in the cost of living is eliminated. In calculating the retirement income figure, the conference agreement, like the Senate amendment, excludes amounts attributable to Social Security, employee contributions, and contributions of prior employers.

The phrase "bona fide executive or high policymaking position" is intended to clarify the class of employees covered by the Senate amendment. Concerns were expressed by the conferees that low level managers, supervisors, or blue collar workers could be mandatorily retired under the Senate amendment. The conference agreement makes clear that an employee will not be subject to mandatory retirement solely because he or she meets the retirement income test. The employee must also be a bona fide executive or high policymaking employee.

The definition of bona fide executive under the Fair Labor Standards Act of 1938 contained in 29 C.F.R. 541.1 is intended to be a guideline for determining those employees who meet the definition of executive for purposes of this amendment. However, that definition has been expansively interpreted, whereas the amendment is intended to cover only certain high level executives of employers who are subject to the provisions of the Act. The conferees agree that to fall within the test the employee must be a bona fide executive as defined in 29 C.F.R. 541.1 and in addition meet the criteria described below. Although the examples used to describe such criteria refer to corporations, the conferees do not intend to exclude any covered employer.

Typically the head of a significant and substantial local or regional operation of a corporation, such as a major production facility or retail establishment, but not the head of a minor branch, warehouse or retail store, would be covered by the term "bona fide executive". Individuals at higher levels in the corporate organizational structure who possess comparable or greater levels of responsibility and authority as measured by established and recognized criteria would also be covered.

The heads of major departments or divisions of corporations are usually located at corporate or regional headquarters. With respect to employees whose duties are associated with corporate headquarters operations, such as finance, marketing, legal, production and manufacturing (or in a corporation organized on a production basis, the management of product lines), the definition would cover employees who head those divisions.

In a large organization the immediate subordinates of the heads of these divisions sometimes also exercise executive authority, within the meaning of this exemption. The conferees intend the definition to cover such employees if they possess responsibility which is comparable to or greater than that possessed by the head of a significant and substantial local operation who meets the definition.

The conferees added the term "high policymaking position" in order to assure that certain top level employees who are not "bona fide executives" under this amendment could nevertheless fall within the exemption. This group of employees is limited to those individuals who have little or no line authority but whose position and responsibility are such that they play a significant role in the development of corporate policy and effectively recommend the implementation thereof.

For example, the chief economist or the chief research scientist of a corporation typically has little line authority. His duties would be primarily intellectual as opposed to executive or managerial. His responsibility would be to evaluate significant economic or scientific trends and issues, to develop and recommend policy direction to the top executive officers of the corporation, and he would have a significant impact on the ultimate decision on such policies by virtue of his expertise and direct access to the decision makers. Such an employee would meet the definition of a "high policymaking" employee.

The conferees further agree that this exemption is not applicable to Federal employees covered by section 15 of the Act.

COLLEGE AND UNIVERSITY FACULTY EXEMPTION

Senate amendment

The Senate amendment permits mandatory retirement of college and university faculty members between 65 and 70 years of age who are serving under a contract or similar arrangement which provides for unlimited tenure.

House bill

The House bill contains no comparable provision.

Conference agreement

The House recedes with an amendment which provides that this exemption is repealed on July 1, 1982.

The conferees agreed that this provision is not applicable to Federal employees covered by section 15 of the Act.

RAISING THE UPPER AGE LIMITATION

Senate amendment

The Senate amendment raises the upper age limit of the Act from 65 to 70 years of age effective January 1, 1979.

House bill

The House bill raises the upper age limit of the Act from 65 to 70 years of age 180 days following the date of enactment.

Conference agreement

The House recedes.

REMOVING UPPER AGE LIMITATION FOR FEDERAL EMPLOYEES

House bill

The House bill amends section 12 of the Act by eliminating the upper age limitation for most civilian Federal employees, but does not affect certain Federal employees whose retirement is required or otherwise authorized by statute.

The House bill also makes it clear that section 15 of the Act relating to Federal employees is independent of any other section

of the Act, except section 12(b) which contains the age limitation for Federal employees.

The House bill also requires the Civil Service Commission to study the effects of the amendments concerning Federal employees. The Commission is required to report its findings to the President and to the Congress not later than January 1, 1979.

Senate amendment

The Senate amendment contains no comparable provisions.

Conference amendment

The Senate recedes, with an amendment which provides that:

(1) The effective date of the elimination of the upper age limit for Federal employees is September 30, 1978.

(2) The Civil Service Commission study of the Federal employee provisions will be completed and transmitted no later than January 1, 1980.

REPORTS BY THE SECRETARY OF LABOR

Senate amendment

The Senate amendment requires the Secretary of labor:

(1) to conduct a study on the effect of raising the upper age limitation to age 70, the feasibility of raising the limitation above 70 years of age, and the feasibility of lowering the minimum age for coverage under the Act;

(2) requires that an interim report be submitted no later than 2 years after the effective date, and that a final report be submitted no later than 3 years after such effective date; and

(3) provides that the Secretary of Labor may carry out the study directly, or by contract or other arrangement.

House bill

The House bill requires the Secretary of Labor:

(1) to submit an interim report to the President and the Congress no later than 1 year after the effective date, and a final report no later than 2 years after such effective date; and

(2) to conduct a study to determine the feasibility of eliminating the upper age limitation established in section 12(a) of the Act.

Conference agreement

The House recedes with an amendment which:

(1) provides that the Secretary's interim report shall be submitted by January 1, 1981 and that the final report shall be submitted to Congress and to the President by January 1, 1982;

(2) provides that the study focus on the feasibility of eliminating the upper age limitation;

(3) strikes the requirement that the study focus on the feasibility of lowering the minimum age for coverage under the Act, while retaining the requirement that the study focus on the effect of raising the age limitation to 70 and the feasibility of raising the age limitation above 70 years of age;

(4) requires the Secretary to examine the effect of the bona fide executive and tenured faculty exemptions and to make recommendations thereon; and

(5) requires the Secretary to complete the study required by section 5 of the Act.

The conferees intend that the Secretary adopt the report and recommendation as his own whether or not it has been contracted out.

180-DAY NOTICE REQUIREMENTS

Senate amendment

The Senate amendment eliminates the requirement in section 7(d) of the Act that an individual notify the Secretary of Labor before the commencement of a civil action no later than (1) 180 days after the alleged unlawful practice occurred; or (2) no later than 300 days after the occurrence of the alleged unlawful practice if the aggrieved individual chooses to commence proceedings before a State agency which is empowered by State law to grant or seek relief from age discrimination.

The Senate amendment retains the requirement that no civil action may be commenced by an individual until notice of intent to file suit has been given the Secretary not less than 60 days prior to commencement of such action.

House bill

The House bill contains no comparable provision.

Conference agreement

The House recedes with an amendment retaining the 180-day and 300-day time limitations in section 7(d), but requiring that a "charge" rather than a "notice of intent to sue" be filed with the Secretary of Labor within this period. The 300-day limitation and related State deferral procedures are described in more detail in Senate Report 95–493 at p. 5–7. The conferees adopt this discussion in the Senate Report.

This change in language is not intended to alter the basic purpose of the notice requirement, which is to provide the Department with sufficient information so that it may notify prospective defendants and to provide the Secretary with an opportunity to eliminate the alleged unlawful practices through informal methods of conciliation. Therefore, the conferees intend that the "charge" requirement will be satisfied by the filing of a written statement which identifies the potential defendant and generally describes the action believed to be discriminatory.

The conferees agree that the "charge" requirement is not a jurisdictional prerequisite to maintaining an action under the ADEA and that therefore equitable modification for failing to file within the time period will be available to plaintiffs under this Act. See, *e.g., Dartt* v. *Shell Oil Co.*, 539 F. 2d 1256 (10th Cir. 1976), affirmed by an evenly divided court, 98 S. Ct. 600 (1977); *Bonham* v. *Dresser Industries, Inc.*, 16 FEP Cases 510 (3d Cir. 1977); *Charlier* v. *S. C. Johnson & Son., Inc.*, 556 F.2d 761 (5th Cir. 1977).

TOLLING OF THE STATUTE OF LIMITATIONS DURING CONCILIATION

Senate amendment

The Senate amendment amends section 7(e) of the Act to provide that the statute of limitations as provided in section 6 of the Portal-to-Portal Act of 1947 shall be tolled (for a period not exceeding two years) during the period in which the Secretary of Labor is attempting to effect voluntary compliance pursuant to section 7(b). This amendment does not apply to conciliation required by section 7(d).

House bill

The House bill contains no comparable provision.

Conference agreement

The House recedes with an amendment which limits the period of tolling to one year rather than two.

The conferees agree that it is appropriate for the tolling of the statute of limitations to begin when the Department of Labor states, in a letter to the prospective defendant(s), that it is prepared to commence conciliation pursuant to section 7(b) of the Act.

The conferees wish to make clear that conciliation is not a jurisdictional prerequisite to maintaining a cause of action under the Act. In *Brennan* v. *Ace Hardware Corp.*, 495 F. 2d 368 (8th Cir. 1974), the court reflected a proper understanding of the conciliation requirement in rejecting the employer's argument that the statutory directive is a "condition precedent to the court entertaining jurisdiction of the legal action." In that case the court correctly noted that section 7(b) grants to district courts the equitable discretion to stay lawsuits pending before them in order to permit conciliation to be completed before the lawsuit continues.

JURY TRIAL

Senate amendment

The Senate amendment provides that in any civil action brought by a person alleging discrimination on account of age there shall be a right to a jury trial if the action involves monetary damages, whether or not equitable relief is sought by any party in the same action.

House bill

The House bill contains no comparable provision.

Conference agreement

The House recedes with an amendment which provides for a jury trial on any issue of fact in an action for recovery of amounts owing as a result of a violation of the ADEA. Under section 7(b), which incorporates the remedial scheme of sections 11(b), 16 and 17 of the FLSA, "amounts owing" contemplates two elements: First, it includes items of pecuniary or economic loss such as wages, fringe, and other job related benefits. Second, it includes liquidated damages (calculated as an amount equal to the pecuniary loss) which compensate the aggrieved party for nonpecuniary losses arising out of a willful violation of the ADEA.

The Supreme Court recently ruled that a plaintiff is entitled to a jury trial in ADEA actions for lost wages, but it did not decide whether there is a right to jury trial on a claim for liquidated damages *Lorillard* v. *Pons*, 98 S. Ct. 866 (1978). Because liquidated damages are in the nature of legal relief, it is manifest that a party is entitled to have the factual issues underlying such a claim decided by a jury. The ADEA as amended by this Act does not provide remedies of a punitive nature. The conferees therefore agree to permit a jury trial on the factual issues underlying a claim for liquidated damages because the Supreme Court has made clear that an award of liquidated damages under the FLSA is not a penalty but rather is available in order to provide full compensatory relief for losses that are "too obscure and difficult of proof for estimate other than by liquidated damages" *Overnight Transportation Company* v. *Missel*, 316 U.S. 572, 583–84, (1942).

AUTHORIZATION OF APPROPRIATIONS

House bill

The House bill eliminates the current authorization ceiling of $5,000,000 for any fiscal year for the purpose of administering the ADEA.

Senate amendment

The Senate amendment contains no comparable provision.

Conference agreement

The Senate recedes.

ADVISORY COMMITTEE ON SHELTERED WORKSHOPS

Senate amendment

The Senate amendment requires the Secretary of Labor to appoint a committee to advise the Secretary on the administration

and enforcement of section 14 of the Fair Labor Standards Act.

House bill

The House bill contains no comparable provision.

Conference agreement

The Senate recedes.

CARL D. PERKINS,
AUGUSTUS F. HAWKINS,
JOHN H. DENT,
EDWARD P. BEARD,
MICHAEL O. MYERS,
JOSEPH A. LE FANTE,
TED WEISS,
W. L. CLAY,
BALTASAR CORRADA,
CLAUDE PEPPER,
ALBERT H. QUIE,
RONALD A. SARASIN,
JAMES M. JEFFORDS,
C. PURSELL,
PAUL FINDLEY,
GLADYS NOON SPELLMAN
(only for consideration of sections 4(c) and 5, relating to Federal Government employment, of the House bill),
CECIL HEFTEL
(only for consideration of sections 4(c) and 5, relating to Federal Government employment, of the House bill),
ED DERWINSKI
(only for consideration of sections 4(c) and 5, relating to Federal Government employment, of the House bill),

Managers on the Part of the House.

HARRISON A. WILLIAMS, Jr.,
JENNINGS RANDOLPH,
CLAIBORNE PELL,
GAYLORD NELSON,
DON RIEGLE,
EDWARD M. KENNEDY,
J. K. JAVITS,
RICHARD S. SCHWEIKER,
ROBERT T. STAFFORD,
JOHN H. CHAFEE,

Managers on the Part of the Senate.

BUDGET DEFICIT

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, yesterday, the administration disclosed that the 1978 budget deficit will be $53 billion and not the $61.8 billion deficit predicted last January or the $60 billion deficit predicted last month.

As recently as February 27, 1978, the Treasury officials requested an extension of the debt ceiling to $781 billion for 1978 and to $871 billion for fiscal 1979.

The news that the 1978 deficit will be $8.8 billion less than Government estimates of only several weeks ago is shocking good news.

However, I am also shocked that Congress did not have this vital information before it considered debt ceiling legislation last week. There is a wide credibility gap on the availability of public information.

As a legislator, I feel insulted to learn about a $8.8 billion error in the 1978 budget deficit estimate. Those in Government who erred in advising the Congress should not be permitted to repeat their mistakes.

It is high time that the Congress have its own computer system to provide instant information of Government receipts, Government expenditures, and the status of the Federal deficit and debt on a daily basis.

TEACHER DAY, U.S.A., BILL

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, today I am introducing a resolution to honor and recognize our Nation's teachers by designating the first Friday of March of each year as "Teacher Day, U.S.A."

I am sure we can all recall a teacher who had a special influence on our lives in one way or another—a teacher whose dedication and hard work enriched our lives far beyond the few years spent in the classroom. By designating a special day to honor our teachers, we have the opportunity of paying tribute in a special way to those individual teachers.

Teachers Day could be a day when students at all grade levels would be encouraged to pay tribute to individual teachers through a kind note or word or in many other appropriate ways. Former students may wish to communicate their appreciation to the teacher whom they feel influenced their lives.

The Teacher Day, U.S.A., concept intiated by the Kansas Teachers Hall of Fame has received a tremendous response from the State conventions to the PTA, the Kansas State Legislature, the Retired Teachers Organization, Kansas National Education Association, and many other groups. I urge my colleagues to support this resolution recognizing the efforts of teachers throughout our Nation.

THE RECENT ACT OF TERRORISM IN ISRAEL

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, as we all know, over the weekend a small band of Palestinian terrorists stole into Israel and attacked two defenseless tourist buses. Today the families of 37 slain men, women, and children grieve. I rise to condemn this wanton act of terrorism and express my condolences to the Israeli people.

Whatever the misguided motives behind this brutal murdering spree, it has once again turned the volatile Middle East from talks of reconciliation to talks of retaliation, from peace to provocation.

Mr. Speaker, this is an atrocity that should be soundly and universally condemned. I join with those who have done so, I share the grief of the Israeli people, and I cannot help but fear the toll that this act will take on the prospects for peace in this area.

DOES THE HOUSE NEED A "NANNY"?

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I have been reflecting upon the employment problems of the country and some of the things that we in Congress need to do for the American people. I think a lot of us have been very nervous about creating public jobs to alleviate unemployment because we thought they might be "make-work" jobs.

However, after being in attendance today in this body I have thought of public jobs that we have proven we can create and with today's wonderful record, no one could say they were make-work jobs. Today we have proven a dire need for these new jobs.

I think what this Congress needs is a nanny. We need some nannies around here for the boys. We need some warm milk, we need some cookies, and then maybe we can have a little better decorum in this body and be able to deal with a little more substance.

So, Mr. Speaker, I hope this body thinks seriously about my suggestion. If we hire nannies for certain Members we would be helping the employment situation. After this afternoon, no one could possibly accuse us of making up a job description that is not needed. I hope this amendment is made to the Humphrey-Hawkins bill. It would save the taxpayers a lot of money if the nannies could get this body to deal with substance once again.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, on Friday, March 10, 1978 I was unable to attend the session of the House. Had I been present, I would have voted "yea" on rollcall No. 129, for the passage of H.R. 10982 to rescind certain budget authority contained in the message of the President of January 27, 1978.●

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

ABSAROKA-BEARTOOTH WILDERNESS ACT

Mr. RONCALIO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1671) to designate the Absaroka-Beartooth Wilderness, Custer, and Gallatin National Forests, in the State of Montana.

The Clerk read as follows:

S. 1671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(b) of the Wilderness Act (78 Stat. 890), the area classified as the Beartooth and Absaroka Primitive Areas, with the proposed additions thereto and deletions therefrom, as generally depicted on a map entitled "Absaroka-Beartooth Wilderness", dated February 1978, which is on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, is hereby designated as the "Absaroka-Beartooth Wilderness", within and as part of the Custer and Gallatin National Forests, comprising an area of approximately nine hundred and four thousand five hundred acres.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and legal description of the Absaroka-Beartooth Wilderness with the Energy and Natural Resources Committee of the Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographic errors in such legal description and map may be made.

SEC. 3. The Absaroka-Beartooth Wilderness shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 4. Nothing in this Act shall be construed as affecting in any manner or to any extent any claim by Park County, Montana, and Sweet Grass County, Montana, to a right-of-way from Cooke City, Montana, to Boulder, or to affect in any manner or to any extent the relative rights and liabilities between the parties in connection with Cause numbered 76–125–BLG, Park County, Montana, and Sweet Grass County, Montana, versus United States of America, et al., filed in the United States District Court for the District of Montana, Billings Division, on October 4, 1976. Nothing in this Act shall be construed as abating such cause or as amending or otherwise affecting or modifying the provision of law pursuant to which such cause was filed.

SEC. 5. The previous classification of the Beartooth and Absaroka Primitive Areas is hereby abolished.

The SPEAKER pro tempore. Is a second demanded?

Mr. JOHNSON of Colorado. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ROUSSELOT. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. RONCALIO and Mr. ROUSSELOT.

The House divided, and the tellers reported that there were—ayes 71, noes 27.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 20, answered "present" 1, not voting 33, as follows:

[Roll No. 143]

YEAS—380

Abdnor	Danielson	Hollenbeck
Addabbo	Davis	Holt
Akaka	de la Garza	Horton
Alexander	Delaney	Howard
Allen	Dellums	Huckaby
Ambro	Dent	Hughes
Ammerman	Derrick	Ichord
Anderson, Calif.	Derwinski	Ireland
Andrews, N.C.	Devine	Jacobs
Andrews, N. Dak.	Dickinson	Jeffords
Annunzio	Dicks	Jenkins
Applegate	Diggs	Jenrette
Armstrong	Dodd	Johnson, Calif.
Ashbrook	Dornan	Johnson, Colo.
Ashley	Downey	Jones, N.C.
Aspin	Drinan	Jones, Okla.
AuCoin	Duncan, Oreg.	Jones, Tenn.
Badham	Duncan, Tenn.	Jordan
Bafalis	Early	Kasten
Baldus	Eckhardt	Kastenmeier
Barnard	Edgar	Kazen
Baucus	Edwards, Ala.	Kemp
Bauman	Edwards, Calif.	Ketchum
Beard, R.I.	Edwards, Okla.	Keys
Beard, Tenn.	Eilberg	Kildee
Bedell	Emery	Kindness
Benjamin	English	Kostmayer
Bennett	Ertel	Krebs
Bevill	Evans, Colo.	LaFalce
Biaggi	Evans, Del.	Lagomarsino
Bingham	Evans, Ga.	Latta
Blanchard	Evans, Ind.	Le Fante
Blouin	Fary	Leach
Boggs	Fascell	Lederer
Boland	Fenwick	Lehman
Bolling	Findley	Lent
Bonior	Fish	Livingston
Bonker	Fisher	Lloyd, Calif.
Bowen	Fithian	Lloyd, Tenn.
Brademas	Flippo	Long, La.
Breckinridge	Flood	Long, Md.
Brinkley	Florio	Lott
Brodhead	Flowers	Luken
Brooks	Flynt	Lundine
Broomfield	Foley	McClory
Brown, Calif.	Ford, Mich.	McCormack
Brown, Mich.	Ford, Tenn.	McDade
Brown, Ohio	Forsythe	McDonald
Broyhill	Fountain	McEwen
Buchanan	Fowler	McHugh
Burgener	Fraser	McKay
Burke, Calif.	Frenzel	McKinney
Burke, Fla.	Frey	Madigan
Burke, Mass.	Fuqua	Maguire
Burleson, Tex.	Gammage	Mahon
Burlison, Mo.	Garcia	Mann
Burton, John	Gaydos	Markey
Burton, Phillip	Gephardt	Marks
Butler	Giaimo	Marlenee
Byron	Gibbons	Marriott
Caputo	Gilman	Martin
Carney	Ginn	Mathis
Carr	Glickman	Mattox
Carter	Goldwater	Mazzoli
Cavanaugh	Gonzalez	Meeds
Cederberg	Goodling	Meyner
Chappell	Gore	Mikulski
Chisholm	Gradison	Mikva
Clausen, Don H.	Grassley	Milford
Clawson, Del	Green	Miller, Calif.
Clay	Gudger	Miller, Ohio
Cleveland	Guyer	Mineta
Cochran	Hall	Minish
Cohen	Hamilton	Mitchell, Md.
Coleman	Hammer-schmidt	Mitchell, N.Y.
Conable	Hanley	Moakley
Conte	Hansen	Moffett
Corcoran	Harkin	Mollohan
Corman	Harrington	Montgomery
Cornell	Harris	Moore
Cotter	Harsha	Moorhead, Calif.
Cunningham	Hawkins	Moorhead, Pa.
D'Amours	Heckler	Mottl
Daniel, Dan	Heftel	Murphy, Ill.
Daniel, R. W.	Hightower	Murphy, N.Y.
	Hillis	Murphy, Pa.
	Holland	Murtha
Myers, Gary	Rogers	Stump
Myers, Michael	Roncalio	Symms
Natcher	Rooney	Thone
Neal	Rose	Traxler
Nedzi	Rosenthal	Treen
Nichols	Roybal	Trible
Nix	Rudd	Tsongas
Nolan	Russo	Udall
Nowak	Santini	Ullman
Oakar	Sarasin	Van Deerlin
Oberstar	Satterfield	Vander Jagt
Obey	Sawyer	Vanik
O'Brien	Scheuer	Vento
Ottinger	Schroeder	Volkmer
Panetta	Schulze	Waggonner
Patten	Sebelius	Walgren
Patterson	Seiberling	Walker
Pattison	Sharp	Walsh
Pease	Shipley	Wampler
Pepper	Sikes	Watkins
Perkins	Simon	Weiss
Pickle	Sisk	Whalen
Pike	Skelton	White
Poage	Skubitz	Whitehurst
Preyer	Slack	Whitley
Price	Smith, Iowa	Whitten
Quayle	Smith, Nebr.	Wilson, Tex.
Quie	Snyder	Wirth
Quillen	Solarz	Wolff
Rahall	Spellman	Wright
Rangel	Spence	Wydler
Regula	Stangeland	Wylie
Reuss	Stanton	Yates
Rhodes	Stark	Yatron
Richmond	Steed	Young, Alaska
Rinaldo	Steers	Young, Fla.
Risenhoover	Steiger	Young, Mo.
Roberts	Stockman	Zablocki
Robinson	Stokes	Zeferetti
Rodino	Stratton	
Roe	Studds	

NAYS—20

Archer	Levitas	Rousselot
Collins, Tex.	Michel	Shuster
Coughlin	Myers, John	St Germain
Crane	Pettis	Taylor
Hagedorn	Pritchard	Wilson, Bob
Hyde	Pursell	Winn
Kelly	Railsback	

ANSWERED "PRESENT"—1

Cornwell

NOT VOTING—33

Anderson, Ill.	Krueger	Ryan
Beilenson	Leggett	Staggers
Breaux	Lujan	Teague
Collins, Ill.	McCloskey	Thompson
Conyers	McFall	Thornton
Dingell	Metcalfe	Tucker
Erlenborn	Moss	Waxman
Hannaford	Pressler	Weaver
Hefner	Rostenkowski	Wiggins
Holtzman	Runnels	Wilson, C. H.
Hubbard	Ruppe	Young, Tex.

Messrs. MOORE, GUDGER, and WALKER changed their vote from "nay" to "yea."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO) and the gentleman from Colorado (Mr. JOHNSON) for 20 minutes each.

The Chair now recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1671 would designate approximately 904,500 acres of national

Mr. Speaker, S. 1671 would designate approximately 904,500 acres of national forest lands in Montana as the Absaroka-Beartooth Wilderness. This bill, together with the proposed Great Bear Wilderness which we will consider later this year, are two of the unprotected areas in the State of Montana which were so dear to the heart of our beloved friend and colleague, Senator Lee Met-

calf. I was privileged to cochair a hearing on the Absaroka-Beartooth area with Senator Metcalf in Billings last August, and know how strongly he felt about the area. I only regret he cannot be alive to see his wishes enacted in the law.

The Absaroka-Beartooth is a consolidation of the existing Absaroka and Beartooth Primitive Areas plus additional contiguous roadless lands. It contains the oldest known rocks found to date in the world, several waterfalls, Montana's highest peak, and important habitat for grizzly bear and the Northern Rocky Mountain wolf. The area has been thoroughly studied by the Forest Service, and the administration has recommended a consolidated wilderness. In response to administration and other suggestions, the Senate deleted five areas from the bill totaling approximately 6,900 acres, and added some 600 acres on the northern boundary to protect the spectacular Woodbine Falls above the Stillwater River; 2,700 acres were also deleted to exclude valid mining claims above the West Fork of the Stillwater River.

Support for S. 1671 is strong from virtually all quarters. A wilderness area to unite the existing Absaroka and Beartooth Primitive Areas is endorsed by both Senators MELCHER and PAUL G. HATFIELD, Congressman BAUCUS (in whose district half of the area lies), Governor Judge, and scores of other prominent Montanans. At our hearing in Billings sentiment in favor of the unified wilderness ran over 3 to 1. The southwestern portion of the area borders on Yellowstone National Park for over 30 miles, and, as can readily be seen from topographic maps, is an inseparable part of the Yellowstone ecosystem. Inclusion of the 904,500-acre Absaroka-Beartooth area in the National Wilderness Preservation System, along with possible future wilderness designation for the nearby Hyalite-Porcupine-Buffalo and Taylor-Hilgard Wilderness Study areas (which passed Congress in 1977) will go a long way toward insuring that the Yellowstone ecosystem is preserved intact for future generations of Americans. This is critical as the Yellowstone ecosystem contains some of the finest and most diverse wildlife habitat in North America, and has been described as the best sport fishing area in the entire continent. In addition to these attributes, the North Absaroka roadless area contained in the bill was the only area nationwide to obtain the maximum 200 wilderness quality rating in the Forest Service's 1972 roadless area review.

Further, three road corridors which penetrate the area, plus innumerable fringing roads will insure that the Absaroka-Beartooth Wilderness is accessible to the public from all directions and at differing elevations. As such, it may well be the most accessible wilderness area in the entire Nation.

With all these merits, I am amazed that the area was not afforded wilderness protection long ago. It is my sincere wish that my colleagues will today act swiftly to pass S. 1671, and fulfill one of the lifelong dreams of the late Senator Metcalf.

I should finally note that S. 1671 does not contain those Wyoming roadless lands contiguous to the Absaroka-Beartooth in Montana and known as the Wyoming High Lakes. These lands will be considered by the subcommittee this spring, after a field hearing in Powell, Wyo., on March 31.

Mr. BAUCUS. Mr. Speaker, will the gentleman yield?

Mr. RONCALIO. I will be happy to yield to the gentleman from Montana.

Mr. BAUCUS. I thank the gentleman for yielding.

I am proud to rise today and voice my support for the enactment of S. 1671, the Absaroka-Beartooth Wilderness Act of 1978.

Mr. Speaker, while no area of this size could be completely free of controversy, the concept of an expanded Absaroka-Beartooth wilderness proposal has received a remarkably wide degree of acceptance. This legislation has been strongly endorsed by Montana's Gov. Tom Judge and my Democratic colleagues in the Senate, JOHN MELCHER and PAUL HATFIELD. In addition, the Montana Department of Fish and Game and many local organizations support the creation of a unified Absaroka-Beartooth area. President Carter in his environmental message of May 23, 1977, singled out this area for inclusion into the national wilderness preservation system.

Located in the Gallatin and Custer National Forests of southern Montana, this magnificient expanse of nearly 1 million acres includes the major part of remaining wild country in the Absaroka Range and the Beartooth Plateau. This is an area of timbered glacial valleys and rugged summits. Granite Peak, reaching to a height of 12,799 feet on the Beartooth Plateau, is the highest peak in Montana. This entire roadless tract is a major quality watershed for the Yellowstone River, one of America's finest blue-ribbon trout streams.

This high country has caught the imagination of countless thousands of people who have seen it. The Crow Indians have always revered it as sacred giving it its current name "Absaroka." Rugged mountain men followed in the wake of the Indians and succeeding generations have crisscrossed it, taking occasional metals and other resources. However, the region remains pristine in almost all its aspects, and is qualified as an outstanding example of remaining wilderness in the country.

The Beartooth-Absaroka region offers the ultimate in recreational possibilities. In fact, it is already used by thousands of people as de facto wilderness, and the numbers grow annually. It supports a large guiding and outfitting industry, which adds to the economy of the area. It is particularly attractive to visitors because of its accessibility. The area can be reached easily from Billings and Red Lodge in the east, Columbus and Big Timber in the north, Livingston in the west, Gardiner and Cooke City in the south, and from several points in Yellowstone National Park. The overwhelming majority of current visitors are Montanans, supporting the pattern in other Montana wilderness areas which show that 80 percent of the users are Montanans.

This proposal, like most wilderness proposals, is not without controversy. Where possible, it has been amended to meet what I consider to be sincere and legitimate criticism of the bill. A major concession has to do with a possible road route from Cooke City northward to the Boulder Basin. During 1974, there was discovered in the records of Park County, a petition dating from the late 1800's for a county road right-of-way through this corridor, also called the Slough Creek corridor. The counties of Park and Sweet Grass, through which the corridor runs, maintain that the document gives them jurisdiction over a road right-of-way through this area. Such a right-of-way would permit the splitting of the huge area in two nearly equal parts. The Forest Service has ruled that a road was never established and that the area has always remained under the jurisdiction of the United States.

Park and Sweet Grass Counties dispute this and have entered a challenge in the Federal courts. Although this bill contains the Slough Creek corridor, it contains a provision which will, in effect, abide by the court's decision. The Congress could be persuaded to declare the corridor as wilderness, thereby nullifying a judicial decision in favor of the counties. In the interest of fairness, the matter should be determined on its legal merits and I am willing to abide by a court decision.

The boundaries have been modified to resolve possible mineral claim conflicts near the West Fork Stillwater River Valley by the Interior Public Lands Subcommittee. I agree with the subcommittee recommendations regarding this boundary change.

Mr. Speaker, I would like to make one final point in closing. A great many comments have been made in recent months concerning this wilderness bill and its sponsor, the late Senator Lee Metcalf. Some people feel that this area should be included in the wilderness system—solely as a memorial to Senator Metcalf. I think that Lee would disagree. The Absaroka-Beartooth area should be included in the national wilderness preservation system, because it is sound public policy. This area has been considered on its own merits and fitness for designation as wilderness. This wild expanse of high mountain country has been found exceedingly worthy of wilderness classification.

This bill is in large measure the result of the dedicated efforts of our late colleague and friend, Lee Metcalf. I urge my colleagues to support this bill, not only in his memory which is indeed fitting, but also because the Absaroka-Beartooth area is superbly qualified to be designated wilderness.

I ask my colleagues to join with me and pass this legislation.

Thank you, Mr. Speaker.

I thank the gentleman from Wyoming for his efforts in conducting and

marshaling this bill through to successful passage.

Mr. RONCALIO. I thank the gentleman.

I would like to add, Mr. Speaker, that the two Members in this body from Montana deserve commendation and praise. It has been a pleasure for me to observe how they have worked together, despite their being members of opposite parties, the center aisle splitting them.

I see in this legislation a dedicated and successful effort to have a meeting of the minds on the part of the Montana delegation regarding the land, the gentlemen from Montana (Mr. MARLENEE and Mr. BAUCUS).

Mr. MARLENEE. I thank the gentleman from Wyoming for his kind remarks. I will ask for a period of time to speak on this bill. It has been a pleasure to work with both the chairman of the subcommittee on this and with my colleague, the gentleman from Montana.

Mr. RONCALIO. I must, I believe, state for the record, too, that there was originally a 46,500-acre intrusion of this wilderness designation into the State of Wyoming, and because we felt—we being the three members of the delegation with two of my colleagues on the other side of the rotunda—and because we thought there ought to be hearings up around Powell and Cody, we have deleted that proposition from coming in under this bill. It is our intention to have it come in under a separate bill and to conduct hearings in Powell on March 31. Then we will present legislation to add 25,000 or 30,000 acres in Wyoming to the wilderness area.

Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Speaker, wilderness designation for the Absaroka-Beartooth area has been studied and debated for a number of years. The question now is not whether there should be a designation of wilderness, but rather how much wilderness and where.

Half of this wilderness proposal involves land within my district and my comments today reflect the concerns of many local residents who believe the total acreage for this Absaroka-Beartooth proposal is excessive and offers little but a "keep out" notice to the many people who enjoy portions of this land by 4 by 4, motorbike, and snowmobile.

Mr. Speaker, out of concern that we not deny this land to many who have enjoyed it over the past years, I offered an amendment to delete 28,800 acres to allow for continued snowmobile, 4 by 4, and trailbike use. The Interior Committee did not accept my amendment. Our vote today is the final step before passage of this wilderness proposal.

The Forest Service estimates that approximately 2,500 snowmobiles will cross between Big Timber and Cooke City from January to April of this year. This bill will make this their final trip into this area. We are told that snowmobiles must be excluded from the area because they interfere with wilderness management and yet we are not shown one instance where they have interfered with any other use or user.

Snow cover ranges from 10 to 14 feet in this area during the winter months protecting the surface of the land. There is no established snowshoeing, backpacking, or cross country skiing and no game animals during the winter months for snowmobilers to disrupt.

Today would have been a happy day for my former colleague and friend Senator Lee Metcalf, had he lived. The passage of this unified wilderness proposal was a dream of his for many years and its passage will speak highly of his dedication to and concern for this precious area of Montana called the Absaroka-Beartooth and his desire to preserve part of the wilderness he knew so well as Montana.

However, there are many Montanans who did not agree with the distinguished late Senator and will not be happy today. It is for these Montanans that I rise in opposition to S. 1671 as it is written today.

Mr. JOHNSON of Colorado. Mr. Speaker, given the time of day and the importance of this bill, I expect we will probably finish it in the record time that the minority has on this particular subject; although, it will be appropriate for us today to talk about some of the things that affect wilderness in general. The gentleman from Wyoming in his last year here in the Congress has led the way for the endangered American Wilderness Act which involves over a million acres. This bill is some 904,000 acres. There are some more wilderness bills pending.

The gentleman from Wyoming is trying to tread this very delicate ground about as carefully, I think, as anybody could possibly do. He deserves far more recognition for his legislative skills than he has received.

While we have the time today, after paying my kudos to the gentleman from Wyoming who is retiring, I thought we could talk about wilderness in general in using the balance of the minority's time. The question of how much wilderness is enough is one we have to address ourselves to and we have not addressed ourselves to as a body. This is a good time to do that. I would like to quote from an interview that the senior Senator from Idaho gave not too long ago on this very subject. The gentleman said:

WESTERN WILDLANDS

How much wilderness is enough? How large a wilderness system will be ultimately have?

Senator CHURCH. How much is enough? The better question, perhaps, is how much is feasible, given our need for wood products, minerals and other uses. I would guess about twice as much as the 40 to 50 million acres anticipated in 1964, when Congress passed the original Wilderness Act—which is about half as much as ardent wilderness proponents want. If you look at the figures, you will see that, at the beginning of 1977, 62.5 million acres were either already classified as wilderness, proposed to Congress for such classification, or reserved for future wilderness study. If these areas are incorporated into the wilderness system, that would leave an additional 20 to 30 million acres to be taken from the remaining 145 million acres of roadless lands. This excludes most of the large allocations in Alaska that may be made under the Native Claims Settlement Act.

Mr. Speaker, if we are talking about setting aside somewhere around 100 million or 120 million acres in the lower States, then another 100 million acres in Alaska, there are items that must be taken into consideration which have not as yet even been considered seriously in the Committee on the Interior of both the House and the Senate or in the House or the Senate proper.

For example, Mr. Speaker, we have areas in this country that are designated as wilderness where timber will be rotting and falling down in the next 25 or 50 years. Was it the intention of the Wilderness Act that we set aside these areas in perpetuity and go through the normal life cycle? There are some that advocate that. If that is the case, then we would be having in the Rocky Mountain areas vast acreages where the timber will be lost. It ultimately dies and lightning strikes and fire rages. Or we have the process of disease. The aspen trees will take over. Ultimately in another 100 years the aspens are taken over by the Englemann spruce or the Douglas firs or Ponderosa pine. Here we are going to set aside 100–120 million acres in the Lower 48 States. Should we not be considering the process of rotating wilderness, rather than setting aside vast acreages for this kind of process where millions of board feet of timber will be decimated by disease or by fire?

On the front range of the Rocky Mountains that stretches from Boulder almost to Cheyenne, the home of the gentleman from Wyoming, we have large areas of national forest that are unavailable for timber cutting, and yet at the same time the timber is sitting there and rotting.

We as a House have never faced up to this kind of a process. We have set aside areas in Colorado for wilderness designation that 25 or 50 years from now will be nothing but rotten timber and timber down on the ground. It will not have been used for any particular purpose. It certainly will not be available for any recreational purpose because access is impossible when the forest is old and the timber is down.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman from Colorado for yielding.

I think the point the gentleman made about a rotating wilderness has some real validity to it. Just a short time ago I had an opportunity to visit southeastern Alaska, in which is located part of the proposed Alaskan Wilderness. In flying over the area by helicopter, I saw that there are literally millions of board feet of timber laying on the forest floor. Much of the timber that should have been harvested is dying.

By the same token, for the past 7 years it has been my privilege to belong to a trail-riding group that rides in an area served by the gentleman from Oregon (Mr. ULLMAN), specifically, the Three Sisters Wilderness Area, which is certainly one of our most beautiful wilderness areas.

In riding through that area, I find it is getting to the point that we can hardly ride through it because of the deadfall timber. It is really a shame to see a resource like that wasted in this way, not to mention the economics of the situation.

In my own case, as the gentleman well knows, with the advent of the infamous Golden Trout Wilderness, I feel that no consideration was really given to the economics of the situation. No consideration was given to the loss of jobs of individuals in the timber industry or to the loss of multiple use so that we could recognize that old people and infirm people would like to get into these areas. As it stands, it is impossible for them to do that.

The loss of jobs, of course, impacts very heavily on the small communities that are usually adjacent to a wilderness area. We do not seem to give very much consideration to that.

I think it is time that we really slowed down a little bit and held our breath a little and took a look at what we are doing to jobs. It is very easy for Members to vote for a wilderness area and listen to the cries of "Save the Golden Trout," "Save the Three-Toed Salamander," or "Save the Snail Darter." It is sort of sexy, for lack of a better term, to vote that way, because the jobs that are lost are not their jobs. It is easy for a Member to vote for a wilderness bill because it perhaps looks good on that Member's record, but that Member does not have to worry about that job of that family in that particular area and the impact it has on these small communities.

What happens to the hardware store? What happens to the grocery store? What happens to the gasoline station? the tire salesman? and all the rest of them?

It seems to me that as we proceed with these wilderness classifications, we absolutely must take into consideration the economic impact of creating a wilderness and, very possibly, consider very seriously the suggestion of the gentleman from Colorado (Mr. JOHNSON) that perhaps these wilderness areas should be rolled around just a little bit so we can take advantage of some of the economic resources that lie within the bounds of those wilderness areas.

Mr. JOHNSON of Colorado. Mr. Speaker, I would like to ask the gentleman a question, since I know he has been spending a great deal of time in various wilderness areas on these different rides.

Has the gentleman found, when he is going on one of these rides in a wilderness area, that they tend to stick to the trails, or do they get off and go through the tangled underbrush?

Mr. KETCHUM. Mr. Speaker, the group I ride with—and most of the members of the group are constituents of the gentleman from Oregon (Mr. ULLMAN)—is a group of hard-riding individuals, and they do not stick to the trails too much. I am speaking now specifically of the Three Sisters Wilderness Area in Oregon.

One of the reasons we do not stick to the trails in that particular wilderness area is that there are many back-packing individuals there who resent the fact there are those of us riding horses through the wilderness. Therefore, in acquiescence to their desires, we often go across the country.

Mr. JOHNSON of Colorado. Mr. Speaker, I would like to ask the gentleman this question: How can he go across country by horse in a wilderness area that is comprised mostly of timber when the timber is down on the ground?

Mr. KETCHUM. It is very difficult, believe me.

Mr. JOHNSON of Colorado. It would seem that it almost destroys the effect of the wilderness area when they have to fight their way through tangled underbrush and fallen timber.

Mr. KETCHUM. There is no question about that. There are places in the Three Sisters Wilderness Area where it is almost impossible to ride through some of the very beautiful parts that one would like to visit.

Another thing that deeply bothers me about the trails—and they have an excellent trail system in the Three Sisters area—is this: Each year when the Forest Service goes out to clear the trails, because of the abolition of anything using power, they have to go out with a whole trail crew, three or four of them, with pack mules, and saw most of the downed timber out of the trail by hand, although one individual could go through and cut the timber with a chain saw.

Mr. JOHNSON of Colorado. I would like to point out to the gentleman that the colloquy on the endangered American wilderness that took place on the floor today between the gentleman from Wyoming, the gentleman from Arizona, and myself directed itself to just what the gentleman has pointed out. I went through a wilderness area in Colorado this last summer, and the Forest Service guide had to saw through by hand enormous logs that had fallen across the trail, and the gentleman from Wyoming, the gentleman from Arizona, and myself all agreed that the Forest Service should be allowed, and that the Wilderness Act did not contemplate that they should not be allowed, to utilize chain saws in clearing trails. And if that message is passed around elsewhere in the country, the rest of the Forest Service operatives would be using that. So far, in Colorado they are using chain saws to clear trails, but I do not think they are doing it elsewhere in the wilderness system.

Mr. KETCHUM. Mr. Speaker, I think that is a valid point, too. Another thing that is always sort of interesting is that those people who are so adamant about not having anything mechanized in the wilderness areas are the first individuals who, when they break a leg, want a helicopter to come in and take them out.

Mr. JOHNSON of Colorado. There are examples of people who do not want snowmobiles in the wintertime. I am not a snowmobile fan, but those are experiences which I am told are exciting, and it leaves no marks on the land. This is something, it seems to me, that would be appropriate in the wilderness area, but at the present time we do not allow that.

Mr. MARLENEE. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Montana.

Mr. MARLENEE. I thank the gentleman for yielding.

Mr. Speaker, I think that in the future consideration of wilderness we have to be careful in our headlong, pellmell rush in the creation of these new areas. We have the inflexibility that we have to deal with in regard to wilderness, and I have promised and vowed that I would try to make these areas more accessible for the elderly and the handicapped. There is no reason in the world why rudimentary trails and primitive trails could not be maintained for horse-drawn vehicles or carts, or some other means of convenience for the handicapped and the elderly, so that they, too, could enjoy this wilderness experience.

Mr. Speaker, I agree somewhat with some of the wilderness concept, but the inflexibility in that regard leaves me pretty cold. I know what a handicapped person is. I know from firsthand experience, and you will find me in this Congress fighting for access by the handicapped and the elderly.

I would like to call to the attention of the Members that recently my office called for a GAO investigation, where we found that the concept of sustained yield timber needed to be questioned seriously. There was as much as 50 percent error in the sustained yield timber concept that the Forest Service was coming up with. And if this is the case, do we really have enough timber, and are we able to maintain those small communities and the jobs in those small communities if we do not have valid figures to work from?

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. I thank the gentleman for yielding.

Mr. Speaker, as a member of the Public Lands Subcommittee, I want to extend to the gentleman in the well (Mr. JOHNSON of Colorado) my accolades and my appreciation for all of the work he has done in bringing about what was alluded to earlier in the way of a compromise that would satisfy, hopefully, the interests of the people of Montana. I also want to extend to my colleague, the gentleman from Wyoming (Mr. RONCALIO), my whole-hearted commendation and appreciation for the manner in which he has conducted himself as chairman of this committee. TENO RONCALIO is not going to be returning to the Congress, but I have to say that the kind of compromises that have been worked out under his leadership are going to leave a tremendous legend on his behalf. I say this as a friend. I do not know if I will have the opportunity to say this, but having served with the gentleman from Wyoming (Mr. RONCALIO) and the gentleman from Colorado (Mr. JOHNSON) on this important subcommittee, I have come to appreciate the very constructive and respossible working relationship of this bipartisan legislation team.

Mr. JOHNSON of Colorado. Mr. Speaker, I thank the gentleman for his comments.

I will get to see the gentleman from Wyoming, however, next year and the year after. We will probably take wilderness rides together and will go through some of the areas we have been fortunate enough to have been working on.

I would just like to point out in closing, Mr. Speaker, that the RARE 2 study which the Forest Service is undertaking at the behest of the administration is an alarming study. The RARE 1 study, the roadless area evaluation which took place previously, was sufficient. This administration has taken it upon itself to reevaluate the roadless areas under the guise that the previous study was insufficient and not adequate. It has alarmed a large number of people in the timbered areas of the country, including my own area. We have timbered areas in the State of Colorado that are not included in wilderness areas and that are not being harvested. There are timber mills which are being shut down, and small towns that are dependent upon milling operations are gradually drying up.

Mr. Speaker, that has been the experience throughout our Rocky Mountain region; and as a result of this administration's attitude, I think at least it is demonstrable that they have taken the position that forest areas should be treated as wilderness areas, whether or not they are designated as wilderness areas. That policy is a dangerous one for the timber interests in this country and for everybody who relies upon timber availability.

Mr. Speaker, I feel that if we were really alert and really concerned about managing forests properly, we would provide for the cathedral experience which the environmentalist is asking for in the wilderness designation areas; and we can provide more than enough timber for the requirements of the population. We could provide it at prices that would not be inflationary and which would bring the cost of the average home down for the average purchaser.

Mr. Speaker, these things could be done by proper administration through the Forest Service; and this administration as well as others have not been alert to this fact and have not demonstrated their interest in proper management.

Mr. Speaker, in deference to the wilderness ethic, which we are subjected to now, the idea that more wilderness is automatically better is prevailing now. It is something that we must be getting away from. We must become more sophisticated in our approach to wilderness and forest management.

I have used this bill as a vehicle to discuss wilderness in general. This bill is a good one, I feel, and should be passed overwhelmingly.

Mr. RONCALIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to take a few minutes to rebut some of the observations; and I do not believe they were in objection to the legislation so much as they were observations made by my two friends, the gentleman from California (Mr. KETCHUM) and the gentleman from Colorado (Mr. JOHNSON).

In the first place, I concur that there ought to be an end to the classifying of lands into wilderness. That is what Congress intended in 1964 when the act was passed. That is what RARE 1 and RARE 2 were all about.

Mr. Speaker, I think we are coming to an end of the wilderness classification.

There are, indeed, in my State precious few areas left which would qualify as being large enough to be called wilderness areas. We have conferred in the last few months about which of these bills might be favored to serve certain purposes. There has been discussion with snowmobilists and other people about their uses so that the particular legislation would, at least, not be adverse to those people and be put to the most beneficial uses possible under given circumstances.

Mr. Speaker, I think this is the case with the Absaroka Wilderness. I think it is an area of matchless, indescribable beauty in Montana. Since 1924 it has been a primitive area. Since 1932 it has been protected.

We are doing very little more here than to fulfill a mandate placed in the 1964 act which says that this wilderness area shall be kept with the preservation of mining and other interests in mind. Accordingly, it has been placed in that category.

Mr. Speaker, I have no further requests for time, and I move the previous question on the motion to suspend the rules and pass the bill.

● Mr. UDALL. Mr. Speaker, I rise in support of S. 1671, legislation designating the Absaroka-Beartooth Wilderness in the State of Montana.

Mr. Speaker, the legislation we have before us today is the outcome of years of work by that tireless and dedicated conservationist, the late Senator Lee Metcalf. As the principal sponsor of this legislation, Senator Metcalf fashioned a bill that will benefit the people of Montana, and our Nation as well. The legislation seeks to place over 900,000 acres of beautiful back country alpine lakes, meadows, and mountains into the national wilderness preservation system. This legislation will consolidate into one large wilderness unit the Absaroka and the Beartooth Primitive Areas, long recognized as two of the finest wild areas in the nation, supporting a substantial outdoor recreation industry important to the local economy.

The proposed wilderness does contain some commercial timber. However, average timber harvest levels in recent years have been far below the annual potential yield of the surrounding forests and it has been clearly demonstrated that the timber values of the Absaroka-Beartooth proposed wilderness proposal are not needed to sustain the local forest products industry. The proposed wilderness also contains significant mineral resources. In recognition of this possible conflict, the Subcommittee on Indian Affairs and Public Lands, chaired by my able colleague, TENO RONCALIO, deleted most of the active mining claims in the area to accommodate possible future resource development and extraction.

In conclusion, Mr. Speaker, I urge my colleagues to vote favorably on this important conservation measure; the preservation of this magnificent area, so close to the heart of Senator Metcalf, is a fitting tribute to his sincere dedication to the wilderness ethic in America.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the Senate bill S. 1671.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this vote will be postponed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 9518, AMENDING THE SHIPPING ACT OF 1916

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–952) on the resolution (H. Res. 1074) providing for the considera-

tion of the bill (H.R. 9518) to amend the Shipping Act, 1916, to provide for a 3-year period, to reach a permanent solution of the rebating practices in the U.S. foreign trade, which was referred to the House Calendar and ordered to be printed.

TRAVEL EXPENSES OF GOVERNMENT OFFICIALS PAID BY PRIVATE FOUNDATIONS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 810) to amend section 4941(d)(2)(G) of the Internal Revenue Code of 1954.

The Clerk read as follows:

H.R. 810

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4941(d)(2)(G) of the Internal Revenue Code of 1954 (relating to payment or reimbursement of certain traveling expenses) is amended by striking out "or" at the end of clause (vi), by striking out the period at the end of clause (vii) and inserting in lieu thereof ", or", and by adding at the end thereof the following:

"(viii) any payment or reimbursement of traveling expenses for travel between a point in the United States and a point outside the United States, but only if such payment or reimbursement with respect to any one trip by an official does not exceed the lesser of the actual cost of the transportation involved or $2,500, plus an amount for all other traveling expenses not in excess of 125 percent of the maximum amount payable under section 5702(a) of title 5, United States Code, for like travel by employees of the United States for a maximum of 4 days.

Clause (viii) shall not apply to any payment or reimbursement made by a private foundation if more than one-half of the foundation's support (as defined in section 509(d)) is normally derived from any business enterprise, trade association, or labor organization.".

SEC. 2. The amendments made by the first section of this Act shall apply to travel beginning after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ROUSSELOT. Mr. Speaker, I object. And on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ULLMAN and Mr. ROUSSELOT.

The House divided, and the tellers reported that there were—ayes 15, noes 1.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 387, nays 2, answered "present" 2, not voting 43, as follows:

[Roll No. 144]

YEAS—387

Abdnor	Derrick	Jones, N.C.
Addabbo	Derwinski	Jones, Okla.
Akaka	Devine	Jones, Tenn.
Alexander	Dickinson	Jordan
Allen	Dicks	Kasten
Ammerman	Diggs	Kazen
Anderson, Calif.	Dingell	Kelly
	Dodd	Kemp
Andrews, N.C.	Dornan	Ketchum
Andrews, N. Dak.	Downey	Keys
	Drinan	Kildee
Annunzio	Duncan, Oreg.	Kindness
Applegate	Duncan, Tenn.	Kostmayer
Armstrong	Early	Krebs
Ashbrook	Eckhardt	LaFalce
Ashley	Edwards, Ala.	Lagomarsino
Aspin	Edwards, Okla.	Latta
AuCoin	Eilberg	Le Fante
Badham	Emery	Leach
Bafalis	English	Lederer
Baldus	Ertel	Leggett
Barnard	Evans, Del.	Lehman
Baucus	Evans, Ga.	Lent
Bauman	Evans, Ind.	Levitas
Beard, R.I.	Fary	Livingston
Beard, Tenn.	Fascell	Lloyd, Calif.
Bedell	Fenwick	Lloyd, Tenn.
Benjamin	Findley	Long, La.
Bennett	Fish	Long, Md.
Bevill	Fithian	Lott
Biaggi	Flippo	Luken
Bingham	Flood	Lundine
Blanchard	Florio	McClory
Blouin	Flowers	McCormack
Boggs	Flynt	McDade
Boland	Foley	McDonald
Bolling	Ford, Mich.	McEwen
Bonior	Ford, Tenn.	McFall
Bonker	Forsythe	McHugh
Bowen	Fountain	McKay
Brademas	Fowler	McKinney
Breckinridge	Frenzel	Madigan
Brinkley	Frey	Maguire
Brodhead	Fuqua	Mahon
Brooks	Gammage	Mann
Broomfield	Garcia	Markey
Brown, Calif.	Gaydos	Marks
Brown, Mich.	Gephardt	Marlenee
Brown, Ohio	Giaimo	Marriott
Broyhill	Gibbons	Martin
Buchanan	Gilman	Mathis
Burgener	Ginn	Mattox
Burke, Calif.	Glickman	Mazzoli
Burke, Fla.	Goldwater	Meeds
Burke, Mass.	Gonzalez	Meyner
Burleson, Tex.	Goodling	Mikulski
Burlison, Mo.	Gore	Milford
Burton, John	Gradison	Miller, Calif.
Burton, Phillip	Grassley	Miller, Ohio
Butler	Green	Mineta
Byron	Gudger	Minish
Caputo	Guyer	Mitchell, Md.
Carr	Hagedorn	Moakley
Carter	Hall	Moffett
Cavanaugh	Hamilton	Mollohan
Cederberg	Hanley	Montgomery
Chappell	Hannaford	Moore
Chisholm	Hansen	Moorhead, Calif.
Clausen, Don H.	Harkin	
	Harrington	Moorhead, Pa.
Clawson, Del	Harris	Mottl
Clay	Harsha	Murphy, Ill.
Cleveland	Hawkins	Murphy, N.Y.
Cochran	Heckler	Murphy, Pa.
Cohen	Hefner	Murtha
Coleman	Heftel	Myers, Gary
Conable	Hightower	Myers, John
Conte	Hillis	Myers, Michael
Corcoran	Holland	Natcher
Corman	Hollenbeck	Nedzi
Cornell	Holt	Nichols
Cotter	Holtzman	Nix
Coughlin	Howard	Nolan
Crane	Huckaby	Nowak
Cunningham	Hughes	O'Brien
D'Amours	Hyde	Oakar
Daniel, Dan	Ireland	Oberstar
Daniel, R. W.	Jacobs	Obey
Danielson	Jenkins	Ottinger
Davis	Jenrette	Panetta
de la Garza	Johnson, Calif.	Patten
Delaney	Johnson, Colo.	Patterson
Pattison	Satterfield	Traxler
Pease	Sawyer	Treen
Pepper	Scheuer	Trible
Perkins	Schroeder	Tsongas
Pettis	Schulze	Udall
Pickle	Sebelius	Ullman
Pike	Seiberling	Van Deerlin
Poage	Sharp	Vander Jagt
Preyer	Shipley	Vanik
Price	Shuster	Vento
Pritchard	Sikes	Volkmer
Pursell	Simon	Waggonner
Quayle	Sisk	Walgren
Quie	Skelton	Walker
Quillen	Skubitz	Walsh
Rahall	Slack	Wampler
Railsback	Smith, Iowa	Watkins
Rangel	Smith, Nebr.	Weiss
Regula	Snyder	Whalen
Reuss	Solarz	White
Rhodes	Spellman	Whitehurst
Richmond	Spence	Whitley
Rinaldo	St Germain	Whitten
Risenhoover	Staggers	Wilson, Bob
Roberts	Stangeland	Wilson, Tex.
Robinson	Stanton	Winn
Rodino	Stark	Wirth
Roe	Steed	Wolff
Rogers	Steers	Wydler
Rooney	Steiger	Wylie
Rose	Stockman	Yates
Rosenthal	Stokes	Yatron
Rousselot	Stratton	Young, Alaska
Roybal	Studds	Young, Fla.
Rudd	Stump	Young, Mo.
Russo	Symms	Zablocki
Ryan	Taylor	Zeferetti
Santini	Thompson	
Sarasin	Thone	

NAYS—2

Collins, Tex.	Evans, Colo.

ANSWERED "PRESENT"—2

Cornwell	Hammerschmidt

NOT VOTING—43

Ambro	Horton	Roncalio
Anderson, Ill.	Hubbard	Rostenkowski
Archer	Ichord	Runnels
Beilenson	Jeffords	Ruppe
Breaux	Kastenmeier	Teague
Carney	Krueger	Thornton
Collins, Ill.	Lujan	Tucker
Conyers	McCloskey	Waxman
Dellums	Metcalfe	Weaver
Dent	Michel	Wiggins
Edgar	Mikva	Wilson, C. H.
Edwards, Calif.	Mitchell, N.Y.	Wright
Erlenborn	Moss	Young, Tex.
Fisher	Neal	
Fraser	Pressler	

Mr. MOORE changed his vote from "nay" to "yea."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 810 modifies a restriction imposed by the tax code on private foundations, to permit foundations to pay or reimburse Government officials for limited amounts of expenses incurred for travel outside the United States.

The Tax Reform Act of 1969 generally prohibits foundations from making any payments to Government officials. The act does permit payments to an official for certain travel expenses, but only if

the travel occurs solely within this country.

On reviewing this provision, the Committee on Ways and Means concluded that the present limitation to expenses of U.S. travel is too restrictive. For example, conferences are held in London dealing with British-American relations and similar topics. Attendance by officials from both the United States and foreign countries at such meetings would be useful, and there is no reason to prohibit foundations from making possible attendance by U.S. officials.

Accordingly, the bill permits foundation payments for such foreign travel by a Government official, but only up to certain dollar limits. The foundation's payments are limited to actual transportation costs up to $2,500, plus no more than 4 days of traveling expenses up to 1¼ times the Federal per diem allowance. Under the bill, no payments at all are permitted to be made by a foundation which is primarily supported by any one business, trade association, or labor organization.

In the case of domestic travel expenses under current law or foreign travel expenses under the bill, the foundation can pay such expenses only if the travel by the Government official carries out some educational, charitable, or other exempt purpose. For example, a foundation is not permitted to pay expenses of travel for vacation purposes.

Mr. Speaker, this bill represents a responsible and carefully limited modification of the current provision permitting foundation payments to Government officials for certain travel expenses. The bill does not have any direct revenue impact. I urge adoption of H.R. 810.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 810, which allows a private foundation to reimburse a Government official for certain foreign travel expenses.

The Tax Reform Act of 1969 designated certain acts of private foundations as acts of "self-dealing" and imposed an excise tax on these acts. Generally classified as an act of "self-dealing" was the reimbursement of a Government official by a private foundation for travel expenses. An exception was provided where a Government official was reimbursed for certain domestic travel expenses. However, the reimbursement of a Government official by a private foundation for any foreign travel expenses is under the act "self-dealing."

There really is not that much difference between foreign and domestic travel. The current restrictions imposed on the reimbursement of Government officials for foreign travel expenses has resulted in private foundations not being able to carry out their exempt function to the fullest extent possible. It also results in public officials occasionally traveling at public expense. Thus, the reimbursement restrictions in practice have gone beyond their intended purpose and we believe that this amendment would be desirable.

The bill provides that a private foundation may reimburse a Government official for certain foreign travel expenses. Thus, the foreign travel expenses must be incurred as a result of travel between the United States and a point outside the United States. In addition, the amount of reimbursement for transportation cannot exceed the amount of such expenses or $2,500, whichever is less.

Further, in the case of other traveling expenses the amount of reimbursement cannot exceed 125 percent of the maximum amount payable under section 5702(A) of title 5 of the United States Code, concerning travel by U.S. employees, for a maximum of 4 days. These limitations are similar to those imposed under current law in the case of reimbursement for domestic travel, and we consider them reasonable.

The bill also requires the private foundation to meet certain support requirements. Thus the reimbursing private foundation cannot normally receive more than half of its support from any business enterprise, trade association, or labor organization. If it does, its reimbursement payments are not eligible for the bill's exceptions. This, of course, is to prevent the foundation's mode of reimbursement from being used as a subterfuge for some type of proscribed reimbursement.

I believe the bill will allow private foundations more effectively to pursue their tax-exempt purposes, and I urge its passage.

Mr. Speaker, this is a very modest bill. It has been passed by this House previously. It has not come to final passage, only because of the manner in which it was handled in the other body. There is not substantial opposition there either, but it is one of those measures which, because it does not have a very large constituency, does not always command the attention it should. I see no reason why my colleagues should not support this measure, and I urge its adoption.

Mr. ULLMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CONABLE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 810.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

HOME PRODUCTION OF BEER AND WINE

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2028) to authorize the home production of beer and wine, as amended.

The Clerk read as follows:

H.R. 2028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) EXEMPTION FROM TAX ON WINE.—Section 5042(a)(2) of the Internal Revenue Code of 1954 (relating to production of wine for personal consumption) is amended to read as follows:

"(2) WINE FOR PERSONAL OR FAMILY USE.—Subject to regulations prescribed by the Secretary—

"(A) EXEMPTION.—Any adult may, without payment of tax, produce wine for personal or family use and not for sale.

"(B) LIMITATION.—The aggregate amount of wine exempt from tax under this paragraph with respect to any household shall not exceed—

"(i) 200 gallons per calendar year if there are 2 or more adults in such household, or

"(ii) 100 gallons per calendar year if there is only 1 adult in such household.

"(C) ADULTS.—For purposes of this paragraph, the term 'adult' means an individual who has attained 18 years of age."

(b) EXEMPTION FROM TAX ON BEER.—

(1) IN GENERAL.—Section 5053 of such Code (relating to exemptions from excise tax on beer) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new section:

"(e) BEER FOR PERSONAL OF FAMILY USE.—Subject to regulations prescribed by the Secretary, any duly registered adult may, without payment of tax, produce beer for personal or family use and not for sale if the amount of such beer on hand at any time (including beer in process) does not exceed 30 gallons. The aggregate amount of beer exempt from tax under this subsection with respect to any household shall not exceed—

"(1) 200 gallons per calendar year if there are 2 or more adults in such household, or

"(2) 100 gallons per calendar year if there is only 1 adult in such household.

For purposes of this subsection, the term 'adult' means an individual who has attained 18 years of age.".

(2) ILLEGALLY PRODUCED BEER.—

(A) Section 5051 of such Code (relating to imposition and rate of tax) is amended by adding at the end thereof the following new subsection:

"(c) ILLEGALLY PRODUCED BEER.—The production of any beer at any place in the United States shall be subject to tax at the rate prescribed in subsection (a) and such tax shall be due and payable as provided in section 5054(a)(3) unless—

"(1) such beer is produced in a brewery qualified under the provisions of subchapter G, or

"(2) such production is exempt from tax under section 5053(e) (relating to beer for personal or family use)."

(B) Section 5054(a)(3) of such Code (relating to illegally produced beer) is amended to read as follows:

"(3) ILLEGALLY PRODUCED BEER.—The tax on any beer produced in the United States shall be due and payable immediately upon production unless—

"(A) such beer is produced in a brewery qualified under the provisions of subchapter G, or

"(B) such production is exempt from tax under section 5053(e) (relating to beer for personal or family use)."

(3) DEFINITION OF BREWER.—Section 5092 of such Code (defining brewer) is amended to read as follows:

"SEC. 5092. DEFINITION OF BREWER.

"Every person who brews beer (except a person who produces only beer exempt from tax under section 5053(e)) and every person who produces beer for sale shall be deemed to be a brewer."

(4) EXEMPTION FROM CERTAIN PROVISIONS RELATING TO DISTILLING MATERIALS.—Section 5222(a)(2)(C) of such Code (relating to certain exemptions) is amended by striking out "; or" and inserting in lieu thereof "or 5053(e); or",

(5) PENALTY FOR UNLAWFUL PRODUCTION OF BEER.—

(A) Section 5674 of such Code (relating to penalty for unlawful removal of beer) is amended to read as follows:

"SEC. 5674. PENALTY FOR UNLAWFUL PRODUCTION OR REMOVAL OF BEER.

"(a) UNLAWFUL PRODUCTION.—Any person who brews beer or produces beer shall be fined not more than $1,000, or imprisoned not more than 1 year, or both, unless such beer is brewed or produced in a bewery qualified under subchapter G or such production is exempt from tax under section 5053(e) (relating to beer for personal or family use).

"(b) UNLAWFUL REMOVAL.—Any brewer or other person who removes or in any way aids in the removal from any brewery of beer without complying with the provisions of this chapter or regulations issued pursuant thereto shall be fined not more than $1,000, or imprisoned not more than 1 year, or both."

(B) The item relating to section 5674 in the table of sections for part III of subchapter J of chapter 51 of such Code is amended to read as follows:

"Sec. 5674. Penalty for unlawful production or removal of beer."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first calendar month which begins more than 90 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. ROUSSELOT. Mr. Speaker, I object, and on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ULLMAN and Mr. ROUSSELOT.

The House divided, and the tellers reported that there were—ayes 17, noes 5.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 3, not voting 43, as follows:

[Roll No. 145]

YEAS—388

Abdnor	Anderson, Calif.	Applegate
Addabbo	Andrews, N.C.	Archer
Akaka	Andrews, N. Dak.	Armstrong
Alexander	Annunzio	Ashley
Allen	Archer	Aspin
Ammerman	Armstrong	AuCoin
Badham	Ashley	Baldus
Bafalis	Aspin	Barnard
Baldus	AuCoin	Baucus
Barnard	Badham	Bauman
Baucus	Bafalis	Beard, R.I.
Bauman	Baldus	Beard, Tenn.
Beard, R.I.	Barnard	Bedell
Beard, Tenn.	Baucus	Benjamin
Bedell	Bauman	Bennett
Benjamin	Beard, R.I.	Bevill
Bennett	Beard, Tenn.	Biaggi
Bevill	Bedell	Bingham
Biaggi	Benjamin	Blanchard
Bingham	Bennett	Blouin
Blanchard	Bevill	Boggs
Blouin	Biaggi	Boland
Boggs	Bingham	Bolling
Boland	Blanchard	Bonior
Bolling	Blouin	Bonker
Bonior	Boggs	Bowen
Bonker	Boland	Brademas
Bowen	Bolling	Breckinridge
Brademas	Bonior	Brinkley
Breckinridge	Bonker	Brodhead
Brinkley	Bowen	Brooks
Brodhead	Brademas	Broomfield
Brooks	Breckinridge	Brown, Calif.
Broomfield	Brinkley	Brown, Ohio
Brown, Calif.	Brodhead	Broyhill
Brown, Ohio	Brooks	Buchanan
Broyhill	Broomfield	Burgener
Buchanan	Brown, Calif.	Burke, Calif.
Burgener	Brown, Ohio	Burke, Fla.
Burke, Calif.	Broyhill	Burke, Mass.
Burke, Fla.	Buchanan	Burleson, Tex.
Burke, Mass.	Burgener	Burlison, Mo.
Burleson, Tex.	Burke, Calif.	Burton, John
Burlison, Mo.	Burke, Fla.	Burton, Phillip
Burton, John	Burke, Mass.	Butler
Burton, Phillip	Burleson, Tex.	Byron
Butler	Burlison, Mo.	Caputo
Byron	Burton, John	Carr
Caputo	Burton, Phillip	Carter
Carr	Butler	Cavanaugh
Carter	Byron	Cederberg
Cavanaugh	Caputo	Chappell
Cederberg	Carr	Chisholm
Chappell	Carter	Clausen, Don H.
Chisholm	Cavanaugh	Clawson, Del
Clausen, Don H.	Cederberg	Clay
Clawson, Del	Chappell	Cleveland
Clay	Chisholm	Cochran
Cleveland	Clausen, Don H.	Cohen
Cochran	Clawson, Del	Coleman
Cohen	Clay	Conable
Coleman	Cleveland	Conte
Conable	Cochran	Corcoran
Conte	Cohen	Corman
Corcoran	Coleman	Cornell
Corman	Conable	Cornwell
Cornell	Conte	Cotter
Cornwell	Corcoran	Coughlin
Cotter	Corman	Crane
Coughlin	Cornell	Cunningham
Crane	Cornwell	D'Amours
Cunningham	Cotter	Daniel, Dan
D'Amours	Coughlin	Daniel, R. W.
Daniel, Dan	Crane	Danielson
Daniel, R. W.	Cunningham	Davis
Danielson	D'Amours	de la Garza
Davis	Daniel, Dan	Delaney
de la Garza	Daniel, R. W.	Derrick
Delaney	Danielson	Derwinski
Derrick	Davis	Devine
Derwinski	de la Garza	Dickinson
Devine	Delaney	Dicks
Dickinson	Derrick	Diggs
Dicks	Derwinski	Dingell
Diggs	Devine	Dodd
Dingell	Dickinson	Dornan
Dodd	Dicks	Downey
Dornan	Diggs	Drinan
Downey	Dingell	Duncan, Tenn.
Drinan	Dodd	Eckhardt
Duncan, Tenn.	Dornan	Edwards, Ala.
Eckhardt	Downey	Edwards, Okla.
Edwards, Ala.	Drinan	Eilberg
Edwards, Okla.	Duncan, Tenn.	Emery
Eilberg	Eckhardt	English
Emery	Edwards, Ala.	Erlenborn
English	Edwards, Okla.	Ertel
Erlenborn	Eilberg	Evans, Del.
Ertel	Emery	Evans, Ga.
Evans, Del.	English	Evans, Ind.
Evans, Ga.	Erlenborn	Fary
Evans, Ind.	Ertel	Fascell
Fary	Evans, Del.	Fenwick
Fascell	Evans, Ga.	Findley
Fenwick	Evans, Ind.	Fish
Findley	Fary	Fisher
Fish	Fascell	Fithian
Fisher	Fenwick	Flood
Fithian	Findley	Florio
Flood	Fish	Flowers
Florio	Fisher	Flynt
Flowers	Fithian	Foley
Flynt	Flood	Ford, Mich.
Foley	Florio	Ford, Tenn.
Ford, Mich.	Flowers	Forsythe
Ford, Tenn.	Flynt	Fountain
Forsythe	Foley	Fowler
Fountain	Ford, Mich.	Frenzel
Fowler	Ford, Tenn.	Frey
Frenzel	Forsythe	Fuqua
Frey	Fountain	Gammage
Fuqua	Fowler	Garcia
Gammage	Frenzel	Gaydos
Garcia	Frey	Gephardt
Gaydos	Fuqua	Giaimo
Gephardt	Gammage	Gibbons
Giaimo	Garcia	Gilman
Gibbons	Gaydos	Ginn
Gilman	Gephardt	Glickman
Ginn	Giaimo	Goldwater
Glickman	Gibbons	Gonzalez
Goldwater	Gilman	Goodling
Gonzalez	Ginn	Gore
Goodling	Glickman	Gradison
Gore	Goldwater	Grassley
Gradison	Gonzalez	Green
Grassley	Goodling	Gudger
Green	Gore	Guyer
Gudger	Gradison	Hagedorn
Guyer	Grassley	Hall
Hagedorn	Green	Hamilton
Hall	Gudger	Hammer-schmidt
Hamilton	Guyer	Hanley
Hammer-schmidt	Hagedorn	Hannaford
Hanley	Hall	Hansen
Hannaford	Hamilton	Harkin
Hansen	Hammer-schmidt	Harrington
Harkin	Hanley	Harris
Harrington	Hannaford	Harsha
Harris	Hansen	Hawkins
Harsha	Harkin	Heckler
Hawkins	Harrington	Hefner
Heckler	Harris	Heftel
Hefner	Harsha	Hightower
Heftel	Hawkins	Hillis
Hightower	Heckler	Holland
Hillis	Hefner	Hollenbeck
Holland	Heftel	Holt
Hollenbeck	Hightower	Holtzman
Holt	Hillis	Horton
Holtzman	Holland	Howard
Horton	Hollenbeck	Huckaby
Howard	Holt	Hughes
Huckaby	Holtzman	Hyde
Hughes	Horton	Ichord
Hyde	Howard	Jacobs
Ichord	Huckaby	Jeffords
Jacobs	Hughes	Jenkins
Jeffords	Hyde	Jenrette
Jenkins	Ichord	Johnson, Calif.
Jenrette	Jacobs	Johnson, Colo.
Johnson, Calif.	Jeffords	Jones, N.C.
Johnson, Colo.	Jenkins	Jones, Okla.
Jones, N.C.	Jenrette	Jones, Tenn.
Jones, Okla.	Johnson, Calif.	Jordan
Jones, Tenn.	Johnson, Colo.	Kasten
Jordan	Jones, N.C.	Kastenmeier
Kasten	Jones, Okla.	Kazen
Kastenmeier	Jones, Tenn.	Kelly
Kazen	Jordan	Kemp
Kelly	Kasten	Ketchum
Kemp	Kastenmeier	Keys
Ketchum	Kazen	Kildee
Keys	Kelly	Kostmayer
Kildee	Kemp	Krebs
Kostmayer	Ketchum	LaFalce
Krebs	Keys	Lagomarsino
LaFalce	Kildee	Latta
Lagomarsino	Kostmayer	Le Fante
Latta	Krebs	Leach
Le Fante	LaFalce	Lederer
Leach	Lagomarsino	Lehman
Lederer	Latta	Lent
Lehman	Le Fante	Levitas
Lent	Leach	Livingston
Levitas	Lederer	Lloyd, Calif.
Livingston	Lehman	Lloyd, Tenn.
Lloyd, Calif.	Lent	Long, La.
Lloyd, Tenn.	Levitas	Long, Md.
Long, La.	Livingston	Lott
Long, Md.	Lloyd, Calif.	Lujan
Lott	Lloyd, Tenn.	Luken
Lujan	Long, La.	Lundine
Luken	Long, Md.	McClory
Lundine	Lott	McDade
McClory	Lujan	McDonald
McDade	Luken	McEwen
McDonald	Lundine	McFall
McEwen	McClory	McHugh
McFall	McDade	McKinney
McHugh	McDonald	Madigan
McKinney	McEwen	Maguire
Madigan	McFall	Mahon
Maguire	McHugh	Mann
Mahon	McKinney	Markey
Mann	Madigan	Marks
Markey	Maguire	Marlenee
Marks	Mahon	Marriott
Marlenee	Mann	Martin
Marriott	Markey	Mathis
Martin	Marks	Mattox
Mathis	Marlenee	Mazzoli
Mattox	Marriott	Meeds
Mazzoli	Martin	Meyner
Meeds	Mathis	Michel
Meyner	Mattox	Mikulski
Michel	Mazzoli	Milford
Mikulski	Meeds	Miller, Calif.
Milford	Meyner	Miller, Ohio
Miller, Calif.	Michel	Mineta
Miller, Ohio	Mikulski	Minish
Mineta	Milford	Mitchell, Md.
Minish	Miller, Calif.	Mitchell, N.Y.
Mitchell, Md.	Miller, Ohio	Moakley
Mitchell, N.Y.	Mineta	Moffett
Moakley	Minish	Mollohan
Moffett	Mitchell, Md.	Montgomery
Mollohan	Mitchell, N.Y.	Moore
Montgomery	Moakley	Moorhead, Calif.
Moore	Moffett	Moorhead, Pa.
Moorhead, Calif.	Mollohan	Mottl
Moorhead, Pa.	Montgomery	Murphy, Ill.
Mottl	Moore	Murphy, N.Y.
Murphy, Ill.	Moorhead, Calif.	Murphy, Pa.
Murphy, N.Y.	Moorhead, Pa.	Murtha
Murphy, Pa.	Mottl	Myers, Gary
Murtha	Murphy, Ill.	Myers, John
Myers, Gary	Murphy, N.Y.	Myers, Michael
Myers, John	Murphy, Pa.	Natcher
Myers, Michael	Murtha	Nedzi
Natcher	Myers, Gary	Nichols
Nedzi	Myers, John	Nix
Nichols	Myers, Michael	Nolan
Nix	Natcher	Nowak
Nolan	Nedzi	O'Brien
Nowak	Nichols	Oakar
O'Brien	Nix	Oberstar
Oakar	Nolan	Obey
Oberstar	Nowak	Ottinger
Obey	O'Brien	Panetta
Ottinger	Oakar	Patten
Panetta	Oberstar	Patterson
Patten	Obey	Pattison
Patterson	Ottinger	Pease
Pattison	Panetta	Pepper
Pease	Patten	Perkins
Pepper	Patterson	Pettis
Perkins	Pattison	Pickle
Pettis	Pease	Pike
Pickle	Pepper	Poage
Pike	Perkins	Preyer
Poage	Pettis	Price
Preyer	Pickle	Pritchard
Price	Pike	Pursell
Pritchard	Poage	Quie
Pursell	Preyer	Quillen
Quie	Price	Rahall
Quillen	Pritchard	Railsback
Rahall	Pursell	Rangel
Railsback	Quie	Regula
Rangel	Quillen	Reuss
Regula	Rahall	Rhodes
Reuss	Railsback	Richmond
Rhodes	Rangel	Rinaldo
Richmond	Regula	Risenhoover
Rinaldo	Reuss	Roberts
Risenhoover	Rhodes	Robinson
Roberts	Richmond	Rodino
Robinson	Rinaldo	Roe
Rodino	Risenhoover	Rogers
Roe	Roberts	Roncalio
Rogers	Robinson	Rooney
Roncalio	Rodino	Rose
Rooney	Roe	Rosenthal
Rose	Rogers	Rousselot
Rosenthal	Roncalio	Roybal
Rousselot	Rooney	Rudd
Roybal	Rose	Russo
Rudd	Rosenthal	Ryan
Russo	Rousselot	Santini
Ryan	Roybal	Sarasin
Santini	Rudd	Satterfield
Sarasin	Russo	Sawyer
Satterfield	Ryan	Scheuer
Sawyer	Santini	Schroeder
Scheuer	Sarasin	Schulze
Schroeder	Satterfield	Sebelius
Schulze	Sawyer	Seiberling
Sebelius	Scheuer	Sharp
Seiberling	Schroeder	Shipley
Sharp	Schulze	Shuster
Shipley	Sebelius	Sikes
Shuster	Seiberling	Simon
Sikes	Sharp	Sisk
Simon	Shipley	Skelton
Sisk	Shuster	Skubitz
Skelton	Sikes	Slack
Skubitz	Simon	Smith, Iowa
Slack	Sisk	Smith, Nebr.
Smith, Iowa	Skelton	Snyder
Smith, Nebr.	Skubitz	Solarz
Snyder	Slack	Spellman
Solarz	Smith, Iowa	Spence
Spellman	Smith, Nebr.	St Germain
Spence	Snyder	Stangeland
St Germain	Solarz	Stanton
Stangeland	Spellman	Stark
Stanton	Spence	Steers
Stark	St Germain	Steiger
Steers	Stangeland	Stokes
Steiger	Stanton	Stratton
Stokes	Stark	Studds
Stratton	Steers	Stump
Studds	Steiger	Symms
Stump	Stokes	Taylor
Symms	Stratton	Thompson
Taylor	Studds	Thone
Thompson	Stump	Traxler
Thone	Symms	Treen
Traxler	Taylor	Trible
Treen	Thompson	Tsongas
Trible	Thone	Udall
Tsongas	Traxler	Ullman
Udall	Treen	Van Deerlin
Ullman	Trible	Vander Jagt
Van Deerlin	Tsongas	Vanik
Vander Jagt	Udall	Vento
Vanik	Ullman	Volkmer
Vento	Van Deerlin	Waggonner
Volkmer	Vander Jagt	Walgren
Waggonner	Vanik	Walker
Walgren	Vento	Walsh
Walker	Volkmer	Wampler
Walsh	Waggonner	Watkins
Wampler	Walgren	Waxman
Watkins	Walker	Weiss
Waxman	Walsh	Whalen
Weiss	Wampler	White
Whalen	Watkins	Whitehurst
White	Waxman	Whitley
Whitehurst	Weiss	Whitten
Whitley	Whalen	Wilson, Bob
Whitten	White	Wilson, Tex.
Wilson, Bob	Whitehurst	Winn
Wilson, Tex.	Whitley	Wirth
Winn	Whitten	Wolff
Wirth	Wilson, Bob	Wright
Wolff	Wilson, Tex.	Wydler
Wright	Winn	Wylie
Wydler	Wirth	Yates
Wylie	Wolff	Yatron
Yates	Wright	Young, Alaska
Yatron	Wydler	Young, Fla.
Young, Alaska	Wylie	Young, Mo.
Young, Fla.	Yates	Zablocki
Young, Mo.	Yatron	Zeferetti
Zablocki	Young, Alaska	
Zeferetti	Young, Fla.	
	Young, Mo.	

NAYS—3

Ashbrook	Collins, Tex.	Quayle

NOT VOTING—43

Ambro	Flippo	Rostenkowski
Anderson, Ill.	Fraser	Runnels
Bellenson	Hubbard	Ruppe
Breaux	Ireland	Staggers
Brown, Mich.	Kindness	Steed
Carney	Krueger	Stockman
Collins, Ill.	Leggett	Teague
Conyers	McCloskey	Thornton
Dellums	McCormack	Tucker
Dent	McKay	Weaver
Duncan, Oreg.	Metcalfe	Wiggins
Early	Mikva	Wilson, C. H.
Edgar	Moss	Young, Tex.
Edwards, Calif.	Neal	
Evans, Colo.	Pressler	

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oregon (Mr. ULLMAN) and the gentleman from New York (Mr. CONABLE) for 20 minutes each.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2028 amends the alcohol tax provisions of the Internal Revenue Code to permit anyone 18 years of age or older to produce beer in limited quantities for personal or family use. Present law does not permit tax-free production of beer for home use.

In addition, this bill modifies present law relating to tax-free production of wine for home use. At present, only heads of families are eligible for that exemption. This bill makes the exemption available to anyone 18 years of age or older.

Under the bill, the amount of beer or wine which can be produced for home use without penalty or tax cannot exceed 200 gallons of beer and 200 gallons of wine annually, if there are two or more adults in the household. If there is only one adult, he or she would be limited to 100 gallons of beer and 100 gallons of wine each year.

The production of beer involves prep-

aration of a mixture suitable for distillation into alcoholic spirits, which are taxable at a much higher rate than beer. To assist the Treasury Department's enforcement of these taxes on distilled spirits, the bill requires that any individual producing beer for home use must register with the Treasury. The bill does not require registration for home production of wine, because the possibility of tax evasion is not present in that process.

Mr. Speaker, the Treasury Department supports this bill. I urge the adoption of H.R. 2028.

Mr. CONABLE. Mr. Speaker, I yield 2 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), for some significant commentary on the passing scene here.

(By unanimous consent Mr. RHODES was allowed to speak out of order.)

BUSINESS OF THE HOUSE WILL PROCEED IN ORDER FOR BALANCE OF THE DAY

Mr. RHODES. Mr. Speaker, this has been a rather interesting day for many of us. I would like to announce that as far as the minority is concerned the business will proceed in order from now on for the rest of the day. We have no idea of having any rollcalls unless, of course, there is an attempt to come in early, in which event there could possibly be a rollcall because there is some legitimate disagreement over that subject.

However, I do hope that the minority has been able to make its point that we are very disturbed over the possible consequence of the legislation which has been voted out by the Committee on House Administration.

We are not any happier about it right now than we were this morning when this all began. We welcome all of the support which we can get in our attempt to stop what we think is a real threat and danger to the two-party system. We hope that that support will be forthcoming. Pending that, of course, it will be my hope that there could be some conversation between those of us on this side and those in the majority in the hope that we can return once again to the amicable conditions in which we usually operate this House but, lacking that, all I can do is say that I will see you tomorrow. Thank you very much.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2028, which amends the Internal Revenue Code of 1954 to authorize the home production of beer and wine.

Presently, the head of a family who registers with the Treasury may make up to 200 gallons of wine a year for family use without any payment of tax. Single individuals, not the heads of families, are not covered by this exemption.

An exemption from the tax imposed on the production of beer is not provided under current law for beer produced at home for family use. Therefore, beer produced at home is subject to a $9-per-barrel excise tax. In addition, the home brewing of beer is viewed as an illegal act which subjects the home brewer to certain criminal penalties imposed under the Internal Revenue Code.

H.R. 2028 provides that an adult may produce for family or personal use up to: First, 100 gallons of wine per year tax free, if he or she lives in a single adult household; or, second, 200 gallons of wine per year tax free, if he or she lives in a household with at least two adults.

H.R. 2028 also provides a limited exemption in the case of beer produced for personal or family use. Under this exemption, an adult, who registers with the Treasury, may produce for family or personal use up to: First, 100 gallons of beer per year tax free, if he or she lives in a single adult household; or, second, up to 200 gallons of beer per year tax free, if he or she lives in a household with at least two adults.

In addition, under either of these exemptions, the amount of beer on hand at any one time, including beer in the process of production, cannot exceed 30 gallons.

The bill also provides that the criminal penalties contained in the code with regard to illegally produced beer, are not applicable in the case of beer which qualifies for the exemptions provided under H.R. 2028.

H.R. 2028 provides for a more equitable application of certain taxes and I urge its enactment.

Mr. Speaker, I should explain that it will no longer be necessary under this provision to register with the Treasury if you are producing wine. However, it will be necessary to register with the Treasury if you are producing beer. The reason for that is that there is no experience with respect to producing beer at home since it has been prohibited until this time and the Secretary of the Treasury is concerned that the same materials that can be used for the production of beer could also be used for the production of hard liquor. However, they have found very little reason to be concerned about the production of wine, and have decided that registry would not be required.

There is not the possibility for abuse in the case of wine that there may be with respect to the home production of beer. That explains, I think, Mr. Speaker, why we are treating these two substances differently. This is, however, a bill which many citizens with their traditions of American independence would like to have available to them if they wish to produce their own beverages at home, rather than relying on the beer barons or the people who produce wine in large quantities commercially.

Mr. Speaker, I reserve the remainder of my time.

Mr. ULLMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. JACOBS).

Mr. JACOBS. Mr. Speaker, as long as we are on the subject of wine, I propose a toast to our Republican friends, the true liberals in the House—very liberal when it comes to campaign spending, and today not exactly conservative with time, which is money, the taxpayers' money.

I thank the gentleman for yielding.

Mr. ULLMAN. Mr. Speaker, I have no further requests for time.

Mr. CONABLE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 2028, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXCISE TAX ON TIRES AND TREAD RUBBER

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5103) to amend the Internal Revenue Code of 1954 to provide for excise tax refunds in the case of certain warranty adjustments on tires, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (G) of section 6416(b)(2) of the Internal Revenue Code of 1954 is amended to read as follows:

"(G) in the case of tread rubber in respect of which tax was paid under section 4071(a)(4)—

"(i) used or sold for use otherwise than in the recapping or retreading of tires of the type used on highway vehicles (as defined in section 4072(c)),

"(ii) destroyed, scrapped, wasted, or rendered useless in the recapping or retreading process,

"(iii) used in the recapping or retreading of a tire the sale of which is later adjusted pursuant to a warranty or guarantee, in which case the overpayment shall be in proportion to the adjustment in the sales of such tire, or

"(iv) used in the recapping or retreading of a tire, if such tire is by any person exported, used or sold for use as supplies for vessels or aircraft, sold to a State or local government for the exclusive use of a State or local government, or sold to a nonprofit educational organization for its exclusive use,

unless credit or refund of such tax is allowable under paragraph (3);".

(b) Section 6416(b)(3) of such Code is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) in the case of tread rubber in respect of which tax was paid under section 4071(a)(4) used in the recapping or retreading of a tire, such tire is sold by the subsequent manufacturer or producer on or in connection with, or with the sale of, any other article manufactured or produced by him and such other article is by any person exported, sold to a State or local government for the exclusive use of a State or local government, sold to a noprofit educational organization for its exclusive use, or used or sold for use as supplies for vessels or aircraft, unless credit or refund of such tax is allowable under subparagraph (C);".

(c)(1) Section 6416(b)(2)(E) of such

Code is amended by inserting after "paragraph 3" the following: "(or in the case of the tread rubber on a recapped or retreaded tire, resold for use as provided in subparagraph (D) of paragraph (3)),".

(2) Section 6416(a)(1)(C) of such Code is amended by striking out "(b)(3)(C)" and inserting "(b)(3) (C) or (D)".

(3) Section 6416(b)(3)(A) of such Code is amended by inserting "(D)," after "(C),".

(4) Section 6416(b)(4)(A) of such Code is amended by striking out "section 4071" and inserting in lieu thereof "section 4071 or a recapped or retreaded tire in respect of which tax under section 4071(a)(4) was paid on the tread rubber used in the recapping or retreading".

(d) Section 6416(b)(2) of such Code is amended by striking out "or" at the end of subparagraph (J), by striking out the period at the end of subparagraph (K) and inserting in lieu thereof "; or" and by adding at the end thereof the following:

"(L) in the case of a tire in respect of which tax was paid under section 4071(a)(1) or (2) or under section 4071(b), adjusted pursuant to a warranty or a guarantee in connection with the sale of a replacement tire or otherwise, in which case the overpayment shall be in proportion to—

"(i) the adjustment (whether the adjustment method is by tread wear or otherwise) in the sales price to the ultimate consumer of the replacement tire, or

"(ii) in the case of a contract providing an overall adjustment for reimbursement with respect to tire warranties or guarantees, an average amount per tire based on the adjustment method (whether the method is tread wear or otherwise) which is in accordance with regulations prescribed by the Secretary and which is used by the ultimate vendor in making the adjustment to the ultimate consumer of the replacement tire,

unless credit or refund of such tax is allowable under paragraph (3).

For purposes of subparagraph (L), in the case of a contract providing an express warranty or guarantee only between the manufacturer, producer, or importer and an immediate vendee other than the ultimate consumer, (i) subparagraph (L)(i) shall be applied by substituting such immediate vendee for the ultimate consumer, (ii) subparagraph (L)(ii) shall be applied by substituting the manufacturer, producer, or importer for the ultimate vendor and by substituting such immediate vendee for the ultimate consumer, and (iii) no adjustment shall be made under subparagraph (L) before the adjustment to the ultimate consumer is made (or, in the case of subparagraph (h)(ii), deemed made)."

(e) Section 6511 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) SPECIAL RULE FOR CERTAIN TREAD RUBBER OR TIRE EXCISE TAX CREDITS OR REFUNDS.—The period for allowing a credit or making a refund of any overpayment of tax arising by reason of subparagraph (G)(iii) or subparagraph (L) of section 6416(b)(2) with respect to any adjustment of sales price of a tire pursuant to a warranty or guarantee shall not expire if claim therefor is filed before the date which is 1 year after the day on which such adjustment is made (or, in the case of section 6416(b)(2)(L)(ii), deemed made)."

(f) Section 4071 of such Code is amended by adding at the end thereof the following new subsection:

"(f) IMPORTED RECAPPED OR RETREADED UNITED STATES TIRES.—

"(1) IN GENERAL.—For purposes of subsection (a)(4), in the case of a tire which has been exported from the United States, recapped or retreaded (other than from bead to bead) outside the United States, and imported into the United States—

"(A) the person importing such tire shall be treated as importing the tread rubber used in such recapping or retreading (determined as of the completion of the recapping or retreading), and

"(B) the sale of such tire by the importer thereof shall be treated as the sale of such tread rubber.

"(2) EXCEPTION FOR CERTAIN TAXABLE SALES.—Paragraph (1) shall not apply with respect to the sale of any tire if such tire is sold on or in connection with the sale of an article on which tax is imposed under section 4061."

(g) The amendments made by this section shall take effect on the earlier of—

(1) the first day of the first calendar month which begins more than 10 days after the date of the enactment of this Act, or

(2) April 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5103 enacts into law a longstanding administrative practice under which a tire manufacturer is allowed an excise tax credit or refund if a tire sale is later adjusted under a warranty or guarantee. The bill clarifies the refund or credit rules in cases where the warranty adjustments are made on a tire-by-tire basis and in cases where made on an overall basis, and both where the manufacturer's warranty runs to the ultimate consumer and where the warranty runs to a distributor.

In addition, the bill provides for a refund or credit of the manufacturer's excise tax imposed on tread rubber used for recapping or retreading tires if rubber used in the retreading process is wasted, if a sale of a retreaded tire is later adjusted under a warranty or guarantee, and in certain other instances. Thus, the bill makes the tread rubber excise tax work more like the tire tax.

H.R. 5103 also extends the time for filing claims for credit or refund of tire or tread rubber taxes. The bill relates the refund claim deadline to the period for which the tire warranty or guarantee extends.

Mr. Speaker, the bill clarifies and corrects a number of inequities and inconsistencies in present law. The Treasury Department has stated that it has no objection to the enactment of the bill. I urge approval of H.R. 5103.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5103, which amends the Internal Revenue Code of 1954 to provide excise tax refunds in the case of certain tire and tread rubber price adjustments.

Currently, the sale by the manufacturer, producer, or importer of: First, new tires, is subject to a tax of 10 cents per pound; and second, tread rubber tires, is subject to a tax of 5 cents per pound. Current law does not provide for the credit or refund of either of these taxes where there is an adjustment in the tire's selling price under a warranty or guarantee. However, where such an adjustment is made in the selling price of a new tire, the Internal Revenue Service has ruled that a refund or credit of a portion of the tax will be allowed. Thus, under current law and administrative practices a refund or credit of the tax paid on the sale of tread rubber tires is not provided where there is an adjustment in price under a warranty or guarantee.

H.R. 5103 establishes specific statutory rules which authorize the credit or refund of the excise tax imposed on the sale of new or tread rubber tires where there is an adjustment in the tire's selling price under a warranty or guarantee.

The bill also extends the period in which a claim for refund may be filed with respect to a tax that is refundable due to a tire selling price adjustment under a warranty or guarantee. Currently a tax refund generally must be filed within 3 years of the day the tax is due, or 2 years of the day the tax is paid, whichever is later. In the case of tire price adjustments under a warranty or guarantee. these time periods can prevent a tax refund where the adjustment occurs several years after the tire has been sold. To avoid this result, the bill provides that a claim for credit or refund of a tax, due to a tire price adjustment under a warranty or guarantee, may be filed within 1 year after the day the adjustment is made.

The bill is effective on the first day of the first calendar month which begins more than 10 days after its enactment or April 1, 1978, whichever is earlier. The April 1, 1978, date was chosen to prevent the temporary implementation of an IRS ruling that could establish rules contrary to those contained in H.R. 5103.

H.R. 5103 will correct certain inequities in the excise tax laws and I urge its enactment.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bills, H.R. 810, H.R. 5103, and H.R. 2028.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I yield back the balance of my time.

Mr. CONABLE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 5103, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules. Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

S. 1671, H.R. 810.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

ABSAROKA-BEARTOOTH WILDERNESS ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the Senate bill S. 1671.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wyoming (Mr. RONCALIO) that the House suspend the rules and pass the Senate bill S. 1671, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 405, nays 7, not voting 22, as follows:

[Roll No. 146]

YEAS—405

Abdnor	Baldus	Brademas
Addabbo	Barnard	Breckinridge
Akaka	Baucus	Brinkley
Alexander	Bauman	Brodhead
Allen	Beard, R.I.	Brooks
Ambro	Beard, Tenn.	Broomfield
Ammerman	Bedell	Brown, Calif.
Anderson, Calif.	Beilenson	Brown, Mich.
	Benjamin	Brown, Ohio
Andrews, N.C.	Bennett	Broyhill
Andrews, N. Dak.	Bevill	Buchanan
	Biaggi	Burgener
Annunzio	Bingham	Burke, Calif.
Applegate	Blanchard	Burke, Fla.
Archer	Blouin	Burke, Mass.
Armstrong	Boggs	Burleson, Tex.
Ashbrook	Boland	Burlison, Mo.
Ashley	Bolling	Burton, John
AuCoin	Bonior	Burton, Phillip
Badham	Bonker	Butler
Bafalis	Bowen	Byron
Caputo	Gudger	Moffett
Carr	Guyer	Mollohan
Carter	Hagedorn	Montgomery
Cavanaugh	Hall	Moore
Cederberg	Hamilton	Moorhead, Calif.
Chappell	Hammer-schmidt	Moorhead, Pa.
Chisholm		Mottl
Clausen, Don H.	Hanley	Murphy, Ill.
	Hannaford	Murphy, N.Y.
Clawson, Del	Harkin	Murphy, Pa.
Clay	Harrington	Murtha
Cleveland	Harris	Myers, Gary
Cochran	Harsha	Myers, Michael
Cohen	Hawkins	Natcher
Coleman	Heckler	Neal
Collins, Tex.	Hefner	Nedzi
Conable	Heftel	Nichols
Conte	Hightower	Nix
Conyers	Hillis	Nolan
Corcoran	Holland	Nowak
Corman	Hollenbeck	O'Brien
Cornell	Holt	Oberstar
Cornwell	Holtzman	Obey
Cotter	Horton	Ottinger
Coughlin	Howard	Panetta
Cunningham	Hughes	Patten
D'Amours	Hyde	Patterson
Daniel, Dan	Ichord	Pattison
Daniel, R. W.	Ireland	Pease
Danielson	Jacobs	Pepper
Davis	Jeffords	Perkins
de la Garza	Jenkins	Pettis
Delaney	Jenrette	Pickle
Dellums	Johnson, Calif.	Pike
Dent	Johnson, Colo.	Poage
Derrick	Jones, N.C.	Preyer
Derwinski	Jones, Okla.	Price
Devine	Jones, Tenn.	Pritchard
Dickinson	Jordan	Pursell
Dicks	Kasten	Quayle
Diggs	Kastenmeier	Quie
Dingell	Kazen	Quillen
Dodd	Kelly	Rahall
Dornan	Kemp	Railsback
Downey	Ketchum	Rangel
Drinan	Keys	Regula
Duncan, Oreg.	Kildee	Reuss
Duncan, Tenn.	Kindness	Rhodes
Early	Kostmayer	Richmond
Eckhardt	Krebs	Rinaldo
Edgar	LaFalce	Risenhoover
Edwards, Ala.	Lagomarsino	Roberts
Edwards, Calif.	Latta	Robinson
Edwards, Okla.	Le Fante	Rodino
Eilberg	Leach	Roe
Emery	Lederer	Rogers
English	Leggett	Roncalio
Erlenborn	Lehman	Rooney
Ertel	Lent	Rose
Evans, Colo.	Levitas	Rosenthal
Evans, Del.	Livingston	Rousselot
Evans, Ga.	Lloyd, Calif.	Roybal
Evans, Ind.	Lloyd, Tenn.	Rudd
Fary	Long, La.	Runnels
Fascell	Long, Md.	Russo
Fenwick	Lott	Ryan
Findley	Lujan	Santini
Fish	Luken	Sarasin
Fisher	Lundine	Satterfield
Fithian	McClory	Sawyer
Flippo	McCormack	Scheuer
Flood	McDade	Schroeder
Florio	McEwen	Schulze
Flowers	McFall	Sebelius
Flynt	McHugh	Seiberling
Foley	McKay	Sharp
Ford, Mich.	McKinney	Shipley
Ford, Tenn.	Madigan	Shuster
Forsythe	Maguire	Sikes
Fountain	Mann	Simon
Fowler	Markey	Sisk
Fraser	Marks	Skelton
Frenzel	Marriott	Skubitz
Frey	Martin	Slack
Fuqua	Mathis	Smith, Iowa
Gammage	Mattox	Smith, Nebr.
Garcia	Mazzoli	Snyder
Gaydos	Meeds	Solarz
Gephardt	Meyner	Spellman
Giaimo	Michel	Spence
Gibbons	Mikulski	St Germain
Gilman	Mikva	Staggers
Ginn	Milford	Stangeland
Glickman	Miller, Calif.	Stanton
Gonzalez	Miller, Ohio	Stark
Goodling	Mineta	Steed
Gore	Minish	Steers
Gradison	Mitchell, Md.	Steiger
Grassley	Mitchell, N.Y.	Stockman
Green	Moakley	Stokes
Stratton	Vanik	Wilson, Bob
Studds	Vento	Wilson, Tex.
Taylor	Volkmer	Winn
Thompson	Waggonner	Wirth
Thone	Walgren	Wolff
Thornton	Walker	Wright
Traxler	Walsh	Wydler
Treen	Wampler	Wylie
Trible	Waxman	Yates
Tsongas	Weiss	Yatron
Tucker	Whalen	Young, Alaska
Udall	White	Young, Fla.
Ullman	Whitehurst	Young, Mo.
Van Deerlin	Whitley	Zablocki
Vander Jagt	Whitten	Zeferetti
	Wiggins	

NAYS—7

Crane	McDonald	Watkins
Hansen	Stump	
Marlenee	Symms	

NOT VOTING—22

Anderson, Ill.	Krueger	Rostenkowski
Aspin	McCloskey	Ruppe
Breaux	Mahon	Teague
Carney	Metcalfe	Weaver
Collins, Ill.	Moss	Wilson, C. H.
Goldwater	Myers, John	Young, Tex.
Hubbard	Oakar	
Huckaby	Pressler	

The Clerk announced the following pairs:

Mr. Weaver with Mr. Anderson of Illinois.
Mr. Krueger with Mr. Goldwater.
Mr. Teague with Mr. Ruppe.
Mr. Rostenkowski with Mr. Aspin.
Mr. Charles H. Wilson of California with Mrs. Collins of Illinois.
Mr. Breaux with Mr. Hubbard.
Mr. Carney with Mr. Huckaby.
Mr. Metcalfe with Mr. Moss.
Ms. Oakar with Mr. Pressler.
Mr. John T. Myers with Mr. McCloskey.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

TRAVEL EXPENSES OF GOVERNMENT OFFICIALS PAID BY PRIVATE FOUNDATIONS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 810.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 810, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 372, nays 38, not voting 24, as follows:

[Roll No. 147]

YEAS—372

Abdnor	Drinan	Lent
Addabbo	Duncan, Oreg.	Levitas
Akaka	Duncan, Tenn.	Livingston
Alexander	Early	Lloyd, Calif.
Allen	Eckhardt	Lloyd, Tenn.
Ambro	Edgar	Long, La.
Anderson, Calif.	Edwards, Ala.	Long, Md.
Andrews, N.C.	Edwards, Calif.	Lott
Andrews, N. Dak.	Eilberg	Luken
Annunzio	Emery	Lundine
Applegate	English	McClory
Archer	Erlenborn	McCormack
Armstrong	Ertel	McDade
Ashbrook	Evans, Colo.	McEwen
Ashley	Evans, Del.	McFall
AuCoin	Fary	McHugh
Badham	Fascell	McKay
Bafalis	Fenwick	McKinney
Baldus	Findley	Madigan
Barnard	Fish	Maguire
Bauman	Fisher	Mann
Beard, R.I.	Fithian	Markey
Beard, Tenn.	Flippo	Marks
Bedell	Flood	Marlenee
Beilenson	Flowers	Marriott
Benjamin	Flynt	Martin
Bevill	Foley	Mathis
Biaggi	Ford, Mich.	Mattox
Bingham	Ford, Tenn.	Mazzoli
Blouin	Forsythe	Meyner
Boggs	Fountain	Michel
Boland	Fowler	Mikulski
Bolling	Fraser	Mikva
Bonior	Frenzel	Milford
Bonker	Frey	Miller, Calif.
Bowen	Fuqua	Mineta
Brademas	Gammage	Minish
Breckinridge	Garcia	Mitchell, Md.
Brinkley	Gaydos	Mitchell, N.Y.
Brooks	Gephardt	Moakley
Broomfield	Giaimo	Moffett
Brown, Calif.	Gibbons	Mollohan
Brown, Mich.	Gilman	Montgomery
Brown, Ohio	Ginn	Moore
Broyhill	Gonzalez	Moorhead, Calif.
Buchanan	Gradison	Moorhead, Pa.
Burgener	Grassley	Murphy, Ill.
Burke, Calif.	Gudger	Murphy, N.Y.
Burke, Fla.	Guyer	Murphy, Pa.
Burke, Mass.	Hagedorn	Murtha
Burleson, Tex.	Hall	Myers, Gary
Burlison, Mo.	Hammer-schmidt	Myers, Michael
Burton, John	Hanley	Natcher
Burton, Phillip	Hannaford	Neal
Butler	Harkin	Nedzi
Byron	Harrington	Nichols
Carr	Harris	Nix
Carter	Harsha	Nolan
Cavanaugh	Hawkins	Nowak
Cederberg	Heckler	O'Brien
Chappell	Hefner	Oberstar
Chisholm	Heftel	Obey
Clawson, Del	Hightower	Ottinger
Clay	Hillis	Panetta
Cleveland	Holland	Patten
Cochran	Holt	Patterson
Cohen	Holtzman	Pattison
Conable	Horton	Pease
Conte	Howard	Pepper
Conyers	Hughes	Perkins
Corcoran	Hyde	Pettis
Corman	Ichord	Pickle
Cornell	Ireland	Pike
Cornwell	Jeffords	Poage
Cotter	Jenkins	Preyer
Coughlin	Jenrette	Price
Crane	Johnson, Calif.	Pritchard
Cunningham	Johnson, Colo.	Quie
D'Amours	Jones, N.C.	Quillen
Daniel, Dan	Jones, Okla.	Rahall
Daniel, R. W.	Jones, Tenn.	Railsback
Danielson	Jordan	Rangel
Davis	Kasten	Regula
Delaney	Kastenmeier	Reuss
Dellums	Kazen	Rhodes
Dent	Kemp	Richmond
Derrick	Ketchum	Rinaldo
Derwinski	Keys	Risenhoover
Devine	Kindness	Roberts
Dickinson	Krebs	Robinson
Dicks	LaFalce	Rodino
Diggs	Lagomarsino	Roe
Dingell	Le Fante	Rogers
Dodd	Leach	Roncalio
Dornan	Lederer	Rooney
Downey	Leggett	Rose
	Lehman	Rosenthal
Rousselot	Staggers	Walsh
Roybal	Stangeland	Wampler
Rudd	Stanton	Watkins
Runnels	Stark	Waxman
Ryan	Steed	Weiss
Santini	Steers	Whalen
Sarasin	Steiger	White
Satterfield	Stockman	Whitehurst
Sawyer	Stokes	Whitley
Scheuer	Stratton	Whitten
Schroeder	Studds	Wiggins
Schulze	Symms	Wilson, Bob
Sebelius	Thompson	Wilson, Tex.
Seiberling	Thone	Winn
Shipley	Thornton	Wirth
Shuster	Traxler	Wolff
Sikes	Treen	Wright
Simon	Trible	Wydler
Sisk	Tsongas	Wylie
Skubitz	Tucker	Yates
Slack	Udall	Yatron
Smith, Iowa	Ullman	Young, Alaska
Smith, Nebr.	Van Deerlin	Young, Fla.
Snyder	Vander Jagt	Young, Mo.
Solarz	Vanik	Zablocki
Spellman	Vento	Zeferetti
Spence	Waggonner	
St Germain	Waigren	

NAYS—38

Ammerman	Evans, Ind.	Lujan
Baucus	Florio	McDonald
Bennett	Glickman	Miller, Ohio
Blanchard	Goodling	Mottl
Brodhead	Gore	Pursell
Caputo	Hamilton	Quayle
Clausen, Don H.	Hansen	Russo
	Hollenbeck	Sharp
Coleman	Jacobs	Skelton
Collins, Tex.	Kelly	Stump
de la Garza	Kildee	Taylor
Edwards, Okla.	Kostmayer	Volkmer
Evans, Ga.	Latta	Walker

NOT VOTING—24

Anderson, Ill.	Huckaby	Oakar
Aspin	Krueger	Pressler
Breaux	McCloskey	Rostenkowski
Carney	Mahon	Ruppe
Collins, Ill.	Meeds	Teague
Goldwater	Metcalfe	Weaver
Green	Moss	Wilson, C. H.
Hubbard	Myers, John	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Carney and Mr. Rostenkowski for, with Mr. Krueger against.

Until further notice:

Ms. Oakar with Mr. Ruppe.
Mr. Meeds with Mr. McCloskey.
Mr. Breaux with Mr. Aspin.
Mr. Metcalfe with Mr. Anderson of Illinois.
Mr. Teague with Mr. Goldwater.
Mr. Weaver with Mr. Green.
Mr. Huckaby with Mr. John T. Myers.
Mr. Hubbard with Mr. Pressler.
Mrs. Collins of Illinois with Mr. Mahon.
Mr. Moss with Mr. Charles H. Wilson of California.

Messrs. BAUCUS, KILDEE, SKELTON, HANSEN, BRODHEAD, and PURSELL changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT ON TOMORROW, DURING THE 5-MINUTE RULE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may be permitted to sit on tomorrow, Wednesday, March 15, 1978, during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

Mr. MICHEL. Mr. Speaker, reserving the right to object, may I inquire of my distinguished colleague, the gentleman from Arizona (Mr. UDALL) the reason for the request?

Mr. UDALL. Mr. Speaker, if the gentleman will yield, we are nearing the end of the markup on H.R. 39, the Alaska Lands Act. We think we can conclude this. I have cleared this with the gentleman from Alaska (Mr. YOUNG) who is most directly involved, and also with the gentleman from Kansas (Mr. SKUBITZ), who is the ranking minority member.

Mr. MICHEL. Do I understand that the gentleman has checked with the gentleman from Kansas (Mr. SKUBITZ) on our side?

Mr. UDALL. That is correct.

Mr. MICHEL. And is that gentleman in agreement with this?

Mr. UDALL. As I say, I have cleared this with both the Member most directly involved, the gentleman from Alaska (Mr. YOUNG), and with the gentleman from Kansas (Mr. SKUBITZ) who is the the ranking minority member.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

CONFERENCE REPORT ON H.R. 3813, REDWOOD PARK EXPANSION

Mr. PHILLIP BURTON. Mr. Speaker, I call up the conference report on the bill (H.R. 3813) to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 8, 1978.)

Mr. PHILLIP BURTON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) and the gentleman from Kansas (Mr. SEBELIUS) are recognized for 30 minutes each.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from California.

Mr. RYAN. I thank the gentleman for yielding.

Mr. Speaker, I would like to express my strong support for the conference report on H.R. 8313, legislation to expand Redwood National Park. I believe Representative PHIL BURTON and the other House conferees have done an excellent job of preserving the important provisions in the House bill, while accepting appropriate Senate language.

I am particularly happy that the House conferees agreed to the Senate provision vesting jurisdiction in the U.S. district court for determining the value of land and timber. It is a well-documented fact that the timber companies in the Redwood Park area have in the past been compensated more than generously by the U.S. Court of Claims.

The final bill requires the Secretary of Agriculture to prepare and send to Congress a study of timber harvesting alternatives for the Six Rivers National Forest. The timber companies have argued that there should be an increase in the allowable cut in the Six Rivers area in order to offset production losses resulting from expansion of the park.

I personally do not agree with this argument, and I do not believe it is necessarily the intent of this legislation that the Six Rivers Forest study should result in an increase in the allowable cut. The final version of the bill requires that proposed alternatives "be consistent with laws applicable to management of the national forests." It also requires the Secretary of Agriculture to "take into consideration economic, silvicultural, environmental and social factors."

There is currently no reason to think that an allowable cut increase would be consistent with the multiple use and sustained yield policy for national forest lands. In fact, numerous studies indicate that overcutting on privately owned, commercial timber lands in northern California have depleted the harvestable volume of lumber. Increasing the allowable cut in the Six Rivers National Forest may further jeopardize the potential for long-term, steady timber harvests in the area. This could result in severe future economic dislocations for the timber-dependent northern coast region.

The study called for in this legislation should consider how various timber harvest alternatives affect other forest resources, such as fisheries, water quality, erosion, and so forth. It is particularly important that potentially unstable terrain be identified through land stability studies. In addition, other governmental agencies with forest-related responsibilities and expertise should be included in the study, as should public and private interests.

I once again want to emphasize this is a bill to expand Redwood National Park; it is not supposed to compensate the timber industry by allowing overcutting of the Six Rivers National Forest.

I am pleased that this legislation is moving towards final passage. The investigation by the Environment, Energy, and Natural Resources Subcommittee, which I chair, helped focus public attention on the sad condition of the Redwoods. The recommendations in our committee's report regarding expansion of the park and compensation of affected timber industry workers are reflected in this bill.

Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased that we are able to bring a Redwood National Park expansion bill to the floor today, which I believe has been worked out in a manner to address and solve the concerns of most of the active participants in this issue.

I want to compliment the chairman of the subcommittee, Mr. PHIL BURTON, for the oustanding job he has done in guiding this bill through to the point we have reached today. His tenacity for facts and details related to this matter has been, I believe, unmatched in recent years for issues which have been before the subcommittee.

I particularly want to commend the gentleman from California (Mr. DON CLAUSEN) in whose district the park lies, for his great effort in support and defense of title II—the jobs and worker protection part of this bill. While he fought expansion all the way through the legislative process, he also worked simultaneously with the House and Senate committees to provide protection for the workers, the economy, and the tax base of the north coast counties he so ably represents. In this instance alone, he proved himself the champion of the working men and women of the area. The fact that this provision of the legislation is still intact in the bill, as are other provisions of title I which enhance employment opportunity and security, is due in significant part to his effort.

Mr. Speaker, I still maintain, as I stated during the floor debate on initial passage of this bill, that the legislation is far too costly, because we are trying to do too much, and moreover, we are way too late in doing it to be very effective. I am very sympathetic with taking whatever measures are necessary to increase protection for the tall trees grove, but this bill is too late in coming to significantly help that problem. Nevertheless, since the main issues of the total controversy seem to be resolved by the bill adopted by the conferees, I am willing to support it.

I am very sorry that the conferees did not agree to maintain some type of provision, as the House bill attempted, to consummate the transfer of the three existing California State parks, existing within the Redwood National Park boundary for the last decade, to the Federal Government so the entire park operation could be unified. I believe the principal reason no headway was made on this matter in conference was due to the near-total indifference of the State of California to even discuss the matter. Nevertheless, I would like to encourage the Secretary of the Interior to reinvigorate discussions with the State to see if some mutual accommodation can possibly be reached.

In almost all respects, this bill pursues a total Federal takeover—of lands and responsibilities—which I feel is excessive and unwarranted. The problems of both resource and job protection should be significantly assisted by efforts of the State and local governments. I feel that the Secretary of the Interior should make a strong effort to involve the State in assisting all Federal efforts. Particularly, the Secretary should assure that all State laws and regulations are fully invoked before he utilizes Federal funds on land rehabilitation measures. There is no reason why the State should not contribute as full a measure to land rehabilitation in this way as possible to help the Federal effort.

There will continue to exist, several logging access roads within the newly expanded park. While this may be a necessary evil, it is wholly contrary for roads of this type to continue to exist within a national park, and every effort should be made by the Secretary to phase these roads out of the park over time.

Mr. Speaker, while this bill, as I said at the beginning, does tend to resolve the very basic issues, there is a great amount of fine tuning which should and could have been incorporated into this bill.

Of all features of the bill which will be most interesting to watch will be the jobs section, title II. While I am sympathetic with assisting any job displacement legitimately resulting from park expansion, I am concerned that this title of the bill will prove to be excessively liberal and indefensibly costly to the Federal Government.

Mr. Speaker, with these expressions of concern, I will reluctantly vote for the adoption of the conference report.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I remain adamantly opposed to the 48,000-acre expansion of the Redwood National Park as proposed by my colleague from California (Mr. BURTON) and as contained in the conference report now before the House. While fighting this legislation in every way possible, I have worked for inclusion of basic improvements in it, most importantly the economic development provisions and worker protection package. Now that the congressional decision has been made to force expansion of the park on us, despite the united opposition of the people who live and work in the area, these provisions are absolutely essential.

However, I want to stress that in no way have these improvements lessened my strong belief that protection of the environmentally sensitive areas and protection of the tall trees can be accomplished by a more sensible, less expensive,

more ecomonically realistic protection package. In line with my position, I offered a protection package, as a substitute, in the form of a motion to recommit on the House floor. My proposal, if accepted, would have reduced the acreage taken from 48,000 to 14,180 acres and the cost from $500 million to only $150 million, and had a substantially less adverse impact on jobs and the economy of the area.

I am extremely proud of the manner in which the people in the Redwood Empire and our "Save the Jobs" committee have worked together in a common effort to protect the interests of our people and move to revitalize and diversify our economy in response to this congressional action. The Subcommittee on National Parks and Insular Affairs first held hearings here in Washington last March followed by field hearings in San Francisco and Eureka, Calif., in April of last year. Opposition to the proposed expansion was fierce as evidenced by the estimated 2,500 people who tightly packed the municipal auditorium in Eureka while hundreds more waited outside.

On May 24, 23 logging trucks and 400 demonstrators arrived here in Washington to bring their protest to the steps of the Capitol. They brought with them a 18,000-pound peanut carved from a second-growth redwood tree bearing the slogan, "It might be peanuts to you, but it's jobs to us."

Despite the opposition of labor, representatives of the effected companies, local elected officials, school district representatives, realtors, and many, many more concerned residents of Humboldt and Del Norte Counties, the subcommittee continued to move ahead with additional hearings here in Washington. However, our protests were effective in forcing proponents of the legislation to recognize the severity of the potential economic damage to the communities affected and we gained their support for a reduction in the expansion area from 74,000 acres to 48,000 acres and eventual inclusion of a comprehensive worker protection package.

Our continued fight in the full Interior Committee resulted in further improvements and retention of the jobs package. Our determination to protect the jobs and sustain a viable economy in Humboldt and Del Norte Counties coupled with our ability to hold the bill in the House Rules Committee for several months gained numerous concessions and improvements that could not have been won otherwise. When we reflect on the fact that the principal advocates of park expansion were President Carter, Governor Brown, Senator CRANSTON, Secretary Andrus, and Congressman BURTON it makes our accomplishments all the more significant.

The significance of our victories will be felt for many years and has focused national attention on Humboldt and Del Norte Counties. In the past, promises made have not been fulfilled. I am prepared this time to go on the offensive and see to it that the economic development package is successful and that our area receives the assistance it needs to offset the impact of this governmental decision.

The conference report before the House contains a number of beneficial and significant provisions that reflect the danger of great economic harm to the Redwood Region that would be directly caused by the proposed expansion. These provisions would not be in the bill had it not been for the diligent work of all of the people of Humboldt and Del Norte Counties and their supporters throughout the Nation.

I would especially like to thank Chairman Pat Dorsey and the Humboldt County Board of Supervisors and County Assessor Ray Flynn who developed much of the statistical evidence we used to document the effects of the expansion.

Hundreds of citizens contributed time and money to the Save Our Jobs Committee led by Mayor Sam Sacco and Bob Matthews to support the efforts in opposition to the bill and to insure an ongoing lobbying effort was maintained throughout the battle. This took a great deal of hard work that was done despite overwhelming odds against us throughout.

Charles Nichols, general treasurer of the United Brotherhood of Carpenters and Joiners, and his assistant Jay Power and their local representatives Al Lasley and Ray Nelson, fought continuously to dramatize the impact of the expansion on the workers in the area and the need for a worker protection provision in the bill as a decision was made to go ahead.

Hundreds of people came to Washington at their own expense to protest the expansion. Others gave of their time to testify here on the issues involved. Among those people were Jack Feigel, Marcia Fulda, John Grobey, Grant Ramey, Don Peterson, Jack Razzetto, Les Westfall, John Miles, Spud McNamara, Bud Harwood, and most of our Humboldt and Del Norte County elected officials and many others. The members of the local news media were most helpful.

Keeping in mind the fact that I oppose the expansion I think it is important to clarify the reasons for a number of the other provisions in the bill which I do support.

First and foremost the worker protection provisions are included in the conference report and must be included in the bill when enacted. This section reflects the fact that we are going to be seeing the lives of more than a thousand families permanently disrupted by a governmental action. An action so serious in its effect that some reasonable attempt at remedial programs is absolutely required.

Without this worker protection plan, I do not believe any reasonable person would support this expansion, because without this assistance, the impact of the bill would be a cruel blow to these individuals and their families.

In addition, and related to the assistance to directly affected employees, the bill contains a commitment to an economic development package that will help the economy of the area overcome the loss of its basic resource. Already, a basic plan has been developed by 14 public entities in Humboldt County that is aimed at beginning the economic rebuilding job that will be required. We need to implement this plan as rapidly as possible to insure that the potential for harm to the region is minimized.

The conferees agreed to authorize $33 million to carry out the land rehabilitation provision.

The conferees accepted our amendment to permit us to work with the U.S. Forest Service for the purpose of development and implementation of a program of forest resource improvement and with the Department of Interior's Fish and Wildlife Service on fisheries and fish and wildlife habitat improvements and to determine the feasibility of utilizing wood waste through the establishment of energy producing facilities that could provide an additional energy source for the area.

We added specific language to section 102(a) that would permit Humboldt and Del Norte Counties to enter into agreements with the State of California, the Secretaries of Interior, Agriculture, Commerce, and Labor to develop and implement a program of forest resource improvement and utilization including reforestation, fisheries, fish and wildlife habitat improvements, and wood energy facilities that will utilize the wood waste in the area for conversion to an alternative source of energy.

Humboldt and Del Norte Counties and the State have already initiated programs designed to revitalize presently underproductive forest lands and resources. The programs include: reforestation of poorly stocked forest lands, erosion control work, improvement of fisheries and utilization of wood waste products for energy production. These activities are of special relevance to the short and long term health of the economies of Humboldt and Del Norte Counties which should be given first option on receipt of contracts and grants and priority consideration in all agreements entered into by the Departments of Interior, Agriculture, Commerce and Labor, in order to maximize the opportunity for the affected workers of these counties to have first priority in jobs created in the above programs.

The loss of tax base to this rural area will be one of the most significant long-range difficulties that will have to be overcome. The bill provides in part for this threat by authorizing payments in lieu of taxes to continue on beyond the ordinary 5-year adjustment period to an estimated 11 or 12 years. Hopefully, this will minimize the loss to Humboldt County's tax base caused by the removal of these redwood-producing lands.

Included under the payments-in-lieu-of-taxes provision is the specific statement that the College of the Redwoods is eligible for assistance. This is important

both because the college depends on the tax base for revenue and because it is expected to be a major component of any retraining programs that follow expansion.

Lastly, the conference report retains the provision calling for a study of timber harvest scheduling alternatives for the Six Rivers National Forest.

I want to thank all the conferees for the kinds of consideration they gave us and, in particular, the support they gave to our joint efforts to provide an economic development package, rehabilitation programs, worker protection provisions, in-lieu-of-taxes payments, the right-of-way for construction of a highway bypass around Prairie Creek, and the provisions for the College of the Redwoods and the Redwoods United Workshop.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Arizona.

Mr. UDALL. I thank the gentleman for yielding.

The gentleman from California, now speaking, has been through a very agonizing experience. This proposal directly affected his district. It has caused high emotions and great difficulty for him. He has been a real statesman. He has handled this with great skill. He is a very valuable legislator and a very valuable member of our committee, and I commend him for the way he has been able to shape and change this to make it acceptable to some of the people in California. I am a strong supporter of the conference report.

Mr. DON H. CLAUSEN. I certainly thank the Chairman.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I would like to join with my colleagues in commending our friend, the gentleman from California (Mr. DON H. CLAUSEN) for the gentleman's most able and effective efforts. I think that there have been few Members in this House that have had their point of view more refined and have learned as a result of the persistence of our dear colleague, the gentleman from California (Mr. DON H. CLAUSEN). For the 1 year that we spent on this immediate effort, the gentleman persisted time and again and insisted that the committee and the author of the bill give the kind of insight that was relevant to the proposed legislation. The efforts of the gentleman from California (Mr. DON H. CLAUSEN) in terms of authority for the bypass free highway, although not quite convincing me of what we ought to do, but we could not quite convince the Senate on that.

The assistance of the gentleman from California on the economic matters in the bill and the gentleman's help on title II, the gentleman's thrust that those loggers be protected, that every effort be made for cooperation with the logging companies who stay with the private sector, so I join with the full committee chairman and add my accolades to the gentleman from California.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I appreciate all the kind words of the chairman of the National Parks Committee and all the rest for their work; but no amount of kind words can deny the tragic loss of resources the American people are going to have here. We have the best solar energy converters in the world in these trees.

Mr. Speaker, how many trees are we talking about locking up in this area, how many board feet?

Mr. DON H. CLAUSEN. The allowable loss will be 125 million board feet per year.

Mr. SYMMS. One hundred twenty-five million board feet per year, and the gentleman from California well knows there are clauses in the bill where now the taxpayers not only are denied access to good renewable resources in trees that you can cut down and then grow again; is that correct?

Mr. DON H. CLAUSEN. That is right.

Mr. SYMMS. I would like to know how much money is this going to cost the taxpayers?

Mr. DON H. CLAUSEN. My own projection of the total revenue will be about $1 billion.

Mr. SYMMS. How many million?

Mr. DON H. CLAUSEN. I said $1 billion. That includes the first authorization back in 1968, plus what is authorized here.

Mr. SYMMS. Mr. Speaker, if the gentleman will yield further, I would like to praise the gentleman, too, but I do not know how much good the praise is going to be to the poor guy in the sawmill that has lost his job or someone that cannot afford redwood furniture next year because of the escalating cost that we are legislating here.

Mr. Speaker, I hope we vote this measure down.

Mr. DON H. CLAUSEN. The impact remains to be seen and we hope that the job recovery provision and the worker protection clause will minimize the impact.

Mr. SYMMS. Mr. Speaker, if the gentleman will yield further, I think it will minimize the impact in the gentleman's district, but maximize the burden that is already put on the back-broken taxpayers of America who have to pay the bill. Where this seems so ridiculous to me, is the fact that people cannot go more than 50 yards into the area, while we have people going back for 50 miles in other areas and it begs reason.

Mr. DON H. CLAUSEN. Of course, all the points the gentleman mentions were brought out in the committee and floor debate. I have continued to oppose the expansion for many of the reasons the gentleman has pointed out and I appreciate his support.

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, among other things, I do want to express my congratulations to all the conferees. I offer my congratulations to the ranking minority member of the full committee, the gentleman from Kansas (Mr. SKUBITZ), and I think even more importantly, to the ranking minority member of our subcommittee, the gentleman from Kansas (Mr. SEBELIUS), without whose leadership this bill would not be as fine a product as the one we have before us.

Mr. Speaker, H.R. 3813, as amended and agreed to by the conferees on behalf of the House and Senate, will at last resolve the long struggle to establish a Redwood National Park worthy of the name. The 1968 act which first established the park, while including magnificent old-growth redwood groves, failed to establish defensible boundaries for the full protection of these tallest living things on earth.

The conferees have agreed to a final measure which is generally similar to H.R. 3813 as it passed the House of Representatives on February 9, 1978, by an overwhelming majority. The expanded boundaries are identical to those approved by the House; we have made no compromises detrimental to our aim of providing the needed protection for this unique national resource. We have also retained the provisions of our legislation which will insure that the forest products industry employees which may be affected by the park expansion will not bear the full economic burden of any dislocations in that industry. We have agreed to constructive suggestions by the Senate conferees to clarify and improve these employee protection provisions.

Mr. Speaker, I would now like to discuss the effects of the final language we have agreed to in some detail. I want to be absolutely certain that our intent in this legislation is fully carried out. In this regard, I would like to emphasize that because of the extensive drafting and review of H.R. 3813 this bill is clearly written and easy to understand. These remarks, then, are not designed to remake this legislation but rather to insure that, as author and sponsor of H.R. 3813, my understanding of how this legislation is designed to operate will be available. No interpretation of this legislation outside of this historical context can be given equivalent weight.

In addition to those individuals I mentioned on February 9, 1978, whose assistance was so helpful in the development of the Redwood National Park expansion legislation, I would like to add Mr. Howard Chapman, regional director of the National Park Service in San Francisco; a special thanks to Don Vial, director of the department of industrial relations, State of California, Dr. Sara Behman, deputy director of the department of industrial relations, and to Dan Johnston, health, welfare, and pension plan expert, whose assistance and factual information helped produce the jobs protection program; to Dale Crane, assigned to our staff; and to Bill Anderson of the House

Committee on Interior and Insular Affairs, who worked above and beyond the call of duty—for his help and constructive expertise in helping design the various provisions of the bill in compliance with the Budget Act.

Attached is a letter from John Dewitt, secretary and executive director of the Save-the-Redwoods League which should be of interest in regard to prices paid for acquisition of redwood lands in this region. I also want to call attention to the officers and council of the Save-the-Redwoods League whose names follow:

OFFICERS

RICHARD M. LEONARD, *President.*
BRUCE S. HOWARD, *Vice President.*
NEWTON B. DRURY, *Chairman, Board of Directors.*
WILLIAM P. WENTWORTH, *Treasurer.*
JOHN B. DEWITT, *Secretary and Executive Director.*

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PHELPS STOKES HUNTER.
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ALFRED A. KNOPF.
*RICHARD M. LEONARD.
NORMAN B. LIVERMORE.
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LAWRENCE C. MERRIAM.
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FRANK C. NELSON.
ROBERT NEUHAUS.
RICHARD C. OTTER.
MRS. NATHANIEL A. OWINGS.
GEORGE S. PEYTON, JR.
HERMAN PHLEGER.
CECIL F. POOLE.
NICHOLAS ROOSEVELT.
G. JAMES ROUSH.
MRS. MELVIN E. SAWIN.
ROBERT G. SPROUL, JR.
ALLAN M. STARR.
MRS. WILLIAM W. STOUT.
CHARLES C. WAGNER.
GEORGE WALDNER.
WILLIAM E. WASTE.
*WILLIAM P. WENTWORTH.
J. ROY WITTWER.

*Directors.

SAVE-THE-REDWOODS LEAGUE,
San Francisco, Calif., May 17, 1977.

Hon. PHILLIP BURTON,
Chairman, Subcommittee on National Parks of the Committee on Interior and Insular Affairs, Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN BURTON: The following data will be helpful to you and your committee. The enclosed summary shows the League's purchases in cooperation with the California Department of Parks and Recreation since 1963. The amount shown is the amount the League contributed to buy these properties for inclusion in the California Redwood State Parks. This sum was matched by the State of California in the amount of $8,506,777 from State Park Bond Funds and Federal Land and Water Conservation Fund Grants to the State of California Department of Parks and Recreation in the amount of $5,119,202.

Since 1918, when the Save-the-Redwoods League was founded, it has raised over 23 million dollars, which has been used with about 18 million dollars in State matching funds to buy the 135,000 acres now protected in the 28 California Redwood State Parks. Of this 135,000 acres, 56,000 acres are old-growth virgin Redwood stands, and the balance is Redwood land with both residual old-growth and second-growth Redwood.

In the Redwood National Park as it was established in 1968, 11,000 acres were old-growth Redwood, and about 17,000 acres were second-growth and cutover lands.

In State, county and city parks there are about 22,000 acres of Redwood, but most of this is second-growth.

The attached summaries will be helpful. Table I shows the acreage in regional, county and city parks. The second table is a summary of State Redwood Parks. The League is now holding about 6,000 acres for inclusion in the State Parks.

I hope this information is helpful to you.

Sincerely,

JOHN B. DEWITT.

Summary of acquisitions January 1963 to January 1977 by the Save-the-Redwoods League in cooperation with the California Department of Parks and Recreation and the National Park Service

Redwood Park name	Acreage	League Funds Expended
Jedediah Smith Redwoods State Park	1,496	$1,991,800
Del Norte Coast Redwoods State Park	470	25,300
Prairie Creek Redwoods State Park	2,617	3,249,507
Redwood National Park	100	75,400
Humboldt Redwoods State Park	25,293	8,613,565
Benbow Lake State Recreation Area	133	216,500
Richardson Grove State Park	57	30,000
Bear Harbor State Park	130	284,500
Standish-Hickey State Park	105	388,000
Smithe Redwoods State Reserve	160	25,000
Montgomery Woods Redwoods State Reserve	294	78,231
Pygmy Forest State Park	280	483,000
Big Basin Redwoods State Park	716	918,795
Forest of Nisene Marks State Park	140	325,000
Total	31,991	16,704,598

TABLE I. *Redwood parks and reserves other than State and Federal*

COUNTY, NAME OF AREA AND LANDOWNING AGENCY, AND ACREAGE

Del Norte: Florence D. Keller Park (County of Del Norte), 20.00.

Del Norte: Ruby Van Devender Park (County of Del Norte), 53.00.

Humboldt: College of the Redwoods campus—Beatrice (Redwoods Junior College District), 100.00.*

Humboldt: Jacoby Creek (City of Arcata), 600.00.

Humboldt: Redwood Park (City of Arcata), 23.00.

Humboldt: Rohner Park (City of Fortuna), 40.00.

Humboldt: Sequoia Park (City of Eureka), 46.00.

Mendocino: Faulker Park (County of Mendocino), 40.00.

Mendocino: Indian Creek (County of Mendocino), 15.00.

Marin: Cascade Park (City of Mill Valley), 8.00.

Marin: Kathleen Norris Park (City of Mill Valley), 1.00.

Marin: Martin Municipal Water District (total area: 17,776 acres), 2,600.00.*

Marin: Miller Grove Park (City of Mill Valley), 1.40.

Marin: Old Mill Park (City of Mill Valley), 6.40.

Marin: Redwood Grove Park (City of Mill Valley), 6.20.

Alameda: Chabot Park (East Bay Regional Park District) (total area: 4,800 acres), 500.00.*

Alameda: East Bay Municipal Utility District (total area: 30,750 acres), 478.00.

Alameda: Joaquin Miller Park (City of Oakland), 513.00.

Alameda: Redwood Regional Park (East Bay Regional Park District) (total area: 2,074 acres), 933.00.*

Alameda: Roberts Recreation Area (East Bay Regional Park District) (total area: 88 acres), 40.00.*

Alameda: Strawberry Creek plantation, Berkeley campus (University of California) and Stephen T. Mather Grove, 10.00.*

Alameda: Tilden Park plantation (East Bay Regional Park District), 7.00.*

San Mateo: County of San Francisco water department (total area: 62,975 acres), 2,000.00.*

San Mateo: Huddart Park (County of San Mateo), 973.00.

San Mateo: Memorial Park (County of San Mateo), 8,000.00.

San Mateo: Sam McDonald Park (County of San Mateo), 430.00.

Santa Clara: Mt. Madonna Park (County of Santa Clara) (total area: 3,093 acres), 2,000.00.*

Santa Cruz: De Laveaga Park (City of Santa Cruz), 565.00.

Santa Cruz: Harvey West Park (City of Santa Cruz), 27.00.

Santa Cruz: Miller Estate (University of California), 300.00.*

Santa Cruz: San Lorenzo Valley County Water District (total area: 3,750 acres), 1,000.00.*

Santa Cruz: Santa Cruz campus (University of California), 1,000.00.*

Sonoma: Cazadero Music Camp (City of Berkeley) (total area: 39.65 acres), 27.65.*

Total acreage, 22,363.65.

*Redwood acreage estimated by official of landowning agency.

SUMMARY OF REDWOOD UNITS WITHIN THE STATE PARK SYSTEM: PROPERTY OWNERSHIP REPORT, FISCAL YEAR 1975-76

Name	County	Year acquired	Acreage: State owned	Acreage: Lease or permit	Visitor attendance	Land acquisition: State expenditure	Land acquisition: Gifts and grant
Adm. Wm. H. Standley S.R.A.	Mendocino	1944	45.22				$2,847
Andrew Molera S.P.	Monterey	1968	2,153.98		26,089	$1,066,760	1,448,790
Armstrong Redwoods S.R.	Sonoma	1934	680.00		117,095	85,091	70,000
Bear Harbor R.P.	Mendocino	1975	85.00				257,000
Benbow Lake S.R.A.	Humboldt	1958	499.08		38,577	472,062	40,450
Big Basin Redwoods S.P.	Santa Cruz	1902	12,643.33		866,186	2,108,971	1,506,129
Butano S.P.	San Mateo	1956	2,186.49		36,446	1,011,905	31,385
Calaveras Big Trees S.P.	Calaveras, Tuolumne	1931	5,993.77		187,818	2,337,265	1,625,311
Del Norte Coast Redwoods S.P.	Del Norte	1925	6,375.02		98,223	300,165	249,870
Forest of Nisene Marks S.P.	Santa Cruz	1963	9,780.94		32,164	612,602	2,039,500
Grizzly Creek Redwoods S.P.	Humboldt	1943	234.25		40,943	300,195	
Hendy Woods S.P.	Mendocino	1958	604.69		66,023	569,484	52,000
Henry Cowell Redwoods S.P.	Santa Cruz	1954	4,072.45		201,658		1,735,400
Humboldt Redwoods S.P.	Humboldt	1921	44,798.14		768,386	8,209,946	13,984,150
Jedediah Smith Redwoods S.P.	Del Norte	1929	9,173.98		199,476	725,295	1,418,062
Julia Pfeiffer Burns S.P.	Monterey	1961	1,804.50	1,600.00	80,529	78,619	432,119
Mailliard Redwoods S.R.	Mendocino	1954	242.00				36,100
Montgomery Woods S.R.	do	1947	1,142.36			267,176	86,523
Mount Tamalpais S.P.	Marin	1928	6,204.78	28.50	1,199,593	5,320,277	1,072,732
Paul M. Dimmick W.C.	Mendocino	1928	11.81		45,964		2,000
Pfeiffer Big Sur S.P.	Monterey	1933	801.70	20.00	354,236	236,307	94,000
Portola S.P.	San Mateo	1945	1,740.26		48,635	199,825	113,000
Prairie Creek Redwoods S.P.	Humboldt, Del Norte	1923	12,321.05	63.27	274,553	2,309,042	2,976,389
Pygmy Forest Project	Mendocino	1976	193.30			328,000	
Reynolds W.C.	do	1965	375.00			146,550	
Richardson Grove S.P.	Humboldt	1922	872.02		379,088	79,594	43,850
Samuel P. Taylor S.P.	Marin	1946	2,484.08	92.22	126,192	77,628	43,728
Smithe Redwoods S.R.	Mendocino	1963	622.22		71,904	129,700	125,000
Standish-Hickey S.R.A.	do	1921	915.43		46,278	288,281	22,000
Total			129,056.85	1,803.99	5,306,056	27,260,740	29,508,335

Mr. Speaker, the amendment to the General Authorities Act of 1970 provided by § 101(b) of this legislation establishes once and for all that the administration of our great park resources is a preeminent responsibility of the United States. This provision elevates and strengthens the management standards establishing the National Park Service in 1916 to requirements of law. It insures that management decisions affecting our park system must square with this standard and that competing interests not consistent with the first section of the act of August 25, 1916, may only be approved if specifically authorized, either previously or through subsequent legislation, by Congress.

The deletion of section 109 of the House bill by the conference committee is consistent with these responsibilities. While the State of California has important responsibilities to manage its private timber operations in a careful manner, this responsibility is not an exclusive one. Protection of the various areas of the National Park System is a national problem. The standard of care due such an area is not solely dependent upon such State provisions but must also focus on the Federal purpose for which these parks have been established.

There are several important points with regard to the employment provisions of section 103 of this legislation. First, the specific employment positions established for the park by subsections (a) and (b) should be considered as minimum figures for the immediate future. The intent of these subsections is to permit the National Park Service to immediately come to grips with the management and rehabilitation problems affecting the park and to provide a positive economic impact on the community. Each additional position necessary for park management and protection purposes will also have a positive effect on the local economy. Accordingly, such positions should be added as necessary.

The subsection (a) positions are primarily for park rehabilitation purposes, both within and outside the park, and the subsection (b) positions—other than those specified to provide for the transfer of the State parks to Federal management—are to provide improved park-management, interpretation and protection. Necessarily, there should be considerable flexibility between these functions.

Additional park positions will clearly be necessary should there be a delay in the donation of the State park lands. Accordingly, a portion of the positions set aside for State park transfer purposes may be used for immediate park needs consistent with the status of the transfer discussions.

Section 101(a)(3) provides for the donation of State park lands but no date certain for the donation is stated. Section 101(a)(5) provides for the Secretary to acquire land for the right-of-way for a new highway bypass which will in turn be donated to the State of California for construction of the new highway bypass. The State of California is required to designate the route of the highway by October 1, 1984, to receive the benefit of the otherwise unconditional donation. It is our intention that both the State and Federal responsibilities be carried out expeditiously.

The rehabilitation authorization is specifically included to require the Secretary of Interior to correct the watershed erosion problems in and upstream of the park. It is essential that these highly erodible lands be rehabilitated to protect the redwoods in the flood plains of Redwood Creek. This work by its nature is labor intensive and will require several years to accomplish.

The Secretary should be aware that our purpose is to use the best possible land and resource management practices to protect the park without undue concern regarding associated benefits that might accrue to adjacent or affected private lands.

The national forest study language in the bill must be placed in the context of existing law, and congressional commitment to multiple use and sustained yield. Congress does not presuppose that this study shall result in an increased cut level. I would emphasize that increased harvesting on public lands is but one option to consider, and that prior to any congressional commitment other opportunities must be equally considered. There is currently no factual basis for safety assuming that an allowable cut increase would be consistent with sustained yield and multiple use. The House of Representatives did not change the study provision as passed by the Senate, because we concurred in the view of the study expressed by Representative JAMES WEAVER in the course of the House debate on the measure on February 9, 1978.

As numerous studies have documented, historic and continued overcutting on privately owned, commercial timber lands in northern California have depleted the harvestable volume. Future declines in annual harvest from this privately owned land are now unavoidable, regardless of park expansion. These same studies reveal that a steady flow of timber from the national forests shall provide the main significant stability to the north coast timber economy. Overcutting the public land makes no more economic sense than the historic and continued overcutting of the privately owned commercial timberlands.

The following specific considerations should be included in the Six Rivers National Forest study:

First. The study must consider the different timber-harvest-scheduling alternatives in relation to the other forest resources. Example: What is the relationship of a particular timber harvesting schedule upon fisheries, water quality, and so forth.

Second. A mechanism should be included for multiple agency and public involvement in the study. Most certainly, other governmental agencies with forest-related responsibilities should be involved, such as the State regional water quality control, State fish and game, Federal Fish and Wildlife Service, and the U.S. Geological Survey.

Third. In developing the various harvesting scheduling alternatives, the study must consider the necessary constraints upon timber harvesting, particularly water quality maintenance and the identification of unstable terrain through land stability studies. It should be noted that it is a basic procedure to develop constraint mapping prior to developing timber harvesting programs.

Fourth. The economic consequences of alternative schedules must be assessed. The Six Rivers National Forest must be viewed within the broader regional needs as outlined by the U.S. Forest Service's Pacific Northwest Forest and Range Experimental Station study of 1977, authored by Dr. Donald Oswald.

The Secretary of Agriculture should also consider the following items as issues deserving attention in the study:

First. Accelerated development of a new timber management plan under the provisions of the National Forest Management Act. Congress has already committed itself to the principle that the resource must be protected through a resource-based planning approach rather than by trying to impose cutting quotas derived by political or economic directives that cannot be achieved in practice.

Second. The jobs to be developed by replanting as required by the 1976 National Forest Management Act. Congress has previously authorized this program, and I am hopeful that it will be fully funded.

Third. An analysis of jobs impact of timber exports.

Fourth. A review of the economic value of anadromous fisheries at historic levels, how to restore fisheries productivity, and the economic value to be derived from such efforts.

Fifth. The cost of developing, building and maintaining new roads associated with different cut levels. While fully respecting land withdrawals made for wilderness and other purposes, the U.S. Forest Service should also consider the possibility of preparing an agency road plan that, if implemented, would reduce the lead times between the letting of contracts and the actual harvesting of areas.

Sixth. The economic/environmental effects of shelterwood logging on cut blocks of 10 acres or more should be assessed.

Seventh. A discussion of the feasibility and application of intensified forest management techniques, such as thinning young stands and general timber stand improvement efforts.

H.R. 3813 provides for a 30,000-acre park protection zone. Within this area, the Secretary is provided additional acquisition authority. The provision permits the Secretary to acquire lands, interests in land, or related down timber within the park protection zone from a willing seller without a showing that failure to acquire could result in physical damage to park resources. Lands may also be acquired, by condemnation if necessary, upon a showing that failure to acquire could result in physical damage.

The park protection zone provision has two basic purposes. One is the physical protection of the expanded national park itself. The second is to acquire additional lands from willing sellers to provide enhanced public benefits in this area.

As indicated in the conference report, the park protection zone is primarily designed to protect the expanded park. Acquisition of a parcel of land under the authority of this provision will not serve to authorize additional acquisition to protect the parcel just acquired nor provide the Secretary with any additional legal rights against lands adjacent thereto. Such acquisition will not, however, in any way diminish the responsibilities of adjacent landowners to protect the expanded Redwood National Park. Accordingly, this provision has been modified slightly by the inclusion of the phrase "as a result of such acquisition."

While this standby acquisition authority is provided solely for park protection purposes, it is important that the Secretary purchase manageable units of land if acquisition is necessary. Accordingly, once acquisition becomes imperative, the Secretary should also consider aesthetics, visitor use, the resources located in the area, the possibility of hard wood conversion or soft wood reforestation, and questions of severance. There may be situations where for a minor increase in cost, or even a savings in excessive severance costs, a meaningful unit of Federal lands can be added for public enjoyment, economic revitalization, resources management, or minimization of significant severance problems. If so, the Secretary should structure his acquisition accordingly. In no event should the Secretary be precluded from establishing public access to such acquired lands.

Acquisition is not an exclusive recourse. As the Department of the Interior learned since 1968, it is impossible to negotiate park protection when the only meaningful recourse is to pay the landowners if they fail to agree. Responsible litigation, when necessary to protect the physical resources of Redwood National Park, is a vital tool that should be utilized if necessary and appropriate.

This finding is consistent with the actions of the Senate Committee in establishing the Park Protection Zone. That action consisted of two separate amendments. In one amendment, the committee authorized standby acquisition authority within the Park Protection Zone. In a separate amendment, the Senate Committee deleted the administration's proposed regulatory framework for, inter alia, this area.

In the Senate's reported explanation of these changes, report 95–528 at page 7, the committee specifically noted that this standby acquisition authority is to be used only in situations of last resort, to protect the park from physical damage or likely damage. The committee envisioned the use of cooperative agreements under section 3(e) of the 1968 act and the use of litigation, if necessary, before such acquisition would take place. As the Senate report indicates, these three tools—cooperative management, litigation and selective acquisition—are designed to replace the administration's regulatory scheme to establish needed park protection.

The second major purpose of the park protection zone is to provide a mechanism whereby the Secretary, through acquisition from willing sellers, is able to consolidate the management of lands in this important area for a variety of benefits. Acquisition from a wiling seller—that is, by contract or through the filing of an agreed upon condemnation action in order to clear up title or other technical problems—is, accordingly, authorized. Acquisitions of this nature may be used to add to existing Bureau of Land Holdings in Lacks Creek. Unified management of this important drainage would further reduce sedimentation impacts in Redwood Creek. Prairie lands, such as those included in the Stover Ranch ownership, would enhance the opportunities for public use in the area.

There is one further point that should be stressed concerning this park protection zone. The Senate committee report called for a 60-day notice period prior to any acquisition in the zone. Such a provision is not desirable with regard to this emergency acquisition provision. Delay might result in the loss of a key protection area while even a rapid review process takes place. As an alternative approach, the Secretary of the Interior should keep the appropriate committees advised of difficult harvest plans as the review process proceeds, alert the committees that emergency acquisition may be necessary, and seek their review at that early point in time.

In this manner, the intent of the Senate report language can be respected without additional threats of preemptive harvesting. Such an approach would be consistent with the Senate committee's instructions that the Secretary develop clear guidelines concerning necessary park protection needs. In this regard, however, the existing preinspection of proposed timber harvest plans by the National Park Service is vital to this process. Accordingly, I urge that this requirement be formally adopted by the California State Board of Forestry for the Redwood Creek basin.

As the report of the Senate Committee on Energy and Natural Resources indicates with regard to committee amendment No. 3, the question of down timber presents two problems. The first has been to try and discourage the concerned timber companies from cutting timber just prior to passage of this legislation on the theory that once cut, they would own it regardless of passage. It is for this reason that the Senate committee had added the date October 15, 1977,

and provided that any down timber cut after that date would be the property of the United States.

The second problem is that portions of the older down timber lie in revegetated second growth forest where removal will severely damage these returning resources. Such damage was avoided following the 1968 taking only through the generous donation of such down timber interests by Simpson Timber Co. and the lapse of a reasonable time for removal with regard to other holdings, if any. The Senate amendment acknowledged but did not resolve this issue.

It is for this reason that the conference committee proposes the adoption of the House provision. H.R. 3813 provides that down timber cut before January 1, 1975, or after January 31, 1978, will be taken by passage of this act. That means that the companies will own that down timber cut after December 31, 1974, or before February 1, 1978—a period in excess of 3 years.

It is intended that down tree personal property owned by the companies, or revested to them, will be removed within a reasonable time. I suggest this period be not less than 2 nor more than 4 years. It is contemplated that additional down timber, either originally owned by the United States or subsequently abandoned by the companies, will be removed and sold in the course of rehabilitation operations consistent with the purposes of this act and subject to sound rehabilitation practices.

In accord with the terms of this provision, and section 107 of this act, I also intend that the Secretary's overall requirements for the removal of all down timber—regardless of whether title remains with the companies, title is revested, or the down timber is sold—include reasonable conditions necessary to insure the continued availability of raw materials to Redwoods United, Inc., a nonprofit corporation located in Manila, Calif.

The Senate bill provides for the continued use of the K & K, L line, M line, and Bald Hills roads. The House bill also includes the B line. The Senate language is relatively brief, It provides that:

> The Secretary shall permit continued access and use of the K and K, L line, M line, and Bald Hills roads at existing levels of access and use.

In support of this provision, the Senate report, No. 95–528 at page 10, provides as follows:

> The committee has added a provision to assure the companies with continued access and use of the K & K line, L line, M line, and Bald Hills roads at existing levels to avoid excessive severance and dislocation problems. It is the understanding of the committee that the Secretary will revest title in those roads to the companies subject to a reservation of use for park management purposes. It is further recognized that the Secretary may elect to exclude these roads or portions thereof from the park by using the presently existing authority to make minor boundary adjustments. As the legislation indicates there can be no restrictions on existing levels of company access and use. Under such a revestitute the companies shall have the responsibility to maintain these roads to protect both their access and use and park resources.

The House provision was more detailed and restrictive. It provides:

> The Secretary shall permit, at existing levels and extent of access and use, continued access and use of each acquired segment of the B line, L line, M line, and K and K roads by each current affected woods employer or its successor in title and interest: *Provided*, That such use is limited to forest and land management and protection purposes, including timber harvesting and road maintenance. The Secretary shall permit, at existing levels and extent of access and use, continued access and use of acquired portions of the Bald Hills road by each current affected woods employer or its successor in title and interest: *Provided*, That nothing in this sentence shall diminish the authority of the Secretary to otherwise regulate the use of the Bald Hills road."

The conference committee determined that the House language is more appropriate. There is one minor point. I have been advised by the National Park Service that the reference to the L line is inappropriate; that the continued use of this route is not needed. Accordingly, the reference to the L line may not be necessary.

The problem presented by the legislatively taken haul roads is one of balancing the economic and severance damage impacts of terminating their use with the need for protection of park resources should they continue to function. We believe that by limiting the future use of these roads to the affected woods employers presently using them (and their successors in title and interest) and by limiting that use to existing levels and extent of access a balance can be achieved. In this regard, affected woods employers are intended to mean Arcata Redwood, the Samoa Division of Louisiana-Pacific, and the Simpson operations in Humboldt and Del Norte Counties.

As indicated in the Senate report, secretarial permission shall be subject to the concerned timber companies accepting the responsibility to maintain these roads to protect both company access and use and park resources and to a reservation of a right of use for park management and land rehabilitation purposes. Because the main use of these routes will be trucks and heavy equipment that are incompatible with excessive visitor traffic, the Secretary is authorized to restrict public use in a manner compatible with the affected woods employers use, which is limited to forest and land management and protection purposes.

Establishment of the continued use of these haul roads may also be subject to agreement and provision for the use of portions of these or other private haul roads outside the boundaries of the park for park management and land rehabilitation purposes. We are particularly concerned that reasonable temporary access can be provided for the Secretary from Big Lagoon to the western side of Redwood Creek for purposes of watershed rehabilitation and park management via the A, B, C, and M line roads until the completion of an alternate ridge route from Orick. We intend that the Secretary proceed expeditiously with the construction of an access route leading south from Orick to provide access to the western side of the Redwood Creek watershed to allow for watershed rehabilitation and administration, consistent with the general management plan, which should be prepared for the entire 106,000 acre park, including consideration of all protected resources within the exterior boundaries.

The Secretary may accomplish the objectives outlined above through revestiture, permit, cooperative agreement or other appropriate legal binding document. In essence, this effort should be a part of the process of establishing the park boundaries on the ground. In this regard, it is imperative that this survey effort—within Interior, or pursuant to contracts—begin immediately to permit accurate and timely appraisals of the lands taken. As a part of this process, my intent is that the boundary indicated as proposed additions on map number 167–80005–D, dated March, 1978, may be adjusted by the Secretary to conform as nearly as possible to ridgetops or roads near ridgetops to include complete tributary watershed units in the park, to avoid the unnecessary inclusion of private lands outside the Redwood Creek watershed and to minimize severance damage. The means of accomplishing this change is the revestment provision of section 101(a)(5) of this amendment and section 2(a) of the act of October 2, 1968.

There is one further point of concern. Neither the House and Senate provisions nor this conference have recommended any particular period of time for this continued use. This is a matter left to the judgment of the Secretary and the concerned companies. While an unlimited or open-ended term is possible, it is our hope that some specific termination point should be agreed to if possible. This would be particularly appropriate if any arrangement for relocation of the major haul roads to areas outside the park could be established. We recognize that reasonable alternate access for affected woods employers does not presently exist. In the long run, with adequate time for planning and relocation, we believe, however, that alternate access for logging and road equipment should be found, and when found, should be utilized to minimize inevitable conflicts between visitors and logging traffic.

Several general points are in order with regard to the legislative taking provided by this bill. As in the 1968 act, this legislation provides for the immediate vesting of title to the expanded park area upon passage, with special consideration to areas of 50 acres or less. There is also a pledge of full faith and credit that just compensation will be paid. Such a legislative taking has several significant advantages. Most importantly, the immediate taking insures that there will be no further cutting of timber while tra-

ditional condemnation actions are initiated. This is of critical significance in proposed park areas where development, timbering, or inappropriate mineral extraction is foreseeable.

Such a taking also insures the earliest possible valuation date. In a market, such as redwoods, where land and resource values are increasing dramatically, it is important to establish the date of taking as quickly as possible. In a legislative taking the date of taking, and the date of valuation, is the date of passage of the act.

The other critical factor in insuring that the price paid for this land and timber is fair to both the United States and the concerned landowner is vigorous action by the Department of Justice. It should come as no surprise that in the major cases arising out of the 1968 taking, the Department of Justice attorney responsible for these cases was always confronted with numerous private counsel.

Initially, I had proposed a $5 million litigation fund to insure that Justice will establish a special section to try these cases. This was deleted only after we received repeated assurances that Justice would do the job. I fully expect that this will occur; that Justice will insure that a full complement of legal and appraisal experts are assigned or retained to protect the Government's purse.

In this regard, at the onset of this legislative process, I made extraordinary efforts to establish the exact nature of the 48,000 acres that are to be acquired. This was a most difficult job. I concluded, however, that of this 48,000 acres, less than 9,000 acres remain in intact virgin redwood forest stands.

I also concluded that the pricing of redwood timber and the sale of redwood-timber-bearing lands is an extremely closed market. I seriously question whether there is a free flow of competition requisite to establishing fair market values based upon the comparable sales process. Accordingly, I strongly recommend that the Department of Justice give very careful consideration to the nature of the Redwood market in the process of handling these cases. This may require consultation throughout the various divisions within the Department of Justice and, accordingly, should be coordinated by an individual with such responsibilities.

With regard to subsection 101(a)(6) of H.R. 3813 and the parallel subsection 1(a)(6) of S. 1976, there were two minor differences. The initial sentence of the amendatory language of this provision in the House bill did not appear in the Senate bill. In addition, H.R. 3813 contained a reference to the Secretary of Agriculture that is not found in S. 1976.

The first difference is of no substantive or technical importance. The Senate deleted the sentence in question rather than correct an inaccurate citation that was in the Senate bill. This deletion was explained as follows:

Mr. ABOUREZK. Mr. President, I propose and send to the desk an unprinted amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

"The Senator from South Dakota (Mr. ABOUREZK) proposes an unprinted amendment numbered 1163:

"Page 7, beginning on line 13, delete 'Effective on the date of enactment of this sentence, there are made available from the amounts provided in section 1(c) herein such sums as may be necessary for the acquisition of interests in land.' "

Mr. ABOUREZK. Mr. President, the amendment which I have proposed is acceptable to the sponsor of this legislation and has been cleared with the minority. This is a technical amendment to eliminate an inappropriate reference. The language to be deleted is an amendment to the 1968 act, which refers to a section of this measure rather than to section 10 of the 1968 act. The sentence, if modified to refer appropriately, would merely restate the intent of Congress in 1968 and is not necessary. The Congress intended and still intends that within the limitations imposed by section 10 of the 1968 act, the Secretary should exercise his full authority for cooperative agreements and contracts. It is not necessary to restate that any sums still authorized but unappropriated in the 1968 act will continue to be available to him for those purposes.

Mr. HANSEN. I have no objection to the adoption of the technical amendments, Mr. President.

The ACTING PRESIDENT pro tempore. Without objection, the technical amendments are agreed to.

[Congressional Record S. 934, Jan. 31, 1978]

We agree with this discussion but have elected to include the specific provision of H.R. 3813. As indicated by Senator ABOUREZK, those moneys authorized to be appropriated by section 10 of the 1968 act, and that remain unappropriated at this time, are intended to be available for the various purposes established by the 1968 act. These purposes include the development of cooperative agreements and contracts under section 3(e) and they also include the completion of the scenic screen requirements established by section 3(d). In this regard, we note that the scenic screen area is depicted as the "Scenic Corridor" on map 167–80005–D, March 1978. It is our intention that the National Park Service insure that this area be evaluated for acquisition of those lands or interests in land necessary for scenic purposes as a part of the general management plan process provided by section 104(b) of this legislation. Acquisition within the "Scenic Corridor" is to restore or maintain land uses compatible and appropriate with the areas beyond or behind the corridor. In this sense, the value of the scenic buffer area has shifted since the 1968 bill from protecting the motorist from unsightly and jarring clearcut operations to enhancing and insuring a proper setting for Redwood National Park from the major road networks utilizing the corridor.

The other difference in subsection (a)(6) concerns the House reference to the Secretary of Agriculture, as well as the Secretary of the Interior, with regard to careful management of any additional lands that are within the hydrographic basin of Redwood Creek. We concluded that the language of H.R. 3813 was appropriate.

The provisions of California law referred to in section 201(18) are section 1714 of the California Revenue and Taxation Code and in section 1265.7 of the California Unemployment Insurance Code.

With respect to jobs paid on an incentive basis, the term "wage rate," whenever used in section 207, is intended to refer to average hourly earnings. The Secretary should determine the amount of such earnings for affected employees on the basis of the earnings of employees actively employed in the same occupation by the same employer during the week for which the benefit is payable or, in the absence of data on the earnings of such employees, on such other basis as he deems fair and reasonable. The review procedure provided for in section 103(h) is applicable to such determinations.

Regarding section 212(g), it is explicitly intended that the provision of the Regional Rail Reorganization Act under which previously relocated employees may, under certain circumstances, be reimbursed for expenses incurred in moving back to their original location shall be applicable, in similar circumstances, to employees covered by this act.

Title II establishes special jobs programs, including income maintenance and unemployment benefits to workers. Under title II workers are entitled to receive benefits upon enactment of this act. In fact, the entitlement authority provided by this legislation obligates the United States to make payments to those individuals who qualify for the beneficiary requirements set forth in it.

This legislation establishes the qualified beneficiary's right to receive benefits without waiting for future congressional action.

Also, the House agreed to delete its section 204(d)—in light of the Department of Labor's statement that the added employee protection language was unnecessary and that the Department desired more procedural flexibility to accomplish this objective than that provided in section 207(d).

In closing, Mr. Speaker, I should like to point out that, while I have discussed the detailed points of difference which were resolved by the conference committee, we should not lose sight of the fact that both the Senate and the House of Representatives have already passed measures which were substantially in agreement. There is no difference on the essential issues that a 48,000-acre park expansion is necessary and appropriate. Our conference committee has refined the best features of both measures into a final text which will resolve this issue to the credit of the Congress.

I want to express my profound gratitude not only to my fellow House conferees, but to the Senators and their staff who have made this final resolution possible.

Last, but not least, I want to commend our distinguished senior Senator from California, ALAN CRANSTON, for his heroic leadership in this effort—as well as Roy Greenaway, Kathy Files, Ron Antipa, and Ann Raye, of his staff, and Jim Beirne, Tony Bevinetto, and Tom Williams of the Senate committee staff. for tireless and effective work.

Also, to Senator JAMES ABOUREZK, for his strength and invaluable assistance, Californians—and all of his fellow Americans—owe him a debt of gratitude.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, I want to join in the commendation of the two gentlemen from Kansas. The legislation relating to the national park system has never been partisan; it has always been a bipartisan effort, going back, in my experience, to our former colleague, John Saylor of Pennsylvania. These two gentlemen from Kansas, KEITH SEBELIUS and JOE SKUBITZ, are in that tradition. They have given us a lot of good national park legislation, and I want to join with the gentleman from California (Mr. PHILLIP BURTON) in his commendations.

Mr. SEBELIUS. Mr. Speaker, I yield back the balance of my time.

Mr. PHILLIP BURTON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. PHILLIP BURTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 317, nays 60, answered "present" 1, not voting 56, as follows:

[Roll No. 148]

YEAS—317

Addabbo	Brinkley	de la Garza
Akaka	Brodhead	Delaney
Allen	Brooks	Dent
Ambro	Brown, Calif.	Derrick
Anderson, Calif.	Brown, Mich.	Derwinski
	Brown, Ohio	Dickinson
Andrews, N.C.	Buchanan	Dicks
Andrews, N. Dak.	Burgener	Diggs
	Burke, Calif.	Dodd
Annunzio	Burke, Fla.	Downey
Applegate	Burke, Mass.	Drinan
Armstrong	Burlison, Mo.	Duncan, Tenn.
Ashley	Burton, John	Early
AuCoin	Burton, Phillip	Eckhardt
Bafalis	Byron	Edgar
Baldus	Caputo	Edwards, Ala.
Baucus	Carr	Edwards, Calif.
Beard, R.I.	Carter	Eilberg
Beard, Tenn.	Cavanaugh	Emery
Bedell	Chappell	English
Beilenson	Chisholm	Erlenborn
Benjamin	Clay	Evans, Del.
Bennett	Cleveland	Evans, Ind.
Bevill	Cochran	Fary
Bingham	Coleman	Fenwick
Blanchard	Conte	Findley
Blouin	Conyers	Fish
Boggs	Corcoran	Fisher
Boland	Corman	Fithian
Bolling	Cornell	Flippo
Bonior	Cotter	Flood
Bonker	Coughlin	Florio
Bowen	D'Amours	Flowers
Brademas	Danielson	Foley
Breckinridge	Davis	Ford, Tenn.
Fowler	McDade	Roe
Fraser	McFall	Rogers
Frenzel	McHugh	Roncalio
Frey	McKinney	Rooney
Fuqua	Madigan	Rose
Gammage	Maguire	Rosenthal
Garcia	Mann	Roybal
Gaydos	Markey	Russo
Gephardt	Marks	Ryan
Gibbons	Marlenee	Sarasin
Gilman	Martin	Sawyer
Ginn	Mathis	Scheuer
Glickman	Mattox	Sebelius
Gonzalez	Mazzoli	Seiberling
Gore	Meeds	Sharp
Gradison	Meyner	Shipley
Grassley	Mikulski	Sikes
Gudger	Mikva	Simon
Hamilton	Miller, Calif.	Sisk
Hanley	Miller, Ohio	Skubitz
Hannaford	Mineta	Slack
Harkin	Minish	Smith, Iowa
Harris	Mitchell, Md.	Smith, Nebr.
Harsha	Mitchell, N.Y.	Solarz
Hawkins	Moakley	Spellman
Hefner	Moffett	Spence
Heftel	Mollohan	St Germain
Hightower	Montgomery	Staggers
Hillis	Moore	Stanton
Holland	Moorhead, Calif.	Stark
Hollenbeck		Steed
Horton	Moorhead, Pa.	Steers
Howard	Mottl	Steiger
Huckaby	Murphy, Ill.	Stokes
Hughes	Murphy, Pa.	Stratton
Hyde	Murtha	Studds
Ireland	Myers, Gary	Thompson
Jacobs	Myers, Michael	Thone
Jeffords	Natcher	Traxler
Jenkins	Neal	Trible
Jenrette	Nedzi	Tsongas
Johnson, Calif.	Nolan	Udall
Johnson, Colo.	Nowak	Ullman
Jones, N.C.	O'Brien	Van Deerlin
Jones, Okla.	Oberstar	Vander Jagt
Jones, Tenn.	Obey	Vanik
Kasten	Ottinger	Vento
Kastenmeier	Panetta	Volkmer
Kazen	Patten	Walgren
Kemp	Patterson	Walsh
Keys	Pattison	Watkins
Kildee	Pease	Waxman
Kostmayer	Pepper	Weiss
Krebs	Perkins	Whalen
LaFalce	Pike	White
Lagomarsino	Poage	Whitehurst
Latta	Preyer	Whitley
Le Fante	Price	Wilson, Bob
Leach	Pritchard	Wilson, Tex.
Lederer	Pursell	Winn
Leggett	Quayle	Wirth
Lent	Quie	Wolff
Levitas	Railsback	Wright
Livingston	Rangel	Wydler
Lloyd, Calif.	Regula	Wylie
Lloyd, Tenn.	Reuss	Yates
Long, Md.	Rhodes	Yatron
Lott	Richmond	Young, Fla.
Lujan	Rinaldo	Young, Mo.
Luken	Risenhoover	Zablocki
McClory	Roberts	Zeferetti
McCormack	Rodino	

NAYS—60

Abdnor	Evans, Colo.	Pickle
Archer	Evans, Ga.	Quillen
Ashbrook	Forsythe	Robinson
Badham	Giaimo	Rousselot
Barnard	Goodling	Rudd
Bauman	Hammer-schmidt	Satterfield
Broyhill		Schulze
Burleson, Tex.	Hansen	Shuster
Butler	Holt	Skelton
Clausen, Don H.	Ichord	Snyder
	Kelly	Stangeland
Clawson, Del	Ketchum	Stockman
Collins, Tex.	Kindness	Stump
Crane	Long, La.	Symms
Cunningham	McDonald	Taylor
Daniel, Dan	McEwen	Treen
Daniel, R. W.	McKay	Waggonner
Dornan	Marriott	Walker
Duncan, Oreg.	Michel	Wampler
Edwards, Okla.	Milford	Wiggins
Ertel	Pettis	

ANSWERED "PRESENT"—1

Conable

NOT VOTING—56

Alexander	Biaggi	Cederberg
Ammerman	Breaux	Cohen
Anderson, Ill.	Broomfield	Collins, Ill.
Aspin	Carney	Cornwell
Dellums	Hubbard	Rahall
Devine	Jordan	Rostenkowski
Dingell	Krueger	Runnels
Fascell	Lehman	Ruppe
Flynt	Lundine	Santini
Ford, Mich.	McCloskey	Schroeder
Fountain	Mahon	Teague
Goldwater	Metcalfe	Thornton
Green	Moss	Tucker
Guyer	Murphy, N.Y.	Weaver
Hagedorn	Myers, John	Whitten
Hall	Nichols	Wilson, C. H.
Harrington	Nix	Young, Alaska
Heckler	Oakar	Young, Tex.
Holtzman	Pressler	

The Clerk announced the following pairs:

Mr. Carney with Mr. Krueger.
Mr. Rostenkowski with Mr. Ruppe.
Ms. Oakar with Mr. McCloskey.
Mr. Breaux with Mr. Aspin.
Mr. Metcalfe with Mr. Anderson of Illinois.
Mr. Teague with Mr. Goldwater.
Mr. Weaver with Mr. John T. Myers.
Ms. Holtzman with Mr. Pressler.
Mr. Hubbard with Mr. Mahon.
Mrs. Collins of Illinois with Mr. Broomfield.
Mr. Moss with Mr. Cederberg.
Mr. Charles H. Wilson of California with Mr. Devine.
Mr. Alexander with Mr. Hagedorn.
Mr. Biaggi with Mrs. Heckler.
Mr. Cornwell with Mr. Cohen.
Mr. Dellums with Mr. Guyer.
Mr. Harrington with Mr. Runnels.
Mr. Hall with Mr. Tucker.
Mr. Nix with Mr. Ammerman.
Mr. Nichols with Mr. Whitten.
Mr. Rahall with Miss Jordan.
Mr. Santini with Mr. Young of Alaska.
Mr. Lehman with Mr. Thornton.
Mrs. Schroeder with Mr. Lundine.
Mr. Murphy of New York with Mr. Flynt.
Mr. Fascell with Mr. Dingell.
Mr. Ford of Michigan with Mr. Fountain.

Mr. GIAIMO and Mr. EDWARDS of Oklahoma changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

The SPEAKER pro tempore. At the request of the Speaker, pursuant to the provisions of title 14, United States Code, section 194(a), the Chair appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following Members on the part of the House: Mr. DODD, Connecticut, and Mr. SARASIN, Connecticut.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER pro tempore. At the request of the Speaker, pursuant to the provisions of 46 U.S.C. 1126c, the Chair appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following members on the part of the House: Mr. WOLFF, New York, and Mr. WYDLER, New York.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MILITARY ACADEMY

The SPEAKER pro tempore. At the request of the Speaker, pursuant to the provisions of 10 U.S.C. 4355(a), the Chair appoints as members of the Board of Visitors to the U.S. Military Academy the following members on the part of the House: Mr. MURPHY, New York, Mr. LONG, Maryland, Mr. CEDERBERG, Michigan, and Mr. GILMAN, New York.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. NAVAL ACADEMY

The SPEAKER pro tempore. At the request of the Speaker, pursuant to the provisions of 10 U.S.C. 6968(a), the Chair appoints as members of the Board of Visitors to the U.S. Naval Academy the following members on the part of the House: Mr. FLOOD, Pennsylvania, Mr. MCKAY, Utah, Mr. KEMP, New York, and Mrs. HOLT, Maryland.

A CONTEST TO ENCOURAGE INVENTION OF A WAY TO STORE LARGE AMOUNTS OF ELECTRICAL ENERGY

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, I am today introducing a bill to establish a national contest, with a prize to the winner of $10 million. If this contest succeeds in its purpose, it will save the taxpayers and consumers of this Nation many, many billions of dollars. If it fails and there is no winner, there will be no prize awarded, and it will cost the taxpayers nothing.

With full awareness of the highly technical problems and mammoth obstacles that must be surmounted—as was the case in sending astronauts to the Moon—the purpose of this contest is to challenge the same inventive genius of our best minds and top electrical engineers, against all difficulties, to invent and develop an efficient and cost-effective technology and facility for the storage of large quantities of electric energy for later use when needed. Such electricity, even now, could be produced by existing generators, and from the fuel that is now going to waste, during much of the time when the demand for electricity is far below the capacity of our present generating facilities to produce.

During such time, millions and millions of dollars in fuel are now being wasted because of the necessity of every electric utility to keep its generators and boilers fired and geared up to meet peak-load demands, which occur only a very limited number of hours on any day. The balance of the time, fuel is being wasted, and electricity either is not generated or not used, because no technology or adequate facility to store it has been developed or is presently available.

The Research Division of the Library of Congress reports that approximately 50 percent of the total of all fossil, nuclear, and other fuels consumed by existing electric generating plants is going to waste, and that existing generating facilities are producing at an annual average rate of less than 45 percent of their capacity.

All of this could be corrected, and a tremendous savings could be passed on to all consumers of electricity, in the form of greatly reduced electric bills, if an efficient and cost-effective technology and facility could be developed to store for later use the electric energy not now being used or produced from existing generating plants, and from the untold amount of fuel that is thus being wasted.

Furthermore, because of the total absence of any adequate and cost-effective means of storing large quantities of electric energy, many billions of dollars are being spent by TVA and other public and privately owned utilities, every year, to construct more and more huge and expensive electric generating plants in order to meet the ever-increasing peak-load demands of our expanding economy and growing population that must be met, all of which is reflected in higher and higher electric bills to the consumers.

This would not be necessary if adequate facilities were available to store the increased amount of electricity which could be generated and stored to meet these peak-load demands from existing plants when they are producing and generating electricity at less than their capacity. We could save also, and cut down on the huge amounts of fuel that are now being consumed and wasted so many hours each day, when these powerplants are in operation but are generating electricity on the average, according to the Library of Congess, at less than 45 percent of their capacity. So the stakes are truly high, as such an invention would also make feasible the development and storage of an assured and adequate supply of electricity from even small or medium-sized solar energy plants for homes, farms, and various size businesses.

Perhaps—just perhaps—this national contest, with a $10 million prize being held out to the winner, will challenge and inspire some inventive genius and electrical engineers to invent and develop such an electric storage facility and technology that will conserve this terrible waste of energy, and will reduce the cost of electricity to all consumers, including farmers, residential users, and small businesses that are being hit hardest by higher and higher electric bills.

In addition, the invention of such facilities and technology would greatly ease the crisis resulting from the unexpected strikes or embargoes and from the accelerating depletion of available supplies of gas, oil, coal and other fuels on which our highly industrialized society depends.

At least it is worth a try, Mr. Speaker, especially since the taxpayers will be under no obligation, and no prize money would be awarded, if, unfortunately, the contest should fail in its purpose and there is no winner.

The responsibility for conducting the contest I would vest in the Tennessee Valley Authority, the largest producer of electricity in the Nation. This is the one Federal agency which was created especially to serve as a yardstick for innovative and consumer-oriented developments with respect to the furnishing of electric power at the lowest rates possible.

The judges of the contest would be three recognized experts on the technology of electric power. They would be chosen by the TVA Board from outside the agency, not employees of the Authority.

The contest would be closed on January 1, 1983. If by that time no entry is submitted which, in the opinion of the judges and the TVA Board, would provide a safe, adequate, and cost-effective electric energy storage facility and technology, then no prize would be awarded.

But if, in the happy event a person or persons, acting in partnership, or as a corporation, should invent and develop such a valuable technology and electric storage facility that will meet the needs and requirements of large electric utility plants, such person or persons, having invented, developed and submitted such an invention, would receive and be paid a prize of $10 million, and would be permitted, in addition, to submit such invention for patent to the U.S. Patent and Trademark Office, and enjoy all of the emoluments and royalties therefrom.

TERRORIST ATTACK NEAR TEL AVIV AN AFFRONT TO BASIC HUMAN DECENCY AND AN IMPEDIMENT TO PEACE

(Mr. ANDERSON of California asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, along with millions of others at home and abroad, I was shocked and deeply disturbed by the terrorist attack that occurred near Tel Aviv over the weekend.

Frankly, I am appalled. The optimism, and spirit, and hope for peace that has been building over the past several months, has been dampened. And yet, the need for it has become all the more apparent.

What prompted this band of guerrillas to do what they did? What prompted them to take the lives of innocent people, and discourage and disgust a world? What prompted them to take the laws of God and man into their own hands? There can be no right or reason for what they did.

Progress in the peace negotiations has, at times, been slow and frustrating. I have often found progress to be slow and frustrating. But it is still, by definition, a movement in the right direction. Can anything be "right" when 45 people are dead and 76 wounded? One must reply, clearly and in no uncertain terms, that the answer is a resounding "No." No, we cannot and will not accept terrorism, domestic or international, now or ever.

The people of America have, without hesitation given this as their answer. Their representatives in the House and Senate can do no less. I am today offer-

ing a concurrent resolution condemning this action as an impediment to peace, and an affront to basic human decency.

BILL ON SCIENCE, TECHNOLOGY, AND DIPLOMACY

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, the Committee on International Relations has recently completed a long-range study on the impact that science and technology has in the formulation of U.S. foreign policy.

The initiatives for legislation in this area were begun in 1969 when the Subcommittee on International Security and Scientific Affairs, which I chair, undertook an indepth examination of the interactions of science and technology with American diplomacy. The Congressional Research Service of the Library of Congress played an important role in this effort.

This review demonstrated that there is a need to rationalize the way in which scientific and technological capabilities are factored into foreign policy decisions.

For example, the studies suggested that the United States lacks a coherent policy to make meaningful application of science and technology—two of this country's strongest assets—to attain such American foreign policy goals as development in the Third World, international environmental protection, and solutions to the population, food, and energy crises.

The studies further suggested that the U.S. Government has failed to coordinate adequately the international scientific and technological activities of its various agencies to make the most effective use of such available resources in the conduct of U.S. foreign policy.

Finally, the studies implied that the Department of State is inadequately staffed to cope with modern international problems because it lacks personnel sensitized to the problems and opportunities for American diplomacy created by science and technology.

As a result, the State Department cannot provide guidance in the formulation, execution, and evaluation of diplomatic initiatives with significant scientific or technological content.

I am introducing a bill cosponsored by my colleagues, Mr. FASCELL, Mr. DIGGS, Mr. FRASER, Mr. WOLFF, Mr. BINGHAM, Mr. SOLARZ, Mrs. MEYNER, Mr. STUDDS, Mr. BUCHANAN, and Mr. WINN, that hopefully will help solve some of these problems. The purpose of the bill is to give the U.S. Government the direction it needs in the important area of international science and technology. Enactment of this bill would accomplish three things:

First, it would establish a national policy for international science and technology, a policy consistent with that enunciated by the Congress in the National Science and Technology Policy Act of 1976.

Second, it would create an effective means of coordinating and managing U.S. Government participation in international affairs with substantial scientific and/or technological content.

Third, this bill would establish a clear mandate for the Department of State in international scientific and technological affairs. It would provide the State Department access to intellectual resources outside the U.S. Government, enabling the State Department to increase the technological sophistication of the Foreign Service. It would also mandate that long-range planning and policy studies be carried out on a routine basis within the Department.

Mr. Speaker, this bill will not solve all of the problems relating to the interactions of science, technology, and American diplomacy.

It will, hopefully, however, serve as a useful vehicle in making those responsible for the foreign policy of this country to take science and technology into consideration at all stages of the decisionmaking process.

THE ALMOST FORGOTTEN REQUIREMENT TO BALANCE THE BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, there is an almost forgotten requirement to balance the American budget. Only by balancing the budget can we end the annual practice of increasing the national debt. There is a measure of reassurance in the protest vote which caused the defeat of the measure to increase the national debt limit last week. Unfortunately, it must be assumed that this is a temporary respite. It has happened before. The compelling pressure to vote for a larger debt to permit the Nation to pay its bills will again outweigh the inherent desire to get the Nation's fiscal house in order. The bill to increase the debt limit will be back at a slightly reduced figure, and if past history is any indication, the measure will be approved. The long-neglected need for a balanced budget will continue to get occasional reference—even since reeffort—but nothing of consequence is being achieved.

Regardless of what happened last week, Congress is still engaged in finding a way to increase the national debt; helping to push the budget further out of balance. To balance the budget should be our goal, not an additional increase in the public debt.

There is such a thing as fiscal collapse. With the dollar at its lowest value in modern times, there must be an awakening of what the administration and Congress are doing to America's financial stability.

A recent General Accounting Office report defining budget terminology lists five different concepts under the umbrella term "Federal debt": Public debt, agency debt, gross Federal debt, debt held by the public, and debt subject to statutory limit. The publications of the U.S. Treasury discuss Federal debt, interest charges on the interest-bearing public debt, and debt subject to statutory limit.

To my way of thinking, debt is debt. I am afraid that too often, we here in Washington get bogged down in meaningless distinctions and lose sight of the fact that the debt of the United States is a very serious and a rapidly growing problem.

Concern about the debt is a tried and true political rallying point, like motherhood and applie pie. I would like to be able to say there is increasing evidence that more and more people are becoming actively concerned about reducing the debt. Unfortunately, not even the imminent prospect of a trillion dollar debt has caused strong vocal concern on the part of the American public. Most of the effort to reduce the national debt center on bringing about a balanced Federal budget. President Carter has spoken about balancing the budget by 1981, and many of my colleagues have introduced legislation proposing constitutional amendments requiring balanced budgets. The proposed amendments get scant attention in Congress and the prospect of a balanced budget by 1981 is near the vanishing point.

It is clear to everyone that we will never be able to balance the budget and reduce the debt until we bite the bullet. It is impossible to reduce the national debt until we stop running annual deficits and start spending less than we take in. I believe there is widespread public concern even though it gets little notice in the media. Whatever the concern, in and out of Congress, it has been difficult, even impossible, to realize a reduction in the debt. In the past, efforts to do this, such as the proposals for a constitutional amendment to insure a balanced budget have not received realistic support by any Federal administration. Free-spending habits have persisted in the United States for nearly half a century. One cannot change spending habits and social inclinations that quickly.

It will be necessary to proceed slowly if we are to rein in the programed spending projected for the years ahead. I propose that we do this with legislation which would require that a certain portion of Federal tax revenues be set aside each year to retire the national debt. It is not yet clear exactly what percentage of Federal receipts should be allocated for this purpose. I would hope that this figure would be reached through legislative deliberation which would include consideration of expert opinions from any areas on the subject. We must make a start. The time is now. Soon it will be too late to slow the juggernaut of Federal spending. Through detailed and thoughtful congressional debate, we can resolve the matter, but action, not inaction, is required.

The need for such legislation is clear. The 1979 budget which President Carter has introduced shows an actual deficit of $45 billion in fiscal year 1977, an estimated deficit of $62 billion in fiscal 1978, and an estimated deficit of $61 billion in fiscal 1979. This will raise the public debt

from $699 billion in fiscal 1977 to an estimated $867 billion in fiscal year 1979. I am not afraid to say that I am horrified by these numbers. Efforts are clearly needed to stop this continued growth of the public debt. The reason the change is needed go far beyond the outrageousness of the numbers themselves. The deficit and its insidious growth affect almost every aspect of American life.

The Federal budget since 1960 has been in deficit in every year but one. The cumulative deficit of the unified budgets of the last 7 years, including the fiscal 1979 estimate contained in the budget just proposed by President Carter, comes to $312 billion. This is more than over one-third of the debt estimated to be outstanding in fiscal 1979. If the spending of off-budget entities, such as the Rural Electrification Administration is taken into account, the aggregate deficit for the 7 years totals $362 billion.

This sorry record of deficit financing means that we as a nation have been unwilling to tax ourselves sufficiently to finance the sharp increases in Government spending which have occurred or to curb the free spending which produced the deficits. These sharp spending increases have been a relatively recent development. It was 186 years from the founding of our Nation before Federal expenditures reached the $100 billion mark. This occurred in 1962. In only 9 more years, by fiscal 1971, Federal expenditures had exceeded $200 billion. Four years later in fiscal 1975, the $300 billion mark was passed. In fiscal 1977, it exceeded $408 billion.

President Carter's budget for 1979 projects Federal outlays of more than $500 billion. The huge Federal borrowing needed to finance these expenditures has had heavy impacts on the Nation's money and capital markets. It at times has helped to exacerbate inflationary tendencies in the economy. My proposal to pay off the national debt through the use of tax revenues can in time banish the specter of inflation and do so with certainty.

Inflation has been a severe and dangerous problem. One only needs to look at the experiences of the Weimar Republic in the 1920's to see the social, political, and economic problems extreme inflation can create.

Between 1921 and 1923, the value of the German Reichsmark went from 23 U.S. cents to a trillionth of that. At the end of 1923, the Reichsmark was worthless. It would buy nothing. All bank accounts were valueless and nothing could be bought or sold. Barter became the medium of exchange. In order to stop the inflation, it was necessary to increase unemployment and restrict credit. The period laid the groundwork for the rise of Hitler, a lesson we should never forget.

In order to reduce the debt and the problems that deficit spending engenders, it is necessary to balance the budget. During the 1976 campaign, President Carter pledged to balance the Federal budget by 1981. In the budget for fiscal 1979, however, the President proposes a deficit of almost $61 billion, only slightly under the estimated deficit for fiscal 1978. The President says that this budget will "place us on a path that will permit a balanced budget in the future if the private economy continues its recovery over the coming years." But how likely is that recovery to occur? The administration has said that if a balanced budget is to be achieved, real economic growth of 5 percent annually must be maintained through 1981. To sustain this rate of growth, there must be a continuing expansion of the private economy. Most economists believe that an annual rate of increase in real capital spending of about 9 to 10 percent is needed to have a reasonable expectation of meeting this target. One recent forecast estimates a 7-percent real rise in private capital spending will occur in calendar 1978, but on the other hand, a survey by another private economic consulting firm showed that most U.S. corporations are planning an increase of only 1 percent in real capital spending in 1978 over 1977 levels.

The administration now projects a real increase in the gross national product of 4.7 percent in 1978 and 4.8 percent in 1979, but many private forecasts are not that optimistic. In a recent survey by the National Association of Business Economists, the expected rate of real economic growth in 1978 was 4.5 percent, with growth expected to drop to 3.5 percent by the fourth quarter of 1978. Of the economists surveyed, 72 percent believed that an economic downturn will begin by 1979. In addition, 5-year budget projections by the Congressional Budget Office suggest that we will still run a deficit in 1983 if we are to stand a chance of realizing the other economic goals of lowering inflation and decreasing unemployment. These projections estimate the outlays and revenues which would accrue if current policies were continued unchanged, with no new policy initiatives. The projections also estimate the amounts of fiscal stimulus needed through 1983 to offset the fiscal drag implicit in the Federal tax structure if we are to attain the administration's objectives of dropping unemployment to 4.5 percent and holding inflation at 5.5 to 6 percent. In 1983, the current policy margin shows a surplus of $96 billion; with the estimated "fiscal drag offset" of $115 billion, the resulting budget deficit of $19 billion. It should be clear that the economy will not be strong enough to obviate the need or deficit spending by the end of President Carter's term in 1981, or even by 1983.

Going hand in hand with the need to balance the budget is the need for the Nation to reduce its dependence on the Federal Government and for the spirit of free enterprise to reassert itself. One important consideration would be greater inducement for the private enterprise sector to expand and modernize through tax incentives. It is true that tax incentives are a part of the newly proposed Federal tax cut but the great weight of the tax cut is for lower income families. Incentives for businesses to expand and modernize could have a much more lasting effect in producing a durable and lasting economy. It must be borne in mind that expertise and money from the United States was distributed lavishly following World War II, to help rehabilitate the war-torn countries and to encourage stability in developing countries. Now those countries have the benefit of modern techniques and cheap labor. The combination is playing havoc with the U.S. markets at home and abroad. If the American industry can be encouraged to rebuild, modernize and expand with lower production costs, there will be more jobs in the market and greater prosperity.

The growth in Federal spending and the expansion of the national debt have been the result of increased and expanded Federal activities which affect everyone. In 1929, Federal expenditures amounted to less than 3 percent of the dollar value of our total national output. In fiscal 1960, they were 18.5 percent, in fiscal 1970, 20.5 percent, and in fiscal 1979, they are estimated to be 22 percent of the gross national product. Much of this increase in the role of Government in our economy occurred because of the rapid population growth of recent decades, the increasing complexity of modern urban life, the explosion of military technology, and the enlarged responsibilities of the United States in world affairs. The trend of Federal spending has also been influenced by strong intellectual currents, both in our country and elsewhere, that keep nourishing the belief that practically all economic and social problems can be solved through the expenditure of public funds.

I do not believe that this is true. Many of our problems can be solved without the increased intervention of the Federal Government. Many of the experiences of the last few decades have shown that, however well intentioned a Federal program is, it may often fail to achieve the intended goal, and will end up costing the taxpayer money while reaping no real benefits. The free enterprise system is far from perfect, but I think that, in most cases, the solutions it puts forward are more efficient and better than those which are achieved through Federal programs. A reevaluation of the role of the Federal Government and greater reliance on people to help themselves will improve the Nation, will help reduce Federal outlays, and will reduce the Federal debt.

In addition to a reevaluation of the role of the Federal Government, it is also necessary to promote budget reform, so as to produce a budget which truly and accurately reflects the assets, liabilities, outlays and revenues of the Federal Government. At the present time the totals in the unified budget do not reflect the total outlays of the Federal Government.

Not included in the $500 billion estimate of fiscal 1979 outlays in the recently released budget are outlays for off-budget entities such as the Postal Service, the rural electrification and telephone revolving fund, and the U.S. Railway Association. Also excluded are outlays for Government sponsored enterprises such as the Federal National Mortgage Association, the Federal Land Banks, and the Federal Home Loan

Banks. Another related area left out of the budget is Federal credit programs, particularly loan guarantees. While loan guarantees do not represent current outlays by the Federal Government, they do represent potential outlays. The 1979 budget indicates that the total gross amount of loan guarantees outstanding at the end of fiscal year 1977 will be $284 billion; this will climb to $368 by the end of fiscal year 1979.

There is another manner in which the budget is made unrealistic by the Government agencies. Year after year, items which are known to have strong support in Congress are cut far below funding levels of prior years or are eliminated all together. Examples are: Impacted area school funds, certain agriculture program and even some educational programs. The administration knows from experience that Congress will increase these items to a realistic level, but in the meantime, the projected budget has been made to show a decrease in spending in these areas.

The exact method of dealing with potential liabilities in the budget is not clearly laid out, but we must take action. If we do not clean up the accounting procedures followed by the Federal Government and make the budget reflect all the actual and potential costs to taxpayers, it will be extremely difficult to know if we are actually reducing the national debt.

I feel that we need to start today to make an effort to control the debt. For years we have neglected to do so. In each passing year the undertaking will become more difficult. The proposal I have made is one small effort in this direction. By allocating a fixed proportion of Federal revenues to retire the debt, we are taking a small step toward preserving the values and traditions which have made our Nation great.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I am happy to yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I certainly want to commend my colleague the gentleman from Florida (Mr. SIKES) on the excellent statement he has just made.

I might add that I believe it is very prophetic that tomorrow we again take up the Humphrey-Hawkins bill, and, as my colleague knows, the principal business before us then will be an amendment adding a balanced budget to the Humphrey-Hawkins bill.

As I understand, there are a certain number of Members in this body who do not have the same tenacity or objectives of a balanced budget that the gentleman from Florida (Mr. SIKES) and I have. They will try to put in an amendment where it will really be a minimal thing. I think if we are really trying to work out a balanced budget in the next 5 years we should not adopt that amendment. I know I speak for many of the Members in this House on that subject.

Again I applaud the gentleman from Florida (Mr. SIKES) for believing, as I do, that at least a balanced budget should be a part of our plan.

Mr. SIKES. Mr. Speaker, I thank my distinguished colleague the gentleman from Ohio (Mr. ASHBROOK) for the remarks he has made and I certainly join in his beliefs.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I am happy to yield to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I thank the distinguished gentleman from Florida (Mr. SIKES) for yielding to me. I simply would like to underscore and join the gentleman in the remarks he has made and in support of his remarks regarding the need for a balanced budget.

I would also like to add that just recently the media has joined us also in support of this. And the thrust of the media's reporting has indicated that it believes the United States has joined England in misleading us and in leading us down the primrose path to socialism. But England has finally decided to try to pull itself up by its own bootstraps and get out of the morass of socialism. I would only hope that our country might join England in its attempt to turn away from socialism. A balanced budget will do this.

Mr. SIKES. The distinguished gentleman from Arizona (Mr. RUDD) has made indeed an important comment. I agree with the gentleman that with adequate leadership we can make some move or some progress toward a balanced budget and toward a reduction in the national debt.

THE 1-YEAR ANNIVERSARY OF THE ARREST OF ACTIVIST ANATOLI SCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. STEERS) is recognized for 5 minutes.

● Mr. STEERS. Mr. Speaker, events in the past few years attest to the validity of the belief that public attention and international support are crucial factors in maintaining the morale and protecting the lives of those incarcerated for their political beliefs. The recent plethora of releases, exchanges, and stays of execution of dissident individuals is directly related to world pressure and concern over the welfare of those deprived of human rights that are basic moral and legal privileges. It is, therefore, essential that we mark the 1-year anniversary of Anatoli Scharansky's arrest by joining in a worldwide appeal for his release.

As the elected representatives of the American people, we must express this Nation's commitment to freedom of conscience, religion, and emigration. As a signatory nation of the Helsinki Pact, the United States cannot ignore the serious nature of the Soviet Union's systematic violation of the rights guaranteed by that pact, an agreement very much desired by the Soviet leadership and signed solemnly over 2 years ago. Blatant dismissal of any portion of an international pact undermines the basic integrity of that document and reduces its validity as a binding agreement.

Anatoli Scharansky's attempt first to exercise his guaranteed right to emigrate and join his family and his subsequent efforts to monitor his country's noncompliance with the Helsinki Pact resulted in harassment and eventual arrest. Now faced with trial for treason, he has been denied access to adequate legal defense and all communication with his wife.

A founding member of the Public Group to Promote the Observance of the Helsinki Pact in the USSR, Scharansky has become not only an individual casualty of Soviet repression, but also a larger symbol of the recent Soviet crackdown on dissident activity. To help insure the personal safety of Anatoli Schransky, in solidarity with my colleagues, I wish today to add my voice to those of an outraged international community, and I pledge to continue my personal efforts to express my concern over the violation of his legal and human rights.●

THE VIOLATION OF THE BASIC HUMAN RIGHTS OF ANATOLY SCHARANSKY AND 3 MILLION OTHER SOVIET JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. GRADISON) is recognized for 5 minutes.

● Mr. GRADISON. Mr. Speaker, 1 year ago tomorrow, Anatoli Scharansky, a prominent leader of the Jewish community in the Soviet Union, was imprisoned in Moscow and accused of treason and espionage. He has been held in isolation since he was arrested without benefit of legal counsel. I would like to reiterate my grave concern for the plight of Anatoli Scharansky and the other 3 million Soviet Jews whose basic human rights have been violated by Soviet authorities.

Scharansky's wife, Avital, emigrated to Israel, and since her husband's arrest, she has been traveling the Western world carrying the message of his plight. Several weeks ago, I had the chance to visit with Mrs. Scharansky in my office here in Washington. We discussed her husband's situation and the situation faced by all would-be emigres in the Soviet Union. Speaking with this courageous and sensitive woman, whose family has been broken up by Soviet authorities, was a deeply moving experience.

That same week, at a meeting of Members of Congress and a Soviet Parliamentary delegation, I told the Soviet representatives that I had spoken with Mrs. Scharansky and was concerned about her husband and others in the Soviet Union. Their right to be united with their families and their right to independent counsel are among the most basic human rights. I asked the Soviets to carry back with them to the Soviet Union a message: we, in the United States, are watching, and we care about Anatoli Scharansky and the many others like him in the Soviet Union.

Today, I restate that message. We are still watching, and we still care.●

KEMP PROPOSES AN AMENDMENT TO H.R. 50 WHICH WILL ACHIEVE FULL EMPLOYMENT WITHOUT INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New York (Mr. KEMP) is recognized for 5 minutes.

● Mr. KEMP. Mr. Speaker, tomorrow the House will again take up consideration of H.R. 50, the Humphrey-Hawkins bill. As I have often stated, I am in complete agreement with the need to adopt government policies which will restore full employment to this country. However, I believe that H.R. 50 is seriously deficient in not providing a proven means of achieving that goal.

Tomorrow, I will offer an amendment which will achieve that goal. It will provide that means by calling upon the President to submit plans for a tax rate reduction paralleling that of President Kennedy in 1963. Since those tax rate reductions are the most successful full employment program since World War II, I believe that a similar tax cut should form the core of a new full employment strategy.

One may ask: What proof have we that a tax rate reduction will lead to additional employment?

The proof is twofold.

On a theoretical level we know that all taxes constitute a wedge between gross wages and net wages. Thus every time taxes go up, whether they are on workers or employers, it increases the wedge and simultaneously increases the total cost of employment and reduces disposable income. Consequently, employers hire fewer workers and workers have less incentive to work to their potential.

In addition, there is ample historical evidence to show that when tax rates are reduced there is an increase in employment.

In the 1920s tax rates were reduced across the board by nearly two-thirds, leading to a vast economic expansion.

After World War II tax rates were reduced, thereby aiding the postwar recovery.

And in 1964–65 tax rates were reduced by roughly a fourth, leading to a substantial reduction in the employment rate and a tremendous economic boom. Table I demonstrates the effects of the Kennedy tax cuts on the unemployment rate.

TABLE I.—UNEMPLOYMENT RATE AFTER THE KENNEDY TAX CUTS

[In percent]

Year	All workers	Blacks	Black males 20 years +
1961	6.7	12.4	11.7
1962	5.5	10.9	10.0
1963	5.7	10.8	9.2
1964	5.2	9.6	7.7
1965	4.5	8.1	6.0
1966	3.8	7.3	4.9

One might now ask: Why did unemployment rise again a number of years after passage of these tax rate reductions?

The answer is that in each case the economic expansion created by the tax rate reduction was brought to an end by a direct or indirect increase in taxes. In 1932 Herbert Hoover raised tax rates to roughly their World War I level in an effort to balance the budget. The rates were roughly tripled for all brackets. Tax rates were raised again in 1934, 1936 and 1938, thereby prolonging the economic depression.

The tax cuts implemented after World War II were undone by President Truman to pay for the Korean War. The economic stagnation of the Eisenhower administration is largely the result of the fact that after the Korean War tax rates were not reduced back to their pre-World War II level. Again, the goal was to increase revenues to balance the budget.

The beneficial effects of the Kennedy tax cuts was undone by an increase in taxes resulting from inflation. Because the quantity of money and Government spending went up at such a rapid rate during the latter part of the 1960's and the early part of the 1970's, there were too many dollars chasing too few goods. As the inflation increased nominal incomes both marginal and average tax rates for the vast majority of Americans increased. Because of the progressive income tax, tax revenues go up faster than incomes. Tax revenues go up approximately 1.6 percent for every 1 percent increase in the consumer price index.

It is true that Congress has reduced taxes several times since 1965, but marginal tax rates have remained intact. Consequently, only those at the very bottom of the income scale have benefited from these so-called tax reductions. Table II shows what has happened to families at selected income levels whose nominal incomes have kept pace with inflation since 1965. Between 1965 and 1977 prices and incomes have roughly doubled, but taxes have gone up much more.

TABLE II.—INCREASE IN REAL TAX BURDEN AND MARGINAL TAX RATES FOR A FAMILY OF 4 CAUSED BY INFLATION: 1965–77

Adjusted gross income in 1965 dollars	Federal income tax—		Marginal tax rate (percent)	
	1965	1977	1965	1977
$4,000	$140	$260	14	15
$5,000	290	586	15	17
$7,500	686	1,556	17	22
$10,000	1,114	2,605	19	25
$15,000	2,172	5,596	22	32
$20,000	3,428	9,416	28	42

Note especially the increase in marginal tax rate, for it is the marginal rate—the tax paid on each additional dollar earned—which largely governs incentive. When marginal tax rates go up it reduces the trade-off between work and leisure, investment and consumption. In other words, it becomes progressively less costly to work less or consume one's income rather than invest it.

Sweden and Great Britain are testiments to what happens in a country when marginal tax rates are allowed to become confiscatory. Incentive, innovation and inventiveness disappear. Highly productive individuals work to less than their capability, stop work altogether or leave the country. This fact was aptly pointed out recently in an article for the New York Times by Mr. Andrew Knight, editor of The Economist:

Just for the record, I am being paid a pittance by The New York Times for this article. Why did I not chisel The Times for more? Because 83 percent of the money will already go in taxes to pay for other people's false teeth and spectacles, so why bother? I refuse all freelance, including lucrative television work, for the same reason. On a gross annual salary of about $45,000 my marginal tax rate is 83 percent. Still, I'm lucky. A friend of mine who has built one of Britain's most successful businesses pays 98 percent: This is because the dividends on his shares in the business are regarded as "unearned."

Consequently, a program for economic expansion must include a reduction in marginal rates.

Some conservatives, like Herb Stein, former chairman of the Council of Economic Advisors, may argue that the Nation does not need a reduction in tax rates because there is no economic necessity for it. Stein also argues that 7 percent unemployment is full employment.

Well I do not believe this, and I do not think very many other people do either. We certainly are not willing to accept it. But even if Stein were correct, the problem is that tax rates are not static. As long as we have inflation taxes and tax rates will go up. In table III I have shown what will happen in just the next 3 years, if we have 7 percent inflation and incomes rise by the same amount. Although there is no increase in purchasing power taxes go up dramatically, especially when one also takes into consideration social security taxes and New York State income taxes.

TABLE III.—CHANGING TAX BURDEN FOR A FAMILY OF 4 WITH 1 WAGE EARNER ASSUMING 7-PERCENT INFLATION

Year	1978	1979	1980	1981
Adjusted gross income	$10,000	$10,700	$11,449	+$12,250
Federal income tax	586	715	857	1,009
Social security tax	605	656	702	815
New York State income tax	260	302	347	397
Total tax	1,451	1,678	1,906	2,221
Effective tax rate (percent)	14.5	15.7	16.6	18.1
Marginal tax rate (percent)	29.05	31.13	31.13	32.65
Adjusted gross income	$20,000	$21,400	$22,898	$24,500
Federal income tax	2,710	3,060	3,455	3,904
Social security tax	1,210	1,312	1,404	1,629
New York State income tax	1,160	1,314	1,487	1,685
Total tax	5,080	5,686	6,346	7,218
Effective tax rate (percent)	25.4	26.6	27.7	29.5
Marginal tax rate (percent)	42.05	42.13	46.13	46.65

It is for this reason that I introduced the Tax Reduction Act, together with 145 cosponsors in the House, to:

First. Reduce all individual income tax rates by roughly 33 percent over the next 3 years: from 14 to 8 percent at the bottom and from 70 to 50 percent at the top.

Second. Reduce the corporate income tax rate from 48 to 45 percent.

Third. Increase the corporate surtax exemption from $50,000 to $100,000.

I believe that such a program will restore full employment to this country.

That is why I will introduce tomorrow an amendment to the Humphrey-Hawkins bill which would require the President to submit plans for reducing individual income tax rates by 10 percent in each of the first 3 years after passage of the Humphrey-Hawkins bill, to reduce the corporate income tax rate by 1 percentage point in each of those years, and increase the corporate surtax exemption to $100,000 starting with the first year. In other words, the President will be required to report as a goal the implementation of the Tax Reduction Act.

My amendment is perfectly consistent with the full employment goal of the Humphrey-Hawkins bill. If the aim of H.R. 50 is to achieve full employment, then my amendment will provide the means, based on both economic theory and historical experience. Remember, it was President Kennedy who said in 1963:

> The main block to full employment is an unrealistically heavy burden of taxation. The time has come to remove it.

Some may say to this: Yes, tax reduction is fine, but an across-the-board reduction does more for the rich.

I respond to this in two ways.

First, Treasury Department data indicates that we have just about reached the limit on cutting taxes for low incomes. In 1975 those with incomes under $8,930 paid only 7.1 percent of all individual income taxes. Those with incomes above $8,930 paid the other 92.9 percent. In other words, the poor are paying virtually no taxes now so we can not really cut them any more. What the poor really need are jobs and income growth, and this can only be accomplished if we restore incentive to the economy by reducing tax rates across the board.

Furthermore, it can be shown that lower tax rates actually cause the rich to pay more taxes. As the President put it in 1924:

> I agree completely with those who wish to relieve the small taxpayer by getting the largest possible contribution from the people with large incomes. But if the rates on large incomes are so high that they disappear, the small taxpayer will be left to bear the entire burden. If, on the other hand, the rates are placed where they will produce the most revenue from large incomes, then the small taxpayer will be relieved.

And the experience of the Kennedy tax cuts, in which the top rate was lowered from 91 to 70 percent, proves this thesis. If one examines the data one will see that the percentage of total income taxes paid by the wealthy from 1964 to 1968 went up considerably.

The only other point which needs to be considered is that of inflation. Many on the minority side are especially concerned about this, and I share their concern. But one thing I do not believe is that high unemployment and high interest rates reduces inflation. Quite the contrary. If they lead to a reduction in the growth of GNP they may cause inflation. Conversely, a program which stimulates the total supply of goods and services, in conjunction with a moderate monetary policy, will reduce inflation. This is why I believe that my amendment will fight inflation as well as unemployment.

In conclusion I would just like to emphasize once again my support for the goal of full employment. But without emphasis on tax rate reduction I do not see how we will ever achieve this goal, despite the rhetoric contained in H.R. 50. Therefore, I hope that all Members of Congress will support my amendment to H.R. 50 and do so on a bipartisan basis.

The amendment follows:

H.R. 50

Page 61, strike out lines 22 through 25 inclusively, and renumber succeeding subsections (c) through (f) as subsections (b) through (e), respectively.

Page 63, after line 8, add the following new paragraph:

"(1) expansion of conventional private jobs opportunities through the increase in gross national product, aggregate personal income, savings and investment, and disposable income which would occur naturally from permanent tax rate reductions for individuals and corporations;"

and renumber the succeeding paragraphs (1) through (4) as paragraphs (2) through (5), respectively.

Page 64, after line 13, add the following new paragraph:

"(2) the projections for each year of a 5-year period of increases in employment, annual wage rate, gross national product, capital outlays, consumption, and Federal tax revenues (initial impact and net impact) resulting from permanent tax rate reductions for individuals and corporations of not less than that level of reduction required to offset potential Federal tax revenue gains arising from inflation, such projections to be based upon an econometric model designed on supply-side fiscalist formulae;"

and renumber the succeeding paragraph (2) and (3) as (3) and (4), respectively.

Page 65, line 22, strike out "section 3(a)(2)" and insert in lieu thereof "section 3(a)(3)" and on line 23, strike out "section 3(a)(2)(B)" and insert in lieu thereof "section 3(a)(3)(B)".

Page 66, strike out line 3, and insert in lieu thereof the following:

(b) The medium-term goals in the first Economic Report submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978 shall include—

"(1) a permanent reduction in the rate of tax imposed with respect to each bracket found in the tables in section 1 (relating to the tax imposed on individuals) of the Internal Revenue Code of 1954 of 10-percent in each year of that year and the two succeeding years;

"(2) a permanent reduction in the rate of tax imposed by section 11(b) (relating to the tax imposed on corporations) of the Internal Revenue Code of 1954 of 1-percent in each year of that year and the two succeeding years;

"(3) an increase to $100,000 in the corporate surtax exemption found at section 11(d) of the Internal Revenue Code of 1954.

"(c)(1) The medium-term goals in the first three Eco-".●

THE FASTENER OVERRIDE VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 10 minutes.

● Mr. STEIGER. Mr. Speaker, for the information of my colleagues I want to share my perspective on the issue taken up today by the Trade Subcommittee of the Committee on Ways and Means.

Since the implementation of the Trade Act in January of 1975, resolutions seeking override of the President's trade relief determinations on four different products have been referred to the Trade Subcommittee. Thus far, for various sound reasons, the subcommittee has not supported any of these resolutions. Chief among the reasons for not supporting override resolutions have been: A strong willingness to be supportive of our trade liberalization efforts at the MTN (an override vote being viewed as protectionist and, thus, counterproductive); a general sense that on the merits the respective cases thus far referred have not warranted an override of the President's determination; a feeling that the override authority was unconstitutional; and a view that an override would cause the President undesired embarrassment and, absent extraordinary circumstances, would be an unwarranted intrusion on Executive discretion. To varying degrees I have supported these views and have, therefore, opposed override on the four resolutions that have been referred to this subcommittee during this Congress.

But the resolution before us now, House Concurrent Resolution 485, arises under circumstances which are notably different than those that existed for the previous override resolutions: First, a recent Supreme Court decision quiets the constitutional question that lingered for some but I must admit not fully for me. Second, neither our trade policy formulators, our negotiators in Geneva nor our major trading partners, notably the Europeans, are sensitive enough to the pressures coalescing in the Congress and across the country (evidenced by this override effort) for actions that would set back trade liberalization for years.

Thus, they are insufficiently aware of the absolute necessity for the Geneva exercise to conclude with substantial improvements and enhanced disciplines in international trading rules. Third, to my mind the fasteners industry has made a case both for injury and for some kind of assistance that would enable it to more effectively cope with a 44 percent market penetration by imports, a 50 percent plant utilization rate, and a 25 percent decline in employment. Fourth, the consequence of these factors raises a serious problem of trade policy that renders as secondary the otherwise valid concern for the integrity of the Executive's discretionary authority in such matters.

Having recognized that the atmosphere in which this resolution arises is changed and is serious does not, however, easily lead me to support an override. Indeed, in this climate an override vote by this subcommittee could well be the catalyst that triggers the protectionist onslaught which we all have been fearing for so long. Furthermore, it could be seen as a signal to our trading partners in Europe that we are no longer able or willing to fight the good fight at home for trade liberalization which is precisely the signal some have been looking for to rationalize their own longstanding preference for little or nothing

of substance to come out of Geneva. Moreover, in a time when worries about inflation are high, it is not easy to support a measure that has an inflationary impact.

But what is most troublesome to me, for one, is the dismal lack of alternatives available to this subcommittee to adequately resolve the problems faced by the domestic fasteners industry. Lest we forget, it is our job and the executive branch's job to resolve problems in this society not to avoid them or ignore them. Yet we have a choice of two near equally objectionable alternatives: Either to agree with the President and do nothing for an important and worthy industry or to vote for override and risk substantial disruption in trade policy formulation and implementation. Indeed, on the larger level, our trade relief laws generally seem all too inadequate in dealing with the serious trade problems our ailing industries have been facing of late while at the same time honoring our commitments to the world trading community.

Consequently, I would like to urge this subcommittee to carve out, on its own, a middle ground solution that would attempt to treat the pressing problems faced by the domestic fastener industry, limit the undesirable risks of a full override and convey to our own trade people as well as our partners in Europe that time for a significant—and I stress significant—trade agreement is running out. Such a middle ground solution could take the form of the subcommittee voting to recommend override with an invitation to the executive branch to come up with a plan to assist the domestic industry. Such a plan could include, for example, a scheme for EDA assistance or a tax relief package to be included in the present tax reform effort.

If a satisfactory plan can be devised, the subcommittee would then report such a satisfactory solution to the full committee when it takes up the matter. Obviously, if no such plan is found, the subcommittee would report its override vote to the full committee and report the failure of the administration to meet the subcommittee half way on this question. As the committee will soon lose control of this resolution, time is short. So if progress is being made, the full committee, if it would be willing, could assume the same contingent override posture reporting to the House whatever is the result of the administration effort.

Our responsibility and the administration's responsibility is to find solutions to problems faced by the good people of this country. That those problems may involve competing if not conflicting policy interests does not diminish in the least our obligation to solve them. I think this middle ground approach I have suggested is a way for us to meet our responsibility in this matter. I urge my colleagues to give it their consideration and support.

This 7-to-6 vote by the subcommittee indicates the closeness of the issue and the vote. My hope is that having favorably reported the override resolution to the full committee, we can use the time to receive more information on which to make a judgment as well as to explore alternatives. Any precipitous action in the House would be a mistake.●

GIFTED AND TALENTED CHILDREN'S EDUCATION ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. PURSELL) is recognized for 5 minutes.

● Mr. PURSELL. Mr. Speaker, it is a fact of American history that the greatest resource this country has is the excellence, intelligence, potential, and drive of its young people. Where would this Nation be without the writings, inventions, discoveries, and leadership provided by our youth since this country's conception? Yet, it is an ironic fact of the American educational system that while quality is strived for, it is the educationally disadvantaged child who is given special programs, extra incentives, and greater emphasis. There are only token attempts to encourage and assist our brightest students realize their potentials.

In recent times we have witnessed this much-needed effort to provide disadvantaged students with the opportunity to realize their educational potential. However, we have yet to offer our gifted and talented students this same opportunity to realize their potential. I think the time has come to insure that every child is offered the kind of education that will help him/her to realize his/her individual potential.

Therefore, today I am introducing a bill to amend the Elementary and Secondary Education Act, and expand our program for the gifted and talented children of this country. My colleagues, Mr. BRADEMAS, Mr. QUIE, Mrs. CHISHOLM, Mr. PRESSLER, and Mr. KILDEE have joined me in this bipartisan effort, emphasizing the importance of this legislation.

Recent survey data indicates that 32 States reported having provided special instruction to a total of 456,518 gifted and talented children in school-year 1976–77. Progress is obviously being realized in facilitating the learning process in order that gifted and talented children may reach their full potential since this figure represents an increase of 74,360 children so served over the preceding school year.

However, of the same 32 States, only two, California and North Carolina, reported serving a number of gifted and talented children at least equaling 3 percent of their school age population—aged 5 to 17. It will be recalled that the Marland Report of 1972—after then U.S. Commissioner of Education Sidney Marland—suggested that the most conservative incidence of gifted and talented children within the school age population should be approximately 3 percent. Furthermore, 30 States surveyed reported appropriating a total State allocation of $56.23 million for the special education of gifted and talented children in school year 1976–77. However, upon closer scrutiny of the individual State funding patterns of these 30 States, it is revealed that 8 States accounted for over 90 percent of this total appropriation. These facts would seem to suggest that more needs to be done within the school systems of the Nation if the unusual—but nonetheless very real for the particular child or youth—form of educational jeopardy for gifted and talented American children is to be ameliorated.

A modest Federal role in this educational undertaking—primarily an incentive and cataclytic presence—has already been affirmed by the Congress. For many years the promotion of the special education of these children has enjoyed the benefits of title V and title IV–C—previously as title III—of the Elementary and Secondary Education Act. Perhaps more significantly, the Congress authorized through the vehicle of Public Law 93–380, the Education Amendments of 1974, the first statutory authority solely for support of the special education of gifted and talented children; namely, title IV, section 404 of the act. The U.S. Office of Gifted and Talented, designated to administer that authority, reports serving 53 projects with a total allocation of $2.5 million in fiscal 1977. The legislation now being proposed bears the following basic characteristics:

First. This bill acknowledges the appropriateness of a continuing Federal role, both by encouraging further State and local efforts by virtue of the very existence of a Federal focus and by affording a modest level of Federal fiscal support.

Second. Given the realities of available fiscal resources, this bill alters the existing section 404 structure by targeting the very limited number of Federal dollars more precisely where those dollars can do the most good, as close as possible to the actual instructional environment of children.

Third. This bill rejects the notion of a Federal response to the total universe of gifted and talented, and instead responds to practical instructional reality, namely children assessed by the school systems, through the use of professionally appropriate and acknowledged methods, as gifted and talented who by reason thereof require those necessary adjustments in their educational environment in order that the achievement of their potential will not be thwarted.

The first part of this bill provides for establishment of a broad-based local program of assistance to the gifted and talented. It would authorize grants to local education agencies with the following stipulations: First, 55 percent of the funds appropriated shall be used to fund this section; second, one-half of such grants would be awarded to local applicants proposing and promising approaches in meeting the special educational needs of the gifted and talented; and third, one-half of such grants would be awarded to local applicants stressing the identification and special education of disadvantaged gifted and talented children. Programs funded under this part may be awarded only for 5 years.

The second part provides for the establishment of a broad-based State program of assistance for gifted and talented education. It authorizes grants to assist State education agencies in their plan-

ning, development, and improvement of programs for these children as well as provide financial assistance for the training of personnel to meet the special educational needs of the gifted and talented; 30 percent of the total appropriation must be used for this part, with States being awarded grants for up to 3 years.

The third part authorizes a modest and flexible research component for the gifted and talented which shall be comprised of the following three principal segments: grants to conduct research, surveys, and demonstrations relating to the education of gifted and talented children; and the establishment of an information clearinghouse; 15 percent of the funds appropriated shall be spent to carry out this part.

The definition of "gifted and talented" as stated in this bill, means children and, where applicable, youth, who are identified at the preschool, elementary or secondary level as possessing demonstrated or potential abilities that give evidence of high performance capability in areas such as intellectual, creative, specific academic, or leadership ability or in the performing and visual arts, who by reason thereof, require special educational services.

The final provision authorizes funds in the following increments: $10,000,000 for the fiscal year ending September 30, 1979; $15,000,000 for the fiscal year ending September 30, 1980; $20,000,000 for the fiscal year ending September 30, 1981, and $25,000,000 for each of the fiscal years ending September 30, 1982 and 1983.

I feel the time has come to recognize the special needs of the gifted and talented, and urge my colleagues to support this worthy effort.●

LEGISLATION TO CONTINUE EXISTING INCOME TAX TREATMENT OF NONQUALIFIED DEFERRED COMPENSATION PLANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. EVANS) is recognized for 5 minutes.

LEGISLATION TO PRESERVE CERTAIN TAX TREATMENTS

● Mr. EVANS of Delaware. Mr. Speaker, I am introducing today legislation which will prevent the proposed Treasury action regarding many types of nonqualified deferred compensation plans from going into effect and will preserve the tax treatment of these plans which have received consistent and continuous Treasury approval for many years.

The proposed regulation would prevent both public and private employees from receiving favorable tax treatment when they defer a portion of their current earnings to provide for their retirement. Under many plans currently in use, employees are allowed to defer a portion of their salary to be received when they retire. The portion deferred is not taxed when earned, but the tax is imposed when the income is received upon the employee's retirement. The Treasury proposal would tax salaries when earned regardless of when they are received.

Capital formation is essential to the future growth of our economy and the creation of permanent jobs. The United States has the lowest capital formation increases of any industrialized nation. The encouragement of savings is essential if we are going to reverse this situation and increase investment in plants and equipment which will create new jobs for Americans. Retaining the current tax treatment of nonqualified deferred compensation plans will encourage individuals to save for the future, thereby making more money available for business investment and helping to create those very badly needed jobs.

Mr. Speaker, in these times of spiraling inflation rates, many Americans worry about having enough money to retire on. The Treasury proposal would penalize those individuals who wish to put away money on their own by providing a disincentive for saving. Individuals should not and cannot rely solely on the social security system to provide money in which to live on when they retire. Social security is designed only to supplement other sources of income, not provide total security. Our tax system should encourage, not discourage individual savings to plan for retirement. This legislation accomplishes that purpose.

Over 30 States, including my State of Delaware, have enacted or provided for salary deferral plans. These plans offer ease of administration, encourage savings for retirement, are nondiscriminatory, and enable individuals to plan for security in their future. In Delaware, the participants in these plans range from maintenance workers to school principals. Over 70 percent of the participants earn less than $25,000 a year.

The fairness of our tax code is essential to maintaining confidence in our Government. Many individuals have relied and should continue to rely on consistent interpretation of our tax laws. Those individuals who have made plans for their retirement based on the current treatment of nonqualified deferred compensation plans are being penalized as a result of this proposed ruling. This is simply not fair.

I am hopeful that prompt enactment of my proposal will reiterate congressional intent to the American people that saving for one's retirement is going to be encouraged, not discouraged. The text of my bill follows this statement:

H.R. —

A bill to continue the existing income tax treatment of nonqualified deferred compensation plans established by State and local governments and other employers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the income tax treatment of compensation described in the notice of proposed rulemaking which was printed in the Federal Register dated February 3, 1978, (beginning on page 4638), shall continue to be determined—

(1) in accordance with the principles of the existing revenue rulings and court decisions set forth in such notice, and

(2) without regard to the tax treatment proposed by the Internal Revenue Service in such notice (and without regard to any regulation, ruling, or decision reaching the same result as, or a similar result to such proposed tax treatment).●

PLANS TO SELL FIGHTER PLANES TO SAUDI ARABIA AND EGYPT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 30 minutes.

Mr. ADDABBO. Mr. Speaker, I recently visited Israel for the purposes of discussing with our Embassy and intelligence people, and with the leaders of that nation, the problems of Israeli national defense and other questions involving my appropriation committee jurisdiction. I take this opportunity to report my observations. I heard from the Israeli leaders the difficulties they would face if the United States were to follow through with its projected plans to sell 60 F–15 fighter planes to Saudi Arabia and 59 F–5E fighter planes to Egypt. It is clear to me that strictly from a military viewpoint the safety of Israel would be highly compromised with the introduction of F–15 fighters in Saudi Arabia, just 40 miles away from the capital of Israel.

I visited the West Bank, the Heights of Judea, and stood on a former Jordanian mountain outpost and looked out on the city of Tel Aviv across a flat and open plain only 8 miles away. I stood on heights from which cannon fire could easily destroy Tel Aviv—so one must carefully think out the question of defensible borders.

Mr. Speaker, I visited the Gaza Strip, an original refugee camp and important terrorist stronghold until the 1967 occupation by Israel, and whose occupation has turned the Gaza refugee hovels into livable communities occupied by Arab refugees in a booming society of Arab operated businesses. I visited Yamit, an Israel settlement built in the desert which turned wasteland into a veritable oasis. It is important not only for its development, but it is more important as a buffer against terrorist attacks into Israel, for beyond this point the terrorist must enter from the desert and could be easily detected.

Mr. Speaker, on my visit I met with Defense Minister Weizman and Prime Minister Begin. Besides the question of settlement, the uppermost concern they have is the sale of F–5's to Egypt and the F–15's to Saudi Arabia. Egypt is a concern for it is the first time U.S. modern planes were being sold to Arab nations. The major concern is the sale of the F–15 to Saudi Arabia which represents a serious threat to Israel's defense; Saudi Arabia has a major airfield at the Israel border. It was felt that if Saudi Arabia seeks to protect its oil fields and is concerned with its neighbor Iraq there is no need for an air field at its furthest opposite border, at Israel's backdoor.

I accept without reservation that all parties to the negotiations, that we hope

will continue in the Middle East, sincerely desire peace. Those arid lands have seen enough bloodshed to last forever, and the leaders of Israel, Saudi Arabia, and Egypt know all too well that further fighting will only increase suffering among the people of those nations who have already suffered far too much for the inability of their leaders to secure a just and lasting peace.

But it is one thing to hope for peace and to work for peace and still another to secure peace. I find it wrong for our Nation, which has been in the forefront of the effort to secure peace, to pressure our long-time ally, Israel, to accept conditions which could very likely endanger its own future national security. That is why the Israelis have been so stubborn about what, if anything, they will yield along the West Bank. We have asked Israel to give up oil fields, which it can use, defensive strongholds in the Sinai which have previously been used to shell Israeli settlements, and now we ask the Israelis to accept that 60 of the most advanced jet fighters would be based a few minutes of flying time away from their capital.

I see by yesterday's headlines that the administration is supposed to have a working agreement with the Arab nations about the price of oil that is contingent upon the sale of the jet planes. I do not know if those reports are true or not, but I do know that this would not be the first administration since the 1973 oil boycott that has sought to make concessions to the Arabs to gain lower prices on oil. I suggest once more that it is foolhardy national policy to let fuel prices determine our international agreements. And until we learn to live within the boundaries of what is available to us domestically, we will always be subject to this kind of international blackmail.

I certainly understand the desire of the administration to secure lower petroleum prices. I even applaud that goal. But I cannot permit the need for imported petroleum to commit my vote for introducing into the Middle East negotiations the threat that the sale of these planes could well bring.

I would like this Nation to retain the friendship and trust of both Saudi Arabia and Egypt. The Saudis have been the most moderate of people in recent years and deserve our heartfelt thanks for their peace-loving ways. I do not believe it is in the best interest of ours to consumate the sale of these offensive weapons at this time.

President Sadat has emerged as perhaps the single most important force for peace in the Middle East today, and he may in the future deserve the world's full approval for his courageous acts. Nevertheless, I fear that if the war planes were available to Egypt and the peace talks continue to be deadlocked, there are those within Egypt who might bring enough pressure to bear upon the government to utilize those planes in conflict with Israel.

Additionally, we know from the events of this past weekend that there are elements within the Arab world who do not seek peace under any circumstances. Those elements will not rest until they are either victorious in eradicating Israel from the family of nations or until they are themselves isolated from the vast majority of people in the Middle East who seek a just and lasting peace.

We cannot afford to simply take blithe assurances that these highly sophisticated weapons may not fall into the hands of terrorists one way or another.

For all of these reasons and others, Mr. Speaker, it seems to me to be not in the best interest of anyone to seek to conclude this sales of arms at this time. I would hope that the administration would have second thoughts on this matter. But, if it does not, I would hope that my colleagues in the House would join with me in strongly opposing this sale, and by our actions, keep this travesty from coming to realization.

The United States must continue its role as mediator not as a promoter of conditions, for a lasting peace can only be achieved by the direct negotiations and agreements between Israel and the Arab nations.

THE FIRST-YEAR ANNIVERSARY OF ANATOLI SCHARANSKY'S ARREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 60 minutes.

Mr. DODD. Mr. Speaker, I rise today for the purpose of commemorating, with a great many of my colleagues, the first-year anniversary of Anatoli Scharansky's arrest and imprisonment in Moscow on unsubstantiated charges of treason. I will not go into the many sad events that have taken place since I first met Anatoli in the Soviet Union in 1975 since we are all too familiar by now with what has become a standard pattern of harassment and oppression. What is important is that Anatoli Scharansky is still in prison, and about to face the most frightening experience of his life—a trial in the hands of Soviet authorities.

We come together here to warn these very authorities that they will never succeed in their attempt to repress the voice of Soviet Jewry, and that condemning Anatoli to a prison existence will serve no purpose whatsoever. To date, the credibility and effectiveness of one of the great leaders of the Russian dissident movement has not been in the least bit affected by the grim nature of the Soviet activities. In fact, holding Anatoli incommunicado in the Lefertovo Prison and attempting to tie him to American intelligence efforts has only helped the cause of the Soviet human rights movement.

I believe that I can state unequivocally that such behavior on the part of the Soviets can only succeed in furthering the determination of all of the millions of us, both inside and outside the Soviet Union, who are concerned with the right of an individual to emigrate and to live in freedom in the country of his choosing.

In the last year, world opinion has rallied with increasing strength around the cause of Anatoli Scharansky—and today, on the eve of the 1-year anniversary of Anatoli's imprisonment, we pledge to continue with our efforts until he is released. Last July, an International Committee for the Release of Anatoli Scharansky was formed under Congressman DRINAN's leadership, and it has done an enormous amount—in cooperation with the National Conference on Soviet Jewry, and particularly the Union of Councils for Soviet Jews to keep the Scharansky case in the public eye. The courageous efforts of Anatoli's wife, Natalia, and his brother-in-law, Michael Stiglitz, have also been instrumental in keeping alive the great interest that has been demonstrated by citizens around the world.

On another front, President Carter has put his personal prestige on the line in a very unusual manner by denying that Scharansky has ever had any connection with the Central Intelligence Agency, and by appealing to the Soviets for his release. And finally, tomorrow, a worldwide program of activities is scheduled to show once again to the Soviet authorities that their actions are not going unnoticed.

We do hope that such a lasting and serious show of support will convince the Soviet Government that it is in their own best interest to free Anatoli. To make this point even stronger at a time in which it appears likely that the Soviets will soon be bringing Anatoli to trial, it is of critical importance that we pressure our own Government to take as strong a stand as possible against any further violations of Scharansky's rights.

It would also be helpful for as many people as possible to communicate directly with the Soviet Government on this matter, and I therefore urge all of my colleagues, and all of my constituents, to send letters and telegrams to Moscow conveying our resolve to continue working for the release of Anatoli Scharansky.

There are those who, in the name of détente, would have us mute our call for human rights in the Soviet Union. But we cannot in good conscience lessen our efforts for if, in securing increased economic and cultural cooperation with the Soviet Union, we at the same time abandon those principles of freedom upon which this Nation was founded, we will have violated the faith passed on to us by our forefathers and that we are dutybound to pass on to our children. We must speak out on behalf of Anatoli Scharansky: His cause—the cause of freedom—is our cause as well.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

I wish to commend the gentleman for bringing this matter before the House at

this time, and for his great leadership in this matter, and I wish to associate myself with his remarks.

Mr. Speaker, I yield back the remainder of my time.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

Mr. Speaker, I want to commend our distinguished colleague, the gentleman from Connecticut (Mr. DODD), for requesting this special order to discuss the plight of Anatoli Scharansky. A year ago today. Anatoli Scharansky was imprisoned in Lefortovo prison in Moscow. He is being held incommunicado while he awaits his trial on charges of treason.

Scharansky is an important force in Russia and is recognized not to be only as a dynamic leader, but as a spokesman and architect of the "refusenik" movement inside the Soviet Union. As a founding member of the Group to Monitor the Helsinki Agreement in the U.S.S.R., he has fought for Soviet adherence to the human rights principles that all signers must abide. In addition he has pushed for an open emigration policy for Soviet Jews and other minorities. He has himself been prohibited from joining his wife in Israel.

I have joined my colleagues in numerous appeals to both the Soviets and the Belgrade Review Conference on behalf of the release of Anatoli Scharansky so that he might be reunited with his wife. Anatoli Scharansky continues to need our support.

The Soviet Union has tried to discredit Scharansky by accusing him of being a CIA agent. This appears to be a Soviet maneuver aimed at undermining the whole "refusenik" effort and eliminating world pressure on the Soviets to comply with the Helsinki human rights principles. President Carter has taken the unusual step of publicly verifying that Scharansky is in no way tied in with the CIA.

Most importantly, Scharansky has received the support and admiration of other "refuseniks" who have worked with him in the name of an open Soviet society. In regard to Scharansky's alleged CIA links, a distinguished group of refuseniks, including Vladimir Prestin, stated in an appeal to the New York Committee to Free Anatoli Scharansky—a group which I am happy to be sponsoring:

> After the arrest of Anatoli Scharansky it became clear that the investigation had turned into a campaign directed against the activists of the Jewish emigration movement and the movement as a whole. This all-Union undertaking, as it was called by one of the investigators, has nothing to do with the monstrous charges of treason to Motherland that had been officially presented against Shcharansky. . . .

There is no doubt that Scharansky has provided an invaluable spur to the effort inside the Soviet Union to end human rights violations and improve the overall tolerance for dissenting views within Soviet society. Hence he has become an indispensable symbol to not only disenchanted Soviets, but to all citizens of the world who value freedom and would protest against authoritarian rule.

The Soviets must not be permitted to ambush the issue of human rights through a kangaroo trial of Scharansky. Scharansky must be allowed to join his wife in Israel. The eyes of the world will be carefully watching the Soviet Union to see that Scharansky is not used as a scapegoat or manipulated to suit its own shortcomings.

I will continue to lend my support to efforts to free Anatoli Scharansky.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman from Connecticut for yielding.

Mr. Speaker, I want to commend the gentleman from Connecticut for having taken the time to bring this issue before this body.

Mr. Speaker, I rise to join with the gentleman from Connecticut (Mr. DODD) and my other colleagues in commemorating the 1-year anniversary of the arrest of Anatoli Scharansky in Moscow where he has been awaiting trial on charges of treason. This is a most critical time for Mr. Scharansky; the Soviet authorities intending to bring him to trial in the near future. It is therefore important that those who are willing, speak out now on his behalf.

For those of my colleagues who may be unfamiliar with Mr. Scharansky, and I hope there are not many who are, permit me to highlight some of the background of his case. Mr. Scharansky is a 30-year-old Russian Jew, a mathematician and engineer by profession. He is married, with his wife presently residing in Israel. He has been charged by Soviet authorities with treason and espionage. Mr. Scharansky's ordeal began with his first application for emigration to the State of Israel in April of 1973 which was refused on the extremely vague grounds of general state interests, though he was never engaged in sensitive work. Repeatedly refused thereafter, he has, to this day, not been given sufficient cause or explanation for the continued refusals, the latest occurring in March of 1976. In addition, Natalya Scharansky, a new bride, was forced to leave the Soviet Union 1 day after her marriage to Anatoli on July 4, 1974.

Mr. Scharansky is one of the key leaders of the Jewish activist movement in Moscow, a group of whom, wishing to emigrate, have become known as the "refuseniks" because of the number of times they have been refused permission to emigrate. He has been arrested several times, with his current incarceration resulting from his participation in the October 1976 Moscow protests. Prior to this, in the summer of 1974, Mr. Scharansky was dismissed from his job and then subsequently threatened with arrest, ludicrously for parasitism, that is, for being unemployed.

Mr. Scharansky, because of his courage, personality, intellectual capabilities, and mostly because of personal experience, became one of the more important spokesmen for the legal rights of and against the repression directed at those desiring to leave the Soviet Union. He helped many people, both in Moscow and elsewhere in the Soviet Union, who wished to leave the country and got in trouble for it. Mr. Scharansky fought for the right to emigrate by challenging the forces within the Soviet Union. However, he exposed the plight of those wishing to leave by exposing the real situation to the daylight of world opinion by dealing with and talking to the foreign correspondents and tourists who showed an interest in the problem. Scharansky felt that this was the only way that the truth would be known and that, somehow, it might aid himself and others in a similar plight in some way. For example, according to testimony by V. Elistratov, a fellow "refusednik," Scharansky served as an interpreter at a press conference of foreign correspondents following the breakup of a "refusednik" protest by members of the Soviet "People's Guard" in October 1976.

Mr. Speaker, now it has come to our Nations attention that Soviet authorities are attempting to silence Mr. Scharansky once and for all by linking him with past CIA activity and pinning a permanent label of "espionage agent" upon him in order to discredit the cause, and people along with it, that he and his fellow "refusedniks" have been fighting for such a long time.

It is imperative that this Nation, with the accent that exists today throughout the world on the importance of individual human rights, support the efforts of those wishing to see justice come to Mr. Scharansky, as well as the others unjustly imprisoned for what they believe. The Soviet Jewry have fought long and hard for the ability to emigrate to Israel, or whatever other nation they may choose for a new home and the kind of future they wish to have, Anatoli Scharansky is a symbol of that struggle.

As Representatives, it is essential that we speak out, as an indication of where our Nation truly stands on the matter of freedom and basic human rights. The Soviet authorities obviously are hoping to silence Anatoli Scharansky, and thereby discourage others who might wish to protest the long denial of basic rights to Soviet citizens. This is the time for the Congress and all Americans to speak out, proclaiming that we will no longer tolerate the unjust imprisonment or denial of the basic liberties of any human being.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I want to commend the gentleman for the gentleman's leadership in this area. I agree with the gentleman and

will continue to support the gentleman in these efforts.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, I want to thank my colleague, the gentleman from Connecticut, for providing this opportunity to discuss the Anatoli Scharansky case on the House floor.

Mr. Speaker, I accompanied the gentleman from Connecticut (Mr. DODD) in 1975 on a study mission composed of Members of the House Judiciary Committee to the Soviet Union, where on several occasions we met with Mr. Scharansky. It was after our first visit in June that many other congressional colleagues followed us that summer. I think for all these groups he was in many ways a guide and liaison. Beyond just the fact that he is a friend of many Members of Congress, he is particularly prominent in the Soviet Union because of his close association, not only with dissidents, but Democrats and members of the American press corps. He is vulnerable because of his connections and he is an important target.

Mr. Speaker, the implications of the Scharansky trial go beyond the fate of one individual. Scores of other Soviet Jews have met with American visitors, tourists and officials, and they committed the same innocent acts as did Anatoli Scharansky. A treason conviction, I am sure my colleagues will agree, will make all of them—Learner, Slepac and others—vulnerable to similar arrests and charges. This case will most certainly isolate Soviet Jews from their friends in the West.

I think we are also witnessing a dramatic increase in anti-Semitic articles and television programs in the Soviet Union. The implication that all those who wish to emigrate from the Soviet Union are traitors could serve to destroy the emigration movement.

As the gentleman from Connecticut (Mr. DODD) indicated, the President and the administration have spoken out on their concern over this case.

I myself this past fall took the opportunity in Belgrade to address our U.S. mission. I took the opportunity in Geneva to talk to the president of the International Committee of the Red Cross. There were others, including our SALT negotiators, representatives of the League of Red Cross Societies, and individuals who I knew had Soviet counterparts. I expressed in as strong terms as I could what I sensed would be the response of the U.S. Congress should they proceed to a trial on the treason article.

I just hope, if there is any question left in the minds of Soviet officials as to the congressional view, that this special order called by the gentleman from Connecticut (Mr. DODD) this evening will lay that to rest. Some people say that our response in foreign policy matters is a blunt instrument, and perhaps it has to be, because our only vehicle is legislation.

I am sure there will be congressional reaction in terms of trade, cultural relations, and SALT negotiations if this trial proceeds.

Mr. Speaker, I thank my colleague, the gentleman from Connecticut, once again for yielding.

Mr. Speaker, the following article from the March 13, 1978, issue of Time magazine provides an excellent insight into the Scharansky case:

UNORDINARY CASE—A KGB FRAME-UP

Anatoli Scharansky, the Soviet computer expert and Jewish activist who has become the leading target of Moscow's campaign against dissidents, is nearing a grim anniversary: as of next week, he will have been held incommunicado for a full year in Moscow's Lefortovo prison while awaiting trial on espionage charges. Last week the regime gave him a present of sorts, a state-appointed lawyer named Silva Dubrovskaya, who was described by the chairman of the Moscow bar association as a "lovely woman and a very experienced trial lawyer." One of her first acts was to express surprise to Western newsmen at their interest in what she called "an ordinary case." Said she: "Very soon the time will come when you will find out everything you want to know."

Scharansky faces a sentence that ranges from ten years in prison to an unlikely extreme of execution if he is convicted, and Attorney Dubrovskaya probably could not get him off even if she seriously attempted to. After all, he has already been convicted in the Soviet press. Tass Commentator Yuri Kornilov, for instance, insists that he will be found guilty because he helped a foreign state (meaning the U.S.) in hostile activities against the Soviet Union. Moscow radio's foreign-language broadcasts have frequently cited "facts" to "demonstrate" his guilt.

Most important, the regime has already made clear that it has a star witness to link the leader of Soviet "refuseniks"—Jews who have sought but were refused permission to leave the country—with the CIA. Dr. Sanya L. Lipavsky, a Jewish surgeon who knew Scharansky, signed an "open letter" to Izvestiya last March in which he implicated Scharansky in an alleged, largely Jewish spy ring that supposedly included dissidents, U.S. embassy officials in Moscow and members of the American press corps.

Lipavsky's broadside caused much discomfort in the Carter Administration. Shortly after Scharansky was charged with treason last June, President Carter broke a Washington policy of not commenting on spy charges* and said publicly what the Soviets had already been told privately: Scharansky, Carter announced, "has never had any sort of relationship to our knowledge with the CIA." The Administration had hoped that this might halt the Soviet momentum toward a Scharansky trial, but it has not been successful; the trial is expected to begin soon—after the Belgrade conference on human rights closes.

The Administration is troubled, Time has learned, because Lipavsky—though not Scharansky—did indeed once have a brief link with the CIA, which Carter knew about when he made his June statement. In Moscow in 1975, Lipavsky presented himself as a "walk-in," or volunteer spy, to CIA agents and offered to provide information on the basis of his contacts in the Soviet scientific community. Soviet walk-ins are often KGB operatives. Nevertheless, to the CIA's later regret, it was decided to string Lipavsky along and see what developed. Little did, and eventually concern arose that he was a KGB *agent provocateur* whose contacts among intellectuals would later be used to frame dissidents—as they have been. Lipavsky was cast off nine months after he first walked in, but it was too late. As it happened, after the CIA cut Lapavsky loose, he shared a Moscow apartment with Scharansky for a time; this thin bit of guilt by association may be all that Scharansky's prosecutors need to make a treason case plausible.

Thus the Scharansky affair has become a problem for the U.S. and the Soviet Union. If he were to be convicted of espionage in spite of Carter's public assertion of his innocence, the Soviets would in effect be accusing the President of telling untruths. If the U.S. were to accept a Soviet offer to exchange Scharansky for some Russian operative held in the West—which some observers insist may be Moscow's aim—the U.S. would in effect seem to be admitting that Scharansky was a trade-off CIA man after all. From this imbroglio the lesson is, unfortunately, clear: CIA activity aimed at producing espionage results can also play into the hands of the KGB in its efforts to persecute innocent dissidents.

Mr. DODD. Mr. Speaker, I thank the gentleman from New York (Mr. FISH) for his fine remarks. I agree wholeheartedly with his statement.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. DODD. I am delighted to yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I was privileged to serve with the delegation headed by our then Speaker, Carl Albert, upon the occasion of the first official visitation of Members of the House of Representatives to the Soviet Union. During the course of that trip I, along with my wife, met in the apartment of Dr. Learner a number of the courageous Soviet Refusniks. Included in that group was Anatoli Scharansky.

It was my concern before I arrived in the Soviet Union that these courageous people should not have a sense of being alone, and that they and the Soviet governmental leaders should be aware that freedom-loving people everywhere in the world were watching with interest the immediate matter which is the subject of this special order. I wanted them to know that we were watching with great concern and alarm the treatment of those who were seeking to emigrate from the Soviet Union.

Anatoli Scharansky's crime was merely that he wanted to live as a free person in a free society. During the course of our official discussions with the Soviet leadership the congressional delegation, Republicans and Democrats alike, submitted to the Soviet leadership a list of several hundred names that had been brought to us by virtue of our contact with our own constituents or through friends and relatives of those who had kin living in the Soviet Union. These were people who wanted to have the right to emigrate.

I believe this is an appropriate time to record the fact that our delegation was promised in unambiguous terms that we would get a response as to the status of these various individuals whose names we submitted. We were promised that we would be given that response within a day

* Reason: if false accusations were challenged publicly, charges that were not specifically refuted might be taken to be true.

or two. A couple of days passed, and we renewed our request for a status report with reference to each of these individuals. We were promised that, though it might take a few days longer, by the time the delegation visited with Brezhnev in the Crimea that response would have been forthcoming.

We asked again during the course of our visitation with Brezhnev as to whether or not our official delegation's request as to the status of these individuals was going to be honored, and we were assured by him that the request would be honored.

That visitation was over 1½ years ago. It may be 2½ years ago by now. I to date—and I am unaware of any member of our delegation to date—have received no response to this petition given to them by our official House delegation. Lest anybody not understand the background, it was made very, very clear by discussions that among our primary responsibilities as elected Representatives of the American people trying to help constituents deal with the problems of Government—our own or others—was one of the major functions of an elected representative, and that our request was one about which we felt very strongly and the compliance with which would have been received with affirmative interest, just as an absolute refusal would have to be interpreted for exactly what it was. And I would interpret that as an indifference as to the reaction of the American representatives of the House of Representatives as it was viewed by the Soviet hierarchy.

But there is another fundamental point that I think must be underscored, the point being that we were given their word that we were going to get a response. On the record, they just plain did not keep their word. I must affirm that I draw an object lesson from this, and the object lesson simply stated is as follows: that if we enter into understandings or accords with the Soviet Union, those accords had better have self-implementing protections, because we would be most irresponsible if we assumed merely by an exhange of words that their word can be relied upon; because not once but three times during the course of this visit we were given assurances, and those assurances were not forthcoming.

Mr. DODD. I thank the gentleman for his remarks.

Mr. Speaker, I must point out that I was there approximately the same time the gentleman from California was there, and we experienced the exact same occurrence involving a number of people. I think the point here is that, while Mr. Scharansky is one individual, there are hundreds of people, if not thousands of people, in the Soviet Union today who, while they may not be threatened with imminent trial, are threatened with the deprivation of the right to freely express themselves, to freely associate with people, and to freely practice their religion. So Mr. Scharansky stands for far more than the case of just one man facing a Soviet tribunal. The eyes of the world are on this case. If the Soviet Union does not recognize the tremendous importance that is being attached to this individual and his trial, they miss the point. It is vitally important that everyone, regardless of their philosophy or ideology, recognize that bottom line of basic fundamental freedoms for all mankind.

And Mr. Scharansky's trial will stand as a witness to the Soviet commitment to that issue.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from California.

Mr. PANETTA. Mr. Speaker, I thank the gentleman for yielding and wish to commend him for his special order today.

Mr. Speaker, I rise to add my voice to the chorus of protests we have heard here in this Chamber today.

One year ago tomorrow, a dissident Jewish activist named Anatoli Scharansky was arrested and imprisoned in Moscow. Charged with treason because of his alleged connections with the American CIA, Mr. Scharansky has been held incommunicado in Moscow's Lefortovo Prison since his arrest. He has not had the benefit of visitors from members of his family, nor has he been allowed the assistance of legal counsel.

While we do not have any hard evidence that Mr. Scharansky has been tortured or subjected to other cruelties while in prison, we do know that he has been held for an entire year awaiting trial. Aside from considerations involving the psychological pressures to which he is daily subjected, I believe we need to focus on the need to stand up for recognized legal procedures.

I would submit that the struggle for universal human rights is primarily a struggle for certain universally applicable legal procedures. The United States cannot afford to countenance the blatant disregard for the rights of suspects to be apprised of the specific charges against them and the right to be allowed legal counsel. Recognized legal procedures is the only solid foundation upon which to build a strong framework of protection against human rights violations. I would stress to my colleagues that it is not only concern for the rights of others which motivates me to speak out today. It is also a very real fear that less than total commitment to the cause of universal human rights will make more likely the eventual occurrence of similar violations here in our own society. Because our own country is not immune to the abuse of power, I call on my colleagues to exercise untiring vigilance in defense of human rights everywhere.

Mr. DODD. Mr. Speaker, I thank the gentleman for his remarks. I agree with his point that this should be the basis upon which we deal with all of our friends.

Mr. CORRADA. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Puerto Rico.

Mr. CORRADA. Mr. Speaker, I rise to add my voice and the voice of the people of Puerto Rico to the loud reverberations heard around the world on behalf of Anatoli Scharansky. Mr. Scharansky has been held, incommunicado, in Moscow's Lefortovo Prison for 1 year—since March 15, 1977, on charges of treason. His only crime is the desire to be free to join his wife in Israel. Anatoli Scharansky has been singled out because he became a spokesman for the growing number of Jewish citizens of the Soviet Union who are demonstrating their desire to emigrate based on the principles of the Helsinki Final Act and the Soviet Constitution itself.

The people of Puerto Rico whose struggle for dignity and concern for human rights has made them sensitive to the rights of all people, join with all their fellow citizens in the United States, and call upon all freedom loving people in the world to raise their voices in protest against his basic denial of fundamental human rights. The Soviet authorities are planning a "show trial" of Scharansky in order to dissuade others who want to emigrate from Soviet Russia. The Soviet authorities have waited until after the Belgrade Conference to commence with the trial; any action prior to the conclusion of the conference would, no doubt, have brought cries of outrage by everyone concerned with Mr. Scharansky's case.

Anatoli Scharansky has been denied all semblance to due process, even under Soviet law; he has been held without any contact to family, friends, or legal counsel. He has been held without the filing of formal charges against him, beyond the time limit allowed by Soviet law. All this has happened because Anatoli Scharansky has dared to want to be free, in a country which denies him and his fellow Jews the right of freedom.

Mr. Speaker, let all Members of the House, all citizens of our United States, and every free person in the world be aware of what is happening. Let us never cease in our efforts to bring justice and human rights to all who have been persecuted and denied their humanity. We call upon the authorities in the Soviet Union to quickly release Anatoli Scharansky from prison. Allow him to emigrate to Israel to rejoin his wife. Allow all Jews in the Soviet Union full and equal rights to practice the religion of their ancestors, or let them leave.

If the Helsinki agreement is to be considered an accurate representation of the world community's concern for human rights, the United States must seek to enjoin signatory countries to abide by the provisions of the accord.

Mr. Speaker, the people of Puerto Rico, who love justice and freedom, cry out on behalf of Anatoli Scharansky. Let us all echo this cry.

Mr. DODD. Mr. Speaker, I thank the gentleman from Puerto Rico (Mr. CORRADA).

● Mr. YATES. Mr. Speaker, today I join with a number of my colleagues in observing the anniversary of an event that saddens and distresses millions of thoughtful people throughout the world.

It is now 1 year since the leaders of the Soviet Union, in a crude and heavy-handed assault on the principles of human rights, arrested and imprisoned Anatoli Scharansky. This young man, who was trained as a computer expert, was, as the world knows, participating

with a handful of other courageous Soviet citizens in an effort to assess Soviet implementation of the human rights provisions of the 1975 Helsinki accord.

The human rights issue has rightfully captured the imagination of the world community, and the citizens initiative of the Helsinki Monitoring Group in the Soviet Union was seen by many hopeful people in both the East and West as a step in opening the door on human rights in Eastern Europe. But it was not to be. The Soviets have responded like the Russians of czarist times and a dozen or more members of the monitoring group have now been arrested. Mr. Scharansky, who is Jewish, is reported to have been accused of treason and espionage. These are by far the most serious charges that have been made against a dissident. Both offenses are capital crimes in the Soviet Union.

While we do not know what the Soviets plan, there are indications that they may bring Mr. Scharansky to trial in the near future. He has been held incommunicado for a year now, but decent people remember, and the Soviet Union needs to understand that in 1978 "show trials" and capricious charges of treason and espionage are an outrage that the world community will not tolerate.●

● Mr. BLANCHARD. Mr. Speaker, today we sadly commemorate the 1-year anniversary of Anatoli Scharansky's arrest in Moscow. Since the day of his arrest he has been held incommunicado awaiting trial on charges of treason.

On this day we must once again strongly reaffirm our support for Mr. Scharansky, as well as our protests against the treatment he has received from Soviet authorities. Mr. Scharansky has been the target of systematic abuse by officials of the Soviet Government. He has been denied his most basic human rights in blatant violation of the Helsinki accords. He has not been allowed to see his family and has been threatened with court proceedings and criminal charges that could be punishable by death.

At this time when Anatoli Scharansky is facing great hardship and fears of an uncertain future, all people who cherish freedom must rally to support him and his cause. If he is to be tried, then his trial must be free from censorship, with all of the facts openly presented. For we must do everything possible to protect Mr. Scharansky's welfare and insure that Soviet authorities do not use his case to attempt to justify the continued persecution of other dissidents.

Anatoli Scharansky has been a brave and valiant fighter for freedom. For himself, he has only sought to leave the Soviet Union to join his wife in Israel. Yet, he has become the focal point of the Russian dissident movement by virtue of his efforts to help other Soviet Jews who have been the victims of government oppression.

Relations between our country and the Soviet Union cannot and, in fact, should not improve when individuals such as Anatoli Scharansky are subjected to treatment that flagrantly violates the rights guaranteed by the Helsinki accords. I have joined with my colleagues on a number of occasions in writing to the Soviet Union and to our State Department urging that the Soviet Union desist from its harassment of Mr. Scharansky and its continuing campaign of fear against dissidents. I again call on the Soviet Union to release Mr. Scharansky and in accordance with his basic human rights, allow him to emigrate. I also urge all of my colleagues to step forward and lend their full support for this freedom fighter.●

● Mr. LENT. Mr. Speaker, I am honored to participate with so many of my colleagues in this important effort on behalf of Anatoli Scharansky. It is most fitting that we Members of the House of Representatives join today in expressing support for one of the chief victims of the Soviet Union's grim campaign of oppression against its Jewish citizens.

Just 1 year ago, officials of the Soviet Union, in an arrogant flaunting of world concern, threw Anatoli Scharansky into prison. We know the move was one of desperation. Soviet officials were growing fearful of the increasing world support for the courageous Soviet citizens like Scharansky, who continued to call attention, publicly, to Russia's failure to live up to the Helsinki Accords on human rights.

Scharansky's arrest was a miserable confession of guilt and embarrassment on the part of the Soviet leaders. Truth is, indeed, a sharp weapon against oppression and tyranny. In their fearful attempts to suppress the truth of their own callous brutality and inhumanity, Soviet officials are now moving to an even greater cruelty. We hear that Anatoli Scharansky may soon be tried for treason. What a travesty of justice. What a violation of human rights. What an insolent destruction of a solemn international commitment.

In August of 1975 the leaders of 35 nations, including the U.S.S.R.'s Chairman Leonid Brezhnev, joined in signing the Helsinki Accords. Included in that historical document was a commitment on the part of each signatory nation to protect the human rights of its citizens. In sending Anatoli Scharansky to prison and threatening to try him for treason because he called attention to Russian violations of the human rights of its citizens, Soviet officialdom has displayed its contempt for its own solemn pledges. It has displayed to the world the worthlessness of a Soviet signature on an international agreement.

The Soviets compounded that contempt for its own pledges just last week in the Belgrade Conference on European Security and Cooperation. After 6 months of discussion of the implementation of the Helsinki Accords, including a review of individual cases of violation of human rights, the Russians brutally crushed all efforts to even so much as mention human rights in the final communique on the Conference.

But, as U.S. Ambassador Arthur Goldberg pointed out, "[Soviet] efforts to squelch the truth at Belgrade or at home will not change the truth." Nor will they stop an aroused world opinion from proclaiming the truth. The more the Soviets attempt to prosecute their own citizens who speak out for human rights, the stronger will be the protests from those throughout the world who know the precious value of those rights.

That is why we are speaking out today. In our words before the House of Representatives we are sending yet another message of hope and support to the oppressed citizens of the Soviet Union. We are sending yet another message of protest to the cruel Soviet leaders who inflict their inhuman policies on their long-suffering countrymen. We are reminding those Soviet leaders that we who love freedom will continue to denounce those who trample on human rights. We will continue to support those who suffer the loss of those rights in the Soviet Union.

On this grim anniversary marking Anatoli Scharansky's loss of his rights, we reaffirm our faith in the power that lies in the human will to be free. We reaffirm our conviction that the weight of public opinion can overcome the heaviest chains of oppression. We call on every person who values the precious gifts of freedom to join with us in this protest to the Soviet Union.

We pray that we may soon see the day when the Russian chains of oppression give way; when Anatoli Scharansky and his brave fellow fighters for human rights in the Soviet Union will be able to live without fear of persecution, to practice their chosen religion without oppression, and to join their families in Israel, if they so wish, without interference.●

● Mr. KEMP. Mr. Speaker, how much longer must Anatoli Scharansky wait before the Soviet Government decides to bring his case to trial? What kind of a trial will it be? How much more slander must he and his family bear before he is given the opportunity to defend himself? Will he be able to defend himself? Although it is gratifying to see the degree of support which Anatoli is receiving from Members of Congress and members of the press, our patience grows thin waiting for the Soviets to exercise human decency and basic justice. Our patience grows thin, but our determination must grow stronger at every new delay in the due process of his human rights.

Anatoli Scharansky never wanted to become a martyr in the Soviet Union. He wanted to emigrate to a country where he could be free to live with his wife and practice his religion as he pleased without the all-consuming fear that he might be ostracized or arrested for his beliefs. Most of us take these freedoms for granted, thus it is hard for us to appreciate exactly what his life has been like, exactly what is uppermost in the minds of most of the Soviet Union's 2 million Jews. It is hard for us to comprehend the devastating effects of a national policy which dictates conformity to its image of the ideal Soviet citizen, while it clearly will not allow its Jewish members to become integrated. Thus, the Soviet Government has created and has perpetuated the driving need for Soviet Jews to embrace their heritage, yet punishes them for doing so within Soviet

borders and will not release them, fearing that they will strengthen the Jewish state as well as the cause of democracy for which Israel exists.

Mr. Speaker, our forefathers knew religious discrimination and persecution, and all of us here today can be glad that they had the courage and foresight to settle in a new country and to adopt and enforce a bill of rights which has protected our citizens from knowing the repression which is known by 2 million Soviet Jews and countless other citizens of "the captive nations." We would be denying our own heritage if we were to deny Anatoli Scharansky and his fellow Soviet Jews our utmost support and effort to insure them the same opportunity as our forefathers had to live their lives without fear of persecution and to insure better lives for generations to come.

Mr. Speaker, exactly how much longer will we allow ourselves to tolerate this anti-Semitism in the Soviet Union? Are we to wait until there are no more Scharansky's who will stand up and speak out against repression?

I feel fortunate to have become acquainted with Avital Scharansky, a courageous woman who is totally dedicated to her husband's freedom. Avital has a great deal of strength and determination, and I admire her unceasing advocacy of this cause. I thank my colleague from Connecticut, Congressman DODD, for taking leadership in the commemoration of the anniversary of Anatoli Scharansky's imprisonment, and I urge all of my colleagues to pledge their commitment to any effort to insure justice for him. We must undertake a campaign of support for Anatoli with renewed vigor in behalf of him, his family, and all those courageous Soviet Jews who yearn for freedom and dignity.●

● Mr. DRINAN. Mr. Speaker, we are about to mark a sad anniversary. Precisely 1 year ago tomorrow, agents of the KGB arrested Anatoli Scharansky, a young computer specialist who had become one of the leaders of the Soviet Jewish "refusednik" community. He was incarcerated incommunicado in the KGB's notorious Lefortovo Prison, where he remains today, about to be brought to trial on treason charges.

What had Mr. Scharansky done to merit this extraordinarily severe charge? He had expressed his desire to emigrate to Israel and tried to help others exercise their fundamental right to do the same. As a result, he faces trial on a charge whose penalty ranges from 10 years to execution.

Mr. Speaker, let me review briefly the history of harassment to which Anatoli Scharansky has been subjected since he first applied for permission to emigrate in 1973. Almost immediately, he lost his job. All of his subsequent requests for permission to emigrate were denied. The KGB carried out a continuing campaign of harassment against him. In the 2 years prior to his arrest he spent a total of 100 days in prison on a variety of charges. He was once detained for 15 days merely for asking an official why he could not obtain an exit visa.

On July 4, 1974, Anatoli Scharansky was married. The next day, his wife received a grim ultimatum: Leave the Soviet Union now or you will never leave, and "terrible things" will happen to your husband. Natalia Scharansky left, and has not seen her husband since.

Over the years, his fluency in English, his courage, and his dedication made Anatoli Scharansky one of the acknowledged leaders of the "refusednik" movement. He acted as a liaison to the Western press for Jews who wished to emigrate, and he was a founding member of the group of Soviet citizens who organized to monitor compliance with the Helsinki Final Act by the U.S.S.R. The Soviet Government has, of course, destroyed this group by systematically arresting its members.

During my visit to Moscow in 1975, Anatoli Scharansky acted as my host, introducing me to other members of the Soviet Jewish community in Moscow. It is inconceivable that this dedicated man has acted as an agent for American intelligence agencies. Yet these are the charges which have been brought against him. The accusation first appeared in the March 4, 1977, edition of the official government newspaper Izvestia. The same issue of that newspaper charged Senator HENRY JACKSON, Representative DANTE FASCELL, and myself with some form of undefined "involvement" in Anatoli Scharansky's "espionage" activities. In an obvious appeal to anti-Semitism, the Izvestia article charged several other prominent Soviet Jews with similar activities and identified two Jewish members of the U.S. Embassy delegation as "contacts" in the "spy ring."

President Carter explicitly denied the existence of any relationship between Anatoli Scharansky and any U.S. intelligence agency. The treason charges brought against Mr. Scharansky, with their evocation of the Stalinist "show trials," prompted former Israeli Foreign Minister Yigal Allon to state:

[This is] a new dimension in the persecution of the emigrant activist movement—a grave and worrisome development such as we have not seen in the past 25 years.

Recent developments have been far from encouraging. After learning that Scharansky had been formally charged with treason against the state (article 64(a) of the Russian Federated Criminal Code), the Scharansky family attempted to secure legal counsel of their own. The Government prevented them from doing so. One attorney who offered his services was immediately placed on a pension and forced to retire, unable to practice law in the Soviet Union again. The family retained Roland Rappoport of Paris, a prominent attorney and member of the French Communist Party—but he was denied an entry visa into the U.S.S.R. Finally, the Soviet Government imposed a lawyer to defend Scharansky. She described the case as ordinary.

Soviet newspaper and radio correspondents have already referred to Scharansky's guilt. And it turns out that the star witness against Scharansky, Sanya Lipavsky—the man who accused his former friend of working for the CIA—did in fact himself work briefly for the CIA in a very tangential sense, probably as a plant by the KGB.

What, then, can be done at this point? One thing which we must not do is relax our efforts to bring to the attention of the world the massive injustice which is being perpetrated against Anatoli Scharansky. The International Committee for the Release of Anatoli Scharansky, whose American branch I am proud to chair, has sent letters, organized demonstrations, and taken out newspaper advertisements all over the world calling for the release of this innocent man. The committee will continue its activities on behalf of Anatoli Scharansky until he is released from prison and permitted to join his wife in Israel.

Of more immediate concern is the absence of adequate defense counsel. The specter of a show trial is imminent. At the very least, if the Soviet Government means to persecute Anatoli Scharansky, they should be made to confront the profound legal, ethical, and moral questions involved. And Scharansky ought to be entitled to all of the existing evidence in his defense.

To that end I sent a telegram on March 6 to Silviia Dubrovskaia, Mr. Scharansky's court-appointed defense attorney. Speaking on behalf of myself and Prof. Alan Dershowitz of the Harvard Law School, I urged Ms. Dubrovskaia to meet with us in Moscow so that we could present to her important evidence gathered by Professor Dershowitz, who had been appointed by Mr. Scharansky's mother to represent his interests in the United States.

The text of that telegram follows:

Advocate SILVIIA DUBROVSKAIA,
Presidium of the Municipal Kollege Barristers of Moscow, Moscow (USSR).

I have been informed of your appointment as advocate for Anatoli Scharansky. As you may know I have spent considerable time with Scharansky during a visit to Moscow and regard him as a personal friend. I have been following his case with great interest and concern. On several occasions I have been assured by Soviet authorities that Scharansky will be vigorously represented by an advocate of his choice pursuant to Soviet law.

Professor Alan Dershowitz of the Harvard Law School has been appointed by Mrs. Ida Milgrom, Scharansky's mother, to represent Scharansky's interest in the United States. Professor Dershowitz has interviewed numerous witnesses to events relevant to the Scharansky case who have left the Soviet Union. The testimony and information provided by these emigre-witnesses is obviously not available to you, and yet it may prove crucial to the Scharansky defense case. Professor Dershowitz and I would very much like to share our information and research with you in your capacity as Scharansky's advocate. We do not seek to interfere with your representation or with any legitimate domestic affairs of the USSR. We seek merely to meet with you—lawyer to lawyer—and to share with you relevant information to which we have had unique access.

Since Soviet law requires you to present all information favorable to the accused, and since we have critical information favorable to Scharansky to which you have no access, there is every reason for you to agree to meet with us and no reason why you should be unwilling to receive our important information. We are confident therefore that you will be as anxious to meet with us as we are to meet with you.

Accordingly Professor Dershowitz and I respectfully request an opportunity to come to Moscow at your earliest convenience to

meet with you and to brief you on our information and research. Since time is apparently of the essence please respond immediately and indicate whether you would be prepared to receive us at your office. If you respond favorably, as we hope and expect you will, we will make immediate plans to travel to Moscow in the spirit of cooperation and mutual understanding.

Sincerely,

Father ROBERT DRINAN,
Member of Congress from Massachusetts.

On the eve of the first anniversary of his arrest, we must hope that the Soviet authorities will bend to the weight of international opinion and cease their persecution of Anatoli Scharansky. Should they fail to do so, then we have no choice but to increase our efforts to secure his basic human rights and end the nightmare in which he lives.●

● Mr. REUSS. Mr. Speaker, I join my colleagues in expressing our deep concern about the continued detention of Anatoli Scharansky, as well as the continuing reports of mistreatment of other Soviet citizens who represent political or religious viewpoints of which the Soviet Government disapproves.

Scharansky is a young computer specialist, who served as an interpreter for Russian Nobel Peace Prize winner Andrei Sakharov. He incurred his Government's disapproval by joining an ad hoc committee organized to monitor Soviet observance of the Helsinki agreements, and by serving as a spokesman for other Soviet Jews who wished to emigrate from the Soviet Union to Israel. Today marks the 1-year anniversary of his arrest and detention on charges of treason. He has been separated from his wife since their wedding day in 1974, when she was permitted to leave but he was refused an exit visa.

Many of us, as Members of Congress, have constituents who are relatives of Mr. Scharansky, and we voice today the personal anguish which they feel over his detention and the reports that he will soon be subjected to a trial. But even apart from that, his plight is a fitting subject of concern to all those who cherish human rights, particularly the freedom of religious worship and the freedom of speech.

The rights of all are jeopardized when the rights of any are diminished. As a member of the International Committee for the Release of Anatoli Scharansky. I have joined with other Members of Congress in making a personal appeal to General Secretary Brezhnev, asking that Mr. Scharansky be released and be permitted to emigrate from the Soviet Union in order to join his wife in Israel. Today we demonstrate again that the world is watching the actions of the Soviet Government. I join in the prayerful hope that that Government will act favorably on our request.●

● Mr. METCALFE. Mr. Speaker, I am pleased to join under the special order of Congressman CHRISTOPHER J. DODD and others in calling attention to the plight of Anatoli Scharansky.

Today marks the last day of 1 full year of his imprisonment without trial. On March 15, 1977, Anatoli Scharansky was arrested by the Soviet Government's secret police, the KGB. He has been held incommunicado ever since in Moscow's Lefortovo Prison.

Looming before him now is the prospect of a potentially spectacular show trial for the capital crime of treason and espionage.

Anatoli Scharansky has been one of the leading Jewish activists in the Soviet Union and a major figure in the group of dissidents monitoring Soviet compliance with the Helsinki human rights accords.

Today we are highlighting the case of Anatoli Scharansky. An additional purpose is to present the plight of the dissident movement in the Soviet Union. Soviet repression of this movement has been intense, often effective. Soviet authorities have resorted to arrests, trials, and imprisonment, confinment in psychiatric hospitals, forced emigration for some, and refusal to allow emigration for others, as in the cases of many Soviet Jews.

I protest that the Soviet Government is repressing people who are exercising basic and fundamental human rights.

I have spoken out many times when human rights have been violated at home. We can do no less when we know that human rights are being denied abroad.●

● Mr. HORTON. Mr. Speaker, today we commemorate the 1-year anniversary of Anatoli Scharansky's arrest in Moscow. In the year that he has been held, on charges of treason, no one has been allowed to visit him, nor has he been given the opportunity to refute the charges leveled against him. This kind of treatment, a gross violation of the Helsinki agreement, to which the Soviet Union is a signatory, comes as no surprise to those of us who have monitored the Soviet's treatment of political dissidents.

We are attempting to negotiate further disarmament agreements and to provide an improved international atmosphere with the Soviet Union. Instead, the Soviet Union completely disregards individual and human and political rights by its blatant disregard for Anatoli Scharansky's rights.

Our commemoration of Mr. Scharansky's arrest takes an even greater meaning and import when considered in the light of a recent decree signed by President Brezhnev stripping World War II Major General Grigorenko of his Soviet citizenship. General Grigorenko, in the United States for medical treatment, held to his self-imposed vow to remain silent in order that he might protect his citizenship. In spite of his commendable behavior, the Soviet's chose to respect the meaning of the Helsinki accords by stripping this Russian patriot of his citizenship. Mr. Scharansky may not be so fortunate.

If we are to bring a measure of reality to the international struggle in behalf of human rights, political rights, and religious rights, then we must make our voices heard in Moscow where men like Anatoli Scharansky face repression by the Soviet authorities. I join my many colleagues in the House and others around the world who decry the abuse to which Mr. Scharansky has been subjected in demanding his release.●

● Mr. MIKVA. Mr. Speaker, March 15, 1978, is a grim day, for it marks the first anniversary of the imprisonment of Soviet dissident Anatoli Scharansky. It is imperative that we, as Members of Congress, remind Americans and the rest of the world of Anatoli Scharansky's plight. I would like to take this opportunity to insert into the RECORD an article written by Jeff Lyon of the Chicago Tribune entitled, "No Trial, No Charge—Just Wait In Russia." It is a poignant description of the human suffering caused by Soviet suppression of dissent.

[From the Chicago Tribune, Feb. 24, 1978]

NO TRIAL, NO CHARGE—JUST WAIT IN RUSSIA

(By Jeff Lyon)

Her face is wan. Her hair, at 27, has wisps of gray in it, like the streaks in black marble. Endless travel across oceans and continents, to get the world's ear, has taken part of the toll on Avital Scharansky. But mostly her enemy is uncertainty—the day-after-day uncertainty which works deep inside a person, boring away at hope like a termite, silently, steadily.

A grim anniversary is upon her. March 15 will mark a year since her husband, computer scientist Anatoli Scharansky, was arrested by Soviet KGB agents and thrown in Moscow's Lefortovo Prison. He has been held incommunicado ever since, while the Soviets issue dire accusations of high treason, a crime punishable by death.

He was a spy for the CIA, the Soviet government contends. Somehow this short little man, one of a handful of dissidents among 250 million people, a man whose every statement was quoted worldwide, a sore thumb of a man followed day and night, somehow managed to squeeze in a little spying, the Soviets argue.

It is preposterous. But it is also ghastly. Because 11 months have passed and still Anatoli Scharansky languishes in the clammy warrens of Lefortovo. There has been no trial. There has been no formal charge. Just an inexplicable, taunting wait.

Avital and her brother Mikhail fight back with travel. To the White House, to Capitol Hill, to the university campuses of America. And to the capitals of Western Europe to keep the case of Anatoli Scharansky alive.

"We are trying to stir up as many people as possible," she says, sitting shyly in a straight-backed chair in her Sheraton-Blackstone Hotel room. "Public support can only be helpful. If we didn't have it right from the beginning, nobody knows what might have happened. Maybe he would already be convicted and sentenced."

Support has been considerable. President Carter openly affirmed last June that Scharansky had never dealt with the CIA. Washington legislators have petitioned Moscow in his behalf. American and European scientists have attacked the arrest, as have jurists worldwide.

The Soviets have responded by flashing their fangs.

"It is so important to tell the truth," Avital says through Mikhail, her English being weak.

"The way it is with Soviet propaganda, they never prove what they say. They just repeat it many, many times, and finally it fills the world up. So it is important to say the truth many, many times back."

Her married life has been an empty sorrow. They were wed in 1974 and one day after the ceremony she emigrated to Israel with the promise that Anatoli would get a visa soon after. It never came through. The government, laughing up its sleeve, told Anatoli he knew too many state secrets, even though his scientific work had been confined to decision-making methods in the game of chess.

They have not seen each other in nearly four years. While Avital watched, helplessly, from Jerusalem, her husband stepped up his role as a Jewish activist, and finally became a gladiator in the arena of human rights. He bravely defied Soviet authority by becoming spokesman for a little band of Moscow dissidents monitoring, for the Western press, Soviet compliance with the Helsinki accords.

In the end, the state, that nightmare beast whose single purpose is to survive, had to crush him.

Mikhail is speaking fondly of Anatoli in the hotel room. "He's a small man," says Mikhail, who stands 6 feet 6 inches. "It is unusual for a small man to be . . . well, the small guys you see in the street, there are so many of them, but when you begin to talk to Anatoli you realize you are talking to a man overflowing with internal energy. He is like a boiling pot. And he is a precise, logical man, a very great scientist."

Avital begins to speak. Mikhail translates: "She thinks what's happening now is he's a hostage in terrorist hands. She fears for his life. What is the real reason they refuse his mother permission to see him for 11 months? Maybe it's not only they are stubborn. We hear of abuses of political prisoners, of how they are medically abused, given drugs that induce madness. I'm afraid they are doing something to Anatoli because they won't even show him to his mother.

"You know, it is forbidden by the Soviet constitution to hold someone without trial for more than nine months. But the Supreme Soviet issued a special bill to keep him another six months, a complete contradiction of their own law.

"It seems to me is very difficult now to let him go. We think they are planning to destroy the whole dissident movement in the U.S.S.R., because the movement had made their lives miserable and had gained worldwide credibility.

"If that is their aim, I don't see any other weapon available for us to save him than public pressure," Mikhail says.

An hour later they have carried their fight to University of Illinois Chicago Circle Campus. They are trying to build student sentiment for a nationwide hunger strike on March 15 in Scharansky's behalf. It isn't easy. Ten years ago, hundreds, thousands of students would scream themselves hoarse in a frenzy to "Free Huey," or "Bobby," or the "Berrigan Brothers." This Thursday noon only 25 students show up to help "Free Anatoli."

"There is now an official media campaign against Jews in the Soviet Union," Mikhail tells them. "They sing the same old song. Jews are to blame for everything. For bad weather and grain imports, for starting World War II, for bad relations with the United States. It reminds many older Jews we talk to of the period when Hitler was coming to power."

A youth in the front row looks sullenly up from a page of Arabic. The egotism of suffering is about to rear its head: Only my cause is just.

"You believe only Jews have human rights?" he asks sullenly of Mikhail, who does a double take. "You should practice human rights in your own country, Israel, where there are 13,000 Palestinians under torture."

Mikhail seems bemused by this irrelevance. But he gathers himself for a reaonable answer.

"Everyone has human rights," he says. "But right now I am only concerned with my family's rights. I'm trying to get my own people out of prison, and I don't have energy for anything else. I'm not going to involve myself with the Palestinians."

It is early afternoon. Avital and Mikhail are going to their next stop with Lorel Pollack, of the Chicago Action for Soviet Jewry, which is sponsoring their Chicago visit. Mikhail is speaking of the madness of his brother-in-law's plight.

"Here is the biggest machine in the world, the Soviet Union. Millions of people are pushing that machine, and there is just one single person getting up and saying, 'Hey, you're wrong.' It isn't possible. It isn't logical. But all those who felt logically probably bent to the will of the state.

"I have no explanation for why Anatoli is the way he is. But he is a man. One big man." ●

● Mr. EDWARDS of California. Mr. Speaker, like many of my colleagues here in the House of Representatives, I am deeply distressed by the continued imprisonment of Anatoli Scharansky. Tomorrow Mr. Scharansky will have been held incommunicado by the Soviet authorities for 1 year.

He has been accused of treason and espionage, and Soviet officials have attempted to link Scharansky with the CIA, a connection which President Carter has repeatedly denied. Indications are that the Soviet Government intends to bring Scharansky to trial soon.

As one of the most prominent of the Soviet Jewish dissidents, Scharansky has apparently been singled out by the Soviets in their efforts to quash the activities of other dissidents. Prior to his arrest on March 15, 1977, Scharansky was an English translator for the "refuseniks" in Moscow, and thus became known to those who oppose the Soviet Government's oppressive treatment of Soviet Jews. He worked to spread Jewish culture in small communities throughout the Soviet Union, and to many Soviet Jews he, perhaps more than any other individual, has become a symbol of Soviet Jewish resistance to Soviet oppression.

Since 1973, Scharansky has sought permission to emigrate to Israel. Although Scharansky's wife was granted an exit permit and permitted to leave, the Soviet Government has refused to allow Scharansky to join his wife. The case of Anatoli Scharansky thus is one more tragic example of Soviet refusal to comply with the guarantees of the Helsinki Declaration.

Now is the time for the Congress of the United States to demonstrate its commitment to the cause of human rights. I join with my colleagues in calling once more for the release of Anatoli Scharansky and in urging the Soviet Government to permit him to join his family in Israel.●

● Mr. TSONGAS. Mr. Speaker, tomorrow marks the grim anniversary of Mr. Anatoli Scharansky's arrest by the the Soviet Government on charges of treason. Mr. Scharansky has become in the last year the chief target of the Soviet Union's efforts to destroy the Russian dissident movement. A worldwide program has been scheduled to call attention to the plight of Anatoli Scharansky whose rights have been violated by the Russian authorities. I participate with the hope that if enough protest is raised, Mr. Scharansky will be granted his freedom, or at least his rights as a prisoner will be respected.

Anatoli Scharansky, once a computer expert, was denied emigration papers in 1973 to join his family in Israel. Since then he has been continually harassed, cross-examined, and kept under constant surveillance by Russian authorities. Consequently, he became an English interpreter for the "refusenik" community. This organization has brought to public attention the plight of the Russian Jews who are denied emigration. Scharansky also became a spokesman for an unofficial commission to monitor the Helsinki accords. This group was successful in reporting violations of the accords by Russian authorities.

Anatoli Scharansky has become Russia's example to the public of the fate of dissidents. He is presently in the Lefortova prison where he has been denied the right to see his family, as well as the right to choose his legal counsel. Both of these basic rights were internationally agreed upon in Basket Three of the Helsinki Final Acts. Despite both a public and private statement by President Carter declaring that Scharansky "has never had any sort of relationship with the CIA" he is still being held under espionage charges.

There is rising concern that his trial will begin soon, probably after the Belgrade Conference on Human Rights closes. If found guilty, Mr. Scharansky faces the possibility of a death penalty, or at least a 10-year prison sentence. Mr. Scharansky's rights have been openly and flagrantly violated by Russian officials. The time to speak out in protest for Anatoli Scharansky is now.

I appeal for his immediate release and permission for him to join his family in Israel. I urge all of you who are supporters of the Helsinki accords and share my concern in protecting human rights to publicly protest on Mr. Anatoli Scharansky's behalf.●

● Mr. CONTE. Mr. Speaker, I join my colleagues during this special order called today to offer my continued support of efforts to release Anatoli Scharansky, Russian dissident and spokesman for the Helsinki watch group, from his year's imprisonment in the Soviet Union.

Sadly, it seems that we and other peoples of the world still have a long way to go on the road toward recognizing and honoring basic human rights.

The continued imprisonment and possible trial of Mr. Scharansky because of his "crime" of being an outspoken defender of human rights, is a continued violation of the Helsinki Final Act and other international agreements signed by the Soviet Union and should not be tolerated.

The silencing of Mr. Scharansky represents the silencing of thousands of voices there and throughout the world that would clamor for justice except for the presence of intolerant government policies that depend on the negation of the human will for their own survival. We must no longer leave room for such intolerance.●

● Mr. EILBERG. Mr. Speaker, I am proud to inform my colleagues that thousands of people all across Greater Philadelphia are outraged by the continued imprisonment of Anatoli Scharansky.

As the evidence mounts that the So-

viets intend to press their outrageous charges against Scharansky. I know that the determination grows stronger among my constituents to intensify their protest against what is happening to this brave man.

For me, the action against Anatoli has a very special meaning. Nearly 3 years ago, I met him in Moscow when I traveled to the Soviet Union as chairman of the House Judiciary Subcommittee on Immigration, Citizenship, and International Law. I was tremendously impressed at that time by Anatoli's courage in defying Soviet authorities by volunteering to serve as a translator for my colleagues and me.

Since then, I have met his wife, Natalia, and have taken part in many efforts on his behalf to point out that the detention of Anatoli and the refusal to allow his emigration is in violation of both Soviet law and international law.

Just recently, two distinguished members of the bar in Philadelphia returned from a visit to the Soviet Union where they raised the question of Anatoli Scharansky's continued imprisonment with leading Soviet jurists. On their return, Peter J. Liacouras, dean of the Temple University School of Law, and Burton Caine, well-known attorney in Philadelphia and a member of the faculty under Dean Liacouras, circulated a petition among their colleagues all across the country. As a result, the deans of 72 law schools added their voices to the protest against Anatoli Scharansky's imprisonment.

I offer for the RECORD the Temple University news release describing the campaign by Dean Liacouras and Mr. Caine on behalf of the man whose courage we pay tribute to today:

The deans of 72 law schools throughout the United States, including Puerto Rico, have signed a resolution deploring the actions of the Soviet Union in the case of imprisoned Soviet Jew and human rights activist Anatoli Scharansky.

Scharansky was arrested last March 15 and has been held incommunicado, unable to see, speak with or write to his family or legal counsel. His family, which has only the government's assurance that he is alive, was told last June that he faces a possible charge of treason, punishable by death.

In addition to the law deans, more than 100 law professors have signed the resolution, which is being forwarded today, Jan. 6, to Leonid I. Brezhnev, chairman of the Presidium of the Supreme Soviet of the USSR, by Dean Peter J. Liacouras, of the Temple University School of Law. The professors include Soviet legal scholars, experts in human rights and specialists in constitutional law.

"Never in memory have so many law school deans united in support of a single cause," Dean Liacouras said. "This is an indication to me of the gravity and urgency of the Scharansky case. I hope that this action will persuade the Soviet authorities to release Scharansky and permit him to emigrate, a right guaranteed to him under law."

The resolution was circulated by Dean Liacouras and Professor Burton Caine, also of the Temple law school, after returning on December 20 from a week's visit to Moscow and Leningrad. They were there on December 15, the day when the nine-month maximum period for investigation under Soviet law expired in the Scharansky case.

The Temple visitors, in discussing the rule of law with the president of the Moscow Kollegium of Barristers, K. N Apraksyn, and other Soviet officials, raised the question of the authority of the Presidium of the Supreme Soviet to extend the investigation and confinement of Scharansky for another six months, as reportedly had been done by a secret decree applying only to this case.

Before returning to the United States Liacouras and Caine interviewed Scharansky's mother in the presence of correspondents for the New York Times and Baltimore Sun. She categorically denied she had been allowed to see her son the day before, as Apraksyn had reported, or at any time since his imprisonment.

At the annual meeting of the Association of American Law Schools in Atlanta, Ga., on December 27–30, Liacouras and Caine convened an unscheduled panel discussion to see what American law professors could do to guarantee human rights in the Scharansky case. They were joined on the panel by Professors Harold J. Berman and Alan M. Dershowitz, both of the Harvard Law School.

Professor Berman is a world renowned authority on the Soviet legal system, and Professor Dershowitz is a well-known human activist.

Anatoly Dobrynin, Soviet Ambassador to the United States, was invited to participate but did not respond.

A capacity audience responded enthusiastically to the call for action on behalf of Scharansky. One proposal was to send a resolution to Soviet authorities deploring their actions in the Scharansky case. The resolution was written by Liacouras and Caine.

Since the Atlanta meeting, Liacouras has contacted additional law school deans throughout the country. The deans signed the resolution as individuals and not on behalf of their institutions. They include the heads of the Harvard, Yale, Chicago, Michigan and Stanford law schools.

Liacouras and Caine noted that there was strong sentiment among the law professors that an American legal representative be permitted to attend Scharansky's trial, if one is held.

TEXT OF RESOLUTION

"Be it resolved that we, the undersigned Law Professors and Law School Administrators of the United States Law Schools convened at the Annual Meeting of the Association of American Law Schools in Atlanta, Georgia—

Deplore the actions of the Government of the Soviet Union in relation to the case of Anatoli Scharansky in that:

1. Scharansky has been held incommunicado since March 15, 1977, unable to see, speak with, or otherwise communicate with anyone except KGB interrogators;

2. No counsel has been provided or permitted to Scharansky;

3. On December 15, 1977 the Presidium of the Supreme Soviet of the U.S.S.R. in a special, secret decree applied only to Scharansky, has extended for an additional six months his incommunicado investigation and interrogation despite the absence of any express provision of law or Constitution authorizing such action;

4. The Government of the Soviet Union will give no assurances that Scharansky's trial, if one is held, will not be secret;

All of which facts run counter to the Rule of Law, minimum standards of justice and Declaration of Human Rights, the International Covenant of Political and Civil Rights, and the Helsinki Final Act." ●

● Mr. ROSENTHAL. Mr. Speaker, I rise today on behalf of Anatoli Scharansky, who, like so many other Soviet Jews, has been harassed, persecuted and imprisoned for his desire to emigrate to Israel. Tomorrow will mark a full year since Scharansky's arrest and imprisonment. A national hunger strike will take place tomorrow in solidarity with Scharansky and in protest of his arrest.

Anatoli Scharansky has become a worldwide symbol for all prisoners of repressive states who are denied their basic human rights. Unwittingly, he has become a martyr for freedom.

As one of the key leaders of the Jewish activist movement in Moscow, Scharansky tried to convince the Kremlin to abide by the Helsinki Human Rights accords, which the Soviet Union had signed and endorsed calling for the free movement of peoples. This was the "crime" that led to his incarceration.

Scharansky has been in solitary confinement since his arrest 1 year ago. Sylvia Zalmanson, a Soviet Jew who has spent 4 years in Soviet prisons, recently described the conditions for the Washington Star. She said:

Prisoners receive no vegetables, no fruit, no vitamins, no meat. Sick people only, with ulcers, could get one glass of milk. Nobody else . . . In solitary confinement, it is terribly cold. The floor is cement, the bed is wood, with no blankets. The prisoner is not allowed to dress warmly either . . . People die in these prisons.

Amnesty International calls solitary confinement torture by isolation.

No date for a trial has been set, no charges have been formally made. The Kremlin continues to argue its case in the press attacking Scharansky and his wife, Avital, on personal grounds. The Kremlin has accelerated its attacks on Scharansky, whom it repeatedly has accused of working for the American CIA. Most recently, the Soviets trooped out Scharansky's former roommate, an apparent double-agent who claims to have worked for the CIA himself, to repeat the charge. In an unprecedented move, President Carter publicly has stated all such charges untrue.

Scharansky has been incarcerated for an excessive amount of time—certainly longer than necessary to conduct a preliminary investigation. It appears the Soviets may have delayed his trial until the Belgrade Conference on the Helsinki accords had adjourned. Now that the Belgrade Conference is over—with no real accomplishments in the area of human rights—the Soviets can be expected to take even bolder steps to repress those who disagree with them. I fear for the safety of Scharansky and other prisoners of conscience. ●

● Mr. WAXMAN. Mr. Speaker, Anatoli Scharansky, aged 30, has been held incommunicado in Lefortovo Prison in Moscow for a year. He is charged with treason, which carries a possible death sentence. He will most likely be brought in the very near future to a show trial staged for the benefit of the Soviet people in which the state will attempt to prove that Scharansky was a CIA agent. The prime witness will be a doctor who was forced by the KGB into working as a double agent for the CIA, all for the purpose of discrediting, and ultimately eliminating, Anatoli Scharansky.

His only "crime" is that he wants to leave the Soviet Union.

Scharansky's case has brought worldwide attention to bear on the Soviet Government's shameful and brutal tactics of intimidation and repression. But in the Soviet Union, the citizens view a differ-

ent story, one carefully orchestrated by authorities. Refuseniks who wish to emigrate have been linked with the dissidents who are both monitoring Soviet compliance with the Helsinki accords and working for reform of the Soviet system. The arrest of Scharansky has been used by Soviet authorities to in turn link these two movements with alleged foreign espionage activities. And so the bizarre equation is made between would-be emigrant and treasonous criminal.

The Scharansky case will surely test our resolve no less than the courage and determination of those who stand behind him. The Soviet Government clearly hopes this will be the culmination of a campaign begun over a year ago to eliminate once and for all organized opposition—no matter how patriotic, or how inconsequential—to the regime.

Our efforts must not cease until Scharansky is free, for some of us is imprisoned with him.

I wish to attach for my colleagues a distressing article from the New York Times describing the Soviet Government's systematic efforts to silence the voices of freedom.

SOVIET DISSIDENT MOVEMENT IS AT LOW EBB

(By David K. Shipler)

Moscow, December 29.—The small Soviet human-rights movement, which attracted so much attention around the world though it is probably unrepresentative of any broadly held opinion, is at its lowest point in years after a campaign of arrests, threats and forced exile directed against most of its prominent leaders. Its momentum has been curbed, its political dexterity undermined and its communications network in the Soviet Union badly disrupted.

Yet new people have joined almost as fast as the old have disappeared. Inexperienced for the most part and less dynamic organizers than the previous generation, they have positions of less stature in this supremely status-conscious society, so they may be somewhat less able to generate respect than their predecessors.

"FEWER OF US REMAIN"

But the unending appearance of new names on open letters and of new faces at press conferences supports the dissidents' contention that the movement cannot be pronounced dead. At worst, they predict, it will experience a pause, a lull, a period of somewhat less coordinated activity as a new community of dissent takes shape.

"One part of the movement has gone to the West, another to the east, and fewer of us remain," said Naum Neiman, a mathematics professor, referring to the emigration and the imprisonment that have sapped the front ranks of the activists. "The movement will continue, though, at a higher or lower level. It cannot stop."

Some think Soviet dissent has become "inevitable, a kind of natural phenomenon," in the words of the Yugoslav dissident Milovan Djilas. In part it is a continuing reaction to the latent neo-Stalinism that lurks in this society and to the Stalinist oppression that was suddenly exposed in 1956 by Nikita S. Khrushchev in a secret speech to a Communist Party congress that swept away a patina of falsehood and illusion and allowed the truth to be told.

It is driven also by personal imperatives. "This act is forced on you because you are trying to keep yourself decent," said Valentin F. Turchin, former head of the Moscow branch of Amnesty International, before he was harassed into emigrating last fall. "I consider myself a scientist mostly and not a political activist. I don't enjoy press conferences—they're not for me. But in this country if you try to behave decently you become a dissident."

A QUESTION OF IMPORTANCE

How important the dissidents are in political life is subject to debate. Small and unrepresentative though they may be, they act as a pressure point for foreign views of Soviet behavior—views of both Western governments and some European Communists—and as such they subject the Kremlin's domestic policies to close international scrutiny.

Furthermore, they often elicit expressions of sympathy and regard from other Russians, suggesting that their crusade may have some resonance at home. After Andrei D. Sakharov, the physicist and human-rights advocate, won the Nobel Peace Prize in 1975, an elderly cleaning woman told her Russian employer, "You know, they wanted to raise the price of vodka but Sakharov would not let them." Others have heard the same thing from cab drivers.

After Veniamin G. Levich, a high-ranking physical chemist, was denounced in the press last summer for laziness and anti-Soviet slander because he wanted to emigrate to Israel, a saleswoman in a food store appeared at his apartment with some vobla, a hard-to-get dried and salted fish that she knew he liked. "We read the article," he quoted her as saying. "We were indignant. We know it's all a lie, so please eat some vobla and don't be sad."

NOVELTY IN RUSSIAN HISTORY

The phenomenon of open dissent outside the circles of power is relatively new in Russian history, at least in its present form, and a contrast with the clandestine, conspiratorial activity that existed at times under the czars. Even the modicum of debate that was tolerated in the Communist Party during the first years after the Bolshevik Revolution was snuffed out by Stalin's terror and has been kept from re-emerging in the quarter of a century since the dictator's death.

Not until the mid-1960's, near the end of a brief, tentative trend toward liberalization, did the human-rights movement as it is now known spring up. At first it was little more than an assortment of Moscow intellectuals demonstrating and petitioning on behalf of the writers Andrei Sinyavsky and Yuli Daniel, who were tried in February 1966 and convicted of slander against the state.

The writers' supporters made contact with the Western press at the trial, when reporters and sympathizers stood outside the courtroom waiting for news. At first, according to one account, the Russians and the Westerners kept to themselves; then one or two Russians approached American and British correspondents. The information the dissidents provided, sent to the West by news agencies, came pouring back in Russian on broadcasts by the Voice of America and the British Broadcasting Corporation. The newborn dissidents' heady sensation of having their words suddenly amplified so their countrymen could hear began a chain of communication and reinforcement that has persisted despite the repeated efforts of authorities to break it.

THE PATTERN FOR A DECADE

Those early months set the pattern for a decade. As intellectuals pleaded for public trial and for compliance with the rights set forth in the Soviet Constitution and as they conveyed reports of injustices in the courts, some were arrested in turn, with those arrests provoking new protests and still more arrests. This produced a rights movement with a constantly changing cast, one almost wholly concerned with ad hoc statements on specific cases rather than proposals for fundamental change or visions of a new political order.

When there has been philosophical discussion it has tended to divide the dissidents by accentuating their differences, for the movement is really a set of parallel, disparate streams that, flow together occasionally, then move apart again. At least six such currents can be identified.

The most Western-oriented is that represented by Dr. Sakharov. He and those around him are known here as democrats, for although he has written that he is a socialist, he has advocated the evolution of a multiparty, democratic state tolerant of criticism and diverse opinion. He has also spoken for the right of all to live where they wish, thereby supporting the second large group of dissidents and the one receiving the most vocal defense in the United States: Jews striving to emigrate. (Although some conflict has existed between those who want to leave and those who want to stay and change the system, it has diminished recently in recognition of the impact that free emigration would probably have on making the authorities more responsive to citizens' concerns.)

The third strain of dissent is a form of Russian nationalism, or nostalgia for the roots of Russianness to be found in the Russian Orthodox Church, in the village, in czarism. Its most prominent representative was Aleksandr I. Solzhenitsyn, another Nobel laureate, whose first volume on the Stalinist labor camps, "The Gulag Archipelago," resulted in his expulsion in 1974. Among those left behind are some who see Marxism as an alien, un-Russian ideology and some whose views contain overtones of racism, Russian supremacy in the Soviet Union and anti-Semitism.

KEEPING THE PARTY PRE-EMINENT

The historian Roy A. Medvedev articulates the fourth line of dissent, the one that might conceivably appeal to some party members, though how many is impossible to say. As described in his book, "On Socialist Democracy," his formula is democratization within the bounds of Communist Party pre-eminence. He believes that free debate is essential rather than anathema to an efficient economy and a robust Communist ideology.

Religious observers make up a fifth tendency. Baptists, Seventh-day Adventists, Pentecostalists, Lithuanian Roman Catholics, Russian Orthodox and others have protested the denial of religious freedom, published underground journals and the like, usually separately.

Finally, the country is laced with ethnic minorities, such nationalities as Georgians, Lithuanians, Ukrainians and Tatars that struggle for the preservation of their cultures, languages and traditions in the face of Russian dominance.

What began to happen a year and a half ago, and what apparently provoked one of the most carefully executed crackdowns on dissidents in the last decade, was an unprecedented coalition, including democrats, Jews seeking emigration, ethnic nationalists and, to a lesser extent, religious believers.

THE CATALYST IN HELSINKI

The catalyst was the European security document signed at Helsinki in August 1975 by the United States, the Soviet Union and 33 European states. Its so-called Basket Three provisions called for more humanitarian behavior by governments: reunification of families across frontiers, increased contact among peoples, the improved flow of information internationally. The pact having created common ground for the dissidents, nine activists formed a group in May 1976 to monitor Soviet compliance. Similar "Helsinki watch committees" appeared in Kiev, Tbilisi, Yerevan and Vilnius, and all began issuing periodic reports on violations.

The pace of dissident activity quickened.

A broad array of Protestant, Catholic and Orthodox clergy and laymen joined in an open letter to the Soviet leaders pleading for religious freedom. Jews, all wearing bright yellow stars of David, assembled at the reception room of the Supreme Soviet—the legislature—in Moscow to push their demand for emigration, then walked along Karl Marx Prospekt to the offices of the Central Committee of the Communist Party. Other Jews planned a seminar on Judaic culture. Painters formed a group to protest artistic oppression. Activists organized to publicize the use of psychiatric institutions as detention centers.

Yuri F. Orlov, a toughly built physicist who headed the Moscow watch committee, undertook to establish links between the strands of dissent. He introduced Georgian nationalists to Jewish activists in Tbilisi and democrats to religionists in Moscow. Zealous and tireless, he brought the movement a political canniness that Dr. Sakharov, a more academic moralist, did not possess.

At the same time new dissent was emerging in Eastern Europe, long a point of acute sensitivity among Soviet officials on the problems of orthodoxy and control. In Poland workers rioted to protest announced price rises, which the Government was forced to rescind. In Czechoslovakia and Hungary intellectuals signed statements against oppression and in East Germany the number of applications for emigration to the West soared.

The ferment in Eastern Europe must have been worrisome to Moscow, especially as its leadership of the world Communist movement was coming under fresh challenge by West European Communists, particularly the Italian, Spanish, and French parties. A centerpiece of this independently minded movement, which came to be known as Eurocommunism, was rejection of the Soviet-style closed political system.

The foundation for a crackdown was laid, then, by the accelerated dissident activity, the growing unification of previously fragmented elements of disaffection, the persistent problems of the Soviet economy and the danger of a coalition between spokesmen for workers' grievances and human-rights activists—plus the centrifugal tendencies in European Communism.

Furthermore, the Russians were apparently distressed at the specter of dissident groups putting out regular statements during the Belgrade follow-up meeting on the Helsinki pacts and they presumably did not want disharmony at the celebrations of the 60th anniversary of the Bolshevik Revolution.

The campaign by the K.G.B., the secret and security police, began in the fall of 1976 when a dozen Jews were seized in the Supreme Soviet's reception area, bused to the outskirts and beaten by plainclothesmen. Jew planning a cultural seminar were subjected to house searches, confiscation of materials and detention. Activists were called in repeatedly for interrogation, told that the K.G.B. had been given more latitude to move against them and warned that criminal cases were being prepared. In January 1977, before Jimmy Carter came into office with his outspokenness on human rights, Mr. Orlov, the head of the Moscow watch committee, was picked up and told that he and others would be prosecuted.

BLEND OF TOUGHNESS AND SOFTNESS

The K.G.B. used a blend of toughness and softness to get rid of key dissidents.

Some who had tried for years to emigrate, such as Vitaly Rubin, a Sinologist and a founding member of the Moscow committee, and Veniamin Fain, chief organizer of the abortive cultural seminar, suddenly found themselves with exit visas.

Some who did not want to leave were threatened and forced to emigrate. The Amnesty International head, Mr. Turchin, a friend of Dr. Sakharov, was informed by the K.G.B. official that he would never work again as a mathematician in the Soviet Union and he was led to believe that he would be arrested if he stayed. Similarly, Tatyana Khodorovich was told to leave or face prosecution, and Dina Kaminskaya, a lawyer who defended many activists, was forced out by threats of imprisonment for her husband.

Sixteen members of Helsinski watch groups have been arrested this year, including Mr. Orlov; Aleksandr Ginzburg, who administered a fund for political prisoners with money sent by Mr. Solzhenitsyn; Anatoli Scharansky, a Jew who seeks to emigrate and who worked as a consummate public-relations man for the dissidents; Mikola Rudenko, a poet and a head of the Kiev group, and Zviad Gamsakhurdia, a Georgian separatist and head of the Tbilisi committee. Most of the nine founding members of the Moscow group are in jail, in Siberian exile or in the West. Only one remains active—Yelna Booner, Dr. Sakharov's wife, who has had to go abroad for medical treatment.

Though the watch group has been replenished, the losses have dulled its political acumen. It failed to take advantage of the attention focused on the follow-up conference in Belgrade in October, at one news conference its members were not prepared for questions on their views of the West's handling of human-rights issues at the meeting and declined substantive comment.

The dissidents issued no detailed analysis of the Soviet Constitution adopted in October, nor any appraisal of the political and judicial rights contained and limited in the document.

SAKHAROV: ISOLATED AND BITTER

Lacking friends and colleagues who understand something about Western opinion, Dr. Sakharov has struck some dissidents and Western correspondents as increasingly isolated and even bitter. He has lashed out several times at the American press, accusing it of giving dissent too little attention; reporters have found it difficult to get him to talk about anything alse.

K.G.B. STUNNINGLY ACCURATE

He rejected a chance recently to bring some ordinary workers—they had sought his help after having been discharged for complaining of corruption and safety violations on the job—into the human-rights movement, partly, a friend said, because he was afraid that simple, relatively unknown people would be hurt and perhaps even slain if they had contact with him. "Unfortunately, unlike Poland, we have no workers in the movement," said Professor Meiman, a watch group member who has been refused permission to go to Israel. "Our people don't really trust the intelligentsia."

Paranoia, always present where the K.G.B. operates, is especially strong now in the wake of disclosures that a trusted "dissident," Dr. Sanya Lipavsky, a Jew, was a police agent. He wrote a letter, published in the Government newspaper Izvestia, accusing Mr. Scharansky and others of working for the Central Intelligence Agency. Mr. Scharansky is awaiting trial, and his case has cast a chill over dissidents, making people suspect their friends.

The K.G.B. has focused on potentially influential activists with stunning accuracy. The most charismatic and eloquent of the new generation, Aleksandr Podrabinek, has been the target of threats and pressure in the form of a falsified case against his older brother designed to force the family to leave the country—something he has refused to do—or face persecution. A 24-year-old medical assistant, uncannily calm and steady in the face of adversity, he has collected data on the abuse of psychiatry. As others have disappeared from the movement, he has stepped in to fill the gap as a clearing house for reports of political arrests.

"I do not want to sit in prison," he said. "I value even the image of freedom, which I have now. I know that in the West I could live freely and receive, finally, a genuine education. I know that there I would not be followed by four or five agents threatening to beat me or push me under a train. I know that there I would not be placed in a concentration camp or a psychiatric hospital for trying to defend the rightless and the oppressed. I know that there I could breathe freely, whereas here—heavily. They stop up your mouth and smother you if you speak too loudly. I know that our country is unhappily doomed to suffering. And therefore I will stay."

"I do not want to sit behind prison bars, but I am not afraid of prison camp," he continued. "I value my freedom, as I do the freedom of my brother, but I will not sell it. I will not yield to any blackmail. For me a clean conscience is more valuable than everyday well-being. I was born in Russia. It is my country and I must remain in it even if it is difficult here and easy in the West. As much as I can I will try henceforth to defend those whose rights are so crudely trampled in our country. That is my answer. I will stay." ●

● Mr. RICHMOND. Mr. Speaker, March 15, 1978, represents an anniversary—not the kind of anniversary that gladdens the heart.

It is a time when all freedom-loving people must pause to ponder the cost in human suffering of expressing one's convictions in a nation that does not tolerate dissent.

Sadly, tragically, on March 15, Anatoli Scharansky will complete 1 full year in prison in the Soviet Union. His "crime" was that he did not agree with his government. For expressing his views, he has been falsely charged with treason and espionage and held incommunicado in a Soviet prison for this entire year.

Now it appears that the Soviet authorities will bring this young man to trial as a way of further stifling free expression and further isolating Soviet Jews and discouraging those who want to emigrate.

Anatoli Scharansky had the courage to speak out on behalf of Soviet Jews. He is recognized as the leader of the "refuseniks," a group of Soviet Jews who have sought to leave their country and who were callously refused permission to do so by Soviet authorities.

More than his outspoken efforts on behalf of Soviet Jews, and, more than his leadership of their cause, Anatoli Scharansky is a symbol to all the world of the continuing violation of human rights within the Soviet Union.

The trial, even though it will be a sham, poses real dangers to Scharansky, who could be sentenced to 10 years in prison and perhaps even sentenced to death for his alleged "crimes."

Such a trial could also signal the start of a new wave of oppression against Soviet Jews.

The continued brutal and oppressive treatment of this one individual is a direct affront to President Carter's outspoken commitment to human rights.

I call upon my colleagues and upon the President to make it clear to the Soviet Union, in the strongest possible terms, that the actions of Soviet authori-

ties in violation of the Helsinki Accords is a direct threat to United States-Soviet relations and that we will tolerate nothing less than the immediate release of this courageous young man.

Anatoli Scharansky must be allowed to emigrate from the Soviet Union, to join his wife, and—wherever he may choose to live—to live his life according to his own convictions, free from the threat of harassment and oppression.●

● Mr. WOLFF. Mr. Speaker, tomorrow, March 15, marks the anniversary of the arrest of Anatoli Scharansky on charges of treason. He has been held incommunicado at Lefortovo prison since his arrest 1 year ago. This is a case where the Soviet Union clearly could advance the cause of détente, but rather has chosen to heighten tensions between our nations.

Anatoli Scharansky is a leading Soviet dissident who was one of the leaders of the movement to monitor the degree of compliance of the Soviet Union with the Helsinki accords. This was his crime. He was harassed and threatened, and finally accused of being a CIA agent and arrested. Mr. Scharansky's case is another example of the great lengths to which the Soviet Union will go to avoid any criticism of the deplorable lack of human rights and civil liberties there. The herculean efforts which they employed to avoid any mention at all of human rights in the final document of the Belgrade Conference is but another example.

Recently, it has been determined that Scharansky's apartment mate. Sanya Lipavsky, did have some connections with the CIA. He was a "walkon" volunteer, who was connected with the CIA for only a short time. It appears that the Soviet Union "set-up" Scharansky in this transparent ploy to implicate him by association.

My colleagues and I have worked hard during the past year to secure the release of Anatoli Scharansky. I added his name to House Concurrent Resolution 387, the "Omnibus Human Rights Resolution," which urged the U.S. delegation at the Belgrade Conference on the Helsinki accords to examine the treatment of Soviet dissidents and reaffirmed the U.S. commitment to obtain full compliance with the human rights provisions of the agreement. I have joined with my colleagues, my constituents and other interested citizens and groups in the International Committee and the Long Island Committee to Free Anatoli Scharansky in working for his release. I add my voice to the millions of outraged people who are calling upon the Soviet Union to release this man. Even the French Communist Party has broken with its Soviet allies in this case, calling the charges against Scharansky reminiscent of stalinism. They offered to provide a French Communist lawyer for Mr. Scharansky, an offer which was flatly refused.

This case calls out for justice. I again demand that the Soviet Union free Anatoli Scharansky. If the Soviet Union wants to press this case, even though détente will suffer, then suffer it will, because the United States will not back down.●

● Mr. BINGHAM. Mr. Speaker, it is with sadness and increasing frustration that we mark the 1-year anniversary of Anatoli Scharansky's arrest and incarceration in Moscow's Lefortovo prison. Mr. Scharansky passed his 30th birthday of January 30 in isolation, as he has passed all his days since his March 15, 1977, arrest. Five years earlier the gifted computer specialist applied to emigrate to Israel and found himself without an exit visa and without a job. That proved to be a serious tactical mistake on the Soviet Government's part, because they found themselves saddled with a young man who became one of the boldest champions of emigration and human rights to speak out from within their borders.

They did their best to silence him. During the 2 years before his arrest, Mr. Scharansky spent more than 100 days in jail on minor charges—15 days for asking why his visa application was denied. The KGB surveillance was incessant; he did not move in Moscow without two to eight police tails. His marriage was shattered the day after the wedding when his bride received an ultimatum to emigrate or forgo her option to leave at all. She left, hoping Mr. Scharansky would soon join her in Israel. The separation has extended into years.

But Mr. Scharansky did not relax his advocacy of human rights. His compassion extended to all those who came for assistance, including Germans and Christians, groups often singled out for harsh treatment by the Government. He served as a liaison to the Western press for Jews seeking to emigrate and dissidents wishing publicity.

Mr. Scharansky finallly proved intolerable to the Soviets when he founded the Public Group to Promote Observance of the Helsinki Agreements, an unofficial association set up to monitor Soviet compliance with the 1975 accords. Signed by the U.S.S.R. and 34 other countries, the accords provide for the free movement of people, ideas, and information between participating States.

Mr. Scharansky's arrest last March, the slander in the Soviet media and the accusations of treason all coincided with the opening of the Belgrade Conference to assess compliance with the Helsinki accords. For the Soviet Government, it was the worst time to suffer a citizen monitoring group and a hold human rights advocate. He was stifled—held incommunicado in a transparently political action.

Despite the provisions of the 1975 Helsinki Final Act, the 1948 Universal Declaration of Human Rights and the 1966 International Convenant on Civil and Political Rights, Mr. Scharansky was imprisoned. Despite the efforts of the International Committee to Free Anatoli Scharansky working in Canada, Great Britain, and here, Mr. Scharansky remains imprisoned. Despite the letters, the petitions to the United Nations and our meetings with Soviet officials, Mr. Scharansky has not been allowed to see his family or a lawyer of his choice. Despite the State Department's assertion that the article 64 treason charge is "misinformation laced with slander and innuendo," Mr. Scharansky's right to a fair trial appears more compromised each day. And despite the intercession of the President of the United States and his word that Mr. Scharansky "has never had any sort of relationship to our knowledge with the CIA," the threat against this brave man grows.

Just before his arrest, Mr. Scharansky said, "the atmosphere now smells of a pogrom." His intuition, unhappily, was keen. Scores of Jewish refuseniks have been interrogated about their relationship to Mr. Scharansky in a clear and obvious attempt to frighten Jewish activists around the country. Many have never met him. One dissident, Vladimir Kislik of Kiev, was held for questioning for 3 days. During one intense period last fall, more than 70 people were questioned in 15 cities. Some were asked about Mr. Scharansky's mental stability. Those people targeted for these sinister interrogations have been threatened with criminal procedures for "anti-Soviet" activities and have been warned about a connection between receiving emigration visas and the character of their answers.

Such travesties recall the show trials and purges of the 1930's and the so-called "Doctors Plot" of 1952. What they show is a mockery of the Helsinki Accords and the 34 other nations which signed them. What they show is an affront to the humane values of all people. What they show is a disregard for inalienable rights.

What we must show, as Congress and as a people, is our seriousness about human rights and the welfare of Anatoli Scharansky. The Soviets cannot make a mockery of international law and human decency and not expect repercussions in the international community. It is not easy to separate our support for détente and the easing of tensions from our revulsion at Soviet handling of these "international mistakes."

Sanya Lipavasky has accused Mr. Scharansky of "collecting on behalf of CIA agents secret intelligence in scientific, technical, military, and political fields." The accusation is absurd, if only for the reason that a person with eight KGB shadows could not make a CIA contact. The truth is that intelligence in science, technology, and politics will suffer between our two countries unless the Soviets free Mr. Scharansky, end their harassment of Jewish dissidents, allow emigration and observe their obligations to the spirit and letter of the Helsinki Accords.

Our efforts in this country to push for these ends are essential especially now. Ida Milgrom, Mr. Scharansky's mother was told in December,

> Thanks to your friends in the West we cannot conclude this case in the normal way.

And 33 Soviet citizens, writing to the New York Committee to Free Anatoli Scharansky, stated.

> Only the continuous attention of the world public and its active struggle in

Scharansky's defense could remove the danger that is now being faced by him personally and by the whole Jewish emigration movement.

Mr. Speaker, we are all indebted to Anatoli Scharansky for his courageous advocacy of human rights in a very oppresive environment. He added his voice to an ancient insistance that we be free, an insistence which protects us all. He is a person we cannot ignore. His cause is our own.●

● Mr. SOLARZ. Mr. Speaker, today we honor Anatoli Scharansky, a courageous young man who is the victim of an effort to discredit the validity of attempts for people to be free. On espionage charges which are solely designed to discredit this man's cause, Mr. Scharansky has been detained in Lefertovo Prison in the Soviet Union for 1 year.

What has this 29-year-old computer engineer done which warrants such action on the part of the Soviet authorities? Perhaps it was the belief that he would be allowed to emigrate to Israel, the land of his ancestors, and the country in which his wife now resides. Perhaps it was the belief that the nations which took part in the Helsinki Accords on human rights have a responsibility to take those commitments seriously.

Rather than ignore the preposterous charge of treason against Mr. Scharansky, we must discredit the charge and reveal it for what it represents. As Representative DANTE B. FASCELL stated in testimony last year—

No group of Soviet citizens are under more constant KGB surveillance than the Jewish activists. Scharansky used to walk around Moscow with a tail of anywhere from two to eight police shadows at a time. Hiring him to spy on the USSR would make as much sense as hiring a burlesque queen to infiltrate a nunnery.

In a most unusual statement, President Carter has put his credibility on the line in declaring that a Soviet citizen—Anatoli Scharansky—was not a U.S. intelligence agent.

While further revealing the nature of the charges against Mr. Scharansky, Mr. Carter's statement causes one to question the intent of the Soviet authorities. This action against Mr. Scharansky is another attempt to discredit the human rights concerns of the United States, and link these concerns to U.S. strategic interests vis-a-vis the Soviet Union. In addition, it is an attempt to discredit the legitimate desires of a people to be free. In the wake of this past weekend's tragedy in Israel, we are reminded of the continued curse of anti-Semitism in today's world.

It is through the suffering of people such as Mr. Scharansky that the implications of the Soviet atrocities become clear. We in the United States cannot shrink from the responsibility of our ideals, nor from our commitment to those who suffer as Mr. Scharansky.●

GENERAL LEAVE

Mr. DODD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

SENIOR CITIZEN FISHING RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 5 minutes.

● Mr. LEGGETT. Mr. Speaker, I wish to bring to my colleagues' attention a new measure that will be of interest to many of their constituents, and will increase recreational opportunities for America's senior citizens.

I am, today, introducing legislation to amend the Dingell-Johnson Sport Fish Restoration Act to remove the financial burden of nonresident fishing licenses for individuals of 62 years of age or older. I believe such action is long overdue, and that it will meet with the approval of most Americans.

Under present law, an amount equivalent to the 10-percent tax collected on fishing tackle each year is authorized to be appropriated to the Federal aid in fish restoration fund. These funds—which amounted to approximately $25 million in 1977—are apportioned among the States as compared to all States. Apportioned funds are used to carry out fish restoration projects with the States on a 75–25 matching fund basis. Also, State laws now require nonresident individuals desiring to fish within the State's waters to purchase a nonresident fishing license. The cost of nonresident licenses varies from State to State, but is considerably more than a resident license and is often prohibitive for those on limited incomes. This amendment would encourage elimination of the State nonresident license requirement as it relates to any individual 62 years of age or older.

It would do so by denying benefits under the Dingell-Johnson Act to any State which does not extend reciprocal fishing privileges to nonresident individuals who have attained age 62 and hold valid fishing licenses issued by the State of their residency.

The 1975 National Survey of Hunting, Fishing, and Wildlife-Associated Recreation, prepared by the U.S. Fish and Wildlife Service, provides a basis for some interesting and pertinent conclusions regarding the ultimate effect of this legislation. Today, there are approximately 3,990,000 people in our country who enjoy fishing and are age 62 or older. In 1975, at least 454,000 of these anglers fished out-of-State an average of 25 days each. Furthermore, it can be estimated that a minimum of $1,785,000 was spent on fishing tackle by this segment of our population during that year.

Through adoption of this amendment to the act, the amount of revenue derived from fishing tackle sales would be expected to increase by freeing dollars previously spent for nonresident licenses. A greater interest in out-of-State fishing opportunities would subsequently increase travel and related expenditures for food and lodging. This stimulated interest in fishing should also contribute to an economic surge in rural America. What this means is that my amendment, in the long run, might well provide more revenues to the States from increased fishing activity than they presently accrue from nonresident license fees imposed on the over 62 age group.

Most importantly, this legislation will extend to our senior citizens the courtesy opportunity of fishing, under a single license requirement, anywhere in this Nation during their golden years. I urge you to join me in support of this amendment to the act.●

A GRIM ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, we must take note that tomorrow we commemorate the 1-year anniversary of Anatoli Scharansky's arrest in Moscow. Scharansky, a man whose only crimes are a desire to emigrate to Israel to join his wife and a history of helping other Soviet Jews and non-Jews who have been the victims of government oppression, has been held incommunicado for a full year in Moscow's famous Lefortovo Prison while awaiting trial on espionage charges.

As a member of the International Committee for the Release of Anatoli Scharansky, I will continue to protest his imprisonment, the denied visits from his family, and the services of a lawyer of his choice. It is my deepest hope that we will never again have to commemorate such a grim anniversary. We will continue our efforts until we can celebrate his release.●

STATEMENT OF CHAIRMAN AL ULLMAN WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 11518, RELATING TO THE PUBLIC DEBT LIMITATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on March 14, 1978, the Committee on Ways and Means ordered favorably reported to the House H.R. 11518, a bill relating to the public debt limitation. The bill would provide that the existing public debt limitation shall be continued until July 31, 1978.

I take this occasion to advise my Democratic colleagues in the House as to the nature of the rule that I will request for consideration of H.R. 11518 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule for consideration of this bill, waiving all necessary points of order, providing 1 hour of general debate to be equally divided, and one motion to re-

commit with or without instructions. We intend to file the committee report on Friday, March 17, and request to be heard before the Committee on Rules as expeditiously as possible.●

LEGISLATION TO EXTEND AMTRAK AUTHORIZATIONS OF APPROPRIATIONS FOR AN ADDITIONAL FISCAL YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

● Mr. STAGGERS. Mr. Speaker, I rise to introduce a bill to extend the Amtrak authorizations of appropriations for an additional fiscal year, during which time the Congress and the administration will be engaged in a full-scale reexamination of Amtrak, and its system of routes and trains, and also the kind and quality of rail passenger services that are needed by the American people in the various States and regions of our Nation.

I should say, Mr. Speaker, that we plan hearings very soon on this legislation, so that the review will move forward promptly and yet result in a careful plan that takes maximum advantage of the benefits of passenger train service. Our efforts and our goal must be toward the continuing development of a rational as well as balanced national transportation system, and that is one that must include a quality rail passenger service. The people of this Nation demand no less.

I want to emphasize how important Amtrak is to America, and I think most Members realize this. Amtrak can be improved, and it should be. Amtrak needs to be kept a strong nationwide system, providing frequent service in the heavily populated areas and at the same time tying together the regions of this Nation so that we will have alternative means of intercity transportation and so that the American public will have a choice in their means of travel.

Our total transportation system needs to be looked at as a whole, so that we will be prepared for future changes in energy supplies and so that we will have flexibility as well as energy efficiency.

The legislation I am introducing today provides adequate funds to keep the present system in place and operating properly until the studies that are already underway can be completed properly and the proposals for changes be adequately considered by the public and the Congress. In terms of our total national expenditures for transportation, the sums are not large.

We must guard against making sudden arbitrary changes and against the premature dismantling of the system before we are fully convinced that the proposed changes are the correct ones and in the national interest. Reestablishment of passenger service on discontinued lines can be far more expensive than continuing service during the duration of the review process.

This proposed legislation, which I am pleased to introduce and sponsor, would set deadlines for the various steps of the route-review process and at the same time insure that the American public will be able to participate and be heard during the decisionmaking process. The States will be involved, and the workingman, and those involved in energy considerations, and the Postal Service.

Mr. Speaker, I think we are on the right track with this legislation, and as I introduce this bill I would like to urge every Member to take an active interest in this legislation as we move into hearings and committee consideration.●

THE FARMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BRINKLEY) is recognized for 5 minutes.

Mr. BRINKLEY. Mr. Speaker, a close friend of mine, Mr. Will Oubre of La Grange, Ga., has sent me a thoughtful column, "The Bishop's Corner," by William R. Cannon. It has a message for us if we only take the time to read it. The man or woman who will not read is as disadvantaged as the man or woman who cannot read. We should learn from history rather than repeating mistakes of the past. The article follows:

[From the Wesleyan Christian Advocate, Feb. 16, 1978]

THE BISHOP'S CORNER

(By William R. Cannon)

When the President of the United States delivered the State of the Union message to Congress, many, many farmers stood on the outside of the Capitol, braving the snow. They greeted the President on his arrival. Their presence was a symbol to the nation of their need for relief.

The time of the year and the nature of the gathering was reminiscent of the gathering of the Russian peasants before the Winter Palace of the Tsar in Saint Petersburg on the eve of the Russian Revolution. At that time, the peasants were loyal and dutiful citizens of "Mother" Russia. They came to ask the Tsar for relief from the poverty and deprivation that they were experiencing. They spoke of him as "the little Father" (distinguishing him in their minds from God, who was to them "the Big Father"). They were loyal subjects, conscientious church people, a population that called itself Christian.

Now look at them; and look at Russia. What was once a vast land fed by its peasant population must now import wheat, grain, and some other farm products, when it really has the ability to raise such produce better than any other land. Collective farming for the state has never worked. Farmers are an independent lot; they want to stand on their own.

The tragedy was that the Tsar did not heed their appeal. They came as petitioners. He treated them as criminals. He sent his Cossack guards out against them, as if those peasants had been a pack of mad dogs.

Fortunately, this is not the mood of our President and Congress. In his State of the Union message, the President acknowledged the dire plight of the farmers, and he made clear his concern.

I am not expert in finances or agriculture, so I cannot assess properly and constructively the merit of the specific demands the farmers are making. I do not understand clearly what is meant by "full parity." Therefore, I cannot approve or disapprove what the farmers are praying for the Congress and the President to do in their behalf. It could be that other legislative and economic means are better for the country and for them: I cannot say.

But this I do know. I am for the farmers. It is cruel and heartless for our society to sit back and see so many of them lose their property because it costs them more to raise their crops and feed their cattle than the earnings they make on what they sell. This is disgraceful.

Why should most of the profits on food go to the middlemen—the packers, the processors, and the grocers—rather than to the farmers who grow the crops and raise the livestock? It should not. Each of these others should make a reasonable amount for their services and attain a fair percentage on whatever investment they have in the process, but the bulk of the profit should accrue to the farmer who owns the land, buys the seeds and plants them, and does all the work in the long ordeal of making the crops. To use an analogy from industry, the farmer is the owner of the capital, and it is the capital that achieves the result.

How utterly devastating and self-defeating for the farmer to go to all this trouble and find in the end that his expenses have far exceeded his profits. Like the fishermen in the New Testament, he has toiled all night and caught nothing. If this is not corrected and corrected immediately, not only, then, is the farmer in jeopardy, but our whole society will be weighed in the balance and found wanting. What is happening to the farmer could be the first step toward revolution. The scene before the Capitol in Washington could be the prelude to national disaster.

Politicians ought to read a little history. At the same time, they ought to reflect on what they read. The Greeks experimented with democracy, but finally they failed at their experiment. Brasidas, speaking to his army of Lacedaemonians, as Thucydides recounts the incident, boasted that the many are governed by the few, and the few exercise government through superiority and strength. These middlemen, through labor organizations, lobbying in Congress, and other means, preserve guarantees on the high profits they are making on foodstuffs. They all enjoy the benefits of minimum wages: but the poor farmer is his own employer; he is forced to pay others minimum wages, but he cannot afford to pay himself. When he has paid all the others he finds nothing left for himself and his family. He doesn't have money for his taxes. He is on the verge of losing everything.

And when he does, the nation will lose its food supply. The nation will suffer as did Russia. The farmer must have help.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. BRECKINRIDGE) is recognized for 5 minutes.

● Mr. BRECKINRIDGE. Mr. Speaker, I regret that I was not able to be present to cast my votes on rollcall No. 87, House Concurrent Resolution 464, approving an amendment to the District of Columbia Charter relating to initiative and referendum and rollcall No. 88, House Concurrent Resolution 471, approving an amendment to the District of Columbia Charter relating to the recall of elected officials. I attempted to be paired on these two votes, but was informed that there was not a pair available. If I had been able to vote on these two resolutions I would have voted "no." ●

THE PLIGHT OF THE MARYASIN FAMILY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BRODHEAD) is recognized for 30 minutes.

● Mr. BRODHEAD. Mr. Speaker, I am pleased to begin today a "vigil for freedom" that my office will be coordinating with the Union of Councils for Soviet Jewry on behalf of Soviet Jewish families and individuals who are being detained in the U.S.S.R. as a result of the Soviet Government's repressive emigration policies. The vigil for freedom is a continuation of "Helsinki's Unfulfilled Promise" and the "Orphans of the Exodus" projects that were coordinated over the past 2 years by Congressmen EILBERG and DRINAN.

Over the next several months, Members will be rising to address the House concerning cases of Soviet Jews whose only crime is a desire to be reunited with their families.

In 1975, 35 nations signed the Helsinki Final Act, which committed the 35 signatory nations to pursue policies consistent with basic principles of human rights, including the reunification of divided families whose members live in different countries, religious freedom, minority rights, and free travel between countries.

Unfortunately, the Soviet Government has regarded the human rights provisions of the final act as empty promises. This is most apparent now in the Soviet Union's restrictive emigration policies. In a clampdown on Jewish emigration, the Soviet Government has drasticaly reduced the numbers of Jewish citizens permitted to leave Russia from over 35,000 in 1973 to about 1,100 a month through 1976. The mebers of an informal group in the U.S.S.R. established to monitor the Government's compliance with the Helsinki accords have been officialy and unofficially harassed or, like Anatoli Shcharansky, imprisoned for months without the rights of other Soviet citizens. Individuals wishing to emigrate often face long waits before receiving their papers, as well as repeated refusals, firings from employment, disruption of mail and telephone service, surveillance and many other forms of intimidation.

We who take freedom from such harassment for granted must do all we can to change these practices. It is my hope that, as a result of this vigil for freedom, more Members become aware of the Soviet Union's blatant violations of the human rights provisions of the Helsinki Final Act and the emigration problems faced by Soviet Jews.

Today, I would like to bring to the Members' attention the case of Mr. and Mrs. Alexander Maryasin and their daughter Faina, who live in Riga, Latvian S.S.R. Since 1973, the Maryasins have sought repeatedly to join their oldest daughter in Israel. Repeatedly, they have been refused permission to do so. No reasons for the refusals have ever been given.

Apparently because of his application for emigration papers, Alexander Maryasin lost his executive post at a Riga manufacturing plant. Also, his younger daughter was expelled from the university she was attending. Since then, the family has been jobless and has been forced to sell its possessions merely to exist. Letters I have written to Soviet Party Secretary Brezhnev and to other Russian officials on behalf of the Maryasins have gone unanswered.

The Maryasins, along with thousands of other Soviet Jews, have lost everything because of their desire to live in peace and freedom. It is my hope that this vigil for freedom will strengthen our resolve to assist them.●

AMENDMENTS TO H.R. 7700

(Mr. HANLEY asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, I send to the desk amendments to H.R. 7700 which I ask to be printed and lie on the desk to be taken up when H.R. 7700 is brought up under a rule.

These amendments reflect the terms of an agreement which the chairman of our committee, Mr. NIX, the chairman of our postal personnel and modernization subcommittee, Mr. WILSON, and I have reached with the White House on H.R. 7700.

I wish to make it clear that although the White House is not in accord with all of the provisions of these amendments, Mr. Stuart Eizenstat, who met with Mr. WILSON and me last Monday, has withdrawn administration objections to consideration of H.R. 7700 on the floor of the House of Representatives if these amendments are proposed as a committee substitute.

The principal changes made by the amendments are: First, to reduce the authorization for a public service appropriation from an additional $1.7 billion to an additional $800 million for a 3-year period; second, to provide that there will be no congressional veto over proposed postal increases; and third, to provide that the President will appoint the Chairman of the Board of Governors of the Postal Service and the Postmaster General for a term of 4 years.

MILITARY COPRODUCTION AGREEMENTS AND MANUFACTURING LICENSES ARRANGEMENTS

(Mr. HAMILTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues correspondence I have had with the Departments of Defense and State concerning U.S. agreements with foreign nations for the manufacturing abroad of American military equipment. Three types of arrangements exist for such overseas production of American-originated equipment.

First, the Department of Defense oversees and administers over 20 coproduction programs, which are supported or facilitated by the U.S. Government. These agreements are listed in exhibits A and B to the attached letter from Department of Defense.

Second, the Department of State's Office of Munitions Control approves manufacturing licensing agreements, in connection with coproduction agreements between American commercial firms and foreign commercial firms or governments. Over 80 such licensing agreements exists as the attached correspondence with Department of State indicates.

Third, the Department of State approves manufacturing license agreements not connected to coproduction.

In the period 1974–77, the Department of State approved the issuance of over 600 manufacturing licensing agreements. Since the 1950's there has been a total of over 2,500 manufacturing license agreements approved, only some 80 of which are connected with Government-sponsored coproduction programs. The rest are agreements concluded directly between American companies and foreign governments or firms.

I believe this information will be useful to Members of Congress and others who are interested in and concerned about conventional arms transfers in general and the transfer of U.S. technology in particular.

The correspondence follows:

COMMITTEE ON INTERNATIONAL RELATIONS,
November 1, 1977.

Hon. HAROLD BROWN,
Secretary of Defense, Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: According to a General Accounting Office report entitled "Two Coproduction Programs—F-5E Aircraft in Taiwan and M-16 Rifle in the Philippines" (June 6, 1977) (ID 76084) approximately $10 billion in coproduction agreements have been signed since coproduction started.

I would appreciate a list of all coproduction agreements concluded by the United States, including the following information: countries with which the agreements have been made; amounts of the agreements; dates of acceptance; duration and status of implementation of the projects; whether or not these projects involve export of high U.S. technology; whether they are undertaken under government-to-government (FMS), commercial, or mixed FMS-commercial mechanisms; and what percentage of each project is financed by MAP and/or FMS Financing funds.

In addition, I would appreciate information on proposed and potential coproduction arrangements which are currently under discussion in the executive branch.

Your cooperation in this matter is very welcome.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA,
Washington, D.C., December 9, 1977.

In reply refer to I–12945/77

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reply to your letter to Secretary Brown of 1 November in regard to coproduction programs.

At Exhibits A and B are lists of coproduction agreements containing the information

requested in your letter. In putting together this information we have used the official definition of coproduction as set out in Department of Defense Directive 2000.8 of 23 January 1974, "International Coproduction Projects and Agreements Between the United States and Other Countries or International Organizations." This definition reads:

The term "coproduction" as used herein encompasses any program wherein the US Government, under the aegis of an international diplomatic level or Ministry of Defense-to-Department of Defense agreement, either directly through the FMS program, or indirectly through specific licensing arrangements by designated commercial firms, enables an eligible foreign government, international organization or designated commercial producer to acquire the "know-how" to manufacture or assemble, repair, maintain and operate, in whole or part, a specific weapon, communication or support system, or an individual military item.

We have separated the list into Exhibits A and B to separate unclassified from classified information. Exhibit B is classified "Confidential". Under "Acceptance Date" you will find the date of the execution of a Memorandum of Understanding (MOU) or other Government-to-Government agreement.

At Exhibit C is a list of "proposed and potential coproduction arrangements" which are presently being discussed or negotiated within the DOD.

We have confined Exhibits A and B to current programs. Information on past programs now completed would require an extensive search of retired files by the military departments and components of OSD. However, if you desire this information we will initiate such a search. We suggest that a cut-off date be stipulated to assist us in setting the parameters for this inquiry.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

EXHIBIT A

COPRODUCTION ARRANGEMENTS

Program	Country(ies)	Amount	Acceptance date	Duration	Status	Technology level	FMS commercial mixed	Percentage MAP or FMS financing
M-113 armored personnel carrier.	Italy	$157.0 million	Feb. 12, 1963; renewed June 1973.	Through January 1978.	Deliveries almost complete.	Low	Mixed	None.
M-109 SP howitzer vehicle for conversion to M-109G configuration.	do	$41.1 million	Feb. 1, 1968; amended Aug. 17, 1973 and Aug. 19, 1976.	Through June 1978.	Production in process; most deliveries complete.	Medium	do	Do.
ARGOS-10 HIPAR acquisition radar system.	do	$27.0 million	May 13, 1974	Through 1980	Production in progress	do	do	Do.
M-109 SP howitzer and MOD-KIT M109A1 to convert M-109 to M-109A1.	Netherlands	$18.1 million	May 3, 1966; amended Mar. 17, 1969 and June 5, 1975.	Through 1978	do	Low	do	Do.
General purpose vehicles	Republic of China	$122.2 million	July 13, 1966	Through February 1978.	do	Low	do	56 percent FMS credit arrangement.
M-16 rifle	Korea	$95.1 million	Apr. 22, 1971; amended July 30, 1976.	Through mid-1979	do	Low	do	55 percent FMS credit arrangement.
AN/PRC-77 tactical radios	do	$21.2 million	Aug. 14, 1973	Through July 1977	Deliveries completed	Low	do	12 percent MAP; 60 percent FMS credit arrangement.
Conversion and expansion of ammunition production program.	do	$80.4 million	Mar. 14, 1972; amended Feb. 21, 1974.	Through 1979	Production in progress	Low	do	18.5 percent MAP; 36 percent FMS credit arrangement.
M-16 rifle	Philippines	$29.4 million	May 17, 1974	Through 1980	do	Low	do	53 percent FMS credit arrangement.
F-5E/F aircraft	Republic of China	$623.0 million	Feb. 9, 1973; amended in 1975, 1976 and 1977.	do	do	Medium	do	7 percent MAP; 28 percent FMS credit arrangement.
2.75-in rocket	Turkey	$1.5 million	May 29, 1972	Indefinite	Held in abeyance	Low	FMS	100 percent MAP.
F-4EJ aircraft	Japan	$700.0 million	Apr. 4, 1969	Through June 1981.	Production in progress.	Medium	Mixed	None.
F-16 aircraft	Belgium, Denmark, Norway, and Netherlands.	$2.7 billion	June 10, 1975	Indefinite	do	High	do	Do.
NATO Seasparrow missile system.	Belgium, Denmark, Italy, Netherlands, Norway, and Federal Republic of Germany.	$293.0 million	July 1, 1968	Through 1978	do	Medium to high.	do	Do.
Improved Hawk	Japan	$220.0 million	July 12, 1977	Indefinite	Not yet begun	do	do	Do.
Harpoon missile launch system	Denmark	$6.2 million	Sept. 25, 1975	5 years	Production in progress.	Low	Commercial	Do.
AIM-9L missile system	Federal Republic of Germany, Norway.	Not yet known	Oct. 14, 1977	Indefinite	Production not yet begun.	High	Mixed	Zero credit or MAP.
F-5E and F-5F aircraft	Switzerland	$447.0 million	Mar. 30, 1976	To March 1981	First delivery January 1978.	Medium	do	None.
Hawk missile system	Japan	$230.0 million	Oct. 13, 1967; amended Nov. 19, 1971 and Dec. 22, 1972.	10 yr	Production completed	do	do	Do.
M-14 rifle, M-60 machinegun, 7.62 mm ammunition.	Republic of China	$12.3 million	Jan. 23, 1967	Indeterminate	Production in progress	Low	do	Do.

EXHIBIT B

(Confidential).

EXHIBIT C

POTENTIAL COPRODUCTION ARRANGEMENTS

COUNTRY AND ITEM

Norway: Floating Bridge.
Norway: M109G Howitzer.
Switzerland: Dragon Missile System.
United Kingdom: Roof sight for TOW missile system.
Iran: 2.75 Inch Rocket.
Canada. Helicopter Recovery Assist, Secure and Traverse (RAST) System (Codevelopment).
Japan: RIM-7E Seasparrow.
Japan: F-15.
Netherlands: M110E2 Howitzer.
Iran: 214-Series Helicopter*.
United Kingdom: Copperhead (Cannon Launched Guided Projectile).
FRG: MOD FLIR (Modular Forward Looking Infrared System).

*214-Series Helicopter coproduction has been in progress since 1975 between Bell Helicopter Company and the Government of Iran. However, a Memorandum of Understanding is being prepared for USG and Iranian Government signatures for the follow-on program.

NATO: Patriot Missile.
NATO: SEA GNAT (currently in codevelopment, coproduction to follow).

COMMITTEE ON INTERNATIONAL RELATIONS,
December 28, 1977.

Mr. WILLIAM B. ROBINSON,
Director, Office of Munitions Control, Bureau of Politico-Military Affairs, Department of State, Washington, D.C.

DEAR MR. ROBINSON: The Subcommittee on Europe and the Middle East would like your office to prepare a list of all manufacturing license agreements issued by the Office of Munitions Control for co-production programs

currently in progress and under consideration.

Specifically, we would like to know, for each agreement, the country involved, the American and foreign firms involved, the date of issuance of the license, the duration of the program, the status of implementation of the program, the level of technology involved, the costs of the arrangement, and, if the agreement covers a component or components of an item or system, the name of the item or system of which the licensed component or components are a part.

Furthermore, I would like to know roughly how many requests for manufacturing licenses have been received over the last four years (on an annual basis for fiscal years 1974 through 1977) and how many of these requests (including percentages) have been granted.

I realize that the number of such licenses may be very great and that this information may take time to compile, but I believe that this material will be of interest to the Subcommittee, as I do not know of any document presently available to the Subcommittee that contains any of this information.

I appreciate your consideration of this letter. My subcommittee staff can be reached at 225–3345 should any clarification be needed concerning the information we seek.

With best wishes for 1978.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C. February 17, 1978.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives.

DEAR MR. CHAIRMAN: I am pleased to reply to your letter of December 28 addressed to Mr. William B. Robinson, Director, Office of Munitions Control, asking for a list of manufacturing license agreements approved in connection with coproduction programs; and for the number and disposition of manufacturing license applications received on an annual basis for 1974 through 1977.

Enclosed is a list of the manufacturing license agreements you requested. As you know, these agreements are approved in furtherance of the security and foreign policy of the United States. The costs and other financial arrangements between the American corporation and the foreign entity are not a consideration in our decision making procedure. This information is therefore not made available to us and I am unable to provide it to you.

With respect to your request for the number of agreements received during the period 1974 through 1977, there follows data contained in the files of our Office of Munitions Control—

(A) 1974—157 requests; 129 approvals; 28 disapproved, withdrawn at request of applicant or returned to applicant without action for administrative cause;

(B) 1975—168 requests; 141 approvals; 27 disapproved, withdrawn or returned without action;

(C) 1976—234 requests; 201 approvals; 33 disapproved, withdrawn or returned without action;

(D) 1977—229 requests; 155 approvals; 33 under consideration; 41 disapproved, withdrawn or returned without action.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

U.S. company	Foreign company	Date issued	Date expiration	Commodity
CANADA				
F–104 Aircraft				
Agreement:				
Lockheed Aircraft	Government of Canada	Sept. 29, 1959		(1) F–104 G aircraft.
Hydro-Aire Co	Lucas-Rotax	Aug. 10, 1962		(1) Fuel pumps for F–104.
North American Rockwell	Government of Canada	Nov. 1, 1963		(1) Model F–15 AM radar for F–104 aircraft.
F–5 Aircraft				
Agreement: Northrop Corp	Canadair Ltd	Aug. 22, 1966		(1) F–5 aircraft.
CHINA				
F–5 Aircraft				
Agreement: Northrop Corp	Government of Republic of China	Apr. 11, 1973	Apr. 12, 1983	F–5 aircraft.
Bell 205 (UH–1H) Helicopter				
Agreement: Bell Helicopter Co	do	Oct. 15, 1969		(1) UH–1H helicopter.
GERMANY				
F–104 Aircraft				
Lockheed	Government of Federal Republic of Germany	Jan. 26, 1959		(1) F–104 aircraft.
General Electric	Federal Republic of Germany	Aug. 27, 1962		(1) J–79 engines for F–104.
Do	MAN Turbo GmbH	Apr. 2, 1969	Dec. 31, 1985	J–79; J1K engines for F–104 aircraft.
Hydro-Aire Co	Apparatebau Gauting	Jan. 8, 1962		(1) Fuel booster pump for F–104 aircraft.
Varo, Inc	Fluggeratewerk Bodensee	Mar. 1, 1963		(1) Turbo-generator for F–104 aircraft.
Padway Aircraft Products	Apparatebau Gauting	Jan. 17, 1961		(1) Air shut-off valve and fuel system for F–104 aircraft.
Coastal Dynamics Corp	Vibrachoc, GmbH	Apr. 5, 1962		(1) Edge lighted panels for F–104 aircraft.
General Electric	Allgmeine Elelstricitats-Gesellschaft	July 19, 1968		(1) Optical display sight for F–104 aircfaft.
Do	MAN Turbo GmbH	Sept. 12, 1966	Sept. 12, 1986	J85–GE–15 engine.
McConnell Douglas	Messerschmitt	Dec. 12, 1972	June 19, 1988	Assemblies and components for F–4 F and RF–4E aircraft.
M. Steinthal & Co	Autoflug GmbH	Sept 12, 1972	Sept 12, 1982	Aircraft deceleration parachutes F–4 aircraft.
General Electric	MTU, GmbH	Jan. 15, 1972	Dec. 31, 1987	J 79–17A engine for F–4 aircraft.
Royal Industries	German Ministry of Defense	Sept. 23, 1970		(1) Fuel tanks RF–4 aircraft.
IRAN				
M–47 Tank				
Agreement: Bowen McLaughlin York Co	Government of Iran	Apr. 9, 1970		(1) M–47 tanks.
Bell 214 Helicopter				
Agreement: Textron Corp	do	July 30, 1976		(1) Bell 214–A helicopter.
ITALY				
F–104 Aircraft				
Agreements:				
Lockheed Aircraft	Italian Ministry of Defense	Mar. 14, 1961		(1) F–104 aircraft.
Do	do	June 7, 1966		(1) F–104 S aircraft.
American Brake Shoe	NARDI S.A	Mar. 1, 1965		(1) Hydraulic pumps.
B. F. Goodrich	do	Apr. 25, 1966		(1) F–104 nose wheel.
DeLaval	MagNaghi	Mar. 28, 1967		(1) F–104 valves.
Garrett Corp	Azioni Microtecnica	Jan. 4, 1963		(1) F–104 data computer system.
Schulz Tool	Aziona Secundo	Oct. 18, 1967		5 yr F–104 fuel valves.
General Electric	Italian Ministry of Defense	Feb. 21, 1966		(1) J–79/J1Q engines.
Do	Fiat	Jan. 24, 1967		(1) F–104 optical sight and missile launch computer.
Garrett	Azioni Microtechnica	Sept. 2, 1966		(1) F–104 environmental control system.
Honeywell	Fiat	Sept. 24, 1967		(1) F–104 capacitance type fuel contents gages.
Goodyear Tire & Rubber Co	Goodyear SpA	Dec. 29, 1967		(1) F–104 antiskid device.
Honeywell	Fiat	Sept. 15, 1967		(1) F–104 automatic pitch control system.
Hydro-Aire	Azioni Seconda	Feb. 2, 1962		(1) F–104 fuel transfer pump.
United Aircraft	Magnaghi	Sept. 14, 1967		(1) Components for J–79–J–1Q engine.
Do	Microtecnica SpA	Sept. 13, 1961		(1) Fuel control and turbine starter for J–79–11A engine.
Guide	Aster Electronica	June 13, 1968		(1) Rotary joint for F–104.

See footnotes at end of table.

U.S. company	Foreign company	Date issued	Date expiration	Commodity
G 222—TRANSPORT AIRCRAFT				
Agreements:				
General Electric	Fiat	Sept. 15, 1972	Dec. 31, 1985	T-64/P-4D engines.
Do	Caproni Vizzola SpA	May 19, 1972	Dec. 31, 1986	T-64 aerospace ground equipment (AGE).
United Aircraft	Microtecnica SpA	Oct. 10, 1972	Oct. 6, 1987	Propeller control parts.
Do	do	Dec. 15, 1971	Oct. 10, 1976	Fuel controls for T-64/P-4D engine.
M-113 Armored Personnel Carrier				
Agreements:				
FMC	Oto Malara, Fiat, Lancia	June 21, 1963	Oct. 1, 1985	M-113 armored personnel carrier and M-113 A-1 APC.
Firestone Tire & Rubber	Pirelli	Feb. 6, 1964	(1)	M-113 fuel cells.
M-60 Tank				
Agreements:				
Chrysler Corp	Oto Malara, Fiat	Feb. 25, 1965	(1)	M-60 A-1 tanks.
Firestone	Fiat	Oct. 24, 1966	(1)	Rubberized parts for M-60 tanks.
Cadillac-Gage	Elsag	Oct. 23, 1971	(1)	Turret add-on kits for M-60 tanks.
Do	Oto Malara	Jan. 5, 1972	(1)	Turret control system M-60 tanks.
JAPAN				
F-4E Aircraft				
Agreements:				
McDonnell Aircraft	Mitsubishi Heavy Industries	June 13, 1969		(1) F-4E aircraft.
Swedlow	Mitsubishi	Sept. 9, 1969		(1) F-4E canopies.
Crane Hydro-Aire	Sumitomo Precision Prods	Sept. 17, 1969		(1) F-4E fuel pumps and antiskid brake system.
Collins Radio	Tokyo Aircraft Instrument	Mar. 31, 1970		(1) Flight directionel equipment for F-4 aircraft.
Garrett Corp	Shimadzu Seisakusho	Feb. 18, 1970		(1) Environmental control, air data computer system and air turbine cartridge for F-4.
Paige & Paige	Hokushin Electric	Mar. 9, 1970		(1) Airborne instruments for F-4 aircraft.
Hitco	Sakura Rubber Co	Mar. 13, 1970		(1) Thermal insulation products for F-4.
Bertea Corp	Mitsubishi	Apr. 28, 1970		(1) Rudder control valves; spoiler valves; spoiler actuators for F-4 aircraft.
Hughes Aircraft	do	June 9, 1970		(1) F-4 airborne missile control subsystem AIM-4D.
Bendix Intervat	Sumitomo Precision	May 25, 1970		(1) F-4 landing gear struts.
Pneumo Dynamics	Kayaba Industry	June 26, 1970		(1) Aileron actuator for F-4.
Firestone Tire & Rubber	Sumitmo Electric	July 2, 1970		(1) Self-sealing fuel cells.
Federal Mogul	Yokohama Rubber Co	Aug. 10, 1970		(1) Metallic spare parts F-4 aircraft.
Murdock Machine & Engineering	Kayaba Industry	Oct. 28, 1970		(1) Bellmouth, controller assembly, and actuator bypass, bellmouth for F-4.
Ozone Industries	Tiejin Seiki	Dec. 7, 1970		(1) Steering damper system for F-4.
Textron, Inc	Koito Manufacturing	May 20, 1971		(1) Various filters for F-4.
General Electric	Nittoku Metal Industry	July 7, 1970		(1) Ammunition handling system for 20 mm vulcan gun on F-4.
Stainless Steel Products	Yokohama Rubber	Aug. 6, 1971		(1) Various pneumatic and fuel duct assemblies for F-4.
HAWK Missile				
Agreement:				
Raytheon	Mitsubishi Electric	Feb. 21, 1968		(1) HAWK missile system.
Do	do	Jan. 23, 1978	July 31, 1987	Improved HAWK system.
Action Manufacturing Co	Daikin Kogyo Co	Aug 19, 1969		(1) HAWK missile safety and arming devices.
Applied Devices Corp	Tokyo Shibaura Electric	Oct. 26, 1970		(1) HAWK simulator system.
Aerojet-General Corp	Daicel	Dec. 20, 1967		(1) HAWK missile motors.
Do	do		(2)	(2) Improved HAWK missile motors.
Nike Hercules Missile				
Agreement:				
McDonnell Douglas	Mitsubishi Heavy Industries	Jan. 15, 1978		(1) Nike Hercules missile system.
Thiokol Chemical	Nippon Oils & Fats Co	July 5, 1968		(1) Nike Hercules solid propulsion rocket motors.
AIM-7E Sparrow Missile				
Agreement: Raytheon Co	Mitsubishi Electric Co	July 29, 1971		(2) AIM-7E missiles.
KOREA				
M-16 Rifle				
Agreement: Colt Industries	Korean Ministry of National Defense	May 17, 1971		(1) M16-A1 rifles.
20 mm. 50 Cal. Ammunition				
Agreement: Pacific Technical Corp	Korea Tungsten Mining	Oct. 6, 1975	Dec. 31, 1986	20 mm and .50 cal. ammo.
PHILIPPINES				
M-16Rifle				
Agreement: Colt Industries	Government of the Philippines	June 13, 1974	June 30, 1980	M16 A-1 rifle.
SPAIN				
F-5 Aircraft				
Agreement: Northrop	Construcciones Aeronauticas, S.A	May 5, 1965		(1) F-5A and F-5B aircraft.
SWITZERLAND				
F-5E and F-5F Aircraft				
Agreement: Northrop	Government of Switzerland	Sept. 15, 1976	Sept. 31, 1981	Assembly of F-5 aircraft from components purchased in the United States.
TURKEY				
2.75-in Rocket Motor				
Agreement: Aerojet Solid Propulsion Co	Government of Turkey	Feb. 25, 1971		(1) 2.75-in FFAR rocket motor.

[1] Indefinite. [2] Under consideration.●

THE PROPOSED SALE OF F-5E AIRCRAFT TO EGYPT

(Mr. HAMILTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a memorandum prepared by the American Israel Public Affairs Committee and released in February 1978, and a response to that memorandum, which I requested from the Department of State on February 15, 1978.

The proposed sale of F-5E aircraft to Egypt will produce considerable debate and controversy in Congress. I believe that the following information will be useful to Members of Congress and other persons interested in this issue.

The memorandum and the State Department comments follow:

COMMITTEE ON
INTERNATIONAL RELATIONS,
February 15, 1978.

Hon. CYRUS R. VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Attached is a memorandum prepared by the American Israeli Public Affairs Committee relating to the proposed sale of F-5E aircraft to Egypt.

I would like the Department of State to prepare a detailed response to this memorandum and I would hope that the response would be in unclassified form.

With best regards.

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

AMERICAN ISRAEL PUBLIC
AFFAIRS COMMITTEE,
Washington, D.C., February 1978.

MEMORANDUM

F-5E'S TO EGYPT

The Administration has announced its intention to sell Northrop F-5E Tiger II fighter-bombers to Egypt. This sale represents a major shift in U.S. arms transfer policy toward Egypt. Since 1955 it has been U.S. policy to refrain from providing major offensive weapons to Egypt. Neither American national interest nor Egypt's real needs will be served by such a sale. Moreover, such a sale could have an adverse impact on the current Middle East peace negotiations.

THE AIRCRAFT

The F-5E is an offensive, not defensive, weapon. Northrop Corporation, the plane's manufacturer, describes the plane as having "excellent combat agility. Accurate fire control system air-to-air and air-to-ground. Capable of carrying and delivering wide variety of stores."

Designed for maximum maneuverability, the F-5E is still capable of speeds in excess of Mach 1.5. As an interceptor and ground attack bomber, the plane carries two AIM 9 Sidewinder missiles, two 20mm cannons, radar for air-to-air search and range tracking, and nearly 7000 pounds of mixed ordnance—five times the load of the MiG-21. Its combat radius is equal to the Soviet MiG-21 but it is equipped with more advanced electronics and greater tactical flexibility. Newer models of the F-5E are equipped with in-flight refueling capability and have been redesigned to carry the deadly television-guided Maverick air-to-ground missile.

The F-5E is used by U.S. armed services to simulate the Soviet-built MiG-21 in mock dogfights. In recent fly-offs between the F-5E and the more advanced F-14 and F-15, U.S. authorities found that the F-5E surpassed all expectations. As reported in U.S. News and World Report (January 9, 1978), "The supposedly inferior F-5Es have fought superior F-14s and F-15s to a deadly draw."

The F-5E in Egyptian hands would, therefore, constitute a serious challenge to Israel's air force. Quoting U.S. military analysts, Drew Middleton wrote in the New York Times (April 3, 1977), that Israel's "absolute air supremacy would probably be unattainable during a new war because modern aircraft like the F-5E would be able to get through the Israeli ground and air defenses and cause considerable damage."

EGYPTIAN MILITARY STRENGTH

According to the authoritative International Institute for Strategic Studies, since 1974 Egyptian defense expenditures totalled over $20 billion—30 per cent more than Israel's expenditures over the same period. Contrary to claims put forth by Egypt's President Sadat and echoed by some Administration officials, Egypt received extensive resupply of weapons from the Soviet Union following the 1973 war, which continued through 1977. Since the War, Egypt has received 42 MiG-23 Flogger B and D fighter-bombers; 1000 tanks, including 600 advanced T-62s; 15 SCUD and 6 Frog ground-to-ground missile launchers; and hundreds of armored personnel carriers, self-propelled guns and artillery pieces. (IISS, London Economist)

As evidence of the continued Soviet supply, the Washington Post reported on February 9, 1975, that "The Soviet Union has resumed arms shipments to Egypt despite President Anwar Sadat's repeated denials of this . . . the deliveries are evidently part of the existing contract for arms." Reuters, on June 3, 1977, confirmed that "the deliveries, some of them being routed through Syrian ports, consisted of spare parts and equipment that had been repaired in the Soviet Union."

On June 15, 1977, the London Economist's confidential Foreign Report revealed that "Sadat has kept his army in a continuous series of maneuvers for months—at the price of revealing that, contrary to his public complaints, his armed forces are fully equipped with spare parts and dispose of sufficient supplies to wage an all-out war for three to four weeks."

But beyond Egypt's supplies from the Soviet Union, Egypt has a multitude of suppliers from which to choose, while Israel can only look to the United States for advanced military equipment. In recent years, Egypt has taken delivery on 38 French-made Mirage III D and E fighter bombers (purchased by Saudi Arabia) and has ordered 44 advanced Mirage F-1's. In early 1977, France and Egypt announced plans to establish a Mirage F-1 plant in Egypt, as part of the "Arab Military Industrial Organization." Egypt's initial order is believed to be as high as 200 F-1's. The F-1 Mirage is an advanced multi-purpose fighter-attack plane, with long range combat/patrol capability. The plane is rated in the same class as the new U.S.-made F-16; Spain recently chose the French F-1 over the F-16 for use by its air force.

In addition, Egypt has expressed interest in purchasing 200 advanced Jaguar fighter-bombers and 200 Hawker-Siddeley Hawk multi-purpose strike/trainer jets from Great Britain. The Hawk deal is believed to be close to completion. The Jaguar sale has been held off, reportedly because the British government decided introduction of the Jaguar into the region would upset the military balance. This British degree of responsibility is apparently lacking in the Administration's calculations.

The Peoples' Republic of China has reportedly supplied Egypt with at least 30 engines for its MiG-21's.

Moreover, Egypt can also rely on other Arab states to provide additional aircraft, as they did during the 1973 Yom Kippur War. According to published accounts, prior to, and during, the war, Egypt received 40 Mirage III's from Libya, a squadron of Hunter jets from Iraq, Lightning jets from Kuwait, and three squadrons of Algerian fighter-bombers. According to intelligence sources, Egypt also received the assistance of an undisclosed number of Pakistani pilots and of 20 North Korean pilots who flew base defense missions.

U.S. officials have now confirmed reports that Egyptian pilots have trained on Saudi F-5Es, in clear violation of U.S. law, and it must be anticipated that in the event of renewed hostilities, the 110 Saudi F-5Es, or a large portion of them, could be transferred to Egypt.

REWARDING EGYPT

It has been argued that the sale of F-5Es to Egypt is necessary to show U.S. support for President Sadat's recent peace initiative. Besides the fact that U.S. consideration of the sale precedes Sadat's trip to Jerusalem, there is questionable logic in the proposition that Egypt's search for peace requires rewards of arms. If the peace talks succeed, the need for arms would diminish; if the talks fail, it would be unwise for the United States to have fueled a dangerous arms race.

Egypt does not require the F-5E to demonstrate the value of its recent peace initiative or its gestures towards the United States. In the last two years, the United States has sold Egypt 20 C-130 transports, 12 Firebee aerial reconnaissance drones, six long-range photo-reconnaissance camera systems, and trucks and jeeps worth aproximately $350 million. In September 1977 the Administration agreed to provide Egypt with U.S. technology, expertise and licenses for the refurbishing of 200 Egyptian MiG-21 jets.

Egypt has received other significant benefits from the United States. As the single largest annual recipient of U.S. economic assistance in the world, Egypt has received more than $4 billion in aid since the Yom Kippur War. The U.S. Government has also been instrumental in encouraging millions of dollars in American investment and expanding purchases of Egyptian oil. In addition, the United States was instrumental in arranging the Sinai II Agreement through which Egypt received U.S. assistance in clearing the Suez Canal; the return of the Abu Rudeis oil fields with their $350 million annual output; and an early warning system in the Giddi Pass.

WHO THREATENS EGYPT?

Egypt has no genuine military need for the F-5Es. Egypt is at present in the midst of peace negotiations with Israel. In the event of a breakdown of talks, however, it must be emphasized that Israel has no military objective to gain in any attack against Egypt, and in the 30-year history of hostilities Israel never initiated any conflict.

Last year's hostilities between Egypt and Libya indicated clearly Egypt's ability to deal effectively with its unpredictable western neighbor. The fighting underscored Libya's inability to absorb the great quantities of arms the Soviet Union has lavished on Qaddafi. It must be noted that the Egyptian armed forces outnumber the Libyan forces by a ratio of 10:1. The small Libyan population precludes any substantive expansion of Libya's armed forces.

Furthermore, the mercurial nature of inter-Arab relations and continuing Pan-Arab antipathy for Israel serve as a reminder of the possibility of renewed Egyptian-Libyan relations and military cooperation in the event of Egyptian-Israeli hostilities. It is to be expected that much of Libya's vast arms arsenal would be placed at Egypt's disposal.

Administration officials have suggested that Egypt requires F-5Es to counter Soviet expansion in Ethiopia and northeast Africa.

It must be questioned, however, whether the United States seeks to encourage an expanded Egyptian military posture in the current conflict. Such an expanded role would undermine the basic U.S. goals of promoting regional stability and peace. In addition, unless Egypt intends to transfer the F-5Es to another country (in violation of U.S. law), the Horn of Africa conflict is well beyond the range of the F-5E: Eritrea is 500 miles from Egyptian territory; Ogaden is over 1000 miles away. Strategic Israeli targets, however, are easily within the combat radius of F-5Es.

THE SALE IS CONTRARY TO U.S. INTERESTS

The sale of F-5E fighter-bombers to Egypt contradicts established U.S. policies on regional military balance, regional interest, and arms control. The primary regional interest of the United States is, of course, the attainment of a lasting Arab-Israel peace. With the initiation of an offensive arms supply relationship between the United States and Egypt, the Arab states are likely to feel more confident about military "solutions" and be less receptive to negotiation and compromise. As for Israel, the sale of the F-5Es to Egypt will heighten Israeli insecurity during the current peace negotiations.

In the event of an Israeli-Egyptian conflict, the United States might find itself weighing requests from both Egypt and Israel for emergency resupply. American experiences in the Turkish-Greek wars and the Indian-Pakistani hostilities have demonstrated the no-win position inherent in arming both sides.

President Sadat's vulnerable position within the Arab world as well as his weak health are constant reminders of the unstable leadership and patterns of succession in Egypt. Egypt's economic needs today argue against the sale of the F-5E. Instead, Egypt's needs dictate development assistance—expenditures for tractors, not tanks; buses, not fighter-bombers. The Egyptian people suffer from terrible poverty and deteriorating social services. The efforts and resources of their government—as well as our own—should be directed toward improving their plight, not toward preparing for another war.

ARMS SHIPMENTS TO EGYPT SINCE THE YOM KIPPUR WAR

Despite claims to the contrary, Egypt has received large quantities of Soviet and French arms since the 1973 Yom Kippur War. Much of this has been replacement equipment for material lost in the fighting. New weapons systems not previously seen in Egypt have also been delivered.

The following figures are based upon the intelligence estimates of the authoritative International Institute of Strategic Studies, London, U.K. Known battlefield losses have also been taken into account.

Since the 1973 war, Egypt has received approximately:

650 T-62 main battle tanks (USSR).
400 T-54/55 medium battle tanks (USSR).
1,200 BTR-40 -50P, -60P and -152 armored personnel carriers (USSR).
75 SU-100 and JSU-152 self-propelled guns (USSR).
650 76mm, 100mm, 122mm, 130mm, 152mm and 180mm guns and howitzers (USSR).
24 SCUD ballistic missile launchers (USSR).
100 MiG-21 fighter/bombers (USSR).
25 Su-20 fighter/bombers (USSR).
24 MiG-23 fighter/bombers (USSR).
18 MiG-27 ground attack fighters (USSR).
38 Mirage IIIE fighter/bombers (France).
44 Mirage F-1 fighter/bombers (France).
4 C-130 transports (US).
2 EC-13OH Patrol planes (US).
Atoll air-to-air missiles (USSR).
30 SA-6 surface-to-air missile batteries (USSR).
10 Sea King helicopters (UK).
30 Commando helicopters (France).
42 Gazelle helicopters (France).
Anti-aircraft guns (USSR).
30 Otomat SSM boats [on order] (France).
Gun radars (USSR).
Early warning radars (USSR).
Anti-tank missiles (USSR and France).
Infantry equipment (USSR).
Night-fighting equipment (USSR).

Egypt received spare parts from the USSR through 1976. In addition, in early 1977, Egypt received 50 reconditioned MiG-21s from the USSR. Egypt is believed to have sufficient spare parts stockpiled to meet its needs for about the next two years. Syria, Libya and Iraq are all supplied by the USSR. Given past military cooperation between these states, many analysts believe that Egypt may be able to acquire necessary spare parts from these countries, plus possibly from Eastern Europe or other nations which use Soviet weapons. Instances of extensive covert military cooperation have occurred even during times of public disagreement between the Arab governments involved.

DEPARTMENT OF STATE,
Washington, D.C.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives.

DEAR MR. HAMILTON: I am pleased to respond to your letter of February 15 addressed to Secretary Vance under cover of which you forwarded a memorandum prepared by the American Israeli Public Affairs Committee.

The referenced memorandum raised points relative to the proposed sale of F-5 aircraft to Egypt. Under cover of this letter, I am forwarding the Department's response to the memorandum.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

COMMENTS ON AIPAC'S MEMORANDUM RE PROPOSED SALE OF F-5 AIRCRAFT TO EGYPT

Response to a Request of Congressman Hamilton, Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations

THE AIRCRAFT

AIPAC Memorandum

"The F-5E is an offensive, not defensive, weapon . . ."

Department of State Comments

Most modern fighter aircraft have both an offensive and a defensive capability. However, the design of a specific aircraft generally is dictated by its primary mission; the F-5 to be sold to Egypt has primarily a defensive role. These aircraft will not have an in-flight refueling capability, nor will they be configured to accept guided munitions such as "Maverick". Armed with two 20mm cannons and two AIM-9J ("Sidewinder") fair weather air-to-air missiles, the aircraft will be optimally suited for an air defense role. The plane's limited range, fire control system, maneuvering capabilities, and short-range radar are all designed to optimal use in close-in air-to-air combat. When configured to carry an external load of "iron bombs", the basic air-to-ground ordnance which could be used by this aircraft, performance capabilities are reduced. With a maximum load, combat radius would be limited to approximately 255 nautical miles, the aircraft could not be flown supersonically, and its manueverability would be severely restricted.

Operating as an air defense interceptor, the F-5 is less capable in terms of speed, radar detection ranges, and variety of air-to-air munitions than the fighter aircraft in the inventories of several of Egypt's neighbors. However, when operating in a ground-controlled-intercept mode—i.e., essentially when operating in Egyptian airspace—this plane has a good capability against intruders loaded with bombs. Without external radar control, the F-5 is a fair weather, daytime fighter; it carriers no all-weather missiles and has limited radar detection range.

The implication that the F-5 is the equal of the F-14 and F-15 in air combat is misleading. Both of the latter have vastly superior radar detection capabilities and all-weather missiles with ranges greatly in excess of counterpart capabilities of the F-5. Furthermore, both the F-14 and F-15 have a marked speed advantage over the F-5 and therefore could either overtake or evade the latter. Should an F-14 or F-15 become engaged in a close-in "dog fight" with the F-5, the odds of defeating the F-5 would be reduced but still strongly in favor of the more modern aircraft. Either of the more advanced aircraft would be able to take advantage of its inbuilt speed.

The statement that ". . . the F-5E would be able to get through the Israeli ground and air defenses and cause considerable damage . . ." disregards the capabilities of the Israeli air defense network, the F-5 mission profile, and the combat ability of Israeli pilots—among the most proficient in the world.

EGYPTIAN MILITARY STRENGTH

AIPAC memorandum

". . . Egypt received extensive resupply of weapons from the Soviet Union following the 1973 war which continued through 1977 . . ."

Department of State comments

It is impossible to reconcile the data attributed to the International Institute of Strategic Studies (IISS) and our best information concerning Soviet resupply of Egypt. We do not know if the IISS included equipment received immediately prior to or during the war; nor do we know whether the term "Soviet" includes resupply from other Warsaw Pact countries.

The Egyptian Government has acknowledged that a military supply relationship existed with the Soviet Union for some time following the October 1973 war. Based on our evaluation of all information available to us, we have concluded that virtually no new Soviet equipment has arrived in Egypt since mid-1975, although there have been a few deliveries of items being returned from the USSR after refurbishing.

IISS data included by AIPAC were compared with other information available to our government. We found a general discrepancy in that the IISS report shows higher Egyptian equipment inventories than we believe to be the case. For example, the AIPAC tabulation shows that Egypt received 400 T-54/55 medium battle tanks; USG sources indicate they received none during the post-October 1973 period. AIPAC contends that Egypt has received six times as many APC's as the USG believes likely, and more than three times the number of artillery pieces. Conversely, we believe that the Egyptians received two more MIG-23's than shown by AIPAC. The U.S. sold Egypt six C-130 aircraft (AIPAC shows four), but no EC-130H (sic) aircraft. Our best information indicates that no MIG-27 aircraft have been deployed outside the Warsaw Pact countries.

AIPAC Memorandum

". . . his (Sadat's) armed forces are fully equipped with spare parts and dispose of sufficient supplies to wage an allout war for three to four weeks. . . ."

Department of State Comment

Despite substantial reequipment of the Egyptian armed forces in the two years after the October 1973 war, Egyptian inventories

are still not up to pre-war levels. The army is in relatively better shape than the air force, although not all armored vehicles have been replaced. The air force's inventory is about 20 percent below its 1973 peak, and Egyptian air defense capabilities are well below 1973 levels.

High intensity combat operations reminiscent of those experienced in previous rounds of Arab-Israeli fighting quickly would deplete Egyptian stockpiles and severely strain logistics and maintenance systems. Knowledgeable observers frequently have reported that the material condition of Egyptian mechanized equipment is very poor, with a high level of inoperative military vehicles of all kinds. To stretch their supply of spare parts, the Egyptian armed forces have altered training practices to reduce wear and tear on equipment during maneuvers, have extended the periods between major overhauls of equipment, have resorted to extensive "cannibalization" to keep parts of equipment inventories operating, and otherwise have accepted implicit degradation of their combat capabilities. The flying rate within the air force has been severely curtailed.

AIPAC Memorandum

". . . Egypt has a multitude of suppliers from which to choose, while Israel can only look to the United States for advanced military equipment. . . ."

Department of State Comment

The assertion that Israel can look only to the United States for advanced military equipment is largely true. Nonetheless, some sales have been made, i.e., the 1974 Israeli purchase of three British submarines (these were delivered in 1977).

Subsequent to the Soviet-imposed embargo of shipments on military equipment to Egypt, the Sadat government has sought alternate sources of supply, principally in Western Europe. Unlike Israel, Egypt does not possess an indigenous armaments industry capable of producing sophisticated fighter aircraft. The Israeli-manufactured "Kfir" fighter is superior to the F–5 in terms of speed, range and payload capabilities.

Public sources reveal that the Government of Egypt recently has signed contracts with British firms for helicopters, antitank missiles, and perhaps fast patrol boats. Although there have been extended negotiations between France and Egypt relative to the purchase of Mirage F–1 aircraft, contracts have not been concluded in this regard. Furthermore, we are informed that there are no plans at present for Egyptian purchase of this plane. The Egyptian government's interest in purchasing military items from Italy, Spain, various Warsaw Pact nations, China and West Germany has met with only limited success.

AIPAC Memorandum

"The People's Republic of China has reportedly supplied Egypt with at least 30 engines for its MIG–21's."

Department of State Comment

The engines supplied by China were for Egypt's older MIG–17 aircraft.

REWARDING EGYPT

AIPAC Memorandum

". . . the U.S. has sold Egypt . . . 12 Firebee Aerial Reconnaissance Drones . . . and trucks and jeeps costing approximately $350 million. In September 1977 the Administration agreed to provide Egypt with U.S. technology, expertise and licenses for the refurbishing of 200 Egyptian MIG–21 jets . . ."

Department of State Comments

Although the Administration in October 1977 informed the Egyptian Government of our willingness to approve of the sale of aerial reconnaissance drones, the Egyptians have not yet made a decision on this matter. The statement that the U.S. has sold approximately $350 million worth of trucks and jeeps to Egypt presumably refers to a commercial arrangement for assembly of American Motors (AMC) civilian vehicles; in addition to their civilian uses, such vehicles could be used by the military, and the Egyptian armed forces do use some of these jeeps. The Sadat government requested USG assistance in developing a program designed to arrest deterioration of Egypt's MIG–21 fleet. We sought to be responsive by sanctioning participation by General Electric and Lockheed in developing such a program in conjunction with firms in third countries. We understand that the Egyptian Government has decided not to accept the proposals put forward by the consortia of which the American firms were a part. Consequently, the question of State Department approval of required licenses for technical services contracts has not arisen.

AIPAC Memorandum

". . . Egypt has received more than $4 billion in (U.S.) aid since the Yom Kippur War."

State Department Comment

In fiscal years 1974–1977 (i.e., since the Yom Kippur war), the USG has extended to Egypt approximately $2.3 billion in economic assistance. During fiscal year 1978, the figure will be $950 million. The total through the current fiscal year will be approximately $3.2 billion in commitments, including PL–480 programs. Disbursements to date have been substantially lower, since major amounts of this aid are for project assistance with long lead times.

WHO THREATENS EGYPT?

AIPAC Memorandum

". . . Egypt has no genuine military need for the F–5E's . . . Last year's hostilities between Egypt and Libya indicate clearly Egypt's ability to deal effectively with its unpredictable western neighbor . . . It is to be expected that much of Libya's vast arms arsenal would be placed at Egypt's disposal (in event of another Arab-Israeli war) . . ."

Department of State Comments

Egypt's security is affected directly by events in nearby African countries. Libyan and/or Soviet supported threats to friendly regimes are of particular concern. Current developments in the Chad are illustrative. Because the Egyptian economy is intrinsically dependent on the unimpeded flow of the Nile waters, any Egyptian government must be particularly sensitive to developments in coriparian states—an important factor in Egypt's present concern with the situation in the Horn.

The 1977 hostilities with Libya served to point up the continuing need for maintenance of a credible Egyptian military force. The fighting with Libya was too short in duration for observers to draw any firm conclusions; this was especially the case since Libya did not commit a large part of its armed forces to combat. It is also to be noted that Libya continues to increase its force levels.

It is true that several of the Arab states not adjacent to Israel nominally committed forces to assist Egypt during the October 1973 war. However, none of these forces arrived in time to be effectively used in combat (even though that war was longer than the two previous military conflicts between Israel and her Arab neighbors). Given the long-standing differences between Libya and Egypt, it is questionable that Libyan forces or equipment would be put at Egypt's disposal in time of war. Any transfer prior to an outbreak of hostilities would provide Israel with significant advance warning.

THE SALE IS CONTRARY TO U.S. INTERESTS

AIPAC Memorandum

". . . The sale of F–5E fighter bombers to Egypt contradicts established U.S. policies on regional balance . . . President Sadat's vulnerable position within the Arab world as well as his weak health are constant reminders of the unstable leadership and patterns of succession in Egypt. . ."

Department of State Comments

The proposed sale of 50 F–5E's to Egypt will not alter the basic military balance in the region. There is a consensus among military and intelligence analysts that the Israeli military capability will remain superior to that not only of Egypt but of the combined potential Arab forces for an indefinite period of time.

Although President Sadat has had some health problems, he has shown himself capable of leading his country through a difficult and prolonged period. Sadat has been in power since September 1970. Since 1952, Egypt has had only two presidents—a pattern of remarkable longevity in terms of leadership. The succession by Sadat following Nasser's death took place smoothly. President Sadat's present term of office expires in 1982.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous material:)

Mr. STEERS, for 5 minutes, today.
Mr. GRADISON, for 5 minutes, today.
Mr. KEMP, for 5 minutes, today.
Mr. STEIGER, for 10 minutes, today.
Mr. PURSELL, for 5 minutes, today.
Mr. EVANS of Delaware, for 5 minutes, today.

(The following Members (at the request of Mr. DODD) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. ADDABBO, for 30 minutes, today.
Mr. DODD, for 60 minutes, today.
Mr. BINGHAM, for 15 minutes, today.
Mr. LEGGETT, for 5 minutes, today.
Mr. HARRIS, for 5 minutes, today.
Mr. ULLMAN, for 5 minutes, today.
Mr. STAGGERS, for 5 minutes, today.
Mr. BRINKLEY, for 5 minutes, today.
Ms. HOLTZMAN, for 10 minutes, today.
Mr. BRECKINRIDGE, for 5 minutes, today.
Mr. BRODHEAD, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MARLENEE, to revise and extend his remarks and to follow the remarks of Mr. RONCALIO.

Mr. HAMILTON, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,068.

Mr. HAMILTON, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $999.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous material:)

Mr. STEERS.
Mr. MICHEL in two instances.
Mr. DERWINSKI in two instances.

Mr. DORNAN.
Mr. MARLENEE.
Mr. MOORE.
Mr. LAGOMARSINO in two instances.
Mr. WAMPLER.
Mr. YOUNG of Florida.
Mr. EVANS of Delaware.
Mr. GILMAN in two instances.
(The following Members (at the request of Mr. DODD) and to include extraneous matter:)
Mr. EDGAR in four instances.
Mr. MAZZOLI.
Mr. YOUNG of Missouri.
Mr. BARNARD.
Mr. STUMP.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. DRINAN.
Mr. EILBERG in three instances.
Mr. WIRTH.
Mr. FISHER in two instances.
Mr. VANIK.
Mr. MCDONALD in two instances.
Mr. PEASE.
Mr. YATES.
Mr. HAMILTON.
Mr. PATTISON of New York in two instances.
Mr. STARK.
Mrs. SCHROEDER.
Mr. CONYERS.
Mr. WALGREN.
Mr. SANTINI.

ADJOURNMENT

Mr. DODD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 53 minutes p.m. under its previous order, the House adjourned until tomorrow, Wednesday, March 15, 1978, at 1 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3553. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting proposed revisions to the budgets for fiscal years 1978 and 1979, pursuant to section 201(g) of the Budget and Accounting Act, 1921, as amended (88 Stat. 323) (H. Doc. No. 95–303); to the Committee on Appropriations and ordered to be printed.

3554. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated February 23, 1978 (H. Doc. No. 95–294), pursuant to section 1014 (b) and (c) of Public Law 93–344 (H. Doc. No. 95–304); to the Committee on Appropriations and ordered to be printed.

3555. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army National Guard and the Army Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

3556. A letter from the Comptroller General of the United States, transmitting his approval of the conceptual design for a financial management system for the government of the District of Columbia, pursuant to section 2(e)(4) of Public Law 94–399; to the Committee on the District of Columbia.

3557. A letter from the Chairman, National Labor Relations Board, transmitting the Board's 42d Annual Report, covering fiscal year 1977, pursuant to section 3(c) of the Labor Management Relations Act of 1947, as amended; to the Committee on Education and Labor.

3558. A letter from the Freedom of Information Officer, Pennsylvania Avenue Development Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3559. A letter from the Secretary, Railroad Retirement Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3560. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Roger Kirk, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

3561. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sales as of December 31, 1977, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

3562. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly report on foreign military sales letters of offer as of December 31, 1977, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

3563. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Canada (transmittal No. 78–16), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3564. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Germany (transmittal No. 78–18), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3565. A letter from the Secretary of Transportation, transmitting a report covering calendar year 1977 on utilization of authority to designate and rent inadequate quarters, lease family housing and hire quarters at or near Coast Guard installations, pursuant to 14 U.S.C. 475(f); to the Committee on Merchant Marine and Fisheries.

3566. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 1201 E Street, NW., Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee of conference. Conference report on H.R. 5383 (Rept. No. 95–950). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 11274. A bill to amend title IV of the Higher Education Act of 1965 to increase the availability of assistance to middle-income students and to amend section 1208 of such act; with amendment (Rept. No. 95–951). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 1074. Resolution providing for the consideration of H.R. 9518. A bill to amend the Shipping Act, 1916, to provide for a 3-year period, to reach a permanent solution of the rebating practices in the U.S. foreign trade. (Rept. No. 95–952). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3787. A bill to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico; to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and to authorize such tribe to purchase and exchange lands in the States of New Mexico and Arizona; with amendment (Rept. No. 95–953). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 8099. A bill relating to the settlement between the United States and the Ak-Chin Indian community of certain water right claims of such community against the United States; with amendment (Rept. No. 95–954). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on the effectiveness of the export promotion policies and programs of the Departments of Commerce and State; followup report (Rept. No. 95–955). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARRIS: Committee on the Judiciary. H.R. 1751. A bill for the relief of Lucy Davao Jara Graham (Rept. No. 95–956). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 8192. A bill for the relief of Andrée McGiffin and Jean-Manuel Henry; with amendment (Rept. No. 95–957). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 833. An act for the relief of Ah Young Cho Kwak (Rept. No. 95–958). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 11518. A bill to extend the existing temporary debt limit; to the Committee on Ways and Means.

By Mr. AKAKA (for himself, Mr. DRINAN, Mrs. MEYNER, Mr. HAWKINS, Mr. BEARD of Rhode Island, Mr. NOLAN, Mr. MIKVA, Mr. ADDABBO, Mr. JEFFORDS, Mr. ST GERMAIN, Mr. PEPPER, Mr. RODINO, Mr. MITCHELL of Maryland, and Mr. STOKES):

H.R. 11519. A bill to amend the Education of the Handicapped Act; to the Committee on Education and Labor.

By Mr. AKAKA (for himself, Mr. MOAKLEY, Mr. LENT, Mr. WON PAT, Mr. BALDUS, Mr. RICHMOND, Mr. CLAY, Mr. BRODHEAD, Mr. EILBERG, Mr. D'AMOURS, Mr. KILDEE, Mr. HARRINGTON, Mr. BIAGGI, and Mr. ZEFERETTI):

H.R. 11520. A bill to amend the Education of the Handicapped Act; to the Committee on Education and Labor.

By Mr. ALLEN:

H.R. 11521. A bill to establish a National Contest for the Invention and Development of an Efficient and Cost-effective Electric

Energy Storage Facility, capable of storing such energy in huge quantities and over reasonable and needed periods of time, for future use, said contest to be conducted and supervised by the Tennessee Valley Authority, the winner to be awarded from the U.S. Treasury a $10 million prize, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Science and Technology.

By Mr. BENNETT:

H.R. 11522. A bill to amend the act of June 27, 1960 (74 Stat. 220), as amended by the act of May 24, 1974 (88 Stat. 174, 176; 16 U.S.C. 469), relating to the preservation of historical and archeological data; to authorize appropriations under section 3(b) and 4(a) for fiscal years 1979 through 1983, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, and Mr. BEARD of Rhode Island):

H.R. 11523. A bill to amend the Fair Labor Standards Act of 1938 to provide that blind persons may not be employed at less than the applicable minimum wage under that act; to the Committee on Education and Labor.

By Mr. ERTEL:

H.R. 11524. A bill to improve the criminal justice system by providing assistance to States, counties, and local governments for the construction, acquisition, and renovation of prisons; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 11525. A bill to amend title 4 of the United States Code with respect to the authority of States or political subdivisions thereof to impose taxes at civil airports owned by the United States; to the Committee on the Judiciary.

By Mr. FISHER (for himself and Mr. HARRIS):

H.R. 11526. A bill to change the name of the Dulles International Airport to the Washington International Airport, Dulles Terminal; to the Committee on Public Works and Transportation.

By Mr. HANNAFORD (for himself, Mr. PEPPER, Mr. ROYBAL, and Mr. BIAGGI):

H.R. 11527. A bill to amend the Older Americans Act of 1965 to provide that certain municipalities shall upon request be designated as planning and service areas, and for other purposes to the Committee on Education and Labor.

By Mr. KREBS (for himself and Mr. SISK):

H.R. 11528. A bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks, Calif., to the Committee on Public Works and Transportation.

By Mr. LEGGETT (for himself, Mr. MURPHY of New York, Mr. BIAGGI, and Ms. MIKULSKI):

H.R. 11529. A bill to amend the Dingell-Johnson Sport Fish Restoration Act in order to deny benefits under that act to any State which does not extend certain reciprocal fishing privileges to nonresident individuals who have attained age 62 and hold valid fishing licenses issued by the State of their residency; to the Committee on Merchant Marine and Fisheries.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, and Mr. HAMMERSCHMIDT):

H.R. 11530. A bill to amend title 38, United States Code, to increase the rate of compensation payable to veterans who have lost three extremities as the result of a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 11531. A bill to amend title 38, United States Code, to increase the rates of dependency and indemnity compensation for parents, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. ASHLEY, Mr. BARNARD, Mr. BLANCHARD, Mr. FAUNTROY, Mr. LAFALCE, Mr. LUNDINE, Mr. PATTISON of New York, and Mr. VENTO):

H.R. 11532. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. PURSELL (for himself, Mr. BRADEMAS, Mr. QUIE, Mrs. CHISHOLM, Mr. PRESSLER, and Mr. KILDEE):

H.R. 11533. A bill to amend the Elementary and Secondary Education Act of 1965 to establish programs for special assistance to gifted and talented children, and for other purposes; to the Committee on Education and Labor.

By Mr. RISENHOOVER:

H.R. 11534. A bill to amend the Bank Holding Company Act of 1956 to give share holders the right to use cumulative voting in the elections of directors of bank holding companies; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEBELIUS (for himself, Mr. JENRETTE, Mr. SPENCE, Mr. HOLLAND, Mr. DAVIS, Mr. PRESSLER, Mr. MARLENEE, and Mr. JOHNSON of California):

H.R. 11535. A bill to provide wheat, feed grain, cotton and soybean producers the opportunity to receive parity prices for the 1978 crops; to the Committee on Agriculture.

By Mr. SOLARZ:

H.R. 11536. A bill to direct the National Institute of Education to develop curriculum concerning the destruction of the European Jewish community by Nazi Germany prior to and during World War II, for dissemination to elementary and secondary schools; to the Committee on Education and Labor.

H.R. 11537. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, dentures, eyeglasses, and hearing aids among the benefits provided by the insurance program established by part B of such title, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. STEED:

H.R. 11538. A bill to establish an Associate Administrator for Women's Business Enterprise within the Small Business Administration; to the Committee on Small Business.

By Mr. STEERS (for himself, Mr. LUKEN, and Mr. PEASE):

H.R. 11539. A bill to provide mandatory social security coverage for Members of Congress; to the Committee on Ways and Means.

By Mr. STOKES:

H.R. 11540. A bill to provide a special program for financial assistance to national community-based organizations of demonstrated effectiveness, in order to provide 1 million new jobs and job training opportunities, and for other purposes; jointly to the Committees on Education and Labor, and Ways and Means.

By Mr. BRADEMAS:

H.R. 11541. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to authorize the purchase and display of works of art, and for other purposes; to the Committee on Education and Labor.

By Mr. EVANS of Delaware:

H.R. 11542. A bill to continue the existing income tax treatment of nonqualified deferred compensation plans established by State and local governments and other employers; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 11543. A bill to amend title 38, United States Code, to provide that the disability compensation paid to a veteran with a service-connected disability rated 30 percent or more but less than total shall be increased by 10 percent when the veteran attains age 65; to the Committee on Veterans' Affairs.

H.R. 11544. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. POAGE:

H.R. 11545. A bill to modify the method of determining quantitative limitations on the importation of cretain articles of meat and meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock and for other purposes; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. CRANE, Mr. ASHBROOK, and Mr. MCDONALD):

H.R. 11546. A bill to prohibit the executive branch from engaging in activities to influence State legislatures with regard to the ratification of constitutional amendments; to the Committee on the Judiciary.

By Mr. TUCKER:

H.R. 11547. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. ZABLOCKI (for himself, Mr. FASCELL, Mr. DIGGS, Mr. FRASER, Mr. WOLFF, Mr. BINGHAM, Mr. SOLARZ, Mrs. MEYNER, Mr. STUDDS, Mr. BUCHANAN, and Mr. WINN):

H.R. 11548. A bill to establish a national policy for the application of science and technology to U.S. foreign policy; to the Committee on International Relations.

By Mr. NEAL (for himself, Mr. KASTEN, Mr. RICHMOND, Mr. VAN DEERLIN, Ms. SCHROEDER, and Mr. NIX):

H.R. 11549. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JEFFORDS (for himself, Mr. SIMON, and Mr. MIKVA):

H.R. 11550. A bill to authorize the Secretary of State to implement solar energy and other renewable energy projects in certain buildings owned by the United States in foreign countries; to the Committee on International Relations.

By Mr. BEDELL (for himself, Mr. OTTINGER, Mr. MAGUIRE, Mr. LONG of Maryland, Mr. BEILENSON, Ms. SCHROEDER, Mr. SEIBERLING, and Mr. SIMON):

H.R. 11551. A bill to provide for a solar and conservation loan program within the Small Business Administration; to the Committee on Small Business.

By Mr. JEFFORDS (for himself, Mr. GORE, Mr. BEILENSON, Mr. SEIBERLING, and Mr. SIMON):

H.R. 11552. A bill to direct the Secetary of Commerce to carry out a global market survey with respect to American-made solar energy technology; to the Committee on Interstate and Foreign Commerce.

By Mr. BRODHEAD:

H.J. Res. 790. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. RUDD (for himself, Mr. BROYHILL, Mr. BEVILL, Mr. CHARLES H. WILSON of California, Mr. BURKE of Florida, Mr. WYDLER, Mr. FREY, and Mr. HANSEN):

H.J. Res. 791. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on International Relations.

By Mr. SEBELIUS:

H.J. Res. 792. Joint resolution to provide for the designation of the first Friday of March of each year as Teacher Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. CUNNINGHAM:

H.J. Res. 793. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California:

H. Con. Res. 507. Concurrent resolution relative to condemning acts of terrorism; to the Committee on International Relations.

By Mr. JEFFORDS (for himself and Mr. SIMON):

H. Con. Res. 508. Concurrent resolution expressing the sense of the Congress that the United Nations should convene a World Alternate Energy Conference having as its major purpose the establishment of an International Alternate Energy Commission to facilitate the transfer among countries of information relating to alternate energy sources and to otherwise encourage the use of alternate energy sources; to the Committee on International Relations.

By Mr. WRIGHT:

H. Con. Res. 509. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. RHODES (for himself, Mr. YATES, Mr. ADDABBO, Mr. ANDERSON of California, Mr. ANNUNZIO, Mr. ASPIN, Mr. BAFALIS, Mr. BAUCUS, Mr. BAUMAN, Mr. BEILENSON, Mr. BENJAMIN, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLOUIN, Mr. BOLAND, Mr. BOLLING, Mr. BONIOR, Mr. BOWEN, Mr. BRADEMAS, and Mr. BRODHEAD):

H. Con. Res. 510. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. YATES (for himself, Mr. BROWN of California, Mr. BURGENER, Mrs. BURKE of California, Mr. PHILLIP BURTON, Mr. JOHN L. BURTON, Mr. CAPUTO, Mr. CARR, Mr. CARTER, Mrs. CHISHOLM, Mr. DEL CLAWSON, Mr. COCHRAN of Mississippi, Mr. COHEN, Mr. COLLINS of Texas, Mr. CONABLE, Mr. CONTE, Mr. CORCORAN of Illinois, Mr. CORNELL, Mr. CORNWELL, Mr. CORRADA, Mr. COTTER, Mr. COUGHLIN, Mr. D'AMOURS, and Mr. DANIELSON):

H. Con. Res. 511. Concurrent resolution to condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. BOLLING (for himself, Mr. DELANEY, Mr. DERRICK, Mr. DERWINSKI, Mr. DEVINE, Mr. DICKS, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. DUNCAN of Oregon, Mr. EARLY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mr. EMERY, Mr. EVANS of Colorado, Mr. EVANS of Delaware, Mr. FARY, Mr. FASCELL, Mr. FAUNTROY, Mrs. FENWICK, and Mr. FINDLEY):

H. Con. Res. 512. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. ALLEN of Tennessee (for himself, Mr. FISH, Mr. FISHER, Mr. GREEN, Mr. FITHIAN, Mr. FLORIO, Mr. FOLEY, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRASER, Mr. FRENZEL, Mr. FUQUA, Mr. GAYDOS, Mr. GEPHARDT, Mr. GIAIMO, Mr. GIBBONS, Mr. GILMAN, Mr. GINN, Mr. GLICKMAN, Mr. GOODLING, Mr. GRASSLEY, Mr. GUDGER, and Mr. GUYER):

H. Con. Res. 513. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. YATES (for himself, Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. HANLEY, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HAWKINS, Mrs. HECKLER, Mr. HEFNER, Mr. HEFTEL, Mr. HILLIS, Mr. HOLLENBECK, Mrs. HOLT, Ms. HOLTZMAN, Mr. HUCKABY, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. JEFFORDS, Mr. JENRETTE, Mr. JOHNSON of California, Mr. JONES of Oklahoma, Mr. KASTEN, and Mr. KELLY):

H. Con. Res. 514. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. YATES (for himself, Mr. KEMP, Ms. KEYS, Mr. KILDEE, Mr. KREBS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEACH, Mr. LEHMAN, Mr. LENT, Mr. LEVITAS, Mr. LIVINGSTON, Mr. LLOYD of California, Mr. LONG of Maryland, Mr. LOTT, Mr. MCDADE, Mr. MCEWEN, Mr. MCHUGH, Mr. MARKS, Mr. MATTOX, Mr. MAZZOLI, Mr. METCALFE, Ms. MIKULSKI, and Mr. MIKVA):

H. Con. Res. 515. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr YATES (for himself, Mr. MILLER of Ohio, Mr. MILLER of California, Mr. MINETA, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORE, Mr. MOORHEAD of California, Mr. MOSS, Mr. MOTTL, Mr. MURTHA, Mr. NATCHER, Mr. OBERSTAR, Mr. O'BRIEN, Mr. OTTINGER, Mr. PANETTA, Mr. PATTEN, Mr. PEPPER, Mrs. PETTIS, Mr. PICKLE, and Mr. PIKE):

H. Con. Res. 516. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. PRICE (for himself, Mr. PREYER, Mr. PRITCHARD, Mr. PURSELL, Mr. RAILSBACK, Mr. RANGEL, Mr. REGULA, Mr. REUSS, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mr. ROGERS, Mr. RONCALIO, Mr. ROSE, Mr. ROSENTHAL, Mr. ROSTENKOWSKI, Mr. ROUSSELOT, Mr. ROYBAL, Mr. RUDD, Mr. RUSSO, Mr. RYAN, and Mr. SANTINI):

H. Con. Res. 517. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. TRAXLER (for himself, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SHARP, Mr. SIMON, Mr. SKUBITZ, Mr. SLACK, Mr. SMITH of Iowa, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STAGGERS, Mr. STANTON, Mr. STARK, Mr. STEERS, Mr. STOCKMAN, Mr. STOKES, Mr. STRATTON, Mr. STUDDS, Mr. TAYLOR, Mr. THOMPSON, Mr. UDALL, and Mr. ULLMAN):

H. Con. Res. 518. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. WOLFF (for himself, Mr. VENTO, Mr. WAGGONNER, Mr. WALSH, Mr. WAXMAN, Mr. WEISS, Mr. WHALEN, Mr. WHITLEY, Mr. WHITTEN, Mr. BOB WILSON, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WIRTH, Mr. WON PAT, Mr. WYDLER, and Mr. YOUNG of Texas):

H. Con. Res. 519. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. MURPHY of Illinois (for himself, Mr. HARKIN, Mr. VANDER JAGT, Mr. SCHULZE, Mr. DICKINSON, Mr. YATRON, Mr. ERTEL, Mrs. BOGGS, Mr. TREEN, Mr. BEDELL, Mr. DE LA GARZA, Mr. ST GERMAIN, Mr. PERKINS, Mr. SPENCE, Mr. BROWN of Ohio, Mr. ARCHER, Mr. APPLEGATE, Mr. JOHN T. MYERS, Mr. CLEVELAND, Mr. LATTA, Mr. FLOWERS, Mr. BRECKINRIDGE, and Mr. ROBERTS):

H. Con. Res. 520. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. HARRIS (for himself, Mr. STEED, Mr. MCKAY, Mr. LUKEN, Mr. FORD of Michigan, Mr. BIAGGI, Mr. ZEFERETTI, Mr. ANDREWS of North Dakota, Mr. AMBRO, Mr. BEVILL, Mr. SISK, Mr. DINGELL, Mr. RONCALIO, Mr. CHAPPELL, Mr. EVANS of Indiana, Mr. ROONEY, Mr. NIX, Mr. LE FANTE, Mr. CORMAN, and Mr. MCFALL):

H. Con. Res. 521. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. YATES (for himself, Mr. DELLUMS, Mr. GRADISON, Mr. MITCHELL of New York, Mr. VAN DEERLIN, Mr. VANIK, Mr. AMBRO, Mr. NOWAK, Mr. MONTGOMERY, Mr. ASHLEY, Mr. AUCOIN, Mr. BONKER, Mr. TSONGAS, Mr. GONZALEZ, Mr. HOWARD, Mr. CLAY, Mr. RISENHOOVER, Mr. KOSTMAYER, Miss JORDAN, Mr. BURLESON of Texas, Mr. RUNNELS, Mr. JONES of North CAROLINA, Mr. DENT, and Mr. KAZEN):

H. Con. Res. 522. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. CRANE:

H. Res. 1075. Resolution relating to the presence of Cuban or foreign military troops in the Republic of Panama or the Panama Canal Zone; to the Committee on Armed Services.

Mr. SISK:

H. Res. 1076. Resolution requesting investigations by the Committee on Armed Services and the Small Business Committee of the House of Representatives into tire sales by military exchanges; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

328. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Virginia, relative to the economic problems of farmers; to the Committee on Agriculture.

329. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to coverage afforded by Federal crop insurance programs; to the Committee on Agriculture.

330. Also, memorial of the Assembly of the State of California, relative to aviation regulatory reform; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDGAR:

H.R. 11553. A bill for the relief of Adela De La Paz Del Mundo and Franklin Miller, Jr.; to the Committee on the Judiciary.

By Mr. MAZZOLI:

H.R. 11554. A bill to quitclaim certain property in the city of Washington, District of Columbia, to the Little Sisters of the Poor; to the Committee on the District of Columbia.

By Mr. PEASE:

H.R. 11555. A bill for the relief of Sidney G. Kanouse; to the Committee on the Judiciary.

H. Res. 1077. Resolution to refer the bill for the relief of Sidney G. Kanouse to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 50

By Mr. YOUNG of Florida:

Page 67, line 13, insert "veterans," after "elderly".

Page 68, line 8, insert the following:

"(4) For purposes of this subsection, the term 'veteran' shall mean the same as defined in 38 U.S.C.A. § 101(2)."

Page 71, line 10, strike out "and" and insert immediately after such line the following new subparagraph:

"(G) proper attention to the employment status of recipients of Social Security benefits and other Federal government pension programs and the effects on their employment status caused by the statutory limitation on outside earned income;"

Page 71, line 11, redesignate subparagraph (G) as subparagraph (H).

H.R. 7700

By Mr. HANLEY:

On page 22, line 7, strike out all down through line 19 on page 53, and insert in lieu thereof the following:

That this Act may be cited as the "Postal Service Act of 1978".

CHANGING RATES AND FEES

SEC. 2. (a)(1) Section 3621 of title 39, United States Code, is amended to read as follows:

"§ 3621. Authority to fix rates and fees

"The Postal Rate Commission shall establish rates of postage and fees for postal services in accordance with this chapter. Postal rates and fees shall be reasonable, equitable, and sufficient to enable the Postal Service under honest, efficient, and economical management to maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States. Postal rates and fees shall provide sufficient revenues so that the total estimated income and appropriations to the Postal Service will equal as nearly as practicable total estimated costs of the Postal Service. For purposes of this section, 'total estimated cost' includes—

"(1) operating expenses;

"(2) depreciation on capital facilities and equipment;

"(3) interest on debt and amortization of debt discount and expenses; and

"(4) a provision for contingencies, not to exceed 2 percent of an amount equal to the total of those items referred to in paragraph (1) through paragraph (3) of this section, for unforeseeable and uncontrollable occurrences;

but does not include a provision for repayment of past losses.".

(2) The item relating to section 3621 in the table of sections for subchapter II of chapter 36 of title 39, United States Code, is amended by striking out "classes" and inserting in lieu thereof "fees".

(b) Section 3622 of title 39, United States Code, is amended to read as follows:

"§ 3622. Rates and fees

"(a) The Postal Service shall propose rate schedules to the Postal Rate Commission recommending changes in a rate or rates of postage or in a fee or fees for postal services if the Postal Service determines that each such change would be in the public interest and in accordance with the policies of this title.

"(b)(1) Upon receiving any proposal from the Postal Service, the Commission shall make a decision on the request for changes in rates or fees in each class or subclass of mail or type of service in accordance with the policies of this title and the requirements of this subsection

"(2) Each class or subclass of mail or type of service shall bear those postal costs attributable to that class, subclass, or type. Attributable costs shall be those costs which vary with the volume of the class or subclass of mail or type of service over a period of not more than 3 years. If the Commission determines that attributable costs exceed 60 percent of total estimated costs, the attributable costs of each class, subclass, or type shall be reduced to an amount that is determined by multiplying the attributable costs of the class, subclass, or type by a fraction whose numerator is 60 and denominator is a whole number equal to the percentage of total estimated costs determined to be attributable. Revenues received from zone-rated parcels shall recover attributable costs determined under this section without regard to the provisions of the preceding sentence, plus a fair share of all other costs.

"(3) The remaining costs not attributed under paragraph (2) of this subsection shall be apportioned, after deducting an estimated amount for public service appropriations, among each class or subclass of mail or type of service as a revenue burden on the basis of—

"(A) the quality and character of the mail service provided to both the sender and the recipient, including collection, speed of transmission, privacy, and priority of handling and delivery;

"(B) the effect of the proposed rates on the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;

"(C) the available alternative means of sending and receiving letters and other mail matter at reasonable costs;

"(D) the educational, cultural, scientific, and informational benefit of the mail matter to the Nation; and

"(E) the relative demand for each class or subclass of mail or type of mail service.".

(c) Section 3626(a)(1) of title 39, United States Code, is amended by inserting before the semicolon at the end thereof a comma and the following: "as may be reduced under section 3622(b)(2) of this title".

(d) Section 3626(a)(2) of title 39, United States Code, is amended to read as follows:

"(2) the rates for mail matter under former sections 4359, 4421, 4422, and 4554(a) shall be equal, on and after the first day of the eighth year following the effective date of the first rate decision applicable to that class or kind, to the rates that would have been in effect for such mail if this subsection had not been enacted; except that revenues received from rates for not more than 250,000 pieces of each issue of a publication under former sections 4359, 4421, and 4422 which do not qualify to be mailed at a reduced per piece rate based on a 5-digit ZIP code sortation established pursuant to the proceedings in Postal Rate Commission Docket Numbered R77-1 shall not, on and after the first day of the eighth year following the effective date of the first rate decision applicable to that class or kind, exceed the postal costs attributable to mail of such class or kind (excluding all other costs of the Postal Service); the reduction authorized by this paragraph shall be applied by reducing the per piece charge otherwise applicable to not to exceed 250,000 pieces; and".

(e) Section 3683(a) of title 39, United States Code, is amended by inserting after "postage established" the following: "for the nonadvertising portions of mail matter described in former sections 4358, 4359, 4421, and 4422 of this title and".

AUTHORIZATION OF APPROPRIATIONS TO UNITED STATES POSTAL SERVICE

SEC. 3. (a) Section 2401(b)(1) of title 39, United States Code, is amended by striking out all beginning with the words "the following amounts:" and inserting in lieu thereof "for each of the fiscal years 1972 through 1984 the sum of $920,000,000.".

(b) Section 2401(d) of title 39, United States Code, is amended to read as follows:

"(d) There is authorized to be appropriated to the Postal Service for each of the fiscal years 1979, 1980, and 1981 the sum of $800,000,000.".

(c) Subsections "(e)" and "(f)" of section 2401 of title 39, United States Code, are repealed.

(d) Subsections "(g)", "(h)", and "(i)" of section 2401 of title 39, United States Code, are redesignated as subsections "(e)", "(f)", and "(g)".

(e) Section 2401(f) of title 39, United States Code, as redesignated by this Act, is amended by striking out the second sentence.

(f) Section 2401(g) of title 39, United States Code, as redesignated by this Act, is amended by striking out the numeral "10" and inserting in lieu thereof the numeral "7", and by striking out the words "subsection (b) and (d) of".

(g) Section 2401(b)(2) of title 39, United States Code, is amended by striking out "(G)".

POSTAL RATE COMMISSION BUDGETS

SEC. 4. Section 3604(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission annually shall prepare and submit to the President a budget of the expenses of the Commission, including expenses for facilities, supplies, compensation, and employee benefits. The President shall include the budget of the Commission, with his recommendations but without revision, as a separate item in the budget required by section 11 of title 31 to be transmitted to the Congress.".

SIZE AND WEIGHT LIMITS

SEC. 5. (a) Section 3682 of title 39, United States Code, is amended to read as follows:

"§ 3682. Size and weight limits

"(a) The maximum size of mail, other than letter mail, is 100 inches, in girth, and length combined, and the maximum weight is 70 pounds.

"(b) The Postal Service may establish size and weight limits for letter mail in the same manner prescribed for changes in the mail classification schedule under subchapter II of this chapter.".

(b) The amendment made by subsection (a) of this section is not effective until the zone rate for a parcel measuring over 84 inches in length and girth combined is at least equal to the minimum rate for a 25-pound parcel addressed to the same zone.

LEGAL REPRESENTATION

SEC. 6. (a) Section 409(d) of title 39, United States Code, is amended to read as follows:

"(d)(1) Except as provided in paragraph (2) of this subsection, the Attorney General shall furnish the Postal Service, under section 411 of this title, any legal representation the Postal Service may require. With the prior consent of the Attorney General, the Postal Service may represent itself through its attorneys or through attorneys whose services may be obtained by contract.

"(2) The Postal Service may represent itself without obtaining the consent of the Attorney General in litigation arising under chapter 36 of this title through its attorneys or through attorneys whose services are obtained by contract.".

(b)(1) Subchapter I of chapter 36 of title

39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3605. Legal representation

"The Commission may represent itself without obtaining the consent of the Attorney General in litigation arising under chapter 36 of this title through its attorneys or through attorneys whose services are obtained by contract.".

(2) The table of sections for subchapter I of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3605. Legal representation.".

SEC. 7. (a) The first, second, and third sentences of section 202(a) of title 39, United States Code, are amended to read as follows:

"(a) The Board of Governors of the Postal Service shall be composed of 9 Governors appointed by the President, by and with the advice and consent of the Senate. Not more than 5 Governors may be adherents of the same political party. The President shall designate the Chairman from among the Governors serving on the Board."

(b) Section 202(c) of title 39, United States Code, is amended to read as follows:

"(c) The Governors are authorized and directed to establish procedures for the regular and continuing review of postal operations, finances, and practices. The Governors shall retain the services of such officers and employees as they deem necessary to carry out the purposes of this subsection, and the officers and employees so appointed shall have complete access to all postal data, information, and operations. Such officers and employees shall be responsible solely to the Governors, and may not be under any jurisdiction or control of the Postmaster General or the Postal Service. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.".

(c) Section 202(d) of title 39, United States Code, is amended to read as follows:

"(d) Vacancies in the Board, as long as there are sufficient members to form a quorum, shall not impair the powers of the Board under this title. The Board shall act upon majority vote of those members who are present, and any 6 members present shall constitute a quorum for the transaction of business by the Board. No officer or employee of the United States may serve concurrently as a Governor. A Governor may hold any other office or employment not inconsistent or in conflict with his duties, responsibilities, and powers as an officer of the Government of the United States in the Postal Service.".

ORGANIZATION OF POSTAL SERVICE; RATE, FEE, AND CLASSIFICATION DECISIONS OF POSTAL RATE COMMISSION

SEC. 8. (a) Section 203 of title 39, United States Code, is amended to read as follows:

"§ 203. Postmaster General

"The chief executive officer of the Postal Service is the Postmaster General, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall serve for a term of 4 years, which shall coincide with the term of office of the President. A Postmaster General appointed to fill a vacancy shall serve for the remainder of the term to which his predecessor was appointed. A Postmaster General may continue to serve after his term expires until his successor has qualified.".

(b)(1) Sections "204", "205", "206", "207", and "208" of title 39, United States Code, are redesignated as sections '205", "206", "207", "208", and "209", respectively, and the following new section 204 shall be inserted immediately following section 203:

"§ 204. Deputy Postmaster General

The deputy chief executive officer of the Postal Service is the Deputy Postmaster General, who shall be appointed by, and serve at the pleasure of, the Postmaster General.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended to read as follows:

"Sec.
201. United States Postal Service.
202. Board of Governors.
203. Postmaster General.
204. Deputy Postmaster General.
205. Assistant Postmasters General; General Counsel; Judiciary Officer.
206. General authority of Postmaster General.
207. Advisory Council.
208. Seal.
209. Reservation of powers.".

(c)(1) Section 206 of title 39, United States Code, as redesignated by this Act, is amended to read as follows:

"§ 206. General authority of Postmaster General

"The Postmaster General shall direct and control the expenditures and review the practices and policies of the Postal Service and perform other functions and duties prescribed by this title.".

(d)(1) Section 208 of title 39, United States Code, as redesignated by this Act, is amended by striking out "Boar" and inserting in lieu thereof "Postmaster General".

(2)(A) Title 39, United States Code, is amended by striking out section 402.

(B) The table of sections for chapter 4 of title 39, United States Code, is amended by striking out the item relating to section 402.

(3) Section 1001(d) of title 39, United States Code, is amended by striking out "of the Board or".

(4) Section 1002(a) of title 39, United States Code, is amended by striking out "Governor or".

(5) Section 1011 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(6) Section 2402 of title 39, United States Code, is amended to read as follows:

"§ 2402. Annual report

"The Postmaster General shall submit to the President and to the Congress an annual report concerning the operations of the Postal Service under this title.".

(7)(A) Section 3623(a) of title 39, United States Code, is amended by striking out "make a recommended" and inserting in lieu thereof "render a".

(B) Section 3623(b) of title 39, United States Code, is amended—

(i) by striking out "submit" the first place it appears therein and inserting in lieu thereof "render";

(ii) by striking out "submit to the Governors" and inserting in lieu thereof "render"; and

(iii) by striking out "recommended".

(C) Section 3623(c) of title 39, United States Code, is amended by striking out "make a recommended" and inserting in lieu thereof "render a".

(8)(A) The heading for section 3624 of title 39, United States Code, is amended by striking out "Recommended decisions" and inserting in lieu thereof "Decisions".

(B) Section 3624(a) of title 39, United States Code, is amended by striking out "recommended" and inserting in lieu thereof "render".

(C) Section 3624(c)(1) of title 39, United States Code, is amended—

(i) by striking out "recommended" the first place it appears therein;

(ii) by striking out "transmit its recommended" and inserting in lieu thereof "render its"; and

(iii) by striking out "to the Governors under subsection (d) of this section".

(D) Section 3624(d) of title 39, United States Code, is amended to read as follows:

"(d) The Commission shall determine the date or dates on which the new rates, fees, mail classification schedule, and changes in the schedule shall become effective. The decisions of the Commission shall be final, subject to the provisions of subsection (e) of this section.".

(9)(A) Title 39, United States Code, is amended by striking out section 3625.

(B) The matter describing section 3624 and section 3625 in the table of sections for subchapter II of chapter 36 of title 39, United States Code, is amended to read as follows:

"3624. Decisions of Commission.
"3625. Repealed.".

(10)(A) The first sentence of section 3628 of title 39, United States Code, is amended—

(i) by striking out "decision of the Governors to approve, allow under protest, or modify the recommended"; and

(ii) by inserting "under section 3624(c) of this title" immediately after "Postal Rate Commission".

(B) The second sentence of section 3628 of title 39, United States Code, is amended by striking out "and the Governors".

(C) The last sentence of section 3628 of title 39, United States Code, is amended by striking out "or Governors".

(11)(A) Section 3641(a) of title 39, United States Code, is amended—

(i) by striking out "transmit a recommended" and inserting in lieu thereof "render a"; and

(ii) by striking out "to the Governors".

(B) Section 3641(d) of title 39, United States Code, is amended—

(i) by striking out "transmits its recommended" and inserting in lieu thereof "renders its";

(ii) by striking out "to the Governors under section 3624(d) of this title"; and

(iii) by striking out "Governors" and inserting in lieu thereof "Commission".

(C) The first sentence of section 3641(e) of title 39, United States Code, is amended—

(i) by striking out "transmit to the Governors" and inserting in lieu thereof "render a decision"; and

(ii) by striking out "recommended".

(D) The second sentence of section 3641(e) of title 39, United States Code, is amended by striking out "transmitted its recommended decision to the Governors" and inserting in lieu thereof "rendered its decision".

(12) Section 3684 of title 38, United States Code, is amended by striking out "Governors" and inserting in lieu thereof "Postmaster General".

(13) Section 5206(c) of title 39, United States Code, is amended by striking out "Board" each place it appears therein and inserting in lieu thereof "Postmaster General".

POST OFFICE CLOSINGS AND CONSOLIDATIONS

SEC. 8. (a) Section 404(b)(1) of the title 39, United States Code, is amended by adding at the end thereof the following new sentence: "The Postal Service shall conduct a hearing relating to such proposed closing or consolidation during such 60-day period in the area which would be affected by such proposed closing or consolidation.".

(b) Section 404(b)(2)(A) of title 39, United States Code, is amended by inserting after the word "consolidation" the words "including social effects."

SURPLUS AND EXCESS PROPERTY

SEC. 9. (a) Section 410(b)(4) of title 39, United States Code, is amended—

(1) by striking out "and" at the end of subparagraph (E);

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following new paragraph:

"(F) chapter 10 (relating to management and disposal of Government property), ex-

cept that the provisions of such chapter shall apply only to property held by the Postal Service at the time of its establishment by section 201 of this title, as enacted by section 2 of the Act of August 12, 1970, Public Law 91-375; and".

(b) Section 401(5) of title 39, United States Code, is amended by inserting before "to acquire" the following: "subject to the provisions of section 410(b)(4)(F) of this title,".

REVIEW OF PROPOSED CAPITAL INVESTMENTS

SEC. 10. (a) Chapter 20 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§2011. Review of proposed capital investments

"(a) The Postal Service may not carry out any capital investment project having a total estimated cost which exceeds $9,000,000 unless the Postal Service, before commencing such project transmits a report to the Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives. Such report shall contain a detailed description of the project involved, together with a justification for such project.

"(b) The Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives, upon receiving any report from the Postal Service under subsection (a) of this section, shall review the project involved and conduct such hearings with respect to such project as each committee considers necessary. Each such committee shall transmit recommendations to the Postal Service with respect to such project no later than 4 months after receiving a report under subsection (a) of this section.

"(c) The Postal Service may not commence any capital investment project with respect to which a report has been transmitted by the Postal Service under subsection (a) of this section until the Postal Service has received recommendations with respect to such project from the Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives under subsection (b) of this section. The Postal Service shall take such recommedations into account in making its final determination with respect to carrying out the project involved.

"(d) For purposes of this section, the term 'capital investment project' means any project the cost of which is not properly chargeable, under generally accepted accounting principles, as an expense of operation and maintenance.".

(b) The table of sections for chapter 20 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"2011. Review of proposed capital investments.".

TRANSPORTATION OF MAIL BY VESSEL

SEC. 11. (a) Section 5605 of title 39, United States Code, is amended to read as follows:

"§ 5605. Transportation of mail on United States vessels

"(a) The Postal Service shall contract for the use of vessels of United States registry to originate any international sea transportation of mail of the United States in any case in which the common carrier which operates or controls such vessel is engaged in the provision of regular transportation services to the destination specified by the Postal Service. The Postal Service shall not be required to enter into any such contract if no such vessels are available at the time the Postal Service seeks to arrange for the transportation of such mail.

"(b) Any rate charged for the sea transportation of mail of the United States under subsection (a) of this section shall comply with the provisions of the Shipping Act, 1916, as amended. Any such rate shall not be less than the sum of—

"(1) the fully distributed costs of common carriers; and

"(2) a fair and reasonable profit.

"(c) In any case in which 2 or more common carriers seek to enter into a contract offered by the Postal Service under subsection (a) of this section, the Postal Service shall award such contract by competitive bidding. The duration of any such contract may not exceed 1 year.

"(d) The Postal Service shall not give any preference to any common carrier upon the basis of length, height, or width of cargo containers. No advertisement or invitation to bid for the carriage of mail may specify carriage of mail in containers of any specified length, height, or width.

"(e) For purposes of this section, the term 'common carrier' means any common carrier, other than any ferry boat running on regular routes, engaged in the transportation by water of passengers or property between the United States (or any of its districts, territories, or possessions) and any foreign country, whether in the import or export trade, except that a cargo boat commonly referred to as an ocean tramp shall not be considered to be a common carrier.".

(b) The table of sections for chapter 56 of title 39, United States Code, is amended by striking out the item relating to section 5605 and inserting in lieu thereof the following new item:

"5605. Transportation of mail on United States vessels.".

RATES FOR BOOKS, FILMS, AND OTHER MATERIALS

SEC. 12. (a) Section 3683(b) of title 39, United States Code, is amended to read as follows:

"(b) Notwithstanding any other provision of this title, any—

"(1) book (including any book published or otherwise issued as a supplement to any other book) which—

"(A) consists exclusively of reading matter, scholarly bibliography, or reading matter with incidental blank spaces for notations; and

"(B) contains no advertising, other than incidental announcements of books;

"(2) 16 millimeter film, narrow-width film, film strips, transparencies for projection, slides, or microfilm;

"(3) sound recording;

"(4) museum materials, specimens, or collections;

"(5) scientific or mathematical kit, instrument, or other device;

"(6) teaching aid, guide, map, or other interpretative material for use in conjunction with any item specified in paragraph (1) through paragraph (5); and

"(7) catalog or similar publication which contains a listing of any item specified in paragraph (1) through paragraph (6);

may be mailed at the rates currently in effect for mail matter specified in former section 4554(b)(1) of this title in any case in which any such item is mailed to or from any institution, organization, or association specified in subparagraph (A) or subparagraph (B) of former section 4554(b)(1) of this title or to or from any school, college, university, or library.".

(b) The catchline for section 3683 of chapter 36 of title 39, United States Code, is amended to read as follows:

"§ 3683. Uniform rates for publications, films, and other materials".

(c) The table of sections for subchapter V of chapter 36 of title 30, United States Code, is amended by striking out the item relating to section 3683 and inserting in lieu thereof the following new item:

"3683. Uniform rates for publications, films, and other materials.".

SEC. 13. (a) Section 3661 of title 39, United States Code, is amended to read as follows:

"§ 3661. Changes in postal services

"(a) When the Postal Service determines that there should be a change in the level or types of postal services, and such a change would have nationwide or substantially nationwide impact, a detailed statement of the proposed change, including estimates of impact upon the public, business mail users, service levels, postal finances, and postal employment shall be submitted to the Congress in accordance with this section.

"(b) No proposed change in the level of postal services shall become effective unless during the period of the first 60 calendar days of continuous session of the Congress (after the date on which the Postal Service transmits to the House of Representatives and to the Senate a document setting forth the text of the detailed statement of the proposed change) neither House adopts a postal service resolution referred to in subsection (e)(2) of this section.

"(c) Any document described in subsection (b) of this section shall be immediately referred in the House of Representatives to the Committee on Post Office and Civil Service and in the Senate to the Committee on Government Affairs.

"(d) For purposes of subsection (b) of this section—

"(1) continuity of session is broken only by an adjournment of Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the comptuation of the 60-day period.

"(e)(1) The provisions of this section are enacted by the Congress—

"(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of postal service resolutions described in paragraph (2) of this subsection, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, and in the same manner and to the same extent as in the case of any other rule of that House.

"(2) For purposes of this subsection, the term 'postal service resolution' refers to a joint resolution of either House of Congress—

"(A) the effect of which is to prohibit the change in the level or type of postal services described in the document which is transmitted to the Congress pursuant to subsection (b) of this section; and

"(B) which is reported from the Committee on Post Office and Civil Service of the House of Representatives or the Committee on Governmental Affairs of the Senate, not later than 45 days after the date on which the document described in subsection (b) of this section relating to such change is transmitted to the Congress.

"(3) Any resolution upon being reported shall immediately be placed on the appropriate calendar.

"(4)(A) A motion in the House of Representatives to proceed to the consideration of any postal service resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate in the House of Representatives on any postal service resolution shall be limited to not more than 6 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. It shall not be in order to

move to recommit any postal service resolution or to move to reconsider the vote by which any postal service resolution is agreed to or disagreed to.

"(C) Motions to postpone, made in the House of Representatives with respect to the consideration of any postal service resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

"(D) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any postal service resolution shall be decided without debate.

"(E) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of any postal service resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

"(f)(1) For the purpose of this section, a change in the level or types of postal services includes—

"(A) a change in the number of days each week mail is delivered over letter carrier, rural, and star routes;

"(B) a change in the number of days each week and hours each day post offices are open to the public to transact business;

"(C) an increase in the periods of time used as the standard for the timely delivery of mail matter as of September 1, 1977;

"(D) a change in the standards which would further restrict the eligibility to receive mail by letter carrier, rural, or star route delivery; and

"(E) changes in other nationwide or substantially nationwide levels and types of postal services which have been provided to the public generally.

"(2) For purposes of this section, a nationwide or substantially nationwide change in service includes any such change which would have effect in more than one geographic or administrative region established by the Postal Service.".

(b) The subchapter heading appearing immediately above section 3661 of title 39, United States Code, is amended to read as follows:

"SUBCHAPTER IV.—CHANGES IN POSTAL SERVICES AND RATE AND SERVICE COMPLAINTS".

(c) The catchline appearing at the beginning of chapter 36 of title 39, United States Code, is amended by striking out the matter relating to subchapter IV and inserting in lieu thereof the following:

"SUBCHAPTER IV.—CHANGES IN POSTAL SERVICES AND RATE AND SERVICE COMPLAINTS

"3661. Changes in postal services.
"3662. Rate and service complaints.".

SEC. 14. (a) Subchapter I of chapter 36 of title 39, United States Code, is amended by adding the following new section:

"§ 3606. Public disclosure of costs and subsidies

"(a) The Postal Rate Commission shall, by regulation, create procedures by which the public shall be apprised of the attributable cost and institutional cost of each class or subclass of mail or type of mail service, the costs actually paid by users and the subsidies which benefit such class or subclass of mail service.

"(b) For the purposes of this section—

"(1) 'attributable cost' means those costs which vary with the volume of the class or subclass of mail or type of mail service over a period of not more than 3 years;

"(2) 'institutional cost' means those costs apportioned by section 3622(b) of this title minus the proportionate share of such costs which are attributable costs apportioned under section 3622(b)(2) by operation of section 3622(b)(1); and

"(3) 'subsidies' means the attributable costs plus the institutional costs minus the actual rate or fee paid by the mailer, and may be further broken down by the Commission into subsidies paid by other mail classes and subsidies paid out of appropriations, whether statutorily or administratively assigned.

"(c) The information, provided under regulations of the Commission by this section, shall be posted in all post offices, shall be required as an appendix to the notices required under section 3685 of this title, and shall otherwise be made available to the public for examination. The information shall be stated in a manner which is readily understandable, including breakdowns in cents and fractions of cents as to the average costs and subsidies of individual pieces of mail within a class or subclass.".

(b) The table of sections for subchapter I of chapter 36 of title 39, United States Code, is amended by inserting at the end thereof the following new item:

"3606. Public disclosure of costs and subsidies.".

POSTAL EXECUTIVE SALARIES

SEC. 15. (a) Section 1003(a) of title 39, United States Code, is amended by striking out the third sentence and inserting in lieu thereof the following: "Except as provided in subsection (b) of this section, no officer or employee shall be paid compensation at a rate in excess of the maximum rate of basic pay then currently paid for GS–18 of the General Schedule of section 5332 of title 5.".

(b) Section 1003 of title 39, United States Code, is amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

"(b) The maximum rate of compensation—

"(1) for the Postmaster General shall not exceed the rate of basic pay then currently in effect for level I of the Executive Schedule of section 5312 of title 5;

"(2) for the Deputy Postmaster General shall not exceed the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5;

"(3) for not more than 6 Assistant Postmasters General, shall not exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of title 5; and

"(4) for the General Counsel, for the Chief Postal Inspector, and for not more than 5 regional Postmasters General, shall not exceed the rate of basic pay then currently in effect for level IV of the Executive Schedule of section 5315 of title 5; and

"(5) for not more than 10 other positions (as determined by the Postmaster General) shall not exceed the rate of basic pay then currently in effect for level V of the Executive Schedule of section 5316 of title 5.".

(c)(1) Except as provided in paragraph (2) of this subsection, any officer or employee of the Postal Service serving on the date of the enactment of this Act whose rate of compensation would, but for this paragraph, be reduced by reason of the limitations contained in section 1003 (a) or (b) of title 39, United States Code, as amended by this Act, may continue to receive compensation at the rate in effect on such date so long as such officer or employee continues without a break in service of more than 3 days to perform the duties of the position occupied on such date.

(2) A person employed by contract under section 1001(c) of title 39, United States Code, whose compensation would otherwise be reduced by reason of section 1003 of title 39, United States Code, as amended by this Act, may continue to receive compensation at the rate prescribed in the contract until term of employment in the contract expires. No contract under such section 1001(c) may be made, extended, or renewed at a rate of compensation in excess of the rates of basic pay prescribed under section 1003 of title 39, as amended by this Act.

SEC. 16. Section 1001(b) of title 39, United States Code, is amended—

(1) by striking out "Officers" and inserting in lieu thereof the following: "(1) Subject to the provisions of paragraphs (2) and (3) of this subsection, officers"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) In making any appointment to the position of postmaster at any post office, the Postal Service shall give preference to—

"(A) an eligible employee in the post office where the vacancy occurs who has resided within the delivery area of that post office, or within the city or town where the post office is located for not less than 1 year; or

"(B) an equally qualified individual who has resided within the delivery area of that post office, or within the city or town where the post office is located for not less than 1 year;

over any individual who has not resided within the delivery area of that post office, or the city or town where the post office is located, for at least 1 year.

"(3) The Postal Service shall publish in the Federal Register the qualifications for appointments under this subsection. Such qualifications shall not limit consideration to individuals who are employees of the Postal Service. The Postal Service shall provide adequate notice for a period of at least 30 days to postal patrons at the post office where a vacancy occurs that any individual may apply for the position of postmaster under this subsection, and such notice shall include basic requirements, qualification standards, and an explanation of selection procedures.".

RESEARCH AND DEVELOPMENT

SEC. 17. (a) Section 403(b) of title 39, United States Code, is amended by—

(1) striking out the period at the end of paragraph (3), and inserting in lieu thereof a semicolon; and

(2) adding the following new paragraph:

"(4) to develop and maintain a program of research and development to ensure a modern system of electronic and mechanical postal equipment and facilities. Beginning in fiscal year 1982, the annual expenditures of the research and development program shall be not less than one percent of total postal expenditures.".

(b) The Postal Service shall undertake a study of the feasibility and desirability of the Postal Service establishing a system for the electronic transmission of mail matter. The Postal Service shall report its findings and recommendations to the President and the Congress not later than December 31, 1979.

EFFECT ON COLLECTIVE BARGAINING AGREEMENTS

SEC. 18. Nothing in this Act, or in any amendment made by this Act, shall be construed to affect—

(1) any collective bargaining agreement entered into by the United States Postal Service which is in effect on the effective date of this Act;

(2) the authority of the United States Postal Service under chapter 12 of title 39, United States Code, to engage in collective bargaining with respect to any collective bargaining agreement into which the United States Postal Service may enter; or

(3) any obligations entered into by the Postal Service in any future collective bargaining agreement.

EFFECTIVE DATE

SEC. 19. The provisions of this Act, and the amendments made by this Act, shall take effect 90 days after the date of enactment of this Act.

Amend the title so as to read: "An Act to amend title 39, United States Code, to ensure the continuation of public services performed by the United States Postal Service, and for other purposes.".

EXTENSIONS OF REMARKS

AID TO CONSUMERS ADVOCATED

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. WIRTH. Mr. Speaker, during consideration of the proposed Office of Consumer Representation, I received many letters from people in business in opposition to the Office. While many of these people had legitimate complaints, the tone of many of the letters suggested that the interests of the business community are often at odds with the interests of consumers.

I continue to oppose this characterization. It seems to me that if someone in business is cutting corners, everyone suffers. Similarly, if businesses do right by consumers, all businessmen are better off. The quick-buck artist only blackens the name of the legitimate businessman, and causes a loss of consumer confidence. And in addition, unfair practices give them an unfair advantage over those who take their public responsibility seriously.

I recently received a description of internal policing by the HOW Corp. of Colorado, which is a subsidiary of the Colorado Association for Housing & Building. I have seen this group in action, and I am impressed. They have done a tremendous amount of good work—to benefit the consumer—without the cost and aggravation of a court settlement, a class action suit, or poor public relations. They have intervened in the name of the homebuilding industry in cases where they have not been forced to intervene, and they have accomplished two tasks simultaneously: They have protected the good name of homebuilders in Colorado, and they have restored the faith of many of the consumers in their sincerity.

At this point, Mr. Speaker, I ask unanimous consent that the text of the letter be inserted in the RECORD, in order that I might share my pleasant experiences with HOW:

HOME OWNERS WARRANTY
CORPORATION OF COLORADO,
Denver, Colo., February 28, 1978.

On October 21, 1976, Home Owners Warranty Corporation of Colorado was petitioned by 60 residents of the Meadows subdivision for assistance in resolving their problems with Westwood Development Corporation. The HOW Council responded with personal letters to every homeowner that listed their specific problems. The builder was contacted in an effort to clarify what was happening within this subdivision and the remedies he would use to resolve all legitimate complaints.

HOW suggested a personal visit to each homeowner by the builder. A HOW representative would accompany the builder on these visits to insure that all legitimate claims would be addressed by the builder. The HOW Council made the appointments with the homeowners with the assurance from the builder that he would attend these meetings. During the first day of meetings many problems seemed to be resolved through this communication system. The builder agreed to repair all legitimate items within a 30 day period.

The following day, the builder sent his secretary to the meeting to represent his interests. Again, communication was reestablished and promises were made for immediate repairs to take place In the subsequent days of meetings, the builder informed the HOW representative that he could no longer attend these meetings but he would repair all legitimate items noted by the HOW representative. This was accomplished by the HOW office and reports were sent to each homeowner involved and the builder during the second week of December, 1976.

The builder was given 30 days to resolve these problems by the HOW Council. During this time, the builder hired a warranty service man to resolve these problems. This person did a token amount of the work to be accomplished but the appearance of work being done was encouraging to all the homeowners and HOW. However, in the early weeks of January, 1977, it was apparent that all work had stopped. During this time frame, our attorneys attempted to establish a meeting to resolve the problems and to clarify Westwood's position. These requests were ignored by the builder and on February 1, 1977, he was terminated from our program. On February 10th, legal action was started against the builder by Home Owners Warranty Corporation of Colorado. On June 2, 1977, a judgment was rendered against the builder in favor of the HOW Corporation.

In February of 1977, the HOW Council sent arbitration forms to all of the involved parties. This action was taken to provide the homeowners relief under the terms of the insurance policy. Arbitration awards were issued in mid-March in favor of the homeowners which set the stage for the insurance company's involvement should the builder let them go into default, which he did. The builder closed his office and left town in the first week of February, 1977.

The HOW Council sent a certified letter to the builder's office and to the Secretary of State's office to forward to the builder, demanding that the arbitration awards be upheld or the claims would be turned over to the insurance underwriter. This demand was not met by the builder and consequently all claims were presented to American Bankers Insurance Company.

On May 11, 1977, all homeowners involved with HOW were notified that the insurance company would resolve their problems. As a means of expediting the adjusting aspect of the claim, the HOW representative was authorized to resolve all legitimate warranty items and contract for their repair. By June 1, 1977, all homeowners had been contacted by HOW and the repair contractor to itemize all repairs to be made by the insurance company.

HOW used Boyd Construction Company to handle all repairs to the homes. Initial work started in early June on the 53 homes ultimately involved. Work included exterior painting, drywall repairs, rebuilding walls, interior painting, yard regrading, linoleum repairs, carpet repairs and window repairs. The coordination and scheduling of the work was complex and was undertaken by Colorado HOW.

In addition there were numerous heating problems that had to be corrected such as; mismatched heating components, improper wiring of heating switches, faulty equipment, inadequate ductwork, etc. Homeowners Warranty employed Major Heating and Air Conditioning Company to resolve these problems.

The entire work phase took approximately 5 months to finish. In the end, each homeowner signed a release stating that all work had been accomplished to their satisfaction. The repair bill issued to the insurance company from Boyd Construction Company was close to $83,000. The Major Heating and Air Conditioning repair bill was in excess of $7,000. Local HOW Council costs were near $2,000, all directly related to repair costs. The total repair bill was near $92,000 to resolve the warranty problems in 53 homes.

The HOW Council made personal contact with each homeowner after the repairs were made to determine if they were satisfied with the results. In almost every instance homeowners stated they were very pleased with HOW's performance and relieved that they had insurance coverage to resolve their problems. In the few cases where people were not totally satisfied, their dis-satisfaction involved repairs that could not be covered under the HOW insurance policy. However regarding the repairs that were made in their homes, they were satisfied with HOW's performance.

In closing, I feel that this case shows that a problem of this magnitude can be resolved by the HOW program. It provides protection for homeowners whose builders may have gone out of business. It provides dispute handling mechanisms that help a builder and buyer resolve their problems. It also provides future protections against structural defects which has a special importance because of our Colorado soils problem.

Together with these protections, I feel it does show the consumer that an industry can react to it's own problems. I feel that this program and its protection offer the consumer reasonable assurance that he is not going to be "ripped-off" by the housing industry and its builders. This program while still in its infancy is proving that the housing industry can police itself and protect the consuming public at the same time.

LARRY SUMMERS,
Vice President.●

TAXING AUTHORITY AT NATIONAL AIRPORT

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. FISHER. Mr. Speaker, the only federally owned and operated commercial airports in the country, National and Dulles, are in my congressional district. The counties in which Dulles is located can collect more types of State and local taxes from the airport than can the county in which National is located. The bill I am introducing today would permit Virginia and Arlington County to levy the same taxes at National Airport that Virginia and Fairfax and Loudoun Counties can levy at Dulles International Airport.

The tax status of the two airports varies because they operate under different Federal legislation. In 1945, Congress and the Virginia general assembly approved a compact which granted the

Federal Government nearly exclusive jurisdiction over National Airport. But unlike other Federal reservations, National Airport is not covered under the Buck Act, which permits State and local governments to tax sales, motor fuels, gross receipts, and the like on Federal property. Congress did give Virginia and Arlington County some taxing power in 1970, primarily to collect State sales tax, for example, but still the power is not as broad as allowed by the Buck Act.

The legislation establishing Dulles International Airport did not include the same restrictions on taxing authority that apply to National. In addition to the taxes permitted under the Buck Act, local jurisdictions in which Dulles is located can and do tax the leasehold interests of the airlines, business licenses, personal property, and business personal property. My bill seeks to grant the same taxing authority over National as was approved by Congress for Dulles.

Of greatest significance is the section in the bill permitting Arlington County to collect property taxes. Business and personal property and the value of leasehold interests would be subject to this tax. Arlington County loses a significant amount of revenue by being denied the right to levy these taxes. A rough guess, extrapolated from the value of property and leasehold interests at Dulles, is that $200,000 could be collected annually. Since the property at National has never been assessed, no one knows for sure what the tax collections might be.

Arlington County is interested in gaining the authority to levy additional taxes at National Airport for several reasons. The county government incurs expenses because of the airport, without any compensating benefits. For example, the costs of the Metro stop at the airport are charged to Arlington County although generally it serves airplane travelers and is not particularly accessible to Arlington residents. The stop involved a one-time expense of over $1 million and the annual operating costs for the stop, which are changed to Arlington, are between $100,000 and $200,000. County roads and state highways leading to the airport receive heavy use from travelers to the airport. Also, any new construction in Arlington County which may affect radar or flight paths has to be coordinated with airport management. These are examples of direct costs which can be attributed to the presence of National Airport.

Arlington County and its citizens also bear the indirect but very burdensome costs of the air and noise pollution generated by the airport. Any new tax collections resulting from the bill I am introducing will be fair compensation for costs such as these.

Finally, the county sees no justification in having activities at the two Federal airports having different tax statuses.

This bill will not result in any additional Federal costs at National Airport. As at Dulles International Airport, or any other Federal reservation, taxes would not be imposed on Federal property or activities but only on those of private interests doing business there.

I hope that this long overdue equalization of the tax treatment of the two airports can be given expeditious and favorable consideration.●

MILITARY RETIRED INCOME EQUITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mrs. SCHROEDER. Mr. Speaker, on Tuesday of last week I introduced H.R. 11354, the Military Retired Income Equity Act. At this time I would like to insert a section analysis of that bill that my colleagues may find of interest:

MILITARY RETIRED INCOME EQUITY ACT—BILL SUMMARY

The Military Retired Income Equity Act, or Military Former Spouse bill for short, amends Chapter 73 of title 10, of the United States Code, Sections 1447–1455, which deal with the Survivor Benefit Plan, and adds a new Subchapter III—"Former Spouse Annuity".

Subchapter III—Former Spouse Annuity

Section 1461—defines former spouse as a former wife or husband married to a military member for at least ten years. The ten year period for vesting matches recent changes made in the Social Security law.

Section 1462—Automatically entitles a former spouse married at least 10 years to a pro rata share of the retired pay of a member of the Armed Services. The exact amount of the annuity is a function of the number of years of marriage that overlap with credited years of military service of the service member and the total number of years the servicemember serves. At a maximum the annuity would be equal to 50 percent of the retired pay.

If the marriage lasted not less than 10 years then:

Annuity equals the number of years of marriage in which Members' service was credited for purpose of computing retired or retainer pay divided by total number of credited years of service of the member times 50 percent of the retirement or retainer pay.

Ex. 1 A couple is married for 10 years. Of those 10 years the Member is on active duty for 8 years which are credited toward retirement. The member eventually serves 20 years and retires. The spouse would thus be eligible for 8/20 times 50 percent of retired pay.

Ex. 2 A couple is married for 35 years. After the marriage the Member enters the Armed Forces and retires after 30 years. Subsequently there is a divorce. In this case the divorced spouse would be entitled to 35/30 times 50 percent. However, 50 percent is the maximum entitled annuity when the marriage exists throughout the period of service credited to the person for the purpose of computing retired or retainer pay.

Ex. 3 A couple is married 12 years and are divorced. Subsequent to the divorce one of the individuals joins the service, serves 20 years and retires. In this example the annuity would be 0/20 times 50 percent or $0. The spouse would receive nothing since he or she was not married to the servicemember during any years credited toward his retirement.

The annuity granted to the former spouse under the bill would commence when the member becomes entitled to retired or retainer pay, if the divorce preceded this date, or the first day of the month following a divorce, if the member is already collecting this pay.

The annuity is terminated if the former spouse dies or remarries before the age 60, the member dies and or the spouse becomes entitled to Survivors Benefits, or the member upon whose service the annuity is based returns to active duty.

Section 1463—provides that the member's retired pay be reduced by the amount of the former spouse's annuity. The importance of this section is that the reduction now takes place at the source of the payment avoiding often lengthly court fights where the obligated spouse refuses to pay court ordered divisions of retirement earnings.

The bill also amends Subchapter II of Chapter 73, Title 10 dealing with the Survivor Benefit Plan (SBP) entitling former spouses to a pro-rata share of survivors benefits. The SBP currently allows the servicemember at the time of his retirement to elect to have withheld a portion of his retired pay to fund an allotment that would be paid to his wife, dependent(s), or person with an insurable interest in the event of his or her death when retirement pay would normally cease. Survivor's benefits normally equal 55 percent of retired pay.

Section 1447—"Definitions"—paragraph 2 is amended by stating that the "base amount" on which survivors benefits are calculated is to be determined without consideration for any reductions made in retired pay through the payment of an annuity to a former spouse. A paragraph 6 is also added defining former spouse.

Section 1448—"Application of the Plan"—subsection (a) is amended making SBP applicable to persons with former spouses as well as those who are currently married and or have dependents. Under current law a former spouse is not entitled to survivors benefits.

Subsection (a) is further amended by making survivors benefits mandatory unless the member, his spouse, and his former spouse (if any) elect out of the plan. Currently the service member alone may elect not to participate in the program at the time of his or her retirement. Since many divorces precede retirement the member often has little or no incentive under current law to provide protection to a former spouse under the SBP plan.

Subsection (d) deals with members of the armed forces who die on active duty or who are qualified for retired pay but who have not started to collect it. This subsection is amended to entitle a former spouse to 55 percent of the annuity she would have been entitled to under section 1462 of subchapter III.

Section 1450—"Payment of annuity: beneficiaries"—subsection (a) clause (1) is amended making survivors benefits payable to former spouses. Survivors benefits payments to an eligible widow, widower, or former spouse are terminated if they remarry prior to age 60. If remarraige is terminated by death, annulment, or divorce, payment is resumed. However, if entitled to an annuity from a second marriage, he or she must elect which annuity to receive.

Section 1451—"Amount of Annuity"—subsection (a) is amended to provide that the survivors benefits payable to a widow or widower shall be reduced by the amount of any annuity payable to the former spouse.

The amount of survivors benefits payable to a former spouse is at a maximum 27½ percent of the members retired pay. The formula for calculating the exact amount to be awarded is the same as in Section 1462 of Subchapter III with the substitution of the 27½ percent for the 50 percent. The amount of survivors benefits awarded is effected by social security offset provisions. The annuity awarded to a widower or female former spouse with one dependent child is offset by the Social Security mothers benefit. When a widow, widower, or former

spouse reaches age 62 or there is no longer a dependent child, the monthly annuity shall be reduced by the amount of the Social Security benefits to which he or she is entitled.

Section 1452—"Reduction in retired or retainer pay" is amended by simply adding language recognizing the status of former spouses in appropriate places and by adding a new subsection (g) which provides that in the case where a former spouse is entitled to an annuity under section 1462, reductions for survivors benefits will be paid by both the retiree and the former spouse based on the ration by which retired pay is split.

Amendments become effective for those divorced and retired after enactment of this bill.●

NATIONAL LAWYERS GUILD STUDENT PROJECTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. McDONALD. Mr. Speaker, the National Lawyers Guild (NLG) is the principal U.S. legal support group for terrorists in this country. The NLG has also provided logistical support for Soviet-backed terrorists in Europe, Latin America, the Middle East, and Asia. Last year the NLG sent two of its members, William Schaap and Ellen Ray, to serve as "observers" and ad hoc advisers at the trial of Baader-Meinhof terrorists in West Germany, after an earlier attempt to have four NLG activists—Peter Weiss, Bill Schaap, Margie Ratner, and William Kunstler—plus their front man, former U.S. Attorney General Ramsey Clark, formally join the terrorist defense was rejected by West German authorities.

The NLG has some 1,800 law student members and has developed a series of summer projects by which the student revolutionaries can use their legal training to advance revolutionary movements in the United States and overseas. This year there is particular emphasis by the NLG's leadership on placing its people in labor-related activities to back up efforts by U.S. revolutionary groups to co-opt several union efforts to organize in new areas and to further radicalize the leadership of certain "rank and file" movements.

A recent issue of the Information Digest, a newsletter analyzing U.S. political and social movements, has published an excellent article on some of these NLG student projects in the U.S. labor movement and on their work supporting economic warfare against South Africa in order to aid the Soviet-sponsored terrorist movements. I commend the article to the attention of my colleagues.

The article follows:

NLG SUMMER PROJECTS

In 1973, the National Lawyers Guild (NLG) began a "summer projects" program in which some 30 law students, under the direction of NLG attorneys, provided legal support to the United Farmworkers in California; to the American Indian Movement (AIM) in the Pacific Northwest; and to the Attica [prisoners] Legal Defense in upstate New York.

This year, claiming some 1,800 law student members (of a total membership of 4,500) in 63 active chapters, the NLG Summer Projects Committee, 1308 Broadway, Suite 704, Detroit, MI 48226 [313/963-0843], has developed fifteen projects for 1978. According to the NLG, these projects are "aimed at involving law students and legal workers in the ongoing work of important political struggles." The NLG continues:

"Although there is wide diversity among the projects, there are common purposes unifying them all. Of primary importance is the substantive legal and political support that will be provided by project members. The projects will also provide members with work experiences in alternative practice of law in a political context and the chance to work and share ideas with progressive legal people."

Funded by the NLG and the Law Students Civil Rights Research Council (LSCRRC), 52 Fairlie Street, Room 350, Atlanta, GA 30303, those taking part in the 1978 Summer Projects have been promised a minimum stipend of $1,000 and travel expenses "for those participants who could otherwise get there." As in previous years, student participants are being told to investigate the funding potential of their student bar associations and law school work-study programs.

A large proportion of the 1978 NLG Summer Projects are labor related and include:

The Brown Lung Project, organized by Candace Carraway, Brown Lung Legal Center, P.O. Box 10671, Raleigh, NC 27605 [919/833-6360]. This project is hoping to attract people with developed legal skills in the areas of workers' compensation and labor law, occupational safety and health regulations and "anti-corporate research." According to the NLG:

"* * * interns will be involved with the following general areas of work: (1) research on legal and medical-legal questions surrounding compensation, including legislative analysis; (2) corporate research on the textile industry, Liberty Mutual Cotton Incorporated, American Textile Manufacturers, connections with State Industrial Commission, doctors on 'expert panel' and so forth; (3) the decertification of the South Carolina OSHA program; (4) research on theories of liability outside the compensation statutes; (5) organizing and education with the Brown Lung groups, including training chapter members in paralegal skills."

Teamsters for a Democratic Union (TDU). The NLG's involvement with the TDU is being organized by Ted Meckler, 33 Public Square, Suite 210, Cleveland, OH 44113 [216/241-5151]. The NLG describes TDU as:

"* * * an organization of rank and file Teamster members dedicated to reforming their union so that it might better serve their membership.

"Since the fall of 1976, TDU's membership across the country grown to over 2,000 members and has emerged as an important power in several locals. TDU goals include better conditions and better representation for members on the job, in their jurisdictions, and at the national level, pension reform, and the right to vote for International officers."

Over the past two years, NLG lawyers have defended TDU members against expulsion from the union and against alleged wrongful dismissal by employers. They have defeated injunctions against "wildcat" strikes and have represented the TDU before the National Labor Relations Board (NLRB).

At this time, Meckler reports that he has only sufficient funding for two interns who are to work on two pending law suits and on the production of a handbook on union activist rights.

Texas Farm Workers (TFW). According to project organizer Alan Vomocka, 4803 Montrose, Suite 11, Houston, TX 77006, the TFW was founded in 1975 and is an independent labor union representing farmworkers living and working primarily in the Lower Rio Grande Valley in Texas and the surrounding area.

In a recent interview, Vomocka said that the TFW project is a combination of legal and community organizing, and that the parameters of the project are dependent upon what happens in the Rio Grande Valley between now and May. He said that the goals of the TFW are to build an effective union for farmworkers in Texas and to make the union a vehicle for improving the total lives of its members. He stated that 3,500 persons have signed TFW authorization cards and a number of strikes have been mounted as the union moves closer to winning contracts with growers. In addition to its organizing efforts, the TFW is working legislatively and through direct appeals to obtain political and monetary support.

The NLG project interns will participate in all phases of TFW activity. A TFW legal support office is being established in the Valley to handle criminal defense and lawsuits growing out of the TFW's activities. Also, research leading to litigation based on local labor laws and immigration law will be done. Vomocka explained that this segment of the project is involved with getting visa permits for temporary workers brought in during the harvest period at lower rates of pay.

It is interesting to note that Vomocka was most concerned with "objective conditions" in the area holding that "undocumented workers," as he termed illegal aliens, should be allowed to organize on the grounds that "as they entered the U.S. illegally and were hired illegally, it is not legally impossible for them to unionize."

Immigration Projects. The NLG's concern with "undocumented workers" is reflected by their Willamette Valley Immigration Project, the Red River Valley Project, and the Oficina Legal del Pueblo Unido of the Lower Rio Grande Valley.

Phil Hornick of the Willamette Valley project in an interview last week made it plain that the NLG's long range goal was to "expose the repressive and blatantly illegal activities of the Immigration and Naturalization Service through test cases and appeals." He said, "INS relies on terrorizing people through their ignorance. INS acts as a check on farmworkers militancy and prevents workers from supporting the struggles of their coworkers for decent wages and decent working conditions."

Southern Africa Project. Associated with the NLG International Committee, the Southern Africa Project is being organized by Emily DeFalla, 819 Eddy Street, San Francisco, CA 94109 [415/771-6174] who is a member of the Southern Africa Subcommittee.

According to the NLG, "The goal of the Southern Africa [Sub] Committee is to educate Guild members around the current political situation in Southern Africa and to guide the Guild into participating in ongoing campaigns to end U.S. involvement with the racist and repressive regimes there."

The project is to produce a resource booklet on Southern Africa which will include a political analysis of the current situation and a listing of ongoing efforts—legal and direct action—toward influencing the situation there. The major goal of the booklet will be to provide an in-depth assessment of current legal-political campaigns to end U.S. involvement in southern Africa, such as the campaign against U.S. investments, and will include such items as sample legal pleadings and copies of the relevant statutes.

According to coordinator DeFalla, the interns will compile and analyze information on activities such as the campaigns to boycott sales of the Krugerrand, the campaign to stop investments in southern African companies, and medical relief work. A second but major aspect will be organizing anti-South African projects among bar associations, stu-

dent bar associations and other legal groups. This project is working closely with the National Conference of Black Lawyers (NCBL) and the American Committee on Africa (ACOA).

Other projects planned for the summer of 1978 are:

Affirmative Action Summer Project II—[Coordinator: Jack Hartog], c/o NLG D.C. Chapter, 509 C Street, N.E., Washington, D.C. 20002 [202/547-0880].

Oficina Legal Del Pueblo Unido—[Coordinators: Jim Harrington and Tony Gomez], P.O. Box 1493, San Juan, TX 78889 [512/787-8171].

Menominee Legal Defense/Offense Committee—[Organizer: Phyllis Girouard], P.O. Box 431, Keshena, WI 54135 [715/799-3667].

Gay Parent Project—[Coordinators: Nancy Shilepsky and Holly Ladd], 134 Cushing Avenue, Dorchester, MA 02125 [617/282-1778].

Red River Valley Project—[Coordinator: Tom Barrett], Migrant Legal Services, 370 Selby Avenue, St. Paul, MN 55102 [612/222-5863].

Seattle Unemployment Representation Clinic—[Coordinator: Molly Cohan], 1205 Smith Tower, Seattle, WA 98104 [206/622-5845].

Willamette Valley Immigration Project—[Organizers: Larry Kleinman and Phil Hornick], 519 S.W. 3rd St., Room 418, Portland, OR 97704 [503/222-3906].

ACORM—[Coordinators: Steve Bachman and Andy Weltchek], 628 Barrone, New Orleans, LA 70113 [501/376-7781].

Yurok Project—[Coordinator: Murray MacNeil], 1505 J St., Eureka, CA 95501 [707/445-2566], or P.O. Box 366, Hooper, CA 95546.

Denver Police Crimes Project—[Coordinator: Jay Breese], 1100 Cherokee St., Denver, CO 80204 [303/893-5471].

National Office Collective—[Coordinator: Betty St. Clair], 853 Broadway, Room 1705, New York, NY 10003 [212/260-1360].

NOTE: Reports on these projects will be appearing in future issues of the ID.●

THE VOICE OF AMERICA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. MICHEL. Mr. Speaker, James Reston, columnist of the New York Times, recently wrote the following about the official international broadcasting service of the U.S. Government, the Voice of America:

This may seem like an extreme statement, but for detailed accounts of the world news, I believe there is nothing on the commercial networks of the United States that equals (the Voice of America's) performance.

That is high praise indeed coming from such a distinguished columnist. But I do not believe it is exaggerated or extreme. The Voice of America, contrary to the view of its uninformed critics, is not a blatantly propagandistic cold-war relic, but a low-key, intelligent, persuasive, and informative broadcasting service, highly esteemed and widely listened to by the influential audiences of many nations throughout the world.

I am glad to have the opportunity to pay tribute to this great organization by placing in the RECORD at this point, "The Voice of America", by James Reston, from the New York Times, March 12, 1978:

THE VOICE OF AMERICA

(By James Reston)

DAMASCUS, SYRIA, March 11.—In the struggle over the Middle East, Washington's official overseas radio service, the Voice of America, is in the center of a ceaseless propaganda battle. And since its work is now under review and even attack by some members of Congress, a report from the field may be in order.

In the last three months, I have listened carefully to its English language broadcasts in such diverse places as Japan, Australia, Tahiti, West Germany, Yugoslavia, Italy, Egypt, Jordan, and here in Syria. This may seem an extreme statement, but for detailed accounts of the world's news, I believe there is nothing on the commercial networks of the United States that equals its performance.

The Voice may not be quite as effective in the Middle East as the BBC, which produces a clearer signal from the island of Cyprus than the Voice does from its relay transmitter on the island of Rhodes off the coast of Turkey, but it has more reporters in more places than the BBC, and like the BBC, it has learned over the years that the best propaganda is an honest account of the facts.

Two technical improvements have increased its authority: New, modern transmitters, carefully placed in strategic places around the world, have extended its reach, and new shortwave radio receiving sets, comparatively inexpensive and no bigger or heavier than an average paperback book, are now coming on the market from Japan and reducing those hideous squeaks and howls that discouraged shortwave reception in the past.

Moscow Radio has held its own and more in the technical broadcast race. It comes over every shortwave channel loud and clear, from more transmitters and with more programs, but it has two problems. This propaganda battle is not directed primarily at the general public, but at the educated elites, and one of the most important facts of international life today is that English has established itself as the language of the modern intellectual and commercial world. Even here in Syria, which was dominated by France for many years, English is clearly the second language of the people who influence public opinion.

The Soviet broadcasters have another problem. They don't broadcast news to the elites who listen and think, but beam outrageous propaganda at the boobs, who don't listen. Soviet Ambassador Anatoly Dobrynin, who is so genial in his arguments for détente and a reduction of tensions between Washington and Moscow, should listen sometime to this intellectual garbage coming out of Moscow. The way they muck-rake America, night and day, is an international scandal, and fortunately, the more they spread it, the less it is likely to be believed.

Maybe when they talk to Africa in the dialects—and they are talking to Africa these days as if it were the dominant center of world politics—they are believable, but when they are talking to opinion-makers in English, they claim to have the answer to all the problems of countries whose names they can't even pronounce.

The Voice of America is quite different. It is very cool. It says here is the news, and even Walter Cronkite wouldn't be ashamed to read it. The coal strike in the United States is reported in detail, including the threat of the miners to defy President Carter and the Taft-Hartley Act. The decline of the dollar on the money markets of the world, and the latest rise in food prices are reported, along with the new technical and scientific inventions in the United States.

Anybody who has been listening here to the Voice of America in Damascus in the last few days knows all about the forthcoming meeting of President Carter and Prime Minister Begin of Israel at the White House, and the debate in America about what the President should say to him.

The press is censored here, but people know by radio about the latest news out of Paris on the French elections, the efforts to reach a compromise in the war between Ethiopia and Somalia, and what Ian Smith said about going to a conference to reach a final settlement in Rhodesia. And they hear the latest song hits out of Broadway and Hollywood, not only from the Voice of America, but from Radio Moscow, which has learned that most people are more interested in America music than news from anywhere.

The Voice of America performs another service. In the last generation, with the development of large multinational corporations, tens of thousands of young American executives have gone abroad with the educated wives and children, not only in commerce but in the official foreign service. The Voice is a link to home for these people, particularly the wives, who are having trouble finding independent jobs and lives abroad.

It is a costly service, which is what worries the Congress. It is an honest service, reporting our national failures as well as our virtues, which also troubles those who want it to produce nothing but propaganda. But heard over here, a long way from home, it seems worth the money and even makes you proud.●

NITRITE IN MEAT CURING: RISKS AND BENEFITS—PART VI

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. WAMPLER. Mr. Speaker, since March 7, I have daily presented to the House what I consider important scientific and technical information against proposed action by Ms. Carol Foreman, Assistant Secretary of Agriculture for Food and Consumer Services, to ban the use of nitrites and nitrates in curing bacon and other processed meats.

The last chapter of the Council for Agricultural Science and Technology (CAST) Report deals with the consequences of unavailability of nitrite for meat preservation.

The fifth chapter of the CAST report follows:

CHAPTER 5.—POSSIBLE CONSEQUENCES OF UNAVAILABILITY OF NITRITE FOR MEAT PRESERVATION

ECONOMIC CONSEQUENCES

Discontinuing the use of nitrite in meat processing would have a profound effect on products offered to consumers. Most of the seasonal, regional, and ethnic variation in the meat we eat comes from our heritage of processing traditions. Most of the pork produced is cured with nitrite—60 percent based on evidence in Table 2. which applies to federally inspected meat. The proportion is lower in processed poultry and beef, but is still significant. Discontinuing use of nitrite would cause some products to disappear, while others would lose much of their traditional flavor and color. As pointed out by the Food and Drug Administration (1972), "Without nitrite, bacon is salt pork, frankfurters are bratwurst (fresh uncured sausage) and ham is salty warmed-over roast pork. . . ."

The value of product variety or of possible

loss of individual consumer products cannot be assessed with great accuracy. Although many products would be affected if nitrite use were banned in meat processing, the economic implications for bacon are discussed here as an example because of the special concerns surrounding this particular product. About one-sixth of the hog carcass goes into bacon.

TABLE 2.—MEAT PROCESSED IN THE UNITED STATES IN 1975 (UNPUBLISHED USDA ANALYSIS)

Item	Thousands of pounds of carcass weight				
	Beef	Pork	Other	Edible offal	Pork containing nitrite
Placed in cure:					
Beef	290, 413				
Pork		3, 364, 040			3, 364, 040
Other			8, 996		
Smoked and/or dried:					
Beef	50, 142				
Pork		248, 157			248, 157
Other			54, 290		
Cooked meat:					
Beef	106, 553				
Pork		21, 579			
Other			102, 172		
Sausage:					
Fresh finished		988, 396			
Dried or semidried	133, 821	200, 732			200, 732
Franks, wieners	1, 146, 375	623, 976			623, 976
Bologna	672, 578	366, 087			366, 087
Other smoked or cooked	474, 343	1, 423, 028	189, 737		1, 423, 028
Loaf, head cheese, jellied products				299, 295	
Hamburger	3, 030, 587				
Miscellaneous products	1, 558, 167	519, 389	207, 756		
Canned:					
Luncheon meat		251, 620			251, 620
Canned hams		341, 594			341, 594
Corned beef hash	48, 001				
Chile con carne	76, 277				
Vienna sausage	65, 280	53, 411			53, 411
Franks, wieners in brine	1, 328	1, 086			1, 086
Deviled hams		13, 558			13, 558
Other potted or deviled				42, 749	
Tamales	5, 581				
Sliced dried beef	7, 546				
Chopped beef	5, 438				
Meat stew	53, 309				
Spaghetti	57, 537				
Tongue				605	
Vinegar pickled products		12, 890			
Bulk sausage		8, 174			
Hamburger, roasted or corned beef	55, 489				
Sausage in oil		10, 933			10, 933
Tripe				7, 962	
Brains				1, 644	
Canned loins and picnics		15, 212			15, 212
All other:					
20 percent plus meat	32, 275	27, 664			
Less than 20 percent meat	40, 301	35, 386			
Soup	93, 285				
Total canned	541, 647	771, 528	0	52, 960	
Total	8, 004, 626	8, 526, 912	562, 951	352, 255	6, 913, 434
Total production	23, 976, 000	11, 503, 000	1, 285, 000		
Processed as a percent of production	33. 38	74. 13	43. 81		60. 10

In 1977, consumers purchased about 1.7 billion pounds of bacon. With prices in the vicinity of $1.60 per pound, bacon was about a $2.7 billion industry in 1977. This is indicated by the area enclosed by the large rectangle in Figure 1. If bacon were taken off the market, consumers could not buy the $2.7 billion worth of bacon, but they could take the same money into the market and buy other products of equivalent value. We know, however, that some consumers value products above current market prices because they continue buying when prices rise. This reservoir of value consumers receive above the price they pay for products is called "consumer surplus" and is represented by the area under the demand curve but above the price quantity rectangle.[2]

Studies of bacon demand give an elasticity coefficient of about −0.6 (Duewer, undated) which implies a particular slope of the demand curve at the intersection of current price and quantity. It is likely that the demand structure curves up to the left as quantities decline, as shown by the broken curved line in Figure 1. Although we have no studies of the upper reaches of the demand schedule, we obtain a conservative estimate of the consumer surplus by extending leftward to the price axis a straight line with the slope indicated by the elasticity coefficient (−0.6) at the intersection of the current price and quantity. This procedure produces a triangle lying directly above the large rectangle in Figure 1. The area of the triangle corresponds to a $2.25 billion level of surplus value consumers receive above what they pay for bacon. This conservative estimate is probably as close as we can come to identifying the economic value to consumers of this one product.[3] Although the $2.7 billion spent for bacon could be spent for something else, the $2.25 billion reservoir of value would be permanently lost if bacon were unavailable.

In addition to the consumer's loss, losses would be incurred by farmers and the processing industry. About 45 percent of the $2.7 billion income from the bacon industry goes to farmers. Since the parts of the hog carcass going into bacon would find their way into other products, the farmers would not lose this entire amount but only about $700 million.[4] This loss of demand would be permanent, however. The processing industry would lose the $1.5 billion market entirely. Plants and people would have nothing to do. Some other higher value consumer products might emerge in the future, but many firms currently specialized to processed meat products (as we now know them) would very likely go bankrupt. Large diversified firms would not fare so badly.

The magnitudes of the losses to consumers, farmers, and the food industry in this one product would be multiplied several times if nitrite were discontinued in all processed meats. The magnitudes would be several billion dollars in each sector, and much of the cultural heritage expressed in food habits would be lost The hog/pork sector would be most affected. With the disappearance of much of the market for specialized processed products—bacon, hams, picnics, and some sausages, hog prices and production would go down. In addition to a long-term loss to farmers, the economy would lose certain medical products which are by-products of the hog/pork industry. These include heparin (used for preventing blood clots), insulin (used to treat diabetes), ACTH (used to treat arthritis), thyroxin (used for thyroid disease), and several others.

Economic values cannot easily be placed on the several consequences, including the loss of product variation, medical by-products, and the impact on the structure of the food industry. Conservative estimates put the total loss in billions. Those most affected would be consumers. The disruption of a complex industry is also a major consideration.

POLITICAL CONSEQUENCES

A number of the substances withdrawn from the food supply have been additives only recently coming into use and serving minor functions for which several alternatives were available. Withdrawal of those substances—such as Red No. 2 and cyclamates—have had little effect on product variety available to consumers. Despite industry complaints, there has been general popular support for these initiatives.

The implications of withdrawal of nitrite would be very different. The entree of a good many American meals is a consequence of the long tradition of successful use of nitrite in the preservation of our meat supply. As is true of other substances that have been withdrawn, the magnitude of the hazard to health is not discernible by the general public. Unlike previous actions to withdraw substances used by the public, however, the effect of withdrawal of nitrite on product availability and quality would be directly observable by consumers.

Although food business leaders and some lobbyists make an early entry into the debate about regulatory matters of this sort, many consumers are as yet unaware of the possible withdrawal or its consequences. Moreover, it is not feasible for consumers in general to make an active response to proposed changes in the many consumer goods available in the market place. Nevertheless, withdrawal of nitrite would assuredly incite among consumers a widespread political reaction commensurate with the profound economic losses associated with the withdrawal. Withdrawal of this substance without a careful and publicly convincing weighing of consequences could injure regulatory credibility sufficiently to make adoption of future proposals of significance to food safety more difficult to achieve.

PUBLIC HEALTH AND OTHER CONSEQUENCES

Withdrawal of nitrite would reduce the formation of nitrosamines in bacon and would reduce the exposure of the population to one suspected cause of cancer. Because

[2] A discussion of this concept and a good bibliography are given in the paper by Mann (1977).

[3] It is conceivable that products which might replace bacon and use the pork belly would also have consumer surplus values—which gain should be balanced against the identified loss. Such preferences and consumer values would have to be built up over time and would probably cost society (and consumers) large sums in advertising. The more immediate expectation is for the bellies to go into products with more elastic demand (a flatter demand curve with less consumer surplus) and probably to lower their value, both in terms of nutrition and consumer preference.

Figure No. 1 not included.

[4] This estimate uses unpublished calculations developed with the help of meat industry economists.

there is currently no evidence that nitrosamines have produced cancer in humans in the United States, the public would have no way of evaluating the degree or amount of benefit associated with the proposed withdrawal of nitrite. On the other hand, since nitrite is used as a significant part of the current program for controlling food-borne disease, its withdrawal would increase certain health hazards, in particular the risk of botulism and other types of food poisoning. Botulism can usually be traced to the source, and the consequences of the decision that precipitated the additional deaths would hence be publicly evident because there are so few deaths from this cause at present. As indicated in Chapter 3, there were only 5 U.S. deaths from botulism in 1976, all traced to fish.

The alternative meat products that would emerge in the absence of nitrite or other means of preservation would have decreased shelf life. These products, as well as posing health hazards, would have a greater tendency toward unpleasant tastes and ordors from rancidity.

Meat could be preserved by use of more salt. If the use of salt were increased to levels necessary for preservation, however, the resultant increased intake of salt would increase the risk of circulatory disorders that are aggravated by high-salt diets.

Freezing, a valuable alternative means of preservation, is already used to some extent. Although industry could accommodate the additional burden of freezing products that are now cured and only refrigerated, freezing would increase the cost of our food supply in terms of both dollars and energy use.

Drying, another alternative, is appropriate for some types of products that are more or less dried, but drying would not be suitable in general because it would severely alter the characteristics of the products. Although radiation has not yet been approved by the Food and Drug Administration as a means of meat preservation, it appears to be a valuable potential supplement to curing but not a substitute for it because cured and radiation-sterilized products do not taste the same.●

THE BUDGET DEFICIT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. VANIK. Mr. Speaker, yesterday the administration disclosed that the 1978 budget deficit will be $53 billion and not the $61.8 billion deficit predicted last January or the $60 billion deficit predicted last month.

As recently as February 27, 1978, the Treasury officials requested an extension of the debt ceiling to $781 billion for 1978 and to $871 billion for fiscal 1979.

The news that the 1978 deficit will be $8.8 billion less than Government estimates of only several weeks ago is shocking good news.

However, I am also shocked that Congress did not have this vital information before it considered debt ceiling legislation last week. There is a wide credibility gap on the availability of public information.

As a legislator, I feel insulted to learn about a $8.8 billion error in the 1978 budget deficit estimate. Those in Government who erred in advising the Congress should not be permitted to repeat their mistake.

It is high time that the Congress have its own computer system to provide instant information on Government receipts, Government expenditures and the status of the Federal deficit and debt on a daily basis.●

HEW STERILIZATION REGULATIONS

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. YOUNG of Missouri. Mr. Speaker, in December, the Department of Health, Education, and Welfare proposed new regulations on Government-funded sterilizations. The public comment period on these proposals will end this week.

I am entering in the RECORD the testimony presented to HEW by Allan Chase, the noted author and lecturer. Mr. Chase has displayed considerable knowledge of the issue of sterilization abuse through various articles and his book, "The Legacy of Malthus." His testimony on these proposals should be useful to my colleagues in judging the final regulations:

HEW STERILIZATION REGULATIONS

(By Allan Chase)

Most of the proposed regulations are light years ahead of all previous HEW guidelines. The anonymous physicians, lawyers and other HEW staff professionals who helped prepare them deserve the thanks of the nation.

The proposed new 30-day waiting period between the patient's consent to be sterilized and the time of surgery—taken from the paradigmatic New York City hospital and municipal laws—offers far more realistic protection against sterilization abuse than does the present HEW-mandated 72-hour waiting period

The unconscionable practice of eliciting a woman's consent to be sterilized after she is admitted to a hospital for childbirth, or is in labor, or under sedation for labor pains, will—under the new regulations—be expressly prohibited These practices are now among the most common forms of sterilization abuse—particularly in women who because of educational or linguistic deficits, or cultural differences, cannot under these stressed conditions always understand what is being proposed to them.

The funding of hysterectomies for the primary purpose of sterilization is expressly forbidden under the new regulations. This is a long overdue medical and ethical reform.

The 1974 court-ordered moratorium of federal funding of sterilizations of adolescents and children—yes, children—under age 21 is made permanent in the new regulations.

However, the other equally significant 1974 moratorium, on the government funding of sterilization to all mentally incompetent people, is now jeopardized by the new HEW proposal to consider "alternatives" that would justify the sterilization of mentally incompetent people, on the scientifically absurd supposition that people who are mentally incompetent in terms of learning and earning might nevertheless have the mental competence to make medically informed decisions about irreversible sterilizing operations.

There are many sound reasons why these alternatives should not even be considered. One of them was offered on March 30, 1905 by the Governor of Pennsylvania, Samuel W. Pennypacker, in his message vetoing Senate Bill No. 35, which called for the state sterilization of patients in state mental hospitals. Wrote Governor Pennypacker:

"To permit such an operation would be to inflict cruelty upon a helpless class in the community which the state has undertaken to protect."

Other American governors, in subsequent veto messages, raised similar objections. For example, Nebraska's Governor, John H. Moorehead, vetoed a 1913 eugenic sterilization bill on the grounds that "to prevent the procreation of certain classes of criminals and feeble-minded (mentally retarded) and other defectives" resident in state institutions was "more in keeping with the pagan age than with the teachings of Christianity. . . . Mutilating the human body, either as a punishment for crime or as a preventive thereof, is drastic in the extreme and there is grave doubt in my mind if it does not violate Section 9, Article 1, of the Bill of Rights, which prohibits cruel and unusual punishment."

Governor Moorehead's veto message lives as a stark reminder that the world sterilization movement was started in 1891 by Francis Galton, father of the pseudoscientific cult of eugenics. The eugenicists, and the legislators who accepted eugenics propaganda as scientific facts, claimed that mental retardation (then called feeblemindedness) was the chief cause of most crimes, and that epilepsy was the major cause of most crimes of violence. Since eugenics held that both mental retardation and epilepsy were hereditary, and therefore genetically transmissible to one's offspring, the forced sterilization of people with both conditions was seen as the only way to fight crime in the streets.

Today, we know that neither mental retardation nor epilepsy are either hereditary or causes of crime. By the definition of the American Association on Mental Deficiency, adapted in 1959, "Mental retardation refers to the subaverage general intellectual functioning *which originated during the developmental period* and is associated with impairment in adaptive behavior." As Harvey A. Stevens, director of the State of Wisconsin Bureau for Mental Retardation, observed in 1974: "The (AAMD) definition recognized that mental retardation is now viewed as a *reversible* condition. This is a departure from the classical and historical concept of 'once mentally retarded always mentally retarded' "

The eugenic sterilization laws passed between 1907 and 1939 in 30 states and Puerto Rico were, in the spirit of Galton and the American eugenicists, designed to punish the poor for suffering from the mental and physiological pathologies of poverty. The HEW 1974 moratorium on further federal funding of the essentially punitive sterilization of mentally incompetent individuals mandated an end to much of this eugenic aggression on the gonads of the poor. It should now be followed by the U.S. Supreme Court's ruling that the many still-in-force state eugenic sterilization laws are unconstitutional—and not by even considering the restoration of the barbaric eugenic ritual of sterilizing mental retardates.

The weakest portion of the new regulations are those dealing with the realities of informed consent, and the monitoring and enforcement of the new regulations.

Under the effective New York City laws and regulations, which call for non-physician as well as physician-counseling of putative sterilization patients, professionally trained sterilization counselors have at least 30 days to make certain that patients understand the risks and benefits of sterilizing operations. Not only do surgeons lack the time required

to properly counsel sterilization patients, but they are also not trained in the special different cultures, that such pre-surgery counseling demands. Even English-speaking poor people are, culturally, often radically different than surgeons.

Phyllis Paxton, R.N., M.N., probably our leading authority on sterilization counseling, recently observed: "When sterilization counseling is done only by the physician who performs the operations the results will be no different than they are today." That is, we would still be confronted with the absence of truly informed consent in most federally-funded sterilizations. Uninformed consent is more than deceit: sterilization of the uninformed or misinformed is, of course, coerced or forced sterilization.

It is time to make informed consent a reality, rather than an empty phrase, by incorporating into the new regulations the requirement for meaningful sterilization counseling, by counseling professsionals. This would not eliminate the equally important need for physician-counseling, but it would make it more comprehensible to the average HEW funded sterilization patient.

In regard to monitoring and enforcement, the new regulations say nothing substantially different than the present regulations. The lack of proper monitoring and enforcement has led to the notoriously universal non-compliance with present regulations. The continued absence of realistic, properly staffed and funded mechanisms for both the monitoring and enforcement of the fine new regulations will guarantee the continuation of one of the most pernicious forms of sterilization abuses; the widespread flouting of the HEW regulations written to prevent them.

Serious enforcement of the new regulations will cost a great deal of money. Fortunately, under the new guidelines, which would end the present HEW-funding of hysterectomies for the purpose of sterilization, the government would save at least $90 million per year if this new regulation is seriously enforced. It would cost far less than even one year of these savings in tax dollars to fund at least ten years of effective monitoring and enforcement of the new regulations.

One final observation: irreversible surgical sterilization is rarely ever, a medically *necessary* operation. According to Joseph E. Davies, M.D., Past President of the Association for Voluntary Sterilization, Inc., "there are really no medical indications for sterilization." (Personal Communication, November 30, 1977). Other physicians consider coronary and other underlying conditions that would endanger the life of a woman to be medical grounds for therapeutic abortion and sterilization.

Nor is sterilization at all necessary for population control. Between 1820 and 1976, the U.S. live birth rate has dropped from an estimated 55.2 per 1000 population to a verified 14.8 in 1975. Between 1880 and 1936, the live birth rate fell from 39.8 to 18.4. These great declines in live births all occurred when such contraceptives as were available were far less effective than our present array of non-surgical contraceptive technologies, and long before the post-World War II mass hysteria about population bombs gave the hitherto frankly punitive sterilizing operations of the poor their new facade of respectability.

Neither our modern contraceptives, nor sterilizing operations, were able to prevent the predictable and contiguous post-World War II and post-Korean War spurt in starting delayed families, which caused a slight but exceedingly temporary increase in our live birth rates. Neither contraceptives nor sterilizations were the principal causes of the subsequent equally predictable long-range precipitous decline in the U.S. live birth and fertility rates, which started around 1957 and have led to our present all-time low and zero population growth levels.

Irreversible surgical sterilization is neither a demographic nor a family-planning necessity. Sterilization might well be perceived by many people as being more convenient, and therefore more desirable for themselves than reversible and non-surgical techniques of contraception. Convenience and sexual pleasure, however, are not quite the same as social, medical and personal fertility-control imperatives. Nor is surgery for sterilization quite as free from immediate and long-term postoperative risks as most sterilization zealots would like to believe.

Where federally-funded sterilizing operations are concerned, this is a time for prudence, based on the truly informed consent of putative sterilizers, and not for the present rush to what are only too often coerced sterilizations. Poverty is not a crime of individuals against society, and does not call for such punishments as sterilization abuse of poor individuals by an affluent society. The fact the people are medically indigent does not make their human and legal rights any less absolute than those enjoyed by people who can afford private medical care.●

"ONE HUMANITY" IS THEME FOR PHILADELPHIA PROGRAM

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. EILBERG. Mr. Speaker, on Monday, March 13 some 60 seventh graders from Philadelphia's archdiocesan schools and public schools joined with Mayor Frank L. Rizzo in the first of a series of programs entitled "One Humanity."

Sponsored by the Philadelphia Commission on Human Relations, the unique program ultimately will involve students in 12,000 classrooms across the city.

At the city hall ceremony, Commission Chairman Clarence Farmer welcomed the youngsters and introduced the mayor. Mr. Rizzo then read from the text of a special "One Humanity" scroll:

All people everywhere are brothers and sisters. We are all members of one human family. We all need food, clothing, and shelter. We all have feelings. We all need love, friendship and the respect of others. And we all understand that the only way that we can have these things for ourselves is for us to help to give them to others.

Our City . . . our Nation . . . the world belong to each one of us. The only way we can make our city, our Nation, and the world better is for us to make ourselves into the best people that we can—caring people, educated people, hardworking people. This is what we must do to help others. This is what we must do to help ourselves.

Following the reading, the youngsters signed the scroll to demonstrate their understanding that all people are part of a single human family. They each received a handshake from the mayor, along with a "One Humanity" lapel pin.

This program is the kickoff for a series of events leading up to Human Rights Day, March 30, when, in classrooms around the city, teachers will read aloud from the "One Humanity" scroll, and will display the scroll.

School participation has been arranged through Philadelphia School Board President Arthur Thomas, and Superintendents Michael Marcase and Monsignor Francis B. Schulte.

Another Human Rights Day observance on March 30 will see a noontime luncheon and the awarding of certificates by the Human Rights Commission to 20 Philadelphians whose volunteer work helped improve harmony among Philadelphia's religious, ethnic, and racial groups.●

GOLD CONTRACTS—USEFUL FOR DOCTORS?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. McDONALD. Mr. Speaker, Prof. Hans Sennholz wrote a very thought provoking article on the possible future use of gold for doctors and others that appeared in Private Practice magazine for January 1978. In this article he discusses how and why various people may turn to gold to offset the ravages of inflation and paper money. Certainly history is on his side. The more some of the so-called financial wizards here in Washington try to make gold go away, the more substantial a role it appears to play. I commend the article to the attention of my colleagues:

GOLD CONTRACTS USEFUL FOR DOCTORS?

Most economic legislation limits individual freedom and increases government power. National Health Insurance is just one example. But once in a while the opposite is true.

On Friday, October 28, 1977, President Carter signed such a bill. It stated that the joint resolution of June 5, 1933, which forbade gold ownership and gold-clause contracts, shall not apply to obligations entered into after the date of enactment. The individual freedom to buy and own gold was restored on January 1, 1975. Now Americans can again enter enforceable contracts calling for payment in gold or dollars payable in gold.

US Treasury officials are quick to say that this step further "demonetizes" gold and makes it just another commodity.

There are others, however, who sense that the implications of this new freedom are much broader than government officials are admitting. They think it might give birth to a new gold standard and restore integrity to the dollar.

We agree, provided gold clauses begin to be widely used. A wide use of gold in contracts would greatly advance the importance of gold. It could conceivably lead to a rush to gold, which could force the monetary authorities to halt the depreciation of the dollar.

What are the chances of such a wide use?

CREDITORS WANT GOLD, DEBTORS FEAR IT

In American loan markets, the prospects for a return of the gold contract are slim. Certainly, all creditors who are aware of the redistributive effects of inflation, the losses suffered by creditors and the gains reaped by debtors, would like to write a gold clause into their contracts, i.e., a provision calling for payment in a stipulated quantity of gold or a stipulated number of dollars at the option of the creditor. The bond or mortgage holder, the owner of a life insurance policy

or pension fund would love to see his claim based solidly on gold.

Under present conditions debtors, however, could not be expected to enter such contracts. The inflation that is ravaging the U.S. dollar is likely to increase the dollar price of gold, which would induce creditors to demand payment in gold, or a dollar amount based on the rising price of gold. A $15,000 mortgage loan with a gold clause stipulating payment of 100 ounces of gold could quickly become a $30,000 mortgage if gold rises from $150 to $300 per ounce. Who would take such risks if mortgage money is still available at nine percent without a gold clause?

American financial institutions, especially commercial banks and savings and loan institutions, are captives of government regulations. Government monetary authorities do not want gold to replace the U.S. paper dollar. Therefore, institutional lenders seeking borrowers will continue to make paper dollar loans. In fact, since government regulation and legislation make it difficult for them to hedge against inflation by investing in real estate, business property, and other real goods, they have no choice but to make paper dollar loans. They do this at interest rates that may not even cover the depreciation losses. In short, as long as financial institutions continue to serve the capital market with paper money loans, and do so at bargain rates of interest, borrowers will shun any and all loans with a gold clause.

Even if American banks were free to write gold contracts, probably not many would. A single bank competing with many others could not go it alone, if it wanted to stay in the banking business. If one out of four banks in my city were to insist on a gold clause, the borrowers would patronize the other banks only. Competition would force the gold-clause bank to fall in line with the others.

In general, financial institutions acting as creditors may favor the gold clause. As debtors of their depositors, however, they could not possibly enter into gold contracts without the gold protection as creditors. The same is true with every individual. As a college professor I would love to have my pension anchored in gold; as a mortgagor of my home, I would run a mile to get away from a gold clause—unless my college salary were based on gold. And the college trustees cannot write salary and pension contracts in gold—unless tuition and other college income are based on gold. As a landlord I cannot submit to a gold contract when I borrow the capital for the purchase of an apartment house—unless all rents are paid in gold. And even if I were able to find tenants willing to sign such leases, I would be afraid of future rent control which could supersede the gold contracts.

GOVERNMENTS PREFER FIAT MONEY

Government can, and will, subvert the popularity of gold clauses through income taxation. The $15,000 loan that is payable in gold now worth $30,000 is yielding a $15,000 profit, in the eyes of the Internal Revenue Service. But what is the use of a gold clause if its protection is abridged by an income tax on the paper dollar difference, which in reality constitutes no income at all, but merely a return of the original capital?

All such considerations are based on the assumption that the American capital market continues to function satisfactorily with paper money. But in the coming years of double-digit inflation, capital markets may languish and ultimately disintegrate in a flood of government money. When creditors finally refuse to make paper money loans because inflation is inflicting unbearable losses, will gold then shine again as the only money that can restore the capital markets? The answer is yes—provided government steps out of the way, the financial institutions then hovering on the brink of bankruptcy are set free from all contractual restrictions, the IRS is restrained from swinging its tax ax, and the price wage, and rent controllers are sent into permanent retirement. Without such a restoration of freedom, the role of gold as a medium of exchange in capital transactions may be disappointingly small.

This is not to deny that gold may play a growing role in the coming years of rampant inflation. A government that is resorting to massive deficit spending and currency inflation may, in desperation, apply comprehensive price and wage controls, which inexorably cause shortages. At that time, gold and silver coins may reappear as the only honest money in exchange for goods and services. In black markets, especially, gold and silver will function as the primary money.

HEDGING IS EXPENSIVE

It is conceivable that desperate borrowers may then consent to gold contracts. But to guard against soaring dollar obligations based on a given quantity of gold, such borrowers would be well advised to hedge against the soaring dollar price of gold. They would need to safeguard their interests through purchases of gold in the futures market. But with rapidly depreciating paper money, such contracts would be very expensive, in fact, too expensive to justify many loan transactions. Even today, a one-year gold clause loan would cost the hedger $13.40 per ounce of gold, which is the difference between today's spot price of gold ($163) and the futures price ($176.40) one year from today. To prepare for gold payment one year hence, the borrower would need to purchase a cover now, costing him a premium of 8.2 percent in addition to the interest on the loan and the margin he would have to meet. During rampant inflation, interest rates would soar as would the premium of future gold over present gold and the margin requirement. In short, a gold clause, even with the proper safeguards of hedging, would be very expensive to borrowers.

Fifteen years ago the French government offered a bond that was pegged to the price of gold. The interest rate was very low, but the gold price rose so much in the intervening years that the government is now paying a multiple of what it originally raised. As a result, the French never issued another gold-pegged bond.

THE WORLD NEEDS HONEST MONEY

And yet, we believe in the future of gold as the only honest money. For 2,500 years it has been man's most reliable money, and will return triumphant after the present rash of government fiat money has come to an end. It may not return to Americans first; we face too many institutional obstacles and the U.S. dollar is still functioning, despite inflation. But gold may soon make its appearance in international transactions that are free of U.S. government control. If the oil countries were to demand a gold clause in their contracts with industrial countries, the situation would be quite different.

This may not happen, but we do know that the age of deficit spending and currency depreciation will come to an end. When it finally does, man's money of the ages, gold, will play a vital part. When all other protection is wanting, it will afford new hope and a new foundation. It is honest money, which is the best money.●

SELF-SERVING HYPOCRITICAL STUPIDITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. MICHEL. Mr. Speaker, I think we would all agree that David Broder of the Washington Post, James R. Dickenson of the Washington Star, and Aldo Beckman of the Chicago Tribune are three of the most distinguished and respected political reporters in the Nation. When these three agree, it is worthwhile for all of us to listen to what they have to say.

It so happens that Broder, Dickenson, and Beckman have written columns condemning the majority's attempt to change the rules of the game by amending the Federal Election Campaign Act.

Dickenson, not noted for overstatement and universally respected for his insight into political questions refers to the "egregiously self-serving, hypocritical stupidity of the House Democrats attempt to cut back the amount of money the political parties can contribute to the House of Representatives races." That has a nice ring to it, do you not think? After such eloquence anything I might say would be anticlimactic.

At this point I want to insert in the RECORD: "Changing the Rules in Mid-Game" by James Dickenson, Washington Star, March 13, 1978; "Changing the Rules or Stacking the Deck," by Dave Broder, Washington Post, March 8, 1978; and "This Bill Confuses Everyone," by Aldo Beckman, Chicago Tribune, March 12, 1978:

[From the Washington Star, Mar. 13, 1978]

CHANGING THE RULES IN MID-GAME

(By James R. Dickenson)

It is almost inevitable in politics that a landslide victory for a presidential candidate guarantees him a swift journey down the road to disaster.

We all remember what happened to Richard Nixon after his 1972 landslide. Lyndon Johnson parlayed his victory in 1964 into disaster in Vietnam and Franklin Roosevelt was sufficiently emboldened by his 1936 landslide to try to pack the U.S. Supreme Court, which resulted in his worst political humiliation.

The same rule must apply to parties that win overwhelming legislative margins. It does if the Democrats who hold 2 to 1 margins in both houses of Congress are any example.

There have been few matches lately for the egregiously self-serving, hypocritical stupidity of the House Demorcats' attempt to cut back the amount of money the political parties can contribute to House of Representatives races.

It ought to outrage everybody because it is such a blatant attempt to change the rules of a game the Democrats are losing while it's still going on. It calls to mind the late Hubert Humphrey's challenge of George McGovern's narrow victory in the 1972 California presidential primary.

That was the last time the California primary was winner-take-all, before the Democratic party's reform rules abolished winner-take-all. Having run hard to win that big bloc of delegates, Humphrey then challenged the outcome on the grounds that it

violated the intention of the proposed reforms.

The gross unfairness of that was outrageous and so is this. The Republicans have raised $6.2 million for their congressional war chest compared to only $1.5 million by the Democrats.

So, without warning or public hearings the Democratic House leadership last week sprung their bill, which would cut the total amount the national parties and the congressional campaign committees could donate to their candidates in primary and general elections from $32,300 to $7,500.

The Democrats ought to be wondering instead why they aren't raising as much money. The Republicans accused them of trying to "buy out the two major political parties" and of being "hogs."

The point is well taken. The Republicans are at a 147 to 288 disadvantage in the House and on the short end of a 38 to 62 split in the U.S. Senate. The Democrats occupy the White House, have 37 governorships and control both houses of the state legislatures in 35 states.

This apparently isn't good enough for a man as partisan as House Speaker Tip O'Neill, who reportedly is livid over Republican victories in four special House elections this year. He and whoever cooked up this bill ought to be ashamed of themselves instead.

They ought to be ashamed of their hypocrisy, too. They contend that this move and their attempt to pass public financing for congressional elections is aimed at cutting the influence of big special interest money in politics.

In 1976 the Republicans got $3.1 million from business contributors compared to $2.6 million for Democrats. The Democrats got $3 million from labor organizations, however, compared to only $39,816 for Republicans.

In the first 10 months of 1977 special interest political action committees gave $1.5 million to House Democrats compared to $549,814 for Republicans. So who's kidding whom?

The Republicans are divided on public financing, which puts lids on spending and on private contributions, which in presidential elections are matched by federal funds.

Most believe that challengers need to spend more to offset the incumbents' advantages. Some, however, think Republican challengers need matching funds to be credible.

Regardless of who's right, the decline of the Republican Party is discouraging to people who believe in the two-party system. The GOP should be encouraged, not mugged and stomped when it's down.

The House Democrats did more than just possibly harm the prospects for public financing by antagonizing Republicans whose votes are necessary. They demonstrated the danger of a party that has an overhwelming majority.

[From the Washington Post, Mar. 8, 1978]

CHANGING THE RULES—OR STACKING THE DECK?

(By David S. Broder)

From the time we were kids, playing "Kick the Can" in the alley behind the Yentzers' house, all of us knew that the one thing you couldn't get away with was changing the rules in the middle of the game. Anybody who tried was likely to get punched.

Politicians, somehow, seem to have missed that lesson when they were growing up—at least a lot of Democrats did. When they want to change the rules in the middle of the game, they call it reform. Sometimes it is, and sometimes it ain't. That's why life is more complicated, and generally less satisfying, in the adult world of politics than in the world we knew as kids.

Take, for example, some rule-changing under discussion this week in the campaign-financing laws and delegate-selection procedures.

Democrats on the House Administration Committee have come up with a plan to cut back, by 75 percent, the amount of money a national political party may put into the campaigns of its House candidates. The Campaign Finance Act amendments they have drafted, to take effect this year, would effectively reduce that ceiling on spending and contributions from about $32,000 to $7,500 per district.

The rationale for this bit of rule-changing is to cut down on excessive spending, of the kind Democrats say characterized the past year's special House elections, where Republicans generally invested more than the Democrats and won four of the six previously Democratic seats.

But that is a fairly thin disguise for a change really designed to minimize the advantage the Republicans have gained by the effectiveness of their fund-raising during the past year of sloth at the Democratic National Committee. The bald Democratic plot is to counter the Republicans' 4-to-1 edge in campaign funds by quartering the contribution ceilings. Let the Republicans sit on their money—that seems to be the Democratic attitude.

The effect of this rule change, if it passes (which seems unlikely), would be to reduce still further the ability of national parties to play a significant role in congressional campaigns, and to make reelection even more secure than it already is for incumbents. On those grounds, as well as the kids' instinct for fair play, this "reform" seems highly dubious.

But the case is not so clear, at least to me, on the changes in 1980 Democratic delegate-selection rules, which will be up for discussion when the party's executive committee meets here March 16.

Those changes, recommended by a commission headed by Michigan Democratic Chairman Morley Winograd, have been denounced by some in the party on the grounds that they are designed solely to insure President Carter against successful challenge for renomination, by "closing down" the open system that he exploited in gaining nomination as an "outsider" in 1976.

One of the rule changes clearly would have that effect, by extending the filing deadline, now as little as 30 days before the primary in some states, to at least 55 days before the primary.

There seems little justification for the national party's intruding on the states so egregiously just to reduce the possibility of last-minute candidates.

But the other changes—which have drawn more complaint of White House deck-stacking—seem to me quite defensible, whether they work to Carter's benefit in 1980 or not.

One would reduce the primary-election season to 13 weeks. Another would increase, by small, gradual steps, through the season, the share of the vote a candidate would have to win to gain a portion of the delegates. A third change—perhaps the most important—would expand the convention's size by 10 percent to provide that many more voting-delegate spots for elected and party officials, regardless of their presidential candidate preference.

It is the last provision that is most obnoxious to those who think the convention should reflect nothing but the popularity scores of the presidential hopefuls as recorded in the primaries and caucuses of that particular election year.

But those who understand that a political party is a continuing institution—with a legitimacy beyond that of a particular presidential coterie—will welcome a scheme that allows those with responsible positions in that party a voice in the convention hall.

Frankly, I know no reason to assume today that other elected Democratic officials are likely to prefer Carter to his possible challengers in 1980. But whether they do or not, their views are worthy of being weighed—and counted—when that decision is made.

So in this case, the rule-changing seems to me as justified as it is unjustified in the case of the campaign-finance-law "reforms."

It was a lot simpler—and a lot more fun—when the game was "Kick the Can" rather than "Pick the President and Congress."

[From the Chicago Tribune, Mar. 12, 1978]

THIS BILL CONFUSES EVERYONE

(By Aldo Beckman)

WASHINGTON.—Some Democrats are almost as confused as Republicans are angry over what Speaker Thomas P. [Tip] O'Neill [D., Mass.] is up to with his outrageous bill that would redesign the whole structure of campaign financing.

If it were a fair bill, and even its supporters have avoided that adjective, the steamroller tactics being employed to push it to the House floor seem almost designed to create opposition. Efforts to hold public hearings were denied and O'Neill says he wants it on the House floor for final action by March 20.

It would drastically change financing techniques in the middle of the campaign year. "It's like changing the rules at halftime," complained Rep. Robert Michel [R., Peoria], the House Republican whip.

The proposed legislation would reduce from $50,000 to $15,000 the amount of money that the national campaign committees could donate to a candidate for the House of Representatives.

And since the Republican National Committee and the House and Senate Republican campaign committees have a total of $8.2 million on hand to help candidates this year, contrasted with $867,000 in the coffers of their Democratic counterparts, the Republicans are shouting to anyone who will listen that it's dirty pool and a prime example of the arrogance of the majority.

Without question, the proposal would cripple challengers to incumbent congressmen and there are only 147 Republicans in the 453-member House.

O'Neill and Rep. Frank Thompson [D., N.J.], the chairman of the House committee that is expected to clear the bill shortly, have contributed to the Republican hysteria by their public remarks. O'Neill suggested that four recent Republican victories in special House elections were a factor in the introduction of the bill. He said that from a partisan view, he thought it was a fine bill, and all of the votes in Thompson's committee have split along party lines.

The whole thing is being engineered in the name of campaign finance reform. But Republicans argue they have taken a new tack from their old practice of hitting "fat cats" for funds. They have been concentrating on the small donor and their average donation has been $25. Only 12 percent of the contributors over the last two years have given more than $500, they contend.

The chances of the legislation getting through the Senate and passed into law probably is remote, at best, but Republicans are using it to whip Democrats with charges they are trying to assure their rule forever and are against the two-party system.

Even the "outraged" Republicans in private concede they don't think the bill will get through the House and the Senate. Almost nobody believes that O'Neill is serious in his efforts. And some nervous Democrats

are curious about why he is allowing himself to be painted for so long as an unreasonable, dictatorial speaker, trying to trample the rights of a weak minority.

The most popular notion is that O'Neill is building a strategy to persuade Republicans to support public financing of House races, long supported by some Democrats, but not enough to pass it without help from Republican legislators.

Under that scenario, O'Neill would push ahead and, just before certain passage on the House floor, offer Republicans a chance to get out from under the heavy yoke of the bill by substituting a public finance bill. Then, according to that scenario, Republicans faced with no other way to finance their campaigns, would give in and support public financing.

The problem with that scenario is that Republicans might be so confident they can stop the bill in the Senate that they would turn down the offer.

If the push for the bill is some kind of Machiavellian scheme by O'Neill to get some other legislation passed into law, he may have created a monster with his plot. Republicans think they have a campaign issue of misuse of power that could more than compensate for any loss in funds.●

HEARINGS GO TO THE PEOPLE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging held field hearings in my district to gather testimony regarding the Older Americans Act. In my view, these hearings were quite productive. I believe it is always important for committees of this body to travel to local communities throughout the country to talk to men and women who do not always have the opportunity to come to Washington to testify. For the next few days I plan to introduce into the RECORD the testimony we received. The sixth section follows:

TRANSPORTATION SERVICE

(By Wilhelmina Miller, Darby Township Senior Center)

Darby Township has been made eligible, through UMTA (Urban Mass Transit Association), for a 12-passenger van with a lift which will provide aid for those individuals in wheelchairs. We are very grateful for all those people involved in getting us this van and wish to thank them very much. However, we feel that other bodies that are publicly funded should also be made eligible for such a van. As it stands now, they are not eligible, which does not constitute the idea that they are not in need of this facility. The centers which are now out of eligibility range are:

Riverview Center, Upper Darby, Watkins House, Chester Senior Center, Lamokin Village Senior Center, Towers I & II.

These new vehicles are quite desperately needed in all centers, in order to adequately provide for senior citizens.

One of the greatest means of transportation comes through the vehicles provided by the County. When they break down, senior citizens are more or less forced to remain in their homes, isolated and perhaps missing necessary medical appointments. Even if one is available, the accessibility into the vehicle can be rather difficult. A good portion of its users are in some way physically disabled and in need of some kind of help getting aboard. This new van with its lift will greatly aid these individuals.

As a result of its size, the 12-passenger van can be maneuvered in and out of streets with greater control, an asset to both driver and rider, alike. Icy streets with poorly parked cars can be more easily driven around, picking up people that could not have been reached with a larger van.

We feel the transportation service given us will help to improve our conditions of getting people to and from our center, and also feel that public-body centers should also be allowed to enjoy such a benefit.●

LEGISLATION TO IMPROVE THE DELIVERY OF SOCIAL SERVICES TO NEEDY SENIOR CITIZENS

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. HANNAFORD. Mr. Speaker, today with the cosponsorship of our distinguished colleagues CLAUDE PEPPER, chairman of the Select Committee on Aging; EDWARD R. ROYBAL, chairman of the Select Committee's Housing and Consumer Interests Subcommittee, and MARIO BIAGGI, chairman of the Select Committee's Federal, State, and Community Services Subcommittee, I am introducing legislation to improve the delivery of social services to millions of needy senior citizens. Specifically, my bill amends title 3 of the Older Americans Act of 1965 to give units of general purpose local government—which includes cities—having a total population of 200,000 or more or containing 15 percent or more of the State's elderly population the option of being designated as an Area Agency on Aging (AAA). If the State denies the local government unit this designation, a public hearing may be requested. And if the State's decision is not reversed after such hearings, then the local government would be able to follow an appeals process with the Commissioner of the Administration on Aging.

Mr. Speaker, earlier amendments to title 3 of the act have considerably strengthened and improved the planning and delivery of various social services to older Americans. As set forth in the act, the purpose of title 3 is to—

Foster the development of comprehensive and coordinated service systems to serve older persons. . . .

The AAA is responsible for developing the framework for the planning and delivery of services. It is responsible for innovative and cooperative approaches to serving the Nation's elderly population. An effective AAA must pool resources from public and private agencies, promote existing local services, and maximize their effectiveness. A Triple-A must also monitor the changing needs of the elderly and mobilize existing resources to develop new service programs or to expand what is currently available.

Mr. Speaker, today there are almost 600 Area Agencies on Aging throughout the Nation. Included among these Triple-A's, which are primarily counties or multicounty agencies, are 14 cities. These 14 city Triple-A's are:

Alexandria, Va.; Baltimore, Md.; Boston, Mass.; Chicago, Ill.; Houston, Tex.; Lincoln, Nebr.; Los Angeles, Calif.; New York, N.Y.; Portland, Oreg.; St. Louis, Mo.; San Francisco, Calif.; San Juan, P.R.; Seattle, Wash.; Washington, D.C.

The significance of my legislation, Mr. Speaker, is that it draws attention to the cities. Cities that are capable of being Area Agencies on Aging, cities having a record of innovative and successful programs to care for their elderly populations. As statistics reveal, most AAA's are counties or multicounty agencies. But many cities are taking increasingly active roles in operating viable senior citizen programs. Designating such cities as AAA's strengthens the intent of the act to provide local assistance for the Nation's elderly. Currently, about 75 percent of all seniors live in urban areas—we are talking about almost 23 million senior citizens. Where cities are capable of serving as Triple-A's, therefore, the elderly can be assured of services that better meet their needs. For example, it may mean a reduction in traveling time for seniors to use certain facilities, closer attention to specific needs, and less bureaucratic redtape for seniors requesting assistance. Mr. Speaker, I also believe that a city Triple-A can effectively create a sense of belonging among its elderly citizens, helping them to lead independent and satisfying lives.

The city of Long Beach in my 34th District of California is an excellent example of a city which has taken the initiative to institute various senior citizen programs. It has and continues to do an outstanding job of assessing needs and striving to provide a truly comprehensive and coordinated system of services.

Mr. Speaker, let me offer a closer look at the accomplishments of Long Beach. First, it is a city with a population of 342,000. It has an elderly population numbering about 80,000, which is 23 percent of the city's total population. There are only a few cities in the Nation with an elderly population exceeding 20 percent. At this time, the city is part of the Los Angeles County planning and service area. While the city has 14 percent of the elderly population in Los Angeles County, it receives only 7 percent of the county's AAA funds. Moreover, about 20 percent of the city's elderly live at or below the poverty line.

The city of Long Beach has been involved in an ambitious program of senior citizen assistance. In 1976, the city established a department of human resources to:

First. Integrate basic human resource services into one comprehensive system.

Second. Promote delivery of social services.

Third. Eliminate a duplication of effort in human resource services.

Fourth. Create jobs for low-income, minority, and other disadvantaged individuals; and

Fifth. Provide maximum citizen and

service provider participation in planning an effective and comprehensive service system.

In addition, the city has coordinated a major project to establish a geriatric health care delivery system. This effort has involved numerous community leaders, public and private organizations, service clubs, local hospitals, and the community programs division of the Ethel Percy Andrus Gerontology Center of the University of Southern California. The city's geriatric health care system will centralize both the assessment of seniors' needs and the dissemination of information on available services. Furthermore, the system will offer a wide range of services stressing preventative care and giving the elderly more flexibility in solving their problems.

Long Beach has taken a lead in encouraging citizen participation. With respect to its elderly, the city has in operation a senior citizen advisory commission, a task force on the frail elderly, a consumer task force for a geriatric health care delivery system, as well as informal monthly meetings of city agencies providing services to the elderly.

Mr. Speaker, it is my hope that my colleagues will take an active interest in my legislation as the Select Education Subcommittee, chaired by our distinguished colleague JOHN BRADEMAS, undertakes consideration of amendments to the Older Americans Act. I insert the text of my legislation in the RECORD at this point:

H.R. —

A bill to amend the Older Americans Act of 1965 to provide that certain municipalities shall upon request be designated as planning and service areas, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 304(a)(1)(E) of the Older Americans Act of 1965 (42 U.S.C. 3024(a)(1)(E)) is amended by striking out "aged sixty or over of fifty thousand or more" and inserting in lieu thereof "of $200,000 or more" and by striking out "except that the State may" and inserting in lieu thereof "however, the State may in addition".

(b) Section 304(a) of the Older Americans Act of 1965 (42 U.S.C. 3024(a)) is amended by adding at the end thereof the following new sentences: "In any case in which a unit of general purpose local government is not upon request designated as a service and planning area under paragraph (1)(E), the State agency involved shall, upon request by such local government, conduct a public hearing within 60 days to review the decision of such State agency not to designate such local government as a planning and service area. If such State agency does not reverse its decision within 30 days after the conclusion of such public hearing, such local government may request the Commissioner on Aging to conduct a review of the decision of such State agency."

SEC. 2. Section 304 of the Older Americans Act of 1965 (42 U.S.C. 3024) is amended by adding at the end thereof the following new subsection:

"(e) The Commissioner shall take such action as he considers necessary to encourage States to designate as an area agency any unit of general purpose local government which has a population of 200,000 or more or which contains 15 percent or more of the State's population aged 60 or over."

SEC. 3. Section 304(c)(4) of the Older Americans Act of 1965 (42 U.S.C. 3024(c)(4)) is amended—

(1) in subparagraph (D) thereof, by striking out "and" at the end thereof;

(2) in subparagraph (E) thereof, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(F) transfer funds [, on a proportionate basis,] directly to any unit of general purpose local government which contains 20 percent or more of the population aged 60 or over of the planning and service area."

SEC. 4. Section 304 of the Older Americans Act of 1965, as amended in section 2, is further amended by adding at the end thereof the following new subsection:

"(f) Each State shall distribute any allotment of funds received by such State under this title for any fiscal year to each area agency in an amount which bears the same ratio to the total allotment received by such State for such fiscal year as the number of persons aged 60 or over residing in the planning and service area involved bears to the total number of such persons residing in such State."●

HUMAN RIGHTS DAY IN NORTHERN IRELAND—RESOLUTION ADVANCES IN NEW YORK LEGISLATURE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. BIAGGI. Mr. Speaker, as chairman of the Ad Hoc Congressional Committee for Irish Affairs I am pleased to announce to my colleagues that the New York State Senate has passed a resolution calling on Governor Carey to declare March 17 as "Human Rights Day in Northern Ireland."

This is a most significant demonstration of the concern with which Americans view the continuing conflict in Northern Ireland and its consequences on the Catholic minority. As the resolution points out, the European Commission on Human Rights has convicted Britain of inhumane treatment of political prisoners in Ireland, charges to which Britain admitted its guilt in February of 1977. Earlier this year, the European Court of Human Rights cited Britain again for similar violations.

For this Nation to overlook ongoing violations in Ireland makes us susceptible to being selective in our pursuit of a foreign policy based on adherence to human rights. These violations pose a serious obstacle to any progress which might be made toward peace. They must be stopped, this is the desire of the people of Northern Ireland, it is also the desire of the New York State Senate.

I wish to give special praise to the author of this resolution, Senator Linda Winikow of the 38th district. She has demonstrated outstanding leadership in the senate and is especially effective in serving her constituents. This resolution is a reflection of her commitment and compassion for ridding Northern Ireland of the human tragedy which continues today.

The text of senate resolution 105 follows:

Whereas, The people of the United States have historically supported the cause of human rights in all nations of the world; and

Whereas, The continued partition of the Irish nation has been marked by years of violations and denial of those human rights to a religious minority in Northern Ireland; and

Whereas, The European Commission of Human Rights has confirmed the charges of inhumane treatment of incarcerated persons by representatives of the United Kingdom; and

Whereas, Concerned Americans have repeatedly demanded action by the United States to persuade the United Kingdom to cease such inhumane practices; and

Whereas, This Legislative Body has recorded its opposition to such degrading treatment of prisoners of the United Kingdom; now, therefore, be it

Resolved, That this Legislative Body memorializes its opposition to the violations of the basic concepts of human rights as practiced by the United Kingdom in Northern Ireland; and be it further

Resolved, That this Legislative Body memorializes the Governor of the State of New York, the Honorable Hugh L. Carey, to declare March seventeenth, nineteen hundred seventy-eight, as "Human Rights Day in Northern Ireland" in the State of New York as a testimony of this State's support for the minority in that area; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to Honorable Hugh L. Carey, Governor.●

HONOR BEING OFFERED POLITICIAN

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. PATTERSON of California. Mr. Speaker, on Friday, March 17, Mr. Bruce Lee will be honored by the Democratic Party of Orange County, Calif. Bruce, who lives in Fullerton, is being honored for his unselfish contributions to our Nation's political tradition of participatory democracy.

Bruce is a citizen of the American community, not just a member. He sits on the Democratic National Committee and the California Democratic Executive Committee. He worked as a volunteer in President John F. Kennedy's campaign in 1960, and was also a volunteer in the campaigns of California Governors Jerry Brown and his father, Pat Brown.

Bruce's community involvement is not limited exclusively to politics. He also represents the interests of thousands of American working men and women in his role as assistant regional director for the Western region of the United Auto Workers Union. His dedication to the interests of American working men and women is unwavering and without question. Truly, Bruce is a man of destiny and great fortitude.

Mr. Speaker, I am proud to be among those Orange County Democrats who will be honoring Bruce Lee on March 17. His contributions to the political process

and the American labor movement have been commendable. Indeed, our Nation would be much the better were it for more active participants in the democratic process like Bruce Lee.●

PUPIL-RUN LUNCH PROGRAM

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. PATTISON of New York. Mr. Speaker, creativity, self-reliance, and education should be inter-related. More often than not, however, school systems reinforce the traditional and avoid the innovative. The following New York Times article illustrates how one school administrator, Gerald L. Blair, of New Lebanon, N.Y., found an original and truly educational solution to his school's problem.

PUPIL-RUN LUNCH PROGRAM OFFERS PLENTY OF FOOD FOR THOUGHT

(By Frank J. Prial)

NEW LEBANON, N.Y.—Jerry Blair has a dream. He dreams of a totally self-sufficient public school, a school run by students and faculty members, free from the interference and pressures of government; a school that would impose no tax burden on the community and where children would play a central role in their own education by helping to pay for it.

Mr. Blair—Gerald L. Blair—the 36-year-old principal of New Lebanon Central School, has made at least a part of that dream come true.

He came to this semi-rural community halfway between Pittsfield, Mass., and Albany, as principal of the combined junior and senior high school in 1970. The following year local taxpayers defeated a proposed school budget and the state put the minuscule school system—the high school and one elementary school—on an austerity budget: no sports, no library books and, among other things, no lunch program.

Without local financing for the lunch program there could be no Federal subsidy, and as long as anyone could remember the program had existed in part on the Federal money. But Jerry Blair had another idea—perhaps there was no need for the subsidy.

"A REWARDING EXPERIENCE"

"It took me a few months to work it out," he said the other day while snow fell outside his cramped little office. "I thought that if we could do it ourselves we would eliminate all the paperwork, all the hassle and all the interference that goes with outside assistance. At the same time we could give the kids a unique and rewarding experience."

Mr. Blair and a home-economics teacher who has since moved away each put up $200 to buy soup, meat and crackers to start the experiment. Students were recruited to cook and serve, and prices were set slightly higher than they had been under the federally supported system.

"It was an instant success," Mr. Blair said. "We made a profit from the start and I had my $200 back in four weeks."

Seven years later, the program pays for all the food used, has bought modern cooking equipment for the school and pays the wages of two women who assist the students, one at the high school and one at the elementary school in West Lebanon, where the same daily meal also is served.

Under the present program students pay for their meals, usually around 75 cents. "No one gets anything for nothing," Mr. Blair said. "I don't care if his father is a millionaire or dirt-poor. Anyone who can't afford a meal can work for it. One morning's work in the kitchen equals a free meal. But they have to work to get the meal, and the work comes first."

Only one parent has ever complained. "A woman told me her son was entitled to a free meal," Mr. Blair said. "She told me she had her rights. I told her 'You may have all the rights in the world, lady, but not under our program.' Her kid worked for his lunch."

One day recently the menu at the New Lebanon Central School included two soups—minestrone and chicken gumbo; hot meatball and peanut butter and jelly sandwiches; juice, cider, fruit cocktail, homemade chocolate pudding and apples. The receipts that day were $163.50, all of which went back into the fund for more supplies and wages for the two assistants.

"We use only the best materials," said Jacqueline Zaremba, who has worked with the program since 1973. "If we make chocolate-chip cookies, we make them from scratch."

NOT ALWAYS BY THE BOOK

Since students run the program, the menu is based on what they like to eat. And it does not always include vegetables or other things that dietitians consider part of a balanced meal.

"A school should not be responsible for a child's main meal," Mr. Blair said. "We're not in the business of getting them to like codfish casserole."

For most students who work in the lunch program it is part of a credit course called Commercial Cooking. Several who have completed the course have gone on to jobs in restaurants and hotels or to technical schools specializing in cooking and food service. One young man who put in his time in the school cafeteria is scheduled to begin a year in France next fall as an apprentice in a Paris restaurant.

Two or three times a year the students put on a banquet. "It's their own idea," Mr. Blair said. "They cook beautiful meals, put out tableclothes and eat by candlelight. They even dress up for the occasion."

Educators who have heard about the New Lebanon experiment call regularly to inquire about it. "They are interested," Mr. Blair said, "but they are so used to old ways, to being covered by the bureaucracy, that it makes them nervous. 'It would never work for us' is what they usually say. Well, it will work. It works for the school and it works for the kids."

But what about the bureaucracy? Have they accepted this unorthodox program? Mr. Blair said: "The Department of Education auditors almost went bananas when they came here and saw what we were doing. They couldn't figure out how to audit us.

"So they told us we had to go to the public around here and get their approval—which of course, we already had. We put it to a vote anyway and it got overwhelmingly approved again.

"It's very simple. If you can show people that what you're doing is getting results and not costing anyone a nickel, they'll let you do whatever you want." ●

DULLES IS WASHINGTON'S INTERNATIONAL AIRPORT

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. FISHER. Mr. Speaker, the Dulles International Airport Development Commission, established by the Commonwealth of Virginia to promote the airport and represent its interests, has brought to my attention the fact that the name of the airport does not give an indication of its location. The commission has recommended that the name of the airport be changed to Washington International Airport, Dulles Terminal.

In order to give an opportunity for public discussion of this proposal, I am introducing a bill that would change the name of the airport according to the commission's recommendation. I am proud to have this vital airport located in the district which I represent and am pleased to seek ways to help the airport grow and develop. The consideration of an appropriate designation for this facility is one aspect of the development effort.●

HUMPHREY-HAWKINS BILL: A NECESSARY AND MODERATE APPROACH TO REDUCING UNEMPLOYMENT AND INFLATION

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. STEERS. Mr. Speaker, "full employment" has become a rallying cry across the country as more and more Americans realize they do not have to settle for unemployment. The figures may vary—and frighten us in their ability to jump so high—but the fact remains that too, too many Americans are out of work. They are not, however, without hope, and many of them see their future in H.R. 50, the Humphrey-Hawkins bill, also known as the Full Employment and Balanced Growth Act of 1978.

Millions of Americas are reported to have participated in last fall's Full Employment Week, held September 4–10. The grassroots effort reached 300 cities and towns in the largest display yet of discontent. And it was no wonder. Just before the week of activity, the Bureau of Labor Statistics had reported the overall jobless rate rose from 6.9 percent to 7.1 percent in August, a jump partially attributed to a sharp increase in minority unemployment, particularly among black workers. Even the more recent figures—for February 1978—are discouraging: 6.1 percent unemployment overall (seasonally adjusted), 11.8 percent for blacks, 17.4 percent for youths (16–19 years old), and 38 percent for black youths. In fact, fully half the total number of jobless Americans are teenagers. This group is estimated to be as high as 3.5 million people, but even this figure fails to include the young people who have become fed up with jobhunting and are no longer counted as unemployed.

Unemployment brings with it a sense of personal unworthiness, but the consequences to the community can be just as devastating. First, of course, there is the scourge of crime—a problem no longer confined to urban ghettos but rapidly spreading to suburban-rural settings, such as Montgomery County, Md., which I represent. The economic effects of unemployment, furthermore, have a

tendency to mushroom into a dangerous cycle—a lack of income often forces our Nation's youth into substandard housing and an inability to pay for necessary schooling; their low self-esteem and frustration can lead to increased use of hard drugs and to excessive drinking; the presence of drug addiction and alcoholism can only feed back into the original problem of inadequate education and housing; and all of these factors combine to lead to an increase in crime.

In an effort to try to block this vicious circle, I was one of the original sponsors of H.R. 1731, the Comprehensive Youth Employment Act. I was extremely pleased last August when President Carter signed into law H.R. 6138 (Youth Employment and Training Act), a similar bill that included many of the provisions of H.R. 1731.

An additional problem—inflation—has accompanied unemployment in the minds and pockets of many Americans in recent years. Annually, the rate of inflation in the last 5 years has varied between 4.9 percent and 12.2 percent, and consumer prices are expected to increase at a rate of about 6 percent annually through 1983.

These statistics pose a serious challenge to the American policymaker as well as the average citizen. Widely differing suggestions have been offered, and disagreement has overwhelmed people as they seek a solution to the Nation's ills. The late Senator from Minnesota, Mr. Hubert H. Humphrey, and my distinguished colleague from California, Mr. AUGUSTUS F. HAWKINS, spent a great deal of their valuable time and energy on a bill whose time has finally come. The bill, offered in similar versions in both the 93d and 94th Congresses, is here again, in the 95th Congress. It has undergone considerable revision in the direction of moderation, and I look upon it as a reasonable answer to our need for an economic plan without subjecting us to excessive Government control or interference.

The bill is the culmination of years of effort to develop legislation for achieving a full employment economy by expanding on the goals enumerated in the Employment Act of 1946. The bill's current version would "translate into practical reality the right of all Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation." To achieve this overall objective, the act advocates the creation and maintenance of an economic environment that promotes balanced growth and maintains full production, full purchasing power and other essential priority purposes. In addition, it would establish an interim 5-year goal of 3 percent unemployment for adult Americans (20 years old and over), and an overall rate of 4 percent (for those 16 and over). To achieve these goals, the act would direct the Federal Government—including the President, the Federal Reserve Board, and Congress—to design and coordinate economic policies and programs via short- and medium-term plans to insure full employment and balanced growth.

In general, the revised version of the act, as favored by President Carter, would establish a commitment of the Federal Government to achieve full employment and simultaneously achieve reasonable price stability. To this end, a framework for economic policy decisions would be established; the administration would transmit to the Congress its goals for employment, unemployment, production, and income over a 5-year period. Congress would be responsible for considering these goals and establishing its own goals.

The objectives of the bill would be sought, but the President would have the right to recommend modifications in the third year and any year thereafter. Any changes would still be subject to the same congressional review and public inspection as were the original goals and timetables.

A variety of weapons would be recognized in the fight against unemployment, including special government efforts, but the primary emphasis would be placed on expanding job opportunities in the private sector. The bill would maintain trends in the ratio of private employment of civilians versus public employment, giving first priority to expansion of private jobs through the policies made available through the act.

Although a section dealing with last-resort jobs remain, it is stipulated that the programs under CETA and other employment and training projects are to be expanded before new programs can be established. Any new programs requiring authorization could not be implemented for at least 2 years after enactment of the measure.

Finally, the bill would recognize that the achievement of full employment and price stability requires the use of monetary and fiscal policies, together with structural measures designed to improve the functioning of the Nation's labor and capital markets—"not through government planning or control of private production, wages, and prices," according to President Carter.

Many observers have criticized portions of the bill, but I believe the revised version takes these criticisms into account. Of primary concern to me was the question of price stability and inflation. I was pleased to note that, as a result of the Wright amendment (which the House passed March 9, 1978), a section of the bill now reads:

> The President must initiate specific policies to reduce the rate of inflation, and with respect to such policies he shall make recommendations to the Congress where necessary and include recommendations within the Economic Report where practicable.

The bill, as amended, then specifically mentions several anti-inflation policies, such as voluntary arrangements between labor and management, removal of excessive Federal paperwork and regulations, and stronger antitrust standards.

Supporters of the bill have been persuasive in showing that the measure would not be inflationary. Indeed, most evidence supports the view that, as the economy approaches full capacity, increases in productivity result so that unit costs drop. In addition, the bill's proponents argue that there is no direct correlation between inflation and unemployment. Unemployed individuals would no longer be receiving some form of income maintenance but would now be engaged in productive work, increasing supply and reducing inflationary pressures on prices. Supporters also point out that, with full employment, increased tax revenues from earned wages and salaries would reduce the Federal budget deficit.

The unemployment question is most complex and disturbing, with many facets to be considered. More importantly, it affects a massive number of people. Hence, we cannot accept continuation of high unemployment rates. This bill, by requiring the President and the Federal Reserve Board to report each year to Congress on how their programs will lead to full employment by 1983, will create a commitment that must be taken seriously.●

RESEARCH WITH ANIMALS—PART II

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. DRINAN. Mr. Speaker, as prime sponsor of H.R. 10484, a bill which seeks to lessen the suffering of animals by promoting the development of alternative research methods, I commend to my colleagues part II of a fine series of articles from the Christian Science Monitor of March 8, 9, and 10, by Monitor staff correspondent, David F. Salisbury.

Part II, "Animals in the Laboratory: A Necessary Cruelty?" appears below. Part III, which includes a number of important recommendations for individuals, Government and the scientific community, will follow:

ANIMALS IN THE LABORATORY: A NECESSARY CRUELTY?

(By David F. Salisbury)

Roger Ulrich once was the kind of research scientist some antivivisectionists consider the "enemy."

As a psychological researcher at Western Michigan University, Dr. Ulrich studied the relationship of pain to aggression. He put pairs of mice together and administered electric shocks of varying intensities. He determined levels of pain most likely to make the mice fight.

Since then, however, he has closed his animal laboratory and stopped "torturing animals." He finds it a repugnant and socially irrelevant practice.

His experience and his present views lend credence to the antivivisectionist argument that psychological research has veered off onto a strange, even sadistic tangent.

Stress testing is the euphemism which scientists use to describe the type of animal experimentation which is the current fashion. In essence, this involves the deliberate administration of pain in the effort to study animal behavior.

"It is simply driving animals crazy," charges Eleanor Seiling of United Action for Animals. It involves a state of mind which Dr. Michael Fox of the Humane Society of the U.S. castigates as "pathogenic."

HUMANITARIAN MOTIVE

Yet, as Dr. Ulrich's account demonstrates, the motivation of psychological researchers is humanitarian.

"I was coming out of a heavy behaviorist background," Dr. Ulrich recalls. Convinced that people were "laying too much pain on their neighbors" and fairly sure that this

pain was contributing to the excess aggressiveness of U.S. society, the young scientist sought validation in the laboratory as he was taught.

"I ended up doing some things to animals that really made me sick. But I rationalized it. I thought science could do anything, that it could help us solve our social problems," he says.

Dr. Ulrich is no longer convinced that the results of these experiments justify the discomfort experienced by the animals. Although he does not believe his laboratory work was totally wasted, he doesn't feel it has the generality he once thought it did.

Testimony such as that of Dr. Ulrich makes it impossible to dismiss questions of the relevance of current psychological research out of hand. Thus it serves to illustrate the most emotional and far-reaching controversy involved in the clash between antivivisectionists and animal researchers.

Scientists agree that animals should be handled humanely when they are the subject of an experiment. Here the disagreement between antivivisectionists and animal researchers involves differences in opinion on what constitutes humane care and how it should be guaranteed. Because so much of psychobiological research involves the deliberate administration of pain, however, it raises a second and more serious issue: To what extent does the search for scientific knowledge justify painful animal experimentation?

Researchers argue that it is proper to conduct painful experiments for the purpose of basic research—that is, research that has no immediate practical application. Thus, draft principles for the care and use of animals being considered by the American Psychological Association stipulate that "a procedure subjecting animals to discomfort shall be used only when an alternative procedure is unavailable and the goal is fully justified by its prospective scientific or applied value."

Animal welfare groups see "stress testing" as perhaps the ultimate illustration of how scientists use freedom of inquiry as a shield to allow curiosity a free rein.

YARDSTICK OF RELEVANCE

The yardstick of real investigation is relevance, they argue. And they see no relevance in attempts to create psychotic monkeys by keeping them in complete solitude from early infancy or in what scientists have managed to teach pigeons by starving and shocking them.

Many agree with Rachel Carson who said: "The essence of life is lived in freedom. Any concept of biology is not only sterile and profitless, it is distorted and untrue if it puts its primary focus on unnatural conditions rather than on those vast forces not of man's making that shape and channel the nature and direction of life."

But psychological researchers argue that stress testing is essential in the study of behavior. They realize that animals are extremely complex. They put animals under extreme conditions so that unwanted influences will not intrude. A starving pigeon, they reason, will not let irrelevant matters interfere with its attempts to get food.

As a result "some of the research proposals in behavioral psychology make you feel like tearing your hair out," acknowledges W. Jean Dodd. As vice-president of the Institute of Laboratory Animal Resources, Dr. Dodd sits on a number of scientific review boards. She says psychologists seem to be obsessed with "stress testing."

Dr. Fred Stollnitz, head of the psychobiology office at the National Science Foundation, admits that the applicability of behaviorist research to humans is no longer as clear as was thought a few years ago. Instead, he insists the link is proving to be "less direct and more sophisticated."

To illustrate his point, the NSF scientist cites a class of experiments called "taste aversion" studies. In these studies various animal species are given different types of cues along with poisoned food. In this fashion, it has been determined that rats easily associate taste but not aural cues with poisoning, and that pigeons quickly draw the connection between food coloration and poison.

These experiments, explains Dr. Stollnitz, contributed to the work which Paul Rosen of the University of Pennsylvania was doing on how rodents acquire their food habits. From this research, he developed the general insight that there are certain classes of stimuli which animals associate with each other more naturally than others. This, in turn, led him to develop a pictorial alphabet which is helping ghetto children learn to read more easily.

"It is true that many of the 'profound statements' which have come out of psychological research are things that we already more or less know," says Dr. Stollnitz. "But we do not know in advance what will be borne out by experiment and what will not."

According to evolutionary theory, human behavior patterns and mental abilities are more elaborate than those of other mammals but closely akin. Therefore the study of the neurology and behavior of animals should give basic insights into the human condition, psychologists reason. This enables them to argue with B. F. Skinner that this research can help man "control his own destiny, because he knows what must be done and how to do it."

It is an argument which Dr. Ulrich no longer believes. As he told a symposium on aggression that the urban environment, he now realizes that "our social problems are not going to be forthcoming via our scientifically based behavioral engineering technology. The scientists and technologists such as myself [have] too many of the problems that we [are] trying to solve in others. . . . We [are] our own greatest problem."

Stress testing—done to simplify complicated animal behavior—is also criticized as creating artificial environments where animals behave unnaturally, and so its results cannot be generalized to normal situations with any confidence.

"A horse kicked me the other day," says Dr. Ulrich. "Despite all my research I don't have the slightest idea why. There are times when I don't think I know the first thing about aggression despite 10 years of laboratory studies."

OTHER PROBLEMS AS WELL

The current laboratory approach generates other types of problems as well. A recent paper by D. Mitchell and others of the University of Washington, for instance, found that laboratory strains of rats are "neophobic," that is, they tend to avoid new things of any type.

Experiments which use avoidance as a measure of adverse conditioning should therefore be viewed with suspicion, the scientists say.

Robert A. Hinde of Cambridge University has been even more emphatic about making superficial comparisons between animal and human behavior. The fact that behavior is formed by multiple influences and is characterized by adaptation and constant variation raises doubt that psychology can use animal models, he argues. This is especially true where a researcher has isolated a particular fragment of behavior which interests him and does not examine the total situation, Dr. Hinde believes.

Partly because of problems of this sort, a new discipline—ethology—was born. Ethologists put primary emphasis on studying animal behavior in natural settings. The study of chimpanzees in the wild by Jane Goodall is an example of this approach. It is noteworthy that she has found some major differences between behavior of chimpanzees in the wild and in the laboratory.

A EUROPEAN DISCIPLINE

Since its founding by German naturalist Konrad Lorenz, however, ethology has remained primarily a European discipline. U.S. animal researchers have been reluctant to leave their comfortable laboratories to study animals on their own ground—a much more difficult and time-consuming process.

The prevalence of stress testing may relate to what is perceived as ingrained attitudes within the psychological research community.

"Scientists are forced into a narrow track," explains Dr. Ulrich. "After their dissertation and first paper, all the reinforcement is to continue in the same vein. You have to decide whether you are going to conform or be a maverick. If you decide to be a maverick, then you have difficulty getting your papers published."

Novel theories or practices which challenge current orthodoxy tend to be viewed with suspicion, sometimes hostility—and often take time to be accepted. This is illustrated in the case of David A. Goodman, who developed a way to study one aspect of animal behavior more precisely and humanely. Dr. Goodman estimates it will be 1984 before the experiment he performed is repeated.

A psychobiologist at the Newport Neuroscience Center, he developed a method to "map" the behavior of the mud puppy—the simplest animal with a brain organized similar to that of mammals. It represents one of the alternatives to "stress testing" which are being largely overlooked.

The chain of events which led to this work began when he tried to duplicate the experiment of a colleague who claimed to have shown that amphetamines enhance learning in infant rats.

Dr. Goodman was unable to reproduce the reported results. The baby rats kept dying on him. In the process he came to doubt the validity of this type of experiment in general. He realized how little is known about the total behavior of these animals. Without such in-depth knowledge, he reasoned, it is impossible to know for certain what effects drugs were really having.

So he decided to conduct an in-depth study with the mud puppy.

The beginning of this experiment was inauspicious. The day after the necessary sensors were implanted in a mud puppy's body, the researchers would return to find their subject dead. "It never occurred to us that they were dying because they were in excruciating pain," recalls Dr. Goodman.

CHANCE OCCURRENCE

Finally, one animal managed to pull the probes out of its body. The freed electrodes dangled in the water of the aquarium and to the scientists' surprise gave fairly good readings. Impurities in the water kept them electrically connected to the submerged amphibian, he realized.

The aquarium was rebuilt with remote sensors in the sides. The animal was free to move around. All the scientists had to do to record the mud puppy's heart and gill-beating rate, muscle tension, and body movement was to "punch in" the animal's position in the aquarium on a control board.

With this technique perfected, Dr. Goodman then presented test animals with two types of stimuli—overhead shadows and vibrations. It took more than 10,000 repetitions of these stimuli before the mud puppy's responses were totally cataloged.

From this work, Dr. Goodman was able to infer three states of consciousness in the salamander: quiet, waiting, and active. When combined with knowledge of past stimuli, these states enabled him to predict what the mud puppy's response to either shadow or vibration would be.

"After doing this experiment, I could never use vivisection," says the scientist. He came to know the mud puppy too well and appreciate its complex, even intelligent behavior.

"Behavior mapping" experiments of this sort have been tried only a handful of times, he says.

Whereas psychological researchers such as Dr. Stollnitz justify stress testing as a means to the end of solving various social problems, antivivisectionists and some scientists such as Dr. Ulrich criticize this as Machiavellian, self-fulfilling, and doomed to failure.

What is needed to solve social problems, they argue, is a transcendant ethic—reverence for all life. They see cruelty to animals, children, other people as all one—no matter how it is rationalized. The best way to use animals to help humans is to teach us to love, they argue. This, too, is the conclusion Dr. Ulrich has reached. He now runs a preschool program which takes city children out into the country, introduces them to nature, and teaches them to appreciate animals.

Next: Animal rights vs. consumer protection.●

SELECT COMMITTEE ON AGING

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging held field hearings in my district to gather testimony regarding the Older Americans Act. In my view, these hearings were quite productive. I believe it is always important for committees of this body to travel to local communities throughout the country to talk to men and women who do not always have the opportunity to come to Washington to testify. For the next few days I plan to introduce into the RECORD the testimony we received. The fifth section follows:

SELECT COMMITTEE ON AGING

TRANSPORTATION

Mr. Chairman and Members of the Committee: One of the primary needs of Senior Citizens in this society is mobility. Due to failing physical skills and limited incomes, a great many of the elderly do not have access to a car or other means of transportation enjoyed by others. Lack of transportation denies the older person even the simple necessities, such as visiting the doctor, and shopping for food. The present demand for urban mass transit is ill balanced. We need suburban mass transit. Regardless of income, all older persons have needs due to their years, physical condition, and decreasing energy quotients. Need is the basic factor. We strongly believe, therefore, that sepcial needs of older persons must be taken into account in the design and operation of transportation systems. To this end, the Delaware County Council of Organizations of Senior Citizens offer the following suggestions:

1. The needs of the elderly should be met through integration into a system which serves the needs of the entire community. Although the primary goal we're striving for is adequate transportation for the elderly, we firmly believe that Senior Citizens should enter into every aspect of community life. Improved transportation will benefit every citizen.

2. Standard transit vehicles and facilities should be made physically accessible to elderly and handicapped individuals. Buses should be re-designed to permit easy ingress and egress. Examples: lower steps, adequate lighting, padded stanchions, wide aisles, handles on doors, hydraulic lifts, etc. Such innovations would permit and encourage Senior Citizens to use public transportation.

3. In the County of Delaware, many areas are without public transportation. Based on the 1970 census, 2,800 of our Senior Citizens are being denied any form of transportation. Special subsystems should be made available at reasonable cost to those who cannot make use of the general transportation system.

4. Many of our elderly people do not own automobiles. Those who do will not, or cannot drive, because of fear of traffic or physical conditions. Demand activated transportation subsystems (escort or portal to portal service) should be developed for the elderly who are feeble or handicapped.

5. First priority should be given to the development and improvements of public transportation systems. We have in mind special routes from poor neighborhoods and rural areas to shopping centers, business and medical facilities, special routes taking commuters to and from work, specialized charter service throughout the state, free parking at major points near cities, so that drivers can catch a bus and avoid driving into the central business district, placing bus and trolley schedules in public buildings, listing downtown stops and interchanges, and issuing discount books to encourage more people to use public transportation.

6. Federal funding should be used to develop and operate special transportation subsystems, with emphasis on non-urban areas. In the County of Delaware, rural areas are practically isolated from cities and urban areas. It is also extremely difficult to get from one point in the county to another, due to lack of transportation. We strongly recommend that cross-town bussing be instituted, and feeder lines, using minibuses, be established from rural areas to urban and shopping centers, and to medical facilities.

7. We recommend that the "Interstate Commerce Act" be amended, so as to permit transportation companies, subject thereto, to grant reduced fares to the elderly and handicapped. We have in mind inter and intra-state, as well as municipal and other common carriers.

8. That highway trust funds be utilized to develop, construct and operate public transportation systems.

9. If the projected increase in the price of gasoline takes place, or an energy crisis develops, the number of cars now using our highways will sharply decline. We respectfully point out to this Committee that building new highways for fewer cars to use is not the best policy. As an alternative, we recommend that a viable integrated mass transit system be instituted. It will not only serve the needs of older citizens, but the entire populace as well, and would be a prime factor in national security in the event that an acute military situation would arise, depriving the United States of a major portion of fossil energy.

10. The viability of mass transportation would be greatly enhanced, if the suburban, rural and urban areas were integrated instead of the present haphazard lines. Schedules should be revised so that proper connections can be made. Bus routes should be set up to serve the greatest number of citizens. Bus terminals should be established, into which all lines would feed.

One final comment: It seems the trend of transit systems today is not to serve the public, who is footing the bill, but to lose as little money as possible. To accomplish this goal, service is curtailed, routes cancelled, and the public suffers. This Committee can render a valuable service by reversing this trend.

We appreciate the opportunity to appear before you today.

Respectfully,

WILLIAM BUSBY,
Legislative Chairman.●

ELIZABETH AND DAVID DODSON GRAY URGE AUDIENCE TO LOOK TO NEW AGE

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. PATTISON of New York. Mr. Speaker, the Congressional Clearinghouse on the Future has begun its 1978 "Dialogues on America's Future" series, and just before the President's state of the Union address, over 50 of our colleagues heard Elizabeth and David Dodson Gray. The Grays, codirectors of the Bolton Institute, are active futurists. Ms. Gray is on the board of the U.S. Association of the Club of Rome and Mr. Gray is president of the Massachusetts Tomorrow program.

Their provocative discussion about growth grew out of their book, "Growth And Its Implications for the Future," and I am pleased to insert into the RECORD a transcript of their remarks to our group:

THE HUMAN SIDE OF SLOWING GROWTH

DAVID DODSON GRAY: I would like to begin with a brief summary of our work on growth. We are confronted with interlocking problems which grow at exponential rates in our social and natural systems. None of these problems are easily solvable by themselves. We have an energy problem, a resources problem an environment problem and a soaring population problem. All of these problems put together and the limits in each of them are leading to a situation in which we are overdriving our headlights. We dimly perceive the limits ahead as we soar merrily along.

If we look ahead 25 or 50 years and imagine where society will be when our children are our age, we see a very different society. Liz and I believe that it will be a society in growth will have substantially slowed from what we have seen to date. As a result, we look at the future in terms of growth slowing.

Tonight, we want to explore the human reactions to slowing growth. As growth slows, we are seeing a loss of jobs and, as a result, a loss of an important center of meaning in our lives. We are seeing a loss of purchasing power, because as things become scarce, their prices increase. The sense of loss we share is called inflation. There is also a loss of confidence as growth slows. There is a sense that the society, the system, is not working as it used to work.

All of these experiences taken together give us an experience of loss and also an experience of importance. In personal terms, we call the experience a grieving process. Elizabeth Kubler-Ross, in her work with dying people and their families, and Robert Lifton's work with survivors of Hiroshima and Vietnam form the basis of my understanding of this process.

The grieving process involves a succession of coping mechanisms. These are the ways in which we protect our essential selves and our essential institutions when we are confronted with something difficult to assimilate and respond to.

FIVE COPING MECHANISMS

There are five of these successive coping mechanisms. The first is denial and shock. We put a barrier between ourselves and what is happening to us. The energy crisis is an example. As soon as the gas lines disappeared, the problem was explained as a conspiracy of the oil companies.

The second stage is anger. This is found

acutely among Harvard and Sloan Business School of Management students because they went there to make their millions but it now looks like the door has been closed to that future. In the 60s, anger was acted out in violence. In the 70s, it has been turned inward as depression. Anger is a way to reach for potency and control—if we get angry enough something will happen. Blaming and scapegoating go along with anger. Your constituents threaten to remove you from office unless you get things fixed. They tend to say that you are to blame for the problems.

The third stage of coping is the bargaining stage. This stage represents a looking forward and coming to grips with the new reality. We set deadlines in this process. We look for benefits with rewards for good behavior, such as rewards for energy conservation. We try to make amends while there is still time. As we bargain, we want people to think well of us and the leadership we took in the transition.

Next is the coping mechanism characterized by profound depression. It is a deep sadness that our good golden growth years are moving beyond us. Yet, we recognize that there are new opportunities. It is a time of heightened valuing of being in social solidarity and connectedness. When we feel that people care, that people appreciate us, it makes sadness tolerable.

The fifth and final copying mechanism is acceptance—a separation and letting go of the past and an attempt to build the new. We get a sense of dignity when we realize that we will go on living, that we can do it, that we are somebody.

POLICY IMPLICATIONS

What can be done in the policy arena if institutional behavior is reflecting these phases? We can set up monitoring programs to help us live with denial and get us used to listening to the news of what is really happening. Congressional hearings could be used to explore problems in depth rather than as a forum for solutions.

We need to listen to the angry voices—the farmers, the women, the minorities—and give them real support. We also need to look for compensatory potency experiences. People can be given more power, control and choice over small things in their lives and jobs even though large trends cannot be changed.

Liz and I believe that growth as we have experienced it cannot continue. But we can manage the transition. We can choose to keep some things in our lives while accepting the change in other areas. Slowed growth is not the end. We think it is the new beginning.

EXPERIENCING THE MID-LIFE PASSAGE

ELIZABETH DODSON GRAY: I want to take off from David's ideas about society's coping mechanism and share with you my sense that we are at a mid-life passage. I am using as my base the work of Gail Sheehy in "Passages."

In mid-life when something dies and we continue to live, life goes on, but a sense of life's meaning and one's identity change. Part of what is happening to us now is that our basic sexual roles and identities are changing, too. The traditional male role has been to produce and be successful in order to prove his masculinity. The female role has been to consume and maintain that which is produced. We cannot have a production society unless there are people to consume and maintain what is produced. As growth slows, we need fewer goods produced because consumption is down. As a result, we undergo an identity crisis.

We can be survivors and build new identities. If we have spent the past 100 years building a beautiful vase and suddenly that vase is broken, we must pick up the pieces and build again. But this time, we will need to build another shape—a globe or an obelisk, perhaps—with as much care as we built the vase. But we cannot rebuild the vase. We must go on to something else. In America, we have begun to question the idea of unending affluence. Erich Fromm states that we must shift from an identity based upon "having" to one based on "being." Individuals are participating in such experiences as Transcendental Meditation, encounter groups, therapy of all kinds, wholistic health, etc. We are reaching out to one another as we relax and enjoy a different rhythm. Your meeting here tonight is an example of community building in an institution. The 94th and 95th caucuses which have just been meeting together are another example of this. Because we have spent little time together, our relationships are thin. Some of us have begun to want more depth in our relationships and are making ways to find this satisfaction.

I think we are very lonely in America, though we are rich in gadgetry. Let me tell you a story. An American couple, anthropologists, went to a primitive village to study the ways of the people living there. They had been there for some time, and the American woman had joined the women of the village each day at the watering place to collect her household water and wash her clothes. After she had been there for some time, one of the native women asked her, "Tell me. How do you get your water in America?" The anthropologist, feeling very superior and advanced, said proudly, "When I want water, I just go to my kitchen, turn the spigots at the sink, and out comes water from the faucet." She finished with a flourish and looked around at the village women who were listening. They were not impressed, and the one who had asked the question, said sadly, "It must be very lonely for you." Any woman who has spent those child rearing years in America suburbia knows just how lonely it is.

As we enlarge ourselves, become more in touch with nature, expand our experiences of what it is to be in community, I think our need for materialistic things will decline. And we will be freed from the traditional roles of producer and consumer.

POLICY IMPLICATIONS

What can you do to encourage and support these changes? In the first place, you can sponsor celebrations and festivals. It was reported that on July 4, 1976, the New York City hospital emergency room did not report any cases. It was the first time in the hospital's history that 24 hours passed without somebody coming into the emergency room. People were having too much fun to hurt each other that day.

In the second place, you can support families and explore ways to keep people and communities together. Supporting super highways that split up neighborhoods is not what I would call supportive action. We are seeing a tremendous growth in single parent homes. I think they would be supported and affirmed.

In the third place, you can subsidize culture and the arts. This is the one area of our lives that we all share together, and that is essential to our well-being. What would our lives be without music, and what a resource is a symphony or a music school.

In the fourth place, you could support groups that sponsor workshops on the difficult task of rebuilding one's life and rebuilding identities. Many of us have had severe crises in recent years, and we could use some support as we struggle to identify our new roles. New technologies of self-realization also need support.

Finally, you can support communities such as Reston which are trying to establish new models for neighborhoods. The revitalization of our cities and the building of communities could do much to help us feel more connected in this time of rapid change and transition.

All of these suggestions I have made could help us maintain the morale of individuals and allow us to move through this transition stage with much less pain.

QUESTIONS AND ANSWERS

Q. What is the relationship between growth and democracy? Can you have a democracy in a no-growth mode?

A. It is true, that since Jefferson's time, growth and democracy have gone together. But democracy is a system where people want a say in their destiny. We believe that Americans want to have more input in the decision making process which decides whether we move toward more growth or sustained growth. We don't think democracy and no-growth are incompatible, but our argument is that citizens need to have more of a say in the direction.

Q. What do you think about the impact of television? Many of our experiences are that it is having a negative influence.

A. Television acts as a mirror on our world. It provides myths and images for us. We believe that people are smart enough not to see everything on TV as fact. I think that many of us tune out commercials most of the time. We just don't listen to them anymore. TV serves an important function of showing us ourselves and giving us archtypes to respond to. And we trust that people can discriminate the good from the bad of TV.

Q. We are in a period of transition regarding oil and fossil fuels, but I am not sure that I agree with you that we are into a death transition. Do you believe that the American dream is dead?

A. As we have known the American dream, it is dead or dying. We are giving up the type of growth we had since World War II and we are moving into a different lifestyle. We are not dying so much as we are revising the American dream.

Q. All of your examples of changes in society were compared to those stages of individual experiences of death. I don't agree that the crisis in society is akin to death. We do not have limits to growth so much as we have limits to the rate of growth. Would you care to comment?

A. We are not saying that society is dying. We are saying that during this transition, we will undergo a sense of loss and impotence and that some of the feelings we experience will be similar to those described by Kubler-Ross.

Q. We, many of us anyway, were elected out of this anger you talk about. And we in this room understand the need to look at the future implications of our actions. But more needs to be done. The message needs to be spread on the Hill. The Futures Clearinghouse and concerned Members should work on strategies to get the message of sustained growth to those who are not here. I don't know how we do that, but your coming is part of our need. Thank you.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. MAZZOLI. Mr. Speaker, due to responsibilities in my district, I was absent on Friday, March 10, 1978.

Had I been present, I would have voted "yes" on rollcall No. 129 to rescind certain budget authority contained in the message of the President of January 27, 1978.●

STATEMENT ON SOCIAL SECURITY BILL

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am pleased to introduce on behalf of myself and eight members of the Subcommittee on Economic Stabilization of the Banking Committee a companion bill to that introduced originally by Mr. MIKVA and others, to amend the Social Security Act to provide for general revenue financing of the disability and medicare parts of social security. The chief purpose of this bill, of course, is to head off the major impending increase in the social security payroll tax and to reduce that tax.

It might be asked why members of this particular subcommittee should interest themselves, in that capacity, in the payroll tax. The answer is that an important part of our responsibility is oversight over all aspects of the Nation's serious and continuing inflation problem, and we have become increasingly aware that the rising payroll tax is now a significant factor in pushing up the general price level. This awareness of a neglected aspect of the payroll tax problem—which arises from the employer share of the tax—is in addition to our concern, shared by all Members of the House, at the impact of the payroll tax increases that lie ahead on working people of all income classes.

For a long time it was thought that the payroll tax paid by employers was either absorbed out of profits or shifted backward to the worker in the form of smaller wage increases. But now economists, basing their views on evidence from the real world of commerce, are increasingly aware that the employer share of the payroll tax is in fact largely shifted forward to the consumer in the form of higher prices. A rise in the payroll tax, quite understandably, is treated much like a wage increase—as an addition to total costs. It is not relevant to say that it can be deducted from the corporate income tax because the same is true of a wage increase. Both can be deducted, but in practice both are a part of total labor costs and enter into the determination of prices charged. This did not matter much when the payroll tax was small, but under the bill we passed last year, it will soon surpass 6 percent of total payroll. Although President Carter signed the 1977 social security bill and praised it, his economic report 2 months later explicitly mentioned higher payroll taxes as an important element in the continuing upward pressure on prices.

Arthur Okun, a former chairman of the President's Council of Economic Advisers, told a Senate committee hearing last month:

> You should recognize that the half of the payroll tax levied on employers is basically a hidden Federal sales tax on consumers.

In summary, then, the payroll tax—unlike the income tax—directly worsens inflation. By raising the cost of labor, it also worsens the unemployment problem. The higher payroll taxes that lie ahead are a very serious obstacle to a well-functioning noninflationary economy.

However, the legitimate question arises: Where are the general revenues to come from to pay for these large expenses that we propose to remove from the social security payroll tax? The Mikva approach, which we are supporting, would shift more than $30 billion, or about one-third, of social security outlays to general revenue financing. The same effects in reducing the payroll tax would be achieved by the admirable bill introduced by the gentleman from Massachusetts (Mr. BURKE) which would simply finance one-third of the entire social security program from general revenue without distinguishing among the three main components. Both approaches would achieve the same anti-inflation purpose. But to repeat, where are the general revenues to come from, given a large existing budget deficit?

Mr. Speaker, that question is not as perplexing as it seems at first glance. The answer to it lies in the Nation's fiscal outlook and the long-term fiscal program of President Carter.

Perhaps the least noticed, and yet most important, aspect of the President's program is his determination to restrain total Federal outlays in such fashion as gradually to reduce them to a total of no more than 21 percent of the gross national product compared to 22.6 percent now. His budget for fiscal 1979—even though the outlay total of $500 billion seems huge—starts us on that road. We will get there in a couple of years if similar restraint is exercised in subsequent budgets.

But meanwhile, revenues continue to grow rapidly, even after allowing for the tax reduction that will be enacted this year. Alas, this in part is due to inflation itself. Regardless of the cause, the huge revenue growth is there. And the consequence is clear, as stated by the President himself in his economic report last month:

> Success in keeping a firm rein on spending will permit further tax reductions in years to come.

The more detailed report of the Council of Economic Advisers, noting the basic policy of reducing the share of Federal outlays in GNP, goes on to say:

> If the course of Federal spending is determined by these principles, tax reductions then become an important device for maintaining a stable rate of growth in the private sector.

What we are suggesting, Mr. Speaker, is quite simple: It is that the next tax reduction, which will surely be forthcoming if the President's basic spending course is adhered to by him and by Congress, be a payroll tax cut rather than another income tax cut. That is the true meaning of shifting a portion of social security to general revenue financing. Instead of cutting income taxes next time, we cut the payroll tax.

That is the longer run rationale for this bill. But in fact we do not have to wait until 1979 or 1980 to begin the process. We can begin now, by the simple device of making a part of this year's suggested net reduction of $25 billion in income taxes a reduction of payroll taxes. I am informed that we could head off the 1979 social security increases and roll back the tax rate to 5.85 percent—from 6.05 percent this year—at a cost of some $6 billion. Some of our colleagues in the Ways and Means Committee are thinking precisely along those lines. We would forgo some of the income tax reduction in order to make the first breakthrough in reducing the payroll tax. This would be done with no change in any social security benefits and would therefore imply general revenue financing to the extent that payroll taxes are reduced.

It is important to note that for purposes of stimulus of the economy—to combat the stag part of our problem of stagflation—a payroll tax reduction serves the same purpose as an income tax reduction. It directly increases purchasing power. Either can do the job, but payroll tax reduction has the added merit of combating the flation part of the problem as well.

I am personally not troubled by the implications of general revenue financing for the entitlement of the millions of working people to their full array of social security benefits, including medicare and disability. This is a contractual obligation of the Government that will not be changed lightly, regardless of the means of financing. Medicare might change if we come to a system of national health insurance, but it would not change because of a shift to general revenue financing. For those who fear that a shift to general revenues necessarily would lead to a "means test" for these benefits, I would cite the present long-standing programs of service-connected disability compensation for veterans and black lung benefits for coal miners. Both are financed from general revenues but both are full-fledged entitlement programs with no means test and no suggestion that there should be a means test. The same would apply to medicare and disability benefits under social security.

I have already explained the great merit for our whole economy, as well as for individuals who bear the burden of the payroll tax, or a partial shift to general revenue financing as proposed in the Mikva bill which we are co-sponsoring. And I have explained that the revenues will be there to finance it, with the timing to be determined as events unfold. We could even make a beginning this year. We need only focus our attention on the possibility of payroll tax reduction as an alternative to some part of present and future income tax reduction. That would be good fiscal policy, good social policy, and good economic policy.●

ZOLLIE FRANK

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. YATES. Mr. Speaker, I have just been informed that a good friend of mine. Mr. Zollie Frank, has been inducted into the Automotive Hall of Fame in Michigan, an honor which has been bestowed upon very few automobile

dealers. It is a tribute to Zollie Frank's long years of honorable dealing in the automobile business. He has built his Chevrolet dealership into one of the most successful in the United States.

Mr. Frank does not limit his activities solely to his business. He has long been an active participant and contributor to Chicago's charitable and civic causes. Deservedly, he enjoys a fine reputation for being an outstanding public minded citizen.●

OLDER AMERICANS ACT

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging held field hearings in my district to gather testimony regarding the Older Americans Act. In my view, these hearings were quite productive. I believe it is always important for committees of this body to travel to local communities throughout the country to talk to men and women who do not always have the opportunity to come to Washington to testify. For the next few days I plan to introduce into the RECORD the testimony we received. The fourth section follows:

OLDER AMERICANS ACT

(By James S. Fritz)

INTRODUCTION

My name is James S. Fritz and I am a Senior Planner for Transit with the Delaware County Planning Department and Project Coordinator of the Delaware County Para Transit Coordinating Committee. Since neither of these positions entail working with specific provisions of the Older Americans Act, I will not address specific provisions here today. Rather, I will talk generally about problems I have confronted in para transit planning in Delaware County. Unless otherwise specified, ideas and proposals presented in this testimony are consistent with findings of the Delaware County Special Transportation Needs Study completed in September, 1977.

MASS TRANSIT IN DELAWARE COUNTY

According to the 1970 U.S. Census approximately 60,000 persons over 65 years of age reside in Delaware County. Approximately 10,000 or 17 percent of these persons have mobility limitations ranging from "having trouble getting around alone" to "confined to home." Many of the persons over 65 in Delaware County live in areas generally well-served by regularly scheduled public, mass transit. An estimated 80 percent of persons over 62 years of age reside within four blocks of mass transit in Delaware County. There are some problems with this measure inasmuch as four blocks may be a bit formidable for some persons. Also, this measure does not take into account frequency of service and hours of operation. What I want to convey here is that there is probably good reason to believe that fewer elderly persons are well served by mass transit than the service area analysis would suggest and, although we have no estimate of the number of seniors presently receiving para transit services, I believe that for many this is the only transportation service available for their many specialized needs.

Often nutrition sites, senior centers, medical and shopping facilities and other trip generator sites are not conveniently accessed by mass transit. In these cases para transit becomes the order of the day. Mass and para transit serve different functions, markets, and purposes. Para transit is an individualized, short-haul, flexible route, demand responsive, door-through-door service. Mass transit is not designed to serve and cannot serve this type of market. Recognizing the complementary association between mass and para transit, more emphasis needs to be given to this fact when services are planned and programs developed. Specifically, a better feeder-service network needs to be developed using para transit as a supplement to mass transit.

If mass and para transit are not well coordinated, a duplication of service results implying waste of scarce and costly resources.

PARA TRANSIT PROBLEM AREAS

Another source of duplication in the effort to serve the elderly is the absence of coordination in both the planning and operation of para transit services themselves. The recent direction of Federal legislation has been to require coordination among para transit operators who are recipients of Federal funds. There is still a great deal of room for improvement, while the supply of automobiles, vans, mini-buses, and buses available to social service agencies continues to increase at a rapid rate.

Transportation is central to social service delivery. It is required both to take services to the client and to take the client to central service delivery sites. These transportation services have been a costly (and occasionally strangling) line item in the typical social service agency budget. Although transportation is seldom the core service of the agency, it is a supportive service which is so indispensable that, without it, core services simply could not be delivered. In fact, the cost of transportation services can be more than the cost of the core service itself.

To be sure, some progress has been made. In the early days of the anti-poverty programs of the Kennedy-Johnson years, nearly every Federal program allocated funds for transportation services. Recipient agencies were responsible for designing and operating their own transportation services and many agencies put in for money to buy their own vehicles.

With better federal management of programs has come better management of transportation related costs. Section 16(b)(2) of the Urban Mass Transportation Act of 1964, as amended, provides funds for non-profit agencies serving the handicapped and elderly. Though this legislation may not go far enough, at the very least it brings many of the budget allocation decisions together under one roof in the Federal government. There still is much room for improvement.

For one, Section 16(b)(2) does not cover operating and maintenance costs and, for another, there are still many Federal dollars expended for para transit which are not channelled through UMTA or any other single Federal agency. Such an entity could be designated as the core para transit agency through which all para transit projects were programmed, funded, operated and monitored. There should be such an agency, at least serving as a clearinghouse (if not a disburser of funds) for all para transit expenditures. New Federal legislation such as amendments to the Older Americans Act should require (at least encourage) coordination among grant recipients. Moreover, legislators should consider creating the necessary controls to centrally manage the entire range of Federally funded para transit services.

Several footnotes need to be added. First, whatever controls are mandated by new legislation the effect should be to improve the delivery of service, to make it available to more persons and to decrease the paperwork burden to operating agencies.

Ideally, unification of para transit programs would mean less costly bookkeeping and report writing by reducing the number of Federal agencies involved. The quality of service and the coverage are benefits which should result from reduction of waste, costly duplication of service and more streamlined reporting procedures.

Improving coordination and communication among service providers also has the effect of increasing the visibility of service gaps. Identifying service gaps as a preliminary step in improving coverage is facilitated by common performance reporting procedures. Closely related to coverage is the question of eligibility. This is a condition of service which should be studied carefully before final verdicts are issued. Specifically, age and trip purpose criteria should be reexamined with an eye toward the full range of client needs.

Specifically, transportation should not be limited to shopping, medical and nutrition trips. Trips to other transportation resources such as rail stations, bus and trolley stops and taxi stands should be provided at least on an equipment availability basis. Leisure and special purpose travel should also be allowable. Trips to parks, lectures, libraries, museums, movies, demonstrations,, concerts blood pressure check, mass innoculation, voter registration and polling sites are not now provided to older persons by any agency in Delaware County on an organized County-wide basis.

Recreation and leisure is much too important to aging persons to be left to chance or supplication. Probably out of all of the types of trips made by seniors, mass transit provides least effective service to sites such as those listed above. Often these sites are located outside older, built up, commercial areas where mass transit tends to be most effective and where dependency on park transit most incident.

TAXICABS AS A RESOURCE

Taxicabs are a ubiquitous and valuable para transit resource. In the past, high fares, taxi companies' unwillingness, and insensitivity of drivers have made this alternative quite unattractive. However, this image has begun to change and in some places "dial-a-ride" projects have been successfully implemented. New legislation should recognize this trend and give agencies on aging the encouragement, guidance, flexibility, and independence required to enter into negotiations and contractual arrangements with taxi companies when such covenants can be cost effective with no deterioration in the quality of service.

CONCLUSION

The emphasis of my testimony has been on coordination, communication and cooperation among various kinds of providers of transportation services to elderly Americans. These various levels of service providers must work together to create an organized, comprehensive and efficient network. Operators of mass transit, para transit, and taxicabs must receive encouragement and the necessary mandate from Federal, local and State governments to change age-old institutional and legal barriers that have hampered the coming of low-cost, efficient, readily available para transit for all persons who find themselves dependent on such transportation because of location, income level, physical or mental infirmity, or age.●

TRIBUTE TO BAPTIST LAYMAN'S MOVEMENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. STARK. Mr. Speaker, I would like to take this opportunity to pay tribute

to the California State Baptist Convention Layman's Movement.

This is an organization dedicated to the principles of Christian fellowship. Their concerns for the welfare of others, both spiritual and temporal, are a living testament to their faith.

The convention, 260 churches strong, has donated thousands of dollars in scholarships to deserving youth throughout California. They have a camp and are ministering to the needs of their young people through the Young People's Convention.

The California State Baptist Convention Layman's Movement understands the brotherhood of man. Their good works help remind us that "no man goes his way alone" as long as there are fellowships of caring people such as the layman's movement.●

TRANSPORTING THE HANDICAPPED: DO WE DARE TO BE RATIONAL?

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. EDGAR. Mr. Speaker, Federal law requires the accessibility of public facilities to elderly and handicapped persons. A debate is underway on how this mandate should apply to federally assisted public transportation systems.

Should all existing public transportation, from rail to bus, be upgraded to provide for wheelchair accessibility? Many Members of Congress would be prompted to answer yes because the proposition sounds good. It is humanitarian.

Robert B. Johnston, general manager of south Jersey's famous Lindenwold transit line, argues that wheelchair-bound passengers cannot be accommodated by most existing public transportation systems. He argues for special door-to-door transportation services for the handicapped. His views on this issue are provocative and I commend the following "white paper" to the attention of my colleagues.

E & H TRANSPORTATION SAFETY ISSUES PAPER

Federal legislation and regulations have mandated that nonambulatory, wheelchair-utilizing handicapped not be denied access to urban mass transportation facilities and services. While laudatory achievements from the perspective of guaranteeing and protecting the civil rights of the handicapped, these rulings are appearing increasingly deficient in two different, significant perspectives. They have done little to promise or provide an increase in the real mobility of wheelchair-handicapped persons. And their implementation raises the spectre of a degraded level of mass transit system safety for both the handicapped and non-handicapped user.

The term "mass transit" accurately describes the *raison d'etre* for most of the bus and rail systems in our Nation's cities and metropolitan areas. They were created to move large numbers of people, safely, simultaneously, and as rapidly and efficiently as possible. To change this role, by fiat, to one of providing mixed mass *and* specialized service utilizing common facilities and fixed-route vehicles gives rise to a premonition of safety problems. These problem areas are outlined below, from five major perspectives.

THE HANDICAPPED USER

A mass transit system, rail or bus, presents a hostile environment to the handicapped user. Such a system is operated on a schedule. A schedule conveys the image and importance of covering a given distance in a given period of time to both operator and user. This in turn conveys the message of haste in entering a transit system, passing through any terminal or station facilities provided, and in boarding and exiting vehicles. Indeed, casual observation of any transit system at any time of day or night reveals this to be the fact. A person in a wheelchair is incapable of haste, and runs the risk of personal injury if he tries to hurry. And hurrying commuters or housewives returning home from shopping trips are notoriously unsympathetic to anyone or anything that gets in their way. As proof, try negotiating a transit system at rush hour burdened with two suitcases.

In attempting to plan and provide for the safe transportation of the wheelchair-using handicapped, the transit operator is immediately confronted with the issue of what are his physical conditions that must be taken into account. In the regular provision of service there is a well-recognized "average" that applies to the physical characteristics and conditions of the user. There is no such "average" as applied to the wheelchair handicapped. The more active, mobile, and physically capable members of this group eschew even the provision of seat belts and wheelchair securement devices, while many others are unable to move about without direct, personal assistance. One can readily perceive the dilemma in trying to plan and provide a fixed-route, mass transit, "common carrier" service that will be equally safe for all degrees of the wheelchair handicapped, as well as the non-handicapped majority of users.

Crowding, a common, everyday condition on our Nation's transit system, is bane to the wheelchair user. A situation which is at best uncomfortable and annoying to a non-handicapped person able to "ebb and flow" with the crowd, poses a direct threat to the physical and emotional well-being of a person in a wheelchair. There is nothing sinister implied here, just a recognition of reality. As the person in the wheelchair would be invisible to most of the crowd, normal crowd dynamics would force those standing or moving next to the wheelchair ever closer in upon it, and its occupant.

The wheelchair itself poses a threat to its occupant and a safety problem to the transit operator. There is no standard design for wheelchairs. Thus not only do they vary in overall dimensions and means of operation and control (often based upon the physical requirements of their users), but in structural integrity. The ability to design vehicular-mounted wheelchair securement devices that will assure a uniform and adequate degree of safety for all wheelchairs is thus made suspect. Equally important is the lack of ability of all wheelchairs to withstand stresses uniformly. This stress factor cannot be overlooked. Rapid acceleration and deceleration forces are present or potentially present, in all fixed-route, "common carrier", urban mass transportation systems. It is demonstrable that some wheelchairs will collapse when subjected to these forces and stresses while held in a securement device. If unsecured, these same forces will impel a wheelchair like an uncontrolled projectile, unless its occupant has a secure handhold external to the wheelchair and is strong enough to maintain it.

Finally, the security of a wheelchair-handicapped person in a typical big city mass transit system environment would be substantially less than that of a non-handicapped individual. Whether on a street corner awaiting a bus or in a rail station or subway concourse, the person in a wheelchair presents a ready target to the would-be mugger This is not because our transit systems are basically unsecured and havens for criminals. Rather it is simply recognition of the fact that handicapped individuals traveling alone and moving slowly are more susceptible to personal attacks than the nonhandicapped. And recognition of the fact that, reprehensible though they be, individuals or gangs will commit such attacks regardless of the quality of the security provided by transit and local police.

THE NONHANDICAPPED USERS

It is well-recognized that each mode of fixed-route, mass transit transportation possesses distinct attributes. These attributes tend to encourage or discourage transit usage, dependent, of course, upon the availability and quality of alternative transportation. Thus buses provide a comfortable mode of travel, provided almost all riders have seats. Trains provide generally more and wider, more comfortable seats and wider aisles, thus permitting even a reasonable number of standees to travel comfortably.

It is also obvious that the greater the number of seated passengers in any mode, the greater will be their safety. The safest load is a seated load and safety degrades as the number of standees increases. Indeed, in some transport modes no standees are permitted, for example, in airplanes. And while standees are a fact of life in all urban transport systems, especially during rush hours, a universal goal is to minimize their numbers.

To provide for the safe transport of the wheelchair handicapped in any mode of fixed-route, urban mass transportation unavoidably involves an accentuation of its most negative attributes. In buses, seats must be removed and/or narrowed to provide a location or two for the wheelchair and the necessary securement devices, and a sufficiently wide aisle and area for the wheelchair to negotiate. In trains, similar modifications would be required; also, end doors in many rail cars would have to be widened and a means developed to bridge the gap between cars to permit the passage of wheelchairs from car to car.

The net result of these modifications is that fewer and less comfortable seats will be available for the non-handicapped regardless of whether or not *any* wheelchair handicapped are transported. Ergo an immediate degradation of safety in two ways: more standees and more crowding. The decreased safety may not always be perceivable to the user, but the decreased comfort and increased annoyance are. The consequences may even more subtly adversely impact upon the user's safety.

Statistically, urban rail and bus mass transit are the safest modes of urban transportation, with the automobile the least-safe. Thus increased safey should be a major inducement to encourage people to become and remain mass transit users. Unfortunately, most motorists perceive themselves to be quite safe behind the wheel. Thus the comfort and convenience of the mass transit mode is perceptually of more significance to the user than safety. Hence the decreased comfort and increased annoyance cited above would tend to encourage commuters to return to or remain in their autos, thereby exposing them to greater risk of death or injury.

The inherent danger in mixing specialized transport with mass transit becomes clearer when one realizes the number of ways in which a non-handicapped user of such "mixed" service could suffer personal in-

jury as a direct consequence. Even with no one in a wheelchair aboard a mass transit, fixed-route vehicle, requisite securement devices will provide protuberances upon which standees can stumble or be pushed or fall against. Where these protuberances can be covered by a fold-down seat, operation of the mechanism is both a temptation and a threat to the safety of the non-handicapped user, especially if the vehicle is moving or crowded.

Place a person in a wheelchair aboard the vehicle, and the wheelchair itself becomes a potential clothes-tearer, shin-scraper, stumbling block, uncontrolled projectile (see above), or worse. Many transit systems bar large or bulky objects from being brought aboard their vehicles because of the threat to safety. Yet existing and pending Federal legislation and regulations ignore this recognized hazard by mandating wheelchair accessibility for fixed-route, "common carrier", mass transit system bus and rail vehicles.

Not to be overlooked is the potential for decreased safety when wheelchairs are introduced into the environment of a mass transit rail or bus terminal or station. The threat to the physical and emotional well-being of the handicapped user, cited above, applies equally as well to that of the non-handicapped user. The potential for the wheelchair to exacerbate normal crowding is especially acute at boarding platforms or areas, and in the fare-collection areas of rail stations. There, retrofit of existing stations to accommodate wheelchairs will often mean a reduction in the overall number of fare gates or turnstiles usable by the general public. At best, this will lead to longer queues behind the available barriers. At worst, it could lead to totally clogged fare-collection areas, with moving escalators relentlessly bringing more people with nowhere to go. Again, no wheelchair need even be present for this scenario to occur. Again, the intent is not to cry "wolf," but to be realistic. Indeed, the threat of what has been described may preclude some stations on existing systems from ever being made accessible.

EMERGENCIES

When a wheelchair is introduced into a mass transit system environment, common, everyday operating irregularities have the potential of becoming emergencies. And emergencies have the potential of becoming tragedies. These potentials are real. They stem from the fact that Congress and the Administration, in their rush to mandate wheelchair accessibility to fixed-route, urban mass transportation systems, completely avoided one question: What happens to the wheelchair handicapped aboard a standard mass transit vehicle disabled or stalled between stops or stations? In bus systems, perhaps the greatest likelihood of trouble would occur where limited-access busways or bus-only lanes were being employed, especially where they would be traversing elevated, underground, or depressed highway sections. Of equal potential for trouble would be any tunnel facilities, especially those shared with mixed vehicular traffic. However, regardless of the type of roadway, one must recall the documented cases of bus fires in which the vehicles were entirely engulfed in flames within a matter of minutes, leaving their non-handicapped riders barely enough time to escape safely. The issue in all these situations is how to get persons evacuated, quickly and safely. Can it be done with a person in a wheelchair? Without jeopardizing the safety of non-handicapped riders? Relatively few fixed-route buses are currently wheelchair-accessible. Should they be made accessible until these questions can be answered?

The potential for rail systems is even more deadly, given their peculiar characteristics and the fact that legislators and bureaucrats have already written them off as "accessible, no problems."

Their peculiar characteristics include extremely high load factors per employee (indeed, several systems employ one-man train operation, with passenger loads in excess of 1,000 per train); exclusive rights-of-way; electrically energized contact rails paralleling the guideway; dimly lit tunnels (primarily in older systems or segments thereof); absence of walkways or walkways wide enough for wheelchairs along any section of guideway; and extensive utilization of underground, elevated, and depressed guideways generally less accessible to emergency equipment and personnel than comparable highway sections.

While rail vehicles, it is true, generally have side doorways wide enough to permit access by wheelchair, vehicular problems do exist, which, like those cited immediately above, were overlooked by the Federal rulemakers. The first problem in many cases is found right at the doorway: a horizontal or vertical gap between car and platform edge too big to be safely negotiated by a wheelchair; any attempt would create an immediate emergency. Inside the vehicle one notices that it was not designed to carry wheelchairs; no dedicated areas or securement devices are provided (or mandated), yet they should be if safety is to be assured (although to provide them would create additional problems). Next, one notices that aisles may be only barely wide enough to permit a wheelchair (and a wheelchair only) to use them, even though use is almost inevitable given the likelihood of the occurrence of one of the most common of rail transit problems: failure of one of the two, bi-parting, side door leaves, making the opening too small for the wheelchair. Finally one notices that in vehicles equipped with end doors, the doorways are generally too narrow for a wheelchair to pass through, and the horizontal gap between the cars too wide for it to cross. When one recalls that the standard operating procedure for emergency evacuation of passengers on many rail systems is from vehicle to vehicle through the end doors and into a relief train or onto the guideway, the real potential for tragedy becomes clear. What would happen with a wheelchair blocking an aisle or an end door? Who would be responsible for evacuating the wheelchair-handicapped individual (with only one or two employees on the entire train)?

Obviously rail transit system environments are the result of designing for the average, non-handicapped person. Is it safe or judicious or proper to require the mixing of non-handicapped and severely handicapped individuals into such an environment?

A final emergency-related issue to ponder: Is it fair to regular fixed-route mass transit systems employes to expose them to increased risk in emergencies by giving them the responsibility for evacuating wheeelchair-handicapped persons? It is one thing for employes to assist in evacuating trapped or injured passengers. It is quite another to place the quivalent of an injured passenger in the care of employes to begin with. For like it or not, this issue requires recognition of the fact that wheelchair-handicapped persons require specialized service, handling, and attention to assure their transportation safety, and the non-degradation of safety for mass transit riders.

OPERATIONS AND NEW TECHNOLOGY

At the outset, the importance of time and being "on time" in the provision of standard, fixed-route mass transit system service was discussed, principally from the users' perspective. Being "on time" is even more important to the operator. The ability to adhere to schedule has a direct bearing on both winning and holding patronage, and in the number of vehicles required for service. Patronage and fleet size in turn equate with revenues and expenses. Thus management is desirous for its operating crews to get "over the road", and with this incentive and human nature being what it is, the crews generally do their best to comply.

Enter the wheelchair. Just one wheelchair-handicapped person boarding or alighting at one stop has the potential for increasing vehicle dwell time eight fold (from 15 seconds to two minutes). At once the attempt begins to "make up lost time." Starts and stops become quicker, door operation get sloppy, signals and traffic lights are "second-guessed," and even attitude toward and relationships with passengers change (especially if they begin griping about "being late"). In short, safety has degraded, for all concerned. And remember that speed of the trip is one of the primary factors in selection of a transportation mode. If trip-time lengthens, those riders who can may go back to their autos. We've discussed the negative effect that has on their safety.

Related to operations is the effect of introducing new technology into mass transit systems. Historically, every time new technology is introduced, "bugs" come with it. This is true regardless of whether the technology is "evolutionary" or "revolutionary", and whether it's for a rail mode or a bus mode. Generally, however, the more "revolutionary" a new technology, the more "bugs" come with it.

Now all this is changed. With the strokes of pens and the clatter of printing presses, "Washington" has declared that on and after a certain date, all transit vehicles and facilities will be wheelchair accessible. Thus newly designed wheelchair lifts and ramps, Transbuses, fare collection equipment, and gap-closers, and related gadgets that haven't even been designed (or thought of) yet will all work to flawless perfection from "day one". Poppycock!

The more likely scenario is that lifts and ramps will collapse under load, fail to work at all, or catapult wheelchair and occupant into a snow drift, or the arms of glowing Legislators and Administration types. Likewise a goodly percentage of the rest of the gadgetry will malfunction, and Transbus may not make it out of the garage.

Humor aside, there will be dire safety consequences if handicapped accessibility technology is introduced without proper and thorough research, development, and testing. Even then, problems must be anticipated, and programs in place to train employes in the proper operation and maintenance of the equipment, and the handicapped and non-handicapped (where appropriate) in its use.

CLAIMS AND STANDARDS OF CARE

What will claims experience be as the wheelchair handicapped begin to utilize fixed-route, "common carrier", mass transit systems? Without substantial modifications to vehicles and facilities to take into account their specialized safety needs and requirements (which has not been envisioned in the legislation and regulations), claims experience could well be bad. And even before the fact, what will happen to the cost and availability of insurance for rail transit systems? In line with recent trends, the answer is almost obvious.

Let's now go to court. How will judge and jury define the "standard of care" a transit system must provide its patrons, in light of the carriage of wheelchair handicapped? Could the courts require special training for all operating personnel? Would the courts insist that an attendant be provided for each wheelchair-handicapped person transported aboard a mass transit vehicle not equipped with a wheelchair-securement device, or not having other safety appliances or modifica-

tions? Only time will tell, but the distinct possibility is there.

CONCLUSION

We've tried to be realistic in presenting and discussing the safety-related issues in the transport of wheelchair-handicapped persons by fixed-route, "common carrier", mass transit systems.

In summary, the wheelchair handicapped are not a segment of the urban transportation market that standard mass transit systems can safely or satisfactorily accommodate.

From the perspective of safety alone, the wheelchair handicapped can only be safely and satisfactorily served by a specialized, door-to-door urban transportation network.

By honestly recognizing the realities of urban transportation, specialized systems of transport for our severely ambulatory-impaired citizens can be implemented that will provide them with increased mobility at lower cost and greatest safety and security, and which can be operated most safely and cost-efficiently.

Such a specialized system is already largely in place, requiring for implementation only elimination of institutional, political, and/or bureaucratic barriers, coordination, and, in some cases, subsidization. It is composed of extant specialized transportation and taxi fleets. Do we dare to be rational?●

GEORGETOWN CSIS—MOTHBALLING THE MAGINOT LINE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. DORNAN. Mr. Speaker, certainly one of the most ridiculed and fortunately forlorn concepts to be swept into history's proverbial dustbin is the mentality of the maginot line. It is less a plan than a state of mind in which foreign policy-makers become paralyzed from the neck up. They stubbornly hold to one preplanned set of policy assumptions to the total exclusion of all others.

In the military defense plans placed into effect by France between World War I and II, concrete fortifications were erected as the promised prevention against a direct attack across Alsace and Lorraine. They eventually fell, as did the provincial mentality led to them. Since then, we have learned, in General Patton's words, that "* * * Fixed fortifications are monuments to the stupidity of man."

Today, there is a new maginot line. But rather than hundreds of miles of concrete gun emplacements, America's maginot line is the blocks of bureaucratic offices which constitute our State Department. It is the inflexible, unimaginative and unchanging policies ascribed to post-World War II foreign policy-makers.

In recent years, though, one so-called Washington think tank has become the predominant alternative to this post-war, PT-109 liberal mindset within State Department circles. As more opinion leaders inside and on the outside of Government look to it as the major formulator of a conservative response to the liberal foreign policy program, it has become renown. It is the Georgetown University Center for Strategic and International Studies.

I had the pleasure of spending time with the center's director of studies, Dr. Ray Cline, overseas last January. His own leadership in the foreign policy field exemplifies the caliber of people connected with the center. It is perhaps as ironic as it is flattering to the Georgetown CSIS that a recent article in the liberal bimonthly, the New Republic, celebrated the center's stature and influence. I am delighted to request its addition to the CONGRESSIONAL RECORD, and I commend it to the attention of my colleagues.

HOME FOR HARDLINERS

(By Morton Kondracke)

Who makes American foreign policy? In the dear, dead days from World War II to Vietnam, when the President knew best, when politics stopped at the water's edge and when Americans understood the lesson of Munich, we all know who made policy: a tight, exclusive elite establishment of Ivy Leaguers. Wall Street lawyers, foundation executives and, later, professors—WASPs and, later, Jews and Catholics—who hashed things out privately at the Council on Foreign Relations in New York and promulgated their consensus in Foreign Affairs. Every four or eight years, when administrations changed, a new group left the lucrative life in New York—later the less lucrative life in Cambridge—for "public service" in the executive branch in Washington, trading places with those who had been there previously. Whether Republican or Democrat, members of this establishment tended to share the same world view—that American interests were under Communist challenge everywhere and had to be resisted everywhere.

In form, the classic Stimson-Acheson-Dulles-McCloy-Bundy-Rusk-Rogers (later, Kissinger) tradition lives on today in Cyrus Vance, the Wall Streeter turned Secretary of State. But other things have changed. The Council on Foreign Relations, Foreign Affairs, New York, Cambridge, even the executive branch, have waned as loci of foreign policy-making. Washington is increasingly the place where policy is shaped, as well as executed, partially because Congress has demanded a role in it. In the executive branch, this is the era of the Trilateral Commission—the vehicle of Zbigniew Brzezinski and David Rockefeller for breaking out of the tight New York-Cambridge axis and bringing Europeans, Japanese, Members of Congress and governors of Georgia into the American consensus-making process. Vance, Treasury Secretary Michael Blumenthal, Defense Secretary Harold Brown, UN Ambassador Andrew Young and other top officials, not to mention the President, are all former associates of the Commission. For additional ideas to fuel and personnel to fill the Carter administration, the Trilateral in-group also looked to Washington-based organizations such as the Brookings Institution, the Carnegie Endowment and its publication, Foreign Policy.

The Trilateral administration at the outset, departed in important ways from the old New York-Cambridge worldview. President Carter disclaimed any "inordinate fear of Communism," decided to withdraw ground troops from Korea, opposed continued white rule in Southern Africa, pooh-poohed Communist inroads in Western Europe and penetrations in black Africa, moved to improve relations with Cuba, Vietnam and China, agreed to "give up" the Panama Canal and began making other countries' internal human rights policies a determining factor in relations with the United States. Either in conception or execution, these departures have come under concerted attack. The administration has shown repeated signs of reversing itself, or faltering, or both. Something close to a majority of the American people wonders whether the Trilateral bunch has any idea what it is doing.

Of all the sources of criticism of Carter foreign policy, probably the single most consistently trenchant and influential is a Washington think tank associated with Georgetown University, the Center for Strategic and International Studies. It is the place that Henry Kissinger chose as his academic base, instead of Columbia, Pennsylvania or Yale, but Kissinger's decision did not establish the Center's quality or its prestige. Rather, it confirmed the former and enhanced the latter. For 15 years, CSIS has been producing important ideas, analyses and policy alternatives. It was first among the think tanks to spot the energy crisis, the depth of the Sino-Soviet split and the importance of the Persian Gulf to the United States. Over the years, it has developed close ties in Congress and with important scholars and political leaders abroad. One of Kissinger's functions is to draw in top world business leaders. The CSIS's budget has grown fivefold in the last 10 years, and the Center has just established Washington Review, a quarterly whose editor wants it to rival Foreign Affairs and Foreign Policy as the nation's foremost journal of global policy debate. If the Trilateral administration should flop, it could be succeeded by one strongly influenced by Georgetown—headed, say, by a mainstream Republican or, perhaps, by a Democrat such as Senator Daniel Patrick Moynihan.

At the Center's offices in downtown Washington, most of its executives and staff members deny that CSIS has any partisan or ideological tilt. They claim it is objective, diverse, realistic and centrist. "We are not a government-in-exile," said the Center's strategic studies director, Ray Cline. "We are an open university for policy-makers, a school for governments." Institutionally and officially, this may be true, but scholars at the Center have individual views which, taken as a whole, come out distinctly—and brilliantly—hard-line. Cline, former deputy director of CIA, started the campaign that eventually stopped the Carter administration's rush to normalize relations with China. Another CSIS PhD, Roger Fontaine, is the leading intellectual critic of Carter's Panama Canal treaties. The executive editor of Washington Review, Michael Ledeen, a frequent contributor to TNR and Commentary, has urged administration opposition to Eurocommunism, as has Kissinger, who has been downplaying his former ardent advocacy of detente with the Soviet Union. Kissinger and other CSIS figures have criticized Carter policies in the Middle East and Soviet inroads in Africa. They have advocated the B-1 bomber and opposed early Carter efforts to deny breeder reactors to the world. CSIS associate Edward Luttwak, another frequent Commentary contributor, is a leading critic of United States arms control and strategic weapons policies.

In its influence on American foreign policy, the Center may be centrist, but that is only so because American opinion has shifted. It has shifted, in the opinion of one CSIC scholar, "because of the incompetence of the Carter administration and what the Russians have been doing." CSIS did not influence the country's change of mood, he said, but CSIS has become influential as a result of this change and because "of our intellectual superiority and the collapse of the other side." According to Cline, CSIS is "conservative," but not right-wing. "It is conservative in the sense of being dedicated to the preservation of American values. I am concerned lest we move too far away from the experience and wisdom that came from World War II and the following wars, and retreat into innocence and a figurative isolationism." There seems little danger of that, however. What seems more to be hap-

pening is the formation of a new hardline consensus in the country, and Georgetown is in the intellectual vanguard of it.

The Center is the creation and principal life's work of David M. Abshire, a tall, gentle-spoken West Point graduate and combat veteran who left the Army to get his PhD in international relations at Georgetown in 1959. He is a Republican who worked in his 30s for the House GOP policy committee and for the American Enterprise Institute, the conservative think tank. In 1962, he succeeded in convincing AEI's President, William Baroody Sr., and four foundations to put up money for a new strategic studies center vaguely modeled on the Institute for Strategic Studies in London. Simultaneously, he got Georgetown University to sponsor it and retired Admiral Arleigh Burke to be its chairman. The Burke-AEI connections have given CSIS a right-wing reputation ever since its founding, but Abshire maintains it has been consistently dedicated to considering diverse points of view. In contrast to other think tanks started in the 1960s, liberal or conservative, Georgetown was founded under rules that it would accept no CIA or Defense Department funding and would do no classified research. Abshire contends the best way to influence highest-level policymakers and the public—as opposed to bureaucrats—is by publishing in the open.

Until recently, the Center accepted no government funding whatever, but lately it has accepted small grants from the Environmental Protection Agency and the arms control agency. It has no endowment, and therefore has to raise its budget as it goes along, by proposing studies that seem relevant to foundations and corporations. The Center's original budget was $120,000 a year. It was $500,000 in 1969 and currently is $2.4 million. Two thirds of this money comes from foundations—including Ford, Rockefeller, Mellon, Crown, Lilly and Sarah Scaife—and one third from corporations. Atlantic-Richfield, headed by Renaissance oilman Robert O. Anderson, was the biggest corporate donor last year.

In the 1960s, and even today, "strategic studies" had and has a distinctly military connotation, whereas the Center always has been more dedicated to studying global grand strategy—international maneuver based on military and economic power, geography, alliances and political decisions. In 1966, Abshire convinced the late Philip Mosely, probably the country's most distinguished Russia scholar, to organize an international network of front-rank academics to advise the Center about what problems it ought to be studying. That is regarded as a key moment in the Center's history, and it was marked by a name change to make it clear the Center did "international" as well as "strategic" studies. Mosely's International Research Council, which assembles annually at a travel cost of $25,000, now is headed by Professor Walter Laqueur, a brilliant and witty Middle East expert, onetime Kissinger critic and, lately, author of books on guerrilla warfare and terrorism. Laqueur also edits the Center's "Washington Papers" series, which turns out 10 short paperback books per year by experts on various international topics. The books frequently become standard handy reference on the state of affairs in, say, India, Saudi Arabia, international broadcasting or nuclear strategy.

To Abshire and others at the Center, CSIS's purpose is "to stay ahead of the game" in foreign policy—to anticipate issues that will be of vital concern to policymakers and produce research on them. There is a definite sense of competition among think tanks to be ahead of one another in defining the issues of the future. Abshire says that CSIS was first—in a 1966 study headed by former Defense Secretary Neil McElroy—to predict that the Johnson administration's methods of financing the Vietnam war would lead to disastrous inflation, which it did. He implies that other CSIS assessments were critical of military and political decision-making during the war. But this did not prevent Abshire himself from joining the Nixon administration as assistant secretary of state for congressional relations and from serving as a principal defender of administration war policy and war powers under assaults from Capitol Hill.

Abshire emerged from administration service in 1973 with his honorable reputation intact and seemingly without having made mortal enemies anywhere in Washington. He says he also emerged convinced that Congress was bent on decisive involvement in foreign policy. He set the Center to work both studying the phenomenon and getting in tune with it. Now, CSIS's professional thinkers hold regular briefings for members of Congress and staff groups. A Center advisory board contains a number of members of Congress, including Senator Hubert Humphrey before his death, and the chairmen of the House International Relations Committee, the House Ways and Means Committee and the Joint Economic Committee. Unlike the Trilateral Commission, CSIS seems not to have made any effort to collect future presidential hopefuls onto the board. If a Georgetown Center administration ever comes to power, it will be by CSIS's ability to anticipate issues, and not by an arbitrary gamble on politicians' fortunes.

CSIS's most successful anticipation of a coming hot issue was about energy. In the spring of 1973, Abshire hired Jack Bridges, a staff member of the Joint Atomic Energy Committee. Bridges briefed no less than 80 senators and half the members of the House that an energy crisis was at hand—all before the Yom Kippur war broke out that October. The Center produced a movie in an effort to convince the public, as well. Energy continues to be CSIS's largest area of interest, including a $700,000 project that has brought industry and environmental groups together in an unprecedented effort to develop an agreed national coal policy. The project is intended to prevent coal exploitation from falling victim to the same crippling political and environmental controversies that have plagued development of nuclear power.

A kind of entrepreneurship develops in think-tankery—the more foresight an institution shows on policy issues, the more interest and money it can attract, the better to hire brains and improve its foresight. CSIS has pioneered inquiry on issues such as weapons standardization in NATO, human rights (in 1973) and reorganization of USIA; and it has gained the wherewithal to sponsor several major international meetings a year including a Quadrangular Conference (going the Trilateralists one better) that brings together government leaders, scholars and legislators from Europe, Japan, the United States, Canada and also the third world, to discuss economics and other issues.

Credit for the Center's development, say his subordinates, goes entirely to Abshire. "He's a deceptive Southerner," said one of them. "He does not come on like an intellectual. He is not, in fact, an original philosopher, but he knows what's good and who's good. He knows all the best brains in the world." Another colleague said, "He has perfect political instinct. You bring him an idea and he'll instantly understand all the political implications of it. If it's a project for the Center, he'll automatically know who will be interested in it and who might fund it."

It was Abshire, at the urging of Peter F. Krogh, dean of Georgetown's foreign service school, who talked to Kissinger about joining the Center. Conversations began six months before Kissinger left the government, at a time when it appeared Kissinger was thinking about locating in New York. Kissinger decided he also wanted a Washington base, to be close to current foreign policy-making. Student and faculty discord at Columbia dissuaded him from accepting an offer there, and accepting attractive offers from Yale or Pennsylvania, he decided, would have forced him to travel between three different cities to get his work done. He is also said to have been surprised at the Georgetown Center's range of activities and personnel.

Kissinger's new colleagues include some strong onetime critics, including Cline and Luttwak—the latter, a former protege of James Schlesinger, who was a Center associate before he became Carter's energy chief. The staff also includes William Hyland, a former National Security Council aide who is helping Kissinger with his memoirs and helping Cline with Soviet studies; former Pentagon official Amos A. Jordan Jr., who is in charge of natural resource studies, former State Department cultural chief John Richardson Jr., head of studies of international communications and human rights, and Michael Samuels, former ambassador to Sierra Leone, now in charge of third-world studies. Kissinger is attached to a major new project on the future of business, originally launched with a $250,000 grant from Mobil.

Georgetown pays Kissinger $35,000 to be a CSIS counselor and to teach seminars to students. He also gets an unmarked, well-guarded suite of offices in the CSIS complex and help in paying for his staff. Kissinger also has an office in New York from which he conducts his commercial enterprises, including lucrative consultantships to NBC, the Chase Manhattan Bank and Goldman Sachs, the investment house. Kissinger thus shuttles back and forth between the old center of foreign policy making in America and the new one. With a fine sense of where power is shifting, it is not surprising that Henry Kissinger settled in the Georgetown Center.●

PHILADELPHIA HOSTS PREMIERE OF STRUGGLE FOR LIFE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. EILBERG. Mr. Speaker, this week the city of Philadelphia is proud to host the American debut of a highly unique art experience to commemorate the 30th anniversary of the State of Israel.

"The Struggle for Life" is on exhibit in the Philadelphia Civic Center, with admission free to the public. Created by I.M. Goodovitch, the work is 11 feet high, and 36 feet round. It is a walk-through sculpture, and is experienced by the viewer through sight, hearing, and thought.

The structure includes several priceless objects, all originals, which mark the history of the Jewish people, the State of Israel, and their struggle for life.

The objects include the license plate on the Mercedes sedan used during the raid on Entebbe; an Israeli flag made by Israeli soldiers from scraps of their clothing in 1973 while prisoners in Egypt; many archeological finds dating from the biblical times of Abraham; a map detailing the Sinai campaign, drawn by Moshe Dayan on a napkin in a cafe; and the map which Israeli Prime Minister Menachem Begin brought to the U.S. in his first meeting with President Carter.

"The Struggle for Life," Mr. Speaker,

is in Philadelphia with an exhibit of contemporary Israeli art in the Civic Center Museum. The display is part of the cultural exchange between the city and its sister city of Tel Aviv.●

SAUDI OIL PRODUCTION IN THE FUTURE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to bring to my colleagues' attention some correspondence I have had with the Department of Energy about future production potential in Saudi Arabia.

The basis of my concern and my letter to Secretary Schlesinger of February 14, 1978, was a February 8, 1978, New York Times article which said that the United States and the Arabian American Oil Co. (ARAMCO) operating in Saudi Arabia were at odds about oil production potential in Saudi Arabia and a series of management issues in Saudi Arabia.

The Department of Energy, in its reply, does not comment on ARAMCO managment but does indicate that plans have been drafted for Saudi production to increase to 14 million barrels of oil a day by the mid-1980's. The Saudis and ARAMCO say that it will take $22 billion in investment by the Saudis to accomplish this goal of a more than 50 percent increase in production and that there is now considerable debate in Saudi Arabia over what the level of production should be, many Saudis arguing that they are producing too much now.

This issue is a matter of vital interest to the United States for the immediate future until we are able to diversify our energy requirements and find alternative sources. If these figures of production and investment needs are accurate, it will be an important task of the United States over the next several months, first, to persuade the Saudis that production will need to rise and, second, to urge them to make the necessary investment to be able to raise production.

The New York Times article and the comments by the Department of Energy follow:

DEPARTMENT OF ENERGY,
Washington, D.C., March 2, 1978.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Secretary asked me to respond to your letter of February 14 in which you request the Secretary's views on the New York Times article by Seymour Hersh and the Department's present estimates of Saudi Arabia's production potential over the next several years.

The February 8 New York Times article by Seymour Hersh gives the impression that there is a sharp dispute between the Department of Energy and the Arabian American Oil Company (ARAMCO) over Saudi Arabia's long-term production potential. This concern was one factor behind the Secretary's Middle East trip. Our main concern is to determine what level of Saudi output we can expect in the years ahead in the light of conflicting capacity estimates.

The Saudi Government and ARAMCO have announced plans to install surface production facilities with a maximum capacity of 14 million barrels per day (MMB/D) in 1983–1985. The company has also proposed that Saudi Arabia spend $22 billion in the next 3 years to accomplish this and other development goals. This is an enormous investment by any criteria. It is designed to end the wasteful practice of gas flaring and to provide new water sources to improve reservoir pressure.

Based on these proposals and on his discussions with officials in Saudi Arabia, the Secretary indicated in his recent press conference that we expect Saudi Arabia to be producing around 12 MMB/D on a sustained basis in the mid-1980's. The difference between the planned 14 MMB/D capacity and the 12 MMB/D production reflects operational flexibility required for such routine matters as shut-downs of selected production facilities for maintenance purposes, occasional backlogs at port loading facilities, and the like.

The dispute over future Saudi productive potential to which Mr. Hersh refers in his article is doubtless real. It results from an honest difference of opinion over which constitutes sound and prudent reservoir management practices. Certain Saudi officials are apparently convinced that the country's oil fields have been produced at too high a rate.

We understand that the Saudi Petroleum Ministry has hired independent consultants to advise them on the appropriate levels of future production from Saudi oil fields. If the results of those studies are made public, we will analyze the implications for the world and U.S. oil markets.

I hope this information is responsive to your inquiry.

Sincerely,

WALTER J. MCDONALD,
Principal Deputy Assistant Secretary for International Affairs.

FEBRUARY 14, 1978.

Hon. JAMES R. SCHLESINGER,
Secretary of Energy, Department of Energy, The White House, Washington, D.C.

DEAR MR. SECRETARY: I enclose for your comments an article which recently appeared in the New York Times regarding oil production in Saudi Arabia and the performance of the Arabian American Oil Company.

I would appreciate your detailed comments on the accuracy of this article, the points made about Aramco and the production figures mentioned and your analysis and present estimates of what production levels Saudi Arabia can achieve over the next several years.

I would appreciate an early reply to this inquiry.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

[From the New York Times, Feb. 8, 1978]

WHITE HOUSE AND ARAMCO AT ODDS ON OIL

(By Seymour M. Hersh)

A deepening dispute over the condition of Saudi Arabia's rich oil fields has developed between the Carter Administration and the four American oil companies whose privately owned Arabian American Oil Company produces virtually all the oil there.

A number of senior Administration officials, in interviews in the past month, have said there is evidence that poor management and overproduction by Aramco, as the American company is known, have helped create various technical problems. Those problems may make it more difficult for Saudi Arabia, which contains 25 percent of the world's known oil reserves, to increase production by the early- and mid-1980s to meet the expected growth in world demand.

Senior officials of Aramco and its four parent companies—the Exxon Corporation, the Mobil Corporation, Texaco Inc. and the Standard Oil Company of California—have denied the existence of any serious technical problems in the Saudi oilfields. They also denied allegations of mismanagement.

BILLIONS IN REPAIRS NEEDED

Nonetheless, three Government agencies—the Central Intelligence Agency, the Department of Energy, and the General Accounting Office—have independently concluded within the past few months that the Saudis will need to make extensive equipment purchases and also revamp the fields—at a cost of billions of dollars—if higher productivity is to be reached in the near future.

The interwoven issues of Saudi oil production, United States policy, and the role of the oil companies will be investigated by Congress this year. Late last month, the Senate Foreign Relations Subcommittee on Foreign Economic Policy, which is headed by Senator Frank Church, Democrat of Idaho, formally authorized staff members to begin an inquiry into, as a spokesman put it, "the allegations that there are serious production problems in Saudi Arabia."

The Saudi Government, which now owns 60 percent of Aramco, currently has ordered an 8.5 million barrel-a-day ceiling on oil production, a level of output that fulfills the currently laggard world demand for oil. Some Government oil experts now believe that Aramco cannot sustain—that is, operate for six months or more—a production rate very much higher.

MAJOR PROBLEMS SEEN

In interviews, the Government's oil experts listed the following as among the more important problems they contend are being encountered in the Saudi fields:

Poor management. Saudi oil officials recently told one group of American experts that they have reason to believe that Aramco has produced oil from three of the major reservoirs—responsible for 90 percent and more of the total Arabian oil output—at levels that were too high. As a result, the three reservoirs are said to have "matured" too early, leading to technical problems and requiring far more complicated oil recovery methods.

In addition, the Saudis have indicated that they were upset upon discovering after a fire last May that hundreds of millions of dollars worth of pipeline had been allowed to become extensively corroded by Aramco management, which did not have—in the Saudis' eyes—adequate pipeline inspection and field maintenance programs.

Reservoir pressure drops. Over the years, as Aramco pumped huge volumes of oil out of the Saudi fields, the company has had to install elaborate equipment to pump in replacement water to keep the oil under sufficient pressure for an uninterrupted flow. Despite that effort, which involves injecting enough water to replace millions of barrels of oil a day, Saudi officials have said that pressure is dwindling—and the oil thus more difficult to extract—in three of the country's major oil fields.

Water encroachment. According to one Federal agency, more than 325 of the roughly 850 oil-producing wells in the country have been shut down—more than half of them because the replacement water pumped in to maintain reservoir pressure began showing up with the oil. Aramco officials have confirmed that there now are no facilities in Saudi Arabia for separating the oil from the water, a common oil recovery technique elsewhere in the world.

Two former senior Aramco officials acknowledged in interviews that the company had experienced major problems with reservoir pressure, water encroachment and pipeline corrosion.

PROBLEMS CALLED MANAGEABLE

The two, both knowledgeable about oil engineering separately estimated that it would take Aramco four to five years to improve and increase facilities to the point where a daily output of 14 million barrels could be sustained.

Both men characterized the Saudi problems as serious, but manageable. "This isn't a trip to the moon, you know," one said. "There's nothing technically impossible."

Traditionally, Aramco has simply been able to drill a well and collect the oil as it flowed up under pressure. As the fields matured, the need arose to pump in water—obtained by tapping subterranean pools of salt water—to maintain the field pressure. There is need now not only for equipment to separate the salt water from the oil, but also for disposing of the salt that is beginning to be pumped up with the oil.

The use of such devices is known as secondary recovery.

OILMEN BELITTLE CHARGES

In interviews, officials of Aramco companies belittled the American Government's concern over oilfield conditions in Saudi Arabia and characterized the problems there as routine.

William P. Tavoulareas, president of Mobil, laughed when informed of the Government's assessments. "We're getting a 10-cent mechanical problem mixed up with a million-dollar operation," he said.

Another senior Mobil official, Walter E. MacDonald, who is a member of Aramco, executive committee, also emphatically denied the existence of serious problems in Saudi Arabia.

Some Government officials contend that the Aramco companies should strongly urge the Saudis to undertake major capital improvements immediately. Aramco is known to have recommended such an undertaking for the Saudi fields, but Mr. Tavoulareas said that the companies' influence on future Saudi production was limited.

"The level of production in the last analysis is going to be set by the Saudi Government," he said, "after they've taken all their problems into consideration."

For his part, Mr. Tavoulareas listed the Saudi problems as "their own needs; how long they want their oil reserves to last; balance of payments; world political conditions, and some of the technical problems we've been talking about."

PRACTICES "FIRST-CLASS"

Similarly, J. J. Kelberer, chairman of the board at Aramco, said in a letter to The Times last December that, "Aramco follows first-class oilfield practices in all its operations." Mr. Kelberer was replying to an article on the Carter Administration's expressed concern about possible technical difficulties and mismanagement in the Saudi fields.

A number of oil executives also said in interviews that the Aramco companies lacked any influence over present and future Saudi production.

"To the extent that the Saudis want to limit production," said one senior oil company official who asked not to be quoted by name, "that's up to the United States Government to make an argument and for them [the Saudis] to consider."

IT'S "JUST POLITICS"

Another senior official added, "The main problem is just politics. What governs oil output in Arabia is politics."

Complicating the dispute is the fact that many oil company officials believe that the Carter Administration is seeking to encourage published accounts of doubts about the future Saudi oil production potential in order to encourage domestic support for the Administration's stalled energy programs in Congress.

On the other hand, those in Government raised the possibility that the Saudi Government is delaying construction programs in an effort to enhance its leverage in world politics, and to ensure the future value of its oil reserves—particularly if a world shortage develops in the 1980's.

Told of the companies' assertions that they lacked influence with the Saudis, a senior intelligence analyst for the Carter Administration reacted angrily. He sharply disputed the companies' contention that any delay in increasing Saudi oil production was merely a political matter. And he criticized the companies for failing to provide the Government with any detailed information about the actual condition of the Saudi oilfields.

"The problem is classic," the analyst said. "The people in the Government who need the information to make decisions don't have access" to technical data from the oil companies about the conditions of the oilfields. "And in what they do tell you," he added, "you catch them in so much dissembling."

"The historic position of the oil companies is that you must do the Arabs bidding in the Middle East—or else something will happen to your oil," the intelligence official said.

"There are some people," he said, "who believe there's no connection between the two."

C.I.A. ESTIMATES MODIFIED

In recent months, officials said, the Central Intelligence Agency has modified its view on how great an output the Saudis could potentially sustain. Last year, the C.I.A. publicly estimated that Saudi Arabia was capable of increasing its output to 16 million barrels a day by the mid-1980's, a total the C.I.A. predicted would nevertheless fall short of meeting worldwide demand.

More recently, however, in a little-noted development, the intelligence agency publicly expressed skepticism about the ability of Aramco to step up and sustain production, for at least six months, at levels much above the current 8.5 million barrels daily ceiling.

In the Jan. 11 edition of its unclassified "International Energy Biweekly Statistical Review," a compilation of energy data intended for Carter Administration officials, the C.I.A. included a footnote:

"There is some question about Saudi Arabian productive capacity. During the first half of 1977 Saudi production averaged 9.4 million barrels daily, a rate that was clearly not sustainable."

In addition, the C.I.A. on Jan. 11 reduced its estimate of daily Saudi capacity from 10.5 million barrels a day, the figure that C.I.A. statistical summaries carried at the end of last year, to 8.8 million barrels a day. Agency officials said that the reduction reflected some doubt concerning Saudi technology.

"In any event," the C.I.A. report said, "Aramco operates under an annual ceiling of 8.5 million barrels a day. Included in this overall ceiling are technical restrictions imposed by the Saudi Arabian Government on individual crude streams (Arab Light) and fields (Berri.) In 1977, as a result of the OPEC dispute, this ceiling was temporarily removed."

SCHLESINGER ESTIMATES

In a news conference last month, James R. Schlesinger, Secretary of Energy, who visited Saudi Arabia last month with a team of specialists, warned that the Saudi Government was planning to increase its production facilities on an "exceedingly cautious and prudent" basis over the next six or seven years. By that time, he added, daily production would be increased to a sustained level of about 12 million barrels.

"If there is to be more production," Mr. Schlesinger said, "there would have to be expansion of investment activities. There are no current plans for such expansion."

It could not be determined precisely what was learned during the Schlesinger visit, but Government officials said that the Energy Department team was far more pessimistic upon its return to the United States than it had been prior to the trip.

PESSIMISM AT THE G.A.O.

The most pessimistic Government report is now in the process of being prepared by General Accounting Office's division of energy and minerals, which recently sent a team into Saudi Arabia.

In a draft technical report, prepared by Phillip R. Woodside, the division's assistant director, that draws heavily on extensive interviews with Sheik Ahmed Zaki Yamani, Saudi Arabia's oil minister, the G.A.D. had concluded that "for engineering and technical reasons," oil production in Saudi Arabia will never exceed 14 million barrels a day.

As a result, Mr. Woodside wrote, "major world-wide economic and political instability can be expected sometime in the period 1983–84."

Sources said that the G.A.O. team was told by Sheik Yamani that three fields were damaged because of overproduction, including two areas of the Ghawar reservoir, the world's richest and largest. Sheik Yamani was said to have told the G.A.O. Investigators that he has ordered cutbacks in production in those fields, pending a series of reservoir pressure tests to be completed sometime later this year by a British consulting firm.

In addition, the Sheik reportedly said that many oil-producing wells in Ghawar and elsewhere have been shut in because of water encroachment. The Ghawar field alone produces nearly 60 percent of the total Saudi output and the fields depicted by Mr. Yamani as damaged by overproduction are responsible for more than 90 percent of the current production.

In his final report, Mr. Woodside is expected to state that more than 325 wells have been shut down in recent years, more than half of them due to water encroachment, out of the more than 850 producing wells in Saudi Arabia. As many as 47 oil-producing wells were closed just in one high-yield field, Sufaniya, Mr. Yamani is reported to have said.

YAMANI CHARGES OVERPRODUCTION

Sheik Yamani also was said to have told the G.A.O. that he has concluded that Ghawar and other significant fields were produced at levels above the maximum rate of efficiency by the Aramco engineers, creating both low reservoir pressure and the water encroachment problems.

The Saudis recently have begun expressing doubts about the overall management and technical abilities of Aramco and recent visitors there have been told by Sheik Yamani that his ministry plans to—as one Government official recalled it—"monitor oil production much more closely."

The Sheik did order a team of experts into Aramco after a major fire last May at the Abqaiq refinery. One official said that Mr. Yamani later told him that one possible cause of the fire, which affected production for more than two months, could have been the extensive corrosion of oilfield pipelines, a problem that he blamed on neglect of proper maintenance. A $300 million pipe replacement program was necessary, Mr. Yamani was quoted as saying.●

ATTORNEY GENERAL ENDORSES H.R. 50

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. CONYERS. Mr. Speaker, in a recent letter to Attorney General Griffin Bell, I solicited his views on and support for the Humphrey-Hawkins Full Em-

ployment and Balanced Growth Act (H.R. 50). As the chief administrator of the Nation's law enforcement program and a jurist with a distinguished record in criminal and civil jurisdictions, Mr. Bell's views on the need for full employment legislation, in relation to the problems of crime, are of signal importance. The Attorney General's response is fully supportive of H.R. 50 and I commend it to the attention of my colleagues.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 14, 1978.

Hon. JOHN CONYERS, Jr.,
Chairman, Subcommittee on Crime, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of March 1, I am taking this opportunity to convey my views on the Humphrey-Hawkins bill, the Full Employment and Balanced Growth Act of 1978 (H.R. 50).

As you know, the Administration strongly supports and endorses this proposed legislation. It should be the policy of this Government that all Americans who are willing, able and seeking to work should have the opportunity for useful and productive employment at equitable wages.

Further, because of the positive correlation your Subcommittee has demonstrated between crime and economic criminal activity and unemployment or underemployment, it is my view that earnest efforts toward the goals of the Humphrey-Hawkins bill alleviate some of the considerable pressure on this Nation's criminal justice system. I urge, therefore, the continued support and efforts of you and your colleagues in Congress toward the enactment of this legislation.

Also at this time, I want to commend the Subcommittee on Crime for its excellent and extensive work on the relationship of unemployment and crime. Thank you for the opportunity to share my views regarding this matter.

Sincerely,

GRIFFIN B. BELL,
Attorney General.

I.R.A. FAR FROM BROKEN, MOUNTS A NEW CAMPAIGN

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. BROWN of California. Mr. Speaker, we are approaching a day that is a focal point for Irish pride. But as we mark this day with green beer and celebration in this country we should remember the red blood and destruction that has marked the last 9 years of Northern Ireland's existence. We should reflect on a generation of children for whom armed soldiers and terrorism have become commonplace. This generation of children have been wrenched from childhood by one of the most perverse forms of adult behavior, warfare.

I have not taken sides in this struggle but have confined my actions to supporting efforts to promote peace in Northern Ireland. To that end, I hope that my colleagues will read the following article and reflect upon the situation in Northern Ireland today. Money and moral support for either side in this struggle insures another generation of children being taught by their elders that murder, bombings, and terrorism are normal responses to problems.

I.R.A. MOUNTS A NEW CAMPAIGN

(By Roy Reed, Special to The New York Times)

BELFAST, NORTHERN IRELAND.—Britain is grappling with an embarrassing paradox in its Northern Ireland problem. The harder it attacks the anti-British terrorists, the tougher they become.

Near Christmastime, the British quietly began saying that they thought they had defeated the Provisional Irish Republican Army, the chief remaining terrorist group in Northern Ireland. Then the Provisionals found a new source of arms and started a new campaign of shooting, burning and bombing—an efficient, nerve-shattering campaign that demonstrated how far they were from being disorganized and broken.

Four persons were killed in one week recently, and although the I.R.A. has said * * * taken responsibility for only two of the killings, it is being widely blamed for the other two as well.

The Provisionals have burned and bombed more than $50 million worth of property in the last three months. The British Government, which makes good on terrorist losses, will pick up the bill.

DECLINING SUPPORT

In the face of increased military pressure and in spite of declining support in war-weary Roman Catholic communities, the Irish Republican Army has proved once more that it can strike almost at will.

"Defeat of the I.R.A. is wishful thinking," a middle-aged Catholic priest said the other day. I don't believe a body of armed citizens can be defeated in these circumstances."

The men of violence once tended to drift away after a few years of "troubles." But now, after nine years of killing and the maturing of an entire generation, the Irish Republican Army seems to have become a permanent terrorist force, a small but deadly fact of life in the Catholic slums of industrial Ulster.

Its enemies in the British Army and the police concede that it is tightly organized with small, secure cells that make the leaders almost impossible to trap.

KEEPS FINDING NEW ARMS

It has shown repeatedly that it has the imagination and skill to turn up new sources of arms and explosives, not matter how often the old sources are blocked.

Most important for the future, it continues to tap the bottomless pool of anger among Irish nationalists, those who, no matter how their numbers swell or shrink, never forget their bitterness at the British presence on this island. That anger is most inflammable among the young.

Some critics say the I.R.A. has become a children's army. They say that so many of its regulars are in prison that it has to turn to teen-agers to carry its bombs and its newly acquired American-made machine guns. The youngsters, they say, are manipulated by a little band of experienced "godfathers" who make the plans but never risk their own lives.

Friends of the Irish Republican Army deny that. But they acknowledge that as always they are working to draw vigorous young people to their cause.

INTERVIEWED IN DUBLIN

Recently in a room in Dublin, a group of men who are knowledgeable about the Provisional I.R.A. and the republican movement gathered for an interview with The New York Times.

The leader was Ruairi O'Bradaigh, the president of Sinn Fein, the legal political wing of the provisional movement. Sinn Fein operates in both the Republic of Ireland and the six counties of Northern Ireland. Its chief aim is British withdrawal from the island.

Among the others were Joe Cahill, who has served time in prison for actions against the British, and a young Belfast leader named Ted Howell. Mr. Cahill is now a vice president of Sinn Fein. Mr. Howell is in charge of foreign affairs for the party.

The Provisionals attracted the more militaristic members after a split in the I.R.A. some years ago. The Officials, as the other group is called, tend to be Marxist. They have been only peripherally involved in the violence.

"WAR IS GOING WELL"

"The war is going well," Mr. O'Bradaigh, a genial, middle-aged man, said. "People have come through a rough decade. They've suffered a lot. But now they're coming out of their corner again. They've been clobbered by a superior force, but they're not beaten."

They said Sinn Fein was trying to strengthen its political side so it would be ready to pursue its long-term aims when the war ended. Those aims include a federal system of government with Ulster as one of the republic's provinces and reforms such as the breakup of large estates and land redistribution.

There has been speculation that the Provisionals are split by a hawks-doves debate, with older men in the Republic favoring a shift from violence to politics and younger men in Belfast insisting on continuing the fight. Some believe the hawks are in the ascendancy, as evidenced by the renewed campaign here this winter. The men in Dublin simply chuckled at the speculation.

Mr. Howell, a long-bearded man with the look and language of a professor, talked of Britain's efforts to isolate the Provisional movement from the Catholic community. He noted that 1,500 men and women had been imprisoned for terrorist offenses in Britain, Northern Ireland and the Republic.

"The Brits have been unsuccessful because the people identify with the republican movement," he said. "People have been imprisoned, but they continue to work for the movement. The only way they can stop us is to lock us all up."

The British authorities, while not ready to agree with Mr. Howell, are increasingly frustrated as they try to root out the Irish Republican Army.

The British Army and the Royal Ulster Constabulary have recently renewed their efforts to destroy what they see as the group's political infrastructure. The I.R.A. and Sinn Fein operate several "advice centers," offices where people can seek help on problems with housing, health and other matters. They also run newspapers, youth clubs and, like their protestant counterparts, illegal drinking places called shebeens.

The police have cracked down on shebeens. Community workers among troops and policemen are trying to overturn the republican influence in youth clubs and advice centers. Troops recently raided the republican newspaper and information office here and picked up 17 persons for questioning.

AUTHORITIES SEEK SUPPORT

In addition to raiding offices, chasing gunmen and defusing bombs the authorities have also started a campaign that is reminiscent of the United States effort in Vietnam to "win the hearts and minds of the people."

Both the soldiers and the police, the latter mostly Ulster Protestants, have put community workers into the tough neighborhoods to try to persuade people to accept the Government's law-and-order forces.

Some of this effort has been successful. Ordinary policemen now patrol many Catholic areas where only soldiers dared go a year ago. But they patrol mainly in armored vehicles, and the soldiers are never far away.

The British Army reports that it is slowly gaining trust in Catholic areas. A few soldiers received presents from Catholic residents at Christmas. More important, army intelligence is getting more tips on the iden-

tities and hiding places of young I.R.A. members.

People who see the Catholic slum residents every day say many are tired of the violence and no longer see any point in it. But there is also an old feeling that it might be a mistake to get rid of the Irish Republican Army, for defenders just might be needed again to fight off Protestant rowdies and vigilantes. Protestant terrorists have been relatively inactive since last spring, but no one believes they have been converted to pacifism.

Several public figures recently have condemned the I.R.A. for having lured young people into its ranks and having sent them to do the dirty work. Every week's court calendar lists teen-agers being tried for terrorism.

Police figures indicate that while no greater numbers of young people seem to be joining the terrorists, a larger proportion of the serious acts are being carried out by them. In 1974, for example, 11 terrorists killings and attempted killings were charged to people under 18 years of age. The number last year was 43.

"Godfathers" Criticized

The latest voice raised against the "godfathers" was that of a teacher and politician in southern Armagh County, an I.R.A. stronghold. Seamus Mallon, chairman of the constituency representatives of the predominantly Catholic Social Democratic and Labor Party, said the "godfathers" were cowards who used naive youngsters and then let them take the punishment.

He said in an interview later that his public stand had produced threats against him. He said he had spoken out because five students from his school had been charged with murder and arson. All were under 17 and two were 15.

"One of the most alarming things is that these are not the type who were going into the I.R.A. three or four years ago," he said. "A substantial number now are clever kids, university potential. In the past, they tended to be emotionally committed. Now, some are more ideologically committed."

They will probably be even more committed after a few years in Long Kesh Prison here. Long Kesh, has been a kind of institution of higher learning for guerrillas since the turn of the century. The place has been filled for the last several years, and many inmates are completing their sentences. Every month a few more graduates go back into action.●

TERRORISM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. BIAGGI. Mr. Speaker, the scourge of terrorism continues to threaten the world community.

Palestinian terrorists slaughter 37 Israelis.

Belfast bomb kills 12.

Florida train wreck and leakage of deadly gas ruled sabotage.

South Moluccan terrorists hold 72 hostages.

Prominent police commissioner assassinated in northern Italy.

These stories have emblazoned front pages of newspapers in recent weeks, reading like a veritable litany of lunacy.

Is it enough to merely express appropriate levels of shock and outrage over these heinous acts? Can we be tepid about the senseless loss of innocent men, women, and children? The United States must exert its influence and power to eradicate the menace of terrorism. We should demand that all nations punish those found guilty of terrorist acts with the strongest measures at their disposal. Terrorism is a form of crime which can be prevented if there are sufficient deterrents available.

The President has committed himself to stressing human rights in foreign policy. Terrorism represents the height of human rights' deprivation. Therefore, the President must make a reduction of terrorism a fundamental goal of his administration's policy.●

NEW DISCOVERY OF THREAT TO HUMAN LIFE

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. MARLENEE. Mr. Speaker, a new threat to the lives of Americans living in the plains and mountain States of our Nation has been discovered. This threat calls for quick action by this body to avert a tragedy, and also affords us the opportunity to right a previous wrong.

Montana Farm Bureau Federation President Bernard Harkness has brought to my attention the recent discovery of a new animal parasite which may be transmitted from coyotes to humans. The veterinary research laboratory of Montana State University has traced the cycle of a small tapeworm (Echinococcus Multilocularis) from the intestines of coyotes and foxes to streams and rivers utilized by animals and man.

If ingested by humans, the larval form grows unchecked in the liver. It eventually replaces the liver cell structure, causing a slow and painful death.

In light of this new development, I must urge my colleagues to consider that the time has come to reintroduce the use of the poison known as "1080." This poison was used extensively by woolgrowers in Montana for years before it was banned by an agency of the Nixon administration early in this decade.

Since that time, the sheep population of Montana has been cut by more than half, as sheepmen find themselves unable to cope with preying bands of coyotes which destroy their sheep. For years, appeals by me and by my colleagues in the Montana delegation, urging reinstatement of 1080, have fallen on deaf ears.

Without 1080, the coyote population has increased well beyond the proper proportions of the coyote's place in the ecological structure. The sheep population of Montana has been cut by more than half during this decade. Hundreds of woolgrowers in my State have either been forced to file for bankruptcy or simply given up. And now the increased bands of coyotes threaten human lives.

We need quick action to alleviate this serious condition.●

TWO TEXANS DEVELOP NEW SELF-DIALYSIS SYSTEM

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. PICKLE. Mr. Speaker, last fall the House of Representatives passed H.R. 8423, a bill that would reduce Government costs for the medicare renal disease program. The bill, which is now before the Senate Finance Committee, provides incentives for the use of lower cost self-dialysis, particularly home dialysis, as an alternative to high-cost institutional dialysis. Not only would this reduce the costs of the medicare program but it would also help patients to lead more normal lives and be at home with their families.

At the time that the Ways and Means Committee reported the bill, we were hoping that the present annual expense for in-center dialysis of about $25,000 per patient could be reduced to about $14,000 or $15,000 per patient.

But now I am very pleased and proud to learn that two of my constituents in Austin, Tex., have gone a step further and developed a new type of self-administered dialysis system that would not require the expensive dialysis machines. Dr. Robert P. Popovich, professor of biomedical engineering at the University of Texas, and Dr. Jack Moncrief, codirector of transplant and hemodialysis at the Austin Diagnostic Clinic, have developed a system which is presently being tested that could possibly lower the annual costs to about $8,000 per patient. Perhaps the most remarkable aspect of the new system is that it can be self-administered without assistance and without machines.

If this new system can be perfected and approved for general use, it would be an amazing breakthrough in our battle to deal with renal disease.

I have known Dr. Moncrief for many years and I am well aware of his dedicated work at the Austin Diagnostic Center. I commend him and Dr. Popovich for this contribution to medical technology and hope that their work in this area will continue.

Mr. Speaker, I would also like to insert a recent article from Medical World News magazine about this development:

SELF-DIALYSIS AT HOME SANS MACHINE

BETHESDA, MD.—A new type of self-administered peritoneal dialysis system that frees kidney patients entirely from dependence on a machine has been tested clinically for almost three years, with promising results, on 35 patients at three North American centers. Called chronic ambulatory peritoneal dialysis (CAPD), the concept was developed by Drs. Robert P. Popovich, professor of biomedical engineering at the University of Texas in Austin, and Jack W. Moncrief, co-director of transplant and hemodialysis at the Austin Diagnostic Clinic.

Experience with the Texas group's new system was also reported at a dialysis conference here by Drs. Karl D. Nolph, chairman of nephrology at the University of Missouri in Columbia, and Dimitrios G.

Oreopoulos of Toronto (Canada) Western Hospital.

The system, as described by Dr. Popovich, involves the implantation of an indwelling catheter to provide access to the peritoneum. The patient himself connects a two-liter bottle of dialysate to the catheter and pours the fluid into his peritoneal cavity. Four hours later he drains it out and replaces it with two liters more.

This is done five times a day; the fifth time the dialysate stays in for eight hours, allowing time for sleep.

"The system has many advantages," Dr. Moncrief told MWN. "For one thing, dialysis proceeds 24 hours a day for seven days a week. This avoids the need for the high-clearance systems that are necessary in treating patients on intermittent dialysis."

Dr. Oreopoulos notes, "There's no need for restricting fluids or diet. And with this system we don't have the same fluctuations in blood chemistry that we see in intermittent hemodialysis or conventional peritoneal dialysis. This way removal of material is slow, but it's even."

Among the other advantages cited by the investigators: anticoagulants are unnecessary, there is no need for access to blood vessels, and blood pressure appears better controlled. In Toronto Dr. Oreopoulos uses plastic bags for the dialysate. After pouring the liquid, the patient rolls up the empty bag and puts it into his belt, using the same bag to drain the fluid out later. This avoids the problem of connecting and disconnecting the catheter at each exchange—always an infection hazard. The Toronto investigator has had only one instance of peritoneal infection in 32 patient-months' experience, whereas the Texas and Missouri groups have encountered one infection every five or six patient-months using glass bottles.

Dr. Moncrief strongly prefers using plastic bags to bottles but points out the FDA has not yet approved plastic dialysate bags. "The problem is that FDA requires a guarantee that the dialysate is sterile. While we haven't had any problem with sterility, it's difficult to guarantee."

CAPD is considerably cheaper than in-center dialysis or even conventional home dialysis, Dr. Moncrief noted. The yearly tab for in-center dialysis is about $25,000 a patient; home dialysis runs about $14,000 to $15,000. "We calculate that CAPD should cost only about $8,000 a patient each year." Part of the reason is that the system does away completely with the patient's need for any assistance.

Dr. Popovich warns that CAPD is not yet ready for wide use. "It's a radical departure from existing procedures. It's a low-clearance system and it has not been medically proved that such a clearance system will maintain a patient."

The Texas system "sounds very interesting" to Dr. Norman Lasker, professor of medicine at Jefferson Medical College in Philadelphia. He says he has had about 120 patients on home peritoneal dialysis since 1963 (MWN, Jan. 28, '72, p. 17).

Dr. Lasker deplores the increased cost of dialysate, which is sold to hospitals at a discount patients can't get. He believes costs started to soar after dialysis began to be covered by Medicare.●

INFLATION MUST BE FOUGHT

HON. DOUG BARNARD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. BARNARD. Mr. SPEAKER, although the subject of inflation is discussed daily in Congress, I think we may sometimes lose sight of its long-range deleterious effects.

Inflation is more than steadily rising prices. It is a steady deterioration in the stability of the U.S. dollar. It can lead to a collapse of the free enterprise system, a reliance on wage and price controls, or massive recession.

Yesterday, the Director of the Council on Wage and Price Stability issued a warning that the administration needs to tighten up on its anti-inflation efforts.

This responsibility rests equally with us.

In yesterday's Wall Street Journal, Prof. Paul McCracken painted a lurid picture of our inflation rate and its potential for economic disaster. He was specific rather than general, and I am inserting his article and recommendations in the RECORD at this point:

INFLATION MUST BE FOUGHT

While coal and the Canal have dominated demands for top-level attention, inflation remains the more fundamental problem for public policy. For if the rate of inflation that has prevailed thus far in this decade continues three more years, the 1970s will miss by a little less than one year a doubling of the price level. If so, they will have the distinction of having produced the most serious decennial erosion in the purchasing power of the dollar during the last 100 years with one exception—the 1910 to 1920 period that included the World War I price explosion. Even the 72 percent rise in the price level from 1940 to 1950, a period which included World War II, is below the 89 percent decade rate that has prevailed thus far in the 1970s.

Stale as the subject may sound, it is important that the rate of inflation be worked lower during 1978, and with enough improvement so that by the end of the year it is visible to the naked eye and generally recognized by the citizenry.

A KEY CURRENCY NEEDED

It is important for international reasons. Quarrels among governments in Europe, Japan, and this country about the dollar have been distinguished for a high degree of parochiality on all sides, but a floating-rate international monetary system does still seem to need a key currency. And it would all work better if the economy of that key currency (the dollar) were having a discernibly lower rate of inflation than that in other major industrial economies. The basic solution to the international dollar problem is not some complex scheme for funding or support but clear evidence that holding dollars is a particularly good way to safeguard purchasing power. Until that condition is met, the world economy will remain in a disturbed and disorderly state.

There is, however, another reason for the urgency of progress this year against inflation. It is quite simply that if the rate of inflation is not reduced this year, it is very apt to be accelerating. If that were to occur, the probability would be high for a baleful future combination of drifting into wage and price controls and a recession as the brakes ultimately had to be applied.

Yet it is equally clear that unless there is a stronger commitment to actions that would be effective rather than cosmetic in 1978 we will probably see this acceleration in the rate of inflation, an acceleration that would continue to pick up speed into 1979 and 1980. Next year will be an active one for collective bargaining, with average wage increases pushed up in any case by a disproportionate incidence of front-loaded, first-year wage adjustments. If these 1979 wage negotiations must also take place against a backdrop of a rising rate of inflation in 1978, the basic packages will themselves be larger, and the economy will be set on a three-year path of more rapid wage-cost inflation.

What would be some elements of a program that would represent a serious commitment to start the downward trend in the rate of inflation? The first requirement is a set of demand management policies (monetary and fiscal policies) consistent with a slowly declining rate of expansion in the nominal or dollar volume of economic activity. From 1976 to 1977 this increase was just under 11%. The target for this year (1977 to 1978) should be moderately less—say, perhaps a percentage point less. The announcement of such a target would warn those making wage and price decisions that top-side disciplinary pressures on the wage-price level would be present, and the implementation of these moderately less expansive budget and Federal Reserve policies would assure that this discipline would be felt.

The President in his messages has given precisely the opposite signal. His targeted rate of growth in the dollar volume of business activity for 1978 is higher than for 1977, and higher yet for 1979. To his credit he has also projected the price-level implications—a rising rate of inflation in 1978 and 1979 (as measured by the GNP price index). This is notification that there is no real commitment to a lower rate of inflation and that top-side discipline on the wage-price level will be retreating. This is a strategy for accelerating inflation, and we should not be surprised if it occurs.

Second, the administration in 1978 should commit itself to a target that by the end of 1978 its own actions, having a direct and explicit impact on prices and costs, will this year have a favorable effect on the cost-price level of, say, a full percentage point. Arthur Okun, former Chairman of the Council of Economic Advisers, has suggested that cost-raising actions of government in 1977 might well have the effect of making the price level 1½ percent higher by the end of this year. Let government, as perhaps its part in the voluntary restraint commended to business and unions, commit itself to the target of having its own actions this year "price out" at a 1 percent lowering of the cost-price level.

With salaries and wages for a substantial proportion of the labor force adjusted *de jure* or *de facto* for changes in the price level, such a 1 percent turnabout could have magnified favorable effects as these escalator adjustments themselves become smaller. This would help convert what has been a rising spiral into a declining one.

Third, we must face the fact that the economy is no longer delivering the 2½ percent per year increases in productivity that for decades seemed to come along as naturally as the passing years. This was, of course, the basis of the so-called improvement factor in wage contracts that has come to be taken as almost our economic birthright. The logic was simple and unassailable. If efficiency or productivity or real output per man hour is rising at 2½ percent per year, wages could rise 2½ percent per year without an increase in labor costs per unit of output.

The trouble is that the basic trend for measured productivity or efficiency in the U.S. economy is now rising at the rate of only about 1½ percent per year. For some time it has been assumed that these subnormal gains in output per man hour were simply reflecting the reduced efficiency that might be expected with relatively low operating rates prevailing in most industries. Even with an adjustment for this, as the Council of Economic Advisers points out in its annual report, it now looks as if for the better part of a decade productivity has been rising at about 1½ percent per year.

The ritual of putting a 2½ percent, so-called improvement factor into wage and salary contracts is, therefore, now simply

building another percentage point of inflation into the process.

SLUGGISH ALL AROUND

This deterioration in productivity gains deserves far more attention than it has been receiving, and it probably reflects many things. In real terms last year, research and development expenditures were roughly 13 percent below their peak in 1968. Indeed our 1977 research and development outlays would have had to be 50 percent larger to account for the same share of GNP as a decade earlier. The processes that generate new products and new technology have simply been at a more arthritic pace. Capital formation has also been sluggish, and a rising proportion of what has been put in place has been for such purposes as meeting environmental and safety regulations that do not improve measured productivity. Moreover, a sluggish pace of capital formation means a sluggish rate of introduction of the new and most advanced technology that is being generated.

While such social objectives as a cleaner and safer environment are worthy in themselves, the political process has tended to charge ahead oblivious to warnings that there would be costs and that requirements were being pushed to the point where costs would exceed the benefits.

The costs have now come due—one of them being a slower rate of improvement in measured productivity. The improvement factor in wage contracts must, therefore, be reduced to 1½ percent if this provision is not to produce some combination of more inflation and more unemployment. And senior government officials should be quite plain-spoken about this fact of life.

The most fundamental requirement, however, is a convincing commitment by government that it really is determined to work down the rate of inflation. There was a time when governments could plead that such really effective action would produce political disaster. Denis Healey, the redoubtable U.K. Chancellor of the Exchequer, was also offered a generous supply of such nervous predictions. He persisted with a tough policy, brought the rate of inflation down to the single digit zone, and may also have saved his government at the next election. There might still be time in the United States for such economic and even political therapy by November 1980.

THE SOVIETS ARE BACKING, FINANCING, AND EQUIPPING PLO AND OTHER TERRORIST TRAINING AND ATTACKS, SUCH AS THE ONE IN ISRAEL THIS PAST WEEKEND

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. KEMP. Mr. Speaker, on January 12, the Associated Press reported that former Secretary of State Henry A. Kissinger had said that the Soviet Union—

Is at least indirectly financing some of the terrorist training going on in Libya and Lebanon.

Many of these terrorists are being trained in camps in Libya and Lebanon by organizations that themselves are financed by the Soviet Union.

Somebody is clearly financing the training and the organization, and some of it is clearly coming from the Communist world.

While previous accounts had pointed to oil-rich Libya as a staging ground for terrorists and had noted that some violent Palestinian elements are trained in and make their forays from Lebanon, this was the first firm suggestion by a prominent Western figure, a specialist in foreign policy, that the terrorists have a common money base in the Soviet Union and the Eastern European bloc.

No formal protest was made by the United States to the Soviet Union. No one rose in indignation in the United Nations Security Council. No great protests went up in Western Europe or the United States.

Nothing happened, in fact, until 48 hours ago, when we learned to what the Soviets' backing, financing, and equipping of these terrorists had led to—once again. I refer of course, to the PLO terrorists killing nearly 40 people in Israel this past weekend and wounded dozens more with Soviet-built and supplied arms.

We cannot let ourselves be deterred from our quest for peace, in the Middle East and throughout the world. But it is time the Carter administration, this Congress, and Government, and the peace-loving peoples of all nations realize once and for all what the true intentions of the Soviet Union are—intentions shown quite clearly by their actions, intentions they try to obscure by their empty, meaningless verbiage, by their lies.

Can a government, like that in Moscow, which seeks actively and constantly to undermine peace, to create rifts and tensions and then exploit them for what they regard as their inevitable claim to dominate and control the future, be trusted to abide by the terms of a new strategic arms limitation treaty—SALT II? Or a more extensive nuclear test ban? Or a treaty for limiting foreign arms sales?

I suggest the answer to those questions can be found in what happened this past weekend.●

B–1 BOMBER IS ESSENTIAL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial by Messrs. Evans and Novak. The editorial deals with the potential vulnerability of the cruise missile to the Soviet's new SA–10 and presents just one more good reason why the B–1 bomber is essential to U.S. defense interests.

The editorial follows:

DOES RUSSIA'S SA–10 ECLIPSE THE CRUISE MISSILE?

Surprising new intelligence that the Soviet Union has started actual deployment of a lethal new air-defense system raises agonizing new questions about President Carter's decision to scrap the B–1 bomber and use the cruise missile as a substitute.

This alarming news about the SA–10 was contained in a top-secret briefing given to Gen. David C. Jones, Air Force chief of staff, on January 26. The newest Soviet ground-to-air missile travels at five times the speed of sound and can accelerate up to 100 times the force of gravity.

The unexpected appearance of the SA–10 in actual operational deployment far ahead of schedule deepens the debate over strategic arms. Originally designed to defend against intercontinental ballistic missiles, the SA–10 is now viewed by military strategists as a grave threat to the new U.S. cruise missile. That causes new doubts about Carter's reliance on the cruise to follow the present B–52 bomber.

The SA–10's threat to the cruise missile is both highly technical and in some dispute inside the Pentagon. Stripped to its essence, the threat centers on the SA–10's extraordinary power to accelerate in seconds up to five times the speed of sound. That could be fast enough to reach and destroy incoming cruise missiles flying below the speed of sound even though it is at such low altitude as to be visible to ground radar only briefly.

Secretary of Defense Harold Brown testified behind closed doors to Congress last September that the SA–10 might be nearing deployment. In fact, the first hard intelligence was then becoming available that deployment could come in a matter of weeks (probably near the Baltic coastline). Obviously, deployment of a few initial SA–10 launchers has not the slightest immediate effect on the U.S. cruise missile, which is itself far from operational.

The problem is not today but the early 1980s. Defense officials freely admit that the present-day U.S. cruise missile could become dangerously vulnerable to Soviet air defenses by 1985 and beyond. That is because of Moscow's ability to pinpoint unlimited funds on specific military goals, such as defending new offensive weapons.

But the Pentagon's Defense Science Board concludes that the cruise missile of 1985 will be superior to the present version and that offensive technology can always stay ahead of defensive technology. Thus, the board claims, the U.S. cruise of 1985 will defeat the expected Soviet anticruise defense system.

It is precisely such logic—based on assumptions that the Soviets operate in predictable fashion—that so frightens the president's defense critics. The astonishing speed-up in deployment of the SA–10 is major new ammunition for these critics.

Official defense doctrine placed the full operational capability of the SA–10 sometime in the early 1980s. But that projection antedated Carter's decision to dump the B–1 and make the cruise missile the principal "penetration" weapon for strategic purposes.

The American cruise has both terrified Moscow and galvanized Soviet defense planners into extraordinary accomplishments. That has demolished comfortable assumptions by U.S. defense planners of a free ride for the cruise until the mid-1980s, at which time new-model cruise missiles could carry radar-deflecting countermeasures as part of their payload and defeat the SA–10.

Persistent U.S. understimates of Soviet technological breakthroughs have plagued the West ever since World War II. As one generation of weapons succeeds another, this country makes the same incorrect conclusions time after time.

The new intelligence discovery that the SA–10 is in active deployment will have immediate impact on Capitol Hill. A powerful case now can be made that the cruise missile, good as it may be, must not be allowed to bear the full burden of this nation's future needs for a "penetration" bomber.

Accordingly, the vote in the House (scheduled for next week) on keeping the vestige of the B–1 bomber program alive is almost certain to go against the president's desire

to kill the program once and for all. Likewise, new research-and-development money for a lighter, long-range substitute—the F-111H—will also find a more receptive congressional audience.

Civilian officials at the Pentagon still claim the cruise missile will always keep ahead of developing Soviet defenses against it. Doubters of that benign theory have new ammunition in the latest intelligence about the SA-10, and they intend to exploit it.●

FEDERAL EMPLOYEES' COMPENSATION PROGRAM

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. PEASE. Mr. Speaker, I recently introduced legislation to make improvements in the Federal employees' compensation program.

Congress bears a good deal of responsibility for current problems in this program. In 1974, rather than come to grips with the cause of delays in claims processing, legislators resorted to the "quick-fix" to alleviate delays in benefit payments. As a result, the backlog of claims increased and program costs has soared.

A recent editorial in the Baltimore Sun (February 25, 1978) called attention to some of the problem areas that H.R. 11133 is intended to address. I commend it to my colleagues' attention:

[From the Baltimore Sun, Feb. 28, 1978]

THE PAMPERED CIVIL SERVANT

Congress's effort to improve the handling of federal workers' claims for injury compensation has turned into a caricature of bureaucratic paralysis and malingering federal employees. The supposed cure only invited abuse while exacerbating the problems it was to correct. Stephen E. Nordlinger's recent series in *The Sun* recounts how government employee unions complained five years ago that delays in processing injury compensation claims were inflicting hardship upon many. The claims staff was too small and inadequately trained. So Congress treated the symptoms of the problem, not the cause.

Instead of moving to expedite claims processing, Congress decreed that an employee could collect his paycheck for 45 days while he waited. It also eliminated a requirement that three days of sick leave be used before a claim was filed and made it easier to obtain medical certification for injuries. Taken together, all this only encouraged injury claims. Many employees saw an opportunity for a 45 day vacation.

The result: The number of injury cases rose from 145,000 in 1975 to 207,000 last year. The cost soared from about $225 million to $775 million. The backlog of cases quadrupled to 100,000. So those genuinely needing relief find they still face long waits for claims processing after the 45 day grace period. Meantime, federal officials say, one-quarter to one-half of those filing claims are abusing the system.

The Labor Department's answer is to do what should have been done in the first place: expand the claims staff and train it sufficiently. But more is required, a congressional effort to provide adequately and promptly for employees injured on the job without spending millions on those with minor or non-existent injuries who are able to work. Representative Donald J. Pease (D., Ohio) has introduced a bill that would remove from the law the incentives for abuse. But he is a voice in the congressional wilderness. Only the faceless taxpayer has a real financial stake in controlling this growing problem. But his interests often are overlooked by a Congress too attentive to the 2.8 million federal workers and their unions.●

JOBS FOR VETERANS AND THE ELDERLY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. YOUNG of Florida. Mr. Speaker, I submit two amendments to H.R. 50 which I feel will accomplish a great deal toward insuring that two of the most promising sources of able and willing workers—veterans and the elderly—are better able to seek and find gainful employment.

The first amendment would specifically include veterans in the labor forces named in section 104 of the bill. Many veterans are finding it difficult to enter the job market after serving in defense of their country. Because of the unusual set of circumstances surrounding their efforts to obtain work in the private sector, I want to insure that these deserving citizens get the attention that other labor force groups are to receive under the bill.

While the elderly are already mentioned in the bill as a labor force to receive attention, many of our citizens over the age of 55 are unemployed because they fear they would lose part of their social security benefits or other Federal Government pension payments because of the statutory limitation placed on outside earned income. There have been several bills introduced which would eliminate the limitation completely, but all that has been accomplished so far is to have the limit raised periodically. An amendment to H.R. 50 cannot eliminate the limitation, but would insure that the President's Economic Report would give proper attention to the employment of these individuals and how their employment/nonemployment status is affected by the income limitation.

There are many jobs available that would be suitable for elderly citizens who are not able to work a full 40-hour week. I think that attention should be given to this and any kind of employment available to insure older Americans they can work without fear of losing part of their monthly benefits. It is becoming increasingly harder for these recipients to get by on their fixed incomes. If more of them could work without losing their benefits, they would be increasing their income, paying taxes on their wages and spending more on goods and services that in turn would create jobs.

This amendment would require that the Economic Report give proper attention to this situation. Because this report will serve as the basis of programs to be implemented to achieve full employment, I feel that this is an important subject to be considered as part of the overall employment and growth picture.

I urge my colleagues in the House to support our veterans and elderly citizens by voting in favor of the following amendments which will be offered for consideration on Wednesday:

Amendment to H.R. 50 offered by Mr. YOUNG of Florida:

Page 67, line 13, insert "veterans," after "elderly".

Page 68, line 8, insert the following:

"(4) For purposes of this subsection, the term 'veteran' shall mean the same as defined in 38 U.S.C.A. § 101 (2)."

Amendment to H.R. 50 offered by Mr. YOUNG of Florida:

Page 71, line 10, strike out "and" and insert immediately after such line the following new subparagraph:

"(G) proper attention to the employment status of recipients of Social Security benefits and other Federal government pension programs and the effects on their employment status caused by the statutory limitation on outside earned income;"

Page 71, line 11, redesignate subparagraph (G) as subparagraph (H).●

LATEST OUTRAGE BY TERRORISTS IN ISRAEL

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. NIX. Mr. Speaker, it is with sick horror that I read news accounts this weekend of the brutal murder of 37 Israeli civilians. News pictures of a burned out tour bus and the funeral for a 5-year-old girl clarify with a blinding light the barbarism of the terrorists.

I have spoken before to the House about the nature of the threat to world order that terrorists pose. There is no cause that justifies cold-blooded killing for space in the world's media.

This mentally ill act was performed by creatures whose hatred of peace and whose love of disorder is such that they can only be logically seeking extermination of either their own people or the people of Israel.

These acts come from a feeling of self hatred, which one is tempted to say is deserved in the case of these Palestinian terrorists.

At the same time, we cannot be blind to the deliberate and cold support for this barbarism by a government such as Libya.

Every nation of the world in its own self interest can no more rationally support terrorism than any government can support piracy.

It is on this very issue of terrorism that the civilized nations of the world are divided from those controlled by gangster governments.

This is the issue that the United Nations should take up, if that organization is to have any meaning in the future.

I believe that these tragic events demonstrate the difficulty of Israel in being pressed to give up territory in return for promises of peace.

I believe the Government of Israel has an obligation to its own people and to the world at large to take a great deal of time in considering concessions. It has to be painfully obvious at the same time to the rest of the world that Israel cannot depend on anyone else to protect its citizens from being murdered.

Wars can come in a day; however, peace takes awhile longer. . . .●

IT'S TIME TO "BEEF UP" THE FED

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. MOORE. Mr. Speaker, several days ago, I wrote to President Carter requesting him to carefully consider the background of the next individual he appoints to fill the upcoming vacancy on the Federal Reserve Board of Governors, which will be created when Arthur Burns leaves at the end of this month. Specifically, I urged him to consider selecting a person who has a background in or some exposure to agriculture. A close reading of the United States Code reveals that the President is directed to consider appointments to the Board of persons representing financial, industrial, commercial, and agricultural interests. As I am sure you may guess by now, not one of the present members has a background in agriculture, or can boast of any agricultural ties that might give him expertise to help formulate Federal Reserve policy that could assist farmers with their economic problems. All of the other interests are presently represented on the Board. Therefore, we should all urge President Carter to make his next appointment a person who will represent farmer concerns. No one disputes the economic plight of agriculture today or its importance to our economy, especially in our balance of trade, yet this economic backbone of our Nation is deprived of a representative to this major financial policymaking body.

We should heed the old saying, "As agriculture, so goes the nation," and give the farm community a voice on this Board—strengthening of this weak link could lead to the improved financial stability of the United States as a whole. The administration has done little to aid agriculture so far, but this appointment would be a step in the right direction to reverse this inaction.

The text of my letter is as follows:

MARCH 8, 1978.

Hon. JIMMY CARTER,
President of the United States, The White House, Washington, D.C.

DEAR MR. PRESIDENT: As I know you are aware, U.S. farmers and our nation's agricultural economy are suffering from the worst farm depression since the 1930's. Congress will hopefully act soon to try and lessen this economic plight, but I am a firm believer in a multiplicity of solutions and would like to urge you to consider action within your authority as President.

It has been brought to my attention that even with the approval of Mr. G. William Miller to fill a vacancy on the Federal Reserve Board, another vacancy will occur when Arthur Burns leaves at the end of this month. Since you will fill this vacancy expeditiously, I hope, everyone concerned about the future of American agriculture would applaud your decision to appoint someone to the Board who has an agricultural background. In fact, Section 241 of Title 12 of the U.S. Code states in part: "In selecting the members of the Board, . . ., the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country."

From an examination of the backgrounds of the current members of the Board, it is apparent that not one member has any sort of background in agricultural matters. It is also apparent that the other three interests are well represented—there is no need to appoint another person from these areas. A closer look at the Board members will reveal that only one member now serving originally comes from a section of our country which is even close to a major agricultural region. Certainly, you will have to agree that an imbalance exists—in contradiction to the spirit of the law—and should be corrected.

Mr. President, those of us who feel a strong commitment to farming and agriculture would feel your Administration more receptive to farm problems if we knew that the major financial entity of the government involved with private financial sources could point to a member with agricultural ties. Our general economy is directly affected by the stability of our agricultural economic picture, and the input from a Federal Reserve Board member reflecting agricultural views would assuredly help to strengthen our overall financial policy.

I would appreciate receiving any reaction you might have to this proposal, or any comments you could make relating to consideration of this request. If I can be of any further assistance in this matter, please do not hesitate to contact me.

With kindest personal regards, I remain

Sincerely yours,

W. HENSON MOORE,
Member of Congress.●

DENOUNCING TERRORISM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. GILMAN. Mr. Speaker, today I am joining the distinguished majority leader of the House (Mr. WRIGHT), the distinguished minority leader (Mr. RHODES), and many other concerned colleagues in introducing a resolution which "strongly condemns and denounces the PLO for its brutal and vicious attack upon unarmed, innocent men, women, and children in Israel on March 11, 1978."

Hopefully, the widespread bipartisan support that this resolution has gained will signal, in a crystal clear manner, to the PLO and other organizations, and to individuals who employ cold-blooded murder as a means to attain their political ambitions, that the United States will not take lightly the brazen, calculated execution of innocent men, women, and children.

According to recent newspaper accounts of the utterly reprehensible attack—the most savage, worst attack in the last 30 years within Israeli borders—Al Fatah, the main guerilla group under the umbrella of the Palestine Liberation Organization, indicated in a statement in which it claimed responsibility for the murders, that similar raids would be launched against the people of Israel, and that this clearly stated campaign of terrorism does not represent a change in policy but only illuminates the fact that its guerillas were now better trained and better equipped. The weekend raid, PLO spokesmen asserted, is a response to what is seen as Israeli intransigence in the current peace talks with President Anwar el-Sadat of Egypt.

I need remind few that the leader of the PLO is Yassir Arafat; the same Yassir Arafat who appeared before the United Nations—the symbol of the international community's desire to seek peaceful resolution of conflict—with a gun holstered to his waist. It is the same Yassir Arafat who, in a January 5, 1978, meeting with several members of a congressional delegation, insisted, when asked whether the PLO resorted to a policy of terrorism, that the PLO does not engage in terrorism, "definitely not." His position and his implied intentions left little doubt that the PLO had renounced terrorism as an instrument to carry out its policy.

Arafat's January 5 statement, when linked with the PLO terrorism of March 11, can only lead to the following conclusions: Arafat's word is meaningless and/or, he has little control over the organization he heads. Whatever conclusion, both, or some combination of the two, that one accepts, the meaning is clear: Israel's refusal to negotiate with the PLO as a representative of the Palestinian people, or to accept the signature or word of Arafat on any negotiated agreement, is not Israeli intransigence, but a firm recognition by Israel of PLO treachery. Referring to the PLO raid, Israel's Defense Minister Ezer Weizman succinctly stated:

This is what can happen when certain close areas will be, or can be, controlled by the Palestinian Liberation Organization.

Mr. Speaker, terrorism explodes within the civilized international body politic with a primitive, animalistic fury; it knows no reason. it recognizes no compassion. A recent Library of Congress study outlining a chronology of terrorist acts between 1969 and 1978 fills 27 pages; and I fear that without swift action by our Nation, in concert with needed efforts by other countries. the catalog of terrorist atrocities will continue to lengthen. The following is a listing of some of the more heinous incidents; terrorist strikes clearly revealing the utter contempt and disregard for the sanctity of human life:

CHRONOLOGY OF TERRORISM

December 18, 1977—The editor, Al Ahram, of Egypt's most important newspaper was killed by Palestinian terrorists in the lobby of the Nicosia Hilton Hotel, in Cyprus. The two terrorists then took 18 of the 30 hostages originally seized to the airport at Larnaca. Nine hours after the killing at the

hotel, the two terrorists, along with 11 captives, a crew of four, and two PLO negotiators, took off in a Cyprus Airways jet for an unknown destination.

February 19, 1978—Egyptian commandos stormed the Cyprus Airways jetliner at Larnaca airport in an effort to rescue the 15 hostages being held by Arab terrorists. Cypriot National Guard forces engaged in a gun battle with the Egyptian troops, leaving 15 Egyptians dead, 15 wounded, and the remaining commandos taken into custody. [The Cypriot government indicated that the Egyptian troops had landed without permission.] During the melee, the two terrorists surrendered and the 15 hostages were released.

February 20, 1978—Cyprus refused to extradite to Egypt the two terrorists who killed an Egyptian newspaper editor and held 15 hostages aboard a plane. The terrorists, who identified themselves as Palestinians, were reported to have told their hostages: "Everyone who went to Israel with Sadat will die, including Sadat." The pair was arraigned in a Nicosia court on a charge of premeditated murder.

May 23, 1977—Groups of South Moluccans seized an elementary school and hijacked a train in northern Holland. Five terrorists were reported to be holding 106 children and 5 teachers in the school while 5 hijackers were holding 56 hostages aboard the train.

May 26, 1977—The 106 children held hostage by the South Moluccans in the Netherlands were released; 4 teachers remained captive.

May 13, 1977—The White House released a letter denying political asylum to two Lithuanian men who killed an Aeroflot stewardess in 1970 while hijacking a plane from the Soviet Union to Turkey. The two, who had been in Turkey (see 06/30/76 entry), and fled to Venezuela, entered the United States illegally and are now the subjects of deportation hearings.

May 8, 1977—A U.S. national attempting to hijack a Northwest Orient Airlines jumbo jet with 261 persons after it left Tokyo bound for Honolulu was subdued by a crew member. The hijacker who demanded to go to Moscow was injured in the head with a fire ax. No other injuries were reported.

In a letter and other materials to Senator Jacob Javits, the Department of State accused Libya, Iraq, Southern Yemen, and Somalia of actively supporting terrorist groups, and warned that there was every indication that international terrorism is on the increase and that the U.S. will have to prepare to deal with further attacks on American citizens and installations abroad, including those of American companies.

June 27, 1976—An Air France jetliner with more than 250 people aboard, including at least nine Americans and about 80 Israelis, was hijacked by six armed persons shortly after it took off from Athens. After refueling at Benghazi, Libya, the plane landed at Kampala, Uganda. There the hijackers negotiated with authorities, including Ugandan President Idi Amin, for release of 53 prisoners held by five governments (West Germany, Israel, Switzerland, France, and Kenya).

July 4, 1976—An Israeli commando unit landed at Entebbe Airport in Uganda and flew back to Israel, via Nairobi, Kenya, with the 103 persons remaining as hostages of 7 pro-Palestinian hijackers. According to press accounts, the 7 terrorists, 3 hostages, and 20 Ugandan soldiers were killed.

June 30, 1976—It was announced that U.S. officials has refused political asylum to two Lithuanians who in 1970 hijacked a Soviet airliner to Turkey. The refusal, based on the U.S. policy of opposition to international hijacking, was made after the U.S. ambassador in Turkey received assurance that Turkey would not send the two back to the Soviet Union where they faced almost certain execution. The two had been found guilty of manslaughter under Turkish law and had been freed from prison under a general amnesty in 1974. Since then, they had lived in a camp for displaced persons.

March 5, 1975—At least 18 persons died in a shoot-out at a Tel Aviv hotel: eight civilian hostages (seven of them tourists from Europe and Africa), seven of the eight Palestinian terrorists, and three Israeli soldiers. The Palestinian commandos landed a boat in Tel Aviv and shot their way to the small four-story hotel, grabbing 10 hostages along the way. After several hours of shooting the guerillas asked for release of 10 Palestinian prisoners and the Greek Catholic Archbishop of Jerusalem. The Israelis responded by attacking the hotel.

May 18, 1974—Three terrorists reportedly representing the Popular Democratic Front for the Liberation of Palestine attacked the Israeli village of Maalot and seized the high school. At least 25 Israelis were killed and 70 wounded, almost all school children.

September 5, 1972—During Olympic games in Munich, Black September attack on Israeli athletes and subsequent German police ambush resulted in death of 11 Israelis, 5 terrorists, and 1 policeman.

Mr. Speaker, the twisted minds conceiving of such acts of terrorism have no compunction for targeting the innocent as victims of their unconscionable acts.

Our Nation, other nations, and the whole of the civilized international community has wrestled with the problem of terrorism. The United Nations made several first steps to convene assemblies to address the problem, and recently passed important resolutions condemning the hijacking of aircraft and the taking of innocent hostages—which underscored international revulsion toward terrorism. The problem of terrorism, however, must stay glued to the UN agenda, and it must command the serious attention of all member-states. For, as a recent New York Times editorial asserts:

International efforts to combat terrorism . . . must go further until all doors are closed against terror.

I am hopeful that there will be early congressional consideration of legislation directed against terrorism. One such measure, which I initially introduced in August 1976, is, I believe, a comprehensive measure urging the President to take action against nations aiding terrorists and to seek stronger international sanctions against such nations and to strive for conclusion of a effective international convention against terrorism. Moreover, the resolutions calls for extensive UN study of terrorism so that all countries may know the sources and causes of, and the best strategy to be employed to combat international terrorism.

The heinous deeds of terrorists demand strong international condemnation. I believe that the groundswell of support in Congress for the resolution denouncing the PLO's criminal action against Israel last weekend conveys the outrage and unmitigated contempt Congress feels toward the terrorist act of this weekend. Moreover, this resolution puts Congress squarely on record in support of the peaceful initiatives undertaken by Israel and Egypt to resolve the centuries' old conflict plaguing the troubled Middle East.●

MY RESPONSIBILITY TO AMERICA

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. SANTINI. Mr. Speaker, each year the Veterans of Foreign Wars of the United States conducts a Voice of Democracy Speech Contest involving more than 250,000 secondary school students throughout the country.

The theme of this year's contest was "My Reponsibility to America."

Contest winners from each State are brought back to Washington, D.C., for the finals of the competition, with the five top contestants receiving scholarships ranging from $1,500 to $10,000.

Nevada's representative in the finals was Mr. Bernd Klaus Estabrook. A resident of Minden, Nev., Bernd is editor of his school newspaper, president of the Honor Society and a representative on the student council.

Mr. Speaker, I would like to share Mr. Estabrook's inspiring and thought-provoking remarks.

His message should make all of us think of "our responsibility to America."

MY RESPONSIBILITY TO AMERICA

(By Bernd Klaus Estabrook)

It is a time of wars and rumors of wars, of distress and discontent, of wealth and abject poverty—it is our time. The world and its peoples move toward an unknown future, their struggles rise violently across continents, shake the farthest reaches of the globe—such is our world. We search, we probe, we experiment, we examine the very foundations of our society, seeking the essence of the American heritage. We find casual acceptance of this heritage impossible, for change and challenge have been the pillars of our strength. We have questioned time-honored beliefs, disputed traditional principles, delved deep into our creed—for to find our convictions sound and strong is to bring life and vigor to them, to enhance the strength and solidarity of what we hold true. To examine what we hold dearest in these troubled times is to awaken dying flames, to lend an indomitable spirit to those famous principles which will strengthen us in the future as they have in the past. It is our time, time to define our responsibility to our ideas and to our country, time to drink deeply of our spiritual reservoir, time to challenge totalitarianism and intolerance, to say to the dehumanizing forces sweeping the globe, "This far and no further!"

Where shall we begin? What shall we do or say to fill this vast nation with the desire to live to its highest, to rise from apathy and strive for excellence? What shall we do to make this nation a personal commitment, to act in the fullest measure we can to realize that commitment? The answer lies in the individual, in his response to humanity, in his commitment to the ideals that formed this nation. He, the individual, is the lifeblood of democracy, the integral part of our system that makes it live and grow, that makes it differ from the lifeless structure that is democracy without responsibility. He, the individual, lends our democracy its strength in the knowledge of his own worth, of the importance of his decisions and opinions, of his understanding of fragile yet priceless human qualities. He, the individual, knows the tyranny of the dictator is matched only by the tyranny of the mob he watches,

and speaks, and listens and moves to understand the world around him. He feels deeply his responsibility to his world, to his country, to his very home and works with that knowledge in all that he does. He, the individual holds the final and most important commitment to this nation. We climb or fall, succeed or fail with each and every individual, and our destinies are linked together by that one word—responsibility.

Our President, our congressmen, governors and all our leaders are men with which we have vested with great power and solemn responsibility. They are men we see daily, acting on our behalf with all the foibles and failings of men everywhere. I see responsibility here as they sign bills and draft laws, debate issues and resolve disputes, many of them standing as examples to us all in their tenacious hold upon integrity. We see them and acknowledge their importance.

Yet behind the public world, behind the world that concerns great decisions, I see responsibility too. I see responsibility in men and women who have held to their principles throughout their lives with little or no recognition or praise, men and women who have spun the basic fabric of this nation, men and women of whom Jefferson once said, "I am not among those who fear the people. They . . . are our dependance for continued freedom." They have made our nation what is is; without them our leaders would be helpless. Together we can meet any trial with strength born of individuals united in that one word—responsibility.

What is my responsibility to America? It is not represented by any one word or idea; perhaps it is not possible to put it into words in its entirety. But in my deepest understanding I know what it is. I know what it means to me, why it is important to me, and what I can do about it, for my responsibility to America is my responsibility to myself. It is my commitment to my country as she is, not as I wish her to be or as my prejudice sees her. It is my pledge to look upon her clearly and thoughtfully, to feel her woes and triumphs and to work with this in mind towards what America might be. My country asks of me but one thing—she calls from history and homeland to see, to perceive again, ever to understand. Let us heed her call and embark anew on the American adventure, with the strength of two hundred years behind and limitless prospects before.●

ORME DAM

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. STUMP. Mr. Speaker, I have written President Carter requesting him to reinstate Orme Dam as an integral part of the Central Arizona project. As you are aware, Phoenix, Ariz., last week endured the worst flood disaster since 1941. Not only was this the worst disaster in 27 years, but it was the second major flood in the past 6 years.

I feel strongly that much of the damage to property and loss of human life would have been prevented had the Bureau of Reclamation been allowed to build Orme Dam and Reservoir.

In 1977 President Carter appointed a task force that recommended the cancellation of Orme Dam from the Central Arizona project. He followed their recommendation and deleted Orme Dam from his budget.

Every study by the U.S. Army Corps of Engineers, the Bureau of Reclamation, and Arizona's water experts have reached the same conclusion: Orme Dam and Reservoir would be the most operational and cost-effective structure for the Central Arizona project water regulation and flood control for the Phoenix metropolitan area.

The population of Maricopa County Board of Supervisors which represents 60 percent of the State of Arizona has submitted the following resolution in support of building Orme Dam:

RESOLUTION

The Board of Supervisors convened in the Supervisors' Auditorium at 205 West Jefferson Street, Phoenix, Arizona, on March 6, 1978, with a quorum present, adopted the following resolution on motion made by Henry H. Haws, Member:

Whereas, the Colorado River Basin Project Act of September 30, 1968 (Public Law 90–537) authorized the Secretary of the Interior, acting through the Bureau of Reclamation, to construct, operate and maintain the Central Arizona Project and Congress to appropriate funds for that purpose, and

Whereas, pursuant to this Act, the construction of Orme Dam and Reservoir, or suitable alternative, are authorized features of the Central Arizona Project, and

Whereas, the primary purposes of Orme Dam and Reservoir are to provide regulatory storage for Central Arizona Project aqueduct operations and flood control for downstream areas along the Salt and Gila Rivers. Other purposes include water conservation, hydroelectric power generation, recreation, fish and wildlife enhancement, and sediment control, and

Whereas, even though existing reservoirs on the Salt and Verde Rivers were extremely low, disastrous flooding occurred on the Salt and Verde Rivers from March 1 through March 6, 1978.

Now, therefore, be it resolved by the Board of Supervisors of Maricopa County, Arizona, that they recognize that adequate means of flood control cannot be provided along the Salt River Valley in Maricopa County without the construction of a flood control reservoir below the confluence of the Salt and Verde Rivers. Orme Dam and Reservoir, as proposed by the U.S. Department of the Interior, Bureau of Reclamation, for the Central Arizona Project, would provide adequate flood control measures.

Be it further resolved that this resolution be entered in the Minutes of the Board of Supervisors of Maricopa County, Arizona, and that certified copies be mailed to the Arizona Congressional Delegation to urge them to obtain Congressional support for the construction of Orme Dam.

Dated this 10th day of March, 1978.●

SOME ENERGY ISSUES: OBSERVATIONS FROM THE SIDELINES

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. WALGREN. Mr. Speaker, recently one of my constituents, Dr. Jiri Nehnevajsa, director of the Urban Research Center of the University of Pittsburgh, delivered an address to the energy task force of the university. In this address, he focuses on the realities of the current energy problems, possible future societal and political implications of these problems, and courses of action open to a university in response to this situation.

This address is quite lengthy. I am including in the RECORD only portions of Dr. Nehnevajsa's remarks:

SOME ENERGY ISSUES: OBSERVATIONS FROM THE SIDELINES

(By Jiri Nehnevajsa)

I.

My remarks are organized along four dimensions. First, I will sketch out my own interpretation of the dynamics of the world energy situation. Second, I will briefly address a few of the main socio-political and economic implications of the major likely transformations of the world environment. Third, I will deal with the nature and character of institutional responses to the current and nascent states of affairs as they are centered around the key energy issues. And finally, I propose to make a few more concrete suggestions as to how the particular institutional strengths of a university may be harnessed with a view to impacting both public policy and public response so as to convert the grave risks of the coming decades into opportunities.

II.

Perhaps I may begin with a few major premises. I do this with some reluctance. You are fully familiar, I am sure, with what I am about to say. Indeed, you have expertise that far exceeds mine. Yet, I must proceed as if this weren't quite the case so that we can share a common reference frame in which our conceptualizations are anchored.

1. If current patterns of energy production and consumption continue without significant shifts, the demand will begin outpacing the supply as soon as the mid-1980's and almost certainly in the 1990's.

The key constraint, of course, is petroleum and the reality of the energy-intensive petroleum-based civilization of our times.

The forces which drive the system toward its undesirable future include population growth, further urbanization with its energy-demanding life patterns, and needs for industrialization—especially throughout the Third World nations.

2. The basic conclusion is rather insensitive to the costs of energy as much as a factor of 1.5 and even larger increases of costs will have, at best, a delaying effect on the underlying trend.

3. Even major measures of energy conservation without changes in basic energy systems and energy uses amount to relatively short-run fixes only. They have, however, the effect of buying, as it were, some time in which to phase into alternative systems and alternative life patterns.

Measures of conservation, in fact, impact the rate of growth in demand and stretch the dwindling resources but do not yield zero-growth or negative growth outcomes.

4. The energy problem, in this form, is truly a global problem; nothing perhaps, that is no other major secular dynamic, can dramatize more the necessity for systems thinking in a genuinely worldwide framework or bring home more the need for the "spaceship earth" conceptualization of both problems and solutions.

It is not, to stress, an American problem to which there are American solutions; it is only to a limited extent a problem for which American technical know-how may have some global legacy and thus a degree, even a significant one, of technology transfer value.

5. Though the globality of the problem would be difficult to deny, and the need for a global perspective is therefore altogether essential, it does in no way follow that the same solutions are likely to be applicable on a world-wide scale. Indeed potential solutions will most likely require differentiation among

the world's regions, among the countries of the regions and even within the countries themselves.

Energy-wealthy nations face a significantly different situation from energy-poor nations. Some of the major resource rich countries can absorb the resulting revenues in their own developmental process or in their patterns of foreign aid. Other resource rich countries find it much more difficult to invest the wealth which keeps accumulating in face of high, and rising, economic returns from the productive perusal of these resources. Different solutions, indeed, apply to countries with high energy consumption than are applicable to lower energy consumers. While even conservation may induce important redistribution of the global energy wealth if the high technology societies can save energy, increased rate of energy use rather than conservation looms essential for the future needs of the developing nations of the world.

6. Furthermore, the temporal dimensions of the problem, availability of plausible solutions and their policy implementation is highly variegated.

Thus short-run, middle-range and long-range fixes are clearly not quite the same; nor do they have the same optimal phasing for the different parts of the world; nor do they lead necessarily to the same resultant configuration of alternative energy systems at some definable and reasonably predictable future time.

7. Whatever else may be said about the relevant time horizon, it is also true that significant changes are characterized by a relatively long lead time, a gestation period of perhaps at least one decade, and more likely of a quarter of a century or so.

Hence, even major policy innovations which would begin to be implemented now, let us say in early 1978, will not reach their maturation in terms of realized, both intended and unintended, effects before the end of the next decade, and perhaps not before 1995.

8. Thus, there exists a compelling need to act now so that we may reap the benefits of prudent choices a decade or more later. But this need is, indeed, counterbalanced by the very uncertainties with which the future is intrinsically fraught, by the limitations of our understanding of the intricate nexus of cause-effect relations, by the availability of appropriate off-the-shelf or predictably emergent technologies, and by the capacity of political and social institutions of societies to arrive at decisions, to accept the risks of mistaken choices, to establish ways to monitor the societal transformations to be aware of such mistakes, and to have the wisdom to change policies the practical trajectories of which may prove or may appear to have been mistaken.

All this, in turn, induces politically-grounded preferences for short-run fixes or, at best, for middle-range ones with the consequences that the limited expertise and the policy making resolve both tend to be disproportionately allocated to the more acute problems of today and to those with a short-time horizon. In final analysis, such built-in tendencies coupled with the rather strong inertia of human institutions and their functioning lead to more neglect of longer range thinking, of basic research, of long range perspectives than is either necessary or prudent.

With these thoughts as a kind of backdrop, let me now briefly reflect on some of the energy issues more specifically. The conclusions I reach are, of course, not definitive in any manner. Most involve highly technical, and often unresolved, controversies. Yet, whatever I may argue represents my own assessment of the situation and my own evaluation as of the waning days of 1977.

(Here follows (Sections III–IX) an extensive discussion of current supply and demand situations of a wide variety of energy sources.)

X.

In face of the rather predictable bleak futures of curent energy systems coupled with the many uncertainties which surround the futherance, phasing and implementation of alternatives, several important societal reverberations can be expected. Some appear almost certain as direct outgrowths of the energy problems. Others, perhaps, are less predictable but rather troublesome so that they cannot be ignored as plausible aspects of the total evolving process of change.

1. The emergence of the petroleum-based civilization has led to significant redistribution in national power, and has induced new relations of dependence.

2. The dependence of oil-poor on oil-wealthy nations will tend to keep increasing for the remainder of the petroleum age, and tensions born out of such unilateral dependent relations are likely to grow.

3. Fundamental power redistribution, and still another pattern of dependencies and interdependencies, can be anticipated in conjunction with the development of viable alternative energy systems and with their increasing proliferation.

4. In any event, of course, these subtle or even dramatic shifts over the coming decades cannot but have a destabilizing effect on the international environment. For some time to come, the world is likely to be a more, rather than a less, dangerous place.

This means, however, also that diversion of limited manpower and fiscal resources into national security and national defense systems is likely to continue and actually grow.

5. As a by-product of the almost certain expansion of nuclear energy, it would be very surprising if there were no further proliferation of nuclear weaponry, if there were no acts of terrorism directed at nuclear power plants, or if there were no acts by non-state adversaries to acquire and build a small, but impressive, arsenal of nuclear devices in the kiloton ranges.

6. Energy costs followed by energy shortfalls without adequate provisions for alternative systems will significantly impact the food production system of the world, especially in the energy-intensive and food surplus producing agricultures of the developed nations. Coupled with population growth, energy shortages and food shortages present a potentially extremely explosive situation apart from the built-in differential distribution of massive suffering.

7. The aspirations of many developing nations have been only recently fully legitimized. They remain largely unfulfilled. Many are tied, of necessity, to the mobilization for greater productivity of agriculture and toward industrialization. Much of socio-economic development is thus dependent on a reliable, large and growing supply of energy. The leaders and people of many a nation may find themselves unable to fulfill their aspirations, and they are not likely to simply sit idly by while some of the high technologies continue using so much energy that only a small fraction of it would be sufficient to insure the growing needs of the Third World.

8. Concerns over energy are likely to have an increasing effect on national defense capabilities, so that strategic and doctrinal changes of the coming decades are likely to reflect increasingly the close, and uncomfortable, tie-in between energy and international security.

9. Anticipatable, if gradual, shifts in the way we move people, goods, and materials are likely to lead to profound alterations in transportation systems, with particularly pronounced effects on civil aviation and the automobile industries, as well as in all production and service sectors linked to transportation. Changes in the labor market, in employment and employability patterns, in turn, cannot but have problematic effects upon the tenuous stabilities of labor-management relations, on the labor movement in general as well as on needs for, and costs of, appropriate responsive welfare systems.

10. In all, and especially in America, Western Europe and Japan, the future is one of profound changes in life styles. Thus, problems at the inter-nation and global level are compounded by the destabilizing effects which persistent stresses of life change present to individuals, families and communities.

11. If suburbanization characterized our country for the past several decades, it would not be surprising if the 1980's witnesses a gradual, and growing, drift of the population back into the central cities. The costs of transportation alone may provide enough of an inducement. This could prove somewhat beneficial to the weak tax base of most cities, and could herald a significant revival of city life; but it also implies deterioration of many suburban areas and profound economic dislocation of the business and service infrastructures which have grown up in response to the population movement.

12. We should not be too surprised to find migration patterns from less to more hospitable climates. In our own country, this would imply a possible trend toward migration from the North to the South.

These, I think, are some of the examples of major changes in the socio-political arena of the coming twenty or so years. For the most part, they present a problematic, if not actually unappealing, picture. The problems would be further compounded if we were to consider more systematically the effects of energy shortfalls on industrial production, the impact of lowered industrial production, the impact of lowered industrial productivity on overall employment, the effects of lowered employment on the nation's revenues on one hand and on costs of the welfare system on the other hand.

But, of course, I cannot dwell on all of these, and many other, ramifications of the disquieting energy equation at this time. Suffice it to say that the problems are so many, so serious, and so compelling, that to deal with them with some chance of success will require a truly coordinated and sustained effort of the best minds, a genuine demand for excellence, a great deal of compassion, a great willingness to accept risks, a major reinvigoration of the willingness to be accountable for both good and poor choices, and a commitment to human destiny and to mankind's future.

Perhaps, indeed, the very existence of the energy problem and of its crisis ramifications in future years might be conducive to the restoration and reaffirmation of important values, to the redefinition of life's meaning, to the redesign of structures in which existence of highest quality can blossom, and to a deeper sense of global togetherness. If so, the difficulties of the coming decades and all their reverberations may prove to be a blessing in disguise.

XI.

In this broad context, what might I consider to be an appropriate class of "institutional responses?" Indeed, the notion of an "institutional response" implies a commitment of an organization as an organization rather than the mere existence of scattered, uncoordinated, piecemeal approaches of many individuals in the organization. Yet, at the same time, an appropriate "institutional response" does include the provision for incentives, support systems and an appropriate environment in which such individualized strivings can also continue and flourish with perhaps only a minimum of coordination so that the various undertakings do not quite obviously run at cross-purposes, keep competing for the same lim-

ited resources within or outside of the university. This alone is a major and difficult task.

But there is, indeed, much more to my image of an "institutional response."

First, there is a need for a manifest organizational commitment to the problem of energy. But such a commitment, in my view, cannot occur as simply another one of the many diverse commitments to which universities tend to pay lipservice. It requires the rethinking of our academic and research priorities, and a clear decision as to the several major themes to which we are dedicated as a university while fostering a climate of diversity in the efforts of all other faculty members.

Second, there is a need to keep sensitizing the university community to insure that the magnitude of our vision and of our objectives must reflect, or be isomorphic to, the magnitude of the problem and its evolving dynamics. Hence, even if our pedagogical or research endeavor must, of necessity, subserve only limited objectives at any given time, the scope of our aspirations and of our vision places such limited activities systematically into its appropriate global and temporal perspective.

Third, there is a need to allocate a significant and concentrated amount of time to an effective and coordinated group of scientists to develop an appropriate program of research and pedagogy, to pursue it as teams and subteams—both as willing collaborators and as gentle competitors.

Fourth, there is a need to insist on, demand and expect excellence and only excellence—especially in a domain of a major new university commitment and one which is so closely linked to both civilizational and human survival. Thus, university politics, school and departmental politics, personality power plays will prove self-defeating if we are serious about our resolve to tackle this most complex web of issues and their systemic reverberations.

Fifth, there is an urgent need to liberate scientists and engineers to pursue science and engineering rather than research sales or public relations. The waste of precious manpower in activities for which the individuals were not trained and which most neither enjoy nor do particularly well is staggering and, if it were added up across the nation, it would amount to hundreds of man years.

Sixth, there is an urgent need to recognize that real solutions require long leadtimes and that they more often come in the way of basic research than through any other knowledge production dynamic.

Thus, the pursuit of targets of opportunity or the pedagogical and research undertakings responsive to the already recognized expediencies may remain necessary if only due to fiscal constraints; but this must not divert all, or even most, of the most precious human resources at our disposal into efforts which are at best of short-range value and often amount to no more than a glorified version of muddling through.

Finally, let me articulate a few more concrete suggestions as to what might be done.

1. I think we need to establish a thorough inventory of all ongoing and past research and teaching programs as well as research and teaching plans over at least the next two years. I believe that we must assess the genuine expertise that might be available as our strategic resource. I think that such an inventory must have built-in provisions for real-time updating, and it must be available as a resource to users within the university and outside of it.

2. I am convinced that we need to establish a task force of experts who could spend their full time for a defined, if limited, period of time to think through, formulate and justify a programmatic approach to the energy issues.

I am certain that such an organizational thrust would prove particularly workable if there were actual target dates specified, if there were full accountability for performance, and a full expectation and demand for performance excellence.

3. I suggest that, given such a programmatic development, an appropriate cooperative group of experts be established, whether as an Institute or a Center or a Club, to initiate and carry out the implementation of the program as well as those changes in it which time will prove prudent to make.

4. I suggest that such a group of scientists ought to immediately establish cooperative relations with colleagues in other universities both in America and abroad so that our own experts' limitations, cultural blinders and other constraints can be mitigated by flexible but formal relationships with those others, American and foreign, whose competencies may augment or complement our own.

5. I believe that serious thought should be given to appropriate formal cooperation of experts from industry including, indeed, the probably superbly abundant opportunities to tap the experts among those senior citizens who, while in retirement, yearn to utilize their established knowledge and insight in a meaningful manner.

6. I believe that we must, with other universities, through the National Academy of Sciences and through the various scientific and professional associations, become a powerful lobby to sharply increase the flow of funds into basic research, indeed, not only in the energy and energy-related fields but in all science.

7. Since we are located in Pittsburgh and since Pittsburgh has been one of the world's major industrial centers, it is especially desirable to incorporate into our programmatic thrust as integral dimensions the energy systems impacts in industry, particularly steel and, by definition, on labor and the labor movement.

8. We must undertake a very serious assessment of the best ways by which we can impact our students and the larger community as educators.

This includes the need to help in the process of value clarification, that is, in the process by which we can all meaningfully appraise and reappraise life priorities and acquire a disciplined and critical capacity to adjust our life styles, not dramatically but in a step-by-step manner, to a future different from today or from the recent past.

Along these lines, we need to develop specialized expertise for knowledge translation and dissemination so that we do not allow cheap imagery of panaceas, or else nightmarish portraits of the coming doomsday, dominate public sentiment and thinking while scientists keep producing more balanced analyses but communicate only to other scientists and to occasionally literate bureaucracies outside of the invisible colleges. It is much less important that we give degrees in energy and energy-related fields or offer this many courses and seminars than it is to insure the highest quality of the substance of whatever we offer, and that this quality dimension includes the transmission of knowledge not only at the highest specialized technical level but also of the moral, cultural, social and esthetic underpinnings which are inextricably linked to all energy systems as both causes and consequences, as facilitators and constraints, as sources of well being as well as suffering, as conditions of human exitence to which all technologies are—or ought to be—but servants.●

A NATIONAL FIRE ACADEMY IS NEEDED

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. EVANS of Delaware. Mr. Speaker, I generally take this floor to argue for greater fiscal responsibility in our Government. Today, however, I want to express my deep dismay over the administration's decision to eliminate funding in the fiscal year 1979 budget for the National Fire Academy.

This decision by the Office of Management and Budget, if allowed to stand by the Congress, would be a serious setback to the congressionally mandated effort, as stated in the Federal Fire Prevention and Control Act of 1974, "to advance the professional development of fire service personnel and of other persons engaged in fire prevention and control activities."

For many years, fire service personnel across the country urged the creation of a National Fire Service Academy, which would bring together persons from across the country to learn the latest techniques on how to fight and prevent against fire. Patterned after the highly successful FBI Academy, the new facility will develop programs and training packages which can be disseminated to fire service personnel in their own communities.

With the passage of the 1974 act, the fire service thought that the National Fire Academy was only a few short steps from reality. An exhaustive site selection process was carried out, and Marjorie Webster Junior College in the District of Columbia was chosen as the location of the academy and other National Fire Prevention and Control Administration activities. Congress then appropriated $2,850,000 to purchase the site and conduct detailed architectural studies to determine more precise renovation requirements.

Now, however, after the exhaustive site selection process and the appropriation of the first $2.8 million, OMB has decided that the whole project needs "reassessing." Mr. Speaker, I find OMB's reluctance on this project unbelievable. According to them, NFPCA should undertake a study to reassess the need for a central academy facility. In my opinion, this action flies directly in the face of clear congressional intent on this matter.

We do not need any more studies. What we need is a National Fire Academy—and right now.

I sincerely hope that the appropriate committees of Congress will restore the necessary $6 million to fund the new academy. Any efforts toward that goal will have my full support. To do otherwise would be pennywise and dollar foolish.

It is past time to make the National Fire Academy a reality.●

THE 75TH DIAMOND JUBILEE OF OXNARD COUNCIL NO. 750, KNIGHTS OF COLUMBUS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the 75th Diamond Jubilee of the Oxnard Council, No. 750, of the Knights of Columbus.

This council, founded by a few great men in 1903, has grown to a membership in excess of 600. It is the third oldest in the State of California, has the largest membership in the State, and has been involved in the ecumenical movement since 1903.

A newspaper from 1903 described the beginnings of the Oxnard Council in this way:

> The Knights of Columbus dignitaries from Los Angeles and San Francisco detrained, were met by the local delegation and marched to the Masonic Temple where they were instituted, initiated, and installed.

Later, when the 1952 earthquake made the Masonic Temple unsafe, the Knights offered their hall, and the Masons began to meet at the Knights of Columbus hall (a drape was pulled over the picture of the Pope during their meetings).

The Oxnard Council has been active throughout its history in many causes, not all church related, in the community, charity, and youth. The list of accomplishments which follows barely scratches the surface of the tremendous amount of outstanding work done by the council.

It was the first council in California to own its own hall, erected in 1904. It has been frequently acknowledged as "Best Council in State." It has worked with the local Masonic organization since the council's inception. It assisted in the building of the original St. John's Hospital in Oxnard. It assisted in the building of the Santa Clara Church both physically and financially in the building of Saint Anthony's Church and School in Oxnard. It has sponsored a Boy Scout troop since 1903. It has for some time cosponsored and conducted an annual punt, pass, and kick contest for boys and girls between the ages of 8 and 13 in all schools. It conducts the annual Knights of Columbus free throw contest for boys and girls between the ages of 8 and 13. It provides, cooks, and serves, a barbeque for inmates of the local California Youth Facility twice annually. It makes an annual trip to the Rancho Nazareth Orphanage in Tecate, Mexico, taking food, clothing, bedding, tools, toys, and other supplies. For years it has supported the Rancho San Antonio Boys Town (Boys Town of the West). It conducts a quarterly blood drive. It holds an annual civic night banquet when it honors those who serve in news media, city, county, State, Federal, and military roles. It participates in an annual Christmas parade by entering a large float, and its float has been the top winner in the parade the past 4 out of 5 years. It sponsors persons for the Special Olympics for Youth. It annually honors at a dinner the city, county, and State law enforcement and firefighter agencies and gives a trophy to the "Rookie of the Year," who is chosen by the agencies. It provides toys and holds a Christmas party for the first and second grade children at the Our Lady of Guadalupe School in Oxnard. It presents three college scholarships annually to students at Santa Clara High School. It conducts an annual fund drive for Catholic Social Services, a United Fund agency. Many times it assists both physically and financially those of its members who are in need, often anonymously. Its pet project is support of the Santa Clara High School.

This long list of achievements by the Oxnard Council of the Knights of Columbus is representative of the great work the council has done throughout my district to help people in all walks of life. Therefore, Mr. Speaker, I would like to express the gratitude at this time of the nearly 450,000 citizens of my district and the many others who have been served since 1903 by this magnificent organization.●

SENATE—*Wednesday, March 15, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 11 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. ALAN CRANSTON, a Senator from the State of California.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

God be merciful unto us, and bless us; and cause His face to shine upon us; that Thy way may be known upon earth, Thy saving health among all nations. —Psalms 67: 1, 2.

Our Father God, may the Psalmist's prayer be our prayer as we reverently pause to open our hearts to Thee. May our fervent prayer and our diligent work avail much for Thy kingdom. Deliver us from ignorance, and weakness, and cowardice. Preserve us from compounding the evils we find in the world. Bless us only in what is right; correct and chasten us when we are wrong. Shape our lives for Thy kingdom.

We pray for all in the service of this Nation, the President, his counselors, the Congress, the judiciary, the diplomats, the Armed Forces, and all those whose work is hidden from public gaze that this new day may bring new insights and new achievements for peace and justice in the world.

We pray in His name, who is King of Kings and Lord of Lords. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 15, 1978.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable ALAN CRANSTON, a Senator from the State of California, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. CRANSTON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask that the time that was allotted to Mr. LEAHY under the order be under my control.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Friday, March 17, to hold hearings in Pittsburgh on amendments to the Buy America Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, there are various nominations, I believe, that have been cleared for action at this time. I ask unanimous consent that the Senate proceed to consider the nominations on the Executive Calendar for not to exceed 2 minutes, beginning with the nominations under new reports.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I advise the majority leader that the items under new reports on page 2 and continuing on pages 3, 4, and 5, including nominations placed on the Secretary's desk, are cleared on our calendar. We have no objection to their consideration and disposition at this time.

The ACTING PRESIDENT pro tempore. Without objection, the clerk will state the nominations.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered en bloc and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider en bloc the vote by which the nominations were confirmed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make that motion.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask the distinguished minority leader if he has any desire for any time at the moment. I have Mr. LEAHY's remaining time under my control. I shall be glad to yield it to anyone.

Mr. BAKER. I have no need for the time. I do have a request, though, from the distinguished Senator from Massachusetts (Mr. BROOKE) for 30 minutes today following the distinguished Senator from Oklahoma (Mr. BARTLETT). I ask the distinguished majority leader if it is possible to arrange that at this time.

Mr. ROBERT C. BYRD. Mr. President, I shall discuss that with the distinguished minority leader. At the moment, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION ON THE PANAMA CANAL

Mr. ROBERT C. BYRD. Mr. President, may we now go to the treaty?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the resolution of ratification.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time under Mr. Leahy's order.

Mr. BAKER. Mr. President, I have a requirement for time by the distinguished Senator from California for 1 minute.

RESOLUTION OF RATIFICATION

The ACTING PRESIDENT pro tempore. The clerk will state the resolution.

The assistant legislative clerk read as follows:

Calendar Order No. 1 Executive N, 95th Congress, 1st Session, treaty concerning the permanent neutrality and operation of the Panama Canal; Resolution of Ratification:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, together with the Annexes and Protocol relating thereto, done at Washington on September 7, 1977 (Executive N, Ninety-fifth Congress, first session), subject to certain amendments.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be given control of the time that was allotted to Mr. FORD under the order entered yesterday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished minority leader 3 minutes.

Mr. BAKER. Mr. President, I thank the distinguished majority leader. I yield to the distinguished Senator from California (Mr. HAYAKAWA).

(Mr. HAYAKAWA's remarks made at this point are printed later in today's RECORD.)

UNANIMOUS-CONSENT AGREEMENT—ORDER OF PROCEDURE TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. RIEGLE be recognized for not to exceed 15 minutes following my relinquishing the floor under the time which I now control, and that Mr. LONG be recognized to follow Mr. RIEGLE for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Then, following Mr. LONG, Mr. ORRIN HATCH be recognized under the order of yesterday for not to exceed 45 minutes between them; that they be followed by Mr. BARTLETT, which I think is in conformance with the order, for not to exceed 30 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That Mr. BARTLETT be followed by Mr. BROOKE for not to exceed 30 minutes; that Mr. BROOKE be followed by Mr. LONG for not to exceed 30 minutes.

In any event that Mr. LONG be recognized for not to exceed 30 minutes, and if he is unable to be on the floor at that point, for not to exceed 30 minutes at some point between 3 and 4 o'clock p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—Senators may want to listen to this request carefully—that tomorrow afternoon at 3:30 p.m. the majority leader be recognized for not to exceed 15 minutes, to be followed by the minority leader for not to exceed 15 minutes.

Mr. ALLEN. I would object to that one and ask that you possibly allow the Senator from Alabama to have 15 minutes prior to the remarks of the two leaders.

Mr. ROBERT C. BYRD. Yes, I include that in my request, Mr. President, that immediately before I speak, the distinguished Senator from Alabama be recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Reserving the right to object, I do not know which other Senators might also feel they should be allowed to speak, but obviously the majority leader and the minority leader are both on the same side of the issue and presumably occupying and taking the last half hour.

I want to be kind to the leadership, of course, but how about the other side on this issue?

Mr. ROBERT C. BYRD. Well, the distinguished Senator from Alabama will be speaking just prior to the two leaders. If the distinguished Senator from Michigan would like 15 minutes also prior to the Senator from Alabama, that would give both sides equal time.

Mr. ALLEN. Mr. President, is it possible to intersperse the speeches by the opposition rather than have both opposition speeches followed by both pro speeches?

Might I follow the distinguished minority leader and then the distinguished Senator from Michigan follow me, and then the other way around. The distinguished majority leader would also have an opportunity to debate.

Mr. BAKER. I wonder if the majority leader would yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BAKER. Before that, I might say to the distinguished Senator from Michigan that there is certainly no effort to cut out opposition, which is the reason just a moment ago I advised him that this request was going to be made and addressed his attention to it.

Mr. GRIFFIN. Apparently the leaders are going to take the last half hour.

Mr. BAKER. What I was about to say is, I know of no reason why the opponents to the treaty might not also have 30 minutes just before. I think that is where we are.

Now, my suggestion might be that we simply allocate the last hour to the proponents and the opponents and divide it up as we see fit.

Mr. GRIFFIN. That is a good idea.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request and ask unanimous consent that beginning at 3 p.m. tomorrow there be 1 hour of debate on the treaty and that that hour be equally divided between Mr. CHURCH and Mr. LAXALT, with the further proviso that if an amendment is pending—Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the rollcall be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow at 3 o'clock p.m. there be 1 hour of debate on the treaties, to be equally divided between Mr. CHURCH and Mr. LAXALT, with the understanding that if an amendment is pending at the hour of 3 o'clock p.m., the hour of debate will begin, notwithstanding and that of necessity would result in the vote on the then pending amendment beginning at the hour of 4 o'clock p.m.

Also, it would mean that I want to include in the request that if a rollcall vote should be in progress at the hour of 3 o'clock p.m., that the remaining time following the conclusion of the vote at 4 o'clock to be equally divided between Mr. LAXALT and Mr. CHURCH.

Mr. BAKER. Mr. President——

Mr. ROBERT C. BYRD. There is one other possible problem, that being if a quorum is in progress and there should be an objection to calling it off——

Mr. BAKER. Mr. President, reserving the right to object, would it then be the opinion of the majority leader under this formulation that if a vote was in progress, the time consumed after 3 o'clock to complete the rollcall would diminish the hour available for debate equally divided by that much?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. And by the same token, if a quorum call was in progress and there was an objection to vitiating the order for the quorum call that the time consumed after 3 o'clock to make a quorum would also be deducted from the hour provided?

Mr. ROBERT C. BYRD. Yes. I think that would have to be the general understanding.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank Mr. RIEGLE for his patience in waiting.

I yield back any remainder of time I may have.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Michigan (Mr. RIEGLE) is recognized for not to exceed 15 minutes.

Mr. RIEGLE. I thank the Chair, and I thank the majority leader for his courtesies.

Mr. President, like each Member of the Senate I have been carefully weighing the two proposed Panama Canal treaties. In the process of my analysis I visited Panama in November of 1977 and spent 4 days inspecting the canal, talking with United States and Panamanian Government officials there, and traveling and holding various meetings throughout the country. These sessions included some 6 hours of intense, private discussion with General Torrijos and the top leadership in the Government of Panama. I also spent several hours in secret briefings with the top U.S. military command based in Panama.

In addition, I have carefully studied the testimony presented to the Senate for and against the treaties, and I have drawn upon my 11 years of experience in Congress and my service during that time on committees directly responsible for American foreign policy. This process has taken several months.

The present situation concerning the Panama Canal is very complex—and there are no simple answers as to how best to deal with the status of the canal now and in the future. Current public opinion polls show that the American people are divided on the canal issue, with the nationwide Gallup poll of January showing 45 percent in favor, 42 percent opposed, and 13 percent undecided.

As we know, while the United States built the Panama Canal, we have been operating it on the basis of a permanent lease arrangement with Panama first negotiated in 1903. We may also know that the country of Panama had just been created in 1903—with the direct involvement of the United States—and the original treaties were strongly slanted our way due to Panama's weakness at that time and our great strength. Over the 75 years since, the United States has had virtually a free hand in controlling the canal and largely dominated the relationship between our two countries. Clearly, there have been enormous benefits to the United States over the 75 years, and it is my own view that the Panama Canal investment has paid off very handsomely for the United States.

While the canal continues as a vital world waterway, its strategic value to the United States has undergone considerable change over the past 75 years. Today, for example, ships from Japan, Liberia, Greece, Nicaragua, and England ship more tonnage through the canal than does the United States. Approximately 12 percent of the U.S. seaborne commerce goes through the canal. Most countries in Latin America send a much larger percentage of their commerce through the canal. Also, as the size of ships has increased, our largest military ships and the supertankers which carry oil from Alaska are too big to fit through the canal.

Due to this increasing international character of the canal and its use, it is appropriate that the world as a whole shoulder more of the responsibility for seeing to the future neutrality and security of the canal. While the United States will continue to carry the strategic military burden for the active defense of the canal, if it is directly threatened—if the weight of world opinion united in insisting upon the secure and neutral use of the canal, then more of the burden of securing the future of the canal will be borne by the world community which is deriving an increasing benefit from the canal.

It is my judgment that the original treaty arrangement is hopelessly out of date—and is a cause of increasing awkwardness and difficulty in terms of our relationship with Panama and other South American countries. After lengthy study, I believe that our strategic interests require new treaties which guarantee the unrestricted use of the canal by the United States and all other nations—and first-priority use by the United States in time of emergency.

As we know, there are presently two treaties before the U.S. Senate that are the product of nearly 10 years of negotiation between the United States and Panama. These two new treaties would replace the old relationship: the first treaty deals with the time period from now through the year 1999; and the second treaty deals with the situation beyond the year 2000.

Treaties by their very nature are not perfect documents. They represent the best possible attempt by two countries to strike an accord that is fair, and in the strategic interests of both parties.

The first treaty provides for joint management of the canal by both countries from now until the year 2000. It creates a nine-person canal management group called the Panama Canal Commission, composed of five Americans and four Panamanians—with the Administrator to be an American until 1990, and the Deputy Administrator being a Panamanian. From 1990 to the year 2000, the roles are reversed with a Panamanian becoming the Administrator.

During this 22-year period, until the year 2000, the new treaties give the United States the right to operate and run the canal—and to maintain our present military bases in Panama and our armed forces there. The United States and Panama are required by the new treaties to protect and defend the canal against any and all threats. At the present time, some 80 percent of the jobs required to operate the Panama Canal are held by Panamanians. The 22-year transition period until the year 2000 would gradually shift full operational control to Panama.

Panama would assume civilian jurisdiction to the 10-mile-wide Canal Zone and would undertake to provide the municipal services in that area which the United States now provides. Certain property in the Canal Zone would be transferred to Panama and new financial arrangements instituted, where Panama would begin to receive a larger share (some $55 million annually) of the toll revenues earned from international shipping passing through the canal. These are the major provisions, although there are several other provisions that are consistent with the items I have just outlined.

The second treaty establishes the arrangements for the permanent neutrality of the canal beyond the year 2000. At that time, Panama assumes the full operational management for the canal, and assures the neutrality of the canal for the use by all nations of the world. The Senate has amended this treaty—and with my vote, I might say—to make clear that the United States is free to take whatever military action may be required to protect the canal and maintain its neutrality beyond the year 2000. Further, the amendment we have added guarantees that at times of war or emergency, U.S. ships will go to the head of the line and have priority use of the canal.

These then are the essential facts about these treaties. They have properly caused wide national debate—and sharp

differences of opinion exist. This issue has split the conservatives in the United States, with such leading conservatives as former President Ford, newspaper columnist William Buckley, retired actor John Wayne, California Senator S. I. HAYAKAWA, and Senate Republican leader HOWARD BAKER, all supporting the ratification of the treaties. While there are differences of opinion among retired military personnel, Gen. Maxwell Taylor, Gen. William Westmoreland, Admiral Zumwalt, General Norstead, General Ridgeway, and Gen. Lucius Clay, among others, are also publicly supporting the treaties.

Also, our present Chairman of the Joint Chiefs of Staff, Gen. George Brown, is strongly supporting the treaties as being in the best strategic military interests of the United States. He has also expressed these same strong feelings to me in private conversation, as did General McAuliffe, our top military leader in Panama responsible for defending the canal.

Incidentally, there is one key military fact that we should acknowledge. The canal itself is actually formed by a great man-made lake through which the ships must travel after leaving either of the two oceans and traveling through the locks. This large lake is created by a big dam named the Gaton Dam. If that dam were destroyed by a missile or some other attack, the lake would vanish and the canal would be effectively destroyed. Once a new dam were built, it would take 3 years of rainfall to refill the lake and get the canal back in operation. So as you can see, it is extremely vulnerable to attack if a determined enemy force wanted to put the canal out of operation.

My best judgment is that the new treaties do serve the present and long run strategic interests of the United States, and I will vote to ratify them. That does not make them perfect documents—or eliminate future risks. Any course of action carries risks—but I think the greatest risks to the United States would occur if the treaties were defeated.

Today, after 75 years of the United States living and working in Panama, we have a positive relationship between our two countries and with the people of Panama. The people of Panama feel as if their national future and identity depends upon them gradually assuming the control of the canal, which cuts their country in half. I think we Americans can understand how we would feel if our Nation were cut in half by a canal, and with a 10-mile zone totally controlled by a foreign government. We would not like it—and, in fact, would not tolerate it.

Despite our enormous military power, the key to a civilized world in the future depends upon working out problems between countries without having to resort to war.

The various countries in South America are in transition and are struggling to establish their own future. This ranges from the disturbing case of Cuba and its Communist dictatorship of the Left, to disturbing right-wing dictatorships, such as we see in Chile, Argentina, Brazil, and other places. I believe we need to foster policies and feelings that can give democratic principles a greater chance to succeed—and avoid these dictatorships of the extreme left or extreme right.

As far as the current government of Panama is concerned, it is not the brutal kind of dictatorship we see elsewhere in South America—including countries which the United States strongly supports. Amnesty International, a worldwide group that documents and exposes the worst human rights abuse, does not list Panama among the 116 counties that have the worst records. And of course no one can foresee what kind of government Panama will have in the year 2000, when the United States would finally turn over control of the canal.

Panama is a poor country with great problems of unemployment. Uncertainty about the status of the canal has effectively blocked any significant inflow of foreign capital and investment that Panama needs to develop itself. Once the status of the canal is resolved, foreign investment will again occur in Panama, and Panama will have a chance to develop a positive future for its people. Panama today is highly Americanized. Most of its doctors, lawyers, engineers, and other educated professionals have been trained in the United States, and have strong positive feelings toward our country. In fact, our relationship is so close that they use American money as their national currency, the only nation in the world which does so.

Taking a forward step in partnership with Panama is a sign of strength by the United States—it shows the strength of our ideals and feelings about each country's desire for national integrity and independence. It would show we respect the deep nationalistic aspirations of the countries of South America—and I believe it will greatly increase our influence in this vital region here in our own hemisphere.

We cannot try to hold on to the old notions of "might makes right" that dominated our foreign policy activity in South America 75 years ago. We live in a new age and must learn and apply a new kind of leadership. It must be a leadership of reason and military strength—where we remain strong in character as well as in force of arms.

In the end, other nations will have to want to follow our example if we are to exercise leadership in the world. We have seen in our own lifetimes that the power of an idea or belief can be greater than the power of a gun. We cannot impose our will on others, in their own country, at the point of a gun. This is a timeless lesson that our own forefathers taught England back in 1776—and that we must not forget today when Americans constitute some 4 percent of the world's population.

Our future in this hemisphere lies much more in reason than in military power—more in partnership than in domination by the United States—more in friendship than in hard feelings and antagonism.

If we are to have a chance for a civilized world in the future, then we must take wise and careful civilizing steps that elevate the human values and principles that our Nation has struggled to establish at home and throughout the world. It is hard to take these civilizing steps. Part of us, quite understandably, wants to hold on to comfortable old practices that worked decades ago in a world setting that has since disappeared.

Time and events have moved on and we must move with them. These treaties are as dramatic a breakthrough in 1978 terms, as the engineering breakthrough of building the canal was in 1903. The Panama treaties makes sense for the United States, for Panama, and for the free world, and it is on this basis that I will vote for ratification.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Louisiana yield so that I may make a unanimous-consent request, without the time being charged against him?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur today at 3 p.m. in relation to the reservation offered by Mr. NUNN and other Senators; that if a motion to table is made and rejected, the vote immediately recur on the amendment of Mr. NUNN, up or down.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, I believe we can beat that time. I believe it will not take nearly that length of time.

Frankly, I am interested in seeing that all the reservations do come to a vote prior to 4 o'clock, so that we can have a final vote. I would plan to speak about 20 minutes on the Nunn resolution, and I believe we can come to a vote long before 3 o'clock and move to another reservation.

Mr. ROBERT C. BYRD. Mr. President, I call Senators' attention, if I may, to the fact that under the orders previously entered Senators will be speaking until 2:30 p.m. today.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. That will only leave 30 minutes.

Mr. ALLEN. Yes. But the Senator from Alabama is not one of those scheduled to speak under special orders. I believe some of these special orders have been vacated. I notice Mr. FORD had 15 minutes. Is that time still available to him?

Mr. ROBERT C. BYRD. No. The Senator from West Virginia has calculated that time.

Mr. ALLEN. OK.

Mr. ROBERT C. BYRD. If all orders entered into are completed it will be 2:30 p.m. today before those orders are completed. That will leave only 30 minutes for discussion of the Nunn reservation.

Mr. ALLEN. I believe we can come to an early vote.

Mr. ROBERT C. BYRD. The Senator would object to the request?

Mr. ALLEN. At this time I would, yes.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. CRANSTON. Mr. President, will the Senator from Louisiana yield for a

unanimous-consent request without losing his right to the floor?

Mr. LONG. I yield.

Mr. CRANSTON. Mr. President, I ask unanimous consent that, following disposition of the pending Nunn amendment and any motion relating thereto, the Senate proceed to consideration of the amendment offered by the distinguished Senator from West Virginia, Senator RANDOLPH, relating to the cemetery issue. That is a very important matter that we must be sure to deal with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Louisiana (Mr. LONG) is recognized for not to exceed 30 minutes.

UNDERSTANDING NO. 14

Mr. LONG. Mr. President, I send to the desk an understanding and ask that it be stated.

Mr. ALLEN. Mr. President, is not the Nunn reservation the pending business?

Mr. ROBERT C. BYRD. The Senator merely asked that it be stated. He is not asking that the Nunn reservation be set aside.

Mr. ALLEN. Very well.

The understanding is as follows:

Strike out the period at the end of the resolution of ratification and insert in lieu thereof a comma and the following: "subject to the following understanding:

"Paragraph 1(c) of Article III of the Treaty shall be construed as requiring, before any adjustment in tolls for use of the Canal, that the effects of any such toll adjustment on the trade patterns of the two Parties shall be given full consideration, including consideration of the following factors:

"(1) the costs of operating and maintaining the Panama Canal;

"(2) the competitive position of the use of the Canal in relation to other means of transportation;

"(3) the interests of both Parties in maintaining their domestic fleets;

"(4) the impact of such an adjustment on the various geographical areas of each of the two Parties; and

"(5) the interest of both Parties in maximizing their international commerce.

The United States and the Republic of Panama shall cooperate in exchanging information necessary for the consideration of such factors.".

Mr. LONG. Mr. President, I do not care to upset the procedure of the Senate.

This amendment I have is one seeking to assure the least increase in the amount of tolls after the year 2000.

It may be that my colleague, Mr. JOHNSTON, might wish to join as a cosponsor on this amendment. If so, I will be happy to have him join me on this.

Mr. JOHNSTON. Mr. President, if my colleague will yield, I do wish to be associated as a cosponsor on that understanding.

Mr. LONG. Mr. President, I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, if it is not possible to vote on this prior to taking up the other amendments, it is perfectly all right with me.

I know of no opposition to the amendment. But I wish to inquire whether we could get unanimous consent to vote on it during the next half-hour. If not, I will be glad to simply leave it there and let it be voted on when its turn comes.

Mr. ROBERT C. BYRD. Mr. President, if I may respond to the distinguished Senator, orders have already been entered for recognition of Senators to make speeches up to about 2:30 p.m. today. It may be better not to schedule a vote at this point.

Mr. LONG. That being the case, Mr. President, I will ask that the Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I propose the following understanding to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal relating to the adjustment of tolls.

During the course of the Senate's debate on the Neutrality Treaty, many of my colleagues have expressed a concern about the economic effects imposed on the United States by the obligations incorporated in these treaties. Some Senators, including those who favor, oppose, or are undecided on the issue of ratification, share a concern about the escalating tolls which will inevitably result if these treaties are ratified.

Any exorbitant toll increase without sufficient consideration given to trade ramifications may cause severe economic dislocations in this country.

Under the proposed treaty arrangement, between the effective date of the treaty until the year 2000, tolls will be set by the Panama Canal Commission. The Commission is to be composed of five United States and four Panamanian citizens. Under the proposed draft implementing legislation relating to the Panama Canal treaties, the U.S. citizens are to be appointed by the President and will serve at his pleasure.

However, there is no requirement that these U.S. Commission members be confirmed by the Senate. I have written a letter to Senator JOHN STENNIS, chairman of the Armed Services Committee, proposing that the requirement of Senate confirmation be included in the bill when it is reported out of the Armed Services Committee.

Beginning in the year 2000, tolls will then be set under procedures to be established by the Republic of Panama.

Let me now explain the need for the understanding I am proposing.

Article III, paragraph 1(c), of the Neutrality Treaty establishes rules governing the security, efficiency, and maintenance of the canal. This provision states that:

Tolls and other charges for transit and ancillary services shall be just, reasonable, equitable and consistent with principles of international law.

This treaty language refers to broad principles but gives very little, if any, practical guidance to the Panama Canal Commission or the Government of Panama on the factors which are to be taken into consideration in setting tolls for transiting the Panama Canal.

It is generally agreed that the tolls will have to increase in order to comply with the obligations imposed by these treaties. However, such future toll rates will directly determine the degree to which the Panama Canal remains a viable waterway in international trade and commerce. Therefore, it is crucial that the United States and Panama make clear the factors which are important in determining future toll rates.

My understanding to the resolution of ratification has the effect of interpreting and supplementing article III, paragraph 1(c) and its general reference to "principles of international law" by enumerating the considerations that any future increases in tolls must encompass. This measure will require that the effects upon short- and long-term trade patterns of the United States and Panama be considered before any toll adjustment is made.

It is important to note that the total trade patterns of the United States and Panama must be examined. This means the trading activities of all ships, regardless of their registry, transporting goods to and from either of the two countries. This distinction is significant because much of the cargo shipped to and from U.S. ports through the Panama Canal is carried by vessels flying the flags of third nations. This cargo, though carried by foreign-flag vessels, nonetheless forms a substantial part of the total trade of the United States and consideration must be given to the effect of any toll adjustments upon such trade.

The understanding further provides that the costs of operating and maintaining the canal and the competitive position of the canal vis-a-vis other means of transportation also be among the factors considered in toll rate changes. These are clear-cut economic considerations customarily evaluated in determining a just and equitable toll rate. In addition to these economic factors, the United States and Panama also have mutual interests in maintaining their domestic fleets, in mitigating any adverse regional impact of a change in tolls, and maximizing their international commerce. The critical importance of these interests to both our countries requires that they be given due consideration in any decision to alter existing tolls.

This is not a proposal that the Panamanian Government will find difficult to accept. The understanding does not violate the substance or the spirit of the Neutrality Treaty. Rather, it clarifies and reaffirms the obligations placed upon the Canal Commission and the Republic of Panama to maintain the tolls at a just, reasonable, and equitable level.

My amendment does not seek to specify future toll rates or detail procedures by which they shall be determined. Consideration of such matters are more properly handled under the implementing legislation which the Senate will subsequently consider.

The implementing legislation can outline set procedures whereby public hearings are held and public comments are received concerning any proposed adjustments in the toll structure.

This understanding merely insures that any toll adjustments will be enacted only after careful thought and study is given to the effect of these changes would have on the total trading postures of both the United States and Panama.

Mr. President, I wish to direct myself to the treaty itself.

Mr. President, the framers of the U.S. Constitution knew what they were doing when they assigned the function of ratifying treaties to the U.S. Senate.

They knew that there would be times when the future of the Nation might depend upon agreeing to a treaty that was unpopular at the moment but necessary in the Nation's interests.

They provided that in the House of Representatives each Member would be required to offer himself for reelection every 2 years, while in the Senate only one-third of the Members would face reelection at any one time every 2 years.

Two-thirds of the Senate would have another 2 or 4 years for passions to subside and for the long-term wisdom of a controversial decision to become apparent.

The framers of the Constitution, such men as George Washington, Benjamin Franklin, James Madison, and John Adams, expected a very high degree of statesmanship in the Senate, and that is why they provided 6-year terms for Senators.

In my judgment, it is my duty to vote to ratify this treaty if I am to be equal to what the framers of the Constitution expected of men like me. I make this point, because I am fully convinced both by my mail as well as by the telephone calls I am receiving from my closest and dearest friends that my vote at this time may not reflect the view of the majority of the voters of Louisiana.

Their view may be more correctly reflected by that of my colleague, J. BENNETT JOHNSTON, a man whom I much admire, respect, and will proudly support in his campaign for reelection.

An editorial in the Shreveport Journal on February 28, 1978, thoughtfully points out the reasons why two good friends may differ on an issue like this and still remain very good friends. I ask unanimous consent that that editorial be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LONG. Mr. President, my vote is dictated by facts which are now clear to me, although they may not be fully understood by the average American citizen.

First of all, we do not own the Panama Canal. We have a lease on the property, and the landlord is demanding that we get out.

I realize that the lease has not expired—from our point of view—but if we expect to stay there forever, then we should be willing to have our rights and our differences with Panama adjudged by an impartial international body such as the International Court of Justice, of which we were a creator, a sponsor, and a supporter.

In my view, the World Court would decide against us, just as practically all friendly nations of the world do not agree with us about our continued presence in Panama.

The Security Council and the General Assembly of the United Nations have both addressed the Panama Canal issue back in 1973. The Security Council overwhelmingly voted for a resolution to condemn our present arrangement with Panama.

Only our close ally, Great Britain, chose to abstain from voting on this resolution. Every other member of the Security Council voted against us. Thus, the United States found itself in the uncomfortable position of having to veto this resolution.

The General Assembly and the Security Council of the United Nations subsequently passed a weaker resolution of general principles but fully intended to condemn what they considered to be our impingement on the sovereign rights of Panama. Only France and Great Britain joined the United States in abstaining on this vote in the Security Council, otherwise, the world would be unanimously against us.

The nations of the world have already passed judgment on this matter, and we stand alone as a great power of 217 million people imposing its will on a small nation of less than 2 million people.

Admittedly we could maintain our present posture for many years to come by merely taking the view that we refuse to bend our knee to world opinion and that even if every nation on Earth wants us out of Panama, we just dare any of them or all of them to try to throw us out.

How long can the United States maintain that position before the family of nations?

Since the end of World War II, almost 33 years ago, we have considerable evidence to support our claim to moral leadership throughout the world.

We have assumed both the right and the duty to pass judgment on others.

We have pressured Israel to return land it acquired in recent years in wars. We have passed judgment on Rhodesia, Ireland, Mexico, Great Britain, Turkey, Greece, and a great number of other nations. Should we now be so hypocritical as to decline to be judged even by our best friends among the nations of the world?

If the United States had intended to refuse to eventually return the property to Panama, then we should have conducted our relations with Panama far differently than we have during the past 20 years.

If that had been our ultimate intention, then the United States should never have permitted the Panamanian flag to fly alongside the U.S. flag over the Canal Zone.

If the United States had intended to stay there forever, then following the riots and bloodshed of several years ago, we should not have offered to negotiate about withdrawal. Instead, we should have sent reinforcement to make it clear that nothing short of overwhelming military force could evict us from the premises.

However, President Johnson, President Nixon, President Ford, and President Carter chose to send emissaries to Panama to engage in negotiations that produced the bilateral treaty which is now before the Senate.

During the previous Congress, I was among 37 Senators who proposed a resolution expressing our displeasure with the direction that the negotiations were heading. I was hopeful that our negotiators and our Presidents would not have gone so far in making concessions to Panama as they did. I feared we were giving more than we were getting in return.

During the course of the Panama Canal debate, I have voted for amendments, reservations, and understandings in order to make this treaty a better arrangement for the United States.

Some of these provisions are essential to our national security and to assure the free flow of international trade through the Panama Canal. Fortunately, some of these changes have been agreed to by the Senate. Panama will have to accept them if the treaties are to become effective.

Mr. President, after all of this, if these treaties are not ratified, then the United States will have lost its place as the moral leader of the community of nations. Our President will have lost credibility as a national and international leader.

In addition, our Senate will appear to be a body which is incapable of rising above emotionalism and misunderstanding to provide the wise leadership our Founding Fathers entrusted to us.

The United States, which graciously returned liberty and self-determination to the Philippines and has offered independence to Puerto Rico whenever that island wants it, would be perceived by many as the only remaining colonial power in the free world.

At the end of World War II, the United States stood not only as the world's unquestioned military power, but also its moral leader. At that time, this Nation stood ready to leave any land where we were not welcome and to restore independence to all those who preferred not to become a part of the United States.

What has happened to change all that?

The emotional demands that we remain in Panama in perpetuity arise out of frustration that we failed to prevail in a military venture that we were foolish to undertake, the Vietnam war, and because today some doubt our military capability.

That is no excuse for America to compromise its moral leadership.

This great Nation should lead mankind away from warfare as the answer to disputes among nations and toward an

era of international law where nations are willing to be judged by others.

Significantly, we do not relinquish total control over the canal until the turn of the year 2000. Most of us here will be in our graves by that time. But let us hope that we will leave to our children and our grandchildren a world where right, conscience, justice, and kindness prevail among nations.

Let us hope that by the year 2000 this Nation will have provided the leadership to realize the prophesy of Isaiah:

. . . They shall beat their swords into plowshares; nation shall not lift up sword against nation, neither shall they learn war any more.

Mr. President, I am proud that America is a great military power, capable of defending itself against the whole world. I voted for the appropriations and helped provide the taxes to pay for this capability to defend ourselves.

I am proud that the United States possesses more economic wealth than any nation on earth. As one Senator, in my own way, I have done what I could do to keep it that way.

More importantly than just power and wealth, the United States is the most respected Nation on Earth. It is satisfying to be powerful; it is very satisfying to be rich; but it is even more important to be right.

Mr. President, as I finished preparing these remarks, I remember seeing a statement by my respected colleague, Senator RIBICOFF, in the RECORD of last Thursday.

In it was a quote from one of the truly great international statesmen of our generation, Israel's Abba Eban, calling upon his fellow countryman, Menachem Begin, to measure up to the challenge of statesmanship.

One sentence I found most inspiring, and I am sure it will be to my colleagues:

A statesman must build a bridge between his experience and his vision, between ancient fidelities and new hopes, between echoes of the past and the call of the future.

We have a choice. We can cling to this relic of the past and the gunboat diplomacy that it represents to everyone other than us.

Or we can provide the leadership that this world must have if the hopes and prayers of mankind are to prevail.

EXHIBIT No. 1

[From the Shreveport Journal, Feb. 28, 1978]

NO TIME FOR STATESMEN

There is an old adage that a U.S. Senator can afford to be a statesman only during the first four years of his term. The last two he has to worry about being re-elected.

It's not surprising, then, that Sen. J. Bennett Johnston has chosen to oppose the Panama Canal Treaties. Disappointing, perhaps. But not surprising.

Sentiment remains heavily against the treaties in this part of the country. Our own Journal polls have indicated that little headway has been made against this opposition. This has not been the case nationwide, as informed opinion has shifted in favor of the pacts. Because of this development, prospects for passage of the treaties are fairly bright.

But back to Sen. Johnston. His decision to join the opposition most likely is in keeping with the view of the majority of his constituency. And it probably reflects the way our representative form of government is supposed to work.

But public opinion is not always an accurate gauge of right or wrong. So we can have a representative vote that is correct democratically but wrong philosophically. We believe that this is the case with Sen. Johnston's decision.

Perhaps Sen. Russell Long will be more inclined to support the treaties. For the sake of America's best interests as well as hemispheric cooperation, we hope he casts a positive vote.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. I want to compliment the distinguished Senator on his sagacious remarks. As I said the other day, Senator MCINTYRE's speech was one speech that I would remember from my now 20th year in the Senate.

The speech which has just been made by Senator LONG is a speech I will remember because how can one refute the thesis, the basic theme, of that speech, how can one be politically right if he votes for something that is morally wrong?

The Senator places his position on that unshakable pillar of what is morally right.

Now, we can say many things about these treaties, that they are economically right, they are commercially right, they are politically right, and they are militarily right from the standpoint of the security interests of our country.

But I say that he who stands right on the great moral issues of the day stands on an unshakable foundation.

I salute the Senator because I think his speech is based on that unshakable foundation. I commend him.

Mr. LONG. Mr. President, let me thank the distinguished majority leader for those kind words. He knows that I had very serious doubts about this treaty, and it was the Senator from West Virginia, as well as many of his colleagues in this debate, who have persuaded me that they are right about this issue.

I want to make it clear that as far as this Senator is concerned this treaty stands strictly on its own bottom. I am not interested in anything except this one issue. But I honestly feel that the way the Senator from West Virginia has conducted himself in the course of all of this makes those of us who supported him to be our majority leader extremely proud of ourselves.

He has provided leadership which is worthy of the great majority leaders of the past, and I am proud to support him in this matter not just because I admire him and respect him but because, in my judgment, his position has been right and has been tremendously courageous.

May I say the same thing about our distinguished majority whip (Mr. CRANSTON). We have been receiving about 100 long-distance calls a day from California in the office of the Senator from Louisiana. I assume that was because people there hear that I was regarded as doubtful, and the same thing was not true of the Senator from California.

The Senator from California also is measuring up in this situation to the demands of statesmanship.

I am not here to cast aspersions on any others, but we on this Democratic side of the aisle, are doing our duty as the good Lord gives us the light to see it, and I have no doubt that if we lose in this battle we will leave lots of soldiers on the battlefield by having done what we think the Founding Fathers expected of the Senate of the United States.

I am also extremely proud that the Republican leader (Mr. BAKER) felt that it was his duty to support the treaty, and I know he is doing it for that reason, and that reason alone.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. CRANSTON. First, I thank the Senator for his very generous remarks.

More importantly, I want to join in stating how much I admire the Senator from Louisiana for the courageous stand he has taken and the eloquent way and forceful way in which he has stated it.

I am also proud of the way the Senator cited the wisdom of the Founding Fathers in giving Senators 6-year terms and expecting them to vote their consciences even when that led them to do something unpopular.

We might also bless the Founding Fathers, those of us who have a bit of time and are not seeking election this year, for giving us that bit of time after we vote on a matter that in a way is seemingly not the way that people would who have not had the opportunity we have had to consider the matter in total depth and spend the time on it that we have.

The Senator has made a great speech, has taken a great position, and I compliment him.

Mr. LONG. May I say there are some of us who have the space of time to support our statesmanship. For our side to prevail there are going to have to be a lot of courageous men running this year who are going to have to have the courage, and it seems to me the demands made upon people like me to do what we think is right on this matter is very, very small compared to what would be the call upon particular Senators running in States where this is a very controversial item at this time.

But we cannot have it both ways. The Nation has a right to expect something of us as Senators here. When it sends us to the Senate, it has a right to expect statesmanship of us.

The PRESIDING OFFICER. Under the previous order, the Senators from Utah (Mr. GARN and Mr. HATCH), are recognized for a total of not to exceed 45 minutes.

Mr. GARN addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GARN. I yield.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW, AND FOR RECOGNITION OF SENATORS LUGAR AND METZENBAUM

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate resumes its consideration of the treaties on tomorrow, the Senator from Indiana (Mr. LUGAR) be recognized for not to exceed 15 minutes, and that he be followed by the Senator from Ohio (Mr. METZENBAUM) for not to exceed 30 minutes, and that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, earlier today, I secured an order for the recognition of Mr. LUGAR tomorrow morning. It was my understanding that his order was to occur after the resumption of the consideration of the treaty.

I now understand that Mr. LUGAR wishes to make his remarks as in legislative session. Therefore, I ask unanimous consent that following the prayer on tomorrow, Mr. LUGAR be recognized, as in legislative session, for not to exceed 15 minutes, after which the Senate resume consderation of the Neutrality Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of Mr. METZENBAUM tomorrow, the order for which already has been entered, Mr. HART be recognized for not to exceed 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, all indications are that the vote on the Panama Canal treaties will be very close, that one or two Senators, at present undecided, hold the balance, and will determine whether the treaties are ratified or fail. These Senators have a tremendous responsibility, of course, to examine the treaties in detail, judge them on their merits, and reach reasoned conclusions. These Senators have another responsibility, and again, it is one we all share. That additional responsibility is to consider the impact of a failure to ratify on the conduct of our overall foreign policy for the next few years.

There may be a temptation on the part of some Senators to make their decision on these treaties not on the merits of the treaties themselves, but on their impact on the ability of President Jimmy Carter to conduct foreign policy for the balance of his term.

I will go farther, Mr. President, and say that I have actually heard talk, in the cloakrooms and on the floor of the Senate, to exactly that effect: that the treaties are bad, and that in the abstract they should be voted down, but that the results of their failure would be the destruction of the ability of our President to conduct foreign policy. Failure of the treaties, it is said, would demonstrate to the world that Jimmy Carter is not in charge of foreign policy in the United States, and would put an end to any initiatives or influence we might want to have in the world.

Mr. President, that is a serious charge, and one that needs to be addressed. It may well be that the treaties have acquired more significance than they actually deserve, that both the President and the opponents have invested the issue with such an overriding significance that Presidential prestige is on the line. Be that as it may, the situation is as it is, and nothing can be done about that. What we must do now is assess the impact of failure of the treaties, to see if it is worth it to the Nation to accept bad treaties, in order to forestall even worse developments in foreign affairs.

Certainly I would concede that it is important for a President to be able to conduct foreign policy. There have been some instances in our history when failure or inability of the President to lead have produced a drift in foreign affairs that has threatened peace and stability in the world at large. For that reason, I have carefully gone over, in my mind, the possible impacts on our ability to conduct foreign policy of a failure of the Panama Canal treaties. Since I am still opposed to the ratification of the treaties, obviously, I have concluded that, on balance, our Nation will be aided, but I would like to take a moment of the Senate's time to explain why I reached that conclusion.

Basically, it is because I have concluded, Mr. President, that the United States really has no foreign policy today.

Rather, our foreign policy appears to have but one goal, one aim in view: to avoid offending the Soviet Union.

I can see no other explanation for the events I see taking place around me. Let me just mention a few.

Last Wednesday, the Belgrade Conference on Europeon Security and Cooperation completed its work and issued a declaration. This Conference was held to monitor the observance by signatory nations of the Helsinki agreements signed in 1975. The United States, of course, signed the Helsinki agreements, as did the Soviet Union.

I am informed that while our delegate to the Conference, Mr. Arthur Goldberg, did bring up the issue of Soviet violations of human rights at the meetings, the final declaration does not so much as mention "human rights" because of fears that the Soviet Union would refuse to approve the document. Back in the old days of the Kissinger realpolitik, that might have been expected, though it would certainly have been decried by the advocates of a "moral" foreign policy. But now the White House is inhabited by one of those advocates of a "moral" foreign policy. Jimmy Carter's pronouncements on the subject are too well known to need repeating here. Our refusal to offend the Soviet Union by forcing her to veto a strong statement on human rights contrasts strangely with the rhetoric which was heard from the White House at the beginning of the Carter administration.

As another example, consider the course of affairs in the Mideast. During most of last year, the administration's efforts appeared to be geared to getting all parties to the negotiating table in Geneva. By all parties, the administration clearly meant to include the Soviet Union, without whom, it was argued, there could be no comprehensive settlement.

It is not clear to me, Mr. President, why an agreement satisfactory to the U.S.S.R. should be the object of our foreign policy. The true parties to the Mideast conflict apparently were not happy with the idea that the Soviet Union should be given such a prominent part in shaping the outcome. It was this unease which drove President Sadat to open his historic negotiations with Israel directly, and for at least some of the other Arab States to support him. In fact, had the United States not initially hesitated, it is conceivable that Arab support for Sadat might have been greater than it was. The majority of the Arab nations recognize, even if our own State Department does not, that the interests of the Soviet Union in the Mideast will not be served by an amicable agreement, and that giving the Soviet Union a veto over any settlement is to guarantee continued conflict.

A third example that occurs immediately is our attitude toward the fighting in the Horn of Africa. Certainly the Somalia-Ethiopian conflict is a thorny problem, and I am not suggesting that the United States should have intervened. Ethiopia, now acting as the agent of the Soviet Union, has not always been so. For years we had healthy relations with Ethiopia, and it is likely that we will again. On the other hand, it has not been long since the Somalis expelled the Soviets, and I think it would be premature to cast our lot there.

At the same time, is it too much to suggest that we are well aware that the Soviet Union is promoting instability in the Horn? Is it too much to suggest that we take a dim view of those who promote instability? And that we might have some difficulty negotiating in other areas with such people? Specifically, might we not suggest that the course of strategic arms limitation talks could well be affected by continued Soviet adventurism in Africa? Everyone knows that one of the stickiest issues involved in SALT is the question of verification. To a large extent, verification problems depend on good will and trustworthiness, and the refusal of the Soviet Union to moderate its actions does nothing to increase my confidence in the good will and trustworthiness of the Soviet Union.

Of course all this brings up the word "linkage," and I have to admit that the administration, a week or so ago did suggest to the Soviet Union that there might be a link between SALT and Africa, but the immediate backtracking after Soviet objections was positively embarrassing. We appeared to cave in so fast to a moderate Soviet reaction that it

was painfully obvious that we had no conviction whatever, that our only interest was in avoiding conflicts with the Soviet Union. Clearly our policy was not informed by any strength of its own, but only by what was applied to it by external forces or by external powers.

The last example I would like to mention is the most recent, and the most blatant. It is this administration's appalling performance surrounding the Rhodesian negotiations. Last week Senator DOLE introduced a resolution expressing support for the efforts to reach a peaceful settlement of procedures for a transition to black majority rule in Rhodesia. I joined in supporting that resolution, and outlined at that time some of my feelings. It is incredible to me that the United States refuses to give its support to those who have come peaceably and peacefully to the negotiating table, working for a compromise which will solve a difficult situation. Instead, we stand carping on the sidelines, entertaining those whose avowed goal is to overturn any negotiated agreement, apparently in favor of a settlement negotiated by a bayonet.

After some extremely ill-advised overtures to the terrorist leader of the Palestine Liberation Organization, Yassir Arafat, President Carter has since recognized that a man who refuses to negotiate ought to be ignored. He has so stated with respect to the Mideast situation. Apparently, however, that rule of elementary common sense does not apply to Rhodesia. In Rhodesia we have a situation where two black leaders, representing no one but a few thousand ragtag terrorists, who have never stood for any election, refuse to lay down their arms and come to the negotiating table. Applying the Yassir Arafat rule, President Carter should have nothing to do with them. Instead, he and his administration can only find fault with the peaceful negotiations and their result, and by implication approve the continuation of terrorism.

Why? Who benefits? Whose favor are we currying by refusing to give the negotiators even the benefit of our good will? The answer can only be the Soviet Union. It is true that some of the other African States—by no means all of them, as is often alleged—have condemned the settlement, though from what vantage point it is hard to understand. Among the lot of them they do not have enough democracy to elect a single selectman. These African leaders claim that the settlement will not stop the fighting, and they may even be right. But they are not making any contribution to that fighting. Beyond some minimal territory used by the terrorists as staging areas, the surrounding states give precious little aid and comfort to the "troops" of Robert Mugabe and Joshua Nkomo. In fact, these nations have fairly comfortable relations with the existing white government in Rhodesia, though it is impolitic for them to say so.

Why will the fighting go on then? There is only one reason. Because the Soviet Union wants it to go on. Who supplies the arms to the terrorists? Who has promised to increase its support if Prime Minister Ian Smith is able to reach an agreement satisfactory to Bishop Muzorewe, Mr. Sithole, and Mr. Chirau? The Soviet Union and its puppet, Cuba.

Apparently, that threat is intolerable to us. Apparently, we are willing to permit the outbreak of a broad-based, Soviet-financed civil war in Rhodesia, rather than attempt some form of diplomatic isolation of the nation most interested in spreading terror and bloodshed across the world: the Soviet Union. And I find that fascinating, Mr. President. I wish someone could explain to me why that is, so I could make some feeble attempt to explain it to my constituents. Because I will tell you, Mr. President, they do not understand it.

What should we do? We could return to some form of "linkage." We could close our recently opened mission in Havana. We could tell Castro that we will not deal with a country whose No. 1 export is no longer sugar, but revolution. We could employ the international forums available to us to point out to the world the actual impact of the actions of the Soviet Union. For once in our lives, we could use "world opinion" for us instead of against us. And we could let it be clearly known that the interests of the parties to the Mideast conflict are primary and not the interests of the Soviet Union and Cuba.

Above all, we could develop a foreign policy of our own, instead of a foreign policy constructed exclusively as a reaction to the opinion of the Soviet Union.

Shortly after taking office, the Soviets expressed disapproval of our reaction to some SALT proposals. The State Department and the editorial writers of the Washington Post were horrified. Mr. Carter, to his great credit, remained calm. We do not need to jump, he said, every time the Kremlin sneezes.

That was a credible and a creditable position to take, and I applauded Mr. Carter for it at that time. Unfortunately, he appears to have forgotten it. Now, whenever the Kremlin sneezes, Mr. Carter takes pneumonia, and the State Department retires to Florida to recover from severe upper respiratory ailments. We will have no foreign policy of our own until our leaders develop some idea of where we are going and why, and the courage to lead us there. I have said before on the floor of the Senate that foreign policy is largely a matter of psychology, of self-image. Our self-image is poor, and our understanding of the psychology of nations even worse.

And so, Mr. President, I return to the point of original departure: What impact will the failure of the treaties have on the ability of the President to conduct foreign policy? The answer depends entirely on the kind of foreign policy he is trying to conduct. If he tries to conduct a foreign policy based on no more than a vague desire to avoid offending the Soviet Union, it is quite likely that the failure of the treaties will impair his ability. On the other hand, if he tries to devise and conduct a foreign policy based on the interests of this nation, and in support of freedom around the world, I am inclined to think that failure of the treaties will help him. Certainly it will demonstrate to the world that the Senate of the United States has some sense of proper foreign policy, and is not in accord with what has gone on to date in the Carter administration. That should help the President, should strengthen him in his resolve to protect human rights, to strike a fair bargain in the SALT talks, to speak firmly to Cuba and other nations dedicated to the overthrow of legitimate governments around the world, to strengthen our resolve, if these treaties are defeated, that we go back to the negotiating table with Panama and come up with treaties which are fair and reasonable to both sides.

It is fine for my distinguished colleague (Mr. LONG) to argue that it is morally right to do so. It may be. I disagree with that position, but it may be morally right, to return sovereignty of the canal to the Republic of Panama. But the treaties are militarily wrong. They do not give us the ability to defend the canal after the year 2000. They are a ripoff of the American taxpayer. They are overwhelmingly in favor of the Republic of Panama to the detriment of the American people and the American taxpayer.

So if it is right that we give them back, which again I disagree with, let us defeat these treaties and go back and negotiate and achieve treaties which are fair to both the United States and the Republic of Panama.

At this time I am very happy to yield to my distinguished junior colleague from Utah (Mr. HATCH) who has really done a great job, in my opinion, working against ratification of these treaties.

Mr. HATCH. I thank my distinguished senior colleague (Mr. GARN) for yielding, Mr. President.

Mr. President, my good friend and senior colleague has stated very strong and valid points. I, too, have heard the speculation that we would be handicapping the administration in its efforts to conduct foreign policy should we fail to ratify these treaties. Senator GARN has pointed out the problems the administration is having in many places in the world and how they have apparently decided that all efforts must be made to appease the Soviet Union.

I am concerned that this trend is causing irreparable damage to the American image abroad.

Senator GARN mentioned the "Human Rights" issue at the Belgrade Conference on European Security and Cooperation that completed its work last week. He pointed out that the conference failed to mention human rights in their declaration. The Carter administration has made human rights one of the major focal points of its foreign policy. Why then did the United States not insist that something be declared with respect to human rights? The answer was given by Senator GARN. It is because the White House was afraid that the Soviets would not sign the declaration. In describing the American campaign on human rights, the chief delegate to the Belgrade Conference, Yuli Voronstov, called it "a political campaign conducted for specific

political reasons. Like other such campaigns, it is bound to fail." The only reason that it is bound to fail is the failure of the administration to challenge the Soviets on the issues. For this same reason the administration has failed to challenge Omar Torrijos on the human rights violations that have occurred in Panama.

Senator GARN tells us why we have failed so miserably on the Middle East peace settlement. It is because we have insisted that the Soviet Union be included in any peace negotiations. At least, that is one of the reasons. My colleague from Utah has shown why we have bungled the situation in the Horn of Africa. Let me further indicate some of the problems that we have allowed to slip by in this crucial area. The Horn of Africa is probably one of the most sensitive areas in the world today. Prior to the outbreak of war in this region, the Soviet Union was a staunch ally of Somalia and maintained a large naval base at Berbera. When the Soviets sensed a chance to also extend their influence into Ethiopia, a longtime ally of the United States, they quickly began to send arms and advisors to the new government in Ethiopia. As can be expected, President Siad Barre of Somalia was concerned that the Soviets were arming his enemy so he asked the Russians to leave his country. This meant that the Soviet Union lost the important base they had occupied at Berbera. In the face of this action, and in spite of the fact that a number of us have known that this was likely to occur, the administration has continued to negotiate an Indian Ocean pact that would for all intents and purposes demilitarize the Indian Ocean.

We continue to do this when the Soviets have lost their secure position on the littoral and the United States has a strong and secure position at Diego Garcia.

Incidentally, the Soviets were absolutely terrified about our base at Diego Garcia, because it is right there near the soft under-belly of the Soviet Union, one of the great deterrent bases on the face of the Earth, and certainly important to the United States of America and to freedom in the world. Nevertheless, it looks as though we have a President, or at least a State Department policy, which is going to force us out of Diego Garcia, or at least would like to, when there is no quid pro quo, again, from the Russians. Even if there were, I think we should be well aware that we would leave Diego Garcia at the peril of the world.

In order to avoid a confrontation with the Soviet Union, the United States has permitted this concept to grow and gain a measure of acceptance within the international policymaking community.

I have obtained information from the Department of the Navy that indicates that the administration is deliberately slowing down the construction of facilities on Diego Garcia as they anticipate some sort of agreement with the Soviets on this issue and fear that further construction of needed facilities would hamper such an agreement. I point out to my colleagues that there is some doubt that the Soviets will be permanently barred from the base at Berbera, or elsewhere in the Indian Ocean, and should they return, then their ardor for an agreement on the Indian Ocean will be somewhat cooled. I reach that conclusion by realizing that Somalia is a leftist state and there is a definite possibility that it may return to the influence of the Soviet Union after the conflict in the area has cooled down. By that time, the Government of Ethiopia will have become dependent upon the Soviet aid that they are now in receipt of and they will find it hard to break away from the Soviet hegemony.

Because the United States has endeavored to avoid a confrontation with the Soviet Union in this crucial area, we will end up with very little influence in the area. I am talking about an area that is important to the oil supply of the Western World. Some have said that, on a clear day, you can look out over the sea lanes along the eastern coast of Africa and it looks like Shirley Highway here, in Washington, at the peak of rush hour. The great oil tankers coming out of the Persian Gulf all use this passageway to traverse their way to the ports in Europe and the United States. In a time of crisis, this is one of the first places that the Soviet Union will "close down" in its future actions against the Western nations.

Senator GARN has explained the debacle that we find ourselves in with respect to the Rhodesian problems as a result of our lack of decisiveness and kowtowing to the Soviet wishes. But there are many more places where we have backed down. Look at the present situation in Cuba. This issue is somewhat related to the developments in the Horn of Africa. As a result of the large amount of aid Cuba has sent to Ethiopia and other African nations, both in terms of equipment and men, the Soviet Union has provided Cuba with pilots to fly what are termed "defense missions" for the island nation. I can remember a time when the Soviet Union attempted to place missiles in Cuba and the American President, John F. Kennedy, stepped in and ordered the Soviet Union to immediately cease and desist from such activity and to further dismantle the missiles that had been emplaced on the island. With a great deal of reluctance, the Soviet Union complied, for they knew that the United States meant business and they feared a confrontation. I say again, it was they who sought to avoid a confrontation with the United States.

In view of the recent reports of the Soviet pilots flying missions for their Cuban comrades who are fighting in Africa, there has been a failure of the White House and the State Department to register any complaints about such activity. I think that it is within reason to ask why this has been the case. I think that it is within reason to ask the White House what the position of the administration is on this issue and other issues.

My distinguished colleague (Mr. GARN) mentioned briefly the problems of the new SALT agreement. It is hard to describe what is really going on in the SALT negotiations in Geneva; but, if you think that the United States is making damaging concessions, concessions that will affect our national security for many years to come, in the Panama Canal Treaties, then you should examine the proposals that are coming back from Switzerland. Since the 1960's, the United States has gone from a position of clear superiority in the arena of strategic weapons to a position of what is described by many as "rough equivalence," and I suggest that we are rapidly heading toward a position of inferiority. The SALT II Treaty will permit the Soviet Union to not only catch up in the few areas where we still maintain an edge, but will also allow them to extend the advantages that they now possess in the areas of modern "heavy" ICBM's and total throw weight. We have permitted them to force us to reconsider whether we will hold firm on the issue of transfer of technology to our European allies, an issue that threatens to put a chink in the armor of our NATO alliance, the single most important alliance in the Western World. The range restrictions on the cruise missile have all but rendered the weapon useless. It does not do us much good to have the most accurate system in the world if it is unable to reach its target. We have canceled the B–1 bomber, the most sophisticated bomber in the history of the world, nuclear hardened and generally superior.

But at the same time, we are willing to exempt its Soviet counterpart, the Backfire bomber, from the strategic talks because the Soviets have promised us that they will not employ the Backfire bomber strategically. That should give every American a lot of confidence, since we know how well the Soviets live up to agreements.

Keep in mind that our intelligence tells us that with one refueling, the Soviet Backfire bomber has a range that exceeds the B–52. Once again, the administration is willing to accept this in order to avoid a confrontation with the Russians.

This posture of foreign policy has continued in other critical decisions. The administration now proposes that we withdraw our ground troops from Korea. Many have said that the situation in Korea is a powder keg just waiting to explode. In the last few years, there have been several incidents involving the North Korean Government and the United States that should be sufficient to demonstrate that the North Koreans have no intention of abandoning their goal of forcing North and South Korea under one government, a Communist government, similar to the form of government now in existence in Vietnam. The late Senator Hubert Humphrey, in a report made public after his death, cautioned the administration to proceed with the utmost caution on this proposed withdrawal. Senator Humphrey saw the dangers of removing ground forces, for this would be an open invitation to the North Koreans to swarm across the border in a surprise attack. Once accomplishing this, the United States would be faced with the agonizing decision of whether or not to intervene and use American troops to push the invaders from the north back across the border.

As long as U.S. ground forces remain, our ground forces will act as a deterrent against such an attack. Once again our foreign policy seems to be a reaction to the intentions of the Soviet Union. The information that was made public concerning Presidential review memorandum-10 brought to light the fact that the administration was reconsidering its commitment to NATO defense. This has resulted in the administration scrambling to assure the other nations of NATO that the United States does indeed intend to maintain a strong commitment to NATO. What PRM–10 said in fact was that the United States was willing to concede one-third of West Germany in a Warsaw pact invasion and then wait for world opinion to force the aggressors to return to the original borders before the invasion. This is the same world opinion that stopped the Soviet intervention in Hungary in 1956.

These are only a few examples of the disarray into which our foreign policy has fallen; I could cite more, such as the imbalance that now exists in conventional forces that the administration is trying to correct, without much success I might add, at the mutual and balanced force reduction talks (MBFR); the situation concerning the recognition of Red China and what to do about Taiwan; the administration's proposal to sell warplanes to both Israel and Arab nations, and the list goes on, but I think that the point is adequately made. The Carter administration has shown a definite reluctance to take any stand which may force a Soviet/U.S. confrontation. I think that it would be a correct observation if I were to use the term "avoidance" as one that describes the Carter foreign policy. To actually describe the administration's foreign policy is no easy task, for the media has been trying to decide what Carter's foreign policy is for more than a year.

Returning to the original questions, that being whether the failure of the treaties concerning the Panama Canal will destroy the ability of the President to conduct foreign policy; I think that it has become a moot point for we have no clear direction of foreign policy. If we have no policy, then we cannot harm the position of the Presidency by failing to ratify these treaties. While on this subject, let me set one point clear. I am not adopting a position that the United States should force confrontations with the Soviet Union. What I am saying is that we should not base our foreign policy decisions on a determination to avoid such a confrontation. Our foreign policy should be independent of these matters and should be done with what is best for the United States being uppermost in mind. I do not think that the Carter administration has done this, but rather we have seen a knee-jerking response to Soviet reactions. This administration has failed to grasp the importance of international affairs. I point out the depth of the Carter foreign policy by reminding you of the fiasco the President involved himself in while visiting Poland. His interpreter lacked the proper knowledge of the Polish language to adequately translate for the President, resulting in an embarrassment to the Polish officials and the President.

Of course, I do not blame President Carter for that, but it does, I think, tend to back up some of our assertions that maybe at least some members of the State Department are not doing their jobs with respect to some of the things that are going on, and I would certainly include the Panama Canal treaties as blatantly important examples.

Last week the President's policymakers allowed him to demonstrate the administration's grasp of the fullness of international diplomacy.

In his welcoming remarks to President Tito of Yugoslavia, President Carter described Tito as a "great world leader" and as a "friend and associate of Prime Minister Churchill, President Roosevelt, and General de Gaulle." The Washington Post pointed out that—

> Tito, 85, had never met Franklin D. Roosevelt, who died before Tito seized control of Yugoslavia. Nor did he meet Charles de Gaulle, who remained hostile toward Tito throughout his life, deGaulle having supported an opponent of Tito, General Draza Mihajlovic, who was executed by Tito after the war. Mihajlovic and deGaulle were classmates at the St. Cyr Military Academy. Tito did meet Churchill in 1944. But after the initial warmth, the two men became political enemies in the postwar period.

Mr. President, the one thing that we here in the Senate must remember is that we have a constitutional mandate of "advice and consent" with respect to treaties entered into by the executive branch of the Government.

That is one of the great checks that the Founding Fathers put into the Constitution so that we do not have Presidents going out and abdicating responsibilities that we owe to the United States of America and to its citizens. For us to even consider that we might ratify a treaty just to allow the President of the United States more leeway to act in foreign affairs, when we have seen such a display of ineptness, inaction, and avoidance by the administration would be an abandonment of our own duties, as representatives of all the people of the United States of America.

I compliment my senior Senator from Utah, because I think he has pointed out a number of things that all Americans have to be very much concerned about. I think that it is important that when we consider statesmanship that we consider the American people first. I think it is pretty important when we consider statesmanship that we consider our own selves and our own protection and put it foremost. I think it is important when we talk about statesmanship that we read these documents and we do not get up and just talk in generalities. I am not suggesting that anybody has talked in generalities today, but I think we should read these documents and I think we ought to make them as good and profound as they can be possibly, if we are going to have these treaties.

What I have seen is an abdication of that responsibility by the stonewalling that has gone on with regard to good and decent amendments, which would have corrected and made these treaties better, and I think which would have been necessarily acceptable to Mr. Torrijos. I have seen more regard for Mr. Torrijos on the floor of the Senate during these debates than he deserves, and I have seen less regard for, I think, the majority of the American people than they deserve.

I might mention that what is important to me is that we have all kinds of polls in this area. I think the most significant is probably the Princeton research poll out of Princeton, N.J., because the questions were fair, but if the administration is saying the American people are turning in favor of these treaties, which, of course, I rebut and know is wrong, then I think everybody ought to reconsider. Maybe what we ought to do is review, rephrase, and straighten out these treaties for the protection of those very same people. That is what we have tried to do in the last number of weeks.

I think, as a matter of fact, there have been some marvelous amendments which would have made those treaties much better. I just want to say, in closing, that I appreciate the work done by my colleague in the Senate. I appreciate his leadership on this particular issue. I appreciate the fact that he has made extensive and very definitive studies of foreign policy, and especially with regard to our military preparedness, the SALT II agreement, and a variety of other issues which are, in my opinion, perhaps even more important than the Panama Canal treaties, which, as everybody must know who has listened to these debates, is very important in my eyes.

Mr. President, I would just like to close by suggesting that I would like to support the President in every way I can. I cannot do so with regard to these treaties because of my analysis of them, my reading of them, because of the visit I made, and because of a great number of other reasons.

I also will not support the President merely because his own personal prestige may be damaged if these treaties are not ratified. I do not think that is a valid reason. I think that any man, no matter what the mistakes of the past, can change his life and go forward and do better, and I suspect that there is lots of room for our President to go forward and do better.

Thank you, Mr. President.

The PRESIDING OFFICER. Will the Senator from Utah yield to the Senator from Mississippi for a short time?

Mr. DOLE subsequently said: Mr. President, I share the concerns expressed by my colleagues Mr. GARN and Mr. HATCH regarding the direction which this adminstration's foreign policy is taking. At the same time, I agree with them that defeat of the Panama Canal treaties, or even their modification, would not seriously hinder the President's ability to conduct our foreign policy.

It is ridiculous to suggest that treaty amendments or reservations—beyond those specifically approved by the administration—would be a crushing blow to the President's ability to conduct our foreign policy in the months ahead. Instead, I think the enactment by this body

of treaty modifications should be viewed in the proper perspective: As a new stage in canal treaty negotiations.

The Senate enjoys a clearly defined constitutional responsibility to "advise and consent" on executive treaties submitted by the President of the United States. I believe the distinguished Senator from Michigan (Mr. GRIFFIN) has set forth a persuasive argument that the Senate should express its "advice" but withhold its "consent" on these proposed treaties. I have said all along that the Senate has a responsibility to perform this constitutionally designated advisory role to the President, as a part of the international treaty-making process. As it does so, further talks with the Panamanians on critical points may be necessary and should be welcomed.

But let us not overdramatize the consequences. Amendment of the canal treaties will not spell disaster for this administration's foreign policy program, and it should not, for it is not accomplished in a narrow partisan sense, or as a vote of "no confidence" for the President.

If we do our work as we should do our work, and as I think every Member of this body will do his work, it will be viewed by most thinking Americans as a conscientious effort by this body to preserve what we see as nonnegotiable interests.

RHODESIAN RESOLUTION

Mr. President, on March 7, I introduced Senate Concurrent Resolution No. 69, expressing support for the recent settlement of internal differences within Rhodesia by the ruling government and moderate black leaders. I was joined in that endorsement by several of my colleagues: Mr. GARN, Mr. HATCH, Mr. LUGAR, Mr. HAYAKAWA, Mr. TOWER, Mr. ALLEN, Mr. HARRY F. BYRD, Mr. GRIFFIN, Mr. WALLOP, Mr. LAXALT, and Mr. BARTLETT. It is simply our feeling that the United States and Britain, who have long encouraged just such a peaceful resolution of the Rhodesian problem, should now do their part to insure that radical, Communist-supported factions do not disrupt this unique chance for peace. We should now take the initiative to fully endorse the multifaction agreement and to encourage the support of other nations as well.

Thus far, however, the Carter administration has not seen fit to embrace this momentous accomplishment. The administration continues to insist that radical leftist leaders be accommodated by the settlement, despite the fact that the parties in agreement had already rolled out the red carpet to resisting black leaders. They have had every opportunity to participate in the settlement, yet they threaten further warfare. The principal leader of the so-called "patriotic front" has declared that "voting booths will become military targets" if the one-man, one-vote settlement signed on March 3 comes into force.

PATTERN OF POLICY RETREATS

Mr. President, I strongly suspect that many Americans today are concerned, as we are, about the emerging pattern in the administration's long string of foreign policy concessions. There are disturbing parallels between President Carter's misguided Middle East maneuvers, his defective Panama Canal treaty proposal, and his initiatives in South Korea, Cuba, Vietnam and elsewhere. The list reads like a roadmap of retreats by this administration in its policies toward the rest of the world.

It used to be commonly recognized that the Soviet Union would carefully monitor the actions of a new and unknown U.S. President to determine his mettle. It used to be an accepted concept that the Soviet Union better understood strength than weakness. I believe both of these concepts still hold true.

I have no doubt that the Soviet leaders have closely followed the policies of President Carter in the international arena. They have noted the lack of a timely and appropriate response to Soviet-Cuban provocations in the Horn of Africa. They are watching his response to the Rhodesian settlement.

In general, what the Soviets have observed is a steady series of U.S. withdrawals and submissions on nearly every foreign policy front. In matters directly affecting our two governments, they have found this administration only too willing to make concession after concession.

I submit that a minimum amount of "backbone" might have done far more to gain and retain Soviet respect, as well as to protect American interests. It would be a serious mistake to sell ourselves short, and to sell our friends down the river in a clumsy and misguided effort to shore up this administration's sagging profile on the international scene.

For that reason, Mr. President, I trust that we in the Senate will have the willpower and the determination to take whatever action is necessary with regard to the Panama Canal treaties. I trust, further, that the administration will listen to our concerns with respect to the situations in Rhodesia, Cuba, South Korea, and elsewhere during the coming months.

Mr. GARN. I am happy to yield to the Senator from Mississippi.

Mr. EASTLAND. Mr. President, we are engaged in one of the most important foreign relations debates since World War II. The Panama Canal treaties, perhaps more than any other international issue in recent years, have grasped the attention of the American people. The extensive hearings and the number of days of informed debate which have already occurred on the floor of the Senate, with the unprecedented radio broadcast of the proceedings, attests to the great interest of the country in the matter.

This interest exists because of the vital role which this canal long has played, and continues to play, regarding this Nation's economic and military well-being. The treaties before us represent the current stage of negotiations which have been carried on over a decade, by which the United States would drastically alter its 75-year-old agreement with Panama concerning the canal through that country.

These treaties would, quite simply, relinquish American ownership and control of the canal. At the outset, Mr. President, I wish to state my opposition to their ratification and to briefly outline my objections thereto.

First, Panama has no resources of any sort except the canal and related industry and municipalities in its periphery. It has no other resources upon which it can support the operation of this canal as a worldwide commercial establishment. The United States has maintained this canal for more than 60 years on a nonprofit basis, thereby benefiting the commerce of the entire world. Panama cannot do this. The mere fact that we are offering to subsidize operation of the canal in the future is indicative of the cold economic facts.

Second, the treaties do not give the United States clear authority to intervene if the neutrality of the canal is violated by a hostile power. This is a most outrageous circumstance in view of the fact that recent history has shown that where American presence is withdrawn around the globe, the Soviets and their troublemaking satellites move in.

Third, Mr. President, this treaty not only requires that the United States surrender the ownership of the canal, but contains the unbelievable provision which gives the little nation of Panama, and whatever governments may hereafter rule it, an absolute veto over the power of the United States, with its 250 million people carrying the world's greatest share of commerce, to build another canal in a third country.

Fourth, I find it incredible that it may cost the United States upwards of $3 billion to give away this very valuable piece of real estate. Panama will receive yearly over the next 22 years fixed fees of $20 million plus percentages of the tonnage shipped, which will amount to approximately $40 million a year, and the United States may still find itself liable for an additional $220 million in 1999 if sufficient surplus is not available from tolls. At the same time the United States will be required to maintain the upkeep on the canal until 1999. With all this giveaway to Panama, the upkeep may well have to come out of the U. S. Treasury.

Fifth, it seems equally beyond belief that American negotiators made no effort to include provisions to fix the amounts of tolls which Panama can charge on world commerce after 1999. Nor did the American negotiators attempt to provide that such revenues should be used to maintain the canal.

Mr. President, it may be that the United States, in the operation of the canal, has purposely kept the tolls low to encourage commerce. Panama may justly argue that it is entitled to a greater share of earnings. Perhaps tolls should be increased to accommodate this end. If Panama had suggested a procedure of a greater share of the tolls, I think a pretty strong case could be made out in behalf of such an agreement. Further, if Panama had asked for a voice in the operation of the canal, again I would not resist such accommodation, but never the surrender of the canal itself. As an individual, I would not necessarily object

to giving the nations on the western slopes of the Andes a voice in the operation of the canal, as well as other nations of Latin America who have a vital stake in the canal and its operations.

But again, I say "never" to the relinquishment of the canal itself and the Canal Zone.

Mr. President, I would most emphatically deny, as some have suggested, that the Panama Canal was born out of the womb of imperialism. It was conceived and developed, rather, in response to a great trade necessity of the Western Hemisphere. It so happened that the United States was the only country at the time with the know-how and capital to construct the facility.

The canal, historically, and to this day, has had a major impact on the trade not only of the Western Hemisphere but of the entire world. It has been aptly described by Adm. Thomas Moorer, former Chairman of the U.S. Joint Chiefs of Staff, as one of the four major water passages of the world on a par with the Gibraltar Straits, the Suez Canal, and the Malacca Straits.

This canal, which was built by American ingenuity and effort, has been maintained and operated by this country for more than 60 years on a fair, efficient, and nonprofit basis for the benefit of all the world.

We are asked now, Mr. President, to drasticaly change our relationship to this canal; specifically the treaties before us, if ratified, would require the United States to give up ownership of this property within 6 months and by a phased-out withdrawal remove all of its military forces and personnel prior to the year 2000. In reaching our decisions on these treaties, I believe we must first determine whether the national interest is best served by yielding our sovereign control of this canal, and second, whether the treaties properly protect important U.S. rights if we do so decide to yield our control.

Mr. President, in weighing these factors, I have had the benefit of studying the hearings and reports of various committees and subcommittees of both bodies of Congress which have examined the canal question. In the Senate, extensive review of this matter has been had by both the Foreign Relations Committee and the Armed Services Committee as well as the Subcommittee on the Separation of Powers of the Committee on the Judiciary upon which I serve. In addition to the long debate which has already occurred on the floor of the Senate this month, I have recently visited the Canal Zone for a firsthand view of the situation.

As is the case generally with other lesser legislative matters, the burden of proof or justification for the action lies with the proponents of a given measure, so it is with the treaties before us. The treaties before us, however, are no mere legislative matters, which can be undone by subsequent legislation should they not prove workable. Rather, we must expect to be permanently bound by them should they be ratified.

Because of this fact, and because of the sizable military and economic effects on the United States and the Western Hemisphere that these treaties may set in motion, I submit, Mr. President, that the proponents of these measures have an extraordinarily high burden in showing to the Senate, as well as to the American people, that ratification is indeed in the best interests of this country.

To my mind, Mr. President, this burden has not been met. The arguments proposed in favor do not overcome the serious defects in the treaties, as drafted, which could seriously compromise the economic and military well-being of this country. I, therefore, do not favor ratification of these treaties and would urge my colleagues to oppose them.

It is with some regret that I must oppose these treaties. I believe that in the conduct of foreign affairs the President deserves the greatest of support and the benefit of every doubt. This belief I have steadfastly followed during my senatorial career. The Constitution provides for Executive leadership in international matters and with all the powers of his office he is well equipped to make judgments in this area. The Constitution, however, also grants to the Congress the right and duty to "advise and consent" to foreign treaties. In fulfilling this duty, the Senate has well informed itself of facts surrounding the treaties before us. It is my hope that during the course of this debate the Senate, should it withhold its consent, will be able sufficiently to advise the President as to the basis upon which a satisfactory accord can be reached with Panama.

The rejection of these treaties should not necessarily be construed, therefore, as a rejection of attempts to come to a better understanding with the Government of Panama. Rejection should not mean the end to further negotiations. Rather, further talks should be had with our southern neighbor in order to attempt to best accommodate their interests while at the same time guaranteeing, in less ambiguous terms, the interests of this country and the rest of the world's users of the canal.

Mr. President, although many words have been spoken and written on this subject, it appears that the arguments in favor of ratification center on three bases:

We are told that the canal is becoming obsolete and, therefore, not of much importance; that it is incapable of being defended; and, lastly, that our Nation would be held in higher worldwide regard if we stripped ourselves of one of the last vestiges of "colonialism."

As to the first point, regarding obsolescence, while it is true that the new supertankers are too large to pass through the canal, such vessels represent only a small percentage of total shipping tonnage. It further should be pointed out that now these large tankers are not able to use existing harbors in the United States. More important is the fact that currently the canal can accommodate 93 percent of the world fleet and 96 percent of U.S. merchant ships. The same argument of inadequate size is used by proponents of the treaty regarding naval warships. The fact is, however, that virtually all of the U.S. Navy's fleet, with the exception of 13 of its largest carriers, can navigate the canal.

In the last 30 years the shipping which has moved through the canal has increased greatly, some 400 percent. This trend continued this past year and forecasts indicate no decrease.

Although it is not easy accurately to determine the nature of our naval forces over the next three or four decades, some informed observers believe that the nuclear age will foster the development of relatively small, highly mobile warships. Continued use of the canal in such a situation is obvious.

There are those favoring the treaties who argue that the United States cannot successfully defend the canal from the sabotage of terrorists or guerrillas. This argument I submit, Mr. President, which amounts to approval of making concessions under threat of harm, does not provide good basis for a just accord. Rather, an agreement reached under such conditions may further whet the appetite of aggressors in this area as well as other places on the globe where American interests exist.

As an aside, Mr. President, it should be noted that terrorists attacks are difficult to prevent anywhere, including within this country. We can all recall the bombing of the U.S. Capitol and the violence which occurred in and around some college campuses earlier this decade.

The United States' continued military presence in the Canal Zone in fact does act as a deterrent to aggression. It is, of course, much easier to defend property with troops already on the ground than with a treaty agreement granting us the right to return when such trouble arises after we have completed our withdrawal.

It should be noted that U.S. forces have defended the canal against sabotage successfully throughout four wars. The U.S. forces have been trained and equipped for this activity and clearly would be able to resist any attack better than any other forces.

Regarding the threat of domestically inspired guerrilla forces, Admiral Moorer, testifying before the Armed Services Committee, had this comment:

> The proponents of these treaties proclaim again and again that the only way to handle the internal threat is to ratify the treaties and give up the Canal. It is repeated over and over again that we are not interested in ownership, only continued use, which can be acquired only with the help of the Panamanians. Otherwise, they say, 100,000 troops will be required to defend the canal and we will immediately be plunged into another Vietnam. I do not accept any of these scare statements. In the first place, a major part of the income of Panama is due directly to the existence of an operating canal. If the Panamanians make an effort to sabotage the canal they are the ones that will be harmed. Most of them know this.

The notion that we are agreeing to these accords because of the fear of violence from certain elements within Panama seems to me dangerous. Under the terms of the treaties in question, Panama would not gain control of the canal for another 22 years. Could not the ratification of these treaties be inter-

preted as a signal by those extremists that more threats or actual sabotage would result in an even quicker departure of all U.S. forces?

The third major reason advanced by treaty proponents, that our world respect would soar if only we would give up our "colony" in Panama, is based, I believe, upon a misreading of history and current world politics.

Prior to the canal treaty with Panama in 1903, the United States studied several possible alternative canal routes. Had Panama not revolted and declared independence from Colombia the canal very well may have been constructed in Nicaragua. Some have contended that the powerful United States forced Panama to accept less than favorable terms. It should be noted that the terms of the 1903 treaty were mutually beneficial to both parties. Panama was particularly interested in obtaining the good will of the United States in order to gain protection from Colombia and other countries. The split from Colombia came after six prior attempts on the part of Panama and after the Colombian Senate refused to agree to a treaty with the United States for a canal through the territory of Panama. The local independence movement which followed was for the purpose of insuring that the canal did go through Panama rather than Nicaragua.

The original treaty, signed in 1903, was ratified by both the Panamanian and U.S. Governments. This treaty granted to the United States "in perpetuity" the use, occupation, and control of a 10-mile wide zone with "all rights, power and authority within the zone * * * which the United States would possess and exercise if it were the sovereign * * * to the entire exclusion of the exercise by the Republic of Panama of any sovereign rights, power or authority."

In return the Government of Panama was paid $10 million. In addition, the U.S. Government paid all the private holders of property for land which was within the boundary of the zone. The United States also built sanitation systems for the Panamanian cities as well as bridges and highways. With the completion of the canal and eradication of yellow fever by means of U.S. technology and medical knowledge, the country of Panama has prospered. As a result the people of Panama presently enjoy one of the highest standards of living in Latin America.

Our investment in Panama, which has brought about this prosperity, runs in the billions of dollars. There has been no commercial exploitation of Panama by this country. No mineral has been mined, crop harvested, or resource exported as is the case in colonial operations. Rather, the United States has efficiently and fairly operated the canal for the benefit of all nations—on a nonprofit basis. The tolls for ship passage are kept low and income is used for maintenance and improvements to the canal.

Other Latin American countries benefit greatly from the existence of the canal. The continued efficient operation and security of the canal is of extreme importance to these countries. There are government leaders and businessmen in Latin America who are concerned that the turning over of the canal to a small and politically unstable nation may jeopardize its continued efficient existence. Because many of the South American countries have difficult east-west land transportation, the Panama Canal assumes an even far greater commercial importance to them than it does to this country.

The Latin American governments are, therefore, extremely anxious that we act responsibly in guaranteeing the canal's future. They are of the hope that we can continue to assure the continuation of low rates and proper upkeep of the facility. Last year the Organization of American States unanimously adopted a resolution against excessive rate increases. Panama abstained in this vote. The treaties in question, however, contain payment guarantees to Panama which will require toll increases of as much as 40 percent.

Therefore, world praise will not be automatically heaped upon this country, as some have suggested, for ratifying these treaties. The esteem of Latin America and much of the world which relies on the canal will be granted only if the United States acts responsibly in guaranteeing the continued well-being of the canal. Regrettably the proposed treaties do not properly achieve this goal.

If it is world opinion with which we are concerned, Mr. President, I believe that with the proposed treaties we run the unnecessary risk of appearing to our allies as having weakened their interests and to our opponents as foolish.

It is my further belief, Mr. President, that the United States can rightfully hold its head high in the court of world opinion. This country has always acted honorably in its dealings with Panama. Through its scientific and technical ability, it realized the centuries-old dream of joining the Atlantic and Pacific Oceans and by its fair and capable operations of the canal has brought prosperity to Panama and immensely benefited world commerce.

Mr. President, to this point I have been discussing the three major arguments that have been advanced by proponents of the treaties. Although I find these arguments unconvincing, I wish to state again that I am not unalterably opposed to any or all possible modifications of the existing treaty between Panama and this country which may be worked out between these two countries.

My opposition is to the terms of the two proposed treaties now before the Senate. I wish now to turn my attention to the specifics of these measures.

The first of the two treaties before us, the "Canal Treaty," pertains to the transfer of the total ownership, control and operation of the canal to Panama, effective December 31, 1999. The "primary responsibility" of the United States to protect the Panama Canal would cease upon the expiration of the Canal Treaty on that date. After that date, the second treaty, the "Neutrality Treaty" would be the only one in effect.

Ratification of the new treaties would immediately cancel the present treaty of 1903 which grants the exercise of sovereignty to the United States in the Canal Zone. The Canal Zone as such would cease to exist. This country would in effect be simply a foreign power with property located in Panama.

Although the United States could continue to operate and defend the canal until the end of the century, all of its employees, including U.S. citizens, would come under the jurisdiction of Panamanian laws.

Concern has been voiced as to the desire of many U.S. citizens now living in the zone, who provide much of the essential technical expertise for running the canal, to remain on the job given such circumstances.

Further concern has been raised about the prospect that with the removal of the U.S. sovereignty in the Canal Zone, nothing could prevent the Government of Panama from expropriating the property and nationalizing the canal. As international law permits expropriation by governments of foreign-owned property within its boundaries, the United States could be forced into an unseemly departure should the passions of nationalism find that 22 years was too long to wait to get rid of the American presence.

My greatest concern, Mr. President, pertains to the application of the provisions of the Neutrality Treaty after the U.S. forces depart the Canal Zone at the end of the century. These concerns are particularly heightened because of differences of interpretations which already have been placed upon these provisions by officials of Panama and our country. Conflicts exist now at this early state. They are bound to become greatly magnified should the treaty actually be implemented.

Specifically, the treaty on its face is ambiguous and contradictory as to the role which the United States could exercise to intervene and defend the neutrality of the canal after the year 2000. The terms of the treaty are unclear as to whether the United States could intervene if the neutrality of the canal was jeopardized without first being so requested by Panama.

Because of the ambiguities, President Carter and General Torrijos issued a Joint Statement of Understanding on October 14, 1977. This agreement purports to permit the United States to unilaterally enter Panama, upon its own discretion, to counter any threats or aggression toward the canal. The terms of the agreement have now been incorporated into amendments offered by the leadership and accepted by the Senate.

The difficulty with these amendments, however, stems from the fact that the documents from which they were derived, the Joint Statement of Understanding, was given different interpretations by President Carter and General Torrijos. Torrijos and other Panamanian officials still maintain that Panamanian approval must be given prior to entry by the United States.

Further unresolved is the United States right to intervene should threats to the neutrality of the canal come from domestic sources within Panama.

Of equal concern are the treaty provi-

sions which preclude the option of this country to construct another canal in a country other than Panama. Even though the existing canal is adequate, new technology may make a second canal feasible and economically desirable. However, under the terms of the treaty the United States "shall not negotiate with third states" regarding construction of a new canal "except as the two parties may otherwise agree."

Mr. President, it would seem that this provision throws away a possible bargaining chip that could prove beneficial in future relations with Panama. A second canal or the suggestion of such construction would insure that Panama keep its tolls competitive.

Under the rule of Panama's current leader, that country's indebtedness has grown from $167 million to $1.5 billion, and the interest alone on that debt increased 75 percent in the 2 years from 1975 to 1977. Since nowhere in the treaty does Panama commit to maintaining the canal, future Panamanian governments may decide to use tolls for domestic programs rather than for costs of maintenance.

The costs to the United States over the next 28 years in terminating its presence, relocating personnel, guaranteeing revenues to Panama has been estimated to be in the range of $3 billion. Exact figures are regrettably not available because the implementing legislation containing many of the financial arrangements between the two countries has yet to be submitted to Congress by the executive branch. Therefore, we find ourselves in the difficult position of making a determination of what the exact cost will be. This unsatisfactory position is worsened by the disagreeable fact that we will be expending these considerable sums in order to give an extremely valuable piece of property, worth nearly $10 billion, to another country.

Mr. President, in the event of a war, control of the canal is of utmost importance. This is particularly true today, as our Navy is now one-half of its 1968 strength. Quick and easy access to both oceans is, therefore, of more importance than ever before.

The geographic and psychological value of the canal in time of hostilities is well summed up in a letter to President Carter of June 7, 1977, from former U.S. Navy Admirals Arleigh Burke, Robert B. Carney, George Anderson, and Thomas Moorer as follows:

> Our experience has been that as each crisis developed during our active service—World War II, Korea, Vietnam and the Cuban missile crisis—the value of the Canal was forcefully emphasized by emergency transits of our naval units and massive logistic support for the Armed Forces. The Canal provided operational flexibility and rapid mobility. In addition, there are the psychological advantages of this power potential. As Commander-in-Chief, you will find the ownership and sovereign control of the Canal indispensable during period of tension and conflict.

Mr. President, whether we like it or not we have been engaged in a cold war of varying nature and degree with the Soviets and other Communist influences since the end of World War II. This conflict or competition, as some would call it, has ranged from overt acts of hostility and aggression to subtle attempts to gain influence in the free world. We have all personally witnessed such activity just 90 miles off our shores—in Cuba. Such activity is presently ongoing in Latin America. It is no secret that the Communist forces would leap at the chance to extend its influence with Panama.

The Soviet Navy has shown a marked increase in size in the past decade, at the same time which ours has declined. We have observed that in areas of the world where United States or British naval presence has slackened the Soviets have eagerly pushed to attempt to take up the gap.

Under the terms of the treaties before us the United States will be required to immediately reduce its bases in Panama and by 2000 withdrawn altogether.

We are today fortunate that Panama is a friendly government and that we are strong allies. However, I am in no position, nor do I believe are any of my colleagues, to predict what the disposition of that government will be in the year 2000. As our presence in Panama withers in the next 22 years and finally comes to an end in 2000, it is my most sincere hope that our "competitors" for world influence will not move in to fill the vacuum. It should be noted that we need not look around the world for such a threat. Cuba, which has already cast around in its backyard in past adventures, will surely eye the possibilities of its neighbor's altered status. Once Cuba's troops are freed from their excursion in Africa, they and their Soviet colleagues may well consider possibilities in Panama.

This is not to say that the United States is by any means helpless in the face of such a threat. Rather, we should reflect whether our actions to remove our presence in this area of the globe would encourage the reckless ambitions of others.

Mr. President, we are blessed by the fact that we are a rich and powerful nation. It has not been my intention to suggest in my remarks that our country will necessarily be fatally weakened should we give the Canal Zone to Panama. Rather, it has been my purpose to question just what are the reasons for such action and whether they are valid.

I am frankly puzzled, Mr. President, at the lack of strong reasons which have been put forth to date to justify ratifying the treaties before us. I do not really believe we seriously think that the security and neutrality of the canal can be best had by the departure of a benevolent superpower. And I do not think that a simple good-neighbor policy justifies the yielding of an important piece of real estate which has such important strategic and economic implications.

It is perhaps because we are so rich and strong that some of us feel compelled to share our wealth. This may be fine except when it affects the taxpayer and in this case where it could directly affect the military and economic well-being of the Nation.

As I have indicated earlier, Mr. President, this country has no need to atone for past sins in dealing with Panama; the Canal Zone was not gained by war, aggression or devious action on our part. Rather, we bought the land, were granted sovereignty, and developed the raw jungle and have thereby greatly benefited Panama as well as the world.

To my mind, Mr. President, the situation which we are facing is one of high risk and low yield.

Mr. President, in conclusion, I find that the case has not been made to support ratification of the treaties, as drafted before us and further believe that their ratification would not be in the best interest of the United States.

The PRESIDING OFFICER (Mr. HASKELL). The time of the Senator from Utah has expired.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

Mr. President, who was to be recognized under the order?

The PRESIDING OFFICER. Senator BARTLETT, under the order, was to be recognized for 30 minutes.

Mr. SARBANES. Will the Senator yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask unanimous consent that I may be given control of that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Maryland.

Mr. SARBANES. Mr. President, I ask unanimous consent that Judith Davison of my staff be granted privilege of the floor during the debate and vote on the pending treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, the time to come out of the time under my control.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment to the resolution of ratification that will be called up by Mr. RANDOLPH, Mr. CRANSTON, and others, Mr. LONG be recognized to call up his amendment to the resolution of ratification, and that following the disposition of his amendment, the distinguished Senator from Oklahoma (Mr. BARTLETT) be recognized to call up his amendment to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe Mr. BROOKE is to be recognized following the running of the order for the recognition of Mr. BARTLETT. It is my understanding that Mr. BROOKE is on his way and that Mr. BARTLETT will not need the time allotted to him under the order

previously entered. Therefore, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against the order for Mr. BARTLETT.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I inquire now of the distinguished Senator from Massachusetts (Mr. BROOKE) if he is ready to proceed.

Mr. BROOKE. Yes, I am.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Massachusetts is now ready to proceed. Therefore, I yield back the time that was given to my control under the order for the recognition of Mr. BARTLETT.

The PRESIDING OFFICER (Mr. CULVER). The Senator from Massachusetts is recognized.

Mr. BROOKE. Mr. President, for many years I have believed, and I still believe, that our country's relations with Panama should be revised and modernized. It is in both our self-interest and in the best of our traditions to seek equity and fairness in our relations with other countries.

The Panama Canal Treaties submitted to the Senate in September 1977, were widely believed to be a means to accomplish that goal. However, after an initial examination I came to the conclusion that the specific treaties submitted by the President were likely to be an inadequate basis for establishing that relationship.

The ambiguous nature of many of the key articles raised substantive doubts in my mind as to their workability. Significant differences between American and Panamanian interpretations of key provisions appear to me to be an ominous portent of increasing rather than diminishing tensions. The lack of the true domestic consensus in the United States and possibly in Panama as well, as to the wisdom of the specific treaties seemed to create an inhospitable environment for the achievement of that desired new start for the American and Panamanian peoples. Moreover, I was troubled by the constant use of the fear of violence in Panama as a rationale for an American foreign policy decision.

I was deeply concerned that passage of those inadequate treaties would have been a short-term palliative at best. Yet, I understood the temptation in the minds of some to do so in order to avoid immediate unpleasant events. But I also feared that in the longer term, the superficial edifice of cooperation created by the treaties would crumble under the constant buffetings of the pressures generated by their inadequacies. In time I thought we might come to regret that we had perpetrated, unintentionally to be sure, a cruel hoax on ourselves and our Panamanian partners.

It was my hope that action by both the administration and the Senate would result in the treaties being amended or qualified to a degree sufficient to make them more in tune with our legitimate national interests and the sensibilities of the American people. But it became apparent to me fairly early in the process that the administration and treaty proponents in the Senate, controlling the simple majority, had decided that the "advice and consent" function of the Senate would not be a truly operating principle in this instance. For many months they refused to give serious consideration to responsible efforts to strengthen the treaties by amendment. It is only recently that some flexibility has surfaced. Whether it will be adequate remains to be seen.

Mr. President, let me now discuss each of these concerns in more detail.

In a democracy, the success of any long-term undertaking, be it in domestic or foreign affairs, is based on the sustained support or, at a minimum, the tolerance of the overwhelming majority of its citizens. This is a fundamental reality that has been painfully brought home to the people of this country in the last decade and a half.

Our presence in the Canal Zone and the protection of our interests there has been, is, and will be a long-term undertaking. Modernization of our relationship with Panama must be achieved in such a way as to elicit the necessary sustained level of support from the American people.

One of the fundamental weaknesses of the approach of those favoring the treaties submitted by the President is the relative indifference they have shown to the legitimate concerns of a large segment of the American public. Rightly or wrongly, millions of responsible Americans who deeply love their country and desire what is best for it believe that on this issue their Government has put the sensitivities and interests of the Panamanian Government first.

I have a great deal of empathy for those who have such a perception. In my conversations with administration officials and in the arguments of many of the treaty proponents, I have detected a cavalier attitude regarding the views of this large segment of the American populace.

One example should suffice to illustrate the point I am trying to make. The argument has been voiced with increasing frequency that the fundamental reason that substantive responsible amendments to the treaties could not be accepted is that such changes would require that the present Government of Panama resubmit the treaties to its constituents for a new plebiscite. Indeed, there has been an inordinate fixation in the Senate these past few weeks on avoiding anything that would inconvenience the Government of Panama. I find this approach specious and devoid of merit. Its actual effect has been to give the leader of the Panamanian Government a de facto veto over the deliberations of the U.S. Senate.

I cannot conceive of what fears, what motivations have led to this state of affairs. We cannot, we must not allow our power of advice and consent to be emasculated.

Mr. President, it is our fundamental responsibility to act in the interest of the United States and to be responsive to the legitimate concerns of the American people. Little wonder that a sizable number of them feel further alienated as a result of this perceived indifference of their Government.

I believe the failure to achieve a sufficient domestic consensus for an action of the magnitude of a decision to alter fundamentally our role regarding the Panama Canal will come back to haunt us. It may not have its most dire effects in the immediate aftermath of a decision to ratify these treaties. But, it will have the long-term debilitating effect that will deepen the disillusion felt by many with their Government. Down in the nerves and sinews of our society we will have encouraged a festering sore that will not be easily exorcised.

I am equally if not more disturbed by arguments that insist that we must ratify these treaties or else there will be violence directed against Americans in the Canal Zone and perhaps elsewhere. I abhor violence as only one can who has seen it at first hand. But I just cannot accept the view that these treaties must be ratified because the threat of violence explicitly or implicitly exists. Our decision one way or the other must not be affected by such threats.

Mr. President, the American people will support a justified effort to achieve a more stable and equitable relationship with Panama. But they will never accept a decision that is tantamount to a capitulation when confronted with the threat of force. I do not say this to be jingoistic or provocative. But I do state it without equivocation so that those who may be tempted to threaten us with violence will be under no illusions that they will succeed in their designs.

Should we ever appear to be susceptible to such pressures, tremendous harm would be done to our capacity to protect our interests in the world and to conduct an effective foreign policy. And, without question, the maintenance of that capacity has to be an important consideration in any of our decisions.

Let me now turn to the treaties themselves. In September of 1977 the President submitted two treaties relating to the future of the Panama Canal. For the past 5 weeks the Senate has devoted most of its time and attention to a debate on the merits and defects of the Neutrality Treaty. This treaty outlines general conditions we anticipate will or should exist after the year 2000. If the main Panama Canal Treaty were to pass, then I believe the Senate as a body would agree that the Neutrality Treaty must also be passed.

Early last fall I found the Neutrality Treaty unacceptable as submitted. With others, I advocated strengthening provisions which I thought would improve its text. One such recommendation would have provided the legal basis for the United States to act, unilaterally if necessary, to maintain the regime of neutrality and preserve our interests in the canal. Another called for stronger provisions

regarding the right of U.S. vessels of war and auxiliary vessels to proceed to the head of the line in times of emergency, the United States having the right to determine what constitutes an emergency, on a unilateral basis if necessary. These two proposals were eventually embodied in provisions now known as the "leadership" amendments which I have sponsored. Both of these proposals in the form of amendments were finally accepted by the administration and have been adopted overwhelmingly by the Senate.

Article V of the Neutrality Treaty by implication, excludes the United States and Panama from jointly agreeing to a continued U.S. military presence in Panama after the year 2000 even if such a presence would be crucial to the maintenance of the regime of neutrality. I find this implicit prohibition unacceptable.

Thus, in a meeting with the President I urged him to accept a reservation that would allow negotiations on a continued U.S. military presence after the year 2000 to take place. Since then I have sponsored such a resolution with Senator NUNN and others and it is now the pending business before the Senate. If it is included in the instrument of ratification this will resolve my problems with article V. Moreover, I believe that the reservation could ultimately have a deterrent effect, disabusing potential or actual foes from trying to obtain an advantage on the assumption that a U.S. military presence in Panama after the year 2000 was clearly out of the question.

Since the leadership amendments are now a part of the Neutrality Treaty and if the Senate adopts the reservation related to article V, I believe a reasonable basis will exist for the protection of our interests in the canal after the year 2000. I therefore intend to vote for the Neutrality Treaty. However, I must emphasize that the adoption of the reservation is a condition precedent for such a vote. As the possibility still exists that the Panama Canal Treaty may be strengthened to the degree necessary to obtain its passage, it seems sensible to me to pass the Neutrality Treaty at this time.

So that there is no misunderstanding, let me state clearly that I do not believe that the Panama Canal Treaty, in its present form, should be passed. If I had to vote on it tomorrow I would vote no. It is imperfect. It is flawed. It sorely needs revision or qualification.

I have indicated to the President and the leadership several areas of concern regarding the Panama Canal Treaty, because I believe that ambiguities in the financial arrangements contemplated in the Panama Canal Treaty are built-in tension producers. The following areas of potential disagreement amply illustrate the problem.

First. The 30 cents per canal ton payment to Panama gives the Panamanians a strong motive for keeping tolls low in order to keep traffic high. The United States, which for 22 years will have primary administrative responsibility, will have the exact opposite incentive in order to avoid deficits.

Second. In the case of a deficit, a likely development especially after 1984, there is bound to be controversy over which items should be given priority in terms of their payment. Panama seems bound to insist that the 30 cents per canal ton and the fixed annual annuity payment of $10 million to it must be met regardless of a shortfall in revenues. This would mean, in essence, that the United States would have to cover any deficit.

Third. The ambiguities surrounding the contingent annual $10 million surplus payment to Panama have not been cleared up. There is no evident meeting of the minds on how revenues and costs are to be calculated in order to determine whether such a payment will be made. No formal exchange of notes between the two parties has taken place to establish, beyond a doubt, that the United States has no obligation to pay any accumulated carryover of this contingent payment at the termination of the Panama Canal Treaty. There has been no definitive determination as to whether the contingent payment is to be included in the toll base.

Fourth. No agreement has been reached that will insure that the Government of Panama will not profit unjustly from the payments it is to receive for services rendered in the area to be administered by the Panama Canal Commission. Nor, is there any arrangement to insure the quality of those services.

Fifth. It is likely, should the treaties pass, that the Congress will insist that present interest payments from canal revenues to the Treasury continue. I certainly intend to advocate such an approach. There is insufficient information as to what effect this will have on the toll rate and, thus, on canal traffic. At a minimum, we must assume that Panama will be opposed to these interest payments. Their continuance would increase Commission costs, tolls would go up, traffic would marginally diminish and, thus, the level of financial benefits to Panama would be decreased.

Sixth. A similar problem would arise if the Commission, controlled by the 5 to 4 ratio of Americans to Panamanians, increased depreciation rates or created a new reserve for capital improvements. These two actions, likely to be undertaken for prudent management reasons, would also reduce the level of Panamanian financial benefits. Given what I believe to be the excessive Panamanian expectations of a financial windfall resulting from these treaties, it is not hard to imagine what the effect of the deflation of these expectations will be.

To this list I would add two more items. First, there is a great deal of uncertainty regarding the actual cost of the services to be provided by Panama to the Commission. One estimate places the figure as low as $4.4 million annually for the first 3 years. The estimate contained in the treaty is an annual payment of $10 million. With this wide variance in figures, it is self-evident that the possibility for corruption exists if no provisions were made to account for any excess of payment over actual cost of services. I am sure that neither the Panamanian Government nor our own wish to leave this problem unaddressed. Therefore, I am today introducing an understanding to the Panama Canal Treaty in an effort to remedy this defect.

Second, it is also clear that a clarifying understanding is needed indicating that the United States assumes no obligation, as a result of the treaties, associated documents or the negotiations, to provide any foreign assistance to Panama. I believe that the question of aid should be handled independently of the treaties, and I have already introduced understandings to that effect.

The likely antagonistic pressures arising from the financial arrangements will be compounded by the nature of the Commission established by the Panama Canal Treaty to administer the canal for the next 22 years. Administration by committee is difficult at best. This inherent problem of the Commission will be exacerbated by the division in national priorities of its members. It would take an act of faith to believe a high probability exists for effective management under this arrangement.

I would be willing, nevertheless, to accept the risks inherent in the Commission concept if all the debilitating ambiguities and problems in interpretation I have outlined here were ironed out prior to ratification. I hope that they will be for if they are not, I see very little likelihood of anything but a troubled future for the United States and Panama over the next 22 years. Faced with that prospect serious consideration will have to be given to advising the President to renew negotiations in order to correct the debilitating deficiencies of the present Panama Canal Treaty.

Therefore, for the reasons I have outlined, I shall vote for the Neutrality Treaty subject to adoption of the military presence reservation. And I shall reserve judgment on the Panama Canal Treaty.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. NUNN be recognized very shortly to call off the quorum, which I will suggest, and at that time, Mr. President, the debate on the amendment by Mr. NUNN will resume. I shall not seek a unanimous-consent agreement at this point seeking a time to vote, but it appears from my discussion with Senators that it will not take too long for that debate.

So I now suggest the absence of a quorum, if the Chair has put the question on the recognition of Mr. NUNN already.

The PRESIDING OFFICER. Yes. Without objection, it is so ordered.

The clerk will call the roll.

Mr. ROBERT C. BYRD. I thank the Chair.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOVERNMENT WASTE

Mr. ROBERT C. BYRD. Mr. President, the Senator from Wisconsin (Mr. PROXMIRE) has made a reputation as a watchdog of the Senate over wasteful spending. For years he has ferreted out overruns in the military, called for more competitive bidding, and aimed his investigative abilities at civilian areas of the Government as well. In the course of this, he authored two books, "Report From Wasteland," on waste in the military, and "Uncle Sam, the Last of the Big Time Spenders," which examined profligate spending in the civilian agencies.

More recently he initiated the "Fleece of the Month Award" for what he considers the biggest, most ridiculous, or most ironical example of waste in the Federal Government.

Now the Senator from Wisconsin has authored an article on questionable Government spending which appeared in the March issue of the Reader's Digest.

I ask unanimous consent that the article entitled "The Devastating Truth About Government Giveaways," published in the March 1978 Reader's Digest, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEVASTATING TRUTH ABOUT GOVERNMENT GIVEAWAYS

(By Senator WILLIAM PROXMIRE)

Government spending will soar to a record $460 billion this year. At the same time, the national debt is growing at the rate of $1 billion every week, and interest on that debt is today the third-largest item in the federal budget. What's responsible for this escalating extravagance? Can we ever bring federal spending under control?

Some of the villians are obvious: huge cost overruns, social programs that balloon through mismanagement, ever-increasing outlays for health and education. Less easily identified are the individual expenditures tucked away in nooks and crannies of literally every agency of government.

As Chairman of the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, I have investigated thousands of wasteful projects over the years. Recently, for instance, I reported to the Senate that the Department of Transportation had squandered $225,000 on a study forecasting transportation needs in the year 2025. But for the fact that the public's funds had been thrown away, the study's findings would be laughable.

If there is a new Ice Age, "very large numbers of people" will be forced to move to the South or Southwest.

If a population surge develops because people "missed having children around," there would be "in general, increased demand for transportation services of all kinds."

If urban guerrilla warfare breaks out, automobile use in afflicted regions would become risky.

Granted, $225,000 is only a drop in a total budget bucket of nearly half a trillion dollars. Yet that one "study" ate up the entire federal tax payments of more than 120 of my Wisconsin constituents—dairy farmers, mailmen, secretaries, owners of small grocery stores. And there are thousands of projects like these!

Three years ago, the U.S. Department of Agriculture spent $46,000 to determine how long it takes to cook breakfast. Not content with using hours, minutes and seconds, researchers devised something called "time measurement units," or TMUs. Each TMU, they decided, would equal .036 seconds. Thus they were able to tell us that it takes 838 TMUs to fry two eggs, 960 TMUs to prepare French toast and 1222 TMUs to cook a six-ounce order of hash. Lest the average housewife admit to confusion over TMUs, it's important to note that the study wasn't conducted for her benefit. It was intended to help the food-service industry. But if that industry can use this information, then it should pay. Hard-pressed taxpayers shouldn't have to foot the bill.

The USDA is involved in a multitude of equally ludicrous projects. A few years ago, it produced a 113-page report, at a cost of $113,417, entitled "Mothers' Attitudes Toward Cotton and Other Fibers in Children's Lightweight Clothing." Among other things, the report concluded—surprise!—that mothers prefer wrinkle-free garments for their children.

The USDA has no monopoly on waste in government. In 1976 the National Endowment for the Arts awarded $6025 to a Pittsburgh woman to produce a film depicting the dropping of crepe paper from a small airplane. The Federal Aviation Administration shelled out $20,000 for a study of the body measurements of would-be airline stewardesses. The National Science Foundation, whose $861-million-a-year budget enables thousands of researchers to look into such weighty matters as "the socio-sexual behavior of the dabbling African black duck," recently gave $25,000 to the University of Washington for a series of experiments, one of which was to gauge the reactions of people shown a picture of an octopus in a barnyard. Ridiculous? Not at all, replied the scientists. Such a study could show how people perceive the unusual—and this might be helpful in designing aircraft instruments or creating advertisements.

Other agencies are just as adept at rationalizing worthless projects. The Smithsonian Institution spent $88,000 to compile a dictionary of an obscure and unwritten Mayan dialect spoken by 10,000 corn-farming peasants in southern Mexico. In the dictionary's introduction, this justification is offered: "If language is a 'mirror for man,' the pragmatic and semantic investigation of man's socially patterned linguistic habits is surely relevant."

Billions of dollars are squandered each year simply because existing programs are inadequately monitored. Since the end of World War II, for instance, the Veterans Administration has maintained benefit programs in the Philippines for Filipinos who served with the U.S. Armed Forces. One veteran, shot by a Filipino guard when he was AWOL, has received a 100-percent disability rating. Since incurring that "disability," he has fathered 26 children—11 by his wife and 15 by his wife's sister—which entitles him to $831 a month in VA benefits. So far, he has gleaned more than $89,000 from the U.S. Treasury. All told, the Philippine disability program has cost U.S. taxpayers more than $2 billion since 1946 and is now running at $87 million a year. The VA has done nothing to curb massive fraud and abuse in the program.

The budgets of other agencies are bloated through what can only be described as a misguided sense of priorities. The Consumer Product Safety Commission—which spends $40 million a year—is supposed to identify and then remedy products in the marketplace which can cause injury or death. In 1975 the CPSC conducted a study of the dangers of swimming-pool slides, only to conclude that reckless swimmers—not slides—were responsible for the injuries reported. Last year the agency focused on the "hazards" of miniature Christmas-tree lights, despite the fact that all tree lights—big and small—accounted for a grand total of 23 injuries in one recent year.

The transportation bill for government officials has now reached the staggering total of $2.7 billion a year. The House Government Operations Committee calculates that as much as $375 million in travel costs may be wasted on trips of little or no useful purpose. In 1976, reports UPI investigative reporter Donald Lambo, 203 World Bank officials were permitted to charge off $503,000 in travel bills for their spouses. A World Bank spokesman says the practice is necessary to boost "employe morale."

Government officials and their mates are not the only ones benefiting at government expense. During the summer of 1976, the National Endowment for the Humanities provided grants to doctors, lawyers and school administrators to attend tuition-free, month-long seminars "to broaden and sharpen their humanistic perspectives." These sessions were attended by some 300 professionals at a cost to the taxpayer of at least $750,000. Projects like these are impossible to defend at a time when the federal government is running a $46-billion-a-year deficit.

But merely to expose wasteful government spending isn't enough. Something must be done to stop the spiraling growth of government giveaways. Here's what I propose:

Tens of millions of tax dollars are squandered each year on research projects that are at best dubious and all too often ridiculous.

Two easily implemented procedures would save millions. First, each proposal should be evaluated within the originating agency (but by a different group than those who proposed it) to make sure that the benefits are greater than the cost. And second, to avoid duplication, we must establish a government-wide listing of all studies—past, present and projected. Even assuming a proposed study has value, the right hand of government often does not know—or even try to find out—what the left hand is studying, has studied or is proposing to study.

The General Accounting Office and the Office of Management and Budget (OMB) should redouble their efforts to ride herd on those agencies and departments financing projects that are wasteful, duplicative and counterproductive. Currently, the budget is reviewed in secret by OMB and the agency seeking its appropriation. It would better serve the public interest if the agencies were required to defend their projects publicly against responsible critics, in an adversary environment.

The government must stop spending taxpayers money on projects which benefit a particular industry. Nor should government "compete" with the private sector when private efforts can do the job.

Finally, Congress itself must begin exercising a real oversight capacity. All too often, we on Capitol Hill toss millions or billions of dollars at a problem, then make no effort to see how the money is spent.

The battle to purge waste from the federal budget will not be won overnight. But it will not be won at all unless it is begun today.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, Mr. NUNN is on his way to the floor, so I renew my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RADIO COVERAGE OF SENATE DEBATES

Mr. ROBERT C. BYRD. Mr. President, I hope I am not exceeding the bounds of propriety in stating that the national public radio is doing an exceedingly fine job of reporting these debates to the listening audience throughout the country. Not only does the public radio broadcast give to the people the blow-by-blow account of what is going on during the debates, but also there is an excellent wrapup in the evening on the highlights and significant happenings of the day. Linda Wertheimer is doing an excellent job in that respect, and I note that she is assisted today by Gary Henderson, who, by the way, emcees an excellent bluegrass program on the FM dial at 88.5 on Tuesday evenings and Thursday evenings beginning at 10 o'clock and lasting until midnight, and on Saturday mornings beginning at 8 o'clock and lasting until 12 noon.

I happen to be one of the stalwart fans of Gary Henderson and that program. He does an exceedingly fine job of taking calls from listeners and playing their requests. He has a good library of bluegrass music. If he does not have the request immediately available for listeners, he will make it a point to find that record somewhere in the library at his home and play it on the air later. He has done this for me on a few occasions. Even though I like the tune, "Pig in a Pen," and I do not like to be a hog about making requests, I do exercise my privilege of making a request now and then.

While we are awaiting Mr. NUNN's arrival on the floor, I want to take this occasion to thank Gary Henderson and the American University FM station for presenting to the American people these excellent programs on bluegrass music. Old-time music is part of our heritage and I think more people ought to listen to bluegrass and old-time music. I think we would all be friendlier with one another and we would smile more often; we would get up in the mornings with a better disposition; we would sleep better at nights. To paraphrase Shakespeare: "Sleep knits up the ravell'd sleave of care," after listening to Gary Henderson play a few tunes like "Fox on the Run," one will sleep better. MARK HATFIELD is evidently a fan of bluegrass music, because he has just reminded me of "Turkey in the Straw." It will not be long until Gary Henderson has my own album to play on his programs.

[Laughter.]

May I say that among those tunes which are in my own album are "Turkey in the Straw," "The Roving Gambler," "Come Sundown She'll Be Gone," "There's More Pretty Girls Than One," "Going Up Cripple Creek," "The Cumberland Gap," "Rye Whiskey," "Old Joe Clark," "I Wished I Had Stayed in the Wagon Yard," and others.

There is a number of fine old-time tunes, some going back to the days of the Civil War and the Revolution, some even having their history in antiquity back in the British Isles. I will give each Senator one of these albums. But then I want them to listen to Gary Henderson on Tuesday nights, Thursday nights, and Saturday mornings, who, with his inimitable personality, presents to his listening audience the jewels of bluegrass music. With that, I now yield the floor to the distinguished Senator from Georgia (Mr. NUNN).

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. ALLEN. I want to commend the National Public Radio for their coverage of the debate on the Panama Canal treaties. I feel that their coverage of debate possibly has changed the contest here in the Senate with respect to the treaties from something of a runaway in favor of the treaties to the point where now it is a very close issue, a very close vote, as the distinguished majority leader knows.

I commend the distinguished majority leader for arranging for this public broadcast. I was somewhat skeptical, though in the Rules Committee I did vote for the resolution. I believe the distinguished majority leader has rendered the country a great service, along with the National Public Radio, in scheduling coverage of these debates. I believe as the country finds out more about the treaties, we are going to find more people making their views known to their representatives here in the Senate. I look for even a closer vote on the next treaty, if, in fact, there be a next treaty to come before the Senate. I would think that if tomorrow this treaty is defeated here in the Senate, the leadership will not schedule the second treaty. But that remains to be seen.

I do believe a great public service has been rendered in having this coverage of each session from gavel to gavel. The media generally is too prone to present only one side of a question, the side that they favor. It has been my observation that the media, both electronic and the printed word, has been strong in support of these treaties. It is refreshing that we do have an opportunity to have the whole discussion placed before the country.

So I feel the distinguished Senator and the national public broadcasting have made a great contribution.

The distinguished Senator said something about we ought to treat each other better and have a general feeling of goodwill, and so forth, here in the Senate. I certainly endorse that concept. It has certainly been my position to exude that spirit of friendship—certainly, friendship with the distinguished majority leader, whom I admire so much.

I might state along the same line of promoting goodwill, good fellowship, good neighborliness, I did prepare an amendment somewhat in jest which I thought seriously of offering to the Neutrality Treaty. But then I knew that no amendment would be accepted by the leadership. I did not want to put the leadership in the position of voting down this amendment that I did draft with a possible view of presenting it to the Senate to have a vote. It read something like this:

Since it is hoped that this treaty and the Panama Canal Treaty will usher in an era of good feeling and good neighborliness between Panama and the United States, it is hereby stipulated that in the relations between the parties hereto the parties shall apply and observe the principles of brotherly love and high moral concepts and standards enunciated in the Sermon On The Mount as set forth in God's holy word in the book of Matthew, Chapters 5, 6 and 8.

As I state, I did not introduce that because I did not want to put the leadership in the position of voting against this concept of good neighborliness and brotherly love, and the good feeling of one for the other.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alabama has been very tender in his solicitude for the leadership. He is very kind and has never at any time laid the heavy wood on the leadership. I want to say at this time, because I may not have the opportunity, that I am exceedingly grateful for his generous comments and for his thoughtfulness in this regard.

I am glad he did not offer the amendment, especially in view of the fact that its offerer exemplifies the principles enunciated in the sermon on the mount every day in his dealings with other Senators—I say this seriously—it would have been difficult to vote the amendment down. But, for his own good reasons, he chose not to offer it. I have listened with great interest to his comments concerning the services that have been rendered by National Public Radio. But not one word did he say about bluegrass music. I wonder if he would care to comment on my earlier statement concerning the love of bluegrass music. I am sure, that people in his part of the country love it as the people in mine love it. I would be interested to know if he joins me in urging more people to listen to bluegrass music.

Mr. ALLEN. I have to confess to the distinguished Senator that I am not familiar with this program to which he alludes. I am sure that the distinguished Senator, being an accomplished musician himself, has better knowledge of the value of music, which has charms to soothe the savage breast and all those qualities. I am sure, based on the recommendations of the distinguished Senator from West Virginia, that it would be beneficial to listen to this program. If the Senator will tell me where I may listen to it, I shall be glad to listen on occasion. I assume it is on the Public Broadcasting System. While I have not listened to the debates on the radio, because I have been in the Chamber most of the time, I will make it a point to come under the influence of the music

that the distinguished Senator from West Virginia heartily recommends. I thank the Senator for the suggestion.

Mr. ROBERT C. BYRD. The Senator is very kind. I like to mix it up. I like to listen also to some of the other stations late in the evenings as they play classical music, especially the renditions of Mozart and Beethoven and Schubert and others. Suffice it for now, we have had a good day for bluegrass music in the Senate.

Mr. ALLEN. I will say I have enjoyed the Senator's rendition of old "Rye Whiskey." I have enjoyed that and I thank the Senator for his accomplishment.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I yield the floor. Senator Nunn is ready to speak.

Mr. NUNN. Mr. President, I shall yield the floor to the Senator from Oregon. I think I have it. If not, I shall wait until I get it and then yield to the distinguished Senator from Oregon.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. NUNN. I yield to the Senator from Oregon.

TERROR IN THE MIDDLE EAST

Mr. MARK O. HATFIELD. Mr. President, as in legislative session, I thank the Senator from Georgia (Mr. NUNN) for his kindness in yielding.

Mr. President, the murderous, terrorist raid on an Israeli tour bus last week comes as the latest shock to a world that grows increasingly tired and fearful of the mindless violence that has brutalized and attacked the very foundations of civilized life in the Middle East. Estimates now place at 37 the number of innocent men, women, and children who were murdered in the worst terrorist attack in Israel's history. Seventy-two others were injured as well. Once again, the most innocent have been lost to the passions and hatreds that have burned white-hot for thousands of years. This endless, maddening cycle of terror and despair continues.

It is difficult to describe the emptiness and limitless sense of frustration that one feels following this most recent outbreak of violence in the Middle East. I would, of course, like to believe that words spoken in chambers of government throughout the world against this kind of action will have a positive influence in stopping them. But modern history seems to dwell on the ineffectiveness of such pleas. It is only through the settling of ancient differences through negotiations that a lasting peace in the Middle East can be achieved. And yet, how often have we approached such discussions only to see the consuming powers of terror and war rip all sense of civility apart, and tear again at the fabric of civilized life.

The purpose of the PLO attack seems clear: it was an attempt to disrupt the process of peace which was begun by President Sadat and Prime Minister Begin only a short while ago. The purpose of the terrorism is to further erode the voices of moderation. The purpose is to quiet the voices of those whose sense of outrage over continuous war and calculated violence has finally overwhelmed ancient differences. The purpose is to cause the disposition of those who would discuss the outlines of peace.

The point of the PLO attack, Mr. President, was to mount an assault against not only the state and people of Israel, but against Mr. Sadat and all others who would presume to believe that, in an age shadowed by the threat of nuclear war, the hope of the world still rests with understanding, not fanaticism. The point of the attack is to heighten the world's sense of hatred and fear, to flaunt the smug assumptions of terrorism: that violence will beget violence, that the trip to the United States by Prime Minister Begin would be postponed, that all sides of the Middle East conflict would immediately move to either condemn the attack as senseless, or hail it, with whatever twisted and macabre logic, as an act of heroism that should be emulated.

The attack has also served to suppress in the mind's eye of the world community the moderate, legitimate forces within the Palestinian people, and to herald the reemergence of radical elements within the Palestinian cause. With this single radical act of violence, the hopes of peace and the trend toward moderation among all sides which was emerging some months ago have been damaged. The questions of Israel's security is of prime consideration in our country's relations with that nation. It is one essential factor in any long-term settlement. By this raid, the terrorists have reinforced Israel's worst fears for her safety and, at the same time, helped to set back the Palestinian cause for independence and recognition as a responsible organization.

The point of the attack is, in short, to insure the victory of violence over the forces and sentiments of peace. Our frustration and sense of outrage comes first from the act of violence itself, and second, from the possibility that the ultimate purpose of this terrorism may be realized, and that the most volatile region of the world can again be shoved toward the abyss of war.

Mr. President, from the depth of my spirit, I condemn this act of terror. I condemn equally this move toward retaliatory violence which can only serve to further exacerbate a seriously deteriorating situation in the Middle East. Every concerned party in the conflict must understand that the spread of future violence in the region might well unleash a reign of murder and bloodshed that will be most difficult to describe, and even more impossible to stop. As we move with limited visions toward arming that region of the globe with technology's most sophisticated weapons of war, we must understand that we are setting the Mideast, and all of civilization, on a hair-trigger. It can no longer be safely predicted that violence in the Middle East will not spread like a modern Sarajevo to engulf the allies and powers of the world. I believe, therefore, that it is incumbent on all nations of the world to condemn the murderous PLO raid. To do otherwise, or to remain silent, is to quietly accept and condone these atrocities.

Because the raid was clearly a provocative action, prompting a return to the retaliatory cycle of violence in the Middle East, the weight of world condemnation should rightly fall upon the perpetrators. It should be made as clear that—as every Israeli citizen must know—the present military action of Israel can never guarantee that nation's long-term security. Such security can only be accomplished through the difficult but essential processes of peace. At this moment of tension, therefore, all nations in the Middle East must act with reason and restraint. Any actions which would continue and prolong the cycle of terror and thus fracture the tenuous bonds which have been established between Israel and moderate Arab nations in recent months will be condemned by a watchful world.

Mr. President, thousands of years ago, near the clear waters of the Tigres and Euphrates Rivers, there began quietly and nearly unnoticed a process of human interaction which turned primitive man into a civilized being. It was at this uncharted, remarkable moment in history that the seeds of human hope were born. Even then, within the dim, unfolding intelligence of the human mind, it was understood that the continuation of war, the death of women and children, the murdering of the youngest and strongest men within the tribe, would ultimately destroy the tribe itself in a suicidal conflagration. Within this dawning of human understanding, there crystallized a belief that has lived within the spirit of mankind since that time. It is the unspoken knowledge that we seek the destruction of all we have achieved if we do not renounce terror and hatred and, instead, seek to embrace the limitless potential of peace.

We have come then to a point in history where the struggle between the forces of peace and those of terror are again in convergence. There are those who will say that the fight has been waged before and that the world has survived. There will be those who, as before, will scream their solutions and call for war. There will be those who somehow find a terrible triumph and solace in the murdering of innocents. It is these people that I condemn today.

Mr. President, it is not my purpose to emerge from this last week's savage attack, and the present Israeli response, with a senseof doom or hopelessness. I am an optimist. I believe that the positive, inner forces of man will prevail. But I feel as strongly compelled at this moment to say to—and plead with—my colleagues and all others who will listen not to abandon the difficult and frustrating path toward peace. I would ask that we not succumb to the forces of hatred and terrorism whose purpose is only to lead the Middle East—and inevitably the world—back toward the path and morass of war.

To embrace terror and vengeance means ultimately that we abandon hope. For as history marches on and technology improves, the potential for war

becomes darker and far more ominous than at any time in the past. The forces of hatred—as powerful as they are—can and must be met by an equal resolve to overcome these acts of vengeance. Within the outcome of this continuous struggle rests the future of civilized life, both within the region of the world where civilization began and for the balance of mankind.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. I would just like to say, Mr. President, before discussing the reservation, which I understand is now the pending business, that I commend my colleague and friend from Oregon for his remarks. He has expressed a hope for peace, even amidst all the troubles that we now are witnessing daily in the Middle East. I certainly share that hope for peace, and I share with the Senator's optimism, even though there are dark clouds on the horizon. I commend him for his statement.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the treaty.

Mr. NUNN. Mr. President, I will not take long. I discussed this reservation in some length yesterday afternoon. It is coauthored by Messrs. BELLMON, DECONCINI, BROOKE, TALMADGE, HEINZ, RANDOLPH, CHILES, JACKSON, ZORINSKY, and BAYH. I have been requested, and I ask unanimous consent to add the names of Senators PAUL G. HATFIELD, BUMPERS, and SASSER as cosponsors of this reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I would like to read the reservation, because it is not very long, and I did add four words into the reservation yesterday which are now in the printed version, but were not part of the original amendment as submitted:

Strike out the period at the end of the resolution of ratification and insert in lieu thereof a comma and the following: "subject to the condition that the instruments of ratification of the Treaty shall be exchanged only upon the conclusion of a Protocol of Exchange, to be signed by authorized representatives of both Governments, which shall constitute an integral part of the Treaty documents and which shall include the following: "that nothing in this Treaty shall preclude Panama and the United States from making, in accordance with their respective arrangement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements or arrangements for the stationing of any United States military forces or maintenance of defense sites after that date in the Republic of Panama that Panama and the United States may deem necessary or appropriate.".

Mr. President, that is the reservation. I shall not repeat some of my comments about the reservation from yesterday, but to me this is a very important part of the treaty we have before us. While I think everyone should understand that U.S. base rights will not be guaranteed after the year 1999 by this change, it does permit such rights to be negotiated by the parties. I believe that a maturing relationship between Panama and the United States and between the people of Panama and the United States, based on a true partnership in the canal, will change public opinion in Panama prior to the year 2000. I also believe that the Panamanian people will see the great advantage of a small but meaningful military presence to assist them in protecting the canal.

Mr. President, I have other Senators who may want to appear who have coauthored this reservation to speak on behalf of the reservation, but at this point if anyone has questions I will be glad to try to answer them. If not, I am sure the Senator from Alabama (Mr. ALLEN) would like to make some comment.

And if there are not questions, I would be prepared to yield the floor.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield the floor for questioning, or yield the floor?

Mr. NUNN. I yield the floor.

Mr. DOLE. Would the Senator like to respond to a question first?

Mr KENNEDY. I would just like to address a question to the Senator from Georgia, if it is—I have just a few questions but I am glad to withhold and yield the floor to the distinguished Senator from Kansas.

Mr. DOLE. I have one question.

Mr. KENNEDY. Fine.

Mr. NUNN. I yield to the Senator from Kansas for a question.

Mr. DOLE. I guess the question is, what if the Senate approves the ratification and Panama rejects? What if the Senate wants to establish this treaty and the Panamanian people refuse to conclude a protocol and the change called for in this reservation, would the ratification of the treaty thereby be vitiated?

Mr. NUNN. The Senator from Georgia stated very clearly that legally, as the reservation itself expressed, unless Panama agreed to this reservation the instruments of ratification of the treaty would not be exchanged. This reservation also specifies that it has to be done by the conclusion by protocol of exchange to be signed by the authorized representatives of both governments. So, the Senator from Georgia understands that unless this reservation is accepted by the Government of Panama, there will be no treaty.

Mr. DOLE. I thank the Senator.

Mr. NUNN. If the floor manager has any different interpretation, I would certainly think he should make it known now because that is my understanding.

Mr. SARBANES. Will the Senator yield?

Mr. NUNN. I yield.

Mr. SARBANES. No; I do not differ with the response which the able Senator from Georgia has given. The text of the reservation which he has submitted provides, and I now quote:

Subject to the condition that the instruments of ratification of the treaty shall be exchanged only upon the conclusion of a protocol of exchange, to be signed by authorized representatives of both governments, which shall constitute an integral part of the treaty documents and which shall include the following: that nothing in this treaty shall preclude Panama and the United States from making, in accordance with their respective constitutional processes, any agreement or arrangement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the treaty, including agreements or arrangements for the stationing of any United States forces or maintenance of defense sites after that date in the Republic of Panama that Panama and the United States may deem necessary or appropriate.

The language of the reservation makes it clear that this is a condition precedent to the exchange of the instruments of ratification and therefore is a prior condition that has to be met before you can proceed to the conclusion of the treaty arrangement between the two nations.

The reservation, incidentally, as was indicated in yesterday's debate, does have binding effect and therefore it is a matter of consequence. To quote from an international law text with respect to the term "reservation"; from Whiteman in the Digest of International Law, page 137:

The term "reservation" in treaty making, according to general international usage, means a formal declaration by a State when signing, ratifying, or adhering to a treaty, which modifies or limits the substantive effect of one or more of the treaty provisions as between the reserving State and other States party to the treaty.

Mr. President, I must say that the explanation of the very able Senator from Georgia of this reservation, which he has taken the lead in proposing and which others have joined as cosponsors; that his explanation of this reservation, both in terms of his opening statement and his responses to questions which have been asked of him, has been as clear and lucid as any presentation we have had in the course of this debate. I think he has made an extremely clear, understandable, and comprehensive explanation of what his reservation would accomplish and he has been very careful to set out exactly what it would do and what it would not do.

The able Senator has also pointed out what his own position is, in terms of his preferences as reflected by his earlier affirmative votes for certain amendments. The reservation he has offered does provide the opportunity through agreement between the two countries for a continued American defense presence in Panama after the end of the century. It does open up an opportunity that would be to some extent closed under the existing language of the treaty because then to accomplish this objective you would have to have actual amendments to this treaty or a new treaty; whereas, the reservation which the Senator from Georgia has offered would make it possible to act by mutual agreement other than a treaty arrangement.

Also, while I have the floor, I want to commend the very able Senator from Georgia for his suggestion that a cooperative relationship can be developed

with the people of Panama. We ought not to lose sights of that opportunity. I understand that we have to analyze these treaties, in terms of the worst that can happen and make our judgment accordingly. But we ought not completely to forget that a good relationship can develop.

The able Senator from Georgia in the course of speaking on this matter did point out that there is an opportunity to develop a relationship over the next 22 years between the United States and Panama that may bring an entirely different sense of cooperation and accommodation between the two countries. Therefore, the prospect which his reservation holds out may, in fact, indeed prove possible.

In that sense, his reservation may lay the basis for an important development that would be responsive to many concerns that have been expressed here on the floor of the Senate.

Mr. NUNN. I thank my colleague from Maryland.

I might say that point of emphasis he has given is certainly the hope of the Senator from Georgia.

I think that too many times in this debate we have talked, perhaps, about the leadership in Panama as it now exists there, talked about the leadership in the Senate, the leadership in the executive branch as it now exists, without really focusing on the important feature of this treaty, of both treaties we are talking about, that it will be 22 years, really, before American military forces are removed from Panama, even if this agreement is entered into between Panama and the United States, and at that time we will have a different group of leaders in both countries. Very few leaders that are Members of this Congress will be in office at that time and very few in the executive branch.

I think the important facet of this reservation is that it encourages the people of Panama and the people of the United States to begin thinking in terms not of the past, but in terms of the future, in terms of what is in the best interests of both nations, of the people of those nations, by the year 2000.

I certainly do not anticipate there would be any agreement tomorrow, or next week, or next year, or perhaps not even 10 years from now, but 15 years from now, between the year 1995 and the year 2000. I believe and I hope that by that time there will be the kind of mutual trust and mutual respect between people of our Nation, regardless of who the leaders are, so that we will be looking in a nonemotional, objective fashion as to how we can best protect the canal for all the people of the world who will be using the canal.

Does the Senator from Kansas have another question?

Mr. DOLE. Just briefly, as a matter of information.

Will the protocol come back to the Senate for debate and approval or rejection? How is that handled?

Maybe the floor manager can advise me.

Mr. NUNN. I would defer to the Senator from Maryland (Mr. SARBANES) on this question. He has studied it more than I have.

Mr. SARBANES. No. The protocol of exchange would not come back to the Senate. But the condition we have attached is that the instruments of ratification shall not be exchanged, except upon the conclusion of such a protocol of exchange which shall include, amongst other things, the reservation offered here by the Senator from Georgia.

Mr. GRIFFIN. Will the floor manager yield?

The PRESIDING OFFICER (Mr. DURKIN). The Senator from Georgia has the floor.

Mr. NUNN. I yield.

Mr. GRIFFIN. I find it interesting in the language of the Nunn amendment that it talks about an agreement which would include these provisions and, obviously, why it suggests it would include other things.

What would the answer be if the protocol to be negotiated included other things besides the language of the Nunn amendment, would it then come back to the Senate for consideration and ratification?

Mr. NUNN. It is my understanding that this reservation requires the protocol of exchange, which would be signed by the authorized representatives of both our Government and the Panamanian Government—if both parties do not accept this language, then there will be no instruments of ratification and exchange. Therefore, we would have no treaty.

But there is nothing in this reservation that would prevent another reservation from being added by the Senate. That is something we will be considering as we wind down the consideration of this treaty. We will be considering other reservations which also can be part of a protocol of exchange.

This reservation simply specifies the language that would have to be in the protocol of exchange to be signed by the authorized representatives of both governments.

Mr. SARBANES. Will the Senator yield?

Mr. NUNN. Yes.

Mr. SARBANES. The protocol of exchange is a procedural device for concluding the exchange of the instruments of ratification. The contents of the resolution of advice and consent will be transmitted to the other party, and would require their acquiescence in the changes which the Senate has adopted.

For instance, in a protocol of exchange, and this is just by way of example, between the United States and New Zealand, it is provided, amongst other things:

> The text of the said reservation was communicated by the Government of the United States of America to the Government of New Zealand. The Government of New Zealand has accepted the said reservation. Accordingly, it is understood by the two governments that the convention aforesaid, upon entry into force in accordance with its provisions, is modified in accordance with the said reservation.

So that, in other words, the actions we take here are then transmitted to the other party and they have to agree to them, which, of course, was the initial response of the Senator from Georgia to the question that was asked by the Senator from Kansas when I originally rose to say that I agreed with the response he had made.

Mr. DOLE. I thank the Senator.

Mr. NUNN. I yield to the Senator from Massachusetts.

Mr. KENNEDY. If I could have the attention of both the Senator from Georgia and the Senator from Maryland, is it my understanding that, if Panama does not accept this reservation, the treaty itself will fail?

Mr. NUNN. As I understand it, the execution of this protocol of exchange which would contain this reservation is a condition precedent to the effectiveness of the treaty.

Mr. KENNEDY. And that is the understanding of the Senator from Maryland, as well?

Mr. SARBANES. Yes.

Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. SARBANES. I am now quoting from Charles G. Fenwick, International Law:

> Since the signature of a treaty represents a meeting of minds of the several parties upon specific provisions involving reciprocal obligations, any changes or amendments inserted by one party as a condition of ratification must be accepted by the other party if the treaty is to come into legal effect.

I ought to point out that ever since 1922, the technique which the Senate has used to alter the legal effect of provisions contained in a treaty, in exercising its advise-and-consent function, or the primary technique, has been through amendments to the articles of ratification as reflected in reservations. Those, of course, then have to be agreed to, or accepted by the other party to the treaty if, in fact, there is to be a treaty.

Mr. KENNEDY. May I ask the Senator, again the floor manager, whether there has been any indication from the Panamanian Government as to the acceptability of this particular reservation?

Mr. SARBANES. I would have to say to the Senator in response to that question that we have no definitive indication.

Mr. KENNEDY. But it is the Senator's position that this reservation is completely consistent with the other provisions of the treaty and with the understandings and negotiations which have taken place between the United States and Panama?

Mr. SARBANES. I respond to that in the affirmative, by underscoring the point, as the Senator from Georgia has made it clear both in his statement and in response to questions, that if there is to be a continued American defense presence in Panama after the year 2000, it must be according to an agreement between the two countries. In other words, there is not the unilateral imposition of such an arrangement. The reservation of the Senator from Georgia provides the opportunity to reach such an arrangement through an agreement to be mutually arrived at by the parties.

As the Senator from Georgia states in the resolution:

Nothing in this treaty shall preclude Panama and the United States from making, in accordance with their respective constitutional processes, any agreement or arrangement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the treaty.

Mr. KENNEDY. In the amendment of the Senator from Georgia, it is very clear that the purpose is to maintain the regime of neutrality established in the treaties. Those words have great weight in terms of establishing both the purpose and the tone of this reservation.

As I understand from the debate yesterday and from the statements today, that is the purpose of this reservation. Without this particular reservation, without other treaty arrangements—even with the agreement of the Panamanian Government and the United States—this treaty would preclude the opportunity for joint agreement to U.S. military presence for the purpose of maintaining the neutrality of the canal. This is really the purpose and the focus of this reservation.

Do I understand the Senator from Georgia correctly?

Mr. NUNN. The Senator from Massachusetts is correct.

Mr. KENNEDY. There may be those who try to infer a different purpose for this reservation, but I think the statement of the Senator from Georgia, supported by the Senator from Maryland, is quite clear on this point.

There is another point on which I should like clarification—and, again, perhaps the Senator from Georgia referred to it in his presentation yesterday. There is nothing in this reservation which would derogate from the defense rights of the United States as spelled out in article IV of the Neutrality Treaty, referring to the preservation of the neutrality of the canal and its defense against any aggression or threat, directed against the canal or against the peaceful transit of vessels through the canal. As I understand, there is nothing in this reservation which in any way will reflect on that particular article in the Neutrality Treaty, which spells out very clearly the responsibilities and the legitimate interests and rights of the United States in terms of the preservation of the neutrality of the canal itself.

Mr. NUNN. The Senator is correct. The wording of this reservation is very particular in stating that "nothing in this treaty shall preclude"—and this certainly could not in any way be interpreted to diminish the rights of the United States as contained in the treaty and the leadership amendment.

Mr. KENNEDY. I thank the Senator from Georgia for those comments.

Mr. President, tomorrow the U.S. Senate will finally vote on the Neutrality Treaty, one of the two Panama Canal treaties negotiated and presented to the Senate for advice and consent.

I firmly hope and believe that both treaties will be ratified by the United States. I am convinced that, in their present form, they meet our fundamental interests:

Our interest in full and permanent access to and use of the Panama Canal by both our commercial and military ships;

Our interest in a new era of relationships with Panama and Latin America, based on equality and fairness instead of domination and injustice;

Our interest in a demonstration of national strength and will, not only to do what is of direct benefit to our nation, but to do what is right.

We have seen amendment after amendment, understanding after understanding, reservation after reservation—all ostensibly designed to prolong or to strengthen our rights to defend or to use the canal.

But these rights are already in this treaty: The "Treaty concerning the permanent neutrality and operation of the Panama Canal."

These rights are of permanent duration.

These rights enable either party to "act against any aggression or threat directed against the canal" or transit through the canal.

These rights assure expeditious passage of United States and Panamanian warships "as quickly as possible, without any impediment, with expedited treatment," going to the head of the line "in the case of need or emergency."

The treaty itself establishes the responsibility of the United States and Panama for the permanent neutrality of the canal. This it defines as the assurance of an open, accessible, secure, and efficient canal.

I hope that I will be excused, Mr. President, when I ask why we are subjected to amendments, understandings, and reservations providing for unending rights to use force and unending rights to go to the head of the line. That was the whole point from the very start:

With the treaties as negotiated last summer,

With the statement of understanding as agreed between President Carter and General Torrijos last fall;

With the amendments already proposed by the Senate leadership and already adopted by this body earlier this year.

And so I would ask my colleagues to carefully consider whether any more specific language clarifies or impedes. Some language may clarify, and helpfully so, without undermining the treaties. But other language is designed to appear reasonable while actually sabotaging the treaties. This language we must both expose for what it is and defeat for what it is intended to accomplish: The demise of 14 years of negotiations, under four Presidents, to which this Nation has pledged its good name and its good will.

And finally I would ask us all to bear in mind that we are speaking not only to ourselves and to our constituents, but to the people of Panama and Latin America as a whole.

Panama is not a colony but a sovereign state which we should treat with dignity and fairness. Yet some of the statements on this floor do precisely the opposite. They impugn the good faith of the Panamanian Government. They dictate to Panama how it is to conduct its own ratification process. They call for American rights of intervention and occupation which we would never tolerate ourselves—not in our early years of relative weakness and certainly not in our present period of relative strength.

So when we speak, let us ask ourselves whether we would like to hear the same words applied to us. When we act, let us shed the colonialist mentality of the past. Let us decisively adopt a treaty which recognizes equal rights and responsibilities to defend and to use the canal. By choosing equality instead of domination, fairness instead of injustice, we are true to what is best in ourselves and to what the United States has always represented for the world.

Mr. NUNN. I thank the Senator from Massachusetts.

Unless the Senator from Maryland has a question or other comment, I yield to the Senator from Arizona.

Mr. DECONCINI. I thank the Senator from Georgia.

Mr. President, I support the Senator's reservation or amendment.

Mr. NUNN. Before the Senator starts, let me say that the Senator from Arizona (Mr. DECONCINI), who is about to speak, has played a vital role in conceiving and drafting this reservation. In fact, the Senator from Arizona had a reservation very similar to this. We really merged the two, and he coauthored this reservation; I appreciate his assistance very much.

Mr. DECONCINI. I thank the Senator from Georgia. It is a pleasure to cosponsor the resolution with him. Knowing his deep concern about the possibility of our need to have military presence there after the year 2000 has prompted me to rise in support of this reservation or amendment to the Resolution of Ratification.

I have had a strong feeling, since the treaties have been presented to the Senate, that we should not bar ourselves from negotiating with Panama as a sovereign, as we have the right to deal with any other country as a sovereign; and I could find no precedents whatsoever to do such an act. That is why my feelings are so strong that this type of amendment was proper at this time.

It may be in the best interests of the United States to attempt to negotiate a meaningful arrangement with the Republic of Panama for military presence after the year 2000, maybe starting the year 2000, maybe not in that year, maybe 10 years after the year 2000.

We have military arrangements throughout the world that do shift and move, depending upon what our vital interests are. I am advised that we have more than four military bases—that I know of—on the Mediterranean, for the national security of this country, and perhaps more.

Certainly, it is crucial that we be able to maintain military presence in Central America. If we decide that we can work an arrangement with Panama, that certainly would be a logical place, at least by today's standards. If we cannot, we are not barred by any other arrange-

ment I know of, treaty or otherwise, from dealing with another country.

It does make a lot of sense to me that by the year 2000, the United States still will need military presence in Central America. Nothing would lead me stronger to support this amendment than to think that because of the military bases that are there now—and there is no reason to think they will be totally antiquated—that would be the logical place for us to continue our military presence. The amendment of the Senator from Georgia does just that. It does not guarantee that we will be there, but it takes out what I think is a very onerous and a very objectionable provision in the treaty, in article V, which would prohibit the United States from having any military presence there, without amending this treaty and having to go through this exercise once again when we have decided that we needed a military presence and we could persuade the Panamanians that we should have it.

I compliment the Senators who have offered this amendment and those Senators who believe that it is important that it becomes a binding part of the arrangements we are today to set with Panama.

It is important, in dealing as the U.S. Senate is doing here, that we be fair with the Panamanians, and I think we have been fair with the Panamanians. It is also just as important that we be fair with the American people. I believe this amendment does just that. It does not preclude us from a right we should have, something that is fair for the United States, to be able to deal with another sovereign country.

I am very pleased that this amendment is before the Senate. I am glad to be a coauthor, a cosponsor of it. I commend it to the Senate. I cannot imagine anybody not voting for this. Although I have supported numerous other amendments to the treaties and will support numerous amendments to the resolution of ratification, only a few of those have been agreed to. There have been some improvements by the amendments, and we still have an opportunity to make this treaty arrangement with Panama, if it is ratified by the Senate, a meaningful agreement that, in fact, is binding internationally and will protect the best interests of the United States and the people of this country.

I thank the Senator from Georgia.

Mr. NUNN. I thank my colleague, I thank him for his able assistance. He is due a large measure of the credit for the reservation we have before us.

Unless someone has a further question, I yield the floor, or I yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, first, I commend the distinguished Senator from Georgia for his patriotism and his expertise, his dedication, for his stand for a strong defense of our Nation, for his general excellence as a Senator, and certainly there exists a warm bond of friendship between the distinguished Senator from Georgia (Mr. NUNN) and myself.

I remember several years ago a sentence that has stuck with me, I will say to the distinguished Senator from Georgia. Someone in one of the local newspapers was writing an article on him and the first sentence in the article has always stuck with me. It had to do with Mr. NUNN'S trip to Europe, talking with some of our NATO allies and assessing our defense potential in NATO, and then coming back and translating that information into action here on the floor. And this sentence said, "Yesterday SAM NUNN saved NATO."

So I felt that that was a great tribute wrapped up in that sentence, because he did stand up for our NATO alliance, feeling that it was in the best interest of our country and the best interest of world peace that the NATO alliance be supported.

So when I differ with my distinguished colleague, the distinguished Senator from Georgia, I differ just in a matter of judgment and certainly do not cast any reflection at all upon his patriotism, dedication, or his sincerity. I admire the distinguished Senator from Georgia.

Mr. NUNN. Mr. President, if the Senator will yield, I thank him very much for his complimentary remarks and I assure him that the feeling he has expressed is mutual. I have great admiration for the Senator from Alabama. We agree on many issues and it is unusual when we do not agree.

Mr. ALLEN. I thank the distinguished Senator.

I also comment on the remarks of the distinguished Senator from Massachusetts (Mr. BROOKE).

He made one of the greatest speeches in opposition to the Neutrality Treaty that has been made on the Senate floor.

He gave a scathing denunciation of the provisions of the Neutrality Treaty, pointing out that it did not protect our national interests. But yet in conclusion, he ended up by saying that—

> With the addition of the Nunn reservation I am going to support the treaty.

So certainly it was only a little patch on a tremendous gaping wound and certainly does not answer the criticisms that he leveled at the treaty.

What does the reservation do? In the judgment of the Senator from Alabama it does from little down to none. That is what it accomplishes.

This reservation was offered while we had the treaty under consideration, not the resolution of ratification, as an amendment by the Senator from Alabama joined in by the Senator from Georgia (Mr. NUNN), which was almost exactly the same. It was exactly the same until the Senator added four words "between the two countries" here to his reservation.

That was voted down by recommendation of the leadership, because it was an amendment and not a reservation. What is the difference between the two? Why would the leadership vote down an amendment embodying the very same phrases and yet enthusiastically support a reservation with the same words?

The answer, Mr. President, is quite obvious. Even though the words do not accomplish anything, it is possible that the amendment might have required another plebiscite in Panama. What is wrong with another plebiscite? Should we not have a compact with the people rather than just a compact with a dictator and his dictatorial regime?

So that is the reason they voted down the amendment embodying the very same words. Now they come forward with a reservation and say "This has to be accepted before it is any good." Accepted by whom? Whereas now, under the treaties before the Senate, if we accept them, they are the treaties that have been approved in a plebiscite, supposedly, in Panama, with the addition now of the so-called leadership amendments. At least we had some sort of compact with the people of Panama. One of the reasons that they say baldly and plainly that they did not want amendments was because it would result in a new plebiscite and they want a reservation, because Dictator Torrijos can merely accept that and then enter into a note of ratification to the treaty with President Carter.

But then we will not have a compact with the people of Panama. We will merely have an agreement with Dictator Torrijos. That is the reason, it would seem to me, that the amendment route would have been much better.

Mr. President, this debate has been most interesting to me, and I am sure it has been interesting to every Member of the Senate. To me it has been a study in human nature, a study in human frailty, and a study in human strength.

So with acceptance that is envisioned of this reservation and on the outside chance that it might accomplish something, I plan to vote for the reservation. I supported his amendment. And I am going to support it as a reservation on the slight chance that it might possibly do some good. Actually, as I see it, the reservation accomplishes practically nothing—and I will say nothing—that is not already authorized. It gives the United States absolutely no unilateral right. Not one single unilateral right does it give us.

Article V of the Neutrality Treaty says that after the termination of the Panama Canal Treaty—that is the treaty giving the canal away—after termination of that treaty, 22 years from now, only the Republic of Panama can maintain troops and bases in Panama.

This reservation says that the United States and Panama may agree that we might have a military presence in Panama. We may agree. Why do we need this amendment to say that Panama and the United States may agree? They say it will take another treaty. If Panama and the United States want to enter into a protocol or even a revision of a treaty, it can be accomplished in only a matter of days on this right. It could be accomplished by a status of forces agreement. It could be accomplished by an executive agreement. So, when we say the United States and Panama may enter into an

agreement that gives Panama the right, of course, to refuse to enter into that agreement, it does not give the United States a single right that it does not already have. The treaty says we cannot do it. They can enter into agreement any time they want to, as we all know.

But what right it does give, if any, is limited to trying to work out an agreement with Panama. If Panama says "No," that ends it, no right at all. So what right does it give?

Why could not Panama have the United States, in the absence of this reservation, agree on the United States coming in to defend the canal?

In the first place, if there are any rights, supposedly given under the reservation, why was it not put in its best form, that of an amendment? Well, we got 41 votes to about 53, I believe, in putting it in an amendment. But they did not want to give us the best right or chance. They turned it down as an amendment and said:

Well, we will give you a reservation.

Mr. President, it seems obvious to me that reservations are a dime a dozen here in the closing hours of this debate. If the Senator needs a reservation he gets a reservation. And why? Because, in the final analysis, it does not have to have the approval of the people of Panama.

Torrijos is not going to be there forever, we know that. Sometime possibly a democratic government will take over in Panama as they had at the time Torrijos executed his coup d'etat and took over the Government of Panama at the point of a gun.

Would not the democratic government have a right to say, "These reservations were never approved by the people of Panama. This is an agreement between Dictator Torrijos and your Government, and we disallow it."

So what is the use of putting this on? Well, the Senators say:

If this is adopted, if this is agreed to, I can see my way clear to support the treaty.

They are accepting mighty little, it seems to me, if they have got all of the objections to the treaty, to end up by saying, "If you adopt this thing saying Panama and the United States can negotiate on keeping troops there, I will support the treaties." What are we getting under this reservation? The right to ask Panama if we can put soldiers there to defend the canal. Suppose Panama says "No"? That ends it. That ends it, Mr. President, no right at all. So we are still at Panama's mercy.

Now, Mr. President, we all recall that when the treaties were first submitted, the objections raised by many, now active in support of the treaties, were that there was no unilateral right of the United States to defend the canal, and they say they fixed that with the leadership amendment. I question whether that was done, whether the leadership amendment, has accomplished that or not.

But that was the criticism of the treaties as submitted, that they did not give us any unilateral right.

Well, we have no unilateral rights under this reservation. Say this reservation is absolutely binding on the Government of Panama and the people of Panama, say it has the highest possible level of agreement between the Government of Panama and the United States. What is here? the right of the United States to go hat-in-hand to Panama and say, "Will you please give us an agreement to keep soldiers in Panama, keep bases there." What sort of right is that? If Panama says, "No," we have no further rights. Is that right or is that just something I am drawing out of the air? Let us see.

I read from the reservation:

That nothing in this treaty shall preclude Panama and the United States from making, in accordance with their respective constitutional processes, any agreement or arrangement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty. . . .

And so forth, and it gives the right to make an agreement with Panama, if we can; and they are so jealous of their prerogatives, so anxious to get us out of the Canal Zone, can you feature them opening up their arms to troops of the United States?

If the leadership had wanted an effective provision they could well have accepted an amendment that they turned down here in the Senate that would have given the President of the United States the right to maintain a military presence in the Canal Zone after December 31, 1999 if, in his judgment, the judgment of the President of the United States, it would be necessary to have that military presence to defend the canal from sabotage. That would have had some teeth in it. That would have given us the right of unilateral action.

The reservation, even if it were an amendment, which I tried to get adopted, and the distinguished Senator from Georgia, indicating his preference for an amendment, joined as a cosponsor of that amendment, would merely give the right to ask Panama's permission.

Mr. President, this great Republic would be precluded from asking Panama's permission right now or in the year 2000. That is the only right it gives us, as I have read. No requirement that Panama do it, no requirement that they enter into this agreement. It is permissive only. This is offered, Mr. President, as the excuse of some Senators to support these treaties or this treaty.

There is an interesting consideration, Mr. President, with respect to this treaty, and it is going to be voted on sometime around 4 o'clock tomorrow. It looks like there is an excellent chance that the administration has put together a winning combination, although we will not know until the final vote.

Mr. President, this treaty that we are going to be acting on tomorrow is absolutely worthless and without binding effect until the Panama Canal Treaty is approved by the Senate. So we will just be a part of the way along on the approval of the treaties if the Neutrality Treaty is approved by the Senate.

What do I base that on? The very last sentence in the treaty before the date line:

This treaty shall enter into force, simultaneously with the Panama Canal Treaty, six calendar months from the date of the exchange of the instruments of ratification.

So, Mr. President, if the Panama Canal Treay never enters into force, then this treaty would never go into force. Even though the Senate should, on tomorrow, approve this treaty—and that is entirely doubtful at this time—we would not have anything accomplished in the way of a treaty until the other treaty is agreed to. They are part and parcel of each other.

Possibly the canal treaty could have gone into effect by itself. I am not sure. Let us check that. I do not see any such provision in that treaty, I do not believe, so maybe the leadership made a mistake in not scheduling the Panama Canal Treaty first, because the Neutrality Treaty cannot become effective until the Panama Canal Treaty becomes effective, and we will still have the battle going on, even if we should lose the first skirmish on tomorrow.

(Mr. MELCHER assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at that point?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. The battle would go on regardless of the outcome tomorrow, may I assure the Senator.

Mr. ALLEN. I thank the Senator for that information. I have asked that question before, and the Senator declined to give me an answer.

Mr. ROBERT C. BYRD. Oh? I am sorry, I do not recall that.

Mr. ALLEN. Oh, yes. I have asked the distinguished majority leader here on the floor, if the Neutrality Treaty should be defeated, whether he would withdraw the other one, and he was noncommittal on the subject.

Mr. ROBERT C. BYRD. No; I did not commit myself to withdraw the other one. But I say here today, after very careful contemplation and prayerful meditation, that regardless of the outcome tomorrow the Senate will proceed to the consideration of the next treaty.

Mr. ALLEN. I thank the majority leader for that information. I will certainly say that if we are able to defeat the Neutrality Treaty on tomorrow it would seem to me to presage the likely defeat of the other treaty, because if we are not willing to act on a treaty providing for the defense of the canal in the year 2000, are unwilling to act favorably on that, there would seem to me to be less likelihood of acting favorably on a treaty that would give the canal away.

But I thank the majority leader for giving me this information. It will allow me to consider that fact in connection with such action as we might be required to take with respect to this vote and the vote on the other treaty. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I thank the Senator from Alabama.

Mr. ALLEN. That is interesting information, and it shows this, Mr. President: It shows the great power of the leadership. And that is as it should be; I recognize that, and I respect the rights of the leadership to schedule the order of consideration of treaties, subject, of course, to asking the Senate to take the contrary

view; but we recognize that the leadership can bring up measures or fail to bring them up.

I would have hoped that had we been successful in defeating the Neutrality Treaty, that would have been the end of it, but the distinguished majority leader will continue on with the canal treaty, even though we have many domestic problems that require consideration, and despite our hope that we would return to some of those if we succeed in defeating the Neutrality Treaty.

Well, that is a comfortable position to be in. I have never been in that position, of having been at the head of a monolithic bloc, here in the Senate, of a sizable majority of Senators. It must be comfortable to be at the head of such a bloc of Senators. It makes it easy for concessions to be made in language and for reservations to be accepted. Those of us who oppose the treaties have no power whatsoever except to appeal to the reason and the logic of other Senators, and seeking to show that these treaties are not in the best interests of the people of the United States.

But obviously the leadership is able to give its support to reservations as Senators ask for reservation to be made, handing out a reservation here, a reservation there, and a reservation somewhere else.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at that point?

Mr. ALLEN. The opposition has no such right.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I hope the audience to which the distinguished Senator appeals will not take at face value some of the suggestions that are being made here, to wit, that the leadership "hands out a reservation here," and "hands out a reservation there," to pick up a vote here and a vote there.

These reservations—let us take the one we are on right now. This reservation was not handed out by the leadership to Mr. NUNN.

Mr. ALLEN. The Senator is a cosponsor of it, though.

Mr. ROBERT C. BYRD. I beg the Senator's pardon.

Mr. ALLEN. The Senator stated yesterday or the day before that he was a cosponsor.

Mr. ROBERT C. BYRD. The Senator has pointed to my human frailty. I am not a cosponsor of it.

Mr. ALLEN. I understood the Senator to say that Senator NUNN had asked him to be a cosponsor, and that he had consented. If I am in error, I apologize.

Mr. ROBERT C. BYRD. No; the Senator owes no apology. He is absolutely correct, preeminently correct. I was preeminently wrong. I was not a cosponsor, I am not a cosponsor, and I do not know why I said that. I think I got excited. The Senator from Alabama is such an able debater that I think he caught me on the crest of confusion, and I answered "Yes" when I should have said "No."

But I am not a cosponsor, and the leadership did not hand that resolution to Senator NUNN. The leadership did not think of it. Here a few days ago I was extolling the virtues of article V, when there was a hole in article V big enough to drive a moving van through. Senator NUNN, Senator TALMADGE, and Senator BELLMON saw the loophole, and they suggested the reservation. But the leadership cannot lay claim to this, and I hope the Senator will not attempt to load upon the leadership more attributes, compliments, and commendations than the leadership is entitled to.

Mr. ALLEN. Would the Senator mind telling how many of these reservations he has agreed to support?

Mr. ROBERT C. BYRD. Let me see. If the distinguished Senator is cross-examining——

Mr. ALLEN. No, sir.

Mr. ROBERT C. BYRD. Allow me just a moment to reflect. I believe I have indicated my support of only the reservation Mr. NUNN is offering. I said I would keep an open mind on the others. I have not made up my mind.

Mr. ALLEN. It is going to be interesting to see how the distinguished majority leader votes. I know how he voted on the amendments.

Mr. ROBERT C. BYRD. Yes, I voted against the amendments. I have no qualms or apologies for that.

Mr. ALLEN. I thank the distinguished Senator.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding.

Mr. ALLEN. As I have stated, Mr. President, I do plan to support this reservation in the unlikely event that it might possibly accomplish something. I do not think that it will, but in the unlikely event that it does, I will cast my vote for the reservation. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I would like to address a few questions to the distinguished Senator from Georgia about this reservation.

First of all, if he contends that the resolution has some meaning, and I will argue that it does not but assuming that it does for a moment, has some substance, what does the Senator from Georgia say in response to the question as to whether or not this will have to be approved by the people of Panama in a plebiscite in accordance with their constitution?

Mr. NUNN. I might say to my good friend from Michigan first of all this reservation would put before us the substance of the amendment the Senator from Alabama proposed yesterday—not exactly but virtually the same language—which the Senator from Georgia cosponsored and the Senator from Michigan, I believe, voted for.

Mr. GRIFFIN. The Senator is incorrect.

Mr. NUNN. The Senator from Michigan did not vote on that?

Mr. GRIFFIN. That is correct. There was no vote on the merits. There was a vote on a motion to table. The Senator from Michigan voted against the motion to table on the theory that we should be voting on these amendments on their merits.

Mr. NUNN. Well, it does have whatever meaning the Senator from Alabama proposed it to have. I would say that the Senator from Georgia made it clear in his original statement that this does not guarantee the United States a military base after the year 2000. It does not. But it does move that situation from impossible to possible. It is possible under this reservation that we can have a military base by agreement of the parties. If we left it like it was, we would be in a situation where only by another treaty or by an amendment to the treaty could we secure military bases, even if the Panamanian Government and the U.S. Government in the year 1998 decided that such was necessary.

That is the interpretation of the Senator from Georgia concerning what this does, no more and no less.

As to the second question the Senator from Michigan proposed, as to whether there would have to be another plebiscite or another referendum, the Senator from Georgia has not claimed to be an expert on U.S. constitutional law let alone the Panamanian constitutional law. That would have to be decided by the Government and the people of Panama. Whatever is decided on this reservation, if it is not accepted by Panama or is not accepted here, we will really not have a treaty. If it is accepted, then it will be binding on both the United States and Panama as it is written.

Mr. GRIFFIN. If it is accepted by General Torrijos, whether or not it is accepted by the people of Panma.

Mr. NUNN. If it is accepted by the Government of Panama, that is right.

Mr. CURTIS. Will the distinguished Senator yield so I might ask a question?

Mr. GRIFFIN. I yield.

Mr. CURTIS. I commend the distinguished Senator from Georgia for his concern about the defense of our country. If the language proposed by the distinguished Senator is not included in this treaty, would the United States and Panama have a right at any time within 6 months from now, 6 years from now, or 10 years from now, to enter into a new agreement?

Would the sovereign governments of the two nations have a right at any time in the near future to make a new agreement if they wanted to?

Mr. NUNN. The Senator used the word "agreement." Under this, no, if this resolution is adopted, there would be no right for the U.S. Government or the Panamanian Government, by agreement, to allow the military presence in Panama. If the Senator used the word "agreement" in the broadest sense, which would include this treaty, the answer would be "yes". The Senator would have to define what he means by "agreement".

Mr. CURTIS. I mean an agreement in the nature or the status of a treaty. My point is this: As I read this, this grants no right that the U.S. Government does not have now. If we turn this language down it would not for an instant say that the two sovereign governments at any time in the future could enter into any kind of an agreement they wanted to.

Mr. NUNN. I disagree with that. It depends on how the word "agreement" is used. There would have to be an

amendment to the treaty, without this reservation, if the United States and Panama were to do that. I would say that the history of this treaty demonstrates pretty well the time it takes to negotiate a treaty beween the two countries. We have been negotiating this treaty 14 years. We have had four Presidents, two Democrats and two Republicans working on it. We have been debating this matter on the floor of the Senate for several weeks. The Panamanian people have had a referendum. Anyone interested in this process——

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. NUNN. I would like to complete my answer.

Mr. GRIFFIN. I yield for that purpose.

Mr. NUNN. The observers of this process should be the first to realize that there is a difference between a treaty and an agreement.

Mr. GRIFFIN. Now, Mr. President, if I may comment at this point, and I will give the Senator from Georgia an opportunity to respond further, I do not understand what he seeks to suggest. I would guess he is perhaps speaking in terms of an executive agreement which would not have to be submitted to the Senate later on. That is an interesting position for the Senate to be engaged in, if that is the purpose. I would like to read for a moment from the treatise on international law by Dr. Oppenheim, a recognized authority. At one point he says:

> International compacts which take the form of written contracts are sometimes termed not only agreements or treaties but acts, conventions, declarations, protocols and the like. But there is no essential difference between them, and their binding force upon the contracting parties is the same whatever their name.

All of which can be said as well about amendments, reservations, or understandings. Whatever we label them does not matter. The question is, what are they, what do they do?

For the Senator from Georgia to have a reservation, so-called, which gives the parties the right to enter into an agreement, which he is somehow, I understand, thinking to distinguish from a treaty, is asking the Senate to accept something I do not understand. If an agreement modifies a treaty in some way, then it must be handled in the same way as the treaty itself.

May I ask the Senator from Georgia, does he have in mind that, by the adoption of his reservation, later on the Executive, without consent of the Senate, would be able to enter into some kind of an executive agreement? Is that the purpose?

Mr. NUNN. I think if the Senator from Michigan would review our base agreements with other nations, most of them are handled by executive agreements rather than treaties. That is a very complex subject, differing between the executive agreements and treaties. There has been a lot of discussion among constitutional lawyers. But there is clearly a difference at some point. It is the intention of the Senator from Georgia to provide by this reservation——

Mr. GRIFFIN. To bypass the Senate?

Mr. NUNN. The Senator sits on the Foreign Relations Committee, does he not?

Mr. GRIFFIN. Yes; and I do not approve of executive agreements. I think we should insist that executive agreements in most instances come before the Senate for advice and consent.

Mr. NUNN. Then the Senator really should oppose this amendment in the nature of a reservation.

Mr. GRIFFIN. The Senator from Michigan is opposing it.

Mr. NUNN. If the Senator from Michigan thinks we should have no base in any country in the world except by treaty, then the Senator from Michigan should not vote for this.

Mr. NUNN. If the Senator from Georgia can rest assured that is the intention of the Senator from Michigan.

Mr. President, do I still have the floor?

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. GRIFFIN. Mr. President, I shall vote against it for another and more basic reason. That is that I do not, as a lawyer—and I respect the legal ability of the Senator from Georgia very much, as well—but as a lawyer, I find that this language is meaningless. Nothing in this treaty shall preclude Panama and the United States from making any agreement between the two countries.

Well, exactly what is it in the treaty that would preclude us from making an agreement, I ask the Senator from Georgia?

Mr. MATHIAS. Will the Senator yield?

Mr. NUNN. Article V states it very clearly, if the Senator will read that.

Mr. GRIFFIN. The Senator from Michigan has read it and there is nothing in there that does preclude the United States and Panama from negotiating and concluding another agreement. I find it very difficult to understand how the Senator from Georgia can find something.

Mr. NUNN. I would think it would be very clear that the only way that can be done is by another treaty, because the treaty itself precludes anybody but Panama from having a military presence in Panama.

Mr. GRIFFIN. Another treaty, I concede.

Mr. NUNN. Then we agree; we do not differ.

Mr. GRIFFIN. My point is that, without the reservation of the Senator from Georgia, the United States and the Republic of Panama would be free, able, and competent to negotiate another treaty next month, next year, 10 years from now. This language is meaningless. I cannot understand how anyone would change his vote by having this reservation adopted.

I yield to the Senator from Maryland.

Mr. NUNN. I think the Senator from Michigan should have voted to table the Allen amendment yesterday.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Georgia?

Mr. GRIFFIN. I yield now to the Senator from Maryland.

Mr. MATHIAS. I appreciate the Senator from Michigan's yielding for me to give a very brief observation, because I listened with great attention and great interest to the comments of the Senator from Alabama, which are similar to those now being made by the Senator from Michigan, that this language does not give to the United States any power, any authority, any options, any privileges that it would not have under the treaty itself. In other words, the two parties could come together and make a new agreement with respect to base rights.

I think there is some force to that. But I think the value of the reservation proposed by the Senator from Georgia goes beyond the question of what the United States and the Republic of Panama may be able to do. This is notice to the world.

After all, there are other people who have an interest in this situation than just the United States and the Republic of Panama. The canal, if it is to pay its own way and is to be economically feasible, is used by all the maritime nations of the world. They have some concern. They have some interest. I think the reservation—and if I am wrong, I am sure the Senator from Georgia will say that I am wrong—I think the reservation he is proposing is not only making it clear between the United States and the Republic of Panama that we may wish to come together and arrange for the stationing of some U.S. military forces within the territorial Republic of Panama—as we have in many other nations around the world—but that is notice to all the world that that is our intention so that no other nation can come around later and raise any third-party objections. This makes it clear that that is within the contemplation of the parties at this time. I hope that the Senator from Georgia will confirm that understanding.

Mr. NUNN. I agree with the Senator from Maryland. I think it is clear.

Mr. GRIFFIN. I guess I am left to concede that it is a declaration of the fact that the United States and the Republic of Panama can negotiate in the future for some new and different agreement. I cannot imagine that anyone does not already know that.

I mean, that is a fact of international life. We are going to be negotiating with the Republic of Panama on other things as well, including how much money they are going to receive, and related to the cost of living. It is a fact that we will be able to negotiate with them. That does not mean we are going to get an agreement with them, does it?

Mr. MATHIAS. No, I think the Senator from Michigan is exactly right. But within that fact, I think, if we take the treaty on its face, there is a kind of aura of what is very nearly a demilitarized area, in which no country—no great power, certainly—would be allowed to have a military base in the country. If we do not have the reservation of the Senator from Georgia, we are at least opening ourselves up and exposing ourselves to a charge that we are not obeying our own rules, because we say in the treaty that there will be no military bases of any foreign power within the territory of the Republic of Panama.

Fine. But does that mean that we are going to abide by this same rule? We are making it clear that our situation may be different from that of the Soviet Union or the People's Republic of China, or any other power that may have an interest in some sort of military installation in Panama.

Mr. GRIFFIN. With all due respect, I think we are saying we are going to continue to abide by it until some new treaty is negotiated and that will be exactly the case if we adopt the Nunn reservation. We will be in exactly the same situation whether we adopt it or not. Because that is the case, it will be very easy, of course, for General Torrijos to accept this and perhaps it will not have to go to a plebiscite of the people, because it does not do anything. As long as we do not change the treaty in any way, there is no problem. Yet the Senator from Georgia would like to have us believe that some major, significant change is being made in this treaty.

Hogwash. We are exactly where we were and would have been if this reservation had never been adopted.

I yield to the Senator from Alaska.

Mr. STEVENS. I was going to make the same comment to the Senator from Michigan. It seems to me that this reservation, on its face, changes nothing in the treaty.

Mr. GRIFFIN. Not a thing.

Mr. STEVENS. I wonder if those people who think it preserves a right for us in the future to be there would be willing to add to this reservation a prohibition against the Soviets or the Cubans from discussing coming there? That would be a change. That would change the treaty.

Mr. NUNN. Will the Senator from Alaska yield to me?

Mr. STEVENS. I do not have the floor.

Mr. NUNN. Will the Senator from Michigan yield?

Mr. GRIFFIN. I shall as soon as the Senator from Alaska has completed.

Mr. STEVENS. If we can get into this a little later, I would like to discuss this a bit in terms of the impact on the Panamanians. It is clear that the Panamanians, at their plebiscite, approved the documents that were presented to them prior to that date. If there is any change made by the Senate in the treaties as they understood them then—and I shall go into that in greater detail if anybody would like to go into it—it is clear to me that there would be required an additional plebiscite. That is what all the fencing has been about, an unwillingness to take any amendments that would require that plebiscite. If this reservation changed anything, it would not be accepted here. I am sure the Senator from Michigan would agree with that?

Mr. GRIFFIN. I certainly would. That has been very obvious all the way through.

Mr. STEVENS. This reservation is a nullity. It is a smokescreen to let people believe that somehow or other there is a greater protection here for a U.S. military presence in Panama in the future, and nothing in this gives us any greater right than we have now.

Mr. GRIFFIN. It gives us no right except to go and talk with them and hope they will agree to something in the future, which we are always in a position to do anyway, whether this is in here or not.

Mr. STEVENS. I ask the distinguished Senator from Michigan whether they had any such reservation in any treaty to support the executive agreements that we disagreed with.

Mr. GRIFFIN. I have not seen any.

Mr. STEVENS. You and I have opposed these executive agreements, as have many of us in the past, concerning bases. We think they ought to be treaties and as a consequence we have a series of disagreements dealing with military activity throughout the world. The disagreements result from accords reached on an executive-to-executive basis, without our approval.

Mr. NUNN. Will the distinguished Senators from Michigan or Alaska yield?

Mr. GRIFFIN. I used some strong and colorful language, because I feel very strongly.

But, first, I wanted to yield to the Senator from Georgia.

Mr. NUNN. I will say it very simply, and that is that article V says, "after the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory."

Now I will certainly, as I have said many times, agree with both the distinguished Senator from Michigan and the distinguished Senator from Alaska that this reservation does not guarantee U.S. military bases in Panama. It just does not do that. I never claimed that it did, and if the Senators from Michigan and Alaska would like to assure that in the next 22 years the United States would be in exactly the same position vis-a-vis military bases in Panama after the year of 2000, that Russia, that Red China, and Cuba, along with all the other nations in the world, then the thing for them to do is to vote against this reservation because that would be the exact status we would be in. We would not be in any different position than every other nation in the world.

If the Senators from Michigan and Alaska would care to put us in a little bit better position, in terms of the future possibility of base sites, in terms of the overall observation of third countries, and in terms of the future expectations the Panamanian people, then they should vote for this reservation. It just depends on whether you want us to be in exactly the same position as every other country in the world or whether you would prefer to create a different type of climate and a different kind of expectation, in terms of both Panamanian opinion and world opinion, as we complete the treaties.

Mr. STEVENS. Will the distinguished Senator yield?

Mr. GRIFFIN. If I could just make one statement at this point before I yield.

The Senator from Georgia keeps referring to article V of the Neutrality Treaty and that is very interesting. It does provide that only Panama can have forces in Panama while this treaty is in effect, but the Senator from Georgia would like to have us believe as to this treaty we are bound by it in perpetuity and it could never be changed by agreement between the two parties.

The fact of the matter is that is not the case, as can be illustrated by pointing to the 1903 treaty, which was a treaty that attempted to give to the United States in perpetuity all the rights, privileges, and authorities within the Panama Canal.

We are here now considering and about to vote on a treaty that will abrogate and vitiate the treaty of 1903 and put a new treaty in its place. What better evidence do you need than that, that it can be done? Now if we agree to this Neutrality Treaty, I am sure its provisions are applicable as long as the thing is in effect, but there is nothing to prevent the United States and the Republic of Panama next week, next month, next year, 5 years from now from negotiating a different treaty, something that modifies it. That is all I am saying.

The reservation of the Senator from Georgia says nothing more than that. It only says in the treaty that we can do it and we are already able to do it. Well, of course we can do it. Nobody disputes it, but so what? How can anybody change his vote if he has any serious objections to this Neutrality Treaty by accepting this meaningless reservation.

I yield now to the Senator from Nebraska.

Mr. CURTIS. I thank my distinguished friend. In my first remarks, I am going to try to be precise.

My first question is, if we do not abrogate the 1903 treaty, can we keep the necessary troops in the Panama Canal Zone to defend the canal any time in the future, if we do not abrogate the 1903 treaty, assuming that we do nothing to prevent its full force and effect as of now.

Is that right?

Mr. GRIFFIN. Obviously, under the 1903 treaty the United States not only has jurisdiction and control, as if we were sovereign in the Panama Canal Zone, but, of course, we have the right to maintain troops there.

Is that what the Senator is asking?

Mr. CURTIS. Yes.

And only the United States decides that under the 1903 treaty?

Mr. GRIFFIN. That is true.

Mr. CURTIS. Now, if we adopt this language proposed by the distinguished Senator from Georgia, can the United States any time after 1999 station troops in the Panama Canal Zone without the consent of Panama?

Mr. GRIFFIN. Absolutely not.

That is what——

Mr. CURTIS. It grants no right to us to defend that canal and all it is is a promise that we can talk, but it is no commitment?

Mr. GRIFFIN. It says nothing in the treaty that shall preclude the two countries from reaching an agreement if they can agree in the future.

Well, that is great.

Mr. CURTIS. Yes.

In other words. the very right of sovereign governments to enter into agree-

ments and modify treaties or write new treaties exists now and the language of the distinguished Senator from Georgia does not add anything to it?

Mr. GRIFFIN. Not a thing.

Now the Senator from Maryland contends that it somehow serves a notice on the world that maybe we might want to negotiate for such rights in the future.

Well, maybe it does. I would not argue with that. We could do that by the President making a statement or we could pass a resolution saying that we would like at some time in the future to ask the Republic of Panama to sit down with us and we would like to talk about this subject and hope that maybe we could reach an agreement. You know, that is about what it does and nothing else.

For the life of me, I cannot understand how Senators could change their position with respect to the treaty. Now, you know, I can understand why they would not be against this, perhaps, but I do not understand how they could change their position if they were otherwise opposed to the treaty by the inclusion of something like this which is meaningless.

Mr. CURTIS. In other words, you are saying if they are demanding more protection for the United States as a condition to vote for the treaty, that this does not give them that assurance or any possibility of it; is that not correct?

Mr. GRIFFIN. Not a bit.

Mr. President, I yield the floor.

Mr. STEVENS and Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. Mr. President, I would like to introduce into this matter, with respect to the points made by the distinguished Senator from Michigan and his not less distinguished colleague from Alaska, the question of what change this reservation proposed by my friend the Senator from Georgia will make.

I would like to ask the Senators who have not yet presented themselves to support it to consider the impact that this will have from the Panamanian side of any future agreement.

As the Senators know, and I am sure the Senator from Georgia knows, canal treaties have a special status in Panama. That is not surprising. They are not agreed to by the procedures that are ordinary to other treaties. They make a much greater claim on the intention and the concern of the Government.

Mr. GRIFFIN. Would the Senator at this point indeed agree that there is, as I specifically pointed out, a requirement that the treaties with respect to the canal must be approved in a different way?

Mr. MOYNIHAN. That is quite correct.

Mr. GRIFFIN. By a plebiscite of the people of Panama?

Mr. MOYNIHAN. That is quite correct.

Now this reservation, which is not an amendment—a reservation, why is it essential and what does it add?

What it adds is, among other things, things such as the Senator from Maryland has pointed out. It makes it possible for a future Government of Panama to enter a status of force agreement and executive agreement of the kind that will provide for American forces to be in the Canal Zone, a kind of agreement which the United States negotiated.

As the Senator from Georgia well knows there are probably four agreements in effect around the world.

Are there?

Mr. NUNN. There are.

Mr. MOYNIHAN. They are very common. They are almost routine, but under this treaty that is presently before us, without the reservation a question could seriously arise in Panama as to whether a future government would have the right to enter such an executive agreement and for the very reason that this reservation, which it states clearly is part of the regime of the treaty, does not change the treaty as such but it is part of the integral part of the treaty document. It makes clear on a future occasion that a Government of Panama can enter such an agreement with us and only with the United States because the treaty precludes any such agreement with any other country and it adds to the point that the Senator from Maryland addressed when he said, what will be the world expectations of the nature of this canal of the regime in this isthmus. It makes very clear that if in the course of a friendly and creative relationship between the United States and Panama, the Government of Panama, after the year of 2000, in the 21st century, in the name of heaven, wishes to have an agreement to station American forces of some kind or other it is free to do so that such an agreement has been contemplated, in no sense agreed to, but the possibility is clearly contemplated. Indeed, it is provided for without in any way amending the treaty. It provides the Government of Panama with a clear right to act in a way that it would find conducive to its interest and we would find conducive to ours.

This reservation adds to the regime of this treaty. It makes clear the matter which, in all candor, the Senator from Georgia is much to be congratulated for having brought forward. Some shadow would have fallen over the possibility of such a future agreement.

Mr. STEVENS. Will the Senator yield?

Mr. MOYNIHAN. Now, none does.

We do no more than retain the perfect right of each government to enter equally into an agreement, but no government has precluded itself from doing so.

We must recognize that there are governments which in one form or another, and sometimes by treaty—Japan is a good example—have indeed precluded certain actions.

This carries great consequence in the internal politics of such countries and, in consequence, is an inhibition as if it were, in fact, statutory.

Several Senators addressed the Chair.

Mr. MOYNIHAN. I am happy to yield for a question to the Senator from Michigan, my distinguished friend, and then to the distinguished Senator from Alaska who has also asked.

Mr. GRIFFIN. I thank the Senator from New York.

The Senator has made some very important points. The first of which is that a canal treaty has a very special status in Panama and that any treaty relating thereto has to be ratified in a special way now by a vote of the people of Panama.

Then the Senator from New York, as I understand his argument, is suggesting that if we adopt this reservation, that a leader of Panama in the future will be able to enter into an agreement with the United States to allow the United States to station forces in that area after the year 2000 without a vote of the Panamanian people.

If he is contending that that is what we are trying to do, is he also contending that we would do that without allowing the people of Panama to vote now on this question?

Are we circumventing the constitution of the Republic of Panama?

Mr. MOYNIHAN. The Senator is quite correct. An agreement, executive agreement, on the stationing of forces is not a canal treaty, not a treaty at all. It is an agreement between two governments of a rather ordinary kind which has become quite common in the interdependent world. It is a sort of agreement we will find, as I suggested, that we probably have with some 40 different countries.

They can be agreements for 6 months, or 6 weeks, or 6 years. They are limited in their character, and we make clear by this act, which I am sure we are going to adopt, this reservation, that we contemplate the possibility of such future agreements.

Mr. GRIFFIN. These forces would not be unrelated to the canal. They are specifically for the purpose of protecting the neutrality of the canal. So I do not think the Senator from New York took the position they would be unrelated to the canal.

Mr. MOYNIHAN. They certainly would not be unrelated, neither would they be a canal treaty.

Mr. GRIFFIN. I find it very interestin. I am sure it must be interesting down in Panama where they are listening to this debate that, on the one hand, we are admitting and conceding, and I certainly have not only conceded but pointed out over and over again to the Senate, that anything of substance which is added to these treaties must be submitted to tht people of Panama in a new plebiscite under their constitution.

I have heard some Senators on the floor here say, "Well, now, that is up to them. We don't have to worry about that."

I do not believe that. We do have to worry, I believe, because we do not want an agreement that is just with Mr. Torrijos. We do not want an agreement that his successor can say is invalid.

As I understand the argument of the Senator from New York, apparently, he is making the point that we will circumvent the right of the peopleof Panama to approve this by doing it in this way.

I cannot believe that he really is arguing that.

Mr. STEVENS. Will the Senator yield?

Mr. MOYNIHAN. The Senator from Michigan should be very clear that he has heard me.

He said he does not believe I am arguing what he said I was arguing. He is right. I am not.

Mr. GRIFFIN. I am glad to hear that.

Mr. MOYNIHAN. I am saying, in the most straightforward and simple manner, with respect to the free right of the Government of Panama at some future time, a time after the year 2000, to make, in accordance with its own constitutional processes, any agreement or arrangement with the United States, and of course, only with the United States, for the stationing of U.S. military forces on the maintenance or defense sites in the Republic of Panama, that such agreements are contemplated and clearly are in no way precluded by this treaty.

This clarifies what it is. In any event, the Senator from Alabama has suggested, this does not add anything to the existing rights of the governments.

No. Perhaps it does not in that sense, inasmuch as two governments may agree to anything they wish between themselves. But this contemplates the continued possibility of American support of the Government of Panama as requested by and agreeable to the Government of Panama.

The nature of our continued relationship with the canal, to the maintenance of a regime of neutrality, to free access and free transit, is further confirmed. The United States is telling the world that it is not walking away from the Panama Canal, making no invidious comparison with other canals and other circumstances. We are not abandoning the responsibility which we incurred when we built this canal, and we make it clear to the world we have no such intention. We leave a clear avenue for the Government and the people of Panama—the Government of Panama—freely to associate with us for such purposes.

The Senator from Alaska had a question.

Mr. STEVENS. My question to my good friend—and we know the Senator from New York's diplomatic background—I would ask him just a simple question.

Does he feel that the reservation that is before us now is in any way an expansion of the interpretation of the basic document—the treaty of neutrality and operation of the Panama Canal?

Mr. MOYNIHAN. I can only speak for myself that it does not change the basic document one bit. It adds clearly to the expectations of American commitment to the continued regime of neutrality of the canal.

It strengthens and enhances the purpose which forms every article of this treaty, which is that the United States, while turning over the property, the facilities, the returning to full sovereignty Panama's possession of the canal, nonetheless means to maintain, and in perpetuity—although perpetuity is a long term—for a very long time we mean to be there, we mean to see that the regime which we helped create there continues to exist. That is our purpose.

Mr. STEVENS. Will the distinguished Senator from New York answer just one more question? Then I will seek the floor in my own right, when he is finished.

Does the Senator believe there is anything in this resolution that is before the Senate now which provides that in the protocol of exchange, as signed by the representatives of the governments, which includes this reservation—that there is anything in this that we, at a later date, or our sons or their sons, could tell the Republic of Panama's officials at the time that Panama was led to believe that we had an understanding that we could negotiate for future use of our military bases in the canal zone—in other words, that they had made us any commitment at all beyond just the willingness to talk? Is there anything in this that means that they are committing to do anything other than talk about this in the future?

Mr. MOYNIHAN. The Senator asks a good question, to which, it seems to me, a dual reply is in order.

First of all, on the strict terms of the question of the Senator from Alaska, no, nothing whatever has been added; no commitment is made; no undertaking is adumbrated, even.

However, here I wonder if those who could not yet bring themselves to the support of these treaties would stop thinking for a moment of the people and the Government of Panama as adversaries, as presumed antagonists, as competitors, and as opponents in some way. We have had, in truth, an extraordinary relationship with this small Republic. It is a relationship which is simply unique, in the origins of the nation, in the culture of the zone and the country that surrounds it, in the institutions of that nation.

There is not the least reason to think that that closeness is going to change. To the contrary, when these treaties have been ratified, we will see a relationship with Panama that is as secure and trusting and complementary as any we know in the world. We must go forward in consoling our hopes in these matters and our fair expectations.

The point about this is that Panama will look to us in the future, as it has done in the past; and we want to make clear that we are not cutting the painter, letting it adrift, that our reservation here clearly envisions the possibility that Panama will come to us or we to them, and that we will act in concert in the future, as we have done in the past.

This is notice not only to our respective peoples but also to the world, which is observing what kind of regime now takes over in the canal. Is it something the Americans have abandoned, or is it a situation to which the small resources of a small country will be wholly committed and there will be no alternative, or is this greatest economy and greatest military power in the world going to continue its protective and responsible concern for this transportation facility? The answer is, "Yes."

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. The Senator will yield for a question.

Mr. MELCHER. Of course, I agree with the Senator from New York (Mr. MOYNIHAN) that the people of Panama are friendly toward the United States. They have demonstrated that many times in the past, and I hope they continue to do so in the future. But if that friendliness is to the extent of wanting or allowing or agreeing to our presence in any way in the year 2000 with a military base in their country, why would article V, which consists of only one sentence in the neutrality treaty, prevent us from accomplishing that, prevent us from doing that, and why would we be prevented to amend that article because an amendment of that nature would force a new plebiscite in Panama and a possible loss in that plebiscite of the agreement of the treaty?

Mr. MOYNIHAN. That is a very clear question, to which I think there is an equally clear answer, I say to my friend from Montana.

The rights of sovereign nations to enter agreements with each other are absolute. They cannot be diminished by statute. You have a relationship with some other power which is a dependent one, to a greater or lesser degree.

The purpose of these treaties is, inter alia, as the lawyers say—among other things—to make clear and perfect the sovereignty of the people of Panama in their own nationhood. In that clear and perfect sovereignty, they are free to enter into any agreement they wish with the United States.

However, it is also our purpose, and a purpose which informs every article of this treaty, to say we are not walking away; we are not abandoning it. We are not leaving east of Suez. This is not a contraction of the U.S. interests or responsibilities in the world. To the contrary, it is a mature acceptance of responsibility.

There could be many people in this Chamber—I have not heard it—but there easily could have been persons in this Chamber to rise and say, "Why in the name of heaven do we want to continue any commitment to this small waterway in the Isthmus of Panama?" Is this a kind of thing that a modern nation, in the age of supertankers and missiles and nuclear submarines, really wants to saddle itself with? You might ask that question, but if you are a mature power and a responsible one, you maintain your responsibilities. You say, "Yes, we will be there. Yes, as you need us, you can count on us. Not absolutely. You have to win our agreement to these things."

We are not abandoning Panama. We are not abandoning this enormous achievement which we brought about, which is one of the great public works of the world. The world does not have many world public works. This is one. Somebody has to see that it continues to function, and the United States is not abandoning that responsibility which is its by virtue of having been the progenitor of the existing enterprise.

Mr. STEVENS. Mr. President, will the Senator yield to me for a moment?

Mr. MOYNIHAN. I will yield for a question to the Senator from Alaska.

Mr. STEVENS. Will the Senator yield for a few minutes, so that I may make a statement? I have another appointment, and I wish to make a clarification.

Mr. MOYNIHAN. I yield for that purpose, but with the understanding that I retain the floor.

Mr. SARBANES. Mr. President, will the Senator yield, so that I may ask a

question of the Senator from Alaska, since he is going to leave the floor?

Mr. MOYNIHAN. I yield.

Mr. SARBANES. As I understood the debate earlier—and I hope the Senator from Alaska will clarify this—I understood him to say that there was nothing in the treaty that precluded or prevented the Soviet Union—and he used that as an example, and I think he also mentioned China——

Mr. STEVENS. I mentioned Cuba, and I said to the Senator before, informally, and I will say it again, that I did not make the statement the Senator said I made. I said to the Senator from Georgia that I assume if he interprets this reservation to mean that we have the right to negotiate with the Panamanians in the future for our military presence in Panama, he would not object to putting something in this reservation which prohibits Cuba or Russia from negotiating with Panama. I see nothing in the treaty that prohibits them from negotiating. There is a provision that prohibits them from having troops in the Canal Zone—in Panama—but there is nothing I see that prohibits them from negotiating.

My point is that I do not think there is anything in here that does not give us any rights we do not have now; and there is nothing in here that prevents Russia or Cuba from negotiating with Panama in a similar way to have their troops there.

Mr. SARBANES. I think the point the Senator just made needs to be responded to, because if these treaties are ratified, I do not want the Soviet Union or Cuba picking up the CONGRESSIONAL RECORD for the debate in the Senate of the United States on Wednesday, March 15, and citing the point which the Senator from Alaska has just made.

The fact is that article V of the neutrality treaty says that after the year 2000, after the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites, and military installations within its national territory.

Mr. STEVENS. The Senator from Maryland——

Mr. SARBANES. If I may finish——

Mr. STEVENS. The Senator from Maryland again is misquoting the Senator from Alaska. If the Senator from New York has yielded to me, I do not want to be misquoted.

The PRESIDING OFFICER. The Chair advises that the Senator from New York has the floor and has yielded to the Senator from Maryland.

Mr. MOYNIHAN. The Senator from New York will yield, and I am sure we will clear the matters up.

Mr. SARBANES. I think if the Senator from Alaska will allow me to make the point we can clarify this.

That prohibition on any other country having military forces in Panama is contained in the Neutrality Treaty between the United States and Panama. It is a term of the regime of neutrality between our two countries, and the United States under the Neutrality Treaty can take whatever action is necessary to maintain the regime of neutrality. Panama cannot on its own abrogate, abridge, limit, curtail, or alter the regime of neutrality without the concurrence of the United States and the prohibition——

Mr. STEVENS. As I say to the Senator from New York, I do have to leave, and I wish to end this if I could. I asked for permission to make a short statement. I am happy to do it. The Senator from Maryland insists on misquoting me. I have said nothing contradictory. I understand the treaty says in article V that after the termination of the Panama Canal Treaty only the Republic of Panama shall operate the canal, maintain military forces, defense sites, military installations on national territory. I did not say that. What I said was if the Senator from Georgia and the proponents of this treaty say this reservation gives us any greater standing after it is adopted, then why not put into the reservation that Panamanians cannot talk to, negotiate with Cuba or Russia?

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. STEVENS. I hope he understands what I am saying. I am not saying that there is anything in the reservation that changes the treaty. My point is just the contrary. If the Senator would want to put into the reservation a provision that they can talk to us about military forces but they cannot talk to anyone else, then the Senator would get my point. I am not saying that there is any change. The point is it makes no change and that was the point I was trying to make.

Mr. MOYNIHAN. The Senator from New York must say he is surprised that after 5 weeks of debate such a misunderstanding could exist, but I know the Senator from Maryland wants to clear it up immediately, promptly, and forcefully.

Mr. STEVENS. Will the Senator allow me to make my short statement?

Mr. SARBANES. I appreciate the Senator yielding. I want to underscore the fact that article V of the Neutrality Treaty which prohibits any forces in Panama other than Panamanian after the end of the century, not only precludes Russian and Cuban troops but precludes Panama from entering into an agreement with Russia or Cuba for such troops unless the United States is prepared to allow the Neutrality Treaty to be changed.

The Neutrality Treaty is a treaty between the United States and Panama which prohibits foreign troops in Panama. It is part of the regime of neutrality which we have the right to maintain and it cannot be abrogated or changed by one of the two parties to the treaty. It requires both parties to the treaty. Therefore, the United States is in a position pursuant to article V to preclude such troops.

So the possibility that the Senator has referred to is precluded except with American concurrence because we are the other party to this treaty, and this treaty protects us and it is part of the regime of neutrality.

Mr. STEVENS. The Senator can argue if he wants to. The Senator from Alaska tried to clarify his statement, which has been misinterpreted twice or three times now. Again I will tell my friend that the article he just read prohibits the United States from having troops there. This resolution purports to say that we can discuss and make agreements to have troops there. If this reservation had any force and effect it would change article V. That was the point I was making. We are not changing article V for the United States any more than we are changing it for Cuba and Russia.

Again I plead with my friend from New York. I have a 3:30 p.m. appointment in my office. I very much wish to make a statement. Will the Senator from New York yield to me a few minutes to make my statement? If not, I will leave.

Mr. MOYNIHAN. The Senator from Maryland asked to reply first. Then the Senator from Alaska.

Mr. SARBANES. Mr. President, I want to reply because we do not want to leave the record unclear. The fact of the matter is that article V of the Neutrality Treaty between the United States and Panama says there will be no troops other than those of Panama in Panama. We can renegotiate that treaty with Panama, because it is between the two of us, in order to have American troops. The reservation of the Senator from Georgia opens a broader option, and that is that we can do it without a treaty; we can do it by some other form of agreement which is mutually arrived at by the two parties—the United States and Panama.

But in any event, no other nation can put troops into Panama contrary to article V unless the two parties, the United States and Panama, which have entered into this treaty, agree that should be the case. It is very important that this be understood.

I thank the Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Maryland for making so clear what ought never to have been in doubt.

One begins to wonder about the purposes of those who have not yet supported these treaties. We are into our fifth week of debate and we seem not to have been able to persuade some Members of the Senate as to what is the meaning of neutrality and what is the object of this singular regime. It is that no other nation for any purpose and for any reason shall be involved with the defense of the Panama Canal save only the United States and Panama, the two nations whose joint efforts brought the canal into existence. This is a trust. We have responsibility to the world, and this treaty pursues that responsibility and clearly anticipates that it will be met.

The idea that somehow the Soviet Union or Cuba or Botswana or in the name of heaven what will be the name of the Falkland Islands in the year 2005 when they attain their sovereign independence and their seat on the Security Council and the United Nations, I do not know, but they are not going to have anything to do with this canal. This canal is to stay as long as it serves any purpose in the transportation of the world or the defense of the United States a matter of our responsibility jointly held with the Republic of Panama and we are going to do that.

It must be observed that without any question the most striking treaty this

body has ever been asked to confirm was the North Atlantic Treaty of 1949. Mr. President, that treaty was the first permanent alliance the United States ever entered. Certainly there was no other alliance which we had ever contemplated in the 19th or 20th century. It spoke to the very opposite of those cautions which George Washington left us in his farewell address, about permanent and entangling alliances. It involved the stationing of the forces of the United States on the continent of Europe in peacetime, a most extraordinary commitment and without limit of time or indeed of extent of commitment. And that debate took 12 days in this Chamber. Twelve days was sufficient to make the commitment to what has since been a quarter century of military involvement in Europe.

And here we are in our fifth week and scarcely halfway through a set of treaties that are open and clear whose purpose is transparent to maintain the existing regime of neutrality, and at this late moment we find persons introducing questions and objections which could only arise from a profound misunderstanding of what the treaties say, a misunderstanding which is not shared by the world and somehow seems to have found its locus in the Senate of the United States, a curious process at the very least.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. If the Senator from Montana wishes to ask a question, I am very happy to yield for the purpose to my friend and freshman colleague.

Mr. MELCHER. I thank the Senator very much for yielding.

The Senator has described in previous statements a few moments ago friendliness of Panama toward the United States, which has been true in the past. I hope it is true now and will be true in the future.

There is no misunderstanding in my mind whatsoever that article V of the Neutrality Treaty allows only Panamanian military in Panama. Article V does not permit American military in Panama, period.

Mr. MOYNIHAN. That is clear. I never suggested and I hope the Senator from Montana does not think I associated him with that evident misunderstanding because his own experience in the world would preclude that kind of misunderstanding.

Mr. MELCHER. I not only do not misunderstand it, I do not think the people of America misunderstand that point.

My question to the Senator from New York, a profound authority on U.S. relationships with other nations of the world, is this: Due to the friendly past history of the people of Panama and the expectations of continued friendliness with them, would not the Senator from New York agree that if article V were amended to state that after the year 2000 our two countries would have the opportunity to consider a mutual arrangement for continuation of a military presence for mutual defense, would he not agree that that would carry out the feeling we have had with Panama based on past history?

Mr. MOYNIHAN. Let me be altogether open in this matter. It seems to me that such an article, although tautological—it basically is tautological, it says free countries can act in a free country, free countries may do those things which are done by free countries—you could have written such a provision and it would not have bothered me, I would have voted for this treaty with just as much enthusiasm.

I think, however, sir, that we have got to remember that these treaties began in an atmosphere of very great sensibility in the Republic of Panama about what was taken to have been, and was, an insult to the flag of Panama and, in a sense, to the people of Panama that took place in the zone.

The Senator was a member of a party led by the Senator from Vermont and the Senator from California which visited the canal area, and I accompanied them, and there appeared in the press in Panama that weekend a letter from a U.S. naval commander which described the way in which the Panamanian flag was desecrated and Panamanian students were very badly beat upon in the period that led to the riots of 1964, which led to President Johnson's move to negotiate these treaties.

In that atmosphere no such details were appropriate because we are asserting the free and perfect sovereignty of the people and state of Panama. That sovereignty enables them to enter any agreement they wish, including this one which, in a sense, we contemplate although we do not anticipate because hopefully it will not be necessary.

The Senator from Montana will forgive me, but I believe the time has arrived when the Senator from Idaho thinks we have spoken sufficiently, and we might do that which we do with even greater authority, which is to vote. Although what we say here rarely has definitive consequences, how we vote here does.

Is it the wish of the manager of the legislation that we now proceed to exercise that responsibility?

Mr. CHURCH. The Senator has made a very persuasive case. I believe this matter has been debated so extensively, I might even say exhaustively, that we ought now to proceed to vote, and I hope the Senate will do so.

Mr. MOYNIHAN. In that case, Mr. President, I yield the floor.

Mr. GRIFFIN. Mr. President, I will not detain the Senate long because I am willing to vote, too.

I just want to be sure, however, that everybody understands what this amendment is. I have been trying to think of the right kind of a name for it. Call it the dipsy-doodle amendment or some—there must be an appropriate characterization for a meaningless amendment that will put the administration over the top and give them that one extra vote they are going to need tomorrow to carry the day on the neutrality treaty, because that is what this amendment does.

Maybe by one vote, perhaps by two, but a number of Senators have grabbed hold of this amendment as the reason why they are going to vote now for the treaty.

I do not know whether it will appear in the paper, I hope it will, I am sure reporters are going to tell the people what this amendment is, but at least we do have public radio so that anybody who is listening now will be able to understand what this amendment is, the reservation, as it is called, and it says:

> Nothing in this Treaty shall preclude Panama and the United States from making any agreement between the two countries to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the treaty, including agreements or arrangements for the stationing of any United States military forces or maintenance of defense sites after that date in the Republic of Panama that Panama and the United States may deem necessary or appropriate.

Mr. LEAHY. Mr. President, will the Senator from Michigan yield?

Mr. GRIFFIN. I would like to proceed a little bit and—

Mr. LEAHY. I tend to agree with the Senator from Michigan.

Mr. GRIFFIN. I would still like to proceed, if I may.

This is a recitation, called a reservation, that says that the two countries may negotiate in the future, and if they agree to something then they will have an agreement.

How ridiculous can you get? How could anyone contend that this is a matter of substance or changes in any way the treaty we are about to vote on tomorrow?

Now either it means something or it does not. If it does not mean anything, of course, then it will be very simple for General Torrijos to accept it. After all, it is not changing the treaty in any way, and if it did change the treaty, if there were any substance to it, which there is not, then you would have to submit this to the people of Panama in a plebiscite for their approval.

But the Carter administration does not want any changes in the treaty that would have to be submitted to the people of Panama for approval in a plebiscite. That is known, that is what the stonewalling here has been all about throughout the debate on this treaty.

This does not do it either, and I think everybody ought to know that, that is all. If everybody understands this is a dipsy-doodle, meaningless reservation, then go ahead and vote for it. This Senator is going to vote against it because it, to me, is frivolous; it is absurd, it is ridiculous. To me it is an insult to the intelligence of the Senate to suggest that anything meaningful is to be accomplished by the adoption of this reservation.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, very briefly, I feel that everything that is in this amendment is already inherent in the treaty. I will vote for the amendment only so that a nay vote would not be interpreted to mean, on my part, that I felt that these rights were not already in the treaty. But I think it is a waste of time, and I really would hope that neither myself nor any other Senator, at any time in the future, would claim that there had been some major change in the treaty, and that that was what enabled us to vote for these treaties. The treaties should be voted for or against on their

merits, and not because of this amendment.

Mr. GRIFFIN. I thank the Senator from Vermont.

The PRESIDING OFFICER (Mr. SASSER). The question is on agreeing to the reservation.

Mr. GRIFFIN. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE) is necessarily absent.

The result was announced—yeas 82, nays 16, as follows:

[Rollcall Vote No. 59 Ex.]

YEAS—82

Allen	Hart	Muskie
Anderson	Haskell	Nelson
Baker	Hatfield,	Nunn
Bartlett	Mark O.	Packwood
Bayh	Hatfield,	Pearson
Bellmon	Paul G.	Pell
Bentsen	Hathaway	Percy
Biden	Hayakawa	Proxmire
Brooke	Heinz	Randolph
Bumpers	Hodges	Ribicoff
Burdick	Hollings	Riegle
Byrd,	Huddleston	Roth
Harry F., Jr.	Humphrey	Sarbanes
Byrd, Robert C.	Inouye	Sasser
Cannon	Jackson	Schweiker
Chafee	Javits	Sparkman
Chiles	Johnston	Stafford
Church	Kennedy	Stennis
Clark	Leahy	Stevenson
Cranston	Long	Stone
Culver	Magnuson	Talmadge
Danforth	Mathias	Thurmond
DeConcini	Matsunaga	Wallop
Domenici	McGovern	Weicker
Durkin	McIntyre	Williams
Eagleton	Melcher	Young
Eastland	Metzenbaum	Zorinsky
Ford	Morgan	
Glenn	Moynihan	

NAYS—16

Curtis	Hansen	Schmitt
Dole	Hatch	Scott
Garn	Helms	Stevens
Goldwater	Laxalt	Tower
Gravel	Lugar	
Griffin	McClure	

NOT VOTING—2

Abourezk	Case

So Mr. NUNN's reservation (No. 8), was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the reservation was agreed to.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. SASSER). Under the previous order, the Chair now recognizes the Senator from West Virginia (Mr. RANDOLPH).

The Senate is not in order. The Senate will be in order.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Steinberg and Janice Orr may have the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, if the Senator will yield further, I ask unanimous consent that Gary Crawford be granted the privileges of the floor during the consideration of the pending treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I also ask unanimous consent that Senator DURKIN may be added as a cosponsor of the Randolph reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield further?

Mr. RANDOLPH. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be added as a cosponsor to his reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. EAGLETON. Mr. President, I ask unanimous consent that Ann Proctor be granted the privileges of the floor during the pendency of the consideration of this treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Would the Senator from West Virginia like to call up the reservation?

RESERVATION NO. 7

Mr. RANDOLPH. Mr. President, I send a reservation to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The reservation will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) for himself, Mr. CRANSTON, Mr. ROBERT C. BYRD, Mr. TALMADGE, Mr. DURKIN, Mr. THURMOND, Mr. SASSER, Mr. STAFFORD, Mr. MATSUNAGA, Mr. HATCH, Mr. DOLE, and Mr. HART, proposes reservation number 7:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservations—

"(1) that, before the date of entry into force of the Treaty, the two Parties shall begin to negotiate for an agreement under which the American Battle Monuments Commission would, upon the date of entry into force of such agreement and thereafter, administer, in accordance with the practices, privileges, and immunities associated with the administration of cemeteries outside the United States by the American Battle Monuments Commission, including the display of the flag of the United States, such part of Corozal Cemetery in the former Canal Zone as encompasses the remains of citizens of the United States;

"(2) that the flag of the United States may be displayed, pursuant to the provisions of paragraph 3 of Article VII of the Panama Canal Treaty, at such part of Corozal Cemetery in the former Canal Zone as encompasses the remains of citizens of the United States; and

"(3) that the President—

"(A) shall have announced, before the date of entry into force of the Treaty, his intention to transfer, consistent with an agreement with the Republic of Panama, and before the date of termination of the Panama Canal Treaty, to the American Battle Monuments Commission the administration of such part of Corozal Cemetery as encompasses the remains of citizens of the United States; and

"(B) shall have announced, immediately after the date of exchange of the instruments of ratification, plans, to be carried out at the expense of the United States Government, for—

"(i) removing, before the date of entry into force of the Treaty; the remains of citizens of the United States from Mount Hope Cemetery to such part of Corozal Cemetery as encompasses such remains, except that the remains of any citzen whose next of kin objects in writing to the Secretary of the Army not later than three months after the date of exchange of the instruments of ratification of the Treaty shall not be removed; and

"(ii) transporting to the United States for reinterment, if the next of kin so requests, not later than thirty months after the date of entry into force of the Treaty, any such remains encompassed by Corozal Cemetery and, before the date of entry into force of the Treaty, any remains removed from Mount Hope Cemetery pursuant to subclause (i); and

"(C) shall have fully advised, before the date of entry into force of the Treaty, the next of kin objecting under clause (B)(i) of all available options and their implications".

Mr. RANDOLPH. Mr. President, I ask unanimous consent that Senators CHURCH, CANNON, and BAYH be added as cosponsors.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. TALMADGE. I ask unanimous consent that I may be added as a cosponsor, also.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. I am very grateful to the Senator from Georgia that he wishes to be added.

Mr. President, I send a modification of the amendment to the desk.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. RANDOLPH. The language is acceptable, is that correct, that I have just sent clarifying it?

The PRESIDING OFFICER. The modification has been accepted.

Mr. RANDOLPH. I thank the Chair.

The modification is as follows:

In the first paragraph, before "in accordance with the practices, privileges, and immunities" insert "free of all taxes and other charges and without compensation to the Republic of Panama and".

Mr. RANDOLPH. Mr. President, we are considering reservation 7 to the resolution of ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal. I have introduced this reservation, first presenting it on Monday with our concerned colleagues ROBERT C. BYRD, TALMADGE, and CRANSTON, who believe that it will, perhaps, resolve the problem arising from the fact that 909 U.S. veterans and 1,332 other U.S. citizens are buried in the 2 cemeteries in the Canal Zone. These 2 cemeteries are Mount Hope, east of the canal, with the bodies of 1,509 U.S. citizens; 175 veterans, and Corozal west of the canal, with the bodies of 734 U.S. veterans buried in the American sector.

Both of these cemeteries are presently operated by the Canal Enterprise. Mount Hope is being used activiely by Panama for its nationals and if the treaties are ratified, it would revert to Panamanian control 6 months after ratification.

However, under the treaties, the cemetery at Corozal would continue under U.S. control until the canal is completely turned over to Panamanian control in 1999.

As you know, Tuesday the Senate tabled our able Veterans' Affairs Committee colleague, STROM THURMOND'S amendment to the treaties requiring that part of the Corozal Cemetery be operated by the U.S. Government through the American Battle Monuments Commission.

Mr. President, I believe that the Senators, regardless of their position on the treaty, realize that we can agree that the bodies of these Americans must be dealt with in a realistic, compassionate, fair, and dignified manner before the Neutrality Treaty takes effect.

The alternative, which the Veterans' Affairs Committee chairman (Mr. CRANSTON) and I have closely worked on, as other Senators have worked on, is to amend the resolution of ratification to express three reservations in connection with the Senate's giving advice and consent to the neutrality treaties.

The first is to call for the governments of both countries to negotiate an executive agreement for the operation of the American sector of the Corozal Cemetery by the American Battle Monuments Commission. On the normal terms under which the ABMC operates the cemeteries overseas. That is, I say to my colleagues, in effect, that sovereignty remain with the host country, which grants the United States free use of the land for a cemetery or memorial in perpetuity, without charge or taxation.

The State Department has agreed, and we have a letter to that effect, which I shall place in the RECORD if there is no objection, to proceed with these negotiations immediately if and when the treaties are ratified.

The understanding, as so expressed in the ratification resolution, would bind the Government of Panama to negotiate for such an executive agreement. This is the standard method for securing the right to administer an AMBC cemetery overseas.

The resolution amendment would also express an "understanding"—to use that word—that, pursuant to article 7, paragraph 3, of the Panama Canal Treaty, providing that the U.S. flag may be displayed at other places as agreed to by the parties, the ABMC would be authorized to fly the U.S. flag over the Corozal Cemetery American sector once such an Executive agreement were executed. Such an understanding would constitute, on acceptance of the ratified treaty by the Government of Panama, an agreement within the terms of article 7, paragraph 3. Since such an agreement is expressly provided for in the treaty itself, no plebiscite would be required.

The resolution amendment would further express the sense of the Senate that the executive branch shall arrange for the orderly removal of all American bodies from Mount Hope Cemetery to Corozal during the 6 months following ratification in anticipation of the execution of such an Executive agreement for the continuous operation of the Corozal Cemetery American sector by the ABMC. The executive branch will make public announcement and notice to next of kin of the disinterment/reinterment plan so that next of kin could have the option of removal to either Corozal or a U.S. national cemetery—all at Government expense.

I believe that the alternative to the earlier amendment offered by the able Senator from South Carolina, which I supported him in and that we are presenting, is a program which can be successful as a solution to this potential problem. This proposal is not made with any partisanship, as we know, but with the hope of understanding, as we provide care and dignity that these honored dead deserve. I am hopeful that we can agree.

Mr. STAFFORD. Mr. President, will the Senator yield very briefly to me?

Mr. RANDOLPH. Yes, I am happy to yield.

Mr. STAFFORD. Mr. President, I wonder if the distinguished Senator would care to add me as a cosponsor to the resolution.

Mr. RANDOLPH. I would appreciate very much having the able Senator from Vermont as a cosponsor.

Mr. STAFFORD. I thank the distinguished Senator. I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. TALMADGE. I compliment my distiguished friend from West Virginia on offering this amendment. I am a cosponsor and I vigorously support it. I have heard not only from the veterans service officer of my State, Mr. Pete Wheeler, but quite a number of veterans concerned about the cemeteries, to which the reservation is addressed, and I support the Senator's position. I am sure that the veterans of this country support the Senator's position. I hope the Senate will overwhelmingly agree to the reservation that the distinguished Senator from West Virginia has proposed.

Mr. RANDOLPH. Mr. President, I appreciate——

Mr. THURMOND. Will the Senator yield?

Mr. RANDOLPH (continuing). The comment of the Senator from Georgia and what he says about the contacts made to him are helpful. I am sure other Members have had the opportunity through their associates in the veterans organizations to know how they feel on this matter.

Our veteran's organizations are to be commended for being so alert and right in their judgment that inadequate attention was given to the cemetery problem during the treaty negotiations conducted by both governments, and, Congressman RAY ROBERTS, chairman, House Veterans' Affairs Committee, was most helpful in bringing the issue to congressional hearings on March 1.

I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of this reservation. On yesterday I offered an amendment to the treaty which I think was far superior to this procedure today but the Senate voted that down. I think that is the next best alternative. Under the circumstance, I am pleased to support and join the able Senator from West Virginia in this matter.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. RANDOLPH. Yes, I yield.

Mr. ROBERT C. BYRD. I would like to ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. ROBERT C. BYRD. Mr. President, could we get a unanimous-consent vote not to exceed 10 minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

Mr. GRIFFIN. Mr. President, I object.

Mr. RANDOLPH. Before yielding, I ask unanimous consent that the Senators HOLLINGS, GOLDWATER, and BURDICK be added as cosponsors.

Mr. CRANSTON. Mr. President.

The PRESIDING OFFICER. The distinguished Senator from California.

Mr. CRANSTON. I want to compliment the Senator from West Virginia on the leadership he has shown in this matter. It has been a pleasure to work with him on it. He has found a way to the approach that he has offered the Senate to achieve the goals that we all share without requiring a plebiscite on Panama, which is totally unnecessary to achieve the goals, and the Senator has performed an extremely valuable service to the country and to the veterans in particular, and indeed to the entire country.

I will not go into detail on the significance and the meaning of the provisions of the amendment. I think that the distinguished Senator has spelled them out very, very clearly himself in presenting the amendment.

I once again thank him for the pleasure of working with him and for a very fine job.

There are a few comments, however, Mr. President, that I wish to add at this time.

First, Mr. President, I wish to express my gratitude and the gratitude of the many next of kin and the veterans organizations who are so deeply concerned about this issue, to the distinguished Senator from West Virginia (Mr. RANDOLPH) for his outstanding leadership in this matter. As always, he has displayed a keen perception of the issues involved and a compassionate commitment to the best interest of our veterans and the Nation as a whole. It has been a great privilege to work closely with both of my colleagues from West Virginia as well as the distinguished Senator from Georgia (Mr. TALMADGE) on this issue.

Second, Mr. President, I want also to congratulate the ranking minority member of our Committee on Veterans' Affairs, the Senator from South Carolina (Mr. THURMOND), for his very effective work in bringing this important issue to prominence during our consideration of the treaties. Although I felt constrained yesterday to urge the Senate not to accept his amendment dealing with the same subject matter in the form of an amendment to the Neutrality Treaty it-

self, I stressed at that time our complete agreement on the goals involved—an agreement which extends to the administration as well. Senator THURMOND has exhibited great dedication to the best interests of our Nation's veterans in this matter as he does in so many matters. He has made a major contribution to what I believe will be a very effective resolution of this complicated matter. His nonpartisan commitment to obtaining the best possible arrangement is clearly demonstrated by his having joined as a cosponsor of the pending reservation.

Third, Mr. President, I want to express my personal gratitude to representatives of the Department of Defense, the Department of State, the American Battle Monuments Commission, and the White House, for their very close and effective cooperation with the sponsors of this reservation. Many very long hours of work have been involved in developing the very comprehensive language in the reservation itself. Today, I received from Assistant Secretary of State Douglas J. Bennet, Jr., a letter stating, on behalf of the administration: "We do not anticipate any difficulties with the terms contained in the reservation offered by you, Senator RANDOLPH, and others." In this connection, Mr. President, I want to note with special appreciation the extremely careful and thoughtful assistance and counsel provided in the preparation of the language of the reservation by Arthur Rynearson of the Office of Senate Legislative Counsel.

Fourth, Mr. President, and of great importance, is our debt of gratitude to the veterans organizations, particularly the Veterans of Foreign Wars and the American Legion, which have worked so hard to bring this matter to the attention of the Congress and to secure a satisfactory resolution. In this connection, a contribution was made to the successful action which I believe the Senate will shortly take on the pending measure, by the farsighted leadership of the distinguished chairman of the House Committee on Veterans' Affairs (Mr. ROBERTS) who held hearings on this issue on March 1. Those hearings brought about a very concrete focus on this issue by the administration and many others who have worked to find an effective remedy.

In closing, Mr. President, I also want to congratulate the very able Senator from Maryland (Mr. SARBANES) who debated the amendment of the Senator from South Carolina in such a very effective fashion yesterday.

Mr. RANDOLPH. I am very grateful for the concern and the commitment of the distinguished Senator from California, our majority whip, who is chairman of our Veterans' Affairs Committee and these words I shall appreciate always.

Mr. MATSUNAGA. Will the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. MATSUNAGA. As a member of the Committee on Veterans' Affairs and as a life member of the Disabled American Veterans and of the Veterans of Foreign Wars, I rise in support of the Senator's presentation, and I ask that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will my distinguished senior colleague yield?

Mr. RANDOLPH. Yes, I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I compliment my senior colleague and join with him in cosponsoring this amendment. I think that this amendment as the resolution of ratification to the treaty is one of the major concerns to many of us that was not dealt with in the text of the treaty, and I would hope that the amendment would be unanimously adopted, and I urge my colleagues to support it.

Mr. President, I have joined with Senators RANDOLPH, TALMADGE, and CRANSTON in introducing this reservation to the resolution of ratification now before the Senate, the resolution whereby the Senate gives its advice and consent to the treaty concerning the permanent neutrality and operation of the Panama Canal.

The reservation which I have joined in offering is designed to assure the dignified treatment of the remains of Americans buried in the Canal Zone up until 1999, when control of the Panama Canal passes to Panama, and thereafter.

There are two cemeteries located in the Canal Zone which contain the remains of Americans. Mount Hope Cemetery, on the Atlantic side, contains the graves of 1,332 Americans, including 175 veterans. Corozal Cemetery, on the Pacific side, contains the graves of 3,395 Americans, including 741 veterans.

Under the terms of the two Panama Canal treaties, one of these cemeteries, Mount Hope, would pass to Panamanian control upon ratification. Corozal Cemetery would remain under U.S. control until 1999.

The reservation which I joined in offering will make certain that the Americans buried in these cemeteries receive proper reverence and respect. It provides that the executive branch proceed to arrange for the orderly removal, at Government expense, of American remains from Mount Hope Cemetery. Every effort must be made to notify the next of kin who, of course, could request that the remains not be moved. The remains would be transferred to Corozal, unless the next of kin requested transfer to a U.S. national cemetery.

The reservation also calls for negotiation of an executive agreement between the United States and Panama, whereby the operation of Corozal Cemetery would be taken over by the American Battle Monuments Commission. The State Department has agreed to proceed with these negotiations immediately upon ratification of the treaties. This agreement will assure that graves of Americans in Corozal will receive dignified and proper treatment. In addition, the agreement would provide that the American flag will be flown over the Corozal Cemetery.

This reservation represents a practical and fair resolution of an issue of concern to many of us which the text of the treaties did not address. I hope that it will be adopted and urge my colleagues to support it.

Mr. RANDOLPH. I thank the able majority leader, and I yield to the Senator from Utah.

Mr. HATCH. Mr. President.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I appreciate the distinguished Senator from West Virginia for yielding to me, and I would like to also be listed as a cosponsor on the reservation.

Mr. RANDOLPH. It is gratifying to have Senator HATCH to join in the reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. I yield to the distinguished Senator from Kansas.

Mr. DOLE. I would just like to compliment the Senator from West Virginia on his leadership in this area. It is certainly consistent with his leadership over the years, so far as veterans and veterans' affairs are concerned, and I am pleased to join as a cosponsor in the reservation.

Mr. RANDOLPH. I very much appreciate the comment and support of the Senator from Kansas.

The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would be delighted, if the Senator would add me as a cosponsor also.

Mr. RANDOLPH. I thank the Senator. I am delighted to share this with the Senator from Rhode Island (Mr. CHAFEE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, on page 3, line 4, where there is a semicolon, I ask unanimous consent that after the words "removing, before the date of entry into force of the treaty," there be inserted a comma instead of a semicolon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the letter dated March 15 from the Assistant Secretary of State to the chairman of the Senate Veterans' Affairs Committee, Mr. CRANSTON, be included with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

At your request I am pleased to comment on the testimony of March 1 by Mr. Richard Wyrough of the Department before the House Subcommittee on Cemeteries and Burial Benefits Mr. Wyrough's prepared statement was quoted by Senator Thurmond during yesterday's debate on the Panama Canal Treaties The purpose of this letter is to clear up any misunderstandings concerning what was said by Mr. Wyrough as a result of Senator Thurmond's remarks.

Mr. Wyrough participated on March 1 with two other Administration officials in discussing the Administration's plans concerning the proper care under the new treaties of Americans buried in the Canal Zone. Michael Blumenfeld, Deputy Under Secretary of the Army, reviewed the situation which currently exists in the Canal Zone regarding our cemeteries. Mr. Wyrough apprised the Subcommittee of the options which the Administration had considered, but did not favor, in order to assure the proper care of American remains. Finally General Adams, Secretary of the American Battle Monument Commission, presented the

Administration's preferred alternative. It should be clearly understood that the problems which were discussed by Mr. Wyrough and to which Senator Thurmond referred were problems which led the Administration to select the preferred alternative which was discussed by General Adams. At no time did Mr. Wyrough indicate or imply that the United States would have to pay Panama for the right of operating an American sector in the Corozal Cemetery. In fact, all the problems mentioned by Mr. Wyrough in discussing the two options which we do not favor were technical problems as distinct from political problems between the United States and Panama.

While it is correct that Mr. Wyrough observed on March 1 that we cannot be certain as to Panama's reaction to the proposal then presented by General Adams, he went on to say that we do not anticipate any difficulties. I would like to emphasize that portion of Mr. Wyrough's statement. Specifically we do not anticipate any difficulties with the terms contained in the reservation offered by you, Senator Randolph and others.

I hope that this information responds to your request.

DOUG BENNET,
Assistant Secretary of State.

Mr. CHURCH. Mr. President, I am glad that the Senate now has an opportunity to vote on this reservation, inasmuch as many Senators previously were obliged to vote to table an amendment that had similar objectives. This will make it possible for those Senators to express their true sentiments in favor of the objectives stated in both the reservation and the amendment and to do so in the proper form by voting for the reservation offered by the distinguished Senator from West Virginia.

I hope that the Senate may now vote.

Mr. GRIFFIN. Mr. President.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I do not wish to detain the Senate very long, but I did object to the 10-minute limitation because I was not sure at the time I had an opportunity to speak to this that was agreed to.

I think the distinguished Senator from West Virginia has, of course, focused on a rather disturbing omission in the treaty that is now before the Senate. The fact that our negotiators apparently did not try or at least did not succeed in making provision for the appropriate administration and recognition of U.S. citizens who are veterans buried in the Corozal Cemetery, if that is the proper pronunciation, and I, of course, see that the reservation of the Senator from West Virginia recites that the two parties shall begin to negotiate for an agreement to accomplish this purpose.

I am not going to object to this reservation. It obviously falls short of achieving anything. Our negotiators, in the first place, should have achieved it.

Now, of course, we are not amending the treaty. We are not accomplishing anything for those who are buried there or their families other than to recite that we will begin to negotiate for an agreement and hopefully if the Panamanians agree to something, then we will, of course, have an agreement which is the situation that would exist if we did not adopt the reservation at all.

But, of course, I think the Senator from West Virginia is focusing on a serious matter. No wonder the veterans are concerned about that, as indeed they are concerned about the treaties in their totality. This is only one small aspect, one small reason why many veterans and veterans' organizations, of course, are opposed to these treaties, but this is in the nature of a reservation. It does not obligate the Republic of Panama to anything at all.

It only recites that there will be some negotiations in the future and, hopefully, negotiations will be successful.

So, therefore, I hope the reservation will be adopted, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the Randolph reservation No. 7. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), and the Senator from Montana (Mr. HATFIELD) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE) is necessarily absent.

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 60 Ex.]

YEAS—96

Allen	Griffin	Moynihan
Anderson	Hansen	Muskie
Baker	Hart	Nelson
Bartlett	Haskell	Nunn
Bayh	Hatch	Packwood
Bellmon	Hatfield, Mark O.	Pearson
Bentsen	Hathaway	Pell
Biden	Hayakawa	Percy
Brooke	Heinz	Proxmire
Bumpers	Helms	Randolph
Burdick	Hodges	Ribicoff
Byrd, Harry F., Jr.	Hollings	Riegle
Byrd, Robert C.	Huddleston	Roth
Cannon	Humphrey	Sarbanes
Chafee	Inouye	Sasser
Chiles	Jackson	Schmitt
Church	Javits	Schweiker
Clark	Johnston	Scott
Cranston	Kennedy	Sparkman
Culver	Laxalt	Stafford
Curtis	Leahy	Stennis
Danforth	Long	Stevens
DeConcini	Lugar	Stevenson
Dole	Magnuson	Stone
Domenici	Mathias	Talmadge
Durkin	Matsunaga	Thurmond
Eagleton	McClure	Tower
Eastland	McGovern	Wallop
Ford	McIntyre	Weicker
Garn	Melcher	Williams
Glenn	Metzenbaum	Young
Goldwater	Morgan	Zorinsky

NAYS—1

Gravel

NOT VOTING—3

Abourezk	Hatfield, Paul G.
Case	

So the reservation (No. 7), as modified, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the reservation was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Louisiana (Mr. LONG) is recognized.

UNDERSTANDING NO. 14

Mr. LONG. Mr. President, I call up my understanding No. 14.

The PRESIDING OFFICER. The understanding will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes understanding No. 14.

The understanding is as follows:

Strike out the period at the end of the resolution of ratification and insert in lieu thereof a comma and the following: "subject to the following understanding:

"Paragraph 1(c) of Article III of the Treaty shall be construed as requiring before any adjustment in tolls for use of the Canal that the effects of any such toll adjustment on the trade patterns of the two Parties shall be given full consideration, including consideration of the following factors:

"(1) the costs of operating and maintaining the Panama Canal;

"(2) the competitive position of the use of the Canal in relation to other means of transportation;

"(3) the interests of both Parties in maintaining their domestic fleets;

"(4) the impact of such an adjustment on the various geographical areas of each of the two Parties; and

"(5) the interest of both Parties in maximizing their international commerce.

The United States and the Republic of Panama shall cooperate in exchanging information necessary for the consideration of such factors.".

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. Mr. President, I ask unanimous consent that the names of Senator CANNON and Senator JOHNSON be added as cosponsors of this understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, the Neutrality Treaty reads as follows, referring to the period after the year 2000:

Tolls and other charges for transit and ancillary services shall be just, reasonable, equitable and consistent with principles of international law.

This treaty language refers to broad principles but gives very little, if any, practical guidance to the Panama Canal Commission or the Government of Panama on the factors which are to be taken into consideration in setting tolls for transiting the Panama Canal.

It is generally agreed that the tolls will have to increase in order to comply with the obligations imposed by these treaties. However, such future toll rates will directly determine the degree to which the Panama Canal remains a viable waterway in international trade and commerce. Therefore, it is crucial that the United States and Panama make clear the factors which are important in determining future toll rates.

My understanding to the resolution of ratification has the effect of interpreting and supplementing article III, paragraph 1(c) and its general reference to "principles of international law" by enumerating the considerations that any future increases in tolls must encompass. This measure will require that the effects upon short- and long-term trade patterns of the United States and Panama be considered before any toll adjustment is made.

It is important to note that the total trade patterns of the United States and Panama must be examined. This means the trading activities of all ships, regard-

less of their registry, transporting goods to and from either of the two countries. This distinction is significant because much of the cargo shipped to and from U.S. ports through the Panama Canal is carried by vessels flying the flags of third nations.

This cargo, though carried by foreign flag vessels, nonetheless forms a substantial part of the total trade of the United States and consideration must be given to the effect of any toll adjustments upon such trade.

The understanding further provides that the costs of operating and maintaining the canal and the competitive position of the canal as against other means of transportation must also be among the factors considered in toll rate changes. These are clear-cut economic considerations customarily evaluated in determining a just and equitable toll rate. In addition to these economic factors, the United States and Panama also have mutual interests in maintaining their domestic fleets, in mitigating any adverse regional impact of a change in tolls, and maximizing their international commerce. The critical importance of these interests to both our countries requires that they be given due consideration in any decision to alter existing tolls.

This is not a proposal that the Government of Panama will find difficult to accept. The understanding does not violate the substance or the spirit of the Neutrality Treaty. Rather, it clarifies and reaffirms the obligations placed upon the Canal Commission and the Republic of Panama to maintain the tolls at a just, reasonable, and equitable level.

My amendment does not seek to specify future toll rates or detail procedures by which they shall be determined. Consideration of such matters are more properly handled under the implementing legislation which the Senate will subsequently consider.

The implementing legislation can outline set procedures whereby public hearings are held and public comments are received concerning any proposed adjustments in the toll structure.

This understanding merely insures that any toll adjustments will be enacted only after careful thought and study is given to the effect of these changes would have on the total trading postures of both the United States and Panama.

Mr. President, to clarify this amendment, I modify it on line 9 after the word "factors" to include the following words: "in a manner consistent with the regime of neutrality."

SEVERAL SENATORS. Vote!

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

Mr. GOLDWATER. We were told in testimony before the Armed Services Committee by the head of the Panama Canal Company that regardless of who runs the canal, that is the United States or Panama, tolls by the year 2000 will go up at least 100 percent and could go as high as 105 or 110 percent.

With that testimony, what effect will this have on the Senator's amendment?

Mr. LONG. As the Senator says, the tolls will have to go up. I mean there is no doubt about that. These factors should be taken into consideration in deciding what the future tolls will be. And may I say that this amendment and this langauge was prepared for me by the people who have responsibility for the Port of New Orleans, and these are the factors that they feel are important and these people are well advised about all this. I doubt that the canal is more important to any port than it is to the Port of New Orleans.

Mr. GOLDWATER. Does the Senator's reservation continue on after the year 2000 or just until the year 2000?

Mr. LONG. Both, before and after. The treaty language says:

> Tolls and other charges for transit and ancillary services shall be just, reasonable, equitable and consistent with principles of international law.

This provides an understanding which it adds specific factors that should be considered.

Mr. GOLDWATER. I have just one further question.

Assume that the Senator's reservation is approved and becomes part of the treaty and the countries of Panama and the United States sit down together to discuss what the new rates should be. What happens if we find ourselves in disagreement with Panama? Assume that Panama feels that in order for her to operate the canal properly she would have to raise the rates from where the tolls are and we would argue that we do not have to raise those rates. What would happen if we reach an impasse like that?

Mr. LONG. Panama would have the power, after considering all these factors, to go ahead and agree to a toll that we might think unreasonable. But I point out to the Senator that we are going to have another condition. It does not require a reservation but it does require a condition. We are going to have another condition, and I have discussed this condition with the managers of the bill and I believe they will accept it on the other treaty. That other condition will provide that we have the right to negotiate with other countries than Panama with regard to a future canal. By the year 2000, it is my understanding that there will be only a small portion of the world's commercial tonnage that can be moved through that canal anyway. So, that is one of the factors that we should take into account between now and the year 2000 and in considering whether we want to build another canal through Panama and the terms under which we would do it or whether we might want to build it somewhere else.

Mr. GOLDWATER. Mr. President, if the Senator will yield once again on the same subject, it is true, and I do not think the Senator is contrary to this argument at all, that the oil-carrying ships are getting larger and it is true that the tonnage going through the canal will go down. I do not think that has any bearing on the reservation of the Senator. The canal will be in operation in the year 2000. It will be in operation for many years after that. I am merely worried about whether or not we are moving in on the ground that if the treaty is passed it would be the sole prerogative of Panama. This is the sole prerogative of ours now while we set the tolls. When the treaty is finally delivered, if it is delivered, it will become the responsibility of Panama to set the tolls. I do not want to see us tie Panama's hands by our continuing to interfere in her determinations. I believe it should be her determination.

Mr. LONG. Under the language of the treaty the way it stands now, Panama agrees under this treaty that the tolls and other charges shall be just, reasonable, equitable, and consistent with the principles of international law. What I seek to do here is to put some interpretive language in here to spell out what we believe are the proper principles of international law that should be considered. That is not limiting it with regard to other principles that might be brought forward.

Further, let me say this: It is my impression, and I hope I am right—I do not think I will be too wrong about this—that, in the event we think Panama is not living up to the terms of this treaty, Panama would be willing to go to the world court with us. I hope they would and let the international body adjudicate that.

Mr. GOLDWATER. I thank the Senator.

I feel we are already covered on this, and once we turn this over to Panama it is her baby, and I think we would be prohibited or should be prohibited from any decisions relative to the upkeep of the canal unless they come back and need money.

Mr. LONG. I do not think so for this reason: Under the treaties, as I understand it, the tolls will be reasonable and these tolls will be equitable and consistent with the principles of international law. I do not think that language just standing alone is adequate. That is why I am offering this understanding to add some additional meaning to that language. And, under those circumstances, Panama has an obligation that the tolls will be reasonable, and it is my judgment that we would have a right to go to the world court about that matter just like a utility that is not permitted a fair return on its investment has a right to go to court and say its property is being confiscated.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. Let me yield to the Senator from Maryland first.

Mr. SARBANES. The distinguished Senator from Louisiana is making a very important point. The regime of neutrality that this treaty sets out includes the provision that "tolls and other charges for transit and ancillary services shall be just, reasonable, equitable, and consistent with the principles of international law." That is an obligation which Panama has undertaken with respect to what it is entitled to do after the year 2000. That is part of the regime of neutrality which Panama and the United States have agreed each of them will maintain.

So Panama cannot simply ignore its obligation to maintain just, reasonable, and equitable tolls.

Of course, the understanding of the Senator from Louisiana goes beyond that. It sets out certain factors which should be considered in setting the just,

reasonable, and equitable tolls. Of course, also coming from a port State I share some of the specific concerns of the able Senator from Louisiana. I therefore want to commend the distinguished Senator for coming forward with this understanding, which lists certain factors which ought to be specifically considered in the setting of tolls.

It does not state what the decision will be, but it does insure that these factors, which might otherwise either be ignored or overlooked, will be considered in the course of setting just, reasonable, and equitable tolls.

So I think the very able Senator from Louisiana has made a very valuable contribution. It touches on that part of the treaty where Panama has an obligation to maintain just, reasonable, and equitable tolls as part of the regime of neutrality.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? I wonder if we could agree on a voice vote.

Mr. LONG. If we can go to a voice vote, that is fine.

Mr. ROBERT C. BYRD. Could we vote now?

Mr. LONG. OK.

The PRESIDING OFFICER (Mr. PELL). What is the pleasure of the Senate?

SEVERAL SENATORS. Vote!

Mr. SCOTT. Mr. President, I want to speak on this matter, and I do not believe we have any time reservation.

Mr. ROBERT C. BYRD. No, we do not.

Mr. President, I ask unanimous consent that a vote occur on the amendment within 10 minutes.

Ms. SCOTT. Mr. President, I only want 2 minutes to speak very briefly.

Mr. ROBERT C. BYRD. Four minutes to the Senator from Virginia, 5 minutes equally divided.

Mr. LONG. Yes.

Mr. SCOTT. Mr. President, I do not intend to oppose the understanding offered by the distinguished Senator from Louisiana. Frankly, I think it is meaningless, and I say that in all candor.

I have been led to believe that under Panamanian law only what is included in the body of the treaty is considered binding under Panamanian law.

Now we had in the treaty that Panama will receive 30 cents per ton on all of the tonnage that transits the canal.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. SCOTT. No.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Mr. President, I understand that Panama shall receive 30 cents per canal ton on the transiting ships across the canal. I also understand it gets $10 million, and then another $10 million provided that the tolls will permit that. It gets $10 million annually for fire, police, and street, water and sewage protection. These things have to be paid for, and I think they will come ahead of the understanding that the distinguished Senator from Louisiana refers to.

With that observation, I think it is a meaningless thing. I have no objection to a voice vote and do not intend to vote against the understanding.

Mr. LONG. Mr. President, I do not think it is meaningless. People from New Orleans came to discuss this matter with me. They believe it is important. Furthermore, the State Department has been seeking to amend this understanding right up to the moment I offered it, because they thought we would have difficulty going along with it unless I added the language. In my judgment, Mr. President, there is a difference of opinion, but this is a very important amendment. I hope the Senate will agree to it. It is a very important understanding, and it is important to the interpretation of the treaty.

The PRESIDING OFFICER. The question is on agreeing to the understanding, as modified. (Putting the question.)

The understanding, as modified, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the understanding, as modified, was agreed to.

Mr. CHURCH. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

STATEMENT COMMENDING SENATOR BROOKE

● Mr. BAKER. Mr. President, the Senate's consideration of the Panama Canal Treaties has taken what seems like a very long time; and we have a long way yet to go. At this point, however, I would like to take the opportunity to observe that no one has contributed more to the process of the Senate's consideration than has my good friend, and distinguished colleague, the Senator from Massachusetts (Mr. BROOKE).

His announcement today that he will support the Neutrality Treaty, reserving judgment on the Panama Canal Treaty, is the result of a typically careful and thorough examination of the issues involved. From the beginning of the Senate's consideration of the treaties, he has believed that important and substantive modifications were required of both treaties. His approach has been restrained, and no one in this Chamber can allege that he has sought the easy way out or that his criticisms have been either careless or frivolous. To the degree possible, his criticisms have addressed the many legitimate concerns raised by the American public.

He has been particularly helpful in enhancing the awareness of the Senate and the American public of those financial aspects of the Panama Canal Treaties that have the potential to create serious problems in the future. These points, I believe, are well taken, as always they are well reasoned; and the administration would be well advised to consider their merits.

I admire my good friend's approach to this issue, and I certainly commend his courageous decision. While I am aware that he has reserved judgment on the Panama Canal Treaty itself pending resolution of the serious problems to which he has so skillfully drawn our attention, I believe his decision to consider that treaty on its merits apart from the Neutrality Treaty is to be commended; and I am grateful for the assistance and perception he has brought to our consideration of the issues.

STATEMENT COMMENDING SENATOR HEINZ

Mr. President, I would like to take this opportunity to bring to the attention of my colleagues the announcement yesterday of the Senator from Pennsylvania (Mr. HEINZ) that if specific reservations are adopted to the resolutions of ratification, he will vote in favor of the Panama Canal treaties.

I, and I believe all of my colleagues, whether in agreement with his ultimate decision or not, would commend the manner by which Senator HEINZ has approached this issue. He has been restrained and deliberate, and his decision reflects his own considered and well-informed judgment that unless serious problems with these treaties are addressed, they should not receive the support of the Senate.

I should like particularly to commend his perception of the importance of the extremely high standard of maintenance necessary to insure that the canal remains open and operable. He is aware, and we should all be aware, that unless the canal is properly maintained, our ability to defend the canal means very little; and he has attempted to insure that the standard of maintenance remains high through the end of the century.

I support, therefore, the reservation that the Senator from Pennsylvania has sponsored, which requires that canal revenues must first be used for the proper operation and maintenance of the canal before payments can be made for other purposes. I believe it important that the Panamanians clearly understand the purposes behind this reservation. I believe it incumbent upon the administration to endeavor to make clear its meaning to that government.

Should this reservation pass, along with the other reservations on which the Senator is insisting, he has decided to vote in favor of the treaties. As we all know, Mr. President, this is a difficult decision; and in the case of the Senator from Pennsylvania, it was thoughtfully reached and courageously made. Whether for or against these treaties, I believe all of my colleagues would agree that the Senator has contributed significantly to our consideration of them and has helped to make them better treaties than those originally submitted to the Senate.

STATEMENT COMMENDING SENATOR DANFORTH

Mr. President, I want to commend Senator JOHN DANFORTH of Missouri for his announcement yesterday morning that he intends to support the Panama Canal treaties, as amended. This was not an easy decision for him as it has not been for many of us. I rather suspect that a different decision would have been politically more popular in the State of Missouri, at least initially. But I know that JACK DANFORTH is not one to put politics above statesmanship. From the outset of the Senate's consideration of the Panama Canal treaties, I have observed JACK DANFORTH submit these treaties to detailed scrutiny in an effort

to resolve his personal concerns and those of his constituents. He was an early supporter of the leadership amendments that strengthened the Neutrality Treaty. He has submitted an understanding designed to strengthen the Panama Canal treaty. Senator DANFORTH has done what I believe the people of Missouri expect him to do—and that is make an enlightened judgment as to what he believes to be in the best interest of the United States. I applaud and commend him for his courage and his statesmanship.●

Mr. ROBERT C. BYRD. Mr. President, I think I am able to announce at this time that there will be no more rollcall votes today. If the Senator from Alaska would allow me just a moment, I would like to propound a further unanimous-consent request.

Mr. STEVENS. I yield.

ORDER FOR THE RECOGNITION OF VARIOUS SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of Mr. HART tomorrow, Mr. FORD be recognized for not to exceed 15 minutes; after which Mr. BUMPERS be recognized for not to exceed 15 minutes; after which Mr. LEAHY be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PROCEDURE DURING CONSIDERATION OF NEUTRALITY TREATY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the disposition of the amendment to the resolution of ratification by Mr. BARTLETT, Mr. DECONCINI be recognized to call up his amendment to the resolution; that he be followed by Mr. HEINZ to call up his amendment to the resolution; that he be followed by Mr. HAYAKAWA to call up his amendment to the resolution; and that he be followed by Mr. CHAFEE to call up his amendment to the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Reserving the right to object, Mr. President, but not wanting to object, it is my understanding, Mr. President, that I would have an opportunity to be heard on the substantive treaty tomorrow morning for approximately one-half hour.

Mr. ROBERT C. BYRD. The Senator is going to be recognized under the order entered this morning, will be recognized tomorrow morning for not to exceed 30 minutes.

Mr. METZENBAUM. I have no objection.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Now, Mr. President, I wonder if Senators are prepared to go into a period for the transaction of routine morning business or does the Senator from Alaska wish to speak on the issue?

Mr. STEVENS. Mr. President, I have no objection to that provided I can make a statement I wanted to make earlier for the reason that I am opposed to these reservations.

Mr. ROBERT C. BYRD. Would the Senator be willing to do that in a period for the transaction of routine morning business?

Mr. STEVENS. I would have no objection. It depends on the length of time the Senator is going to allow for that period for the transaction of routine morning business.

Mr. ROBERT C. BYRD. Mr. President, may I yield to the Senator from Montana?

Mr. MELCHER. I would ask the majority leader if he could include in that about 5 minutes for me.

Mr. ROBERT C. BYRD. The Senator from Montana wishes to speak for not to exceed 5 minutes. I ask unanimous consent, Mr. President, while I have the floor, that there be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the statement by the distinguished Senator from Alaska (Mr. STEVENS)—and I hope all Senators will listen—the Senate stand in recess until the hour of 9 a.m. tomorrow morning.

Mr. STEVENS. Reserving the right to object, I do have a request from the Senator from North Carolina who wanted to make a statement of 1 minute before we recessed for the evening, if the Senator will modify his request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following Mr. STEVENS, Mr. HELMS be recognized for not to exceed 3 minutes and for the purpose of making statements only in both cases.

Mr. STEVENS. That is the agreement we have.

Mr. ROBERT C. BYRD. And that following the statement by Mr. HELMS, the Senate stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following Mr. HELMS, the Senator from Montana (Mr. MELCHER) be recognized for not to exceed 5 minutes, after which the Senate stand in recess until the hour of 9 o'clock tomorrow morning, and that the Senators be recognized for the purpose of making statements only. I want that clearly understood.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESS BY SENATOR MATHIAS ON ENERGY

Mr. HAYAKAWA. Mr. President, recently my distinguished colleague, Senator MATHIAS, addressed the Insulation Contractors Association in San Diego. At that time he made some thoughtful remarks about energy which I think my colleagues would do well to read. The remarks were extremely well received by my California constituents.

I ask unanimous consent that the text of Senator MATHIAS' remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ENERGY: LIVING IN A FOOL'S PARADISE

(By Senator CHARLES MCC. MATHIAS, JR.)

I had hoped to be able to bring you some good news tonight about the energy bills. But, unless you believe that "no news is good news", I'm going to disappoint you.

There just isn't anything new to report. Senator Jackson's so-called compromise proposal on gas pricing and deregulation raised some people's hopes that positions were shifting. But, when the Senate recessed last week, the energy conferees were still reporting no progress.

The tax portion of the energy package, which is of special interest to you because of the tax credit for insulation, is simply in limbo. And it will almost certainly stay in limbo until the stalemate on gas is resolved.

So, about all I can say with any confidence, is that the Senate reconvenes on Monday. I suppose you could say that we're closer to energy legislation when the Senate is in session than when it isn't. But that's the only encouragement I can offer.

The sad truth is that we're not much closer to an energy solution today than we were on April 20, 1977, when President Carter announced the substance of his national energy plan. I'm sorry to have to say this but, in my opinion, this state of affairs traces to public confusion, to Congressional controversy and to President Carter's singular inability to provide leadership on energy.

I'm not alone in thinking this. Shortly after Congress adjourned in December, the Washington Post, which is normally friendly to the President, commented:

"The stalemate on the energy bill and the agreement to put off the hard decisions until next year are an extremely bad sign. They demonstrate and confirm the limitations of the present White House in dealing with Congress and, for that matter, with the country."

Personally, I had hoped that the President might regain some lost initiative in his State of the Union message. The White House billed it as a major statement on the economy and what, if not energy, is the bedrock of our economy?

But that was not to be. Instead the President gave energy only six out of 117 paragraphs in his State of the Union message. And, to make matters worse, he prefaced his meager energy pitch with the curious escape clause:

"Those who govern can sometimes inspire, and we can identify needs and marshal resources, but we cannot be managers of everything and everybody."

I agree with the President that those who govern can't and shouldn't try to manage "everything and everybody." But, if there is any one single thing that "those who govern" should manage to formulate, it is energy policy. And part of managing energy is inspiring the people.

We must wake up to the fact that our energy problem is different from, say, our crime problem, or our unemployment problem, or the problems of our cities. The energy problem challenges our entire civilization and threatens its survival. This distinction is crucial to understanding our present danger and to finding the necessary responses to it.

Energy is not just an aspect of modern society. It is society's lifeblood. Energy is to modern man what wildlife was to primitive man. It sustains life. Our economy—food, jobs, industry, income, homes, health, transportation, recreation—all of these and more depend on energy.

This is the message the President must get across to the American people and he's just not doing it. Pollster Daniel Yankelovich, who has analyzed this phenomenon in some depth, thinks that ultimately the public will accept what must be done. He's not optimistic, however, about the President's ability to lead the effort.

Mr. Yankelovich believes we "muffed the chance for large-scale voluntary mobilization" by the American people by not striking hard during the Arab oil embargo. But he says:

"Jimmy Carter had a second chance, which he also missed . . . He caught the country's attention with his two speeches comparing the attack on the energy problem to the moral equivalent of war. But these speeches were followed by utter silence—as far as the public was concerned. As a result, the communication process with the public was arrested in midair."

Mr. Yankelovich concludes that without some dramatic event, it will not be possible "to recapture the lost momentum."

I can't bring myself to accept that bleak assessment. We have simply got to come to grips with our energy problem before we are confronted with some new dramatic event. And the President has got to help lead the way even if it means talking about energy every time he opens his mouth.

I don't share Eugene McCarthy's assessment of the President as an "oratorical mortican." His style may be low-key, but he has one thing going for him which no one else in this country has: he speaks from what Teddy Roosevelt called "that bully pulpit"—the White House. That alone puts plenty of weight behind his words.

We have been talking about an energy crisis in this country ever since that "dramatic event", the Arab oil embargo of 1973–74. But, highly qualified experts still differ strongly on the nature of our energy problem and on what we should do about it.

It's no wonder the public is divided and confused. Many people don't think there is a problem. Others, who admit there is a problem, simply aren't ready to face up to it.

There are a good many reasons for this national inertia. The most disturbing one is that energy experts and policymakers alike, including the President, tend to talk about the energy problem as if it were down the road a piece. But, it's not and that kind of talk has been a terrible mistake.

During last year's bitter winter, we had to import 50 percent of the oil we used. I shudder to think what this winter will bring us in terms of oil imports. Cold weather combined with the coal strike is actually boosting oil consumption by utilities. There is your real energy crisis. And it is definitely here and now.

Incredible as it seems, however, polls show that half of the American people don't even know that we import oil. Well, we not only import vast quantities of oil, we spend billions of dollars on it. Last year oil imports drained $47 billion from the economy. That much money going out of the country is a very large factor in our employment picture. It means thousands of jobs lost.

Another thing people don't know is that we would have had a $20.3 billion surplus, and have a good healthy surplus, if it weren't for those bloated oil imports. Last year our deficit was $26.7 billion. Without oil imports, we would have had a $20.3 billion surplus. Just think what a change in that direction would do for the stability of the dollar and our reputation for the prudent management of our affairs.

The economic and national security implications of our growing dependence on foreign oil are alarming. Let me remind you of what former Secretary of State Henry Kissinger said about the 1973 Arab oil embargo:

"These events . . . caused an immediate economic crisis both in this country and around the world. A drop of only 10 percent of our imported oil, lasting less than half-a-year, cost Americans half a million jobs and over 10 billion dollars of national output.

"The massive price increases of 1973 added at least five percentage points to the price index, contributing to our worst inflation since World War II.

"It set the stage for a serious recession, in this country and worldwide, from which we are only now recovering."

Since the time Dr. Kissinger describes, we have drifted into even more dangerous waters. The Federal Energy Administration estimated that a one-year Arab oil embargo in 1977 would have sheared between $78 billion and $112 billion from our gross national product and put more than two million people out of work. A new embargo would make the disruptions of 1973–74 look like child's play.

Perhaps here on the West Coast it is hard for you to imagine the chaos on the East Coast that would follow a disruption in the arrival of those oil tankers. But, I assure you, it would be the prelude to disaster. New England now imports 80 percent of its industrial oil. The risks to national security in that situation are obvious and ominous.

In the face of these facts, it is discouraging how little is being done to get this situation under control. In November, the Joint Economic Committee of the Congress, in a report entitled "Living with the Trade Deficit", made this somber assessment of our prospects for 1978:

"No current analysis has indicated that the energy legislation before the Congress will halt the growth of petroleum and natural gas imports, much less reduce them. The best the United States can realistically hope for at this time is to stop increasing our proportionate dependence upon imported energy by virtue of growing production of oil and gas in Alaska, on the Continental Shelf, and possibly elsewhere. About 45 percent of U.S oil consumption is supplied by imports. With luck, this percentage may decline by a point or so in 1978. But even under these circumstances, the absolute amount of energy imports and payments for them will continue to grow as the American economy expands and energy needs increase . . . Far tougher policies than have been adopted to date are necessary to achieve even this growth rate target, which is less ambitious than the President's goal of actually reducing imports."

I'm told that, at the rate things are going, U.S. energy consumption will increase by more than three percent this year. As columnist David Broder said recently, these statistics are irrefutable evidence that we are living in a fool's paradise.

The energy crisis is with us now. It doesn't lie in wait for us sometime 20 or 30 years from now when we run out of fossil fuels. It began 30 years ago when we first had to import oil. And it becomes more serious every year in direct proportion to our mounting appetite for energy.

The picture I've drawn so far is pretty grim. But there is one strong element of hope. It is this: more than half the energy America uses is wasted and much of it could be saved through conservation.

Worldwatch Institute believes that for the next quarter century the United States could meet all its new energy needs simply by using energy more efficiently. This forecast assumes that Americans won't change their lifestyles in any significant way. Much more dramatic savings would be possible, "if we considered functions instead of technologies—ways, for example, to eliminate the need for a certain type of transportation instead of merely ways to make it more efficient."

I'm not going to waste time tonight preaching to the converted about saving energy. You are in the vanguard of this effort. As I told the Senate last April, shortly before the President unveiled his energy plan:

"'Retrofitting' homes and commercial properties holds the promise of being one of our most effective conservation tools. Moreover, the necessary technology already is available, on line and in operation. Millions of dollars in excess energy consumption can be saved through this relatively simple and comparatively cheap method of conservation.

"In the forefront of the effort to establish standards for the expected demand in this area is the Insulation Contractors Association of California. They have recognized the key role that industry representatives can play in educating the public about the needs of insulation and about potential pitfalls. They have high-lighted the need for qualified installers to insure safe installation in conformity with various State and local codes. They have brought to the attention of those in Government the necessity for increased production of basic insulation materials. And, to their credit, they have emphasized the need for standards for products to provide maximum consumer protection."

I think your Association has done an outstanding job. Each of you should take special pride in the fact that, although you are a State organization, you have shown the way for the entire industry across the nation. I hope you will not relax the momentum you have so clearly established.

The insulation industry and each of you here this evening—whether you are a contractor or a supplier to a contractor—have an unprecedented opportunity before you. The country's energy needs will not abate any time soon. And, so the demand for your professional services can only increase. The opportunity before you carries with it special obligations.

Tomorrow a representative of the Federal Trade Commission will tell you where the Commission is heading with regard to the insulation industry. But, it is no secret that the overriding concern will be for sound consumer protection through the installation of good products by skilled professionals like yourselves. Your industry will need to develop the very finest management skills to carry the load that will be placed on it for retrofitting and for new housing construction. What you do to assure the highest performance standards, through continuing training programs and other approaches, will enhance the stature of the insulation contractor throughout the construction industry.

You will be key to assisting the Federal Trade Commission and other bodies in monitoring the insulation product market. You also have an important educational role to play.

Over the past several decades we have become a very vocal advocate society. If you look back over 25 or 30 years, you'll see that Americans pretty much believed in their society, in themselves and in the way things were going. Today, we no longer have that kind of tacit consensus.

Instead, we often disagree or are uncertain about where we are going, where we should be going and how we get there. Those who believe they have answers to these questions advocate their points of view more and more stridently, which leaves those who are uncertain more uncertain than ever.

Energy is a life and death issue in any industrial society, so it is proper and healthy to debate every aspect of it thoroughly. But that debate must lead to resolution; not to stalemate. There must be goodwill and mutual respect among the debaters. And ultimately, confrontations must give way to compromise.

Up to now the forces which oppose each other on the energy question have spent much of their time disparaging each other. Conservationists take on public utilities; consumers groups dispute oil companies; oil companies mistrust the Federal government, so do state and local governments. Too little time has gone to sorting out the truth so that we can somehow reach a consensus about purpose. Yet each of these advocate groups recognizes the problem and has a sincere interest in developing a coherent energy policy.

If we are to meet the energy challenge, then we must begin to bind the disparate forces of our socity into a coalition of common purpose. The time for advocacy is past.

The Banner, a small daily newspaper in Cambridge on the Eastern Shore of Maryland, has put its editorial finger on an important part of our problem. It points out that:

"Since the first White House energy speech which he delivered all buttoned up in a sweater, the President has dodged and twisted like a rabbit losing ground to a beagle."

The President told newsmen there is an urgent need to dramatize the seriousness of the energy problem but, as The Banner points out, "He has not yet shown the imagination to translate the need into action.

Well, I have a suggestion which I think might help the President. We must have a new dynamic in American life—a new partnership between government, business and the people—to dispel once and for all the myths and illusions that cloud our search for an energy policy and retard our pursuit of energy independence.

I urge President Carter to bring together business leaders, scientists, representatives of government and private organizations in the same way labor and management routinely come together. They must sit down together at a White House Conference on Energy and bargain in good faith. When labor and management sit down together, each wants to win concessions but neither wants to put the company out of business. In that same spirit, with Presidential leadership, we can lick our energy problems.

The President, of course, can't be expected to go it alone. He'll need the help and support of every one of us. He must take the lead in giving people the facts, but groups outside of government, like ICA, must be mobilized to join in a consensus-forming process.

This summer I participated in a symposium on energy that brought together representatives of the various factions I have mentioned here tonight. Our experience with one another encourages me to believe we can forge a national consensus. Each of us at that conference came to recognize that the other side, whatever other side it was, was more convincing than we had thought at first. We ended our meetings on an optimistic note. I would like to end on the same note.

America has not been fully mobilized in more than 30 years, and it is an awesome sight when this country rolls up its sleeves and 200 million Americans tackle a problem. It is automatically bi-partisan if it involves the entire country and its needs. Energy does.

The stakes are high: the peace and progress of the world depend on how soon and how widely we as a nation can make up our minds about whether there is an energy problem, about what it is, whose it is, and what we are going to do about it—and then roll up our sleeves and get on with the job.

UNANIMOUS-CONSENT AGREEMENT—S. 2493

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, and this request has been cleared by the minority, I ask unanimous consent that at such time as S. 2493, the airline reform bill, is called up and made the pending business before the Senate, there be a time limitation thereon for debate of 4 hours, to be equally divided between Mr. CANNON and Mr. PEARSON; that there be a time limitation on any amendment of 1 hour; that there be a time limitation on an amendment by Mr. SCHMITT of 2 hours; that there be a time limitation on an amendment by Mr. ZORINSKY of 2 hours; that there be a time limitation on any amendment to an amendment of 1 hour; and that there be a time limitation on any debatable motion, appeal, or point of order, if such is submitted to the Senate for its consideration, of 20 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, as in legislative session, it will be so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of S. 2493 (Order No. 575), a bill to amend the Federal Aviation Act of 1958, as amended, to encourage, develop, and attain an air transportation system which relies on competitive market forces to determine the quality, variety, and price of air services, and for other purposes, debate on any amendment (except an amendment by the Senator from New Mexico (Mr. Schmitt) and one by the Senator from Nebraska (Mr. Zorinsky), on each of which there shall be 2 hours debate) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 4 hours, to be equally divided and controlled, respectively, by the Senator from Nevada (Mr. Cannon) and the Senator from Kansas (Mr. Pearson): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

MESSAGES FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3813) to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes.

The message also announced that the House has passed, without amendment, the bill (S. 1671) to designate the Absaroka-Beartooth Wilderness, Custer and Gallatin National Forests, in the State of Montana.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4320. An act to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes;

H.R. 6635. An act to amend the Second Liberty Bond Act to allow the interest rates paid on U.S. retirement plan and individual retirement bonds to be increased to the rate paid on U.S. series E savings bonds;

H.R. 9146. An act to provide for congressional review of proposed changes in postal services;

H.R. 10126. An act to amend title 5, United States Code, to establish a program to increase part-time career employment within the civil service; and

H.R. 11055. An act relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977, and to extend for 1 year the existing treatment of State legislators' travel expense away from home.

At 2:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 810. An act to amend section 4941(d)(2)(G) of the Internal Revenue Code of 1954;

H.R. 2028. An act to authorize the home production of beer and wine; and

H.R. 5103. An act to amend the Internal Revenue Code of 1954 to provide for excise tax refunds in the case of certain warranty adjustments on tires, and for other purposes.

The message also announced that, pursuant to the provisions of 46 United States Code 1126c, the Speaker has appointed Mr. WOLFF and Mr. WYDLER as members of the Board of Visitors to the U.S. Merchant Marine Academy.

The message further announced that, pursuant to the provisions of 10 U.S.C. 6968(a), the Speaker has appointed Mr. FLOOD, Mr. MCKAY, Mr. KEMP, and Mrs. HOLT as members of the Board of Visitors to the U.S. Naval Academy.

The message also announced that, pursuant to the provisions of 14 U.S.C., section 194(a), the Speaker has appointed Mr. DODD and Mr. SARASIN as members of the Board of Visitors to the U.S. Coast Guard Academy.

The message further announced that, pursuant to the provisions of 10 U.S.C. 4355(a), the Speaker has appointed Mr. MURPHY of New York, Mr. LONG of Maryland, Mr. CEDERBERG, and Mr. GILMAN as members of the Board of Visitors to the U.S. Military Academy.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 810. An act to amend section 4941(d)(2)(G) of the Internal Revenue Code of 1954; to the Committee on Finance.

H.R. 2028. An act to authorize the home production of beer and wine; to the Committee on Finance.

H.R. 4320. An act to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the

United States, and for other purposes; to the Committee on Governmental Affairs.

H.R. 5103. An act to amend the Internal Revenue Code of 1954 to provide for excise tax refunds in the case of certain warranty adjustments on tires, and for other purposes; to the Committee on Finance.

H.R. 6635. An act to amend the Second Liberty Bond Act to allow the interest rates paid on U.S. retirement plan and individual retirement bonds to be increased to the rate paid on U.S. series E savings bonds; to the Committee on Finance.

H.R. 9146. An act to provide for congressional review of proposed changes in postal services; to the Committee on Governmental Affairs.

H.R. 10126. An act to amend title 5, United States Code, to establish a program to increase part-time career employment within the civil service; to the Committee on Governmental Affairs.

ORDER TO HOLD H.R. 11055 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 11055, a bill relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977, and to extend for 1 year the existing treatment of State legislators travel expense away from home, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE BILL REFERRED

On March 14, 1978, H.R. 6782, to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion, reported on March 13, 1978, was referred to the Committee on Appropriations, for 15 days, not including days on which the Senate is not in session.

PRESENTATION OF A PETITION

● Mr. BAKER. Mr. President, I have received a petition from my constituent, Mr. Eddie M. Crain, of Erwin, Tenn., who requests that the Congress repeal the withholding tax law. Mr. Crain has asked that I present his petition to the Senate, and I now submit it for appropriate referral.

The PRESIDING OFFICER. Without objection, the petition is received and appropriately referred.

POM–537. A petition urging repeal of the withholding tax law; to the Committee on Finance.●

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

A report on the nomination of Lynn R. Coleman, to be General Counsel of the Department of Energy (Ex. Rept. No. 95–15).

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Alice Stone Ilchman, of Massachusetts, to be an Assistant Secretary of State.

John E. Reinhardt, of Maryland, to be Director of the International Communication Agency.

Charles W. Bray, III, of Maryland, to be Deputy Director of the International Communication Agency.

Alice Stone Ilchman, of Massachusetts, to be an Associate Director of the International Communication Agency.

Roger Kirk, of the District of Columbia, to be the Deputy Representative of the United States to the International Atomic Energy Agency, with the rank of Ambassador.

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Roger Kirk.

Post: Deputy Representative, IAEA Vienna.

Contributions, amount, date and donee:

1. Self, none.
2. Spouse, Madeleine Yaw Kirk, none.
3. Children and spouses names, none.
4. Parents names, Lydia Chapin Kirk, (see attached).
5. Grandparents names, deceased.
6. Brothers and spouses names, none.
7. Sisters and spouses names, (see attached).

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

4. Mother, Mrs. Alan G. Kirk, $25, 1975, Carter Pres. Campaign, $25, 1976, Democratic Nat'l Campaign, $25, 1977, Democratic Nat'l Committee.

7. Marion Kirk Appel, none.

John W. Appel, $125, 1973–6, Republican Party Candidates.

Deborah Kirk Solbert, $100, 1976, Udall.

Peter O. A. Solbert, $250, 1976, Udall, (N.Y. '76 Committee), $10, 1976, Udall ('76 Committee), $200, 1976, Democratic Nat'l Committee.

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Davis Eugene Boster, of Ohio;
Lawrence S. Eagleburger, of Florida;
Donald B. Easum, of Virginia; and
Thomas O. Enders, of Connecticut.

(The nominations reported from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. SPARKMAN. Mr. President, I also report favorably sundry nominations in the Foreign Service which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of February 10, 1978, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PELL:

S. 2743. A bill for the relief of John and Margaret Diehl, Julie Eastridge, and Jerome and Betty Davis; to the Committee on the Judiciary.

By Mr. SCHWEIKER (for himself, Mr. CLARK, Mr. HAYAKAWA, and Mr. STAFFORD):

S. 2744. A bill to amend the Public Health Service Act to improve rural health services; to the Committee on Human Resources.

By Mr. ANDERSON:

S. 2745. A bill to encourage the continuation of family farming as a part of the agricultural system in the United States; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PAUL G. HATFIELD:

S. 2746. A bill to maintain in effect for 1978 and succeeding years the social security tax rate which was in effect for 1977, and to provide that there shall be paid into the social security trust funds from general revenues an amount equal to the difference in social security taxes actually received by them and the amount which would have been received by them if the social security tax rates prescribed by existing law for such years had continued in effect; to the Committee on Finance.

By Mr. HASKELL:

S. 2747. A bill to provide for a study of methods by which individuals could be aided in filing their Federal income tax returns; to the Committee on Finance.

By Mr. JAVITS:

S. 2748. A bill to provide an improved consolidation of educational programs under title IV of the Elementary and Secondary Education Act, and for other purposes; to the Committee on Human Resources.

By Mr. JAVITS (for himself and Mr. PELL):

S. 2749. A bill to revise and extend the program for gifted and talented children in order to provide a consolidation of that program with other educational programs, and for other purposes; to the Committee on Human Resources.

By Mr. PROXMIRE (for himself, Mr. RIBICOFF, and Mr. JAVITS):

S. 2750. A bill to reorganize and consolidate certain functions of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Federal Reserve System into a Federal Bank Commission to administer all Federal laws relating to the examination, supervision and regulation of the banking business both foreign and domestic; to the Committee on Governmental Affairs and the Committee on Banking, Housing, and Urban Affairs, jointly that if reported by one committee, the other has 30 days within which to report, by unanimous consent.

By Mr. KENNEDY:

S. 2751. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. PELL:

S.J. Res. 121. A joint resolution authorizing the President to proclaim the second full week in October 1978, as "National Legal Secretaries' Court Observance Week"; to the Committee on the Judiciary.

By Mr. ANDERSON (for himself, Mr. MCINTYRE, Mr. HART, Mr. PERCY, and Mr. CASE):

S.J. Res. 122. A joint resolution to direct the Office of Technology Assessment to undertake a comprehensive evaluation of energy policy alternatives; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHWEIKER (for himself, Mr. CLARK, Mr. HAYAKAWA, and Mr. STAFFORD):

S. 2744. A bill to amend the Public Health Service Act to improve rural health services; to the Committee on Human Resources.

RURAL HEALTH SERVICES ACT OF 1978

● Mr. SCHWEIKER. Mr. President, I am today introducing, along with Senators CLARK, HAYAKAWA, and STAFFORD, the Rural Health Services Act of 1978. This act will amend various sections of the Public Health Service Act so that it more equitably addresses the needs of our rural citizens.

The health status of rural Americans is poor, particularly when contrasted to the health status of urban citizens. Approximately 49 million persons live in medically underserved areas. Of these 49 million, 27.4 million or 56 percent live in rural areas. The infant mortality and maternal death rates in rural areas are significantly greater than in urban areas. Rural Americans have a higher prevalence of chronic diseases as well as malnutrition. Yet rural areas have great difficulty in attracting and keeping health personnel and current Federal programs are not adequately addressing their health needs. Indeed, over 83 percent of areas lacking adequate health personnel are rural. This is especially disturbing to me since Pennsylvania has over 3 million rural citizens—more than any other State in the Union. In fiscal year 1978, although comprising 56 percent of the medically underserved population rural citizens received less than one-third of the funds appropriated to community health centers. This bill seeks to redress these inequities. The guiding principle in the utilization of funds under section 330 of the Public Health Service Act should, I believe, be that equal numbers of both rural and urban underserved citizens should receive equal services.

This bill would amend section 330 of the Public Health Service Act to allow the community health centers programs to improve the quality of services rendered to rural Americans. Specifically, this bill would require the Secretary, if requested by a community health center, to support environmental and priority supplemental health services provided by these centers unless he can demonstrate no need for these services. At present, "environmental health services" is not defined by law. This bill defines environmental health services to include the identification and detection of unhealthful conditions associated with water supply, sewage treatment, solid waste disposal, rodent and parasite infestation, field sanitation and other environmental factors related to health. The provision of these environmental health services is viewed as an essential, cost-effective method of improving rural health conditions.

Frequently, rural health centers lack the expertise and knowledge to take advantage of many currently existing Federal programs designed to make the environment more healthful. Accordingly, this legislation would require the Secretary to make available to all centers funded under section 330 a list of Federal resources available to aid in the improvement of the environment and the nutritional status of residents within the catchment area of the center.

To further underscore the importance of the preventive components embodied in the provision of environmental and supplemental health services, this bill gives the Secretary the authority to approve grants for community health centers on the condition that specified environmental and supplemental health services that he deems necessary are provided. However, recognizing that rural areas frequently may have severe financial constraints to the provision of comprehensive services, the Secretary may waive the provision of those environmental and supplemental services upon application from the community health center.

At the present time, section 330 does not provide for developmental or demonstration projects to test innovative new ways to provide health care to medically underserved rural populations. This bill would provide authority to examine: First, the use of differing types of organizational models and providers; second, specific services or mix of services appropriate for a given area, including ambulatory health care, prevention and health education, and environmental health services; third, technologic applications in biomedical communications; and fourth, ways to attract and retain health care providers in scarcity areas.

This demonstration authority would be authorized for 3 years at $20 million the first year and $25 million and $30 million in subsequent years.

The National Health Service Corps was originally intended as a vehicle for developing physicians to medically underserved areas. It is unclear whether the Corps has been effective in this, particularly in rural parts of our Nation. In the near future, the Corps will annually have almost 2,000 new physicians available for placement. I am concerned about their plans for placing these physicians around the country and the attendant costs involved in deploying these physicians. This legislation will require the Secretary in his annual report to the Congress to define the efficacy of the Corps, its future policies and how the National Health Service Corps scholarship program is helping to meet those objectives.

In his speech before the Student National Medical Association, President Carter stated that—

> To improve the availability of services, especially preventive services, the work of nurse practitioners and physicians assistants is crucial.

Unfortunately, the administration's current budget request does not adequately reflect these concerns. This bill would stimulate an increase in these valuable personnel by requiring that 20 percent of the sums appropriated for the National Health Service Corps scholarship program be used for allied health personnel.

In addition to these amendments to the Public Health Services Act, I have, as a member of the Senate Appropriations Subcommittee on Labor-HEW, requested additional moneys be appropriated for several programs which are important to the development of adequate health services for our rural citizens.

The area health education center (AHEC) program is designed to address the problems of geographic maldistribution and overspecialization of health professionals by fostering changes in the pattern of education and the educational environment. The program links the resources and training programs of the Nation's health science centers to community hospitals and other institutions to provide training which addresses locally identified health manpower needs. This program has, I believe, been a success and therefore I am proposing that funds be increased to provide for six new projects annually.

As I indicated previously, we must increase the supply of nurse practitioners so that we may provide cost effective health care to more of our citizens. Accordingly, I am requesting that the nurse practitioner program be funded at its full authorized level of $15 million. Finally, I will seek to assure that the rural demonstration authority created by my bill will be fully funded at $20 million.

I believe, Mr. President, that this rural health package that I am proposing today will significantly aid in improving the health of our rural citizens.●

● Mr. CLARK. I am very pleased to join Senator SCHWEIKER in introducing the Rural Health Services Act of 1978. This bill represents a significant step toward equitable access to primary health services for all citizens, rural and urban alike.

The Senate Rural Development Subcommittee, which I chair, has extensively studied rural health issues over the past few years. Hearings held in New England and in the Midwest underscored the importance of developing organized systems of health care in medically underserved areas. To merely attract a new physician, or to just build a clinic, is an insufficient method of bringing health services to medically needy Americans.

The community health centers program is the Federal Government's major resource for helping communities develop health care systems. Our most recent hearings in Iowa disclosed that this program, while beneficial, needs substantial fine tuning if it is to effectively address rural health needs.

Two major concerns were raised during the subcommittee hearings. One was that unnecessarily rigid program requirements tend to discourage applications from the very communities which need assistance. A second problem we discovered was the lack of funding available for services that communities believe are essential to the health and well-being of their residents.

The time has come to make the community health centers program a more useful tool for rural Americans. The need to increase the Federal support for health services in rural areas is clear: More than 40 percent of Americans living in rural areas have been classified as "medically underserved" by the Department of Health, Education, and Welfare. And of the total 49 million Americans who are "medically underserved"—a measure that takes into account the physician-population ratio, the infant mortality rate, the proportion of elderly persons, and the proportion of people living in poverty—27 million or 56 percent live in rural areas.

While many States have greater problems in terms of access to primary

health services than does my home State of Iowa, we did find that, even here, 60 of Iowa's 99 counties are partially or wholly underserved by HEW standards. Although I am encouraged by efforts like those undertaken by the University of Iowa to train family practice physicians likely to settle in smaller communities, more must be done. Unless organized health care delivery systems are also developed, I fear that these health manpower efforts will be undermined.

An examination of the way community health centers program funds are allocated reaffirms my concerns. Although nearly three-fifths of our medically underserved Americans reside in rural areas, for example, less than one-third of the program's funds are channeled to those areas.

For these reasons, I will work in the coming months to urge the Senate to adopt the provisions of the Rural Health Services Act of 1978.

These provisions, which will be offered within the Senate Human Resources Committee as amendments to pending legislation to reauthorize Federal health programs, are as follows:

First, if a community so desires, the Secretary of HEW would be required to support environmental and priority supplemental health services provided by community health centers.

Second, for the first time, "environmental health services" would be defined in law. These services would include the identification and detection of unhealthful conditions associated with water supply, sewage treatment, solid waste disposal, rodent and parasitic infestation, field sanitation and other environmental factors related to health.

Third, community health centers would be provided a complete list of available Federal resources to improve the environment and the nutritional status of areas served by those centers.

These three provisions address a pressing problem facing all community health centers: The inability to deal with nonmedical, environmental problems that have immediate impact on the quality of a community's health.

A substandard community water supply, for example, can cause severe health problems. Community health centers, however, are thwarted in their efforts to get to the root of the problem—the water supply; instead, they can deal only with the subsequent disease. The provisions mentioned above represent a good initial step toward giving community health centers the resources to confront serious environmental hazards which generate health problems.

Fourth, when communities are unable, due to financial and other constraints, to provide a complete range of health services, the Secretary of HEW may waive certain supplemental services.

Fifth, a rural demonstration program would be authorized, in order to test innovative approaches to providing health services to medically underserved rural people.

Sixth, the Secretary would be required to include an examination of the efficacy and policies of the National Health Service Corps within his annual report to Congress. Since the success of this program in attracting physicians and other health personnel to rural areas is an essential ingredient in promoting health delivery systems, this study will be a useful guide to future congressional rural health legislation.

Finally, the National Health Service Corps scholarship program would be required to place more emphasis upon assisting those who will be trained as nurse practitioners or physician assistants. Twenty percent, as opposed to the current 10 percent, of the program's scholarship funds would be reserved for allied health personnel.

I have a special interest in this last provision because of my earlier efforts to enact the Rural Health Clinic Act, Public Law 95–210. The act, which was implemented March 1, permits medicare and medicaid payment for services furnished by nurse practitioners and physician assistants who work within rural health clinics.

The Rural Health Clinic Act will be meaningless unless Federal programs actively promote the use of these valuable health practitioners. We know that there exists a vast pool of health workers residing in rural areas who could be trained as nurse practitioners or physician assistants. The existing financial obstacles to this training would be removed if the National Health Service Corps scholarship program were revised in the way sought by this bill.

In conclusion, I urge my colleagues to support the Rural Health Services Act of 1978. It would do much to promote equity between urban and rural underserved citizens in terms of their access to the community health centers program, and it would make that program more suitable to the needs of rural communities.●

● Mr. STAFFORD. Mr. President, I am pleased to join Senator SCHWEIKER as a cosponsor of the Rural Health Services Act of 1978.

This legislation is an important step toward improving health care in medically underserved rural areas. It would provide rural citizens with the opportunity for badly needed environmental and supplemental health services. Rural residents need a wide range of services in order to attain and maintain optimal health. Environmental factors such as clean air and clean water are extremely important, and the need for education in nutrition and other health matters cannot be overlooked.

In medically underserved rural areas there are a number of factors which discourage residents from obtaining preventive health services; the presence of a rural health clinic in an area greatly mitigates such factors. In a State such as Vermont for instance, one cannot expect a person to seek out such services when a long, hazardous trip over icy roads is involved. Other obstacles include cost of transportation, employing a babysitter, and time lost from work. When preventive health services are available locally as part of a program of comprehensive primary care, rural residents are more likely to avail themselves of needed services.

This bill would also continue Federal support for nurse practitioner programs. In many instances, our rural health centers are staffed by graduates of these programs. These highly trained nurses have an impressive record of bringing their unique knowledge and skills to medically underserved areas.

If enacted, this legislation would assist Americans in medically underserved rural areas in meeting their various health needs, and I am pleased to be a cosponsor of this measure.●

By Mr. ANDERSON:

S. 2745. A bill to encourage the continuation of family farming as a part of the agricultural system in the United States; to the Committee on Agriculture, Nutrition, and Forestry.

FAMILY FARM DEVELOPMENT ACT OF 1978

● Mr. ANDERSON. Mr. President, family farmers have been puppets of a national farm policy of boom or bust for too many years.

Today, I am introducing the Family Farm Development Act of 1978. It is but one of several possible responses to our farm problem and some of us, myself included, are also sponsoring other bills designed to bring our Nation's family farmers to 100 percent of parity.

We do this because we believe, in such a complicated field, that the Senate Agriculture Committee should have the benefit of a wide range of proposals as this Congress works to respond to the farmers' need for fair prices.

Current farm policy keeps farm prices excessively and dangerously low, drives good farmers from the farm, and encourages immense economic concentration in the food and fiber industry. All of this has created unprecendented unrest in rural America. The recent farm protests underscore the need for a comprehensive attack on economic and social forces threatening the existence of the traditional family farm.

This bill is a step in that direction. The goal of the Family Farm Development Act is 100 percent of parity which means nothing more or less than giving farmers a fighting chance of receiving for their product the cost of production plus a fair profit.

This measure aims for parity by authorizing nonrecourse commodity loans at 90 percent of parity and by prohibiting the Commodity Credit Corporation from releasing stocks at below 110 percent of parity.

Other key components of this new system are strict national production goals, strict conservation standards, orderly marketing procedures, a grain reserve with strong incentives to participate. a food price review board, and a provision which designates the Commodity Credit Corporation as seller or market agent for all export sales of wheat, feed grains, and oil seeds—selling as close to 100 percent of parity as possible.

If properly administered, these mechanisms will give farmers a realistic chance of obtaining 100 percent of parity in the marketplace. Because this is a bill designed to strengthen the hand of the family farmer, there are safeguards to insure that huge farmers and corporations will not reap windfall profits.

In addition to the price, production, conservation, and marketing features of

the bill, there are also provisions for tax reform, new opportunities for young farmers, an expanded Farmers Home Administration loan program for new, marginal, and small family farms, loans for establishing cooperatives, and Farmers Home Administration loans for installing and operating new technology on farms. Also, there will be an enhanced family farm development program within the U.S. Department of Agriculture to focus needed attention on the problems of the small family farmer.

Unfortunately, there are some who will argue that 100 percent of parity is not a reasonable objective no matter what approach to the goal is adopted. These skeptics would have us believe that parity represents a "pie in the sky" ideal at best or, if successful, an unprecedented windfall for farmers. The facts are otherwise. During the past 35 years, there have been 26 in which farm prices averaged 90 percent of parity or better, and in 10 of those years the prices were at or above 100 percent of parity.

During these years of parity or near-parity, food at the retail level has remained a terrific bargain for the consumer. Americans spend less than 17 percent of their disposable income on food, a rate lower than any group of consumers in the world pay. Farm costs were not exorbitant during the good years—it has been during the years of rock-bottom farm prices that costs have skyrocketed. Some have suggested that high farm prices could lead to unemployment. But to my knowledge, there has not been any genuinely credible evidence to show that a good farm year created unemployment for workers. It should be understood by now that when the farmer is doing well, America does well.

Since the administration seems unwilling at this point to take major additional initiatives on behalf of the farmer, Congress must act on its own. Congress cannot ignore the need for substantial changes in the Nation's farm policy. Congress improved an inadequate set of administration farm proposals in 1977, but the 1977 farm bill cannot be considered the final word on farm policy. It is only the opening chapter. The 95th Congress must now complete the work begun last year and produce a 1978 farm bill that could put family farming on a firm road to recovery. The Family Farm Development Act should be seriously considered as a part of the package.

Congressman NOLAN introduced identical legislation, H.R. 10739, in the House of Representatives on February 2, 1978. A section by section outline of H.R. 10739 appeared in the CONGRESSIONAL RECORD with Congressman NOLAN's statement. I ask unanimous consent that this outline be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

TITLE I: 90 PERCENT PARITY COMMODITY LOANS TIED TO CONSERVATION PRACTICES

This title raises the loan rate for agriculture commodities currently covered by the commodity loan program—wheat, feedgrains, cotton, wool, rice, soybeans, and peanuts—in return for establishing conservation practices on the farm. In addition,

PRICE SUPPORT

Milk price supports shall be raised to 100 percent of parity for up to 500,000 pounds of annual production. Milk production exceeding that amount shall be supported at levels as the Secretary is authorized to establish. The Commodity Credit Corporation shall not sell in the domestic market production which it owns or controls for less than 110 percent of parity. The goal, therefore, is for commodity prices to reach 100 percent of parity in the market place.

GRAIN EXPORT BOARD

The CCC shall be the seller or marketing agent for all export sales of wheat and feed grains. Private exporters will continue to function as they do now, except that the CCC must approve the prices, terms and conditions for all export sales.

The CCC may negotiate export sales at less than 100 percent of parity, but the CCC must seek export prices which are as close to parity as possible. Losses, if any, will be borne by the Treasury.

PRODUCTION GOALS AND MARKETING CERTIFICATES

In order for farmers to market their production in an orderly manner, the Secretary shall establish national production goals for all agriculture commodities other than livestock and poultry. The Secretary shall also issue marketing certificates, allocated to producers on the basis of their average production history over the previous three years. If increases or decreases in the production goals are announced, the amount allocated by marketing certificates will be adjusted accordingly and applied on a uniform basis to all producers.

Market certificates shall be allocated only to producers actively engaged in agriculture production and each such producer or land owner shall not receive marketing certifcates valued in excess of $500,000. No agriculture commodities shall be bought, sold, or traded, unless accompanied by marketing certificates.

The Secretary shall establish rules and procedures to assure fair and equitable allocations of marketing certificates, giving priority to new and beginning farmers in any reallocation of certificates. In addition, any producer who purchases land in an amount which exceeds 150 percent of the average farm size in the county wherein the farming operation is located, shall not receive marketing certificates for the land held in excess of the county average.

GRAIN RESERVES

In order to build the extended producer-owned reserve program mandated by Congress, the Secretary shall establish a uniform storage rate authorizing storage payments of 25 cents per bushel, for wheat and corn. If the extended reserve is not accumulated within one year, the interest charged shall be adjusted or waived.

FOOD PRICE REVIEW BOARD

In order to prevent unwarranted increases in food prices, the Department of Agriculture (specifically, the Assistant Secretary for Marketing Services) shall have oversight authority over food price increases. A Consumer Price Review Board representing the interests of farmers, consumers, other federal agencies, and the food industry shall be established by the USDA to conduct hearings investigating food price increases. If the Board determines that food price increases are unwarranted, the Department shall report such findings, together with recommendations, to the President and to Congress. The President shall have the authority to roll back food prices to the levels recommended by the Board.

To receive this increased 90 percent loan payment, a farmer would have to apply a system of best management practices on the farm with the help of the Soil Conservation Service. In return for applying these conservation practices, the farmer would receive a certificate from SCS to be turned in at the request for loan payments. Without the certificate, the farmer would receive no loan payments whatsoever.

These conservation practices will not have to be applied all at once. The farmer will have a five-year period to apply the entire conservation plan.

TITLE II: TAX-STRUCTURE AMENDMENT

Two changes would be made in the Internal Revenue Rules which permit farmers to create artificial tax losses by using cash accounting (and ignoring inventory changes).

1. Farmers having more than $100,000 annual gross farm sales would be required to adopt accrual accounting;

2. Taxpayers having more than $15,000 non-farm income will be discouraged from using cash accounting methods.

For tax purposes, farm losses allowable to off-set non-farm income would be limited to $15,000 reduced by the amount that non-farm income exceeded $15,000. If non-farm income exceeded $30,000, no farm losses could be used to off-set any non-farm income, unless accrual accounting were adopted.

These two changes would discourage tax loss farming by very large farms, and by non-farmers, but still allow small family farmers to obtain the full benefit of cash accounting.

TITLE III: FAMILY FARM PRESERVATION PROGRAM

This title establishes a new program for buying and selling agricultural land for the purpose of, 1) providing opportunities for new, young, small or limited resource family farmers to acquire farm land, 2) keeping family farmers on the land to prevent it from being used for non-agricultural development or acquisition by large land owners; 3) helping the economic base of rural communities by bringing more farmers into the area.

The program will work this way: when farmland is up for sale, local organizations or county or city governments, are authorized to buy the land at market price. The cash for such purchases will be available from a federal grant to be used exclusively for purchase and sale of local farmland.

The land can then be sold (or divided and sold) to new, small or limited resource family farmers who need to acquire land in order to establish a family farm of no larger than 640 acres.

TITLE IV: FAMILY FARM OWNERSHIP AND OPERATING LOANS

(1) This is a new Farmers' Home Loan program for those new and marginal small and family farms and cooperatives who presently are unable to obtain loans for the ownership or operation of farms from traditional public or private lenders.

(a) The ownership loan section provides for low interest (5%) loans with payments that amount to 10% of normal annual payment during the 1st year, 20% in the second year, etc., until the tenth year of the term, when the recipient of the loan, would pay 100% of what the normal annual payment would be under regular interest/principal payments. The difference over those 10 years of reduced payments is amortized over the remaining 30 years of the loan period:

(b) The Farm Operating Loan program resembles normal Farmers Home Administration (FMHA) operating loans except that it offers a 3% low-interest payment and is available only to small or family farmers who cannot otherwise obtain loans because they are considered high risk;

(c) Farm cooperatives and farm partnerships are included in the eligibility requirements for these two loan programs.

(2) Farmers Home Loan programs are amended to give FMHA authority to offer loans for installation of appropriate technology on farms.

(3) The ownership loan program outlined in 1(a) is also extended to those participating in the program outlined in Title III, at a reduced 3 per cent interest level, to encourage use of the program.

TITLE V: FARM MARKETING PROGRAMS

This title creates new marketing programs, including the following:

(1) Broadening the authority of the Farmer Cooperative Service to give asssistance to small and moderate sized family farmers with technical, managerial, financial and statistical information so they can establish small cooperatives to help market their products and also encouraging FCS to emphasize aid to small and family farm cooperatives succeed at marketing their products.

(2) Amending the school lunch program to provide that schools shall spend an average of 2¢ per lunch to buy local fresh farm products which are nutritional, valuable and acceptable to local eating preferences, emphasizing those purchases having greatest impact on small and moderate sized family farms.

(3) Directing the Agricultural Marketing Service to evaluate its programs to determine the extent to which they aid small and family farmers and how they could be made more useful to these farmers;

(4) Establishing a pilot project in 12 states based on a program in Indiana which uses electronic computer systems to help small and family farmers;

(5) Establishing Federal-State Direct Marketing Program which allows any interested state government or private organization to submit a proposal to USDA for creating a state-wide direct marketing system that includes:

(a) Maximum participation by farmers and consumers;

(b) A method to attract wholesale and retail buyers;

(c) Locations and good facilities for storage and selling of farm products;

(d) Methods of transferring products between each market, so surpluses are reallocated in an efficient manner.

If the proposal is satisfactory, the cost for establishing and operating it for 3 years are shared 75/25—federal/state or private organization.

(6) The Farmer-to-Consumer Direct Marketing Act is amended to permit nonprofit organizations to receive grant money from the U.S.D.A. to carry out direct marketing projects. (Currently, only the Extension Service and State Departments of Agriculture can receive it.)

TITLE VI: FAMILY FARM DEVELOPMENT

This title establishes a Family Farm Development Service within the U.S. Department of Agriculture to focus needed attention on the small family farmer's problems. This Service would have the authority to:

(1) Coordinate activities within the USDA concerning development & maintenance of small and moderate-sized family farms. This would require working with Extension Service, Farmer Cooperative Service, etc. to enhance communication and avoid duplication of efforts;

(2) Evaluate the activities of the USDA in terms of their impact on small & family farmers and communicate this annual evaluation to the Congress with recommendations for changes;

(3) Develop a national long-term plan to re-direct agricultural policy towards an agricultural system comprised of energy-efficient, environmentally-protective, economically sound family farms which provide a good standard of living to their owners; and report this national plan to Congress in 3½ years;

(4) Set up a Family Farm Assistance board which will also be responsible for giving out research and education grants that will help develop the technology and practices necessary to re-vitalize the family farm.

TITLE VII: RESEARCH PROGRAM

The Family Farm Development Service will give grants to individual organizations, colleges and universities, agencies of a state or local government and other federal agencies to conduct research concerning the development and maintenance of small and moderate-sized family farms—primarily for small farms with gross sales under $30,000 and moderate-sized farms with gross sales of less than $100,000. This research shall include the following matters:

(1) Analysis of the situation leading to the decline in farm numbers—causes of the trend (economic, social, and other) ways to reverse trend, statistics on present farm sizes and numbers, analysis of the relationship between rural economic stability and reduction in numbers of farmers;

(2) Surveys to determine who are beneficial and nominal owners of land and an analysis of trends regarding land ownership;

(3) Ways to enhance the lifestyle of small and moderate-sized family farmers, including community services;

(4) Development of energy efficient, appropriate farm techniques and technologies that are low-in-cost, environmentally protective, such as utilization of solar, wind, water, waste products, and improved soil and water conservation;

(5) Analysis of costs/benefits of these various technologies in comparison to currently used systems and development of means by which to apply these methods on the farm;

(6) Ways to increase and improve nutrient levels of the soil, increase soil productivity, reduce nutrient runoff and water pollution from farming;

(7) Benefits of increasing humus content of the soil—costs/benefits; water retention; food quality; affects on soil erosion, pest control, necessity for irrigation;

(8) Methods to increase humus methods in soil, i.e., composting, cover cropping;

(9) New and improved methods of biological and integrated pest control;

(10) Development of closed-nutrient cycle models for small farms and a cost-benefit analysis;

(11) Studies of agricultural methods in other countries and ways they could be applied to us farmers;

TITLE VIII: EDUCATION, TRAINING AND DEMONSTRATION PROGRAMS

This title contains new programs and amends old programs to change the emphasis of existing education and demonstration programs. These include the following:

(a) Broadening the small farm extension program (often called the "para-professional program") to apply it to every state to help small farmers with financial, managerial, credit, bookkeeping marketing, conservation, and choices of cropping assistance which will help lower costs. This assistance shall include providing information and training on pest control, new crops and better machinery, etc. The para-professionals hired to do this shall be mostly local people, and preferably consist of small farmers themselves.

(b) Establishing Farm Demonstration and Training Centers in each state, located in rural areas, to help train new farmers in improved methods of small and moderate-sized farming and simultaneously demonstrate the new methods and technologies being researched which are energy-efficient, low-in-cost, and environmentally protective.

These Centers shall be managed by the agency, group or individual in each state whose proposal is approved by the Family Farm Development Service and funded by the service.

Instruction to students will include all basic skills needed to operate and manage a small family farm—bookkeeping, machinery repair, carpentry, livestock and crop production, soil and water maintenance and protection, etc.—utilizing those new methods and technology which are energy-efficient, low-in-cost and ecological.

Tours of these Centers and demonstrations shall be provided to farmers and interested groups on a regular basis; reports on costs, energy-savings, soil erosion and quality, and other pertinent statistics of the Centers' operation shall be prepared annually.

(c) Training one USDA agent per state to help instruct small and family farmers in installing and operating appropriate technology;

(d) Establishing a new USDA program to instruct and demonstrate biological and integrated pest control methods, and soil and water conservation methods to family farmers; also to instruct methods to increase soil humus content of soil;

(e) Authorizing new USDA program called the "Apprenticeship Program" to establish a system to help farmers needing workers, and young people wishing to learn how to farm, contact, each other. If an apprentice works for 3 years, this then counts as eligibility for a young farmer loan program to buy and operate a farm.

TITLE IX

The Secretary of Agriculture is authorized to establish regulations by which retail stores shall display signs under all major food commodities which compare the "unit price" to the price received by the farmer for the food value within that community.

Through this mechanism consumers will be able to see the percentage of the price they are paying for the commodity that the farmer received for his product.●

By Mr. PAUL G. HATFIELD:

S. 2746. A bill to maintain in effect for 1978 and succeeding years the social security tax rate which was in effect for 1977, and to provide that there shall be paid into the social security trust funds from general revenues an amount equal to the difference in social security taxes actually received by them and the amount which would have been received by them if the social security tax rates prescribed by existing law for such years had continued in effect; to the Committee on Finance.

SOCIAL SECURITY INCREASE ROLLBACK

● Mr. PAUL G. HATFIELD. Mr. President, the bill that I am introducing today will roll back the social security payroll tax immediately to the rate in effect last year, providing the tax relief so desperately needed by the Nation's wage earners and their employers.

It also will provide temporary general revenue financing to replenish the trust fund, giving Congress time for reconsideration of ways to insure the long-term integrity of the social security system without having to increase the patently unfair payroll tax.

I believe that a long term solution to the depletion of the trust fund requires that disability and hospitalization portions of social security be paid out of general revenues, financed by the progressive income tax. Funding of old age and survivors insurance—the basic retirement security under the system—should continue to be financed by payroll tax contributions.

I have joined in sponsoring legislation introduced on February 6 by the dis-

tinguished Senator from Wisconsin (Mr. NELSON) to accomplish this objective. But such a fundamental change will require time for careful study and deliberation, and it is becoming clearer every day that we must act—now—to provide real relief for those hit hardest by the new payroll taxes, the lower and middle income wage earner and the small businessman. Unless we do so, the families already so heavily burdened by inflation can only be plunged deeper into nagging financial worry, despair, and hardship.

Without such relief, the Nation's improving employment and economic picture could change suddenly and drastically for the worse.

Mr. President, the new social security taxes approved by this Congress late last year will take almost $227 billion from workers and their employers during the next decade, beginning next January 1. That increase—the largest peacetime tax hike in the memory of most Americans—will be on top of another increase, mandated earlier, which this year is taking about $3.3 billion more from the 108 million Americans and their employers who are presently contributing to the system.

The billions of dollars taken out of worker's paychecks for these taxes can only mean less consumer purchasing power, economic stagnation, and, ultimately, more people out of work. And at the same time, employers will have to pass the higher costs of their share of the payroll tax along to consumers, pushing prices ever higher for most of the things we buy.

We cannot allow these conditions to occur, especially now, when economic stimulation and new jobs—without runaway inflation—are needed for our economic well-being.

Certainly we can and must maintain a sound, fully funded social security system. The 33 million Americans receiving benefits today, along with those still contributing, must be assured that the trust fund will not go broke and leave them out in the cold. But the worst way of accomplishing this is by boosting the payroll tax, an indisputedly unfair tax that costs rich and poor alike without any adjustment whatsoever for ability to pay.

Mr. President, I do not need an opinion poll to tell me how most Montanans feel about President Carter's proposals for tax relief. The logger and miner, the farmer and rancher, the housewife and average family breadwinner—all tell me they do not believe the administration's proposals will provide needed help.

We do need an overall net tax reduction at or near the $25 billion envisioned in his proposals. But in my judgment, the notion of "offsetting" increases in the social security payroll tax by cutting the progressive individual income tax is without merit. This roundabout approach is unnecessarily complicated. Because of the mismatch of the two different tax systems, it will not assure relief for many families—particularly the middle income wage earners—who, despite a somewhat lower income tax bill—will wind up paying the same or even more to the Federal Government after the new social security payroll taxes are added on.

The bill I am introducing today will immediately cut back the regressive payroll tax to the 5.85-percent rate in effect prior to last January 1. It will allow necessary time to consider ways to finance a portion of social security benefits permanently through general revenues.

Temporarily, for a 2-year period, my bill also provides for use of general revenues to keep the trust fund in the black while Congress finds a fairer, more sensible way to finance the social security system. The cost to the Treasury will be about $2.2 billion for the remainder of this year, plus $5.5 billion for next year. This reduction in social security obligations will represent significant and direct tax relief until 1980.

Mr. President, the average American family is suffering from a massive overdose of payroll taxation. Our Nation's economy is in jeopardy. Real relief is urgently needed.

I ask unanimous consent that my bill to roll back the payroll tax be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2746

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) section 3101(a) of the Internal Revenue Code of 1954 (relating to tax on employees for purposes of old-age, survivors, and disability insurance) is amended to read as follows:

"(a) Old-Age, Survivors, and Disability Insurance.—In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to 4.95 percent of the wages (as defined in section 3121(a)) received by him after December 31, 1977, with respect to employment (as defined in section 3121(b).".

(2) Section 3111(a) of such Code (relating to tax on employers for purposes of old-age, survivors, and disability insurance) is amended to read as follows:

"(a) Old-Age, Survivors, and Disability Insurance.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 4.95 percent of the wages (as defined in section 3121(a)) paid by him after December 31, 1977, with respect to employment (as defined in section 3121(b)).".

(3) Section 1401(a) of such Code (relating to tax on self-employment income) is amended to read as follows:

"(a) Old-Age, Survivors, and Disability Insurance.—In addition to other taxes, there shall be imposed for each taxable year beginning after December 31, 1977, on the self-employment income of every individual, a tax equal to 7.0 percent of the amount of the self-employment income for such taxable year.".

(b)(1) Section 3101(b) of such Code (relating to tax on employees for purposes of hospital insurance) is amended to read as follows:

"(b) Hospital Insurance.—In addition to the tax imposed by the preceding subsection, there is hereby imposed on the income of every individual a tax equal to 0.90 percent of the wages (as defined in section 3121(a)) received by him after December 31, 1977, with respect to employment (as defined in section 3121(b)).".

(2) Section 3111(b) of such Code (relating to tax on employers for purposes of hospital insurance) is amended to read as follows:

"(b) Hospital Insurance.—In addition to the tax imposed by the preceding subsection, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 0.90 percent of the wages (as defined in section 3121(a)) paid by him after December 31, 1977, with respect to employment (as defined in section 3121(b)).".

(3) Section 1401(b) of such Code (relating to tax on self-employment income for purposes of hospital insurance) is amended to read as follows:

"(b) Hospital Insurance.—In addition to the tax imposed by the preceding subsection, there is hereby imposed for each taxable year beginning after December 31, 1977, on the self-employment income of every individual, a tax equal to 0.90 percent of the amount of the self-employment income for such taxable year.".

SEC. 2. In the administration of sections 201 and 1817 of the Social Security Act—

(1) there shall be deemed to have been imposed by the Internal Revenue Code of 1954 the same amount of taxes as would have been imposed by such Code had the first section of this Act not been enacted, and

(2) there shall be deemed to have been paid an amount of such taxes equal to the difference in the amount actually paid and the amount which would have been paid if the first section of this Act had not been enacted and all persons liable for the payment of such tax had made timely payment of the difference in the amount for which they were actually liable and the amount for which they would have been liable if the first section of this Act had not been enacted.●

By Mr. HASKELL:

S. 2747. A bill to provide for a study of methods by which individuals could be aided in filing their Federal income tax returns; to the Committee on Finance.

● Mr. HASKELL. Mr. President, I am introducing a bill which will provide for the study of certain problem areas and areas of complexity in our tax laws. The purpose of the study is to provide solutions to these problems which might be implemented in order that taxpayers might have an easier time filling out their Federal income tax returns.

Specifically, I have asked for a study to find ways to simplify the tax provisions and forms relating to low income, disabled, and retired taxpayers; cases involving medical interns and residents, sales and exchanges of residences, income averaging; cases involving divorced individuals and the payment of alimony and child support; and a means of eliminating the so-called "marriage penalty."

I have also directed that the study consider the feasibility of having senior citizens file their tax returns on June 15 instead of April 15 so that they do not have to go out in the colder months to obtain taxpayer assistance for their complicated tax problems. I would also like them to be able to make scheduled appointments at the IRS so that they do not have to wait in long lines to have their questions answered.

I feel that Congress ought to have as an objective the simplification of tax forms to an extent that either every American can fill out his own return without the help of a return preparer, or let the IRS fill out the returns of all those who cannot.

In recent years, more than 50 percent of taxpayers in all income groups have used return preparers. Of this 50 percent,

only 3 percent of all returns are prepared by the IRS.

It is no wonder that so many people seek professional help in the preparation of their tax returns. A 1971 HEW study showed that reading the form 1040 instructions required a college-level reading ability.

In an attempt to clarify things the instructions for the 1040 forms have gone from one page in 1913 to 40 pages in 1975. Is the problem the forms or is it the underlying Tax Code? I believe that it is the Tax Code. If we take certain gray areas of the law and make them black or white, this sharpened picture could then be reflected on the forms.

In my bill I have called for a study to be done of certain provisions which affect mainly retired and low- and middle-income Americans. I would like to find solutions to some of these problems.

What are the problems I am talking about? The marriage penalty for one. Maybe if there were only one schedule at the single rates the inequality and complexity could be solved. Instead we have four schedules and people have to do their taxes maybe two or three times to figure out which way is most advantageous. And, if married people file separate returns, then they have the added complexity of figuring out who gets what deduction and how much credit, and so forth. And, add to that the situation of divorced taxpayers with children, and income averaging, and the waters get really murky.

The tax law is still too complicated in areas that touch low-income people, the elderly and just the average taxpayer. Examples are the earned income credit, the credit for the elderly and the medical expense deduction. However, we should not "simplify" by simply taking away deductions like the medical expense deduction or the deduction for home mortgage interest, or deferral of gain on the sale of residence. We must simplify by making these gray areas black and white.●

By Mr. JAVITS:

S. 2748. A bill to provide an improved consolidation of educational programs under title IV of the Elementary and Secondary Education Act, and for other purposes; to the Committee on Human Resources.

By Mr. JAVITS (for himself and Mr. PELL):

S. 2749. A bill to revise and extend the program for gifted and talented children in order to provide a consolidation of that program with other educational programs, and for other purposes; to the Committee on Human Resources.

GIFTED AND TALENTED CHILDREN—EDUCATION CONSOLIDATION IMPROVEMENT

Mr. JAVITS. Mr. President, I am pleased to introduce today, with my colleague Senator PELL, the chairman of the Subcommittee on Education, Arts and Humanities, new legislation which will enable America's gifted and talented children to receive educational services commensurate with their needs.

This legislation does not add yet another separately administered program to the long list of education programs. Instead, it proposes to incorporate an expanded effort for gifted and talented children into an already existing and more efficient delivery system: The consolidation framework constructed in title IV of the 1974 Elementary and Secondary Education Amendments.

THE FEDERAL ROLE IN GIFTED AND TALENTED

Until recently, America's gifted and talented children were among our most neglected minorities. With the advent of a cooperative effort at the Federal, State, and local levels, based largely upon such initiatives as the gifted and talented component of the Special Projects Act, which I authored in 1974 and with the support of Senator PELL and Senator STAFFORD we are at last beginning to remedy this neglect. Yet we cannot be satisfied alone with the current thrust of this effort, for we have only begun to identify and reach these children with new methods and programs. This legislation will improve and expand the current effort, and provide the crucial next step in a history of State and Federal action which has been all too short.

I believe that the gifted and talented child has traditionally been the victim of a nonpolicy. The National Defense Education Act of 1958 was largely a response to a perceived superiority in educational and scientific programs in the Soviet Union. The NDEA was our first visible effort to identify and educate gifted children, and it emphasized training those children demonstrating outstanding scientific, mathematical, or technical ability. The intent of NDEA—to improve America's relative educational status and enable our children to reach their maximum potential—was both noble and pragmatic. Yet should we again require the kind of stimulus from which NDEA resulted to reaffirm the commitment of the American people to achieve their vast potential?

The problem of the gifted and talented has not been well enough understood. There exists a pervasive opinion that these children constitute an elite group who will automatically, by the very nature of their outstanding abilities, reach the top in their respective fields of expertise. Yet this assumption does not begin to account for the fact that the talents of the gifted are frequently potential talents, and may only be made actual through a major effort to identify these children and provide them with necessary special instructional programs. Only last year, less than 4 percent of the gifted and talented children in this country were receiving services commensurate with their needs. This means that over 1.9 million gifted children were seriously impeded in their educational progress. There is an implicit, unacceptable cost, a cost which must be borne by all of us, to leaving this precious resource untapped.

In 1969, I authored a provision of Public Law 91-230, the Education Amendments of 1969, mandating the Commissioner of Education to evaluate the status of education of the gifted and talented, examine the role of Federal, State, and local assistance to these children, and recommend new programs to meet current and future needs. The resultant report to Congress in 1972, "Education of the Gifted and Talented," commonly known as the Marland Report, was a landmark document, one which indicated a lack of resources for gifted and talented children at all levels of Government and a concomitant need for an increased Federal role to narrow the vast gap between the need for services and actual services provided.

Six years ago, when the Marland Report was released, only 10 States had a single staff person working even half-time on the gifted and talented in their Departments of Education. State and local efforts to establish programs were thus sporadic at best. To begin to meet the needs of our gifted population, the legislation was initiated which resulted in the gifted and talented program under the Special Projects Act in 1974. Special projects were a new concept to allow new ideas a period of gestation in which they could prove their worth. A "basket" of seven new Federal demonstration programs was established. I believe the time has come to remove the gifted and talented program from the basket and to enact regular authority to continue these efforts.

THE NEED FOR NEW LEGISLATION

The authority given to the Commissioner of Education under the Federal gifted and talented program has been successful in doubling the capacity of State education agencies to identify and serve gifted children. Yet the $2.56 million current appropriation for this program is insufficient. If the estimate of 2 million gifted and talented children in this country is even roughly correct, then this expenditure of little more than $1 per gifted child is the merest minimal price to pay to identify the gifted and enhance not merely their lives but, through them, the lives of all of us and, it is less than a quarter of the annual authorization of $12.25 million.

This minimal current Federal expenditure in the gifted and talented program assists, through competitive grants, nascent programs in slightly more than half the States. In addition, these funds support projects of educator and leadership training and a small, though diverse, range of demonstration projects sponsored by local education agencies. In fiscal year 1976, over 400 applications for local project funding were received by the Office of the Gifted and Talented; more than 20 applications were received for each such project funded. Obviously, current needs are thus not being served by efforts at either the local or Federal level. There is a great, heretofore unsatisfied demand for a new legislative direction to meet both present and future requirements of the gifted and talented children who represent the best of America's patrimony.

The issue here is not merely one of increased funding for the existing program. Rather, the Federal role must be to give direction and coherence to a more broadly based program of State and local support for gifted and talented education. In strengthening this program, I propose that we act within the broader

framework of ESEA title IV, which contains mechanisms for a flexible and streamlined distribution of funds without sacrifice of individual program identities.

THE ROLE OF GIFTED AND TALENTED IN ESEA IV

Title IV of the Education Amendments of 1974 included both the consolidated State-grant program and the new Special Projects Act, the purpose of which was to create transitional demonstration projects in seven categorical areas. One of these areas is the current Federal gifted and talented program. After 2 years of funding, it is time to reevaluate each of the programs. Congress has already began to unbundle the basket through the recent passage of the Career Education Incentive Act, thus making career education, formerly part of the Special Projects Act, a free-standing Federal program.

Similarly, the gifted and talented program deserves special attention. Current needs, as I mentioned previously, are not being met by the small-scale demonstration project thrust of Federal gifted and talented activity. This bill, by creating a new part within the title IV consolidation, establishes the necessary and proper focus for the gifted and talented, yet does not expressly create another categorical education program. By using the current concepts and mechanisms of the title IV–A State plan and title IV–C allocation formula for the gifted and talented program, the new part D will be relatively simple to administer at both the State and Federal levels.

Furthermore, as a program of educational innovation, part D is consistent with the philosophic framework of the title IV consolidation accomplished in the Education Amendments of 1974. Some States, such as New York, currently designate the education of gifted and talented children as a title IV–C priority area and allocate additional Federal funds provided in the consolidation for such purposes. Although title IV has been a major vehicle for the advancement of the gifted and talented in New York State, resources remain insufficient. The gifted throughout our Nation require more of this kind of support. This bill will finally provide support for the gifted and talented on a truly national scale.

Our purpose is to give gifted and talented children a greater focus of support at the Federal, State, and local levels. I believe this bill accomplishes this goal within a clear and efficient framework. The Council for Exceptional Children (CEC), an organization whose membership has done much to advance the education of handicapped and gifted children, has recently suggested possible legislative changes which it believes would also improve educational opportunities for the gifted and talented. Included in CEC's recommendation is a proposed expansion of the Commissioner's discretionary programs under the Education of the Handicapped Act to include gifted and talented, as well as handicapped children. CEC has also suggested a simple statutory change in the name of the current Office of Education Bureau of Education of the Handicapped (BEH) to the Bureau of Education of Exceptional Persons (BEEP), in order to serve all children with special educational needs.

We must certainly make every effort to assist both our gifted and handicapped children. Many of the major organizations serving both the gifted and handicapped populations have voiced concern, however, that the inclusion of the gifted and talented in current handicapped education programs could create competition between the handicapped and gifted for limited funds appropriated under the Education of the Handicapped Act. Such competition should not be created, and I believe this legislation obviates this by establishing authority for gifted and talented funding separate from the Education of the Handicapped Act.

I invite the views of my colleagues and other interested parties regarding the BEEP concept. The gifted and talented and the handicapped are unquestionably exceptional, and we should not exclude suggested improvements in serving these too-long neglected children from our consideration.

SUMMARY OF GIFTED AND TALENTED BILL

The bill creates a new part D in title IV of the Elementary and Secondary Education Act, with a $50 million annual authorization, and provides for grants to States pursuant to their approved title IV State plans, which shall be expanded to include a gifted and talented component. The distribution of assistance to the States and from State to local education agencies will function in a manner similar to that of the current ESEA title IV–C mechanism; that is moneys allotted to the States based upon relative proportion of population children ages 5 through 17 and distributed by the SEA to local education agencies on a competitive grant basis. Each State receiving funds under title IV–D must insure that at least 25 percent of its allotment goes toward the identification of disadvantaged gifted children, a population underserved and inadequately identified in existing State and Federal programs.

The new Federal gifted and talented program will be primarily one of financial assistance and encouragement to State efforts to serve gifted and talented children rather than federally administered support. Thus, the States are expected to match Federal support for their programs with funds of their own, gradually phasing into a 50–50 Federal-State match in fiscal year 1983. This encourages growth within State programs to a point where each State's gifted and talented population may begin to be adequately served.

This legislation provides that 75 percent of the funds appropriated under part D be reserved to the States for distribution to LEA's. The Commissioner of Education is given discretionary authority over the remaining 25 percent of funds appropriated. This discretionary fund is to be used for activities similar to those currently funded under the gifted and talented component of the Special Projects Act—training of leadership personnel and educators, model projects of identification and education, and an information clearinghouse. This distinction between State and Federal discretion within this new Federal program enables States and localities to best determine their own need for services to gifted and talented children while simultaneously insuring proper Federal coordination of this effort. Furthermore, the Commissioner's discretionary authority allows targeting of funds to areas of greatest need nationally.

In conclusion, Mr. President, the current scope of our country's effort in the field of the gifted and talented is limited, given the ultimate potential benefits to our Nation of a massive effort to identify and develop the talents of every gifted American child. The long-term benefits of our future policy, of which the legislation which we introduce today will form the crux, will be fully evident when our gifted children reach positions of leadership in their respective fields, and perform in these positions to their maximum capacity, with wisdom and sensitivity.

The quality of our future rests largely in the hands of our gifted and talented children, and their future rests largely with us. We have a clear obligation, to them and to ourselves, which this legislation can begin to fulfill.

THE EDUCATION CONSOLIDATION IMPROVEMENT AMENDMENTS

Mr. President, in addition to introducing the gifted and talented measure, I would like to alert my colleagues to certain flaws in the title IV consolidation design which have emerged since the consolidation took effect. The current review of elementary and secondary education programs is an opportunity to apply recent experience to refine the consolidation mechanisms. I am introducing today a second bill containing perfecting amendments which will further improve the delivery of services through the consolidation framework. The education consolidation improvement amendments are drafted to be merged with the new Gifted and Talented Education Act.

THE TITLE IV DELIVERY SYSTEM

In recent years, the proliferation of paperwork and the administrative complexity resulting from the numerous categorical education programs have evolved into a major issue challenging the legislative imagination of the Congress. Congress took a significant step toward meeting this challenge in the Education Amendments of 1974 by incorporating, or consolidating, separate categorical authorities for certain programs under a single title. Previous authorities for school libraries, learning resources, guidance, counseling, and testing are combined into a single formula grant to each State. State education agencies pass the funds onto their local school districts according to individually devised State formulas. Local districts have considerable discretion in using their allocations for any or all of the several program purposes as they see fit. A second formula grant goes to States for previously separate educational innovation, support, and demonstration purposes. States reallocate these funds to

local school districts on a competitive grant basis, setting their own priorities among the several categories. States apply for both of these grants under a single State plan to the Commissioner of Education. This consolidation framework was designed to fulfill two objectives: First, to retain the identity of those Federal programs which clearly respond to a national need; and, second, to simplify the procedures for administering the programs, in order to provide needed and improved educational services to children with greater efficiency and effectiveness. I believe that we should pursue consolidation approaches to the extent that we can satisfy these objectives.

Since the 1974 consolidation, educators and concerned legislators have continued to search for ways to clarify and simplify the range of education programs. One of the most significant attempts to attack the paperwork and administrative problems was undertaken by my colleagues Senators DOMENICI and BELLMON. Their proposed Optional Education Simplification Act is the result of an innovative effort to restructure the many education programs in a functionally logical manner. While their proposal, in my view, may not fully satisfy the objective of retaining the Federal program purposes, we can certainly benefit from the ideas it offers as we consider the education legislation this session.

We are now in the third year of operating programs under the consolidation instituted by the 1974 amendments. As is to be expected with any new and different approach, there have been both positive and negative reports of the efficacy of the design. The consensus is that the general framework is a sound delivery system, but that modification is needed. During House and Senate hearings this past year, witnesses repeatedly noted two flaws in the construction: One in the formula grant to local school districts; the other, in the single application requirement for local districts.

The formula allocation to a school district can be spent, as the district chooses, both for things—material items such as books and learning materials for libraries, classrooms, and school laboratories—and for people—salaries for guidance and counseling personnel. The flaw appears in practice when competition develops between expenditures for things and people. Several groups have pointed out that such competition is illogical within a single formula grant and impedes, rather than facilitates, program implementation.

Among those groups, the American Federation of Teachers, the Council of Chief State School Officers, and the American Personnel and Guidance Association have recommended that the guidance and counseling activities be funded separately from the libaries and learning resources. The American Association of Media Producers' testimony described the competition as a factor retarding the impetus of the consolidation effort. The Domenici/Bellmon consolidation proposal also recognized this problem and recommended a separate treatment of guidance and counseling programs.

The libraries/learning resources and guidance/counseling programs have clearly not blended smoothly within the title IV formula allocation as had been hoped. A new support mechanism is needed to sustain the individual program purposes without losing the workable and desirable characteristics of the existing legislation: Most notably, the distribution formulas and the local discretion in use of the funds.

A second weakness in the consolidation structure of the requirement that local school districts combine their requests for formula and competitive grant funds into a single annual application to the State education agency. While this provision was undoubtedly intended to simplify application procedures, it has unfortunately produced the opposite effect and has compounded the difficulties in initiating and supporting a variety of projects. The fundamentally different funding methods, formula verus competitive grants, demand quite different application time tables and funding award processes for best results. New York State Education Commissioner Gordon Ambach testified that—

There are occasions when we need to have competition for IV–C funds several times a year. We would like to have offered planning grants to districts which were anxious last June to begin planning and operating this past summer.

According to Ambach and the Council of Chief State School Officers, the rigidity of the annual application contradicts the innovative purpose of the competitive grants, sets an unnecessary deadline for formula grant applications, and generally precludes State and local education agencies from making optimal use of the funds.

By dealing with these problems within the context of the consolidation framework, we can further develop the strengths of the existing title IV delivery system.

I ask unanimous consent that the texts of the two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) (1) Section 401(a) (1) of the Act is amended—

(A) by striking out "$395,000,000" and inserting in lieu thereof "$345,000,000", and

(2) Section 401(a) (2) (A) (ii) of the Act is amended by striking out "and so much of title III as relates to testing, guidance and counseling".

(b) Section 401(b) (1) of the Act is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1983".

(c) Section 401 of the Act is amended by redesignating subsection (e) and all references thereto, as subsection (f), and by adding after subsection (d) of such section the following new subsection:

"(e) (1) (A) Subject to the provisions of paragraph (2), there is authorized to be appropriated the sum of $50,000,000 for obligation by the Commissioner during the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, for the purpose of making grants under subpart 1 of part E (Guidance, Counseling and Testing; Formula Grants) of this Act.

"(B) There is authorized to be appropriated the sum of $20,000,000 for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, for the purpose of carrying out subpart 2 of part E (Guidance and Counseling; Discretionary Grants) of this Act.

"(2) No funds are authorized to be appropriated under this subsection for obligation by the Commissioner during any fiscal year unless—

"(A) (i) the aggregate amount which would be appropriated under this subsection for subpart 1 of part E and under subsection (a) of this section is at least equal to the aggregate amount appropriated for obligation by the Commissioner during the preceding fiscal year in which part B and subpart 1 of part E was in effect, or

"(ii) in the case of appropriations under this subsection for the first fiscal year in which subpart 1 of part E is in effect, the amount appropriated for part B plus the amount appropriated for subpart 1 of part E is at least equal to the aggregate amount appropriated for obligation by the Commissioner for the fiscal year 1978 under part B, and

"(B) the sums appropriated pursuant to this subsection are included in an act making appropriations for the first year prior to the fiscal year in which such sums will be obligated, and are made available for expenditure prior to the beginning of such fiscal year.

(d) Section 401(f) of this Act (as redesignated by subsection (c) of this section) is amended by—

(A) striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1983", and

(B) striking out "the allotment under section 402(a) (2)" and inserting in lieu thereof "the aggregate of the allotments under section 402(a) (2) and section 402 (a) (4)".

ALLOTMENT

SEC. 3. (a) (1) The first sentence of section 402(a) (1) of the Act is amended by striking out "subsections (a), (b), or (d)" and inserting in lieu thereof "subsections (a), (b), (d), or (e)".

(2) The second sentence of such section is amended by striking out "under part B, part C, or part D" and inserting in lieu thereof "under part B, part C, part D, or subpart 1 of part E".

(b) Section 402 of the Act is amended by redesignating paragraph (4) of such section as paragraph (5) and by adding immediately after paragraph (3) the following new subparagraph:

"(4) From the amounts appropriated to carry out subpart 1 of part E of this title for any fiscal year pursuant to subsection (e) of section 401, the Commissioner shall allot to each State from such amount an amount which bears the same ratio to such amount as the number of children aged five to seventeen, inclusive, in the State bears to the number of such children in all States.".

(c) Section 402(b) of the Act is amended by striking out "part B, C, or D" and inserting in lieu thereof "part B, C, D, or subpart 1 of part E".

STATE PLANS

SEC. 4. (a) Section 403(a) (2) of the Act is amended by striking out "parts B, C, and D" and inserting in lieu thereof "parts B, C, D, and subpart 1 of part E".

(b) Section 403(a) (4) (A) of the Act is amended by inserting after "section 401(a)" the following: "and from appropriations made under section 401(c) (1) (A)".

(c) Section 403(a) (5) is amended by inserting "(A)" immediately after "provides that" and by adding the following new subparagraph at the end of such section: "and (B) each local educational agency will be given complete discretion (subject to the provisions of section 406) in determining how funds it receives from appropriations made under section 401(e) (1) (A) will be

divided among various programs described in section 451;".

(d) Section 403(a)(7) of the Act is amended by striking out "under any program" and inserting in lieu thereof "allotted".

(e) Section 403(a)(8)(E) of the Act (as added by section 103) is amended—

by inserting after "part D" a comma and the following: "and subpart 1 of part E".

(f) Section 403(a)(11) of the Act is amended by striking out "and section 431 (a)" and inserting in lieu thereof a comma and the following: "section 431(a), and section 451".

PAYMENTS

SEC. 5. Section 405(a) of the Act is amended by striking out "parts B and C" and inserting in lieu thereof "parts B, C, and subpart 1 of part E".

PROGRAM AUTHORIZED

SEC. 6. (a) Title IV of the Act is amended by adding after part D the following new part:

"PART E—GUIDANCE, COUNSELING, AND TESTING

"Subpart 1—Formula Grants

"PROGRAM AUTHORIZED

"SEC. 451. The Commissioner shall carry out a program for making grants to States (pursuant to State plans approved under section 403) for—

"(1) programs of testing students in elementary and secondary schools,

"(2) programs of counseling and guidance services for students at the appropriate levels in elementary and secondary schools designed (A) to advise students of courses of study best suited to their ability, aptitude and skills, (B) to advise students with respect to their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields, and (C) to encourage students to complete their secondary school education, take the necessary courses for admission to postsecondary institutions suitable for their occupational or academic needs, and enter such institutions, and such programs may include short term sessions for persons engaged in guidance and counseling in elementary and secondary schools, and

"(3) programs, projects and leadership activities designed to expand and strengthen counseling and guidance services in elementary and secondary schools.

"Subpart 2—Discretionary Grants

"FINDINGS

"SEC. 456. The Congress finds that—

"(1) guidance and counseling activities are an essential component to assure success in achieving the goals of many education programs;

"(2) lack of coordination among guidance and counseling activities supported jointly or separately by Federal programs and by State and local programs has resulted in an underutilization of resources available for such activities; and

"(3) increased and improved preparation of education professionals is needed in guidance and counseling, including administration of guidance and counseling programs at the State and local levels, with special emphasis on inservice training which takes educational professionals into the workplaces of business and industry, the professions, and other occupational pursuits, and that increased and improved use of individuals employed in such pursuits are needed for effective guidance and counseling programs, including (A) bringing persons employed in such pursuits into schools, and (B) bringing students into such workplaces for observation of, and participation in, such pursuits, in order to acquaint the students with the nature of the work.

"PROGRAM AUTHORIZED

"SEC. 457. (a) The Commissioner is authorized, on a competitive basis, to enter into contracts and make grants to State and local educational agencies, to institutions of higher education, and to private nonprofit organizations to assist them in conducting institutes, work shops, and seminars designed to improve the professional guidance and counseling qualifications of teachers and counselors in State and local educational agencies and nonpublic elementary and secondary school systems, including—

"(1) programs providing opportunities for teachers and guidance counselors in such agencies and systems to obtain experience in business and industry, the professions, and other occupational pursuits,

"(2) for the purpose of such improvement, programs, services, or activities which bring individuals with experience in such pursuits into schools as counselors or advisors for students, and which bring students into the workplaces of such pursuits to acquaint students with the nature of the work,

"(3) programs providing training for supervisory and technical personnel in such agencies and systems having responsibilities for guidance and counseling, and

"(4) programs improving supervisory services in the field of guidance and counseling.

"(b) The Commissioner is authorized to make grants to States to assist them in carrying out programs to coordinate new and existing programs of guidance and counseling in the States.

"ADMINISTRATION

"SEC. 458. (a) The Commissioner shall establish or designate an administrative unit within the Education Division for purposes of—

"(1) carrying out provisions of this section;

"(2) providing information regarding guidance and counseling as a profession, guidance and counseling activities of the Federal Government, and, to the extent practicable, activities of State and local programs of guidance and counseling; and

"(3) advising the Commissioner on coordinating guidance and counseling activities included in all programs which he is authorized to carry out, and, to the extent he deems practicable, how such activities may be coordinated with other programs of the Federal Government and State and local guidance and counseling programs.

"(b) The Commissioner may reserve an amount not to exceed 5 per centum of the sums appropriated for this subpart to carry out the provisions of this section.".

(c)(1) Section 421(a) of the Act is amended by inserting "and" after clause (1), by striking out the semicolon and "and" after clause (2) and inserting in lieu thereof a period and by striking out clause (3) of such section.

(2) Section 421(b) of the Act is amended by striking out "so much of title III as relates to testing, counseling, and guidance".

S. 2749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Gifted and Talented Education Act of 1978".

AUTHORIZATION

SEC. 2. Section 401 of the Elementary and Secondary Education Act of 1965 (hereinafter in this Act referred to as the "Act") is amended by redesignating subsection (d), and all references thereto, as subsection (e), and by adding after subsection (c) of such section, the following new subsection:

"(d) There is authorized to be appropriated the sum of $50,000,000 for obligation by the Commissioner during the fiscal year 1979 and for each of the four succeeding fiscal years, for the purpose of making grants under part D (Education of Gifted and Talented Children) of this title.".

ALLOTMENT

SEC. 3. (a)(1) The first sentence of section 402(a)(1) of the Act is amended by striking out "subsections (a) or (b), or both," and inserting in lieu thereof "subsections (a), (b), or (d) or under any such subsection,".

(2) The second sentence of such section is amended by striking out "under part B or part C, or both" and inserting in lieu thereof "under part B, part C, or part D, or any such part,".

(b)(1) Section 402(a)(2) of the Act is amended by striking out the second and the third sentence thereof.

(2) Section 402(a) of the Act is amended by inserting after paragraph (2) the following new paragraphs:

"(3) From the amounts appropriated to carry out part D of this title for any fiscal year pursuant to subsection (d) of section 401, the Commissioner shall reserve 75 per centum of such amounts to be allotted to the States. The Commissioner shall allot to each State from such amount so reserved an amount which bears the same ratio to such amounts so reserved as the number of children aged five to seventeen, inclusive, in the State bears to the number of such children in all the States.

"(4) For the purpose of this subsection, the term 'State' shall not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. The number of children aged five to seventeen, inclusive, in a State and in all States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.".

(c) Section 402(b) of the Act is amended by striking out "part B or C" and inserting in lieu thereof "part B, C, or D".

STATE PLANS

SEC. 4. (a) Section 403(a)(2) of the Act is amended by striking out "parts B and C" and inserting in lieu thereof "parts B, C, and D".

(b) Section 403(a)(8) of the Act is amended by striking out "and" at the end of clause (B), by striking out the semicolon at the end of clause (C) and by adding at the end thereof the following new clause:

"(D) that not less than 25 per centum of the amounts which such State receives from its allotment under sections 401(d) and 402(a)(3) in any fiscal year shall be used to make payments to local educational agencies to be used by local educational agencies for programs and projects which include identification and education of disadvantaged gifted and talented children from low-income families; and

"(E) from the funds described under clause (A), the State will administer the provisions of State plans relating to section 441(a) of part D.

(c) Section 403(a) of the Act is amended by striking out "and" at the end of paragraph (10), by striking out the period at the end of paragraph (11), and inserting in lieu thereof a semicolon and the word "and", and by adding at the end thereof the following new paragraphs:

"(12) provide, with respect to programs and projects authorized by part D of this title—

"(A) satisfactory assurance that funds paid to the State from its allotment will be expended solely to plan, establish, and operate programs and projects which—

"(i) are designed to identify and to meet the special educational and related needs of gifted and talented children, and

"(ii) are of sufficient size, scope, and quality as to hold reasonable promise of making substantial progress toward meeting those needs;

"(B) that the State educational agency will establish such policies and procedures as are necessary for acquiring and disseminating information derived from educational research, demonstration and pilot projects, new educational practices and techniques, and the evaluation of the effectiveness of the program or project in achieving its purpose; and

"(13) provide that funds made available to any local educational agency from the State's allotment for the programs authorized under part D of this title may be used for the acquisition of instructional equipment to the extent such equipment is necessary to enhance the quality or the effectiveness of the program for which the application by such an agency is made.".

PAYMENTS

SEC. 5. Section 405 of the Act is amended by inserting "(a)" after the section designation, and by adding at the end thereof the following new subsection:

"(b)(1) From the amounts allotted to each State under section 402(a)(3) for carrying out programs authorized by part D, the Commissioner shall pay to that State an amount equal to the Federal share of the amount expended by the State in carrying out its State plan (after withholding any amount necessary pursuant to section 406(f)).

"(2) The Federal share for the fiscal year 1979 shall be 90 per centum, for the fiscal year 1980, 80 per centum, for the fiscal year 1981, 70 per centum, for the fiscal year 1982, 60 per centum, and for the fiscal year 1983, 50 per centum.".

PROGRAM AUTHORIZED

SEC. 6. Title IV of the Act is amended by adding at the end thereof the following new part:

"PART D—EDUCATION OF GIFTED AND TALENTED CHILDREN

"PROGRAM AUTHORIZED

"SEC. 441. (a) The Commissioner shall carry out a program from 75 per centum of the amounts appropriated pursuant to section 401(d) (for making grants to the States pursuant to States plans approved under section 403) for the planning, development, operation, and improvement of programs and projects designed to meet the special educational needs of gifted and talented children at the preschool and elementary and secondary school levels.

"(b) From 25 per centum of the sums appropriated pursuant to section 401(d) the Commissioner is authorized to—

"(1) make grants to State educational agencies to assist them in establishing and maintaining, directly or through grants to institutions of higher education, a program for training personnel engaged or preparing to engage in educating gifted and talented children or as supervisors of such personnel;

"(2) make grants to institutions of higher education and other appropriate non-profit institutions or agencies to provide training to leadership personnel for the education of gifted and talented children and youth; and

"(3) enter into contracts with, and make grants to, public and private agencies and organizations, including State and local educational agencies, for the establishment and operation of model projects for the identification and education of gifted and talented children.

For the purpose of clause (2) of this subsection, leadership personnel may include, but are not limited to, teacher trainers, school administrators, supervisors, researchers, and State consultants, and grants under such clause may be used for internships, with local, State, or Federal agencies and other public or private agencies or institutions.

"(c) Notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act, the National Institute of Education shall, in accordance with the terms and conditions of section 405 of such Act carry out a program of research and related activities relating to education of gifted and talented children. The Commissioner is authorized to transfer, from amounts available for the purposes of subsection (b), to the Institute of Education such sums as may be necessary for the program required by this subsection, but such sums shall not exceed 5 per centum of the amount available for this part in any fiscal year. As used in the preceding sentence the term 'research and related activity' means research or research training, surveys and demonstrations in the field of education of gifted and talented children and youth, or the dissemination of information derived from such research, surveys or demonstration, and all such activities, including experimental and model schools.

"ADMINISTRATION

"SEC. 442. (a) The Commissioner shall designate an administrative unit within the Office of Education to administer the programs and projects authorized by this part and to coordinate all programs for gifted and talented children and youth administered by the Office of Education.

"(b) The Commissioner shall establish disseminate to the public information pertaining to the education of gifted and talented children and youth. The Commissioner is authorized to contract with public or private agencies or organizations to establish and operate the clearinghouse.".

By Mr. PROXMIRE (for himself, Mr. RIBICOFF, and Mr. JAVITS):

S. 2750. A bill to reorganize and consolidate certain functions of the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Federal Reserve System into a Federal Bank Commission to administer all Federal laws relating to the examination, supervision, and regulation of the banking business both foreign and domestic; to the Committee on Governmental Affairs and the Committee on Banking, Housing, and Urban Affairs, jointly, that if reported by one committee, the other has 30 days within which to report, by unanimous consent.

(The remarks of Mr. PROXMIRE when he introduced the bill appear later in today's proceedings.)

By Mr. KENNEDY:

S. 2751. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

REFUGEE AND DISPLACED PERSONS ACT OF 1978

● Mr. KENNEDY. Mr. President, the Immigration Act of 1965, of which I served as floor manager in the Senate, repealed the discriminatory national origins quota system and commence needed steps to reform basic policy governing one of the oldest themes in our Nation's history. Since then, some additional reform measures have been enacted regarding the admission of immigrants, and the bill I am introducing today continues this effort. The bill establishes new policies and procedures for the more orderly admission of refugees and displaced persons from all over the world.

In preparing the bill, I have worked closely with many experts in the private sector, especially the representatives of the voluntary agencies associated with the American Council of Voluntary Agencies and the American Immigration and Citizenship Conference in New York. I have also sought the counsel and advice of many others, including Members of Congress concerned about the deficiencies of our national refugee policy, officials in the executive branch, and representatives of the United Nations High Commissioner for Refugees and other international bodies. I believe the bill represents a reasonable consensus on needed reform, which not only reflects a traditional concern of the American people, but also adds new substance to the humanitarian and human rights dimensions of our Nation's foreign policy.

The bill accomplishes these objectives:

First, it repeals the current law's discriminatory treatment of refugees and displaced persons, by providing a new definition which recognizes the plight of homeless people all over the world and by according refugee admissions the same immigration status as all other immigrants.

Second, it raises the annual limitation on regular refugee admissions from 17,400 to 40,000. This is accomplished without increasing overall annual immigration in recent years.

Third, the bill provides an orderly but flexible procedure to meet "emergent" refugee situations and any other situation of special interest to the United States, if the resettlement needs of the homeless people involved cannot be met within the 40,000 numerical limitation on regular annual admissions.

And four, it authorizes the granting of permanent resident status to students, visitors, and other nonimmigrant aliens, who claim refugee or displaced person status while temporarily present in the United States.

Mr. President, I would like to elaborate briefly on these objectives by referring to specific sections of the bill.

DEFINITION OF REFUGEE OR DISPLACED PERSON

Section 2(a) of the bill repeals the current's law discriminatory definition of a refugee or displaced person, and puts in its place a new definition which fully recognizes the global character of refugee movement.

In contrast to the definition in present law, which only recognizes the plight of homeless people from Communist areas and certain countries in the Middle East, the proposed definition recognizes the plight of homeless people in all parts of the world. The proposed definition defines a refugee or displaced person as—

Any person (i) who is outside the country of his nationality or who, not having a nationality, is outside the country of his habitual residence, and who is unable or unwilling to return to such a country because of persecution or well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group or political opinion, or (ii) who has been uprooted by catastrophic natural calamity, civil disturbance or military operations and who is unable to return to his usual place of abode . . .

A definition along these lines brings our law more in line with our actual prac-

tice in recent years, and finally finishes the job of removing discrimination from the immigration laws. It also gives meaning, after nearly a decade, to our country's 1968 accession, with two reservations, to the United Nations Protocol relating to the status of refugees.

If such a definition were the law, admitting refugees from Chile, for example, would hopefully be a simple matter of humanitarian practice, instead of an issue for needless debate.

ADMISSION OF REFUGEES AND DISPLACED PERSONS

Mr. President, a fundamental change in the definition of homeless people is the cornerstone of any global policy on refugees and displaced persons. But also needed are legislative changes in the procedures for admitting new arrivals in reasonable numbers. Section 2(b) of the bill accomplishes this objective.

To meet ongoing resettlement needs among the normal flow of refugees and displaced persons on a global basis, the bill admits up to 40,000 homeless people during each fiscal year. In contrast to current law, under which refugees are accorded "conditional entry" status, the bill I am introducing today provides for the issuance of regular immigrant visas to qualified refugees and displaced persons, and accords them the same permanent resident status given to any other immigrant. The visas are allocated and issued pursuant to regulations set forth by the Secretary of State.

To meet "emergent" situations and other situations of special interest to the United States, the Secretary of State is authorized to recommend to the Attorney General the conditional admission of additional refugees and displaced persons, if their admission is not "possible or practical" under the 40,000 annual limitation to meet ongoing resettlement needs. The implementation of this authority is dependent on consultations with Congress and is similar to the practices and procedures which govern the Attorney General's parole authority in current law. On the need for this flexible authority, there can be no doubt.

ADJUSTMENT OF STATUS FOR CONDITIONAL ADMISSIONS AND OTHERS

Section 2(b) of the bill also authorizes the Attorney General to grant permanent resident status to homeless people admitted to the United States conditionally.

We know from many years of experience that the granting of such status helps to give new arrivals a greater sense of belonging in our society, and it also helps to encourage them in learning and assuming the responsibilities of eventual American citizenship. And I emphasize this point, because for most refugee families the sense of belonging, which is conferred by permanent resident status, helps to dispel some needless anxieties over the future and is an important psychological boost in helping them to cope with the many daily problems in building new lives. In short, permanent resident status helps to bring refugees and displaced persons into the mainstream of our society and to speed the process of normalizing their lives in the communities in which they live.

Moreover, to include a permanent authority for adjustment of status in the basic immigration statute, avoids the need and cumbersome procedure for special legislation of the kind previously enacted in behalf of refugees from Hungary and Cuba and, more recently, displaced persons from the Indochina Peninsula.

As to students, visitors, and other nonimmigrant aliens who are temporarily present in the United States and claim refugee or displaced person status, section 2(c) of the bill authorizes their adjustment of status to that of permanent resident alien.

Hopefully this provision will help to stimulate the development of nondiscriminatory and sensible policy in this general area of public concern—a policy which is long overdue. Such a policy should govern both the process for granting refugee, displaced person or "temporary safe haven" status to a nonimmigrant alien, and the guidelines which qualify such an alien for permanent residence.

Serious problems persist in this area of public policy, causing undue hardship to many individuals. The plight of some Ugandan students, for example, and certain nationals from a number of countries in Latin America are cases in point.

A good example of some longstanding needs are a few cases of Ugandan Asians who were temporarily in the United States as students in 1972, when their fellow nationals were summarily expelled from Uganda by President Idi Amin. At least two of these cases currently live in Massachusetts and are contributing to their adopted communities. Although they were given refugee status at the time of the expulsions from Uganda, they have yet to be granted permanent residence. The current law does not deny them adjustment of status, but it also does not assure them of the opportunity. This bill accomplishes this objective.

CONCLUSION: ACTIONS NEEDED PENDING MAJOR REFORM

Mr. President, over many years, the American people have responded generously and compassionately to the needs of homeless people, and I share the view of many that a national policy of welcome serves our country and traditions well. The basic purpose of the bill I introduce today is to update the law—and to help insure greater equity in our treatment of refugees and displaced persons and to establish a more orderly procedure for their admission into the United States in reasonable numbers.

Pending the enactment of some basic reform, however, I am hopeful that we will not shun our humanitarian responsibilities toward the homeless, and will use the authorities in current law to help meet these responsibilities in a decent way. And I appeal to the President for his help in accomplishing this end.

The Attorney General should continue to exercise his existing parole authority—judiciously and without discrimination—in behalf of a reasonable number of people who are seeking to build a new life in a new land.

We have a special responsibility toward the displaced persons from the Indochina Peninsula, especially family reunion cases in Thailand and "boat people" from Vietnam. And the need to act is there today.

We also have a special responsibility to meet the growing resettlement needs among Soviet Jews and Armenians and other special migrants from Eastern Europe. And, again, the need to act is there today.

We have a responsibility to join with many other countries in meeting the resettlement needs among Chilean refugees in Argentina and other homeless people in this hemisphere. And a pending proposal for this purpose should be implemented without delay.

And, finally we have a responsibility to meet the scattered cases of other refugees around the world, who claim a special tie with our country.

In "A Nation of Immigrants," President Kennedy wrote:

> Immigration policy should be generous; it should be fair; it should be flexible. With such a policy we can turn to the world, and to our own past, with clean hands and a clear conscience. Such a policy would be but a reaffirmation of old principles. It would be an expression of our agreement with George Washington that 'the bosom of America is open to receive not only the opulent and respectable stranger, but the oppressed and persecuted of all nations and religions; whom we shall welcome to a participation of all our rights and privileges, if by decency and propriety of conduct they appear to merit the enjoyment.'

Mr. President, I ask unanimous consent that the text of the bill, as well as a summary of its provisions, be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Refugee and Displaced Persons Act of 1978".

ADMISSION OF REFUGEES AND DISPLACED PERSONS

SEC. 2 (a) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) (hereinafter in this Act referred to as "the Act") is amended by adding after paragragh (41) the following new paragraph:

"(42) The term 'refugee' or 'displaced person' includes (A) any person (i) who is outside the country of his nationality or who, not having a nationality, is outside the country of his habitual residence, and who is unable or unwilling to return to such a country because of persecution or well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group or political opinion, or (ii) who has been uprooted by catastrophic natural calamity, civil disturbance or military operations and who is unable to return to his usual place of abode, and (B) the spouse and children of any such person if accompanying or following to join him.".

(b) Chapter 1 of title II of the Act is amended by adding after section 206 (8 U.S.C. 1156) the following new section:

"ADMISSION OF REFUGEES AND DISPLACED PERSONS

"SEC. (a) Immigrant visas shall be made available, pursuant to such regulations as the Secretary of State may prescribe and in a

number not to exceed forty thousand in any fiscal year, to refugees and displaced persons described in section 101(a)(42), who are not firmly resettled in any country and apply for admission to the United States.

"(b)(1) In addition to the authority conferred upon him by subsection (a) of this section, the Secretary of State may in his discretion recommend to the Attorney General that all or any portion of a group or class of persons, who are refugees or displaced persons described in section 101(a)(42), may be admitted into the United States conditionally, if the Secretary of State finds that the admission of such refugees or displaced persons—

"(A) is not possible or practical under subsection (a);

"(B) is justified by emergent or humanitarian reasons; or

"(C) is in the public interest.

"(2) Upon receiving a recommendation pursuant to paragraph (1) of this subsection, the Attorney General immediately shall consult with the appropriate Committees of the Senate and the House of Representatives with respect to the recommendation of the Secretary of State. Immediately after the conclusion of such consultations or thirty days after the Attorney General's request for such consultations, the Attorney General may admit into the United States conditionally, pursuant to such regulations as he may prescribe, any alien with respect to whom the Secretary of State has made a recommendation and who is not firmly resettled in any country.

"(c)(1) Any alien admitted into the United States conditionally, pursuant to subsection (b) of this section, shall return or be returned to the custody of the Immigration and Naturalization Service and shall thereupon be inspected and examined for admission into the United States as an immigrant in accordance with the provisions of sections 235, 236, and 237, if—

"(A) the alien's conditional admission has not been terminated by the Attorney General, pursuant to such regulations as he may prescribe;

"(B) the alien has not otherwise acquired the status of an alien lawfully admitted for permanent residence; and

"(C) the alien has been physically present in the United States for at least two years.

"(2) Notwithstanding any numerical limitations specified in this Act, any alien who, upon inspection and examination as provided in paragraph (1) of this subsection or after a hearing before a special inquiry officer, is found to be admissible as an immigrant as of the time of his inspection and examination, except for the grounds of exclusion specified in paragraphs (14), (15), (20), (21), (25), and (32) of section 212(a), shall be regarded as lawfully admitted to the United States for permanent residence as of the date of the alien's arrival.".

(c) Section 245(b) of the Act (U.S.C. 1255(b)) is amended to read as follows:

"(b) Upon the approval of an application for adjustment of status made under subsection (a) the Attorney General shall record the alien's lawful admission for permanent residence as of the date the order of the Attorney General approving the application for the adjustment of status is made, and the Secretary of State shall reduce by one the number of immigrant visas authorized to be issued under sections 202(e), 203(a), or 207(a) within the class to which the alien is chargeable for the fiscal year then current.".

ATTORNEY GENERAL'S PAROLE AUTHORITY

SEC. 3. Section 212(d)(5) of the Act (8 U.S.C. 1182(d)(5)) is amended to read as follows:

"(5) The Attorney General may in his discretion parole into the United States temporarily, pursuant to such terms and conditions as he may prescribe and for emergent or humanitarian reasons or for reasons deemed strictly in the public interest, any alien applying for admission to the United States, but such parole of any alien shall not be regarded as an admission of the alien to the United States. When the purposes of such parole shall, in the opinion of the Attorney General, have been served, the alien shall return or be returned to the custody of the Immigration and Naturalization Service and thereafter his case shall continue to be dealt with in the same manner as that of any other applicant for admission to the United States.".

CONFORMING AMENDMENTS

SEC. 4. (a) Section 201(a) of the Act (8 U.S.C. 1151(a)) is amended—

(1) by striking out ", or who may, pursuant to section 203(a)(7), enter conditionally," each time it appears;

(2) by striking out "45,000" and inserting in lieu thereof "43,000";

(3) by striking out "170,000 and inserting in lieu thereof "160,000";

(b) Section 202 of the Act (8 U.S.C. 1152) is amended—

(1) by striking out "and the number of conditional entries" in subsection (a);

(2) by striking out "(8)" in subsection (a) and inserting in lieu thereof "(7)";

(3) by striking out "or conditional entries" and "and conditional entries" in subsection (e);

(4) by striking out "20 per centum" in subsection (e)(2) and inserting in lieu thereof "26 per centum";

(5) by striking out paragraph (7) of subsection (e);

(6) by striking out "(7)" in paragraph (8) of subsection (e) and inserting in lieu thereof "(6)"; and

(7) by redesignating paragraph (8) of subsection (e) as paragraph (7).

(c) Section 203 of the Act (8 U.S.C. 1153) is amended—

(1) by striking out "or their conditional entry authorized, as the case may be," in subsection (a);

(2) in subsection (a)(2), by striking out "20" and inserting in lieu thereof "26", by inserting a comma and "or parents" after "unmarried daughters", and by inserting after "permanent residence" the following: ": *Provided*. That in the case of parents, such alien lawfully admitted for permanent residence must be at least twenty-one years of age";

(3) by striking out paragraph (7) of subsection (a);

(4) by striking out "and less the number of conditional entries and visas made available pursuant to paragraph (7)" in subsection (a)(8);

(5) by striking out "or to conditional entry under paragraphs (1) through (8)" in subsection (a)(9) and inserting in lieu thereof "under paragraphs (1) through (7)";

(6) by redesignating paragraphs (8) and (9) of subsection (a) as paragraphs (7) and (8);

(7) by striking out "(7)" in subsection (d) and inserting in lieu thereof "(6)"; and

(8) by striking out subsections (f), (g), and (h).

(d) Sections 212(a)(14), 212(a)(32), and 244(d) of the Act (8 U.S.C. 1182(a)(32), 1254(d) are amended by striking "section 203(a)(8)" and inserting in lieu thereof "section 203(a)(7)".

(e) Subsection (h) of section 243 of the Act (8 U.S.C. 1253) is amended to read as follows:

"(h) The Attorney General is authorized to withhold, pursuant to such terms and conditions as he may prescribe and for such period of time as he deems to be necessary, the deportation or return of any alien to any country, if such alien is a refugee or displaced person described in section 101(a)(42)."

(f) Any reference in any law to section 203(a)(7) of the Act shall be deemed a reference to section 207.

EFFECTIVE DATE

SEC. 5 (a) Except as provided in subsection (b), the amendments made by this title shall take effect on October 1, 1978.

(b) The repeal of subsections (g) and (h) of section 203 of the Act, made by section 4(c)(8) of this Act, shall not apply with respect to any individual who before October 1, 1978, was granted a conditional entry under section 203(a)(7) of the Act (and under section 202(e)(7) of the Act, if applicable) as in effect immediately before such date.

SUMMARY OF REFUGEE AND DISPLACED PERSONS BILL INTRODUCED BY SENATOR KENNEDY

Section 1: designates the bill the "Refugee and Displaced Persons Act of 1978".

Section 2: establishes new policies and procedures for the admission of refugees and displaced persons.

1. subsection (a) repeals the discriminatory definition of a refugee in present law and substitutes a new definition as follows:

"The term 'refugee' or 'displaced person' includes (A) any person (i) who is outside the country of his nationality or who, not having a nationality, is outside the country of his habitual residence, and who is unable or unwilling to return to such a country because of persecution or well-founded fear of persecution on account of race, religion, nationality, membership of a particular social group or political opinion, or (ii) who has been uprooted by catastrophic natural calamity, civil disturbance or military operations and who is unable to return to his usual place of abode."

2. subsection (b) creates a new "Sec. 207" in the basic immigration statute, entitled "Admission of Refugees and Displaced Persons". This new section provides as follows:

a. Up to 40,000 immigrant visas are available annually to refugees and displaced persons throughout the world, pursuant to such regulations as the Secretary of State may prescribe.

b. For "emergent or humanitarian" reasons or for reasons "in the public interest", the Secretary of State is authorized to recommend to the Attorney General the conditional admission of additional refugees and displaced persons, if the admission of such persons is not "possible or practical" under the annual limitation of 40,000 immigrant visas cited above.

c. Upon receiving such a recommendation, the Attorney General shall "immediately" consult with the appropriate committees of Congress. Thereafter, or thirty days following the commencement of such consultations, the Attorney General may admit conditionally, any refugee or displaced person covered by the Secretary of State's recommendation.

d. Persons admitted conditionally are eligible to adjust their status to that of permanent resident alien after two years, pursuant to such regulations as the Attorney General may prescribe.

3. subsection (c) specifically authorizes the adjustment of status of nonimmigrant aliens (a visitor, student, etc.) who claims refugee or displaced person status while present in the United States.

Section 3: amends the Attorney General's parole authority to include "humanitarian reasons" as a basis for the parole of aliens into the United States.

Section 4: contains, in the main, technical and conforming amendments; also facilitates the admission of parents of permanent resident aliens by specifically including them in the "preference system" governing annual immigration into the United States.

Section 5: effective date of the Act is October 1, 1978.●

By Mr. PELL:

S.J. Res. 121. A joint resolution authorizing the President to proclaim the second full week in October 1978, as "National Legal Secretaries' Court Observance Week"; to the Committee on the Judiciary.

● Mr. PELL. Mr. President, I take great pleasure in introducing today a joint resolution authorizing and requesting the President to designate the second full week in October 1978 as "National Legal Secretaries' Court Observance Week."

Although this is not a new resolution, similar resolutions were adopted into law in 1973 and 1974, it is one whose merit is as fitting today as it was in the past.

Legal secretaries are truly an indispensable facet of the legal system. Their expertise and dedicated services are essential to the smooth and efficient functioning of the legislative, legal, and judicial processes.

I believe it is most appropriate that we declare a week in special honor of this worthy profession. I hope this resolution will encourage employers to give their legal secretaries a greater opportunity to observe courtroom procedure firsthand so that they may not only better serve their employers and the public but also satisfy their own thirst for knowledge.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Whereas legal secretaries deserve the praise, gratitude, and respect not only of their employers but of the system which they serve so well; and

Whereas employers of legal secretaries can demonstrate their appreciation for jobs well done by giving their legal secretaries greater opportunities to observe courtroom proceedings: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the second full week in October 1978, as "Nation Legal Secretaries' Court Observance Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

By Mr. ANDERSON (for himself, Mr. MCINTYRE, Mr. HART, Mr. PERCY, and Mr. CASE):

S.J. Res. 122. A joint resolution to direct the Office of Technology Assessment to undertake a comprehensive evaluation of energy policy alternatives; to the Committee on Energy and Natural Resources.

OTA STUDY

● Mr. ANDERSON. Mr. President, this year the administration is asking Congress to appropriate $12 billion for the Department of Energy. These moneys will be used for a wide range of programs, some of which are designed to meet our short- and long-term energy supply needs. Behind this $12 billion figure are thousands of decisions made in developing DOE's programs. Each of these decisions is taking U.S. energy policy toward one energy future or another, with little careful planning as to how much energy the U.S. consumer will require or where this energy supply will come from 5, 10, or 20 years from now.

The resolution I am introducing along with Senators MCINTYRE, HART, and PERCY will hopefully result in the establishment of a decisionmaking framework within which Congress can sensibly make energy choices. The Office of Technology Assessment is being asked to study nine separate energy strategies and report to Congress in 18 months on their feasibility.

The study establishes 3 levels of possible energy consumption: High (140 quads per year), medium (110 quads per year) and low (80 quads per year). Within each of these scenarios differing energy supply options are defined. The report is to contain an examination of the commercialization requirements for industry and government for each energy supply option, existing and leadtime manufacturing capabilities, the role State and local governments can play, and the policy options available to remove actual or potential implementation barriers.

In addition, the report is to include an analysis of impacts on national security, economic prosperity (including employment and resource availability), environmental quality, land use, interest groups and their political dynamics and international economic development. Each option is to include a strategy for implementation.

This study may serve to direct our energy efforts down an unexpected path. Technologies may be shown to be feasible only at great social, economic, or environmental costs or a scenario may develop which proves a promising technology's ultimate dependability and its potential level of contribution. A small technology strategy may prove to be the most acceptable energy supply option when all the costs are weighed or a high technology future with a mixture of nuclear and synthetic fuels may be a more plausible scenario to insure an adequate energy supply. The study allows each technology to compete fairly so that each supply strategy will be based on fact not on political whim or regional prejudice.

The report required by Senate Joint Resolution 122 will not only guide spending and program authorizations for the Department of Energy for the next several years, but will also allow Congress and the private sector to move on many fronts; job training, environmental regulations, and capital availability, so that each necessary piece is developed simultaneously to bring us to the energy future most beneficial to the United States and which will also achieve our established goal of energy independence.

Some may argue that work, such as that proposed in Senate Joint Resolution 122, has already been completed. I will not argue that similar work may have been undertaken but I might argue with the conclusions of some of these reports. Our resolution allows OTA to make full use of any prior work provided a justification of the prior studies assumptions and methodologies are available.

Congress needs an independent assessment of where our energy supply decisions are taking us and what parallel actions need to be taken. The OTA report can provide us, at the least, a framework within which to decide.

Mr. President, I ask unanimous consent that the text of Senate Joint Resolution 122 be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 122

Whereas, the strength and stability of our economy, the nature and quality of employment opportunities, the latitude which the Nation will have in pursuing an independent foreign policy, the choices which individuals will have in styles of living, the degree of Federal control over private decisions, the quality of the natural environment, and the security and welfare of the Nation in the immediate and indefinite future will be affected by the energy policy choices of the Federal Government;

Whereas, previous Federal studies of our energy options are inadequate for the responsible formulation of public policy because they do not consider or adequately resolve a number of issues which are crucial to the determination of such policy, including the extent to which our Nation can reduce its growth in energy consumption and sustain balanced economic growth, the maximum and minimum of our strategic energy supply and demand options, the trade-offs which may be necessary in the future between environmental and energy goals, and the measures which would be necessary if for any reason the development of a key technology was constrained; and

Whereas, each plausible pattern of energy supply and demand development should be closely examined and compared systematically, and the potential impact and costs of the corresponding strategies of the Federal Government should be thoroughly evaluated before making a commitment to an energy policy which may be irrevocable and which may have widspread and long-lasting repercussions; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

STUDY

SECTION 1. The Office of Technology Assessment is hereby authorized and directed to study energy strategies and prepare and transmit to the Congress—

(1) within 9 months of the date of the enactment of this resolution, an interim report of its preliminary findings together with a summary of actions to be taken under this resolution; and

(2) within 18 months of such date of enactment, a final report in accordance with section 2 of this resolution.

CRITERIA

SEC. 2. (a) The report under section 1(2) of this resolution shall include detailed formulations, evaluations, and comparisons of a full range of energy policy strategies for the short-, mid-, and long-term future. Such strategies shall include—

(1)(A) one strategy based on a set of assumptions associated with (i) a level of gross national energy use of approximately 140 quads per year in the year 2000 and (ii) a maximum use of synthetic fuels and enhanced oil recovery techniques,

(B) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) intensive electrification, and

(C) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) rapid energy self-sufficiency,

(2)(A) one strategy based on a set of assumptions associated with (i) a level of gross national energy use of approximately 110 quads per year in the year 2000 and (ii) maximum use of solar energy,

(B) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) limited use of power derived from coal, and

(C) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) rapid energy self-sufficiency; and

(3)(A) one strategy based on a set of assumptions associated with (i) a level of gross national energy use of approximately 80 quads per year in the year 2000 and (ii) maximum use of solar energy,

(B) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) a phaseout of nuclear power, and

(C) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) rapid energy self-sufficiency.

(b) Strategies contained in such report—

(1) in the case of strategies described in paragraph (3) of subsection (a), shall be designed to conform energy equipment to end-use needs with respect to scale, geographic distribution, and energy quality;

(2) in the case of strategies described in paragraphs (1)(C), (2)(C), and (3)(C) of subsection (a), shall assume a cessation of imports of fossil fuels into the United States on or before January 1, 2000;

(3) in the case of the strategy described in paragraph (2)(B) of subsection (a), shall assume that the use of coal for producing power will not increase over the approximate level of use during 1990;

(4) in the case of the strategy described in paragraph (3)(B) of subsection (a), shall assume a cessation of use of nuclear powerplants within the United States on or before January 1, 2020; and

(5) in the case of each strategy described in subsection (a), shall specify the gross primary and delivered energy use per year within the United States, including the source, technology, and end use with respect to such energy.

(c) The report under subsection (a) shall include a strategic implementation plan corresponding to each strategy which shall include findings of—

(1) the principal institutional characteristics of commercially operating startup, transitional, and full scale industries for each emerging technology;

(2) the policy options to meet commercialization requirements, estimating cost to the Government, timing, and rate of market penetration;

(3) the policy options to remove or mitigate actual or potential implementation barriers;

(4) the existing capacity for the manufacture of energy (and supporting) equipment and leadtimes necessary for the development of additional capacity;

(5) the possible roles of State and local governments and actions required by them to achieve the goals of each alternative; and

(6) the necessary Federal energy research, development, and demonstration program, including an estimate of the technology priorities, reorientation requirements, and budget level.

(d) The report under subsection (a) shall include analyses, evaluations, and comparisons of the international, national, and (as appropriate) regional and local impacts of each strategy with respect to—

(1) national security;

(2) economic prosperity (especially concerning growth, stability, resource availability, employment, income distribution, inflation, corporate profits, and balance of payments);

(3) environmental quality (especially concerning air and water pollution, solid wastes, and climate);

(4) social welfare and organization (especially concerning equity in sharing costs and benefits of energy programs, health and safety, occupational displacement, industrial infrastructure, and individual lifestyles);

(5) land use (especially concerning agriculture and urban design);

(6) politics (especially concerning interest groups which stand to gain or lose as the result of a particular energy strategy or any portion thereof);

(7) international economic development and stability; and

(8) any other aspect which the Office of echnology Assessment may deem to be relevant to the purposes of the report.

(e) The Office of Technology Assessment is directed to select and utilize the best available methodological, analytical, and evaluative techniques, and to include in the report under subsection (a) explanations of and justifications for the methodological, technical, environmental, economic, demographic, social, institutional, and other assumptions made in carrying out the provisions of this resolution.

(f) In preparing the report under this subsection, the Office of Technology Assessment shall use, to the extent it considers appropriate, information and analyses from any qualified source. Any such use shall be subject to the requirements of subsection (e).

DEFINITIONS

SEC. 3. For purposes of this resolution—

(1) the term "nuclear power" means power derived from the application of fission technologies;

(2) the term "quad" means one quadrillion British thermal units;

(3) the terms "short-, mid-, and long-term future" means the date of the adoption of this resolution through 1985, 1986 through 2000, and after 2000, respectively;

(4) the term "solar energy" includes all the meanings and technologies included within the definition of that term in section 3(1) of the Solar Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1431; 42 U.S.C. 5552) and also within the definitions of the terms "solar heating", "solar heating and cooling", and "combined solar heating and cooling" in sections 3(1) and (2) of the Solar Heating and Cooling Demonstration Act of 1974 (88 Stat. 1070; 42 U.S.C. 5502); and

(5) the term "synthetic fuels" includes fuels derived from coal, oil shale, or biomass.

APPROPRIATIONS AUTHORIZATION

SEC. 4. There is hereby authorized to be appropriated such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this resolution.●

● Mr. PERCY. Mr. President, I am pleased to be joining my distinguished colleagues, Senators ANDERSON, BUMPERS, and HART, in introducing this resolution directing the Office of Technology Assessment to undertake a comprehensive evaluation of energy policy alternatives. This study should provide Congress with precisely the kind of information most useful in formulating energy policy.

Energy decisions made in this Chamber will be felt by every citizen of this country. Jobs, incomes, mobility, patterns of urban, suburban, and rural living, air quality, water quality, and many other factors, both obvious and subtle, that touch the day-to-day life of every American, will all be affected by the energy future we pursue.

Since the ramifications of energy choices are so important, it is imperative that we choose our energy path wisely. To do this, we must be aware of the diverse implications of each potential choice. With the results of the study commissioned by this resolution, policymakers will be able to assess the effects of different energy options, and so choose the best one.

Outlined in the bill are nine different energy scenarios. The different scenarios are based on different critical assumptions, such as the level of energy usage in the year 2000 and the predominant type of energy supply system. One scenario, for example, assumes a very high national energy use—140 quads per year—and a strategy of intensive electrification, which would rely heavily on nuclear generating plants. At the opposite extreme is a scenario that posits the annual use of 80 quads of energy and a phaseout of nuclear power. However, as well as researching these two extremes, the entire middle ground will be covered. Should we commission the Office of Technology Assessment to study these nine scenarios, the relationships they discover will provide Congress with a comprehensive evaluation of energy policy alternatives. As a contribution to the energy debate, such an evaluation would be immensely helpful.

The OTA is, I think, well suited for such an assignment. It was created to provide Congress with information and analyses necessary for policymaking. Having just established its independent authority to hire and fire staff, there can be no accusations of political bias in OTA's work.

Mr. President, though the subject of this resolution may seem a little technical and a little removed from the urgent needs of this country, I think it is a much needed measure. The energy decisions we make today, as well as the ones we fail to make, will have repercussions far into the future. Most of these repercussions are, if not unknown, at least not fully understood. To a greater extent than most people realize, the kind of energy system this country runs on in the year 2000 will determine how its people live. It is the responsibility of Members of Congress to understand the repercussions and to base our decisions on the best evidence and analysis that can be found.

The need for energy legislation will not wait for the OTA staff to conmplete these studies. But the sooner we give them a mandate to begin working, the sooner the invaluable information they will provide can be used as a basis for decisions and legislation. Mr. President, I urge all my colleagues to vote for this resolution.●

ADDITIONAL COSPONSORS

S. 1487

At the request of Mr. BELLMON, the Senator from New Jersey (Mr. CASE)

was added as a cosponsor of S. 1487, a bill to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes.

S. 2388

At the request of Mr. PACKWOOD, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 2388, a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain employer educational assistance programs.

S. 2384

At the request of Mr. CRANSTON, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 2384, the Veterans' and Survivors' Income Security Act.

S. 2397

At the request of Mr. STEVENS, the Senator from New Hampshire (Mr. DURKIN) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 2397, a bill to amend the Act of March 12. 1914, relating to Alaskan railroads to provide for relocation, travel, and transportation expenses for the General Manager of The Alaska Railroad.

S. 2481

At the request of Mr. DOLE, the Senators from Colorado (Mr. HASKELL and Mr. HART) and the Senator from Michigan (Mr. GRIFFIN) were added as cosponsors of S. 2481, the Flexible Parity Act of 1978.

S. 2507

At the request of Mr. ANDERSON, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Texas (Mr. BENTSEN), and the Senator from Maryland, (Mr. SARBANES) were added as cosponsors of S. 2507, a bill to authorize the Smithsonian to acquire the Museum of African Art, and for other purposes.

S. 2606

At the request of Mr. CHURCH, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 2606, a bill to amend and supplement the Federal reclamation laws.

S. 2626

At the request of Mr. HODGES, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2626, a bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes.

S. 2627

At the request of Mr. GRAVEL, the Senator from Kentucky (Mr. FORD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Michigan (Mr. RIEGLE), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 2627, a bill to amend the Internal Revenue Code of 1954 to defer from certain amounts deferred pursuant to State or local public employee deferred compensation plans.

S. 2645

At the request of Mr. WILLIAMS, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2645, a bill to establish an art bank.

S. 2690

At the request of Mr. TALMADGE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 2690, a bill to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes.

S. 2691

At the request of Mr. WILLIAMS, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 2691, a bill to provide for the furnishing of congregate housing services under the U.S. Housing Act of 1937.

S. 2711

At the request of Mr. WILLIAMS, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2711, the Community Schools and Comprehensive Community Education Act of 1978.

S. 2716

At the request of Mr. NELSON, the Senator from California (Mr. CRANSTON) was addde as a cosponsor of S. 2716, the Interstate Land Sales Full Disclosure Act Amendments of 1978.

S. 2730

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 2730, a bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship.

SENATE JOINT RESOLUTION 29

At the request of Mr. BURDICK, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of Senate Joint Resolution 29, a bill to establish an annual National Family Week.

SENATE JOINT RESOLUTION 116

At the request of Mr. SARBANES, he was added as a cosponsor of Senate Joint Resolution 116, providing for National Neighborhood Week.

SENATE RESOLUTION 414

At the request of Mr. PERCY, the Senator from Minnesota (Mr. ANDERSON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Arizona (Mr. DECONCINI), the Senator from Maine (Mr. HATHAWAY), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of Senate Resolution 414, a bill to study the feasibility of installing a solar energy system in the extension of the Dirksen Office Building.

SENATE RESOLUTION 416

At the request of Mr. GRIFFIN, the Senator from Nebraska (Mr. CURTIS), the Senator from Oklahoma (Mr. BARTLETT), the Senator from Nevada (Mr. LAXALT), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of Senate Resolution 416, a resolution to disapprove standards authorized under section 402(a)(426)(B) of the Social Security Act.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENT NO. 1730

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (S. 2549) to authorize appropriations for the activities of the National Science Foundation, and for other purposes.

● Mr. WILLIAMS. Mr. President, today I am submitting legislation to authorize a study that could have profound implications for our future energy policy and ultimately, for the future of the entire planet. This amendment to the National Science Foundation Reauthorization Act, S. 2549, would authorize the NSF to analyze the costs, benefits, and impacts of implementing an accelerated development of satellite solar power stations and orbiting manufacturing facilities. This 2-year planned research program would assess the practicality of manufacturing orbiting structures from lunar or asteroidal materials in space, while analyzing the feasibility of housing the necessary work force at the orbital industrial site.

While these ideas may sound like science fiction, many scientists say they are well within today's engineering possibilities. I am particularly impressed by the work of Dr. Gerard K. O'Neill of Princeton University, whose pioneer research in this field has led him to advocate an expensive large-scale development program similar to the Apollo moon project. Dr. O'Neill, the director of Princeton's newly established Space Studies Institute, believes there is a great future for the United States if we invest in what he and his colleagues around the country are calling the "High Frontier." The High Frontier is the region beyond the Earth's atmosphere where scientists hope to tap solar energy and mine minerals on the Moon's surface.

More and more people are learning about the proposals of Dr. O'Neill and his colleagues. Some are fascinated by the prospect of solar energy being beamed back to Earth from space, while others are intrigued by the prospect of space colonies. I think we owe it to ourselves, to the Nation, and to the world to undertake a serious, realisitc assessment of these ideas. I believe the National Science Foundation, with its access to our Nation's most brilliant minds, is best equipped to coordinate this historic evaluation.

Mr. President, orbiting solar power stations are being considered today around the world as a major future option for supplying electricity on a large scale. The satellite would be a huge array of solar cells to convert sunlight directly into electrical energy. Measuring roughly 3 by 12 miles, it would be assembled in space and placed in geosynchronous orbit over the Equator at an altitude of 22,300 miles. From Earth, it would appear stationary.

The power satellite would beam microwaves to an array of receivers on Earth,

6 miles in diameter, for direct conversion to electricity. About 200 sites in the United States have already been found suitable for such receiving arrays. And, although the total amount of power delivered would be huge—about 5 million kilowatts—scientists say the microwave could be so diffuse as to create no danger to humans, aircraft, or birds.

These scientists estimate that by the early to middle part of the 21st century, it would be possible to have 112 such satellites in orbit through an international endeavor and solar power from orbiting stations might supply half the world's electricity needs.

The study I am proposing today would examine the possibilities and problems raised primarily by Dr. O'Neill and his colleagues. Dr. O'Neill believes his proposals would require an investment of $50 to $60 billion over the next few decades, but would become "almost obscenely profitable" around the turn of the century because of earthbound needs for power and products that could be manufactured easily in space.

Dr. O'Neill recently outlined a possible sequence of events, which he drew up in conjunction with scientists at the National Aeronautics and Space Administration. Their projection is that power transmission to Earth from a satellite is possible by 1992. My 2-year study would be the necessary first step, and a decision whether to proceed could be made by 1980. Dr. O'Neill strongly supports the timing and the need for this study.

He envisions that if the study issues a positive recommendation, then between 1981 and 1984 there could be a program of engineering development and testing on the scale of the Apollo moon program. A mission in 1985 could establish a mining facility on the Moon. By 1987, the mining facility would begin sending lunar material—iron ore, rock, oxygen compounds—out to a predetermined orbital point where a satellite would be constructed. That would take until 1992, when power transmission would begin.

Dr. O'Neill believes that by diverting a small percentage of the solar power produced by the satellite to building a colony could enable as many as 100,000 people to live in space by the turn of the century. They would live in rotating cylinders that would be able to simulate farms, weather, private homes and even trees and streams. As incredible as this sounds, Dr. O'Neill shows that even this is within today's technology, according to his new book, "The High Frontier."

If Dr. O'Neill and his colleagues are correct, then solar satellite power generation—at the very least—would supply cheap energy around the world, without the need for any type of major technological breakthroughs. He insists that the program could be accomplished within the present capabilities of the space shuttle program.

This project sounds like a tremendous opportunity to explore an alternative energy source that has not yet been seriously considered by the Federal Government and ought to be. This study seems urgently needed. The scientific literature on this subject grows daily by leaps and bounds. Newspapers have begun to pick up the story, and I have received several letters from constituents urging the Federal Government to start an active solar satellite power program, or at least investigate the possibility of doing so.

So today, Mr. President, I am asking the National Science Foundation to conduct a study to provide a full and complete evaluation of solar satellite power stations and their potential use in helping to meet U.S. energy needs. The study shall also assess the practicality of constructing in high orbit or in free space, large manufactured assemblies, such as satellite power stations, large optical and radio telescope arrays, ships of exploration, deep space research laboratories, and habitats for long-term human occupation, including in this assessment, the need, if any, for advanced engineering and new hardware technology. Moreover, it will examine the extent to which the program could be accomplished within the capabilities of the space shuttle program.

I would also like the National Science Foundation to analyze the benefits, costs, and impacts of implementing the High Frontier program in the areas of jobs, the economy, the environment, balance of payments, international relations, and national security.

The main purpose of this study, of course, is to have the National Science Foundation make recommendations to the Congress and the President—based on the data obtained during the course of the study—whether we should adopt development of the High Frontier as a national goal, as we did with the Moon program in 1961. The study would also require that ongoing recommendations be made to the Congress as to whether accelerated funding should be provided for current and future High Frontier research and at what level.

To undertake this 2-year feasibility study, I am asking that $500,000 be authorized for each of the fiscal years 1979 and 1980 to the National Science Foundation.

Mr. President, I might add that I do not doubt that there are skeptics among us who might say our money could be better spent on other projects. Quite frankly, many of these skeptics said the same thing about mass transit 30 years ago. Therefore, I urge my colleagues to consider this amendment very carefully, bearing in mind that the investment at this point is relatively minor, but the returns may be tremendously beneficial to the world.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 1, between lines 4 and 5, insert the following:

"TITLE I—AUTHORIZATIONS".

On page 1, line 5, strike out "Sec. 2." and insert in lieu thereof "Sec. 101.".

On page 2, line 13, strike out "Sec. 3." and insert in lieu thereof "Sec. 102.".

On page 2, line 14, strike "sections 2 and 5" and insert in lieu thereof "sections 101 and 104.".

On page 2, line 17, strike out "Sec. 4." and insert in lieu thereof "Sec. 103.".

On page 2, line 24, strike out "Sec. 5." and insert in lieu thereof "Sec. 104.".

On page 2, line 24, strike "section 2," and insert in lieu thereof "section 101,".

On page 3, line 7, strike out "Sec. 6." and insert in lieu thereof "Sec. 105.".

On page 3, line 8, strike "section 2 (b)," and insert in lieu thereof "section 101 (b),".

On page 3, line 11, strike "section 2," and insert in lieu thereof "section 101,'.

On page 3, insert immediately after the end of line 25 the following:

TITLE II—HIGH FRONTIER PROGRAM FEASIBILITY STUDY

SHORT TITLE

SEC. 201. This title may be cited as the "High Frontier Program Feasibility Study Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 202. The Congress finds and declares that—

(1) the exploration of all possible alternative energy sources is essential to the development of sufficient power resources for future generations of Americans;

(2) the solar energy-rich orbital region between the Earth and the Moon, including the materials-rich lunar surface, together known as the High Frontier, may be utilized for the construction of solar power satellites and other large manufactured assemblies;

(3) exploration of the High Frontier area would not only lead to the development of new energy resources but also would serve to maintain and expand America's preeminent position in space; and

(4) research and analysis are needed in order to ascertain the feasibility and practicability of initiating a program to explore and develop the resources of the High Frontier.

ESTABLISHMENT OF STUDY

SEC. 203. (a) The Director of the National Science Foundation (hereinafter referred to as the "Director") shall conduct a High Frontier Program Feasibility Study, which shall be a two-year planned program of research to determine and report on the feasibility of manufacturing structures from lunar or asteroidal materials for use in high orbit.

(b) The Director may conduct the study required by this section directly or by contracts with public agencies, private nonprofit organizations, and academic institutions.

AREAS OF INVESTIGATION

SEC. 204. The study required by this title shall—

(1) provide a complete evaluation of the technical feasibility of establishing satellite solar power stations and the potential use of such stations in meeting American energy needs;

(2) assess the practicability of constructing and operating in high orbit or free space large manufactured assemblies such as satellite power stations, large optical and radio telescope arrays, ships of exploration, deep space research laboratories, and habitats for long-term human occupation, including a determination of—

(A) The extent to which such construction and operation could be accomplished through the use of the existing technological capabilities of American space programs, including the space shuttle program;

(B) the need for the development of advanced engineering and new hardware technology in order to accomplish such construction and operation; and

(C) the feasibility of housing the human work force necessary to construct such large manufactured assemblies at the orbital industrial site; and

(3) analyze the costs, benefits and impact of developing the High Frontier area on the employment, economy, environment, security and balance of payments of the United States, as well as on international relations.

REPORTS REQUIRED

SEC. 205. (a) At the completion of the study, the Director shall report to the President and to the Congress concerning the areas of investigation studied pursuant to section 204. In such report, the Director shall include recommendations concerning—

(1) the advisability of adopting the development of the High Frontier as a national goal;

(2) the feasibility of establishing a program to develop the resources of the High Frontier including the investment cost and payback schedule of such a program; and

(3) the desirability of making such a program to develop the High Frontier an international effort.

(b) At any time during the course of the study, the Director shall make recommendations to the Congress as to whether accelerated funding should be provided for current and future research concerning the development of the High Frontier.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 206. To carry out the provisions of this title, there is authorized to be appropriated $500,000 for each of the fiscal years 1979 and 1980.●

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENT NO. 1731

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

Mr. HELMS. Mr. President, today I am submitting an amendment to the so-called labor reform bill (S. 2467) to provide for shareholder ratification of labor-management contracts.

It is a familiar practice in the labor contract negotiating procedure to submit a negotiated contract to labor union members for ratification. Such a procedure is not mandated by law; rather it has been voluntarily adopted by unions under the provisions of their own constitutions. While such a ratification procedure by the union members is helpful in preserving some degree of democracy in union affairs, it nevertheless has been and will continue to be subject to abuse. Obviously, when union members turn down a carefully negotiated contract, especially in an industry vital to the health and safety of the Nation, most of the pressure falls on management to make further concessions regardless of how unreasonable those further concessions may be. Indeed, the mere prospect of contract rejection by union members gives unwarranted leverage to union leaders during the course of the negotiations.

Nowhere has this been better illustrated than in the current coal strike. A fair settlement was negotiated. In fact, management made many important concessions to placate the union membership. Yet even though management, the labor leadership, and various public officials, including the President, endorsed the contract, the membership rejected it by an overwhelming margin. At some point, negotiations were sure to resume, which they did. When that occurred, there was no doubt as to who will be forced to make still further concessions.

The purpose of my amendment is to establish a more evenhanded policy by permitting businesses to adopt corporate bylaws providing for shareholder ratification of labor-management contracts. Surely the shareholders, many of them retired persons with limited incomes, have as much a financial stake in the eventual outcome of contract negotiations as the employees. If it is permissible for the employees to ratify the contract, it is only fair that the shareholders also be permitted to do so.

If a contract must satisfy both the employees and the shareholders, then the pressure will be felt equally by both labor and management to negotiate a reasonable contract. The contract will almost automatically reflect the fairest possible settlement, because any contract blatantly unfair to either the employees or the stockholders will be sure to be rejected.

Furthermore, it is not just the shareholders' interest that my amendment seeks to protect. To the extent that unreasonable contract settlements are inflationary or contribute to reductions in worker productivity, it is the general public that has the most at stake. The consumers in the end pay the higher prices or receive the poorer quality of goods and services. It is, of course, not practical to have a national referendum on every labor contract. But the shareholders, in their natural desire to reject the acceptance of extravagant labor settlements, will serve well as a consumer surrogate.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1731

On page 22 insert the following between lines 3 and 4:

SEC. 14. Section 8 is amended by adding at the end thereof the following new subsection:

"(h)(1) It shall not be an unfair labor practice under subsection (a) for an employer to submit a proposed collectively bargained labor management agreement to the registered shareholders of such employer for approval of its terms and conditions.

"(2) Any shareholder vote held in accordance with paragraph (1) shall be held within a reasonable time, as determined by the Board. Each shareholder shall be entitled to not more than one vote.".

On page 22, line 4, strike "Sec. 14." and substitute "Sec. 15.".

UNDERSTANDING SUBMITTED FOR PRINTING

UNDERSTANDING NO. 15

(Ordered to be printed and to lie on the table.)

Mr. BROOKE submitted an understanding intended to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95-1.

ADDITIONAL COSPONSOR—EX. N, 95-1

UNDERSTANDING NO. 1

At the request of Mr. HOLLINGS, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Understanding No. 1 intended to be proposed to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95-1.

NOTICE OF HEARING

RESCHEDULING OF HEARINGS

Mr. CRANSTON. I would like to announce a change in the hearing schedule of the Subcommittee on Child and Human Development of the Human Resources Committee. The hearing on youth camp safety scheduled for March 21 will begin at 9:15 a.m., rather than 9 a.m. as previously announced, in room 4232, Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

THE UNITED STATES PROVIDES $30 MILLION TO ZAMBIAN SUPPORTERS OF RHODESIAN TERRORISTS

● Mr. ALLEN. Mr. President, it was recently brought to my attention that on March 6, 1978, John J. Gilligan, Administrator of the Agency for International Development, announced a $30 million loan to Zambia from security assistance funds on standard, highly concessional AID terms. This loan is for the purpose of providing balance-of-payments assistance by financing high priority imports of equipment, materials, and spare parts.

As Senators know, during consideration of the foreign aid legislation for fiscal year 1978, a provision was included prohibiting the utilization of the Southern African Special Requirements Fund for the benefit of Zambia and several other pro-Communist African nations unless the President determine that such assistance would further the clear foreign policy interests of the United States and so certified to the Congress. This prohibition was included in the legislation because of Zambia's consistent and deplorable support for Communist terrorists operating from Zambia in Rhodesia. These terrorists are actively waging a campaign of indiscriminate murder designed to disrupt the internal peaceful settlement recently achieved in Rhodesia by the various political factions in that country which do operate within the bounds of civilized conduct.

So why, then, does the administration, through a presumably legal delegation of authority to Mr. Gilligan, find it advisable now to imply support for acts of ter-

rorism by providing these funds to Zambia, especially inasmuch as the aid provided is contrary to the clear wishes of the Congress and comes at the most inopportune time humanly imaginable.

Mr. President, a major breakthrough was made in negotiations in Rhodesia on March 3, 1978, at which time it was announced that basic agreement for majority rule had been finally achieved between the three moderate and responsible black Rhodesian leaders and Prime Minister Ian Smith, leader of the present white-dominated government. Confronted with this excellent opportunity for achieving a peaceful and correct settlement in Rhodesia, what then was the response of our Department of State? As might be imagined, with characteristic deftness of approach and sensitivity of timing, the lofty-thinking, big-dollar planners down at the Department of State decided almost immediately, if not concurrently, to shell out $30 million in indirect aid and implied support to the very parties engaged in slaughtering the black civilian population in Rhodesia for the clear purpose of intimidating and terrorizing that population, for the further purpose of disrupting the political settlement achieved, and for the final purpose of seizing power and establishing a Communist dictatorship under which majority rule would be little more than a poorly remembered phrase from the rhetoric of the past.

Mr. President, I wish to serve notice now and without equivocation that I, for one, will never again buy off on a prohibition of the sort provided with respect to Zambia in the fiscal year 1978 foreign aid legislation. Apparently we cannot again entrust to the discretion of the President's designees at the Department of State vital decisions of the sort involved here. Apparently we cannot allow an escape valve to the Department of State to be used in the event of major changes in circumstances so as to permit the lifting of a prohibition on aid when that prohibition is no longer reasonable. If the officials at the Department of State are going to abuse procedure to the extent evidenced in this decision to provide $30 million to the irresponsible government now in power in Lusaka, Zambia, then the Department of State cannot again be given the discretion to act.

There will be attempts, I am sure, made soon in the future to secure foreign aid appropriation for these terrorist-leaning governments, and in that event, I wish to assure the Senate that this Senator will not be misled by assurances that the Department of State needs and will not misuse discretion or leeway for changed circumstances affecting decisions governing congressionally prohibited aid to pro-Communist, terrorist-aiding dictatorships of the unfortunate variety now in power in Zambia.

Mr. President, I ask unanimous consent that there be printed in the RECORD an excerpt from the Federal Register, volume 43, No. 45 (Tuesday, March 7, 1978) found at page 9402 and beguilingly entitled "Zambia Import Program Loan."

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

Agency for International Development

ZAMBIA IMPORT PROGRAM LOAN

Determination and Waiver Pursuant to Section 533(c)(2) of the Foreign Assistance Act of 1961, as Amended, Relating to Zambia

FEBRUARY 27, 1978.

The Agency for International Development has proposed a commodity import program loan to Zambia in the amount of $30 million from Security Assistance funds on standard concessional AID terms. The primary purpose of the loan is to provide balance of payments assistance by financing high-priority imports of equipment, materials and spare parts. Funding for the loan will be drawn from the Southern African Special Requirements Funds (FAA section 533).

FAA section 533(c)(2) prohibits the utilization of Southern African Special Requirements Funds for Zambia unless it is determined that such assistance would further the foreign policy interest of the United States.

Zambia occupies a key geographic and political position in Southern Africa. As a frontline state, Zambia has a major role in efforts aimed at a peaceful solution to majority rule in Southern Rhodesia (Zimbabwe) and Namibia. Zambia has experienced severe economic problems by adhering strictly to U.N. sanctions imposed by the U.N. against Southern Rhodesia. These have been compounded by a sharp and continuing decline in world copper prices, Zambia's main export. The significant economic dislocations have created a substantial need for increased capital and development assistance for Zambia.

United States foreign policy in Southern Africa is to support self-determination, majority rule, equal rights and human dignity for all people of the region. It is United States policy that the region have an opportunity to establish the foundations for economic growth and to become a full-fledged participant in the evolving international economic system.

The economic stability of Zambia is extremely important in contributing to the economic stability of Southern Africa, which reflects the basic United States concerns and objectives. The proposed AID loan will have a direct bearing on helping the country meet its critical economic needs and move towards implementing its plans for increasing agricultural production and rural development.

Pursuant to the authority set forth in section 533(c)(2) of the Foreign Assistance Act of 1961, as amended, and delegated to me by Executive Order 10973 and Department of State Delegation of Authority 104, and for the reasons stated above, I hereby determine that it would further the foreign policy interests of the United States to provide assistance to Zambia from the Southern African Special Requirements Funds and hereby waive the prohibition set forth in the above cited provision of law with respect to Zambia.

This determination and waiver shall be reported to the Congress and shall be published in the FEDERAL REGISTER.

Dated: February 27, 1978.

JOHN J. GILLIGAN,
Administrator, Agency for International Development.●

TREASURY DEPARTMENT ESTABLISHES TASK FORCE TO FACILITATE THE INCREASED USE OF ALCOHOL FUELS

● Mr. PERCY. Mr. President, my distinguished colleagues Senators BAYH, JAVITS, ABOUREZK, and I recently requested that the Bureau of Alcohol, Tobacco, and Firearms (ATF) of the Department of Treasury examine ways to simplify the establishment and supervision of alcohol fuel distilleries. Present regulations make the establishment of distilleries complex and time consuming.

I am pleased that ATF has created a task force to consider this question. It is important that we encourage the use of alcohol as a motor fuel in order to decrease our dependence on foreign petroleum. However, it is also important not to allow alcohol produced for fuel purposes to be illegally diverted to beverage use. The creation of this task force by ATF demonstrates that the Treasury Department is sensitive to these issues and will work with the Congress in promoting domestic, renewable fuel sources.

Mr. President, I ask unanimous consent that a recent news release by the Bureau of Alcohol, Tobacco, and Firearms concerning the alcohol fuel task force be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

ATF EXPEDITES GASOHOL PLANT APPROVAL

WASHINGTON.—The Bureau of Alcohol, Tobacco and Firearms (ATF) has formed a task force to determine if regulatory changes can simplify establishment and supervision of plants to produce gasohol—a motor fuel mixture of 10 per cent alcohol and 90 per cent gasoline.

"ATF has received two applications from farm groups to set up experimental alcohol fuel production plants within the past few months," said Director Rex D. Davis. Ethyl alcohol production plants for experimental or research purposes must be approved by ATF but no formal permit is required.

ATF can waive, for experimental alcohol plants, some of the strict regulations which apply to producers of alcohol beverages and industrial alcohol. Using this authority, ATF is seeking ways to expedite approval of plants which distill alcohol from agricultural products or blend such alcohol with gasoline.

Davis said because of Congressional interest in encouraging the use of alcohol for fuel, the Bureau expects more applications for experimental alcohol plants. He predicted that eventually several full scale commercial alcohol plants will produce ethyl alcohol for use as a motor fuel. Several legislative proposals airmed at facilitating the establishment of such plants have been introduced in Congress and in several State legislatures.

"Use of alcohol as a gasoline extender for farm and automobile applications has received considerable attention recently," Davis said. "Because the ethyl alcohol for fuel utilization is the same as that used for drinkable alcohol, which is regulated by federal law, ATF must approve and inspect such plants to ensure that alcohol is not illegally diverted to beverage use, avoiding excise tax payments."

Under the Internal Revenue Code and the Federal Alcohol Administration Act, ATF regulates the alcohol produced for beverage and industrial use at nearly 130 distilled spirits plants nationwide. The bureau also regulates users of alcohol in products such as hair spray and perfumes. Tax-free use by hospitals, research institutions and medical laboratories also is regulated.

Davis said ATF issues operating permits and conducts periodic compliance inspections at these facilities to protect the annual collection of $4 bil. in federal excise taxes on alcohol production and distribution.

The excise tax on distilled spirits beverages is $10.50 per gallon of 100 proof alcohol.

In September of 1977 ATF officials consulted with representatives of the Office of Minority Business Enterprises at the Department of Commerce and developed procedures to assist black businessmen of the Southwest Alabama Farmer's Cooperative Assn. in their efforts to establish an alcohol fuel plant in Selma, Ala. Their application was approved in October and an inspection was conducted during November when Federal government locks and seals were applied to secure the facilities. Production of gasohol began in late January at the plant.

Another applicant, Domestic Technology Institute of Lakewood, Colo., submitted a plan for a system which will use a solar still to produce ethanol from forestry, agriculture and urban wastes. The application has been approved. Laboratory production tests will begin soon.

Alcohol used for fuel would be distilled from agricultural products at the experimental distillery. Then the alcohol is denatured, or made undrinkable by adding chemicals.

By law ATF must closely regulate this distilling, and the the eventual mixing with gasoline, with closed lines secured by government seals to prevent diversions of the alcohol for beverage use. ATF must be assured before the gasohol leaves the regulated plant that the denaturants will make the alcohol as non-potable as possible.

Proposed experimental plants will produce 190 proof alcohol. As a beverage, alcohol is diluted to about 100 proof or less and is taxed at $10.50 per proof gallon. To ensure adequate revenue protection, plant operators are required to post $5,000–$100,000 bonds to cover production.●

MRS. ELIZABETH CUDWORTH

● Mr. PELL. Mr. President, I am delighted to take this opportunity to commend the outstanding service provided to the Senate and our constituents over the past 24 years by the vivacious, compassionate, and conscientious Mrs. Elizabeth Cudworth, formerly of Pawtucket and Newport, R.I. Mrs. Cudworth has spent the past 24 years of her 32-year career with the U.S. Army in the Army Senate Liaison Office. She has retired from the Army and the Senate to pursue another career.

In her liaison capacity, Mrs. Cudworth has provided invaluable assistance to servicemen throughout the country. On February 24, 1978, she was awarded the Meritorious Civilian Service Medal by the Secretary of the Army for her outstanding performance during her Army career. This medal is the second highest honor that the Secretary of the Army can award for civilian service. It is certainly well deserved, and I believe my colleagues share my gratitude and esteem for Mrs. Cudworth. We are proud of Mrs. Cudworth's contribution to our country in this regard and wish her the best in her new career.●

THE COST OF FEDERAL REGULATION

● Mr. DOMENICI. Mr. President, on Monday, March 13, Senator GAYLORD NELSON testified before the Senate Judiciary Subcommittee on Improvements in Judicial Machinery on S. 2354, the Equal Access to Courts Act, which he and I introduced on December 15, 1977. I ask unanimous consent that his testimony be printed in the RECORD at the end of my remarks.

There being no objections, the testimony was ordered to be printed in the RECORD.

Mr. President, in the further course of testimony on this bill, the Department of Justice voiced the objection that the cost of this legislation, estimated at $225 million, was too high a price to pay to stop the steamroller of expanding Federal regulation. As a rebuttal, I ask unanimous consent that the article in Monday's Wall Street Jcurnal entitled "Federal Regulation of Business on Rise, Budget Study Shows" be printed in its entirety. This study calculates the effect of Federal regulatior. on business to be $100 billion annually. Two hundred fifty million dollars is a staggering sum, I agree, but how it pales when compared to $100 billion.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL REGULATION OF BUSINESS ON RISE, BUDGET STUDY SHOWS

ST. LOUIS.—Government regulation of business will continue its climb in fiscal 1979, despite pledges from the Carter administration to trim red tape, says a report by the Center for the Study of American Business at Washington University here.

The federal government's 41 regulatory agencies have a combined budget of $4.82 billion in fiscal 1979, up from $4.54 billion in fiscal 1978 and $2.24 billion in fiscal 1974.

This level of expenditure "represents a growth rate that is unsurpassed by the federal budget as a whole, the population of the country, the gross national product or any other applicable basis for comparison," the study notes.

In an interview, Murray L. Weidenbaum, the center's director, said the study "is a good, direct measure of the rising intervention of government in the economy." He stressed that "the overriding concern isn't just $4.8 billion, but the costs to business for complying with the regulations" which are ultimately passed on to the consumer.

MULTIPLIER EFFECT

An earlier study by the center indicated a multiplier effect of about 20 times the federal regulatory expenditures, Mr. Weidenbaum said. Thus, we reasoned that the cost to business in fiscal 1979 "could easily be close to $100 billion."

Mr. Weidenbaum, formerly Assistant Treasury Secretary for economic policy, said he and a graduate student, Robert DeFina, had pored through the budget since late January, when it became available, picking out regulatory costs.

"It was quite a chore," he continued, noting that "you have to know your way around budget concepts and tables." Nonetheless, he added with a chuckle, "it was something like a detective story. You had to find bits and pieces" related to costs of regulation.

The report disclosed tLat the bulk of budgeted expenditures for fiscal 1979, which begins Oct. 1, are earmarked for areas of social regulation that have received increasing attention in recent years. For instance, the total for consumer health and safety is $2.67 billion, up 3 percent from fiscal 1978, but a 105 percent increase from fiscal 1974. Job safety receives $626 million, up 11 percent from fiscal 1978 and 102 percent from five years earlier.

Regulatory costs for environment and energy increased 13 percent to $1.12 billion from $989 million a year earlier, and reflect a 222 percent gain since fiscal 1974. For instance, the budget for the Environmental Protection Agency is $522 million, up from $473 million in fiscal 1978 and $232 million in fiscal 1974.

"OLD-LINE" AGENCIES

Mr. Weidenbaum maintained that "much media attention" is focused on "old-line" agencies such as the Federal Communications Commission, the Federal Trade Commission and the Interstate Commerce Commission. Yet, this group's expenditures "have a much more stable pattern," he said. "The big money isn't here; the action is in the newer agencies," he said.

Regulatory costs budgeted for these "old-line" agencies edged upward to $341 million in fiscal 1979 from $340 million the year earlier. The fiscal 1979 figure was up 39 percent from fiscal 1974, the economist said.

"Frankly," he observed, "I wasn't aware of the extent the Department of Agriculture has expanded its role." The overall regulatory costs declined to $830 million from $862 million in fiscal 1978; however, both years "are substantially ahead of" fiscal 1974's costs of $314 million, he said.

"In all fairness," Mr. Weidenbaum said, "a lid has been kept on expeditures of the Consumer Product Safety Commission" in recent years. The fiscal 1979 budget allotted the commission $40 million, from $42 million the year earlier and $40 million in fiscal 1977.

TESTIMONY OF SENATOR GAYLORD NELSON THE EQUAL ACCESS TO COURTS ACT

Mr. Chairman, thank you very much for your invitation to testify this morning on S. 2354, the Equal Access to Courts Act. Swift action by the Judiciary Committee and the Congress on this measure would be a real shot in the arm for our nation's small business community, who bear the brunt of arbitrary and autocratic regulation by the Federal bureaucracy. It would also provide relief for individuals who are powerless when they confront bureaucrats whose unfair judgments or actions are backed by the vast resources of the Federal Government.

Arbitrary and unfair government regulation of individuals and small businesses has reached epidemic proportions in this country.

It goes unchecked because those who are hurt can't afford to fight back. For years, bureaucrats have been causing great economic damage to people and small businesses, because the cost of opposing government regulations or fines in court is prohibitive. The Government has vast resources to enforce the arbitrary decisions made by autocratic bureaucrats, but very few individuals or small businesses have the time or money needed to fight back.

Thus we have permitted the development of a situation in which justice cannot be done because those who are victims of arbitrary, unreasonable and unlawful exercise of power by the Federal Government do not have the resources to challenge the Government even though the Government is wrong and they are right.

This legislation provides a remedy that is simple and fair. It provides that whenever an individual or small business challenges an order, rule or regulation and prevails, the Government must reimburse the victim for attorney's fees and court costs.

This will have two salutory effects. First, it will do justice for the victim which is, after all, a fundamental responsibility of government toward its citizens. Second, it will have a marvelously beneficial chilling

effect upon the ardor of those bureaucrats who have a tendency to be careless, arbitrary or irresponsible.

If enacted, this legislation would represent a major step toward curbing one of the greatest threats facing our economic system today—the excessive, arbitrary, nitpicking regulation and harassment of small businesses and individuals by government bureaucrats.

It would have a far-reaching effect by putting individuals and small businesses in a position where they can effectively challenge the arbitrary and autocratic demands of government bureaucrats. It will give them the tools and resources to fight back with when they are faced with arbitrary or unreasonable rules, regulations or orders, whereas now they often have to capitulate to the Federal Government because it would cost them too much to fight.

The unfair and stifling burden of unnecessary government regulations on small business, and our need to get government bureaucrats off the backs of small business proprietors, was a major theme of President Carter's campaign during 1976. In an interview which the National Small Business Association published in their October, 1976, newsletter, Presidential-candidate Carter gave a brief but compelling description of the burden of regulation on small business:

"Because of their lack of ability and resources to defend themselves, small businesses are favorite targets for the 82 regulatory agencies in Washington who last year put out some 45,000 pages of regulations. This underscores the burden forced upon small business by Washington, and makes it more difficult for the small businessman and woman to compete with big business who can afford the best in full-time CPA's, attorneys and lobbyists."

"As a former businessman, I pledge to allow the small businessman and woman to get back to running their business by completely reforming our Federal regulatory agencies, their reporting requirements and tax laws to get the Government off his back."

The Administration has begun doing this, particularly in areas where regulation was exceptionally arbitrary and oppressive, such as OSHA.

There are numerous measures before Congress that would also provide some relief. For example, the Regulatory Flexibility Act, which Senator Culver and I introduced, would authorize agencies to develop two-tiered regulations to simplify the reporting and compliance requirements for small enterprises.

But these measures, as important as they are, go only halfway because they don't, and can't, address one of the most important dangers of government regulations—the inability of small businesses and individuals who are hit by an unjust fine or regulation to muster the time and resources needed to wage an effective fight against the vast powers and resources of the Federal bureaucracy.

Time after time, when the IRS goes after an individual on a tax claim or when OSHA goes after a small business on a health or safety matter, the individual or small business owner can still suffer serious economic damage even if he prevails over the Government and wins his case, simply because the individual has to bear the attorney's fees and other court costs which are involved.

There are many small businessmen and women who have told me that it usually makes no sense to fight the bureaucracy, even when the bureaucracy is wrong. The cost of attorney's fees, the cost of putting together a case and seeing it through an administrative proceeding or the courts, the cost of paying expert witnesses and developing facts, can all come to much more than the cost of simply giving in to the will of the bureaucracy. Either way—give in or fight—the individual or small business loses, and it often makes more sense to capitulate than to fight.

We have a belief in this country that we have the best system of justice in the world. Anyone can have his day in court.

But justice is certainly not done when one side cannot afford to fight.

The Equal Access to Courts Act would right the scales of justice: it would help protect an innocent party from economic damage, often economic ruin, when the Government has made a mistake or exceeded its authority or misconstrued the law. It would help protect us all from the bureaucratic tendency to extend its net of control into every aspect of our business and our lives.

As Chairman of the Senate Small Business Committee, I have long been aware of the deep frustrations and resentment of small businesses against excessive regulation by faceless, distant Washington bureaucrats. Most small business owners and most individuals recognize the need for government regulation in such areas as product safety of the workplace. But many have found that regulations are often excessive and counterproductive, that they are often trivial and serve little purpose other than harassment, and that they are far too often enforced in an arrogant and arbitrary manner.

The horror stories of government regulation are legion. Literally tens of thousands of examples can be drawn from all across the country. Four from Wisconsin provide particularly poignant examples of how arbitrary bureaucratic decisions can cause individuals and small businesses to bear serious economic losses, even if they challenge the decision and win. In each case, they should be reimbursed for their attorney's fees and court costs.

One of the worst occurred five years ago and involved the Marlin Toy Company of Horicon, Wisconsin. Members of this Committee may recall the incident, because Congress had to pass a resolution allowing Marlin to sue the Government for its losses. In 1972, the Food and Drug Administration cited two of Marlin's toys as unsafe. The company conducted a $95,000 recall campaign and corrected the defects to meet the FDA's objections. Just before Christmas of that year, the regulation of toy safety was turned over to the newly-formed Consumer Product Safety Commission, which published a "banned-product" list. The Marlin toys were mistakenly included. Although the government had been able to force Marlin to conduct a recall campaign of its toys, there was no way Marlin could get the Government to conduct a recall of its inaccurate banned-product list. As a result, toy retailers all across the country cancelled their orders causing Marlin a $1.2 million loss. Marlin was forced out of the toy business, and all but 10 of its 85 workers were laid off.

One careless bureaucrat caused 75 Wisconsinites to lose their jobs. The CPSC certainly didn't suffer, and I seriously doubt if anything happened to that bureaucrat.

Another example involves a Hayward, Wisconsin family's inability to correct what seems to be government misrepresentation which occurred in the Interior Department's purchase of the family's land for inclusion in a national park. The family agreed to sell the land for $30,000 less than its fair market value, in return for which the land purchase agent promised that the Interior Department would reimburse the family for up to $15,000 in expenses which the family might incur in physically moving its home and barn to a new location.

After the family went ahead and moved its house and barn—incurring an actual cost of $22,000—and they contacted the government to submit their moving expenses for the $15,000 reimbursement, they were informed that they were entitled to only a $500 fixed payment. They appealed through the proper channels in the Interior Department, which disallowed their claim.

Now they are faced with a choice that will cause them serious economic harm whichever way they go. On the one hand, they can take their $15,000 loss and treat it as the price of mistakenly trusting a government bureaucrat. Or they can sue the government for fraud or misrepresentation. Their lawyer has told them this will cost $5,000 to $6,000, or more if the Government were to appeal an adverse judgment.

In either case, this family loses, unless we enact the Equal Access to Courts Act.

Now let me turn to a case involving the Defense Department, which is costing a small Wisconsin business over $500,000.

In 1966, an Appleton, Wisconsin, firm which qualifies as a small business under the Small Business Act obtained a $1.4 million contract from the Defense Department for the manufacture of diesel generator sets. This firm is well known as an excellent manufacturer of diesel generators and would have had no trouble if parts supplied by the government had not been defective. It cost the firm more than $1 million out-of-pocket to correct for the defects, and a claim was submitted in September, 1969, to the Defense Department for reimbursement. The negotiations took more than a year, but in December, 1970, the two sides agreed to settle the claim for just over $600,000. As the Government memo on this stated: "An important factor in negotiation for the settlement was prompt/expeditious payment by the Government."

But in March, 1971, just as the claim was being processed, the House Armed Services Committee began hearings on allegations of impropriety in the settlement of claims against the Defense Department, and the Department refused to settle this firm's claim. For four years, the company fought the Government, and finally won its $600,000 adjustment in 1974.

But the firm was out over $125,000 in attorney's fees and court costs as a result of the Defense Department's unreasonable refusal to honor the firm's valid claim. In addition, the firm lost another $375,000 due to interest costs, inflation, and shut-down costs that would not have been incurred if the claim had been promptly paid. The Equal Access to Courts Act would take some of the sting out of the massive loss by at least reimbursing the firm for its attorney's fees.

Last but not least, a Milwaukee-headquartered firm which provides temporary manpower has an interesting tale to tell involving conflicting actions by two Federal agencies that have cost the firm over $300,000 in attorney's fees.

The firm franchises its name and business to independent owner-operators in cities and towns across the country, each of which receives an exclusive right to conduct the business in its own market area.

Recently, the firm got caught between two Federal agencies in a predicament that would have been funny but for the great damage it caused.

On one hand, the IRS brought an action against the company to force it to pay millions of dollars in back social security taxes for the owners of the franchises, under the theory that the franchises were really part of the parent franchising firm and the franchise owners were really its employees.

At the same time, an antitrust action was brought against the firm for giving their franchises exclusive territorial rights, under the theory that each franchise is an independent business, making the granting of exclusive territories an illegal restraint of trade.

The Government wanted to have it both ways. Even when the firm brought the government attorneys from each side together to discuss the conflict in their positions, neither side was willing to give in.

The firm ended up spending over $100,000 in attorney's fees on the antitrust case, before it was finally dropped. It has spent more than $200,000 on the IRS case—which the IRS attorneys say is a flimsy one and will probably be won by the company—and that one is still going on.

In cases such as these, if the individual or business prevails over the Government, and proves that the Government was wrong in its action, there is no reason why the Government should not have to pay the attorney's fees and court costs of those who were injured, especially since the taxpayer is already paying the bill for the bureaucrat or lawyer who caused all the trouble.

The argument will be made that this legislation would have an adverse effect on the enforcement efforts of the Federal regulatory agencies, deterring them from pursuing those cases which do involve violations of the regulations. In my view, this particular concern is unfounded. In a case where the agency seeks to expand its interpretation of the law in an uncharted area and the outcome is uncertain, if the agency is proceeding reasonably, it should not be deterred by the possibility that the individual or small business would receive attorney's fees if the Government has exceeded its authority. Congress should make it clear in these cases that the possible cost of attorney's fees is part of the cost of doing Government business and a worthwhile investment of funds to resolve an important policy question. But in those situations where the Government agency goes ahead without a strong case against a business; or where it is proceeding carelessly; or where it now imposes a fine, secure in the knowledge that its action will not be challenged because of the cost involved, I would be very happy if the enactment of this legislation caused some chilling effect on Government regulatory efforts.

In S. 2354, a small business can qualify for reimbursement by meeting either of two definitions—it can qualify as (A) a small business under the Small Business Act, or it can qualify by being (B) "an individual, partnership, corporation, or labor or any other private organization having assets valued at less than $1,000,000 and annual receipts or income of less than $100,000 in each of the five years immediately preceding the filing of the civil action in question." A wire service recently got these definitions intertwined in a news story and the Small Business Committee has received frantic mail from small businesses that don't quite meet the asset-income criteria. We should make it perfectly clear that if a small business meets either criteria (A) or (B), it qualifies for reimbursement.

In addition, a technical amendment is needed—the definition of small business occurs in section (3) and not section (2) of the Small Business Act, and the bill should be changed to reflect that.

In other areas, this legislation may need some fine-tuning, but the principle is sound and just.

The Federal regulatory effort includes thousands of Federal employees, trying to enforce 70,000 pages of regulations involving thousands of diverse businesses throughout the country. In an effort of this magnitude, perhaps it is inevitable that there will be cases of Government negligence, perversity and sheer ineptitude. But, it is absolutely vital that we hold the Government to the strictest standards of care in its enforcement efforts, deterring those abuses which can be prevented, and providing a mechanism for compensating individuals and businesses for those governmental mistakes which cannot.

The need for this legislation highlights a basic dilemma which the United States faces along with the other industrial democracies. Can we have a powerful national Government to enforce the laws which protect public health and safety and preserve competition in the marketplace, while avoiding a Government which is so powerful, intrusive, and arbitrary that it poses a menace to individual and economic freedom? In walking this thin line, we must continually strive for instruments to keep the Government accountable for its actions. This legislation is one such instrument.●

ADEQUATE INCOME FOR RETIRED ELDERLY AMERICANS

● Mr. GRAVEL. Mr. President, this morning the Finance Committee Subcommittee on Private Pension Plans and Employee Fringe Benefits, under the able chairmanship of my good friend, the Senator from Texas, Mr. BENTSEN, held hearings on recent Treasury action with respect to retirement plans sponsored by State and local governments.

There is no more important issue for this Congress than the assurance of adequate income for the retirement of elderly Americans. And yet, most people concede that social security payments are not sufficient to insure a minimal standard of living for retired workers. Americans need to accumulate a capital estate in order to assure themselves a supplement to Government transfer payments in their later years. The accumulation of capital is not easy. With high State and Federal tax rates it is difficult for the average taxpayer to save anything for retirement from his monthly paycheck. As a result we have developed ways for Americans to set aside a certain portion of their income and delay taxation until retirement. We do this through pension plans, individual retirement accounts, and deferred compensation plans.

Recently, Treasury has attacked one of these methods of accumulating retirement capital: the deferred compensation plans. These plans allow an employee to set aside, tax free, a portion of his income for retirement. The employee must elect to set aside a portion of his salary for which he receives an unsecured claim against his employer for payment at retirement. These plans have become very popular with State, county, and municipal governments—and rightly so. They provide retirement security for employees at little or no additional cost to the employer government. The opportunities for abuse under the public plans are minimal. They are generally made available to all the employees of the sponsoring government. The participants are not highly paid and many would not otherwise be capable of accumulating capital for retirement.

Some 30 States have an interest in deferred compensation plans; many have plans in operation, others are contemplating the adoption of deferred compensation plans, and yet others do not themselves have plans, but have county and municipal plans in operation. In my own State deferred compensation plans have been adopted by both State and municipal governments. The State government has 1,250 employees participating in its plan. While that number may appear to be small it constitutes over 13 percent of Alaska's State employees.

Many cities and counties have adopted deferred compensation plans of their own. For example, Anchorage, Alaska's largest city, has adopted a plan in which more than 10 percent of its employees participate.

The continued existence of these deferred compensation plans has been threatened by a proposed Treasury regulation which would require the taxation of the deferred income at the time of deferral. The regulation would reverse the long standing Treasury position that the deferred income is not taxable until received at retirement or other earlier payout. In response to this action by the Treasury, I have introduced S. 2627 which requires the Treasury to return to its original position. S. 2627 is designed to protect existing and contemplated public deferred compensation plans. It will require that income deferred under a public plan not be taxed until the employee receives it upon retirement or termination. It will apply both to existing plans and allow the adoption of new plans.

During our hearings this morning, Mr. President, we heard from the representatives of many State governments affected by the proposed Treasury regulation. Eugene Krasicky, first assistant attorney general of the State of Michigan, set forth for us how these regulations will affect his State and gave us his opinion of the Treasury regulation. I would like to ask unanimous consent that an excerpt from his statement be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Michigan's deferred compensation plan was instituted following the imprimatur of the Internal Revenue Service in July of 1975. Under the plan, all state employees are provided the opportunity to defer portions of their income in order to establish a retirement program. Most employees contemplate applying such funds as a supplement to their state pension and social security benefits so as to allow them to enjoy their post working days without serious diminution in their standard of living. In essence, these employees are willing to sacrifice a little now so that they will not have to sacrifice greatly later.

It should also be pointed out that the State of Michigan Employee Retirement Plan, like that of so many other state and public bodies, is wholly inadequate in meeting the needs of retired employees. Recent statistics show that approximately 12,500 retired state employees are receiving an average monthly benefit of 236.83. Of these, approximately 20% receive less than $100.00 per month. Thus, state employees who lack either the foresight or financial ability to provide a supplementary source of retirement funds face a poverty level existence. The state's dedeferred compensation program provides the opportunity and the ability to assure that state employees are not forced to seek public assistance or further employment when they retire.

Michigan's deferred compensation plan is similar to plans already in existence or soon to be implemented in 37 other states. The make-up of its participants clearly shows that it was not designed as a tax shelter for the well paid. Instead, Michigan's plan is

comprised of a broad spectrum of state employees totaling over 9,500 participants. The median deferral of compensation of these employees into the plan is $41.52 per two-week pay period. Approximately 90% of these employees earn between ten and twenty-five thousand dollars annually, with 40.7% earning between ten and fifteen thousand dollars, 31% earning between fifteen and twenty thousand dollars, and 17% earning between twenty and twenty-five thousand dollars. Only about 9% of the participants earn in excess of twenty-five thousand dollars.

The proposed action of the Internal Revenue Service would, in one sweeping regulation, destroy the expectations and dreams of thousands of state employees. It would place such employees at an unequitable disadvantage compared to employees in the private sector who are eligible for such income deferral plans as profit sharing, stock options, and bonus programs. It would further place such employees at a disadvantage when compared to public school employees and employees of certain tax-exempt organizations whose deductions for annuities are specifically exempted from taxation under section 403(b) of the Internal Revenue Code.

An interesting point to note is that Michigan public school employees enjoy a higher state pension on the average than do state employees. Public school employees receive an average $318.46 per month, while Detroit public school employees receive an average $411.53 per month. That means that the school employees receive $1,000.00 to $2,000.00 more per annum.

Michigan's deferred compensation plan was expressly approved by the Internal Revenue Service in a letter dated July 16, 1975. Therein, the Service recognized that consistent with the cash receipts and disbursement method of accounting and income reporting, a state employee electing to defer a portion of his or her income to a later date would be able to defer inclusion of such sums in his or her gross income until the money was actually paid or otherwise made available to the employee. The IRS would now take the position that such funds are includable in the gross income of state employees at the time the funds are deferred, despite the fact that such employees do not have possession of the money, exercise no dominion over the investment of the funds, and cannot reach such funds until retirement or death of the employee. The proposed action of the Internal Revenue Service, reversing its earlier determination regarding the taxability of deferred income, amounts to an arbitrary and capricious shift in policy, a policy, I submit, which may be made only by the people's elected representatives. We submit that such action is illegal in that it is contrary to such tax court decisions as *In Re Oats*, 18 Tax Court 570 (1952) and *In Re Robinson*, 44 Tax Court 20 (1965), as well as a lengthy list of revenue rulings and acquiescences. In revenue rulings 60-31; 67-449; 68-86; 68-79; and 69-650, the Service recognized that income is only constructively received and is taxable when funds are credited to the employee's account, set apart for him, or otherwise made available so that the employee may obtain them at any time. Income is not, under the traditional view, received if the taxpayer's control of it is subject to stringent limitations and restrictions. Under the State of Michigan's deferred compensation program, employees are required to designate the amounts of deferment in advance of any payment. Such funds are retained by the state and are at all times state funds subject to all statutory and constitutional limitations. The employee has no access to such funds and can only receive them on the happening of certain agreed upon contingencies. i.e. death, retirement, separation, and disability, and unforeseen catastrophe. Thus, the state's deferred compensation program is consistent with the long established Service interpretation regarding income receipt and taxation.

It is significant that the Internal Revenue Code has been amended many times since these decisions and service rulings. In particular, section 451, dealing with the taxable year of income inclusion, was amended in 1965 by P.L. 89-97, in 1969 by P.L. 91-172, and as late as 1976 by P.L. 94-455. The failure of Congress to take action contrary to the historical interpretation regarding income deferment is seen as evidence of Congressional approval. Accordingly, any deviation from this traditional approach must come from Congress and cannot be effected by administrative fiat.

Almost 10,000 employees of the State of Michigan have relied upon the 1975 action of the Internal Revenue Service, have denied themselves so as to provide for their old age without fear or anxiety of becoming a burden on society. The Internal Revenue Service, without the authorization of Congress seek to deny them the benefits to which they are entitled under law. I would urge the Congress to act to prevent this unjust result. On behalf of the State of Michigan, the public good is served by the retention of qualified employees in the public service. The program of deferred compensation helps accomplish the worthy purpose of attracting and retaining dedicated public servants.●

S. 2164 AND UNIT COAL TRAINS

● Mr. ZORINSKY. Mr. President, on March 16, 1978, I was privileged to testify before the Subcommittee on Transportation of the Committee on Environment and Public Works regarding S. 2164, a bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail and highway crossings in certain energy-impacted cases.

I ask unanimous consent that my remarks before the subcommittee be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR EDWARD ZORINSKY

I want to thank Senator Bentsen for providing me the opportunity, through this testimony to air a problem immediately being faced by the states of Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, North Dakota, and Wyoming. I am referring to the problems arising at the intersections of unseparated highway and rail crossings.

This situation was brought to my attention through the efforts of the citizens of my state. Lincoln, Nebraska is privileged to have been one of 12 cities funded as a demonstration project under section 163 of the 1973 Highway Act. A privilege I might add provided by the foresight of this very committee. The 12 demonstration cities were given the responsibility of developing and implementing plans for the relocation or consolidation of railroad tracks in order to eliminate conflict at surface crossings for community benefit and for improved rail operations.

Consolidation in Lincoln under this project went smoothly until coal became the keystone of our nation's efforts to strive for energy independence. As unit coal trains consequently became a primary delivery mechanism from source to consuming public, varying segments of the Lincoln community became embroiled over whose ox was to be gored by having the coal trains pass through their neighborhood.

Lincoln, as an old sage railroadman aptly coined, could possibly become the "coal chute" of the nation.

I am now convinced that this comment could be similarly applied to Moorhead, Minnesota, Littleton or Fort Collins, Colorado, Lusk or Douglas, Wyoming, and Decker, Montana. Needless to say, this enumeration is far from an exclusive listing of troubled communities.

Even with the added impact of coal trains, Lincoln, because of your foresight is able to plan and work out a compromise consolidation, responsive to the needs and desires of the varying affected community segments with money available for separated grade crossings.

Lincoln is nearing the final stages of completing its demonstration project. Although efforts will be made to stop funding these projects, it would certainly be a disservice and highly uneconomical to preclude Lincoln from finishing this task. This is especially true, in light of the insight from their own experiences such projects can provide to help solve the nation's growing problems at rail and highway intersections.

This past summer at my behest Chester Davenport, Assistant Secretary of Transportation brought the Coal Transportation Task Force which he chaired to Nebraska. During the Task Force's open public hearings in Lincoln, because of testimony by representatives from Broken Bow and Grand Island, Nebraska, it became clear that the problem with unit coal trains was even more pervasive than originally perceived by the Task Force or anyone else.

Subsequent to the Nebraska hearing of the Task Force, the gravity of this problem was confirmed by investigation of situations in other states.

In response to a congressinal inquiry the Federal Energy Administration stated:

"Some idea of the magnitude of the overall problem can be gained from the fact that approximately 2,000 communities in the United States have one or more railroads running through them. A recent study by the Nebraska Department of Economic Development showed that in Nebraska, the Burlington Northern (B.N.), one of five major railroad companies operaing in the state, has 690 miles of trackage with 449 public road and street grade crossings. Providing minimal grade crossing protection, which would not include separation, for the B.N. alone would cost an estimated $57,655,000. The cost of installing protective devices is normally borne by the community concerned, while the railroad must maintain them. Where grade crossings are separated by using overpasses or underpasses, the community concerned is responsible for constructing them."

I emphasize in Nebraska alone there are 449 public road and railroad crossings. The estimate of $57.6 million to provide the requisite safety features does not include separation and is only for B.N. crossings. Obviously these crossings will not all require separation, but the potential cost for those that will is staggering.

Likewise the Comptroller General in a Report to Congress entitled "U.S. Coal Development—Promises, Uncertainties" dated September 22, 1977 pointed out:

Weekly unit train traffic of principal western coal carriers

Railroad:	*Number of unit trains a week*
Burlington Northern	55
Chicago & Northwestern	35
Denver & Rio Grande Western	25
Union Pacific	23
Total	138

By 1985 unit train traffic is expected to expand severalfold. The Burlington Northern,

for example, expects to operate about 200 unit trains per week by 1985.

Increased unit train traffic could have a major impact on communities en route, interrupt motor vehicle traffic, and subject community residents to increased noise and air pollution. Some Wyoming communities could experience coal traffic of between 30 and 48 unit trains a day in addition to other rail traffic.

Public concern over the environmental impacts of increasing unit train traffic is causing citizens' and environmental groups to seek closer Federal scrutiny of coal traffic buildup. The Sierra Club, for example, has filed suit in the U.S. District Court to require ICC to more closely examine the environmental impact of a proposed 116-mile coal route to be jointly constructed by the Chicago and Northwestern and the Burlington Northern through the Wyoming coalfields. According to the Sierra Club, the route could carry as many as 48 trains daily through a number of small towns.

Action will be required to reduce the safety hazards and disruption of vehicular traffic and community services that may be caused by unit train operations. Grade crossing improvements such as overpasses, crossing gates, and warning lights will be needed.

Presently, the railroads and affected communities disagree over who will bear the cost of these improvements. Railroads have contended that grade crossing improvements are not their responsibility, and affected communities seem unlikely to receive financial assistance from the rail industry. However, Federal funds are available to the States for construction of highway overpasses and grade crossing improvements under provisions of title 23, United States Code (which contains the Federal Aid Highway legislation), some of which could be used to help alleviate railway and highway crossing problems caused by unit train traffic.

Richard J. Barber Associates, Inc., obviously to the benefit of their railroad clients speak well of their clients' ability to deliver the coal to market. In their 1977 copyrighted report "Railroads, Coal, and the National Energy Plan: An Assessment of the Issues" they publish the kind of matrix which illustrates however that while the problem of unit coal trains is initially a regional issue, transportation of coal on a country wide level is predictable and the problems therefore become national in perspective.

FORECAST IMPACT OF INCREASED UTILITY AND INDUSTRIAL RAIL COAL TRAFFIC ON PRINCIPAL FLOW PATTERNS, 1975 AND 1985 WITH NATIONAL ENERGY PLAN

[In millions of tons]

Producing region: Consuming census region	Increase in tonnage		
	Utility	Industry	Total
Northern Great Plains: West south-central	62.1	8.1	70.2
Appalachia: East north-central	4.3	48.1	52.4
Northern Great Plains: West north-central	43.6	3.9	47.5
Appalachia: South Atlantic	17.1	29.2	46.3
Interior basin: East north-central	17.1	23.3	40.4
Appalachia: Middle Atlantic	5.0	25.4	30.4
Appalachia: East south-central	13.6	14.3	27.9
Rockies: Mountain	10.7	5.7	16.4
Southwestern: West south-central	7.2	8.8	16.0
Interior basin: West north-central	2.7	8.9	11.6
Northern Great Plains: East north-central	10.0	.1	10.1

Source: App. B.

PROJECTED INCREASES IN RAIL COAL TRAFFIC TO ELECTRIC UTILITIES, BY REGION, 1975 AND 1985, WITH NATIONAL ENERGY PLAN

[Tons in millions]

Consuming census regions	1975 tons	1985 tons	Index (1975=100)
New England	1.3	1.3	100
Middle Atlantic	20.1	25.1	125
East north-central	89.2	121.2	136
South Atlantic	58.2	77.3	133
East south-central	30.3	48.6	160
West north-central	32.2	79.1	246
West south-central	.1	78.3	(1)
Mountain	13.8	28.8	209
Pacific		1.2	(1)
U.S. total	245.9	461.0	187

[1] Over 1,000.

REGIONAL CONSUMPTION OF RAIL DELIVERED UTILITY COAL, 1975 AND 1985, WITH NATIONAL ENERGY PLAN

[In percent]

Consuming census regions	1975	1985
New England	0.5	0.3
Middle Atlantic	8.2	5.5
East north-central	36.3	26.3
South Atlantic	23.6	16.8
East south-central	12.3	10.5
West north-central	13.1	17.2
West south-central	.1	17.0
Mountain	5.6	6.3
Pacific		.3

ANTICIPATED INCREASE IN RAIL COAL TRAFFIC TO ALL CONSUMING SECTORS IN 9 SELECTED CORRIDORS, 1975-85

Production region: Consuming census region	Tonnage increase (millions)	Percent of total gain in rail coal traffic
Appalachia:		
Middle Atlantic	31.0	5.6
East north-central	57.8	11.3
South Atlantic	63.1	14.7
East south-central	28.4	6.4
Interior basin:		
East north-central	40.3	9.0
West north-central	11.6	2.7
Southwestern: West south-central	16.1	3.8
Northern Great Plains:		
East north-central	10.1	2.4
West north-central	47.5	11.1
West south-central	70.2	16.4
Rockies: Mountain	16.4	3.8

These above charts clearly show that the movement of coal by rail will spare few if any sections of our country.

Finally in January of this year the long awaited report of the Coal Transportation Task Force was released.

The following chart published by the Task Force confirms the Barber report's analysis that the flow of coal will affect nearly every region of the country.

The report of the Coal Transportation Task Force substantiates my concern, and the concern of my colleagues who have co-sponsored S. 2164:

"The substantial increase in unit coal trains required to transport new coal production will result in major social and environmental disruptions in many communities through which they move. While many different parts of the country will see more unit trains, the primary growth and the resulting impacts will occur along Western coal routes.

"For example, the Burlington Northern Railroad estimates that it will transport over 142 million tons of coal in unit train service in 1980, an increase of 390 percent over 1974 tonnage. Unit train traffic will increase significantly on all of the six major coal hauling Burlington Northern rail links. Traffic on the Alliance to Lincoln, Nebraska segment, for example, will jump from 5 unit trains per day in 1975 to approximately 35 per day in 1980. For other routes, it is anticipated that traffic will rise from only 2 or 3 trains per day to as many as 25–35 per day.

"These large traffic increases will create significant social and environmental impacts in the hundreds of small towns through which the major rail lines pass. In many cases, these towns are spread out along both sides of the track. With most rail lines at grade, passing trains will temporarily sever towns, disrupting traffic on local streets and delaying essential hospital, fire and police services. In some communities, in addition to acting as physical barriers, rail lines have come to represent social boundaries as well. In these cases, increased train traffic may have the effect of further isolating certain sectors of the community while adding to an already unsatisfactory community environment.

"In a physical sense, the extent of these impacts depends on: (1) the frequency of exposure; (2) the length of the trains; and (3) train speed. Most unit trains transporting western coal will total 100 or more hopper cars, plus four or five locomotives and a caboose. It is not uncommon for such trains to exceed one mile in length. Train speed varies considerably, depending on track conditions, the existence of grade separations, and local ordinances. A March 1976 Department of Transportation Report to the Congress on Railroad Consolidation and Relocation in Urban Areas indicates that the average maximum timetable speed in towns of 4,001 to 10,000 population was 26.3 miles per hour, while the average typical speed ranged from 9 7 to 24.7 miles per hour. Some communities have imposed ordinances requiring passing trains to travel as slowly as 5 miles per hour. Assuming a hopper length of 50 feet, it would take a 100-car unit train with five locomotives approximately 3 minutes to pass a particular point at 20 miles per hour, and 12 minutes to pass at 5 miles per hour.

"The disruptions to the normal activities of affected communities would seem to be tolerable in cases where unit trains pass through towns only two or three times a day. *However, should traffic increase to 35 trains per day, the total passby time for one day will jump to approximately 1.8 hours at 20 miles per hour, and 7.2 hours at 5 miles per hour. In the latter case, the affected communities would in effect be severed for more than one-quarter of the day. This situation would be intolerable in virtually all cases.* (emphasis added)

"Railroad relocation and consolidation projects can result in a variety of benefits including increased safety and mobility for the highway user, reduced maintenance and operating costs for the railroad, and environmental enhancement, more compatible land use, and improved safety for the community.

"In an effort to keep abreast of this problem, the Federal Railroad Administration maintains a national inventory of grade crossings which identifies the amount of railroad traffic and the amount of motor vehicle traffic at each railroad-highway grade crossing. The inventory identifies the road system and shows two speeds at each grade crossing, the maximum timetable speed, and the typical speed over the crossing. It is possible to identify the towns associated with extremely slow speeds. It is not possible to learn whether a local ordinance or some other factor is responsible for the slow speed.

"At this time it is difficult to identify coal route grade crossings. Within a year, however, it will be possible, using the Fed-

eral Railroad Administration's network model and additional information supplied by the railroads, to identify the grade crossings associated with coal routes

"The 1944 Federal-Aid Highway Act provided that the entire construction cost for eliminating railroad-highway grade crossing hazards on the Federal-aid highway system could be paid from Federal funds. This Act also provided that not more than 10 percent of the total funds apportioned to each state in any year could be used for grade crossing projects at the special Federal share. Since the states have other high priority highway needs, only two to three percent of regular Federal-aid highway funds are expended each year for railroad-highway projects.

"In addition to the regular Federal-aid highway program, the Highway Safety Acts of 1973 and 1976 provided special funding for railroad-highway grade crossing safety improvements, both on and off the Federal-aid highway system. Since 1973, under the FHWA's Rail-Highway Crossing Program approximately $25 million has been apportioned to the states of Colorado, Kansas, Minnesota, Montana, Nebraska, Nevada and Wyoming. This $25 million will be spent making improvements to railroad crossings throughout each state, not just to those crossings traversed by coal-carrying unit trains. In accord with the legislation creating the program, at least half of these funds will be spent on low-cost grade crossing safety improvements, which are of little or no help in alleviating the hazards and inconveniences occasioned by increasing unit train operation. An additional $7 million is the 1977 fiscal year apportionment to these same states for improvements to rail-highway crossings on roads other than those on the Federal-aid system. *The apportionments of these funds to the various states are relatively small and the emphasis is on low-cost safety improvements. Consequently, this program is not currently an adequate means of funding a significant number of grade separation structures, which are typically justified on the basis of improving traffic mobility rather than safety.* (emphasis added)

"Other potential impacts from increased unit train traffic include increased air pollution emissions from both locomotives and auto traffic idling at grade crossings, and coal dust particles escaping from open hopper cars. The latter problem can be mitigated by wetting the open coal."

In volume 2 of its 9 volume report dated August 1977 to the Department of Interior, Bureau of Mines and the Federal Energy Administration, entitled "Comparative Coal Transportation Costs: An Economic and Engineering Analysis of Truck, Belt, Rail, Barge and Coal Slurry and Pneumatic Pipelines" by the Center for Advanced Computation of the University of Illinois at Urbana while addressing the technical issues of unit coal train delivery tangentially address the problem created by unit trains:

"A singular area for public action is rerouting lines around cities and towns. Clearly if train speeds must be 30–60 mph and train spacing one hour or less, trains cannot roll through level crossings in populated areas. The bypasses on the Interstate highway system are thoughtful examples of this. An alternative is the cordoned corridors for rail traffic that exist in the east. Both alternatives are expensive. *Nevertheless, if the rails are to carry the anticipated increased coal traffic and other freight, not only must an accommodation be made with the populated areas through which they pass, but it is likely that all county road crossings will have to be protected by remote control gates and all secondary (and higher classification) roads will have to be supplied with overpasses.* To the railroads the payoff for the capital investment is train speed, reduced operating costs and increased capacity which benefits all traffic. *If the railroads cannot or will not provide the capital, if rail transport is still considered desirable or necessary, rerouting must be done publicy.*" (emphasis added)

I think it is now clear that we have a problem. A problem which is not going to go away, but rather one which is only going to grow in terms of geographic perspective and intensity.

Obviously the problem is not one of simply cars versus trains. What we are talking about is disintegration of communities. Factions in communities will vie for public services to be located on that their side of the tracks. The fabric of our small towns will be torn apart by such debate. Just recently I received a copy of a letter from the Mayor of Scottsbluff, Nebraska (a copy of which I have provided all of you). On February 25 the city experienced a fire in the city's refinery and an explosion at the electric plant at the same time and all on the other side of the railroad tracks and no overpass to boot. Luckily, however, no coal trains were rolling through. Others may not be so fortunate. Emergency vehicles will be prolonged so that families may burn to death, individuals in ambulances may die, babies may die in birth on their way to the hospital. It is not a pretty picture to paint but the truth must be told regarding the impact of unit coal trains. The old adage that one lives on the wrong side of the tracks will become a life and death reality.

The situation is presently not hopeless but only precarious. Immediate action is needed to insure that grades can be separated or track relocated before the brunt of the unit coal train traffic is upon us. We can provide leadership and not simply be forced into a reactive posture, but we do not have much lead time.

I introduced S. 2164 in September of this past year to expedite the dialogue on this issue. The Department of Transportation should be finished formulating a position on this legislation soon.

Additionally, the issue of the cost of such a program must be addressed. The report of the Coal Transportation Task Force, states:

"The states, the railroads, and affected communities have all expressed concern with the effects of heavy coal traffic at grade crossings. In a survey conducted by the Federal Highway Administration, the states which indicated funding needs for grade separations and for bypass routes for 1985 coal traffic. Costs for individual separations range from $500,000 to $1 million or more, with total rail-highway grade crossing *needs exceeding $200 million*. This study focused on energy-related highway needs and the results do not reflect the full extent of the rail-highway grade crossing problem. The cost of eliminating all serious rail-highway conflicts could be significantly greater. The states expressing needs are Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, North Dakota, and Wyoming. The heavily impacted states of Minnesota and Nebraska indicate needs for 32 grade separations each." (emphasis added)

The figures are conservative. A separated grade can run anywhere from $500,000 to $2.5 million depending on the size of the highway going over or under and the number of tracks being traversed. Additionally the "exceeding $200 million" figure I understand was a good faith effort but nevertheless a shot in the dark and is far low.

The costs of such a program are indeed high. While I introduced S. 2164, I do not subscribe to the belief that such a cost should be borne solely out of the federal treasury. Nor am I wedded to any specific dollar level. S. 2164 is a vehicle to expedite dialogue. I believe that we must have a shared cost; be it railroad, coal producer, coal consumer, federal or local money. I leave the division and level of funding of this program to your expertise.

However divided, the authorization for such a program must begin, and begin now.

Finally, Mr. Chairman, the Task Force made six recommendations. One of which is that "The Department should develop a program to identify and alleviate the adverse community impacts of expanded coal movement by rail." We can now take a major step toward fulfilling the recommendation.

Again I would like to thank the Chairman for the time he has extended to discuss this vital situation.●

THE REPUBLIC OF LITHUANIA

Mr. STEVENSON. Mr. President, I join Americans of Lithuanian origin in once again marking the anniversary of the establishment of the Republic of Lithuania. It was 60 years ago last month that the Lithuanians declared their independence. For many years now they have cherished the memory of that exhilerating, but all too brief, period when they were free to manage their own affairs. Tragically an end came to that freedom with the Soviet invasion in 1940.

The United States has laid heavy emphasis in recent years on the obligation of all States to honor those fundamental rights enunciated in the United Nations Charter and the Universal Declaration of Human Rights. The burden of that obligation ought not to rest lightly on the Soviet Union which bears the responsibility for extinguishing the freedom of Lithuanians.

While the adoption of the Helsinki Final Act may have held out to some the hope that human rights and personal freedoms in the orbit of the Soviet Union would be enhanced, experience has not borne that out. And this has been confirmed by the results of the recently-concluded Belgrade Conference.

In the face of the discouragements of the Lithuanian people over the recovery of their liberty, we should not lose faith. The United States must continue to expose the denials of freedom that do exist and to press the Soviet Union to live up to the commitments it has made within the framework of the United Nations and in the Helsinki Final Act so that the Lithuanians may one day enjoy the peace and freedom they justly aspire to.

THE NEED FOR PARKS PEOPLE CAN USE

● Mr. STEVENS. Mr. President, one thing that all Americans pride themselves on is their enjoyment of recreational facilities. In many instances, people travel many miles for recreation and spend hundreds of dollars to utilize a certain recreational facility. More recently, there has been an effort to bring recreational facilities closer to urban centers where large populations of Americans live. I support this concept and believe we need to develop more recreational facilities near our urban centers. One of the problems with developing

such urban facilities is the money that is needed to purchase the land and to develop the facilities. At present, there is a tremendous backlog of private inholdings located in existing parks throughout the Nation. The cost to purchase these private lands is often prohibitive and the land and water conservation fund does not contain the money needed for these purchases.

Legislation which I have introduced dealing with an Alaskan lands issue provides a special means to obtain more money to purchase private inholdings. My "d-2" legislation would designate a special fund in which moneys obtained by the Federal Government for the development of resources in Alaska would be earmarked for the purchase of inholdings in the Lower 48. I suggest to my colleagues that such a fund would benefit all Americans by assuring that the appropriate and reasonable development of Alaska's resources would also aid the development of recreational facilities throughout the United States.

Recently, an article in the Washington Post by Neil Peirce noted the increasing need to provide recreational facilities near urban centers. This article was an excellent summary of the conflict between the development of urban recreational parks and the establishment of parks in rural areas. Mr. President, I believe that there is a way to satisfy all needs through proper land use planning and careful consideration by Congress of new park legislation in Alaska. I ask unanimous consent that Mr. Peirce's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 17, 1978]

TIME TO PUT PARKS WHERE THE PEOPLE ARE

(By Neal R. Peirce)

A controversy pitting environmentalists against city leaders, and rural areas against urban, is shaping up over how the federal government should focus the hundreds of millions of dollars it spends on parks and recreation.

Ever since the Yosemite Valley became protected territory in 1864, federal funds for parks and recreation have been channeled overwhelmingly toward the great open spaces, far away from the centers of population where most of the nation's people live.

City spokesmen are arguing that it's time to reverse the priorities, to use federal funds to undergird badly deteriorated urban parks and to place new parks and recreation areas where they're accessible to the 70 percent of Americans who live in urban areas.

The cities are finding surprising allies in the Interior Department, historically a bastion of rural and western interests. Interior Secretary Cecil Andrus recently presented in person a check for $307,476 to Massachusetts Gov. Michael S. Dukakis to cover half the cost of Boston's new Harbor Islands State Park.

Says Interior Under Secretary James A. Joseph: "A week in the mountains can be a wonderful and revitalizing escape from the numbing routines of urban life, but its brief exhilaration cannot carry one through 51 weeks of life trapped in the inner-city constrictions of brick and asphalt, mind-numbing routine and depressing lack of recreational opportunity."

Joseph notes that many of the people who need recreational opportunities the most can ill afford them—"especially if they involve long trips by private automobile to faraway places." And a new Interior Department study (the National Urban Recreation Study, to be sent to Congress today) notes that 45 million Americans live in households without cars.

The new study is sure to generate heated debate because it will name as one clear policy option deemphasizing acquisition of open space and recreation development in rural areas in favor of federal support for park facilities in densely populated urban centers. Specifically, the study will suggest the possibility of shifting part of the federal government's Land and Water Conservation Fund, 60 percent of which goes to the states for preservation of natural areas and outdoor recreation development, toward direct aid to cities to develop and operate their own park and recreation facilities.

The idea of siphoning off part of that fund, authorized by Congress at $900 million in the next fiscal year, already has environmental interests, led by the Sierra Club, up in arms. They say federal funding for open space is already inadequate and that the cities ought to look to other funding sources. The cities reply that inflation and declining tax bases have made it almost impossible to maintain their existing recreational facilities, let alone expand them.

In fact, Congress has reduced some of the federal government's traditional bias for open space projects by funding three urban recreation areas since 1970: Gateway in New York City and neighboring New Jersey, Golden Gateway in San Francisco, and Cuyahoga between Cleveland and Akron, Ohio. All have proven expensive to operate. Congress, worried about becoming enmeshed in a bottomless pit of similar requests, in 1976 asked the Interior Department to list "options" for future urban park development—the genesis of the study.

Meanwhile, the new urban facilities are proving extremely popular. The Gateway National Recreation Area, for instance, drew 9.6 million visitors in 1976, costing $6.6 million to operate. In the same year, Yellowstone National Park drew only 2.5 million visitors, with an operating cost of $7.6 million.

Urban parks, says Massachusetts state planner Frank Keefe, provide multiple benefits: They save energy "by bringing parks to where people live." They serve needy populations. And by making cities attractive places in which to live and work, they help attract private investment and provide a powerful incentive for citywide and neighborhood economic redevelopment.

Keefe says that in earlier years, when Massachusetts was using federal funds to buy up big chunks of open space on the urban fringe, "we found we were just making the contiguous parcels all the more attractive for development by high-income people and fostering suburban sprawl." Now the Bay State focuses 90 percent of its federal park funds on urban centers.

Keefe believes environmentalists defeat their own goals by insisting that federal support for parks be concentrated in distant rural areas. "That scarce money opens up areas where there are fragile natural resources," he says. "You just attract more and more people there to trample around." Urban parks, by contrast, create amenities close to home so that people will be less tempted to try to get "a second home, a trailer, or a tent pack in the middle of the wildlands of America. It's an elitist notion that the only place you can recreate with any level of satisfaction is in the wildlands."

But Keefe takes issue with the Interior Department's suggestion that federal parks money might go directly to cities, bypassing the states. He acknowledges that states have made the mistake of putting most or all their parks money—from federal grants and their own treasuries—into distant open spaces. But Washington could require states to reorient their use of federal parks funds toward urban areas. The states' own moneys would probably be reoriented as well, so that "the grants would be mutually supportive of one another."

In several large cities where local recreation funds have been cut back, private nonprofit "friends of the parks" organizations have been formed. The New York City Parks Council, for instance, raises private money, trains federal manpower workers and lobbies the state parks agency for federal and state money for city parks. With regular parks maintenance personnel cut back 50 percent, the organization mobilizes adult and teenage volunteers to assist with park maintenance.

Last year the council built a waterfront park at the foot of Grand Street in Brooklyn's Williamsburg section. Using oak barrels from an old fish market for seating, rock from a subway tunnel for construction and donations from industries in the area, the cost was kept under $10,000.

Chris T. Delaporte, newly appointed director of the Interior Department's Heritage Conservation and Recreation Service (formerly the Bureau of Outdoor Recreation), is clearly of a mind to support urban recreation. Delaporte says his agency will be part of "the campaign at all levels of government to make our towns and cities good places to live in. We are going to have a national set of goals and objectives to see that neighborhood parks become synonymous with the reputation and quality of our national parks." ●

COMMUNITY SCHOOLS AND COMPREHENSIVE COMMUNITY EDUCATION ACT OF 1978

● Mr. WILLIAMS. Mr. President, I am pleased that my distinguished colleague, Senator CLAIBORNE PELL, chairman of our Subcommittee on Education, Arts and the Humanities, has asked to be added as a cosponsor to S. 2711, the Community Schools and Comprehensive Community Education Act of 1978.

Senator PELL'S continuous leadership in the field of American education is much appreciated by the Nation and his support of this bill is welcome news for the strengthening of Federal efforts to assist State and local education agencies.●

IMPORTANT ROLE OF THE INTERNATIONAL RED CROSS

● Mr. KENNEDY. Mr. President, one of the most important and effective international organizations in the crucial area of human rights and humanitarian concerns is the International Committee of the Red Cross. For more than 100 years, the ICRC has intervened in behalf of the victims of conflict, war, and political strife, and its record of achievement has earned it three Nobel Peace Prizes.

This past week the President of the International Committee of the Red Cross, Mr. Alexandre Hay, visited Washington. In an interview with the Washington Star, Mr. Hay briefly assesses some of the current issues and concerns involving the ICRC, and reviews the important work it has undertaken in Af-

rica—where the Red Cross has assisted victims on both sides of the conflict between Ethiopia and Somalia.

Mr. President, I commend to the attention of my colleagues the interview with Mr. Hay, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 15, 1978]

DIFFICULT ROLE FOR RED CROSS IN AFRICA'S WARS

(NOTE.—Alexandre Hay is president of the Geneva-based International Committee of the Red Cross—a 100-year-old, three-time Nobel Peace Prize-winning organization whose main function is to intervene on behalf of victims of international conflicts. He was interviewed by Washington Star Staff Writer Henry S. Bradsher.)

QUESTION. What is the ICRC's main area of emphasis these days?

HAY. As you know, the situation of warfare and suffering, unfortunately, has very much changed. We do not have so many classical wars between two or three or four states. Now the fights are quite often internal—rebellions, wars of national liberation. It's a little more complicated. Our task is to bring help in all parts of the conflicts and to all sides of the conflicts, to visit prisoners, to bring help to the wounded, to the civilian population which suffers from the conflicts. We remain completely neutral, we don't take any political position. We're just offering our service on a humanitarian basis. All that is based on the so-called Geneva Conventions, which are the international basis for our activities.

Q. Where are you most active now?

A. The African continent is now our main preoccupation. In this continent we have at least five or six conflicts—Rhodesia, the southern part of Africa, in Chad, in the Sahara, in Ogaden and Somalia. The Middle East, which is quite near, is also one of our fields of activity. So there really is plenty to do in this part of the African continent.

Q. To take one example, what are you able to do in the Ogaden conflict right now?

A. Just now we have our delegates in the capitals of Ethiopia and Somalia as well as on the front. Our delegates are trying to visit the prisoners held by the armies involved. We are bringing medical help to the wounded in the hospitals and I can tell you it is a very deep necessity. There are very many wounded on both sides. And we contemplate bringing food help in certain areas for the civilian population.

Q. Has it been your experience that visits to prisoners sometimes help to improve their conditions in conflicts of this sort?

A. I would say yes. Our people, of course, have a great deal of experience in these types of visits. They are familiar with the normal standard that we should have for prisoners. If this normal standard is not reached, we make recommendations for alternative ways to treat the prisoners.

Q. You use simply a moral force without any way to back it up?

A. Where we are acting on the basis of the Geneva Conventions, there are certain responsibilities on the regime which should be applied in prisoners' camps. So we can invoke these legal aspects and that, of course, is a certain help. Generally, the country which signs these conventions feels it is best to apply them.

Q. What about guerrilla movements which are not signatories? How are you able to exercise your influence?

A. We can give some indication about reciprocity: We try to ensure that their people are well treated by the enemy and in that case they should treat well the people they have under their control. That is sort of the argument which applies generally but we are not very keen on invoking the argument of reciprocity. But sometimes it helps.

Q. During the Indochina wars you were very active in Cambodia, Vietnam, that area. Have you been able to continue your work there?

A. Yes, our delegates are still in Vietnam. We maintain contact with the Red Cross people of Vietnam and we were able to fulfill certain tasks of protection. For example, to help in the repatriation of foreign people who were in Vietnam without diplomatic protection and who now want to go back to their own countries. The Chinese want to go to Taiwan, and the Koreans want to go back to Korea. So we help in the repatriation of these people.

Q. Have you been able to work in Cambodia? Do you have any information on what has been happening there in the last three years?

A. Unfortunately not. Of course the information we have about the situation in Cambodia is the same as many others. We know that the situation is a very tragic one. We would like very, very much to do something. As soon as we saw what happened in the newspapers we offered our services basing our offer on the Geneva Conventions signed by both countries, Cambodia as well as Vietnam. We consider that as an international war which is covered by the Geneva Conventions. We have offered our services. Until now, we have no official answer.

Q. You were very active in the civil war in Lebanon. Do you continue to maintain a presence?

A. Yes, we are still present in Beirut and active mainly in south Lebanon where some fights still are going on from time to time. The situation is still very tense. Certain regions are very difficult to reach and only our people are capable of bringing some help—medical or food—in certain villages which are in exposed situations. We still have doctors, and certain delegates in Lebanon. But it's less than in the time of the big fights.

Q. How are the ICRC operations financed?

A. By contributions we get from the governments who have signed the Geneva Conventions. The main part is assured by the Swiss government because of the special situation of Switzerland. I think the Swiss government now pays something like 50 percent of the total of our normal budget.

Q. You have just been told by the U.S. government that it is going to increase its contribution.

A. Yes. That intention at least is in discussion before the Congress. And I hope very much that Congress will vote that. The administration is recommending it. That would be a help for us and we hope that other governments will follow the example of the United States and increase also their contributions because our budget now is so narrow and so small.

Q. What is an example of an area which you are not able to operate because of financial problems?

A. Well, we feel we have to have representation in Africa, with all these new states. The position of the ICRC is not always well understood. People think you cannot be neutral in a national liberation conflict. It's difficult to understand. So we think we should be much more in evidence in these different countries and have delegates there who can have the necessary contacts, to explain what we can do, how we can help and so on. And for that, it needs something of a permanent delegation in the region. We've had to close one or two of our delegations in Africa, because we didn't have the money to support an operation which did not meet an immediate need. In Africa, we encounter some difficulties in our activity, probably because we are not known enough. Of course coming from an industrialist country, we're white and so on, we're raised a certain way. We are coming from the other world. What does it mean that a Swiss can be neutral? they ask. He is white. He is coming from the capitalist country and so on. There are obstacles which we can overcome if we can explain what we are doing. Who we are and what are our real intentions. That would need a much more permanent presence. That could cost money.

Q. In addition to prisoners of combat there has been much international attention focused by organizations like Amnesty International on domestic political prisoners. Do your operations extend to those kinds of prisoners?

A. Yes, we have had quite a large activity in this field for more than 30 years. But here we offer our service not on the basis of our international conventions because they did not foresee this type of activity. But we feel that, after all, the political prisoner is quite often in the same situation as a prisoner of war. He has fought against the state: The state was successful in capturing him so he is in the hands of his enemy. We ask to be able to visit these people just to see that the conditions are as good as possible. These people are human beings and they should not be tortured and so on and so on. ●

CONFERENCE ON THE PANAMA CANAL TREATIES

● Mr. STEVENSON. Mr. President, in Chicago last Friday the Progressive Association of Latin Americans and the International Relations Club of the University of Chicago held an important conference on the Panama Canal treaties. I was scheduled to address them on that topic but was prevented from being in Chicago because the Senate was voting on the leadership amendment to article IV of the Neutrality Treaty. I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR ADLAI E. STEVENSON

The treaties before the Senate are the product of negotiations by four American administrations with the Republic of Panama:

One, the Panama Canal Treaty, governs the operation of the canal until the year 2000. Under this treaty, the United States, operating through a Panama Canal Commission, will be responsible for the operation of the canal for the next 22 years. We will also have the primary responsibility for the defense of the canal. Although we will continue to have responsibility for the canal's operation, we undertake in this treaty to associate Panamanians in the operation of the canal so that by the end of the century they can ensure that the canal is kept in safe and efficient operating order for the benefit of ships of all nations.

The Neutrality Treaty, the one now being debated in the Senate and on which a final vote is expected March 16, requires the permanent neutrality of the Panama Canal after the canal is turned over to Panama on December 31, 1999. Under this treaty the United States has the right, along with Panama, to defend the neutrality of the canal against any action that threatens its secure operation. We also have the right to have our ships go to the head of the line in time of emergency.

The United States built the Panama Canal and developed it into one of the world's great waterways—an economic boon in peacetime and a vital defense link in wartime. Con-

sequently, many people are reluctant to relinquish its "control."

I understand that—but I intend to vote for ratification of the treaties. These are not the swashbuckling days of the Spanish-American War when manifest destiny was riding high. In those days the Panama Canal was conceived and executed as an American enterprise. Since then, we have been sobered by two World Wars, Korea, Vietnam, an awareness that the globe has shrunk, the nations of the world are dependent on one another and that other peoples have their inalienable rights, too.

We encouraged other nations to give up their colonial possessions. We pressed the British to leave India, the Dutch to leave Indonesia and the French and Belgians to give up their African empires. We effectively opposed Britain's attempt to regain the Suez Canal in 1956. And for all the flag waving to the contrary the Panama Canal Zone is not an American colony to give up. It was a part of Colombia. It never was a part of the U.S., the U.S. pays rent for its occupation of the Canal Zone We give up nothing that is ours by these treaties; and far from giving up "control," we seek in these treaties to maintain control and for all time our right to transit the canal. To give us less than we have urged others to relinquish would be rank hyprocrisy.

Our interest is the canal's continued efficient operation and U.S. access on a nondiscriminatory basis. Four administrations have not sought to give up "control"; they have sought to assure U.S. access for all time. That means putting relations with Panama on a realistic footing instead of defending an indefensible status quo. One mortar round could put the canal out of operation. It is an extreme sort of unrealism that supposes we can go back to the days of the Rough Riders and defend the Panama Canal from the Panamanians and ourselves from the judgment of this world. It is time we acted from the vision of an enlightened America and not the hallucinations of extremists.

It often takes time for reason to prevail in America. But give ourselves some time, and the right usually wins out. This subject has inflamed feelings and produced misunderstanding. But the tide is turning. My mail reflects an increasing awareness of the benefits these treaties will bring to the United States. The latest national poll bears this out. NBC reports that 54 percent favor the treaties and 40 percent are opposed. A gallup poll earlier in February showed 45 percent in favor, 42 percent opposed. The trend is clear.

The people of America are not unjust or unwise. They seek to protect their basic interests while respecting the legitimate interest of the Panamanians in controlling their own land. Failure to reach agreement with the Panamanians would be viewed throughout the world as a collapse of American wisdom, a triumph of ignorance and evidence of our inability to govern and lead a world which once saw us as its last best hope. I think most American people understand that.

Question after question has been raised—and answered. Questions have been raised about the right of the United States to take military action to preserve the neutrality of the canal and enjoy expeditious passage of its warships through the canal. These questions have been dealt with by assurances and clarifications from the administration and Panama. They are now incorporated in amendments to the Neutrality Treaty which employ the language of the Carter-Torrijos statement of last October. They make explicit in the text of the treaty what was already implicit.

Questions have been raised about the economic implications of these treaties. The operating costs of the canal and payments to Panama will be made from canal revenues, not tax dollars. These payments will be about $45 million per year, an annuity of $10 million and an additional $10 million if canal revenues permit. The United States will also pay Panama $10 million for police and fire protection and other municipal services that we now provide. Canal tolls will increase, but inflationary pressures would have brought increases in any event.

There will be costs for the United States in connection with termination of American activities in Panama. Defense installations will be relocated. Retirement benefits will be paid. The Secretaries of State and Defense estimate that all these costs over the next 21 years will be about $350 million. But we have recovered our investment and these costs many times over. And, more important, endless warfare and universal contempt would cost far more.

Questions have been raised about the provision which prevents the United States from building an interoceanic canal in any other country in the region without Panamanian approval. However, the best route for another and more adequate canal is in Panama. The effect of this provision is to protect the United States by preventing Panama from negotiating with another country for a new canal without our consent.

These are the major questions the Senate is debating. It has become a one sided debate; indeed the debate is reduced to a genteel filibuster. The tide is turned, and it appears only a matter of time before the Nation shakes off a romantic vision of the past for a nobler vision of the future. These treaties will serve us better than the old; and so I support them along with most Americans.●

THE TAX SQUEEZE ON MIDDLE-INCOME TAXPAYERS

● Mr. ROTH. Mr. President, for the past few years, I have been urging Congress to provide tax relief to middle-income taxpayers. I have argued that middle-income taxpayers pay most of the taxes yet receive few benefits from the Government. And finally, I have argued that across-the-board tax cuts are needed, and that tax relief should not be limited to those making less than $15,000, $20,000 or some other arbitrary level.

A recent article in the Washington Post written by Mr. Art Pine confirms my belief that substantial across-the-board tax reductions are needed. According to the article, American households earning $17,000 and more paid more than 70 percent of all personal income taxes in 1976.

Even more startling, about half of all American households paid 94 percent of all taxes last year. This means that we are approaching the point where half of the people will be paying taxes to support the other half.

As the article points out, the tax reductions enacted over the past few years have only benefited lower-income groups, pushing more of the tax burden onto middle-income taxpayers. According to the article, this has resulted in a "a significant tax squeeze on the so-called 'middle' and 'upper middle' income brackets—the 10.7 million taxpayers show incomes fall between $20,000 and $35,000 a year."

Mr. President, this article clearly shows that the middle-income taxpayers of this country are shouldering a disproportionate share of the tax burden. And the statistics presented in the article emphasize the need to reject the administration's tax proposals which increase the tax burden on middle-income taxpayers. In particular, the President's proposal to replace the $750 personal exemption with a $240 tax credit and his proposed changes in itemized deductions will substantially increase the tax burden on middle-income taxpayers, and I urge my colleagues to reject these two proposals.

Mr. President, I ask unanimous consent that the Washington Post article be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RICHER HALF OF U.S. PAYS 94% OF ALL INCOME TAXES

(By Art Pine)

The richest one-fourth of American households—those with incomes of $17,000 a year or higher—took home half the income in this country in 1976 and paid more than 70 percent of all personal income taxes.

By contrast, those in the poorest one-fourth—wage earners making less than $5,000 a year—received less than 5 percent of the nation's income that year and paid a minuscule 0.1 percent or less of the income-tax tab.

Those in the richest 5 percent of the country—taxpayers with incomes of $30,000 or more—earned 22 percent of the income in 1976 and paid 39.2 percent of all income taxes.

By contrast, the poorer half of all persons filing tax returns earned 19 percent of all income and paid 6 percent of the personal income taxes in 1976, while the richer half paid 94 percent.

Those figures, compiled by the Treasury Department from estimates based on 1976 income levels, show a stark fact about the way the tax burden is distributed in this country:

While it's true, as some studies show, that wealthier persons enjoy the biggest tax breaks and deductions, they also shoulder a disproportionate share of the tax burden—far beyond what is perceived generally.

Moreover, the distortion has been heightened by the tendency of Congress in recent years to skew most of the tax breaks it has enacted to those at the lower end of the income scale.

To make up for inflation and higher Social Security payroll taxes, the law-makers have cut income taxes. But most of the cuts have benefited lower- and lower-middle-income taxpayers—not the middle or the top.

The result of all this has been a significant tax squeeze on the so-called "middle" and "upper-middle" income brackets—the 10.7 million taxpayers whose incomes fall between $20,000 and $35,000 a year.

While the proportion of Americans' personal income eaten up by the income tax has remained relatively constant over the past few years, at about 13 percent, the burden of that tax load has shifted to higher-income brackets.

For example, figures compiled by the Tax Foundation show that the richest 25 percent of the nation's taxpayers paid 68.3 percent of all taxes in 1970. By 1975, that figure had risen to 72 percent.

Those in the richer 50 percent paid 89.7 percent of the total tax in 1970. By 1975, that had increased to 92.9 percent. All taxpayers

in the richer 50 percent bracket saw their share of the total tax tab rise.

At the same time, those in the poorer half enjoyed a shrinking tax burden during the period. The taxes paid by the lower half fell from 10.3 percent in 1970 to 7.1 percent in 1975.

For the poorest 25 percent of all taxpayers, the proportion of the total tax bill fell to 0.4 percent in 1975, from 0.9 percent in 1970. In any case, the trend is clear.

President Carter's new tax-cut package would only heighten the disparity. Carter has proposed replacing the present $750-a-dependent personal exemption with a new $240 credit that would shift the burden further toward the middle- and upper-middle-income brackets.

The battle in Congress now is precisely over how far that shift should be allowed to go. Members of the House Ways and Means Committee have indicated that they are concerned about the tax burden borne by upper-income brackets and most likely will revamp the Carter proposals.

Moreover, the heavier tax burden continually is reaching downward to include people who used to be in lower-middle-income brackets. As inflation pushes incomes higher, taxpayers are thrust into higher brackets.

With the combination of inflation and higher tax rates in the upper brackets, the wealthiest of the nation's taxpayers pay disproportionately high shares of the total tax burden—even including their shelters and deductions.

For example, the richest 1.4 percent of the nation's citizens—some 985,000 whose incomes total $50,000 or more a year—take home 10.7 percent of the income, but pay 23 percent of the taxes.

The wealthiest 0.3 per cent—those in the $100,000-and-up category—receive 4.5 percent of the total income, but pay 10.5 percent of the tax burden. (The poorest 0.3 percent escape taxes altogether.)

The breakdown portrayed by these figures pertain only to personal income taxes. With Social Security payroll taxes included, the pattern is different but the point remains the same.

The figures used in the computations include income from capital gains—profits from the sale of stocks or other assets—only half of which are subject to tax. The totals for tax liability include writeoffs and deductions.

But the fact remains that, for all the complaining about wealthy, taxpayers, those in the richer half of the nation's income brackets are paying 94 percent of the personal income taxes. The other half is paying the rest.●

NOTICE OF DETERMINATION ON ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate staff member who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 43 from Senator DANIEL P. MOYNIHAN which would permit his staff assistant, Gabriel Schoenfeld, to participate in a program sponsored by a foreign educational organization, the Ring Politischer Jugend of the Federal Republic of Germany, March 7–17, 1978.

In addition, Mr. Schoenfeld will be participating in a related program in Brussels, Belgium, from March 17–20, 1978, at the invitation of the U.S. Youth Council, Young Political Leaders delegation, which is a domestic, U.S. organization, partially funded by the Department of State.

It has been determined that participation of Mr. Gabriel Schoenfeld in the program in West Germany, at the expense of the Ring Politischer Jugend to discuss Western European governmental matters is in the interest of the Senate and the United States.●

ADMINISTRATION SUPPORTS S. 2546, THE EFT CONSUMER PROTECTION ACT

● Mr. RIEGLE. Mr. President, I am extremely pleased to report that the administration has announced its support for S. 2546, legislation which I have introduced to establish consumer rights and remedies in electronic fund transfer systems.

In a letter to me dated March 13, 1978, Esther Peterson, the President's Special Assistant for Consumer Affairs, has communicated the administration's support for S. 2546 and its hope that Congress will take action this session to assure that consumers are provided fundamental safeguards in EFT transactions. Ms. Peterson makes two points which I believe are important. First, the raw number of EFT transactions now being completed is so substantial that consumer safeguards should not be put off to a later date. In addition, she points out that the consumer protection issues of EFT stand on their own merits and should not be combined legislatively with other more controversial EFT issues that might delay implementing these safeguards.

S. 2546 represents a 9-month effort to carry out the National EFT Commission's recommendation that Congress enact a "model EFT consumer code" setting forth basic consumer rights and safeguards, such as full disclosure of EFT account terms, prompt correction of account errors, and limits on a consumer's liability if an EFT card or code is lost or stolen and the consumer's bank account is emptied. In drafting this legislation, every effort has been made to meld these protections with existing bank practices so as not to create operating difficulties for financial institutions.

I think that success of this effort is borne out by the endorsements which this bill has received. Among consumer groups, the Consumer Federation of America, Consumers Union, and the National Consumers League all have endorsed the bill. One of the Nation's largest EFT networks, Wisconsin's TYME Corp., has also voiced its support. And now the administration has endorsed this bill.

Mr. President, I ask unanimous consent that the text of Ms. Peterson's letter to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., March 13, 1978.

DEAR SENATOR RIEGLE: I am pleased to provide comments on behalf of the Administration on your revised Electronic Fund Transfer Consumer Protection bill, S. 2546.

In general, the Administration supports this bill and believes that it provides the necessary consumer protection legislation in this area. Those who argue that the time is not ripe for the development of consumer protections should bear in mind that EFT is not a thing of the future; there are now some six million EFT transactions taking place every month. In addition, they should remember that the success of EFT systems is heavily dependent on consumer acceptance which may not and probably will not occur unless consumers feel they are as secure in using EFT as they are in using checks and credit cards. Accordingly, we urge passage of this legislation by the end of this session of Congress.

We have a good bill before us, a bill on which there is a great deal of consensus between consumers, the banking community, retailers, and members of Congress. Therefore, there is no reason to put off consideration of these issues any longer. If these important consumer problems are mixed with other knottier problems, such as sharing, on which there is less consensus, they will be buried. Now is the time to shape the future of consumer EFT services—with this bill—so that EFT will not only benefit its developers, but will also benefit its users.

Many of the changes you have made in S. 2546 are excellent. In particular, the definitions in this bill are much clearer than in S. 2065. "Business day" has been well defined, "electronic fund transfer" has been narrowed, and "preauthorized electronic fund transfer" clarified. This bill also wisely limits liability for unauthorized use of a debit card to $50 instead of shifting to the negligence standard recommended by the National Commission on Electronic Fund Transfers.

However, some of the provisions of S. 2546 are not as beneficial to consumers as those in S. 2065. Of particular concern is the extension of time in which a bank must investigate an alleged error from three to ten days. Because we are dealing in EFT with funds that the average person relies on from day to day to buy food and pay bills, any error must be resolved as quickly as possible. While ten days is certainly preferable to the 45 day period suggested by the EFT Commission, I still question whether ten days is, in fact, as quickly as banks can resolve EFT problems. It seems that the new electronic technology should make it easier, not harder, for a bank to investigate and resolve an error.

The modification in this bill to allow the distribution of unsolicited debit cards is also of concern. The bill does build in many safeguards against unauthorized use of unsolicited cards. Section 912(b)(4) should be strengthened to require written verification of identity. As the requirement now stands, it seems that a consumer's identity could be verified merely by phone contact or some other non-secure means.

Additional concerns about S. 2546 are outlined in the attached pages. I want to stress again that, in general, I support your efforts and hope that your fine EFT bill receives prompt attention by the full Senate.

Sincerely,

ESTHER PETERSON,
Special Assistant to the President, for Consumer Affairs.

ADDITIONAL COMMENTS ON S. 2546

Section 903(2)—Definition of "Account".

Recommendation: Revise to include consumer system accounts which may be used by farmers and others for business purposes.

Rationale: In general, the definition of "account" has been wisely clarified to exclude funds which may be temporarily held by retailers. However, it seems that the limitation of coverage to accounts "established primarily for personal, family, or household purposes" does not really accomplish your presumed intent to exclude those using business EFT systems from the detailed protection of this bill since they could, presumably, protect themselves in their contracts. However, it does not seem that the contractual protections theory should extend to those such as family farmers or small businessmen who may very well use regular consumer accounts to conduct their business. In addition, the Uniform Commercial Code does not make this sort of distinction for checks; is there really a strong reason for making the distinction with EFT?

Section 905(a)(10)—Notification of circumstances under which information will be dislosed to third parties.

Comment: It should be pointed out that S. 2546 does not comprehensively cover the privacy concerns surrounding EFT and other banking transactions. For instance, there is no requirement that account holders disclose the nature of the records kept, the extent of the availability of records to the government and private third parties or the rights, if any, of consumers to contest third party access to their records. The Senate should consider these and other problems in comprehensive privacy legislation in the near future.

Section 905(b)—Notification of change in terms or conditions.

Recommendation: Amend to require conspicuous disclosure.

Rationale: Some have alleged that under similar requirements in Truth-in-Lending, credit grantors have disclosed changes in finance charges so inconspicuously that they are not noticed by consumers, or have disclosed them in such a way that consumers do not understand the effects of the change. If possible, 905(b) should be amended to avoid these pitfalls.

The Committee might also wish to add at the end of the subsection "or a decrease in the period of time in which a consumer must act to exercise his rights." Changes in these time periods may have just as negative an impact as increased costs and liabilities or decreased access to an account.

Section 906—Documentation of Transfers.

Recommendation: Require notice of financial institutions inability to complete telephone transfers because of insufficient funds or other reasons at the time the transfer is requested.

Rationale: Financial institutions are not liable for any damages due to failure to complete a transaction because of insufficient funds, over-extension of credit, etc., under Section 911(a). Therefore, the consumer needs to know when a transaction cannot be completed for any of these reasons in order to protect himself.

Section 908—Reversal of Transfers.

Recommendation: Delete the $50 minimum for reversible transactions.

Rationale: The theory behind the $50 minimum is to attempt to distinguish between EFT transactions which are taking the place of checks and those which are taking the place of cash. This is faulty logic for two reasons: first, EFT is a totally new system which combines some of the characteristics of checks, cash, and credit cards with some new characteristics of its own. Therefore, it is totally arbitrary to say, merely by dollar amount, what consumer protections should carry over to EFT from more traditional payment systems; second, assuming that reversal is designed to replace stop payment on a check, it should be remembered that one can stop payment on any size check, from $.50 to $50 and above. Why should EFT make a distinction which checks do not?

Reversibility is an important protection for consumers and should be available for all transactions, and it seems that retailers and others offering EFT to consumers will need reversibility to gain consumer acceptance of the systems. In addition, reversibility should not be much of a financial threat to retailers and other third parties, for the number of reversals should be very small. The number of annual stop payments is estimated at only .029 percent of all checks. Furthermore, in Wisconsin, where reversibility has been available in some stores for almost a year, there has not been one reversal. So, we are talking about a very small burden to retailers in exchange for a large benefit, the benefit of leverage, to consumers.

Section 909—Error Resolution. See cover letter.

Section 912—Issuance of cards and other means of access. See cover letter.●

INTERSTATE LAND SALES FULL DISCLOSURE ACT AMENDMENTS

● Mr. NELSON. Mr. President, last Friday I introduced legislation that would significantly reduce the regulatory and paperwork burden imposed on small land developers by HUD's Office of Interstate Land Sales Registration (OILSR), which administers the Interstate Land Sales Full Disclosure Act (ILSFDA) of 1968. Senators SPARKMAN, MCINTYRE, TOWER, GARN, MORGAN and CRANSTON have joined me as cosponsors of this bill, S. 2716.

In keeping with the original intent of the Interstate Land Sales Full Disclosure Act, which was to eliminate fraudulent practices in the "interstate" sale of land, this bill would create two exemptions to the act for developers who sell land entirely, or almost entirely, "intrastate." Unlike exemptions which OILSR currently permits for certain small land developers, these exemptions would be automatically available for any developer who qualifies, thereby sparing the burden and expense of having to fill out all kinds of forms currently required by OILSR to determine if the developer is eligible for its regulatory exemptions.

First, a developer who sells no more than five lots or 5 percent of the lots sold during a calendar year (whichever is greater) to out-of-State purchasers would be exempt if, first he provided those purchasers with assurances that the land is free and clear of liens and encumbrances; second, the purchasers make an onsite inspection of the lot; and third, the seller agreed to submit himself to the jurisdiction of the home State of the purchasers.

Also exempted would be sales to purchasers residing within 100 miles of the seller, provided, first, the lot was free and clear of liens and encumbrances; two, the purchaser made an onsite inspection; third, the seller agreed to submit himself to the jurisdiction of the home State of the purchaser; and fourth, the developer executes a written affirmation on a form furnished by the HUD Secretary that he has complied with these three provisions.

This legislation also makes several technical changes in the ILSFD Act:

First. Language has been added to make clear that the terms "liens," "encumbrances," and "adverse claims" do not refer to U.S. Land Patents and similar grants or reservations. OILSR's interpretation of the law on this has been used to bring virtually every acre of land sold west of the Mississippi under their jurisdiction.

Second. Language has been added which would require OILSR to publish any regulation in accordance with the Administrative Procedures Act.

Third. The term "sale or lease" has been defined as occurring at the time when a contractual relationship is created between the developer and purchaser, thus clearing up an area where OILSR has been free to use whatever interpretation it has found most favorable to its continuing regulation of land sales.

A 3-year study by my staff and hearings before the Select Committee on Small Business, dealing with the problems of small business land sales operations as they are affected by the operation of the HUD Office of Interstate Land Sales Registration, have convinced me that corrective legislative action is imperative.

OILSR has interpreted this "interstate" law as granting it the authority to regulate "intrastate" land sales operations as well. In my opinion, OILSR was granted a restricted fishing license to go after a rare species; the "interstate" fraudulant land developer. However, it appears determined to net all the fish in the lake to make certain that that rare species does not escape.

This stretching of OILSR's "interstate" jurisdiction to include "intrastate" land developers subjects those businessmen to the cost and aggravation of an unnecessary, substantial paperwork burden; unnecessarily consumes tax dollars to support the bureaucracy which is needed to handle the additional government paperwork burden; and inevitably increases the cost of land for the consuming public. And, this inclusion of the "intrastate" developer, who is not and never was a part of the problem, contributes nothing to the solution of the real problem of controlling fraudulent "interstate" land sales.

The amendments which I offer today are designed to narrow OILSR's jurisdiction so that its resources can be committed to effectively protecting the land buying consumer by controlling fraudulent "interstate" land sales operations, which was clearly the intent of Congress when the ILSFD Act was enacted.

I believe there is agreement both in the public and private sectors that the objective of the Interstate Land Sales Full Disclosure Act is sound. The bill has the mechanisms to protect purchasers of land who live in one State from the sharp practices of developers in another State, as the Congress intended. Under these circumstances, sales are frequently made sight unseeen. By legislating Federal jurisdiction and disclosure requirements in these incidences. the law places the purchaser in a position where he or she can make an informed judgment regarding the value of the property prior to pur-

chasing it, and allows that purchaser to sue in Federal court rather than having to go through the expensive and complicated procedure of suing in the State courts where the land is located, if he or she has a grievance.

However, the vast majority of land sales operations in this country are small business "intrastate" operations. Sales by these businessmen are rarely made without an on-site inspection by the purchaser; and, of course, the problem of suing in the courts of another State does not exist.

The most common complaint regarding OILSR comes from the small business real estate operator who has never been involved in "interstate" land sales and has no intention of engaging in such an operation, but who has none the less been drawn into the jurisdictional net because of OILSR's interpretation of what constitutes "interstate commerce". One small business "intrastate" realtor, who was engaged in a dispute with OILSR, recently wrote to me:

It is another example of a regulatory agency placing an almost insurmountable reporting burden on a small businessman who has neither the staff nor the economic wherewithal to stay in compliance and still be able to carry on his regular business.

The Small Business Committee heard testimony from three panels representing the real estate industry—the National Association of Realtors, the National Association of Home Builders, and the American Land Development Association. These groups, I am told, represent a majority of those in the industry who must deal with OILSR (the National Association of Realtors alone has over 500,000 members). I do not believe that their testimony, which was based on 9 years of experience by their members in operating under the law and which universally criticized the way the law is being administered, can be taken lightly. I believe they were sincere and responsible. No one advocated the dismantling of the act. There was no "consumer be damned" attitude expressed. They expressed support for the basic goal of controlling the fraudulent land sales operations which gave rise to the act. Their plea was for an easing of the burden imposed, especially on small business intrastate operations by OILSR's administration of the act.

The paperwork burden imposed by Government regulations is a matter of growing concern for businessmen of this country. The President has made the lessening of this burden one of the primary concerns of his administration. There is a consensus among the Members of Congress to assist the administration in reaching a reasonable level of regulation, which will carry out the mandates of Congress with the least amount of expense and aggravation for both the public and the Government.

The operation of HUD's Office of Interstate Land Sales Registration has worked at cross purposes with this goal since its creation. It has systematically expanded its mission from the important but limited role which the Congress mandated: that is, the control of "interstate" land sales, to a point where every land developer, no matter how small or geographically confined his operation is, comes under its jurisdiction.

The law reads:

SEC. 1703(a). It shall be unlawful for any developer or agent, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce, or of the mails to sell or lease any lot in any subdivision unless the Act has been compiled with.

A "subdivision" under the act is defined as:

Section 1701(a)(3). Any land which is divided or proposed to be divided into fifty or more lots.

Since the act is titled "The Interstate Land Sales Full Disclosure Act" it is important to note how the act defines the term "Interstate Commerce." Section 1701(a)(7) recites:

"Interstate Commerce" means trade or commerce among the several states or between any foreign country and any State.

My understanding of these provisions when I voted for this act in 1968, and my understanding of the act today, is that if a developer has 50 or more lots to sell and he is engaged in "trade or commerce among the several States or between any foreign country and any State" he must comply with the provisions of the act unless his operation comes under the provisions of one or more of the statutory exemptions, which the act provides, or qualifies for one of the regulatory exemptions. It was and is my belief that we were passing a law which would strike at the heart of a serious "interstate" problem. The report of the Committee on Banking and Currency (Rept. No. 1123 dated May 15, 1968) which accompanied this legislation, clearly defines that problem as follows:

The sale of undeveloped subdivided land in resort and retirement areas has become a major business. Naturally, it has attracted some get rich quick promoters who make glowing promises of fully developed "dream communities.

And, the report continued:

The committee believes that because of the nature of the business and its interstate character, innocent purchasers can be effectively protected only through Federal action.

It is true, as OILSR is fond of stating, that the law does not specifically exempt "intrastate" sales operations, but the act does grant the Secretary of HUD discretion to promulgate rules and regulations to implement the law and, again turning to the committee report, it is clear what the 90th Congress intended the Secretary to do with this discretionary power. The report states:

The committee expects the Secretary to utilize the discretion given him to exempt sales of lots in subdivisions which would technically be covered but which are intrastate or almost entirely intrastate in nature—such cases as where interstate sales are very few in number and mainly coincidental. Such a situation could arise, for example, where a few out-of-state purchasers buy lots in a subdivision which is only being offered for sale within the state of the land's location or in nearby communities.

I interpret this language to mean "Let's not bother the thousands of 'intrastate' developers who are operating within their home communities and its surrounding areas, and who are not a part of the problem we're trying to solve. In fact, we're not interested in him if he makes a few 'interstate' sales. We're after the 'get rich quick promoters' who are truly operating in 'interstate' commerce. Let's avoid bringing everyone under the jurisdiction of the Act through the raising of technicalities."

Now let us take a look at how OILSR has interpreted its mission under the act. It hinges on that office's view of what constitutes "interstate commerce."

According to the form letter which is routinely sent out by OILSR—

The sale of lots exclusively to residents of the situs state does not of itself constitute exemption from the Act. Advertising in publications that have an interstate circulation, signs on interstate highways, use of the telephone or any use of the U.S. mails in the operation of the subdivision, including the billing or collection of installment payments is sufficient to bring the subdivision under the jurisdiction of the Act.

The intent of Congress could hardly be more clearly stated than it is in the title of the act, the language of the act itself and the committee report. However, because of OILSR interpretation of the act, we now have a situation in which the Interstate Land Sales Act has been stretched to cover real estate operators who have never sold a single lot in interstate commerce. OILSR, nevertheless, insists that, because of the very technicalities the Congress hoped to avoid, real estate operators who sell exclusively within a State are covered by the act if they use a telephone in their business or use the U.S. mails (because both can be operated in interstate commerce), or if they advertise in a newspaper with any circulation across a State line no matter how small. Since every real estate operator must use a telephone and the mails, and generally uses local newspaper ads in the conduct of business, the law now becomes an Interstate and Intrastate Land Sales Act. I trust not a single Member of Congress intended that.

As a typical example, a real estate operator in Green Bay, Wis., who had never sold so much as a single lot in interstate commerce, was caught in a big bureaucratic mess, because OILSR determined, "The material that the developer has submitted clearly indicates that in the sale and promotion of these subdivisions, he has advertised in newspapers, used the telephone and made use of the U.S. mails." Therefore, says OILSR, he is covered by the act. This real estate operator did use a telephone and the U.S. mails, but strictly within the State of Wisconsin; and the "newspapers," referred to by OILSR, was in reality one local newspaper—the Green Bay Press Gazette, with a circulation of 55,400—567 of which were sent to subscribers in the Michigan Upper Peninsula.

Under any circumstances, how does this "intrastate" operator fit into any category of abuses the ISLSFD act sought to eliminate?

I cite another example. This intrastate small businessman was told that he came under the act, because, "Your use of the telephone and the mails is

sufficient, we feel, for this office to claim jurisdiction over this subdivision." He did not understand how he could be in violation of an "interstate" law, so he ignored the initial requests for compliance. His letter to OILSR explains his predicament.

DEAR MR. ROGERS: "I am at a loss to figure out what is happening to me. My business operation here in Waukesha, Wis. is a small enterprise consisting of one man, myself, I don't even have a secretary.

You are asking me to do something which I do not understand, and cannot find anyone else that does. I have checked with attorneys, savings and loan organizations, other land developers, realtors, and innumerable other laymen. None have had to, nor heard of anyone having to file a subdivision under the Interstate Land Sales Act when it is strictly a small local business.

Now you subpoena me to come to Washington, D.C. and appear with a history of everything I have done in real estate. First of all, I have had a couple of very lean years in business as a result of the tight money policies which have been created, so I can't afford to make a trip to Washington unless the Government pays my expenses. Secondly, I have no one to leave in charge of business while I am gone. I would like to request that you have someone in your Milwaukee office meet with me and explain to me what you require of me, and why. I repeat, I'm at a loss to figure out why the Government is after a small potatoes operation such as mine, but I'll be happy to co-operate if I'm able. Please advise.

He ultimately went through the considerable expense of filing for a "limited offering exemption."

I ask again—under any circumstances, how does this "intrastate" small businessman fit into any category of abuses the ILSFSD act sought to eliminate?

I do not wish to go into great detail regarding the question of whether OILSR has judicial support for its sweeping findings of jurisdiction. OILSR cites highly technical court decisions regarding the involvement of "instrumentalities of interstate commerce" with regularity in its explanations for finding jurisdiction. But, I believe one example of what a Federal court determined to be an advertising "offering to out-of-State residents" will serve to illustrate how far OILSR feels it can spread its net, when given a judicial assist.

In a 1975 Federal court case (*Happy Investment Group* v. *Lakewood Property, Inc.*, 396 F. Supp. 175) the defendants contended that OILSR had no jurisdiction because their offerings were "almost entirely 'intrastate.'" The court said "Whether or not defendants' subdivision offerings were almost entirely intrastate is a very close question." And then found, "The evidence at this juncture indicates that defendants did make offerings to out-of-State residents, although it was relatively modest."

The court found that the defendants, a California corporation, advertised in Nevada and Utah, a German publication and Life magazine. The number of out-of-State persons appealed to by the Life advertisement was not known, but the court found "that at least 75,000 nonresidents saw the other publications." The ruling was against the defendants on their motion for summary judgment on this "very close question."

The figures of this "very close question" and "relatively modest" advertising offering are interesting, when compared with the Green Bay realtors situation. How would the court rule on the 567 newspapers which incidentally cross a State line?

The two cases which I referred to above are not isolated cases. A steady stream of such cases have come to the attention of my office staff and the staff of the Select Committee on Small Business since we have become interested in the problem. In fact, on the day following the last hearing held by the committee on this subject another typical case was brought to my attention. My letter to HUD's Deputy Assistant Secretary for Regulatory Affairs, Patricia Worthy, delineates the details and spotlights the continuing problem.

DEAR MS. WORTHY: On the day following the January 17th Small Business Committee Hearing, I received the enclosed letter from constituents in Wisconsin. If I had had it for the Hearing I would have put it in the record. I believe it illustrates and typifies what we have been talking about. Anytime a law or the rules and regulations which implement that law are capable of producing this kind of absurd result, there is something wrong with the law, the administration of it, or both.

These people (age 75, 69 and 86) are engaged in closing out the remnants of a land development—which was first subdivided in 1956—twenty-two years ago. In September 1977 they received word from OILSR that "Information furnished this office has indicated that your lot sales program may be covered by the Interstate Land Sales Full Disclosure Act."

Since the letter stated "You are also advised to stop all sales until your subdivision is effectively filed as required by Section 1404 (a)(1) of the Act", they immediately suspended all sales, even though they were mystified by the sudden knowledge that they had somehow violated an "interstate" Land Sales Act. They were also advised of the fact that sales made prior to a Statement of Record being made effective, "may subject you to civil liabilities and criminal penalties," and that "such sales may be voidable at the option of the purchaser".

Of the original 187 lots these people had available for sale starting in 1956—only 21 remained. They had buyers for 20 of the lots; which would have left them with a single lot. However, they suspended sales, as they were "advised".

They tell the familiar story of "advertising in local newspapers" and "all sales have been to families within a radius of 30 miles" and "there have been NO sales to persons from out of State, and no effort has been made to attract or solicit sales from out of State."

The second act of this play is just as familiar—"From the information you have submitted, it appears (you) are subject to the jurisdiction of the Interstate Land Sales Full Disclosure Act." And, again, "Any nonexempt sales or leases made after April 28, 1969 and prior to the time a Statement of Record becomes effective are in violation of the Act and may subject you to civil liabilities and criminal penalties."

They responded as, judging from our experience, most small business operations respond. They retained an attorney.

Now, I assume, the final acts will be played out. A substantial amount of time will elapse while the On Site Exemption is perfected. The purchasers who purchased in the last two years will receive letters regarding their right of rescission. Some will void their contracts. And the costs incurred by these small businessmen will be borne by those who purchase whatever lots remain to be purchased at the end of this ridiculous exercise.

I would like to know what all this has to do with the control of fraudulent "interstate" land sales the Congress aimed the ILSFD Act at. I would like to know whether any consumer suffered at the hands of these people during their 22 year strictly "intrastate" sales operation. I would like to know whether the "discretion" granted to the Secretary is ever exercised to avoid obvious injustices and absurdities such as this.

In this, as in so many other cases which have been brought to my attention, the consumer, the seller and the taxpayers will pay dearly.

After you have reviewed the facts surrounding this case, I would appreciate your evaluation of how this whole expensive procedure protects the consumer.

I did not receive an explanation regarding how this "expensive procedure protects the consumer", but, as I predicted, the final acts are being played out. The attorney for these senior citizens, who were engaged in a strictly "intrastate" sales operation, received the following standard form letter from OILSR.

I invite your attention to the wording of this letter, since, when OILSR officials appeared before the Select Committee on Small Business, they insisted that it was not a demand letter which required the compliance of the recipient, but that it was merely a request that the recipient follow the procedure outlined."

As we previously informed your client, and pursuant to a telephone conversation between you and this office on January 11, 1978, it is our opinion that certain sales made were made in violation of Federal law. To administratively settle this matter and in lieu of any further agency action based on the present facts concerning the sale or lease of lots prior to your client's compliance with the Rules and Regulations of the Interstate Land Sales Full Disclosure Act, we request that your client agree to the terms of the enclosed administrative Settlement Offer.

This agreement will include sending a letter to those persons who purchased lots in the subject subdivision during the period of time beginning January 22, 1975 and ending at the present. This letter shall notify those persons that since your client had neither perfected a full Statement of Record nor received an affirmative exemption order at the time of sale, they have the right under Section 1404 (b) of the Act to void their contract, and receive a complete refund of all moneys paid on account of the said contract, including principal, interest, taxes, special assessments and property owners association dues. This letter need not be sent to those purchasers who: 1) bought lots with an existing dwelling; or, 2) are contractors engaged in the business of building; or, 3) have subsequently resold the property and can no longer reconvey the property to you.

The text of the enclosed letter is to be used. Any change in the text or form of this letter requires the approval of the Office before any mailing. No item is to accompany this letter other than a copy of a currently effective Property Report if you have effected a registration with this Office. The letters shall be sent certified mail, return receipt requested. The return receipts shall be retained in your client's files.

You are advised that the thirty (30) days mentioned in the model letter is in no way to be considered a limitation on the right of a purchaser to void his contract or to bring suit under the Act for a re-

fund or damages. Neither your client or this Office can abridge this right.

If your client accepts this proposed settlement agreement, please have him execute the enclosed Settlement Offer and return it to this Office within 20 days of your receipt of this letter. If he fails to respond to this letter within the allotted time, we shall assume that he has rejected the Settlement Offer and consequently, we will assume the responsibility of notifying purchasers of their rights and consider what further action may be necessary to protect purchasers and assure full compliance with the provisions of the Interstate Land Sales Full Disclosure Act.

I would like to meet the person who could read the text of this letter from a big, powerful Federal agency in Washington, D.C., and would conclude that it is not a "demand" but merely a "request." I do not think that person exists.

I ask again, Under any circumstances, how does this "intrastate" operator fit into any category of abuses the ILSFD Act sought to eliminate? And, I would still like to know how this expensive procedure protects the consumer? In 3 years of dealing with OILSR and during the Small Business Committee hearings, at which time OILSR officials testified, I have not received an answer to these questions.

To illustrate what the normal consequences are of the notice to purchasers of their right to void their contracts, I offer the following case.

This developer also runs a one-man sales operation (in fact, he also does not even have a secretary), has developed a tract of vacation and recreational land, all within one Wisconsin county. He does not advertise by mail or any other means. He merely sits in his office during the selling season (May through October) and accomodates purchasers who seek him out. His property is unencumbered. Onsite inspections of the property is always carried out. He does respond to inquiries from people who had previously visited his subdivision and he does receive installment payments through the mail on some lots that were sold. He has been operating since 1964. He was aware of the passage of the ILSFD Act, and after reading it, determined that he was statutorily exempt from its coverage under the onsite inspection exemption.

In 1974, he received a letter from OILSR asking for certain information and indicating that his operation "may" come under the act. He responded by furnishing basically the information I have listed above.

OILSR notified him that he came under the jurisdiction of the act. OILSR explained in a letter to his attorney "the information that your client has provided this office reveals that the telephone and the U.S. mails are used routinely in the promotion and sale of (lots in his subdivision)." Since he did not promote or sell by use of the telephone or mails he questioned this finding through his attorney. OILSR again did not accept his explanation.

He was "requested" to send letters of the right of rescission to all purchasers who bought lots between March 31, 1972 and December 31, 1975 (the date of the letter). The letter from OILSR routinely stated "the text of the enclosed letter will be used. No item is to accompany this letter" The text of the letter reads as follows:

DEAR ———. We are writing you at the request of the Office of Interstate Land Sales Registration, Department of Housing and Urban Development, to inform you of a matter of interest to you concerning your agreement to purchase a lot in ———.

At the time you entered into your agreement, there had been no effective Statement of Record filed nor an exemption established with the Office of Interstate Land Sales Registration as required by the Interstate Land Sales Full Disclosure Act which became effective April 28, 1969.

In view of the fact that your purchase occurred prior to the establishment of an exemption or an effective Statement of Record, you may, if you wish, void your agreement as provided in Section 1404(b) of the Interstate Land Sales Full Disclosure Act and any payments made in accordance with this agreement will be refunded.

In the event your property has been deeded to you and you elect to receive a refund you will be required to execute the necessary documents to reconvey the property to us free of any restrictions and encumbrances other than those contained in our original Deed of Conveyance to you.

So that our records may be brought up to date, we request that you notify us of your election within thirty (30) days from the date you receive this letter, after which time you may be deemed to have confirmed that you wish to keep the property.

If you have any question regarding this matter please feel free to call this Office and we will make every effort to be of help to you.

Sincerely,

——— ———.

As I stated at the outset, this is a one man sales operation. He had only sold seven lots during the 3-year period of "violation." Four of the purchasers elected to void the sales. He feels that the use of the prescribed text of the letter offer of rescission, without allowing an explanation from him, resulted in the purchaser believing that he had bad title.

This developer ultimately qualified for an onsite inspection exemption—after the expenditure of several thousand dollars and 16 months after he was first contacted by OILSR.

It is interesting to note that this "consumer protection" law as administered by OILSR resulted in the developer making an additional $16,000 in profit from the resale of the four lots which were returned to him.

Other developers have expressed the view that in an economic situation such as we have been in for the last several years with real estate prices constantly on the rise, it is no financial burden for him to reacquire lots—however, they complain that the method used to notify the purchaser of his right of rescission is extremely damaging to the developer's reputation in his community.

Another interpretation of the language of the act which has produced confusion among those engaged in real estate development is the OILSR practice of aggregating sales which have a "common promotional plan," to reach the 50 lot threshold recited in the act. The statutory authority for this devise is found in section 1701(3) which says:

"subdivision" means any land which is divided or proposed to be divided into fifty or more lots, whether contiguous or not, for the purpose of sale or lease as part of a common promotional plan and where subdivided land is offered for sale or lease by a single developer, or a group of developers acting in concert, and such land is contiguous or is known, designated, or advertised as a common unit or by a common name such land shall be presumed, without regard to the number of lots covered by each individual offering, as being offered for sale or lease as part of a common promotional plan;

I believe any developer who is in the business for a livelihood will someday reach the 50-lot jurisdiction threshold, since OILSR aggregates sales from one year to the next. But, if there is any doubt left that would allow the developer to escape, the doubt is resolved in favor of finding jurisdiction by OILSR's interpretation of the above cited "common promotional plan." It defines it as follows:

Among the most important characteristics which are evaluated in determining whether a common promotional plan exists are:

(1) A thread of common ownership;
(2) Common advertising or promotion;
(3) Common name or identity;
(4) Common sales agents;
(5) Common sales offices or facilities;
(6) Common inventory, etc.

"A developer who owns several small subdivisions which for example, are promoted by the same sales agent, or share the same advertising or when referrals are made between the subdivisions may be determined to be part of the same common promotional plan. If the lots in these subdivisions aggregate 50 or more, the subdivisions would fall under the jurisdiction of the Act.

I think the impact of this practice can best be illustrated by the inclusion of another example. The following is the pertinent text of a letter which I received from an attorney who is representing a Wisconsin developer:

Stated as simply as possible, the fact situation is this. Our client is a relatively small corporation engaged in the real estate business in the Minocqua/Woodruff area of northern Wisconsin. Over the years this company has been involved, either on its own or on behalf of various investors, in developing small subdivisions and residential developments, primarily off-water, on various parcels throughout Oneida and Vilas counties. Most of the developments are quite small and the lots are relatively inexpensive. No sales have ever been made without onsite inspection and the receipt, by the buyer, of a guaranty that the lot is "buildable."

In 1976, the company became involved in a rather large subdivision project. Because it involved the creation of more than fifty lots, the company was aware that a Statement of Record would have to be filed pursuant to the ILSFDA. All of the necessary documents were prepared and submitted to HUD in accordance with the agency's regulations.

The Statement of Record contained the names of all of the investors in this particular project. In addition, it listed forty-two other smaller developments in which this company had been involved over the preceding years. Several weeks after the submission of the document, HUD responded by requesting a "Statement of Facts" for each of these additional developments. This requires submission of the subdivision name and location, total number of lots in each subdivision, names of the purchasers of lots, number of lots sold to in-state and out-of-state residents, lot sizes, sales program, advertising, use of mails and telephone, etc.

Without going into further detail regarding communications between HUD and the company, it is now accurate to say that HUD has taken the position that it is proper to aggregate all of the lots in the forty-two subdivisions and, because the total number exceeds fifty, takes the position that the company was in violation of the ILSFDA for not registering or qualifying for exemption. If this determination by HUD is permitted to stand, it will mean that all lot purchasers since March 31, 1972 will be able to rescind their purchases and the company will have to go through the registration, or request for exemption, on all forty-two subdivisions.

HUD has taken this position in spite of the fact that each subdivision was a separate project in which the owners varied from a single owner to as many as nine additional investors, that each of the projects was commenced at a different point in time over a period of eight years and that the projects were scattered over a 2,870 square mile area of northern Wisconsin. HUD has maintained that all of these subdivisions have been subject to a "common promotional plan" because there is a "thread of common ownership" because the same real estate company was involved in selling lots in each one. Also, they assert that instruments of interstate commerce were used in selling lots because the real estate company did such things as use the telephone and the mails in its sales efforts, along with having signs on Interstate Highway 51.

We feel very strongly that the regulatory position being taken by HUD in situations such as this are far beyond anything ever envisioned by Congress when it passed the ILSFDA. While it is totally justifiable to have federal regulation of large projects such as those in Florida and Arizona with nationwide marketing programs, we can see no justification for a federal agency requiring that numerous small projects be lumped together and subjected to the extremely detailed, time consuming and costly reporting requirements established by the regulations under the ILSFDA. Lots in subdivisions such as these can be priced in such a way that they are available to hourly wage earners and other medium income families. And yet my client has determined that his surveying and engineering costs go from $100 per lot to as much as $500 per lot when it is necessary to file a Statement of Record with HUD. Obviously, a portion or all of these costs have to be passed along to the lot purchasers and this seems to be an unfair burden to impose on those people. Also, it is another example of a regulatory agency placing an almost insurmountable reporting burden on a small businessman who has neither the staff nor the economic wherewithal to stay in compliance and still be able to carry on his regular business.

One final point. All indications are that HUD has not taken a consistent position with respect to its administration of the ILSFDA. I have contacted various realtors in the Wausau and Minocqua areas and found that none of them were aware of this problem. In addition, the attorney for the State Realtors Association knew of only one other case in the state where HUD had taken a similar position. However, it is also quite apparent that virtually every real estate company in the State of Wisconsin, or any other state, has been involved in various subdivisions, either on its own behalf or on behalf of clients, which, if aggravated, would total more than fifty lots and put him in a position where he was in violation of the Act and subject to its penalty provisions which, in addition to those described above, include civil and criminal sanctions.

Our situation can be summarized as follows: First of all, we do not believe that Congress intended to have the ILSFDA apply to aggregations of small subdivisions such as the ones in question here. However, if that was Congress' intent, then it is essential that the ILSFDA be applied in an even-handed manner so that a few isolated companies are not singled out for enforcement action and placed at a very substantial competitive disadvantage because they have had to incur an additional cost of up to $500 per lot in order to comply with the reporting requirements.

OILSR officials in their appearance before th Select Committee on Small Business did not agree with these figures. They contended that all this proved was that the developer had an expensive attorney. However, support was given by the industry spokesman, who also testified at the hearings.

Richard C. Farrer, chairman of National Association of Realtors, legislative committee, testified:

The time consumed and cost incurred to comply with OILSR rules and regulations can be enormous and can drive up the price of land significantly for the consumer. Reports from our members involved in land development indicate that to file for a simple exemption from OILSR can cost as much as $1000 and may consume up to 50 manhours in preparation. In fact, members report that by making an application, for an exemption and having that exemption approved in no way assures that one will not later be compelled to file for a full registration on the very same subdivision covered by the exemption. Full OILSR registration can cost as much as $20,000 and may consume 150 manhours in preparation. The major portion of these costs are represented in attorney's fees. If the filing of a simple exemption is completed without administrative delays, the applicant may expect OILSR approval within 2 months; application for full registration without difficulty may take from 4 to 8 months to obtain approval.

S. M. Karsh, president of Western Developers Council (in a letter submitted for the hearing record) said:

What do these delays, rejections, and requests for additional documents mean to the small developer? They mean escalating holding costs, added legal, accounting and consultant fees, loss of sales personnel, loss of potential sales and in many cases the cost of refiling with the DRE which includes both payment of additional filing fees and the costs inherent in reprocessing. It is not unusual for these costs to be in the tens of thousands of dollars.

What does it cost a small developer to file with OILSR? Depending upon how much of the work the developer does, it may cost from $10,000 to $50,000 per filing. This includes accounting costs that a small developer would not otherwise incur, such as costs for audited statements and budget projections, engineering and local fees, title costs, and the innumerable costs incurred in assemblying the necessary information.

And, William B. Ingersoll, general counsel, American Land Development Association, offered:

When all is said and done, the developer will probably have spent $25,000 to $100,000 on the registration procedure, including legal accounting and engineering expenses, staff time, and other miscellaneous expenses. That is, if he can afford an attorney. If he does the work himself, what he saves in attorney's fees he will more than likely lose in time spent on the process.

OILSR defends its position by pointing out that there are exemptions available to the developer, if he qualifies. But, the question is, Why should an "intrastate" developer have to qualify for an exemption from an "interstate" land sales act? Especially since he was not part of the land fraud problem which gave rise to the act.

Furthermore, it is OILSR's contention that it is justified in extending its jurisdiction to include "intrastate" land sales operations because, in HUD's words, "some of the worst abuses on the land buying public" are in "intrastate" land sales. Using this justification it could be contended that all Federal law can be applied to any "intrastate" situation at the whim of any regulatory agency.

Now, I am distressed to learn that the administration has offered a proposal to further expand the jurisdiction of OILSR by eliminating the "on-site inspection exemption."

The "on-site" exemption was offered by the distinguished Senator from Arkansas, William Fulbright, and was adopted as an amendment to the original act. I will quote extensively from Senator Fulbright's address on the occasion of the introduction of this amendment because it contains the most reasonable, commonsense approach to the problem that I have seen; and, I believe it clearly defines the overall limits of jurisdiction which the Congress intended for those who were to have the mission of administering its provisions.

The Senator said:

I think this is a legitimate and proper exemption because with respect to these companies in my State that are developing land in recreation areas and around lakes—many of them are large but most of them are small—it would be a great burden for them to have to file with HUD.

And he added:

The conditions that gave rise to this (Act) have been concentrated in three or four States and I see no necessity for everybody coming to Washington and filing elaborate statements when there is no justification for it.

Senator Fulbright, in this same address compared the crisis situation, which precipitated the enactment of the Securities Act, which was the model for the ILSFD Act—"There is certainly no crisis which would justify putting real estate in the same straitjacket as the securities industry," he said.

He continued:

I question the premise that those people should be subject to the expense and burden of the filing and other requirements, merely because a few unscrupulous promoters have cheated customers. The cure for these relatively few sharp practices may be worse than the disease. At a minimum it seems to me that there should be an exemption from the act for those developers who, whether or not they use the mails or the facilities of interstate commerce, make it a practice to sell only "onsite." This is the traditional method of selling real estate and it is hard to see how a purchaser would not have an opportunity to know what he is buying if he has inspected the lot himself. It is true, of course, that he would not know all the details of title, encumbrances, and so forth, merely by inspection, but civil and criminal provisions of State laws dealing with real estate transactions have been considered adequate. They apparently are still considered adequate for practically every form of sales except those of undeveloped land. There is no such proposal, for example, to deal with sales of new

or used cars or, in fact, homes. Yet I daresay the opportunities for misrepresentation, fraud and unscrupulous promotion are more prevalent in these areas than in interstate land sales. And their impact on the economy is greater.

This exemption will not, in itself, properly define those persons who operate truly interstate, but it is at least simple and easily understood. And it can provide a method by which one who is not truly an interstate promoter can avoid needless and burdensome requirements.

Those few interstate developers who would sell 'onsite' would also be exempt, it is true, but the purchasers would have inspected the property and its surroundings and would still have the additional protection of the laws against fraud and deceptive practices.

I believe the cure has now become "worse than the disease." This "interstate" act has resulted in potentially every land developer, whether he is engaged in "interstate" or "intrastate" sales, being "subject to the expense and burden of the filing and other requirements." It has become, in reality, an "interstate and intrastate" act. I trust not a single Member of Congress intended this result.

I fully support the administration proposals which are aimed at strengthening the provisions of the act as they relate to the control of fraudulent "interstate" land sales. But, I reject any further attempt to codify those practices of OILSR which have resulted in a wholesale distortion of the original legislative intent.

It is absolutely clear from the House report, the Senate report, and the conference report, from the remarks of Senator Fulbright and from the title of this legislation, that the original legislative intent was to restrict the operation of this law to the areas of land sales which produced the problems which gave rise to the act; that is, the unscrupulous land dealer who sold unusable, distant land in "interstate" commerce. It was never intended that this legislation should be administered in such a manner that both the legitimate developer and the consumer should be damaged or that the very character of the legitimate real estate development industry should be altered to conform to the whim of the bureaucracy which administers the law.

The amendments which I propose, will return our focus to the real problem. And, as I stated at the outset, they will narrow OILSR's jurisdiction so that its resources can be committed to effectively protecting the land buying consumer by controlling fraudulent "interstate" land sales operations. The involved businessmen will benefit from the lifting of a needless, heavy reporting burden; the Government will benefit from the resultant decline in paperwork; and, the taxpayers and consumers will be relieved of the financial obligation of funding the present meaningless procedure.

I believe the 11 exemptions which now appear in the act should be retained. This, of course, includes the "on-site inspection" exemption. In addition, my amendments are designed to remove those land sales operations which, historically, were not part of the problem which the Congress sought to solve by the enactment of the ILSFD Act—and are not part of the problem today.

My first exemption will categorically exempt the sale or lease of lots by a developer who is engaged in a sales operation which is intrastate or almost entirely intrastate in nature. This language is taken from the conference report which accompanied this legislation; and, I believe, satisfies the intent of the 90th Congress.

This exemption would specify that a sales operation is deemed to be intrastate or almost entirely intrastate in nature if not more than 5 percent of the sales made in 1 calendar year are to residents of another State; or not more than 5 sales made in 1 calendar year are to residents of another State, whichever is greater.

The 5-percent rule is now included in the regulatory exemptions, but it has proven to be unworkable for the small developer. For example: A developer sold only two lots in 1 year and one was to a resident of another State. The 5-percent rule did him no good, since 50 percent of his sales were to out-of-State residents. In another case a developer sold nine lots in 1 year, one of which was to a newly hired employee of the developer who was moving into the State where the lot was located. He was in violation of the OILSR 5-percent limit since the one lot constituted 11 percent of his sales that year. The five-lot alternative makes this exemption realistic.

The second category of exemption which I offer deals with the problem of land developers who operate on or near State borders. It exempts the sale or lease of lots by a developer to the resident of another State when the principle residence of the purchaser is within a radius of 100 miles from the property purchased. The 100-mile radius was chosen for three reasons. First, a prospective purchaser can easily drive the 200-mile roundtrip distance in a day; second, the loan jurisdiction of lending institutions extends to that limit; and third, local newspaper and electronic advertising would normally not extend beyond that limit.

Sales made under this exemption would, however, have to meet certain requirements:

First. The land must be free of encumbrances;

Second. There must be an on-site inspection;

Third. The seller must designate an agent for service of process in the home State of the purchaser and submit to the jurisdiction of the resident State of the purchaser;

Fourth. The seller must file a written affirmation with OILSR affirming that these requirements have been met. This would be a simple form with no action required by OILSR, but would acknowledge jurisdiction under the act if there is a problem later on.

These amendments will narrow the assignment of OILSR to solving the problem that was originally presented to the Congress in 1968. It will no longer be burdened with the responsibility of policing every local real estate sales operation in the country.

I ask unanimous consent that S. 2716 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interstate Land Sales Full Disclosure Amendments of 1978".

SEC. 2. Section 1402 of the Interstate Land Sales Full Disclosure Act is amended by striking out the period at the end of clause (10) and inserting in lieu thereof a semicolon and by adding at the end thereof the following:

"(11) 'sale or lease' means the entering into of a legally binding agreement by a purchaser to buy or lease a lot in a subdivision. The date of sale or lease shall be the time a contractual relationship is created between the developer and the purchaser.".

SEC. 3. Section 1403(a) of the Interstate Land Sales Full Disclosure Act is amended—

(1) by inserting "condominium," after "commercial," in clause (3);

(2) by inserting after "adverse claims do not refer to" in clause (10) the following: "United States land patents and similar Federal grants or reservations, nor to";

(3) by striking out "or" at the end of clause (10);

(4) by striking out the period at the end of clause (11) and inserting in lieu thereof "; and"; and

(5) by adding at the end thereof the following:

"(12) the sale or lease of real estate by a developer who is engaged in a sales operation which is intrastate or almost entirely intrastate in nature. A sales operation is 'intrastate or almost entirely intrastate in nature' if not more than 5 percent of the lots sold in the preceding calendar year were sold to residents of another State, or if not more than 5 lots sold in such year were sold to residents of another State, whichever is greater, exclusive of sales made under the provisions of clause (13) of this subsection. For the purpose of the exemption contained in the preceding sentence, a lot may be sold to a resident of another State only if—

"(A) the lot is free and clear of all liens, encumbrances, and adverse claims;

"(B) the purchaser or his or her spouse has made a personal on-the-lot inspection of the lot purchased; and

"(C) the developer executes and supplies to the purchaser a written instrument designating a person within the State of residence of the purchaser as his agent for service of process and acknowledging that the developer submits to the legal jurisdiction of the resident State of the purchaser.

As used in this clause (12), the terms 'liens', 'encumbrances', and 'adverse claims' do not include United States land patents and similar Federal grants or reservations, property reservations which land developers commonly convey or dedicate to local bodies or public utilities for the purpose of bringing public services to the land being developed, taxes and assessments imposed by a State, by any other public body having authority to assess and tax property, or by a property owners' association, which, under applicable State or local law, constitute liens on the property before they are due and payable, or beneficial property restrictions which would be enforceable by other lot owners or lessees in the subdivision, if—

"(i) the developer, prior to the time the contract of sale or lease is entered into, has furnished each purchaser or lessee with a statement setting forth in descriptive and concise terms all such reservations, taxes, assessments, which are applicable to the lot to be purchased or leased; and

"(ii) receipt of such statement has been acknowledged in writing by the purchaser or lessee; or

"(13) the sale or lease of real estate by a developer to the resident of another State when the principal residence of the purchaser is within a radius of 100 miles from the property purchased if—

"(A) the lot is free and clear of all liens, encumbrances, and adverse claims;

"(B) each purchaser or his or her spouse has made a personal on-the-lot inspection of the lot purchased; and

"(C) the developer executes and supplies to the purchaser a written instrument designating a person within the State of residence of the purchaser as his agent for service of process; and acknowledges that the developer submits to the legal jurisdiction of the resident State of the purchaser; and

"(D) the developer executes a written affirmation to the effect that he has complied with the provisions of clauses (A), (B), and (C) of this clause (13), such affirmation to be made a matter of record on a form provided by the Secretary, where such form shall contain only the name and address of the developer, the legal description of the subdivision, the affirmation, and the legal signature of the developer.

Sales made under this clause shall not be subject to the limitation contained in clause (12) but the number of sales made under this clause will be added to sales made under clause (12) to arrive at the total number of sales made in one year by a developer for purposes of calculation of the 5 percent out-of-State sales limitation factor contained in clause (12). As used in this clause (13), the terms 'liens', 'encumbrances', and 'adverse claims' do not include United States land patents and similar Federal grants or reservations, property reservations which land developers commonly convey or dedicate to local bodies or public utilities for the purpose of bringing public services to the land being developed, taxes and assessments imposed by a State, by any other public body having authority to assess and tax property, or by a property owners' association, which, under applicable State or local law, constitute liens on the property before they are due and payable, or beneficial property restrictions which would be enforceable by other lot owners or lessees in the subdivision, if—

"(i) the developer, prior to the time the contract of sale or lease is entered into, has furnished each purchaser or lessee with a statement setting forth in descriptive and concise terms all such reservations, taxes, assessments, which are applicable to the lot to be purchased or leased; and

"(ii) receipt of such statement has been acknowledged in writing by the purchaser or lessee.".

SEC. 4. Section 1416 of the Interstate Land Sales Full Disclosure Act is amended by adding at the end thereof the following:

"(c)(1) In discharging his responsibilities under this title, the Secretary shall conduct all actions with respect to rulemaking or adjudication in accordance with the provisions of chapter 5 of title 5, United States Code.

"(2) The Secretary, by rule, shall prescribe the procedure applicable to every case pursuant to this title of adjudication (as defined in section 551 of title 5, United States Code) not required to be determined on the record after notice and opportunity for hearing. Such rule shall, as a minimum provide that prompt notice shall be given of any adverse action or final disposition and that such notice and the entry of any order shall be accompanied by a statement of legal authority and other written reasons.".●

JOINT STATEMENT OF SENATORS, CONGRESSMEN, AND GOVERNORS ON NORTHERN IRELAND—ST. PATRICK'S DAY 1978

● Mr. KENNEDY. Mr. President, earlier today, in anticipation of St. Patrick's Day this Friday, a group of nine Senators, seven Members of the House of Representatives, and Govs. Hugh Carey of New York and Brendan Byrne of New Jersey, issued a joint statement on Northern Ireland. I was pleased to be part of this group, and I ask unanimous consent that the joint statement may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF SENATORS, CONGRESSMEN, AND GOVERNORS ON NORTHERN IRELAND—ST. PATRICK'S DAY 1978

One year ago, a group of us, as Irish Americans concerned about the continuing terrorism and destruction in Northern Ireland, issued a statement calling for an end to the killing on both sides and appealing to our fellow Americans to renounce any action that provides support or encouragement for those engaged in violence.

We and others renew that appeal in even stronger terms this year. We condemn the violence of all individuals and extremist groups. We just as strongly condemn the violations of human rights by the British Government in Northern Ireland as found by the European Court of Human Rights.

We are deeply concerned over reports that some individuals, organizations and groups in the United States are still providing assistance to the enemies of peace in Northern Ireland. There is no justification whatever for any persons to lend their support or good names to activities that enhance the cause of violence. Those who violate this standard bear a heavy responsibility for prolonging the terrorism and endangering the lives of innocent men, women and children in Northern Ireland.

All of us share the great goal of Irish unity. We reject the view that the goal can or should be achieved by spilling the blood and sacrificing the lives of Irish or any other people. Acts of terrorism and violence committed in the name of Irish unity will only increase the present polarization and postpone the long-sought day when unity will be achieved.

We strongly endorse the statement of President Carter of August 30, 1977 condemning the violence, supporting a solution based on a form of government acceptable to both sides in Northern Ireland and to the Irish and British governments, and proposing American financial aid for jobs and investment in Northern Ireland after a settlement is obtained.

At a time when we seek greater restraint and respect for peace on the part of our fellow Americans, it is essential that there be a more genuine commitment on the part of the leadership of the majority community in Northern Ireland to a settlement that is fair to Protestants and Catholics alike. It is also essential that there be more effective leadership by the British Government to achieve such a settlement. Time and again in recent years, movement toward a negotiated solution has been halted by the intransigence of extremist elements in the Protestant community and by Britain's failure so far to end the festering stalemate.

We are heartened by recent indications that an actual majority of the people of Northern Ireland are now at last in favor of a peaceful solution that is fair to both sides of the community. We urge the leaders of all the parties to renew forthwith their efforts to reach an acceptable agreement.

The season of St. Patrick's Day brings the green of spring, the ancient sign of hope and rebirth. It is a season for life and not death, for progress and not despair, for peace and not destruction. In this spirit we make our appeal, hopeful that it will touch responsive chords in the hearts and minds of all who truly seek an end to the violence in Northern Ireland.

Signed:

Senators: Edward M. Kennedy, Daniel Patrick Moynihan, Thomas F. Eagleton, George McGovern, John A. Durkin, Gary Hart, Thomas J. McIntyre, Joseph R. Biden, Jr., Patrick J. Leahy.

Representatives: Thomas P. O'Neill, Jr., Speaker; Thomas S. Foley, Frank Thompson, Jr., John J. McFall, Don Edwards, Edward J. Markey, John J. Cavanaugh.

Governors: Hugh L. Carey of New York and Brendan T. Byrne of New Jersey.●

WATERWAY USER CHARGES: COMPARING SUBSIDIES

● Mr. DOMENICI. Mr. President, last week a statement appeared in the RECORD discussing waterway subsidies on a ton-mile basis. That statement apparently was designed to show that my proposal on waterway user charges was unfair to the barge industry, compared with the railroad industry.

Unfortunately, the statement contained two basic fallacies: It was based on inaccurate figures, vastly overstating rail subsidies while understating the barge subsidies. And it utilized an unrealistic base for comparing subsidies.

From remarks several months ago, it is clear that last week's statement was based on 1976 barge subsidies listed at $360 million and 1976 rail subsidies said to cost $1 billion.

Actually, barge subsidies far exceed $360 million. The $360 million figure for 1976 appears to represent Corps of Engineers outlays for inland waterway construction and operations (the aspect covered by my amendment). It excludes, for example, tens of millions in additional subsidies in Coast Guard expenditures on the inland waterways and the Maritime Administration's equipment guarantee program.

By contrast, the railroad "subsidy" was supposed to be $1 billion in 1976. That is far beyond the real subsidy. According to the Congressional Research Service the rail industry has received, at most, a total of $1.1 billion in net nonpassenger-service subsidies for the entire period from 1835 through 1977. In fact, "Inland water navigation has received more net Federal aid than rail, buses, large trucks, and air carriers combined," the CRS found.

According to a Department of Transportation study printed previously in the CONGRESSIONAL RECORD, the complete list of freight subsidies to the rail industry (outside the loans and stock investment to ConRail and the bankrupt Northeastern railroads) totals $138 million for the past decade. That is not a 1-year figure; that is a 10-year figure. And all of that was in the form of loans of one sort or another.

Is that comparable to the gift of a free system provided to the barge companies? I think not.

But even if those figures were accurate, do they represent a true measure of comparability between modes? No. The real measure is how a subsidy affects rates, and thus the competitive advantage the taxpayers are providing to one mode in competition with another. According to a study by the Congressional Budget Office:

Federal subsidies are equal to about 41 per cent of all barge revenues, compared with 3 per cent for railroads.

Thus, for every $1 that a shipper pays to ship by barge, the Federal taxpayer kicks in 41 cents of subsidy. For every $1 that a shipper pays to ship by rail, the Federal taxpayer contributes three pennies. There is no "comparability" when one mode gets a 3-cent benefit compared with a 41-cent benefit provided to the competitor.

But, I must admit that those supporting the position of the barge industry may someday be right. A continued policy of major barge subsidies could make multibillion-dollar aid subsidies a self-fulfilling prophecy. Some of those now arguing most strenuously against barge fees are at the same time urging ever-vaster DOT rail subsidies. Rail subsidies can only worsen if we continue unabated the subsidized advantage of the barge lines. I think it is time to back off from subsidies to both, allowing big corporations to compete for traffic.

In recent testimony to the Committee on Environment and Public Works, Alice Rivlin, Director of the Congressional Budget Office, stated:

User charges represent a way to recapture from the actual beneficiaries some of the costs to the general public. Levying user charges promotes economic efficiency because users pay, directly or indirectly, for the services they receive. Proper incentives are provided, since heavier use imposes greater costs on the user and, at the same time, generates revenues to expand facilities. The absence of user charges implies subsidies. Federal aid without related tax collections subsidizes the beneficiaries.

Mr. President, to place this issue in perspective, I ask unanimous consent that the Congressional Budget Office calculation of subsidies be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of net Federal aid to railroads, inland water navigation, and commercial highway and air carriers, 1835–1977 [1]

(Billions of dollars)

Description	Low estimate	High estimate
Intercity buses (1957–76)	$0.04	$0.04
Railroads (1835–1977)	[2](.7)	[3]2.2
Large trucks (1957–76)	2.5	2.5
Air carriers (1957–76)	.7	5.0
Inland water navigation (1957–76) [4]	9.0	9.0

[1] Net Federal aid refers to Federal aid reduced by land-grant transportation provided to the Government in the case of railroads; and the estimated underpayment in the case of buses, large trucks, air carriers and inland water navigation.

[2] The parenthesis indicates a net benefit to the Federal Government.

[3] This amount includes $1.1 billion Federal aid to intercity rail passenger service. As discussed in Chapter II, there is considerable discussion as to whether aid to intercity rail passenger service should properly be considered Federal aid to railroads.

[4] Since separate amounts for recreational users and commercial users has not been determined, the estimate includes benefits to both. The estimates include National Weather Service expenditures for the period 1972–76 only, Coast Guard expenditures for the period 1971–75 only, and Corps of Engineers expenditures for the period 1957–75.

Mr. DOMENICI. Mr. President, to add further perspective, I ask unanimous consent that a table from the study entitled "Federal Aid to Domestic Transportation" by the Congressional Research Service of the Library of Congress be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In percent of industry revenues]

	Fiscal year 1974	Fiscal year 1975	Fiscal year 1976
Air carriers	1	1	1
Highway transportation	--	--	--
Railroad freight	1	2	3
Inland barges	47	44	41

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER FOR THE RECOGNITION OF MR. SCHMITT TOMORROW AND TIME-LIMITATION AGREEMENT ON AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Alaska yield to me once more? He is very courteous. I ask unanimous consent that on tomorrow at 2:30 p.m. Mr. SCHMITT be recognized to call up his amendment, that there be a time limit thereon of 15 minutes, not to exceed 15 minutes, to be equally divided between Mr. SCHMITT and Mr. CHURCH, and at the expiration of that time, or upon time being yielded back, a vote occur in relation to the amendment to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from Alaska.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

Mr. STEVENS. I thank the distinguished majority leader.

Mr. President, earlier today I tried to obtain the floor to explain why I was going to oppose the resolutions, understandings, and reservations that were to be offered.

Mr. President, legal research evaluating recently translated Panamanian Supreme Court cases and legal treatises which were heretofore not available in English to the American public or the Senate indicates that many Members of the Senate have been mislead into believing that understandings or reservations are binding upon the Republic of Panama under their domestic law without a second plebiscite. The research which Senator GRIFFIN has done compliments that of my own and I would thank my good friend from Michigan for the thorough job he and his staff have done in evaluating the international legal aspects of these documents. The focus of my research has been upon Panamanian domestic constitutional law. Mr. President, I believe the legal research which my staff and I have conducted casts serious doubts upon the legality of any understanding or reservation and shows the information provided us by the administration to be so erroneous and inconsistent with Panamanian domestic law that all Members of the Senate who have heretofore committed themselves to these treaties as a result should reevaluate their position in the light of this new legal material.

In the Republic of Panama the Supreme Court makes the final determination on what is constitutional. The Panamanian Supreme Court has declined in the past to evaluate the constitutionality of the substance of treaties, but has on at least one occasion declared a treaty unconstitutional, because it was not properly published during the ratification process. That decision was reached under the 1946 Constitution as amended in 1959.

The jurisdictional mandates for the Supreme Court of Panama under the 1946 constitution as amended in 1959 and the Torrijos constitution of 1972 are strikingly similar. The 1972 constitution is modeled after the 1946 constitution as amended. Torrijos expanded the jurisdiction of the court somewhat in most areas by giving them greater jurisdiction over the subject matter of documents in controversy, but denied the court's jurisdiction to review the constitutionality of constitutional amendments. For purposes of my comments, it is my understanding that the court's jurisdiction over treaties is, if changed at all, somewhat broader under the Torrijos constitution.

During the 1960's there were three court cases dealing with the Panamanian treaty ratification process. There have been no cases under the Torrijos constitution. The differences in the language of the two constitutions are so minor as to give no weight to theories that the decisions of the 1960's have been viciated by the new constitution. There is no reason to expect that the doctrine of stare decisis would not be in operation.

The treaty cases of the 1960's affirmed the concept that the Panamanian Supreme Court has no jurisdiction over the substance of the treaties, but may deal with the constitutionality of the procedures used in the Panamanian ratification process.

An example of this was the Supreme Court's decision that the Geneva Convention of August 12, 1949, was unconstitutional, because the Panamanian Government failed to use the proper procedures in ratifying the treaty. ("Fallo de 22 de enero de 1963") article 133 of the 1946 National Constitution required that the National Assembly approve treaties. As part of that process the entire document had to be printed in the official Gazette. In the case of the

Geneva Convention in controversy the entire document was not printed properly in the Gazette. The Supreme Court described the treaty as "truncated and therefore incomplete." The Panamanian Supreme Court held "if the promulgation of the laws exists as a constitutional prerequisite so that their texts, through the publication in the official Gazette, can be accessible to those that must observe it, then it must be concluded that the observance of the acts omitted in the laws enacting them cannot be made compulsory, insofar as their text is unknown, because of not having been published as part of that law * * *." This statement could have serious implications on the constitutionality of any reservations, understandings, declarations, or even amendments not submitted to a national plebiscite.

If the Carter-Torrijos understanding was not published as part of the text of the Neutrality Treaty, there are serious doubts cast on its constitutionality. Dr. Cesar Quintero, dean of the Law and Political Science School of the Panama University and Dr. Linares, a Panamanian lawyer and professor of law, both agree that there was insufficient publication of the leadership amendments under Panamanian constitutional law. Both professors point that there was no official publication of these documents prior to the Panamanian plebiscite.

When asked if the Carter-Torrijos understanding was properly published and voted upon, thus being binding on the people of Panama without a second plebiscite Dr. Quintero stated:

It just so happens that I have a copy of the ballots used during the plebiscite. What did we vote on? The ballot reads: I agree with the new Panama Canal treaty, the treaty on permanent canal neutrality and operation of the Panama Canal, the documents that have been agreed upon, the notes exchanged, the maps, the related agreements and annexes signed between the governments of Panama and the United States on Wednesday, 7 September 1977.

We voted on all this, to use their favorite word, the whole package—that is the term Americans use.

I am still quoting Dr. Quinteros:

These documents appear in a publication issued by the national lottery and in an earlier short publication—the lottery publication is longer. They contain the two basic treaties, all the notes exchanged, all the related agreements, all the signed annexes and all the documents agreed upon, as the ballot clearly says, on Wednesday, 7 September. So the oral agreement—because I insist that it was an oral agreement—between President Carter and General Torrijos could and should have been included—and it would have already been voted on—but it was not included on the ballot. (FBIS–LAT–78–16, 24 January 1978, Vol. VI, No. 16, p. N3)

I have been quoting, again, from the record of the statement of Dr. Quinteros.

It is clear from Dr. Quinteros' statement that the Carter-Torrijos understanding was an oral agreement and even though it was stated publicly before the plebiscite it was not properly published. It has no more force and effect under Panamanian law than a regulation in the United States that someone neglected to publish in the Federal Register.

Carlos Bolivor Pedreschi, a leading Panamanian constitutional scholar in citing examples where the Panamanian Supreme Court has jurisdiction over a treaty states:

Consider, for example, a public treaty entered into by the President of the Republic, and a situation in which he states that the treaty is finalized and in effect only with his signature, with that of the appropriate minister being unnecessary, and, even more serious with the approval of the National Assembly being unnecessary. Could not a treaty such as the one given in this example, which can allegedly be finalized with the signature of the President of the Republic, be brought before the Court on constitutional grounds? A treaty entered into in clear violation of the Constitution can be brought before the Court on these grounds". (Pedreschi, Carlos Bolivar, *El control de la constitucionalidad en Panama*, pp. 252–254)

The Pedreschi article predated the new transitory provisions of the Panamanian Constitution created by General Torrijos in 1972. Those provisions require that treaties dealing with the Canal Zone be submitted to a national plebiscite and it is only logical to conclude that Carlos Bolivar Pedreschi would have included the national plebiscite as part of the constitutional procedure which must be followed within the framework of his article had it existed at the time of the publication.

There are no precedents to indicate whether the Panamanian Supreme Court could strike understandings, reservations, declarations, or amendments including the leadership amendment leaving the balance of the text in force. Since there appears to be no restrictions in this regard and the Panamanian Supreme Court has broad discretion in their decisionmaking, there would seem to be nothing to prohibit them from rendering such a decision. And I point out that that was the decision that was made in connection with the Geneva Convention.

This analysis, incidentally, is concurred in by Eduardo Abbot, a Chilean lawyer, working as a Hispanic law expert for the Library of Congress. I ask unanimous consent that Mr. Abbot's report, which was conducted independent of my analysis, be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Mr. President, my point is that under the precedents of the Panamanian supreme court, since these reservations, understandings, declarations, and even the leadership amendments were not officially published and properly set out before the people of Panama prior to the time of the plebiscite, at the very least a second plebiscite is required. Furthermore, if we do not insist that Panama comply with their own domestic law at this time, a subsequent administration in Panama could do the same thing as was done in connection with the Geneva Convention: It could bring before the court the question of the reservations, understandings, or amendments that were so not published and properly presented to the Panamanian people prior to the plebiscite, and have them declared unconstitutional and not binding upon Panama at some future date.

I think that the problem is, as I have tried to state here before, after the year 2000 the United States has no formal role with regard to the Panama Canal. We are partners with Panama under the treaty which will come up for consideration after this Neutrality Treaty. We would be partners up until the year 2000. But after the year 2000, we have no relationship to that canal, and cannot protect our interests except through the use of force.

This is the reason I have opposed the reservations, understandings, and the declarations. I believe that only through an amendment, an amendment that is approved through the constitutional processes of Panama after they see what we have done to these treaties—and that means, to me, through a second plebiscite—only through their compliance with their own constitutional processes will we be assured that Panama has agreed to the same treaties and understandings that we would have agreed to.

I feel that we are setting the stage, Mr. President, as I have said before on this floor, for more misunderstanding in the future. We are setting the stage for not better relationships with Panama but worse relationships. We are setting the stage for future generations of Americans to have no alternative but to use force to assert our legitimate interests with regard to this canal. A canal which we constructed and which is an engineering marvel of the world, and which is still essential to our national economic and military security.

I believe that the legal research which we have done casts serious doubts upon the legality of any reservation, understanding, declaration, or amendment not properly presented to the Panamanian people under their domestic law that is through their process of a plebiscite. I understand that is contrary to what the managers and proponents of the treaties believe is necessary with regard to the reservations, understandings, and the declarations which are before us and which are being considered with regard to this treaty.

It is my opinion that these do not change the treaties and have no binding impact upon Panama, unless presented in accordance with their constitutional procedures under their domestic law to their people by plebiscite.

I think we are misleading the country. We are certainly putting future generations in a very difficult position if we lead the American public to believe that what we are doing here in connection with these reservations and understandings in any way corrects the defects some of us have articulated in regard to particularly the treaty which is before us and which will be voted upon tomorrow.

EXHIBIT 1

CONSTITUTIONALITY OF THE CANAL TREATIES

PANAMA

An opinion is requested to answer the following questions based on Panamanian law:

1. Hypothetically, if the U.S. Senate amends the resolution of ratification of the

Panama Canal Treaties with reservations or understandings, and those reservations or understandings are not submitted to a second plebiscite in the Republic of Panama, could the Panamanian Supreme Court strike those reservations and understandings on constitutional procedural grounds?

2. If such an event were to occur, under Panamanian domestic law, would the text of the Treaty without those reservations and understandings be the only binding document?

I. *Introduction*

Before answering the specific questions of the requester, it is necessary to review the nature and extent of the changes to the Treaties that the U.S. Senate could eventually propose, and also the statutory provisions establishing the judicial review of the constitutionality of treaties in Panama.

(a) According to a report prepared by the Senate Steering Committee,[1] there are three kinds of changes that the Senate may eventually propose:

(1) Understandings, statements, and declarations, terms which are generally "used for statements which clarify or explain one country's position on a given matter, or which give notice of a certain policy or principle; these, in other words, are statements which clarify but do not change a contractual relationship";

(2) Reservations, which are statements "whose effect is to alter the contractual relationship between the States," without necessarily altering the actual text of the treaties; and

(3) Amendments, which involve "a change in the authentic text of the treaty, and results (if the President wants to proceed with the treaty) in further negotiations with the other parties leading to the adoption of a new language."

(b) Article 188 of the Panamanian Constitution[2] entrusts the Supreme Court with several functions, among which is the following:

1. Guardianship of the integrity of the Constitution, to which end it shall decide, after hearing the Attorney General of the Republic or the Solicitor General, on the constitutionality of laws, decrees, decisions, resolutions and other acts challenged before it by any person on the grounds of content or form.

Articles 65–68 of Law 46 of November 24, 1956,[3] provide the procedural rules for this type of judicial review.

Unfortunately, the materials available to this Library do not cover the legislative history of the Panamanian Constitution currently in force, nor do they provide any judicial, administrative, or even monographic sources specifically related to this subject, which would help to sustain our interpretation of the above cited provision.

There are, however, some judicial precedents based on the former Panamanian Constitution, which contained similar provisions on the subject.[4] A brief review of the two most important precedents follows.

In the first case,[5] the Panamanian Supreme Court held unconstitutional and without legal effects in the Republic Law 35 of November 23, 1957,[6] which approved the adhesion of Panama to the Geneva Conventions of August 12, 1949, based on the following grounds: (1) This law did not contain the full text either of the instrument by which the Executive adhered to those Conventions or of the Conventions themselves, procedural steps deemed essential for them to become laws of the Republic; and (2) The law approving the Conventions was not promulgated within the time period established by the Constitution.

That is, based on the wording of articles 118(5) and 133 of the 1946 Constitution,[7] the Supreme Court ruled that the treaties concluded by the Executive become a part of the laws that approve them, and are therefore subject to the same procedural requirements, among which are their publication and timely promulgation, steps that are essential to make them known and obeyed.

In the second case,[8] the Supreme Court was asked to rule unconstitutional the 1903 Panama Canal Treaty with regard to its provisions that were violating the 1946 Constitution, then in force.

The Supreme Court stated in its decision of the case that a State cannot, through its own jurisdictional bodies, declare invalid an international convention because the convention violates the provisions and principles of its constitution or because the provisions of the convention are incompatible with the country's existence and institutional development. The Court added that an international treaty signed by Panama could not be disregarded because the international law principle of pacta sunt servanda was present in article 3 of the 1946 Constitution,[9] as it was in the previous constitutions of the country. Finally, the Court declared that it lacked jurisdiction to rule on the subject, because the jurisdictional function exercised by the courts ends at the same point that the country's sovereignty ends, and therefore the court lacked authority to rule in a case where the country itself was one of the parties. The Court added that only international courts could impose their will over the will of the contracting States, that is that only these courts had jurisdictional powers to rule on international conflicts, and if the Panamanian Supreme Court should rule on this subject it would be not only invading a field reserved to international courts but also acting as judge and party at the same time.[10]

Based on such considerations the Court dismissed the case, without even considering the allegations of the plaintiff.

The only available monographic comment on these precedents deals with the second case and is contained in an article written by Dr. Mario Galindo H., entitled "Constitutional Control and International Treaties."[11] In this article the author harshly criticizes the Panamanian Supreme Court decisions, noting the inexistence of international courts empowered with the necessary authority to compel countries to accept and obey their judgments, a fact that made illusory the reference of the Supreme Court to international courts as the only competent bodies to solve the conflict.

The article also notes that it is a widely accepted principle that, at a national level, treaties and statutes are on a legal parity with each other, and consequently the rule that the one with the later date supersedes the earlier, at least to the extent to which they are in conflict, is applicable to them. As examples, the author cites two U.S. Supreme Court decisions in which these principles were upheld.[12]

Finally, the article states that the 1946 Constitution empowered the Panamanian Supreme Court to review the constitutionality of treaties not only because of the ample terms in which constitutionality control function was given to the Court,[13] but also because of the fact that once a treaty is approved by the National Assembly it becomes a formal law of the Republic and, as such, subject to the Court's constitutional control.

In short, it may be stated that the Panamanian Supreme Court is empowered by the current Constitution to review the constitutionality of laws, decrees, decisions, resolutions, and "other acts" on grounds of either content or form. This attribute was also present in the former Constitution, and the Court makes use of it in ruling unconstitutional based on procedural grounds a law approving some international conventions. The same Court, however, refused to even consider an eventual conflict between the content of the 1946 Constitution and the provisions of the 1903 Panama Canal Treaty.

It must be noted that none of these precedents is necessarily binding on the Court; that the current Constitution is slightly different from the one on which the precedents were based; and that the last cited decision was adopted with a dissenting opinion, and has been harshly criticized by a Panamanian author.

II. Specific questions

Based on the above sources, our opinion regarding the specific questions of the requester, which are considered with regard to the internal legislation of Panama and not with regard to the international legal consequences of the ratification of the Treaties, is the following:

1. Given the text of the constitutional provisions governing the control of constitutionality in Panama, and the existing precedents, it appears to be hypothetically possible that the Panamanian Supreme Court could rule on the constitutionality of the new Canal Treaties, specially on the procedural aspects of their ratification.

It must be noted, however, that changes proposed by the United States Senate could range from mere understandings to formal amendments to the text of the treaties already signed, and this is an important fact to consider in assessing the likelihood of a Panamanian Supreme Court ruling on this subject.[14]

In the case of mere understandings that do not alter the text of the treaties already approved by the Panamanians in a plebiscite, it appears that actually there would be no need for a new plebiscite, considering that the interpretation of that text should be an attribute of the Executive, which is in charge of the negotiation process according to the Constitution. In such a case a Supreme Court ruling seems unlikely.

If the Senate proposes amendments that significantly alter the existing text of the treaties, and these amendments are not subjected to a new plebiscite by the Panamanian Government, the hypothetical possibilities of a Court ruling in the terms indicated by the requester seem, in our opinion, to be higher.

Finally, in the case of reservations, the likelihood of a Supreme Court ruling striking them as unconstitutional if they are not approved by a new plebiscite should depend largely on their nature and content, that is, on the extent to which they alter the already approved text of the treaties.

2. The second question is even more hypothetical than the first, and the absence of specific rules or precedents makes us conclude that the Supreme Court could eventually decide either way: to strike out as unconstitutional only those provisions that are different from the text approved by the Plebiscite of October 23, 1977, or to consider that the whole ratification process is defective, and, that the treaties' approval as a whole is formally unconstitutional.

FOOTNOTES

[1] 124 *Cong. Rec.* S915–16 (daily ed. Jan. 31 1978) (remarks of Sen. Dole).

[2] *Constitution of Panama* [Organization of American States, Washington, 1974] (English version).

[3] *Gaceta Oficial* [G.O.], Dec. 6, 1956.

[4] *Constitution of Panama 1946* [Pan American Union, Washington, 1957] (English version). It provided:

Art. 167. Together with its other constitutional and legal powers, the Supreme Court of Justice shall have the following:

(1) Guardianship of the integrity of the Constitution, to which end it shall decide, after a hearing with the Attorney General

of the Nation or the Assistant Attorney General, on the enforceability of bills that have been vetoed by the Executive as unconstitutional by reason of form or substance and on the constitutionality of laws, decrees, orders and other acts challenged before it by any citizen on such grounds. . . .

[5] Judgment 1/63 of Jan. 22, 1963, *in* 1 *Jurisprudencia Constitucional* 424–26 (Univ. de Panamá, Sección Investigación Juridica, Panama City, 1967), also cited in *Repertorio Juridico 1962* (seccion segunda, Decisiones de la Corte Suprema de Justicia en Pleno) 1–6 (Panama City, 1963).

[6] G.O., Jan. 3, 1958.

[7] These articles provided as follows:

Art. 118. The legislative functions of the National Assembly consist in enacting the laws necessary in fulfilling the purposes and performing the functions of the State declared in this Constitution, and especially the following:

(5) To approve or reject public treaties signed by the Executive; . . .

Art. 133. Every law shall be promulgated within six working days following its sanction and shall become effective from the time of its promulgation, unless the law itself provides that it will become effective on some other date.

[8] Judgment 14/65 of Oct. 15, 1965, *in* 1 *Jurisprudencia Constitucional* 518–19; also in *Repertorio Juridico 1965* 47–60.

[9] This article provided as follows:

Art. 3. The Republic of Panama comprises the continental and insular territory included between Colombia and Costa Rica, in accordance with the boundary treaties entered into by Panama with those Republics.

The jurisdictional limitations stipulated in public treaties made previous to this Constitution are recognized.

In the current Constitution, article 3 reads as follows:

Art. 3. The territory of the Republic of Panama comprises the land area, the territorial sea, the submarine continental shelf, the subsoil and air space between Colombia and Costa Rica, in accordance with the boundary treaties entered into by Panama with those States.

The national territory may never be ceded, transferred or alienated, whether temporary or partially, to any other State.

[10] In a dissenting opinion Justice Rodrigo Arosemena questionad all the principles on which the Supreme Court based this decision, and quoted a number of countries where the Constitution prevailed over treaties. One of his sources was John M. Mathews, *The American Constitutional System* [McGraw-Hill, New York, 1940] of which he cited and translated pages 310–12.

[11] M. Galindo H., "El Control Constitucional y los Tratados Internacionales," originally published in *Anuario de Derecho* Año VII, 1966–67, No. 7, at 269. It was reproduced because of its importance and "solid doctrinal base" in 9 *Repertorio Juridico 1968* 1–7.

[12] Those decisions are: Chae Chan Pung vs. U.S. 130 US 581–1889, and Moser vs. U.S., 341 US 41, 45 (1951).

[13] See art. 167 of the 1946 Constitution in note 5 above.

[14] See our previous report on the need for plebiscite for amendments to Panama Canal Treaties, printed in 124 *Cong. Rec.* S916, *supra* note 1, copy of which is enclosed.

PLEBISCITE FOR AMENDMENTS TO PANAMA CANAL TREATIES

PANAMA

The requested desires an opinion as to whether amendments to the Panama Canal Treaties would require a new plebiscite in Panama.

I. Constitutional provisions

The Constitution currently in force in Panama was enacted and came into effect on October 11, 1972.[1] According to its article 163(4) one of the functions of the President of the Republic is "to conduct foreign relations, to accredit and receive diplomatic and consular agents, and to enter into international treaties and agreements, which shall be submitted to the National Assembly for consideration."

This provision, also present in all past Panamanian constitutions, has two important exceptions in the current Constitution. First, article 277 (transitory) recognizes Brigadier General Omar Torrijos Herrera, Commander in Chief of the National Guard, as the Supreme Leader of the Panamanian Revolution, and, in order to ensure the fulfillment of the objectives of the revolutionary process, authorizes him to exercise for a 6-year period a number of public functions, one of which is the direction of the country's foreign relations.

The second exception is related to treaties dealing with the Panama Canal, which are under the purview of article 274 (transitory) of the Constitution, which reads as follows:

Art. 274. Treaties which may be signed by the Executive Organ with respect to the Panama Canal, its adjacent zone, and the protection of the said Canal, and for the construction of a new Canal at sea level or of a third set of locks, shall be submitted to a national plebiscite.

Finally, article 141 of the Constitution provides that the functions of the National Assembly of Municipal Representatives (Asamblea Nacional de Representates de Corregimientos) include enacting laws for several purposes, among which is: "1. To approve or reject public treaties signed by the Executive."

As far as we can ascertain no other constitutional or statutory provisions regulate this subject.

II. The Plebiscite of October 23, 1977

Law 33 of September 13, 1977,[2] submitted the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal to a plebiscite in the following terms:

Art. 1. A Plebiscite is hereby convened that shall take place on October 23, 1977, [with the purpose] that the citizens through their vote shall decide whether or not they approve the new Treaty of the Panama Canal, the Treaty concerning the permanent neutrality of the Panama Canal, and the related agreements and annexes signed between the Governments of Panama and the United States of America on Wednesday, September 7, 1977.

According to article 11 of the same law voters had to choose between ballots saying "yes" or "no" to the following proposition provided by article 10 of the same law:

"I agree with the new Treaty of the Panama Canal, the Treaty concerning the Permanent Neutrality of the Canal and the Operation of the Panama Canal, the minutes agreed upon, the exchanges of notes, maps, the related agreements, and the annexes signed between the Governments of Panama and the United States of America on Wednesday, September 7, 1977."

Neither the text of the ballot nor any other provisions of Law 33 of 1977 referred to future amendments to the treaties being approved by the Plebiscite of October 23, 1977.

In the Plebiscite the Canal treaties were approved by a wide margin by Panamanian voters.[3] It appears, therefore, that the remaining constitutional step would be the enactment of the treaties as a law by the National Assembly, according to article 141 of the Constitution, cited above.

III. Conclusions

The 1972 Panamanian Constitution requires that treaties signed by the Executive concerning the Panama Canal must be submitted to a national plebiscite for their approval. Neither the Constitution nor any statutory provision states whether or not a plebiscite is required in the case of amendments to treaties already approved by a plebiscite. Therefore, the law governing the subject must be interpreted by resorting to sources other than the statutes themselves.

The requirement of a plebiscite for the approval of treaties dealing with the Canal was established for the first time in the 1972 Panamanian Constitution. Unfortunately, the materials available to this Library do not cover the legislative history of this Constitution or provide any other judicial, administrative, or even monographic sources related to this problem, preventing us from issuing a substantiated opinion on the subject at the present time.

We can note, however, some of the basic elements that may be considered, within the context of Panamanian law, for arriving at a definite opinion on the subject:

(1) The Plebiscite of October 23, 1977, as noted in part II above, approved the text of the Panama Canal treaties and related agreements and documents as signed by the Governments of Panama and the United States on a specific date: September 7, 1977.

(2) The eventual amendments to the treaties could range from mere formalities to substantial modifications to the nature, extent, and content of the treaties; therefore, the content and nature of the amendments to be introduced to the treaties may determine, to an important extent, the necessity for a new plebiscite.

(3) According to Panamanian law, the interpretation of this legal problem can be considered an attribute to the Executive, which is in charge of the conduct of foreign relations, but the National Assembly of Municipal Representatives could consider the problem while passing the treaties as a law. Also, the Supreme Court could eventually be asked to rule about the legality of the treaties and their formal approval is an important element of the case.[4]

Mr. MELCHER. I believe it is fair and accurate to assess the majority judgment of the people of the United States as being sensitive to the problems of the people of Panama and willing to adjust with the Panamanians' use of the land in the Canal Zone for their purposes and to give them greater economic return from the canal's operation. We can do that, and people here in the United States know we can without these particular treaties.

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[1] *Constitution of Panama* [Organization of American States, Washington, 1974] (English version).

[2] *Graceta Oficial*, Sept. 19, 1977.

[3] New York *Times*, Oct. 25, 1977.

[4] Art. 188 of the 1972 Panamanian Constitution entrusts the Supreme Court with several functions, among which is the following: "1. Guardianship of the integrity of the Constitution, to which end it shall decide, after hearing the Attorney General of the Republic or the Solicitor General, on the constitutionality of laws, decrees, decisions, resolutions and other acts challenged before it by any person on the grounds of content or form." Based on similar provisions of past constitutions the Supreme Court has ruled on the constitutionality of laws and decrees approving treaties. For example: Judgments 1/63 of Jan. 22, 1963, and 12/63 of July 29, 1963, *in* 1 *Jurisprudencia Constitucional* 424–26, 438–39 (Universidad de Panamá, Sección de Investigación Juridica, Panama City, 1967).

It is the other requirements in the new treaties that are objected to by the American people.

From time to time in our history the reactions of deep and thoughtful judgment on a national issue have been developed and firmly enunciated by our people.

Such is the case now with these new treaties. That judgment does not warrant a simple label. It is neither "right wing" nor "imperialistic." It is not selfish, nationalistic fervor. The refusal of the majority of people here in the United States to back the new treaties is reflecting their commonsense to question certain key changes in the management and defense of the canal under the proposed treaties.

Polls in the United States have demonstrated an overwhelming rejection of the treaties. The poll shifts dramatically to nearly 50/50 when the question is asked: What if the treaties are amended to allow for continued U.S. defense of the canal after the year 2000? The amendments referred to are the Baker-Byrd amendments. Many of the people here, perhaps most, assume the Baker-Byrd amendments mean the United States would have a continued military base in Panama and that the United States would determine when it was necessary to defend the canal from hostile acts within Panama.

The Baker-Byrd amendments do not permit that. I repeat—the treaties with the Baker-Byrd amendments as part of the Neutrality Treaty prohibit a U.S. military base in Panama after 2000, and the Neutrality Treaty with the Baker-Byrd amendments does not allow the United States to determine when hostile acts within Panama require our defense of the canal.

The latter point—to defend the canal against hostile acts in Panama—was thoroughly debated on Senator DOLE's amendment No. 59 to add eight words to article IV to state that the United States would decide if hostile acts in Panama need our defense of the canal. The treaties' floor managers shrugged off the amendment as "messing with words"—citing the treaties as "a contract entered into by two sovereign governments" and the amendment would require renegotiation.

That admission by the floor managers of the treaties clearly demonstrates the inadequacy of the treaty. They say it would require a new plebiscite in Panama. An honest conclusion can be made then that the Panamanians understand and accept the treaties only on the basis that hostile acts against the canal in Panama cannot result in United States defense of the canal unless they ask us to help them. The confusion that this raises is: Who determines what in Panama? While Panamanians historically have been friendly to the United States, there have been 49 different heads of government in 70 years. A hostile act endangering the canal's operation might occur within Panama under a different faction. That possibility would be harmful to many countries, including Panama, and they must understand that.

While Panama might need a new plebiscite, our plebiscite in the United States is the Senate vote.

Treaties are made to determine legitimate actions between participating countries, and if endorsed by other countries, become conditions accepted throughout the world. It is our intention under these treaties—or a subsequently negotiated modification with Panama—that we are fair and prudent, not imperialistic or unreasonable.

In that light, the treaty floor managers, with White House push, advise the Senate and the people of the United States that flaws in the treaty can be corrected with reservations—not to the treaty—but to the article of ratification. Upon consultation with the international lawyers they advise us that this will add requirements of the Government of Panama.

It is not—no, it is not contended—that the changes in the article of ratification carry the same weight as do amendments to the body of the treaty.

The logic advanced by the treaty backers fails to meet U.S. interest or intent in the new treaty. It is our purpose to have a clear commonsense understanding on the continued operation and defense of the canal.

If the points raised by amendments to the body of the treaty are unacceptable because they would require a new plebiscite in Panama, the same provisions added to the article of ratification—if binding—would also require a new plebiscite in Panama. "Not so," say the treaty floor managers and the President. It follows that additions to the article of ratification are not only something less than if the provisions had been accepted to the body of the treaty, but it also can be concluded that to avoid a new plebiscite in Panama that the U.S. Senate must only consent to the treaties—no advice, no adjustment, to protect U.S. concerns.

In all of the discussions I have had with the President and Ambassador Linowitz concerning the treaties, I have refused to accept that the flaws I found in the treaties would be adequately corrected by reservations or additions attached outside the body of the treaties.

It is evident that if an addition or reservation to the article of ratification similar to rejected amendments to the real body of the treaty is not of sufficient consequence to require a new plebiscite in Panama, then it is not a firm part of the treaty clearly agreed to and accepted by the Panamanians.

Retention of a military base in Panama after 1999 is only practical for mutual defense and in line with a score of foreign countries. The Panama Canal is a strategic facility still requiring mutual defense in 2000 and after. Panama has a 10,000-member national guard which is a combined police, military secret service, and political enforcer of the Torrijos government.

The amendments to retain a U.S. military base in Panama after 1999 were rejected when the treaty backers said any of them would kill the treaties because it would require a new plebiscite in Panama. Amendment No. 59 of only eight words to article IV, which would have helped the people of the United States and Panama to clearly understand that the United States had the right to defend the canal against hostile acts within Panama was defeated.

Treaty managers and the White House advise us that, it, too, kills the treaty because it would cause a new plebiscite in Panama.

Attaching the same propositions outside of the body of the treaties they say, requires no new plebiscite in Panama. Therefore, those propositions attached at that point cannot be represented by the treaty backers as understood and accepted by Panama. They are not accepted by Panama as firm requirements of the treaty.

Are we to believe that the advice of international lawyers to the treaty backers here in the United States that these attachments to the article of ratification will become binding on Panama without their understanding and accepting the attachments?

Is this a hoodwinking method of getting what we want to protect U.S. interests without bothering Panama?

Either the amendments to article IV and article V on these two points would not have bothered the Panamanians if we had accepted them, or the Panamanians will not bother to accept or recognize the same provisions attached outside the body of the treaty.

That is no basis for having a workable treaty.

Many of us who will vote against the Neutrality Treaty cannot accurately be described as "right wing" or "imperialistic." Rather in my judgment, the reasons against the treaty are only practical and necessary regardless of which side of the aisle we sit on.

The Neutrality Treaty to protect U.S. interests required substantial restructuring. This method of add-ons to the article of ratification, in my judgment, fails to meet our requirements and would not be recognized by Panama as "for real" or binding because the Senate, at the behest of the President and General Torrijos, refused to incorporate them in the appropriate articles of the treaty.

I regret that I must disagree with the President in his judgment on this treaty. But our function in the Senate must be to both advise and consent on the treaty. I cannot, in face of the facts, only consent.

I regret that the issue has been projected to be of such magnitude politically. If this Neutrality Treaty is defeated, adjustments with Panama on better returns from the canal's operation and use of the land by Panama can immediately proceed.

To help President Carter and the country, we need to quickly get on with solving the problems of our economy here in the United States. Agriculture, steel, copper, energy, and many other industries need immediate attention.

In my judgment, the best way to help the country and President Carter is to defeat the Neutrality Treaty and to turn the Senate's attention and efforts to the more urgent domestic problems.

RESERVATIONS AND THE NEED FOR A NEW PLEBISCITE

Mr. GRIFFIN. Mr. President, on Monday of this week I cited extensive legal authority, as well as statements made earlier this year by Secretary of State Vance, General Torrijos, and others, to the effect that if the Senate adopted amendments to the Neutrality Treaty a new plebiscite would be required in Panama.

The Senate has adopted two amendments. However, it is now clear that President Carter and General Torrijos intend to exchange instruments of ratification without subjecting the amended treaty to a vote of the Panamanian people.

Now the Senate is considering the resolution of ratification to which a number of reservations and understandings are being proposed. Accordingly, it is appropriate to consider what will be the legal implications of the adoption by the Senate of reservations and understandings.

Under international law a reservation to a treaty, like an amendment, amounts to a rejection of the treaty as submitted and requires reratification by the other party in order to be valid. This has been recognized by the Department of State for decades as a basic principle of international law.

For example, Green Hackworth—a former Legal Adviser of the State Department—writing in 1943 in his Digest of International Law, quoted this memorandum by the Solicitor for the Department of State on April 18, 1921:

The action of the Senate when it undertakes to make so-called "reservations" to a treaty is evidently the same in effect as when it makes so-called "amendments", whenever such reservations and amendments in any substantial way affect the terms of the treaty. . . .

In the course of negotiations regularly conducted in accordance with established international practice, *the Government of the United States must either ratify a treaty as it has been signed or reject it. If the Senate attempts to alter it, consent of the other nations must be obtained to the alteration. In effect, a new treaty is substituted for the old one.* (Emphasis supplied.)

In 1950, another State Department Legal Adviser, Adrian Fisher, said this in a statement before the Senate Foreign Relations Committee:

. . . [*A*] *Reservation* is based on the theory that this is something other than what was agreed to and *has to be resubmitted to the other parties* of the Convention to see whether they accept that change in the terms. *It is, as we used to say in contracts, a counter-offer.* (Emphasis supplied.)

In his casebook, International Law, Prof. William Bishop of the University of Michigan says:

In the case of bilateral treaties, reservations or amendments may be suggested by the Senate or corresponding body in the other state concerned; but of course *it is necessary that the President and the Senate, in the case of the United States, and the corresponding treaty-making organs, in the case of the other party, agree to the treaty with the amendment or reservation before it becomes effective.* (Emphasis supplied.)

Let me emphasize the words "the corresponding treaty-making organs, in the case of the other party." In the case of Panama, this means not only the executive but also the people, because under Panama's Constitution a treaty concerning the Panama Canal can only be made with the approval of the people voting in a national plebiscite.

Almost echoing the words of Adrian Fisher, Professor Bishop explains:

Since a true reservation is, in effect, a "counteroffer" by the reserving state, it is obvious that in the case of a bilateral treaty the reservation and the action which it accompanies (signature or ratification) will be of no effect unless accepted by the other party.

Consider also the writings of Oxford University's distinguished J. L. Brierly, who said this in his the Law of Nations:

In accepting a treaty a state sometimes attaches a *"reservation"*, that is to say, it makes the acceptance conditional on some new term which limits or varies the application of the treaty to itself. *Such a qualified acceptance is really a proposal for a treaty different from that agreed on, and if the reservation is persisted in and is not accepted by the other states concerned it amounts to a rejection.* . . . When a treaty has only two parties, the matter is simple; *if the other party does not accept the tendered reservation the treaty will fall.* (Emphasis supplied.)

A similar view is provided by the late Professor Oppenheim, of the University of Cambridge, who wrote in his classic work, International Law:

"§ 517. It follows from the nature of ratification, as a necessary confirmation of a treaty already concluded, that *ratification must be either given or refused, no conditional or partial ratification being possible.* That occasionally a State tries to modify a treaty while ratifying it cannot be denied; but *conditional ratification is not ratification at all, but is equivalent to refusal of ratification coupled with a fresh offer which may or may not be accepted.* Nothing, of course, prevents the other contracting party from entering into fresh negotiations in regard to such modifications; but such negotiations are negotiations for a new treaty, the original treaty having become null and void through its conditional ratification." (Emphasis supplied.)

It is worth noting that Professor Oppenheim in using the term "conditional ratification" is including not only amendments and reservations, but also understandings.

Thus, he writes:

"It has been asserted that it is quite legitimate—and that one ought not in this case to speak of conditional ratification—for a contracting party who wishes to secure a certain interpretation for certain terms and clauses of a treaty, to grant ratification upon the understanding only that they should bear a particular interpretation. In such cases, according to that view, ratification does not introduce an amendment or an alteration, but only fixes the meaning of otherwise doubtful terms and clauses of a treaty. However, it is clear that such interpretation, in order to be binding upon the other parties, must secure their assent. Otherwise it might be possible for a contracting party to modify substantially in its obligations by means of its own interpretation of the provisions of the treaty."

Let me cite one more authority. In "Cases and Materials on International Law," written by Friedmann, Lissitzyn and Pugh—three Columbia Law professors, they say:

In the context of bilateral agreements, a reservation is closely analogous to a counter-offer by the reserving state, and the legal situation is clear, whether the reservation is accepted or rejected by the other state. . . .

They then quote from a 1951 advisory opinion of the International Court of Justice, which said in part:

It is well established that in its treaty relations a State cannot be bound without its consent, and that consequently *no reservation can be effective against any State without its agreement thereto.* (Emphasis supplied.)

There is one other legal point I wish to deal with before yielding the floor.

On Monday I stressed that if the Senate attached conditions to the treaties requiring Panamanian acceptance, and if General Torrijos proceeded to "ratify" the treaties without the approval of the Panamanian people, the validity of the treaties would be subject to challenge.

It has been argued, in effect, by several Senators that we need not be concerned whether General Torrijos violates his Constitution by accepting a revised treaty without submitting it to a new vote of the people. This is a contention with which I cannot agree, and which I do not believe is supported by the bulk of the legal authority on the subject.

There are legal scholars who stress that a nation cannot avoid a treaty commitment by citing obscure portions of its internal law to, in effect, annul a treaty. However, with respect to major provisions of internal law—particularly constitutional requirements for legal ratification—the weight of the authority supports the contention that a state cannot be bound by an illegally ratified treaty.

For example, Prof. C. G. Fenwick—who, by the way, was a specialist on Inter-American law—has written:

The majority of writers . . . maintain that foreign governments should be held to a knowledge of the constitutional prerequisites of ratification in each country with which they are dealing; and they insist that a treaty which has been ratified without the proper observance of these requirements is ipso facto invalid, whatever the proclamation of the head of the state may assert in that respect.

Consider also this conclusion by Professor Oppenheim, from his classic work, International Law:

§ 497. Although the Heads of State are regularly, accordingly to International Law, the organs that exercise the treaty-making power of the States, *such treaties concluded* by Heads of States, or other organs purporting to act on behalf of the State, *as violate constitutional restrictions do not bind the State concerned.* This is so for the reason that the representatives have exceeded their powers in concluding the treaties." (Emphasis supplied.)

Finally, let us look at the relevant provisions of the 1970 Vienna Convention on the Law of Treaties, which—which technically not applicable to the Panama treaties because it has not yet been ratified by the two parties—can be viewed as representative of existing standards of international law.

Article 46 of the convention says:

1. A State may not invoke the fact that its consent to be bound by a treaty has been

expressed in violation of a provision of its internal law regarding competence to conclude treaties as invalidating its consent *unless that violation was manifest and concerned a rule of its internal law of fundamental importance.*

2. A violation is manifest if it would be objectively evident to any State conducting itself in the matter in accordance with normal practice and in good faith. (Emphasis supplied.)

Clearly, as I demonstrated Monday, the plebiscite requirement in Panama's Constitution is a rule of "fundamental importance," and a failure to follow that rule would be "manifest."

In sight into the "legislative history" of article 46 is provided by two of the participants in the negotiations which led to the convention.

Chief Justice of Nigeria, T. O. Elias, writes in "The Modern Law of Treaties," that the conference wanted to include the provision that a State could not be held to a treaty ratified in manifest violation of a fundamental rule of its internal law:

. . . [B]*ecause cases have occurred in the past when a Head of State entered into a treaty with another State in sheer disregard or contravention of the State's clear constitutional provisions.* The latter State must surely know that the Head of State's want of authority to express consent to conclude the treaty is so manifest that the treaty should be regarded as *ipso facto* invalid. (Emphasis supplied.)

The support for this exception was emphasized by I. M. Sinclair, the senior legal advisor to the British Foreign and Commonwealth Office, who—in his book, "The Vienna Convention on the Law of Treaties"—noted that an amendment by Pakistan and Japan to delete the "manifest violation" exception was defeated by "a fairly substantial majority."

And so. Mr. President, two facts seem clear:

Under international law any condition applied to these treaties by the Senate—whether we call it an amendment, a reservation, or by some other term—must be accepted by Panama in accordance with its constitutional procedures. Its constitution requires approval by a vote of the people.

If we permit President Carter and General Torrijos to exchange instruments of ratification without the required new plebiscite, we will invite a future Panamanian leader to denounce the treaty as null and void under international law.

While I have been speaking this afternoon of the legal dangers inherent in the path we are being asked to follow by the administration, I do not intend to overlook the moral implications of following such a course.

Can we really simply turn our backs on the people of Panama, whose constitutional right to pass judgment on the modified treaties would be ignored?

And if we do, Mr. President, can we really expect this new treaty relationship to serve as a foundation for a new relationship of friendship and partnership with the people of Panama? On the contrary, it is almost certain to increase the bitterness which too often has characterized our relations in the past.

SCHOOL PRAYER

Mr. HELMS. Mr. President, earlier today as we joined with the distinguished Chaplain of the Senate, Dr. Elson in prayer, as we do each day when the Senate begins its sessions, I could not help thinking that while we begin our day's work by asking God's blessing on our efforts, the Supreme Court has denied that same right and privilege to millions of schoolchildren across the Nation.

Mr. President, one would think that if the legislators of this country are entitled to ask for divine blessing upon their work, then so are schoolchildren. However, the court has ruled to the contrary and in so doing has overturned more than 200 years of Americans custom. Indeed, the Supreme Court has even ruled that schoolchildren may not read the prayer of the House or Senate Chaplain as printed in the CONGESSIONAL RECORD as a beginning to their school day.

Mr. President, the interpretation of the first amendment used by the Supreme Court to strike down this practice of the American people, distorted the intent and language of the amendment. The Justices of the Court held that a voluntary, nondenominational prayer constituted a violation of the "establishment of religion" clause of the first amendment. The Court's interpretation of the first amendment indicated not only an animosity toward the effect of religion in the public life of our Nation, but also a misunderstanding of its historical role.

Last month, the Senate once again assembled to listen to George Washington's Farewell Address. Washington brought the unique experiences of his service as first President of the United States, as commander of the continental forces during the War of Independence and as president of the convention which wrote and presented the Constitution to the States for ratification. He rejected the narrow opinion that religion must be excluded from the public life of the Nation. In his final counsel to the Nation, Washington warned that:

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness.

Mr. President, Washington's view has indeed been the mainstream of the legal and social attitude of the American people and the drafters of the Constitution in regard to the religious rights preserved in the Bill of Rights. Prof. Edward Corwin, one of our most distinguished constitutional scholars, rejected any interpreation of the first amendment which would force upon government institutions a formal agnosticism. Professor Corwin writes:

The historical record shows beyond peradventure that the core idea of an "establishment of religion" comprises the idea of preference; and that any act of public authority favorable to religion in general cannot, without manifest falsification of history, be brought under the ban on that phrase.

THE SUPREME COURT DECISIONS

Nearly 200 years after the drafting of the Constitution, the Supreme Court for the first time ruled that prayer and Bible-reading in public schools encouraged by the State constitutes an establishment of religion in violation of the first amendment. At the time of these decisions, 26 States permitted Bible reading in the public schools and 13 authorized the saying of the Lord's Prayer.

The first amendment provides that:

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

In *Engel* v. *Vitale*, 370 U.S. 421 (1962). the court prohibited a requirement of the New York State Board of Regents that each class begin the school day with the following prayer:

Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country.

In *Abington School District* v. *Schempp*, 374 U.S. 203 (1963), the court struck down a Pennsylvania statute requiring the reading of at least 10 verses from the Holy Bible without comment and the saying of the Lord's Prayer at the beginning of each school day. In a companion case, the court invalidated a Maryland requirement concerning the reading of a chapter of the Holy Bible and/or saying the Lord's Prayer.

In each case, the court ruled that voluntary school programs including Bible-reading or prayer violate the establishment clause of the first amendment. In Engel, Justice Black wrote:

the constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government. (370 U.S. at 425)

In Schempp, Justice Clark concluded that the Bible-reading programs:

are religious exercises, required by the States in violation of the command of the First Amendment that the Government maintain strict neutrality, neither aiding nor opposing religion. (374 U.S. 203)

In both rulings the court went beyond the language of the establishment clause to construct an interpretation of it which would overturn the long-standing state practices. In Engel, Justice Black asserted:

Its first and most immediate purpose rested on the belief that a union of government and religion tends to destroy government and to degrade religion . . . The Establishment Clause thus stands as an expression of principle on the part of the Founders of our Constitution that religion is too personal, too sacred, too holy, to permit its "unhallowed perversion" by a civil magistrate. (370 U.S. 431–32)

Justice Clark argued in Schempp that the court had previously "rejected unequivocally the contention that the establishment clause forbids only governmental preference of one religion over another." (374 U.S. 216) He maintained that the establishment clause must be considered together with the free exercise clause, and that they impose on

Government a "wholesome neutrality" toward religion. In Justice Clark's view, the first amendment prohibits Government from any action favoring one religious sect over all others, or religion in general over nonreligion.

Justice Clark formulated a new standard by which to measure legislative action regarding the first amendment:

The test may be stated as follows: what are the purpose and the primary effect of the enactment? If either is the advancement or inhibition of religion the enactment exceeds the scope of legislative power as circumscribed by the Constitution. That is to say that to withstand the structures of the Establishment Clause there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion. (374 U.S. at 222)

The court maintained that even though the prayer and Bible-reading activities were voluntary, this did not prevent them from violating the establishment clause. In Engel, the court held that:

The Establishment Clause, unlike the Free Exercise Clause, does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish an official religion whether those laws operate directly to coerce nonobserving individuals or not. (370 U.S. 421)

COURT'S INTERPRETATION—SHEER INVENTION

Thus the Supreme Court reached a position which earlier the highest court of New York State had concluded "is so contrary to history as to be impossible of acceptance." Constitutional scholars also took issue with the Court's new interpretation. For example, Prof. Charles Rice of Notre Dame Law School found that the Court interpreted "the establishment clause in abstract and oversimplified terms, doing violence thereby to the history and informed logic of the first amendment" and Erwin Griswold, Dean of Harvard University Law School, viewed the Court's holding as "sheer invention."

The Court reached its holdings in Engel and Schempp by way of a myopic and narrow view of the history of the Constitution. Only by a thorough distortion of the work of the authors of the Constitution is it possible to arrive at the sweeping condemnation of America's spiritual heritage presented in the Court's opinions.

Professor Rice, writing in the South Carolina Law Review, explains:

It has been incorrectly asserted, by the Supreme Court and others, that the establishment clause ordained a government abstention from all matters of religion, a neutrality between those who believe in God and those who do not. An examination of the history of the Clause, however, will not sustain that analysis. Its end was neutrality, but only of a sort. It commanded impartiality on the part of government as among the various sects of theistic religions, that is, religions that profess a belief in God. But as between theistic religions and those nontheistic creeds that do not acknowledge God, the precept of neutrality under the establishment did not obtain. Government, under the establishment clause, could generate an affirmative atmosphere of hospitality toward theistic religion, so long as no substantial partiality was shown toward any particular theistic sect or combination of sects.

Justice Joseph Story, who served on the Supreme Court from 1811 to 1845 and who was a contemporary of the framers of the Constitution, maintained that at the time of the drafting of the first amendment:

The general if not the universal sentiment in America was, that Christianity ought to receive encouragement from the state so far as was not incompatible with the private rights of conscience and the freedom of religious worship. An attempt to level all religions and to make it a matter of state policy to hold all in utter indifference, would have created universal disapprobation, if not universal indignation.

COURT IGNORED HISTORY

The first amendment provides that Congress shall make no law respecting an establishment of religion. Those assembled at the Constitutional Convention did not arbitrarily choose the phrase "an establishment of religion." There was much history behind the term. Not only did England and Scotland have an established church, but five of the States which later adopted the first amendment had established churches as well.

In the Engel and Schempp opinions, the court ruled that the phrase "establishment of religion" really meant not just the creation of a national church, but any Government action dealing or touching religion. To cite Justice Clark's new test outlined in Schempp, the "primary effect" of any governmental act must not "advance religion."

Yet, it is just this view of what the first amendment should provide that the authors of the amendment specifically rejected. During the Constitutional Convention the delegation from New Hampshire proposed that the first amendment should read:

Congress shall make no laws touching religion . . .

Needless to say, that language was rejected.

An elementary rule of statutory construction provides that when a legislative assembly rejects language which has a broad application and substitutes in lieu of it language with a specific, narrow application, that the legislative intent is to exclude the broad application. Had the proposal that Congress make no law "touching religion" been accepted, it would undoubtedly have prevented Congress from doing much more than establishing a national religion. If applied to the States, it undoubtedly would have prohibited the type of prayer at issue in the Engel and Schempp cases. However, it is equally clear that this broad language was rejected and that Congress viewed the official encouragement of voluntary prayer, even on the national level, as not to be contrary to the first amendment's establishment provision.

On September 24, 1789, the first Congress passed a resolution requesting that the President "recommend to the people of the United States a day of public thanksgiving and prayer, to be observed by acknowledging, with grateful hearts, the many signal favors of Almighty God, especially by affording them an opportunity peaceably to establish a constitution of government for their safety and happiness."

Congress passed this resolution calling for a national day of prayer on the same day on which it adopted the first amendment to the Constitution. Nine days later President Washington issued the Thanksgiving Proclamation. Could any action more clearly indicate the intent of the authors of the first amendment regarding its establishment clause and Government-encouraged public prayer? The framers of the Bill of Rights clearly rejected the doctrine imposed upon the Nation in their name nearly 200 years later when the Supreme Court demanded that:

In the relationship between man and religion, the state is firmly committed to a position of neutrality.

A threshold issue presented in the Engel and Schempp cases was whether the establishment clause of the first amendment could be applied to the action of State governments through the 14th amendment. The court rejected an historical analysis of the meaning of the 14th amendment and relied on unsupported assertions. "First," wrote Justice Clark, "this Court has decisively settled (that the establishment clause) has been made wholly applicable to the States by the 14th amendment." For proof, he cited an opinion of Justice Roberts in Cantwell against Connecticut. The difficulty here is that the Cantwell case does not deal with the establishment clause and therefore does not settle anything at all. Thus the fundamental issue before the Court was disposed of by hypothesis.

Here again, an open historical inquiry would have led to a result far different than that of the Court's. The framers of the 14th amendment themselves did not intend, nor did they believe that the amendment would prohibit the States from encouraging prayer in public schools. How else can one understand the serious attempt by some in Congress only 7 years after the ratification of the amendment to amend the Constitution once again to prohibit the State establishment of religion. If the 14th amendment was intended to do this, why would those who had just adopted it propose to do it again?

The answer is that the 14th amendment did not apply the establishment clause of the first amendment to the States. Only a distortion of both amendments and their history permit such an application.

In part, the 14th amendment provides that no State "shall deprive any person of life, liberty, or property, without due process of law." Before its decisions in the Engel and Schempp cases, the court had applied other aspects of the Bill of Rights to the States through the 14th amendment by asserting that the word "liberty" as used in the amendment included all the liberties included in the Bill of Rights. Hence the liberties annunciated in the Bill of Rights could be protected from encroachment by the States.

But as Prof. Edward Corwin has explained, the establishment clause is not like the liberties outlined in the first nine amendments such as the right to bear arms. Rather it is like the 10th amendment which distinguishes the proper constitutional powers of the national and State governments under our Federal system.

The framers of the first amendment rejected the proposal by the delegations of Virginia and North Carolina that:

> No particular religious sect or society ought to be favored or established, by law, in preference to others.

because this language would have allowed Congress to disestablish the established churches of five States. The Congress then rejected Madison's proposal that the first amendment not apply to Congress at all, but that it prohibit only the States from violating "the equal rights of conscience."

The authors of the first amendment sought to protect religious liberty by providing that "Congress shall make no law . . . prohibiting the free exercise" of religion. However, regarding the purpose of the establishment clause, the legislative history is clear that the framers sought to prohibit Congress from establishing a national church or interfering with the individual State's policy regarding religion. As Justice Story later wrote:

> The whole power over the subject of religion is left (by the amendment) exclusively to the State governments to be acted upon according to their own sense of Justice and the State constitutions.

The authors of the first amendment sought a division of power in which the States would retain their ability to establish or disestablish a religion, while Congress had no power in this area. There simply is no liberty contained in the establishment clause to be "incorporated" through the 14th amendment and applied to the States. To interpret both amendments in such a way as to construe such an application would amount to prohibiting a State from establishing a national religion or from interfering with its own arrangements regarding religion.

CONGRESS CAN RESTORE THE RIGHT TO SCHOOL PRAYER

Mr. President, the Congress need not yield to any Justice of the Supreme Court in its respect for the words of the first amendment or for the principles or history behind them. Neither must Congress yield its responsibility under the Constitution to insure that the freedoms protected by the first amendment are not undermined by actions of other institutions. There is no more pressing duty facing the Congress than to restore the true spirit of the first amendment.

In anticipation of judicial usurpations of power, the framers of our Constitution wisely gave the Congress the authority, by a simple majority of both Houses, to check the Supreme Court by means of regulation of its appellate jurisdiction. Section 2 of article III states in clear and unequivocal language that the appellate jurisdiction of the Court is subject to "such exceptions, and under such regulations as the Congress shall make."

Thus on February 23 of this year, I reintroduced S. 2573, my school prayer bill. It states simply that the Federal courts shall not have jurisdiction to enter any judgment, decree, or order denying or restricting, as unconstitutional, voluntary prayer in any public school. Implicit in this bill is the understanding that the American citizen will have recourse to a judicial settlement of his rights, but this settlement will be made in the State courts of this Nation and not in the Federal courts. This is where our religious freedoms were always safeguarded for 173 years until they were nationalized by the Supreme Court.

The limited and specific objective of this bill, then, is to restore to the American people the fundamental right of voluntary prayer in the public schools. I stress the word "voluntary." No individual should be forced to participate in a religious exercise that is contrary to his religious convictions, and the bill recognizes this important freedom.

At the same time, the bill seeks to promote the free exercise by allowing those who wish to recite prayers—and they are the vast majority of our citizens—to do so, with or without the blessings of the Government.

I think the conclusion is inescapable that in the Engel decision the Supreme Court in effect gave preference to the dissenters and at the same time violated the establishment clause of the first amendment by establishing a religion—the religion of secularism.

Public schoolchildren are a captive audience. They are compelled to attend school. Their right to the free exercise of religion should not be suspended while they are in attendance. The language of the first amendment assumes that this basic freedom should be in force at all times and in all places.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. Without objection, as in legislative session, the Chair, on behalf of the Vice President, appoints the Senator from Texas (Mr. BENTSEN) and the Senator from Pennsylvania (Mr. HEINZ) as congressional advisers to the SALT talks in Geneva during 1978.

WELFARE REFORM—DESPITE HEW

Mr. GRIFFIN. Mr. President, as in legislative session, on yesterday I introduced a resolution, S. Res 416, to disapprove regulations proposed recently by the Department of Health, Education, and Welfare, regulations that threaten to cripple the highly successful "runaway fathers" program. If allowed to go into effect, these regulations would be a step backward—away from welfare reform—saddling the American taxpayers with millions of dollars of unnecessary welfare costs.

Under the sponsorship of Senator LONG 4 years ago, Congress enacted the "runaway fathers" program—a joint Federal-State effort—to require fathers with sufficient means to help support their families who might otherwise have to live on public assistance. Enactment followed a General Accounting Office study revealing that a great many fathers with adequate incomes had skipped out and were not paying a penny of child support—thus forcing the mothers of their children onto welfare.

Just this week, the Washington Post reported that States have collected $1.6 billion over the past 2 years by tracing delinquent fathers and making them support their children. It is estimated that more than $1 billion more will be collected in the current fiscal year.

The State of Michigan—among the leaders in developing an aggressive child support enforcement program—has collected more than $150 million from absent fathers since the program began in 1975. One case involved a former law student, who had divorced his wife and fallen $5,000 behind in child support payments. While his family was living on welfare, State officials found that he had advanced considerably in his profession—in fact, he had become a judge.

Because this program has been so fruitful, I was dismayed to learn that HEW recently has managed to come up with another bureaucratic obstacle to place in the path of welfare reform. If these proposed HEW regulations go into effect as scheduled next week, States such as Michigan with aggressive and effective programs to track down delinquent fathers will be severely hampered in making them meet their child-support obligations.

The "runaway fathers" program requires, as a precondition to a woman receiving public assistance for support of her child, that she must cooperate in establishing the identity of the father and, where possible, securing financial support for him. This requirement must be complied with unless the mother can show "good cause" for refusing to cooperate.

This "good cause" exemption was adopted in 1975. Under that law (Public Law 94–88), HEW was directed to develop regulations specifying what would constitute "good cause." Those regulations were to take effect 60 days after Congress received them, unless either the House or the Senate adopted a resolution of disapproval.

HEW finally promulgated regulations on January 17, 1978, which were received by Congress on January 23. Although the intent is laudable—to protect mothers and children from retribution and cruel abuse from angry fathers—the practical effect of the regulations would be to hamstring State efforts to track down absent fathers and compel support payments.

Specifically, the regulations would allow a mother to refuse to identify the father of her child if doing so would result in "emotional harm" to the child or to herself. Other—more supportable—grounds for refusal, such as cases of rape or incest, are also included in the regulations. But the "emotional harm" exemption is a particularly serious threat to the continued viability of the program, because the phrase "emotional harm" carries with it no legal or professional meaning.

Indeed, under the proposed regulations a woman would not even be required to have a doctor's certification that identifying the child's father would result in emotional harm; in fact, this judgment would be left to a social worker unqualified to make such an evaluation. Since it would be easy for a mother simply to claim emotional harm, thus avoiding her

responsibility to cooperate, a State would find it that much more difficult to identify, track down and obtain support from delinquent fathers.

This would harm seriously State child support enforcement programs across the country, resulting in increased welfare costs and decreased paternal support. In fact, the Michigan Department of Social Services estimates that implementation of these regulations would cost the State of Michigan alone more than $12 million a year. Nationwide, the estimate is roughly $220 million yearly.

In addition to the weakening of these State programs, the regulations could affect severely children's rights derived from establishment of paternity—such as potential social security benefits, rights of inheritance, and veterans' benefits.

I am pleased that I am not alone in my concern about the impact of the proposed HEW regulations. My distinguished colleague from Louisiana—who was the architect of this successful program—recently expressed his serious reservations to Secretary Califano. In hearings before the Senate Finance Committee, Senator LONG told Secretary Califano that in pressing for the "Runaway Fathers" program, it was his purpose to require the mother to cooperate in seeking support from the father—and that it appeared to him that the proposed HEW regulations would make it very easy for a person to decline to cooperate. The Secretary assured the Senator that he would look into the problems he raised.

I share Senator LONG's concern, particularly since these regulations are scheduled to go into effect next week if the House or the Senate does not disapprove them. But so far as I know, HEW has not yet done anything to address the problems raised by Senator LONG.

Accordingly, Mr. President, I am introducing a resolution to disapprove the proposed HEW regulations so that the new guidelines can be formulated to advance—rather than inhibit—the purposes of Congress in enacting the "Runaway Fathers" program. In view of the rapidly approaching deadline, I urge my colleagues to act quickly in adopting it.

Mr. LONG. Will the Senator yield?

Mr. GRIFFIN. Yes.

Mr. LONG. Mr. President, I am glad the Senator is putting in his resolution of disapproval of these regulations. I have seen these regulations and I am most disappointed to see that the Secretary of Health, Education, and Welfare has permitted the kind of people who have been responsible for the welfare mess to prevail upon him to sign these regulations. The Secretary had been in favor of making fathers support their children. These regulations, as I read them, open up all the possibilities of welfare fraud and abuse that we thought we were eliminating with this child support enforcement program. Much of them are contrary to the law, and even ignore the law. They allow the States and localities to set their own standards.

The way the law would be without these outrageous regulations, would be if a mother wants the taxpayers to support her and her children she has a choice: She can either go in and ask for support and tell who the father is, or who she thinks the father is, or if she does not want to identify the father, she can say she does not know who the father is. Some women, I am sure, do not know who the father of their children might be. Or she can refuse to cooperate with the agency in obtaining support and establishing paternity because to do so would not be in the best interests of the child and wait for the taxpayer to support her until the agency determines that it would be against the child's best interests.

But, Mr. President, she should not be able to have it both ways. She should not be able to live off the taxpayers all the time, or to apply for child support, get the child support, and have the father living in the home or having a good job and not supporting the children at the same time. She should not have those options available to her unless she is willing to say that she does not know who the father is.

If the mother says she does not know who the father is, she is giving up the right in the future to sue that man for child support, even, if he should prove to be one of these fathers making $60,000 a year with his family on welfare.

It is an utter outrage to encourage people to try to have their cake and eat it, too, to encourage them to chisel and cheat on the program, and to reserve for them the right at some future date to sue the father for support, and also give them the right to live off the taxpayers for a lifetime when we know so well that these fathers, in many cases, are able to support those children.

Now, the State of Michigan had led the way in making fathers do something to help support their children and to cut down on the racketeering in this welfare program. I am very disappointed to see the Secretary of Health, Education, and Welfare going the route of his precedessors, being a Gulliver tied down by a bunch of Lilliputians. He is one of the few men over there, so far as I know, who is in favor of child support. Now the Lilliputians have tied Gulliver down.

I am convinced that it is generally people who were there before he arrived and who will be there long after he has gone who are responsible for the welfare mess and have imposed it on the States. But let us not overlook some of the new people who were not in the Government who were also adding to the welfare mess. These people should be required to go along with some sensible control over the mess in the program. They are responsible for it. They created it.

We had only about one column of regulations, to this program. They substituted seven, the whole purpose of it being to frustrate the program and to help continue the kind of mischief and fraud that has existed in that program for many years.

Here, at a time when it seems everybody, including the Washington Post, have agreed that we are making headway to eliminate fraud and abuse in the program, we now see the Secretary signing a regulation that, in my judgment, will frustrate the purpose. I am told that these regulations will cost about $220 million for the States to comply with and that they will cost us literally a billion dollars in collections that would be paid by these runaway fathers for the support of their children.

Mr. GRIFFIN. I thank the distinguished chairman of the Committee on Finance for his statement. That is absolutely right. It is bad enough that we are not able to agree on some new legislation to reform the welfare mess; but how ridiculous it is that the HEW will not even give effect to the laws that are already on the books to do something about it—this one in particular, sponsored by the Senator from Louisiana and our colleagues here in the Senate 4 years ago.

I might just say that in that period of 4 years, the State of Michigan—and as he has indicated, it has been one of the leaders—has collected more than $150 million from runaway delinquent fathers who have not been supporting their children as they are required to do under the law. We are just going to give that kind of money back, because these bureaucrats are determined, apparently, not to enforce the law.

Mr. LONG. In my judgment, the child support enforcement program, properly administered, could save the taxpayers about $3 billion annually when it is in full operation in all States. Now, these Lilliputians over there in the Department of Health, Education, and Welfare have destroyed the program by their regulation. They did not want to cooperate. They fought it. They planted editorials in the newspapers, by the way, which are now admitting that they were in error when they went along with those editorials planted by the Department of Health, Education, and Welfare. They have done everything they could to prevent this Nation from calling upon parents to support their children. Now they will kill it by regulation. It is an outrage.

In my judgment, Mr. President, it demonstrates how we should refuse to listen to the advice of those characters who believe that you ought to pay everybody a guaranteed annual income whether they need it or not, whether they deserve it or not, or whether they are willing to work or not. It just shows that the kind of people who are in charge of that program over in HEW never did want to do anything but just pay money out, mail out checks. They never did want to protect the interest of the taxpayers.

Mr. GRIFFIN. Let me mention one case in Michigan among the many cases that accounted for the $150 million. One case involved a former law student who had divorced his wife and was $5,000 behind in child support payments. While his family was living on welfare, State officials found that he had advanced considerably in his profession. In fact, he had become a judge. They were able to collect the money that he was owing under the program that the Senator from

Louisiana sponsored. Now HEW wants to come along and gut it.

Mr. LONG. Mr. President, if those people in that department have their way and a mother comes in and asks to be supported, all she would have to do, when asked who the father is, is say, "I am not going to tell you because I am afraid he might come back and beat me up, he might brutalize me." That being the case, she reserves her right, if she ever finds he is making a lot of money, to sue him and make him share the support of those children. At the same time, she puts the children on the backs of the tax payers, even though he is well able, even then, to support the children.

Now, we have all kinds of situations where papa is actually living with mama at the very time that mama is applying to go on welfare. If she is required to identify papa, and you find that papa has a job and plenty of money to support the family, then the family is not eligible. So these regulations fix it up so she can live with papa, enjoy his income and pretend that she is not; decline to admit that he is the father, tell her children, "Look, that is your father, but do not tell anybody, otherwise we might not get our welfare check." She can have her cake and eat it, too.

It was not intended that it should be that way. I am convinced that the people over in HEW who made a mess out of the welfare program, and would, if they could, make the mess twice as big and twice as expensive, are very happy that they made Mr. Califano sign this thing. I think they believe he is their captive and he can now subjugate the President to their rule.

I am saying, Mr. President, this type of thing demonstrates how difficult it is to have any welfare reform if by reform you mean a change for the better; if, by reform, you mean that people who are paying the money are going to have the satisfaction of knowing that they are only paying their money to help people who, through no fault of their own, are destitute and need help.

Mr. President, I promise the Senator, as one Member of this body and one member of the committee, I shall certainly do all in my power to try to see to it that these outrageous regulations are defeated one way or the other. Either we will have to do it by a resolution of disapproval, as the Senator proposes, or else we are going to find it necessary to strike them down by subsequent legislation. In either event, as far as the Senator from Louisiana is concerned, they declared war on us when they did this. We are trying to cooperate and work to make a welfare program of which all can be proud.

I have said before that the only person in that department who really believed in child support was the Secretary. Now I doubt that there is anybody who believes in child support.

Mr. STEVENS. Mr. President, I ask unanimous consent that Donna DeVaronna of the Commerce Committee staff be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2750—CONSOLIDATED BANKING REGULATION ACT OF 1978

Mr. PROXMIRE. Mr. President, Senator RIBICOFF, the distinguished chairman of the Senate Governmental Affairs Committee and I are today jointly sponsoring legislation to consolidate the bank regulatory functions of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Reserve into a single agency to be called the Federal Bank Commission.

Mr. President, this is timely legislation. President Carter has promised the American public to trim the Federal bureaucracy and to make Government more responsive to the needs of people. This legislation will eliminate overlapping and conflicting jurisdictions in the Federal regulation of banking which has proven to be too costly and unable to assure a safe, sound, and competitive banking system. This legislation will eliminate Government waste and the public will benefit by a more sensibly regulated banking system.

Last December the Senate Governmental Affairs Committee after studying regulatory organization issued a report calling for such a consolidation of the bank regulatory agencies. One of the important findings of the study was that banks have a privilege no other regulated industry has—being able to pick which of the three agencies of the Federal Government shall regulate them. As a result, Government regulation of banking is feeble and unable to provide the leadership this dynamic industry needs to move into the next century.

I applaud the quality of that study and commend it to my colleagues for their review and consideration. Both in this Congress and in the last Congress I sponsored legislation in the Senate Banking Committee to consolidate the three bank regulatory agencies. As a result of the Governmental Affairs Committee study a number of significant improvements have been made and incorporated into the legislation which Senator RIBICOFF and I are introducing today.

Chief among these are provisions designed to strengthen the dual banking system. This legislation consolidates the functions of three Federal agencies. Fifty State supervisors will not be affected. Nonetheless, if the Nation's banking system is to be made more responsive to public needs by better regulation, State regulatory authorities will have to be improved. Under the present system virtually all commercial banks are federally insured. State banks pay insurance premiums to the Federal Government, no part of which is returned to State authorities. State authorities are thus shortchanged. This bill will authorize those State authorities which are adequate to insure safety and soundness the right to grant Federal insurance to State chartered banks. Examinations reports of State authorities of State chartered banks will be used by the consolidated agency and the State authorities reimbursed for their costs. These provisions will insure the strengthening of the dual banking system which has served this Nation so well.

Other important improvements in this legislation are the provisions designed to insure that any conceivable action of the consolidated agency that might have a bearing on monetary policy will be subject to the authority of the Federal Reserve—which remains as an independent agency controlling the monetary policy of the Nation—to initiate rulemaking proceedings and statements of policy and to participate in interpretations and adjudications of the Federal Bank Commission.

Mr. President, I ask unanimous consent that this bill be referred jointly to the Committee on Banking, Housing and Urban Affairs and the Committee on Governmental Affairs, with the proviso that if either Committee orders the bill reported, the other committee has 30 days within which to report the bill.

I have cleared this request with the ranking minority member, Senator BROOKE and Senator TOWER, and others on the committee and there is no objection on their part to the joint referral.

The PRESIDING OFFICER. As in legislative session, without objection, it is so ordered.

Mr. RIBICOFF. Mr. President. I am pleased to join my colleague (Mr. PROXMIRE) today in introducing the Consolidated Banking Regulation Act of 1978.

The Committee on Governmental Affairs, pursuant to its mandate under Senate Resolution 71 (94th Congress, 1st session), last December completed an indepth study of the structure of Federal banking regulation. In volume 5 of its Study on Federal Regulation, the committee found that Federal banking regulatory functions are duplicative, confusing, and inconsistent and should be consolidated into a single Federal Bank Commission.

The committee found that the structure of commercial banking regulation is unique. A bank can choose the Comptroller of the Currency to be its regulator by seeking a national bank charter. A bank can choose the Federal Depositor Insurance Corporation as its primary regulator by seeking a State charter. And a State bank which wishes the Federal Reserve Board to act as its primary regulator needs only to join the Federal Reserve System. Nowhere else does a regulated industry have this type of latitude.

This ability to forum-shop has led to an unhealthy competition for membership among the agencies. Confusion and inconsistency are most prevalent in the areas of examination standards, merger policy, and bank holding company policy.

The solution to this problem is consolidation of the three agencies as designed by S. 2750.

I believe this bill represents very careful balancing of the goals of Federal banking regulation, and I hope it will receive early and favorable consideration by Congress and the administration.

GENOCIDE CONVENTION REPRESENTS INTERNATIONAL COOPERATION

Mr. PROXMIRE. Mr. President, the Genocide Convention would make the

destruction, in whole or in part, of a national, racial, religious, or ethnic group, a crime under international law. Human rights is a topic of great concern to each and every Senator, and President Carter has chosen to make the human rights issue a major concern of his administration.

From time to time in the past, issues of such great importance have arisen that nations have joined together under treaty to deal with them. In 1884, there was an international agreement calling for the protection of submarine cables. In 1911, the United States was a party to a treaty calling for the preservation and protection of fur seals in the North Pacific. This country has also joined in international treaties seeking to stifle drug abuse and to abolish the slave trade.

Surely, an international agreement which seeks to protect the most basic of all human rights, the right to live, merits the participation of the United States. Genocide is certainly abhorrent to everything for which the United States stands. President Truman welcomed the opportunity of associating the United States with the Genocide Convention. He signed the treaty in 1948. The Senate, however, has yet to vote on the Genocide Convention. In my view, this is a very serious oversight on the part of this body.

Genocide certainly is a serious international concern. Dean Rusk, who spoke in favor of ratification of the Convention in 1950, pointed out that "crimes like genocide so inflame the international situation as to bring us to the brink of war and are real threats to the peace." I feel strongly that ratification of the Genocide Convention is long overdue. I call upon the Senate to ratify the Genocide Convention as soon as possible.

WINNER OF THE GOLDEN FLEECE OF THE MONTH AWARD FOR MARCH: THE SENATE

Mr. PROXMIRE. Mr. President, today I am awarding the "Golden Fleece of the Month" award for March to the Senate for planning to spend over $122 million of the taxpayers' money on a new Senate office building that would make a Persian prince green with envy. It would include such frivolous frills as a rooftop dining room and a third gymnasium. The cost to the taxpayer is 2½ times the original estimate, or a cost overrun of 154 percent.

This is a building that was supposed to be completed last May, and then it was supposed to be completed in January of this year. Now it is scheduled for 1981. With every month that passes we have thousands and thousands of dollars of escalation in costs. It is a building that, as I say, has gone from about $48 million to $122 million. The irony is that the contract provided to the Senate has no penalty at all for increased costs, because the builder gets 6 percent of the total cost. Now a $50 million building would give him a $3 million profit. A $122,000,000 building gives him a $7.2 million profit.

Like Topsy—and the C5A—it "just growed and growed and growed". And it has not stopped rising.

I give this award every month for the biggest, most ridiculous or most ironic example of waste of the taxpayers' money.

In 1972 to get a foot in the door a proposal for a new Senate office building was presented to the Senate with a projected cost of $47,925,000. Later the scope of the building was broadened considerably, requiring a supplemental appropriation of $20,900,000. In 1975 the total cost figure rose to $85,147,000, and now with another pending appropriation request that total would rise to an astronomical $122,647,000—with still more to come.

The Architect of the Capitol under the direction of the Senate Office Building Commission is charged with carrying out the plans for the office building.

The reasons for the king-sized overrun are several: built-in incentives to spend, delays coupled with rising costs, and the addition of unnecessary luxury features.

Considerable savings might have been made if construction contracts had included clauses to provide incentives for contractors to make every possible savings. Instead, the contracts awarded by the Senate include a built-in incentive to spend since they provide a flat 6-percent fee for the project. This means no penalties for cost increases. To illustrate, if the fees cover the entire building cost, they would be $3 million if the building cost $50 million. But as the building has increased in cost to over $100 million the fees would go up past $6 million. The Senate contract means that any changes or goldplating the Senate provides or the more inefficient or costly the plans are, the more everybody cleans up—except the taxpayer, of course.

With inflation rates running high, each month's delay costs hundreds of thousands of dollars in escalation costs alone. And there have been many months of delay. Completion of the project was originally forecast for May of 1977, was later set for January 1978, and is now expected to be June 1981, but do not count on it. An inordinate amount of time has been taken on preparation of drawings and specifications, on review of same and on letting bids and awarding contracts. As a result, a big hole, half a city block long, has sat waiting for a superstructure for 10 costly months.

The addition of certain luxury features shows an arrogance on the part of the Senate that should make taxpayers livid with anger. For example:

A Senators-only dining room with a rooftop view of Washington. This third dining room is unnecessary; the two we already have are more than enough.

A physical fitness center with a convertible basketball/handball/tennis court. The Senate already has a gym in the Russell Building and a rarely used gym in the Dirksen Building. This would be the third gym. Consider that the average American, whose tax dollars would pay for this luxury, has no access to such facilities. If Senators want to stay in shape, why should not they pay for a membership in a health club, or—better yet—run to work?

Excessive landscaping and artwork.

Use of marble and bronze throughout the building where other, less expensive materials would do.

Wood paneling for Senators' offices. (This item alone costs $1.5 million.)

Elimination of such "goldplating," along with other suggestions which I have made to the Commission, could result in a saving of as much as $9 million.

Ironically, the new office building is to be named for the late Senator Philip A. Hart—of all Senators the most averse to pomp or show.

In fairness the architect does deserve credit for increasing the amount of usable office space and for instituting energy saving design.

But it is interesting to compare the record of the Hart Building to that of the new Air and Space Museum on the Mall, which was completed before its deadline, had no cost overrun and included four additional major features within the original cost estimate.

Fortunately, it is not too late to cut back on some costs. The examples of goldplating which I have mentioned can be eliminated from the plans. Senator DOMENICI has demanded, and the Senate Office Building Commission has approved, a GAO study of the project and a moratorium on further funding until all possible savings have been made.

The Architect has requested a more than $37 million supplemental appropriation to bring the total cost to over $122 million, and I will work as a member of the Appropriations Committee to stop all of that supplemental.

The Senate must make painful and unpopular decisions to turn down some highly appealing requests for spending. How can a Senate which has squandered tens of millions of dollars on its own comfort find the courage to say no to whatever requests are made on behalf of the elderly for social security increases, farmers for higher price supports, the poor for more welfare, New York City for more help?

This Senate fleece must stop.

Mr. President, I think that on this one the Senate is way out front in winning the golden fleece award for the month of March.

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. SARBANES. Mr. President, there being no further business to come before the Senate, I move the Senate stand in recess in executive session until the hour of 9 a.m. tomorrow, in accordance with the order previously entered into.

The motion was agreed to; and at 5:55 p.m. the Senate, in executive session, recessed until Thursday, March 16, 1978, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 15, 1978:

DEPARTMENT OF THE TREASURY

Evelyn T. Davidson, of Colorado, to be Superintendent of the Mint of the United States at Denver.

Manuel A. Sanchez, Jr., of New York, to be Superintendent of the U.S. Assay Office at New York, N.Y.

Shallie M. Bey, Jr., of New Jersey, to be Superintendent of the Mint of the United States at Philadelphia.

The above nominations were approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066 in grade as follows:

To be lieutenant general

Maj. Gen. Thomas Patten Stafford, [redacted], U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. Thomas A. Diab, [redacted], Air Force Reserve.

Brig. Gen. Edward Dillon, [redacted], Air Force Reserve.

Brig. Gen. Rex A. Hadley, [redacted], Air Force Reserve.

Brig. Gen. John E. Lacy, [redacted], Air Force Reserve.

Brig. Gen. Robert M. Martin, Jr., [redacted], Air Force Reserve.

Brig. Gen. David L. Stanford, [redacted], Air Force Reserve.

Brig. Gen. Thoralf T. Thielen, [redacted] Air Force Reserve.

To be brigadier general

Col. William A. Anders, [redacted], Air Force Reserve.

Col. S. T. Ayers, [redacted], Air Force Reserve.

Col. Robert V. Clements, [redacted], Air Force Reserve.

Col. James J. Feeney, [redacted], Air Force Reserve.

Col. Donald M. Jenkins, [redacted], Air Force Reserve.

Col. Charles E. Jones III, [redacted], Air Force Reserve.

Col. Paul W. Kadlec, [redacted], Air Force Reserve.

Col. Donald A. McGann, [redacted], Air Force Reserve.

Col. Donald T. Schweitzer, [redacted], Air Force Reserve.

Col. James W. Taylor, [redacted], Air Force Reserve.

Col. Richard A. Wegner, [redacted], Air Force Reserve.

IN THE NAVY

Vice Adm. Howard E. Greer, U.S. Navy (age 56), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Kinnaird R. McKee, U.S. Navy.

The following-named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps indicated subject to qualification therefor as provided by law:

MEDICAL CORPS

Melvin Museles, John R. Lukas, Stephen Barchet.

SUPPLY CORPS

William J. Ryan, Andrew A. Giordano, Joseph L. Flores.

CIVIL ENGINEER CORPS

Paul R. Gates.

DENTAL CORPS

John B. Holmes.

IN THE MARINE CORPS

Gen. Samuel Jaskilka, U.S. Marine Corps (age 58), for appointment to the grade of general on the retired list, upon his retirement on 1 July 1978.

Lt. Gen. Joseph C. Fegan, Jr., U.S. Marine Corps (age 57), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

The following named brigadier general of the Marine Corps Reserve for permanent appointment to the grade of major general under the provisions of title 10, United States Code, section 5902:

Jack M. Frisbie.

The following named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general under the provisions of title 10 United States Code, section 5902:

William C. Groeniger III, Joseph L. Tiago, Jr.

IN THE AIR FORCE

Air Force nominations beginning Bryan Aleksich, to be colonel, and ending John T. Jordan, to be colonel, which nominations were received by the Senate on February 13, 1978, and appeared in the CONGRESSIONAL RECORD on February 20, 1978.

IN THE ARMY

Army nominations beginning Albert A. Ackerman, to be colonel, and ending Jeanne L. Supplee, to be colonel, which nominations were received by the Senate on February 13, 1978, and appeared in the CONGRESSIONAL RECORD on February 20, 1978.

Army nominations beginning Charles S. Horn, to be colonel, and ending Christopher L. Young, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 28, 1978.

IN THE NAVY

Navy nominations beginning Mark A. Battle, to be ensign, and ending William M. Calhoun, to be a lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 28, 1978.

IN THE MARINE CORPS

Marine Corps nominations beginning Gregory E. Andrews, to be second lieutenant, and ending George W. Watson, Jr., to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 28, 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, March 15, 1978*

The House met at 1 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Do your best to present yourself to God as one approved, a workman who has no need to be ashamed, rightly handling the word of truth.—II Timothy 2: 15.

O Lord, our God, who hast brought us through the darkness of night to the light of the morning, we turn from the haste and hurry of the world to open our hearts to Thy quiet presence and to renew our faith to serve Thee and our country with all our being. May Thy spirit be born anew in all our lives that we may face the tasks of this new day with the glory of Thy guidance, the gladness of Thy service, and the genuineness of our faith in Thee and our country.

As the leaders of our Nation keep our minds clean, our hearts pure, our spirits courageous, and our endeavors dedicated to the highest and best we know. In our dealings with other nations may we be just and fair seeking always to work in the ways of truth and love for the benefit of all mankind. Amen.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, under rule I, clause 1, of the rules of the House, I make the point of order that a quorum is not present.

Mr. DANIELSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 149]

Addabbo	Dent	Metcalfe
Anderson, Ill.	Dingell	Mikva
Andrews, N.C.	Drinan	Murphy, N.Y.
Archer	Duncan, Oreg.	Patterson
Armstrong	Eckhardt	Pike
Ashley	Evans, Ga.	Rahall
Bolling	Foley	Robinson
Brodhead	Forsythe	Santini
Brown, Calif.	Frenzel	Scheuer
Buchanan	Guyer	Shuster
Cavanaugh	Harsha	Teague
Cederberg	Heckler	Thornton
Chappell	Hefner	Tucker
Chisholm	Krueger	Udall
Clay	Lederer	Ullman
Collins, Ill.	Leggett	Waggonner
Conyers	McKinney	Waxman
Corman	Maguire	Wilson, Tex.
D'Amours	Mann	Wolff
Daniel, Dan	Mathis	Young, Tex.
Davis	Meeds	

The SPEAKER. On this rollcall 372 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 137, noes 4.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 387, nays 15, not voting 32, as follows:

[Roll No. 150]

YEAS—387

Abdnor	Derrick	Jeffords
Addabbo	Derwinski	Jenkins
Akaka	Devine	Jenrette
Alexander	Dickinson	Johnson, Calif.
Allen	Dicks	Johnson, Colo.
Ambro	Diggs	Jones, N.C.
Ammerman	Dingell	Jones, Okla.
Anderson, Calif.	Dodd	Jones, Tenn.
Andrews, N.C.	Dornan	Jordan
Andrews, N. Dak.	Downey	Kasten
Annunzio	Drinan	Kastenmeier
Applegate	Duncan, Oreg.	Kazen
Archer	Duncan, Tenn.	Kelly
Ashbrook	Early	Kemp
Aspin	Eckhardt	Ketchum
AuCoin	Edgar	Keys
Badham	Edwards, Ala.	Kildee
Bafalis	Edwards, Calif.	Kindness
Baldus	Edwards, Okla.	Kostmayer
Barnard	Eilberg	Krebs
Baucus	Emery	LaFalce
Bauman	English	Lagomarsino
Beard, R.I.	Erlenborn	Latta
Beard, Tenn.	Ertel	Le Fante
Bedell	Evans, Colo.	Lederer
Beilenson	Evans, Del.	Lehman
Benjamin	Evans, Ga.	Lent
Bennett	Evans, Ind.	Levitas
Bevill	Fary	Livingston
Biaggi	Fascell	Lloyd, Tenn.
Bingham	Fenwick	Long, La.
Blanchard	Findley	Long, Md.
Blouin	Fish	Lott
Boggs	Fisher	Lujan
Boland	Fithian	Luken
Bonior	Flippo	Lundine
Bonker	Flood	McClory
Bowen	Florio	McCormack
Brademas	Flowers	McDade
Breaux	Flynt	McDonald
Breckinridge	Foley	McEwen
Brinkley	Ford, Tenn.	McFall
Brooks	Fountain	McHugh
Broomfield	Fowler	McKay
Brown, Ohio	Fraser	McKinney
Broyhill	Frenzel	Madigan
Burgener	Frey	Maguire
Burke, Calif.	Fuqua	Mahon
Burke, Fla.	Gammage	Mann
Burke, Mass.	Garcia	Markey
Burleson, Tex.	Gaydos	Marks
Burlison, Mo.	Giaimo	Marlenee
Burton, John	Gibbons	Marriott
Burton, Phillip	Gilman	Martin
Butler	Ginn	Mathis
Byron	Glickman	Mattox
Caputo	Goldwater	Mazzoli
Carney	Gonzalez	Meeds
Carr	Goodling	Meyner
Carter	Gore	Michel
Cavanaugh	Gradison	Mikulski
Cederberg	Grassley	Mikva
Chappell	Green	Milford
Chisholm	Gudger	Miller, Ohio
Clausen, Don H.	Hagedorn	Mineta
Clawson, Del	Hall	Minish
Clay	Hamilton	Mitchell, N.Y.
Cleveland	Hammer-schmidt	Moakley
Cochran	Hanley	Moffett
Cohen	Hannaford	Mollohan
Coleman	Hansen	Montgomery
Conable	Harkin	Moore
Conte	Harrington	Moorhead, Calif.
Conyers	Harris	Moorhead, Pa.
Corcoran	Harsha	Moss
Cornell	Hawkins	Motti
Cornwell	Heckler	Murphy, Ill.
Cotter	Heftel	Murphy, Pa.
Crane	Hightower	Murtha
Cunningham	Holland	Myers, Gary
D'Amours	Hollenbeck	Myers, Michael
Daniel, Dan	Holt	Natcher
Daniel, R. W.	Holtzman	Neal
Danielson	Horton	Nedzi
Davis	Howard	Nichols
de la Garza	Hubbard	Nix
Delaney	Huckaby	Nolan
Dellums	Hughes	Nowak
Dent	Hyde	O'Brien
	Ichord	Oakar
	Ireland	Oberstar
	Obey	Runnels
	Ottinger	Ruppe
	Panetta	Russo
	Patten	Ryan
	Patterson	Santini
	Pattison	Satterfield
	Pease	Sawyer
	Pepper	Scheuer
	Perkins	Schroeder
	Pettis	Schulze
	Pickle	Sebelius
	Pike	Seiberling
	Poage	Sharp
	Pressler	Shipley
	Preyer	Simon
	Price	Sisk
	Pritchard	Skelton
	Pursell	Skubitz
	Quie	Slack
	Quillen	Smith, Iowa
	Railsback	Smith, Nebr.
	Rangel	Snyder
	Regula	Solarz
	Reuss	Spellman
	Rhodes	Spence
	Richmond	St Germain
	Rinaldo	Staggers
	Risenhoover	Stangeland
	Roberts	Stanton
	Rodino	Stark
	Roe	Steed
	Rogers	Steers
	Rooney	Stockman
	Rose	Stokes
	Rosenthal	Stratton
	Rostenkowski	Studds
	Rousselot	Stump
	Roybal	Symms
	Rudd	Taylor
		Thompson
		Thone
		Traxler
		Trible
		Tsongas
		Udall
		Ullman
		Van Deerlin
		Vander Jagt
		Vanik
		Vento
		Volkmer
		Walgren
		Walsh
		Wampler
		Watkins
		Waxman
		Weaver
		Weiss
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, Bob
		Wilson, Tex.
		Winn
		Wirth
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Zablocki
		Zeferetti

NAYS—15

Brown, Mich.	Coughlin	Leach
Collins, Tex.	Jacobs	Lloyd, Calif.
Miller, Calif.	Quayle	Steiger
Mitchell, Md.	Sarasin	Treen
Myers, John	Shuster	Walker

NOT VOTING—32

Anderson, Ill.	Gephardt	Roncalio
Armstrong	Guyer	Sikes
Ashley	Hefner	Teague
Bolling	Hillis	Thornton
Brodhead	Krueger	Tucker
Brown, Calif.	Leggett	Waggonner
Buchanan	McCloskey	Wilson, C. H.
Collins, Ill.	Metcalfe	Wolff
Corman	Murphy, N.Y.	Young, Mo.
Ford, Mich.	Rahall	Young, Tex.
Forsythe	Robinson	

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 1432. An act for the relief of Mrs. Desolina Sciulli;

H.R. 1939. An act for the relief of Meda Abilay Florin;

H.R. 2761. An act for the relief of Su-Hwan Choe;

H.R. 3081. An act for the relief of Mrs. Chong Sun Yi Rauch;

H.R. 4401. An act for the relief of Kwi Sok Buckingham (nee Kim);

H.R. 6975. An act to amend title 5, United States Code, to provide that hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule; and

H.J. Res. 715. Joint resolution proclaiming May 3, 1978, "Sun Day".

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1552. An act for the relief of Oh Soon Yi.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 219. An act for the relief of Samy Ennabe;

S. 222. An act for the relief of Dr. Nazeeh A. L. Abdul-Hadi;

S. 337. An act for the relief of Miriama Jones;

S. 391. An act for the relief of Brigitte Marie Harwood;

S. 511. An act for the relief of Tin Foo Chan (also known as Michael Chan);

S. 513. An act for the relief of Denno Chung-Sang Li, Nicholas Lit-Yung Lam, and Augustine Ka-Cheung Wu;

S. 958. An act for the relief of Ernesto Garcia, Jr.;

S. 1079. An act for the relief of Russell Warren Howe;

S. 1135. An act for the relief of Young-soon Choi;

S. 1335. An act for the relief of Shin Myong Yo Purdom, also known as Myong Yo Sin;

S. 1399. An act for the relief of Kwan Do Sun;

S. 1418. An act for the relief of Sang Soo Lee;

S. 1639. An act for the relief of Shenn-Song Theresa Lee; and

S. 1933. An act for the relief of Anwar.

REQUEST FOR PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE PRIVILEGED REPORTS

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on House Administration have until midnight tonight to file certain privileged reports on funding resolutions that were considered by the Committee on House Administration this morning.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

REPORT ON RESOLUTION EXTENDING PERIOD DURING WHICH PAYMENTS MAY BE MADE FROM CONTINGENT FUNDS OF THE HOUSE OF REPRESENTATIVES PURSUANT TO PROVISIONS OF HOUSE RESOLUTION 879

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–959) on the resolution (H. Res. 1070) extending to the close of April 30, 1978, the period during which payments may be made from the contingent fund of the House of Representatives, in accordance with the provisions of House Resolution 879, to any standing committee or select committee referred to in the first section or section 2 of House Resolution 879, which was referred to the House Calendar and ordered to be printed.

EXPLANATION OF HOUSE RESOLUTION 1070

(Mr. THOMPSON asked and was given permission to address the House for 1 minute.)

Mr. THOMPSON. Mr. Speaker, House Resolution 1070 extends the continuing resolution previously adopted by the House. That resolution (H. Res. 879) provided interim funding for standing and select committees until March 31.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Does not the gentleman have to ask permission to call this up?

Mr. THOMPSON. If the gentleman will yield, I am not calling it up.

The SPEAKER. The gentleman is recognized for 1 minute.

COMMITTEE FUNDING RESOLUTIONS

Mr. THOMPSON. Despite the best efforts of the Committee on House Administration, 11 funding resolutions have yet to be considered by the House. If we recess next Wednesday before consideration of these 11 resolutions, the legislative and oversight activities would be jeopardized. This resolution simply gives the House an additional month to consider the resolutions. Twice, by unanimous consent, the Committee on House Administration has approved this resolution.

QUICK ACTION IS NEEDED ON DEFERRED COMPENSATION LEGISLATION

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, recent action by the Internal Revenue Service threatens to jeopardize plans Florida and many other States have been developing to assist State, county, and municipal employees to better provide for their retirement.

Relying on an existing IRS ruling, the Florida Legislature, in 1976, passed a law calling for the creation of a deferred compensation plan. Under this plan, State employees would be permitted to make voluntary contributions to a fund for their retirement. This program would not interfere with any other employee retirement plan and no State or Federal tax dollars would be involved. Counties and municipalities were permitted, under provisions of the law, to establish similar programs. One stipulation was that the IRS must agree not to tax the contributions until received by the employee in retirement.

The State treasurer of Florida, and a former colleague of ours in the House of Representatives, Bill Gunter, initiated development of such a plan. Prior to implementation, however, the IRS stated its intention to tax such programs at the time the money is paid into the fund by the employee rather than when actually received.

This IRS position is irresponsible and would deny these public servants the opportunity to provide for their retirement in a way not available through present retirement programs. The costs to the employees could potentially reach into the billions of dollars and such IRS action is very demoralizing.

Deferred compensation programs encourage State employees to continue in public service and also provide benefits to the general public not generally recognized.

The time to act is now and I believe Congress has a duty to take affirmative action on the matter. What we need is swift enactment of the deferred compensation legislation that will insure that the IRS lives up to its commitment not to tax these voluntary contributions until such time as the money is actually received by the employee.

"GUINNESS BOOK OF WORLD RECORDS" AND THE HONORABLE WILLIAM H. NATCHER OF KENTUCKY

(Mr. RICHMOND asked and was given permission to address the House for 1 minute.)

Mr. RICHMOND. Mr. Speaker, Representative WILLIAM H. NATCHER has never missed a vote or a day since he has been a Member of Congress. He was elected a Member of Congress in a special election on August 1, 1953, and since the Congress was in adjournment at that time, he was not sworn in as a Member until January 6, 1954. From January 6, 1954 up to and including March 14, 1978, there have been 6,210 rollcall votes. Representative NATCHER has answered every rollcall vote. In addition to the rollcall votes, BILL NATCHER has answered 3,658 quorum calls. When you add the quorum calls together with the rollcall votes, you have a grand total of 9,868 votes. During the 95th Congress, which is the Congress that we are now serving in, there have been 826 rollcall votes and 104 quorum calls. Representative NATCHER has answered every one.

According to the information submitted to me, other than Representative NATCHER, no Member since the beginning of the U.S. Congress on March 4, 1789, up to the present time has ever served in the House of Representatives or in the Senate for 17 consecutive years or longer from the time of their swearing-in without missing one or more votes. NATCHER has completed 24 years and is on his 25th year.

Representative NATCHER knows full well that this is not the sole criteria for a Member of Congress, but he believes that every Member should stand up and be counted. At the close of 10 years of NATCHER'S service, Ralph Roberts, the Clerk of the House of Representatives directed a letter to him setting forth the fact that after a careful check of his voting record from the day he was sworn in on January 6, 1954 and for the following 10-year period, he had not missed a vote. Every year hereafter, the Clerk of the House has directed a letter to NATCHER setting forth the fact that for that particular year just completed, he has never missed a vote. In other words, Mr. Speaker, NATCHER'S record has been certified down through the years by the Clerk of the House of Representatives.

Mr. Speaker, The "Guinness Book of World Records" has been published for many, many years. In this country, starting with the year 1956, by agreement with Guinness Superlatives, Ltd., of 2 Cecil Court, London Road, Enfield, Middlesex, England, the American edition of "Guinness Book of World Records" has been published and distributed. As far as our country is concerned, the 1978 edition of "Guinness Book of World Records" is the 16th American edition. The 16th edition has been brought up to date and this book of world records is recognized as the alltime authority on human achievement and it contains the most amazing records from every corner of the globe.

Mr. Speaker, it is a privilege and an honor for me to advise the Members of the House of Representatives that the voting record achieved by our friend and colleague, BILL NATCHER, has been cited in the 1978 edition of "The Guinness Book of World Records."

Mr. Speaker, I will take just a minute to read that citation:

Attendance Record.—U.S. Congressman William H. Natcher, a Democrat from Bowling Green, Kentucky, served more than 20 years (1954–1975) without missing a single call or vote (3,353 quorum calls and 4,723 roll-call votes).

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Speaker, I would like, as a member of the Kentucky delegation, to thank the gentleman from New York for his awareness of the gentleman here from Kentucky (Mr. NATCHER) who has been such an important person to our delegation.

It is very hard to speak about BILL except in superlatives. I would like to say the one thing that makes it a problem is the difficulty of following in those kinds of footsteps. He is a very tough act and it is a very tough act to follow.

I join the gentleman from New York in commending the gentleman from Kentucky (Mr. NATCHER) today.

Mr. RICHMOND. I thank the gentleman from Kentucky (Mr. MAZZOLI).

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7700, ESTABLISHING CONGRESSIONAL REVIEW OF POSTAL RATE DECISIONS, INCREASING CONGRESSIONAL OVERSIGHT, ABOLISHING BOARD OF GOVERNORS OF U.S. POSTAL SERVICE

Mr. DELANEY, from the Committee on Rules, submitted a privileged report (Rept. No. 95–960) on the resolution (H. Res. 1078) providing for consideration of H.R. 7700 to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROPOSED AMENDMENT BY THE GENTLEMAN FROM OHIO, MR. ASHBROOK, WOULD GIVE 2 ADDITIONAL YEARS IN WHICH TO BALANCE THE BUDGET

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker and Members, sometime later today we will be voting on the amendment offered by my distinguished friend, the gentleman from Ohio (Mr. ASHBROOK), that our Nation have a balanced budget by the year 1983. I would consider this a retreat. I am a little chagrined about it since our President has promised to balance the budget by 1981. I wonder why the gentleman from Ohio (Mr. ASHBROOK) wants to give the President 2 additional years in which to do this. I do not know what has happened to the gentleman from Ohio (Mr. ASHBROOK) that would make him do this where he wants to assist the President on his proposed balanced budget.

Mr. ASHBROOK. Mr. Speaker, if the gentleman would yield, I would say to my friend, the gentleman from California (Mr. JOHN L. BURTON), that the President's position is not my position. I am just trying to help him out in a more realistic way. As Mr. Carter said, "Trust me."

Mr. JOHN L. BURTON. I am sure the gentleman is trying to help him out.

CONGRATULATIONS TO REPRESENTATIVE NATCHER

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to identify myself with the remarks of my colleague the gentleman from New York (Mr. RICHMOND) with reference to the distinguished gentleman from Kentucky (Mr. NATCHER). He is indeed an example to all of us.

I would also wish to identify myself with the remarks of my colleague who just preceded me here in the well, the gentleman from California (Mr. BADHAM). He has spoken to an issue which is certainly a serious matter to all of us. I have always been in favor of public financing of campaigns. I hope very much the action of the majority will make it possible for me to vote for it.

But, Mr. Speaker, I would like to address further the Members of the House on the subject of two brilliant women from Northern Ireland. We must never forget what the former Prime Minister, Mr. Cosgrave, and the present Prime Minister, Mr. Lynch, have said, when they reminded us of our duty as citizens of America and living with others in the world. We must move toward peace, and these two women have shown the way, Catholic and Protestant, natives of Northern Ireland. They received the Nobel Prize, and they richly deserve it. This is something that should be of concern of all. We must not involve ourselves in fomenting and encouraging hatred and disorder and fratricidal strife in Northern Ireland. It is a tragic situation. We should be concerned about the Irish, not only because so many of us have Irish blood. We know where our duty and commonsense and human decency lie. It is not in encouraging violence in that strife-torn and tragic country.

KENTUCKY SENATE RESCINDS APPROVAL OF EQUAL RIGHTS AMENDMENT

(Mr. BUTLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUTLER. Mr. Speaker, during consideration of the District of Columbia full representation constitutional amendment resolution, the gentleman from Kentucky (Mr. HUBBARD) announced his view and prediction that Kentucky would quickly ratify full representation for the District of Columbia. In support of his view he pointed out that Kentucky had already ratified the equal rights amendment.

I note with interest that yesterday the Senate of Kentucky overwhelmingly voted to rescind its approval of the equal rights amendment. I hope the gentleman from Kentucky (Mr. HUBBARD) will take time on tomorrow to advise the House as to whether he has altered his view as to the possibility of ratification of the District of Columbia full representation bill, in view of the action of the Kentucky Legislature on yesterday.

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 50) a bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs.

The SPEAKER pro tempore (Mr. WRIGHT). The question is on the motion offered by the gentleman from California (Mr. HAWKINS).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 19, answered "present" 2, not voting 33, as follows:

[Roll No. 151]

YEAS—380

Abdnor	Drinan	Krebs
Addabbo	Duncan, Oreg.	LaFalce
Akaka	Duncan, Tenn.	Lagomarsino
Alexander	Early	Latta
Allen	Eckhardt	Le Fante
Ammerman	Edgar	Leach
Anderson, Calif.	Edwards, Ala.	Lederer
	Edwards, Calif.	Lehman
Andrews, N.C.	Edwards, Okla.	Lent
Andrews, N. Dak.	Eilberg	Levitas
	Emery	Livingston
Annunzio	English	Lloyd, Calif.
Applegate	Ertel	Lloyd, Tenn.
Archer	Evans, Del.	Long, La.
Ashbrook	Evans, Ga.	Long, Md.
Ashley	Evans, Ind.	Lott
Aspin	Fary	Lujan
AuCoin	Fenwick	Luken
Baldus	Findley	Lundine
Barnard	Fish	McCloskey
Baucus	Fisher	McCormack
Beard, R.I.	Fithian	McDade
Beard, Tenn.	Flippo	McEwen
Bedell	Flood	McKay
Beilenson	Florio	Madigan
Benjamin	Flowers	Maguire
Bennett	Flynt	Mahon
Bevill	Foley	Mann
Biaggi	Ford, Mich.	Markey
Bingham	Ford, Tenn.	Marks
Blanchard	Forsythe	Marlenee
Blouin	Fountain	Marriott
Boggs	Fowler	Mathis
Boland	Fraser	Mattox
Bolling	Frenzel	Mazzoli
Bonior	Frey	Meeds
Bonker	Fuqua	Meyner
Bowen	Gammage	Michel
Brademas	Garcia	Mikulski
Breaux	Gaydos	Mikva
Brinkley	Gephardt	Milford
Brooks	Giaimo	Miller, Calif.
Broomfield	Gibbons	Miller, Ohio
Brown, Mich.	Gilman	Mineta
Brown, Ohio	Ginn	Minish
Broyhill	Glickman	Mitchell, Md.
Burgener	Gonzalez	Mitchell, N.Y.
Burke, Calif.	Goodling	Moakley
Burke, Fla.	Gore	Moffett
Burke, Mass.	Gradison	Mollohan
Burleson, Tex.	Grassley	Montgomery
Burlison, Mo.	Green	Moore
Burton, John	Gudger	Moorhead, Calif.
Burton, Phillip	Guyer	
Butler	Hagedorn	Moorhead, Pa.
Byron	Hall	Moss
Caputo	Hamilton	Motti
Carney	Hanley	Murphy, Ill.
Carr	Hannaford	Murphy, Pa.
Carter	Harkin	Murtha
Cavanaugh	Harrington	Myers, Gary
Cederberg	Harris	Myers, John
Chappell	Harsha	Myers, Michael
Chisholm	Hawkins	Natcher
Clausen, Don H.	Heckler	Neal
	Hefner	Nedzi
Clawson, Del	Heftel	Nichols
Clay	Hightower	Nix
Cleveland	Hillis	Nolan
Cochran	Hollenbeck	Nowak
Cohen	Holt	O'Brien
Coleman	Holtzman	Oakar
Conte	Howard	Oberstar
Conyers	Hubbard	Obey
Corcoran	Huckaby	Ottinger
Cornell	Hughes	Panetta
Cornwell	Hyde	Patten
Cotter	Ireland	Patterson
Coughlin	Jacobs	Pattison
Cunningham	Jeffords	Pease
D'Amours	Jenkins	Perkins
Daniel, Dan	Jenrette	Pettis
Daniel, R. W.	Johnson, Calif.	Pickle
Danielson	Johnson, Colo.	Pike
Davis	Jones, N.C.	Poage
de la Garza	Jones, Okla.	Pressler
Delaney	Jones, Tenn.	Preyer
Dellums	Jordan	Price
Dent	Kasten	Pritchard
Derrick	Kastenmeier	Pursell
Derwinski	Kazen	Quie
Devine	Kelly	Quillen
Dicks	Kemp	Railsback
Diggs	Ketchum	Rangel
Dingell	Keys	Regula
Dodd	Kildee	Reuss
Dornan	Kindness	Rhodes
Downey	Kostmayer	Richmond

Rinaldo	Skubitz	Van Deerlin
Risenhoover	Slack	Vander Jagt
Roberts	Smith, Iowa	Vanik
Rodino	Smith, Nebr.	Vento
Roe	Snyder	Volkmer
Rogers	Solarz	Walgren
Rooney	Spellman	Walker
Rose	Spence	Walsh
Rosenthal	St Germain	Wampler
Rostenkowski	Staggers	Watkins
Roybal	Stangeland	Waxman
Runnels	Stanton	Weaver
Ruppe	Stark	Weiss
Russo	Steed	Whalen
Ryan	Steers	White
Santini	Steiger	Whitehurst
Sarasin	Stockman	Whitley
Satterfield	Stokes	Wilson, Tex.
Sawyer	Stratton	Winn
Scheuer	Studds	Wirth
Schroeder	Stump	Wright
Sebelius	Taylor	Wydler
Seiberling	Thompson	Wylie
Sharp	Thone	Yates
Shipley	Traxler	Yatron
Shuster	Treen	Young, Alaska
Sikes	Trible	Young, Fla.
Simon	Tsongas	Young, Mo.
Sisk	Udall	Zablocki
Skelton	Ullman	Zeferetti

NAYS—19

Badham	Erlenborn	Quayle
Bafalis	Goldwater	Rousselot
Bauman	Hammer-	Rudd
Collins, Tex.	schmidt	Schulze
Conable	Hansen	Symms
Crane	McClory	Wilson, Bob
Dickinson	McDonald	

ANSWERED "PRESENT"—2

Holland	Ichord

NOT VOTING—33

Ambro	Horton	Robinson
Anderson, Ill.	Krueger	Roncalio
Armstrong	Leggett	Teague
Breckinridge	McFall	Thornton
Brodhead	McHugh	Tucker
Brown, Calif.	McKinney	Waggonner
Buchanan	Martin	Whitten
Collins, Ill.	Metcalfe	Wiggins
Corman	Murphy, N.Y.	Wilson, C. H.
Evans, Colo.	Pepper	Wolff
Fascell	Rahall	Young, Tex.

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 50, with Mr. NATCHER (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee rose on Thursday, March 9, 1978, section 2 of title I had been considered as having been read and open for amendment at any point. Pending were amendments en bloc offered by the gentleman from Ohio (Mr. ASHBROOK).

AMENDMENTS OFFERED BY MR. BAUCUS AS A SUBSTITUTE FOR THE AMENDMENTS OFFERED BY MR. ASHBROOK

Mr. BAUCUS. Mr. Chairman, I offer amendments as a substitute for the amendments.

The Clerk read as follows:

Amendments offered by Mr. BAUCUS as a substitute for the amendments offered by Mr. ASHBROOK:

Page 60, after line 14, insert the following new subsection:

(e) The Congress further finds and declares that high unemployment and high inflation have been accompanied by large deficits in the Federal budget and that the achievement of full employment is essential to the achievement of a balanced Federal budget.

Page 63, after line 19, insert the following new subsection:

"(g) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to achieve a balanced budget consistent with the achievement of the unemployment goal specified in section 4.".

Mr. BAUCUS. Mr. Chairman, we are presently considering legislation that will establish full employment as a national priority.

The employment engine fashioned by this bill is directed toward a noble goal—meaningful work for Americans. But we must be sure that this engine is equipped with a brake which can be engaged once the full employment machine is in full force. Otherwise, the Government will continue massive deficit spending and potentially inflationary programs.

Mr. Chairman, the amendment that I am offering, along with the gentleman from South Carolina (Mr. DERRICK), provides that one of the purposes of this act is to achieve a balanced budget consistent with the achievement of the unemployment goals enumerated in the bill.

Mr. Chairman, let me supply my reasons for offering this amendment. To begin with, our national economy still suffers from the 1975 recession. Business confidence and capital investment remain at low levels. While recent statistics indicate some improvement, the picture remains anything but bright. Unemployment is still too high, and inflation is beginning to creep up once again. Finally, our balance of payments deficit, prompted by unparalleled foreign imports, is eroding the dollar in international money markets to the point where OPEC threatens to raise crude oil prices in the months ahead.

Mr. Chairman, our first priority in the current situation is to get people back to work. We must do this without driving up the inflation rate and further eroding the value of the dollar. This does not mean, however, that we should ignore the level of the Federal debt. During the first 190 years of our Nation, the Federal debt rose to roughly $300 billion. In the past decade, that figure has more than doubled—with current estimates calling for a debt of about $700 billion by the end of the current fiscal year.

While it is true that the debt is increasing as a percentage of our gross national product, I do not find that comforting. I would be encouraged by our increased potential to repay the debt if we consistently exercised that potential. Unfortunately, we have not.

In future years we will have many opportunities to reduce the debt of today. No one doubts that our unemployment rate will ultimately drop to much lower levels than we are facing at this time, and when that occurs we should be ready to reduce the debt through a surplus budget. If we were to leave our fiscal structure as it is today, a surplus would automatically occur as the economy returns to full employment—at least, that is the conventional, theoretical wisdom in supporting the full employment budget concept. As unemployment recedes, incomes, profits and tax revenues rise while unemployment-related expenditures fall.

I would be a more devout believer in the full employment concept if I were sure that we would have surpluses when the economy returns to low levels of unemployment. Unfortunately, history has demonstrated that surpluses do not "automatically" occur during periods of full employment.

Indeed, Mr. Chairman, in the past 25 years—the most prosperous quarter century in our Nation's history—unemployment has been less than 4 percent in 7 years. Yet, the budget has been in surplus in only 2 of those 7 years. During the period 1966–69, unemployment was at or below 4 percent, but the budget was in deficit 3 of 4 years, for a cumulative total of $13 billion. Had the fiscal structure remained unaltered, the budget would have been in surplus. Instead, Federal spending went up by 51 percent while revenues increased by only 33 percent. This occurred primarily in two areas: The Vietnam war effort, where national defense went up 63 percent, and human resources, where income security went up by 47 percent; education, manpower, and social services went up by more than 200 percent. Given increases in the debt during this period, spending also increased in a third area, with interest on the national debt rising more than 35 percent.

Had there been a check on Federal spending during that period—for example, by providing as Mr. DERRICK and I do in our amendment, that the budget be in surplus in times of low unemployment—the public debt would be nearly $50 billion lower, and perhaps we would not be suffering the inflation we have at this time.

It is this last problem, inflation, which concerns me most deeply. Overspending in the late 1960's caused higher rates of inflation during the early 1970's.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(By unanimous consent Mr. BAUCUS was allowed to proceed for 2 additional minutes.)

Mr. BAUCUS. Recently, the OPEC oil price increases have pushed inflation to double digit rates. Although inflation has been dampened somewhat by the recent recession, it still continues at a relatively high level. Prices are currently rising at about 10 percent annually. Most economists agree that this rate will continue, and if our Nation attains full employment by the early 1980's, we are likely to find high inflation, particularly if we continue budget deficits.

To deal with these problems, the amendment Mr. DERRICK and I are offering will require that one of the purposes of H.R. 50 is the attainment of a balanced budget consistent with the unemployment goals set forth in this bill, which I think will help us during periods of prosperity.

Granted, our amendment does not insure and does not guarantee a balanced budget in times of full employment. Unemployment projections can be hedged, and Congress can always increase a President's budget request. But, our amendment would be an important first step toward fiscal responsibility. The adoption of our amendment will show that, in considering the Humphrey-Hawkins bill, we are looking beyond an

immediate crisis; we are developing a systematic process for dealing with a recurrent problem when times of prosperity are, hopefully, reached.

Mr. Chairman, I very strongly urge the adoption of our substitute amendment as a means to begin to restore some sanity in our fiscal posture.

AMENDMENTS OFFERED BY MR. ASHBROOK TO THE AMENDMENTS OFFERED BY MR. BAUCUS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer amendments to the amendments offered as a substitute for the amendments.

The Clerk read as follows:

Amendments offered by Mr. ASHBROOK to the amendments offered by Mr. BAUCUS as a substitute for the amendments offered by Mr. ASHBROOK: Amend the substitute to the Ashbrook amendment by inserting at the end thereof the following:

The new section 4 of the Employment Act of 1946, as revised by the Jeffords amendment to section 104 of the bill, is amended as follows: (1) The first sentence of section 4(a)(2)(A) is amended by inserting before the period at the end thereof ", the interim numerical goal of balancing the Federal budget and (2) section 4(b)(1) is amended by inserting before the period at the end thereof ", maintaining a balanced Federal budget,"

Page 69, immediately after line 10, insert the following new subsection:

"(c) In choosing means to achieve the goal of unemployment the President shall first recommend those policies and programs designed to achieve a balancing of the Federal budget within five years after the date of enactment of the Full Employment and Balanced Growth Act of 1978."

Mr. ASHBROOK. Mr. Chairman, it is often said, and I am afraid with some degree of accuracy, that what we do here best is to engage in playing games. An amendment has been offered in the nature of a substitute for my amendment, which was pending when the Committee rose last week. It is a real hooker. My amendment really put deficit spending onto the level of importance that it deserves—and I might add, the importance Members of this body give balanced budgets when they are talking to the home folk.

Let us be honest about what is happening here. There is an effort by the gentleman from Montana (Mr. BAUCUS) to downgrade that importance, and this superfluous amendment is just barely one step ahead of putting a one-line recommendation in the report. We have often heard of the gift for the man or woman who has everything. I think it is fair to say this amendment is in effect a gift for the Member of Congress who wants to talk about deficits but not really do anything about deficits.

In effect what we would be telling the President of the United States is: "Mr. President, pursue goals one and two, and, by the way, while you are at it, give a little thought every now and then to deficit spending." What my colleagues and friends the gentleman from Montana (Mr. BAUCUS) and the gentlemen from South Carolina (Mr. DERRICK) want to do, and let us be honest about it, is to take the important issue of deficit spending and put it on a far depreciated level as far as importance and goals and targets are concerned—in effect pigeonhole it.

I think my original amendment made far more sense and I am offering this amendment at least to bring back up part way to the level that we would have had in my original amendment the importance of deficit spending.

I would remind the Members that if the Baucus-Derrick amendment is passed, we are only putting deficit spending on a policy level. None of the operative provisions of the Humphrey-Hawkins bill H.R. 50 would really mandate more than a mere policy concern over deficit spending. Nothing substantive, just a bit of wishful thinking.

I want to put it back in the operative sections. Otherwise we are doing one thing—and we know it—we are whistling in the dark.

For those who are not serious about deficit spending, for those who did not trust the President when he said he could bring about deficit spending by 1981—and as my colleague, the gentleman from California (Mr. JOHN L. BURTON), said in the 1-minute speech, I am giving 2 more years, until 1983—for any who do not believe that we should curb deficit spending, then I say vote down my amendment.

We must put deficit spending in the specific goals of H.R. 50. Unemployment, inflation, deficit spending—unless it is in there as a specific goal, if it is only going to be something that is a side issue or a line in a report or something that is in general posturing but no substance, then what we are doing is telling the American people that deficit spending is not even among our priority economic and fiscal goals in the Humphrey-Hawkins bill. So we are talking about something very substantive and I think the vote on this amendment will very clearly delineate those who are serious about deficit spending and those who want to talk about it but not really do anything substantive to bring it about in this country.

Mr. DERRICK. Mr. Chairman, I rise in opposition to the Ashbrook amendments.

Mr. Chairman, let me first state what our amendment does, and then explain why I consider it an improvement over the Ashbrook amendment. Our amendment states explicitly that it is the purpose of this act to achieve a balanced budget, and in that sense, it is no different from the Ashbrook amendment. I do not differ with that amendment in purpose—but I do differ with it in the technique for achieving it. The Ashbrook amendment commits us to specific goals and timetables for reaching that target and makes no allowance for the flexibility that is needed to achieve that goal and the other goals in the bill.

If there is one thing that I have learned as a member of the Budget Committee, it is that economics is not an exact science—our ability to achieve the appropriate balance between needed growth and needed budgetary goals is not subject to rigid long-term timetables. Policy choices are not made once and for all; they must be adapted to changing circumstances.

The amendment requiring a balanced budget overlooks the source of recent budget deficits. The large deficits of recent years are primarily the result of a severely unbalanced economy. High rates of unemployment of labor and underutilization of industrial capacity have depressed wages and profits and, thus, reduced the tax base for Federal revenues. High rates of unemployment increase expenditures for unemployment compensation, welfare, food stamps, and medicaid.

A House Budget Committee analysis done a few years ago, just as the economy was beginning to recover from the worst recession since the 1930's, indicated that attempts to balance the 1976 budget would not only have been self-defeating, but would also drive the unemployment rate up from the 8-percent level that prevailed to the range of 12 to 13 percent. Using our econometric models, we find that any attempt to balance the budget by cutting expenditures in fiscal year 1979 will also fail. Revenues would decline, causing a continued deficit, and unemployment would rise from the 5.9 percent projected for next year to nearly 8 percent.

The rising unemployment would cause further losses in revenue and unbalance the budget, even though sharp reductions in expenditures had been postulated under the model.

Budget balancing requires a healthy, vigorous economy. Rates of recovery from recession must be consistent with the twin goals of reduced unemployment and reduced inflation. Public policies that reduced the unemployment rate rapidly would probably require larger budget deficits in the near term and might make inflation worse. Public policies that focus only on reducing inflation may raise the unemployment rate, reducing revenues, and add to the deficit.

In essence our amendment recognizes the need for flexibility. It commits us to the goal of a balanced budget, but recognizes that this is a goal that must be achieved both in a time frame and with a method that is consistent with the achievement of full employment, which is the basic objective of this bill.

The fundamental objective of Humphrey-Hawkins is full employment and balanced growth. The committee report recognizes and I fully subscribe to the view that full employment is a necessary condition for achieving a balanced budget. My substitute, I believe, gives the appropriate recognition to both goals while not changing the basic emphasis of the bill.

The adoption of the Ashbrook amendment would tie the hands of the Budget Committee because it would prejudge the budgetary decisions that must be made in the next 4 years. I am a firm supporter of the need to achieve a balanced budget, but I still recognize that we cannot today chart the specific course by which we will reach that goal which has eluded us for so long. I believe that supporters of the budget process should support my substitute so that that process will remain a

meaningful method of making congressional budget policy.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for yielding. I want to compliment the gentleman from South Carolina and the gentleman from Montana for a meaningful amendment. I was going to vote against any balanced budget amendments, because they would throw the whole bill out of context; but these two gentlemen have very wisely conceived of an amendment which balances the budget.

The CHAIRMAN pro tempore. The time of gentleman from South Carolina has expired.

(At the request of Mr. MITCHELL of Maryland and by unanimous consent, Mr. DERRICK was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield further, these gentlemen have managed to put together a meaningful amendment where all things are in place and we do not try for a balanced budget at the cost of not putting people to work. That is the first comment.

Second, I serve on the Budget Committee, as does the gentleman from South Carolina, and for the life of me I do not see how the Budget Committee could function under the Ashbrook amendment. It would be simply impossible to do so.

Mr. Chairman, I fully support the amendment offered by my distinguished colleagues and urge that we vote down the Ashbrook amendment and vote for the Derrick-Baucus amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the gentleman states that the gentleman is concerned because the Ashbrook amendment establishes specific goals and timetables. This resolution is full of those. It does allow a flexibility to the President to unbalance the budget if some of these other goals are not achievable; but the President himself stated all during the campaign in 1976 that he clearly thought that the target date of 1980 was very achievable, and he has not backed away from that very substantially, even in the budget concepts that he has sent up to our Budget Committee.

Now, the gentleman from Ohio has tried to give some flexibility by putting it just a couple years later.

I am absolutely appalled that my colleague, the gentleman from South Carolina, would say that somehow we cannot set this specific goal or target because it is too rigid. It is not rigid at all, and I am appalled.

Mr. DERRICK. Mr. Chairman, as the gentleman from California very well knows, every time the unemployment rate moves by 1 percentage point, it costs the Government somewhere in the neighborhood of $17 billion to $18 billion.

The CHAIRMAN pro tempore. The time of the gentleman from South Carolina has again expired.

(By unanimous consent, Mr. DERRICK was allowed to proceed for an additional 3 minutes.)

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, before the gentleman goes any further, I do not accept that wholly.

Mr. DERRICK. I am not finished.

Mr. ROUSSELOT. Because there are other things that can happen that show that does not necessarily happen. That, too, is not an absolute formula, as the gentleman knows, that is, that an increase in unemployment means that much reduction in revenue. There are other things that cause a reduction in revenue.

Mr. DERRICK. Mr. Chairman, as the gnetleman well knows, every time the employment rate increases 1 percentage point, the Government loses some $17 billion lost in revenue.

Mr. ROUSSELOT. Not necessarily.

Mr. DERRICK. Wait until I get through. It results in additional food stamps, additional compensation. If we take that 6.2-percent unemployment rate and come down to a 3-percent unemployment rate, all you have to do is bring that unemployment rate down to 3 percent and the budget is balanced. To say you can do it without also addressing the matter of unemployment is just a fallacy.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I thought that is what this bill does is address the issue of unemployment.

Mr. DERRICK. That is right.

Mr. ROUSSELOT. Is the gentleman from South Carolina telling us that the goal set is meaningless?

Mr. DERRICK. The Ashbrook amendment does address the matter of unemployment. That is why I am including it in my amendment, so they can work hand in hand.

Mr. ROUSSELOT. The Ashbrook amendment becomes part of the total package then. If the gentleman is correct, if that is one of the goals set in the bill and if they are as terrific as we are told they are, the budget can be achieved, so I am in total disagreement with the gentleman that we cannot establish a balanced budget under this resolution which is going to take care of all these problems that we have been told. Have we not been told that?

Mr. DERRICK. The gentleman has been told we are going to achieve a balanced budget under the Baucus-Derrick amendment and I am giving the gentleman an opportunity to support it.

Mr. ROUSSELOT. Mr. Chairman, I do not think the amendment offered by the gentleman from Montana (Mr. BAUCUS) is as good as the one offered by the gentleman from Ohio (Mr. ASHBROOK). That is what I am saying.

Mr. DERRICK. It is obvious that is what the gentleman is saying.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the substitute amendments offered by the gentleman from Montana (Mr. BAUCUS) and cosponsored by the gentleman from South Carolina (Mr. DERRICK) and in opposition to the amendments offered by the gentleman from Ohio (Mr. ASHBROOK). I think that the gentleman from Montana and the gentleman from South Carolina are to be commended in what they are trying to do.

The gentlemen are trying to target in on arriving at a balanced budget, and they are putting it into this bill in such a way that it is set forth as a statement of purpose. I seems to me that if we were to follow the suggestion contained in the amendment offered by the gentleman from Ohio (Mr. ASHBROOK), it would make us too rigid in our actions.

I would like to say to the Members that no one would disagree with the gentleman from Ohio (Mr. ASHBROOK) if it were possible that we could today legislate a balanced budget. However, we have not been able to do that for years, whether the administration has been a Republican one or a Democratic one. The fact is that we have to target in on other aspects of the economy.

We have to do what must be done. We have to reduce unemployment, we have to keep inflation under control or eliminate it completely, we have to provide for a healthy rate of real growth in our economy. If we accomplish all these things and, hopefully, some others—for example, reducing our dependence on foreign oil, which would make a substantial contribution to the health of our economy—if we accomplish them, we will have an economy with a balanced budget. But we cannot have it otherwise.

We cannot legislate it, as we would be trying to do under the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

This legislation can set forth targets addressed to the very serious problem of unemployment in our economy. This legislation can set targets as to what the rate of inflation ought to be. We can try to develop a greater rate of productivity in our economy. We can and should try to accomplish all of the goals.

Once we do that, we will have a lower deficit, in 1981 or 1982, if our economy progresses satisfactorily. But we cannot bind this Congress or this Government so rigidly that that would be one of the specific goals and the objectives. The goals must be directed toward unemployment, inflation, and productivity, a healthy rate of growth in the economy—in short, all of the things that make a balanced budget possible.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I thank the gentleman for yielding.

Did I understand the gentleman to say that it is proper and that we should be setting targets for inflation, as well as setting other goals that should be reached?

Mr. GIAIMO. Yes, we should try to do so and must do so for the rate of inflation.

Mr. SARASIN. Mr. Chairman, would the gentleman have a target figure in mind over a 5-year period?

Mr. GIAIMO. Hopefully, I would like to see inflation down to zero.

Mr. SARASIN. And realistically, what would the gentleman set as a figure?

Mr. GIAIMO. Realistically, I would like to see it much less than 6 percent, and there is a very real concern at the present time that we can hold it to that.

Mr. SARASIN. Of course, the gentleman knows that we are probably going to be at 13 percent annually.

Mr. GIAIMO. I do not know that, and I submit that neither does the gentleman know that. However, I am concerned that at the present time the rate of inflation may go higher than 6 percent.

Mr. SARASIN. Would the gentleman support a figure of 3 percent if I would offer such an amendment?

Mr. GIAIMO. I would support a figure of 3 percent. I want to say this, however; at the time the Joint Economic Committee proposes its resolution under this bill, it would have to set a figure for inflation in its recommendations to the House.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Mr. Chairman, I will say to my friend, the gentleman from Connecticut (Mr. SARASIN), that it is very easy for us today to say, "Yes, it should be 3 percent," or, "No, it should not be 4 percent," and so forth. The point is that, at whatever point in time, a resolution is going to be submitted proposing goals and targets for the first 2 years of the 5-year period. At that time, as we address ourselves to the matters of unemployment, real growth, productivity, and so on, we will address inflation as well, and not in a vacuum. I am not certain today whether it should be 3 or 6 percent. Hopefully, it would be zero. But we must look at the particular circumstances of the time.

Mr. SARASIN. Mr. Chairman, does the gentleman argue against setting a numerical target as established in this bill?

Mr. GIAIMO. No.

Mr. SARASIN. Why not?

Mr. GIAIMO. I am saying that at the time we adopt the JEC resolution we will determine what the acceptable goal of unemployment will be and the acceptable goal for inflation as well. I am saying we should not, as the gentleman from Ohio would have us do now, say, "But in any event, we must have a balanced budget."

Mr. SARASIN. But this bill, if the gentleman will continue to yield, is establishing a numerical goal for unemployment, and as I understand the gentleman, and I agree with him, it is difficult to do that.

Mr. GIAIMO. It will provide for the establishment of a numerical goal for unemployment and a numerical goal for inflation.

Mr. SARASIN. We are not leaving the goal for unemployment up to the Joint Economic Committee, or any other committee.

We are saying now what the goal will be.

Mr. GIAIMO. The gentleman knows I am going to offer an amendment to title III which will provide for setting a numerical goal for inflation.

Mr. SARASIN. Of course, as the gentleman knows, I am going to support the amendment.

Mr. GIAIMO. Yes.

Mr. HAWKINS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the bill.

Mr. Chairman, the substitute amendment is simply a ploy to get us back to a single purpose, and that is a balanced budget, without any other thought. I think it should be thoroughly understood that I believe the sponsors of the substitute have never read the bill and do not understand it. They do not understand that the way to achieve a balanced budget—which I understand is the objective of the Baucus-Derrick amendment—is to use the programs and policies within the context of H.R. 50. I think those who oppose that are really opposed to full employment. They are saying, "We want to achieve a balanced budget, but we do not want to put people to work in order to do it. We want to cut out social programs. We want to reduce the Federal budget, regardless of what the needs may be. We would even go so far as to invade national defense in order to get that type of a balanced budget." That is the only way they could do it under the substitute. It is a clever way of saying, "We are against full employment," and that is all that it is.

I think the Members should understand that the Ashbrook substitute treats the balanced budget as a separate goal, without any reference to the other goals within the bill itself, and certainly without any reference to the goal of full employment. It should be understood, it seems to me, that the reason that we are in the present difficulties of rising deficits is that we have so decreased the revenues of this country through not putting people to work, not using factories and the equipment, not using our productive capacity.

That is the reason we have a deficit. In order to remove that problem and to get us back to a balanced budget, then it is necessary to put people to work; and that is what I understand the bill is all about, and that is what I think the Baucus-Derrick substitute amendment would do.

I think this was very well brought out, as I indicated the other night in a discussion with the gentleman from Ohio (Mr. ASHBROOK), in a colloquy on this floor, that even President Ford in 1976, in submitting his budget, made this very point when he said that if the economy were to be as fully employed in 1976 as it was in 1974—and that was when we had 5.6-percent unemployment—to continue, President Ford said that we would have had $40 billion in additional tax receipts, assuming no change in tax rates, and $12.7 billion less in aid to the unemployed. In other words, we would have had more than $52 billion at that time when we did not have 3-percent or 4-percent unemployment; we had 5.6-percent unemployment.

Consequently, if we were to reduce unemployment then to the 4-percent level, if we were to concentrate on the objectives of the act in terms of economic growth in order to put people to work and in order to use their productive capacity, we could then reduce the deficit and get a balanced budget.

That is what we, who favor a balanced budget, are attempting to do, but the opposition does not want to do that. They would like to concentrate on some tax ripoffs. They would like to concentrate on starving economic growth, as we did between 1970 and 1976. They would like to do it their way rather than do it in an integrated, comprehensive manner, as the bill proposes.

Mr. Chairman, we just cannot do it that way.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's yielding.

The point has been made several times on the floor of this Chamber that full employment would reduce the deficit. I want the gentleman to know that I am one member of the opposition who agrees with him. In fact, I think a majority of the Members on this side do agree that a full-employment, full-producing economy would reduce the deficit.

I think the question that this side of the aisle is raising is, How does anyone reduce the deficit if full employment is achieved simply in the public sector of the economy, which drains the private sector from the resources that it needs to achieve full production?

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. HAWKINS) has expired.

(On request of Mr. KEMP and by unanimous consent, Mr. HAWKINS was allowed to proceed for 2 additional minutes.)

Mr. KEMP. Mr. Chairman, will the gentleman yield further?

Mr. HAWKINS. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, my question to my friend, the gentleman from California (Mr. HAWKINS), is this: Does he suggest that lowering unemployment from 6 percent to 4 percent in the private sector is the same as lowering it in the public sector? Does he think the revenues would be the same?

Mr. HAWKINS. No. I have indicated to the gentleman and I have stated, and I think the bill itself emphasizes, that the jobs should be created in the private sector.

We have indicated—and the bill will bear me out—that it does contemplate the creation of the jobs in the private sector. As a matter of fact, this is consonant with the historical ratio of 1 out of 6 jobs, only 1 out of 6 being in the public sector, no more than that.

I think that is the way it was done last year when we had 4 million jobs created almost exclusively or, at least, let us say,

overwhelmingly in the private sector. That is what I believe in, and that, I think, is the only way of doing it. There is no thought at all in this bill that the budget is going to be balanced by having jobs created in the public sector.

Mr. KEMP. Mr. Chairman, if the gentleman will yield further, I have heard the gentleman say that many times; and I attest to his sincerity.

My only question to the author of this piece of legislation which is now in front of this body is: Will the gentleman give us some idea as to his strategy for expanding the use of the productive resources of the country and putting the Nation back to work in the private sector of the economy?

Mr. HAWKINS. We have stated once, twice, many times, as the gentleman knows, in his presence, that the bill contemplates the combination of fiscal and monetary policies with structural programs and that we could reasonably reduce unemployment by using fiscal and monetary policies, including a proper tax reduction program. I think the gentleman will agree with that, in part at least. Therefore, we need a good monetary policy which, obviously, would take the support of the Federal Reserve Board, and that would be combined with structural programs which would be targeted certainly to some special groups.

It is not the thought that those structural programs would be public jobs. We have countercyclical aid to States and local governments; we have public works; we have a lot of structural programs. The combination of these two can get us, I think, to a balanced budget.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am concerned about the deficit. I had a meeting this morning in the office of the chairman of the Budget Committee (Mr. GIAIMO), where the two of us talked about the deficit. I am cosponsoring a constitutional amendment which our colleague from Indiana, Congressman ANDREW JACOBS, is the chief sponsor of, which says that unless there is a two-thirds majority of Congress to the contrary, we should have a balanced budget. I am concerned that in this next fiscal year we are going to spend $48 billion plus on interest, an increasing percentage of our tax dollars going for interest rather than for goods and services; and that is not a wise way to spend our money.

But, I oppose the Ashbrook amendment because not only does it have the rigidity that my colleagues have talked about, but it does one other thing—and I mention this now because I think this applies to other amendments that are coming before us—it skews the nature of the bill.

What we have is a full employment bill, and that is what we ought to be working on right now. If my colleague from Ohio comes in with a separate bill, with a sound plan for moving step-by-step for reduction of the deficit, I will be pleased to be a cosponsor of that bill. There are many good things that we ought to do, but which should not be part of this bill. I am for reconciling this balance of trade that faces this Nation; that should not be part of this bill. I am for eliminating the problem of crime; that should not be a part of this bill. I am for eliminating cancer; that should not be a part of this bill. There are all kinds of laudable things, but this bill, I fear, is moving toward becoming a Christmas tree, and we are putting all kinds of little goodies on it that should not be on it.

We have here a bill that is a sound bill, that moves us in the direction of employing the people of this Nation and letting them be productive. That is going to help solve the deficit and some of the other problems that we have. But, let us not make promises to people just on the basis of whim, without any hearings whatsoever, like the thing we did the other day on 100 percent of parity, which holds out false promises to the farmers of this Nation, and everyone on this floor knows that is precisely what it did. Let us be realistic. That is what our colleague from California (Mr. HAWKINS) is asking us to do, and I hope we shall do it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I think that perhaps the cat is getting out of the bag, I say to my friend from Illinois. Our good friend from Maryland (Mr. MITCHELL) said that he would oppose all balanced budget amendments, but he can support this one.

My friend from Illinois just said that he does not really think the issue of deficit spending ought to be dealt with in this bill, but he will support the substitute anyway, so I think at least we are approaching some degree of honesty and are going to vote for an amendment that does not mean anything.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield, since the gentleman mentioned my name?

Mr. SIMON. I yield.

Mr. MITCHELL of Maryland. The gentleman evidently did not have his hearing aid tuned up. I said that it was my original intent to vote against any balanced budget amendments. However, the one that has been put together by my two distinguished colleagues on this side of the aisle has changed my mind because of the way it meshes with the bill. So, I hope that is very clear. I support the amendments.

Mr. ASHBROOK. I think my friend from Maryland makes it very clear, because if it really were an amendment to bring about a balanced budget I think the gentleman would oppose it—and that is an honorable position. I do not claim it is not, just that it should be understood that way.

Mr. MITCHELL of Maryland. If the gentleman will yield further, I want to make it clear that when the gentleman's amendment appeared on this bill as it was written, substitute or original, I would have voted against it because it has already been made clear that it would have been a bill to thrust in a new direction the full employment bill. I will say again, hoping that it will sink through this time, that we have managed on this side, through the gentleman from South Carolina and the gentleman from Montana, to come up with an amendment that meshes in with the concept of full employment and gives a balanced approach with full employment.

How I can make it clearer that I will support that amendment, I do not know.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. SIMON. Mr. Chairman, let me respond briefly. There is a difference between putting added emphasis in here, which our colleagues the gentleman from South Carolina (Mr. DERRICK) and the gentleman from Montana (Mr. BAUCUS) do, and what the gentleman from Ohio (Mr. ASHBROOK) does, that is capturing their bill and making the thrust something that is somewhat different.

If the gentleman from Ohio will introduce his amendment as a separate bill, I will be a cosponsor of that, but I do not think we should skew the basic nature of this bill, and I think that is what the amendment to the substitute does.

Mr. ASHBROOK. Mr. Chairman, if the gentleman will yield, all I was doing was adding a balanced budget to the goals of unemployment and inflation—not ahead of them, not primary, but one of the three goals to be achieved.

I will say to my friend, the gentleman from Maryland, he made it perfectly clear, he has made it clear that if the amendment had any teeth in it as far as a balanced budget is concerned, he would oppose the amendment. Obviously I am coming to the conclusion that a balanced budget is not intended in the Baucus-Derrick amendment. My friend from Maryland (Mr. MITCHELL) would not support it if it did and that does not represent any problem of bearing. I have listened to him on many occasions.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(On request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, it is absolutely amazing to me to try to understand what my distinguished colleague, the gentleman from Ohio, is suggesting as to what I was reported to have done or recommended. Let me say clearly initially I was prepared to oppose any balanced budget amendment to the full employment bill because I did not think it belonged in there at all. However, my colleagues have come up with an amendment that not only says balanced budget but says balanced budget in terms of reducing unemployment. That is acceptable.

Evidently the climate in Ohio does something to one's hearing.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of the Ashbrook amendment to the substitute amendment, which adds a third element to this bill. Many of my colleagues on

this side of the aisle want to eliminate deficits because deficits create long-range financial problems, especially for the private sector.

I have been on the Budget Committee now for 2½ years. I have sat in this Chamber and listened to a Democrat-controlled Congress tell us the way to full employment was through deficit financing. And where is it? We do not have full employment. We have deficit spending that this Democrat Congress, controlled better than 2 to 1, has given us.

My good friend and colleague, the gentleman from California, has admitted and stated that the overwhelming majority of jobs come in the private sector.

Well, then, let us do the things that will create jobs in the private sector. Let us not continue this tremendous deficit that we constantly have. Let us come up with something and say that at least by the year 1981 or 1982 we can do what our good President said we could achieve in 1980.

Now my colleague the gentleman from Ohio (Mr. ASHBROOK), being a compromiser, said, well, let us go about doing it a couple of years later because the President is running into a little difficulty with the Democratic Congress that keeps adding on these big deficits. So I say to my colleagues let us stop deficit spending which is causing unemployment.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Will the gentleman yield to me first?

Mr. ROUSSELOT. I yield to my colleague the gentleman from Ohio (Mr. ASHBROOK) first and then I will yield to the gentleman from South Carolina (Mr. DERRICK).

Mr. DERRICK. The gentleman has attacked me.

Mr. ROUSSELOT. I am sure I did not attack the gentleman from South Carolina as much as question the value of his amendment, but I did promise to yield to my very distinguished colleague the gentleman from Ohio (Mr. ASHBROOK) first. I was not attacking the gentleman because I know the gentleman is for a balanced budget. He has told me that many times, but has not declared to do it by 1982.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for yielding to me.

If we could reduce to the simplest form what apparently is the purpose of my friend the gentleman from California (Mr. HAWKINS) and that was repeated by the very able chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO) somehow, someway or other, we will achieve a balanced budget if we do not mandate it.

You see, that is one of the big things in H.R. 50 but they say that it seems to be so delicate that we will achieve it without tinkering with their treasured product by amendment or otherwise but if we put it in as one of the priority items then somehow or other we will not achieve it.

Mr. ROUSSELOT. And we are attempting by your amendment to make it equal to reducing unemployment and making it equal to all of the other objectives of the bill.

Mr. ASHBROOK. Yes. That is so but here comes the mystery. They say they want it, they are going to achieve it, even the report says by 1983 we can probably reach it.

Mr. ROUSSELOT. The report says that?

Mr. ASHBROOK. That is correct. But, if we do this terrible thing that I am suggesting, as our friend the gentleman from South Carolina (Mr. DERRICK) pointed out, the terrible thing of having it included in H.R. 50 as far as timetables are concerned and specific goals are concerned and as a mandated objective—why, then, all of a sudden that kills the deal, we will not have a balanced budget.

So only if we treat it in their way of being only an illusive policy or a fine print principle will we achieve it. If we mandate it we will never get it. That is the effect of what they are telling us. Who can believe that?

Mr. ROUSSELOT. Not me. I appreciate the gentleman's comments and, as I promised, I will now yield to my very distinguished colleague, the gentleman from South Carolina (Mr. DERRICK) who is a supporter of the balanced budget. I know this because he has told me in the committee.

Mr. DERRICK. And I am giving you an opportunity to give it full consideration this afternoon.

Mr. ROUSSELOT. I have read it carefully and it does not get too specific.

Mr. DERRICK. Just give us a few crumbs from the table, please, and I am sure we can work it out.

You will recall that in 1974 we had an inflation rate of around 11 percent and an unemployment rate of 9 percent. Now the unemployment rate is 6.2 percent and the inflation rate is around 6 percent. So give this Democratic Congress credit for something.

Let me get into the question of the balanced budget issue.

Mr. ROUSSELOT. Let me interrupt the gentleman for a moment, just briefly.

Mr. DERRICK. Make it brief.

Mr. ROUSSELOT. How does this gigantic deficit help reduce unemployment in the private sector?

Mr. DERRICK. Let me tell the gentleman the facts of the case.

Mr. ROUSSELOT. Is the gentleman telling me that?

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. DANIELSON. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. SARASIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I thank the gentleman for yielding me this time. I really appreciate it. Will the gentleman yield to the gentleman from South Carolina, also?

Mr. ASHBROOK. How about yielding to me first because that side objected to the time extension.

Mr. SARASIN. I will yield to the gentleman from South Carolina.

Mr. DERRICK. I thank the gentleman.

Is the amendment you are offering annually or semiannually.

Mr. ROUSSELOT. Twice a year.

Mr. DERRICK. But if your amendment had prevailed in 1976 when we had revenues of $300 billion and outlays of $375 billion, if we had taken that $75 billion out of outlays what would have happened is that the Federal Government would have lost $40 billion in revenues. We would have gone back to the $260-billion figure. What would have happened would have been that immediately——

Mr. ROUSSELOT. Let me interrupt the gentleman on that point.

Mr. DERRICK. Permit me to finish.

The unemployment rate would have gone up to 12 or 14 percent nationwide, the gross national product would have dropped substantially, the inflation rate would have gone up substantially, and you would have closed down 100 percent of the mills in my district. If that is help then I do not care for that kind of help.

The CHAIRMAN pro tempore. The gentleman from Connecticut (Mr. SARASIN) has the time.

Mr. SARASIN. Mr. Chairman, I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, if the gentleman recalls, in my balanced budget resolution we also included the concept of the Kemp–Roth tax cut proposal, which now has been endorsed by better than 160 Members of this House. As you may know, that would have reduced personal income tax rates across the board 30 percent and the corporate tax rate 3 percent, phased in over 3 years. Cutting the marginal tax rates would increase the rewards to those who work, save, and invest. Because of additional labor and investment, productivity and output would go up. The economy would create jobs, housing starts would increase, business and consumer confidence would return, wages would go up, and inflation would abate. Furthermore, Federal tax revenues would grow—they would not decrease as my colleague from South Carolina suggested. Cutting tax rates can make Federal receipts go up—witness the Kennedy tax cut in 1964. Employment would have gone up 1.5 million in a year's time. So the gentleman is not correct. There would not have been a loss of revenue as a result of the budget concept that I introduced in 1976.

We would have produced far more revenue in the Federal Government, just as the Kennedy tax cut did in 1964.

Now I think we should yield to the author of that bill, the gentleman from New York (Mr. KEMP).

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I hope those reading this debate 10 years from now will recognize a basic fundamental point of difference between the majority side and our side. During this entire debate I keep hearing the words, "What I have done," "What we have sponsored," or "What the Government has done." There is no credit given whatsoever for the upturn in the economy, to the people who really did it, that is those out there that have nothing to do with the Government, those in the private sector of the economy. Everything we hear is what the Government plans, what the Government can do. Actually those of us out there as employers, and I happen to be a small business employer, do not hire additional people because of Government policies, because of tax policies, because of EPA, and many other things not in this bill, and yet we sit back in an economic debate and sound like H.R. 50 is the big "We." We are going to solve these problems.

I think the gentleman from New York (Mr. KEMP) has done as much to focus on what has made this economy work over the years as anyone. That is the private sector; yet our friends on the majority side will not accept that premise.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, there is one point I think should be made in that debate right now; that is, that what the minority position is basically is that all Government spending is a tax liability on current or future generations; so the Government as a tax liability preempts the resources that otherwise would be used in the private sector of the economy by the worker or the saver or the investor to expand production; so as production is diminished by taxes, you get a shrinking tax base and higher and higher tax rates; but if the tax liability were to be diminished, you would have an expanded amount of revenue, as the gentleman from California points out, on an expanding tax base. We are talking about reducing tax liability to expand revenues and allow tax revenues to make up for whatever loss occurs over a short period of time; so the gentleman from California, to whom I have been listening with great interest, made the point earlier that if we cut spending, somehow you cut revenues, you lose revenues; that is quite wrong.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Ohio (Mr. ASHBROOK) to the amendments offered by the gentleman from Montana (Mr. BAUCUS) as a substitute for the amendments offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 205, noes 215, not voting 14, as follows:

[Roll No. 152]

AYES—205

Abdnor	Frenzel	Moorhead, Calif.
Andrews, N.C.	Frey	Mottl
Andrews, N. Dak.	Fuqua	Myers, Gary
Applegate	Gammage	Myers, John
Archer	Gibbons	Neal
Armstrong	Glickman	Nichols
Ashbrook	Goldwater	O'Brien
AuCoin	Goodling	Panetta
Badham	Gradison	Pettis
Bafalis	Grassley	Pike
Barnard	Gudger	Poage
Bauman	Guyer	Pressler
Beard, Tenn.	Hagedorn	Pritchard
Bennett	Hall	Pursell
Bevill	Hamilton	Quayle
Bowen	Hammer-schmidt	Quie
Breaux	Hansen	Quillen
Breckinridge	Harsha	Railsback
Brinkley	Heckler	Regula
Broomfield	Hefner	Rhodes
Brown, Mich.	Hillis	Roberts
Brown, Ohio	Holt	Rousselot
Broyhill	Horton	Rudd
Burgener	Huckaby	Runnels
Burke, Fla.	Hughes	Ruppe
Burleson, Tex.	Hyde	Russo
Burton, John	Ichord	Sarasin
Butler	Ireland	Satterfield
Byron	Jacobs	Sawyer
Caputo	Jeffords	Schulze
Carter	Jenkins	Sebelius
Cederberg	Johnson, Colo.	Sharp
Chappell	Jones, N.C.	Shuster
Clawson, Del	Jones, Okla.	Sikes
Cleveland	Jones, Tenn.	Skelton
Cochran	Kasten	Skubitz
Cohen	Kelly	Smith, Nebr.
Coleman	Kemp	Snyder
Collins, Tex.	Ketchum	Spence
Conable	Keys	Stangeland
Corcoran	Kindness	Stanton
Coughlin	Kostmayer	Steiger
Crane	Krebs	Stockman
Cunningham	Lagomarsino	Stump
Daniel, Dan	Latta	Symms
Daniel, R. W.	Leach	Taylor
de la Garza	Lent	Thone
Derwinski	Levitas	Traxler
Devine	Livingston	Treen
Dickinson	Lloyd, Tenn.	Trible
Dornan	Lott	Vander Jagt
Duncan, Tenn.	Lujan	Waggonner
Edwards, Ala.	McClory	Walker
Edwards, Okla.	McDade	Walsh
Emery	McDonald	Wampler
English	McEwen	Watkins
Erlenborn	Madigan	White
Ertel	Mahon	Whitehurst
Evans, Del.	Marks	Whitley
Evans, Ga.	Marlenee	Whitten
Evans, Ind.	Marriott	Wiggins
Fenwick	Martin	Wilson, Bob
Findley	Mathis	Winn
Fish	Michel	Wydler
Fithian	Miller, Ohio	Wylie
Flippo	Mitchell, N.Y.	Yatron
Flynt	Montgomery	Young, Alaska
Forsythe	Moore	Young, Fla.
Fountain		

NOES—215

Addabbo	Brademas	Dicks
Akaka	Brodhead	Diggs
Alexander	Brooks	Dingell
Allen	Brown, Calif.	Dodd
Ambro	Burke, Calif.	Downey
Ammerman	Burke, Mass.	Drinan
Anderson, Calif.	Burlison, Mo.	Duncan, Oreg.
Annunzio	Burton, Phillip	Early
Ashley	Carney	Eckhardt
Aspin	Carr	Edgar
Baldus	Cavanaugh	Edwards, Calif.
Baucus	Chisholm	Eilberg
Beard, R.I.	Clay	Evans, Colo.
Bedell	Conte	Fary
Beilenson	Conyers	Fascell
Benjamin	Corman	Fisher
Biaggi	Cornell	Flood
Bingham	Cornwell	Florio
Blanchard	Cotter	Flowers
Blouin	D'Amours	Ford, Mich.
Boggs	Danielson	Ford, Tenn.
Boland	Davis	Fowler
Bolling	Delaney	Fraser
Bonior	Dellums	Garcia
Bonker	Dent	Gaydos
	Derrick	Gephardt
Giaimo	Meeds	Rose
Gilman	Meyner	Rosenthal
Ginn	Mikulski	Rostenkowski
Gonzalez	Mikva	Roybal
Gore	Milford	Ryan
Green	Miller, Calif.	Scheuer
Hanley	Mineta	Schroeder
Hannaford	Minish	Seiberling
Harkin	Mitchell, Md.	Shipley
Harrington	Moakley	Simon
Harris	Moffett	Sisk
Hawkins	Mollohan	Slack
Heftel	Moorhead, Pa.	Smith, Iowa
Hightower	Moss	Solarz
Holland	Murphy, Ill.	Spellman
Hollenbeck	Murphy, Pa.	St Germain
Holtzman	Murtha	Staggers
Howard	Myers, Michael	Stark
Hubbard	Natcher	Steed
Jenrette	Nedzi	Steers
Johnson, Calif.	Nix	Stokes
Jordan	Nolan	Stratton
Kastenmeier	Nowak	Studds
Kazen	Oakar	Thompson
Kildee	Oberstar	Tsongas
LaFalce	Obey	Tucker
Le Fante	Ottinger	Udall
Lederer	Patten	Ullman
Leggett	Patterson	Van Deerlin
Lehman	Pattison	Vanik
Lloyd, Calif.	Pease	Vento
Long, La.	Pepper	Volkmer
Long, Md.	Perkins	Walgren
Luken	Pickle	Waxman
Lundine	Preyer	Weaver
McCloskey	Price	Weiss
McCormack	Rangel	Whalen
McFall	Reuss	Wilson, C. H.
McHugh	Richmond	Wilson, Tex.
McKay	Rinaldo	Wirth
McKinney	Risenhoover	Wolff
Maguire	Rodino	Wright
Mann	Roe	Yates
Markey	Rogers	Young, Mo.
Mattox	Roncalio	Zablocki
Mazzoli	Rooney	Zeferetti

NOT VOTING—14

Anderson, Ill.	Foley	Robinson
Buchanan	Krueger	Santini
Clausen, Don H.	Metcalfe	Teague
Collins, Ill.	Murphy, N.Y.	Thornton
	Rahall	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Rahall against.

Mr. Krueger for, with Mr. Murphy of New York against.

Mr. Buchanan for, with Mr. Metcalfe against.

Mr. Don H. Clausen for, with Mrs. Collins of Illinois against.

Mr. Robinson for, with Mr. Foley against.

Mr. ASHLEY changed his vote from "aye" to "no."

Mr. KREBS and Mr. BROWN of Michigan changed their vote from "no" to "aye."

So the amendments to the amendments offered as a substitute for the amendments were rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Montana (Mr. BAUCUS) as a substitute for the amendments offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BAUCUS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 411, noes 3, not voting 20, as follows:

[Roll No. 153]

AYES—411

Abdnor	Diggs	Kelly
Addabbo	Dingell	Kemp
Akaka	Dodd	Ketchum
Alexander	Dornan	Keys
Allen	Downey	Kildee
Ambro	Drinan	Kindness
Ammerman	Duncan, Oreg.	Kostmayer
Anderson, Calif.	Duncan, Tenn.	Krebs
	Early	LaFalce
Andrews, N.C.	Eckhardt	Lagomarsino
Andrews, N. Dak.	Edgar	Latta
	Edwards, Ala.	Le Fante
Annunzio	Edwards, Calif.	Leach
Applegate	Edwards, Okla.	Lederer
Archer	Eilberg	Leggett
Armstrong	Emery	Lehman
Ashbrook	English	Lent
Ashley	Erlenborn	Levitas
Aspin	Ertel	Livingston
AuCoin	Evans, Colo.	Lloyd, Calif.
Badham	Evans, Del.	Lloyd, Tenn.
Bafalis	Evans, Ga.	Long, La.
Baldus	Evans, Ind.	Long, Md.
Barnard	Fary	Lott
Baucus	Fascell	Lujan
Bauman	Fenwick	Luken
Beard, R.I.	Findley	Lundine
Beard, Tenn.	Fish	McClory
Bedell	Fisher	McCloskey
Beilenson	Fithian	McCormack
Benjamin	Flippo	McDade
Bennett	Flood	McDonald
Bevill	Florio	McEwen
Biaggi	Flowers	McHugh
Bingham	Flynt	McKay
Blanchard	Foley	McKinney
Blouin	Ford, Mich.	Madigan
Boggs	Ford, Tenn.	Maguire
Boland	Fountain	Mahon
Bolling	Fowler	Mann
Bonior	Fraser	Markey
Bonker	Frenzel	Marks
Bowen	Frey	Marlenee
Brademas	Fuqua	Marriott
Breaux	Gammage	Martin
Breckinridge	Garcia	Mathis
Brinkley	Gaydos	Mattox
Brodhead	Gephardt	Mazzoli
Brooks	Giaimo	Meeds
Broomfield	Gibbons	Meyner
Brown, Calif.	Gilman	Michel
Brown, Mich.	Ginn	Mikulski
Brown, Ohio	Glickman	Mikva
Broyhill	Goldwater	Miller, Calif.
Burgener	Gonzalez	Miller, Ohio
Burke, Calif.	Gore	Mineta
Burke, Fla.	Gradison	Minish
Burke, Mass.	Grassley	Mitchell, Md.
Burleson, Tex.	Green	Mitchell, N.Y.
Burlison, Mo.	Gudger	Moakley
Burton, John	Guyer	Moffett
Burton, Phillip	Hagedorn	Mollohan
Butler	Hall	Montgomery
Byron	Hamilton	Moore
Caputo	Hammer-schmidt	Moorhead, Calif.
Carney		
Carr	Hanley	Moorhead, Pa.
Carter	Hannaford	Moss
Cavanaugh	Hansen	Mottl
Cederberg	Harkin	Murphy, Ill.
Chappell	Harrington	Murphy, Pa.
Chisholm	Harris	Murtha
Clawson, Del	Harsha	Myers, Gary
Clay	Hawkins	Myers, John
Cleveland	Heckler	Myers, Michael
Cochran	Hefner	Natcher
Cohen	Heftel	Neal
Coleman	Hightower	Nedzi
Collins, Tex.	Hillis	Nichols
Conable	Hollenbeck	Nix
Conte	Holt	Nolan
Conyers	Holtzman	Nowak
Corcoran	Horton	O'Brien
Corman	Howard	Oakar
Cornell	Hubbard	Oberstar
Cornwell	Huckaby	Obey
Cotter	Hughes	Ottinger
Coughlin	Hyde	Panetta
Crane	Ichord	Patten
Cunningham	Ireland	Patterson
D'Amours	Jacobs	Pattison
Daniel, Dan	Jeffords	Pease
Daniel, R. W.	Jenkins	Pepper
Danielson	Jenrette	Perkins
Davis	Johnson, Calif.	Pettis
de la Garza	Johnson, Colo.	Pickle
Delaney	Jones, N.C.	Pike
Dellums	Jones, Okla.	Poage
Derrick	Jones, Tenn.	Pressler
Derwinski	Jordan	Preyer
Devine	Kasten	Price
Dickinson	Kastenmeier	Pritchard
Dicks	Kazen	Quayle
Quie	Shuster	Vander Jagt
Quillen	Sikes	Vanik
Railsback	Simon	Vento
Regula	Sisk	Volkmer
Reuss	Skelton	Waggonner
Rhodes	Slack	Walgren
Richmond	Smith, Iowa	Walker
Rinaldo	Smith, Nebr.	Walsh
Risenhoover	Snyder	Wampler
Roberts	Solarz	Watkins
Rodino	Spence	Waxman
Roe	St Germain	Weaver
Rogers	Staggers	Weiss
Roncalio	Stangeland	Whalen
Rooney	Stanton	White
Rose	Stark	Whitehurst
Rosenthal	Steed	Whitley
Rostenkowski	Steers	Whitten
Rousselot	Steiger	Wiggins
Roybal	Stockman	Wilson, C. H.
Rudd	Stokes	Wilson, Tex.
Runnels	Stratton	Winn
Ruppe	Studds	Wirth
Russo	Stump	Wolff
Ryan	Symms	Wright
Santini	Taylor	Wydler
Sarasin	Thompson	Wylie
Satterfield	Thone	Yates
Sawyer	Traxler	Yatron
Scheuer	Treen	Young, Alaska
Schroeder	Trible	Young, Fla.
Schulze	Tsongas	Young, Mo.
Sebelius	Tucker	Zablocki
Seiberling	Udall	Zeferetti
Sharp	Ullman	
Shipley	Van Deerlin	

NOES—3

Forsythe	Milford	Wilson, Bob

NOT VOTING—20

Anderson, Ill.	Holland	Rangel
Buchanan	Krueger	Robinson
Clausen, Don H.	McFall	Skubitz
	Metcalfe	Spellman
Collins, Ill.	Murphy, N.Y.	Teague
Dent	Pursell	Thornton
Goodling	Rahall	Young, Tex.

So the amendments offered as a substitute for the amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Ohio (Mr. ASHBROOK), as amended.

The amendments, as amended, were agreed to.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, I ask unanimous consent that I may be permitted to modify the amendment which I offered and which was previously adopted by the House.

The specifics of the modification are at the desk, and they have been approved by the chairman of the subcommittee, the gentleman from California (Mr. HAWKINS).

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The amendment, as modified, is as follows:

Amendment offered by Mr. QUIE, as modified: The new section 4 of the Employment Act of 1946, as revised by the Jeffords Amendment to section 104 of the bill, is amended as follows:

(1) The first sentence of section 4(a)(2)(A) is amended by inserting before the period at the end thereof "and the interim goal of obtaining farm income at a rate not less than 100 per centum of parity at the market place during the same period", and (2) section 4(b)(1) is amended by inserting before the period at the end thereof ", and maintaining farm income at a rate not less than 100 per centum of parity at the market place after it has been reached".

AMENDMENTS OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. BROOKS: Page 76, line 8, strike out the word "or" and insert in lieu thereof "and may establish other".

Page 76, at the end of line 12, add the following: "All boards established under this section shall be subject to the provisions of Public Law 92-463, the Federal Advisory Committee Act."

Page 76, line 21, insert ", in accordance with applicable provisions of law," immediately after "President shall".

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will read.

(The Clerk concluded the reading of the amendments.)

Mr. BROOKS. Mr. Chairman, my amendments would require essentially the establishment of one advisory committee, as the current bill does, but it would make the President's authority to establish any others discretionary and would make such committees subject to the Federal Advisory Committee Act.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the chairman of the subcommittee.

Mr. HAWKINS. Mr. Chairman, we have seen the amendments and analyzed them. We think the amendments are clarifying and would improve the bill. We will accept the amendments.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished friend, the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I concur with the statement of the chairman of the subcommittee. We also agree on this side of the aisle that the amendments are acceptable.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Texas (Mr. BROOKS).

The amendments were agreed to.

PERFECTING AMENDMENT OFFERED BY MR. STANTON

Mr. STANTON. Mr. Chairman, I offer a perfecting amendment to section 108 of the bill. The amendment is at the desk, and I ask unanimous consent for its consideration at this time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the perfecting amendment.

Perfecting amendment offered by Mr. STANTON: Section 108 shall be modified to read as follows:

MONETARY POLICY

SEC. 108. The Employment Act of 1946 is amended by inserting a new section 8 as follows:

"MONETARY POLICY

"SEC. 8. The Board of Governors of the Federal Reserve System shall transmit to the Congress, an independent statement setting forth its intended policies for the year ahead, and their relationship to (i) the short-term goals set forth in the economic report pursuant to subsection 3(a)(2)(B) of section 3, and (ii) medium-term trends in employment, production, and prices for the three calendar years subsequent to the two years referred to in subsection 3(a)(2)(B). The House Committee on Banking, Finance and Urban Affairs and the Senate Committee on Banking, Housing and Urban Affairs shall consult with representatives of the Board of Governors concerning the Board's and the Federal Open Market Committee's intended policies, and each of these committes shall submit to the Joint Economic Committee, pursuant to Title III of the Full Employment and Balanced Growth Act of 1978, a report containing their views and recommendations with respect to the Federal Reserve's intended policies. Thereafter, the Congress shall take such action as it deems necessary to insure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1978. Nothing in this Act shall be interpreted to require that policies proposed by the Board of Governors of the Federal Reserve System be followed if the Board of Governors and the Federal Open Market Committee determine that they cannot or should not be followed because of changing conditions."

Mr. STANTON (during the reading). Mr. Chairman, I ask unanimous consent that the perfecting amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will read.

(The Clerk concluded the reading of the perfecting amendment.)

The CHAIRMAN pro tempore. Without objection, the gentleman from Ohio (Mr. STANTON) is recognized for 5 minutes in support of his perfecting amendment.

There was no objection.

Mr. STANTON. Mr. Chairman, on March 9, 1978, in the Committee of the Whole House our distinguished colleague, the chairman of the Banking Committee, Mr. REUSS, offered a substitute amendment to section 108 which was adopted by voice vote. The substitute was agreed to and fully supported by Mr. REUSS, Mr. ASHLEY, Mr. NEAL, Mr. MITCHELL of Maryland, Mr. HAWKINS, and myself.

Regrettably the printing of the RECORD misstated the precise language of the amendment. This perfecting amendment will correct the RECORD and properly state the gentleman's intended language. Quite simply, the sense of the perfection is to make certain that the Federal Reserve Board of Governors will be the spokesman for monetary policies of the Board and the Federal Open Market Committee.

In addition the RECORD of March 9 quotes the gentleman's explanation of the amendment in a misleading fashion. It states that the Fed may change its published monetary policy objectives only if it has preadvised the Congress, giving proper reasons.

To set the record straight the amendment states in part that "Nothing in this Act shall be interpreted to require that policies proposed by the Board of Governors of the Federal Reserve System be followed if the Board of Governors and the Federal Open Market Committee determine that they cannot or should not be followed because of changing conditions."

I must emphasize that there is nothing in this language nor is there any intent on the part of parties offering this language that would require the Board of Governors to preadvise the Congress of any change in policy that might be necessitated by changing conditions. To do so would seriously jeopardize the Fed's position in controlling monetary affairs.

I know that I speak for all the Members supporting the Reuss amendment in asking for the adoption of the perfecting amendment and for the clarification of the RECORD as I have stated.

I urge adoption of the perfecting amendment.

Mr. HAWKINS. Mr. Chairman will the gentleman yield?

Mr. STANTON. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, the gentleman from Ohio has, I think, correctly stated the case. It was a misprint, I think, of the original agreement in the RECORD, and we are perfectly willing to accept the amendment as it has been rephrased.

Mr. STANTON. Mr. Chairman, I thank the gentleman.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, we will be happy to accept the amendment.

The CHAIRMAN pro tempore. The question is on the perfecting amendment offered by the gentleman from Ohio (Mr. STANTON).

The perfecting amendment was agreed to.

AMENDMENTS OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. QUIE:

Page 61, strike out lines 22 through 25 inclusively, and renumber succeeding subsections (c) through (f) as subsections (b) through (e), respectively.

Page 63, after line 8, add the following new paragraph:

"(1) expansion of conventional private jobs opportunities through the increase in gross national product, aggregate personal income, savings and investment, and disposable income which would occur naturally from permanent tax rate reductions for individuals and corporations;"

and renumber the succeeding paragraphs (1) through (4) as paragraphs (2) through (5), respectively.

Page 64, after line 13, add the following new paragraph:

"(2) the projections for each year of a 5 year period of increases in employment, annual wage rate, gross national product, capital outlays, consumption, and Federal tax revenues (initial impact and net impact) resulting from permanent tax rate reductions for individuals and corporations of not less than that level of reduction required to offset potential Federal tax revenue gains arising from inflation, such projections to be based upon an econometric model based upon a supply-side fiscalist formula;"

and renumber the succeeding paragraphs (2) and (3) as (3) and (4), respectively.

Page 67, after line 8, insert in lieu thereof the following:

"(5) The medium-term goals in the first Economic Report submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978 shall include—

"(A) a permanent reduction in the rate of tax imposed with respect to each bracket found in the tables in section 1 (relating to the tax imposed on individuals) of the Internal Revenue Code of 1954 of 10-percent in each year of the succeeding three tax year period;

"(B) a permanent reduction in the rate of tax imposed by section 11(b) (relating to the tax imposed on corporations) of the Internal Revenue Code of 1954 of 1-percent in each year of the succeeding three tax year period; and

"(C) an increase to $100,000 in the corporate surtax exemption found at section 11(d) of the Internal Revenue Code of 1954.

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

(The Clerk continued to read the amendments.)

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

(The Clerk concluded reading the amendments.)

Mr. QUIE. Mr. Chairman, this is an amendment that I have introduced with the gentleman from New York (Mr. KEMP); and most of the Members on this floor have heard him expound on a proposal for a number of months which we believe will bring about an improvement in the economy and an improvement in job opportunities.

What the amendment does is to require that projections be made of increases in employment, in the wage rates, in the gross national product, in capital outlays, in consumption, and in Federal tax revenues resulting from permanent tax rate reduction; and it also provides for a mid-term goal of a 10 percent reduction in individual income taxes per year during each of the 3 years and a 1 percent reduction in the corporate income tax for each of the 3 years plus an increase in the exemption for small businesses within the program.

Mr. Chairman, this is setting out the goal that could be put into effect if that

goal were stated here to be guiding both the President and the Congress.

Mr. Chairman, I yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's yielding, and I appreciate his helping me get this opportunity to introduce my amendment to the Full Employment and Balanced Growth Act the substance of which is the Kemp-Roth Tax Rate Reduction Act.

Mr. Chairman, this will be the first non-Keynesian amendment to the Full Employment and Balanced Growth Act.

Mr. Chairman, the Keynesian answer to inflation is unemployment, and the Keynesian answer to unemployment is inflation and neither strategy works or is acceptable any longer.

I suggest that the time has come to produce a new strategy for prosperity and economic growth and jobs, one that will restore the reward for working, saving, producing, and investing thus expanding economic growth without inflation.

This "new-old" strategy is based upon the classical economic maxim, which is, that the only real and lasting way to create jobs, the only real and lasting way to raise the standard of living of the people, the only real and lasting way to fight inflation is to increase the amount of employment and investment.

Mr. Chairman, not only is investment impeded by unnecessarily high tax rates, but the after-tax real income for the working people of America is actually declining as Government allows inflation to move working men and women up and up through the steeply graduated and progressive tax rates that occur in the United States. The effect of this is to diminish the after-tax reward not only to the worker, but to the investor as well, and this tax-inflation policy diminishes incentive, throttles ambition, raises the cost of employment, and reduces the output of our American economy by strangling investment.

Mr. Chairman, President Kennedy said in 1963 that the main roadblock to full employment was the heavy burden of taxation on the backs of the American people.

Today Government at all levels consumes 43 percent of the total national income. Of all of the income that is produced by the American people in the private sector of the economy, 43 percent of it is now being consumed at either the Federal, State, or local level. However, what is worse, Mr. Chairman, if one considers how inflation is moving people into higher and higher marginal tax brackets, you realize that in America today the harder you work, the more you produce, the more you save, the more successful you are at investing or the more entrepreneurial instinct you might have as an individual man or woman of ambition, the more you are penalized by a tax code that rewards consumption, leisure, debt and borrowing, and punishes savings, investment, work, and production.

Mr. Chairman, I would like my colleagues to direct their attention to the floor chart, which shows dramatically the marginal tax rates in this country that are going up daily, weekly, yearly without so much as a vote by this body. It is truly taxation without inflation.

Mr. Chairman, by definition, if one is not in favor of reducing the tax rates on the American people right across the board, one must be in favor of raising them because they are not static. They were not handed down from high in tablet form etched in concrete. If one does not vote to lower the rates, across the board, then by definition one is voting to raise taxes and raise the tax rates now and in the future. The result will be more taxes, few jobs, and less output.

I believe this to be one of the most significant votes since 1964 on getting our economy moving again, and I want my colleagues to know the people of America will hold them accountable for raising their taxes.

The CHAIRMAN pro tempore. The time of the gentleman from Minnesota (Mr. QUIE) has expired.

(By unanimous consent, Mr. QUIE was allowed to proceed for 5 additional minutes.)

Mr. KEMP. Mr. Chairman, as this chart points out, these are the marginal tax rates that exist in this country today. In fact, they go on higher, up to 70 percent; beginning at 14 percent on earned income, and going up to 70 percent on investment income. As an example of how margin rates are rising daily, I want to use this example.

For instance, if one earned $20,000 in 1965, as this black line suggests, by 1977, as nominal incomes or wage incomes have gone up almost 100 percent—the Consumer Price Index has gone up 100 percent as well, but taxes have gone up nearly 150 percent because, as nominal incomes rise, it pushes people into a higher and higher tax bracket, thus reducing the after tax, real disposable income.

If one looks at the situation in more detail one will see that in 1965 a family of four earning $20,000 per year was paying $3,428 in Federal income tax and 28 percent tax on each additional dollar earned. If this family's income has kept pace with inflation it will have doubled by 1977 in nominal terms. But its Federal income tax burden has nearly tripled. Today that family is paying $9,416 in Federal income tax and 42 percent tax on each additional dollar earned.

Since inflation has become a way of life in America today I have projected into the future what would happen to a family in New York earning $20,000 today in nominal terms. Today that family is paying a total of $5,080 in combined Federal, social security, and New York State income taxes, or 25.4 percent of its gross income. If we have 7 percent inflation and this family's income grows by the same amount, by 1981 it will be paying $7,218 in total taxes, or 29.5 percent of its gross income. But if the family is to be no worse off taxwise than it is today, it should still be paying only 25.4 percent tax. The result is that taxes will make the family much worse off in real terms by 1981 unless Congress acts.

Perhaps more importantly, the marginal tax rate for this family will increase from 42.05 percent at present to 46.65 in 1981, taking into consideration the increase in all tax rates, including the newly legislated social security tax increase that the majority party now wants to repeal.

I believe that the existing high marginal tax rates, which have already increased greatly since the 1960's, the last time they were reduced, and the impending increase in rates which will result from inflation, are seriously reducing the incentive to work and invest for higher income in America. If the trend continues I have no doubt that the United States will be like Great Britain in a very few years. As we all know, Great Britain is a stagnating country. Innovation, incentive, and inventiveness are all discouraged by the economic system. The result is that many of Britain's productive people are leaving the country in droves—many of them coming to the United States to escape taxation rates of 98 percent on investment income and 83 percent on earned income at about $35,000.

I contend that high tax rates are largely to blame for the high unemployment in the United States which H.R. 50 seeks to redress. And the recent history of the mid-1960's, following the Kennedy tax cuts, indicates that tax rate reduction is a very powerful tool for reducing unemployment. The overall unemployment rate dropped from 6.7 percent in 1961, before Kennedy announced his tax reduction program, to 3.8 percent in 1966, before inflation began to undo the effects of the tax cuts by pushing people up into higher tax brackets.

It is true that Congress has cut taxes since then, but all of these so-called tax cuts have left the high marginal tax rates intact. Indeed, I think you would be hard pressed to find anyone who really believes that Congress has reduced the tax burden even though we had 4 tax cuts in 6 years.

Thus the purpose of my amendment is to specify that tax rate reduction be used by the President to help achieve the goals of the Humphrey-Hawkins bill. I believe that this amendment will greatly strengthen H.R. 50.

In my own State of New York, if we take the Federal income tax progressivity and combine it with New York State tax progressivity, I can show the Members that over the last 10 years the workers' wages per capita in New York today, after taxes and inflation are no higher than they were in 1967. In other words, they have been working for 10 years without a dollar of increase in real, net disposable income. This is intolerable and not only it is intolerable, it is unnecessary, because it really does not help to expand economic growth it actually reduces production and work something upon which the rhetoric of this whole bill is based.

The following table demonstrates what has happened in New York State to real

and nominal wages between 1967 and 1976:

[In dollars]

Year	Gross earnings		Take home	
	Current	1967	Current	1967
1954	71.50	90.16	66.48	83.83
1955	75.17	95.39	69.37	88.03
1956	78.96	98.70	72.40	90.50
1957	81.57	98.63	74.30	89.84
1958	83.07	97.50	75.53	88.65
1959	87.71	101.87	78.96	91.71
1960	89.61	102.06	79.69	90.76
1961	92.21	104.07	81.66	92.17
1962	96.02	106.93	84.57	94.18
1963	98.78	108.07	86.28	94.40
1964	102.44	110.39	91.03	98.09
1965	106.40	112.71	95.02	100.66
1966	111.35	114.32	97.72	100.33
1967	114.44	114.44	99.85	99.85
1968	121.48	116.47	104.56	100.34
1969	128.30	116.11	108.99	98.63
1970	134.59	113.96	114.94	97.32
1971	145.84	117.23	125.05	100.52
1972	157.61	121.80	135.41	104.64
1973	167.58	121.79	141.58	102.89
1974	178.48	117.04	149.62	98.11
1975	191.00	115.83	162.49	98.54
1976	209.35	120.04	176.58	101.25

Thus in New York nominal factory wages have almost doubled since 1967, but real disposable wages, adjusted for higher taxes and inflation, are virtually unchanged. In other words, factory workers in New York State have worked for more than a decade with no increase in pay.

The truth is that tax rates in this country are unnecessarily high and we are paying a heavy price for it. Unemployment is just one of those costs. The reduction in the real standard of living for most Americans is another.

Consider these facts: If you take a worker earning $12,000 per year today in New York, factor in an inflation rate of 6 percent, and State, Federal, and social security taxes, this worker will be in a marginal tax bracket approaching 60 percent by 1981.

These high tax rates do more than just reduce the incentive to work, they reduce the incentive to invest in private industry as well. Yet it is the private sector where the vast majority of all jobs are created. Consider this fact: A resident of New York City today earning more than $100,000 per year would have to get nearly 30 percent return on an investment before tax to get a 7-percent return after tax. In other words, a tax free municipal bond paying 7 percent would give this person the same after tax income as he would get if he bought stocks which gave him a before tax return of 30 percent. No wonder New York is losing investment and jobs.

The reduction in investment and the unemployment which results from such high tax rates ultimately results in a reduction in the supply of goods and services which this Nation can produce. This, in turn, leads to an increase in prices and a reduction in our ability to compete on foreign markets. Thus high taxes can be considered a cause of inflation and the weakening of the dollar on foreign exchanges.

By contrast, consider what would happen if there were a massive reduction in tax rates equivalent to those implemented in the 1920's by Andrew Mellon and in the 1960's by President Kennedy. There would be an immediate increase in the incentive to earn more income through work and investment. Foreign capital would flow into the country, our import situation would improve, the stock market would boom, and there would be a vast increase in employment among all classes of workers.

What I am suggesting is not "pie in the sky." It has happened at least three times this century when marginal tax rates were reduced.

Thus what I am proposing fits in perfectly with the goals of the Humphrey-Hawkins bill. I am merely providing a tested means for achieving the goal of full employment.

Now, our economy today is suffering from economic contraction as the incentive for working and investing and saving is diminished. Real growth in our gross national product is down 71 percent. Annual growth in the Consumer Price Index is up in the last 10½ years by 270 percent at a compounded annual rate of 6.39 percent.

Our competitive position in world markets has deteriorated from a modest surplus in 1969. Our Federal deficit rose to $75 billion in 1976, and is going even higher in the future.

Now, inflation must not become a way of life. I would hope that at some point we could index the tax rates so that we could adjust everybody's tax bracket to inflation proof their earnings each year for the cost of living, but beyond that, we must as a body deal with the lack of incentive in the economy today, both for working and investment, by lowering the rates, with a phased in 30 percent reduction in the personal income tax rates over 3 years; a modest 3-point reduction in the corporate income tax rates; a reduction in the taxation of small businesses by raising the corporate surtax exemption from $50,000 to $100,000. That will, I submit, will accomplish in the economy today many of the same benefits which accrued to the economy under the Kennedy tax policies of 1963 and 1964.

I have mentioned just some of the negative effects that have accompanied the curtailment of personal investment in our country. For another perspective let us look at countries where personal investment is encouraged and given fuller rein.

Japan and West Germany are two of the most powerful economic forces in the world today. In Japan, individuals save and invest 20 to 21 percent of their incomes and in West Germany nearly 14 percent, compared to 5 to 7 percent in the United States. In other words, the Japanese invest three times as much of their incomes as Americans do and West Germans twice as much.

How do the three nations compare in unemployment, productivity, and wage rates? Not favorably for America.

Take unemployment. From 1969 to 1974, unemployment in Japan averaged 1.3 percent of the workforce and in West Germany 0.8 percent. The U.S. average was 4.9 percent.

Take productivity and wage rates. From 1960 to 1975, productivity in Japan increased 8.6 percent annually and workers' hourly pay increased 17.6 percent annually. In West Germany, productivity increased 5.6 percent and hourly pay 14.8 percent each year. In the United States, the productivity increase averaged 2.55 percent and the pay increase 5.8 percent per year.

Since 1967, the Japanese worker's hourly compensation has increased more than 400 percent, the West German's more than 290 percent and the American's just 80 percent.

The figures tell a painful story—for us.

Personal investment and economic progress go hand in hand. America is far behind the leaders.

In its 1976 report, the Joint Economic Committee of the U.S. Congress clearly identifies the problem and its solution. "Our present tax structure," says the report, "encourages consumption and discourages savings and investment by placing a heavier tax liability on dollars saved and invested than on dollars spent." The report calls for "tax incentives that will facilitate capital investment and thereby enhance the ability of our private sector to provide new jobs and to increase productivity and wages to help us achieve energy independence, and, in general, to promote the economic wellbeing of our citizens."

We have the opportunity—indeed, the inescapable responsibility—to provide those tax incentives now. The American people will be watching this vote to see on which side of this issue their Representatives vote. This Kemp-Roth amendment is a signal to them and to the President that the best tax reform is permanent tax rate reduction.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

Let us look at exactly what this amendment would do. The first thing it does is to strike out the language appearing at the bottom of page 61, which is indeed the very heart of this bill. The language this amendment would strike is as follows:

"(b) The Congress further declares and establishes as a national goal the fulfillment of the right to full opportunities for useful paid employment at fair rates of compensation of all individuals able, willing, and seeking to work.

That is what the bill is all about, and that is what the amendment would strike.

Let us see what the amendment would insert in its stead. It would mandate a complicated formula of specific and permanent tax reductions every year. It would commit future Congresses to a series of annual permanent tax reductions for individuals and corporations or not less than that level which is later spelled out in a rather complex equation which I must confess that I do not fully comprehend.

But I do understand the specific language which follows that. This amendment would mandate a permanent corporate and individual income tax reduction of 10 percent in each year of the succeeding 3-year period. That would be an alluring promise to hold out to the

American people, but it could be a cruelly illusory one.

It is estimated by the Congressional Research Service that these reductions, were they to go into effect, would bring about a loss of revenue of more than $150 billion by 1983. I do not know whether that is accurate or not, but that is the estimate of the Congressional Research Service. What I want to say is not dependent upon the accuracy of that statement. But if indeed it would add $150 billion to the deficit, that most certainly would be an extremely serious consequence.

What I want to say more fundamentally is that it would be very unwise for the Congress in this general legislation to mandate specific reductions in taxes to be applicable regardless of what may happen in future years.

To make a statement for tax reduction is an attractive idea. I favor tax reduction wherever and whenever possible. I daresay most Members do. It is a little bit like favoring motherhood. There is little harm in our making a statement that we favor motherhood. But if we should mandate that every mother shall have not less than one child each year, then I think we would have quit preaching and gone to meddling. We would have mandated something which in some cases could not be fulfilled.

That is just exactly what we would be doing by adopting this amendment: Mandating without taking into consideration the right of the Ways and Means Committee or the right of the Congress to make a determination of what the needs and capabilities are in a given future year.

Supposing we got into a crisis of energy where we had to expend unexpected sums to develop alternate sources of energy. Supposing, God forbid, that we got into an international crisis where we had to spend tax moneys to defend the Nation against military aggression. This amendment would mandate a 10-percent reduction in taxes notwithstanding those unforeseeable needs. To set future Congresses in concrete in such a way as that is simply not consistent with the purposes of the bill. The formula the amendment proposes is too specific and of doubtful attainability. I think we ought to vote it down.

Now I will yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I appreciate my friend yielding to me. I hope the gentleman was on the floor when I said this was the first non-Keynesian amendment to the bill that I have seen so far in that the purpose in lowering the rate is not just to pump money out into the economy and reduce revenue, the purpose is to increase the incentive for working, saving, and investing, and thus raise revenues by expanding the tax base, which is what occurred following the tax rate reductions implemented by President Kennedy that we are paralleling today.

Mr. WRIGHT. The gentleman did say that a few minutes ago. What I am suggesting is that, although the theory of the gentleman may in some cases be quite valid, it is not so valid as an absolute to become the "be all" and "end all" of our endeavors. That we at this moment could mandate a 10-percent reduction each year for the next 3 years, and then establish a rigid formula for future reductions is to expect too much.

Mr. KEMP. Will the gentleman yield further?

Mr. WRIGHT. Not just at this moment. The gentleman had his own time.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Mr. Chairman, I will not ask for any additional time.

What I want to suggest is that while I think the gentleman may have a valid theory that certain selective tax reductions can indeed enrich the economy, we must allow succeeding Congresses facing the crises and the conditions of the moment make intelligent decisions that will fit the needs of each succeeding moment. Let us not put them in a straightjacket for the next 3 years and mandate what they have to do regardless of future conditions without the orderly legislative process being permitted to work.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I believe my time is about up, but I will yield to my friend the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I appreciate the gentleman yielding. There is just one minor correction. I had the same sheet the gentleman had that contained the error and the loss of revenue is not by 1983 but in 1983, according to the Congressional Research, it is $151.2 billion. The total increase in the deficit, were this amendment to be adopted, would be $570 billion by 1983.

So, in a very real sense, this is a "hike the deficit" amendment.

Mr. WRIGHT. I thank the gentleman from Illinois ((Mr. SIMON) for his comment. The figure he cites is alarming indeed. While I cannot personnally vouch for any of these figures, I do know that the Congress has never committed itself to such a sweeping promise as that encompassed in this amendment, and I do not feel we should do it today. So I suggest that we vote down the amendment.

Mr. STOCKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment, because it is based on the only convincing explanation that we have had thus far as to why we do not have full employment today, and why we need the bill at all.

I was disappointed in hearing the distinguished majority leader oppose the amendment, because I had listened very attentively to his very able and learned lecture last week on macroeconomics. I think the gentleman is to be commended for a fundamental point he made, and that was that he effectively refuted the hoary notion that we cannot have full employment and price stability at the same time.

The Members will recall that last week the majority leader displayed a chart showing we have had periods during the 1950's and 1960's where we had a stable basis or very low rates of inflation at the same time.

I believe that his remarks were especially commendable because it needs to be said that this idea that there is an unemployment-inflation tradeoff, and that you cannot have one without the other, did not arise on our side of the aisle. It has never been argued by conservative economists. The whole notion that there is a tradeoff between full employment and a maintenance of price stability is an artifact of the Keynesians; the "Phillips curve," in fact, was conceived, hatched, and projected from the Brookings Institute by the same people who today are making the administration's economic policy.

But just as the majority leader was refuting all of this in his lecture last week, and leading us down the path of enlightenment, he turned to the more fundamental question as to why in the 1970's if we had the opposite situation: very high rates of inflation and very high rates of unemployment; that is, he was trying to explain the stubborn problem of "stagflation."

Instead of continuing to press the case forward, the majority leader suddenly did an abrupt about face and went galloping off into the past. He did not even stop at 1946 or even 1932. He went all the way back to 1896, to William Jennings Bryan, and knowing the majority leader's great oratorical ability, I thought we would hear a modern rendition of the "Cross of Gold" speech. That was his whole explanation for the fix we are in today: tight money and high interest rates. That is not a very good explanation, but let us take a close look at it. High interest rates do not cause inflation. They cause deflation. They cause a slowdown of the rate of investment, of borrowing, a contractionary spiral in the economy.

Beyond that, we have not had high real rates of interest in the last 7 or 8 years. If we look at the current rate for Treasury bills, it is 6 or 7 percent. The inflation rate is 6 percent, so that means the real interest rate on short-term borrowing is about 0.7 percent. That is not a high interest rate. That is not causing a slowdown in the economic growth rate. It is not causing the high unemployment we have. The same is true for other rates today, the prime rate, the mortgage rate and so on.

On the other side of the coin, the gentleman further said that the high unemployment we have today is caused by tight money; but that is not true either. Tight money occurs when the money supply is growing at a lower rate than the real growth rate of the economy, a growth rate of 3 to 5 percent. If the money rate is growing at a lower rate than that, we have tight money, but we have not had that in the 1970's. The average rate of money growth in the 1970's has been 7 or 8 percent. We have had loose money. We have had an expansionary policy, not a tight money policy.

The point is that the fact of simultaneous high inflation and high unemployment, the stagflation problem we are addressing in this bill, is not explained at all by the notion that we have had high interest rates or tight money, because we have not; but what it is explained by, is shown in this chart right here. There has been a substantial increase in the tax burden on the economy, but particularly there has been an enormous increase in the marginal rates on procedures and investors in this economy.

I think many of the Members are familiar with the numbers, but let us look at them specifically.

In 1965, we were taxing 29 percent of our national income. Today we are taxing at about 37 percent. That is a substantial increase in the tax burden on economic activity in just one decade. If we look at it more specifically in terms of marginal rates, that is where the tax burden really has impact on determining people's economic activities, the case is even more dramatic.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent, Mr. STOCKMAN was allowed to proceed for 2 additional minutes.)

Mr. STOCKMAN. Mr. Chairman, in 1965 if we put this in constant dollars and constant purchasing power, in 1965 you did not get the 50-percent marginal rate on the income tax until you were earning $104,000 a year. Today in 1978 you get to the 50-percent bracket, where 50 cents of each new dollar you earn is taken away, at $42,000. That is how much the marginal rates have increased in just 10 years, from $104,000 to just $42,000.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, the gentleman is making an extremely important point in answering the gentleman from Texas, Mr. WRIGHT is suggesting we are trying to mandate lower rates. He is right, because right now the Congress is mandating higher taxes and higher rates. If you do not vote the lower rates, you are mandating high rates, so you have only one choice, between high and lower rates.

Mr. STOCKMAN. The steadily increasing tax rates in the economy have reduced the supply of goods and services available; that has caused higher inflation and that has reduced the rate of investment.

It slowed down the rate of productive growth, and that caused an increased import penetration into our market and fewer domestic jobs.

So the point is that if we want fuller employment in this country, we should include in the bill a policy goal of dealing with that one factor, that one dynamic source—rising marginal tax rates—which I think is responsible for the problems we have today.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, I want to say that I agree in principle with everything this amendment proposes to do. There is no doubt but that we should try to reduce individual and corporate rates.

There is much more to be achieved by reducing individual and corporate rates than there is by employing some of the gimmickry which we utilize in the code today. It would leave dollars in the productive sector that we here in Congress are prone to place in the consumptive sector. We badly need more capital for investment.

But who here today among us has the wisdom to do what this amendment proposes? None of us do. We should not cause the people to believe taxes will be reduced when they might not.

As I understand it, the purposes of the amendment are threefold: First of all, for 3 years they would reduce the personal rate 10 percent a year—and that would be over a period of 3 years—looking toward a median term goal. Another purpose would be to reduce the corporate rate 1 percent a year for 3 years. The amendment provides, third, for an immediate increase in the surtax exemption to $100,000.

I would hope that this could be done. I happen to be one of the Members of this House who was not expected to vote for the Kennedy rate reduction proposal, as it was often referred to, during President Kennedy's administration. However, I thought it made sense. I know now that it did make sense. But that judgment then was based upon circumstances which existed at that point in time. I cannot see 3 years ahead.

For example, let us say this Congress enacts the administration's present tax proposal it has recommended, offering personal tax reductions to us. If that happens, by the judgment and in the opinion of the administration itself, including the Treasury Department, we are going to take 6 million taxpayers off the tax rolls. How long can we continue to increase the burden on some by removing others from the rolls?

How many more taxpayers would we take off the tax rolls if we went full speed ahead and reduced rates by 30 percent over a period of 3 years? I do not know. I really do not know, and I do not believe anybody else does.

I am simply saying to you that the principle is good, but those judgments must be made at a specific point in time, giving consideration to what the circumstances of the economy are at that time. They are tax judgments which must be made, giving consideration to the circumstances which surround our economy at that particular point in time. We cannot make those judgments now. If we did, we would create a greater uncertainty and more doubt in the economy by saying now that it is the goal of the Congress to reduce taxes or personal tax rates by 30 percent over the next 3 years than we would if we made those judgments as the judgments need to be made.

We cannot make such judgments this far in advance. Why should we mislead the people into thinking something is going to happen that may not happen? This bill is intended to establish goals; not the details of how we achieve those goals.

Mr. Chairman, to me as a member of the Committee on Ways and Means, this does not pose a problem. I am not going to be here next year; I am not seeking reelection. Let me tell you though, what this does remind me of—and I resent it—it reminds me of the efforts of the Democratic caucus to dictate to me as a member of the Committee on Ways and Means what I should report out in the way of legislation. I resent that sort of thing. It is contrary to the principle of representative government.

We should make these judgments as we take the individual matters up. I would resent—and I do resent it now—having to be guided by some provision made this far in advance. I agree with the goal but I have an honest procedural disagreement.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am happy to yield to my friend, the gentleman from New York.

First, let me say again that I do not have any disagreement with him, except that I believe we should make the judgments at some other point in time.

Mr. KEMP. Mr. Chairman, I recall the gentleman said he was here at the time and voted for this in 1963 and 1964.

Mr. WAGGONNER. And it worked.

Mr. KEMP. I agree and that is why we are phasing it in while it was done in just 1 year under President Kennedy.

Why does the gentleman suggest that this would be that much of a trauma to the economy?

Is it not true that we were raising more revenue, but we were raising it with lower tax rates and a larger tax base?

And all I am trying to do and all this amendment seeks to do is to expand the productive capacity of the American economy.

I would like to note that Mr. Walter Heller, chairman of the Council of Economic Advisers under President Kennedy recently testified as to the effect of the Kennedy tax cuts on tax revenues. As he said before the Joint Economic Committee:

> What happened to the tax cut in 1965 is difficult to pin down but insofar as we are able to isolate it, it did seem to have a tremendously stimulative effect, a multiplied effect on the economy. It was the major factor that led to our running a $3 billion surplus by the middle of 1965 before escalation in Vietnam struck us. It was a $12 billion tax cut which would be about $33 or $34 billion in today's terms, and within one year the revenues into the Federal Treasury were already above what they had been before the tax cut. . . . Did it pay for itself in increased revenues? I think the evidence is very strong that it did.

Mr. WAGGONNER. The purposes of the amendment are completely noble.

The CHAIRMAN pro tempore. The time of the gentleman from Louisiana (Mr. WAGGONNER) has expired.

(By unanimous consent, Mr. WAGGONNER was allowed to proceed for 1 additional minute.)

Mr. WAGGONNER. Mr. Chairman, what I am saying to the gentleman is

simply this: I do not believe any of us have the foresight at this point in time to say what tax rates ought to be, not knowing what the state of the economy will be that far out in advance.

Mr. KEMP. If the gentleman will yield further, what does the gentleman think would happen in America today, if we told the people that in the future those men and women of ambition, those men and women in investment and entrepreneurial activity, those men and women who are working, if we told them they would have an increase in their after-tax income?

Mr. WAGGONNER. I think the same thing would exist with those people that exists with other people today when we pass authorizations here authorizing programs with a certain amount of money, and the Committee on Appropriations does not give it to them. They say, "It is authorized. We want full funding." They say, "You said you were going to cut taxes 10 percent. Where is it this year?"

I think that is the end result of it. It is a tax judgment which must be made at a point in time, giving consideration to the economic circumstances at that time.

Mr. HAWKINS. Mr. Chairman, I ask unanimous consent that all debate on title I and all amendments thereto terminate at 5:45 p.m.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, may I ask how many amendments are pending at the desk at this time?

The CHAIRMAN pro tempore. The Chair would like to advise the gentleman from Maryland (Mr. BAUMAN) that there are 15 amendments pending at the desk.

Mr. BAUMAN. To title I alone?

The CHAIRMAN pro tempore. The Chair, of course, does not know as to whether or not they will all be offered.

Mr. BAUMAN. Mr. Chairman, under those circumstances I think that is a totally unreasonable request.

Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. HAWKINS. Mr. Chairman, I move that all debate on title I and all amendments thereto terminate at 5:45 p.m.

Mr. Chairman, may I say that, while there seem to be a great number of amendments at the desk, my estimate is that at least seven of them will be accepted, certainly on this side, most of them, and half of those amendments are amendments from the other side. So that reduces it to only three or four specific amendments. I do not think that the number is quite as large as the gentleman would seem to think.

Mr. Chairman, I therefore make the motion to terminate all debate on title I and all amendments thereto at 5:45 p.m.

The CHAIRMAN pro tempore. The question is on the motion offered by the gentleman from California (Mr. HAWKINS).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count. Sixty-nine Members are present, not a quorum.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

Does the gentleman from Maryland insist upon his demand?

Mr. BAUMAN. I do, Mr. Chairman.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 237, noes 170, answered "present" 1, not voting 26, as follows:

[Roll No. 154]

AYES—237

Addabbo	Corman	Hamilton
Akaka	Cotter	Hanley
Alexander	D'Amours	Hannaford
Allen	Danielson	Harkin
Ammerman	Davis	Harrington
Anderson, Calif.	de la Garza	Harris
	Delaney	Hawkins
Andrews, N.C.	Dent	Hefner
Annunzio	Derrick	Heftel
Applegate	Dicks	Hightower
Ashley	Diggs	Holtzman
Aspin	Dingell	Howard
AuCoin	Downey	Hubbard
Baldus	Drinan	Ireland
Barnard	Duncan, Oreg.	Jenkins
Baucus	Early	Jenrette
Beard, R.I.	Eckhardt	Johnson, Calif.
Bedell	Edwards, Calif.	Jones, N.C.
Beilenson	Eilberg	Jones, Okla.
Benjamin	English	Jones, Tenn.
Bennett	Ertel	Jordan
Biaggi	Evans, Ga.	Kastenmeier
Bingham	Fary	Keys
Blanchard	Fascell	Kildee
Blouin	Fisher	Krebs
Boggs	Fithian	Le Fante
Boland	Flippo	Lederer
Bolling	Flood	Leggett
Bonior	Florio	Lehman
Bonker	Flowers	Lloyd, Calif.
Bowen	Foley	Lloyd, Tenn.
Brademas	Ford, Mich.	Long, La.
Breckinridge	Ford, Tenn.	Long, Md.
Brinkley	Fowler	Luken
Brodhead	Fraser	Lundine
Brooks	Fuqua	McCormack
Brown, Calif.	Gammage	McFall
Burke, Calif.	Garcia	McHugh
Burke, Mass.	Gaydos	Maguire
Burleson, Tex.	Gephardt	Markey
Burlison, Mo.	Giaimo	Mathis
Burton, John	Gibbons	Mattox
Byron	Ginn	Mazzoli
Carney	Glickman	Meeds
Cavanaugh	Gonzalez	Meyner
Chappell	Gore	Mikulski
Chisholm	Gudger	Mikva
Clay	Guyer	Milford
Conyers	Hall	Miller, Calif.
Mineta	Preyer	Stratton
Minish	Price	Stump
Mitchell, Md.	Rangel	Thompson
Moakley	Reuss	Traxler
Moffett	Richmond	Tsongas
Mollohan	Risenhoover	Udall
Montgomery	Roberts	Ullman
Moorhead, Pa.	Rodino	Van Deerlin
Moss	Roe	Vanik
Motti	Rogers	Vento
Murphy, Ill.	Rooney	Volkmer
Murphy, Pa.	Rose	Walgren
Murtha	Rosenthal	Watkins
Myers, Michael	Rostenkowski	Waxman
Natcher	Roybal	Weaver
Neal	Runnels	Weiss
Nedzi	Russo	White
Nichols	Ryan	Whitley
Nix	Seiberling	Whitten
Nolan	Shipley	Wilson, C. H.
Oakar	Sikes	Wirth
Oberstar	Sisk	Wolff
Obey	Skelton	Wright
Ottinger	Slack	Yates
Panetta	Smith, Iowa	Yatron
Patten	Solarz	Young, Alaska
Patterson	Spellman	Young, Mo.
Pattison	St Germain	Zablocki
Pease	Staggers	Zeferetti
Pepper	Stark	
Perkins	Stokes	

NOES—170

Abdnor	Fountain	Myers, John
Ambro	Frenzel	Nowak
Andrews, N. Dak.	Frey	O'Brien
	Gilman	Pettis
Archer	Goldwater	Pickle
Armstrong	Goodling	Pike
Ashbrook	Gradison	Poage
Badham	Grassley	Pressler
Bafalis	Green	Pritchard
Bauman	Hagedorn	Pursell
Beard, Tenn.	Hammer-schmidt	Quayle
Bevill		Quie
Breaux	Hansen	Quillen
Broomfield	Harsha	Railsback
Brown, Mich.	Hillis	Regula
Brown, Ohio	Hollenbeck	Rhodes
Broyhill	Holt	Rinaldo
Burgener	Horton	Rousselot
Burke, Fla.	Huckaby	Rudd
Butler	Hughes	Ruppe
Caputo	Hyde	Sarasin
Carr	Ichord	Satterfield
Carter	Jeffords	Sawyer
Cederberg	Johnson, Colo.	Scheuer
Clausen, Don H.	Kasten	Schroeder
	Kazen	Schulze
Clawson, Del	Kelly	Sebelius
Cleveland	Kemp	Sharp
Cochran	Ketchum	Shuster
Cohen	Kindness	Skubitz
Coleman	Kostmayer	Smith, Nebr.
Collins, Tex.	LaFalce	Snyder
Conable	Lagomarsino	Spence
Conte	Latta	Stangeland
Corcoran	Leach	Stanton
Cornell	Lent	Steers
Coughlin	Levitas	Steiger
Crane	Livingston	Stockman
Cunningham	Lott	Studds
Daniel, Dan	Lujan	Symms
Daniel, R. W.	McClory	Taylor
Dellums	McCloskey	Thone
Derwinski	McDade	Treen
Devine	McDonald	Trible
Dickinson	McEwen	Vander Jagt
Dornan	McKinney	Waggonner
Duncan, Tenn.	Madigan	Walker
Edgar	Mann	Walsh
Edwards, Ala.	Marks	Wampler
Edwards, Okla.	Marlenee	Whalen
Emery	Marriott	Whitehurst
Erlenborn	Martin	Wilson, Bob
Evans, Del.	Michel	Wilson, Tex.
Evans, Ind.	Miller, Ohio	Winn
Fenwick	Mitchell, N.Y.	Wydler
Findley	Moore	Young, Fla.
Fish	Moorhead, Calif.	
Flynt		
Forsythe	Myers, Gary	

ANSWERED "PRESENT"—1

Jacobs

NOT VOTING—26

Anderson, Ill.	Evans, Colo.	Metcalfe
Buchanan	Heckler	Murphy, N.Y.
Burton, Phillip	Holland	Rahall
Collins, Ill.	Krueger	Robinson
Cornwell	McKay	Roncalio
Dodd	Mahon	Santini

Simon	Thornton	Wylie
Steed	Tucker	Young, Tex.
Teague	Wiggins	

Messrs. COCHRAN of Mississippi, HORTON, MADIGAN, SCHEUER, LUJAN, FOUNTAIN, and McCLOSKEY changed their vote from "aye" to "no."

So the motion was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, am I correct in my understanding that at the conclusion of the 45 minutes of debate that is remaining any amendments that have been printed in the RECORD prior to this date allow the Member to have 5 minutes of discussion today and 5 minutes for the opposition?

The CHAIRMAN pro tempore. The gentleman from Maryland is correct.

Mr. BAUMAN. Further, Mr. Chairman, if a motion were made for the committee to rise at that time, those amendments would still be under the limitation tomorrow?

The CHAIRMAN. The gentleman is correct.

Mr. BAUMAN. Further, Mr. Chairman, would amendments printed in the RECORD tonight to title I also be in order tomorrow?

The CHAIRMAN. The gentleman is again correct.

The Chair now recognizes the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Chairman, the arguments that have been set forth today are that we cannot cut taxes because we would create a bigger deficit in our budget, and then when we try to balance the budget, we are told we are going to create unemployment.

We have unemployment in this country because we do not have the investment capital to create jobs and put people to work. The reason we do not have the investment capital is because of high taxes.

It seems to me that this whole argument goes in one big circle. If the Congress does not stand and take firm action on this amendment, we are going to miss a fine opportunity.

It was said earlier that we are being asked in this Congress to make commitments to lower taxes in the future, regardless of what the economic situation might be. Let me suggest the we have already been called upon to make decisions regarding commitments on taxes in the future when this House raised taxes to fund the Social Security System for the next 10 years. The Congress did this not knowing what the economic circumstances might be in the future.

Mr. Chairman, I would like to congratulate the gentleman from New York (Mr. KEMP) for his leadership and his work on this particular amendment, and offering us this opportunity of lowering taxes in order to get this country moving economically.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, this amendment that has been offered would be bad tax policy in a tax bill. In this bill it is not only bad tax policy, it is extremely bad procedural policy. It does not belong here under any circumstances.

We are hearing from 400 witnesses now on basic tax reform, and that includes all the subject matters covered here. The committee will deliberate on these matters and will bring the Members a tax program that will give us the kind of incentives we need.

Mr. Chairman, I urge the Members of this body to reject this amendment and to follow orderly procedures in adopting tax policy.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I wholeheartedly support the Quie amendment.

I am a cosponsor of this measure which was introduced as a bill earlier in this Congress.

This amendment recognizes the basic problem with our economy today—overburdensome high taxes that have been imposed upon the American people as the result of irresponsible Government spending and Federal deficits.

Both American taxpayers and the American productive enterprise sector need a tax cut and tax incentives for expansion in the productive sector of our economy.

This will create the jobs and reduce the unemployment, as envisioned in the goals of the Humphrey-Hawkins bill.

But the Quie amendment is a real solution, which will result in the creation of real jobs.

The Humphrey-Hawkins bill is a public jobs bill which will be funded by the imposition of even more burdensome taxes on the working men and women of our country—further suffocating their productive capacity.

Mr. Chairman, the respected Arizona businessman and banker, Sherman Hazeltine, has brought to my attention an excellent analysis of the basic error of the Humphrey-Hawkins approach to reducing unemployment, and the genius of the Kemp approach to creating jobs, which many of us support instead.

The analysis was written by Norma Pace, senior vice president and chief economist of the American Paper Institute, Inc.

Norma Pace states in part:

More investment in job creation is needed and this requires a better investment climate. Taxes are burdensome and should be reduced to encourage private spending and investment. If companies were convinced that their businesses would expand in the year ahead—and reduced taxes will help assure them of such growth—aggressive manpower recruitment and training programs would be undertaken.

A tax cut and tax incentives for economic growth and job creation in the private productive sector of our economy is what the Quie amendment is all about. Who would deny the American people the economic solution that it will provide by voting against a tax cut for the American people—or tax incentives for private investment?

Mr. Chairman, I urge adoption of the Quie amendment.

Mr. Chairman, the brief analysis by Norma Pace of the error of the Humphrey-Hawkins approach to which I referred is included in the RECORD, as follows:

SUMMARY STATEMENT ON HUMPHREY-HAWKINS BILL (H.R. 50)

(By Norma Pace)

An economic system ought to provide job opportunities for all who wish to work. That is why the Humphrey-Hawkins bill has such a nice sounding ring to it. It promises full employment in precise statistical measures; it is concerned with price stability and worries about urban problems as well as those of the chronically unemployed. So why should anyone even question such a worthy piece of legislation?

Looking at the practical aspects of this legislation, however, one finds that it simply cannot deliver what it promises.

1. It sets an unrealistic target of 3 percent unemployed for adults (individuals over 20) and 4 percent for the total population to be achieved within a five year period. The problem with the target is that the low figures ignore the realities of the composition of the present labor force. The current large inflow of work seekers is in part the echo of the early Post World War II baby boom, and in part results from the larger participation of women and minorities in the labor force. Despite the bulge in the size of the labor force last year, the economic recovery reduced unemployment by 1.1 million people. About 4.1 million more people were employed at the end of 1977 than at the beginning of that year.

With the larger participation of women and minorities in the labor force expected to continue, it is more difficult to project changes in the labor force than before. So how can one plan for a specific number when that number cannot be predicted with a reasonable accuracy? More significantly, the discretionary aspects of the present mix of unemployed people makes an evaluation of appropriate policies difficult. Do women want to work full-time or part-time? What jobs would they like to have and at what pay?

While a system should provide opportunities for all who wish to work, it cannot guarantee a job for all who wish to work under his or her own conditions.

A numerical target must take account of these nuances in the quality of unemployment if it is to be realistic. Such minute adjustments are not possible.

2. The existence of an unrealistic target will be frustrating. The target creates an expectation of fulfillment, an expectation that cannot be met with the economic tools now available. It will focus attention on a statistic rather than performance. Furthermore, as it becomes apparent that the numerical goal is not being reached, more government action will be called for. Harmful trade-offs can result as the Administration and Congress seek quick ways to meet the targets.

3. It creates distortions in wage rates, with the government determining the wage rates as well as the job opportunities for millions of people who cannot find the jobs they want in the private sector.

4. It will prove to be inflationary. The government will be forced to make decisions that involve a trade-off of inflation for what it considers equity.

The solution to the problems raised in the Humphrey-Hawkins bill is basically a two-fold one:

1. More investment in job creation is needed and this requires a better investment climate. Taxes are burdensome and should be reduced to encourage private spending and investment. If companies were convinced that their businesses would expand in the year ahead—and reduced taxes will help assure them of such growth—aggressive

manpower recruitment and training programs would be undertaken.

Regulations should be made compatible with growth. Many of our important government regulations are tuned in to the philosophy of sharing scarcity and taxing output. Why should industry plan for growth or more jobs in this climate?

2. A better focus on some of the structural problems in unemployment is urgently needed. Overall teenage unemployment, now a major part of total unemployment, will probably ease after 1981 when the number of teenagers grows more slowly. In the meantime, the steady increase in the labor cost of teenagers built-in by the rising minimum wage and advancing payroll taxes acts as a deterrent to aggressive hiring of youths. The proposed programs of job credits and wage subsidies are expensive and can lead to abuse. Waiving the minimum wage for teenagers and substituting more liberalized tax treatment for their earnings may be a way to encourage more employment of teenagers.

But minority unemployment has remained "sticky" and needs special attention. The varied and profuse programs now in existence should be coordinated under two policy groups, one centered in the Administration and one in the White House. This would improve the efficiency of the individual programs as well as communication.

Finally, there is merit in having one monitoring agency that coordinates and summarizes the monitoring activities now performed by many disparate groups in the federal government. This would minimize conflicts and result in an orderly flow of actionable information.

In short, the passage of this bill will clearly reveal that the tools for meeting the full employment target do not exist; that forcing the economy to overperform will result in actions that would retard the higher confidence so badly needed in the private sector to achieve growth, job opportunities and a better standard of living in the U.S. Why fool the American public?

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, what we have noticed in our economy is this—and we can see it on that chart we have before us—we have had rapidly increasing taxes that have brought about a lack of capital accumulation that is necessary to provide the jobs needed in our economy.

More jobs are needed at this time, a time when we have such a huge increase in the number of people coming into their employable years. When we consider the fact that we reached a peak in births in 1959, (4.3 million in 1959, 3.1 million births now) we see that those individuals are 19 years of age this year. It will be necessary to provide job opportunities for them.

It takes about $25,000 to create a job. How are we going to get the capital so that all the young people can find jobs in the private sector of our economy?

I think it behooves us to make a move in this direction, and that is what this amendment provides, through a reduction in taxes.

A reduction in taxes will enable the people to offset the increases brought about by inflation, and in this way there will be something that the people can retain for investment purposes and thereby provide jobs for the people who are coming into their employable years.

Mr. Chairman, when we examine this legislation, we find it does not provide new programs or give any hope for improved employment. This would at least give us some hope that these jobs will be available to the people.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Pennsylvania (Mr. MARKS).

PARLIAMENTARY INQUIRY

Mr. MARKS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. MARKS. Mr. Chairman, I have an amendment at the desk to title I. It has been printed in the RECORD. My understanding is that I will have 5 minutes tomorrow.

The CHAIRMAN pro tempore. The gentleman from Pennsylvania is correct—unless we reach the gentleman's amendment tonight.

Mr. MARKS. I thank the chairman.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Vermont (Mr. JEFFORDS).

(By unanimous consent, Mr. JEFFORDS yielded his time to Mr. LIVINGSTON.)

Mr. LIVINGSTON. Mr. Chairman, this amendment before the House is extremely important. We have been talking about unemployment over the last few days and it seems to me that this particular amendment is one of the few items which has been suggested that makes sense for solving the very serious problem of unemployment. This particular amendment will create more spendable income through the saving of taxes for every working person throughout this country. That spendable income will enable them to spend more money for goods and services for their families. The increased demand will in turn mean that more goods and more services will have to be produced. If more is produced, more people will be employed, fewer people will be on the unemployment lists, and fewer people will be on the welfare lists. In my opinion, the free market should be given a chance to work. Adoption of this amendment will go far toward relaxing the ties that are strangling this economy.

Mr. Chairman, I urge the Members of this body to accept this amendment.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I would like to clear up the impression that has been given by the chairman of the Committee on Ways and Means that somehow this type of a goal for a so-called full employment bill is not consistent. We are simply saying as an interim goal that by 1981 the Congress will lower the tax rates of the American people by 30 percent to help foster full employment without inflation.

The second point I want to clear up is that we are not lowering tax revenues by 30 percent. We are reducing the tax rates. We are increasing the after-tax reward for working, saving, and investing, and by doing so we are getting an expanded tax base that will not lead to a revenue loss. Indeed, it will lead to a revenue gain because economic output and growth are encouraged.

Another point I would like to make is that 4 times in this century we have had dramatic reduction in taxes and tax rates. In the 1920's, under President Harding and under President Coolidge; in 1946, under President Truman; in 1952, under President Eisenhower; and in 1963 and 1964, under President Kennedy. It is not a radical, Republican, conservative approach, nor is it a Keynesian liberal approach. It is not Keynesian because it works on the supply and productive side of the economy not just the demand side.

Mr. Chairman, I ask the support of my colleagues.

The CHAIRMAN pro tempore. The Chair would like to inquire again whether, in addition to those Members who appear on the list, there are other Members who would like to speak on the Quie amendment.

The Chair recognizes the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, this particular amendment takes Humphrey-Hawkins out of Humphrey-Hawkins. It removes the very heart of the legislation by striking the sentence which states that the goal of our national employment policy, as established by the Congress, will be fulfillment of the right to full opportunities for gainful and productive employment. It is contrary to the legislation and it will make our efforts over the last few days—and over the last couple of years—a total farce.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I oppose this amendment because it is a means to an end instead of an end. The original Humphrey-Hawkins legislation bothered some people because it guaranteed the people of this country a job. This amendment would guarantee the people of this country a tax cut. The discussion has been interesting, but it is irrelevant. The discussion should take place on this floor when the tax cut legislation, which is now before the Committee on Ways and Means, reaches this floor. Then it will be relevant. Then it will be appropriate. It is not today. It does not belong in this bill.

The CHAIRMAN pro tempore. The Chair now recognizes the gentleman from Ohio (Mr. ASHBROOK).

(By unanimous consent, Mr. ASHBROOK yielded his time to Mr. KEMP).

Mr. KEMP. Mr. Chairman, I appreciate my friend's yielding.

I was interested in the remarks of my colleague, the gentleman from New York, who said that this amendment guts the Humphrey-Hawkins bill.

Mr. Chairman, this does not gut the bill. This complements the bill.

As President Kennedy said so many times, "The main block to full employment is an unrealistically heavy burden of taxation."

Mr. Chairman, is it not conceivable to the gentleman from New York today that the tax rates on the people of New York State and the tax rates at the Fed-

eral level on their incomes are combining to discourage investment and savings and thrift and work in that State and throughout the country?

We are not trying to gut the bill. We are trying to complement it.

The only way to reach full employment without inflation is to increase the reward for the expansion of the economy, to increase the reward for production, to increase the reward for savings and for investment. New Yorkers are, per capita, in nominal income brackets higher than 42 or so other States, but after taxes and cost of living their net disposable incomes are 45th or 46th in the United States. Lowering taxes will, dollar for dollar, help New York the most.

Mr. Chairman, I would suggest that that is the purpose of this amendment to help New York and New Yorkers and any attempts to suggest contrary purposes are completely irrelevant and totally false.

The CHAIRMAN pro tempore. The Chair now recognizes the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Chairman, I rise in strong support of the Kemp amendment.

I think all of the comments made here today are absolutely correct; and if we do intend to put people back to work and use this bill as a vehicle for that purpose, then the Kemp amendment is complementary and not inconsistent.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I thank the gentleman for yielding.

There is one other point that must be made in this debate.

Our distinguished majority leader, the gentleman from Texas (Mr. WRIGHT), said that we are attempting to mandate lower tax rates.

I want my colleagues to recognize that the author of the amendment agrees with the assessment of the gentleman from Texas (Mr. WRIGHT). The gentleman is right. We are trying to mandate lower tax rates because the mandate now in the Congress, with the heavily and steeply graduated, progressive income tax rates, is to raise those rates by about 50 or 60 percent or so in the next 10 years unless we do something about it now.

Therefore, Mr. Chairman, the Kemp amendment does mandate lower tax rates as a goal, and, I would suggest, as a proper goal, just as trying to achieve full employment, to balance the budget, and to lower inflation are proper goals.

As for huge deficits predicted by those who think in static economic and Keynesian terms let me say that it is patently absurd to suggest that lower tax rates means lost revenues particularly at the level suggested by the majority.

Because of this increase in employment and GNP, Government tax revenues will increase also. Indeed, within a short time the Government will be collecting more tax revenues than it would have in the absence of a tax cut, because the tax base itself will be expanded. This is exactly what happened following the Kennedy tax rate reduction, as this table demonstrates:

Treasury estimated revenue losses:	
1963	−2.4
1964	−5.2
1965	−13.3
1966	−20.0
1967	−23.7
1968	−24.4
Total	−89.0
Actual revenue gains:	
1963	+7.0
1964	+6.0
1965	+4.0
1966	+14.0
1967	+19.0
1968	+4.0
Total	+54.0

No objective economist reviewing this history can fail to come up with the same conclusion we reluctantly came to: The best economic record of any Government in the past 26 years was under John F. Kennedy, from 1960 to 1965. During this period, which included one Eisenhower budget and four Kennedy budgets:

Real investment growth was the highest in modern history.

Inflation was the lowest in modern history.

Real industrial output growth was the greatest of any period.

Money supply grew less 60 percent as fast as output.

Real disposable income grew the fastest.

Government spending grew the least.

In short, the period from 1960 to 1965 was the fiscal conservative's dream economy—with capital investment growing very fast, real output more than keeping pace, while Government spending was very modest, and the money supply was under tight control. Both workers and consumers benefited with good wages and stable prices.

The CHAIRMAN pro tempore. The Chair now recognizes the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, when facts are available upon which to base a decision, I think one should take a look at those facts.

The facts are that back in the early 1960s a Democratic President, President Kennedy, proposed a tax reduction. That tax reduction worked, and it moved our economy forward. This particular amendment parallels what was done at that particular time.

Mr. Chairman, we need to encourage savings; we need to have more permanent jobs. We cannot have permanent jobs without capital formation.

The CHAIRMAN pro tempore. The Chair now recognizes the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I support the Quie amendment that is now before us.

I believe this amendment is one of the most important items we will take up in this entire bill. An across-the-board tax cut for all Americans is one of the best ways to create the capital the private sector needs to end unemployment.

Today it costs more than $30,000 to provide one manufacturing job in American industry, double what it cost 10 years ago. How is the economy going to form the capital to create the new jobs our country will need if the Government keeps taking more and more money, through taxes and inflation, out of the private sector?

The government, consisting of Federal, State, and local, claimed 42 percent of the national income in 1976. No wonder we have an unemployment problem.

Based on statistics from the U.S. Department of Commerce's national income and products accounts, over the past 10 years the average wage in this country has risen 77.3 percent. During the same period inflation was 75.4 percent. It appears then that wage earners kept ahead of inflation, if but barely, until you look at what has happened to their taxes. During this 10-year period the tax burden rose 144 percent. Last year Americans spent $16.7 billion more in taxes than they spent on food, clothing, and housing combined.

Mr. Chairman, by reducing the tremendous burden of taxation on the American people and increasing the aftertax reward for work and investment, the Government will be encouraging the real output of goods and services thereby stimulating the economy and creating more jobs.

The CHAIRMAN pro tempore. The Chair now recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, in the colloquy in the Joint Economic Committee which the gentleman from Michigan (Mr. BROWN) and I had with Secretary Blumenthal, we asked him this question:

> If you take into account these marginal tax rate increases, the Social Security increases that were passed by the Congress in December, and the President's proposal for tax reductions amounting to $25 billion, what will the average family income be where the family will be paying more in taxes in 1979 rather than less?

The answer was $17,000, which will be the median family income. Above that, in 1979 everybody will be paying more in taxes. Below that—and that includes people having no family income whatsoever, people who are merely the recipients of the social programs that the country offers them—below that, there will probably be some tax reductions or the same tax.

Mr. Chairman, that is what we face. Everybody above the median family income in this country in 1979 will be paying more taxes, even with the President's $25 billion proposed tax cut.

Mr. Chairman, we need this tax cut, and I support this amendment.

The CHAIRMAN pro tempore. The Chair would like to inquire again, are there Members on the list whose names were called who desire to speak on the Quie amendments?

If not, the Chair will put the question on the Quie amendments.

The question is on the amendments offered by the gentleman from Minnesota (Mr. QUIE).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. QUIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 194, noes 216, not voting 24, as follows:

[Roll No. 155]

AYES—194

Abdnor	Gammage	Moore
Andrews, N.C.	Gibbons	Moorhead, Calif.
Andrews, N. Dak.	Goldwater	Mottl
Applegate	Goodling	Myers, Gary
Archer	Gilman	Myers, John
Armstrong	Gradison	Neal
Ashbrook	Grassley	Nichols
Badham	Green	O'Brien
Bafalis	Gudger	Pettis
Barnard	Guyer	Poage
Bauman	Hagedorn	Pressler
Beard, Tenn.	Hall	Pritchard
Biaggi	Hammer-schmidt	Pursell
Bowen	Hansen	Quayle
Breaux	Harsha	Quie
Brinkley	Heckler	Quillen
Broomfield	Hefner	Railsback
Brown, Mich.	Heftel	Regula
Brown, Ohio	Hillis	Rhodes
Broyhill	Hollenbeck	Rinaldo
Burgener	Holt	Roberts
Burke, Fla.	Horton	Rogers
Burleson, Tex.	Hubbard	Rousselot
Burton, John	Huckaby	Rudd
Butler	Hyde	Runnels
Caputo	Ichord	Ruppe
Carter	Ireland	Russo
Cederberg	Jeffords	Sarasin
Chappell	Johnson, Colo.	Satterfield
Clausen, Don H.	Jones, N.C.	Sawyer
Clawson, Del	Kasten	Scheuer
Cleveland	Kazen	Schulze
Cochran	Kelly	Sebelius
Cohen	Kemp	Shuster
Coleman	Ketchum	Skubitz
Collins, Tex.	Kindness	Smith, Nebr.
Conable	Lagomarsino	Snyder
Conte	Latta	Spence
Corcoran	Leach	Stangeland
Coughlin	Lent	Stanton
Crane	Levitas	Stark
Cunningham	Livingston	Steers
Daniel, Dan	Lloyd, Calif.	Steiger
Daniel, R. W.	Lloyd, Tenn.	Stockman
de la Garza	Lott	Stump
Derwinski	Lujan	Symms
Devine	Luken	Taylor
Dickinson	McClory	Thone
Dornan	McDade	Treen
Duncan, Tenn.	McDonald	Trible
Edwards, Ala.	McEwen	Vander Jagt
Edwards, Okla.	McKinney	Walker
Emery	Madigan	Walsh
English	Marks	Wampler
Evans, Del.	Marlenee	Watkins
Evans, Ind.	Marriott	White
Fenwick	Martin	Whitehurst
Findley	Mathis	Whitley
Fish	Mattox	Wilson, Bob
Flynt	Michel	Winn
Forsythe	Milford	Wydler
Fountain	Miller, Ohio	Wylie
Frenzel	Minish	Young, Alaska
Frey	Mitchell, N.Y.	Young, Fla.
	Montgomery	Zeferetti

NOES—216

Addabbo	Breckinridge	Drinan
Akaka	Brodhead	Duncan, Oreg.
Alexander	Brooks	Early
Allen	Brown, Calif.	Eckhardt
Ambro	Burke, Calif.	Edgar
Ammerman	Burke, Mass.	Edwards, Calif.
Anderson, Calif.	Burlison, Mo.	Eilberg
	Burton, Phillip	Ertel
Annunzio	Byron	Evans, Colo.
Ashley	Carney	Evans, Ga.
Aspin	Carr	Fary
AuCoin	Cavanaugh	Fascell
Baldus	Chisholm	Fisher
Baucus	Clay	Fithian
Beard, R.I.	Conyers	Flippo
Bedell	Corman	Flood
Beilenson	Cornell	Florio
Benjamin	Cornwell	Flowers
Bennett	Cotter	Foley
Bevill	D'Amours	Ford, Mich.
Bingham	Danielson	Ford, Tenn.
Blanchard	Davis	Fowler
Blouin	Dellums	Fraser
Boggs	Dent	Fuqua
Boland	Derrick	Garcia
Bolling	Dicks	Gaydos
Bonior	Diggs	Gephardt
Bonker	Dingell	Giaimo
Brademas	Downey	Ginn
Glickman	Mikulski	Santini
Gonzalez	Mikva	Schroeder
Gore	Miller, Calif.	Seiberling
Hamilton	Mineta	Sharp
Hanley	Mitchell, Md.	Shipley
Hannaford	Moakley	Sikes
Harkin	Moffett	Simon
Harrington	Mollohan	Sisk
Harris	Moorhead, Pa.	Skelton
Hawkins	Moss	Slack
Hightower	Murphy, Ill.	Smith, Iowa
Holtzman	Murphy, Pa.	Solarz
Howard	Murtha	Spellman
Hughes	Myers, Michael	St Germain
Jacobs	Natcher	Staggers
Jenkins	Nedzi	Steed
Jenrette	Nix	Stokes
Johnson, Calif.	Nolan	Stratton
Jones, Okla.	Nowak	Studds
Jones, Tenn.	Oakar	Thompson
Jordan	Oberstar	Traxler
Kastenmeier	Obey	Tsongas
Keys	Ottinger	Udall
Kildee	Panetta	Van Deerlin
Kostmayer	Patterson	Vanik
Krebs	Pattison	Vento
LaFalce	Pease	Volkmer
Le Fante	Pepper	Waggonner
Lederer	Perkins	Walgren
Leggett	Pickle	Waxman
Lehman	Pike	Weaver
Long, La.	Preyer	Weiss
Long, Md.	Price	Whalen
Lundine	Rangel	Wilson, C. H.
McCloskey	Reuss	Wilson, Tex.
McCormack	Richmond	Wirth
McFall	Rodino	Wolff
McHugh	Roe	Wright
McKay	Rooney	Yates
Mann	Rose	Yatron
Markey	Rosenthal	Young, Mo.
Mazzoli	Rostenkowski	Zablocki
Meeds	Roybal	
Meyner	Ryan	

NOT VOTING—24

Anderson, Ill.	Maguire	Roncalio
Buchanan	Mahon	Teague
Collins, Ill.	Metcalfe	Thornton
Delaney	Murphy, N.Y.	Tucker
Dodd	Patten	Ullman
Erlenborn	Rahall	Whitten
Holland	Risenhoover	Wiggins
Krueger	Robinson	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Murphy of New York against.

Mr. Buchanan for, with Mr. Metcalfe against.

Mr. Erlenborn for, with Mrs. Collins of Illinois against.

Mr. Robinson for, with Mr. Risenhoover against.

Mr. Wiggins for, with Mr. Rahall against.

Mr. Teague for, with Mr. Patten against.

Mr. Whitten for, with Mr. Delaney against.

Messrs. MILFORD, ROBERTS, and MATHIS changed their vote from "no" to "aye."

So the amendments were rejected.

The result of the vote was announced as above recorded.

FURTHER LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Chairman, I take this time to inquire of the distinguished majority leader as to the program for the balance of the day and the balance of the week.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman.

Mr. WRIGHT. I thank the gentleman for yielding.

I think surely it would be the desire of everybody on both sides of the aisle to finish this bill tomorrow and not have to have it on Friday.

Friday is March 17.

Therefore, if it is agreeable with the Members, I will ask unanimous consent that we come in at 10 o'clock tomorrow, finish this bill tomorrow, and perhaps have only a pro forma session on Friday.

Mr. RHODES. Is it necessary to have a pro forma session on Friday? I certainly am in accord with finishing the bill on Thursday, but I do not see the necessity for a pro forma session on Friday. It is not apparent; maybe the gentleman can make it apparent.

Mr. WRIGHT. Well, we are operating upon the assumption that a pro forma session never hurt anybody.

Mr. RHODES. Mr. Chairman, is the majority leader saying there will be no votes and no quorum calls on Friday?

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield further, I believe we might find general acceptance for no session of any kind on Friday, assuming we finish this bill tomorrow.

Mr. Chairman, when the appropriate time comes I will ask unanimous consent that when we adjourn today, we shall come in at 10 o'clock tomorrow.

It would be our intention to pursue this pending bill to conclusion tomorrow, and if we can accomplish that, we would not come in on Friday at all. Thus insuring a happy St. Patrick's Day for all.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I get the feeling that we are about to wrap up the day's business. I would like to make sure that those of us who have amendments pending to title I of the bill will be protected and we will not go over to title II automatically.

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield, all pending amendments will be voted on presumably tomorrow as the first business. Any of them that are in the RECORD will be entitled to all the rights to which they are normally entitled under the rule adopted earlier providing for 10 minutes of debate each.

Mr. RHODES. Mr. Chairman, I assume there would be no debate on amendments which will go over until tomorrow.

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield further, the gentleman is correct, except as otherwise stipulated under the rule, because all debate will have concluded on title I in approximately 4 or 5 minutes.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: Page 71, lines 6, 9, and 11, redesignate subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H) respectively, and immediately after line 5 insert the following new subparagraph:

"(E) proper attention to the relationship between foreign imports and unemployment in the United States;".

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is

there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, my next door neighbor is an auto worker who works in the Kansas City area. On the rear bumper of his automobile is a bumper sticker that says, "Buy a foreign car and put 10 Americans out of work."

Versailles is in the eastern part of my district in the Ozarks area. There is a shoe factory that just shut down because of foreign imported shoes.

Mr. Chairman, I think in this bill we should address one of the main causes of American unemployment and that is nothing else than foreign imports. The amendment that I have offered and I hope will be adopted requires that the national priority policies and programs contained in the President's first economic report include proper attention to the relationship between foreign imports and unemployment.

In this bill which has as one of its goals full employment, it is necessary that the factor of imported products be considered in formulating policies and programs to achieve this goal.

For instance, imported foreign cars have increased from 1966 to 1976, by over 600 percent. Shoe imports are up, during this same period, over 700 percent. Clothing imports are up in excess of 400 percent. Steel imports have doubled. Beef and dairy products from foreign countries have hurt the cattle industry and dairy farmers, When farmers' prices are down, they are less able to purchase new tractors, new trucks, or other products manufactured in America.

It is high time we addressed this problem of imports causing job layoffs in this country. My amendment will address this problem and require proper attention to the relationship between foreign imports and unemployment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we have seen this amendment. We agree with it and accept it on this side.

Mr. SARASIN. Mr. Chairman, my understanding of the amendment is that it would simply require the President to pay attention to the problem of foreign imports. We certainly have no objection to that part of it and would accept it on this side.

PARLIAMENTARY INQUIRY

Mr. GARY A. MYERS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GARY A. MYERS. Mr. Chairman, has the Chair ruled that all debate time has been eliminated, or do we still have time to speak against the pending amendment?

The CHAIRMAN pro tempore. The Chair will advise the gentleman that all debate has ended as of 5:45 p.m.

Mr. GARY A. MYERS. I thank the Chair.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. SKELTON).

The amendment was agreed to.

Mr. HAWKINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 50) to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATION AND STUDY BY COMMITTEE ON INTERNATIONAL RELATIONS

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–966) on the resolution (H. Res. 996) to provide funds for the expenses of the investigation and study authorized by a resolution adopted on February 3, 1977, by the Committee on International Relations, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR AD HOC COMMITTEE ON ENERGY

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–972) on the resolution (H. Res. 1051) providing funds for the Ad Hoc Committee on energy, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR AD HOC SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–970) on the resolution (H. Res. 1045) providing funds for the Ad Hoc Select Committee on the Outer Continental Shelf, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR SELECT COMMITTEE ON CONGRESSIONAL OPERATIONS

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–964) on the resolution (H. Res. 1045 providing funds for the Ad Hoc Select Committee on the Outer Continental Shelf, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR COMMITTEE ON INTERNATIONAL RELATIONS

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–971) on the resolution (H. Res. 1047) providing funds for the Committee on International Relations for expenses incurred in connection with visits to the United States by foreign heads of state and other foreign officials and for similar expenses incurred for meetings with senior U.S. Government officials and other dignitaries to discuss matters relevant to U.S. relations with other countries, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON POPULATION

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–965) on the resolution (H. Res. 989) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Population, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–969) on the resolution (H. Res. 1041) providing funds for the Committee on Post Office and Civil Service, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR FURTHER EXPENSES OF INVESTIGATIONS AND STUDIES OF COMMITTEE ON SMALL BUSINESS

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–967) on the resolution (H. Res. 997) to provide funds for the further expenses of the investigations and studies of the Committee on Small Business, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. THOMPSON, from the Committee on House Administration, submitted a

privileged report (Rept. No. 95–963) on the resolution (H. Res. 978) to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES CONDUCTED BY COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–968) on the resolution (H. Res. 1000) to provide for the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, which was referred to the House Calendar and ordered to be printed.

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. on tomorrow, Thursday, March 16, 1978.

The SPEAKER pro tempore (Mr. McKAY). Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, is it the intention of the gentleman from Texas (Mr. WRIGHT) to set a time at which the House will conclude its business tomorrow, or will we stay until whatever hour is required to complete our business?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, we will establish the time for adjournment upon the completion of consideration of the bill that has just been before the House and will be before the House tomorrow. We intend to finish that bill tomorrow.

Mr. BAUMAN. So we will stay in session until whatever hour is required?

Mr. WRIGHT. The gentleman is correct. And if we come in at 10 o'clock a.m., we will be through that much sooner.

Mr. BAUMAN. And may I ask the gentleman further, is my understanding correct that there will not be a Friday session?

Mr. WRIGHT. That is the case. Depending on the completion of consideration of this bill tomorrow, we will not come in on Friday.

Mr. BAUMAN. Mr. Speaker, I thank the majority leader, and I wish him a happy St. Patrick's Day.

Mr. WRIGHT. And the top of the day to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON AVIATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET TOMORROW DURING 5-MINUTE RULE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Aviation of the Committee on Public Works and Transportation may be permitted to meet and continue markup sessions during the 5-minute rule tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HUMPHREY-HAWKINS—NO SOLUTION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, as we continue our debate on the Humphrey-Hawkins spending bill, we must consider that this bill, backed by the administration, is designed to carry through on the President's campaign promises to reduce unemployment. H.R. 50 will actually increase inflationary spending, the main worry of Americans today. Last week Gallup survey found that inflation is of more concern to the American people than unemployment. Asked to cite the serious problems facing this country today, 35 percent of the public responded inflation which 24 percent responded unemployment. The New York Times recently called this bill a "Cruel Hoax." Although the Times editorial noted that there are numerous instruments to create jobs, the article went on to say—

> The riddle no one can answer is how to use these tools to drive unemployment down to the promised land of four percent without triggering worse inflation and, perhaps, an accompanying deep recession.

When has America experienced full employment? Only during wartime periods, and this is no answer to our current employment situation. How have the Communist nations achieved full employment? China has placed 80 percent of their working population on government farms, Cuba has done the same with 50 percent of their workers, while in America only 4 percent of the employed are farmers. That is the question I wish to address—the "hoax" this bill will play on the American taxpayer. You cannot have public employment without higher taxes which is the main cause of this country's current lack of capital. Somebody has to finance the money the Government spends. This debt falls on the shoulders of the private sector, usually through taxes, which add to the cost of production and the cost of living.

Like other major spending bills, tax dollars financing Humphrey-Hawkins would increase the available money supply above that of a parallel increase in goods and services, the major cause of inflation today. According to a Heritage Foundation Study, as a result of our Federal deficit and additional money added to the deficit by tne Federal Reserve Board, money supply rose by 55 percent during the period 1971–76 at a time when the output of goods and services grew by only 15 percent. The result was an increase in consumer prices of almost 40 percent. The Humphrey-Hawkins spending bill will add considerably to this ever-spiraling increase.

A major cause of the spending increase will be the "equal pay for equal work" clause in the bill which will double the minimum wage and place an additional hardship on private industry. Many private sector taxpaying workers will be earning less than the subsidized public service workers and this is unfair. According to the U.S. Chamber of Commerce, CETA jobs now cost more than $8,500. Two million more jobs would cost $17 billion in a budget which will be in deficit over the entire Humphrey-Hawkins program period. Another problem is the prevailing municipal wage which is paid under public jobs programs and is highly inflated in a large number of cities. Public service jobs do not provide workers with the skills they need to enter the private job market. There would be no incentive for them to leave Government subsidized work for jobs with private companies as long as they are overpaid for these political jobs.

The recurring urban policy in this country favors the Northeastern cities and H.R. 50 is no exception. Title II requires the President to set up programs to achieve the employment goals of the act—programs emphasizing public works, public service employment, skill training, community development, and youth employment.

Similar urban programs have discriminated against economically stable cities like those in my home State of Texas. These Government programs emphasize and encourage permanent unemployment. In the CETA programs, which establish similar public service jobs to the Humphrey-Hawkins proposals, many slots go unfilled because of the difficulty in locating persons who want to take part in the program. There are many who try to qualify, but do not fall below the poverty level or receive welfare payments or have been out of work for a specified amount of time. These limitations discriminate against cities which do not have the high unemployment or welfare rolls of the Northeast.

To receive the benefits of the Humphrey-Hawkins bill, private business will be encouraged to locate in regions of high unemployment. This follows the pattern of existing urban reform targeting the majority of Federal funds to "distressed" cities through "metropolitan renewal" strategies.

As the Humphrey-Hawkins spending bill comes to a vote, I urge my colleagues to consider the inherent problems of increased Government spending which will further confiscate the American taxpayer's income. We cannot take the taxpayer's money for a nonincentive, nonproductive program. A vote against this

bill is a vote for a stronger, economically sound America.

NO RATIONAL ARGUMENTS FOR THE NEW PANAMA CANAL TREATIES

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, many arguments have been offered by proponents of the proposed Panama Canal treaties—with little justification—in their attempt to win ratification.

The biggest insult to our intelligence is the often used one that turning over the canal to Panama will be a valuable demonstration of how a big nation ought to treat a small nation, therefore endearing the United States to all other countries, particularly in Latin America. Not true.

By giving up our sovereignty and control over the canal under threat of riots and sabotage from Panama's military dictator, the United States will lose the respect and affection of all Latin Americans, who want strong U.S. leadership and presence in their part of the world.

William Rusher notes in his recent column from the Arizona Republic that there is no rational argument for the new treaties.

I include it at this point in the RECORD:

[From the Arizona Republic, Mar. 14, 1978]

BANKERS ARE BACKERS OF CANAL PACT

(By William A. Rusher)

NEW YORK.—An open letter to members of the Senate:

All signs indicate that you will soon ratify the Panama Canal treaties by slightly more than the necessary minimum of 67 votes.

Their proponents, realizing that certain amendments were essential if ratification was to be obtained, consented to two of them before the Senate Foreign Relations Committee even reported the treaties to the floor. Further amendments will be accepted if absolutely necessary, but test votes to date suggest that this may not be required.

It has been a strange business. In the first place, the controversy is almost wholly nonpartisan. It has fallen to President Carter to see the treaties through the ratification process, but if Gerald Ford had been elected instead, the treaties would only have been ratified more promptly, and by a substantially larger margin.

For many Republican senators now opposed to the treaties would have endorsed them out of loyalty to their president, while Democratic support would not have shrunk materially.

Still stranger is the fact that these treaties will be ratified in the teeth of what remains, to this day, the steadfast and articulate opposition of a solid majority of the American people.

It is not merely a matter of conservative opposition, though the treaties are indeed opposed by the overwhelming majority of conservative leaders and spokesmen. It is clear, however, that many independent-minded Americans of no definable idealogical predisposition also oppose these treaties.

Virtually every poll of public opinion has reported that opponents of the treaties significantly outnumber supporters, despite a lavishly financed effort to change their minds.

Yet the treaties will be ratified. This curious fact, so at variance with the usual Democratic assumptions—and at variance too with your own well-known disinclination to ignore public opinion when it is as vociferous as this—cries out for explanation.

We can dismiss the notion that the treaties have intrinsic merits that simply compel their ratification. They have been debated for several months now, and the best their apologists have been able to say for them is that their ratification will be a valuable demonstration of how a large nation ought to treat a small one, and will result in an uprush of affection for the United States on the part of Panama and Latin America generally.

I hope you will not insult the intelligence of the American people by expecting them to take such poppycock seriously.

It is precisely the absence of any apparent rational explanation for the clout behind these unpopular treaties that has tempted many people to blame them on "the banks." This explanation, while simplistic, is near enough to the truth to warrant a little discussion.

My own investigation indicates that various American banks are indeed up to their eyebrows in loans to the Torrijos regime. The debt service alone on Panama's foreign obligations consumes 39 percent of the country's annual budget, and repayment of the principal is quite out of the question unless the treaties are ratified and President Torrijos receives his windfall.

But the great majority of these loans—which were reckless enough to make Bert Lance look like a solid pillar of virtue—were made in and after 1973: Or, in other words, long after the treaty negotiations began, and at a time when they seemed certain of swift success. Torrijos' American bankers, in short, are indeed very much a part of the treaties' lobby; but they are accessories after, rather than before, the fact.

The true sponsors of the canal treaties are those members of America's international business community, who have important interests in Latin America: Interests on which surrender of the canal to Panama will lend to ease popular pressures. It is this broad bipartisan community, members of the Senate, whose complaisant servitors your vote for these treaties will reveal you to be.

No doubt there are worse disgraces; but do not assume that the American people will readily forgive, or soon forget, your cool disregard of their own clearly expressed wishes.

PARTISAN ACTION BY COMMITTEE ON HOUSE ADMINISTRATION ON FEDERAL ELECTION ACT AMENDMENTS

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, newspapers, television stations, and radio stations across the Nation are beginning to editorialize on the purely partisan action of the House Administration Committee on the Federal Election Act amendments. I am sure that our colleagues will be hearing from the media in their districts in the days and weeks ahead and I am equally sure that the chorus of editorial opinion will approach unanimity in opposition to blatantly partisan manipulation of the election laws of this Nation. Today I would like to share with my colleagues by printing in the RECORD at this point the editorial of the Los Angeles Times on this subject which was aptly entitled "In Front of God and Everybody."

[From the Los Angeles Times, Mar. 10, 1978]

IN FRONT OF GOD AND EVERYBODY

The Republican National Committee, which intends to mount a major challenge to Democratic incumbents, has $6 million in the bank to spend on this year's congressional elections. The Democratic National Committee, which has been floundering for want of guidance from President Carter, has only $1.5 million in reserve.

The prospect that the GOP might outspend his party 4 to 1 has sent House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) scurrying to his bag of stealthy political tricks. He is pushing hard for legislation that would scuttle the present maximum of $50,000 that a national party can contribute to one of its candidates for the House, and substitute a new limit of $15,000.

To protect his Democratic pals in the Senate, O'Neill proposes to halve the allowable party contributions to either incumbents or challengers.

Abracadabra! All shall be equal—except that the Democrats, already in power, shall be a little more equal.

If the Speaker and his band of Democratic footpads succeed in cutting the minority party off at the pockets, the GOP's energetic fund-raising will have been a waste of time, because none of its candidates would have more party funds than the Democratic incumbents or challengers.

Even O'Neill admits that his plot is baldly partisan. He points out that the GOP's hefty bank account was a factor in that party's victories in four of six recent special elections for congressional seats—and he intends to put a stop to it, by God!

O'Neill might have a little cause for worry, but certainly not for panic. Democratic incumbents in marginal congressional districts would, of course, be in greater peril if their opponents could count on greater bounty from the Republican National Committee.

But there is nothing at all marginal in the Democrats' overwhelming 2–1 majority in the House, where, apparently, the presence of even a single Republican is offensive to the Speaker.

We cannot imagine that O'Neill's clumsy attempt to change the rules on the eve of the congressional elections will pass either the House or the Senate, or that the President would sign it if it did.

But then we could not imagine either that a politician—even a survivor of the back-alley brawls of Massachusetts politics—would attempt to mug the opposition in broad daylight in front of the Capitol.

REMEMBERING OUR TAIWAN COMMITMENT

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute.)

Mr. DERWINSKI. Mr. Speaker, of late, the People's Republic of China, (PRC) appears to be escalating its propaganda war against Taiwan. For example, Chairman Hua Kuo-Feng, speaking to the rubberstamp People's Congress, called upon the Chinese Army to "make all the preparations necessary for the liberation" of Taiwan. This threat, coupled with Peking's recent reward offerings of more than $2 million in gold to any Nationalist Chinese Air Force and/or Naval officer defecting to the Communist mainland, should give pause to those who continue to push for full diplomatic relations with the PRC at the expense of our allies on Taiwan.

I have never been able to comprehend why some feel there is such a great urgency to normalize our relations with

Peking. The best suggestion as to what our current posture should be was stated 12 years ago by that noted Sinologist, Prof. John K. Fairbank of Harvard University. At that time, as columnist John P. Roche recalled in a thoughtful Washington Star article entitled "Getting to 'Normal' with Peking" Professor Fairbank counseled that we should "relax on the issue of Taiwan and let the parties concerned work it out within the present framework, that is, with our 7th Fleet still patrolling the Taiwan Straits."

Policymakers within the administration must be continually reminded of the probable consequences of terminating a security pact with a longtime ally to garner favor with the Communist rulers. How would such a move be interpreted by our other friends in Asia and elsewhere whose economic and security interests are closely linked to ours? What, for example, would that say about the value of our defense commitments to Japan, South Korea, Israel, and our NATO allies? Many of these nations are already concerned about our ability and desire to come to their assistance in a time of need. Establishing relations with Peking at the expense of Taiwan will do nothing to allay those fears.

Given the foregoing, one must ask what we expect to gain from full diplomatic relations with the PRC that we could not have without sacrificing a treaty-tied relationship with Taiwan. The Washington Star, in a discerning editorial some months ago, provided the best answer I have seen yet to that question when it stated that—

> The final irony is that it's so hard to think of anything we will gain by abandoning Taiwan that we couldn't have without disavowing a long friendship and a lot of high-sounding pledges. Trade? The Chinese are as eager for it as the American companies. Good will in the Third World? Looking weak next to a large Marxist nation won't win us points with a small one. And abandoning allies under pressure never looks good to anybody.

In short, let us stop being so anxious to strike a lopsided deal with a paper tiger that has so little to offer in return.

Finally, and most importantly, we also must ask ourselves about the morality of negotiating an agreement that could lead to the consignment of the 17 million people on Taiwan to a way of life very few of them want. In view of its high-profile human rights policy, this administration should be especially sensitive to this aspect of the normalization question.

Our Nation played a major role in the development of Taiwan into what it is today—a viable State with a thriving economy. The human rights and economic situations on the mainland vis-a-vis those in Taiwan are like the difference between night and day. To accede to Peking's conditions for normalization, and thereby risk Taiwan becoming a province of a Communist country with an abysmal human rights record, would so undermine the credibility of the President's human rights campaign that it would never again be taken seriously.

Mr. Speaker, that in itself should be sufficient reason to maintain the diplomatic status quo with the PRC, and I strongly urge the administration to continue to resist any pressure to do otherwise.

UNITED STATES TO WAIVE THIRD WORLD DEBTS?

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute.)

Mr. ASHBROOK. Mr. Speaker, the giveaway artists are at it again. The latest effort to throw more U.S. tax dollars down the drain is a proposal that the United States write off the official debts of many Third World nations.

Authority for this move would come under a provision of a foreign aid bill introduced by the late Senator Hubert Humphrey. It would allow a waiver of both principal and interest on outstanding loans to some 29 least developed countries. All in all, the waiver could result in a net loss to the Federal Treasury of as much as $500 million.

To make matters worse, the Carter administration has decided to give its support to the controversial debt moratorium plan. At a time when we are having our own troubles with balance-of-payments deficits, budget deficits, inflation, and a deteriorating dollar overseas, the administration would have us blithely forgive the money owed to us by these beggar nations.

Of course, we have seen this type of thing before. So-called loans to other nations are later treated more like gifts.

Remember the rupee settlement with India back in 1974? India owed the United States $3.3 billion in loans repayable in nonconvertible rupees. The State Department worked out an agreement whereby India would prepay the $3.3 billion and the United States would give back to India $2.2 billion for "mutually agreed economic development purposes." The other $1.1 billion would be spent in India for expenses we had there. So much for the argument that these loan programs are something different than the normal foreign aid programs.

What makes the proposed cancellation of debts even more incredible is the rationale that has been given for this action. The purpose is to provide Third World nations with some relief from the burden of high oil prices.

As you may recall, this is the same rationale which was used to justify a $1.7 billion U.S. contribution to the International Monetary Fund just a few short weeks ago. Now American taxpayers are going to be hit in the pocketbook once again in order to bail out countries injured by the irresponsible pricing policies of the oil exporting nations.

It is time that we stopped kicking the American taxpayer in the teeth. We should stop wasting vast sums of money on foreign aid, so-called loans or other giveaway programs.

PANAMA CANAL TREATIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in connection with my special order today on the Panama Canal treaties.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDWARDS of Oklahoma. Mr. Speaker, not since the day President Woodrow Wilson presented the Senate with the Treaty of Versailles has this country been embroiled in a foreign policy debate like the debate over the Panama Canal treaties. No community, no matter how small, has not heard the pros and cons of these treaties. And the voice that we are hearing so clearly from the American people is the voice of opposition.

Why is it that Americans in every part of this country are so opposed to these treaties? Why when taxes are so high and regulation so oppressive, when government is so big and hope is so slim, with all of our problems—unemployment and inflation and farmers facing bankruptcy and the coal mines shut down—why, in the midst of all this do the Panama Canal treaties grip and hold the attention of the American people?

First of all, because the treaties are perceived not as standing alone but in context—in the context of a decision to cancel the B-1 bomber; in the context of a possible agreement to limit the range of the cruise missile; in the context of a new SALT treaty, and a slowdown in deployment of the new MX mobile missile system; of pulling our troops out of Korea and setting the stage for the abandonment of Taiwan; in the context of a massive Russian military buildup and Russian troops in Cuba and a Soviet presence in Ethiopia at the Horn of Africa; of Cubans in Panama, in Angola, and near the Suez. Because during the Cuban missile crisis President Kennedy used the Panama Canal to move American ships into the waters off Cuba and because history would not be the same if the Canal had not been there. And it is in that context that the Panama Canal is so important.

And because the American people see President Carter embrace General Torrijos and they see the beginning of an American foreign policy with the backbone of a chocolate eclair; because they see the United States backing down to a country half the size of Oklahoma.

The question before the American people, and the question before the Senate, is not do we need to improve our relations with Latin America; not do we need to revise our treaty with Panama; there is only one question before the Senate and that is: Is this treaty in the best interests of the United States? Not does it help Panama. Not does it make Panama happy, but is it in the best interest of the United States. We in government have one obligation—one sworn constitutional responsibility—and that responsibility is to this country.

A couple of points need to be made clear. The United States did not rip off the Panamanian people. Yes, we have benefited from the 1903 treaty. Back in those days our Government thought that

if we signed a treaty we were supposed to benefit from it. But Panama benefited, too.

There would be no Panama without that agreement. We created Panama—and we created it as the only country in the history of the world to start business in the black. And we created it with a treaty negotiated by a Frenchman, true, but a Frenchman appointed by the Panamanian government; a treaty signed by a Frenchman and by every leading Panamanian government official; a treaty ratified by the Panamanian Congress. A treaty ratified while American gunboats stood off shore, true, but at the invitation of Panama, to protect the Trans-Isthmian railroad, as we were bound by treaty to do.

And the canal today provides 12 percent of the gross domestic product of Panama—18 percent of its foreign exchange earnings—provides Panama with the highest per capita income in all of Central America.

There is no moral argument for giving the canal to Panama. The moral argument is for keeping the canal. For keeping the canal because our guarantee of low tolls has improved the economy of every country in Latin America. Because we preserve an alternate court system—a system in which an accused is charged and tried and not tossed into jail at the whim of a dictator or a sergeant in the Guardia Nacional. Because if we give Panama the canal we will lock into power a dictator with the worst record of oppression and violation of human rights in all of Latin Ameriac.

You know, Torrijos says if drug charges are proven, he will produce brother Moises—but when I was in Panama recently to speak to 3,000 people in a stadium in the Canal Zone—3,000 Americans against the treaties—I said fine, produce brother Moises—and while you're at it, produce Father Gallego, the young priest who spoke out against Torrijos in 1971 and was arrested by the Guardia Nacional and has never been seen again.

You know we do own the Panama Canal. And we own two-thirds of the land in the Canal Zone. We did buy it. We bought it from Panama. We bought it from Colombia. We bought it from the individual landowners. Fee simple. Outright legal title. And we paid more for it than we paid for Alaska. More than we paid for the Louisiana Purchase. More than we paid for any other territory we ever purchased anywhere.

And are we sovereign? Are we, in fact, sovereign? The 1903 treaty says the United States has all—all rights, power and authority—with no exceptions—to the entire exclusion—the entire exclusion—by Panama of any sovereign rights, power or authority.

We need the canal. We need it economically. We need it because of what losing the canal or increasing tolls will do to the price of wheat and coal and peanuts and oil—more than 400,000 barrels of Alaskan oil that go through the canal every day.

And Latin America needs it economically, too. I stood at the locks and I watched a Peruvian ship go through. And before it, a Chilean ship went through. The countries of Latin America, particularly the countries on the Pacific coast of South America depend on the canal. And if Torrijos gets control of the tolls he will have an economic stranglehold on all of Latin America. And keep in mind that the Panamanian G–2, the secret police of the Guardia Nacional, are passing out bumper stickers in the Panamanian high schools—bumper stickers with pictures of Castro and Torrijos—and I saw one—I held one—Castro and Torrijos—and it says Castro y Torrijos—Unidos Venceran—together we will conquer. And we would give Torrijos an economic stranglehold over Latin America.

And the canal is militarily necessary. Every single leading military authority in the United States, from the Joint Chiefs of Staff to the field generals, agrees that the canal is still essential to the military security of the United States. And I have talked to Admiral McCain, who was head of the Pacific Fleet, and Admiral Moorer, of the Joint Chiefs of Staff, and General Graham, who was head of military intelligence, and General McAuliffe, the head of the Southern Command, based in the zone, and they all say, they all agree, that we need the Panama Canal for our national defense.

But we are told we cannot defend it. We are told little old ladies in tennis shoes can destroy the canal with a hand grenade. My friends, each gate in the locks is approximately 80 feet tall. Each gate is steel and concrete. Each gate weighs over 700 tons. It would take a platoon with a truck to carry in enough explosives to put one lock out of commission—and that platoon would have to move through 5 miles of American territory containing 14 U.S. military installations. According to General McAuliffe and the President we can defend the canal. So that is no excuse to give it way and to pay $10 billion as a bonus to a country that still owes us $9 million in unpaid water bills, sanitation bills, hospital bills, dating back nearly 20 years.

But if we go in to defend it, we will need pilots—pilots who can navigate the ships through the canal. And the pilots are Americans—and they are not going to stay in Panama. One American at the locks, a former Hungarian freedom fighter, said: "I've lived under one dictator—I won't live under another."

And one last point about intervention. The President says the Baker-Byrd amendment gives us the right to intervene to protect the neutrality of the canal. But the Panamanians say that is not so. They say we cannot intervene, even with a treaty, without their invitation. And they are right, because to go in without their invitation is a violation of international law—and when Nasser nationalized the Suez Canal, and Britain and France intervened to guarantee the neutrality of the canal, the United States stepped in and said that regardless of past agreements they could not intervene without the expressed permission of the Egyptian Government. That is what our own national policy has been.

We need the Panama Canal. It is ours. I, for one, am sick and tired of the United States being the fireplug for every foreign dog, and I think this is the place to draw the line.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank my colleague for yielding.

Mr. Speaker, as the vote nears in the Senate on the first of the two Panama Canal treaties, the neutrality pact, it becomes even more important that Members of the House take to the floor to debate this issue as this may be the only forum we have to fully air our views. As a member of the House, Banking, Finance and Urban Affairs Committee, I have been particularly concerned about the heavy stake U.S. banking interests have in the canal.

Over the past few months, it has become apparent that certain officials of these institutions are looking to the treaties as a way to pay back over $2.2 billion in claims and bail out Dictator Torrijos' economy which is falling apart. Mr. Speaker, allow me to go into detail on this issue.

When Omar Torrijos took over Panama, he reorganized the banking laws of the country making it a haven for U.S. banking interests by providing generous tax advantages and perks. American financial institutions responded overwhelming to the move. As shown in a June 1977, survey on bank exposure conducted by the Federal Reserve, 20 unidentified large banks in the United States have total claims on Panama totaling $2.2 billion. This figure includes loans made to the Government as well as individuals and businesses.

However, even in this bankers' paradise, there have been some drawbacks—the principal one being the insatiable appetite of the Torrijos regime for money. As a State Department memorandum of last year pointed out, Torrijos' policies have decreased productivity, pushed public spending through the ceiling and made labor costs so high that Panamanian products are grossly uncompetitive. Panama's own Department of Planning has noted with alarm that debt service alone eats up almost 40 percent of annual revenues and the nation's financial problems have made it creditors extremely nervous. In short, unless Torrijos can get his hands on the canal and the millions we are promising to pay him to take it, he is in serious financial trouble and so are the 20 banks surveyed by the Federal Reserve last June. If the Torrijos government were to fall, it would mean the end of the bankers' haven and the end of any hopes for repayment of the $2.2 billion in claims on Panama. So. Mr. Speaker, many of us here in the House of Representatives are now asking whether the short-range interests of these financial institutions to recoup their funds should now be subordinated to the long-range interests of the United States. I for one believe they should be.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I congratulate my colleague, the gentleman from Oklahoma (Mr. EDWARDS), for his special order today.

Mr. Speaker, the Carter administration is attempting to get the new Panama Canal Treaty accepted by Congress and the American people. One of the main arguments used by the President and his associates is that the United States will be able to defend the neutrality of the canal.

Taking a look at that assertion does not give much confidence. Who honestly thinks that an American President would dispatch American troops to the Panama Canal once this country turned over the canal to the Panamanians? Of course, the answer is, very few.

In spite of rhetoric about the United States guaranteeing "the security and defense of the Panama Canal," the reality is clear. The new treaty would give up the canal to an unstable country ruled by a dictator. How that country will be able to protect the canal better than the United States is a question that has not been answered.

Proponents of giving the canal away argue that it is no longer as important to the United States. However, this overlooks the fact that the number and average size of ships using the canal is growing. In addition, during the Vietnam period the number of Government ships passing through it grew from 284 in 1965 to 1,504 in 1968. According to figures that I have from a few years ago, about 70 percent of the traffic through this waterway either originates or terminates in U.S. ports.

Stripped to their essentials, the agreements reached are little more than a surrender of American sovereignty over the U.S. owned zone and canal. The Panama Canal is far too important to give away to the anti-American Panamanian dictator. It is vital to the defense of the Americas. Last year, when I asked the Department of Defense how many American naval vessels could not navigate the waterway, I was told 13. The use of the canal for defense purposes is obvious.

Hanson W. Baldwin, a former military correspondent for the New York Times and Pulitzer Prize winner, has written an excellent article in opposition to a Panama Canal giveaway. According to Baldwin, "The future security and well-being of the United States are threatened by the administration's proposed abandonment of sovereignty over the Panama Canal and the Canal Zone."

Not only does President Carter want to give the canal to Panama but he also would have us pay the Panamanians for the privilege of taking it. In addition to increasing payments from the operation of the canal to Panama to as much as $70 million a year, the U.S. negotiators have pledged up to $200 million in Export-Import Bank credits; up to $75 million in AID housing guarantees and a $20 million Overseas Private Investment Corporation loan guarantee. It makes one wonder who our negotiators were negotiating for.

This becomes even more the case once the treaty terms are read. The terms of the treaty show what a sellout it really is. Following is a summary of those terms from the Washington Star:

SUMMARY OF TREATY TERMS

(Note.—Here is a summary of major principles of the two Panama Canal treaties signed last night by President Carter and Panamanian leader Omar Torrijos.)

CONTROL

The United States and Panama would administer the canal jointly until the expiration of the new treaty on Dec. 31, 1999, turning control, management and maintenance of the canal at that time over to the Panamanian Government. The old treaty, signed in 1903, gives the United States perpetual control over the canal and the Canal Zone.

DEFENSE

For the duration of the treaty the United States has primary responsibility for defense of the canal. A board of U.S. and Panamanian military officers is established to consult on defense matters and every five years review military resources made available by both countries. The United States may decide on its own how and when to reduce its 9,000-man military force in the Canal Zone and schedule the closing of 14 bases there during the life of the treaty.

COMPENSATION

The United States will pay Panama $50 million to $60 million annually from canal revenue and an additional $10 million a year for the canal's operation. Panama also will receive $50 million in military assistance over the next 10 years.

LANDS AND WATERS

About 70 percent of the 500-square-mile Canal Zone reverts to Panama as soon as the treaty is ratified with the United States retaining temporary control over the rest, including areas considered vital to running the canal.

JURISDICTION

Within three years of ratification, the 3,500 American civilian employes in the Canal Zone would be subject to Panamanian law instead of American law. Panama after three years would take responsibility for public and social services, including schools, the Canal Zone police force and postal service.

NEUTRALITY

Under a separate treaty, the two countries agree to a guarantee that the canal will remain open to ships of all nations and that the canal's neutrality will be respected "in times of war as in times of peace." American and Panamanian warships and other vessels are given priority to use the canal.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Missouri.

Mr. COLEMAN. Mr. Speaker, I welcome this opportunity to rise in defense of the Constitutional right of the House of Representatives to participate in any decision to dispose of a strategic piece of American property. In this case, the Panama Canal.

Article IV, section 3, clause 2 of the U.S. Constitution provides:

That Congress shall have the Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States.

I would just like to quote from two legal opinions on this issue. In a 1924 memorandum requested by the Secretary of the Navy, Attorney General Harlan Fiske Stone commented:

Property once acquired by the Government may not be sold, or title otherwise disposed of, except under the authority of the Congress, and in the manner provided by law, and this prohibition extends to any attempt to alienate a part of the property or in general, in any manner to limit or restrict the full and exclusive ownership of the United States therein . . .

In a recent letter to the chairman of the House Merchant Marine and Fisheries Committee, Congresman MURPHY, the Comptroller General stated:

We fully realize that in accordance with Article IV, Section 3, Clause 2 of the Constitution, United States' real or personal property interests in the Canal Zone can ultimately be divested only through an Act of Congress.

We not only have these legal opinions to support our right to participate in this important decision, but the House of Representatives has consistently asserted its authority over all dispositions of property within the Canal Zone. A few examples are noteworthy:

First. In a 1932 dispute over a boundary line modification between Panama and the Canal Zone, both the House and the Senate had to approve the legislation.

Second. In 1942, sewers, waterworks systems, and railroad lots were transferred to Panama. An act of Congress was sought and obtained.

Third. In a 1955 treaty providing for the transfer of real property to Panama, the need to have both the House and Senate pass upon the transfer was explicitly recognized:

The United States of America agrees that, subject to the enactment of legislation by the Congress, there shall be conveyed to the Republic of Panama.

Mr. Speaker, we cannot close our eyes to such clear precedent. You and I are trustees for the preservation of the constitutionally appointed powers of Congress which the President would ignore. More than 94 percent of the people of the Sixth Congressional District of Missouri who responded to my issue questionnaire expressed opposition to the treaty the President has signed. They know only too well of the tragedies that occur when Congress allows the President to usurp power. I urge you to join us in making sure that the responsibilities and prerogatives of the House are not ignored.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from New York.

Mr. LENT. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. EDWARDS) for his efforts in arranging for a debate in the House of Representatives on the vital issue of the Panama Canal. It is a significant step in the continuing effort to increase the awareness of our colleagues, and of every citizen of this Nation, to the dangers encompassed in the two Panama Canal treaties. I have been proud to join the gentleman from Oklahoma in the legal action we have taken to insure that the Members of the House of Representatives will be able to exercise their constitutional right to vote on this giveaway of billions of dollars worth of U.S. property.

I am equally proud to take part in this indepth examination of the Panama Ca-

nal treaties to place in the record of the House proceedings, the serious defects in the treaty documents which President Carter and General Torrijos have signed. Some of the defects are so glaring that the Carter administration already has accepted two major amendments to the treaties, and they have been approved by the Senate. According to newspaper reports, the administration now is negotiating on language for still a third amendment. All of these deal with only one aspect of the treaties—the U.S. rights to defend and to traverse the canal from the year 2000, when the treaties would hand the canal over to Panama.

In my view, this issue highlights one of the two most crucial flaws in the treaties. The so-called second treaty—concerning the permanent neutrality and operation of the Panama Canal—would set for all time from the year 2000 the conditions for Panama's maintenance and operation of the canal. This treaty is so full of ambiguous and/or meaningless diplomatic language that it can serve only as a source of perpetual international conflict. Before the Senate added amendments, the treaty made no mention whatsoever of U.S. rights to defend the canal, saying only that the United States would agree with Panama to "maintain the regime of neutrality," whatever that means. That language, incidentally, might still be used by Panama to bar any U.S. forces from the canal area, despite Senate amendments.

Another example of cloudy language in the second treaty concerns tolls to be charged once Panama takes over. It says:

> Tolls and other charges . . . shall be just, reasonable, equitable, and consistent with the principles of international law.

And who finally decides whether the tolls actually are just, reasonable, and equitable? Why, Panama, of course, sets the tolls.

Such contradictions, meaningless legalisms and obfuscations comprise a large proportion of the treaty language. They would be laughable if they did not involve such a vital issue for the future wellbeing of our country. The cloudy language in the second treaty is cause enough for its rejection.

But the first treaty, covering the period from now until the year 2000, is even more disastrous to the United States. This treaty should be of special concern and interest to the Members of the House of Representatives and to the citizens of the United States they represent. It is this document which gives away billions of dollars worth of U.S. property. It is this treaty which is the basis for our legal action to bar the President from putting the treaty into force without an affirmative vote on the part of the House of Representatives.

To even list the huge amount of U.S. property and installations being turned over to Panama, in addition to the canal itself, might take up pages in the CONGRESSIONAL RECORD. But it is sufficient to say that it adds up to billions upon billions of dollars in value. It is being turned over to Panama lock, stock, and canal gate, without seeking any guarantees to the United States. Oh, yes, we do get one guarantee: The right to operate the canal, pay all of its operational costs, and pay Panama at least $50 million per year for 22 years for the privilege. What a guarantee.

It is no wonder that a distinguished Member of the House, Representative ROBERT LEGGETT, Democrat of California, testified that the treaty language reads as if the United States had fought a war with Panama and lost. It is, indeed, a multibillion-dollar tribute paid by the United States to Panama, if the treaties go into effect. Article IV, section 3, clause 2 of the Constitution clearly gives to the Congress and to the Congress alone, the power to dispose of U.S. property. The House of Representatives has a clear and vital constitutional role to play in the approval of these treaties.

We must insure that our constitutional rights as Members of the House are protected and preserved. The House must vote on the Panama Canal treaties.

Mr. WINN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Speaker, I, too, want to congratulate the gentleman from Oklahoma (Mr. EDWARDS) for asking for this time for his special order on the Panama Canal.

Mr. Speaker, with Members of Congress embroiled in controversy over whether we should—or should not—give the Panama Canal away, it is somewhat difficult to remember that there exists an issue which is much more important: the constitutional prerogatives of Congress in the disposition of U.S. property.

The Constitution states that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." The Constitution does not authorize the House of Representatives to intrude into either treaty negotiations or the advise and consent powers of the Senate. It does, however, grant Congress—that is, both Houses—jurisdiction over the disposal of U.S. property.

Article IV, section 3, clause 2 states that—

> The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States.

The issue at hand is whether, by virtue of article IV, Congress exercises exclusive or concurrent power over the disposition of U.S. property. The administration, as illustrated by the way the text of the treaties was handled, believes that the power is concurrent. This interpretation allows for disposal of U.S. property by treaty alone, by joint resolution, or by a combination of treaty and implementing legislation.

Conversely, some members of Congress, including myself, believe that Congress exercises exclusive power over the disposal of U.S. property. It is imperative that the House of Representatives play a legislative role in any decision concerning the granting of property to Panama.

For this reason, I have become a cosponsor of House Concurrent Resolution 347. This resolution expresses a sense of Congress that—

> Any right to, title to, or interest in the property of the United States Government agencies in the Panama Canal Zone or any real property and improvements thereon located in the zone should not be conveyed, relinquished, or otherwise disposed of to any foreign government without specific authorization of such conveyance, relinquishment, or other disposition by an Act of Congress.

In plain words, this means the House of Representatives should have a chance to vote on the pending Panama Canal treaties.

Furthermore, I have become a coplaintiff in a lawsuit seeking a declaratory judgment that the Panama Canal treaties must be submitted to the House for a vote on the proposed disposition of property.

Federal District Judge Barrington Parker recently granted the Justice Department's motion to dismiss the case on the basis that the plaintiffs have no standing to sue. The judge ruled that at this point in time, the plaintiffs have not suffered a concrete nonspeculative injury in fact to their right to vote on the Panama Canal treaties.

I was disappointed by this decision. I am certain the Kansas residents who wrote me regarding this lawsuit also were disappointed. I would like to emphasize, however, that the constitutional dispute over the Panama Canal treaties is by no means over. We subsequently filed an appeal with the District of Columbia Federal Court of Appeals. If necessary, I think we should be prepared to take this case all the way to the Supreme Court.

Prof. Raoul Berger, resident fellow at Harvard University and respected constitutional scholar, testified before the House Merchant Marine and Fisheries Committee that the Chief Executive of the United States does not have the power to dispose of U.S. property by treaty unless both houses of Congress have enacted implementing legislation authorizing that transfer. I agree with Professor Berger, and I think it would be a mistake to concede the power to dispose of U.S. property to the executive branch at the expense of the legislative branch.

To do so would set a dangerous precedent which could possibly upset the balance of all three branches of Government. What would stop a President from using this case as a precedent for future dispositions of U.S. property?

By dismissing the case on a procedural point, the district court did not consider the greater constitutional issue. I certainly hope that the Court of Appeals will recognize the importance of this case and will reverse the district court's decision.

If the Panama Canal treaties are good treaties, if they are in the best security and economic interests of the United States, they will stand the test of a vote on the floor of the House of Representatives. The constitutional and legislative role of the House of Representatives transcends the entire Panama Canal issue. It is not a political question, but an issue involving the fun-

damental separation-of-powers principle of American Government.

This is a matter which should concern proponents and opponents of the treaties. I firmly believe that, regardless of the treaties' faults or merits, we should reaffirm the prerogatives granted to Congress by the Constitution of the United States.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I would like to take this opportunity to commend the gentleman from Oklahoma (Mr. EDWARDS) for his sincere effort in attempting to bring some of the facts out on the Panama Canal treaties at this very critical time, a time when by tomorrow, I presume, this decision will probably be made.

Mr. Speaker, I recently heard that one of the compelling reasons for voting for the treaties was that we had to preserve the ability of the President to perform for the next 2½ years. To me, that is a very spurious reason for voting for the treaties. If the President becomes ineffectual because he makes a decision that is rejected or because he makes a wrong decision when he should have made a right decision before signing the treaties, then I think that if he makes one serious mistake like that, we might expect him to make other serious mistakes. I do not think we should bail him out.

However, Mr. Speaker, beyond that, the bottom line on the treaties is just this: If we reject them, there is no question that we can expect spontaneous outbreaks of violence and probably some manifestations of violence on the part of Castro's Cuban agents, et cetera.

But, that will pass. The real tragedy will be if we do accept the amendments, because at that point we will have lost sovereignty over the Canal Zone and the canal, and we will also have lost control of that part of the entire Caribbean area, and of the Western Hemisphere. When I say lose control, it is just that. We will be on the road to being a second-rate nation.

Of course, the Soviet Union has been busy for years attempting to replace us in the Caribbean through Cuba. This will be the opportunity they have been asking for. Currently, the Soviet air arm, along with the rest of the military, is in Cuba training for the purpose of the eventual and expected takeover when we leave Panama and allow that void to occur there. They will fill our presence there with theirs to make sure the vacuum is filled.

The other very spurious argument, to me, for accepting the amendments is indicating that we will make friends in Latin America. Of course, nothing could be further from the truth, Mr. Speaker. No one can depend upon a blackmailer, and if we are going to be blackmailed into doing this for the sake of friendship, of course, this just is not going to occur.

I spent a career in Latin America, and I am convinced that the people of the countries of Latin America, together with the governments, want a strong United States in order to provide the leadership necessary to preserve our hemisphere as we know it.

Mr. Speaker, I thank the gentleman from Oklahoma for this opportunity to join him in this effort.

Mr. EDWARDS of Oklahoma. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to my friend from California, Mr. LAGOMARSINO, who has been so active in participating in this issue all along.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding to me. I would like to compliment him on arranging this special order, and even more to compliment him on his efforts, as well as those of several of our colleagues, in trying to bring this matter to the attention of the Federal courts to determine just exactly whether or not the House of Representatives has a role to play in the disposition of U.S. territory.

Mr. Speaker, the issue of the Panama Canal is certainly the most important, complex, and hotly debated issue before Congress today. During the past several months various arguments—both for and against the treaties—have been presented by countless individuals, organizations, and interest groups. After a careful study of all the arguments, I have reached the conclusion that these particular treaties are not in the best interests of either Panama, the United States, Latin America, or the rest of the world.

My first concern is that of defense. According to the Carter administration, the right of the United States to intervene—under these treaties—after the year 2000 to maintain the neutrality and accessibility of the canal is stated in article IV of the Neutrality Treaty. However, a close examination of this article reveals that the language is extremely vague and subject to numerous interpretations. While on the one hand General Torrijos has signed an article of understanding with President Carter asserting that the United States does have the right to intervene militarily, on the other hand he and his chief negotiator Dr. Romulo Escobar Bethancourt are telling the Panamanian people that the United States does not have that right.

Can we trust our long-term security interests to such a vague provision? I, and the great majority of the American people, say that we cannot.

Article IV does not offer the United States a satisfactory moral or legal base from which to maintain a neutral and accessible canal.

I have other reservations. I am very concerned about the potential financial burden these treaties will place on the American taxpayer. In addition to the $60 million annual payment to Panama, no one really seems to know how much the treaties will cost the American people. Estimated costs over the life of the canal treaty have ranged from several million to several billion dollars. Again, I do not believe that the American people are willing to bear these high costs in giving—or should I say paying—the canal away to Panama.

The closing of all American bases in Panama also worries me. The United States has numerous security bases throughout the world. These bases benefit not only American interests, but those of the host countries. I strongly believe that the idea of a neutral canal, open to all nations, can best be achieved by a continued U.S. military presence, even after the year 2000. Why not have a base provision in the treaties or, at least a separate bilateral bases agreement, as we have with many other countries?

During my visit to six South American nations, I discussed with the Presidents of Colombia, Ecuador, Peru, Chile, and Argentina, and with other government officials and private businessmen the impact that new treaties would have on their countries. There was nothing in their comments which influenced me to change my opposition to these proposed treaties. A number of the officials said that, although they publicly supported the treaties, they privately have serious reservations about a number of the provisions, especially those which call for an increase in tolls.

Also, at the last organization of American States meeting in July, a resolution was passed indicating that canal tolls should only reflect the cost of operating the canal and not be a source of monopoly revenue for whoever runs it. The proposed payments to Panama out of canal tolls would clearly violate this resolution and raise transportation costs for all countries that use the canal.

On the other hand, practically nobody has ever quarreled with the way in which the United States has managed the canal. American administration has been the epitome of fairness and efficiency. Since it was opened in 1914, accidents have been extremely rare and no ships have ever sunk in the canal proper. I seriously doubt if these same standards could be maintained if the canal operations were handed over to Panama.

I find it hard to believe that some of my colleagues can vehemently criticize Chile, Argentina, and other U.S.-leaning South American countries, while on the other hand supporting a treaty which spiritually and financially bolsters the corrupt, totalitarian, and Marxist regime in Panama.

However, regardless of one's opinion about the treaties, there are two issues over which all the Members of this body should be deeply concerned. First, Congress was not consulted and little informed by the Carter administration during the negotiating process. What makes this a complete slap in Congress' face is that the administration, apparently in return for the endorsement of the AFL–CIO, permitted a labor adviser to participate in the negotiations. It seems that the Carter administration values the support and opinions of labor over that of the Congress.

The second issue concerns the right of this body to make a decision on the disposition of U.S. property. I firmly believe that article IV, section 3, clause 2 of the Constitution explicitly gives the House such a right. The Senate and/or the President should not take final action on these treaties until the House

has exercised its constitutional right to dispose of U.S. property.

Mr. Speaker, the question of Panama and the canal is indeed complicated and complex. It cannot be solved overnight or by a set of inartfully drafted treaties. Although I favor some reasonable settlement of the Panama issue, I feel that ratification of these particular treaties would not be in the best interests of either the United States, Panama, or the rest of the world.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding to me. I want to say to the gentleman that I agree with the points that he has been making about the issue that is before the other body at the present time, namely, the proposed treaties which would give away our jurisdictional rights under the 1903 treaty, and would give away our property rights, the point upon which the gentleman from California has just elaborated.

I want to commend the gentleman from Oklahoma for his efforts to force the issue here in the House of Representatives, where we should be involved in any decision that would involve the disposition of property that we have installed and have operated and have paid for in the Canal Zone, because I think the real issue here, more than the question of sovereignty, is the question of jurisdiction and the question of our rights to operate and maintain the canal under the existing treaty.

The real issue is the best way to keep the canal open so that it functions, so that not only military supplies and not only military craft but also the commercial shipping of this country and others can continue to use the available access to the Panama Canal.

In connection with that question I am somewhat intrigued and was initially, I would say to the gentleman, somewhat attracted by a proposal that has been made in the U.S. Senate, in the other body, to amend these treaties so as to spell out by this amendment the rights of the United States to intervene militarily so as to establish its right to protect the neutrality of the Panama Canal.

While that has a certain superficial appeal and while it has been sufficient to persuade many people, having that assurance, to go along with the treaties which the President has submitted to the other body, it seems to me that is an illusion, that it is a self-delusion to propose to amend the treaties in that way to guarantee our right to intervene.

Would the gentleman consider how we would intervene after the year 1999, after we have removed our forces from all the bases in the Panama Canal so that we no longer have occupation of those bases in the Panama Canal Zone? What if the Panamanian Government invited some other government to come in and occupy and fortify those bases? How then would we preserve our neutrality? What if the Government of Panama invited the Government of Cuba to bring its troops into those bases, and perhaps they would have available some of the troops that have been stabilizing Africa in recent years and they would be able to come in and stabilize the Panama Canal, and how then would we go in and exercise our right to defend the Panama Canal if we had to attack it first? Then we would be the invader.

It seems to me if we cannot exercise our rights we have now, we would not be able to exercise any rights under this amendment which would require us to attack the canal in order to defend it.

I think that point has to be made and I thank the gentleman for taking this opportunity to give us this time to discuss the issue.

Mr. EDWARDS of Oklahoma. I thank the gentleman from North Carolina.

As the gentleman knows, military authorities, including Admiral Moorer, pointed out if we had to come in later to intervene militarily, not only would we have to come in from a great distance, from Florida, for example, but also we would have to bring in trained pilots to operate the ships in the canal. And if that is so, in the future after our pilots have left the Canal Zone and are doing other things, we will not have trained pilots available, because they are not going to stay in the Canal Zone under a dictator like General Torrijos, so we will have lost the ability to operate the canal after we take it over.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, so far as the gentleman's comment and paralleling the United States capability to use that canal at our discrimination in a time of emergency, allegedly the two cosmetic amendments involving the right to intervene to preserve the neutrality and perhaps during a time of emergency are supposed to suffice to give us continued guarantees of use regardless of a lack of ownership, I recently had the opportunity to appear on a Boston television station with one of our career State Department people. He of course along with I guess about 500 or 600 other Government employees was advocating the case for the treaties at the instigation of the administration. When I raised this question of the contingency plans that we now have to move sizable elements of the Pacific fleet to the Atlantic in the event of any kind of confrontation in Western Europe, he reassured me that with that right to preserve neutrality and passage under the treaties, that we would have nothing to worry about in terms of getting our fleet ready or to move.

I asked him what would happen if after elements of the Pacific Fleet were moving toward the canal the Panama Canal workers walk out on strike, would that be a violation of the neutrality of the canal?

And he smiled blandly and he said:

Well, that is a delicate question and, to be sure, they don't have the Taft-Hartley Act down there.

The point I endeavored to bring home to him was that under a dictatorship, and particularly one hostile to the U.S. interests, that orchestrating some such scenario as that would be the easiest thing in the world to do, and the time we would probably be most in jeopardy would be the time we needed it most.

So I believe the concern registered by the gentleman from North Carolina (Mr. MARTIN) and by my distinguished colleague now in the well, the gentleman from Oklahoma (Mr. EDWARDS) is of extreme importance. I again commend the gentleman from Oklahoma (Mr. EDWARDS) for taking this special order so as to call attention to these dangers and to these concerns and reservations that so many of us have and particularly the overwhelming majority of the people back home have, because they are real and they are valid.

Once again I want to congratulate my colleague for taking this special order and to thank him for yielding me this time.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman from Illinois (Mr. CRANE) not only for his comments here, but upon his leadership on this issue, upon his leadership in helping to organize the Panama Canal truth squads that have traveled around the country, and for his leadership in writing his brilliant new book on the principles of the Panama Canal treaties.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I am happy to yield to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as debate on the proposed Panama Canal treaties has developed, it has become increasingly evident that a few votes may determine the fate of the canal and the Canal Zone. This is assuming the Senate alone votes to ratify or reject the treaties.

However, because of the importance of this vote, from the standpoint of the Nation's security and economic interest, and its historical impact, it clearly is desirable to expand the decisionmaking relative to the Panama Canal treaties to include the House of Representatives.

The constitutional justification for this has been clearly and forcefully set forth by some of our foremost constitutional authorities. Article IV, section 3, clause 2 of the Constitution is unmistakably clear in assigning to the Congress the power to dispose of U.S. property and territory.

And there can be no question that the United States is the owner of property in the Isthmus of Panama. This has been established indisputably in Senate debate.

I personally find three major problems with the proposed treaties:

They do not protect the security of the United States nor provide adequately for the right of the United States to defend the canal;

They provide for payment of more than a billion dollars to Panama as a consideration for taking over the canal. I cannot understand why the United States should pay to give away an asset of great value;

Lastly the treaties give Panama the right to veto construction of any new canal by the United States, a totally un-

warranted delegation to Panama of a right to interfere in U.S. military and foreign policy.

I join more than 230 of my colleagues in calling for debate and legislative action in the House of Representatives before the final historic decision is made on the future of the Panama Canal.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. Mr. Speaker, I am most happy to yield to the distinguished gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I thank the gentleman for yielding me this time.

I wish to commend the gentleman for doing what I recommend that every Member of this esteemed body do and that is to take a trip down to the Canal Zone and see for themselves what the situation is; talk to the people who have given not only a lifetime of service there but who sometimes are fourth generation residents of that zone and to seek the truth about the overall corruption of that administration down there. Senator CRANSTON in the other body said it makes no difference whether we give the Canal Zone and its tremendous trade assets, and its defense assets to Torrijos because he will not be around there 20 years from now. That may be true, but maybe his nephew Senor Leonard will have taken over or any of the other 44 members of the Torrijos family down there who are on the "public dole" because this government, I charge, is the most corrupt piece of nepotism and cronyism in the entire hemisphere.

I draw your attention to the facts regarding the prevailing drug trafficking question. It is a question which has been given merely surface scrutiny by too many members of the Senate on this, the 11th hour before your fateful vote on the treaties.

Despite the statements and earlier pretrial verdicts by Senator MCGOVERN and others that the matter is not worth exploring, many distinguished members of both the House and Senate who have been studying the matter think otherwise. For example, our venerable colleague, Representative JOHN MURPHY, in his capacity as chairman of the House Merchant Marine and Fisheries Committee on which I serve, submitted a report to the Congress which was read on the Senate floor by Senator LAXALT on March 3d. The committee report concludes that the Republic of Panama is a major drug smuggling center, a point from which illicit drug traffic flows into the United States. Officials at the highest levels of the Panamanian Government and economy profit by and actually administer the drug smuggling. "Of particular concern to the interests of the United States," to quote from the report, "in connection with the flow of illicit narcotics are allegations of personal involvement of Gen. Omar Torrijos and the members of his immediate family in drug trafficking." The report cites the activities of Hugo Torrijos, Director of Panama's Government Gambling Casinos; Marden Torrijos, Traveling Ambassador Extraordinaire, Berta de Arosamena Torrijos, Panama's Artistic Expression Director; and others including the General's brother, Moises Torrijos, who has since been indicted by a U.S. Grand Jury for the Eastern Division in New York.

Given these and other facts concerning Panama's role as a continental trading post and pitstop for Western hemispheric drugrunning, major consideration must be given to how the proposed Panama Canal Treaties affect U.S. drug enforcement and intelligence on the Isthmus of Panama. Again, to quote from the published Congressional report,

> Staff investigators can only conclude that the capability of the United States to interdict the flow of narcotics into the U.S. or to provide intelligence resulting in the seizures of illicit drugs in the U.S., will only be diminished under the terms of the proposed treaties.

With ratification of the proposed treaty arrangement, all repeat all customs authority reverts to the Government of Panama. The Government of Panama will accede to all authority of a jurisdictional nature, including the authority to inspect vessels and try U.S. citizens for any alleged offenses committed within the presently constituted Canal Zone.

Aside from these findings by congressional investigators and other independent sources, there is a growing accumulation of firsthand testimony by Panamanian defectors confirming the nature and extent of the Panamanian Government's continuing orchestration of a Panamanian connection to international drugrunning. Señor Alexis Watson Castillo testified before the House Merchant Marine Committee of which I am a member earlier this year. The testimony has since been published, and the highlights were inserted into the CONGRESSIONAL RECORD on March 3 by Senator LAXALT.

Mr. Castillo was a former member of the Torrijos government who worked in close liaison with Colonel Noriega, chief of the Panamanian intelligence services. Castillo's testimony, along with a separate deposition submitted to Gen. Daniel O. Graham, former Deputy Director of the CIA, clearly highlights the allegations of systematic drugrunning by the Panamanian Government as well as the close working relationship between the intelligence services of Panama, Cuba, and the Soviet Union.

It is incredible for any reasonable person to appreciate much less understand why Mr. Castillo's full testimony as well as the proffered evidence by other defectors attracts such little notice. It is similarly difficult to uncritically accept the judgment by the U.S. Drug Enforcement Agency as well as other administrative units of the White House which have chosen to censor or withhold entirely the mountain of evidence they have accumulated which clearly link the largest drug smuggling operation in the history of our hemisphere to the Government of Panama.

I made past inquiries under 5 U.S.C. 522(b)(7)(D) of the Freedom of Information Act to release this body of information on the Panamanian connection for the public to review. Largely because the executive branch agencies concerned chose to use national security exemptions to keep this information secret, I have called upon the Justice Department to cooperate with the House and Senate Judiciary Committees in a full-scale investigation of this whole matter. Whether or not any additional allegations questioning the integrity of the Torrijos government are to be verified or not, we owe it to ourselves as well as to the good names of all involved to clear up this serious matter rather than let the body of uncorroborated charges fester.

In the interim, the already released material as well as the testimony by the former Panamanian officials in question indicate that ratification of the proposed treaties would be a mistake. At least, it is a mistake to ratify them at this time when so many questions remain unanswered. I ask all the Members of the House and Senate to join me in asking for full-scale investigation by the appropriate U.S. departments and agencies into this whole matter.

As one who vehemently opposes ratification of the pending Carter-Torrijos treaties for many reasons, I recognize that there are differences of belief on sovereignty on this one particular issue. However, I also recognize that all of us share a mutual regard for the cardinal virtue of prudence, one never so needed to be demonstrated than in international affairs. So in the name of prudence, I once again urge all Senators to reconsider support for the pending treaties or at least support a delay until such time as a full investigation can be made into the matters discussed herein.

I thank the gentleman for yielding and again commend him for his stick-to-itiveness on this critical issue.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I want to thank the gentleman from California for emphasizing a point that so badly needs to be made at this time when we are, ostensibly, as a nation, concentrating our claims on the need for human rights throughout the world, that in giving the Panama Canal to Panama we are surrendering this property that is so important to the national security of the entire Western Hemisphere to a nation that has such a terrible record of violating human rights.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I am happy to yield to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I would like to ask the gentleman from Oklahoma and the gentleman from California, because he has exhibited a great deal of interest with regard to the proposed Panama Canal treaties, a question.

The distinguished gentleman from Oklahoma (Mr. EDWARDS) mentioned a well-respected admiral during the course of this colloquy. Does the gentleman believe that if Panama goes that perhaps Guantanamo is next on the list?

Mr. EDWARDS of Oklahoma. I will say to the gentleman, from my conversations with members of the military who are held in great esteem, men like Admiral Moorer and Admiral McCain and General Graham and others—there is no

question in their minds that surrender of the canal could lead to loss of Guantanamo and loss of important waterways all around the world that can have grave implications for this country militarily.

Mr. RUDD. I think the effort that apparently is being made in recent times seems to be sort of a masochistic effort on the part of this administration, and perhaps previous administrations, to give up acquisitions and advantages that have been acquired by the people of this great country. This seems to be part of that overall picture, so this has to be our last line of defense in that area, not only politically but geographically and geopolitically. Does that mean, then, that the next line of defense will be, if we do not finally take a firm stand, with history behind us indicating what has happened in history before, if we fail to take a firm stand on this, then the next time we will have to take a firm stand, will it be in the streets of Oklahoma City, or the streets of Los Angeles, Calif.? Could we go that far?

Mr. EDWARDS of Oklahoma. If we look at the direction we are going in the Caribbean, I think it could very well be argued that the next line of defense will be in the streets of Miami Beach.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

I just want to add that the missile crisis of October 1962, which most biographers of President John F. Kennedy called his shining hour, and which is now represented on prime time television in one of the so-called documentary dramas, was repeated in a cycle 8 years later when President Nixon was in office, again in the month of October 1970 when a U-2 photograph showed that they were building soccer fields on the southern areas of the island of Cuba, which was ready to receive the crews of the Soviet nuclear submarines. Because Cubans play baseball and they do not play soccer, it was then called to the attention of the President, and National Security Adviser Dr. Kissinger handled the whole issue quietly, more quietly than Kennedy, and told the Soviets, frankly no détente unless this Soviet base is dropped immediately, which the Soviets purportedly did.

Here we are coming up on another October in another 8-year cycle. I think we are going to again be presented with the missiles of October. If we pull out of the Panama Canal Zone without a whimper, I am sure that Ambassador Young has already drawn up the plans for wiping out Guantanamo, and he will probably initiate it on the floor of the United Nations before the Carter administration is aware of the decision.

If we give up the Guantanamo Base, the first Soviet nuclear sub will be on its way across the Atlantic to make that its base line. So the situation begs the question, and the answer is, yes, Guantanamo is next, and it will happen most instantaneously after we remove our forces from the Canal Zone.

Mr. RUDD. I have a letter to the editor of our daily newspaper in Phoenix, Ariz., the Phoenix Gazette, which sets out in very good detail the recent decision by the Supreme Court, indicating that this is another example of the Federal judiciary flouting the Constitution which by solemn oath they are bound to uphold. He sets out in the Constitution important items regarding the authority of the Congress and the House of Representatives to be involved in this.

The letter is as follows:

[From The Phoenix Gazette, March 2, 1978]

DISASTROUS DECISION

In an isolated item on Page A-4 of The Phoenix Gazette, Feb. 21, a 15-line dispatch of the Associated Press announced that a U.S. District Court judge ruled against 60 members of the House of Representatives who had sued to prevent the United States from turning over property in Panama without the consent of Congress.

This is another example of the federal judiciary flouting the Constitution, which by solemn oath they are bound to uphold.

Article IV Section 3 reads: "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; . . ."

The key phrase in this section is "dispose of".

Article 1, Section 1 grants all legislative powers to the Congress and then defines Congress, "which shall consist of the Senate and the House of Representatives."

It is granted that Article II, Section 2 of the Constitution gives the President the "power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the senators present concur . . ."

The Constitution further provides in Article VI that ". . . all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land."

The key to this provision is the treaties, to be among the supreme laws of the land, must be made under the authority of the United States.

It would seem obvious, under the plain and unambiguous language of the Constitution, that a treaty, which purports to dispose of the property of the United States must be approved by the Congress, which includes the House of Representatives.

In addition, "no money shall be drawn from the treasury but in consequence of appropriations made by law . . ." (Article I, Section 9). This constitutional provision simply means that the President and those senators too, who suffer from political armtwisting cannot use public funds to make payments, as proposed in the Canal treaties, without an appropriation by the Congress.

It would seem most appropriate for you to editorialize on this disastrous decision of a federal district judge.

Judge KENNETH C. CHATWIN,
Maricona County Superior Court.

Mr. EDWARDS of Oklahoma. I thank the gentleman.

Mr. BADHAM. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahonma. I yield to the gentleman from California.

Mr. BADHAM. Mr. Speaker, there has been an enormous quantity of both written matter and lengthy discourse pertaining to the new Panama Canal treaties now pending before our colleagues in the other body.

Of the arguments presented thus far, the one that most concerns me is the effect of these treaties on our Nation's long-term security. Along that line, the historical instability of the Government of Panama coupled with the ambiguity of the so-called Neutrality Treaty enhances my belief that ratification would severely cripple the security, and on a global scale, the stature of the United States among the nations of the world.

The instability of the Panamanian Government is dramatized by the fact that there have been 32 chiefs of state of Panama since its establishment in 1903. That is a change in leadership every 2.3 years; not all of which have been under peaceful circumstances.

Should an unfriendly regime come to power in Panama, decide to expropriate the canal and demand that the United States vacate the zone, under the new treaties there is little if anything the United States could do without drawing world criticism. However, the 1903 treaty gives us the unquestioned right to maintain, operate, and defend the Canal Zone. I quote from the 1903 treaty—

The Republic of Panama grants to the United States all the right, power and authority within the Zone which the United States would possess and exercise if it were the sovereign of the territory.

Clearly the 1903 treaty creates the stability that is so vital to our access to the canal, along with the other countries of the world.

The topic of access to the canal brings me to the ambiguity of the Neutrality Treaty. The administration insists that our warships in a time of emergency will have the right to proceed to the front of line, Panamanian officials seem to interpret the treaty differently, as witnessed on several occasions. We can ill-afford to take anything for granted that is not specifically spelled out in the treaties. I would hope such specifications would be clearly defined prior to serious consideration of the treaties.

I will conclude with a statement by Gov. Ronald Reagan:

The Panama Canal is vital to the free world, and the world depends on us. It's part of our rendezvous with destiny. We must not shrink from it, for the ultimate price we pay may one day be our own freedom.

● Mrs. HOLT. Mr. Speaker, the administration has demonstrated some concern about the Soviet threat to the Horn of Africa on the southern flank of the oil-rich Middle East States. The administration has also been demonstrating a little concern about the monstrous Soviet buildup in Eastern Europe that threatens NATO.

What amazes me, Mr. Speaker, is the absence of administration concern about conditions on the southern flank of the United States. Latin America has a variety of unstable regimes which are extremely vulnerable to subversion and terrorism sponsored by the Communist powers.

True, we face no threat of military invasion from the regions south of our border. But we have watched Marxist saboteurs, guerrillas, and political activists penetrate Latin American States. We know that Fidel Castro and his Cuban regime are committed to the advancement of Soviet goals in Latin America.

The point I would stress, Mr. Speaker, is the importance of an American presence in Latin America. Cuba is a Soviet colony, Jamaica slips more and more into the Cuban-Soviet orbit, and Marxist agents are operating relentlessly to bring other Latin American States into the Soviet empire.

We should also reflect on the enormous Soviet buildup of naval forces capable of operation in Latin American waters. Their reach extends far from their home bases. Their purpose is not defensive.

Against such circumstances we must evaluate the decision of the Carter administration to surrender U.S. control of the Panama Canal. It is not enough to concentrate on the wishes of the Panamanians to control the waterway we built. That cannot be our only consideration.

When we cut through all the legalistic talk about sovereign rights and whether we own the Canal Zone property in fee simple, it comes down to an issue of our national security.

The canal is important to our military and commercial shipping, and our presence in the Canal Zone is important as a deterrent against further Soviet intrusions into Latin America.

That summarizes the issue, Mr. Speaker, and we should not be entering treaties guaranteeing that we will leave the Canal Zone by a date certain in the future. For the foreseeable future, we must be concerned with maintaining stability on our southern flank.

In a safer and saner world, this would not be necessary; but we live in a hostile world with powerful enemies.●

● Mr. KASTEN. Mr. Speaker, for over a month now the Senate has been engaged in debate over the Panama Canal treaties.

Unfortunately, those of us in the House of Representatives have not had an opportunity to debate these treaties which are of such critical importance to the United States. That is why I am pleased to join my colleagues today in an effort to build a solid record of opinion as to the position of the House on the debate now underway.

With much public fanfare, President Carter signed the new Panama Canal treaties last September, and then submitted them to the Senate for ratification. The negotiations that culminated in the signing of these treaties had been underway for more than 13 years. The final product, drafted by the current administration and the government of Omar Torrijos, proposes the transfer of a multibillion dollar American investment to the Panamanian Government. The Panama Canal—longstanding symbol of American engineering genius and international prestige—would cease to be managed or operated by the United States.

The debate over ratification has been long and intense. It has also been confusing with legal scholars, military experts, political figures, and news commentators offering differing opinions. There is, however, only one standard by which these treaties should be judged. Do they adequately protect the legitimate interests of the United States in the Panama Canal and the Canal Zone?

Based on that standard, the answer is clearly, no. I am opposed to the Panama Canal treaties and if given the opportunity, will vote against ratification.

The continued smooth and secure operation of the Panama Canal is vital to our national security interests and those of the entire Western Hemisphere. We need to be guaranteed a permanent right to use the canal. We have that right now. If we approve these treaties, we will in effect be exchanging that right for the mere hope that all will go well under the provisions of the new agreement. I do not think we can take that risk. I would like to summarize the basis for my opposition:

The Panama Canal is crucial to our defense of the Western Hemisphere. By the terms of the 1903 treaty, which currently governs our relationship with Panama, we exercise the rights of sovereignty in the Canal Zone. We have the unquestioned right to operate, maintain, and defend the Panama Canal.

We can be proud of the way we have exercised that right. For 64 years we have operated the canal at no profit and kept it open to all peaceful shipping of the world. Through four wars, it has been an important link in our hemispheric defense. We have established bases in the zone where our forces receive training, and where we have given training to the soldiers of our allies in this hemisphere.

Since 1914 the canal has served the United States through several wars while at the same time denying our enemies access to the waterway. An impressive 99 percent of the total United States naval fleet and its reserve can use the canal and do so effectively. During the Vietnam conflict, as high as 70 percent of the yearly cargo destined for the combat zone moved through the canal. Contingency plans in the event of a crisis in NATO currently call for the movement of 60 Pacific Fleet ships to the Atlantic.

The Panama Canal has been and remains an integral part of our Nation's defense structure. Yet, the treaties would relinquish our control to a country riddled with a history of unstable government. Promises of the current regime may be ignored by a subsequent government. We cannot assume that risk.

The Panama Canal is an important economic asset with much of the traffic originating from or destined for U.S. ports. It is a key supply line for U.S. commercial and naval vessels with the shortest, cheapest, and safest passage between the Atlantic and Pacific Oceans. Passage through the canal and toll charges are of critical importance to our export market. The Gulf Ports Association, representing 23 U.S. ports through which move nearly 40 percent of our water-borne commerce, has indicated that anticipated toll increases may price some American exports—notably grain and machinery to eastern and Pacific markets—out of world competition.

The current Panamanian leader, Gen. Omar Torrijos, is a leftist-leaning nationalist dictator. He gained power by overthrowing the elected civilian government of Panama in 1968. He has since denied Panamanians their basic human rights. His regime has plummeted Panama into the worst economic chaos in its history. There is absolutely no reason, in spite of the general's campaign to win public support, for the United States to entrust control of the Panama Canal to him.

The treaties not only give Panama the canal, lands, and improvements, but also finance Panama's future economic mismanagement through millions of dollars of U.S. aid and guaranteed loans. In essence, we are giving Panama the canal, and "paying them to take it off our hands." The logic cannot help but be baffling to the average American taxpayer.

In conclusion, Mr. Speaker, I think the President made a serious mistake in presenting these treaties for ratification. While we must always be cognizant of our Latin American neighbors and be willing to negotiate new terms with individual nations, including Panama, we must never negotiate in a manner that would sacrifice key national interests. That is why I oppose these treaties.

I hope the Senate will defeat the Panama Canal treaties. But, I also hope that we in the House, the body closest to the people of the United States, will have an opportunity to vote. The American people have made a major commitment in the building and maintaining of the Panama Canal. Their voices should be clearly heard in the ratification process. A vote by the House would insure that their voice is, indeed, heard.●

● Mr. DEL CLAWSON. Mr. Speaker, it is a pleasure to participate in this record of opinion on an issue of concern to the House of Representatives, the disposition of U.S. property and territory in the Panama Canal Zone.

In their daily lives, most Americans are forced to obey certain basic rules of commonsense. The rules dictate that naturally they do not jeopardize their security unnecessarily; that they protect their investments, whether investments of time and effort or of cash; and that in return for fairness in dealing with their neighbors, reciprocal respect for rights, privileges, and property will be accorded to them. Most Americans also have a healthy awareness that to ignore the reality of a lawless element in society primed to seize the property of others at the first sign that vigilance has been relaxed is to invite personal loss and disaster.

Therefore, it is only reasonable for the same citizens to expect their leaders to apply similar principles in negotiations affecting the welfare of the United States. But if the opinion polls or letters from the people at home are to be believed, a majority of Americans are convinced that far from protecting our legitimate national interests, the Panama Canal treaties presented to the Senate for ratification following 13 years of bargaining, leave us open to strategic as well as economic disaster.

One resident of the 33d District of California, Mr. Grattan Guerin of Whittier, a retired songwriter, was even moved to come out of retirement temporarily, placing his considerable talent to work to emphasize his point of view in punchy lyrics and music. His song title, "Keep the Panama Canal," leaves no question regarding his position. Another constituent observed in a recent letter that although the Panamanians had the opportunity to approve the treaties through a national plebiscite, the opinions of millions of Americans for all intents and purposes are being disregarded.

I believe it is safe to say that those of us in the House who are participating in this special order today are convinced that the opinions of these Americans should count. In fact, there is every reason to believe that the instincts which move these citizens to opposition are sharper and surer than the reactions of some of the diplomats which seem to have been dimmed by years at the negotiating tables.

The canal treaties in all their complexity and profundity raise certain baffling questions. For example, the effects militarily and economically upon our country and society, our position of world leadership, the attitudes of the people of our Nation and those of other nations regarding the canal's future.

There may be differences of opinion as to how important the canal is to U.S. trade, now and in the future, but there can be no argument about the economic significance of the existence and the efficient operation of the canal. However, we are asked to place that economic interest in the hands of another government without any accompanying airtight assurance that the interest will be protected into the foreseeable future. The efficient operation of the canal is tied to the stability of the Government of Panama.

How has that government operated in the past? How is it presently functioning? Would a new government be any better, more stable, or worse? If the government fails in its operation of the canal what happens then? What about the costs of increased subsidy? Or what about the danger of financial dabbling by less friendly or potential enemy nations if they offer or are approached by the new owners for the bailout rather than the United States?

The political and defense-security concerns aroused by the treaties are not unrelated to the economic concerns over the stability of the Panamanian Government. But relinquishment of sovereignty over this crucial waterway in our hemisphere arouses other deeper anxieties. In justification for the treaties it is emphasized that there is smouldering resentment over U.S. defense and economic superiority by other Latin American nations and that the 1903 treaty with Panama is a symbol or rallying point for that resentment. But is the United States required by any logic to abandon all of its advantages? In the event we do so, who would stand to benefit the most, other Latin American countries, or those stronger nations outside our hemisphere, including the Soviet Union, who are attempting to establish any kind of strategic foothold wherever they can in this part of the world?

These are only a few of the more obvious, broader questions of concern regarding the Panama Canal treaties. That the treaties also dispose of U.S. holdings which have tremendous historical and emotional significance for our people and that the disposition of that property is slated to occur without a vote by both Houses of Congress is a matter of constitutional concern which cannot be emphasized too strongly.

Generations to come may well question whether in eagerness to bring the negotiations with Panama to a successful conclusion, to mollify U.S. friends and foes alike, what is done and left undone in the treaties is to "strain at a gnat and swallow a camel." A dangerous precedent will be established and we must ask whether or not we are undermining our international position, our political and economic status in our own hemisphere and the principles established in our Constitution simultaneously.●

● Mr. McDONALD. Mr. Speaker, it seems to me that the question of House concurrence to the proposed Panama Canal Treaty is no longer debatable. The Subcommittee on Separation of Powers of the Senate Committee on the Judiciary has deliberated and issued its report. Its finding was as follows:

The Subcommittee on Separation of Powers of the Committee on the Judiciary, having studied the issue of the authority of Congress to dispose of territory or property belonging to the United States as set forth in article IV, Section 3, Clause 2 of the Constitution, finds that the said power of Congress is exclusive and that the Constitutional prerogatives of Congress require that Congress authorize, by the enactment of appropriate legislation, any disposition of the property of the United States in the Isthmus of Panama.

The idea that the United States has been paying the Panamanians rent all these years should finally be put to rest. Not only has Panama been receiving an annuity all these years, but, we purchased land from each and every property owner and even the squatters in the Canal Zone. We won title to the Canal Zone by any legal definition.

At this point I would like to insert the article by Mr. Jeremiah O'Leary concerning the testimony of Mr. James C. Luitweiler, who was secretary of the U.S. Panama Land Commission in the Washington Star of Sunday, March 12, 1978. The story follows:

CANAL REFLECTIONS: THE WAY WE WERE IN 1913

(By Jeremiah O'Leary)

The tableau evoked memories of Teddy Roosevelt, the Great White Fleet and the days half a century ago when the Panama Canal was the Big Ditch and the United States could do anything it liked in the private preserve called Latin America.

James C. Luitweiler, 88, was up from North Carolina to tell the Senate subcommittee on separation of powers what it wanted to hear about how the United States bought the Canal Zone in pieces from people who had to sell whether they wanted to or not.

And in support of Luitweiler's recollections of the gunboat days was Doris McClellan, clerk of the U.S. District Court for the Panama Canal Zone, with her three crates full of deeds for the property that was bought for the canal.

Chairman James Allen, D-Ala., and his ally, Sen. Jesse Helms, R-N.C., were out to prove a serious point. Allen is making a case that the Constitution requires the consent of the House as well as the Senate if there is to be disposal of property owned by the United States.

Luitweiler, who was secretary of the Joint U.S.-Republic of Panama Land Commission, said he didn't specially recognize this document or that in McClellan's collection. But he offered some remarkable insights into how Americans thought about Panama and the canal in 1913, just before the path between the seas was opened.

"President Woodrow Wilson had declared that the whole zone was necessary for the benefit of the United States, not just bits and pieces of it," Luitweiler said.

"When we arrived in Panama, there were thousands of Negroes and others who had dug the canal and were living as squatters where the zone is now. They had no title to the land but they lived there. Panamanian law said that anyone who squatted for 24 hours could be paid for the improvements and we decided to follow the law of Panama," he recalled.

"We set up a yardstick for payments. We paid $50 for a thatched hut with a banana tree beside it. We paid $50 if there was a man and wife. And we paid $50 for each child. If the man was a Panamanian citizen, the fee was doubled.

"We didn't want another case like Acadia where the British forced the French people to move."

Luitweiler was asked, "What if the people on the land didn't want to sell to the United States?"

"They didn't have any choice," he said. "It was a matter of eminent domain. And the Panamanians were happy at the deal they got. I can't remember any dissent at all."

"How could the United States exercise the law of eminent domain over somebody else's country?"

"It wasn't another country," he said. "It was the Canal Zone as the result of the treaty (of 1903)." And he added later with some asperity, "Teddy Roosevelt did a good job of turning the area into a fit place for Americans to live."

When McClellan handed him a list of the names of all the more than 3,000 persons to whom the United States paid money for their land in the Canal Zone, Allen said triumphantly, "This is the missing link."

McClellan, sister of the late Sen. John McClellan, D.-Ark., told the subcommittee before a sparse audience yesterday that the contents of the crates were original records of U.S. purchases of land in Panama from 1903 and 1914.

"I didn't send these to the National Archives with the rest of my records because I thought the committee might want to see them," said McClellan in a soft Southern drawl. "My office is right on the border. You never know from day to day when there's going to be a riot."

"You feared for their safety?" asked Allen, the master parliamentarian and arch-foe of the canal treaties.

"Yes sir," said the court clerk.

Allen said the recollections of Luitweiler and the three crates of records are documentary proof that the United States owns title to the Canal Zone. He said the witnesses performed a great public service.

"The testimony and the documentary evidence which the subcommittee will examine should lay to rest forever the idle and ill-informed recent assertions that the United

States merely rents its property in Panama," Allen declared.

"Nothing could be further from the truth. Not only is the Panama Canal Zone unincorporated territory of our country, but additionally the actual fee simple title to a major part of the lands in the Canal Zone has directly vested in the United States by purchase.

"The fee simple title to the land itself has become public property as a result of the government's decision to buy up all private land holdings in the Canal Zone."

Therefore, it should be evident to everyone that the House of Representatives will have to agree to the disposal of this property. And, if the House is really concerned over the erosion of its powers in the area of foreign policy it will send a message loud and clear. For the House to do less would be a disservice to this great Nation. Certainly, the majority of the House—220 of them—have indicated their agreement with this stand. As the great constitutional law professor, Raoul Berger of Harvard, when asked about the power of the Congress in this regard stated in part:

. . . My study of the cases had led me to conclude that the power is indeed exclusive in the Congress. Certainly the face of the Constitution itself indicates that the power is exclusive and nothing has been summonded by the Department of State or the Department of Justice, in my judgment, which vitiates that view.●

● Mrs. LLOYD of Tennessee. Mr. Speaker, the Panama Canal treaty debates are properly being conducted in the Senate at this time. The Senate alone has the constitutional power to consent to the ratification of treaties. However, the debate also belongs in the House which shares a legitimate role with the Senate with respect to the disposition of U.S. property and territory in the Canal Zone.

In view of the imminent vote in the Senate on at least the first of the two treaties, it is imperative that the will of the House, which has been expressed on a number of previous occasions with respect to the disposition of U.S. property, be expressed once again.

This is not an issue of partisan politics—this is a constitutional issue. It is our duty as the elected Representatives of the people to assume that their voice is heard. Our stand must be perfectly clear to the President and all of America—we cannot accept a transfer of a major U.S. asset without House as well as Senate consent—and I might add—that stand must be strong opposition to any agreement that will eventually lead to the relinquishment of the U.S. sovereign right of control over this vital waterway.

It is unconstitutional and inappropriate for the multibillion-dollar investment of the United States in the Canal Zone to be transferred to the Republic of Panama by treaty alone. Article IV, section 3, clause 2 of the Constitution gives to the Congress the exclusive power to dispose of U.S. property and territory. Failure to exercise that power in this crucial question of the Canal Zone will be a disastrous precedent for the separation of powers in our Government.

On two occasions in the 94th Congress, the House passed language that made it clear that a negotiated compromise of U.S. sovereignty over the canal was unacceptable.

The Panama Canal is commercially and strategically of vital importance to the United States. In recent years, approximately 16 percent of all goods shipped to or from the United States go through the canal—any closing of it would mean an extra 8,000-mile trip for much of our trade—a trip which would only drive up the price of consumer goods.

American claims to the canal have not only statutory basis but judicial approval. The Hay-Bunau-Varilla Treaty of 1903 gave the United States the right to act as if it were sovereign, in perpetuity, to the entire exclusion of any claims by Panama to sovereign rights, power or authority. These provisions substantiate an undisputed U.S. title to the canal and canal zone, an interpretation confirmed by the Supreme Court in Wilson against Shaw (1907) and never overturned. In addition, the United States has paid over $166 million for its rights, not to mention the more than $6 billion invested in construction, maintenance and defense costs—an investment which would virtually be unrecoverable if U.S. control is relinquished.

In addition, Panamanian defense forces alone do not have the capability to withstand a sharp attack on the canal should one occur. If the United States were to turn over the Panama Canal to an unelected military dictatorship that has shown itself to be friendly to Fidel Castro, the canal could become a pawn in international politics. The canal as well as a substantial part of the shipping world could be subjected to unreasonable political demands.

It is clearly in the best interest of our Nation and the American people to maintain our present policy with respect to the Panama Canal and the Canal Zone and to reject the Panama Canal treaties which would relinquish this country's sovereign right of control over this vital waterway.●

● Mr. ZEFERETTI. I am opposed to relinquishing our control of the Panama Canal and the Canal Zone because it reflects a sellout of the American public who, if recent polls are accurate, overwhelmingly oppose the treaties. The canal is a duly paid for territory of the United States. Should the treaties be approved, we would not only be selling out our multibillion dollar interests in Panama, but we would be paying that country heavily to the tune of $10 million per year to take over the operation of the canal.

The fact is the canal is vital to our international trade, commerce and defense interests. I believe that any renegotiation or relinquishment of our rights to this strategic waterway would be a grave mistake for the United States to make.

Those who support giving up the canal assert that "sovereignty and ownership" are not issues because the United States never had either. I could not disagree more with this argument. On December 2, 1903, the United States agreed to pay the Republic of Panama $10 million, plus a yearly annuity, for "in perpetuity the use, occupation and control" of this 10-mile-wide Canal Zone. This treaty also granted the United States "all rights, power and authority * * * as if it were the sovereign of the territory."

Continued U.S. presence is also a necessity to the military interests of our country. One of my major concerns is the vagueness of the sections in the treaty dealing with our defense of the canal and our use of the waterway should the United States become involved in a military conflict.

The Republic of Panama is unqualified to assume the grave responsibilities involved in operating, maintaining, controlling and defending the canal. Their government is currently in deep financial trouble as a result of its own mismanagement. I believe it is disastrous to attempt to insure stability in this zone by turning over control of the area to a government headed by a military dictator, who seized power in a 1968 coup.

We have been neither imperialistic nor exploitive in our relations with Panama. Benefits have accrued to the Republic as we have spent in excess of $6.8 billion in maintaining and defending the Panama Canal. The Republic of Panama now boasts the highest per capita income in Central America.

Perhaps the most outrageous aspect of this controversy is the fact that this body will not have the opportunity to even vote on the treaties. I feel that the Constitution dictates a House vote on the issue because the treaties involve the payment of money to Panama and deal with the disposition of American property. However, despite my protests and the protests of many of my colleagues, President Carter has submitted the treaties to only the approval of the Senate.

I am a member of the Merchant Marine and Fisheries Committees' Panama Canal Subcommittee which has been carrying out an ongoing investigation of the treaties and their possible ramifications. I was part of a congressional delegation that visited the Canal Zone to conduct oversight hearings on the treaties. Therefore, I feel that I have had a firsthand look at the Panama Canal issue.

The Panama Canal has global significance involving the security of the entire Western Hemisphere, and I will continue to oppose giving up U.S. control of this area.●

● Mr. BOB WILSON. Mr. Speaker, once again I rise to voice my total opposition to the proposed Panama Canal treaties, and emphasize that this is the worst kind of an international deal I have seen our Government involved in since I came to Congress over a quarter of a century ago. If the United States should give up control of the canal, the damage to the economic and national defense interests of our country will be enormous—far beyond anything I have heard in public discussions.

A main concern of mine has always been our national defense, and the arguments that have been made that downgrade the importance of the canal to our defense I consider dangerously flawed. Contrary to the opinion of some, we no longer have a two-ocean Navy. We all

know how drastically the number of ships in our fleet has dropped, and under the current budget proposal that number will continue to dwindle.

However, all U.S. ships other than 13 aircraft carriers can transit the canal, which means an expeditious shifting of military assets from one side of the globe to the other, should the need arise. Any interruption in our ability to use the canal would tack on about 25 percent to our planning time to mount an assault in the event of an emergency.

But no matter how the treaties are worded, it will still be possible for those in control to close the canal for "repairs," or to "prevent sabotage," or for a variety of other reasons at a time when the United States may need it most urgently.

But putting national defense interests and economic interests aside, we in the House of Representatives have a legal and moral responsibility with regard to the Panama Canal treaties—legal, in that article IV, section III, clause 2 of the Constitution gives unequivocally to Congress—and that means the Senate and the House—"the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States," and moral in that we have been elected by the people of this country to represent their interests here in Washington, and are ourselves sworn to uphold the Constitution.

The prohibitions of the Constitution were designed to apply to all branches of the Federal Government and they cannot be nullified by the executive. Article IV of the Constitution contains clear restraints on the President's treaty-making power, and the Supreme Court in literally dozens of cases over two centuries has consistently ruled that the power of the Congress under that article is exclusive.

Therefore, to be legal, any agreement signed by U.S. representatives must be consented to by the Senate, and, if it contains provisions for the disposal of U.S. territory or property, we in the House also have a say in the processing of the agreement. And, if the Panama Canal does not consist of U.S. territory, as some would argue, I sure do not see much doubt that U.S. property is involved.

These proposed treaties have to be among the most expensive in our history. Through these agreements, the United States would be giving up a considerable amount of real property—not to mention the future economic costs. In return, what we are said to be getting—and I use that word advisedly—would be largely intangible. The American people want to keep the canal. They are right to want to keep it, and they will support policies necessary to keep it. I think the commonsense nature of our citizens will lead them to object even more strenuously than they have so far to the disposal of billions of dollars of assets in Panama, plus the future drain on their pocketbooks in payments to Panama, unless they are sure that every constitutional process will be adhered to in implementing any treaties.

Since the Constitution invests in Congress the power to dispose of U.S. property, it follows that congressional authorization is required prior to the disposal of an investment of the magnitude we have in Panama. The President, by proceeding to press for senatorial consent to a treaty that transfers U.S. property without the participation and approval of the House of Representatives, is in my view on an unconstitutional course.

This whole treaty agreement question is especially important in view of the fact that the United States is negotiating with a military dictatorship in Panama whose treaty agreement on property rights could be overturned tomorrow.

Mr. Speaker, I have opposed this deal many times in the past. I oppose it now, and will continue to oppose it in the future. I would hope that when the issue comes before us, and I am confident that it will, a thundering majority of my colleagues will do likewise and defeat it soundly.●

THE 75TH ANNIVERSARY OF THE NATIONAL WILDLIFE REFUGE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 5 minutes.

● Mr. CONTE. Mr. Speaker, I wish to rise today to commend our National Wildlife Refuge System, on the 75th anniversary of its founding. It was 75 years ago that President Theodore Roosevelt signed the Executive order which authorized the Federal Government to provide refuge for the endangered brown pelican. In compliance, the Government purchased Pelican Island on the east coast of Florida, and thus began the system of refuges which have been of inestimable assistance in mankind's quest to protect various species of wildlife from the ravages of man and nature alike. Over these 75 years, the original program has grown, until today the system, under the U.S. Fish and Wildlife Service, encompasses the various programs designed to identify and protect our vanishing species of wildlife.

Today, we have a total of 384 national refuges, encompassing nearly 33 million acres, all dedicated to this worthy goal. Of particular concern to the managers of the national refuges is the protection of the international migratory waterfowl. To facilitate this particular effort, the Migratory Bird Commission was established in 1929. The Commission, which is a part of the National Wildlife Refuge System, has been extremely instrumental in protecting the threatened species of migratory waterfowl.

Mr. Speaker, it is with pleasure that I was chosen to serve on this Commission. This week, the Commission held its semiannual meeting, at which time the members approved the acquisition of an additional 589 acres of prime refuge land in four separate States. This recent acquisition is just another example of the diligent efforts that the managers of the National Wildlife Refuge System have undertaken in their pursuit of this laudable goal, that of protecting our endangered species. I applaud the program, its supporters, and the program managers, who all possess the foresight to anticipate the obligations we have to future generations, not to mention the enjoyment derived from the 30 million visitors who venture into these refuges.

Mr. Speaker, in closing I would suggest that my colleagues reflect on the words of one conservationist, the catalyst in this worthy endeavor, President Theodore Roosevelt, who stated:

> We loved a great many things—birds and trees and books and all things beautiful
> And horses and rifles and children and hard work and the joy of life.

Mr. Speaker, I submit that in its 75th year, the National Wildlife Refuge System has given us all these things. I am confident that future generations will also sing its praise.

Thank you, Mr. Speaker.●

RATIFICATION OF PANAMA CANAL TREATIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WALKER) is recognized for 15 minutes.

● Mr. WALKER. Mr. Speaker, my views regarding the ratification of the Panama Canal treaties is best expressed in a speech I gave at Franklin and Marshall College in Lancaster, Pa., last spring.

Those remarks follow:

In his testimony before the House Committee on International Relations, Secretary of State Cyrus Vance listed four main reasons why the new Panama Canal treaties should be approved. Those reasons were, and I quote the Secretary,

"The treaties will make the canal easier to operate and easier to defend.

"They assure for us continued access to the canal, for military and commercial purposes.

"They advance our position throughout Latin America and, in important respects, throughout the world.

"And they fulfill the expectations of every American that this country will continue to act as a world leader should."

End of quote.

As a firm opponent of the negotiated treaties now under consideration in the United States Senate and hopefully later in the House of Representatives, I chose to lead off with Secretary Vance's assessments because I believe they can be challenged in each and every instance. The substance of the argument in favor of the treaty concept is open to question and certainly the substance of the treaties themselves is very questionable.

The controversy regarding the treaties centers around several basic difficulties.

At the center of the argument against the new treaties is their fundamental purpose: namely, the transfer of control of the canal and the Canal Zone to Panama over the next 22 years. From the time when the first outline of general principles for a treaty was released, this goal has been questioned. Yet few, if any of the objections were taken into account by our negotiators, a situation which has led to this almost inevitable conflict over ratification.

The creation of a jointly run Panama Canal Commission to replace the present Panama Canal Company may lead to serious problems in the efficient operation of the canal. The treaties mandate more Panamanian employment and a five-year limit on future non-Panamanian workers. These provisions along

with the transfer of control of the Canal Zone to the Panamanians government in a short 30 month period will result in a mass exodus of skilled American employees. Many will leave because of their questions about job tenure while others will refuse to live under the jurisdiction of the military dictatorship currently ruling Panama.

The economic terms of the treaties are mind-boggling. They call for Panama to receive approximately $60 million in revenue per year, or over a 2500 percent increase from their present direct benefits. Because their share of the revenue is tied to the American wholesale price index, the rate will steadily rise over the next 22 years. The economic minister of Panama estimates the windfall benefit to his government at $2.3 billion expressed in 1977 dollars. These new payments are to come out of the operating expenses of the canal which will mean a 25–40 percent increase in tolls right away—the biggest single toll increase in history and an amount which could significantly alter prices in America's export and import trade. And if these increases fail to meet the payment demands, the Panama Canal Commission, as a U.S. government agency, may have to seek appropriations from Congress to make up the difference. And we are locking ourselves into a monopoly situation in the economic sections of the treaties because any future canal building we might wish to do could be vetoed by Panama.

Severe questions have arisen with regard to American rights to defend the canal and assure its international neutrality. These were questions that the proponents of the treaty hoped to address with the joint Carter-Torrijos clarification statement of October 14, 1977. While apparently resolving differences over the meaning of "expeditious passage" of the U.S. warships in times of international emergency, the statement raises other questions about the capability of the United States to act to protect the Canal if denied access to Panamanian territory which, after the year 2000, will encompass all lands surrounding the Canal and the Canal itself.

Those are the demerits of the controversy which treaty advocates would like to dismiss as the last remnants of American jingoism. They are, in fact, serious problems which have not been adequately answered and, I believe, are at the base of the overwhelming public sentiment in opposition to approval of the agreements. Several different polls have indicated that the American people by at least a 2 to 1 margin reject the treaties, a fact which cannot and should not be ignored in the context of the political aspect of the approval process now underway.

But, let us examine the major arguments in favor of the treaties as put forth by Secretary Vance and deal with those arguments from the viewpoint of the loyal opposition.

First, the Secretary tells us the treaties will make the canal easier to operate and defend.

A canal without an assurance of skilled personnel will become inoperative. The canal, while a technological miracle of its day, is by our standards a labor intensive operation, and skilled labor at that. The treaties, at the very least, jeopardize the job standing of many of the present skilled employees and at their worst will result in a mass exodus of those people from Panama. The potential for operational chaos is certainly evident with no specific assurances of the means to meet such a crisis.

Easier defense of the canal is based upon the often-stated premise that the waterway is quite vulnerable to sabotage and continued U.S. presence in the canal operation increases the chances for such sabotage. Perhaps. But there is another side to the sabotage coin. The canal treaties are a centerpiece of the Torrijos government, a government whose human rights and other policies have generated substantial dissent in Panama. The recent plebiscite held on the treaties in that country highlighted these problems when 35% of the population showed courage enough to stand up against their dictator and vote "no." Turning the canal over to Torrijos could very well increase the chances of sabotage based upon this substantial opposition to his rule. The opposition could easily feel that the only way of bringing down Torrijos is to bring down his canal. And under the terms of the treaties, the U.S. will have an ever diminishing role in defending against such eventualities.

Second, Secretary Vance claims better assurances of access to the canal, both military and commercial. This point, of course, is a key to the whole argument. Without military access to the canal, the United States would be in a position of having to develop, at monumental expense, a two-ocean navy. Our modern Navy stresses smaller, speedier ships, nuclear power and independent missile capability. The Panama Canal is an important aspect of our assurance of speed and mobility. Except for the largest aircraft carriers, our Naval fleet can travel through the Canal, thus allowing our Naval planners a great deal of flexibility and versatility.

On the commercial side of things, the importance is just as obvious. On an average about 70% of all the cargo sent through the canal either originates in or is bound for the United States. Particularly now when the canal is becoming the chief route for Alaskan oil to get to the East Coast, the vital nature of it to the American economy cannot be ignored.

The idea that the treaties offer better access in these regards can be challenged by the apparent Panamanian differences of opinion regarding our concept of what the agreements say. We say that they say that the expeditious passage wording means our warships go to the head of the line whenever needed. The Panamanians obviously have a different understanding. The head of the Panamanian negotiating team has been quoted as saying about this phrase, "if . . . the gringos with their warships say, 'I want to go through first,' then that is their problem with the other ships there." In other words, our naval commanders would be in a position of negotiating for passage in emergency situations.

But wait, the proponents say that was clarified in the Carter-Torrijos statement and now our ships are assured of priority treatment. But when General Torrijos returned home after issuance of the clarification, he told his countrymen in response to criticism that he sold out key elements in the treaties that he had signed nothing. In fact, he did not, and the ambiguity of the whole situation makes it imperative that the clarification language be included in the treaty texts. Certainly, however, the assurances of military access is useless otherwise.

Commercial access is also a problem. We know that toll rates will rise astronomically in the next 22 years, and no one will even guess what may happen after the year 2000. Access could be denied through cost considerations. But even more disturbing is the apparent attitude of the Panamanian negotiators toward keeping the canal open for commercial trade. The definition of open as understood by Panama was stated again by Dr. Escobar in his report to the Panamanian National Assembly on August 19. He states that when the United States proposed that Panama be obliged to keep the canal permanently open and neutral, Panama cited grounds for not keeping it open: because of earthquakes, because of a landslide or because the canal was not making money. Hardly a firm commitment in my view.

Secretary Vance says the treaties enhance our position in Latin America and the world. In my opinion, this argument ignores some valid lessons from history, namely, that international success cannot build on a foundation of appeasing and accommodating hostile ideological elements. In past months we have managed, as a nation, to alienate nearly every traditional ally in Latin America. To contend now that by acceding to the demands of the Panamanian dictator that we can establish a basis for future cooperation with all countries in the Western hemisphere strikes me as bankrupt. Instead, the action will likely reveal to most countries in Latin America that only vehement hostility to the United States generates a favorable response in Washington.

On a broader front, the complete abandonment of the human rights of the Panamanian people (and our willingness to swiftly expand that totalitarianism to the Canal Zone as well) reveals the total duplicity of the principles as they apply to Latin America. And perhaps most ironically, the enormous $50 million a year political reparation payment to General Torrijos will be extracted most heavily from the other Latin American nations using the Canal.

And what of the rest of the world? Will they respect us for abandoning our responsibilities for such a vital trade link? Japan sends about one-third of its oceanic trade through the Canal, and when viewed in terms of specific trade patterns, any curtailment of its use of the Canal could bring economic disruption not only to Japan, but the U.S. and the Western World as well. Great Britain is consistently the 2nd or 3rd largest user of the Canal sending more than 60% of British registered shipping through its locks. Latin American nations, as stated before, are particularly dependent on the Canal. Nicaragua, El Salvador and Ecuador send respectively 55.1%, 68.1% and 72.4% of their oceanic trade through the waterway. Pacific friends such as Australia and New Zealand rely on the Canal to reach vital European markets. Our standing in the world is not likely to be enhanced if these treaties result in disruption of world trade.

Finally, Secretary Vance says that the treaties fulfill American expectations of leadership. But, if we relinquish the canal, our power and standing in Latin America and throughout the world would diminish. Our leadership will be again called into question. This is particularly true in light of recent retreats from other points on the globe. And, how can it be termed a high point in moral leadership to pull the rug out from under the Panamanian economy at a particularly low ebb in its history? During 1976 the United States infused over $29 million into Panama by direct purchases from U.S. government agencies; over $108 million in wages to non-U.S. citizens employed in the Zone; over $39 million in personal expenditures by U.S. employees—not to mention major construction, obliteration of yellow fever, and countless apprentice and job-training programs. We do not have any reason to be ashamed of our role in Panama and can even take a measure of pride in what we have done. In fact, per capita income in that country is currently the highest in Central America—thanks to you-know-who.

Clearly, opposition to the Panama treaties is not based on mere emotionalism or sloganeering. The idea that we stole the canal fair and square and therefore should keep it has little or nothing to do with the issue at hand. The issue is whether or not the treaties before us are a good bargain from the standpoint of our national interest, because a poor treaty is worse than no treaty at all. What we have before us gives no guarantee that the United States will be able to defend our security interests in Panama, no guarantee that our military and commercial needs will be met, no guarantee that detrimental economic consequences will not result and no guarantee that our world role

will be enhanced. Therefore, the sensible answer, in my opinion, is rejection of the proposed treaties.●

HAS THE FEDERAL RESERVE BOARD TURNED CONSUMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, consumers of this country received a boost from an unexpected source the other day. If the first open meeting chaired by recently confirmed Federal Reserve Board Chairman G. William Miller is any indication of things to come, it appears that the Board may finally be ready to recognize the importance of its consumer protection responsibilities and give these matters the attention they deserve.

In the past, the Board has relegated consumer protection to the bottom rung of its ladder of priorities. Former Chairman Arthur Burns placed such a low emphasis on consumer matters that he rarely bothered to attend the open-to-the-public Board meetings at which consumer affairs issues were discussed.

At the first open meeting of the Board since he was confirmed as Chairman, Mr. Miller spoke up for consumers and generally served notice that, under his chairmanship, the consumer view will receive fair representation and not be taken lightly or ignored.

Three consumer issues were on the Board's agenda. One issue dealt with the right of a consumer whose credit card is not accepted at the point of sale to receive notification of the reasons for the rejection. Mr. Miller supported a proposal that would have required notification except in certain specified situations, but the Board rejected that proposal in favor of one which basically held that a turndown at the point of sale does not require notification to the consumer of the reasons for the rejection.

A second issue concerned a proposal which would have made it easier for creditors to take security interests in consumers' homes to secure credit card indebtedness. Chairman Miller spoke against this proposal voicing concern that the proposal might encourage this practice which could prove extremely harmful to consumers. The proposal was sent back to the staff for further study.

A third issue concerned whether certain information which normally could not be requested under the Equal Credit Opportunity Act could be sought strictly for marketing purposes. The Board permitted this practice in the specific case before it, but tightly restricted the practice and indicated that, if challenged, the burden would be on the creditor to prove that the information had not been used for credit purposes.

Mr. Miller is off to an auspicious start as Chairman of the Federal Reserve Board and consumers have good reason to be optimistic.

Mr. Speaker, as chairman of the Consumer Affairs Subcommittee, I am indeed heartened at the approach taken by Chairman Miller to consumer problems. I sincerely hope that his devotion to these important issues will not waiver, and based on his past record as a man who fights for his beliefs, I do not think his convictions will waiver.

I applaud Chairman Miller for taking such a strong consumer stand and for doing it right off the bat. It is good to know that at least the man at the top at the Federal Reserve Board wants to help the consumers and with a little missionary work, I think that Chairman Miller can convert the rest of the Board into becoming card-carrying consumers.●

THE PANAMA CANAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. BOWEN) is recognized for 5 minutes.

● Mr. BOWEN. Mr. Speaker, as a member of the Panama Canal Subcommittee, I have been very deeply concerned since we learned in late 1974 and early 1975 of the negotiations expedited by President Ford and Secretary of State Kissinger which led to the treaties between the Republic of Panama and the United States concerning turning over control of the Canal Zone to Panama by the year 2000.

In addition to my very grave reservations about the wisdom of relinquishing effective American control of the Canal Zone and the operations of this yital international waterway, I am also concerned that the American people, through their elected Representatives in this august body, have an opportunity to be heard on such an issue of major import.

Unfortunately, we may not have an opportunity directly to vote on this crucial foreign policy issue, since the administration is opposed and the courts have not looked with favor on our position.

As one who is personally familiar with the situation in Panama, and one who is opposed to giving up effective American control of the canal, I want to go on record again as saying that I firmly believe the House of Representatives should be allowed to exercise its constitutional authority to vote or otherwise act on the disposition of American property if the Senate does ratify these treaties with the Republic of Panama.

I do not quarrel with the constitutional prerogative of the U.S. Senate to debate and either ratify or reject treaties such as those promulgated with the Republic of Panama.

But by the same token, I feel very strongly that the House of Representatives should not forgo its own constitutional responsibilities in this case.

The issue of American control of the Canal Zone is one of paramount importance, not only to our Nation and the free world, but it is one that evokes great concern among the people of my own congressional district, and the entire State of Mississippi.

Those of us who represent States in the Gulf South, and realize the substantial flow of goods and commodities from this nation through the Panama Canal, and the dire consequences if this critical waterway were to fall into unfriendly or unstable hands, are very much concerned about the implementation of these treaties.

A majority of this House has already expressed its sentiments, one way or another, on this issue.

Those in Congress, the administration, or among the public at large who discount any potential interloper in the Canal Zone adverse to the interests of the United States cannot, however, discount what is happening at this time in the Horn of Africa.

The disturbing, and significant, intervention by the Soviet Union and Cuba in the difficulties between Ethiopia and Somalia cannot be ignored with respect to the vulnerability of areas in the Western Hemisphere such as Central America, or what is now the Canal Zone, at some point in the future, if the times, circumstances, and temptation combine to entice such intervention.

I do not predict this is going to happen, only to mention the possibility if a change in political climate or an unstable situation were to develop in Panama after American control of the Canal Zone was relinquished.

In conclusion, let me state, as I have stated repeatedly since this issue first began developing in 1975, that I am firmly opposed to the United States giving up effective control of the Canal Zone and the operation of the Panama Canal. I feel very strongly that the House of Representatives, as the clearest voice of the American people, should have an opportunity to, in some way, express its sentiments on this issue.●

NEED FOR THOROUGH STUDY OF CRIMINAL CODE REVISION PROPOSALS BEFORE ENACTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, on March 8 I introduced House Resolution 1066 urging the Committee on the Judiciary to disapprove S. 1437/H.R. 6869, the Criminal Code Reform Act and to conduct full hearings on revision of the Criminal Code. I hope that my colleagues share my concern about this far-reaching legislation and will support this resolution as cosponsors.

As currently written, S. 1437/H.R. 6869 allows the Federal Government to increasingly infringe upon the rights of every American. The bill's enactment would result in a "fivefold increase in Federal prosecutable offenses" according to Ohio State University law professor, John Quigley. Federal jurisdiction would be newly established over crimes such as extortion, blackmail, arson, and riot that are now prosecuted primarily at the State level. Such an increase in Federal prosecutorial authority is especially inappropriate in view of recent House action limiting Federal court jurisdiction (H.R. 9662). Additionally, Chief Justice Warren Burger has specifically emphasized the need for a re-

duction in the Federal caseload for a viable judiciary.

S. 1437/H.R. 6869 poses a serious threat to the guarantees and protections afforded by the Bill of Rights and the Constitution.

The first amendment's guarantee of the people's right of free speech and assembly is repeatedly threatened throughout S. 1437. Picketing or parading is prohibited within 200 feet of a Federal courthouse or any building occupied by a judicial official. (Section 1328.) It would be a criminal offense for an individual to participate in a peaceful demonstration which "obstructs" a Government employee in performance of his official duty. (Section 1302.)

Any designated Federal employee would be empowered to disperse a gathering, forbid picketing, parading, and leafletting when in his/her judgment there is a risk of injury to person or property. (Section 1861) These provisions broadly interpreted could mean the end of all mass demonstration and peaceful protest. S. 1437/H.R. 6869 poses a serious threat to the freedom of the press. Section 1311 would expand the definition of "hindering law enforcement" as to provide for prosecution of a reporter for refusing to reveal the identity of a news source. The bill codifies repressive espionage laws which prohibit the release of documents for public information. As a result, those who disclose information without the intent to violate the national security, such as Daniel Ellsberg would be criminally liable for espionage.

Enactment of this bill would effectively eliminate the right to strike. In labor disputes the Federal Government could intervene and prosecute strikers under an expanded definition of extortion and blackmail. Federal interference would be justified in any situation where the employee action threatens an employer with "economic loss or injury" or property damage.

Section 3713 is a further erosion of rights guaranteed by the Miranda ruling, which requires that an individual be read his rights prior to interrogation. The judge is now given complete latitude in determining if a confession can be admitted as "voluntary."

For the first time it would become a criminal offense for an individual to make a false oral statement to a law enforcement agent. Enactment of this provision, which does not require the presence of a corroborating witness or counsel will serve to pit the word of the private citizen against that of the law enforcement officer.

Constitutional rights guaranteed under the double-jeopardy clause of the fifth amendment are endangered in section 3725 when the prosecution is granted the right to appeal to increase a sentence thought to be too lenient.

A floor amendment to S. 1437 reenacts the old Comstock law which states that—

> Mailing, importing or transporting . . . any article or thing designed . . . to produce *abortion* is a Class D felony . . . (Section 6035)

Not only is this an unconstitutionally broad provision, but it would revive the abortion controversy.

Parole is virtually eliminated and "good time" credit for time already served is reduced to a maximum of 10 percent of the sentence. These harsh policies are especially unsound at a time when the average prison sentence in the United States is longer than that of any other industrialized Western nation except South Africa.

These are some, but certainly not all, of the objectionable features of S. 1437/H.R. 6869. The bill is dangerously vague, undefined, and disturbing in its implications. I hope you will agree that there is a need for a thorough study of any criminal code revision proposals before enactment. I hope my colleagues will cosponsor House resolution to disapprove S. 1437/H.R. 6869. Please contact Heather at 55635.

The resolution follows:

RESOLUTION

Whereas the United States Senate has passed S. 1437 on January 30, 1978; and

Whereas S. 1437, if agreed to by the United States House of Representatives and signed into law by the President, will have far-reaching effects upon the rights of all Americans; and

Whereas S. 1437 is intended to revise the United States criminal code to maintain and preserve the principles of the Constitution; and

Whereas S. 1437 fails to maintain and preserve the constitutional rights of all Americans: Now, therefore, be it

Resolved, That the House urges the Committee on the Judiciary to disapprove the bill S. 1437 and to conduct full and complete hearings regarding the revision of the Federal criminal code.●

REPORT ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 5 minutes.

● Mr. DENT. Mr. Speaker, this morning the Subcommittee on Labor Standards, of which I serve as chairman, approved the issuance of an extensive report on public employee retirement systems. The importance of this subject matter, I am sure, is clear to us all. Hardly a day goes by without the publication of a newspaper or magazine article in which some problem area of some public employee pension plan is extensively discussed. Because these governmental retirement systems are of such vital concern to both public employees and the taxpayers, I would like to briefly discuss the subcommittee report which was approved this morning.

The genesis of the report, Mr. Speaker, is found in the Employee Retirement Income Security Act of 1974 (ERISA). In enacting ERISA, we generally excluded from its coverage the retirement plans of State and local governments. We did not in 1974 believe that public pension systems were free of many of the deficiencies in the private system that had generated ERISA. We knew there were problems. But we also knew we lacked sufficient information regarding the design and operation of governmental plans to resolve whether Federal standards were appropriate, and if so, what the nature of that Federal regulation should be. To gain sufficient information, we directed, in ERISA itself, that a study of State and local plans be undertaken.

We began that study effort in 1975. A discussion bill was introduced into the House, and extensive hearings, both here in Washington and around the country, were conducted. Every segment of the governmental pension community was given an opportunity to testify and assist in our effort to gain a full understanding of the public pension plan universe. We undertook an extensive survey of 800 public employee retirement systems, probing into every aspect of their design and operation. Extensive legal research was conducted, in an effort to gain an understanding of the Federal laws, as well as the State laws, that affect public plans.

The first part of this effort is now concluded, and the report which was approved by the Subcommittee on Labor Standards represents the product of the most extensive study effort ever conducted into this vitally important area.

I would like to take the opportunity to relate some of the report's findings and conclusions:

First. Most governmental jurisdictions, at all levels, have not developed an overall policy framework to serve as a guide for dealing with public pension issues;

Second. Federal, State, and local governments annually contribute more than $23 billion to public employee pension plans;

Third. There are approximately 7,000 public pension plans, covering 12.7 million State and local plan participants and 9.5 million Federal plan participants;

Fourth. There are 68 separate plans for Federal Government employees among the States. Pennsylvania has the most plans—1,400—while Hawaii has but a single retirement plan covering all public employees in the State;

Fifth. Nearly 80 percent of all plans have 100 or fewer active members, 390 plans have 1,000 or more active members.

Sixth. Approximately 2 percent of State and local employees are members of defined contribution plans; 16 percent of State and local employees are in plans with both defined contribution and defined benefit features; 82 percent of State and local government employees are in conventionally defined benefit plans;

Seventh. Nearly 75 percent of all State and local government pension plans require employee contributions. Only 44 percent of the Federal plans require employee contributions;

Eighth. Nearly 85 percent of all State employees receive social security coverage, although among police and fire personnel, the figure is only 36 percent.

Ninth. Auditing procedures among public employees plans are often deficient. Five percent of State and local plans and 29 percent of Federal plans are never audited. Nearly one-third of all State and local plans and 37 percent of the larger plans do not provide for an annual audit. Far less than one-half of all plans are annually audited by outside auditors;

Tenth. Fiduciary guidelines are often deficient. It must be made clear that plan fiduciaries owe their exclusive loyalty to the plan's participants and beneficiaries, and that plan assets must be invested prudently and exclusively for the benefit of participants and beneficiaries;

Eleventh. Plans often fail to disclose vital plan information to plan participants in an understandable form and on a regular basis. Less than 50 percent of State and local plans make a practice of updating and distributing plan descriptions of one form or another; and

Twelfth. Nearly 40 percent of all public employee pension plans fail to meet what many pension experts regard as a "bare minimum" funding level. Public employee pension plans generally are funded at levels significantly below those levels required for private sector plans.

Mr. Speaker, the publication of this report gives the Congress for the first time the information it needs in order to decide whether Federal standards for State and local government retirement systems are appropriate and necessary. I urge my colleagues to carefully study the material contained in this report, for the subject matter—public employee retirement systems—is of concern not only to public employees but to taxpayers and Government officials as well.●

LEGISLATION DESIGNATING VA HOSPITAL IN TEMPLE, TEX., AS THE "OLIN E. TEAGUE VETERANS' HOSPITAL"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker the entire Texas delegation to the House of Representatives has joined me in sponsoring a bill to designate the Veterans' Administration Hospital in Temple, Tex., the "Olin E. Teague Veterans' Hospital," after our distinguished colleague's retirement from Congress at the conclusion of his present term.

This is a modest proposal. Every hospital, clinic, nursing home, and regional office in the VA system could, appropriately, bear his name for without him few would exist. As the chairman of the Senate Veterans' Affairs Committee, ALAN CRANSTON has said:

> As one of the most decorated combat soldiers of World War II, a disabled veteran, and chairman of the House Veterans Affairs Committee for 18 years, (Tiger Teague) has been the veterans most steadfast friend and ally for the last quarter century.

My feelings about my colleague are well known. He is my valued friend and counselor. I will greatly miss his presence in this body but, more importantly, our Nation will have lost a respected, wise, and vigorous Representative from its Government.

Because of his achievements we can expect to see public buildings, spaceships, and scholarships named for him. There is nothing, however, that would give this Nation's veterans more pride and pleasure than seeing "TIGER" TEAGUE's name on an institution dedicated to healing their ills.

It is particularly appropriate that the Temple VA Hospital bear his name. When it was known as McClosky Army Hospital, young OLIN TEAGUE spent 2 years there recovering from the severe combat wounds that have brought about his untimely retirement. Upon discharge from the Army in 1946 he entered the U.S. House of Representatives where he has served continuously since.

Mr. Speaker, I will not review here the illustrious record of service to our country that has been compiled by "TIGER" TEAGUE. It is well known to all our colleagues. I know it will be given full consideration, however, when they take up this proposal.●

CHANGE IN EX-IM FINANCING PROPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognzied for 5 minutes.

● Mr. NEAL. Mr. Speaker, on September 15, 1977, I inserted in the RECORD two financing notifications from the Export-Import Bank relating to the construction of a natural gas pipeline in Mexico.

Today I call to the attention of my colleagues additional information concerning one of these projects that I received from the Export-Import Bank. I am inserting the letter at this point in the RECORD and I welcome any comments any of my colleagues may wish to offer.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., February 9, 1978.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR MR. SPEAKER: On September 9, 1977, the Bank informed Congress it was prepared to authorize a $250 million line of credit in favor of Petroleos Mexicanos at an interest rate of 8½ percent per annum, repayable in eight semiannual installments, beginning on March 31, 1984. The Bank has authorized the credit at an interest rate of 8¼ percent because we reduced our standard interest rate schedule between the date of our notice to Congress and the date of final authorization of the credit; the appropriate rate for the term of this line of credit is 8¼ percent.

Also, because of the delay in giving final approval to the line of credit, the availability date has been extended from September 30, 1979 to March 15, 1980, and the first repayment date of the commercial bank credit portion of the line of credit will be on March 31, 1980, instead of September 1, 1979.

Sincerely,

JOHN L. MOORE, Jr.●

THE 125TH ANNIVERSARY OF ST. PATRICK'S PARISH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, it is fitting on this St. Patrick's Day that this year the people of Cleveland will be celebrating the 125th anniversary of the founding of St. Patrick's Church, the second oldest parish in the city. When St. Patrick's was built back in 1853 under the leadership of Father James Coulon, no one could have foreseen that this church would become a haven not just for Irish immigrants, but for displaced and impoverished people of all faiths and nationalities. Father Coulon erected his church with the bricks of faith and held it together with the mortar of love. And today we commemorate the achievement of this heroic priest and pay tribute to the church which still stands as a living testament to one man's courage and faith to provide shelter for the homeless Irish immigrants who fled their famine-ravaged land in the late 1840's and early 1850's.

When we speak of St. Patrick's, we speak not only of history and tradition, but we speak also of faith, of love, and of courage. Especially courage. Imagine, if you will, what it must have been like crossing a vast ocean on a masted schooner in the 19th century. Frightened families from County Cork and County Armaggh, driven from their home and land because potatoes rotted in the earth and would not grow, huddled together in cramped and open quarters with all their worldly belongings stuffed into three cloth sacks. Turbulent waves lashing at the ship's sides and splashing on the wooden decks, the howling winds of sudden rainstorms, the infinite spreading of darkness of the night sky, the fevers and pneumonia from exposure to the cold, the sickness and diseases from a diet consisting mainly of stale bread and water, and all the while, the steady, knowing, dreading drift toward a strange land in a far part of the world. But these people endured and survived this suffering, and came to this country impoverished in material goods, but immeasurably enriched in spirit from the experience of having lived through the horrors of poverty and starvation in Ireland to sail through the dangers of an ocean crossing in search of the promise of America.

As more and more immigrants flooded into Cleveland during the 1850's and 1860's, St. Patrick's increased in size accordingly, so that in 1871, St. Patrick's School alone had 950 pupils and the congregation numbered 2,100 families. In time, St. Patrick's would expand into a larger church on a piece of land facing Bridge Avenue, but only after the death of Father Coulon in 1875 and after the depression which lasted from 1872 to 1879. A new pastor would arrive, Father Eugene O'Callaghan, and his dedication would inspire the parishioners of St. Patrick's to travel by horse-drawn wagon to Sandusky to cut stone from a quarry and haul it back to Cleveland. In that way, enough stone was quarried to build the new St. Patrick's.

Thus was the present structure built. This is the story of the building of one church. People who were poor, but devoted to the heritage, their community and their church, donated their energies to their families and to the community. The history of St. Patrick's Parish has been eloquently narrated more than sev-

eral times by Fr. Nelson Callahan, Historian of the Diocese of Cleveland.

Many Irish immigrants came to Cleveland hoping for the chance to begin their lives anew, and they turned to the Church to help them in this effort. The jobs were often hard to get, but the work that was available demanded strenuous physical exertion and usually paid very little. Most of the men and boys worked on the docks down by the old riverbed or at "Irishtown Bend." Up and down inclined wooden ramps, they pushed wheelbarrows loaded with iron ore shipped into Cleveland from the mines at the western end of Lake Superior. The back-breaking work of these men and boys helped to build the steel mills that would become a major industry for Cleveland. The Irish families whose fathers and sons worked on the docks settled together on the bluffs above the Cuyahoga River and in that way developed into a close-knit community in which St. Patrick's Church played a leading role.

St. Patrick's today continues to serve the near west side community. It is a diverse community made up not only of the Irish, but of every race and ethnic origin. St. Patrick's continues to serve its needy. Those of us who were educated at St. Patrick's grade school and who consider it to be their parish, are proud of the devoted parishioners, pastor, Father Patrick McManamon and the pastoral staff. We join with the entire Cleveland Community in saying on this St. Patrick's Day, "All Praise to St. Patrick!" ●

RAILROAD SAFETY

(Mr. SKUBITZ asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SKUBITZ. Mr. Speaker, in the last several weeks, there have been a number of disastrous railroad accidents. These accidents have highlighted the fact that our Nation's railroads lack sufficient capital for proper maintenance. Poor track continues to be the major cause for derailments, even though other factors such as faulty equipment or human error do cause some accidents.

As part of the 1976 authorization bill for railroad safety, I had an amendment adopted which required the Office of Technology Assessment to conduct an indepth study as to the adequacy of our Federal railroad safety laws and their administration. This week, that office will release its comprehensive study. I have carefully gone over a draft of the study and find that the Office of Technology Assessment has done a superb job. While the study relied on some outside consultants, the primary work was done inhouse by Lee Dickinson, the project director and Lucia Turnbull, the assistant project director. The industry—both management and labor—served on the advisory panel which made important contributions toward the success of the study. All of these individuals deserve the appreciation of the industry and the Nation for laying the framework necessary for us to really achieve railroad safety.

Among other findings made in the study are the following:

First. We have failed to develop a systematic and comprehensive approach toward railroad safety;

Second. Existing law, while perhaps adequate, is improperly focused for achieving safety performance.

Third. The jurisdictional dispute between OSHA and FRA for the safety of railroad employees in their workplace should be resolved;

Fourth. The economic condition of the railroad industry needs to be improved to obtain the capital necessary for safety performance;

Fifth. Accident data has not been adequately used in determing the nature, extent, or reasons for specific safety problems and in setting priorities for addressing problems prior to the initiation of Federal action.

Sixth. Measures of effectiveness for the current program (regulation, inspection, and research and development) have not been designed into the program;

Seventh. Alternative approaches to the regulatory process, such as incentive programs, have not been readily or systematically considered; and

Eighth. In certain areas, the divided jurisdictions among Federal agencies and among Federal, State agencies and railroads have impaired administration of safety efforts.

In addition, this study points out that the inspection programs resulting from the 1970 Safety Act do not appear to have affected the accident rate.

Finally, the report urges that increased cooperation in addressing railroad safety problems among all concerned parties and Government agencies would provide substantially greater opportunity for sizable reduction in both property and casualty losses.

The Subcommittee on Transportation and Commerce of the Interstate and Foreign Commerce Committee begins hearings on this matter on Wednesday. Yesterday, I introduced a bill which uses a different approach for achieving railroad safety. Basically, it would emphasize safety performance and require each railroad to certify to the FRA that it has a program and plan for achieving railroad safety. The approach in my bill draws heavily from the findings contained in the Office of Technology Assessment report. I believe it creates a climate for cooperation, ends uncertainties as to who is in charge of what, and places much more of the responsibility for policing the enforcement of safety laws on the industry.

I included a title in the bill which addresses the economic problems facing the railroad industry. I have used the attack of having a separate title because I believe that railroad safety requires a two-pronged approach.

First, our approach to the regulation of safety needs to be comprehensive and based on safety performance rather than the current system which tends to be piecemeal and based on regulations which may or may not affect safety. Second, I recognize the fact that the industry cannot do the job of rebuilding the Nation's railroads alone. Therefore, I have added title IV to the basic bill which provides such Federal funds as necessary to be given to those railroads which have a certified safety plan and propose track improvement and other projects which are primarily related to safety.

As ranking minority member of the Transportation and Commerce Subcommittee, I am deeply concerned that we must promptly move to implement the OTA report. I know the chairman of that subcommittee, Mr. Rooney, shares my concern and determination to effectively deal with the problem of needless railroad accidents. ●

LEGISLATION TO RETURN CONTROL OF THE POSTAL SERVICE TO THE GOVERNMENT

(Mr. SKUBITZ asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SKUBITZ. Mr. Speaker, I want to share with my colleagues a rather disturbing letter I received relating to the operations of the U.S. Postal Service from Spud Cabbagehead, a constituent of mine:

DEAR CONGRESSMAN JOE: You may never receive this letter but I feel compelled to write you nevertheless.

I say you may never receive this, Joe, 'cause I think I have discovered a plot by the Postal Service to hold all the country's mail for ransom.

I'm serious, Joe, now you may think I'm kidding but I'm not. Them boys at the Postal Service are phasing in their ransom plan right now. The mail just gets slower and slower, soon Joe, it's just going to stop. I mean right in its track, every letter in the country.

Why Joe, they have slowed down the mails now to the point a jackass could move it faster. I wrote you a very important letter on February 1st about our town council meeting. We didn't get no response from you till February 21st, three days after our meeting.

Joe, them town council members was furious, they thought you just didn't care about our sewer problem. Why old Thelma, she give a speech about that old Congressman Joe thinking he was too important to answer mail from our little town.

Then we got your letter and we seen what happen, why Joe it took 9 days for your letter to get to us, it was dated February 13th and it arrived February 21st. I called your girl in the office and she said my letter took 9 days to get to you. It took 3 days to find our information, and 9 days to get back.

Boy Joe, I sure was glad to learn you really do care about our sewer but I'm scared to death about the Postal Service.

If we hadn't done some checking on our own, most of the town council would be ready to vote you right out of office, 'cause if there is one thing this country don't need it's a Congressman who thinks he's too important to answer mail from us common folks.

Well, anyway Joe, do what you can about this Postal Service Plot. We need help.

Sincerely,

SPUD.

Spud's letter may be a bit on the humorous side, but it is extremely disturbing to me.

I think it is about time this body begins thinking in terms of defending itself. You may think the loyal opposition party—Democrat or Republican—is your chief threat to continued service as a Member of Congress, and you may be wrong.

The Democratic Party has not been able to touch me for 16 years in Kansas, but if I were running again, I would give odds that the Postal Service could do me in.

Let me give you an example. I live 18 miles from the Capitol. For the past 2 weeks my office has mailed weekly schedules to my home on Friday. They have been arriving on Tuesday. This week the schedule still has not arrived.

I checked with my administrative assistant about mail from Kansas. He pulled a handful of letters out of the incoming mail and I was shocked at what I discovered.

Letters arriving today, March 14 were as follows:

First. The Kansas Grain and Feed Dealers wrote me, March 7, regarding their membership.

Second. A constituent from Eureka, Kans., wrote, March 8, about a veteran's pension problem.

Third. The Derby, Kans., Public Library wrote, March 3—12 days ago—on pending social security rulemaking.

Fourth. The Johnson County Airport Commission wrote, March 8, about the President's tax package.

Fifth. The Altamont, Kans., Board of Education wrote, March 7, about social security legislation.

It takes my staff 2 or 3 days to turn around mail. If you add another week to 10 days delay for return postal handling—you have close to a month delay.

I would highly suggest each of my colleagues check his own mail service. The Members of this body who have been here for a few years—know the truth of what I am saying.

You stay elected because you are responsive to the needs of your constituents. If it takes a month to answer constituent mail, you are in trouble.

The postal service can do more to sabotage your reelection than any opponent you will ever face.

I feel it is time for us to take a closer look at legislation to return control of the Postal Service to the Government.

The Postal Service has already lost parcel post to UPS because they do a better job. They would lose utility billing business, if the law did not lock in that business.

In truth, our Postal Service is about on par with mail service in Papua, New Guinea, where they will agree to take your letter with no guarantees it will ever end up where it is going.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GILMAN (at the request of Mr. RHODES), for March 17, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous material:)

Mr. MILLER of Ohio, for 10 minutes, today.
Mr. COLEMAN, for 10 minutes, today.
Mr. CONTE, for 5 minutes, today.
Mr. WALKER, for 15 minutes, today.
Mr. WINN, for 15 minutes, today.

(The following Members (at the request of Mr. KILDEE) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. MCDONALD, for 5 minutes, today.
Mr. BOWEN, for 5 minutes, today.
Mr. WEISS, for 5 minutes, today.
Mr. DENT, for 5 minutes, today.
Mr. ROBERTS, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Ms. OAKAR, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SKUBITZ, in two instances.

Mr. RUDD, and to include extraneous material, following his remarks on the Quie amendment in the Committee of the Whole on H.R. 50 today.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. FREY.
Mr. DICKINSON.
Mr. BROWN of Ohio.
Mr. ANDERSON of Illinois.
Mr. SARASIN.
Mr. DERWINSKI.
Mr. STEERS in two instances.
Mr. O'BRIEN.
Mr. COLEMAN.
Mr. SCHULZE.
Mr. WHALEN.
Mr. KELLY.
Mr. LAGOMARSINO.
Mr. EVANS of Delaware.
Mr. DORNAN in two instances.

(The following Members (at the request of Mr. KILDEE) and to include extraneous matter:)

Mr. DRINAN.
Mr. SHIPLEY.
Mr. LONG of Louisiana in two instances.
Mr. FARY in two instances.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. EDWARDS of California.
Mr. OTTINGER.
Mr. SIMON in two instances.
Mr. LEHMAN.
Ms. KEYS.
Mr. HAMILTON.
Mr. EDGAR in four instances.
Mr. UDALL.
Mr. WAXMAN in two instances.
Mr. NOLAN.
Mr. WRIGHT.
Mr. NEAL.
Mr. ST GERMAIN.
Mr. RICHMOND.
Mr. EILBERG in two instances.
Mr. TEAGUE.
Mr. RANGEL.
Mr. WEAVER.
Mr. ALEXANDER in two instances.
Ms. OAKAR.
Ms. HOLTZMAN.
Mr. WALGREN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 219. An act for the relief of Samy Ennabe; to the Committee on the Judiciary;

S. 222. An act for the relief of Dr. Nazeeh A. L. Abdul-Hadi; to the Committee on the Judiciary;

S. 337. An act for the relief of Miriama Jones; to the Committee on the Judiciary;

S. 391. An act for the relief of Brigitte Marie Harwood; to the Committee on the Judiciary;

S. 511. An act for the relief of Tin Foo Chan (also known as Michael Chan); to the Committee on the Judiciary;

S. 513. An act for the relief of Denno Chung-Sang Li, Nicholas Lit-Yung, and Augustine Ka-Cheung Wu; to the Committee on the Judiciary;

S. 958. An act for the relief of Ernesto Garcia, Jr.; to the Committee on the Judiciary;

S. 1079. An act for the relief of Russell Warren Howe; to the Committee on the Judiciary;

S. 1135. An act for the relief of Young-soon Choi; to the Committee on the Judiciary;

S. 1335. An act for the relief of Shin Myong Yo Purdom, also known as Myong Yo Sin; to the Committee on the Judiciary;

S. 1399. An act for the relief of Kwan Do Sun; to the Committee on the Judiciary;

S. 1418. An act for the relief of Sang Soo Lee; to the Committee on the Judiciary;

S. 1639. An act for the relief of Shenn-Song Theresa Lee; to the Committee on the Judiciary; and

S. 1933. An act for the relief of Anwar; to the Committee on the Judiciary.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, March 16, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3567. A letter from the Comptroller General of the United States, transmitting a report on the status of the Army's Stinger surface-to-air missile program (PSAD-78-20, March 15, 1978); jointly, to the Committees on Government Operations and Armed Services.

3568. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's next generation aircraft carrier (PSAD-78-24, March 15, 1978); jointly, to the Committees on Government Operations and Armed Services.

3569. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's FFG-7 guided missile frigate shipbuilding program (PSAD-78-28, March 15, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3570. A letter from the Under Secretary of Defense (Research and Engineering), transmitting the annual report for fiscal year 1977 on independent research and development and bid and proposal costs, pursuant to section 203(c) of Public Law 91-441; to the Committee on Armed Services.

3571. A letter from the Under Secretary of Defense (Research and Engineering), transmitting supplemental detailed data to the annual report for fiscal year 1977 on independent research and development and bid and proposal costs, pursuant to section 203 (c) of Public Law 91-441; to the Committee on Armed Services.

3572. A letter from the Acting Staff Director, Commission on Civil Rights, transmitting a report on the Commission's activities under the Freedom of Information Act during Calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3573. A letter from the Records Officer, Postal Service; transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3574. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 5(a) of the Wild and Scenic Rivers Act by designating a segment of the North Umpqua River and its Steamboat Creek tributary in Oregon as potential additions to the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

3575. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of July 19, 1940 (Domestic Travel Act), to authorize additional appropriations and for other purposes; to the Committee on Interstate and Foreign Commerce.

3576. A letter from the Comptroller General of the United States, transmitting comments on proposed legislation regarding the Federal regulation of lobbying; to the Committee on the Judiciary.

3577. A letter from the Comptroller General of the United States transmitting a report on needed reforms of the Military Retirement System (FPCD-77-81, March 13, 1978); jointly to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on House Administration. House Resolution 1070. Resolution authorizing funds for the standing and select committees of the House of Representatives (Rept. No. 95-959). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1078. Resolution providing for the consideration of H.R. 7700. A bill to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes (Rept. No. 95-960). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 978. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce; with amendment (Rept. No. 95-963). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 985. Resolution to provide funds for the Select Committee on Congressional Operations; with amendment (Rept. No. 95-964). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 989. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Population; with amendment (Rept. No. 95-965). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 996. Resolution to provide funds for the expenses of the investigation and study authorized by a resolution adopted on February 3, 1977, by the Committee on International Relations; with amendment (Rept. No. 95-966). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 997. Resolution to provide funds for the further expenses of the investigations and studies of the Committee on Small Business; with amendment (Rept. No. 95-967). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1000. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries; with amendment (Rept. No. 95-968). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1041. Resolution providing funds for the Committee on Post Office and Civil Service; with amendment (Rept. No. 95-969). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1045. Resolution providing funds for the ad hoc Select Committee on the Outer Continental Shelf; with amendment (Rept. No. 95-970). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1047. Resolution providing funds for the Committee on International Relations with expenses incurred in connection with visits to the United States by foreign heads of state and other foreign officials and for similar expenses incurred for meetings with senior U.S. Government officials and other dignitaries to discuss matters relevant to U.S. relations with other countries; with amendment (Rept. No. 95-971). Referred to the House Calendar.

Mr. ANNUNZIO: Committee on House Administration. House Resolution 1051. Resolution providing funds for the ad hoc Committee on Energy (Rept. No. 95-972). Referred to the House Calendar.

Mr. TEAGUE: Committee on Science and Technology. H.R. 11401. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, for other purposes (Rept. No. 95-973). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 11495. A bill to authorize research, development, and demonstration projects relating to aviation, and for other purposes. (Rept. No. 95-974). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 3995. A bill for the relief of Habib Hadded (Rept. No. 95-961). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 5612. A bill for the relief of Irene Hoffman (Rept. No. 95-962). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 8449. A bill for the relief of Lourdes Marie Hudson (Rept. No. 95-975). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rules X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY (for himself, Mr. ROSTENKOWSKI, Mr. FRENZEL, Mr. ABDNOR, Mr. CONTE, Mr. EMERY, Mr. ANDREWS of North Dakota, Mr. FRASER, Mr. WOLFF, Mr. JACOBS, Mrs. SCHROEDER, Mr. LEDERER, Mr. BOLAND, Mr. SCHEUER, Mr. BRODHEAD, Mr. STEERS, Mr. WATKINS, Mr. JEFFORDS, Mr. QUIE, Mr. HARSHA, Mr. YOUNG of Florida, Mr. ADDABBO, Mr. DAVIS, Mr. GAMMAGE, and Mr. HANSEN):

H.R. 11556. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

By Mr. BROYHILL:

H.R. 11557. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary.

By Mr. CARNEY:

H.R. 11558. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

By Mr. CARNEY (for himself and Mr. HILLIS):

H.R. 11559. A bill to pay tribute to those members of the U.S. Armed Forces who served honorably in Southeast Asia during the Vietnam era; to the Committee on Veterans' Affairs.

By Mr. CONYERS (for himself, Mr. DANIELSON, Mr. FASCELL, and Mr. MCCLOSKEY):

H.R. 11560. A bill to translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government; to the Committee on Education and Labor.

By Mr. CRANE:

H.R. 11561. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaluate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

H.R. 11562. A bill to amend the Antidumping Act of 1921; to the Committee on Ways and Means.

H.R. 11563. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. DERRICK:

H.R. 11564. A bill to amend the Consolidated Farm and Rural Development Act to provide an alternative method of financing the land, equipment, and operating expenses of qualified farm families, including young farmers, and to help provide the farm family with adequate standards of living and the consumer with reasonable prices for agricultural products, and for other purposes; to the Committee on Agriculture.

H.R. 11565. A bill to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes; to the Committee on Agriculture.

By Mr. DICKINSON:

H.R. 11566. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. ECKHARDT:

H.R. 11567. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1979–81, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of Oklahoma:

H.R. 11568. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaluate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

H.R. 11569. A bill to amend the Antidumping Act, 1921, to expedite procedures for making certain findings under such act and for imposing special dumping duties, and for other purposes; to the Committee on Ways and Means.

H.R. 11570. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. AKAKA, Mr. AuCOIN, Mr. BALDUS, Mr. BONIOR, Mr. CARNEY, Mr. CONYERS, Mr. DUNCAN, of Tennessee, Mr. EILBERG, Mr. GUYER, Mr. HARKIN, Mr. KILDEE, Mr. LaFALCE, Mrs. LLOYD of Tennessee, Mr. McHUGH, Mr. MIKVA, Mr. MOSS, Mr. NOLAN, Mr. PANETTA, Mr. RAHALL, Mr. ROE, Mrs. SPELLMAN, Mr. THOMPSON, and Mr. TSONGAS):

H.R. 11571. A bill to establish a comprehensive program of long-term care services for aged individuals, and to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of such services; jointly, to the Committees on Agriculture, Education and Labor, Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. FRASER (for himself, Mr. VENTO, Mr. WALGREN, and Mr. CHARLES H. WILSON of California):

H.R. 11572. A bill to establish a comprehensive program of long-term care services for aged individuals, and to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of such services; jointly, to the Committees on Agriculture, Education and Labor, Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. HYDE (for himself and Mr. GEPHARDT):

H.R. 11573. A bill to amend the Rehabilitation Act of 1973 with respect to the definition of a handicap; to the Committee on Education and Labor.

By Mrs. KEYS:

H.R. 11574. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of an involuntary conservation of real property to which the special farm valuation provisions of the Federal estate tax apply; to the Committee on Ways and Means.

By Mr. MOSS (for himself, Mr. BUCHANAN, Mr. D'AMOURS, Mr. DUNCAN of Oregon, Mr. LE FANTE, Mr. LIVINGSTON, Mr. MATTOX, Mr. NOLAN, Mr. MITCHELL of Maryland, Mr. PATTERSON of California, Mr. RYAN, Mr. SIMON, Mr. SISK, Mr. STEIGER, Mr. STEERS, Mr. CHARLES WILSON of Texas, and Mr. WIRTH):

H.R. 11575. A bill to exercise the power of the Congress under article IV of the Constitution to declare the effect of certain State judicial proceedings respecting the custody of children; to the Committee on the Judiciary.

By Mr. MICHAEL O. MYERS (for himself, Mr. HAWKINS, Mr. LEDERER, Mr. NIX, Mr. PERKINS, Mr. VENTO, Mr. EILBERG, Mr. EDGAR, Mr. CLAY, Mr. GEPHARDT, Mr. EDWARDS of California, Mr. RICHMOND, Mr. PATTISON of New York, Mr. RANGEL, Mr. MURPHY of Pennsylvania, Mr. COUGHLIN, Mr. GAYDOS, Mr. CHARLES H. WILSON of California, Mr. THOMPSON, Mr. STOKES, Mr. FAUNTROY, and Mr. STEERS):

H.R. 11576. A bill to provide a special program of financial assistance to Opportunities Industrialization Centers in order to provide new motivational and skills training opportunities for welfare recipients, and new incentives for business and industry to coordinate their employment plans and job creation efforts with Opportunities Industrialization Centers and national community-based organizations which have demonstrated effectiveness in developing cooperative relationships with the private sector; to the Committee on Education and Labor.

By Ms. OAKAR:

H.R. 11577. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled Justices and judges of the United States, and the removal of Justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1, of the Constitution, and for other purposes; to the Committee on the Judiciary.

By Mr. PRESSLER:

H.R. 11578. A bill to regulate interstate and foreign commerce in agricultural products, to promote the general welfare by providing price and income protection to agricultural producers by securing to producers a price for agricultural commodities of not less than 100 percent of parity for such commodities; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. ROBERTS (for himself, Mr. MAHON, Mr. POAGE, Mr. BURLESON of Texas, Mr. BROOKS, Mr. WRIGHT, Mr. YOUNG of Texas, Mr. GONZALEZ, Mr. PICKLE, Mr. de la GARZA, Mr. WHITE, Mr. COLLINS of Texas, Mr. ECKHARDT, Mr. KAZEN, Mr. ARCHER, Miss JORDAN, Mr. MILFORD, Mr. CHARLES WILSON of Texas, Mr. HALL, Mr. HIGHTOWER, Mr. KRUEGER, Mr. GAMMAGE, and Mr. MATTOX):

H.R. 11579. A bill to designate the Veterans' Administration hospital located at 1901 S. First Street, Temple, Tex., as the Olin E. Teague Veterans' Hospital; to the Committee on Veterans' Affairs.

By Mr. SAWYER:

H.R. 11580. A bill to amend title 18 of the United States Code to make lawful certain activities concerning certain foreign and domestic legal lotteries; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 11581. A bill to provide for the seizure, forfeiture, and disposition of vehicles used to illegally transport persons into the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. WIGGINS:

H.R. 11582. A bill to amend title 18, United States Code, and title 39, United States Code, to limit the application of certain penalties and prohibitions relating to foreign lotteries; jointly, to the Committees on the Judiciary, and Post Office and Civil Service.

By Mr. YATRON:

H.R. 11583. A bill to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BONIOR:

H.R. 11584. A bill to amend title 38, United States Code, to provide for the payment by the Veterans' Administration of special assessments levied against the real property of any veteran, or the surviving spouse of any veteran, with a permanent and total service-connected disability to establish a Federal lien on such property for the amount of such payment, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CAPUTO:

H.R. 11585. A bill to provide that the U.S. District Court for the Southern District of New York shall be held at New York, N.Y., and White Plains, N.Y.; to the Committee on the Judiciary.

By Mr. DINGELL (for himself and Mr. MARKEY):

H.R. 11586. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas, petroleum, petroleum products, and certain other materials, to provide standards with respect to the siting, construction, and operation of liquefied natural gas and liquid petroleum gas facilities, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. McKINNEY:

H.R. 11587. A bill to repeal provisions of law which prohibit banks which are federally insured or members of the Federal Reserve System and savings and loan associations which are federally insured from participating in lotteries; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROUSSELOT (for himself, Mr. BEDELL, and Mr. SYMMS):

H.R. 11588. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the armed forces, and for other purposes; to the Committee on Armed Services.

By Mrs. SPELLMAN (for herself, Mr. BRADEMAS, and Mr. RICHMOND):

H.R. 11589. A bill to require that from one-half to 1 percent of any funds appropriated for the construction of certain public buildings be used for artwork for such buildings, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. STEIGER:

H.R. 11590. A bill to amend the Internal Revenue Code of 1954 to provide that the use of the zero bracket amount will not reduce

the benefits of income averaging; to the Committee on Ways and Means.

By Mr. MIKVA:

H.J. Res. 794. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. PURSELL:

H.J. Res. 795. Resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. YATES (for himself, Mr. STUMP, Mr. MCKINNEY, Mr. DON H. CLAUSEN, Mr. DAVIS, Mrs. MEYNER, Mr. PEASE, Mr. WHITEHURST, Mr. ANDERSON of Illinois, Mr. CARNEY, Mr. CRANE, Mr. MCCLORY, Mr. MADIGAN, Mr. SYMMS, Mr. CHARLES H. WILSON of California, Mr. THONE, Mr. MCCORMACK, Mr. WALGREN, Mr. NOLAN, Mr. EDWARDS of Oklahoma, Mr. DIGGS, and Mr. BYRON):

H. Con. Res. 523. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. YATES (for himself, Mr. HORTON, Mr. FREY, Mr. QUIE, Mr. SHUSTER, Mr. HANSEN, Mr. ROBINSON, Mr. BUTLER, Mr. BEARD of Tennessee, Mr. WAMPLER, Mr. BARNARD, Mr. NEAL, Mr. CEDERBERG, Mr. YOUNG of Florida, Mr. ARMSTRONG, Mr. IRELAND, Mr. MOORHEAD of Pennsylvania, Mr. WHITE, Mr. LONG of Louisiana, Mrs. LLOYD of Tennessee, Mr. FOWLER, and Mr. SHIPLEY):

H. Con. Res. 524. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. YATES (for himself, Mr. WIGGINS, Mr. BUCHANAN, Mr. NICHOLS, Mr. MANN, Mr. ICHORD, Mr. WATKINS, Mr. LEDERER, Mr. MICHAEL O. MYERS, Mr. GARCIA, Mr. GOLDWATER, Mr. HOLLAND, Mr. BURKE of Massachusetts, Mr. BURKE of Florida, Mr. GORE, Mr. NEDZI, Mr. DORNAN, Mr. STEIGER, Mr. BROOMFIELD, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, Jr., Mr. KETCHUM, Mr. SNYDER, and Mr. SEBELIUS):

H. Con. Res. 525. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. BIAGGI (for himself, Mr. HUBBARD, Mr. VOLKMER, Mr. JENKINS, Mr. SKELTON, Mr. SATTERFIELD, Mr. LUJAN, Mr. QUAYLE, Mr. MICHEL, Mr. BEARD of Rhode Island, Mr. BENNETT, Mr. BROYHILL, Mr. EDWARDS of Alabama, Mr. MOLLOHAN, Mr. QUILLEN, and Mr. ZABLOCKI):

H. Con. Res. 526. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. YATES (for himself, Mr. BROWN of Michigan, Mr. RUPPE, Mr. SARASIN, Mr. TUCKER, Mr. CAVANAUGH, Mr. YOUNG of Alaska, and Mr. NOWAK):

H. Con. Res. 527. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. AMBRO, Mr. AUCOIN, Mr. BADHAM, Mr. BINGHAM, Mr. BLANCHARD, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. BURKE of Florida, Mr. CEDERBERG, Mr. CONTE, Mr. COTTER, Mr. DRINAN, Mr. EILBERG, Mr. EMERY, Mr. FREY, Mr. GRASSLEY, Mr. HORTON, Mr. KREBS, Mr. LAGOMARSINO, Mr. LEACH, Mr. LEHMAN, Mr. LENT, Mr. MAGUIRE, and Mr. MAZZOLI):

H. Con. Res. 528. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. ARCHER, Mr. EVANS of Delaware, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. NOWAK, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PEASE, Mr. PEPPER, Mr. QUILLEN, Mr. RICHMOND, Mr. ROE, Mr. STEERS, Mr. TRIBLE, Mrs. SPELLMAN, Mr. VANDER JAGT, Mr. WHITEHURST, Mr. WOLFF, and Mr. YOUNG of Florida):

H. Con. Res. 529. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. DORNAN (for himself, Mr. BONIOR, Mr. OTTINGER, Mr. BEILENSON, and Mr. LEDERER):

H. Con. Res. 530. Concurrent resolution expressing the sense of the House with respect to the Baltic States; to the Committee on International Relations.

By Mr. BAFALIS (for himself, Mr. BAUMAN, Mr. BLANCHARD, Mr. BURKE of Florida, Mr. DEL CLAWSON, Mr. ROBERT W. DANIEL, Jr., Mr. DUNCAN of Tennessee, Mr. EDWARDS of Alabama, Mr. HARRIS, Mrs. HOLT, Mr. ICHORD, Mr. KETCHUM, Mr. LATTA, Mr. LOTT, Mr. MARRIOTT, Mr. MILLER of Ohio, Mr. MOTTL, Mr. ROUSSELOT, Mr. TREEN, Mr. WAMPLER, Mr. YATRON, and Mr. YOUNG of Florida):

H. Res. 1079. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

331. By the SPEAKER: Memorials of the Legislature of the State of California, relative to student tuition for residents of U.S. possessions; to the Committee on Education and Labor.

332. Also, memorial of the Legislature of the State of California, relative to service pensions for veterans of World War I; to the Committee on Veterans' Affairs.

333. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the transfer of Federal funds from military spending to human needs programs; to the Committee on Appropriations.

334. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to restricting certain import and travel activities which benefit Uganda; jointly, to the Committees on International Relations, and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. JEFFORDS introduced a bill (H.R. 11591) for the relief of Camille Joseph Paul; which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 50

By Mr. ASHBROOK:

Page 97, line 5, insert after the comma "balancing the budget".

By Mr. BAUMAN:

Page 72, beginning on line 4, strike out "The national priority" and all that follows down through and including line 7 and insert in lieu thereof the following: "Such national priority policies and programs may include, but are not limited to the following:".

Page 72, strike out line 19 and everything that follows through line 8 on page 73.

Page 65, line 7, strike out "currently" and insert in lieu thereof "at such time".

Page 73, line 5, strike out "The Congress" and all that follows down through and including line 14 and insert in lieu thereof close quotation marks and a period.

Page 64, line 15, insert "private sector employment,". after "unemployment,".

Page 73, line 5, insert immediately before the period the following: "and the objective of reasonable price stability pursuant to section 5(b)".

Page 65, line 8, after "labor" insert the following: ", except that any such rate shall not include employment in any public service employment or training program authorized by an Act of Congress, such as the Comprehensive Employment and Training Act of 1973, the Public Works Employment Act of 1976, or any other existing public employment or training program or any new program or training authorized by this or any other Act of Congress which provides employment or training in the public sector in excess of the permanent public work force".

Amend the substitute to the Ashbrook Amendment by inserting at the end thereof the following:

Page 69, immediately after line 10, insert the following new subsection:

"(c) In choosing means to achieve the goal of unemployment the President shall first recommend those policies and programs designed to achieve a balancing of the Federal budget within five years after the date on enactment of the Full Employment and Balanced Growth Act of 1978.".

Page 63, strike out lines 14 through 19.

Title IV on "General Provisions" is amended by adding at the end thereof the following new section:

"FIVE-YEAR AUTHORIZATION

"SEC. 405. The provisions of this Act shall be effective only for the fiscal year ending September 30, 1982, unless reauthorized for a longer period by an Act of Congress.".

Page 71, line 19, strike out lines 19 through line 25; on page 72, strike out lines 1 through line 18.

Page 105, beginning on line 5, strike out "equal wages for equal work" and insert in lieu therof the following: "not to exceed the minimum wage for a workweek of forty hours, as provided under section 6 of the Fair Labor Standards Act of 1938, or if higher, not more than the applicable State or local minimum wage".

Page 105, line 14, strike out "less" and all that follows down through "1938" on line 21 and insert in lieu thereof "more than the minimum wage for a workweek of forty hours as provided under section 6 of the Fair Labor Standards Act of 1938, or if higher, not more than the applicable State or local minimum wage".

Page 106, beginning on line 2, strike out "appropriate wage provisions based upon existing wage standard legislation" and insert in lieu thereof "wage standards which are not in excess of those provided for in this section".

The new section 4 of the Employment Act of 1946, as revised by the Jeffords amendment to section 104 of the bill is amended by inserting before the period at the end of the first sentence in section 4(a)(2)(A) the following: "interim numerical goals designed to reduce the Federal tax burden on American citizens".

By Mrs. HOLT:

On page 70, immediately after line 7, add the following:

"(A) national defense;"

And redesignate the succeeding paragraphs accordingly; and

On page 71, line 9, strike out the words: "national defense and".

By Mr. GARY MYERS:

Amendments to the bill H.R. 50:

Title I: Strike the last word. Strike the requisite number of words.

Title II: Strike the last word. Strike the requisite number of words.

Title III: Strike the last word. Strike the requisite number of words.

By Mr. PIKE:

Page 65, line 8, After "Labor" strike out the period, replace it with a comma and insert "reduced by not counting as unemployed those who are unemployed because of strikes, those who have been unemployed for less than four weeks, those who have jobs waiting but for their own convenience are not ready to enter employment, those who are not seeking full-time work, and those who voluntarily left their last jobs.".

By Mr. QUIE:

Strike out everything after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Economic Revitalization Act of 1978".

GENERAL FINDINGS

SEC. 2. (a) The Congress finds that Americans have suffered the cruel ravages of high inflation, an ever-increasing tax burden and substantial unemployment and underemployment, low farm income, idleness of other productive resources, and inadequate productivity growth, imposing numerous economic and social costs on the Nation.

(b) The Congress further finds—

(1) that unemployment is a personal tragedy, that the unemployed should be treated as people rather than just statistics and have adequate counseling and assistance looking toward retraining, if necessary, which will lead to permanent employment in the private sector of the economy;

(2) that maximum employment, reduced inflation, increased production and real income, and adequate productivity growth all accomplished under the free enterprise system are important national requirements that will promote the economic security and well-being of all citizens of the Nation;

(3) that business and industry are deprived, as a consequence of the circumstances described in subsection (a), of the production, sales, capital flow, and productivity necessary to maintain adequate profits, undertake new investment, create jobs, and contribute to meeting society's economic needs;

(4) that inflation is eroding the buying power of Americans, reducing their standard of living, and jeopardizing individual savings for family necessities and retirement;

(5) that an increasing tax burden coupled with high inflation places earnings in double jeopardy, as "tax bracket creep" moves wage earners into higher brackets and inflation erodes the buying power of after-tax income, and as a result earnings buy less and the Government takes more in taxes;

(6) that job creation and capital formation in the private sector is inhibited by tax disincentives and a Federal tax program which discourages the savings and investment necessary to stimulate economic expansion; and

(7) that excessive deficit spending by the Federal Government fans inflation, boosts interest rates, crowds the private sector out of the money market, and reduces capital formation for economic expansion necessary to create permanent, nonsubsidized jobs.

(8) that the Nation's farmers have not received sufficient income for their produce sufficient to maintain an adequate standard of living and to assure full use of our Nation's agriculture resources.

(c) The Congress further finds that an effective policy to promote maximum employment, reduce inflation, increase production and real income, and provide adequate productivity growth should be based on the development of explicit policies by the President and Congress for the full use of the resources and ingenuity of the private sector of the economy.

TITLE I—AMENDMENTS TO THE EMPLOYMENT ACT OF 1946 ECONOMIC REPORT OF THE PRESIDENT

SEC. 101. Section 3(a) of the Employment Act of 1946 is amended to read as follows:

"SEC. 3. (a) The President shall transmit to the Congress not later than January 20 of each year an economic report (hereinafter called the 'Economic Report') setting forth current and foreseeable trends in employment and unemployment, with particular attention to private sector employment and unemployment; the rate of inflation; the Federal tax burden both corporate and individual; real income; farm income; purchasing power; Federal deficits, energy consumption, and levels of energy imports; and other indices which will assist the Congress in determining the health of the economy.

"(b) To assure that the Congress pursues a balanced approach to reach the full economic health of the nation, the President shall transmit to the Congress annual numerical goals, and the programs and policies which he or she deem necessary, consistent with achieving within five years after the date of enactment of the"

"the following:

"(1) a reduction in unemployment without the use of public service employment, among Americans age 16 and over to not more than three per centum of the labor force and a reduction of unemployment among Americans age 20 and over to not more than three per centum of the labor force;

"(2) an annual rate of inflation, without the use of any control of wages or prices in the private sector, not to exceed three per centum;

"(3) a reduction of the Federal tax burden to a level not greater than the Federal tax burden during calendar year 1965;

"(4) obtaining farm income at not less than 100 per centum of parity at the marketplace;

"(5) the balancing of the Federal budget;

"(6) the reduction of minority youth unemployment age 16 to 24 to that of nonminority youth and unemployment among all youth age 16 to 24 to that among adult males age 24 and over

"(c) In setting forth the goals and programs and policies specified in subsection (b), the President shall present an analysis of:

"(1) the effect of inflation on the real income of Americans, on marginal tax rates, and the percentage change of tax returns filed in each bracket and the effects of such changes on employment, real income and purchasing power;

"(2) the effect of unemployment, underemployment, idleness of other productive resources, inadequate productivity growth, declining real income, Federal deficits, and inflation on private sector productions, sales, capital flow, productivity, new investment, job creation;

"(3) and the cost of such unemployment to the American people in terms of increased Federal outlays, loss of personal income, health and other related costs and other such costs;

"(4) the extent to which Federal policies encourage or discourage business investment in areas of high unemployment;

"(5) any other analysis which the President deems necessary to further describe the state of the economy and justify the specific recommendations called for in subsection (b).

"(d) For the purposes of this section,

"(1) the percentage rate of unemployment shall be the rate of unemployment as a percentage of the civilian labor force as set forth currently by the Bureau of Labor Statistics in the Department of Labor, except that such shall not include any individual hired into public service employment,

"(2) the term 'public service employment' includes employment in any public service employment or training program authorized by any act of Congress, such as the Comprehensive Employment and Training Act of 1973, or any other new program in training authorized by this or any other Act of Congress which provides employment or training in the private sector in excess of the permanent public work force,

"(3) the term 'inflation' shall mean that the rate of increase in consumer prices as measured by the Consumer Price Index as set forth currently by the Bureau of Labor Statistics in the Department of Labor,

"(4) the term 'Federal tax burden' shall be the ratio of the total Federal tax collections in a calendar year to national income for such year as such term is used in the income and products accounts of the United States as published by the Department of Commerce."

COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 102. Section 4(a) of the Employment Act of 1946 is amended to read as follows:

"SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the 'Council'). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, and each of whom shall be a person who as a result of his training, experience, and attainments is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend national economic policy to promote full employment, production, and purchasing power under free competitive enterprise, and, specifically, a program to determine the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and the percentage change of tax returns filed in each bracket, the level of employment, production, real income, farm income, the Federal deficit, and purchasing power under free competitive enterprise and to assist the President in developing the goals and policy recommendation set forth in section 3. The President shall designate one of the members of the Council as Chairman".

TAX IMPACTS OF INFLATION

SEC. 103. (a) Paragraph (2) of section 4(c) of the Employment Act of 1946 is amended to read as follows:

"(2) to gather timely and authoritative information concerning economic trends, both current and prospective, including the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and percentage of tax returns filed in each bracket, the levels of employment, production, real income, farm income, purchasing power, and federal deficits, to analyze and interpret such information in the light of the policy declared in section 2 for the purpose of determining whether such developments and trends are interfering or are likely to interfere, with the achievement of such policy and to compile and submit to the President studies relating to such developments and trends;".

(b) Paragraph (4) of section 4(c) of the Employment Act of 1946 is amended to read as follows:

"(4) to develop and recommend to the President national economic policies to foster and promote a program to determine the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and the percentage change of tax returns filed in each bracket, the level of employment, production, real income, farm income, purchasing power, Federal deficits and to promote free competitive enterprise, to avoid economic fluctuations or to diminish the effects thereof and thus to maintain employment, production, purchasing power and full farm income, and a balanced Federal budget;".

TITLE II—ESTABLISHMENT OF A PRESIDENTIAL TASK FORCE ON YOUTH UNEMPLOYMENT

GENERAL FINDINGS

SEC. 201. The Congress finds that—

(1) notwithstanding improved economic growth and a continuing reduction in the overall rate of unemployment, youth unemployment continues to represent nearly half of overall unemployment and the rate of such unemployment has not been reduced;

(2) existing structural policies have been ill designed and ineffective in reducing youth unemployment; and

(3) the reduction in the rate of unemployment among the young, but particularly minority youth, would greatly alleviate and reduce the overall rate of unemployment.

PRESIDENTIAL TASK FORCE ON YOUTH UNEMPLOYMENT

SEC. 202. (a) There is hereby established in the Executive Office of the President a Presidential Task Force on Youth Unemployment, hereafter referred to as the "Task Force", to furnish recommendations to the President pursuant to section 103, which shall consist of eleven members appointed by the President, by and with the advice and consent of the Senate. Two of the members shall be representatives of business but shall be selected on the basis of their experience and knowledge of the labor market problems of youth, particularly in regards to wage and employment standards, collective bargaining agreements, and other such factors, and who have worked with labor in developing employment and training efforts for youth. Two of the members shall be representatives of labor, but shall be selected on the basis of their experience and knowledge of labor-sponsored apprenticeship and other such youth programs, wage and employment standards, collective bargaining, and who have worked with business in providing employment and training opportunities for youth. Two members shall be representatives of State and local government, but shall have had experience in carrying out the provisions of section 327 (a)(3), section 327(b), section 342(a)(3)(b), and section 352(3)(A) of the Comprehensive Employment and Training Act. Three members shall be from the public at large, but one will either represent youth and have a thorough knowledge and understanding of the labor market problems of youth or shall represent an organization which has a special understanding of the labor market problems of youth, and one who shall have a special understanding of the labor market problems of rural youth. In addition, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall serve as members of the Task Force.

(b) Except when six members of the Task Force shall vote to hold an executive session for a particular purpose, the Commissioner of Labor Statistics, the Director of the Bureau of the Census, the Chairman of the National Commission for Manpower Policy, the Chairman of the Council on Economic Advisors, the Chairman of the National Commission on Employment and Unemployment Statistics, or in each case a designee, shall assist and participate in the hearings, deliberations and preparations of Task Force recommendations.

(c) The President shall designate a Chairman from among the appointed members of the Task Force.

(d) The Chairman, with the concurrence of the appointed members of the Task Force, shall appoint an executive director, who shall be the chief executive officer of the Task Force. The executive director may appoint, with the concurrence of the Chairman, such professional, technical, and clerical staff as are necessary to carry out the provisions of this section. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments to the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate of GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Chairman, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. The Task Force may utilize such staff, with or without reimbursement, from the Department of Labor, the Department of Commerce, and such other appropriate Federal agencies as may be available to assist the Task Force in carrying out its responsibilities.

(e) The Task Force shall determine its own internal procedures, including the constituting of a quorum.

(f) The Task Force is authorized to accept and utilize voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 31, United States Code.

(g) Members of the Task Force who are not officers or employees of the Federal Government shall be paid compensation at a rate not to exceed the per diem equivalent of the rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Task Force, including traveltime; and, while serving away from their homes or regular places of business, shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as such expenses are authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

FUNCTIONS

SEC. 203. The Task Force shall—

(1)(A) identify the specific labor market problems of youth, but in particular minority youth;

(B) determine the extent to which existing structural policies of the government, including Federal, State, and local policies, work to mitigate such problems;

(C) identify the extent to which labor market barriers exist, including the effects of civil service, collective-bargaining arrangements, lack of education and training, and wage standards which create labor market problems for youth;

(D) identify the extent to which macroeconomic policies, such as tax and fiscal policy, have on labor market problems of youth, both nationally and regionally;

(E) identify long-range projections on labor market activity for youth;

(F) determine the extent to which the public education system relates youth to the labor market;

(G) determine the extent to which existing Federal programs, such as the Comprehensive Employment and Training Act, the Public Works Employment Act, contribute to alleviating the labor market problems of youth; and

(H) the extent to which federally mandated wage standards, such as those authorized under the Fair Labor Standards Act, the Davis-Bacon Act, Walsh-Healey, and the Service Contract Act contribute to the labor market problems of youth; and

(2) make a report to the President and the Congress within twelve months after the date of appointment of the first five members of the Task Force, which shall include:

(A) the findings of the Task Force under paragraph (1) and shall provide explicit programmatic recommendations to achieve the following:

(i) reduction of minority youth unemployment age sixteen to twenty-four to that of nonminority youth unemployment within five years; and

(ii) a reduction of youth unemployment age sixteen to twenty-four equivalent to that of adult males age twenty-four and over within five years;

(B) shall include recommendations for changes in macroeconomic and microeconomic fiscal and tax policies, in existing Federal and State employment programs;

(C) shall include a feasible schedule for the implementation of the Task Force recommendations, including a feasible schedule for their implementation, cost estimates and any appropriate draft regulations and legislation to implement such recommendations; and

(D) shall include recommended amendments to existing structural unemployment programs, such as those provided in the Comprehensive Employment and Training Act, the Public Works Employment Act of 1976, to redirect such programs to reducing the unemployment problems of minority youth in general.

ADMINISTRATIVE PROVISIONS

SEC. 204. (a) Each department, agency, and instrumentality of the Federal Government is authorized and directed to cooperate fully with the Task Force in furnishing appropriate information to assist the Task Force in carrying out its functions under this section.

(b) The head of each department, agency, or instrumentality of the Federal Government is authorized to provide such support and services to the Task Force, upon request of the Chairman, as may be agreed between the head of the department, agency, or instrumentality and the Chairman.

(c) There are authorized to be appropriated such sums and eighty days after submission of its final report as required under section 105 of this section.

(d) The Task Force or, on the authorization of the Task Force, any subcommittee or members thereof, may, for the purposes of carrying out the provisions of this section, hold such hearings, take such testimony, and sit and act at such times and places as the Task Force deems advisable. Any member authorized by the Task Force may administer oaths or affirmations to witnesses appearing before the Task Force or any subcommittee or members thereof.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

REPORT

SEC. 205. (a) Upon submission of the final report, the President shall take steps to ascertain the views of each affected executive agency, and shall make a report, so at the time of the next submission of the Economic Report required under section 3 of the Employment Act of 1946, but in no event later than January 20, 1980, which sets forth the President's recommendations for reducing youth unemployment. Such report shall comment on—

(1) the desirability, feasibility, and cost of implementing each of the Task Force recommendations and the actions taken or

planned with respect to implementation; and

(2) recommendations with respect to any legislation proposed by the Task Force, the need for any alternative or additional legislation to implement the recommendations of the Task Force, and any other proposals to strengthen and reach the goals delineated in section 103 (2) (B).

(b) In no event shall the President alter the established goal as outlined in section 10 (2) (B) and any change in the Task Force recommendations shall be made in furtherance of that goal. However, the President shall establish for both minority youth unemployment and youth unemployment in general a specific numerical goal which in terms of labor-market tightness is equal to 3 per centum adult unemployment.

APPROPRIATIONS

SEC. 206. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

By Mr. ROUSSELOT:

Page 105, beginning on line 5, strike out "equal wages for equal work" and insert in lieu thereof the following: "not to exceed the minimum wage for a workweek of forty hours, as provided under section 6 of the Fair Labor Standards Act of 1938, or if higher, not more than the applicable State or local minimum wage".

Page 105, line 14, strike out "less" and all that follows down through "1938" on line 21 and insert in lieu thereof "more than the minimum wage for a workweek of forty hours as provided under section 6 of the Fair Labor Standards Act of 1938, or if higher, not more than the applicable State or local minimum wage".

Page 106, beginning on line 2, strike out "appropriate wage provisions based upon existing wage standard legislation" and insert in lieu thereof "wage standards which are not in excess of those provided for in this section".

By Mr. SARASIN:

Page 65, after line 8, insert:

(c) For all the purposes of this Act the term 'reasonable price stability' shall be the annual numerical goal as provided under subsection 2(A) of this section except that any such goal shall be consistent with achieving within five years after the date of enactment of this Act an annual rate of increase in consumer prices as measured by the Consumer Price Index as determined by the Bureau of Labor Statistics in the Department of Labor not to exceed three per centum.".

By Mr. SKELTON:

Page 71, lines 6, 9, and 11, redesignate subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H) respectively, and immediately after line 5 insert the following new subparagraph:

"(E) proper attention to the relationship between foreign imports and unemployment in the United States;".

By Mr. STOCKMAN:

Page 64, line 16, strike the first "and" and immediately after "Productivity" insert "and the Federal tax burden".

Page 64, line 22, strike the "and".

Page 64, line 23, after "priority" insert "and limiting the Federal tax burden to a level consistent with the requirements of section (4) (b) (1) (A).

Page 65, immediately after line 8, insert the following new subsection:

"(c) For all the purposes of this Act, the term 'Federal tax burden' shall be the ratio of total Federal tax collections in a calendar year to national income for such year as such term is used in the income and products accounts of the United States published by the Department of Commerce."

The new section 4 of the Employment Act of 1946 as revised by the Jeffords amendment to section 104 of the bill, is amended as follows:

"(1) The first sentence of section (4) (a) (2) (A) is amended by inserting before the period at the end thereof "the interim goal of reducing the Federal tax burden to a level not greater than the Federal tax burden during calendar year 1965 within the same period and (2) section (4) (b) (1) is amended by inserting before the period at the end thereof "the goal of achieving such further reductions in the burden of Federal taxation as may be necessary to achieve the employment and income goals of this Act and to meet appropriate national needs;".

Page 77, line 9, insert after the first comma "limiting the Federal tax burden,".

Page 97, line 5, strike "and" and after "productivity" insert "and the Federal tax burden".

H.R. 7700

By Mr. DERWINSKI, to the substitute amendment by Mr. HANLEY:

On page 8, beginning in line 9, strike out section 6, headed "Legal Representation", in its entirety and redesignate the succeeding sections accordingly.

On page 17, beginning in line 7, strike out section 10, headed "Surplus and Excess Property", in its entirety and redesignate the succeeding sections accordingly.

By Mr. MCCLOSKEY:

Strike section 12, beginning on page 42, line 6, through page 44 line 5.

H.R. 11274

By Mr. FRENZEL:

Add the following:

SEC. 9. CREDIT FOR EDUCATIONAL EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44C. EDUCATIONAL EXPENSES.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the educational expenses paid by him during the taxable year to one or more eligible educational institutions for himself, his spouse, or any of his dependents (as defined in section 152).

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The amount of educational expenses taken into account under subsection (a) for any taxable year with respect to any individual may not exceed—

"(A) $500, in the case of educational expenses incurred before August 1, 1980, and

"(B) $1,000, in the case of educational expenses incurred after July 31, 1980.

The $1,000 limitation contained in subparagraph (B) for any taxable year shall be reduced by the amount of educational expenses described in subparagraph (A) which are taken into account for that taxable year.

"(2) CERTAIN PAYMENTS EXCLUDED.—

"(A) SECONDARY AND ELEMENTARY SCHOOL EXPENSES.—Educational expenses paid or incurred before August 1, 1980, attributable to education at a secondary school (including a vocational secondary school) or elementary school shall not be taken into account under subsection (a).

"(B) GRADUATE AND PART-TIME STUDENTS.—Educational expenses paid or incurred before August 1, 1981—

"(i) attributable to courses of instruction which are not general courses of instruction, or

"(ii) with respect to any individual who is not a full-time student,

shall not be taken into account under subsection (a).

"(C) GENERAL COURSES OF INSTRUCTION.—For purposes of this paragraph, the term 'general courses of instruction' means courses of instruction offered by an elementary or secondary school or for which credit is allowable toward a baccalaureate or associate degree by an institution of higher education or toward a certificate of required course work at a vocational school but does not include any course of instruction which is part of the graduate program of the individual.

"(D) FULL-TIME STUDENT.—For purposes of this paragraph, the term 'full-time student' means any individual who, during any 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a full-time student at an eligible educational institution.

"(c) DEFINITIONS.—For purposes of this section—

"(1) EDUCATIONAL EXPENSES.—The term 'educational expenses' means tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, including required fees for courses. Such term does not include any amount paid, directly or indirectly, for—

"(A) books, supplies, and equipment for courses of instruction at an eligible educational institution,

"(B) meals, lodging, transportation, or similar personal, living, or family expenses, or

"(C) education below the first-grade level, or for attendance at a kindergarten or nursery.

In the event an amount paid for tuition or fees includes an amount for any item described in subparagraph (A), (B), or (C) which is not separately stated, the portion of such amount which is attributable to such item shall be determined under regulations prescribed by the Secretary.

"(2) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(A) an institution of higher education;

"(B) a vocational school;

"(C) a secondary school; or

"(D) an elementary school.

"(3) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution described in section 1201(a) or 491(b) of the Higher Education Act of 1965 (as in effect on January 1, 1978).

"(4) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school (as defined in section 195 (2) of the Vocational Education Act of 1963, as in effect on January 1, 1978) which is located in any State.

"(5) ELEMENTARY AND SECONDARY SCHOOLS.—The terms 'elementary school' and 'secondary school' mean, respectively, any elementary or secondary school (as defined in subsections (c) and (h) of section 801 of the Elementary and Secondary Education Act of 1965 as in effect on January 1, 1978)—

"(A) of a local educational agency (as defined in section 801(f) of such Act as in effect on such date); or

"(B) which is privately operated but only if it is—

"(i) accredited or approved under State law (or, in the case of a school in a State which has no procedure for the accreditation or approval of privately operated schools, which meets the requirements of State law relating to compulsory school attendance), and

"(ii) exempt from taxation under section 501(a) as an organization described in section 501(c)(3).

The terms 'elementary school' and 'secondary school' include facilities which offer education for individuals who are physically or mentally handicapped as a substitute for public elementary or secondary education.

"(6) MARITAL STATUS.—The determination of marital status shall be made under section 143.

"(d) SPECIAL RULES.—

"(1) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amounts otherwise taken into account under subsection (a) as educational expenses of any individual for any taxable year shall be reduced (before the application of subsection (b)) by any amounts received with respect to such individual for the taxable year as—

"(A) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income,

"(B) an educational assistance allowance under chapter 32, 34, or 35 of title 38, United States Code, or

"(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for educational expenses, or attributable to attendance at an eligible educational institution, which is exempt from income taxation by any law of the United States.

"(2) TAXPAYER WHO IS A DEPENDENT OF ANOTHER TAXPAYER.—No credit shall be allowed to a taxpayer under subsection (a) for amounts paid during the taxable year for educational expenses of the taxpayer if such taxpayer is a dependent of any other person for a taxable year beginning with or within the taxable year of the taxpayer.

"(3) SPOUSE.—No credit shall be allowed under subsection (a) for amounts paid during the taxable year for educational expenses for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(e) DISALLOWANCE OF CREDITED EXPENSES AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any educational expense to the extent that such expense is taken into account (after the application of subsection (b)) in determining the amount of the credit allowed under subsection (a). The preceding sentence shall not apply to the educational expenses of any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such expenses for the taxable year.".

(b) REFUND OF EXCESS CREDIT.—Subsection (b) of section 6401 of such Code (relating to excessive credits) is amended—

(1) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44C (relating to credit for educational expenses),", and

(2) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44C".

(c) LIMITATION ON EXAMINATION OF BOOKS AND RECORDS.—Section 7605 of such Code (relating to time and place of examination) is amended by adding at the end thereof the following new subsection:

"(d) EXAMINATION OF BOOKS AND RECORDS OF CHURCH-CONTROLLED SCHOOLS.—Nothing in section 44C (relating to credit for educational expenses) shall be construed to grant additional authority to examine the books of account, or the activities, of any school which is operated, supervised, or controlled by or in connection with a church or convention or association of churches (or the examination of the books of account or religious activities of such church or convention or association of churches) except to the extent necessary to determine whether the school is an eligible educational institution within the meaning of section 44C(c)(2).".

(d) EXPEDITED REVIEW OF CONSTITUTIONALITY OF EDUCATIONAL EXPENSE CREDIT.—

(1) CERTIFICATION OF QUESTIONS OF CONSTITUTIONALITY.—In any action brought in a district court of the United States, including an action for declaratory judgment or injunctive relief, concerning the constitutionality of any provision of section 44C of the Internal Revenue Code of 1954 (relating to credit for educational expenses) or any other provision of such Code relating to such section, the district court shall certify immediately all questions of constitutionality of such provision to the United States Court of Appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought no later than 20 days after the decision of the Court of Appeals.

(3) EXPEDITED CONSIDERATION.—It shall be the duty of the Court of Appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1).

(4) SEPARABILITY.—If any provision of section 44C of the Internal Revenue Code of 1954 (or any other provision of such Code relating to such section), or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of such section and the application of such provisions to other persons or circumstances shall not be affected.

(e) DISREGARD OF REFUND.—Any refund of Federal income taxes made to any individual, and any reduction in the income tax liability of any individual, by reason of section 44C of the Internal Revenue Code of 1954 (relating to credit for educational expenses) shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program of educational assistance or under any State or local program of educational assistance financed in whole or in part with Federal funds.

(f) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44C. Educational expenses.".

(2) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, and 43.".

SEC. 10. EFFECTIVE DATE.

The amendments made by section 2 of this Act shall apply to taxable years ending after July 31, 1978, for amounts paid after such date for educational expenses incurred after such date.

EXTENSIONS OF REMARKS

FUELS TRANSPORTATION SAFETY ACT AMENDMENTS OF 1978

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. MARKEY. Mr. Speaker, it is with great pleasure that I join today with Congressman JOHN DINGELL in sponsoring the Fuels Transportation Safety Act Amendments of 1978.

Chairman DINGELL deserves great credit for the leadership he has shown in this important area. I also want to take the opportunity to praise his excellent staff for their tireless and creative efforts.

Mr. Speaker, this legislation will provide for the safe operation of pipelines transporting natural gas, petroleum, petroleum products, and certain other materials. These measures are vitally needed to protect the public health and safety.

Yesterday's Jack Anderson column in the Washington Post underlines the urgent need for this legislation. In his column, entitled "Decaying Pipelines a Disaster Risk," Anderson points out that the Department of Transportation has "flagrantly neglected" our pipeline system. DOT's Office of Pipeline Safety has had no permanent director for 7 of the last 10 years. As Anderson states,

The tremendous danger of explosions in heavily populated areas has been largely ignored.

Mr. Speaker, we cannot allow this to continue. The legislation we are introducing today is an essential response to this disaster risk.

A major component of our bill provides for the establishment of safety standards with respect to the siting, construction, and operation of liquefied natural gas (LNG) and liquefied petroleum gas (LPG) facilities.

I have been very concerned with LNG safety issues since my election to Congress. Last May I joined Congressman DINGELL in sponsoring H.R. 6844, the Liquefied Natural Gas Facility Safety Act. That legislation has been incorporated in the measure we have introduced today.

Mr. Speaker, LNG is a valuable energy resource. It is created by super-cooling natural gas to a temperature of minus 259 degrees Farenheit. At that temperature, natural gas is compressed in volume over 600 times. It is this remarkable reduction in volume that makes LNG so useful and makes possible the storage of natural gas for peak seasonal needs. Natural gas is liquefied in many dozens of facilities across the country, stored, and later regasified to meet peak demand needs.

Also because of its reduced volume, LNG makes possible the marine trans-

port and import of natural gas. As of Monday, there are two functioning LNG importation facilities in the United States—the new facility at Cove Point, Md., and one in my district in Everett, Mass. Several additional such facilities are planned for the future.

But LNG also represents a very real potential danger. The evidence of these serious dangers is now mounting. A September 1977 study by the Office of Technology Assessment, entitled "Transportation of Liquefied Natural Gas," detailed a series of safety dangers and the inadequacy of Federal regulation. In an appearance before the Energy and Power Subcommittee on February 21, 1978, Monte Canfield, Jr., Director of the Energy and Minerals Division of the General Accounting Office testified that:

Because LNG is the dangerous substance it is, and because its potential for damage is so great, serious consideration needs to be given to intensified safety measures.

Mr. Speaker, at those LNG safety hearings conducted 3 weeks ago, witness after witness testified as to the failure of the Federal Government to develop a coordinated LNG policy to protect the public health and safety. Despite repeated questioning, representatives of various agencies were unable to say when the administration will develop a coherent LNG policy.

Mr. Speaker, it is astonishing to me that this administration and those before it have failed to develop a national LNG safety policy. I believe Congress must provide vitally needed national leadership in this area. I urge all my colleagues to look closely at the legislation we have introduced today. The stakes in this issue are very high. The risks are clear. The time is short.●

HEARINGS BY THE HOUSE SELECT COMMITTEE ON AGING IN DELAWARE COUNTY, PA.

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging, represented by Congressmen MIKE BLOUIN and DAVE EVANS, held field hearings in my district to gather testimony regarding the Older Americans Act. I participated in these hearings which, in my view, were quite productive. For the past few days I have inserted into the RECORD portions of the testimony we received. The eighth section follows:

TESTIMONY ON NUTRITION PROGRAMS FOR OLDER AMERICANS DELAWARE COUNTY

(Submitted by Corinne H. Robinson, D.Sc., R.D.)

I am Corinne H. Robinson, president of the Advisory Council of the Delaware County Program for Services to the Aging, Professor of Nutrition, Drexel University, and a registered dietitian. I appreciate the opportunity to present this testimony relating to the nutrition programs of Delaware County. Through my involvement in these programs since their inception in our county in 1974 I am convinced that they significantly help people in their later years to maintain their health, independence, and dignity, and thereby are cost effective by preventing or delaying expensive care in institutions.

NEEDS

Poor nutrition is a fact of life for many older Americans. For some, starvation has become reality. Older Americans in Delaware County are also faced with these problems.

1. The fixed low incomes do not permit the purchase of sufficient amounts and kinds of food for an adequate diet;

2. Transportation to markets is often not available;

3. Isolation and loneliness are not conducive to the preparation of adequate meals;

4. Illness and physical disability interfere not only with the appetite but also the effort needed to prepare satisfactory meals;

5. Many older Americans lack knowledge of what they require for good nutrition and are misled by those who would profit through expensive foods or food adjuncts.

GOALS

Important goals for the nutrition program for older Americans in Delaware County and indeed for all nutrition programs are these:

1. To provide a noon meal in centers at least five days a week that furnish one third of the Recommended Dietary Allowances;

2. To serve a breakfast at centers for those who are especially in need of a second meal;

3. To deliver two meals—a hot noon meal, and a packed supper—at least five days a week to persons who are temporarily or permanently homebound and who are without the financial or physical resources to otherwise meet their nutritional needs. For those who cannot meet their meal needs on weekends, meals should be delivered seven days a week.

4. To provide nutrition education and dietary counseling on a group or individual basis, according to specific needs.

RECOMMENDATIONS

1. Nutrition programs in the centers not only should be continued but should be expanded. In 12 centers in Delaware County we now serve 575 noon meals daily, and through the use of food commodities about 200 breakfasts. With the existing facilities we could serve an additional 200 daily if we had the funds. Needless to say, there are areas in our county with a high target population that we are not now serving because we do not have the funds to open new centers.

2. There is a continuing and urgent need for home-delivered meals throughout the entire county. When center participants are ill, the delivery of a meal can ease distress and encourage return at an early time to the centers. For other persons who have long been isolated and homebound, the home-delivered meal affords not only nutrition but some contact with the outside world. If such a person with assistance can be brought to a center even once or twice a week, his outlook can be greatly improved and resocialization can begin. But there are also those who cannot leave their homes at all and who have neither relatives nor friends upon whom they can rely. Many of them require a range of services, of which the delivery of meals is an important component.

Presently we deliver 190 meals daily to the homebound; about 20 of these who are in desperate need receive two meals a day. With our existing facilities we could deliver an additional 150 meals daily, if funds were available. There exists in Delaware County an unknown, but no doubt large number of persons desperately in need of these services but we cannot do outreach to find them because we cannot provide them with the service. Thus, a need also exists for new centers.

3. Each nutrition program should provide modified diets such as those required for obesity, diabetes mellitus, hypertension, atherosclerosis, and gastrointestinal disturbances. We have provided such diets according to physician's prescriptions. Many of our participants have been advised to modify their diets, and also require dietary counseling on an individual or group basis. With few exceptions, physicians have neither the time nor the expertise to give the practical advice that their patients need.

4. Nutrition education should be mandatory in all programs. By this I mean an informal, practical approach that helps participants to plan easy-to-prepare nutritious meals to supplement their noon meal; to purchase foods of highest nutritional benefit within their limited incomes; to maintain food safety within the home; and to avoid the exaggerated claims made by health food vendors who promise so much and deliver so little in terms of dollars spent. Men, as well as women, benefit substantially from such food talks, for many men too live alone and must arrange for their own meals.

5. The direction of the nutrition program by a professionally qualified dietitian/nutritionist should be mandated. The professional and technical expertise of the dietitian is essential to efficient administration of the program; to the determination of menu plans and supervision of food quality in terms of nutritive values, palatability, and wholesomeness; to the training of paid and volunteer staff; and to the development and supervision of the program for nutrition education and dietary counseling. For the larger projects one or more dietitians employed on a full time basis is essential. For small projects a consultant dietitian can serve effectively on a part-time basis.

6. Each nutrition program should have its own project advisory council made up primarily of participants. The older American who eats his/her meals at the centers remains the best single monitor of the program. The participants make suggestions for menus according to their ethnic and social backgrounds, evaluate the quality of the food that is served, and make decisions concerning the suggested meal contributions as well as the ways in which these contributions may be used. Because of the many concerns directly related to nutrition it is not practical to combine such a project council with an overall center advisory council.

RECOMMENDATIONS PERTAINING TO ADMINISTRATION AND FUNDING

1. The present act states that the programs are open to all persons over 60 years of age. Such a broad statement becomes misleading to many older Americans who find that indeed only a limited number can be served and that priorities must be given to persons of low income, who belong to minority groups, who live alone, who are 75 years or older, and/or who are in frail health. There are, indeed, persons who can afford to pay the full costs of services but who do not know where to turn for assistance; these, too, must be helped to use the available resources.

2. Funds should be specifically earmarked for the nutrition programs. With block grants to the state or area agency, there could be pressures to meet other needs of older Americans at the expense of the fundamental need for better nutrition. However, the proportion of funds allocated to group meals and to home-delivered meals should be a decision of a local area agency, and not mandated by either federal or state agencies. The present Title VII allocation of 80 per cent for meals and 20 per cent towards supportive services seems appropriate.

3. The home-delivered meals and group meals should be administered through the center meals program. To separate them would involve duplication of administrative procedures and staff, fragmentation of services, and increased costs.

4. Funding for the nutrition programs should be through area agencies, and not separately funded. This permits area agencies to incorporate the nutrition programs in comprehensive planning, encourages coordination of all services, reduces duplication of administrative procedures, and assists in monitoring of the programs. However, the Area Agency should not be the direct provider of the nutrition services, but should arrange for these services through subcontract.

5. Integrated funding accomplished through Title VII, Title XX of the Social Security Act, Title III, and participant contributions has been valuable in our program. I would emphasize the importance of the voluntary, confidential contributions by participants. Only through the application of $106,000 of such contributions are we able in 1978 to maintain the services existing in 1977. In addition we commend the valuable contributions made by the Food Commodity Program; these foods are used as part of the noon meals and are the mainstay of our breakfast program. Whether food commodities are provided, or whether a cash subsidy is given in place of the food commodities should be a decision for each nutrition project.

6. Finally, the urgent need is for increased funding of these programs. In Delaware County, if we were to increase our group meals in existing facilities by 200 and our home-delivered meals by 150, we would need approximately 50 percent increase in funds. If we were to open new centers and make some of these services available in other parts of the county, an increase in funding would be an additional 15 to 25 percent. Thus, optimistically, 75 per cent increase in funding would be assisting us to increase our services to so many who urgently need them.

Thank you for your careful consideration.●

TRIBUTE TO PETER CAPUTO

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. OTTINGER. Mr. Speaker, Peter Caputo, Sr., will be honored by his friends in appreciation of the many years of service to the city of New Rochelle. The retirement dinner will take place at the Riviera Shore Club in New Rochelle on Sunday evening, April 9.

Mr. Caputo was appointed assistant custodian on April 9, 1951 and became a head custodian on July 1, 1959. He served at Isaac Young Junior High School and Stephenson Elementary School before coming to New Rochelle High School as the secondary school plant supervisor in 1963; he retired in May of last year.

Mr. Caputo was recognized for his distinguished service—above and beyond the call of duty—during the New Rochelle High School fire of 1968 and subsequent rebuilding. He was a founder and first president of the Civil Service Association in the New Rochelle School System. The many benefits known by the employees of the Civil Service Association were fought for and implemented by Peter Caputo. His dedication and work for the youth of New Rochelle has been shown by the countless hours he has given to the Feeney Park Boys' Club. He was also one of the founders of the Mom and Dad's Club of New Rochelle and served as its president for 2 years; this organization promotes funding for the school's football and other athletic teams. He is also an active member of the Casa Calabria Society and American Legion Post No. 8. He has given hours of his time to the United Fund and was responsible for running the New Rochelle High School blood bank.

It is a great pleasure to join with the residents of New Rochelle to pay Peter Caputo this tribute.●

HEARINGS BY THE HOUSE SELECT COMMITTEE ON AGING, DELAWARE COUNTY, PA.

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging, represented by Congressmen MIKE BLOUIN and DAVE EVANS, held field hearings in my district to gather testimony regarding the Older Americans Act. I participated in these hearings which, in my view, were quite productive. For the past few days I have inserted into the RECORD portions of the testimony we received. The seventh section follows:

SENIOR CENTER

(By Mary Hall, Darby Township Senior Center)

We know that Title V originally contained sections for the funding of:

(1) New Equipment
(2) Renovations
(3) Construction
(4) Mortgage
(5) Personnel Costs

Unfortunately, we are now only funded for new equipment and any renovations needed to be done on the building. Our Center, however, cannot properly be taken care of by simply renovating one area. We are desperately in need of a new building. A new building would provide us with much more room to do things we would like to do. Right now, there is hardly any room to do anything but sit at the tables and talk. If we would like to do our arts and crafts, we would take up practically the entire center's space. It leaves those wishing not to participate no alternative but to join us or feel totally left out. Our two sewing machines are of hardly any benefit to us because to open them up without disturbing anyone else is almost impossible.

Yes—the size definitely determines what activities are going to be installed. The more rooms there are, the greater choice among the people to choose as to what they would prefer to do. At our center, the people are so jam-packed in one small area, they have no choice.

We enjoy coming to the center because it provides us with a place to meet and socialize, talk among friends, and do things we might not usually do if alone.

We want very much to find a new place with more room, giving us choices for activities and a place to bring friends. Why—at present—how can we bring any new people when there is no room to put them.

In order to expand our facilities, we need funds other than those that we now receive. The Title V Act does have a mortgage and a construction section, which at present is not being acted upon. If these were to be opened up for our use, we could begin plans for a new center, in order to meet the needs of its people and fulfill the center's purpose. We need to make a place for people to come and gather together, to keep us active in society, providing us with necessary friendships and activities. Only by the implementing of funds from Title V can we ever hope to see such a thing accomplished to and for our center.●

NEED FOR SAFE NUCLEAR POWER

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. DICKINSON. Mr. Speaker, Joel Starling, editor-publisher of the Andalusia Star-News, Andalusia, Ala., wrote a very thought-provoking editorial in the March 1, 1978, issue of the Star-News about the need for the development of safe nuclear power. With "dire" news abounding in the world today about energy scarcity—and we are presently in the midst of a coal strike that appears to be far from settled—we had better get moving on the development of safe nuclear energy. I commend to my collegues Joel Starling's thoughts on the subject:

NEW NUCLEAR REACTOR SHOULD BE EXAMINED

(By Joel Starling)

The energy crisis is a problem in the United States, and it is not a problem of the United States alone, it is a world problem. It seems that the citizens of the United States forget there is an energy crisis. Our only concern is the cost. We complain about the high cost and continue to use up our energy supply.

One of the main parts of any U.S. energy conservation is the use of coal instead of oil. The reason being that the United States' supplies of coal are plentiful. But the fact has been very vividly brought to our attention, by the coal strike, that no matter how much of anything you have, it is no good unless you can get the product. With the miners on strike we find that we are running short of coal.

This seems to indicate that we need to move rapidly into ways of finding other sources of energy. Two sources that are most mentioned are solar energy and nuclear energy.

Effective use of solar energy is said to be some years down the line. But research should continue in developing this source of energy.

Nuclear energy is already here. The dangers of the nuclear breeder reactor seem to be the major drawback to this. The main danger is the production of plutonium pure enough to be used in bombs.

American and British scientists announced this week that they developed a new nuclear breeder reactor and fuel processing system that can virtually eliminate the threat of atomic weapons proliferation. At the same time the new reactors permit the reprocessing of spent fuel from conventional reactors and would make the world's supply of uranium last almost indefinitely.

With the problems we have with our supplies or energy this new development offers another avenue solving our problem.

The new breeder reactor should be thoroughly studied to see if it can do what its developers claim. We need all the help in the energy crisis we can get.●

REMOVINC ARCHITECTURAL BARRIERS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr NOLAN. Mr. Speaker, on Monday, March 6, the House of Representatives passed House Joint Resolution 578 authorizing the President to declare the third week of May in 1978 and 1979 as National Architectural Barrier Awareness Week. The bill was officially cosponsored by 219 of my colleagues; in addition, Mr. GOLDWATER, Mr. FORSYTHE, and Ms. HOLT contacted me after the final introduction and I want to acknowledge their support.

I have been receiving calls from my colleagues on various aspects of the accessibility problems and during the coming weeks, I will be inserting information in the RECORD to help them in furthering the goals outlined in that resolution.

The 1973 Rehabilitation Services Act created the Architectural and Transportation Barriers Compliance Board to enforce the 1968 Architectural Barriers Act. The following letter from Mr. Robert Johnson, Executive Director of the Compliance Board, provides a very informative explanatior of their role in helping our society move toward total accessibility. Mr. Johnson's letter is followed by the text of a pamphlet entitled "Access America," available from his office in HEW.

The inserts follow:

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD,
Washington, D.C., March 9, 1978.

Hon. RICHARD NOLAN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. NOLAN: I congratulate you on successfully sponsoring House Joint Resolution 578 making the third week in May during 1978 and 1979 "National Architectural Barrier Awareness Week."

As you know, the Federal Architectural and Transportation Barriers Compliance Board (A&TBCB) enforces Federal law requiring that every building or facility designed, constructed, leased, or altered by the Federal government since August 12, 1968—whether financed wholly or in part with Federal grants or loans—must be free of architectural barriers to all people.

Because the A&TBCB is new (it was established by section 502 of the Rehabilitation Act—P.L. 93-112), its role is not yet well known. There has been some misunderstanding about the A&TBCB, so I'd like to further clarify its responsibiilties and scope of authority.

The A&TBCB, which is composed of the cabinet-level representatives of nine Federal agencies, is the major Federal force ensuring accessibility wherever the Federal dollar is involved in providing facilities: schools, hospitals, colleges, recreation facilities, housing, office buildings. It is authorized by Congress to conduct investigations to ensure compliance with the Architectural Barriers Act (P.L. 90-480). The A&TBCB can issue orders of compliance which may include directions for corrective action or the withholding or suspension of Federal funds.

The A&TBCB always tries to amicably resolve complaints about inaccessibility. But if there is no solution to the problem, legal action is unhesitatingly taken against the Federal agency responsible. Recently, for example, I have issued legal citations—or administrative suits—against the departments of Transportation; Interior; Housing and Urban Development; Health, Education, and Welfare; and the General Services Administration.

We are most anxious for all people—handicapped or not—to know they have a right of independent access to and use of federally involved buildings and facilities throughout the nation. Anyone unable to enter or use any such building should write to me at the Architectural and Transportation Barriers Compliance Board, Washington, D.C. 20201, and tell me about it.

Although compliance with Federal law requiring access is its major duty, the Architectural and Transportation Barriers Compliance Board may also recommend to the President and to the Congress legislative and administrative actions necessary to eliminate architectural, transportation, and attitudinal barriers. It works to bring together in a cooperative effort any agencies, organizations, or groups with this goal.

We share your belief that ". . . once people begin to fully realize the extent to which our society places obstacles in the paths of the disabled"—and the able-bodied too—"changes will be forthcoming." "National Architectural Barrier Awareness Week" will play a major role in creating concern and action leading to a nation free of environmental barriers.

To support "National Architectural Barrier Awareness Week," the A&TBCB will launch a national public awareness campaign on architectural barriers. A national television spot about barriers will launch the campaign entitled "Access America."

We are excited about and commend your efforts for "National Architectural Barrier Awareness Week."

Sincerely,

ROBERT JOHNSON,
Executive Director.

ACCESS AMERICA: THE ARCHITECTURAL BARRIERS ACT AND YOU

Any person in America—including those who are handicapped—has the right of independent access to buildings and facilities constructed, leased, or altered for the Federal government or with the use of Federal funds. If, because of a physical handicap you or someone you know cannot enter or use any such buildings constructed since passage of the Architectural Barriers Act of 1968 (Public Law 90-480), you have the legal right to register a written complaint against the responsible parties.

Most Federal buildings or federally funded facilities must at least meet the Federal minimum standards for accessibility and useability. This means they must have audible and visual warning signals to aid blind and deaf people. There must be ramps, wide restroom doorways, and lower switches for those in wheelchairs.

The Architectural and Transportation Barriers Compliance Board (A&TBCB) is the Federal agency created to enforce the standards. While not all government buildings and facilities are covered by the Architectural Barriers Act, it does include most post-1968 buildings designed, constructed, altered, or leased as well as those funded with Federal loans, grants, or contracts. In any case, the A&TBCB is concerned about all barrier-related problems. It encourages and promotes access even for those buildings and facilities over which it has no jurisdiction.

If you have a complaint about an inaccessible building, write the A&TBCB. No special form or format is required, but only written complaints are accepted. Your name will not be disclosed unless you give written consent. Just give your name, address, and as much of the following as you can:

1. Exact description of the barrier-related problem. It may be a doorway too narrow for a wheelchair or the lack of raised numerals on an elevator for blind persons.

2. Exact location of the barrier-related problem. Give the name and address of the inaccessible building or facility—the floor, room, or wherever. It can be a major Federal complex or a small rest area.

3. Name and telephone number of the person responsible for the building or facility. The A&TBCB will make every effort to get all the information necessary to understand and resolve the problem.

4. Names of the building owner and tenant. A Federal agency may be either the building owner or a tenant of a facility.

5. Name of the Federal agency involved. The A&TBCB must determine if it has jurisdiction. Even if it does not have jurisdiction, the A&TBCB may be able to work with an agency to help solve the problem.

6. Your suggestions for solving the problem. Though expense is not an excuse for noncompliance with the law, the least expensive solution could be the quickest and best.

Complaints should be addressed to the Executive Director, Architectural and Transportation Barriers Compliance Board, Washington, D.C. 20201.

Your complaint will be handled even if you are not able to provide all of the information. The A&TBCB will try to get the information it needs, but this takes time and may delay processing your complaint.

The A&TBCB investigates every complaint it receives. The precise nature of the problem is confirmed and every effort made to amicably resolve it. Flexibility and creativity are used to reach the best answer for all parties. In any case, the A&TBCB's responsibility is to ensure compliance with the law.

When the A&TBCB receives a complaint, it determines which Federal agency is involved. A copy of the complaint is then sent to the agency and to other parties involved, such as a government grantor, or contractor if the building is under construction, or the owner of a leased building.

The A&TBCB will discuss and try to negotiate the matter. But no later than 60 days after receipt of the complaint, the executive director of the A&TBCB will make either of two decisions: (1) a "determination not to proceed," which states the reasons why the A&TBCB will not prosecute the alleged violation, and thus ends A&TBCB involvement (for example, the case may be referred to a more appropriate authority such as a state or local agency if no Federal agency is involved); or (2) to prosecute the case by serving the first formal legal pleading—"citation"—on the involved parties. (The 60 days is not the period for corrections to be made. It is the maximum time allowed to draw up an acceptable voluntary compliance plan.)

A citation will contain a concise statement of the provisions of the Rehabilitation Act of 1973 and the 1968 Architectural Barriers Act under which the action is being brought. It will list all documents provided for an administrative law judge to make a decision on the alleged noncompliance, possibly including items such as the contract, drawings and specifications, and key correspondence. The citation will also fix a time and date, usually about 15 days after it is issued, with-

in which any party may request a hearing. Copies of the citation and documents are filed with the A&TBCB docket clerk, who maintains all records for the judge.

Parties receiving the citation have 15 days to respond to the charges and file any documents in addition to those initially filed with the citation. If the A&TBCB executive director or any party receiving a citation does not request a hearing, the judge may decide the case on the record of documents submitted.

You, the complainant, need not be a party to the proceedings. You will receive a copy of the A&TBCB's formal rules under which your case will be processed. You will be kept up to date on its status. At any time after the proceedings have begun, any individual, including the complainant, may ask in writing to join the proceedings. This person need not have an attorney.

After a citation is issued and responded to, parties may engage in prehearing activities as in the courts. If a hearing is held, all parties have the opportunity to make their views known in writing, present and cross-examine witnesses, and submit evidence to support their claims. To prove a violation of the Architectural Barriers Act, it must be shown that the standards required by that act have not been complied with.

Official transcripts are made of all A&TB CB hearings. The law judge may also direct, in addition to the hearing, that the parties file briefs and proposed findings. The judge will set the time for such filings, but they must be submitted within 30 days after all parties receive a transcript of the hearings. Such filings, like the transcripts, become a part of the permanent case record.

Based on the record, the judge will issue a recommended decision and include findings of fact and conclusions of law. Such a decision may recommend action to be taken by an agency and may contain such terms, conditions, and other provisions to ensure that the intent of the Architectural Barriers Act is met. As an example, the judge may issue a decision that a particular federally financed building: (a) was designed and built after the effective date of the Architectural Barriers Act; (b) is covered by the act; (c) that specific sections of the applicable standards have not been complied with; (d) does not therefore comply with the standards issued under the Architectural Barriers Act. The judge may direct that specific remedial action to be taken within a specified period of time. If it isn't, the judge may recommend that Federal funds be suspended or withheld.

Copies of the judge's decision are given to all parties including the original complainant, even if the complainant did not participate in the proceedings. The judge's recommendation becomes a final decision unless appealed to the A&TBCB within 14 days. If it is appealed, the A&TBCB must make its final decision based on the administrative law judge's entire record and any added legal briefs that may be required of the parties.

The decision of the A&TBCB is binding on all Federal agencies. The Rehabilitation Act of 1973, which established the A&TBCB, does not allow Federal agencies to appeal to the courts. However, a complainant, Federal contractor, grantee, or lessor of a federally financed building may seek judicial review of an A&TBCB opinion.

Other features of the A&TBCB rules:

1. Provisional expedited relief (PER)—When the executive director knows that immediate and irreparable damage will occur because of noncompliance with the standards of the Architectural Barriers Act, he may issue a citation asking that provisional expedited relief be ordered by the judge. In such situations there will be a hearing before the judge within eight days after a citation is issued. PER proceedings are the same as regular compliance proceedings but on an accelerated basis. They are less formal and there is a likelihood that formal legal briefs will not be required. PER proceedings can minimize costs to all parties, provide timely resolutions, and avert potentially expensive corrective action to achieve compliance. Provisional expedited relief such as suspending or withholding funds can severely disrupt an agency program. Therefore, the judge must decide on the need for PER.

2. Conflict of interest—If any member of the A&TBCB or an agency of a member is a party in a proceeding, whether as a complainant or a respondent, or if it participates in the litigation, that member or agency may not participate in the consideration or decision of an appeal of that proceeding.

3. Consolidating cases—The judge may order a group of cases which relate to the same problem to be consolidated and heard together. The A&TBCB is concerned that a just and inexpensive determination of cases be made without unnecessary delay.

4. Post-order proceedings—When any party believes corrections ordered by the court have been made, the party may ask the A&TBCB to remove the sanction. All parties will be sent a copy of the request and may comment for or against it. In the same manner as the original compliance hearing, a judge's preliminary decision on any post-order proceedings becomes final if it is not appealed to the A&TBCB.

5. Documents—The A&TBCB has established a docket file where all required documents (except the complainant's name) are available for public inspection. Documents are served on individual parties by certified mail or by hand delivery.●

TRIBUTE TO MAYOR JAMES BALENTINE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. EDWARDS of California. Mr. Speaker, I want to bring to my colleagues' attention the outstanding record of community involvement and support of Mayor Jim Balentine of the city of Newark. Jim has been serving the residents of Newark for over 20 years, first as a police officer, then as a parks and recreation commissioner and city councilman. In 1972 Jim became the first directly elected mayor for the city and has held that post since then.

Newark has thrived during Jim Balentine's tenure of service and much of the credit must be given this extraordinary public servant. Many millions of dollars of commercial and industrial development has taken place in Newark, capped by development of a regional shopping center of over 1 million square feet. All of the development has been marked by excellent planning and balance as evidenced by a city-wide system of parks comprised of over 100 acres of land.

Perhaps Jim's greatest contribution to the people though has been as an advocate of Newark's interest outside the city. His strong determination and unceasing personal effort played large roles in securing funds for replacement of the Dumbarton Bridge and, in halting an airport development south of the city which would have devastated portions of the city by noise from aircraft. These two decisions will have a lasting impact on every resident of the city now and in the future.

Mayor Balentine is not running for reelection this year. Nobody doubts that he would have been reelected easily but he has decided to leave public office so that others may also serve. While this is sure to be a great loss for the Newark Council, I am sure that Jim will continue to serve and participate in the community's affairs as private citizen Jim Balentine. I know that everyone in Newark joins me in extending Jim wishes of success in his future endeavors. Success has certainly been the hallmark of his time spent in service of Newark.●

AIRLINE REGULATORY REFORM LEGISLATION

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. NEAL. Mr. Speaker, as the Congress continues to discuss the proposed airline regulatory reform legislation, I think it would be wise for us to consider comments on this issue from the State level.

The North Carolina Aeronautics Council has recently endorsed a position paper by the State's department of transportation concerning airline regulatory reform. I think the paper sets forth a commonsense approach which seeks to eliminate unnecessary regulations and economic restrictions while maintaining the present high standards of safety and service.

Our ultimate airline regulatory reform goal should be the improvement of services to the consumer. The main thrust of such reform, I think, should be prudent and reasonable, as outlined in the North Carolina Department of Transportation's position paper. I would like to commend it to the attention of my colleagues:

DEPARTMENT OF TRANSPORTATION,
Raleigh, N.C., February 15, 1978.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION POSITION OF AIRLINE REGULATORY REFORM

The North Carolina Department of Transportation has encouraged and supported the development of a safe and efficient system of airports and airways, and the furtherance of air commerce in order to extend the benefits of a highly mobile and efficient air transportation system to North Carolina's citizens and businesses. The Department strives through funding, promotional efforts, and technical assistance to develop existing airports to their fullest justifiable potential, to stimulate the construction of new airports in desirable locations, and to increase the delivery of air transportation services to North Carolina by airlines, charter operators, fixed base operators, and other aviation service organizations. In witness thereto, the Department has obligated close to $9,000,000 since 1974 for development of the air transportation system in North Carolina.

All of the Department's efforts are aimed at seeing that North Carolina benefits from a safe balanced multi-modal transportation system which meets the needs of her people and her economy. Accordingly, the controversial subject of Airline Regulatory Reform has been thoroughly studied.

The Department supports the principles of regulatory reform that will remove artificial and unnecessary regulations and economic restraints, thereby encouraging increased efficiency in the airline industry, and at the same time providing consumers better air transportation services at lower costs while maintaining the present high level of safety. However, reform must be reasonable, and not bring about sudden change and instability to a successful industry. Reform legislation should be enacted as soon as feasible so that the airlines, labor, and banking institutions may set clear future objectives, and the financing commitments for extensive new-generation equipment acquisitions may be made in a stable statutory climate.

The Department favors reform which fosters the introduction of prudent price competition and expedited market entry. Routine cases before the Civil Aeronautics Board should be processed in an expeditious manner with a maximum time deadline set for the consideration of all cases. The legislation should call for a phased approach and an adequate transition period and should preclude ruinous competition between the trunk and regional carriers.

The Department continues to encourage adequate air service for small communities. It has placed high priority on airport development at small community airports having scheduled air service, be it 2nd or 3rd level air carriers. The Department worked closely with Wheeler Airlines (a Raleigh based commuter) and the Coastal Plains Regional Commission to provide technical assistance for commuter service to the Eastern part of the State. The Department is currently conducting a "Small Community Air Service Study" within the State which will provide valuable information for air transportation companies operating in the State.

The Department considers that service to the majority of small communities can be provided in a cost-effective, energy-efficient manner by commuter/feeder airlines or by an "Alleghany Commuter" style of operation. Such a third level air carrier operation must be fully recognized as part of the National Air Transportation system. Voluntary, modified certification by the Civil Aeronautics Board (CAB) for this third level of air carriers with appropriate route protection, joint fare privileges, guaranteed loans for modernizing equipment, and simplified reporting procedures are essential to the further development of such a system. Legislation must allow for eased entry of new service points to be served by third level air carriers, points which should be eligible for subsidy.

In summary, the North Carolina Department of Transportation believes that the United States' system of airlines has done a good job in providing air transportation services. However, the system can be improved through moderate regulatory reform to benefit both the consumer and the air transportation companies.●

ENERGY CONSERVATION WEEK AT WILLIAM JEWELL COLLEGE

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. COLEMAN. Mr. Speaker, the Congress and the American people are acutely aware of the crisis in energy this country faces. While we debate the various proposals before us, however, there are many fine groups across the country who are taking an active interest in exploring the vast alternatives in energy that could help us meet the crisis.

I would like to take this opportunity to inform the Congress that my alma mater, William Jewell College, of Liberty, Mo., is sponsoring an "Energy Conservation Week," on March 21–23, 1978. During this period, the William Jewell student senate and the physical plant department have organized seminars on such topics as solar heating, heat pumps, insulation, and general conservation.

These actions show that William Jewell College is taking the challenge of energy seriously. In addition, student and faculty are taking steps to reduce wasted consumption of natural gas, gasoline, water, and electricity.

It is with personal pride that I recognize the efforts of William Jewell College. I further urge all my colleagues to join me in listening to, and learning from, the many Americans who are seriously exploring ways to conserve our precious resources.●

FIRST-YEAR ANNIVERSARY OF ANATOLI SCHARANSKY'S ARREST

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

● Mr. LEHMAN. Mr. Speaker, today marks the first-year anniversary of Anatoli Scharansky's arrest and isolated incarceration in Moscow awaiting trial on charges of treason. The arrest of Anatoli Scharansky and the denial of his right to counsel with family or friends and to a lawyer of his choice is the kind of harassment which has resulted from his desire to emigrate from the Soviet Union to Israel. Anatoli's arrest and imprisonment is an example of how Jewish dissidents and others who actively resist the Soviet Union's violations of the Helsinki Accord are treated.

I have recently been informed by my constituents in South Florida that Dina Beilina, an active dissident and one of the strongest witnesses who would give strong testimony in defense of Anatoli at his trial, has now been ordered to leave the Soviet Union. Her application to emigrate to Israel was first made 6 years ago, and she now has 2 weeks to leave the Soviet Union. Dina Beilina is, therefore, prevented from giving testimony in defense of Anatoli at his trial. I, therefore, would like to take this opportunity to make public her statement in defense of Anatoli Scharansky, which appeared in the September, 1977 issue of The Vigil, a publication of the Washington Committee for Soviet Jewry. Dina Beilina may be forced to remain silent in the Soviet Union but her defense of Anatoli Scharansky will not be doomed to silence in the international community where human rights are not ignored.

The South Florida Conference on Soviet Jewry has informed me that over 600 people in Miami, including Miami Mayor Maurice Ferre, are participating in a 1-day hunger strike to commemorate the 1-year anniversary of Anatoli Scharansky's arrest. Our thoughts and prayers and efforts for Scharansky will not cease until he is free and reunited with his family.

I would also like to share with you a resolution adopted by the Board of County Commissioners of Dade County, Fla., on February 15, 1978, urging the President and Congress to use their persuasive powers to bring an end to the harassment of Soviet Union to grant Anatoli Scharansky immediate freedom and recognition of his right to emigrate.

[From The Vigil, September, 1977]

STATEMENT OF DINA BEILINA

It is almost impossible to testify in a case that is kept in utmost secrecy. But I would like to state the facts that may prove useful for Anatoly Scharansky's defense, as well as for disproving the accusations, whatever they are, which I consider absurd regardless of the manner in which they are stated.

My name is Dina Beilina. I am 38. In 1972, my family and I were refused exit visas to Israel. The denial was motivated by reasons of "state security." Yet, the reasons have changed frequently, and to this day I am not aware of the actual reason why I am not allowed to emigrate. I am a cybernetics engineer.

My husband and I met Anatoli Scharansky in 1973. After the departure of Alexander Goldfarb, who now resides in Israel, Anatoli took upon himself the difficult task of being the translator for the refuseniks. He frequently had to communicate the facts pertaining to persecution of Jews wanting to exercise their right to emigrate to Israel to all those interested in our condition, including the foreign correspondents in Moscow. Quiet, modest, of medium height, wearing a torn jacket in which he was arrested four years later, Anatoli said "I'll try." Since then he had become our translator at all press conferences, and meetings with religious leaders and politicians interested in the conditions of emigration from the Soviet Union. Moreover, Anatoli had devoted his mind, his energy and kindness to all those who, like himself, were persecuted for their intentions to emigrate. He took part in drafting the reviews characterizing the problem of emigration, the reviews which we wrote every six months, and in which we informed our friends about the lawlessness of the Soviet emigration policy, persecution of Jews conducted within as well as outside of the courtrooms, persecutions imposed upon them solely for their desire to emigrate.

Anatoli frequently traveled to other cities where he met with Jews, attempting to aid them and give details of their condition to all those whose help could be counted on. He understood that without such flow of information we would again turn into the Jews of Silence, and he did all he could to publicize the problems of emigration and its handling. As a translator for American lawyers interested in specific cases of Prisoners of Conscience, he accompanied them to the courts, offices of defenders and prosecutors, particularly in the cases of Nashpitz, Tistlionak, Roitburd, Stern, and Zavurov.

It was with his aid that the press conference for Babi Yar was organized. Babi Yar is the place of mass murder of Jews during World War II. For many years the grounds were vacant, but subsequently the authorities erected a monument, the inscription on

which in no way reminds one of the tragedy suffered by the Jews. Refuseniks who want to conduct mourning services in accordance with Jewish traditions, are usually not admitted to the monument. There Anatoly was arrested and warned that he will get into trouble unless he stops his activities. The second warning of this kind he received as a result of his participation in peaceful demonstrations aimed at improving the conditions of the Prisoners of Conscience. For participation in these demonstrations, Scharansky served four fifteen-day jail terms. He was warned that his activity would lead to a long jail term. A reason, they said, would be found. Anatoly never did anything illegal, and he considered it impossible to keep quiet.

Brilliant, and having perfect command of English, Scharansky helped us write complaints about the lawlessness with which the emigration matters are being treated. His presentations at the seminars in Dr. Lerner's apartments were outstanding and we shall forever remember his report about the Entebbe raid—a report that ended with an ovation.

The clouds over Scharansky began to mount. First, the magazine New Times, the newspaper Voice of the Motherland, a T.V. film Traders of Souls, characterized him as a hooligan who is capable of everything, even a fist fight; and later as a "soldier of Zionism." "I'm growing," he said jokingly. But all of us, and Anatoly especially, fully understood that anything could happen.

In the summer of 1975, the Group of Assistance to the Soviet Implementation of the Helsinki Agreement was formed in Moscow. Anatoly had joined the group. He considered the Helsinki Agreement an important development that could change decisively the Soviet treatment of the matter of emigation.

He took part in drafting the documents of that group, such as the one about violation of our telephone and mail communications, about lawlessness surrounding matters of emigration.

In November 1976 the authorities began to prepare a case against him under charges of parasitism, similar to the one brought against Joseph Begun. Despite testimony that Anatoly made a living by giving lessons in English and Physics (I also testified since he gave my daughter lessons in Physics), the authorities refused to register him as a private instructor and only because Professor Maiman managed to engage him as a private secretary was he saved from prison.

Scharansky was subjected to uninterrupted surveillance. In October 1976, it had become demonstrative. I suggested that Anatoly write an open letter describing this fact. He refused saying that there are others whose situation is worse and that there is no need to call attention to his case and divert attention from them.

Many foreigners had seen the KGB agents sleeping under the door of Slepak's apartment. The KGB had kept an eye on Slepak night and day. Anatoly slept at Slepak's apartment.

The reason for my writing this in detail is that Anatoly is most likely being accused of espionage. Try to imagine a man who is being watched by agents; who lives in a bugged apartment; who lives in apartments which are searched without warrant or warning; who communicates only with others in a position similar to his—and you will see that under such conditions a spy cannot possibly exist. Ordinary Soviet people are afraid to even walk up to people like Anatoly Scharansky, to say nothing of talking to him about classified matters. It is also common knowledge that it is he who talks and not he who listens that is responsible for giving of information. It is not a recipient of such information that must be brought to trial.

On March 4, 1977, the apartments of five Jewish refuseniks, as well as my own, were searched. The protocol of violations of the Criminal Procedural Code did not describe all the confiscated papers, but said, for instance, "three pages of addresses, five files of papers." The typewriters were confiscated, not just sealed, as the law requires. So this provides a lot of leeway for those preparing any case. Also searched was the apartment which Lipavsky rented in Moscow. (He previously lived elsewhere. He told us that he moved because he wanted to live in the center of events and to work night and day for the benefit of Aliyah.) He invited Scharansky to move in with him, but I and others protested, because it would not be wise for Scharansky who was constantly followed to live in someone else's house without registration. We were afraid of provocations like ones carried out in the case of Alexander Ginzburg. I said, "If you live with one of us, then the responsibility will rest with us, and it would not make sense for the authorities to plant evidence."

Scharansky lived at the apartment of Vladimir Slepak and it was there that he was arrested. Hit on the back, he was shoved into a car by six agents, who were probably trying to avoid showing the arrest warrant. It was only on May 30, that his seventy-year old mother had learned that he was being accused of violating Article 64A.

By now everyone has probably learned who and what Lipavsky is. I would like to give one example that disturbed me very much. Lipavsky would make daily visits to Professor Lerner and his wife, who had suffered from a serious hypertension crisis at the end of February. He measured their blood pressure, gave them shots. He then signed a letter in the newspaper that he well knew he could kill unsuspecting seriously ill people. And this man will be a witness against Anatoly?

On the day Lipavsky's letter was printed in Izvestia, we didn't know which one of us would be arrested. But all of us, including Anatoly, made statements that we would not take part in this case even after arrest, for we consider this case a reprisal, and only in open proceedings, if such are allowed, would we give testimony.

Moscow, July 10, 1977.

RESOLUTION URGING THE PRESIDENT AND THE UNITED STATES CONGRESS TO USE PERSUASIVE POWERS TO BRING AN END TO THE HARASSMENT OF SOVIET JEWS; AND URGING THE APPROPRIATE OFFICIALS OF THE SOVIET UNION TO GRANT THE IMMEDIATE FREEDOM AND RIGHT TO EMIGRATE TO ANATOLY SCHARANSKY

Whereas, Jews in the Soviet Union are subjected to harassment and imprisonment when they attempt to exercise their basic human and legal rights as guaranteed under the Constitution of the USSR and the Universal Declaration of Human Rights, ratified by the Soviet Union; and

Whereas, Jews in the Soviet Union are being denied their rights to emigrate and be reunited with their families, a right guaranteed to them by the Helsinki Accord, 1975; and

Whereas, trials continue to be staged against Soviet Jews who have attempted to live full Jewish lives in the Soviet Union or who have applied to emigrate to Israel; and

Whereas, Anatoly Scharansky is being held on unspecified charges without adducing any evidence that might indicate complicity in criminal acts, and without access to legal counsel and without trial,

Now, therefore, be it resolved by the Board of County Commissioners of Dade County, Florida:

Section 1. That this Board respectfully requests and urges the President and Congress of the United States to use persuasive powers to end the harassment and imprisonment of Soviet Jews and to allow all Soviet Jews to exercise their right to emigrate.

Section 2. That this Board urges the appropriate officials of the Soviet Union to grant the immediate freedom and the right to emigrate and be reunited with his wife to Anatoly Scharansky as guaranteed by the Helsinki Accord, 1975; and that if the Soviet authorities bring Anatoly Scharansky to trial, that he be given an open and public trial, and that prominent representatives of major Bar associations and of the Criminal Bar of the United States be permitted to be present throughout the trial of Anatoly Scharansky.●

TURKISH VIOLATIONS OF HUMAN RIGHTS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. STEERS. Mr. Speaker, this year, the House will be considering the question of foreign assistance to Turkey. At the base of this debate is the question of whether or not the human rights record of Turkey has improved.

A constituent of mine, Mr. George Spring, has sent me an interesting article on this very subject that I would like to insert into the CONGRESSIONAL RECORD for the benefit of my colleagues.

A "DELIBERATE WHITEWASH" ON HUMAN RIGHTS IN TURKEY

(By Jack Anderson)

The Carter administration is so worried about declining Turkish military power that it has falsified its report on human rights practices in Turkey and has portrayed the country as a virtual human rights paradise.

The false account, part of the State Department's "Country Reports on Human Rights Practices," was delivered to Congress several weeks ago. The department claimed it had little "conclusive proof" or "significant evidence" to support allegations of human rights abuses in Turkey.

A more enigmatic statement, worthy of master diplomat Henry Kissinger, was issued on Turkish-controlled northern Cyprus. Human rights questions in Cyprus, stated the report, "cannot be treated in isolation from political considerations."

These conclusions are disptued by the State Department's own files, which contain abundant evidence of the harsh treatment of minority groups and political prisoners. Indeed, the Turks have a reputation for brutality, which makes them fierce fighters and cruel jailers.

American citizens, who have had the misfortune of landing in a Turkish lockup, have told of vicious beatings. A favorite Turkish torture is to batter the soles of a prisoner's feet with truncheons, which causes excruciating pain and leaves him unable to walk.

The Greek government, taking exception to the State Department's fairy tale, lodged formal protests both in Athens and Washington. And Cypriot Ambassador Nicos Dimitriou marched into the State Department and indignantly delivered an official letter of protest.

The official view of human rights in Turkey, insiders suspect, is a deliberate whitewash intended to tip-toe around Turkish sensitivities. The Turks are still smarting from an arms embargo imposed by Congress after Turkish troops invaded Cyprus with U.S. weapons.

The Turks retaliated by closing U.S. intelligence installations in their country. These electronic listening posts monitored Soviet missile tests and military maneuvers. At Sinop on the Black Sea, for example, sophisticated radar devices could zoom directly on Soviet missile launch sites.

At the time the bases were closed, intelligence sources claimed they were responsible for about a fourth of the clandestine information gathered about Soviet military activities. American technology and ingenuity, however, have produced substitutes for most of the Turkish installations.

Far more important, in the Pentagon's view, is Turkey's role as the Mediterranean anchor of the NATO alliance. One worried general told us: "The big question is whether they can perform their NATO responsibilities without military aid. We get a real buy with the Turks. Give them a few weapons, and you buy a bunch of divisions. They've got the manpower, and they proved they could use it in the Korean War."

Our sources say that President Carter has adopted the military view. He has been strongly influenced by the joint chiefs, who meet with him frequently. In fact, the president recently boasted to his Cabinet behind closed doors that he "has generated a compatibility among the strategic planners of our government unknown in former administrations."

He reportedly is preparing, therefore, to ask Congress to approve the $1-billion defense agreement that was signed in 1976 between Turkey and the United States. The State Department soft-pedaled Turkish human rights abuses, our sources say, to avoid irritating a Congress that is already sympathetic to the Greek and Cypriot causes.

In any event, the human rights reports on Turkey simply do not reflect the truth. Particularly galling to the Greeks is the statement that "there does not appear to be any official discrimination against individuals belonging to minority groups" and that they enjoy, among other rights, "freedom of worship."

There has been a history of religious discrimination against the Greek Orthodox Church in Turkey. The best evidence can be found in the statistics: the Greek Orthodox population in Turkey has dwindled from 111,700 in 1924 to 13,500 today. A confidential diplomatic document, reporting on the oppression of Greeks in Turkey, cites these flagrant abuses:

A deliberate campaign of harassment has been reported against Greek Orthodox clerics in Istanbul, the very city where the head of the church traditionally resides. Greek religious leaders have been denied passports to travel abroad, even for pressing personal reasons. Editorials in the Turkish press have railed against the church. Following one series of articles, demonstrators laid a "black wreath on which were pinned slogans asking for the expulsion of the [Greek Orthodox] Patriarchate from Turkey."

Turkish authorities are cracking down on Greek minority schools. Teaching of the Greek language has been "severely curtailed," and Turkish official have refused to appoint principals to Greek high schools. All repair requests in excess of $15 were refused last year. And the Turks have begun assessing heavy taxes on Greek schools, though they are owned by charity institutions, which are supposed to be tax-exempt.

Last year, Turkish officials began "the close surveillance of persons who visit the Greek General Consulate in Istanbul" and "systematically ask for [their] identity cards." Leaders in the Greek Orthodox minority have also begun to "receive anonymous letters, threatening the property and lives of the recipients and containing demands for ransom."

There is other evidence, which we lack the space to recount, that the State Department deliberately deceived Congress about human rights in Turkey.

Footnote: A spokesman for the Turkish embassy said his government would prefer to eschew "polemics" and discuss "issues" instead. Turkish authorities, he said, do not want to expel the Greek Orthodox Church from Istanbul, and they do not tax the church illegally. With respect to passports, the spokesman said that all Turkish citizens are limited to a single trip out of the country every two years, in order to conserve "hard currency." He also claimed that the Turkish minority in Greece is harshly treated.

RISK/BENEFIT DECISIONS AND THE PUBLIC HEALTH

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. BROWN of Ohio. Mr. Speaker, 6 years ago, the Committee on Government Operations issued a report on the regulation of food additives, particularly nitrites and nitrates, under the Food, Drug and Cosmetic Act.

As a member of that committee, I submitted additional views relating to the arbitrary effect of the Delaney clause on the Federal Government's efforts to protect the public health and safeguard the Nation's food supply.

In those additional views, I specifically addressed myself to the need for a risk/benefit trade-off, rather than an arbitrary approach, to complex scientific and technological questions affecting our food supply. To quote briefly from the views I expressed in that August 1972 committee report:

We all want to assure that the food people eat will not harm them. And, insofar as it is posible, government should assure this. But it must be recognized that absolute guarantees may not always be possible—and for something as big, pervasive and powerful as the Federal Government—in an area where, surprisingly, so little is scientifically provable.

In view of my position on this issue, it was with considerable interest that I recently read the remarks of the chairman of the Senate Health Subcommittee on the need for a Government approach to these problems based on a realistic appraisal of the limitations of existing Federal operations in the health field.

In an address delivered February 15, 1978, at the Food and Drug Administration symposium on "Risk/Benefit Decisions and the Public Health," Senator KENNEDY made a major contribution toward moving Government policy on this said:

We must begin educating the public to the reality that there is no such thing as absolute safety. Regulation can never completely and totally protect the public. Large segments of the American public already accept this fact. But it is time for persons in positions of leadership to strengthen this understanding with more candid discussion of the limits of regulation.

Senator KENNEDY's complete remarks delivered at this FDA symposium held at the Air Force Academy should be read in their full context to appreciate the cogency of his call for a new approach to an increasingly urgent problem. I commend them to the attention of the Congress, the Executive, and all citizens concerned about the present and future health of the American people.

I insert the remarks of the chairman of the Senate Subcommittee on Health at this point in the RECORD.

REMARKS OF SENATOR EDWARD M. KENNEDY

I am pleased to be able to join you here today at this symposium on risk-benefit analysis in the area of health care. And I am especially pleased to find a distinguished group like this, under the auspices of the FDA, grappling with a subject which is of great importance to the public health and which is becoming more current and controversial with each passing year.

You have available at this conference the main ingredients for dealing with a complex issue of great public value. You have fine leadership from Don Kennedy of FDA and Doug Costle of FPA. You have a distinguished group of participating scientists and analysts. And you also have the additional ingredients of distance from Washington and the fine, cool mountain air of this outstanding setting.

With these advantages already in place, I am confident that your deliberations will help promote our understanding of more effective ways in which we can use risk/benefit analysis to improve the public health. Especially at this time of growing challenge to the traditional techniques of governmental regulation, the effective application of such analysis is essential if we are to preserve the proper balance between free competition and wise regulation in sensitive areas like health care.

I also detect a sense of urgency about this symposium that has been missing for too long in discussions of this type. I speak now as an elected official and as chairman of a Senate Subcommittee whose prime responsibility is the protection of the health of our citizens. I deal daily with the political consequences of regulation and the people it affects. I am concerned that our regulatory health authorities are growing more and more distant from the people. Our citizens no longer fully understand or trust the agencies created by Congress to protect their health. And these negative developments come at a time when the number of preventable threats to the public health is growing larger each day.

Our major challenge—yours and mine—is to enhance their strengths and eliminate the weaknesses of these agencies and their missions. Part of the challenge is to perfect the methodology of risk/benefit analysis, so that regulatory decisions of the FDA, EPA, and other agencies can more accurately reflect our public goals. The challenge also requires us to do more to educate the public about regulation and its limits, and to involve the public more directly in the regulatory process.

I need hardly remind this audience of certain facts that underlie the regulatory dilemmas we face today. We live in an expanding sea of man-made chemicals—drugs, food additives, industrial chemicals, and pesticides.

American industry manufactures 70,000 chemicals a year. One to two thousand new chemicals enter the market annually. An average auto worker is exposed each day to between 100 and 500 different chemicals.

We know that some of these substances are dangerous. Six million Americans are regularly exposed in the workplace to chemicals known to have caused cancer in animals. One million Americans have been ex-

posed to asbestos, of whom 200,000 may die of lung cancer. Approximately two million Americans are regularly exposed to benzene, which has now been demonstrated to be a very potent carcinogen.

But clearly, these cases are only the tip of the iceberg. The real or potential dangers of these myriad substances may not be known until we have much more information—whose collection may take years or even generations.

I am reminded of a story which Dr. Irving Selikoff told last spring before our Health Subcommittee. When cigarette smoking was first becoming widespread, a physician asked a distinguished cancer expert whether the practice worried him. Not at all, the expert replied. Cigarette smoking would reduce the smoking of clay pipes. And the smoking of clay pipes was known to cause cancer of the *lip*!

It took more than twenty years of massive experimentation with cigarettes on an unwitting American public to demonstrate that society was the loser in that trade-off. Whether we are now losing on a comparable scale on any other substances remains to be seen.

The problem is clear, but the solution is much less so. The American people have reacted by giving the Federal government a mandate to screen chemicals for hazards, and to regulate their distribution and use as drugs, food additives, or industrial chemicals.

But this is only half the answer. For we lack both the money and the manpower to test all these man-made substances for all their possible consequences. Even if we could test all these substances, available methodologies could not tell us with certainty which are dangerous to humans and which are not. And even among the dangerous compounds, we would not know precisely the magnitude of the threat.

This uncertainty is a central element in the regulatory dilemma we face. It is difficult to believe that cigarettes and asbestos are unique in their enormous adverse public effects. But which other chemicals will turn out to be the gross offenders? So far we can only speculate. There is no such thing as a simple, straight-forward answer. But we face the alarming possibility that among the enormous number of substances that our highly industrialized society is spewing into the environment are some that even now may be causing massive cancer epidemics for the current and future generations of Americans.

The dilemma is also complicated by our increasing technical ability to detect the presence of chemicals at smaller and smaller concentrations. In our preset state of partial knowledge, *potential* dangers are everywhere, but *certain* dangers are rare. We are in the impossible position of walking through a minefield blindfolded, with the knowledge that the devices we trigger today may not explode for many years, or even decades.

Moreover, as science and technology advance, there are increasing numbers of products and activities that pose potential threats to the public health. Recombinant DNA is a case in point.

For the first time in history, scientists voluntarily ceased their work out of fear of potentially harmful effects of their work on public health. That issue has become a case study of the pitfalls we encounter when scientists and public officials try to work together to apply the risk/benefit calculation. In large measure, this difficulty results from dealing with a novel scientific technique whose ultimate implications are probably impossible to know at the present time.

Even when we find that risks exist, however, the federal government too often treats them inconsistently. On one hand, we subsidize tobacco-growing, and we ship tobacco abroad as foreign aid. On another hand, we speak of banning saccharin, when medical opinion is widely split on whether it may confer potential health benefits.

And we quite appropriately restrict the use of laetrile, even for patients dying with known cancer. But we allow millions of healthy Americans to be unwittingly exposed to a pesticide like toxaphene, which clearly causes cancer in animals.

In most cases, these inconsistencies are not exclusively the fault of regulators. They also reflect the contradictory mandates and inconsistencies in regulatory law, which in turn are often the product of pressures by special interest groups that are capable of swamping the public interest. Congress has a special responsibility to review these laws to ensure they reflect the public's wishes. We cannot tolerate a situation in which inconsistent regulatory actions heighten the public's confusion and skepticism.

With all these problems, it is no surprise that America's public faith in government regulation is strained to the breaking point. Our private capacity to generate hazards to health has outstripped our public ability to evaluate and control the hazards.

One step we can take to deal with this deteriorating situation is to commit more resources to perfecting the methodology of risk benefit analysis. In particular, we need more research aimed at improving our ability to evaluate the risks of chemicals. We must reduce the uncertainty involved in these risk assessments, and we must make these assessments cheaper and faster.

In particular, we need to devote more resources to perfecting alternatives to animal testing as a mean of assessing the toxic potentil of chemicals. This work goes on now at the Cancer Institute, at the FDA, at the EPA, and at the National Institute of Environmental Health Sciences. But it is research that needs better support and better coordination.

In the long term, research on risk and benefit analysis will probably prove more important than any other single step we can take to improve our capacity to protect the public health through regulation. It is work that will allow legislators and regulators to speak with much greater confidence when they warn of the hazards of a drug, a pesticide or a food additive. In this way, our research work will enhance the scientific credibility of our regulatory institutions.

But research is a long-term strategy. There are also short-term solutions that are equally important, but more difficult.

One key element is to improve the way regulatory agencies set priorities. It is clear that FDA, EPA and other regulatory institutions do not have the people or the money to carry out the huge job assigned by current law.

But it is not clear they are taking maximum advantage of the resources they now have. Our regulators need to plan better. They should publish and circulate more understandable plans and priorities for dealing with the multiple chemical threats for which they are responsible. This action will enable them to carry out their missions more effectively. And it will enable Congress and the public to deal more effectively with the isolated chemical hazards so frequently reported in the media.

Another key element in strengthening our regulatory approach is improved public education. Unfortunately, public education is often seen today as a tired and meaningless concept. It is our responsibility to give it new life and content. Public understanding of the regulatory process has always been the cornerstone of successful regulation in the past, and it will be essential for the success we hope to achieve in the future.

We must begin educating the public to the reality that there is no such thing as absolute safety. Regulation can never completely and totally protect the public. Large segments of the American public already accept this fact. But it is time for persons in positions of leadership to strengthen this understanding with more candid discussion of the limits of regulation.

This approach does not mean we should leave open the chemical flood-gates and let Americans drift in the rising flood of toxic substances. We should give the benefit of the doubt to the public. The burden of proof should be on those who profit from the sale of chemicals to show that their distribution and use should be permitted.

But we must be honest in discussing the limits of our current resources and techniques. Risk/benefit analysis is, after all, an imperfect art. Its application will necessarily prove fallible. But the American people will accept this result and be more tolerant and supportive of regulation, as long as they understand the basis on which the decisions have been reached.

Perhaps our greatest national resource is the informed common sense of the American people. Inevitably, we shall encounter situations in which the known risks and benefits of substances are closely balanced. When these situations occur, and when citizens can control their own exposure to such substances, the correct approach is to inform the public about the nature of the risks and benefits, and to let them make their own decisions about exposing themselves to the chemicals involved.

Americans are ready for this responsibility. In fact, they are demanding it, as the lesson of the saccharin controversy now makes clear. A recent poll showed that 76 percent of Americans continue to oppose a ban on saccharin manufacture and that 77 percent of those who use it plan to keep on doing so.

By contrast, in the case of laetrile, the saccharin precedent does not apply. As proposed for use in cancer treatments, laetrile is a drug, and it should be held to the same strict tests of safety and effectiveness which all prescription drugs are required to meet.

We should also remember that the population using laetrile is an especially sensitive group. Cancer patients are ill with a dread disease. They are much more prone to grasp at straws, and to choose a treatment without proven effectiveness, especially when the alternatives are as grim as chemotherapy or surgery or radiation. As a result, these patients are entitled to a degree of regulatory protection which the average American may not require.

Informing the public, however, does not mean printing a few lines in the Federal Register, while manufacturers fill America's living rooms with enticing advertisements for potentially hazardous products. Regulators must fight fire with fire. They must start using the print and broadcast media to inform the public in ways effective enough to make their message heard and understood.

In doing so, they must show a creativity and ingenuity they have shown too seldom in the past. They must make the esoteric concept of risk and benefit analysis understandable to ordinary citizens by using terms and images which relate to their daily lives.

This aspect of public education is essential to successful regulation in our increasingly complex modern world. By this approach, public education will become a way of involving citizens in regulatory decisionmaking. They will become partners in protecting themselves from potential hazards.

We must also search for other ways to promote this public partnership. In particular, we must find better ways of directly including the public in regulatory decisions.

The Environmental Protection Agency has considered experiments with public participation in its regulatory process, and the National Academy of Sciences recently made

recommendations along these lines in its study of EPA decision-making. We cannot overestimate the importance of public participation in regulation.

It is increasingly clear to the average American that there is a large dose of subjective judgment in the rules which pour out of EPA, FDA, OSHA and other regulatory agencies. Even under the best circumstances, this subjectivity is inevitable. It reflects the limits of risk/benefit analysis and the realities of politics. It is nothing to apologize about.

But if decisions are subjective, then the process by which these decisions are made becomes of great importance. That process will not be accepted as legitimate unless it is open and understandable. And the way to make it open and understandable is to ensure that representatives of the public have direct access to it.

Regulation has become one of the foundations of modern public health in the United States. The legitimacy and strength of FDA and EPA and other regulatory institutions are national health resources. They deserve far greater emphasis and attention by Congress and the public than they have received in recent years. I look forward to the recommendations and suggestions of this symposium as a useful step in meeting the growing challenge. And I also look forward to working with you, as we build a wiser and more effective future for our nation's system of public health.●

THE 130TH ANNIVERSARY OF HUNGARIAN INDEPENDENCE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. FARY. Mr. Speaker, today marks the 130th anniversary of the Hungarian Revolution of 1848, in which the people of Hungary rose up against the domination of the Hapsburg Empire. Early in March of that year, the great patriot leader, Louis Kossuth led the national demand for parliamentary government. Just a year before, national elections had supported the movement for autonomy, culminating the famous ten points, including responsible government, popular representation, religious liberty, abolition of serfdom, equality before the law and other principles basic to a free society. These were adopted by the deputies of the Hungarian diet on March 15, 1848, and they thereby became equivalent to a constitution.

Tragically, the new government was to be ruthlessly suppressed by invading armies, which occupied Budapest in January of 1849. Resisting to the bitter end in the face of overwhelming odds, the Hungarian diet proclaimed a republic in April, electing Kossuth as "governor-president." The republic collapsed under the combined assault of Austrian and Russian troops, but Kossuth escaped.

Nevertheless, the people's will for freedom lived on, and in 1867, only 16 years after the uprising, the constitution of 1848 was restored peacefully and Hungary acquired responsible government. After the First World War, the political union with the Hapsburg dynasty ended, and Hungary became a wholly independent nation.

In celebrating Hungarian Independence Day, we honor the courage and vision of those who led their people's struggle for national freedom in the last century. More than that, we remember that spirit of patriotism which sustained Hungarians in every age and which has flourished in our own time. The memories of the Hungarian Revolution in 1956 are still fresh and vivid in the hearts and minds of Hungarians, which is testimony to their acute desire for real independence.

The Revolution of 1848, even as that of 1956, aroused great sympathy in the United States. Kossuth's visit in 1851 was a dramatic occasion for celebrating American support for Hungarian freedom. Since that time countless thousands of Hungarians have come to America, seeking larger liberties. Today, there are well over a million Hungarian-Americans, whose contributions to our national life are outstanding in every area of endeavor including science and industry, music and the arts, journalism and entertainment.

Mr. Speaker, on this special day I join with our fellow Americans of Hungarian descent in celebrating the independence that the great patriot, Louis Kossuth, helped establish. However, it should not go unnoticed that the same Russian imperialism that prevailed in 1849 is still present today and continues to oppress the legitimate aspirations of the Hungarian people for real independence and to be free of foreign domination. Let us pray that those noble aspirations are realized one day soon.●

HEARINGS BY THE HOUSE SELECT COMMITTEE ON AGING, DELAWARE COUNTY, PA.

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging, represented by Congressmen MIKE BLOUIN and DAVE EVANS, held field hearings in my district to gather testimony regarding the Older Americans Act. I participated in these hearings which, in my view, were quite productive. For the past few days I have inserted into the RECORD portions of the testimony we received. The ninth section follows:

BUNTING FRIENDSHIP FREEDOM HOUSE, INC.,
Darby, Pa.

THE HOUSE SELECT COMMITTEE ON AGING

The Bunting Friendship Freedom House, Inc., would like to go on record as stating that the Government is to be complimented for at least recognizing the plight of its older Americans. We think it has been a long time coming and even now, we have only scratched the surface. Even though we are providing health screening, socialization, recreation, nutrious meals, nutrition information and lawyers for the writing of wills for some people, how about the thousands we are not reaching; some who are stored away in nursing and/or boarding homes, unfit for human habitation? There should be some mechanism set up, to monitor these homes. All of these homes can't be bad but, the numbers are so great until it gives good homes a bad name. I can testify to the condition and the deprivation of many of these places.

With additional funds, we would be able to have larger facilities to serve more people; we would be able to reach more shut-ins and home-bounds.

(MRS.) ETHEL G. SMILEY,
Executive Director.●

TAXES

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. O'BRIEN. Mr. Speaker, it is time that we talk common sense about the Carter administration's proposed tax cut. Similar to the old shell game where the pea appears under one shell and then disappears, the tax cut proposal is like a clever shell game. The closer you look at it, the trickier it appears.

If the tax cut goes forward, we will see a reduction in some taxes but an increase in others. If we consider the growing problem of inflation, the hard-working taxpayer will be the loser again.

This problem of the taxpayer and inflation has been highlighted in a recent book published by the Heritage Foundation: "Indexing the Inflationary Impact of Taxes: The Necessary Economic Reform" by Dr. Donald J. Senese. Dr. Senese describes how our present system allows the Federal Government to make a "profit" from inflation as the burden increases on the individual taxpayer:

Inflation has become a factor which every taxpayer must take into consideration in his everyday lifestyle. Some of the implications are obvious—notably that an individual's nominal or regular income must increase in order to continue to purchase the same goods and services. Most taxpayers are also aware that as they receive higher levels of income, they will have to pay higher rates of taxation. Yet, it is not as frequently recognized that as a person's income increases to match inflation, the person's tax burden increases still faster and thus income taxes take an increasingly larger share of the budget of the consumer taxpayer, even if real income remains constant or even declines. The taxpayer experiences the effects of an increased cost of living and a disproportionate increase in taxes as part of this increasing cost. Considering this major effect of inflation, a larger proportion of the national income has been switched from the private to the public sector through increased government revenues from tax collections.

The author suggests that we consider indexing our tax system in order to remove this "profit" from inflation for the Government bureaucrats.

The Carter administration's record on spending, on inflation, and on these tax cuts will leave the poor taxpayer worse off than ever. The individual will suffer and our whole economy will experience the result of this ill-conceived economic program. The ramifications of this program was well illustrated in two editorials which appeared in the Chicago Tribune (February 7, 1978): "The Dis-

appearing Tax Cut * * * And an Unintended Result." I urge my colleagues to study these editorials.

THE DISAPPEARING TAX CUT * * *

President Carter is selling his proposed tax cut as a benefit to all but the rich. If truth-in-advertising laws were applicable to presidential claims, Mr. Carter would be in trouble. His proposal would take money also from middle-income Americans and redistribute it to those with lower incomes.

The average American family had an income of about $17,000 in 1976. If that figure rises at the anticipated rate of inflation, it will pass $20,000 by 1979.

And as the accompanying table shows, the family of four with one wage earner earning $20,000 will be only $9 better off with Mr. Carter's tax "cut," taking into account both the income tax cut and the higher Social Security taxes that take effect in 1979, than without it. For incomes over $20,000, there will be a net loss.

What's more, that family's real income won't have changed in the four-year period; only its taxes will have increased. The family will actually have $511 less to spend than when it was earning $3,000 less.

For the many families of four where both husband and wife are working—and the number is growing steadily—the prospects are even more gloomy. They will be hit twice, by a double Social Security tax of $1,404 each and also by being pushed into a higher income tax bracket. If each earns $20,000 in 1979, their combined income and Social Security taxes will come to a staggering $9,000. That is more than $2,000 over their 1976 taxes [if they each earned $17,000] and $303 more than it would have been without the proposed tax cut.

True, some members of Congress such as Illinois' Rep. Abner Mikva are having second thoughts about the Social Security tax increase. They want to rescind part of it and shift some of the Social Security burden to general revenue funds. But this smacks of the "free lunch" approach. Congress has expanded Social Security benefits too fast in the past, and it can't pay for them by a juggling act. Somebody has to pay the taxes to provide the general revenue funds. And we'll give you one guess as to who will pay them.

If yours is a family of four with one working member, this is what you'll pay in 1979 under the Carter proposal and how it will differ from present rates. The only beneficiaries will be those in the lower middle income group earning no more than $20,000.

Wage income	Income tax	Social security	Total	Changes
$5,000	−300	306	6	+14
$10,000	134	613	747	−284
$15,000	1,072	919	1,991	−215
$20,000	1,910	1,226	3,136	−9
$25,000	2,830	1,404	4,234	+119
$30,000	3,910	1,404	5,314	+117
$40,000	6,630	1,404	8,034	+271
$50,000	9,870	1,404	11,274	+359
$100,000	29,470	1,404	30,874	+1,029

Source: U.S. Treasury, Office of Tax Analysis.

* * * AND AN UNINTENDED RESULT

A tax "cut" that leaves middle-income taxpayers subject to rates that are still oppressive, and that are aggravated by the upward "bracket-creeping" effect of inflation, may well be self-defeating.

Up to a point, steeply increasing tax rates may tend to make people work harder to compensate for the higher taxes; but there comes a point beyond which the share of every dollar of income that the government confiscates is so great that the employer or worker rebels.

If he is a home builder, he may not build and sell as many houses as he otherwise would; his leisure time might be worth more to him than any profit he might retain. The government thus loses the revenue from the houses not built. Society suffers through having not only fewer houses but also higher housing prices [demand exceeds supply] and fewer jobs in housing and related industries.

It matters little whether the government intended to use the revenue from those higher marginal tax rates to support higher government spending or to redistribute income. The long-term effect is the same: less revenue for either, lower productivity, and fewer jobs than if the government had lowered marginal tax rates and thereby collected taxes on the construction and sale of more houses.

In addition, experience has shown that when a taxpayer perceives the marginal tax rate as unacceptably higher for himself, he is tempted to find ways to cheat the tax collector. He might, for example, "dispense" with some employes by treating them as "subcontractors," and thus avoid Social Security taxes on those employes.

Furthermore, our homebuilder might employ as many carpenters as possible "off the books." He will pay them in unrecorded cash. And the carpenter pays neither his share of social security nor his income taxes; he is therefore willing to work for less than he otherwise might. In addition, he can collect unemployment compensation, since so far as the Internal Revenue Service and the Census Bureau know, he is unemployed.

As more people drop into the "secret economy" of unreported cash transactions, the government's losses grow. Economist Peter Gutmann of the City University of New York's Baruch College estimates that an amount equal to about 10 per cent of gross national product is now involved in this secret economy. With GNP expected to reach $2 trillion this year, such unreported and untaxed income could amount to a staggering $200 billion.

Prof. Guttman noted that historically as the tax burden has risen, so has the amount of currency in circulation compared with the amount of money in checking accounts.

He finds the rising ratio of cash especially curious when you consider the normal tendency to put more money into savings accounts as interest rates rise, and the huge growth in credit in credit-card buying and the introduction of automated bill payment. Why then are people holding so much cash? To "lubricate" the secret economy, he concludes.

Whatever the accuracy of Prof. Gutmann's estimates concerning the loss to federal, state, and local government treasuries through "off the books" transactions, the rising trend line of tax avoidance he sees is consistent with economic theory. Martin Anderson, senior fellow at the Hoover Institution of War, Revolution and Peace, notes that taxes of all kinds in the U.S. have grown from 25 per cent of net national product in 1950 to more than 35 per cent in 1970 and could exceed 40 per cent in 1980. Clearly, the "leading indicators" for the secret economy are bullish.●

WESTWAY: UNDERTAKING A TRAGIC MISTAKE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. RICHMOND. Mr. Speaker, I have continuously voiced my opposition to the proposal known as Westway to reconstruct the West Side Highway in New York City. I believe the highway trust fund could be better utilized to revitalize and upgrade New York City's mass transportation bus and subway network.

Mr. Brian T. Ketcham, vice president and chief engineer of Citizens for Clean Air, Inc., recently echoed my conviction that the proposal to build Westway in its present interstate highway form would be a tragic mistake and a disservice to the residents of this city. Ketcham wrote a "viewpoint" article that appeared in the February 16 edition of Engineering News Report.

Mr. Speaker, I offer this article to my colleagues as further emphasis that the 1$ billion-plus price tag should instead be used to begin the task of reinvigorating New York City's deteriorating mass transit system:

WESTWAY WILL COMPOUND CITY'S PROBLEMS

In New York City these days, the promised land is made of spoil fill, concrete and greed. It's called Westway for short and its would-be builders and beneficiaries insist it is a kind of urban philosopher's stone that would change the base metal of the city's half-collapsed West Side Highway into federal gold.

They persistently promote it as the key to revitalizing not only lower Manhattan but the entire city. Only occasionally are they more forthright.

But Westway is misbegotten and badly planned for a number of reasons. It will further deteriorate New York City's air and water quality, disrupt the communities along its path, increase the city's already severe traffic problems, and create more fiscal dilemmas than it may alleviate. The fundamental problem is its Alice-in-Wonderland distortion of New York City's priorities.

Westway represents the worst corruption of the Highway Trust Fund and demonstrates how great the need is to dismantle this 20-year-old urban wrecking machine. The trust fund supplies virtually limitless funds to states and municipalities on a 90% federal/10% state basis. In New York, as elsewhere, this has been falsely interpreted to mean that Westway will be free to the city and its residents. This is untrue but the temptation of a 90/10 federal capital project ultimately costing several billion dollars is simply too great. In New York City, government and business interests have grabbed for it regardless of the social consequences.

Furthermore, there is currently no mechanism to fund transit project overruns as there is for highways. This disparity is an important reason why governments favor highways.

In the seven years the city has been agonizing over Westway it has raised transit fares twice, cut services by more than 12% and deferred so much essential physical maintenance that proper rehabilitation would cost about $10 billion in 1977 dollars, according to the New York City Transit Authority. The city has also accumulated a backlog of 2,300 miles of local and arterial roads which need replacement. This is more than 40% of its total mileage and this backlog is growing by more than 300 miles each year.

Trading in Westway will not by itself fill this capital need, but it would be a huge help, especially if the money were spent to repair subway track, signal systems, substations, collapsing local streets and the like. New York City can live without Westway but not without its subways, buses, streets and bridges—and they are all rapidly falling apart.

The business, government, union and media interests promoting Westway would have New Yorkers believe New York City can have everything, better public transit and Westway. But this is little more than calcu-

lated pandering to a sincere public desire for a decent city in which to live.

An example of the enormous wealth involved and its corrupting influence is the project's environmental impact statement (EIS) and the more than $16 million spent to produce and market it. This is almost twice as much as was spent for the EIS required to build the $10-billion Alaskan pipeline. Incredibly, the Westway EIS fails to adequately support its conclusion that the project is environmentally sound. The Environmental Protection Agency has ruled the plan unsound and the project has failed to secure a crucial indirect air pollution source permit despite lengthy hearings.

Nine-million dollars of the EIS budget was spent to create a high technology mathematical model for forecasting traffic and predicting air quality. This model obscures more than it reveals. Incomprehensible to any but its creators, it will spew forth on command air quality predictions through 1990 for any proposed highway configuration. The structure and capability of this model are the subject of considerable controversy and many experts believe it is useless as a predictive tool.

Westway has not only wreaked havoc with New York City's priorities but with the region's urban transportation planning process as well. The Westway struggle is testimony to the need for effective and continuous public participation in this planning process and the skills, funding and expertise public participants need access to in order to be effective.

Unless independent funding becomes available for such work, we will continue to have Westways in New York City and elsewhere. The wastage of the confrontations such projects breed can be reduced through substantive—not manipulated—public involvement. In transportation planning this means independent, funded technical representation of a kind which does not now exist in the New York City metropolitan area.

Other cities, most notably Boston, have very successfully traded in unnecessary highways for necessary transit money that was then spent to make life a little better for far more people. New York City can do this too but not if its elected leaders insist on placing private interests above the public welfare and proceeding with this disaster.

Should this happen Washington will be justified in ignoring New York City's pleas for yet more money based on the performance of its leadership. Building Westway instead of dealing with the city's incredible transit capital needs borders on the irresponsible and is a sacrifice the people of New York City should not be expected to make.●

A GOODBYE MAN SPEAKS OUT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, a constituent recently sent me an editorial from the magazine, Iron Age, entitled. "A Goodbye Man Speaks Out." The editorial concerns the candid and courageous retirement statement of our colleague from New York (Mr. PIKE). At this point in the RECORD I include the full text of the Iron Age editorial written by its editor-in-chief, Gene Beaudet. The editorial follows:

A GOODBYE MAN SPEAKS OUT

Otis G. Pike is retiring from the U.S. Congress later this year. Rep. Pike is from New York State and, when he retires, will have served nine terms in the House.

That's a long time on the firing line in Washington. So it might be of interest to hear his views on how the government operates. Besides being highly experienced in Washington affairs, Mr. Pike is known to be a man who keeps a cool perspective and who is able to separate the wheat from the chaff on issues and arguments.

Well, in announcing his retirement from the Congress, Mr. Pike's Washington office had this to say: "He's tired of wasting his time on drivel."

And that's not all. As he headed into the snug-harbor security of political retirement, Mr. Pike, a Democrat, became suddenly apolitical.

"The wisdom of the ages," he said, "has not been secretly entrusted solely to Democrats. Both parties are indifferent to the national debt, the deficit or any obligation to pay our bills or balance our budget."

Hear, hear!

There's reflections on 18 years in the U.S. Congress. There's a moment of soaring truth.

This scalding indictment of drivel-obsessed and spendthrift government couldn't have come at a better time.

Just prior to Mr. Pike's quite pronouncements, the Administration proposed a new save-the-economy tax package where the most heated discussion centered on the idea to erase the tax writeoff on so-called "two martini" business luncheons. At the same time, a "cautious" and "conservative" government budget for fiscal year 1979 was outlined—with a deficit of "only" $61 billion.

Oh, there's more.

Right after the announcement of the "conservative" 1979 budget, the Treasury Dept. said it would ask Congress to raise the government debt ceiling by $112 billion. (This debt now totals $722 billion. At least this was true when I looked at the figures a few days ago.)

Treasury made the point that if it didn't get a $29 billion ceiling increase during the current fiscal period, it wouldn't be able to borrow more money and pay bills about to come due.

I know that economic theory says government budget deficits stimulate the economy. But I am wondering whether this theory has run into the law of diminishing returns. Maybe these huge deficits have reached the point where they now inhibit rather than stimulate the economy. Do they now draw more life-blood from the private economy than they put into it?

Don't forget, in the two calendar years preceding the worst of all postwar recessions in 1974–75, the Federal deficit was running at a "stimulating" rate of $1 billion per month.

Mr. Pike is right. The government red-ink tide is rising and the "drivel" right along with it. The number of pages in the Federal Register required to publish proposed regulations has been rising 25 percent per year.

All the Mr. Pikes in Congress should certainly be asking themselves what are they doing to turn the tide against deficits and drivel before they say goodbye.●

CRIME IN AMERICA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for March 15, 1978, into the CONGRESSIONAL RECORD:

CRIME IN AMERICA

Violent street crime, the kind of crime most terrifying to the ordinary citizen, has gotten out of hand in America. Current surveys, including the letters and responses to questionnaires I receive from Ninth District residents, reveal concern that the laws are not being enforced strictly enough, that organized crime is being given a free hand and that little is being done to improve the criminal justice system.

There is more serious crime in the United States than in any other Western nation. Homicide has become so common in major cities that a boy born in an urban area today is more likely to die by murder than an American soldier in World War II was to die in combat. From 1960 to 1975, the number of serious crimes reported to the FBI increased an alarming 232%. The cost of crime in dollars reached $97 billion in 1975, an average of $450 for every man, woman and child. The figures are higher today than they were three years ago.

The causes of this "crime wave" are many, but some stand out. Part of the crime problem must be attributed to the large number of young adults in the population since they commit more crimes than do people in other age groups. Also, crime is the full-time job of 500,000 career criminals in the United States. These "businessmen" experience no recession and enjoy a high return on "investment". Another cause is the "immunity from prosecution" that many criminals appear to have. For only one crime in five is a suspect ever arrested, and only one crime in 20 is solved by conviction of the suspect on the charge originally placed against him. There is certainly a connection between social ills and rising crime. Although we may disagree that joblessness and bad race relations are the main causes of crime, we should not underestimate the detrimental effects they have. Some other factors are the high incidence of divorce and the growing number of families headed by two working parents. Because strong parental guidance is sometimes necessary if young people are to avoid criminal activity, many experts have linked these trends to crime

The role of the federal government in the war on crime is important, but the criminal law and its enforcement are primarily within the jurisdiction of state and local governments. Nonetheless, the federal government provides over $600 million per year through the Law Enforcement Assistance Administration to help meet the financial and technical needs of state and local police forces. Congress is rewriting the federal criminal code and is considering a program of compensation to victims of crime. It has shown a concern for the lives and families of law enforcement personnel by authorizing the payment of $50,000 to the surviving relatives of officers who are killed in the line of duty. It has tried to help states deal with juvenile delinquency and is considering legislation to provide severe penalties for persons convicted of involvement in child pornography. Finally, President Carter's recent appointment of Judge William Webster to head the FBI should bolster that agency by lifting it out of politics.

Since 1967 over $100 million has been spent on crime research. What has been learned? To begin, we have learned that government cannot wipe out crime since many factors which cause criminal behavior are beyond the reach of any government. We have also learned that more police do not necessarily mean less crime. The judges, prosecutors and jailers in many areas are unable to handle the volume of arrests that police already make. We have learned that not enough citizens cooperate with the criminal justice system. For example, the common practice of victims to wait 20 minutes or more before reporting a crime is a real problem. Finally,

we have learned that crime will not be swept away by a spectacular breakthrough. Our hope is that many small gains will add up to a major reduction in crime.

What should be done to stop crime? Of course, we should continue policies that have already cut down on crime or have mitigated its effects, such as prosecution of repeaters, federal support for state and local lawmen, expansion of the prison system and reduction of unemployment. But we should also make some changes. Given limited resources and the importance of the main tasks of the police, it may be preferable to have the police concentrate on serious crime. Also, the court system should be overhauled to ensure that quick, fair verdicts can be handed down and carried out. This means that trial procedures must not be delayed by continuances, that plea bargaining (which disposes of 90 percent of all cases) must take place in accordance with strict guidelines, that uneven sentencing must be eliminated, that the most up-to-date management techniques must be brought into courtrooms, and that the parole system must be reorganized to serve the interests of the community.

In the final analysis, we should be aware that anti-crime efforts to date have lacked an essential ingredient—citizen support. The professionals will do their part, but as private citizens we must do all we can to assist them. Beyond simple cooperation with the authorities, this means that we must become involved in community anti-crime groups, take strong measures to resist crime in the home and on the job, and make life as difficult as possible for the lawbreaker.●

INADEQUATE FUNDING LEVEL IN ADMINISTRATION'S BUDGET REQUEST FOR VETERANS' ADMINISTRATION MEDICAL PROGRAM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. TEAGUE. Mr. Speaker, the national commander of the Disabled American Veterans has brought to my attention again the inadequate funding that the administration's fiscal year 1979 budget request contains for the Veterans' Administration's medical program. While I am very familiar with this inadequate funding level, I thought each Member would be interested in the remarks of the national commander, Oliver E. Meadows. This gentleman, in my opinion, is the most knowledgable individual in this country when it comes to veterans' benefits, services, and programs. The letter to me is as follows:

WASHINGTON, D.C., *March 8, 1978.*

Hon. OLIN E. TEAGUE,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TEAGUE: As National Commander of the Disabled American Veterans, representing the interests of over 2.6 million service-connected disabled veterans, their dependents and survivors, I am compelled to bring to your attention certain glaring deficiencies contained in President Carter's Fiscal Year 1979 budget request for the Veterans Administration.

The Administration request contains inadequate proposed funding levels for several important veterans programs, however, my primary concern centers upon what I consider to be a callous, shameful disregard for the quality and scope of VA medical care benefits and services.

Clearly signifying the influence of OMB cost saving directives, the proposed cutbacks in VA medical care include:

The loss of 3,132 operating beds—equivalent to the closing of five 600 bed VA Hospitals—in 76 facilities located in 33 states. Loss to the system—$32.3 million resulting in the reduction of 1500 employees.

The elimination of medical research activities—2 Nobel Prize winners notwithstanding—in 64 hospitals located in 35 states. Loss to the system—$18.3 million resulting in the reduction of the 245 employees.

Abandonment of 35 construction projects located in 21 states—including a previously authorized 480 bed hospital in Camden, New Jersey. Loss to the system—$236.5 million in facility improvement funds.

All told, the Administration funding request falls some 408 million dollars short of assuring that our Nation's veterans continue to receive quality medical care. Unless these funds are restored by the Congress, such quality will drop to unacceptable levels in virtually every VA medical facility in every state in this country.

I urgently request your intercession in behalf of our veteran population. Specifically, I ask that you contact the House Budget and Appropriations Committees and urge that they provide this most necessary funding for our VA hospital system.

Thank you very much for your valuable assistance in this important matter.

Sincerely yours,

OLIVER E. MEADOWS,
National Commander.●

FUNDING FOR ADULT EDUCATION

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. FREY. Mr. Speaker, in a time which is characterized by rapid and momentous changes, the Nation's adults need improved access to appropriate learning opportunities; opportunities which will insure a higher quality of life by enabling them to develop skills and attitudes necessary to cope with social, economic, and technological change. Today, the House Appropriations Subcommittee on Labor-HEW begins hearings on education appropriations. Adequate funding for adult education is most essential.

At a recent conference on adult literacy, the needs of adults for relevant and pertinent earning opportunities were clearly outlined. Adults need opportunities to develop skills that will enable them to resolve increasingly complex life problems. They need experience that will enable them to be contributors to a free society rather than recipients of services such as welfare that are provided by that society. They need opportunities to develop an inquiring mind that is free of prejudice and is open to new ideas; opportunities to expand potential for economic and social contributions.

Let us assume that a literate person is one who can continue his or her education, can retain a job, and effectively contend with or adapt to most of the routine conditions of life and society—in other words, a person with a reasonably good high school education. Recent figures indicate that over 65 million American adults had less than a high school diploma. Of that 65 million, over 3 million adults participated in adult basic/high school completion programs across the country. The cost was roughly $107 per student per year. The Federal dollar contribution to this cost was approximately $5 per student—$5 toward the cost of assisting an adult to learn to read, to write, to obtain a high school credential.

For a moment, consider the lifetime earning capacity of the person with a high school diploma compared with that of a nongraduate. It was learned that a person with a high school credential can expect to earn approximately $78,000 more over his or her lifetime than a person without such a credential. This can represent the difference between owning one's home, being able to provide for one's family, or providing one's children with a good education.

It is clear that society benefits substantially from education in general and adult education in particular. Programs such as adult education are truly cost effective. They are far from being an economic parasite draining off national income into some nonproductive enterprise. Adult education can be a great equalizing force. Increased investment in adult education will raise the educational attainment levels of the entire population. Rather than being considered a cost to society, adult education expenditures are an investment in people. I look forward to the subcommittee appropriating the needed funds to continue adult education.●

THE 59TH ANNIVERSARY OF THE AMERICAN LEGION

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. ANNUNZIO. Mr. Speaker, 59 years ago, the American Legion pledged:

To promote peace and good will on earth; to safeguard and transmit to posterity the principles of justice, freedom and democracy, and to consecrate and sanctify our comradeship by our devotion to mutual helpfulness.

Today, the American Legion perpetuates its founding pledge in its perseverance "For God and Country." On March 15, Legionnaires celebrate the anniversary of their organization, which first met in Paris, France, on March 15, 1919, when delegates from the 1st American Expeditionary Force acknowledged that their responsibility to each other and to their country's citizens did not end with the signing of a treaty of peace.

The continuing dedication of the Legion to the adjustment of the veteran to civilian life, restoring his health and usefulness to society, maintaining his dignity, and assuring the welfare of the veteran's widow and children is celebrated with this commemoration of the Legion's founding. The American Legion has also performed outstanding service to the veterans of our wars with its sponsorship of the GI bill of rights and the Korean GI bill. By serving the vet-

eran in this way, the Legion serves all of America, for our men and women returning to American communities from military service face singular problems and pressures. In addition, financial aid to former servicemen and women increases their opportunities to contribute, in turn, to America.

While caring for veterans the Legion has not forgotten the veteran's children, for promoting child welfare legislation benefits all children and, therefore, the Nation. Youth programs like American Legion baseball have produced stars—Musial and Spahn—while encouraging youth in good sportsmanship. The American Legion sponsors thousands of Boy Scout units and offers a cash scholarship in the national high school oratorical contest. Such training and encouragement in American ideals multiplies the dividends resulting from these investments in our country's youth.

Mr. Speaker, an update of American Legion activities in 1977 follows:

In 1977 the American Legion continued the youth citizenship training programs it began in the 1930's. Some 30,000 boys in all parts of the country participated in the Legion's Boys State programs, at a cost to the Legion of $1.7 million. Two boys were selected at each state convention to participate in the Boys Nation convention held at the American University in Washington in July. The 19,000 girls who participated in the Girls State programs elected delegates to the Girls Nation convention, which was also held in Washington.

The American Legion, its Auxiliary, and the Eight and Forty service organization of the Auxiliary spent a record $14.6 million on children and youth activities in 1977.

American Legion National Commander Robert Charles Smith recently announced that the Legion is in the process of organizing what will be the first nationwide energy conservation program conducted by a grassroots, volunteer organization. The American Legion project takes a three-point approach, including energy conservation emergency meetings at local Legion posts, establishing local Legion posts as energy information clearing houses, and organizing a person-to-person "help your neighbor" campaign in conjunction with other local organizations to assist the elderly and disabled.

Mr. Speaker, after 59 years of vigorous service in America, it is clear that America still needs the American Legion with its continued and important civic service for those who served their Nation in war, and I am honored to join the members of the American Legion in celebrating the 59th anniversary of their proud traditions. I commend the Legionnaires of Illinois and our Nation for their dedication to the ideals of our American heritage, which they practice as a way of life, and extend my best wishes to them as they go forward in greater service to secure the blessings of liberty for us all.●

TITO AND HUMAN RIGHTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. BIAGGI. Mr. Speaker, the recent visit to Washington by President Tito was perhaps more noteworthy for what was not accomplished than what was. Despite the pleadings of a prestigious group of 16 clergymen from 10 cities to the President, he failed to even discuss with President Tito the fate of some 6,000 to 10,000 political prisoners in Yugoslavia.

I consider this to be another extension of the selective application of this administration to its own human rights policy. To be effective it must be applied wherever and to whomever stands in violation of adherence to human rights standards. Yugoslavia's incarceration of political prisoners, and the deprivations of rights which occur in the prisons is worthy of our most serious concern and criticism.

Despite the fact that the President missed a golden opportunity to approach these issues with President Tito, I hope he will pursue this matter with Tito as soon as possible. We cannot overlook the fact that Yugoslavia incarcerates the highest percentage of political prisoners per population than any other Communist nation including the U.S.S.R.

I now wish to insert into the RECORD the text of the mailgram sent by the 16 clergymen including 3 from St. Cyril and Methodist Church and St. Raphael's Church. I also wish to acknowledge the work of a good friend Mr. Jules Somner who himself is an ardent advocate for human rights in Yugoslavia.

CLERGY PRESS PRESIDENT CARTER TO URGE MARSHAL TITO TO FREE 6,000 POLITICAL AND RELIGIOUS PRISONERS IN YUGO-SLAV JAILS

The text of a plea to President Jimmy Carter by 16 Clergy from ten cities, to urge Marshal Tito to release 6,000 political and religious prisoners in at least 15 Yugo-slav jails, was made public today (Monday, March 6th, 1978) as the 85-year-old Marshal Tito arrived in the nation's capital on a State visit.

(Verbatim mailgram follows:)

MARCH 1, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

Mr. PRESIDENT: The State visit of Marshal Tito of Yugoslavia represents a unique golden opportunity to implement by deed your Administration's highly laudable goal to improve international human rights.

In about 15 Yugoslavian jails, there is estimated to be 6,000 political and religious prisoners; the New York Times claims there are 10,000. Yugoslavia incarcerates the highest percentage of political prisoners per population that any other Communist nation, including the Soviet Union and China.

We are not concerned primarily with the political and military ramifications of Marshal Tito's State visit but foremost with the notorious violations of human rights. In this short communication we cannot dwell at length about 600 Catholic priests who were murdered ruthlessly; the late Cardinal Stepinac, Archbishop of Zagreb sentenced to 16 years; the over 2,000 Catholic priests sentenced to from one to 20 years for their religious beliefs and worship; over 750,000 Croatian lay people who were slaughtered at the end of World War II and subsequent to the signing of the Geneva Peace Agreement; more than 25% of the entire Croatian population have fled from their homeland because of religious and political persecution, and these Croatian refugees are still plagued and are under surveillance by Yugoslavian secret police.

If you, Mr. President, speak out now on human rights to Marshal Tito, you will manifest to the nations of the world that our government is not merely engaged in rhetoric and propaganda but truly a policy of reaffirmation of human dignity.

We, the undersigned Clergymen, pray you, Mr. President, will use Marshal Tito's visit as the time to make your human rights declarations meaningful.

Reverend Mladen Culvalo, Reverend Leon Galic, Reverend Ivan Bradvica, St. Cyril and Methodist Church, New York, New York 10036.

Reverend Celestin Raguz, Reverend Dionizije Lasic, Reverend Kristijan Ban, Reverend Gracijan Raspudic, St. Anthony's Monastery, Chicago, Illinois.

Reverend Peter Topic, Croatian Catholic Mission, San Joe, California.

Reverend Stjepan Lackovic, Our Lady Queen of Croatian, La Cavana, New York.

Reverend Silvije Grubisic, Assumption Church, Stilton, Pennsylvania.

Reverend Domonic Coric, Spiritual Director of Croatian Catholic Union, Getty, Indiana.

Reverend Felix Diomartic, Reverend Janko Segaric, St. Anthony's Church, Los Angeles, California.

Reverend Anthony Cuvalo, St. Jerome Church, Detroit, Michigan.

Reverend Castimir Majic, President of the League of Croatian Priests for U.S. and Canada, Milwaukee, Wisconsin.

Reverend John Juricek, St. Peter and Paul Church, Omaha, Nebraska.●

ANNUAL LABOR MANAGEMENT DINNER DANCE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. WAXMAN. Mr. Speaker, the American Trade Union Council for Israel Histadrut will hold its Annual Labor Management Dinner Dance on May 13, 1978, in Los Angeles. A most happy and appropriate choice of the person to be honored this year is Leonard Levy. Devoting almost half a century to the needs of working people, Leonard Levy will be celebrating his 75th birthday on the date of the event. The positions he has held, and is holding, and his community activities have certainly earned for him a place high on the list of those who work for the betterment of their fellow men and women. He is vice president of the Amalgamated Clothing and Textile Workers Union, AFL–CIO; manager of the West Coast Regional Joint Board and of the Southern California Joint Board, ACTMU. In addition, he has been a vice president of the Los Angeles County Federation of Labor since 1957, and a member of the executive board, Federacion Interamericana de Trabajadores de la Industrial Textil, Vestuario y Cuero (Interamerican Textile Leather and Garment Workers Federation), Bogota, Colombia, since 1976.

Leonard Levy was a member of the Los Angeles City Planning Commission from 1973 to 1977, vice president of the Greater Los Angeles Industrial Union Council, CIO from 1949 to 1957, and executive vice president, Retail, Wholesale and Department Store Employees Union from 1942 to 1949. One would assume

that Mr. Levy, constantly occupying positions which demand vastly more for their proper administration than an 8-hour day, would have little time or energy left for outside endeavors, but this has not been the case with Leonard Levy. His other activities include service as a member of the Regional Board of Directors, Jewish Labor Committee (1951–1971); member of the Administrative Board, Israel Histadrut, Los Angeles (1955–), vice chairman, Californians for Liberal Representation (1965–), member of the Board of Directors, Americans for Democratic Action, Southern California (1968–), Delegate to the Democratic Party National Convention in 1968 and 1972. He is a member of the Workmen's Circle, the National Association for the Advancement of Colored People, and of the American Civil Liberties Union.

Naturally, looking at this most impressive list of Leonard Levy's services, we are not surprised that he has received recognition for his work. His awards include the Meritorious Award for Distinguished Service Greater CIO Council (1949–1959); the Distinguished Service Award as chairman of the Education Committee, Los Angeles County Federation of Labor AFL–CIO (1963), and a citation for Distinguished Service to the Israel Histradrut Campaign (1966).

Now the American Trade Council for Israel Histadrut is carrying on a tradition by honoring Leonard Levy once again. His wife, Sandra, and his two children will, we know, be sharing with all of his many friends the pleasure of his being honored. I ask the Members to join with me in congratulations to Leonard Levy on his 75th birthday celebration.●

INVOLUNTARY CONVERSION OF SPECIAL USE VALUATION PROPERTY IN ESTATE TAXES

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Ms. KEYS. Mr. Speaker, I am today introducing a bill which would revise the income and estate tax treatment of property which has been "involuntarily converted" after an election has been made to use the new special use valuation rules. In my own State of Kansas, many farmers have been forced to sell all or a portion of their family farms for Federal dam or reservoir projects. These condemnations and other involuntary conversions have subjected farmers to unintentionally harsh taxation under the new estate tax law. My bill would remedy that situation.

The 1976 act provided generally that certain real property used in farming or in another closely held business could be valued by reference to its current use, rather than its highest and best use. This special use valuation can provide significant reductions in estate taxes for estates in which a large proportion of the value is attributable to real property used in farming or in another closely held business.

To insure that the property continued to be used for farming or for other closely held business use, a recapture rule was provided. In general, this rule results in recapture of the estate tax benefit of the special valuation if the heirs dispose of the property or change its use within 15 years of the death of the descendant (or, if earlier prior to the death of the qualified heir). The purpose of this recapture rule is to prevent the heirs from getting a windfall by having the property valued for a special use but, obtaining the highest and best use value by sale or change of use.

This recapture appears to be unnecessarily harsh in cases where the property is involuntarily converted during the recapture period. Consequently, this bill would provide that where an involuntary conversion of qualified real property takes place, no recapture of the estate tax benefit will occur if the property is replaced by other real property of at least equal value to be used for the same use. Also, if the qualified property is replaced by property of lesser value, the recapture will apply only in the proportion that the excess of the amount realized on the conversion over the amount reinvested bears to the amount realized on the conversion. These rules generally give the taxpayer the same time to make a qualified replacement as occurs under the income tax involuntary conversion rules—namely, 2 years from the date of the conversion.

The 1976 act also added provisions which generally require that property acquired from a decedent takes a carryover basis in the hands of an heir. This basis is generally determined by reference to the decedent's basis with several adjustments. One of these adjustments is for the estate tax attributable to appreciation in the property. However, the 1976 act does not provide for an adjustment to basis for the recapture tax of the special use valuation. Since the purpose of this recapture tax is, in general, to place the taxpayer in the same position as if special use valuation had not been elected, it seems inequitable not to have this tax increase the property's basis. Consequently, the bill further provides that a basis increase is to be made in cases where:

First, the basis is determined by reference to the decedent's basis;

Second, the property is involuntarily converted; and

Third, a recapture tax is imposed because of the conversion. This basis increase is computed in the same manner as if the recapture tax were an estate tax imposed on the estate that had elected special use valuation.

Furthermore, to allow the Internal Revenue Service to have adequate time to determine whether property has been replaced, the statute of limitations upon the assessment of the recapture tax is conformed to the statute of limitations with respect to the income tax in the case of involuntary conversions.

Since this bill is intended to correct a technical oversight in the 1976 act, it would apply to transfers of property occurring after December 31, 1976.●

AUTOMATED PHONE-DIALING BAN APPROVED BY THE MARYLAND HOUSE

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. STEERS. Mr. Speaker, the Maryland House of Delegates recently voted to prohibit the use of computerized dialing machines in the State. I applaud this action which will go far to protect the citizens of Maryland from invasions of privacy by computerized phone calls.

I feel that the Maryland House action indicates that the issue of telephone privacy is one of great concern to many individuals. I am presently cosponsoring a bill offered by my distinguished colleague, the gentleman from Wisconsin (Mr. ASPIN), entitled "The Telephone Privacy Act of 1977."

I hope that this bill will receive committee attention and subsequent action by the entire House, since it will limit the ability of computerized telephone operations to solicit large numbers of potential customers. As telecommunications equipment becomes more sophisticated, the need for such legislation becomes more urgent.

This bill also addresses the question of all telephone solicitation. I think that there is need for congressional review of this question. In some cases I feel that telephone solicitation should be allowed. Much insurance work is done by the phone. I have doubts as to whether this specific line of work could function effectively with a prohibition on unsolicited telephone sales. Elderly and handicapped people pursue telephone work as a necessary means of employment, and this question should also receive full consideration.

I would like to insert into the RECORD at this point an article that appeared in the Washington Post on Wednesday, March 1:

AUTOMATED PHONE-DIALING BAN APPROVED BY MARYLAND HOUSE

(By Felicity Barringer)

ANNAPOLIS.—Legislation that would shield Maryland residents from recorded telephone sales pitches won overwhelming approval yesterday as the House of Delegates voted 119 to 8 to prohibit the use of computerized dialing machines in the state.

The same measure won approval from the Senate earlier this month, but the Senators now must approve two technical amendments added by the House before the measure can be signed into law by acting Gov. Blair Lee III.

The automated "megadial" system that would be abolished under this legislation can be programmed to run through, in numerical order, all the phone numbers on a given phone exchange, before it moves on to the numbers on the next exchange.

Opponents of the legislation, which was proposed by Sen. C. Lawrence Wiser (D-Montgomery), argued that a dialing system operating from across state lines could bombard Maryland residents with as many calls as one operating inside the state—and the out-of-state machine could not be touched by the proposed law.

In any case, Chesapeake & Potomac Telephone Co. lobbyist W. Orville Wright argued at a committee hearing earlier this year, the megadial machines have achieved a 50 percent success rate in some areas—half of the calls made resulted in sales.

Testimony at a committee hearing on banning megadial early in the legislative session indicated that the robot caller also has been used to send commercial greetings and to dun people electronically for unpaid bills.

"You could be swamped with 10, 20 or even 30 recorded calls in a day," Del. Marilyn Goldwater (D-Montgomery) predicted at that hearing. "You could lose control of your own telephone in your own home," added Goldwater, who had proposed similar legislation banning megadial.

Although the bill passed by the House prohibits the robot dialing machines in the state, it sets up no penalties for those who violate this law.

House approval yesterday came with no discussion or debate on the issue. The amendments that were added to the bill were designed to insure that pushbutton dialing machines, as well as actual dialing machines, would be covered by the ban.

"It really boggles the mind, the number of junk phone calls one machine can turn out," Goldwater said at the committee hearing.

At a separate hearing, Montgomery Democratic delegate Ida Ruben recounted her own experience with megadial; the robot computer called when she was not at home, so her own recorded telephone answering machine ended up taking the recorded message.

Sen. Wiser, sponsor of the legislation that passed the House yesterday, could not be reached for comment on his bill's apparent success. Wiser had introduced similar legislation during the 1977 General Assembly session. He got it through the Senate, but it died without getting out of the House Environmental Matters committee before the end of the session.●

FED CHAIRMAN MILLER SPEAKS UP FOR CONSUMERS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. ST GERMAIN. Mr. Speaker, while most of the public attention has been on monetary policy, the new Federal Reserve Chairman G. William Miller has been active in other areas of Federal Reserve policy—the areas most directly affecting the American consumers.

I am happy to note that the news reports emanating from last week's Federal Reserve Board meeting plainly indicate that Chairman Miller is coming down on the side of the consumer, in the Federal Reserve's rulemaking under the various consumer credit laws.

Mr. Speaker, I hope that the new Chairman will continue to maintain this proconsumer stance even though at times he will find himself in a minority position on a Board that has never been regarded as a consumer advocate. Consumer organizations have long been concerned about the administration of the consumer credit laws given the Federal Reserve by the Congress, and they should be encouraged by Chairman Miller's first moves in this arena.

Mr. Speaker, I place in the RECORD a copy of an article from the March 14 issue of the American Banker with headline: "Miller Speaks Up for Consumers at His First Meeting as Chairman with Mixed Results":

MILLER SPEAKS UP FOR CONSUMERS AT HIS FIRST MEETING AS CHAIRMAN WITH MIXED RESULTS

(By Phil Battey)

WASHINGTON.—G. William Miller spoke up for the consumer Monday as he presided for the first time as chairman of the Federal Reserve Board.

There were three main issues on the agenda with a consumerist theme. During the often spirited exchange with four other Board members, chairman Miller lost one round, served as referee on a second and won the third.

The first proposal dealt with a change in equal credit opportunity rules on "adverse action"—a denial of credit. The change was designed to settle the question of whether point-of-sale or loan denials, especially credit card transactions, fell under a notification provision.

Under that provision, when "adverse action" occurs, a creditor must notify an applicant in writing of the specific reasons for denial within 30 days or provide notice of the consumer's right to an explanation.

Three Governors, J. Charles Partee, Philip C. Jackson Sr. and Philip E. Coldwell, favored a Fed staff recommendation that would bring the transactions under the rules if the transactions result in an unfavorable change in the terms of an account, a termination of an account or a denial of an application to increase the credit limit in line with the creditor's practices.

Henry C. Wallich suggested leaving the rules as they were, saying, "The net result of adding regulation in this field is always anticompetitive.

But chairman Miller supported a proposal written by the Federal Trade Commission that defined three new exceptions to the rule, if the Board could make additions in the future.

While noting he did not have the Governor's background on the issue, Mr. Miller said, "Consumers should know for whatever reason people are denied credit."

Terming the Fed recommendation "A" and the FTC proposal "B," Mr. Miller called for a vote—and lost.

"We have four As and one 3-plus," Mr. Miller quipped.

A second proposal, permitting creditors to ask for credit application information for marketing purposes that would otherwise be prohibited by equal credit opportunity rules, ended in a compromise. The Board allowed a company currently following the practice, a door-to-door religious book company, to continue, but barred such questioning in the future.

A third proposal was aimed at ex- * * * rule on contract recission to open-ended credit plans. The current rule provides that in any closed-ended credit transaction in which a security interest is taken in a consumers' principal residence, the consumer has three business days in which to rescind the transaction.

"I think we may be opening a market we don't want," Mr. Miller said as he sponsored a successful move to have the proposal returned to the staff for further study.

After the meeting, Mr. Miller said "It moved along quite well" and that he hoped to chair as many of the open meetings as possible. Mr. Miller's predecessor, Arthur F. Burns presided at open meetings rarely.●

PHILADELPHIA'S TESTIMONY ON TUITION TAX CREDITS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. EILBERG. Mr. Speaker, just recently I had the pleasure of greeting leaders of the board of education of the Archdiocese of Philadelphia prior to their testimony on legislation to provide much needed tax relief to parents who bear the burden of tuition payments.

Nearly 100 parents from the archdiocese came to Washington to demonstrate their concern that we act on this legislation. Heading the delegation of parents were Msgr. Francis B. Schulte, superintendent for schools, and Vincent P. Haley, president of the board of education.

Monsignor Schulte and Mr. Haley testified in an eloquent and thoughtful manner before the House Ways and Means Committee on the plight of parents struggling to keep up with taxes, inflation, and tuition payments. I commend their testimony to the attention of those of my collegues who are not yet convinced that the "freedom of choice" which parents are supposed to enjoy in selecting schools for their children is being rapidly eroded by our failure to provide tax relief to those parents who choose nonpublic those parents who choose nonpublic schools:

STATEMENT OF MSGR. FRANCIS B. SCHULTE BEFORE THE WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRSENTATIVES, CONGRESS OF THE UNITED STATES, FEBRUARY 15, 1978

My name is Francis B. Schulte. I am Superintendent of Schools for the Archdiocese of Philadelphia, which embraces the city and four surrounding counties. It is a typical urban Catholic school setting: inner city—poor schools minority-group children, many non-Catholic children; outer city—working-class parents, heavy mortgages, heavy taxes; suburban—the same heavy taxes and heavy mortgages, with pockets of poverty in the towns; and rural-farmers, migrant workers, children whose first language is not English.

One hundred and eighty-five thousand children attend 337 Catholic schools in our Archdiocese alone, with 100,000 in the city and 85,000 without. We have the seventh largest aggregation of schools in the country, including public school systems.

I offer you these statistics to make clear the frame of reference and experience from which I speak. There are twenty other similar big-city Catholic school situations around the country, varying only in size.

I want to begin by thanking two of your members, Congressman Schulze and Congressman Lederer, for encouraging me to come here today. I am also gratified by the support of other legislators from our area, of both parties.

Nevertheless, some of you may be puzzled by my presence here today, since the matter at issue is one of tax benefits to parents, not to aid legislation for schools.

Indeed, many leaders of religious schools hesitate to appear here for fear of confus-

ing the real issue; whether, when parents exercise their free choice in the education of their children, public policy should encourage such freedom by offsetting the growing financial burden of parents through restoring a portion of their tax dollar to them.

I have chosen to present my views on an issue affecting parents' rights, because I see those rights brushed aside in some of the statements and testimony concerning tuition tax credits. Also, parents of Catholic school students see their Superintendent in a leadership role, and wonder whether he cares enough about parents' rights to be distressed at the way these rights can be ignored so readily by certain public officials.

Let me answer that concern: I do care, and I am distressed—perhaps outraged is a better word. And so, I appear before you today. However, to emphasize the real issue—parents rights—I am accompanied here today with a delegation of parents with children in our schools. They represent 100,000 other parents at home in the Philadelphia area.

I shall not speak of the "aid to schools" issue at all. The United States Supreme Court has effectively closed the door on significant direct aid to religious schools.

Nor shall I speak to the constitutional issue as it may or may not affect tax credit legislation. You will undoubtedly hear at length from experts on this matter, and so I shall spare you my non-lawyer reflections. I shall simply say that I would be most surprised if, at the end of that kind of testimony, any clear-cut answers have come your way.

I shall, then, focus my attention on the public policy issue I raised before: Is tax relief for tuition good for our nation and its people? Is it the just thing to do for parents?

As you know, in our country one child in ten of elementary-secondary school age attends non-public school. Only a small percentage of these children are the children of the rich. It is a distortion of the facts to present the potential beneficiaries of this proposed legislation as anything other than what they largely are: middle-class and hard-working poor. It is likewise a distortion to misrepresent their reasons for choosing non-public schools, particularly religious schools. Our parents are not fleeing *from* the real or imagined problems of their local public schools so much as they are attracted to something positive—a value-centered quality education.

The schools I am describing have historically been largely Catholic. That is changing, as more and more Protestant and Jewish parents choose Protestant and Jewish religious schools for their children. In Pennsylvania alone, for instance, a hundred day schools under Protestant auspices have opened in the last year alone.

Clearly there are now increasing numbers of parents who believe that their children are more likely to become better persons and better citizens if their education is value-centered, indeed specifically religious. They take seriously their supposed right to choose the education of their children. Yet they find this right meaningless because many of them cannot afford it. Many of these parents feel strangled by the cycle of inflation, ever-rising taxes, and tuition. These people are typical of the backbone of our country throughout its history—hard-working, God-fearing, devoted to their children and to their country. Not rich people. No, middle-class and hard-working poor.

The question, then, is this: Should the public policy of our nation be sending such parents a clear signal that the nation respects what they are and what they do for this country, that it recognizes that choice of education for children is a parental right, and responsibility, and that rendering that right real is a function of good government?

To ignore the plight of these parents is to invite the outcome described by David Hume in his treatise "On Taxes": "Exorbitant taxes, like extreme necessity, destroy industry by producing despair". These parents are the principal objects of each new tax imposed by government at every level; they are the chief victims of inflation; they respond with hope to pledges of aid for the education of their children; and they are filled with despair and anger when public policy seems to hurt rather than help their children, the most precious possession of their lives.

Is it too rhetorical to say that this is what is happening to the American dream today? And remember that these are the people who have been paying the bills to solve the social problems of our society, which they had no part in creating.

I plead with you not to listen to those who tell these citizens that they will have to wait, that there are more important priorities, or that college relief must come first. See for what they are the transparent efforts to placate one set of parents—a portion of these with children in college—and to ignore the plight of parents with children in elementary and secondary schools. Waiting is cold comfort for the drowning man, particularly when his plea not to be drowned is interpreted as the seeking of some kind of unfair advantage. And this is the plight of the parent awash in taxes and inflation, and tuition bills. And see through the argument that the parent's school will profit from this legislation, when it too is barely afloat and must of necessity hold the line on tuition to be accessible to the parents that it serves.

And don't be a party to pledges of improved ESEA benefits offered as a sop to such parents. Such a parent knows that, after thirteen years, Health, Education, and Welfare is only now getting the first benefits to eligible non-public school students in several of our states; he knows how limited the number of beneficiaries of that law are; and that ESEA will not help his burden of tuition and taxation.

But I am not here primarily to discuss the difficulties of existing legislation. It is enough to say that there is nothing currently on the books to relieve the burden of the tax-paying, tax-strangled parent, and it's dishonest to offer improvements in present legislation as a real remedy.

I want to emphasize that I am well aware that most of these arguments are not being offered by Congress. But you are hearing these arguments from supposedly reasonable spokespersons.

Gentlemen and ladies, if the proposed legislation for tax credits helps those who really do not need it, then amend the law. And, if the law cannot be fully implemented at first, at least make a beginning.

I have no business playing on fears, either here or at home. But I must tell you that the anger and frustration of parents who choose non-public schools for reasons of conscience is real. They ask, Is public education so feeble that it will collapse if they are allowed to keep a small portion of their tax dollar? And is their anger unreasonable if they see bureaucratic smugness in the "Poppa knows best" attitude about how their tax dollar should be spent?

I reflected in my own words the sound that I hear again and again in my work—from the faithful citizen, loyal tax-payer, and conscientious parent. I believe it is the voice of justice denied, of pledges betrayed, of freedom mocked.

STATEMENT BY MR. VINCENT P. HALEY, PRESIDENT OF THE BOARD OF EDUCATION OF THE ARCHDIOCESE OF PHILADELPHIA, BEFORE THE WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRESENTATIVES, CONGRESS OF THE UNITED STATES, FEBRUARY 15, 1978

On behalf of the Board of Education of the Archdiocese of Philadelphia and as a representative of the parents who have children in Catholic Schools in the Archdiocese of Philadelphia, I endorse and support the tax credit legislation currently being considered by the Ways and Means Committee. I support it primarily because it is a matter of justice.

One of the most important fundamentals of our Constitution is freedom of choice. But the fact is that freedom of choice in education in this country is quite limited. Our politicians voice this philosophy. Our citizens revere it. We oppose monopolies, yet when it comes to the basic education of our most valuable assets, our children, we allow a monopoly to exist. Increasing domination of education by the public schools is creating an economically and academically inefficient educational monopoly. Competition among various school systems, like competition in every other field of human endeavor makes for quality products, and in the case of education, makes for academic excellence and economically efficient operations.

Critics of aid to non-public schools maintain that Americans do in fact have freedom of choice in education. However, if parents' exercise of that choice must be purchased at a prohibitive cost, while they still pay for the unused choice, it is not freedom.

From a financial justice viewpoint, Chief Justice Warren Burger in his dissenting opinion in the *Nyquist* case said, "It is no more than simple equity to grant partial relief to parents who support the public schools they do not use."

There has been some criticism that the tax credit legislation would be inflationary. This is an incredibly shortsighted view of economic realities. Initially, the tax credit legislation would cost the federal government more money; however, one would expect that the law would enable more students to remain in non-public schools and since non-public school costs are only about ⅓ those of public schools, it follows that there would be a sizable saving to the American public over the long term. For every student who transfers to the Philadlephia public school system from a non-public school, the taxpayers in our city would be assessed another $1800 for operational costs alone. If this legislation does not pass, you can expect progressively more students to enter the public school systems, necessitating greater government subsidies for the public schools.

Other critics claim that the tax credit legislation will aid the rich. This criticism is made by those ill-informed about the socio-economic class of the typical parent who sends his or her children to Catholic schools. The great majority of the students in the 296 Philadelphia Archdiocesan Catholic schools are from lower-to-middle income families, and our schools include 47 inner city schools which educate over 24,000 students. Also, the legislation does not apply to families that have an annual income of more than $18,000.

This situation is true not only in the Greater Philadelphia area. Recently the education writer for the Washington Post wrote of a remarkable Catholic grade school in the District of Columbia's ghetto. Our Lady of Perpetual Help School is located in Anacostia, and nearly all its pupils are black and from lower-income families. These pupils scored far higher in reading tests than pupils in Washington's public schools.

An article in the September 12, 1977 issue of New York magazine about Catholic schools in New York City's ghetto neighborhoods reported essentially the same situation. Of the 18,421 students in inner city New York Catholic schools, 78 percent were from minority groups. While these youngsters were behind the national average academically, they were far ahead of those in the New York public schools.

In New Jersey, the same article reports that pupils in Catholic Schools score 17 to

25 points higher in national tests than public school children, and that most of these Catholic Schools are in urban neighborhoods.

It is simply not true, therefore, that the tax credit legislation will primarily benefit the rich.

Finally, from the academic viewpoint, this tax relief legislation must be passed so that non-public schools can continue to offer a quality education to those who choose them. In addition to the educational advantages of Catholic schools cited above, Catholic schools stress a unique values system that cannot legally be offered in a public school. The same can be said about other non-public schools such as Hebrew, Lutheran, and certain traditional private schools. Many of our parents feel that it is through this value system that academic and personal excellency are acquired.

In summary, the tax credit legislation should be approved because it will help provide:

(1) academically better schools, both public and non-public, because they will all be competing to attract students;

(2) less overall cost to the taxpayer because more students will stay in non-public schools;

(3) happier students and more supportive taxayers because they will have true freedom of choice in education.●

INFLATION NOW ADMINISTRATION'S NO. 1 CONCERN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. SARASIN. Mr. Speaker, today we are renewing our efforts to effect a national policy that will not only guarantee full employment but will also insure balanced growth for our economy.

Of paramount importance in this effort is controlling inflation. Its affects are devastating for all Americans, but are even more debilitating for those living on fixed incomes, for our welfare families and for our working poor. Without a concerted and determined policy designed to protect against inflation, our society might again become the victim of double-digit inflation.

An article in today's Washington Post indicates that the administration has come to realize the severity of the situation before us and the potential consequences it could have for all our Government policies, not just our efforts to curb unemployment. I recommend "Job Picture Improvement Causes Shift" to all my colleagues. The article follows:

JOB PICTURE IMPROVEMENT CAUSES SHIFT

(By Art Pine)

The Carter administration showed further signs yesterday that it now regards inflation—not unemployment—as the nation's number one economic problem.

In testimony before a Senate Finance subcommittee, Treasury Secretary W. Michael Blumenthal said policymakers now believe no economic problem is more important than controlling inflation.

He said the administration is committed to slowing the wage-price spiral.

Blumenthal's comments appeared to mark a shift from the administration's previous posture. Until only recently, officials have sought to portray inflation and unemployment as equally important problems—carefully avoiding emphasizing one over the other.

However, the job picture has been improving recently, with the unemployment rate declining to 6.1 percent of the work force in February, from 6.3 percent in January and 6.7 percent last fall.

As a result, policymakers have been shifting their posture on the inflation-vs.-unemployment issue. Last week, Blumenthal told a newspaper editors' meeting that "inflation is the chief threat to our continuing recovery." Yesterday, he repeated that view.

Blumenthal's remarks followed disclosure of a memo written by Barry Bosworth, director of the Council on Wage and Price Stability, complaining that the administration is not doing enough to combat inflation and suggesting added steps the president might take.

There was no immediate reaction to the Bosworth memorandum, but Treasury Department officials are said to be taking a dim view of one of his major proposals—to go along with a congressional rollback of last year's payroll tax increases.

Blumenthal made his comments at a hearing over a bill to raise the ceiling on the national debt. The present debt limit expires March 31, and the government cannot continue day-to-day borrowing without extended authority from Congress.

The House last week defeated a debt-ceiling measure in what was widely regarded as an election-year protest vote. The earlier version included a provision that would have scrapped the semiannual debt-ceiling approval ritual and made the limit part of the congressional budget process.

Yesterday, the House Ways and Means Committee approved a watered down substitute that would freeze the present debt limit of $752 billion until Aug. 1—right in the middle of the primary election campaigns most members will face in the summer.

In his testimony yesterday, Blumenthal acknowledged that the 37 per cent wage increase granted coal miners in the recent settlement will place some upward pressure on consumer prices, but insisted it would not be likely to set a pattern for other major industries.

He also once again described maintaining a sound dollar as another top priority of the administration. The U.S. and West Germany announced new joint moves to support the dollar on Monday, but the currency has continued to decline on the foreign exchange markets.●

TRANSPORTATION OF UNDOCUMENTED ALIENS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. UDALL. Mr. Speaker, I am sure we are all aware of the problems Arizona and all of the States and communities along the boundary with Mexico are having with the flow of undocumented aliens into this country. We have a long, open border, hundreds of miles of desert and mountain, endless expanses of sand and rock. It is one of the most inhospitable, inaccessible areas of the continent, and the Border Patrol should be commended for the job it is doing under extremely unfavorable conditions. It is understaffed, operating on a tight budget. President Carter's proposals to deal with the problem of alien migration rightly call for a large increase in the size of the patrol.

The whole problem of immigration into the United States is a complex one, and I wonder if we will be able to solve it by enacting one large, comprehensive piece of legislation. We are dealing with large numbers of people, both U.S. citizens and foreign nationals, with the sovereign nation of Mexico, which is traditionally suspicious of interference in its internal affairs, with U.S. labor unions, with the constitutional rights of U.S. citizens, and with the economy of a large, growing, vibrant part of our Nation. So I think we have to take it slowly, examining each facet of the problem with care, selecting solutions with caution.

In one area, though, it is possible to solve, with a simple piece of legislation, one minor problem facing the Border Patrol which keeps it from operating at its fullest potential. A bill which I am introducing today will give the Border Patrol the authority to seize vessels, vehicles, and aircraft used to move aliens into the United States illegally, and would make those vehicles subject to forfeiture. This authority would be vested in the Attorney General, and in those officers he designates. All provision of law which apply to the seizure of vehicles for violations of customs law, such as laws regarding the disposition of such vehicles, would be extended to cover the seizure of vehicles used in violations of immigration law.

All too often, when Border Patrol agents apprehend aliens moving into the United States, the vehicles used in such violations are simply picked up by the owners. There is no law authorizing seizure of these vehicles, as there is one authorizing the seizure of vehicles used to transport drugs. The same vehicles are used over and over again, with little, if any risk to the owner. Only rarely, in perhaps in 20 percent of the cases, do the owners of vehicles drive them across the border—usually someone else is hired to do the dirty work.

This law was drafted in cooperation with various Federal agencies, including the Border Patrol based in Tucson, Ariz., and the office of the assistant U.S. attorney. The provisions of the bill reflect their suggestions, and include safeguards against unjust seizure.

I certainly hope we can get action on this bill, or on a similar bill, sometime this year. Mr. Herbert Walsh, chief Border Patrol agent for Arizona, has stated that this type of legislation, if enacted:

. . . would be a most valuable enforcement tool in our efforts to combat the smuggling and transportation of illegal aliens.

A copy of the bill follows:

H.R. —

A bill to provide for the seizure, forfeiture and disposition of vehicles used to illegally transport persons into the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 274 of the Immigration and Nationality Act (8 U.S.C. 1324) is amended by redesignating subsection (b) as subsection (c) and adding a new subsection (b) as follows:

"(b)(1) Any vessel, vehicle, or aircraft which is used in the commission of a violation of subsection (a) shall be subject to seizure and forfeiture, except when:

(A) such conveyance is in use as a common carrier, and, in the case of a railway car or engine, the owner, or, in the case of any other conveyance, the owner, master, or other person in charge, was not, at the time of the alleged illegal act, a consenting party or privy thereto; or

(B) the alleged illegal act occurred while the conveyance was in the illegal possession of any person other than the owner as established by the criminal laws of the United States, or of any State.

"(2) Any conveyance subject to seizure under this section may be seized without a warrant, if:

(A) the seizure is incident to an arrest; or

(B) the Attorney General has probable cause to believe that the conveyance has been used in violation of subsection (a).

"(3) All provisions of law relating to the seizure, forfeiture, and disposition of vessels, vehicles, and aircraft for violations of customs law shall apply to violations of the provisions of this chapter, provided that:

(A) duties imposed on customs officers or other persons regarding the seizure of such conveyances under customs law shall apply to seizures carried out under the provisions of this section by such officers or persons authorized for that purpose by the Attorney General; and

(B) proceedings instituted under this subsection respecting vessels shall be subject to the Supplemental Rules of Certain Admiralty and aritime Claims."●

CRS STUDIES IMPACT OF COMMUTER VANPOOL PROGRAMS ON PUBLIC TRANSIT RIDERSHIP

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. EDGAR. Mr. Speaker, many of my colleagues know of my strong advocacy of commuter carpooling and vanpooling programs as a strategy for saving energy, reducing pollution, and relieving traffic congestion. Some organizations of the transportation community have expressed to me and other Members the fear that these programs could compete with public transportation systems. To measure the validity of these fears, I requested that the Congressional Research Service conduct an independent study of the degree to which vanpool programs compete with public transit. I received the following report from CRS just yesterday, and I would like to share it with my colleagues:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., March 13, 1978.

To: The Honorable Robert Edgar.
From: Economics Division.
Subject: Potential diversion of commuters from traditional transit systems to vanpools.

The advocacy of vanpooling as an attractive alternative to the automobile for home to work trips has periodically raised certain fears that vanpools also could divert a substantial number of passengers from existing transit systems.

While we can find no evidence of studies that have specifically addressed this question, enough general information exists to allow some preliminary conclusions to be drawn.

While the potential for competition exists under certain conditions, there is no evidence to date to indicate that vanpools draw significant numbers of riders from existing public transportation systems. Observable indications are that vanpool riders have been drawn almost exclusively from the ranks of single automobile occupants, and carpool riders. Unless vanpools in the future are developed in a manner totally different from those currently operating, there seems little likelihood that vanpools will effectively compete with traditional transit systems. Further, there are indications that in some circumstances the existence of vanpools in a region may prove beneficial to the overall operation of the existing transit system. Vanpools can serve as feeders into rapid rail systems, for example.

The economics of vanpooling have a considerable impact on these observations. A van purchased by a private group for use in commuting requires a considerable capital investment. New vans equipped for commuting cost somewhere in the neighborhood of $9,000 to $10,000. Fleet discounts, if available, could reduce this cost per unit to some degree. In an article entitled "Commuter Van Programs—An Assessment," the authors make the following observation:

"Since for most vanpooling arrangements, the purchase price and other fixed costs of the van are recovered from fares, costs per mile over shorter distances are relatively higher than for longer trips. A 10 mile round trip costs about $0.088 per person per mile, a 20 mile round trip, about $0.05 per person per mile, and a 60-mile round trip, less than $0.026 per person per mile." [1]

(These amounts are meant to be representative of the relative levels of costs. Given the forces of inflation, the actual costs today would be higher. Costs will also vary with the number of riders, of course.)

Public transit, where available, offers the rider lower costs per mile due to its heavily subsidized nature. Furthermore, it is unusual for traditional transit services, outside of the largest metropolitan areas, to extend for distances of more than 10 to 15 miles from the central business district (CBD). It is beyond these distances where the van becomes most efficient.

For those seeking a more eonomic alternative to the private automobile for a short commute, public transit should win out over vanpools. Those commuters not primarily concerned with cost will, in all likelihood, opt for the private automobile for both long and short trips.

There are other factors that would tend to mitigate against extensive diversion of riders from transit. Vanpools seem most attractive where all of the riders have the same work destination, and live in reasonably close proximity to one another. If the vanpool takes more than 10 to 15 minutes out of its route to pick up or discharge riders, its potential advantage over a well-operated transit system, from a time standpoint, probably will be mitigated.

To date, most known vanpool operations appear to serve employment centers located either in suburban areas or in urban areas lacking in public transportation. In many cases these vanpool operations are financially subsidized by an employer, the most commonly cited example being that of the 3M Company in St. Paul, Minnesota. While 3M is located in an urban area, it is not served by any viable public system. The 3M example has been largely followed by other firms establishing vanpools around the country.

Demonstration vanpool programs that are supported by grants from the Urban Mass Transportation Administration (UMTA) have been designed specifically not to compete with existing transit systems. There are two reasons for this. Frst, Federal vanpool programs are initiated with the intent of reducing both traffic congestion and air pollution, and for promoting energy conservation. As transit serves these same goals, creation of a competing transportation service could well hinder such efforts. The second reason is that Section 13(c) of the Urban Mass Transportation Act of 1964 (P.L. 88-365) as amended, prohibits use of assistance funds where arrangements are not made to protect the interests of current transit employees. Federal vanpool programs to date have been estabilshed with great attention to protecting existing labor arrangements.

Of the four currently operating Federal vanpool demonstration programs, the one sponsored by the Golden Gate Bridge, Highway and Transportation District is unique in regard to transit. It has been theorized (and is being tested in this case) that an efficient vanpool operation could help transsit operators by reducing some of the peak demand on an existing bus system. This relieves the necessity for additional capital investment and operating expense solely to meet peak hour requirements. One of the original objectives of the Golden Gate project was to reduce the peak demand that has led to overcrowding on the existing bus system.

While the results of the program have not yet been determined, indications are that the vanpool program's riders are not coming from the ranks of transit users. Rather, vanpool users are attracted either from the driver-only private automobile or from car pools. Bus ridership does not appear to be affected, even during peak hours. This observed result tends to support the position that vanpools and public transit systems operate in different markets.

The Federal Highway Administration (FHWA), which also provides certain financial support to vanpool projects initiated by local authorities, also tries to avoid competition with existing transit systems. Like UMTA, FHWA has not conducted any studies detailing the effects of vanpools on existing transit systems.

The American Public Transit Association (APTA) which represents the interests of most major transit operators has taken a position calling for the integration of para-transit services, such as vanpooling, with conventional transit operations. To reduce the likelihood of conflict, APTA has called for further study in the area and suggested that the transit authority in a given urban area is the appropriate agency through which the integration of para-transit services be accomplished.[2]

The potential for conflict between vanpooling and conventional transit is not likely to be realized unless an extensive vanpool system is established which serves the same employment and residential sections as existing transit. The success of vanpooling in such an instance would seem to depend on the costs of the service to the rider, the time differential, and the comfort-convenience factor of the service. Where such a conflict might occur, close examination of the results would be required before the level of diversion could be determined. Depending on the viability of the transit service provided, it is possible that the vanpooling arrangement may be the preferred mode of transit for the trip.

In summary, to date there has been little observable conflict between vanpools and conventional transit. Due to this lack of conflict there has been a very limited amount of study on this subject. The best informa-

[1] Miller, Gerald K. and Melinda A. Greer, "Commuter Van Programs—An Assessment," Traffic Quarterly, January 1977, Vol. 31, p. 43.

[2] American Public Transit Association, "Para-Transit in the Family of Transit Services," Task Force on Para-Transit.

tion currently available is based on a limited number of sources and the speculation of interested parties. What sources exist do not indicate any substantial decrease in transit ridership due to the creation of vanpools.

JOHN W. FISCHER,
Analyst in Transportation.

INTERNATIONAL COOPERATION PRODUCES THE F-16 FIGHTER—AND MUCH MORE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. WRIGHT. Mr. Speaker, when the United States joined four of its European allies in a memorandum of understanding 3 years ago, the result was not just an agreement to deploy a new and superior combat fighter aircraft, the F-16, but the start of a new era of cooperation in the actual production of weapons systems.

In August of this year the first production model of the F-16 will be completed at the General Dynamics plant in Fort Worth. But soon thereafter other F16's will be rolling off assembly lines in Belgium and the Netherlands. And components will be in production at factories in Norway and Denmark.

This is the first time that coproduction of a common weapon system by various countries has been programed from the start.

Mr. Speaker, Airman magazine, published by the U.S. Air Force, carried an interesting article concerning this program in its February issue. I commend it to my colleagues who have given such strong support to this pioneering venture in international cooperation.

The article follows:

THE COMBAT CO-OP

(By S.M.Sgt. Harold Newcomb)

In August 1978 the first production F-16 air combat fighter will roll off the assembly line at the General Dynamics plant in Fort Worth.

A few months later another "first" F-16 will roll off another assembly line in Belgium, followed shortly thereafter by yet another F-16 produced in the Netherlands.

Those three aircraft will mark the first time that international coproduction of a common weapon system has been programmed from the beginning, thus allowing the F-16 to be introduced almost simultaneously into the frontline forces of five North Atlantic Treaty Organization allies, the U.S., Belgium, Denmark, Norway, and the Netherlands.

For the four European countries, the coproduction arrangement represents the difference between being customers of the U.S. and partners in what some have called the arms deal of the century.

But according to Col. George L. Monahan, Commander of the F-16 Contract Administrative Services/European System Program Office, Europe (CASEUR), headquartered in Brussels, this partnership portends even more important benefits in the future.

"There are at least four advantages to this coproduction arrangement," said Col. Monahan, whose job it is to oversee the complex multination contractor effort in Europe for the Air Force Contract Management Division, Air Force Systems Command, and the F-16 System Program Director at Wright-Patterson AFB, Ohio.

"There is the logistical advantage, because of the increased interoperability and commonality that is achieved in terms of support of the airplane. That includes the ability, for example, for one country to service another country's F-16. There is also the common procurement of spares and components, which allows some joint warehousing and stockpiling, thereby perhaps cutting down on the number of spare parts needed.

"There is also a military advantage, I believe," continued Col. Monahan. "I think that commonality in aircraft can lead to commonality in modes of employment, common tactics, and a better tactical effect.

"And there is certainly an economic advantage to all five countries involved in this coproduction. I think it's likely that in the future programs of this sort are going to be required and it's well that the United States gain experience in them now, not only in aircraft, but probably in many other endeavors as well.

"I'm no statesman," the colonel noted, "but politically I think there are additional advantages. In any effort where you have to cooperate closely with an ally, I think it brings you closer together and enables you to understand each other's problems. And the more you work together, the more you find out that the things that kept you apart in the past and the things you differ on were based more on fear of the unknown than anything else, and they don't really exist."

It was fear, of a sort, that led to the development of the F-16 in the first place. Soviet tactical air forces, which had been primarily defensive in concept and conventionally armed, are being reequipped with modern, dual-capable fighters and fighter-bombers having longer ranges, greater payloads, and the higher speeds needed for offensive operations.

What was needed was an aircraft to replace USAF's F-4 *Phantom* and the European air forces' F-104 *Starfighter* and F-100 *Super Sabre*—an aircraft that could outmaneuver Soviet fighters at altitudes up to 40,000 feet and at Mach speeds of 0.6 to 1.6. Warsaw Pact forces have large numbers of MiG-21J and MiG-23B air-to-air fighters that operate in the European theater. The replacement aircraft would also have to be able to intercept MiG-23s and Su-19 ground attack aircraft.

The McDonnell Douglas F-15 *Eagle*, designed as an air-superiority fighter, has a qualitative edge over any known fighter, but its cost of more than $15 million a copy, including its support equipment, could exceed Air Force procurement authorization if the aircraft were purchased in numbers considered adequate to counter the growing Soviet threat.

At less than half the cost of the F-15, the F-16 will replace older fighters in both battlefield air-superiority and air-to-surface roles, augment the F-15, and meet the need for a larger fighter force.

At only half the weight of the F-4, the F-16 has twice the combat range and a 50 percent better turning radius. It accelerates twice as rapidly, carries a payload comparable to the F-4 at double the distance in the surface attack mode and, with its superior avionics system, can deliver ordnance with greater accuracy.

Although less sophisticated than the F-15, the F-16 incorporates some advanced technological features:

The seat back angle is increased to 30 degrees from the usual 13 degrees and the heel line is raised to increase pilot "G" tolerance. This seat position permits easier rear viewing and aids in tracking enemy aircraft in a high "G" environment.

A side-stick controller comes complete with an armrest to assist the pilot in executing more precise combat maneuvers. Pilot hand pressure electronically signals actuators linked to the control surfaces.

The clear-view bubble canopy permits unobstructed all-round vision.

The automatic leading-edge maneuvering flaps, programmed to accommodate Mach speeds and various angles of attack, change wing camber to maintain optimum lift coefficients at high angles of attack. The benefits to maneuverability are higher maximum lift capability, lower drag at a given lift, improved direction stability, and significantly improved buffet characteristics.

These features, combined with the F-16's capabilities and comparatively low cost, appealed to Belgium, Denmark, Norway, and the Netherlands as well as the U.S. Air Force. However, the four European governments which had come together to find a suitable replacement for their fighter forces, didn't want to just buy an aircraft—they wanted to help build it.

A major objective of the participating European governments was to work out an agreement giving them the best aircraft while still maintaining viable domestic aerospace industries. This necessitated a coproduction agreement under which the countries would share in the production of their own aircraft, those built by the U.S., and those that might be sold to other foreign governments. This agreement would allow the countries to maintain a constant aerospace work force, profit by technology transfer, and recoup at least part of their initial investment.

Thus, in June 1975 the U.S. and the four European governments signed a historic memorandum of understanding, setting forth the general policies and principles agreed upon by the five countries for the operation and management of the cooperative program. Major aspects of the agreement are:

The U.S. government, subject to congressional authorization, plans to buy 1,388 F-16s at a total cost of about $14 billion.

The participating European countries plan to buy 306 with options to buy an additional 42 F-16s.

The European industrial participation plan is based on the four European countries producing 10 percent of the procurement cost for U.S. Air Force F-16s (up to 650 aircraft), 40 percent of the European aircraft, and 15 percent of any third country purchases.

Final airframe assembly lines for the European aircraft will be established in Belgium and the Netherlands. Belgium will also provide final assembly of the F100 engine for the European aircraft.

Advanced technology cooperation and transfer are important features of this program. All elements of the F-16 aircraft, with few exceptions, will be released to the participating European governments in a transfer of advanced technology.

While the basic principles of the coproduction program are outlined in the memorandum of understanding, a multinational fighter program steering committee, composed of one representative from each partner nation, is responsible for broad policy matters, advice, and counsel to the USAF System program Director (SPD). This steering committee meets periodically to monitor program performance and provide the necessary consultation and coordination on program decisions.

Day-to-day management of the program is the responsibility of the U.S. Air Force. Supervision of the actual production is done by the two prime contractors, General Dynamics Corporation and the Pratt & Whitney Division of United Technologies Corporation.

Of course, management of the massive program is the key to its eventual success. There are more than 3,000 suppliers and subcontractors involved on both sides of the Atlan-

tic and synchronizing their efforts is no small challenge.

"This is by far," said Brig. Gen. James A. Abrahamson, F–16 Program Director, "the most complex program in the Defense Department and probably the most complex in history. It is a tremendous management challenge."

Contributing to the complexities of the program are the differences in approach among the five coproducing countries. Chief among them are:

Philosophies of doing business.

Methods of auditing and cost accounting.

Procedures for tracking progress.

Industrial output efficiency.

Factors used to measure escalation and inflation.

Stability of currency.

It was for these reasons that the memorandum of understanding established an arrangement for European personnel to be integrated into F–16 program management, both at the systems program office at Wright-Patterson and the Brussels F–16 office.

It is Royal Danish Air Force Maj. Peter Adser-Larsen's job, for instance, to "insure that the Danish Air Force gets exactly the same F–16 as the U.S. Air Force."

According to Maj. Adser-Larsen, Denmark will buy F–16s to replace the F–100 Super Sabres currently in its inventory.

"Coproduction program decisions," said Adser-Larsen "are based on five country agreements. Although it has been somewhat time consuming to obtain such multinational decisions, we have so far discovered no significant disagreements."

The major explained that in establishing the Brussels F–16 office there was a need for writing manuals and procedures that addressed the coproduction program. "Coordination of these took some time, but the effort is now paying off because they were agreed upon beforehand as the way to identify problems at an early stage."

Aside from coming to an agreement on the multitude of details involved in the program, there is also an essential difference in the ways European companies and U.S. companies do business.

"European industry normally doesn't work more than one shift a day, except where expensive equipment needs to run continually to be economical," said Maj. Adser-Larsen. Another dominating factor is the work force. European factories want to keep a constant number in their work force to avoid short term hiring or laying off of people. To do this, the factories try to accept orders in such a way that they maintain the same work force.

Another significant difference between U.S. and European industry is in the area of vacations.

"In Europe," continued the Danish major, "entire factories are shut down once a year so that the complete work force can take vacations. It has proven to be an economical thing to do, because it creates less disruption in overall support due to the absence of a key person or support department. That type of policy, however, requires more detailed planning to cover continuing requirements during planned shutdown periods."

Business practices aside, however, the biggest challenge thus far in the coproduction program has been according to Col. Monahan, communications.

"First of all," said Col. Monahan, "you have the inherent differences in languages. English is the official language of the program, and all of the European people associated with the program speak English very well. Nevertheless, there's never such a thing as a one-to-one translation. Different words mean different things."

As an example, an American in the program a while back decided to call the program Project Peace Crusade. When some of the Europeans learned about it, they were livid. To an American, crusade means a holy cause. To a European it means war, murder, pillage, loot, and burn.

"So despite the fact that everybody speaks English, we still have communications problems," said Col. Monahan. "When you have five governments involved, you have a lot of people who have to get to know one another. There are a lot of channels of communication that have to be opened up, and once they're opened, they have to be maintained. There's a lot of rapport that has to be built across many different borders; there's a lot of trust that has to be gained. In the U.S., on a program such as this, you have communications problems just between Dayton, Ohio, and Washington, D.C. Here, it's not only Dayton and Washington, it's also Brussels, Copenhagen, Oslo, and The Hague."

On the plus side, Col. Monahan likes to point out that coproduction is not new to Europe.

"While this kind of a program is very new to the U.S. Air Force and somewhat new to U.S. industry, in Europe industry has been doing business this way for the last 20 to 30 years. We're dealing with specialists who know how to do their particular specialty very well, and they know how to work together, company by company. The big change, though, is that coproduction has been accomplished mostly within Europe, and not that much with American industry."

In the same vein, Capt. Jack Saunders, who serves in the Brussels office as the Norwegian program coordinator and as the engine coproduction focal point, added:

"We have a problem with people understanding that the American way isn't the only way. We continually have people coming over here, both from our Air Force and American industry, who, when they see something being done the European way, automatically assume that it must be the wrong way.

"Over the last year we've come a long way in establishing that there are other ways of getting things done; that there are other people besides Americans who have the qualifications to do them. Probably the most startling thing to Americans is the amount of modernization the Europeans have done, and the amount of real visible progress that has been made during the past year. The people from all five governments involved are very impressed with the amount of activity that has gone on so far, and the quality of that activity."

Despite problems presented by differences in languages, distance, and business practices, the coproduction program is "going amazingly smooth," according to Jerry Jones, Production Director in the General Dynamics F–16 European Program Office.

"It is taking us a little longer, probably because of the impatience of Americans," said Jones, "but it has been a learning process on both sides. The attitude of the coproducers has been very good. Their main objection has been that we send too many people to help them.

"Many of these companies have spent from $6 million to $10 million on new facilities, modernization, and new machine tools. They have committed themselves to the program, and added to their capability for future business."

The European air forces will start taking delivery of their F–16s in early 1979, and deliveries of the 348 aircraft—42 of which are optional—ordered so far will continue through 1985. Later requirements for the replacement of other aircraft and sales to other countries could extend coproduction, according to some estimates, for as long as 20 years.

That's a long time for the people of five countries to get to know one another. Something more than aircraft could come of it.●

THE 60TH ANNIVERSARY OF BYELORUSSIAN PROCLAMATION

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. EILBERG. Mr. Speaker, this year, on March 25, Americans of Byelorussian descent will celebrate the 60th anniversary of the proclamation of the Byelorussian Democratic Republic.

On this date in 1918, Byelorussia was declared a free state, only to be later absorbed by the Soviet Union. The people of Byelorussia, however, continue to preserve their own culture and language, despite a continuing Soviet policy of Russification.

Because of the cultural oppression of the Soviet Government, many Byelorussians have left their homeland and come to the United States. Today, there are an estimated 5 million Americans of Byelorussian descent.

To commemorate the 60th anniversary of the proclamation of the Byelorussian Democratic Republic, I offer for the RECORD the following summary of the activities of the Byelorussian-American Association, Inc., prepared by Anton Shukieloyts, chairman of the association:

SUMMARY OF ACTIVITIES

The leadership of the BAA, both at the national and local levels, in co-operation with the Council of the Byelorussian Democratic Republic (in Exile), the Byelorussian Autocephalic Orthodox Church, the Byelorussian Institute of Arts and Sciences, the Byelorussian-American Youth Organization, the editorial board of the monthly Bielarus, and other organizations and groups in the U.S.A., has been active in maintaining among its membership and in American society in general an awareness of the fact that the Byelorussian people in the Soviet Union have been systematically deprived of their human, civil, national, and religious rights.

Among the established ways of achieving this goal are the annual observances of Byelorussian Independence Day, commemorating the proclamation on March 25, 1918 of the Byelorussian Democratic Republic. Each year Byelorussian-Americans in New York, New Brunswick, Cleveland, Detroit, Chicago, Los Angeles, and other cities and towns of this country mark the 25th of March by prayer services and rallies. On these occasions Byelorussian-Americans have enjoyed steadfast support among their fellow citizens and public officials—in the White House, Congress, and in state and municipal houses of legislative and executive branches across the land.

This moral support has been received by Byelorussians in America (and in the Soviet Union) with great appreciation and gratitude; it has played a crucial role in keeping the flame of a Free Byelorussia burning amidst the winds of oppression and persecutions. This vital link between the two communities and the interconnectedness of both processes are evident from the massive reaction by official Soviet media to the activities of the BAA as well as from private communications regularly received from Byelorussia.

The year 1976, which marked America's Bicentennial, also marked the 58th anniversary of the proclamation of the Byelorussian Democratic Republic. The celebration of the latter merged as it were with the festivities of the former Activities of Byelorussian-American organizations in general constitute

a bridge connecting a free American with the land to which Byelorussian-Americans are bound by blood and tender memories. They are grateful, therefore, to all those who help maintain this bridge. Traditions of freedom in America nourish aspirations for freedom in Byelorussia.●

THE POLISH AMERICAN POLICE ASSOCIATION

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. FARY. Mr. Speaker, I would like to take this opportunity to bring to the attention of my fellow colleagues one of the most outstanding and respected organizations in Chicago—the Polish American Police Association.

This organization is comprised of police officers that are of Polish and Slavic ethnic origin. Initially, this body was composed of men and women who were full-time officers of the city of Chicago Police Department. However, their recognition soon spread to the outlying areas and membership requests from throughout Cook County began to come in. It was not long before police officers throughout the whole State of Illinois became aware of this organization's efforts to enhance the image of its members in police service, and soon their membership mushroomed and eventually became an officially chartered organization of the State of Illinois. They now have members in the adjoining States of Wisconsin and Indiana and one member is on active duty with the military police overseas.

The activities of the Polish American Police Association initially were limited to a summer picnic, a Christmas party for their children and the St. Joseph's Day celebration, but as membership and interest increased, so did the demand for more activities. The Man of the Year Award was later originated and coupled with awards that are presented to those member officers who have distinguished themselves in the field of law enforcement.

This association showed its compassionate nature when, in the summer of 1975, a disease known as encephalitis, caused the death of the aunt of one of its members. The Polish American Police Association reacted by conducting a telethon which raised over $6,000 for research to aid in combating this disease.

Although this organization engages in a multitude of social functions, it should be remembered that its members are, above all else, police officers. Theirs is a profession that demands so much, yet their efforts often go unrewarded and many times, unnoticed. Many people wonder what kind of man would become a police officer. Paul Harvey, a national radio commentator with the American Broadcasting System said it best in his essay:

WHAT IS A POLICEMAN MADE OF

Don't credit me with this mongrel prose; it has many parents; at least 420 thousand of them; Policemen.

A policeman is a composite of what all men are, a mingling of saint and sinner, dust and deity.

Culled statistics wave the fan over the stinkers, underscore instances of dishonesty and brutality because they are "news". What that really means is that they are exceptional, unusual, not commonplace.

Buried under the froth is the fact: Less than one-half of one-percent of policemen misfit that uniform.

That's a better average than you'd find among clergymen.

What is a policeman made of? He, of all men, is at once the most needed and the most unwanted.

He's a strangely nameless creature who is "Sir" to his face and "fuzz" behind his back.

He must be such a diplomat that he can settle differences between individuals so that each will think he won.

But . . .

If the policeman is neat, he's conceited; if he's careless, he's a bum.

If he's pleasant, he's a flirt; if he's not, he's a grouch.

He must make in an instant decisions which require months for a lawyer.

But . . .

If he hurries, he's careless; if he's deliberate, he's lazy.

He must be first to an accident and infallible with a diagnosis.

He must be able to start breathing, stop bleeding, tie splints and, above all be sure the victim goes home without a limp.

Or expect to be sued.

The police officer must know every gun, draw on the run and hit where it doesn't hurt.

He must be able to whip two men twice his size and half his age without damaging his uniform and without being "brutal."

If you hit him, he's a coward; if he hits you, he's a bully.

A policeman must know everything—and not tell.

He must know where all the sin is—and not partake.

The policeman must, from a single human hair, be able to describe the crime, the weapon and the criminal—and tell you where the criminal is hiding.

But . . .

If he catches the criminal, he's lucky; if he doesn't, he's a dunce.

If he gets promoted, he has political pull. If he doesn't, he's a dullard.

The policeman must chase bum leads to a dead end, stakeout ten nights to tag one witness who saw it happen—but refuses to remember.

He runs files and writes reports until his eyes ache to build a case against some felon who'll get dealed-out by a shameless shamus or an "honorable" who isn't.

The policeman must be a minister, a social worker, a diplomat, a tough guy and a gentleman.

And of course he'll have to be a genius . . .

For he'll have to feed a family on a policeman's salary.

On March 18, this organization will present its annual St. Joseph's Day Man of the Year and Awards Dinner Dance. This year, I have the privilege of being the recipient of this great honor, of which I am extremely grateful. Those who have previously been bestowed this coveted award include my fellow colleague from Illinois, Hon. DAN ROSTENKOWSKI and Thaddeus "Ted" Lechowicz, the majority leader in the Illinois State Legislature.

Mr. Speaker, the Polish American Police Association are proud of their heritage and their organization. They are proud of their men and women who daily do so much for the people they are entrusted to protect and serve. To be honored by such a noble organization as theirs, is an honor that I will truly cherish the rest of my life.●

DR. THOMAS O. JONES RETIRES FROM NATIONAL SCIENCE FOUNDATION

HON. GEORGE E. SHIPLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. SHIPLEY. Mr. Speaker, today March 15, Dr. Thomas O. Jones is retiring as Special Deputy Assistant Director for International Affairs with the National Science Foundation after more than 20 years of service.

It has been my privilege and pleasure to work with Dr. Jones during the past 20 years. Certainly his devotion and many contributions to the National Science Foundation will long be remembered and held in the highest regard. I think it is appropriate that we take note of the retirement of this splendid public servant.

For the RECORD I would like to insert the following biographical sketch of Dr. Thomas O. Jones as well as the commendation given Dr. Jones by the National Science Board:

COMMENDATION TO DR. THOMAS O. JONES

Whereas, Thomas Oswell Jones joined the National Science Foundation staff more than twenty years ago; and

Whereas, Dr. Jones' career prior to coming to the Foundation advanced our knowledge of Heavy Water and the chemical atomic weight of hydrogen; and

Whereas, Dr. Jones served twenty years as a skillful teacher at Haverford College, a small high quality liberal arts college focused on undergraduate education; and

Whereas, Dr. Jones, following his arrival at the Foundation, directed with special skill and dedication a team which made outstanding contributions in organizing, coordinating, and carrying out the mission of the U.S. Antarctic Research Program and which met and solved a broad range of scientific and administrative problems, many of which were unique and required the utmost finesse or ingenuity, including valuable counsel to the Department of State leading to the Antarctic Treaty, and as a key contributor to the successful representation of the United States to the Treaty and its continued development through biennial consultative meetings; and

Whereas, under his leadership the Antarctic Program made important scientific advances in marine biology, glaciology, upper atmosphere physics, and earth sciences; and

Whereas, Dr. Jones' contribution to the high reputation of the Nation's Antarctic Program has been immortalized through the naming of the Jones Mountain Group in his honor; and

Whereas, under his leadership, the U.S. Antarctic Research Program became a model activity in the field of international cooperative research; and

Whereas, while accompanying countless distinguished visitors, including many Members of the Congress, to the Antarctic, Dr. Jones provided clear and understandable descriptions of the scientific research, its importance, the unique aspects of research in the Antarctic, relations among the Treaty nations, the logistics of research in the Ant-

arctic, and the interrelationship between scientific research and logistics there; and

Whereas, Dr. Jones, as Director of the Division of Environmental Sciences helped lead the Foundation into greater involvement in programs relevant to the needs of our society; and

Whereas, Dr. Jones served with distinction as Deputy Assistant Director and Acting Assistant Director for National and International Programs and Special Deputy Assistant Director for International Affairs, including participation in developing efficient managerial and diplomatic agreements for establishing several astronomical observatories, especially at Cerro Tololo in the Southern Hemisphere; and

Whereas, Dr. Jones has demonstrated throughout his career a rare sense of program judgment, political awareness, and ability to communicate with scientists and statesmen, both national and international, candor, common sense, humor, physical durability, and integrity;

Now Therefore Be It Resolved That the National Science Board expresses its deep appreciation and heartfelt thanks to Dr. Thomas Oswell Jones for his monumental contributions to the Nation, his exceptional diplomatic skill, his exemplary career as scientist-administrator, and his leadership at the Foundation for two decades;

And Be It Further Resolved That the National Science Board extends its personal regards to Dr. Thomas Oswell Jones and his family for good health and happiness in his new undertakings.

BIOGRAPHICAL SKETCH OF DR. THOMAS O. JONES

Dr. Thomas O. Jones was named Special Deputy Assistant Director for International Affairs, Directorate for Scientific, Technological and International Affairs, in July 1975, where he is the senior official responsible for representational and policy development in international scientific affairs for the Foundation.

Dr. Jones was born in Oshkosh, Wisconsin, on May 13, 1908. He received his baccalaureate in Chemistry at the University of Wisconsin-Oshkosh in 1930 and was awarded his Doctorate in Inorganic and Physical Chemistry at the University of Wisconsin-Madison in 1937. His research work at Wisconsin was on Heavy Water, having prepared one of the first major quantities of this material. During this period he redetermined the chemical atomic weight of hydrogen, a value which still stands in the international tables. Dr. Jones was on the faculty at Haverford College at Haverford, Pennsylvania, from 1937–1956, serving as instructor, assistant professor, associate professor, and professor of Chemistry, as well as Head of the Department of Chemistry. On leave of absence from Haverford from 1943 to 1947, Dr. Jones did research and served as Assistant Section Chief of the Chemistry Division and later as Section Chief of the Information Division at the Metallurgical Laboratory of the University of Chicago (now called the Argonne National Laboratory), where the processes and techniques for making and extracting plutonium were carried out.

Dr. Jones came to the National Science Foundation in 1956 as Acting Head of the Office of Science Information Service. Beginning in 1958 he was in charge of the Foundation's U.S. Antarctic Research Program, first as Program Director (1958–1961), then as Head, Office of Antarctic Programs (1961–1965). In November 1965 Dr. Jones was appointed Director of the newly-established Division of Environmental Sciences, into which the Office of Antarctic Programs was transferred intact with Dr. Jones serving as Special Assistant for Antarctic Affairs to the Director, National Science Foundation. The Division was responsible for programs in support of research in the atmospheric sciences, including aeronomy, meteorology, solar-terrestrial interactions, and weather modification; the solid earth sciences, including geology, geophysics, and geochemistry; physical oceanography; and the U.S. Antarctic Research Program. The Division also had responsibility for overseeing the scientific program of the National Center for Atmospheric Research (NCAR) at Boulder, Colorado.

Upon reorganization of the National Science Foundation in 1969, Dr. Jones was promoted to the position of Deputy Assistant Director for National and International Programs. He served alternately as Deputy Assistant Director and Acting Assistant Director of the Directorate between November 1969 and July 1975. The Directorate was responsible for programs in support of research related to Polar Programs (Arctic and Antarctic), Science Information Service, National Centers and Facilities Operations, Computing Activities, International Programs, the International Decade of Ocean Exploration, and Ocean Facilities and Support. Dr. Jones also served as Chairman of the Interagency Arctic Research Coordinating Committee, an interagency group of experts on the Arctic established to evaluate proposed research in the Arctic environment. During his association with the National Science Foundation, Dr. Jones has made fourteen trips to Antarctica to observe and direct the U.S. Antarctic Research Program. A large mountain group, the Jones Mountains, located at 73°32'S. 94°00'W, has been named in his honor.

In 1963, Dr. Jones was awarded the Order "Al Merito" by the Chilean Government for his work in advancing U.S.-Chilean relationships, and has been elected an Honorary Member of the "Chilean Antarctic Circle" Society for the same reason. In 1970 Dr. Jones was awarded the Meritorius Service Award by the Director of the National Science Foundation for "his inspirational administration of environmental science programs, particularly his worldwide acclaimed eminence in antarctic research activities and his development of scientific cooperation programs."

Published articles by Dr. Jones include the foreword to Richard S. Lewis' book, *Artarctica, A Continent for Science* (1965); *An Approach to Polar Research* (1963); *The Organization of Antarctic Biological Research by the United States of America* (1964); *New U.S. Research Station in the Antarctic Peninsula* (1964); *USNS Eltanin, The USARP Research Ship* (1965); *and Life at Antarctic U.* (1965). Earlier writings include a *Glossary of Terms in Nuclear Science* and many research papers in physical chemistry and geochemistry.

Dr. Jones is a member of Phi Beta Kappa, Sigma Xi, the American Geophysical Union, the American Chemical Society, and the Cosmos Club. He is married to Phyllis J. Jones and has two daughters; they reside at 7504 Holiday Terrace in Bethesda, Maryland.●

HUNGARIAN REVOLUTION

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. DELANEY. Mr. Speaker, today we commemorate the 130th anniversary of the Kossuth Hungarian Revolution of 1848, and are once again reminded of the tragic events of 1956.

The year 1848 proved to be a very decisive one for Hungary. Revolution had erupted in Paris, and when the news reached Vienna, Pozsony, and Budapest, a series of events unfolded which carried Hungary rapidly down the road to independence.

Upon hearing of the Parisian uprising, Louis Kossuth, busy pushing through a program of reform, assumed the leadership of the opposition forces in Parliament. Counterrevolutionary forces in Austria incited Croatian armies under Gen. Josef Jellasic to attack the reform-minded Hungarians in September 1848. The Croatian armies were defeated, but further troubles lay ahead as the Austrian Government, in March 1849 declared Hungary to be a mere second-rate power within a new centralized empire.

Louis Kossuth responded to this oppression with a declaration of Hungarian independence. He was carried forward on a flood of victories until the fateful summer of 1849. At that time, Emperor Franz Josef appealed to Czar Nicholas I for Russian assistance. In an ominous prelude to the events of the following century, the Kossuth revolution was brutally crushed and the courageous Hungarians forced to surrender.

Americans reacted immediately to this imperialistic intrusion by Russia. Shortly before the invasion in June 1849, President Zachary Taylor had issued special instructions to an American diplomat then in Europe to proceed to Hungary and give assurances of American recognition to the Kossuth government. Unfortunately, the Russian armies crushed the revolution before he arrived.

I join with our fellow Americans of Hungarian descent in celebrating today that brief period of Kossuth independence. Let us all take heed of the sobering example of Russian imperialism which sought to destroy those noble aspirations. And let us hope that soon we will see "That single and simple point-Hungarian control of Hungarian destinies" which Secretary of State Daniel Webster dreamed of back in 1851.●

RESEARCH WITH ANIMALS—PART III

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. DRINAN. Mr. Speaker, today I wish to share with my colleagues the conclusion of a recent three-part series on research using animals by Christian Science Monitor staff correspondent, David F. Salisbury.

In "Animal Rights Against Consumer Protection," Mr. Salisbury examines the massive impact of the Toxic Substances Control Act on the number of animals used in research.

With greater public awareness of the agonizing deaths of up to 1 million animals annually for the testing of newly introduced substances alone (this figure not including the psychological and biomedical research utilizing animals) comes the responsibility to seek a more humane approach.

I bring to your attention also the recommendations which conclude this series as well as a Monitor editorial of March 10, 1978, in which the funding of alternative methods of research is urged—specifically H.R. 10494, a bill which I and 22 of my colleagues are proud to support.

ANIMAL RIGHTS VS. CONSUMER PROTECTION

(By David F. Salisbury)

In the United States today over 60 million animals are used in laboratory experiments and tests every year. This figure is likely to rise sharply in the next few years.

The reason is a single piece of legislation: The Toxic Substances Control Act (TOSCA). In the past, safety testing has been required only for certain, specific classes of substances. Food additives and drugs are regulated by the Food and Drug Administration (FDA). Pesticides are licensed by the Environmental Protection Agency (EPA).

But most of the 30,000 to 60,000 chemicals in production have had only cursory tests made of their safety and health effects. It was to rectify this oversight that Congress last year passed TOSCA. An Office of Toxic Substances (OTS) currently is being set up at EPA.

Antivivisectionists view this development with alarm. Although OTS has not worked out the protocol it will demand, it may take as many as 1,000 animals to test each substance. Because from 500 to 1,000 new substances are introduced annually, this means one million animals may be sacrificed each year just to screen new products. At the same time, the tremendous backlog of untested chemicals already on the market must be tested as well.

In addition, each animal test takes several years to complete, making thorough screening of all chemicals virtually impossible. This adds to the pressure to find alternative means of testing.

During the last few years a number of different alternatives to "whole-animal" testing have been developed. These hold the promise of being cheaper, faster, and more accurate, in certain instances, as well as saving countless numbers of animals from suffering.

Most alternatve tests are in an early stage of development and validation. Many of the scientists developing these techniques say that their progress has been impeded by the extreme skepticism of animal researchers and the resulting difficulty in getting funds.

Still, a number of approaches have been offered and are in various stages of development. They fall into several major categories:

Use of lower organisms and eggs of reptiles and birds. Bacterial cell cutures show great promise for detecting substances suspected of causing genetic mutation and cancer. Egg embryo tests have detected chemicals which cause malformed babies.

Use of human and mammalian cell cultures. Techniques for growing human and mammal cell lines in test tubes (in vitro) have been perfected. Attempts are being made to apply them to determine drug effects and toxicity.

Use of organ cultures. Many drugs act specifically on certain organs. Methods to maintain organ fragments in the laboratory so that their reaction to specific agents can be determined have been pioneered. Because a number of different organ cultures can be taken from each animal, their use reduced the number of animals needed.

Improved computer techniques. By using more sophisticated statistics the number of animals required for certain tests can be cut drastically. Computer-based models of the molecular action of drugs may screen out a number of the compounds without animal testing and predict adverse effects.

These alternatives all could help reduce the amount of whole-animal testing, but not eliminate it entirely, at least in the foreseeable future.

Traditional techniques of animal testing involve exposing various animals to different amounts of a potentially poisonous substance. To test the toxicity of something swallowed, rats are used because they cannot regurgitate. If the substance is inhaled, dogs usually are employed because their lungs are similar to man's. If the substance is to be applied to the eyes—as in certain cosmetics—rabbits are the test subjects because they have sensitive corneas and do not have tear ducts to wash the substance out of their eyes. If nerve damage is suspected, then monkeys or primates are used.

Acute toxicity—poisoning with sudden and intense effect—typically is measured by the amount required to kill 50 percent of the test animals. This is called the LD–50 test. It is still a standard procedure, even through it is critized by a number of sources as being crude and of limited usefulness.

Thurman Grafton of the National Society of Medical Research confirms the validity of these criticisms. He lays the blame for their continued use on the legal profession: "Companies conduct these tests so that, when somebody sues them, they have a quantitative safety factor which they can use in their defense."

An alternative to routinely administering lethal doses of a substance to groups of 50 test animals is being developed by Robert T. Christian of the University of Cincinnati.

Dr. Christian has been working with cultures of mammalian cells to study the effect of poisons. The work is still in its early stages, but 30 chemicals have been tested. Those which are known to be toxic to animals also have proved toxic to the cells. They have not yet run into a case where a substance which is toxic to animals is not toxic to cells (a false negative) although they expect to. Likewise, they have not yet run across something which poisons the cells but not test animals (a false positive).

As might be expected, the strongest criticism of the validity of animal testing comes from antivivisectionists. Michael Fox of the Humane Society of the United States, for instance, argues that testing these substances one by one totally overlooks what happens when a number of these substances combine in the air, water, or human stomach.

"These tests of specific substances are fatuous," he maintains, "because they do not take synergistic effects [where one chemical enhances the effect of another] into account. Therefore the tests give a false sense of security."

This view is supported by a number of environmental scientists since there are literally millions of possible combinations of food additives, drugs, and other synthetic substances which may have different effects in combination than they have individually.

Recently there has been a growing concern about chronic, low-level health effects. Testing for these requires large numbers of animals and lifetime, or even multi-generation studies.

To judge the effects of a substance to which the entire U.S. popuation is exposed, would, strictly speaking, require 220 million test animals. Obviously this is not possible. Thus the scientist gives correspondingly higher doses to a smaller number of animals. He feels this enables him to calculate the risk to a larger population.

Canadian scientists fed several hundred rats an amount of saccharin which, on the basis of body weight, was 4,000 times higher than the amount consumed daily by an average American. From the results, they calculated that present saccharin consumption may cause several thousand cases of cancer yearly.

"Rodent tests are considered 95 to 99 percent predictive of real cancer risks in humans," says Robert Tardiff, a toxicologist with the National Academy of Sciences. But many scientists, including Dr. Grafton, are skeptical of the results of tests with extremely high dose rates which are necessary to detect weak carcinogens.

The saccharin study points out a number of the difficulties involved in traditional animal tests. The fact that adverse effects were found in rats, but have not shown up in hamsters and monkeys raises the question of its applicability to humans. There is also a possibility being debated that the effects were due to the high dose rates and so cannot be generalized to the consumption of a few bottles of diet drink a day.

The greater sensitivity in alternative, short-term tests enables researchers to detect low-level chronic effects with realistic dosages, thus avoiding the second of these objections. The use of human cell lines also holds the promise of reducing the uncertainties involved in generalizing from one species to another.

The most thoroughly validated test of this sort uses bacteria and has been developed by Bruce Ames of the University of California at Berkeley.

The Ames test identifies mutagens, agents which produce genetic defects. Not because they are considered less damaging, but because mutagenic effects are difficult to define, research efforts have centered on closely related carcinogens. Thus, in a survey of over 300 compounds, Dr. Ames found that his test correctly identified 90 percent of the commonly accepted cancer-causing agents.

In 6 percent of the case, the test showed positive for substances which have not shown up as detrimental in animal tests. However, Dr. Ames makes a strong argument that these are weak agents which would not be detected because of limitations in the animal tests.

"Besides better sensitivity, the Ames test costs only a small fraction of equivalent animal tests," says Dr. Ames. "It can be run in a matter of days instead of years. This makes it practical to test actual samples from the environment and to screen harmful substances routinely—before millions of dollars have been spent on their development."

There are a number of similar tests under development. "The field is moving very, very rapidly. Short-term tests are coming up with similar results. They are starting to build up a good batting average," says Dr. Ames.

The approach which the antivivisectionists and some researchers advocate would begin with a battery of these alternative tests. If these indicated probable health problems with a given substance, it would be prohibited unless there were convincing arguments that it may have offsetting beneficial uses. In that case, the material would be run through a series of animal tests as well.

Materials which were cleared by the short-term tests also would be put through animal tests to make sure that they did not have effects that were missed by the simpler approach.

However, Warren Muir of OTS explains that such an approach is not possible under present legislation. The law puts the burden of proof on the government. Not until these tests are validated thoroughly and generally accepted could a product be held off the market as the result of one of these alternative tests alone.

Still, his office will be using these prescreening tests to set priorities in the animal testing it will require of industry, says Mr. Muir.

"If we can get the bacterial tests incorporated into the guidelines, then the rest of the

regulatory agencies will begin falling into line," says Dr. Fred Deseres of the National Institute of Environmental Health Sciences.

RECOMMENDATIONS

Based on extensive research conducted in connection with this series, the Monitor makes these recommendations:

1. Enforcement of the Animal Welfare Act needs to be tightened. Instead of using U.S. Department of Agriculture veterinarians who, in many cases, are unfamiliar with laboratory animals, the program should be staffed with veterinarians who are knowledgeable and concerned. The program also needs additional manpower. Inspectors now only spend four hours per year in each laboratory. The program should be expanded to cover all vertebrates used in scientific laboratories, not just the few selected species with which it presently concerns itself.

2. More public purview of animal research grant proposals is needed. Citizen participation in the scientific review process could be an additional check on inhumane practices which occasionally become entrenched in some disciplines.

3. Students must be encouraged from an early age to explore humane avenues of animal research. High school students should be restricted to experiments which do not inflict pain on animals. Colleges and universities need to develop courses which deal specifically with the moral and ethical principles involved in animal experimentation. Students must be familiarized with the characteristic behaviors of various laboratory species and aware of their ways of expressing pain. These courses should be prerequisites for animal research. The National Science Foundation should support development of these curricula.

4. Increased research on alternative methods for screening harmful substances is justified not only as a humane concern, but also in enlightened self-interest. Development efforts thus far have been haphazard. Federal allocation of research money specifically for this purpose would encourage a more comprehensive approach. H.R. 10484, introduced by U.S. Rep. Robert Drinan (D) of Massachusetts to promote development of research methods, experimentation, and testing that would minimize the use of live animals and their needless pain and suffering, should be actively supported.

5. The Office of Toxic Substances of the Environmental Protection Agency should employ current short term tests to the greatest extent possible. Industry should realize that these alternative approaches are in their long-term best interest and publicly support their development as well as using them.

ANIMALS IN THE LABORATORY

In the three-part series "Research with animals" appearing in the Monitor this week, correspondent David F. Salisbury documents that the use and misuse of animals in laboratory testing is increasing dramatically. The trend is cause for concern. The United States alone subjects more than 60 million animals a year to frequently painful and fatal experiments, ranging from testing cosmetics and drugs to the impact of car crashes on occupants.

Encouragingly, there are signs that the scientific community has become somewhat more sympathetic to the arguments of antivivisectionists and animal welfare groups concerned about the suffering such tests bring to animals. Animal defenders no longer are dismissed out of hand as eccentrics. And antivivisectionists, for their part, seem more disposed to accept some animal experimentation as necessary rather than insisting on an outright ban.

Some researchers concede there is too much needless duplication of experiments on animals. And much of the testing—particularly many experiments involving stress and behavioral engineering—appear to be of questionable value and relevance to society, even by scientific standards.

In recent years a number of alternatives to "whole animal" testing have been developed. These involve the use of lower organisms, human and mammalian cell cultures, and improved computer techniques. Such innovative testing methods unfortunately have received far too little attention. The federal government in allocating research funds ought to give a higher priority to exploring these more humane forms of testing. Legislation before Congress, introduced by Rep. Robert Drinan of Massachusetts, would encourage and promote further development of such alternatives.

Federal research grants also are needed for the growing number of young scientists expressing an interest in pursuing the search for testing methods that do not require sacrificing animals. Greater public participation in the federal government's processing of research grants might help in this respect. And stepped-up enforcement of the Animal Welfare Act, with more money and manpower allocated to provide greater veterinarian oversight in laboratories, would further protect animals. If prospects of winning congressional approval for such steps seem slight (since research institutions are likely to oppose any "outside" infringement on their research) there is nothing to stop individual institutions and laboratories themselves from giving higher priority to alternatives to animal testing.

In the deepest sense, the issue has a bearing on the kind of moral environment that is fostered. Surely humaneness toward animals as well as men, a reverence for the life of all creatures, is an essential ingredient of that high ethical tone that marks any civilized society. As scientists who have turned away from animal experimentation argue the best way to use animals to help humans is to teach people to love.●

REDUCING THE RISK OF FLIGHT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. DORNAN. Mr. Speaker, the March 1 air catastrophe in which a Continental Airlines DC–10 airliner crashed during takeoff in Los Angeles is another tragic reminder. The technical failures and mechanical problems responsible for this sad story prompt all of us to recall the universally recognized need to increase on-flight fire prevention.

Everyone agrees on the need to pull out all stops to reduce the risk of these recurrent tragedies. Yet hearings aside, flight fire prevention reform continues to crawl. For those of us on the House Science and Technology Committee who are trying to speed up the pace, a recent editorial in the Los Angeles Times effectively voices our own convictions to spur on the FAA. This March 3 editorial is called, "Pouring Safety on Plane Fires," and I bring it to the attention of my colleagues.

[From the Los Angeles Times, Mar. 3, 1978]

POURING SAFETY ON PLANE FIRES

The toll—2 dead, 84 injured—in Wednesday's crash of a Continental Airlines DC–10 during takeoff at Los Angeles International Airport could have been much higher had the plane been more crowded, the crew less skilled or the firefighters' response less swift.

But the toll could have been lower had the Federal Aviation Administration pushed more rigorously to reduce the risks of fire in airliner crashes.

This is not the first such incident of a big jet crashing on or near an airport runway, and it will not be the last. But there is a big difference between a nerve-wracking sudden stop and the horror of a fatal fire.

This country is the recognized leader of efforts to build safety into aviation. It should be the leader in attempting to keep crashes from turning into fires, too. It is not.

Many specific avenues need to be explored before the precise cause of the latest crash can be established. Why did two tires blow out as the airplane was reaching takeoff speed? Why was the asphalt pavement too thin to support the jetliner's weight as it swerved off the main runway?

But there is no doubt that what killed two people and turned many others into emergency medical cases was not impact, but fire. A wing banged against the ground, fuel spilled out and fumes were ignited by a spark.

Congressmen, airline pilots and consumer groups pointed out the need for better fire prevention last year, after the biggest air disaster in history. Fire took 581 lives in Tenerife, in the Canary Islands, when two Boeing 747s collided on a runway.

The FAA, an agency of the Department of Transportation, held hearings last summer on ways to fight the fire danger. One proposal was to require rubber liners inside fuel tanks; another was to design double-walled tanks instead of the current arrangement, whereby only the wing surface separates fuel from outside air. Among other ideas were chemical treatment to turn jet fuel into a jelly, pressurized nitrogen inside each tank to quell the formation of vapor, and possible changes in cabin ventilation systems.

In sorting through all these recommendations, the hearings found significant promise in only one: a series of British experiments with an additive that inhibits fuel evaporation. The agency decided to pursue this intriguing possibility.

The pursuit has been disappointingly slow. Since last summer the FAA's total effort has been to test the additive on 150-gallon batches of jet fuel—a tiny amount compared to a DC–10's capacity of 22,000 gallons. The testing process is a long, long way from leading to experiments on real airplanes.

This pace is too slow. The incident Wednesday should remind the aviation agency as well as every other party concerned that the risk remains real, and that it demands faster attention.●

GEN. LEWIS W. WALT: A CONCERNED PATRIOT

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. KELLY. Mr. Speaker, Gen. Lewis W. Walt, one of the most respected marines of our time, whose career culminated in the four-star post of Assistant Commandant of the Marine Corps, has continued to serve his country vigorously since his retirement from the corps.

One of the most memorable covers of Life magazine was a picture of General Walt in the thick of the fighting in Viet-

nam, trying to win an awful war under impossible rules. If anyone could have done it, it would have been Lew Walt—a marine's marine, if there ever was one.

General Walt is no less concerned about what he regards as the challenges to America today. Always a popular speaker at public events, Lew Walt is wading into this battle with all the spirit and determination for which he is famous. He sees an America that needs to be alerted to a movement toward loyalties that transcend national boundaries. This movement would destroy our constitutional freedoms and our representative republican form of government. Implicit in this movement is also the likelihood that our standard of living and prosperity would be divided and reduced by the world government.

When a great leader speaks with earnest concern regarding our Nation's welfare we should at least listen. It is for this reason that I submit for your consideration the recent speech by General Walt before a Chamber of Commerce audience in Florida:

THE EBB TIDE OF OUR REPUBLIC AND OUR FREEDOMS

Ladies and gentlemen, I am here today, not as a member of the Armed Forces but as a common citizen, an average American. As one who is deeply and alarmingly concerned about the security of our freedoms.

I am here today to speak to you because I feel it is my duty and my obligation to my country. More deeply, I feel an obligation to those Americans, whom I have seen sacrifice their lives on the field of battle to preserve our freedoms. I believe our freedoms are in greater jeopardy today than ever before in the history of our nation. We are joined now in a most critical battle to preserve our freedoms. To me it is a continuation of the battles in which our heroic Americans have sacrificed their lives. There are no booming of guns or dropping of bombs but the enemy is real, many faced, insidious and clever, and the results can be just as deadly to our freedoms.

In a democratic Republic, military leaders do not commit their countries to wars. Political leaders initiate the wars and order the military to fight them. The leaders who start the war are never active participants on the field of battle. Personally, on the battlefield. As a Marine infantryman, I was always trying to kill my "designated" enemy, because he was trying to kill me. War is "Hell" only for those on the battlefield and for those who have had their loved ones mangled or killed on the field of battle. For those who maneuver us into war, a war is a game in which our young men are pitted against a "designated" enemy in deadly combat.

With the advent of jet aircraft, satellites, atomic powered ships and submarines, instant world-wide communications and nuclear weapons, the nature of war has changed! No longer are the Atlantic and Pacific oceans a shield behind which we can hide from our potential enemies. More important, no longer can the internationalist political leaders hope not to be personally involved in a major conflict because intercontinental nuclear weapons are boundless in death and destruction effects. For this reason, I do not believe international political leaders will ever allow a nuclear conflict. But, I also believe that these same boundless weapons of death and destruction will be used to blackmail nations into submission. Submission to a new international order, a "one world" government where the Government will be the master and the people will be the slaves.

I believe that our country, the United States of America, will be the first target. I believe that the stage is now being set for the blackmail action:

How else can we explain:

Why we were not allowed to win the war in Korea or VIETNAM—

Why we have given the USSR money, food materials, and technology to allow them to build up the greatest military power the world in some respects—

Why we are deserting our friends in Taiwan, South Korea, and South Africa, and at the same time, extending a friendly and helping hand to Cuba, Red China, and other Communist dominated countries—

Why are we trying to give away the Panama Canal when its loss would divide our Naval Forces into two parts—and be a severe blow to the economy of our country—

Why have we deliberately cut back the effectiveness and capability of our Armed Forces by denying them the B–1 and other critically needed weapons systems without even requiring a reciprocal reduction of Russian Backfire Bombers—

Why have we denied our nation an anti-aircraft defense, a ballistic missile defense, and a civil defense while the Soviet Union, in direct violation of the intent and spirit of SALT I agreement, has built a civil defense to protect its people and industries and an anti-aircraft and missile defense of enormous proportions.

The Soviet Union has six times more nuclear explosive power in their intercontinental missile warheads than we have. They have nearly four times the number of submarines and twice the number of combat surface ships that we have. For more than ten years, they have had, in their operating forces, several hundred cruise missiles of two hundred miles range which can be fired from both submarine and surface ships and against which we have no proven defense.

As a result of my military training, I have learned to consider only the enemy's capabilities and not his intentions. His intentions can change over night, his capabilities cannot.

Today, the Soviet Union has the capability to control the sea lanes and cut off, either on the sea or at their source, the vital raw materials which our nation must have for its economy and its military readiness. Of the 72 vital materials we need, a part of 66 of them have to be imported. By such a move, our potential enemies could strangle our country economically, close down our industries, throw million of our people out of work, cause economic chaos in our country which (due to the weakness of our military reserves and national guard—result of no draft) would require a major effort on the part of our regular forces to maintain order.

This then could be a time for nuclear blackmail. With the Soviet Union "armored" (Civil, Anti-Air & Missile Defense) and our Nation naked for the lack of these defenses, the blackmail could force some political leaders to capitulate.

These National and International Political Leaders have made other preparations for the opportune hour. They have prepared a "Declaration of Independence" and a "New States of America" Constitution which would subordinate our Constitution, our Armed Forces and our Economy to that of the "One World Government" (The United Nations). Our freedoms as guaranteed by our Constitution would no longer exist. No longer would our people be the power and our Government the servant. The Government would be the master and our people would be the slaves.

Is our position hopeless??

No! Not if our people can be awakened to the Military, Economic and Political threat facing us. However, time is running out! This year's Congressional elections are the most critical of our Nation's history. The results will determine whether or not our freedoms will be maintained. I predict, that before too long, those who signed or endorsed the "Declaration of Interdependence," will be telling us that the only way we can save ourselves and other nations from a nuclear holocaust, is to form into a "New World Order" with a one world government. If the average American continues to be misinformed or uninformed or unaware of the blackmail maneuver and the majority of the members of our Congress refuse to stand up against such a threat then our case will be hopeless and the middle class, free enterprise and all our other freedoms, we have mistakenly taken for granted, will be only memories.●

FUELS TRANSPORTATION SAFETY ACT AMENDMENTS OF 1978

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. DINGELL. Mr. Speaker, on February 24 of this year, a relatively minor derailment of a Louisville and Nashville freight train in Waverly, Tenn. demonstrated two things: the awesome destructive power of relatively small quantities of liquid petroleum gas, and the shocking inadequacy of the existing safety regulatory activity in regard to such hazardous materials.

In 1976 alone, 63 people were killed, 366 injured and untold millions of dollars of property was destroyed or damaged as a result of fires and explosions that occurred along the more than 1.5 million miles of pipelines in this Nation that carry natural gas, petroleum, and petroleum products. There is good reason to believe that many, if not most, of these losses could have been avoided through a program of more effective safety regulation. Indeed, the fact there were more than 700,000 reported leaks of natural gas in the year indicates that it was due mostly to luck that losses were not higher.

For the future, the problem can only be more serious. In the coming years it is projected that Americans will come to depend more and more on LPG and LNG to meet their energy needs. By 1985, for example, it is estimated that the United States will use some 1.6 trillion cubic feet of LNG, up from 10 billion cubic feet this year, and it is projected that this country will use some 3 trillion cubic feet of LNG by 1995. This increase in the use of LNG and LPG will require the construction, and operation of substantial new facilities for storing and transporting these materials, which are known to pose grave hazards to public safety.

Congress has not been slow to recognize these hazards or to act to protect the public from them. As early as 1921, legislation was enacted giving the Interstate Commerce Commission authority to regulate the safe transportation of hazardous liquids by pipeline. Throughout the years, Congress repeatedly reviewed and reorganized this authority in an effort to compel the executive to strengthen and improve its regulatory activities. In 1967, regulatory responsibility for petroleum and petroleum products was transferred to the newly created Department of Transportation.

In 1968, recognizing the inadequacy of existing State regulation of natural gas pipelines and the growing number of accidents involving these lines, Congress enacted the Natural Gas Pipeline Safety Act giving the Secretary of Transportation full authority to prescribe safety regulations for the transportation of gas, which is flammable, toxic, or corrosive. The responsibility for implementing the provisions of the Natural Gas Pipeline Safety Act of 1968 and certain provisions of certain other acts were vested in the Office of Pipeline Safety Operations (OPSO) in the Department of Transportation.

Thus, under various statutes OPSO now has full authority to regulate the safety of pipeline transportation of natural gas, liquefied natural gas, liquid petroleum gas, petroleum, and petroleum products.

Unfortunately, the intent of Congress in creating this program has never been properly implemented, and as a result of this failure the American public continues to be exposed to unnecessary hazards and to suffer unnecessary losses.

Today, Congressman MARKEY and I are introducing the Fuels Transportation Safety Act Amendments of 1978. In addition to authorizing appropriations for the pipeline safety operations of the Department of Transportation as implemented by OPSO, this legislation is designed to coordinate the safety regulation activities of OPSO in a single coherent package, to close gaps in safety regulations created by OPSO's almost unbelievable misinterpretations of congressional intent and to compel the agency to strengthen and speed up its vital regulatory functions.

Under the Pipeline Safety Act of 1968, lines constructed before 1971 are exempted from regulation; however, if the Secretary "finds a particular facility to be hazardous to life or property, he shall be empowered to require the person operating such facility to take such steps necessary to remove such hazard." The record of pipeline accidents before and since the creation of OPSO makes it clear that certain types of pipeline in certain locations may pose unacceptable levels of risk and it was the clear intent of Congress that the Secretary should use this authority to force the correction of hazardous conditions regardless of when the pipeline was installed. The Secretary has never seen fit to use this authority, which is all the more remarkable in light of the fact that a substantial amount of the pipeline in use today was installed before the turn of the century. Thus, only about 180,000 miles of the more than 1.5 million miles of pipeline is fully regulated, and this is the most modern and safest pipeline in use.

Evidence before the committee at the time of enactment indicated that a number of the older lines were in very poor condition, an indication borne out by the fact that there are admittedly more than 700,000 discovered leaks each year. The legislation introduced today requires the Secretary to act on "grandfathered" lines when evidence indicates that they present a hazard, unless the operator can prove that they do not present a hazard. It requires the Secretary to consider such factors as the characteristics of the pipe, including age, manufacturer, physical properties (such as its resistance to corrosion and deterioration) and the method of its manufacture, construction or assembly.

It also requires him to consider the nature of the materials transported (including their corrosive and deteriorative qualities), the sequence in which the materials are transported and the pressure required. Finally it requires him to consider where the pipe is located and, in particular, the climatic and geologic conditions and the population density and growth of the area.

Obviously, the Secretary cannot make an informed judgment without information so the legislation I am introducing today requires that the person operating any pipeline facility supply it. It also creates a data-processing capability that will enable him to correlate the above information with information on leaks, which must also be reported, so as to identify the types and locations of pipe that constitute a hazard.

It has been obvious for a number of years that the most frequent cause of pipeline accidents is the inadvertant rupture of lines during construction. Now, some accidents will occur no matter what, but it seems reasonable to conclude that no contractor, and certainly no operator of construction equipment, wants to blow up a neighborhood in which he is building. The sad fact appears to be that contractors often do not know where a pipeline is and, therefore, cannot take reasonable precautions to avoid hitting it. This legislation attacks this problem by requiring each person operating a pipeline to identify the location of his pipeline and to file that information with State and local agencies authorized to approve construction activities in the areas in which the pipeline is located.

For some peculiar reason which remains unclear to this day, OPSO elected to treat LPG, which many experts believe to be more dangerous than LNG, as petroleum rather than as a gas. The record shows that LPG accounts for only 10 percent of the accidents reported, and for over 60 percent of deaths resulting from accidents. Yet, under OPSO's interpretation, it is subject to far less stringent regulation than even natural gas, let alone LNG. This legislation corrects that defect in interpretation by requiring LPG to be treated as a gas.

One other problem under the existing law is that petroleum and petroleum products are regulated under criminal statutes. The lack of civil regulatory authority causes OPSO difficulties which are clearly not of its own making and the legislation corrects this deficiency by creating civil authority for safety in regard to petroleum products that tracks the authority in regard to gas.

A very troublesome problem is the issue of so-called master meters. Under the existing regulations the safety authority of OPSO stops at the meter. For the average homeowner, this is clearly a reasonable provision; however, for persons in trailer courts and some apartment houses this creates a serious hazard. The Subcommittee on Energy and Power has evidence that in some trailer courts gas is distributed by ordinary waterpipe and garden hoses.

This is an intolerable situation. There is no clear evidence of how many persons may be endangered, but the subcommittee has evidence that there are at least 6,000 master meters situations in the State of California alone. The legislation brings master meters operations under the jurisdiction of OPSO. It also incorporates rural gathering lines under OPSO authority. These were exempted from the act after it was adopted in 1968. Evidence now indicates that this was a mistake since these lines do pose a hazard and substantial amounts of gas may also be lost thereby.

There is no question but that OPSO now has authority to regulate the siting and operating of both LNG and LPG storage and transportation facilities, but the hard fact is that the office has not yet done so, although it does have some regulations "in the pipeline," so to speak. This is a dereliction of duty which must be corrected and the record does not indicate that OPSO can be trusted to do so adequately without further direction from Congress.

The danger of LNG has long been known. In 1944, one LNG tank ruptured in Cleveland killing 130 and injuring 225. According to a report now in preparation by the General Accounting Office, had the wind been blowing in another direction at the time, all of southwest Cleveland could have been destroyed. In fact, it was due solely to the timing of the accident that casualty figures were not higher. The accident occurred during the day when husbands were at work and children in school, so that the victims were limited largely to housewives. The GAO report details a number of defects in the design of existing facilities that could cause a repetition of the Cleveland disaster. It is imperative that this situation be addressed and addressed quickly and the legislation we are submitting today gives OPSO very specific responsibilities to protect the public safety in regard to both existing and future facilities.

With substantial increases in the amount of LNG and LPG to be transported and stored in the United States in the future, there remains the very real possibility that despite our best efforts a catastrophic failure may occur. In 1974, then-Fire-Commissioner O'Hagan of New York City indicated that a rupture of a barge bringing 5,000 cubic meters of LNG down the East River could create a gigantic cloud of low-drifting gas that could be ignited by the spark of an auto horn. The threat of such accident could require the evacuation of as much as one or two whole boroughs of the city of New York. He said that firefighting strategy would consist of waiting until the resultant gas cloud ignited and then trying to confine the blaze. The tankers now being put in operation carry 125,000 cubic meters, five times the amount that concerned Commissioner O'Hagan.

Clearly, there is the potential for enormous financial liability, liability that

may be beyond the capability of the companies handling LNG and LPG. The legislation addresses this problem in three ways. First, it requires any person storing or transporting LNG or LPG to post evidence of financial responsibility of $100,000,000.

Second, it creates a liquefied gas liability fund which will assume liability for losses over $100,000,000 and up to $300,000,000. Recognizing that many LPG operators have small facilities and deal with relatively small amounts of gas that pose a much smaller risk, the Secretary has been given authority to exempt them from both the siting and operating and the financial responsibility requirement. Both, would be liable on the basis of strict liability, thus they would have to pay whether or not they could be proven to have been negligent, but they could recover from a third party, if they could prove negligence.

Third, if losses exceed $300,000,000 the person storing or transporting the gas would be liable, if it could be proved that he was negligent.

Finally, the legislation addresses what I believe to be a major weakness in the OPSO operation; the failure to provide effective leadership. For 7 years out of the 10 that OPSO has been in existence, it has been headed by an Acting Director. This is intolerable. It indicates a lack of serious concern with the problems of pipeline safety and a lack of dedication to resolving them. Repeatedly, Secretaries of Transportation have promised the subcommittee that this would be corrected. Repeatedly, those promises have been broken. In an effort to bring this situation to the attention of the present Secretary of Transportation in a more forceful manner, the legislation prohibits anyone from serving as an Acting Director of OPSO or of the Materials Transportation Bureau for more than 180 days. After that time, the Secretary himself must carry out all responsibilities and the authority to delegate responsibilities is suspended until a director is named.

These are some of the most important issues addressed by the Fuels Transportation Act Amendments of 1978 which I am introducing here today.

One final word. This legislation addresses problems that are very real and very serious. We believe that they can be resolved and resolved without imposing onerous burdens upon the industries involved. We believe that this legislation accomplishes that goal and I commend it to the attention of my colleagues with great hopes.●

EVA AND PAUL YAGER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. WAXMAN. Mr. Speaker, on the occasion of its 30th anniversary, Shelters for Israel is honoring Eva and Paul Yager as "Couple of the Year" at its annual anniversary dinner dance to be held at the Century Plaza Hotel on Saturday, March 25, 1978, an event made even more significant because it also coincides with the 30th anniversary of the State of Israel.

The Yagers, who are survivors of the holocaust, settled in Los Angeles after arriving in New York from Hungary. They are the hardworking and popular coowners of one of the mainstays of our Beverly-Fairfax neighborhood, the Budapest Restaurant. In spite of the heavy demands of being involved actively in the daily operation of their business, the Yagers have found the time, indeed made the time, to give of themselves to Shelters for Israel.

Eva and Paul Yager are being honored for 20 years of devoted service to this organization which has built and supported the following in Israel: A public library, dormitories at Hebrew University of Mount Scopus, prekindergarten nurseries, and many other worthwhile projects.

Eva is a vice president, functioning as life membership chairman. Paul is a lifetime trustee and along with Eva, a member of the advisory board.

Although Eva and Paul Yager have been active in many other community organizations, their heart and soul are primarily with Shelters for Israel. Because of their exemplary dedication through the years, and because of their selfless and lasting contributions of time, effort, talent, and money, Eva and Paul Yager are most deserving of the honor being accorded to them. It is a great pleasure for me to ask the Members to join with their son, George, and their many other friends in saluting them on this special occasion.●

REPRESENTATIVE JOHN CONYERS URGES PRIORITY-SETTING

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. SIMON. Mr. Speaker, one of our colleagues in the House who is not a member of the Budget Committee has shown much above average interest and leadership on matters which relate to problems which the Budget Committee must face. He is Representative JOHN CONYERS, who, on February 28, presented testimony before the House Budget Committee which I found of interest and I believe many of my colleagues in the House and Senate will find of interest.

Basically, he calls for a better system of priority-setting in this body.

I commend him for his leadership and his interest. JOHN CONYERS not only serves the people of his district well, he is serving the people of this Nation well:

TESTIMONY OF REPRESENTATIVE JOHN CONYERS BEFORE HOUSE BUDGET COMMITTEE, FEBRUARY 28, 1978

Mr. Chairman and Members of the House Budget Committee. I appreciate this opportunity to share with you some thoughts about the fiscal year 1979 budget in the context of the congressional budget process that we adopted three years ago.

Last October I testified before the special task force on the budget process, chaired by my colleague from South Carolina, Mr. Derrick. The thrust of my remarks was that of all the objectives of the 1974 Congressional Budget Act, the one that has received the least attention and suffered the most neglect is the mandate "to establish national budget priorities" (Sec. 2, 4).

My argument today is that as a result of our failure to set budget priorities in a deliberate and systematic way, we have not gained the kind of control over the budget that we intended and that is necessary and, consequently, our policy objectives in virtually every area have been compromised and derailed. I will illustrate my argument with reference to two budget areas—tax expenditures and national defense.

It has been said that priorities are implicit in each and every budget decision that Congress agrees upon. In a certain sense this is correct. Budget resolutions do affirm a given set of economic and social policies, a particular distribution of wealth and income, as well as burdens. They always assign a certain weight to national defense as well as to the care of the society's most defenseless and dependent persons. I think it can be safely said that the budget decisions that we have made in the past three years, despite the new budget process, have carried forward to a remarkable degree the policy choices of the past and, indeed, have been made in a way remarkably like the budget decisions under the old system. What we call priorities are in a real sense the priorities of the past, reflecting conditions and choices made twenty or thirty years ago, that are carried forward into each subsequent budget by way of tinkering with budget increments rather than evaluating budget bases.

Nothing is wrong with the priorities of the past so long as they accurately and adequately reflect, and respond to, the needs and circumstances of citizens in the present and what these are likely to be in the future. But is this, in fact, the case? I think not. On the contrary, by any economic, sociological, and psychological measure the budgets we have been cursorily approving have not been accomplishing the goals they were intended to accomplish, or responding to the needs and interests of citizens, or winning the support and the legitimacy that can only be conferred by the judgment of citizens themselves.

Let us briefly review the performance of our budgets in the past few years. The budget is foremost an economic document for accomplishing the goals of economic growth, maximum employment, reasonable price stability, and a strong balance of payments position. In each of these areas the budget has performed poorly. Not only do the objective measures register poor performance, but of equal importance the perception of our economic and budgetary performance by the great majority of citizens—and for that matter on the part of citizens, bankers, and governments of the world—can be characterized as one of deep apprehension and concern about the direction we are taking. Opinion polls indicate that the majority of citizens is concerned most about the economy, pessimistic about the government's ability to make improvements and, overall, rather dissatisfied with the performance of government as such. There is also mounting discontent with the role of the budget in allocating the burdens—particularly, tax burdens—that finance government spending.

Candidate Carter struck a sympathetic chord in the 1976 presidential campaign when he attacked the tax system as "a disgrace to the human race." A great deal of the erosion of public confidence in government stems from the way we allocate tax burdens—and, the other side of that coin, tax privileges. There is growing public awareness not only of how, for what, and to whom

the government distributes spending, but also of how and from whom the government raises revenue.

One of the signal achievements of the new budget process was to formalize the concept of tax expenditures and require their listing in the budget. Tax expenditures are the exceptions or reductions in the normal tax rate that are offered to individuals and corporations to promote a particular type of economic activity or else to lighten the tax liability of groups experiencing adverse circumstances. In effect, they are revenue losses and a form of government expenditure. They include exclusions, exemptions, deductions, credits, preferential rates, and tax deferrals. In the popular mind, with justification, they are simply referred to as the loopholes, shelters, and privileges accorded to upper income groups and powerful institutions.

In FY 1979 tax expenditures will reach $134 billion, $103.5 billion to individuals and $30.5 billion to corporations. They represent nearly 27% of the direct expenditure budget. Tax expenditures increase just as direct expenditures do. For example, in 1967 they amounted to a revenue loss of $36.6 billion. Ten years later, in FY 1977, they had climbed to $114 billion. Unlike direct expenditure programs that have to be renewed and reauthorized periodically, most tax expenditures, once enacted, remain on the books, and are rarely scrutinized for their intended or unintended effects.

There are, in fact, two federal systems for allocating resources. One is direct spending that, overall, has a positive redistributive impact on lower- and moderate-income groups. The other is the tax expenditure budget—as well as federal credit and borrowing programs and payroll taxes—that, overall, have a negative, or regressive distributive impact.

The tax expenditure budget is significant from the point of view of the priority-setting function of the budget process. These expenditures often operate in the opposite direction of the direct expenditure budget, nullifying the latter's intended effects. Because tax expenditures are revenue losses, they represent resources unavailable for direct expenditure programs. In theory many of the major tax expenditures are supposed to promote economic growth and correct deficiencies such as unemployment. In practice these expenditures often fail to achieve their goals, or else cost far more than the value they confer, or, as is too often the case, merely furnish additional privileges to already privileged groups or institutions. As an example of the latter, one result of corporate tax expenditures is the reduction over the years of the tax rate for the largest firms from the nominal 48% rate to an effective 13% one.

In the early 1970s the Joint Economic Committee published one of the few systematic studies of tax expenditures. In a report entitled, "Federal Subsidy Programs," published on October 18, 1974, the Committee offered this view of tax expenditures:

"On the whole, these studies showed that many subsidies do not work well economically, they are often directed at outmoded or non-existent objectives, they redistribute income to the affluent, and in too many cases their costs far exceed their benefits to society as a whole."

Of the investment tax credit, one of the most celebrated tax expenditures, which was intended to stimulate employment and in that year amounted to about $4.5 billion (and which in the FY 79 budget will amount to $12.3 billion for corporations and $2.7 billion for individuals), the study concluded:

"... the tax credit would reduce unemployment by 0.1 percent in one year and 0.3 percent over a 2¼-year period . . . the investment tax credit does not correct the market deficiency of high unemployment rates as its proponents originally argued . . ."

With regard to another notable tax expenditure of that period, incentives for petroleum exploration, the study concluded that $1.4 billion in subsidies in 1975 generated only $150 million in additional petroleum reserves. "The consensus of professional economic opinion is relatively certain," the report concluded, "that the special tax provisions (for petroleum) result in an inefficient allocation of resources, a smaller national income, and questionable income distribution effects."

The JEC recommended in 1974 "major subsidy reform." This reform never materialized. Even President Carter's very modest requests this year to trim tax expenditures such as business meal deductions have encountered stiff opposition. Despite his campaign intentions, the President has already abandoned more substantial reforms such as the elimination of capital gains expenditures.

The tax expenditure budget is a major instance in which the Congress sacrifices a great deal of budget control for failing to establish explicit priorities, and consistent ones, for each and every expenditure program, direct and indirect. The interaction of direct and tax expenditures can be described as the left hand not knowing what the right hand is doing. The budget committees should be asking pretty tough questions of the tax expenditure budget. Are these expenditures the most cost-effective in accomplishing overriding objectives such as reducing unemployment or directing investment and production to economically-depressed areas? Are the tax expenditures enacted years ago relevant to the economy today? Are tax expenditures distributed equitably among regions, towns and cities, and among different income groups? What are likely to be the long-range consequences of an expanding tax expenditure budget for tax receipts and the ability to finance federal programs? And along with credit and borrowing programs, what are the implications of tax expenditures for the principle of progressivity in the federal tax structure?

These questions deal largely with the effects of the tax expenditure budget on economic priorities. Of equal importance is how these expenditures affect popular perceptions of the equity and integrity of the tax and budget systems themselves. The fact is that tax expenditures are the underbelly of privilege in the whole budget process. A 1972 study by Joseph Pechman and Benjamin Okner showed that whereas families with income below $5,000 a year received about 1.4% of all personal tax benefits, families whose income exceeded $50,000 a year received 24% of all individual tax benefits. Stanley Surrey, another leading tax expenditure expert, puts the matter of inequity in even a stronger light: on the average, individuals in the $3,000 to $5,000 tax bracket receive about $10 in benefits; in the $25,000 to $50,000 bracket they receive about $1,350; and individuals in the $100,000 to $500,000 bracket gain about $29,300.

Regressivity and privilege in the tax expenditures side of the budget have undermined public confidence. Because there is such gross inequity and, as a consequence, a spreading tax revolt, direct federal spending is called into serious question, particularly given the diversionary rhetoric of balanced budgets. Unless the budget committees establish control over tax expenditures, and relate them to the objectives of economic and social policy, we will continue to come under attack for direct expenditures which virtually stand alone as the instrument of equity and economic opportunity for groups at the bottom.

I began the testimony with the argument that the failure at setting explicit budget priorities has significantly undermined our control over the budget and our ability to achieve the objectives we intended to through the budget. I will briefly refer to one other budget area in which the priority-setting mandate has been disregarded and, as a result, the Congress has lost substantial control over present and future expenditures. I refer to the defense budget. (Because I testified at length on the defense budget before the National Security Task Force on February 22nd, I shall merely summarize here a few points.)

The President's FY 79 request for national defense is $117.8 billion in outlays and $128.4 billion in budget authority, roughly ten billion over last year's levels. Given the assumptions behind the defense function and the expectations for inflation and real growth, in only nine budget years we will find ourselves mulling over a defense budget of more than a quarter-of-a-trillion dollars and cumulative spending over the coming decade of nearly $2 trillion for defense. The budget we are considering now will, in effect, lock us into staggering expenditures on weapons and military forces in future years.

The President's FY 79 request makes it clear that this growth in the defense function is taking place at the expense of adequate spending for employment programs, housing, urban assistance, economic security for the elderly, and other vital social purposes. Several major domestic functions in this years request have been held down to the current services level and even back below that. The evidence, I believe, is clear that defense spending is seriously going to crowd out domestic expenditures.

National security, defined almost exclusively in terms of military might and adversaries abroad, remains one of the least examined and most expensive concepts in the history of this nation. It has very little to do with the security against the age-old adversaries at home of want, economic need in old age, idleness, dependency, and the disintegration through neglect and crime of urban communities.

Two weeks ago a remarkable colloquy took place between the distinguished chairman of the House Appropriations Committee, Mr. Mahon, and the chairman of the Joint Chiefs of Staff, General George Brown. After reminding General Brown that in the last three years Congress appropriated $330.7 billion for national defense, Mr. Mahon remarked:

"It's rather discouraging to learn from you that this did not buy us the security we need. . . . My colleagues keep asking, 'how do you let them get away with so much waste?' The average American would feel that $330 billion not only would enable us to avoid disaster but to keep pace with the Soviet Union."

General Brown complained that Congress had cut on an average $5.5 billion from Pentagon requests in each of the last five years, but conceded that this additional amount would have made little difference in achieving the superiority over the Russians he deemed necessary to our security. Chairman Mahon responded that the "risk has increased," not decreased, as defense spending has gone up. He put his finger on the nub of the problem. How much is enough in defense spending? If, in the absence of reliable measures, we do not know how much is enough, why continue appropriating additional billions?

The conventional wisdom is that military spending is good for the economy because it creates or maintains jobs in defense plants. Since World War II defense spending has been a major Keynesian tool for priming the economy before tax cuts and credits came along. But it has not worked well, as the history of unemployment and inflation has demonstrated. Today this conventional view is being challenged by the evidence that, as compared with virtually every other type of civilian expenditure—e.g., durable goods,

housing construction, services—defense spending is a far less efficient way to reduce unemployment and promote growth. A recent study on the economic impact of defense spending, *The Empty Pork Barrel*, written by Ms. Marion Anderson and the Public Interest Group in Michigan shows that during the period, 1970–74, each additional increase of $1 billion for defense entailed a net loss of 11,600 jobs nationally, and that 60% of the population live in states which suffered a net job loss. In this 5-year period alone, 907,000 jobs were lost—i.e., failed to materialize—as a direct result of money spent on defense crowding out civilian purchases by consumers or the government. It should also be noted that defense spending has a built-in inflationary effect due to the fact that while it results in the distribution of considerable income, it does not produce consumer goods or add to the total supply of purchasable goods and services.

Mr. Chairman and Members of the Budget Committee, I would ask you to consider my argument that we have failed to establish in a deliberate and systematic way national budget priorities and, as a result, we are being controlled by, rather than controlling, the budgets we pretend to fashion and claim will accomplish our social and economic objectives. It may also happen that if we stay on this course, the budget process and institutions themselves will lose their significance, support, and effectiveness.

We labor under the illusion that our present approach gives something to every legitimate group and activity in proper proportion, and that while it offers something to everyone, none gets all it wants. While we pretend to satisfy every interest, we rarely do justice to any of them, most of all to the groups and activities that badly need our attention and assistance. Witness the decay of the inner cities and the epidemic proportions of minority and youth unemployment, the conditions of which ten years after the Kerner Commission report are worse rather than better. Consider other activities that have been greatly neglected: decent and safe railroad transport and our energy needs.

What would it be like if, through the budget process, the Congress really did set about establishing national budget priorities? It would mean doing more than merely taking for granted existing programs that have failed their objectives or that are irrelevant to current conditions. It would also mean more than merely carrying forward the budget decisions of the past. It would mean examining the budget as a whole, and the relations of the functions and of tax and direct spending programs. I think it would also involve the notion of multi-year budgeting, that my good friend, Rep. Paul Simon, has advocated, as well as serious application of zero-based budgeting to all programs.

More than that, setting explicit budget priorities would involve being clear about protecting public standards governing expenditures and tax receipts, such as equitableness, domestic well-being, balanced economic growth, and cost-effectiveness. It would give rise to far more and profound debate on the issues and goals than we have witnessed the last several years.

Setting budget priorities entails ordering our national goals, and making sure our policies and programs are as consistent as possible with one another and these goals. It would, in addition, mean establishing some type of timetable and other benchmarks for measuring accomplishments, as is done in the Humphrey-Hawkins Full Employment bill, and also enable us to determine the short- and long-range economic and social impacts of federal programs.

The Congressional Budget Act of 1974 furnished Congress with ample tools for establishing priorities and fashioning a budget agenda, that is consistent with them. Unfortunately, we have failed to seize the opportunity.

I shall vote, of course, for the transfer amendment that calls for the shift of roughly $12 billion from defense to nondefense functions. This represents an indispensable first step in the recognition that our priorities ought to be responsive to the conditions, needs, and possibilities of the present and future, and not merely the inheritance of the past. But we also have to go beyond this in debating every aspect of the federal budget as it relates to the fundamental values we hold and the actions we have to take to realize our values.

I am aware there will be a rejoinder that what I am advocating is simply too much for the budget institutions to handle, or to expect from them. In one sense, the budget is the effect, not the cause, of policy. Budgets typically ratify prior decisions and choices. Any fundamental alteration can only take place if the laws, and the political forces behind them, have first undergone change. It is for this reason that those of us who seek to establish priorities that are appropriate to our social and economic goals face a far greater challenge than those who work to maintain the budgetary status quo.

But the language of the Budget Act speaks to "establishing" priorities, not just ratifying automatically ones that arose in the past, often without much deliberate decision and awareness of their consequences. I regard the federal budget as the single most important document of government, the shaper as well as the expression of our values and of the way we allocate our public resources and burdens. It is pivotal because it represents the whole of government activity and relates all the parts to the whole. For these reasons the budget process should and can be at the center of our decision making processes, and the instrument for making our policy responsive, workable, and decent.●

FULL EMPLOYMENT LEGISLATION: 1945 REVISITED

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. CONYERS. Mr. Speaker, as I have listened to the debate last week on H.R. 50 I experienced an incredible sense of deja vu.

I am holding in my hand excerpts from the House and Senate debate on the full employment bill of 1945. Thirty-three years of history is really being made in this Chamber as we resume debate on the Humphrey-Hawkins bill.

The logical question to ask is: What has changed in the debate in these 33 years? Have the opponents of full employment today raised arguments different from the ones opponents to the 1945 bill raised? What have we learned from the economic performance of the last 33 years? Is there the slightest doubt in our minds that the Employment Act of 1946—the successor to the 1945 full employment bill—has fallen far short of the goals that the authors of the 1946 act intended?

There should not be any question on the last item:

For example, it has been calculated that from 1953 to 1977, inclusive, as a result of cyclical and structural unemployment this country has lost approximately 72 million man- and woman-years of employment—that is the cost of joblessness and idleness to the economy, and

Another indicator: In only 5 years in the last 25 the unemployment rate has fallen below 4 percent; in the past 3 years it has averaged 7.7 percent That was not what the authors of the 1946 act had in mind when they mandated the Government to achieve "maximum employment."

The startling thing about the debate in 1945 and the debate today is that in every major aspect the opponents have offered virtually the same arguments. Before you rush to respond, may I say that the similarity in debate does not mean that the opponents today have the wisdom of the ages on their side. To the contrary, since for the most part the economy's performance in the past 30 years has fallen far short of its potential and has been almost totally unresponsive to the problems of structural unemployment, I would respectfully suggest that wisdom is not on the side of opposition, it was not then and it is not now.

Permit me to give you a very brief historical background. The 1945 full employment bill arose, because of the deep and widespread fear in the country that once the war ended, a substantial number of citizens would be thrown out of work.

There was one other concern in 1945: Leaders were very concerned that should there be another depression, another period when 10 million or more workers were cut off from work, the working people of the country would not stand for it, especially since during the war they had experienced near-full employment.

I must admit one error of the proponents of the full employment bill of 1945: another great depression did not occur after the war, in large part because the Government found a way through the defense budget, and later the cold war to keep substantial numbers of Americans employed.

The Senate first debated the 1945 bill. The debate lasted 4 days.

I should point out that the 1945 bill really went farther than the 1978 bill. It contained language that directed the Government to spend as much money as was necessary to close the gap between what the private sector could provide in the way of jobs and what additional jobs were needed so that every individual who was able and willing to work had a job.

On the Senate floor many of the same arguments against full employment were used then as now.

Arguments against making full employment the overriding objective;

Arguments about protecting the hundred million of employed persons against the demands of the several million who were unemployed;

Arguments about balancing the budget;

Arguments that there was a natural level of unemployment below which the economy could provide jobs; and

Arguments about the need to maintain individuals on relief in order to keep then out of the labor market.

There was one novel argument that has not been offered today, and thank God for that. An argument advanced by the distinguished Senate Republican leader from Ohio (Mr. TAFT).

Senator TAFT thought that full employment was antithetical to freedom:

I wish to suggest to the Senator (Mr. Tobey of N.H.) that there is no question that we can provide for full employment in the United States. Russia does it; Germany does it. In other words, if we are willing to sacrifice freedom, we can secure employment. . . .

Thirty-three years ago the full employment bill of 1945 as it made its way through amendments and conference was transformed into an employment act that has, according to every available evidence, not been able to accomplish the goals it set. It has failed to because there really was no mandate and no public accountability, no goals, no process framework, little to make it work.

By the time the 1945 bill passed both Houses, it was a mere shadow of its original self. Like today the opposition had loaded it down with every extraneous consideration under the Sun. Like today, the effort of the opposition was to take the guts out of the commitment to full employment. And they succeeded. I hope history will not again repeat itself on this score.

There is one difference. In 1945 the business community that led the ooposition—which it does today—argued that the bill was not needed because, in the words of the head of the NAM, "Full employment is a normal attribute of our economy." In other words, business claimed that full employment is the natural economic state that would arise by leaving the private sector alone. I think we have awakened by now to the absurdity of this claim.

I have learned one simple thing from the history of debate on full employment. It has never been tried. It never was given a chance.

Are we simply to conclude there really is no hope for the young and old who are eager to work but unable to find it? Shall we raise the defeatist notion that "life is unfair" to a cardinal principle of Government? Have we become so helpless before a set of circumstances none of us really approve of?

H.R. 50, I submit, is a moderate and modest bill. It is a process bill. It is flexible in its method. It provides a level of public accountability toward economic policy that citizens need to judge the performance of their leaders. It focuses on the hard-core structural unemployment problems that we all agree have proved impervious to all past efforts. It has resulted from 4 years of intense discussion and broad consultation, and a great many modifications that accommodated reasonable critics.

We face then one simple issue: After all this history are we or are we not willing to make a modest beginning to bringing employment within reach of all Americans?

We really have very little else to fall back on.●

EASYGOING, HARDWORKING ARKANSAS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. ALEXANDER. Mr. Speaker, in the March edition of National Geographic, Boyd Gibbons and Matt Bradley teamed up in a pictorial and narrative essay on life in Arkansas in the 1970's. While I wish that I could share the pictorial part of the essay with my colleagues, I do commend the narrative that accompanied this excellent piece of literature about my State—easygoing, hardworking Arkansas.

The National Geographic article follows:

EASYGOING, HARDWORKING ARKANSAS

(By Boyd Gibbons)

Tom Blackmon, smiling, microphone in hand, leans out the window of his white Ford camper. He looks into the face of Arkansas farmers, his auction customers.

"All right, a good stock trailer. I got a thousand on the money . . . eleven and a half, now seventy-five, now twelve . . . ."

This is the Back Gate auction, on the banks of the Arkansas River in flat southeast Arkansas. The farmers have come here from the orchards on Crowleys Ridge, the oil fields around Smackover, the pine hills around Pine Bluff, from places like Bald Knob, Rocky Mound, Greasy Corner. There are a few cowboys here in pointed boots and high-crowned hats from the forested Ouachitas (WASH-ih-tahs) and Ozarks to the west and northwest.

There are bidders here from 28 states, but mostly these are soybean, rice, and cotton farmers of the Delta, the eastern third of the state—biscuit-and-redeye-gravy country. Their visored caps advertise John Deere, CAT Diesel Power, Gristo Feeds, Red Barn Fertilizer, Log Hog.

The month is March, windy and cold, and the river is muddy and wide. To escape the spitting rain, I squat beneath a flatbed trailer and watch Tom Blackmon work (pages 398-9). At 37 Tom is a master of the craft of auctioneering—rhythm, momentum, psychology, humor, and knowing the value of what he sells. He learned from his father, Eddie, who struts among the bidders as a ringman, touching an elbow, patting a shoulder, signaling bids with a "hup" and an upward jerk of his arm. Tom has been auctioneering all winter, and his voice is a musical rasp—a tenor Johnny Cash. He protects his throat by gargling with 3 percent Mercurochrome and by "rattling" with the tip of his tongue, cantering phrases like "who will bid" into something that sounds like "hoodalabidda."

"All right, that's a real good combine . . . hoodalabidda ten thousand? Nine, nine, nine, and now ten, now ten five. . . ." Tom sells the combine, and the camper creeps down the row of machinery to a disc. A bumper sticker on Toms camper reads: IF YOU COMPLAIN ABOUT FARMERS, DON'T TALK WITH YOUR MOUTH FULL.

In the next two days Tom will sell more than two thousand pieces of used farm machinery. More than a thousand bidders have registered in his trailer. Blackmon's Back Gate auction is the largest sale of its kind in the country. The sellers simply park their machinery along the river and leave without any receipt. "We walk away from sales like this with well over a million dollars of their money," Tom says, "and they never worry." Arkansas trust.

Agriculture is big business in Arkansas. Almost 40 percent of the state is farmland, soybeans are the leading crop, and more rice and broiler chickens are produced than in any other state. Arkansans also raise everything from cotton, hay, wheat, corn, oats, grain sorghum, spinach, snap beans, pecans, apples, peaches, grapes, strawberries, cucumbers, tomatoes, and watermelons that outweigh the farmers, to cattle, horses, hogs, turkeys, quail, chukar partridge, pheasant, crickets, fish, and worms. Turn on the television in Little Rock—fertilizer commercials.

Tom and Bonnie Blackmon live in a mansion full of antiques on leafy Edgehill Road in Little Rock. "We go to New York to the theater every year," Tom says. "People up there always expect us to be barefooted."

Weary of this stereotype, Arkansas remind visitors that wealthy people live here, that they have the Arkansas Symphony Orchestra, the Arkansas Arts Center, a repertory theater, the National Center for Toxicological Research, the Arkansas Gazette, modern shopping malls—that they do wear shoes.

After seven weeks and 4,000 miles of driving around the state, I also learned this about Arkansans: They are resourceful and enterprising, waste little, can make and repair just about anything, and they hustle imaginatively for income. They have to, because wealth here, while not invisible, is not prevalent. Many Arkansans barter and trade, often at auctions.

I asked Eddie how he felt about Arkansas. "This is a lot better state than 49 other states think it is," he said. "And I live in Texas."

PRAIRIE TEACHES A HARD LESSON

Pioneers pushing westward into Arkansas Territory in the early 1800's often got lost in the forests and swamps of the Delta (as De Soto had more than two and a half centuries earlier), so many paddled up the rivers—the White, the Red, the Ouachita, the St. Francis, the Arkansas. Those leaving Arkansas Post, the first white settlement (near Back Gate), came out of the forest onto a treeless prairie, an irregular oval of flatness about ninety miles long and forty wide. The Grand Prairie.

Those who stayed and tried to break the soil were more often broken by it. Poke a stick into the prairie. You might just as well try to push a pencil through macadam. Beneath its sallow loam is a blue hardpan clay. Arkansas cement.

About the turn of this century the Grand Prairie was discovered to be a natural paddy. The Rock Island Railroad advertised this fact (and its land for sale) throughout Iowa and Illinois, and German-American farmers came here to grow rice. From a distance Stuttgart, Arkansas, looks like the Dallas skyline (pages 418–9). Up close it is a small town of huge grain elevators—the aorta of rice and soybean production. Arkansas rice goes into Campbell Soup, Quaker Puffed Rice, the Soviet Union, the Middle East, and the craws of a million ducks that invade the prairie each fall along with thousands of hunters.

Catfish swim on the prairie. So do goldfish. From farm ponds Arkansas produces more baitfish than any other state, and is second only to Mississippi in raising catfish.

On their farm near Carlisle (about 60 acres of rice, 400 of catfish) Ray and Dot Schroeder sink ten-gallon milk cans in their Grand Prairie ponds. The female catfish lays her eggs in a can, and before she can eat the eggs, the male bats her out and guards them with slow sweeps of his tail.

Last year Ray was voted "Catfish Farmer of the Year" by the Catfish Farmers of America, but his catfish were unimpressed. When Ray slides his hands into the milk cans to get eggs for Dot's hatchery, the males try to bite him. Big ones have knocked him flat with their powerful tails.

Catfish are to Arkansas, and much of the South, what salmon are to the Pacific North-

west. In Dumas, in Little Rock, in roadhouses all over the state—as well as in the Schroeders' kitchen—I became pleasantly addicted to crisp green onions, hush puppies, and fried fresh catfish, rolled in cornmeal and dropped in cast-iron pots of peanut oil hot enough to light a kitchen match.

A HIGHWAY FOR BARGES

The Arkansas River rises in Colorado and enters Arkansas at Fort Smith. It meanders between the folded Ouachita Mountains and the Ozark Plateau to Little Rock, then on to Pine Bluff between pine hills and prairie, across the Delta to bed finally at the Mississippi (map, right).

With a series of locks and dams (twelve in Arkansas) and the spending of 1.2 billion dollars, the U.S. Army Corps of Engineers has made the Arkansas navigable up to Tulsa, Oklahoma. Tugs and barges freight in steel and raw materials and take out grain and coal. Originally it was hoped that a million tons would be moving on the river by the time the project reached Tulsa, but almost three times that tonnage was recorded in the first year of operation (1969) and last year more than eight million tons.

For years virtually all bauxite (for aluminum) mined in the United States has come out of the ground near Benton, a light-industry town near Little Rock. The river project has made it possible to supplement the Arkansas ore with higher-grade South American and African ore, barged upriver.

TRUE GRIT AND A CASTING ROD

At Benton I encountered Tom Blackmon selling bass boats.

"OK, a 1975 Glastron bass boat in need of engine work, but it's still a good boat. Does the engine run?" The manager nodded. "It runs . . . twenty-eight hundred now, twenty-eight-twenty, now thirty, twenty-eight-fifty, trailer and all. . . ."

All across Arkansas you see pickups trailering expensive bass boats—sleek, low fiberglass silhouettes, less like watercraft than jet interceptors. In Arkansas, as throughout the South, bass fishing approaches a scientific, gadgeted mania: hydraulic pedestal seats, electric trolling motors and anchors, engines up to 200 horsepower, depth finders, temperature gauges, aerated live-fish wells, and casting decks covered in poly-turf.

Not everybody here bass fishes, but I met few who do not. To describe an afternoon fishing with Arkansans as relaxing is to be far wide of the truth, for in pursuit of the black bass they are grim and determined. And at tournaments they are fanatics—as I found out at one sponsored by the Arkansas Bass Association on Lake Ouachita, in the rocky hills near Hot Springs.

Before dawn, the dark harbor was growling with 350 fishermen and 175 bass boats. On the check-in barge, a man aimed a light into boat wells to be sure no one was going into today's tournament with yesterday's fish. The boats pitched and rolled, big engines rumbling, reminiscent of a naval invasion. The harbor twinkled with red and green running lights and, like small coal fires, the flickering orange blips of depth finders.

Lining up the first flight, Joe Wilson and George Schweer, officials of the tournament, weaved among the boats. A metallic red Mon-Ark, a blue and white Roughneck XL, an apricot Ranger with Apache stripe.

Jim Owens backed his white Bass Cat away from the pier as David Pryor, standing, threaded line through the rod guides. David Pryor is the governor of Arkansas, a man who prefers fishing at a more civilized hour and comfortable pace.

The fishermen, tensing, reversed their caps like baseball catchers. Some wore crash helmets, plexiglass visors, goggles.

"Let me have your attention!" Joe shouted into his mike. "Kill all your big engines!" In the momentary silence, Joe said a brief prayer, then the harbor thundered to life.

"Ease out, now!" Joe shouted. "No rooster tails: Ease Out!" A few eased out, but the boats were soon at flank speed, rooster tails spuming, and the harbor was a raging sea.

Cotton Cordell was not there, but his livelihood was: plastic worms, "crank baits" (Big O, Super Shad, Gay Blade), pistol-grip graphite rods. Carl Richey Cordell, Jr., is an Arkansas success story. As a boy, Cotton lacked money to buy lures, so he made his own. Cordell Tackle, Inc., in Hot Springs, is now among the largest manufacturers of fishing lures in the United States. The lead jigs are shaped in jewelry molds. The Plastisol worms come in delicious hues of raspberry, strawberry, and grape. Fishermen keep demanding exotic colors, so Cotton produces them: Hot Head Neon, Firebelly, Chameleon Green.

I once asked Cotton how many colors I needed to catch bass. "About three," he said, smiling. "Light, dark, and yella. That's all you need. But people want this." And he held up a nine-inch plastic worm, soft brown body and hot-pink nose, which in the light glowed iridescent purple. "See? It's gotta be 'purty.'"

TOO BUSY FOR TRIVIAL THINGS LIKE EATING

That evening the governor was exhausted. "I'll tell you," he said, "I was fishing with a serious fisherman. My hand got so tired casting and cranking, I was afraid I was going to throw that rod in the water. I offered Jim a candy bar. 'Unh-unh,' he said. 'I don't eat when I fish.'"

At the boat auction in Benton, Herbert Kimbrough bought chicken wire, coops, jars, tools, and plow handles. Kim, who grew up in Little Rock ("I'm just a curb-and-gutter man"), quit his floor-covering business to go back to the land, to a 20-acre farm near Menifee (page 407).

The day I drove out to see him, Kim was standing in his yard, an immense black man with arms like the limbs of an oak, in bib overalls, T-shirt, and work boots, his hair a trellis of small cornrows. He has a gentle, melodious drawl.

"Come on in. Would you like a beer? I was just fixin' to take a break. All I do around here is piddlin'. I'm tryin' to do what interests me."

We had a beer and walked across the field to his woods. Each morning Kim clears out brush and water moccasins, so his children, someday, can ride their horses through the oak and hickory. Kim's horses come when he whistles, a trick his grandfather taught him. Sundance, Kim's pit bullterrier, was in the woods. He studied my leg with the interest of a shark. I studied the woods for an exit.

ONE MAN'S DREAM

Kim prefers clearing brush to kneeling on floors. "I love that cutting wood. I can relate to that. That's real. Grandfather had him about 15 to 20 hogs behind the barns. I'm gonna have the same thing."

Kim owns some pullets and plans to get a milk cow, a goat, fish for the pond, and a used tractor. Near the house is an orchard and garden. For shade in the horse pasture, Kim has planted a few pine seedlings. He stores his hay in a '48 Chevy resting on blocks, his tools and saddles in his "Furniture and Floors, Inc." panel truck. The basketball backboard reads: "Zoned Industrial . . . Call John L. Burnett . . . 376-3811."

"When I have this place fixed up the way I want it, I'll start doing floors again to make some money. I got a long ways to go, but I come a long way."

Kim, who is 33, remembers a Little Rock of trolleys and busy sidewalks when he was "coming up" near the Rock Island Railroad tracks in the city's south end. Kim swam in a stock pond and swept out grain cars, selling the sweepings to a woman for her chickens and ducks. Blackbirds swarmed to the tracks for grain, and Kim flattened them under "falls," old doors propped up on triggered sticks. "We'd pick 'em and cook 'em up with peas all around. Birds, when you was coming up, was a real treat."

For years Little Rock swelled with whites and sharecropper blacks moving from the small towns and mechanized farms in search of jobs. In the 1950's whites began drifting to the suburbs—then flooded to them after the confrontation between Governor Orval Faubus and federal troops over integration of Central High School. Most downtown businesses have followed. Now, even at rush hour, downtown sidewalks are nearly empty, as workers slip down elevators to parking lots and drive home to the suburbs.

One day Kim drove me around Little Rock. We passed Central High School.

"In 1957 this street here was mobs," Kim told me. "You know what I mean? Broom handles, boat oars. When it got dark, you'd better do like the chickens—get near your roostin' place.

"This used to be an all-white area. Now it's all black."

We bumped through the industrial east end, where Kim and his wife, Kay, once lived. Kay is a social worker (master's degree) in Little Rock, commuting 78 miles daily. During the week their children live with Kim's parents in Little Rock and are bused across town to schools in white areas.

We passed War Memorial Stadium, where the Arkansas Razorbacks play football when they are in town; the University of Arkansas is in Fayetteville, in the Ozarks. If Arkansans have a unifying passion, it is their football team, the Razorbacks. Throughout the state, on bumper stickers, billboards, filling stations, laundries, you see pictures of a violent, charging red hog. Razorback Realty, Razorback Shooting Supplies, Razorback X-Ray Co. "Soooeeee!" Razorback country.

TRUTH IN A STATE'S NICKNAME

We drove through Sugar Hill, University Park—well-to-do black neighborhoods—and then into Pleasant Valley, Little Rock's Beverly Hills. Kim stopped the car.

"You see, black folks look at this and try to make it. They can't touch this out here. They want to feel like they're close, though. But they find themselves just work, work, work, grinding that nose down. They think they can kill that work. They're wrong. You can't kill work. I've seen work kill men. See that yardman? He's gettin' to it."

Years ago Kim's father couldn't wait to get out from behind the plow and mule and head for the city. Kim is going in the opposite direction, and gladly leaving the city behind. Kay has reservations about what they may be giving up, but they pull together.

"Whatever a man wants to do, whatever makes him happy, he can find it in Arkansas," Kim said. "Arkansas people will stop what they're doing and talk with you. They're friendly. You have car trouble on the interstate at midnight, knock on a door, and people will help you. They'll do that in Arkansas. Arkansas is the 'land of opportunity.' It's been that for me."

Arkansas has been that for Junior Cook, too. He pulls drum, buffalo, carp, catfish, and alligator gar out of the Arkansas River in trammel nets and sells them at his market in Pine Bluff.

Sport fishermen refer to gar and carp as "trash fish," and most commercial fishermen in Arkansas throw back everything but the catfish and buffalo. Junior keeps everything but the turtles.

"Y'know, a gar don't eat no dead bait," he says. "He don't eat no chicken liver like a catfish. We get $1.30 a pound for catfish and 60 cents a pound for gar. Gar's not bad eating."

Junior is a pleasant, almost whimsical man, and his anger is slow to rise—except

when he sees poachers using the magnetos of crank telephones to shock fish to the surface. When poachers put wires in the river and "telephone" fish, Junior goes to his house trailer and telephones the law.

Junior is 53 and is content in his native Arkansas. "I have been around quite a bit," he says, "different countries while I was in the Army. I do like to go to other places and see other things. But this is where my old den tree is. They say an old coon likes to come back and dip in his den tree. Arkansas has been good to me. I believe I can find enough to do here, and then some."

COMPETING WITH TELEVISION'S LURE

Jim Hatch came to Arkansas because here he could make a difference. Jim is from Illinois, by way of Julliard. He plays bass with the Arkansas Symphony and, like the other string players, teaches strings to schoolchildren who until recently played only band instruments. Jim is impressed with their musicianship. He finds the attitude toward art more genuine here than in New York City. Jim is tall, slender, 31, and adroit with children.

"OK, tonight when you're watching 'Charlie's Angeles,' I want you to cross the strings like this. . . ."

"I don't watch 'Charlie's Angels.'"

"OK, 'The Waltons,' whatever. . . . Who watched Rostropovich last night?"

"Who's that? I watched 'Charlie's Angels.'"

For years opportunity was what Arkansas had little of, squeezed out by drought, the Depression, the overlogging of the Ozarks. By World War II, Arkansans were streaming out of the hills and the Delta, heading for the aircraft plants in California.

In his youth Orval Faubus followed the strawberry harvest to Michigan, thinned apples and cleared slash in Washington, hoboed in Chicago.

"I slept in that fine park on Michigan Avenue," he told me, "and a policeman would come through every day at 4 p.m. and blow his whistle to move us out of sight so the hoi polloi could walk by on their way to the World's Fair. The next time I stayed in Chicago, I was governor, and I could afford to stay in a suite."

BRINGING JOBS TO ARKANSAS

The irony was not lost on migrating Arkansans—Faubus among them—that their reputation as industrious workers got them jobs not in Arkansas but outside it.

In 1955, with the state almost drained economically, Governor Faubus appointed the late Winthrop Rockefeller to the newly formed Arkansas Industrial Development Commission. What Rockefeller may not have known about industrial development, he more than made up for in his influence with the industrialists. As chairman of AIDC, he helped organize (and sometimes fund) an aggressive sales campaign to attract industry to Arkansas. AIDC compiled encyclopedic facts about the state and, particularly, the towns where plants might best locate. The communities looked around at their assets, vacuumed, set the table, and switched on the porch light. Forrest City got a hoist-manufacturing plant, Baldwin started building pianos in Conway, and soon neighboring states were looking over the fence with envy.

In the years since AIDC was established, Arkansas has reversed its declining population (now more than two million). Companies have invested four billion dollars in building and expanding 3,500 plants here. A fourth of all Arkansas workers now hold manufacturing jobs. Lumber, paper, furniture, electric motors, buses, food processing, aircraft components. Of this country's 500 largest companies listed by Fortune magazine, 120 have plants in Arkansas.

Delmar Middleton is not in the Fortune 500. Nor—were there one—would he be in a Fortune 500,000. Unlike International Paper, Weyerhaeuser, Georgia Pacific, and the other large companies that own almost four million acres in Arkansas and dominate its timber industry, Delmar operates a small mill, a 440 Corley, on a few acres in the Ozarks. He uses a 54-inch circular saw to cut oak, hickory, and gum into railroad ties, lumber for grocery pallets, and bark slabs for charcoal.

More than half of Arkansas is commercial forest, and a fourth of all Arkansans in manufacturing are employed by the forest-products industry. Peckerwood mills—as those like Delmar's are called in this region—are remnants of the past, when timbering was done mostly by small entrepreneurs scattered about in the woods. The days of the whipsaw, the sash saw, the gang saw are gone. So are most of the Delta hardwoods (now soybean fields) and more than a million acres of Ozark forest (now cattle pastures). So too, practically, are the likes of Delmar Middleton.

"It ain't much," he says, "but it's a git by."

Half the furniture manufactured in the state is made around Fort Smith, as are cups by Dixies, appliances by Whirlpool, peanuts by Planters, and baby food by Gerber. Herman Udouj (you-dodge) started Riverside Furniture in 1946 with a bottle of glue and some orders for baby furniture. He's now chairman of the board of the largest furniture company in Arkansas, where nostalgia is put into "nostalgia furniture" with whacks of a chain. The Udoujes own 200 Thoroughbreds, which they race at Oaklawn (Hot Springs) and other tracks around the country. The bronze front doors of their elegant home in Finanna Hills, a Udouj development overlooking Fort Smith, weigh half a ton.

Unlike the Deep South of the Delta, Fort Smith is a town of the West—once the end of the rope (Hanging Judge Isaac Parker's) for outlaws who terrorized western Arkansas and the adjoining Indian Territory. "It's a solid town," says Herman. "Between them, a husband and wife at our plant earn maybe $17,000, have a little farm, raise their own vegetables and meat, but they'll have two cars and a good bass boat. It just doesn't take as much to live here."

CRAFTSMANSHIP FOR SALE

Not the least of the state's attractions for industry is the attitude toward work. "The work ethic," Governor Pryor says, "is extremely strong here. In Arkansas workmanship means something."

Arkansans make everything from turkey calls to violins. At his home in Russellville, Jimmy Lile makes knives: dropped-point hunters and skinners, Arkansas toothpicks, Bowies, folding knives that close with the click of a Rolls-Royce door. Chairman of the Knifemakers League of Masters, Jimmy shapes handles out of wood, India stag antler, ivory from elephant tusks (which he keeps in a bank vault). He grinds the blades out of D–2 high-carbon, high-chrome tool steel, and heat-treats them in a Thermolyne furnace. He sharpens the cutting edges on Washita and hard Arkansas oilstones, mined by one of the state's oldest industries from the uplifts of novaculite in the Ouachitas, a stone so abrasive that it quickly wears out splitting mauls, quarrymen's boots, and the cleats on huge crawler backhoes. Diamond saws are used to cut this stone. (Diamonds come from Arkansas, too, from a state park near Murfreesboro. Find one, and it's yours.)

In 1946 Paul Klipsch found space in a shed in Hope to make loudspeakers. Klipsch now has 90 employees and lots of space. His Klipschorns, the woofers of which are built of nine-ply birch from the U.S.S.R., are considered by many to be the finest loudspeakers in the world. Made in Arkansas.

Millions of chickens are made in the Ozarks. Hatched after World War II, the chicken industry now employs thousands of Arkansans, particularly in the Ozarks, where hills of hardwood are being killed off with herbicides, cleared, and fertilized with chicken litter to grow grass for cattle.

Last year Tyson Foods, Inc., of Springdale grossed about 225 million dollars. Each morning red Tyson buses take some 300,000 chicks from their hatcheries to contract farmers all over the Ozarks, who raise them to broiler size.

CHICKENS BY THE FISTFUL

When the sun goes down, Jimmy Graham goes into chicken houses and snatches thousands off their feet. He heads one of Tyson's 15 catching crews. Jimmy is slight of build, but he has the grip of a blacksmith. Tonight I watch him catch chickens at a farm near Tontitown, an Italian settlement where grapes are grown. A front-end loader ferries empty coops from flatbed trailers to the chicken house and returns, red-lighted and grunting, with coops full of confused chickens.

The chicken house—the length of a football field—is bathed in dim blue light, enough for the catchers to see, but not enough light to arouse the chickens, which squeeze together in a warm, sleepy sea of white. The air is full of dust, feathers, ammonia, and the muted "puks" and "yeeoks" of 19,000 contented chickens. Like umpires dusting the plate, Jimmy and his catchers bend at the waist, grab chickens by the legs, invert them, and rapidly stuff the legs between their thumbs and fingers. Lugging nine birds from his left fist and three from his right, Jimmy stuffs them into a coop and grabs more. "Used to be, twenty thousand chickens was a hell of a night," he says. "Now twenty thousand is nothing—now it's about 35,000." Don't arm wrestle with a chicken catcher.

The Ozarks have traditionally been hills of hard times and ticks, of row cropping and timbering for barrel staves, then emptiness when the trees went down and the soil played out. Ozark people still look upon their hills as "a good place to live, but a tough place to make a living."

In the fall Arthur Gunter picks apples in Missouri, and in the winter he traps coon, bobcat, and coyote in the Ozarks. On his farm near Pelsor he has some cows and hogs, and he plows with a mule. He cooks and refrigerates with butane, heats with a wood stove, and lights his house with Coleman lanterns. Arthur, who is 54, grew up not knowing how to hunt for turkey and deer, and neither did his father. In these devastated hills there weren't any.

Now deer, turkeys, and some bears are returning to the Ozarks. One morning recently Arthur hunted for a turkey, shot it, found some wild ginseng, picked 80 dollars' worth, went home, and plucked the bird. When I walked into his yard, he was stretched out on the seat of his pickup, shoes off, doors wide open, listening to the ball game on the radio.

A NEW LIFE IN THE HILLS

Tourists come to the Ozarks to see the Passion Play at Eureka Springs, the Ozark Folk Center at Mountain View, or to nose around the hills trying to photograph people like Arthur Gunter. Many want to return—permanently—and increasing numbers are doing just that. Land in much of the Ozarks can be bought for a few hundred dollars an acre, and state and local taxes are the lowest per capita of any state in the U.S. Between 1970 and 1975, about 39,000 more people moved into the Ozarks than moved out. They come out of snowbanks and traffic in Chicago to live in retirement communities and to fish. Many are homesick natives returning from California. Some are dropouts from the '60's, back-to-the-landers who build lofted cabins of battened green oak with heavy doors like safes, live off the land (and their own kind of grass), and learn why so many natives gave up and left: More self goes into these rocky hills than subsistence comes out.

When Lewis Grabbe and his wife came to the Ozarks, near Rushing, eight years ago, Lewis knew nothing about masonry. But stone by stone, year by year, he has been building a house to leave to his children and grandchildren. Lewis Grabbe is 55 years old, scarred, and muscular. His big fists are gnarled from fights in the Navy (boatswain's mate) and lifting stone in the Ozarks.

Lewis removes by hand only enough trees to let in the sunlight needed to grow pasture; his 42 acres look like a London park. In a grove of oak, persimmon, and hickory is a compartmented bathtub he built of stone: a dry well at one end, where he stands and scrubs, a fireplace at the other to heat water. He exudes a spiritual joy about hard labor.

"They're hauling stone out of Stone County like you wouldn't believe," he says. "Some people will say, 'That stone's in my way.' But I look at it as something that's been here for eons. I wanted to build my own house from materials off the land. I face my house east, 'cause that's where all our learning comes from. I want to put my house square with the world. Maybe I'm a little odd, but I appreciate what God's done for me."

SEARCH FOR A NEW BEGINNING

Some miles away Cindy Berman stands at the entrance to her first Ozark home, looking across a canyon to the green hills beyond. The Ozarks, like the Ouachitas to the south, are intimate hills, not awesome mountains, and one must spend time here to fully absorb their beauty. Cindy's single piece of furniture, where I sit, is a cot of lashed-together pine branches—the first functional product of her hands. This dwelling, like Lewis Grabbe's, is of Ozark stone, but no human hand shaped it. Cindy Berman came to Arkansas from Long Island three years ago with only a knapsack and an issue of Mother Earth News. In this cliff is where she lived for the first nine months. In a limestone cave.

Of those like Cindy who try to live off the Ozarks, probably far more leave than persevere. (A master's degree and a tree house, many natives say.) Most of them find loneliness, fear, and hunger. But Cindy also found herself, and that's what she moved here for.

SHEDDING SOME ACADEMIC BLINDERS

Cindy is 26, tall, has thick eyelashes, brown hair, a full mouth, long, strong arms and legs, and an enthusiasm for life that would astound Norman Vincent Peale.

"When I came down here, I just wanted to sit by this creek and be by myself. In a covert way I thought I was better than these people. Boy, oh boy, was I wrong. The smartest people are the self-educated ones. Now I see that plain old life experience is the real education. I'm a whole lot more humble than I ever was."

Cindy now lives in a cabin she built of pine from her hillside. She got her door and windows from a dump. Her wood stove cost $35. Her table is a telephone-cable spool on end. She carries her water in buckets from the creek far below. Cindy studied to be a teacher, but she has had difficulty finding work in the Ozarks, and what she has found, like catching chickens, has not held her interest.

She barters for things, for labor, for food. She grows vegetables and spices, and sun dries apples, tomatoes, and watermelons, which shrink to a leatherlike candy. Cindy exists on about $500 a year.

She no longer invites friends down from New York, and enjoys going there even less. Her city friends belittle her way of life and try to talk her out of it: "You're a schoolteacher—you ought to be teaching."

"Even some of the natives can't understand why I enjoy chopping wood with an ax," she says. "They'd buy a chain saw. What I enjoy as a simple, beautiful life, they see as poverty.

"I've just gained faith in my ability to do anything I want. I grew up believing you learn everything from a book. Now I learn by doing, or watching someone else do it."

Cindy put her finger on Arkansas. "Things around here have different values than dollars and cents. These people really know how to make do."●

RESULTS OF FIRST DISTRICT QUESTIONNAIRE ON PROPOSED PANAMA CANAL TREATIES

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. ALEXANDER. Mr. Speaker, late last session, I sent a detailed questionnaire on the various provisions of the proposed Panama Canal treaties to 172,000 households in the First Congressional District of Arkansas.

With the able assistance of junior high and high school civics and government students from throughout the 21 counties that make up the district, the 10,444 responses (6 percent) have been tabulated. I would like to share with my colleagues the tabulation of the responses I received:

QUESTIONNAIRE ON PROPOSED PANAMA CANAL TREATIES

(Prepared by the Congressional Research Service at the Library of Congress.)

1. In recent weeks President Carter announced that the United States and Panama have reached agreement on two new Panama Canal treaties.

a. Have you read or heard about the proposed new treaties? Yes, 94 percent; no, 6 percent.

b. Have you talked to friends about the matter? Often, 54 percent; seldom, 37 percent; never, 9 percent.

c. Does the issue interest you? Not at all, 5 percent; slightly, 18 percent; very much, 77 percent.

2. The 1903 treaty with Panama granted the United States extensive rights to operate the Panama Canal "in perpetuity". Proponents of the new treaties, the Republic of Panama, and most of the states of Latin America argue that the "in perpetuity" clause is out of keeping with present times and that the United States is mature enough to accept a new arrangement.

a. Do you feel the treaty rights granted in 1903 and which run in perpetuity, or forever, provide a sound moral basis for the United States to retain full control in the Canal Zone? Yes, 79 percent; no, 21 percent.

b. Do you feel a renegotiation with Panama is possible, provided that American interests are protected? Yes, 54 percent; no, 46 percent.

3. While the construction of the Panama Canal was an engineering triumph for which all Americans can be proud, the Administration argues that the use of the Canal, not ownership or control, is the prime interest of the United States at the present time. Our last four Presidents (Johnson, Nixon, Ford, Carter) have felt that a new treaty with Panama is the best way to insure continued, uninterrupted use of the Canal.

a. In your opinion, is the Panama Canal vitally important to the United States? Yes, 90 percent; No, 10 percent.

b. Do you feel that the use of the Canal is more important than control of the Canal? Yes, 41 percent; No, 59 percent.

c. Is the Canal important enough, in your opinion, to justify the use of military force, if necessary, to maintain our present position? Yes, 79 percent; No, 21 percent.

4. While opponents of the new treaties argue that the United States exercises sovereignty in the Canal Zone, proponents argue that the United States only has treaty rights to operate and defend the Panama Canal in a 500 square mile Canal Zone which bisects the Republic of Panama.

a. Do you consider the Canal Zone part of the United States? Yes, 68 percent; No., 32 percent.

b. Do you see anything to the argument that the presence of the United States Canal Zone in the midst of the Republic of Panama is similar to other colonial arrangements? Yes, 39 percent; No, 61 percent.

5. Under the new Canal treaty, the United States will retain primary responsibility for the operation and defense of the Canal until December 31, 1999. During this transition period, the Administration argues that Panama will be trained and that the Panamanians will hire or acquire the necessary skills to efficiently operate the Canal.

a. Do you feel that twenty-three years is a sufficiently long period to prepare Panama for the responsibility of the operation of the Canal? Yes, 49 percent; No, 51 percent.

6. The neutrality treaty will give the United States the permanent right to defend the Canal from any threat for an indefinite period.

a. Do you feel the neutrality treaty will adequately protect the United States' right to the non-discriminatory use of the Canal? Yes, 27 percent; No, 73 percent.

b. Do you feel the neutrality treaty will deter any intentions by foreign aggressors to play a role in Panama? Yes, 29 percent; No, 71 percent.

c. Do you feel the neutrality treaty will be adequate for the United States to take military action, if necessary, against any foreign aggressor? Yes, 35 percent; No, 65 percent.

7. The new Canal pact will provide Panama compensation from Canal tolls of between $50 and $70 million per year. While this is a substantial increase from present payments, none of it will come from appropriated funds. Since current toll fees will not generate sufficient revenues to reach the compensation level to Panama, it is expected that tolls will be increased to meet this requirement of the treaty.

a. Do you feel the compensation to Panama is: Too small, 3 percent; about right, 26 percent; too much, 30 percent; far too much, 41 percent.

Opponents of the treaties argue that Panama is a tiny country, run by a dictator, which is incapable of operating the Canal. Proponents argue that Panama has been friendly to the United States over the years, that Panamanians have never attempted to close the Canal, that three-fourths of the Canal Company employees are Panamanians, and that Panama has every interest in keeping the Canal open. Proponents argue that Panama can be relied upon to fairly operate the Canal.

a. Do you see Panama as a country that is unfriendly to the United States? Yes, 49.8 percent; No, 50.2 percent.

b. Do you fear that Panama might attempt to close the Canal to U.S. use? Yes, 72 percent; No, 28 percent.

c. Does Panamanian insistence on a new treaty cause you to have reservations about the negotiated treaties? Yes, 78 percent; No, 22 percent.

9. Overall, what is your opinion of the two new Panama Canal treaties?

Strongly Favorable, 6 percent.
Favorable, 16 percent.
Neutral, 8 percent.
Opposed, 17 percent.
Strongly Opposed, 53 percent.

10. Do you consider this questionnaire fair and unbiased?

Yes, 88 percent; No, 12 percent.

*Based on 10,444 responses from citizens in the First District.●

FREDERICK SONTAG MAKES CONSTRUCTIVE LAW PROPOSALS IN NEW YORK TIMES

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. LONG of Louisiana. Mr. Speaker, the American Bar Association recently held its annual meeting in New Orleans and the need for better relations between the legal machinery and individual citizens struck a responsive chord among some of the more farsighted observers of our courts.

A graphic example of how an individual citizen can help make the legal system more effective is pointedly illustrated by Frederick H. Sontag's article on the op-ed page of the New York Times, New Jersey section, February 26.

From his extensive service in both the private and the public sectors, Mr. Sontag knows that mutual respect and improved treatment of the citizen are necessary for strengthening our legal system in the years ahead. His article contains numerous good, specific suggestions and the editor of the New York Times thought the piece was important enough to give it top location and fine art work on the editorial page.

I hope my colleagues, the media, and men and women who want to improve our system of law will weigh carefully the type of citizen reaction which Frederick Sontag as a public affairs and research consultant brings to the situation he describes. Even though he is not a lawyer, he served for 14 years as the consultant to the general counsel of a legal department, so he knows where improvements are possible.

The sympathetic response of Chief Justice Richard J. Hughes is further indication that citizen interest and awareness can generate a meaningful dialog between citizen and public official that leads to better understanding and hopefully to better government as well.

The article and Judge Hughes' letter follow:

THE LAW IN ACTION—ONE MAN'S NIGHTMARE

(By Frederick H. Sontag)

I was in the gallery of the State Legislature in Trenton when Chief Justice Richard J. Hughes of the State Supreme Court asked for an $8,500 pay increase for all judges.

I thought perhaps he might want to add a new section to his printed text concerning the needs of witnesses and jurors; if Mr. Hughes and the legislators would be willing to tie these two considerations together, a stronger legal machinery might very well result.

Let me tell you, Mr. Hughes, about the latest example of New Jersey law-in-action that I know of.

On the afternoon of last Dec. 3, a Saturday, a tall, thin gentleman in civilian clothes came to my apartment and presented me with a summons to appear at 9:30 A.M. the following Monday at the Essex County Courthouse complex in Newark, specifically before Grand Jury No. 2042B in Grand Jury Room No. 2. I think you will agree that that isn't much time for a professional person to rearrange his or her schedule, however willing he or she may be to lose a day's pay.

But why did they want me? Because on Oct. 21 my new, carefully locked car had been broken into, along with six others, in the locked garage at my apartment house. The thief had used a crowbar, or something like it, to force open the right front door.

I thought that master keys or coat hangers were used for such purposes, but I guess that was when you and I were youngsters. I also thought that $2 was a lot for most working victims to have to pay, as I did, to get a Xerox copy of the police report.

The car was finally repaired by Nov. 4, after all the insurance company approvals were obtained.

You can therefore imagine my surprise when I was suddenly served with a summons, which, incidentally, had no telephone number one could call to get more information.

(ITEM: Mr. Hughes, you might tie into your pay-increase request one for new forms that list the names of persons to be contacted and their telephone numbers, including ones for weekends and evenings, if we are supposed to help the courts on such short notice, as well as a specific address of where one is supposed to show up.)

The summons server finally said that he could give me the name and number of someone to contact on Monday, if I so wanted. He asked that working on Saturday afternoons wasn't something that he especially wanted to do.

I modestly expressed the hope that he was being properly paid for his trouble, at the same time reminding him that I would get no pay from anyone on Monday, not even expense money.

I did get the man's name, and he finally showed me his identification. He reportedly left another summons at a wrong apartment.

(ITEM: So long as summonses are being delivered to people unexpectedly, court officers might at least wear badges, which would serve to reassure us a little.)

During the weekend, I faithfully dug out all the documents about the crime and Xeroxed a spare set for the grand jury's use. I called my insurance agent and told his answering service that the courts had summoned me.

I carefully wrote out my notes on possible answers I would be called upon to give in court, and also saw that the insurance company, with its deductible, would repay me less than $50.

I figured out, too, what the whole thing would cost in lost time and effort, in addition to repairs, calls, driving around, and so on. It came to more than $1,000.

Early Monday morning, I called the jury officer, since it was snowing and I thought I might be late. He said not to worry and that, in view of my questions on what this was all about and shortness of time, I would not have to appear if it would be a genuine hardship to do so.

I made it very clear that I was not trying to bug out of a court appearance, adding that I felt most legal officers deserved the legitimate cooperation of citizens, especially those witnesses whose possessions had been injured or taken.

The jury officer was very courteous, and I took his name for our mutual use. This man was one of the few persons I contacted all day whose name was easily available; others did not wear badges or give their names.

(ITEM: Let's have all court officers wear identification tags so we can address one another courteously.)

I took the earliest buses to Newark I could, snow, sleet and rain notwithstanding. It took three different buses to get me there.

(ITEM: Transport of New Jersey is an expensive organization and often lacks even timetables. You might compare the high salaries it pays with those of judicial officers, since it's all really the taxpayers' money.)

No one I asked knew which of the big new buildings I should go to, and the summons certainly didn't give any clue. I finally located the right building and noticed its parking lot. I ask whether, had I driven to Newark, I could have parked my car in the court's lot.

(ITEM: The fact that there are separate lots for jurors, which I was not, and witnesses, which I was, was never made clear until I got inside the "holding area" and had plenty of time to interview people. The location of the lots, and the rights of legitimate persons to park there, might be on forms that the judges, County Clerk and the Deputy Clerk of the Superior Court could agree on—and before the judges are granted their pay raise.)

Once inside the building, I showed the guard my form, and he said he thought the place I was supposed to go was on the fourth floor, but that he wasn't sure. When I got to Holding Room No. 400, I experienced another shock.

The man took my form and said I could wait. That I knew, but where were the words of greeting, or welcome, or any explanation? The room was totally without signs.

(ITEM: I suggest that signs be put up listing where the bathrooms are, where one could get coffee or milk—I got some for a woman with a small child who couldn't get it herself—the location of telephone booths, whom to ask for information, maybe even a bulletin board indicating what cases were being heard—where. Some reading materials about the courts and the legal system also might be provided, if only to help jurors and witnesses cope with the emotional problems of these court appearances.)

During the wait, Mr. Hughes, I overheard some pretty frank talk among a few of the police persons, and this might be the subject of a private talk between us another day.

Suddenly, a list of persons who were "excused" was read out, and I heard my name among them. I asked the men at the desk what had happened and they said they didn't know.

I asked when I might find out, and was told maybe in 10 days or so.

SUPREME COURT OF NEW JERSEY,
Trenton, N.J., February 28, 1978.

Mr. FREDERICK H. SONTAG
South Orange, N.J.

DEAR MR. SONTAG: I read with concern and sympathy your message to me in Sunday's Times, "The Law in Action—One Man's Nightmare." The points you make are perfectly valid. So far as the Judiciary can act to cure these defects, we shall try to assert more control on the bureaucratic maze. My first step will be to place copies of your article in the hands of Essex County Assignment Judge Arthur J. Blake and the 11 other Assignment Judges, who represent the Chief Justice in local administration in the 12 New Jersey vicinages. Each will be asked to prepare a point-by-point report dealing with the deficiencies and suggestions mentioned in your article. I will then meet with them within a month, after these reports have been submitted and analyzed. We shall, like the Avis Company, "try harder."

In the 1947 Constitution the people (by an unprecedented plurality, 653,096 to 184,632) vested heavy administrative responsibility, expressed as follows: "The Chief Justice of the Supreme Court shall be the administrative head of all the courts in the State." In 1948 our first Chief Justice Arthur T. Vanderbilt, pledged the full use of this power:

"We of the Supreme Court are determined to a man to give the State the finest judicial organization and administration within our power ***."

Yet the administrative and rule-making power, while producing a flexibility which is helping the court system function, indeed survive, does not extend to the providing of needed resources. The latter depends upon the Legislature, Governor and County Freeholders. My November Legislative Message, copy enclosed, points out the massive, frustrating overload of litigation on the courts. It sought a pay increase equal to that earlier granted federal court trial judges, as well as other resources including a Judiciary computer to enable us to cope. On January 10, 1978, the Legislature granted an $8,000 increase, which hopefully will keep on the bench some of our very fine judges who had thought of retiring. The question of other resources hangs in the balance pending Appropriation Committee study.

The fees for jurors and witnesses are fixed by the Legislature and are beyond the control of the courts. Of course they should be increased to reduce the hardships you mention—if someone can find the money.

I appreciate your citizen concern in the administration of justice. At any convenient time when you wish to discuss it further, I will welcome a visit to my chambers in Trenton.

Respectfully,

RICHARD J. HUGHES,
Chief Justice.●

AMERICAN LEGION HONORS JULES FALCONE OF WAYNE, PA.

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. SCHULZE. Mr. Speaker, my colleagues, it gives me great pleasure to bring to your attention the accomplishments on behalf of our veterans of one of my constituents, Jules Falcone, now serving as commander of the 8th district of the American Legion, which includes Chester and Delaware Counties in Pennsylvania.

Jules is my friend, but more importantly, he is and has been a friend to all veterans of our armed services.

Jules served in the U.S. Army from July 1941, through September 1945, with 2½ years of that time spent in the Alaskan-Aleutians theater. Returning to civilian life he immediately joined Anthony Wayne Post of the American Legion in 1945 and remained active in that post until 1960 when he transferred his membership to the Bateman-Gallagher Post 668 of Wayne. As a member of those two posts, he served in every post position.

At the county level, he served as commander in 1974–75, and as chairman of legislative, countersubversive and public relations committees and as editor of the American Legion Post.

Prior to becoming commander of the 8th district, he served as deputy commander, chairman of the countersubversive activities committee, adjutant, and as a delegate has attended all national conventions since 1968. At the national level he has served on both the countersubversive and legislative committees.

Jules, however, has not confined his efforts and talents to serving veterans. He has been actively engaged during these years in the Boy Scouts of America, Knights of Columbus, Holy Name Society, Radnor Fire Co., Italian-American Club of Wayne, Voiture 518 of the Delaware County Forty and Eight Society, the Concerned Citizens of Radnor Civic Association, Radnor Township Memorial Day Bicentennial Committee, the United Way, and numerous business and professional organizations.

He is now retired from the Federal civil service, having served as supervisor at the Germantown District Office of the Social Security Administration.

His interest in and devotion to the cause of veterans has been shared by his family. His wife of 32 years, the former Ellen DaBundo of West Chester, has served as president of the auxiliary of Post 668, and his son, Flavio, who is a veteran of service during the Vietnam conflict, has also served as commander of Post 668.

On Saturday, March 25, his comrades in the 8th district of the American Legion will gather at the Ramada Inn in Essington to honor Jules at a testimonial dinner.

I honor Jules Falcone of Wayne, Pa., here today.●

RHODESIA—TEST FOR CARTER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I have been pleased with the turn of events in Rhodesia and believe that the internal settlement reached by Ian Smith and the three moderate black leaders deserves U.S. support. However, I am most concerned about the Carter administration's attitude toward this settlement.

I would like to bring to the attention of my colleagues the following editorial by William Randolph Hearst, Jr. Mr. Hearst examines the choices available to the President as he deals with this African issue and concludes that, if the President does not order a U.S. veto of the appearance of Nkomo and Mugabe before the Security Council unless Ian Smith and Chief Chirau are also allowed to attend, then the President will "have betrayed the principles of American democracy."

The article follows:

RHODESIA—TEST FOR CARTER

President Carter this week faces a crucial test of his capability for leadership.

It will be a test of his statesmanship in the conduct of America's foreign policy.

It will be a test of his commitment to America's traditional dedication to the principles of democracy and self-determination for people.

It will be a test of his adherence to the charter of the United Nations, which commits its members not to interfere in the internal affairs of other countries.

The issue will be this week's special debate at the United Nations Security Council on Rhodesia.

A move is afoot to sabotage the settlement Rhodesian Prime Minister Ian Smith has reached with the leaders of that country's three major black political parties. That agreement would transfer power at the end of this year to the population's black majority after nearly 90 years of white rule.

The settlement represents a triumph for sanity and moderation and democracy. It provides for establishment of a multi-racial society that will give Rhodesia's 6.4 million blacks political control while promising reasonable protection for the economic interests of the 268,000 whites who, until economic sanctions were imposed in the 1960s, had made the country one of the most prosperous in Africa.

Now, under the sponsorship of black dictators who rule most of the African nations, an attempt will be made to get the United Nations to denounce the settlement. Their idea is to refuse to recognize the new government that would be established by the Rhodesian people, black and white, in free elections.

The black dictators will be showing they don't stand for majority rule in Rhodesia any more than they do in their own countries, where most of them have imposed by brutal, and in many cases, barbaric methods, military or one-party rule.

What is particularly shocking about this week's scheduled Security Council debate is that Prime Minister Ian Smith, whose patience and perseverance brought about the settlement with Rhodesia's moderate black leaders, is being denied the opportunity to participate in the debate. The British government has taken the position that he cannot come to the United States to address the Security Council because his government, having declared its independence of Great Britain in 1965, is illegal.

Please remember that Yasir Aarafat, the ruffian-leader of the Palestine Liberation Organization which is not a government and therefore not a member of the United Nations, was allowed to strut up to the General Assembly podium with a pistol strapped to his hip. Now unbelievably Prime Minister Smith is barred from participating in a debate concerning the destiny of his own country.

The British government has invited the two terrorist leaders of the so-called Patriotic Front, Joshua Nkomo and Robert Mugabee, to attend the Security Council debate along with two of the black leaders—Bishop Muzorewa and the Rev. Sithole—who concluded the agreement with Ian Smith. Not only has Smith been ignored, but so has the third black signer of the settlement, hereditary tribal Chief Chirau, a senator in Rhodesia's parliament who represents all the tribes throughout the country, and who is estimated to have as much popular support in Rhodesia as Nkomo and Mugabe combined.

Nkomo and Mugabe, operating from neighboring Zambia and Tanzania, are trying to terrorize Rhodesia's black population into cooperating with the misnamed "Patriotic Front." They are demanding that Muzorewa and Sithole be barred from addressing the Security Council and that they have the sole right to do so.

Both Nkomo and Mugabe, armed and financed by Russia, have a record of heinous atrocities against blacks and whites in Rhodesia.

Both have rejected invitations from Smith and the moderate black leaders to renounce terrorism and participate in free elections.

Both have demanded that Britain give them, in effect, control of Rhodesia before elections are held—a demand based undoubtedly on the estimates they would poll less than 15 per cent in free elections.

Now this is where the crucial decision facing President Carter comes into the picture. The Carter administration is still insisting that Nkomo and Mugabe must be brought into the settlement.

British Foreign Secretary David Owen, who originally maintained that position, is backing away from it. He announced in London

this past weekend that the British government might have to accept the settlement if it could be shown through fair and free elections that the Rhodesian people approved of it.

If President Carter does not support that position; if he does not instruct Ambassador Young to veto the appearance of Nkomo and Mugabe before the Security Council unless Prime Minister Smith and Chief Chirau also attend, then he will have betrayed the principles of American democracy.●

ANNIVERSARY OF ST. PATRICK'S PARISH

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Ms. OAKAR. Mr. Speaker, it is fitting on this St. Patrick's Day that this year the people of Cleveland will be celebrating the 125th anniversary of the founding of St. Patrick's Church, the second oldest parish in the city. When St. Patrick's was built back in 1853 under the leadership of Father James Coulon, no one could have foreseen that this church would become a haven not just for Irish immigrants, but for displaced and impoverished people of all faiths and nationalities. Father Coulon erected his church with the bricks of faith and held it together with the mortar of love. And today we commemorate the achievement of this heroic priest and pay tribute to the church which still stands as a living testament to one man's courage and faith to provide shelter for the homeless Irish immigrants who fled their famine-ravaged land in the late 1840's and early 1850's.

When we speak of St. Patrick's, we speak not only of history and tradition, but we speak also of faith, of love, and of courage. Especially courage. Imagine, if you will, what it must have been like crossing a vast ocean on a masted schooner in the 19th century. Frightened families from County Cork and County Armagh, driven from their home and land because potatoes rotted in the earth and would not grow, huddled together in cramped and open quarters with all their worldly belongings stuffed into three cloth sacks. Turbulent waves lashing at the ship's sides and splashing on the wooden decks, the howling winds of sudden rainstorms, the infinite spreading darkness of the night sky, the fevers and pneumonia from exposure to the cold, the sickness and diseases from a diet consisting mainly of stale bread and water, and all the while, the steady, knowing, dreading drift toward a strange land in a far part of the world. But these people endured and survived this suffering, and came to this country impoverished in material goods, but immeasurably enriched in spirit from the experience of having lived through the horrors of poverty and starvation in Ireland to sail through the dangers of an ocean crossing in search of the promise of America.

Many Irish immigrants came to Cleveland hoping for the chance to begin their lives anew, and they turned to the church to help them in this effort. The jobs were often hard to get, but the work that was available demanded strenuous physical exertion and usually paid very little. Most of the men and boys worked on the docks down by the old riverbed or at "Irishtown Bend." Up and down inclined wooden ramps, they pushed wheelbarrows loaded with iron ore shipped into Cleveland from the mines at the western end of Lake Superior. The backbreaking work of these men and boys helped to build the steel mills that would become a major industry for Cleveland. The Irish families whose fathers and sons worked on the docks settled together on the bluffs above the Cuyahoga River and in that day developed into a close-knit community in which St. Patrick's Church played a leading role.

As more and more immigrants flooded into Cleveland during the 1850's and 1860's, St. Patrick's increased in size accordingly, so that in 1871, St. Patrick's School alone had 950 pupils and the congregation numbered 2,100 families. In time, St. Patrick's would expand into a larger church on a piece of land facing Bridge Avenue, but only after the death of Father Coulon in 1875 and after the depression which lasted from 1872 to 1879. A new pastor would arrive, Father Eugene O'Callaghan, and his dedication would inspire the parishioners of St. Patrick's to travel by horse-drawn wagon to Sandusky to cut stone from a quarry and haul it back to Cleveland. In that way, enough stone was quarried to build the new St. Patrick's.

Thus was the present structure built. This is the story of the building of one church. People who were poor, but devoted to the heritage, their community and their church, donated their energies to their families and to the community. The history of St. Patrick's Parish has been eloquently narrated more than several times by Father Nelson Callahan, historian of the diocese of Cleveland.

St. Patrick's today continues to serve the near west side community. It is a diverse community made up not only of the Irish, but of every race and ethnic origin. St. Patrick's continues to serve its needy. Those of us who were educated at St. Patrick's grade school and who consider it to be their parish, are proud of its past. We are indeed proud of the present—proud of the devoted parishioners, pastor, Father Patrick McManamon and the pastoral staff. We join with the entire Cleveland community in saying on this St. Patrick's Day, "All Praise to St. Patrick."●

ONE STEP FORWARD, TWO STEPS BACK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. RANGEL. Mr. Speaker, the race riots which occurred a decade ago across the country brought fear, alarm, and concern to us all, and also resulted in a lengthy study by the Kerner Commission. There were demands and promises that the situation would improve. Wars were declared on crime and poverty which nurtured hope. I would like to bring to the attention of my colleagues an editorial which appeared 10 years after the Kerner Commission Report in the March 11 issue of the New York Amsterdam News.

The editorial reminds us that the fear is forgotten, the concern has decreased, and the hope is gone. The problems of the ghettos have not been solved, they have been ignored. If we continue to pretend that the danger of riots do not exist, and those of us who went through last summer in New York know that it does, we will face an explosion more painful than that of the late 1960s.

The text of that March 11 editorial follows:

[From the New York Amsterdam News, Mar. 11, 1978]

KERNER COMMISSION REVISITED

Last week, the New York Times has been running a series of articles attempting to assess where race relations stand today—10 years after the Kerner Report.

The Kerner Report was commissioned in 1968 by President Johnson in an attempt to discover the underlying causes of the rioting by Blacks that had struck hundreds of cities across the country.

The Report found that the country was moving toward two societies, one white and one Black, one affluent and one largely underprivileged, and that dangerous implications for the total society could be drawn from this fact.

The Report recommended a massive federal program to combat this tendency and to upgrade the quality of life for Blacks.

The New York Times has found that 10 years later, the recommendations of the Commission have been largely ignored, racial attitudes have become more divergent and the society has become more segregated, in most ways, than it was a decade ago.

Some of the Times' most startling findings are in the area of attitudes. Blacks and whites have almost precisely opposite views of whether there has been real progress for Blacks and whether or not things are getting "better" for Blacks. Moreover, Blacks have become much less hopeful about the prospects for the future.

For example, a national poll conducted by the Times and CBS found that in 1968 49 percent of the Blacks in this country had "real hope" that racial prejudice would eventually end; in 1978 only 37 percent had any such hope.

In 1968, 63 percent of Blacks felt that a lot of progress had been made in ending racial discrimination in the previous 10 to 15 years; in 1978, only 45 percent thought there had been any real progress.

In 1968, 33 percent of Blacks believed that whites didn't care about the plight of Blacks; in 1978, that percentage had risen to 44 percent.

These are only a few of the findings. In general, the stories painted a picture that is all too familiar to those of us who live or work in Black urban communities—a picture of rotting, deteriorating communities, enormous unemployment among our young people, apathy and hopelessness of spirit, and frustration about the uncaring attitude on the part of white-dominated institutions of government and private business.

No white leader, in the public or private sector, can now say that he or she has not been warned about the dire conditions that exist.

If rioting breaks out again one of these summers the fault will lie squarely on the shoulders of the people in power who, in 10 long years, have failed to act to reverse the physical decline of our communities.●

THE BURCHETT VISITATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. DORNAN. Mr. Speaker, it has long been a source of amazement to me to observe the wide variance in both the content and interpretation of news events in liberal and conservative media. I mention "content" because newsworthy stories which are given wide play by the conservative journals and reporters are frequently ignored by the liberal press or buried among their ground beef ads and obituaries.

Exposés by conservatives—or exposés with a less-than-liberal stand—are by and large met in the liberal media with underwhelming silence. Or, as M. Stanton Evans said in a recent article on Wilfred Burchett's activities and his recent visitation upon America, they are "treated as crashing nonevents."

In fact, the notorious Burchett tour is a perfect case in point.

Over the protests of conservatives across the country and in spite of exposés by the conservative press, the Department of State allowed Mr. Burchett, an avowed Communist sympathizer and probable KGB agent, to spread his vicious anti-Western poison coast to coast, college to college.

Now, the fact that State allowed this person to enter the country comes as no surprise to those of us who have witnessed the double standard of the Department toward leftists during the last 20 years. After all, these are the same people who also allowed entry to an English "punk-rock" group whose only talent appears to be the ability to spend long periods of time in jail and to vomit at will on front-row groupies.

Nor is it surprising that the only published criticism of the proposed visit was found in the conservative press.

What was surprising was the coverage given to the "Quisling" Burchett descent upon our shores by the New York Post—a well-respected member of the eastern fourth estate.

The other surprise was the outcome of the visit itself. Far from being the triumphant progress the radical left hoped it would be, the tour proved to be a disaster for Mr. Burchett, his leftist sponsors and his Marxist message of death, by degree. What James Burnham calls the suicide of the West.

Since it is so rare that occurrences of this type receive the coverage they deserve, I ask unanimous consent that the Post articles on Mr. Burchett's visit be reprinted in the CONGRESSIONAL RECORD. In this way, those of my colleagues who read neither the New York Post or conservative publications will have a chance to learn the true story behind Burchett. I commend highly the courageous and two-fisted reporting of Bill Heffernan. The Post is very, very lucky to have this "tiger" on board.

The articles follow:

SOVIET AGENT TOURS UNITED STATES WITH STATE DEPARTMENT HELP

(By William Heffernan)

Communist newsman Wilfred Burchett, known to government officials here as a Soviet KGB agent who interrogated and tortured American PWs in Korea and Vietnam, is now making a speaking tour of this country with the help of the U.S. State Dept., a Post investigation has found.

Burchett, 66, an Australian, is listed by the U.S. Immigration Service as "ineligible" for a travel visa here because of his membership in the Communist Party.

Last month, however, Burchett was granted a three-month waiver of that status at the request of high-ranking State Dept. officials after it was referred to State by the White House.

The Post has learned, however, that those same State Dept. officials withheld information about Burchett's KGB activities from their Immigration counterparts.

They also failed to advise Immigration about Burchett's brutal interrogation of allied prisoners of war during the Korean and Vietnam wars.

The Immigration official who approved the waiver, Ralph Kramer, deputy assistant commissioner for adjudications, told the Post in a recent Washington interview that the State Dept. never advised his office of Burchett's KGB status, or his involvement in the torture and brainwashing of American PWs

"If we had known that, you can be sure it would have been given heavy consideration," Kramer said. "I don't understand why that information was withheld."

Ironically, when Burchett filled out his recent visa application he denied being a Communist Party member, a statement that is in total conflict with his State Dept. status.

That fact alone could have denied him entry to the country. It could also deny him future entry if enforced by U.S. officials.

REQUEST APPROVED

Edward Hurwitz, the State Dept. country director for Australia (Burchett travels on an Australian passport), told the Post that he approved the request for a waiver after the department's Paris office had refused approval when Burchett applied there.

Hurwitz said he was "not sure" why Immigration was not advised of Burchett's background, or even at what level the final decision was made.

Four days later a spokesman for Hurwitz said the State Dept. "had assumed Immigration was aware of Burchett's past activities because that same information was reviewed when previous waivers were granted."

Those waivers however were limited to 10 days and when Burchett received his first waiver to cover the UN General Assembly for the leftwing American newspaper. The Guardian, his stay was limited to 10 days and he could only travel within a 25-mile radius of Columbus Circle.

GETS OK

During that visit he was also kept under FBI surveillance. An FBI source said that surveillance has not been requested for his current tour.

Burchett was actually denied a passport by his native Australia for 19 years because of his activities in Korean prison camps. During that period he traveled on a North Korean travel permit until 1968 when Fidel Castro personally issued him a Cuban passport.

In 1970, after the socialist regime of Australian Prime Minister Gough Whitlam took power Burchett again received an Australian passport.

In an interview yesterday Burchett smilingly said his current request for a waiver was taken "to the White House earlier this year by some friends and was pretty quickly approved after that."

The Post confirmed that members of the White House staff did refer Burchett's request to the State Dept., where the decision was finally made, allegedly on the grounds that he was "not a threat to the security of the nation."

Burchett's speaking tour—which also includes fundraising for "future journalistic efforts" in Europe and South Africa—began last Oct. 21, at New York's Washington Irving HS.

TOURS COUNTRY

He then worked his way across the country with almost daily appearances at various university and private gatherings.

Today he will address the prestigious Nieman Fellowship Society at Harvard University, then move on to other universities before ending his tour Dec. 12 before the American Humanist Society here.

Burchett first gained notoriety with government officials here at the close of the Korean War, when returning PW's told of his direct involvement in the torture and brainwashing inflicted in North Korean prison camps.

Later, when PW's returned from the Vietnam war they too told of Burchett's direct involvement in interrogations and how he masterminded "confessions" from their alleged use of germ warfare.

Those confessions, in which Burchett played a major role—actually writing and rewriting many himself—were extracted under threats of death combined with physical and mental torture, the PW's revealed.

The Communist newsman's KGB activities were vividly detailed under oath in 1969 and 1970 by KGB defector Yuri Krotkov.

Krotkov, now living on the West Coast under another name, testified before the U.S. Senate Internal Security Subcommittee at that time and identified Burchett as a paid KGB agent whom he worked with in Europe and Moscow.

HUNGARIAN RISING

In that testimony Krotkov disclosed how Burchett reported on Hungarian dissidents prior to the 1956 Hungarian uprising: how he developed a scheme, never used, to blackmail the wife of an American Air Force general; and how he lured a New York Times correspondent in Moscow into the hands of the KGB, which eventually tried unsuccessfully to blackmail him.

When questioned about Krotkov, Burchett insisted that Krotkov had since recanted that testimony. In a telephone conversation with the Post, however, Krotkov reaffirmed his testimony and Burchett's involvement with the KGB.

That involvement was also affirmed by Edward Hunter, a retired CIA agent now living outside of Washington.

Hunter, a psychological warfare expert, engaged in covert activities for the CIA. He said he regularly reviewed top secret CIA reports that repeatedly identified Burchett as a KGB agent.

"There is no question this man was and still is one of the chief propogandists for the KGB," Hunter said.

"He personally developed and directed the germ warfare propaganda campaigns in Korea and Vietnam and we know he was directly involved in the brutal interrogation of U.S. prisoners of war as well as those of other nations," he added.

"He's one of the best known spies in the world," he said. "And I'd like to find out how he got into this country so easily."

SPY CONFRONTED

Yesterday The Post brought former Korean War PW Derck Kinne to confront Wilfred Burchett about their prior meetings in PW camps.

Kinne (whose story along with those of other PW's will be told in future articles) told of Burchett's threats to have him shot and the subsequent torture and solitary confinement he suffered when he resisted him.

Burchett, angry over the confrontation which he had not expected, denied that he had ever been a Communist or had been involved in any interrogation of PWs.

"I was simply a journalist doing my job, reporting from the other side," he insisted. He said Kinne had mistaken him for someone else in the prison camp.

Kinne, who testified under oath along with other PWs at a 1974 libel trial involving Burchett in Australia, replied simply: "You're a lying bastard and you know it. You know what you did to me and a helluva lot of other men."

In that libel suit the stories of the PWs were upheld and Burchett was ordered to pay $100,000 in damages to the defendant. He is appealing that verdict.

[From the New York Post, Nov. 17, 1977]

KISSINGER GAVE THE OK FOR KGB MAN'S TRAVELS

(By William Heffernan)

The ability of Soviet KGB agent Wilfred Burchett to travel freely throughout the United States on a speaking and fund-raising tour can be traced directly back to former Secretary of State Kissinger "as payment for favors received," a State Dept. source has revealed.

Burchett, 66, a Communist newsman who has worked for various publications throughout the world, is known to government officials here as a paid agent of the KGB who was involved in the interrogation and torture of American PWs in Korea and Vietnam.

He is presently, however, traveling throughout the nation presenting his views on college campuses and raising money to further his "future journalistic assignments" in Europe and South Africa.

An investigation by The Post has found that Burchett, an Australian national who was strictly limited in his travels here in the past, had those restrictions removed on orders from Kissinger's office during the Nixon Administration.

AIDED HANOI

Burchett, it was found, served as a liaison for the Hanoi government during the Vietnam war and was responsible for passing on diplomatic signals that led to the Paris peace talks.

He also conferred with U.S. negotiator Averell Harriman just prior to those talks to present the North Vietnamese position.

Burchett also met with Kissinger in his White House office in October, 1971, to help pave the way for President Nixon's visit to China the following February.

During a recent interview, Burchett acknowledged that he "helped with the Paris peace talks" but insisted he had little to do with Nixon's China trip.

Burchett acknowledges that he was a close friend of both North Vietnam's Ho Chi Minh and China's Chou En-lai and "may have discussed those matters with them." He insists, however, that his role was "minor at best."

RESTRICTIONS EASED

A State Dept. source said, however, that Kissinger "apparently had a different view of Burchett's role." Shortly after the 1971 White House meeting, he added, word came down from Kissinger's office to case Burchett's travel restrictions in the future.

Prior to that time Burchett was strictly limited in his visits to this country. In 1969, in fact, while covering the UN for an American left-wing newspaper, he was limited to a 10-day visit and travel within a 25-mile radius of Columbus Circle.

On his present trip Burchett has free movement around the nation on a waiver granted by the Dept. of Immigration.

That waiver was given on the recommendation of high-ranking State Dept. officials, who failed to disclose Burchett's KGB background or his involvement in the brainwashing and torture of PWs.

MADE AVAILABLE

Immigration officials have since complained about that withholding of information, saying such data had been made available in previous waiver requests.

A State Dept. source insisted that the decision to withhold that information and push for more liberal travel for Burchett went directly to the 1971 White House directive.

"You have to understand how the State Dept. works," he said. "Once a suggestion comes down from the White House and becomes part of someone's file, it would be followed blindly until someone else—perhaps decades later—directed that it be changed."

"This was no conspiracy to help Burchett," he added. "This was a typical bureaucratic foul up."

During his present tour, the Communist newsman—who spoke yesterday before the prestigious Nieman Fellowship Society at Harvard—is presenting his views on Eurocommunism, the "coming revolution in South Africa" and other matters of interest to the Soviet bloc.

ON SOUTH AFRICA

During a recent speech to students and faculty at Ripon College, Ripon, Wis., Burchett predicted that the Communist-led revolutionaries in South Africa would soon wage open warfare there.

"South Africa is the very center of the anti-Imperialist struggle," he said. "We've tried many nonviolent demonstrations and tactics and they've all been met with force and violent reactions. Only organizing for armed struggle can get anywhere," he added.

Throughout his tour Burchett has been raising funds to help pay the expenses of his future work in Africa.

He is described in CIA reports as a top KGB propagandist, with close ties with the Chinese Communists and Cuba, who is sent to potential trouble spots.

In testimony before the Senate Internal Security subcommittee, KGB defector Yuri Krotkov identified Burchett as a paid KGB agent he had worked with in Europe and Moscow.

Burchett has also been identified by American, British and Australian PWs from both Korea and Vietnam in sworn testimony as the person who brutally interrogated them, in some cases threatened them with death and who urged many to defect at the end of the war.

Burchett denies those charges, saying that "at best I was mistaken for someone else."

He also claims he is the victim of a smear campaign directed by the John Birch Society which he terms "one of the small prices one must pay to retain one's journalistic integrity while pursuing the truth from the people's side of the barricades."

HE INVITED US—TILL YESTERDAY

Wilfred Burchett abruptly withdrew an invitation extended to The Post to attend his closed lecture last night before the Nieman Fellowship Society at Harvard University.

A spokesman for Burchett said that after reading yesterday's story about himself; the Communist newsman decided to cancel the invitation. The spokesman said Burchett considered the article "gutter journalism."

BURCHETT'S U.S. TOUR

Oct. 21: Washington Irving High School, New York City, "The World Struggle Against Imperialism."

Oct. 23: Unitarian Universalist Church, Buffalo, "The World In Crisis."

Oct. 24: State University of New York, Buffalo, "Zimbabawe, Namibia and South Africa."

Oct. 26: University of Ottawa, Ottawa, Canada, "Eurocommunism."

Oct. 28: DePaul Law School, Chicago, open meeting.

Oct. 31: University of Iowa, Iowa City, open meeting.

Nov. 1: Ripon College, Ripon, Wis., open meeting.

Nov. 2: University of Oregon, Portland, "Revolution: A View From the Sidelines."

Nov. 2: Williamette College, Portland, Ore., "Revolution: A View From the Front Lines."

Nov. 3: University of Washington, open meeting.

Nov. 4: University of San Francisco, "From Vietnam to Angola."

Nov. 7: University of California-Davis Law School, open meeting.

Nov. 8: Stanford University, Palo Alto, Cal., "Southern Africa."

Nov. 8: University of California at Berkeley, "Southern Africa."

Nov. 9: University of California at San Diego, open meeting.

Nov. 10: San Diego State University, open meeting.

Nov. 11: Independent Publishers Forum, Los Angeles, radical politics seminar.

Nov. 13: Atlanta Center for Disease Control, Atlanta, "Health Problems in Vietnam."

Nov. 16: Harvard University, Cambridge, Mass., open meeting with the Nieman Fellowship Society.

Nov. 17: Hampshire College, Amherst, Mass., open meeting.

Nov. 18: Lowell University, Lowell, Mass., "Crisis in South Africa."

Nov. 21: State University of New York, Binghamton, seminar on radical journalism.

Nov. 21: New York City cocktail party, fundraising.

Nov. 22: ABC–TV, New York, "Like It Is" program.

Nov. 23: Howard University, Washington, D.C., open meeting.

Nov. 24: Institute of Policy Study, Washington, D.C., "Eurocommunism."

Nov. 30: Yale University, New Haven, open meeting.

Dec. 4: State University of New York, Westbury, open meeting.

Dec. 7: University of Michigan, Ann Arbor, open meeting.

Dec. 9: National Emergency Civil Liberties Dinner.

Dec. 10: Philadelphia Workers Organizing Committee, public rally.

Dec. 10: University of Pennsylvania, Philadelphia, "Southern Africa and the Struggle Against U.S. Imperialism."

Dec. 12: Guest of honor, American Humanist Society, Rossoff's Restaurant, New York.

[New York Post, Nov. 18, 1977]

BURCHETT TOLD PW: I COULD HAVE YOU SHOT

(By William Heffernan)

To the prisoners of war who dealt with Communist newsman Wilfred Burchett in Korea and Vietnam he was a brutal interrogator who filled them with fear, a man of great power who could say if they lived or died.

Derek Kinne, now a businessman in Tucson, Ariz., was one of those men.

As a member of the British Army he was captured in Korea and taken to a prison camp in Chong Song where he first met Burchett, now 66.

EMOTIONAL ON THE SUBJECT

Kinne, who holds the George Cross—one of Britain's highest honors—for his actions as a prisoner of war and about whom the book "Wooden Boxes" was written detailing acts of heroism, still becomes emotional when he speaks of Burchett, who is now on a controversial lecture tour of the U.S.

"I first met him when he came to our camp to give us a lecture," he explains. "And we all went because we thought the bastard was one of us."

"He started to give us this talk, this lecture," Kinne said. "It was so one-sided it wasn't even funny. He kept referring to the Americans as 'your side' and to the Communists as 'our side.'

"Then this one guy in the audience, another prisoner, he fashioned a noose with his belt and shouted 'You'll hang, you bastard.' And we all joined in and before long a lot of us had nooses."

TALKS WITH HIM

Kinne explained that Burchett became angry and began to gather up his papers to prepare to leave, then turned to the men and told us not to hope that the Americans were going to come and rescue us, because if they did we would be taken to Red China."

Kinne said that before Burchett could leave he rushed up to him and began to argue with him.

"We got into a heated debate," Kinne added, "and he turned on me and said: 'I could have you shot.'

"I said, 'Look you bastard, you see that hill over there?' I said, 'There's over 600 men who have died of malnutrition, dysentery, bari-beri, lack of medical facilities for wounds, men who have been beaten and tortured in this camp, so if you've got any spunk in you you'd do something about it.' And he said to me, 'What can I do about it?' "

"And I told him he could tell them about it at Panmunjom [where peace talks were being held then] and he said, a good thing if 'I had you shot, I think I will have you shot.' "

GUARDS ARRIVE

An hour later, Kinne said, two Chinese guards came and took him to a small room "and then he tied my arm behind my back, tied a noose around by neck and put another noose from the same ropes around one of my feet and pulled it up behind me.

"Then they took another rope from my arms and threw it over a beam and pulled me up until I was just balancing on my left foot."

Kinne said the guards then "told me I wasn't a very good student in the way I'd talked to Comrade Burchett, and that I was sick in the mind and they were going to cure me.

"I had a hernia and they hit me repeatedly right in the hernia in the groin until I doubled up and began to choke from the noose around my neck," he added.

For the next 13 months, he said, "I was kept in solitary confinement and beaten daily while they tried to get me to sign a confession. One of the parts of that confession," he added, "was that I had a hostile attitude to Comrade Burchett."

A CONFRONTATION

Kinne, like the other former prisoners quoted in this article, testified in a libel suit brought by Burchett in Australia over a magazine story identifying him as a KGB agent who interrogated PWs in Korea and Vietnam.

Burchett lost that suit and was ordered to pay $100,000 in court costs.

Earlier this week during an interview with Burchett, The Post brought Kinne to that meeting.

Upon seeing Kinne, Burchett blurted out: "It wasn't me who threatened to have you shot, it was another man named Shapiro. You're confusing me with him."

Kinne stared back at Burchett, saying: "I could never forget the person who did that to me and you're that man."

Another PW who remembers Burchett is former U.S. Air Force Lt. Paul Kniss, now a airline pilot for United Airlines.

Kniss, who after months of day and night interrogation signed a false confession that he had been dropping germ warfare bombs on North Korea and China, said he first met Burchett 10 days after his plane was shot down in 1952.

IN BRITISH UNIFORM

"The first time I met him," Kniss said, "he was in a British uniform and I thought he was a PW too. He asked me my outfit, how I was shot down and then he came into this germ warfare bit."

The former fighter pilot said the Chinese began interrogating him the next day, trying to get him to sign a germ warfare confession.

"The interrogation went on day after day, sometimes 24 hours at a time," he said. "They would hit me with rifle butts and sometimes they would give me this little effeminate slap across the face. I hated that, it made me feel ashamed."

Kniss said Burchett interrogated him as well, "but mostly served as an editor. He did most of the editing of the confession, manipulating the story, changing it where needed, so it would come out right and correspond to confessions already signed by other pilots.

"My confession was a work of art," Kniss said. "This man was very good at what he did. I thought the Chinese were good too, the way they asked questions. But then one day one of them dropped a piece of paper as he was leaving my room. It had a list of questions in English on it, the questions I had just been asked. At the bottom it was signed 'W. Burchett.' "

Kniss said Burchett often reminded him that only through full cooperation with the Chinese, could he ever hope to return home. "He kept me in constant terror," he said.

"Then, when I finally had that chance, he came to me and urged me to defect," Kniss said.

"When I told him I wasn't interested, he started to warn me how badly I would be treated in the States because of my confession. But this time he couldn't scare me, all I wanted to do was go home," Kniss said.

Former Air Force Col. Walker Mahurin, one of the most decorated men in Air Force history, also recalled similar encounters with Burchett.

"When I got to the prison camp," Mahurin said, "Burchett was there with some other men. He was dressed in a Chinese officer's uniform and he just stared at me the way a snake would stare at a mouse."

The retired colonel said he underwent beatings until he signed a germ warfare confession, beatings so brutal that at one meeting with Burchett "I was trembling so hard I could hardly sit down. I was absolutely terrified in his presence.

"I felt he was my court of last appeal to go home, because I had been condemned to death as an international war criminal," Mahurin said. "I told Burchett anything he wanted. I told him whatever he wanted me to tell him."

Another person who knew Burchett in Panmunjom was Richard Applegate, former Southeast Asia manager for United Press.

Now retired and living in Boston, Applegate, 65, told The Post how Burchett had told him and other newsmen here that he was a Communist.

"We didn't much like him and we decided to express that distaste," Applegate said. We gave him an insulting birthday cake.

Applegate said that a few days later he took a sailboat that he had purchased out to sea, for a shakedown cruise that he had boasted about to the entire press corps, including Burchett.

"A few miles out I was intercepted by a Red Chinese gunboat," he said, "and forcibly towed to Red China.

"They kept me there for 18 months," Applegate added, "trying to get me to sign a confession that I knew about the American germ warfare program but was not reporting it."

One of the interrogators almost knocked me off my feet one day when he suddenly asked me: "Why does Comrade Burchett hate you so much?"

"When I told him I didn't know," Applegate said, "he just smiled at me and said: 'He who plays with cake gets his head cut off.' "

Burchett is currently making a speaking and fund-raising tour of the U.S., over the strong objections of several members of Congress.

Despite previous limitations on his ability to travel in this country, Burchett was * * *.

That visa was granted by the U.S. Department of Immigration at the urging of officials in the State Dept. last October that has no limitations.

[From the New York Post, Nov. 19, 1977]

BURCHETT: THEY'RE ALL FILTHY LIARS

(By William Heffernan)

Wilfred Burchett sat in a quiet West Side bar this week, sipping scotch as he brushed aside charges that he brutalized American prisoners of war in Korea and Vietnam.

'These men are all filthy perjurors," Burchett said. "The best I can say for them is that they may have mistaken me for someone else."

The 66-year-old Australian newsman, who has been identified in sworn testimony as a Soviet KGB agent who interrogated and tortured PWs in North Korean and Vietnamese prison camps, said he had been "the victim of a McCarthyite smear campaign directed by the John Birch Society."

When it was suggested that the Birch Society would have difficulty organizing a Sunday picnic, the cherub-faced Burchett laughed but insisted "there is a great deal of evidence they are involved in this."

Speaking in a clipped Australian accent, Burchett said the testimony of KGB defector Yuri Krotkov before a Senate Subcommittee in 1969 and 1970 identifying his KGB work was "total fabrication."

When asked about the American, British and Australian prisoners of war who traveled to Australia to testify against him in a libel action he brought there, Burchett insisted their stories too were "a tissue of lies made up by the Birchers." Burchett lost that suit but insists it was a "moral victory."

Many of these same former prisoners have since told The Post that their expenses were paid by the defendant, an Australian magazine, and each insisted he had not been approached by any members of the Birch Society. They also repeated the charges and insisted they were true.

Burchett, who is now touring the U.S. on a speaking and fund-raising visit, arranged with help from State Dept. officials, also denied he was a member of the Communist Party or had ever worked as a paid propagandist for Communist regimes. He has been identified as such by various federal agencies, and as such requires a special waiver to enter this country.

The tour, Burchett said, will hopefully "raise enough money to finance my work next year in Europe and Africa.

"Africa is the important place," he said, adding he had made three recent visits there.

"Believe me, Africa is headed for open armed conflict. Preparations are now being made by South African black leaders, members of the African National Congress."

Throughout his career Burchett has steadfastly reported from the Communist side, or what he terms "the people's side of the barricades."

Those governments have given him unusual treatment in return.

Burchett lived in Moscow after the World War II, in a building reserved for prominent Soviet citizens.

In 1971 Fidel Castro personally issued him a Cuban passport, after learning that he was traveling on a North Korean travel document. (Burchett's Australian passport was

lifted by that government for 19 years and not returned until 1972).

"The North Korean travel document was an enormous thing," Burchett said, "and Fidel had heard about it and offered me the Cuban passport as a convenience." He added: "I believe that is the thing that truly got the U.S. government so concerned about me, that Cuban passport."

BURCHETT DENIES HE'S A PAID SPY FOR THE SOVIET

(By William Heffernan)

Communist reporter Wilfred Burchett denied today he was a paid agent of the Soviet KGB secret police or involved in the torture of U.S. prisoners of war in Asia.

The 66-year-old Australian, in a press conference at the Americana, said he was the victim of a "McCarthy-type smear campaign launched by the New York Post."

The Post ran a four-part series last week disclosing that Burchett was making a fund-raising speaking tour of U.S. college campuses despite his being known to government officials as a KGB agent who had interrogated POW's both in Korea and Vietnam.

NAMES CIA

Today Burchett said the only intelligence agency that had ever attempted to recruit him was the CIA.

He said he received a $100,000 cash offer from the CIA during the Panmunjom peace negotiations "about 25 years ago," when he was covering the Korean war from the North Korean side.

At that time Burchett was best known as the leading publicizer of charges that the U.S. was using germ warfare against Communist forces.

CONFIRMS REPORT

He said reporter Ed Hymoll of Hearst's International News Service acted as intermediary for the CIA and confirmed reports by columnist Jack Anderson that Hymoll had said, "My outfit wants to pay you $100,000 cash down to write the story of your life. But you must write it on our side of the line . . ."

Burchett claimed today he had forgotten the offer until Anderson found records of it in newly opened CIA files and called him for confirmation.

Acknowledging he had "interviewed" U.S. prisoners in both Asian wars, Burchett insisted his role had been merely that of a correspondent, not an interrogator. He appeared nervous under questioning.

Asked if he knew the PWs had been tortured either before or after his "interviews," Burchett said: "I don't believe so. Some may have been under pressure, but then, all prisoners were under pressure then."

Yesterday, referring to the testimony of KGB and Viet Cong defectors as well as that of former PWs who gave sworn testimony against him. Burchett had insisted they were all "fantastic stories."

CALL THEM 'HILARIOUS'

"In fact, when you read some of them they were hilarious," he said.

Asked if he intended to sue The Post for the alleged false statements about him, both Burchett and his lawyer, Marshall Perlin, said they were "exploring that possibility" as well as "investigating other appropriate steps."

If his many articles about Communist governments over the years, Burchett conceded none had been critical of those regimes.

"No, my writings have always been sympathetic to those causes," he said.

[From the New York Post, Nov. 22, 1977]

THREE IN CONGRESS SCORE VISA

(By William Heffernan)

Three Congressmen today urged the House Judiciary Committee to investigate the State Dept.'s role in obtaining a U.S. travel visa for Communist newsman Wilfred Burchett.

The bipartisan group—Mario Biaggi (D-N.Y.), Lawrence McDonald (D-Ga.) and Robert K. Dornan (R-Calif.)—each questioned the wisdom of allowing the 66-year-old Burchett into this country in light of charges that he has been an agent for the Soviet KGB and that he brutally interrogated prisoners of war in Korea and Vietnam.

Burchett, an Australian who acknowledges that he reports from the Communist perspective, entered this country last month, and has been crisscrossing the nation on a speaking and fund raising tour with the blessing of State Dept. officials.

As reported in The Post last week, those officials aided Burchett in obtaining a visa without advising the Immigration Dept., which issues visas, of his past activities.

WON'T NAME THEM

When questioned by reporters at the State Dept.'s daily briefing in Washington yesterday, spokesman Hodding Carter declined to identify the officials involved in getting the visa. He insisted, however, that Immigration personnel should have been aware of Burchett's background based on information provided to them in 1969 and 1971.

At a press conference here yesterday, Burchett denied being a paid agent of the KGB or being involved in torturing American prisoners of war. He acknowledged he had "interviewed" POWs in both the Korean and Vietnam wars, but insisted his role had been merely that of a correspondent, not as interrogator.

'SELECTIVE LAXITY'

Taking issue with the State Dept. on the visa, Biaggi yesterday charged that officials there "seem to practice a policy of selective laxity with respect to granting visas."

McDonald, talking from his Atlanta, Ga. office, said he had spoken to several high-ranking State Dept. officials and "I have become convinced that some people there are now lying and trying to cover their tracks."

Dornan, who said he requested and received a top-secret CIA briefing on Burchett last week after reading The Post articles, said there "is no question of his KGB background or his brutal treatment of prisoners of war.

"It seems inconceivable to me that this same State Dept. could hound (rock star) John Lennon over one marijuana arrest and then defend letting this Soviet apologist of torture and murder enjoy a propaganda orgy from coast to coast."●

THE NEW MORALITY: PAY PANAMA; GYP VETERANS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. HANSEN. Mr. Speaker, as a member of the Committee on Veterans' Affairs, I call to the attention of my colleagues a recent article by Dr. John Wasylik, commander-in-chief of the Veterans' of Foreign Wars, which appeared in the March 1978 issue of the VFW magazine. This presentation clearly expresses the opinion of not only the VFW, but the Nation as well.

PAY PANAMA; GYP VETERANS

President Carter has been telling us that giving the canal to Panama will not cost the American taxpayer one cent since all monies which will be paid to the Torrijos government will come from increased toll charges.

It becomes more apparent with each passing day that the economic effects of the treaties have not been made clear and should be given closer examination, especially now that the full Senate is considering them.

Sen. John G. Tower (Texas), of the Senate Armed Services Committee, recently released his testimony before that Committee which contained some startling revelations.

"The Committee devoted substantial time to hearings recently concluded on the economic aspects of the treaties in addition to the relevant national security considerations.

"Information being placed on the public record by the Committee includes testimony by numerous expert witnesses as well as a detailed economic impact assessment prepared by American Management Systems, Inc," Tower said.

"The study provided showed that the proposed Panama Canal Commission being created to replace the present Panama Canal Co. could have a deficit as high as $133 million by 1985, increasing to $548 million in the year 2000. To avoid such a deficit, the canal tolls would have to be dramatically increased and, since the commission would be a U.S. government agency, any deficit would be the responsibility of the U.S. Treasury," the Texan continued.

Tower cited four specific areas in which additional costs will accrue to the U.S. government if the treaties are approved:

Loss of interest payments to the Treasury: The annual payment of about $20 million in interest on the net U.S. investment in Panama will cease under the terms of the treaty. This will cost the U.S. Treasury at least $440 million in revenues between now and the year 2000.

Early Retirement Benefits: Current employees of the Panama Canal Co. are to be given early retirement pay by the Civil Service Commission costing from $6.5 to $8.4 million per year. Between now and 2000, a conservative estimate of these additional costs is $165 million.

Impact on the Department of Defense Budget: Transferring hospitals, schools and other support functions to the responsibility of DOD will require funds of about $5 million each year in DOD outlays that will not be reimbursed by the Commission.

DOD Relocation Costs: The required relocation of U.S. military bases in the Canal Zone will incur a one-time cost of $43 million.

Adding these additional costs for the 22-year period from now to the year 2000 yields a total estimate of $785 million, Tower said.

"The figures I have referred to could well run these total costs not just into the millions, but well over a billion U.S. dollars," he continued. "President Carter is simply not telling the whole story when he claims 'payments to Panama will come from tolls paid by ships which use the canal.' The public has a right to know more about what we are being asked to agree to in underwriting Panama if the proposed treaties should be put into effect," the ranking minority Committee member concluded.

It is not difficult to understand why the Carter Administration is reluctant to make all the pertinent economic details available for public scrutiny. The silent majority who have been opposed to the new treaties from the outset would most certainly raise their voices in unified protest if all the facts were known.

It is significant that Sen. Robert C. Byrd (W. Va.), who is leading the Administration's fight for ratification in the Senate, conceded these points on the second day of the debate over ratification.

It will be interesting to see how many more misrepresentations of the facts will be exposed as the Senate continues to hash over the treaties' provisions.

Once again the Carter Administration has cut veterans' programs by $38 million and eliminated a new proposed VA hospital in Camden, N.J., despite the lengthy studies that showed the area's need for such a facility. The hospital's construction was approved by President Ford and reaffirmed by President Carter just last year. But now there is no need for it, says VA Administrator Max Cleland.

That isn't the only shocker.

The VA budget eliminates over 3,100 beds from existing hospitals to save $32 million. Yet veterans must go without medical treatment because they are turned away from VA hospitals by the thousands.

Medical research from which veterans and all other Americans benefit is cut by more than $500,000 and 34 personnel positions are lost. This action ironically follows last year's award of Nobel prizes for medical research to two VA doctors.

Medical treatment for the nation's veterans will suffer a still further reduction of $5.5 million because cost-of-living pay raises for all VA employees are not in the budget. They will have to come from within the agency.

President Carter's budget does not include a cost-of-living increase in payments to Vietnam veterans studying under the GI Bill.

In another blow to veterans that will have a far-reaching effect, the VA department handling veterans' claims and problems is to lose 667 people under the proposed budget.

You can be assured the V.F.W. will fight in Congress to restore these and other drastic cuts.●

NATIONAL TELECOMMUNICATIONS POLICY

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. WEAVER. Mr. Speaker, a large number of public and private organizations, at the request of the telecommunications industry, have taken positions expressing concern that Congress should expeditiously review and determine the national telecommunications policy. They are also concerned that any policy not have an adverse impact on either the cost or quality of basic residential and basic long distance services.

The Oregon organizations who have submitted their formal position on telecommunications policy:

Corbett Kiwanis Club.
Linkville Kiwanis, Klamath Falls.
Newport Chamber of Commerce.
Toledo Chamber of Commerce.
City of Happy Valley.
Albany AARP Chapter No. 668.
Albany Chamber of Commerce.
American Business Women's Association.
Arlington Chamber of Commerce.
Arlington Senior Citizens.
Astoria—AARP.
Astoria Chamber of Commerce.
Baker County Chamber of Commerce.
Bend AARP Chapter No. 438.
Bend Chamber of Commerce.
City of Arlington.
City of Carlton.
City of Heppner.
City of Klamath Falls.
City of Medford.
City of Pendleton.
City of Warrenton.
Clackamas County Senior Citizens Council.
Commercial Club of Portland.
Condon Senior Citizens.
Corvallis Chamber of Commerce.
Dallas Senior Center
Estacada Chamber of Commerce.
Eugene Chamber of Commerce.
Eugene Communications Workers of America Local No. 9206.
Grants Pass & Josephine County Chamber of Commerce.
Heppner-Moro County Chamber of Commerce.
Holcomb-Outlook-Park Place Neighborhood Association.
Jackson County Chapter 415 National Association of Retired People.
Junction City Chamber of Commerce.
Klamath Falls Board of Commissioners.
Klamath Falls Quota Club.
Lake Oswego Kiwanis.
Lane County Farm Bureau.
Lane County Labor Council.
Lents Citizens for Youth Commission.
Madras Chamber of Commerce.
Marion County Pomona Grange No. 4.
Medford Chamber of Commerce.
Medford C.W.A. Local No. 9208.
Metro East Jaycees.
Milwaukee Jaycees.
Mt. Angel Chamber of Commerce.
Mt. Angel Development Corporation.
Multi-purpose Dallas Senior Advisory Council.
National Governors Conference.
National Retired Teachers' Association, Tillamook County Chapter.
Oak-Grove Lodge Jaycees.
Oregon AFL–CIO.
Oregon Architectural Barriers Council, Inc.
Oregon Building Congress.
Oregon City Hilltop Booster Club.
Oregon City Kiwanis.
Oregon Coast Association.
Oregon Collectors Association, Inc.
Oregon Gray Panthers.
Oregon Hospitality and Visitors Association.
Oregon State Grange.
Oregon State Jaycees.
Pacific Northwest Travel Association.
Polk County Chapter AARP No. 587.
Polk Elderly Transportation, Inc. Board.
Portland of Arlington.
Roseburg Chamber of Commerce.
Salem Area Seniors Inc.
Salem Chamber of Commerce.
Scandinavian Benevolent Society.
Seaside Chamber of Commerce.
Senior Citizens Council of Benton County, Inc.
Stayton Chamber of Commerce.
Stayton Grange No. 340.
The Dallas Chamber of Commerce.
Umatilla County Board of Commissioners.
Warrenton Chamber of Commerce.
Western Governors Conference.
Winston-Dillard Chamber of Commerce.●

HOUSE WOULD VOTE 2 TO 1 AGAINST TREATIES

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. HANSEN. Mr. Speaker, Members of the House would oppose transferring the Panama Canal to Panama by nearly a 2 to 1 margin according to a poll of Member's offices by Scripps League Newspapers.

The survey asked: "If the House were allowed to vote today on transferring the Panama Canal and related property to Panama, how would you vote?"

The story by Mr. Lee Roderick and Mr. Mike Richins said 208 Representatives either opposed transferring the property to Panama or were leaning against the transfer. The number included almost an equal breakdown of Democrats, 106, and Republicians, 102.

A total of 131 Members either favored the transfer or were leaning that way.

These findings show a sharp contrast between the House, all of whose Members are up for reelection this year, and the Senate, only one third of which is up reelection this year. Senator Alan Cranston told the Scripps League last week that 62 percent of his Senate colleagues were prepared to vote for the treaties, which is an interesting contrast to just 300 percent of House Members so inclined as disclosed in the Scripps poll.

Unfortunately not many have seen the results of the poll of House Members because of the shockingly restrictive reporting by the national media regarding negative factors involved in the treaty debate. The same is true of the news reporting the classic constitutional fight by the House to exercise its legal and traditional role in measures involving the appropriations process and the disposition of property led by 231 Members who are sponsoring necessary legislation.

Mr. Speaker, for the benefit of my colleagues, I include for the RECORD a copy of the Scripps League article of March 10, 1978, as well as an article by Mr. Reed Irvine of Accuracy in Media on March 10, 1978. The articles follow:

HALF OF HOUSE MEMBERS WOULD VOTE AGAINST CANAL TRANSFER

(By Lee Roderick and Mike Richins)

WASHINGTON.—If the House of Representatives voted today on whether to transfer the Panama Canal to Panama, nearly half of its 435 members say they would definitely or likely vote no. Less than one-third say they would definitely or likely vote yes.

This is the key finding of an off-the-record survey of all 435 offices by Scripps League Newspapers. The telephone survey was conducted between March 3-9. It suggests the treaties are in even more trouble on Capitol Hill than generally believed.

The House's role in the canal negotiations is a hot issue, with Carter administration holding that the Senate alone, through its treaty power, can transfer Canal Zone property to Panama. Others cite Article IV, Section 3 of the Constitution to argue that the full Congress must vote on property aspects of the canal treaties as part of the ratification process—rather than after the fact. The House at least will be voting on implementation of the treaties.

Members of the House or their key aides were asked this question in the Scripps League survey: "If the House were allowed to vote today on transferring the Panama Canal and related property to Panama, how would you vote?" Offices not giving a firm "yes" or "no" were then asked: "Are you leaning for or against the property transfer?"

One hundred seventy congressional offices said they would vote no on transferring the property to Panama. An additional 38 said they are leaning against the transfer. The two groups total 208 representatives—48 per cent of the House membership.

Congressmen who say they would vote for transferring the canal to Panama number 102. Another 30 report they are leaning in that direction, for a total of 132 who favor the property transfer. The figure represents 30 per cent of House membership.

Seventy members are uncommitted on the issue and another 25 declined comment.

Almost an equal number of House Democrats and Republicans—106 and 102 re-

spectively—are against, or leaning against, giving the canal to Panama. Only 22 Republicans say they would definitely or likely vote for the transfer, along with 110 Democrats.

On a regional breakdown, only 13 members from southern and border states are for, or leaning for, transferring the canal to Panama, with 76 southerners going the other way. In the Northeast, 47 members favor the transfer, with 44 members opposed. In the Midwest, 41 members are in favor, with 53 opposed. In the far West, 31 members are in favor, with 31 opposed.

The Scripps League findings reveal a sharp contrast between the House and the Senate, which is debating the two canal treaties. Senate Majority Whip Alan Cranston (D-Calif.) said Thursday that 62 senators—which also means 62 per cent—are "almost surely" prepared to vote for treaty ratification, as opposed to only 30 per cent who feel that way in the House.

It is generally believed that representatives, a great majority of whom must face voters in November, reflect the sentiments of their constituents more accurately than their Senate counterparts. Only one-third of the senators are up for reelection this year.

More than 230 members of the House have signed a resolution introduced by Rep. George V. Hansen (R-Idaho), which calls for a House vote on property aspects of the treaties as part of treaty ratification.

Constitutional scholars are divided on whether the House has a right to participate in the property transfer aspects of the treaties. The Senate alone clearly has the power, on a two-thirds vote, to ratify or reject a presidential treaty. However, Article IV, Section 3 of the Constitution says "The Congress shall have Power to dispose of . . . the Territory or other Property belonging to the United States; . . ."

Scholars agree that, if the House did have a say in the canal transfer, it would take a majority of its voting members to approve the action. The Scripps League survey indicates that if such a vote were taken today, the House would deny President Carter the right to sign away the canal and adjacent property to Panama.

HOUSE DEMANDS VOICE ON CANAL DECISION; MEDIA MUFFLE IT

WASHINGTON.—Did you know that over half of the members of the House of Representatives have demanded that the House be given a voice in the Panama Canal decision? Did you know that 219 members of the House, one over a majority, had cosigned a resolution saying that no U.S. property in the Canal Zone should be transferred to a foreign country without authorizing legislation being passed by both houses of Congress? Not if you depended on Big Media for your news.

I didn't know this until a member of Accuracy in Media called me all the way from California to verify a report that she had seen in a weekly Washington paper, Spotlight, published by the far-right Liberty Lobby.

I checked the story out and found that not only had the resolution been signed, but that Congressman George Hansen of Idaho had taken the highly unusual action of going to the Senate chambers on February 10 and personally delivering a copy of the resolution to Senate Majority Leader Robert Byrd. Congressman Hansen asked that the resolution be entered into the Senate record of the current Panama Canal debate.

Congressman Hansen made this unusual move because even though the resolution has been co-sponsored by a majority of the members of the House, House Speaker Tip O'Neill has indicated his intention to keep the resolution from being voted upon until after the Senate ratifies the Panama Canal Treaties. It would then be more difficult for the House to enforce what it considers its constitutional right to vote on the disposition of property owned by the Federal Government.

This right is based on Article IV, Section 3, Clause 2 of the Constitution which says, "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." There have been four previous occasions on which the U.S. has turned small portions of the Canal Zone over to Panama. In 1932 and 1937 the transfers were effected by Acts of Congress. In 1943, an executive agreement transfering property was approved by a Congressional Joint Resolution. In 1955, one provision of the treaty specifically recognized the need for implementing legislation. Two others did not have a specific provision for such legislation, but a State Department official acknowledged that they would require such legislation, according to a Library of Congress study.

This study concluded: "It is clear that Congress has often asserted an exclusive right to dispose of federal territory and property. It is also apparent that both the Executive and the Senate have recognized that claim in past dispositions of property in the Canal Zone to Panama."

Now that the entire Canal Zone is to be given to Panama, this previously recognized right of the House of Representatives to have a voice in the decision is being ignored. That is not, perhaps, too surprising, since the clearly expressed feelings of the people in this matter are also being ignored. The Carter Administration's big campaign to swing public opinion behind the Canal treaties has been a flop. This was demonstrated by the reaction of the public to the President's televised fireside chat on the treaties on February 1.

The public was turned off by the fireside chat. That night and the following day, The White House received 1,509 telephone calls opposing the treaties and only 193 favoring them. For some mysterious reason, treaty supporters called the White House in greater numbers on February 3, but the final tally was negative by 1937 to 807. The White House won't say how many letters it got, but after stalling for nearly a month, a spokesman told me the mail had been against the treaties by a ratio of 4 to 1.

The House reflects popular will more closely than the Senate, which is why its right to vote is being denied. Big media are helping by muffing the cries of protest.●

PENNSYLVANIA STEEL CONFERENCE—AGENDA FOR ACTION

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. WALGREN. Mr. Speaker, on November 10, 1977, the Pennsylvania Conference on Steel was convened in Pittsburgh—the heart of America's steel industry. The conference brought together leading figures in the steel industry, organized labor, government, interest groups, and the academic community in a common effort to develop and discuss ideas relating to the current steel crisis.

As a means of dealing with the issues involved, the conference was divided into task forces that focused on a specific issue. Each task force met in the morning and afternoon and presented recommendations at the closing session. Subjects covered by the task forces included community impact, capital generation, environmental control, Federal and State investment policies, labor, and transportation.

I would now like to draw the attention of my colleagues to a resolution adopted by the steel conference which outlines suggestions for future actions to help solve the problems of the steel industry. The resolution voices support for the recommedations made in the Solomon report as well as further measures that should be taken.

AGENDA FOR ACTION

At its closing session, the conference, by acclamation, adopted the following three recommendations which represented an agenda for immediate recommendations action:

First. Pennsylvania Steel Conference urges the Carter administration to provide immediate support for the steel industry: Enforce strictly the antidumping provisions of existing international trade agreements to prohibit the sale of foreign steel in the United States below cost; and maintain import restriction agreements on specialty steel products that represent a small but vital share of the domestic steel production.

Second. The Pennsylvania Steel Conference calls upon the Carter administration and the Congress to give high priority to those targeted public investments that will stimulate a long-term demand for steel and promote balanced growth throughout the national economy.

Third. The Pennsylvania Steel Conference reaffirms its intention to review thoroughly all Government programs which affect the steel industry and to develop quickly recommendations aimed at providing a more favorable climate for the steel industry and for the hundreds of thousands of Americans who depend upon it for their livelihood.

In the time that has followed, the President's Task Force on the Steel Industry, headed by Undersecretary of the Treasury Anthony M. Solomon, announced a plan to protect the steel industry against unfair imports and to help provide financing for modernization. In some areas, the President's task force report is quite consistent with the proceedings of the Pennsylvania Steel Conference, while in others the conference proceedings suggest the need for the administration and the Congress to refine, extend, or amplify the task force plan.

Now the conference presents a further agenda for action by both the Federal and State governments. This agenda was developed in consultation with the moderators and comoderators of the conference panels and seeks to pinpoint specific steps which should be taken to deal with the community impacts of the steel industry decline, alleviate some of the burdens of pollution control, and provide

new economic stimulus and new tools to assist in steel industry modernization.

GOALS

All Pennsylvania conferees and observers agreed that some mechanism is necessary to restore the competitive balance that existed before unfair steel import practice cut deeply into domestic steel production. Whether this takes the form of a reference price system, increased enforcement of international trade agreements, or some other remedy, it is a basic step toward restoring the steel industry in the United States.

However, the Pennsylvania Steel Conference agreed that further steps beyond this are needed. Although not necessarily in order of priority, they are to:

First. Increase steel production in the United States by initiating new programs and expanding existing programs which will increase the demand for all types of steel;

Second. Increase the availability of capital for steel industry expansion and modernization (including pollution control expenditures);

Third. Clarify pollution standards and allow for consideration of economic impact in determination compliance schedules; and

Fourth. Target Federal and State assistance programs toward areas that have been or could be adversely affected by the steel situation so that future economic development can be realized and relieve the immediate impact on communities that have a steel based economy.●

FOOD LABELING

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. WHALEN. Mr. Speaker, the complete and accurate labeling of food ingredients remains a major concern of mine. In fact, this morning I testified before MARTY RUSSO'S Subcommittee on Special Small Business Problems, regarding the ingredient labeling of bakery goods.

I would like to call to my colleague's attention an article that appeared recently in the Cleveland Plain Dealer. The column, written by food editor Janet Beighle French, discusses briefly what I and my colleague, ROBERT WALKER are doing in the area of food labeling.

At this point, I wish to insert in the RECORD the article on food labeling that appeared in the March 8 issue of the Cleveland Plain Dealer.

EASY LABEL LINGO SOUGHT

(By Janet Beighle French)

Would you like easier-to-understand pictorial nutrition labeling? Complete ingredient lists on food?

Two congressmen assume you would.

Rep. Robert Walker, R-Pa., is recommending we switch from our present system of nutrition labeling to a graphic system popular in Europe.

Walker's recommendation is already embodied in H.R 9849, and hearings may be scheduled on it this spring, before the health and environment subcommittee. Walker has enlisted 21 cosponsors for his bill.

Rep. Charles Whalen, Jr., R-3, has charged his staff with studying the need for complete ingredient disclosure to aid consumers on special diets.

Walker's bill would require depicting the relationship of calories to nutrients in a food, "using a system of symbols, figures, or other devices, which will readily enable consumers to comprehend the information."

Walker recommends a system developed by Albert Heijn of Holland.

A day's total nutritional allowance is depicted by a large circle. A dark wedge in this "pie" represents total nutrients in the food. A light wedge represents calories. By comparing the sizes of the two wedges, a consumer can quickly tell if a food is a nutritional heavy-hitter.

Gram content of "fuels"—protein, carbohydrate, and fat—is listed. And content of protein, four vitamins and two minerals is also illustrated by darkening parts of smaller circles

Our minimal nutrition labeling gives the same information, though up to 14 additional vitamins and minerals can also be listed by U.S food packers.

Whalen, meanwhile, is soliciting comments from persons who have been adversely affected by unlisted food ingredients. His address is 1035 Longworth House Office Building, Washington, D.C. 20515.

One case Whalen cites is that of Michael Grybsank's "ice cream death," in 1962. Grybsank was extremely allergic to peanut butter. He died as a result of eating butterfinger ice cream, which contained candy, which contained peanut butter. But the peanut butter was not listed on the ice cream label as an ingredient.

This is possible because standard foods, of which ice cream is one, are not required to list ingredients, and party because some ingredients can be listed in generic groups, such as food colorings or spices.

Standards originally insured that commercially prepared foods would meet minimum requirements and be truly representative of the homemade foods they replaced. But standards have been amended so often that some allow for hundreds of optional ingredients today.

A 1975 report from the General Accounting Office, titled "Food labels; do they tell enough?" concluded that they don't.

The report recommended much more explicit labeling to aid "23 million people with heart conditions, over four million diabetics and kidney patients and over seven million people who suffer allergic reactions."

Saturated fats, sodium and caffeine are of particular concern to heart patients, noted the reports. Diabetics are interested in sugar content, kidney patients in potassium.

Milk, eggs, gluten, wheat, corn, tartrazine (FD&C Yellow No. 5), nuts and monosodium glutamate are of major concern to allergics, pointed out the report.

GAO reviewed 284 food categories which are exempt from ingredient labeling.

The foods were checked for content of caffeine, eggs, gluten, milk, monosodium glutamate, nuts, sodium, sugar, tartrazine and wheat. At least one of these ingredients was an optional ingredient in 127 food categories reviewed.

Next GAO randomly selected 1,000 food products from Detroit supermarkets. The agency found that labels for 129 disclosed none, or only some, of their ingredients. And 64% listed "spices, flavoring, colorings, and vegetable oils in general terms."

In the three years since, the Food and Drug Administration has moved to require identification of oils (effective this July 1) and has proposed listing of tartrazine.●

NAVAL RESERVE ASSOCIATION JOINS IN OPPOSING THE PROPOSED PANAMA CANAL TREATIES

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1978

● Mr. HANSEN. Mr. Speaker, I recently received a letter date March 9, 1978 from Capt. Fred D. Carl, USNR (ret.), president of the Naval Reserve Association, notifying me of the opposition of the 19,000-member Naval Reserve Association to the proposed Panama Canal treaties. I find this extremely significant not only as a reflection of public opinion, but also as an indication from an authoritive source as to the real importance of the Panama Canal to our national defense. For the benefit of my colleagues in the House as well as the Senate I include for the RECORD a copy of Captain Carl's letter and the enclosed position statement.

AN OPEN LETTER TO THE CONGRESS

On behalf of the 19,000 member Naval Reserve Association, I respectfully urge your support for disapproval of the two proposed Panama Canal treaties. Enclosed herewith is a copy of the position statement adopted by the National Executive Committee of the Naval Reserve Association on February 25, 1978, following an intensive review of the issues involved. It is believed that the treaties, even with the proposed amendments, are not in the national interests of the United States.

Having visited the Canal Zone and Panama several times during the past year, most recently in late January to review the ramifications of the treaties, I am strongly opposed to ratification. It appears to me that the Administration has shamefully misled the American public by deliberate half truths and omission of facts in its massive public program to "sell" the treaties. Torrijos has played his cards right since last August, holding down disturbances and minimizing violations of human rights during this period.

Ratification of the treaties would enhance a communist takeover of another country. There is ample evidence of communist involvement in the highest levels of the Panamanian government, despite public assurances to the contrary by the State Department. Ratification of these treaties and the giveaway of the Panama Canal would be pursuing a policy of appeasement and constitute an abdication of our responsibility and position as a world leader. There are other ways of satisfying the legitimate concerns of the Panamanian people without jeopardizing our nation's national security.

Indications are that a strong "get-on-the-bandwagon" atmosphere is being generated in order to stampede the Senate into hasty ratification. I urge you to resist such pressures and to support efforts to disapprove these treaties.

Sincerely yours,

FRED D. CARL,
National President.

THE PANAMA CANAL AND THE PROPOSED TREATIES

The Naval Reserve Association is of the opinion that the ratification of the new Panama Canal Treaties as proposed by the Administration, or even as amended as proposed to clarify certain points in the treaties, would be contrary to the national interests of the United States. The Naval Reserve Association is opposed to these treaties for the following reasons:

1. The protracted discussions concerning the interpretation of "neutrality" and the drug traffic through Panama are diversionary and tend to mask the principal defects of the treaties, without which these problems would not arise. The relinquishment by the U.S. of its rightful and necessary control of the Canal Zone, and the consequent inability of the U.S. to enforce compliance by Panama with any of its treaty obligations would not be possible, once Panama has taken control of the Canal Zone.

2. The instability of Panamanian governments (59 revolutions in 75 years) raises a serious question as to the degree of reliance we can place on honoring of treaty obligations by Panamanian governments, both present and future. The unreliability of the present government has already been indicated by the numerous recent violations of the existing treaty provisions.

3. The near-unanimity of retired U.S. Navy flag officers in opposition to the proposed new treaties (241 out of 245) strongly suggests that senior active-duty officers are under pressure by the Administration to endorse the treaties.

4. Panamanian control over land and roads of the Canal Zone would jeopardize the security of the Panama Canal and make effective operation impossible as well as greatly interfere with operation and supply of remaining U.S. military installations, should the Panamanian government decide to oppose U.S. policies or extract new concessions.

5. Joint military planning and defense of the Panama Canal and Canal Zone by the United States and Panama is not realistic, since it is based on the tenuous assumption that Panama will be a willing and cooperative partner. If this assumption proves to be invalid, effective joint planning and defense would not be possible.

6. Contrary to popular opinion the U.S. Navy no longer has sufficient ships for constituting a "two-ocean Navy" to fulfill its global missions and commitments simultaneously (the number of Navy ships has decreased from 976 in 1968 to 457 in 1978). Therefore, our ability to shift Naval power from one ocean to another, as the need arises, is dependent upon unrestricted access to the Panama Canal. The same is true with respect to U.S. maritime commerce in view of the fact that over 90 percent of our raw materials are imported and depend to a major extent on transit through the Panama Canal. The proposed clarification of the treaties that U.S. warships would have the right of expeditious transit of the Canal for an "indefinite" period is not adequate assurance, since the term, "indefinite", could be construed to mean a short period of time.

7. The credibility of the United States as a world leader in resisting communist expansion would be greatly undermined by surrendering control of the Panama Canal to Panama, which to say the least is sympathetic toward communism—particularly in the face of threats and warnings of violence and sabotage if we fail to do otherwise.

8. The current ability of the United States to deny use of the Canal to its adversaries is not addressed in the new treaties and would be completely lost if control is relinquished to Panama.

9. On expiration of the proposed new treaties, Panama's ability to charge exorbitant and/or discriminatory tolls could be a continuing source of friction and possible violence between Panama and shipping nations. Panamanian control could also be used as a lever to promote communism in countries which are presently democratic.

10. Despite assurances to the contrary, Panamanian leaders have publicly expressed an intention not to abide by the terms of the proposed neutrality treaty. After Panama has taken control of the Canal Zone, our only means of ensuring that they will honor the terms of the treaty will be the possible withholding of payments due under the terms of the treaty—which may not be feasible due to Panama's ability to retaliate in other ways (see 4 above). Following expiration of the proposed new treaties, we would have no means of securing observance by Panama of the terms of the treaties, short of force, which might be inhibited by considerations of our relations with other Latin-American countries.

11. The Panama Canal operation presently pays about $26 million annually into the U.S. Treasury on unrecovered investment. If the proposed treaties are ratified, this income will be lost and will have to be made up by the American taxpayers. This is one of the additional hidden costs in the treaties.

12. The U.S. presence in Panama is legitimate in every respect, and our rights there were lawfully obtained under the 1903 treaty. In addition, the U.S. purchased all property rights in the Canal Zone from the individual owners and paid $25 million to Columbia in 1922 for a quitclaim agreement. The Panama Canal itself was designed, constructed and paid for by the United States, a tremendous engineering feat which stands today as a monument to U.S. enterprise, determination, courage and ingenuity.

13. Four former Chiefs of Naval Operations issued a joint statement calling for continued U.S. sovereignty and control of the Panama Canal and the Canal Zone, based upon the vital necessity for having reliable availability of the Canal for U.S. Naval forces, and the ability to deny use of the Canal to enemies of the U.S. Admiral Moore further stated, "In military affairs, there is no substitute for ownership of the territory and the ability to control or to deny the waters and air space."

14. A strong possibility exists that the Panama Canal will come under communist control if Panama is given control of the Canal Zone. The present Torrijos government is unelected, having seized power by force of arms in 1968. The communist ties of that government and its close relations with the Castro government in Cuba strongly suggest that the Canal could easily come under strong communist influence or control, should the U.S. relinquish its present rights. The possible uses of the Canal by our opponents as a tool in cold war tactics are not difficult to imagine.

15. The proposed treaties provide no compensation to the U.S. for the tremendous investment it has made in the Panama Canal and the Canal Zone. Not only is this huge investment, amounting to about $7 billion, with all U.S. property rights, handed over gratis, but the U.S. is committed to pay Panama an estimated $60 million annually, plus hundreds of millions more under economic and military programs during the life of the treaties—after which we would have no rights at all except a nebulously worded permission to help defend the Canal. In addition, a reasonable possibility exists that the proposed Panama Canal Commission would find it politically expedient not to raise shipping tolls in order to cover the greatly increased payments to Panama, but instead to pay them from U.S. government subsidies. These aspects are not only unacceptable but are an affront to U.S. citizens and taxpayers.

16. Relinquishment of U.S. control raises the possibility of frequent and prolonged shutdowns of the Canal. Should the treaties be ratified, many employees of the Panama Canal Co., including key personnel, may elect to return to the U.S. in a relatively short period of time, seeing no future there for themselves and the encroachment of an unfriendly Panamanian government. This could lead to operational errors by inexperienced Panamanian personnel with consequent disruption of ship traffic.

17. The operating arrangements detailed in the proposed treaties contain considerable potential for trouble. Panama would be in the position to make things very difficult for the U.S. if we did not acquiesce to future Panamanian demands, due to Panama's control of the police, courts, and the Canal Zone territory (under the terms of the proposed treaties). The same rationale that has given rise to these treaties could be used to justify further demands and concessions in the future.

18. Increased payments to Panama, if deemed appropriate, should be possible under the present operating arrangements, without the necessity of destroying the treaty that enabled the Canal to be built and which today remains the foundation of a vitally important link in U.S. security and world commerce. The proposed treaties will enable Panama, after the year 1999, to charge exorbitant and/or discriminatory shipping tolls if it chooses, with no recourse by other nations except to ship overland at other points or to go around the Horn.

19. The U.S. has other treaties in perpetuity with other nations concerning the Panama Canal, e.g., the Hay-Pauncefote Treaty of 1901. With Panama in control of the Canal, we could no longer guarantee fulfillment of our obligations under such treaties.

20. The U.S. successfully defended and operated the Panama Canal through two world wars, the Korean War, the Cuban Crisis, and Vietnam. This would seem to answer the argument that the Canal cannot be successfully defended. Sabotage attempts or actions by local dissidents to put one or more of the Canal locks out of operation would require a team of well organized demolitionists and a considerable amount of time to be successful. Thereis no military reason why the security of the locks cannot be successfully defended against such attempts. In addition, the economic disadvantage that would be suffered by Panama if the Canal were to be put out of operation would be sufficient to expect that Panama would take measures to prevent acts of sabotage.

21. Should Panama later decide to abrogate certain treaty rights granted to the U.S. under the proposed treaties, the U.S. would put itself in the position of "imperialist aggressor" if it attempted to use force to ensure those rights. Thus, the treaties, rather than solving a current issue, may actually create greater problems in the future.

22. It is not reasonable to expect that a very small country such as Panama, as landlord of one of the world's most strategic waterways, would remain immune from international pressures, despite the declarations of the proposed neutrality treaty. The long term interests of the U.S. and all nations would be best served by having control of the Canal remain with the U.S. whose record of Canal management and operation has been very creditable and fair.

23. The State Department has indicated that the primary problems with Panama are political in nature. The only reasons thus far advanced for surrendering U.S. control are:

a. Threats of violence and sabotage if the proposed treaties are not ratified. (To suggest that the U.S. should negotiate from fear and blackmail, particularly when the potential opposing force is so miniscule, is unworthy of a great power and is a policy of appeasement.)

b. Surrendering control of the Panama Canal would improve our relations with Latin-American countries. (Any good will so obtained would very likely be forgotten by succeeding governments, who certainly would not appreciate the higher ship tolls that these treaties can be expected to bring.) This massive "giveaway" may even be regarded as justification for demanding more U.S. aid for themselves. Further, many Latin-American leaders and officials are inhibited from supporting continued U.S. control of the Canal because such would be unpopular and

contrary to the "get Uncle Sam" syndrome. It is probable that many Latin-American countries are actually uneasy over the possibility that this waterway, so vital to their world commerce, will come under the control of an unreliable Panamanian government.

24. The State Department's contention that the 1903 treaty should be scrapped because the same terms could not now be obtained from Panama is a ridiculous argument because:

a. Conditions are not the same now as they were then, i.e. the Canal had not been built then—and may never have been built had Panama not made concessions, since we were also considering Nicaragua as a possible canal site at the time.

b. The same argument could be made for suggesting that we return Alaska to the Soviet Union, Florida to Spain, and the Louisiana Territory to France, since none of those countries would sell those territories to us now for the prices that we paid at the time of purchase. The 1903 Treaty with Panama is no less valid than those other purchase treaties, and should be no less permanent.

25. Recent transfer to Panamanian registry of a significant number of merchant ships owned or controlled by the Peoples Republic of China is cause for concern with regard to possible significant Chinese influence in Panamanian affairs at some future date.

26. The proposal for two treaties could lead to irreparable difficulty by putting Panama in a position to announce nullification of the Neutrality treaty, after the U.S. had given away its rights in the basic Canal Treaty, a separate legal instrument not dependent upon compliance with the Neutrality Treaty.

The above position statement was adopted by the National Executive Committee of the Naval Reserve Association on 25 February 1978.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 16, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 17

*Energy and Natural Resources
To hold hearings on the nomination of H. William Menard, of California, to be Director of the Geological Survey.
3110 Dirksen Building

9:00 a.m.
Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 408, to extend certain benefits to ASCS county employees.
357 Russell Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on numerous pending nominations to the U.S. Metric Board.
318 Russell Building

Energy and Natural Resources
To hold hearings on the nomination of Robert D. Thorne, of California, to be an Assistant Secretary of Energy.
3110 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, the Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

10:00 a.m.
Budget
To receive testimony from Secretary of HUD Harris in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2444 and S. 2437, relating to a national program of dam inspection.
4200 Dirksen Building

Foreign Relations
To meet in closed session to discuss the Middle East situation.
S-116, Capitol

11:00 a.m.
Select Intelligence
Special Investigations Subcommittee
Closed business meeting.
S-126, Capitol

2:00 p.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on H.R. 7320, to revise miscellaneous timing requirements of the revenue laws.
2221 Dirksen Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 18

9:30 a.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

2:00 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 20

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

Appropriations
Agriculture Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Agriculture and related agencies.
1318 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government, and Civil Services and General Services Subcommittees
To hold hearings jointly on transporting hazardous materials by rail.
1224 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens grievances.
2228 Dirksen Building

Citizens and Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2390, the Citizens' Access to the Courts Act.
6226 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2616, FY 79 authorizations for the National Transportation Safety Board.
235 Russell Building

Environment and Public Works
Resources Protection Subcommittee
To hold oversight hearings on the implementation of the Solid Waste Disposal Act.
4200 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold oversight hearings on the witness protection program of the Organized Crime Control Act (P.L. 91-452).
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Mines.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Budget
To receive testimony from Representative Bolling in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2692, FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Select Small Business
To resume hearings on the SBA minority contracting program.
424 Russell Building

10:30 a.m.
*Commerce, Science, and Transportation
To hold oversight hearings on the Marine Protection, Research, and Sanctuaries Act (Titles 1 and 2).
318 Russell Building

1:30 p.m.
Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S-128, Capitol

MARCH 21

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To continue hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5110 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings on S. 1927, to promote competition in the energy industry.
6226 Dirksen Building

9:15 a.m.
*Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 258, the Children and Youth Camp Safety Act.
Until 10:00 p.m. 4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
318 Russell Building

Joint Economic
Energy Subcommittee
To receive testimony from Energy Secretary Schlesinger on oil supply and demand in the 1980's.
357 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-128, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Management.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 70 authorizations for the Export-Import Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 2692, FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 901, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

10:30 a.m.
* Judiciary
To resume hearings on S. 2552, proposed Allen Adjustment and Employment Act.
2228 Dirksen Building

11:00 a.m.
Conferees
On H.R. 9179, to extend until September 30, 1981, the basic operating authority of the Overseas Private Investment Corporation.
S-116, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the Defense Civil Preparedness Agency, CSC, Federal Labor Relations Council, and the FEC, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 22

9:00 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To hold hearings on the problems of inspection standards of U.S. produce versus foreign imported produce.
324 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
318 Russell Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

*Human Resources
To hold hearings on S. 2084, the administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Coast Guard.
S-146, Captol

Banking, Housing, and Urban Affairs
To resume mark up of S. 2065, 2470, and 2545, to protect consumer rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2158, to permit the storing of foreign-caught shark fins at U.S. foreign trade zones for eventual exportation to foreign countries.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 991, to create to separate Cabinet-level Department of Education.
3302 Dirksen Building

Judiciary
To hold hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

Select Small Business
To resume hearings on S. 807, to authorize grants to assist individuals and small business concerns in development of solar energy equipment and energy-related inventions.
424 Russell Building

Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
S-207 Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 23

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Commerce, Science and Transportation
Consumer Subcommittee
To continue hearings on S. 2603, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the Office of Science Technology Policy.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed construction of a Federal interstate highway near Memphis, Tennessee.
1224 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on FY 79 authorizations for EPA research and development.
4200 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 2318, the proposed Buy American Act.
3302 Dirksen Building

Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume oversight hearings on the witness protection program of the Organized Crime Control Act (P.L. 91-452).
5110 Dirksen Building

Veterans' Affairs
To mark up S. 2384, the Veterans and Survivors Income Security Act.
412 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 1010 and H.R. 2777, to establish a National Consumer Cooperative Bank.
5302 Dirksen Building

*Energy and Natural Resources
To hold hearings on the price differential between leaded and unleaded gasoline.
3110 Dirksen Building

10:30 a.m.
*Judiciary
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain Independent Agencies, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the impact of building codes on housing rehabilitation.
5302 Dirksen Building

MARCH 31

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on a report by the National Research Council on the space shuttle main engine.
235 Russell Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Coastal Zone Management Act (P.L. 92-583).
235 Russell Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 4

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on FY 79 authorizations for the Consumer Product Safety Commission.
1202 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC regulation in the motor common carrier industry.
Room to be announced

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on the Environmental Noise Control Act (P.L. 92-574).
4200 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirksen Building

Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

APRIL 5

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on FY 79 authorizations for the Consumer Product Safety Commission.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To continue oversight hearings on the Environmental Noise Control Act (P.L. 92-574).
4200 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 2318, the proposed Buy American Act.
318 Russell Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced

Commerce, Science and Transportation
To hold oversight hearings into how the U.S. Coast Guard will benefit from two proposed Intergovernmental Maritime Consultative Organization treaties.
235 Russell Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
318 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AM-VETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6225 Dirksen Building

APRIL 6

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on FY 79 authorizations for the Consumer Product Safety Commission.
5110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 2224, to establish a national ocean policy, to set forth the missions of the National Oceanic and Atmospheric Administration.
318 Russell Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 7

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2541, the Highway Safety Act.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings jointly with the Human Resources Subcommittee on Education, Arts, and the Humanities on proposed FY 79–80 authorizations for the National Sea Grant College program.
235 Russell Building
11:00 a.m.
Appropriations
HUD–Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

APRIL 10

9:00 a.m.
Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 50, the Full Employment and balanced Growth Act.
1202 Dirksen Building
9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2549, FY 79 authorization for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs.
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol
1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S–407, Capitol

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 225, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building
9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol
1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S–407, Capitol

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed federal aid highway legislation.
4200 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building
10:00 a.m.
Appropriations
Transpotation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Commerce, Science and Transportation
To hold hearings on proposed FY 79 authorizations for the U.S. Coast Guard.
235 Russell Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Select Indians Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings on S. 1927, to promote competition in the energy industry.
1202 Dirksen Building
10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 14

9:00 a.m
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume mark up of S. 50, the Full Employment and Balanced Growth Act.
4232 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on S. 1927, to promote competition in the energy industry.
2228 Dirksen Building
Select Small Business
To hold hearings on the nomination of Milton D. Stewart, of New York, to be Chief Counsel for Advocacy, Small Business Administration.
424 Russell Building
10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 17

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2090 and S. 2081 proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building
Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
2228 Dirksen Building
9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume markup of proposed Federal aid highway legislation.
4200 Dirksen Building
10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on H.R. 9370 and S. 2582, to provide for the development of aquaculture in the United States.
235 Russell Building

APRIL 18

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2090 and S. 2081, proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced
Banking, Housing, and Urban Affairs.
Financial Institutions Subcommittee
To hold hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for fiscal year 1979 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 20

9:30 a.m.
Appropriations
Agricultural Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of Agriculture and related agencies.
1224 Dirksen Building

Judiciary
To resume oversight hearings on the application and enforcement of the FBI Charter.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
318 Russell Building

APRIL 21

9:30 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 1314, to provide that State and Federal prisoners may petition the Federal courts for a writ of habeas corpus.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

APRIL 24

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on FY 79 authorizations for the Fishery Conservation and Management Act (P.L. 94–265).
235 Russell Building

APRIL 25

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4332 Dirksen Building

9:30 a.m.
Judiciary
To resume oversight hearings on the application and enforcement of the FBI Charter.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 26

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to examine the science and technology aspects of the Federal Research and Development budget.
5110 Dirksen Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings on the impact of company mergers and economic concentration.
2228 Dirksen Building

10:00 a.m.
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute for Building Sciences.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Fishery Conservation and Management Act (P.L. 94–265).
235 Russell Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Transportation Safety Board and the ICC.
1224 Dirksen Building

APRIL 27

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on the impact of company mergers and economic concentration.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To continue oversight hearings on the Fishery Conservation and Management Act (P.L. 94–265).
6226 Dirksen Building

APRIL 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to examine the science and technology aspects of the Federal Research and Development budget.
235 Russell Building

9:30 a.m.
Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2559, to provide a judicial remedy against the U.S. and U.S. officials who take retaliatory action against employees who charge impropriety in the Federal Government.
2228 Dirksen Building

MAY 1

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 2

10:00 a.m
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
4200 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 9

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the Antitrust Division, Department of Justice.
2228 Dirksen Building

MAY 17

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

CANCELLATIONS

MARCH 17

9:00 a.m.
Select Intelligence
Closed business meetings
S-126, Capitol

MARCH 20

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings to review medical practices of obstetricians.
4232 Dirksen Building

MARCH 22

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
2228 Dirksen Building

MARCH 23

9:00 a.m.
Environment and Public Works
Resource Protection Subcommittee
To mark up S. 1140, to encourage and assist States to develop improved programs of the conservation of "nongame" species of fish and wildlife.
4200 Dirksen Building

APRIL 5

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building

APRIL 6

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building

APRIL 7

10:00 a.m.
Judiciary
Juvenile Delinquency Subcommittee
To hold hearings on S. 797, to provide that the first court to issue a child custody decree shall be binding on other courts in other States.
2228 Dirksen Building

SENATE—*Thursday, March 16, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 9 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God our help in ages past, our strength in the present and our hope for all the future, be especially near to us on this day of judgment and hard decision. Grant to us the light and the wisdom of Thy continual presence. If we forget Thee do not forget us.

In crises keep us strong and calm. Guard us from bad manners, from illtempered speech, and ungracious demeanor. Prepare us for the surprises of history. Winning or losing in the contests of this life may we never lose the awareness of Thy presence. Help us to comport ourselves with the dignity and majesty of persons created in Thy image and destined for citizenship in Thy kingdom.

"Now unto Him that is able to keep us from falling, and to present you faultless before the presence of His glory with exceeding joy; to the only wise God our Saviour, be glory and majesty, dominion and power, both now and ever." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 16, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon assumed the chair as Acting President pro tempore.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the order entered on yesterday, the Senator from Indiana (Mr. LUGAR) will be recognized, as in legislative session, for not to exceed 15 minutes.

THE 100 DAYS OF URBAN POLICY DEBATE: THE NEW YORK CASE

Mr. LUGAR. Mr. President, in the next 100 days, the Congress will make a number of fundamental decisions on urban policy, and President Carter will reportedly announce his urban policy proposals. I know that many of us will want to boost those ideas which seem promising for strengthening our Nation's cities. We will also want to offer alternative suggestions on the basis of practical experience in urban government.

In truth, the Carter administration has already made a most significant statement of urban policy, in the proposal for financial relief of New York City enunciated by Secretary of the Treasury Michael Blumenthal. By June 30, 1978, crucial decisions will be made by the city of New York, the State of New York, the Congress, and the President about urban policy. Despite many assertions to the contrary, the New York City situation is not unique. New York City encompasses the same basic dilemmas that face cities of all sizes in our country; the pattern of settlement and the reasons for that settlement will dwarf in significance all of the rest of urban policy suggestions and debate during the year.

A great temptation in urban policy discussions is to try to isolate cities from all of the other crosscurrents of life in America and, by offering a carrot here and a stick there to stimulate the body of urban government with hopes that something positive will turn up.

The New York situation moves quickly beyond the academic and the experimental to the political and economic realities of urban policy. The Senate Committee on Banking, Housing, and Urban Affairs of which I am a member issued a unanimous report on February 9 which states that no further Federal loans to New York City are justified. In response to hearings called by the Banking Committee in the House, Secretary Blumenthal stated on March 2 that the administration is suggesting a plan which calls for Federal guarantees of approximately $2 billion of long-term bonds ranging up to 15 years in maturity.

New York City and State officials have thanked the Secretary for proposals which are surely generous in comparison to the Senate Banking Committee stance, but Governor Carey and Mayor Koch have indicated that much more will need to come in negotiations with the Federal Government if New York City is to avert bankruptcy. They cite President Carter's well-known campaign pledges to bolster their faith that the Carter administration simply will not allow bankruptcy in New York City.

Our colleague, the distinguished junior Senator from the State of New York, stated the New York City case with eloquence in a speech before the 50th mid-

winter banquet of the New York State Bankers Association when he said:

We have a simple proposal, requiring not a monumental new federal urban policy, nor huge new increases in federal spending for cities. Such will prove to be illusory in any case. Rather, what is required is a straightforward commitment to help the City regain its financial equilibrium and the limited federal guarantee needed to implement it.

At the Rambouillet conference in 1975, Chancellor Schmidt of West Germany told President Ford that the bankruptcy of New York City was unthinkable. The Economist of London has repeated this just weeks ago. The Europeans understand that New York is the capital city of the western world; so must our own government.

I put to you a simple proposition: An urban policy, which permits the nation's largest city to go bankrupt is fantasy heading for nightmare. The federal government must accept this, and must simply resolve that that bankruptcy of the City of New York will not be allowed to happen. The Senate Banking Committee has spoken. The time is at hand to hear from the President. It is no longer enough for him to say that he will not allow bankruptcy. The time has come for him to state how he will prevent it.

The President has spoken through Secretary Blumenthal and the Federal Government has made a response to the city's 4-year plan to balance its budget. An initial reading of the 4-year plan will lead most citizens who have witnessed any level of public life to conclude that the overall assumptions undergirding the plan are optimistic to a fault. Careful students of urban government will offer a more detailed analysis, but in this brief summary, I will mention the areas to which my colleagues will want to direct especial attention.

New York City has been receiving substantial grants of Federal aid for many years. The city budget for fiscal 1978 suggests that categorical grants of $2,808,000,000 and $479,000,000 in Federal revenue sharing is anticipated. New York State will provide $533,000,000 in revenue sharing. New York City will raise $7,220,000,000 from local sources on its own. The ratio of Federal aid as a percentage of funds locally raised is 45.6 percent for New York City according to my calculation, and generally in line with 15 other large cities of over 500,000 in population for fiscal 1978, as the Advisory Commission on Intergovernmental Relations pointed out in its 1977 review of federalism.

Very few Americans are aware of the enormous dependency of large cities on Federal categorical grants quite apart from revenue sharing. The action which Congress takes in regard to New York City will not be a one-of-a-kind situation. New York City shares common characteristics with many large cities of this country, all of which could claim in equity a fair share of Federal attention.

Many of us might wish to package the issues in a different form, and pretend that urban policy can be merely a collection of interesting ideas for urban banks, housing incentives, State assumption of new financial or boundary drawing responsibilities, or general attacks on urban crime, pollution, transportation hassles, and educational deficiency. All of these aspects are very important and should and will be addressed. But for the moment, and for the last several years, those delegations of big city mayors coming to Washington have been talking about money. The New York situation is a national debate about money. The question will be faced squarely in 100 days. The answers will determine the fundamental structure of urban policy for some time to come. And all of this will happen whether President Carter advertises a full blown urban policy or not.

As far as I am concerned, the New York debate offers a good forum for urban policy debate because it will engage the attention of the country in a way that could not be matched by the most exciting of discussions in the usual format of urban policy alternatives.

The Wall Street Journal has editorialized that loan guarantees for New York City are not really guarantees but should be understood as outright grants, that the possibility of New York City arriving at solvency on the basis of the 4-year plan, even if supplemented by Federal guarantees, is remote. If this is true, citizens of cities and States all over the country are being asked to redistribute a further portion of their moneys to New York City to subsidize services given to New Yorkers at a level decided by New Yorkers but not paid for by New Yorkers.

New Yorkers will retort that almost every other city is receiving a redistribution of the wealth also, or that the Treasury is simply printing additional money to cover all of the $55 billion in Federal distributions to cities in fiscal 1978.

The New York City 4-year plan for budget balancing assumes that Federal categorical grants will not only remain but will increase during the next 4 years by amounts of $224 million, $379 million, $484 million, and $452 million in fiscal years 1979 through 1982, inclusive. Indeed, the budget has no hope of ever being in technical balance without these substantial increases, all of which are predicated on the timely and favorable outcome of completely unpredictable congressional legislative battles in the areas of welfare reform and medicare funding.

Congress must face the fundamental question of whether we plan to fund increasing distributions of money to local governments even at a time when Federal grants already average an estimated 47.5 percent as a percentage of local budget funds raised on the local level by cities of over 500,000 in population.

Perhaps equally crucial is the host of questions raised by the fact that New York City's 4-year budget plan does not include any dollars to cover collective bargaining settlements with policemen, firemen, and other public employees during the next 4 years. Secretary Blumenthal warns that Federal guarantees or other new loans for New York must await settlement of wage negotiations. I will not belabor the obvious, but there is no reasonable possibility of New York City balancing its budget if payrolls increase. As a larger issue, there is not much hope for the financial solvency of a great many other American cities until a method of preventing strikes by policemen, firemen, and other vital service employees is achieved. There is not much hope until we answer this basic question: Who in America should pay for wage and pension settlements which are clearly excessive, however understandable the motive of the mayors who agree to them, as they attempt to preserve a degree of public safety in a complex and vulnerable urban society?

For the moment, let it be clearly understood that the Federal Government, which is to say the taxpayers at large, is paying for most of those settlements now, and that means that a redistribution of national wealth is occurring, assisted by the running up of Federal deficits.

Because city budgets are so victimized by national inflation, cities approach the Federal Government with an appropriate sense of justice as they seek to remedy the hidden taxation of inflation by restoring solvency through grants of all sorts.

The Federal Government has mandated urban policy, effectively, by attaching to these grants at least 33 general guidelines which require performance by cities in the areas of environment, equal opportunity and affirmative action, the Davis-Bacon Act, and a host of other federally determined goals. These mandates are expensive to attain and, collectively, they thwart or simply overwhelm all the well meaning suggestions for economic aid and development which are usually trotted out as a stab at urban policy making.

All of this continues despite the fact that cities are losing population, as are entire large urban areas in the Northeast and upper Midwest; that local budgets are increasing in size; that larger Federal contributions are demanded to cover deficits; and that Federal guideline policies are enforced with rigor, even if they are contributors to the flight of people and commerce and thus to any hope of genuine recovery.

I believe that a general impression prevails in Congress and in the country that, as June 30 approaches, much negotiation and handwringing will occur, but that a midnight solution involving new Federal assistance will be given to New York City. Oppressive Federal urban policies incorporated in mandatory guidelines to all cities will not have been reformed, public employee dilemmas will have been discussed and much lamented but will not have been touched. Almost no one will believe that the New York City budget will ever be balanced if Congress and thus the rest of the Nation proves willing to support the unbalanced budget of goods and services for New York. New Yorkers will feel that the settlement of new guarantees, loans, and grants is stingy, but meanwhile many other cities and their respective Congressmen will be demanding justice in terms of equal consideration. In the midst of all this, someone may come forward with a few schemes for inner city renewal and economic revitalization—useful ideas, but almost totally irrelevant compared to the fundamental, monumental issues confronting American cities.

What really is needed, as we try to come to terms with the issues of money, is to wrestle with so-called environmental attainment standards which, as matters stand, will knock any serious

urban revitalization program into a cocked hat.

We will need to discuss whether a truce can be obtained in the urban schoolbusing war, with commonsense prevailing over the previously undebatable standards of mathematical exactitude in racial balance. Can there be an end to rent controls around the country, the establishment of two or more standards for code enforcement in order that rehab of properties is really practical: can HUD and city governments expand urban homesteading and disgorge swollen portfolios of housing properties without endless guidelines and redtapes? Can there be tradeoffs with affirmative action and quota systems if necessary to provide economic growth of a city or substantial urban public budget cutting?

Is this an appropriate time for the Federal Government to face the inflationary aspects of urban policies which have run amuck in the name of social justice, and which are paid for through the injustice of gross inflation and a strangling noose around the budgets and the policies of urban America?

In my judgment, the current 4-year budget plan of New York City is unacceptable because it guarantees that New York City budgets will remain unbalanced indefinitely. Secretary Blumenthal's response, predicated on retention of so much that remains unmentioned and untouched in New York City, is equally insupportable, and not a final solution. It is only another temporary fix. In the next 100 days, we have an opportunity to make progress in formulating urban policy. The purpose of this speech is to indicate that, absent many more favorable developments in which the Federal Government agrees to liberate New York from crippling guidelines, New York City prepares much more seriously to balance its budget, and the State of New York moves to guarantee the fiscal integrity of its major city, the reasons for taking no action in regard to loans and guarantees for New York City by June 30 clearly outwiegh reasons which have been offered to support such Federal action. At this juncture, the State of New York should be planning to take a much more comprehensive role in the post-June 30 period as should New York banks, pension funds, labor unions, and citizens at large assisted by a vigorous press that could help frame issues and focus decisionmaking.

It will be no service to New York City or to any other city to paper over the cracks once again, and I invite other Senators to join me in pledging that we do not intend to do so.

Mr. President, I ask unanimous consent that pages 8 through 14 of the ACIR annual report on federalism and an article entitled "How Many More New Yorks?" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL INITIATIVES AND IMPACTS

Despite a decline in the public sector growth rate in 1977, the trend during the past quarter century has been toward an unparalled expansion of government. State and local governments in particular have grown rapidly, as demonstrated by the nearly threefold increase in their work forces from about 4.1 million to 12.2 million between 1953 and 1976, and the nearly tenfold increase in their own revenues during the same period, from about $27 billion to approximately $200 billion. The roles of these governments also have expanded and diversified greatly, supported in part by federal aid.

But while the size and scope of state and local responsibilities have grown, policy initiatives, allocational decisions, and administrative authority increasingly have been centralized at the national level. Paradoxically, this shift began to accelerate at a time when two national administrations were proposing policies designed to facilitate decentralization.

The dollars and the sense

The expansion of the federal government's role has taken a variety of forms. Recent trends in aid programs, regulations and supersessive laws illustrate the dimensions of this phenomenon:

In 1950, federal grants-in-aid to state and local governments amounted to about $2.3 billion; but by 1977, the total has risen to over $70 billion. The forms of federal assistance also have changed, with general revenue sharing and block grants now comprising almost one-fourth of what was once an entirely categorical system. These newer grant forms also have expanded greatly the contemporary intergovernmental partnership, as virtually all state and local units are recipients of federal aid and are, therefore, bound by the accompanying conditions and controls.

As the modified version of the golden rule goes, "he who supplies the gold makes the rule," and federal aid is no exception. At least 33 crosscutting regulations routinely are attached to most aid programs. These deal with such subjects as environmental protection, relocation, citizen participation, prevailing wages, and affirmative action, and they are in addition to specific programmatic requirements.

And, federal supersessive laws—which in various ways remove jurisdiction from the states—have enlarged the sphere of federal influence and decisionmaking. Over 40 such laws have been enacted by the Congress in such diverse areas as the environment, occupational health and safety, consumer protection, civil rights, and horse protection.

These developments in federal assistance, regulations and law have increased the interdependence of federal, state and local governments. They also have raised concerns about the degree of dependence of states and localities on the federal partner. Federal aid as a percent of state and local own-source general revenue rose from 11 percent in 1957, to 28 percent in 1976. Large cities have registered the most dramatic increases. Direct federal aid as a percent of municipal own-source revenue has virtually doubled every five years over the last two decades—rising from about 1 percent in 1957 to over 23 percent by 1976 It is estimated that federal aid to cities over 500,000 population will zoom from 28 percent of their own-source revenues in 1976, to about 50 percent in fiscal 1978 (see Table 1).

Several major factors have contributed to this dramatic growth in direct federal assistance: general revenue sharing, the manpower and community development programs, and the Carter Administration's economic stimulus package. Others include:

The economic and fiscal plight of the older central cities, and the basic political fact of life that in order to win sufficient Congressional support for aid to these jurisdictions, it is usually necessary to extend federal assistance to a wide range of local governments;

The development of strong "urban" lobbies in Washington;

The relatively poor performance of the states in facilitating and assisting urban problem-solving; and

The growing hope that direct federal aid to poor cities also will help poor people.

In 1977, with a new President in the White House (whose public career has included service at both the State and local levels) and the 95th Congress convening on Capitol Hill (with new leadership and members in both chambers), these and other dynamics of the federal system were the focal point of attention by citizens and public officials alike.

TABLE 1.—DIRECT FEDERAL AID AS A PERCENT OF OWN-SOURCE GENERAL REVENUE, SELECTED CITIES AND FISCAL YEARS 1957–78

City	Fiscal years (percent)				Exhibit: per capita Federal aid [1]	
	1957	1967	1978	1978 estimate	1976	1978 estimate
St Louis	0.6	1.0	23.6	56.1	$86	$228
Newark	.2	1.7	11.4	64.2	47	291
Buffalo	1.3	2.1	55.6	75.9	163	239
Cleveland	2.0	8.3	22.8	60.3	65	190
Boston	[2]	10.0	31.5	30.2	204	219
Unweighted averages	.8	4.6	29.0	57.3	113	233
Baltimore	1.7	3.8	38.9	46.4	167	225
Philadelphia	.4	8.8	37.7	53.8	129	204
Detroit	1.3	13.1	50.2	76.8	161	274
Chicago	1.5	10.9	[3] 19.2	42.1	47	117
Atlanta	4.3	2.0	15.1	40.0	52	167
Unweighted averages	1.8	7.7	32.2	51.8	111	197
Denver	.6	1.2	21.2	25.9	90	150
Los Angeles	.7	.7	19.3	39.8	54	134
Dallas	0	[2]	20.0	17.8	51	54
Houston	.2	3.1	19.4	23.8	44	71
Phoenix	1.1	10.6	35.0	58.7	57	117
Unweighted averages	.5	3.1	23.0	33.2	61	105
Unweighted average of 15 cities	1.1	5.2	28.1	47.5	95	179

[1] Based on 1975 population.
[2] Less than 0.05 percent.
[3] Percentage based on Federal aid excluding general revenue sharing. Funds withheld pending judicial determination.

Source: ACIR staff computations based on U.S. Bureau of the Census, "City Government Finances in 1957, 1967, and 1976." Estimated city own-source general revenue for 1978 based on annual average increase between 1971 and 1976. Direct Federal grants to each city for fiscal 1978 based on (a) ACIR staff estimates of the Federal stimulus programs for 1978 and (b) Richard Nathan's estimates for all other Federal aid in fiscal 1978 as set forth in his testimony before the Joint Economic Committee on July 28, 1977.

A NEW ADMINISTRATION

A top priority of this first Carter year has been the reorganization of the federal bureaucracy, its budgeting system, and the procedures for evaluating the government's programs and operations. Three themes appeared to emerge: recentralization, consultation and effectiveness.

Reorganization or recentralization?

One of the first Presidential acts of the year was to request the Congress to re-establish the Chief Executive's authority to reorganize the Executive Branch. After considerable debate, a procedure was approved in April, enabling the President to submit plans to create, abolish, consolidate and shift agencies in various departments (within certain limitations) unless either the Senate or the House rejects the plan within 60 days after submission.

In July, the President transmitted his first reorganization plan to Congress—dealing with the Executive Office of the President. Among its features were a reduction in staff levels, consolidation of administrative service functions, elimination of some units, and the creation of a new policy management system.

The plan discontinued the Domestic Council because, in the President's judgment, it has rarely functioned as a Council, because it is too large, and its membership is too diverse to make decisions efficiently." A domestic policy staff, under the direction of an Assistant to the President for Domestic Affairs and Policy, was proposed as a replacement. This staff now coordinates a system which is designed to improve decisionmaking in the formation of domestic and economic policy. Policy agendas are recommended by a committee of Presidential advisers under the chairmanship of the Vice President, and the role of Cabinet departments in policy development has been strengthened. The President earlier had appointed a senior aide to serve a dual function as secretary to the Cabinet and as Assistant to the President for Intergovernmental Affairs.

The first reorganization plan took effect in September. A second plan, focusing on international cultural, information and education activities, went into effect in mid-December.

Reorganization plans underway

These two plans, as well as future ones, are products of the President's Reorganization Project, located in the Office of Management and Budget (OMB). This staff is organized into special study teams for developing reorganization recommendations over a four-year period. There are 31 reorganization initiatives underway. The following projects are representative of the work which could have significant impact on state and local government:

Community and local development—to review the organization and structure of the major federal programs for local and community development;

Civil rights—to strengthen enforcement of civil rights legislation and reduce the burden of formal compliance activity;

Intergovernmental management circulars—to improve the procedures covered by OMB Circulars A-85 (regulation review), A-95 (clearinghouses), and A-111 (joint funding);

Federal planning requirements—to review federal requirements for state and local planning, to promote coordination, and to minimize the burden on state and local governments;

Human services—to improve the federal organization and delivery of human services to needy families and individuals;

Paperwork reduction—to reduce federal government reporting burdens and implement the Federal Paperwork Commission's policy recommendations; and

Federal field structure—to review field coordination of interagency and intergovernmental operations.

Much of the preliminary work of the reorganization study teams is to be completed in 1978. These groups also are working in conjunction with ongoing internal department reorganizations. The degree to which some of these efforts are being coordinated, however, is not completely clear. An example here is the apparent confusion over a plan to reorganize the Law Enforcement Assistance Administration (LEAA). In early December, it was reported that the Department of Justice had urged the President to scrap the LEAA program, and replace it with a "National Institute of Justice" to conduct research and to target federal funds to high crime areas. A White House spokesman described the recommendation as "very useful," but added that the reorganization project also was preparing a report for the President. According to the spokesman, the reorganization project staff recommended that a decision on LEAA reorganization be deferred until its recommendations are submitted and reviewed.

The civil service component

Federal personnel management practices are being reviewed as well. While the vast majority of work pertains strictly to federal personnel, the Task Force on Federal, State and Local Interaction in Personnel Management also was established and substantially has completed its work. This task force has been addressing questions concerning the appropriate and inappropriate roles of the federal government in improving state and local personnel management; in mandating state and local personnel practices in such areas as collective bargaining, pensions, and unemployment insurance; and in prescribing personnel requirements as conditions to grant programs. It also is considering whether the *Intergovernmental Personnel Act* programs should be revised and the capacity building component expanded to encompass more of state-local general management.

Field office recentralizations

Of particular interest to state and local governments were the field office reorganizations in several federal departments in 1977. The LEAA regional offices were closed in September, with personnel reassigned to the central office in Washington or to one of five regional audit offices. The Secretary of the Interior's regional representative offices were abolished, and the Labor Department's regional director positions were eliminated. The number of Housing and Urban Development field offices was reduced, and the Secretary's representatives in HEW regional offices lost their program responsibilities.

These centralizing organizational realignments not only affect individual agency relations with state and local governments, they also have given rise to concerns about the White House position that the Administration is "committed to a Federal regional presence." As noted by Washington columnists Rowland Evans and Robert Novak: "Judging from his campaign emphasizing his non-Washington base and extolling government closer to the people, voters expected that one distinctive Carter label on the federal leviathan would be less, not more centralization."

Related questions have been raised regarding the continuation of the ten Federal Regional Councils (FRCs). The FRCs, which are intended to coordinate federal programs in their regions, have had a mixed record at best, and currently are on "one-year's probation" to improve their performance. The President has designated a chairman for each FRC, and the Under Secretaries Group has been reactivated to oversee their work. A decision on continuing FRCs probably will be made in late 1978. As a White House aide put it, the President "doesn't want to change the coordinating mechanism until we know what is to be coordinated."

Intergovernmental consultation initiatives

According to Jack H. Watson, Jr., Assistant to the President for Intergovernmental Affairs, "there is virtually nothing that the Federal Government does, domestically certainly, that does not involve the immediate participation and partnership of state and local governments." Within five weeks of assuming office, the President directed the heads of all executive agencies and departments to make provisions for a "genuine and timely" consultative process with state and local officials, noting that:

"State and local sectors constitute the delivery mechanisms for *most* of the actual services the federal government provides;

State and local concerns, as well as their expertise, should be considered as programs are being developed in order to ensure the practicality and effectiveness of the programs;

Such early participation by state and local officials in our planning proces will help ensure broad-based support for the proposals that are eventually developed; and

It will ensure that priorities developed at the federal level will work in conjunction with, and not at cross purposes to, priorities at the state and local level."

By mid-September, the President also had directed the heads of all agencies having extensive contact with state and local officials to designate a senior staff person for liaison with those officials in the development of policy. These officials have been named, and their names published in the *Federal Register* and disseminated to state and local officials. As a further extension of the President's directive, Commerce Secretary Juanita Kreps not only designated a key aide to act in the "liaison" capacity, but also established the Office of State and Local Government Assistance to help facilitate state and local contact with the various activities and programs of her department.

In November, a draft Executive Order was published in the *Federal Register* focusing on state and local participation in the development and promulgation of federal regulations with significant intergovernmental impact. The draft order stated that "regulations should be as simple and clear as possible," should "achieve legislative goals effectively and efficiently," and "should not impose unnecessary burdens for the economy, on individuals, on public or private organizations, or on state and local governments."

The effectiveness quest

Closely associated with reorganization efforts are various Administration initiatives to increase the effectiveness of the federal government's programs and operations.

Budgeting. "Zero-based" budgeting (ZBB) is one of the most heralded of these initiatives, and is being utilized during the preparation of the first "Carter budget" for FY 1979. ZBB techniques have been used by businesses for several years, and first were applied to government in Georgia during the first term of then Governor Jimmy Carter. While it is too early to rate the success of ZBB, Administration spokesmen do say that "an honest try" was made during this first year and that the process fulfilled its promise in some agencies.

Critics of ZBB, however, argue that this approach may be inappropriate. Robert W. Hartman of the Brookings Institution, for example, has contended that it "makes no sense" to rank the food stamp program against research within the Department of Agriculture, when it is not ranked against HEW's welfare programs. Hartman main-

tains that ZBB concentrates attention on the budget for the coming year, which largely is "locked in place," at the expense of a focus on multiyear budgeting—another Carter goal. He suggests that the best method for identifying budget reductions "should be specially designed approaches in different areas."

The first year's experience of ZBB will be evaluated during the months ahead. One concern is state and local involvement in the ZBB process for future fiscal years, since some believe that in view of the substantial amount of the budget that is considered "uncontrollable," grant programs to states and localities may be the most susceptible to change.

In addition to ZBB, three other features characterize the Carter Administration approach to the federal budget:

Multiyear budgeting—the goal is to move to a two to three-year budget focus in an attempt to evaluate the "out-year" implications of "close-year" decisions;

Better use of existing programs—the view is that unless the existing program base is sound, additions to that base will be ineffective and a waste of resources; and a

Balanced budget by 1981—according to Administration spokesmen, the President "understands the implications—both economic and political" of working toward a balanced budget by 1981; however, he is still committed to it, "and will do nothing now to jeopardize that goal."

Achievement of a balanced budget by the end of the President's term is easily the most controversial of the budget goals. It is of particular concern to local and state officials who are calling for an increase in domestic aid programs. In an appearance before the Joint Economic Committee in early December, Congressional Budget Office (CBO) Director Alice Rivlin cautioned that continuing attempts to reduce unemployment through economic growth would preclude balancing the budget by 1981.

The Grant System. The grant system is the second area in which greater effectiveness is being sought. In early September, the President announced plans for what he termed "a concentrated attack on red tape and confusion in the Federal grant-in-aid system."

Several actions were initiated to simplify planning, application and reporting requirements. Agencies were directed to ensure that standard application forms are used and are widely available, that grantees be required to submit only an original and two copies of applications or reporting forms, that reports be combined or eliminated where possible, and that federal agencies share information among themselves rather than requiring grantees to provide the same data more than once. Earlier, a June directive had focused on a "zero-based review" of all federally imposed planning requirements, with the intent of substantially reducing them by the end of the year.

In the area of financial management, the President directed OMB to review "advance funding" for five programs. In December, OMB announced that it would recommend advance funding for three of the programs—maternal and child health care, aging, and vocational rehabilitation—in the FY 1979 budget. The Treasury Department also expanded its use of letters-of-credit, and is identifying additional programs which could benefit from electronic fund transfers.

Growing financial interdependence has led to stepped-up audit activity at all government levels. Federal agencies have been directed by the President to make their audit schedules systematically available to grantees and to public and private auditors; to conduct single audits wherever possible; and to increase their reliance on state and local audits.

Improvement of federal administrative regulations—long the bane of state and local officials—is another component of the grant system reform package. In addition to being written in clearer and simpler language, state and local officials are to be consulted during the drafting process. Regulations are to be changed less frequently and made less complex. Uniformity of administrative requirements for all grant programs administered by a single department remains an objective.

The final area of administrative reform of the grant system concerns those crosscutting requirements designed to achieve specific national goals. At the President's request, an effort has been launched by the Community Services Administration, the Equal Employment Opportunity Commission, and the Council on Environmental Quality to bring order out of the chaos of regulations dealing with citizen participation, civil rights, and environmental protection. These agencies are charged with identifying redundancies and gaps so that more uniform and simpler requirements may be developed.

The President also has asked ACIR to "suggest appropriate ways to further streamline federal aid administrative practices." In one area, ACIR has recommended the consolidation of categorical grant programs, and preliminarily has identified 172 programs which could be merged into 24 functional areas. ACIR also has urged that the President be authorized to submit consolidation plans to Congress in a manner similar to that now used for Executive Branch reorganization plans. In addition, ACIR will undertake a federal aid monitoring project, an idea that was conceived by the White House Intergovernmental Affairs Office during its survey of federal aid administration earlier in the year. The one-year experiment will provide a mechanism to obtain information from state and local officials about federal aid administration problems, and will serve as an "early warning system" for identifying friction points and as a feedback mechanism to federal agencies.

THE "URBAN CONNECTION"

One of the most publicized—and at times criticized—initiatives during the first Carter year was the development of an urban policy. To be sure, there is an abundance of urban policies being carried out by federal departments and agencies. These policies, however, often are disjointed and inconsistent with one another. The tension between programs aimed at rebuilding central cities and those stimulating suburban growth is the classic example.

In March, the President formed a Cabinet-level Urban and Regional Policy Group (URPG), chaired by HUD Secretary Patricia Harris. The charge to the group was to prepare an "urban strategy," with its first task being the formulation of an urban program that would be incorporated into the President's State of the Union Message in January 1978. However, the pace and character of the group's work have come under attack from such groups as the National Urban League, the AFL–CIO, the Congressional Black Caucus, and the National League of Cities.

On the one hand, black leadership and labor groups contended that too much time was being devoted to research and not enough emphasis was being given to "action oriented results." It has been speculated that pressure from these groups—particularly from the National Urban League—contributed to a reorientation of the URPG's work, and to White House encouragement for a speedier process and greater involvement in the project. On the other hand, the National League of Cities (NLC) cautioned that more time would be necessary to do a credible job. The NLC also criticized the "narrow scope" of the group's focus, noting that such issues as crime, education and energy which will not be addressed by the URPG are integral parts of the urban scene and must be considered as part of an overall policy or strategy.

Questions also have been raised about some of the group's specific proposals, such as the use of tax incentives and the establishment of an urban development bank ("urbank") to promote development in distressed cities. Proponents contend that tax incentives would be the most effective tool in aiding urban development. However, critics maintain that new tax incentives would add loopholes to the tax code at the very time the President wants to reduce them. Concomitantly, the urban proposal, a decades-old concept, has been termed a "slogan in search of a prorgam." George Sternlieb, a noted urban analyst, recently observed: "If we are truly serious about revitalizing the central city in a market context, the limited range of functions of financing mechanisms that I have heard addressed under the title 'urbank' are nonsense. And they will be very costly nonsense."

These developments are indicative of the frustrations surrounding the formulation of an urban policy which must not only address the fiscal and physical deterioration of cities, but the security and well-being of their citizens as well.

The first draft of the URPG's report was released in November and described urban problems and possible solutions only in general terms. A second draft was submitted to the White House in early December. However, it was rejected by the President on the basis that it was only a "laundry list" of policy proposals and programs and that it failed to establish priorities or set forth bold ideas. He requested that consideration be given to redesigning existing programs rather than simply expanding them or creating new ones; and that provisions be made for a stronger state role, including federal funding to implement comprehensive state growth strategies, the earmarking of general revenue sharing funds, and incentives to coordinate federal and state aid now directed to major urban areas. A third draft is to be prepared by the URPG and White House staff. It now is anticipated that the President's National Urban Policy Report, scheduled for March, will contain broad statements of principle, with a more detailed program to follow later in the year.

Urban policy issues also have been basic to the planning for the 1978 White House Conference on Balanced National Growth and Economic Development. The conference has been organized around six broad themes focusing on economic development, government structure, and fiscal capacity and service delivery problems. ACIR participated in the development of the "streamlining goverment" them by preparing background papers, a discussion guide, and reports on the workshops.

Without waiting for these longer range policy efforts, however, the Federal Home Loan Bank Board, working with the White House, proposed new regulations to prohibit mortgage credit practices which discriminate against older neighborhoods, commonly referred to as "redlining." Specifically, the proposed regulations—applicable to savings and loan institutions, which make more than half of all mortgage loans—prohibit unjustified discrimination in mortgage lending based upon the age of the dwelling or neighborhood in which it is located; require written nondiscriminatory underwriting standards and periodic review of advertising and marketing practices; and prohibit discrimination based on the marital status or age of a loan applicant, or the fact that an applicant receives public assistance. It is anticipated that the proposed regulations will meet with serious opposition from the savings and loan community.

Several committees of Congress also have brought attention to the urban dilemma. A report issued by the House Subcommittee on the City, chaired by Rep. Henry Reuss (WI), termed the federal budget as probably being "the single most important document affecting the well-being of American cities." The report urged the House Budget Committee's Task Force on State and Local Government to "press for active OMB participation in a cooperative effort to improve analysis of budget decisions affecting cities."

The report also noted that neither the Executive Branch nor the Congress systematically considers the impact of the budget on cities, especially central cities, as part of the budgetmaking process. The study continued that OMB appears "reluctant" to expand the special analysis of how much money goes to state and local units, and called for a breakdown of federal dollars flowing into cities of different sizes, suburban communities, and nonmetropolitan areas. The report also urged that the Urban and Regional Policy Group give high priority to the development of a budget impact statement for cities. The Administration now does intend to prepare an "urban budget" for FY 1979. This budget analysis is to include the programs and activities of those agencies with an urban orientation—HUD, DOT, DOL, HEW and Commerce—in an attempt to "more readily identify the substance, quality and quantity of federal aid allocated to major urban areas."

The House Sub-Committee on Housing and Community Development (also of the Committee on Banking, Currency and Housing) has shown similar interest. In February, its Chairman, Rep. Thomas Ashley (OH), established five urban affairs task force to develop policy and legislation. These groups are addressing home ownership and the role of the federal government, neighborhood preservation and rehabilitation, community development, fiscal problems and disparities, and housing subsidies and income maintenance programs.

In August, the CBO released a report entitled *Troubled Local Economies and the Distribution of Federal Dollars*. The report responded to a request from Representatives Elizabeth Holtzman (NY) and Louis Stokes (OH) for an analysis of federal spending, with an emphasis on geographic distribution and the relative well-being of recipient local economies. The study categorized local economic problems into two general areas: those related to low income and those resulting from low economic growth. While the characteristics of individual localities vary, two paradoxical patterns emerged:

Low income appears to be concentrated in the south and southwest regions, despite fairly high growth rates in recent years, and

Low economic growth is a condition in the northern regions (New England, Great Lakes, and mid-Atlantic), but personal incomes are relatively high.

These two patterns highlight yet another concern which has expanded—regionalism. The diverse economic trends in various parts of the country have led some pundits to coin phrases such as "the Second War Between the States" and "Sunbelt vs. Frostbelt." The controversy implied by these terms has tended to center on the role that federal aid and direct outlays, and national policy play in regional economic disparities.

Regionalism has spawned at least a dozen regional organizations of state and local public officials in the past few years—including the Coalition of Northeast Governors, the Council for Northeast Economic Action, and the Southern Growth Policies Board. ACIR also is researching the influence of federal policy on regional economic trends, and the potential role of federal policy in ameliorating or reversing undesirable implications of regional economic trends.

THE VIEW FROM THE HILL

The 1977 Congressional year was dominated by the increasing concern over an uncertain economy, and by long-standing environmental and energy issues. While Congress did approve the President's proposal for the Department of Energy—the first new Cabinet department in over ten years—much of the Congressional agenda was, in the end, side-tracked by the preoccupation with the President's proposed energy policy.

Enactments, deferrals, and disagreements

Several program initiatives of particular significance to state and local governments were approved by Congress during 1977:

The "Economic Stimulus Package" was approved and funded at a $20 billion level. It consisted of a three-pronged attack on the recession involving local public works, public service jobs, and countercyclical general revenue sharing. A one-year extension of the Comprehensive Employment and Training Act of 1977 (CETA) was approved, and funded at a level of $7.98 billion as part of the economic stimulus package. The appropriation more than doubled the number of job slots previously funded.

The Youth Employment and Demonstration Projects Act of 1977 authorized four new programs under CETA: youth incentive entitlement pilot projects, youth community conservation and improvement projects, youth employment and training programs, and the young adult conservation corps. The legislation initially will provide for about 200,000 jobs and training slots, and will be funded at a level of $1 billion, earmarked from the economic stimulus package.

The new Housing and Community Development Act of 1977 increased funding for the existing community development block grant program, and for rental assistance and public housing. The act also created a new initiative to aid the most hard-pressed urban areas—the Urban Development Action Grant Program, authorized at $400 million for each of three years.

The fiscal year 1978 appropriation for the Intergovernmental Personnel Act (IPA) was approved at a $20 million level, an increase of $5 million.

A National Commission on Neighborhoods was established to study the factors contributing to the decline of neighborhoods. The 20-member commission will work over the next two years to analyze the effect of government policies on neighborhoods; identify the administrative, legal and fiscal obstacles to neighborhood growth; and analyze the impacts of private and public investment.

The Federal Program Information Act will set up a computerized information system within OMB to disseminate more reliable data on domestic assistance programs to state and local officials in a more timely manner.

Congress did not complete its deliberations on a number of other proposals which would alter the fiscal and functional roles of all three governmental levels. These include:

A key part of the Carter Administration's proposed welfare reform is the creation of up to 1.4 million public service jobs. Of major interest to states and localities is a provision for $2.1 billion in fiscal relief grants during the first year. Half of the relief would go to New York and California; eight states would get $1 million or less. States would be required to pass through this fiscal relief to local governments in proportion to the localities' contributions.

The Program Evaluation Act, commonly known as the "sunset" bill, has been the source of continuing controversy, and has been stalled in the Senate Rules and Administration Committee since last summer. Under the proposal, nearly all federal departments, agencies and programs would be reexamined every six years by Congress. Any agency or program which did not receive affirmative legislative reauthorization action would be terminated automatically. Exempted from the measure are social welfare programs such as Social Security and Medicare. Over 50 sunset bills are before various House committees, and no action is expected until the Senate passes a bill.

The Federal Grant and Cooperative Agreement Act is designed to reduce the confusion between the usage of grants, contracts and cooperative agreements by federal agencies.

The Municipal Bond Disclosure Bill was introduced in late 1977, and would require state and local governments to disclose key information when they issue new securities. In addition, units with debts in excess of $50 million would be required to prepare annual reports on their operations, finances and budget procedures.

The Intergovernmental Coordination Act would establish a national policy on areawide planning and coordination, and strengthen the state and local role of federal planning programs. The measure also would beef up the A-95 review process.

Conferees already have approved a number of energy-related proposals, such as an extension of the state energy conservation program, technical assistance grants to states and localities for conservation activities, and a matching program for conservation in schools and hospitals. Intergovernmental issues include utility rate reform, coal conversion provisions, regulation of inter- and intrastate natural gas prices, and various energy taxes.

The list of caucuses lengthens

One of the more interesting intergovernmental developments in Congress during 1977 has been the emergence and activities of even more special interest caucuses. For example:

The Rural Caucus, composed of 101 Congressmen, was founded in 1973 to "insure orderly growth and development of rural communities." The caucus held its first conference in 1977 to help dramatize the needs of rural areas and to urge full funding for Rural Development Act programs. Approximately two-thirds of the Nation's substandard housing is located in rural areas, and it is expected that the caucus actively will support the reintroduction of the proposed "Rural Housing Act of 1977" early in the 1978 session.

The Steel Caucus was formed in late 1977 to provide "a strong watchdog to protect this endangered basic American industry." The caucus became quite active when steel plants closed in several cities, allegedly because of unfair foreign competition.

The Suburban Caucus was formed in October to support tax relief for suburbanites and more federal projects for middle income families who live outside cities. The primary impetus for the group came from Rep. Ronald Mottl of Ohio when 22 suburban communities in his district failed to receive money during the second funding round of the Public Works Act. The caucus has a potential membership of 150 Congressmen whose districts have 60 percent or more suburban population.

These caucuses, some of which have overlapping membership and at times competing interests, join such other groups as the Irish, Black, Blue Collar, Port, Hispanic and New Members Caucuses; and the Northeast-Midwest Economic Advancement Coalition. The emergence of these special interest groups adds a new dimension to the competition for favorable Congressional action—including the sweepstakes for federal aid and the articulation of an urban policy.

Thus, there already is important grist for the 1978 federal legislative mill, as the Congress and the President consider economic recovery, tax reform, urban policy, and other major issues. If the past is prologue, the outcome of these deliberations will have significant implications for the condition of Ameri-

can federalism. In particular, the actions in 1978 should provide a clearer indication of whether the tilt toward Washington will continue and how far it is likely to go.

How Many More New Yorks?

(By Terry Nichols Clark)

(New York may be the first, but not the only city to suffer severe financial strain. But disaster is not the ineyitable result for all American cities.)

Is New York the "bellwether" city for America in its financial difficulties? If others follow New York's path, their futures will certainly be bleak. Many observers, especially those based in Manhattan, have suggested that other cities must be close behind. But, what is the evidence?

This was the first question my associates and I posed a few months ago.* To answer we used the Permanent Community Sample, fifty-one cities (municipalities) chosen as representative of the places of residence of the American urban population. About half are central cities and half suburbs, with populations as low as 50,000. We have monitored these sample cities for eight years, conducting interviews with local leaders using the staff of the National Opinion Research Center, and continually updating socioeconomic and fiscal data. For our work on fiscal strain in American cities, data for New York, Chicago and Los Angeles were added.

There is no single thermometer to test for fiscal health. We therefore computed most measures used by municipal finance analysts.* * *

TABLE 1

	Municipal fiscal strain index	County area fiscal strain index
New York	165.03	122.91
Boston	128.82	100.16
Newark, N.J	105.91	97.79
San Francisco	102.97	95.25
Albany, N.Y	102.88	115.99
Buffalo, N.Y	89.00	71.59
Atlanta, Ga	87.29	64.45
Cambridge, Mass	81.44	40.08
Malden, Mass	81.13	55.15
Seattle	79.34	59.09
Waterbury, Conn	78.88	60.21
Jacksonville, Fla	73.69	22.89
Utica, N.Y	72.41	74.66
Los Angeles	68.27	46.05
Akron, Ohio	63.57	41.69
Memphis, Tenn	60.28	40.48
Birmingham, Ala	60.08	15.59
St. Louis, Mo	58.76	54.76
Manchester, N.H	58.20	42.63
Palo Alto, Calif	55.67	42.49
Chicago	55.33	56.55
Pasadena, Calif	54.47	44.26
St. Paul, Minn	54.16	96.86
Minneapolis	51.35	63.95
Long Beach, Calif	49.67	44.43
Pittsburgh	48.35	55.06
Milwaukee	45.38	58.46
Tampa, Fla	44.27	49.80
Phoenix, Aria	42.38	30.30
Tyler, Tex	40.89	39.87
Charlotte, N.C	39.95	33.65
South Bend, Ind	39.24	35.47
Waco, Tex	38.67	18.24
Indianapolis	38.65	36.65
Fort Worth	38.65	38.23
Euclid, Ohio	36.64	41.54
Santa Monica, Calif	35.39	39.24
Schenectady, N.Y	32.68	40.35
Bloomington, Minn	32.33	61.02
Irvington, N.J	32.04	75.21
St. Petersburg, Fla	32.03	16.69
Hamilton, Ohio	30.80	51.82
Hammond, Ind	30.60	35.83
Berkeley, Calif	29.81	52.25
Clifton, N.J	27.85	26.83
San Jose, Calif	25.95	56.56
Duluth, Minn	25.32	55.05
Gary, Ind	21.21	31.38
Waukegan, Ill	20.70	28.05
Warren, Mich	20.43	43.51
Salt Lake City	18.99	19.74
Amarillo, Tex	18.05	21.46
Fullerton, Calif	13.25	35.90
Santa Ana, Calif	10.53	39.73

Note to Table 1: Both indexes, as described in the text, sum the *z* scores for four separate indicators of fiscal strain. Five was then added to make all scores positive, and the result multiplied by ten. Consequently, if a city was precisely at the mean on all eight fiscal strain indicators, it would receive a score of fifty on both of the indexes.

The four indicators summed to create the County Area Index were (1) per capita overlapping long-term debt; (2) per capita overlapping short-term debt (both for the municipality, school district. special district, and county governments); (3) overlapping revenues (for these county area governments plus the per capita share of total state revenues); (4) tax effort (county area total revenues/ municipal taxable property value).

The Municipal Index data were for 1973–74, County Area data for 1971–72. Both were the most recent comparable figures available in April 1976 from the U.S. Census (Finances of Municipalities 1973–74 and the U.S. Census of Governments, 1972, Vol. 4, No. 5). Some municipalities, school districts, and special districts are coterminous with a county, others are not. Measurement error is thus introduced into the County Area Fiscal Strain Index which indicates the average level of fiscal strain for the entire county area.

Region. Cities in the Northeast and Midwest were not distinctly high in fiscal strain.

These four results initially surprised us as they directly contradict the common wisdom that large, declining, older cities of the Northeast and Midwest suffer most fiscal strain while the "Sunbelt" cities are fiscally sound. New York, Boston, Newark and Albany are, in fact, under great fiscal strain, but Waukegan, Hammond, Schenectady and Pittsburgh are fiscally sound. More important than these first four characteristics are others, which do make significant, independent contributions to fiscal strain when the above four (and others) are controlled.

The Tax Base. Cities with lower taxable property values suffer greater fiscal strain. This time the folk wisdom is sustained.

Poor Residents. Cities with higher percentages of families with annual incomes below the federal government's definition of "low" ($3,388 in 1969) suffered greater fiscal strain. However, New York is not unusual in having 11.5 percent of its residents classified as "low-income"—Chicago had 10.6 percent below the line, Memphis 15.7 percent, Birmingham 17.4 percent and Newark 18.4 percent. We note in passing that New York also does not have an exceptionally high percentage of welfare recipients (12.4 percent compared to 11.1 percent in Chicago, 16.9 percent in Boston and 14.4 percent in Newark—data for county areas in 1974).

Are all New Yorkers "poorer" because of a higher cost of living? Only a little. The Bureau of Labor Statistics provides an Intermediate Family Budget Index on which New York ranks 116, above Chicago (103) and San Francisco (106), but similar to Boston (117) and Newark (116).

THE IRISH FACTOR

A few years ago, it was discovered, almost by chance, that the percentage of city residents born in Ireland or with one or more parents born in Ireland, was highly related to municipal spending. We initially thought it was spurious and contemplated dropping it out of the study after controlling for elements like having a strong Democratic party or population size or city age. But although we introduced twenty-six such variables to the study and checked the same pattern in 1880, 1930 and 1968, it held strong.

Why? To construct a meaningful answer, we analyzed several surveys of the American population.[1] For example we classified the places of birth and names of all municipal employees in Albany by decade—from 1870 to 1970. The percentage Irish dipped dramatically about 1900 when the Republicans came to power, but from 1920 to the present the figure rises continually to about 50 percent. Dan O'Connell has astutely led Albany's Democratic party for the entire period. Using another approach, a survey asked four questions of 3095 Americans: if they had ever worked for a party or candidate in elections, attended political meetings, contributed money, or tried to persuade others about a candidate or party. The four items were combined in a campaigning index on which Irish Catholics scored 37, Slavic Catholics 15; most other groups were under 5.

Although they comprise only 4 percent of the American population, Irish Catholics have exerted an impact on municipal politics and finance that far transcends their numbers. It has been a style distinguished not by abstract ideology, but by a dense network of friendship and social relations. On several surveys, Irish Americans report they are usually *sociable* ("like to do things with others"), trusting ("think most people can be trusted"), *localistic* (prefer a local man), *practicing Catholics* (over 90 percent attended weekly Mass and sent their children to parochial schools in the 1960's, compared to about a third of Italian Americans) and *socially conservative* (in favor of compromise and moderate solutions). Together these five sets of beliefs comprise what we have called "the Irish ethic." Reinforced by such organizations as the Democratic Party and Roman Catholic Church, it helps support a distinctive style of politics. Patronage is central. Most important, the emphasis on friendship and enduring social contacts (the Irish ethic) makes patronage politics legitimate. For example, when Mayor Daley was recently criticized by the press for awarding insurance contracts to his sons' firm, he replied "What's wrong with a father helping his son?" Imagine the same response from Mayor Lindsay! The important point here is that Mayor Daley was not being hypocritical, but essentially reflecting the Irish ethic. The ethical consistency of Richard Daley far transcends that imagined by many of his critics.

Personal network, and rewards for party work and campaigning activities, have increased municipal payrolls for Irishmen and their political allies. The pattern is familiar in Chicago; more striking was to learn how important it was nationally. Indeed, although previous discussions of municipal finance have generally ignored the Irish, we found that the percentage of Irish residents in the municipality was often the most powerful single variable predicting fiscal strain. Certainly the Irish ethic is not unique to the Irish, but along with some knowledge of English and slightly earlier arrival in the U.S., it helped the Irish in urban politics. If Italian-Americans, blacks and others are succeeding the Irish in many American cities, they often follow similar patterns of governance.

THE LEADERSHIP FACTOR

Chicago may be unique with its highly organized Democratic Party, but other cities

*For more detail, see: Terry Nichols Clark, Irene Sharp Rubin, Lynne C. Pettler, Erwin Zimmerman, "How Many New Yorks?—The New York Fiscal Crisis in Comparative Perspective," Research Report No. 72 of the Comparative Study of Community Decision-Making.

[1] See Terry Nichols Clark, "The Irish Ethic and the Spirit of Patronage," *Ethnicity*, 2 (1975), pp. 305–359.

still use related leadership and decision-making patterns. These significantly affect fiscal strain.

Strong Mayors and Weak Businessmen. In interviews conducted with local leaders in each of the fifty-one cities, we asked about the importance of different actors for such decisions as mayoral elections, floating municipal bonds, antipoverty and urban renewal programs. Two major actors were mayors and local businessmen. They were assigned scores for their importance in these decisions. Cities with moderately strong mayors and weak businessmen suffered greater fiscal strain.

Union Contracts. About half the cities had signed collective-bargaining contracts with the American Federation of State, County, and Municipal Employees. Those that had scored higher on fiscal strain.

Numerous Municipal Employees. The (per capita) number of municipal employees in each city working in the nine common functions discussed above was computed. It was adjusted for basic socioeconomic characteristics of the city (taxable property base, percentage poor, etc.) The result was a standardized score indicating the number of municipal employees above or below what one would expect in the city based on its socioeconomic characteristics. Albany scored highest (+2.58), San Jose and Santa Ana lowest (−1.2, −1.4), zero was average. This Index of Overstaffing also correlated positively, as expected, with the percentage of Irish residents and with fiscal strain.

Tax Collection Rates. We sought a measure of sound fiscal management that could be used across cities, and found that cities vary substantially in the percentage of levied taxes collected. Boston was lowest, collecting only 85 percent of all taxes levied, whereas many cities collect 99 percent or more. (New York collects 94 percent [2]).

These five dimensions of local leadership are generally interrelated; that is, cities with strong mayors also tend to have weak businessmen, union contracts, numerous municipal employees, and low tax collection rates. We thus combined the five dimensions in a single Index of Political Leadership. It was one of our strongest predictors of fiscal strain. The basic pattern looked like this:

"Numerous Irish residents—high index of political leadership—high capital outlays—fiscal strain."

CAPITAL OUTLAYS

The distinction between municipal operating expenditures (salaries, etc.) and capital outlays (normally for highways, public buildings, and so forth) is important. Cities can issue bonds to finance capital outlays, whereas operating expenditures must be funded from taxes and revenues for the same fiscal year (according to most state laws). In 1960, Chicago's capital outlays were $42 per capita; in 1974 they were still $42 per capita. By contrast, New York's capital outlays were $54 in 1960, but they jumped to $153 in 1973 and to $195 in 1974. The average for our fifty-one cities in 1974 was $60. Cities were often high on capital outlays if (as in the diagram) they had numerous Irish residents and a high score on the Index of Political Leadership. High capital outlays, in turn, lead to fiscal strain.

This is perhaps obvious—if you build new capital facilities and pay for them by borrowing, eventually interest payments on the debt can strain the budget. The story is familiar for New York, where the problem was compounded by supporting certain operating expenditures using the capital budget. What deserves emphasis is that in New York as elsewhere, one of the most important and direct causes of fiscal strain is high capital spending in earlier years. Supporting projects like the reconstruction of Yankee Stadium can cause more fiscal strain than supporting the poor.

PREDICTING FISCAL STRAIN

The most consistent message of these findings is that local leadership can make a substantial difference. Fiscal strain is greater on local officials in cities with weak tax bases and large numbers of poor residents. But some cities are fiscally healthy (like Pittsburgh, Schenectady and St. Louis) even though they share many socioeconomic problems with Boston and New York. If the leadership characteristics we have isolated are crucial in explaining fiscal strain, and some cities are fiscally sound, one might conclude that at least some cities can solve their own problems without major assistance from higher levels of government. This is not to argue against more federal and state assistance, especially for programs like higher education, which affect the entire society as students migrate, or income transfer programs which people can migrate from to avoid supporting.[3] But as far as the fiscal well-being of American cities is concerned, the evidence suggests that much can be done at the local level.

In many cities in the past, only the financial officials paid close attention to fiscal difficulties. The major elected officials are now focusing more attention on such matters with support from the press and local citizens. Comparisons with past fiscal performance for the individual city are useful; so are comparative rankings. Increasingly, officials will have to try to spot fiscal overburden before the situation becomes critical.

If this is to be done reporting will have to be improved. Even many elected officials, not to mention municipal employees and citizens, have only a cloudy picture of their local finances. Current reporting of fringe benefits for municipal employees, pension provisions, and short-term debt is also poor (although improving). City workers might appreciate their jobs more if they knew just how much they received in fringe benefits and pensions. The municipal bond market could charge cities less interest if it were clear that their finances were sound.

The city tax burden must be kept competitive if fiscal strain is to be avoided. If local leaders do not compare their tax burdens to those elsewhere, citizens and firms do. Newer towns and suburbs in the "Sunbelt" are growing for many reasons, but one seems to be their low tax rates. Given free migration, if any city deviates too far from the others, it is likely to lose residents and firms. This has been happening to Boston, New York and many cities in the Northeast and Midwest for some time. But, not to all of them. From 1970 to 1974, Chicago's Cook County lost about 2 percent of its population, as did Los Angeles County, while New York's five boroughs lost 4 percent.[4] If the sunny California weather is more pleasant than wintry breezes off Lake Michigan, the taxes are still lower in Chicago. The average per capita taxes and charges paid to all local and state governments for residents in the three county areas were approximately $765 in Chicago, $849 in Los Angeles and $1064 in New York. They were less in Jacksonville, Fla. ($536), and Fort Worth ($439) and Tyler ($474), Texas.

City officials must watch particularly closely the municipal payroll as well as capital expenditures. These are the two largest items in most city budgets. And, unlike welfare or Medicare, cities must rely primarily on local taxes and charges to support their employees. Capital expenditures can be eased through borrowing, but interest payments can obviously become burdens. Even if local officials are largely autonomous in payroll and capital expenditure decisions, some cities always seem to spend more, despite the wishes of leaders and citizens. What can be done?

CENTRALIZATION AND "PUBLIC-GOODS"

Until recently, New York represented an extreme but not unique case of decentralized decision-making. "Decentalized" is here used to refer not to neighborhood participation, but to the involvement of numerous organizations and individuals in basic municipal decisions. The mayor of New York generally was only one of many participants in decisions. If LaGuardia built up a substantial following, Lindsay never succeeded. He, like many other actors in a decentralized context, had to provide a continual flow of benefits to piece together one fragile coalition after the next—which is expensive.

The situation was similar in turn-of-the-century Chicago. Construction firms and others complained that aldermen could not be "bought" for more than one vote at a time. A political organization gradually developed that coordinated the votes of aldermen. Today, unlike New York and other more decentralized cities, in Chicago both the mayor and the voters know that Richard Daley is responsible for major decisions. He can and does say no to demands for spending, because he is strong enough to say no. Few mayors are, and Chicago, as Table 1 indicates, is fiscally sound.

If few Americans would welcome back political machines of the Tammany variety, they might nevertheless consider some of the advantages derived from giving mayors—or someone—enough legal authority to govern effectively.[5]

Goods provided by government may be classified along a continuum from "public goods" to "separable goods." Public goods, or, in this case, "bads" like air pollution or municipal bankruptcy, are shared by citizens throughout a city. By contrast, separable goods, like jobs or housing, are allocable to distinct individuals or interest groups.

Thus, the comparison of Chicago and New York may be restated more abstractly: centralization encourages public goods, but decentralization generates separable goods. To achieve the public good of fiscal health, centralization helps. It obviously is not suffi-

[2] However, this ratio is affected by the tendency in some cities, like New York City, to knowingly extend property tax levies against nontaxable property which is then fictitiously shown as delinquent. The purpose of this is to permit a greater volume of seasonal borrowing in the form of tax anticipation notes.

[3] There is a misconception which should be corrected—that is, most welfare costs have already been taken over by federal or state governments. Nationally, local governments pay only about 6 percent of public welfare from locally raised funds; New York City, because of its peculiar method of handling Medicaid, pays about 8 percent (1973–74).

[4] "Estimates of the Population of Metropolitan Areas, 1973 and 1974, and Components of Change since 1970," Current Population Reports, P-25, No. 618 (January 1976). Population data here and fiscal data below are for county areas.

[5] Although we reported above that cities spent more if the mayor was stronger, strong was only relative to other cities. In virtually all major cities except Chicago, the mayor is relatively weak—at least by comparison with a president of a private firm. Mayors are thus much less able to choose a desirable level of spending and stick to it. See John P. Kotter and Paul R. Lawrence, *Mayors in Action* (New York: Wiley-Interscience, 1974) for documentation. This has happened by political if not literal fiscal default in New York. Creating the Municipal Assistance Corporation and Emergency Financial Control Board centralized power. They stand behind the mayor and help govern without having to respond to the demands of all interest groups in the city.

cient. But, unless enough authority is given to someone to confront the big issues, no one will. Instead, local officials usually become so caught up in responding to day-to-day demands that thinking beyond next week seems Utopian. Yet it is hard for most local leaders to survive otherwise.

Centralization also helps to hold down costs because leaders will be less responsive to immediate demands. Over the last decade, some people have held that "democracy" is defined by immediate response to forceful citizen demands especially from the poor. By now the short-sightedness of this view should be apparent: fiscal strain often follows.

Many American cities are declining; their economies are stagnant and their population in decline. The New York fiscal crisis may have the salutary effect of frightening people enough to consider new modes of urban governance. To effect the sorts of dramatic changes that are taking place in New York, someone, most likely the mayor of a MAC-style committee, must be given more authority. There are many well-known legal alternatives: a longer term of office as well as broader veto, spending and appointment powers. The civil service structures have been criticized by several commissions; they now largely tie the hands of chief executives. Centralization need not imply a larger budget or staff. Indeed, given the leveling of population, in the next decade mayors are likely to distinguish themselves by creatively doing more with less. But unless mayors have sufficient authority to implement such productivity improvements, they are unlikely to consider them seriously.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Under the previous order, the Senate will now resume consideration of the resolution of ratification of executive N, 95th Congress, 1st session.

Under the previous order, the Senator from Ohio (Mr. METZENBAUM) is recognized for not to exceed 30 mniutes.

Mr. METZENBAUM. Mr. President, the treaties now before the Senate for advice and consent are the end result of one of the longest and most painstaking diplomatic processes in the history of our country. For 14 years, negotiators representing four American Presidents of both political parties have worked with this issue. They have been meeting with their Panamanian counterparts to reconcile our fundamental interest in an open, efficient, secure, and neutral canal with Panama's passionate desire to change what the people of that country have long considered to be an outmoded and unequal relationship with us.

It is now nearly half a year since President Carter and Chief of Government Torrijos signed the treaties. In that time, every detail of these agreements has been subjected to the most intense scrutiny. The Committee on Foreign Relations heard 92 witnesses in 15 days of hearings. The full Senate has devoted hundreds of hours to the canal. Treaty opponents have had ample opportunity to raise objections to the agreements. They have done so with great vigor.

All of this is as it should be. The canal issue is complex. It is difficult. It arouses strong emotions in this country and abroad. Our resolution of this issue will say much to the rest of the world—and above all, to Latin America—about the kind of country we are and the kinds of relationships we want to have with our neighbors.

Mr. President, I believe that the treaties are in the best interests of our country and that—after all is said and done—is the critical question. In some instances, what is right does not always accord with a nation's national interest. But in this instance, it is both right and in our national interest that the treaties be ratified. I intend to cast my vote for ratification.

The Panama Canal treaty that is now in effect was concluded 75 years ago in an international environment that no longer exists. In the world of 1903, two great imperial powers—Britain and France—controlled empires of unprecedented size and diversity. A majority of the independent nations whose flags today fly in front of the United Nations Building in New York did not exist in 1903. The idea of independence had begun to gather strength in some places, but the established order of things appeared secure.

Our own country at that time was a newcomer to major power status. Our territorial expansion across the continent was complete and secure. In the 1890's, we faced down the mighty British Empire in what we considered a test of the Monroe Doctrine in Venezuela, and we subsequently fought and easily defeated Spain. With many misgivings, the Nation that had first raised the banner of independence in 1776 took over most of what remained of Spain's colonial possessions. We were later the first nation to promise—and to deliver—independence to our colonies. But for a relatively brief period, we were also enthusiastic participants in the race between established powers to gobble up all of those territories that were not yet incorporated into one or the other of the great empires.

The construction of the Panama Canal was an enterprise that matched the spirit of the age. It was an heroic undertaking, a demonstration that America could succeed where France had failed.

It was a notice to the world that a new and dynamic force among nations had come of age. David McCullough, the author of "The Path Between the Seas," was correct in pointing out that the canal is an achievement that will cause archeologists far in the future to ask, "What kind of civilization could have produced this?"

But just as Americans of that time would not let tropical heat, diseases, and challenging engineering problems stand in the way of completing the canal, neither did President Roosevelt permit legal niceties regarding the sovereignty of other nations prevent him from acquiring the right to build it.

When the United States first conceived the idea of constructing the Panama Canal, Panama was a province of Colombia. Colombia and the United States signed a treaty to permit construction, but in August 1903, the Colombian Senate refused ratification. On November 3 of that year, the Province of Panama, with American encouragement, revolted against Colombia and proclaimed its independence. U.S. recognition—and the U.S. Navy—followed on November 6. Our forces prevented the Colombians from reclaiming their lost province.

On November 18, 1903, Philippe Bunau-Varilla, a Frenchman who had a large financial interest in the defunct French Canal Company and who had actively encouraged American intervention, signed the present treaty on behalf of Panama.

Mr. Bunau-Varilla had not been in Panama for 17 years before he signed the document. No Panamanian ever signed it, and the Panamanian provisional government ratified it only after our Government threatened to withdraw its military protection and leave the erstwhile rebels to the tender mercies of Colombia. Mr. Bunau-Varilla never returned to Panama.

"We have an agreement very satisfactory, very advantageous to the United States," said Secretary of State John Hay at the time, "and we must confess with what face we can muster not so advantageous to Panama."

The treaty of 1903 may have served a useful purpose at another time in our history. But times change. The world of 1978 is vastly different and more complex than the world of 1903. We must deal with the present and the future rather than try to bring back a time that cannot be restored.

No nation in today's world would accept a treaty that permits another nation to act on its land as if that foreign nation had sovereignty. Just as we would never accept a British or a German or a Russian enclave on our territory in which British or German or Russian law would take precedence over American law, we can no longer expect Panamanians to accept our extraterritorial rights in their country.

No nation in today's world would willingly accept foreign control of a strip of land cutting that nation in two. Yet the Canal Zone bisects Panama in precisely the same way that our country would be divided if a foreign power had control of the Mississippi River.

No nation in today's world would willingly allow another nation to control nearly all of its deep water port facilities. Yet that is the situation in Panama.

I support the treaties because I believe that respect for the legitimate rights of others is in the highest and best tradition of our country. I support them because they are fair to Panama, fair to the United States. They represent a farsighted solution to a difficult set of problems—a solution arrived at by friendly countries in a spirit of conciliation and mutual understanding.

Mr. President, we are told that the treaties represent a backing down by the United States in the face of insistent demands by a foreign country.

They do not. Rather, they say to the world that the United States respects the aspirations of other, weaker peoples. The treaties say to the world that while the Soviet Union ruthlessly tightens its grip on the nations of Eastern Europe and

forces their peoples into a rigid mold, the United States realizes that it has nothing to fear from the legitimate aspirations of another country to set historical grievances right.

The treaties show that we are strong, not that we are weak. They show that we are responsible, that we are mature, that we are a nation that can be trusted to pay due regard to the interests of others. The treaties say to Latin America and to the developing world as a whole that we are serious when we say we want new relationships based on equality and respect.

Mr. President, I believe that in every important respect, these two agreements protect our interests in the canal.

They provide for a gradual transition to full Panamanian ownership and control. Nothing will happen overnight. Change will proceed in an orderly manner. Panama and the United States will run the canal in partnership for a full generation, and Panamanians will be fully trained to operate the canal properly.

The treaties permit us to take the steps we deem necessary to defend the canal. In defense, as in other areas, they make Panama a partner, rather than a potential adversary.

They provide that the canal will always be neutral. The neutrality treaty has no expiration date. It enables us to take action, if it is ever needed, to be sure that neutrality is maintained.

As amended by the Senate, the treaties give our warships the unquestioned right to move to the head of the line in times of emergency in order to transit the canal as rapidly as possible.

The treaties are sound, they are just, and their terms are extremely moderate. They make our true interests easier—not harder—to defend. They provide to us and to Panama an honorable way to change an outmoded relationship in an atmosphere of dignity rather than one of confrontation. Ratification, I believe, is not only an acceptable step, but one that is a compelling matter of national interest.

In the final analysis, the strength of America in the world does not rest upon our capacity to force our will upon others. Instead, our ability to influence others is directly related to the degree to which our actions reflect the values for which this country has always stood.

These treaties truly reflect the values of our democracy. They show that the strong can be just, that relations between nations can be based on something other than brute force, and that the process of free political debate can reach wise and generous decisions.

Mr. President, failure to ratify the treaties would be a tragedy for America. But I am confident that at the end of this agonizing debate, the Senate will vote to ratify. Ratification is prudent, it is responsible, and above all, it is the only action that is principled. The true interests of our Nation require that the treaties be ratified. I will so vote.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. SARBANES). Under the previous order, the Senator from Colorado (Mr. HART) is recognized for not to exceed 30 minutes.

Mr. HART. Mr. President, the issue of ratification of these treaties has called upon Senators to define the obligation of its elected representatives as has no other issue in recent times.

It has been strongly urged that the weight and volume of expression of opposition to these treaties should of themselves determine our actions; that our role in this and, presumably, any issue where emotions run high and opinions are strongly held and expressed is simply to convert these emotions and opinions into a vote.

But surely, Mr. President, representation is not so simple. Otherwise this profession would scarcely appeal to men and women of character, of judgment, and of thoughtfulness. Otherwise, why would Jefferson have stressed the need for the representative to educate his constituents?

Otherwise, would not the republican form of government be useless? We would need only to conduct referenda or polls, to consider only the opinions of those who felt strongly enough to write letters.

But that is most surely not our system of government. It was not the role of a parliamentarian before this Government was founded, nor has it been in the 200 years since Edmund Burke reminded his Bristol constituents that he owed them more than his industry; he owed them also his judgment.

No one before or since has better described the awesome burden of this job, particularly when our own conviction, our own judgment persuades us that what is best for our country, what is our moral imperative, may conflict with the popular view.

My judgment on this matter, particularly as a member of the Senate Armed Services Committee, was shaped by considering whether these treaties serve the national interest and security needs of the United States. Second, I must consider whether they are consistent with our overall foreign policy objectives.

Like each of my colleagues, I have heard from thousands of constituents concerned that these treaties be in our national interest. Some of these letters accuse me, and my colleagues who support ratification, of not listening to the voice of the American public. Too many of those letters make the automatic assumption that if you support the treaties you are less concerned with national security than the writer. But we have listened and we share their concern that these treaties further our national interest. Not only have we listened, but we have raised their questions and questions of our own with the political and military leaders of this country. We have held hearings, reviewed intelligence data, and discussed and debated these issues in depth.

I would hope that every American who questions these treaties would listen to the answers we received from those responsible for the protection of our national interest. Listen to what the men who are responsible for our national security have to say about these treaties.

Listen to the Secretary of Defense:

(The) ability to defend and control access to the canal is essential but the issue is how that ability can best be assured—by a cooperative effort with a friendly Panama or by a garrison amid hostile surroundings.

I have examined these issues personally and in detail. As have the joint Chiefs of Staff. The Department of Defense has been fully involved in all stages of the drafting and negotiation of these treaties. I believe personally and in light of my responsibilities as Secretary of Defense that these treaties fully serve and greatly promote our national security interests.

Listen to the Chairman of the Joint Chiefs of Staff:

Our capability to defend the Panama Canal will be enhanced through cooperation with the Government of Panama. The new Treaties provide a basis for such cooperation between the United States and Panama. The alliance relationship should develop and strengthen during the life of the Panama Canal Treaty and be further enhanced by the neutrality treaty.

Listen to the Chief of Naval Operations:

The Joint Chiefs of Staff are unanimous in their position supporting the Panama Canal Treaty and the Treaty concerning the Permanent Neutrality and Operation of the Panama Canal.

I am convinced that the continuing use of the Panama Canal for national security purposes is best assured through the provisions of the new Treaties.

Listen to the Commander in Chief of the Southern Command whose headquarters are in Panama:

The Panama Canal Treaty establishes a concept of defense that includes United States and Panamanian forces operating cooperatively to defend the canal. Indeed the most effective defense of the canal can be obtained in conjunction with a friendly Panama.

Listen to the Commandant of the Marine Corps:

I am convinced that, among other things, the proposed new treaties contain the necessary provisions to ensure the continued and unimpeded use by U.S. vessels, that the change of jurisdiction will not prevent us from defending the canal, that Marines are capable and ready to respond if called, and from the military point of view the ratification of the proposed Treaties would be in the best interest of the U.S. national security.

These are not lightly held opinions of nonresponsible individuals. They are the judgments of those responsible for our national defense and security. Their decisions affect us all. They accept the responsibility for the results of their decisions—and they do so with a great deal of integrity and dedication. I know that they reached their conclusion that these treaties will further our national interest by careful analysis and serious consideration of all options.

For this reason, I find their arguments and conclusions highly persuasive and have given considerable weight to their judgment in reaching my own conclusions regarding these treaties. I have also studied all of the arguments—both pro and con—and analyzed the political and economic significance of the treaties—as well as the defense implica-

tions. I am convinced that they are in our national interest—militarily, politically, and economically. I am convinced that:

America's national interest in Panama rests more in access to and use of an open canal than in ownership of a canal which might be rendered useless;

Insistence on maintaining our presence under the terms of the old treaty would seriously jeopardize our ability to defend the canal and keep it open;

The canal will be easier to defend under the new treaties than it now is under the old treaty; and

Our presence in Panama, under the old treaty terms, is legitimately resented by the Panamanian people and is a contradiction of our Nation's oldest and highest principles.

This last conclusion is based on consideration of our past foreign policy in Latin America, which I would now like to discuss briefly in order to view the treaties from another perspective.

The foreign policy of any nation is a reflection of its economic needs, political aspirations, and military power. The development of our foreign policy in Latin America is a reflection of the changes that have occurred in America's national aspirations, needs, and power over the past 155 years—from the Monroe Doctrine, in its various phases, through the era of the "big stick" and "dollar diplomacy," the good neighbor policy, and the Alliance for Progress. These changes have led us from the time when we were a new nation, intent upon the development of our frontiers, determined to make an impact on the social and economic environment of the Western Hemisphere, dependent on the power of the British navy but willing to use our own limited military power in an aggressive and sometimes brash manner, to the America of today—a tried and proven model for today's new nations, so powerful that any action we take has an economic and social impact on the entire world and not just our hemisphere, and with such military might that we must use it with only the greatest of wisdom and restraint.

The 1903 Panama Canal Treaty was a child of that earlier age just as the treaties now before us are children of today and tomorrow. No one would understand this better than Theodore Roosevelt who said:

> The important thing is the next step. It often happens that the good conditions of the past can be regained not by going back, but by going forward. We cannot recreate what is dead; we cannot stop the march of events; but we can direct this march and out of the conditions develop something better than the past knew.

The question, then, is how do we direct the march and in what direction? The direction, in my judgment, should be toward resolving conflict by peaceful negotiation, championing the cause of human rights and national aspirations, recognizing the growing economic and social interdependence of all nations, and controlling and reducing the awesome nuclear force extant in the world today.

How do we direct the march? Largely through our foreign policy: Détente, SALT, our mediating role in the Middle East and Africa, our participation in the United Nations, the World Bank and other international financial institutions, are all consistent with our fundamental view of the world as a community of neighbors where cooperation is seen as the foundation of survival in a nuclear age. The Panama Canal treaties are consistent with these foreign policy endeavors. Basically, it is those who want America to move in a different direction who oppose ratification of these treaties.

The direction of our foreign policy was set at the close of World War II, when this country emerged as the most powerful nation in the world. That power gave us many options not before open to us. We had the power and we had the choice. We did not choose to use our power to subjugate our former enemies; we did not choose to keep Europe impoverished. Instead we chose to treat our vanquished enemies with generosity—and they now count amongst our closest allies. We helped create the United Nations and the World Bank. We championed the cry for independence from old colonial ties—and granted independence to our own possession, the Philippines. We engineered the most massive economic recovery in the history of the world—the Marshall plan, and we worked for a higher standard of living and social justice for our own people and people everywhere. No one forced us to make these decisions; we had the power and we had the choice.

Can there be any doubt that we made the right choices? I think not. They were the right choices because they were the right thing to do, and they have served our national interest well; just as these treaties are the right choice because they are the right thing to do, and will serve our national interest.

Our policy in Latin America has been inconsistent with the general direction and tenor of our foreign policy in the rest of the world since the end of World War II. Too often in Latin America, we have not made the right choices. Since the time of the Monroe Doctrine, the United States has insisted that a special relationship exists among Western Hemisphere nations. Unfortunately, too often that relationship has been one of special privilege for us and exploitation for the Latin Americans.

In the first half of this century our foreign policy in Latin America was guided by Theodore Roosevelt's Corollary to the Monroe Doctrine, which basically stated that the United States had the right to exercise an "international police power" in regard to Latin America. It was based on the premise that Latin Americans were inferior to us and unfit to manage their own affairs and that the United States as a "civilized nation" had the right to intervene, militarily and otherwise, in the internal affairs of Latin American nations. And intervene we did—Haiti, Dominican Republic, Nicaragua, Mexico, Colombia, Panama. Latin America was considered the "white man's burden" by too many in the United States.

Even the "good neighbor" policy was basically paternalistic and reflected an innate sense of superiority which had been present in U.S. attitudes toward Latin America since the Monroe Doctrine. Franklin Roosevelt, at a press gathering in 1940, when the "good neighbor" policy was first mentioned, talked about:

> . . . a new approach . . . to these South American things. Give them a share. They think they are just as good as we are and many of them are.

Unfortunately, this attitude did not die at the end of World War II. Although our foreign policy toward Latin America tried to reflect a change of direction to make it more consistent with our other postwar foreign policy goals, in practice, it was often business as usual.

It is time to change that policy in practice as well as theory. It is time that relationships among Western Hemisphere nations be positive ones for all partners. It is time that we apply the same standard of justice and fair play to our actions in Latin America, that we have applied to our own actions in Europe, and that we have applied to the colonial power in Africa and Asia. It is time that our foreign policy objectives in Latin America be consistent with our own objectives in the rest of the world. Ratification of these treaties will be a major step in that direction.

For many Americans these treaties have become symbols of our strength, and I share that conviction. But the strength these treaties represent is not the strength of domination, of imposed will, of force of arms. These treaties represent the strength of deference to the weak, the strength of a helping hand, the strength of leading, not resisting, the strength of moral purpose, the strength we all feel when we know we are doing the right thing.

Mr. President, as I would not vote for these treaties because of fear of Panamanian retaliation, so I would not vote against these treaties because of fear that some nation or interest might think the United States weak. The great Senate of the United States does not decide this Nation's future out of fear.

Queen Elizabeth II said on the occasion of our bicentennial:

> We lost the American colonies because we lacked the Statesmanship to know the right time and manner of yielding what is impossible to keep.

Do not let that be said of us. Do not let it be said that America:

Lacked the statesmanship to know that the time had come to let go;

That America is no longer powerful enough to use her power with wisdom and restraint.

Do not let it be said that America has lost her vision to recognize injustice and lost the will to do all in her power to rectify that injustice wherever we might find it.

The Panama Canal is a symbol. It has been a symbol of America's genius to conquer nature and control it for man's benefit. But it must also be a symbol of America's spirit. For, without doubt, it is not just America's technological genius

that has made us a great Nation, but the generosity of our spirit, as well.

I support the ratification of the treaties because they are in the national interest and because they will make the canal a new symbol, a symbol of America's vision for a peaceful world. Peace, as defined by Spinoza:

> . . . is not an absence of war, it is a virtue, a state of mind, a disposition for benevolence, confidence, justice.

Mr. President, I yield the remainder of my time to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Colorado has 12 minutes remaining, which he yields to the Senator from Oklahoma (Mr. BELLMON).

Mr. BELLMON. I thank the Chair.

I express my appreciation to the distinguished Senator from Colorado for his courtesy in yielding me this time.

Mr. President, it is not my intention to add excessively to the already voluminous debate on the Panama Canal treaties ratification issue. Rather, I will take only a few minutes of the Senate's time to announce my personal decision on this important and highly emotional question.

From the beginning of this debate, I had hoped that some convincing set of facts would be developed which would demonstrate conclusively the wisdom or folly of these treaties. Unfortunately, this has not been the case. It has become increasingly clear to me that this decision cannot be made by a simple accounting of the pros and cons in the treaties themselves. Instead the decision must be based on American principles—those great ideals upon which our Nation stands. In addition, because the future cannot be known, the decision must be made with the exercise of a certain amount of instinct and intuition which are the product of past experiences.

Some facts in this case are readily apparent:

The United States has successfully built, maintained, and defended the Panama Canal. In addition, our country has operated the canal fairly and in the international interest.

The United States has the ability to continue the operation of the Panama Canal indefinitely.

The record of U.S. successes in connection with the Panama Canal is the source of great pride to millions of Americans, including many of my constituents in Oklahoma who strongly believe that, "We built it; we own it; let's keep it." The canal is a major symbol of our national greatness. So it will remain.

For a variety of reasons, the U.S. presence in the Canal Zone has become a lightning rod which attracts negative political charges from many groups in Panama as well as in other Central and South American countries.

Construction and operation of the Panama Canal, while justifiably the source of great national pride for Americans, has not been conducted in such a way as to return a profit to the U.S. Treasury. Rather, the canal has been operated as an international service.

Future successful operation of the canal is important to the United States for defense during national emergencies and for economic and commercial convenience during times of peace. The best estimates I can obtain show a savings of about $10 to $12 per ton on bulk freight transiting the canal compared with shipping that freight around the South American Continent. This savings will diminish as canal tolls are raised to cover rising operational costs no matter who operates the waterway.

Mr. President, I have never been to Panama. In fact, I have never visited any Central or South American country so I cannot state from firsthand experience how Panamanians or others feel about the U.S. presence in the Canal Zone; however, as an American, I know how I would feel if the positions were reversed and Panama owned a strip of land along the Mississippi River and operated that great waterway. I would not like it. No matter how efficient, how effective or how benevolent the outsiders were, I would want them out.

Probably no Member of the Senate is satisfied with every provision of these treaties. Had the Members had the opportunity to personally participate in the development of these documents undoubtedly many of the provisions would have been different. For instance, I had hoped that some provision such as that outlined by the Stevens amendment, which would have created an operating partnership between the United States and Panama beyond the year 2000, would have been included.

The Senate has, thankfully, adopted the Baker-Byrd amendments which guarantee our right to defend the canal and our ships' right to have priority access in times of national emergency. These amendments strengthen the treaties and vastly improve the position of our country.

As Members know, article 2, section 2, of the Constitution gives the President the "power by and with the advice and consent of the Senate to make treaties provided two-thirds of the Senators present concur." These treaties are the result of more than 13 years of negotiation between the Governments of the United States and Panama. These negotitions have proceeded under four Presidents. While their provisions do not please everyone, under our law the President and not the Senate is the negotiating authority. There is reason to believe that these treaties, with the Baker-Byrd amendments added, are the best arrangements which could be worked out by the negotiators.

The negotiated result is not ideal, but on that matter I would like to quote from a speech delivered by Gen. G. V. Underwood, Jr., the retired commander in chief of the U.S. Southern Command headquartered in the Canal Zone from 1971 to 1973:

> People seldom differ on what is the ideal solution. They often differ on what is practically attainable. All this makes it timely to recall, when considering treaties, that diplomacy is the art of the possible, and therefore we should not impetuously demand miracles.

In trying to bring my own feelings about this matter into focus, I have reread many of the founding documents which led to the declaration of our independence from Great Britain 201 years ago. The statements made and the actions taken to further our principles have helped to bring the present question into clearer perspective for me.

The events which created the U.S. presence in Panama are different from the actions which led to the British relationship with the American colonies, but much of what transpired more than 200 years ago has application to the Panama treaty question.

Consider these words from our Declaration of Independence:

> When in the course of human events it becomes necessary for one people to dissolve the political bonds which have connected them with another.

The citizens of Panama by a more than 2-to-1 vote have opted for the treaties before us. They cast aside the phrase "in perpetuity" with this vote. I doubt we should have expected otherwise.

Consider another part of our Declaration of Independence:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights . . . that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it.

Those words, "the right of the people to alter," if applied to all people, if exported to Panama as we have chosen to export our other ideals to that country and the rest of the world, would appear to strongly support the updating of our relationship with Panama. They further make untenable, and in fact repulsive, the often heard argument that Panamanians should not be given full rights and responsibility for running their own country or managing their own resources, including the resource of geography.

After reawakening the knowledge of these principles, I had to resolve a number of questions in coming to my decision:

Are Panamanian opposition to the U.S. presence in the Canal Zone and the feeling of nationalism sufficient catalysts to cause and sustain civil or terrorist action? My opinion is that the answer is yes; such would be my personal feeling if I were a Panamanian citizen.

Is the importance of the Panama Canal to the United States great enough to, first, win and, second, hold the political support necessary to sustain a lengthy and costly antiguerrilla action by American military forces in Panama? My opinion is that, in time of war, the answer is yes.

I doubt, however, that such a course would gain or long hold a high sense of national unity or urgency during peacetime when the issue would be the commercial question, "Should we fight to keep the canal open so shippers can save $12 per ton on freight?"

As a combat veteran, I probably take more seriously than most the responsibilities governments have for actions which may lead to the sending of young men into combat of whatever kind. Having had this experience on many occa-

sions, I feel that such actions should only be taken for the most serious of reasons—those relating to the defense of our country or the maintenance of our basic principles and ideals. If these treaties are not ratified and guerrilla warfare results in Panama, I am afraid that American servicemen and their families will have a difficult time maintaining a strong fighting spirit when the purpose for their sacrifice is basically commercial. It is difficult to develop a rallying cry around the concept of "Whip the Panamanians and keep cheap freight."

My opinion appears to be shared by General Underwood who earlier has said:

I think continued U.S. control of the canal is of major importance, but I am quite apprehensive that future public opinion will not support vigorous defense of our role, if violence develops. So I am a hard-liner on the need to strengthen and clarify the Neutrality Treaty, and a reluctant supporter of the rest of the treaty as the best we can expect at this point and in the present environment.

Can the Panamanians successfully operate, maintain, and defend the canal after the year 2000? This appears to be the central question because it is the unfettered use of the waterway which provides the United States with its defense and economic assets. The mere asking of this question is an affront to Panama. History is replete with examples of peoples rising to challenge when given the opportunity. There is no reason to believe that Panamanian citizens are born with inferior morals, intellects, or mechanical aptitudes. My opinion is that given the opportunity, Panamanians will prove to be fully capable and even more solicitous of the continued successful, independent operation of the Panama Canal than we have been.

What of the danger of outside forces taking over the canal? Once Panama begins to receive greater revenues from the canal any outside force will likely encounter vigorous Panamanian nationalism causing highly aroused opposition to any hint of "take over." In addition the adoption of the Baker-Byrd amendments assures U.S. rights to act unilaterally in the event of such a threat.

Mr. President, the United States is a great Nation. We have not become great because we have thrust our presence into areas of the world where we are unwanted. Our greatness has not come from occupying weaker nations and sapping the resources of those unable to protect their own interests. Our record is exactly to the contrary. We have no record of holding territory against the will of the local inhabitants.

The Senator from Oklahoma is a veteran of World War II and was involved in several landings in the Pacific, including Iwo Jima. It pained me at first when it was learned that that island and Okinawa, which American fighting men won at heavy cost, were to be returned to Japan. My personal opposition was intense. We won it. We own it. Let us keep it. But why? Basically as a symbol and perhaps as an irritant to our former enemies, the Japanese. On reflection, these seemed grossly unworthy reasons. Okinawa and Iwo Jima were returned to Japan and the fact of this so-called surrender hardly crosses my mind anymore.

There are other symbols more important to our national pride and stature than occupying territory outside our national boundaries: the symbol of fair play, the symbol of equality—including equal rights among nations—the symbol that the United States desires to deal with other nations as we would have other nations deal with us.

Listen to the words of George Mason of Virginia, who in 1776 declared:

That no free government, or the blessings of liberty can be preserved to any people but by a firm adherence to justice, moderation, temperance, frugality and virtue.

These principles should govern our actions as a great nation both internally and externally. They argue eloquently in my judgment and conclusively in the language of American principle for ratification of the treaties before us.

One final word, Mr. President:

Any elected official of government genuinely desires to cast votes which will receive popular support and reflect popular attitude.

Our personal political survival depends upon our representing the will of the majority. The Constitution however, in article IV, section 4 states:

The United States shall guarantee to every state in this union a republican form of government.

To me, the word "republican" means that while I was elected to represent the views of the people of Oklahoma, I was also chosen to devote my time to gaining a knowledge and full understanding of both the short- and long-range effects of the questions which come before the Senate and to cast my vote in accordance with the best judgment I can make.

Two years before the founding of our Nation, Edmund Burke explained the duty of an elected representative succinctly:

Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Having obtained all the information I can, I am ready to defend my vote on this and other issues as being my best judgment of what is in the national interest.

The PRESIDING OFFICER (Mr. METZENBAUM). The Senator from Tennessee.

Mr. BAKER. Mr. President, I have difficulty in expressing adequately my admiration for the statement just made by the distinguished Senator from Oklahoma and for the courage that I know that it took to make it. It may be that my native State of Tennessee and his State of Oklahoma have many things in common, but I am sure one of the things we have in common is a strong and vocal segment of our citizenry who are opposed to these treaties, and I know firsthand how hard it is to exercise the best judgment that you are capable of under those difficult circumstances. The risk that one takes from a political standpoint may be no more than most of us take who understand the uncomfortable position that the Senator finds himself in, in such circumstances, and when we must make these judgments.

Mr. President, more than that, I commend the Senator for his carefully reasoned statement of support for this treaty. I have watched the distinguished Senator from Oklahoma as he has gone through the careful, thorough analysis of the facts and circumstances as he has participated in the debate and in the negotiations for amendments and understandings and reservations. I know the careful attention he has given to this question and the prayerful concern that he possesses for it. I am pleased beyond words that he has arrived at this conclusion, not only because it coincides with my opinion but because I know it is the exercise of the best judgment of a truly courageous man, and I commend him for it.

Mr. BELLMON. Mr. President, I greatly appreciate the comments of my friend from Tennessee. It is not an easy decision. I suppose none of the decisions we make here are easy; but we were not, I guess, elected to do the easy things, but the necessary things. So I thank my friend.

Mr. GRIFFIN. Mr. President, I also salute the Senator from Oklahoma, not because he comes down on the same side as the Senator from Michigan, but because I know that he has struggled with this issue in a very sincere and conscientious way, and that his decision and his announcement are in line with his best judgment as to what is in the best interests of the Nation. I have no doubt and no question about that.

I must say that as I listened to the Senator refer to Edmund Burke, I could not help but recall that I, too, had used the reference to Edmund Burke. I had to make this decision a little earlier than other Senators because I happen to serve on the Committee on Foreign Relations, and it was nearly on the last day that I finally made the decision in my own mind that I would oppose the treaties.

I said in the committee that I had respect for our two Senate leaders and my colleagues who had reached a contrary conclusion, those who are convinced in their own minds that these treaties do serve the best interests of the Nation. I salute them for having the courage of their convictions, because I, too, believe with Edmund Burke that a Senator owes his constituents his judgment, and should not sacrifice it to public opinion alone.

However, I might add that I went on to say I believed that when the calling of the merits and the issues is as close as it is here, or as close as I perceive it to be, the judgment of the people ought not to be taken lightly. I do not want to presume or suggest that the Senator from Oklahoma has taken it lightly, but I very honestly and frankly have come to the conclusion that in this situation, as often is the case, the people are right.

Nevertheless, I do think the Senator from Oklahoma has in this instance, as in all other situations, exercised his judgment as a great Oklahoman and a great Senator, and I salute him.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Michigan.

Let me say that this was obviously a difficult and a close decision and my decision was made only very recently, earlier in the week—primarily, as I tried to say in my statement, by trying to put myself in the position I think the Panamanians are in, trying to determine how I would feel in their position.

I do not differ with the position that the Senator from Michigan has taken, but I think this is the sort of thing that has to be done almost by instinct or intuition; and mine came down on the other side.

I greatly respect the Senator from Michigan. As he knows, I was very close to agreeing with him at certain times during this debate.

The PRESIDING OFFICER. Under the previous order, the Senator from Kentucky (Mr. FORD) is recognized for not to exceed 15 minutes.

Mr. FORD. Mr. President, few questions during my public life have caused me more anguish or concern than the one now before the Senate—the ratification of the treaties with the Republic of Panama.

Since the day the treaties were announced, I have sought to help the Senate fulfill its constitutional obligation giving advice and consent to the President in the ratification of treaties. I felt then, as I do now, that this well-tested principle needs to be observed as it has been throughout the course of our Nation's history.

In the treaties before the Senate, there has been too much emphasis placed on the effort to obtain the Senate's consent and too little on the effort to listen to the Senate's advice. While circumstances beyond our national control may have dictated this course, those circumstances cannot dictate a man's conscience.

After all, in the treaty-making process, it is not only the President who should seek advice, but it is incumbent on every Member of this body to do likewise.

This, Mr. President, I have tried to do.

I have listened carefully to those who argue that these treaties are in the best interest of our country. I have searched endlessly for the insight necessary to understand what these treaties truly mean for us, for the Panamanians, and for those generations who will follow us.

I have traveled the length and breadth of my State talking to the people. In each place I stopped, I listened and I learned. The people are talking, but Government is not listening.

The message I received from the people was clear: The Neutrality Treaty, as written is not right, and unless changes—substantive changes—are made, the treaty should be rejected.

I have discussed my concerns about the treaty in great detail with the administration and the Senate leadership and my colleagues. Together, we considered ways to change the treaty to make it more palatable. My efforts and the efforts of others to alter the treaty through our advice failed.

The problems I have with the treaty are well known:

There is no guarantee that the United States can negotiate for a continued military presence after the year 1999.

There is no guarantee that the United States can intervene to keep the canal open.

The United States will be forced to surrender its Southern Command.

And there is no guarantee of proper maintenance and operation of the canal after the year 1999.

There is an economic implication to the treaties that has not been discussed as much as I, personally, feel it should have been.

Let me give one example, if I may. General McAuliffe said we must spend some $40 million beginning 6 months after these treaties are ratified to build additional military installations to replace those we will have given to the Panamanians, and then turn them over to them in the year 2000.

It seems to me that if we are going to spend $40 million of our taxpayers' money, then a discussion, in their best interest for the future should have been considered.

There is a spreading fear that if we modify this treaty, the Panamanians will reject the treaty and humiliate us in the process. To avoid this possibility of rejection, it has been suggested that we alter this treaty by means of reservations rather than amendments. The advocates of this view explain that by proposing reservations, which do not require a plebiscite, our country can avoid the return of the treaty to the Panamanian people for consideration. A reservation, they say, means the same thing, but the Panamanian people will not be able to approve or disapprove it—so let us do it this way, with the reservation.

If it is true that a reservation is the same as an amendment, why not allow the treaties to be amended?

If it is true that the Panamanian people would not accept the amendments we attach, then it is not a solid treaty, I say.

By refusing to consider amending the treaty, we are saying to the people of this country that our overriding concern is with the Panamanian constituency—the constituency of a foreign land.

Somewhere along the way we have reversed our priorities. Somewhere along the way in this Chamber we have lost sight of the fact that our job is to make the treaty acceptable to the American people. And, somewhere along the way we have elected to ignore their advice.

Our first obligation, our foremost responsibility, whether it be in enacting legislation or ratifying an international treaty, is to insure that the best interests of the American people is met.

The treaty, as it now stands, fails to satisfy that obligation.

The treaty, as it now stands, leaves much to be desired as to the future security and well-being of our country and the Western Hemisphere.

Proponents of the treaty have correctly pointed out that negotiations of these treaties span four administrations. The issue now before us is not a question of whether the Senate stands behind the President in his conduct of foreign policy. The issue is whether this particular treaty at this particular time serves this particular Nation's best interest.

No foreign government should misinterpret the vote. There is no weakening of our national commitment. This country will still unite behind the President against any act of aggression or threat to our national security. But we will unite with the same sense of independence and free will which has characterized this Nation from its beginning.

The sole reason, the lone factor behind the decision I have reached is that, without amendment, this treaty neither reflects the will nor satisfies the best interest of the United States and its people.

In closing, let me recall something Alexander Hamilton said during the debate on the Federal Constitution about the Halls of Congress:

> Here, sir, the people govern; here they act by their immediate representatives.

If the people are right on this question—as I think they are—then I am right. And if the people are wrong, then so am I.

And so, Mr. President, I intend to cast my vote today against the Neutrality Treaty.

One further point, Mr. President, that I feel must be made: There are mean and vicious rumors as to deals, if you will, buying of votes to secure ratification of this treaty. I think I have been the subject of as intense pressure and lobbying by the administration as anyone, and I want it on the record that not even the slightest inference has been made to me, directly or indirectly, for my vote. The approach has always been the need for these treaties and the interests of this country.

If there is one thing everyone in this country must know, it is that this President has the highest moral principles and integrity of anyone. I strongly resent these inferences being made, and I want to set the record straight so far as I am partially concerned.

Mr. President, I yield back the remainder of my time.

Mr. LAXALT. Mr. President, the Senator from Nevada would like to commend the Senator from Kentucky for his statement. Of the many statements we have had here in the last 2 or 3 days, his, in my judgment, was the most significant.

I would be less than candid not to indicate to the Senator from Kentucky that had he made a decision in the opposite direction, the cause of the opponents to this treaty, at this moment, would have been lost.

I commend his analysis concerning the defects in the treaties, as we perceive them, in relation to the defense capability, the defense presence, the economic problems, the ambiguities overall, and the unending questions we have had as to why these reservations that we are treating as being important changes, necessary changes, to clean up the treaty, so to speak, were not handled properly by way of amendment, so that if adopted they would be in the four corners of

that treaty. We know why: Because had they been handled as amendments, they would have subjected the Panamanian Government—more specifically, General Torrijos—to a new plebiscite, which he does not want or need.

So, once again, I commend the Senator from Kentucky. This was a courageous position. I do not know of anybody on this floor who has been subjected to more pressures—all proper, as he has indicated—from every quarter than he has these last several days. I know that; his colleagues know that.

What we have seen here in the last several moments is a tremendous example and a sterling example of a "profile in courage."

Mr. GRIFFIN. Mr. President, is there a special order now?

The PRESIDING OFFICER. Yes, there is.

Mr. GRIFFIN. May I ask what the situation is?

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas (Mr. BUMPERS) is recognized for not to exceed 15 minutes.

Does the Senator from Nevada wish to suggest the absence of a quorum?

Mr. LAXALT. Mr. President, I suggest the absence of a quorum.

Mr. GRIFFIN. Mr. President, will the Senator withhold that?

Mr. LAXALT. I certainly will.

Mr. GRIFFIN. I was going to ask unanimous consent that I be recognized, and if the Senator from Arkansas comes in, I will immediately yield the floor.

The PRESIDING OFFICER. Does the Senator from Michigan make that unanimous-consent request?

Mr. GRIFFIN. I do.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GRIFFIN. Mr. President, I was interested to learn of a report this morning by CBS Radio—and television, I take it—about the fact that the Ambassador of Panama called at the White House on yesterday and let the President and Secretary Vance know that General Torrijos is extremely upset over Senate additions to the treaties, as I understand the report.

I also understand, on the basis of the report, that the President called General Torrijos on yesterday and attempted to calm him down and to assure him that, really, what the Senate was doing here was not making any difference nor making any significant changes in the treaty.

I can only read between the lines, Mr. President, but I suspect that the concern is not only about what the Senate already has done but also what the Senate may be about to do this afternoon. I refer, in particular, to an amendment to be offered by the Senator from Arizona (Mr. DECONCINI), which, if it is offered in the form now printed, will provide, subject to the condition to be included in the instrument of ratification of the treaty:

that notwithstanding the provisions of Article V or any other provision of the Treaty, if the Canal is closed, or its operations are interfered with, the United States of America and the Republic of Panama shall each independently have the right to take such steps as it deems necessary, including the use of military force in Panama, to reopen the Canal or restore the operations of the Canal, as the case may be.

This, of course, would fly in the face of the Panamanian interpretation of the Neutrality Treaty, which is that the United States cannot come in with military forces to defend the neutrality of the canal unless it is with the permission of the Republic of Panama.

Other efforts to amend the Neutrality Treaty in this respect, of course, have been resisted.

The public press reports now are that President Carter—I do not know if it is true or not—has agreed to go along with this amendment by the Senator from Arizona, which obviously would be a significant change in the treaty as it has been interpreted and understood in Panama.

I do not know what will happen. I do not know whether the amendment will be modified further or whether it will be offered, but at least that is the state of the situation at the moment. I do know this: I do not see how anyone could vote against the provision that will be offered by the Senator from Oklahoma (Mr. BARTLETT), that, in light of the changes that have been made—and this one if it is adopted—we would surely want to be sure that there was a new plebiscite in Panama.

Otherwise, as I have said over and over and over on the floor of the Senate, we will end up with an agreement only with a temporary dictator, not with a treaty with the people of Panama. Unless we have a treaty with the people of Panama, we certainly are asking for trouble for ourselves.

It is very interesting, Mr. President. I would think that, in light of the situation in the Senate, it would be unreasonable to ask the White House to inform the Senate if it is true, as reported by CBS, that General Torrijos and top Panamanian officials have expressed their outrage about that action taken in the Senate and about to be taken today, and whether such an exchange of views between the President and General Torrijos took place on yesterday. Also, how about informing the Senate, so that we can intelligently decide our responsibility?

Mr. President, I suggest the absence of a quorum, pending the arrival of the Senator who had the time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas was previously recognized under a special order for 15 minutes.

Mr. BUMPERS. Mr. President, since the Presidents of the United States and Panama signed the two Panama Canal treaties on the 7th day of September 1977, the first of which has been debated here for the past 5 weeks, I have steadfastly refused to say that I would vote for or against the treaties. I believe the highest duty of any public official is to diligently study every possibility and contingency that can be foreseen as a result of his vote on these or any other issues presented. I have been as diligent as time would permit in listening to and reading the debate. I have read everything I thought would add to my knowledge of the treaties and the implications for the United States in ratifying or rejecting them.

Mr. President, I have concluded that the long-range best interests of the United States will be served if these treaties are ratified. They are not perfect, but if a thousand additional efforts were made to negotiate these treaties it is doubtful any of them would meet with anything like universal approval. I believe the treaties under consideration provide for adequate safeguards in insuring the neutrality of the canal, for America's continued use of the canal, for priority usage during an emergency, for our right to negotiate a continued military presence after the year 2000, and that no American tax dollars will be used in the transition period. I have cosponsored two amendments and a reservation which I believe further insure the above rights, and I have voted against other amendments which I considered frivolous, redundant, or designed not to improve the treaties, but to defeat them. In the final analysis, Mr. President, I do not believe the security interests of the United States are jeopardized by ratification, and the Joint Chiefs of Staff, upon whom we must depend for our military information, have so stated. While the treaties will not cost Americans any tax dollars (contrary to a public misconception), while only 1 percent of our Gross National Product transits the canal, while our usage of and dependence on the canal are declining annually, and while the canal is costing more and more to maintain, none of these reasons is compelling or persuasive in supporting the treaties.

I believe the treaties ought to be ratified because it is right to do it.

Back in 1965, I did not necessarily think the Vietnam war was a high-water mark in this Nation's history, but I was at best passive to that war because they were not my sons whom I was seeing borne on litters every evening on the news, and it was only when my first-born son turned 17 that I began to seriously question and later actively oppose that war. I knew if I lost the very light of my life in a war that had no meaning, to him or me, I would also die. But my death would have been slow agonizing, and bitter, and I would never forgive those who caused it.

Yet we do not seem to have learned the lessons of that war. It is simple: The Vietnamese did not want foreign nationals on their soil. The Panamanians, partly because we taught them patriotism and to love their land, do not want foreign nationals on their soil; and in 1776 we did not want foreign nationals on our soil. The early settlers came here from England. Later the British poured money into the Colonies assisting in their development, but I cannot find anywhere

in history where there is a recordation that any of our early patriots said the British bought and paid for us and therefore they ought to be entitled to keep the Colonies.

I am not going to vote for the treaties because I think all Latin America will love us forever—because they will not. I would not vote for them because I think the Panamanians can deprive us of the use of the canal by sabotage, though I believe that. But I will vote for them because I think it is right—because no nation ought to own a 10-mile-wide tourniquet across the middle of another nation, and, finally, because in the constant ideological struggle between communism and democracy, democracy is slowly winning because we believe in the rights of all people and all nations—rich or poor—to determine their own destiny. In the past 5 years we have seen Spain, Portugal, India, and Greece, turn away from authoritarianism and move toward government by the people. It was the heavy-handedness of communism that caused Egypt and Somalia to kick the Russians out. That is one of the reasons Cuba and Russia are in Africa—it is about the only place where targets of opportunity for their heavy-handedness are left for them, and they ultimately will most certainly meet with the same fate there that we met with in Vietnam, and for the same reasons.

If this body wants to prove that might makes right, that we—the most powerful nation on Earth—will not be intimidated by 1,750,000 hapless, largely illiterate, and impoverished people, living on a land about one-fourth the size of Arkansas, then we can do it. But we should understand when we do it that we are handing every Communist zealot in this hemisphere the greatest talking point he could ever, in his wildest dreams, have hoped for.

We should understand that our military presence will have to be increased to approximately 100,000 men. And we should understand that some of those men will certainly die in defense of the canal, and even that presence, and those deaths will not guarantee us the continued use of the canal.

As for the national uproar over how Senators can callously ignore the wishes of their constituents, I can tell you my vote is not being cast indifferently or callously. It is being cast after long, agonizing hours of study, serious consideration of constituent views, both for and against, and recognition finally that I and I alone can cast the vote, and it is I who must accept whatever consequences history shall dictate.

Edmund Burke was elected to the British Parliament in 1774 along with another man named Cruger. They represented the city of Bristol. Cruger thought that every representative ought to represent and vote according to the popular views at any given time on any given day. Burke disagreed, and in addressing his constituents, he said:

> My worthy colleague says, his will ought to be subservient to yours. If that be all, the thing is innocent. If government were a matter of will upon any side, yours, without question, ought to be superior. But government and legislation are matters of reason and judgment, and not of inclination; and, what sort of reason is it when the determination precedes the discussion; in which one set of men deliberate and another decide; . . .
>
> To deliver an opinion is the right of all men; that of constituents is a weighty and respectable opinion, which a representative ought always to rejoice to hear; and which he ought always most seriously to consider. But authoritative instructions; mandates issued, which the member is bound blindly and implicitly to obey, to vote, and to argue for, though contrary to the clearest conviction of his judgment and conscience, these are things utterly unknown to the laws of this land, and which arise from a fundamental mistake of the whole order and tenor of our constitution.

Mr. President, my position is not consistent with the majority of mail I have received from my home State on this issue, but happily, I have immense faith in the people of my State and of this Nation, not to forgive and forget, but to remember the greatness of this Nation; to believe that magnanimity, generosity, and restraint, not bullying, are the characteristics of a great nation. A great nation lives by the Golden Rule. That is why history will record the Marshall Plan—that saved Europe from communism and turned deadly enemies into powerful allies—as the most humane act of enlightened self-interest in world history.

Mr. President, if there is a quality which we, the American people seem to be losing, it is confidence in ourselves. But this loss of confidence seems unjustified when we realize that in the past decade we have survived an immoral war, a constitutional crisis with the Presidency, and shattering revelations about government lying to us—yet our institutions are still intact.

Thomas Jefferson would be proud of that, but he would be deeply dismayed at the distrust of Government so pervasive throughout the land.

Not long ago I watched President Carter and Prime Minister Giscard D'Estaing on the evening news as they stood on Omaha Beach. A wave of haunting memories flooded my mind as I recalled that terrible battle. I was in the Marine Corps, destined for the Pacific theater of operations, but I was fearful for my brother, whom I thought to be in the Normandy landings.

But I also recalled that mighty armada of ships, the most powerful in history, laden with men and equipment, prepared for the final awesome assault against those who would have enslaved the rest of us.

Mr. President, I believe that there is now an even greater reservoir of strength and resolve in this Nation should the occasion ever call for it to be tapped. This Nation's dedication to freedom, to individual rights, to fairness is as great today as ever, and I believe that our Judeo-Christian beliefs and our Jeffersonian political traditions would extend the right to those same aspirations to all people everywhere, even so small and impoverished a nation as Panama.

I thank the Chair.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. SARBANES. Mr. President, I want to commend the very distinguished and able Senator from Arkansas for an extremely thoughtful and eloquent statement on the treaties. In particular, I thank him for stressing that he is for these treaties because these treaties are right; that these treaties give us an opportunity to bring right and might into harmony with one another. It gives the United States the opportunity to use its power consistent with what is right, to do the right thing morally, to do the right thing legally, and to protect our interests in the course of doing that, and yet to recognize the legitimate aspirations of another people, and to deal with them with a sense of dignity and a sense of respect.

I greatly appreciate the thought, the understanding, the conviction, and the courage which the distinguished Senator from Arkansas has shown on this issue as he does on every issue which comes before this body.

Mr. BUMPERS. I thank the Senator very much for his compliment.

Mr. President, I suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, in a way I am somewhat reluctant to speak here this morning. I have spoken on the subject of the treaties on a number of occasions during the debates, and in a speech quite some time ago in which I said I would support ratification of the treaties.

Like most Vermonters, I think we tend not to speak overly long on any subject, but I have been troubled by certain events in the past few days.

I went home last night and made a few notes, got up this morning and made a couple of more, sent the children off to school, and came in here and thought about it again.

Mr. President, if I might, I would like to quote what I said yesterday just before rollcall vote No. 59 Ex. That, you may recall, was a vote in which, by 82 to 16, we adopted the reservation proposed by the distinguished junior Senator from Georgia.

I said at that time:

> Mr. President, very briefly, I feel that everything that is in this amendment is already inherent in the treaty. I will vote for the amendment only so that a nay vote would not be interpreted to mean, on my part, that I felt that these rights were not already in the treaty. But I think it is a waste of time, and I really would hope that neither myself nor any other Senator, at any time in the future, would claim that there had been some major change in the treaty, and that that was what enabled us to vote for these treaties. The treaties should be voted for or against on their merits, and not because of this amendment.

Mr. President, I support these treaties because I think they are right. I said earlier on the floor of the Senate that I supported them not because I felt that the United States was a weak country, but because the United States was the strongest, greatest country in the world.

The United States is the oldest existing democracy. The United States is a country the free world relies on to maintain its freedom as well as ours, and because it is such a great country it can afford an act of overdue justice. I said at that time I felt indeed this was such an act.

In this, Mr. President, and in statements to my friends, neighbors, and constituents in Vermont I have said also that I support the President of the United States in this regard.

We know from the history and from the speeches that have been given here, that many other Presidents have been in favor of a Panama treaty. It would appear that Presidents Truman and Eisenhower were, as well as President Johnson, President Nixon, President Ford, and now President Carter. But President Carter was the one who finally took the unpopular step of signing such treaties, knowing, of course, that the act itself would be unpopular, but taking it because he knew it was right.

Those who hold public office should not consider that they are in some sort of an ongoing marathon popularity contest, but must do the things that are right.

Those of us in the Senate, in voting for this treaty, realize that for some of us it may be political suicide. But let us hope again that any Senators who vote either for or against the treaties will vote for or against them because they feel they are right in their vote. Vote for the treaties or vote against the treaties because you feel that that is what is in the best interests of the United States, because, after all, that is what our oath of office calls upon us to do, to defend the United States, and to defend the Constitution and laws of the United States.

Let us hope that we do not consider our political future when we vote here today, because no Member, no man or no woman in the U.S. Senate, owns a seat in the U.S. Senate. I repeat, you do not own it. It is not some kind of birthright. It is not the case that because you are here, you will be here for the rest of your life. You are here to do what is best for the United States of America.

Let us hope that that is the determination of every Senator.

We are and should be the conscience of the country, the greatest deliberate body in the world. Quite frankly, it should remain so: 100 individuals to represent 220 million Americans, to do, hopefully, what is best for those Americans, what is best for our country, to make sure that 100 years from now we will still be the oldest existing democracy in the world.

Perhaps, Mr. President, on the eve of St. Patrick's Day, and being half Irish, I should be pleased that Edmund Burke has been quoted so often here. Mr. President, 4 years ago, at the age of 33, I went before the people of Vermont and announced that I was going to run for the United States Senate, hoping to succeed a man who had been elected the year I was born. I quoted Edmund Burke at that time. Maybe it would not hurt to read the quotation again.

Burke promised his constituents his loyalty in the following words:

> Certainly Gentlemen, it ought to be the happiness and glory of a [legislator] to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty . . . in all cases, to prefer their interest to his own. But his unbiased opinion, his mature judgement, his enlightened conscience, he ought not to sacrifice to you. These he does not derive from [you]; no, nor from the law and the constitution. They are a trust . . . for the abuse of which he is deeply answerable. Your [legislator] owes you, not his industry only, but his judgement; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Because of that, Mr. President, I hope that the Members of the Senate will vote either for or against the treaties on what their conscience says is best for their country, not on what their own political polls might say, and not because they feel that somehow they cannot live unless they remain elected and re-elected to the U.S. Senate.

I am forced to reiterate this, Mr. President, because I have become very concerned in the past few days, as I expressed yesterday, that all of a sudden the whole thing becomes very political when it is tied up with reservations, many of which I think are meaningless. Some do not add anything to what is already in the treaty, but seem to be designed so that any of us who expect any kind of political retribution from our votes today can go back and say, "But, look at this reservation we got at the last minute, and, therefore, we were able to go and vote for these treaties." The reservations are already built into the treaty to begin with.

Mr. President, this Vermonter is not attracted by that prospect whatsoever. I hope this will not continue to be the course of action on the floor of the U.S. Senate. I have far too much respect for my colleagues and for this institution, and far too much respect for the President of the United States; but far more important than that, I have far too much respect for the United States of America, to wish to see that happen.

Mr. President, if we are going to have votes on meaningless matters rather than on a treaty that I think is in the best interests of the country, I wonder how many of us who are deeply committed to voting for a treaty because we think it is right would be able to continue to vote for such a treaty under circumstances like that.

Mr. President, I have spoken much longer than I had intended, but I feel deeply about this. I would hope that we can put aside the weighing of mail back and forth, the weighing of political polls back and forth, the weighing of what difference an extra sentence one way or the other might make to our political future either in voting for or against this treaty, and remind ourselves that ultimately we are here to reflect in our final judgment what is in our conscience, what is in our hearts, and what we feel is best for the United States of America.

In that regard, let me repeat this one more time, Mr. President, no Member of the U.S. Senate owns the seat he occupies here. No Member of the U.S. Senate owns his office.

When you realize that, then it becomes very simple. What is your judgment? What are your best thoughts? What, in your conscience, is best for the country? For me, the answer is very simple. It is ratification of these treaties, for the reasons I have stated over and over again on the floor of the Senate. I can assure you it is not because of any political gains which might occur to the Senator from Vermont.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUMPERS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I commend the distinguished Senator from Vermont (Mr. LEAHY) for his remarks this morning. I appreciate the fact that he has taken an unpopular position. It is always lonely when one finds himself in that predicament. Yet, clearly, the responsibility of each Senator on a matter of this importance is to vote in strict accordance with his own convictions. Each Senator owes his constituency the duty to exercise his judgment, which the Senator from Vermont has done in the most admirable way.

There are far too many public officeholders who bend with the winds, constantly telling the people what they think they want to hear. They are not leaders, but followers, and because their numbers are many, the hard problems that face this country are not getting solved.

I want the Senator from Vermont to know that I not only admire the position he has taken on the treaties, but I admire the reasons he has given for the stand he takes. I think his remarks today are in the best traditions of politics as it should be practiced and in the best interests of the country.

Mr. SARBANES. Will the Senator yield?

Mr. CHURCH. Yes, I yield.

Mr. SARBANES. I thank the distinguished Senator from Idaho.

Mr. PRESIDENT, I, too, thank the very able Senator from Vermont, not only for the statement which he has just made, but for the extremely effective way in which he has participated in the debate on this treaty and the enormously constructive contribution which he has made to the Senate's consideration of this important issue.

It should be pointed out that the leading American negotiator with respect to this treaty, Ambassador Ellsworth Bunk-

er, is a very distinguished native and resident of the State of Vermont. Ambassador Bunker has made an enormous contribution to the foreign policy of this country and to the diplomacy of this Nation. So, of course, has former Senator George Aiken, who was such a distinguished representative of the State of Vermont in this body and served so ably as the ranking Republican member of the Senate Committee on Foreign Relations. Both of these gentlemen are outstanding examples of the development of a foreign policy in this country, bipartisan in nature, with a deep perception of American interests in the world, and of the need for a wise and mature America.

Ambassador Bunker has labored on this issue over the course of a number of years, and has been one of the most effective members of our diplomatic service. I think it is fitting, in commenting on the address by the Senator from Vermont, to point out that it is one of Vermont's own sons who has played such an instrumental role in helping to shape and develop these treaties. I think the citizens of Vermont should be fully cognizant and appreciative of that role.

Mr. LEAHY. Will the Senator yield?

Mr. SARBANES. I yield to the Senator from Vermont.

Mr. LEAHY. I thank my friend from Maryland and my friend from Idaho. I think both they and other Members of the Senate realize the high respect, regard, and friendship I feel for both of them. They both know how greatly I admire the way they have handled the debate on behalf of those of us who favor the treaties, and I am moved deeply by their comments. I thank them both very much.

TIME LIMITATION AGREEMENT

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized.

Mr. CHURCH. Will the Senator yield so I may inquire if it is possible to reach a time agreement by unanimous consent? I was going to suggest to the Senator that, on this amendment, the opponents desire no more than 15 minutes. If an hour would be sufficient to accommodate the Senator, then the proponents of the amendment might have 45 minutes of that hour.

Mr. BARTLETT. Yes, the request of the Senator from Idaho is agreeable with me: 45 minutes on our side and 15 minutes on the other. I hope we can make it even sooner than that.

Mr. CHURCH. I thank the Senator very much.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESERVATION NO. 4

Mr. BARTLETT. Mr. President, I call up my reservation No. 4.

The PRESIDING OFFICER. The clerk will state the reservation.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes reservation No. 4:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservation that before the date of the exchange of the instruments of ratification the President shall have determined that the Republic of Panama has ratified the Treaty, as amended, in accordance with its constitutional processes, including the process required by the provisions of Article 274 of the Constitution of the Republic of Panama".

Mr. BARTLETT. Mr. President, I wish to begin by reading article 274 in the Panamanian Constitution. It says,

Treaties which may be signed by the Executive Organ with respect to the Panama Canal, its adjacent zone, and the protection of the said Canal, and for the construction of a new Canal at sea level or of a third set of locks, shall be submitted to a national plebiscite.

This means, then, that this reservation would require the President of the United States to make the determination that the Republic of Panama has ratified the treaties with a national plebiscite prior to exchanging the instruments of ratification.

I think this is very vital, and I shall try to outline some of the reasons why it is important in the exchange of treaties that this Nation is making with the country of Panama.

Mr. President, the long, complex debate in the Senate over the Panama Canal Treaty and the treaty concerning the permanent neutrality and operation of the Panama Canal is nearing an end as we approach a final vote on this first of two treaties. Clearly, however, debate will continue within the United States and around the world on the merits of these treaties long after they have been considered by the Senate. Whether they are approved or not, men everywhere will wonder what would have happened had the treaties, as originally negotiated, been different.

The lengthy debate on these treaties reflects not only the importance of the Panama Canal to the United States, Panama, and the world, but also concern over divergent interpretations of its provisions. Certainly, there has been major dissatisfaction in the Senate with the treaties as they were negotiated. Today, as more Senators announce for and against the treaties, we have heard nothing to renew our confidence in either of these treaties. On the contrary, those announcing for the treaties, such as my good friend from Georgia (Mr. NUNN), have been very eloquent in expressing their dissatisfaction with the provisions, many very ambiguous, of this treaty. The Senate has already made two substantive changes by amendment to the treaty of neutrality. These were called the leadership amendments to article IV and article VI.

Further reservations and understandings are inevitable, and it is expected that the reservation by the distinguished Senator from Arizona (Mr. DECONCINI) will be approved overwhelmingly later today. There will be other reservations that will be approved. Even those who support these treaties and have announced their intention to vote for them recognize that amendments, reservations, and understandings must be added by the Senate to these treaties in order to secure the neutral and efficient operation of the Panama Canal and to maximize the possibility of good relations with Panama and the world.

Nearly every Member of the Senate joined with the distinguished majority and minority leaders in voting for their amendments to article IV and article VI of the Treaty of Neutrality. Numerous Senators took the floor to express their view that these amendments made major substantive changes to the Neutrality Treaty. That is, they were expressing their dissatisfaction with the Neutrality Treaty as negotiated. At the same time, those who voted against the two leadership amendments did not do so because they were satisfied with the existing language. On the contrary, they had all expressed their dissatisfaction with the treaty itself.

The changes made by the leadership amendments are quite significant. In the case of article IV, they deal with the right of one nation to intervene in the territory of another nation. In the case of article VI, the right of warships of the United States to "go to the head of the line" is made clear. These are substantial changes to the Neutrality Treaty, I am confirmed in that view by the distinguished majority leader. For example, in an exchange with the majority leader on Thursday, March 9, he and I had the following discussion:

Mr. BARTLETT. I thank the distinguished majority leader very much for yielding.

Is the majority leader saying, on the one hand, that his amendment adds additional words to article IV and that those words constitute a substantive change in the meaning of article IV?

Mr. ROBERT C. BYRD. I am saying in response to the Senator from Alabama, who first said that they add no words, and obviously they add 219 words; he said they add no phrases, and they obviously add phrases; he said they add no substance, and I am saying that they add even to the substance.

Mr. BARTLETT. Well, I am asking the distinguished Senator if in his opinion his amendment, the leadership amendment, adds and makes a substantive change to article IV?

Mr. ROBERT C. BYRD. Yes. I think it does, and I have just stated why.

Mr. BARTLETT. I thank the Senator.

Given the testimony received by the Armed Services Committee concerning ambiguous and inadequate economic provisions of the Panama Canal Treaty, it is likely that the Panama Canal Treaty will also be amended. Thus, it is probable that both treaties will contain language not in the treaties as negotiated at the moment when the Senate gives its consent to ratification. Although the process for making these changes—amendments, reservations, and understandings—is consistent with American constitutional procedures, the resulting treaty documents will be different from the documents recently subjected to approval by a plebiscite of the people of Panama.

I would remind my colleagues in the Senate that the fate of the Panama Canal is as important to the people of Panama as it is to the people of the United States. For that reason, article 274 of the Constitution of Panama provides very specifically for exceptionally careful ratification procedures for any

treaty dealing with the Panama Canal. I read article 274 just a minute ago.

Many Panamanians have expressed their view that the original 1903 Panama Canal Treaty was negotiated in a less-than-straightforward manner, and this unusually specific provision for ratification of treaties dealing with the Panama Canal was undoubtedly designed to allay fears that a new treaty might also be negotiated in a cloud of confusion. This is not an unreasonable fear.

Mr. President, the citizens of Panama, like the citizens of the United States, are aware that a treaty is an agreement which is, in many ways, like a business contract. They understand that each side puts forth offers which are either accepted or rejected by the other side. The agreement is consummated when both parties agree to the same terms and express that agreement in language acceptable to both. Essentially, the same procedure applies to treaties.

By altering the treaty language as originally negotiated and as approved in Panama by plebiscite, the Senate is, in effect, rejecting an offer from Panama while at the same time countering with an offer of its own. Were the Government of Panama not to resubmit the treaties as amended to a plebiscite of the people of Panama, its action would seemingly constitute a rejection of the new offer from the United States.

Clearly, to give the proposed Panama Canal treaties their maximum legitimacy, they must be submitted along with all changes to the people of Panama in accordance with article 274 of the Panamanian Constitution of 1972. Failure to take this step would leave the treaties vulnerable to refutation by subsequent governments of Panama, or for that matter the United States, and might reduce the binding effects of the treaties under international law. In my opinion, such a loophole could work to the advantage of Panama in the future.

Although the Government of Panama is undoubtedly a dictatorship, the rule of law has not completely ceased in Panama. Article 274 of their constitution clearly requires a plebiscite prior to ratification of any treaty dealing with the Panama Canal and the present Government of Panama has already acted once in accordance with that provision. Certainly, when confronted with a changed document, the right of the present government to rule would be seriously called into question if the new language were not submitted in a plebiscite.

I believe that the seriousness of this issue can be illustrated by two questions. Do you believe that Panama would accept a treaty that had not been ratified by the U.S. Senate in accordance with our Constitution, when such ratification is required by the language of the treaty itself? And would my colleagues as elected representatives of the American people, give their consent to ratification of a treaty whose language had been changed subsequent to first consideration of the document?

I think we should look upon this as if the shoe were on the other foot, and the nation of Panama had made changes in an offer of a treaty by the United States. Would we not feel completely obligated to consider that changed treaty and act accordingly, according to the constitutional requirements?

I think the answer to the questions that I have put would be that the Americans in the Senate, the Senators, would definitely want to have the United States fulfill the requirements of the Constitution and each as an individual Senator would want to fulfill his constutitional duties. I think that the answer to both of those questions is "No."

It would be an injustice to the people of the United States if the Senate were to ignore its treaty responsibilities, and it would be an injustice to the people of Panama and the United States, and the world, about whose human rights and democracy we have been greatly concerned, not to expect that the treaties as amended would be resubmitted to a plebiscite of the people of Panama.

I think, therefore, a Senator would be in violation of his oath of office in not upholding our Constitution in case the shoe were on the other foot.

Mr. President, at this time I would like to discuss briefly exactly what my reservation to the Neutrality Treaty will and will not do. The reservation I propose adds to the resolution of ratification language which makes consent to ratification "subject to the reservation that before the date of the exchange of the instruments of ratification the President shall have determined that the Republic of Panama has ratified the treaty, as amended, in accordance with its constitutional processes, including the process required by the provisions of article 274 of the Constitution of the Republic of Panama."

In effect, Mr. President, the reservation I propose makes clear to the President that the Senate does not consent to ratification of a potentially invalid treaty. It instructs the President to determine that the Republic of Panama has properly considered our amendments as required by the Constitution of Panama.

In short, the reservation I propose makes explicit the recognition that a new plebiscite is required in Panama to deal with changes already made or pending to the Treaty of Neutrality. A new plebiscite in Panama is necessary to:

First. Conclude a new agreement between the United States and Panama in the manner of a contract, which we all understand;

Second. Guarantee United States and Panamanian rights under the treaty;

Third. Comply with international law;

Fourth. Reduce the likelihood of misunderstandings with the Panamanians;

Fifth. Reduce the chances that subsequent Panamanian regimes will refuse the treaty;

Sixth. Comply with the Panamanian Constitution and insure that the Supreme Court of Panama does not void the agreement;

Seventh. Support our policy of standing up for political and human rights around the world;

Eighth. Strengthen the leadership amendments by showing that they do, beyond a shadow of a doubt, change the substance of the Treaty of Neutrality; as was agreed to by Senator BYRD as far as the leadership amendments make it a substantive change; and

Ninth. Show the American people that the amendments passed by the Senate are not a political maneuver designed to camouflage real flaws in the treaties so that the administration will not suffer political embarrassment and defeat.

The addition of this reservation to the Treaty of Neutrality is necessary because the joint Carter-Torrijos statement of October 14, 1977, which forms the basis of the leadership amendments, was not attached to the Treaty of Neutrality when that specific document, and the specific language it contained, was ratified in Panama. A new plebiscite, determining once and for all the status of the joint Carter-Torrijos statement, is necessary to end the conflicting interpretations which existed at the time of the first plebiscite and which would continue to exist without a new plebiscite dealing with that specific issue.

Mr. President, Mr. Oppenheim in his Treatise on International Law, volume 1, section 517, states as follows:

§ 517. It follows from the nature of ratification, as a necessary confirmation of a treaty already concluded, that ratification must be either given or refused, no conditional or partial ratification being possible. That occasionally a State tries to modify a treaty while ratifying it cannot be denied; but conditional ratification is not ratification at all, but is equivalent to refusal of ratification coupled with a fresh offer which may or may not be accepted. Nothing, of course, prevents the other contracting party from entering into fresh negotiations in regard to such modifications; but such negotiations are negotiations for a new treaty, the original treaty having become null and void through its conditional ratification. On the other hand, no obligation exists for such party to enter into fresh negotiations, for conditional ratification is identical with refusal of ratification, whereby the treaty falls to the ground. Thus, for instance, when the Senate of the United States on December 20, 1900, in consenting to the ratification of the Hay-Pauncefote Treaty, added amendments which modified it, Great Britain did not accept the amendments, and considered the Treaty to have fallen to the ground.

. . . It has been asserted that it is quite legitimate—and that one ought not in this case to speak of conditional ratification—for a contracting party who wishes to secure a certain interpretation for certain terms and clauses of a treaty, to grant ratification upon the understanding only that they should bear a particular interpretation. In such cases, according to that view, ratification does not introduce an amendment or an alteration, but only fixes the meaning of otherwise doubtful terms and clauses of a treaty. However, it is clear that such interpretation, in order to be binding upon the other parties, must secure their assent. Otherwise it might be possible for a contracting party to modify substantially its obligations by means of its own interpretation of the provisions of the treaty.

§ 517a. . . . Reservations raise an important question of principle because they modify the terms of the offer which a State in signing or ratifying or acceding to a treaty purports to accept. *A reservation is upon analysis the refusal of an offer and the making of a fresh offer. Therefore in principle it seems necessary that the other party should assent to the reservation . . .*[1] [Emphasis supplied.]

I would like to cite another example which has particular reference to the Panama treaties now before us; and this is an observation by Professor Oppenheim with some relevance. It is in section 497:

§ 497. Although the Heads of States are regularly, according to International Law, the organs that exercise the treaty-making power of the States, *such treaties concluded* by Heads of States, or other organs purporting to act on behalf of the State, *as violate constitutional restrictions do not bind the State concerned*. This is so for the reason that the representatives have exceeded their powers in concluding the treaties.[2] [Emphasis supplied.]

I would add that Mr. J. L. Brierly, in the Law of Nations, says:

Ch. VII, § 1. . . . In accepting a treaty a state sometimes attaches a "reservation," that is to say, it makes the acceptance conditional on some new term which limits or varies the application of the treaty to itself. Such *a qualified acceptance is really a proposal for a treaty different from that agreed on, and if the reservation is persisted in and is not accepted by the other states concerned it amounts to a rejection.*[3] [Emphasis supplied.]

Mr. LAXALT. Will the Senator yield?

Mr. BARTLETT. I yield to the Senator from Nevada.

Mr. LAXALT. The Senator from Nevada compliments the Senator from Oklahoma for bringing to the attention and consideration of this body a very worthwhile matter.

Essentially, what the Senator is attempting to do by virtue of this reservation is to assure not only the political situation in reference to the people of Panama, in the sense he wants them to participate in this decision, but, moreover, the Senator from Oklahoma is attempting also to remove what may be serious legal obstacles.

It is true, is it not, that if these articles are ratified by the Senate and if the appropriate exchange procedures are engaged in by the President and Mr. Torrijos, under international law they probably would be binding? But there is a serious question, under the domestic law of Panama, as the Senator has indicated, under the terms of their constitution, if there are changes, substantial changes, within the terms of the treaty, that that would be in violation of the Panamanian Constitution. Is that not the Senator's concern, basically?

Mr. BARTLETT. Yes, that is correct. I think that also in connection with international law, it seems to violate it.

Mr. LAXALT. In either case.

Mr. BARTLETT. In either case.

Mr. LAXALT. If that be the case, and we had a problem later, and the Panamanians chose, for whatever reason, to reject the terms of these treaties by utilizing the device of the Supreme Court of Panama, Panama could avoid any obligations under the terms of this treaty. Is that not correct?

Mr. BARTLETT. Yes. The treaty could fall completely; because what is really taking place is that the Panamanians have submitted to us a treaty which we have altered, with substantive changes, and more substantive changes will be made. We are resubmitting that to them. They saw fit to follow their constitution by having a plebiscite on the treaty they submitted to us.

But if they did not see fit to have a plebiscite—if it were the desire of President Torrijos not to have a plebiscite—on the second submission, or the submission by us to them, which is a change in what they submitted to us, it clearly would be a violation of their constitution, and it would be a matter of their accepting one version, we accepting another, and this could fall very quickly, according to their law and according to international law.

Mr. LAXALT. So, in the absence of a reservation of this kind, requiring a plebiscite on the part of the Panamanians with respect to the ratification of these treaties, the treaties would be under a rather serious legal cloud, would they not?

Mr. BARTLETT. Yes; that is entirely correct.

It is interesting to me that the administration originally opposed any amendments, because they might embarrass President Torrijos and might require a plebiscite, which could threaten both President Torrijos and the ratification of the treaties. But now that there are amendments, substantive changes as amendments, and substantive changes as reservations, the administration is saying that it will not be necessary to have a second Panamanian plebiscite, and that to press for one will embarrass Torrijos, because the people of Panama might reject this man and his treaty at the polls.

Yesterday, Senator BROOKE pointed out that the administration seems more concerned about not embarrassing President Torrijos than it is about respecting the views of the American people or in making sure that the treaty negotiated with Panama is exactly the same—both versions that have been accepted—and is sound.

Mr. LAXALT. I thought Senator BROOKE made a very strong and valid point yesterday, when he indicated in no uncertain terms that what has occurred here during the last few weeks of this debate is having General Torrijos with the literal power of veto over the considerations of this body. Is that not essentially what he said?

Mr. BARTLETT. Yes. That is, in essence, a summary of what I just mentioned, and it is a very succinct way of putting the actions that have taken place here.

Mr. LAXALT. I was only quoting Senator BROOKE on it.

Mr. BARTLETT. Yes; I understand.

Mr. LAXALT. Because we have had action here during the last several weeks to consider what we considered to be several worthwhile strengthening amendments to these treaties; but time after time, we literally have been stonewalled on those amendments. Is that not true?

Mr. BARTLETT. That is true. They have been rejected as amendments; but so far, one, and I think perhaps others—so far, several—have been accepted as reservations, and undoubtedly there will be additional ones.

Mr. LAXALT. They originally were rejected here—at least, they were opposed—on the ground that to change materially the terms of the treaties by an amendment would require a future plebiscite. Is that not correct?

Mr. BARTLETT. That is correct.

Mr. LAXALT. Yet that is precisely what has been accomplished here by the device of a reservation, so that a reservation changes the terms of the treaty but theoretically does away with a plebiscite.

Mr. BARTLETT. That is the contention.

Mr. LAXALT. So what the Senator from Oklahoma is attempting to do is to require, under the terms of this reservation, that that plebiscite be conducted.

Mr. BARTLETT. Yes. I think this is very straightforward. It requires that prior to the Resolution of Ratification, because of substantive changes in the treaty, there would have to be a finding on the part of the President to the effect that the Panamanian constitutional processes have been followed.

Mr. LAXALT. It is also true, is it not, separate and aside from the legal aspects of this, that at the time the plebiscite was conducted on the original treaties, the vote was roughly 2 to 1?

Mr. BARTLETT. Yes; that is correct.

Mr. LAXALT. That meant that one-third of the Panamanians who participated in that plebiscite objected to the treaties as they then found them. Is that not correct?

Mr. BARTLETT. That is correct.

Mr. LAXALT. So, would it not be in the interests of equity and justice to the Panamanian people, recognizing that this is a dictatorship, which it is? I do not think anybody questions that.

Mr. BARTLETT. I do not think anybody questions that.

Mr. LAXALT. And it has been for the last 10 years. But it is only right and just that these material changes in this treaty, from every standpoint—legally, politically, morally, and otherwise—be resubmitted to the Panamanian people for another plebiscite.

Mr. BARTLETT. Yes. I think it is also a matter of justice to the citizens of the United States that the treaty we accept from the Panamanians is going to be the same one they accept from us, so that we have a clear understanding that our Government is making exactly the same commitments and has the same understandings as their government.

Certainly, one of the arguments in favor of the treaties is that all this will lead to better understandings and better relations between our country and Panama. But if there are ambiguities and misunderstandings that arise out of these treaties, it is going to be the other way around.

I would expect that the President, in following the requirements of this reservation, would have to certify formally to the Senate that article 274 had been complied with fully.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. BARTLETT. I thank the Chair.

Mr. President, I yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. I thank the Senator from Oklahoma.

Mr. President, I merely rise to commend the Senator for offering this very, very important and essential amendment. I do not see any reason why the Senate would not adopt it, but I expect that I know what the results will be.

Frankly, this Senator has taken the view all along, in the committee and on the floor, that we should not adopt substantive changes in the treaty. I have argued that; and although I have voted against tabling motions, I have tried to make it clear throughout that on the merits I would oppose any changes in the treaty on the Senate floor.

The reason I have taken that position is that I am concerned that General Torrijos, the temporary ruler of Panama, will not follow the Constitution of that country; that he will accept whatever deals are made here in order to get the requisite number of votes. Despite the fact that there are changes made in the treaty, he will say those are all right, and if he does this he will be in violation of the Constitution of Panama.

And then we will have the kind of an arrangement with Panama that would be an open invitation to Mr. Torrijos' successor—which is a situation that may develop at any time considering the history of what happens in that part of the world—to say that this is not a valid treaty. His successor would have good grounds for saying so, not only under the law of Panama but under international law as well.

As I documented yesterday and in earlier statements, we cannot be oblivious to the constitutional requirements of Panama for the ratification of a treaty.

Insofar as Panama is concerned, its constitution has a fundamental requirement with respect to any treaty affecting the Panama Canal; that is, that the treaty be approved by the people in a plebiscite.

It has been very obvious and very clear, of course, why the administration started out resisting any amendments: Because they did not want a new plebiscite. Now, despite that clear requirement in Panama's Constitution, we have seen that resistance erode in order to get a vote here and a vote there. The two leadership amendments now have been adopted and other modifications have been adopted, and we are going to see still more this afternoon that will be accepted by the Senate in order to get that magic 67 votes. Then we will have a treaty that will not be valid under the Panamanian Constitution.

I do not want to be a part of that deal. I have never wanted to be and I will not be, and I would hope that we could assure that the Senate as an institution will not be, by adopting the amendment that is now before the Senate, offered by the Senator from Oklahoma.

It ought to be supported. It would be a way for the Senate to protect itself and to protect the people of the United States to be sure we are going to end up not with a temporary agreement with a dictator but with a treaty with the people of Panama, which is what we ought to want.

The PRESIDING OFFICER. Who yields time?

Mr. BARTLETT. I thank the distinguished Senator from Michigan for his comments, which were apropos, and in line with his statement it comes to my mind that with the passage of amendments and reservations that do have substantive meaning, and changes in the treaty that we received from Panama, there is no way to understand how the Panamanians can agree to those changes unless they have a plebiscite and express by their constitutional process their support of those changes. Otherwise, it seems to me that we have rejected the treaty that they have passed and offered them another treaty, which, if they do not take action by their legal process of a plebiscite, they are rejecting.

So I think that the confusion that is added by the apparent desire of the proponents of the treaty to bypass, to circumvent the requirements of Panama's constitution, is going to invalidate the treaty and make it subject to many interpretations and certainly make it a matter of misunderstanding.

We are not telling Panama to have a plebiscite. We are telling the President of the United States that he cannot exchange the instruments of ratification if he determines that they have not followed their constitutional processes and had a plebiscite vote on the treaty with the changes made by the U.S. Senate.

Mr. GRIFFIN. Mr. President, will the Senator yield for one further comment?

Mr. BARTLETT. I yield further to the distinguished Senator from Michigan.

Mr. GRIFFIN. I think we might look at this question in light of how it would look if the situation were reversed.

Of course, in our country under our Constitution a vote of the people is not required. A treaty is negotiated by the President and is then ratified with the advice and consent of the Senate under our representative form of government. But under the Government of Panama, of course, their ratification procedure is different. Suppose that the United States had acted first in this situation and the treaty had gone down to Panama, and that the Government of Panama in some way or other had attached an amendment relating to the right of the United States to use military force. They might very well, for example, have adopted a reservation or an amendment spelling out their interpretation of the Neutrality Treaty, to the effect that the United States cannot use military force to defend the neutrality of the canal after the year 2000 without the express consent of the Republic of Panama. I wonder where we would be if they were to change the treaty in some way and then it were to come back. I wonder if we would not insist that the Senate would have to consent to that revised or new treaty just as we would now expect Panama to follow its constitutional procedures for ratification of the Neutrality Treaty since it has been changed.

It seems to me that if we were to just turn the thing around and look at it from their point of view, we would see why there would be concern in Panama if we are going to, here on the Senate floor, in order to get a vote here or there, change the substance of the treaty.

It is no wonder that the Ambassador of Panama went to the White House yesterday, as reported on CBS this morning, and registered serious concern about what the Senate has been doing to the treaty and what I think they expect will happen here on the Senate floor this afternoon.

It is understandable, especially since the last thing General Torrijos wants to do, I suspect, is to have another plebiscite.

I thank the Senator from Oklahoma.

Mr. BARTLETT. I think the point raised by the distinguished Senator from Michigan is a very valid one. If the shoe were on the other foot, my own opinion is that every single Senator in this body, all 100, would insist that the constitutional processes of this Nation be followed, and that the altered treaty would be before the Senate for ratification or for a decision to not ratify.

Mr. President, I yield the floor. But I first ask how much time I have remaining.

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Who yields time?

Mr. BARTLETT. I retain the remainder of my time.

Mr. CHURCH. Mr. President, I shall take just a moment or two to reply to the arguments that have been made on behalf of this reservation.

First of all, it should be pointed out that the reservation would add nothing to the treaty or the ratification process. In article VIII, the treaty already contains the provision:

> This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two parties.

Moreover, it is the constitutional duty of the President of the United States to determine, to the best of his ability, that any treaty will be legally ratified by both parties and binding on both parties before he exchanges or deposits the instruments of ratification on behalf of the United States. So this reservation is entirely unnecessary.

But I want to say something to the people of Panama who may be listening to this debate, since I am told that the debate is being broadcast in Panama in Spanish day after day from gravel to gravel. I am quite certain that the arguments made on behalf of this reservation, though they may be the opinion of those who have spoken on behalf of it, do not reflect, in my judgment, the opinion of the great majority of Senators.

This reservation calls upon the President of the United States to certify that the Government of Panama has complied with Panamanian law. Now, what would we think if the Panamanian Gov-

ernment were to attach a reservation to this treaty requiring the President of Panama to certify that the United States Government had complied with American law? Why, we would be so indignant at the presumption that we would scorn it.

I am so tired of this double standard, Mr. President. Can we not leave it to Panama to determine whether Panamanian law has been complied with? Is that not their business? How on earth can we presume to know more about the requirements of the constituion of Panama than the people of that country?

The reservation calls upon the President to act as the ultimate judge of Panamanian law, which is the height of presumption. Never before in connection with any treaty ever considered by the Senate has such a reservation even been proposed.

So it is my intention to move to table this reservation. I have no need to use the remainder of my time. I am prepared to relinquish whatever time is remaining to me in order to make that motion. But before I do so, out of courtesy to the distinguished Senator from Oklahoma, I will withhold the motion.

Mr. BARTLETT addressed the Chair.

Mr. ALLEN. Mr. President, will the Senator yield 2 minutes to me, please?

Mr. BARTLETT. Yes, I yield 2 minutes to the distinguished Senator from Alabama.

Mr. ALLEN. Mr. President, I was somewhat intrigued by the statement of the distinguished Senator from Idaho (Mr. CHURCH) that we should leave to the Panamanians to determine whether or not Panamanian law had been followed in the approval by Panama of this treaty.

That is a far cry, Mr. President, from the argument which the leadership, including the distinguished Senator from Idaho (Mr. CHURCH), has been making on this floor day after day after day as amendments were offered here on the floor.

Each amendment that came up the statement would be made if this amendment is adopted it will kill the treaty, and the ridiculous statement was made that an eight-word amendment by the distinguished Senator from Kansas (Mr. DOLE) would kill the treaty, and that the addition of six words, four words, or two words would kill the treaty.

Well, now, why is that not an interpretation of what Panama law requires? In this instance he says, "Leave to Panama the decision of what Panama law required."

Yet time after time they quoted here on the floor the statement that any amendment, any amendment at all, would kill the treaty.

Why would that be true? I have maintained all along, and have stated here on the floor, that if we passed 100 amendments it would not necessarily kill the treaty because Torrijos, being a 1-man government, could accept those amendments. It has been pointed out time and time again here on the floor that collateral attack cannot be made on the action by Panama.

To say, on the one hand, to interpret Panamanian law, as the leadership has been doing time after time——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. ALLEN. May I have an additional 2 minutes?

Mr. BARTLETT. I yield 1 minute.

Mr. ALLEN. I thank the Senator.

To say time after time than an amendment will kill the treaty, thereby interpreting Panamanian law, and then saying to the distinguished Senator from Oklahoma, "Let us leave to the Panamanians what will be required to comply with Panamanian law," it seems we have a double standard of requirement.

Mr. BARTLETT. Mr. President, I thank the distinguished Senator from Alabama.

The Senator from Idaho is saying it is none of our business what the Panamanians think the unilateral action of the Senate is. Certainly the Panamanians are bound by what the Senate has added as substantive changes in the treaty. We are only going to know whether or not they have agreed with our pronouncements, with our changes, with our amendments, with our reservations if they are submitted according to their legal processes in their Constitution. So it is of concern to us.

We are not telling the Panamanians what to do, but we are telling the President of the United States that we want to know that we have a valid treaty, that this is a treaty on which there is agreement on both sides, and it is not just a one-way treaty which has no meaning and which falls because the Panamanians do not agree to it.

We want to know that we have a treaty or we do not have a treaty, and we want to know what it means. The only way we are going to find this out is if the President insists that their constitutional processes be followed, and if they are not followed then there is not an exchange of the instruments of ratification.

Mr. President, do I have some time remaining?

The PRESIDING OFFICER. The Senator has 15 seconds left.

Mr. BARTLETT. Well, I will——

Mr. CHURCH addressed the Chair.

Mr. BARTLETT. I will yield back my 15 seconds, and I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, it is the constitutional responsibility of a President of the United States to determine that the instruments of ratification are in good order. Any conditions the Senate attaches to its consent to this treaty must be accepted by the Government of Panama if the treaty is to take effect.

Let us leave it to normal constitutional procedure. The President will do his duty, the Panamanian Government will comply with its law, and this matter can be handled as all other treaties are handled, without the insult of requiring formal certification by our President that the Panamanian Government has complied with its law.

Mr. President, I am now prepared to make the motion to table, and I am prepared to relinquish back the remainder of my time.

Mr. BARTLETT. Mr. President, if the Senator will let me have the 15 seconds I yielded back, I would just say then——

Mr. CHURCH. Certainly.

Mr. BARTLETT. Certainly the No. 1 requirement of the President of the United States here is to guarantee that our understanding of this treaty is also the understanding that the Panamanians have. That is the purpose of this reservation. It would insist that the processes be followed so that we would know we have a binding treaty to which both sides agree. Otherwise we will not know.

Mr. CHURCH. Mr. President, I yield back the remainder of my time. I move to table the reservation and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion to lay on the table the reservation of the Senator from Oklahoma (Mr. BARTLETT). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

The result was announced—yeas 60, nays 37, as follows:

[Rollcall Vote No. 61 Ex.]

YEAS—60

Abourezk	Hatfield, Mark O.	Moynihan
Anderson	Hatfield, Paul G.	Muskie
Bayh	Hathaway	Nelson
Bentsen	Hayakawa	Packwood
Biden	Heinz	Pearson
Bumpers	Hodges	Pell
Byrd, Robert C.	Hollings	Percy
Cannon	Huddleston	Proxmire
Case	Humphrey	Ribicoff
Chafee	Inouye	Riegle
Chiles	Jackson	Sarbanes
Church	Javits	Sasser
Clark	Kennedy	Sparkman
Cranston	Leahy	Stafford
Culver	Long	Stevenson
Danforth	Magnuson	Stone
Durkin	McGovern	Talmadge
Eagleton	McIntyre	Weicker
Gravel	Metzenbaum	Williams
Hart		Zorinsky
Haskell		

NAYS—37

Allen	Ford	Nunn
Baker	Garn	Randolph
Bartlett	Goldwater	Roth
Bellmon	Griffin	Schmitt
Brooke	Hansen	Schweiker
Burdick	Hatch	Scott
Byrd, Harry F., Jr.	Helms	Stennis
Curtis	Johnston	Stevens
DeConcini	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClure	Wallop
Eastland	Melcher	Young
	Morgan	

NOT VOTING—3

Glenn	Mathias	Matsunaga

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at some point between 1 p.m. and 1:30 p.m. today, the distinguished junior Senator from Montana (Mr. PAUL G. HATFIELD) be recognized for not to exceed 15 minutes, and that he be followed by the distinguished majority whip for not to exceed 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, will there be any opportunity to respond to whatever statement the Senator from Montana makes?

Mr. ROBERT C. BYRD. If he should yield.

Mr. GRIFFIN. How long will he be recognized?

Mr. ROBERT C. BYRD. Not to exceed 15 minutes.

I do not think we have been getting time for responses to statements of Senators who wish to state their position on the treaties. He does not intend to offer any reservation.

Mr. LAXALT. Is that acceptable to the Senator from Michigan?

Mr. GRIFFIN. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Arizona (Mr. DECONCINI) is recognized.

Mr. DECONCINI. Mr. President, before moving to call up my amendment No. 83 as modified, I wish to make my position on the Neutrality Treaty as clear as possible.

For the last 3 months, I have argued that the treaties, as drafted, did not appear to contain sufficient safeguards for the United States.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. ABOUREZK). Yes. The Senator's point is well taken. The Senator from Arizona will suspend until we get order in the Senate.

I ask all Senators who are conversing and all staff members who are conversing to please stop, including the Senator from Arkansas.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DECONCINI. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on this amendment to the resolution of 15 minutes.

Mr. DECONCINI. That is quite satisfactory.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I thank the Chair.

Mr. DOMENICI. Will the Senator yield for a unanimous-consent request?

Mr. DECONCINI. I yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Kay Davies of my staff may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I thank the Chair for his indulgence in calling the Senate to order.

For the last three 3 months, I have argued that the treaties as drafted did not appear to contain sufficient safeguards for the United States. But I have also stated publicly that I believed a new treaty with Panama was essential; that history had bypassed the era of simple colonialism when large powers bullied the small. Until recently, I believed that it would be possible for the Senate to make some constructive amendments to the treaty that would satisfy the needs of Panama—but not at the sole expense of the American people. However, as every member of this Chamber knows, the administration was unwilling to accept the slightest changes in the text of the agreement.

Because of this recalcitrance, I suspect that a number of potential supporters of the treaty were lost. Together with Senator Ford, I offered a number of amendments to the treaty. When it became clear that no amendments except the so-called leadership amendments would be accepted, I began to search for alternatives that would accomplish the desired objectives.

After extensive consultations with experts from the executive, Congress, and the academic community, I became convinced that it would be possible to achieve a clearer understanding of American rights and responsibilities under the treaty through the device of an amendment to the resolution of ratification in the nature of a condition precedent to American acceptance of the treaty itself. Such a condition will be binding on the Republic of Panama.

Therefore, I have recast my amendments in this form. I have assured the President that if my amendment No. 83 to the resolution of ratification is accepted by the Senate that I will vote in favor of the Neutrality Treaty. In turn, the President assured me yesterday in a meeting we had at the White House that he would accept and support my amendment. To the best of my knowledge, that is how things stand as of this moment.

I would like to stress that I am offering this amendment in the name of the people of Arizona. Like Senator FORD, I too have crossed my State and spoken personally to hundreds, perhaps thousands of concerned citizens. As a whole, my constituents do not approve of the Panama Canal treaties. However, they are willing to accept their necessity if American rights to insure open and free access to the canal are clearly spelled out. That is all my amendment intends—but that much at least is essential.

AMENDMENT NO. 83, AS FURTHER MODIFIED

Mr. DECONCINI. Mr. President, I would like to call up my amendment No. 83, as modified. I would ask, Mr. President, to further modify such amendment. A few of these changes are purely technical and drafting changes.

The PRESIDING OFFICER. The Senator will suspend until the clerk states the amendment.

Mr. DECONCINI. Mr. President, I have the clarified drafted change amendment that I would ask the clerk to state.

The PRESIDING OFFICER. The clerk will state the amendment.

The second legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) and Mr. FORD propose amendment numbered 83, as further modified, as follows:

Before the period at the end of the resolution of ratification, insert the following: "subject to the condition, to be included in the instrument of ratification of the Treaty to be exchanged with the Republic of Panama, that, notwithstanding the provisions of Article V or any other provision of the Treaty, if the Canal is closed, or its operations are interfered with, the United States of America and the Republic of Panama shall each independently have the right to take such steps as it deems necessary, in accordance with its constitutional processes, including the use of military force in Panama, to reopen the Canal or restore the operations of the Canal, as the case may be".

Mr. DECONCINI. Mr. President, the changes are technical and draft changes. The one substantive change is to include the phrase "according to its constitutional processes," after the words "to take such steps as it deems necessary" and before the words "including the use of military forces."

I send to the desk a clean copy and I thank the Chair and the clerk for reporting same.

I also would like to ask that Senator CANNON, Senator CHILES, Senator NUNN, Senator LONG, Senator TALMADGE, Senator PAUL HATFIELD, and Senator HAYAKAWA be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. The purpose of this amendment is quite simple, Mr. President. It is designed to establish a precondition to American acceptance of the Neutrality Treaty. That precondition states that regardless of the reason and regardless of what any other provision of the Neutrality Treaty might say or what interpretation it might be subject to, if the Panama Canal is closed, the United States has the right to enter Panama, using whatever means are necessary, to reopen the canal. There are no conditions, no exceptions, and no limitations on this right. By the terms of the amendment, the United States interprets when such a need exists, and exercises its own judgment as to the means necessary to insure that the canal remains open and accessible.

A good deal of the discussion involving the Panama Canal treaties has centered upon threats to the canal which might come from third parties—more specifically—the Communist countries. While this concern is certainly justified, I have been equally bothered by the possibility that internal Panamanian activities might also be a threat to the waterway, should we give it up. Labor unrest and strikes; the actions of an unfriendly government; political riots or upheavals—each of these alone or in combination might cause a closure of the canal. In February 1975, for example, there was a "sickout" which disrupted the efficient operation of the canal. Yet as I read the treaties, there does not appear to be any specific guarantee that

a disruption of the canal arising out of internal Panamanian activities can be swiftly and adequately dealt with.

Although General Torrijos has brought a welcome degree of stability to Panama in recent years, it can be argued that the history of Panama is one of substantial political instability and turmoil. Under normal circumstances, the United States would not or should not contemplate intervening in the internal affairs of another nation. However, there are extremely unique and special circumstances surrounding the relationship between the United States and Panama. Since the beginning of this century, the United States has exercised de facto sovereignty over the Panama Canal Zone, and has been responsible for the defense and operation of the canal. We have maintained this control over the canal for one very simple reason: The Panama Canal is vital to the security, economic and military, of the United States. This fact must be recognized in any treaty which contemplates a fundamental change in the American-Panamanian relationship.

The amendment contains a very specific reference to the use of military force in Panama. I believe these words are absolutely crucial because they establish the American right—which I am not convinced is adequately provided for either in the body of the treaty or the leadership amendment—to take military action if the case so warrants. It further makes it clear that the United States can take military action on Panamanian soil without the consent of the Panamanian Government.

The question of consent is also crucial. Since the main thrust of this amendment is directed toward situations in which the canal is closed because of internal difficulties in Panama—difficulties like a general strike, a political uprising, or other similar events, the consent of the Panamanians to take action would not make sense. If America is to have any rights at all under this treaty, it must have the right to act independently to protect the canal and to keep it open.

I believe that the question of an attack on the canal by a third party aggressor is adequately dealt with in the treaty. There seems to be little question that under such circumstances the United States does have the right to act with the Panamanians to protect and defend the canal. Thus, my concerns have centered around two problems. The first is the one expressed in the amendment now on the floor. The other is the question of a continued military presence.

We have just adopted an amendment by Senator NUNN that I had the privilege of cosponsoring. It provides that the United States and Panama may conclude an agreement providing for a continued American military presence in Panama after the year 2000. This change is important because it may be vital to both countries to provide for such presence while at the same time not disrupting the regime of neutrality that is established.

It was my desire, and the desire of Senator NUNN, to allow for a continued presence without a new treaty that would, by its very nature, call into question the regime of neutrality. It is much more appealing to have that right embodied in the very document that creates the regime of neutrality.

Therefore, I compliment the Senator from Georgia in his efforts to gain acceptance of the military presence reservation.

I hope the Senate will support the amendment I offer to the resolution of ratification providing for America's right to keep the canal open. I am also happy to announce that the President of the United States has endorsed this change, and has indicated that he believes it to be a constructive step in fulfilling the goals of the Neutrality Treaty.

I believe I speak for all Senators in stating that it is not our expectation that this change gives to the United States the right to interfere in the sovereign affairs of Panama. The United States will continue to respect the territorial integrity of that Nation. My amendment to the resolution of ratification is precautionary only; and it is based on the long history of American stewardship of the canal. It recognizes the very special relationship that the Panama Canal has to American security.

I certainly hope, Mr. President, that if this right is attached to the treaty it will never need to be exercised. Yet, it is important that the American people know that should the need arise, the United States has sufficient legal sanction to act.

Mr. President, I commend this change to my colleagues and urge their support.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER (Mr. CANNON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ALLEN. Will the Senator yield?

Mr. DECONCINI. In just a moment.

Mr. President, I ask unanimous consent to add Senator BROOKE as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I am glad to yield to the Senator from Alabama.

Mr. ALLEN. I would like to ask the distinguished Senator if his amendment to the resolution of ratification does not, in fact, effect a major change in the provisions of the treaty itself?

Mr. DECONCINI. It is my interpretation and judgment it does not affect a major change in the treaty, but it is a condition precedent to the treaty taking effect, which means it has to be accepted or not contradicted by the Panamanians before the treaty is effective.

That is my understanding.

Mr. ALLEN. Prior to the agreement on the amendment to the resolution of ratification, the United States would have certain rights to intervene in Panama and, under the Senator's amendment, they would have additional rights, would they not, affecting major change in the treaty itself?

Mr. DECONCINI. The Senator from Alabama makes a very persuasive argument, as he always does, very eloquent, indeed.

My amendment is to clarify the leadership amendment.

Mr. ALLEN. Well, it needed quite a bit. I appreciate the Senator's effort.

Mr. DECONCINI. I felt that amendment did not go far enough as to our right to exercise independently the decision when we can take action, and from whatever binding effect the leadership amendment has, and I think it is binding, as this is, this stands as a clarification or expansion of that.

Mr. ALLEN. But we do not have these rights under the treaty as it now stands and yet would have these rights of intervention if the Senator's amendment is agreed to.

Why would that not change the treaty and why would that not, in fact, make of the Senator's amendment, the resolution of artification, in fact, a major amendment to the treaty itself?

Mr. DECONCINI. I do not know if the Senator from Alabama is asking what the relationship or response from the Government of Panama is to their necessity to have a plebiscite.

I cannot answer, and that is not my No. 1 concern.

They have to respond——

The PRESIDING OFFICER. The Senator's time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

Mr. METZENBAUM addressed the Chair.

Mr. CHURCH. Mr. President, the time allocated to me has not yet expired.

The PRESIDING OFFICER. There was no allocation of time to any Senator. It was simply a Senate agreement for 15 minutes, and 15 minutes have expired.

Mr. HELMS. I think the Senator ought to be heard. I ask unanimous consent we allow the Senator 5 minutes.

Mr. CHURCH. I am prepared to go——

The PRESIDING OFFICER. Is there objection?

Mr. DECONCINI. Mr. President, I ask unanimous consent there be an additional 5 minutes permitted for Senator HATFIELD to enter his remarks

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. I had indicated earlier I may want to be heard on the DeConcini amendment.

Is it my understanding now that there has been a time limit with respect to this amendment and that that time has practically all expired?

The PRESIDING OFFICER. It has not only practically, it has all expired; and there are two pending unanimous-consent requests on the floor, one is the unanimous-consent request that Senator CHURCH be given an additional 5 minutes time, and the request that Senator HATFIELD be granted an additional 5 minutes.

Is there objection?

Mr. CHURCH. Mr. President, I rose to take the floor on the assumption that 5 minutes were allocated to me. Since my assumption is in error, I do not press the Chair for 5 minutes. I am happy to relinquish any further time.

The PRESIDING OFFICER. Is there objection to the request for 5 minutes to Senator HATFIELD?

Mr. ALLEN. Reserving the right to object, Mr. President, I ask that my name be included in the allocation of an additional 5 minutes, as well.

Mr. HANSEN. Mr. President, I ask unanimous consent that my name may be included.

The PRESIDING OFFICER. For an additional 5 minutes?

Mr. HANSEN. Yes.

Mr. BUMPERS. Reserving the right to object, are we talking about 5 minutes for each person?

Mr. ALLEN. Yes.

Mr. BUMPERS. Or that all share 5 minutes?

The PRESIDING OFFICER. That is the request, 5 minutes for each of three persons.

Mr. METZENBAUM. I also ask for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Reserving the right to object——

The PRESIDING OFFICER. Objection is heard.

All time has expired and the clerk will call the roll.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I am going to ask for the very first quorum call that I have requested during this debate, but I believe we will consume as much time on the quorum call as we would in giving these Senators an opportunity to be heard.

Mr. President, I suggest the absence of a quorum.

Mr. BUMPERS. If the Senator will withhold his objection for just a moment, I do not know who objected, perhaps it will be withdrawn, because it is this Senator's hope that we will not get into that.

The PRESIDING OFFICER. A quorum has been called for, that is not debatable.

Mr. BUMPERS. Did the Senator withhold his request on my request?

Mr. ALLEN. I will withhold it—I have not withheld the request, Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I seek recognition.

I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ALLEN. I object.

The PRESIDING OFFICER. Objection is heard.

The second assistant legislative clerk continued to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Now, I renew the unanimous-consent request involving all of the Senators that spoke for the requested time, the Senator from Alabama, the Senator from Wyoming, that they each be given 5 minutes.

Mr. SARBANES. Mr. President, could I make a parliamentary inquiry?

The PRESIDING OFFICER. Is there objection to the rescinding of the quorum call?

Mr. ABOUREZK. Objection.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ABOUREZK. I object.

The PRESIDING OFFICER. Objection is heard.

The second assistant legislative clerk continued to call the roll.

Mr. SARBANES. Mr. President, I renew the request, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SARBANES. Mr. President, it is not my understanding——

The PRESIDING OFFICER. Debate is not in order. All time has expired on the amendment.

Mr. DOLE. Regular order.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I move to table the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Arizona, as modified. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

The result was announced—yeas 13, nays 86, as follows:

[Rollcall Vote No. 62 Ex.]

YEAS—13

Abourezk	Kennedy	Riegle
Durkin	McClure	Scott
Garn	McGovern	Stevens
Gravel	Metzenbaum	
Hatch	Moynihan	

NAYS—86

Allen	Case	Glenn
Anderson	Chafee	Goldwater
Baker	Chiles	Griffin
Bartlett	Church	Hansen
Bayh	Clark	Hart
Bellmon	Cranston	Haskell
Bentsen	Culver	Hatfield,
Biden	Curtis	Mark O.
Brooke	Danforth	Hatfield,
Bumpers	DeConcini	Paul G.
Burdick	Dole	Hathaway
Byrd,	Domenici	Hayakawa
Harry F., Jr.	Eagleton	Heinz
Byrd, Robert C.	Eastland	Helms
Cannon	Ford	Hodges
Hollings	Morgan	Schweiker
Huddleston	Muskie	Sparkman
Humphrey	Nelson	Stafford
Inouye	Nunn	Stennis
Jackson	Packwood	Stevenson
Javits	Pearson	Stone
Johnston	Pell	Talmadge
Laxalt	Percy	Thurmond
Leahy	Proxmire	Tower
Long	Randolph	Wallop
Lugar	Ribicoff	Weicker
Magnuson	Roth	Williams
Matsunaga	Sarbanes	Young
McIntyre	Sasser	Zorinsky
Melcher	Schmitt	

NOT VOTING—1

Mathias

So the motion to table Mr. DECONCINI's amendment was rejected.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. HODGES). The Senator from West Virginia (Mr. ROBERT C. BYRD).

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, Mr. PAUL G. HATFIELD is to be recognized between the hour of 1 p.m. and 1:30 p.m. today.

A problem has arisen with respect to the reservation offered by Mr. DECONCINI. I think that problem can be resolved if the following request would be favorably acted upon.

I ask unanimous consent that on the reservation Mr. ALLEN may have 15 minutes under his control and Mr. CHURCH may have 5 minutes under his control, after which the Senate vote, and upon the disposition of that amendment Mr. PAUL G. HATFIELD then be recognized, and that should put us up to about 1:30 p.m. if that is agreeable.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. Mr. President, I indicated previously that I wish to be heard. I ask unanimous consent that I may have 5 minutes to be heard on the subject.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, that is what I would wish, that is, to have 5 minutes. Could I have it tacked on?

The PRESIDING OFFICER. Is there objection?

Mr. BROOKE. Mr. President, reserving the right to object, how much time is that?

Mr. JAVITS. Ten minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank those Senators for objecting because they were very generous in their requests.

I ask unanimous consent that Mr. PAUL G. HATFIELD, if he wishes to be recognized prior to the expiration of this time and that vote, have his order because he is entitled to first consideration here. He was to be recognized between the hour of 1 p.m. and 1:30 p.m., and I would hope that if he wishes to be recognized right now we would let him proceed and then let the time begin running on the amendment.

Mr. ALLEN. Mr. President, that is perfectly all right.

Mr. ROBERT C. BYRD. Is this agreeable?

Mr. METZENBAUM. I have no objection.

Mr. ROBERT C. BYRD. Very well. I thank my colleagues.

The PRESIDING OFFICER. Without objection, the Senator from Montana (Mr. PAUL G. HATFIELD) is recognized.

Mr. PAUL G. HATFIELD. Mr. President, I thank the Chair.

Mr. President, I am announcing my decision today regarding ratification of the Panama Canal Neutrality Treaty. This is the first of two treaties to be considered by the Senate.

My support of this treaty is absolutely contingent upon approval of the reservation which I am cosponsoring to provide the United States the right to act independently, including the use of military force, if the operations of the canal are interfered with.

This was an extremely difficult decision, but I believe it will be confirmed by the critical judgment of time. The overriding responsibility of the Senate during the consideration of this treaty was to protect the vital security interests of the United States by assuring the neutrality, accessibility, and defense of the Panama Canal for the future. I believe this treaty with the changes already adopted by the Senate and acceptance of the reservations I have just indicated will honor this responsibility.

From the beginning of this debate, I have agreed with the need for a new treaty, spelling out a new relationship between the United States and Panama. However, I did have serious reservations about this treaty as presented to the Senate, because of its lack of assurances that the vital security interests of the United States in the canal would be adequately protected. In my view, it is essential that the United States have:

First, the right to defend the canal—against any threat of aggression, or any threat to its neutrality, or to the peaceful transit of vessels;

Second, the right to act independently, including the use of military force, if the operations of the canal are interfered with;

Third, the right of priority passage for U.S. vessels of war and auxiliary vessels and head-of-the-line privileges in case of need; and

Fourth, the right of the United States to make arrangements to reach agreement with Panama for stationing military forces or the maintenance of defense sites in Panama after 1999.

Accordingly, I cosponsored changes to the treaty which:

First, guarantee the United States the right to defend the canal against any threat of aggression to its neutrality, or threat to peaceful transit of vessels;

Second, provide U.S. vessels of war and auxiliary vessels the right of priority passage, head-of-the-line privileges in case of need, and the right of intervention to assure continued operation of the canal;

Third, provide the United States the right to act independently, including the use of military forces, in the event the canal's operations are interfered with; and

Fourth, clarify the treaty to enable the United States and Panama to make arrangements for stationing U.S. military forces or maintenance of defense sites in Panama after 1999.

Inclusion of these changes in the treaty, in my judgment, will significantly strengthen the position of the United States, and together with other parts of the treaty assure the protection of the U.S. vital security interests in Panama.

Yesterday I met with the Secretary of Defense and the Acting Chairman of the Joint Chiefs of Staff to really nail down the military consequences of the treaty. I was advised that the Joint Chiefs of Staff have been involved in the treaty negotiations over a long period of time. Originally, the U.S. negotiation efforts were directed toward a single treaty with Panama. However, the Secretary of Defense advised me that at the initiative of the Joint Chiefs of Staff, the U.S. negotiation efforts were changed to secure two treaties, and this Neutrality Treaty before us was prepared based upon the JCS recommendations as the best means of assuring the United States vital security interests after 1999 when the Panama Canal Treaty expires.

I was assured by Secretary Brown and General Jones that in the "professional opinion of the Joint Chiefs of Staff, these treaties are in the best national security interests of the United States."

The proposed treaties are the logical culmination of diplomatic negotiations spanning 14 years and conducted under four Presidents—Johnson, Nixon, Ford, and Carter—in recognition of the need for a new relationship between the United States and Panama. The treaties will provide for the operation and defense of the canal and provide a basis for a better understanding between the people of the United States and Panama. These are the reasons I support ratification of the neutrality agreement with the changes I have listed.

Passage of the Neutrality Treaty alone will not determine the relationship between the United States and Panama.

Any new relationship between the United States and Panama is also contingent on the action which the Senate takes regarding the Panama Canal Treaty itself. That treaty covers the transition period from now through 1999, and is yet to be considered by the Senate. However, it has been clear from the start that these two treaties will stand or fall together.

My favorable vote on this Neutrality Treaty does not in any way commit me regarding the remaining treaty.

How I will vote on the treaty covering the transition period is yet an open question.

I have several concerns about the remaining treaty. A number of amendments have been introduced to change it. I will continue to participate in the debate, carefully study the issues and proposed changes, and make my decision on the remaining treaty only after I have the necessary information to do so.

I thank the Chair.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. PAUL G. HATFIELD. Yes.

Mr. CRANSTON. I want to compliment the very distinguished Senator from Montana on a very courageous, incredibly courageous, and very wise decision. The Senator has shown himself to be a great Member of this body.

Mr. President, I believe I am recognized for 5 minutes?

The PRESIDING OFFICER (Mr. ANDERSON). Five minutes.

Mr. CRANSTON. Mr. President, we Americans are a patriotic people. We love our country, and with good cause. We not only are emotionally dedicated to our land, we are dedicated—intellectually and spiritually—to our heritage of democracy and freedom.

Ours was a hard-won freedom, fought for and achieved through bloody revolution against a vastly superior military power that imposed its colonial will upon us from thousands of miles away.

We know what it is like to be the object of colonialism. We know the resentments, and sometimes the unreasonable hostilities, it can arouse. And we know—as witness our riotous Boston Tea Party and the children's rock throwing that led to the Boston massacre—how easily a seemingly minor patriotic incident can erupt into violence and bloodshed. With far-reaching, wholly unforeseen consequences.

The people of Panama also have their pride of patriotism. We understand and respect it. They see themselves, as we once did, as unwilling objects of colonialism. And they wish, as we once did, to unify their country and to rid it of foreign economic domination.

Back in our raw, rash revolutionary days, our young people were in the forefront in patriotic fervor. The youth of today are no different. The youth of Panama in particular.

We must face up to the consequences rejection of these treaties might have on a people, especially the young people, who yearn for freedom and true national identity.

And we must recognize how easily blood can flow from a simple, patriotic spark.

Recall what happened in Panama 14 years ago. Many are not familiar with those events. Here is how a retired Navy commander described it in a letter to the editor, published recently in the Miami Herald:

> In 1964, the flags of both countries were ordered to be flown side by side at appropriate Canal Zone civilian buildings; and, because there was a single flagpole at the Balboa High School, it was decided not to fly any flag until a second flagpole could be erected. However, several U.S. students decided they would hoist the flag regardless of the consequences.
>
> Inasmuch as the flagpole had two halyards, the Panamanian students asked the Canal Zone governor to hoist their flag on the same pole. Permission was granted, the school authorities were advised, and the Balboa Police Force (U.S.) stood by outside the school to prevent trouble.
>
> Three Panamanian students approached bravely but apprehensively to the flagpole, reverently carrying a special flag (a patriotic relic from previous student demonstrations),

watched by a crowd of U.S. students. The three Panamanians were almost at the flagpole when the U.S. students, egged on by the adults behind them, rushed across the lawn yelling with glee as the Panamanians fled.

Thus, a handful of willful U.S. high school boys managed to provide the spark which provoked a riot.

When the incident was over, 4 Americans and more than 20 Panamanians lay dead. More than 200 others suffered serious injury.

That is the bloody background of the negotiations that led to the treaties we are considering today.

Mr. President, if the Senate fails to ratify these treaties—the result of 13 years of negotiations under four U.S. Presidents—we would face a situation where Panamanian resentment and anti-Americanism would grow increasingly susceptible to exploitation by our adversaries both inside and outside of Panama. A spontaneous student demonstration could lead on to the spilling of far, far more blood—American blood and Panamanian blood—than did the violent student outbreak of 14 years ago, that began so innocently. If the Panama Canal treaties are rejected and the Canal Zone is surrounded by an increasingly frustrated and hostile population, our ability to defend and protect the canal and to keep it open and operating becomes much more difficult. Our top military experts agree.

I ask:

Would it help or hurt U.S. national interests for the full brunt of frustrated Panamanian nationalism to be directed against us instead of acting in cooperative concert with us? I say it would hurt our interests.

Would it help or hurt U.S. national interests to create in Panama an adverse political climate our adversaries could exploit to their own advantage? I say it would hurt our interests.

Would it help or hurt U.S. national interests to risk the loss of more American lives, more Panamanian lives, more U.S. defense dollars to maintain the status quo against the wishes of the people of Panama and the expressed sentiment of other nations throughout Latin America and the world—especially other nations even more dependent on the canal than we?

I say it would hurt our interests.

I believe approval of these treaties is clearly in our best and highest national interest and urge my fellow Senators to support them.

Mr. President, as one looks back on the extensive debate leading to our decisive vote this week, it is apparent that the debate has centered around two principal issues:

First. The security of the Panama Canal, especially in time of crisis.

Second. The economic significance of the Panama Canal, especially the fair, efficient, and economical running of the canal.

The distinguished chairman of the Budget Committee, Senator MUSKIE, has presented a detailed account of the overall economic effect and benefit of the Panama Canal treaties to the United States. And, as I have noted in prior floor statements, the economic benefits of over $40 million per year from the outset of the treaties exceed the estimated economic "cost" of the treaties of $27.7 million per year to the United States.

The distinguished majority leader, Senator ROBERT BYRD of West Virginia, has discussed the economic perspective of the canal it world seaborne trade.

The Senator noted that approximately 3.5 to 4 percent of all international seaborne shipping went through the Panama Canal. The effect on the United States, the Senator correctly noted, is more substantial with some 7 percent of U.S. seaborne trade going through the canal, and as much as 20 percent of all farm exports going through the canal.

Thus, although the canal no longer is the vital economic lifeline link to seaborne international trade of the United States that it once was in the past, it does remain important to the United States both militarily and economically. I join in the concern of all members of the Senate that we should consider carefully the consequences of ratifying the Panama Canal treaties and turning the control of the Panama Canal back to Panama.

Much of the debate by those opposed to the Panama Canal treaties has been centered on the two concerns for the securitiy of the canal and the ability of the Panamanians to run the canal fairly, efficiently, and effectively.

Perhaps some insight can be gained if we were to focus our attention on the views of other countries in the Western Hemisphere to the Panama Canal Treaty. For example, there are countries who have more than 50 percent of their international seaborne trade going through the Panama Canal. These countries include Nicaragua with a high of 76.8 percent, El Salvador, 66.4 percent, and Ecuador with 51.4 percent. Similarly, there are countries which have from 25 percent to 50 percent of their international seaborne shipping transversing the Panama Canal. These include Chile, 34.3 percent, Colombia, 34.3 percent, Costa Rica, 27.2 percent. Guatemala, 30.9 percent, Panama itself, 29.4 percent, and Peru, 41.3 percent.

Several other countries have as much or more of their international seaborne shipping going through the Panama Canal than the United States. These countries include Canada, 6.8 percent, Honduras, 9.4 percent, Mexico, 16.6 percent, and Venezuela, 7.4 percent. All of these figures are for the fiscal year 1973, but have not changed significantly and may be deemed a reflection of the current amount of international seaborne trade going through the Panama Canal by our neighbors in the Western Hemisphere.

It is apparent from these figures that most of our neighboring countries have a greater economic interest in the security and operation of the Panama Canal than does the United States. Indeed, several of these countries, such as El Salvador, Nicaragua, and Ecuador, have over half their international seaborne commerce dependent upon the canal.

Certainly those countries such as Chile, Colombia, Costa Rica, Guatemala, Panama itself, and Peru with from 25 percent to 50 percent of their international seaborne shipping traveling through the canal have a vital interest in the continuous operation and defense of the canal and that the canal be operated at fair, just, and equitable rates.

Given these economic facts, one would expect that if the economic, management, and defense concerns of the opponents to the Panama Canal treaties are, in fact, well founded, these countries would be the leaders in opposing the ratification of the treaties. In fact, of course, virtually every country in the Western Hemisphere, has signed a declaration favoring the Panama Canal treaties. The following 26 countries in September 1977, signed a declaration favoring the Panama Canal treaties: Argentina, Bahamas, Barbados, Bolivia, Brazil, Canada, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, El Salvador, Granada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Peru, Paraguay, Surinam, Trinidad and Tobago, Uruguay, and Venezuela.

I direct these questions to the opponents of the treaties and particularly to those Senators who have doubts concerning the management and defense of the canal:

If the treaty did not provide for the continued and effective operation of the Panama Canal on a fair, just, and equitable basis, and if the treaties did not provide for adequate defense of the canal under a U.S. military umbrella, would not each and all of these other countries in the Western Hemisphere be opposed to the treaties?

And would not those who are so very dependent upon the canal as a lifeline to their international seaborne shipping particularly be opposed to the treaties?

Would these countries not consider it much safer for their economies that the operation of the canal continue in the hands of the United States?

Would these countries not be besieging the President of the United States and this Senate to repudiate these treaties because of fear of what would happen when the canal was turned over to Panama for operation and ownership by Panamanians?

The answers are obvious. These governments have the same legitimate concern and self-interest in the well-being of their economies as does the United States. These governments have the same legitimate concerns and self-interest in the management of the canal as does the United States. And these governments have the same legitimate concerns and self-interest in the defense of the canal as does the United States. These governments, without exception, approve the ratification of the treaties, have confidence in Panama running the canal, and have confidence that the canal will remain an open, international waterway under the protection of the United States.

When we look at other countries using the canal, we also find a unanimity. Several countries outside the Western Hemisphere have as much or more of their international shipping going through the Panama Canal than the United States.

These include New Zealand, 15.7 percent; South Korea, 11.9 percent; Japan, 10.7 percent; Taiwan, 9.8 percent; and the Philippines, 8.8 percent. And the commodities going through the canal to these countries are essential to keeping their entire economics strong and healthy.

These countries have a vital concern in the security of the canal and in the fair and efficient operation of the canal. Again, without exception, these countries all favor the Panama Canal treaties.

Gentlemen, if there were a valid argument to be made concerning either the economic effect on international shipping through the Panama Canal or the security of the Panama Canal, would not these arguments be advanced by many of these countries who have a much greater stake even than the United States in the Panama Canal treaties?

I believe the views of our neighbors in the Western Hemisphere and our trading partners in the Pacific should be considered by this Senate. I will vote with great confidence for ratification of the treaties knowing of the support of our 26 neighboring countries in the Western Hemisphere and all of the other major users of the Panama Canal.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I yield 4 minutes to the distinguished Senator from Wyoming (Mr. HANSEN), followed by 3 minutes which I yield to the distinguished Senator from Montana (Mr. MELCHER).

Mr. LAXALT. Will the Senator yield for a unanimous-consent request?

Mr. HANSEN. I yield.

Mr. LAXALT. Mr. President, I ask unanimous consent that Casimir Yost, of Senator MATHIAS' staff, be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, the striking thing about this resolution is that it would seek to accomplish, by way of an amendment to the resolution of ratification, what earlier had been denied those of us who wanted to insure that the United States would be able to take action to restore the canal to operation if those operations were interfered with, or to reopen the canal if it were closed.

I cannot see how we can have it both ways, and yet it appears to me that is precisely what the administration is attempting to do. When earlier this same concept was offered as an amendment to the treaty, it was roundly condemned by the administration as bringing on so much trouble for Panama that it would not be acceptable and would throw the whole treaty operation into total disarray.

Now we are told that by taking this particular tack we can give the assurance to Americans that, I submit, and most Americans submit, is absolutely vital to the continued operation and the neutrality of the canal, and yet, for some reason which escapes me, and a reason which I suspect will escape most Panamanians, this does not really constitute any significant amendment to the treaty itself.

I think those are essentially the words of the sponsor of the amendment, for whom I have great respect and admiration, the Senator from Arizona, who says it does not constitute a major amendment to the treaty.

If it does not constitute a major amendment to the treaty, then I submit that all of the rhetoric we heard earlier from the administration was pure hogwash, or this particular tack which is now being taken, I suspect in order to insure 67 favorable votes for the treaty, is a charade.

I submit that the people of the United States are going to hold the Senate accountable as they ask us what are we doing.

It seems to me it has to be perfectly clear that either what was being said earlier was not true, or what is being told us now brings about certain guarantees is not true. I am not satisfied. I support the philosophy of the amendment, but I want to be sure that it accomplishes what the administration seemingly, impliedly, says it does.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I support this condition to the instrument of ratification of this treaty. Several amendments to article V which were offered and which were defeated were to do exactly what this condition asserts should be the right of the United States. The amendments to article V were defeated because the floor managers and, indeed, the White House, warned that such amendments would require a new plebiscite in Panama and, therefore, strengthening clarifying amendments were rejected.

The constitution of Panama requires that all treaties concerning the Panama Canal will be submitted to the people of Panama in a plebiscite, and will not become effective unless agreed to by a majority of the Panamanians voting in that plebiscite.

This proposal being considered now to the article of ratification is a condition. It has the backing of the White House, the President himself, and is done in this way to avoid a plebiscite in Panama.

On that basis this condition, even though accepted by the Senate, clouds the issue. What will a government of Panama after 1999 view as their responsibility concerning this condition attached to the articles of ratification? If it had not been voted upon in a plebiscite in Panama, will a government in Panama after 1999, observing their constitutional requirement, believe that it is binding?

Mr. President and Members of the Senate, while in support of this condition, I cannot place the same value or the same results as if an amendment to article V within the body of the treaty to accomplish the same thing had been adopted by the Senate.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I yield two additional minutes.

Mr. MELCHER. In fact, though we in the United States feel that the treaty in this regard, with this condition attached at this point, with our firm intention to exercise that right under this condition, is a completely honorable treaty, will it be understood, accepted, and endorsed by the people of Panama? We have been advised that it would require a plebiscite in Panama on this important issue for it to become binding in the treaty for Panama.

I support it, but I do so understanding that I may not be firmly enunciating, that the Senate and the United States may not be firmly enunciating, that the right we describe here is a pertinent and a real right that is necessary—that requires an actual amendment to article V in the body of the treaty, where it properly belongs. This condition attached to the article of ratification does not accomplish that needed part of the treaty.

I thank the Senator from Alabama for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I thank the distinguished Senator from Montana.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Ohio.

Mr. METZENBAUM. Mr. President, this amendment gives me great concern. I know that adopting it would be the expedient thing to do in order to get the votes needed to ratify the treaty. This morning, I expressed my strong support for ratification. I believe that ratification is the right thing to do, that it is in the best interests of our country.

But the fact is that this amendment bothers me. As I read it, the amendment provides that notwithstanding any other provisions in the treaty, the United States would have the right to take such unilateral steps as it deems necessary in the event of interference with or closing of canal operations. We could, in other words, use military force in Panama, not only to reopen the canal but also to restore its operation.

That reads to me as if we were saying that if the canal is not operating properly, if there is some mechanical breakdown, for example, we can and should send in the troops in order to make it operate.

I think that is wrong. I think it violates all of the concepts that we have been talking about for days on end with respect to ratification of the treaty. I think it violates the respect we owe the people and the Government of Panama, now and after the year 2000.

I know that the amendment will be adopted. I voted to table it earlier. If there is a rollcall, I shall vote against it. But I must also say quite frankly that if passage of this amendment were the price of ratification of the treaties and if my vote were needed to secure passage, I would vote for the amendment. I would do so because I believe that ratification, even with this amendment, is of overriding national importance.

I have great respect for the author of the amendment and for those others who support it, but I feel bound to state my reservations, my concerns and my feeling that these are conditions that our great Nation should not impose.

Mr. President, I yield back the remainder of my time.

Mr. GRIFFIN. Will the Senator from Ohio yield?

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. I yield to the Senator from Michigan.

Mr. GRIFFIN. Will the Senator agree that if the Senate changes the treaty in this way by adopting this amendment or reservation, we would then, in effect, be offering back to Panama a different treaty which would have to be ratified by Panama in accordance with its constitutional requirement?

Mr. METZENBAUM. I am not certain that I am prepared to address myself to that question. I think, though, that the Senator from Michigan raises an interesting point. It may have validity and require an affirmative answer. But again, I am not prepared at this time to respond to that question.

I am advised by the Presiding Officer that we are under tight constraints of time, and if others could use the remainder of my 5 minutes, that would be appreciated.

I yield back my time.

Mr. GRIFFIN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I should like the Chair to advise me when I have consumed 3 minutes.

To me, the most critical aspect of why we ought to act to approve the ratification of this treaty and of the Panama Canal treaty is the 22 years transition period for U.S. departure. The lessons of history are clear. France discovered them in Algeria, Belgium in the Congo, Portugal in Angola. Legalisms of the past are an untenable basis for perpetuating the status quo in the face of 20th century nationalism.

Conventional military superiority, and we certainly have it, over Panama cannot keep the canal open and usable in the face of a determined nationalistic campaign to deny us an open and usable canal. That is not just the judgment of civilians, Mr. President. That is the judgment of the Joint Chiefs of Staff and of the man who has the responsibility now in Panama, General McAuliffe. As to the canal's value to the United States and to the world as an artery of trade, we ran military supplies up the Mekong River to Phnom Penh, Mr. President, but it will do us no good to be able to run military ships through the Panama Canal if world commercial traffic will not use it because of snipers and saboteurs.

Therefore, Mr. President, this is not a matter of choice, it is a matter of necessity and a matter of wisdom. I believe we have made the best conditions that we reasonably can. We have 23 years, an extremely fortuitous period of time in these situations—to work out all the bugs and all the details and, if necessary, to reorient our own traffic and the traffic of other nations.

Despite all the thunder and lightning, the Senate debate has shown an overwhelming recognition of the need for a new treaty arrangement with Panama. Implicit, and often explicit has been the acknowledgment that the U.S. position under the 1903 treaty is essentially a colonialist position, achieved by classic colonial methods of the 19th century. Undoubtedly, the United States has been the world's most enlightened colonial power in respect of its operation of the Panama Canal and administration of the Canal Zone.

The essential difference between the opponents and the supporters of the new treaties has been one of perspective. The opponents look backward at the 75-year history of our stewardship of the canal and take justifiable pride in the history they see. On this basis they oppose change. The supporters look ahead rather than behind, and they see these treaties as the opportunity for the United States to protect and advance its national interest respecting the canal over the years ahead, in an atmosphere of consent.

All the criticisms I have heard of these treaties on the Senate floor have had as their unspoken assumption the premise that we could have made a better deal—but they all have been presented as though we only had ourselves to negotiate with—and nobody has bothered to temper his criticisms with reflection as to whether Panama would agree to the "improvements" so easily suggested. These treaties are two party deals. We just do not have the luxury in the real world of negotiating unilaterally—that is, one group of U.S. Senators negotiating with another group of U.S. Senators, as though this were domestic legislation.

On the merits, I believe that the treaties as negotiated constitute not only the best possible deal for the United States under the circumstances, but in fact they constitute a good deal for the United States in absolute terms. All we are really doing is bidding a fond and nostalgic adieu to Teddy Roosevelt.

There is much at stake in these treaties beyond the canal management. Our relations with all of Latin America are certain to be affected, for good or ill, by the action taken by the Senate.

Also, each Senator must also weigh the impact which rejection of these treaties would have upon the international credibility of the United States of America. I am not a "President's man," as those familiar with the great war powers struggle here will remember. But I am a constitutionalist. And, in foreign relations, in our advise and consent role we have to show great responsibility. So we must weigh carefully, and patriotically, in the balance the effect on our world role which could result from a repudiation of these treaties.

Mr. President, these are the considerations which make this a sound proposition, which could not be gotten in any other way than by an agreement. That is fundamentaly why the Senate ought to approve these treaties.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, through an unfortunate circumstance, 15 minutes was allotted for the consideration of this amendment. The author of the amendment (Mr. DECONCINI) very properly was given the floor and he spoke some 13 minutes; then he used about 2 minutes in answering questions that I propounded to him.

The thrust of the questions that I propounded was to show that this reservation to the resolution of ratification, if it means anything at all, as its sponsors say that it does, would effect a tremendous change in the intent and in the wording of the treaty. Therefore, would it not be an amendment, which, of course, would be improper to add to the resolution of ratification?

Would it not have to be an amendment to be effective? As has been pointed out here on the floor a number of times, the Constitution of Panama does not require a plebiscite except in cases where the body of the treaty has been changed. These reservations that are being added can be approved by Mr. Torrijos, Dictator Torrijos; therefore, we would not have a valid compact with the people of Panama.

The distinguished majority leader, recognizing that he had not given others who wish to speak on this amendment any time, very graciously requested a sufficient amount of time for Senators to speak with respect to the amendment. For that, I am grateful to the distinguished majority leader.

The only possible good that this reservation can accomplish, because it is not going to be submitted to a plebiscite—we are quite sure of that—is that it is being used unquestionably as a vehicle to get the 2 or 3 needed votes to reach the 67 level.

If I were opposed to the treaty—as I am—I would certainly not feel that the addition of this little reservation would remove my objections to the treaty.

The only possible good that this reservation could serve would be that, in the event it is necessary for the United States to take these steps to keep the canal open, we could, at least, be able to point to this reservation as we take the action.

The distinguished Senator from New York (Mr. MOYNIHAN), a few days ago, said we are going to take whatever action is necessary to take to protect our interests, no matter what is in the treaty. At least this reservation would serve as justification, a moral vindication for our action. On that theory, Mr. President, I am going to support the reservation, or the amendment to the reservation—not because I believe it gives any real additional power, but for the sole purpose of feeling that it would give us some support at the bar of public opinion if it is necessary for us to take these actions.

It has been stated as to these various reservations that have been added that it is easy to get a reservation adopted, but remember how the leadership bucked at any change whatsoever in the language of the treaty. But reservations come pretty easily at this time, unless they mean something. Then, of course, they do not have any support.

It has been stated on the floor as to some of these reservations, and I rather think as to this one, that it will have the same effect as an amendment, that this is a condition precedent to the note

of ratification be exchanged. Has all my time expired, Mr. President?

I do have an amendment that I wish to offer to this amendment. I hope the Chair will recognize me before ordering the rollcall to be commenced, in order that I may offer this amendment. It will not be debatable but it will state that this reservation shall have the same force and effect as if it were an amendment.

I reserve the balance of my time, Mr. President.

The PRESIDING OFFICER. All of the time of the Senator from Alabama has expired.

The Senator from Idaho.

Mr. CHURCH. Mr. President, when the distinguished Senator from Alabama moves to amend the proposed reservation by the able Senator from Arizona (Mr. DECONCINI), I ask the Chair to recognize me to make a motion to lay that amendment on the table before we proceed to vote.

Now, Mr. President, this reservation restricts the use of American military force, should that ever be necessary in the future, to two purposes: The reservation clearly reads "If the canal is closed or its operations are interfered with."

In either of those two cases, Mr. President, the regime of neutrality, the objective of keeping the canal open, neutral, accessible, and safe obviously would be thwarted.

When the leadership amendment to the treaty was adopted, the United States reserved the right to act unilaterally, in accordance with its constitutional processes, to defend the canal against any threat to the regime of neutrality and, consequently, to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal.

Any interference with the operation of the canal, any stoppage, any closure, would clearly prevent the peaceful transit of vessels through the canal and clearly contradict the regime of neutrality to which both the United States and Panama are committed.

Therefore, this reservation must be considered, in my view, in part as a restatement, in part as an elaboration of the amendment already adopted by the Senate to article IV of the Neutrality Treaty.

As such, it is acceptable and I hope that the Senate will adopt it.

Now, Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Alabama.

All time has been yielded back.

UP AMENDMENT NO. 12

Mr. ALLEN. Very well. I have sent my amendment to the desk and I ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

This provision shall have the same effect as an amendment to the treaty.

Mr. CHURCH. Mr. President, I move to lay the amendment offered by the Senator from Alabama on the table.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

The result was announced—yeas 62, nays 36, as follows:

[Rollcall Vote No. 63 Ex.]

YEAS—62

Anderson	Haskell	Morgan
Baker	Hatfield,	Moynihan
Bayh	Mark O.	Muskie
Bellmon	Hathaway	Nelson
Bentsen	Hayakawa	Packwood
Biden	Heinz	Pearson
Bumpers	Hodges	Pell
Byrd, Robert C.	Hollings	Percy
Cannon	Huddleston	Proxmire
Case	Humphrey	Randolph
Chafee	Inouye	Ribicoff
Church	Jackson	Riegle
Clark	Javits	Sarbanes
Cranston	Kennedy	Sasser
Culver	Leahy	Sparkman
Danforth	Long	Stafford
Durkin	Magnuson	Stevenson
Eagleton	Matsunaga	Stone
Glenn	McGovern	Talmadge
Gravel	McIntyre	Weicker
Hart	Metzenbaum	Williams

NAYS—36

Allen	Garn	Nunn
Bartlett	Goldwater	Roth
Brooke	Griffin	Schmitt
Burdick	Hansen	Schweiker
Byrd,	Hatch	Scott
Harry F., Jr.	Hatfield,	Stennis
Chiles	Paul G.	Stevens
Curtis	Helms	Thurmond
DeConcini	Johnston	Tower
Dole	Laxalt	Wallop
Domenici	Lugar	Young
Eastland	McClure	Zorinsky
Ford	Melcher	

NOT VOTING—2

Abourezk	Mathias

So the motion to lay on the table unprinted amendment No. 12 was agreed to.

MILITARY INTERVENTION IN PANAMA

● Mr. KENNEDY. Mr. President, we have before us an amendment to the resolution of ratification of the Panama Canal Neutrality Treaty which would permit the "use of military force in Panama" by either party, "if the canal is closed or its operations interfered with."

I am opposed to this amendment. It stirs up what is already an emotional issue in Panama, without adding to rights of the United States already recognized by the treaty.

From the outset, the people of Panama—and all of Latin America—have rightly opposed U.S. military intervention in their internal affairs. That is why the negotiators, the administration, and the Senate leadership have all carefully defined and limited the expression of our military rights to the defense of the neutrality of the Panama Canal. Even the reservation on defense arrangements, adopted by the Senate yesterday, provided that Panama and the United States could jointly—I emphasize jointly—agree to American military deployments, after the year 1999, which facilitate performance of "responsibilities to maintain the regime of neutrality" over the Panama Canal.

Now we have an amendment which starkly insists on our right to use military force in Panama—always the most sensitive issue from its standpoint as a small, proud, sovereign state.

Now we have an amendment which makes no reference to the regime of neutrality which it is our responsibility to defend.

Now we have an amendment which could—but must not—be construed, instead, to permit the United States to intervene militarily on almost any pretext. A strike, a slowdown, even inefficient operation of the canal could—but must not—be used as a pretext to use force, in order to "restore the operations of the canal."

Mr. President, Panama has waited 75 years since its independence to end American occupation of its heartland. It must wait another 22 years before it achieves full control over its national territory. Now we are asking Panama to accept an amendment which has the ring of military interventionism—not just during this century, but for all time.

I recognize that acceptance of this amendment may facilitate ratification of the Panama Canal Treaties. If the amendment is accepted, I believe that our Nation is honorbound to strictly limit its interpretation and not, as General Torrijos warned in Washington last October, to allow the treaties to "become an instrument of permanent intervention" in Panama.

Fortunately, our right of military action continues to be defined by article IV of the Neutrality Treaty, as amended by the Senate.

This is our right "to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal."

This is our right to assure "that the canal will remain open, secure and accessible."

This is not a right to take action "against the territorial integrity or political independence of Panama," prohibited under article IV of the treaty.

This must not be a right to intervene in the Panama Canal on any pretext labeled as interference with canal operations.

With these understandings, Mr. President, we can hope to avoid continuing confrontation between Panama and the United States. Without them, we can look forward to a continuation of the unfairness and the resentment which has characterized our treaty relationship since 1903.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona (Mr. DECONCINI). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

The result was announced—yeas 75, nays 23, as follows:

[Rollcall Vote No. 64 Ex.]

YEAS—75

Allen	Glenn	Muskie
Anderson	Hansen	Nelson
Baker	Haskell	Nunn
Bartlett	Hatfield,	Packwood
Bayh	Mark O.	Pearson
Bellmon	Hatfield,	Pell
Bentsen	Paul G.	Percy
Biden	Hathaway	Proxmire
Brooke	Hayakawa	Randolph
Bumpers	Heinz	Ribicoff
Burdick	Helms	Riegle
Byrd,	Hodges	Roth
Harry F., Jr.	Hollings	Sarbanes
Byrd, Robert C.	Huddleston	Sasser
Cannon	Humphrey	Schweiker
Chafee	Inouye	Sparkman
Chiles	Jackson	Stafford
Church	Johnston	Stennis
Curtis	Leahy	Stevenson
Danforth	Long	Stone
DeConcini	Lugar	Talmadge
Dole	Magnuson	Thurmond
Domenici	Matsunaga	Wallop
Eagleton	McIntyre	Williams
Eastland	Melcher	Young
Ford	Morgan	Zorinsky

NAYS—23

Case	Griffin	Metzenbaum
Clark	Hart	Moynihan
Cranston	Hatch	Schmitt
Culver	Javits	Scott
Durkin	Kennedy	Stevens
Garn	Laxalt	Tower
Goldwater	McClure	Weicker
Gravel	McGovern	

NOT VOTING—2

Abourezk	Mathias

So Mr. DECONCINI's amendment (No. 83), as modified, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order the Senator from Pennsylvania (Mr. HEINZ) is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator call up his amendment first?

Mr. HEINZ. I yield.

Mr. ROBERT C. BYRD. Will the Senator call up his amendment first?

RESERVATION NO. 6

Mr. HEINZ. Mr. President, I call up my printed reservation No. 6 and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the reservation.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ), for himself, Mr. DANFORTH, and Mr. ROTH, proposes reservation No. 6.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the reservation be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The reservation is as follows:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservation, which is to be made a part of the instrument of ratification, that to carry out the purposes of Article III of the Treaty of assuring the security, efficiency, and proper maintenance of the Panama Canal, the United States of America and the Republic of Panama, during their respective periods of responsibility for Canal operation and maintenance, shall, unless the amount of the operating revenues of the Canal exceeds the amount needed to carry out the purposes of such article, use such revenues of the Canal only for purposes consistent with the purposes of Article III".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HEINZ. I yield to the majority leader.

TIME LIMITATIONS AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on this amendment to the resolution of 10 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield further, I ask unanimous consent that there be a time limitation on the amendment by Mr. HAYAKAWA of 5 minutes to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. CHAFEE of 5 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. BROOKE of 5 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any rollcall vote during the remainder of the day, with the exception of the rollcall vote on the resolution of ratification, be limited to 10 minutes, with the warning bells to sound after 2½ minutes.

Mr. BAKER. Mr. President, reserving the right to object——

Mr. SCOTT. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, if rollcall votes are requested and seconded on the amendments of Mr. HEINZ, Mr. HAYAKAWA, Mr. CHAFEE, and Mr. BROOKE, those rollcall votes occur at the conclusion of 1 hour of debate which would begin at 3 p.m. today and close at 4 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, do I understand that also includes any motion that may be made by the distinguished Senator from Michigan, that that vote would also occur in the same sequence of rollcalls?

Mr. ROBERT C. BYRD. I would include that.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, did I understand the effect of the unanimous-consent request to be that all of these votes, if there be votes, would be back-to-back starting at 4 p.m.?

Mr. ROBERT C. BYRD. That is correct.

Mr. McCLURE. I understand the Senator from Virginia would not object to shortening those rollcalls if they are indeed back to work, and I wonder if he would include that in his request.

Mr. SCOTT. Mr. President, if the Senator will yield, I have no objection, after the initial vote of 15 minutes for the initial vote, for any subsequent votes being 10 minutes. But I have had the experience of missing votes because they have been 10 minutes. I would want to protect myself and other Senators against that possibility. So if the Senator cares to renew his request with that understanding I would be glad to withdraw my objection.

Mr. McCLURE. Mr. President, reserving the right to object, I wonder if the Senator from Virginia might reverse that order, the first votes that would occur at 4 o'clock would be on amendments.

Mr. ROBERT C. BYRD. That is correct.

Mr. McCLURE. The final vote would be on the resolution of ratification.

Mr. ROBERT C. BYRD. Exactly.

Mr. McCLURE. I wonder if under the circumstances the Senator from Virginia would agree to the unanimous-consent request that says all of the rollcall votes on amendments starting at 4 o'clock would be 10-minute rollcalls but the final rollcall, being on the resolution of ratification, would be 15 minutes?

Mr. ROBERT C. BYRD. I did not include the resolution of ratification in the 10-minute rollcalls, since every Senator would be on notice, and they would be here, and I hope the Senator would let the first rollcall vote be 10 minutes under those circumstances.

Mr. SCOTT. Mr. President, let me see if I understand the distinguished majority leader. The first vote would occur at 4 o'clock?

Mr. ROBERT C. BYRD. Yes.

Mr. SCOTT. And the Senator is speaking of votes subsequent to the 4 o'clock vote would be 10-minute rollcalls?

Mr. ROBERT C. BYRD. No. All rollcall votes beginning with the 4 o'clock vote would be 10-minute votes, with the exception of the vote on the resolution of ratification, which would be 15 minutes, and I hope it would be extended to 20 minutes.

Mr. BAKER. Mr. President, reserving my right to object, I would hope, while we are on this subject, that we discuss it a little. I agree with the majority leader that the vote on the resolution of ratification should be 20 minutes, and I would hope in that case the legislative clerk would repeat the response of each Senator from the beginning as the roll is called. This is an important, historic event, and I think an exact tallying

would be in order, and I would hope that would occur. So I wonder if we could take 10 minutes on amendments beginning at 4 o'clock and 20 minutes for the resolution of ratification.

Mr. ROBERT C. BYRD. Well, of course, the 20-minute vote was my suggestion. I discussed it with the distinguished minority leader, and he and I were in accord on it. I was hoping we could get agreement on all other rollcall votes beginning at 4 o'clock to be 10 minutes, and that the resolution of ratification be 20 minutes, with the understanding that the clerk repeat the vote after each Senator is called.

Mr. SCOTT. Mr. President, if the Senator will yield——

Mr. ROBERT C. BYRD. We have already taken 5 minutes to discuss it.

UNANIMOUS-CONSENT REQUEST ON THE ROLLCALL VOTES AT 4 P.M.

Mr. President, I ask unanimous consent that the first vote be a 15-minute rollcall vote; that the rest of the votes be 10-minute rollcall votes, with the exception of the vote on the resolution of ratification, and that be a 20-minute vote; that warning bells on the 20-minute vote sound after 12½ minutes; that the clerk be authorized to repeat after each Senator votes that Senator's vote; and that the well be kept clear.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HEINZ. Mr. President, how much time do I have?

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired. [Laughter.]

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time not be charged against the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent to add the name of Mr. HAYAKAWA as cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield further? With the understanding that it should not come out of his time, let me say that Senators should be on notice that the vote on the amendment by Mr. SCHMITT will occur prior to the hour of 3 o'clock.

Mr. President, I take back everything I said. [Laughter.]

The PRESIDING OFFICER. The Senator from Pennsylvania.

RESERVATION NO. 6

Mr. HEINZ. Mr. President, for some 5 weeks the Senate has been debating the Panama Canal Treaties. It has been my position from the beginning that we need a treaty which insures open, efficient, and secure operation of the canal and which maintains both hemispheric security and good relations with the nations of Latin America.

The present treaties, of course, mandate several of these objectives, and we can also assume that the act of ratification itself will do more to strengthen our relations with Latin America than anything else we might do. However, saying that the canal must be efficiently operated does not insure that it will be so, and it is to this point that my reservation speaks.

As I stated on Tuesday, Mr. President, I am concerned about the problem of the continued efficient operation and maintenance of the canal after the year 2000. Panama is an underdeveloped country with a stagnant economy and tremendous social needs. It is unlikely these needs can be fully met in the next 22 years. Upon taking over the canal, the Panamanian Government will no doubt find itself under considerable pressure to use canal revenue for social welfare purposes rather than for canal maintenance or capital equipment replacement. Such a policy, well intended though it may be, would ultimately render the canal inoperable, perhaps in a short time. The treaties provide no means for insulating canal revenues and expenses from other Panamanian budget priorities once the property reverts to them.

This problem is similar to that which plagued the Penn Central Railroad in my own State. Its management could not resist the temptation to defer maintenance and modernization expenses in favor of other kinds of expenditures. As a result, the railroad ran into serious financial difficulties, a sad story that is familiar to all of us. These difficulties are realities, but they did not occur because of ill will, malign intentions, or any other deliberate effort to destroy the railroad. They occurred because management—with what they thought were good intentions—made wrong decisions at critical times.

In the same vein, I am not predicting that the Panamanians will ruin the Panama Canal intentionally, or that they will mismanage it through incompetence. But I am suggesting that, in 2000 and beyond, the Panamanian Government will be faced with pressing social needs that will demand large budget expenditures. The pressure to use available funds for these purposes will be great. The obvious conclusion we should draw is that there is a risk that the canal will end up being shortchanged on maintenance and capital equipment replacement, and that as a consequence it will become inefficient, expensive, hazardous to navigation or, at worst, unable to operate.

Let me make clear that the concern about the adequate maintenance of the canal is not only something we worry about. It is two sided. The Panamanians have some worries about our willingness to properly maintain the canal and plan for its future as the date for giving up day-to-day control over it comes closer. The Panamanians are aware that possibly, by 1993 or thereabouts, we may be inclined to forego needed maintenance in an effort to keep tolls lower, or for some other purpose.

Obviously, we may feel such fears are unrealistic, given our past record. Similarly, the Panamanians undoubtedly feel our reservations about their management intentions and abilities are unfounded, given the economic importance of the canal to their future. The fact is, however, that both sides continue to share these concerns, and the best way to take care of them is with this reservation which will be a part of the ratification document the Panamanians must accept.

I have written the substance of the reservation from a financial point of view to circumscribe the spending of canal income because I believe that the best way to protect canal revenues for future maintenance purposes is to insulate the money from other priorities.

I do not think we need to specify a particular institutional segregation, and I have not required one.

It would not be wise in my opinion, because it would lock both parties into an institutional structure which may not be appropriate or best in the many decades ahead. For example we would not want to create a structure that could only be changed by treaty—such an arrangement, for example, might make it unnecessarily more difficult to cover canal deficits from other sources should they occur after 2000.

Instead I have adopted the approach set forth in reservation No. 6 as follows:

> . . . to carry out the purposes of Article III of the Treaty of assuring the security, efficiency, and proper maintenance of the Panama Canal, the United States of America and the Republic of Panama, during their respective periods of responsibility for Canal operation and maintenance, shall, unless the amount of the operating revenues of the Canal exceeds the amount needed to carry out the purposes of such article, use such revenues of the Canal only for purposes consistent with the purposes of Article III.

Instead the language of my reservation clearly specifies the primary purpose for which the money raised by tolls—the canal revenues—are to be used. In short my reservation creates a binding responsibility to segregate these revenues from other budgetary needs and priorities so that the purposes of article III—namely security, efficiency, and proper maintenance—can and will be completely met. While reservation does not preclude Panama from using excess revenue for other purposes, nonetheless it leaves no question that such excess will be available only after maintenance needs have been fully satisfied. During the life of the Panama Canal Treaty, of course, the use of revenues for purposes of security, efficiency, and proper maintenance would include all expenses for operation and maintenance, including the various payments to Panama stipulated in the treaty.

Mr. President, I would also like to say a word at this point about amendments, reservations, and understandings. This issue has been the subject of much debate here in the past few weeks with no final resolution, and I can only add my point of view.

The most useful commentary I have seen on this subject is the memorandum prepared by Mike Glennon, Foreign Relations Committee legal counsel, which appeared in the March 9 CONGRESSIONAL RECORD.

That document deals with the question

of different legal effects of reservations or amendments quite succinctly:

International legal effect. The act of ratification is not complete until "instruments of ratification" are exchanged. In order to be given international legal effect, amendments made by the Senate, or reservations, understandings, or declarations, etc., added by the Senate, must be incorporated in the instrument of ratification given to Panama. If they are so incorporated they will, as noted above, be of identical legal force and effect; the particular demonination attached to each by the United States will be legally irrelevant, since the substance of each will have been accepted by Panama.

In short, if the Senate elects to alter the substantive effect of the treaties, the label under which it chooses to do so—and there are many possibilities—will under domestic and international law be immaterial; each modification, if accepted by Panama, will have the same force and effect as the treaty itself. Whether Panama accepts is, of course, entirely within its discretion and the designation used by the Senate may be taken into account.

It seems to me that this is a most useful and authoritative observation. The most important characteristic of these various forms of changing the treaties is not what they are labeled, but rather whether or not Panama accepts them. If they are accepted, then they are binding, no matter what they are called.

It is for this reason that most of the understandings, reservations, and so forth, being offered will stipulate in the beginning that they be attached to the resolution of ratification, in effect making them amendments to that resolution. Such attachment forces Panama to explicitly accept or reject them, which is the critical issue.

Mr. President, the reservation I have offered deals with a serious problem in a fair, equitable, and restrained manner. I urge its addition to the resolution of ratification.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I commend the distinguished Senator from Pennsylvania for the reservation he has offered.

It would, as he has indicated, insure a first priority for operation and maintenance of the canal, which is, of course, important both to Panama and to the United States, and it places a reciprocal burden, as he says, on the United States of America and the Republic of Panama during their respective periods of responsibility.

It is in that sense even-handed in its application, and it insures that this very important asset to Panama, to the United States and, indeed, to the entire world will be operated and maintained at the level which is necessary for it to meet effectively its functions.

I think it responds in a legitimate fashion to some concerns that have been raised, and we are pleased to indicate that we will accept the amendment to the articles of ratification offered by the able Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator from Maryland.

Mr. SARBANES. Mr. President, I yield to the Senator from Idaho who wishes to bring to the attention of the Senate an additional understanding which has not been mentioned, which he will offer and of which Members should be aware. We believe it is not controversial in any way, and it will be before us for a vote at the appropriate time.

UNDERSTANDING NO. 9

Mr. CHURCH. Mr. President, I call up understanding No. 9, which is the only understanding recommended by the Committee on Foreign Relations to the Neutrality Treaty.

Mr. President, the understanding would require that all material added by the Senate to both this treaty and the resolution of ratification be included in the instrument of ratification given Panama.

After the Senate gave its advice and consent to the treaty with Spain in 1975, the State Department claimed that the executive branch had the authority to transmit separately to Spain certain material added by the Senate. This understanding would make clear that such exclusion will not be permissible in the case of this treaty. Its rationale is elaborated in the committee report; I ask unanimous consent that the pertinent portion of the report be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

F. Understanding requiring the inclusion of Senate actions in the instrument of ratification of the Panama Canal Treaty.

The Committee recommends that the resolution of ratification of the Panama Canal Treaty be amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to the following understanding;

The President shall include all amendments, reservations, understandings, declarations and other statements incorporated by the Senate in its resolution of ratification respecting this Treaty in the instrument of ratification exchanged with the Government of the Republic of Panama.

Mr. HEINZ. Mr. President, I had reserved the remainder of my time.

Mr. SARBANES. Does the Senator wish a rollcall vote on his amendment?

Mr. HEINZ. The Senator is prepared to accept a voice vote.

Mr. SARBANES. We are prepared——

Mr. CHURCH. One moment, Mr. President, I have a unanimous consent. I will change the unanimous consent to a request, which has been asked by the minority leader.

I ask unanimous consent that the order be vitiated that Senator SCHMITT be recognized at the hour of 2:30, and that following the recognition of Senator BROOKE, Senator GRIFFIN then be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Will the Senator yield for one second, if there is time remaining?

Mr. SARBANES. Is there time remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 2 minutes. The Senator from Idaho has 1 minute remaining.

Mr. HEINZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HEINZ. My understanding is that a vote on this will take place at 4 o'clock.

Mr. CHURCH. Only if there is a rollcall.

Mr. HEINZ. Could we have a voice vote right now? Could everyone yield back his time?

The PRESIDING OFFICER. Is there objection?

Mr. CHURCH. Mr. President, I would like to move the adoption of the understanding recommended by the Committee on Foreign Relations, with the hope and expectation that that can be done by a voice vote at this time.

Mr. McCLURE. Will the Senator yield for one question? I do not mean to delay it at all. I am a little concerned about the effect of the DeConcini reservation as affected by the Senate rejection of the Allen amendment to it.

Mr. CHURCH. I yield.

Mr. McCLURE. I would not want anyone to understand that the Senate has now taken action by rejecting the Allen amendment, in effecting, saying that the DeConcini reservation means any less than the sponsors of the amendment said it meant at the outset.

In other words, the binding nature of the DeConcini reservation has not been lessened by our rejection of the Allen amendment.

Mr. CHURCH. I think that is understood by all.

Mr. McCLURE. I think that merges into the resolution which the Senator is now asking.

Mr. CHURCH. I concur with the Senator. I ask that the Senate now adopt the understanding recommended by the Committee on Foreign Relations.

The PRESIDING OFFICER. Is there objection to its immediate consideration? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho, Mr. CHURCH, proposes an understanding No. 9.

The PRESIDING OFFICER. Without objection, further reading will be dispensed with.

The understanding is as follows:

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the following understanding:

"The President shall include amendments, reservations, understandings, declarations, and other statements incorporated by the Senate in its resolution of ratification respecting this Treaty in the instrument of ratification exchanged with the Government of the Republic of Panama".

The PRESIDING OFFICER. Without objection, the understanding is agreed to.

Is all time yielded back?

Mr. SARBANES. We are prepared to yield back our time and to vote on the

reservation of the Senator from Pennsylvania at this point.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CHURCH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the reservation of the Senator from Pennsylvania.

The reservation was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the understanding was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order the Senator from California (Mr. HAYAKAWA) is recognized for not to exceed 5 minutes.

UNDERSTANDING NO. 11

Mr. HAYAKAWA. Mr. President, I call up my understanding No. 11, which is cosponsored by Senator DECONCINI and Senator HEINZ, and ask for its immediate consideration.

The PRESIDING OFFICER. The understanding will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself, Mr. DECONCINI, and Mr. HEINZ, proposes understanding numbered 11:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the following understanding, which is to be made a part of the instrument of ratification, that—

"(1) the agreement to 'maintain the regime of neutrality established in this Treaty' in Article IV of the Treaty means that either of the two Parties to the Treaty may, in accordance with its constitutional processes, take unilateral action to defend the Panama Canal against any threat, as determined by the Party taking such action".

Mr. GRIFFIN. Will the Senator yield?

Mr. HAYAKAWA. I will yield for a unanimous-consent request.

Mr. GRIFFIN. Mr. President, on behalf of Senator HATFIELD, of Oregon, I ask that a member of his staff, Jack Robertson, have access to the floor during the debate and votes on this treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Will the Senator yield to me?

Mr. HAYAKAWA. I yield.

Mr. JAVITS. I would like to say I have read this understanding and I thoroughly agree with it.

Mr. HAYAKAWA. I thank the distinguished Senator from New York.

The language of my understanding is clear and simple. It says that the American Government can come to the defense of the canal whenever in its own judgment such action is necessary. The question may arise: Why should the resolution authorizing ratification be subject to this understanding? In my judgment, the understanding is necessary because it clearly reflects a fundamental intent of the Senate. I believe there is general agreement that the original language of article IV is ambiguous. The President of the United States and General Torrijos evidently also agreed that some clarification was needed and they issued their communique. The Byrd-Baker amendment reiterated the text of the communique, and it was incorporated into the treaty by the vote of the Senate. However, there is one clause in the amended text which causes me concern. I am referring to the clause:

Any United States action will never be directed against the territorial integrity or political independence of Panama.

Looking at the historical record, I cannot help thinking of the possibility of camouflaged or indirect aggression. It is true that the same language can be found in article II of the United Nations Charter. But it is also true that this did not prevent Chairman Brezhnev in an act of naked aggression from sending troops into Czechoslovakia. As Soviet propagandists explained at that time, Russia was only complying with an invitation from Czechoslovakian workers. It appears to me that a comparable situation could possibly arise. A future unfriendly Panamanian Government, in cooperation with a power hostile to the national interests of the United States, could invite, for example, Soviet technicians and so-called military advisors. It could then turn around and use the prohibition against interference with "the territorial integrity and political independence of Panama" to oppose a legitimate intervention by the United States.

The DeConcini amendment, which the Senate has just accepted, pertains to article V and refers only to the closing of the canal or to any interference with its operations. On the other hand, my understanding pertains to article IV and covers any threat to the canal as perceived by the United States. In other words, it complements the DeConcini amendment, which I was happy to vote for.

It therefore seems to me that my understanding should be supported by all the Senators supporting the Neutrality Treaty as well as by those who oppose it. I think it represents a common denominator on which we all can agree; namely, whenever the interests of the United States in this area are endangered, we will have the right to intervene. We shall have the right to decide for ourselves whether intervention is called for. Mr. President, it is my intention to ask you for the yeas and nays. Thank you, Mr. President.

The PRESIDING OFFICER. Does the Senator request the yeas and nays?

Mr. CHURCH. Mr. President, since this understanding is acceptable to the managers of the treaty, I wonder if it would be possible to settle this by a voice vote.

Mr. HAYAKAWA. I would be happy to do so.

Mr. CHURCH. If the Senator will withhold his request, Mr. President, let me simply say——

Mr. HAYAKAWA. I withdraw my request.

Mr. CHURCH. Let me simply say that this understanding conforms with the interpretation placed upon the leadership amendment to article IV of the treaty. To my knowledge, both the Government of the United States and the Government of Panama interpret the amendment in this fashion. Therefore, we have no objection to it. I am prepared to yield back the remainder of my time.

Mr. GRIFFIN. Mr. President——

The PRESIDING OFFICER. Who yields time? Does the Senator from Idaho yield time?

Mr. CHURCH. How much time remains to the Senator from Idaho?

The PRESIDING OFFICER. One-and-a-half minutes.

Mr. CHURCH. Yes, I am happy to yield the remainder of my time.

Mr. GRIFFIN. Mr. President, I cannot remain silent and indicate that I agree that there would be agreement with the statement just made by the Senator from Idaho. As I have stated and documented earlier in this debate, the spokesmen and representatives of the Republic of Panama do not construe and interpret the Neutrality Treaty in the way indicated here by the Hayakawa amendment. I will not force a rollcall on this, because I know what the result will be. We have had enough votes here today; namely, on the DeConcini amendment, to know what the will of the Senate is.

I want to make it clear that what the Senator from Idaho has stated is not the view of the Senator from Michigan. This does make a significant change in the treaty. It goes contrary to the interpretations of the spokesmen for the Republic of Panama. This, like the DeConcini amendment and like the leadership amendments, will result in the rejection of the treaty by the Senate and, in effect, the submission by the Senate of a counter offer to the Republic of Panama which should then be ratified in accordance with their constitutional processes.

The difficulty that the Senator from Michigan has with this whole procedure is that that is not what is going to happen. We already know what the arrangement is. Dictator Torrijos may approve of this, but he will not submit it to the people for a vote as is required by the constitution.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the understanding. (Putting the question.)

The understanding was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the understanding was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNDERSTANDING NO. 13

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island (Mr. CHAFEE) is recognized for 5 minutes, the time to be equally divided.

Mr. CHAFEE. Mr. President, I call up my understanding No. 13 and ask for its immediate consideration.

The PRESIDING OFFICER. The understanding will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE), for himself, Mr. BELLMON, Mr. BROOKE, Mr. DECONCINI, and Mr. HEINZ, proposes an understanding numbered 13.

Mr. CHAFEE. Mr. President, I ask unanimous consent that further reading of the understanding be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The understanding is as follows:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the understanding, which is to be made a part of the instrument of ratification, that the determination of 'need or emergency' for the purpose of any vessel of war or auxiliary vessel of the United States or Panama going to the head of the line of vessels in order to transit the Panama Canal rapidly shall be made by the nation operating such vessel".

Mr. CHAFEE. Mr. President, this understanding deals with article VI of the Neutrality Treaty, which provides for warships and auxiliary vessels to go to the head of the line, so-called. They shall go to the head of the line in case of need or emergency This is a clarifying understanding to make clear that the determination of whether there is an emergency or need shall be made by the nation which is operating the vessel; namely, in the case of U.S. vessels, by the United States, or in the case of Panamanian war vessels, by the Government of Panama.

It does not specifically say which representative of the appropriate government shall determine what is an emergency which requires it to go to the head of the line. We thought it better to have some flexibility on that specific point.

The real purpose of this understanding to to make absolutely clear that it does not require both nations to make a determination that there is an emergency. It can be done unilaterally. In the case of the nation we are concerned with, of course, the United States, we wish the United States to be able to say that there is an emergency, and thus our vessels can go to the head of the line.

I am prepared to yield back the remainder of my time, Mr. President, and shall be glad to answer any questions.

Mr. CHURCH Mr President I yield to myself such time as I may need.

It is my understanding that, today, the vessel operator is the only person qualified to determine an emergency. Therefore, the United States determines when its naval vessels should transit the canal expeditiously. Under current practice, our naval ships are expedited at the request of the fleet commander. So the understanding proposed by the distinguished Senator from Rhode Island, first of all, conforms with present practice. Second, it conforms to the interpretation placed upon article VI of the pending treaty by both the Governments of the United States and of Panama. Therefore, we have no objection to the understanding.

I am prepared to yield back the remainder of my time.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. CHAFEE. Yes.

How much time do I have, Mr President?

The PRESIDING OFFICER. The Senator has a minute and a half.

Mr. CHAFEE. Yes, I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to propound a question to the able Senator from Rhode Island. Suppose Panama said, "We have an emergency," and the United States said, "We have an emergency." Which vessel would go to the head of the line?

Mr. CHAFEE. That is a difficult question. If you get two vessels up there they can both go through very quickly. I guess the situation is rather helped by the fact that Panama does not have any war vessels. Therefore, this is something that is solely beneficial to the United States.

Mr. THURMOND. I thank the Senator. That is his view, but I am not too sure I can concur with that.

Mr. CHURCH. Mr. President, this question came up earlier in the debate. It is hard to conceive of such an eventuality in the future, for presently, Panama has no navy except for six coastal patrol boats. I do not believe they will clog up the canal in such a way as to interfere with the expeditious passage of the U.S. Navy. If any attempt were made to do so, I should not want to be the commander of one of those patrol boats. We are prepared to accept the understanding.

I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, does the Senator yield?

Mr. CHURCH. I yield for a question.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. CHAFEE. I have some time. I shall be glad to yield the remainder of my time.

Mr. GRIFFIN. I shall be glad to ask for a rollcall vote on this.

Mr. CHURCH. I shall yield, if the Senator wants a minute.

How much time does the Senator from Rhode Island have?

Mr. CHAFEE. Whatever time I have, I yield to the Senator.

The PRESIDING OFFICER. The Senator from Michigan has 2 minutes.

Mr. GRIFFIN. I do not want the record to be left implying, as the Senator from Idaho has indicated, that both nations have agreed to this interpretation. That is not the fact.

The reason the Senator from Rhode Island is concerned about this matter and has offered the reservation is that under the treaty, after the year 2000, it is the Republic of Panama that would have the authority to determine when there was an emergency and whether or not U.S. vessels would go to the head of the line. I am sure that is still the interpretation in the Republic of Panama.

Now we are about to adopt a so-called reservation to put into the Resolution of Ratification our interpretation. That does not mean we have an agreement with the Republic of Panama. That is just another statement of what we think it should mean.

This is one more change in the treaty that would have to be approved by Panama. Under their constitutional procedures, it will require approval by a vote in a plebiscite of the people of Panama.

I thank the Senator from Idaho for yielding.

Mr. SARBANES. Mr. President, I think the record ought to reflect the fact that, while that is the construction which the Senator from Michigan has chosen to place on certain comments, many of us disagree very strongly with the interpretations he has made with respect to the understandings that the two governments have reached in respect to the statement.

I have followed the Senator's presentations with respect to this matter very carefully and, as I have indicated previously on this floor, I differ with the conclusion which he reaches. He has his perception of the situation. Many of us differ with it strongly, and think that the reasonable grounds are on our side for the understandings that have been reached.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator's time has expired. All time has expired.

The question is on agreeing to the understanding. (Putting the question.)

The understanding was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the understanding was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNDERSTANDING NO. 3

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts (Mr. BROOKE) is recognized. The time on his undertsanding is 5 minutes, to be equally divided.

Mr. CRANSTON. Mr. President, I call up the amendment of the Senator from Massachusetts.

The PRESIDING OFFICER. The amendment of the Senator from Massachusetts will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for the Senator from Massachusetts (Mr. BROOKE), proposes understanding numbered 3:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the understanding, which is to be made a part of the instrument of ratification, that nothing in the Treaty, in the annexes or the Protocol relating to the Treaty, or in any other agreement relating to the Treaty obligates the United States to provide any economic assistance, military grant assistance, security supporting assistance, foreign military credit sales, national military education and training to the Republic of Panama".

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. I ask unanimous consent that the order for the quorum call be rescinded.

I will ask Senator CHURCH if he would yield me 2 minutes.

Mr. CHURCH. I am happy to yield 2 minutes to the distinguished chairman of the Foreign Relations Committee.

Mr. SPARKMAN. Mr. President, we are nearing the end on this debate. It has been a long time, and those of us who are members of the Foreign Relations Committee know how long the debate ran before it ever reached the floor of the Senate. I think it was certainly one of the longest series of hearings and markup sessions that we have ever had. It was not an easy thing to work out the language to these treaties, but we did and we reported it 14 to 1, after weeks and months of listening to exactly the same complaints that we have heard here on the floor.

I think the Senate has done a great job in bringing this almost to the end, and I commend not only the members of the Foreign Relations Committee, but all of the Senators and their staffs for the tremendous work that has been done in connection with this presentation to the Senate.

When it came time to bring it to the floor, I asked Senator CHURCH and Senator SARBANES to be on the floor. I hoped that at all times certainly one of them would be here, and they have been.

Senator CHURCH, my friend and esteemed colleague, did a great job in the committee, in helping to work out the language. My colleague from Idaho has further distinguished himself by his management of the Treaty on the floor.

Senator SARBANES, who is also my friend and distinguished colleague, is chairman of the Latin American Subcommittee and likewise did a great job in the committee. Senator SARBANES worked tirelessly and with great ability here on the Senate floor.

I do not know how we would have gotten along without Norvill Jones, the staff director of the Foreign Relations Committee, and Robert Dockery, who is an expert in Latin American matters, and Ralph McMurphy, my fellow Alabamian, who has done a great job all the time he has been on the committee staff.

I pay my respects to the entire committee.

I will remind you again that the committee finally voted, with only one dissenting vote, 14 to 1.

I just wanted to pay my respects to these gentlemen who have labored so hard, so long, and so well.

I think the Senate as a whole owes them a great debt of gratitude.

Mr. CHURCH. Thank you, Senator.

Mr. BROOKE. Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I send to the desk a perfected version of understanding No. 3 and ask for its immediate consideration.

The PRESIDING OFFICER. The understanding will be so modified.

UNDERSTANDING NO. 3—AS MODIFIED

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the understanding, which is to be made a part of the instrument of ratification, that nothing in the Treaty in the annexes or the Protocol relating to the Treaty, or in any other agreement relating to the Treaty obligates the United States to provide any economic assistance, military grant assistance, security supporting assistance, foreign military sales credits, or international military education and training to the Republic of Panama".

Mr. BROOKE. Mr. President, the correction merely changes the term "foreign military credit sales" to read "foreign military sales credits."

Mr. President, I do not intend to take more than a few minutes to discuss the pending understanding. It is a simple understanding that will make explicit that the question of any foreign assistance relationship with Panama will be considered completely independent of decisions on the Panama Canal treaties.

This understanding is necessary to reduce the expectation in Panama that they will automatically receive at least $345 million in foreign assistance if the treaties are ratified. That is the amount the President, in what I believe to be an unwise gesture, promised he would seek for Panama.

This understanding and a change in relevant legislation is needed to forestall a unilateral Presidential decision to provide assistance to Panama. Unknown to many, $340 million of the $345 million the President has indicated he would seek for Panama, can be provided without prior congressional approval. This is unacceptable to me and I believe to the majority of the Congress. It would be, without a doubt, a further affront to the sensibilities of the American people. Therefore, I urge acceptance of this understanding.

Mr. CHURCH. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. There is no time remaining.

Mr. CHURCH. Then the understanding is acceptable. I urge the Senate to adopt.

The PRESIDING OFFICER. The question is on agreeing to the understanding.

(Putting the question.)

The understanding was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the understanding was agreed to.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROOKE. I thank the Chair and the distinguished Senator from Idaho.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for 12 minutes, equally divided.

AMENDMENT NO. 71

Mr. GRIFFIN. Mr. President, on behalf of Senator SCHMITT, Senator WALLOP, Senator ROTH, Senator HANSEN, and myself I send an amendment to the desk in the nature of a substitute for the resolution of ratification.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk stated the amendment.

Resolved, That the Senate return to the President of the United States the Treaty Concerning the Permanent Neutrality and Operation of The Panama Canal, together with the annexes and the Protocol relating thereto, done at Washington on September 7, 1977 (Ex. N, Ninety-fifth Congress, first session), with the advice of the Senate that negotiations to develop a new treaty relationship with the Republic of Panama be resumed and continued until a treaty is agreed upon that better serves the interests of both nations.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President——

The PRESIDING OFFICER. Under the previous order, the vote will occur at 4 p.m.

Mr. GRIFFIN. As the only and lonely Senator on the Committee on Foreign Relations who voted against reporting these treaties, I was impressed when the author David McCullough, who wrote the book "The Path Between the Seas," appeared before our committee and testified. Perhaps, because of his great knowledge of the history of the canal or perhaps in spite of it, he found it very difficult as a personal decision to decide what to do about these treaties, whether to support them or to oppose them.

Although, he indicated that he finally came to the personal decision to support them, on balance he made a statement before our committee which I think is worthy of our attention.

David McCullough said that if we say yes to these treaties in a grudging way because we think we have painted ourselves into a corner and we have to get out, that will be unfortunate and would be just as wrong. And in some ways a greater mistake than to say no in the spirit of saying no because it should be done right, because we do not want to have to come back in 15 or 25 years and have to go through this again.

Mr. President, I know that, although the administration and the proponents may now have finally eked out the 67 votes as a result of certain maneuvers and appeals, there are Senators in this body who know that the right course to take would be not to reject the treaty outright, but to advise the President of the United States to send the negotiators back to the drawing board.

Unfortunately, in the process that we have been engaged in, we are in a grudging way rejecting the treaty. We are rejecting it by adopting substantive amendments.

Now, there have been a number of them in addition to the leadership amendments, and under the established international law we are, in effect, rejecting the treaty and submitting to the Republic of Panama a counteroffer.

We are doing it on a take-it-or-leave-it basis, which is something of an affront to the Republic of Panama.

It would be a much better way to do it if we were to go back and negotiate with them as equals at the bargaining table and take these proposals to them.

Of course, the dangerous part of this course is that the Dictator Torrijos, for his own political purposes, may not follow the constitutional processes of the Republic of Panama. He may agree to these changes and then we will have an invalid treaty which can be challenged by his successor in office.

Mr. President, our time is very limited and I have colleagues who want to speak on this subject.

I yield to the distinguished Senator from New Mexico.

Mr. SCHMITT. I thank the Senator from Michigan and compliment him on his further initiative in this matter.

Mr. President, I call up amendment No. 81 for consideration as an amendment to the Senator from Michigan's amendment.

The PRESIDING OFFICER. The Chair advises that an amendment to an amendment is not in order until all time has been consumed on this amendment.

Mr. SCHMITT. I thank the Chair.

At the appropriate time, I believe the Senator from Michigan will accept the wording of this amendment.

Mr. GRIFFIN. If the Senator will yield to me, it would be in order, would it not, if the Senator from Michigan were to modify his amendment to include the amendment of the Senator?

The PRESIDING OFFICER. It would require unanimous consent. Does the Senator seek unanimous consent to so modify his amendment?

Mr. GRIFFIN. I ask unanimous consent that I may so modify my amendment after the clerk reads it.

Mr. CHURCH. After the clerk reads it.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On line 8, after "Panama", insert, ", involving all the nations of North and South America who wish to participate,".

On line 9, after "nations", add ", and all the nations of the Western Hemisphere."

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan requests unanimous consent to so modify his amendment.

Is there objection?

Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

Resolved, That the Senate return to the President of the United States the Treaty Concerning the Permanent Neutrality and Operation of The Panama Canal, together with the annexes and the Protocol relating thereto, done at Washington on September 7, 1977 (Ex. N, Ninety-fifth Congress, first session), with the advice of the Senate that negotiations to develop a new treaty relationship with the Republic of Panama, involving all the nations of North and South America who wish to participate be resumed and continued until a treaty is agreed upon that better serves the interests of both nations, and all the nations of the Western Hemisphere.

Mr. SCHMITT. Mr. President, this now modified amendment would merely require the participation of nations in the hemisphere in any future negotiations. It is very simple, but I think very important.

Mr. President, I am supporting this change and the amendment that is offered by the Senator from Michigan, not because I do not believe some change is necessary in our relationships with the Republic of Panama relative to the Panama Canal, but I am supporting it because the change we would make with the Neutrality Treaty is the wrong change, for the reasons outlined by the Senator from Michigan, and many others. The opportunity for a far nobler treaty is so unique that we must grasp it or possibly never see it again. My amendment suggests the international direction of this opportunity.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. SCHMITT. My previous statements about the intersea concept provide the basis which I think we can grasp at this time.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I support the treaty before us because it is a fair bargain that has been negotiated at arm's length between the United States and Panama. I support it because it will preserve the good feeling that presently exists between Panamanians and Americans.

I have every expectation that the reservation and the understandings that have been attached by the Senate to the instrument of ratification will prove acceptable to the Government of Panama. But if we were to adopt this proposal, if we were to scrap these treaties and send the two governments back to the negotiating table again, I have no doubt whatever that we would never consummate a subsequent agreement more favorable to the United States than the treaty now before us.

In fact, Mr. President, I have very serious doubts, should the Senate act so foolishly, that we would even get negotiations underway again.

We would have missed the moment because these treaties accomplish the earnest desire of the Panamanian people to have their honor and dignity restored to them; to have jurisdiction over their own soil returned to them, for this has been their objective for the past 75 years.

If we lose this opportunity, I do not think we will go back to the negotiating table. I think we will have to hold the Canal Zone by bayonets, by force of arms. We will cling to it while our relationship with that small country deteriorates to the point where their indignation finally bursts into hot flame, until violence and bloodshed become the hallmark of our relations, until harassment degenerates into guerilla war. We will cling to it until finally the American people lose patience with the needless, endless, senseless bloodletting. In the end, Mr. President, we will have to settle for what is right, without the benefit of any credit, without dignity, without the respect of the world that we will garner if we only show the wisdom now to support these treaties.

I strongly urge the Senate to reject this proposal by the Senator from Michigan.

In the time remaining to me, I yield to the able Senator from Maryland.

Mr. SARBANES. I thank the distinguished Senator from Idaho for yielding and I thank him for the extraordinary leadership which he has shown during the consideration of this important matter.

Mr. President, the Senator from Michigan quoted David McCullough, who wrote that marvelous book, "The Path Between the Seas."

David McCullough also said before our committee:

I wholeheartedly support the treaties because I support the canal. I know its importance; I know our interest in it is vital.

The Panama Canal is expressive of one of the oldest, noblest desires in the human heart, to bridge the divide and to bring people closer together. These treaties are expressive of that same desire. They are a progressive step, an act of strength and confidence and of good will.

Mr. President, we have come a long way to reach this point—not just the 36 days here in the U.S. Senate, but a long way as a nation and as a people. Now the American people, and those of us who represent them here in the Senate of the United States, have the opportunity with these treaties to reflect a maturity of judgment and a wisdom of understanding that will protect our interests and give us a relationship with the people of Panama which can stand as a positive and constructive example to the entire world. We have now the opportunity to bring might and right into harmony. We should not lose that opportunity.

The PRESIDING OFFICER. The time on the amendment has expired.

PROPOSED PANAMA CANAL TREATIES UNWORTHY OF FAVORABLE ACTION IN THE SENATE

● Mr. ALLEN. Mr. President, I have spent much time over past months examining in detail the proposed Panama Canal treaty and the proposed treaty concerning the permanent neutrality and operation of the Panama Canal. I have also reviewed each of the many associated annexes, agreed minutes protocols, implementing agreements, annexes to implementing agreements, appendixes to annexes to implementing agreements, notes, exchanged letters, statements of understanding, messages and so-called clarifying communiques, all with the result that I have reached the judgment that the fabric of this proposed new arrangement with Panama is inherently defective, poorly drafted, ambiguous, and dangerous to the security and commerce of our country.

The defects in these proposed arrangements are legion, and during the debate held thus far of executive N, the proposed Panama Canal treaties, many of these deficiencies have been illuminated and examined, but unfortunately none have been corrected.

But, Mr. President, amid these myriad defects there are five major flaws, each of which on its own ground warrants complete rejection of the arrangements negotiated, inasmuch as each would independently damage the national interests of our country to such extent as to render it improper for the Senate or the Congress to give its consent. The five major defects, at least as I see it, are: First, the failure of the canal treaties to require congressional authorization for

the proposed grant to Panama of U.S. property; second, the decision embodied in the canal treaties and related loan agreements to pay to Panama some $2.262 billion by means of various devices cynically designed to circumvent the role of the House of Representatives or the Congress in appropriating funds from the Treasury of the United States; third, the failure of the canal treaty to provide for an adequate defense of the canal during its proposed 22-year term; fourth, the failure of the neutrality treaty to provide for an adequate defense of the canal thereafter; and finally fifth, the astonishing provision of the canal treaties which forbids the United States even to negotiate with another nation for the construction of any interoceanic canal, either sea level or locks, anywhere in the Western Hemisphere without the express consent of the Panamanian dictatorship.

THE CONSTITUTION IGNORED

The first major flaw in the treaties is perhaps the most significant since it represents a direct assault by the executive branch on the prerogatives of the Congress and since it would set a new precedent extending the authority of the executive branch far beyond the bounds contemplated by the framers of the Constitution of the United States.

As the Senate well knows, article IV, section 3 of the Constitution provides quite clearly that Congress, that is, the Senate and the House of Representatives acting together, "shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." Mr. President, the Attorney General has advised that the proposed treaties do not in any respect violate this clause, but with all due deference to him as a very able lawyer, in this instance he is serving a client, and I cannot share his rationalization of the clear, unambiguous language of the Constitution on this subject, nor can I agree with his faulty characterization of consistent past practice in our dealings with Panama in matters of property transfer.

In 1936 and again in 1955, cessions of U.S. territory or property to Panama were made expressly contingent on congressional authorization. Yet now that a truly major cession of virtually all U.S. territory in the Isthmus of Panama is contemplated, the executive branch has seen fit to assert a novel theory by which the administration would circumvent the Congress. The reason for development of this novel theory of constitutional law is, I believe, a matter of practical politics rather than legal scholarship since public opposition to giving up the canal is so overwhelming, and continues to be so overwhelming, that any congressional authorization of a grant of U.S. territory in the Isthmus of Panama would be difficult, if not impossible, to obtain from the people's representatives in the Congress, particularly in the House of Representatives.

But beyond this immediate issue, if we in the Senate and in the Congress permit this circumvention of the role of the whole Congress in any cession of U.S. territory, we will be setting a very dangerous precedent which will surely be used again by this or future administrations to assert power in an area heretofore preserved exclusively to the Congress. My own guess is that we would next see this precedent applied to the Guantanamo Naval Base in Cuba, but perhaps other cessions of territory or property are also in the works. This new precedent would haunt us down through the years, and we cannot allow it to be established.

For that reason, Mr. President, I was particularly alarmed that the Committee on Foreign Relations saw fit to indicate in its report of executive N that the grant of property of the United States to a foreign country could be accomplished alone without prior authorization by the Congress. Frankly, I do not think the Committee on Foreign Relations gave adequate study to the issue, and I do not think the conclusion reached was appropriate for the committee, based as it was on limited testimony and a faulty understanding of the law and precedents.

So, Mr. President, the Congress, and particularly the Senate since the matter is now our responsibility, should not lightly endorse this proposed radical departure from sound constitutional principles simply for the perceived political expediency of the moment. The Senate should, instead, guard the prerogatives of the whole Congress by amending the proposed treaties to make any grant of territory or property of the United States envisioned by the treaties subject to the prior enactment of authorizing legislation by the whole Congress—in other words, if no authorizing statute, then no property transfer and a void treaty.

It is important to understand, Mr. President, that implementing legislation is not enough to satisfy the constitutional requirements. Authorizing legislation must be obtained before a legal transfer of property of the United States in the Isthmus of Panama can be effected. The Panamanians should be formally advised of this requirement, as they were in the treaty of 1955, by appropriate words making any grants of property contingent on enactment of authorizing legislation. To do otherwise would mislead the Panamanians and pervert the Constitution.

The Senate may be assured that, if necessary, I and other Senators will soon seek adoption of an amendment to preserve the constitutional role of the Congress, particularly the role of the House of Representatives, in disposing of U.S. territory or property. Such an amendment could appropriately appear in article I of the proposed Panama Canal Treaty by amending the language of that article to make the abrogation of the treaty of 1903 subject to authorizing legislation of the Congress inasmuch as that abrogation is itself the primary means by which the property and territory of the United States is alienated and transferred to Panama. Such an amendment could appropriately appear in other places in the Panama Canal Treaty, and additionally, any resolution of the Senate advising and consenting to ratification by the President of the Panama Canal Treaty should contain a specific reservation forbidding the President to exchange instruments of ratification with Panama until a statute is passed by the Congress authorizing the contemplated disposition of our territory and property in the Isthmus of Panama. Both of these procedures must be followed to insure that the Constitution is obeyed.

My own hope, of course, would be that such an authorizing statute would never pass, and I would certainly work to see its defeat. But notwithstanding a Member's position on the canal giveaway, we are all sworn to uphold the Constitution, and in this instance the Constitution is crystal clear and there can be no room for doubt but that the whole Congress must act before any transfer can legally occur.

Finally, Mr. President, I wish to emphasize that I have not reached this conclusion without study. As chairman of the Subcommittee on Separation of Powers of the Senate Committee on the Judiciary, I have heard the testimony of 36 witneses over 8 days of hearings dealing almost exclusively with this very question, and the overwhelming evidence both from the words of the Constitution and from past practice is that the administration position is devoid of any substantive legal support and ought to be rejected out of hand.

THE SUM OF $2.262 BILLION TO PANAMA FOR THE RIGHT TO CEDE THE CANAL ZONE TO PANAMA

I regret to say that the Constitution is ignored elsewhere in these treaties and related documents. Most citizens learn in eighth grade civics that bills for appropriation must originate in the House of Representatives and that the people's representatives in the House are charged with primary responsibility in matters regarding the Nation's pursestrings. Yet, Mr. Chairman, our negotiators have somehow figured out a means for bilking the users of the canal and the American taxpayers of at least $2.262 billion without any need to seek an appropriation from the Congress.

We are presented, then, with treaties which do not give the United States the right to guarantee its interests in the canal, which do not provide for an adequate defense of the canal, which do not allow the United States to initiate new canal projects except with Panama's consent, but which do, on the other hand, give the Canal Zone entirely to Panama, which do also eventually give the Panama Canal Company to Panama, which do immediately give the most lucrative operations of the Panama Canal Company to Panama, which do give immediately 10 U.S. military bases to Panama, which do give Panama immediately political jurisdiction over 37,000 U.S. citizens living in the Canal Zone, and which do, finally, give to Panama $2.262 billion in 1977 dollars. And this last I find the most incredible part of all.

You know, Mr. President, ordinarily the grantee pays the grantor, but our clever negotiators have figured out a way for us to give away the Canal Zone and

to pay the recipient at the same time. They have also figured out a way to make these payments without congressional approval. I will not insist now on going into great detail on how this $2.262 billion in 1977 dollars is to be paid to Panama, but during the course of this debate on which we have embarked I am certain that sooner or later it will be made even more fully apparent to the people of this country the shabby method by which they will be made to pay for this incredible arrangement. In the interim, I recommend to Senators a careful reading of a speech given on August 19, 1977, before the Panamanian National Assembly by Panamanian Planning and Economic Policy Minister, Nicolas Ardito Barletta. Minister Barletta's analysis of the cash flow to Panama proposed by these arrangements is, in my judgment, highly accurate, and it is from his work, rather than from the highly misleading Department of State estimates, that I have drawn the figure $2.262 billion.

I first raised this issue, Mr. President, in a speech I gave on the floor of the Senate on September 16, 1977, and finally only in recent weeks have the newspapers here in Washington, for the first time, given any attention at all to the matter. But that overdue attention is not too late, and if this debate continues beyond the vote today, perhaps, in fact certainly, it will be made clear to the people just what is involved in these cash transactions.

Why are we proposing to pay these tremendous sums to Panama? Why would we permit these proposed toll increases which will surely burden commerce and inflate consumer prices in the United States? The only reason I can ascertain is a desire to provide Panama with funds to repay outstanding loans from the large multinational banks. These banks already receive direct from the Department of State nearly all of the present annual annuity to Panama. Representatives of the banks, representing bondholders, directly participated in our negotiations with Panama. The banks did, but the Senate did not. Obviously, these big banks have an interest in seeing these disastrous treaties ratified just as they had an interest in the New York City bailout.

The Library of Congress did a study at my request which indicates that the external public debt of Panama is some $1.7 billion. Interest alone on that sum is a tremendous burden on this small country of only 1.5 million inhabitants, and already 40 percent of current revenues in Panama go to carrying present indebtedness. Stating the matter bluntly, Panama is on the verge of bankruptcy and many of the large multinational banks hold loans which may soon be bad debts, that is, of course, unless the U.S. Senate rescues the banks by consenting to these treaties to provide the funds to Panama for repayment.

Mr. President, sooner or later the Congress must draw the line and stop robbing the American taxpayers to extend funds to bankrupt Third World countries so that international banks can collect principal and interest on shaky loans. In my judgment, the international banks should be required to write off their bad debts, to write off at least some portion of the loans they made in error, and the international banks should be put on notice that the American taxpayer and the Congress will not always guarantee a profit in any loan transaction with unstable governments. Perhaps, rejection of the Panama Canal treaties would be a good method to send that message.

And another message ought to be sent. That message ought to be sent to the executive branch, and it ought to be that Congress will not permit its prerogatives to be trampled by clever devices cynically designed to circumvent the power of Congress over appropriations. The plain fact is that we plan to give to Panama $2.262 billion in cash flow and untold billions in assets. That being the case, the whole Congress needs to say either "yea" or "nay," as the people may wish. But the executive branch has structured these arrangements in a manner to prevent congressional authorization or appropriation.

The executive branch proposes to establish a Panama Canal Commission which would be a U.S. Government corporation structured much as is the present Panama Canal Company. This new proposed Panama Canal Commission would replace the Panama Canal Company and would acquire back from Panama for a term of years, until year 2000, the management only of the principal assets now owned by the Panama Canal Company.

Certain lucrative, highly profitable assets also immediately transferred to Panama will not even be managed by the United States but go to Torrijos on day one. But this new Commission would operate the canal, serving up off the top, so to speak, Panama's slice of the pie. And that slice is a pretty big slice which all admit would require immediate toll increases and no doubt later new borrowings from the U.S. Treasury to enable the Commission to pay this proposed average $100 million annual payment to Panama.

But under this plan what happens to the existing Panama Canal Company? This question is one of the many not yet answered satisfactorily by the administration. Also unanswered and more importantly, what happens to the existing $319 million debt of the Panama Canal Company to the Treasury—a sum which apparently would not be transferred to the proposed new Commission? What happens to the approximately $16 million in annual interest payments the United States receives on this debt? The answer is the same answer the people have gotten down through the years here in the Congress—the American taxpayer, as usual, will pick up the tab.

That's right, Mr. President, this section setting up this proposed Panama Canal Commission is a shell game fit for any carnival huckster. and it is going to cost our Treasury $319 million right off the bat and is going to deprive our taxpayers of some $16 to $17 million in annual interest payments that have amounted so far to over $600 million in payments into the Treasury.

But there is an even greater surprise waiting for the American taxpayer of year 2000, because in year 2000 the Panama Canal Commission folds up and is out of business, much as the Panama Canal Company is now slated for collapse. And once again, Mr. President, the Department of State would have us promise to Panama under these treaties in article XIII of the Panama Canal Treaty that the Panama Canal Commission would leave Panama in year 2000 and turn over management of the operating assets of the canal to Panama clear of any liens or encumbrances. In other words, American taxpayers in year 2000 are going to be forced to swallow one more defunct government corporation with massive liabilities and no assets—that is, unless the Senate refuses to give its consent to this unconscionable arrangement. And it is unconscionable because although we have no way of predicting what it will cost us in year 2000 when the business of the Panama Canal Commission is wound up, nevertheless if the experience of the last few years is any guide, that second debt to the Treasury will be well above the $319 million the taxpayers are being asked to write off today.

Then there is the small matter of $345 million in various so-called soft loans which the State Department has seen fit to promise to Dictator Torrijos. I use the term "small matter" not because I consider it a small matter but because the big thinkers and planners down there at the Department of State figure $345 million is a mere drop in the bucket against the backdrop of $6 billion annually in foreign aid porkbarrel.

Bear in mind, in assessing the magnitude of this figure, that we are talking about a country of only some 1.5 million people. I daresay there are few congressional districts in the United States which would not return to office many times over a Member who could produce that kind of money in development loans. So Panama has got some pretty powerful friends here in Washington when 1.5 million people can get their hand in the till for a side deal involving $345 million in development aid. What they have got is representation without taxation.

But, Mr. President, the really annoying part about this $345 million is not so much the fact that it is an exorbitant sum but that, in blandly promising this $345 million, the Department of State has ignored entirely the Congress and, with the exception of certain appropriated moneys in the military portion of the $345 million, the Department of State plans to get this money for Panama out of existing authority, never intended for that purpose, without any action by the Congress and even without any action by the Senate in consenting to these loans as part of the proposed treaties. Again, the prerogatives of the Congress are being ignored by appointed bureaucrats answerable, they seem to feel, to no one.

But, Mr. President, it is the membership of the Congress which will ultimately answer to the people for this incredible ripoff.

DEFENSE OF THE CANAL

I suppose, Mr. President, that the United States could absorb this financial ripoff. Certainly, we have paid needlessly vast sums in the past down a variety of foreign-aid ratholes and yet continued as a great and strong nation. But other aspects of these proposed treaties are far more dangerous in the long term to our national well-being than are the massive proposed cash payments to Panama. Chief among these considerations is the dangerous and obviously adverse strategic effect of abandoning—after a decent interval—the canal and the Canal Zone to a pro-Marxist dictator who jumps on cue from the Soviet Union and Cuba. What incredible folly.

But this is a deliberative body, and beyond the obvious stupidity of these new strategic proposals, we must study the details. In order to do that—in order to understand completely the immediate dangers of the defense provisions of the proposed treaties, to appreciate fully the sophistry of media arguments on defense rights, and to understand the true extent of our proposed surrender, care must be taken to examine in detail the executive agreement in implementation of article IV of the Panama Canal Treaty, the article which deals with defense. Moreover, further study must be given to the annexes to this executive agreement, to the annexes to the annexes, and to the various notes, minutes, and protocols—all of which form the fabric of the so-called joint military defense we would undertake with Panama.

I am particularly concerned, Mr. President, that the drafters of the canal treaty saw fit to set forth the major substantive defense provisions not in the canal treaty in its article IV, which is entitled "Protection and Defense," but instead in this executive agreement in implementation of article IV—an agreement which is several times as large as the canal treaty itself. Is this an attempt to keep the Senate from considering these matters? Obviously, the answer is yes. Article IV of the canal treaty does not cover a complete printed page, yet the agreement in implementation of article IV is some 53 pages long, excluding annexes and excluding an additional 22 pages of agreed minutes, the minutes themselves having their own annexes. Yet the Vice President has ruled that this agreement is not even before the Senate. So, Mr. President, we have critical defense provisions not in the text of the treaty but rather in this lengthy executive agreement and in other extrinsic documents which could be modified from time to time by the executive branch—but not by the Senate during this debate—with no future requirement whatsoever to obtain the assent of the Senate for future changes.

Moreover, Mr. President, the defense provisions already set forth in this first executive agreement are, on their face, already unworkable and portend a complete withdrawal of U.S. forces from the Canal Zone well in advance of the projected date of A.D. 2000 the administration proposes in this first executive agreement to surrender 10 out of 14 bases. Thus, we are asked at the outset to permit the surrender of 10 out of 14 military bases and to permit our forces defending the canal to be hemmed in from day 1 in 4 relatively small enclaves. These bases would indeed be enclaves because our freedom of action outside of the four bases would be severely limited by the treaty requirement for approval of operations by a joint military board in which the United States and Panama will have equal authority. Apparently, the doctrine of unity of command is imperfectly understood at the Department of State, but the Panamanians no doubt recognize fully that this provision of the executive agreement would give a de facto veto of U.S. operations outside of the four retained bases. An independent chain of command for U.S. forces would be unimpeded only within the four enclaves by the requirement to get Panamanian approval of external operations.

So our forces would be restricted in practice to four relatively small enclaves, and only the naive would doubt that we would very soon see pressure on our forces to withdraw from the four sites retained. That process of withdrawal would be facilitated by the fact that the executive department could close down any one or all of the remaining bases by amendment of the executive agreement with the stroke of a pen without the consent of the Senate or the consent of the Congress. But once closed a base could be reopened only with the consent of Panama.

Now, Mr. President, Senators may not think that this process of accelerated withdrawal is contemplated, but I would call attention to the provision of the executive agreement implementing article IV which provides explicitly that the agreement will be renegotiated every 2 years or upon the request of either government and thus on its face tacitly acknowledges what is coming.

This treaty is for a proposed term of 22 years. Yes, we are going to need tough-minded negotiators if we plan to hang on to these four defense sites for a term of 22 years with the Panamanians hounding us daily for complete withdrawal and with our own Government already proposing to negotiate the matter on a biennial basis or upon request. Frankly, Mr. President, these four defense sites would rest on a foundation of sand if, by Senate consent to ratification of the canal treaty, the Department of State were to be given the right to agree—and they seem pretty agreeable with this dictator down there in Panama—if the Department of State were to be given the right to agree with Panama more or less at any time that the time was propitious to shut down another base.

Finally, Mr. President, I would ask the Senate to consider carefully the feasibility of successful joint military operations with Panamanian forces. Over the long term, we can expect problems. How can we expect full cooperation from an army whose recruits are taught to chant in unison at their recruit training base at Fort Cimmaron, "Down with the gringos, death to the gringos, to the wall with the gringos." No, Mr. President, over the long term we would be naive in the extreme to expect full cooperation from Panama in any joint defense of the canal.

CANAL NEUTRALITY

Closely related to the issue of defense is the failure of the executive branch to negotiate for the United States the true ability to defend the canal after 2000 A.D. Much has been said in the media to the effect that the United States could unilaterally preserve canal neutrality after a full withdrawal of U.S. forces from the Isthmus of Panama, but, Mr. President, a careful reading of the Neutrality Treaty makes it evident that, in fact, the United States would have no such right whatsoever. All the United States has obtained is the obligation to defend the canal when, in the words of Dictator Torrijos, "I push the button."

The Neutrality Treaty simply declares that the Canal Zone is neutral and sets forth an agreement by the United States and Panama that both parties recognize the canal's neutrality. Nowhere is the United States granted permission to determine that the neutrality of the canal is endangered or has been violated, and nowhere is the United States granted the right to intervene in Panama to insure that the canal is not made available to an enemy nation while being denied to our Navy and merchant ships. The leadership amendments have done nothing to improve the situation nor have any of these meaningless and useless reservations.

The so-called right of expeditious transit given to U.S. warships is totally meaningless even with the leadership amendment.

The failure of our negotiators to insist on clear rights of privileged passage for U.S. war vessels in all circumstances could permit Panama to delay the movement of U.S. warships at any time by simply requiring those vessels to transit the isthmus on the same "expeditious" basis as merchant ships of all nations. Since Panama will decide what constitutes an emergency the right to go to the head of the line means nothing.

As Dr. Romulo Escobar Bethancourt, chief negotiator for Panama, put the matter:

> If the gringos with their warships say, "I want to go through first," then that is their problem with the other ships there.

Regrettably, Mr. President, Dr. Escobar's analysis of the practical meaning of our right to expeditious passage, although stated undiplomatically, is nevertheless precisely correct. His idea of an emergency is going to be different from ours. His complete rejection of any claim that the United States is given the right to send troops to preserve canal neutrality is also going to accord accurately with the language in the text. In fact, the truth is, Mr. President, that Dr. Escorbar's construction of the neutrality treaty, unlike the construction placed on it by our own executive department, is a construction based on the language of the treaty itself rather than on wishful thinking or on the misleading

assertions of the mass media. Again, the leadership amendments are not enough and have done nothing of value.

Although much has been said in the media about correcting by these leadership amendments the problems of priority transit and the right of intervention and even though I myself was a cosponsor of these amendments, let us be honest with the people—no amount of band-aid amendments are going to correct the basic faults embodied in any plan which gives control of the canal to Panama at any time. No amount of words in no amount of amendments, no matter how carefully drafted, could ever provide to us the same needed guaranties as are provided by actual possession. Regardless of what these treaties might eventually say on keeping the canal open or on maintaining a regime of neutrality—whatever that might mean—if we give up physical control, this country will still, sooner or later, find itself at the mercy of some petty dictator who decides, probably with the backing of the Soviet Union, to cause difficulties for the United States in using this vital strategic waterway.

Our actions in Panama are sadly reminiscent of the mistaken British policies in surrendering the Suez Canal. Ironically, only 4 months ago, a British nuclear submarine was diverted from the Suez Canal on some pretense or other regarding safety regulations and was diverted around Africa on a journey of months which would otherwise have been only of days. How long will it be before the Panama Canal is closed to our ships in a time of emergency, if these treaties are ratified? When that occurs—and it surely will under these treaties—we will have no option but to attack Panama and recover possession, or to eat crow and begin the long voyage around South America. This is not a choice I would want an American President and Congress to face.

No; these band-aid leadership amendments based on an unsigned communique will not do either. Attempts at clarification are not enough. These treaties must be amended to retain physical control of the canal or they must be rejected entirely.

A NEW CANAL

From the language of the canal treaty, rather than from press reports describing peripheral issues, we have also learned a final fatal defect. According to the terms of the canal treaty—and unlike other provisions, the treaty is quite unambiguous on this point—the United States agrees not to negotiate without express Panamanian consent with any country except Panama for the right to construct an interoceanic canal, either at sea level or using locks, on any other route in the Western Hemisphere.

Mr. President, I feel certain that the Senate must share my astonishment that negotiators for the United States saw fit to preclude—to preclude completely for 22 years—any possibility of construction of a new interoceanic canal without our country first obtaining the express consent of a pro-Marxist and highly unstable military dictatorship. Why was this concession necessary? What did the United States gain from the concession?

I notice with some amusement, Mr. President, that the Republic of Panama purports to grant to the United States of America the right to add a third lane of locks to the existing canal. Inasmuch as the United States already has the right to add a third lane of locks to the existing canal, surely our negotiators did not think that a meaningless concession of that variety was sufficient consideration for giving the Panamanians a veto over any other project we may wish to undertake to connect the two oceans. Certainly, the negotiators for the United States could not have felt that the Panamanian agreement to commit Panama "to study jointly the feasibility of a sea level canal" warranted a countervailing commitment from the United States not to do anything whatsoever without Panamanian permission—but perhaps so. The bizarre behavior of our negotiators has produced other results equally as startling.

In any event, Mr. President, one thing is sure and that is that the Panamanians know they got the best of this bargain. Discussing the sea-level canal issue, chief Panamanian negotiator, Romulo Escobar Bethancourt, on August 19, 1977, with pride explained to the Panamanian National Assembly the unilateral benefits of the so-called sea-level canal options. Dr. Escobar's remarks on the subject, like his remarks on neutrality, are illuminating and are worth studying in full. As Dr. Escobar explains, instead of the United States obtaining an option to build a sea-level canal, the U.S. negotiators gave the Panamanians the option to veto construction of any type of interoceanic canal, sea level or locks, proposed to be built by the United States anywhere in the Western Hemisphere.

Now, Mr. President, committing the United States to deal only with Panama about building another canal is a serious mistake. The best route for a new canal is in Nicaragua, that being the route that Senator Morgan of Alabama favored during consideration of Isthmian routes in the early part of this century. Senator Morgan of Alabama, who was chairman of the Senate Committee on Interoceanic Canals, felt strongly that Nicaragua provided a more favorable political and geographical solution to the immense problems involved in constructing a canal between the two oceans. Retrospectively, he may well have been correct, yet our present treaty negotiators propose to foreclose entirely the option Senator Morgan and many others favored, an option which should at least be kept open. Certainly, with the great volume of Alaskan oil which is only now beginning to come on stream and which must move to gulf and east coast refineries, any relinquishment of the right to negotiate for a route in Nicaragua is a very grave mistake indeed.

RESERVATION, AMENDMENT, AND FILIBUSTER

In summary, Mr. President, I believe that the Senate and equally the House of Representatives should play a significant role in the formulation and revision of these proposed treaties—and I might say in the rejection of these proposed treaties—so that the terms of any new arrangement with Panama can be made fully acceptable to the American people and so that the commercial and national security interests of the United States can be fully protected.

Mr. President, I am sure you know of the early practice of including Senators in delegations sent to foreign countries for the purpose of negotiating treaties. That practice has unhappily in large measure ceased, and the Senate has been more and more asked for consent rather than advice. These treaties provide an excellent opportunity for the Senate to reaffirm its constitutional prerogative and, indeed, duty to advise the executive—to advise the President—in matters of foreign policy, particularly with respect to treaty negotiation. The Senate could have given its advice on the Neutrality Treaty through the amending process. But all substantive amendments were stonewalled. The Canal Treaty should be amended to cure its obvious defects, and since any substantive amendment—as opposed to these band-aid amendments we have seen—and since any substantive amendment will require a renegotiation of the amended treaty, the administration will be advised by these Senate amendments of what is acceptable to the Senate and to the people of the United States and what might later receive Senate consent and the authorization of Congress. And, if necessary, let us amend the Canal Treaty in light of what is best for the people of the United States. Let us renounce the "clear it with Omar" approach in our consideration of these matters of grave importance to the well-being of our country.

Reservations to these treaties alone are worthless. Any reservations must be coupled with substantive amendments explaining to the President what is acceptable to the Senate and to the people of the United States. Reservations can, in practice, affect only the obligations of the United States and, even with Panamanian assent, they can do nothing to bind Panama to a course of action consistent with the best interests of the country. Reservations can be used, as I pointed out earlier, to forbid the President to take any action to exchange instruments of ratification until certain preconditions are met. I believe very strongly that a reservation should be adopted forbidding ratification except if the Congress should see fit to authorize these transfers of U.S. territory and property. I hope that even proponents of these treaties would vote for that reservation since, above all, the Senate has an obligation to prevent a usurpation of the prerogatives and power of the whole Congress.

Reservations, however, cannot be offered, under Senate procedure, until the canal treaty has been considered in detail, first in the Senate sitting as the Committee of the Whole, and second in the Senate itself. In other words, the rules of the Senate provide for a double-barreled approach in consideration of

treaties. These rules are designed to insure that the canal treaty will receive the utmost scrutiny and will be considered with all appropriate deliberation. There will be, therefore, if necessary, ample opportunity for amendment of the canal treaty in the Committee of the Whole and later on the floor of the Senate. Substantive amendments must be adopted to guide the President in renewed negotiation with Panama. Then, in my judgment, this particular canal treaty, being incredibly defective, should be defeated outright, thereby also defeating the neutrality treaty if it is not defeated today, so that there will then be no question but that the Senate and the Congress intend to insist on the will of the people being put into effect by the executive branch regard less of efforts to the contrary.

Finally, Mr. President, I would comment again that I do not now foresee a filibuster of the canal treaty. I do foresee a full discussion, legitimate debate, and consideration of many substantive and serious amendments. Real deliberations will thus occur over amendments of substance which are not cosmetic and which would provide some true safeguards to our vital interests.

But a filibuster would probably be pointless, both because a filibuster could be stopped by 60 Senators whereas the canal treaty and the neutrality treaty could be stopped now or later by only 34 Senators, and because both treaties present questions which should be disposed of without due delay so that the country can turn its attention to other dangerous developments which threaten our security—I refer chiefly to the strategic arms limitation talks which portend disaster for our country and which have in large measure been unfortunately eclipsed by the Panama debate.

But inasmuch as the concerns of the citizens of the United States regarding Panama are now abundantly evident, now that it is abundantly evident that the people will not change the sound judgments they have reached, the Senate should with deliberation, but nevertheless promptly, discharge its duty in considering consent to ratification. No good purpose can be served by having these proposed treaties more or less hang around for years. They should both be put to the test of ratification without delay and without further media posturing in Panama, in Washington, or elsewhere. My own sincere hope is that the wisdom and very clear desires of the people of the United States will be respected for a change and that, accordingly, these treaties will be resoundingly defeated.●

● Mr. MATHIAS. Mr. President, last September President Carter submitted two treaties relating to the future of the Panama Canal to the Senate for ratification. Today, the Senate votes on one of these treaties, the so-called Neutrality Treaty, which sets the guidelines under which this waterway will operate after the year 2000. I will vote in favor of ratification of this treaty.

If it is ratified, we will then take up consideration of the Panama Canal Treaty. The Neutrality Treaty covers the period between the present and the year 2000 when the joint operation of the canal will terminate. It is not necessary to commit my vote on the canal treaty at this time, since it is not before us for voting today.

The Neutrality Treaty commits Panama and the United States to the maintenance of the canal's neutrality after the year 2000. We have amended it in the Senate to clarify both our right to defend the canal should its neutrality be compromised and the right of our ships to go to the head of the line in times of emergency. These amendments strengthen a treaty which already prohibits Panama from granting base rights to any foreign power after the year 2000. Panama is not precluded from doing so under the 1903 treaty. In an action taken yesterday the Senate specified that the United States and Panama are not precluded from agreeing to the presence of U.S. military forces after the year 2000.

I can vote in favor of this treaty, as amended, because I share the belief of our senior military leaders that what is critical to our national interest is not the title deed to the canal but the right to use it. This use, I am persuaded, can best be guaranteed after the year 2000 by ratification of the Neutrality Treaty as amended.

One can support the Neutrality Treaty, as I do, and still have serious reservations about the cumbersome and intricate transfer process incorporated into the Panama Canal Treaty which we will consider next. I will not attempt to itemize all my concerns, but let me touch on two areas of potential difficulty that I see:

First, article XII prohibits the United States from negotiating with another country for the right to construct a seagoing canal without the permission of Panama. This prohibition will last until the year 2000. I find this constraint on our freedom of action very troubling and will want to examine it carefully.

Second, this treaty specifies that substantial payments be made to Panama. The administration claims that these payments will all come out of canal revenues. The distinguished chairman of the Armed Services Committee, JOHN STENNIS, heard testimony before his committee which at least casts doubt on this assertion. The administration acknowledges that if the canal runs deficits in the next 22 years the U.S. Treasury and ultimately the American taxpayer may well have to foot the bill. We do, after all, have to turn over the canal "free of liens and debts." I think we have a right to know what the upper limit of our financial exposure is to this enterprise. This has not yet been made clear.

I should note that this area of concern has particular relevance for Maryland. Twenty percent of the traffic through the Port of Baltimore transits the Panama Canal. If tolls climb too steeply there could be a direct negative impact on Baltimore.

I believe that the American people have the right to know the facts on these treaties. They must ultimately rely on their elected representatives to ask the right questions. I have made a deliberate effort to share my findings on this issue with the people of Maryland. I will continue to do so should we move on to an examination of the Panama Canal Treaty after today's vote.●

● Mr. SASSER. Mr. President, I will vote this afternoon to ratify the Neutrality Treaty. I have made this decision on the basis of the testimony presented to Congress, including that of the Joint Chiefs of Staff who favor ratification, on the basis of my personal inspection of the Canal Zone, on the basis of my conversations with Panamanian leaders, and on the basis of the long-detailed Senate debate.

With the addition of the guaranteed right to expeditious passage for American ships in time of emergency and with the addition of the guaranteed right for the United States to intervene militarily to protect the neutrality of the canal, I am convinced that the military and security rights of the United States are fully protected. I cosponsored these amendments, and I am convinced that they are sufficient to protect American security interests.

Further, I have voted for a reservation which will allow, if agreeable with both the United States and Panama, for American troops to be stationed in Panama after the year 2000. This will insure our ability to protect the canal for our use.

I have always supported a strong American defense, and I will continue to support an American defense posture which is second to none. I am of the opinion that the treaty ratification is consistent with the strongest possible defense.●

● Mr. McCLURE. Mr. President, in order to avoid any misunderstanding about the binding nature of a reservation to a treaty, I want the record to show the definition given in the authoritative Digest of International Law by Marjorie Whiteman, legal adviser to the State Department.

The term "reservation" in treatymaking, according to general international usage, means a formal declaration by a state, when signing, ratifying, or adhering to a treaty, which modifies or limits the substantive effect of one or more of the treaty provisions as between the reserving state and other states party to the treaty. The term reservation is applicable to a statement made at the time of signature and confirmed thereafter by an instrument of ratification or a statement embodied originally in an instrument of ratification, adherence, acceptance, or accession, asserting specific conditions of a character which (if the reserving state becomes a party to the treaty) effectively qualify or modify the application of the treaty in the relations between the reserving state and other states party to the treaty. The condition, in effect, adds something of substance to the treaty or takes something of substance from it, and gives notice to other states concerned that the reserving state will not, in that respect, give effect to the treaty except on such condition.

I understand that this is the position of the administration and of the managers of the bill.●

Mr. HELMS. Mr. President, the Treaty Concerning the Permanent Neutrality

and Operation of the Panama Canal introduces a fundamental change into the military power balance of the Caribbean and the Eastern Pacific. The past 5 weeks have revealed the intentions of the administration, as the negotiators of this treaty, far more clearly than mere perusal of the document of the treaty itself. What is not in the treaty is as important as what is in the treaty. And what is not in the treaty is clearly defined by the amendments, substantive amendments, that have been rejected day after day.

The argument has been put forward on the floor of the Senate that no amendments could be accepted because it would require a second plebiscite in Panama. This argument has no validity whatsoever. It may be true that Panamanian law would require a second plebiscite; nobody in this body can be a judge of Panama's constitutional procedures. The Senator from North Carolina, however, can be forgiven if he refuses to place much credence in the constitutional processes of Panama when Panama's Constitution itself is an emanation of a dictator.

However, the rejection of amendment after amendment on this floor does not so much signify respect for the sensitivities of Dictator Torrijos and his constitution; it indicates subservience to a concept of international relations which deliberately subordinates the interests of the United States to the interests of an international world order. The opponents of the treaties have been wrong in assigning the deficiencies of the treaties to problems in dealing with the Panamanian dictator; the real problem is in the U.S. Department of State and the multinational interests which this administration serves. The trouble is not in the stars, it is within ourselves.

THE AMENDING PROCESS

Let us look at the process of amendment as envisioned in the advise-and-consent process. The proponents of the treaties seem to assume that the only alternatives for the Senate is to approve or to reject any treaty that is sent to this body. The implication is that the executive branch is not only omniscient but infallible as well. It has been said by some that approval of these treaties is a test of the confidence which foreign nations can place in the executive's ability to negotiate and conclude such agreements.

Any nation that deals with the United States has to be aware that it is dealing with republican institutions in which the Executive is not supreme. It may be difficult for totalitarian countries, or one-man dictatorships, to understand that any negotiated draft treaty is not by any means a commitment of the nation; it is only a commitment of the Executive. The Senate has full authority to reject a treaty, and has done so on many occasions.

Indeed, the history of negotiations for isthmian canal projects is cluttered with the wrecks of treaties that never made it through the ratification process. If one counts U.S. treaties that were defeated out-right in the Senate, as well as treaties that were signed, but never presented to the Senate because of overwhelming opposition, the number is startling. Canal treaties were knocked down in 1849, 1850, 1869, 1870, and 1884. In almost every case, the disputes were over the issues of the extent of U.S. sovereign powers over such canals, or the extent of U.S. defense commitments.

Even two canal treaties with Great Britain were substantially altered. The Clayton-Bulwer Treaty of 1850 was approved by the Senate, but it was not promulgated until a major understanding had been dadded. The Hay-Pauncefote Treaty, as I have pointed out in detail on this floor at an earlier time, was amended in three places by the Senate, and as a result, rejected by Great Britain. A second, much improved version of the Hay-Pauncefote Treaty was ratified after a second round of negotiations.

It is also worth noting that the Hay-Herran Treaty with Colombia was approved by the U.S. Senate only after a prolonged filibuster had been mounted against it. President Roosevelt had to convene a special session of the Senate to break the filibuster. It was, of course, then defeated by the Colombian Senate.

It was this history of uncertainty that hung over the whole question of canal treaties when the Hay-Bunau-Varilla Treaty was negotiated. Those who now assert that the 1903 treaty was massively one sided should put themselves in the context of the times. Nearly every such treaty had been defeated. It was by no means a foregone conclusion that the new treaty would be approved. The Hay-Bunau-Varilla Treaty therefore took as its base the Hay-Herran Treaty, plus the amendments which treaty opponents had sought to put into Hay-Herran. In other words, to avoid a disastrous, prolonged Senate battle, the amendments were written into the treaty before it was signed with Panama.

Thus, in effect, the Hay-Bunau-Varilla Treaty represents a two-step process in negotiation and ratification. The Hay-Pauncefote Treaty was achieved in exactly the same way.

Only those who are uninformed about history, or who are determined to avoid the consequences of the lessons of the past can confidently assert that the treaty process requires the Senate to rubberstamp an administration treaty. If my distinguished colleagues approve this treaty as it stands—and it stands without substantive amendments—they will have to live with the fruit of a bad treaty, one which will bring about a profound change in our relations with the rest of the world.

THE CONCEPT OF NEUTRALITY

The concept of neutrality which is expressed in the Neutrality Treaty is fundamentally different from the neutrality which we exercise at the present time. As I pointed out in my discussion of the Hay-Pauncefote Treaty, the Canal Zone is administered as part of the territory of the United States. Without getting into the argument of whether or not we have sovereignty over the zone, it is certainly conceded that we exercise sovereignty over the zone. For practical defense purposes, we defend the Canal Zone as though it were part of U.S. territory. Under the terms of the Hay-Pauncefote Treaty, as incorporated into the Hay-Bunau-Varilla Treaty, we are permitted to fortify and defend the canal, to exclude the vessels of war and auxiliary vessels of nations which are in a state of belligerency with the United States. Our historical practice in World War I and World War II was to do exactly that; our Presidents issued rules of neutrality while we were still neutral in those wars, and then modified those rules to exclude enemy vessels. The notion expounded by some on this floor that we kept enemy vessels from approaching the canal by force of arms, based only upon the law of the sea, is nothing but nonsense. We used our military forces to enforce our treaty rights under Hay-Pauncefote. We had the right to do so, and we protected that right.

Under this proposed Neutrality Treaty, the canal would have to be open to all nations, in time of war as in time of peace. We would keep our military bases for 22 years in Panama, but those bases would have to be used to defend the neutrality of the canal. Thus we could not even forbid the presence of enemy aliens in the canal. Only if thy actually attacked the canal, could we use force against them.

The canal therefore would no longer be defended as part of the United States, nor could our bases there legitimately be used to pursue U.S. defense interests in the hemisphere. The canal would be a totally neutral area, with a crippled U.S. presence there for 22 years. Our presence there would not be the same kind of presence that we have, say, in Guantanamo. We would not be able to use those bases to project U.S. power into the sea-lanes of the world, or to use our air power to keep the peace in the Caribbean. Our Navy and our Air Force would be operating on long-lead lines, with all the attendant problems of communications, protection, and supply. The neutralization of the canal would amount to a neutralization of U.S. presence in that area of the world. While the Soviets are able to use their bases in Cuba as forward bases for air power and sea power, the United States would be withdrawing both symbolically and in actuality.

The Senator from North Carolina proposed that the small intelligence and communications base of Galeta Island be exempted from this withdrawal, as even a symbolic presence of our will to survive. But not even that tiny token of strength was permitted to be retained.

THE FAILURE OF THE LEADERSHIP AMENDMENT

The leadership amendment fails to meet the problem posed by the transfer of the exercise of sovereignty back to Panama. Once the transfer takes place, then the United States has no right to assert its interpretation of treaty rights over another sovereign state. The Senator from North Carolina pointed out that our obligations under the United Nations Charter, the Rio Treaty, and the OAS Charter preclude us from using force or the threat of force for any purpose except individual or collective self-defense.

Since the canal will no longer be defended as part of U.S. territory, it is manifestly absurd to hold that we could defend the canal as part of our own self-defense; we could only defend the canal as part of collective self-defense with the Republic of Panama.

Once the canal falls under Panamanian sovereignty, then Panama is the sole judge of any treaty right or of any interpretation of the regime of neutrality. The treaty proponents are in the position of claiming that the United States has the unilateral right to invade the territory of another nation in order to assert our own interpretation of a treaty right.

Neither the text of the original treaty nor the so-called leadership amendment No. 21 resolves the problem. Both of them outline parallel responsibilities to defend the regime of neutrality. Both avoid resolving the problem of what happens if the two parties to the treaty do not exercise these rights in parallel fashion, but exercise them in contradiction of each other. If one examines the treaties closely, one finds that only the responsibilities are parallel; the ultimate authority for those responsibilities rests only in the sovereignty of Panama. If Panama refuses to accept our interpretation of these treaty rights, then the only recourse, other then surrender, is to use superior force to overwhelm a smaller nation's protests.

The matter would be upon a different footing, however, if Panama agreed in advance to the unilateral exercise of force upon her territory for certain limited purposes. Such an extraordinary power must be specifically reserved when we hand back the exercise of sovereignty; it cannot be merely implied as the administration attempts to infer from the treaty text and from the leadership amendment. The right of unilateral action must be carved out of the bloc of sovereign powers that we are returning.

The Senator from North Carolina attempted to do that by proposing as a substitute for the leadership amendment the text of the security clause which had been negotiated with General Torrijos by former Assistant Secretary of Defense William Clements, Jr. This language specifically spelled out the right of the United States to take such measures, including military measures, as the United States felt necessary. Although this would indeed be an extraordinary right, there was no reason to believe that it would be objectionable to General Torrijos, since he had already, at one point, agreed to it. Whether it would have required another plebiscite is irrelevant. The Senator from North Carolina does not feel that it is excessive for Panama to have two elections in 10 years.

DEFENSE RIGHTS AFTER 2000

Article V of the Neutrality Treaty provides that after the termination of the treaty, "only the Republic of Panama shall operate the canal and maintain military forces, defense sites, and military installations within its national territory." This article is deficient to begin with, for it does nothing to prevent Panama from inviting other national forces into her territory before the year 2000. In this regard, notice should be taken of a question put to the Department of State by the Panama Canal Subcommittee. The question and the Department of State's official reply are as follows:

Question 6. (a) Does Article V of the Neutrality Treaty after the year 2000 prohibit training of foreign troops in Panama? (b) Temporary military exercise by the United States in Panama? (c) Temporary military exercises by Cuba or other non-U.S. or non-Panama military units?

Answer. Article V of the Neutrality Treaty would not prohibit Panama from inviting foreign troops, including those of the United States, to Panama for temporary exercises or training. The Treaty does provide that only Panama shall maintain military forces, defense sites and military installations within its territory. Any exercise or training by foreign troops that we judge constitutes a threat to the Canal would be a violation of the Treaty, and as such it would allow the United States to take appropriate countermeasures.

Mr. President, this answer is remarkable for its admission that article V does not prevent the introduction of Cuban troops—or Soviet troops, for that matter—into Panama. It is further remarkable that the Department of State asserts the right for the United States to take appropriate measures against military forces which the United States—I repeat, the United States—judges to be a violation of the treaty. This is in direct violation of the UN Charter.

In any case, the introduction of U.S. troops into the territory of Panama, without Panama's permission, in order to assert our interpretation of the treaty would be a blatant violation of Panama's territorial integrity and Panama's political processes. Whatever political process Panama would use to come to her interpretation of the impact of the treaty on events or situations on her sovereign territory obviously would be violated.

Thus, if Panama permitted foreign troops to come in for "training" or for any other purpose, an explosive situation would be created, one hardly calculated to maintain the neutrality of the canal. If foreign troops arrived before the year 2000—and it is important to realize that nothing in the Neutrality Treaty forbids this—then the increase of tension, the possibility of dangerous "incidents," the impact of hysteria and emotion among the Panamanian people could effectively close the canal. The planned reduction in force of U.S. citizen employees, combined with the expected exodus of key management and technical employees would make it impossible for the Panama Canal Commission, even though it would be a U.S. agency, to operate the canal without Panamanian cooperation.

If the introduction of foreign troops comes after the year 2000—and one must remember that the State Department has admitted that the treaty permits the "training" of Cuban troops in Panama—then the United States is faced with an impossible situation. Admiral James L. Holloway III testified that the United States would have the ability, even without a presence in the canal area after the year 2000, "to militarily introduce armed forces into the area if required, principally through amphibious operations." And then he added, "without bases, the introduction of U.S. forces would take longer and be more costly."

Costly, in this context, means not only costs in dollars, but costs in terms of casualties, diversion of military assets that could possibly be required somewhere else, and loss of international prestige and support of our allies. An opposed landing would result in the death of Panamanians, as well as the death of Soviets or Cubans or other alien members of an expeditionary force. Thus our choice would not be whether or not to maintain the neutrality of the canal, but whether or not maintenance of the neutrality of the canal would involve us in unacceptable risks in the world balance of power.

The phrase in article V that says that only the Republic of Panama "shall * * * maintain military forces, defense sites and military installations," does not rule out the assistance of alien expeditionary forces under the nominal command of Panamanian officers.

Moreover, even if we were successful in seizing the canal to enforce neutrality, it would be a practical impossibility to operate it after the year 2000. For by that time the practical control of the canal would be totally Panamanian. The United States would have to start from scratch to organize the administration of the canal operation. By that time, the U.S. citizens who had the expertise to run the canal would long since be dispersed or retired; the tasks of introducing sufficient manpower to operate and maintain the canal, even on a temporary basis, would be formidable, and it would require the semipermanent presence of military forces to protect the installations. The problems of running the canal after the year 2000 make most of the talk about our rights after that date an academic exercise.

Ironically, this set of circumstances would develop exactly at the time which the canal would be of greater significance to our naval defenses than it is today. The retirement of our carriers would be almost complete after the year 2000. There is little indication that any more large carriers would be built. Our Navy will be dependent upon smaller ships with an air defense capability—smaller so that they would be more efficient to operate, smaller so that they could go through the canal, and fewer in number so that they are more dependent upon the canal for mobility and logistics.

A study prepared at my request by the Library of Congress pointed out that:

By the end of the century, the inventory of large carriers will decline. Planners anticipate that by then fleet capability will be dispersed among numerous smaller ships that could transit the Panama Canal. The utility of the Canal in permitting strategic mobility would thus be greater for the year 2000 than at present.

The ability of the United States to assert its treaty rights to use military force in Panama after the year 2000 is not simply a function of military capability. It is even questionable whether the re-

introduction of military force could achieve the practical goals which obviously would be important to our needs after the year 2000. The mere right to "negotiate" for bases after the year 2000 is of questionable value, for it imposes no obligation upon Panama, as a sovereign nation, to agree to such bases. Nor is a "reservation" about the United States right to introduce military forces sufficient to impose an obligation upon Panama to permit such introduction of troops. If Panama refuses to permit U.S. troops on her sovereign territory, the only recourse of the United States would be superior force in violation of our other international commitments.

THE REJECTION OF THE 1947 DEFENSE TREATY

The right and ability of a sovereign nation to interpret treaty right with regard to foreign troops on her soil was clearly demonstrated in Panama's rejection of the 1947 Defense Treaty with the United States. The case provides a perfect example of what, in the judgment of the Senator from North Carolina, would be the most likely outcome of any defense arrangement with Panama. Indeed, it even calls into question the viability of the so-called permanent neutrality of the canal itself when it falls into Panamanian hands. The treaty itself may aspire to permanent neutrality, but there is no guarantee that the treaty itself is permanent.

In 1942, the United States had negotiated a defense agreement with Panama under which the United States constructed 131 defense sites in Panama, including 540 buildings. By 1946, 65 of these had been returned to Panama, a total of 10,000 acres. But the most important site, the massive Rio Hato air base, built for the World War II "superfortress" bombers, had not yet been given up.

The 1942 agreement contained a clause that the United States could keep its bases until 1 year after the signing of the definitive treaty of peace. The Panamanians interpreted that clause to mean the signing of the Japanese surrender upon the U.S.S. *Missouri* in 1945. The U.S. State Department reported:

This was not an interpretation to which the United States could subscribe, and it was one which had been rejected by Under Secretary Welles during the negotiations in 1941 and 1942. On June 4, 1941, Welles had informed the Foreign Minister that the sites were requested "for the period which the United States considers them indispensable for the protection of the Canal and . . . they will revert to Panama when the present emergency is past." At no time did the United States regard the military surrender as a "definitive" peace treaty.

Nevertheless, the United States had no choice but to acquiesce. Negotiations were begun for a new defense agreement, an agreement which was finally signed by both countries on December 10, 1947. This agreement was not ratified by the Legislative Assembly. The official U.S. State Department account tells why:

The continued occupation of any defense sites by U.S. forces was vigorously opposed in Panama many months before the signing of the agreement on December 10, 1947. Powerful newspaper criticism developed, and hostility toward the settlement even within the President's official family. Foreign minister Alfaro, responsible for much of the negotiation, turned against the agreement the day before it was signed. The Acting Minister of Foreign Relations, who was favorably inclined toward the agreement, marched with police support upon the University in an unsuccessful attempt to arrest an offending radio broadcaster. Student agitation against the agreement increased to the point of violence, and idlers and Communist agitators assisted in further attempts at intimidation.

The Chargé in Panama cabled to the Secretary of State on December 18:

Amazing development is actual physical fear which has seized most Deputies. President of Assembly spoke of "10,000 boys with knives" which might await them, and several Colon deputies have stated privately that, while they promised Jimenez their votes, they did not promise to allow themselves to be shot at. This sentiment may be favorably affected by speech radioed by President last night, the first word yet spoken in defense of the agreement, and by admission to committee of Alfaro and Harmodio Arias that threat of aggression definitely exists.

When the assembly session opened, the students and agitators filled the galleries. The Chargé cabled a report to the Secretary of State that:

There were constant interruptions from the galleries demanding an immediate vote for rejection.

Parliamentary procedure was set aside for a minority report and an independent motion for rejection. The cable continued:

Due to the galleries' insistence this was voted upon at once by roll call resulting in 51 "yes" . . . In addition to the galleries, a large crowd outside the Assembly, armed with sticks and stones, kept up a continuous uproar. Merchants along the line of march to the Assembly were threatened and forced to close their shops.

In such an atmosphere of emotion and unreason, the base agreement was rejected, despite the support of the Panamanian Government. It is instructive to our purposes to review public comment in the United States at this time.

The New York Times, in a news account on December 24, 1947, by James Reston, reported:

It is understood that General Marshall offered to submit this difference of interpretation to arbitration, but the Panamanian Government would not agree to this procedure.

To avoid the appearance that we were trying to hide behind a disputed interpretation, therefore, the United States Government sought to negotiate a new agreement on the basis of Article Two of the Treaty of Friendship and Cooperation, wnich was signed on March 2, 1936.

Nevertheless, when the Panamanian Assembly refused to ratify the agreement for the use of the bases yesterday, the Administration did not hesitate to announce that it was getting out, and for a specific reason.

This was that, regardless of what we consider to be our legal rights under the Treaties of 1936 and 1942, and regardless of Senor Alfaro's refusal to submit the dispute to arbitration, the United States was not prepared to go before the United Nations and argue against a unanimous vote of the Parliament of a sovereign nation.

Mr. President, the point is exactly the same point that I have been trying to make on the Senate floor these past few weeks. No matter what our treaty rights, and no matter what our interpretation of our treaty rights, we cannot keep our troops in a sovereign nation without that nation's consent.

Indeed, within 24 hours, U.S. troops were withdrawn from the Panama bases. An editorial in the New York Times on December 25, underscored the point:

Within twenty-four hours after the National Assembly of Panama had repudiated a signed agreement leasing to the United States fourteen bases for the defense of the Panama Canal, all American troops stationed at these bases had received orders to evacuate them immediately and to withdraw to the Panama Canal zone, which remains in United States hands. The agreement, signed by the Panamanian Government Dec. 10, was in keeping with both the recent Inter-American Defense Treaty and the specific United States-Panamanian Treaty of Friendship of 1936. These agreements provided for the joint protection of the Panama Canal, the life-line of all inter-American defense arrangements, in particular. But Panama is a sovereign state. And since its National Assembly found it fit to repudiate the signature of its Government, which is its constitutional privilege, there was nothing for the United States to do but bow to Panama's sovereign will.

In doing so, the United States acted in accordance with one of the first principles of both international law and its own foreign policy. That principle is that, irrespective of any differences of opinion regarding interpretation of agreements, no country has the right to keep troops on the territory of another without the express will and consent of that country's legitimate Government. That principle has been steadfastly proclaimed by the United States in cases affecting other countries, and now the United States has demonstrated that it lives up to what it preaches.

Mr. President, the proponents of this present Neutrality Treaty have been arguing just the opposite of this principle. They have been arguing that the United States can dispute Panama's interpretation of the Neutrality Treaty and invade another sovereign state by force to enforce our interpretation.

Such an argument flies in the face of history and justice. In 1948, a report on the loss of the Panamanian bases was made, after an inspection trip, by then U.S. Representative Mike Mansfield, of Montana. I am referring, of course, to the former distinguished majority leader of this Senate. In 1948, Mr. Mansfield reported thus to the House of Representatives:

The United States thus might have taken a sound stand on the facts in refusing to withdraw from the bases in question . . .

The United States instead, however, accepted the verdict of the Panamanian Assembly. The order was given immediately to United States Army forces to yield occupancy of the 14 bases. The United States demonstrated in fact, as well as in spirit, acquiescence in the action taken and thereby refused to become a football in the forthcoming political campaign in Panama.

The smallest of the Latin-American states had rejected a request by the United States in a matter which the United States considered vital to national defense. The United States has kept its moral position clear by

thus meticulously bowing to the sovereignty of this small nation.

The basis of the security of states is territorial integrity. No nation has the right to place its forces in the territory of another without the free consent of the legitimate government of that nation. The United States has kept clear its title to maintain in international relations the position it took in the issue of the occupation by troops of the Soviet Union of Azerbaijan Province of Iran in 1946.

Mr. President, those are the words of one of the most distinguished and most able Members who have ever sat in this body, Mike Mansfield. The statement is perfectly applicable to the circumstances we are discussing today. They are applicable to our defense rights under the Panama Canal Treaty, to our defense rights under the Neutrality Treaty, and to any other defense arrangement with Panama. International law and consistency would force us to take exactly the same position in the future as we did in 1947.

UNITED STATES WITHDRAWAL

Mr. President, if these treaties are ratified, it will constitute an abject withdrawal of the United States from a position it has occupied with honor and integrity and from responsibilities it has executed with the utmost efficiency and service to the world.

These treaties contain no comity, no recognition of the unique role we have played as canal builders and operators. They contain no true equality of partnership. In testing the spirit of the treaties, the Senator from North Carolina proposed a symbolic amendment, a minor provision on the surface, but of considerable significance in revealing the mind-set and attitude of the proponents of the treaties. I proposed that Panama grant to the United States toll free passage for its vessels of war and auxiliary vessels. Such a measure could not possibly have harmed Panama, breached the neutrality of the canal, or wrecked the treaties. One would think that Panama would have been glad to agree to such a proposal. One would think that Panama would have said:

Of course—why did we not think of that ourselves?

But no, not even that token of mutual friendship and respect was admissible by the proponents of the treaties.

These treaties constitute a psychological withdrawal by the leaders of the United States from the proper sphere of world affairs.

FUTURE CONDUCT OF U.S. POLICY

Would the rejection of this treaty handicap the United States in the conduct of its future foreign policy? I think not. Having talked to many of the leaders of Latin America, I understand their doubts of the ability of the United States to protect our interests and theirs. I understand why they are furious that the United States has backed them into a position where they must publicly agree with the United States in a matter about which they were never even consulted. Indeed, the ratification of these treaties as a bilateral arrangement with Panama may permanently alienate most of Latin America in future years. If the canal operation disintegrates as a result of our action, we will almost certainly face permanent alientation.

One of the most eloquent analyses of the consequences of these negotiations was made by a distinguished citizen who himself has been a negotiator—Mr. John M. Cabot, former Assistant Secretary of State, and the negotiator of the 1955 treaty which these treaties would replace. Mr. Cabot wrote:

I have not heard much from the pro-new-treaty advocates about the many concessions the Panamanians have won from us by throwing tantrums, or how, when we sought the implementation of the barely ratified 1936 treaty provisions to secure sites outside the Zone for its defense, they blackmailed us before granting them, or how, after the war, they simply rejected a new treaty granting us their continued use despite the 1936 treaty, or how every concession on our part only led to accelerating demands on theirs . . .

Twenty three years ago, when I was chief U.S. negotiator of what became the treaty of 1955, the question of giving up the canal was not even raised. Who knows what further demands will be made on us 23 years hence? Nobody from the Third World seems to be raising questions about the vast territories the Soviets have seized and hold by force, because they know Communists don't recede territory, and fear them. . . . I dread to think of what will immediately follow if the Senate votes down a new treaty, but I must say I dread equally to think of the probable consequences in the light of the historical record if the Senate agrees to a new treaty and we lose the sovereign rights that are now legally ours.

Mr. President, Ambassador Cabot points out that the choices are difficult. But he also points out that the treaties before us are a false alternative that, in the light of the historical evidence, will gradually lead to a crippling of the United States in foreign policy. The euphoria that will follow if ratification takes place will not last long; and then we will be faced with the cold hard facts of our eroding position.

The approval of these treaties would be a blow at our national will to survive. Such approval would be the beginning of a long, painful descent into ineffectiveness and dependency. Much worse, it would create a vacuum into which the Soviet Union would inevitably be drawn. At the very moment when the Soviets are seeking to gain a commanding position in the Horn of Africa, at the entrance to Suez, the United States is beginning its withdrawal from its most important forward position in the Western Hemisphere. If we lose our control of the waters of this hemisphere, then we will have retreated to a point where we cannot conduct foreign affairs in any independent sense whatsoever.

Mr. President, it is my intention to vote against the Neutrality Treaty and the Panama Canal Treaty both. The debate in this Chamber has been most instructive. I expect that the debate on the Panama Canal Treaty will be equally instructive, and I hope that Senators who are as yet uncertain about the transfer of our sovereign rights in that treaty and the dismantling of the canal organization that it entails will consider that treaty carefully, even if this treaty should be approved. The Senate is fortunate to have a second chance, a chance to reconsider all the ramifications of this proposal. It is not too late to turn back.

RONALD REAGAN'S RETREAT FROM THE FUTURE

● Mr. GRAVEL. Mr. President, opponents of ratification of the new Panama Canal treaties have long hailed Ronald Reagan as their standard-bearer. On the evening of February 8 he addressed the Nation in response to President Carter's "Fireside Chat," and he once again demonstrated his virtuosity as leader and spokesman for the status quo.

Even those of us who are convinced Mr. Reagan is wrong could not fail to be impressed by his smooth presentation. But if we look beneath its glossy surface, we see that his appeal to the American people was once again an attempt to call forth fear and prejudice, not the sense of fair dealing and greatness of spirit which have made this Nation proud.

It is not surprising that Mr. Reagan should cast about in these murky waters for his support. He is, after all, asking us to live in the past. And that is something we will not willingly do unless we are made to fear the future. Let us see if there is reason why we should fear it.

Mr. Reagan assures us there is one point on which "virtually everyone seems to agree:" that "operation of the Panama Canal is vital to our national security interests." He cites as evidence the U.S. dependency on the canal for the "smooth flow of Alaskan oil" and its critical importance in providing our Navy needed mobility.

Mr. Reagan is not only wrong; his very examples show how truly dated his perceptions with respect to the Panama Canal really are.

Of course, the canal contributes to our naval mobility. And that is important. But it is by no means critical or vital to our national defense. The availability of the canal gives us an elasticity for rapid expansion of our maritime capability.

Without it, we would have to turn to other alternatives. The capital investment to build this versatility into existing ports and other elements of our transportation network would run into the billions of dollars. And its use, except in times of emergency, would be uneconomic. The canal is certainly the preferable alternative. But it is not the only possibility; and, it is not vital.

Military planners point out, in fact, that any fixed facility such as the canal must be considered quite vulnerable to attack, and its availability therefore discounted. U.S. strategy has for years proceeded on the assumption of the canal's nonavailability, and has maintained two virtually separate navies in the Atlantic and the Pacific.

The changed nature of naval vessels over the years has also significantly reduced the strategic value of the canal. Our aircraft carriers are too large to pass through, and submarines must surface to transit it, which makes it totally impractical for them to use in the event of hostilities in this hemisphere.

As an example of the strategic shortcomings and military inefficiency of the present canal, let us assume there is an emergency in the Mediterranean which calls for reinforcement from an aircraft carrier task group stationed on the West coast.

Under present conditions, the task group's cruiser and 15 of its destroyers would sail through the canal, reaching Gibraltar in 15 days. Meanwhile, the carrier and an additional 10-destroyer escort would steam the additional 5,000 miles around Cape Horn, not reaching Gibraltar for 25 days. In short, half the task group would lie idle for 10 days while the other half caught up. That is not exactly a case of the Panama Canal providing vital naval mobility.

Mr. Reagan's other example—that the canal meets vital security needs by assuring the smooth flow of Alaskan oil—is equally absurd. It does no such thing. In fact, the oil companies which must move Alaskan oil to Gulf and East coast ports are desperately trying to work out alternatives to the inefficient and costly transshipment of oil through the canal.

Alaskan oil is now delivered in tankers ranging in size from 70,000 to 190,000 deadweight tons (dwt). But since the present canal cannot handle ships larger than 65,000 deadweight tons, the oil must be lightered to smaller vessels for passage through the canal and up to the gulf coast. This operation costs $2.46 per barrel of oil. By contrast, if the proposed Sohio pipeline project is approved, these costs will be reduced to $2.06 per barrel. That translates into billions of dollars of savings.

The real answer to both the problem of naval mobility and the transport of Alaskan oil is construction of a new sea-level canal. The extra mobility this would give our Navy would be equivalent to the acquisition of an entire carrier task force, which costs some $20 billion. And the savings in oil transport costs, over and above those of the cheapest pipeline alternative, would be an additional 25 or 30 cents per barrel of oil. That again means billions in saved costs to American consumers.

The new Panama Canal treaties, which Mr. Reagan tries to tell us are not in America's interest, make provision for a new sea-level canal. With his persistent shortsightedness, Mr. Reagan dismisses this provision as requiring that we "give up the right to build another canal elsewere without Panama's permission." His statement is a perfect example of how his use of half-truths completely distorts what the new treaties really do.

The treaty provision he refers to is paragraph 2(B) of article XII. It reads as follows:

> During the duration of the treaty, the United States of America shall not negotiate with third States for the right to construct an interoceanic canal on any other route in the Western Hemisphere, except as the two parties may otherwise agree.

Mr. Reagan raises the hue and cry that in this provision the United States has given away its right to consider other countries than Panama for a sea-level canal, and he implies that it has done so without getting anything in return.

First, I would point out that the United States did get something in return. Mr. Reagan seems to have overlooked or not understood the meaning of paragraph 2(a) of this same article, which reads as follows:

> No new interoceanic canal shall be constructed in the territory of the Republic of Panama during the duration of this Treaty, except in accordance with the provision of this Treaty, or as the two Parties may otherwise agree.

The effect of this language is to provide the United States a right of first refusal to be involved if a sea-level canal is built in Panama. In other words, Panama has agreed that it will not build a new canal in cooperation with Japan, OPEC, the Soviet Union, or any other third party unless we concur.

Second—and this is equally as important—the concession we made to Panama not to build a canal in any other Central American country is of no practical consequence, because Panama is the only place it makes any sense to build a canal in any case.

The Atlantic-Pacific Interoceanic Canal Study Commission, which spent $22 million to answer this question, initially examined 30 possible routes, one or more of which would have traversed Mexico, Nicaragua, Costa Rica, Panama, and Colombia. This field was then narrowed to eight routes—the only ones the Commission judged sufficiently feasible to warrant indepth investigation. Of these eight routes, four were entirely within Panama, and a fifth was partially within Panama. One of the four routes outside Panama involved construction of a lock (not a sea-level) canal, and was studied only for comparative purposes.

The remaining three non-Panamanian routes were:

Route 8 in Nicaragua and Costa Rica.
Route 23 in Panama and Colombia.
Route 25 in Colombia.

Of these three, Routes 8 and 23 were eliminated by the Commission, because they required excessive excavation. They were also longer, considerably more costly, and located in areas where no harbors to accommodate deep draft vessels were available.

The third non-Panamanian route, No. 25 through Colombia, was selected by the Commission as feasible only if nuclear excavation were employed. Otherwise it would be prohibitively expensive. But the Commission also rejected nuclear excavation as both technically and politically unacceptable. Consequently, they also rejected Route 25 as not viable.

Of the remaining four Panamanian routes, the Commission narrowed its choice to Routes 10 and 14, giving first nod to Route 10. This preferred route involves relatively small excavation quantities; retains the full Panama Canal capability at minimum risk during construction and for as long as desired after construction; and has good supporting facilities available. It lies approximately 10 miles west of the existing canal, just outside the present Canal Zone.

Mr. Reagan's recitation of the history of the 1903 treaty is as faulty as his interpretation of the new one. After correctly noting that the United States first tried to negotiate a canal treaty with Colombia—of which Panama was then a part—he then asserts that the Colombian Government rejected our proposals as a stalling tactic in the hope of eventually getting an additional $40 million, which was the purchase price of the French-owned canal concession.

The Colombians were not, however, the moneygrubbers Mr. Reagan tries to portray them. They rejected the proposed canal treaty—by a unanimous vote of their senate—not in an effort to pocket an extra $40 million, but to preserve their own integrity as a sovereign nation. The U.S.-proposed treaty provided for a 100-year lease, renewable at the sole option of the United States, of a zone of land 10 kilometers wide. Colombian lawyers regarded this as an alienation of part of the national territory, and thus a violation of their constitution. A similar provision was later to be foisted upon a newly independent Panama, but only under a state of duress. No sovereign nation would ever accept such terms willingly.

As President Carter pointed out in his fireside chat, the 1903 treaty was not even signed by a Panamanian, but by a Frenchman named "Phillippe Bunau-Varilla." Mr. Reagan blithely assures us this was simply because the Panamanians themselves named him as Minister Plenipotentiary. Again, Mr. Reagan has handed us a half-truth.

It is true that Philippe Buneau-Varilla came to Washington carrying an honorary Panamanian citizenship and the title Minister Plenipotentiary to the United States. But it is also true that he had major financial interests in the construction of a Panamanian canal dating from the earlier French effort to join the oceans. He was a French citizen and had not set foot in Panama for years, and he acquired his post as envoy only through shrewd maneuvering. The provisional junta of the new Government of Panama had been reluctant to accord him the powers of such high position, and it had originally named him only "confidential agent" before the United States. But Bunau-Varilla was not one to be outmaneuvered and he simply withheld funds the junta desperately needed and refused to take any formal actions on the new government's behalf until he had been granted the powers he felt proper to his station. Once they were in hand, he unilaterally set about negotiating a treaty that served his own personal interests.

Meanwhile, back in Panama the members of the junta were taking what they regarded as necessary steps to assure their interests were properly represented by their French Minister. They appointed Manuel Amador Guerrero and Federico Boyd delegates of the Republic of Panama and provided them written instructions to carry to Bunau-Varilla. He was to negotiate a treaty, "all clauses" of which were to be "previously consulted" with Amador and Boyd. "You will proceed in everything," the junta

directed, "strictly in agreement with them." And the treaty's provisions "must not be any less favorable for Panama than were those of the Hay-Herran Treaty for Colombia."

With these documents in hand, the Panamanian delegates sailed for New York immediately. But when they arrived in Washington 8 days later, events had already passed them by. Four hours before their arrival, Bunau-Varilla had signed a treaty, even though not a single Panamanian was present or had even laid eyes on the document.

It may, of course, be said that Panama did ratify the treaty, even if it was negotiated under questionable circumstances by a Frenchman. And that is indeed what Mr. Reagan tells us. He informs us that—

The Panamanian legislature immediately and unanimously ratified the treaty.

Well, not quite. The provisional junta ratified it; not the legislature. And while it is true that they did so quickly enough, the circumstances of their haste are worth recording. Bunau-Varilla dispatched the treaty to Panama by boat, and then by wire pressured the junta to ratify it immediately upon arrival, suggesting darkly that if they did not act with dispatch, the Colombians might make a better treaty offer, leading the United States to withdraw its support from the new nation. Although the Roosevelt administration had no such intention, rumors were abroad in Panama that Colombia might yet try to regain its lost territory, and the junta feared for the worst. Therefore, they cabled their willingness to ratify the treaty as soon as it arrived. Six days later they did so after having had the 31-page document only 20 hours, and only an English version besides.

So much for the history of the 1903 treaty. Let me now address what Mr. Reagan has to say about the present treaties.

The tone he strikes is an ominous one. He would have us believe that the recently negotiated treaties constitute some radical new aberration in which the United States is suddenly abandoning its historic right to use the Panama Canal. He does allow that the treaties are the outcome of a process of negotiation initiated 14 years ago by then President Lyndon Johnson. But he contends that—

in very recent years the nature of the talks shifted toward a treaty that would take us from our steady, evolutionary course to the uncertainty of radical change in our relationship.

Such a contention is preposterous. Nothing could be more gradual than the process envisioned by the present treaties. Day-to-day operational control of the canal will be methodically turned over to the Panamanians during the next several years, as they develop the necessary expertise. Not until the year 2000—a full 22 years from now—will management of the canal pass entirely from American to Panamanian hands.

These facts simply will not square with Mr. Reagan's statement that the treaties would—

in a single stroke, eliminate the foundation on which our right . . . to permanently use the Canal has been based for more than six decades.

The "foundation" for use of the canal of which Mr. Reagan speaks is what he calls our "rights of sovereignty." He quite correctly points out that there has been much confusion about this issue of sovereignty. But I would not give him very high marks on his efforts to eliminate this confusion.

Mr. Reagan has taken a step in the right direction by distinguishing "rights of sovereignty" from sovereignty itself, and thus admitting that the United States is not, under the terms of the 1903 treaty, sovereign over the Panama Canal Zone. But no sooner has Mr. Reagan brought this bit of lucidity to the discussion than he begins to take it away by making thoroughly confusing assertions about the zone being U.S. territory.

It is not that Mr. Reagan anywhere makes legally false statements about U.S. rights or powers in the Canal Zone. He does not. But he does thoroughly muddy the water by gliding back and forth between the terms "sovereignty," "rights of sovereignty," and "territory." By so doing he contributes to public confusion rather than understanding of this important subject. I would like to go through this matter systematically in an effort to bring some light out of the darkness.

First of all, let me say there is no real importance in what we call a thing so long as we all understand what is meant. There is no magic in the word itself. So it is with "sovereignty." We could just as well use another word if we all agreed on the significance of that word. But then again, nothing is gained by being purely arbitrary. We just as well conform our usage to what is customarily meant by certain words.

Certain crucial tests of what it universally means for a nation to have sovereignty over a given territory are not passed by the United States with respect to the Canal Zone:

First. A person born in the Canal Zone of Panamanian parents is not a U.S. citizen (as he or she would be if born in Louisiana or Alaska).

Second. The exercise of power and authority by the United States in the Canal Zone is dependent upon the use to which the territory is put. If it ceased to be used for the operation of a canal, jurisdiction would revert to Panama.

Third. The United States has no authority to cede the Canal Zone to a third sovereign power, as it obviously would if the territory were its own.

Fourth. U.S. citizens, as well as persons of other nationalities, can live in the zone only if they are employed.

Yet, it is true that the United States has exercised virtually complete jurisdiction over that part of Panamanian territory which comprises the Canal Zone. And it is clear that under the terms of the 1903 treaty, the United States was accorded the right to exercise this jurisdiction to the exclusion of the Republic of Panama. Therefore, Mr. Reagan's term "rights of sovereignty"—while somewhat disingenuous because so confusing—is not strictly wrong so long as we are not led to believe that exercising "rights of sovereignty" gives us the same prerogatives as sovereignty itself. But rather than invite confusion on this point, I believe it far preferable to say simply that the 1903 treaty accords the U.S. jurisdiction in the zone.

There is one other layer of confusion introduced by Mr. Reagan which I would like to strip away. That concerns the territory or real estate encompassed by the Panama Canal Zone. Mr. Reagan is right in saying that we own it, at least in part. But we also own land in other foreign countries. Confusion is brought in when Mr. Reagan implies that ownership of territory is somehow synonymous with sovereignty. I shall quote from his television address at some length to show how he mixes apples and oranges in this way:

The President told us that our Supreme Court has "repeatedly acknowledged" that Panama has sovereignty over the Canal Zone. Not so. The United States Supreme Court in 1907 (in the *Wilson versus Shaw* case) said, "It is hypocritical to contend that the title of the United States is imperfect and that the territory described does not belong to this nation."

Mr. Reagan has quoted the Supreme Court correctly, but he completely misconstrues its intent. The Wilson against Shaw case was brought by a disgruntled taxpayer challenging the power of the U.S. Government to authorize expenditures in Panama. The Court ruled that for the purpose of U.S. expenditure of funds for the construction of the canal, the zone was U.S. territory. But the Court did not equate the possession of territory with the possession of sovereignty, as Mr. Reagan attempts to do. And in 1948 the Supreme Court, in Vermilya-Brown Co., Inc. against Connel, described the Canal Zone as "admittedly territory over which we do not have sovereignty."

It is time Mr. Reagan and other opponents of these treaties quit playing sleight of hand tricks with the sovereignty issue. The United States does not have sovereignty in the Canal Zone and it never has. We do have, under the 1903 Treaty, jurisdiction there. And that jurisdiction is relinquished under the new treaties. If opponents of the treaties think it important to maintain that jurisdiction, then let them say so and defend their position the best they can. But I hope they will stop making misleading statements which imply that we have sovereignty.

Why, in fact, does Mr. Reagan think it important to maintain U.S. jurisdiction in the Canal Zone? He gives us four reasons. First, it makes it "impossible for a government of Panama to expropriate the canal." Beyond that, it gives us "the unquestioned right to operate, maintain, and defend it." Those are the four reasons.

The first reason—to avoid expropriation—is really not a separate reason at all. Under the terms of the new treaties the canal is fully turned over to the Panamanians. Therefore, expropriation

makes no sense. One does not expropriate his own property.

But what about operating, maintaining, and defending the canal? The new treaties do turn operation and maintenance over to Panama. But why should we want to continue to assume these responsibilities? These are the workaday chores of piloting the ships, dredging the canal, oiling the machinery, and collecting the garbage. There are only two reasons why we might want to go on doing these things: Either because the Panamanians cannot or will not.

I hope Mr. Reagan, or no one else for that matter, would be so arrogant as to say that the Panamanians cannot do these mundane tasks, that only Americans have the know-how. This is not, after all, some sophisticated, space-age technology. Certain highly skilled workers are, of course, required. But already 73 percent of the canal's work force is Panamanian, and jobs now filled by Americans can certainly be learned by Panamanians. Moreover, any time lag in acquiring necessary skills can be filled by employing foreign workers, just as the United States does when it lacks necessary expertise.

So the question becomes, Will the Panamanians keep the canal operating and well maintained? Despite Mr. Reagan's dark hints that they may not, there is every reason to believe that they will.

First, smooth operation of the canal is more in Panama's than anyone else's best interest. It is their greatest economic resource. If ships are not passing through smoothly and efficiently, they are not collecting tolls. In any way to impede the flow of traffic would be cutting off their nose to spite their face.

Second, they will have a treaty obligation to keep the canal operating efficiently. Mr. Reagan tries to suggest that they may not live up to this obligation by telling us that "treaties down through history have been broken more often than not." I would remind him that that purported fact applies equally well to the 1903 treaty as to the present treaties. In fact, it applies more so to the old treaty. The very essence of treaties is that they are documents of mutual advantage. So long as they remain of mutual advantage, there is no incentive to break them. That is precisely why it is important to ratify the new Panama Canal treaties. The old treaty is out of step with present-day realities and no longer serves as a document of mutual advantage. The Panamanians regard it as unfair; and so long as they feel this way, our access to a canal through their country is endangered. The mutual accommodation reached in the new treaties will solve this problem, and will assure us that the treaties will no be breached. We have no such assurance with the 1903 treaty.

Mr. Reagan's final concern about relinquishing our jurisdiction of the Canal Zone was over the canal's defense. In the first place he complains that the new treaties would give enemy ships the same right of access to the canal that we have. This is a purely imaginary problem, however, and shows how desperately Mr. Reagan is trying to create a mood of doubt by raising false specters.

It is, of course, true that all nations are assured equal rights to transit the canal. But in time of hostilities no enemy would ever attempt to use the canal. For while it is true that neutrality is guaranteed in the canal itself, the United States is entirely free to destroy enemy vessels on the high seas. It would be a military tactician's delight to have an enemy so stupid as to make himself a sitting duck by approaching such an easily guarded choke point as the entrance to the Panama Canal.

Mr. Reagan's other defense objection boils down to the contention that the Panamanians cannot be trusted to maintain the neutrality of the canal and might resort to obstructionism vis-a-vis the United States. There are two things to ask ourselves about this scenario: First, is it likely to occur? And second, if it does occur, can we deal with it?

The answer to the first question is clearly no, it is not likely to occur. As mentioned before, the Panamanians' economic well-being is closely tied to the smooth operation of the canal. To impede traffic—especially that of the United States, which will be one of her biggest customers—is simply nonsensical. It means lost dollars.

Second, the Panamanian people convey an unmistakably genuine affection for the United States, in spite of their resentment of the present treaty arrangements. An amicable accommodation of them with the new treaties could only serve to reinforce this close bond they already feel.

According to the Chairman of the Joint Chiefs of Staff, Gen. George S. Brown:

> The principal threat to the security of the canal and the Canal Zone continues to be mob action, terrorism, sabotage, and incursion from the Republic of Panama.

For this reason, the good will of Panama is crucial to our ability to defend the canal. As General Brown goes on to say, the degree to which an internal threat might materialize "is a function of Panama's perception of the equity of the resolution of its demands in conjunction with the treaty negotiations. In this context, the security of the canal is most effectively safeguarded in a friendly environment through a cooperative relationship between the United States and Panama." In other words, it is much more probable that Panama will take obstructionist actions under present circumstances than under the arrangements which will prevail if the new treaties are ratified. The treaties therefore reduce the danger Mr. Reagan is worried about, not increase it.

Let us go all the way with Mr. Reagan, however, and assume that the improbable does occur—that at some time after the year 2000 when our troops are withdrawn Panama becomes obstreperous and takes actions which compromise the neutrality guaranteed in the treaty. What can we do?

It is unmistakable that as coguarantors with Panama of the canal's neutrality, we would have the right to take whatever action we deemed necessary, including sending in troops, to restore the regime of neutrality. This assurance is contained within the Neutrality Treaty as drafted, and is spelled out even more precisely in the understanding issued jointly by President Carter and General Torrijos. Moreover, this understanding will be made part of the treaty itself by Senate amendment.

There is one last defense-related objection which should be laid to rest. In the unlikely event that Panama proved uncooperative, an American President might have to order military action in Panama. But would we not, Mr. Reagan suggests darkly, be constrained by the U.N. Charter, which prohibits member nations from using force except in self-defense? The answer is "No," we would not. Article II, section 4 of the Charter, to which Mr. Reagan refers, prohibits such actions only when they are directed at the territorial integrity or political independence of another nation. The Carter-Torrijos understanding which will be made part of the treaty specifically says that protecting the neutrality of the canal would not constitute such action. Again, Mr. Reagan has tried to sell us a red herring.

But as if this were not enough, Mr. Reagan becomes even more demagogic when he discusses the economic aspects of the new treaties. He begins with the rhetorical hyperbole that the treaties entail not only giving the canal away, but also paying the Panamanians to take it. Needless to say, he offers no support for this claim, since there is none. In fact, he immediately begins to dissemble. He acknowledges that under the terms of the treaties, payments to Panama would come from tolls, not from taxes. But he then tries to obscure this truth by telling us that Industry Week magazine reports tolls would have to increase between 25 and 46 percent to support the treaty payments. Then, without producing one shred of evidence, Mr. Reagan suggests that to increase tolls to the required levels would drive business away, and that this would leave the American taxpayer holding the bag.

Absolutely nothing Mr. Reagan has said on this point is correct. First, of the approximately $60 to $70 million in annual revenue which the new treaty arrangement is expected to produce for Panama, only the $10 million annuity payment is a fixed obligation of the United States. All other payments are pegged to revenues from canal operations; and if there are no revenues, then no payments will be due. Thus, Mr. Reagan's original premise that reduced traffic through the canal could result in the American taxpayer footing the bill is simply false. There is no chance that traffic would decline so far that this minimal $10 million could not be paid from canal earnings.

Next, Mr. Reagan has not picked a credible source for his projection that tolls would have to increase by 25 to 46 percent. An analysis of this issue prepared by Arthur Andersen & Co., a long time consultant to the Panama Canal Company completely familiar with

its operation, projects that the required increase would be only 19 to 27 percent.

Finally, there is no truth in Mr. Reagan's implication that the canal operation would suffer a severe loss of traffic and revenues if tolls were increased by his own figure of 25 to 46 percent. Projections prepared by International Research Associates (IRA), another firm intimately familiar with the canal enterprise, show that a toll increase as high as 150 percent would produce 29 percent more revenue than at present, which according to the Arthur Andersen analysis is more than enough to cover all treaty payments. Moreover, IRA's sensitivity analysis shows that the optimal toll increase would be in the neighborhood of 75 to 106 percent. At these rates, the canal would produce 40 percent more income than at present.

This is not to say there will be no costs to the taxpayer associated with the treaties. There will be. But none of the costs will be in the form of payments to Panama. For instance, relocation of defense installations in Panama are estimated at $43 million over 3 years, and an optimal early retirement program for American employees of the canal can be expected to cost $150 million. But costs of this sort are part and parcel of any U.S. treaty arrangement involving facilities abroad. America has defense and commercial interests throughout the world, and there will always be costs associated with promoting and protecting those interests. But the return we get is always much greater than the expense we incur.

There are two other marginal economic issues associated with the treaties made by Mr. Reagan. He mentions the so-called "interest payments" on the canal made each year to the U.S. Treasury, and asserts that "we've never recovered the original costs of building the canal." Mr. Reagan's remark reveals either a misunderstanding or an intentional misrepresentation. It is true that the current U.S. investment in the canal is calculated at $319 million, and there is an annual "interest payment" made to the Treasury on the basis of that figure. But the Treasury has identified total net outlays over the duration of the canal operation from 1903 to 1977 of $322 million and receipts of $328.6 million. In other words, we have taken in $6.6 million more than we have laid out. And this takes no account of the enormous commercial and defense values of the canal over this 70-year period. It is, therefore, totally incorrect to consider our investment in the canal as an indebtedness. The so-called "interest payments" would be better described as a dividend built into the toll structure.

As his parting comment on the economics of the treaties, Mr. Reagan states:

> Panama is having trouble meeting its loan obligations to banks in New York and elsewhere. Perhaps this explains why our negotiators felt they had to pay Panama to take the canal.

This is demagoguery at its worst. As already explained, we are not paying Panama to take the canal. We are entering into a new, mutually advantageous treaty arrangement which does in fact bring economic benefit to both parties.

As serious as this fabrication is, however, it pales beside the maliciousness of Mr. Reagan's further pretension that there exists some sort of causal relationship between two totally independent facts. Yes, it is true that Panama has outstanding debts with a number of international banks. And yes, it is also true that Panama will better be able to meet those obligations once she begins to earn the income from the canal provided in the treaties. But it in no way follows that our negotiators were, as Mr. Reagan implies, intending to bail out the bankers when they negotiated the treaties. That is like saying that, if you have gambling debts and I hire you to mow my lawn, then I must be in the back pocket of the gambling interests, or else I would not have given you a source of income with which you could pay your debts. Such linking of events without any supporting evidence whatsoever is nothing but the crassest defamation of character. Such tactics certainly discredit the objectivity of those who stoop to them.

Mr. President, I undoubtedly have not rebutted every insinuation, every innuendo, every half-truth used by Mr. Reagan in an effort to discredit the Panama Canal treaties. But I hope that I have succeeded in answering enough of them to have shown at least that this is the nature of his argument. It is disheartening to have to take the time to address such sheer demagoguery at such length, but, as this is the nature of so much of what opponents of these treaties have to offer, I felt I could not let it pass in silence.

I ask unanimous consent that the script of the CBS News special report entitled "The Panama Canal—An Opposition View" broadcast on Wednesday, February 8, 1978, be printed in the RECORD.

There being no objection, the script was ordered to be printed in the RECORD, as follows:

THE PANAMA CANAL—AN OPPOSITION VIEW

ANNOUNCER. A CBS Special Report: "The Panama Canal—An Opposition View".

From Washington, here is CBS News Correspondent Roger Mudd.

ROGER MUDD. Good evening. Last week President Carter, in a fireside chat, appealed for passage of the Panama Canal treaties. Today the United States Senate opened debate on those treaties. Last week the President said the treaties were in the highest national interest, would strengthen our world position and our security, and would improve trade. The President also said the issue was not a partisan one.

But the issue has generated considerable controversy and heated debate, and therefore CBS has offered the former Republican Governor of California, Ronald Reagan, as a responsible spokesman for the opposing view, an opportunity to discuss the Canal treaties. Mr. Reagan's remarks were recorded earlier this week in Los Angeles.

RONALD REAGAN. I appreciate this opportunity to discuss President Carter's recent television talk on the Panama Canal, and the treaties that he has proposed, which are now before the United States Senate for debate.

A great deal has been said and written about the Panama Canal in recent months. Despite many different points of view about many different aspects of the issue, on one point virtually everyone seems to agree. The continued smooth and secure operation of the Panama Canal is vital to our national security interests and those of the entire Western Hemisphere. Some of our Latin American neighbor states depend on the Canal to such an extent that more than two-thirds of their commerce goes through it every year. We ourselves will depend on the Canal for the smooth flow of Alaskan oil by tanker to our Gulf Coast ports for refining. Our Naval experts agree that, with our Navy shrunken in size to its smallest point since before World War II, mobility is critically important, and the Canal is a vital factor in maintaining that mobility.

In his talk, President Carter said, "What we want is the permanent right to use the Canal." I agree with that, as I'm sure you do.

We have that permanent right right now. But will be effectively have it if the Carter-Torrijos treaties are ratified? I have very serious doubts that we will. The President in his fireside chat discussed the background of this issue so briefly—perhaps because of the press of time—that he left the mistaken impression that we acquired the Canal Zone by some underhanded means; that the Canal was somehow forced on Panama. Nothing could be further from the truth. Panama, a province of Colombia prior to 1903, had attempted repeatedly to become an independent nation—without success. Separated by mountains and jungle from the capital of Colombia, the people on the Isthmus of Panama felt neglected and forgotten. And maybe they were, in their disease-infested swamps and jungles. Colombia had given a French company permission to build a canal through the province of Panama. When the French failed and gave up, our Congress authorized the President to negotiate a treaty with Colombia, and to buy out the French interest for $40-million. Seeing a chance to get the $40-million for itself by stalling, the Colombian government rejected our proposals. The Panamanians saw their chance and rebelled, notifying the United States at the same time that the new Republic of Panama would sign a Canal treaty. The revolution was bloodless and successful.

President Carter made the point that our 1903 treaty was not even signed by a Panamanian, as if this somehow indicated that we had forced Panama to accept it. Well, the treaty was signed by a Frenchman named Philippe Bunau-Varilla, but only because the Panamanians themselves named him minister plenipotentiary for the purpose of negotiating a Canal treaty with us—which he did. The people of Panama were so pleased with what he had done, they erected a statute in his honor.

We were also told the other night that the people of Panama have never been satisfied with the treaty. Yet the first President of Panama, at his inauguration, said he was about to preside over a great economic boom and the end of centuries of plague. The Panamanian legislature immediately and unanimously ratified the treaty. It took our own Senate three months, and the vote was not unanimous. To top it off, every town council in the new Republic of Panama voted its endorsement of the treaty. You might say the Republic of Panama and the Canal are Siamese twins: one couldn't have been born without the other. The Canal is so vital to Panama's economy that the Panamanians have the highest per capita income in Central America, and the fourth highest in all of Latin America.

Our relationship with Panama has been an evolutionary one. Accommodations have been made to fit changing times. We entered into additional treaties in 1936 and again in 1955, and each time the accommodations benefited Panama. Negotiations for another

treaty began under the late President Johnson. But in very recent years the nature of the talks shifted toward a treaty that would take us from our steady, evolutionary course to the uncertainty of radical change in our relationship. The treaties that the Carter Administration announced last August are the result of that sharp change of direction in our negotiating approach. The new treaties would, in a single stroke, eliminate the foundation on which our right—and our ability—to permanently use the Canal has been based for more than six decades. Until recently the United States government had always taken the position that we could discuss and negotiate virtually any matter that would enhance our relationship with Panama—except the rights of sovereignty we hold in the Canal Zone. Those were not negotiable. The negotiations leading to the treaties now under discussion were carried out by two Democratic and two Republican Administrations. This is an American, not a partisan, issue.

Let's take a look at what those treaties would do. As you know, there are two of them. The first one is called the Panama Canal Treaty. The second is titled: Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. If the first treaty is ratified, the existing 1903 treaty will be cancelled entirely. Unlike the 1936 and 1955 treaties, these new ones do not simply adjust or amplify the basic treaty. They eliminate it. And it is the one that gives us the right we now have to permanently operate and use the Panama Canal. Once ratified, the first new treaty goes into effect six months later, at which time the Canal Zone ceases to exist. While we would be granted the right to manage, operate and maintain the Canal till the end of 1999, the rights of sovereignty we presently have would be eliminated. There's been a lot of confusion over this matter of rights of sovereignty, and the fireside chat the other night didn't reduce that confusion. In trying to answer the question, "Why are we giving away the Canal Zone?" President Carter said: "We do not own the Panama Canal Zone. We have never had sovereignty over it. We have only had the right to use it." Well, that is not quite accurate. What we have—and this is very important to us—are the rights of sovereignty. And that 1903 treaty is very explicit, as the new treaties are not. Listen to this quote: "The Republic of Panama grants to the United States all the rights, power and authority within the Zone which the United States would possess and exercise if it were the sovereign of the territory, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power and authority." Unquote. Now, that isn't hard to understand, is it?

There can be no doubt our government intended to acquire a firm, unshakable legal basis for building, operating and defending the Canal.

The Canal Zone is not a last vestige of colonialism. It has never been a colony. We didn't acquire it for the purpose of exploiting mineral wealth or harvesting crops or engaging in trade. It has been a single-purpose enterprise. Only one nation can exercise sovereignty over a given piece of territory at a given time. The 1903 treaty makes it clear that the United States, and not the Republic of Panama, exercises sovereignty in the Canal Zone. The President, however, said on television that we are only paying rent for the Canal Zone. Read the 1903 treaty a thousand times and you'll never once see the words "rent" or "lease". We paid Panama $10 million outright and annual payments beginning nine years later, and according to the treaty, that was, quote: "The price for the rights, powers and privileges granted in this convention." Unquote. We did more. We went into the Zone and bought, in fee simple, every privately owned piece of property, including homesteads and squatter's rights. We not only have the rights of sovereignty; we are the owners of the real estate.

The President told us that our Supreme Court has repeatedly acknowledged that Panama has sovereignty over the Canal Zone. Not so. The United States Supreme Court, in 1907 in the Wilson versus Shaw case, said: "It is hypocritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this nation." In 1971 the U.S. Court of Appeals ruled: "The Canal Zone is an unincorporated territory of the United States." Unquote.

Why are the rights of sovereignty so important? Well, for one thing, they make it impossible for a government of Panama to expropriate the Canal, and they give us the unquestioned right to operate, maintain and defend it. We can be proud of the way we've used that right. For 64 years we've run the Canal at no profit, and kept it open to all peaceful shipping of the world. Through four wars it has been an important link in our Hemispheric defense. We've established bases in the Zone where our own forces receive training, and where we've given training to the soldiers of our allies in this Hemisphere. As a matter of fact, that's where General Torrijos received his training. Through four wars there's been no sabotage, and we've successfully kept the ships of our enemies away from the Canal. Yet the new treaties would give enemy ships the same right of access to the Canal that we have. We've been warned there will be trouble if we don't ratify these treaties; indeed, these treaties were negotiated under threats of bloodshed and rioting. Well, before we get frightened into ratifying these treaties, let us remember there are no guerrilla bands roaming the jungles of Panama. It is General Torrijos' national guard which has the guns in Panama and, as the President himself pointed out, the Canal's continued operation is vital to the economy of Panama. They aren't about to blow it up. Nor can a lone terrorist with a stick of dynamite under his coat sabotage the Canal. Experts on Canal operations say it would take a trained demolition squad with access—which is not now possible—and an extended period of time to do any real damage.

George F. Kennan, the eminent scholar and former diplomat, has said: "One can only quail at the prospect of attempting to operate and protect the Canal in some sort of partnership with the Panamanians. An arrangement of this nature would weaken the American position without giving permanent and complete satisfaction to the Panamanians." We are not talking about a partnership in a mountain cabin. We're talking about our national security, and where that is concerned, we must always be skeptical and on guard against the worst that might happen. In his book, The Treaty Trap, Lawrence Bellenson documents that treaties down through history have been broken more often than not. The so-called partnership of which President Carter speaks, and of which Ambassador Kennan is worried, is almost certain to build up pressures in Panama. We had a portent of these just a few days after the new treaties were announced last August. The government-sponsored Panamanian Student Federation said it would support the treaties, but its Secretary-General declared, "This struggle will be continuous and prolonged until the last invading soldier leaves." Well, those invading soldiers are, of course, American GI's.

Panama, a nation with a history of unpredictable politics, could find the pressures building to the point where its ruling regime might one day respond by declaring the new treaties obsolete, declare the Canal a national asset, and tell us: "Yankees, go home!" Short of that, there could be disruptions of support services, such as police, fire protection, traffic management and garbage collection; all of which we provide now, but which we will be getting from Panama if the treaties are ratified, and for which we will pay $10-million a year. Or there might be a quiet request for us to withdraw most of our troops, so that they're not a provocative symbol to potential rioters. Of course, we don't know whether these or similar scenarios will come to pass if the new treaties are ratified—but we do know they can't come to pass under the 1903 treaty. If the Senate ratifies the new Panama Canal treaty, we'll be exchanging a sure thing for a mere hope that all will go well.

If one day we were told to get out, we would, of course, consider that a breaking of the treaty; but with recent events in mind, would we risk a confrontation or would we comply? Or suppose at some point we declared that the Canal's neutrality had been violated, but Panama said it hadn't; if we sent our armed forces in, would we be violating that part of the treaty which says we can't intervene in Panama's internal affairs? If the Canal Zone becomes part of Panama, whatever happens there is an internal affair of Panama.

The President told us, quote: "We can take whatever military action is necessary to make sure that the Canal always remains open and safe." Unquote. Doesn't this bring up the possibility that one day after the Canal Zone has been eliminated an American President might be faced with having to order airborne and amphibious action there? And what of the UN charter which prohibits member nations from using force except in self-defense? We sternly reminded Britain, France and Israel of that in 1956, when Egypt's Nasser seized the Suez Canal. The so-called "neutrality treaty" is so ambiguous that while the Administration in Washington was telling us that it gave our Naval ships the right to go to the head of the line in case of an emergency, Panamanian officials repeatedly denied this to their own people. Romulo Escobar Bethancourt, Panama's chief treaty negotiator and Torrijos' chief advisor, said: "If the gringos with their warships say, 'I want to go through first,' then that is their problem with the other ships waiting there." President Carter pointed to the treaty phrase "expeditious passage"; Escobar, on the other hand, has said he gave us that word "expeditious" after refusing the term "privileged." He said "expeditious" was meaningless and intended only to help the U.S. negotiators sell the treaties to the Pentagon. This caused quite a flap, as you'll recall. The President and General Torrijos met in Washington and gave out a statement supposedly confirming our right of priority passage and our unilateral right to defend the Canal after the turn of the century.

The other night in his talk, President Carter tried to give the impression that this statement somehow has the same force as a treaty. It does not. It is not legally binding. It is simply the announced opinion of two heads of state, and it was signed by no one. General Torrijos, when he got home to Panama, even boasted that he had signed nothing—as if to say it was all a public relations exercise to help the White House sell the treaties to the American people.

Many Senators are deeply concerned about this problem, and the Senate Foreign Relations Committee voted to recommend a new article in the neutrality treaty to take care of it. That was on a Friday, not quite two weeks ago The following Monday the State Department sent a spokesman to the committee asking that the changes be made in existing paragraphs of the treaty rather than by adding a new one. Well, it turns out that the Panamanians had burned up the telephone wires over that weekend urging the change It doesn't sound all that important. Why were they so concerned? Well, it reveals a deep difference in interpretation

between ourselves and Panamanians; also why we can't afford to take anything for granted where treaties are concerned. Our Senate has been talking consistently about amendments to the treaties. But the Spanish word for amendment, *enmienda*, has a different meaning. Professor Cesar Quintero, the Dean of Law at the National University of Panama, put it this way. On January 20th, he said, quote: "The word 'amendment' in English is a substantive reform. In Spanish, we speak of correcting something. The word 'amendment' does not have the same strength in Spanish as it does in English." Unquote. So, in Panamanian eyes, adding the changes to existing paragraphs amounts to a minor change, but adding a new paragraph or article would be a major change. The treaties would have to be submitted to Panamanian people for another plebiscite, and that Torrijos doesn't want to do.

If there can be such misunderstanding in one area, what lies ahead in this unchartered course President Carter would have us take? In the process of building what has been called the eighth wonder of the world, we wiped out diseases that had plagued Panama and had killed more than 20,000 workers when the French attempted to build a canal. We gave Panama a lower death rate than we have in the United States. We built sanitation, power and water systems for Panama. We built schools, hospitals, bridges and highways. The value of what we're proposing to give away is estimated to be as high as six to ten billion dollars, depending on whose estimate you choose. We're debating over treaties by which we not only will give away the Canal, we'll also pay a considerable amount to the government of Panama for taking it off our hands. We also promise to turn it over debt-free to Panama. In addition to some hundreds of millions of dollars in loans and aid, we would pay the 10-million a year I mentioned for municipal-type services, another 10-million from Canal operations each year, plus 30 cents a ton on cargo going through the Canal. Estimates on the total range up to seventy, even eighty million dollars a year. And to top it off, under the new treaties we would give up the right to build another Canal elsewhere without Panama's permission.

The President says we aren't paying Panama; that the payments would come from tolls paid by ships using the Canal and not from tax dollars. But the law says the Canal must be self-supporting, so an increase in tolls is almost a certainty. *Industry Week* magazine says its estimated tolls must rise between 25 and 46 percent above the current level of a dollar twenty-nine per ton. The publication quotes a consultant of the Panama Canal Company as saying that the payment provisions of the treaty give him little optimism that the Canal will be financially viable. Shippers who use the Canal are worried, too. The Gulf Ports Association, representing 23 U.S. ports through which move nearly 40 percent of our water-borne commerce, warns that such toll increases may price some American exports—notably grain and machinery to Eastern and Pacific markets—out of world competition. I'm sure I don't need to remind you what that would mean to American farmers and in jobs.

Who will pay Panama its share of the revenues as promised in the treaties? And what about the 43-million the Army says it will cost to rearrange our military bases? Then there is some $16-million in interest paid to the United States Treasury annually, because we've never recovered the original cost of building the Canal. Won't the American taxpayers have to come up with all of that?

Since General Torrijos came to power, Panama's national debt has climbed steeply. The country's economy is in serious difficulty, and Panama is having trouble meeting its loan obligations to banks in New York and elsewhere. Perhaps this explains why our negotiators felt they had to pay Panama to take the Canal.

We are talking here about a huge and complex public enterprise—one that is difficult to operate and maintain, yet we've done so efficiently for more than 60 years. The government of Panama, operating much smaller utilities, some of them expropriated, doesn't have an encouraging record of public management. It is not a matter of skill; it's a matter of effective, honest management.

The President made one other point in his talk which deserves comment, namely that these treaties giving up the Canal—quote—"have overwhelming support throughout Latin America"—unquote Well, the fact is only a few states neighboring Panama have been actively supporting these treaties. Many others have repeatedly expressed, in private, their concern. Now we have very convincing evidence of that concern. Last week, Lieutenant General Gordon Sumner, Jr.—chairman of the 19-nation Inter-American Defense Board, the only group specifically charged with defense of the Western Hemisphere—testified before the Senate Armed Services Committee. He told the Senators he had talked with high-level officials of all the 18 Latin American nations in the Organization. He said: "All express a very grave concern about the treaties. They see the possibility there for conflict. They also see the possibility for mischief-making by the Communists, and there is not one of these countries that does not have some type of Communist subversion or terrorism going on. And they are very concerned about the economics of the Canal. When they look at what this is going to cost them, they have very serious reservations. Almost without exception, they have expressed their opinion that the way the United States has operated the Canal has been fair. Because they are faced now with an unknown situation, they are concerned that the Torrijos government will be unable, or unwilling, to keeping the Canal in operation." Unquote. The General then asked for early retirement from active duty.

The President made much of the support for the treaties by the Joint Chiefs of Staff. Well, our military is under civilian control. The President is Commander in Chief. The military must accept his policy decisions or resign. It is significant that in a poll 340 former top-ranking generals and admirals, now retired and free to speak their minds, are strongly opposed to ratification of the treaties, while only seven are in favor. Many distinguished veterans of the military and the diplomatic service have expressed their concern that our friends and allies worldwide would see our giving up the Canal as another indication of American weakness: a retreat from the free world leadership which is our responsibility. Can we afford this in today's world?

I believe these proposed treaties contain fatal flaws. Their ratification would not be in our national interest. But I also believe we should continue to seek ways to eliminate friction with the people of Panama, and to strengthen the bond between our two countries. Great nations which believe in progressive and friendly relations with their neighbors do not ignore those neighbors, and we must not ignore our friends, the people of Panama, and their aspirations. We must seek alternatives to these treaties, but alternatives that will also preserve our basic right to use the Canal permanently. There are some features of the proposed Panama Canal treaty which have merit. It would permit us to embark on the third-lock modernization program. This would take about 10 years and one to two billion dollars to complete. Its construction could directly benefit the people and economy of Panama. And once completed, the Canal would be able to handle all but a few of the world's largest ships. That treaty also introduces the idea of a governing board which would have Panamanian as well as United States representatives. Why not go further and consider having some seats, probably on a rotating basis, for the user nations, thus increasing participation by other Latin American nations? We should consider negotiations to adjust Canal Zone boundaries, so that areas no longer needed by us could be turned over to Panama for commercial development. There's also the possibility of offering Panamanian citizens who break the law in the Canal Zone the option of being tried in their court system or ours. We should discuss the possibility of building more vehicular bridges over the Canal to improve access to either side. Sovereignty easements on the bridge might even be part of that discussion.

Isn't it time for us to take a collective deep breath, to realize that our negotiators took a wrong turn some months ago, but that the mistakes can be corrected? We don't have to plunge into a series of fresh mistakes to replace a workable, sensible and time-tested system with a bundle of uncertainties. Greatness may be measured in many ways. Carrying out our responsibilities as a nation is one of them. Being the middle point, the vital center of the free world, is not an easy responsibility. We have shown in recent years that we can get very weary of shouldering our burdens. But if not us, then who?

The Panama Canal is vital to the free world, and that world depends on us. It's part of our rendezvous with destiny. We must not shrink from it, for the ultimate price we pay may one day be our own freedom.

Thank you and good night.

MUDD. That, of course, was Ronald Reagan, the former Republican Governor of California and himself a—a candidate for the Republican nomination in 1976. This evening the former Governor launched a general attack on President Carter's defense of the Panama Canal treaties. Mr. Reagan said it contained, as proposed, fatal flaws. He said he doubts that the United States will have the permanent right to use the Canal. He says that the United States legally acquired the Canal in the beginning. He claims that President Carter negotiators took a sharp break from past negotiations. He said that we were not in a partnership with Panama in a mountain cabin, but that the two countries were dealing with each other's national security. He generally sketched a picture of chaos and of disruptive operation, and the possibility of seizure by Panama of the Canal. And he attacked President Carter's explanation as being, if not less than truthful, at least fudging with the facts.

And at the end, he proposed that certain steps be made to ease the pinch on the Panamanians, who have perhaps general complaints about transgressions against their sovereignty.

With me this evening to discuss and analyze the former Governor's remarks are, first, Bob Schieffer, who covers the White House, and Phil Jones, who covers Capitol Hill.

Bob, that was what you call a consummate performance. Of course, Governor Reagan is a former professional actor himself. But beside his performance, what did you think of the substance and its impact on President Carter's presentation?

BOB SCHIEFFER. Well, it's really—you know, it's really difficult, in a sense, to comment on it, because this in—because of just what it is: this is an answer to an argument that's already been given by President Carter. Mr. Reagan repeated so many of those things he said during the Republican primary campaign, and he is an effective speaker. There's no question about that. Just watching him during this speech reminded me why he was able to make the Panama Canal such an issue in the Republican campaign, and why it was so difficult for President Ford to deal

with. As that campaign began, no one really thought that the Panama Canal was something that (most people hadn't given a lot of thought to, it seems to me, until that campaign came along) would really become an issue, but Reagan made it an issue, and he—and he hammered at it again and again, using some of these same points we saw him make tonight. Besides that, this represents just a differing point of view and a differing philosophy about what the Canal is really all about. You know President Carter thinks that the way we acquired the Canal is a kind of a black mark on America's history. Reagan, clearly, does not. He talks about the effects of the new treaties. It seemed to me one of the things he did not talk about—he talked about again and again how this treaty—what if a new government decides to just say these new treaties are—are no longer valid. It seems to me the other side of the argument is, if they can declare the new treaties invalid, they could also declare the old treaties invalid. And, of course, the Carter Administration feels that the Canal is a—a symbol of American imperialism; that it's—that it's resented throughout all of South America; and that it—it could be the focal point for anti-American feelings and trouble down the road. Again, Mr.—Mr. Reagan, clearly, does not agree with that.

MUDD. Let me ask Phil Jones whether he saw any flaws in the Reagan speech. Are there misstatements, as he accused Carter made?

PHIL JONES. Well, I don't think that there are any flaws as such. Certainly he took his own interpretation of—of the history of the Canal, as—as both of you have pointed out. One—one area where he got very close to having a little flaw was where he talked about the Panamanians had been burning up the telephone lines after they understood that the Foreign Relations Committee was going to suggest new articles. Well, that's not exactly true. What happened was, Senator Alan Cranston, who is the assistant majority leader in the Senate, was in Panama at the time the Foreign Relations Committee was dealing with this, and he talked to the Panamanians on how they would react if new articles were put in there, and they told him that this was going to cause trouble, and it would probably provoke another plebiscite. It was Cranston and the Senators who were burning up the telephone lines back—back to the Capitol. I think that Mr. Reagan made a big point out of the cost—what it's going to cost the taxpayers. That is something that could make a difference in the outcome of this. There are a lot of the Senators who—who want to support the treaties, think it's the right thing to do, but yet they are afraid that the taxpayers are going to resent a big bill it's going to come to.

MUDD. One thing he didn't—one phrase he didn't use was "tinhorn dictator". He didn't—

JONES. Not—

MUDD. Refer to the—

JONES. One—one other point. He talked about how easy it is to defend this Canal, and certainly there are many military men who think you can do this. There are some others who don't think you can do it. For example, retired General Maxwell Taylor testified on Capitol Hill that this—this Canal could be brought to a close by just a couple of Panamanians standing alongside with rifles, firing at ships. So it is not that easy to defend and not that easy to keep open.

MUDD. Well, with the opening of the debate in the Senate it appears that, from what I can gather, some major changes are going to be made in the—in the Canal. And what we are seeing tonight perhaps was the opening gun in—in the 1980 campaign, because Ronald Reagan obviously is still a very tough customer.

For Bob Schieffer and Phil Jones, Roger Mudd, CBS News, Washington.

ANNOUNCER. "The Panama Canal—An Opposition View" has been a CBS News Special Report.●

The PRESIDING OFFICER. The hour of 3 o'clock having arrived, the time between now and 4 p.m. shall be equally divided between and controlled by the Senator from Idaho (Mr. CHURCH) and the Senator from Nevada (Mr. LAXALT).

Who yields time?

Mr. CHURCH. Mr. President, I am happy to yield such time as he may require to the distinguished minority leader, Senator BAKER.

Mr. BAKER. Mr. President, I ask that I may have not to exceed 15 minutes.

Mr. CHURCH. I am happy to yield 15 minutes to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. BAKER. Mr. President, this has been a difficult time for the Senate of the United States, and our trial and our time of decision is not yet over. As we approach the last hour of debate, we are mindful of the fact that the vote on the neutrality treaty will be very close.

We are reminded at this time that there is still another treaty. Following the consideration of the neutrality treaty, the Senate will turn its attention to the second treaty, the Panama Canal treaty. No fixed time has been set for consideration of that second treaty.

Mr. President, I think the Senate has comported itself well in these days of debate. We as a body, and Senators individually have conducted themselves in the highest traditions of the Senate of the United States. I believe every Member of this body has taken to heart fully and completely his or her responsibility under the Constitution to advise and consent, with the President of the United States, in the making of treaties.

This is a matter of extraordinary importance to the country and, indeed, to the Senate. How well we conduct ourselves, how thoroughly we extend this debate, and how carefully we make our judgment will form, to a large degree, the basis on which this country judges the current Senate of the United States and its ability to make sound constitutional judgments as a full partner in the foreign policy of the United States.

Few issues in my time in the Senate have been more filled with emotion or more divisive than this one. Few issues have come before the Senate in the field of foreign or domestic policy that have so divided the Members of the Senate on both sides of the aisle, Republicans and Democrats.

Few issues have produced such a stunning array of arguments as we have heard for and against the ratification of the first of these treaties, the neutrality treaty.

As I said earlier in this debate, it is a very, very close call. Any Member of this body, I am sure, could marshal arguments in support of or in opposition to this treaty and feel perfectly at home and at ease with it—the logic and the reason and the rationale for new treaties is that close.

However, Mr. President, in a matter of only a few moments, the time will have arrived in the Senate when difficult judgments must be made by the body which has the ultimate constitutional responsibility to determine this issue. The fact that it is a close call and a difficult issue and that convincing arguments have been made on both sides only makes it a more difficult decision.

Before I make my concluding remarks in justification for the ratification of the neutrality treaty and in support of that resolution, I should like to pay my special respects to all those on both sides of the aisle who have participated so ably in this debate, particularly to the distinguished Senator from Idaho (Mr. CHURCH), who has managed the matter on behalf of the proponents, and to the distinguished Senator from Nevada (Mr. LAXALT), who has carried the burden in opposition to these treaties. Both of them have acted in a responsible way and have brought great credit on themselves and on the Senate.

The distinguished Senator from Michigan (Mr. GRIFFIN), who, as he pointed out a moment ago, was the lone dissenting vote in the Foreign Relations Committee, has acted not only effectively in this debate but also responsibly, in pointing out both his position and the alternative proposals that might be adopted by the Senate.

There are many others I could name, such as the distinguished Senator from Alabama (Mr. ALLEN), who is such a skilled and consummate parliamentarian and such a skillful debater and orator; and finally, of course, the distinguished majority leader. This has been a divisive and emotional debate on a controversial issue. Notwithstanding that, in working with the majority leader, I believe we have navigated our way through the rocks and shoals of this debate without anger, without the creation of animosity, without personalizing this debate in a destructive way.

In a word, Mr. President, I think the Senate has comported itself well in these difficult times.

Mr. President, why should the Senate of the United States give its advice and consent to the neutrality treaty proposed by the executive department with the Republic of Panama? I believe we should do so because new treaties in this form, with these amendments and reservations and understandings, represent a superior position for the national defense, the foreign policy, the ultimate security, and public welfare of this country to the status quo. I believe that our opportunity to continue to have the quiet use and enjoyment of the Panama Canal for many years to come is greatly enhanced and improved by the adoption of these treaties—by this step forward in the relations between our two countries, the Republic of Panama and the United States of America.

I believe that the national defense of this country is greatly improved when we continue to enjoy the opportunity to navigate a canal located in a friendly host country, when we avoid the danger that a great facility and a national resource of this country might be located in a hostile host country—as is, for example, our naval base at Guantanamo Bay.

It is a useful comparison, Mr. President, to see the difference between the Panama Canal, quietly useful to all the nations of the earth and freely available to the United States for its defense, and the military facility at Guantanamo Bay, in Cuba. Guantanamo is fenced, guarded and garrisoned, and we must have facilities to protect against the Cuban Communist government cutting off our freshwater supply—it is, in short, a facility in a hostile country.

Mr. President, Panama is not a hostile country. By the adoption of these treaties, as amended, I believe we can continue a friendly relationship with the Republic of Panama and encourage and improve upon that relationship in the future, thereby guaranteeing and providing for our peaceful enjoyment of the canal.

I believe that the national security interests of the United States are best served by these treaties. I believe that the two amendments which were offered by the distinguished majority leader and me, and cosponsored by 78 of our colleagues, clearly give us a right to defend that canal in perpetuity. I believe our rights to defend the use of that canal in perpetuity are greater than our rights in any other military installation in any other part of the world.

Mr. President, the argument is often made that a vote for the Panama Canal treaty is a vote against the overwhelming sentiment of Americans in this country. No one in this Chamber, I suspect, knows better than I that many, many Americans, and certainly many Tennesseeans, are opposed to these treaties.

But, Mr. President, I very much doubt that a majority of Americans are opposed to the ratification of these treaties; on the contrary, I suggest that a preponderance of the evidence and the available data indicate that, with the safeguards that were provided by the leadership amendments, a majority of Americans support the improvement in our foreign policy position and the enhancement of our national defense position resulting from the adoption of these treaties.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. BAKER. Nobody needs to explain to me the importance of public opinion.

Mr. BARTLETT. Will the Senator yield?

Mr. BAKER. Nobody needs to explain to me that it is important to a Senator who is up for reelection, as I am in 1978, that 64,000 letters which I received in my office represent a substantial point of view. Mindful of that importance, Mr. President, I commissioned a poll to be done in my native State, a professional sampling of public opinion. When the question was asked in that poll, "Do you support the treaties that were negotiated by the administration with the Republic of Panama?" it did not surprise me to find that the numbers were 23 percent in favor, 45 percent opposed, and 32 percent undecided. This survey was taken between the 10th and 18th of December 1977.

But, Mr. President, when it was asked in the same poll, how would you feel about those treaties with the two amendments, which have now been adopted by the Senate, the people of Tennessee responded 56 percent in favor of the treaties, 29 percent opposed, and 15 percent undecided.

Mr. President, I have no quarrel with those who say that an overwhelming majority of the people of this country oppose the treaties. I simply disagree. And based on the professional sampling done within my State, based on my travel from one end of Tennessee to the other, based on my communications by mail, by telephone, based on every political instinct I have, I am convinced that the people of my State and the people of the United States still feel fundamentally what they have always felt. The American people want to do what is best for our country, and in this case, Mr. President, I believe, and I believe a majority of Americans believe, that what is best for our country is not to cling to the status quo, but to move forward with an improvement in our use and enjoyment of that great and historic canal.

Mr. President, I yield the floor.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BARTLETT. Will the Senator yield?

Mr. BAKER. Mr. President, I yield the floor. I understand I have used 13 minutes, and I will be happy to yield for the remainder of those 2 minutes.

Mr. CHURCH. Yes; the Senator had 15 minutes.

Mr. BAKER. Yes.

Mr. BARTLETT. Mr. President, the Senator referred to safeguards of the treaty and indicated that these safeguards were assured with the two leadership amendments. How do we know that those amendments are agreed to by the citizens of Panama?

Mr. BAKER. Mr. President, the question of the distinguished Senator from Oklahoma is a good question. The question is how do we know that the leadership amendments will be concurred in by the Panamanian Government.

Mr. President, it will take just a few minutes to recite a situation that I think the Senator from Oklahoma is aware of; that is, in the fall of this year the President of the United States assembled a group of us at the White House to say that he understood that we had certain concerns about the defense rights of the United States in this treaty and could those concerns be satisfied by a letter of agreement between General Torrijos and President Carter. It was my reply that they could not, that now the Senate must act, and the Senate has acted.

There is a second point that should be made in answer to the distinguished Senator's query about what assurances we have that the Panamanian Government will concur in these amendments? The assurance we have is that they are amendments to the treaty. They are not memorandums of understanding. They are not reservations. These are amendments that change the treaty.

I would not presume to tell Panama whether or not they have to have another plebiscite.

But I asked General Torrijos about such amendments. I said, "Will you accept these amendments?" And to abbreviate his reply, his answer was "Yes." I did not ask him whether his Government could accept them without a plebiscite, but he volunteered that he thought these two amendments were within the contemplation of the country at the time of the first plebiscite and that a second plebiscite would not be required.

The PRESIDING OFFICER. The time has expired. Who yields time?

The Senator from Nevada.

Mr. LAXALT. Mr. President, I decided that we will share the half hour allocated to us in this final closing debate among several of my colleagues who have been so greatly helpful to me during the course of this debate. I will yield the first 4 minutes to the man who has served as our principal floor manager, the Senator from Michigan, Senator GRIFFIN.

Mr. GRIFFIN. Mr. President, I first want to acknowledge the kind words of the distinguished minority leader and reciprocate by saluting him and the majority leader, the distinguished Senator from Idaho (Mr. CHURCH), and also the Senator from Maryland (Mr. SARBANES), who has done an outstanding job in this debate, and certainly that only begins to mention those who have played an important role.

I share, Mr. President, the view and the position of many that a new treaty relationship with the Republic of Panama is in order and that it could serve the interests of both countries.

My problem as a lawyer and as a Senator is that I have studied the text of these treaties, and I can come to no conclusion other than that this treaty, and the other one as well, is riddled with ambiguities and that the security interests of the United States are not adequately protected and that the defects are so serious and basic that they cannot be remedied by trying to rewrite the treaties here on the Senate floor.

I will focus just on a couple of the more serious concerns.

First of all, and most importantly, it seems to me, insofar as the defense of the canal is concerned after the year 2000, the instrument before us entitled "A Treaty" does not really represent an agreement between the United States and the Republic of Panama. Instead this instrument called "A Treaty" is a mass of ambiguities, covering over and trying to hide sharp and wide differences that exist between the United States and the Government of Panama on several important points.

Let me be specific:

First of all, the administration and its advocates here in the Senate have said over and over again that the United States will have the right to use military force after the year 2000 to defend the canal's neutrality against any threat whatever, including an internal threat from within Panama.

On the other hand, Panamanian spokesmen, including General Torrijos,

have always insisted and continue to insist that the United States can come in with military forces after the year 2000 only if the canal is threatened by a foreign power.

Many people, including this Senator, believe that the greatest danger to the canal down the road is likely to be from forces organized within the Republic of Panama itself.

Second, the administration and its advocates say that the United States can determine independently and unilaterally when the canal's neutrality is threatened. Panamanian spokesmen, including General Torrijos, have insisted and continue to insist, indeed up to and including yesterday when the Panamanian Ambassador called at the White House, that the United States could use military force to defend the canal only if the action were agreed to by Panama, indeed as General Torrijos put it, "When we ring the bell."

The difference as between the United States and Panama has been highlighted and sharpened today by the adoption of the DeConcini reservation and by the Hayakawa reservation. These are but two examples of widely differing interpretations by the two countries of ambiguous but vitally important provisions in the Neutrality Treaty. And I think it is unconscionable in my view to proceed to ratify a treaty when it is so obvious that the two countries actually differ and do not agree concerning the terms of this treaty.

Mr. President, particularly now that this treaty has been significantly amended and changed here on the Senate floor in a number of respects, the Senate ought not to proceed to approve the treaty in the absence of a reservation or amendment along the lines of that offered by Senator BARTLETT and which was rejected out of hand by a vote of the Senate.

The Bartlett reservation, you will recall, would have conditioned our ratification upon a new plebiscite by the Panamanian people to approve the changes that the Senate has adopted.

The danger now is, as I have said over and over again, that the dictator Torrijos will ratify these changes by himself without submitting them to a vote of the people.

The PRESIDING OFFICER (Mr. HOLLINGS). The Senator's 4 minutes have expired.

Mr. GRIFFIN. I thank the Senator from Nevada for yielding.

The PRESIDING OFFICER. Who yields time? The Senator from Nevada.

Mr. LAXALT. At this time I yield to the Senator from Wyoming (Mr. WALLOP) 3 minutes.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. I thank my distinguished colleague from Nevada.

I rise in sadness at the approaching moment if the truth is as the opponents have described it.

It is evident to me, Mr. President, in the closing minutes of debate on the Panama Canal Neutrality Treaty that we have been involved in an exercise of self-delusion, and the delusion of the American people that is, perhaps, unbecoming despite the efforts of those who would convince us otherwise.

We have pinned to this treaty, Mr. President, a number of reservations, understandings, and even a couple of things called amendments which, in vain, we hope will give an air of legitimacy, but which, and I agree with the Senator from Michigan, will have little legal basis in Panama.

The treaty reminds me of the story of the emperor's new clothes. These treaties are paraded now in front of the American people and in front of this Senate in virtually meaningless reservations and understandings. Proponents praise these reservations and understandings, but will not accept them as amendments. So whilst we clothe our little emperor with these pretty things, these reservation and understandings, and pretend that he is dressed for the ball, when that treaty and that little emperor arrive in Panama he will be as naked as a jaybird, as naked as the day he was born. He will have no meaning to the Panamanians.

The treaty will be seen as it was when it arrived here on our desks in the first place, and with no other clothes on it. These little reservations and understandings are binding upon America and our sense of collective guilt while we crawl out of these negotiations, but they will not be binding upon Panama.

If the treaty is so unclear that we have to interpret it with understandings and reservations in the closing minutes of this debate so that we tell the American people that we understand it says this, these "clarifications" are still not binding on the Panamanians. The treaty text of article IV is not clear, so we add reservations and understandings to aid our interpretation. We "clarify" our rights to intervene. We understand what we can do. But do the Panamanians?

Article V presents no option for both parties to negotiate for military base privileges. It just says that we think we have the option, but, if so, a new treaty will be required.

Article VI concerns the question of transit of the canal for U.S. military vessels. I think in the long run, my colleagues, you will find that we have deluded ourselves, and we have not deluded the Panamanians. Our little emperor is just as naked as he can be.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

The Senator from Nevada.

Mr. LAXALT. Mr. President, I would like at this time to yield 3 minutes to the Senator from Alaska (Mr. STEVENS).

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I thank the Senator from Nevada, Mr. President, but I will only take a minute because I think he has yielded away all his time, and he has done a tremendous job in this debate and deserves the right to speak himself.

Mr. President, I started out by saying that I would support these treaties if they were amended to take care of the national security and economic needs of the country.

We have presented, I presented, an amendment to the leadership amendment to redefine auxiliary vessels so that charted civilian vessels would definitively be included. In my opinion some 80 to 90 percent of our supplies traveling in vessels owned and operated by private enterprise may well not be covered by this treaty.

We had an amendment similar to the amendment of the Senator from Alabama prohibiting the transit of vessels of war and auxiliary vessels of nations in a state of belligerency with the United States or Panama, and an amendment that would have restored the role of the United States as a partner in the defense, operation, and maintenance after the year 2000.

I think the problem is we are doomed if we approve these and we are doomed if we do not. We tried to convince the administration to change these treaties so that they would reflect the will of the people of the United States. They have refused to do so. They have stonewalled any amendments to these treaties, as far as I am concerned.

Some of us tried to prevent the future misunderstandings that will leave the future generations of this country no alternative but the use of force in order to preserve its role in operation, maintenance, and defense of the Panama Canal.

I think the treaties as they stand, even as amended by the leadership amendment, are still defective. The reservations, the declarations are meaningless in my opinion. I intend to vote against the treaties.

I thank my friend from Nevada.

Mr. LAXALT. I thank the Senator from Alaska.

At this time I would like to yield 3 minutes to the Senator from Montana (Mr. MELCHER).

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, the announced positions of individual Senators on this Neutrality Treaty assure its passage. It is a judgment on which I cannot agree. My objections are not for reasons that would deny more use of the land in the Canal Zone to the Panamanians nor deny to them more economic return from operations of the canal, because I believe those points within the treaties, are good and should have been adopted a long time ago without new treaties.

Mr. ALLEN. Mr. President, let us have order in the Senate, please. I can hardly hear the distinguished Senator even though I am sitting just a few feet from him.

The PRESIDING OFFICER. Let there be order.

Mr. MELCHER. My objection is rather for reasons that this treaty leaves in doubt significant and vital concerns. I question its validity, and I question the judgment on accepting it and, therefore, I will vote against accepting it.

It is not just for the best interests of the United States that I seek to protect in the Neutrality Treaty the continued efficient operations of the canal. It is a broad interest of all of the people

throughout the world who use the canal, including, I believe, also the best interests of Panama itself that we assure that.

We can assure justice for the people of Panama in their own country without jeopardizing the continued efficient operation and defense of the canal. I think the Neutrality Treaty fails to do so.

Meanwhile, after adoption of this Neutrality Treaty, we will plunge right on into the other treaty, the Panama Canal Treaty, and it is there, Mr. President, that I find tragedy in that we will be tied up perhaps for 3, 4, 5, or 6 weeks here in the Senate, not acting upon highly important domestic needs of this country. I think that is part of the tragedy involved in our consideration of the treaties.

There are problems we should be addressing that affect vital industries in the United States—agriculture, steel, copper, energy, and others. And they need the attention of the Senate, they need passage of legislation for assistance to help the economy of the United States without further delay.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate so that the Senator may be heard.

The PRESIDING OFFICER. Let us be in order.

The Senator may proceed.

Mr. MELCHER. During the time of the debates on the treaty, highly important domestic issues have been put aside and held in abeyance. I find that very regretful, I find it damaging to the American economy.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. LAXALT. Mr. President, I would like to yield 3 minutes to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. Mr. President, and I shall be quite brief.

The PRESIDING OFFICER. Let us have order.

Mr. STENNIS. Beginning last fall, the Senate Armed Services Committee began a careful preparation of a study of the money involved, the money costs and the money values, which are affected by this treaty. It was very carefully gone into by the General Accounting Office, by the office of the Governor of the canal, and by auditors we employed. Public hearings were held some 6 weeks ago. The figures show that the direct and indirect, costs for this treaty, to put it down in dollars and in round numbers to start with, are at least $2 billion.

That is an appreciable sum of money, Mr. President, I can give an itemized statement of that which will follow these brief remarks. I have explained all these figures before; but there is not time to do that now. I ask unanimous consent to insert this itemized statement in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ESTIMATED POTENTIAL COST OF PANAMA CANAL TREATIES AND RELATED MATTERS

I. Illustrative potential Panama Canal operating deficit until 2000 A.D.:

	(1)	(2)
If tolls are not increased above current rates (loss, billions)	$3.57	$3.75
If tolls are raised only 75 percent (the total currently available increase estimated to produce maximum revenue was 75–100 percent) (loss, billions)	.99	1.16
Cumulative toll increase needed to fully offset deficits (assuming no toll caused traffic loss after first 20 percent toll increase) (percent)	+149	+168

[1] With full North Slope oil.

[2] 75 percent loss of North Slope oil after 1980.

II. Estimated value of assets transferred to Panama by 2000 A.D.:

	Book value, millions	*Replacement cost, billions*
Panama Canal	$310	$5.0
Panama Canal Zone	257	3.6
Military Plant	353	1.2
Total	920	9.8

III. Potential cost to U.S. for items not covered by Panama Canal tolls until 2000 A.D.:

	Millions
Military relocation construction cost	$43
Civil service early retirement	135
Incremental cost for DoD schools/hospitals	110
Foregone interest payment to U.S. Treasury	505
Contingent payment to Panama ($10 M/yr)	220
Foregone payment for past services to Panama	8
Cost of inventory/evaluation of assets	2
Payment of employee accrued leave	—
Increased training for PCC employees	—
Total (plus)	1,023

IV. Other possible liabilities for U.S. Government:

	Millions
Military assistance (FMS credits)	$50
AID housing guarantees	75
Export-Import Bank credits	200
Overseas Private Investment Corporation loan guarantee	20
Total	345

Mr. STENNIS. I want to emphasize, and I say this respectfully, those figures have not been effectively refuted, explained, nor totally denied by the State Department in the answer they made to my letter requesting their comments.

I can say that the figures stand here without effective challenge.

Furthermore, in addition to the direct and indirect costs the United States will incur, a vast amount of land and facilities, like the ports and buildings, will go to Panama with the treaty, if approved. These assets have a book value of $920 million and a replacement cost of $9.8 billion. Other costs are bound to accrue during the life of the treaty, that will not be covered by tolls, of $1 billion. Another $1 billion may be added unless the tolls can be very substantially increased.

But the overwhelming point here—and this has run all through the debate—is the fact that we are pulling out of that whole area at the turn of the century, leaving the sidewalks as clean as a swept floor so far as any kind of a military force as a deterrent, as a power, as a protection or anything else. We will be out and gone. Serious-minded men have strayed during the debate. One of the amendments just said we would have the authority to negotiate. This is a very weak position for our great Nation to be trying to observe. We will be giving up a lot.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I thank the Chair.

Mr. LAXALT. I thank the distinguished Senator from Mississippi. At this time, Mr. President, I yield 3 minutes to the distinguished Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, let me express my thanks to the distinguished Senator from Nevada, the distinguished Senator from Idaho, the distinguished Senator from Maryland, and others, who have been leaders for and against the treaties.

The Senator from Kansas, like many others, sought to amend the treaties. We were told we could not add one word to the treaties, not one word could be added as an amendment. We could add tons of words as understandings and reservations, but not one word—not even the word American—could be added to the treaties as an amendment because that might require another plebiscite, and we did not want another plebiscite.

It seems to this Senator, as one who has had some input in these treaties going back to September and October, that we are not trying to send the best treaties, we are not trying to approve the best treaties.

It has been demonstrated in the past several days, where one reservation after another has been accepted, one understanding after another has been accepted, they have been taping over one weakness after another in the treaty until they have enough votes.

Now they have enough votes. The administration has 68, 69, maybe 67, depending on who went off the hook in the last 30 minutes.

It seems to this Senator that the die is cast. When we were told on the Senate floor, some of us who would have voted for the treaties, that we could not add one word as an amendment, we did not have any other choice if we wanted to be Senators, if we wanted to carry out our constitutional responsibilities to advise and consent and not rubber stamp.

We are down to the last 25 minutes. I am not certain what is happening in back

rooms, but I think it has already happened. The votes are there. But we are only on the very basic treaty. The big treaty is coming up. Then we start all over again with week after week of debate. The preliminary round is over. The American people have lost because we could not add meaningful amendments, because we could not improve the treaties.

I would hope that come the next debate on the next treaty those of us who want to support strong treaties will have a right to make the necessary changes, will have the right to make the necessary amendments with reference to the transfer of the Canal Zone, and all the other important features.

Mr. President, the Senate is nearing the end of its consideration of proposed modifications to the Neutrality Treaty. In the course of this debate, 26 amendments were proposed. But only two amendments—the so-called leadership amendments—were adopted by a majority of the Senate, with the blessings of the administration. All other amendments, branded "killer amendments," have been rejected at the behest of the leadership and the administration. Yesterday, a "salvation reservation" and a "bandwagon reservation" were approved with administration endorsement. The final product is nearly complete.

When the Senator from Kansas became the first to propose treaty amendments last September, I suggested that we all should "analyze these treaties in an objective and responsible manner." I am not aware of any of us who just rejected the proposed treaties out of hand. Many of us did suggest that these treaties could be improved upon. During the past 3 weeks of debate, we proposed substantive treaty modifications in good faith.

But at every point, the Senate leadership moved to "table," or to set aside each of those amendment proposals. At one point, as many as 41 of the Members of this body opposed the tabling motion. That suggests genuine concern among a large percentage of this body, that treaty modifications should be looked at carefully.

ADMINISTRATION YIELDED

Mr. President, the fact that 24 of the 26 treaty amendments proposed were rejected is not to say that the administration did not have to yield to public pressure on certain points. At the outset last September, the word from the administration was: "No amendments, no reservations, maybe understandings, and declarations."

Momentum was building for clarification of America's future defense and passage rights. It was obvious the Senate votes just were not there to ratify the treaty in its pristine form. The message relayed by the Senator from Kansas and others in this body was that the American people would not accept a treaty with so many ambiguities and misunderstandings.

So, in January of this year, the new word from the administration was: "No amendments—except the approved leadership amendments." That approach appealed to a good many more Senators. But the votes still were not there.

And so, just this week, it became clear that three, or four, or five Senate votes could spell the fate of this treaty. And it appears that the word from the administration is now: "The leadership amendments plus approved treaty reservations equal success."

OTHER CONCERNS

The Senator from Kansas is gratified that the administration gradually came to see the light. The President and his advisers at the State Department gradually realized the frailties of this treaty. Under the pressure of public opinion, reality was recognized.

In fact, the administration strategy appears to have been: "If we admit to just one more weakness in the treaty, we may have the votes we need." And so the question all along has been: "How many treaty weaknesses do we have to recognize, and how many treaty modifications do we have to accept, in order to get these treaties ratified?" The necessary 67 votes are not there.

But what about our other concerns? If we admit to three flaws in the treaty, are we justified in ignoring the other 2 or 5, or 10? I think not.

Legitimate concerns about the treaties are conveyed to us every day by our constituents. Legitimate concerns have been raised here on the Senate floor. The Senator from Kansas, a few days ago, expressed concern about six major treaty concessions made by the Carter administration during treaty negotiations last year. There has been no attempt to explain or justify those concessions.

The Senator from Kansas expressed concern last fall about allegations that high-level members of the Panamanian Government have engaged in drug trafficking. Other senators shared these concerns. The Senate did conduct a secret session in late February to discuss the drug allegations and many of this senator's concerns were resolved. But the Senate Intelligence Committee concluded that Gen. Omar Torrijos himself was aware of high level drug trafficking in his government, and looked the other way. Is this the type of regime to which we can confidently entrust the canal?

So, this senator is still concerned. Although the leadership amendments were approved, they are riddled with ambiguities that may well cause problems in the future if these treaties are ratified. Although a treaty reservation has been adopted which touches on American base rights in Panama after the year 2000, there is still concern. The reservation makes no changes in the treaty, either in substance or in interpretation. It only spells out a "right to agree" which is already implicit in the treaty. It may have been an easy proposal to vote for. It may have eased a conscience or two. But it added no rights or guarantees to this treaty.

UNDERSTANDINGS MEANINGLESS

There is even less point to the multitude of understandings which have been proposed. An authoritative report prepared by the Library of Congress advises that:

> Treaty "understandings" . . . do not endeavor to alter the substantive obligations of the parties, but are limited to statements of clarification, policy, or internal domestic procedures. (David M. Sale, legislative attorney, Congressional Research Service, 1978.)

Former State Department consul and New professor of law at Columbia University, Louis Henkin, has written:

> Sometimes the Senate can be persuaded to achieve clarification or even some modification of a treaty provision without entering a reservation, by expressing instead its "understanding" of the provision. If that understanding is communicated to the other party and is accepted or acquiesced in there is no issue and the treaty need not be reopened. There is danger, however, of failure of communication that may engender doubt and controversy as to whether the parties agreed to the same terms. (Foreign Affairs and the Constitution, 1972)

And now, suddenly, we find any number of weaknesses in the treaty addressed by treaty understandings. So what? These are unilateral statements of interpretation and intention by the U.S. Senate, outside the treaty language. They require no consent or comment by Panama. When, in years to come, there are conflicts over these points, the United States may point in vain to its treaty understandings. The Panamanian Government can say, with impunity, "That may have been the way your Senate interpreted this provision, but we interpret it differently. Show us where this guarantee is written in the treaties." At that late point, Mr. President, we may better comprehend the difference between treaty amendments, reservations, and understandings.

WILL OPPOSE TREATY

Mr. President, for all of these reasons, the Senator from Kansas will vote against final ratification of the Neutrality Treaty. It is not because he decided at the outset that he would oppose any treaty in any form. He did not.

It is not because he felt the treaties were flawed and made no effort to strengthen them. He did.

But because, after all these efforts, the treaty still does not—in my opinion—adequately protect the defense rights and interests of the United States, I cannot in good conscience support this treaty on behalf of the people of Kansas. Neither can I commend this treaty to the American people, and to future generations.

I have had the opportunity and the privilege to discuss the pros and cons of these treaties with a number of statesmen whom I highly respect. I have list-

ened carefully, and exchanged viewpoints with former President Ford, Secretary Kissinger, Governor Reagan, and General Torrijos. In recent days, I have been contacted by President Carter and Ambassador Strauss, as have others of my colleagues. They have their convictions about these treaties, and I respect them. But I cannot agree with them, on the basis of my reading of these treaties.

It would be far better, in this Senator's opinion, to face up to the difficult decisions now—the conflicts of national interests and the uncertainties about our defense rights. Ratification of this treaty at this time may be a momentary sedative for these and other problems, but the underlying difficulties will remain.

Because I believe the majority of Americans agree with me that this treaty should not be ratified, I will cast my vote against the Neutrality Treaty today.

Mr. LAXALT. I thank the distinguished Senator from Kansas. Mr. President, at this time I yield 3 minutes to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. Mr. President, the Panama Canal, in my judgment, is very important to the defense and economic interests of the United States. The United States, for more than 60 years, has had operational control of this canal. This arrangement has worked well. We have kept the canal open every day and every year and through four major wars.

The Panama Canal is an asset to the United States, it is an asset to the world, and it is an asset to Panama.

To me, Mr. President, it makes no sense for us to give away the Panama Canal. Panama cannot defend it—there is no way they can defend it.

Under the treaty which will be voted upon today, the United States not only will give away the canal, but will give away all of our military bases and all of our military facilities in that area. We will have no military presence after the year 1999.

Under this treaty, which the Senate will vote on today, the United States will retain the duty to defend the canal but we will give away the tools with which to accomplish that purpose.

In addition, these two treaties will be very costly to the American taxpayer. The Panama Canal Company in a statement to the Senate of the United States said that the replacement cost of all of the property which our country will turn over to Panama if these treaties are approved will equal almost $10 billion.

In addition, there will be many other costs—payments to Panama in the hundreds of millions of dollars. So not only are we giving away the Panama Canal by this legislation, but we will be paying the Panamanians for the privilege of doing so.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAXALT. I thank the Senator from Virginia.

Mr. President, at this time I would like to yield 2 minutes to the distinguished Senator from Oklahoma (Mr. BARTLETT).

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. I thank the distinguished Senator from Nevada. It is very obvious that the majority of this body had wanted to make substantive changes in this neutrality treaty and they had hoped that their amendments, their reservations, or their understandings which have passed would have and make a meaningful change. But it was the desire of the proponents of the treaty to defeat a reservation which would have required the President to determine whether or not the Panamanians had approved the treaty, as amended, according to their constitution prior to his exchange of the instruments of ratification.

In doing this, the proponents wanted to make sure that there would not be a plebiscite vote by the citizens of Panama. In insisting on that, we are not going to know what we have, because when we receive their treaty and have entered these amendments and substantive changes in the treaty, we have, in a sense, turned down the treaty as they approved it and are resubmitting a different treaty to them.

We are not going to know whether or not they are going to be required to agree to the changes or the changed treaty. So we are up in the air as to just where we are.

I seems to me that, in any kind of arm's-length transaction between nations, it should be very clear that both bodies would have to agree to ratify a treaty according to their constitutional requirements. This, according to those who are proponents of this treaty, they do not desire.

Mr. LAXALT. I thank the Senator.

Mr. President, at this time, I yield 2 minutes of time to the distinguished Senator from South Carolina (Mr. THURMOND).

Mr. THURMOND. Mr. President, not counting against my time, I am glad to yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Casimir Yost of my staff be granted the privilege of the floor during this debate and votes thereon.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. THURMOND. Mr. President, first I want to say that these Panama Canal treaties are the big giveaway of the century—giving away a $10 billion investment, paying Panama over $2 billion to take it.

Next I want to say that these treaties are bad from the standpoint of the United States, from an economic standpoint. Every gallon of gasoline that people will use in the future that comes through the Panama Canal—and it is coming down from Alaska—will have an increased tax. Every pound of tobacco or bushel of soybeans that farmers send overseas is going to have an additional tax.

Mr. LAXALT. Mr. President, may we have a little order, please?

The PRESIDING OFFICER. Let us have order in the Chamber.

Mr. THURMOND. All the goods that come to this country and all goods shipped to other countries are going to have higher fees.

Who is going to pay it? The American consumer is going to pay it. The American people are going to pay it. This is certainly not to the benefit of the people of this country.

Mr. President, the most dangerous part of these treaties is from a defense standpoint. It is clear what the four admirals, Admiral Moorer and three others, said, that these treaties could very vitally affect the survival of this Nation. It seems to me that, when our Navy is so small now, we have to be able to shuttle ships from one ocean to the other and do it quickly. We have to be able to bring metals from other countries overseas here and do it quickly. That could be the difference between victory and defeat, from a defense standpoint.

This treaty fails to provide clear, unequivocal authority to the United States to intervene as it deems necessary or to base troops in Panama after 1999.

Further, the pressure by the administration to win passage of this treaty exceeds any such efforts that I have witnessed in my 24 years in the Senate.

Future generations will pay the consequences if the Senate accepts such an inadequate treaty. Its lack of clarity will actually cause it to promote the problems which it purports to prevent.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAXALT. I thank the Senator.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 2½ minutes remaining.

Mr. LAXALT. Mr. President, I might indicate that the Senate will now be treated to the shortest Jim Allen speech in Senate history. I yield the remaining 2½ minutes to the distinguished Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Nevada (Mr. LAXALT) and express my deep appreciation to him and the distinguished Senator from Michigan (Mr. GRIFFIN) for their brilliant leadership in this fight against the Panama Canal treaties.

Since I have so little time, I am sure that we shall not be able to change any Senators' minds with respect to the action that they will take with respect to the treaties. But I would like to comment that this debate has been an interesting study in human character, in human nature, in human frailty, and in human strength.

I want to single out, in addition, all those who had a leadership role in this fight on both sides and before yielding the floor, I want to pay tribute to the distinguished majority leader and the distinguished minority leader for their unfailing courtesy and consideration for the rights of those who are opposed to these treaties. They have been fair; they have given us all the time we have needed to present our case.

I do want to single out for special attention the distinguished Senator from Nebraska (Mr. ZORINSKY) and the distinguished Senator from Kentucky (Mr. FORD). These men have stood tall on this issue. They have been subjected to tre-

mendous pressure by the administration, but they have stood firm. They have announced their opposition to these treaties and no amount of pressure that has been brought against them and on them has influenced their decision. Certainly, I believe that these two Senators deserve a place in any sequel to the book, "Profiles in Courage." I pay tribute to them and all of those who have stood fast in this fight against these treaties, which are not in the best interests of the people of the United States from an economic standpoint or a military standpoint.

I thank the Chair.

● Mr. LAXALT. Mr. President, as we approach the final vote on whether the Senate should give its advice and consent to the Neutrality Treaty, I would like to take just a few moments to reflect on, first, what has been accomplished here in over a month of floor debate; second, the problems that remain in the Neutrality Treaty as I see them; and third, the likely consequences should the Senate choose to give its consent to this document as it now stands.

THE DEBATE

Since the 8th of February, minus 1 week for Lincoln Day, the Senate has been engaged virtually full-time in debating the Panama Canal treaties. After the 3 days for opening statements, we have devoted ourselves almost full time to the Neutrality Treaty, whose resolution of ratification is now before us.

All told, we have devoted 152 hours, 22 days and nearly 1,000 pages of the CONGRESSIONAL RECORD to discussing the treaty concerning the permanent neutrality and operation of the Panama Canal. But, until this afternoon, very little has been accomplished.

No amendments other than the two recommended by the Foreign Relations Committee and annointed in advance by the leadership had been accepted. True—a number of reservations and understandings have been taken. But, as was discussed at length, these were either innocuous or downright meaningless. So, I believe it fair to say that, until this afternoon, even with the leadership amendments added, the treaty was pretty much the same document we started with over a month ago.

The argument raised effectively against all of the nonleadership amendments was that, as substantive changes in the text of the treaty, they would require a new plebescite in Panama. I regret to say that despite the fact that over 70 treaties consented to by the Senate have been amended in such a way as to require further negotiations, and despite the fact that a number of the proposed amendments were highly meritorious, the leadership was able to successfully set its face against any substantive change except those which it had worked out in advance.

Why? The argument offered was that even the most innocuous additional language would wreck the treaty. I disagree. As I see it, the Senate was effectively kept from improving this treaty with amendments for fear of troubling with an additional constitutional complication the maximum leader of Panama, who has been a constitution unto himself for nearly 10 years.

Mr. President, I would like to run quickly through a list of some of the substantive and highly meritorious amendments which have been defeated because of leadership's wish to avoid troubling Panama's dictator with another election. This list is by no means exhaustive. But, it does give an idea of what the Senate has rejected during the course of this debate. To me these are by no means "killer" amendments. Rather, these are substantive improvements without which the treaty will be sadly lacking.

On February 27, by Mr. ALLEN an amendment allowing a continued U.S. military presence in Panama until the year 2019, if the President certified as to its necessity. Tabled 55–34.

On March 7, by Mr. HELMS an amendment allowing continued U.S. maintenance of the highly sensitive Galeta Island communication base. Tabled 58–36.

On March 8, by Mr. STEVENS an amendment prohibiting transit through the canal of vessels of war and auxiliary supply vessels of nations engaged in armed conflict with, or belligerent to, the United States. Tabled 59–34.

On March 9, by Mr. DOLE an amendment guaranteeing the United States authority to intervene militarily when the United States alone determines that the neutrality of the canal is threatened. Tabled 45–37.

On March 10, by Mr. HELMS an amendment setting up procedures for peaceful resolution of disputes but, in the event a threat to the neutrality or security of the canal could not be resolved by peaceful methods, each party would have the right to take, unilaterally, the measures it deems necessary. Tabled 57–27.

On March 10, by Mr. DOLE an amendment allowing for continued U.S. military presence by mutual United States-Panamanian agreement after termination of the Panama Canal Treaty. Tabled 45–37.

On March 13, by Mr. DOLE an amendment allowing the United States, independent of Panama, to declare the existence of an emergency which would permit our warships head-of-the-line passage. Tabled 51–37.

Mr. President, now suddenly the Senate has reversed itself. After spending 6 weeks rejecting highly meritorious amendments, the leadership decided this afternoon to accept a reservation which would allow the United States the right to intervene unilaterally to keep the canal open in the event it were closed or its operations otherwise interfered with. The vote on Senator DECONCINI's reservation was 75 to 23.

I submit that this is too little, too late. After a prolonged effort to keep this Senate from improving the Neutrality Treaty, the leadership has at last conceded a marginal improvement for a simple and compelling reason: without it, they lack the votes for ratification.

REMAINING PROBLEMS

But, after so many hours of debate, I still believe that we have not accomplished very much. Not only because we have not passed very many amendments, but, more importantly, because we have left huge, gaping holes in the treaty upon which we will soon be voting. As this treaty now stands, we are not allowed a military presence in Panama after the year 2000 without Panamanian permission. An excessively broad definition of neutrality allows even enemy warships to pass unimpeded through the canal. And, our right of unilateral intervention, which all have acknowledged to be crucial, remains, at best, ambiguous.

1. MILITARY PRESENCE DENIED

Twenty years is an exceedingly long time in a region as volatile as the Caribbean. Yet, the Neutrality Treaty explicitly denies us a military presence in Panama even if it should prove necessary to defend our rights in the canal or to stave off serious threats to our very national survival.

It is true that we have accepted a reservation which would not prohibit future negotiations for the continuation of a military presence. But, nothing in this or any other treaty can effectively prohibit future negotiations between consenting parties.

Think back 20 years. Since 1958, the United States has narrowly averted nuclear war over the issue of nuclear-tipped Soviet missiles in Cuba. Since 1958, Castro has attempted to export his Cuban style revolution to a number of Latin American countries. And, since 1958, indeed quite recently, Castro has succeeded in intervening with some 40,000 troops in Africa. A U.S. intervention of comparable magnitude would total over 900,000 men.

Who can say what security threats will emerge either to the canal or to the United States itself from the Caribbean region in the next 20 years? And who is to say that a military presence in the Canal Zone will not be either necessary or highly advantageous in meeting such a threat?

But, however essential, the U.S. Senate is now on record against a continued U.S. military presence in Panama without Panamanian agreement. If such a presence is deemed by the President to be vital for our national security—no matter. If there is a crisis or national emergency—no matter. Even if we are at war, the U.S. Senate has made a vote for the Neutrality Treaty an explicit rejection of any continuation of a U.S. military presence in Panama.

As if this were not bad enough, the Neutrality Treaty does not prohibit Panama from turning to the Soviet Union or Cuba for military assistance after our troops depart. True, article V does state that:

> . . . Only the Republic of Panama shall operate the Canal and maintain military forces, defense sites, and military installations within its national territory.

But, what does it mean "to maintain"? And, who are military forces? If the Panamanians provided the port facilities, could the Soviets establish a naval base? Or, could Cuban volunteers be sent to reinforce the Guardia Nacionale? These and similar unanswered questions are a likely source of future trouble should the Neutrality Treaty be ratified.

At any rate, the exclusion of U.S. military presence will make going back into Panama, should that prove necessary by an amphibious landing or airborne assault, an extremely costly and much more hazardous operation. It will also leave us at a tremendous military disadvantage.

As my distinguished colleague from Alabama, Mr. ALLEN, put it at an early point in the debate:

"I do not care if the Joint Chiefs have the military genius of Napoleon, to say that we can better defend the Canal with 4 bases than 14, and that we can better defend the Canal with no troops there after the end of this century than having 14 bases there, just does not make good sense."

2. EXCESSIVELY BROAD DEFINITION OF NEUTRALITY

Mr. President, as you know, the present Neutrality Treaty provides for a neutrality so broad as to include literally the pasage of ships at war with the United States. Let me cite from the appropriate provision (article III, paragraph I, section E):

Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination, or armament, without being subjected, as a condition of transit, to inspection, search, or surveillance.

What this means is that enemy vessels would be allowed passage through the Panama Canal. This is what is considered neutrality to treaty proponents. To me it is a potentially serious threat to our national security.

My distinguished friend from Idaho, Mr. CHURCH, argues that it is of no importance that hostile warships are allowed to transit the canal because our Navy will never let them get close enough to use it. To quote him directly:

". . . The United States does not require legal authority to exclude its enemies from the Canal. We keep them at a safe distance by controlling the oceans on either side.

Without meaning for a minute to deprecate the qualities of our superb fighting Navy, I wonder if my colleague has taken the time lately to examine the figures indicating an increasingly powerful Soviet Navy contrasted with the sharp decline in U.S. warships. In view of Soviet bases in Cuba and Soviet encroachment elsewhere in the Caribbean, it seems to me that we need to take every possible precaution to safeguard our national security.

Admiral Holloway, the Chief of Naval Operations, underscored the seriousness of the Soviet Naval threat in last year's authorization hearings when he told the Armed Services Committee:

I have a great deal less confidence in the future because the trendline of Soviet maritime capability has been on the rise, particularly since 1960. The trendline of U.S. Naval capability has been declining, certainly in the last decade. In the number of ships we have gone from 976 ships in the active force in 1968 to 468 ships in the active inventory today; and if this country does not do something to change the projection of those trendlines, they are going to cross. At the point where they cross we will have surrendered our maritime superiority to the Soviet Union.

I understand the concept of a neutral waterway and feel it within reason to be desirable. But I draw the line when it comes to ships at war with the United States. We can and we must leave no stone unturned in our efforts to insure our national security.

3. RIGHT TO UNILATERAL INTERVENTION UNCLEAR

With the addition of the so-called leadership amendment No. 20, the administration and treaty proponents seem convinced that the United States will have the ability to intervene unilaterally to defend the canal against threats to its neutrality from any quarter. At best, this is unclear.

Certainly, the Panamanians do not believe it. As they see it, the United States is obligated to defend the canal if it is attacked by a third power, but we have no right to intervene unilaterally to protect the canal against a threat emanating from within Panama itself.

General Torrijos, before leaving Washington last October, made this clear. In a reference to the Statement of Understanding, which is now part of the Treaty, the Washington Star reported:

. . . [T]he general said through an interpreter that he did not agree to anything that would permit a foreign country to intervene in Panama. . . . Torrijos indicated that the United States had a right to defend the Canal if attacked by a great power.

Other statements by prominent Panamanians can be cited. But, the point is that whatever our interpretation and however many times treaty proponents choose to repeat it, the Panamanians do not accept that we have a unilateral right to intervene to protect the canal.

And, the problem is even more serious, as Hans Smit, a noted international legal expert from Columbia University has pointed out, because the Canal Treaty recognizes Panama as the territorial sovereign, it also makes Panama, in effect, the ultimate judge of what the treaties mean within its territorial confines. The United States may protest and complain, but under the terms of article XIV of the main Treaty we may not use force without violating not only the Treaty itself, but also the United Nations Charter and the Charter of the Organization of American States.

Professor Smit further indicates that the argument maintained by administration spokesmen that the United States, by using force to impose its views on Panama with respect to the canal, would not be acting against "the territorial integrity of political independence of Panama" is specious. It is the essence of the Nation's territorial integrity and political independence not to suffer military action on its territory and there is no support in international law for the contention that the alleged pursuit of treaty rights is unobjectionable so long as the detachment of territory or change in the character of the regime is not its proclaimed goal.

Against this, the reservation approved this afternoon pales into virtual insignificance. This reservation does allow the United States the right to intervene unilaterally to keep the canal open in the event it is closed or its operations are otherwise interfered with, but only in accordance with and, thus, subject to the same ambiguities as article IV listed above. Furthermore, in turning down the Allen amendment that the reservation should have the force of an amendment, the Senate has made it clear that the reservation is clearly subordinate to the language included in the text of the treaty itself.

Mr. President, under the terms of the treaty concerning the permanent neutrality and operation of the Panama Canal currently before us, the United States would be effectively denied a military presence in Panama, although potentially hostile powers might not be. Hostile warships would have unimpeded transit rights. And, our ability to intervene militarily to defend the canal without Panamanian permission is, at best, ambiguous. Under these circumstances, I can see little reason for the U.S. Senate to give its consent to such a treaty.

CONSEQUENCES

But, what happens if the Senate does give consent? What kind of message will the work which we have done here send to the American people? One need only examine some of the major arguments of the proponents together with the shortcomings left in this treaty to conclude that our message will make unpleasant reading, indeed, for our constituents.

1. PROPONENTS' ARGUMENTS

Quite a lot of time was spent during the debate on the alleged moral shortcomings of U.S. policymakers in acquiring the canal. Although some of the treaty proponents were careful to repudiate the notion that as a people we should be ashamed of the events of 1903, others were less discrete. One even termed the early history of the canal "a most disgusting page in American history."

But, whether carefully worded or not, a major message of the treaty proponents in this debate has been that the history of the canal is somehow an evil chapter of the strong exploiting the weak. Whether stated explicitly or conveyed implicitly, the message clearly was that the United States obtained the canal in an immoral fashion and that for us to be true to our just and beneficient view of ourselves we must return it to "tiny Panama."

Mr. President, a corollary to the guilt argument may be termed the "how would you like to be Panamanian" position. Time and again on this floor treaty proponents have drawn analogies designed to encourage we recalcitrant to better understand the Panamanians.

Personally, I do not feel in the least bit guilty about the events preceding our construction of the Panama Canal. Nor, I believe, do a vast majority of our American people. Quite the contrary. The canal was obtained and built in a way which transformed a disease infested swamp into an international public utility and technological marvel. Far from representing any dark side of our American character, the Panama Canal is something we can and should be proud of.

Furthermore, I think by the looks of the treaty before us that Panama was

ably represented at the negotiating table. I belive our people are much more concerned that we assess the merits of the proposed treaties for American interests than that we spend a lot of time hypothesizing about such things as French troops and how we would feel trying to cross it under such circumstances.

A second message sent to the American people by arguments raised by treaty proponents concerns our historical concern for the human rights of individual citizens in other lands. Without being unduly harsh, I believe it is fair to say that many of this body's greatest opponents of human rights violations in Chile, South Africa, South Korea, or even the Soviet Union are now on record indicating that in Panama the human rights record of the regime should be subordinated to the exigencies of power politics as they define them.

Either human rights considerations matter in our foreign policy or they do not. If we shy away from bringing up the matter with Panama over the issue of the canal where so many of the cards are in our hands, the American people will be forgiven for believing that the vaunted human rights policy so hopefully begun by this administration is now little more than a dead letter.

Finally, the American people have been told during this debate that to be respected internationally and to win friends, particularly in Latin America, it is important to capitulate to an implied threat of force even before it is made. To give in now, the argument runs, is to be magnanimous—a great nation wisely accommodating itself to the trends of history. On the other hand, to give in later, after clinging to an outmoded position after history has passed it by, is not only the height of folly, but it will mobilize all of Latin America and a good portion of the rest of the developing nations against us.

I believe the American people will see through this. They know that one cannot buy friends either personally or internationally, and they know that in the hard world of international politics even a hint of weakness buys not peace but continuing pressure from aggressive opponents.

HOLES IN THE TREATIES

On the merits, the substantial holes left in this treaty after such extensive Senate examination can only indicate to the American people that we have not protected their interests very well. What other conclusion can they draw from a vote in favor of a treaty which forbids a U.S. military presence, allows enemy warships unimpeded passage through the canal and fails to grant us clear rights to intervene unilaterally should our interests there be threatened?

Mr. President, I am not up for reelection this fall. But, I can assure you that if I were, I would not want to go back to Nevada and have to explain a vote for this treaty to my constituents.●

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, I yield the remaining time to the distinguished majority leader (Mr. ROBERT C. BYRD).

Mr. ROBERT C. BYRD. Mr. President, I thank the very distinguished Senator from Idaho (Mr. CHURCH).

I express my gratitude to him and to Senator PAUL SARBANES, in particular, at this time, for the unstinting dedication to purpose and to the work of debating, defending, and improving the treaty and the resolution of ratification.

There are others whose names I should call, but time will not permit that at this point. Suffice it to say that the leadership is indebted to all who have played a part in bringing the Senate to the point where it stands today.

In that midnight discussion between Brutus and Cassius concerning the contemplated battle at Phillipi, Brutus urged that the cause was right, that the legions were brim full and ready to decline. He said:

There is a tide in the affairs of men
Which taken at the flood leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures.

Today, in the Senate, we have reached such a tide and we must take the current which now serves, or lose our ventures.

The Rubicon of decision on the treaty is now to be crossed. The Senate has given its attention to the treaty now for 22 days. It has discussed this treaty and the Panama Canal Treaty more than any other treaty has been discussed since the Treaty of Versailles in 1919 and 1920.

The history of the 1903 treaty has been discussed in detail. We have been reminded of the magnificence of the engineering and also of the brave deeds of those who fought the diseases of malaria and yellow fever. These reminders have excited our admiration. We have also been reminded, Mr. President, that the role which the United States played in the creation of Panama was a role of rough-riding diplomacy and that it does not have the luster of that history of engineering and public health achievements.

We have been reminded that the United States does not, indeed, have sovereignty over the Panama Canal Zone, and that the relations with Panama have been burdened, over these many years, with strong Panamanian feelings concerning the 1903 treaty and, as they see it, the inequities that are embraced in that treaty, and the fact that they view the control of the United States, a foreign power, over a strip of land 50 miles long and 10 miles wide which bisects their country, as one which causes them to feel that they are being subjugated.

I do not desire to be repetitious of all of these arguments. Many words have filled this Chamber during the days since February 8, when the Senate first began its deliberations on the treaties.

The neutrality treaty itself has been improved by the leadership amendments cosponsored by 78 Senators, including the majority and the minority leaders. The resolution of ratification has been improved by certain amendments. The Senate has deliberated, and it has deliberated carefully. I know of no subject during my 20 years in the Senate that has been so thoroughly explored, so exhaustively studied, or so thoughtfully addressed as has this treaty. But before the final chapter is written, I have just a few observations.

The treaties, I remind my colleagues, are between nations and not between men. Men are merely the temporary players on the stage of world affairs who exercise the instruments that are placed in their hands; but the treaties themselves are not between Mr. Carter and Dictator Torrijos. They are between nations, as all treaties are between nations.

Second, the United States will maintain control over the Panama Canal Zone for 22 years, until December 31, 1999.

Third, the treaty as amended will guarantee that the United States has the right to act against any threat to the canal or to the peaceful transit of vessels through the canal. The treaty will also, as amended, guarantee that U.S. war vessels and auxiliary vessels will go to the head of the line in time of emergency and in time of need.

The Joint Chiefs of Staff have said repeatedly—Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

The Senator may proceed.

Mr. ROBERT C. BYRD. The Joint Chiefs of Staff have said repeatedly that the strategic military value of the canal lies in its use; and the same is true with respect to our commercial and economic interests: The value of the canal lies in its continued accessibility, its openness, and its use.

Another observation I would like to make is this: I believe that no greater contribution to the strength and the moral standing of these United States and to the image of our country in the eyes of the world can be made than to ratify the treaty before us. It will not be a sign of weakness, as some have maintained, but it will be a sign of strength.

Mr. President, nothing can be politically right if it is morally wrong. In my judgment, it is not only economically right, not only commercially right, not only right from the standpoint from the security interests of our country, not only politically right, but it is morally right that we vote to ratify these treaties, and thus live up to the principles that we have so long espoused among nations. Mr. President, if one bases his vote on that strong and unshakeable foundation as to what is morally right, then I feel that history will accord to him the just deserts to which he is entitled.

Finally, I would like to say a word of admiration for those Senators who voted with me today in support of this treaty. Caesar once asked the question of his captain in the Roman Army:

Will this day be fortunate for us?

The centurion answered:

You will be victorious. As for me, I can only pray that when the night comes, whether I live or die, I shall have deserved the praise of Caesar.

Mr. President, those Senators who vote for this treaty tonight will have deserved the praise of thoughtful Americans and thoughtful people everywhere. There is no political mileage in voting for these treaties, and there is no doubt in my mind but that every Senator who votes for these treaties will to some extent suffer a loss of support among his people. To you who vote for the treaty, may I say that your badges of courage may be the dents in your armor. But there are words of even greater comfort that I would offer: He who undertakes to conduct the affairs of a great government as a dedicated, faithful public servant, if sustained by the approval of his own conscience, can rely with confidence upon the candor and the intelligence of a free people, and can bear with patience the censure of disappointed men.

Now, Mr. President, a word of respect to those who do not agree with me. We can only admire them also, and speak words of great respect. They, too, have sought to do what they have perceived to be in the best interests of our country, and they have rendered a service. They have contributed to the discussion, and as a result of the concerns which they have expressed the treaties have been improved. But for those concerns, the leadership amendments would probably never have been offered. And so, Mr. President, I have only the deepest of respect for those of you who vote against the treaty. We have searched for truth, and both sides lay claim to the answer to the ultimate question, the ultimate question being, What is in the best interests of the United States of America?

So, as we bring this debate to a conclusion, those who vote for the treaties and those who vote against perceive their own positions as being—Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBERT C. BYRD. Perceive their own positions and their own decisions as being the ultimate answer to that question. I will close, therefore, by repeating the words of Daniel Webster when he said:

Let our object be, Our Country, Our Whole Country, and Nothing But Our Country. And, by the blessing of God, may that country itself become a vast and splendid monument, not of oppression and terror, but of wisdom, of peace, and of liberty——

And, if I may add one word, of justice——

upon which the world may gaze with admiration forever.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. GRIFFIN. What will be the pending question at the hour of 4 o'clock?

The VICE PRESIDENT. The hour of 4 o'clock having arrived, the Senate will now proceed to vote on the amendment of the Senator from Michigan. The yeas and nays have been ordered.

Mr. GRIFFIN. I ask it be read.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent it not only be read, but that the Senator from Michigan have 1 minute and the Senator from Idaho have 1 minute in explanation.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will state the amendment.

Mr. CRANSTON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CRANSTON. How many amendments are pending at the desk to be voted upon?

The VICE PRESIDENT. Just the single amendment offered by the Senator from Michigan.

Mr. CRANSTON. I thank the Chair.

The VICE PRESIDENT. The clerk will state the amendment.

AMENDMENT NO. 71, AS MODIFIED

The legislative clerk read as follows:

The amendment of the Senator from Michigan (Mr. GRIFFIN), as modified, in the nature of a substitute, No. 71, reads as follows:

Resolved, That the Senate return to the President of the United States the Treaty Concerning the Permanent Neutrality and Operation of The Panama Canal, together with the annexes and the Protocol relating thereto, done at Washington on September 7, 1977 (Ex. N, Ninety-fifth Congress, first session), with the advise of the Senate that negotiations to develop a new treaty relationship with the Republic of Panama, involving all the Nations of North and South America who wish to participate be resumed and continued until a treaty is agreed upon that better serves the interests of both nations, and all the Nations of the Western Hemisphere.

The VICE PRESIDENT. The yeas and nays have been ordered.

The Senator from Michigan.

Mr. GRIFFIN. Mr. President, under the Constitution, the Senate has the power of advice and consent. That is a coequal power along with the President who negotiates the treaty.

I have the uneasy feeling today as we approach this vote that a requisite number of Senators in this body realize that this treaty is inadequate and flawed and ought to be rejected, but there is reluctance to reject a treaty.

There is reluctance because of the impact that would have on our relations with the people of Panama and on our relations with the hemisphere.

Of late, we have been hearing that there is reluctance because of the impact it might have on the Presidency and the prestige of a particular President.

I, too, am concerned about the Presidency and our relations. I believe that the Senate does have an alternate course to take.

The VICE PRESIDENT. The Senator's time has expired.

Mr. GRIFFIN. In the form of the resolution now before the Senate, that is, to withhold our consent, but to advise the President to send this treaty back to the bargaining table for further negotiations.

The VICE PRESIDENT. The Senator from Idaho.

Mr. CHURCH. Mr. President, if the Senate were to adopt this proposal, we would not go back to the bargaining table. In all probability, we would go back to the trenches.

Two hundred years ago, America may have experienced her finest hour at the moment of her birth. It was then that we repudiated the authority of a distant throne. It was then that we drove out the royal governors and their redcoats. It was then we proclaimed principles by which freedom has lived and flourished and grown throughout the world, in all the years since.

Now is the time to reaffirm those principles by extending to the people of Panama the rights we once seized for ourselves, by ending our own colonial control of the Canal Zone, at a time when colonies have vanished—and empires withered—elsewhere from the Earth.

It is a time to stand up for what we believe. It is a time to do right.

I urge the Senate to reject this proposal and, to that end, I now move to table it.

The VICE PRESIDENT. The Senator's time has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Michigan, as modified. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 67, nays 33, as follows:

[Rollcall Vote No. 65 Ex.]

YEAS—67

Abourezk	Haskell	Metzenbaum
Anderson	Hatfield,	Morgan
Baker	Mark O.	Moynihan
Bayh	Hatfield,	Muskie
Bentsen	Paul G.	Nelson
Biden	Hathaway	Nunn
Bumpers	Hayakawa	Packwood
Byrd, Robert C.	Heinz	Pearson
Cannon	Hodges	Pell
Case	Hollings	Percy
Chafee	Huddleston	Proxmire
Chiles	Humphrey	Randolph
Church	Inouye	Ribicoff
Clark	Jackson	Riegle
Cranston	Javits	Sarbanes
Culver	Kennedy	Sasser
Danforth	Leahy	Sparkman
DeConcini	Long	Stafford
Durkin	Magnuson	Stevenson
Eagleton	Mathias	Stone
Glenn	Matsunaga	Talmadge
Gravel	McGovern	Weicker
Hart	McIntyre	Williams

NAYS—33

Allen	Garn	Schmitt
Bartlett	Goldwater	Schweiker
Bellmon	Griffin	Scott
Brooke	Hansen	Stennis
Burdick	Hatch	Stevens
Byrd,	Helms	Thurmond
Harry F., Jr.	Johnston	Tower
Curtis	Laxalt	Wallop
Dole	Lugar	Young
Domenici	McClure	Zorinsky
Eastland	Melcher	
Ford	Roth	

So the motion to table Mr. GRIFFIN's amendment was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD addressed the Chair.

The VICE PRESIDENT. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the resolution of ratification.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair insist upon order in the Chamber and in the galleries, that the well remain clear, and that the legislative clerk repeat after each Senator votes the name of the Senator and the vote so that all Senators may hear and the media may hear. Since Senators hope to keep a running tally they have tally sheets at their desks. This vote will require 20 minutes and a warning bell is to sound after the first 12½ minutes.

So I ask the Chair once again to keep the well clear while the vote is in progress.

The VICE PRESIDENT. If there is no amendment, reservation, and so forth, the question is on the resolution of ratification on Executive N, 95th Congress, 1st session, a Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

(During the call of the roll, the following occurred:)

The VICE PRESIDENT. The Senate will be in order.

The gallery is admonished to remain silent.

The Senate will be in order.

The clerk will resume.

The legislative clerk resumed and concluded the call of the roll.

The yeas and nays resulted—yeas 68, nays 32, as follows:

[Rollcall Vote No. 66 Ex.]

YEAS—68

Abourezk	Hart	Metzenbaum
Anderson	Haskell	Morgan
Baker	Hatfield, Mark O.	Moynihan
Bayh	Hatfield, Paul G.	Muskie
Bellmon	Hathaway	Nelson
Bentsen	Hayakawa	Nunn
Biden	Heinz	Packwood
Brooke	Hodges	Pearson
Bumpers	Hollings	Pell
Byrd, Robert C.	Huddleston	Percy
Cannon	Humphrey	Proxmire
Case	Inouye	Ribicoff
Chafee	Jackson	Riegle
Chiles	Javits	Sarbanes
Church	Kennedy	Sasser
Clark	Leahy	Sparkman
Cranston	Long	Stafford
Culver	Magnuson	Stevenson
Danforth	Mathias	Stone
DeConcini	Matsunaga	Talmadge
Durkin	McGovern	Weicker
Eagleton	McIntyre	Williams
Glenn	Metcalf	
Gravel	Mondale	

NAYS—32

Allen	Goldwater	Roth
Bartlett	Griffin	Schmitt
Burdick	Hansen	Schweiker
Byrd, Harry F., Jr.	Hatch	Scott
Curtis	Helms	Stennis
Dole	Johnston	Stevens
Domenici	Laxalt	Thurmond
Eastland	Lugar	Tower
Ford	McClure	Wallop
Garn	Melcher	Young
	Randolph	Zorinsky

Mr. ROBERT C. BYRD. Mr. President, I realize that no debate is in order during a rollcall, but with all 100 Senators having voted, I suggest, if there is no objection, that the time run and the Chair state the vote.

The VICE PRESIDENT. Without objection, it is so ordered.

On this vote, the yeas are 68, the nays are 32. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

The resolution of ratification as agreed to is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, together with Annexes A and B thereto and the Protocol relating thereto, done at Washington on September 7, 1977 (Executive N, Ninety-fifth Congress, first session), subject to the following—

(a) AMENDMENTS:

(1) At the end of Article IV, insert the following:

"A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of understanding issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty, as follows:

" 'Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

" 'This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.'."

(2) At the end of the first paragraph of Article VI, insert the following:

"In accordance with the Statement of Understanding mentioned in Article IV above: 'The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.'."

(b) CONDITIONS:

(1) Notwithstanding the provisions of Article V or any other provision of the Treaty, if the Canal is closed, or its operations are interfered with, the United States of America and the Republic of Panama shall each independently have the right to take such steps as each deems necessary, in accordance with its constitutional processes, including the use of military force in the Republic of Panama, to reopen the Canal or restore the operations of the Canal, as the case may be.

(2) The instruments of ratification of the Treaty shall be exchanged only upon the conclusion of a Protocol of Exchange, to be signed by authorized representatives of both Governments, which shall constitute an integral part of the Treaty documents and which shall include the following:

"Nothing in the Treaty shall preclude the Republic of Panama and the United States of America from making, in accordance with their respective constitutional processes, any agreement or arrangement between the two countries, to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements or arrangements for the stationing of any United States military forces or the maintenance of defense sites after that date in the Republic of Panama that the Republic of Panama and the United States of America may deem necessary or appropriate.".

(c) RESERVATIONS:

(1) Before the date of entry into force of the Treaty, the two Parties shall begin to negotiate for an agreement under which the American Battle Monuments Commission would, upon the date of entry into force of such agreement and thereafter, administer, free of all taxes and other charges and without compensation to the Republic of Panama and in accordance with the practices, privileges, and immunities associated with the administration of cemeteries outside the United States of America by the American Battle Monuments Commission, including the display of the flag of the United States of America, such part of Corozal Cemetery in the former Canal Zone as encompasses the remains of citizens of the United States of America.

(2) The flag of the United States of America may be displayed, pursuant to the provisions of paragraph 3 of Article VII of the Panama Canal Treaty, at such part of Corozal Cemetery in the former Canal Zone as encompasses the remains of citizens of the United States of America.

(3) The President—

(A) shall have announced, before the date of entry into force of the Treaty, his intention to transfer, consistent with an agreement with the Republic of Panama, and before the date of termination of the Panama Canal Treaty, to the American Battle Monuments Commission the administration of such part of Corozal Cemetery as encompasses the remains of citizens of the United States of America; and

(B) shall have announced, immediately after the date of exchange of the instruments of ratification, plans, to be carried out at the expense of the Government of the United States of America, for—

(i) removing, before the date of entry into force of the Treaty, the remains of citizens of the United States of America from Mount Hope Cemetery to such part of Corozal Cemetery as encompasses such remains, except that the remains of any citizen whose next of kin objects in writing to the Secretary of the Army not later than three months after the date of exchange of the instruments of ratification of the Treaty shall not be removed; and

(ii) transporting to the United States of America for reinterment, if the next of kin so requests, not later than thirty months after the date of entry into force of the

Treaty, any such remains encompassed by Corozal Cemetery and, before the date of entry into force of the Treaty, any remains removed from Mount Hope Cemetery pursuant to subclause (i); and

(C) shall have fully advised, before the date of entry into force of the Treaty, the next of kin objecting under clause (B)(i) of all available options and their implications.

(4) To carry out the purposes of Article III of the Treaty of assuring the security, efficiency, and proper maintenance of the Panama Canal, the United States of America and the Republic of Panama, during their respective periods of responsibility for Canal operation and maintenance, shall, unless the amount of the operating revenues of the Canal exceeds the amount needed to carry out the purposes of such Article, use such revenues of the Canal only for purposes consistent with the purposes of Article III.

(d) UNDERSTANDINGS:

(1) Paragraph 1(c) of Article III of the Treaty shall be construed as requiring, before any adjustment in tolls for use of the Canal, that the effects of any such toll adjustment on the trade patterns of the two Parties shall be given full consideration, including consideration of the following factors in a manner consistent with the regime of neutrality:

(A) the costs of operating and maintaining the Panama Canal;

(B) the competitive position of the use of the Canal in relation to other means of transportation;

(C) the interests of both Parties in maintaining their domestic fleets;

(D) the impact of such an adjustment on the various geographical areas of each of the two Parties; and

(E) the interests of both Parties in maximizing their international commerce.

The United States of America and the Republic of Panama shall cooperate in exchanging information necessary for the consideration of such factors.

(2) The agreement 'to maintain the regime of neutrality established in this Treaty' in Article IV of the Treaty means that either of the two Parties to the Treaty may, in accordance with its constitutional processes, take unilateral action to defend the Panama Canal against any threat, as determined by the Party taking such action.

(3) The determination of 'need or emergency' for the purpose of any vessel of war or auxiliary vessel of the United States of America or the Republic of Panama going to the head of the line of vessels in order to transit the Panama Canal rapidly shall be made by the nation operating such vessel.

(4) Nothing in the Treaty, in Annex A or B thereto, in the Protocol relating to the Treaty, or in any other agreement relating to the Treaty, obligates the United States of America to provide any economic assistance, military grant assistance, security supporting assistance, foreign military sales credits, or international military education and training to the Republic of Panama.

(5) The President shall include all amendments, conditions, reservations, and understandings incorporated by the Senate in this resolution of ratification in the instrument of ratification to be exchanged with the Government of the Republic of Panama.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the resolution of ratification.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President. if I may have order——

The VICE PRESIDENT. The Senate will be in order. The Senate will be in order.

Mr. ROBERT C. BYRD addressed the Chair.

The VICE PRESIDENT. The Senate will be in order.

THE PANAMA CANAL TREATY

Mr. ROBERT C. BYRD. Mr. President, if we have order in the Senate—and I thank the Chair for securing order in the Chamber and in the gallery—I ask unanimous consent that at this time the Senate proceed to the consideration of Calendar Order No. 2 on the Executive Calendar, the Panama Canal Treaty, with the understanding that there be no rollcall votes today.

The VICE PRESIDENT. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

Calendar Order No. 2, Executive N (95th Cong., 1st sess.) the Panama Canal Treaty.

The Senate proceeded to consider the treaty.

Mr. ROBERT C. BYRD. Now, Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MELCHER. Objection.

The PRESIDING OFFICER (Mr. SASSER). Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats or retire to the cloakrooms.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. The Senate will be in order. Will Senators kindly take their seats or pursue their conversations in the cloakrooms.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Kentucky without losing my right to the floor.

Mr. FORD. I thank the distinguished majority leader.

Now, I understand there is——

Mr. STENNIS. May we have order, Mr. President.

Mr. FORD. I would like to have order so that I may make a statement for 3 minutes.

The PRESIDING OFFICER. Will the Senator suspend, please. The Senate is not in order. Will the Senate kindly be in order.

The Senator from Kentucky.

Mr. FORD. Mr. President, now that the first of these treaties has been acted upon and the will of the Senate has been spoken, let me take this opportunity, if I may, to urge the Members of this body to move with all due dispatch in the consideration of the second treaty.

Energy, agriculture, international trade agreements, authorizations and appropriations for school and health programs, the congressional budget are but a few of the areas awaiting congressional action. Needless delay of their consideration would be contrary, in my opinion, to the national interest.

The debate on the first treaty has been thorough and complete. Remember the Senate should by now have a solid grasp of the treaties and be prepared to move without undue delay toward a final reconciliation.

Few facts remain to be discussed; few arguments are left to be spoken. The amount of time that has been spent on the first treaty, some 22 years, has put the Senate far behind in its other business. The prolonged debate on this issue, while important, has obscured to some degree the other issues which, in my opinion, are more important to the Nation's domestic tranquility and economic well-being.

I hope my colleagues share this concern. Our emphasis on these treaties has not been misdirected. The time has come to move on and deal with the other important issues awaiting congressional attention during this session.

Mr. President, I am hopeful that in a very short period of time we can move to a vote on the second treaty and be about those things that are for our country's good.

I thank the majority leader.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

DEATH OF JOHN MARSHALL BUTLER

Mr. MATHIAS. Mr. President, it is with great personal regret and sorrow that I announce to the Senate the death of John Marshall Butler of Baltimore. Senator Butler, who was our colleague for many years, came to the Senate in the election of 1950, and he served here through January of 1963. He made an enormous contribution to the Senate. He was one of the great experts in the field of maritime commerce. He spoke eloquently and forcefully for the American merchant marine, and will be long remembered as one of the great champions of America's marine commerce.

Senator Butler died on the 14th of March while he and Mrs. Butler were returning to Maryland from a vacation

in Florida. I am sure that his death is a great shock to his wife, to his children, and certainly a great sorrow to all of us who served with him and who knew him well.

Mr. JAVITS. Will the Senator yield?

Mr. MATHIAS. I yield to the Senator from New York.

Mr. JAVITS. I served with Senator Butler and found him to be a true Maryland gentleman and friend. Though we disagreed on many points, I considered he exerted a most constructive influence in the Senate. I would like to join the Senator from Maryland on behalf of Mrs. Javits and myself in mourning his loss and expressing our condolences to Mrs. Butler and his family.

Mr. MATHIAS. I thank the Senator from New York. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I appreciate the Senator yielding. I learned with great sorrow from his remarks of the passing of the late Senator from Maryland, who was a very active Member of this body, a hard-working member of committees and on the floor, and with a very fine, genial disposition. We enjoyed him as a man as well as a fellow lawmaker. I will always remember him.

Mr. MATHIAS. And I think the Senator from Mississippi would agree with me that Senator Butler had a quality that I am not sure all of us have, certainly I would not claim it for myself, he looked like a U.S. Senator.

Mr. STENNIS. That is correct.

Mr. SARBANES. Will the Senator yield?

Mr. MATHIAS. I yield to my colleague from Maryland.

Mr. SARABANES. I appreciate the Senator yielding. I want to join with him in his expressions of sympathy to Mrs. Butler and to the family. Senator Butler was a man who was generous with his advice and counsel. While I was of an opposite party, I must say I, on occasion, benefited greatly from the advice and counsel which he was so generous in giving. He was a man of extraordinary qualities which was always reflected in his personal relationships, in the truest sense, as a gentleman. I join with my distinguished colleague from Maryland in expressing great sorrow at his passing.

Mr. MATHIAS. I thank my colleague.

Mr. HELMS. Will the Senator yield?

Mr. SARBANES. I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I am in a little different position, perhaps, from some of the others who have paid tribute to the late Senator Butler.

A few years ago, more years than I care to admit, I served as an administrative assistant to a Senator from North Carolina and our offices were next door to Senator Butler's. I recall him as a man of great charm and courage, just one of nature's noble men. I join with the Senator from Maryland in paying tribute to Senator Butler.

Mr. MATHIAS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Wyoming (Mr. HANSEN).

LOOK OUT YOUR WINDOW, MR. BOSWORTH

Mr. HANSEN. Mr President, thousands and thousands of America's farmers and ranchers have served time in Washington these past few months in an attempt to awaken their Government to the fact that they are going broke.

I have seen and talked to many of these people, and all of us here have seen and talked to them. Their mission here has been reported by the news media. But there is at least one person in this town who apparently has not noticed what is going on.

His name is Barry Bosworth, and he is Director of the Council on Wage and Price Stability. He advises our President on economic matters, and according to a recent newspaper story, Mr. Bosworth is concerned about inflation.

I am glad Mr. Bosworth is concerned about inflation. I have been concerned about it for a long time, and I am pleased to know there is similar concern on the part of a high adviser to the President. But Mr. Bosworth and I do not see eye to eye on what should be done to combat inflation.

According to an article in the Washington Post, Mr. Bosworth has sent a lengthy memo to the President about how to curb inflation, and one of the steps he recommends is to increase the amount of meat we import from foreign countries in order to drive down livestock prices in this country.

Well, I say, "Look out your window, Mr. Bosworth. You might spy some of the hundreds of American livestock producers who have been trudging from office to office to inform the bureaucrats therein that for many months now, they have been getting less for their livestock than it costs to produce them."

It might do Mr. Bosworth a lot of good to talk to some of these livestock producers. After all, they are just as concerned about inflation as he is, and they might have some pretty good suggestions for curbing it. Besides, it would be fascinating to hear him explain to them how it would be a good thing for their government to arrange for increased foreign competition now that livestock prices look like they might approach the level of 20 years ago.

Mr. President, we all know the livestock industry has been in deep trouble for a long time. Even so, none of the producers with whom I have talked wants or expects Government subsidies. They are not dumb. They know that if the Government were to give them anything with one hand, it would only take more away with the other. But they do expect Government to take their side when it comes to international trade matters. And they do not expect Government to deliberately ruin their chances for economic recovery by inviting foreign governments to make further inroads in our markets with their cheap products.

Foreign countries have always enjoyed significant access to our markets for their meat products. Even in times such at these past 3 years when the American livestock industry was in deep financial trouble, foreign imports have been allowed to increase steadily. We do not need any more imported meat. In fact, we need to change the law to reduce the amount that is flooding our markets now. Legislation is pending to do that, and Mr. Bosworth's memo to the President graphically demonstates the need for prompt action.

Mr. President, I commend Mr. Bosworth for expressing concern about inflation. But I recommend to him that instead of sacrificing any of our own industries, we make a concerted effort to stop Government's contribution to inflation. I urge him to urge the President to make good his promise to balance the Federal budget and to stop imposing rules and regulations on Americans which increase costs.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, in the course of the consideration of the treaty I know we all agree as to the extraordinary leadership provided by the distinguished Senator from Idaho (Mr. CHURCH). It was a privilege for me to have had the opportunity to work closely with him. I know the role he played and the positions he took in some respects were difficult ones, but he is a man of great ability, great courage and great commitment.

Mr. President, the Idaho Daily Statesman, of Boise, Idaho, carried on the 16th of March an article with respect to the role which Senator CHURCH has played. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHURCH STAKES JOB ON PANAMA TREATY

(By Bill Dietrich)

WASHINGTON.—Senator Frank Church, D–Idaho, looked weary Wednesday afternoon, but then he had every right to be: in his own words, he had been "perhaps digging a political grave for myself as long as one of the Panama Canal locks."

In the face of a flood of adverse mail from Idaho, Church has spent 10 to 12 hours a day on the Senate floor leading the debate in favor of the Panama Canal treaties.

Today, his diligence will be tested. The first and least significant of the two canal treaties will be voted on in what is seen as a crucial test—for Church, for President Carter, for the Senate.

"No one can say right now how it will go," Church said Wednesday. "It will be within a few votes either way."

Church is managing the canal debate as ranking Democrat on the Foreign Relations Committee. Chairman John Sparkman asked Church to shoulder the job because of Sparkman's sagging health.

The Idaho Senator has approached what to him is a politically thankless job with a sense of deja vu: "It's a lonely road," he said, "but I've been down it before. When I first opposed the war in Vietnam, no one agreed with me. Today a big majority would acknowledge the war was a terrible mistake."

Church is betting events will prove him right again. He has received only 500 to 600 letters from Idaho favoring the treaties, compared to an estimated 6,000 letters opposed, 2000 more on postcards generated by political groups and 15,000 names on petitions.

Senator James McClure, a treaty opponent, has received 50,000 Idaho letters or names on petitions opposing the treaties.

Why is Church, an elected representative, going against the grain?

One aide to an Idaho Republican forecast that the Senator's role on Panama will cost him 10 per cent in the 1980 election and his Senate seat.

"How can people respect a Senator who bends with the wind?" Church retorted, looking rumpled and tired after coming off the Senate floor. "What I am here for if not to use my best judgment after careful study? Anyone who wets his fingers every time he casts a vote is unworthy of being in the U.S. Senate. Sometimes it's necessary to take the unpopular position. Because there are so many public officials who won't take an unpopular stand, our problems aren't being solved. The country is drifting. There is no leadership."

He paused. "I have never weighed opinion by the pound."

In a March 2 floor speech explaining his stand, Church said, "to those who warn me that my support of these treaties will cost me my job—even if the treaties are amended, as I have proposed, to spell our U.S. rights to defend the canal and to assure first passage for our ships in time of emergency—I have responded that my vote is a matter of conscience and I must live with my conscience much longer than I must live with my job."

Church expanded on that Wednesday, saying, "at least I'll be able to face myself in the mirror. If the Senate rejects these treaties, I don't want that on my conscience when the coffins start coming home."

Church believes Senate rejection would lead to violence in the Canal Zone and a needless loss of life. He has also pointed to two Idaho polls, one by the Professional Resource Group in Boise and the second by the Rocky Mountin Poll, broken down state by state, as evidence that he may not be ignoring the wishes of his constituents after all.

The PRG poll in January showed that, when asked if they favored the treaties if the U.S. has the right to intervene and priority passage for its ships in time of need—which Church says the treaty, as now amended, will do—Idahoans support climbed from 12.7 to 28 per cent. The Rocky Mountain Poll, which asked for support if the U.S. was guaranteed the right to defend the canal, showed 56 per cent of Idahoans in favor.

Church does not claim that means a majority of Idahoans back him, but he said it did hint that support may be greater than the letters indicate.

The Idaho Senator would not claim he does not watch public opinion closely, as does any politician. Some have charged that he is responding to a prevailing Western mood by becoming more conserative on natural resource issues, for example.

But Church also pointed out that taking unpopular stands is not new for him in this Congress. He bucked Democratic President Carter in two fights: to keep the nuclear breeder reactor and restore oral auctions on national forest timber bidding in the West, and won both in the Senate. He opposed Idaho's three Republican representatives to lead in the creation of the Gospel-Hump wilderness (at one point he was hung in effigy in Grangeville), and won that fight, too.

"If the country is going to be led only by elected officials who take popular positions, it will not be led at all," he said. "Idaho people have always given their respect to elected officials who stand by their principles—especially when it was politically difficult to do so."

But the momentary toll on Church seems evident. He stifled a yawn Wednesday, as an opponent railed against the treaties, with the same arguments both sides have trotted out for months now. And when he came off the Senate floor, his walk was more a shuffle than a march.

But Church is no neophyte at this kind of thing. "If you can't take the heat, stay out of the kitchen," he finally recited to a reporter.

And his lope back onto the floor and the long debate was positively spry.

The PRESIDING OFFICER (Mr. LEAHY). The Chair will remind Senators that it is almost impossible to hear. The Chair will ask for order.

Mr. JAVITS. Will the Senator yield?

Mr. SARBANES. I yield.

Mr. JAVITS. Mr. President, Senator CASE is not here. He is the ranking minority member of the Foreign Relations Committee. I know he would want me to join in our thanks and appreciation for the outstanding service rendered by Senator CHURCH, not only to our committee and to the Senate but to our Nation in respect to his management of this historic and very difficult issue on the floor.

I would also like to pay tribute to my colleague from Maryland. He is by no means one of our senior Members, but he perceived the need for the kind of assistance which Senator CHURCH would need if he was to carry this enormous burden, and he rendered it in a magnificent way. I am very proud of him. I feel all my colleagues of the minority would wish me to say exactly the same thing. I am very proud of the fact that though a relatively new Member he took on this great responsibility and handled it so admirably. I think our whole country should be grateful to him for it.

Mr. SARBANES. I thank the Senator.

Mr. CHURCH. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. CHURCH. It is typical of the graciousness of the Senator from New York that he expresses himself as he has. I thank him for his kindness to me.

I want to underscore what he has said about Senator SARBANES. There is a western expression I would like to use. I think he won his spurs in this debate.

It has been a matter of great comfort and satisfaction to have had the Senator right alongside me these past 5 weeks. I look forward to the same close association with the Senator in the weeks to come as we debate the next treaty.

Mr. SARBANES. I thank the Senator very much.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. SCOTT. Mr. President, today I was disappointed with the results of the vote on the Neutrality Treaty. Nevertheless, the Senate has spoken and has consented to this treaty. I believe this was somewhat of a precedent today. We will have another day. The battle is not entirely over. I would hope that the people of the country might advise and consent, or at least confer, with their own Senators to see whether the vote of their Senators met with the approval of their constituency.

When we have a vote on the more important, the more comprehensive treaty, the Panama Canal Treaty, under which the ownership and control of the Canal Zone would be transferred to the Panamanians, this, to me, is the real test in the Senate. I would say that if we retain the present votes against the treaty and gain two additional votes, the results will be different.

I make the suggestion that each of us confer with our constituency over the Easter recess, because I doubt that there will be a final vote on the Panama Canal Treaty until after the Easter recess. I express the hope that the results will be different in the ratification process of the canal treaty so that a part of our country will not be given away.

Mr. HATCH. Mr. President, I rise to extend my congratulations to the other side for having won their day, especially to Senator CHURCH, who, I think, has conducted the leadership of the pro-treaty forces with dignity and I think a great deal of fairness. Senator SARBANES has been a tough opponent on the floor. I think they deserve a certain amount of credit for what they have done.

The most significant thing that has occurred here today, in my opinion, has been the fact that, for the first time in this whole debate—and of course, we are only on the beginning and I shall have something to say about that. But for the first time in this whole debate, everybody in America knows exactly where every Senator on the floor of the Senate stood on this issue. I think that, for the first time in this whole debate, since it began, everybody in America knows who are for these treaties and who are against these treaties.

I also compliment the distinguished Senator from Nevada (Mr. LAXALT). I think he led a very courageous, a very decent, a very good fight, along with Senator GRIFFIN of Michigan and Senator ALLEN and a number of others, a great fight against the easier of these two treaties. I do not think anybody here, if the Panama Canal Treaty has to be passed or ratified, would want it to be ratified without the Neutrality Treaty. So it is my belief that there are a number of Senators who would vote for the Neutrality Treaty who can be turned around by the population and by their constituents with regard to the more significant of the two treaties. That is the Panama Canal Treaty.

I want to give congratulation where it is deserved, and certainly, those who have fought to win on the Neutrality Treaty deserve congratulations at this time. I would feel much better if, in their zeal to win, they had allowed some of these amendments, which are so crucial to the Neutrality Treaty, to pass. But they, in their wisdom, chose not to do that.

Then their wisdom chose to allow—as a result, I think, of intense pressure by the administration—certain understandings and reservations, which, of course, everybody knows and everybody out there listening ought to know, are not worth the paper they are written on. Because, as a matter of fact, without a plebiscite on those reservations and understand-

ings, which have been, at times, called amendments, Panama will not be bound by those nor will Omar Torrijos be bound by those.

I think the American people deserve to know that. So, when a Senator comes home and says, "Well, I got this reservation for you," that reservation should have been put in the form of an amendment to the treaties themselves so that Panama would be bound.

I think that, regardless of the amendments that may have been enacted, that would have, I think, cleared up the defects in the treaties, the ambiguities and many of the things which I find so reprehensible and so unprotective of America—regardless of the fact that we have had these problems, had the treaty been amended, we would all be better off. I think Torrijos would have accepted whatever we had done.

Be that as it may, I have congratulations for those who have won here today. I want to add my pledge to this august body that the battle has just begun. The Neutrality Treaty is one thing. It is clearly the lesser of the two treaties. It is not nearly as important as the Panama Canal Treaty, which still has ambiguities, which contains many differences between the Spanish version and the English version, which transfers $10 billion of American property without the consent of both Houses of Congress, as is mandated by article IV, section 3, clause 2 of the Constitution; and, of course, which is going to bind the American taxpayers to pay billions of dollars over the next few years, and I think they will have to, in order to satisfy those treaties' demands if the Panama Canal Treaty is ratified.

I think the most significant thing that happened here today was that everybody knows who is for what, for a change. The battle, from that standpoint, I think, is over. But I have to believe that there are Senators in this body who will listen to their constituents on a close question and give their constituents the benefit of the doubt. So, those constituents out there who feel frustrated and who feel as though their views have not been listened to, do not despair. I think you should try twice as hard to convince your Senators, all of whom, I am sure, were very sincere here today, that they should vote against the Panama Canal Treaty.

Another very significant thing about the future debate is that it is going to contain issues that are even, I think, more interesting than the issues on the Neutrality Treaty. I cannot imagine any issue more important than the one concerning the constitutional illegality of the administration's approach in this matter. We have 232 Members of the House of Representatives who have demanded the right to vote on the transfer of $10 billion of American property and are demanding the right under the Constitution, which is mandated to them, to vote on appropriations to which this country is going to be bound in advance of the treaties. That, I think, is very reasonable. Certainly, I think it ought to be done.

I suspect that the country is going to hear some very strong constitutional arguments over the next ensuing weeks. I suspect that these arguments may really make a much greater difference than people might think at first blush. If we allow the transfer of $10 billion of American property without the consent of both Houses of Congress, as mandated by article IV, section 3, clause 2 of the Constitution, then we will be allowing one branch of the Federal Government—that is, the President, the executive—to extend his power to the detriment of the other two coequal branches of Government; in particular, to the detriment of the combined Congress, consisting of the Senate and the House of Representatives. We will be allowing him to do so in violation of the separation of powers doctrine of the Constitution of the United States of America. I think it will be one of the largest breaches of the Constitution to occur in the history of this country.

I might mention that—that I think 232 Members of the House of Representatives—way better than half of the House of Representatives—who have demanded the right to vote on this issue certainly ought to be accorded that privilege by the Members of the Senate, because Congress is only as good as both Houses. We should recognize the needs, the desires, and, certainly, the constitutional mandates that the House of Representatives has put before us as well.

There is dissension in the full Congress, dissension because we are ignoring our brethren in the House. I hope that, after the constitutional debates on this great issue, we will not ignore the brethren in the House and that they will be given an opportunity to vote on these most important matters involving the transfer of American property and on appropriations that will be mandated as a result of these treaties, assuming that they will be enacted or ratified.

So, in my giving congratulations to the other side—they have acknowledged it has been a tough fight—I want to also let them know that the fight has only begun and that there is no rancor in my feelings in saying that. I am just saying that, as a matter of fact, there are some of us here who really believe the American people want to be heard, and I might mention there are those of us in the Senate who are going to give them that right.

I will suggest that the American people start being heard over the next few days and certainly over the Easter recess, since they now know which way the various Senators have voted, so that they can work on either side, to the extent that they deem necessary, to fulfill their desires and to listen to them.

I am happy to yield to the distinguished Senator from Virginia, who has played such an integral role here on the floor and who is one of the greatest Senators here in the U.S. Senate.

Senator HARRY BYRD, of Virginia.

Mr. HARRY F. BYRD, JR. I thank the distinguished Senator from Utah.

I think it is important to point out that while the resolution of ratification was approved today, a change of two votes would have defeated it. It think it is also significant that some six or eight Senators, who supported the resolution of ratification today, told this Senator during the debate on this first resolution, first treaty that this did not bind them to support the second treaty, and some of those who made that statement went so far to say that as of today they would not support the second treaty.

So I think the second treaty is in great jeopardy. It certainly will be in great jeopardy if the American people react to what happened today and let their representatives know that they the American people do not look with favor upon giving away property valued by the Panama Canal Company on a replacement basis of approximately $10 billion.

I would hope, along with the able Senator from Utah, that the Senate would take adequate time in discussing this second treaty. Many Members who supported the first treaty today stated on the floor of the Senate time and time again that many, many amendments needed to be made to the second treaty. Those are the Senators that I am referring to who voted today for the first treaty, but they made it clear that that did not bind them in any way to support the second treaty.

Insofar as the Senator from Virginia is concerned, I want the record to show, and I hope the leadership will protect the Senator from Virginia on any unanimous-consent request for time limitation.

I would like to be informed by the leadership before any requests are made for time limitations on the second treaty or amendments thereto, because we are dealing with huge sums of American tax dollars, for one thing, and the second thing we are dealing with is installations that are vital and extremely important to the defense interests of the United States.

So, I see no reason to rush through the second treaty. It will not become operative for 22 years. If there is other legislation that needs to be considered, the second treaty can be set aside. Twenty-two years is a long time, so I see no reason at all for this Senate to rush through consideration of this second treaty, which will be so costly to the American taxpayer.

I join my distinguished friend and the able Senator from Utah in his statement that the fight is not yet over.

Mr. HATCH. I certainly want to thank the distinguished Senator from Virginia for his comments. He is exactly right.

Inasmuch as I was not on the other side, I think they deserve congratulations for the hard work and the effort that they have put forth. The fight has just begun and the second treaty is really much more important than the first. However, it is easy to see why some Senators would vote for the first because they certainly would not want the second without the first.

I agree with the distinguished Senator from Virginia. A number of Senators have made it clear that they are not bound as a result of the promises, as a result of the pressure or as a result of requests that were made with regard to this first treaty.

I think we have a whole new ball game here and, frankly, I am looking forward

to it. I think the past has been very stimulating and very enjoyable.

I want to thank the public broadcasting services for at least putting this all over America and I think for the first time the American people have heard some of these crucial issues.

I yield at this time to the distinguished Senator from Alabama, for whom I have such high regard and who has ably led a great deal of the fight here on the floor of the Senate, as is usually the case when he is standing up for things that he believes are right for America.

I yield to the distinguished Senator from Alabama (Mr. ALLEN).

Mr. ALLEN. I thank the distinguished Senator, but I do not wish to impose on the Senator's time, and at such time as he does yield the floor, after having completed his remarks, I would like to be recognized.

Mr. HATCH. I appreciate that.

At this time I would like to yield to my colleague, who sits right next to me in the Senate Chamber, who I think is one of the greatest Senators who ever sat in the Senate, who has led notably, and I think intelligently, a great deal of the fight against this neutrality treaty, Senator STROM THURMOND from South Carolina.

Mr. THURMOND. I thank the Senator from Utah for those kind remarks, and I commend him for his outstanding leadership in this fight. He is a very able man. He has presented his arguments well. He is dedicated. He loves his country and he follows a course of action here which I think is for the best interests of America.

Now, Mr. President, I congratulate the proponents of the treaty who attained victory today, but I do not feel that their victory is going to be in the best interests of America if the second treaty is also ratified. I think it will be a costly mistake.

However, the second treaty that will come up will be the main treaty. Those of us who opposed the first treaty have lost the first battle but we have not lost the war, and we feel that there is a chance to defeat the second treaty, which is the important treaty, and we hope to be able to do so.

Now, Mr. President, this treaty fails to provide clear, unequivocal authority to the United States to intervene as it deems necessary or to base troops in Panama after 1999.

Further, the push by the administration to win passage of this treaty exceeds any such efforts that I have witnessed in my 24 years in the Senate.

Future generations will pay the consequences of today's vote in the Senate of such an inadequate treaty, if the second treaty is also confirmed. The lack of clarity of the treaty that was ratified today will actually cause it to promote the problems which it purports to prevent, but the Senate can still correct today's mistake by voting no on the main treaty.

Mr. President, there are many Senators here who worked valiantly and fought hard against these Panama Canal treaties. I would specially single out the able Senator from Alabama who has fought here day after day, spoken day after day, offered amendment after amendment and has done such a fine job against this treaty.

In my opinion, the able Senator from Alabama is the most distinguished parliamentarian that has served in this Senate since I have been a Member here.

I would also like to commend others who have been active in opposing the treaty that was ratified today, and I am sure will be active in opposing this second treaty that will come up, the Panama Canal treaty, the main treaty.

The Senator from Oklahoma (Mr. BARTLETT). The Senator from Virginia (Mr. HARRY F. BYRD, Jr.), who has spoken here time and again and rendered such outstanding service in opposing these treaties.

The Senator from Nebraska (Mr. CURTIS). The Senator from Kansas (Mr. DOLE) who has offered a number of amendments and has been an outstanding leader and opponent of these treaties, and one of our ablest Senators.

The Senator from Utah (Mr. GARN). The Senator from Michigan, (Mr. GRIFFIN).

Incidentally, Senator GRIFFIN was the only member of the Foreign Relations Committee who said "no" on this treaty, and he has rendered valiant service here on the floor of the Senate.

I have already referred to the able Senator from Utah (Mr. HATCH) and the great job he has done. The able Senator from North Carolina (Mr. HELMS) has worked exceedingly hard against these treaties. He and I had the privilege of going to Panama and visiting down there together on a trip. We talked with a lot of people there. We worked together, and we think alike on this particular matter.

The Senator from Nevada (Mr. LAXALT), who acted as the leader on the floor against these treaties, did a fine job. He was very fair in handling the matter. He presented good arguments and deserves to be highly commended.

The Senator from Idaho (Mr. MCCLURE) did a fine job here in offering amendments and standing up against these treaties.

So did the Senator from Montana (Mr. MELCHER) who presented splendid arguments here against these treaties.

The Senator from Wyoming (Mr. WALLOP), who rendered valiant service here, ought to be highly commended for his service.

Mr. President, in closing, I say again that there is no question in my mind, I do not think there is any question in the minds of the majority of the people in this Nation, that these treaties are not in the best interests of the United States.

I sincerely feel we do have a chance yet to defeat the main Panama Canal Treaty and, if we do that, then, of course, this first treaty would fall automatically.

I hope the Members who have opposed these treaties so far will stand firm, and I believe they will, and we hope others will gain information that will enable them to join us in opposing these treaties which are so important to the future of this country.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, the Senate has been engaged for some 5 weeks, I believe, in a momentous debate on a most important issue. I believe it is the most important issue we have had before the Senate in the 9 years that I have been in the Senate.

A decision has been made. I had hoped the decision would have been different. I had hoped we would have received at least 34 votes against the treaties. The Senate has seen fit to cast 68 votes in favor of the Neutrality Treaty, so-called, and 32 opposed.

So the administration, President Carter, the joint leadership, headed by the distinguished majority leader (Mr. ROBERT C. BYRD) and the distinguished minority leader (Mr. BAKER), have achieved a great triumph here in the U.S. Senate, and I commend them for their victory.

There has been much rejoicing by the victors, and that is understandable.

The opponents of the treaties are disappointed, but far from being defeated in this great fight.

I say again, as I said earlier this afternoon when I had some 2½ minutes to close the debate for the opponents of the Neutrality Treaty, that we were accorded every courtesy, every opportunity by the joint leadership to present our case against the treaties, to offer amendments, and to have them acted upon.

No advantage whatsoever was taken of the opponents of the treaties by the leadership, and I commend them for that. They have been considerate in every way of the opponents of the treaties.

The distinguished Senator from Idaho (Mr. CHURCH), to whom I have referred here many times in the debate, and the distinguished Senator from Maryland (Mr. SARBANES), have managed the Neutrality Treaty with great ability, great expertise, great knowledge of the subject, but at the same time they were always considerate of the position of the opposition.

So we have no recriminations. We have no second guessing. We do not speculate that if this Senator had voted thus-and-so, another Senator would have voted in a different way, that we might have come up with a larger total vote.

Certainly, I give great praise to the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from Michigan (Mr. GRIFFIN), the distinguished Senator from North Carolina (Mr. HELMS), the distinguished Senator from South Carolina (Mr. THURMOND), the distinguished Senator from Nebraska (Mr. CURTIS), the distinguished Senator from Utah (Mr. HATCH), and many others among the opposition who have fought side by side, first, in an effort to improve the Neutrality Treaty, the treaty that is supposed to give us defense rights as to the canal, but the joint leadership saw fit to reject every single amendment offered by the opponents of the treaties.

Therein, Mr. President, I believe the leadership made a strategic and tactical

blunder. If that foretells the policy that they are going to use on the Panama Canal Treaty, I would predict that the outcome on the Panama Canal Treaty will be different.

Mr. President, I sought in the early days of this debate to reverse the order of consideration of these treaties so that we would consider first the question of whether we should give the canal away, and the conditions under which we might give it away, before we considered the matter of defense of the canal in the year 2000. But the leadership thought otherwise, and, on my motion to reverse the order, the motion was defeated by a vote, I believe, of 67 to 30.

Mr. President, it would seem that that was a vote that indicated a possible eventual outcome, though some were voting against the motion to table rather than on the merits. That would reduce our vote considerably.

As a matter of fact, Mr. President, at the time the debate was started, the most avid opponents of the treaties were speculating that we had only about 21 votes against the treaties. So I believe this debate has been highly successful and effective.

I believe that much credit is due National Public Radio, which has carried these debates from gavel to gavel. I noticed in the newspapers just the other day that the audience of the public broadcasting radio stations throughout the land that have been carrying the debates in the Senate has expanded by some 500 percent. So millions have been hearing these debates in the Senate, for the very first time, because these debates are a historic occasion.

I think it has been an excellent idea. I believe that greater coverage has been given to the opposition to the treaties than would have been possible without the public radio, because the commercial media have been strong in support of the treaties and have been loath to give any substantial amount of publicity on the views of the opponents of the treaties.

Opinion has shifted in the Senate in the last 2 or 3 days. There were some last-minute changes. Various charges have been made—to which I do not refer—about strong administration pressure. I do not know the nature of this pressure, but apparently efforts have been made—in a perfectly proper way, I am sure—to influence the votes of Senators. So it was uncertain right up to the last minute how this vote was going to go.

Let us see what has been accomplished, Mr. President.

The U.S. Senate has agreed that if the canal is given away—and I stress again that it is based upon that predicate—if the canal is given away by the Panama Canal Treaty, then this treaty will go into effect at the very same time as the Panama Canal Treaty. But they are a package. One cannot be approved and the other defeated. If one is defeated, both are defeated. I am sure there is no difference of opinion on the accuracy of that statement. The treaty that has just been approved by the Senate provides that it shall go into effect simultaneously with the Panama Canal Treaty. Obviously, if the Panama Canal Treaty does not go into effect, then this treaty cannot go into effect.

I am wondering whether perhaps the negotiators of the treaty slipped up again in drafting the treaty. We see many ambiguities, uncertainties, and contradictions. This may well be the fatal defect in the drafting of the treaties.

Had we had before us today both treaties in the form of a single treaty, I have little doubt that the Senate would have approved the one treaty embracing both treaties. How could that be, if the Panama Canal Treaty goes out in the year 2000 and the Neutrality Treaty takes up there and goes on in perpetuity? We could have two parts: One up to the year 2000, the other starting then. But that was not done, and that gives the people of the United States a great opportunity to help defeat these treaties.

This treaty has been approved only conditionally. It cannot go on to an exchange of notes of ratification between the dictator and the President until smilar notes are exchanged with respect to the Panama Canal Treaty.

So, Mr. President, it seems to me that the approval that the Senate has given to this treaty is tentative approval. It is approval conditioned upon approval of the Panama Canal Treaty.

We have some Senators who say, "I am for the Neutrality Treaty." Mr. HEINZ said that he is for the Neutrailty Treaty, with certain reservations; he would be for the Panama Canal Treaty, with an amendment to the treaty.

If the leadership does not set the same policy with respect to the Panama Canal Treaty and then that amendment is defeated, they might lose that Senator.

Mr. BROOKE said that if he had to vote today on the Panama Canal Treaty, his vote would be "No." So the battle is really just getting started.

I am glad that we have been able to have 32 votes, just two votes short of the required number to defeat these treaties. We had 32 votes cast against the Neutrality Treaty. My goodness, that is a pretty good vote against a treaty that provides for defending the canal. Who could be opposed to defending the canal? Senators who did not think the treaty provided strong enough defense rights for the United States—that is who could be against it.

I believe that the draftsmanship of the Panama Canal Treaty leaves much more to be desired than does the draftsmanship of the Neutrality Treaty. It is replete with ambiguities, discrepancies, and provisions that are not in the best interests of the people of the United States. The thrust of these treaties is to give away the canal, and that has not yet been decided. All that has been decided is this: If we give the canal away, we shall defend it under certain grant of rights. That is all that has been decided. We still have the main question to decide.

This is a peripheral matter, and ancillary matter—the defense of the canal in the year 2000—because the Panama Canal Treaty provides for the defense up to the year 2000.

We have not decided the main question. So I do not know. We are having a lot of elation here in the Senate in certain quarters among 68 at least, or maybe not all 68. Some voted for the treaty with misgivings. So I do not know how much elation there was. There was some dejection, I assure you, among the 32, but I do not know just how much elation there was among all 68 who voted for the treaty. I am hopeful, Mr. President, that those Senators who were awarded, shall I say, reservations by the leadership—and you know, of course, that not one single reservation was passed, if it had not had the support of the leadership—I am hoping that those Senators who accepted those reservations and voted for the treaty will feel that their vote was committed only for the neutrality treaty and, Mr. President, I am hoping, too, that as to Senators who did receive reservations attached to the treaty as they consider what they received they will feel that they traded their right to vote against this treaty for a mess of pottage because, in my judgment, the reservations will not be submitted to a plebiscite. We will not have a compact with the people of Panama. We will have only Mr. Torrijos' approval and bear in mind my judgement: He would have approved anything to start this $100 million a year coming into his government.

So as to Senators—and there were three, four, or five, who based their vote for the treaty on the adoption of certain reservations—when they find that the reservation that they accepted and then voted for the treaty is just a hollow shell I am hopeful they will go back to their position of opposition to the treaties.

Mr. President, as I see the situation—and I am going to yield the floor in just a moment, because I believe there will be plenty of opportunity in the next few weeks for me to discuss these issues—presented by the treaties and the tentative approval of one, these debates remind me or are analogous to two teams playing two baseball games in consecutive months.

The first game does not count at all. The results of the first game do not count at all. Whereas, the result of the second game will be all-decisive. So we have gone through an exercise here, Mr. President, but in the final analysis this is not going to accomplish one single thing in furthering this treaty unless the Panama Canal Treaty is approved. It takes the approval of the Panama Canal Treaty to breathe life into this treaty that we have just given tentative approval to.

It is dead as a doornail unless it is followed by affirmative action on the Panama Canal Treaty. So what have we got? We have a treaty that is in a suspended state of animation, not worth a thing. Mr. Torrijos cannot derive any benefits from it whatsoever unless the Panama Canal Treaty is approved.

So the first game does not count, and it is this last game, this last debate on the Panama Canal Treaty that is going to be all-decisive.

So that is the situation we find ourselves in. Of course, we recognize the strategy of the administration under the leadership in putting the Neutrality Treaty first, that that would gain so much

momentum that there would not be any resistance to the second treaty.

I want to disabuse the leadership of any such feeling as that because, as far as I am concerned, the momentum caused by the tentative approval of the Neutrality Treaty has stopped right now. There is no momentum at all. It is dead in the water. It had not gained any momentum.

Tomorrow we will start a debate on the Panama Canal Treaty. And I do not know what erosion there is going to be in our 32 and in their 68 but, quite obviously, there is more opportunity for erosion in a 68 figure than there is in a 32 figure.

So we will see, and the leadership was kind enough to set this vote today and the start of the next debate in such a way that we will have several days of general debate, I assume, on the Panama Canal Treaty, and then go back home and check with our constituents and see if we have acted in accordance with their wishes. And I believe that might have some interest to some Senators. Others have stated here on the floor that they are going to vote like they see fit no matter what their constituents say. Maybe that is a good attitude and maybe it is not. We will soon find out.

But the point I am trying to make and I feel needs to be made, lest the leadership feel that the Panama Canal Treaty is going to be easy pickings after the great victory today, is that that is not going to be the way it is because it is going to be resisted article by article, and I might say this: The plea was made for this neutrality treaty because the sovereign rights of Panama were involved, we could not insult their national honor by demanding defense rights in a sovereign country, and we must not do things to heap indignity upon them. But, Mr. President, when we get to the other treaty that is a gift plus a business arrangement, and I do not see any national honor involved if we provide in the Panama Canal Treaty that it shall not be a burden to the American taxpayer from and after the date of the exchange of notes of ratification.

This issue, I do not think, is going to raise the question of national honor. It is going to raise a question of whether or not you are going to bilk the American taxpayer after giving the canal away.

With these thoughts, Mr. President, I will yield the floor and I plan to speak on another occasion.

(Mr. MOYNIHAN assumed the chair.)

Mr. DOLE. Mr. President, let me first express my appreciation to the distinguished Senator from Alabama and also to the earlier remarks of the distinguished Senator from South Carolina.

I agree with much of what the distinguished Senator from Alabama had to say, although I would hope that as important as the next debate will be that it can somehow be expedited every possible time because the distinguished Senator from Alabama has pointed out we have had a preliminary round and it was almost a draw as far as the ratification and approval was concerned, and that the treaty is more complex.

There are some amendments that will be offered. The Senator from Kansas has not a number of amendments but some amendments that I feel are significant and, as the Senator from Alabama pointed out, we are into the area in the treaty that talks about money, costs and a number of other items that will be, in the opinion of this Senator, rather controversial and, perhaps, some Senators who voted one way today may find themselves voting a different way on the Panama Canal Treaty.

I would guess that we have had a very, not heated debate, but a very intense debate. It has ended. The proponents have won, but I would hasten to add that it is not a game we are playing. We are making a decision for the American people, and whether or not we made the correct decision we will find that out, I would guess, in the next 5 days, 10 days, 1 month, 2 months, 6 months, because it seems to this Senator that the American people will not approve of what happened in the Senate today, the majority of the American people; not that the majority of the American people do not feel we should have some updating or modernization of the treaty with Panama, but I would guess if the American people have had a chance to listen in part to the debate, maybe all of the debate, they understand one thing: that there was a stonewalling, there was a strategy not to accept any amendment to the treaty itself, not even one word. Not one word could be added to the treaty because of the fear that it might call for another plebiscite, and this might upset General Torrijos, who somehow became the focal point in this entire process.

As the Senator from Kansas indicated a couple of days ago, then we entered into the period of accommodation, that period where we accommodate certain views in the Senate to pick up enough votes to pass the resolution of ratification. That has been done. I do not suggest it was done improperly, but I suggest that it happened, and even after all the tugging and hauling and alleged arm-twisting, and whatever else may have been alleged—whether or not it is a fact this Senator does not know—there was only a 2-vote margin.

So I would guess that the American people now and tonight and tomorrow morning, and when all the press will be filled with "First Treaty Approved," will make a judgment. They will decide whether or not the Senator from Kansas voted properly or the Senator from Alabama, the Senator from Maryland, whoever may have been involved, whether he voted properly.

I share the view that the American people want to do the right thing. I also believe the American people had serious reservations about many of the provisions in the Neutrality Treaty, and are going to have even more reservations about certain provisions in the canal treaty.

I would hope and just suggest that as a matter of strategy the administration take a look at some of the amendments. Again if we are concerned about good treaties, why not the best treaties, and if amendments are necessary, perhaps that can be cleared with General Torrijos, the maximum ruler of Panama.

It would be the hope of this Senator if there can be some agreement on amendments to the text of the treaty that we might move more quickly. Otherwise it would be much the same, lengthy debate, a lot of time spent on amendments. They will all be tabled or laid aside by the treaty proponents, and then the nose-counting will start in the final 48 hours, and then they will make the necessary reservations, the necessary accommodations, in an effort to reach the magic number of 67.

I assume that could take a month or it could take much less. This Senator hopes it may take much less, and we can move very quickly, have some agreement on time, if necessary.

I would conclude by pointing up that there are a number of other matters coming before the Senate that I think have a higher priority than the Panama Canal Treaty. One of those hopefully may come to the Senate floor next week. That deals with American agriculture and the American farmer and the American consumer.

I would hope that the leadership would be willing to set aside the treaty long enough for this body to take action on emergency farm legislation, legislation that may mean, if passed by the other body and signed by the President and properly implemented and administered by the Department of Agriculture, the survival for American agriculture and many farmers who are now around the Capitol. They are not here because they want to visit. They are here because their very lifeblood is threatened. They are here because their life and their lifeblood are threatened, their economic life and their economic lifeblood.

So I would hope that we can set aside the treaty. In fact, it would not be a bad idea to set aside this second treaty until next year, maybe early next January or February, when we could take up the Panama Canal Treaty and then we could have disposed of one this year and maybe one next year.

There is really no big rush. There are many other matters that must be piling up in the committees, and I would hope that would be considered. But in the event the leadership decides to pursue the second treaty hopefully we can set it aside long enough to consider this emergency farm legislation, and then as we get into debate on the treaty itself reach some agreement on time so that we can move rather quickly and expeditiously in resolving the issue, and then voting and letting the American people know our judgment on the canal treaty itself.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I appreciate the remarks just delivered by the Senator from Kansas. I appreciate the reflection of his wry sense of humor which all of us in this body enjoy, his suggestion that the other treaty be set aside until next January or February so that we do one treaty a year.

We obviously now face the task of moving ahead on the Panama Canal

Treaty. I share his concern about many of the other problems which face the country. I think that is an important point to be made.

The Senator from Alabama, of course, has pointed out that he regards this issue as the most important which has come before this body in the 9 years in which he has been a Member of this body.

It would seem to me that reasonable men and women at some point ought to be able to work out some understanding on the time frame in which we consider this second treaty so that we can move ahead thoughtfully and carefully, and yet expeditiously, in order to handle that matter, and, therefore, enable ourselves to deal with some of these other pressing problems which face the country.

We have had 22 days of actual debate on this treaty since February 8, 36 days ago. Many of the arguments which have been brought forth in the course of debate apply not only to the treaty on which we have just voted and consented to by a vote of 68 to 32, but apply to both treaties as we consider the relationship. So much of the ground has been covered. We have gone over it. I do not know how much is to be gained by plowing it again and again and again.

There are issues remaining before us in the Panama Canal Treaty to which we obviously need to address ourselves and which, hopefully, we can do in the near future in such a way that we can reach a resolution of that matter and then be able to pass on to the other issues which are before the country.

I believe I share the inclination or the concern that I discern on the part of the Senator from Kansas that we reach time agreement with respect to the treaty which is now pending, which would enable us to dispose of it within a reasonable period of time, so that we are able to move on to the other issues which confront the country. The Senate has been involved in this issue for virtually all of the month of February, and most of the month of March. I am not criticizing that, because I share the view that this is an important issue. However, I do know that it was possible to reach an agreement between the proponents and opponents with respect to this treaty in terms of a time schedule for handling the matter and considering it, which worked well.

I have not heard of any Member who has expressed any sense of unfairness or any sense that there was a lack of sufficient time for proper consideration, or that proper respect was not accorded to the rights of Senators on both sides of this issue in the consideration of the treaty to which the Senate has just given its advice and consent by a vote of 68 to 32.

It seems to me we should be able to work out a comparable arrangement with respect to the Panama Canal Treaty which would enable us to move ahead, to handle it thoughtfully and yet expeditiously, and reach a judgment on that.

I think we clearly owe the country the responsibility to do that, to come to a judgment, not only because of the importance of this issue, but also so that the Senate might then be able to turn its attention to the other issues which face the Nation. We need to get on with this business and then on with the remainder of the business which is before us.

I would hope that very shortly we would be able to reach some understanding with respect to how we will proceed on the Panama Canal Treaty, which is now pending before us, which may be comparable to the understanding we reached with respect to this treaty, which enabled us to go ahead.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. SARBANES. I yield.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements limited therein to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR HART ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the prayer, Mr. HART be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR FILING REPORT ON S. 2481

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be authorized to have until midnight tonight to file a report on S. 2481, the Flexibility Parity Act of 1958, as well as the budget waiver resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding.

Mr. SARBANES. Mr. President, I yield the floor.

WHY WE MUST PASS THE GENOCIDE TREATY—WHAT HAPPENS WHEN WE SET ASIDE TREATIES

Mr. PROXMIRE. Mr. President, the Senator from Kansas has suggested that the second treaty be set aside until next year, until next January. While I have not made up my mind on the second treaty—I did not make up my mind on the first treaty until we knew exactly what we were voting on—I think it is possible to see what can happen when we set aside treaties if we look at the Genocide Treaty. That has been set aside for year after year. I think that can happen to the Panama Canal Treaty. I think some Senators would be happy if that did happen.

Mr. President, for years I have spoken before the Senate urging the ratification of the Genocide Convention. I continue to speak because I feel this matter is of more immediate concern now than ever before.

Every day that passes, the memory of World War II and the Nazi atrocities fades a little more. It becomes increasingly convenient to believe that genocide is a relic of the past, a sorry page in history best forgotten in today's civilized world. The fact is that genocide is going on in various parts of the world, as I have stated frequently.

I would like to believe this, but I fear it may be unrealistic. As long as the possibility remains that another act of genocide may be committed somewhere in the world, it should be our duty to take every measure possible to prevent its occurrence. The most effective means of minimizing the tragedies of war is to confront difficulties and hostilities before they escalate into massive bloodshed.

The same bold, direct approach must be taken in the prevention of genocide. The best approach would be our ratification of the Genocide Treaty. International moral disapproval of genocide in the form of a collective declaration can help isolate and discourage potential genocidal acts. Providing means for the punishment of individuals committing such abominable acts can help deter these acts. The Genocide Treaty would help accomplish both of these goals.

It should not be forgotten that the United States played an instrumental role in the drafting of the Genocide Treaty. For that, we should be commended. However, we have since failed to ratify this treaty. It is time to end this embarrassment.

THE NEW YORK CASE

Mr. PROXMIRE. Mr. President, I am delighted to see the distinguished junior Senator from New York presiding tonight. He is a Senator for whom I have the greatest esteem. He represents his State with great vigor and ability.

I call to his attention, as I call to the attention of all my colleagues, a remarkable speech which was given this morning by the junior Senator from Indiana (Mr. LUGAR).

Mr. LUGAR is a most valued Member of this body for many reasons. He is a brilliant man, he was a Rhodes scholar, and also an outstanding mayor of a great city, Indianapolis. He has hard practical experience as well as a fine mind. He has been a diligent member of our committee and one of the outstanding experts in the Senate on urban policy.

I would just like to call to the attention of the Senate once again what a Senator delivered this morning, a small part of Senator LUGAR's speech. He concluded as follows:

In my judgment, the current Four Year Budget Plan of New York City is unaccept-

able because it guarantees that New York City budgets will remain unbalanced indefinitely. Secretary Blumenthal's response predicated on retention of so much that remains unmentioned and untouched in New York City, is equally insupportable, and not a final solution. It is only another temporary fix. In the next 100 days, we have an opportunity to make progress in formulating urban policy. The purpose of this speech is to indicate that, absent many more favorable developments in which the federal government agrees to liberate New York from crippling guidelines, New York City prepares much more seriously to balance its budget, and the State of New York moves to guarantee the fiscal integrity of its major city, the reasons for taking no action in regard to loans and guarantees for New York City by June 30 clearly outweigh reasons which have been offered to support such federal action. At this juncture, the State of New York should be planning to take a much more comprehensive role in the post-June 30 period as should New York banks, pension funds, labor unions, and citizens at large assisted by a vigorous press that could help frame issues and focus decision making.

It will be no service to New York City or to any other city to paper over the cracks once again, and I invite other Senators to join me in pledging that we do not intend to do so.

This is a remarkable speech, because Senator LUGAR not only talks about New York City, but puts it in the perspective of an overall urban policy. He does it, I think, with a considerable amount of intelligence.

I might also mention that the senior Senator from New York—speaking, I believe, yesterday or the day before yesterday—spoke about guarantees and the history of guarantees and the record of guarantees right now, in talking about whether guarantees would be an appropriate device to assist New York City. Again, I think that was a most intelligent contribution to our debate and our understanding of the situation. I commend that speech to the attention of my colleagues.

THE TRUTH ABOUT TRUTH-IN-LENDING

Mr. PROXMIRE. Mr. President, back in 1968, the Senate passed the truth-in-lending bill. We had a hard struggle to get it passed. It took 7 long years in the Banking Committee to get it reported. Senator Paul Douglas fought year after year. He was defeated. After he was defeated, I sponsored the bill as did others. We were able to get it enacted.

It was criticized by business, especially by the banks, as being something that really would not do the job. I am happy to say that the American Banker, which is the publication of the American Bankers Association, has indicated how useful the truth-in-lending bill has been. They point out that the level of awareness in 1969, the year truth-in-lending was adopted, was 14.5 percent for close-end credit—that is, awareness of what the true annual rate was; 35.2 percent for retail revolving credit and 26.6 percent for bank cards. Here is what the truth-in-lending has done:

It has increased the level of awareness for consumer credit users to 54.6 percent. That is a tremendous increase in awareness. Almost four times as many people are now aware of what their true annual rate is. That is for closed-end credit cards. It has gone up even more, to 67.7 percent, for retail revolving credit and 71 percent for bank credit cards.

It is also pointed out that the minority groups, that have been particularly exploited because of the fact that they have paid exorbitant interest rates, have greatly increased their knowledge of interest rates because of truth-in-lending—

The survey also breaks out results according to three racial categories—caucasian (non-Hispanic), black (non-Hispanic), and a grouping of Hispanic, American Indian and Asian.

The Fed report notes that black users of closed-end credit have a lower level of awareness than the others but it has shown a fourfold increase, from 9.4 percent in 1969 to 38.6 percent in 1977.

(Mr. ZORINSKY assumed the chair.)

Mr. PROXMIRE. The editorial concludes that the—

Truth-in-Lending Act and Regulation Z have imposed a reporting and compliance burden on banks, some of it unnecessary and calling for correction. But the consumer awareness surveys do show they have gone far toward achieving a major aim—assuring that the ordinary borrower knows what he is paying for a loan.

Mr. President, I ask unanimous consent that the editorial from the American Banker be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the American Banker]

THE TRUTH ABOUT TRUTH-IN-LENDING

The average consumer, as bankers know, has become markedly more sophisticated about interest rates in recent years. When market rates rise above Regulation Q ceilings, he disintermediates, for example.

Interest costs are the other side of the coin. And some notion of how much more knowledgeable the retail borrower is about that comes from a consumer awareness survey conducted last summer by the Survey Research Center of the University of Michigan under the sponsorship of the three Federal bank regulatory agencies.

The results are summarized in the annual report to Congress on Truth-in-Lending by the Federal Reserve Board. The survey is the third it has sponsored on consumer awareness of credit costs.

"The 1969 and 1970 studies indicated that awareness of rates increased sharply in the first 15 months after Truth-in-Lending went into effect," the Fed report states, "but the 1977 study shows that there have been significant further increases in consumer awareness over the last eight years."

The survey breaks down the results among three types of credit. One is closed-end credit, the installment lending on automobiles, appliances and furniture, home improvements, and personal loans. The other two types—retail revolving credit and bank credit cards—are two forms of open-end credit.

"As of the summer of 1977," the Fed report says, "the proportion of consumer credit users who were aware of the annual percentage rates charged had reached 54.6 percent for closed-end credit, 64.7 percent for retail revolving credit, and 71.0 percent for bank credit cards."

Thus, more than half the consumer credit borrowers now are aware of the rate charged them. It was not so in 1969. The level of awareness in that year was 14.5 percent for closed-end credit, 35.2 percent for retail revolving credit, and 26.6 percent for bank cards.

But less than half the users of certain types of consumer credit still are not aware of their annual percentage rate. Only 37.8 percent of those financing used automobiles are, for example, though this is up from 7.2 percent in 1969.

For those using consumer credit for durable goods and recreation goods, the level of awareness last year was 44.7 percent. In 1969, it was 11.7 percent for a comparable category: appliances and furniture.

The survey shows a clear correlation between the levels of both education and income and the level of awareness of interest costs. As either of the first rises, so does awareness.

Thus, those with some high school or less last year had a 41.0 percent level of awareness of the rates they paid on closed-end credit, while those with some college or more had 64.8 percent. And those closed-end credit borrowers with less than $7,500 income had a 32.8 percent level, while those with $17,500 or more had 64.1 percent.

But age patterns were irregular. Again using the results for closed-end credit, those under 35 years had a 55.3 percent level of awareness, from 35 to 49 years 58.2 percent, and 50 years or more 49.1 percent.

Those 50 or over had the lowest awareness in the case of the two kinds of open-end credit also, perhaps because their income tends to be higher and they thus can afford to be less concerned with credit costs, though the Fed expresses no such conclusion.

The survey also breaks out results according to three racial categories—caucasian (non-Hispanic), black (non-Hispanic), and a grouping of Hispanic, American Indian and Asian.

The Fed report notes that black users of closed-end credit have a lower level of awareness than the others but it has shown a fourfold increase, from 9.4 percent in 1969 to 38.6 percent in 1977.

"Most of this increase in awareness has occurred since 1970," the Fed says, "in contrast to the other racial groups, which showed about two-thirds of their increase in awareness during the first 15 months after Truth in Lending went into effect."

The Truth-in-Lending Act and Regulation Z have imposed a reporting and compliance burden on banks, some of it unnecessary and calling for correction. But the consumer awareness surveys do show they have gone far towards achieving a major aim—assuring that the ordinary borrower knows what he is paying for a loan.

Mr. PROXMIRE. Mr. President, I yield the floor.

THE NEW YORK CASE

Mr. MOYNIHAN. Mr. President, I rise to speak briefly to the matter which the distinguished Senator from Wisconsin, the chairman of the Committee on Banking, Housing, and Urban Affairs, brought up just previously, the address of our colleague (Mr. LUGAR). I say, at the risk of immodesty, that I shall have printed in the RECORD an address I gave on Wednesday night to the Citizens Union in New York, in which I spoke to this question of what the Congress is going to do.

Mr. PROXMIRE. If the Senator will yield for just a moment on this, I might point out to the Senator from New York that the Senator from Indiana referred at some length to the excellent speech given by the Senator from New York

(Mr. MOYNIHAN) and indicated that it was a most useful contribution.

Mr. MOYNIHAN. That is very generous of the Senator from Wisconsin, to say that. It was trying, for the concerned citizens in New York, to put into some perspective our own situation. I said that there are now a very limited number of days before a complex legislative program had to be enacted in Congress if the city of New York is not to go bankrupt; that hearings had scarcely been held and legislation had, in fact, not been agreed to and introduced; and that no one should suppose that we are not in a situation of very considerable uncertainty, which verges on peril; and that this was not likely to change as the spring went forward.

I made a very general observation, which I might take the liberty at this moment to repeat in the presence of the Senator from Wisconsin. That is to say that it has been the curious experience of government and politics in the State of New York to have devised most of the present modes of government, of the American national Government and, in particular, the enormous redistributional quality of American national Government, and yet, somehow, not to have participated in any of the rewards, or insufficiently associated itself with the procedures that have brought the rewards of redistribution.

The last Member of the U.S. Senate from New York who was a committee chairman was Senator Wagner himself, who helped enact the legislation of the New Deal. Since that time, we have played a very small role in national politics. The consequences are to be seen in an extraordinary imbalance between what the State of New York pays in Federal taxes and what it receives in Federal outlays.

A year ago, when I began looking at the Federal outlay account series for New York, the curious fact was that we did not seem to be that much out of balance, only to find that we were being credited with receiving half the interest on the public debt and 40 percent of the foreign aid payments of the United States. I know it seems somewhat distant to many people, but "foreign" comes as something of a surprise.

I addressed this matter to the President in the first instance, then to the Chairman of the Council of Economic Advisers and the Secretary of the Treasury. The national accounts have now been changed in this regard and the figures for the fiscal year 1977 have just come forward. They really are devastating.

The State of New York pays in taxes proportionally half again as much as it receives in outlays, in proportion respectively. If the State of New York had received as much in Federal outlays as the State of California, we would have had $13 billion more last year; $13 billion would pay off every penny of debt of the city of New York in just the 8 weeks.

This imbalance is so built into the nature of Federal expenditure that I do not know how we are going to overcome it. But I do think I know this, which is that if American liberalism abandons New York for fear of being associated with the circumstances in which we now find ourselves, American liberalism will change, because the great fountainheads of progressive ideas in this country have been two. They have been the State of Wisconsin and the State of New York; and if the Senator from Wisconsin will permit me to suggest that, New York has been perhaps the more influential.

If our liberalism should in the end prove our undoing, if our own commitment to redistribution and progressive standards should be turned against us, and when the time comes that we need help from others none is forthcoming, then we shall have been taught a lesson that neither we nor many other constituencies in this country will forget. It will be a lesson of a narrowness which cannot redound to the large advantage or political help of American society. I hope we are not going to do this.

I spoke in New York out of concern that with so many persons required to cooperate, and so many details yet to be agreed to, we may in the end inadvertently, but nonetheless irretrievably, fail to do what it seems to me is so clearly in the national interest that we do do, and which my party and my President are so firmly committed to doing.

Mr. President, I ask unanimous consent that my address at the annual Distinguished Service Awards Dinner be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

Samuel H. Beer has observed that "a people needs frequently to be put in mind of what makes them a public."

Surely this is appropriate to a distinguished service award dinner of the Citizens Union. You were founded in 1897, the same year the modern city of New York was formed. The signatories of your famous "Declaration of Independence" included the most illustrious financiers, attorneys and businessmen of that age—J. P. Morgan, Elihu Root, Jacob H. Schiff. For American business this was a great age of confidence and in nothing was it more confident than the efficacy of rational organizing principles applied to the business of government.

Thus the "public regarding" citizenry of New York, to use that useful term of Edward C. Banfield and James Q. Wilson, was organized and commenced a not always cordial, but essentially creative competition with the great masses of the city which had organized themselves in political parties and in trade unions. (It is useful, I believe, in thinking about our present situation, to remember that there were three organizing constituencies at the turn of the century. We remember the period as one in which the "Goo Goo's" as they used to say fought Tammany. But in organizing the masses, if you will, Tammany had to compete with the trade unions, and if no one else noticed this, Tammany did.)

One thinks of this as a creative tension if only because in the process New York City emerged as the greatest metropolis of the modern age. I never tire of citing the French historian Fernand Braudel who when trying to describe the position of Venice in the 15th and 16th centuries wrote "Venice dominated the 'Interior Sea' as New York dominates the Western world today." I might note that he wrote that just a short while ago, for New York has continued in the role which it created for itself at the beginning of this century.

There is still a good deal of writing to be done about this experience. It was only, I dare to think, fifteen years ago when Nathan Glazer and I published Beyond the Melting Pot that the ethnic basis of so much of the organizational life of the City began to be explored. Perhaps I should say, began to be written about in polite circles. Even so, it seems clear that out of the tensions and conflicts of the time there occurred a considerable enhancement of what Leonard Cottrell has called "the level of community competence."

The Citizens Union played a remarkable role in this, and in this enterprise none was more remarkable than the very special role of George Hallet, who was for four decades your executive secretary. I first met him just a quarter century ago, in the first city-wide campaign in which I was involved, that of Mayor Robert F. Wagner. I cannot imagine a young person entering the political world who would not have been impressed to encounter there a man of such quiet authority and unshakeable attachment to clearly defined principles. I cannot say that I adopted his principles, for he was and is a Quaker, which I was not and am not. We have a very different understanding of the nature of sin and the tendency of man to transgression.

At this time Dwight McDonald described Hallet as "a man with an unbridled appetite for good government." It was an enthusiasm many of us shared. The reform movement was just then beginning in the Democratic Party. I certainly counted myself one of those, and soon was an election district captain in the Samuel J. Tilden Club of Manhattan's First Assembly District middle.

I did not then know of Roscoe Conkling's observation that when Dr. Johnson said that patriotism was the last refuge of a scoundrel he underestimated the potential of reform.

But even then it was possible to sense that the day would come when, by a not very complex mutation, "an unbridled appetite for good government" would become an unbridled appetite for government itself.

I believe one can be specific about this. The process began when a sufficient number of "public regarding" persons began to make their way into public administration and into electoral politics that it become possible and almost necessary—for not to do so would be to cast doubt on one's own caste—for the elites of the City to support a great expansion of government activity. Not only to support, but to finance. It is surely elemental that the first fact of New York City's trouble is that it had the curious fortune to be governed by persons to whom the successors of Morgan and Schiff would lend $14 billion. All over America there are cities which would happily have borrowed as much and more if anyone would have lent it to them, but of course no one would.

The great failure of perception—and there was a failure—lay in not recognizing the restraints which traditional government placed on government activity. The stereotype was, of course, that of the Board of Alderman as forty thieves distributing patronage with wild abandon and total disregard for the public interest. Reality was, or so I believe, rather the opposite.

(Anyone for example who has ever been involved in distributing patronage appointments know it to be a painfully slow and parsimonious procedure. As a procedural matter it is simply much easier to hire ten thousand civil servants than to pick ten commissioners.)

This change came suddenly, with the equally sudden triumph of elite government. In 1966 per capita expenditures on state and local government as a percentage of per capita income was only 4.8 percent higher in New York than in the nation. By 1976 it

was 34 percent higher, a difference we can simply no longer afford.

But there was another, and more profound failure of perception that has to be associated with the forces of progressive government here in New York. It is very simply this. New York, first of all, was immensely successful in creating new modes of governance, modes which made bigger government both possible and desirable. Then we proceeded to colonize these ideas at the federal level, and thus to transform national government as well as our own. This was a curiously combined effort of all our original three groups, if one thinks of Franklin D. Roosevelt and Alfred E. Smith, the sacred and profane traditions in politics, and of the trade unions which were given their national standing through the efforts of Robert F. Wagner.

This not only transformed the national government, it equally transformed the political economy of New York.

New York did not notice this. Largely as a result of our own success, we continued to be preoccupied with the operation of our own state and local governments. More and more we rid ourselves of the politics of naked economic aggression and acquisitiveness. But we did not notice that those politics took hold with a vengeance in Washington.

Let me give you an example. The President is just now going to great efforts to win the final votes needed for approval of the Panama Canal Treaties. He has every reason to do this. They are good treaties and it is unthinkable that they not be ratified. Thinking just that, and thinking of the progressive New York tradition in foreign policy, and as the only former Ambassador now serving in the Senate, I announced my support for the treaties on August 12. I believe I was the first Senator to do so. But I do wish I could be sure the President will value that first vote as much as he seems to value the potential 67th. If Presidents don't start doing this, we may have to stop being first.

Because we must break out of our incredible and now destructive ignorance of what goes on in Washington and what it means to us. Consider our role in Congress. In the eight decades since the founding of Citizens Union, no New Yorker has served as either Majority or Minority Leader in the Senate. In this period, only one New Yorker, briefly, served as a Minority Leader in the House. The last Senate committee chairman we had was Robert F. Wagner. We have two committee chairmen in the House, and none other in prospect for a decade.

I, for example, serve on the Finance Committee, perhaps the most important committee of the Congress. We control rather more than $500 billion in federal funds each year. I am the first New Yorker to serve on the Committee in fifty years. I am the first New York Democrat in a century. My predecessor, Frances Kernan, is the man who nominated Samuel J. Tilden for the Presidency.

The fact is that service in Congress has not been held in much esteem in New York public life. It is most often a way to higher office within our state, but rarely an end in itself.

Characteristically, Citizens Union provides the most meticulous evaluations of candidates for state and local office, but none for candidates for the House or Senate.

The result is that we have not held our own in Washington, have been drained of resources by Washington, and are now utterly dependent on Washington.

I don't know if even now we realize this. When I went to the Senate fourteen months ago I began studying the Federal Outlays series. I could not understand how, if the Federal government was expending as much money in New York as it claimed, our economy could be so deflated. I found that in fact the Federal government was overstating its annual expenditures by some $14 billion. (We were being credited, inter alia, with half the interest on the public debt.)

It took most of a year to persuade the President and the Secretary of Treasury and the Chairman of the Council of Economic Advisors that this was so, but in the end they concurred with good grace, and in good time.

The data for fiscal year 1977 have just become available and now show a startlingly different story. As percentages of national totals, New York pays half again as much in taxes as it receives in outlays. The contrast with other states is striking. Last year federal outlays in California were $47.1 billion. In New York, $33.9 billion. The difference, $13.2 billion, would pay off the entire debt of the city of New York in thirteen months. It is I fear a measure of our collective incompetence that we have allowed this vast disparity of treatment to come about.

It verges on the criminal, for now we are forced to beg. I am in a black mood about our prospects in Washington. There are sixty-seven legislative working days between now and July one by which time a complex legislative program must be enacted if the City is to avoid bankruptcy.

Because of a lack of the requisite agreement among the state, municipal, and federal governments, none of that legislation has even been introduced!

I have spoken with the principal actors on the Senate side. They are adamant that New York City not receive long-term bond guarantees which even the Secretary of the Treasury agrees we must have. (Within the Administration, Vice President Mondale had to struggle to win approval in principle for even a fifteen-year guarantee.)

We have deluded ourselves that our opponents are somehow conservatives. Nothing of the kind. Senator Proxmire has a seventy percent rating with the Americans for Democratic Action, the same as I. Senator Brooke has an eighty percent rating. (The Conservative Union gives us seventeen percent, nine percent, and eight percent respectively.) But liberalism has become fearful of New York, and some liberals are apparently quite prepared to see us disgraced and even destroyed rather than become associated with us.

I have said before, and I say now that American liberalism will not survive such an event.

But for the moment there is one task: to break out of the autotherapeutic trance in which we have been living.

There is no national urban crisis. There is only a crisis of New York City.

There is no constituency of conscience in the nation that will help us; there is only a congerie of interests which either we will succeed in manipulating or will fail in manipulating. On that success or failure rests the fate of the urban culture of New York which the Citizens Union did so much to establish.

Mr. PROXMIRE. Will the Senator yield?

Mr. MOYNIHAN. With great pleasure.

Mr. PROXMIRE. The Senator from Wisconsin wishes to congratulate my great friend from New York that New York is extraordinarily well represented. They have on the Republican side as shrewd, as intelligent, as brilliant, as energetic a Senator as I have ever seen in the Senate in all my years. The senior Senator from New York is one of the ranking Members of the Senate and he has very considerable influence.

As far as the junior Senator from New York is concerned, he is much too modest. I do not know if he has had a chance to see the recent U.S. News & World Report issue list of prominent, powerful persons. They circulated a list asking various Members of the Congress and others to vote on who they would consider the outstanding people and most powerful in our Nation—not just in our Government but in our Nation. As a result, I can state that two of the Senators were on that list. Senator LONG was not on it, the chairman of the Finance Committee. I do not know of other Senate committee chairmen. Senator ROBERT BYRD was on it, the majority leader, of course, as you might understand; and also on it was Senator MOYNIHAN; and I think he should have been on it.

He has true ability and in this body, I think you do not have to be here very long to recognize that that is the kind of ability, imagination, initiative, even aggressiveness that really makes the difference, whether or not a person is chairman of a Senate committee. It may be helpful or not. But when a Senator has the kind of quality that Senator MOYNIHAN has, it makes a difference.

New York is well represented. Furthermore, if I look at the statistics the Senator has given us, I think you will recognize that the reason New York pays so much in taxes and receives so much less back is because it is the corporate headquarters of this country. In case after case after case, huge corporations have their headquarters in New York. Their employees, their plants, where they use the services are located all over the country in various areas.

I think if you take that into account, plus the fact that California, of course, does have enormous defense contracts, that is why they receive that part of the Federal dollar, in that sense, but if you will look also at the discretionary legislation we have passed, it favors New York. In community development legislation and other legislation, we have done our best in our committee to give consideration to the northeast cities, particularly New York. The Senator will see there has been no bias against his State. And, of course, the Senator himself, in the short time he has been here, has done notably on the Finance Committee in providing an opportunity for New York to get its fair share.

I wish I had more of a chance tonight to debate this, but I think as the days go on I will try to put in the RECORD how well New York does participate in getting its fair share of the Federal dollar.

The Senator from New York is making a good case, as strong a case as could be made, but I think when all the facts are known, it is clear that New York is hardly forgotten. New York does very well.

Mr. MOYNIHAN. Well, I thank the Senator and the chairman for his very generous words. I must find a copy of the U.S. News & World Report list. If Senator LONG is not therein listed as an important American, there are lots of things Americans need to know about the way their Government operates, and I would certainly want to be one of

those helping to put them right. I would welcome the opportunity to join in that effort with the distinguished and truly committed chairman of the Banking, Housing, and Urban Affairs Committee.

May I say, I will put in the RECORD—I will not ask that the Senator take my word—evidence that the so-called "headquarters effect" in the collection of taxes could at most account for a very small bit of the discrepancy. We have controls for that in various exercises and it just does not loom that large. There is no question that if you fight three specific wars in one generation you are going to buy, as military expenditures in that one direction as against another, and that is not as per se a political matter, but the fact remains that New York is singular in the degree to which it provides more resources to the Federal Government than the Federal Government provides back.

And the ones we do get back are singularly free of economic infrastructure. We tend to get food stamps and noncumulative, nonapplicable kinds of resources. The balance is wrong. It is there to be seen. We are the only State in the Nation whose employment has not returned to the levels of 1969. The State of New York has lost 700,000 jobs in 8 years. I believe there are 23 States in the Union that do not have a total work force of 700,000 jobs.

Mr. PROXMIRE. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. PROXMIRE. There are four or five cities, some of the biggest cities, which have lost more than New York. Detroit has lost more, Baltimore has lost more, Philadelphia has lost more. The economic analysts find that New York is very likely to do better over the next few years, and Mr. Benstock was one of the few people who foresaw the difficulties that New York would run into in the early 1970's. He was a strong advocate of the view that New York is not in any deteriorating condition. It is likely to have great strength. It has most of the outstanding law firms, it has three-quarters of the big 8 accounting firms, it has great advantage in banking. Six of the 10 biggest banks in the country are located in New York. It is a rich city with colossal resources.

It is subject to being able to meet its problems. New York, I am not saying, should not have assistance on a temporary basis, but I am saying there is a strong case that New York can do a whale of a lot better than has been indicated so far.

Mr. MOYNIHAN. I was only trying to interrupt the Senator to say that among the list of resources of the city of New York, one which surely ranks high on that list is the fact that it has a friend and a constructive critic in the chairman of the Senate Committee on Banking, Housing, and Urban Affairs. I do not question your observation about Mr. Benstock. He began expressing his concerns about the city of New York early in the 1970s. I was then Assistant Secretary of Labor under President Kennedy and whenever I made a speech in New York and Mr. Benstock, who worked in the Regional Bureau of Labor Statistics, would provide me with data, and even then he was very clearly anticipating our present troubles.

I do question the relative loss of jobs. I do not think that we need continue this exchange this evening, but I would hope there might be an opportunity as the weeks go by for us to do so, and I would like to state that I know that one thing that commands the attention and regard of the chairman of the Committee on Banking, Housing, and Urban Affairs is facts, and I mean facts and data that in the end are going to be compelling, persuasive or otherwise. I shall do my best to introduce as many as I can; and where the facts fail I shall plead patriotism, compassion, or call upon whatever other resources of concern might elicit a favorable response from my good friend the distinguished chairman.

I thank the Chair.

QUORUM CALL

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF THE PANAMA CANAL TREATY TOMORROW

Mr. SARBANES. Mr. President, I ask unanimous consent that upon the conclusion of remarks by Senator HART, as in legislative session, on tomorrow the Senate resume consideration of the pending treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR ENERGY AND NATURAL RESOURCES COMMITTEE TO MEET ON MONDAY, MARCH 20

Mr. SARBANES. Mr. President, I ask unanimous consent that the energy and Natural Resources Committee be authorized to meet—beginning at 2 p.m. during the session of the Senate on Monday, March 20, to hold hearings to consider executive nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 6782

Mr. SARBANES. Mr. President, I ask unanimous consent that when the Senate proceeds to H.R. 6782, the emergency agriculture bill, there be 6 hours of debate on the bill, equally divided between the Senator from Georgia (Mr. TALMADGE) and the Senator from Kansas (Mr. DOLE), with the time for debate on all amendments, motions, appeals, and points of order, submitted to come out of the 6 hours, that at the conclusion of the 6 hours there be a vote in relation thereto, that immediately the Senate proceed to S. 2481 under the same conditions, and that these agreements be in the usual form.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, this request was cleared on our side. I would only ask for clarification that we proceed under this formula to the second bill without any intervening point of order, motion or appeal.

Mr. SARBANES. Mr. President, I include that in the unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ADOPTED BY THE SOUTH CAROLINA GENERAL ASSEMBLY

Mr. THURMOND. Mr. President, on March 6, 1978, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States to express the opposition of the South Carolina General Assembly to the proposed fuel economy standards for 1980–81 light trucks, vans, and utility vehicles.

On behalf of the junior Senator from South Carolina (Mr. HOLLINGS) and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

Expressing the opposition of the South Carolina General Assembly to the proposed fuel economy standards for 1980–81 light trucks, vans and utility vehicles

Whereas, the National Highway Traffic Safety Association (N.H.T.S.A.) has proposed fuel economy standards for model year 1980–81 light trucks below eight thousand five hundred pounds (Gross Vehicle Weight Rating); and

Whereas, testimony given at public hearings on these proposed standards indicates that the standards are not now technologically feasible or economically practical; and

Whereas, manufacturers forecast and the United States Department of Transportation acknowledges the possibility that the proposed standards may result in vehicles having: (a) less utility; (b) lower performance; (c) higher purchase costs; and (d) restricted availability of some vehicles; and

Whereas, the South Carolina State, County and Municipal governing bodies, along with commercial users such as farmers, the construction industry, and many other businesses requiring light duty delivery trucks would be adversely affected if these fuel economy standards were adopted; and

Whereas, these proposed standards will apply to all light duty vehicles including public utility trucks, rescue vehicles, delivery vans, many types of farm vehicles, pickup trucks, four-wheel drive vehicles, and most types of vans, and could have a resulting impact on large segments of the population; and

Whereas, these proposed standards could work a hardship on the consuming public as well as have a serious economic impact on the State's economy, including the possibility of an increase in the rate of unemployment. Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the South Carolina General Assembly hereby goes on record opposing the N.H.T.S.A.'s proposed fuel economy standards for model years 1980–81 for light trucks, vans and utility vehicles.

Be it further resolved that a copy of this resolution be forwarded to The Honorable Brock Adams, Secretary, United States Department of Transportation, and to each member of the South Carolina Congressional Delegation.

PUBLIC PARTICIPATION IN FEDERAL AGENCY PROCEEDINGS ACT

Mr. THURMOND. Mr. President, on March 7, 1978, I noticed comments printed in the CONGRESSIONAL RECORD which were introduced by my good friend and distinguished colleague, the senior Senator from Massachusetts, relative to S. 270, the Public Participation in Federal Agency Proceedings Act. I would like to add some further comments in order to balance the record.

First, S. 270 was indeed reported out by the Subcommittee on Administrative Practice and Procedure of the Senate Judiciary Committee, of which I am a member. However, on August 4, 1977, a vote to report by the full committee was taken, with the result that the measure was defeated.

Second, by way of legislative history, S. 270 represents an expanded version of a provision in the Magnuson-Moss warranty—Federal Trade Commission Improvement Act (Public Law 93–637, January 4, 1975), the administration of which the subcommittee found to be fraught with abuse. Specifically, it developed in hearings that the Federal Trade Commission was not complying with clear statutory requirements, and that the Federal Trade Commission was not adhering to its own published procedures for processing applications for grants under the act. Also, the act failed to guard against Federal Trade Commission staff excesses such as writing prepared statements for delivery by ostensible "public" witnesses.

Finally, I want to make it clear that I and other subcommittee and committee members who voted against S. 270 are not opposed to the central concept of consumer protection. All Americans are consumers, and consumer legislation to meet our needs is highly desirable. But such legislation should be well-drafted and thoroughly considered, and not of doubtful substance. As Senators, we ought to meet this challenge. Accordingly, Congress should establish a comprehensive and flexible framework that will assure vigorous and independent representation of the public interest and avoid potential abuses.

GOVERNORS' CONFERENCE POSITION STATEMENT ON NUCLEAR POWER

Mr. THURMOND. Mr. President, recently, I received correspondence from Gov. James Edwards of my State concerning a meeting that he and 47 of this country's other Governors had with the President on the energy problem. During their stay in Washington, a number of the Governors met together to formulate a position paper on a positive nuclear power program. Because of the timely and well thought-out nature of their position statement, I would like to share it with my colleagues, and ask unanimous consent that the letter from Governor Edwards and the position of the nuclear roundtable be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 8, 1978.

DEAR SENATOR THURMOND: Recently forty-eight of the Nation's Governors met with the President and shared with him their thoughts, concerns, and recommendations for dealing with the energy dilemma.

The unanimous feeling of the Governors was typified by the expression that production of energy from all sources was as necessary and vital as conservation. To focus narrowly on one energy option to the exclusion of others would only invite national economic instability and loss of job opportunities for our workers.

It was a great honor to work with some sixteen other Governors in exploring the realm of nuclear power as a vital element in continued energy production. Many Governors were eager to learn, discuss, and support the continued development of a positive Nuclear Power Program.

For your information and use, I have enclosed a copy of the Governors' position statement which we presented to the President.

Nuclear power is one option; and in order to meet the energy demands of tomorrow, we must exercise and develop all our options to the fullest.

With warmest personal regards,

JAMES B. EDWARDS.

NUCLEAR ROUNDTABLE

STATEMENT BY THE GOVERNORS

The Governors recognize that there is a direct correlation between energy and jobs. Without adequate energy there can be no industrial expansion, no new jobs, and modern agriculture. Without energy our economy will falter.

Under the Administration's projection of a 2 percent annual national growth rate, 130,000 megawatts from light water reactor plants will be needed by 1985.

If the Administration is to reach even this modest projection of energy facilities needed (the current growth rate is in excess of 4 percent), a firmer commitment to nuclear energy must be articulated by the President.

Until the solution to the waste management problem is clearly articulated and a positive commitment made, this country will not build enough nuclear reactors to produce the energy needed by 1985, (130,000 megawatts). Unless there is immediate action, by the year 2000 the situation will grow even worse.

Therefore, we need a more positive commitment to nuclear energy by the Administration and a demonstrated solution to the waste management problem.

Under present regulatory processes the lead time for building nuclear plants now approaches 12 to 14 years. The current proposed legislation does not materially reduce the 12 to 14 year time frame. The enactment of a "statute of limitations" provision to prevent administrative and legal intervenor activity that is repetitious and endless is essential.

It was the overwhelming opinion of the Governors present that there needs to be a clear cut decision by the Federal Government on the waste management problem before the public can be convinced that a nuclear energy option is a viable production alternative.

Without reprocessing, there is a real question whether there will be enough domestic nuclear fuel to fullfill the needs of the current planned nuclear facilities after the year 2000. This determination must be made at the Presidential level by the end of the current year. In this regard, the National Uranium Resources Evaluation Program should be accelerated. The Nation cannot wait until 1983.

The clear cut consensus of the Governors is that the nuclear energy program should be continued, and if the Administration's modest projections of electrical demand are to be met, we need a definite timetable and policy adopted at the Presidential level to produce answers on the reprocessing and breeder technology issues. The President must take the lead and rally public support.

The Governors understand that the President's policy on reprocessing and the use of breeder technology is based on foreign policy concerns and the potential for further proliferation of nuclear materials. However, many Governors feel that such a viewpoint will seriously damage our world position economically and endanger our national security.

We also feel that the options or alternatives to conventional reprocessing and use of breeder technology have not been clearly stated. In order that the American people can plan realistically, we request that definite decisions be made and timetables for those decisions be provided by the Administration. Prolonged delay of clearly defined timetables and commitments are unacceptable and unresponsive to our energy needs.

If the decision not to reprocess continues, then a plan of action must be set forth immediately outlining the number of plants which can be operated with existing domestic uranium supplies that can be economically recovered. Otherwise, the projected needs for imported nuclear fuel and the alternative options for dealing with the spent fuel are needed to fill the resulting void.

The majority of the Governors feel that the reprocessing and breeder technology decisions of the Administration must be reconsidered. Other Governors want to consider additional facts on the subject before deciding their position.

All agree, that nuclear energy must play a large part in production of electricity and the present Administration policy is inadequate to bring this about.

ATTENDANCE

Governor George Ariyoshi—Hawaii.
Governor Richard A. Snelling—Vermont.
Governor James B. Longley—Maine.
Governor Michael S. Dukakis—Massachusetts.
Governor Ricardo J. Bordallo—Guam.
Governor John V. Evans—Idaho.
Governor Dixy Lee Ray—Washington.
Governor Robert D. Ray—Iowa.
Governor Meldrim Thomson, Jr.—New Hampshire.
Governor Joseph Garrahy—Rhode Island.
Governor James B. Edwards—South Carolina.

FEDERAL REPRESENTATIVES

John M. Deutch—DOE.
Francis Allhoff—DOE.
Joe Hendrie—NRC.
Gus Speth—CEQ.
Charlie Warren—CEQ.
John Ahearne.
Jim McKenzie.
Robert Thorne—DOE.
Dale Myers—DOE.
Ralph Williamson—DOE.

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 11:21 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1671. An act to designate the Absaroka-Beartooth Wilderness, Custer, and Gallatin National Forests, in the State of Montana.

H.R. 1432. An act for the relief of Mrs. Desolina Sciulli.

H.R. 1939. An act for the relief of Meda Abilay Florin.

H.R. 2761. An act for the relief of Su-Hwan Choe.

H.R. 3081. An act for the relief of Mrs. Chong Sun Yi Rauch.

H.R. 4401. An act for the relief of Kwi Sok Buckingham (nee Kim).

H.R. 6975. An act to amend title 5, United States Code, to provide the hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule.

H.J. Res. 715. A joint resolution proclaiming May 5, 1978, "Sun Day".

The enrolled bills, with the exception of H.R. 1939, were subsequently signed by the President pro tempore. The enrolled bill, H.R. 1939, was subsequently signed by the Acting President pro tempore (Mr. ROBERT C. BYRD).

ENROLLED BILL PRESENTED

The Secretary of the Senate announced that on today, March 16, 1978, he presented to the President of the United States the following bill:

S. 1671. An act to designate the Absaroka-Beartooth Wilderness, Custer, and Gallatin National Forests, in the State of Montana.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NELSON, from the Select Committee on Small Business:

A special report on the Select Committee on Small Business entitled "Federal Reclamation Policy" (Rept. No. 95–702).

● Mr. NELSON. Mr. President, I am submitting today a report of the Senate Committee on Small Business entitled "Will the Family Farm Survive in America: Federal Reclamation Policy." The report was approved by a vote of 5 to 1. The report represents a year and a half of research following 4 days of hearings on the subject, held both here and in Fresno, Calif. I believe that it is particularly timely to submit the report now, as the Senate Energy and Natural Resources Committee prepares for hearings on legislation. Those hearings, which will cover, among others, a bill introduced by Senators HASKELL, ABOUREZK, and myself, are scheduled for hearings April 12. I ask that the report be printed.●

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

H.R. 9169. A bill to amend title XI of the Merchant Marine Act, 1936, to permit the guarantee of obligations for financing fishing vessels in an amount not exceeding 87½ per centum of the actual or depreciated actual cost of each vessel (Rept. No. 95–703).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

P. R. Smith, of Georgia, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The nomination from the Committee on Agriculture, Nutrition, and Forestry was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. YOUNG:

S. 2752. A bill to authorize the Secretary of Agriculture to carry out a special export subsidy program for wheat, wheat flour, feed grains, and rice similar to the program that was in effect for such commodities during the calendar year 1971; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HASKELL:

S. 2753. A bill to extend for 4 years the exclusion from gross income of amounts which represent a discharge of indebtedness under certain student loan programs; to the Committee on Finance.

By Mr. ANDERSON (for himself and Mrs. HUMPHREY):

S. 2754. A bill to amend title 23 of the United States Code to clarify policies relating to the accommodation of utilities on Federal-aid highway rights-of-way; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. NELSON, Mr. JAVITS, Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. CRANSTON, Mr. HATHAWAY, Mr. EAGLETON, and Mr. RIEGLE):

S. 2755. A bill to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Human Resources.

By Mr. RIEGLE:

S. 2756. A bill entitled the "Anti-Blackout Act of 1978"; to the Committee on Commerce, Science, and Transportation.

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. ABOUREZK, Mr. BROOKE, Mr. PACKWOOD, Mr. RIEGLE, and Mr. STEVENS):

S. 2757. A bill to establish a national policy concerning agricultural land; to establish an Agricultural Land Review Commission; to establish a demonstration program for protecting agricultural land from being used for nonagricultural purposes; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CLARK:

S. 2758. A bill to amend the Commodity Exchange Act to prevent conflicts of interest and the appearance of conflicts of interest by former Commissioners and specified employees of the Commodity Futures Trading Commission; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. RIEGLE, Mr. HAYAKAWA, Mr. RANDOLPH, Mr. PELL, Mr. KENNEDY, Mr. STAFFORD, Mr. ANDERSON, Mr. BAYH, Mr. ABOUREZK, and Mr. LEAHY):

S. 2759. A bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist the victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. YOUNG:

S. 2752. A bill to authorize the Secretary of Agriculture to carry out a special export subsidy program for wheat, wheat flour, feed grains, and rice similar to the program that was in effect for such commodities during the calendar year 1971; to the Committee on Agriculture, Nutrition, and Forestry.

SPECIAL EXPORT SUBSIDY PROGRAM

● Mr. YOUNG. Mr. President, I am introducing a bill which would authorize and direct the Secretary of Agriculture to provide export subsidies for wheat, wheat flour, feed grains, and rice when necessary to meet foreign competition based on variable export prices established by other exporting countries.

For the past 2 years or more, the Canadian Government, which sets Canadian prices for export grain, has been reducing their prices below our export prices established in the free marketplace. As a result, they have been successful in underbidding us and thus able to export their wheat while our exports are very limited. This same thing is true of other exporting nations such as Argentina and Australia.

The United States finds itself in the situation now where these three exporting countries have sold or committed practically all of their exportable wheat, while we have huge surpluses still on hand. Our exports are increasing now since we have the only residual surpluses available. This places the United States in the position of being a residual supplier.

If the Secretary of Agriculture only used export subsidies sparingly and when needed to meet the price cutting of other exporting nations, it would bring about a situation where the other exporting nations would be more willing to cooperate in establishing a more uniform world price.

Another international wheat agreement, in my opinion, would not be effective as long as we have no means of meeting arbitrary prices established by other exporting nations.

Mr. President, it is not my intention to make it a general practice of subsidizing exports. It is my strong belief, however, that if the Secretary of Agriculture used this as leverage in securing the cooperation of other exporting countries, we would not have the cut-rate price of export wheat that we have now.●

By Mr. HASKELL:

S. 2753. A bill to extend for 4 years the exclusion from gross income of amounts which represent a discharge of indebtedness under certain student loan programs; to the Committee on Finance.

● Mr. HASKELL. Mr. President, I introduce today legislation to extend the special exclusion from income for Federal tax purposes for certain cancellations of educational loans. The Tax Reform Act of 1976 reversed IRS Revenue Ruling 73–256 which took the position that if a student loan obligation is forgiven, because the recipient renders service in certain professions and certain areas of the country, for example, as a nurse in a rural community, the forgiven portion of the loan constitutes taxable income. The Tax Reform Act declared a moratorium on the taxation of such loan cancellations through calendar year 1978. My bill would extend that moratorium for an additional 4 years, through January 1, 1983.

Section 117(a) of the Internal Revenue Code provides that subject to certain limitations, amounts received as scholarships and fellowships are not to be included in an individual's gross income for purposes of Federal taxation. Section 1.117–4(c) of the Treasury regulations provides that amounts paid to an individual to enable him to pursue studies or research are not considered as scholarships or fellowships if the studies or research are primarily for the benefit of the grantor. It would appear that the intent of the regulations is to distinguish between the ordinary understanding of a scholarship, which is that of a disinterested educational grant, and a scholarship that exacts a substantial quid pro quo from the recipients. Where a substantial quid pro quo is exacted, the payment of educational expenses may be analogous to wages paid for work performed. Therefore, it may be reasonable in such cases to require that payments be included in the recipient's taxable income.

However, it is difficult to see how the work performed under Federal and State programs to encourage trained medical or teaching personnel to locate in areas where their skills are in short supply can be said to serve primarily the narrow interest of the grantor. When, for example, a State government forgives a loan, because the recipient agrees to work for 3 years as a doctor in a physician-short area, a general social purpose rather than a narrow interest is clearly served.

The result of the Internal Revenue Service's interpretation in this matter really runs contra to clearly defined Government policy. On the one hand, the U.S. Government may make a grant to a student, requiring nothing of him in return, and the grant may be totally excluded from gross income as a scholarship under section 117. But, if a governmental entity attempts to secure some socially beneficial service in exchange for funds expended, and the loan is converted to a grant where the recipient engages in the generally desirable activity, the grant is then considered as being a benefit to the grantor and is treated as taxable income to the recipient. Tax legislation that is so contrary to the dictates of good sense and responsible social policy should not go unchallenged.

Revenue Ruling 73–256 is one of a series of related revenue rulings. These Revenue Rulings have declared that scholarships received under the Armed Forces health professions scholarship program which requires the recipient to serve in the Armed Forces and under the National Research Awards Act requiring the recipient to engage in health research or teaching or equivalent service are not excludable scholarship or fellowship grants. These rulings are based on the same theory that the requirement of a substantial quid pro quo from the recipients means that the awards are made primarily for the benefit of the grantor. The fact is, however, that in each case, the award is made by a particular governmental entity and the benefits of the required quid pro quo flow to the larger community or the Nation as a whole.

The Senate Finance Committee has recently approved the Tax Treatment Extension Act (H.R. 9251) which provides in part that Armed Forces health professional scholarships received by students entering the program through December 31, 1979, are to be treated as scholarships under section 117. The committee further approved as an amendment to H.R. 9251 a provision under which National Research Service awards are also to be treated as scholarships or fellowships under section 117. My bill simply continues comparable treatment for the forgiven part of educational loans. It insures that tax policy does not discourage programs which are clearly in the interest of many worthy and dedicated young people and in the interest of our Nation as a whole.

Mr. President, I ask unanimous consent that this bill be printed at this point in the RECORD, and that following the printing of this bill, that S. 2747, a bill to provide for a study of methods by which individuals could be aided in filing their Federal income tax returns, be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 2117 of the Tax Reform Act of 1976 (relating to cancellation of certain student loans) is amended by striking out "January 1, 1979" and inserting in lieu thereof "January 1, 1983".

S. 2747

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury or his delegate shall conduct a study with respect to methods by which the process of filing Federal income tax returns by individuals could be made simpler, more efficient and less costly by increasing the availability of taxpayer assistance programs, by improving the manner in which the commercial preparation of such returns is monitored, and by simplifying Federal income tax forms. Such study shall include, but not be limited to, consideration of—

(1) the simplification of Federal income tax provisions and forms relating to low income, disabled, and retired taxpayers;

(2) the simplification of Federal income tax provisions and forms relating to cases involving section 117 of the Code—Medical Interns and Residents, section 1034—Sale or Exchange of Residence, and Income Averaging;

(3) the simplification of Federal income tax provisions and forms relating to cases involving divorced individuals and the payment of alimony and child support; and

(4) means for eliminating the so-called "marriage penalty" in the case of married taxpayers, including the feasibility of using only the schedule X tax rate schedule (single taxpayers) for all taxpayers; the spouses could elect to split their income and each would use the single taxpayer tables.

(5) the extension of the original due date for the filing of returns by individuals 65 years of age or older to June 15;

(6) the feasibility of allowing individuals 65 years of age or older to make scheduled appointments for assistance in filing their returns;

(b) The Secretary of the Treasury or his delegate shall report to the Congress, not later than 1 year after the date of the enactment of this Act, the results of the study conducted under subsection (a) together with such recommendations, including recommendations for legislation, as he deems advisable.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. ANDERSON (for himself and Mrs. HUMPHREY):

S. 2754. A bill to amend title 23 of the United States Code to clarify policies relating to the accommodation of utilities on Federal-aid highway rights-of-way; to the Committee on Environment and Public Works.

UTILITY FACILITIES ACCOMMODATION

● Mr. ANDERSON. Mr. President, for the past several weeks the Nation's Capital has hosted delegations of farmers who have arrived from all over America to let us know of their discontent with Federal farm policies. Their presence here reminds us all of the great debt owed to these men of the soil. Without their determination in the face of great risks, their hard work and long hours, and their skillful land management, none of us would enjoy the bounty we now take for granted.

Mr. President, whenever Federal policies interfere with our farm community's ability to provide for our citizens, the policies ought to be closely examined. A case in point is the Federal policy of discouraging accommodation of utility facilities, such as powerlines, along Federal-aid highways. There are good reasons for the present policy. Safety, environmental, and esthetic considerations all play a part in the current policy. However, as a result of the policy, the only alternative often available to persons responsible for planning the siting of utility powerlines is to use productive farmland.

To help remedy this situation, I am introducing S. 2754, a bill to allow the Secretary of Transportation to weigh the detrimental effect on productive agricul-

tural land likely to result if utility facilities are not sited along a Federal-aid highway right-of-way. The bill does nothing to impair the Secretary's consideration of other factors relating to highway accommodation of utility facilities such as issues relating to safety and traffic flow. Rather, the intent and effect of S. 2754 is merely to give Federal highway officials the legislative authority to consider the interests of the farmer and the impairment of his ability to provide for us all if his land, and not the highway rights-of-way, is used to site utility facilities.

This legislation is actually a companion measure to H.R. 11389, introduced on March 8, 1978, by a bipartisan coalition of five Minnesota Congressmen. Senator HUMPHREY and I are pleased to add our efforts on this side of the Capitol to protect the interests of our State's, and our Nation's farmers.

Mr. President, the necessity of constructing future powerplants and future powerlines is a fact of life for energy consuming America. Even if the most optimistic conservation forecasts come true, our energy demands will continue to grow. If Congress does not act to give the Federal Highway Administration some leeway in the accommodation of utility facilities along Federal highway rights-of-way, more and more productive agricultural land will be lost and the farmers' ability to produce that all important energy source, food, will be increasingly impaired.

Mr. President, I ask unanimous consent that the text of S. 2754 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 109 of Title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(l) (1) In determining whether any right-of-way on any Federal-aid system should be used for accommodating any utility facility, the Secretary shall—

"(A) evaluate the direct and indirect environmental and economic effects of any loss of productive agricultural land or any impairment of the productivity of any agricultural land which would result from the disapproval of the use of such right-of-way for the accommodation of such utility facility; and

"(B) consider such environmental and economic effects together with any interference with or impairment of the use of the highway in such right-of-way which would result from the use of such right-of-way for the accommodation of such utility facility.

"(2) For the purpose of this subsection—

"(A) the term 'utility facility' means any privately, publicly, or cooperatively owned line, facility, or system for producing, transmitting, or distributing communications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water not connected with highway drainage, or any other similar commodity, including any fire or police signal system or street lighting system, which directly or indirectly serves the public; and

"(B) the term 'right-of-way' means any real property, or interest therein, acquired, dedicated, or reserved for the construction, operation, and maintenance of a highway."

By Mr. KENNEDY (for himself, Mr. NELSON, Mr. JAVITS, Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. CRANSTON, Mr. HATHAWAY, Mr. EAGLETON, and Mr. RIEGLE):

S. 2755. A bill to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Human Resources.

DRUG REGULATION REFORM ACT OF 1978

● Mr. KENNEDY. Mr. President, I rise on behalf of myself and Senators NELSON, JAVITS, WILLIAMS, RANDOLPH, CRANSTON, PELL, HATHAWAY, EAGLETON, and RIEGLE to introduce the Drug Regulation Reform Act of 1978.

Mr. President, the Senate Health and Scientific Research Subcommittee began its inquiry into the pharmaceutical industry in December of 1973. Since that time, we have established a hearing record that is now well over 20 volumes in length. We began with a focus on the patient. We wanted to know the impact of prescription drug use in the United States on the health and well-being of American citizens. We wanted to know whether drugs were well or poorly used. We wanted to know the nature of misuse, the incidence of misuse, and the consequences of misuse. To our surprise, we found that no one—not the Food and Drug Administration, not the American Medical Association, not the pharmaceutical industry—could tell us how drugs were being used, what the incidence of adverse reactions was, what the consequence of misuse was in the United States. There simply is not any good drug use data available in the United States. The subcommittee heard estimates of deaths from adverse drug reactions that ranged from 17,000 to 120,000. But the simple truth was that no one could tell the subcommittee, with any degree of assurance, what the true figure would be.

From our initial focus on the consumer, we then turned our attention to the doctor. We wanted to find out how doctors learned about drugs in medical school, what kind of information they received once in practice. This led us to an intensive examination of the relationship between the advertising, marketing, and promotional practices of the industry and the prescribing practices of the individual physician.

From this relationship between the pharmaceutical industry and the physician, we turned to examine the regulatory interface between the Food and Drug Administration and the pharmaceutical industry. We examined the workings of the Food and Drug Administration in great detail. We examined the regulatory process, trying to understand what impeded it and what helped it.

Mr. President, since we began our inquiry in 1973, several major pieces of legislation have been proposed to deal with some of the problems we have identified. Senator NELSON has put forth many proposals; Senators PELL, HATHAWAY, and I have put forth major proposals; Senators JAVITS and WILLIAMS have put forth a proposal; Congressman ROGERS has put forth a proposal in the House of Representatives; and in December of last year, a draft of an administration proposal was made public. At that time, I felt that the Nation's interests would best be served if all the authors of varying legislative proposals could be brought together to pool their talents and resources to develop a single, comprehensive, legislative proposal. Secretary Califano and my colleagues in the House and Senate readily agreed with that suggestion, and a staff work group was formed that began meeting last December and which has met intensively until this past week. The legislation that I am proposing today is the product of that work group. It is the single, most comprehensive drug reform legislative proposal since the creation of the Food, Drug, and Cosmetic Act in 1936. It addresses all of the problems identified in the hearings before the Health Subcommittee. It represents the views and the best thinking of all the knowledgeable parties in this area.

Mr. President, it is a consensus bill. As such, no single sponsor endorses every single aspect of this legislation. We all have our own specific disagreements with specific provisions of this legislation, but, by and large, we agree that this legislation provides the basis for sound, comprehensive, legislative reform of the drug provisions of the Food, Drug, and Cosmetic Act.

I would now like to explain why I think this legislation addresses the major problems identified by the Health Subcommitee during its 5 years of hearings.

The first question was, "How are drugs being used in the United States?" This proposal requires that all new drugs, except for those where the Secretary determines that no useful purpose could be served, will be subject to postmarketing surveillance for a period of 5 years. In addition, any drug, old or new, could be subjected to postmarketing surveillance requirements if the Secretary determines that there is a public health reason to do so. As a result of these two requirements, a comprehensive profile of drug useage in the United States will emerge. Because all new drugs will be tightly monitored, we will be able to allow them on the market more rapidly than the process allows today.

Once this drug data is collected, it will allow for preparation of an annual Drug Experience Assessment Report, which will be prepared by the new National Center for Clinical Pharmacology, established by the legislation. This report, which will be a public document, will describe the state of drug usage in the United States. It will analyze patterns of practice within the major categories of drugs. It will include suggestions for improving the way drugs are used and for reducing the risks to consumers.

How does the collection of this data enable us to improve the way drugs are used in the United States? The legislation provides several answers. The first is regulatory. Under this legislation the secretary can limit the distribution of

drugs to certain facilities or to physicians who are experienced in the use of the particular drug. This would enable drugs which might otherwise have to be removed from the market because of the dangers of general distribution, to remain on the market for their selected use in certain populations. The need for such a distribution curtailment might become clear on the basis of postmarketing surveillance data. In addition, labeling revisions could be prompted by an analysis of the drug usage data. Finally, the legislation allows the Secretary the discretion to require informed consent for the use of specific drug products when the risks of using those products are significant.

The second way that drug use can be improved is by education. I will deal with this topic separately below.

The third area to improve drug usage involves providing consumers with reliable and understandable information about the drug products they are to consume. This legislation requires patient package inserts which are to explain in layperson's language what the risks of taking the drug are, what the benefits are, what side effects can be expected, et cetera.

How then can we improve the physician's education about drug usage during medical school, residency training, and in practice? Our hearings showed that physicians, once in practice, rely on detailmen for information. Yet the detailmen themselves testified that they often exaggerate the good qualities of a drug and downplay the side effects. This legislation requires detailmen to leave a sheet of full prescribing information on each drug which they detail to a physician. That sheet must be handed to the physician. This is similar to the system that has worked so well in Great Britain.

In addition, the legislation requires that a compendium be prepared for all drugs by the Food and Drug Administration to be distributed to all physicians. This compendium will be a useful reference guide that describes the basic pharmacology of drugs and their appropriate place in the clinical armamentarium.

One of the major focuses of the National Center for Clinical Pharmacology will be on the education of physicians, both during school and once out in practice. The center will provide funds to medical schools to be sure that the clinical pharmacology receives the priority it deserves. It will have funds for continuing education programs targeted at the use of drugs. In addition, it will provide a base of support for the training of the clinical pharmacologists of the future.

The advertising, marketing and promotional excesses of the pharmaceutical industry will be curbed by this new legislation. These practices have a significant impact on the way doctors prescribe drugs. As the excesses are eliminated, and as more useful information is substituted, physician prescribing practices should be based on a more solid foundation. This legislation provides for the elimination of samples, except in emergency situations. When we began our hearings in 1973, the pharmaceutical industry was distributing over 2 billion free samples a year. The purpose of these samples was simple: to influence the prescribing behavior of physicians. The physician's choice of a drug for a particular patient should be based on the individualized needs of that patient, and not on the availability of a free product in the physician's drawer. In addition, the legislation eliminates the giving of gifts and gimmicks to pharmacists and other health professionals. The freezer full of meat in return for the prescribing of a certain company's drug is a practice whose time should long have passed.

Finally, the legislation would prohibit prescription surveys by detailmen. This is the practice whereby detailmen would go into the pharmacies, look at pharmacists' records, review individual patient cards and see which particular drugs a particular physician was prescribing. This is highly unethical and violates the privacy of the patient. It was done because it enabled the detailman to know what a given physician in a given area was prescribing, so that he might tailor his huckstering more appropriately to the individual physician. Such practices will be outlawed by this legislation.

The third question explored in the hearings of the subcommittee was, "What major changes in the regulatory process of the Food and Drug Administration are necessary to improve it and to provide for greater public accountability?" This legislation completely overhauls the regulatory process of the Food and Drug Administration. This new system depends on the introduction of a monograph. If a new drug is to be marketed, the manufacturer must petition the Food and Drug Administration for the establishment of a monograph. That first manufacturer must then do the necessary animal and clinical studies to demonstrate the safety and efficacy of the new product. No other manfacturer will ever have to repeat those studies. Not only will this save money, but it will correct the ethical abuse of the current system. That is to say, under the current system, even though a drug is known to be safe and effective, each manufacturer must repeat the studies of the original manufacturer. Thus, some patients are subjected to double-blind studies where placebos may be given (for example, treatment is withheld), even though the drug is known to work. This places that patient at an unacceptable level of risk. The first company's animal and clinical test data are made public after a certain period of time. No other manufacturer may bring a product on the market based upon the first manufacturer's data for at least 5 years after the first manufacturer has been allowed on the market. After that period of time, additional protection may be afforded the first manufacturer if a valid patent is being held and if there are still years left on that patent. However, once the 5 years have expired, or once the patent has expired, other manufacturers may simply make the drug and market it without repeating the animal and clinical test data.

Overall, the decisionmaking process for the approval of a new drug would work as follows: After the initial petition is filed, a scientific paper prepared by the drug company would be made public. The petition would then be reviewed by the staff of the Food and Drug Administration. They would make a recommendation for regulatory action. Within a certain period of time, a public hearing would have to be held. This is an important, new innovation in the law. Ninety days prior to the public hearing, the detailed summary, as well as the raw data of the animal and human clinical tests, would be made available to any individual who demonstrated a legitimate interest in participating in the public hearing.

This legislation prohibits however, any representative of a pharmaceutical company from having access to the data. This is to protect the interests of the original manufacturer. After the public hearing, the Food and Drug Administration's staff would have to review the major issues raised at that hearing. It would have to respond to those issues and make a final recommendation to the Commissioner. At the same time, an advisory committee would be asked to review and make recommendations to the Commissioner. Finally, the Commissioner would decide. This system provides for checks and balances on the internal Food and Drug Administration staff. There is a public hearing; the recommendations of that public hearing must be responded to, both by the FDA staff and by an advisory committee of distinguished experts.

Once a drug is on the market, there is greater regulatory discretion with regard to removal of the product than currently exists. At the present time, a drug can be removed if it is an imminent hazard. Under the new law, a drug would be able to be removed for an unreasonable, direct and substantial risk of harm to the health of an individual.

I would like to briefly summarize a major change that has been made in what is now called the investigational new drug phase. Under the current system, phase I involves the testing of a drug on a limited number of healthy people. Phase II involves the testing of a drug on a limited number of people with a disease for which the drug is intended. And phase III expands those tests to thousands of patients with the disease. Many drugs are dropped between phases II and III because they do not pan out in humans. In order to expedite the time for the completion of phases I and II, this legislation restricts the Food and Drug Administration's control over that aspect of the research to the protection of human subjects of that research. The Food and Drug Administration cannot delay an investigation if it disagrees with the scientific methodology. It can only delay the investigation if it feels that human subjects are not being adequately protected.

This legislation also makes an important change in the definition of safety. It recognizes safety for what it is—a value judgment made by individuals who weigh the risks of a drug versus the benefits. There is no such thing as absolute safety in drugs, and this re-

vision of the definition places that concept in the law for the first time.

Many Americans are concerned that drugs are not reaching the marketplace as rapidly as is possible. I believe this legislation will speed up the time it takes for drugs to reach the market. Because of the postmarketing surveillance, which would enable early detection of any problems, one can speed up the initial approval process with some confidence. This is done in a special fashion for those drugs that are considered to have major medical significance and for which there are no other alternative forms of therapy available, or for which alternative forms of therapy are less appropriate. In these instances, the demonstration of effectiveness will not require adequate and well-controlled studies. These breakthrough drugs may be provisionally approved if effectiveness is demonstrated by scientific evidence, adequate in the opinions of experts in the field to show that the drug is effective—short of adequate and well-controlled studies. In such circumstances, provisional approval will be granted and, when feasible, adequate and well-controlled studies will be conducted while the drug is on the market.

I am particularly interested in an aspect of the legislation which will be of great benefit to the developing nations of the world. The National Center for Clinical Pharmacology will have the mandate to do its own research and development on drugs of limited commercial value. Anytime the pharmaceutical industry is not pursuing a scientific lead the Government will have the option of doing it under this legislation. Thus, the diseases of developing nations will get the special attention that they so desperately need. In addition, the export standards in this legislation reflect the different needs of other countries, and the different risk/benefit ratios that need to be applied in those countries. Under this legislation, if a drug is approved by the other country, and if the Secretary of Health, Education, and Welfare determines that a drug is not a threat to the public health and safety, it can be exported, even if it is not approved for use in the United States.

The legislation also provides for the posting of drug prices in the Nation's pharmacies, so that consumers will know at a glance the relative costs of filling a prescription in one drugstore versus another.

Finally, this legislation provides for an independent evaluation of the impact of the law itself. Over a 7-year period of time, the effect of the new regulatory system will be measured on research productivity in the pharmaceutical industry, the economics of the industry, the protection of the American consumer, the prices of pharmaceutical products.

Mr. President, I am aware of the great controversy that this bill has generated. Even before its formal introduction, the major issue is whether or not this new system will provide incentives for industry research and expedite the approval of new drugs in a manner fully consistent with the protection of the health and safety of the American people, or whether this bill will further delay the entry of new drugs onto the market, and whether it actually provides disincentives for private pharmaceutical research. It is my intent, and the intent of the cosponsors of this legislation, to maintain a vigorous and viable private pharmaceutical research capability in the United States. We want research to flourish. We want to encourage it. We want it to stay in the United States. We will listen very carefully to those who believe that this bill hinders, rather than helps, that situation.

I am also concerned about the due process provisions of this legislation. I will insist upon full procedural and legal remedies. At the present time, the legislation contains broad discretionary authority for the Secretary. We will have to look long and hard at whether that discretionary authority needs to be limited.

Finally, Mr. President, I am committed, along with Senator JAVITS, to the establishment of the Food and Drug Administration in the Food, Drug, and Cosmetic Act. It does not exist in the law at the present time. The Commissioner does not require the advice and consent of the Senate. His responsibilities are not delineated at all, yet the Commissioner of the Food and Drug Administration is one of the most important health officials in this Nation. He heads the most important health regulatory agency in the world. I will move to amend this legislation to establish the agency in law, to transfer the powers of the Secretary of HEW to the Commissioner of the Food and Drug Administration, and to require advice and consent to the nomination of the Commissioner.

Mr. President, in spite of my reservations, I believe that after 15 years the Congress of the United States will make the necessary revisions in the Food, Drug, and Cosmetic Act. I will begin hearings on this legislation tomorrow morning. I expect to appear before you again, Mr. President, during this session of Congress to present you and our other colleagues an opportunity to vote on the most significant piece of health regulatory legislation the Congress of the United States has considered since 1936. I want to thank my colleagues in the Senate and the House of Representatives and the Department of Health, Education, and Welfare for their tireless efforts to produce this unique consensus approach. I look forward to working with them to produce the kind of legislative reform that is not only needed, but that will be welcomed by both the American people and the pharmaceutical industry.

I ask for unanimous consent that this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Drug Regulation Reform Act of 1978".

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TITLE I—DRUG REGULATION REFORM

PART A—FINDINGS AND DECLARATIONS; DEFINITIONS

FINDINGS AND DECLARATIONS

SEC. 101. Congress makes the following declarations and findings:

(1) Safe and effective drug products intended for human use have a useful and important role in protecting and promoting the health of the American people.

(2) It is in the interest of the American people to encourage, to the extent consistent with the protection of the public health and safety and with ethical standards, the increase of knowledge regarding disease or other aspects of health in humans and the discovery and development of safe and effective drug products intended for human use and, to that end, to maintain optimum freedom for scientific investigators in their pursuit of those objectives.

(3) The manufacture, distribution, promotion and use of, and investigations involving, drug entities and drug products for humans have a substantial and direct effect upon United States interstate and foreign commerce, because—

(A) many essential substances used in the manufacture of drug entities and drug products are transported in interstate commerce for such manufacture,

(B) after manufacture, many drug products are transported in interstate commerce for dispensing to patients,

(C) many patients themselves move from one State to another in order to receive drug products, particularly drug products used in specialized therapies, and

(D) many drug products are paid for, directly or by reimbursement, by private health insurance companies operating in interstate commerce.

(4) Drug entities and drug products manufactured, distributed, and being used or investigated intrastate cannot be differentiated from drug entities and drug products manufactured, distributed, or being used or investigated interstate. Thus, for effective regulation of interstate commerce, it is neither feasible nor reasonable to distinguish, in terms of regulatory controls, drug entities and drug products moving in interstate commerce from drug entities and drug products moving solely in intrastate commerce.

(5) Federal regulation of interstate commerce in drug entities and drug products without concurrent Federal regulation of intrastate commerce in identical, similar, or related drug entities and drug products would discriminate against persons engaged in interstate commerce, would depress interstate commerce in drug entities and drug products, and would adversely burden, obstruct, and affect interstate commerce. Interstate commerce would be particularly depressed, burdened, obstructed, and affected by reason of conflicting State and local requirements regarding the packaging and labeling of drug products.

(6) Although the regulation of the manufacture, distribution, labeling, prescribing, and dispensing of drug products has a direct impact upon the practice of the professions of medicine and pharmacy, the establishment of the qualifications for admission to, and the standards and conduct of members of, these professions, for purposes of protecting the public health, has been and should remain the primary responsibility of the States.

(7) The United States, with respect to international trade involving drug entities and drug products manufactured in this country, seeks—

(A) to respect the informed benefit-risk assessments of responsible governmental officials in other nations regarding drug products not approved for use in the United States,

(B) to assure that the manufacture of drug entities and drug products exported from the United States are not regulated by standards regarding manufacturing requirements and practices that are significantly different from those applied to the manufacture of drug entities and drug products approved for use in this country, and

(C) to assist national and international efforts to protect and improve the health of all people, through research, exchanges of information, and cooperation in regulatory and health care delivery activities.

DEFINITIONS

SEC. 102. As used in this title—

(1) The term "component" means any substance (other than a drug entity) that is—

(A) used in the manufacture of a drug entity or a drug product, including those substances that do not remain in the drug entity or drug product upon completion of manufacturing and those substances that are used in the packaging of the drug entity or drug product; and

(B) contained in a drug entity or drug product upon completion of manufacture, including those substances that are not intended to be contained in the drug entity or drug product.

(2) The term "counterfeit drug product" means a drug product which because it, or its container or identification labeling, without authorization, bears the trademark, proprietary name, or other identifying mark, imprint, or device, or any likeness thereof, of a drug product licensed under subpart 4 of part B of this title, is falsely represented to be the product of, or to have been distributed by, a person other than the person who in fact manufactured or distributed it. The term "counterfeit drug product" does not include a drug product which, or the container or identification labeling of which, conspicuously and accurately identifies the person who in fact manufactured or distributed it.

(3) The term "Department" means the Department of Health, Education, and Welfare.

(4) (A) The term "dispense" means—

(i) in the case of a nonprescription drug product, the act of delivering the drug product to a patient or an agent of a patient; and

(ii) in the case of a prescription drug product, the act of delivering the drug product to a patient or an agent of a patient—

(I) by a practitioner or an agent of a practitioner (either by direct administration or by transfer to the patient (or agent of the patient) for later administration), or

(II) by a pharmacist (either directly or through an agent) pursuant to the lawful prescription of a practitioner.

(B) The term "dispense" includes the compounding, packaging, and labeling of a drug product necessary for, and as an incident to, preparing the drug product for delivery to a patient or an agent of a patient, as provided in subparagraph (A).

(5) The term "distribute" means the act of delivering (other than by dispensing) to any person a drug entity or drug product. The term "distributor" means a person who so delivers a drug entity or drug product.

(6) (A) Except as provided in subparagraph (B), the term "drug entity" means a substance, or a combination of substances, which is intended—

(i) to be used in the diagnosis, cure, mitigation, or treatment of a disease, injury, or other condition affecting the health of a human, or in the prevention of a disease or other condition (other than an injury) affecting the health of a human, or

(ii) otherwise to affect or evaluate the structure or any function of the human body.

(B) The term "drug entity" does not include any substance which is—

(i) a food as defined in section 201(f) of the Federal Food, Drug, and Cosmetic Act, unless the food is also represented for use by individuals in the diagnosis, cure, miti-

gation, or treatment of a disease, injury, or other condition affecting the health of a human, or in the prevention of a disease or other condition affecting the health of a human, in which case the substance shall be other condition affecting the health of a human, in which case the substance shall be subject to the pertinent provisions both of that Act and of this title,

(ii) a cosmetic as defined in section 201 (i) of the Federal Food, Drug, and Cosmetic Act, unless the cosmetic is also intended (I) to be used in the diagnosis, cure, mitigation, or treatment of a disease, injury, or other condition affecting the health of a human, or in the prevention of a disease or other condition affecting the health of a human, or (II) to otherwise affect or evaluate the structure or any function of the human body, in which case the substance shall be subject to the pertinent provisions both of that Act and of this title, or

(iii) a device as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act.

(7)(A) The term "drug product" means a drug entity, alone or combined with one or more components, in a finished dosage form capable of being dispensed to a human (except for packaging, labeling, and any final manipulation required immediately before dispensing).

(B) The terms "licensed drug product", "registered drug product", and "permitted drug product" refer to a particular drug product manufactured or distributed by a particular person under a license, registration or export permit, issued by the Secretary under subpart 4, 5, or 6, respectively, of part B of this title.

(C) The term "prescription drug product" refers to a drug product licensed under a monograph which, under section 108(d) or the law of the State in which it is dispensed, may only be dispensed by or upon the prescription of a practitioner.

(D) The term "nonprescription drug product" refers to a drug product licensed under a monograph which, under section 108(d) and the law of the State in which it is dispensed, may be dispensed without the prescription of a practitioner.

(8) The term "established name" means—

(A) any official name for the drug entity designated pursuant to section 150,

(B) if there is no official name and the drug entity is recognized in the United States Pharmacopeia, the official title thereof in the United States Pharmacopeia, or

(C) if neither subparagraph (A) nor (B) of this paragraph applies, the common or usual name, if any, of the drug entity.

(9)(A) The term "labeling" means identification labeling, information labeling, and promotion labeling regarding a drug entity or a drug product.

(B) The term "identification labeling" means any display of written, printed, or graphic matter upon the immediate or other container of any drug entity or drug product.

(C) The term "information labeling" means any written, printed, or graphic matter regarding and accompanying a drug entity or a drug product providing information on its use.

(D) The term "promotion labeling" means any written, printed, or graphic, or other reproduced matter (including audio, visual, or audiovisual communication) regarding a drug entity or drug product which is disseminated by or on behalf of the manufacturer or distributor of the drug entity or drug product, and which is not identification or information labeling.

(10)(A) The term "manufacture" means the production, preparation, propagation, compounding, processing, or packaging into containers, of a drug entity or drug product, or the placing of labeling on a drug entity or drug product.

(B) The term "manufacture" does not include the compounding of a drug product by a practitioner or pharmacist necessary for, and as an incident to, preparing the drug product for delivery to a patient or an agent of a patient, as provided in paragraph (4)(A).

(C) The term "placing of labeling on a drug entity or drug product" means the placing of identification or information labeling on, with, or to accompany a drug entity or drug product, including the alteration, removal, mutilation, destruction, or obliteration of the whole or any part of any identification or information labeling on, with, or accompanying such entity or product.

(D) For purposes of sections 147 and 154, the term "manufacturer" does not include a person who is solely engaged in the packaging of a drug entity or drug product into containers or in the placing of labeling on a drug entity or drug product.

(11) The term "patient" means any individual with respect to whom a drug product is intended to be, or has been, used. The term "patient" includes a participant in an investigation involving a drug product (whether in normal health or with the disease, injury, or condition being investigated) and a consumer of a nonprescription drug product.

(12) The term "person" includes any individual corporation, business trust, partnership, association, government, governmental subdivision or agency, or other legal entity.

(13) The term "pharmacist" means an individual licensed, registered, or otherwise permitted by the jurisdiction in which the individual practices to dispense drug products on prescription in the course of professional practice.

(14) The term "practitioner" means an individual licensed, registered, or otherwise permitted by the jurisdiction in which the individual practices to prescribe drug products in the course of professional practice.

(15) The term "prescription" means an oral or written authorization given by a practitioner to a pharmacist to dispense a drug product to a specified patient. The term "prescribe" means to give such an authorization.

(16) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(17) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and the Canal Zone.

(18) The term "United States", when used in the geographic sense, means all places and waters, continental or insular, subject to the jurisdiction of the United States.

(19) The term "untrue statement of material fact" includes the omission of facts material in the light of other facts or statements presented.

PART B—APPROVAL OF DRUG ENTITIES AND DRUG PRODUCTS

Subpart 1—General Requirements

GENERAL REQUIREMENTS

SEC. 105. (a) MANUFACTURE, IMPORTATION, AND DISTRIBUTION OF DRUG ENTITIES.—No drug entity may be manufactured, imported, distributed, or held for distribution or for use in the manufacture of a drug product, unless—

(1)(A) there is in effect a monograph issued or provisionally issued under subpart 2 for the drug entity;

(B) it is being manufactured, imported, distributed, or held (i) for use in the manufacture of a drug product the manufacture of which is not prohibited by subsection (b) or (c), or (ii) for export and the export is not prohibited by subsection (c); and

(C) the requirements applicable to the drug entity under sections 114 through 119, 146, and 147 are fulfilled; or

(2)(A) the drug entity is being manufactured, imported, distributed, or held for export and the export is not prohibited by subsection (c); and

(B) a permit for the export is in effect under subpart 6.

(b) MANUFACTURE, IMPORTATION, AND DISTRIBUTION OF DRUG PRODUCTS.—No drug product may be manufactured, imported, distributed, or held for distribution, unless—

(1) there is in effect (A) a monograph issued or provisionally issued under subpart 2 for the drug entity contained in the drug product, and (B) a license issued to the manufacturer or importer of that drug product under subpart 4 for its manufacture or importation; or

(2) in the case of a drug product which is to be manufactured or imported for investigational use, a registration for such purpose is in effect under subpart 5.

(c) EXPORT OF DRUG ENTITIES AND DRUG PRODUCTS.—(1) No drug entity may be exported from the United States unless—

(A) the requirements of subparagraphs (1)(A) and (1)(C) of subsection (a) are fulfilled; or

(B) a permit for the export is in effect under subpart 6.

(2) No drug product may be exported from the United States unless—

(A) the requirements of subsection (b) have been met, or

(B) a permit for such export is in effect under subpart 6.

(d) EXEMPTION FOR HOMEOPATHIC DRUG PRODUCTS AND RELATED DRUG ENTITIES.—A drug product which complies with the requirements of subpart 8, and a drug entity which is used in the manufacture of such a drug product and which complies with that subpart, shall be exempt from the requirements of this section.

Subpart 2—Monographs for Drug Entities

DRUG MONOGRAPHS

SEC. 107. (a) IN GENERAL.—As prescribed by section 108, a monograph for a drug entity—

(1) identifies the drug entity,

(2) states the indications for which the use of drug products eligible to be licensed under the monograph has been determined to be effective and safe,

(3) describes the types of drug products that are eligible to be licensed under the monograph, and

(4) prescribes standards and requirements respecting such drug products.

(b) ACTION ON MONOGRAPHS.—The authority for, and procedures applicable to, the issuance, amendment, suspension, and revocation of a monograph for a drug entity are set forth in sections 109, 110, 111, and 112.

CONTENTS OF A DRUG MONOGRAPH

SEC. 108. (a) GENERAL.—A monograph shall contain the information required in subsections (b) through (l) of this section.

(b) DESCRIPTION OF THE DRUG ENTITY.—The description of a drug entity in a monograph shall include the following:

(1) The established name, if any, of the drug entity and, if the drug entity is a combination of separate drug entities, the established name, if any of each such separate drug entity.

(2) A statement of the types of dosage forms of drug products that are eligible to be licensed under the monograph and the strength of each type of dosage form.

(c) REQUIREMENT AND GUIDELINES FOR THE CONTENTS OF INFORMATION LABELING FOR A DRUG PRODUCT.—A monograph for a drug entity shall include requirements and guidelines for the contents of information labeling for the forms of drug products that are eligible to be licensed under the monograph, as follows:

(1) The monograph shall set forth the indications for which use of the drug product has been determined to be effective and safe.

(2) The monograph shall, in the case of a prescription drug product, state whether a practitioner may direct that information labeling for patients required under section 151 not be provided to an individual patient, as determined by the Secretary in accordance with subsection (d)(1) of that section.

(3) The Secretary shall provide, as an appendix to a monograph, a guideline for the content of information labeling which will fulfill the requirements of sections 146 and 154, and, if such labeling is required, section 151.

(d) REQUIREMENTS FOR DISPENSING.—(1) Except as provided in paragraph (2), a monograph for a drug entity shall authorize drug products that are eligible to be licensed under the monograph to be dispensed without the prescription of a practitioner.

(2) The monograph shall require a drug product that is eligible to be licensed under the monograph to be dispensed only by or upon the prescription of a practitioner if the Secretary determines that the supervision by a practitioner of the patients to whom the drug product is dispensed is required because of (A) the toxic or other potential adverse effects that may result from use of the drug product, (B) the methods of administration or collateral measures necessary for its safe and effective use, or (C) the nature of the disease, injury, or condition being treated with the drug product.

(3) Additional requirements for dispensing of a drug product may be included in a monograph under subsection (e).

(e) SPECIAL REQUIREMENTS FOR THE DISTRIBUTION AND DISPENSING OF A DRUG PRODUCT.—(1)(A) If the Secretary determines that—

(i) because of the significance of risks which are presented to patients or to the public health from the use of drug products containing a particular drug entity, which use is known to occur or can reasonably be expected by experts qualified by scientific training and experience to evaluate the safety and effectiveness of drugs to occur, such drug entity cannot be determined to be safe and consequently a monograph for such entity cannot be issued, or if issued, would have to be revoked, unless the requirements authorized by this paragraph are imposed through the monograph on the distribution and dispensing of such drug products;

(ii) such requirements can reasonably be expected to reduce, in a reasonable period of time, the risks referred to in clause (i) sufficiently to permit such drug entity to be determined to be safe; and

(iii) no other administrative or educational action authorized to be taken by the Secretary under this title or under any other law can reasonably be expected to so reduce such risks;

the monograph for the drug entity shall include, either at the time of its issuance or as an amendment, such requirements relating to the distribution and dispensing of drug products eligible to be licensed under the monograph as the Secretary determines are necessary to reduce the risks referred to in clause (i) sufficiently to permit such drug entity to be determined to be safe.

(B) No requirement authorized to be imposed under subparagraph (A) may—

(i) restrict the use of a drug product licensed under the monograph to practitioners with specific training or experience in its use or to practitioners for use in certain facilities unless the Secretary determines that such requirement is necessary for the drug entity to be determined to be safe,

(ii) exclude a practitioner from using a drug product licensed under the monograph solely because the practitioner does not have the training or experience to make the practitioner eligible for certification by a certifying board recognized by the American Board of Medical Specialties or has not been certified by such a board,

(iii) be included in a monograph unless it has been specifically submitted to and considered by an appropriate drug science advisory committee appointed under section 178(a), and

(iv) be imposed on a nonprescription drug product.

(2) If the Secretary determines that the drug product in a particular use involves the risk of serious illness or injury but does not outweigh the health benefits from such use, the monograph for the drug entity under which such drug product is licensed may include, either at the time of its issuance or as an amendment, a requirement that the drug product may not be dispensed to a patient unless the informed consent of the patient (or the patient's legal representative) has been received in such form and manner as shall be prescribed by the Secretary. Such a requirement may be included in a monograph only if it has been specifically submitted to and considered by an appropriate drug science advisory committee appointed under section 178(a).

(3) Any requirement imposed under this subsection shall have due regard for the health needs and privacy of patients.

(4) Any requirement imposed under this subsection shall expire three years following the date it becomes effective. The requirement may be renewed upon a new determination by the Secretary, in accordance with the procedures for amending a monograph, that the conditions described in paragraph (1) or (2) still exist with respect to the drug product involved. The determination shall be based upon all relevant information, including information obtained since the previous imposition of the requirement.

(f) REQUIREMENTS FOR INFORMATION TO BE SUBMITTED TO OBTAIN A LICENSE FOR A DRUG PRODUCT UNDER A MONOGRAPH.—(1) A monograph for a drug entity shall specify the information to be submitted in order for the Secretary to determine whether a drug product is eligible to be licensed under the monograph, and whether the drug product fulfills the requirements for licensure under the monograph.

(2) A monograph for a drug entity may require that an application for licensure of a drug product containing the drug entity contain or be accompanied by, in addition to the information required by section 122, the following:

(A) Evidence that the drug product meets applicable standards of identity, strength, quality, purity, and stability under subsection (k) and section 115. If no such standards exist under those provisions, the application for licensure shall contain appropriate standards.

(B) A list of the components in the drug product, or in the drug entity that is contained in the drug product.

(C) A complete and detailed description of the methods used in, and the facilities and controls used for, manufacturing, holding, and distributing the drug product or the drug entity contained in the drug product.

(D) Samples of the drug product, or of the drug entity contained in the drug product.

(E) Evidence regarding the bioavailability of the drug product.

(F) Such other data, information, or materials as the Secretary determines are necessary to determine whether a drug product is eligible to be licensed under the monograph.

(G) Such information as the Secretary determines is necessary to determine whether the applicant will comply with the conditions of licensure required under the monograph or under subpart 3 or 4.

(g) REQUIREMENTS FOR SURVEILLANCE OF DRUG USE AND EXPERIENCE.—(1)(A) At the time of its issuance, a monograph for a drug entity shall include the requirement described in paragraph (2) unless the Secretary finds that such requirement is not necessary or useful in evaluating the continuing safety of the drug product.

(B) At any time after its issuance, a drug entity shall be amended to include the requirement described in paragraph (2) if the Secretary determines that such requirement is necessary and useful in evaluating the continuing safety of the drug product.

(2) The Secretary may require in a monograph, as a condition of initial or continued licensure of a drug product under the monograph, that a person obtaining or holding a license for the drug product establish and maintain a system for identifying and collecting data and information regarding the use of, and the experience with, the drug product, and make reports to the Secretary regarding the data and information collected. Such a requirement shall specify the purpose for which data and information is to be identified and collected and for which reports on the data and information are to be made. If such a requirement is imposed in a monograph, the Secretary shall provide as an appendix to the monograph guidelines for systems which will meet such requirement.

(3) Any requirement imposed under paragraph (2) shall expire five years following the date on which it becomes effective. The requirement may be renewed upon a determination by the Secretary, in accordance with the procedures for amending a monograph, that continuation of the requirement is necessary or useful in evaluating the continuing safety of the drug product involved.

(h) REQUIREMENTS FOR THE CONDUCT OF SCIENTIFIC INVESTIGATIONS ON A DRUG PRODUCT.—(1) A monograph for a drug entity may include, as a condition of the initial or continued licensure of a drug product under the monograph, a requirement that a person obtaining or holding a license for the drug product conduct scientific investigations to detect and evaluate the risks of a significant adverse effect of the drug product, if on the basis of scientific information, including information regarding chemically or pharmacologically related drug products, the drug product is known or may reasonably be expected to produce such adverse effect.

(2)(A) A monograph for a drug entity may include, as a condition of the initial or continued licensure of a drug product under the monograph, a requirement that a person obtaining or holding a license for the drug product conduct scientific investigations relating to the effectiveness of the drug product in accordance with subparagraph (B) or (C).

(B) If—

(i) the drug product is known to be used, or can reasonably be expected by experts qualified by scientific training and experience to evaluate the safety and effectiveness of drug products to be used, for a purpose or in a manner which is not set forth in the information labeling for the drug product, and

(ii) use of the drug product for such purpose or in such manner may present a risk of illness or injury to persons who use the product because of adverse effects or lack of effective treatment,

a person obtaining or holding a license for the drug product may be required to conduct scientific investigations to determine whether its effectiveness clearly outweighs such risk of illness or injury and consequently if the drug product is safe.

(C) If—

(i) the drug product is known to be used, or can reasonably be expected by experts qualified by scientific training and experience to evaluate the safety and effectiveness of drug products to be used, for a purpose or in a manner which is not set forth in the information labeling for the drug product, and

(ii) there exists a scientific basis on which experts qualified by training and experience to evaluate the safety and effectiveness of drug products could fairly and responsibly

conclude that the drug product may be effective when used for such purpose or in such manner,

a person obtaining or holding a license for the drug product may be required to conduct scientific investigations to determine the effectiveness of the drug product when used for such purpose or in such manner.

(3) In imposing a requirement under this subsection the Secretary shall provide, as an appendix to the monograph, guidelines on protocols for conducting investigations which will fulfill such requirement. The Secretary may also specify a timetable by which the investigations are to be completed and the results from the investigations are to be reported to the Secretary.

(4) No requirement shall be imposed under this subsection unless the Secretary has submitted the specific requirement to an appropriate drug science advisory committee appointed in accordance with section 178(a).

(i) REQUIREMENTS FOR RECORDKEEPING AND REPORTING REGARDING DRUG PRODUCTS LICENSED UNDER A MONOGRAPH.—A monograph for a drug entity may include, as a condition of initial or continued licensure of a drug product under the monograph, a requirement that a person obtaining or holding a license for the drug product establish and maintain accurate, complete, and current records of, and make reports to the Secretary regarding, data and information generated, received, or otherwise obtained by the licensee after the issuance of the license relating to the drug product and its manufacture, distribution, preclinical studies, and clinical use and experience, if the records and reports so required are reasonably necessary to evaluate the continued effectiveness and safety of the drug product or the continued compliance of the licensee with the conditions of licensure under the monograph. No reports may be required to be made under this subsection regarding any information that may not be inspected or obtained during an inspection under section 175 of this title.

(j) REQUIREMENTS FOR THE APPROVAL OF BATCHES OF DRUG PRODUCTS LICENSED UNDER A MONOGRAPH.—(1) A monograph may include, as a condition of initial or continued licensure of a drug product under the monograph, a requirement that a person obtaining or holding a license for the drug product obtain, in accordance with this subsection, the approval of the Secretary for each batch of the drug product before distributing that batch, if the Secretary determines that—

(A) there is reason to believe that a significant number of individual batches of the drug product (manufactured either by several licensees or by one licensee who supplies a significant proportion of the total production of the drug product) would not consistently meet one or more of the applicable standards of identity, strength, quality, purity, and stability, under the monograph, section 115, or the application for licensure for the drug product, or have a proper level of bioavailability in patients, and

(B) failure of a batch of the drug product to meet such standards or have such a level of bioavailability poses a risk of illness or injury to patients using drug products from that batch, either from adverse effects or as a result of a lack of effectiveness.

(2)(A) A requirement imposed under this subsection shall identify the standards of identity, strength, quality, purity, or stability, or levels of bioavailability, for which batches of the drug product shall be tested.

(B) The Secretary shall provide, as an appendix to the monograph, guidelines describing the specific tests or methods of assay to be used.

(3) If a requirement is imposed under this subsection in a monograph, any licensee for a drug product licensed under the monograph may request the Secretary to include in the license an exemption for such drug product from such requirement. In determining whether to grant such an exemption the Secretary shall consider—

(A) the consistency with which the licensee has manufactured consecutive batches of the drug product which have been approved as prescribed by paragraph (2) during a period of time deemed significant in light of the volume of the drug product manufactured; and

(B) any other information relevant to determine whether continued batch approval of the drug product is necessary to assure that it complies with the applicable standards of identity, strength, quality, purity, and stability, and levels of bioavailability.

(4) Any requirement imposed in a monograph under this subsection shall expire three years following the date it becomes effective. The requirement may be renewed upon a new determination by the Secretary, in accordance with the procedures for amending a monograph, that the conditions described in paragraph (1) still exist with respect to the drug product involved. This determination shall be based upon all relevant information, including the experience of all manufacturers of drug products licensed under the monograph in demonstrating consistency in the manufacture of approvable batches of drug products during the period of time in which the requirement has been in effect.

(k) STANDARDS OF IDENTITY, STRENGTH, QUALITY, PURITY, AND STABILITY.—A monograph for a drug entity may include, as a condition for initial or continued licensure of a drug product under the monograph, a requirement that, in addition to the requirements of section 115, a person obtaining or holding a license for the drug product comply with one or more prescribed standards of identity, strength, quality, and purity for the drug entity described in the monograph or for drug products containing that entity, or with one or more standards to assure the stability of such drug products, if the Secretary determines that other standards either do not exist or are not adequate to assure the safe and effective use of the drug product. If a requirement is imposed under this subsection, the Secretary shall provide, as an appendix to the monograph, guidelines describing the standard and a least one test or method of assay for determining whether the standard is met.

(l) STANDARDS AND SPECIFICATIONS FOR PACKAGING.—A monograph for a drug entity may include, as a condition for initial or continued licensure of a drug product under the monograph, a requirement that, in addition to the requirements of section 117, a person obtaining or holding a license for the drug product comply with one or more prescribed standards and specifications for the packaging of drug products containing the drug entity, if the Secretary determines that such standards or specifications are necessary to assure safe handling of the drug products, to minimize their deterioration, to prevent deception of purchasers or contamination of other drug products, or otherwise to protect the public health.

STANDARDS FOR ISSUANCE, AMENDMENT, SUSPENSION AND REVOCATION OF MONOGRAPHS GENERALLY

SEC. 109. (a) GENERAL REQUIREMENT.—The Secretary shall, pursuant to the procedures set forth in section 111, issue a monograph for a drug entity under this section if the Secretary determines that the drug entity—

(1) is effective, as described in subsection (b);

(2) has been assessed for risks, as described in subsection (c); and

(3) is safe, as described in subsection (e).

(b) EFFECTIVENESS.—(1) The Secretary may issue a monograph under this section only if the Secretary determines that the petitioner for the monograph has shown by substantial evidence that the drug entity described in the monograph is effective.

(2) For purposes of this section and section 110, the term "effective" means that a drug entity, when incorporated into a drug product which is used in accordance with the conditions of use set forth in the information labeling of the drug product, will have the effect it is represented in such labeling to have in the diagnosis, cure, mitigation, or treatment of a disease or other condition affecting the health of a human, or in the prevention of a disease or other condition (other than an injury) affecting the health of a human; and

(3) For purposes of this section, the term "substantial evidence" means evidence consisting of adequate and well-controlled investigations, including clinical investigations, conducted by experts qualified by scientific training and experience to evaluate the effectiveness of the drug entity involved, on the basis of which it could fairly and responsibly be concluded, by experts qualified by scientific training and experience to evaluate the effectiveness of the drug entity involved, that the drug entity will have the effect represented in information labeling for drug products eligible to be licensed under the monograph.

(c) RISK ASSESSMENT.—The Secretary may issue a monograph under this section only if—

(1) the Secretary determines that the petitioner for the monograph has shown that the drug entity has been tested by all methods reasonably applicable and sufficient to detect and evaluate the risks of the drug entity; and

(2) the results of the testing of the drug entity by such methods have been reported to the Secretary in such form and manner as the Secretary has prescribed.

(d) REQUIREMENTS UNDER A MONOGRAPH.—The Secretary may issue a monograph which includes any standard or requirement authorized in section 108 only if the requisite determinations with respect to such standard or requirement are made.

(e) SAFETY.—The Secretary may issue a monograph under this section only if the Secretary determines that the petitioner for the monograph has shown that the drug entity is safe. As used in this section and in section 110, the term "safe" means that the health benefits of the drug entity clearly outweigh the risks presented by the drug entity, taking into account the standards and requirements applicable to drug products eligible to be licensed under the monograph. In determining whether a drug entity is safe, the Secretary shall consider, among other things, the following:

(1) The health benefits of the drug entity and their significance. In considering such benefits the Secretary shall consider—

(A) the known, suspected, or potential effects on the health of patients, and the frequency and magnitude of these effects, that result from the effectiveness of the drug entity when such patients use drug products eligible to be licensed under the monograph under the conditions of use set forth in the information labeling for such products;

(B) the known effects on the acceptability of drug prouct eligible to be licensed under the monograph to patients, due to the convenience of the dosage forms, the frequency and severity of adverse effects, or related factors; and

(C) the known, suspected, or potential effects on the public health that result from the effectiveness of the drug entity when drug products eligible to be licensed under the monograph are used under the conditions of use set forth in the information labeling for such products.

(2) The risks presented by the drug entity and the significance of such risks. In considering such risks the Secretary shall consider—

(A) the known or suspected adverse effects upon the health of patients and medical personnel, and the frequency and severity of these effects, that result from the use of drug products eligible to be licensed under the monograph under the conditions of use set forth in the information labeling for such products;

(B) the potential adverse effects upon the health of patients and medical personnel implied by animal investigations or other scientific information, including information regarding chemically or pharmacologically related drug entities;

(C) the known, suspected, or potential adverse effects upon the health of individuals, when drug products eligible to be licensed under the monograph are used under conditions of use which are not set forth in the information labeling for such products but which are known or can reasonably be expected to occur, including intentional abuse of such products and use of such products for therapeutic purposes or in patient populations not described in such labeling; and

(D) the known, suspected, or potential adverse impact on the public health when the drug products eligible to be licensed under the monograph are used under conditions which may or may not be in the labeling for such products, including the intentional abuse of such products and the use of such products for therapeutic purposes or in patient population not described in such labeling.

(3) The benefits and risks associated with other forms of therapy, including drug therapy, that are available to treat the population of patients for whom drug products eligible to be licensed under the monograph are intended.

(4) The adequacy of the information labeling for such drug products in reasonably assuring their appropriate use.

(5) The adequacy of the standards and requirements prescribed by the monograph in reasonably assuring the appropriate use of all drug products licensed under the monograph.

(f) AMENDMENTS.—(1) The Secretary shall amend a monograph under this section to include within (or to delete from) the monograph an indication or a type of dosage form of a drug product, or to change the strength of a type of dosage form of a drug product, if the Secretary makes (or, in the case of deletion, can no longer make) the determinations required in this section with respect to that indication, dosage form, or strength.

(2) The Secretary may amend a monograph under this section to add a standard or requirement, if the Secretary makes the relevant determinations required under section 108 with respect to that standard or requirement.

(3) The Secretary may amend a monograph under this section to delete a standard or requirement, if the Secretary can no longer make the relevant determinations required under section 108 with respect to that standard or requirement.

(4) Amendments to monographs shall be made by orders issued in accordance with section 111, except that the Secretary may make an order proposing an amendment effective upon its publication in the Federal Register if the Secretary determines that unless such order is made so effective, the monograph would be suspended under subsection (h) pending completion of proceedings under subsection (g) to revoke the monograph. If such an order is made so effective, the Secretary shall (A) notify each licensee of a drug product licensed under the monograph of the terms of the amendment proposed by the order, and (B) initiate and complete proceedings under section 111 with respect to the order on an expedited basis. Upon completion of such proceedings, the Secretary shall affirm, modify, or revoke such order.

(g) REVOCATION.—The Secretary shall, pursuant to section 111, revoke a monograph under this section if the Secretary determines that on the basis of new information, the drug entity described in the monograph—

(1) is no longer shown by substantial evidence to be effective for the conditions of use set forth in information labeling for drug products eligible to be licensed under the monograph; or

(2)(A) is no longer shown to be safe; and

(B) cannot reasonably be expected to be made safe by amendment of the monograph to include additional requirements or standards for drug products eligible to be licensed under the monograph.

(h) SUSPENSION.—(1) The Secretary may by order suspend a monograph under this section, pending completion of proceedings under subsection (g) to determine whether the monograph should be revoked, if the Secretary determines that—

(A) the drug entity presents an unreasonable and substantial risk of illness or injury, and

(B) amendment of the monograph to include additional requirements or standards for drug products licensed under the monograph cannot reasonably be expected to eliminate or reduce the risk sufficiently to permit the Secretary to determine that the drug entity is safe.

(2) An order suspending a monograph shall become effective on the date specified in the order and shall remain in effect until completion of proceedings to determine whether the monograph should be revoked. The Secretary shall publish in the Federal Register notice of any order issued under paragraph (1) and shall also notify each licensee of a drug product licensed under the monograph of the order. If such an order is issued, proceedings under subsection (g) shall be initiated and completed on an expedited basis.

STANDARDS FOR PROVISIONAL ISSUANCE, AMENDMENT, SUSPENSION, AND REVOCATION OF DRUG MONOGRAPHS IN SPECIAL CIRCUMSTANCES

SEC. 110. (a) GENERAL REQUIREMENTS.—The Secretary shall, pursuant to the procedures set forth in section 111, provisionally issue a monograph for a drug entity under this section if the Secretary determines that—

(1) on the basis of the information submitted in the petition, the requirement described in subsection (a)(1) of section 109 for issuance of a monograph for the drug entity under that section cannot be met at the time the petition is filed with the Secretary;

(2) the petitioner for the monograph has shown that—

(A) the drug entity is intended to be used in the diagnosis, cure, mitigation, or treatment of a disease, injury, or other condition affecting the health of a human, or in the prevention of a disease or other condition (other than an injury) affecting the health of a human, which disease, injury, or condition is life threatening or is severely debilitating or disabling in a significant portion of the patient population affected by that disease, injury, or condition,

(B) with respect to such disease or injury—

(i) no other effective methods of diagnosis, cure, mitigation, treatment, or prevention (as the case may be) exists, or

(ii) the drug entity offers a major advantage to patients compared to the benefits offered by alternative methods of diagnosis, cure, mitigation, treatment, or prevention (as the case may be) because use of the drug entity will significantly reduce risks to health, or provide significantly greater effectiveness, or both, and

(C) the patient population affected by the disease, injury, or condition described in subparagraph (A) will not be adequately served by the registration under subpart 5 of a drug product containing the drug entity;

(3) the petitioner for the monograph has shown that the drug entity offers such an advantage in the diagnosis, cure, mitigation, treatment, or prevention of the disease, injury, or condition described in paragraph (2)(A) that delaying issuance of the monograph until completion of adequate and well-controlled clinical investigations would present significantly greater risks to patients affected by that disease, injury, or condition than would issuing the monograph without those investigations;

(4) the drug entity is effective, as described in subsection (b);

(5) the drug entity has been assessed for risks, as described in subsection (c);

(6) the monograph is subject to mandatory and other appropriate requirements, as described in subsection (d); and

(7) the drug entity is safe, as described in subsection (e).

(b) EFFECTIVENESS.—(1) The Secretary may provisionally issue a monograph under this section only if the Secretary determines that the petitioner for the monograph has shown by significant evidence that the drug entity described in the monograph is effective (as defined in section 109(b)(2)).

(2) As used in this subsection, the term "significant evidence" means evidence consisting of valid and meaningful scientific investigations, including investigations in animals and well-documented clinical experience and clinical investigations (unless such investigations are not feasible due to an absence of methodology or due to ethical proscriptions on such investigations), conducted by experts qualified by scientific training and experience to evaluate the effectiveness of the drug entity involved, on the basis of which it could fairly and responsibly be concluded by experts, qualified by scientific training and experience to evaluate the effectiveness of the drug entity involved, that the drug entity will have the effect represented in information labeling for drug products eligible to be licensed under the monograph.

(c) RISK ASSESSMENT.—The Secretary may provisionally issue a monograph under this section only if—

(1) the Secretary determines that the petitioner for the monograph has shown that the drug entity has been tested by all methods reasonably applicable and sufficient to detect and evaluate the risks of the drug entity; and

(2) the results of the testing of the drug entity by such methods have been reported to the Secretary in such form and manner as the Secretary has prescribed.

(d) REQUIREMENTS UNDER A MONOGRAPH.—(1) The Secretary may provisionally issue a monograph under this section only if the monograph contains the following requirements for drug products eligible to be licensed under the monograph:

(A) Such drug products shall be dispensed only by or upon the prescription of a practitioner.

(B) A person obtaining or holding a license for any such drug product shall be required to establish and maintain records and make reports regarding the manufacture, distribution, and clinical use and experience of the drug product.

(C) A person obtaining or holding a license for any such drug product shall be required to establish and maintain a system for collecting data and information on the use of and experience with the drug product.

(D) A person obtaining or holding a license for any such drug product shall be required to continue and complete adequate and well-controlled clinical investigations to provide substantial evidence for determining whether the drug entity in such drug products is ef-

fective, unless such investigations are not feasible due to an absence of methodology or due to ethical proscriptions on such investigations.

(2) The Secretary may include in the monograph any requirements or conditions authorized in section 108 if the requisite determinations are made.

(e) SAFETY.—The Secretary may provisionally issue a monograph under this section only if the Secretary determines that the petitioner for the monograph has shown that the drug entity is safe, as determined in accordance with section 109(e).

(f) AMENDMENTS.—(1) The Secretary shall amend a monograph under this section to include within (or to delete from) the monograph a type of dosage form of a drug product, or to change the strength of a type of dosage form of a drug product, if the Secretary makes (or, in the case of deletion, can no longer make) the determinations required in this section with respect to that dosage form or strength.

(2) The Secretary may amend a monograph under this section to add a standard or requirement, if the Secretary makes the relevant determination required under section 108 with respect to that standard or requirement.

(3) The Secretary may amend a monograph under this section to delete a standard or requirement (other than a requirement mandated under subsection (d)(1)), if the Secretary can no longer make the relevant determinations required under section 108 with respect to that standard or requirement.

(4) Amendments to monographs shall be made by orders issued and made effective in accordance with section 111, except that the Secretary may make an order proposing an amendment effective upon its publication in the Federal Register if the Secretary determines that unless such order is made so effective, the monograph would be suspended under subsection (i) pending completion of proceedings under subsection (h) to revoke the monograph. If such an order is made so effective, the Secretary shall (A) notify each licensee of a drug product licensed under the monograph of the terms of the amendment proposed by the order, and (B) initiate and complete proceedings under section 111 with respect to the order on an expedited basis. Upon completion of such proceedings, the Secretary shall affirm, modify, or revoke such order.

(g) EXPIRATION OF MONOGRAPH.—Approval of a monograph issued under this section shall expire three years following the date it becomes effective. Approval of a monograph may be renewed if the Secretary determines, pursuant to the procedures set forth in section 111, that the conditions and requirements for approval of a monograph under this section still exist. This determination shall be based upon all relevant information, including information obtained since the previous approval of the monograph.

(h) REVOCATION OF MONOGRAPH.—(1) The Secretary shall, pursuant to section 111, revoke a monograph issued under this section if the Secretary determines—

(A) that any of the standards or requirements under subsection (d) of this section are not being complied with;

(B) on the basis of new information, that the drug entity is no longer shown by significant evidence to be effective for the conditions of use set forth in information labeling for drug products eligible to be licensed under the monograph; or

(C) on the basis of new information, that the drug entity described in the monograph is no longer shown to be safe.

(i) SUSPENSION.—(1) The Secretary shall by order suspend a monograph under this section, pending completion of proceedings under subsection (h) to determine whether the monograph should be revoked, if the Secretary determines that proceedings should be commenced to revoke the monograph.

(2) An order suspending a monograph shall become effective on the date specified in the order and shall remain in effect until completion of the proceedings to determine whether the monograph should be revoked. The Secretary shall publish in the Federal Register notice of any order issued under paragraph (1) and shall also notify each licensee of a drug product licensed under the monograph. If such an order is issued, proceedings under subsection (h) shall be initiated and completed on an expedited basis.

PROCEDURES FOR ISSUING, AMENDING, AND REVOKING MONOGRAPHS

SEC. 111. (a) GENERAL STATEMENT OF PROCEDURE.—(1) Any person may submit for filing under subsection (b) a petition to the Secretary to issue, amend, or revoke under section 109 or 110 a monograph for a drug entity.

(2) If a petition is filed under subsection (b) to issue, amend, or revoke a monograph for a drug entity—

(A) the Secretary shall notify the public, in accordance with subsection (c)(1), of the filing;

(B) the petition shall be reviewed and evaluated by personnel of the Department in accordance with subsection (d) and such personnel shall prepare a report recommending action to be taken by the Secretary in response to the petition;

(C) the Secretary shall, in accordance with subsection (e), provide an opportunity for a public hearing and make available to the public the report referred to in subparagraph (B) prior to the hearing;

(D) a hearing requested shall be held within two hundred ten days of the date of filing, and opportunity shall be provided for the submission of additional written comments following such hearing;

(E) a drug science advisory committee shall prepare, in accordance with subsection (g), a recommendation for action by the Secretary and Department personnel shall review their recommendation to the Secretary in accordance with such subsection; and

(F) within three hundred sixty days of the date of the filing, the Secretary shall take the action prescribed by subsection (h).

(3) The Secretary may, on the Secretary's own initiative, amend or revoke a monograph for a drug entity. If the Secretary proposes to amend or revoke a monograph, the Secretary shall—

(A) notify the public, in accordance with subsection (e)(3), of his proposed action;

(B) provide an opportunity for a public hearing in accordance with subsection (f), to be commenced within ninety days of the date of the notice;

(C) provide opportunity for the submission of additional written comments on the action of the Secretary which was the subject of the hearing;

(D) have a drug science advisory committee prepare, in accordance with subsection (g), a recommendation on the action proposed by the Secretary; and

(E) within one hundred eighty days of the date of the notice take the action prescribed by subsection (h).

(b) PETITIONS REGARDING A MONOGRAPH.—(1) A petition to issue a monograph for a drug entity shall contain the following:

(A)(i) A description of the drug entity, which description meets the requirements of section 108(b).

(ii) Proposed requirements and guidelines for the contents of information labeling for drug products that would be licensed under the monograph.

(iii) If the petition proposes that the Secretary impose any requirement or standard described in subsection (e), (f)(2), (h)(2), (i), (j), (k), or (l) of section 108 information which is adequate to show the basis for the conclusion of the petitioner that such requirement should be imposed and a proposal for the text of such requirement (including guidelines, where applicable).

(iv) If the petition proposes that the requirement described in subsection (g)(2) of section 108 not be imposed, information which is adequate to show the basis for the conclusion of the petitioner that such requirement should not be imposed.

(B) Three reports (in such form as the Secretary shall prescribe) of evidence derived from all investigations that have been made to evaluate the effectiveness of the drug entity and to assess its risks, as follows:

(i) A report in summary form of (I) each such investigation, and (II) data and information from such investigations. Such summary shall be adequate to disclose the basis on which the petitioner concludes that the drug entity is effective and has been assessed for risks.

(ii) A report containing (I) a detailed description of each such investigation, (II) the protocols for each such investigation, and (III) tables, compilations, and analysis of all data and information obtained from each such investigation and relevant to the evaluation of the effectiveness of the drug entity and the assessment of its risks.

(iii) A full report of all data and information from each such investigation.

(C) If the petition is for the issuance of a monograph under section 110, data and information adequate to show the basis for the conclusion of the petitioner that the determinations required by paragraphs (2) and (3) of section 110(a) may be made by the Secretary.

(D) The basis for the conclusion of the petitioner that the drug entity is safe within the meaning of section 109(e).

(E) Any other data and information that the Secretary may request to determine whether the monograph should be issued.

(2) A petition to amend a monograph shall include (A) the text of the proposed amendment, and (B) information adequate to show the basis for the conclusion of the petitioner that the monograph as proposed to be amended should be issued under the applicable requirements of section 109 or 110. If evaluation of the proposed amendment requires the review of evidence not otherwise available from investigations to evaluate the effectiveness of the drug entity involved or to assess its risks, such evidence shall be submitted in accordance with paragraph (1)(B).

(3) A petition to revoke a monograph shall include information adequate to show the basis for the conclusion of the petitioner that the monograph should be revoked under the applicable requirements of section 109 of 110. If evaluation of the proposed revocation requires the review of evidence not otherwise available from investigations to evaluate the effectiveness of the drug entity involved or to assess its risks, such evidence shall be submitted in accordance with paragraph (1)(B).

(4) Not later than thirty days after the date a petition is received by the Secretary, the Secretary shall determine whether the petition meets the applicable requirements of paragraph (1), (2), or (3). If the Secretary determines that a petition meets such requirements, the Secretary shall file the petition. If the Secretary determines that it does not meet such requirements, the Secretary shall notify the petitioner in writing that the petition may not be filed and shall specify the grounds for that determination.

(c) NOTICE OF FILING OF PETITION.—The Secretary shall, by notice in the Federal Register, notify the public (1) of the filing of any petition under subsection (b) respecting a monograph for a drug entity, and (2) that the petition is available for public

inspection except for the reports in the petition described in clauses (ii) and (iii) of subsection (b)(1)(B) respecting the effectiveness of the drug entity and its risks. Such a notice shall be so published not later than fifteen days after the date of the filing of the petition involved.

(d) STAFF REVIEW AND RECOMMENDATION RESPECTING A PETITION.—(1) Upon the filing of a petition, the Secretary shall have officers and employees of the Department designated by the Secretary—

(A) conduct a review and evaluation of the petition, and

(B) prepare a report (i) of such review and evaluation, (ii) containing a statement of the issues presented by the petition, and (iii) containing a recommendation for action to be taken by the Secretary in response to the petition.

(2) The report described in this subsection shall be submitted to the Secretary either within one hundred and eighty days of its being filed or at least thirty days before the date of the hearing on the petition involved set under subsection (e), whichever is earlier.

(3) The Secretary shall take into account the extent to which the procedures used in any scientific investigation are consistent with a guideline issued, or advice given, under section 132.

(e) NOTICE OF HEARING ON PETITION, REPORT, AND INFORMATION; INITIATION OF PROCEEDINGS BY SECRETARY.—(1) With respect to any petition filed under subsection (b), the Secretary shall, by notice published in the Federal Register—

(A) provide opportunity for a public hearing to commence not later than two hundred ten days after the date of the filing of the petition,

(B) notify the public that the hearing shall be held on the statement of issues and recommendation contained in the report filed with respect to the petition under subsection (d)(1)(B) and on other relevant issues raised by the participants in the hearing.

(C) notify the public that the report prepared on the petition under subsection (d)(1)(B) will be available for inspection at least fifteen days before the date set for the hearing.

(2) The notice setting the date for a public hearing shall be published in the Federal Register at least ninety days before the date set for the hearing.

(3) If the Secretary proposes to amend or revoke a monograph for a drug entity, the Secretary shall publish in the Federal Register a notice (A) of the action proposed to be taken by the Secretary, (B) containing a summary of the basis for such action, (C) stating that a detailed statement of such basis is available for public inspection, and (D) provide opportunity for a public hearing on such proposed action which hearing shall be commenced not later than ninety days after the publication of such notice.

(f) HEARINGS; ADDITIONAL VIEWS.—(1) If a public hearing is held, it shall be conducted in accordance with section 173(c).

(2) Opportunity shall be provided for the submission of additional written views on the subject of a public hearing not later than thirty days after the completion of oral testimony in the public hearing.

(g) ADVISORY COMMITTEE AND STAFF RECOMMENDATIONS.—(1)(A) Upon completion of a hearing under subsection (f)(1), the Secretary shall submit to a drug science advisory committee appointed under section 178(a)—

(i) the petition or a detailed statement of the proposed action of the Secretary which was the subject of the hearing,

(ii) the report made on the petition under subsection (d)(1)(B) or the detailed statement of the basis for the proposed action of the Secretary referred to in the notice published under subsection (e)(3),

(iii) the record of the hearing and any views submitted under subsection (f)(2), and

(iv) the scientific determinations required to be made under sections 108, 109, and 110 before the action proposed by the petition or the Secretary may be taken.

(B) The advisory committee shall—

(i) advise the Secretary if the determinations submitted to it under clause (iv) of subparagraph (A) may be made,

(ii) advise the Secretary on other scientific matters related to the petition involved or action proposed by the Secretary,

(iii) prepare responses to other significant issues it determines were raised in the hearing, and

(iv) prepare a recommendation for action to be taken by the Secretary on the petition or on his proposed action.

(2) Personnel of the Department designated by the Secretary who, to the extent feasible, shall be the same personnel who prepared the report under subsection (d)(2) which was the subject of a hearing under subsection (f) shall upon completion of the hearing (A) review the record of the hearing and any additional views submitted on the subject of the hearing, (B) prepare responses to the significant issues they determine were raised in the hearing, and (C) make such revisions in their report as they deem appropriate.

(3) The actions required by paragraphs (1) and (2) shall be completed and submitted to the Secretary not later than sixty days after the date of the completion of the hearing with respect to which the actions were taken.

(h) ACTION BY THE SECRETARY.—Not later than one hundred twenty days after the completion of a hearing under subsection (f), the Secretary shall (1) by order take such action as the Secretary determines is appropriate or terminate the proceedings initiated upon the filing of the petition involved or by the Secretary, and (2) make available for public inspection submissions made to the Secretary under subsection (g) after the completion of the hearing.

(i) JUDICIAL REVIEW.—Any person may obtain review of a final order of the Secretary under this section issuing, amending, or revoking a monograph, or refusing to issue, amend, or revoke a monograph, may obtain review of that order pursuant to section 182. The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of an order of the Secretary issuing, amending, or revoking a monograph.

(j) DISCLOSURE OF REPORTS CONTAINED IN A PETITION.—(1) This subsection governs the disclosure of reports of evidence which are derived from investigations made to evaluate the effectiveness of a drug entity and to assess its risks and which are included in a petition to issue or amend a monograph. Section 552 of title 5, United States Code, section 1905 of title 18, United States Code, and section 301(j) of the Federal Food, Drug, and Cosmetic Act do not apply to the disclosure of such reports in accordance with this subsection.

(2)(A) Upon the filing of a petition under subsection (b)(4), the report in the petition described in subsection (b)(1)(B)(i) shall be available to the public.

(B) Except as provided in paragraph (3), the reports in a petition described in clauses (ii) and (iii) of subsection (b)(1)(B) shall not be available to the public until the date the Secretary issues or amends the monograph with respect to which the petition was filed. On and after such date such reports (other than any matter in such reports which is described in section 552(b)(6) of title 5, United States Code) shall be available to the public.

(3) Upon the filing of a petition under subsection (b)(4), the reports in the petition described in clauses (ii) and (iii) of subsection (b)(1)(B) may be disclosed to, but not copied by, any person who demonstrates to the satisfaction of the Secretary that such person—

(A) seeks information in such reports solely for the purpose of participating in any public hearing held on the petition,

(B) will not use the information for commercial purposes,

(C) is not employed (directly or indirectly), by, and is not serving as the agent of or on behalf of, any person who would be able to use the information for commercial purposes,

(D) will take such security precautions respecting the taking and storage of notes on the information, and the further disclosure of the information obtained, until such time as the information becomes available to the public under paragraph (2), as the Secretary may by regulation prescribe, and

(E) is aware of the prohibitions and penalties under section 161(7) against further disclosure of the information and use of it for commercial purposes.

(k) APPENDICES TO MONOGRAPHS.—The Secretary shall issue guidelines as appendices to monographs without regard to the procedures set forth in this section or in section 553 of title 5 of the United States Code. The legal status of guidelines is defined in section 132(a)(2).

PROCEDURE FOR SUSPENDING MONOGRAPHS

SEC. 112. (a) PETITIONS.—A monograph for a drug entity may be suspended in accordance with section 109(h), and shall be suspended in accordance with section 110 (i), by an order of the Secretary issued on his own initiative or in response to a petition. Any person may submit a petition to the Secretary to suspend a monograph for a drug entity. Such a petition shall contain (1) information adequate to show the basis for the conclusion of the petitioner that the monograph should be suspended, and (2) if the petition seeks suspension of the monograph under section 109, information adequate to show the basis for the conclusion of the petitioner that the monograph should be revoked under such section.

(b) JUDICIAL REVIEW.—Any person may obtain review of an order of the Secretary under section 109 or 110 suspending a monograph pursuant to section 182. The commencement of proceedings under this section shall not, unless specifically ordered by the court to the contrary, operate as a stay of an order by the Secretary suspending a monograph.

Subpart 3—General Requirements for Drug Entities and Drug Products

REQUIREMENTS FOR REGISTRATION OF ESTABLISHMENTS IN WHICH DRUG ENTITIES AND DRUG PRODUCTS ARE MANUFACTURED OR DISTRIBUTED

SEC. 113. (a) ESTABLISHMENTS LOCATED IN THE UNITED STATES.—Except as provided in subsection (d), any person who manufactures, imports, exports, or distributes (or intends to manufacture, import, export, or distribute) drug entity or a drug product, in an establishment located in the United States shall register under this section each establishment at which the activity occurs or is to occur.

(b) ESTABLISHMENTS LOCATED OUTSIDE THE UNITED STATES.—Except as provided in subsection (d), any person who manufactures (or intends to manufacture) a drug entity or a drug product, in an establishment located in a country other than the United States, which drug entity or drug product is to be imported or offered for import into the United States, shall register under this section each establishment at which the activity occurs or is to occur. No establishment shall be registered under this subsection unless the Secretary determines that adequate and effective means are available, either by

the agreement of the applicant or by arrangement with the government of the country in which the establishment is located, to enable the Secretary to determine whether drug entities and drug products manufactured in the establishment, if imported or offered for import into the United States, should be refused admission on any of the grounds set forth in section 119.

(c) INFORMATION REQUIRED FOR REGISTRATION.—(1) The Secretary shall register an establishment under subsection (a), and under subsection (b) (except as provided in that subsection), upon the submission of the following information:

(A) The name of the person seeking to register the establishment. In the case of a person which is a corporation, the name of the jurisdiction of incorporation shall also be submitted.

(B) The address of the principal place of business of the person seeking to register the establishment.

(C) The address of each establishment which the person is required to register under subsection (a) or (b), including a brief description of the type of activity occurring at each establishment.

(D) A list of any drug entity that is being or is intended to be manufactured, imported, exported, or distributed. In the case of a registration required under subsection (b), the list is not required to include drug entities that are not imported or offered for import into the United States.

(2) The Secretary may require a person who has registered an establishment under this section to amend the information required for registration from time to time in order for the Secretary to maintain current records relating to registration.

(d) EXEMPTION FROM REGISTRATION.—The following establishments shall not be required to be registered under this section:

(1) A pharmacy which is licensed or registered under applicable laws regulating the practice of pharmacy and which compounds drug products solely in the course of filling and dispensing a prescription as part of the practice of pharmacy.

(2) An establishment at which nonprescription drug products are dispensed.

(3) An office or place of business of a practitioner at which drug products are compounded solely for dispensing in the course of professional practice.

(4) An establishment at which drug entities or drug products are manufactured, imported, exported, or distributed solely for use in preclinical research, teaching, or chemical analysis and not for use in humans.

(5) An establishment of a common or contract carrier at which drug entities or drug products are held or distributed on behalf of other persons in the usual course of business.

(6) Any other establishment or type of establishment that the Secretary may, by regulation, exempt from the application of this section upon a determination that registration is not necessary for the efficient implementation and enforcement of this title.

REQUIREMENTS REGARDING MANUFACTURING AND DISTRIBUTING PRACTICES

SEC. 114. (a) USE OF CURRENT GOOD PRACTICE.—The methods used in, and the facilities and controls used for, manufacturing, holding, and distributing a drug entity or a drug product shall conform to current good manufacturing practice, as prescribed in regulations promulgated by the Secretary, taking into consideration the competitive effects of such regulations (including competition among suppliers of machinery or materials that might be necessary in order to comply with such regulations), in order to assure that such entity or product will be safe, will have the identity, strength, and bioavailability, and will meet the quality, purity, and stability characteristics, required under this title.

(b) VARIANCES IN CURRENT GOOD PRACTICES.—(1) Any person subject to any requirement prescribed by regulations under subsection (a) may petition the Secretary for a variance from such requirement as applied to one or more specific drug entities or drug products. The petition shall be submitted either as part of an application for licensure for the drug product under subpart 4 or in such other form and manner, and shall contain such information, as the Secretary shall prescribe.

(2) The Secretary may approve a petition for a variance if the Secretary determines that the petitioner has demonstrated that—

(A) alternative methods, facilities, or controls proposed to be used by the petitioner for the drug entity or drug product are at least equal to those required under subsection (a) in assuring that such entity or product will be safe, will have the identity, strength, and bioavailability, and will meet the quality, purity, and stability characteristics, required under this title; or

(B) (i) the drug entity or drug product will be adversely affected, degraded, or rendered unstable in terms of its safety, identity, strength, quality, purity, stability, or bioavailability if manufactured, held, or distributed in accordance with the requirements of subsection (a), and

(ii) alternative methods, facilities, or controls proposed to be used by the petitioner for the drug entity or drug product are adequate to assure that such entity or product will be safe, will have the identity, strength, and bioavailability, and will meet the quality, purity, and stability characteristics, required under this title.

(c) PROHIBITED PRACTICES.—No drug entity or drug product shall be manufactured, held, or distributed under unsanitary conditions whereby it may be either contaminated with filth or rendered injurious to health.

REQUIREMENTS REGARDING COMPENDIAL STANDARDS OF IDENTITY, STRENGTH, QUALITY, PURITY, AND STABILITY

SEC. 115. (a) COMPLIANCE WITH COMPENDIAL STANDARDS.—If a drug entity, drug product, or in the case of a drug entity which is a combination of separate drug entities, any such separate drug entity, is recognized in the United States Pharmacopeia, such drug entity or drug product shall have the identity described in, and shall not differ in strength from, nor fail in terms of quality, purity, or stability to meet the standards set forth in, such compendium, except as provided in subsection (b). The determination as to identity strength, quality, purity, and stability shall be made in accordance with the tests or methods of assay prescribed in the compendium, except as provided in subsection (b).

(b) ALTERNATIVE OR ADDITIONAL STANDARDS.—(1) If the Secretary determines that the compendial standards, tests, or methods of assay described in subsection (a) are inadequate, incomplete, or inappropriate to determine and assure the identity, strength, quality, purity, and stability of the drug entity or drug product, the Secretary shall prescribe alternative or additional standards or tests or methods of assay to those in subsection (a).

(2) In approving applications for licenses under subpart 4, the Secretary may permit use of standards, tests, or methods of assay that differ from, but are adequate and appropriate as alternatives to, or have a sensitivity equal to or greater than, those prescribed in subsection (a) or (b)(1) as the basis for determining and assuring the identity, strength, quality, purity, or stability of the drug product, or the drug entity contained in the product (or the separate drug entities contained in the drug entity).

REQUIREMENTS REGARDING COMPONENTS OF DRUG ENTITIES AND DRUG PRODUCTS

SEC. 116. No drug entity or drug product shall contain any component which—

(1) is a filthy, putrid, decomposed, poisonous or deleterious substance;

(2) is not shown by the manufacturer of the drug entity or the licensee of a drug product containing the drug entity (A) to be safe and suitable for its intended purposes, or (B) not to interfere with the effectiveness of such drug entity or drug product;

(3) interferes with tests or methods of assay prescribed for the drug entity or drug product under the drug product license, under the applicable monograph, or under section 115; or

(4) if the component is recognized in the United States Pharmacopeia, fails to comply with the standards of identity, strength, quality, and purity set forth in such compendium.

REQUIREMENTS REGARDING PACKAGING AND CONTAINERS OF DRUG ENTITIES AND DRUG PRODUCTS

SEC. 117 (a) COMPLIANCE WITH COMPENDIAL STANDARDS AND SPECIFICATIONS.—If a drug entity, drug product, or in the case of a drug entity which is a combination of separate drug entities, any such separate drug entity is recognized in the United States Pharmacopeia, the packaging of such drug entity or drug product shall comply with the compendial standards and specifications for such packaging, except as provided in subsection (b).

(b) ALTERNATIVE OR ADDITIONAL STANDARDS.—If the Secretary determines that the compendial standards or specifications described in subsection (a) are inadequate, incomplete, or inappropriate to assure safe handling of the drug entity or drug product, to minimize deterioration, to prevent deception of purchasers or contamination of other drug entities or drug products, or otherwise to protect the public health, the Secretary shall prescribe alternative or additional packaging standards or specifications.

(c) PROHIBITED CONTAINERS.—No drug entity or drug product shall be packaged in a container which may render the contents injurious to health, or which is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

REQUIREMENTS REGARDING COLOR ADDITIVES

SEC. 118. No drug entity or drug product, except those covered by an export permit issued under subpart 6, shall contain a color additive which does not comply with section 706(a) of the Federal Food, Drug, and Cosmetic Act.

REQUIREMENTS REGARDING IMPORTATION OF DRUG ENTITIES AND DRUG PRODUCTS

SEC. 119. (a) GROUNDS FOR REFUSAL TO ADMIT INTO THE UNITED STATES.—Except as provided in subsection (c) of this section, a drug entity or drug product shall be refused admission into the United States if it appears, from the examination of samples or otherwise, that the drug entity or drug product—

(1) in the case of a drug entity, is required to have a monograph in effect under subpart 2 of this part and such a monograph is not in effect;

(2) in the case of a drug product, is required to be licensed under subpart 4 of this part and is not so licensed;

(3) in the case of a drug product, is required to be registered under subpart 5 of this part and is not so registered;

(4) was manufactured in an establishment which is required to be registered under section 113(b) and is not so registered;

(5) has been manufactured, held, or distributed under conditions that do not conform to the requirements of section 114; or

(6) fails to comply with any requirement under section 115, 116, 117, 118, 146, or 147.

(b) NONRELEASE PENDING DECISION ON ADMISSIBILITY.—(1) The Secretary may identify for the Secretary of the Treasury the name of any drug entity or drug product (whether licensed or not) that, if offered for import into the United States, should not be admitted until samples have been furnished to the Secretary for examination to determine whether admission shall be denied under subsection (a) of this section.

(2) The Secretary of the Treasury shall not release into the United States, pending a decision under subsection (d) on admissibility into the United States, any of the following when offered for import into the United States:

(A) Any drug product that is not accompanied by a certificate showing that—

(i) the drug product is licensed under subpart 4, or registered under subpart 5, of this part, and

(ii) the drug product was manufactured in an establishment registered under section 113(b).

(B) Any drug entity that is not accompanied by a certificate showing that a monograph is in effect for it under subpart 2 of this part and it was manufactured in an establishment registered under section 113(b).

(C) Any drug entity or drug product (whether licensed or not) that the Secretary has requested be sampled and examined before being admitted.

(3) If the Secertary of the Treasury does not release a drug entity or drug product under paragraph (2), he shall so notify the owner or consignee and the Secretary. In the event that the Secretary has requested that the drug entity or drug product be sampled, the Secretary of the Treasury shall also provide samples to the Secretary.

(c) RELEASE PENDING DECISION ON ADMISSIBILITY.—If the Secretary finds that a drug entity or drug product can be brought into compliance with this title or rendered other than a drug entity or drug product, a final determination regarding admissibility under subsection (d) may be deferred. Upon the timely filing by the owner or consignee of a written application to the Secretary, and the execution of a good and sufficient bond (as determined in accordance with regulations issued under section 177(c)) conditioned that the drug entity or drug product will not be distributed or disposed of contrary to any applicable law, the Secretary may authorize the Secretary of the Treasury to release the drug entity or drug product to the owner or consignee in order (as specified in the authorization) either to bring it into compliance with this title or to render it other than a drug entity or drug product. Any action pursuant to an authorization under this subsection shall be under the supervision of an officer or employee of the Department designated by the Secretary, or an officer or employee of the Department of the Treasury designated by the Secretary of the Treasury. Upon completion of any work to bring the drug entity or drug product into compliance with this title, the Secretary shall determine whether it shall be refused admission in accordance with subsection (d) of this section.

(d) DENIAL OF ADMISSION INTO THE UNITED STATES.—If, after any examination and after providing notice and an opportunity for an informal hearing under section 173 of this title to the owner or consignee, the Secretary determines that a drug entity or drug product shall be refused admission under subsection (a), the Secretary shall so notify the Secretary of the Treasury. The Secretary of the Treasury shall cause the destruction of any drug entity or drug product denied admission under this section, unless it is removed from the United States in lieu of destruction within ninety days of the date of the notice of denial, or within any additional time as may be established by the Secretary of the Treasury. Removal from the United States shall be permitted only upon a showing by the owner or consignee that all of the requirements of subpart 6 of this part are met.

(e) PAYMENT OF EXPENSES.—(1) All expenses of the United States in connection with a drug entity or drug product denied admission into the United States under this section, or permitted admission under subsection (c), shall be paid by the owner or consignee thereof.

(2) The expenses of the United States under this section shall include—

(A) expenses (including travel, per diem or subsistence. and salaries of officers or employees of the United States), the amount of which are to be determined in accordance with regulations issued under section 177 (c), in connection with—

(i) any supervison of actions authorized under subsection (c) of this section to bring the drug entity or drug product into compliance with this title, or to render it other than a drug entity or drug product; or

(ii) the destruction or removal from the United States of the drug entity or drug product pursuant to subsection (d) of this section; and

(B) expenses in connection with the storage, cartage, or labor with respect to the drug entity or drug product.

(3) In the event of a default of payment by an owner or consignee under this subsection, the amount owed (plus interest from the date of default) shall—

(A) constitute a lien against any future importations made by the owner or consignee, and

(B) be recoverable by the Attorney General by an action brought in any appropriate district court of the United States.

(f) JUDICIAL REVIEW.—The owner or consignee of any drug entity or drug product that is refused admission into the United States by a final order of the Secretary under subsection (d) may obtain review of that order pursuant to section 182.

Subpart 4—Licensure of Drug Products Under Monographs

GENERAL REQUIREMENTS

SEC. 120. (a) GENERAL REQUIREMENTS.—Any person who intends to manufacture a drug product, or to import a drug product into the United States, shall obtain from the Secretary a drug product license under this subpart before commencing manufacturing, distribution, or importation of the drug product.

(b) NONAPPLICABILITY.—The requirements of this subpart shall not apply to the manufacture, import, export, or distribution of a substance which the person manufacturing, importing, exporting, or distributing neither intends to be, nor has reason to know will be, used in a human or for dispensing for use in a human.

DRUG PRODUCTS ELIGIBLE FOR LICENSURE

SEC. 121. (a) GENERAL RULE ON ELIGIBILITY.—Subject to the restrictions set forth in subsection (b), the Secretary may issue a drug product license only if (1) a monograph for the drug entity contained in the drug product for which licensure is sought has been issued under subpart 2, and (2) that monograph includes in its description of the drug entity the dosage form and strength for such drug product.

(b) LIMITED ELIGIBILITY AFTER ISSUANCE OF MONOGRAPH.—Notwithstanding subsection (a), the Secretary shall not issue a drug product license under any monograph during a period of five years following the date on which the monograph first becomes effective unless—

(1) the person who petitioned for issuance of the monograph authorizes the Secretary in writing to issue the license to a particular applicant, or

(2) the applicant for the license provides data and information, including data and information from preclinical and clinical investigations, which, independently of the data and information submitted as part of the petition to issue the monograph, would be adequate to support a determination, under the criteria in subpart 2, that the monograph could be issued.

DRUG PRODUCT LICENSES

SEC. 122. (a) APPLICATION FOR LICENSURE.—Except as provided in subsection (b), an application for a drug product license shall contain the following information:

(1) The name and address of the applicant.

(2) The identity of the monograph under which the drug product is to be licensed.

(3) Each proprietary name, if any, under which the drug product will be distributed.

(4) The National Drug Code number of the product, if known at the time of application.

(5) The composition of the product, including the established name and quantity of the drug entity and all components contained in the drug product. If the drug entity is a combination of separate drug entities, the established name and quantity of each such separate drug entity shall be provided.

(6) The name, address, and registration number of the establishment or establishments in which the drug product will be manufactured.

(7) The name, address, and registration number of the establishment or establishments in which the drug entity contained in the drug product will be manufactured.

(8) Specimens of all identification and information labeling to be used for the drug product.

(b) EXPANDED APPLICATION FOR LICENSURE.—In the event that a monograph requires, under section 108(f)(2), that an application for licensure of a drug product under that monograph contain information in addition to that required by subsection (a), an expanded application for licensure shall be submitted, containing the information required under subsection (a) and under the monograph.

(c) STANDARDS FOR DENIAL OF LICENSURE.—The Secretary shall issue a drug product license under this section unless the Secretary determines that—

(1) the applicant failed to demonstrate that the drug product—

(A) is eligible for licensure under the monograph under which licensure is sought;

(B)(i) meets all applicable standards of identity, strength, quality, purity, and stability, prescribed by the monograph and under section 115, if any, or (ii) if no such standards are prescribed by the monograph or under section 115—

(I) is subject to adequate standards of identity, strength, quality, purity, and stability, as set forth in the application, or

(II) meets all such standards as set forth in the application; or

(C) complies with all applicable requirements regarding components, packaging, and containers, and color additives prescribed by the monograph and under sections 116 through 118;

(2) the applicant failed to demonstrate, with respect to labeling of the drug product, that—

(A) identification and information labeling complies with section 146;

(B) identification labeling complies with the requirements of section 147;

(C) patient information labeling either complies with section 151 or is not required under the monograph; or

(D) practitioner information labeling complies with section 154;

(3) any establishment in which the applicant intends the drug product or the

drug entity contained in the drug product to be manufactured—

(A) is not registered pursuant to section 113; or

(B) could not be inspected because the person responsible for the establishment refused to permit an inspection authorized by section 175;

(4) the applicant failed to demonstrate that the methods used in, and the facilities and controls used for, manufacturing, holding, or distributing the drug product, or any drug entity contained in the drug product, conform to the current good manufacturing practices for manufacturing, holding, or distributing of drug entities and drug products required under section 1114;

(5) the application fails to contain information required under subsection (a) or (b) or contains an untrue statement of material fact; or

(6) the drug product is otherwise in violation of this title.

(d) PROCEDURES FOR DENIAL OF LICENSURE.—(1) Except where an expanded application for licensure is required under subsection (b) or except as provided in paragraph (3), the Secretary shall notify the applicant, within thirty days following receipt of the application, if the Secretary determines that manufacture, distribution, or importation of the drug product should be delayed pending a determination whether the application should be denied. If such notice is not given within the thirty days, the drug product license shall be deemed to be issued.

(2) Except as provided in paragraph (3), where an expanded application for licensure is required by subsection (b) of this section, the Secretary shall notify the applicant, within one hundred fifty days following receipt of the application, if the Secretary determines that manufacture, distribution, or importation of the drug product should be delayed pending a determination whether the application should be denied.

(3) Where an application for licensure is submitted in conjunction with a petition to issue or amend a monograph under subpart 2, the Secretary shall notify the applicant, within sixty days following the effective date of an order issuing or amending the monograph, if the Secretary determines that manufacture, distribution, or importation of the drug product should be delayed pending a determination whether the application should be denied.

(4) If notice is given under paragraph (1), (2), or (3), the applicant shall not permit the drug product to be manufactured, distributed, or imported until a drug product license is issued by the Secretary. During a thirty-day period following issuance of the notice, the applicant shall have an opportunity to meet with appropriate officers and employees of the Department to discuss and, if possible, resolve any questions that prevented issuance of the drug product license initially. Within thirty days following the end of such thirty-day period (or at the end of such additional time as the applicant and the Secretary may agree upon), if the drug product license has not been issued, the Secretary shall review the application and either issue the license or commence formal proceedings to deny the license. Procedures for such proceedings are set forth in subpart 7.

(5) In the event that during the process described in paragraph (4) the applicant submits material not contained in the original application, the Secretary shall have a reasonable period of time, not exceeding the time permitted for review of the original application, to review such material in addition to the time periods provided in paragraph (4).

(e) REQUIREMENTS FOR CONTINUED LICENSURE.—As conditions to continued licensure of a drug product under this section, the licensee shall—

(1) comply with any requirements prescribed in the monograph under which the drug product is licensed;

(2) assure that the methods used (by or on behalf of the licensee) in, and the facilities and controls used (by or on behalf of the licensee) for, manufacturing, holding, or distributing the drug product, or the drug entity contained in the drug product, conform to—

(A) any which are set forth in the application for licensure, and

(B) the current good manufacturing practices required under section 114;

(3) assure that the drug product meets all applicable standards of identity, strength, quality, purity, and stability—

(A) set forth in the application for licensure.

(B) prescribed by the applicable monograph, and

(C) under section 115;

(4) assure that the drug product complies with all applicable requirements regarding components, color additives, and packaging and containers—

(A) set forth in the application for licensure,

(B) prescribed by the monograph, and

(C) under sections 116 through 118;

(5) assure that labeling of the drug product complies with all requirements under section 146;

(6) assure that identification labeling of the drug product complies with—

(A) the sample contained in the application for licensure, as amended, and

(B) the requirements under section 147;

(7) assure that patient information labeling of the drug product, if required under the monograph, complies with—

(A) the sample contained in the application for licensure, as amended, and

(B) the requirements under section 151;

(8) assure that practitioner information labeling of the drug product complies with—

(A) the sample contained in the application for licensure, as amended, and

(B) the requirements under section 154;

(9) in the case of prescription drug product, assure that promotion labeling of the drug product complies with all requirements under section 156;

(10) assure that promotional activity regarding the drug product, carried out by or on behalf of the licensee, complies with all requirements under sections 158, 159, and 160; and

(11) comply with any lawful order—

(A) regarding notification regarding risks of the drug product, issued under section 148;

(B) regarding corrective promotion labeling for the drug product, issued under section 157;

(C) regarding an administrative embargo of the drug product, issued under section 165(j); or

(D) regarding processing after importation of the drug product, issued under section 119(c).

(f) AMENDMENTS TO A DRUG PRODUCT LICENSE.—(1) Except as permitted by the Secretary in regulations, a license shall not alter or modify the composition of a drug product, its identification or information labeling, or any other aspect of the drug product or its manufacture that is subject to a condition of licensure, from that set forth in the approved application for licensure, unless the Secretary has approved an application to amend the drug product license regarding the change. The Secretary may, by regulation, permit alterations or modifications specified in those regulations to be made either without submission of an application to amend the drug product license, or upon submission of the application without prior approval (but subject to subsequent denial) of the application by the Secretary.

(2) On or before the effective date of any change in the conditions of licensure prescribed by an amendment to the monograph under which the drug product is licensed, a licensee for a drug product affected by the change shall—

(A) submit and obtain the Secretary's approval of an application for an amendment of the license regarding the change; or

(B) withdraw the drug product license for the drug product under subsection (j).

(3) An application for an amendment of a drug product license shall contain information to identify the drug product involved and to describe the proposed changes in the license. An application for amendment shall be processed in the same manner as an application for initial licensure.

(g) STANDARDS FOR REVOCATION OF A DRUG PRODUCT LICENSE.—The Secretary may revoke a drug product license if he determines any of the following:

(1) The licensee has failed to comply with one or more of the conditions for continued licensure of the drug product, set forth in subsection (e).

(2) Any of the following contained an untrue statement of material fact:

(A) The application for licensure of the drug product.

(B) Any application for amendment of the drug product license.

(C) Any report regarding the drug product submitted by the licensee pursuant to any requirement under this title.

(D) Any record regarding the drug product made by the licensee pursuant to any requirement under this title.

(3) If batch approval is required under the applicable monograph, the licensee has been unable to obtain approval of the Secretary for a substantial number of batches of the drug product during a period of time determined to be significant in light of the volume of the drug product submitted by the licensee.

(4) The drug product, or the drug entity contained in the drug product, is manufactured in an establishment that—

(A) is not registered under section 113; or

(B) could not be inspected because the person responsible for the establishment refused to permit an inspection authorized by section 175.

(5) The monograph under which the drug product is licensed is revoked under subpart 2.

(h) PROCEDURES FOR REVOCATION OF A DRUG PRODUCT LICENSE.—(1) Before formal proceedings are commenced to revoke a drug product license under this section, the Secretary may, in his discretion provide the licensee written notice of the possibility that the drug product license might be subject to revocation proceedings. The notice shall specify the matters that might justify the action and allow a reasonable period of time, as determined by the Secretary, for corrective action to be taken. If corrective action is taken to the satisfaction of the Secretary, no proceedings to revoke the drug product license shall be commenced based upon the matters specified in the notice to the licensee.

(2) Procedures for formal proceedings to revoke a drug product license are set forth in subpart 7, except that in the event that the Secretary revokes a monograph under subpart 2, the Secretary shall revoke the drug product license for each drug product licensed under that monograph at the same time an order revoking the monograph is issued, without regard to the procedures set forth in subpart 7.

(i) SUSPENSION OF A DRUG PRODUCT LICENSE.—(1) The Secretary may suspend a drug product license issued under this section, pending completion of formal proceed-

ings to determine whether the license should be revoked under subsection (g), if the Secretary determines that the action is necessary to reduce or eliminate an unreasonable and substantial risk of illness or injury.

(2) An order of suspension may be issued without regard to the procedures set forth in subpart 7, shall become effective on the date specified in the order, and shall remain in effect until completion of the proceedings to determine whether the license should be revoked or until the order of suspension is withdrawn by the Secretary.

(3) In the event the Secretary suspends a license under this subsection, proceedings to evoke the license shall be commenced under subsection (h) and completed on an expedited basis.

(j) WITHDRAWAL OF A DRUG PRODUCT LICENSE.—Any licensee under this section may at any time withdraw a drug product license.

Subpart 5—Investigational Use of Drug Products

OBJECTIVES IN REGULATING THE INVESTIGATIONAL USE OF DRUG PRODUCTS

SEC. 125. (a) GENERAL OBJECTIVES.—In regulating the investigational use of drug products in humans, the Secretary shall—

(1) protect the rights and health of humans who may participate in the investigation, and

(2) to the extent consistent with paragraph (1), avoid interfering with the discovery and development of new drug products intended to benefit and promote the public health, and to that end, facilitate the opportunities for scientific investigators in their pursuit of that objective.

(b) SPECIFIC OBJECTIVES IN DRUG DEVELOPMENT INVESTIGATIONS.—In regulating the investigational use of a drug product in humans for purposes of evaluating the effectiveness and assessing the risks of the drug entity contained in the drug product being investigated, or for purposes of obtaining data and information in support of a petition for a monograph under subpart 2 of this part or an application for a drug product license under subpart 4 of this part, the Secretary shall, in addition to subsection (a)—

(1) assure the quality, reliability, and validity of the scientific data and information obtained in the investigations, and

(2) to the extent consistent with his obligation to evaluate monograph petitions and license applications fairly and objectively, advise persons who conduct scientific investigations on the purposes, design, and conduct of investigations, and evaluate the results of these investigations, in order to minimize the potential for unnecessary investigations or delays in the process of drug development.

GENERAL REQUIREMENTS

SEC. 126. (a) GENERAL REQUIREMENTS.—(1) Any person who intends to conduct an investigation in which a drug product which is not licensed under subpart 4 will be dispensed to a human, shall obtain from the Secretary a registration for such investigation under this subpart before permitting the drug product to be dispensed in the course of such investigation. A registration issued under this subpart authorizes the dispensing of the drug product to humans only in the course of an investigation approved in such registration.

(2) Any person who intends to manufacture or distribute, or to import into the United States, a drug product which is not licensed under subpart 4, for purposes of conducting an investigation involving the drug product, shall obtain from the Secretary, or assure that the person to whom the drug product will be distributed has obtained from the Secretary, a registration for such investigation under this subpart, before commencing manufacture, distribution, or importation of the drug product for such purposes.

(3) Any practitioner who intends to dispense to a human a drug product which is not licensed under subpart 4, for purposes of conducting an investigation involving the drug product, shall obtain from the Secretary, or assure that the person from whom the drug product will be received has obtained from the Secretary, a registration for such investigation under this subpart, before commencing dispensing of the drug product in the course of such investigation.

(b) NONAPPLICABILITY.—The requirements of this subpart shall not apply to the manufacture, import, export, or distribution of a substance which the person manufacturing, importing, exporting, or distributing neither intends to be, nor has reason to know will be, used in a human or for dispensing to a human.

(c) APPLICABILITY TO FOREIGN CLINICAL INVESTIGATION AND TO NONCLINICAL INVESTIGATIONS.—The requirements of sections 130 and 131 shall apply to any foreign clinical investigations and to any nonclinical investigations that are submitted to the Secretary in support of a petition under subpart 2 of this part, an application for a drug product license under subpart 4 of this part, or an application for a registration under this subpart, to the extent the Secretary determines appropriate to fulfill the objectives of those sections and section 125.

REGISTRATION REQUIREMENTS FOR DRUG INNOVATION INVESTIGATIONS

SEC. 127. (a) DEFINITION.—The term "drug innovation investigation" refers to those investigations involving small numbers of human participants (in normal health or with the disease, injury, or condition under investigation) which are intended to examine the clinical pharmacology of a drug entity or drug product in humans, to assess preliminarily its risks and effectiveness, or to study, with the use of a drug product, biological mechanisms in humans.

(b) REQUIREMENT OF REGISTRATION.—Any person who intends to conduct a drug innovation investigation shall, before permitting the drug product to be dispensed to a human as part of the investigation, obtain from the Secretary in accordance with this section a registration for the drug product being investigated.

(c) APPLICATION FOR REGISTRATION.—Any application for registration under this section shall contain the following information:

(1) A description of the drug product, including the drug entity contained in the drug product, that is to be investigated.

(2) Reports of previous investigations and experience involving the drug entity, including preclinical investigations, clinical investigations, and clinical experience with drug products containing the drug entity.

(3) A description of and the protocol for the clinical investigation to be conducted under the registration, including the maximum number of humans to be included as participants, the criteria for participant selection, the estimated duration, and the names of the investigators, for the investigation.

(4) Such information as is necessary for the Secretary to determine whether the requirements in subsection (f) are or will be met.

(5) Any other information that is necessary for the Secretary to determine whether the application should be approved or denied under subsection (d) of this section.

(d) STANDARDS FOR DENIAL OF REGISTRATION.—The Secretary shall register a drug product under this section unless the Secretary determines that—

(1) the proposed investigation is not within the scope of a drug innovation investigation, as defined in subsection (a);

(2) the proposed investigation will not comply with the conditions required under subsection (f) for registration under this section;

(3) human participants would be subjected to an unreasonable and significant risk of illness or injury; or

(4) the application for registration fails to contain information required under subsection (c) or contains an untrue statement of material fact.

(e) PROCEDURES FOR DENIAL OF REGISTRATION.—(1) The Secretary shall notify the applicant, within thirty days following receipt of the application, if the Secretary determines that the investigation should be delayed pending a determination whether the application should be denied. If such notice is not given within the thirty days, the registration shall be deemed to be issued.

(2) If notice is given under paragraph (1), the applicant shall not permit the drug product to be dispensed to a human as part of the investigation until a registration is issued by the Secretary. During a thirty-day period following issuance of the notice, the applicant shall have an opportunity to meet with appropriate officers and employees of the Department to discuss and, if possible, resolve any questions that prevented issuance of the registration initially. Within fifteen days following the end of this thirty-day period (or at the end of such additional time as the applicant may request), if the registration has not been issued, the Secretary shall review the application and either issue the registration or hold a conference with the applicant to determine whether proceedings to deny the application should be commenced. If a conference is held, the Secretary shall, within fifteen days following the conference, either issue the registration or commence formal proceedings to deny the registration. Procedures for such proceedings are set forth in subpart 7.

(3) In the event that during the process described in paragraph (2) the applicant submits material not contained in the original application, the Secretary shall have a reasonable period of time, not exceeding thirty days, to review such material in addition to the time periods provided in paragraph (2).

(f) REQUIREMENTS FOR CONDUCT OF INVESTIGATIONS.—As conditions for registration of a drug product under this section, the registrant shall—

(1) distribute the drug product only to experts who are qualified by scientific training and experience to investigate the drug product or the nature of diseases, injuries, and other conditions in humans and who are named in the registration;

(2) require that the drug product not be dispensed to humans other than by, or under the supervision of, the investigators named in the registration;

(3) conduct the investigation in accordance with the protocol in the registration;

(4) establish and maintain records, and submit reports to the Secretary, regarding the investigation to enable the Secretary to determine whether the conditions of registration are being fulfilled;

(5) report to the Secretary (in accordance with regulations promulgated under this subpart) information regarding newly discovered risks of the drug product to enable the Secretary to determine whether human participants are being subjected to an unreasonable and significant risk of illness or injury;

(6) comply with the requirements of section 130; and

(7) not promote or commercialize the drug product.

(g) REVOCATION OF REGISTRATION.—(1) The Secretary shall revoke a registration under this section if he determines that—

(A) the registrant has failed to comply with the conditions of registration; or

(B) the human participants in the investigation are subject to unreasonable and significant risk of illness or injury.

(2) In revoking a registration under this subsection, the Secretary may provide for an orderly transition of participants in the investigation at the time of revocation to other methods of treatment if necessary to prevent illness or injury to such participants from immediate termination of the investigation.

(3) Procedures for the revocation of a registration of a drug product under this subsection are set forth in subpart 7. Informal procedures to resolve scientific conflicts are required under section 133.

(h) SUSPENSION OF REGISTRATION.—(1) The Secretary may suspend a registration issued under this section, pending completion of formal proceedings to determine whether the registration should be revoked under subsection (g), if he has reason to believe that the action is necessary to reduce or eliminate an unreasonable and significant risk of illness or injury to human participants in the investigation.

(2) An order of suspension may be issued without regard to the procedures set forth in subpart 7, shall become effective on the date specified in the order, and shall remain in effect until completion of the proceedings to determine whether the registration should be revoked or until the order of suspension is withdrawn by the Secretary.

(3) In suspending a registration under this subsection, the Secretary may provide for an orderly transition of participants in the investigation at the time of suspension to other methods of treatment, if necessary to prevent illness or injury to such participants from immediate termination of the investigation.

(4) In the event the Secretary suspends a registration under this subsection, proceedings to revoke the registration shall be commenced under subsection (g) and completed on an expedited basis.

(i) WITHDRAWAL OF REGISTRATION BY REGISTRANT.—Any registration for investigational use of a drug product under this section may at any time be withdrawn by the registrant.

REGISTRATION REQUIREMENTS FOR DRUG DEVELOPMENT INVESTIGATIONS

SEC. 128. (a) DEFINITION.—The term "drug development investigation" refers to those investigations involving human participants which are for the purpose of evaluating the effectiveness of a drug product and assessing its risks. This category of investigations is primarily intended for drug products for which petitions to issue or amend monographs are intended to be submitted under subpart 2.

(b) REQUIREMENT FOR REGISTRATION.—Any person who intends to conduct a drug development investigation shall, before permitting the drug product to be dispensed to a human as part of the investigation, obtain from the Secretary in accordance with this section a registration for the drug product being investigated. No requirement imposed by this section shall be interpreted to affect the continuation of any clinical investigation conducted in accordance with a registration issued under section 127.

(c) APPLICATION FOR REGISTRATION.—An application for registration under this section shall contain the following information:

(1) A description of the drug product, including the drug entity contained in the drug product, that is to be investigated.

(2) Reports of prior investigations and experience involving the drug entity, including preclinical investigations, clinical investigations (including investigations conducted under a registration for a drug innovation investigation, if any), and clinical experience with drug products containing the drug entity.

(3) A proposed overall plan for the development of the drug product, including, to the extent possible, descriptions and protocols of, and names of the investigators to be involved in, the investigations proposed to be conducted under the registration. Descriptions and protocols not submitted in the application shall be submitted in accordance with subsection (g).

(4) Such information as is necessary for the Secretary to determine whether the requirements in subsection (f) are or will be met.

(5) Any other information that is necessary for the Secretary to determine whether the application should be approved or denied under subsection (d) of this section.

(d) STANDARDS FOR DENIAL OF REGISTRATION.—The Secretary shall register a drug product under this section unless the Secretary determines that—

(1) the proposed investigations will not comply with the conditions required in subsection (f) for registration under this section;

(2) the human participants in the investigations would be subjected to an unreasonable and significant risk of illness or injury;

(3) the applicant has failed to demonstrate that the risks to the human participants in the proposed investigations are outweighed by the benefits to be derived from the investigations;

(4) the proposed plan for the development of the drug product is not adequate to meet its stated objectives;

(5) the proposed investigations are inadequate to meet their stated objectives; or

(6) the application for registration fails to contain information required under subsection (c) or contains an untrue statement of material fact.

(e) PROCEDURES FOR DENIAL OF REGISTRATION.—(1) The Secretary shall notify the applicant, within sixty days following receipt of the application, if the Secretary determines that the investigation should be delayed pending a determination whether the application should be denied. If such notice is not given within the sixty days, the registration shall be deemed to be issued.

(2) If notice is given under paragraph (1), the applicant shall not permit the drug product to be dispensed to a human as part of the investigation until a registration is issued by the Secretary. During a thirty-day period following issuance of the notice, the applicant shall have an opportunity to meet with appropriate officers and employees of the Department to discuss and, if possible, resolve any questions that prevented issuance of the registration initially. Within fifteen days following the end of this thirty-day period (or at the end of such additional time as the applicant may request), if the registration has not been issued, the Secretary shall review the application and either issue the registration or hold a conference with the applicant to determine whether proceedings to deny the application should be commenced. If a conference is held, the Secretary shall, within fifteen days following the conference, either issue the registration or commence formal proceedings to deny the registration. Procedures for such proceedings are set forth in subpart 7.

(3) In the event that during the process described in paragraph (2) the applicant submits material not contained in the original application, the Secretary shall have a reasonable period of time, not exceeding thirty days to review such material in addition to the time periods provided in paragraph (2).

(f) REQUIREMENTS FOR CONDUCT OF INVESTIGATIONS.—As conditions for registration of a drug product under this section, the registrant shall—

(1) distribute the drug product only to experts who are qualified by scientific training and experience to investigate the drug product or the nature of diseases, injuries, and other conditions in humans and who are named in the registration;

(2) require that the drug product not be dispensed to humans other than by, or under the supervision of, the investigators named in the registration;

(3) conduct the investigations in accordance with the protocols submitted under the registration;

(4) establish and maintain records, and submit reports to the Secretary, regarding the investigations to enable the Secretary—

(A) to determine whether the conditions of registration are being fulfilled;

(B) to review the progress and results of the ongoing and completed investigations;

(C) to review protocols for proposed new investigations; and

(D) to evaluate the risks and effectiveness of the drug product;

(5) report to the Secretary (in accordance with regulations prescribed by him) information regarding newly discovered risks of the drug product to enable the Secretary to determine whether the risks to human participants outweigh the benefits to be derived from the investigations;

(6) comply with the requirements of sections 130 and 131; and

(7) not promote or commercialize the drug product.

(g) NEW OR MODIFIED CLINICAL INVESTIGATIONS.—(1) The registrant may propose new clinical investigations or significant modifications of investigations commenced under the registration as amendments to the registration, in accordance with regulations issued by the Secretary, and shall submit protocols for such investigations, before permitting the drug product to be dispensed to a human as part of the new or modified investigation.

(2) The registrant shall not begin a proposed new investigation, or implement a proposed significant modification, for at least thirty days following receipt of the submission by the Secretary. The Secretary may direct the registrant not to implement, or to suspend implementation of, the proposed significant modification, or not to commence the proposed new investigation, if the Secretary determines that an initial application for registration under this section for the modified or proposed investigation would have been denied under subsection (d). In so doing, the Secretary shall follow the procedures for denial of registration set forth in subsection (e), except that if the Secretary does not notify the registrant within thirty days following receipt of the submission by the Secretary, the registrant may proceed to implement the modification or commence the new investigation.

(h) REVOCATION OF REGISTRATION.—(1) The Secretary shall revoke a registration of a drug product under this section if the Secretary determines that—

(A) the registrant has failed to comply with the conditions of registration;

(B) the risks to the human participants in the investigations are not outweighed by the benefits to be derived from the investigations; or

(C) the human participants in the investigation are subject to an unreasonable and significant risk of illness or injury.

(2) In revoking a registration under this subsection, the Secretary may provide for an orderly transition of participants in the investigation at the time of the revocation to other methods of treatment if necessary to prevent illness or injury to such participants from immediate termination of the investigation.

(3) Procedures for the revocation of a registration of a drug product under this subsection are set forth in subpart 7. Informal procedures to resolve scientific conflicts are required under section 133.

(l) SUSPENSION OF REGISTRATION.—(1) The Secretary may suspend a registration issued under this section, pending completion of formal proceedings to determine whether the registration should be revoked under subsection (h), if the Secretary has reason to believe that the action is necessary to reduce or eliminate an unreasonable risk of illness or injury to human participants in the investigations.

(2) An order of suspension may be issued without regard to the procedures set forth in subpart 7, shall become effective on the date specified in the order, and shall remain in effect until completion of the proceedings to determine whether the registration should be revoked or until the order of suspension is withdrawn by the Secretary.

(3) In suspending a registration under this subsection, the Secretary may provide for an orderly transition of participants in the investigation at the time of suspension to other methods of treatment, if necessary to prevent illness or injury to such participants from immediate termination of the investigation.

(4) In the event the Secretary suspends a registration under this subsection, proceedings to revoke the registration shall be commenced under subsection (h) and completed on an expedited basis.

(j) WITHDRAWAL OF REGISTRATION BY REGISTRANT.—Any registration for investigational use of a drug product under this section may at any time be withdrawn by the registrant.

REGISTRATION REQUIREMENTS FOR DRUG TREATMENT INVESTIGATIONS

SEC. 129 (a) DEFINITION.—The term "drug treatment investigation" refers to those investigations involving small numbers of human participants with a serious disease, injury, or condition who cannot be satisfactorily served by alternative methods of diagnosis, cure, mitigation, treatment, or prevention, which investigations are primarily intended to provide diagnosis, cure, mitigation, treatment, or prevention for such participants rather than to assess the risks and effectiveness of the drug product involved (although information relevant to such assessment may be derived during the investigations).

(b) REQUIREMENT OF REGISTRATION.—Any person who intends to conduct a drug treatment investigation shall, before permitting the drug product to be dispensed to a human as part of the investigation, obtain from the Secretary in accordance with this section a registration for the drug product being investigated.

(c) APPLICATION FOR REGISTRATION.—Any application for registration under this section shall contain the following information:

(1) A description of the drug product, including the drug entity contained in the drug product, that is to be investigated.

(2) Reports of previous investigations involving the drug entity, including preclinical investigations, and clinical investigations and experience with drug products containing the drug entity.

(3) A description of the investigation or investigations to be conducted under the registration, including the number of humans to be included as participants, the criteria for participant selection, and the names of the investigators, for each investigation.

(4) Such information as is necessary for the Secretary to determine whether the requirements in subsection (f) are or will be met.

(5) Any other information that is necessary for the Secretary to determine whether the application should be approved or denied under subsection (d) of this section.

(d) STANDARDS FOR DENIAL OF REGISTRATION.—The Secretary shall register a drug product under this section unless the Secretary determines that—

(1) the proposed clinical investigations are not within the scope of a drug treatment investigation, as defined in subsection (a);

(2) the proposed investigations will not comply with the conditions required in subsection (f) for registration under this section;

(3) human participants would be subject to an unreasonable and significant risk of illness or injury;

(4) the risks to the participants in the proposed clinical investigations are outweighed by the benefits to those participants to be derived from the investigations because the applicant has failed to demonstrate a reasonable probability that the participants will be satisfactorily treated by the drug product; or

(5) the application for registration fails to contain information required under subsection (c) or contains an untrue statement of material fact.

(e) PROCEDURES FOR DENIAL OF REGISTRATION.—(1) The Secretary shall notify the applicant, within thirty days following receipt of the application by the Secretary, if the Secretary determines that the investigation is to be delayed pending a determination whether the application should be denied. If such notice is not given within the thirty days, the registration shall be deemed to be issued.

(2) If notice is given under paragraph (1), the applicant shall not permit the drug product to be dispensed to a human as part of the investigation until a registration is issued by the Secretary. During a thirty-day period following issuance of the notice, the applicant shall have an opportunity to meet with appropriate officers and employees of the Department to discuss and, if possible, resolve any questions that prevented issuance of the registration initially. Within fifteen days following the end of this thirty-day period (or at the end of such additional time as the applicant may request), if the registration has not been issued, the Secretary shall review the application and either issue the registration or hold a conference with the applicant to determine whether proceedings to deny the application should be commenced. If a conference is held, the Secretary shall within thirty days following the conference, either issue the registration or commence formal proceedings to deny the registration. Procedures for such proceedings are set forth in subpart 7.

(3) In the event that during the process described in paragraph (2) the applicant submits material not contained in the original application, the Secretary shall have a reasonable period of time, not exceeding thirty days, to review such material in addition to the time periods provided in paragraph (2).

(f) REQUIREMENTS FOR CONDUCT OF INVESTIGATIONS.—As conditions for registration of a drug product under this section, the registrant shall—

(1) distribute the drug product only to individual physicians who have a limited number of patients with disease, injury, or other condition to be treated with the drug product and who are named in the registration;

(2) require that the drug product not be dispensed to humans other than by, or under the supervision of, the investigators named in the registration;

(3) conduct the investigations in accordance with the protocols in the registration;

(4) establish and maintain records, and submit reports to the Secretary, regarding the investigation to enable the Secretary to determine whether the conditions of registration are being fulfilled;

(5) report to the Secretary (in accordance with regulations prescribed by him) information regarding newly discovered risks of the drug product, or regarding the effectiveness of the drug product, to enable the Secretary to determine whether the risks to human participants continue to be outweighed by the benefits to those participants from the investigation;

(6) comply with the requirements of sections 130 and 131; and

(7) not promote or commercialize the drug product.

(g) REVOCATION OF REGISTRATION.—(1) The Secretary shall revoke a registration issued under this section if he determines that—

(A) the registrant has failed to comply with the conditions of registrations; or

(B) the risks to human participants in the investigation are not outweighed by the benefits to those participants from the investigation.

(2) In revoking a registration under this subsection, the Secretary may provide for a continued investigation involving participants in the investigation at the time of revocation if necessary to prevent illness or injury to such participants from immediate termination of the investigation.

(3) Procedures for the revocation of a registration of a drug product under this subsection are set forth in subpart 7. Informal procedures to resolve scientific conflicts are set forth in section 133.

(h) SUSPENSION OF REGISTRATION.—(1) The Secretary may suspend a registration issued under this section, pending completion of formal proceedings to determine whether the registration should be revoked under subsection (g), if the Secretary has reason to believe that the action is necessary to reduce or eliminate an unreasonable and significant risk of illness or injury to human participants in the investigations.

(2) An order of suspension may be issued without regard to the procedures set forth in subpart 7, shall become effective on the date specified in the order, and shall remain in effect until completion of the proceedings to determine whether the registration should be revoked or until the order of suspension is withdrawn by the Secretary.

(3) In suspending a registration under this subsection, the Secretary may provide for an orderly transition of participants in the investigation at the time of suspension to other methods of treatment, if necessary to prevent illness or injury to such participants from immediate termination of the investigation.

(4) In the event the Secretary suspends a registration under this subsection, proceedings to revoke the registration shall be commenced under subsection (g) and completed on an expedited basis.

(i) WITHDRAWAL OF REGISTRATION BY REGISTRANT.—Any registration for investigational use of a drug product under this section may at any time be withdrawn by the registrant.

REQUIREMENTS FOR PROTECTION OF PARTICIPANTS IN DRUG INVESTIGATIONS

SEC. 130. (a) INFORMED CONSENT.—(1) As a condition of registration of a drug product under section 127, 128, or 129, and as a part of any investigation required under a drug monograph approved under subpart 2, the Secretary shall require that except where not feasible (as determined in accordance with paragraph (2)), informed consent shall be obtained from each human participant (or the participant's legal representative) to whom a drug product is dispensed for investigational purposes and from each human who participates in the investigation as a control.

(2)(A) The obtaining of informed consent shall be deemed to be feasible unless, before use of the drug product (except as provided in subparagraph (B)), the investigator conducting or supervising the investigation and a practitioner who is not otherwise participating in the investigation both determine in writing that—

(i) the participant is confronted by a life threatening situation necessitating the use of the drug product; and

(ii) informed consent cannot be obtained from the participant; and

(iii) time is not sufficient to obtain consent from the legal representative of the participant.

(B) In the event that immediate use of the drug product is, in the opinion of the investigator, required to preserve the life of the participant, and time is not sufficient to obtain the independent determination in advance of using the drug product, the determinations of the investigator shall subsequently be reviewed and evaluated in writing by a practitioner who is not participating in the investigation.

(b) INSTITUTIONAL REVIEW.—The Secretary shall by regulation prescribe the conditions under which investigations conducted under section 127, 128, or 129, or required under a drug monograph approved under subpart 2, shall be reviewed by appropriate institutional review boards that comply with such regulations.

(c) PRIVACY.—As a condition of registration of a drug product under section 127, 128, or 129, and as part of any investigation required under a drug monograph approved under subpart 2, the Secretary shall require that the privacy of human participants, including the confidentiality of records regarding those participants, be protected.

(d) AUTHORITY TO ASSURE FURTHER PROTECTIONS.—The Secretary may by regulation prescribe such further requirements as the Secretary determines are appropriate to protect the health and rights of human participants on investigations conducted or submitted to the Secretary under section 127, 128, or 129, submitted to the Secretary under subpart 4, or conduct under a monograph approved under subpart 2.

STANDARDS FOR SCIENTIFIC VALIDITY OF INVESTIGATIONS

SEC. 131. The Secretary may prescribe regulations to assure that any scientific investigation (including a preclinical investigation but not including an investigation conducted under a registration under section 127) that is submitted to the Secretary under this title is conducted in a manner that assures the quality, reliability, and validity of the results of the investigation. In prescribing such regulations, the Secretary shall take into consideration the current standards and practices among persons sponsoring or conducting such scientific investigations.

GUIDELINES AND DRUG DEVELOPMENT ADVICE

SEC. 132. (a) GUIDELINES.—(1) The Secretary may issue written guidelines regarding protocols and methods for conducting investigations that are conducted under this subpart or that are intended or required to be submitted to the Secretary under this title.

(2)(A) Written guidelines issued under this subsection shall represent the formal position of the Secretary on the matters provided for in the guidelines. Except as provided in subparagraph (B), the Secretary is obligated to adhere to that position until it is amended or revoked. A person may rely on a written guideline with assurance that the procedures or standards described in it are acceptable to the Secretary. A person is not required to follow those procedures and standards and may, without consulting the Secretary, choose to use different procedures or standards, subject to evaluation by the Secretary of the quality, reliability, and validity of the investigation. A guideline on an investigational procedure indicates that the procedure is scientifically valid, if properly conducted, but does not indicate approval of the drug entity or drug product tested.

(B) The Secretary may amend or revoke a written guideline issued under this subsection at any time in light of new information or upon a reevaluation of the information available at the time the guideline was issued. Action undertaken or completed in conformity with a guideline which has been subsequently amended or revoked shall remain acceptable to the Secretary unless the Secretary determines that such acceptance would be inconsistent with the requirements of this title. The Secretary shall issue any amendment or revocation under this paragraph in writing and shall provide prompt and adequate notice of the change to persons who may be relying on the guideline being changed.

(b) DRUG DEVELOPMENT ADVICE.—Any person who is conducting or intends to conduct clinical investigations under section 128 may request that the Secretary provide advice regarding the development of the drug product being investigated. The Secretary may, in response to such a request and in the Secretary's discretion, review at appropriate times and advise in writing upon one or more of the following:

(1) The overall plan for investigating the drug product.

(2) Specific protocols for investigations of the drug product.

(3) The results of completed investigations.

(4) The potential acceptability of information that may be submitted in a petition to issue a monograph under subpart 2, or in an application for licensure of a drug product under subpart 4.

INFORMAL PROCEDURES FOR RESOLUTION OF SCIENTIFIC DISAGREEMENTS

SEC. 133. The Secretary shall establish informal and expeditious procedures for the review and, if possible, resolution of disagreements over the design or conduct of an investigation involving a drug product under section 127, 128, or 129. These procedures shall not be in lieu of the formal procedures provided in subpart 7, but shall provide persons undertaking drug investigations an opportunity to confer with the Department on matters affecting their activities without the necessity of resorting to those procedures.

Subpart 6—Export of Drug Entities and Drug Products

GENERAL REQUIREMENTS

SEC. 134. (a) DRUG ENTITIES SUBJECT TO MONOGRAPHS.—A drug entity which is subject to a monograph issued under subpart 2 may be exported without a permit under this subpart if all of the requirements and conditions of such monograph and of subpart 3 applicable to the drug entity are met.

(b) LICENSED DRUG PRODUCTS.—A drug product which is licensed under subpart 4 may be exported without a permit under this subpart if all of the requirements and conditions of such license are met, except that labeling required under this title may be translated into the language specified by the foreign purchaser or consignee.

(c) UNLICENSED DRUG PRODUCTS AND DRUG ENTITIES NOT SUBJECT TO MONOGRAPHS.—Any person who intends to manufacture or distribute a drug entity or a drug product which is not described in subsection (a) or (b), for the purpose of export from the United States to any country, shall obtain from the Secretary under this subpart a permit to export the drug entity or drug product to that country, before such export may occur.

EXPORT PERMITS

SEC. 135. (a) APPLICATION FOR PERMIT.—An application for an export permit shall contain the following information:

(1) The name and address of the applicant.

(2) A description of the drug product or drug entity.

(3) The name, address, and registration number of each establishment in which the drug product, if any, will be manufactured.

(4) The name, address, and registration number of each establishment in which the drug entity will be manufactured.

(5) The country of destination of the export.

(6) Evidence that the drug product or drug entity accords to the specifications of the foreign purchaser or consignee.

(7) Samples of the identification labeling for shipping conainers, which shall clearly state that the contents are intended only for export from the United States.

(8) Certification from the government of the country of destination that it has been informed of the legal status of the drug entity or drug product in the United States and that it does not disapprove of the importation and distribution of the drug entity or drug product.

(9) Information whether the drug product, or a drug product containing the drug entity, is or has been registered under subpart 5.

(b) STANDARDS FOR DENIAL OF PERTMIT.—The Secretary shall issue an export permit unless the Secretary determines that—

(1) the drug entity or drug product does not accord to the specifications of the foreign purchaser or consignee;

(2) the identification labeling for shipping containers of the drug entity or drug product does not clearly state that the contents are intended only for export from the United States;

(3) the applicant has failed to provide the certification of the government of the country of destination that, after having been informed of the legal status of the drug entity or drug product in the United States, it does not disapprove of the importation and distribution of the drug entity or drug product;

(4) based on the evidence available to the Secretary, the export of the drug entity or drug product is contrary to the public health; or

(5) the application for the permit contains an untrue statement of material fact.

(c) PROCEDURES FOR DENIAL OF PERMIT.—(1) The Secretary shall notify the applicant, within thirty days following receipt of the application if the Secretary determines that the export should be delayed pending a determination whether the application should be denied. If such notice is not given within the thirty days, the permit shall be deemed to be issued.

(2) If notice is given under paragraph (1), the applicant shall not export the drug product or drug entity until a permit is issued by the Secretary. Within thirty days following the notice under paragraph (1), the Secretary shall either issue the permit or commence formal proceedings to deny the permit.

(d) REQUIREMENTS FOR EXPORTS.—As conditions for an export permit under this section, the permit holder shall—

(1) assure that the drug product or drug entity is manufactured, repacked, relabeled, distributed, and held in accordance with sections 114, 115, 116, 117, 146, and 147 of this title;

(2) assure that the drug product reaches the country of destination identified in the permit and that the drug product is not distributed (except for export) or dispensed in the United States; and

(3) establish and maintain records, and submit to the Secretary reports, to enable the Secretary to determine whether the conditions of the permit are being met.

(e) REVOCATION OF PERMIT.—(1) The Secretary shall revoke an export permit issued under this section if the Secretary determines that—

(A) the permit holder has failed to comply with the conditions of the permit;

(B) the government of the country of destination has disapproved the importation and distribution of the drug product or drug entity within its country;

(C) the continued export of the drug product or drug entity is contrary to the public health; or

(D) the application for the permit, or any report submitted regarding the exports, contained an untrue statement of material fact.

(2) Procedures for the revocation of an export permit under this section are set forth in subpart 7.

(f) SUSPENSION OF PERMIT.—(1) The Secretary may suspend an export permit issued under this section, pending completion of formal proceedings to determine whether the permit should be revoked under subsection (e), if the Secretary determines that the action is necessary to reduce or eliminate an unreasonable and substantial risk of illness or injury.

(2) An order of suspension may be issued without regard to the procedures set forth in subpart 7, shall become effective on the date specified in the order, and shall remain in effect until completion of the proceedings to determine whether the permit should be revoked or until the order of suspension is withdrawn by the Secretary.

(3) In the event the Secretary suspends a permit under this subsection, proceedings to revoke the permit shall be commenced under subsection (e) and completed on an expedited basis.

(g) WITHDRAWAL OF PERMIT.—Any permit holder under this section may at any time withdraw an export permit.

COOPERATION WITH FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

SEC. 136. The Secretary, in consultation with the Secretary of State, may arrange for the exchange of information with health officials of foreign governments and international organizations concerning drug entities and drug products and the manufacture, distribution, investigation and use of drug entities and drug products. The Secretary may also provide for the training, either within the United States or abroad (including payment of the costs of travel and per diem), of officers or employees of foreign governments, to enable those officers or employees to carry out any function under section 135, related to the consideration by their governments of the importation of drug entities and drug products from the United States.

Subpart 7—Formal Proceedings for Denial and Revocation of Licenses, Registrations, and Export Permits for Drug Products

APPLICABILITY OF SUBPART

SEC. 140. The procedures in this subpart govern formal proceedings for the denial or revocation of a drug product license under subpart 4, a registration for investigational use of a drug product under subpart 5, and an export permit for a drug product under subpart 6.

INITIATION OF PROCEEDINGS

SEC. 141. (a) DENIAL OF APPLICATION.—The Secretary shall commence formal proceedings to deny an application for a drug product license under section 122, or to deny an application for registration for investigational use of a drug product under section 127, 128, or 129, or to deny an application for an export permit under section 135, by serving upon the applicant within the time specified by the relevant section an order to show cause why the application should not be denied.

(b) REVOCATION.—The Secretary shall commence formal proceeding to revoke a drug product license under section 122, or to revoke a registration for investigational use of a drug product under section 127, 128, or 129, or to revoke an export permit under section 135, by serving upon the licensee, registrant, or permit holder an order to show cause why the license, registration, or permit should not be revoked.

(c) CONTENTS OF AN ORDER TO SHOW CAUSE.—An order to show cause under this section shall contain a statement of the factual and legal basis for the proposed denial or revocation under this section and shall call upon the person upon whom it is served to appear before the Secretary at a time and place stated in the order, which shall not be less than thirty days after the date of receipt of the order unless a shorter period of time is agreed upon by the Secretary and the person receiving the order.

CONDUCT OF FORMAL PROCEEDINGS

SEC. 142. Formal proceedings to deny or revoke a drug product license, a registration for investigational use of a drug product, or an export permit for a drug product, shall be conducted in accordance with the adjudication procedures of section 554 of title 5 of the United States Code.

JUDICIAL REVIEW

SEC. 143. Any person whose application is denied, or whose drug product license, registration for investigational use of a drug product, or export permit is revoked or suspended by an order of the Secretary under section 122, 127, 128, 129, or 135 may obtain review of that order pursuant to section 182. The commencement of proceedings under this section shall not, unless specifically ordered by the court to the contrary, operate as a stay of an order by the Secretary revoking or suspending a drug product license, registration, or export percent.

Subpart 8—Homeopathic Drug Entities and Drug Products

GENERAL REQUIREMENTS

SEC. 144. (a) GENERAL REQUIREMENTS.—Any person who intends to manufacture, or to import into the United States, a homeopathic drug entity or homeopathic drug product shall comply with the requirements set forth in subpart 3 and in this subpart with respect to such drug entity or drug product.

(b) EXEMPTION FROM OTHER REQUIREMENTS.—Except as provided in subsection (c), any drug entity or drug product which is manufactured, imported, exported, and distributed in compliance with the requirements set forth in subpart 3 and in this subpart, and any person so manufacturing, importing, exporting, or distributing such entity or product in such compliance, shall be exempt from the requirements of subparts 1, 2, 4, 5, and 6 of this part and from subparts 2 and 3 of part C.

(c) REVOCATION OF EXEMPTION FROM OTHER REQUIREMENTS.—The Secretary may, by regulation, revoke the exemption provided in subsection (b) for a homeopathic drug entity or homeopathic drug product, and thereafter require that such entity or product meet the requirements of subpart 1, 2, 4, 5, or 6 of this part or subpart 2 or 3 of part C, if the Secretary determines that the homeopathic drug entity or homeopathic drug product presents a risk of illness or injury to persons using such drug entity or drug product, either from adverse effects or as a result of a lack of effectiveness.

HOMEOPATHIC DRUG ENTITIES AND DRUG PRODUCTS

SEC. 145. (a) DEFINITION.—A "homeopathic drug entity" or "homeopathic drug product" means a drug entity or drug product which was recognized in the official Homeopathic Pharmacopeia on the date of enactment of this title, or any combination thereof, which is in compliance with the requirements of subsection (b).

(b) REQUIREMENTS APPLICABLE TO HOMEOPATHIC DRUG ENTITIES AND HOMEOPATHIC DRUG PRODUCTS.—Any drug entity or drug product that is represented to be a homeopathic drug entity or homeopathic drug product shall—

(1) be manufactured, imported, exported, or distributed only in establishments registered in accordance with section 113;

(2) comply with all applicable requirements under section 114 through 119;

(3) meet the standards and specifications set forth for such drug entity or drug product in the official Homeopathic Pharmacopeia as of the date of enactment of this title;

(4) take the form of—

(A) a tincture, aqueous solution or first trituration to be diluted or compounded by a homeopathic practitioner or homeopathic pharmacist as an incident to preparing the homeopathic drug entity or drug product for dispensing to a patient;

(B) a subsequent serial dilution of such tincture, aqueous solution, or first trituration in a hydroalcoholic solution (containing ethyl alcohol) and/or lactose, each stage of dilution being accompanied by succussion and (if lactose is the vehicle) trituration; or

(C) in a finished dosage form capable of being dispensed to a patient, consisting of not more than one-tenth of 1 per centum of the tincture, aqueous solution, or first trituration and not less than 99.9 per centum of the vehicle (hydroalcoholic solution of lactose), or as otherwise specified in the Homeopathic Pharmacopeia; and

(5) bears identification labeling containing the word "homeopathic" together with one of the following words: drug, medicine, tablet, dilution, trituration, ointment, tincture, potency, or attenuation.

PART C—DRUG INFORMATION, LABELING, PROMOTION, AND EDUCATION

Subpart 1—General Provisions

GENERAL REQUIREMENTS FOR ALL LABELING

SEC. 146. (a) GENERAL REQUIREMENT.—Each drug entity and drug product shall bear identification labeling in compliance with this section and section 147. Each drug product shall be accompanied by information labeling in compliance with the applicable requirements of sections 151 and 154.

(b) IDENTIFICATION OF DRUG ENTITIES.—(1) All labeling for a drug entity or a drug product shall state, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the chemical formula), the established name, if any, of the drug entity. If the drug entity is a combination of separate drug entities, the established name, if any, of each such separate drug entity shall also be stated.

(2) The statement of all established names shall be printed prominently and, in the case of a prescription drug product, in type at least as large as that used for any proprietary name of the drug product.

(c) QUANTITY OF DRUG ENTITY IN A DRUG PRODUCT.—All labeling for a drug product shall state the quantity or concentration of the drug entity contained in the drug product. If the drug entity is a combination of separate drug entities, the quantity or concentration of each such separate drug entity shall also be stated.

(d) IDENTIFICATION OF CERTAIN COMPONENTS.—The Secretary may require that some or all of the labeling for a drug entity or drug product state the name of any component that is contained in the drug entity or drug product if the Secretary determines that the presence of the component in the drug entity or drug product should be disclosed in order to reduce or eliminate the risk of an adverse effect to patients from the component.

(e) STATUS AS PRESCRIPTION DRUG PRODUCT.—All labeling for a prescription drug product shall state that Federal law prohibits dispensing the drug product without a prescription.

(f) PROMINENCE OF REQUIRED STATEMENTS.—Any word, statement, or other information

required under this title to appear on identification labeling, information labeling, or promotion labeling for a drug product shall be prominently placed on the labeling conspicuously (compared with other words, statements, designs, or graphic matter in the labeling) and in terms that render it likely to be read and understood by the ordinary individual who would reasonably be expected to see the labeling.

(g) PROHIBITION OF FALSE OR MISLEADING STATEMENTS.—Labeling shall not be false or misleading in any particular, nor contain an untrue statement of material fact. In determining whether specific labeling is misleading, account shall be taken not only of representations made or suggested in the labeling but also of the extent to which the labeling fails to reveal facts material in light of these representations or material with respect to consequences which may result from the use of a drug entity or drug product under the conditions of use set forth in the information labeling for the drug product or drug product containing the drug entity.

(h) EXEMPTIONS.—(1) A prescription drug product dispensed with identification labeling in compliance with the requirements of section 152 shall be exempt from the requirements of this section (except subsection (g)) and section 147.

(2) The Secretary may exempt, in a monograph or by regulation, certain labeling from the requirements from this section or section 147 if the Secretary finds that compliance is impracticable.

REQUIREMENTS FOR IDENTIFICATION LABELING FOR A DRUG ENTITY OR DRUG PRODUCT

SEC. 147. (a) IDENTIFICATION OF LICENSEE, REGISTRANT, PERMITTEE, AND MANUFACTURER.—(1) Identification labeling for—

(A) a drug entity shall identify (and state the place of business of) the person who manufactured, imported, or distributed the drug entity;

(B) a licensed drug product shall identify (and state the place of business of) the person who holds a license issued under subpart 4 of part B for the drug product;

(C) a registered drug product shall identify (and state the place of business of) the person who holds a registration issued under subpart 5 of part B for the drug product; and

(D) a permitted drug product shall identify (and state the place of business of) the person who holds an export permit issued under subpart 6 of part B for the drug product.

(2) If a person identified under paragraph (1) in identification labeling for a drug product is also the manufacturer of the drug product, such labeling shall state that fact. If a person identified under paragraph (1) in identification labeling for a drug product is not the manufacturer of the drug product, the identification shall also identify (and the place of business of) the manufacturer.

(b) STATEMENT OF CONTENTS.—Identification labeling for a drug entity or drug product shall provide an accurate statement of the quantity of the contents of the container of the drug entity or drug product in terms of weight, measure, or numerical count.

(c) STORAGE INSTRUCTIONS.—Identification labeling for a drug entity or drug product shall describe any necessary or desirable procedures or precautions regarding the storage and handling of the drug entity or drug product to prevent its deterioration.

(d) EXPIRATION DATE.—Identification labeling for a drug entity or drug product shall provide an expiration date, based upon scientifically valid stability studies appropriate to any storage conditions stated in the identification labeling, beyond which the drug entity or drug product should not be presumed to meet the applicable standards of identity, strength, quality, or purity, or for assuring the bioavailability.

(e) CONTROL NUMBER.—Identification labeling for a drug entity or drug product shall contain a distinctive combination of letters, numbers, or symbols which identifies the lot or batch in which the drug entity or drug product was manufactured.

(f) COMPLIANCE WITH COMPENDIAL STANDARDS.—If a drug entity, drug product, or in the case of a drug entity which is a combination of separate drug entities any such separate entity, is recognized in the United States Pharmacopeia, the identification labeling of the drug entity or drug product shall comply with any compendial requirements regarding information to be contained in such labeling.

NOTIFICATION REGARDING RISKS

SEC. 148. (a) AUTHORITY.—The Secretary may issue any order necessary to assure that adequate notification regarding a risk posed by a drug product is provided to all practitioners and pharmacists who prescribe or dispense the drug product, and to all other persons (including manufacturers, importers, distributors, retailers, and patients) who should properly receive the notification in order to eliminate or reduce the risk, if the Secretary determines that—

(1) the drug product presents a substantial risk of illness or injury,

(2) notification under this section is necessary to eliminate or reduce the risk, and

(3) no more practicable means is available under other provisions of this title to eliminate or reduce the risk.

(b) FORM OF NOTIFICATION.—An order under this section shall require that notification be provided in an appropriate form by the persons and means best suited under the circumstances involved.

(c) PERSONS TO BE NOTIFIED.—An order under this section shall require that the individuals subject to the risk with respect to which the order is issued be included among the persons to be notified of the risk, unless the Secretary determines that notification to these individuals would present a greater danger to the health of the individuals than would no notification.

(d) CONSULTATIONS PRIOR TO ORDER.—Before issuing an order under this section, the Secretary shall consult with representatives of persons who may be required to give notice under the order.

EDUCATION PROGRAMS

SEC. 149. The Secretary may publish materials, and otherwise disseminate information, for the public or for health professionals, regarding the effectiveness, risks, and safety of drug products, their proper use, warnings about situations which, in the opinion of the Secretary, involve a risk of illness or injury or deception of patients, and related matters that would contribute to public and professional understanding of the risks and benefits of drug products, would help avoid deception of patients, or would otherwise promote the public health.

OFFICIAL NAMES FOR DRUG ENTITIES

SEC. 150. (a) AUTHORITY.—The Secretary may, in accordance with this section, designate an official name for any drug entity if necessary or desirable in the interest of usefulness, simplicity, and ease of understanding.

(b) REVIEW OF OFFICIAL NAMES.—The Secretary shall periodically review the official titles by which drug entities are identified in the United States Pharmacopeia to determine whether revision of any of those titles is necessary or desirable in the interest of usefulness, simplicity, and ease of understanding.

(c) RECOMMENDATIONS OF COMPENDIAL OFFICIALS.—If a drug entity is recognized in the United States Pharmacopeia, the Secretary shall request in writing that the compiler of that compendium recommended a single official name for that drug entity, if the Secretary determines that—

(1) any official title is unduly complex or is not useful for any other reason,

(2) two or more names or titles have been applied to a single drug entity, or to two or more drug entities which are identical in chemical structure and pharmacological action and which are substantially identical in strength, quality, and purity, or

(3) no official title has been applied to a drug entity subject to a monograph or a petition for a monograph under subpart 2 of part B.

(d) DESIGNATION OF OFFICIAL NAME.—If a single official name recommended by the compendial official under subsection (c) is useful, simple, and easy to understand, the Secretary shall designate that name as the official name of the drug entity. If a single official name has not been recommended within one hundred and eighty days after a request under subsection (c), or if the Secretary finds that the name recommended is not useful, simple, and easy to understand, the Secretary shall by regulation designate a single official name for the drug entity. The Secretary shall not establish an official name that would infringe upon a valid trademark.

(e) PUBLICATION OF LISTS OF OFFICIAL NAMES.—The Secretary shall from time to time compile, publish, and distribute a list of all official names of drug entities designated under this section and shall include descriptive and explanatory matter for the effective use of those names.

Subpart 2—Information for Patients

REQUIREMENTS FOR PATIENT INFORMATION LABELING

SEC. 151. (a) REQUIREMENT FOR NONPRESCRIPTION DRUG PRODUCTS.—The Secretary shall require, as a condition of initial or continued licensure of a nonprescription drug product, that a person who obtains or holds a license for such a product shall prepare, in compliance with subsection (c), information labeling for patients respecting the product and shall distribute such labeling to accompany the product.

(b) REQUIREMENT FOR PRESCRIPTION DRUG PRODUCTS.—(1) The Secretary shall require, as a condition of initial or continued licensure of a prescription drug product, that a person obtaining or holding a license for the drug product shall prepare, in compliance with subsection (c), information labeling for patients respecting the product and shall distribute such labeling to accompany the product, unless the Secretary determines that such labeling, or any portion thereof, as applied to the drug product or to a particular circumstance of administration of the drug product, is not necessary to protect the public health or to promote the safe and effective use of the drug product by patients.

(2) The monograph for a drug entity under which a prescription drug product is eligible for licensure shall state whether information labeling for patients is required in accordance with this subsection.

(c) CONTENTS.—Information labeling for patients for a drug product shall contain the following information:

(1) Adequate directions for use, including—

(A) the purposes or indications for which the drug product is intended,

(B) the proper method of administration of the drug product,

(C) precautions to be taken during the use of the drug product, and significant side effects and adverse reactions that may result from the use of the drug product, as well as instructions for treating or obtaining treatment for these effects and reactions, and

(D) warnings against unsafe use of the drug product.

(2) The proper storage and handling of the drug product.

(3) Any other information that the Secretary finds necessary to protect the public health or to promote the safe and effective use of the drug product by patients.

(d) EXCEPTIONS TO REQUIREMENTS FOR PRESCRIPTION DRUG PRODUCTS.—(1) A practitioner may direct, in a prescription for a prescription drug product, that the information labeling for patients for such drug product required under subsection (b) not be provided with the drug product when dispensed to the patient for whom the prescription is given, unless the Secretary determined that, in light of the circumstances relating to the nature, use, or method of administration of such drug product, such labeling is necessary to assure the opportunity for an informed decision by a patient regarding whether to use the drug product.

(2) The monograph for a drug entity under which a prescription drug product is eligible for licensure shall state whether a practitioner may direct that patient information labeling not be provided to an individual patient.

(e) CONSULTATIONS ON PATIENT INFORMATION LABELING FOR PRESCRIPTION DRUG PRODUCTS.—The Secretary shall consult with representatives of patients, health care providers, licensees of drug products, and other interested persons on the implementation of subsections (b) and (d) generally and with reference to patient information labeling for specific prescription drug products.

REQUIREMENTS FOR DRUG PRODUCTS DISPENSED ON PRESCRIPTION

SEC. 152. (a) REQUIREMENTS.—A prescription drug product shall be dispensed in accordance with the following requirements:

(1) The drug product may be dispensed only—

(A) by a practitioner or an agent of a practitioner, or

(B) by a pharmacist upon the prescription of a practitioner.

(2) A prescription shall either be in writing and signed by the practitioner or be transmitted orally by the practitioner to a pharmacist and promptly reduced to writing by the pharmacist.

(3) When dispensed by a pharmacist, the drug product shall bear identification labeling containing—

(A) the name and address of the pharmacy or hospital from which the drug product was dispensed,

(B) the serial number and date of the prescription;

(C) the name of the practitioner who prescribed the drug;

(D) the name of the patient;

(E) unless directed by the practitioner that the identification labeling not contain this, the established name of the drug entity contained in the drug product and the strength of the drug product;

(F) an expiration date, if known, beyond which the drug product should not be presumed to meet applicable standards of identity, strength, quality, or purity or for assuring bioavailability; and

(G) if stated in the prescription, directions for administering the drug product and cautionary statements.

(4) When dispensed by a practitioner or an agent of a practitioner (except when immediately administered to a patient), the drug product shall bear identification labeling containing—

(A) the name and address of the practitioner;

(B) the name of the patient;

(C) unless the practitioner determines that the identification labeling not contain this, the established name of the drug entity contained in the drug product and the strength of the drug product; and

(D) an expiration date, if known, beyond which the drug product may not be presumed to meet applicable standards of identity, strength, quality, or purity or for assuring bioavailability.

(5) The drug product, when dispensed by a practitioner, by an agent of a practitioner, or by a pharmacist, shall—

(A) bear information labeling for the patient when required under section 151, and

(B) be packaged in compliance with any applicable requirements under section 117.

(b) EXEMPTIONS.—(1) The Secretary may exempt a drug product from the requirements of subsection (a)(3)(E) or (4)(C) if the Secretary determines that compliance is impracticable.

(2) A drug product dispensed with identification labeling in compliance with this section shall be exempt from the requirements of section 146 (except subsection (g)) and 147.

(c) SAVINGS PROVISION.—Nothing in this section shall be construed to relieve any person from any requirement prescribed by or under the Controlled Substances Act.

POSTING OF PRESCRIPTION DRUG PRODUCT PRICES

SEC. 153. (a) IN GENERAL.—The Secretary may, in accordance with regulations issued by the Secretary after consultation with the Chairman of the Federal Trade Commission, require a pharmacy, practitioner, or other person who is engaged in the practice of dispensing any prescription drug product, to post, in the form and manner set forth in such regulations, the prices of those prescription drug products which are designated by the Secretary and dispensed by that pharmacy, practitioner, or other person.

(b) PREEMPTION.—No State or political subdivision of a State may enact or enforce any law or regulation which prohibits or burdens the truthful posting or advertising of prescription drug prices.

Subpart 3—Information for Practitioners

REQUIREMENTS FOR PRACTITIONER INFORMATION LABELING

SEC. 154. (a) DIRECTIONS FOR USE.—Information labeling for a drug product intended to provide information to practitioners shall contain adequate directions and other information for use of the drug product, including a description of the drug entity contained in the drug product and information regarding indications, clinical pharmacology, dosage, and administration, and any relevant contraindications to use, warnings, precautions, and side effects, to permit the safe and effective prescribing or dispensing of the drug product by a practitioner.

(b) IDENTIFICATION OF LICENSEE, REGISTRANT, PERMITTEE, AND MANUFACTURER.—(1) Information labeling for—

(A) a licensed drug product shall identify (and state the place of business of) the person who holds a license issued under subpart 4 of part B for the drug product;

(B) a registered drug product shall identify (and state the place of business of) the person who holds a registration issued under subpart 5 of part B for the drug product; and

(C) a permitted drug product shall identify (and state the place of business of) the person who holds an export permit issued under subpart 6 of part B for the drug product.

(2) If a person identified under paragraph (1) in information labeling for a drug product is also the manufacturer of the drug product, such labeling shall state that fact. If a person identified under paragraph (1) in information labeling for a drug product is not the manufacturer of the drug product, the identification shall also identify (and state the place of business of) the manufacturer. If more than one manufacturer manufactures a single licensed drug product or a registered drug product, the information labeling for the product shall identify (and state the place of business of) each such manufacturer.

FEDERAL DRUG COMPENDIUM

SEC. 155. (a) IN GENERAL.—(1) The Secretary shall, in accordance with this section, prepare and publish, in a form as convenient, readable, and practical as is feasible for its intended use and under a distinct and suitable name, a compendium of all prescription drug products eligible to be licensed under monographs issued under subpart 2 of part B. The Secretary shall distribute such compendium to all practitioners and make such other distribution of the compendium as in the Secretary's judgment is appropriate.

(2) The Secretary shall from time to time revise such compendium, or issue supplements thereto, so as to maintain insofar as practicable, the currency of the contents thereof, and shall publish and distribute such revisions in accordance with paragraph (1).

(b) COMPENDIUM CONTENTS.—Drug products shall be arranged in the compendium by diagnostic and therapeutic categories and within each such category drug products shall be listed by their established names. In the beginning of each category there shall be a general discussion of the nature of each of the drug products listed in the category. The compendium shall provide for each drug product listed in it the guideline for information labeling provided by the Secretary as an appendix to the monograph under which the product is eligible to be licensed. The Secretary may include such additional relevant information that the Secretary determines would promote proper use of such drug products.

(2) The Secretary shall include in the compendium, or in a supplement thereto, the proprietary names or designations of drug products containing a drug entity listed in the compendium which are available and the names of suppliers from whom drug products that are listed may be obtained.

Subpart 4—Promotion of Drug Products

REQUIREMENTS FOR PROMOTION LABELING FOR PRESCRIPTION DRUG PRODUCTS

SEC. 156. (a) REQUIRED CONTENTS.—For any prescription drug product, promotion labeling issued by or on behalf of the licensee of the drug product under subpart 4 of part B, or any other person under whose proprietary name the drug product is being distributed, shall contain, in addition to the information required under section 146—

(1) information relating to the side effects, contraindications, and effectiveness of the drug product, and

(2) any other information relating to the use of the drug product that the Secretary finds necessary or desirable to assure an adequate and balanced presentation of the benefits and risks of the drug product.

(b) PROHIBITED MATERIALS.—For any prescription drug product, no promotional labeling issued by or on behalf of the licensee of the drug product under subpart 4 of part B, or any other person under whose proprietary name the drug product is being distributed, shall contain indications for use, comparisons with other drug products, or dosage recommendations that are not contained in the information labeling of such drug product.

(c) REVIEW OF PROMOTION LABELING.—The Secretary may require that promotion labeling subject to this section be submitted to and approved by the Secretary prior to its dissemination—

(1) at the time a drug product is initially licensed under a monograph;

(2) after a finding that other promotional labeling for the drug product does not comply with the requirements of this section or section 146; or

(3) at any time for any drug that is scheduled under the Controlled Substances Act.

(d) EXEMPTION FOR PRICE INFORMATION.—The requirements of subsections (a), (b), and (c) that are in addition to the requirements of section 146 shall not apply to promotion labeling that conveys only information related to prices for prescription drug products, including information related to the availability of, and comparative prices for, two or more drug products licensed under a single monograph.

(e) EXEMPTION FROM FEDERAL TRADE COMMISSION ACT.—No promotion labeling subject to this section shall, with respect to the matters required pursuant to this section, be subject to the provisions of sections 12 through 17 of the Federal Trade Commission Act.

CORRECTIVE PROMOTION LABELING

SEC. 157. The Secretary may require that adequate notification of complete and accurate information regarding a prescription drug product be provided to persons who are likely to have read, seen, or heard any promotion labeling that the Secretary has found to be in violation of section 156 and who should properly receive information identifying and correcting the inaccurate or incomplete statements made in that labeling.

DRUG PRODUCT PROMOTION REQUIREMENTS

SEC. 158. (a) GIFTS.—(1) Except as provided in paragraph (2), no person licensed under subpart 4 of part B for a drug product or under whose proprietary name the drug product is being distributed, and no other person acting on behalf of such licensee or distributor, may directly or indirectly provide (or cause to be provided) any service for, or transfer (or cause to be transferred) any article to—

(A) any practitioner, nurse, pharmacist, or other individual engaged in the delivery of health care,

(B) any student in a school of medicine, osteopathy, dentistry, nursing, or pharmacy,

(C) any member of the immediate family of an individual described in subparagraph (A) or (B), or

(D) any other person if such service was provided or such article was transferred (or caused to be provided or transferred) with the intent to influence any person to purchase, prescribe, or dispense such drug product,

if the retail value of such service or article, at the time the service was provided or the article transferred, was at least $5, and if no charge was made for the provision of the service or the transfer of the article or a charge was made but was less than the retail value of such service or article.

(2) Paragraph (1) does not apply to (A) the provision or transfer of information, labeling, or educational services or materials, or (B) the distribution of a drug product in compliance with subsection (b)(2).

(b) FREE DRUG PRODUCTS.—(1) Except as provided in paragraph (2), no person licensed under subpart 4 of part B for a prescription drug product, or under whose proprietary name the prescription drug product is being distributed, and no other person acting on behalf of such licensee or distributor, may distribute a prescription drug product without charge (or at a charge below the retail value of such drug product) to any person, either by direct distribution of the drug product or by other means by which the drug product becomes available to any person without charge (or at a charge below the retail value of such drug product).

(2) Paragraph (1) does not prohibit the distribution of a prescription drug product—

(A) to a pharmacy or hospital at a charge which is less than the retail value of such drug product,

(B) to a person engaged in the distribution of prescription drug products at wholesale at a charge which is less than the retail value of such drug product,

(C) to a person for use in an investigation authorized or required by this title,

(D) to a charitable organization, in accordance with regulations promulgated by the Secretary,

(E) to an agency of the Federal Government, or a government of any State or political subdivision of a State, of a government of a foreign country, or of the United Nations, or

(F) in an emergency situation as determined by the Secretary.

(3) This subsection shall not apply to the dispensing of a prescription drug product without charge or at a charge below the retail value of such drug product.

(c) SPONSORSHIP OF EDUCATIONAL ACTIVITIES.—A person licensed under subpart 4 of part B for a drug product, or under whose proprietary name the drug product is being distributed, or any person acting on behalf of such a licensee or distributor, may provide medical and scientific educational materials (other than labeling), or sponsor medical and scientific educational programs and activities relating to such drug product, only if, in accordance with regulations prescribed by the Secretary, it is disclosed to those who receive such materials or participate in such programs or activities that the materials are being provided or the programs or activities are being sponsored by or on behalf of the licensee or distributor of such drug product.

RESTRICTIONS ON SURVEYS OF PRESCRIPTIONS

SEC. 159. (a) GENERAL RULE.—No pharmacist or agent or employee of a pharmacist may disclose or otherwise make available any written prescription, any written evidence of an oral prescription, or any information contained in a prescription or in such evidence (hereinafter in this section collectively referred to as "information") to any person except—

(1) the practitioner who issued the prescription,

(2) the patient for whom the prescription was issued, or to the agent of such patient,

(3) another pharmacist for the purpose of filling or refilling the prescription, or the agent of such patient.

(4) an officer or employee of the United States or any State, but only if the information is disclosed or made available to such officer or employee for the performance of official business,

(5) a person for the purpose of verifying an entitlement to payment for the drug product which was the subject of such prescription, but only if the individual for whom the prescription was issued has consented (in such form and manner as the Secretary shall by regulation prescribe) to the disclosure or making available of the information,

(6) pursuant to a lawful order of a court, or

(7) a person who, under regulations promulgated by the Secretary, is authorized to receive the information, but only if such person does not copy or otherwise remove from the information the name of the physician who issued the prescription or the name of (and any other information which may be used to identify) the patient for whom the prescription was issued.

(b) SUBSEQUENT DISCLOSURES.—Information which is disclosed or otherwise made available, as authorized by subsection (a), to a person may be further disclosed or otherwise made available by such person subject to the following conditions:

(1) A practitioner may not disclose or otherwise make available the name of (or other information which may be used to identify) the patient for whom such prescription was issued without the consent of such individual.

(2) An officer or employee described in paragraph (4) of subsection (a) may disclose or otherwise make such information available only in the performance of official duties.

(3) A person described in paragraph (5) of such subsection may disclose or otherwise make such information available only for the purposes for which it was originally received by such person.

(c) PROHIBITION AGAINST OBTAINING PROTECTED INFORMATION.—No person licensed under subpart 4 of part B for a drug product, or under whose proprietary name the drug product is being distributed, and no person acting on behalf of such licensee or distributor may obtain or attempt to obtain any information which under subsection (a) may not be disclosed or otherwise made available to such entity or person.

REQUIREMENTS FOR DETAILING OF DRUG PRODUCTS

SEC. 160. Each employee or agent of a person licensed under subpart 4 of part B for a drug product, or under whose proprietary name the drug product is being distributed, and any other person acting on behalf of such licensee or distributor, shall, when promoting or otherwise giving information respecting such drug product in a personal visit to a practitioner, provide the practitioner with the information labeling of such drug product.

PART D—PROHIBITED ACTS AND PENALTIES

PROHIBITED ACTS

SEC. 161. The following acts and the causing thereof are prohibited:

(1) The manufacture in, importation (or attempted importation) into, export (or attempted export) from, or distribution within the United States, or holding within the United States for export or distribution, of a drug product, except that this paragraph shall not apply to a drug product which is—

(A) licensed under subpart 4, registered under subpart 5, or subject to an export permit under subpart 6, or part B;

(B) if licensed under subpart 4 of part B, complies with the conditions of licensure under section 122(e);

(C) if registered under subpart 5 of part B, complies with the applicable conditions of registration under section 127(f), 128(f), or 129(f); or

(D) if subject to an export permit under subpart 6 of part B, complies with the conditions for the permit under section 135(d).

(2) The manufacture in, importation (or attempted importation) into, export (or attempted export) from, or distribution within the United States, or the holding within the United States for export distribution, or further manufacture, of a drug entity or drug product, except that this paragraph shall not apply to a drug entity or drug product which is manufactured, imported, exported, or distributed—

(A) in compliance with section 105(b);

(B) in an establishment registered under section 113; and

(C) in compliance with the requirements of sections 146 and 147 and 114 through 118.

(3) The failure or refusal of any person (other than a practitioner or pharmacist when acting in that capacity)—

(A) who holds a drug product license under subpart 4 of part B to comply with any condition of licensure under section 112(e);

(B) who holds a registration for investigational use of a drug product under subpart 5 of part B to comply with any applicable condition of registration under section 127(f), 128(f), or 129(f);

(C) who holds an export permit for a drug product under subpart 6 of part B to comply with any condition under section 135(d);

(D) to comply with any condition imposed under section 108(e);

(E) to register an establishment as required under section 113;

(F) to conduct an investigation without complying with the requirements of section 126;

(G) to notify designated persons of a risk under section 148; or

(H) to comply with a lawful administrative embargo order issued under section 165 (j);

(I) to permit entry or inspection authorized under section 175 or during such an inspection to permit access to or copying of any record required under this title, or verification of any report submitted to the Secretary under this title.

(4) The making of any untrue statement of material fact in any petition, application, report, or other document submitted to the Secretary, or in any record required under this title, including the making of such statement by a person who did not submit the statement to the Secretary but had reason to believe that such statement might be so submitted.

(5)(A) The forgery, counterfeiting, simulation, or false representation, or other use without proper authority, of any identification labeling or other identification device authorized or required under this title.

(B) The manufacture, distribution, or possession of any punch, die, plate, stone, or other article used or designed to print, imprint, or reproduce the trademark, proprietary or trade name, or other identifying mark, imprint, or device or any likeness thereof, of a drug product upon any drug product, or any container or labeling of a drug product, so as to render the drug product to be a counterfeit drug product.

(C) The doing of any act which causes a drug product to be a counterfeit drug product.

(D) The manufacture, distribution or dispensing, or the possession for distribution or dispensing, of a counterfeit drug product.

(6)(A) The giving of a guaranty or undertaking referred to in section 162(c)(2), which guaranty or undertaking is false, except by a person who relied upon a guaranty or undertaking to the same effect signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the drug entity or drug product; or

(E) The giving of a guaranty or undertaking referred to in section 162(c)(3), which guaranty or undertaking is false.

(7) The disclosure by any person of information obtained by such person under the provisions of section 111(h), 159(a), or 180 (b) in violation of the restrictions set forth in those respective sections.

(8) The failure or refusal of any practitioner or pharmacist—

(A) to comply with any condition imposed under section 108(e);

(B) to comply with any requirement under subpart 5 of part B regarding the investigational use of drug products;

(C) to notify designated persons of a risk under section 148;

(D) to comply with any requirement under section 152 regarding drug products dispensed on prescription;

(E) to comply with requirements regarding disclosure of information under section 159;

(F) to comply with a lawful administrative embargo order issued under section 165 (j);

(G) to permit an entry or inspection authorized under section 175 or access to or copying of any record or verification of any report required under this title, during such an inspection.

CRIMINAL PENALTIES

SEC. 162. (a) MISDEMEANOR.—If any person violates a provision of section 161 (other than section 161(8)) as a result of negligence of that person, the person, if an individual, shall be imprisoned for not more than one year or fined not more than $25,000, or both, or if other than an individual, shall be fined not more than $50,000. As used in this section, the term "negligence" means acting without the care, skill, prudence, or diligence, under the circumstances then prevailing, that a prudent person would use if acting in a like capacity and familiar with the matters with which a prudent person in like capacity would be familiar.

(b) FELONY.—Notwithstanding subsection (a) of this section, if any person violates a provision of section 161 (other than section 161 (7)) after a conviction under this section, or under section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333), has become final, or if any person knowingly or willfully violates a provision of section 161 (other than section 161(7)), the person, if an individual, shall be imprisoned for not more than three years or fined not more than $50,000, or both, or if other than an individual, shall be fined not more than $1,000,000.

(c) EXCLUSIONS.—No person shall be subject to the penalties of subsection (a) of this section—

(1) for having received any drug entity or drug product and delivered it or proffered delivery of it, if such delivery or proffer was made in good faith, unless he refuses to furnish, on request of the Secretary, the name and address of the person from whom the entity or product was received and copies of all documents pertaining to such receipt;

(2) for having violated section 161 (1) or (2), if he establishes a guaranty or undertaking signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the drug entity or drug product, to the effect that the entity or product was in full compliance with this title;

(3) for having violated section 161 (1) or (2), where the violation exists because the drug entity or drug product contains a color additive which was not in compliance with section 706(a) of the Federal Food, Drug, and Cosmetic Act, if such person establishes a guaranty or undertaking signed by, and containing the name and address of, the manufacturer of the color additive, to the effect that such color additive was in compliance with such section;

(4) for having violated section 161 (1) or (2) by the failure to comply with the requirements of part C applicable to identification and information labeling for drug entities and drug products, with respect to a drug entity or drug product received, which entity or product is not exempt from such requirements under section 146(h), if the delivery or proffered delivery was made in good faith and the labeling at the time thereof contained the same statements that were contained in the labeling at the time of such receipt of such entity or product; or

(5) for having violated section 161(5)(B) if such person acted in good faith and had no reason to believe that use of the punch, die, plate, stone, or other article involved would result in a drug product being a counterfeit drug product, or for having violated section 161(5)(D), if the person doing the act or causing it to be done acted in good faith and had no reason to believe that the drug product was a counterfeit drug product.

CIVIL PENALTIES

SEC. 163. (a) LIABILITY FOR PENALTY.—Any person who violates section 161 shall be liable to the United States for a civil penalty for each violation of not more than $10,000, if an individual, or $25,000, if other than an individual.

(b) ASSESSMENT OF PENALTY.—(1) A civil penalty for a violation of section 161 shall be assessed by the Secretary by an order made on the record after an opportunity (provided in accordance with this subsection) for a hearing in accordance with section 554 of title 5 of the United States Code. Before issuing an order of assessment, the Secretary shall give written notice to the person to be assessed a civil penalty under the order, containing the Secretary's proposal to issue the order, and shall provide the person an opportunity to request, within thirty days of the date the notice is received by the person, a hearing on the proposed order.

(2) In determining the amount of the penalty, the Secretary shall take into account the nature, circumstances, extent and gravity of the violation or violations and, with respect to the violator, the degree of culpability, any history of prior violations, ability to pay, effect upon ability to continue to do business, and any other matters that justice may require.

(3) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which may be or has been imposed under this section. The amount of the penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person assessed.

(c) JUDICIAL REVIEW.—Any person who exercised the opportunity to be heard under subsection (b)(1) respecting the assessment of a civil penalty, and who has by an order been assessed a civil penalty, may obtain judicial review of that order in accordance with section 182.

(d) RECOVERY OF ASSESSMENT.—If any person fails to pay an assessment of a civil penalty after it has become a final order and the person does not file a petition for judicial review in accordance with subsection (c), or after a court in an action brought under subsection (c) has entered final judgment in favor of the Secretary, the Attorney General shall recover the amount assessed (plus interest from the date when the opportunity to obtain judicial review under subsection (c) expires or when the opportunity for judicial review under that subsection has been exhausted) by an action brought in any appropriate district court of the United States. In that action, the validity, amount, and appropriateness of the penalty shall not be subject to review.

(e) DISPOSITION OF PENALTIES.—All penalties collected under authority of this section shall be paid into the Treasury of the United States as miscellaneous reecipts.

INJUNCTIONS

SEC. 164. (a) JURISDICTION.—The district courts of the United States and all courts exercising general jurisdiction in the territories and possessions of the United States shall have jurisdiction to enjoin violations of section 161 of this title. Such jurisdiction shall include authority to order the defendant to recall, and reimburse patients and other purchasers for, any drug entities or drug products distributed by the defendant in violation of section 161, if such order is appropriate in the circumstances.

(b) TRIAL BY JURY.—In case of an alleged violation of an injunction or restraining order issued under subsection (a), which also contributes a violation of section 161, trial shall be by the court, or, upon demand of the accused or of the United States, by a jury.

SEIZURE, FORFEITURE, AND ADMINISTRATIVE EMBARGO

SEC. 165. (a) PROPERTY SUBJECT TO SEIZURE AND FORFEITURE.—The following shall be subject to seizure by and forfeiture to the United States, may be seized at any time; and, except as provided in subsection (g), upon forfeiture no private property right shall exist in them:

(1) Any drug entity or drug product that has been manufactured, imported, distributed, or is being held for purposes of manufacturing, distribution, export or dispensing, or is offered for export, in violation of section 161.

(2) Any counterfeit drug product.

(3) Any punch, die, plate, stone, labeling, container, or other article used or designed for use in making a counterfeit drug product.

(b) SEIZURE OF PROPERTY.—Any property subject to seizure by and forfeiture to the United States under subsection (a) may be seized—

(1) by the Attorney General, at the request of the Secretary, upon process issued by any district court of the United States having jurisdiction over the property pursuant to the Supplemental Rules for Certain Admiralty and Maritime Claims; or

(2) by any customs officer, if the property is in the process of being imported or exported.

(c) GENERAL PROCEDURES FOR SEIZURE AND FORFEITURE.—Provisions under the Supplemental Rules for Certain Admiralty and Maritime Claims, relating to the seizure and forfeiture of property for violation of the customs laws, shall apply to seizures and forfeitures under this section, insofar as applicable and not inconsistent with the provisions of this section. On demand of either party, any issue of fact joined in any forfeiture proceeding shall be tried by a jury. The duties imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to seizures for forfeitures of property under this section by the officers or employees authorized by the Attorney General, except to the extent that the duties arise from seizures and forfeitures effected by any customs officer.

(d) CONSOLIDATION OF PROCEEDINGS.—When forfeiture proceedings under this section involving the same claimant and the same issues are pending in two or more jurisdictions, the pending proceedings, upon application of the claimant reasonably made to the court of one such jurisdiction, shall be consolidated for trial by order of that court. Trial shall be in any district selected by the claimant where one of the proceedings is pending. If no order for consolidation is made under this subsection within a reasonable time, the claimant may apply to the court of one such jurisdiction, and such court (after giving the United States attorney for such district reasonable notice and opportunity to be heard) shall by order, unless good cause to the contrary is shown, specify a district of reasonable proximity to the claimant's principal place of business, in which all such pending proceedings shall be consolidated for trial and tried. The order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting the order shall give prompt notification thereof to the other courts having jurisdiction of the cases covered thereby. The clerk of the court from which removal is made shall promptly transmit to the court in which the case is to be tried all records in the case necessary for that court to exercise jurisdiction. The court to which the case is removed shall have the powers and be subject to the duties, for purposes of the case, which the court from which removal was made would have had, or to which that court would have been subject, if the case had not been removed.

(e) SAMPLES OF SEIZED PROPERTY.—At any time after seizure up to a reasonable time before trial, the court having jurisdiction over the article shall by order allow any party to a condemnation proceeding, or the attorney or agent for that party, to obtain a representative sample of the property seized, a true copy of any analyses on which the proceeding is based, and any identifying marks or numbers of the packages from which any sample analyzed was obtained.

(f) DISPOSITION OF FORFEITED ARTICLES.—Whenever property is ordered forfeited under this section by a court having jurisdiction over the property, the court may direct that any of the following be done:

(1) The property be destroyed.

(2) The property be retained by the United States for official use.

(3) The property be sold by the General Services Administration, unless such sale would be contrary to the provisions of this title or to the laws of the jurisdiction in which sold. The proceeds from any sale shall, as authorized in appropriations Acts, be used to pay all proper expenses of the proceedings for forfeiture and sale, including expenses of seizure, maintenance and custody, and advertising and court costs and fees, and the balance shall be paid into the Treasury of the United States as miscellaneous receipts.

(4) Deliver the property to the person who intervened in the proceeding as claimant, upon payment of the costs of the forfeiture proceedings and the execution of a good and sufficient bond, as determined in accordance with regulations issued by the Secretary, conditioned that the property shall not be distributed or disposed of contrary to any applicable law, in order to permit that person—

(A) to destroy the property,

(B) to bring it into compliance with the provisions of this title, under the supervision of an officer or an employee designated by the Secretary, the expenses of the supervision being paid by the person obtaining release of the property under bond, or,

(C) to export the property, upon a showing by the person obtaining release of the property that all of the requirements of subpart 6 of part B of this title can and will be met.

(g) REMISSION OR MITIGATION OF FORFEITURE.—Whenever any equipment or thing (other than a drug entity or drug product) is ordered forfeited under paragraph (3) of subsection (a) of this section by a court having jurisdiction over such equipment or thing, the court shall allow the claim of any claimant, to the extent of such claimant's interest, for remission or mitigation of such forfeiture if such claimant proves to the satisfaction of the court that:

(1) the claimant has not committed or caused to be committed any prohibited act referred to in such paragraph (3) and the claimant has no interest in any drug product referred to therein;

(2) the claimant has an interest in such equipment or other thing as owner or lienor or otherwise, acquired by the claimant in good faith; and

(3) the claimant at no time had any knowledge or reason to believe that such equipment or thing was being or would be used in, or to facilitate, the manufacture of counterfeit drug products in violation of this title.

(h) COSTS OF FORFEITURE PROCEEDING.—Whenever property is ordered forfeited under this section by a court having jurisdiction over the property, all proper expenses of the proceedings for forfeiture, including expenses of seizure, maintenance of custody, and court costs and fees, shall be awarded against the person, if any, intervening as claimant of the property. If the forfeited property is ordered sold in accordance with paragraph (3) of subsection (j), any expenses of the proceedings for forfeiture and sale not paid by the proceeds of the sale shall be awarded against the person, if any, intervening as claimant of the property.

(i) ADMINISTRATIVE EMBARGO OF PROPERTY.—(1) If an officer or employee of the department has reason to believe that property is subject to seizure and forfeit are under this section, the officer or employee may by written order place the property under embargo for a reasonable period of time, not to exceed twenty days, in order to prevent distribution of the property pending initiation of formal proceedings under this section or under section 164. If the Secretary determines that a period of time greater than twenty days is required to institute such proceedings, the Secretary may authorize an extension of the embargo period for up to ten additional days. Before property may be placed under embargo under this subsection, the Secretary (or an officer or employee designated by the Secretary other than the officer or employee proposing the embargo) shall approve the embargo order. An order of embargo under this subsection may require the identification of property during the period of its embargo as under embargo. A person who would be entitled to claim a property if it were seized under this section may appeal to the Secretary the placement of the property under embargo under this subsection within ten days of the issuance of the embargo order. Within five days of the date an appeal of an embargo order is filed with the Secretary, the Secretary shall afford the person an opportunity to present views, orally or in writing, with regard to the matter, and then by order confirm, modify, or revoke the embargo.

(2) Except as authorized by paragraph (3) of this subsection, property subject to an order of embargo issued under paragraph (1) shall not be moved by any person from the place at which it is ordered embargoed until—

(A) the Secretary releases the property from embargo, or

(B) the embargo period applicable to the property expires.

(3) Property subject to an embargo order under paragraph (1) of this subsection may be moved only in accordance with any requirements prescribed by the Secretary.

ADMINISTRATIVE DISQUALIFICATIONS

SEC. 166. (a) AUTHORITY TO DISQUALIFY PERSONS.—(1) If the Secretary determines that—

(A) any person has failed or refused to comply with the requirements of section 130 to protect human participants in clinical investigations involving a drug product, or of section 131 to assure the validity of scientific data, or of sections 127, 128, and 129 to conduct an investigation;

(B) the noncompliance with such requirements has adversely affected or placed in jeopardy the safety or the rights of human participants in an investigation involving a drug product, or the validity of scientific data from any investigation involving a drug entity or drug product, or both; and

(C) the action authorized by this subsection is an appropriate step to assure that such person will not be able to conduct investigations involving human participants, or to be the source of scientific data submitted under this title, or both, until such person demonstrates to the Secretary that the person will comply with the applicable requirements.

The Secretary may by order (issued in accordance with subsection (b)) take the action described in paragraph (2).

(2) The action referred to in paragraph (1) is as follows:

(A) Exclusion from consideration in the evaluation of a petition or application under this title any material scientific data submitted at any time in support of the petition or application and generated by or under the supervision or review of a person with respect to whom the Secretary has made the finding described in paragraph (1), until such data are independently validated.

(B) Suspension, termination, or denial of any clinical investigation involving human participants under a registration issued un-

der subpart 5 of part B which is being or is to be conducted by or under the supervision or review of such person.

The action described in this paragraph is referred to in this section as "disqualification".

(b) PROCEDURES.—An order of disqualification under subsection (a)(1) may be issued only after providing an opportunity for an informal hearing in accordance with section 173 of this title. Before issuing an order of disqualification, the Secretary shall give written notice to the person subject to the order of the Secretary's proposal to issue the order and provide the person an opportunity to request, within thirty days of the date the notice is received by the person, an informal hearing on the proposed order.

(c) STANDARDS.—In determining whether to issue an order under subsection (a), the Secretary shall take into account the nature, circumstances, extent, and gravity of the noncompliance with respect to which the order is proposed to be issued, the extent to which it may have placed human participants at unreasonable risk or violated their rights or placed in question the validity of scientific data, any history of prior noncompliance, and any other matters in the interest of justice.

(d) JUDICIAL REVIEW.—Any person who exercised the opportunity to be heard under subsection (b) respecting a disqualification order and who has by such an order been disqualified may obtain judicial review of that order in accordance with section 182.

(e) TERMINATION OF DISQUALIFICATION.—The Secretary shall terminate an order of disqualification under this section at such time as the Secretary determines that the disqualified person will conduct, supervise, or review investigations in a manner that will comply with the requirements of this title regarding protection of the safety and rights of human participants in investigations involving drug entities or drug products and assurance of the validity of scientific data to be submitted to the Secretary.

CONFERENCE BEFORE REPORT OF CRIMINAL VIOLATION

SEC. 167. Before any violation of this title is reported by the Secretary to any United States attorney for institution of a criminal proceeding (other than an investigation), the person against whom such proceeding is contemplated shall be given appropriate notice and an opportunity to present views, either orally or in writing, with regard to such contemplated proceeding.

SEPARABILITY OF PENALTIES

SEC. 168. Any criminal or civil penalty, administrative disqualification, administrative action taken with regard to a license, registration, or permit under part B of this title, or any other administrative action or order, imposed for violation of this title, or taken because of an action which constitutes such a violation, shall not be in lieu of any other criminal or civil penalty or administrative action authorized by law.

ENFORCEMENT PROCEEDINGS

SEC. 169. All judicial proceedings for the enforcement, or to restrain violations, of this title shall be by and in the name of the United States. Subpenas for witnesses in a judicial proceeding who are required to attend a court of the United States in any district may be served in any other district.

NOTICES AND WARNINGS

SEC. 170. Nothing in this title shall be construed as requiring the Secretary to report for judicial proceedings, or to commence formal administrative proceedings in response to, violations of this title where the Secretary believes that the public interest will be adequately served by a written notice of warning.

PART E—ADMINISTRATIVE PROVISIONS

AUTHORITY TO ISSUE REGULATIONS

SEC. 172. The Secretary is authorized to promulgate any regulations that the Secretary finds necessary and appropriate for the efficient implementation and enforcement of this title.

ADMINISTRATIVE HEARINGS

SEC. 173. (a) AUTHORITY.— In carrying out this title, the Secretary may hold hearings, administer oaths, examine witnesses, and receive evidence at any place in the United States.

(b) INFORMAL HEARINGS.—When an informal hearing is provided for in this title, the hearing shall not be subject to section 554, 556, or 557 of title 5 of the United States Code, but shall be subject to the following requirements:

(1) The presiding officer in the hearing shall be designated by the Secretary from among the officers and employees of the Department who have not (prior to being designated) participated in any action which is the subject of the hearing and who are not directly or indirectly responsible to any officer or employee of the Department who has participated in the action.

(2) Each responding party to the hearing shall have the right at all times to be represented by counsel.

(3) Before the hearing, each responding party to the hearing shall be given reasonable notice of the matters to be considered at the hearing, including a statement of the basis for the action taken or proposed by the Secretary which is the subject of the hearing and a summary of the information which will be presented by the Secretary at the hearing.

(4) At the hearing, each responding party shall have the right to hear a full and complete statement of the basis for the action of the Secretary which is the subject of the hearing, together with the information and reasons supporting the action, to conduct reasonable questioning of witnesses, and to present oral or written information relevant to the action.

(5) The Secretary may require the hearing to be transcribed. A responding party shall have the right to have the hearing transcribed at his expense.

(6) At the conclusion of the hearing the presiding officer shall prepare a written report of the hearing and a recommended decision. Each responding party shall have the opportunity to submit, within a reasonable period of time, exceptions to the presiding officer's report of the hearing and recommended decision.

(7) In completing any proceeding involving an informal hearing, the Secretary shall issue a written decision stating the reasons for the action taken or to be taken and the basis in the administrative record of the proceeding.

(c) PUBLIC HEARINGS.—When a public hearing is provided for in this title, the hearing shall not be subject to section 554, 556, or 557 of title 5 of the United States Code or subsection (b) of this section, but shall be subject to the following requirements:

(1) The presiding officer in the hearing shall be designated by the Secretary from among the officers and employees (including special Government employees) of the Department who have not (prior to being designated) participated in any action which is the subject of the hearing, who are not directly or indirectly responsible to any officer or employee of the Department who has participated in the action, and who will not (other than for hearing) participate in any action which is the subject of the hearing.

(2) Before the hearing, the public shall be given reasonable notice of the matters to be considered at the hearing, including a statement of the basis for the action taken or proposed by the Secretary (or by a petition) which is the subject of the hearing.

(3) At the hearing, any person shall have the right to present oral or written information relevant to the action which is the subject of the hearing.

(4) The presiding officer in the hearing may take such action as may be necessary to expedite the hearing (including allocation of time for presentation of testimony), to define the issues involved, and to conduct (or permit other employees of or advisors to the Department to conduct) reasonable questioning in order to clarify the testimony presented at the hearing. If the presiding officer determines that the same or similar interests are held by more than one person wishing to present oral testimony at the hearing, the presiding officer may require a consolidation in the presentation of such testimony.

(5) The Secretary shall require the hearing to be transcribed.

(6) At the conclusion of the hearing the presiding officer shall prepare a written report of the hearing.

SUBPENAS

SEC. 174 (a) AUTHORITY.—In any matter relating to implementation or enforcement of this title, the Secretary may compel the attendance and testimony of witnesses by subpena and require the production of any records (including books, papers, documents, and other tangible things) that may be relevant to the matter. The attendance of witnesses and the production of records may be required from any place in any State or in any territory or other place subject to the jurisdiction of the United States at any designated place of hearing. Witnesses summoned under this section shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States.

(b) SERVICE.—A subpena issued under this section may be served by any person designated in the subpena to serve it. Service upon a natural person may be made either by a personal delivery or by registered mail or telegraph, or by leaving a copy thereof at the principal office or place of business of the person being served. Service upon a domestic or foreign corporation, or upon a partnership or other unincorporated association which is subject to suit under a common name, may be made either by delivering the subpena to an officer, to a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process, or by registered mail or telegraph or by having a copy of the subpena at the principal office or place or business of the office or agent being served. The verified return by the individual so serving it setting forth the manner of service shall be proof of service, and the return post office receipt or telegraph receipt therefor when registered and mailed or telegraphed in accordance with this subsection shall be proof of service.

(c) ENFORCEMENT.—In the case of contumacy by, or refusal to obey a subpena issued to, any person, any court of the United States within the jurisdiction in which the subpenaed person is an inhabitant, carries on business, or may be found, may compel compliance with the subpena. The court may issue an order requiring the subpenaed person to appear before the Secretary, to produce records if so ordered, or to give testimony relating to the matter. Any failure to obey the order of the court may be punished by the court as a contempt thereof. All process in such a case may be served in any judicial district in which the person may be found.

ADMINISTRATION INSPECTIONS

SEC. 175. (a) REGULATED PREMISES.—For purposes of this section, the term "regulated premises" includes the following:

(1) Any establishment in which a drug entity or a drug product is manufactured or held for further manufacturing, distribution or export after being manufactured, imported, or distributed, or for which establishment registration is sought under section 113.

(2) Any conveyance which is being used to transport or hold a drug entity or a drug product.

(3) Any establishment, institution, laboratory, or office or place of business of a practitioner, in which any aspect of an investigation which is subject to subpart 5 of part B is conducted, or a report of which has been or is intended to be submitted to the Secretary in support of a petition for issuance of a monograph under subpart 2, or of an application under subpart 4, 5, or 6, of Part B.

(4) Any establishment, institution, or laboratory in which a drug entity or drug product is assessed for risks or is tested for identity, strength, quality, purity, stability, or bioavailability.

(5) Any establishment in which original or other records or documents required under section 108(e) are kept or required to be kept.

(b) OTHER PREMISES.—For purposes of this section, except insofar as, and only to that extent that, it is included in subsection (a), the term "regulated premises" does not include the following:

(1) A pharmacy which is licensed or registered under applicable State laws regulating the practice of pharmacy and which compounds drug products solely in the course of filling and dispensing prescriptions as part of the practice of pharmacy.

(2) The premises of a practitioner who compounds drug products solely for dispensing in the course of professional practice.

(3) The premises of a person who manufactures drug products solely for use in preclinical research (other than preclinical research a report of which has been or is intended to be submitted to the Secretary in support of a petition for issuance of a monograph under subpart 2 or of an application under subpart 4, 5, or 6, of part B), teaching, or chemical analysis and not for use in humans.

(4) The premises of any other person or class of persons that the Secretary may by regulation exempt from the application of this section upon a determination that inspection of these premises is not necessary for the efficient implementation and enforcement of this title.

(c) AUTHORITY TO INSPECT REGULATED PREMISES.—The Secretary is authorized, in accordance with this section, to enter any regulated premises and to conduct inspections thereof and of things specified in this section that are located in those premises, for purposes of—

(1) determining whether drug entities and drug products have been or are being manufactured, imported, exported, distributed, dispensed, tested, investigated, or held in conformity with this title,

(2) inspecting, copying, and verifying the correctness of records, reports, or other documents required to be made or kept under this title, or

(3) otherwise implementing and enforcing this title.

(d) PROCEDURES.—Entries and inspections shall be carried out by officers or employees of the Department designated by the Secretary. Any such officer or employee, upon stating his purpose and presenting to the person in charge of the regulated premises appropriate credentials and a written notice of inspection authority, shall have the right to enter the premises and conduct inspections at reasonable times, within reasonable limits, and in a reasonable manner. A separate notice shall be given for each inspection, but a notice shall not be required for each entry made during the period covered by an inspection. Each inspection shall be completed with reasonable promptness after its commencement.

(e) SCOPE OF AN INSPECTION.—An officer or employee conducting an authorized inspection under subsection (c) shall have authority—

(1) to inspect and copy records, reports, and other documents required to be kept or made under this title;

(2) to inspect and photograph the regulated premises and all pertinent equipment, finished and unfinished drug products, drug entities, and other materials, containers, and labeling found therein, and, except as provided in subsection (f), all other things therein (including records, files, papers, processes, controls, and facilities) appropriate for verification of the records, reports, and documents referred to in paragraph (1) or otherwise relevant to determining compliance with the provisions of this title;

(3) to observe manufacturing operations;

(4) to inventory the stock of, and to obtain samples of, any drug entity, drug product, or component of a drug entity or drug product; and

(5) to obtain samples of substances used as reference or control standards for testing the identity, strength, quality, purity, stability, or bioavailability of, a drug entity, drug product or a component of a drug entity or drug product, or for assessing the risks or demonstrating the effectiveness of a drug product.

(f) LIMITS ON SCOPE OF AN INSPECTION.—Except when the person in charge of the regulated premises so consents in writing, no inspection authorized by this section shall extend to—

(1) financial data;

(2) sales data other than shipment data;

(3) pricing data;

(4) personnel information other than information as to the qualifications and responsibilities of technical professional, and supervisory personnel performing functions subject to this title.

(g) REPORT OF INSPECTION.—Upon completion of any inspection under this section, and prior to leaving the premises, the officer or employee of the Department making the inspection shall give to the person in charge of the regulated premises a written notice identifying any conditions or practices observed which, in the judgment of the officer or employee, indicate that any drug entity or drug product in the premises is not in conformity with this title.

(h) RECEIPT FOR SAMPLES.—If a sample has been obtained in the course of an inspection, the officer or employee making the inspection, upon completion of the inspection and prior to leaving the premises, shall give to the person in charge a receipt describing the sample obtained.

(i) AUTHORITY TO INSPECT OTHER PREMISES.—The Secretary is authorized to enter any premises described in subsection (b) and to conduct inspections thereof and of things specified in this subsection that are located in those premises, for purposes of determining whether the premises are, and the extent to which the premises are, also a regulated premises under subsection (a).

(j) INSPECTION WARRANTS.—(1) An inspection warrant shall not be required (A) to make entries and conduct inspections pursuant to the authority in subsection (c) or (i), (B) to inspect books and records pursuant to a subpena issued under section 174, or (C) for any other inspection for which an inspection warrant is not required by the United States Constitution. An inspection warrant may be sought and obtained by the Secretary even though not required under this subsection. The issuance and execution of an inspection warrant under this subsection shall not preclude administrative or judicial proceedings for a violation of section 161(3)(I) or 161(8)(G).

(2) Any judge of the United States or any United States magistrate may, within his or her territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting inspections authorized by this title. For the purposes of this paragraph, the term "probable cause" means a valid public interest in the effective enforcement of this title, or regulations thereunder, sufficient to justify inspection in the circumstances specified in the application for the warrant.

(3) A warrant shall issue only upon an affidavit of an officer or employee of the Department having knowledge relating to the facts alleged, which is sworn to before the judge or magistrate and which sets forth the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the issuance of a warrant exist or that there is probable cause to believe they exist, the judge or magistrate shall issue a warrant identifying an area, premises, building conveyance, or contents thereof to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall state the grounds for its issuance and the name of the person or persons whose affidavits have been taken in support thereof. It shall command the person to whom it is directed to inspect the area, premises, building, or conveyance identified for the purpose specified. The warrant shall direct that it be served at any reasonable time. It shall designate the judge or magistrate to whom it shall be returned.

(4) A warrant issued pursuant to this subsection shall be executed and returned within ten days of its date unless, upon a showing by the United States of a need therefor, the judge or magistrate allows additional time in the warrant.

(5) The judge or magistrate who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

POWERS OF ENFORCEMENT PERSONNEL

SEC. 176. Any officer or employee of the Department designated by the Secretary to conduct investigations or inspections under this title, may, when so authorized by the Secretary—

(1) serve and execute search warrants and inspection warrants;

(2) serve subpenas issued under section 174;

(3) make inspections under section 175;

(4) order embargo of articles pursuant to section 165(i); and

(5) perform such other duties as the Secretary may designate.

COOPERATIVE ARRANGEMENTS

SEC. 177. (a) COOPERATION WITH OTHER FEDERAL AND STATE AGENCIES.—The Secretary shall cooperate with Federal, State and local government agencies concerning the manufacture, importation, export, distribution, prescribing, dispensing, testing, or investigation of drug entities and drug products. To this end, the Secretary is authorized to—

(1) arrange for the exchange of information among governmental officials concerning drug entities and drug products;

(2) cooperate in the institution and prosecution of cases in the courts of the United States and before the licensing boards and courts of any State or political subdivision thereof;

(3) accept from any State or local authorities engaged in activities relating to health, safety, or consumer protection assistance in such functions as data collection, investigation, and educational programs, as well as other assistance in the administration and enforcement of this title which the

Secretary may request and which such States or localities may be able and willing to provide and, if so agreed, may pay in advance or otherwise for the reasonable cost of such assistance;

(4) commission any qualified officer or employee of any State or local agency as an officer of the Secretary for the purpose of conducting investigations and inspections;

(5) conduct training programs on the regulation of drug entities and drug products; and

(6) take other steps necessary or desirable to coordinate regulatory activities, in order to promote the efficiency and effectiveness of, and to minimize duplication of activities involving, the regulation of drug entities and drug products.

(b) ACCESS TO RECORDS OF OTHER FEDERAL AGENCIES.—For purposes of enforcement of this title, records of any department or independent establishment in the executive branch of the Government relating to the administration, implementation, or enforcement of this title shall be open to inspection and copying by any officer or employee of the Department authorized by the Secretary to make the inspection, unless such inspection or copying is otherwise prohibited by law.

(c) JOINT REGULATION OF IMPORTS AND EXPORTS WITH THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury and the Secretary shall jointly prescribe regulations for the efficient implementation and enforcement of the provisions of sections 119 and 135, except as otherwise provided therein.

(d) COOPERATION WITH COMPENDIAL OFFICIALS.—The Secretary, in implementing this title, shall cooperate with associations and scientific societies in the revision of the United States Pharmacopeia and in the development of methods of analysis and mechanical, chemical, physical, and any other tests necessary to carry out the duties of the Secretary under this title. The Secretary may also provide for the training, either within the United States or abroad (including payment of the costs of travel and per diem), of officers or employees of foreign governments, to enable those officers or employees to carry out any function under section 135, related to the consideration by their governments of the importation of drug entities and drug products from the United States.

ADVISORY COMMITTEES

SEC. 178. (a) DRUG SCIENCE ADVISORY COMMITTEES.—The Secretary shall appoint one or more advisory committees to advise the Secretary and the Department with respect to the issuance, amendment, and revocation of monographs under subpart 2 of part B. In selecting individuals to serve as members of such committees, the Secretary shall obtain and consider recommendations from health care providers, scientific investigators, and organizations interested in public health, particular diseases, or consumer affairs. The Secretary shall appoint individuals to be members of the committee, so that each committee reflects in its composition, to the extent possible, scientific, consumer, and health care provider interests. In asking any such committee for advice on whether a monograph should be issued, amended, or revoked, the Secretary shall submit written questions to the committee regarding each specific determination required under subpart 2 of part B to be made in order for such action to be taken with respect to such monograph. The advisory committee shall respond in writing to each of the questions posed by the Secretary.

(b) OTHER ADVISORY COMMITTEES.—The Secretary may, from time to time, appoint committees to advise the Department with respect to implementation of this title.

(c) COMPENSATION.—Members of the committees may be entitled to receive compensation at the rate fixed by the Secretary, not exceeding the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule, for each day, including travel time, during which they were engaged in the actual performance of duties. While away from their homes or regular places of business, members of these committees may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code.

RESEARCH PROGRAMS

SEC. 179. (a) AUTHORITY.—The Secretary may conduct research, testing, and preclinical and clinical investigations respecting drug entities, drug products, or any component of a drug entity or drug product.

(b) CONTRACTS.—The Secretary may award grants and enter into contracts for research authorized by this section, and may obtain drug entities, drug products, or components for these purposes without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 539; 41 U.S.C. 5).

CONFIDENTIALITY OF COMMERCIAL INFORMATION

SEC. 180. (a) GENERAL PROHIBITION AGAINST DISCLOSURE.—Except as provided in this section, no officer or employee of the Department shall disclose any information revealed to, or otherwise obtained by, the Department or any of its representatives, which is exempt from disclosure under section 552(b)(4) of title 5 of the United States Code.

(b) DISCLOSURE RELEVANT TO ENFORCEMENT ACTIVITIES.—Information described in subsection (a) of this section may be disclosed as follows:

(1) To any officer or employee of the United States in connection with the performance of official duties.

(2) To the courts when relevant in any judicial proceeding.

(3) To a person other than an officer or employee of the United States if the Secretary determines that the other person requires the information in connection with an activity which is undertaken under contract with the Secretary, which relates to the administration of this title, and with respect to which the Secretary is not prohibited from using the information. The Secretary shall require, as a condition to the disclosure of information under this paragraph, that the person receiving it take such security precautions respecting the storage, use, and further disclosure of information received that the Secretary may, by regulation, prescribe.

(4) Whenever the Secretary determines that disclosure is necessary to reduce a risk of serious illness or serious injury to patients or a risk to the public health.

(c) EFFECT OF DISCLOSURE UNDER THIS SECTION.—Disclosure of information under subsection (b) of this section shall not (1) constitute release of the information to the general public, (2) remove the exemption from mandatory disclosure otherwise pertaining under section 552(b)(4) of title 5 of the United States Code, or (3) constitute a violation of section 1905 of title 18 of the United States Code.

BURDEN OF PROOF

SEC. 181. (a) CLAIMS OF LICENSURE, REGISTRATION, OR PERMIT.—In any administration or judicial proceeding under this title, a person claiming to be the duly authorized holder of a license, registration, or permit issued under subpart 4, 5, or 6 of part B of this title, shall have the burden of proof, including the burden of going forward with the evidence and the burden of persuasion, with respect to such license, registration, or permit.

(b) CLAIMS OF EXEMPTIONS.—In any administrative or judicial proceeding under this title, a person claiming the benefit of any exemption, exception, or variance set forth or permitted in this title (including any under section 113, 114, 115, 117, 120, 126, 146, 147, 151, 156, 158, or 175), shall have the burden of proof, including the burden of going forward with the evidence and the burden of persuasion with respect to such exemption, exception, or variance.

JUDICIAL REVIEW

SEC. 182. (a) JURISDICTION.—Any person entitled to obtain review of an order of the Secretary under this title may do so in the United States Court of Appeals for the District of Columbia or for the circuit in which such person's principal place of business is located, upon petition filed with the court and served upon the Secretary within sixty days after receiving notice of the final order. Upon the filing of a petition, the court shall have exclusive jurisdiction to affirm, modify, or set aside the order, except that until the filing of the certified record, the Secretary may modify or set aside the order.

(b) CERTIFIED RECORD.—Within forty days after receipt of the petition, the Secretary shall certify to and file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28 of the United States Code.

(c) SCOPE OF REVIEW.—No objection to the order of the Secretary shall be considered by the court unless the objection was urged at the appropriate time during the administrative proceedings or unless there were reasonable grounds for failure so to urge it. The findings of the Secretary as to the facts shall be conclusive, (1) with respect to all orders of the Secretary under this title (except orders issued under subparts 4, 5, and 6 of part B, or under section 163) unless the findings are shown to be arbitrary or capricious, or (2) with respect to orders of the Secretary under subparts 4, 5, and 6 of part B, and under section 163, if supported by substantial evidence. If any person applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable grounds for failing to adduce the evidence in the administrative proceeding, the court may remand the matter to the Secretary in order to permit additional evidence to be taken before the Secretary (to be adduced in the manner and upon the terms and conditions that the court may determine), and to permit the Secretary to reconsider and, if appropriate, to modify or set aside, the Secretary's original findings of fact or the Secretary's original order.

(d) FINALITY OF JUDGMENT.—The judgment of the court affirming, modifying, or setting aside any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

CITIZENS' PETITIONS

SEC. 183. (a) IN GENERAL.—Any person may petition the Secretary to initiate a proceeding for the issuance, amendment, or repeal of any regulation authorized by this title.

(b) ADMINISTRATIVE PROCEDURES.—(1) A petition under this section shall set forth the facts which it is claimed establish that it is necessary or appropriate for the Secretary to take the action requested in the petition.

(2) The Secretary may hold a public hearing or may conduct such investigation or proceeding as the Secretary finds appropriate in order to determine whether or not such petition should be granted.

(3) Within one hundred eighty days after filing of a petition described in paragraph (1), the Secretary shall either grant or deny the petition or inform the petitioner in writing why the Secretary has been unable to reach a decision on the petition. If the Secretary grants the petition, the Secretary shall commence an appropriate proceeding in ac-

cordance with the procedure required by this title and by title 5 of the United States Code. If the Secretary denies the petition, the Secretary shall either publish in the Federal Register the Secretary's reasons for the denial or provide the petitioner a document setting forth these reasons.

(c) JUDICIAL ACTION.—If the Secretary denies a petition filed under this section (or if the Secretary fails to grant or deny such petition within the one hundred eighty day period and to notify the petitioner in writing why no decision has been made) the petitioner may commence a civil action in a district court of the United States to compel the Secretary to initiate the proceeding requested in the petition. Any such action shall be filed within sixty days after the Secretary's denial of the petition or, if the Secretary fails to grant or deny the petition or properly to notify the petitioner within one hundred eighty days after filing the petition, within sixty days after the expiration of the one hundred eighty day period.

(d) AWARD OF COSTS AND FEES.—The court, in issuing any final order in any action brought pursuant to subsection (c) may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

(e) SAVINGS PROVISION.—The remedies under this section shall be in addition to, and not in lieu of, other remedies provided by law.

COMPENSATION FOR FEES AND EXPENSES

SEC. 184. (a) AUTHORITY.—The Secretary may, pursuant to regulations prescribed under this section, provide compensation for reasonable attorneys' fees, expert witness fees, and other costs of participating in a proceeding for the issuance, amendment, suspension, or revocation of a monograph under subpart 2 of part B, to any person—

(1) who represents an interest which would substantially contribute to a fair and informed determination of the issues to be resolved in the proceeding, and

(2) if—

(A) the economic interest of such person is small in comparison to the costs of effective participation in the proceeding by such person, or

(B) such person demonstrates to the satisfaction of the Secretary that such person does not have sufficient resources adequately to participate in the proceeding without compensation under this subparagraph.

(b) DETERMINATION OF CONTRIBUTION.—In determining for purposes of subsection (a) (1) whether an interest will substantially contribute to a fair and informed determination of the issues to be resolved in a proceeding, the Secretary shall take into account the number and complexity of such issues and the extent to which representation of such interest will contribute to public participation in the proceeding and representation of a fair balance of interests for the resolution of such issues.

(c) LIMIT ON COMPENSATION.—(1) In determining whether compensation should be provided to a person under subsection (a), the Secretary shall take into account the ability of such person to bear all or some of the financial burden incurred by such person in connection with a proceeding.

(2) The rate of compensation for any fee established by the Secretary by regulation under subsection (a) may not exceed 75 per centum of the rate in effect for the last step of grade GS–13 of the General Schedule at the time the services for which the fee is sought were performed.

ENCOURAGEMENT OF JOINT ACTIVITIES

SEC. 185. The Secretary may, in accordance with regulations issued by the Secretary after consultation with the Attorney General and the Chairman of the Federal Trade Commission, encourage or require licensees under subpart 4 for drug products under a single monograph, or under monographs for related drug entities, to join in conducting surveillance activities required under section 108(h) or in conducting investigations required under section 108(i), in order to reduce the exposure of humans to risks to their health and rights, to prevent the waste of scarce scientific resources, and to promote competition. Nothing in this section is intended to create any exception to the antitrust laws or defense to any action under the Sherman Act (15 U.S.C. 1), the Clayton Act (15 U.S.C. 12), or the Federal Trade Commission Act (15 U.S.C. 41).

PART F—CONFORMING, TRANSITIONAL, EFFECTIVE DATE, AND OTHER GENERAL PROVISIONS

REPEALS AND CONFORMING AMENDMENTS

SEC. 191. Within one hundred eighty days following the date of the enactment of this title, the Secretary shall recommend to the Congress for enactment those amendments to laws related to this title that the Secretary determines are required to bring those laws into conformity with this title.

EFFECTIVE DATES AND TRANSITIONAL PROVISIONS

SEC. 192. (a) GENERAL.—Except as otherwise provided in this section, this title shall become effective upon enactment.

(b) DRUG MONOGRAPHS.—Subpart 2 of part B of this title shall become effective as follows:

(1) "EFFECTIVE" PRESCRIPTION "NEW DRUGS", ANTIBIOTIC DRUGS, AND INSULIN.—(A) Subpart 2 of part B of this title shall become effective 36 months following the date of enactment of this title, with respect to—

(i) any drug entity or drug product for which an application filed pursuant to section 505(b) of the Federal Food, Drug, and Cosmetic Act was "effective" and "approved", within the meaning of that section, on the day preceding the date of enactment of this title, and which could only be dispensed on a prescription under section 503(b) of such Act,

(ii) any drug or drug product which is subject to certification regulations issued prior to enactment of this title pursuant to section 507 of the Federal Food, Drug, and Cosmetic Act, and which could only be dispensed on a prescription under section 503 (b) of such Act, and

(iii) any drug or drug product composed wholly or partly of insulin which is subject to certification regulations prior to enactment of this title pursuant to section 506 of the Federal Food, Drug, and Cosmetic Act.

(B) Before the effective date under this paragraph, the Secretary shall issue an initial monograph in accordance with section 193 for each drug entity subject to this paragraph.

(2) "LESS THAN EFFECTIVE" PRESCRIPTION "NEW DRUGS" AND ANTIBIOTIC DRUGS SUBJECT TO FURTHER TESTING REQUIREMENTS.—(A) Subpart 2 of part B of this title shall become effective 60 months following the date of enactment of this title, with respect to any drug entity or drug product which could only be dispensed on a prescription under section 503(b) of the Federal Food, Drug, and Cosmetic Act—

(i) (I) for which an application filed pursuant to section 505(b) of the Federal Food, Drug, and Cosmetic Act was "effective" within the meaning of that section, and was "deemed approved" pursuant to section 107 (c) (2) of the Drug Amendments of 1962, on the day preceding the date of enactment of this title; or (II) which is subject to certification regulations issued prior to enactment of this title pursuant to section 507 of the Federal Food, Drug, and Cosmetic Act on the day preceding the date of enactment of this title; and

(ii) for which the Secretary has not issued a final order, under the procedures governing the drug efficacy study applicable to such drug entity or drug product, determining the drug to be "effective" within the meaning of section 505(d) of the Federal Food, Drug, and Cosmetic Act; and

(iii) which the Secretary has determined may remain on the market pending completion of scientific tests to determine effectiveness where there is a compelling justification of the medical need for the drug entity or drug product.

(B) Before the effective date under this paragraph, the Secretary shall either issue an initial monograph in accordance with section 193, or a notice described in clause (iii) of subparagraph (3)(A) of this subsection, for each drug entity subject to this paragraph.

(3) "LESS THAN EFFECTIVE" PRESCRIPTION "NEW DRUGS" AND ANTIBIOTIC DRUGS SUBJECT TO FINDINGS THAT THE DRUGS HAVE NOT BEEN SHOWN TO BE EFFECTIVE.—(A) Except as provided in paragraph (2) of this subsection, subpart 2 of part B of this title shall become effective 36 months following the date of enactment of this title, with respect to any drug entity or drug product which could only be dispensed on a prescription under section 503(b) of the Federal Food, Drug, and Cosmetic Act—

(i) (I) for which an application filed pursuant to section 505(b) of the Federal Food, Drug, and Cosmetic Act was "effective" within the meaning of that section, and was "deemed approved" pursuant to section 107 (c) (2) of the Drug Amendments of 1962, on the day preceding the enactment date of this title; or (II) which is subject to certification regulations issued prior to enactment of this title pursuant to section 507 of the Federal Food, Drug, and Cosmetic Act;

(ii) for which the Secretary has not issued a final order, under the procedures governing the drug efficacy study applicable to such drug entity or drug product, determining the drug entity or drug product to be effective" within the meaning of section 505(d) of the Federal Food, Drug, and Cosmetic Act; and

(iii) for which the Secretary has issued a notice of opportunity for hearing, under the procedures governing the drug efficacy study applicable to such drug entity or drug product, stating that the drug entity or drug product has not been shown to be "effective" within the meaning of section 505(d) of the Federal Food, Drug, and Cosmetic Act.

(B) Before the effective date under this paragraph, the Secretary shall either issue an initial monograph in accordance with section 193 or shall withdraw approval of the application or revoke the certification regulation in accordance with the procedures set forth in section 111 of this title and not the procedures set forth in section 505 or 507 of the Federal Food, Drug, and Cosmetics Act.

(4) NONPRESCRIPTION DRUGS.—(A) Subpart 2 of part B of this title shall become effective 60 months following the date of enactment of this title with respect to any drug entity or drug product which could be dispensed without a prescription under section 503(b) of the Federal Food, Drug, and Cosmetic Act and which is subject to the procedures and standards established by the Secretary for determining whether these drug entities and drug products are generally recognized as safe and effective and not misbranded.

(B) Before the effective date under this paragraph, the Secretary shall issue, in accordance with those procedures and standards as they may from time to time be amended, for each drug entity or drug prod-

uct subject to this paragraph, either a monograph or a final order excluding the drug entity from a monograph. A monograph issued under the procedures and standards referred to, notwithstanding any differences between those procedures and standards and the requirements of subpart 2 of part B, shall have the same status as a monograph issue in accordance with subpart 2 of part B.

(C) With respect to any drug entity or drug product which is described in paragraph (1), (2), or (3) of this subsection and which is also subject to the procedures referred to in this paragraph, the provisions of paragraph (1), (2), or (3) shall apply unless the Secretary, by a notice published in the Federal Register, determines that it would promote the efficient administration of this title to apply the provisions of this paragraph instead to the drug entity or drug product.

(5) LICENSED BIOLOGICAL DRUGS.—(A) Except as provided in paragraph (6) of this subsection, subpart 2 of part B of this title shall become effective 36 months following the date of enactment of this title with respect to any biological drug entities or biological drug products for which a product license filed pursuant to section 351 of the Public Health Service Act was approved and in effect on the day preceding the enactment date of this title.

(B) Before the effective date under this paragraph, the Secretary shall issue an initial monograph in accordance with section 193 for each drug entity subject to this paragraph.

(6) LICENSED BIOLOGICAL DRUG SUBJECT TO FURTHER REVIEW.—(A) Subpart 2 of part B of this title shall become effective 60 months following the date of enactment of this title with respect to any biological drug entity or biological drug product:

(i) for which a product license filed pursuant to section 351 of the Public Health Service Act was approved and in effect on the day preceding the enactment of this title, and

(ii) which is subject to the procedures established by the Secretary for determining whether these drug entities are generally recognized as safe and effective and not misbranded.

(B) Before the effective date under this paragraph, the Secretary shall issue, in accordance with those procedures, for each drug entity subject to this subparagraph either a monograph or a final order excluding the drug entity from a monograph. A monograph issued under the procedures referred to shall have the same status of a monograph issued in accordance with subpart 2 of part B.

(7) DRUGS PENDING APPROVAL.—(A) Subpart 2 of part B of this title shall become effective as provided in subparagraph (B) with respect to any drug entity or drug product—

(i) which is subject to an application filed pursuant to section 505(b) of the Federal Food, Drug, and Cosmetic Act prior to, but not "approved" within the meaning of that section on or before, twelve months following enactment of this title; or

(ii) which is subject to a petition for the issuance of certification regulations filed pursuant to section 507(f) of the Federal Food, Drug, and Cosmetic Act prior to, but not acted upon on or before, twelve months following the enactment of this title, or

(iii) which is subject to an application for a license filed pursuant to section 351 of the Public Health Service Act prior to, but not approved pursuant to that section on or before, twelve months following the enactment of this title.

(B) Subpart 2 of part B of this title shall become effective with respect to drugs described in subparagraph (A) on whichever of the following first occurs:

(i) twenty-four months following the date of enactment of this title; or

(ii) upon issuance of an order by the Secretary denying approval of the application or declining to issue the certification regulation; or

(iii) upon issuance of an order by the Secretary approving the application or issuing the certification regulation (in which case the Secretary shall, within three months of subpart 2 of part B becoming effective with respect to the drug, issue an initial monograph for the drug in accordance with section 193).

(8) "GRANDFATHERED" DRUGS.—(A) With respect to any drug entity or drug product for which an exemption was claimed from the definition of "new drug" under section 201 (p)(1) of the Federal Food, Drug, and Cosmetic Act on the date of enactment of this title, or for which an exemption was claimed from the certain provisions of the Drug Amendments of 1962 by reason of section 107 (c) of those Amendments, subpart 2 of part B of this title shall become effective one-hundred-twenty months following the date of enactment of this title.

(B) Within twenty-four months following the date of enactment of this title, the Secretary shall promulgate special procedure and standards for the review of the effectiveness risks, and safety of all drug entities and drug products described in subparagraph (A).

(C) Before the effective date under this paragraph, the Secretary shall issue a monograph in accordance with the procedures and standards promulgated under subparagraph (B) for each drug entity or drug product subject to this paragraph which upon review has been found to be effective and safe.

(9) HOMEOPATHIC DRUGS.—With respect to any drug entity or drug product recognized in the official Homeopathic Pharmacopeia as of the date of enactment of this title, subparts 3 and 8 of part B of this title shall become effective on the date of enactment of this title.

(10) ALL OTHER DRUGS.—Part B of this Act shall become effective twelve months following the enactment of this Act with respect to any drug entity or drug product not specifically described in paragraphs (1) through (9) of this subsection.

(c) LICENSES FOR DRUG PRODUCTS.—(1) Subpart 4 of part B of this title shall become effective with respect to any drug product eligible for licensure under a monograph issued in accordance with subsection (b) on the date six months following the date of issuance of that monograph.

(2) The provisions of section 121(b) shall not apply to any monograph for a drug entity issued under section 193, except to the extent that any limited eligibility would remain in effect after the issuance of the monograph if this title had been in effect five years prior to its effective date and if the monograph had been issued at the same time as the approval for marketing the drug entity, if any, was issued under chapter V of the Federal Food, Drug, and Cosmetic Act or section 351 of the Public Health Service Act.

(3) Any drug product with respect to which an application filed pursuant to section 505(b) of the Federal Food, Drug, and Cosmetic Act was "effective" and "approved" or "deemed approved" within the meaning of that section, or with respect to which a biological product license filed pursuant to section 351 of the Public Health Service Act was approved and in effect, and any drug product which could be dispensed without a prescription under section 503(b) of the Federal Food, Drug, and Cosmetic Act and which was listed in accordance with section 510(j) of that Act, on the day preceding the effective date under this paragraph shall be deemed to be licensed on the effective date.

(3) Any drug product which is eligible for licensure under a monograph and with respect to which an application for a product license was submitted to the Secretary on the day preceding the effective date under this paragraph shall be deemed to be licensed on the effective date.

(d) REGISTRATION FOR INVESTIGATIONAL USE OF DRUG PRODUCTS.—(1) Subpart 5 of part B of this title shall become effective twenty-four months following the date of enactment of this title.

(2) Any drug product subject to an exemption granted under section 505(i) or 507(d) of the Federal Food, Drug, and Cosmetic Act and in effect on the day preceding the effective date under this subsection shall be deemed to be registered on the effective date.

(e) EXPORT PERMITS FOR DRUG PRODUCTS.—Subpart 6 of part B of this title shall become effective twelve months following the date of enactment of this title.

(f) INFORMATION LABELING FOR PATIENTS.—Section 151 of this title shall become effective upon the date of enactment of this title. The Secretary shall, within twelve months following the date of the enactment of this title, publish in the Federal Register a list of priorities for requiring prescription drug products to be accompanied by information labeling for patients. Such priorities shall be based upon consideration of the frequency of the use of drug products containing particular drug entities, the frequency of use of such drug products for a purpose or in a manner other than that set forth in the information labeling, the frequency of occurrence of adverse effects from the use of such drug product, the seriousness of such adverse effects, and the potential for misuse or abuse of such drug products.

(g) FEDERAL DRUG COMPENDIUM.—Section 155 of this title shall become effective thirty-six months following the date of enactment of this title.

ISSUANCE OF INITIAL MONOGRAPHS

SEC. 193. (a) CONTENT AND PROCEDURES.—When so directed by section 192 of this title, the Secretary shall issue initial monographs in accordance with the following:

(1) The monographs shall be issued as final orders, without regard to the procedures set forth either in subpart 2 of part B of this Act or in subchapter II of chapter 5 of title 5 of the United States Code.

(2) The portions of the monograph containing the requirements and guidelines for contents of the information labeling for a drug product shall be based solely upon the following:

(i) Any specific requirements applicable to the labeling of such a drug product on the day immediately preceding the issuance of the monograph.

(ii) Where no specific requirements existed, appropriate information labeling used for such a drug product in compliance with the Federal Food, Drug, and Cosmetic Act or with section 351 of the Public Health Service Act, as applicable, on the day immediately preceding the issuance of the monograph.

(3) The portions of the monograph containing the standards and requirements for licensure of drug products under the monograph shall be solely upon the standards and conditions applicable to such products on the day immediately preceding the issuance of the monograph, except as follows:

(i) For prescription drug products which were subject to section 505 of that Act on the date of enactment of this title, the Secretary shall not require the submission of any preclinical or clinical data or information regarding the risk or effectiveness of the drug product unless the Secretary finds that these

data or information are necessary to determine that the drug product is eligible for licensure or may be licensed under the monograph, except insofar as such is required pursuant to sections 121(b) and 192(c)(2).

(ii) For any drug subject to requirements for listing under section 510(j) of the Federal Food, Drug, and Cosmetic Act, but not to the requirements of sections 505, 506, or 507 of that Act, the Secretary shall not require the submission of any information other than that described in section 122(a). This restriction shall not apply with respect to any drug product which was exempt from the requirements of sections 505, 506, or 507 of the Federal Food, Drug, and Cosmetic Act solely because the drug product was not in interstate commerce.

(b) STATUS OF INITIAL MONOGRAPHS.—Any initial monograph issued pursuant to this section shall have the same status as a monograph issued pursuant to subpart 2 of part B of this title, and shall thereafter be subject to the standards and procedures for amendment, revocation, suspension, and judicial review provided for a monograph issued pursuant to that subpart.

PENDING PROCEEDINGS

SEC. 194. (a) CRIMINAL PROSECUTIONS.—Prosecutions for any violation of law relating to a drug entity or drug product occurring prior to the effective dates of section 192 shall not be affected by the repeals or amendments made by part F of this title, or abated by reason thereof.

(b) CIVIL ACTIONS.—Civil seizures or forfeitures and injunctive proceedings relating to a drug entity or drug product commenced prior to the effective dates of section 192 shall not be affected by the repeals or amendments made by part F of this title, or abated by reason thereof.

(c) ADMINISTRATIVE PROCEEDINGS.—Except as provided in subsection (b)(3) of section 192, administrative proceedings relating to a drug entity or drug product pending before the Secretary on the effective dates of section 192 shall not be affected by the repeals or amendments made by this title or abated by reason thereof.

CONTINUATION OF REGULATIONS

SEC. 195. Any orders, rules, and regulations which have been promulgated under any law affected by this title and which are in effect on the day preceding enactment of this title shall continue in effect until modified, superseded, or repealed.

SAVINGS PROVISIONS

SEC. 196.(a) SPECIFIED LAWS.—Nothing in this title, except this part, shall be construed as in any way affecting, modifying, repealing, or suspending the provisions of any of the following Acts:

(1) The provisions of the Act of Congress approved March 14, 1913 (37 Stat. 832–833) relating to viruses, serums, toxins, and analogous products applicable to domestic animals.

(2) The Controlled Substances Act (21 U.S.C. 801).

(3) The Controlled Substances Import and Export Act (21 U.S.C. 951).

(4) The Sherman Act (15 U.S.C. 1).

(5) The Wilson Tariff Act (15 U.S.C. 8 and 9).

(6) The Clayton Act (15 U.S.C. 12).

(7) The Act of June 9, 1936, ch. 592 (15 U.S.C. 13, 13a, and 212).

(8) The Federal Trade Commission Act (15 U.S.C. 41).

(b) AUTHORITY OF THE SECRETARY OF THE TREASURY AND THE ATTORNEY GENERAL.—Nothing in this title shall derogate either from the authority of the Secretary of the Treasury under the customs and related laws, or from the authority of the Attorney General under the laws relating to controlled substances.

APPLICATION OF STATE LAW

SEC. 197. (a) GENERAL RULE.—Except as provided in subsection (b), no State or political subdivision of a State may establish or continue in effect with respect to a drug product any requirement—

(1) which is different from or in addition to any requirement applicable under this title to the drug product, and

(2) which relates to the packaging or labeling of the drug product.

(b) EXEMPT REQUIREMENTS.—Upon application of a State or political subdivision of a State, the Secretary may, by regulations promulgated after notice and opportunity for a public hearing, exempt from subsection (a), under such conditions as may be prescribed under such regulations, a requirement of such State or political subdivision of a State applicable to a drug product if—

(1) the requirement is more stringent than a requirement under this title which would be applicable to the drug product if an exemption were not in effect under this subsection; or

(2) the requirement—

(A) is required by compelling local conditions, and

(B) compliance with the requirement would not cause the drug product to be in violation of any applicable requirement under this title.

TITLE II—NATIONAL CENTER FOR CLINICAL PHARMACOLOGY; EVALUATION OF THE ACT

NATIONAL CENTER FOR CLINICAL PHARMACOLOGY

SEC. 201. The Public Health Service Act is amended by inserting after title XVII the following new title:

"TITLE XVIII—NATIONAL CENTER FOR CLINICAL PHARMACOLOGY

"ESTABLISHMENT OF CENTER

"SEC. 1801. (a) There is established in the Department of Health, Education, and Welfare the National Center for Clinical Pharmacology (hereinafter in this title referred to as the 'Center') which shall be under the direction of a Director who shall be appointed by the Secretary.

"(b) To implement this title, the Secretary may, in addition to any other authority available to him, use personnel, equipment, and facilities and other physical resources of the Department of Health, Education, and Welfare. The Secretary may also secure for the Center, for such periods as the Secretary deems advisable, the assistance and advice of experts and consultants from the United States and abroad.

"RESEARCH FUNCTIONS OF THE CENTER

"SEC. 1802. (a) Upon request or on its own initiative, the Center may conduct and support research in clinical pharmacology and clinical pharmacy, including investigations (1) of the safety and effectiveness of existing and new uses of drug products, (2) for the development of drug products or diseases and other conditions of low incidence, (3) of drug products of special significance or with respect to which there is substantial controversy as to safety and effectiveness and for which there have been either no or minimal investigations, and (4) to otherwise facilitate breakthroughs in research on drug products.

"(b) The Center shall conduct an ongoing review and analysis of the use of drug products in the United States (as determined on the basis of information submitted under the Drug Regulation Reform Act of 1978 and other information obtained by the Secretary) and on the basis of such review and analysis prepare an annual Drug Experience Assessment Report for the Secretary. The report may be on such categories of drug products as the Secretary determines is appropriate. The report shall include, for the drug products included in the report, a qualitative analysis of the use of such drug products as are currently in use in the United States, adverse effects and other unanticipated reactions from such drug products, an assessment of the frequency of the occurrence of such effects and reactions, an analysis of the use of such drug products on a regional basis, by specialties of medicine, or any other category of use of such drug products and shall include recommendations for improvement in the use of such drug products.

"(c) The Center shall facilitate and may support analysis of the consequences of State and Federal regulation of the manufacture, importation, export, and distribution of drug products; public and private research activities and practices involving drug products; and practices of the pharmaceutical industry and health professionals respecting drug products. The Director of the Center shall report, on a periodic basis, the results of the analysis conducted and supported under this subsection.

"(d) The Director shall periodically report to the Secretary on (1) promising areas of and new techniques in research on drug entities and drug products and (2) diseases or other conditions for which current research on drug entities and drug products is insufficient.

"(e) The Secretary shall publish and otherwise make available to the public the reports made by the Director under this section.

"TRAINING FUNCTIONS OF CENTER

"SEC. 1803. (a)(1) The Secretary, acting through the Center, may make grants—

"(A)(i) to schools of medicine, osteopathy, dentistry, pharmacy, and nursing and to groups of such schools for—

"(I) the planning, establishment, and operation of new programs, and

"(II) the expansion of existing programs, of training in clinical pharmacology for full-time students (as defined in section 770(c)(2) or 810(d)(2)) enrolled in such schools;

"(ii) to training centers for allied health professions for—

"(I) the planning, establishment, and operation of new programs, and

"(II) the expansion of existing programs, of training in clinical pharmacology for students enrolled in such centers; and

"(iii) to schools of pharmacy for—

"(I) the planning, establishment, and operation of new programs, and

"(II) the expansion of existing programs, of training in clinical pharmacy for full-time students (as defined in section 770(c)(2)) enrolled in such schools;

"(B) to schools of medicine, osteopathy, dentistry, pharmacy, and nursing and to other public and nonprofit private entities for the planning, establishment, and operation of new programs, and for the expansion of existing programs, of continuing education in clinical pharmacology and clinical pharmacy for physicians, dentists, pharmacists, and nurses, and to training centers for allied health professions for the planning, establishment, and operation of new programs, and for the expansion of existing programs, of continuing education in clinical pharmacology for allied health personnel; and

"(C) to public and nonprofit private entities for demonstration projects to demonstrate new roles for (i) clinical pharmacologists and clinical pharmacists in the practice of medicine, osteopathy, dentistry, and pharmacy, and (ii) clinical pharmacology in nursing.

Not more than 50 per centum of any grant (or series of grants) for any program made under subparagraph (A) or (B) of this paragraph may be used for the planning and establishment of such program.

"(2) No grant may be made under subsection (a) unless an application therefor has been submitted, in such form and man-

ner as the Secretary shall prescribe, to and approved by the Secretary The Secretary shall not consider any such application until there has been review of it by an appropriate peer review group. The Secretary shall determine the amount of any such grant. Payments of any such grant may be made in advance or by way of reimbursement and in such installments and on such conditions as the Secretary deems necessary to carry out the purposes of this subsection.

"(b)(1) The Secretary, acting through the Center, may provide fellowships to assist physicians, dentists, nurses, and pharmacists and other qualified individuals in meeting the cost of obtaining graduate training and research training in clinical pharmacology and clinical pharmacy.

"(2) The Secretary, acting through the Center, may provide fellowships to physicians, dentists, nurses, and pharmacists and other qualified individuals to undertake research at the Center. The Secretary shall provide leaves of absence and otherwise assist scientists and other qualified individuals employed by the Department of Health, Education, and Welfare in obtaining such fellowships.

"(3) Fellowships provided under this subsection shall include such stipends and allowances (including travel and subsistence expenses and dependency allowances) as the Secretary may deem necessary.

"(c) In carrying out this section, the Secretary shall consult with the administrative entity of the Department of Health, Education, and Welfare which administers section 770."

EVALUATION OF THE ACT

SEC. 202. (a) The Secretary shall arrange, in accordance with subsection (b), for the conduct of an independent evaluation of title I, including an evaluation of the effect of such title on—

(1) the protection afforded the public by such title against adverse reactions from and misuse of drug products,

(2) innovation in research on drug entities and drug products,

(3) the economics of the pharmaceutical industry,

(4) the cost of drug products,

(5) prescribing practices, and

(6) the time required for the issuance of monographs for drug entities under such title and the extent to which such time reflects the public health need to advance capabilities to treat diseases and other harmful conditions in humans and to facilitate breakthroughs in research on drug entities and drug products and the need for the protection of the public health from unsafe drug entities and drug products.

(b) The Secretary shall enter into such contract (or contracts) with a qualified entity (or entities) as may be necessary to conduct and complete, in accordance with subsection (c), the evaluation required by subsection (a).

(c) Within seven years of the date of the enactment of this Act the evaluation required by subsection (a) shall be completed and a comprehensive report on the results of the evaluation shall be submitted to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Human Resources of the Senate. Interim reports shall be made to such committees on the progress of the evaluation and on any significant findings.

● Mr. JAVITS. Mr. President, today I am joining with my colleagues in the introduction of the Drug Regulation Reform Act of 1978, the principal purpose of which is to improve the system by which safe effective drugs for human use are developed, reach the marketplace, and are appropriately used by physicians and patients.

As ranking member of the Committee on Human Resources and an active member of the Subcommittee on Health and Scientific Research, I have worked closely with my colleagues, Senator KENNEDY, chairman of the subcommittee and Senator WILLIAMS, chairman of the full committee, also cosponsors, in our efforts to develop legislative reforms to assure a regulatory process which will meet the public needs.

The drug regulatory process is one of the most critical aspects of Federal health responsibilities to the public. Each decision to approve or disapprove a new drug directly affects the lives of American citizens. Drugs are powerful tools of medicine which if appropriately tested, studied, and used can prevent disease, alleviate excruciating pain, and even treat and cure life-threatening or debilitating conditions. If these tools are not appropriately tested, studied, and used, they can cause serious illness, suffering, and death. We have an obligation to guarantee that each American be assured that these responsibilities are carried out in the public interest.

At the same time we cannot inhibit the earliest possible use by the American people of new drugs, especially when in other leading countries such drugs are already available.

There have been many bills introduced in this Congress to meet this objective. In the Senate, Senators KENNEDY and NELSON have each introduced important proposals. Senator WILLIAMS and I have done so also. In the House of Representatives, Congressman ROGERS, chairman of the Health Subcommittee of the Interstate and Commerce Committee has worked diligently on his bill.

In December, Secretary Califano of the Department of Health, Education, and Welfare and Commissioner Kennedy of the Food and Drug Administration presented to us a preliminary draft of an administration bill which was designed to meet similar objectives. It was decided, rather than introduce the administration bill at that time, that Secretary Califano and Commissioner Kennedy would join with us in developing a consensus bill.

I am pleased to say that, after long and constructive sessions of negotiating and deliberation, the bill we are introducing today is the result of this process. This was an unique process of cooperation between and among the interested parties. I believe very deeply that in major matters of this nature, party lines and lines between the executive and legislative branches have to be used.

The main reason that we were able to join together in the development of this bill is because we share two fundamental principles: First, we believe in the importance of and need for legislative reform; and second, we have a common understanding of the public policy objectives we wish to achieve. I wish to state these objectives as follows:

First. Create a more open decisionmaking process with effective participation by interested members of the public;

Second. Establish criteria for making important scientific and public policy decisions and inform the public of the criteria and the reasons why these decisions are made;

Third. Increase the scientific capability of the agency;

Fourth. Simplify and expedite the operation of the agency's procedures governing the premarket testing of innovative drugs;

Fifth. Assure the protection of human subjects of experimentation during the testing of drugs;

Sixth. Encourage innovation and the development of new and important drugs;

Seventh. Eliminate the duplicative testing of essentially identical drugs, while increasing the ability of the agency to insure high quality products;

Eighth. Provide a means of assuring the prompt availability of new lifesaving drugs, without weakening the safeguards for safe and effective drugs;

Ninth. Grant public access to nontrade secret safety and efficacy information supplied to the agency;

Tenth. Provide authority for post approval surveillance and testing of approved drugs to assure that drugs are safely used;

Eleventh. Eliminate irrational influences on the physician's prescribing decisions; and

Twelfth. Provide consumers and patients with basic information about the prescription drugs they use in order to enhance their ability to make informed decisions.

I strongly support these objectives; however there are inherent dilemmas in accomplishing them all. One example is the extent to which regulation constrains innovation. As we begin hearings on these bills and move toward committee consideration, I will continue to work, with my colleagues, toward finding sound solutions to this and other difficult public policy choices which preserve the basic tenet of the greatest good for the greatest number of people.

I have supported and participated in the development of this proposal which we are introducing today because it serves as a vehicle for raising and further clarifying the critical issues and choices we must make with respect to drug regulation in our society.

Although I reserve my rights to further clarify and balance these issues, I would like briefly to highlight some major concerns. This bill does not establish the Food and Drug Administration by statute. It is not generally recognized that the FDA is the only regulatory agency not established by the Congress. The Commissioner of the FDA is the only head of a major regulatory agency not confirmed by the Senate. This is a great deficiency in the bill. I intend with Senator KENNEDY to establish the FDA by statute as an independent agency within HEW.

I also have serious reservations about granting new powerful authority to the Government without carefully delineated standards for application of the authority and regard for due process.

We all know that if there is strong opposition to this bill, it is likely to come from the pharmaceutical manufacturers. Now I wish to serve notice on them that

they have nothing to fear, provided that they join in the same process that we have joined in, of trying to fashion a bill in the best interests of the American people. Some of their leaders have informed me, as recently as yesterday, that they know the legislation is needed and therefore it is up to us creatively to fashion it. Now the pharmaceutical industry is a powerful one, and it has been responsible for many great breakthroughs and can be responsible for many more, and the fact that we inhibit, for too long a time, the utilization by the American people of great breakthroughs in these drug fields while foreign peoples can use them very much sooner, is something which troubles me very deeply. Also, we have a sense of responsibility to assure that the industry shall have the resources and the framework within which to operate in an innovative way. I wish to assure them that this is our common care, and we can only discharge it if they will join us in trying to fashion a consensus bill; I would welcome very much that kind of cooperation. I hope we get it, and it will be one of my principal concerns as we develop this bill.

Similarly, it is my expectation that consumers will come and express their views and suggestions for making this legislation more effective.

Again, it is my view that today begins the careful consideration of all the legislative proposals before the Human Resources Committee with respect to drug reform legislation. I believe this will result in the most important drug reform law in the last 40 years.●

● Mr. CRANSTON. Mr. President, I am pleased to join in cosponsoring this truly momentous legislation. In doing so I want to make clear that neither I nor my staff have had a full opportunity to study, in any detail, this very lengthy bill. Thus, my cosponsorship in no way should be interpreted as suggesting that I am in agreement with all or even most of the provisions in the legislation.

I am joining as a cosponsor to signify my very strong approval of and support for two aspects of this legislation.

First, this bill represents the product of a unique cooperation between the Department of Health, Education, and Welfare, and the Health Subcommittee leaders in both the House and the Senate. In December, I strongly urged that such a cooperative effort be undertaken because of the great need for action to reform the processes and performance of the Food and Drug Administration.

Thus, I congratulate all the parties who have labored so diligently to produce the consensus legislation. I believe they have made a major contribution to our national well-being.

I would like to note the leadership which has been exhibited in this matter by FDA Commissioner Donald Kennedy—a fellow Californian. Although there has been a general recognition for many years that improvements were badly needed in the drug approval and surveillance procedures, it was not until Commissioner Kennedy was named to head the Food and Drug Administration that a concerted and sincere effort has been made by any administration to address these issues. His dedication has been crucial to the success of the cooperative HEW-congressional effort.

Second, I am in general agreement with the principal goals of the legislation as I understand them—to speed up substantially the entire Food and Drug Administration approval process for new drugs so that important new medicines can be made available to help treat illness while, at the same time, providing a clear mandate to remove from the market substances that prove harmful in use so that the public health can be fully and fairly protected.

I am fully cognizant of the concerns that have been expressed by the pharmaceutical manufacturers about provisions they believe would have a deleterious effect on the incentives for their initiating research into new areas of exploration and development.

This is certainly an extremely serious question. We cannot afford to slow down in our war on disease and disability. We must continue to move forward, surely and steadily, to make the gains of medical science available to all people as quickly and as safely as we can.

Thus, I will be looking very closely at industry's suggestion on how to achieve these goals and will be seeking a wide spectrum of advice from scientists, health care professionals, and manufacturers in my State. Indeed, I will specifically be contacting them to request their input.

It is essential that the drug industry, researchers, providers, consumers, and all other parties be given a full opportunity to be heard on these and other questions. The administration and pharmaceutical manufacturers should come forward with all the evidence they can marshal on the issue of incentives to discovery and development.

It is my hope that in the course of hearings and consideration of this legislation, a regulatory procedure will be found that will encourage the development of new products and will also insure that the benefits of these products will be made available to the public as soon as possible.●

By Mr. RIEGLE:

S. 2756. A bill entitled the "Anti-Blackout Act of 1978"; to the Committee on Commerce, Science, and Transportation.

● Mr. RIEGLE. Mr. President, I am pleased today to introduce the Anti-Blackout Act of 1978. This legislation is designed to restrict blackouts of professional sporting events in communities where games are played.

Under old blackout provisions games which were not sold out 72 hours prior to starting time could be blacked out within a 75-mile radius of the stadium or gymnasium. Passage of the Anti-Blackout Act of 1978 would reduce the blackout radius from 75 miles to 30 miles; reduce the sellout deadline from 72 hours to 48 hours; require 95 percent instead of 100 percent sales of tickets; and, prohibit blackouts of playoff games.

The old law was enacted by the Congress in 1973, and expired in 1975. National Football League Commissioner Pete Rozelle agreed to a 2-year extension of the terms of the old law for professional football on the condition that Congress restrain from passing new legislation. That agreement expired at the end of the 1977 football season.

While the purview of this act includes professional football, baseball, basketball, and hockey, its passage would most significantly affect professional football fans. Football fans from around the country have experienced the frustration of having their local football team's games blacked out. The case of the Baltimer Colts/Oakland Raiders playoff game last year is illustrative.

Most Washington football fans will recall that Baltimore qualified for the playoffs only 5 days before the game with Oakland. Baltimore's Memorial Stadium did not possess the manpower to sell out the game before the 72-hour deadline. The game was blacked out within a 75-mile radius of Memorial Stadium, which encompassed the entire Washington metropolitan area.

The Washington experience is not uncommon. In fact, Washington has been very fortunate compared with some other cities. Most Los Angeles Rams, all Houston Oilers and New Orleans Saints, and six of the seven Detroit Lions home games were blacked out last year. I fail to see why Detroit Lion fans must watch the Chicago Bear games while Chicago fans are watching the Detroit Lions.

The Federal Communications Commission has estimated that elimination of the blackout rule would not substantially reduce ticket sales. In addition, any loss of seating would have a negligible effect on the revenues of NFL teams.

NFL teams earned an average gross profit in 1977 of $4 million. Television revenues next season will exceed both player salaries and revenue from tickets sales. It is patently clear that fans of professional football deserve some of the benefits of the NFL's prosperity.

The four major provisions of the Anti-Blackout Act of 1978 are constructed to remedy the problems that have occurred in the past and prevent occurrence of similar problems in the future. Reducing the blackout radius from 75 to 30 miles will eliminate blackouts of many nonlocal home games—for example, of Los Angeles Rams games in San Diego and Baltimore Colt games in Washington. Reduction of the sellout deadline from 72 hours to 48 hours will simply give teams more time to sell their tickets. Reduction of the ticket sales requirement to 95-percent seating capacity would eliminate the need of selling poor or obstructed-view seats to guarantee local telecasts of games. The prohibition of blackouts of all playoff games is self-explanatory.

I ask unanimous consent that the Anti-Blackout Act of 1978 be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2756

Be it enacted by the Senate and House of the United States of America in Congress assembled, That part I of title III of the

Communications Act of 1934 is amended by adding at the end thereof the following new section:

"BROADCAST OF GAMES OF PROFESSIONAL SPORTS CLUBS

"SEC. 331. (a) If any game of a professional sports club is to be broadcast by means of television pursuant to a league television contract and at least 95 percent of the tickets of admission for seats at such game which were available for purchase by the general public 120 hours or more before the scheduled beginning time of such game have been purchased 48 hours or more before such time, no agreement which would prevent the broadcasting by means of television of such game at the same time and in an area within a radius of 30 miles of the location at which such game is being played shall be valid or have any force or effect. In the case of any such game which is engaged in or conducted as part of any competition occurring immediately after the conclusion of a regular season of play, no such agreement shall be valid or have any force or effect whether or not the percentage of tickets specified in the preceding sentence have been purchased during the period specified in such sentence. The right to broadcast any such game by means of television at such time and in such area shall be made available, by the person or persons having such right, to a television broadcast licensee on reasonable terms and conditions unless the broadcasting by means of television of such game at such time and in such area would be a telecasting which section 3 of Public Law 87-331, as amended (15 U.S.C. 1293), is intended to prevent.

"(b) If any person violates subsection (a) of this section, any interested person may commence a civil action for injunctive relief restraining such violation in any United States district court for a district in which the defendant resides or has an agent. In any such action, the court may award the cost of the suit including reasonable attorney's fees.

"(c) For the purposes of this section:

"(1) The term professional sports club includes any professional football, baseball, basketball, or hockey club.

"(2) The term 'league television contract' means any joint agreement by or among professional sports clubs by which any league of such clubs sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games engaged in or conducted by such clubs.

"(3) The term 'agreement' includes any contract, arrangement, or other understanding.

"(4) The term 'available for purchase by the general public', when used with respect to tickets of admission for seats at a game or games to be played by a professional sports club, means only those tickets on sale at the stadium where such game or games are to be played, or, if such tickets are not sold at such stadium, only those tickets on sale at the box office closest to such stadium.

"(d) The Commission shall conduct a continuing study of the effect of this section and shall, not later than April 15 of each year, submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives with respect thereto. Such report shall include pertinent statistics and data and any recommendations for legislation relating to the broadcasting of professional football, baseball, basketball, and hockey games which the Commission determines would serve the public interests".

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. ABOUREZK, Mr. BROOKE, Mr. PACKWOOD, Mr. RIEGLE, and Mr. STEVENS):

S. 2757. A bill to establish a national policy concerning agricultural land; to establish an Agricultural Land Review Commission; to establish a demonstration program for protecting agricultural land from being used for nonagricultural purposes; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL AGRICULTURAL LAND POLICY ACT

Mr. MAGNUSON. Mr. President, I rise to introduce a bill designed to preserve and protect our agricultural farmlands.

As we all know, agriculture has been at the heart of the American experience. In fact, the story of the westward movement of our population, the settling of the frontier, is the story of the expansion of American agriculture.

But since the turn of the century, farming in this country has been in retreat. We have seen a relentless decline in the number of tillable acres.

For most of the century, the growth of corporate farming and the increased use of mechanization has been the prime factor in driving many people off the land and into the cities.

Since 1940, mechanization enabled the farm population to decline from 31 million to less than 10 million in 1970. The number of farms in the same period shrunk from 6.4 million to 2.9 million.

But even as the number of farms decreased, the output of those that remained increased.

It is a tremendous testimony to the American farmer that in 1951, a single farm worker produced enough food for only 16 people. Two decades later, that same farmer fed 51 people.

However, the decline in our farm acreage continues. And we can no longer rely on technological innovation to increase the yield on a smaller and smaller amount of land.

Scientists tell us that the green revolution is over. Increases in agricultural production cannot be projected because of changing weather patterns, soil erosion, competition for water, genetic vulnerability, increased costs, and scarcities of fuels and fertilizers.

This is all the more alarming when you consider that each year between 2 and 3 million acres of land are being converted from agriculture to nonagricultural uses. The United States has a cropland reserve of only 111 million acres, and only 24 million acres is immediately convertible to the plow.

Today, it is not that farmers are acquiring larger farms, but that many farmers are leaving the land altogether, selling their homesteads to the developers, who pave over the green spaces with housing, roads, and industrial plants.

The loss of agricultural land has been especially severe near our urban areas. And this is a tragedy, because urban agricultural farm lands are a unique resource.

Their loss means an ever-increasing dependency on energy-intensive mechanized farming, with its expensive use of irrigated lands and its high cost associated with long-haul transportation.

Preserving a green belt of farm lands around our urban areas would insure a fresh supply of agricultural products to our city dwellers at a price they can afford.

It would continue to separate the rapidly expanding developed areas with expenses of open, unfettered land, enhancing the natural beauty and the quality of life for everyone.

And it would preserve a rapidly disappearing way of life, by insuring an opportunity for citizens to earn their living on farms, to pass their lands on to their children.

Having those fertile, green acres producing fruits and vegetables is both an economic and aesthetic asset for everyone.

But without some Federal, nationwide program, the farms inevitably will yield to the pressures to sell out to homes and industry. They cannot be protected by land use regulations or ad valorem taxation alone.

That is why, Mr. President, I rise today to introduce the National Agricultural Land Policy Act.

Its purpose is to establish a national policy of retaining and protecting our agricultural land, and to insure that all activities of the Federal Government are in harmony with this policy.

First, let me calm any fears there might be by stating unequivocally that this is not a Federal land use bill.

There are severe limitations built into the legislation which prevent the Federal Government from restricting the use of privately owned land, or depriving landowners of their property rights. And it states that the Federal Government shall in no way usurp the authority or responsibility now delegated to States or local governments.

This bill is merely an attempt to use the resources of the Federal Government to provide research assistance and financial aid to local governments in their efforts to develop programs to preserve our rapidly dwindling supply of usable farm acreage.

The act would establish an 11-member Agricultural Land Review Commission. Two members would be appointed from each House of Congress. The Secretary of Agriculture or his designee would sit on the Commission. The remaining six members would be appointed by the President, three from State or local government, three from private life. They would be geographically representative of the affected parts of the United States.

The Commission would be empowered to study our agricultural lands, their quantity, quality, location and financing.

It would be asked to study how agricultural land and its use fits into the fabric of our national life, how it relates to the concerns of energy, economy, urban growth and development, foreign relations and trade, and humanitarian aid.

The Commission would be asked to report back to the President and Congress with a preliminary report within 18 months. A final report would be submitted within 3 years.

That final report could include modifications in policies, programs, and the laws of the United States, as well as recommendations for the coordination of all governmental activities affecting agricultural lands.

It should be admitted that the Federal Government does not have a very good history of coordinating its agricultural lands policy. Many times the issuing of permits, the making of grants or loans for industrial or home development, for new highways, powerlines, or road works to cover up, pave over, or divide precious farmland.

This act would attempt to bring governmental action into harmony with itself.

The act also establishes a program which will provide technical and financial assistance to reduce the amount of farmland annually converted to nonagricultural use, to provide aid to State and local governments that have demonstration projects designed to preserve farmlands.

The aid program would encourage local governments to experiment with a variety of protective measures, and it would limit the encroachment of industry where it would pollute the air and water, thereby damaging the yield of farmlands.

Here, Mr. President, it should be noted that in my home State of Washington, King County has been a pioneer in the preservation of urban, agricultural land. It has been so out of necessity.

In the last three decades, King County has watched its farmlands vanish. Between 1945 and 1974, the number of farms in the county declined from 6,500 to less than 1,400. During that same period, some 100,000 acres of farmland were lost to development.

Now a proposal is under consideration that would put a halt to the wholesale liquidation of King County farms. It is being proposed and managed by a bipartisan coalition, headed by King County Executive John Spellman, and county council members Bernice Stern and Mike Lowry.

Their work in this field has taken great courage, intelligence, and foresight.

But they are discovering that the preservation of agricultural lands is very expensive.

In King County alone, the options under consideration include the buying of development rights to 24,000 acres of land, at a cost of $30 million, to the outright purchase of some 40,000 acres of farmland. At their current fair market value, that would cost between $80 and $90 million.

Clearly, Federal assistance is needed. Local taxpayers cannot be expected to come up with the total amount of money required for obtaining perpetual agricultural reserves.

Therefore, this act contains an authorization of $15 million to enable the Commission to complete its 3-year study.

And it includes $450 million over a 5-year period to enable the Federal Government to assist locals in implementing preservation programs.

It would include $75 million for each of fiscal years 1979 and 1980, and $100 million for fiscal years 1981, 1982, and 1983.

Such an expenditure can be considered an investment in the future of America, for the economic reasons for preserving our agricultural lands are compelling.

It is imperative to provide adequate and affordable food supplies for domestic consumption; to provide adequate supplies for exportation, to offset rising import costs of foreign oil and other products, and to insure a stable agricultural economy in the United States.

By approving this act, Congress would recognize the importance of such preservation to the economy, to the quality of the environment, to human health and welfare, and to the position of the United States as an international leader in food production.

In summation, we should heed the words of Franklin Delano Roosevelt, who noted that "The history of every nation is eventually written in the way in which it cares for its soil."

Mr. President, I ask unanimous consent that the text of the bill and a summary thereof be printed in the RECORD.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 2757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Agricultural Land Policy Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress hereby finds that—

(1) the preservation of productive agricultural land is essential to provide adequate and affordable food supplies for domestic consumption, for exportation which will help offset rising import costs of foreign oil and other products, for emergency and humanitarian purposes, for a stable agricultural economy in the United States, and for the maintenance of jobs associated with agriculture;

(2) despite a history of increasing yields per acre, further increases in agricultural production—

(A) Will be dependent on variable and unpredictable factors such as changing weather patterns, population growth, soil erosion, air pollution, competition for water, genetic vulnerability, increased costs and scarcities of fuels and fertilizers, and other factors; and

(B) will depend on the quantity, quality, location, and financing of agricultural land;

(3) each year between two and three million acres of land, including land in and around urban areas, are being converted from recognized agricultural uses to nonagricultural uses which is an alarmingly high conversion rate since it is estimated that the United States has a cropland reserve of only one hundred and eleven million acres of which only twenty-four million acres is immediately convertible to tillage;

(4) conversion of agricultural land to nonagricultural uses occurs primarily in and near urban areas;

(5) the loss of agricultural lands in and near urban areas increases the dependence of many urban populations on the energy-intensive capabilities of irrigated lands, mechanized farming, food-processing technology and long-haul transport of agricultural commodities;

(6) agricultural lands in and near urban areas are a unique land resource and should be protected because such lands provide:

(A) fresh agricultural products for urban residents at affordable prices by means of direct marketing,

(B) visual and physical separation between developed areas which provide beautiful and natural scenery,

(C) the opportunity for residents of urban areas to pursue livelihoods dependent upon this specialized land resource, and

(D) education benefits to urban residents that contribute to the quality of life they enjoy;

(7) agricultural operations often have significant effects on the quality of life in and around urban areas;

(8) because of the intense market pressure for the conversion of agricultural lands to nonagricultural uses, the preservation of such lands cannot be guaranteed solely by means of land use regulations or current use ad valorem taxation of such lands, or by both such means;

(9) urabn and industrial encroachment in high quality agricultural areas affects agricultural yields through air pollution and competition for water;

(10) poor use of agricultural land results in soil erosion, low water tables, oversalinity of soils, depletion of natural soil consituents, and other yield-decreasing effects; and

(11) other essential activities, such as energy development, economic growth, and residential development, compete with agricultural activities for use of the Nation's land, water, and related resources;

(12) the timing and location of major Federal actions are important determinants in the conversion of agricultural land and often are directly responsible for the unnecessary or premature conversion of agricultural land;

(13) many State and local governments are interested in developing innovative and effective programs to project and retain agricultural land but lack the financial cr technical resources to initiate such programs;

(14) for the foregoing reasons, the Federal Government must establish a national program to help farmowners and farm counties protect their agricultural land.

(b) It is, therefore, the purpose of this Act—

(1) to establish a national policy of retaining and protecting agricultural land, and to insure that all activities of the Federal Government are in harmony with this policy;

(2) to establish a commission (A) to study agricultural land, especially the quantity, quality, location, and financing of agricultural land, (B) to study the relationship of agricultural land as a national concern to other national concerns (including but not limited to energy, the economy, the environment urban growth and development, foreign relations and trade, and humanitarian aid), and (C) to recommend to the President and each House of the Congress various methods of accomplishing the national policy described in clause (1); and

(3) to establish a program which will provide technical and financial assistance to States and political subdivisions of States to carry out pilot projects for the purposes of—

(A) encouraging such States and subdivisions to experiment with a variety of methods for protecting agricultural land in

areas where such land is being converted to nonagriculture uses at a high rate;

(B) assisting existing agricultural preservation programs;

(C) providing the commission described in paragraph (2) with information concerning methods of reducing the amount of land which is annually being converted from agricultural uses to nonagricultural uses;

(D) demonstrating practicable methods of reducing the amount of land which is annually being converted from agricultural uses to nonagricultural uses; and

(E) providing technical assistance to political subdivisions of States in determining what constitutes the most significant agricultural land in their areas and in controlling the conversion of agricultural lands to nonagricultural uses.

TITLE I—OBJECTIVES

NATIONAL AGRICULTURAL LAND POLICY

SEC. 101. (a) The Congress, recognizing the importance of the preservation of agricultural lands to the economy, to the quality of the environment, to human health and welfare, and to the position of the United States as an international food-producing leader, declares that it is the policy of the Federal Government, in cooperation with the governments of the States and political subdivisions of States, to use all practicable methods to retain and protect agricultural lands.

(b) In order to advance the policy described in subsection (a), it is the responsibility of the Federal Government to assist state and local government to use all practicable methods consistent with other considerations of national policy—

(1) to reduce the amount of land which is annually being converted from agricultural uses to nonagricultural uses;

(2) to limit the encroachment of industrial activities in high-quality agricultural areas if such activities deprive croplands of needed water or produce yield-reducing air pollution;

(3) to include in environmental impact statements under the National Environmental Policy Act of 1969 an assessment of the effects of major Federal actions on agricultural land;

(4) to inventory, assess, and evaluate the Nation's farmland on a continuing basis in order to assure that public and private decisions are made on an informed basis;

(5) to assist local subdivisions and/or the States, in determining what constitutes the most significant agricultural lands in their areas;

(6) to cooperate with the States and political subdivisions of States in retaining and protecting agricultural lands;

(7) to provide financial assistance to political subdivisions of States for the purpose of controlling the conversion of agricultural lands to nonagricultural uses; and

(8) to require that all activities carried out by departments and agencies of the United States which affect agricultural lands be effectively coordinated in order to protect such land.

TITLE II—RESEARCH PROGRAM

AGRICULTURAL LAND REVIEW COMMISSION

SEC. 201. (a) There is hereby established a commission to be known as the Agricultural Land Review Commission (hereinafter in this Act referred to as the "Commission").

(b) The Commission shall be composed of eleven members. Such members shall be appointed, within ninety days after the date of enactment of this Act, as follows:

(1) two members from the Agriculture, Nutrition, and Forestry Committee of the Senate, one appointed by the majority leader of the Senate and one appointed by the minority leader of the Senate.

(2) Two members from the Agriculture Committee of the House of Representatives, one appointed by the Speaker of the House and one appointed by the minority leader of the House.

(3) The Secretary of Agriculture or his designee.

(4) Six members from among persons who are not officers or employees of the Federal Government and who are knowledgeable of and particularly interested in the protection of agricultural land appointed by the President, three of the six shall be officers or employees of a State, a county, and other political subdivision of a State confronted with the problem of agricultural land being converted to nonagricultural uses and at least two of the three shall be persons who are especially qualified to serve on the Commission by virtue of their education or experience concerning conversion of land from agricultural uses to nonagricultural uses, and three of whom shall be from private life. Two of the members appointed from private life shall be persons who are currently engaged in activities related to the production of agricultural commodities. The six members appointed by the President shall be selected to represent a geographical cross section of the United States. Not more than three of the six may be members of the same political party.

(c) A Chairman and Vice Chairman of the Commission shall be designated by the President from among the six members appointed under subsection (b).

(d) Members of the Commission shall be appointed for the life of the Commission.

(e) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(f) Six members of the Commission shall constitute a quorum, but a lesser number, as determined by the Commission, may conduct hearings.

DUTIES

SEC. 202. (a) The Commission shall study—

(1) the quantity, quality, location, availability, ownership and financing of agricultural land in the United States;

(2) the relationship of such land to the supply and demand of food and to the production of food;

(3) the interrelationship of the loss of agricultural land as a national concern to other national concerns (including, but not limited to, the economy, the environment, population growth, urban growth and development, foreign relations and trade, and humanitarian aid);

(4) the effects on agricultural land and productivity of urbanization, industrial development, road building, power line construction and other nonagricultural activities, including such effects as air and water pollution, soil contamination, and losses due to theft, trespassing, and vandalism;

(5) the effects of agricultural operations on urban areas and on individuals residing in and around urban areas, including such effects as noise, dust, odors, and pesticide contamination;

(6) the effects and interrelationships of existing Federal laws and regulations on uses of agricultural land;

(7) the effects of variable and unpredictable factors, such as climate, agricultural technology, air pollution, genetic vulnerability, soil salinity, and environmental regulations, on productivity of agricultural land;

(8) the acquisitions of agricultural land by persons who are not engaged in activities which produce agricultural commodities (including acquisitions by agricultural land investment funds, trusts, foreign citizens or agents of foreign citizens, or other similar entities) and the effects of such acquisitions on agricultural production;

(9) the effects of competition between agricultural and nonagricultural demands for water;

(10) methods of protecting and improving agricultural land and the benefits of such methods with respect to their costs;

(11) methods of reducing the amount of land which is annually being converted from agricultural uses to nonagricultural uses, where such conversion is occurring at a rate which, if continued, will result in the rapid and extensive loss of agricultural lands of the areas.

(12) the relationship between future supplies of energy and fertilizer resources and the production of food from available agricultural land.

(b) In order to obtain information for the study described in subsection (a)—

(1) the Commission may utilize pertinent available studies, reports, statistics, and other data gathered or compiled by departments or agencies of the Federal Government or other public or private groups or organizations or individuals;

(2) the Department of Agriculture, at the request of the Commission, shall cooperate to the extent practicable and feasible by carrying out such research activities as the Commission may determine necessary; and

(3) the Commission is authorized (A) to make grants, through contracts and other arrangements, for studies and surveys to public and private organizations, and (B) if necessary, to transfer funds to Federal agencies from sums appropriated pursuant to this Act to carry out such aspects of the study as the Commission determines can best be carried out by such agencies.

(c) A grant made under subsection (b)(3)(A) for the costs of carrying out the research activities for which the grant is made.

(d) The Commission may also make grants to institutes of higher education which the Commission selects and which are willing to carry out such research activities concerning such agricultural lands as the Commission deems necessary to obtain information for the study described in subsection (a). As used in this paragraph, the term "institute of higher education" means an educational institutional in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (B) is legally authorized within such State to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association.

(3) A grant made under this subsection shall be for the costs of carrying out the research activities for which the grant is made.

(4) The Commission may only make a grant to public and private organizations under this subsection if—

(A) the research activities for which the grant is made will be completed at least sixty days before the date on which the Commission will cease to exist under section 204; and

(B) such organization agrees to provide such fiscal control and fund accounting procedures as the Commission determines are necessary to assure proper disbursement and accounting for Federal funds received by such organization under this Act.

(e) In conducting the study under subsection (a), the Commission shall make appropriate use of research activities of the Department of Agriculture, activities carried out under section 302 and title V of the Rural Development Act of 1972 and under the Soil and Water Resources Conservation Act of 1977 (Public Law 95–192), and other activities being carried out under the laws of the United States so as to minimize duplication

of effort. The Commission may advise the Secretary of Agriculture and make recommendations with respect to the conduct of activities referred to in the preceding sentence.

(f) In conducting studies, reviews, and evaluations under subsections (a) and (b) of this section, the Commission shall conduct such meetings, workshops, and hearings as are necessary to obtain adequate public participation.

REPORTS OF THE COMMISSION

SEC. 203. The Commission shall transmit to the President and to each House of the Congress, within eighteen months after the date of enactment of this Act, a preliminary report of its findings and conclusions concerning such study described in section 202 and, within three years after such date, a final report of its findings and conclusions concerning such study and the research activities carried out under this title. The preliminary and final reports shall also include recommendations of the Commission concerning

(1) modifications in policies, programs, and laws of the United States, the States, and political subdivisions of States which are necessary to prevent agricultural land from being used for nonagricultural purposes;

(2) coordination of those activities carried out by the various departments and agencies of the United States which affect agricultural lands, including activities such as issuing permits, making grants or loans, and carrying out programs; and

(3) such other matters as the Commission may deem appropriate.

TERMINATION

SEC. 204. One hundred and twenty days after the date on which it submits its final report under section 203, the Commission shall cease to exist.

PAY AND TRAVEL EXPENSES OF MEMBERS

SEC. 205. (a) Members of the Commission who are Members of Congress shall receive no additional pay on account of their service on the Commission.

(b) Members of the Commission, other than those referred to in subsection (a), shall receive $100 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Commission.

(c) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 (b) of title 5, United States Code.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Commission may appoint such staff, including a Director, as it deems desirable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Commission may pay such staff without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

(b) (1) The Commission may establish such advisory committees as the Commission deems necessary to advise it regarding the administration of this Act. Any advisory committee established under this subsection shall cease to exist at the same time the Commission ceases to exist under section 204 unless abolished sooner by the Commission.

(2) The Commission may fix the rates of pay, not in excess of $100 per day, of members of any advisory committee established under paragraph (1), except that members of such committee who are employees of the Federal or a State Government shall receive no additional pay on account of their service on such committee.

(3) Members of any advisory committee established under paragraph (1), while away from their homes or regular places of business in the performance of their duties for such committee, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(c) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, at rates of pay which are fixed by the Commission and which do not exceed $100 per day.

(d) Upon request of the Chairman or Vice Chairman of the Commission, each department, agency, and instrumentality of the United States shall furnish to the Commission, on a reimbursable basis or otherwise, such information as the Commission deems necessary to carry out its duties under this Act. The Commission may request that the departments, agencies, and instrumentalities of the States furnish, on a reimbursable basis, such information concerning agricultural lands as the Commission deems necessary to carry out its duties under this Act.

(e) Upon request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

(f) The Commission may, for the purpose of carrying out the provisions of this Act, hold such hearings, sit and act at such times and places take such testimony, and receive such evidence as the Commission deems advisable. The Commission may administer oaths or affirmations to witnesses appearing before it.

(g) The Commission may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence which relates to any matter studied by the Commission under this title. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

TITLE III—DEMONSTRATION PROGRAMS

PILOT PROJECTS

SEC. 301. The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") shall provide financial and technical assistance for the purpose of demonstrating and testing methods of reducing the amount of land, including land in and near urban areas, which is annually being converted from agricultural uses to nonagricultural uses. Such assistance shall be provided to States, counties and other political subdivisions of States which have authority to establish and collect property taxes and regulate the use of, and acquire land.

APPLICATION

SEC. 302. Any State or political subdivision of a State willing to carry out under this title a pilot project demonstrating or testing a method of reducing the amount of land which is annually being converted from agricultural uses to nonagricultural uses may submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may, by rule, require. Such application shall contain a description of the pilot project. Any State or political subdivision of a State conducting an agricultural preservation program is eligible to submit an application under this Title.

APPROVAL OF APPLICATIONS

SEC. 303. (a) The Secretary shall establish and publish in the Federal Register criteria on the basis of which applicants will be selected to receive assistance under this title. Such criteria shall give priority to applicants who submit applications to carry out pilot projects which are demonstrated to be effective, or which, if carried out—

(1) will provide, at a low cost, timely information and will be useful to the Commission in carrying out the research program under title II;

(2) will provide, at a low cost, data concerning the preservation of agricultural lands which is not currently available or which, if currently available, is not reliable; and

(3) will assure that the Commission, in carrying out the research program under title II, will have a range of projects to study in terms of (A) geographical location, and (B) reducing the amount of land which is annually being converted from agricultural uses to nonagricultural uses, including agricultural lands in and near urban areas.

(b) The Secretary may only provide assistance under this title with respect to an application—

(1) which the Secretary approves under the criteria established under subsection (a);

(2) under which the pilot project described in the application will be completed within five years after the date of enactment of this Act;

(3) under which the Secretary has received written assurance from the applicant that the applicant has the ability to finance its share of the cost of carrying out the pilot project described in the application;

(4) under which the Secretary is satisfied that the applicant has the capability of carrying out the pilot project described in the application and is satisfied that the applicant will make a good faith effort to cooperate with the Commission; and

(5) under which the applicant has agreed to—

(A) transmit to the Secretary and the Commission, during its existence, such reports at such times, in such form, and containing such information as the Secretary or the Commission determines is necessary to carry out the provisions of this Act;

(B) provide such fiscal control and fund accounting procedures as the Secretary determines are necessary to assure proper disbursement and accounting of Federal funds appropriated under this Act; and

(C) in order that the Commission may review the results of pilot projects funded under this Act, the Secretary shall, to the maximum extent practicable, fund such projects during the life of the Commission.

AMOUNT OF ASSISTANCE

SEC. 304. (a) The amount of assistance with respect to any pilot project carried out under this title shall be determined by the Secretary and shall not exceed an amount equal to 75 per centum of the cost of planning, establishing, demonstrating, carrying out, issuing reports concerning such project, and other costs of administering and conducting such projects, including the acquisition of interests in land. The remainder of such costs shall be provided by the applicant in a manner which the Secretary determines is satisfactory. In determining the share of costs provided by the applicant, the Secretary shall include the value of services provided by the applicant in planning, carrying out, and issuing reports concerning such project.

(b) In providing assistance to an applicant under this title, the Secretary may make payments to the applicant as the applicant progresses toward completion of the pilot project.

CONSULTATION WITH THE COMMISSION

SEC. 305. The Secretary shall consult with the Commission in planning and carrying out

the demonstration program described in this title.

REPORT OF THE SECRETARY

SEC. 306. Within ninety days after completion of the last pilot project carried out under this title, the Secretary shall transmit a report to the President and to each House of the Congress. The report shall contain a detailed statement of the findings and conclusions of the Secretary concerning methods of reducing the amount of land which is annually being converted from agricultural uses to nonagricultural uses, together with the Secretary's recommendations for such legislation or administrative action concerning such methods as the Secretary deems appropriate.

STATEMENT OF LIMITATIONS

SEC. 307. Nothing in this Act shall authorize or be construed to authorize the Federal Government or any department, agency, or official thereof to—

(1) restrict or otherwise regulate in any way the use of privately owned land;

(2) deprive land owners of their rights to property or to income from the sale of property; or

(3) abrogate, restrict, or in any way diminish existing authority and responsibilities of the various States and counties and other political subdivisions of a State respecting land use, zoning, taxation, or any other aspect of the regulation, utilization, and disposition of public or private lands within their respective jurisdictions.

TITLE IV—GENERAL PROVISIONS

DEFINITION

SEC. 401. For purposes of this Act, the term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States. "Agricultural Lands" means class one, two and three lands as defined by the Soil Conservation Service of the U.S. Department of Agriculture.

TITLE IV—FUNDING

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 402. (a) There are authorized to be appropriated $15,000,000 to carry out the provisions of title II of this Act.

(b) There are authorized to be appropriated $75,000,000 to carry out the provisions of title III of this Act for each of the fiscal years ending September 30, 1979, and September 30, 1980, and $100,000,000 for each of the fiscal years ending September 30, 1981, September 30, 1982, and September 30, 1983.●

SUMMARY OF THE NATIONAL AGRICULTURAL LAND POLICY ACT

NATIONAL AGRICULTURAL LAND POLICY

The Congress, recognizing the importance of the preservation of agricultural lands to the economy, to the quality of the environment, to human health and welfare, and to the position of the United States as an international food-producing leader, declares that it is the policy of the Federal Government, in cooperation with the governments of the states and the political subdivisions of the states, to use all practicable methods to retain and protect agricultural lands.

In order to advance this policy, it is the responsibility of the Federal Government to use all practicable methods consistent with other considerations of national policy to inventory, assess and evaluate the Nation's farmland in order to assure that public and private decisions are made on an informed basis; to assist states and local subdivisions in determining what constitutes the most significant agricultural lands in their areas; to cooperate with the states and local governments in retaining and protecting agricultural lands; and to require that all activities carried out by the departments and agencies of the United States which affect agricultural lands are effectively coordinated in order to reduce the amount of farmland which is annually being converted to nonagricultural uses.

The Act does not authorize the Federal Government to regulate the use of private land or to deprive owners of land of their rights to property or to income from the sale of property, and does not diminish in any way the rights and responsibilities of the states and political subdivisions of the states.

AGRICULTURAL LAND REVIEW COMMISSION

The Act would establish an 11-member Agricultural Land Review Commission. Two members would be appointed from each house of Congress. The Secretary of Agriculture, or his designee, would serve on the Commission. The remaining six members would be appointed by the President, three from state and local governments, three from private life. They would be geographically representative of the affected parts of the United States.

The Commission would be empowered to study our agricultural lands, their quantity, quality, location and financing.

It would be asked to study how agricultural land and its use fits into the fabric of our national life, how it relates to the concerns of energy, economy, population growth, urban growth and development, foreign relations and trade, and humanitarian aid. The Commission would also study the effects of urbanization, industrial development, road building, power line construction and other nonagricultural activities, including such effects as air and water pollution, soil contamination and competition for water and other resources on agricultural land and productivity.

The Commission would be asked to report back to the President and Congress with a preliminary report within 18 months. A final report would be submitted within three years.

That final report could include recommendations for modifications in policies, programs and laws of the United States, as well as recommendations for the coordination of all governmental activities affecting agricultural lands, such as the issuing of permits, the making of grants and loans.

DEMONSTRATION PROGRAMS

The Bill authorizes the Secretary of Agriculture to provide technical and financial assistance to states, counties and other subdivisions of states for the purpose of demonstrating and testing methods of reducing the amount of land which is annually being converted from agricultural uses to nonagricultural uses. Existing agricultural preservation programs can also apply for assistance.

The aid program would encourage local governments to experiment with a variety of protective measures and would provide, at low cost, data concerning the preservation of farmlands which is currently not available.

To qualify for Federal assistance, a local pilot program must be completed within five years after the enactment of this Act. The amount of assistance for any demonstration project will be determined by the Secretary of Agriculture and shall not exceed 75% of the cost of planning, carrying out, issuing reports and other costs of administering and conducting the project, including the acquisition of interests in land.

FUNDING

The Act contains an authorization of $15 million to enable the Agricultural Land Review Commission to complete its three-year study. The Act also authorizes $75 million in FY 1979 and FY 1980, and $100 million for FY 1981, 1982, and 1983 to fund the local demonstration programs.

By Mr. CLARK:

S. 2758. A bill to amend the Commodity Exchange Act to prevent conflicts of interests and the appearance of conflicts of interest by former commissioners and specified employees of the Commodity Futures Trading Commission; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. CLARK. Mr. President, we all understand that no person can serve two masters. That understanding is the basis for condemning a public servant who places himself or herself in a conflict of interest situation. The present conflict of interest provision in the Commodity Futures Trading Commission Act of 1974 does not do a great deal to address this problem. It simply states that no commissioner or employee of the commission may accept employment or compensation from any firm or exchange regulated by the commission.

Even this elementary requirement may have been violated by high-placed commission officials who have become vice presidents of exchanges and brokerage firms immediately upon retirement from the CFTC—it is not unreasonable to assume that these officials arranged for their positions while they were still CFTC employees.

But even if such violations have not occurred, there is still a perceived impropriety in this kind of movement between Government regulatory agencies and the industries which they regulate—in so-called "revolving door" personnel practices. The perceived impropriety is that these personnel practices lead to the getting and giving of unfair advantage.

Perhaps no technical conflict of interest does exist when—as was reported recently in the press—three lawyers come from one Wall Street law firm to the Treasury, and the Treasury colleagues of one enter into a no-bid personal services contract with the firm.

Perhaps no technical conflict of interest exists when an associate of a Washington or New York law firm is given a position as counsel, division director or office chief of a Government agency and is rewarded with a partnership when he returns to legal practice a few months or years later.

But the possibility of conflict of interest occurring in such cases is, to say the least, very strong.

I know of instances involving the CFTC where these kinds of scenarios have been played out. And I fear that they are likely to be repeated more frequently unless we broaden the present statutory proscription.

I am therefore today introducing legislation to amend section 2(a)(7) of the Commodity Exchange Act (7 U.S.C. 4a (f)). This legislation would add to the existing dual employment proscription certain provisions which would have the effect of requiring that CFTC commissioners and employees with a grade of GS–15 or higher refrain, for a year after leaving office, from making any appearance before the CFTC or initiating any communication on behalf of a client or private employer.

I do not mean to imply that post-Government employment with a related private firm is necessarily tainted or suspect per se. But steps can and should be taken to at least minimize the possibility

of influence peddling in such situations. That is what this legislation is intended to do.

The one-year time limit which the legislation contains is admittedly somewhat arbitrary. Influence of an ex-official may vanish overnight, or it may persist for years. But I feel that a 1-year limit represents a reasonable, workable approach. In most cases the period immediately following Government employment is the period when former officials are most likely to still have close ties to their former associates in Government. It is the period when chits are most likely to be called in. It is the period when unfair advantage is most likely to be given and gotten.

It should be noted that the same kind of proscription is already in effect for the Department of Energy. The same kind of proscription is also pending approval for the FTC, in the conference report on H.R. 3816. And it was also contained in the Public Officials Integrity Act (S. 555) passed by the Senate last June.

Ultimately, I would like to see this proscription applied across the board in Government. But I think it is especially important that it be applied now to the CFTC. The CFTC is still a relatively new agency—there is still time to steer it toward the proper track. It also is in a uniquely sensitive position because of the relative smallness and highly specialized nature of the talent pool from which it must draw. And the velocity of the revolving door at this agency—already set spinning by the ranking staff—may well accelerate unless we apply some brakes.

The reauthorization proceedings for this agency which the Senate Committee on Agriculture, Nutrition, and Forestry is now conducting give us an appropriate opportunity to take this step. I believe we should.●

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. JAVITS, Mr. RIEGLE, Mr. HAYAKAWA, Mr. RANDOLPH, Mr. PELL, Mr. KENNEDY, Mr. STAFFORD, Mr. ANDERSON, Mr. BAYH, Mr. ABOUREZK, and Mr. LEAHY):

S. 2759. A bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist the victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes; to the Committee on Human Resources.

DOMESTIC VIOLENCE PREVENTION AND SERVICES ACT

Mr. CRANSTON. Mr. President, today I introduce, for appropriate reference, S. 2759, the proposed Domestic Violence Prevention and Services Act, a bill to provide for Federal support and stimulation of State, local, and community and activities pertaining to domestic and assist victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

I am pleased that joining me in the introduction of this measure are the chairman and ranking minority member of the Full Human Resources Committee, Mr. WILLIAMS and Mr. JAVITS, as well as of the subcommittee, the Senator from Michigan (Mr. RIEGLE) and my colleague from California (Mr. HAYAKAWA)—comprising the full membership of the subcommittee—the ranking majority member of the full committee, my great friend from West Virginia (Mr. RANDOLPH), other full committee members, Senators PELL, KENNEDY, and STAFFORD, as well as Senators ANDERSON, BAYH, ABOUREZK, and LEAHY.

The purpose of the measure we introduce today is to increase the participation by States, local communities, private nonprofit organizations, and individual citizens in efforts to prevent domestic violence and assist domestic violence victims and their children; to establish regional centers to provide technical assistance with respect to domestic violence programs and projects to States, local communities, private nonprofit organizations, and other interested groups, officials, and persons; to establish a Federal interagency council to seek to coordinate Federal programs with respect to domestic violence; and to provide for research and reporting activities relating to domestic violence. To accomplish this purpose, the bill authorizes the appropriation of $30 million a year for 5 years.

When I speak of domestic violence, I am referring to an act or threatened act of violence—including any forceful detention of an individual—which results or threatens to result in physical injury and is committed by a person 18 years of age or older against another such person to whom such person is married or with whom such person is residing, or if such person is under the age of 18, is committed by a person with whom he or she is living as husband or wife.

HEARINGS AND NEED

Mr. President, the Subcommittee on Child and Human Development of the Committee on Human Resources held 2 days of hearing earlier this month—one in Los Angeles and one here—with respect to domestic violence and legislation to provide domestic violence programs. During the course of the hearings, the subcommittee heard from a variety of interested individuals, groups, and officials. Throughout the hearings, the extent of the problem and the need for Federal involvement was stressed again and again.

For example, at the hearing on March 8, in Washington, Dr. Blandina Cardenas, Commissioner of the Administration for Children, Youth, and Families of the Office of the Human Development Services, Department of Health, Education, and Welfare, testified as follows:

> Under the leadership of Secretary Califano, representatives from various agencies throughout the Department have recently begun meeting to discuss the extent of our knowledge in this area. . . . We have learned that spousal violence occurs in epidemic proportions. . . . that violence between spouses may and often does occur separately from other forms of violence.

Testimony showed that in a recent study of couples randomly selected, during a single year, one out of six couples had engaged in violent acts—such as beatings, throwing objects at one another, or threats with a knife or a gun. The study also showed that when the entire period of marriage rather than just 1 year was the focus, the estimate increased to approximately 30 percent of all couples having experienced domestic violence in some form. Hearing testimony reveals that in California, one of three female homicide victims is murdered by her spouse, and approximately one-quarter of all murders in the United States occur within the family.

Further, testimony indicated approximately one-fifth of all deaths of police officers in the line of duty occurs in domestic violence interventions; and in 85 percent of the cases of spouse murder in a single year in Kansas City, Mo., police were summoned at least once before the murder occurred. In 50 percent of the cases they had been called five or more times before the homicide. FBI figures reveal that annually approximately 12 percent of all murders occur between spouses.

Over 30 witnesses appeared before the subcommittee. They included representatives of the administration, researchers, State officials, State senators, service providers, law enforcement personnel, representatives from the American Bar Association, the National Association of Social Workers, the American Psychiatric Association, the Coalition of Family Organizations, the National League of Cities, and also from victims of domestic violence. The testimony showed that projects and programs currently providing services and assistance to victims of domestic violence often, because of limited facilities, have to turn away victims seeking shelter. For example, Haven House, a shelter in Pasadena, Calif., turned away 400 people seeking assistance in the month of October 1977, alone. In Haywood, Calif., during this February, the emergency shelter program refused 146 requests for service because the shelter was full and funding does not permit further expansion. During 1977, the Haywood emergency shelter program provided shelter for 437 women and 476 children—a total of 5,967 bednights. Yet, the program was unable to provide services for far more who had asked for assistance—1,776 women and children were turned away.

Mr. President, the hearings held by the subcommittee clearly illustrated the need for Federal action. Unfortunately, the problems are complex and there are no simple answers. To overcome this problem—to develop any type of successful program, commitment is necessary—and not just from the Federal Government.

It is my belief that domestic violence is a problem best met by State and community efforts.

Any resolution of the problem is dependent upon the efforts of States and local communities. However, all levels of government, including the Federal Government, must be involved in seeking solutions. Most importantly, interested private citizens and groups themselves must continue to take the lead.

Thus, in drafting this legislation, we have attempted to devise a program designed to stimulate Federal, State, and local efforts with respect to domestic violence, and designed to capitalize upon local community and nonprofit organization involvement.

Mr. President, I would like to outline briefly the legislation we are introducing today. Next week, a more extensive analysis of the legislation will be inserted into the RECORD.

SUMMARY OF S. 2759

The proposed Domestic Violence Prevention and Services Act authorizes a State grant program to assist in supporting programs and projects to prevent incidents of domestic violence and to assist victims and dependents of victims of domestic violence. In order to qualify for a State grant, a State must establish a State citizens panel on domestic violence and provide, in cash, in all years after the first year, a specified proportionate match of the amount of Federal assistance provided during any fiscal year. The amount of Federal assistance that the State must match increases each year. In 1979, the State is not required to match the Federal share with any of its own money. However, the amount of the State match requirement increases each year as follows: in 1980, 20 percent; in 1981, 35 percent; in 1982, 50 percent; and in 1983, 65 percent.

STATE CITIZEN PANEL ON DOMESTIC VIOLENCE

A State citizen panel on domestic violence must be established by each State, and members are to be appointed by the chief executive. Each panel must have at least 9 members but no more than 15 members—one-third of the membership must be individuals who have had experience in providing community services with respect to domestic violence or who are individuals who have been victims of domestic violence. The panel membership shall also include individuals with experience in law enforcement, health care, alcohol and drug abuse, and social work. The panels will be charged with overseeing the implementation of programs and projects under this act. I foresee that members of the panel will serve as advocates on the State level for programs and projects with respect to preventing domestic violence and providing assistance to victims of domestic violence.

STATE GRANTS

The amount of the grant to which each State will be entitled will be determined on the basis of population. The chief executive of each State must submit to the Secretary of Health, Education, and Welfare an application providing that the grants received under the act will be used only for programs to prevent incidents of domestic violence or to assist victims of domestic violence. The States must also assure that funds will be equitably distributed throughout the State to local public agencies and private nonprofit organizations; that appropriate procedures for fiscal control and fund accounting will be followed; and that the State will comply with the act's confidentiality requirements.

The act limits the amount of grant money that a State can expend in any given year for the administration of the program on the State level and for the operation of the citizens' panel. The bulk of the State grant money will be for activities and services with respect to domestic violence conducted by the State, local communities, and private nonprofit organizations. A significant amount of State grant money will be available for grants to local public agencies and nonprofit organizations. An important provision limits to $25,000 in any 1 fiscal year and $40,000 over a period of 5 fiscal years the amount a State may grant to any private, nonprofit organization.

Mr. President, I want to stress that the vast majority of the money would be granted ultimately to community projects run by local public agencies or private nonprofit organizations. The bill provides that of the amount appropriated 85 percent shall be for grants. Of the amount available for State grants from 35 to 50 percent would be passed on by each State in mini-grants to local public agencies and private nonprofit organizations—and at least half of this amount in each State would go to the nonprofit organizations. Moreover, of any sums reallocated—either because a State does not submit a qualifying application for a grant or because the Secretary of HEW determines the State cannot use some or all of its grant—at least half will be phased on to local public agencies and nonprofit organizations.

This basic approach to providing assistance through States to local communities and private nonprofit organizations seemed to be the most equitable and most comprehensive method of assuring Federal stimulation of various community, grassroots, and State efforts. By providing mini-grants, or seed money, to those projects or programs or prospective projects or programs, we hope to encourage participating States and recipient, local communities, and private nonprofit organizations to tap into potential public and private resources—resources such as revenue sharing, LEAA, ACTION volunteers, HUD community block grants, and others.

REGIONAL CENTERS

To facilitate community efforts with respect to domestic violence, the act requires the Secretary to contract out in each region—as designated by the Secretary—for regional domestic violence centers. These regional domestic violence centers will be responsible for providing technical assistance and appropriate information to interested groups, officials, and people with respect to domestic violence. These centers will assist in coordinating and in bringing to the attention of such interested groups, persons, and officials, information about available resources, and the necessary steps required to tap such resources for use in domestic violence programs and projects.

DIRECT FEDERAL GRANTS TO COMMUNITIES AND ORGANIZATIONS

Mr. President, an important component of the bill is a program for direct Federal grants to local projects and local communities. The bill stringently limits the amount of grant money which may be awarded under this authority in any State not participating in the State grant program so as not to encourage nonparticipation by the State itself. This authority for a Federal grant program assures a pluralistic approach to resolving the problem of domestic violence and will further serve the bill's purpose of providing a catalyst for community efforts. The $25,000 limit applicable under the State grant program to private nonprofit groups is applicable to all Federal grants, as is the $40,000 5-year maximum.

IDENTIFIABLE ADMINISTRATIVE UNIT

Mr. President, the legislation further provides for the establishment within the Office of the Secretary of an identifiable administrative unit to serve as the national centers on domestic violence. A main function of the national center will be to provide for a national information and resource clearinghouse with respect to domestic violence. The national center will also be responsible for the regional centers I previously discussed.

RESEARCH ACTIVITIES

Mr. President, the measure also provides for the conduct of research with respect to domestic violence through the National Institute of Mental Health at least 50 percent of the sums appropriated for research—and other agencies.

CONFIDENTIALITY OF RECORDS

Mr. President, two additional aspects of the introduced bill should be highlighted—one relates to confidentiality and the other to evaluation. With respect to confidentiality, we provide that the confidentiality provisions of the Drug Abuse and Treatment Act of 1972 (P.L. 92-55) will be applied to the records of any individual who is subject to any program, project, or activity assisted under the provisions of the act.

EVALUATION AND REPORTING

Mr. President, with respect to evaluation, the legislation is specifically designed to provide assistance to the Congress in overseeing the implementation of the program. Mr. President, the maximum amount of the grant being provided under the bill for a private nonprofit organization would be $25,000. Hence, it is imperative to the success of this program that grantees not spend an inordinate amount of time, energy, and money complying with paperwork requirements. However, even though the grants are small, we continue to have a responsibility for assuring the appropriate expenditure of Federal dollars. The bill attempts to balance these two needs by including provisions with respect to oversight and evaluation worked out in conjunction with the General Accounting Office. As my colleagues are aware, the Comptroller General recently released a report with respect to improving congressional oversight efforts. That report outlines a process for planning and carrying out congressional oversight programs. GAO staff provided grant assistance to us in designing and drafting those programs.

AUTHORIZATION OF APPROPRIATIONS

As I mentioned previously, $30 million would be authorized to be appropriated each year for programs under this act. Eighty-five percent of this amount would be used for grants; 8 percent for the operation of the national center—including regional centers; and 7 percent for research. Of the amount used for grants, 80 to 85 percent would be allotted for grants to States and the remainder would be for direct Federal grants to local public agencies and nonprofit organizations.

Mr. President, at the full appropriation, $25.5 million would be available for grants—of which $20.4 million would be for States, and $3.82 million for direct Federal grants to communities—$2.3 million for operation of the national center, and $2.1 million for research.

Mr. President, it is my belief that the legislation we introduce today represents an important step in addressing an important, and, sadly, a widespread problem—domestic violence. The approach in this legislation is designed to assure the active involvement at the grassroots level—by individuals; private nonprofit organizations; and local public agencies in our efforts to grapple with this problem. The Federal Government's role should be to serve as a catalyst for State and local commitment to resolving this problem, and the legislation we introduce today should do just that.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Violence Prevention and Services Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) a significant number of homicides, aggravated assaults, and assaults and batteries occur within the home between adult members of families;

(2) the reported incidence of domestic violence represents only a portion of the total number of incidents of domestic violence;

(3) a large percentage of police officers killed in the line of duty die as a result of intervention in domestic violence situations;

(4) domestic violence is a complex problem affecting families from all social and economic backgrounds; and

(5) the effectiveness of State Laws and State and local community programs in identifying and preventing domestic violence and assisting victims and dependents of victims of domestic violence is not readily ascertainable.

(b) It is the purpose of this Act to increase the participation by States, local communities, private non-profit groups, and individual citizens in efforts to prevent domestic violence and assist victims and dependents of victims of domestic violence; to establish regional centers to provide technical assistance with respect to domestic violence programs to interested States, local communities, private non-profit organizations and other interested groups, officials, and persons; to establish an interagency council to seek to coordinate Federal programs with respect to domestic violence; and to provide for a research and reporting program relating to domestic violence.

STATE CITIZEN PANEL ON DOMESTIC VIOLENCE

SEC. 3. (a) In order to provide an opportunity for citizen participation in planning and developing efforts to prevent domestic violence and assist victims and dependents of victims of domestic violence, and provide citizens familiar with the problems of domestic violence an opportunity to make recommendations with respect to resolving such problems, each State, in order to qualify for a grant under section 4(a), shall establish a State Citizen Panel on Domestic Violence (hereinafter referred to as "Panel").

(b) A Panel shall be composed of not less than nine nor more than fifteen members appointed by the chief executive of the State and shall include individuals with experience in law enforcement, health care, alcohol and drug abuse, and social work. Not less than one-third of the members of a Panel shall be individuals who have experience in the provision of community services with respect to domestic violence or who are individuals who have been victims of domestic violence.

(c)(1) A Panel shall—

(A) oversee within the State the implementation of Federal, State, and local projects under this Act with special attention to an examination of the equitable geographic distribution of grants made by the State under section 4(a), and, to the extent feasible, examine and evaluate other Federal, State, and local programs operating within the State relating to the prevention of domestic violence or the provision of assistance to victims and dependents of victims of domestic violence; and

(B) coordinate activities under this section with the appropriate regional center on domestic violence established pursuant to section 8(c).

(2) A panel may study and make recommendations, as appropriate, to the chief executive of the State, the State Legislature, the Secretary of Health, Education, and Welfare, and the Congress with respect to—

(A) State criminal or civil laws relating to domestic violence;

(B) the extent to which the State judicial system affects victims and perpetrators of domestic violence;

(C) the development of a uniform law enforcement reporting system with respect to incidents of domestic violence;

(D) the relationship between incidents of domestic violence and drug or alcohol abuse;

(E) the results of an evaluation, carried out by the Panel, of the effectiveness of Federal, State, and local programs with respect to the ways in which such programs may be improved; and

(F) such other matters relating to domestic violence as the Panel may deem appropriate.

(d) Members of a Panel who are not regular full-time employees of the United States shall, while attending meetings or conference of the Panel or otherwise engaged in the business of the Panel, be entitled, subject to the provisions of section 6(a)(2)(B), to compensation at a rate equal to a per diem amout established by the State wherein the Panel is located for each day they are engaged in the performance of their duties as members of the Panel, and may, if determined by such State, and subject to the provisions of section 6(a)(2)(B), be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Panel.

GRANTS AUTHORIZED

SEC. 4. (a)(1) In order to assist in supporting programs and projects to prevent incidents of domestic violence and to assist victims and dependents of victims of domestic violence, the Secretary is authorized, in accordance with the provisions of this Act and through the Director, to make grants to States meeting the non-Federal share and other requirements of this Act.

(2) No grant may be made under this subsection unless a Panel has been established in accordance with the provisions of section 3.

(b)(1) The Secretary, through the Director, is authorized to make grants to local public agencies and private non-profit organizations for projects designed to prevent incidents of domestic violence or to assist victims and dependents of victims of domestic violence.

(2) No grant may be made under this subsection in any fiscal year to any single entity in excess of $25,000, and the total amount of such grants over a period of 5 fiscal years to any single public agency or private non-profit organization shall not exceed $40,000.

(3) The amount of grants provided under this subsection in any fiscal year to entities located in a State not qualifying for assistance under section 4(a) of this Act shall not exceed the following percentages of the amount of funds allotted for a grant to such State for such fiscal year by section 5: for fiscal year 1979, 50%; for fiscal year 1980, 45%; for fiscal year 1981, 40%; for fiscal year 1982, 35%; and for fiscal year 1983, 30%.

(c)(1) Not less than 80 per centum nor more than 85 per centum of sums appropriated for any fiscal year under section 17 and made available for grants under this section shall, except as otherwise provided in section 5, be used for grants to States.

(2) To the maximum extent feasible, not less than 50 per centum of the amounts appropriated under section 17 and made available for grants under subsection (b) of this section shall be for grants to private non-profit groups.

ALLOTMENT OF FUNDS

SEC. 5. (a) From the sums appropriated for any fiscal year pursuant to section 17, each State shall be allotted for payment in a grant under section 4 an amount which bears the same ratio to such sums as the population of such State bears to the population of all States, except that—

(1) no State shall be allotted less than one-half of 1 per centum of the sum appropriated for the fiscal year for which the determination is made; and

(2) Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands shall each be allotted not less than one-eighth of 1 per centum of the sum appropriated for the fiscal year for which the determination is made.

For the purpose of the exception contained in clause (1) of this subsection only, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands.

(b)(1) Funds allotted to any State under subsection (a) of this section shall remain available for qualification by such State until the end of the sixth month of the fiscal year for which the sums have been appropriated. If at the end of such sixth month, sums allotted to a State have not been paid in a grant under section 4 because of the State's failure to qualify, in accordance with the provisions of this Act, for a grant authorized under this Act, the Secretary shall—

(A) make available for grants to the States which have qualified under section 4(a) fifty per centum of the total of such sums not so paid, and shall distribute such sums in the same proportion as the allotment to each such State under subsection (a) of this section; and

(B) make available the remaining fifty per centum for grants under section 4(b) unless the Secretary finds that a lesser amount would more effectively carry out the purposes and provisions of this Act.

Not less than 30 days prior to making a determination pursuant to subparagraph (B) of this paragraph that less than 50 per centum would be made available for grants under section 4(b), the Secretary shall advise the appropriate committees of the Congress and publish in the Federal Register a statement, with supporting reasons, of his or her intention to make such determination.

(2) The Secretary may make available for reallotment in accordance with the provisions of paragraph (1) of this subsection such sums made in any fiscal year in a grant to a State under section 4(a) which the Secretary determines, after consultation with such State, will not be used by such State during such fiscal year for carrying out the provisions of this Act.

(3) For the purposes of paragraphs (1) and (2) of this subsection, a State which the Secretary, pursuant to paragraph (2) of this subsection, has determined will not use any of the sums made in a grant pursuant to section 4(a) shall not be eligible for a reallotment of funds under such paragraphs.

(4) Sums made available by the Secretary after reallotment pursuant to paragraph (1) or (2) of this subsection shall remain available for obligation and expenditure until the end of the fiscal year following the fiscal year in which such sums become available for reallotment.

APPLICATIONS

SEC. 6. (a) No grant may be made under section 4(a) unless the chief executive of the State submits an application to the Secretary at such time in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

(1) provide that payments under this Act will be used only for programs within such State to prevent incidents of domestic violence or to assist victims and dependents of victims of domestic violence;

(2) provide with respect to funds received by the State under section 4(a) for any fiscal year that—

(A) not in excess of 15 per centum of such funds will be used for the administration of the program for which application is made;

(B) not in excess of 10 per centum but not less than 5 per centum of such funds will be used for the cost of administering the Panel established in accordance with section 3;

(C) not less than 25 per centum but not more than 40 per centum of such funds as are remaining after the allocation of funds for the purposes described in subclauses (A) and (B) of this clause will be used for activities and services with respect to domestic violence conducted by or caused to be conducted by State agencies; and

(D) the remainder of such funds will be distributed through grants to local public agencies and private nonprofit organizations, but not less than 50 per centum of such remainder shall be used for grants to private nonprofit organizations within the State;

(3) provide assurances that no grant of funds to a private nonprofit organizations will exceed $25,000 and that the total amount of such grants over a period of 5 fiscal years to any single private nonprofit organization will not exceed $40,000;

(4) set forth procedures designed to assure an equitable distribution of funds to local public agencies and private nonprofit organizations;

(5) set forth procedures for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid in the grant, including such funds distributed by the State to local public agencies and nonprofit private organizations, under this Act;

(6) provide for making such reasonable reports in such form and containing such information as the Secretary may reasonably require to cary out the Secretary's functions under this Act, and for keeping such records and affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports; and

(7) provide assurances of and procedures for compliance with the provisions of section 11, relating to confidentiality.

(b) No grant may be made under section 4(b) unless an application is made to the Secretary at such time, in such manner and containing or accompanied by such information as the Secretary may reasonably require. Such application shall comply, as applicable, with the provisions of clauses (1), (5), (6), and (7) of subsection (a) of this section.

(c) The Secretary shall approve any application that meets the requirements of subsection (a) or (b) of this section, and the Secretary shall not finally disapprove an application except after reasonable notice and an opportunity for a hearing.

STATE REPORTS

SEC. 7. (a) For the purpose of furnishing information to the Congress to aid in its oversight activities, each State receiving a grant under esction 4(a) shall prepare and submit to the Secretary a concise report providing specific information on the implementation of programs and projects under this Act. Each such report shall include (for both the funds provided under this Act and the funds provided by the State pursuant to section 15 of this Act) information for the preceding fiscal year as to—

(1) the amount used to administer the State program;

(2) the amount used to administer the Panel;

(3) the amount used for services provided and activities conducted by the State by agency and by types of services and activities conducted by such agency;

(4) the amount used for administration of services provided and activities conducted by the State;

(5) the number, recipients, and amounts of grants to local public agencies and private non-profit organizations;

(6) the number of persons estimated to have been assisted in projects described in clauses (3) and (5) of this subsection; and

(7) such other specific information as the Director may reasonably require.

(b) Prior to requiring any specific information under clause (7) of this subsection, the Director shall notify the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives and each participating State of the reasons for requiring such information.

NATIONAL CENTER ON DOMESTIC VIOLENCE

SEC. 8. (a)(1) There is established within the Office of the Secretary an identifiable administrative unit to serve as the National Center on Domestic Violence.

(2) The Center shall be headed by a Director who shall be appointed by the Secretary and shall be compensated at a rate not less than the rate prescribed of the United States Code for a GS–16 under section 5332 of title 5 of the United States Code.

(b) The Director of the Center shall—

(1) be responsible for overseeing all programs and activities carried out under this Act and shall seek to coordinate, through the interagency council established by section 14(b), all Federal programs and activities carried out with respect to the prevention of domestic violence or the provision of assistance to victims and dependents of victims of domestic violence, to the extent such programs relate to domestic violence;

(2) in order to aid the Congress in its oversight activities, take whatever action is necessary to keep the Congress fully and currently informed with respect to the administration and implementation of this Act; and

(3) provide for a national information and resource clearinghouse for matters with respect to domestic violence in order to—

(A) collect, analyze, prepare, and disseminate information relating to the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence;

(B) serve as an advocate for the establishment of programs and projects with respect to domestic violence and of State and local domestic violence information centers; and

(C) serve as an advocate for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence, and assist persons or groups interested in preventing domestic violence or providing assistance to victims and dependents of victims of domestic violence by providing ready access to appropriate information.

(c) The Secretary, through the Director, shall enter into contracts to provide for not less than one regional center for domestic violence to be located in each region of the United States as designated by the Secretary. Each such regional center shall receive, to the maximum extent feasible, an amount from sums made available for any fiscal year for the purpose of this subsection that bears the same ratio to the total amount of the sums so made available as the population of such region bears to the total population of the United States. Each such regional center shall, in coordination with activities carried out under subsection (b)(3) of this section, provide technical assistance and outreach activities to States, local public agencies, and private non-profit organizations participating or interested in participating in the programs and projects authorized by this Act, and inform such entities and all other interested parties, officials, and groups of alternative sources of assistance available with respect to the prevention of incidents of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence.

RESEARCH

SEC. 9. (a) The Secretary, through the Director, shall conduct or cause to be conducted research activities with respect to domestic violence.

(b) Not less than 50 per centum of sums made available for any fiscal year for the purposes of this section shall be made available by the Secretary, through the Director, to the National Institute of Mental Health, established under section 455 of the Public Health Service Act (42 U.S.C. 289 k–1), for research activities jointly agreed to by the Director and the Director of such Institute, conducted or caused to be conducted by such Institute.

NATIONAL CENTER REPORTS

SEC. 10. For the purpose of furnishing information to aid the Congress in its oversight activities, the Secretary, through the Director, on or before February 1 of each year shall prepare and submit to the Congress a report providing specific information on the programs authorized by this Act. Each such report shall include for the preceding fiscal year—

(1) the name of each State receiving a grant under section 4(a) of this Act and the amount of funds paid in such a grant by way of allotment and reallotment;

(2) the total amount reallotted for each State pursuant to section 5 of this Act and the amount distributed to each State by the Secretary pursuant to section 4(b);

(3) a listing of the contracts awarded, and the amounts thereof, for the establishment of regional centers on domestic violence;

(4) the total amount made available to the National Institute of Mental Health for research activities;

(5) the names of grantees and the amounts of grants made for the conduct of research under this Act;

(6) with respect to all grants made under section 4(a), a tabulation of the data described in section 7(a);

(7) with respect to grants made under section 4(b)—

(A) the number of such grants;

(B) the number, and the amount thereof, of grants made in States not receiving and utilizing in full such State's allotments of funds for grants under section 4(a);

(C) the number of grants made, and the percentage of all amounts so granted, to projects conducted in rural areas; and

(D) the percentage of funds granted to private non-profit organizations and the names, locations, and the amounts of all grants made to such private nonprofit organizations; and

(8) any recommendation which the Secretary determines to be appropriate for improving the programs authorized by this Act.

CONFIDENTIALITY

SEC. 11. The provisions of section 408 (including the penalty in subsection (e)), of the Drug Abuse Office and Treatment Act of 1972 (Public Law 92-255, 21 U.S.C. 1175), relating to confidentiality, shall be applied to the records of any individuals subject to any program, project, or activity assisted under the provisions of this Act.

AUDIT PROVISIONS

SEC. 12. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of 5 years after the completion of the program, project or activity authorized or assisted under this Act, have access, consistent with the provisions of section 11, for the purpose of audit and examination, to any books, documents, papers, and records of recipients which, in the opinion of the Comptroller General, after consultation with the Secretary, may be related, or pertinent to, the grants or contracts authorized to be made under this Act.

EVALUATION

SEC. 13. (a) The Secretary shall review, evaluate, and report to Congress, not later than 3 years after the date of enactment of this Act, as to the effectiveness of the programs administered and/or operated by the National Center for Domestic Violence and the National Institute on Mental Health pursuant to this Act. Such evaluation shall include examination of—

(1) the extent to which public awareness of the problem of domestic violence has been increased;

(2) the extent to which the availability of services with respect to domestic violence has been increased;

(3) the extent to which assistance made available under this Act has served as a catalyst for State and local community involvement and support (financial and otherwise) for projects with respect to domestic violence;

(4) whether limiting the dollar amount of grants which may be awarded in any one fiscal year or over a five-year period has provided more opportunities for communities and non-profit organizations to maintain projects under this Act;

(5) whether limiting the dollar amount of the grant which may be made to a nonprofit organization in any one fiscal year or over a five-year period has resulted in stimulating community financial support for projects with respect to domestic violence;

(6) the extent to which projects assisted under this Act have continued, without assistance under this Act, to provide services with respect to domestic violence;

(7) the extent to which regional technical assistance centers established under this Act have assisted State, local communities, and private nonprofit organizations in utilizing other available sources of funding to support projects with respect to domestic violence.

(8) the extent to which the Center has provided the necessary relevant information and technical assistance with respect to domestic violence to participating and interested States, local public agencies, and private nonprofit organizations; and

(9) the extent to which research conducted pursuant to this Act has improved understanding of the causes, effects, and incidence of domestic violence, and to which information developed in such research has been useful to projects providing services relating to domestic violence.

(b) Prior to conducting the evaluation required to be conducted under this section, the Secretary shall consult with the Director and advise appropriate Committees of the Congress. As part of the evaluation, the Secretary, to the maximum extent feasible, shall consult with appropriate State officials, and Panel members, local community officials, providers of services, private nonprofit organizations, and victims of domestic violence.

COORDINATION OF FEDERAL PROGRAMS

SEC. 14. (a) In seeking to coordinate programs with respect to domestic violence, providing information and otherwise carrying out clearinghouse functions, and in making grants under section 4, the Director shall give particular attention to the availability for assignment of VISTA volunteers serving under part A of title I of the Domestic Volunteer Service Act of 1973, as amended (P.L. 93-113), and of assistance through the conduct of or grants to special volunteer or demonstration programs under part C of title I of such Act.

(b)(1) In order to assist the Director in coordinating at the Federal level programs for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence, an interagency domestic violence council is established. Such council shall be chaired by the Director and shall include representatives of the Department of Justice (including the Law Enforcement Assistance Administration), Department of Housing and Urban Development, Department of Labor, the Department of Commerce, Department of Agriculture, ACTION Agency, Community Services Administration, Department of Defense, and National Institute of Mental Health, and representatives of such other agencies as the President shall designate.

(2) The interagency council shall identify, assess, and coordinate, to the maximum extent feasible and appropriate, all Federal programs and projects and plans for programs and projects providing services or support in carrying out research with respect to domestic violence and shall make such recommendations, as it deems appropriate, with respect to coordination of policy and development of objectives and priorities for all Federal programs regarding the prevention of incidents of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence.

PAYMENTS: NON-FEDERAL SHARE

SEC. 15. (a) Payments pursuant to grants or contracts under this Act may be made in installments and in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(b) A State shall be eligible for a grant under this Act only if such State provides in cash the following proportion of the amount of Federal assistance provided during the fiscal year in question as follows: for fiscal year 1979, 0%; for fiscal year 1980, 20%; for fiscal year 1981, 35%; for fiscal year 1982; 50% and for fiscal year 1983, 65%.

DEFINITIONS

SEC. 16. As used in this Act, the term—

(1) "Center" means the National Center on Domestic Violence established under section 8;

(2) "Director" means the Director of the Center;

(3) "Domestic violence" means any act or threatened act of violence, including any forceful detention of an individual, which—

(A) results or threatens to result in physical injury; and

(B) is committed by a person 18 years of age or older against another such person to whom such person is married, or with whom such person is residing, or, if such person is under the age of 18, is committed by a person with whom he or she is living as husband or wife;

(4) "Panel" means the State Citizen Panel on Domestic Violence established pursuant to section 3;

(5) "Secretary" means the Secretary of Health, Education, and Welfare; and

(6) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, except as otherwise provided, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 17 There are authorized to be appropriated $30,000,000 for the fiscal year 1979 and for each of the four succeeding fiscal years in order to carry out the provisions of this Act. Of the sums so appropriated for any fiscal year, 85 per centum shall be used for making grants under section 4; 8 per centum shall be used for the operation and activities of the Center under section 8; and 7 per centum shall be used for research conducted or caused to be conducted under section 9.

● Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, Senator CRANSTON, in sponsoring the Domestic Violence Prevention and Services Act. This legislation addresses a problem that is eroding the very core of our society—the family. This legislation was fashioned to pull together a number of existing proposals and incorporate into them several new ideas to more effectively deal with this complex societal problem. Recently, the Senate Human Resources Committee's Subcommittee on Child and Human Development held hearings on domestic violence. These hearings documented the tragic problems of battered and abused spouses and the critical need to provide assistance to States and local communities, as well as private non-profit organizations, to more effectively combat these atrocities.

Domestic violence occurs in all levels of society, regardless of ethnic or socioeconomic background. Surveys have indicated that as many as 3 million women are beaten by their spouses each year. The incidence of domestic violence is clearly on the rise, but facilities to accommodate the needs of battered women and their families are all too often minimal if they exist at all in a community.

Subcommittee witnesses underscored the necessity to provide primary supportive services such as shelter, food, and clothing, and ancillary services such as legal assistance, public relief, and moral support and encouragement. Mr. David Lowenberg, a program coordinator for a victim witness advocate pro-

gram in Tucson, Ariz,, in an article on battered women, writes as follows:

If a community does have a sufficient primary and secondary support system to aid women who have been assaulted by their mates, more women may have the opportunity to liberate themselves from their victimizers. Neither primary nor secondary support services alone will help a battered woman to become permanently liberated from her violent home environment. Both primary and secondary services must be available and functional before a community can actively provide viable alternatives for battered women.

My own State of New Jersey has made significant progress in dealing with this problem. Last May, a conference was held in New Jersey to examine some of the many facets of the problems of battered women, including the extent of the problem; the need for services for victims; and the availability of funding to accelerate establishment of emergency shelters. The conference generated considerable attention and concern by the public on this growing family problem. An organizer of the conference was also a witness before the Subcommittee on Child and Human Development, Ms. Sandy Ramos, executive director of Shelter Our Sisters, Inc., of Hackensack, N.J., gave powerful and moving testimony on her experience with battered women and their families. Ms. Ramos has been involved for over a decade in the struggle to serve the needs of these refugees from violent homes. She was one of the first activists to focus attention to the pervasiveness of this crime within the State. Ms. Ramos endorsed involvement of the Federal Government in efforts to deal with domestic violence and gave the following recommendations to the committee.

Until society's attitudes change. . . . The government must be the first to be truly responsive to the needs of women and children who flee from the violence in their home. Money must be allocated for programs where a woman with no other place to go can find resources with which to restructure her life without violence. This program must include counseling for mother and children, in order to break the cycle of violence. It must provide advocacy for services from social service programs, legal counseling, job, housing and child care services. Ideally, this Federal assistance should be diverted toward the grass-roots agencies which have demonstrated the ability to understand the dynamics and sensitivity of the problem.

The Domestic Violence Prevention and Services Act is designed to assist in accomplishing these objectives. The bill would provide grants to States for establishment of programs to prevent, and assist victims of, domestic violence and grants to private nonprofit organizations to provide services. It would encourage the establishment of State citizen panels on domestic violence to oversee the implementation of Federal, State, and local programs. It would also establish a National Center for Domestic Violence within the Office of the Secretary of Health, Education, and Welfare to collect, analyze, prepare, and disseminate information related to domestic violence and to conduct research into the variety of factors that contribute to the causes of, and relate to the treatment of, domestic violence.

While this legislation would authorize only $30 million for domestic violence efforts, it is designed to maximize efforts to stimulate local and State projects with seed money for States and qualified organizations. During the first year of qualification, a grantee could be awarded up to $25,000 for startup funds, with a maximum of $40,000 over a 5-year period.

Mr. President, the Federal Government should take a lead in catalyzing the efforts of organizations to eradicate domestic violence. Enactment of the Domestic Violence Prevention and Services Act would assist in accomplishing this goal.●

● Mr. RIEGLE. We are a violent society. Armed robbery, war, gratuitous violence—these are not only tragedies of our history, they are also daily entertainment through our airwaves. On a personal level, many people take out these violent tendencies on those closest to them, members of their own family.

Because our Nation cannot afford to let domestic violence continue to disrupt and all too often destroy the lives of its innocent victims, I join the chairman of the Child and Human Development Subcommittee, Senator CRANSTON, and the chairman of the full Human Resources Committee, Senator WILLIAMS, in offering a bill to commit the Federal Government firmly on the side of the victims of this horrible crime.

This bill authorizes appropriations of $30 million a year for 5 years, with requirements for increasing State matching funds over this period. This amount will not solve the problem of domestic violence. Quite frankly, it will not even come close. But it is a significant Federal commitment to helping States, localities, and volunteer groups deal with individual victims who face violence in their own homes.

In drafting this bill, I have been impressed with the depth of knowledge and concern shown by Senators CRANSTON and WILLIAMS, as well as by the authors of an earlier bill, Senators ANDERSON and KENNEDY. The list of cosponsors of this measure illustrates the general consensus that it sets up an effective mechanism to mobilize community and Government resources at all levels to address the problem of violence in our families. I strongly hope that every other Member of the Senate will join with us in our effort to aid the women, of all economic and social circumstances, who fall victim to force and violence within their own homes.●

Mr. KENNEDY. Mr. President, I am pleased to join in cosponsoring the Domestic Violence Prevention and Services Act introduced today by Senator CRANSTON.

Domestic violence is a problem that cuts across all socioeconomic lines. It is as much a problem in Milton, Mass., as it is in the South End. A recent study at the University of New Hampshire showed that 16 percent of students witnessed one act of physical violence between their parents in the previous year. A Harris survey conducted for the National Commission on the Causes and Prevention of Violence said that—

One-fifth of all Americans approve of slapping one's spouse on appropriate occasions. Surprisingly, approval of this practice increases with income and education . . .

Victims of domestic violence suffer from a multitude of problems. Many of them are economic prisoners—how will they support themselves and raise children if they leave? Many lose their own sense of self-respect. They get little support from the legal system. Only three States have laws that make it an automatic felony for a husband to beat his wife. And yet assault is a crime in every State. Most States, however, treat wife-beating not as a crime, but as a civil matter. In many instances the police are not adequately trained to handle this problem. The problems are multifaceted and certainly the Federal Government cannot solve them all. But we can and must do more.

Last June, I joined Senator ANDERSON as a cosponsor of S. 1728, "The Domestic Violence Prevention and Treatment Act." This was the first bill introduced in the Senate to address this issue. Since the introduction of that bill we have heard from many organizations and individuals dealing at a grossroots level with this problem. Violence in the home was also a topic seriously discussed at the National Women's Conference in Houston last November. We have received excellent suggestions on the problems from all these groups. They have suggestions about what the Federal Government could and should do. Many of these suggestions have been incorporated in the bill introduced today by Senator CRANSTON.

In my own State of Massachusetts there are several groups already quite active. These include Casa Myrna Vazquez in the South End of Boston, Transition House in Cambridge, and RESPOND in Somerville. Throughout the Commonwealth there are other programs in early stages of development. Many of them need not only the money that could come from this bill, but also the technical assistance that this comprehensive bill would provide. There are, of course, a variety of services already available through Federal, State, and local efforts. These services are, however, quite fragmented. The bill that we will propose will do much to help coordinate these efforts.

The Federal Government has finally started to respond to this problem. The Office of Public Liaison at the White House has held a series of meetings on this issue. In addition, the U.S. Commission on Civil Rights sponsored an excellent symposium on this issue in January. With a coordinated program within HEW, the Federal Government can begin to do more than just address the issue. It can provide services and money to both private nonprofit organizations and local government programs addressing this need.

We live, unfortunately, in a violent society. Domestic violence is another manifestation of a society that has lost its respect for the individual. There are many examples of the prevalence of violence in our Nation. As a member of the Senate Judiciary Committee, I have seen efforts for a more stringent gun control legislation thwarted year after year. The Senate recently passed S. 1437, the Criminal Code Reform Act of 1978. As sponsor of this major reform bill, I was pleased that the bill as it passed the Senate eliminates the current common law rule that a spouse cannot rape his wife.

The family is the basis and strength of our society. And yet, in many families there are problems that for too long have been hidden from the rest of society. In 1973, the Federal Government finally recognized the problems of child abuse and began to respond. And now we are addressing the problems of domestic violence. It is a sad fact that many women are physically abused by their husbands. In many instances these women have no place to turn. They live with this situation for many years either believing that the situation will change or fearing the unknown if they leave and seek outside assistance.

No single Federal program can solve this problem. But this legislation will provide direct Federal focus on this serious problem and will work with the States, local governments and private, nonprofit agencies to insure that the tragic needs of these people are being addressed.●

● Mr. ANDERSON. Mr. President, I am pleased to join Senator CRANSTON in introducing S. 2759, the "Domestic Violence Prevention and Services Act," which provides a comprehensive approach to meeting the critical needs of battered women and their families. The bill employs a State granting mechanism to insure program stability and continuity, as well as important direct Federal contingency funds to address service needs not met through the State programs.

In June of 1977 my bill, S. 1728, on which Senator KENNEDY joined me as an original cosponsor, brought the urgent problem of wife battering before Congress. Since that time we have witnessed a tremendous outpouring of concern and interest by hundreds of dedicated individuals committed to reducing the tragedy of family violence. It has been a privilege to work with Senator CRANSTON in translating this concern into tangible provisions to effectively respond to the abuse and violence occurring with alarming regularity in families today.

From the beginning, this has not been an easy or enjoyable task. It has brought each of us working on domestic violence legislation face-to-face with some painful realizations. We learned that family life is not always as tranquil and happy as we would like to think. We learned, in fact, that in some situations family members exist at the end of a short fuse, which, if ignited, can explode into violence resulting in permanent physical injury or even death. We learned also that today's violent adults are often in one way or another the product of an earlier cycle of violence in childhood. And family violence is not a phenomenon that does not occur in "nice" families. It crosses all cultural and socioeconomic lines.

In my home State of Minnesota the St. Paul Police Department reports that about 100 police reports dealing with domestic violence are written each week. These figures are undoubtedly low since they do not include cases in which the victim did not press charges. Moreover, many, if not most, incidents of domestic violence are not reported to the police at all.

Women's Advocates of St. Paul has sheltered over 2,000 women and children over a 3½-year period, and had to turn away three times that many people seeking help.

In Duluth, the Northeast Minnesota Coalition for Battered Women served 140 women and their children for the 9-month period ending this January.

In Sherburn County, law enforcement officials report that wife assaults represent one-quarter of all assaults there. In Wright County they represent more than half.

And I assure you, Mr. President, this is not a problem that is peculiar to Minnesota. In Atlanta, for example, 60 percent of all calls received on the night shift are reported domestic disputes, indicating more trouble in this area than in any other crime category. And in Lincoln, Nebr., in 1973 the police handled 2,000 cases of wife abuse—an average of five a day. Here in the metropolitan District of Columbia area, in 1974, two counties reported domestic quarrel numbers as: Fairfax County, 4,073; and Prince Georges County, 8,440. The District of Columbia keeps no such statistics.

So it is not difficult to see how quickly the alarming national statistics we have seen can add up.

As discouraging as this sounds, preventing and treating family violence is not a hopeless cause. It is estimated that there are 145 programs serving battered women in the United States and some 100 research projects to provide data to help us determine its causes. Effective treatment models have been identified and it is our responsibility to promote and support such efforts. I believe the bill we are submitting today will go a long way toward putting an end to the anguish and isolation of domestic violence victims. It can assist in breaking the chain of violence that links the present victims and perpetrators to future generations, and halt the cycle of violence to which the Eugene O'Neill quote so aptly applies. He said:

There is no present or future—only the past, happening over and over again—now.

On March 8 I was honored to testify before the Subcommittee on Children and Human Development on the issue of domestic violence. I ask unanimous consent that my testimony and the testimony of Cheryl Beardslee of Women's Advocates in St. Paul, and the testimony of Harriet (surname withheld), a former resident of Women's Advocate, be printed in the RECORD.●

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WENDELL ANDERSON

Mr. Chairman, thank you for inviting me to testify before the Subcommittee on Legislation to prevent and treat domestic violence. I want to commend the subcommittee for its prompt attention to this urgent problem. As the primary forum on Legislative issues affecting children, youth and families, your subcommittee has responded admirably to a wide range of concerns such as inadequacies within the adoption and foster care system and the effects of government policies on family life. Although I am not a member of the committee, it has been a pleasure to work with you and support your efforts on several occasions in the past.

Today we are turning to a problem which is perhaps the most perplexing and severe of all in its effect on children and families.

Violence in America has become a major national social disaster and scandal. We too frequently accept it as inevitable, grow callous to its presence, seem almost indifferent or overwhelmed by its enormity.

We have, incredibly, raised violence to a form of entertainment, filling our homes with endless hours and incidents of television violence. The beaches of Normandy seem occasionally like a Sunday school picnic compared to what is provided nigntly to the American public. Our children see more violence than love, more deceit than decency.

Whether there is a connection or not, I do not know, but our schools in the past decade have become battlegrounds with teachers and students victims of aggression leading to fear, psychological breakdown, hospitalization for injuries, and even death.

On our streets, we have witnesed immense amounts of crime—not against property alone, but against people, crimes of assault and rape and murder.

And there is yet another form of violence which for many years we pretended did not exist, except as an aberrant and occasional phenomenon. That, of course, is domestic violence . . . the beating and abuse, and in some instances, murder of wives, husbands and children by each other.

We denied it because it violated our view of the American home as a place of love and affection, of mutual respect and happiness. The home was, we seemed to say, a haven from the surrounding chaos.

It was easy to deny because the victims and the perpetrators of the violence themselves denied the abuse or disguised it where possible.

Society, in turn, through the law enforcement system, through the courts, through the social service agencies, treated the problem lightly or not at all or with hostility or at best ambiguity.

We raised lots of questions. Could we intrude into the home? Weren't the bonds of marriage supreme? Wasn't it just the pattern of some marriages and didn't the victims invite the violence? We ducked and dodged and never dealt with the reality any better than the victims themselves.

But, slowly, during the past several years, we have begun to recognize this social illness and to some extent we have also begun to analyze and define it.

Today, the magnitude of the problem is no longer deniable. Encouraged by the women's movement, many of the victims themselves have come out from behind closed doors into public view.

We have learned from study after study that domestic violence is widespread, cuts

across social and economic lines, and may be increasing, certainly it is not a decreasing phenomenon which, if left alone, will just go away.

There are some studies which would suggest that close to five million wives suffer extreme violence at some time in their marriages, some frequently and regularly. We know that nearly two million American couples have used a lethal weapon on one another during their marriages. We know that over a fourth of all murders and a far larger percentage of aggravated assaults occur between spouses. We know that the most common relationship between murderer and victim is membership in the same family.

Maybe one set of figures can demonstrate more clearly what I am saying. From 1967 to 1973, there were 39,521 American deaths in Vietnam. It was a war which tore this country apart.

During those same years, with virtually no public attention, there were 17,570 deaths due to domestic violence—the result of spouse and child abuse.

The Vietnam war is over. Domestic violence continues. The time is long overdue for Federal action that is coordinated, substantial and humane.

More victims want help, more people want to help them. In recent years, shelters have begun to appear in various parts of the country. Those shelters are almost always themselves victims of inadequate funding erratically given. You will hear shortly from Cheryl Beardslee, a staff member of Women's Advocates in St. Paul, Minnesota, the oldest shelter for battered women in the U.S.

During 3½ years, this shelter housed over 2,000 women and children. That is hopeful. They saved lives. What is sad is that they turned away three times that many family members during the same period. What is sad is that there are countless more women, countless more families who would come forth if there were safe places for them. You will hear a formerly battered wife describe that need in personal terms and how Women's Advocates shelter was indeed a haven of love and succor for her.

We have before us S. 1728, which I introduced with Senator Kennedy, a companion of which has been introduced in the House of Representatives by Representatives Newton Steers and Lindy Boggs.

This bill was designed to support projects in the prevention and treatment of domestic violence, concentrating on family rehabilitation and support, as well as on emergency shelter for threatened family members.

It identified the need for examination of existing State domestic violence laws and programs and for coordination of Federal, State and local efforts in prevention, identification and treatment of domestic violence.

Finally, the bill, which would provide $60 million over a three-year period, addressed the need to complement previous and ongoing domestic violence research by National Institutes of Mental Health, Law Enforcement Assistance Agency and other Federal agencies.

The response to this legislation has been enormous. Since June when the bill was introduced, the sponsors have received a tremendous amount of valuable, constructive advice from people working to prevent and treat family violence. It has been a special privilege to work with the subcommittee in translating those ideas into effective, responsive legislation to help battered women and their families, and I was pleased to join you as a cosponsor of the new bill now pending before the subcommittee.

Mr. Chairman, I am sure when these hearings are done and you have heard the testimony of the people who have been the victims of domestic violence and those who have been the pioneers in solving this national problem that you will move favorably ahead.

I want to conclude with one thought. Domestic violence is like a bad gene. Its effects show up in later generations. Children abused today are the parents of tomorrow who abuse their own children. Children today who watch a father pummel a mother become bullies in their own marriages. Clearly, not every child who is abused or witnesses abuse will follow in the same path, but virtually everyone in the next generation who becomes an abuser will be able to look back on domestic violence involving themselves. Our investment now pays off this year and next, but it is also an investment in a happier generation many years from now.

SHELTER: A VIABLE ALTERNATIVE

(Presented to Child and Human Development Subcommittee, Washington, D.C.)

Historically, women beaten in their own homes have been seen as recipients of justified punishment, participants in a private fight or masochists. As a result there has been little help given to assist abused women in changing their situations; more likely, responses to requests for help leave abused women feeling more responsible, more at fault.

In the past few years shelters have developed in response to the unmet need for safety for abused women and their children. Women's Advocates shelter in St. Paul, Minnesota opened in October of 1974. In the past three and one half years we have housed over two thousand women and children, while forced to turn away three out of every four families who request housing. I will share with you the development of one shelter created in response to the plea of women in St. Paul for a place to seek shelter with their children, to escape the fear and violence in their homes; and the development of a program continually defined by the women—and the children—for whom it exists. In doing so, I share with you not only our own experience, but that of the growing network of shelters developed by women across the country who at last initiated a response based on the right of each woman to control her own life, respecting and nurturing her own sense of what needs to be done to change her situation.

In 1971, with no intention of developing a shelter, a consciousness raising group decided to begin work that would be supportive to women. They began a telephone service designed to provide women with information about their rights in the area of family law. Women's questions about what they could do to get out of violent family situations spurred a search for available options. Legal options available to a woman in an abusive relationship only presented increased danger, since she was expected to live with her assailant while proceeding against him in the courts. Possible sources of shelter were explored; the only emergency housing provided for a woman with children was a night or two in a rundown hotel provided by Emergency Social Service. Nearly every call from a woman who had been abused would begin with "you're going to think I'm crazy", or "you're not going to believe this". In previous calls for help or attempts to get support she had most often been discounted for exaggerating or told she was to blame for the violence. It was clear that she needed a safe shelter, time, and people who would believe her, validate her experience, and trust her so that she could begin to trust herself to make decisions for herself and family.

Women's Advocates incorporated as a Minnesota non-profit corporation in April 1972 and began reaching out to the community for financial support through letters and eventually a newsletter. As individual donations were received a small office-apartment was rented providing a bedroom for housing and office space for the phone service. Volunteers began housing women in their own homes. By continuing the phone service and beginning to meet the need for shelter, Women's Advocates was able to document the problem of women abuse in St. Paul and demonstrate that emergency housing created an alternative for women living in violent homes.

The documentation and demonstration of an alternative were crucial in the search for funding over the next two years. In 1974 Women's Advocates received grant-in-aid money for salaries from the State Welfare Department, followed by private foundation money for a downpayment on a house and its rehabilitation. Program money then became available from private foundations and the local mental health board.

When we opened the house in October of 1974 there were not enough beds and there was no food. We were confident that women working together had the resources to solve any upcoming problems. No preconceived policies or procedures had been set out. House policies and procedures have been continually developed through decision making processes involving residents, staff, ex-residents and other members of Women's Advocates work groups. We had begun operating a shelter based on the belief that women could define a space and a program that would meet their needs. Three and one half years of experience have strengtehned that belief. In our shelter and other shelters across the country programs for battered women gain strength and clarity through processes in which residents, staff and boards cooperate to constantly redefine their programs.

Advocacy for an individual woman is the process of helping her reach goals she determines for herself. The success of our shelter depends on that process. When a woman has the opportunity to make her own decisions about her life she gradually begins to see herself differently. She feels sane, capable and worthwhile. She sees herself as someone who deserves to be treated well; with a right to not be beaten.

Our work with community agencies focuses on ways in which they can provide services that will facilitate a woman's opportunity to make her own decisions. The welfare department is one example. When we first opened, women had to pay us room and board out of their own pockets, leaving little money for personal needs and none to find suitable housing after the shelter. Work between Women's Advocates and the welfare department has resulted in the creation of a vendor system for emergency housing. The county now pays a per diem for room and board for a family, leaving the woman with the financial resources to decide when she wants to leave the shelter and where she wants to live. We also worked with the welfare department to develop consistent procedures so that the woman has control over who knows her whereabouts. Frequently, a search for a father for the purpose of collecting child support means a new seige of assault for a woman and her children.

So far, I have mentioned children only in connection with their mothers. When we first opened we considered children to be the mother's responsibility and we focused on helping her. We soon learned that children share the mother's fear, insecurity and lack of self-esteem. We made efforts to help children as we carried on our program with mothers and gradually decided that we needed child advocates. We now have two staff positions for child advocates. Though most of the children who come to the house have not been the direct targets of abuse,

the fact that they experience the affects of violence toward their mothers makes them victims and means they have special needs. The child advocates have worked with the public schools, head start, and child care coordinators at the city, county, and state levels to see that the special needs of children are met not only while they are at the shelter but after they leave as well.

Other community agencies we have important relationships with are the police, Family Service, Community Planning Organization, Legal Assistance, and the county mental health center. We depend on the city police to provide protection for us and they depend on us as a referral source for women in domestics they respond to. Women's Advocates shares a chemical dependency counselor with Family Services. The Community Planning Organization provides a resource library on battered women and cooperates with us in community education efforts. Workers at the Ramsey County Mental Health Center refer women to our support groups and we use them as a referral source for women who want on-going counseling. Legal Assistance has worked out a system whereby a woman who has been physically abused can be seen on an emergency basis. We are also involved in educating our community, and our legislature to facilitate the passage of legislation which would protect battered women wherever they are and provide funding for shelters.

Though we're now primarily supported by public funds; the county mental health board, the welfare department, and a grant through our state's shelter legislation our budget is not met. We must continually prove our need to present funding sources and seek new sources at the same time even though programs for battered women are in the limelight. There are groups of women all over the country who are ready to open shelters when funding is available. We all need funding that will be stable and will continue when some other social concern captures the public eye. The most pressing funding problem we've faced is the difficulty in obtaining capital funds for building, equipment and furnishings. Throughout our existence we have had to rely largely on private donations for capital investments. Private donations were the only way we were able to construct a fence to improve our neighbor relations.

Our relationship with our neighborhood is important to mention because it has been relatively smooth. Our arrival in the neighborhood went unheralded. We are licensed as a room and board facility and located within an area already zoned to permit room and boarding houses. In the three and one half years since our arrival we have received complaints from neighbors about the noise of children and children in their yards. We have taken such complaints seriously and negotiated solutions to the problems. Angry men have confined their threats and harassment to the house itself and our relationship with the police helps provide the immediate response we need to prevent threats from becoming assaults.

Our success with our neighbors and with agencies is a visible, objective quantity. The success of the program for women who use it is more elusive. There are objective ways we measure our success. Women who stay at the house experience safety from abuse and fear. That is success. Some women who have stayed at the house maintain contact with us and we hear about others so we know what changes they've made. We want to know more about what happens to women and their children once they have left the shelter but tracing families when they leave takes time and money that we don't have. Subjective measures are also important to us. The way a woman looks and what she tells us about how she feels are the day to day feed back that tells us whether or not the house helps her meet her needs. We have been careful not to define the "successful client". Each woman knows best what she needs to do for herself and her children and only she knows if she has succeeded.

I have talked a lot about providing an opportunity for women to take control over their lives. I want to erase any implication that that will solve the problem. It is not true that she is responsible and if she would only act the problem would be solved. At Women's Advocates we have heard from and/or housed women who were beaten by attorneys, doctors, business men, elected officials and police officers as well as women beaten by men who are laborers or underemployed. One researcher estimates that 50 percent of the women in the United States experience physical abuse. As a society we have an obligation to look not just at the individuals involved in violent families but at the ways our institutions support violence against women as an acceptable part of family life. Until we have made some real changes in our cultural view of the family, shelters are a necessary and immediate alternative to living in a violent home. Women and their children have a right to such an alternative.

HARRIET'S STORY

(Presented to Child and Human Development Subcommittee, by Harriet (Surname withheld))

My name is Harriet ———.

I am a battered wife, married seven years. I went through physical and mental abuse for the last five of those seven years. I left my husband three times previous to my coming to the Women's Advocates Shelter. To me the shelter was a blessing, my only way of escaping my situation, which before I discovered the Battered Wives Organization seemed inescapable. I needed a safe place to go, where I wouldn't have to worry about my husband finding me, as he had previously been able to do. I had tried staying with relatives and friends, but my husband would either assault them or convince them to support him in getting me to return home, so I was made to feel unsupported and guilty about what I had done.

So after realizing I had gone through all the people I thought I could depend on for help, I decided the situation was hopeless. I felt I would never be able to get away from him safely. After the last return my husband warned me that if I left again I had better leave the state so that he couldn't find me. I thought about how would the children and I survive, where would we go, where would we stay?

One day I read about the Battered Wives Organization in the paper and decided to try and locate an organization in my city. I called a Women's Resource Center and was given the name of the woman in charge and her number. I called her and she told me to come down and discuss my situation with her. She told me all about the organization and what type of help was available. We discussed shelters out of state which was my basic need, and I decided to go to Women's Advocates in St. Paul, Minnesota. She called ahead to let them know I was coming with three children, Keith age 10, Troy age 8, and Ena age 5. I went home that day feeling so much relief, I couldn't believe my prayers had finally been answered, I had people who were really going to help me. I knew I was going to make it this time.

I knew I wouldn't have to go back to him this time. So when I got the opportunity I got the children and some clothes together and the money I had put away for the rent and left. Upon my arrival at the shelter I was immediately given a chance to talk about my situation, and offered food, and given a room for myself and the children. Within the first week my children were enrolled in school that was very cooperative about my need for confidency and helping the children to feel comfortable in their new environment. I also had help in getting financial and housing aid.

What was more important I had people supporting me for a change. I was helped to get a understanding about myself so I could realize I didn't have to dump a lot of guilt on myself for my marriage not working, because I had honestly tried. There was no need to continue to punish myself by taking the mental and physical abuse I had taken for five years. I stayed at the shelter for seven weeks and within those seven weeks I was feeling very positive about my future and in control of my life again and my childrens. It really felt good to know that I could be me, I didn't have to be what someone else thought I should be.

I was ready to start organizing a new life for myself and the children and feeling very enthusiastic about what I wanted to do. I have been out on my own for five months now and managing quite well despite a few ups and downs. I plan to attend the University by the fall at least. I am doing volunteer work for Women's Advocates which I really enjoy doing a lot because it gives me a chance to help and give the much needed support I got when I came to Women's Advocates. I stop and think, I would never have made it if I hadn't found out about the Battered Wives Organization and came to Women's Advocates, I feel so much anxiety when I think about the women that don't know about the organization, and how hopeless their situation must seem.

The need for shelters far out number the available shelters, its really dishearting to me to know that three out of every four women that call for shelter have to be turned down and put on a waiting list because the shelter is full and all the alternative shelters are full. I know for a woman in that situation that's very discouraging because by the time they get to your name it may be too late. Battered Wives Shelters are very much in need because there just isn't any alternative that will work. Every woman needs to know there is some place she can come to and escape these situations, no woman should have to be subjected to physical and mental violence every day. Shelters are an absolute must there is no alternative.

● Mr. BAYH. Mr. President, I am very pleased to join my colleagues Mr. CRANSTON, Mr. ANDERSON, Mr. KENNEDY, Mr. JAVITS, and Mr. ABOUREZK in introducing the Domestic Violence Prevention and Services Act. This legislation has grown out of the desire of many Members of this body to address an ever-expanding problem in our Nation—the problem of spouse abuse. Through the leadership of three of my distinguished colleagues in particular, Senators ANDERSON, KENNEDY, and CRANSTON, we have before us today a comprehensive response to the inadequacy of our present system in combating the growing epidemic of domestic violence.

Del Martin in her authoritative study, "Battered Wives" estimates that conservatively there are well over a million brutalized women in the United States. Sociology professor Murry Straus testi-

fied before the New York State Legislature that this number is probably closer to between 3 and 6 million brutalized women. In my own State of Indiana, the YWCA-sponsored Shelter for Women Victims of Violences estimated that there are from 5,000 to 7,000 cases of spousal assault a year in Allen County, Ind., alone. No matter what the actual number is, all authorities who have studied the problem of battered wives agree that the present system provides no adequate answers for these unfortunate victims of violence.

What recourse does a battered woman have at the present? The answer is not much. She can appeal to the local police who are frequently unwilling to intervene in what they determine is a "family matter." She can seek restraint on her spouse through the courts; most frequently to be admonished by a family court judge that she has provoked the attacks herself. She can run away provided she has the economic independence to sustain herself or her children. Finally, she can turn to local shelters for battered women which have been springing up in localities all over our Nation.

The legislation we are introducing today seeks to increase the participation by States, local communities, private nonprofit organizations, and individual citizens in efforts to prevent domestic violence and to assist victims and dependents of victims of violence. In order to accomplish this purpose, this legislation establishes a grant program through the Department of HEW which authorizes $30,000 a year through fiscal 1983.

I urge my colleagues to support this worthwhile legislation.●

ADDITIONAL COSPONSORS

S. 1185

At the request of Mr. MAGNUSON, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 1185, a bill to regulate interstate commerce with respect to parimutuel wagering on horseracing to maintain the stability of the horseracing industry.

S. 2164

At the request of Mr. ZORINSKY, the Senator from Alaska (Mr. GRAVEL) and the Senator from Minnesota (Mrs. HUMPHREY) were added as cosponsors of S. 2164, a bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail and highway crossings in certain energy impacted cases.

S. 2400

At the request of Mr. BAYH, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 2400, a bill to establish a National Alcohol Fuels Commission.

S. 2402

At the request of Mr. STAFFORD, the Senator from New Mexico (Mr. DOMENICI), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 2402, a bill to require that competitions be considered to enhance the Nation's architecture and determine the design of certain new Federal office buildings.

S. 2472

At the request of Mr. CASE, the Senator from Maine (Mr. HATHAWAY), the Senator from Alaska (Mr. GRAVEL) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 2472, a bill to authorize the Secretary of State to implement solar energy and other renewable energy projects in certain buildings owned by the United States in foreign countries.

S. 2481

At the request of Mr. DOLE, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. MCCLURE), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 2481, the Flexible Parity Act of 1978.

S. 2691

At the request of Mr. WILLIAMS, the Senators from Oklahoma (Mr. BELLMON and Mr. MCCLURE) were added as cosponsors of S. 2691, a bill to provide for the furnishing of congregate housing services under the U.S. Housing Act of 1937.

S. 2710

At the request of Mr. SASSER, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 2710, a bill to create a National Academy of Medicine, under the direct supervision of the Surgeon General, for the education and training of doctors of medicine, and other medical specialists who shall serve in the Regular Corps of the Public Health Service as commissioned officers thereof, to amend the Public Health Service Act, as amended (42 U.S.C. 201 et seq.), and for other purposes.

S. 2730

At the request of Mr. WILLIAMS, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2730, a bill to establish a Hubert M. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship.

S. 2731

At the request of Mr. PERCY, the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Rhode Island (Mr. PELL), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 2731, the Solar Global Market Survey Act.

S. 2732

At the request of Mr. PERCY, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2732, the Small Scale Energy Technology Programs Reorganization Act.

S. 2733

At the request of Mr. MCINTYRE, the Senator from Alaska (Mr. GRAVEL) and the Senator from New Jersey (Mr. CASE) were added as cosponsors of S. 2734, the Small Business Energy Loan Act.

S. 2734

At the request of Mr. MCINTYRE, the Senator from Alaska (Mr. GRAVEL) and the Senator from New Jersey (Mr. CASE) were added as cosponsors of S. 2734, the Solar Energy Bank Act.

SENATE RESOLUTION 414

At the request of Mr. PERCY, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of Senate Resolution 414, directing the Architect of the Capitol to study the feasibility of installing a solar energy system in the extension of the Dirksen Office Building.

SENATE RESOLUTION 416

At the request of Mr. GRIFFIN, the Senator from Virginia (Mr. SCOTT), the Senator from California (Mr. HAYAKAWA), the Senator from North Dakota (Mr. YOUNG), and the Senator from Utah (Mr. GARN) were added as cosponsors of Senate Resolution 416, to disapprove standards authorized under section 402(a)(26)(B) of the Social Security Act.

SENATE CONCURRENT RESOLUTION 62

At the request of Mr. MCGOVERN, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of Senate Concurrent Resolution 62, requesting the United Nations to convene a World Alternate Energy Conference and establish an International Alternate Energy Commission.

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. GLENN, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of Senate Concurrent Resolution 66, relating to the disapproval of import relief to domestic producers of nuts, bolts, and large screws.

SENATE CONCURRENT RESOLUTION 72—SUBMISSION OF A CONCURRENT RESOLUTION TO COMBAT INTERNATIONAL TERRORISM

Mr. CASE (for himself, Mr. STONE, Mr. MOYNIHAN, Mr. JAVITS, Mr. MCGOVERN, Mr. RIBICOFF, Mr. DURKIN, Mr. BIDEN, Mr. METZENBAUM, Mr. PERCY, Mr. ANDERSON, Mr. HEINZ, and Mr. BENTSEN) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 72

Whereas a series of unprovoked terrorist attacks have been conducted against citizens of Israel, Egypt, and Jordan since President Sadat's trip to Jerusalem last November;

Whereas the attacks have resulted in the loss of life and the wounding of civilians, including several Jordanian citizens living on the West Bank, the editor of the Egyptian newspaper Al Ahram on February 18, 1978, and men, women and children who were trapped in a burning bus or deliberately shot during the attack in Israel March 11, 1978;

Whereas the Palestine Liberation Organization has publicly accepted responsibility for the March 11 attack; Now, therefore be it

Resolved, That it is the sense of the Senate (the House of Representatives concurring) that

(1) Such acts of terrorism are strongly condemned and are obstacles to peace in the Middle East and thus are against the national interest of the United States;

(2) The Congress extends its condolences and deep sympathy to those wounded and the families of those killed in the terrorist attacks;

(3) The President should direct the Executive Branch to intensify its efforts to counter international terrorism including use of diplomatic, economic, and security measures taken unilaterally or in cooperation with other nations to terminate assistance received by (a) organizations, groups or individuals which commit or attempt to commit acts of terrorism and (b) governments which provide any assistance to organizations, groups and individuals which conspire to commit or actually commit terrorism.

(4) The President should report to Congress within 30 days after the adoption of this Resolution with respect to action the Executive Branch has taken to implement existing laws regarding terrorism, including Section 3(8) of the Export Administration Act of 1969, as amended and Section 18 of the International Security Assistance Act of 1977 in regard to countries cited under (5) which provide assistance to the PLO and other groups involved in terrorist activities.

(5) The President should report to Congress within 30 days on the nature and extent of the activities of the Palestine Liberation Organization office in New York.

(6) The President should report to the Senate Foreign Relations Committee and the House of Representatives International Relations Committee within 30 days the names of nations which provide to the PLO and its constituent groups financial assistance, training, weapons, sanctuary, bases, escape routes, transportation assistance and documents and other forms of assistance in committing acts of terrorism.

● Mr. CASE. Mr. President, it is time for the United States and other nations to act more forcefully to combat international terrorism.

In recent weeks, terrorists have:

Brutally and deliberately slaughtered 34 persons in Israel.

Assassinated a leading Egyptian newspaper editor, a close friend of President Sadat.

Killed several prominent West Bank Arabs who favored moderate approaches to Middle East problems.

Threatened publicly to kill President Sadat.

Captured a government building in Holland and held more than 70 persons hostage until rescued by the Dutch Marines.

And today, kidnapped a former Prime Minister of Italy, killing his bodyguards.

Some of the terrorist groups might have been less active and deadly if there had been more vigorous efforts by this country and other responsible countries to curtail the resources being made available to the terrorists.

It is not solely a question of passing new laws, although tougher legislation is being drafted, administration officials have been reluctant to use laws already on the books that could help dissuade countries that have been providing assistance to the terrorists.

For example, the State Department recently approved the sale of an executive jet airliner to Libya, a nation which is a major supporter of extremist terrorist groups. That type of aircraft, with a range of 7,000 miles, is extremely useful in helping terrorists move from one country to another or helping them smuggle in terrorists. I made this point in a letter to the State Department on February 16.

The Department replied that the executive jet has "little potential to be employed in any militarily significant fashion by the Libyans." Apparently transportation of terrorists is not militarily significant in the State Department's view.

To the Department's credit, export licenses for two other passenger planes and for maintenance of C–130 transport planes were turned down. But that does not justify the sale of the executive jet.

It is regrettable that officials who are supposed to be concerned about terrorism would approve such a sale. In its reply, the State Department said the sale signals that:

We are not trying to prohibit all bilateral commercial exchanges, an important point in view of our major economic interests in Libya.

Even if one accepts that point—and I am not sure I do—there are other items we can continue to sell them rather than a plane so ideally suited for sneaking terrorists and weapons past the customs inspections which are slack at many airports.

I opposed the sale not because I thought the executive jet was potentially useful in military operations but because it could be so handy for terrorist operations.

I urge the President to reconsider the sale and refuse to allow the plane to be delivered until there is an across-the-board halt to Libya's support for terrorists. Citing Libya's recent refusal to allow hijacked planes to land there is not a sufficient sign of progress for they may have merely been trying to avoid bad publicity. It is the clandestine activities which cause more concern.

Another example of the State Department's mixing of signals concerns the financial support for the PLO which issued press statements saying that Al Fatah, its military arm, conducted the March 11 attack in Israel.

More than 2 months ago, on January 1, Al Fatah representative in Saudi Arabia made a broadcast on the Government-controlled Saudi radio thanking the Saudis for providing more than $42 million of aid to his group last year. There had been earlier press reports that the Saudis had been providing millions of dollars in aid to the PLO. Since President Sadat's courageous trip to Jerusalem last November there also have been reliable reports from a number of sources that the PLO was planning to take a more activist role. Yet, according to reports in the Washington Star and by the Associated Press, the top American official in Saudi Arabia said last week that he did not know of any effort to ask the Saudis to stop bankrolling the group.

Our Ambassador, John West, also was quoted by the Associated Press as saying the Saudis denied they were contributing to terrorist organizations of any kind. If he does not know that Al Fatah is a terrorist group, he should spend more of his time in Washington getting briefed instead of trying to persuade Members of Congress to approve selling 60 F–15's by telling them that the Saudis are backing moderate forces in the Middle East.

Tuesday, the Assistant Secretary of State for Near Eastern Affairs, Mr. Alfred Atherton, told the Senate Foreign Relations Committee that the United States had raised the funding issue with the Saudis over a period of years, including "quite recently."

There is reason to believe that the "quite recently" meant since this weekend after the PLO publicly admitted its role in terrorist activities.

From comments made by State Department and Saudi officials, it is obvious that the Saudis—at least so far—are turning down the approaches made to them regarding their funding of the PLO.

Mr. President, I am well aware of the frustrations in trying to counter terrorism and of the limits to what we can do to prod nations to stop giving assistance to international terrorists.

The Senate Foreign Relations Subcommittee on Foreign Assistance, of which I am the ranking Republican member, has held hearings on the issue and will hold more. The Senate Committee on Governmental Affairs already has held hearings on Senator RIBICOFF'S omnibus antiterrorism bill which I cosponsored. It is my hope that the Senate Foreign Relations Committee will have an opportunity to act on it soon.

There are, however, existing laws which can and should be used more vigorously. I would like to point out in particular an amendment added to the Export Administration Act last year and signed into law by President Carter, which declares that it is national policy to use export controls to encourage other countries to take immediate steps against international terrorism. This section reads:

"(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territory or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls."

I interpret the word "resources" in subsection (8) to include financial resources.

Mr. President, it is time that officials make more vigorous use of the laws, particularly when it comes to trying to cut off aid to outlaw groups which violate all standards of humanity by deliberately slaughtering as many people as possible.

I have no doubt that some administration officials will find all sorts of excuses for not wanting even to consider using export controls.

The administration faces a key test of its seriousness in opposing terrorism with action instead of words. The test cannot help but influence whether Con-

gress will go along with the discretionary phrases of "wiggle room" the administration will want when Congress acts upon future antiterrorism legislation designed to close the existing loopholes.

Mr. President, with this background in mind, I am submitting, with a number of my colleagues of both parties, a resolution calling on the President to take additional actions to combat international terrorism.●

● Mr. PERCY. Mr. President, I have chosen to be one of the original cosponsors of this resolution because I believe that greater efforts must be made to combat terrorism. The recent terrorist acts against citizens of Israel, Jordan, and Egypt demonstrate that terrorism remains one of the world's most intractable problems.

The outrageous raid against civilians in Israel was a premeditated murder both of innocent civilians and of the Israeli-Egyptian peace process as well. The obvious objective of the PLO attack was to poison the atmosphere for the Israeli-Egyptian peace negotiations. For this reason, all of us who seek a just peace should redouble our efforts to bring the parties together, while rejecting the destructive activities of the rejectionists.

The PLO cannot really believe that this criminal attack on innocent civilians will convince Israel to invite a PLO-dominated state to be its neighbor. On the contrary, Israel can now be expected to be even more adamant in its opposition to the PLO.●

AMENDMENTS SUBMITTED FOR PRINTING

TAXES, TECHNICAL CORRECTIONS ACT OF 1977—H.R. 6715

AMENDMENT NO. 1732

(Ordered to be printed and referred to the Committee on Finance.)

Mr. McCLURE submitted an amendment intended to be proposed by him to the H.R. 6715, the Taxes. Technical Corrections Act of 1977.

NAVIGATION DEVELOPMENT ACT—H.R. 8309

AMENDMENT NO. 1733

(Ordered to be printed and to lie on the table.)

Mr. McCLURE (for himself and Mr. CHURCH) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 8309) to authorize certain public works on rivers for navigation and for other purposes.

AMENDMENT NO. 1734

(Ordered to be printed and to lie on the table.)

Mr. McCLURE submitted an amendment intended to be proposed by him to the bill (H.R. 8309), supra.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold a hearing on two bills before the committe, title I, of S. 807, and S. 2733. The hearing will commence at 9 a.m. on Wednesday, March 22, 1978, in the committee's hearing room, room 424 of the Russell Building. Senator MCINTYRE will chair. A witness list will be announced before the hearing. For further information, please contact the committee office at 244–5175.●

CAPITAL FORMATION PROBLEMS OF SMALL AND MEDIUM-SIZED INDEPENDENT ENTERPRISES

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business has scheduled a hearing on the capital formation problems of small- and medium-sized independent enterprises on May 15, 1978.

The hearing, to be chaired by Senator WEICKER, will commence at 9:30 a.m. at the American Stock Exchange, 86 Trinity Place, New York, N.Y.

Further information can be obtained from the committee offices, room 424D, Russell Senate Office Building, Washington, D.C. 20510, telephone (202) 224–8497.●

SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

● Mr. HATHAWAY. Mr. President, I wish to announce that the Subcommittee on Alcoholism and Drug Abuse will hold a hearing on Friday, March 24, 1978, at 9 a.m. in the auditorium of the Eastern Maine Medical Center, Bangor, Maine. The purpose of the hearing is to examine the alcohol and drug abuse problems of youth, women, and other underserved groups and to consider alternative community responses. For further information regarding the hearings, please contact the subcommittee office at 224–8386.●

SUBCOMMITTEE ON PUBLIC LANDS AND RESOURCES

● Mr. BUMPERS. Mr. President, on Tuesday, April 11, the Subcommittee on Public Lands and Resources of the Committee on Energy and Natural Resources will hold a hearing on S. 74, a bill to amend the act of October 20, 1976 (Public Law 94–565) to include payments for lands on which certain semiactive or inactive military installations are located.

The hearing will be held in room 3110, Dirksen Senate Office Building and will begin at 10 a.m.

Anyone who wishes to testify at the hearing or who has questions concerning the hearing should contact Steven P. Quarles, counsel to the subcommittee at (202) 224–3349.

Anyone wishing to submit written statements for the hearing record should send them to the Subcommittee on Public Lands and Resources, room A–420 Senate Annex, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

DRUG TRAFFICKING: THE FRENCH CONNECTION—IS IT BACK IN OPERATION?

● Mr. PERCY. Mr. President, Andrew Borowiec for the Chicago Daily News recently reported the discovery of what appears to be a reemergence of the notorious "French connection."

In a recent drug raid, French police confiscated 40 kilograms, 88 pounds, of pure heroin that would fetch $200,000 a kilogram 2.2 pounds, at street prices. The processing lab was detecting at La Ciotat near Marseilles and the heroin was intended for shipment to the United States. There is speculation that this French lab represents an effort to revive the old Marseilles heroin distribution route because of recent crackdowns on Turkish and Chinese connections.

French and American narcotics officers virtually sealed tight the "French connection" in 1972–73. As a result, the Chinese connection grew by leaps and bounds. Heroin, produced in Laos, Burma, and Thailand, was shipped to Amsterdam and distributed from there. After Dutch police completed several successful raids last year, heroin distribution shifted to the "Turkish connection."

Opium growing is a centuries-old tradition in Turkey. However, in response to U.S. Government pressures, Turkey banned the production of opium in 1973. In 1975, due to massive opposition from opium farmers, the Turkish Government lifted the U.S.-induced ban on opium production. Since that time, there has been an increase in heroin going to Europe and the United States from Turkey, Lebanon, and Iran, notwithstanding death penalties for drug-peddling and processing in Iran. Most of the transhipment of Turkish heroin to the United States and throughout Europe originates in West Germany, now perhaps the major drug distribution center of Europe.

Recently, West German police began attacking the "Turkish connection" with limited success. In 1977, more than 500 young German addicts died of drug overdoses. These deaths, and huge amounts of heroin moving through West Germany, have alarmed authorities and have precipitated an immense campaign to wipe out the "Turkish connection."

These crackdowns may drive underworld drug traffickers back to the former Marseilles route. The recent drug seizure at La Ciotat indicates that the "French connection" already may be on the rise.

Mr. President, I ask unanimous consent that Andrew Borowiec's highly informative article, "France Fears Rerun of French Connection," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, Feb. 18–19, 1978]

FRANCE FEARS RERUN OF "FRENCH CONNECTION"

(Andrew Borowiec)

PARIS.—The scene would delight screen writers: A neat, white-walled villa near the blue expanse of the Mediterranean is suddenly invaded by French police. Whistles shrill and guns are brandished.

The catch is on a Hollywood scale, too: 40 kilograms (88 pounds) of pure white heroin, of the quality Marseilles "specialists" are proud of. Known among profes-

sionals as "H 4," it fetches on the European market $200,000 a kilogram (2.2 pounds).

But the heroin discovered earlier this month in the clandestine lab at La Ciotat near Marseilles was not meant for local resale. The seven persons arrested in connection with the raid apparently confessed to police that the shipment was destined for the United States.

The announcement caused consternation in France. Is the infamous "French connection" back in operation? giant headlines asked.

Bombarded by reporters' questions, French narcotics police had no immediate answer. The lab at La Ciotat could have been an isolated effort to start the traffic again after American and French narcotics agents virtually killed the "connection" in 1972–73.

However, it could also represent a new concerted effort by the Marseilles underworld "financiers" and local "chemists" to again seize control of the profitable racket from the hands of expatriate Chinese and Middle Eastern operators.

According to Paris-based INTERPOL, the "French connection" has been replaced by two new ones: the "Chinese connection" and the more recent "Turkish connection."

The "Chinese connection" is masterminded by "exporters" in the so-called "Golden Triangle" of opium-growing countries: Laos, Burma and Thailand. The heroin refined in Thailand and Malaysia was transported by couriers mainly to the Dutch port of Amsterdam. There, a crime brotherhood thriving among the 30,000-strong Chinese expatriate colony would take over further shipments.

TRAFFIC PROLIFERATED

Until the Dutch police began a series of sweeping and successful raids last year, the traffic grew by leaps and bounds. The seizures illustrate its extent: In 1973 only 28 kilograms of heroin were seized, but in 1976 the haul was 644 kilograms.

The "Chinese connection" fell on hard times in 1977 with the expulsion of 900 smugglers from Amsterdam.

And that's when the "Turkish connection" moved in, backed by big money from such countries as Lebanon, Iran and Turkey itself and using opium grown mainly in Turkey.

The growing of opium is a centuries-sanctioned tradition in the Turkish region of Anatolia. The government condoned opium farming, ostensibly for use by medicine manufacturers. But tons of opium gum were put aside, transformed into morphine base and eventually shipped to Europe and the United States.

Because of U.S. government pressures, Turkey discontinued opium growing in 1973. Massive opposition by opium farmers and traditionalist agricultural lobbyists eventually forced the Turkish government to lift the ban in 1975. Officially, there are controls and quotas. In practice, they mean little. There is no drug problem in Turkey itself.

The apparent dismantling of the "French connection" with its clandestine laboratories in the early 1970s prompted Turkish exporters to look for "chemists" elsewhere. Turkish specialists can only transform opium gum into morphine base. They have no know-how as far as heroin is concerned.

Such know-how as eventually was found in Iran, despite the fact that the regime of Shah Mohammed Reza Pahlavi punishes any drug peddler or "chemist" by death before a firing squad.

In the past year or so, European distributors were receiving large shipments of processed heroin via the "Turkish connection." While West Germany has become the main receiving area because of the large number of Turkish laborers living there, Amsterdam, Rotterdam and other North Sea ports are being used for shipment to the United States.

During 1977, West German police began attacking the "Turkish connection." The results, so far, have been limited: Only 50 kilograms of heroin have been seized on Turkish laborers.

The birth of the "Turkish connection" has made West Germany into the major drug distribution center in Europe. But a lot of heroin remains in West Germany, causing increasing concern for the authorities. In 1977, more than 500 young German addicts died of drug overdoses.

The dramatic increase in heroin-caused deaths has, understandably, alarmed the West German authorities. There are indications that a massive campaign to wipe out the "Turkish connection" is being prepared.

Consequently, the possibility that those who mastermind the drug traffic are thinking again in terms of the old Marseilles route has not been rejected. The discovery at La Ciotat could be the beginning of a new round in the war against the "French connection."●

SENATOR GLENN'S DALLAS SPEECH PUBLISHED AS PART OF MAJOR NEW BOOK ON MAGNET SCHOOLS

● Mr. KENNEDY. Mr. President, in the Spring of 1976, I joined Senators Hubert Humphrey and GARY HART as cosponsors of Senator JOHN GLENN's bill, the School Integration Innovation Act. That bill provided the first specific legal authority for Federal assistance in the form of emergency school aid money for the purpose of establishing and operating magnet schools. I joined Senator GLENN as he led the fight that ultimately resulted in the enactment into law of his bill as part of the Education Amendments of 1976. Thanks to the very able assistance of my colleague from Massachusetts, Senator BROOKE, and Senator MAGNUSON, funding was obtained for fiscal year 1977 and 1978.

Today, we see magnets functioning across the country in communities undertaking desegregation. Many of them are being funded with some assistance from ESAA, thanks to Senator GLENN's legislative initiative. In Boston, roughly one-fourth of the district's students are enrolled in magnet schools.

This is an exciting new development in education and much of the expertise and thought surrounding it appears in a new book "Magnet Schools: Legal and Practical Implications" edited by Nolan Estes and Donald R. Waldrip. Included in it is an excellent speech delivered by Senator GLENN at the First Annual International Conference on Magnet Schools held last March in Dallas, Tex. Senator GLENN's speech is a thoughtful and incisive treatment of the legislative process as it operates in this most difficult of subject areas. Incidentally, I noticed that Senator GLENN, in his speech, mentions his very able legislative assistant in this area, Reginald Gilliam. Prior to joining Senator GLENN in 1975, Mr. Gilliam was an outstanding young administrator and professor of political science at Williams College in Williamstown, Mass. Williams, under the leadership of President John W. Chandler, has obviously continued its long tradition of contributing many of its great faculty and student talents to the national policy arena.

I urge my colleagues to read Senator GLENN's speech and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

LEGISLATIVE IMPLICATIONS OF MAGNET SCHOOLS

(By Senator JOHN GLENN)

INTRODUCTION

(Senator John Glenn of Ohio is committed to the concept of Magnet Schools. In the following paper, he explains in some detail the work he has done in Washington, D.C. that has led to the financing of that commitment. Since Senator Glenn's presentation to the conference in Dallas, his congressional bill, the School Innovation Integration Act, enacted the fall of 1976 as P.L. 94–482, has been funded for the Fiscal Year 1977 and 1978.)

When one addresses the subject of Magnet Schools in our society—schools that draw from a broad population, and which attempt to remedy an enormous range of educational, social, familial, and governmental ills—one is addressing, basically, the subject of the incredible interrelatedness of our society. Changing one element here has an effect there—perhaps in an unexpected way. Even in more conservative terms, keeping the *status quo* in one area causes repercussions in another. Our personal lives and the lives of our institutions are so interwoven, in fact, that it is virtually impossible to make a change in one part without affecting the whole. Yet none of us is big enough, bright enough, strong, powerful, or brave enough to tackle the whole with all its ramifiactions. So we work a little at a time, making small improvements here, and putting out fires on the other end that may result.

Given all the diverse elements in our country, we have developed such a complex, interrelated society that we exist in a kind of modern-day, colonial village where each part pulls its own weight, operating for the good of itself as well as for the good of the whole. If one part breaks down, the other parts suffer. In the old colonial village, there was the cobbler down the street here, the buggy-maker over there, while the vegetables were grown behind the house in yet another place. Consequently, one needed very little from outside that colonial village. But, today, that village concept has expanded so greatly that the garden is in central California, the buggy-maker is in Detroit, and the cobbler probably is not even in this country; he is probably in Italy or another remote place; for today we import about fifty percent of our shoes.

Our expanded interrelationships can be epitomized by the events of a few years ago, in which the drawbridge operators in New York went on strike. Since there were only about 800 drawbridge operators in New York, everyone thought, so what? It's a joke! Who cares if a few guys want to go on strike? It was a joke—that is, until a few days after the strike was in effect. Then the people on Wall Street were not getting to work; they were running a reduced ship, and, to make a long story short, the entire economic system of our country and of much of the free world was beginning to grind slowly to a halt, simply because of that strike. The 800 drawbridge operators of New York bringing the economic free world to its knees? How much more interrelated can we get?

Similarly, when we talk about Magnet Schools today—seemingly a minute area of our society to focus upon—we are talking about that modern-day colonial village. You all know this just as well, or probably better, than I do. When I look at the very challenging program you have laid out for the next few days of this symposium, I feel a bit like

a kid from the farm club during spring training trying to teach big leaguers how to bat. You have been working out in the field on these problems, and I have done a little bit in Washington, but I still think you are far more familiar with many of the details and problems than I. Even the laymen in our urban centers have some appreciation of the significance of Magnet Schools and a basic knowledge of how they function.

I would like to take a few minutes here to discuss my bit of business in Washington that has, I think, complemented your field work in this area. I am referring to the School Integration Innovation Act, and the legislation I introduced in the 94th Congress which stands today as the only federal law that authorizes U.S. money for Magnet Schools—in cases where the schools become part of a desegregation plan.

First, here are some of the underlying assumptions and attitudes that went into my drafting of No. S-3319, as the bill was numbered. The goal, as I saw it from the beginning, was to provide schools with superior education—education so attractive to all racial groups that integration would occur naturally, rather than as a result of a governmental requirement. Although I think that some federal judges have moved almost instinctively toward mandatory transportation, I did not offer the bill as a means of short-circuiting court-ordered busing. There are, I believe, some intransigent school systems left in our country which, unfortunately, will not budge from thoroughly segregatory patterns that should have been corrected years ago. I have felt all along that, if the courts as a last resort need busing as a tool—although we hope not the *only* tool—then we will just have to keep this remedy available.

But there should be other options, a variety of different methods available. And to this end I have made efforts to help provide for and to encourage other options and remedies. Having said that, I must say, too, that I still believe the turmoil surrounding this emotional issue has been negative and counter-productive, playing in disheartening fashion upon the legitimate and very understandable concerns of parents.

I introduced the School Integration Act last April, almost a year ago. At the same time a companion bill in the House was sponsored by two other Ohioans, John Seiberling from Akron, and Charles Whalen of Dayton, one a Democrat and one a Republican; so we had bipartisan support. One of the principal architects of this bill, a man present with me today, was Reg Gilliam, from my staff. Reg is an educator, a former professor and dean at Williams College. He is also an attorney and is from the Harlem area of New York City. He is an outstanding expert on the subject we are addressing.

When we began work on this bill, we thought we needed about one billion dollars to start the program. So, in the bill, we called for an expenditure of one billion dollars a year for the *Emergency School Aid Act* with newly authorized activities that would include:

1. Construction and operation of Magnet Schools. (Now, obviously, when we put the word "construction" in there, the cost went up. We did not get the construction money, and so the cost was scaled down considerably. However, originally that was our number one objective.)

2. Pairing specific schools and programs with specific colleges, universities, and leading businesses in the cities.

3. Development of plans for construction of neutral site schools.

4. Construction and development of education parks.

5. Education programs, specifically designed to improve the quality of inner-city schools.

The bill was carefully designed and drawn. I drew on the expertise of Reg Gilliam since, as I indicated, he is not only an attorney but a professor of political science as well. We also consulted other educators and educational systems throughout the country about the merits of the bill, and I imagine that some of you here today were contacted while we were getting the bill ready. We drew a great amount of support throughout the country and, if you want further information about that, I would refer you to our hearing record of August 5, 1976.

In the House, on HR-14365, you will find statements of support, as well as critical comments on our bill. There was not, of course, unanimous support for the bill. But the intent of the bill was very clear. We wanted to provide direct federal funding so the localities involved in school desegregation disputes would be able to design a full range of remedies for problems encountered in school desegregation. Our hope was that, by increasing available remedies, and by having these additional remedies stress educational methods significantly improving educational quality, we might encourage increased voluntary integration, while reducing mandatory transportation as a means to accomplish desegregation.

Of course, we realize, and we clearly stated this, that our bill in no sense sought to reduce legal authority to correct a constitutional wrong, by whatever means. In fact, our bill was designed to work independently, or in conjunction with transportation orders, as well as to encourage a combination and variety of desegregation methods. In short, we envisioned the bill as a mechanism to fund a full range of programs to help accomplish desegregation, whether court-ordered or not.

Here is a brief description of the features of our bill—features that are novel, positive, and constitutionally sound ways of attacking a problem that has its real roots in segregated housing patterns, job discrimination, unemployment, and other elements beneath the tip of the iceberg we call "school desegregation." (Recall, in this connection the interrelatedness of our modern colonial village . . .) It is in this context that I cite our original proposal to provide funding to encourage parks and neutral site schools. We thought that, by encouraging building or developing convenient, centrally located schools, or cluster schools, we might then establish more long-term and effective methods of education designed to attract students from different racial backgrounds.

While what finally passed Congress did allow for neutrally-situated schools, it is indeed unfortunate that poorly-articulated fears of so-called "metropolitan area solutions" resulted in the striking out of a clause encouraging more educational parks in traditional feeder patterns in convenient locations. We had better luck in winning authorization for the development of, and operation of, Magnet Schools—schools established on a city-wide basis or within a zone that had specialized educational offerings; that, when well-administered, would prove capable of attracting integrated student bodies—schools like the William Monroe Trotter School in the heart of black Roxbury of the Boston area. Waiting lists last year included 235 white students wanting to get into the school.

Whitney Young Magnet School in Chicago opened in 1975, specializing in science, medical arts, and performing arts—three options at one location—and expected to enroll about 2,000 students. In a meeting a couple of days ago with Jesse Jackson, in which we spoke of a whole range of educational options, Jesse spoke happily of the fact that his own daughter had just been accepted into Whitney Young Magnet High School. I might mention that in Chicago the Magnet School concept is beginning to get a great reputation.

Still another example is Houston Technical Institute, which functions as a special purpose high school, drawing students from throughout the city. St. Louis and Boston businesses and institutions of higher education have likewise been deeply involved in carrying out several cooperative magnet programs with local Magnet Schools. As for Cincinnati magnet programs, they have drawn 1,076 students back from private schools. These programs are working!

Dan Levine and Connie Moore of the University of Missouri are in the process of completing a major work in an attempt to determine whether the use of Magnet Schools and magnet programs are indeed as promising and educationally sound as they appear to be. Levine and Moore have identified four prime goals in urban education that Magnets might yet achieve, and which I would like to present to this conference for consideration:

1. Maintaining and improving racial balance in the public schools.

2. Maintaining and improving social and economic balance in the public schools.

3. Improving the opportunity structure for inner-city schools.

4. Contributing to the long-range development of the central city and metropolitan area, particularly through renewal of the inner city and stabilization of integration within communities.

I believe that Magnets can help accomplish these four goals, *if* they are well-administered, and *if* they avoid some of the following pitfalls:

1. Do they merely represent new labels for old programs?

2. Do they draw only the brightest students and best teachers, leaving the remainder of the school system under-resourced? Or are they really a part of a balanced, over-all plan to enrich the entire school system?

3. Are there too many Magnets in a given area, thus diluting the effectiveness of Magnets as schools that draw racially diverse students in significant numbers?

4. Are the Magnets sufficiently tailored and planned so as to be complementary to the neighborhood schools, as well as to the plans of the city as a whole?

We succeeded in winning seventy-five million dollars' authorization over two years in start-up money for this proposal. However, along the way, because of the tortured climate in which we operate in this area, none of the educational issues and questions was addressed. We were told at various stages that there should be no federal involvement in construction; that our bill was a sheep that would be gobbled up by the vocal anti-busing wolves; that our money figure, whether one billion or seventy-five million, was only a drop in the bucket. Yet all of this, all of this emotional turmoil when there are, according to Professor William Taylor of Catholic University Law School, only about 130 school districts in the entire nation involved in school desegregation proceedings! I think it is very reasonable to assume that we can target aid to these areas and that this aid can make a difference. I truly believe we can make a start in doing things that should have been done many, many years ago; things that, if they had been done, would have reduced some of the necessity for many of the court-ordered busing decrees we have today.

One of the most disturbing things I found when we got into this whole thing was that HEW, according to its staff, lacked authority to use its planning money, or in fact any of its money for many of the activities authorized by S.3319. So before anyone ridicules the seventy-five million that finally was author-

ized over a two-year period as being inadequate for the task, let me say this: I think that, even if we had no actual authorization or appropriation money for this bill, we should still find it worthwhile in that it does provide clear legal authority to HEW to use some of its other planning funds for looking into the viability and the feasibility of Magnet Schools across the country. So the bill has had that great benefit, quite apart from the direct authorization of dollars that we provided for in the bill itself.

We had difficulty getting through just in terms of discussing problems. I was not on any of the committees directly involved with the bill. I did have good co-sponsors on the bill, people who shared my views. Some of these were Senators Hubert Humphrey of Minnesota, Gary Hart of Colorado, Ted Kennedy of Massachusetts. We did have clout, and used it the best we could. The billion dollar figure scared a lot of people, and I'll tell you, when you get before the Congress these laws and you combine the word "billion" with the word "integration," you've got problems! So we didn't get all we would have liked.

We have published a number of articles in the Congressional Record—articles that include testimony from some of you people here today—because it is important to get this information to all parts of the country. We have attempted to make a balanced entry, so some of these articles include views both pro and con on Magnet Schools, neutral sites, and educational parks. I think it very important that Magnet Schools not get lost and go unrecognized. In that spirit, I would like to pay tribute to some of our people in Ohio: to Dr. Waldrip, for one, for the noteworthy work he has done in Cincinnati with alternatives and Magnets. And to Dr. Paul Briggs in Cleveland, who has also done excellent work in this field.

My primary goal is quality education for our nation's young people; and, in that context, Magnet Schools constitute a very long stride on a very long avenue in the right direction. I am aware, too, that some communities in earlier years used Magnets for reasons not limited to integration, but for the educational excellence they provide. This excellence they can continue to offer, quite apart from the issue of integration. And now, in our time, they can also provide a very much needed alternative to mandatory transportation, which so upsets some people in our society.

The great advantage of Magnet Schools today is that they enable many Americans to voluntarily achieve the goal of integrated, quality education on a hitherto unprecedented scale. That is why I have involved myself in this issue after only a little more than two years in Washington. I consider the enactment of the School Integration Innovation Act a matter of real pride and importance, and a vehicle by which we can all travel toward the great goals we have set for ourselves and for American education.●

TOP AMERICAN BANKER ON CLOSER IMF-COMMERCIAL BANK COOPERATION

● Mr. JAVITS. Mr. President, on numerous occasions—most recently in my floor speech of February 8 on the world economy—I have sought to bring to the attention of the American people the serious consequences for the international monetary system of the continued dependence of the nonoil exporting countries on external borrowing to meet their balance of payments needs. Close to 75 percent of this borrowing since the dramatic oil price increases of 1973–74 has come from the commercial banking system.

To begin to meet this problem, I have urged the commercial banks and the IMF to overcome their individual reluctance to work more closely with one another. I believe that it is essential that some form of institutionally sanctioned cooperation be developed between the private and official elements of the international monetary system to help insure that mistakes—due to misinformation and misperceptions—do not lead to the inadvertent unraveling of the international monetary system. That system is as far as possible in harmony.

Gabriel Hauge, chairman of the board of Manufacturers Hanover Trust Co., has made an important and objective contribution to the discussion of the issue in a recent article that appeared in the international financial journal, Euromoney. Mr. Hauge presents cogent proposals for bringing the banks and the IMF together. His proposals represent a positive response on the part of the commercial banks and merit close and serious analysis by all concerned.

Mr. President, I commend this article to my colleagues as an important first step in the dialog and request unanimous consent that the following article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE BANKS SHOULD WORK WITH THE FUND

(By Gabriel Hauge)

At the Tokyo meeting of the International Monetary Conference last May, I canvassed a spectrum of possible forms of collaboration between the International Monetary Fund and commercial banks as they related to financing balance of payments deficits.

Behind this concern is the stubborn fact that the gross imbalances in the international monetary system, whose proximate cause was the oil price increase of 1973–74, are not going to fade away any time soon. The redistribution of payments surpluses and deficits has involved the intermediation of the commercial banking system increasingly in the last several years to a point where the banks now hold some 55 percent of the estimated external debt of the less developed countries. Concern is more frequently expressed these days that private institutions will not be able to continue this major role in the future. Jelle Zijlstra, in his chairman's address to the annual meeting of the Bank for International Settlements this year, commented that, though commercial banks had been successful in their intermediary role, "things cannot go on quite in the same way as before".

Closer cooperation between the Fund and commercial banks may hold promise and should be examined. The IMF has access to extensive information directly germane to creditworthiness, as well as a unique capability to encourage national monetary and economic policies in constructive directions. The use of this power of conditionality has had considerable effect in improving the creditworthiness of borrowers in the eyes of commercial bankers. At the same time, it cannot be assumed that the resources of the IMF alone will be adequate to the task in spite of a history of replenishments and the funding of special facilities by member governments.

The banks and the Fund have already collaborated in certain situations as, for example, the recent restructuring of the external debt of Zaire. In 1970 a commercial bank loan to the Philippines was arranged simultaneously with negotiations by that country with the Fund for access to a third credit tranche. An economic stabilization programme was a condition of that drawing and the bank loan was made contingent upon adherence to the IMF programme. Failure to do so would have constituted an event of default under the commercial bank agreement. At the time this loan was negotiated, there were discussions between the bank and the Fund to assure a coordinated approach to the Philippine financing.

The current discussion of strengthened Fund-bank cooperation has generally focused on two matters: exchange of information and forms of co-financing.

The consultative role which the IMF plays vis-a-vis its members gives it special access not only to the latest statistical information, but to analytical and projective data as well.

Quite rightly, the Fund fears that its release of some of this information would jeopardize the forthrightness with which it would be given. At the same time the lack of comprehensive information complicates the decisionmaking process for commercial banks generally.

In the absence of reliable data, the degree of risk in lending is hard to assess. To the dismay of some bankers, others appear not to have been discouraged from offering large credit facilities by the absence of such facts. What seems to be even more foolhardy is the making of such loans without adequate covenants, conditions or rates.

LACK OF INFORMATION

Rene Larre, of the Bank for International Settlements, has pointed out the additional risk involved in country lending, due to the scarcity or even the lack of information on the total volume of indebtedness of many countries. He concludes that today's precarious world monetary order calls for closer cooperation among international organizations, such as the IMF, particularly in the area of exchange of information on indebtedness. If the Fund could make available the latest information on a country's external debt, its structure and maturities, he agreed this would go a long way to meeting the needs of commercial banks. The inquiry now under way by Mr. Larre's BIS, through the central banks of the Group of Ten countries, to obtain data on the total amounts, maturity profile and guarantee status of bank credits to countries other than those participating in the study is a pioneer effort in this direction.

As far as the IMF goes, the crux of the matter lies in finding a way in which the confidentiality of its reports could be maintained and yet useful information from them could be made available to potential lenders. There are, I believe, ways in which this could be done. Some were touched upon by U.S. Treasury Secretary Michael Blumenthal in his address to the IMC meeting in Tokyo. Recognizing the IMF's need for confidentiality in its relations with members and its reluctance to becoming a credit rating agency, Mr. Blumenthal, without endorsing any particular approach, suggested:

Providing staff reports and country assessments to prospective lenders on the basis of formal requests by the countries in question;

Publishing reports based upon its annual consultations with countries, again subject to approval of the countries in question;

Making available its reviews to help design stabilization programmes if requested by both prospective borrowers and lenders.

Let me suggest some possible lines for discussion. The IMF could, for example, design a report format which eliminated confidential information. To protect itself, the Fund could describe the provenance of the report and the conditions surrounding its preparation. Or perhaps another international body, such as the BIS, in conjunction with the IMF, might design a standard report form which it would recommend for use by commercial banks and individual countries. This report would be submitted to the banks and the IMF by the prospective borrower as a part of loan negotiations. Its distribution among commercial banks and the IMF would assure that the information would be considered "standard" by all potential lenders.

COFINANCING

Co-financing of loans, whether as joint loans or in some form of parallel lending, has also been raised as a potential field for cooperation between the IMF and commercial banks. The total external debt of non-oil LDCs to banks, official institutions and governments was probably close to $180 billion at the end of 1976. The aggregate current account deficit of the same countries is expected to continue at a level exceeding $25 billion per year to 1980. Including debt service, current financing requirements of non-OPEC countries exceed $50 billion annually and will continue to do so over the next few years. It is clear from these figures that both the resources of the IMF, regularly supplemented, and those of commercial banks will be needed.

One option, of course, is for commercial banks to select only those risks with which they feel comfortable under existing conditions. In this case, the IMF would presumably have to expand its resources to fill the gap. That this solution is far from simple is evident from the protracted nature of recent efforts to establish the so-called Witteveen Facility. The original amount requested was not specified, but it was widely reported to have been in excess of $14 billion. After months of negotiation with potential donors, including the OPEC countries, $10 billion was the sum pledged. Secretary Blumenthal has made the point that, "Legislatures are not prepared to vote the massive amounts of official funds, or guarantees, required for basic shift from reliance on private financing to reliance on official financing." Thus, a substantial continuing role for commercial banks would seem to be necessary if a stable international monetary order is to be sustained. Since the oil price increase, the IMF has financed only about 7% of the aggregate payments deficits.

In speaking of the IMF's power of conditionally, Arthur Burns has noted that, "One reason why countries often are unwilling to submit to conditions imposed by the IMF is that the amount of credit available to them through the Fund's regular channels is in many instances small relative to their structural payments imbalance. That will be so even after the scheduled increase in IMF quotas becomes effective."

Critics of closer cooperation between commercial banks and the Fund are concerned that 1) parallel financing schemes could lead to a credit allocation system in which the banks might be encouraged to lend only to an approved list of countries and, 2) some less developed countries fear that the IMF might become subservient to the banks. Such potential loss of independence, in this view, could lead the IMF to impose more demanding conditions on borrowing countries in order to enlist the participation of commercial banks.

Neither of these fears appears to me to be well grounded. None of the reasonable proposals put forward for improved cooperation suggests that either the IMF or commercial banks surrender traditional and necessary independence of action. What is being suggested is that there will be occasions when it is in the interest of all parties concerned to work together.

LEGAL PROBLEM

The charge has also been heard that some IMF lending in the past has been for the purpose of bailing out commercial banks which might have become overextended. If this were true, it would seem to imply that a close working relationship, indeed a form of collusion, already exists between the banks and the IMF. I have seen no evidence of this kind of abuse. The reverse is true. Commercial banks tend to feel more at ease with their country credits after the IMF has stepped in and, through its consultations, helped establish a viable adjustment programme. It would be unfortunate, indeed, if assistance to member countries from the Fund is shipwrecked on the rock of the bail-out allegation.

A legal problem relating to joint or parallel financing of loans has been the existence of clauses in IMF-country agreements which are confidential between the two parties. Commercial banks would, of course, find it impossible to be a party to a loan if all of the terms and conditions were not known. It would seem, however, that if a form of parallel financing were utilized with cross-default clauses this difficulty could be eliminated. Default under the commercial bank agreement, the terms of which would be known and accepted by the IMF, would result in default under the IMF agreement. Commercial banks would only be concerned about the contents of the IMF loan agreement in the unlikely event that the Fund declares the borrowing country in default under its agreement, in which case the country would be in general default. By the use of parallel but separate loan agreements co-ordinated through cross-default clauses, both the IMF and the commercial banks would be protected by the "conditionality" requirements of the IMF, which, in turn, would benefit from effective access to additional resources to meet its goals.

Mr. Larre has suggested an alternative to co-financing. If surplus international liquidity and its effect on inflation is a cause for concern, as it must be, the possibility should be considered of absorbing some of this excess liquidity through the Fund's tapping commercial banks for at least a part of its needs. Borrowing in private markets is permitted, I believe, under the Fund's Articles of Agreement.

There are other problems that would require attention in further Fund-bank collaboration. For example, a legal question arises from the fact that IMF lending is denominated in SDR's. Would this, in the case of co-financing with U.S. banks, run contrary to U.S. law related to maintenance of value" clauses? Again, if parallel financing were the vehicle, commercial bank loans could be denominated in the national currency of the lending bank (or another currency) and the IMF loan could be denominated in SDRs.

A further form of collaboration which might be explored would permit commercial banks to make certain loans, perhaps a portion of an IMF loan, under a Fund guarantee. This approach would allow both the banks and the IMF to retain freedom of action with respect to the conditions attaching to a particular loan situation. In addition to expanding available resources, his option might quiet criticism directed at both the banks and the IMF that some LDCs are effectively excluded from access to financial markets.

The demand for funds to finance balance of payments deficits will continue to grow. The role of commercial banks in the financing will remain substantial, even with Fund resources expanding. We must, therefore, explore new methods by which the financial resources of commercial banks can be prudently utilized. While the International Monetary Fund remains the keystone of the system, growing cooperation between the IMF, and the commercial banking system is an indispensable element of the future's financial arrangements.●

THE UNIVERSITY OF MINNESOTA AND THE NCAA

● Mr. ANDERSON. Mr. President, on Monday, March 13, 1978, the Subcommittee on Oversight and Investigations of the House Committee on Interstate and Foreign Commerce held a hearing on the penalties assessed by the National Collegiate Athletic Association (NCAA) in 1976 and 1977 on the men's intercollegiate athletic program of the University of Minnesota in the Twin Cities.

The House subcommittee, chaired by Representative JOHN E. Moss, has been holding hearings on the policies and practices of the NCAA's enforcement programs against member schools. The House investigation was prompted by a request to the Subcommittee on Oversight and Investigation by 69 Congressmen on September 15, 1977.

At the hearing on March 13, along with Congressman BRUCE VENTO who has been extremely deligent in bringing to the committee's attention the University of Minnesota case, I had the honor to introduce to the subcommitte the following administrators and present and former student-athletes from the Universiy of Minnesota: Dr. C. Peter Magrath, president; Dr. Stanley Kegler, vice president; Mr. Paul Giel, men's athletic director; Mr. Mychal Thompson, student-athlete; Mr. David Winey, student-athlete; Mr. Phillip Saunders, former student-athlete; Mr. Reed Larson, former student-athlete; Mr. Ronald L. Simon, attorney representing Mr. Larson.

Mr. President, on July 21, 1975, when the University of Minnesota was officially informed by the NCAA that its basketball program was under investigation, a period of anguish, frustration, and doubt began for the administration, athletic department, coaches, and students of the University of Minnesota, and for the citizens of Minnesota, that ended only this month when the university's basketball program suspension ended. The story of the university's dealing with the NCAA was told in great detail to the House subcommittee on March 13.

Mr. President, when my colleagues review the testimony I intend to introduce in the RECORD from the Minnesota hearing, I believe they will agree that the NCAA's conduct in the Minnesota case, particularly from 1976 forward, has been arbitrary, vindictive, and contemptuous of due process of law.

I have been associated with the University of Minnessota for 30 years. I attended the university, both as an undergraduate and a law school student, for 8 years. In addition, I was a member of the U.S. Winter Olympics hockey team in 1956 from the University of Minnesota. As a State legislator, I served on the appropriations committee for 6 years and dealt with the university's budget for many years. And, the budget and operations of the University of Minnesota was a key issue for me during my 6 years as Governor of Minnesota.

The investigation and penalization of the University of Minnesota's athletic program by the NCAA, particularly its impact on student-athletes, Thompson, Winey, and Saunders, is a sad and discouraging tale. While it is too lengthy for proper review at this time, it is covered in detail in the testimony of the Minnesota witnesses. But I do want my colleagues to know that I find it simply incredible that the University of Minnesota has been penalized as it has by the NCAA.

Mr. President, the careers of three college basketball players have been affected by the actions of the NCAA against the University of Minnesota. One of these players, Mychal Thompson, is everybody's All-American, broke the Big Ten scoring record, and is likely to be a first round draft choice in the pro basketball draft this year, and could have signed a professional contract last year worth millions of dollars to him. Mr. Thompson and two other athletes, David Winey and Phillip "Flip" Saunders, were declared ineligible for violations of NCAA rules.

To summarize, Messrs. Thompson, Winey, and Saunders were cited for, respectively, selling basketball season tickets for greater than face value; spending Christmas weekend and another weekend with a university graduate and basketball program supporter; using a WATS line for telephone calls where both personal and basketball issues were discussed, borrowing a car to travel to a summer basketball camp, and spending overnight gratis at the camp. For these violations, these basketball players were, in effect, ordered to be suspended by the NCAA, and the entire athletic program put on probation. The NCAA's rationale for these penalties was detailed to the House Subcommittee on Oversight and Investigations at the Minnesota hearing.

Mr. President, the NCAA and University of Minnesota dispute is all but complete, unless the NCAA chooses to allege further infractions against the University of Minnesota, for whatever the motivation. The university's athletic program suspension is over, the affected basketball players have all completed their careers as Golden Gopher basketball players, and the final legal action of the university against the NCAA has ended. But the frustration and anxiety that the university and these players suffered has not and will not.

As one Member of the Senate, I am prepared to act upon the recommendations that the House Interstate and Foreign Commerce Committee makes on the policies and practices of the NCAA, and am hopeful that the Senate Commerce, Science, and Transportation Committee will be interested in the results of the House investigation.

Mr. President, I ask unanimous consent that the opening statements of Representative JOHN E. MOSS and University of Minnesota President C. Peter Magrath and Vice President Stanley Kegler at the Subcommittee on Oversight and Investigations hearing on the NCAA on March 13, 1978, be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF HON. JOHN E. MOSS, MARCH 13, 1978

We continue this morning with our inquiry into the enforcement procedures and practices of the National Collegiate Athletic Association.

We started two weeks ago with serious charges of procedural deficiencies resulting in manifest unfairness to institutions and individuals. I note in the press that the hard skepticism with which some observers at first viewed those charges, has been softening remarkably as the days go by.

In our second day of hearings a fortnight ago we heard from no less than ten witnesses—coaches, athletes, alumni and distinguished university administrators—who expressed surprise and disappointment over the unfairness of the NCAA enforcement system when once they encountered it; bewilderment and frustration over their inability to effectively deal with it; and, for some of them, bitterness over the sheer harshness of the system.

It was not lost on us either that some of those witnesses were extremely reluctant to testify before this Subcommittee for fear of offending the NCAA. It is becoming increasingly apparent that trouble with the NCAA is trouble indeed, and that no one encounters it confidently.

Today we hear from representatives of another of this country's great institutions of higher learning, the University of Minnesota. We welcome the university's president, Dr. Peter Magrath and its vice president Dr. Stanley Kegler, both of whom have statements. Joining President Magrath and Vice President Kegler at the witness table will be Minnesota's athletic director, Paul Giel, two present student athletes, Mychal Thompson and David Winey, and a former student athlete at Minnesota, Phillip Saunders, presently basketball coach at Golden Valley Lutheran College in Minneapolis. A little later today we will hear from another former student athlete, Reed Larson, who continues his athletic career as a professional hockey player with the Detroit Red Wings. Testifying with Mr. Larson will be Ronald L. Simon, Esquire, an attorney from Minneapolis.

STATEMENT BY PRESIDENT C. PETER MAGRATH

Mr. Chairman and members of the Subcommittee, my colleagues and I appreciate the opportunity to appear before you this morning and to share with you some of our thoughts and experiences regarding the National Collegiate Athletic Association (NCAA) and, in particular, the University of Minnesota's much-publicized struggle with that organization. In my opinion, your decision to conduct these investigative hearings is both appropriate and timely. It would be all too easy for Congress to conclude that there are more pressing issues that demand attention, or that this subcommittee should ignore the sensitive field of inquiry which you have undertaken. In fact, that is precisely what some critics have argued ever since those hearings were first announced. However, I disagree with those individuals who impugn either the motivations of Congress or the appropriateness of your investigation. As a political scientist and a former professor of Constitutional Law, I place a high value on the Congressional function of investigating, reviewing, and airing issues of public concern. Clearly, such issues are raised by the enormous powers and questionable practices of the NCAA, and it is time, I maintain, to submit those powers and practices to the public scrutiny of Congressional hearings.

My strong endorsement of these investigative proceedings should in no way, however, be viewed as an attempt to evoke public sympathy for the University of Minnesota. Moreover, despite what some critics have insinuated, I am not interested in leading a witch-hunt that would result in the demise of the National Collegiate Athletic Association. Rather, I wish to go on record as supporting the necessity for some type of national organization to assist in the coordination of intercollegiate athletics, to maintain an appropriate and understandable body of rules, and to provide a just means for enforcement of those rules.

But I am also convinced that any enforcement agency whose practices and procedures are, at best, ineffective and, at worst, violate the very principles they are intended to further, must be reformed or replaced. No institution is indispensable or above self-improvement; no collective body should govern its members through a cumbersome, complex, and contradictory set of rules; and no organization should command monopolistic powers that enable it to stifle criticism through threats of expulsion or unduly coercive sanctions. My conclusion, Mr. Chairman, is both considered and sobering: If the National Collegiate Athletic Association cannot reform itself—and that is my personal preference—then Congress must intervene and mandate such an action.

It is my sincere hope that these hearings will provide the stimulus necessary for internal reform. With that objective in mind, let me proceed, first, to outline the unhappy relationship that recently existed between the University of Minnesota and the NCAA. Second, I would like to summarize several important lessons that should be learned from our particular experience. Third, my associate, Vice President Stanley B. Kegler, will outline some of the problems we encountered in our lengthy investigation of our athletic program. And finally, Vice President Kegler and I, along with Mr. Paul Giel, University of Minnesota Athletic Director, and Mr. Mychal Thompson, Mr. David Winey and Mr. Phillip Saunders, will attempt to respond to any questions you might have.

July, 1975, marked the beginning of our episode with the National Collegiate Athletic Association. At that time, the University of Minnesota received a letter of inquiry from the NCAA, alleging numerous violations in our basketball program. We responded immediately and in good faith by undertaking an exhaustive investigation, one that consumed thousands of staff-hours, thousands of dollars, and one that eventually produced a 43-pound document of self-incriminating evidence.

We cooperated in every way possible, and the Association even commended us for our exemplary investigation. What we found caused me, the University community, and many Minnesotans a great deal of embarrassment. The plain and unvarnished truth was that from 1973 to 1975, the University failed to monitor the actions of a basketball coach who firmly subscribed to the belief that "Winning isn't everything, it's the only thing." This particular individual, together with several over-stimulated athletic supporters, engaged in violations that created a climate which was contrary to good sportsmanship and alien to the ideals of the University of Minnesota. Following our exhaustive investigation, we were not afraid to find ourselves guilty of many infractions, nor to admit our mistakes publicly and to suffer the consequences. We accepted our penalties without appeal or recrimination, and we took immediate effective action to prevent future violations.

The irony is that a university which tried so very hard to purge itself of wrongdoing, and that later would be commended by a U.S. Circuit Court for a thorough investigation, would one day find itself in a two-year struggle with the NCAA over the rights of

three basketball players. The students, Messrs. Saunders, Winey, and Thompson, became victims of what Justice Myron Bright of the Circuit Court of Appeals for the 8th District called "punishment which seems grossly disproportionate to the offenses committed by the three student athletes." It is not necessary to detail the specific offenses referred to by Justice Bright. Let me only say that Mr. Thompson's violation involved the selling of two complimentary tickets for more than face value. Mr. Winey was accused of spending two holiday weekends at the vacation home of a basketball booster, and Mr. Saunders purportedly made several telephone calls on a WATS line and stayed overnight at a summer basketball camp operated by his coach.

More important than the alleged violations was the unique brand of justice the NCAA applied to the students. Because we resisted the Association's attempt to impose its questionable enforcement procedures upon the three athletes, we found ourselves locked in a series of courtroom battles with the NCAA. The basic issue in these struggles have become extraordinarily clear over the past two years, although during the initial stages of the controversy, neither the issues themselves, nor the implications of certain actions, were as clear and understandable as they are today. As a result, both the University and the Association made a number of mistakes.

Yes, I am not afraid to admit that my colleagues and I did make mistakes. We erred, for example, in our response to the NCAA's initial directive that we declare the three students ineligible. In December, 1975, the Association informed us that we were obligated under membership rules to take such an action, and should we fail to do so. we would incur additional institutional penalties. Unfortunately, in our haste to avoid further and harsher sanctions, we lost sight of our obligations to the three students.

Mychal Thompson's case illustrates this point. The Assembly Committee on Intercollegiate Athletics (the ACIA), which is a faculty-student group charged with the responsibility of deciding eligibility questions, conducted what were presumed to be pro forma hearings, designed only to expedite the matter of Thompson's eligibility. The ACIA informed Thompson that he, personally, or his legal counsel, could attend the hearings if so desired. However, Thompson was advised by one of the committee members that his attendance at the proceedings was not necessary, since should a declaration of ineligibility be delivered, the University would immediately appeal to the NCAA for restoration of his right to play, and that this appeal would be successful.

In retrospect, it is obvious that this advice was inappropriate, despite the fact that it was based upon the judgments of presumably informed officials from the NCAA, the Big Ten Conference, and our own institution. Subsequently, Thompson waived his right to appear at the hearing, and the ACIA complied with the Association's directives and declared him ineligible. However, the University's appeal for immediate restoration of Thompson's eligibility was unsuccessful.

Mr. Thompson was understandably disturbed by the adverse ruling and took the matter before a state court, where a temporary restraining order was handed down against the enforcement of the University's declaration of ineligibility. In compliance with the court order, the University scheduled a series of hearings designed to rectify our previous procedural error and to insure that the due process rights of Mr. Thompson, as well as those of Mr. Winey and Mr. Saunders, were fully accorded. Furthermore, we informed the Association of our plans, and in a confidential report, we were assured that such hearings could, indeed, be held—prior to the application of any NCAA rules.

Soon afterwards, in the spring of 1976, two separate faculty-student committees conducted due process hearings that, upon later review by four U.S. district court judges, were found to be (and I quote) "fair and impartial." The students, represented by their counsel, appeared before the committees. Witnesses were called, testimony was submitted, and a complete investigation of the alleged charges was undertaken. As a result of these proceedings, the ACIA determined not to declare the three students ineligible.

The NCAA's reaction to this ruling was emphatic and negative. It was apparent that the Association resented the imposition of any procedure that would result in a verdict contrary to that which it had preordained. In criticizing the decision of the independent faculty-student committee, the NCAA charged the University with failure to carry out its membership obligations. Thus, we had a duty to provide objective and impartial hearings, but, at the same time, we were told that if such hearings did not lead to the desired results—as predetermined by the NCAA—then we were in contempt of the Association's rules.

I submit, Mr. Chairman, that due process hearings under these circumstances are nothing short of a sham, both for students and the universities they attend. Any system of justice that allows only one verdict is fundamentally flawed. Equally perverted is any system of due process that permits the determination of guilt or innocence prior to judicial review. Such practices are clearly unfair and contradict the spirit of due process familiar to any American courtroom.

Our willingness to subscribe to the NCAA's interpretation of due process prompted the Association to place our entire men's intercollegiate athletic program on indefinite probation. This probation, which was added to the various penalties that had previously been levied, applied severe economic and psychological pressures against all athletic programs at the University of Minnesota—not just our errant basketball program. In taking this action, the Association was attempting to pressure the University to choose between the due process rights of three student athletes and the post-season tournament privileges of more than 500 other varsity players. The consequences of these options were obvious. If we, under continuing pressure from the NCAA, were to declare the three basketball players ineligible, we would be violating the State requirement of due process, as well as undermining the University's own well-established due process policies. If, on the other hand, we failed to comply with the NCAA directives, we would be unintentionally and indefinitely penalizing every student athlete at the University by incurring continued probation for the entire men's intercollegiate sports program.

Clearly, the choice before us was not easy; indeed, it was painful. After much deliberation, we made what we believed to be the correct decision, a decision consistent with our moral convictions. We would not sacrifice principle for expediency and we would not practice lifeboat ethics by throwing overboard the rights of the three student athletes.

Rather, we decided to continue to defend those rights as we understood them, seeking clarification and resolution of the matter through the courts. Accordingly, in October, 1976, we took our case before a U.S. District Court where presiding Judge Edward Devitt concluded that adherence to the NCAA's position would (and I quote) "make a mockery of due process," for it would permit only one verdict and would hardly protect the rights of the accused. Consistent with this philosophy, Justice Devitt enjoined the Association from enforcing its probationary sanction against our men's intercollegiate athletic program. Unfortunately, this reprieve was short-lived. Approximately one year later, the Circuit Court of Appeals overturned Justice Devitt's ruling, and in so doing, again placed the University in a no-win dilemma. One of the few remaining avenues of appeal was the highest court in the nation, and thus, we submitted a writ of *certiorari* to the Supreme Court, knowing full well that there was less than one chance in a hundred that the High Court would decide to hear our case.

As might be expected, Mr. Chairman, the actions we took to fulfill our due process responsibilities did not escape uncriticized. Internally, the situation that was forced upon us was divisive, as athletes were pitted against athletes, and coaches against coaches. A representative group of varsity players, called the Committee of Concerned Gopher Athletes, pleaded that we not sacrifice their rights and those of hundreds of other innocent student athletes simply to uphold the rights of three of their colleagues. That same message was echoed by members of the coaching staffs of the ten athletic programs affected by the NCAA's blanket probationary sanctions. Externally, some Minnesota newspapers accused me and my colleagues of being quixotic disciples of a lost cause. A spokesman for the NCAA even went a step further when he publicly dubbed our legal action as a grandstanding effort. In his mind (and I quote), ". . . institutions bring suits [against the NCAA] basically as a public relations exercise to show certain constituencies that university administrators care, and more than occasionally, to fog up the fact that institutional management did not handle matters as effectively or correctly as they should."

I can assure you, Mr. Chairman, I was not, and am not, interested in capturing headlines or obfuscating mistakes. As a university president, I know that there are far less painful and embarrassing methods for attracting attention than to become involved in a public battle with an organization as powerful as the NCAA. Moreover, there are far more discrete ways to cover up mistakes than to announce them before public courts and Congressional panels. The actual reason behind our position was a simple one: If the University failed to protect the due process rights of its students, then who would? Our answer was no one, and certainly not the NCAA.

For almost two years we upheld that conviction, until finally we were forced, by what amounts to competitive blacklisting, to declare the student athletes ineligible. We were willing to accept the NCAA penalties against our basketball program; we were willing to suffer the criticism that our actions propelled; and we were even willing to incur the harsh consequences of probation for our entire men's intercollegiate athletic program. But ultimately, we could not match the next ante in the NCAA's power play tactics; we could not risk the right of every basketball player in the Big Ten Conference to participate in postseason NCAA tournaments, and that was precisely the decision confronting the University on October 24, 1977, the day the Assembly Committee on Intercollegiate Athletics reluctantly voted to declare Mychal Thompson and David Winey ineligible.

Prompting the Committee's decision was an Association rule which applies to every athletic conference that participates in NCAA post-season play. According to that rule, any conference that wishes to qualify for post-season tournaments must be in good standing with the Association. Should even one school in the conference fail to be in good standing, then every other member also loses its automatic privilege to participate in NCAA-sponsored post-season play. Thus, had we not backed down, we would have jeopardized the rights of basketball players at

Purdue and Northwestern, the Universities of Michigan and Indiana, Ohio State and Michigan State, and every other member of our conference. Moreover, had we not capitulated, then it was quite apparent that the other Big Ten Schools would have either brought pressure upon us to comply with the regulations, or else they would have decided not to compete with our basketball team this season—and for very sound and understandable reasons.

So in the end, I'm afraid we buckled under to the pressure. I'm afraid we could not say to all the basketball players in the Big Ten Conference that we were willing to sacifice their rights because of our troubles with the NCAA. Yes, I confess, we did eventualy sacrifice principle for expediency!

Given this abbreviated sequence, I think it would be appropriate to bring to the attention of this committee some of the lessons that we learned from our experiences. The first lesson is extremely critical, for it explains the basis of the NCAA's enormous power and contradicts a popular myth. Simply stated, the NCAA is NOT a voluntary organization. Indeed, membership in the Association is as free-willed and spontaneous as paying one's taxes or complying with the regulations of the Internal Revenue Service—which, incidentally, are almost as complicated as the NCAA Manual. Only in theory does a university or college have a choice to join—or conversely, to resign from—the NCAA. If a major college or university wants to compete on the athletic fields, courts, and rinks of schools of a similar size and caliber, then there is absolutely no choice; you must be a member of the NCAA.

The NCAA's power to force an institution to join the organization and to comply with its rules also stems from the blanket incentives the Association commands. In effect, an unchallenged system of rewards and punishments enables the NCAA to regulate the intercollegiate athletic market with the immunity of a protected monopoly. One such mechanism is the NCAA's exclusive right to certain national television contracts and revenues. Last year, the Association distributed more than $24 million to its member schools, many of whom could not afford a conventional athletic program were it not for such outside income. If these revenues are taken away, there would be a severe erosion, and in some cases, a collapse of already financially pressed athletic programs.

University administrators and athletic directors are well attuned to this harsh economic reality and are understandably reluctant to jeopardize an important source of supplemental income by resigning from the Association. They also realize that institutional probation can be eqully catastrophic, resulting in denial of national television coverage, the forfeiture of an important recruiting vehicle, and the loss of critical revenue. And most of all, university officials and athletic officers are sensitive to the NCAA's unique interpretation of the Golden Rule: "He who has the gold, rules."

An equally effective incentive to maintaining membership is represented by the NCAA post-season tournaments. Not to belong to the Association is to forfeit any opportunity for a team or an athlete to compete in the NCAA championships. For many players, particularly those in the minor sports or in sports that accent individual events, the chance to participate in post-season competition is the highlight of the entire season, and in some cases, the highlight of an athlete's career as well. By controlled access to such events, the Association is able to force institutions to join its exclusive club and to abide by the club's rules.

Third, and perhaps most significant, the NCAA is able to maintain its monopolistic power through intimidation and threats of reprisal. My conversations with university presidents across the nation lead me to conclude that many college administrators simply back away from potential controversy with the NCAA. They realize what happens to a maverick school that strays from the NCAA's tight corral. They are well aware that any public criticism of the Association's administrative cadre is apt to be greeted with all the compassion of an avenging angel.

From firsthand experience, I assure you that the organization's staff takes a dim view of those who challenge its authority. For example, in the initial stages of our investigation, we found it necessary to request additional time to complete the lengthy and thorough review of our basketball program. As Dr. Kegler will shortly describe, the Association responded to our request, and a few public comments he made, by threatening to slap the University with an additional allegation of institutional noncompliance. The message was clear: When the NCAA sets a deadline, you meet that date, promptly and without public criticism.

In a second instance, I spoke during the halftime of a University of Minnesota football game. My remarks were short, and I hardly considered them controversial. I asked the assembled fans for donations to assist in paying some of the legal costs incurred in our litigation with the NCAA. Less than three days later, I received a terse letter from the Assistant Director of the Association requesting that I provide him with a verbatim copy of my halftime remarks, and furthermore, that I send him copies of any public remarks that I had made previously, or would make at any time, regarding the NCAA. Again, the implicit message was clear: I should not engage in such unsportsmanlike behavior as publicly criticizing the organization—regardless of what the First Amendment to the Constitution declares.

In a third instance, I referred to the NCAA's enforcement procedures as "a Rube Goldberg contraption gone mad." I argued that, "There is little that is fair about them, there is little that is rational about them, and in truth, there is probably little that is effective about them." This particular opinion seemed to incense some NCAA officials, as I was both publicly and privately reprimanded for espousing a view that I firmly believed at the time, and one that I continue to hold. Less than three weeks after I made that comment, the editor of the NCAA News published an article accusing me of obfuscating the issues, of pursuing a publicity campaign, of institutional mismanagement, of being an ungrateful recipient of NCAA largesse, and of "conjuring up visions of vigilantes stringing up innocent strangers from the limbs of cottonwood trees." Little did I realize, Mr. Chairman, that in one short statement I could accomplish so many things.

The propensity for the NCAA to respond to criticism with threats of reprisals serves as the basis for a second lesson. As I mentioned previously, the Association's hierarchy exhibits a disturbing lack of appreciation for First Amendment values and for constructive dissent to the point where a person who challenges the organization is regarded as a troublemaker and a target to be sniped at through the official house organs. However, the Association is seldom content to stifle criticism through editorial columns alone. Instead, there is a tendency to single out those schools that question the organization's authority for special public flogging, and in so doing, to reinforce upon all of the other Association members the price that is to be paid for institutional insubordination. The real tragedy, of course, is that in attempting to punish an institution or its administration, the NCAA often tramples upon those individuals the organization is pledged to protect, namely, the student athletes.

Let me illustrate this insensitivity through two examples. You will recall that the fundamental disagreement between the NCAA and the University of Minnesota concerned the due process rights of the three student athletes. For months, my colleagues and I had attempted to persuade the Association's staff that a due process hearing was not merely optional but, indeed, proper and mandatory. Eventually, and due primarily to a court order dictating that such a hearing be granted, the NCAA officials appeared to accept the legitimacy of this constitutional protection. However, I later discovered my mistake in assuming the staff endorsed, or even understood, this fundamental privilege. At a meeting in Kansas City to discuss the impasse between the Association and the University, I was informed, in no uncertain terms, of the relative value accorded due process when it came into conflict with the organization's policies and procedures. One of the Association's top ranking officials assured me, "Mr. President, I have no problems whatsoever with due process; you do what you have to do, but then you reach the right decision." The "right decision," as he went on to explain, was to fulfill our institutional obligation to the NCAA and only then to worry about the facade of due process. He also told me that I "would have to choose between the University's due process procedures and the Minnesota Constitution's procedures, and our loyalty and obligations to the rules of the National Collegiate Athletic Association." I could not help but conclude that this officer was far less interested in constitutional or legal principles than he was impressing upon me the high cost of membership in his organization. Unfortunately, the dues he demanded could only be paid by sacrificing the rights of the three students.

There is a second, and equally obvious, example of the NCAA's willingness to punish student athletes as a means of penalizing an insubordinate university administration. Let me cite the example of Mychal Thompson to illustrate this point. According to published accounts, the fourteen game suspension levied against Mr. Thompson was the longest suspension ever meted out for an alleged ticket sale violation. Only after a bitter legal struggle was the sentence commuted to eight games, but even this reduced penalty remains on the record books as the most severe sanction ever accorded in such a situation.

The fact that Mr. Thompson received this special treatment is hardly a coincidence. Rather, it is clear that he—and to a lesser extent, Mr. Winey and Mr. Saunders—was singled out to pay two additional debts, the first incurred by an overzealous basketball coach who had escaped unpunished, and the second incurred by a University administration that had resisted the NCAA's coercive enforcement procedures. In supporting this conclusion, let me read to you an observation made by one of the three judges on the Circuit Court of Appeals. After reviewing the unusually harsh sentences, this particular justice commented:

"In my judgment, the ruling of the Association visits the sins of the "fathers" (the University's basketball coaches) upon the relatively "innocent" sons (the basketball players). The obvious injustice of the NCAA rulings indirectly affecting the athletes in question seem to reflect some degree of vindictiveness, not necessarily against the student athletes but against the University of Minnesota, to punish it for the previous improprieties of the basketball coaching staff."

Mr. Chairman, there are several other important lessons to be learned from our experiences with the NCAA, but at this time, I will call upon my associates to share with you some of their impressions of the matters I outlined. Before I end my statement, however, I wish to emphasize one final point. If the events of this country's recent history teach us anything, they have made it clear that no investigatory and enforcement agency should be allowed to isolate itself from public scrutiny, criticism, and periodic review. Recent revelations have demonstrated

what happens to such organizations when left alone to develop their own traditions, value systems, and procedures. Unfortunately, we have seen that investigatory agencies can slip away from openness and into ways of doing business that might be technically aboveboard, but that in practice, are contrary to the very principles they are designed to protect. But fortunately, we have also observed that it is possible to submit these agencies to public scrutiny, and thereby, prompt constructive self-reform.

I sincerely hope, that as a result of this Congressional review, the same spirit of reform will be exhibited by the National Collegiate Athletic Association. In so doing, the NCAA will emerge as a vastly improved organization, one that is better able to serve student athletes, universities, and the American public. The interest, Mr. Chairman, that you and your Subcommittee colleagues have demonstrated gives me great cause for optimism!

Thank you, and I would now like to introduce University of Minnesota Vice President, Stanley B. Kegler.

NCAA TESTIMONY BEFORE THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATION

(By Stanley B. Kegler)

Mr. Chairman, members of the subcommittee. My name is Stan Kegler, vice president of the University of Minnesota; I supervised the investigation of the NCAA allegations into the university's men's basketball program.

One of my first memos to Dr. Magrath when he came to the university dealt with my belief that we had some problems in athletics, the exact dimensions of which I could not describe. This was based on memos by our former faculty athletic representative who had heard recurring rumors that we were under investigation by the NCAA or Big Ten athletic conference or both. Both he and Mr. Giel tried, even before our NCAA saga began, to verify or clarify the nature of the various rumors afoot. Our repeated efforts to discover the nature of the situation were aimed at the attempt to clean up our own act as soon as possible. Those efforts were, except for confirming an occasional rumor, fruitless. It was, however, our first signal of the level of cooperation we might receive from the NCAA.

When we reecived, in July of 1975, our epistle from Shawnee mission, Dr. Magrath and I contracted with a legal firm to conduct our investigation. We attached no strings but instead insisted that the investigators pursue the matter wherever it might lead. That may have been our first mistake.

Our directions to the investigators were based on some relatively simple assumptions: If we really did a good job and cleaned house, not only would our program be the better for it, but we were likely to be dealt with less harshly by the committee on infractions. We believed the emphasis should be on finding facts and setting up procedures to be certain problems did not recur; we discovered that the NCAA seemed much more interested in punishing someone. If some were beyond the grasp of the NCAA, so be it; those left behind—and the institution—were punished.

Our early difficulties with the NCAA stemmed from the fact that we believed them when they said that the investigation would be carried out in a cooperative manner. We also believed we were innocent until proven guilty and we believed, as the NCAA manual states, that self-disclosure would be considered as a mitigating circumstance in assessing penalties.

As I am sure you know, the NCAA alleges violations; the institution must adopt a kind of schizoid personality and investigate itself (while laying plans to defend itself at a hearing); it must develop corrective procedures and assess penalties against itself; then the committee on infractions decides if the institution went far enough and usually assesses further penalties.

It is ironic that one of the best such investigations resulted in a legal saga of the dimensions described by Dr. Magrath; one can only wonder if we hadn't done such a good job if the penalties might have been less harsh.

Let me turn to the investigation and to our relationship with the NCAA.

1. The first problem with the NCAA's policies and practices is the overwhelming number of allegations, both substantial and petty, which they require the institution to admit or to investigate and disprove, as well as the substantial requests for the collection of material. The NCAA compels the institution to put enormous resources into the collection of information on extremely petty, small and insignificant allegations of wrong doing. For example, two of our athletes were charged with receiving a Christmas gift from a representative of the university's athletic interests which turned out to be a small, felt book bag inscribed with the phrase "Ho-Ho-Ho" and having a cost of somewhat under $1.00.

The inclusion of these kinds of allegations causes the institution to spend time and money needlessly in the investigation and to be unnecessarily diverted from those issues which have far more significance to the overall athletic program.

2. Perhaps the greatest problem faced by the institution in attempting to investigate allegations is that NCAA's policy of providing the institution absolutely no assistance in conducting the investigation. When we requested information about the sources of the information contained in the allegations as well as copies of statements, etc., we were advised:

"The official inquiry . . . contains sufficient specific information concerning each allegation to enable the university to investigate and respond in an enlightened manner. For the most part, the individuals identified in each allegation reported the information upon which the allegation is based. Identifying the principals in each allegation provides the university with sufficient notice and adequate opportunity to conduct its own investigation consistent with the administrative and cooperative approach of the NCAA enforcement program."

While it is true that an unlimited investigation could unveil most of the same information made available to the NCAA, the waste inherent in such a duplicative investigation is enormous. I believe that the investigation that we conducted at the University of Minnesota could have been completed at less than half the cost and in less than half the time had we had reasonable access to the information upon which the NCAA was relying.

"Further, the NCAA carried this position to ridiculous extremes. One of the NCAA's allegations against the University of Minnesota involved the mother of an athlete. Although she was the primary source of information contained in several allegations involving transfer of a sizable amount of money and the behavior of a coach, and despite the fact that she had died between the time of her interview by the NCAA and the University's investigation, the University was unable to obtain access to the staff memorandum of interview with her. To quote from Warren Brown's letter to our investigator:

". . . (It) is the policy of the NCAA Committee on Infractions not to provide copies of staff memorandums to institutions involved in infraction cases. In the Committee's view, the extenuating circumstances in (this) case are not cause for a waiver of this policy."

This position, despite the staff's willingness to share in one very short paragraph from those memoranda, is simply incredible. Even the death of a key witness involving a man's future is described as an "extenuating circumstance" to deprive us of equal access to the facts.

Similarly, the NCAA had in its files a newspaper clipping relating to a particular allegation involving one of the central figures in the investigation. This newspaper clipping was offered during the hearing before the committee on infractions as proof of the staff's position. Although theoretically we could have reviewed all local newspapers during the entire period of time covered in the investigation (approximately six to seven years) for the purpose of finding this information and attempting to determine its validity, I hardly feel that such restrictive policies on the disclosure of information falls within the commonly-accepted definition of cooperative.

Finally, the NCAA takes an inconsistent position about the purpose to be served by this unwillingness to disclose information. On one hand, we were told by the NCAA that they do not provide the information because it is obtainable by us in the course of a thorough and "cooperative" investigation; on the other hand, the NCAA has publicly announced that it does not wish to turn this information over to institutions under investigation so as to make it more difficult for those institutions to escape the just results of their wrong-doing. In effect, the NCAA wants to present the image of cooperation while in fact being uncooperative.

3. The third problem with the investigation process is that the entire evidentiary process is often a matter of the staff providing hearsay evidence to the committee without the committee (at least to my knowledge) or the institution (as to which I am sure) ever seeing any hard evidence—either statements, depositions, memoranda of interview, or documents. At the hearing conducted with respect to the University of Minnesota, the staff could say whatever they wanted, true or untrue, without any ability by the institution to obtain or see the basis for the oral assertions of the staff.

The difficulty is compounded by the fact that the NCAA's enforcement procedures provide for no mechanism to even insure that the institution will be able to interview and discuss with its accusers the information being orally provided to the committee on infractions. For example, a student athlete at Wake Forest University refused to discuss the substance of his allegations against the University of Minnesota with University investigators despite significant assistance from the Big Ten office. While the NCAA staff indicated that it would attempt to make a request on our behalf, it also indicated that it had no authority to compel the athlete to talk to us. At the same time, the NCAA staff, without providing any documentation as to what the young man said, or without having him appear at the hearing for cross examination, orally advised the committee on infractions in an extremely conclusionary fashion of the "facts" provided to the NCAA by the student. Again, the institution doesn't have a chance to test the "evidence" or to have equal access to it.

Not only does the NCAA require an almost endless investigation into areas which most of the rest of the world would consider civilities, the amount of time to conduct the investigation, document the results and report to the committee on infractions is extremely limited. When I wrote to ask for an extension, only a brief one was extended—although we had precious little time to prepare the 1,400 plus page report to submit.

When I issued a statement, admittedly argumentative, on this matter, we received an additional letter citing another possible violation by me and asking the investigator to determine if I had acted in violation of the regulations governing good sportsmanship. After our investigator filed a lengthy statement, the allegation was dismissed by the Committee on Infractions as a personal mat-

ter between Warren Brown and me. But not until we had expended many hours of legal time better spent on other matters. Since the allegation was dismissed, I am not certain if I was certified by the NCAA as a good sport or not.

Let me conclude by referring to the problem which I believe is at the core of any institution's problems with the NCAA. The NCAA refers to an institution's "contractual obligations" with the NCAA. For all practical purposes, that is the manual with its policies, by-laws, interpretations and regulations. I would submit that at least one party—the institution—does not fully understand that contract.

Nor does that manual spell out in clear, understandable language what the "contractual obligation" is. Nor does it take into account the fact that institutions no longer operate "in loco parentis" in regard to actions of its students. Nor does it clearly spell out what or who representatives of our athletic interests are, for whose acts we may be punished even if not authorized—or even if we don't know who they are or what they're doing.

Not only does an institution not know that contractual obligation very well, it is not clear the NCAA does either. The tape of our December 18 hearing will reveal one veteran member of the committee on infractions—a professor of law, I believe—asking the staff, "is that our policy?"

Other members of the committee were equally unclear on who is "a Represenstative of the Institution's Athletic interests". Further, the answer to questions concernings, meanings, definitions or interpretations of the rules is all too frequently "well, we have always . . ." but yet, the institution or the investigator have no way of determining how the NCAA staff has "always" construed a particular rule, especially since many of the answers run contrary to established principles.

While I could go on at substantial length with other problems inherent in the investigatory processes used and imposed on institutions by the NCAA, and could give other examples of specific difficulties, I believe that I have stated the most significant difficulties encountered in our effort to conduct a thorough and complete investigation of the allegations made by the NCAA.

Although I am not an attorney, I believe I can say in conclusion that the manner in which the NCAA committee on infractions investigations are conducted runs counter to every established procedure utilized, to my knowledge, in legal or administrative hearings aimed at giving both sides an equal opportunity to present their case and to provide maximum truthful information to the decision makers.

To the extent that the decisions reached by the committee on infractions are often substantially accurate, the result is as likely to be by chance as it is likely to be a product of a meaningful investigatory process. Further, while an occasional inaccuracy in the findings of the Committee on Infractions might be a justifiable "cost" where the rights of an institution are concerned, the "costs" cannot be justified where a single or few allegations involve the rights of an individual student athlete or a coach.

Were I to make recommendations for change, they would be astonishingly simple:

1. Make the investigation genuinely cooperative with equal access to information on which allegations or wrongdoing are based:

2. Simplify the manual to make it understandable and enforceable;

3. Change the emphasis of the NCAA from punishment and retribution to correcting whatever problems exist.

Thank you for providing us with the opportunity to be heard.●

TRIBUTE TO ROBERT MOONEY, INDIANA JOURNALIST

● Mr. LUGAR. Mr. President, throughout my years in public service, it has been my privilege to work with many journalists, and none was more outstanding than my friend, Bob Mooney, a political reporter for the Indianapolis Star. His death on March 2, 1978, marks the end of a career which enriched the lives of Hoosiers for three decades. Bob Mooney was a man of remarkable talent and dedication and a cherished friend.

Known for his thoughtful political analysis, his regular column, "Politics In Perspective," highlighted activities and personalities in the news. Above all else, he strove for fairness in his reporting and in his dealings with fellow journalists and public officials. Only 3 days before he entered the hospital, Bob was named Newsman of the Year by the Indianapolis Press Club, a tribute to his reporting and to his character.

At his death eulogies were offered by Hoosier politicians and journalists who had the good fortune to work with Bob throughout his career. Each agreed that he was eminently qualified for the honors he received for his work, although he shied from such evidences of public recognition.

Perhaps his greatest tributes paid to him were offered by his fellow journalists, such as the following words written by Star reporter Tom Keating:

Thursday morning, when word of Mooney's death spread through the Star, work went on as usual. It is that way in a newspaper office. The phones keep ringing, the wire copy machines keep chattering. There is no moment of silence, no closing up for the day. The world doesn't stop making news. Nonetheless, there was a gap, as though someone had removed half the desks or an entire wall. We won't be able to replace Bob Mooney.●

VALUE OF LORING AIR FORCE BASE CONFIRMED

● Mr. MUSKIE. Mr. President, two recent developments—a statement by President Carter and an award presentation by the Air Force, lend positive support to the efforts to maintain Loring Air Force Base at current operating levels.

Mr. President, since March of 1976 when the Ford administration announced that Loring Air Force Base was a candidate for major reduction, Senator HATHAWAY and I, together with our colleagues from Maine in the House, have challenged the Air Force to justify the proposal to reduce the Strategic Air Command base. We have been assisted in the effort by the Save Loring Committee, a group of business and community leaders from the Limestone area who prepared detailed strategic and economic analyses of the proposed action.

Our challenge to the Air Force was based on these central arguments: First, the clear understanding that Loring, as the Northeastern-most Strategic Air Command base in the continental United States, is one of our most strategically located bases; second, a direct awareness that the local economy would be devastated if Loring were reduced; and third, our understanding that such a reduction was not the most cost effective alternative available to the Air Force, Events since the reduction was proposed have supported our challenge in all three areas.

The Air Force admits, in the environmental impact statement on the proposed reduction, that greater dollar savings could be achieved with alternative base reduction actions. And the Senate Appropriations Committee found that Loring Air Force Base was within the mid-range for base operating support costs, while six other Strategic Air Command bases exceeded the median cost level by more than 20 percent. One of those Strategic Air Command bases exceeding median costs had been listed as an alternative to the reduction of Loring in the early stages of the decision process but was subsequently dropped as an alternative candidate. These findings were included in the report accompanying the Department of Defense Appropriations bill for fiscal year 1978 (H.R. 7133) on pages 30–35.

The environmental impact statement prepared by the Air Force, and studies submitted in conjunction with it, supported our argument that the impact on the local economy would be severe if the Air Force proceeded with an 85-percent reduction of Loring Air Force Base. The initial environmental analysis by the Air Force was faulty and months were consumed while a new draft and final environmental impact statement were prepared. However, the result of these studies supported our initial contentions. The final environmental impact statement found that local unemployment could reach—

Twenty-two percent, a disastrously high rate for a fragile economy which depends on agricultural related employment as its other major economic activity—

And, further, that—

local units of government would be severely disrupted. . . .

Despite these findings, and despite the explicit requirements of section 612 of the Military Construction Authorization Act, it was not clear whether the Air Force and the Department of Defense would give consideration to the local economic impact. Then President Carter addressed the issue. At his town meeting in Bangor, Maine, on February 17, the President said he had asked Secretary of Defense Brown—

To reassess the decision made by the previous administration about Loring. And . . . to take into consideration, not just environmental questions and defense questions but also the economic impact on Maine of closing Loring Air Force Base.

The strategic importance of Loring Air Force Base, as the closest continental U.S. air base to the Soviet Union and closest on the great circle route to Europe, was recognized by President Carter and continues to be recognized by Air Force officials. A quick look at a map confirms that as simple truth, yet the Air Force analysis suggests that the strategic advantage of Loring's location is diminished by other factors, such as weather problems and limitations of Loring's capacity to support other do-

mestic units. An Air Force announcement early this month undercut that argument, however, when the 42d Bombardment Wing at Loring Air Force Base was designated the winner of the Omaha Trophy as the best wing in the Strategic Air Command for 1977.

Gen. Richard H. Ellis, Strategic Air Command Commander-in-Chief, announced that selection of the 42d Bombardment Wing at Loring Air Force Base—

Was based upon its mission effectiveness, outstanding Readiness Inspection, Buy None-exercises, and Combat Evaluation Group visits and Maintenance Standardization and Evaluation Team visits . . . The 42d was consistently a top performer in all areas.

The proposed reduction of Loring Air Force Base would include as a central cost-savings feature the dismantling of the 42d Bombardment Wing, the best wing in the Strategic Air Command. Indeed during 1977, the year for which the award was presented, the 42d Bombardment Wing was under threat of termination and Loring Air Force Base under threat of 85-percent reduction. Were it not for the efforts of the Save Loring Committee, the Maine congressional delegation and our Governor to point out the glaring deficiencies in the proposal to reduce Loring, the Ford administration would have proceeded to reduce the base and dismantle the very unit which instead survived to be designated as the best in the Strategic Air Command.

I am extremely proud that a unit in Maine has earned this distinction and congratulate the members of the unit who earned the award and their families in the community who supported them during this time.

I ask unanimous consent that the announcement of the award, the regulations describing the award, and the Bangor Daily News story relating these events be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD.

Mr. President, no institution in Government or in the private sector is anxious to reverse a proposal set in process toward a final decision and action. We in the Congress are perhaps more fickle than most, but even here proposals gather a momentum which becomes an important if unspoken factor in their final disposition. But with the proposal to reduce Loring, I am pleased to say, the Carter administration appears willing to challenge the momentum of the proposal and demand that a decision be made on the merits. I have always been confident that, on the merits, Loring would be retained at full strength. The evidence supporting that position continues to grow and I am increasingly hopeful that a classic military snafu will be avoided in the end.

LORING WINS OMAHA TROPHY

HQ SAC (SAC PS).—The 42d Bombardment Wing, Loring AFB, Maine, has won the Omaha Trophy as the best wing in Strategic Air Command for 1977.

Gen. Richard H. Ellis, SAC Commander in Chief, announced the award March 2.

The 42d BW selection was based upon its mission effectiveness, outstanding Operational Readiness Inspection, Buy None exercises, and Combat Evaluation Group visits and Maintenance Standardization and Evaluation Team visits, according to SAC Operations Officials.

The wing also had outstanding maintenance and support ratings, and flew an accident free year in 1977.

"The 42d was consistently a top performer in all areas," one official said.

THE OMAHA TROPHY

This regulation establishes the Omaha Trophy Award to annually recognize the outstanding wing in the Strategic Air Command, states eligibility criteria, and tells how the selection will be made.

BACKGROUND OF THE TROPHY

On the 25th Anniversary of the Strategic Air Command (SAC) the citizens of Omaha, through the SAC consultation committee, presented the Omaha Trophy to the CINCSAC with the request that it be awarded annually to the outstanding wing in SAC. The Chairman of the SAC Consultation Committee will provide the SAC Chief of Staff a miniature trophy for permanent retention by the winning unit.

ELIGIBILITY

All SAC wings or comparable organizations are eligible for the award.

SELECTION CRITERIA AND PROCEDURES

a. The trophy will be awarded to the outstanding wing in SAC based on overall performance for the previous calendar year.

b. The CINCSAC/DO, as OPR, will conduct the voting by forwarding a ballot with an attached letter of instruction to CINCSAC/AC, DE, IN, LG, DO, DP, XP, IG and SG. These agencies may devise their own selection criteria to determine the unit vote. Consideration will include, but not be limited to, mission effectiveness, flight safety record, the results of Operational Readiness Inspections, Strategic Missile Evaluation Squadron or Combat Evaluation Group visits, Maintenance Standardization and Evaluation Team visits, Commanders Annual Facilities Inspections, and SAC Bombing and Navigation Competition or Missile Combat Competition. The units overall contribution to the accomplishment of the SAC mission should be the determining factor. Do not generate additional reports to facilitate the selection procedure. The voting will be tabulated by DO and presented to the CINCSAC for approval. The results will not be announced until approved by the CINCSAC.

PRESENTATION

The winner will be notified by congratulatory message from the CINCSAC/CS. CINCSAC/CSP will make all appropriate arrangements for the presentation of the trophy and conduct the awards ceremony. Cost for the engraving of the Omaha Trophy will be defrayed by Headquarters SAC.

DISPOSITION OF THE TROPHY

The trophy will not be a permanent possession of the recipient, but will be rotated annually. If no award is presented for a given year the trophy will be retained by the last winner until it is again awarded. A miniature trophy will be presented and permanently retained by the winning unit.

PUBLICITY

Information officers at each level of command must insure that appropriate recognition of the winner is given through proper external and internal news media. The Directorate of Information, Headquarters SAC, will release the winning unit to service journals and other appropriate news media. Security must not be jeopardized in affording recognition.

[From the Bangor Daily News, Mar. 7, 1978]

SAC TO LORING: YOU'RE THE TOPS

LIMESTONE, MAINE.—Loring Air Force Base, the sprawling nuclear armed bomber base being considered by the Air Force for a major cutback, has been rated the number one Strategic Air Command Base in the world.

Gen. Richard Ellis, SAC commander in chief, said that Loring received the honor for its "overall superior performance" in 1977.

Loring scored the highest in evaluations of everything from mission performance to barracks inspections, said Capt. David McClure, public information officer for the 42nd Air Wing.

The OMAHA Trophy is awarded annually to the best of the 35 SAC wings in the world. It is the first time a northeastern base has received the award, McClure said.

The Air Force has proposed a more than 80 percent cutback at Loring, which houses 14 B–52 bombers and 30 KC–135 tankers.

A decision on the cutback is expected later this year.

Col. Larry S. Devall, Loring commander, is scheduled to receive the award at the OFFUTT Air Force Base in Nebraska in the near future.

Loring performed well last October during SAC operational readiness inspections—the longest test of a SAC Wing's ability to perform flying missions, McClure said.

"A team of nearly 60 members evaluated every operation—every scrap of paperwork. But it's not just how well we follow regulations," McClure said. "For instance during the severe winter of 1977, we remained fully operational the whole time," he added.

The base had a perfect refueling aircraft assignment record, meeting every receiver on time and on target in 1977, he said.●

HAROLD ZELLERBACH—1895–1978

● Mr. JAVITS. Mr. President, I wish to mark the passing of one of California's most distinguished sons, a very dear friend of mine over more than four decades, Harold L. Zellerbach, for half a century one of the two family leaders of the Crown Zellerbach Corp., founded by his grandfather in 1870; a member of the San Francisco Art Commission for 30 years—28 years as its president—and a leader in the civic and business life of his native city and State. Mr. Zellerbach was in every way an outstanding personality, a leader in the business community, an extraordinarily fine citizen, and a great benefactor of his community and of the arts and culture.

I ask unanimous consent that there be printed in the RECORD the obituary from the San Francisco Chronicle of January 30, 1978, and my eulogy delivered at the memorial service for Mr. Zellerbach, held at Congregation Emanu-El in San Francisco on February 2, at which the officiating rabbis were Rabbi Alvin L. Fine and Rabbi Joseph Asher.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the San Francisco Chronicle, Jan. 30, 1978]

HAROLD ZELLERBACH DIES ON SHIP

HONOLULU.—Harold Lionel Zellerbach, for decades one of San Francisco's most prominent industrialists and patron of the arts, died in Honolulu yesterday while vacationing on the cruise ship Mariposa.

Mr. Zellerbach, 83, was found dead in his stateroom early yesterday by his wife, Doris. The cause of death was not known immediately.

For a half century, Mr. Zellerbach had been a top executive at Crown Zellerbach Corp., the paper company founded by his grandfather in 1870.

He was appointed president of the firm in 1928. By 1969, when Mr. Zellerbach retired as chairman of the company's executive committee, Crown Zellerbach had become the world's second largest manufacturer of pulp, paper and paper products.

Among his most significant contributions to the Bay Area was his generosity in time, skills and money to the arts.

As a member of the San Francisco Art Commission for some 30 years—28 years as president—Mr. Zellerbach had a long and profound influence on the cultural life of the Bay Area.

As president of the Zellerbach Family Fund, he was instrumental in the $1 million gift to the University of California, Berkeley, to help finance the Zellerbach Theater in 1967.

A few years later, a Zellerbach Theater was erected on the University of Pennsylvania campus, in part because of a $500,000 contribution by the Harold and Doris Zellerbach Fund, of which he was president.

In 1974, Mr. Zellerbach pledged $1 million toward the construction of the proposed San Francisco Performing Arts Center.

Chronicle Art Critic Alfred Frankenstein, vice president of the Art Commission, said last night that during Mr. Zellerbach's presidency, which ended in 1976, "the commission completely changed its character.

"When he assumed its presidency, the commission was very little more than an architectural advisory board.

"During his years as president, the work of the commission continuously expanded until today, it directs activities of a large and very busy network of neighborhood arts centers, runs the San Francisco Symphony Orchestra's summer concert season, underwrites numerous musical, theatrical and dance events, and supervises the activities of the city's street artists . . ."

Mr. Zellerbach was also active on an international scale. In 1957, he headed the Zellerbach Commission that conducted a study of the post-World War II refugee problem. Two years later, he was a U.S. delegate to the Atlantic Congress that met in London under NATO auspices.

Mr. Zellerbach's service to the state government extended over more than a decade, first as a member of the California State Park Commission, appointed by Governor Edmund G. Brown Sr., then as a member of the successor State Park and Recreation Commission, appointed by Governor Ronald Reagan.

He served in varying capacities on other cultural bodies, vice president of the San Francisco Symphony, and director of the Fine Arts Museums of San Francisco, the San Francisco Art Institute, the San Francisco Ballet Guild, and the San Francisco Opera Association.

He was also president of the Crown Zellerbach Foundation and the Newhouse Foundation, a local fund set up to provide financial help to graduate students at the University of California and Stanford. He was director of the Laguna Honda Home Auxiliary.

He was an emeritus trustee of the University of Pennsylvania and an alumnus of its Wharton School of Finance and Commerce, and was long active in their alumni affairs.

Before the merger of the California Palace of the Legion of Honor and the M. H. de Young Memorial Museums, he was a trustee of the former, and was also a trustee of the Saints and Sinners Milk Fund.

Mr. Zellerbach was born here on March 25, 1894, the son of Isadore and Jennie Baruh Zellerbach. He attended the University of California, but took his Bachelor of Science degree in economics at the University of Pennsylvania in 1917.

On graduation he joined, as personnel manager, the Zellerbach Paper Co., which his grandfather had founded in 1870.

In 1928, he was elected president and ten years later was also named executive vice president of Crown Zellerbach Corp.

In 1956, he was named chairman of the corporation's executive committee, serving until 1969. He also served as acting chairman of the board during the term of his brother, J. D. Zellerbach, as Ambassador to Italy from 1956 through 1960.

He was elected chairman of the board of the Zellerbach Paper Co. in 1957.

He served as president of the National Paper Trade Association and in 1961 received the American Marketing Association's highest honor, the Charles Coolidge Parlin Award, as "an eloquent spokesman of the marketing concept."

He served on the boards, of among others, the Pacific National Bank, Rayonier, Inc., Niantic Corp., and Fiberboard Products, and was a member of the San Francisco Stock Exchange, the U.S. Council, and the U.S. Chamber of Commerce, and in 1958 headed the United Crusade.

He served a number of terms as president of Congregation Emanu-El and of the Young Men's and Young Women's Hebrew Association. He also served on the board governing Hebrew Union College in New York and the Jewish Institute of Religion in Cincinnati, the oldest theological seminary in America.

He was honored by Congregation Beth Israel in 1960, on the occasion of the temple's observance of its centennial anniversary, for "bringing great honor to our city and the Jewish community."

Among his clubs were the Commonwealth, Commercial, Press, Stock Exchange, Variety, Concordia-Argonaut, Villa Taverna, the St. Francis Yacht Club, and the Beach Club of Pebble Beach. He was also a Mason and a Shriner.

Survivors include his wife, the former Doris Joseph; a daughter, Mrs. Stephen N. Loew Jr.; two sons, Stephen and William, president of the Zellerbach Paper Co. and a senior vice president of Crown Zellerbach Corp.; seven grandchildren, and three great-grandchildren.

Funeral arrangements were pending.

EULOGY DELIVERED BY SENATOR JAVITS

I come from Washington as a friend of Harold's for 45 years at the gracious invitation of his family to say goodbye to my friend. And first I'd like to express to his beloved Doris, to his children who are here, Rollie and Bill and Steven and to their children, Marion, my wife's and my deep and profund condolences on Harold's passing.

And as the Rabbi has indicated in his own unique way, here was a man who did not wish to be memorialized with tears or sackcloth and ashes but with joy and singing and music; and in that great Valhalla to which he's gone, to which I will go and all of us will go, when we find him, he'll be smiling and happy and doing the things which he knew best how to do: to serve his fellow man and make his own life fuller as a result.

To me he was always "the Coach"; that was my nickname for Harold because from the day I met him in 1933 when he gave me a job to do as a very young lawyer in New York, he always had words of advice, never of criticism. They were much treasured and very useful; and in a preface which I wrote for his memoirs which I hope will be published soon, I called him one of the much beloved gentlemen of our time, and that to me is the very special description of Harold.

To me, from the lower East Side of New York, he was uniquely a Californian with the sun and the open spaces in his eyes and the frontier spirit and the innovation and the unyielding determination in his head and his heart all so characteristic of this state.

He was a highly personal man as all of you must know. His friends, his family, his business associates, his colleagues in public and political endeavors all were deeply involved with him. He was never content simply to have an interface with each of his friends on the particular matter which interested him or them and which brought about their friendship; but rather was very interested in the character of his friends, in their interests, in their activities, in their families, as he expected them to be in his.

And if there's one thing that distinguished him in my eyes above all others, it is that always, whether it was because of his wonderful heritage from his grandfather Anthony, his father Isadore, and this great empire which is California, or whether it came out of the wellsprings of his heart and his convictions, he was a man who had a sense of mission and a sense of responsibility to all with whom he lived; and, indeed, to the people of his country and the people of our world.

In his business affairs he joined with his father in the tradition of his grandfather, with his brother J. David Zellerbach and his son Billy, to make the Crown Zellerbach Corporation and the Zellerbach Paper Company institutions rather than businesses. This company's extraordinary record of achievements, an incomparable record of amity with its suppliers, and a unique friendship with its workers are eloquent testimonies to this facet of Harold Zellerbach's character.

And in his public responsibilities, his long-sighted understanding of the cultural and artistic needs of his beloved city of San Francisco put him and the city years ahead of most of the other great cities of the United States with respect to cultural and artistic endeavors.

For example, something which you may not know, he suggested to me the name of Nancy Hanks to head the National Endowment for the Arts and indefatigably pursued this recommendation; she turned out to be the catalyst who, in 8 years, made the National Endowment for the Arts one of the great national institutions of the United States.

Also, his sense of responsibility for the symphony here, for the opera, for the ballet, and his great interest in what I hope will be created, and what I hope to come out and see one day not too long from now, the Performing Arts Center, are other aspects of this very profound interest.

And he understood the arts. I'd like to read to you as friends just a one-sentence excerpt from a letter which he wrote to me on September 27, 1977, about the arts. He said: "I think the arts should be in the same situation as human needs; they are entitled to their say and their money as well as other human needs."

And indeed, the Zellerbach Family Fund did just that. As I came in on the plane this morning, I reread the purposes of this fund of which Harold was the President and the members of his family were members of the Board of Directors. Their credo was this: "The Zellerbach Family Fund is ready to use its resources to support programs that are unlikely to gain the immediate support of individual donors and whose programs through a modest investment can bring significant service to many persons."

He was an individual, but he was an unusual individual, one who married within his own person a love of city and state, a love of country, a love of friends, a love of his own enterprise, the unique talent for making them successful and a unique talent for serving widely in the process.

I haven't yet referred to his enthusiasm for the University of California, which I'd like to do very briefly. And incidentally, he

was the most enthusiastic athletic buff the University of California has ever known. His enthusiasm resulted in the theater at the University of California at Berkeley and in a theater at his other alma mater, the University of Pennsylvania in Philadelphia.

And finally, no development of Harold's life, no tale of my friendship with him, would be complete did it not include my knowledge of his manifest love for his family and for youth, not youth by age alone, but youth by spirit, youth by innovation, youth by boldness. And indeed, from what I see in his children and his grandchildren, they mirror their father's and their grandfather's enthusiasm for them in their own sprightliness and love of life, a love which he demonstrated so magnificently.

And as to his wife Doris, whom I'm sure you all know, she was not only a dear wife, but she was also the "doll" of his chronicles—among the most amusing and the happiest elements of the stories that Harold knew so well how to tell.

And so, my friends, let us savor the beauty, the happiness, and the life of this man. As so many of you know, Harold Zellerbach remembered every good meal he ever had anywhere in the world and the restaurant or hotel in which he had it. He was greatly admired by me and by a host of friends. He leaves a marvelous heritage to this city, to his state, and to all of us. And as a man who was not far from his age, I hope and pray only that in his children and his grandchildren we may see the emulation of this truly recondite and magnificent man, Harold Zellerbach.●

AMTRAK KEEPS RUNNING DURING RHODE ISLAND DISASTER

● Mr. PELL. Mr. President, this February Rhode Island was paralyzed by a record blizzard which lasted 36 hours and buried the State under several feet of snow.

Within hours after the start of the storm, Rhode Island's major thoroughfares, particularly the interstate routes and central arteries through the Providence area, became impassable by car. One week after the storm our Capitol City was still under a driving ban. During this time of crisis there were only two sure modes of transportation—by foot or by train.

As a long-time proponent of rail mass transit, I could not be more pleased to commend the officials and employees of Amtrak for their extraordinary services during and after the storm. After receiving reports of stranded persons both south of Providence and between Providence and Boston, Amtrak responded immediately by making numerous unscheduled stops at small communities along the corridor to pick up and unload passengers. Without Amtrak's cooperation, hundreds of Rhode Islanders would have been separated from their homes and loved ones for an indefinite period during a time of disaster.

During the recovery efforts and while the driving ban was still in effect in Providence, Amtrak continued special arrangements to allow workers to return to their jobs without using their cars.

It gives me great pleasure to bring to the attention of the Senate the valiant efforts of Amtrak during Rhode Island's recent disaster and I ask unanimous consent that a letter from Rhode Island's Director of Transportation Wendall Flanders to Paul Reistrup, president of the National Railroad Passenger Corporation be printed in the RECORD.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

PROVIDENCE, R.I.,
February 20, 1978.

Mr. PAUL REISTRUP,
President, National Railroad Passenger Corporation, Washington, D.C.

DEAR MR. REISTRUP: As you know Rhode Island suffered one of the worst natural disasters in its history on February 6, 1978, when struck by the most severe blizzard in its history.

Amtrak trains continued to run during and after the storm with little or no delay. During the recovery efforts, your able and cooperative personnel scheduled extra stops and trains to assist otherwise snowbound Rhode Islanders to return to their homes. These same special arrangements also allowed normal work to resume in Providence on February 14, 1978 by transporting workers to Providence without using their cars. This allowed for orderly snow removal from city streets and decreased the severity of traffic into the City.

I would like to commend all your fine personnel for their cooperation and sacrifice during this severe storm.

Please express my personal thanks to those who directed and performed in such an admirable manner.

Sincerely,

WENDALL J. FLANDERS,
Director, Department of Transportation.●

RESTRAINT BY UNITED STATES, U.S.S.R., AND CUBA IN AFRICAN HORN COMMENDABLE

● Mr. MCGOVERN. Mr. President, yesterday's press carries the news that the Somalia-Ethiopia war is over. Apparently, the Soviet and Cuban forces, having assisted in the expulsion of Somalian forces from Ethiopia, have kept their word in not crossing the international border between the two countries. Following Somalia's announced withdrawal from Ethiopia, we are advised by State Department officials, and I quote:

It is our belief that the war is over.

Mr. President, I commend the U.S. administration for its restraint in not interfering in this border dispute between Somalia and Ethiopia. I also commend the Soviet and Cuban Governments for keeping their commitment not to cross an international frontier in the dispute between these two African countries.

While there has been considerable concern expressed in the United States about the Cuban and Soviet presence in Ethiopia, our State Department officials confirm that these forces have respected the Somalian-Ethiopian border. I think such restraint on the part of all the parties is most commendable. It has helped stabilize the situation in Africa and one can only hope that a similar pattern of restraint will characterize other tense situations on the African continent.

I ask unanimous consent that the news report in today's Newark Star-Ledger be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

UNITED STATES REPORTS TROOP WITHDRAWAL—SOMALI-ETHIOPIA WAR IS OVER

WASHINGTON (Reuters).—Hostilities between Somalia and Ethiopia over the Ogaden Desert region have effectively ceased and the war in the Horn of Africa appears to have ended, State Department officials said yesterday.

Spokesman Hodding Carter told reporters that Ethiopia and supporting Soviet and Cuban forces were respecting the international border with Somalia as Somali forces withdrew from the Ogaden region.

He said the fighting died down in the past few days following Somalia's announced withdrawal from Ethiopia. "It is our belief that the war is over," officials here said.

The officials also disclosed that the United States would send a high-level emissary to Somalia shortly. They did not exclude the possibility that Assistant Secretary of State for African Affairs Richard Moose would lead the mission.

An aide to national security adviser Zbigniew Brzezinski, David Aaron, visited Ethiopia last month on a similar mission.

Cuba meanwhile publicly acknowledged yesterday for the first time that its troops fought with Ethiopian forces in the Ogaden Desert war.

An unprecedented detailed account of the Ethiopia-Somali conflict, published in a special edition of the official newspaper Granma in Havana, disclosed that Cuban pilots, tank crews and artillery units as well as armored infantry brigades took part.

Although the paper did not disclose the number of Cuban combatants involved, it indicated they took part in the most crucial phases of fighting.

It said the Cuban troops began arriving last December and January.

The United States has pressed the Soviet Union and Cuba to support a cease-fire and withdraw their military advisers, which now total 13,000 persons, from Ethiopia.

The Soviet Union is reported to have told the United States a substantial part of Cuba's 12,000 soldiers would leave if Somalia withdrew from Ethiopia and the fighting stopped.

Meanwhile, some Cuban forces were still reported en route to Ethiopia via sea routes.●

HEALTH SERVICES FOR RURAL AMERICANS

● Mr. LEAHY. Mr. President, I want to bring to the attention of my colleagues recent speeches by Senator DICK CLARK on the subject of rural health care.

Last Friday, Senator CLARK was to deliver a speech on "Health Services for Rural Americans." Because several crucial votes on the Panama Canal treaties occurred late in the day, he was unable to fulfill his speech commitment that evening in Des Moines.

Senator CLARK, who is chairman of the Senate Rural Development Subcommittee, described the recently enacted Rural Health Clinic Act, Public Law 95–210, within the speech. These remarks, and others on rural health issues generally, demonstrate his keen understanding of the proper Federal role in improving rural health.

Senator CLARK also spoke before the Senate Labor-HEW Appropriations Subcommittee yesterday on fiscal year 1979 funding of health programs that affect rural areas. Among the programs he discussed were community health centers, maternal and child health, home health, and comprehensive health grants.

Because Senator CLARK's comments on rural health may be of timely interest to other Members of the Senate, I ask unanimous consent that his speech and testimony be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CLARK

It's a privilege and a pleasure to join you today for this meeting of the Iowa Committee To Combat Huntington's Disease.

I'm particularly pleased that this organization is taking such a broad view of health care. You have combined a deep commitment to finding a cure and effective treatment for Huntington's disease, with an active interest in the issues of access to health services for the handicapped and non-handicapped alike.

Your concern for health needs generally is clearly demonstrated by your invitation to me to speak on rural health. While I know your primary interest is in the new Rural Health Clinics Act, I thought I'd open with a brief description of my views on rural health generally. This backdrop should lead me into the reasons for my drafting the Rural Health Clinics Act.

As Iowans all too well know, the type of medical care provided even 20 years ago is certainly a thing of the past. For one thing, our health needs have significantly changed. Many of the dreaded diseases that once afflicted so many children—polio and diphtheria, for example—have been nearly eradicated. Likewise, many public health hazards that shortened life considerably in the past have been significantly reduced.

The killer diseases of today reflect our changing lifestyles and therefore are related to our health habits—whether we smoke too much, eat and drink liquor in excess, exercise too little, and experience periods of emotional stress.

Just as a sidelight, it's interesting to note that the life expectancy for adults has not changed significantly in the last 20 years, precisely because medical advances have not done anything to affect the lifestyle factors I've mentioned.

This brings me to my next point—that progress in technology, medical science, communication, and transportation has dramatically altered the way medical care is delivered.

Young medical students are now exposed to a vast array of sophisticated machines and techniques that physicians a generation ago never even dreamed of. It's no wonder that today's medical students expect immediate access to up-to-date medical resources when they go out into the world to practice medicine.

And there's the crux of the problem for rural communities, and for rural States like Iowa. Physicians, by and large, are increasingly unwilling to practice medicine in areas that are remote from colleagues, from modern hospitals, from continuing medical education, and even from the type of social life that they experienced "in the big city."

Also, until very recently, we saw more and more medical students choosing specialities. They've been abandoning the type of medicine that brings them into direct contact with patients and with basic medical problems. Since specialists need a relatively large population base to support them, this trend also contributes to the concentration of physicians in the cities.

While Iowa is certainly more fortunate than other states—such as those in Appalachia and the deep south—we've had our share of problems in terms of physician supply. Through several sets of field hearings I've conducted in Iowa as chairman of the Senate Rural Development Subcommittee, we've discovered that:

First, 37 of the 99 counties in Iowa have actually lost primary care physicians in the past few years (1974–6); and second, 33—or one-third of the counties—have what many consider an insufficient number of primary care physicians. That is, there are more than 2,500 people for every physician in these counties.

Two qualifiers, however, before I proceed. First, there is nothing magic about county boundaries. A county that has a poor ratio of physicians to population may, in fact, be adjacent to another county whose doctors serve a wide geographic area. However, at the present time, this perspective is the best we have.

Second, the University of Iowa and several hospitals across the state have embarked on a highly-successful program to attract medical students to family practice, rather than to specialty care. While the program is relatively new and can only make a small dent in Iowa's physician supply in the near future, we've seen that these new family doctors tend to stay in Iowa, and moreover, that they tend to settle in small to middle-sized towns. This certainly is a welcome trend.

My own principal concern is for Iowa's small communities—those that have been losing doctors through death, retirement, or emigration. the trends I've mentioned earlier force these rural Iowans to seek care outside their own communities, to find some form of transportation to get to medical care, and, most probably, to postpone care until their health problems are serious.

While many contend that medical care must be concentrated in the cities, I completely disagree. Certainly, for the sake of quality and efficiency, it's important to regionalize the specialized forms of medical care in larger communities.

But my basic premise is that every community, no matter the size, should have some local entry point into the primary health care system. This means immediate access to locally-based routine medical services.

Unfortunately, several federal health policies conspire to restrict this type of access. One particular policy discourages communities from establishing small, satellite medical clinics that are staffed not by doctors, but by such health workers as nurse practitioners or physician assistants.

This medicare policy stated that only physicians could be paid for medical services, and furthermore, that unless there was "over-the-shoulder" supervision of nurse practitioners or physician assistants, reimbursement could only cover the services provided by the physicians.

So, small communities that attempted to establish satellite clinics—linked to physicians in larger towns—were frustrated in their efforts.

In early 1977, I introduced the rural health clinic bill, which contains these provisions:

First, medicare would pay for medical services furnished by rural health clinics;

Second, among the reimbursable services would be those performed by physician-supervised nurse practitioners and physician assistants;

Third, physicians would not have to provide "over-the-shoulder" supervision; and

Fourth, payment by medicare would be directly related to reasonable costs.

This legislation had substantial support within both houses and after some nine months of working its way through Congress, it was signed into law last December. The final version includes medicaid coverage as well as medicare coverage, and this will be most helpful for patients and clinics alike.

As you know, many rural areas are characterized by an older population—that uses medicare—and a relatively poor population—that uses medicaid. Since as much as half of a satellite clinic's patients use these two programs, this legislation should improve the financial status of these clinics.

I'm very pleased that the Department of Health, Education, and Welfare has been able to implement this new program in such a short time. As of March 1, clinics across the country, including five in Iowa (Tama County, 4-county Rathbun Lake area, Union County area, Lyon County, and Jackson County) are eligible for reimbursement under the Rural Health Clinics Act.

This new law should do more than correct a previous inequity in the Federal Government's health insurance programs. My hope is that it will encourage rural people to organize and establish rural health clinics where they are needed. The need is great, and it will only grow in the coming years.

I also would like to see these clinics become the focal point for a variety of health and health-related services that go well beyond the simple provision of medical care. Among these services should certainly be basic health care for the handicapped, and referral services so the handicapped can be led to the appropriate type of care.

Before I conclude, I'd like to also mention that Congress is moving ahead to re-authorize the existing programs that apply to Huntington's disease. In fact, just late last month, a bill which I co-sponsored, was introduced to accomplish this.

S. 2598—The National Genetic Diseases Act Amendments of 1978, continues an effort originally authorized in 1976 to provide screening, testing, counseling, and information and education services with respect to genetic diseases. In addition to extending this program for 3 years, S. 2598:

Including Huntington's chorea as one of the nine diseases that are specifically mentioned; and

Provides increased flexibility in funding, by authorizing Federal funds for State and local health departments, local community programs, as well as demonstration and pilot projects.

While it would not surprise you who are here today, the general public does not realize how susceptible it is to genetic diseases, nor does it know about the true nature of these diseases.

Each one of us carries from 5 to 8 defective genes, with a real potential for serious illness to our children and grandchildren. For this reason, genetic diseases like Huntington's Disease are the most widespread of all human afflictions, affecting an estimated 15 million Americans.

I was shocked to learn:

That 30 percent of hospitalized children have diseases of genetic origin;

That 40 percent of all infant mortality results from genetic factors; and

That 80 percent of all mental retardation in this country is genetically related.

Our nation cannot afford to postpone accelerated research and projects related to genetic diseases like Huntington's Disease. We owe it to ourselves and to future generations to expand the existing efforts, and I'm committed to this cause.

Thank you very much for this opportunity to chat about rural health, and I welcome your comments or questions.

TESTIMONY BY SENATOR DICK CLARK, BEFORE THE SENATE LABOR/HEW APPROPRIATIONS SUBCOMMITTEE, MARCH 15, 1978

Chairman Magnuson and members of the subcommittee, thank you for giving me the opportunity to speak with you today on Federal funding for health programs that affect rural areas.

Last month, I conducted a series of rural health hearings in Iowa, in my capacity as chairman of the senate rural development subcommittee. We focused on 5 federal health programs and their impact on the health of small town and rural Americans.

Each of these 5 programs—health planning, material and child health, home health, community health centers, and community mental health centers—is within the jurisdiction of your subcommittee.

I feel, therefore, that it's important to share with you what I learned through those hearings.

The overwhelming concensus of hearing participants was that existing health programs are extremely valuable.

At the same time, they felt that only a handful of the sick are being served. Moreover, the point was consistently driven home that limited funds have required a focus upon crisis care rather than on preventive or primary care.

In the brief time I have today, I'd like to talk specifically about the funding for community health centers, maternal and child health, home health services, and comprehensive health grants.

First, community health centers.

This program is designed to develop and support primary health care projects in both rural and urban medically underserved areas. The goal of the community health centers program is to provide all Americans with adequate access to comprehensive, high-quality health services.

Unfortunately, present funding levels make a mockery of this objective. Only about 10 percent of the 45 million medically underserved Americans are served by community health centers. Also, while 27 million, or about three-fifths of the medically underserved population resides in nonmetropolitan areas, only about one-third of the community health centers funds are going to rural communities.

Senator Schweiker, I know that you share my concern about this inequitable distribution of program funds between urban and rural areas. I want you to know that you have my full support in your efforts within the human resources health subcommittee and this subcommittee, to redress the imbalance. Your efforts will be especially timely, given the administration's fiscal 1979 budget, which would give rural areas less than half of the program's funds allotted for new clinics. This proposed allotment itself underscores the urban bias in funding health programs.

I'm particularly disturbed by the urban-rural maldistribution of health center funds, because of its recent impact in my own home State of Iowa. The only two Iowa applications for community health centers funds this year, both of which were endorsed by the regional H.E.W. Office, were subsequently denied funds. These denials were attributed to the low level of total program funding for rural centers.

We must not allow the Federal Government to continue to ignore the health needs of rural Americans. Therefore, we must insure that the community health centers program provides sufficient funds for rural projects, old and new.

I join Senator Schweiker in his call for:

Hold-harmless funding, adjusted for inflation, for on-going community health centers.

At least equal numbers of urban and rural people served by urban and rural new centers, respectively, and

A comparable level of services provided to patients served by urban and rural projects.

Rural citizens would be further assisted through the Rural Health Services Act of 1978, introduced today. This legislation provides communities with added flexibility to meet their identified health needs, and gives special emphasis to addressing environmental health problems.

Next, I'd like to discuss three programs that are funded by the Federal Government with money channeled through State governments: Maternal and Child Health; Home Health Services; and Comprehensive Health Grants.

A key discovery we made during the recent Iowa hearings was that money from these programs support the only available source of health care for many rural people. For many, public health nursing services supported by these programs mean the difference between a person's ability to stay in his own home and his being forced to enter a nursing home.

Maternal and Child Health program funds enable each State to promote the health of mothers and children and to reduce infant mortality and morbidity.

The Home Health Services program provides the necessary funds to initiate services to the elderly, the ill, and the handicapped at home, rather than in an institutional setting.

Comprehensive Health Grants to the State, what is also known as "section 314 (d) health revenue sharing funds", are made to State health departments to be used at their discretion. In Iowa, for example, the funds are primarily used to support ongoing county home health services.

These three programs are important for rural States like Iowa. They deserve increased levels of funding.

Mr. Norman Pawlewski, commissioner for health for the State of Iowa, underscored this point during the Iowa hearings. And I quote:

"There aren't enough funds, for example, in maternal and child health. We are only reaching a very small fraction of what we should be doing throughout the State. Of the target population, we are probably reaching about 11 percent."

His experience with the "314(d)" program was identical:

"The 314(d) funds have been quite beneficial in Iowa in helping to support public health nursing services, but the constant level of the appropriation has severely limited what can be accomplished in these years of inflation. . . . The lack of an increase . . . has had the effect of decreasing the amount of public health services that can be provided to rural Iowans with these funds."

I believe the following levels should be adopted for the next fiscal year:

For the maternal and child health program, I support the coalition for health funding proposal of about $400 million, an increase of $25 million over the President's request.

For the Home Health program, I urge you to set the funding at the $12 million level contained within Senator Kennedy's reauthorization bill.

For the Comprehensive Health Grants, I again support the level suggested by Senator Kennedy—$107 million.●

DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES

● Mr. BAYH. Mr. President, over the past few months I have had ongoing discussions with the Department of Energy about the need to move aggressively ahead in developing the energy potential of our abundant and renewable domestic resources. Last October, 28 of my colleagues joined me in a letter to Secretaries Bergland and Schlesinger urging them to have their Departments undertake immediate and comprehensive efforts to tap the energy potential of the Nation's renewable resources.

In response to this congressional interest, the Department of Energy set up an Alcohol Fuels Task Force to reassess its alcohol fuel activities with a view toward a stronger, well-integrated, and near-term program. Under Secretary Myers was assigned responsibility for monitoring this group and informed me that the task force would complete its work at the end of January. In addition, the Under Secretary advised me that the Department shared my assessment about the potential offered by alcohol fuels to reduce petroleum consumption and help solve our energy supply problems.

In order to follow up on this Department effort, and encourage further coordination between the executive branch and the Congress, I scheduled and chaired a full day of Appropriations Committee oversight hearings on alcohol fuels at the end of January. Needless to say, I was looking forward with great interest to the results of the task force deliberations.

Unfortunately, the task force report was not made available to the committee at that time, although the Department assured me I would be receiving its recommendations for a revised program within a few weeks. This was to include a departmental position paper on alcohol fuels and a revised program plan with budget recommendations. This effort was to be integrated with the Department's ongoing national supply strategy study, designed to evaluate alternative synthetic fuel options and recommend strategies for stimulating commercialization of near-term substitutes for diminishing fossil fuels. The Department testified at the hearing that they were encouraged by the potential of alcohol fuels to become an important element of the national energy supply strategy. I ask unanimous consent that the Department's testimony be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. Mr. President, I have just received the alcohol fuel task force position paper on alcohol fuels. The position paper contains no information beyond what the Department submitted in response to the Appropriations Committee oversight hearings which I chaired in January. Moreover, it was not accompanied by the revised program plan and budget information associated with it that the committee requested at that time. It does reflect a lack of effort, commitment and foresight with respect to this energy source, on the part of the Department, which I find disturbing. It also indicates that DOE has made no discernible progress on alcohol fuels since last fall when the task force was formed. I ask unanimous consent that this position paper be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BAYH. Mr. President, last spring the President addressed the Nation to unveil his national energy plan. He emphasized the critical importance of an effective national energy policy and likened the effort needed to meet this challenge to the "moral equivalent of war."

I have been encouraged by the high priority placed by the President on resolving our energy problems, and supported most of his efforts strongly over the past year. However, a crucial ingredient missing from the President's national energy plan was an accelerated program for developing and introducing alternative energy sources—especially new liquid fuels—into our energy mix in a timely fashion.

The President himself, as well as other administration officials, has recognized that a liquid fuels crunch is soon in the offing, despite our temporary oil glut. It is hard to predict with certainty when world demand for oil will overtake production. However, President Carter and Secretary Schlesinger have predicted this is likely sometime in the 1980's.

Even with our best efforts to conserve energy, and curtail all nonessential uses of crude oil products, our economy and society will continue to require a reliable source of liquid fuels for the rest of this century. Right now, highway vehicles alone consume 40 percent of our petroleum-based energy. American drivers use 103 billion gallons of gasoline per year, or almost 1½ million barrels of crude oil per day.

Despite increasingly fuel efficient cars and trucks, and more widespread mass transit facilities, transportation needs will continue to make a major claim on our liquid energy supplies. The same can be said for other functions in our society that require liquid fuels, and will continue to do so, despite our best efforts at increased conservation and conversion. Peak load electricity generation and certain industrial processes will require liquid fuels well into the next century. Our farmers will need liquid fuels to run their farm equipment and get their crops to market. Residential and commercial uses will also demand their share.

We must move ahead, Mr. President, as other nations such as Brazil, Sweden, and Germany are already doing, to develop viable alternatives to petroleum to meet these needs. If we do not, our future looks very bleak indeed. Failure to act soon will consign us to even greater petroleum imports, already approaching 50 percent of our crude oil needs at a cost close to $45 billion per year, horrendous balance-of-payment deficits, further erosion of the value of the dollar, higher unemployment, increased dependence on unstable foreign suppliers, and very real threats to our economic well-being and national security.

Faced with these undesirable consequences, it is clear to me that we must start a concerted effort to develop new liquid fuels that can become commercially viable in the short run, which are plentiful or derived from renewable domestic resources and which can be used for a variety of purposes.

Alcohol fuel is one possibility that has been vastly underestimated, Mr. President, although it is within our reach in the relatively short term, without major disruptions to our economy and society.

I think it is clear to most of us, Mr. President, that there is not going to be one answer to our energy problem, but that future supplies will come from a number of sources. Those of us with responsibility for shaping Government policy owe it to the Nation to explore every option available to us as thoroughly as possible.

In its alcohol fuels position paper, the Department of Energy has raised a number of uncertainties with respect to alcohol fuels, particularly those derived from renewable resources. These uncertainties touch on supply potential, production cost, most appropriate applications, and best approach to achieve commercialization. In its descriptive summary of these issues, the Department expressed strongest concern about the supply potential and cost of alcohol fuels. It is clear from the discussion that these reservations are based on assumptions that are already obsolete. The discussion also demonstrates to me that DOE does not have the current in-house expertise, and perhaps not even the inclination, to approach these issues with much imagination or sophistication. I have no doubt that alcohol fuels can become efficient and economical energy supplements by the application of our best technology to the effort.

To give my colleagues some feel for how close we are to real breakthroughs, I ask unanimous consent to have printed at the conclusion of my remarks some of the testimony I received at the January 31 Appropriations Committee hearings. I include remarks by George Tsao, a constituent of mine doing research under DOE auspices, who is a professor of chemical engineering and food and agricultural engineering at Purdue University, and by Dwight Miller, assistant director of the ARS Northern Regional Research Center in Peoria, Ill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. BAYH. Mr. President, technical and economic problems equally, if not more, complex than those faced with respect to alcohol fuels existed when the petroleum industry was in its infancy. The idea of drilling holes thousands of feet in the ground and transporting oil around the globe struck some people as absurd. But Washington was more than generous in the supports provided the oil companies before petroleum became a preferred fuel. The industry enjoyed import quotas, depletion allowances, intangible drilling deductions, and foreign tax credits; in fact, oil companies still derive some of their profits from these hidden subsidies.

Economic and technical barriers exist for virtually every synthetic fuel under serious consideration by the Department in its supply strategy study, despite the great amounts of money that have been poured into "hard" technologies such as oil shale and coal liquefaction. And the environmental problems associated with these potential energy sources are of serious concern. Given the relative neglect of renewable resources by the energy establishment to date, it is surprising that things have developed as far as they have.

Mr. President, the Department of Energy is barely 6 months old. It is still striving to put its house in order. Its technical strengths, not surprisingly, lie in areas that were in the main missions of the agencies from which it was formed. It has little in-house expertise, and few advocates, of the so-called soft technologies.

I will continue to work with the Department to strengthen its programs in these areas. To this end, I joined Senators BROOKE and DURKIN early this week in introducing an amendment to DOE's authorization bill to increase the Department's level of effort in the biomass area. I will move to fund these programs adequately when the appropriations bill is considered later this spring. I will also do my best to assure that the Department will use these resources to move aggressively ahead and not expend them on reinventing the wheel.

I have also sent Secretary Schlesinger a letter today indicating my dissatisfaction with the Department's progress to date, reiterating my request that the Department, in cooperation with the Congress, move ahead aggressively to develop alcohol fuels in an efficient and economical manner, and seeking his earliest assurances that DOE will meet its responsibilities in this area.

In all candor, Mr. President, I must say that watching the Department's efforts over the past few months has not been an encouraging exercise. I am more convinced than ever that the best way to insure steady progress in the alcohol fuels area is for the Congress to keep the Department's nose to the grindstone by commissioning ourselves the best possible talent available and putting it to work for us.

To this end I have introduced S. 2400, the National Alcohols Fuels Commission Act. To date, 17 of my colleagues have joined me in cosponsoring this legislation. Congressman ROE of New Jersey, who serves on the House Science and Technology Committee, has introduced companion legislation in the House.

This legislation will establish a new national commission, drawn from Members of the Congress and the public at large, to bring together a concentration of talent, expertise, and interest that currently does not exist, either in Congress or the executive branch. Such a study commission can focus exclusively on the issues still outstanding in a way that none of us here have the jurisdictional authority, time, or training to do. Such a body can provide the Congress with the information we need to move ahead intelligently in this area. In addition, by holding public hearings and drawing on the talents of citizens around the country, the Commission can coordinate efforts in this area, focus national attention on alcohol fuels, and foster public understanding and support for an alcohol fuels program.

The legislation mandates the Commission to make a full scale study of the long and short term potential for alcohol fuels, from biomass and coal, making a significant contribution to meeting the Nation's energy needs. Taking into account technical, economic, legal, environmental, and social factors associated with the manufacture, distribution, and use of such fuels, the Com-

mission will be responsible for evaluating the costs and benefits of alternative feedstocks, their possible end uses, and the feasibility and desirability of converting a variety of resources into alcohol fuels. Based on this study, the Commission is required to report to the Congress on its findings no later than December 31, 1980, and make recommendations as to what Federal policies, in the field of alcohol fuels, would most likely minimize our dependence on petroleum, insure adequate energy supplies where they are needed, encourage competition in the energy industry, and contribute to the economic health of the Nation.

The Commission will be comprised of 19 members, drawing from the membership of the relevant committees in both the House and Senate, as well as from the public. The President pro tempore of the Senate and the Speaker of the House of Representatives shall select the 12 congressional Members, with the President selecting 7 public members from a broad spectrum of industrial, labor, agricultural, and consumer groups. The Commission shall disband no later than 6 months after sending its report to the Congress.

I ask unanimous consent that the text of this bill be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. BAYH. Mr. President, I believe there are certain steps we can take right now to begin moving on this problem, without foreclosing important choices that must be made a little further down the road. As the session proceeds, I will be exploring various proposals with the Department, my colleagues, and other interested parties. At the same time I feel strongly that early passage of the National Alcohol Fuels Commission bill is necessary to assure that fuels from abundant and renewable resources are given the serious consideration that has not been forthcoming from the Department to date. I urge my colleagues to join me in this effort.

I am confident that a national alcohol fuels program can draw very broad based support from the American people, the business, farm, and scientific communities, and from those of us who serve them. The payoffs from a relatively small Federal investment now are potentially momentous. We are on the verge of developing a range of new energy technologies that will not only reduce our reliance on foreign sources of energy, but will give a boost to local economies all around the Nation. It is safe to say that alcohol fuels—ethanol and methanol—can be produced in virtually every State in the Union. Ethanol can be produced from such diverse sources as corn, wheat, milo, sugarbeets, sugarcane, potatoes, algae, and distressed crops and crop residues, as well as numerous other "energy crops" that our plant geneticists could doubtless develop if given the go-ahead. Methanol can be produced from forestry products, crop residues, wood and municipal wastes, and coal.

In sum, Mr. President, I believe that the development of alcohol fuels can make a major contribution to curbing oil imports while creating new uses for our most abundant domestic resources and helping depressed economies in different regions of the country. These fuels also have the potential to relieve urban areas of some of their waste disposal problems and budgetary drains by developing a new use for the byproducts of industrial and urban life.

EXHIBIT 1

STATEMENT OF LESLIE J. GOLDMAN

Mr. Chairman and Members of the Committee: This hearing of alcohol fuels is timely indeed; we have just last week received the report of a special Department-wide Alcohol Fuels Task Force set up in early December by Under Secretary Dale Myers in response to rising Congressional interest in the subject. Our response to the Congressional concern was a commitment to begin with a clean slate and to thoroughly reexamine the alcohol fuels question. The Task Force examined both the technical and the policy issues surrounding alcohol fuels, and completely redesigned the Alcohol Fuels Program Plan.

We are encouraged by the potential of alcohol fuels to become an important element of our national energy supply strategy. This strategy, currently being developed within the Department of Energy, is the key evaluation mechanism for all fuels options. The Alcohol Fuels Task Force findings and subsequent analyses will play a key role in the supply strategy development, which will lead to policy decisions on the commercialization potential of alcohol fuels relative to other non-petroleum based alternatives. We are developing a Departmental position paper on alcohol fuels, as well as a revised program plan. These will be completed and released within a few weeks.

The Task Force's findings can be summarized as follows:

1. Cost is still the major obstacle to commercialization of either methanol or ethanol. Methanol from coal or biomass (wood or agricultural wastes) appears the most promising, but costs about $5–9 per million Btu, depending on the cost of raw material inputs. Gasoline, by comparison, costs about $3.50/MMBtu at current oil prices, but these costs could rise significantly by the mid 1980's. Ethanol is more expensive, in the range of $13–$17/MMBtu using current technology. Several more promising technologies are the subject of intensive R&D.

2. On a technical basis, ethanol can be considered to be somewhat better than methanol because of its higher energy content, and its better phase stability and volatility in gasoline blends. But methanol is potentially more abundant because it can be made from coal; if practically all available farmland were used for crop plantings in excess of those required for food production, the ethanol produced from the crops and crop residues would satisfy about 8 percent of today's liquid fuel demands. Ethanol could play a major role in regional markets.

3. Preliminary tests have indicated alcohols are suitable fuels not only for internal combustion engines, but also for gas turbine peaking units, utility boilers, industrial heating, and fuel cells. For all the presently foreseen alcohol fuel applications, it appears that fuel supply costs rather than end-use technology will be the pacing factor in achieving widespread commercial implementation. This does not mean that no technological problems remain, but rather than those problems, such as engine starting in cold weather, can be overcome in a reasonable timeframe, certainly within the next five years.

4. Although the costs of existing alcohol production technologies are relatively well known, less is known about the potential economic benefits to be realized by reducing farm subsidies by utilizing surpluses, and by reducing municipal waste disposal costs.

5. Alcohol fuels technology has progressed to the point where a broader assessment of the commercialization potential is warranted.

The Task Force recommended that we initiate an accelerated alcohol fuels commercialization assessment program. The purpose of this immediate action program will be to analyze policy alternatives that would allow alcohol fuels to display a significant percentage of petroleum based fuels.

The needed analysis must include the following tasks:

Identify economic, employment, social and environmental impacts, including the effect of stabilizng farm commodity prices by utilizing surpluses, and reducing municipal waste disposal costs.

Determine the most suitable form (pure, blended, or converted to gasoline) for alcohol fuels used in the transportation, utility, industrial, and agricultural markets. This includes an assessment of various marketing and distribution strategies for both ethanol and methanol.

Assess the fiscal impacts on the U.S. Treasury of alcohol fuels use (e.g., motor fuel and excise taxes, farm subsidies).

Identify and assess policy instruments for inducing greater use of alcohol fuels:

Affecting prices; e.g., tax or subsidy programs;

Assuring a market; e.g., government purchase; mandatory blending of alcohol with various petroleum distillates, and mandatory accommodation of blends in new manufactured products;

Restricting methanol imports once domestic demand is established.

The Task Force also recommended that the technical R&D program on alcohol fuels be accelerated. The program will address improvements in biomass and coal conversion processes as well as in vehicular use of alcohol fuels.

At this time is appears that methanol made from coal or biomass is the most economical of the alcohol substitutes for petroleum based fuels. I would also like to underscore that fact that the facilities required for the production of methanol can be used for a number of other purposes in the event we should later elect not to go the methanol fuel route. For example, the methanol-from-coal plant could be modified to include the additional step of making high-octane gasoline, or the gaseous products produced at an intermediate step could be used directly, or to make ammonia for fertilizer. Thus, commitments to produce methanol-based fuels do leave us with some flexibility, since other fuel options could be phased in at a later date.

These accelerated commercialization studies will be coordinated with the development of the DOE's comprehensive energy supply strategy during the coming year. This major Departmental effort will be quite different from earlier ERDA studies which focused primarily on RD&D strategies for advanced technologies. In this broader framework we will assess the role of alcohol fuels and other options for increasing production of non-petroleum liquids. This effort will ensure that decisions to commercialize new technologies are not made in a piecemeal fashion. Upon completion of these studies we will be able to bring you a commercialization action program, and based on the work of the Task Force, I am hopeful that alcohol fuels can play a key role in our energy future.

The DOE is also addressing the regulatory problems that may inhibit current utilization of alcohol fuels for automotive fuels.

The Economic Regulatory Administration has just issued a temporary stay of its mandatory petroleum allocation and price regulations to allow gasoline retailers in Illinois to market gasoline-alcohol blends at a cost that reflects the alcohol component of the fuel. We are now working to develop a more comprehensive approach to alcohol fuel pricing that would be applicable to all states.

We expect our studies to answer a number of questions that are certain to arise during the current session of Congress. Therefore, we will make every effort to share our results with your committee staff as soon as they become available.

With me today are three technical experts from our alcohol fuels program office. They are Mr. Eugene Ecklund, who is intimately familiar with the detailed work of the Alcohol Fuels Task Force, Mr. Roscoe Ward from our biomass alcohols program and Mr. Brian Harney, who will answer questions relating to the production of methanol from coal.

EXHIBIT 2

U.S. DEPARTMENT OF ENERGY POSITION PAPER ON ALCOHOL FUELS

Ethanol and methanol are the alcohol fuels which are among the non-petroleum liquid fuel options which can be derived from resources available in abundance in the U.S. In addition to the alcohols, these options include: (1) petroleum-like hydrocarbon fuels from coal, oil shale, and biomass, and (2) in the far term, hydrogen.

Federal decisions on commercialization of any fuel option(s) could have significant far reaching and long term effects, domestically and internationally. It is important, therefore, that commercialization decisions be made only after all available options are compared and evaluated on a common basis to determine what option(s) best fit different national needs for different contingency conditions. The Supply Strategy Study, currently underway within the Department of Energy (DOE), serves as the key assembly and evaluation mechanism for all fuels options in this regard. The results of this study will lead to Federal policy decisions on commercialization of non-petroleum based fuels by January 1979. A newly initiated element of the DOE Alcohol Fuels Program (AFP), called the Immediate Action Element, will provide the alcohol fuels data needed for the Supply Strategy Study.

The DOE has been investigating the resource bases and end-use technology aspects of alcohols for several years. The technical advantages and deficiencies of alcohols as fuels are well understood. There appear to be no major technological barriers facing either production or distribution of alcohol fuels. Certain end uses, although not all, require virtually no modification to combustion engines where the alcohol is blended with petroleum derived liquid fuels. There are several major uncertainties which remain concerning alcohol fuel supply potential, production cost, most appropriate applications, and the best approach to achieve commercialization. Lastly, there is uncertainty regarding whether Federally provided incentives are needed to foster commercialization and, if so, the types to be employed.

To help resolve these uncertainties, a series of special studies has been incorporated into the overall DOE AFP as an Immediate Action Element to be conducted in parallel with the Supply Strategy Study. These special studies are structured to examine and help resolve key technological, economic, environmental, and institutional issues. The information supplied to the Supply Strategy Study from the existing data base and the special studies of the Immediate Action Element will contribute to a DOE decision on commercialization of non-petroleum liquid fuels to be made by January 1979. If the decision is made to promote rapid commercialization, specifically of alcohol fuels, implementation of the best method, as defined in the Supply Strategy Study, will commence. Also, at that time the current DOE AFP may be revised and expanded to encompass activities such as end use demonstrations.

The following paragraphs briefly describe the supply, utilization, and economic characteristics of alcohols and note the major issues associated with their implementation. Also described are the major elements of the current DOE AFP.

ETHANOL

About 93 percent of current industrial (non-beverage) ethanol production in the United States is based on synthesis from ethylene derived from petroleum and natural gas constituents. Fermentation of grains, fruit, and sulphite liquors accounts for the remaining 7 percent. As crude oil costs increase, the market share of fermentation alcohol will likely increase. Industrial ethanol manufacture amounts by volume to about one-third of 1 percent of the fuel used in highway vehicles (100 billion gallons of gasoline per year). Ethanol has about 66 percent of the heating value of an equal volume of gasoline, so the amount of energy that this volume represents is an even smaller fraction of that used. If all practicably available farmland were used for farm crop plantings in excess of those required for food production, the ethanol produced from the crops and crop residues would satisfy no more than 8 percent of today's total liquid fuels energy demand.

Ethanol prices[1] at the plant gate are estimated to be in the range of $1–$1.30 per gallon ($13.20–$17.10 per million Btu[2]). The current price of gasoline on a comparable basis is somewhat less than $0.40 per gallon ($3.50 per million Btu[1]) based on overall supply. Therefore, unless ethanol production is heavily subsidized for national security, political, or other reasons, it is not likely to be in commercial fuel use in large quantities because of the high cost alone. Research and development are being conducted to increase crop yields, reduce processing time, and utilize energy conservation and other approaches which would improve both energy use and economics, but it is not likely that these will give savings large enough to enable ethanol to complete nationally with other alternatives. However, production and utilization of ethanol on a regional basis may have merit.

METHANOL

Methanol is presently made almost totally from natural gas in the United States, thus new plants are expected to use different feedstocks. The most abundant domestic source of methanol in the future is coal through gasification to a synthesis gas and subsequent catalytic conversion. The process steps in going from coal to methanol are commercial and commercial size plants could be in operation within 5 years using essentially current technology. Methanol could also be produced from wood, agricultural residues, and municipal solid waste using the same general technical approach as for coal, but process details and economics are not as well defined and costs vary with feedstock. Programs in progress at DOE will more accurately define the process and economics of methanol production for these longer term approaches.

Present manufacture of methanol amounts by volume to about 1 percent of the fuel used in highway vehicles (about ½ percent of the energy used since the heating value of methanol is about half that of gasoline). The forecast is that methanol from coal will be significantly less costly than ethanol, i.e., a selling price at the plant gate of about $0.30–$0.50 per gallon ($5.25–$8.78 per million Btu[1]), depending upon such factors as feedstock price, rate of return on investment, and type of financing.

To provide some perspective on the magnitude of the supply problem, consider a reasonable buildup scenario for methanol from coal in which ten state-of-the-art plants would be constructed in the 1980–1990 time period. Each plant would be capable of producing approximately 6000 tons (1.9 million gallons) per day; the largest current methanol plant produces 2000 tons per day. This production capacity would provide about 5 percent of the expected energy demand for transportation-oriented gasoline by 1990. If one new plant per year of the same size came on stream during the 1990–2000 period, about 8–9 percent of the gasoline demand could be satisfied by 2000. The cost for plant construction alone would be about $450–500 million per plant, or about a $10 billion investment up to the year 2000.

Methanol from high-yield forestry biomass is projected to be in the same general price range as methanol from coal, even though the production facilities are expected to be smaller, more dispersed, and with a total supply less than that from coal. In addition, the technology for biomass gasification requires further development.

END-USE CONSIDERATIONS

Alcohols have been used as fuels in motor vehicles for over 60 years in many places in the world, generally in blends with gasoline or other petroleum products. Petroleum shortages, agricultural surpluses, or national independence have generally been the driving force behind such use of fuel alcohols, which has occurred despite the fact that the consumers had to pay a premium price. Ethanol has been the alcohol of choice in the past because of availability from fermentation of local agricultural products. On a technical basis, ethanol can be considered to be somewhat better than methanol because of its higher energy content (75,670 Btu per gallon compared to 56,560 Btu per gallon for methanol), and also better phase stability and volatility characteristics in gasoline blends. Although methanol has also seen limited engine use in the past as a racing fuel, recent interest has been due to potentially greater availability, lower cost than ethanol, and costs generally competitive with other synthetic fuels.

The DOE has been investigating the utilization of alcohol fuels in highway vehicles for several years, both as blends with gasoline for initial implementation and as straight alcohols in the longer term. Although several problems have been identified with both types of fuels, they are considered to be solvable through available engineering techniques.

Most of the end-use emphasis to date has been on internal combustion engines for vehicles but some preliminary tests have indicated that alcohols are suitable fuels for gas turbine peaking units, utility boilers, industrial heating, and fuel cells. Such applications are planned to be explored in greater depth in the future within the DOE alcohol program.

For all the presently foreseen alcohol fuel applications, it appears that the fuel supply problem rather than end-use technology will be the pacing item in achieving widespread commercial implementation.

MAJOR ISSUES

There are major issues concerning alcohol supply potential, production cost, regional versus national end-use applications, and whether or not the Federal Government should foster commercialization. Despite the general acceptability of alcohols as fuels, numerous potential resource bases, and a variety of potential end-use applications, these issues serve as barriers to commercialization and utilization. The most important

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[1] All costs and prices herein are given in 1977 dollars.

[2] Based on lower heating value of fuel.

barrier is the fact that alcohols cost more than petroleum fuels. Methanol produced in large scale operations from non-petroleum resources may have a price comparable to current methanol manufactured from natural gas, but it would not be competitive with gasoline, at today's prices, on a dollars per Btu basis. In the case of ethanol, current and proejcted production prices based on fermentation of agricultural products are more than double those of methanol. On the other hand, ethanol from agricultural crops apparently has become cost competitive with industrial ethanol from petroleum.

Some non-energy issues have resulted in considerable interest in producing alcohols. Because of present grain surpluses, local or regional proposals to use ethanol from grain as a supplement to gasoline have raised the issue of the need for government tax and/or other incentives to offset the high cost of production. The desire to dispose of municipal solid waste and utilize forest and agricultural residues has resulted in still other proposals to produce and use methanol and ethanol on a small-volume localized basis.

THE DOE PROGRAM FOR RESOLUTION OF ISSUES

The DOE has a number of current activities directly related to the resolution of most of the above major issues. They include (1) the Alternative Fuels Utilization Program of Transportation Energy Conservation, (2) the coal gasification, methanol conversion, automotive test, and economic analysis projects of Fossil Energy, and (3) the agriultural and wood projects of the Fuels From Biomass Program of Solar Energy. In response to Congressional, DOE, and other concerns regarding the production and use of ethanol and methanol as liquid fuels, an expanded plan of action is being implemented to (1) remove uncertainties, and (2) provide information supportive of potential national decisions in this area. This Plan contains the following basic elements:

Immediate Action Elements: A series of special studies to examine and help resolve key technological, economic, environmental, and institutional issues that obstruct or cloud commercialization decisions. Planning for early end-use demonstration is included.

Alcohol Fuels RD&D Element: An expanded and integrated continuation of current DOE alcohol-related RD&D activities in the Conservation, Fossil Energy, and Solar Energy areas.

The DOE is currently conducting a fuels Supply Strategy Study. The special studies in the Immediate Action Element of the AFP will provide analyses of key issue areas for alcohol fuels to support the Supply Strategy Study. These special studies will examine the following aspects of alcohol fuels use: (1) resource availability, (2) economic, environmental, and social impacts, (3) end use applications, (4) Federal fiscal consequences, (5) industry incentives, and (6) policy instruments for price control, market assurance, and import control.

An output of the Immediate Action Element studies will be an evaluation of various techniques for facilitating the commercialization of alcohol fuels. For example, one such approach to be considered is a regulatory program requiring that a specified percentage of the U.S. liquid fuel demand be met with domestically produced alcohols or other synthetic fuels.

The information provided to the Supply Strategy Study from these special studies together with existing information will permit a comparison with other liquid fuel options and result in a DOE decision on commercialization of alcohol fuels to be made by January 1979. Based on the policy selected, firm decisions can be made at that time as to (1) whether or not the current Alcohol Fuels RD&D program elements requires modifications, and (2) what additional program elements should be initiated, if any.

While these special studies are in progress, current programs will be expanded to (1) inform the U.S. public and industry on various aspects of the use of alcohol fuel in passenger cars and other applications, (2) improve the technology for conversion of renewable biomass via fermentation and gasification techniques (3) perform mission analyses and system studies to assess market potential, (4) cooperate with the USDA in implementing the Food and Agriculture Act of 1977, and (5) cooperate with various state and local programs involving the production and/or use of alcohol fuels.

TIME FRAME CONSIDERATIONS

In the near term (by 1985), alcohol fuels are not likely to be extensively used on a commercial basis in the absence of new Federal initiatives because (1) the production costs of alcohols are much higher than those of gasoline, (2) there is insufficient production capacity with which to supply such fuels, and (3) there is no ready end-use market and support infrastructure. Limited use may occur in local areas where the fermentation of surplus grain to ethanol is subsidized by tax credits and loan guarantees for new plant construction.

Therefore, the DOE Alcohol Fuels Program is structured to (1) help resolve the many issues associated with commercialization of alcohols, (2) help establish a National policy regarding alcohol fuel production and use, and (3) demonstrate selected production and end-use technologies which would permit and facilitate a rapid implementation of alcohol fuel production and use if it should become National policy to do so (for reasons other than traditional marketplace economics).

EXHIBIT 3

UTILIZATION OF GRAIN AND CROP RESIDUES FOR THE PRODUCTION OF FUEL AND CHEMICALS

(By George T. Tsao)

In order to provide a brief technical background, two common chemical terms are first introduced. They are "polymer" and "monomer". A polymer molecule is made of many monomeric units chemically connected together. The words "poly-ethylene" and "ethylene" illustrate how, in chemistry, polymers are named with respect to their specific monomers. Starch is a natural polymer that exists in nearly all agricultural grains including corn, wheat and others. The monomeric unit of starch is called anhydroglucose. Glucose is also known as dextrose and is even better known as grape sugar because glucose is the sugar in grape juice. In wine making, it is glucose that is fermented by yeast into alcohol. A molecule of starch which may also be called polyglucose is illustrated by the diagram in Figure 3 where each letter "G" stands for a glucose unit. One might say that this starch resembles a tree with many branches. The connecting bonds between adjacent glucose units in a starch molecule in this particular state can be considered quite exposed and thus can be easily broken to produce many glucose monomers. In making grain alcohol from corn, starch is first converted to glucose which is then fermented by yeast to produce alcohol.

The table in Figure 4 gives approximate conversion ratios between the tons of alcohol one can produce from the number of bushels of corn consumed in grain alcohol production. At the bottom of this figure, the approximate tonnage of petroleum crude oil consumption of this country is also listed for comparison. These numbers should indicate that grain alcohol should help to reduce our dependence on foreign petroleum if alcohol is used as a liquid fuel in what is called "gasohol", but there is really not enough corn to make a very significant quantity of alcohol as a liquid fuel because the total annual corn harvest of this country is about 6.3 billion bushels weighing about 180 million tons.

Adding all other major agricultural crops including wheat, sorghum, etc., the total annual production is about 355 million tons shown in the table in Figure 5. This table also gives the figure of some one billion tons of cellulosic wastes available annually in this country, which is actually larger in tonnage than that of petroleum crude oil. In this one billion ton figure, included are cornstalks as opposed to corn grain. It includes bagasse and pulp from sugar mills. It also includes sawmill wastes and small limbs and tree branches from forests. It also includes industrial wastes and big city trash. Some of these materials are readily available and some of them need to be collected obviously at a cost. The common characteristics of all these materials is the fact that they all contain the component called cellulose. Cellulose, like starch, is also a polymer, and its corresponding monomer is also the anhydroglucose unit. Cellulose and starch can both be called "polyglucoses" (Figure 6). Unlike starch, however, cellulose is generally difficult to be converted into glucose. Cellulosic materials are of strong and orderly structures that protect cellulose from being broken down into glucose. The following several figures are to illustrate these structures. Shown in Figure 7, is a model of folded ribbon for a molecule of cellulose polymer. It does not have branches like the one shown previously for starch. A folded ribbon forms a "plate", and as shown in Figure 8, several plates on top of one another form an elementary structure unit, each of which has a more or less square cross section. In Figure 9, each of the small squares represents one elementary structure unit. In this figure, 16 small squares are shown to form a higher level of structure unit and 64 squares in total to form a yet still higher level of structure unit which is surrounded by a material called lignin represented by the small crosses. Shown in Figure 10, are plant cells that together form a piece of a woody or cellulosic material. The inner hexagonal shaped space on the left half of this figure is full of plasma when the cells are young. When the cells become old, liquid dries up and this inner space becomes hollow. Practically all cellulose of a plant material is contained in the space in between the two, inner and outer hexagons. This is the cell wall. On the right side of this figure, an enlarged diagram is showing that the cell wall can be further separated into a primary cell wall p and three distinguishable layers of secondary cell wall S_1, S_2, and S_3. Cellulose exists in these cell walls. In between the cells and surrounding the cell walls is a region called middle lamella which is again made of mostly lignin. Thus, lignin surrounds and thus again protects cellulose at this high anatomical structural level. From the few diagrams in these figures, one should be left with the impression that (1) cellulose has orderly structures and (2) lignin protects cellulose by surrounding it. Indeed, as summarized in Figure 11, these are the two major obstacles to converting cellulose in order to obtain glucose.

The idea of obtaining glucose from cellulose is not new and technologists have tried for over 50 years. Recently, we at Purdue University have worked out a new process which gives 100% yield of glucose from available cellulose at a low cost. As diagrammed in Figure 12, a solvent A is first used to remove the third major component of cellulosic materials, besides cellulose and lignin, called hemicellulose. The solid residue containing cellulose and lignin is then treated with another solvent B which dissolves cellulose but not lignin. This approach which is

simple in concept will obviously remove the two major obstacles to cellulose conversion as described by the structure diagrams in the last several figures. As shown in Figure 13, the cellulose dissolved in solvent B can be made to re-precipitate by mixing with water. Solvent B is to be recovered for recycle and the re-precipitated cellulose which is by now no longer protected by lignin and has no strong and orderly structure can be easily converted to give 100% yield of glucose.

In summary, as shown in Figure 14, from both starch in grain and cellulose in crop residues, glucose can be derived. Glucose can be fermented by yeast to produce alcohol and can also be processed to produce many chemicals replacing petroleum. From a ton of grain corn, about three tenths a ton of alcohol has been produced. With the new treatment technique involving solvents, one can potentially produce up to four tenths a ton of liquid alcohol from a ton of dry cornstalks. The work at Purdue University has been supported by the university administration, by previously AEC, then ERDA and now DOE and also by the National Science Foundation. For this generous support, I am very grateful. We at Purdue University are now at a stage of continuing our laboratory research. We are seeking for funds to study our process on a somewhat larger scale. There are several technical tests which cannot be meaningfully done in test tubes and laboratory scale glassware. If we are given a grant of 1.5 million dollars, we can complete the process research on a pilot plant scale in about two years, after which we will have data for detailed economic and energy analysis and for designing production scale factories. We need another 1.0 to 1.5 million dollars to study problems such as the techniques of collecting, compacting and transporting cellulosic materials, re-designing the necessary farm machineries, agronomy and soil research, and the potential long term and short term economical impact.

Based upon our laboratory results, a crude cost analysis was made for the process of conversion of cellulosic wastes to glucose and fermentable sugars. The results are based upon a cost of $30 per ton of cornstalks purchased from farmers. With our treatment techniques, we believe that we can produce crude grade glucose at about 1.8 cents per pound which will mean that alcohol can be produced at about 74 cents per gallon.

Some of the cellulosic wastes such as urban trash and animal feedlot wastes actually have a negative values and thus do not cost $30 per ton to collect. Some of the other wastes such as bagasse from sugarcane are already collected at sugar mills. They are currently burnt for heating value. Because of its high moisture content, the heating value is low and is worth only about $7.50 per ton for direct burning. Using a more optimistic approach by assuming no cost instead of $30 per ton for the cellulosic raw materials and a reasonable return on selling the yeast byproduct from alcohol stillage, one can then come up with an even more attractive cost figure for alcohol production at about 40 cents per gallon.

Alcohol is only one of many products that can be made from glucose. The table in Figure 15 is a partial list of additional products that can be derived from glucose. Some of these are direct consumer products and some of these are industrial intermediates which in turn can be processed into even a larger number of products. From the other two major components of cellulosic materials, namely hemicellulose and lignin, one can also make a large number of petroleum soaring products. These are illustrated in Figure 16, and Figure 17. Indeed, if we have to, complete processing industries can be developed based upon the ultimate raw material, cellulosic materials, which is a valuable renewable resource.

Finally, I would like to share with you a brief discussion I had with an Indiana farmer. With the depressed prices for corn and other farm products in current market, farmers will be happy to obtain $30 per ton for their crop residues such as cornstalks. For instance, our national average of corn harvest is about 80 bushels per acre. At $1.50 per bushel of current price, this yeilds a gross income of only 120 dollars per acre. For each acre of corn field, there is a yield of two to three tons of cellulosic residues per year. Saving a portion of the residues for soil conditioning, in average, one can remove about one ton of crop residues per acre per year from our farms. This ton of residue will yield an extra gross income of $30 per acre per year which is substantial. The "land set aside" program costs our government large sums of tax money. The acreage can be used for producing cellulosic materials sold at $30 per ton. My farmer friend told me that, for an acre of land, if he plants alfalfa he can harvest about 7 tons of dry cellulosic materials contained per year. At $30 per ton, this can give him a better income than planting corn. The wet, freshly harvested alfalfa, if pressed immediately, can produce a juice which contains high quality protein as a byproduct. The fibrous residue after juice removal is where the cellulose is. Furthermore, alfalfa has the capability of fixing nitrogen from atmosphere. If farmers rotate their crops between alfalfa and corn, they can save on the nitrogen fertilizer. Corn, unlike soybean and alfalfa, has no nitrogen fixation capability and requires heavy application of ammonia as its nitrogen source. In average, one third of the energy consumption in farming of corn is for producing the necessary nitrogen fertilizer, ammonia. The energy consumption for this is equivalent to 26 gallons of gasoline per year per acre of corn. My farmer friend does not have answers to all my questions, but he has certainly pointed out the need for much integrated research for both food and energy production. Our country is blessed with the largest and the richest land mass in the world. It is a shame to all of us, today we will pay our farmers for not farming their land; while we spend tens of billions of dollars every year to buy foreign oil. We should all ask ourselves how long can this country afford to let this go on.

STATEMENT OF DWIGHT L. MILLER

Mr. Chairman, I am Dwight L. Miller, Assistant Center Director, Northern Regional Research Center of the U.S. Department of Agriculture in Peoria, Illinois. I am a chemical engineering graduate of the University of Illinois and had over 20 years' experience in the fermentation and chemical industries before joining the Department of Agriculture about 19 years ago. The program at our Center includes research on corn, wheat, grain sorghum, and other cereal grains. About 30 years ago the Center had an extensive research program on agricultural residues and ethyl alcohol fermentation. Research expertise and some of the facilities from this program still exist and the program could be renewed with minimal delay.

In the past few years, we have had increasing interest and inquiries concerning the production of ethyl alcohol and its use in motor fuels. In response, I prepared a series of technical reports and studies about ethyl alcohol and residues and have participated in many conferences on these subjects. Some highlights of these studies will be presented. I will then be pleased to answer questions relating to the technical processes and use of alcohol.

Ethyl alcohol is produced in the U.S. by two major procedures—fermentation and chemical synthesis. For many years, practically all U.S. industrial ethyl alcohol has been manufactured synthetically from petroleum and natural gas because of economic favorability. However, all beverage alcohol continues to be produced by the fermentation of cereal grains, molasses, and other materials with high starch and sugar content. It is technically possible to produce fermentation alcohol from practically any raw material high in carbohydrate and from high cellulose materials such as wood, crop residues, and cultivated biomass crops.

Corn and sugar byproducts (molasses) have been the major fermentation raw materials for ethyl alcohol because of their high carbohydrate content and relatively lower costs. Wheat and other agricultural materials have, at times, been used. For example, during World War II (1942–45) when ethyl alcohol need was critical for synthetic rubber production and cost was less important about 250 million bushels of wheat were used for alcohol production. The alcohol yield from all these materials is theoretically in direct ratio to the contained starch and sugar per unit weight. In actual practice, the chemical and physical properties of each natural raw material has some effect. Chemically, fermentation and synthetic alcohols are practically the same.

Distillers grains are an important byproduct when cereal grains are used as the raw material. These byproduct grains contain practically all of the original ingredients, except the starch or sugar, which was converted to ethyl alcohol. These distillers grains (dry basis) have a protein content of 20–30 percent, depending on the type of original whole grain, its composition, and the recovery processes used. The byproduct is a protein concentrate for animal and poultry feed mixes.

Recovery and marketing of approximately 6.5 pounds of byproduct distillers grains that are produced per gallon of fermentation alcohol, is important to the overall economics of grain alcohol production. A credit of over $0.30 per gallon of alcohol can be obtained from the byproduct grains alone (at $100 per ton). Effects of such a new large quantity of protein byproduct on the current animal feed markets have not yet been resolved. If a lower credit is received, alcohol cost would be higher.

Ethyl alcohol as a component in world motor fuels is not new. Limited amounts have been used in the U.S. The best blend, according to present knowledge, should contain at least 10 percent alcohol (by volume) to prevent handling and separation problems, and anhydrous alcohol is usually required. Lower proportions and less pure alcohol might be possible, but would probably necessitate more expensive carburetor systems and some engine modifications.

A basic deterrent to use of alcohol motor fuels has been unfavorable economics. Approximately 2.5+ gallons of anhydrous alcohol can be produced from a bushel of most cereal grains. Annual U.S. consumption of motor fuel is over 100 billion gallons. Thus, a 10% fermentation alcohol blend would indeed have major impact on U.S. agriculture. This is probably the largest new potential industrial market for such agricultural materials as cereal grains that is known at this time.

Alcohol fuel blend costs depend on many factors, including grain prices, conversion costs, byproduct feed values, profits, and other expenses. Typical grain prices versus alcohol cost are shown in the included table. (In all cases, the costs do not include allowances for profit, packaging, and sales expenses.) It is evidence that basic fermentation alcohol cost is currently more expensive than the refinery price of gasoline.

Thus, we can report with confidence that the fermentation production of ethyl alcohol is possible from a technical standpoint; and the alcohol is suitable for industrial pur-

poses, for use as a motor fuel additive, or for use in beverages. However, for several decades, without financial support it has not been economically feasible in the United States to produce fermentation ethyl alcohol for industrial or motor fuel purposes in competition with synthetic alcohol. This situation may change soon for industrial alcohol because of escalating synthetic raw material costs. Factories to produce *large* volumes of alcohol from cereal grains for nonbeverage uses do not now exist. New installed factories must operate essentially continuously even during periods of grain shortages; it would not be economically feasible to operate them only when there is a surplus of cereal grains.

From an energy balance consideration, more energy is required at the distillery to prepare the grain, ferment it, recover the alcohol, and recover the byproducts than there is in the alcohol produced. The energy used for this conversion in existing plants is supplied by such fossil fuels as coal, gas, and oil.

The foregoing discussion has been primarily concerned with the production of ethyl alcohol from grains and sugar crops by fermentation. Many types of renewable plant materials can be converted to useful forms of stored energy such as alcohol and gases or burned directly for energy. We are confident that through Department of Agriculture research these resources can be developed to significantly contribute to our Nation's future energy requirements. For example, broad programs include plant materials selection; production of biomass; conversion of biomass to energy products; efficient use of energy products and processing byproducts; and production of products that release other materials for more efficient uses. Specific research approaches might include the following examples:

FOR ALCOHOL

Improved energy efficiency for alcohol production through improved substrate processing.

Development of new yeasts and fermentation conditions that produce more alcohol in a shorter time.

Improve energy efficiency for alcohol production through new alcohol distillation techniques and valuable byproduct grains recovery systems.

Processing of lower quality and distressed grains into alcohol and quality grain residues.

Production of alcohol and other chemicals from such alternative substrate byproducts as straw, corn stalks, and other residues high in cellulose.

Utilization of agricultural byproducts and residues for energy, food and feeds, and manufacture of such materials as paper, fiberboard, and plastic fillers.

FOR BIOMASS

Systematic screening of present-day crops and other plant species to identify those with potential for high biomass productivity.

Development of agricultural practices and techniques to maximize biomass production.

Development of required transportation, storage, and processing systems for the use of plant biomass in energy production.

Investigative on-farm or small community production of energy from biomass.

Development of on-farm uses of energy from biomass sources.

The nucleus of facilities and scientific expertise around which a broad program involving these approaches might be built is already in existence at the Northern Regional Research Center, and certain other public research agencies. A multifaceted research effort could be initiated soon after the necessary funds and authorizations were received.

Effect of corn cost on ethyl alcohol cost

[Basis: 2.7 gallon 200° proof alcohol/bushel]

Corn price/bushel	Alcohol cost/gallon, cents		
	Corn	Conversion [1]	Total base cost [2]
$1.50	55.5	25.4	80.9
1.75	64.8	25.4	90.2
2.00	74.0	25.4	99.4
2.25	83.3	25.4	108.7
2.50	92.6	25.4	118.0
3.00	111.0	25.4	136.4
3.50	129.5	25.4	154.9
4.00	148.4	25.4	173.8

[1] Byproduct grains credited at $100/ton in conversion cost.

[2] These costs do not include profits, packaging, and sales expenses (1976).

EXHIBIT 4

S. 2400

A bill to establish a National Alcohol Fuels Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Alcohol Fuels Commission Act".

ESTABLISHMENT OF COMMISSION

SEC. 2. (a)(1) There is hereby established a Commission to be known as the National Alcohol Fuels Commission, hereinafter referred to as the "Commission".

(2) The Commission shall make a full and complete investigation and study of the long- and short-term potential for alcohol fuels, from biomass (including, but not limited to, animal, crop and wood waste, municipal and industrial waste, sewage, sludge, and oceanic and terrestrial crops) and coal, making a significant contribution to meeting the Nation's energy needs. It shall take into consideration the technical, economic, legal, environmental, and social factors associated with the production, manufacture, distribution, and use of such fuels. It will evaluate the costs and benefits of alternative feedstocks, and their possible end uses, and analyze the feasibility and desirability of converting these resources to alcohol fuels. Based on such study it shall recommend those policies, and their attendant costs and benefits, most likely to minimize our dependence on petroleum, insure adequate energy supplies, encourage competition in the energy industry, and contribute to the economic health of the Nation.

(3) Such Commission shall be comprised of nineteen members as follows:

(A) six members appointed by the President pro tempore of the Senate from the membership of the Committee on Energy and Natural Resources, the Committee on Appropriations, and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate;

(B) six members appointed by the Speaker of the House of Representatives from the membership of the Committee on Appropriations, the Committee on Science and Technology, and the Committee on Agriculture of the United States House of Representatives; and

(C) seven members of the public appointed by the President, including a broad representation from industrial, labor, agricultural, and consumer groups.

(c) The Commission shall not later than December 31, 1980, submit to the President and the Congress its final report including its findings and recommendations. The Commission shall cease to exist six months after submission of such report. All records and papers of the Commission shall thereupon be delivered to the Administrator of General Services for deposit in the Archives of the United States.

(d) Such report shall include the Commission's findings and recommendations with respect to—

(1) the long and short term potential of alcohol fuels making a contribution to reducing reliance on both foreign and domestic petroleum.

(2) the relative costs and benefits of developing alcohol fuels from alternative feedstocks, taking into account technical, economic, legal, environmental, and social factors associated with their production, distribution and use; their most appropriate end uses; and a recommended time frame for their introduction into the Nation's energy mix;

(3) the existing policies and programs of the Federal Government which affect the development of such alternative fuels; and

(4) new policies and programs required to develop alcohol fuels from coal and alcohol and other fuels from the biomass to meet the Nation's projected short-term and long-term energy needs.

(e)(1) The Chairman of the Commission, who shall be selected by the President pro tempore of the Senate, in consultation with the Speaker of the House of Representatives, shall request the head of each Federal department or agency which has an interest in or a responsibility with respect to a national alcohol fuels policy to appoint, and the head of such department or agency shall appoint, a liaison officer who shall work closely with the Commission and its staff in matters pertaining to this section. Such departments and agencies shall include, but not be limited to, the Department of Energy, the Department of Agriculture, the Department of Transportation, the Environmental Protection Agency, the Department of the Interior, the Department of Justice, the Department of the Treasury, and the Small Business Administration.

(2) In carrying out its duties the Commission shall seek the advice of various groups interested in a national alcohol fuel policy including, but not limited to, State and local governments, public and private organizations working in the fields of alternative fuel development, industry, labor, and the environment.

(f)(1) The Commission or, on authorization of the Commission, any committee of two or more members may, for the purpose of carrying out the provisions of this section, hold such hearings and sit and act at such times and places as the Commission or such authorized committee may deem advisable.

(2) The Commission is authorized to secure from any department, agency, or individual instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this section and each department, agency, and instrumentality is authorized and directed to furnish such information to the Commission upon request made by the Chairman.

(g)(1) Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, per diem in accordance with the rules of the Senate, or subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(2) Members of the Commission, except Members of Congress shall each receive compensation for such periods of time as they are engaged in the business of the Commission at a rate not in excess of the maximum rate of pay for GS–18 as provided in the General Schedule under section 5332 of title 5, United States Code, and shall be en-

titled to reimbursement for travel expenses, per diem in accordance with the rules of the Senate, or subsistence and other necessary expenses incurred by them in performance of duties while serving as a Commission member.

(h)(1) The Commission is authorized to appoint and fix the compensation of a staff director, and such additional personnel as may be necessary to enable it to carry out its functions. The Director and personnel may be appointed without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Any Federal employees subject to the civil service laws and regulations who may be employed by the Commission shall retain civil service status without interruption or loss of status or privilege. In no event shall any employee other than the staff director receive as compensation an amount in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. In addition, the Commission is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the maximum rate of pay for grade GS–18, as provided in the General Schedule under section 5332 of title 5, United States Code.

(2) The staff director shall be compensated at level II of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

(3) The Director and Commission personnel shall be reimbursed for travel, per diem in accordance with the rules of the Senate, or subsistence, and other necessary expenses incurred by them in performance of duties while serving the Commission staff.

(i) The Commission is authorized to enter into contracts or agreements for studies and surveys with public and private organizations or consultants, and, if necessary, to transfer funds to and accept funds from Federal agencies from sums appropriated pursuant to this section to carry out such of its duties as the Commission determines can best be carried out in that manner.

(j) Any vacancy which may occur on the Commission shall not affect its powers or functions but shall be filled in the same manner in which the original appointment was made.

(k) Subject to the provisions of the Federal Advisory Committee Act, the Chairman may appoint advisory committees to aid in the work of the Commission.

(l) The Commission is exempt from the requirements of section 4301 of title 5, United States Code.

(m) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.●

THE RECORD OF SOVIET COMPLIANCE WITH PROVISIONS OF SALT I

● Mr. SPARKMAN. Mr. President, on February 28, I inserted in the RECORD for the use of my fellow Senators a report to the Committee on Foreign Relations on the record of Soviet compliance with the provisions of the SALT I ABM Treaty and interim agreement limiting strategic offensive arms.

This report, which represented the coordinated views of the executive branch, indicated that there have been questions raised about Soviet compliance and that those questions have been resolved to the satisfaction of the executive branch. Significantly, neither the last two American Presidents nor President Carter has seen fit to charge the Soviet Union with violating the SALT I Treaty and interim agreement. On balance, the evidence is that the Soviet Union has not acted in bad faith.

At about the time this report was received, yet another charge of Soviet cheating was raised—first in the February 27 issue of Aviation Week and Space Technology magazine, and later in other publications. These reports allege that the Soviet Union is now operating 64 ballistic missile submarines instead of the 62 limit specified in the interim agreement.

At a meeting on March 1 with the Honorable Paul C. Warnke, Director of the Arms Control and Disarmament Agency, the Senator from Iowa (Mr. CLARK) asked Mr. Warnke to respond for the record to the charge made in this magazine article. The committee has received a response from the Honorable Spurgeon M. Keeny, Jr., Acting Director of the Agency, which states,

We have no evidence that the Soviets have deployed any modern SLBM submarines beyond the 62 limit as of this date.

I ask unanimous consent that the full text of Mr. Keeny's letter to me be printed in the RECORD following my remarks.

Mr. President, I consider any charge of Soviet violation of the interim agreement to be a very serious matter. I am glad to be able to make available this reassuring response to the charge in regard to Soviet submarines. It is important that those passing judgment as to possible Soviet violations of SALT agreements take particular care that their sources of information be accurate. Clearly, any violation by the Soviet Union of the SALT I ABM Treaty and interim agreement—or of any future strategic arms agreement—could jeopardize our national security and bring an end to the SALT process. We must also realize, however, that erroneous charges of violations could jeopardize our ability to achieve a new SALT II agreement in the national security interests of the United States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ARMS CONTROL
AND DISARMAMENT AGENCY,
Washington, D.C., March 9, 1978.

Hon. JOHN J. SPARKMAN,
Chairman, Foreign Relations Committee.

DEAR MR. CHAIRMAN: At the March 1 Committee hearing on SALT, Senator Clark requested a response by ACDA for the record to an allegation that the Soviets now have operational 64 ballistic missile submarines in violation of the 1972 SALT Interim Agreement's limit of 62. This letter is a response for the hearing record to Senator Clark's question.

Although the Interim Agreement expired last October, the United States and the Soviet Union have both stated that they would not take actions inconsistent with its provisions while productive negotiations on a SALT TWO Agreement continue. The Protocol to the SALT ONE Interim Agreement limited the Soviet Union to no more than 62 modern ballistic missile submarines. An Agreed Statement associated with the Interim Agreement indicates that new modern SLBM submarines will be counted at the time of the beginning of sea trials. We have no evidence that the Soviets have deployed any modern SLBM submarines beyond the 62 limit as of this date. Additional SLBM submarines are under construction, but have not yet commenced sea trials.

Sincerely,

SPURGEON M. KEENY, JR.,
Acting Director.●

EXPERTS ASSESS NATIONAL INFANT SCREENING ACT

● Mrs. HUMPHREY. Mr. President, on February 28, I introduced, with Senator ANDERSON, the National Infant Screening Act (NISA) to provide for a national program of screening of newborn infants for metabolic disorders that can cause mental retardation.

I tried very hard to develop an approach that would be generally acceptable and compatible with existing programs at both State and national level, yet would provide the added stimulus required to make the benefits of multiple screening available to families throughout our Nation.

There are so many persons who have been active in this field for years and who understand better than I the necessary elements of a national policy. It is therefore with satisfaction that I share with you a favorable reaction from Dr. Franklin C. Smith of Minneapolis, who worked for many years to promote mandatory testing for PKU in Minnesota, and Dr. George C. Cunningham, chief of the genetic disease section of the Department of Health of the State of California.

Dr. Cunningham also makes some astute observations about cost estimates for such screening. This correspondence makes a substantial contribution to debate of NISA and deserves the full consideration of my colleagues.

Mr. President, I ask unanimous consent that Dr. Smith's letter and relevant excerpts from Dr. Cunningham's letter be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

I have had an opportunity to review Mrs. Muriel Humphrey's comments on Infant Screening for Metabolic Disorders and her proposed National Infant Screening Act of 1978 and would like to submit for your consideration the following comments.

As director of one of the largest and most comprehensive State genetic programs, I have followed developments in this field for several years. Enclosed for background information is a summary of our current program.

As Mrs. Humphrey observed, the passage of a law is only the first step in actually providing screening services. The Comprehensive National Sickle Cell, Cooley Anemia, Tay Sachs and Genetic Disease Act illustrates this fact. The failure of HEW to expeditiously publish regulations and commit funds and the failure to provide sufficient funds have frustrated legislative intent. We have experienced similar difficulties in California. I would urge you to do whatever you can to see that these moneys are rapidly committed.

I also feel that a defect of the National Genetic Disease Act is that it will not provide funds for mandatory programs. Since most states have mandatory PKU and are considering adding new tests to this base the issue may prevent the states from using this money. The benefits of a mandatory program which insures complete testing for these rare

diseases, at minimal intrusion on the lives of infants or parents, is clearly a responsible and necessary exercise of state power. It not only prevents personal damage and misery but protects the taxpayers from large outlays for less satisfactory institutions and other services for the mentally retarded.

As a former chief of a state Title V program, I was pleased to see that the contributions of this often neglected program were recognized. I feel that such genetic programs should be planned and integrated on a statewide basis within this more comprehensive approach to maternal and child care. The state programs do need federal leadership and federal funding and I fully agree with the basic content of your analysis of the problem and your approach. I find it one of the most constructive proposals in this area that I have ever seen and one that would materially assist and expedite our efforts in California.

I have only one criticism. The cost estimates appear to us to be too low for a quality program even if large regional laboratories, which we support, are used. Laboratory costs are only part of the program. In a large state or regional lab much effort must be expended in followup of initial positives, in obtaining expeditious referral for diagnosis and treatment; forms production and record keeping; evaluation; public education; collection and transmission of samples, etc. require additional funds. We have not yet completed a detailed cost analysis for our expanded testing program which will include these three disorders but it will be somewhere between $5 and $10 per infant screened. The total cost in California alone will, for 330,000 births, be $1,650,000 to $3,300,000.

I therefore urge you to seek a higher authorization and appropriation of at least $10,000,000. I am requesting the Association of State and Territorial Maternal and Child Health and Crippled Children's Directors, the American Academy of Pediatrics and the State of California to formaly endorse your legislation. If I can be of any assistance in securing this legislation's speedy passage, please feel free to call on me.

Respectfully,

GEORGE C. CUNNINGHAM, M.D.,
Chief, Genetic Disease Section.

MARCH 2, 1978.

Senator MURIEL HUMPHREY,
Dirksen Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: On Tuesday evening, one of the local radio stations included in its newscast the information that you had introduced the bill which provides for infant screening.

This was pleasant news as Dr. Guthrie had stopped in my office last Friday and brought a couple of us up to date on this matter. In fact, I intended to write you to urge you to go forward with the bill. As events turned out, I am wriitng you instead to thank you for doing so.

I have been interested in infant screening for many years and in the early 60's worked with other Minnesota ARC pepole in promoting mandatory testing for PKU with the lab work done in a central location under the supervision of the State Department of Health. At one time in recent years, the Department proposed to decentralize this lab work, but we managed to stop that one in its tracks.

The program costs about $25,000 per year, and we pick up an average of three PKU victims per year. Thus, the benefit-cost ratio runs about 400 to 25 to say nothing of the heartbreak which is avoided and the fact that we enable three persons, who otherwise would have been completely dependent on others, to lead satisfying and useful lives.

The benefit-cost ratio would be increased with the expansion of the testing to cover a greater number of problems and with a regionalization of the lab work.

If there is anything that we in Minnesota can do to help promote the passage of your bill, please let us know.

It has been some years since I have had the pleasure of meeting with you, and I hope that an occasion arises soon. In the meantime, best personal regards and greet Betty South for me.

Sincerely yours,

FRANKLIN C. SMITH,
NARC North Central Regional
Vice President.●

NEW TRENDS IN CHINA

● Mr. CHURCH. Mr. President, Mary Clark Dimond is a personal friend of mine who recently wrote a paper describing her experiences in the People's Republic of China and her observations about United States-China relations. It is entitled, "New Trends in China or 'Why the United States Should Get Along With China.'" In it she describes the transition that seems to be in process during the rule of Comrade Hua Kuo-feng as Chairman of the Central Committee of the Communist Party of China, and the reemphasis on education and learning and readjustment of the Chinese people. She then makes some interesting statements about the attitude of the United States to the People's Republic of China and how we should strive for closer relations with this, the largest country on the globe.

I want to thank Mrs. Dimond for sending me her work, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEW TRENDS IN CHINA OR "WHY THE UNITED STATES SHOULD GET ALONG WITH CHINA"

(By Mary Clark Dimond)

Great red leather drums with large brass studs were beaten, cymbals clashed, fire crackers and "cherry bombs" exploded, there were cheers, speeches, martial and patriotic music, and above all sometimes the persistent honking of a lonely vehicle intent upon reaching its destination. All of these sounds and more poured in through the door which opened onto the balcony of my hotel room in Peking this very early morning of July 22 of 1977. A two and one-half days of celebration had been decreed and the people in huge numbers had responded by pouring into the center of China's capital. Countless orderly processions of men and women wearing white shirts and marching in formation, carried first their colorful red banners with the white characters identifying their group, others then held high great red flags, and large photos of China's leaders, and then smaller home made banners were clutched in the hands of each and all. The groups surged ahead converging at the cross streets and turning to march toward the great square and pass the reviewing stand above Tien Am Men Gate. Millions of Chinese people had finally participated in this incessant parade before the days of jubilation were officially ended and the joyous young with a number of their more weary elders had returned to their commune, factory, army barracks, naval quarters, or organizational headquarters within and beyond their capital city to resume their normal duties. The heavy heat of midsummer had not deterred them, the hot sun nor the sudden showers which produced an instant galaxy of pastel umbrellas.

What was this all about? What explained the crimson flags topping every building as far as one could see and the strings of lights outlining the same as masses of people moved through the streets after dark? What had precipitated this massive demonstration?

The governmental structure of The People's Republic of China is not assimilated by the average foreign visitor in a matter of minutes. But of the several hierarchal organs of government, the Central Committee of the Communist Party of China is strong. The Third Plenary Session of this Committee of their Tenth National Congress had ended on July twenty-first and the decisions handed down were considered justifiable reason for calling out the whole population of this great country to celebrate. In the language of the official news media of China, the following was announced promptly at eight that evening: First, the Session had unanimously adopted appointment of "Comrade" Hua Kuo-feng as Chairman of the Central Committee of the Communist Party of China; second, "Comrade" Teng Hsiao-ping had been restored to all of his posts, including that of Vice Premier, from disgrace and house arrest (for a second time); third, the "Gang of Four" had been officially "read out of the party". Those, who represented the "Shanghai Group" had been named enemies of their country, and included the widow of the late Chairman Mao Tse-tung; fourth, it had been agreed to convene the Eleventh National Congress before the due date.

In this summer of 1977 we soon became aware of changes which had begun and were continuing to come about in The People's Republic of China, and we were fortunate to have been present in Peking during the spectacular demonstrations which erupted all over China after the formal government announcements. After an approximate ten year hiatus referred to as the Cultural Revolution, a new leadership had begun to settle in, and one could say also that, in many respects, an old political line was being reborn. The results of the Third Plenary Session were to have established even more firmly alterations of theory and practice at many levels.

In 1971, 1972. 1973, and again in 1976, we continued to observe every sign of a rigid leveling of the social order, to note competition of any kind was not encouraged, even in sports, and that equal all out effort by every citizen was sourred on by a series of propaganda issues which drew out a maximum contribution from each individual. The total population was kept on almost "a war footing" working for their country and *all* of its people. Leading slogans such as, "Serve the People", "Down With Elitism", "Unite the Workers of the World", went hand in hand with such negative exhortations as "Down With the Russians", "Down With Confuscius and Lin Piao", and "Down With Lui Shao-chih". Now, the new cry taken up by even the smallest children in song, was "Down With the Gang of Four".

The reference on everyone's lips to "Workers, Peasants, Soldiers" had served to describe and to emphasize the equal status of all of the people over many years.

We had not been in China in this past July and August more than an hour before we sensed a different demeanor among our friends and hosts. They laughed aloud (artificially?) and told us, "Everything is different now. There have been great changes, everything is better, much better". An absolute reticense was somewhat dissolved, and so it gradually came out. Most succinctly put, the familiar words, "Workers, Peasants, Soldiers" (which combination our students in 1976 had run into one word) was now "Workers, Peasants and Intellectuals". Our eyebrows shot up. Education was at the fore-

front, to be won, to be used and respected. All available talent, brains and cultural background were to be sought out, cultivated and assigned for an immense push to build their vast country with its prodigious supply of human labor and natural resources to bring about a highly progressive, strong industrialized nation, one which led the world in science, industry, and military strength.

For those who had not seemed to respect the old party line or to have been uncooperative in some respect in former years, there had been the "May Seventh" schools to which such persons were sent to "reorient his thinking" through extensive political discussion combined with manual labor. We learned in a few days there were no more May Seventh schools. An elite who had resisted regimentation, or a revitalization, often, of more primitive ways (particularly in medicine), or had even shown partial reluctance to be one of an altogether classless society had now been summoned from these schools, reinstated to their former positions and told to get to work, use their learning and imagination, and set China onto a path of rapid progressive development. A more broad general education and technical knowledge were extolled; research along with sophisticated procedures which had been forbidden for nearly a decade were now acceptable and encouraged.

Regimentation continues to exist, of course, and everyone works at those jobs to which they are assigned, observes a strict discipline, and may not leave a specified geographical area without permission. At the same time, vast numbers of people are moved great distances to develop natural resources, the extent of which not even the government itself has learned, and large settlements are established in the region until the completion of the job. At the great Taching oil field in the north, a new permanent city of over 500,000 people has been created in an area known to have oil reserves equal to those of Arabia. By taking families from the large overcrowded cities, other communities will be similarly created to serve, and planned also to be self-sufficient in food production and other living necessities. This technique also is aimed to improve living conditions in those cities. Tens of thousands of men and women are also relocated for shorter periods to transform a desolate area into an agriculturally productive one, or to build dams, aquaducts and canals of formidable size and strength.

As we sat and listened at many oral "briefings", at attention with our covered cup of tea, we noted that texts were read at times, and from these the phrase "the Great Cultural Revolution" had generally disappeared. The latter was considered ended, a painful phase, an unfortunate segment of recent history which had held back the modernization and development of the nation.

We learned, too, that the regulation that all students who had completed their substantial high school education must then work for two years either in the army, on the farm, or in the factory, had been altered. Formally, after their years of labor, if some of them had first proven an understanding and devotion to the party line, then won approval of both their leaders and peers, next, shown a high degree of diligence, and finally, were endowed with superior intelligence and talent, they might have the opportunity for higher education.

A new ruling would now allow a student to forgo these years of manual labor and enter the university immediately. Many of us had thought the years of labor a rather good system as we reflected on some of our own young who went into college often to drift and accomplish nothing, so were almost disappointed to hear every young person might not now be required to put through these years of manual labor after high school. We had to re-adjust our thinking. We were assured, however, that a careful system of selection would prevail, and those individuals getting on to the university immediately after "upper middle school" must be especially qualified and committed to scholarship and acquiring refined skills in order to aid their country become an up-to-date strong industrial and powerful nation.

I describe the above not only because as an American I have had an unusual series of exposures to The People's Republic of China and possess a deep respect for these diligent, sensitive, civilized Chinese people with their longest continuous culture of any nation in the world, but also because I care very much about my own people and to have of this United States of America, both the government and citizenry, understand what is happening in The People's Republic of China and thus realize that there exists a great urgency for this country "to get along with" The People's Republic of China.

Eighty percent of China's population of 850,000,000 are under twenty-five years old. In 1949, since "Liberation", citizens of China commenced to live under a system of regimentation of dimensions hitherto unimagined. As a result, this "quarter of mankind" now provides schooling for all, health care for all, food for all, and care for young and old. A moral atmosphere bringing out the best in a vast majority prevails, coupled with a modesty and realization of how much more need be improved and achieved. The individual is sublimated to the group. There is discipline, poise, confidence, pride, and determination based on a life style on a poverty level, to be sure, but a secure one. Ninety percent of the women have jobs. There is no alcoholism, thievery, criminal violence or any drug problem. There is safety on the streets. Population control is in effective command. Prostitution and venereal disease are eliminated.

The streets are clean, the people are clean, and there is a physical fitness program for all ages. And now talent is recognized and study and research are encouraged to build sophistication in every field among this vast number of humans who have risen from indescribable misery to a secure status. Indeed, the most remarkable social accomplishment in the history of mankind has occurred in The People's Republic of China.

And these are the Chinese people of whom we speak. Historically, the Chinese have protected their own country but have not been aggressors ambitious to dominate other parts of the world. They are good businessmen. They work so very hard. And they have a heritage of five thousand uninterrupted years of civilization, one which will bring them through any limitations Communism may have which could become obstacles over time, while still preserving an enduring appreciation of all which this political ideology and its relentless revolutionary leaders has done for them. The Chinese can and will rise above current reverses and misfortunes as they have survived many other torturous events through the centuries.

What is the United States planning to do about The People's Republic of China?

It may be useful and important for us to remember the condition of Japan immediately after the Second World War, and to note the Japan of today, their status among world nations, their industrial and technical capacity, and to note how small a fraction is their population compared to that of today's China. Is not all this impressive to think upon?

I am fearful our own United States will suffer from not facing the reality, and may therefore postpone for too long establishing a normal diplomatic relationship between the governments of our two countries. China is formidable now, even as it commences its rapid rise. We are of the last nations of the world who refuse to have a formal diplomatic relationship with The People's Republic of China.

The Chinese people have many friends all over the world, and have had continuous interchange with these over the years. It was the United States who put a "bamboo curtain" around themselves. The Chinese have an adequate market to whom they can sell their products, enough friends among nations from whom they may import raw materials and food, if necessary. They have no immediate need for us. Perhaps no ultimate need for us.

It may be an unwelcome suggestion to some of us that we should be more modest, or mannerly, and there is perhaps more reluctance than is sensible to realize there may be coming a time when the United States will need China coincidental with an era when China will not care or have any need of us. Should we not be less confident in this shrinking world of diminishing resources?

Should we not practice greater foresight and put aside all traces of bigotry? Can we not admit to some inadequacies of our own? Can we afford oblivion, hostility, or an excess of pride? Would we benefit in the end from using the more harsh manner of thinking and acting only on calculation of our practical needs of the future?

Most nations are selfish. Can we honestly think of one that is not? But should we not at least try very hard not to use the unsmiling decisive route to achieve our goals when such methods tend to cultivate a lack of a most desirable world harmony?

The "Taiwan question", the main "stumbling block" preventing "normalization" between the two countries, must be seen for what it is. And the terms of the Shanghai Agreement must be re-defined and re-emphasized. These are not thought through by most of the people of this country, if considered at all. We made a pact. We have not lived up to it.

I shall not become allegorical beyond suggesting one imagine briefly how it would be for us if foreign people came to our country, settled, disdained our religion and customs, inflicted upon us their own, took advantage of and perpetuated weaknesses and disasters, absconded with our art treasures, grew rich from our resources, behaved as bigots with little regard for our human life or dignity. And when these invaders were losing, they fled, a small handful of people accompanied by a few converts to a small off shore island and declared then that they represented all of the people, a whole nation of whom they were but a tiny fraction.

Few care to admit we "backed the wrong horse". Few care to admit that there is oppression and corruption in Taiwan at this time. How many remember a legal Taiwanese government exists in exile in Tokyo? How many know the invaders and their converts subjugated and put to their use the remaining natives of Taiwan? Some Chinese on Taiwan would like to return to the mainland. Others who can manage it have or are escaping to other parts of the world. And some are thriving on the corruption there, enjoying the money poured into Taiwan by the United States, and would prefer not to be a part of The People's Republic of China. A number would like to be under the rule of Japan.

The United States might suggest some compromise? To expedite matters, might there not be some way in which those fearful to return or be dominated by the People's Republic of China could be re-settled where they would feel out of danger? There may be a variety of solutions which could resolve the matter if The People's Republic of China is not now settled down and prepared to wait indefinitely for the matter to solve itself. This latter is possible. The Chinese are in no hurry. And the situation will, of course, ultimately resolve itself.

Solution to the Taiwan question cannot come too quickly for us now, however. Let us encourage responsible people of both countries to work things out so that the provisions of the Shanghai Agreement are fulfilled and the obstacles surmounted. One or another or both of us might give a bit so that the situation is terminated?

When a Chinese makes a promise he keeps it. If another makes a promise and does not live up to it, the Chinese man is indignant. The Chinese people do not lack confidence or more than reasonable patience.

I suspect in this case the Chinese are prepared to wait, as I mention above, until the opposition sees their mistakes. Their own manners, their standards, even their concept of law are other than ours. But would not the United States of America promote the chance of success sooner rather than later if in small ways we made friendly overtures? Is it not a time for generosities, good manners, and reaching out first, even if it is a second "first"? Give of kindness to the Liaison Officers and their staff confined to their buildings in this country. Ask the Ambassador of the Permanent Mission of The People's Republic of China and his family out for dinner, for a picnic in the country or ask just to come to call?

On the pragmatic side: Reduce the excessively high tariff on exports from China to the United States. Entertain no thoughts of protocol so rigid they demand the Chinese head of state come to our country because we have had our own high officials visit there. Have we any rational basis for thinking such a visit is due when we have not fulfilled our part of a bargain? Must all giving be evenly measured? Should we let ourselves forget that the wheat we sold China was of such deteriorated quality it was unacceptable and the Chinese people canceled further orders? Can we not work to see wherein we have been or are still wrong?

There are sayings such as "Know Thyself" and "Go That Extra Step . . .". I think the time is overdue for the sake of the people of the United States that we act and soon, with such sayings in mind, and even now, it may be too late.

POSTSCRIPT

Within days of the completion of this article, four events have occurred:

Number one, our own Liaison Office to The People's Republic of China, Mr. Leonard Woodcock, has publicly urged that the United States formally recognize The People's Republic of China without delay.

Number two, perhaps most significant and important, and the first evidence of diplomatic failure on our part which may be devastating to us over "the long haul", it has been announced that The People's Republic of China recently concluded a trade agreement with the United European Common Market.

Number three, The People's Republic of China and Japan concluded a nine to eleven billion dollar trade agreement with Chinese coal and oil to go to Japan—. (Wall Street Journal, February 17, 1978)

Number four, Chairman Hua Kuo-feng spoke to the Fifth National People's Congress (this is an arm of the Chinese government representative of all of the people rather than of the Communist Party membership, which is somewhat over two million individuals) and in the course of his speech did rouse the meeting with regard to the Taiwan issue. (Kansas City Times, February 27, 1978)

Too late, perhaps, now, to have secured advantageous economic agreements with China, we may have to hurry more to resolve the Taiwan issue at the same time maintaining a level of cordiality between the two countries necessary to this nation's welfare and perhaps, again, to the peace of the world.●

FULL EMPLOYMENT AND BALANCED GROWTH: KEY TO ELIMINATION OF SLUM POVERTY

● Mrs. HUMPHREY. Mr. President, it has been 10 years since the inner cities of the Nation's largest urban areas erupted in riots and arson-sparked firestorms.

Those scenes of chaos that produced states of siege in our cities were the ultimate expression of the rage and frustration of human beings trapped in poverty.

Now, 10 years later, despite many public and private initiatives to respond to the needs of the impoverished, the problems of our urban ghettos, and those who cannot escape them have grown even worse.

Ten years ago the slums of the Nation's cities symbolized the despair of people who were convinced they were the victims of an unwritten national policy of discrimination. That conviction continues to persist. But today it does so in ever-expanding slum areas that have largely become wastelands of abandoned, burned out, and vandalized buildings where brutal crimes are ordinary everyday events.

Mr. President, this is the alarming portrait drawn by a series of recent articles in the New York Times on the condition of blacks in America today, 10 years after the report on the Advisory Commission on Civil Disorders, better known as the Kerner Commission.

While the Times report describes the condition of inner-city slums as worse now than they were 10 years ago, it also details the significant economic and social strides made by blacks during that time. Efforts to integrate our society and to provide equal opportunities for minorities have benefited large numbers of blacks, one-third of whom now count themselves as members of the middle class, either living in or able to live in what used to be all-white suburbia.

This migration of blacks into the professions and highly skilled trades and into suburban housing developments has left the Nation's riot-scarred ghettos without adequate numbers of spokesmen or leaders. The result is that those who remain in the slums are trapped there, not only by their lack of education and job training, but by lack of aggressive, articulate representation that used to be provided by those who now have successfully entered the mainstream of American life.

These circumstances have combined to make the hundreds of thousands of blacks and other minorities living in urban slums the largest single element in the Nation's structural unemployment problem. That problem, whether it is in inner-city ghettos or rural slums, exists because the country has failed to achieve and sustain a full employment, balanced growth economy. It will continue to exist so long as we fail to reach and hold this goal.

Job training and public service employment programs are required initial steps to open the way to escape from poverty. But, they are largely futile exercises unless useful employment opportunities paying decent wages exist in sufficient numbers in the private sector. The only way the job market is going to be expanded to this extent is through a sustained effort to develop and implement comprehensive and coordinated fiscal and monetary policies that will promote maximum activity and stable prices in the private sector.

Mr. President, this is why the Humphrey-Hawkins bill now being considered in both the House and Senate is the real key to significantly reducing poverty in the Nation for all our citizens. It recognizes that the Federal Government must look at the economy as a whole in shaping economic policy and it requires the administration and Congress, with the assistance of the Federal Reserve, to work in partnership to develop and implement policies that will help guide the economy toward full growth and stability.

It is only within such a total effort that special, targeted policies and programs aimed at the poor and the unskilled can have any lasting meaning. The Full Employment and Balanced Growth Act provides the structure and the procedures to address our economic problems through both broad tax, spending, and credit policies as well as special targeted initiatives providing incentives to business and industry to create employment opportunities and establish Federal job training and public service employment programs to help the unemployed ultimately enter the job market.

Until the provisions of the Humphrey-Hawkins bill are made operable, until the Government is committed to achieving the bills' interim goal of reducing overall unemployment to 4 percent, the tragic waste and disgrace of our urban slums and the abject misery of the people forced to live there will continue needlessly.

Mr. President, with that thought in mind, I ask unanimous consent that excerpts from the Times articles on the condition of blacks in America be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BLACK-WHITE SPLIT PERSISTS A DECADE AFTER WARNING

(By John Herbers)

("Our nation is moving toward two societies, one black, one white—separate and unequal."—The National Advisory Commission on Civil Disorders, Feb. 29, 1968.)

ST. LOUIS.—The division between white and black Americans still exists, and the prospects of healing the rift may be more dismal today than they were 10 years ago, when that warning was issued by the Presidential panel known as the Kerner commission.

As a whole, the nation's 25 million blacks have gained enormously in the last decade, but many students of the nation's racial struggles as well as black and white community leaders throughout the country see a bleak future for the millions remaining in the urban ghettos.

Outside the ghettos, most whites are even more insulated from the slums than they were in 1968. And the blacks who have left in substantial numbers for better lives else-

where are, for the most part, engrossed in middle-class concerns and no longer active in the cause of those left behind.

Many urban blacks, perhaps 30 percent, have worked their way into the middle class and have moved to the suburbs or to better housing within the cities. Some of those still dependent on public assistance have received substantial increases in real income through rent subsidies, a liberalized food stamp plan, an expanded welfare system and other benefits enacted since 1968.

But chronically high unemployment in black neighborhoods has raised fears that the nation may have acquired a permanent underclass, people who are wards of the Government living out unproductive lives under conditions that most Americans, if they think about them at all, consider unacceptable.

Former Mayor John V. Lindsay of New York City, who was vice chairman of the commission, believes that separation between races and among blacks themselves is a problem so difficult to resolve politically that the Federal Government can approach it only obliquely, not head on.

"They would have to be almost too brave to bear the pain," he said in a telephone interview.

CONSIDERABLE GAINS MADE

The number of black elected officials has increased dramatically, as has the education level of blacks. From the sterile downtown office buildings that still serve as the nerve center of commerce in most cities, it is a salt-and-pepper work force that pours into the streets at 5 P.M. Blacks are more visible on television and in sports. In a number of ways, it is an integrated society.

But the places that experienced urban riots in the 1960's have, with a few exceptions, changed little, and the conditions of poverty have spread in most cities.

Ten years ago, the South Bronx was in deep trouble; today, it is in ruins.

Stable neighborhoods in 1968—the northwest section of St. Louis, for example—are now undergoing housing abandonment.

Scars of the riots are still visible in Washington, Detroit, Newark and other cities. In most of them, blight has been even more devastating than the rioting.

The troubled areas include desolate expanses of New York, Newark, Chicago, Washington, Philadelphia, Cleveland, Detroit, St. Louis, Gary and Buffalo; the sprawling slums of Los Angeles, Houston and Memphis; crumbling old neighborhoods of New Orleans, and hundreds of other central city and suburban areas.

A composite of them would be a land of several thousand square miles of rubble-strewn streets and vacant blocks, abandoned stores, stripped-down hulks of automobiles, bleak and compacted public and private housing projects, battered school buildings, old men with glazed eyes.

Residential boundaries for blacks have expanded, but not through the metropolitan-wide integration that the commission recommended. Blacks have migrated outward along well-defined corridors—the middle class leaving first for safer neighborhoods and better schools, with the poor "tailgating" them.

"It is still mostly a segregated society," said George S. Sternlieb, director of the Center of Urban Policy Research at Rutgers University.

THE PICTURE NOW

A check by The New York Times of representative cities and interviews with scores of people involved shows the following comparisons from 1968 to 1978:

Population: Although the situation in each city varies, there are now fewer people in larger areas that could be described as ghettos, except in Southern cities where the integration of blacks is still taking place. In central St. Louis, for example, children returning from school one day last week picked their way past hundreds of abandoned houses to their homes. Ten years ago, those empty buildings were a bustling neighborhood.

Employment: The unemployment rate for all blacks has doubled over the 10-year period, and has been hovering recently at around 14 percent. In the ghettos it is much higher—40 to 50 percent among black youths in many cities. As factories have moved out and economy has become more concentrated in technology and services, there are fewer opportunities in the manufacturing jobs that once provided the first step into the job market for the urban poor.

Education: There is a consensus that central city schools have declined in quality even as teachers' salaries have risen. In most cities, the ghetto schools are virtually all black or Hispanic as integration efforts have faltered.

Housing: Tens of thousands of deteriorated but structurally sound housing units have been abandoned. Some of the abandoned buildings were erected since 1968 in areas designated as "model cities" by the Federal Government. Rehabilitation and new construction have not kept up with the need in most areas. In New Orleans, there is a waiting list of 10,000 for units of dreary public housing. Blacks there are doubling up in shacks as whites line up old buildings for renovation.

Crime: While the police statistics that measure serious crime are seldom dependable, there appears to have been an increase over the 10-year period. Typically, in New York, there were 304,000 felony complaints in 1966, as against 552,000 in 1976. While New York and most other cities have reported some decline in the past year or so, it is believed to reflect a decline in the number of young, who commit most of the crime, rather than better control over lawlessness.

Federal Aid: While the ghettos have remained unchanged, or have worsened, Federal aid to cities has increased enormously. In 1967, direct Federal aid to St. Louis made up only 1 percent of the general revenue. This year, Federal aid is expected to constitute 54 percent.

Newark will have gone from less than 2 percent to 55, Buffalo from 2 percent to 69, Cleveland from 8 percent to 68. Even Tulsa, Okla., a city not high on the Government's crisis index, is dependent on the Federal Government for about one-half of its total budget.

The money has been such a windfall that Richard P. Nathan of the Brookings Institution recently told Congress that only a handful of cities, New York included, now have a fiscal crisis. But, with few exceptions, the money has gone largely to supplant other sources of revenue rather than to enrich the ghetto or other declining areas.

ST. LOUIS AS AN EXAMPLE

St. Louis is not a typical city but, like a Eugene O'Neill play, it shows a general condition in stark and dramatic form. The city itself, whose boundaries were established in 1876, now makes up only a small part of the metropolitan area. Its population is half a million, down 42 percent from 1950.

George D. Wendel, professor of political science and director of the Center for Urban Programs at St. Louis University, recently described the current state of affairs to a Brookings Institution conference in Washington:

"While we have lost 42 percent of the residents, we have also lost about the same percent of our residential housing. Great sections of St. Louis are simply abandoned. They are essentially flattened. One-sixth of the residents are welfare. The city is 41 percent black, but we are losing 5,000 to 7,000 blacks a year.

"The Black politicians are showing the same concern about the loss of constituents and doing the same things their white predecessors did to try to hold on to their folks.

"We are turning to tourism, like everybody else," he continued. "Wendel's rule is that 10 percent of the nation must be on convention at all times to fill all those convention centers that are happening everywhere. Downtown seems to be booming. A lot of it is illusion, but the doughnut hole gets large around downtown. It's more and more just emptying out."

Most of the emptying out, he said, occurred during the great growth of Federal aid.

"Correlation, not cause and effect," he added. "We are obviously not going to turn down Federal money because of this correlation. We are hooked, 55 percent. We know that we're addicted and will go on."

St. Louis has a strategy for abandonment, Dr. Wendel continued. It is "board and secure." Because abandoned units are so quickly vandalized, the city must move fast to protect them.

But in many cities, boards are no longer sufficient, metal paneling is required. "So strategy for neighborhoods may be no more than starting with boarding and securing and then going on to other kinds of more fundamental strategies," Dr. Wendel said.

A DISTINCT TRIANGLE

In his office here, he pointed to a map to show where the blacks are moving—to the edge of St. Louis and outward to its suburbs, so that the black area now makes a distinct triangle in the metropolitan area.

With the blacks leaving, is not St. Louis becoming proportionately whiter and richer? No, Dr. Wendel said, it is becoming a city of the poor and the old, and they are dying.

While the ghettos have remained, the public discussion of the difficulty, which has begun again after several years of silence, is in a different context. Even the language of the Kerner commission's report seems dated. Problems are no longer discussed in terms of race, but of the urban poor.

Rather than a laundry list of recommendations, a consensus has developed among blacks and whites, and liberals and conservatives, that offering a long list of recommendations is not the answer. The first step toward solving the problems, they say, is better employment opportunities.

"CANNOT AFFORD" TO HIRE BLACKS

M. Carl Holman, president of the National Urban Coalition, said in an interview: "I work with businessmen and when I ask them to find jobs for young blacks, they say, 'No, we cannot afford to as long as there is a pool of better qualified whites to draw from.' And I say, 'Well, what are we to do?' And they say 'Nationalize welfare.' "

That, of course, while considered desirable in many ways, would perpetuate the underclass if used as a substitute for jobs, so Mr. Holman takes a look at the array of Federal programs on the books.

"I find that it costs more to finance all those programs than it would to provide jobs," he said. "What we are spending we are spending negatively. It seems to me that here in America we are running out of the creativity we used to have."

In the black community, so many tactics have been tried and have failed—demonstrations, Federal aid, black separatism, black capitalism, coalitions with business interests. The National Urban League recently sent questionnaires to its affiliates, asking whether they thought "a permanent class of

people is being created who will never be productive members of society." Seventy-eight percent of the replies were affirmative.

POSITIVE ATTITUDE DEVELOPING

Although there is deep skepticism that the Carter Administration's proposed job programs or the emerging new urban policy, to be announced by President Carter next month, will have much effect, people like Carl Holman believe a positive attitude toward the troubled ghettos is developing in the Administration, and some help may come of this.

Reynolds Farley of the Population Studies Center at the University of Michigan recently wrote a paper on Detroit entitled "Chocolate City, Vanilla Suburbs." Using sophisticated polling techniques, he determined that "residential segregation results largely from the preference of whites for segregated neighborhoods."

Dr. Sternlieb of Rutgers suggested a reason that goes beyond racism. When a number of blacks move into open suburbs, such as Plainfield, N.J. and New Rochelle, and buy homes, the real estate values go down because of the concentration of blacks.

"It's called greenlining," he said, "and the blacks are deprived of the forced savings that whites enjoy—the appreciation of real estate values."

"The ultimate answer is the metropolitan-wide acceptance of black communities," Dr. Sternlieb said.

It is one of the Kerner commission's recommendations, and it has not been achieved anywhere.

IN POOR BLACK AMERICA

The disintegration of some inner cities has turned once peaceful black neighborhoods into no-man's-lands where neither blacks nor whites are safe, a condition that further alienates whites. The high unemployment rates among poor blacks, and the crime associated with this group, also forces older blacks to live in fear.

One black man who feels trapped in the house he has owned for 32 years is Mitchell Wood, a 61-year-old retired repairman who lives in the Inner West neighborhood of Dayton, Ohio. "The old people have moved out and the people who move in are undesirable," Mr. Wood complained the other day.

"It wasn't like this 10 years ago," Mr. Wood said. "All the good people have gone."

With the energies of the civil rights movement dissipated, with the withdrawal of massive white support and with black leadership cadres moving into Government jobs or into middle-class communities, the poor black segment of America sees itself as powerless, ignored and lacking a strategy to challenge the status quo.

For some like Dean Lovelace, a former lathe operator in a factory who now heads the Ohio Black Political Assembly, the rage and anger of the black community is as potentially volatile as it was 10 years ago. "I think we're headed for another period of turmoil," he said.

But for young blacks like a tall, gangly teen-ager in the lobby of a Kansas City movie house who identified himself only as Claude, even violence seems unlikely to change things. "The cops got all the fire power they need to blow us away," he said, pulling a cap over hair braided back in cornrows. "They're just waiting for an excuse to get us out in the open with a stick in our hand."

Many see little ahead but a life of idleness, Patricia Stantil quit school in Baltimore when she got pregnant in the 11th grade; now, just turned 21, she is pregnant again.

Welfare gives her $260 a month; she spends $125 of that for rent and $38 for food stamps. Once she entered the Job Corps for training as a nurse's aide, but she dropped out, suffering from homesickness. Now she has no job, no skills and no drive to get either.

"I'm not doing nothing," she said, "but staying home and taking care of my daughter."

For millions of blacks, the situation is like that of Earl Howard, standing on a cold street corner, stamping cheap Italian-style shoes into the swirls of snow eddying at his feet, waiting for a ride that never came.

"I just came up from New Orleans looking for work," he explains, about to give up on the friend who was to meet him. "I need money to buy me some good work boots. I just ain't ready for this cold weather."

Tomorrow he would ask around again. Maybe something would turn up.

"It was the snow," he said after one last look for the friend's car. "It must of been the snow what kept him home."

BLACK PROGRESS AND POVERTY ARE UNDERLINED BY STATISTICS

(By Steve V. Roberts)

WASHINGTON.—In 1976, black families had a median income of $9,252, an increase of 105 percent over 10 years. In that same year, 30 percent of all black families earned $15,000 or more. A decade ago, only 2 percent were at that level.

But 1976 also saw 31 percent of all black individuals living below the poverty line, as against 42 percent in 1966. And among families headed by women, 36 percent of families in the black community in 1976, the poverty rate was 55 percent. It was 65 percent 10 years earlier.

Those statistics illustrate the two faces of black America today, 10 years after the National Advisory Commission on Civil Disorders issued its report. One group is rapidly acquiring more education, better jobs and higher income; another remains mired in poverty, an unyielding "underclass" with few qualifications and little motivation.

In certain ways, the gap between black and white America has closed substantially. Black female clerical workers, for instance, now earn 99 percent of the average salary for whites. In 1975, 93 percent of all black teenagers were enrolled in high school, a jump of 10 percentage points in 20 years and only one point less than the mark for whites.

In other ways, the gap remains large. The median black family income, $9,252, is still only about 60 percent of the average white family median income, $15,537. Blacks are twice as likely to die of diabetes and seven times as likely to be victims of homicide.

DIMINISHED POLITICAL POWER

The Kerner commission said that America was moving toward "two societies, one black, one white—separate and unequal." Today, it's probably more accurate to say that America is divided into two classes, one comfortable and one not.

Professor William J. Wilson, a black sociologist at the University of Chicago and author of "The Declining Importance of Race," points out that a generation ago the new "black bourgeoisie" made its money mainly by serving the black community itself. Most of them were doctors, lawyers, undertakers and teachers. Today, middle-class blacks also make money in the white world, as managers in large corporations, for instance, or as skilled union craftsmen.

While most black leaders are pleased by the success of this rising middle class, they worry that it has fractured the unity of the black community and thus diminished its political power.

If the picture of a divided black America is beyond dispute, interpretations of that picture differ widely. Some analysts point to the progress made by the black middle class and say, in effect, that the glass is half full. Others stress the plight of the underclass and say that the glass is half empty.

On a recent television show on the Public Broadcasting System, for example, Ben. J. Wattenberg, the author and demographer who was the host of the program, said: "I come out with two simple points, one substantive, one tactical. Substantive: blacks are still behind whites but there's a lot of catching up going on, and right through the recession, too. Tactical: if you want to keep in motion some of the causes of progress, it's a good idea to let the country know that progress is being made."

State Senator Julian Bond of Georgia, the prominent black activist, retorted: "My thesis would be that, although undeniable progress has been made in this country on the question of race over the last 77 years, I'd prefer, really, at the risk of being called a pessimist, to concentrate on the negative. The country must be reminded again and again and again that things aren't what they should be."

UNEMPLOYMENT

In sketching a demographic portrait of the racial situation today, some of the most important statistics concern jobs.

Unemployment for all groups varies according to the business cycle, but over the last 10 years the rate for blacks has consistently been twice as high as that for white. At the end of last year, the jobless rate was 6.3 percent for whites, 13.2 percent for blacks. For white teenagers it was about 15 percent, for black youths about 40 percent.

Optimists and pessimists argue that these figures are misleading. In a recent volume published by the Urban League, Dr. Bernard E. Anderson asserted that, if job seekers who had become discouraged and quit looking were included in the totals, black unemployment would have soared to 25.3 percent in the third quarter of 1977, as opposed to 11.7 percent for whites.

Mr. Wattenberg points out, on the other side of the coin, that in 1974 unemployment for married black men was less than 5 percent, a rate only 1.7 times higher than the white figures.

Analysts generally agree that a large part of the unemployment problem in the black community is structural, and not easily solved by an upturn in the economy. Many jobs, from assembly lines to corner groceries, are leaving the inner cities for the suburbs, and many blacks do not have the education to compete for the technological jobs.

Another problem is that many black youngsters are unwilling to take menial jobs that might be available. Some black leaders agree with them, but others take a different view. "Even if it's a dead-end job, the act of working does something for people," said Representative Parren J. Mitchell, a Democrat from Baltimore who heads the Congressional Black Caucus.

Like many other blacks, Representative Mitchell also believes that racial discrimination still influences hiring practices: "It's a more subtle form of racism, that's replaced the more overt, naked forms," he said.

Whatever the reasons for black unemployment, younger working blacks are moving steadily into better jobs. In a recent study, the Congressional Budget Office noted that, as of 1974, 32 percent of all black workers held white-collar positions, up from 14 percent in 1959. In the same period, the percentage doing domestic household work had dropped from 15 to 5.

Among better paid workers, the gap between blacks' and whites' income narrows. In 1974, the median income for black male professionals was $11,088, or 82 percent of the figures for whites. For black female professionals the median was $8,376, or 15 percent more than for comparable white women.

POVERTY

On the other end of the spectrum, the poverty rate for blacks is generally put at

more than three times that for whites, although some economists dispute the computations.

The figures for blacks, they say, do not include illicit or unreported funds that boost the income of some families.

More important, they do not include in-kind benefits such as food stamps, medical care and housing subsidies. If those benefits are counted as income, says the Congressional budget office, the poverty rate for black families is cut in half.

Another key variable in black income is family status. The number of black households headed by women spurted to 36 percent in 1976, as opposed to 11 percent in the white community. And 17 percent of all blacks living in families headed by men were below the poverty line, as opposed to 55 percent in families headed by women.

EDUCATION

Jobs and income are closely related to education, and it is in this area that blacks have made their biggest strides. In 1973, blacks in their mid-20's had completed an average of almost 12 years of schooling, only one year less than the whites and an increase of four years over blacks in the 50's.

At the same time, many educators feel the quality of education received by blacks lags far behind that of whites. One recent test showed that 92 percent of all white 17-year-olds were functionally literate, as opposed to only 58 percent of the blacks.

The number of black college students has more than doubled in the last 10 years, and today blacks make up 10.7 percent of the total college enrollment, only one point below their portion of the school-age population.

Dr. Bernard C. Watson, a black professor at Temple University, points out, however, that 60 percent of the black students went to two-year community or vocational schools and another 20 percent attended historically black colleges.

MEDICAL CARE

Quality of life is difficult to measure statistically, but medical care is one critical benchmark and here, the litany is familiar: A lot has been accomplished, more needs to be done.

Since Medicare and Medicaid were introduced in the mid-1960's, many blacks have had access to the first decent health care. In the last 10 years, infant mortality rates for blacks have dropped almost in half, but remain far above those for whites. Black life expectancy increased three full years, to age 67, but lagged six years behind the white figures.

In education and in health, blacks have benefitted from huge Federal programs initiated after the turmoil of the mid-60's. For instance, black youngsters received between one-third and one-half of all Federal money allocated to elementary and secondary education, a total of more than $3 billion late last year. In health, blacks account for 36 percent of the drug abuse program.

The demographic picture shows that the optimists and pessimists are probably both right. The glass is half full and half empty. For every black who fights to the top, another is stuck at the bottom.

Mr. Wattenburg offers this interpretation: "The glass is filling, that's the operative word. You can argue whether it's fast enough to slow enough, but a tremendous amount of change is going on in this country." ●

LABOR REFORM BILL OF 1977— AN OUTLINE OF PROVISIONS

● Mr. HATHAWAY. Mr. President, as the Senate draws nearer to debate and vote on the labor reform bill of 1977, I am sure that many of my colleagues are receiving a number of inquiries about the bill, as well as expressions of opinion both for and against the bill, S. 2467.

I have found an outline of the basic provisions of the bill to be most helpful in this regard and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the outline was ordered to be printed in the RECORD, as follows:

OUTLINE OF THE BASIC PROVISIONS OF S. 2467

A. THE PROVISIONS DESIGNED TO EXPEDITE THE DECISION OF UNFAIR LABOR PRACTICE CASES

1. Expansion of the Board from five to seven members.—The Board normally sits in panels of three. An increase in Board membership from five to seven, in conformity with a suggestion first advanced by Senator Taft in 1949, will mean that each member of the Board will be required to participate in only 3/7 rather than 3/5 of all panel decisions. This will substantially reduce the bottleneck at the Board level caused by the increase of one-third in contested unfair labor practice cases since 1960 and do so in a manner that continues the personal participation by the Board members in the actual decision-making process. To assure continued balance on the Board, the bill expressly provides that no more than a simple majority of the Board's membership shall be drawn from one party.

2. Summary affirmance procedure for uncomplicated cases.—Approximately 40 percent of all contested cases taken to the Board itself are affirmed by adoption of the Administrative Law Judge's decision without modification or with a minor clarification stated in one or two paragraphs. Many of these cases turn on credibility resolutions by the ALJ which are infrequently overturned.

The bill provides a summary affirmance procedure for use in such cases through which the matter will be presented to a 3-member Board panel on a motion and response within 30 days of the ALJ's decision.

The bill provides that three-member panels should consider summary cases. In addition, the bill spells out that motions for summary affirmance are to be filed within 10 days after the Administrative Law Judge's decision and that the responding party has 20 days in which to reply.

3. Requiring ALJs to issue short form decisions in uncomplicated cases and providing law clerks to ALJs.—

The work of the NLRB Task Force and the testimony at the hearings demonstrate that there are serious delay problems at the Administrative Law Judge level. To assure prompter issuance of ALJ decisions, two amendments to the NLRA are included in the bill.

It presently takes a median of 94 days from the close of an unfair labor practice hearing until the ALJ issues a written opinion. The NLRB Task Force attributes much of this delay to over-elaborate opinions. Plainly the proper functional approach is to provide that the ALJs shall set out their findings of fact and conclusions of law in brief conclusionary paragraphs commenting only briefly on the method they used in resolving conflicts and the basis for their legal conclusions, and to leave it to the newly enlarged Board to explore and settle open legal questions as necessary. The bill, therefore amends Section 10 of the Act to provide precisely that division of responsibility.

Section 4 of the Act permits the Board to appoint attorney assistants to the Board members to assist them in reviewing case records and in the preparation of opinions. However, the Act does not provide for legal assistants or law clerks for the Administrative Law Judges. Just as legal assistants have proved invaluable to the Board members and law clerks have long assisted federal judges, the proper administration of the Act would be enhanced by providing law clerks to the ALJs, a position strongly endorsed by the Task Force. The bill therefore amends Section 4 to permit appointment of such clerks.

4. Self-enforcing Board orders.—

There is no reason why a party aggrieved by a Board decision should not be required to promptly seek review of an adverse decision or to comply with the Board's order. Therefore, the bill provides that a party aggrieved by a Board order must petition for review within 30 days or the order becomes final and must, on application of the Board, be enforced.

B. THE PROVISIONS DESIGNED TO PROVIDE ADDITIONAL REMEDIES TO EMPLOYEES WHOSE RIGHTS ARE VIOLATED DURING ORGANIZING CAMPAIGNS OR EFFORTS TO DEAUTHORIZE OR DECERTIFY A UNION

1. Preliminary injunctions against discriminatory discharge.—

A preliminary injunction is an appropriate remedy when the harm in permitting a probable violation to continue outweighs the possibility that the eventual decision will be in the defendant's favor. Section 10(1) currently embodies the Congress' judgment that preliminary relief should be the norm where a complaint issues alleging violations of Section 8(b)(4), 8(b)(7) and 8(e). A discriminatory discharge inflicts grievous harm on the discriminatee by depriving that individual of his or her livelihood. In addition, it creates a climate of fear that substantially interferes with the exercise of Section 7 rights by the discriminatee's fellow employees. Since the law is well-settled in this area and the possibility of an erroneously-issued injunction is therefore remote, the bill extends Section 10(1) to such discharges.

To meet the point made during the hearings that the period in which employees are seeking to deauthorize or decertify a union is also a time during which it is critical to provide a maximum protection against economic reprisals, the bill extends Section 10 (1) to cover the latter situations as well.

2. One and one-half times back pay for employees whose Setcion 7 rights are interfered with.

Under the present rules an employee who is the victim of an unfair labor practice is entitled after the period of time in which his case is adjudicated to compensation in the amount of back pay plus legal interest, less the amount earned or that should have been earned. This does not make the employee whole for the full cost of the abrupt loss of a sustaining income. Moreover, the deduction of actual or potential interim earnings complicates the computation of back pay, thereby further delaying the employee's receipt of back pay. It also shifts from the wrongdoer to the injured party the full burden of mitigating the damage caused by the wrong.

The bill provides discriminatees one and one-half times their lost wages less any wages actually earned. This remedy, like the extension of Section 10(1) just discussed, applies during organizing campaigns and efforts to deauthorize and decertify a union. The bill's formula covers all unfair labor practices which carry a back pay remedy.

C. PROVISIONS TO IMPROVE THE PROCEDURES FOR DETERMINATION AND SETTLEMENT OF REPRESENTATION DISPUTES

1. Time limits for the holding of representation elections.—

The timing of a representation election should be determined by the difficulty of the legal issues that must be decided before an election can be held, the practical problems inherent in conducting a proper election, and the strength of the preliminary showing

of employee interest in collective bargaining. The timing should not depend, as is currently the case, on the strategic judgments of the parties as to whether delay is good or bad for them.

The bill, therefore, includes time schedules for holding elections based on the considerations just noted: Elections in plainly appropriate units in which a majority of employees support the request for an election are to be held within 21 days after a petition filed with the Board is received by an employer; where there is a substantial unit question that requires a pre-election hearing or only marginal support for the petition, a 45-day limit is set; finally, a 75-day limit is allowed for the decision of unit questions of particular complexity.

Following the pattern set in the added remedy provisions already described, the expedited election section in the bill includes petitions for deauthorization and decertification elections supported by a majority of the employees in the bargaining unit.

This portion of the bill also provides that: First, the provision for 15-day elections found in the House bill be dropped; second, the time limits run from the service of the petition rather than from its filing; and finally, weeks during which 50 percent of the work force is on vacation are not counted.

2. Greater use of rulemaking.—There are inherent limits to the speed with which hearings can be held and decisions based on the resultant record issued. As the Committee on Governmental Affairs has pointed out in its recent study of delay in the Federal regulation process, to the extent that greater expedition is desired, the administrative agencies must be directed toward greater use of rulemaking.

That redirection of the Board's energies and resources is one of the primary objectives of S. 2467. The bill requires the Board to codify its accumulated learning and experience so as to simplify the law, better guide the parties and permit the prompt handling of petitions for representation elections. This view reflects the consensus of scholarly opinion.

3. Equal access.—The bill requires the Board to issue regulations assuring that if, during an election campaign, the employer addresses the employees on the employer's premises or during working time with respect to issues relating to representation, the employees shall be provided an equal opportunity to obtain in an equivalent manner information concerning such issues from the union which is seeking to represent them and if the union holds meetings at its hall an equal opportunity to hear from the employer at that site. The bill permits the Board to impose reasonable conditions on this right to take account of the employer's need to maintain continuity of production and the employees' Section 7 and privacy rights.

4. Free speech.—One of the most controversial issues in the Boards' regulation of representation cases has been the extent to which the Board should police campaign propaganda that carries no threat of reprisal or promise of benefits. The bill in conformity with the consensus of scholarly opinion, adopts with one exception an amendment to the NLRA suggested by Senator Hatch. The Print limits the Board's authority to use non-coercive speech as authority for overturning representation elections. The Board's present broader authority is retained only with regard to the 48 hours prior to the election in order to permit regulation of last minute misrepresentation.

5. A compensatory remedy in favor of employees for unlawful refusals to bargain.—

At present there is no legal incentive for the employer to recognize and bargain with the union which is certified after a Board election. If he does not, a bargaining order issued months or years later merely requires him to do what he should have done originally—open good faith negotiations. The bill therefore, provides that the Board may, as a remedy for a refusal to bargain prior to the entry of the first agreement, award to the affected employees compensation for the delay in bargaining caused by the unfair labor practices. The measure of such damages is an objective one. It consists of the difference between the wages and other benefits received by the employees during the period of delay and the wages and other benefits they were receiving at the time of the unfair labor practice multiplied by a factor which represents the percentage change in such wages and benefits under collective bargaining contracts as determined by the Bureau of Labor Statistics.

6. Review of representation case decisions.—

Congress has chosen the Board as its agent to oversee the representation election process and granted the agency a wide discretion commensurate with the task. Therefore, the bill incorporates the relevant provisions of the Administrative Procedure Act which provides for a relatively narrow scope of judicial review. Following the present procedure, the bill also provides that review of the legality of a rule shall take place only in a proceeding under Section 10 of the Act.

D. DEBARMENT FOR WILLFUL VIOLATIONS OF BOARD ORDERS

S. 2467 provides for debarment for willful violation of Board Orders. Under the provision, the NLRB's General Counsel may issue a complaint including a recidivism allegation which can, if proven, lead to debarment. The Board in judging the case is instructed to issue a debarment order if it finds that the respondent has committed a willful violation of a final order of the Board or a Court of Appeals.

The bill provides that the Secretary of Labor, if he determines that it would effectuate the policy of the Act, may set a shorter period, and provides also that the Secretary's order shall specify the steps the guilty party may take to dissipate the effects of his violation. If these requirements are met, the debarment order is to be rescinded. The bill also follows the rule under the statues which presently provide for debarment, that debarment orders shall run against the entity legally responsible for the violation.●

CONTRIBUTIONS OF THE AMATEUR ASTRONOMERS

● Mr. LEAHY. Mr. President, at a recent Conference on Scientific Research in Vermont, organized by the Vermont Academy of Arts and Sciences, the papers presented covered such diverse subjects as mathematical biology, astronomy, air pollution, cancer, aquaculture, and environmental planning.

Two of the papers will be of special interest to large numbers of people, young and old alike. The first paper, by Alan B. Rohwer, is entitled, "What Does the Amateur Astronomer Contribute to Scientific Research?"

I ask unanimous consent that this informative and well-written article be printed in the RECORD. Tomorrow I will be submitting another paper also presented at the Conference on Scientific Research in Vermont.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT DOES THE AMATEUR ASTRONOMER CONTRIBUTE TO SCIENTIFIC RESEARCH?

(By Alan B. Rohwer)

Despite the neighbors' suspicions, amateur astronomers are not just crazed people who go out and look at the moon. Amateur astronomers are students of astronomy, surely the oldest of the organized sciences. Despite their sometimes modest equipment, amateur astronomers have been capable of aiding professional astronomers in performing scientific research. This paper outlines some of the contributions which these amateur scientists have made in advancing our knowledge of astronomy.

The heavens have always held a fascination for men and women. From the earliest, the sun in the sky governed their days, its rays warmed them, and its seasons regulated the planting of their crops. In the evening sky, the changing face of the moon, the wandering planets, and a multitude of stars created a spectacle. But the heavens, for all the influence which they have on our lives, remain remote to us and it is this very remoteness which dictates the nature of the study of astronomy. Astronomy has always been, as it remains today, an observation as opposed to an experimental science.

The phenomena of astronomy are, therefore, equally available to the amateur and to the professional. The amateur's limitation comes only in his more modest telescopes and equipment. In observing the heavens, however, the amateur community does have one distinct advantage. That advantage lies in the vast number of amateur astronomers and the diversity of their locations. Amateur and professional astronomers have often worked together to exploit this advantage and the first examples of amateur contributions to scientific research will serve to illustrate the use of this advantage.

The launching of the Russian Sputnik satellite was an event that seemed to startle the Nation. The Smithsonian Astrophysical Observatory, charged with the responsibility of tracking this and the other first artificial earth satellites, was, however, ready for the occasion. To perform the task of tracking these early satellites they had formed an organization called Operation Moonwatch. Moonwatch was a worldwide network composed primarily of amateur observers who observed the transits of satellites across the heavens.

A typical Moonwatch station consisted of a group of volunter observers, each with his or her own individual small telescope, viewing a certain segment of the meridian. An observer would announce the transit of a satellite through the field of his or her telescope and the station timekeeper would record the precise time of the observation. The observer would then plot the satellite's track as seen against the starry background of the telescope's field. In the early days the predictions of satellite transits were incredibly crude, many with errors of a half or more. By the taking of literally hundreds of thousands of observations, Moonwatch stations around the world contributed to our understanding of satellite orbital mechanics. The program remained active from its founding in 1956 until it was disbanded in the late 1960's. By that time the work which Operation Moonwatch had done in helping establish the thory of satellite prediction had contributed to rendering the project no longer necessary.

The second example of amateur astronomers in a network as part of a research program is a project which was also started during the International Geophysical Year 1956–57. For approximately 15 years, the National Research Council of Canada Meteor Centre maintained a network of meteor observing stations not unlike the Moonwatch

stations described above. Meteors are interplanetary debris which the earth encounters in its revolution about the sun. The scientific study of meteor swarms, the random and periodic showers which the earth encounters each year, requires the type of worldwide observing network which amateur astronomers are able to provide.

A meteor observing station was made up of a number of observers, each observing a selected section of the sky, and a station timekeeper. Stations like this were frequently quite portable and very informal, often consisting of no more than a few chaise lounges in the middle of an apple orchard. Their observing sessions have been known more than once to have aroused the interest of the local constabulary. As an observer spotted a meteor he or she shouted, "meteor," to which the timekeeper would reply by giving the individual meteor a number and noting its time. The observer then noted the meteor's number, brillance, and path on a standard star chart.

These data were returned to the Meteor Centre in Canada where they were correlated with results from other meteor observing stations and with simultaneous radar observations. Results from the Meteor Centre's observing program were published in scientific journals and the contributions of amateur observers acknowledged.

In the United States, amateur observations of meteors are currently being coordinated by the American Meteor Society. The Society publishes a bulletin, *Meteor News*, which appears five times a year, and various other publications concerning meteors and meteorites. Research programs undertaken by the group include the observation of meteor rates for periodic showers, reporting of sightings of the very bright meteors, called fireballs, and the coordination of meteor sightings to attempt recovery of meteorites, meteors which have fallen to earth. American Meteor Society activities continue the expansion of our understanding of meteor swarms and have led to the recovery of meteorite samples, which are themselves clues to the composition of the debris in interplanetary space.

Another network of amateur observers organized to do scientific research is an organization called the International Occultation Timing Association. Occultations occur when the moon, a planet, or asteroid passes in front of a star. The precise timing of these events can yield valuable scientific information.

First, because stars are fixed in the sky and their positions can be determined quite accurately, the transit of a planet in front of a known star can yield very precise information about the planet's position and orbit. For observations of this type to have astronomical value the observer must be able to determine his position on the earth's surface to within 100 feet, and must time the occultation's occurrence to within one or two tenths of a second. Amateur observers routinely perform observations to this level of accuracy using topographical maps to chart their location and using radio time signals to time the occultations.

The second aspect of occultation observing that is important is easily understood if one realizes that the planet doing the occulting is actually casting a shadow on the earth's surface. Measuring the edges and locations of occultation shadows on the earth's surface also yields important scientific information. Such an edge occultation of the moon is called a grazing lunar occultation. Observing grazing lunar occultations allows the precise determination of the moon's position in the north-south direction to greater accuracies than can be obtained by any other method. As many as a hundred amateur observing teams have been known to station themselves to observe grazing occultations and in so doing have been able to locate precisely the moon's shadow edge.

Recently, amateurs have organized to observe an even rarer phenomenon, occultations by asteroids. Amateurs, by observing the width of asteroid occultation shadows, have been able to assist in determining the diameter of asteroids which are too small and faint to have their diameters discerned through telescopes. In so doing they have helped advance our knowledge of these small members of the solar system's family.

Any discussion of the amateur's role in increasing our knowledge of the solar system must lead to a mention of one of the most diverse amateur organizations, the Association of Lunar and Planetary Observers. With a worldwide membership of about 800, the ALPO is organized into research sections, one devoted to each of the nine planets, one to asteroids, one to comets and one, of course, to the moon. Each section is run, and its work coordinated, by a section recorder. The recorder organizes and correlates observations of amateurs in his section's area of interest. These results are printed in the ALPO journal, which comes out every other month. A significant activity in which the ALPO has been active has been in supplying planet patrols in support of various space missions.

Most notable has been the work of the ALPO Mars patrol in supplying visual and photographic observations of the planet Mars during the various space missions to that planet. Keeping under close scrutiny a planet which a spacecraft is to visit is helpful in two ways. One, the planet is observed very closely while the spacecraft is en route, to determine what phenomenon might be in progress when the spacecraft arrives. Secondly, when the spacecraft is in the vicinity of the planet, earth-bound observations of changes in the planet may help aid in correlation of smaller changes that can be observed by the spacecraft at close range. The ALPO, through its various sections, and in its journal, acts not only as a clearinghouse for amateur observations of the moon, planets, and comets, but also gives professional planetary observers a forum wherein they can solicit the assistance of amateur lunar and planetary observers.

Amateur astronomers have always been active in the discovery and observation of comets. Although no precise numbers are available, it is probable that half of new comets are discovered by amateurs. Back in the 19th century there was actually a prize of $200 given to any Americn who discovered a comet. It is reported that the famous amateur, later turned professional, astronomer E. E. Bernard paid off his house with the prizes he had received for discovering comets. Sadly, the United States no longer offers gratuities to the discoverers of comets.

The world leaders today in the amateur discovery of comets are most surely the Japanese. Using only modest instruments, but observing with meticulous care, a number of individual Japanese amateur astronomers have discovered three comets each, and several have discovered as many as five. This is significant when one considers the time-consuming job of scanning the heavens for unknown comets. Some amateur comet seekers have been known to spend tens of years searching for comets without discovering an unknown one. However, amateurs need not discover comets to advance our knowledge of them.

Amateurs also assist the professional astronomer by photographing and observing comets during their periods of visibility. Comets are ephemeral creatures and, therefore, have to be observed very closely to record the changes that are involved in their evolution. Amateur astronomers help observe comet structure and also privide estimations of comet brightness. Comet brightness is an important measure in comet evolution, a phenomenon that is not well understood. An example of this lack of understanding took place in 1973 with the Comet Kohoutek. Comet Kohoutek, as may be recalled, did not live up to the Madison Avenue fanfare which proceeded it. Like many comets, it was predictably unpredictable, but because of the fanfare it became one of the most widely observed comets in history. Many useful observations of this and other comets have been contributed by amateur astronomers.

One of the oldest and most respected amateur observing organizations is the American Association of Variable Star Observers. The AAVSO is made up of approximately 1200 members, located in 37 states of the United States and in 23 foreign countries, who make regular observations of the magnitudes of variable stars. Variable stars are stars whose brightness varies either periodically or randomly. These stars are very much of interest to astronomers because their erratic nature often yields information about stellar evolution. The AAVSO maintains a program observing approximately 1500 different variable stars, making measurements of their brightness whenever weather conditions permit. This worldwide network of observers accumulates vast quantities of data, last year totalling over 170,000 individual observations. These observations are forwarded to their headquarters in Cambridge, Massachusetts, where they are computerized, published and the results supplied to astronomers who have interest in particular variable stars.

The AAVSO is also involved in the observation of stellar transient phenomena such as novae. Novae are exploding stars which increase greatly in brightness for a brief period of time and then fade. Astronomers believe that this phase of a star's evolution comes near its death, and thus the nature of this exploding and decay is very much of interest. In observing novae, as in observing the more regular variable stars, AAVSO observers use standard star charts for comparisons to the brightness of the stars under study. As with the other amateur research organizations, AAVSO is often put on alert by professional astronomers when they desire particular observations. In 1975 the AAVSO was put on alert in support of the Apollo-Soyuz space mission and asked to observe specific variable stars of potential interest to one of the experiments on board the spacecraft. In response to AAVSO observations of the peculiar behavior of the variable star SS Cygni, the plan of the Apollo-Soyuz space mission was changed so that the extreme-ultraviolet experiment package could be turned towards the star Cygni to record the activity taking place. These never-before-seen extreme-ultraviolet emissions would not have been observed were it not for the support of the AAVSO observers who were on the alert.

Another AAVSO observing program involves the observation of sunspots. Sunspots are magnetic storms on the sun's surface and their number is used as a gauge of solar activity. AAVSO observers, often using home-made instrumentation, set up and observe sunspots whenever weather permits. The number of spots appearing on the solar disk is recorded, and the datum is sent to the AAVSO Solar Division where it is compiled with the observation of other amateurs. These data are correlated to make up what is known as the U.S. number, which is a gauge of solar activity on that particular day. This type of information is used in research in such diverse fields as radio propagation and longer-term climatic prediction.

Finally, it would be negligent to present a paper in the State of Vermont without making mention of the great impact which Vermonters have had on amateur astronomy. That impact began with the work of Russell

W. Porter who, in 1919, organized a group of amateur telescope makers in the town of Springfield, Vermont. This group was one of the pioneer amateur telescope-making groups in the United States. Not only did its members build telescopes with optics made by their own hands, but they also shared their knowledge by collaborating in the writing of a book on amateur telescope-making.

This book, published in the 1920's, was later expanded into three volumes and is still in print. Even today it is considered one of the basic references, not just in amateur telescope-making, but in telescope-making in general. The thing about the club's work that is of particular importance to amateur astronomy is that it put the study of astronomy within the range of anyone who had the patience and the initiative to build his own instrument. In the early 1920's the club constructed a clubhouse and, of course, an observatory on a hill outside the town of Springfield. In 1926 they held their first amateur telescope-makers convention at their new clubhouse, Stellafane.

This convention goes on, each year attracting approximately 1,000 amateur telescope makers from literally all over the United States and Canada, and from as far away as England, The Netherlands, and Japan. What the participants bring with them, along with their enthusiasm for astronomy, is the telescopes of their own making. Their instruments are of excellent quality and are amateur only in the sense that they were made for love and not for money. The exchange of information and ideas that takes place at the convention exemplifies the element which is best in amateur science. The very special place which Stellafane holds in the mind of amateur astronomers has recently received a wider recognition. First, from the town of Springfield, Vermont, by its inclusion of the Stellafane clubhouse on its bicentennial medal, and, more recently, from the State of Vermont by its nomination of the Stellafane clubhouse for a place on The National Register of Historic Places.

In conclusion it must be said that the professional astronomers will continue to scan the heavens with their sophisticated instruments and at the same time amateur astronomers will continue to observe the heavens with their more modest means. Together they are driven by a fascination for the heavens, and together they will help increase our knowledge of the universe.

The following are the addresses for organizations mentioned in the paper:

Meteor Centre, Herzberg Institute of Astrophysics, National Research Council of Canada, Ottawa, Canada K1A 0R6.

American Meteor Society, P.O. Box 213, Geneseo, New York 14454.

International Occultation Timing Association, Secretary: Berton Stevens, 4032 N. Ashland Avenue, Chicago, Illinois 60613.

Association of Lunar and Planetary Observers, Director: Walter H. Haas, Box 3 AZ, University Park, New Mexico 88003.

American Association of Variable Star Observers, 187 Concord Avenue, Cambridge, Massachusetts 02138.●

SOUTH CAROLINA RESOLUTION 389

● Mr. HOLLINGS. Mr. President, on March 2, 1978, the South Carolina General Assembly passed a concurrent resolution memorializing Congress to pass House Joint Resolution 389 or Senate Joint Resolution 75 designating the pine tree as the national arboreal emblem of the United States.

On behalf of the senior Senator from South Carolina (Mr. THURMOND) and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

Whereas, there are presently before the Congress two joint resolutions to name the Pine Tree as the official National Tree of the United States; and

Whereas, the Pine Tree symbolizes the American past more appropriately than any other tree; and

Whereas, it provided the first settlers with shelter and fortresses and has endured to this day flourishing in all fifty sovereign states of the United States; and

Whereas, the Pine Tree represents the renewable resourcefulness of the United States more appropriately than does any other tree, valued for its durability and as a raw material for the economy and industry of our great nation; and

Whereas, Mrs. Barbara Bayne's sixth graders at Berea Middle School, Greenville, South Carolina, are passionately involved in this national tree legislation, endorsing its passage and actively enlisting support by contacting congressmen and citizens throughout this nation; and

Whereas, the General Assembly adds its endorsement for the passage of the resolution naming the Pine Tree as the official National Tree and commends Mrs. Bayne's sixth grade homeroom class for the initiative it has taken to secure deserving recognition to the stately and ubiquitous pine. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the Congress of the United States be memorialized to pass House Joint Resolution 389 or Senate Joint Resolution 75 designating the Pine Tree as the National Arboreal Emblem of the United States.

Be it further resolved that copies of this resolution be forwared to each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the Speaker of the House of Representatives of Congress, the President of the Senate of Congress, the Chairman of the Committee on Post Office and Civil Service and Mrs. Barbara Bayne, Berea Middle School, Route 3, Montague Road, Greenville, South Carolina, 29609.

HYPERLEXIS: OUR NATIONAL DISEASE

● Mr. MUSKIE. Mr. President, Bayless Manning, former president, Council on Foreign Relations, Inc., and former dean of Stanford Law School, has written a thought-provoking article about the proliferation of statutes, regulations, and ordinances at all levels of government. Mr. Manning's article is not a standard conservative argument against government programs and social reforms. Rather, it is an attempt to impress upon the public and particularly those of us who enact laws that lawmaking and regulations carry with them costs to society that ought to be analyzed in relation to the benefits we hope to achieve.

Mr. Manning's article appears at a time when public cries of government interference and overregulation are on the increase. For this reason and because the article places the problem in clear and reasoned perspective, I call it to the attention of my colleagues.

I might add, Mr. Manning argues that sunset laws, while not a cure-all, are "centrally sound" and deserve careful consideration. As principle sponsor of the sunset bill now before Congress, I was particularly pleased that Mr. Manning included this legislation in his analysis.

Mr. President, I ask unanimous consent that the article be reprinted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HYPERLEXIS: OUR NATIONAL DISEASE

(By Bayless Manning)

"Hyperlexis" sounds like some sort of serious disabling illness. It is. Hyperlexis is America's national disease—the pathological condition caused by an overactive law-making gland.

Measured by any and every index, our law is exploding. New statutes, regulations, and ordinances are increasing at geometric rates at all levels of government. The same is true of reported decisions by courts and administrative agencies. Whole new legal fields spring into being overnight, such as environmental law; older fields like real property are experiencing infinite fission. Statutory codes, such as those in the fields of commercial law and taxation, are becoming ever more particularistic, longer, more complex, and less comprehensible. We are drowning in law.

Out situation is aggravated by the wind of legal commentary set off by the firestorm of law. Law has always been one of the garrulous professions, and modern communications gadgetry makes it all too easy to record, reproduce, and distribute legal words. As in the wake of a great ship mewing seagulls follow, so legal commentators pursue the society's law-making machines, squabbling over the newly emitted material. Our law libraries are swamped, our citizenry is confounded by the legal blizzard, and our imperiled forest reserves are further depleted.

INCAPACITATIONS

Granted that we are awash with law, is it cause for any serious concern? Is hyperlexis a critically disabling disease or merely a nuisance? The answer is that it has already done a great deal of harm to the American body politic, and if it continues, it will incapacitate us in a number of different ways.

First, though not first in importance, is simple dollar cost. What does it cost to operate our elaborate institutional machinery of federal, state, and local courts, prosecutors, bailiffs, investigators, administrative agencies, police, examiners, lawyers, law schools, legal aid programs, law publishers, correctional facilities, etc.? We have no data on the amount of national resources that are devoted to operating our growing corpus of law. That, in itself, is a significant fact, reflecting the simple truth that we have never thought it important to ask the question. But the dollar figures are obviously measured in the tens of billions of dollars annually. Are we getting our money's worth as a matter of national priorities?

Second, on every hand we are presented with the visible fact that our legal system is clogging and choking into paralysis. Everyone knows that enforcement of the law has sunk to a new low for this country. Judicial and administrative backlogs make it impossible to dispose of disputes and charges expeditiously. The criminal process is in a state of epilepsy. This condition is caused in part by over-criminalization, by laws that declare behavior to be illegal but are either unenforcible or cannot be enforced with existing institutional means and resources. The flood of petitions to the Supreme Court is so great that numerous proposals are afoot

to narrow the inflow of its work. The Chief Justice of the United States Supreme Court urges Congress once more to increase the number of federal judges to deal with the rising caseload. The same pressures are at work within the states. Insufficiency of resources produces the disgraceful, but necessary, practice of plea bargaining. The inability of traditional procedures to deal with the flood of automobile accident claims has led to experiments with no-fault administrative solutions. Probate procedure is a farce of delay and paper shuffling. Law suits are interminable, and it is no new discovery that justice delayed is often not justice at all. All legal circuits are overloaded and all warning lights are red.

Third, when the processes of the law coagulate, legislatures are deprived of the opportunity to make real public policy choices. It makes little actual difference what law is enacted if it will not, or cannot, be enforced.[1]

Fourth, public respect for the law, and attitudes toward voluntary compliance with the law, are clearly declining. Voluntary compliance sags and a scoff-law attitude is bred when the law is not enforced, or when its enforcement is diluted or erratic. Those who might have been deferred from criminal behavior by the prospect of punishment are not deterred when they observe that the law is seldom enforced in fact. In such an environment, those who are apprehended and punished feel themselves merely the victims of bad luck or discrimination, and not the objects of evenhanded justice. Proliferation of judges, police, examiners, auditors, inspectors, and other officials inevitably increases the risk—nay, the certainty—that some will be corrupt or corrupted and thereby still further degrade the law in the public's eyes. A legal system that is not respected by its people cannot be made to operate at all.

Fifth, when burgeoning law and scant resources make it impossible to enforce all laws against all offenders at once, then discretionary choices must be made by police, by prosecutors, and by bureaucratic officials. Increasingly in the United States, the choice as to what to enforce and against whom to enforce it is made by those persons. The exercise of that discretion is an explosive matter of the utmost delicacy. It will inevitably become a focal point for improper pressures and corruption. Improperly applied, it will lead to petty tyranny and intolerable discrimination against some citizens.

Sixth, the purpose of a large part of modern law is the elimination of unfair or unequal disparities among citizens. But hyperlexis works squarely against that objective. In a highly regulated environment of intricate restrictions, those best able to survive are those who are able to hire the new class of form-filling consultants—experts (mainly, but not exclusively, lawyers) who can invoke rules on behalf of their clients and pick their way among the bramble bushes. Such trained talent is rare and expensive; inevitably it will largely be commanded by those persons and organized groups that are best able to pay. Though everyone suffers from hyperlexis, the small are injured more than the great.

Seventh, a point of special interest to lawyers, hyperlexis has undermined the function of precedent and stare decisis on which the continuity of the common law was based. The lower courts today still try to follow the mandate of the highest court in their jurisdiction. But in many fields of the law the sheer proliferation of legal variants in thousands of published judicial decisions makes it impossible in all but the most gargantuan litigation for the lawyers or the judges to review the relevant earlier cases. As a result, the lawyers and the court can only pick and choose from the relevant precedential material—a radical departure from the intellectual premises of classical Anglo-American jurisprudence. Foreseeability is a critical element in public confidence in the law. Hyperlexis is helping to undermine that foreseeability and that confidence.

Eighth, the key to the unparalleled success of the economic system of the United States lies in its flexibility, its ability to respond quickly. Increasingly heavy regulation of economic activities is loading increasingly heavy cost burdens on businesses and on consumers. More serious than ocst, the increased regulation and new requirements for prior clearances at all levels of government are hobbling the capacity of the economy to make necessary decisions rapidly. And it is not just private enterprise that finds itself regulated into slow motion. Governmental agencies also find themselves immobilized by their own regulations and stymied by those of other agencies.

Ninth, courts and legislatures have combined to produce a judicial process in which almost any proceeding will have some fatal technical defect, and almost any project undertaken can be blocked. Multiple appeals, collateral attack, procedural challenges, dilution of requirements of standing and the like are the hallmarks of our era. That every man should have his day in court is classical. But until now it has not been thought that every man should have 100 days in court, or that he should have a day in court on every social and political issue in the society. Proliferation of regulatory requirements and prerequisite clearances, dramatic increases in the circle of optential legal complainants and interminability of judicial proceedings are together making it increasingly difficult for the society to respond to the very social problems to which most of our regulation is addressed. The principle of "one person, one vote" threatens to become perverted to a principle of "one person, one veto." No society can operate on that basis.

Hyperlexis is not a nuisance. It is a heartworm that has literally fatal potential for the body politic of this country.

DIAGNOSIS

If hyperlexis is such a pernicious thing, why do we not, in true-blue American style, get about the job of fixing it? One reason is that we are just now at the first stage of identifying the disease and of realizing that we have it. But the second and more important reason lies in Pogo's immortal words—"We have met the enemy and he is us."

A fair amount of talk is to be heard these days in many and diverse circles about the need to get rid of "overregulation." Most of this talk asumes, or implies, that "overregulation" is a unitary thing, that it is the nefarious product of ambitious bureaucrats or crypto-socialists, and that it can be cured by a few bold surgical strokes of deregulation. The facts are quite otherwise. Regrettably, hyperlexis is a subtle illness; its forms are many and its causes are multiple. Behind the superficial term "overregulation" a number of different phenomena and forces are at work, most of them deeply rooted in American society and American attitudes.

The federal system

Part of the hyperlexis problem arises out of our layered federal system, the most complex governmental operation in the world. We maintain thousands of law-making instrumentalities, each of which merrily generates law on its own with little or no regard to the others. The tiers of government have become far more than the traditional triad of federal-state-local, as counties, districts and varieties of regional authorities and functional commissions have emerged as law generators in recent years. Moreover, the interface between federal programs and the administrative structures of state and local governments is a jumble of nonconnections and misconnections. Uncoordinated multilayered regulations, licensing, and supervision have the capacity to bog down the workings of the entire society.

Ideology: The proper subjects for Governmental action

Classical American political thought conceived of a small discrete area as appropriate for governmental functions and a much larger area allocated exclusively to the private sector. In this century, the line between the two has become blurred and, in the minds of many of today's citizens, it has become altogether obliterated so that no limits on governmental regulatory activity are conceded to exist. This change in basic attitude is a major factor in the recent growth of regulation. Governmental regulation reaches out to more and more forms of citizen conduct because there is no longer a widely shared perception of a political-philosophic-legal barrier to inhibit or contain regulatory extension.

Ideology: Equality of opportunity and egalitarianism

As a part of the long historical thrust of the American dream, the Congress, the courts, and many local law-making bodies have made a major effort in recent years to tilt more of the benefits of life towards disadvantaged ethnic groups, lower income groups and women. The major instruments used for this purpose have been laws regulating the nonminority and laws granting enforcible rights to the minority. Implementation of these new laws in a great campaign to achieve equality of opportunity or, as some voices now advocate, equality itself, has called for great increases in regulatory mechanisms, in surveillance techniques, and in the decisional burdens carried by the courts and other tribunals.

Ideology: Distributing the risks of life

A significant contributor to the flood of litigation, regulations and legislation is a rising feeling among many members of the public that the society as a whole should in some way compensate the individual for almost any loss he sustains. That is a political proposition, not an attribute of the legal system itself. How far we should go toward trying to create a riskless society, at what cost, and paid for by whom will be the major American political issues for the rest of this century. However those issues are balanced out, the outcomes will be expressed in statutes, regulations and opinions, which will add to the inflated corpus of our law, and which will add to the burdens of our legal institutional process.

Ideology: Proceduralism and participationism

No society in history has been as deeply concerned with legal procedure as has the United States. Our traditional concern for the individual, for fairness and for due process has brought us to the point where almost any matter can be challenged and reviewed again and again, at the instance of large cohorts of complainants through extended formal adversary procedures and safeguards that were designed for (and once limited to) heinous crimes. To our concern for proceduralism has been added of late an increasing trend to engage the participation of larger numbers of citizens in all issues of public interest. Extension of voting rights has been one manifestation of the reach-out to extend participation; community action groups and self-styled "public interest" groups is another; and wider class actions and lower barriers to standing are others. Proceduralism and participationism together have in-

[1] A study is currently being conducted by the Bar Association of the City of New York and the Drug Abuse Council on the effects of the 1973 "get tough" revision of the New York drug laws. Though not yet complete, it has begun to appear that the project may offer a well-documented illustration of this point.

creased geometrically the burdens of the courts.

Uses of the law and the judiciary

Critics of President Johnson's Great Society described its basic principle as follows: "Identify a problem, then throw money at it." But our true and peculiarly American governing principle, old enough and visible enough to have been noticed by De Tocqueville, is: "Identify a problem, then throw a law at it." Despite repeated disappointments, it continues to be almost universally accepted by Americans that legal resort is the most effective way to solve any problem.

Similarly, it has always been a peculiarity of Americans to turn to their courts for resolution of difficult problems. The special role of the Supreme Court as ultimate arbiter of constitutionality enhances that impulse, but the people's faith and reliance in its judges runs both wider and deeper than that. Whether in matters of civil rights, town planning, the economics of the market place, or labor-management relations, to name but four, the judiciary will play a key, and often determining, role in the United States. The inevitable result is that we are the most litigious people in the world. We go to great lengths to find ways to cast any and every problem into the familiar pattern of a two-party adversary trial and take it to court.

Interest group representation

Our political system for decision making is fundamentally built upon coalitions and trade-offs among elected representatives of interest groups. Though each of us may say that he wants less law and less regulation, the fact is that every economic, ethnic, religious, or ideological group in the society wants something supported, regulated, or banned by the law. Every interest group does its best to capture the legislative, administrative, and judicial system and harness it to its particular ideas of the good, the true and the profitable. Coalition voting patterns in our legislatures guarantee that those efforts will often succeed, and that every year there will be a bumper crop of new laws.

Elected officials and scorekeeping

For elected officials, the most obvious route to reelection, and perhaps even to immortality, lies in new legislation. Who would recall Senator Sherman or Congressman Mann were it not for their Acts? As batting averages are to baseball players, stars to restaurants, ribbons to generals, and stock prices to corporate executives—so new statutes are at the heart of the scorekeeping system by which legislators are measured and measure themselves. No legislator gains recognition as a great nonlaw giver or as the Great Repealer.

Particularization

The national commitment to deal with the individual as an individual, to treat each case on its special merits, combines with our political system of interest group representation to produce law that is often highly particularistic. Every group and subgroup seeks to obtain, and often obtains, special statutory provisions expressly aimed at its own particular circumstances. The result is an impenetrable legal jungle of special provisions. A significant part of the hyperlexis problem arises from the effort to deal with problems with too great particularity. Contrary to surface impression, detailed specificity in a legal provision does not reduce disputes; particularization merely changes the vocabulary of the dispute. The most detailed statutes, like the Internal Revenue Code, are the ones that proliferate most rapidly and generate both the greatest need for administration and the most disputes.

Technological and social change

The rate of change in the modern world has no precedent. That fact, too, is a contributor to the law explosion. Technological change often demands new public agencies and programs. The birth of the Atomic Energy Commission and its recent transmutations toward a Department of Energy are illustrative. Major technological change also inevitably brings social dislocations in its aftermath. Increasingly, it is coming to be recognized that the losses from such dislocations should not all have to be absorbed by those industries, workers, communities and institutions that happened to be hit by the change. The implication of that statement is, once more, an expanded function for the legal administrative process in order to distribute the loss. Analogously, major social change such as Black migration from the South, tends to lead to wider governmental activity, particularly at the Federal level.

Bureaucracy

As spiders by their nature utter cobwebs and spawn more spiders, administrative agencies by their nature utter regulations and spawn more administrative agencies. Administrative agencies and programs are remarkably hardy, capable of surviving virtually any effort to uproot or cut them off. Growth in legal activity would not be so difficult to accommodate if old agencies died off as new ones appeared. Alas, the process does not work that way. Old laws and old agencies neither die nor fade away; being nonbiodegradable they only accumulate.

No brakes

Finally, a negative point is worth noting. As our legislative and administrative system operates, there are no internal forces at work that tend to counter the process of law generating, to act as inhibitors or governors. Externally the same is true since many interest groups work increasingly to add, amend or delete particular laws, but there is no major interest group that focuses attention on the health of our legal order as a whole.

It is no wonder that the lawmaking engines of the United States grind out legal prescriptions like the fairy-tale salt mill at the bottom of the sea—unremittingly and in ever greater volume. Many powerful forces push in that direction, and no significant forces resist.

THERAPIES AND MITIGANTS

Can we do anything to check the advance of the nation's hyperlexis? A glance at the roster of root causes just listed will make it clear that most of them are congenital to our society and government. They arise straight out of the essence of the American experiment itself. They cannot, and should not, be made to go away. Our search therefore must be for helpful therapies and mitigants, not true remedies. In that direction, quite a lot can in fact be done if we will do it.

Public education

Highest on the list of therapies is public education, with the term "public" referring not only to the populace at large but also to legislators, administrative officials and judges at every level of government. That educational effort should stress five propositions that are true of any legal system—five truths that today we either do not recognize or willfully brush aside.

Proposition 1: To declare a law is very cheap; to administer or enforce a law is very expensive.

As there is no such thing as a free lunch, so there is no such thing as a free law. To achieve even modest effects through law requires huge investments in institutional machinery. It is an ineluctable fact of life that every new chore we assign to our legal system must either be accompanied by a commensurate investment of additional resources into the legal institutional system, or the new legal initiative will merely dilute or displace institutional energies away from other tasks that have been assigned to the system.

We have finally begun to learn that the world's natural resources are finite and increasingly expensive. We will eventually have to learn that our legal system is also a limited resource. With a limited resource one must inevitably make choices and establish priorities among objectives.

Proposition 2: The secondary costs of a law are often greater than the direct costs.

Apart from the obvious direct costs for enforcement machinery, legal regulation often entails other hidden costs that are very large. It is not my point here, though it is true, that the substantive objective of a legal program often demands costly tradeoffs as where, for example, pollution abatement may reduce productivity and increase unemployment and price levels. The costs to which I refer here are hidden, private administrative costs that are almost never recognized or considered.

How many millions of citizen-hours per year are poured into the preparation of federal, state and local income taxes—hours that could have gone into productive activity or into leisure time pursuits even more enjoyable than tax computation? What is the total national economic expenditure currently required of all employers and employing agencies to complete and file reports on securities issues, retirement plans, health conditions, taxes, safety, pollution, affirmative action programs and the like?

If we stay on our present course, a caricature of tomorrow's American society will be a six-person model—a regulator (and his lawyer), one who is regulated (and his lawyer) and an adjudicator (and his administrative assistant) which resolves disputes between regulator and regulatee. Without counting review mechanisms, that makes five persons engaged somewhere in the process of regulating the sixth, with four of them on the public payroll. Not even the bureaucracy of imperial China reached that height of civilization.

Ancient Mediterranean societies found it necessary to develop a paid professional class of temple votaries who assisted the citizenry in the complexities of their prayers and ritual sacrifices to keep on good terms with their deities. Modern America is generating a new class of form-filling specialists (many of them lawyers) to help the citizenry keep on good terms with their regulators. Every new statute or regulation adds to the number of the new class and increases the demand for their services. Members of the new class are intelligent and energetic, and their training represents a very large social investment. Are the costly skills of these professionals today being utilized to maximum constructive social advantage? What is the annual aggregate of their fees, and who really pays it?

The direct costs for legal administration and enforcement of our laws are only the tip of the iceberg of the true costs of a highly administered society.

Proposition 3: The capacity of law to change human behavior is limited.

To be effective, any law must rely upon a base of supporting public opinion and voluntary compliance. Even when those supports are as assured as they are in the case of laws against violent crime, the actual effects of the law as written are always marginal. Where public opinion is indifferent and voluntary compliance spotty, the effects of law will be minimal, regardless of investment in enforcement. The lesson of the Volstead Act must not be forgotten. Law is not only costly, it brings only a limited return as a device for actually affecting human behavior.

Proposition 4: Even where a law may effectively achieve its primary purpose, the

side effects may be too great and too negative to warrant its adoption.

As in physics, Newton's third law of motion governs, so in a society every legal action produces its own reactions; those side effects are frequently both major and undesirable.

Tariffs and import prohibitions produce smugglers; harsh criminal laws generate plea bargaining; all-out enforcement campaigns threaten civil rights; extension of remedies and procedural nicety lead to judicial clog; protecting consumers by subjecting third-party financers to the seller's warranty constricts consumer credit and increases its cost; the most nobly inspired regulation breeds ignoble bureaucracy; minimum wage legislation contributes to unemployment; open-ended governmental medical assistance leads to inflation of medical costs and fraud; protective regulation for employees' retirement plans produces a decline in the number of such plans; high malpractice awards lead to soaring insurance rates, reductions in service, and increases in medical fees, etc., *ad infinitum*.

Law's benefits are not only limited; its by-products are often affirmatively damaging.

Proposition 5: Many problems are not amenable to legal solution at all.

Legal fiat cannot create resources; it cannot repeal economics; and it cannot supplant psychological causes of human behavior. Law is a useful tool; it is not an all-purpose tool.

We Americans act as though regulatory law were an all-purpose instrument, free of negative side effects, and a free good. We must come to understand that regulatory law is in fact of limited utility, accompanied by significant and frequently harmful side effects, and expensive. A great deal of public education will be required to bring about that change.

A public interest group on the state of law

The nation's legislatures and administrative agencies (and perhaps the courts, too) desperately need some organized institutional voice that continuously reminds them and the public of the importance of maintaining the operability, integrity and efficacy of the functioning legal system as a whole. Each so-called "public interest" group today tends to work in a narrow corner of the law, and will be found to have a particular policy perspective of its own. A new public interest vehicle should be organized specifically with a broader concern for the state of the law as a system, drawing upon the organized bar, the national court and the state court centers, the administrative conference, and a combination of other components of the apparatus of the legal system, such as the prosecutors, the police and the public defenders.

Once established and funded, this new organization would take a leading role in the public education mission just described, would do continuing research on the true cost of implementing legal programs and would monitor the functioning of the legal system to detect the location and causes of the worst strains and bottlenecks.

The judiciary can often gauge better than others the true impact of programs upon the legal system. Currently, however, we have no way for the judiciary's voice to be heard by our legislatures, since it cannot effectively organize itself to speak as a lobby before the legislature. Chief Justice Burger deserves particular credit for his personal leadership in speaking up on such matters, but the job is immense and calls for the continuity of institutional help.

Cost research

The Congress, executive branch and judiciary—and state governments too—should set up ongoing machinery for ascertaining the true economic costs, direct and indirect, of administering our existing legal programs. Initial estimates will be very crude, but they will provide some benchmarks where today we have none.

Impact statements

Each new legislative or regulatory proposal should be required to be accompanied by an "actual cost" impact statement that brings before the legislature at least a gross estimate of the true costs and implementation burdens of the program, direct and indirect. It is tempting to argue for a rule that requires one old program to be repealed for every new one enacted. But in the absence of that quixotic principle, legislatures can at least establish procedures that will require them to weigh the true costs and burdens of a legal program when they consider whether to adopt it. And no legislative bill should be allowed to pass without appropriations to provide administrative, judicial and other legal agency resources required to give it effect.

How to apply a similar principle to sweeping pronouncements by courts and administrative agencies is a puzzle for which no solution is apparent. At a minimum, however, the consciousness of courts and agencies can be raised to the reality that some answers to some questions before them would add very large additional amounts to the direct or indirect social costs of the legal system.

Self-executing substitutes for regulation

Our law should not rely so heavily upon the administrative and judicial process for its effectiveness. The most cost-effective laws are those that are complied with in response to incentives and disincentives that are built into the law itself. We should make greater use of that self-executing principle to relieve the insupportable pressure now being imposed upon our administrative and judicial systems. Our scholars and our governmental staffs should undertake more diligently to search for and to invent more legal devices that employ this principle in place of monitoring by administrative agencies and litigation in the courts.[2]

Sunset laws

Laws that set up programs, or declare something illegal, or establish a regulatory body are virtually never repealed. Duration limits should be required to be included in every such statute or regulation so that it will after a time expire automatically if not repromulgated. Serious support for such so-called sunset laws has begun to appear in Congress. This approach is not a cure-all and it entails some fearsome difficulties in its implementation, but the idea is centrally sound and deserves full exploration.

Program evaluation

The practice of postevaluation of the actual results of governmental programs is in its infancy, but it has at long last been born. Many statutes on the books either have no real impact, or are counter-productive to their purpose, or produce only marginal impact, at high cost, or generate unacceptably negative side effects. Legislative programs should be required to be periodically evaluated to see whether they are achieving the intended effects and at what costs and with what side effects. Provision for such evaluation should be made initially in all new program legislation, and evaluation should proceed on a continuing basis. Such evaluation should be an absolute prerequisite to re-promulgation of a provision that has expired by its own sunset terms.

Decriminalization

Virtually all students of the subject, and many criminal enforcement officials, now recognize that action should be taken to reduce the mass of criminal law now on the books. As the situation now stands, decriminalization takes place anyway, but it is done through police nonenforcement rather than by proper legislative act.

In a world of pure analytics and theory, the criminal law is recognized as overlapping with, but entirely separate from, moral prescriptions. There may be good reasons to make price fixing a criminal offense while the pulpits never mention it; religious leaders may inveigh against worshipping idols while the criminal law is silent on the subject. Ideally, too, since enforcement of the criminal law should be strict, certain and swift, in order to maximize its deterrent effect, the criminal law system should not be asked to do more than can be effectively and swiftly enforced.

In real life, however, the situation is very different. Most Americans do not distinguish between moral precipitations and legal mandates. It is a striking characteristic of American history and attitudes that we have persisted in the idea that, though church and state are separate, the engines of the state should be invoked to punish all behavior that we find morally objectionable. As a result, our criminal codes are full of mandates about personal behavior that are unenforced but unrepealable; no legislator can safely vote to make activities legal that profoundly offend the moral and social sense of his constituents. As a result, decriminalization is very difficult.

Can nothing, then, be done? One thought would be for legislatures to embark upon a serious program of public hearings and review of local criminal laws specifically focused on three questions: Which criminal laws are not being enforced and why? What resources would be required to enforce them all? What priorities should be followed by enforcement officials if they are forced to give up enforcing some laws in order to apply resources to the enforcement of others?

The result of such an undertaking would be very constructive. The public, and the legislature, would have to confront the problem squarely and honestly. Pressures for still more criminal laws might be headed off. A few criminal statutes might actually be repealed. The public would learn something of the costs of increasing criminalization, and the law return. And out of the process, some sense of legislative priorities might emerge formally or informally, and thereby provide a more legitimate basis for selective nonenforcement than now exists.

Countering particularism

Efforts must be made in every area to simplify the law and to produce what may be called generalizable, as opposed to particularistic, law. We must, for example, reorder the present maze of tax laws, and substitute a taxing scheme that is simple enough and general enough as applied to the individual to be understood by the average citizen. Of course it is true that the more general a legal provision is, the less the result is hand-tailored to the circumstances of the individual case. But the more the law undertakes to handcraft a tailored result for every individual—with a full panoply of traditional legal review procedures—the greater the obscurity to the general citizen and the greater the burden upon the system in money, manpower, time and effectiveness. The time has come when a balance between generality and hand-tailoring must be struck nearer to the former. We must learn to legislate by approx-

[2] This theme is elegantly developed in the recent Godkin Lectures delivered at Harvard University by Charles Schultze, now Chairman of the Council of Economic Advisors, and scheduled for publication in August 1977 under the title *Public Use of Private Incentive*.

imation. So far, we have not yet acknowledged that elemental truth.

Institutional change in the legal system

Hyperlexis compounds, and is compounded by, other difficulties that beset our system of justice and dispute resolution today. Those difficulties mainly arise from structural defects, from uninventiveness and inertia in the face of social change, from institutional anachronisms, from inattention to elementary principles of administration, and from the effort to misapply traditional processes to modern problems. We shall have to deal with those conditions as well as hyperlexis itself, and indications are that major changes are coming soon in our system of justice.

As the courts clog, mediation and arbitration are coming into their own as dispute-settling mechanisms. No-fault is nearly here in the automobile field. Simplified small claims court procedures available on a neighborhood basis are desperately needed and are coming. Paralegal personnel will become a useful resort to the average citizen. The docket of the Supreme Court will in some way be curtailed. Today's probate procedures will be superseded by simpler ones for most estates. The jury system will be made less expensive, in some circumstances through smaller juries, and we will eventually curtail its automatic availability. The extremes of proceduralism have been reached and the pendulum will swing toward limiting and eliminating appeals, speeding up the disposition of litigation by rigorous methods, narrowing the avenues for collateral attack, imposing order on class suits, and recognizing that issues of less moment do not demand the elaborate procedural safeguards that are appropriate for issues of greater moment.

More new ideas of this kind are needed to expedite the functioning of the system and increase its accessibility to the average citizen. Happily, most of the organized bar has come to see the desirability and inevitability of these developments and is today playing a responsible role in adapting traditional ways to new conditions.

The limits of the legal sanction

Our legislatures, courts and agencies must eventually recognize, and the public must come to see, that the legal system simply cannot operate if it tries to provide for every citizen and institution a law suit against every other citizen and institution to resolve every difference of view or interest, to redress every perceived invasion of privilege, and to recompense every risk of living. The ultimate results of that approach will be to halt the legal process and simultaneously frustrate the society's capacity to make policy decisions. However unpalatable and unpopular it may be to say it in today's climate, the American legal system must continue to concentrate upon the rights of the individual, but it must now also turn its attention to the collective need of the community for a governmental and legal system that functions with reasonable effectiveness. The alternative will be a massive socio-legal traffic jam. In a legal system that tries to offer everybody a remedy for everything, no one will have a remedy for anything.

The federal system

Most overwhelming is the question of the federal system and what can be done to make it work better in modern conditions. The answers must lie in the direction of a greater degree of coordination among the levels of government, and, almost certainly, a major recasting of the way the federal government laterally administers its own programs and fits into state and local structures. This is a subject of high politics, and it will probably take the rest of this century to develop new working principles within the framework of the Constitution that are compatible with, and responsive to, the realities of an increasingly administered society. It may be hoped that the new administration in Washington, and its future successors, will give this extraordinarily important and difficult subject the high priority it deserves.

Resource investment

Even if all these things are done, substantial additional dollar resources will have to be invested in the legal system if it is to be expected to handle its increasing assignments. The legislatures cannot, in hyperlectic abandon, simply keep loading more on to the same camel; eventually it will either lie down or its back will break.

CONCLUDING COMMENTS

The thesis of this article is easily susceptible to misunderstanding, not to say vulgarization. It should not be confused with standard conservative American political oratory decrying governmental programs and opposing social reform. The government will, and in my view must, often intervene in the social process through regulation and law. Many governmental programs in operation today are essential in a decent society, and more are imperative in the near future, particularly programs addressed to our cities and the problems impacted within them. The thesis argued here is a clinical one—a matter of cost/benefit analytics. As new programs are proposed, it must come to be recognized, as it is not today, that the cost of more regulation and law making are great and grow geometrically—and the payoffs decline correspondingly—as the nation's legal institutional circuitry becomes increasingly overloaded.

We all want our idea of the good to be done, and we all want everyone to receive justice. But law is not a free good. If we were willing to devote a large percentage of our GNP to an expanded system of dispute resolution, and another large percentage to enforcement of legal compliance, we probably could for a time make the present system work despite our overactive law-making gland. So far, however, we have not been willing to commit those resources. For the future, if we continue to generate new law at the rate we are going, no amount of resources will be sufficient to administer them effectively. Unless we change our ways along the lines indicated here, the inevitable result will be a gradual winding down of our legal system and a corresponding decline in the effectiveness of our law and of its standing in the public eye.

One should have no illusions that the democratic law-making process can be made, or should be made, a model of efficiency. Its democratic character is worth far more than cost/benefit elegance. It is inevitable that legislators and other public officials will sometimes use law making for moral posturing. If a bill is proposed to declare sin illegal, very few legislators can be expected to vote against it on the ground that it will not be effective, will be expensive to try to enforce, and will dilute the efficacy of the rest of the legal system—even though all that is true. Nonetheless, we can do quite a lot to build into the law-making machine a series of governors or brakes to inhibit our presently unrestrained law-generating process.

For the first time in the nation's history, today's public is politically receptive to understanding and responding to that need. We appear to have learned something from the inattention of Great Society programs to problems of implementation. Governmental effectiveness has, at last, begun to take hold as a political issue among the public at large.

Clearly audible in today's political sound backdrop is also a complaint by everybody—employer, worker, welfare recipient, real estate operator, government official, university administrator, policeman, doctor, lawyer—about the amount of legal paper work they are required to do and the legal entanglements that encircle them. After a generation in which the most rapidly growing sector of the economy has been state and local government, all of a sudden a large segment of public opinion has begun to press for smaller government, not larger. The 1976 presidential candidates heard and reflected the same ground swell.

These public reactions are a direct product of hyperlexis—public reaction to a degree of legal pollution that is greater than the atmosphere can carry. We have now the political opportunity to get to work on the problem. If we let that opportunity slide by, hyperlexis will slowly but steadily drag our whole legal system to the ground and we shall have dissipated one of our most priceless national treasures: the confidence of the people in, and their voluntary compliance with, the law.●

THE NUCLEAR NONPROLIFERATION ACT

Mr. CULVER. Mr. President, last Friday President Carter took an important action when he signed into law the Nuclear Nonproliferation Act. I consider this a major accomplishment because it provides the United States with a comprehensive policy of dedicated actions to discourage the spread of nuclear weapons. It is a minimum basis for more credible U.S. efforts to gain adherence to the 1968 Nonproliferation Treaty by those nations which have not signed the treaty, and to sustain the no nuclear weapons commitment made by those nations which are a party to this agreement. I want to take this occasion to stress, however, that our nonproliferation policy will be a failure over the long run unless the United States and the Soviet Union at the SALT talks are able to control their continuing competition in nuclear arms.

The Nuclear Nonproliferation Act addresses a difficult problem. Nuclear power has become a major energy source for a world in which energy demands are increasing faster than the development of alternative sources to meet them. Peaceful nuclear energy facilities are spreading to many countries and locations around the world. Forty-two nations now operate 206 nuclear reactors and 100 more reactors are on order. American corporations, which are world leaders in nuclear energy applications and technology, do more than a billion dollars a year in international business.

The danger in this trend is that such large-scale use and distribution can make nuclear material more accessible for diversion by nations or even small groups to make nuclear bombs. If only a fraction of the nuclear weapons in the world's arsenals today were to be used in a large-scale war, whole societies could be destroyed. In a future world with 10 nuclear weapons states, for example, instead of the present 5, the risk of small nuclear attacks leading to devastating world wars would increase considerably.

The proliferation of nuclear energy is the more dangerous because it can be abused by terrorists and criminals. A recent analysis of the potential effects of one small terrorist bomb exploded in

downtown Washington concluded that there would be widespread destruction, outlaw activity and lingering genetic damage, and 30,000 to 70,000 Americans killed or severely injured. Strong controls on nuclear materials are necessary to make this horrible risk and that of nuclear blackmail as small as possible.

Many people are concerned that the controls in this act do not go nearly far enough. Some students of nuclear power believe that it may be a serious threat to our environment and our health. They are correct in arguing that we need to know much more about the long-term effects of radiation and other hazards that could follow from this still new technology.

While we have to take a harder look at these hazards, there is also an immediate need for new rules relating the growing commerce in nuclear energy to the grave dangers of nuclear explosives. That need was cogently summarized in a study on Nuclear Energy and National Security published by the Committee on Economic Development:

> Acute national security interests and urgent economic and environmental interests at home are inextricably intertwined. They cannot be separated from the interests of other countries. Failure of the U.S. Government to recognize these interrelated interests and to deal with them in a coherent and comprehensive manner could be disastrous.

Three Senate committees—the Committees on Governmental Affairs, Foreign Relations, and Energy and Natural Resources—worked for nearly 3 years to develop legislation updating the Atomic Energy Act of 1954. Compromises were necessary to reconcile legitimate but conflicting goals, and, as with all basic legislation, changes will surely be necessary in the future. The members of those committees are to be commended for achieving the most urgent objective—a new nuclear energy policy for the United States that actively seeks, in a coherent and comprehensive manner, to prevent the spread of nuclear weapons.

The Nuclear Non-Proliferation Act includes both stricter national controls and initiatives for international cooperation. By placing meaningful controls on our own exports, the act will substantially reduce the chances of American material or equipment being diverted to produce nuclear explosives. It makes acceptance of international inspection and safeguards for all nuclear activities in nonnuclear states a condition for continued nuclear trade with the United States. In return, as an incentive for those countries to accept international safeguards, the United States promises and takes steps to be a reliable supplier for peaceful uses of nuclear energy.

Along with our commitment to be a reliable supplier for properly safeguarded nuclear facilities, the Non-Proliferation Act contains strict penalities for nations who might choose to build nuclear weapons. It prohibits the export of American nuclear materials and equipment to any nonnuclear nation that has: First, detonated a nuclear device, second, terminated or violated International Atomic Energy Agency safeguards, third, violated a safeguards agreement, or fourth, engaged in activities having direct significance for acquiring nuclear weapons. This sanction would also apply if the President determines that a nation had assisted a third country to acquire a nuclear explosive device.

One way in which this legislation makes us a reliable supplier is by reducing uncertainty about the ground rules. A clear and stable U.S. export policy, based on statutory criteria for export licensing procedures, benefits both the American nuclear industry and world consumers of its products. Moreover, tighter U.S. export controls should be welcomed by all nations of the world that are not interested in acquiring nuclear weapons. It is much more likely that other, less powerful countries than the United States would be the first victims of nuclear proliferation.

The second approach embodied in the Nuclear Non-Proliferation Act is an appropriate emphasis on international initiatives and cooperation. Our national nonproliferation policy cannot be successful unless other nations act with us. To improve vital safeguard mechanisms, the Department of Energy is authorized to undertake a program of international training. The new law likewise encourages international efforts to identify and adapt alternative technologies to meet the energy needs of developing nations and to protect the environment from radioactive, chemical, and thermal contamination.

There are encouraging signs that these international initiatives can work. In January of 1978, the United States, the Soviet Union, and 13 other supplier countries published for the first time an agreed set of nuclear export rules. By establishing a comprehensive and strict policy for our own exports and by encouraging international cooperation as the most effective way to deal with this problem, the Nuclear Non-Proliferation Act is a major step of world leadership toward effective controls against the destructive use of the atom.

Mr. President, the SALT talks are a highly visible test of world leadership, and they are vital for a successful nonproliferation policy. The United States and the U.S.S.R. made a commitment in the 1968 Non-Proliferation Treaty to pursue negotiations in good faith on effective measures to end the nuclear arms race at an early date. This 10-year-old pledge is an essential part of the treaty for nonnuclear countries who are asked to forswear nuclear weaponry. If we continue to emphasize nuclear weapons as the basis of our security—rather than as the greatest existing physical threat to our safety and welfare—we have no right or reason to expect other nations, many of which feel their security threatened, to choose differently. A new SALT treaty is a necessary counterpart to the Nuclear Non-Proliferation Act in protecting our Nation's security against the troubling prospect of a nuclear-armed world.●

RAILROAD/HIGHWAY CONFLICTS AND COAL: THE MINNESOTA EXPERIENCE

● Mr. ANDERSON. Mr. President, this morning I submitted testimony to Senator BENTSEN's Transportation Subcommittee, discussing the need to address the problems caused along rural highways by the increased transport of coal from Western mines. As a cosponsor of S. 2164, I firmly believe that the safety, environmental, and economic problems facing rural communities bifurcated by railroad traffic can only be alleviated if the Federal Government acts now to help formulate plans for grade crossing separations and/or track relocations. As America becomes more and more dependent on coal as the principal source of energy, coal train traffic from the West increasingly aggravates the existing rail/highway conflict in rural communities.

Minnesota, Montana, Nebraska, Colorado, Iowa, Kansas, Nevada, North Dakota, and Wyoming all face immediate problems because of coal train movements through their communities. The problems cannot be ignored any longer. The railroads offer the cheapest, most efficient means of transporting the needed coal; the Eastern industrial centers which consume Western coal must be prepared to help shoulder the burden of bringing the coal to market.

Several local groups have formed to study possible solutions to the growing rail traffic problem. Recognizing that their economic well-being depends on the existence of a strong, financially stable railroad which can service the communities' needs, localities have been exploring the possibilities of grade separations and relocations as one solution. Construction of separations and relocations is expensive and, while willing to contribute a fair share to alleviate the expense, the localities are justifiably looking for Federal aid and industry contributions to help out.

Mr. President, one of the local groups to which I refer is the Rail Traffic Task Force (RTTF) of Minnesota and North Dakota. RTTF is comprised of communities along the rail corridor from Bismarck, N. Dak., to St. Cloud, Minn. These communities realized that by joining together to study the growing problem of rail/highway conflicts it would be easier to determine and expedite the proper solution. On March 31, 1978, in Moorhead, Minn., RTTF will meet to approve a rail impact study for the corridor. Representatives of the area congressional delegations, the State and Federal Departments of Transportation and Energy, and the communities impacted will meet to work together to formulate a solution.

I believe that this level of interest and concern on the part of our citizens cannot go unanswered by Congress. As I understand it, initial estimates put the cost of sufficient grade separations and relocations in the RTTF corridor at more than $100 million.

Mr. President, I assure you that the RTTF is not alone among community associations in the West concerned about rail/highway conflicts. If we use the leadtime available until the Western coal mines are fully operational to address the problem presented by rail/highway conflict, we should be able to save our rural communities from forced isolation. If, however, we continue to

expect the Western States to supply the Nation with sufficient coal to meet its energy demands, without taking into account the hardships faced by persons living along the "coal chute," we are only allowing a dangerous situation develop into a national nightmare.

Mr. President, in order that the Members understand more fully the impact of the coal train problem on communities in Minnesota—as well as elsewhere—and some of the efforts being used by these communities to solve the problem, I ask unanimous consent that the text of my testimony before the Transportation Subcommittee, along with the accompanying letters, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR WENDELL R. ANDERSON BEFORE THE TRANSPORTATION SUBCOMMITTEE OF THE ENVIRONMENT AND PUBLIC WORKS COMMITTEE, MARCH 16, 1978

Thank you for this opportunity to express my concern over the growing rail/highway traffic conflict faced by thousands of communities nationwide.

Senator Zorinsky's testimony this morning gave you a graphic illustration of the pressing need to begin the monumental task of assuring the continued free-flow of highway and rail traffic. I would like to bring the subcommittee's attention to some of the problems faced by communities in Minnesota and their pioneering efforts to confront the issue.

The certainty of increased coal production in the West and the resulting increase in unit coal train traffic is the major impetus for congressional action. As Montana Governor Thomas L. Judge noted before the recent Western Coal Outlook Conference while discussing grade separations,

"Federal action in this regard has been inadequate. While we understand the changing economics of the coal industry and the changing energy needs of the nation, we do not intend to become an energy colony."

In assessing the impact of increased coal train traffic, however, I would ask the subcommittee to remember unit coal trains will travel along existing rail routes. Therefore, in looking at the statistics forecasting the momentous increase in coal train traffic over the next several years, the compound effect of new traffic with existing traffic must be considered. In a letter I received from the Minnesota Department of Transportation, which I am submitting for the hearing record, Commissioner James Harrington makes this point with respect to S. 2164, of which I am a co-sponsor:

"Several coal train routes in Minnesota have considerable levels of non-coal traffic. In fact, in certain situations, switching activities of non-coal traffic create the longest delays. Therefore, the cumulative effects of the additional coal trains upon other traffic should be considered as the appropriate basis for evaluating needs."

As Senator Zorinsky pointed out in his testimony, the existing and future problems caused by rail/highway traffic conflicts are a major concern to communities in Minnesota. Communities along the traffic corridor between Moorhead and St. Cloud have already been severely impacted by inadequate grade separations and the resulting disruption to vehicular traffic. My sponsorship of S. 2164 reflects my concern and, like Senator Zorinsky, I view the legislation as a means of beginning the search for an equitable and expeditious solution.

Mr. Norman M. Lorentzsen, President of the Burlington Northern, has stated that the American railroad industry recognizes that it must assume its fair share of responsibility for resolving rail/highway crossing conflicts. Communities in Minnesota and North Dakota, which have organized a Rail Traffic Task Force (RTTF) to work with the appropriate representatives of government and industry, also recognize that local contributions will be necessary for a viable solution.

The point is that S. 2164 should not be viewed as a federal "bail-out" of the nation's railroads. The bill's funding mechanism is open to amendment according to the wisdom of the subcommittee. But, with the railroads, local, and state governments willing to address the problem, *now* is the time for the federal government to act.

I am including with this testimony a copy of a letter from Mr. Al G. Loehr, Mayor of St. Cloud, Minnesota, and Chairman of the RTTF. The letter, which announces a meeting of representatives of the RTTF later this month to consider approval of a rail traffic impact study, demonstrates the concern of the affected communities. While the letter, by itself, justifies a congressional response to reach a solution to this problem, I would like to bring some additional information to the subcommittee's attention.

Moorhead, Minnesota, lies along the rail traffic corridor with which the RTTF is concerned. Moorhead recently completed a successful urban renewal project involving the reinvestment of $30 million in the central business district. However, according to the Moorhead Community Development Director, the bracketing of the central business district by two main line railroad tracks is setting a "doomsday course for the city of Moorhead." Rail traffic growth projections for the area vary from 10–40 percent a year. So, despite a succesful urban renewal program, the volume of shoppers in the central business district will decline because consumers are going elsewhere rather than chance getting stopped by coal and non-coal train traffic. Estimates for the construction of a train bypass for Moorhead run as high as $30 million. Even the interim solution of constructing a set of grade separations would cost $7–9 million, well beyond the financial capacity of the city. Consequently, I believe the federal government must offer its assistance. S. 2164 offers Moorhead the chance for economic survival.

St. Cloud, Minnesota, commissioned its own Railroad Impact Study in 1976. The study determined:

"The foreseeable negative impact on the community as a result of increases in train traffic is of serious concern to the St. Cloud area from land development, transportation, and environmental quality viewpoints."

In the interim report on the Minnesota Coal Transportation and Handling Facilities study, community after community along the Moorhead-St. Cloud corridor cited traffic delays, disruption of emergency services, and safety as problems which are already apparent. The increase in coal train traffic and its cumulative effect on existing train traffic will, without federal aid, prove devastating.

Finally, I would merely like to share again my views expressed at the time of the Senate's approval of Senator Durkin's Coal Utilization Act amendment authorizing federal funds for the rehabilitation of certain rail lines to carry coal and coal products. I asked the Senate to recognize that this worthy amendment should, in time (and the time has arrived), be complemented by legislation addressing the larger problem of rail/highway traffic conflicts that are aggravated by the prospective increase in coal production. As I noted:

"We need to encourage coal utilization. We need to decrease our dependence on petroleum and natural gas. We need to do these things to assure the prosperity of America's future generations. But we must not rush to achieve our goals without considering the needs of rural Americans being asked to sacrifice their ready access to the hospitals, police, fire protection, and markets for agricultural products upon which the public safety and economic health of their communities depend."

Mr. Chairman, thank you for your consideration of S. 2164. I am confident that we can attack this problem, arrive at a proper solution, and assure that when the western mines begin maximum production, nothing will impede the flow of the coal to market.

ST. PAUL, MINN.,
December 28, 1977.

Re: Senate 2164, a bill to authorize a program to separate rail and highway crossings in certain impacted areas.

Hon. Senator WENDELL ANDERSON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR ANDERSON: Conflicts at rail/highway crossings are a problem in Minnesota as they are nationwide. Currently, there are inadequate funding programs for resolving highway traffic delay problems at railroad crossings. Your proposed legislation recognizes that this is a significant problem and addresses the separation of modes in areas of high coal train traffic.

Presently, the Minnesota Department of Transportation is investigating community impacts of coal trains as part of the Minnesota Coal Transportation and Handling Facilities Study. An interim report will soon be released and we will be sending you a copy. In addition, approximately eight federal studies and several state studies are also addressing the coal transportation and highway/rail conflict problem. These studies are being prompted by present and anticipated future levels of unit coal train traffic on our nation's rail line. In Minnesota, these coal trains are concentrated along a few rail routes, notably the route from Moorhead to the Twin Cities. The already substantial delay problems in communities along this route will be significantly increased as rail traffic grows.

Senate bill 2164 is the first legislation that we are aware of which specifically addresses the delay problem. We would like to make the following observations:

S. 2164 specifically relates the level of funding to the present and anticipated rail traffic level as a result of coal transportation activities. We are concerned that only coal train traffic will be considered as a basis for apportionment of funds under the program. Several coal train routes in Minnesota have considerable levels of noncoal traffic. In fact, in certain situations, switching activities of noncoal traffic create th longest delays. Therefore, the cumulative effects of the additional coal trains upon other traffic should be considered as the appropriate basis for evaluating needs.

We also questioned the appropriateness of using only highway trust fund dollars for funding of grade separations made necessary because of increased coal train traffic. Highway financing is now facing a funding crisis. Allocation of funds from this trust fund would only aggravate the present crisis. Since the increased coal traffic on these lines is directly related to federal energy policy, it seems appropriate that funds to mitigate impacts of federal energy policy be derived from energy related programs, such as the proposed increase on Wellhead tax, or other sources. There also exists the possibility of putting a transportation surcharge on coal.

The Minnesota Department of Transportation is presently coordinating efforts with the National Transportation Policy Study Commission to evaluate potential coal transportation questions and alternative policies. In addition, we are presently organizing an ad hoc advisory committee comprised of state officials who share coal transportation concerns. If we can be of any further assistance or provide any additional information, please feel free to call on us. For more

specific details, please contact Chuck Anders at (612)296-3158.

Sincerely,

JIM HARRINGTON,
Commissioner.

ST. CLOUD, MINN.
February 1, 1978.

Hon. WENDELL R. ANDERSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ANDERSON: The Natural Gas, Petroleum and Coal Utilization Act of 1977 recognizes and facilitates wiser use of our natural resources, especially coal. As you are probably aware, much of this coal will come from vast reserves located in Wyoming, Montana and North Dakota. The movement of western coal to eastern markets has greatly increased rail traffic in urban areas along main railroad lines. According to conservative estimates by the Burlington Northern, Inc., rail traffic will increase 40 percent between 1976 and 1980. Most of this increase will be attributable to coal movement. The concern over experienced and expected increases in rail traffic has caused a number of Minnesota and North Dakota communities to organize a Rail Traffic Task Force (RTTF). In March, representatives of member communities are meeting to discuss rail traffic impacts study with federal officials. Specifically, the Task Force is requesting the following:

1. Your attendance to obtain first hand exposure to the problem.

2. Assistance in obtaining planning funds to identify problems and solutions.

3. If necessary, legislation for construction projects such as rail relocation, grade separations and safety devices.

The remaining portion of this letter provides a brief overview of the rail traffic problem, the RTTF viewpoint and the specifics of the upcoming meeting in Moorhead, Minnesota.

Economics of rail transportation has given rise to the unit coal train, a train consisting of 105 to 110 coal cars approximately 1.25 to 1.3 miles in length. When considering the length of modern freight as well as unit coal trains and the frequency these trains pass through some Minnesota and North Dakota communities (25 to 30 times per day), problems are bound to emerge. These problems are frequent and prolonged delays to highway, street and sidewalk users, the safety of pedestrian and vehicle operators at grade crossings, disruption of emergency vehicle service such as ambulance, police and fire vehicles, and finally environmental degradation, especially regarding noise pollution. The RTTF's purpose is to make decision makers aware of the problem in their communities, study the problem, and identify solutions. Presently, this group represents one North Dakota community and ten Minnesota communities.

The RTTF maintains that the federal government has and continues to encourage rapid large scale development of coal reserves, especially northern Great Plains coal (Natural Gas, Petroleum and Coal Utilization Act of 1977), without due consideration of problems associated with transporting coal from mines to market areas. In the case of western coal, most of the major market areas are 800 miles or more from the mine sites. Most upper midwestern communities lie directly on the major rail lines and are subjected to this traffic. Furthermore, in recent times, railroad companies have, for economic reasons, attempted to concentrate all traffic on the most productive lines and abandon those lines which operate as a deficit. The RTTF concludes that the concentration of general freight traffic and coal traffic on so-called high volume lines has created a serious problem in many communities, specifically, the communities along the Burlington Northern main line from Bismarck, North Dakota, to the St. Cloud metro area. According to a recent report by the Minnesota Energy Agency:

"The addition of coal trains to such a line (high volume) may first of all increase the awareness of pre-existing problems and secondly exacerbate any problems which are present."

Senator Wendell R. Anderson stated it well when he testified before a Senate Committee. He said:

"We need to encourage coal utilization. We need to decrease our dependence on petroleum and natural gas. We need to do these things to assure the prosperity of America's future generations. But we must not rush to achieve our goals without considering the needs of rural Americans being asked to sacrifice their ready access to the hospitals, police, fire protection, and markets for agricultural products upon which the public safety and economic health of their communities depend."

It is estimated that the costs of adequate solutions to the problems in Fargo-Moorhead and St. Cloud metro areas alone would exceed $60 million. It has been estimated that the cost of alleviating existing rail traffic problems between Bismarck, North Dakota, and St. Cloud, Minnesota, will be in excess of $100 million. Communities cannot financially deal with problems of this magnitude. This is especially true of communities below 10,000 population.

On March 31, 1978, the RTTF will be meeting in Moorhead, Minnesota. As mentioned earlier, the purpose of this meeting is to consider approving a corridor study (Bismarck to St. Cloud) to identify rail traffic impacts, solutions to mitigate undesirable impacts, and the costs of the same. If the study is approved, federal planning assistance funds will be sought. This is deemed appropriate because national policy has (both energy and transportation) strongly encouraged coal development and railroad revitalization. Therefore, the RTTF is requesting your attendance to enhance your awareness of the problem and to assist and advise communities on how to deal with excessive rail traffic.

I might further add that time is of the essence; we must act now. Some communities are suffocating from excessive rail traffic. Downtown areas have become inaccessible which not only affects local business activity but also, investment potentials.

The meeting will be in the Moorhead City Hall Council Chambers, Moorhead, Minnesota, at 2:00 p.m. on March 31, 1978. Again, I strongly encourage your attendance at this meeting. A small card has been enclosed for your convenience to notify us of your intentions.

Sincerely,

AL G. LOEHR,
Chairman, Rail Traffic Task Force.●

ELIZABETH BAILEY CALLS FOR LEGISLATIVE CHANGE TO EASE CAB REGULATION OF AIRLINES

● Mr. KENNEDY. Mr. President, Elizabeth E. Bailey, who is the newest member of the Civil Aeronautics Board, spoke in the Rayburn House Office Building on the need for a statutory change to lessen CAB regulation of the airlines so travelers can receive better service at lower prices.

Mrs. Bailey's message is clear, Mr. President. Congress should act to pass S. 2493, the Air Transportation Act of 1978. Mrs. Bailey, in her excellent talk, used plain and simple English to give us her expert view on why the industry she is charged by law to regulate is overregulated. And, Mrs. Bailey is someone we ought to listen to. First, she is an active and creative member of the CAB. She has seen first hand how airline regulation works—or does not work. Second, Mrs. Bailey is a distinguished economist by profession who is no stranger to regulated industries. In fact, before her appointment by President Carter in August 1977, Mrs. Bailey was head of the Economic Research Department for Bell Laboratories, part of the A.T. & T. As a leader and innovator within the A.T. & T. organization, Mrs. Bailey understands the economics of regulation. I ask unanimous consent that her remarks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TALK OF ELIZABETH E. BAILEY (MEMBER, CAB) TO THE FORUM ON AIRLINE REGULATORY REFORM

Yesterday, at the Congressional Appreciation luncheon sponsored by the Association of Local Transport Airlines the theme was the "Intent of Congress". This intent is clear. Congress intends to replace the regulatory outlook of 40 years ago with a more modern pro-competitive outlook. We at the CAB have the same intent. Chairman Alfred E. Kahn has attracted to the Board some of the brightest legal and economic minds in this country. Our purpose is to devise what new policy we can within the existing statute. But there is a major difference between your intent here at Congress and our intent at the CAB. You can codify your intent into public law and that law will have a permanence, whereas our procedural changes may be subject to wild reversals. These reversals can come not only from future Boards with different outlooks than our own, but, far more seriously, they can come from courts of law. There is a long history during which the current statute has been interpreted in another way than we want to do it today. We at the CAB are taking calculated legal risks every day in order to take steps to carry out the competitive intent of the President and Congress. But it will be 3 to 6 years before the courts have finished examining our changes and no one knows where it will come out. Some or all of the procedures we are working so hard to revise may not be upheld or worse, they may be reversed.

But you here at Congress have the opportunity to make sure the changes we all want are explicit and permanant. That is why we at the CAB are seeking your help in implementing a policy that everyone agrees is beneficial to the industry and to the American public.

Of particular concern to me right now are the twin issues of flexible pricing and flexible entry, and it is to these areas that I wish to address most of the remainder of my remarks. You cannot help but have noticed that there is currently an enormous discrepancy in the CAB's degree of flexibility in these two areas, and there have been enormous inconsistencies between past and current handling of these matters.

Last January, we set down for hearing World Airways application for transcontinental low fare authority. This action triggered a competitive response from scheduled carriers in the form of the coast-to-coast supersaver fares that we all enjoyed last summer. These fares have proved so successful that within the past two weeks both American and United have announced plans for vastly expanding them. Yet, the entrant responsible for all this benefit to the American people is not now providing scheduled low fare coast-to-coast service. Instead, it

will be another year or two before the Board will be able, even under the most expedited procedures we have been able to devise, to decide this case. And we are a Board who cares about low fares. Ten years ago, when World Airways first presented its low fare proposal to the Board, it was ignored and dismissed as stale after failing to be processed by the Board for five years.

Other examples are not hard to find. Mary Schumann has talked today about the Midway case. I attended some of the hearings from that case last Friday and heard Lamar Muse, President of Southwest Airlines, discuss the competitive responses of carriers with dormant authority in that airport. These responses for commencement of low fare service were not forthcoming before Midway and Midway Southwest declared their intent to offer such services from that airport. Yet, these responses will come before the Board well before the proposed Midway and/or Midway Southwest authority will wend their way through our cumbersome and lengthy procedures.

So, the situation we face now is both exciting and distressing. It is exciting because we are finding opportunities for flexible pricing, distressing because it is so much more difficult to attain a comparable degree of entry flexibility. Competition needs both. The American public needs both. And it is Congress who can give us both.

Perhaps the best way to make you here at Congress aware of the need for new entry policy is to describe in more detail what has happened and is now happening in this area. Over the past 15 years, entry policy has changed dramatically. In the early 1960's there were few awards. In the mid and late 1960's the exact opposite occurred. Significant competitive authority was granted, and the character of local service carriers changed considerably during this period. But, beginning in 1969 and continuing through 1974, there was a dramatic reversal. The route moratorium was instituted. It resulted in virtually no competitive route awards for 5 years. Just as abruptly, beginning in 1975, the route moratorium ended. Today our Board is setting as many cases for hearing as we can, given our limited size and the resources that each such case requires. In the last two months we have had two Board meetings at which we wrestled with the problem of how many and which route cases we would set for hearing. We had to make choices we simply should not have to make. We decided finally to hear cases with the largest markets since they had the highest level of benefits to the consuming public. But, our decision means that a number of smaller markets, which a carrier is willing to serve, must wait for service. For example, we decided to hear the need for competitive service in the Las Vegas-Houston market. At the same time, we decided that we could not hear the need for improved service in markets involving Phoenix, Tucson, San Antonio, El Paso, Albuquerque, Midland/Odessa, Corpus Christi and New Orleans. These communities had their applications dismissed even though we know that service to their communities is just as important to them as service is to the larger cities. In a similar case, we decided to hear the Philadelphia-Orlando/Daytona Beach markets but had to put off consideration of service between Cleveland/Pittsburgh and Buffalo, on the one hand, and Orlando, Daytona Beach and West Palm Beach, on the other.

You here at Congress can change this. Your constituencies can be served, and with less delay, by lessening the entry barriers. You can give us a statute with provisions for procedural expedition including the ability to create classes of applications subject only to the most minimal procedures. You can give us as much automatic authority as possible and expand our policy options well beyond an occasional multiple award, and/or grant of permissive or back-up authority.

Let me end by telling you a deregulation story. Many of you listened to Chairman Kahn's recent interview on the MacNeil-Lehrer Report, and his statement that under the current act there are still many things we have to regulate which we simply shouldn't. The Chairman's favorite example is processing requests to carry horses. Generally, this service is needed only on an intermittent basis and because of the special requirements needed, sometimes the existing certificated carriers can provide the service, sometimes they can't and the shipper looks elsewhere. When this happens, we must decide whether or not to give an exemption to the carrier the shipper has chosen. Sometimes we grant the exemption; sometimes we don't and that includes the Chairman and myself. I remember well that in my first month of service at the Board we turned down a request to transport horses across the Atlantic—because it would have been the 7th and 8th such trip for a carrier which only had authority to make 6 such trips. So, even *we* can get buried in our procedures. But the cargo deregulation bill which you here at Congress passed has rectified this situation at least domestically—never again will horses not be carried when there is a willing carrier!

The story is humorous but its point is not. It is you here at Congress and not we at the Board who can give the American people a bill that permanently protects the innate competitiveness of the American aviation industry.●

PRAISE FOR RHODE ISLAND NATIONAL GUARD AND U.S. ARMY UNITS DURING THE BLIZZARD OF '78

● Mr. PELL. Mr. President, 1 month ago the State of Rhode Island was hit by one of the most economically devastating and destructive storms in recent history. An average of 28.6 inches of snow fell in the State with several northern communities receiving accumulations of more than 40 inches. This sudden snowfall paralyzed the State for almost 1 week, leaving all major roads clogged and forcing more than 20,000 Rhode Islanders to seek emergency shelter in downtown Providence office buildings, factories, churches, and hospitals. The ferocity of the blizzard also caused severe problems for snow removal on vital arteries with more than 6,000 cars abandoned on highways during the storm—5,000 in the Providence area alone.

Mr. President, were it not for the selfless, untiring, and outstanding efforts of the Rhode Island National Guard and the U.S. Army units, which I personally observed from a National Guard helicopter immediately following the storm, the impact on Rhode Island and its citizens would have been catastrophic. Furthermore, Rhode Island might have remained paralyzed well beyond the blizzard period. The Rhode Island National Guard and the U.S. Army units were clearly the State's lifeline for more than a week.

The combination of ground and air units were largely responsible for the transportation of hundreds of stranded motorists to safe shelters and for the subsequent movement back to their homes. The fast and efficient transport of those stranded individuals unquestionably saved many lives.

Equally important, these units were especially effective as they made emergency deliveries of food and medicine to hospitals, civil defense headquarters, and other needy areas. Lives were saved also as helicopters transported those in need of medical attention from all parts of the State. This not only included people who required emergency treatment, but also those who needed treatment for chronic illnesses, such as kidney dialysis patients.

While rescue units were performing their vital missions. an equally important effort was undertaken by both Rhode Island National Guard and Army units to remove snow and clean the State's principal arteries in order to restore the State's economy. In addition to these vital services performed, there were many other uncountable ways that these units provided assistance to Rhode Islanders during this period of hardship.

Mr. President, the role of the Rhode Island National Guard along with that of the U.S. Army in rescue operations, saving lives, and assisting in the State's recovery cannot be measured. Their contributions were outstanding in every respect and clearly helped to avert a terrible catastrophe. Their actions demonstrated the importance of an effective and well trained National Guard in Rhode Island. I know all Rhode Islanders deeply appreciate the assistance provided by both the National Guard and Army units during this difficult time.

I ask unanimous consent that several articles describing the contribution of the Rhode Island National Guard and the U.S. Army units in Rhode Island be printed in the RECORD at the end of my remarks, along with a resolution adopted by the Rhode Island General Assembly expressing praise for the Army and National Guard units.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Evening Bulletin, Feb. 9, 1978]

GUARD LOGS 1,900 RUNS TO STRANDED MOTORISTS

(By Hamilton F. Allen and Robert Stewart)

PROVIDENCE.—More than 750 National Guardsmen in 120 jeeps, trucks and bulldozers were picking up stranded motorists bringing the sick to hospitals and shelters and transporting food, medicine and other emergency supplies around the state yesterday.

Since the blizzard began late Monday morning, the Guard has logged more than 1,900 rescue runs to motorists stuck in snowed-in vehicles. Because many rescues were unrecorded, the actual number of stranded drivers picked up probably is far more than the official total, said Col. Frederick L. Bennett, Guard chief of staff.

Guardsmen from six units stationed at 11 armories from Westerly to Pawtucket continued to pick up motorists yesterday on Routes 95 and 146 and make other runs at the request of hospitals and civil defense headquarters in the basement of the State House.

Several hundred stuck motorists have refused to accompany Guardsmen to shelters, Bennett said. Even yesterday, some drivers who had been in stranded cars for up to 48 hours still refused to leave, he added.

"To a lot of people, an auto is their greatest possession and they don't want to give it up," Bennett said.

According to the latest figures available last night, the Guard had run 282 missions to bring doctors and nurses to hospitals and medicine to snow-bound patients. Guardsmen have brought 96 kidney dialysis patients from their homes to hospitals.

Food and fuel deliveries and tows required about 960 trips. Guardsmen also made 31 missions to open expressway ramps, assist in runway clearing at Green Airport and escort oil trucks to hospitals.

Guard units were operating below full strength, Bennett said. "We just have key personnel that can handle the mission," he said. Persons who have been asked to come in primarily, are truck drivers, heavy-equipment operators, mechanics and technicians.

On-duty Guardsmen yesterday were from the 26th Air Cavalry Squadron, the 43rd Military Police Brigade, the 103rd Field Artillery, the 243rd Engineer Battalion, the Rhode Island Air National Guard and the Combined Support Maintenance Shop, Bennett said.

[From Providence Journal, Feb. 10, 1978]

SNOW-MOVING ARMY GOES TO WAR ON ROADS

(By Christopher Scanlan)

"You train people to move earth. At this point it's the same thing with snow. You're just moving material from one place to another."

That, in a phrase from Capt. James Dries, commander of the 11th Engineer Battalion of Fort Belvoir, Va., sums up an Army engineer's approach to snow removal.

More than 50 Army engineers in Dries' unit began arriving at Green Airport today. They join more than 300 other federal troops who are helping to dig Rhode Island out of the worst snowstorm in its history. Already the soldiers with the help of State Department of Transportation workers and National Guardsmen have made "fantastic progress," according to Rocco DeLuca, the State Department of Transportation's assistant director for maintenance.

Dries' unit includes four frontend loaders, two graders, two bulldozers, four five-ton trucks, two four-wheel drive vehicles and two jeeps. The equipment is coming in on three C-5 and two C-141 and one C-5A aircraft. The first flight arrived about 9:30 a.m. and the last is scheduled to arrive about 5:45 p.m.

Seventy-five Seabees are also on the way from Gulfport, Miss. They will be manning equipment that has been mothballed at Davisville. They are scheduled to arrive about noon.

Yesterday, thirty-six C-130's, seven C-141's and two C-5A's brought in 75 pieces of heavy Army equipment and 284 soldiers from two Army bases in Georgia and another in Louisiana.

Arriving with the planes was a special Air Force team which specializes in loading and unloading equipment, including graders, bulldozers, front-end loaders, dump trucks, communications vehicles and tankers to refuel the other vehicles.

Two other Army task forces are in New England, one to remove snow in Massachusetts and the other in Connecticut.

Col. Robert E. Ayers who is commanding Operation Snow Blow as the federal and state snow-removal project is called, says credit for any success the soldiers have had should be shared equally with state personnel. Nonetheless, the Army's approach to snow removal is of interest to Rhode Islanders, who are becoming used to the men in fatigues astride olive-drab bulldozers, graders and front loaders.

The Army men are combat engineers. If this were war, their heavy equipment would be building roads or airfields or clearing away bombed-out remains. When they are called upon to fight a snowfall, their heavy machinery does basically the same job. It moves things that need to be moved. And as Col. Ayers puts it, "Snow is a lot lighter than earth. We can get a lot of productivity."

Surprisingly, this is the first time the men from Fort Benning, Ga., have gone out as a group to remove snow. Capt. Dries' men, on the other hand, already have been out three or four times clearing snow from the roads of their post.

The difference with moving snow as opposed to earth, according to Dries, is "you have to use much more caution, drive at slower speeds and take precautions against frostbite.

"We have moved snow before, but nothing of the scope up here," observed Dries.

Colonel Ayers attributed the success of his troops to two decisions made soon after their arrival. "The first basic decision," he said, was to bring in units that were self-sufficient and could be sent to an area and left on their own.

The second decision which Ayers said was worked out with Governor Garrahy at midnight Tuesday was to assign the soldiers as support units for state workers. "We could combine our assets and that has helped open up a larger segment" of roadway than if the troops had gone in alone, added Ayers.

A major problem facing the soldiers and other snow-removal workers has been the thousands of stranded cars on the highway, said Ayers. One of the advantages of moving snow as opposed to earth, he added, "is we just have to shove it aside."

[From the Providence Journal, Feb. 12, 1978]

COPTER PILOTS ARE THE STATE'S LIFELINE AS NATIONAL GUARD COMES TO RESCUE

(By Phil Kukielski)

NORTH KINGSTOWN.—"It's a life-or-death case," Sgt. Frank Lafferty shouted over the roar of the rotors as the Army National Guard helicopter jerked off the runway at Quonset Point yesterday afternoon.

A 93-year-old nursing home patient had heart failure and needed evacuation to Rhode Island Hospital.

The radio crackled in Capt. Ronald Berube's headset, telling him to make this run "V.N.E."—"Velocity never exceed," Army argot for pedal to the metal

Destination: the Cranston Street Armory, where the helicopter was to meet the patient and fly her to the hospital.

Copter 233 of Troop D of the 1/26 Cavalry Squadron was off on another mercy mission, one of hundreds that has kept a dozen Army National Guard helicopters flying almost continuously since Wednesday morning.

Under more ordinary circumstances, Captain Berube would have been commuting from his North Providence home to his job as an industrial arts teacher in Canton, Mass. His crew chief, Sgt. Lafferty of North Kingstown, would have been working as customer service manager for Burton Industries in Pawtucket.

But yesterday afternoon they were airborne over the snowbound suburbs.

The turbojet engines pulled the craft to 650 feet and the needle on the speed indicator jerked steadily toward top speed of 120 knots.

Within 15 minutes after takeoff, Copter 233 had landed in the armory's parking lot, 10 minutes before the Providence fire truck that brought the patient from Bannister House, a nursing home on Dodge Street in Providence.

She arrived unconscious, her face covered by a plastic mask attached to a green oxygen tank.

Lt. Col. Joseph Petteruti, a national guard doctor, hopped aboard, joined by two nurses from Bannister House. The doors slammed shut and Copter 233 was up again.

As Captain Berube banked the craft toward Rhode Island Hospital, five miles away, Colonel Petteruti checked the patient's pulse and listened intently to her heartbeat.

A nod by Colonel Petteruti was sufficient to tell Sergeant Lafferty that she was still alive.

The moment was commonplace for the 109 airborne Guardsmen who have been based at the old Naval Air Station here since they were called to active duty at 3 a.m. Tuesday.

The Guardsmen were grounded by snow squalls until daylight Wednesday. But since then, they have logged 250 flight hours at the aerial lifeline for a snowbound state.

Their passengers have included a 10-year-old leukemia patient, premature twins in incubators, a woman with a broken neck and a five-month-old baby with an obstructed stomach.

Kidney dialysis patients have become regular customers. Guard helicopters have provided a shuttle service for patients from the suburbs traveling to treatment in East Providence.

They've also been hauling foodstuffs. On Thursday they took 25,000 pounds of milk to the Rhode Island Veterans Home in Bristol.

[From the Rhode Island Pendulum, Feb. 15, 1978]

FOURTEEN NATIONAL GUARD HELOS KEEP RHODE ISLAND "ALIVE' DURING CRISIS

(By Ernest A. Myette)

The slogan "The Guard Belongs" has probably been seen by most of us on bumper stickers, recruiting stations and in newspapers and magazines.

Never were those three words—The Guard Belongs—more meaningful than this past week.

Through a quick response after receiving a mobilization order from General Holland, the Rhode Island National Guard came to life within hours.

For the men of Troop "D" 26th Cavalry based at Building 6 at Quonset, the trudge getting there was by no means easy. Nevertheless, one by one, they arrived at the former naval air station to get their helicopters ready.

The flights would be many and the missions these 14 helos were to perform would become inmeasurable in terms of the welfare of the people of this state.

From transporting baby formulas to and from Foxboro to Women's and Infants Hospital in Providence; patients, doctors, nurses, food and blood transported by helicopter to nearly every hospital in the state, and one flight of a 10 year old leukemia boy from Newport, needing treatment in Boston.

And in our own community, the men with those olive-drab machines, transported some 25,000 pounds of milk from the East Greenwich Dairy on Route 2 across the bay to Warren.

The National Guard's helicopter force at Quonset was instrumental in keeping vital services east of the Washington Bridge functioning. Again, without the use of the state freeways, food, milk, and medical services took to the air, with a constant shuttle back and forth across the bay.

Familiar locations in the state became strategic landing sites for chopper missions. LaSalle Square in Providence and Wamponaug Mall in East Providence connected these two cities with the necessary services to maintain life.

There were times when the hospital ships not only transported the patient, but the doctor, nurse and blood plasma and the working of the doctor's hands to provide oxygen to the patient.

Lieutenant Colonel Robert Mahoney, working out of the Civil Defense Room at

the statehouse, relegated all requests to Quonset.

At Quonset, the Command Center Commander, Captain Alexander Lindsay, was responsible for assigning all the helicopter flights.

The helicopter fleet of well-trained men began its errands of mercy at 6 a.m. on Wednesday. In addition to running emergency patients to hospitals, aerial photographic assessments of the Interstate plugs and food transporting, chopper service was provided to let both Senators Chafee and Pell get a look at the blocked freeways. Later, President Carter's Civil Defense Preparedness Team were given a helicopter flight to the same area viewed by Chafee and Pell earlier.

The next day, Senator Kennedy was given a hop from Hillsgrove to Kent County Hospital where his niece had been admitted in a storm-related accident.

On the ground, the Rhode Island National Guard performed equally well and with precision.

Sunday afternoon, heavy equipment of graders, payloaders, bulldozers, trucks, jeeps and men of the Rhode Island Guard assembled on a divider strip of I-95 in Warwick. After having helped in the clearing of snow on the interstate roads during the week, the company of men now proceeded to the Airport Connector Road at Green Airport. Before 5 p.m. snow was being moved off these connector roads with speed and accuracy. It was done without damage to property, road curbing, trees or shrubs.

Their astuteness in performance and the way they handled their equipment, along with the men in the air, flying a convoy of helicopter missions, should dispel the attitude of many who think that the Guard is made up of goof-offs and misfits.

The Guard belongs, because without it, this past week would have resulted in many more deaths throughout the state.

[From the Providence Journal, Feb. 15, 1978]

GUARD LAYS SIEGE TO LAST DRIFTS AND IT IS "NEVER SOUND RETREAT"

(By Daniel Hackett)

LINCOLN. — While the regular Army was packing for home, Rhode Island's Army National Guard was still out here in force yesterday. At Routes 295 and 146 members of the 243rd Engineer Battalion were cleaning up one of the last of the state's snow-blocked highway intersections.

For eight days, more than 100 members of the 861st and 1118th Engineer Companies have been on active duty. Their primary assignment has been opening up Route 295 across the northern end of the state, where the snow is the deepest. They also opened up the airport connector in Warwick.

First, they spent 30 hours cutting a single emergency lane from Route 95 in Warwick up Route 295 to Route 146 here, checking abandoned cars along the way and helping stranded motorists to shelter, said Lt. Col. Charles Gresko, the battalion's commander and a full-time Guardsman.

Then they went back, plowed another lane and began widening the highway and opening entrance and exit ramps.

To do the work they used the Rhode Island National Guard's entire fleet of earth and snow-moving equipment — two bulldozers, two front-end loaders and two graders.

Guard officials said they wish they had more equipment so they could have done more.

"There is only one engineering unit in the state," said Capt. Robert Turnbull, who was directing operations at the intersection here yesterday. "The state really could use another one and more equipment," he added.

While two dozen Guardsmen were finishing up their work along Route 295 yesterday, other members of the same battalion were using their dump trucks to aid snow removal efforts in Woonsocket.

Gresko said 107 men, or about half of the engineering battalion's members, were on active duty as a result of the storm. After more than 24 hours of around-the-clock work, three work shifts were established. The Guardsmen were then shuttled back and forth between Route 295 and their battalion headquarters, the Sun Valley Army in East Greenwich.

"Some of the guys are a little miffed at the fact that the Army is getting all the publicity and we're not getting any," said Turnbull, who makes his living working for the New England Telephone Co. "They're a dedicated bunch of guys who've been working hard. Morale has never been higher."

[From the Providence Journal, Feb. 15, 1978]

ARMY FORCES PREPARE TO TAKE WING AFTER CLEARING THE GROUND FOR RHODE ISLAND

(By John P. Silva)

WARWICK.—"Operation Snowblow II—Task Force Charlie" ended yesterday as the federal troops that helped pull Rhode Island out of the drifts of last week's blizzard prepared to return today to their home bases in the south.

Col. Robert Ayers, commander of the Army troops sent here after President Carter declared an emergency, said Air Force C-5A and C-141 cargo planes are scheduled to begin landing at the former Quonset Point Naval Air Station at 8 a.m. to take the troops home.

Ayers said he expected "a fairly large fleet coming in" but did not now how many planes were due to land, or how much time the return operation would take.

An Air Force advance team arrived yesterday to coordinate flight arrangements with the Army.

Ayers said he hoped that by late this afternoon or early tonight the troops and equipment could return to their home bases of Fort Stewart and Fort Benning, Ga., Fort Polk, La., and Fort Belvoir, Va.

A group of 71 Seabees will be flown to their home base in Gulfport, Miss. The Seabees had been using equipment from the Davisville Seabee Center and had been working until early yesterday morning clearing snow at the Providence docks.

Ayers had wanted to assist state road crews in widening the interstate highways yesterday but did not because "traffic could not be controlled well enough to make it a safe operation."

So the troops spent much of yesterday driving equipment in small convoys to Quonset where it was cleaned, repaired and prepared for the flight home.

Although the equipment is at Quonset, most troops remained at the Cranston Street Armory in Providence and the Schofield Armory in Cranston. Smaller numbers of troops clearing snow at Quonset last night were quartered there.

Ayers said Quonset was chosen because it has ample space for the storage of equipment and does not have the air traffic that Green State Airport has. He said the runways and taxiways at Quonset have been cleared of snow but the ramps leading from the four large hangers to aircraft locations were still snow covered. The hangars are used for storing and repairing the equipment.

About 101 soldiers and 25 pieces of equipment will return to Fort Stewart. 131 soldiers and 30 pieces of equipment to Fort Benning, 76 soldiers and 22 pieces of equipment to Fort Polk and 62 soldiers and 19 pieces of equipment to Fort Belvoir.

Most of these soldiers were assigned to the 36th Engineering Group. In addition, about 43 members of the 483rd Engineering Battalion, Army Reserve, from Attleboro also returned home.

About noon yesterday, Sen. John H. Chafee met with Ayers and, according to the colonel, "thanked us for helping the state."

Asked his feelings now that the digout is completed, Ayers said, "We're all looking forward to going home, but it has been quite an experience in Rhode Island."

[From the Rhode Island Pendulum, Feb. 15, 1978]

LOCAL NATIONAL GUARD UNIT PLAYS KEY ROLE IN STORM RECOVERY

The Town of East Greenwich has been a prime focal point for the Rhode Island Army National Guard's role in helping the state recover from the worst natural disaster in recent memory.

For the past nine days (since Monday, February 6), Headquarters and Headquarters Detachment, 243d Engineer Battalion, has maintained a 24-hour command post at the Varnum Armory on Main Street. Here, assignments requiring heavy-duty or rough terrain vehicles are received and assigned to the battalion's two engineer companies—the 861st Engineer Company of East Greenwich and the 1118th Engineer Company of Woonsocket—according to priority and nature of assistance needed. Some 150 battalion members have taken part in the operation; many of them have been on duty constantly since the beginning of the storm emergency.

For the first 24 hours of the operation, the Guard units concentrated on "human" needs. During the first night of the storms, while the blizzard was at its height, Second Lieutenant Herbert J. Andrade of the 861st, a North Kingstown resident, led a convoy of heavy snow removal equipment from East Greenwich up Route 95 to Woonsocket, and back down I-295 to Warwick, helping stranded motorists to safety. He was on the road for 30 continuous hours. Meanwhile, a similar convoy worked its way through the South County area.

Throughout the recovery period, the battalion, responsible for all of the Guard's snow removal operations, has worked closely with Al Nocera, Director of Civil Defense for East Greenwich—particularly with regard to getting people to shelter and taking care of the emergency needs of the sick and the elderly.

By nightfall of the second day (Tuesday, February 7), it was possible for the Engineers to concentrate on the monumental task of clearing the main highways in the area.

The mission assigned to the front-loaders, bulldozers and road graders of the 861st was the clearing of Interstate 295 from its southern end at Route 95 in Warwick as far north as Route 6 in Johnston. Rhode Island highway department crews worked on 295 north of that point.

Working in three shifts around the clock, the Engineers completed the job on Sunday (February 12). They would have been finished sooner but for the necessity of diverting personnel and equipment to the job of clearing portions of Routes 113 and 117 as well.

Once I-295 was opened, the 861st turned its attention to the connector roads leading to Green Airport. Then, it was back to 295 for the purpose of widening the highways as far north as the Massachusetts line. Special attention is being paid to the on-and off-ramp connectors, where high snowbanks are creating a dangerous visibility problem.

Meanwhile, the 1118th Engineer Company has been equally busy, working around the clock to assist in the snow removal efforts of the city of Woonsocket by hauling the nasty white stuff away to various dumping points.

The consistently low night-time temperatures have added another dimension to the

problem facing the Guard's heavy equipment operators: many of them have been working in unheated, open cabs in temperatures that dip as low as three degrees below zero during the night. Throughout the emergency, though, morale among the Engineers has been extremely high.

[From the Providence Journal, Feb. 12, 1978]

HEROES, CITIZENS, FRIENDS

There were heroes aplenty in last week's snowstorm emergency, but none more faithful than the Rhode Island National Guard. From the time early Monday evening when Gov. J. Joseph Garrahy ordered the nearly 800 guardsmen into action, their presence has been helpfully felt in uncountable ways.

Only two weeks after the guard had responded to an earlier but much less destructive snow emergency, the men were back on the highways, first and most urgently on search and rescue missions to locate drivers stranded in marooned cars and get them into safe shelters.

In addition to pulling stranded cars off the interstate highways and manning plows, the guard also sent nine helicopters aloft to carry food and medicine to isolated areas. These same helicopters carried patients suffering from kidney disease to the dialysis center in East Providence where they could receive critically needed treatment.

There were other heroes, too many to enumerate, most of them anonymous by choice. There was the truck driver who found himself stranded at South County Hospital, and performed yeoman duty there delivering medical supplies, working in the cafeteria, shaving patients.

Then there was the nameless individual who, unable to get to work at his state job, set up a free taxi service between East Providence and Barrington to take refugees from the storm back to their homes. And the small boy who on his own went around the Providence East Side uncovering fireplugs. Heroes all. Good citizens. Neighbors. Friends.

[From the Providence Journal, Feb. 13, 1978]

KIDNEY PATIENTS IN NEED OF DIALYSIS AIRLIFTED OVER STORM'S CRUEL BLOCKADE

CRANSTON.—The trips have been long and difficult.

But, with the help of local firefighters, police and the Air National Guard, a small group of city residents has been airlifted the past few days for critical kidney treatment in East Providence.

"Patients were beginning to get on the edge of panic," said Fire Chief Ronald S. Jones, who coordinated the efforts that allowed the residents to get to the Artificial Kidney Center of Rhode Island in East Providence.

It all began when concerned patients, in need of dialysis, contacted the Fire Department early last week.

Jones said the department set up a caravan of emergency vehicles and fire trucks and headed for Providence. The caravan reached Lasalle Square in the city when it came to a halt.

Fire officials contacted the Air National Guard, which sent a helicopter to airlift the residents to a landing pad set up near East Providence city hall.

From there they were taken by emergency vehicles to the center.

Since then, with some variations, the same critical trip has been made by persons from all over the area.

"I can't say enough about the people who helped," said Charles T. Mahoney of 112 Belmont Road, whose wife Shirley has been among those making the trip to East Providence.

"It's been unbelievable. I didn't realize what was involved, the amount of people and work just to have a helicopter drop down," he said.

The treatments "are a must," he added.

Mrs. Viola Manzi of 31 Columbus Circle, whose husband Frank also needed the critical treatment, was equally impressed with the response she received to her pleas for help.

"Thank God, How relieved I was," she said. "I was so very happy."

"You don't know how grateful I am for this," she said.

RESOLUTION 78—S2294

Resolution expressing sincere gratitude and highest praise to U.S. Army and Rhode Island National Guard units for their assistance in the blizzard of February 6–7, 1978

Whereas, The most severe blizzard in the history of Rhode Island struck the state on February 6 and 7, 1978, causing thousands of citizens to be stranded in vehicles on the highways, forcing some to seek refuge in any shelter at hand, and isolating others in their homes or places of employment; and

Whereas, The units of the United States Army and the Rhode Island National Guard rendered invaluable emergency assistance by clearing highways, providing land and air transportation for emergencies, rescuing persons in distress, delivering food and medical supplies; and by countless untold heroic and selfless acts helped the state to recover from this disaster; now, therefore, be it

Resolved, That the General Assembly of the State of Rhode Island and Providence Plantations expresses its sincere gratitude and highest praise to the following United States Army Units:

The 36th Engineers Battalion, Fort Benning, Georgia,

The 7th Engineers Battalion, Fort Polk, Louisiana,

The 3rd Engineers Battalion, Fort Stuart, Georgia,

The 11th Engineers Battalion, Fort Belvoir, Virginia,

The NM Construction Battalion 62, Gulfport, Mississippi, and

The 483rd Engineers Battalion, Army Reserve, New Bedford, Massachusetts;

to the following Headquarters and Headquarters Detachments of the Rhode Island Army National Guard:

Troop D (Air) 1st Squadron 26th Cavalry,

The 243rd Engineers Battalion Team AD,

The 861st Engineers Company (Light Equipment),

The 1118th Engineers Company (Dump Truck),

The 110th Public Affairs Detachment (Field Services),

The 43rd Military Police Brigade,

The 118th Military Police Battalion,

The 1043rd Medical Detachment,

The 119th Military Police Company,

The 1111th Military Police Company,

The 243rd Military Police Battalion,

The 115th Military Police Company,

The 169th Military Police Company,

Batteries B and C of the 1st Battalion (155T) 103rd Field Artillery, and

Batteries A, B, and C and the Service Battery of the 2nd Battalion (155T) 103rd Field Artillery;

and to the following Rhode Island Air National Guard units:

The 143rd Tactical Airlift Group

The 102nd Tactical Control Squadron

The 281st Combat Communication Group;

and be it further

Resolved, That the Secretary of State be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the aforementioned units.

DRUG REGULATION REFORM ACT OF 1978

● Mr. HATHAWAY. Mr. President, it is my pleasure to join with my colleagues in introducing the Drug Regulation Reform Act of 1978. This legislation completely revises the Federal Food, Drug and Cosmetic Act provisions relating to pharmaceutical drugs to insure their safety and effectiveness without stifling the development and prompt availability of life-supporting drugs.

Mr. President, there are many complex and some controversial issues involved in drug regulatory reform. The legislation which we are introducing attempts to strike a balance among competing values. Of utmost importance is the objective of protecting the public from unsafe and ineffective drugs. At the same time, however, we do not want to discourage or delay the development and marketing of new drugs which can combat life-threatening illnesses. We want to provide as much information to consumers regarding nature and potential risks of the drugs they take. Yet we do not wish to unduly burden the pharmacetuical manufacturers and pharmacists. We wish to encourage research and protect commercial information; but we also want to increase the amount of information to the public so we may be assured of the safety and efficacy of drugs.

Further, we want to know how prescription drugs are actually used in this country and what effects they actually have. At present, no one has the statutory responsibility to do this; nor has any one group appeared eager to assume this responsibility.

The legislation we are offering today attempts to establish such responsibility and address the many other issues involved in drug regulation. Specifically, the bill requires the Food and Drug Administration to obtain data on drug use, to determine how drugs are actually being used, and to take action to improve their use. It fundamentally restructures the process for approval of new drugs, and authorizes post-approval monitoring and testing of approved drugs for effectiveness when used in a manner for which they are not approved but for which they are known to be widely prescribed. The bill provides for consumer participation in the drug approval process. It requires labeling of prescription drugs and provision of patient information. Furthermore, it limits the advertising, marketing, and promotional excesses of the pharmaceutical industry. Among other things, it also establishes a National Center for Clinical Pharmacology and regulates the export of drugs.

Mr. President, this legislation represents a collaborative attempt to develop a comprehensive, workable system of drug regulation acceptable to the consumers, the providers and the regulators. It is by no means a final product. In fact, we each have certain reservations about different provisions in the bill. I am particularly concerned about the criminal penalties section.

Current law imposes strict liability for stated violations of the Food, Drug and

Cosmetic Act. It is critical that we do not relax this standard so as to make it ineffectual. In 1976, when the Senate considered S. 641, the Consumer Food Act, there was much heated debate on the issue of weakening the criminal sanction. The controversy was whether to retain the strict criminal liability standard, which would have greatly increased the Governments burden of proof and thereby lessened consumer protection. Ultimately, the Senate adopted compromise language offered by myself and Senator JAVITS which replaces the strict liability standard with a definition of the sort of behavior which ought to be punished with criminal penalties. This definition, which is more precise than the negligence standard, imposed criminal penalties when the individual charged is found to have acted "knowingly, willfully" or "without the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character." This definition, with minor modification but like intent, is incorporated in section 162 of the Drug Regulation Reform Act. It is imperative that we do not relax this standard as we revise the bill.

There are other provisions of concern to me which require significant revision. However, I am pleased to cosponsor this legislation so that we can put these important issues before the American public and engage in valuable dialog. I look forward to working with my colleagues, the administration, the pharmaceutical industry, and other interested parties to develop a sound and practical law.●

IRELAND'S MINISTER FOR FOREIGN AFFAIRS PRAISES JOINT ST. PATRICK'S DAY STATEMENT ON NORTHERN IRELAND

● Mr. KENNEDY. Mr. President, in yesterday's RECORD, at page S3781, I included a copy of a joint St. Patrick's Day statement on Northern Ireland issued by a group of 18 Senators, Representatives, and Governors.

I am pleased to note today that Mr. Michael O'Kennedy, the Minister for Foreign Affairs of the Republic of Ireland, has issued a statement welcoming our joint effort, and I ask unanimous consent that the foreign minister's statement may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ISSUED BY MR. MICHAEL O'KENNEDY, T.D., IRISH MINISTER FOR FOREIGN AFFAIRS ON MARCH 16, 1978

I very much welcome the St. Patrick's Day statement on Northern Ireland issued by American political leaders of Irish origin. This statement reflects the consistent and unequivocal stand which its authors have taken against violence and the evil men who practice it in Ireland.

It is only by peaceful means that the unity of Ireland can be achieved. Those in the United States or elsewhere who lend assistance or encouragement or even passive tolerance to men of violence in Ireland are, in the Taoiseach's words, not helping to fulfill the aspirations of the Irish people but destroying them. It must be our primary aim to achieve peace in every part of our island. Those who oppose this objective are blocking any possibility of progress towards the objective of unity.

We are grateful for the interest and sympathy which the Irish in the United States have traditionally shown in relation to Ireland's problems. Their hopes for Ireland coincide with our own. It is, therefore, with confidence that I appeal to them to heed the wise and statesmanlike words of the statement. I urge them to follow the path of wisdom indicated by the authors of the statement and to turn a deaf ear to the pressure groups who support openly or covertly the mindless and unrepresentative people who purport to serve Ireland's cause by indiscriminate letting of blood.

St. Patrick's Day serves to remind Irishmen all over the world of what they have in common. It must be our hope that this day of brotherhood will inaugurate a new period of peace and harmony in Ireland.●

THE RURAL HEALTH NEEDS PLANNING ACT OF 1978—S. 2487

● Mr. HATHAWAY. Mr. President, it is my pleasure to join my colleagues Mr. CLARK, Mr. LEAHY, and Mr. ANDERSON in introducing legislation to amend the Public Health Service Act. The bill will provide greater emphasis on planning for rural health needs.

Our health planning process must recognize and be responsive to the distinct differences in the health care needs of rural areas. These regions of our country have unique problems and characteristics which require special consideration in the health planning process. Not only are the needs and problems of rural areas different from nonrural areas, but the planning process itself is influenced by the sparsity of population; the larger area that must be considered, the longer distances that must be traveled, and the continuing deficiency of facilities, services, and personnel, the greater are the challenges of comprehensive training. Many rural communities believe that national health planning guidelines threaten the existing health care system and are unresponsive to their unmet needs.

These guidelines must adequately address the unique requirements of rural citizens who make up 60 percent of the medically underserved in this country. While the ratio of physicians to population in nonrural areas is 150/100,000, in rural areas the ratio is 70/100,000. Additionally, almost 50 percent of the country's poor live in rural areas and 4 out of every 10 elderly, who often have greater health needs, are rural residents.

Although national totals may indicate sufficient numbers of hospital beds, physicians, and other health care resources, figures for rural areas clearly show a continuing scarcity of health facilities and services. The standards and guidelines designed to accomplish the important task of controlling spiraling health care costs must be designed to preclude the possibility of further reducing the already limited health resources in the underserved areas.

The bill amends the Public Health Service Act to increase planning input from rural areas. It mandates special attention within the overall guidelines to the needs and concerns of rural individuals. It prohibits the imposition of inflexible standards which would be inappropriate in rural and medically underserved regions. It assures representation of the rural consumers of health care on the National Council on Health Planning and Development. Additionally, since the Department of Agriculture has a major responsibility for rural development, this bill provides that the Department's Assistant Secretary for Rural Development serve as an ex officio member of the National Council.

Other provisions are designed to assure adequate representation of rural consumers on statewide coordinating councils which advise State health planning agencies. The bill also encourages the development of subarea councils as smaller divisions of Health Systems Agencies (HSA's) which would be supported on both the basis of the square mileage of the area covered and the inherent geographic barriers within a particular health service area. This provision is important to encourage full participation by those consumers who are otherwise restricted by distance from easy access to the planning process.

Additionally, the funding mechanism for HSA grants is modified to include extra assistance for those areas with medically underserved populations. The final amendment requires centers to develop consumer education packages of technical assistance to HSA boards and staff. Both provisions concentrate resources on previously undersupported areas of need.

A health planning process which has sufficient input from rural and medically underserved areas is essential to the goal of achieving quality health care at a reasonable cost for all Americans. Guidelines for health care planning must reflect the realities of the life styles of the population, the unique needs and problems of rural citizens, and address the health care deficiencies confronting the medically undeserved.

I believe that the provisions in this bill direct attention to the regional differences in this country and further the process of improving health care. I look forward to supporting this legislation when it comes before the Subcommittee on Health on which I serve.●

CALIFANO ALSO OPPOSES OMB CHILD CARE REGULATIONS

● Mr. CRANSTON. Mr. President, last week I expressed my concern over regulations proposed by the Office of Management and Budget which are likely to have the effect of closing down the child care centers presently operating in Federal agencies throughout the Nation and would preclude any further development of these on-site child care centers in Federal agencies.

At hearings I held on February 20, as chairman of the Child and Human Development Subcommittee of the Human Resources Committee, I asked Arabella Martinez, Assistant Secretary for Human Development Services in the Department of Health, Education, and Welfare, to convey to Secretary Califano my views on the inappropriateness of these proposed regulations and urged that HEW take a strong position in opposition to the proposed regulations.

Hence, I was very pleased to receive a copy of Secretary Califano's February 27 letter to James T. McIntyre, Acting Director of the Office of Management and Budget, opposing the regulations. I ask unanimous consent that the text of Secretary Califano's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. Mr. President, since my remarks last week, I have received numerous letters from organizations and individuals opposing the OMB regulations. They range from professional groups to labor organizations, to concerned parents. I reiterate the view I expressed last week that the Federal Government should be demonstrating leadership in the development of alternative forms of child care, such as on-site or workplace child care facilities, not taking steps which could destroy the handful of innovative and successful programs in Federal agencies. I congratulate Secretary Califano and the other heads of Federal agencies who have expressed their opposition to these proposed regulations for their recognition of the importance of supporting these child care programs.

EXHIBIT 1

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., Feb. 27, 1978.

Hon. JAMES T. MCINTYRE,
Acting Director, Office of Management and Budget, Executive Office of the President, Washington, D.C.

DEAR JIM: I wanted to share my concern directly with you about the OMB Circular on "Assignment of Federally-Controlled Real Property to Non-Federal Activities," which makes it more difficult and more expensive for child-care centers to be set up in Federal agencies for Federal employees.

While the enclosed comments from Charles Miller, Acting Assistant Secretary for Management and Budget, address the child-care issue in detail as well as other issues contained in the Circular, I wanted to point out that it has been our policy to assist employee groups in establishing child-care centers at HEW.

Consistent with this Administration's commitment to expand employment opportunities for women and minorities, it is my view that the Federal government, through its control over the use and cost of its property, should facilitate the creation of child-care centers. Such a policy would greatly assist working parents, particulary working mothers in single-parent households, in carrying out their dual responsibilities.

Accordingly, I urge that the proposed commercial charges for child-care centers and the requisite finding that the activity is essential to the efficient operation of the agency be eliminated.

Sincerely,

JOSEPH A. CALIFANO, JR.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS TO 11 A.M. TOMORROW

Mr. SARBANES. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess, in executive session, until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 6:29 p.m., the Senate, in executive session, recessed until tomorrow, Friday, March 17, 1978, at 11 a.m

HOUSE OF REPRESENTATIVES—*Thursday, March 16, 1978*

The House met at 10 o'clock a.m.

Rabbi Harry H. Epstein, Ahavath Achim Synagogue, Atlanta, Ga., offered the following prayer:

Eternal God, reverently we ask Your guidance for the Members of this House.

May the words here spoken broaden vision and narrow division. May the power of principle, rather than the principle of power, be the measure of its deliberations.

We pray not for ease in resolving the responsibilities of directing the affairs of our Nation, for we are aware that we live in days large with challenge and perplexity. But we do pray for understanding adequate to the times' demands, for integrity sufficient for the tasks, for vigilance to recognize all evil plus steadfastness sufficient to overcome it, and for compassion that embraces all people in the circle of its concerns.

May we remember that "the effect of righteousness (is) quietness and confidence forever." (Isaiah 32: 17)

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

RABBI HARRY H. EPSTEIN

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, for 50 years, Rabbi Harry H. Epstein has led the congregation of Ahavath Achim, in Atlanta, Ga. I have known and been guided by the spiritual wisdom of Rabbi Epstein all of my life, and I am happy he could be here today so that all of you might hear him.

The rabbinical tradition is generations deep in Rabbi Epstein's family. His grandfather, uncle, and father were rabbis. Rabbi Epstein was trained in the Slobodka Yeshiva, a seat of great rabbinical knowledge and headed by his uncle, himself a famous Talmudic scholar. He was also one of the first students at the Hebron Yeshiva in Palestine in 1924. He has distinguished himself as a rabbinic scholar as well as the leader of a congregation grateful for his devotion for all this time. He also holds a master's degree from Emory University in Atlanta and a Ph. D. degree from the University of Illinois.

His wonderful wife, Reva, is also descended from a family of rabonim. Together they have provided Atlantans, Jewish and Christian, with a shining example of leadership, strength, and dedication.

In addition to being our spiritual leader all these years, Rabbi Epstein and his wife have been close personal friends to my parents. We looked upon them as members of our family. My father was on the selection committee that chose him as our rabbi, and met him at the old Atlanta Terminal Station when he first arrived.

The synagogue has dedicated this entire year to a celebration of his jubilee year, and it is our honor to have had Rabbi Epstein lead us in prayer today, as he has led me and the others of the Ahavath Achim congregation for so many years.

ABDUCTION OF ALDO MORO

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, this morning I awoke to the news on my radio that Aldo Moro, former Prime Minister of Italy, has been kidnaped, his guards killed, and that the Red Brigade, some of whose members are presently on trial in Turin claim responsibility. They did so by stating "This is just the beginning."

If this is just the beginning, where and how does it all end?

In fact, this is not just a beginning, it is only the latest of a long series of general acts of violence designed to stymie governments and terrcrize communities.

Aldo Moro is a most respected and prominent Italian personage. A man who has served his country and people unselfishly and with devotion. His life of service to his country and the world, his dedication to world peace and order deserve better than this.

It is the most despicable of people who perpetrate these wanton and crazed acts of violence, who believe that some-

how they are so right that they can commit any wrong.

Let us all join in denouncing this behavior, let us all join in praying for the welfare, safety, and return of Aldo Moro.

Mrs. MEYNER. Mr. Speaker, I know that many of my colleagues share my feelings of shock and dismay at the recent kidnaping of Mr. Aldo Moro, former Premier of Italy and president of the Italian Christian Democratic Party. Italy's Red Brigades terrorist organization has taken credit for this despicable act. It represents merely the latest episode in a tragic series of terrorist acts carried out by both leftist and rightist groups in Italy.

This kidnaping comes at a time when we are all aware of the increasing importance and intensity of terrorist violence throughout the world. I know that many Americans share my dismay at these developments. Violence breeds violence. It represents a sense of despair at the ability of human beings to settle their differences reasonably and honorably.

I believe, however, that there is also a growing awareness of the futility and destructiveness of political violence. More and more, concerned men and women are turning to peaceful methods of dispute resolution on all levels of social intercourse. I hope that the tragic news from Italy will increase awareness of the need for creative peaceful conflict resolution in all human endeavors.

Mr. MURPHY of New York. Mr. Speaker, this morning's kidnaping of the former Prime Minister of Italy, Aldo Moro, is another terrible travesty of justice which diminishes all of us in the free world. Aldo Moro is the architect of a new and stable government in Italy, which had been plagued since the end of World War II with a division of strength among the leading parties. During two recent terms as its Premier, Aldo Moro brought a new strength of leadership to Italy's role as a vital key to NATO in its position as the anchor of the Mediterranean's southern flank. His was the critically decisive role in bringing about last month's agreement where all the major opposing factions will support the new minority government in Parliament—the first such coalition in 31 years—and he is now thought to be the probable next President, an indication of the Italians' great respect and need for his continuing leadership and devotion to that nation.

The members of the so-called Red Brigade claim that their act of terrorism is just the start in their attack on the very heart of the state of Italy. They have committed murder, international terrorism, and kidnaping in the name of some undefined goal, presumably geared toward using Mr. Moro's ransom to force the cancellation of the current trial of 49 other members of the Red Brigade on murder charges. Similar terrorist activities brought such a postponement of trial of the brigade members on two occasions, when the terrorists intimidated prospective jurors and defense attorneys.

There is not the slightest defense for such maniacal violence. Their cause is pure terrorism for its own sake, a brotherhood of blood which serves no other purpose than to bring added burdens to the new Italian Government, and which in turn only advances the cause of international communism in its stated goal of dominance of the peoples of this world.

This is not an isolated act; it is another in a series of acts of insane and brutal nihilism designed to thwart the will of a people's government by the substitution of terror, kidnapping, and murder, reminiscent of fascism and nazism we thought were buried long ago.

The American people, and the American Congress, cannot simply sit back and view this as an unfortunate bit of political infighting in some far-off country. Italy is an ally, and an important one. But more important, Aldo Moro is a respected world leader who has devoted his entire life to the service of his nation and the free world. In our prayers for his safe return, we must also commit ourselves to the firm resolution that such despicable and contemptible acts of violence shall not sway us, or any nation, from the pursuit of peace and the strengthening of our systems of government which will bring to justice those responsible.

GENERAL LEAVE

Mr. RICHMOND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my 1-minute speech yesterday regarding the Honorable WILLIAM H. NATCHER of Kentucky.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT TODAY DURING 5-MINUTE RULE

Mr. FORSYTHE. Mr. Speaker, I ask uanimous consent that the Committee on Merchant Marine and Fisheries may be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ALDO MORO

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to join in the remarks of my colleague, the gentleman from New Jersey (Mr. RODINO). I think all of us who love Italy, who know the sufferings of that country under the unceasing hammering of violence that these Red brigades have visited upon that nation, mourn that these four men have been killed and that former Prime Minister Moro, head of the Christian Democratic Party, has been kidnaped. It is an outrage, and I join with my colleague in bringing this to the attention of the House.

CONGRESS SHOULD "BITE THE BULLET" ON UNBULLETED STATEMENTS IN CONGRESSIONAL RECORD

(Mr. SYMMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYMMS. Mr. Speaker, I know my good friends from California, Mr. PHIL BURTON and LEO RYAN, would not wish to be misrepresented as far as their comments on the Redwood National Park conference report in the CONGRESSIONAL RECORD of March 14, 1978. I think it is quite interesting that the rollcall vote preceding the discussion of the Redwood National Park bill took place at 4:49 p.m., according to the Clerk's official record, and the next recorded vote on the Redwood National Park bill took place at 5:02 p.m. That means that there were 13 minutes between the time the House Conference Report on the Redwood National Park was called up for consideration and the time of the rollcall vote on that report. During that 13-minute period, my colleague, Mr. BURTON, covered five pages worth of material on the bill in the RECORD, including several lengthly charts and tables. Either my colleague has a tongue which is faster than a speeding bullet, or we should consider putting some bullets around his extraneous remarks.

I think we should either put some teeth into the new laws and rules for publication concerning statements and insertions in the CONGRESSIONAL RECORD, or "bite the bullet."

DEMOCRATS SHOULD BE MORE UNDERSTANDING OF REPUBLICAN PARTY VIS-A-VIS CAMPAIGN CONTRIBUTIONS

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to express the hope that you and my good friends of the Democratic Party enjoyed a pleasant dinner last night. I understand that it was a great success.

Mr. Speaker, I hope it was a successful dinner because if the Democratic Party is well heeled and has a good campaign war chest, maybe the Democrats will find it in their hearts to be more understanding of the attempts by the Republican Party to raise enough money through campaign contributions for its own members so that we can make some kind of race out of the next election.

Mr. Speaker, that is really about all that we want to do. We just would like to enable our challengers to do all those things that are necessary at least to make the election interesting for incumbents, two-thirds of whom are Democrats. Actually, Mr. Speaker, there is not a predatory bone in our body. We are not trying to do anybody unto death, and we hope that with this latest infusion of good political money from the fat cats on the Democrat side, the Democrats will be able to look at us with a little

more kindly mien than they have in the recent past.

I think that it should be noted that this Democrat money comes from persons who paid, I am told, $500 apiece. The money which Republicans have raised comes from 1.3 million Americans who contributed less than $25 apiece. I think that pretty much demonstrates that the roles have now been reversed, that we are now the party of the little people and the Democrats are the party of the fat cats.

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 50) to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 379, nays 8, answered "present" 2, not voting 45, as follows:

[Roll No. 156]

YEAS—379

Abdnor	Brown, Calif.	Dellums
Addabbo	Brown, Mich.	Derrick
Akaka	Broyhill	Derwinski
Alexander	Burgener	Devine
Allen	Burke, Calif.	Dickinson
Ammerman	Burke, Fla.	Dicks
Anderson, Calif.	Burke, Mass.	Diggs
	Burleson, Tex.	Dingell
Andrews, N.C.	Burlison, Mo.	Dodd
Andrews, N. Dak.	Burton, Phillip	Dornan
	Butler	Downey
Annunzio	Byron	Drinan
Applegate	Caputo	Duncan, Oreg.
Archer	Carney	Duncan, Tenn.
Ashbrook	Carr	Early
Aspin	Carter	Edgar
Badham	Cavanaugh	Edwards, Ala.
Bafalis	Cederberg	Edwards, Calif.
Baldus	Chappell	Edwards, Okla.
Barnard	Chisholm	Eilberg
Beard, R.I.	Clay	Emery
Beard, Tenn.	Cleveland	English
Bedell	Cochran	Erlenborn
Benjamin	Cohen	Ertel
Bennett	Collins, Ill.	Evans, Colo.
Bevill	Conable	Evans, Del.
Biaggi	Conte	Evans, Ga.
Bingham	Corcoran	Evans, Ind.
Blanchard	Corman	Fary
Blouin	Cornell	Fascell
Boggs	Cornwell	Fenwick
Boland	Cotter	Fish
Bolling	Coughlin	Fisher
Bonior	Crane	Fithian
Bonker	Cunningham	Flippo
Bowen	D'Amours	Florio
Brademas	Daniel, Dan	Flowers
Breaux	Daniel, R. W.	Flynt
Brinkley	Danielson	Foley
Brodhead	Davis	Ford, Mich.
Brooks	de la Garza	Ford, Tenn.
Broomfield	Delaney	Forsythe
Fountain	Lujan	Rogers
Fowler	Luken	Rooney
Fraser	Lundine	Rose
Frenzel	McClory	Rosenthal
Fuqua	McCormack	Rostenkowski
Gammage	McDade	Rousselot
Garcia	McDonald	Roybal
Gaydos	McEwen	Rudd
Gephardt	McFall	Ruppe
Giaimo	McHugh	Russo
Gilman	McKay	Santini
Ginn	McKinney	Sarasin
Glickman	Madigan	Satterfield
Goldwater	Maguire	Sawyer
Gonzalez	Mahon	Scheuer
Goodling	Mann	Schroeder
Gore	Markey	Schulze
Gradison	Marks	Sebelius
Grassley	Marlenee	Seiberling
Green	Marriott	Sharp
Gudger	Martin	Shipley
Guyer	Mathis	Shuster
Hagedorn	Mattox	Sikes
Hall	Mazzoli	Simon
Hamilton	Meeds	Sisk
Hammer-schmidt	Meyner	Skelton
	Michel	Skubitz
Hanley	Mikulski	Slack
Hannaford	Mikva	Smith, Iowa
Harkin	Milford	Smith, Nebr.
Harrington	Miller, Calif.	Snyder
Harris	Miller, Ohio	Solarz
Harsha	Minish	Spellman
Hawkins	Mitchell, N.Y.	Spence
Heckler	Moakley	St Germain
Heftel	Montgomery	Stangeland
Hightower	Moore	Stanton
Hillis	Moorhead, Calif.	Stark
Holland		Steed
Hollenbeck	Moorhead, Pa.	Steers
Holt	Moss	Steiger
Holtzman	Mottl	Stokes
Howard	Murphy, Ill.	Stratton
Hubbard	Murphy, N.Y.	Studds
Huckaby	Murphy, Pa.	Stump
Hughes	Murtha	Taylor
Hyde	Myers, Gary	Thone
Ichord	Myers, John	Traxler
Ireland	Myers, Michael	Treen
Jacobs	Natcher	Trible
Jeffords	Neal	Tsongas
Jenkins	Nedzi	Udall
Jenrette	Nichols	Ullman
Johnson, Calif.	Nix	Vander Jagt
Johnson, Colo.	Nolan	Vanik
Jones, N.C.	Nowak	Vento
Jones, Okla.	O'Brien	Volkmer
Jones, Tenn.	Oakar	Waggonner
Jordan	Oberstar	Walgren
Kasten	Obey	Walker
Kastenmeier	Ottinger	Walsh
Kazen	Panetta	Wampler
Kelly	Patten	Watkins
Kemp	Pattison	Waxman
Ketchum	Pease	Weaver
Keys	Perkins	Weiss
Kildee	Pettis	Whalen
Kindness	Pickle	White
Kostmayer	Pike	Whitehurst
Krebs	Pressler	Whitley
LaFalce	Preyer	Whitten
Lagomarsino	Price	Wilson, C. H.
Latta	Pursell	Wilson, Tex.
Le Fante	Quayle	Winn
Leach	Quie	Wirth
Lederer	Quillen	Wolff
Leggett	Railsback	Wright
Lehman	Rangel	Wydler
Lent	Regula	Wylie
Levitas	Reuss	Yates
Livingston	Rhodes	Yatron
Lloyd, Calif.	Richmond	Young, Fla.
Lloyd, Tenn.	Rinaldo	Young, Mo.
Long, La.	Roberts	Zablocki
Long, Md.	Rodino	Zeferetti
Lott	Roe	

NAYS—8

Armstrong	Collins, Tex.	Symms
Bauman	Hansen	Wilson, Bob
Clawson, Del	Pritchard	

ANSWERED "PRESENT"—2

Hefner	Van Deerlin

NOT VOTING—45

Ambro	Buchanan	Findley
Anderson, Ill.	Burton, John	Flood
Ashley	Clausen, Don H.	Frey
AuCoin		Gibbons
Baucus	Coleman	Horton
Beilenson	Conyers	Krueger
Breckinridge	Dent	McCloskey
Brown, Ohio	Eckhardt	Metcalfe
Mineta	Risenhoover	Thompson
Mitchell, Md.	Robinson	Thornton
Moffett	Roncalio	Tucker
Mollohan	Runnels	Wiggins
Patterson	Ryan	Young, Alaska
Pepper	Staggers	Young, Tex.
Poage	Stockman	
Rahall	Teague	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 50, with Mr. NATCHER (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, March 15, 1978, section 2 and title I had been considered as having been read and open for amendment at any point. Pursuant to a motion to limit debate in the Committee of the Whole, all time for debate under the 5-minute rule on section 2 and title I, and all amendments thereto, had expired. Members may offer amendments to section 2 and title I, which will be voted on without debate, unless such amendment is printed in the CONGRESSIONAL RECORD.

Are there any further amendments to section 2 or title I?

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 71, line 10, strike out "and" and everything that follows through line 12, and insert in lieu thereof the following:

"(G) the implementation, through financial assistance, of programs already established by law as major national priorities, such as the removal of architectural barriers to the handicapped.

"(H) such other priority policies and programs as the President deems appropriate.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of and I would like to commend my distinguished colleague Congressman JEFFORDS for offering this amendment to H.R. 50.

There is an urgent need to assist State and local governmental units in paying the price of removal of architectural barriers.

Recent legislation and regulations such as Public Law 94–142, and section 504 of the 1973 Rehabilitation Act mandate that buildings be made accessible to the handicapped. This is an important stride because the handicapped cannot join the mainstream of our society unless buildings and programs are made accessible.

It is an injustice for the Federal Government to, in effect, say: "We passed it, now you pay for it." The Congress

must be willing to be a partner with State and local governmental units. Congressman JEFFORDS' amendment recognizes this need, and I support him and commend him for the amendment he is offering.

Mr. JEFFORDS. Mr. Chairman, the purpose of this amendment is to say briefly this, that in the economic report if the President deems it is necessary for additional programs for reducing unemployment, that after you have gone through the other priorities listed, you would take a look at the legislation which this body has already passed and for which funds are authorized, but not funded. Attention would be given to those that are labor-intensive. Already approved projects would be used to alleviate the unemployment situation before you go to last resort jobs.

Let me give some examples of the kind of things this would refer to; for example, remodeling and renovation of educational facilities; railroad renovations, the laying of track, and so forth. All these things are already in the law, but not fully funded, and you would say after these other priorities, take a look at the priorities already created in law before last resort jobs.

The major reason that I pick out the section 504 aspect of removing architectural barriers is that the President has already said he would put the full weight of his office behind implementing the section 504 regulations. However, as of yet, there is no money for the implementation of these programs.

This example addresses one of our most serious national problems, barrier removal for the handicapped. Section 504 of the Vocational Rehabilitation Act of 1973 states:

> . . . no otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Although this law was passed 5 years ago. no Federal money has been authorized for the implementation of the section 504 regulations, which therefore places a heavy burden on taxpayers at the local level.

My amendment to section 106, "National Priority Policies and Programs for Full Employment and Balanced Growth," would make barrier removal for the handicapped an explicit national priority. The President has endorsed full implementation of the 504 regulations, but we have yet to see any similar support from OMB. Action by us is necessary.

It is crucial that barrier removal for the handicapped as an explicit national goal take a higher priority than the creation of "last resort' public service employment jobs. The process creates meaningful jobs in the private sector at a rate which is three times more labor intensive than construction work, which creates 40,000 jobs per billion dollars spent. If removing architectural barriers in compliance with section 504 costs $2.4 billion, as HEW estimates, we have created almost 300,000 jobs for both skilled and unskilled labor. Other estimates of the cost of removing architectural barriers are closer to $6 billion, which would create 720,000 new jobs.

This concern was established as a national priority 5 years ago, but the lack of Federal funding has prevented the sweeping changes which we know are necessary in order to comply with section 504. We must reaffirm our support for this issue by insuring that, as a national priority, this problem is corrected. We must implement programs such as barrier removal for the handicapped through private sector job creation, and not resort to public service jobs until our national priorities have been achieved.

It is also important to note that if we do not act all this burden will be placed upon local and State governments. Local governments are already overburdened. We must help them to insure an adequate education will be available to all.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, this side has no objection to the amendment and we accept it.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I too, would like to congratulate the gentleman from Vermont for the amendment and certainly support it personally.

We have no objection on this side.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. JEFFORDS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 398, noes 0, not voting 36, as follows:

[Roll No. 157]

AYES—398

Abdnor	Bingham	Carr	Delaney	Jones, Okla.	Pritchard
Addabbo	Blanchard	Carter	Dellums	Jones, Tenn.	Pursell
Akaka	Blouin	Cavanaugh	Dent	Jordan	Quayle
Alexander	Boggs	Cederberg	Derrick	Kasten	Quie
Allen	Boland	Chappell	Derwinski	Kastenmeier	Quillen
Ambro	Bolling	Chisholm	Devine	Kazen	Railsback
Ammerman	Bonior	Clawson, Del	Dickinson	Kelly	Rangel
Anderson, Calif.	Bonker	Clay	Dicks	Kemp	Regula
Andrews, N.C.	Bowen	Cleveland	Diggs	Ketchum	Reuss
Andrews, N. Dak.	Brademas	Cochran	Dingell	Keys	Rhodes
Annunzio	Breaux	Cohen	Dodd	Kildee	Richmond
Applegate	Breckinridge	Collins, Ill.	Dornan	Kindness	Rinaldo
Archer	Brinkley	Collins, Tex.	Downey	Kostmayer	Risenhoover
Armstrong	Brodhead	Conable	Drinan	Krebs	Roberts
Ashbrook	Brooks	Conte	Duncan, Oreg.	LaFalce	Rodino
Aspin	Broomfield	Conyers	Early	Lagomarsino	Roe
AuCoin	Brown, Calif.	Corcoran	Eckhardt	Latta	Rogers
Badham	Brown, Mich.	Corman	Edgar	Le Fante	Roncalio
Bafalis	Burgener	Cornell	Edwards, Ala.	Leach	Rooney
Baldus	Burke, Calif.	Cornwell	Edwards, Calif.	Lederer	Rose
Barnard	Burke, Fla.	Cotter	Edwards, Okla.	Leggett	Rosenthal
Bauman	Burke, Mass.	Coughlin	Eilberg	Lehman	Rostenkowski
Beard, Tenn.	Burleson, Tex.	Crane	Emery	Lent	Rousselot
Bedell	Burlison, Mo.	Cunningham	English	Levitas	Roybal
Benjamin	Burton, John	D'Amours	Erlenborn	Livingston	Ruppe
Bennett	Burton, Phillip	Daniel, Dan	Ertel	Lloyd, Calif.	Russo
Bevill	Butler	Daniel, R. W.	Evans, Colo.	Long, La.	Santini
Biaggi	Byron	Danielson	Evans, Del.	Long, Md.	Sarasin
	Caputo	Davis	Evans, Ga.	Lott	Satterfield
	Carney	de la Garza	Evans, Ind.	Lujan	Sawyer
			Fary	Luken	Scheuer
			Fascell	Lundine	Schroeder
			Fenwick	McClory	Schulze
			Findley	McCloskey	Sebelius
			Fish	McCormack	Seiberling
			Fisher	McDade	Sharp
			Fithian	McDonald	Shipley
			Flippo	McEwen	Shuster
			Florio	McFall	Sikes
			Flowers	McHugh	Simon
			Flynt	McKay	Sisk
			Foley	McKinney	Skelton
			Ford, Mich.	Madigan	Skubitz
			Ford, Tenn.	Maguire	Slack
			Forsythe	Mahon	Smith, Iowa
			Fountain	Mann	Smith, Nebr.
			Fowler	Markey	Snyder
			Fraser	Marks	Solarz
			Frenzel	Marlenee	Spellman
			Fuqua	Marriott	Spence
			Gammage	Martin	St Germain
			Garcia	Mathis	Stangeland
			Gaydos	Mattox	Stanton
			Gephardt	Mazzoli	Stark
			Giaimo	Meeds	Steed
			Gilman	Michel	Steers
			Ginn	Mikulski	Steiger
			Glickman	Milford	Stokes
			Goldwater	Miller, Calif.	Stratton
			Gonzalez	Miller, Ohio	Studds
			Goodling	Mineta	Stump
			Gore	Minish	Taylor
			Gradison	Mitchell, N.Y.	Thompson
			Grassley	Moffett	Thone
			Green	Montgomery	Traxler
			Gudger	Moore	Treen
			Guyer	Moorhead, Calif.	Trible
			Hagedorn	Moorhead, Pa.	Tsongas
			Hall	Moss	Udall
			Hamilton	Motti	Ullman
			Hammer-schmidt	Murphy, Ill.	Van Deerlin
			Hanley	Murphy, N.Y.	Vander Jagt
			Hannaford	Murphy, Pa.	Vanik
			Hansen	Murtha	Vento
			Harkin	Myers, Gary	Volkmer
			Harrington	Myers, John	Waggonner
			Harris	Myers, Michael	Walgren
			Harsha	Natcher	Walker
			Hawkins	Neal	Walsh
			Heckler	Nedzi	Wampler
			Hefner	Nichols	Watkins
			Heftel	Nix	Waxman
			Hightower	Nolan	Weaver
			Hillis	Nowak	Weiss
			Holland	O'Brien	Whalen
			Hollenbeck	Oakar	White
			Holt	Oberstar	Whitehurst
			Holtzman	Obey	Whitley
			Horton	Ottinger	Whitten
			Howard	Panetta	Wiggins
			Hubbard	Patten	Wilson, Bob
			Huckaby	Patterson	Wilson, C. H.
			Hughes	Pattison	Wilson, Tex.
			Hyde	Pease	Winn
			Ichord	Pepper	Wirth
			Ireland	Perkins	Wolff
			Jacobs	Pettis	Wright
			Jeffords	Pickle	Wylie
			Jenkins	Pike	Yates
			Jenrette	Poage	Yatron
			Johnson, Calif.	Pressler	Young, Fla.
			Johnson, Colo.	Preyer	Young, Mo.
			Jones, N.C.	Price	Zablocki
					Zeferetti

NOES—0

NOT VOTING—36

Anderson, Ill.	Frey	Runnels
Ashley	Gibbons	Ryan
Baucus	Krueger	Staggers
Beard, R.I.	Lloyd, Tenn.	Stockman
Beilenson	Metcalfe	Symms
Brown, Ohio	Meyner	Teague
Broyhill	Mikva	Thornton
Buchanan	Mitchell, Md.	Tucker
Clausen, Don H.	Moakley	Wydler
	Mollohan	Young, Alaska
Coleman	Rahall	Young, Tex.
Duncan, Tenn.	Robinson	
Flood	Rudd	

Mr. STRATTON changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. WEISS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. WEISS. Mr. Chairman, is my understanding correct that even though yesterday, at the request of the distinguished minority leader, his unanimous-consent request not to meet tomorrow, that this would be on condition that we complete the legislation before us, the Humphrey-Hawkins bill, H.R. 50; and that if in fact we do not complete the work today that we will reconvene tomorrow?

The CHAIRMAN pro tempore. The gentleman's question is not a parliamentary inquiry, but let the Chair advise the gentleman that that is his understanding. That matter would be up to the leadership, the Chair would advise the gentleman.

Mr. WEISS. I thank the chairman.

AMENDMENT OFFERED BY MR. PIKE

Mr. PIKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PIKE: Page 65, line 8, After "Labor" strike out the period, replace it with a comma and insert "reduced by not counting as unemployed those who are unemployed because of strikes, those who have been unemployed for less than four weeks, those who have jobs waiting but for their own convenience are not ready to enter employment, those who are not seeking full-time work, and those who voluntarily left their last jobs.".

The CHAIRMAN pro tempore. The gentleman from New York (Mr. PIKE) is recognized for 5 minutes in support of his amendment.

Mr. RHODES. Mr. Chairman, would the gentleman yield so that I may comment upon the inquiry just made to the Chair?

Mr. PIKE. I yield to the gentleman from Arizona.

Mr. RHODES. It was my understanding when the question was propounded to the majority leader yesterday that there was no agreement as to how late we might go tonight, and that it was the hope of the majority leadership to finish the bill tonight. However, it was also my understanding that there was a firm agreement that there would be a pro forma session tomorrow, if at all, but probably no session at all.

Mr. PIKE. I would simply beg that this not be done on my time. I am limited to an amendment that is terribly important to me.

Mr. RHODES. Mr. Chairman, I ask unanimous consent that the gentleman from New York may have an additional 2 minutes because of the 2 minutes of his time that I have taken.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I am happy to yield to the distinguished majority leader.

Mr. WRIGHT. In order not to impose further upon the time of the gentleman from New York, let me just simply say that it is our firm intention to finish this bill tonight. Doing so, we would have no session tomorrow.

Mr. PIKE. Mr. Chairman, I think we have made it abundantly clear in the debate on this legislation that everybody here is against unemployment. We have made it clear that everybody here is against inflation. I think that out in the real world almost everybody is against inflation, but I get the uneasy feeling that there are a few people who are not terribly unhappy with being unemployed.

What this amendment is addressed to is the basic concept of the bill, which says that it is a bill to find jobs for those who are ready, able, and willing to work. I am saying, all right, before we start this massive macro-economic program, let us look a little bit at the trigger. Who are we counting as unemployed?

Let us not count as unemployed for the purpose of triggering this massive economic policy those who are strikers. Let us not count as unemployed those that we call frictional unemployed; they are just between jobs. They have been unemployed for less than 4 weeks. Let us not count as unemployed those who have jobs waiting for them, but who are not ready to go to work—and there are lots of people like that.

I think that we too often use a shotgun when we ought to be using a rifle, or even a scalpel. I want, as much as the gentleman from California wants, to get at the hardcore unemployed, those who really want to work and really cannot get jobs, but I do not think we ought to trigger this massive program with a trigger so very, very loose that it counts people who really do not want to work, who are temporarily between jobs, who have jobs waiting for them, or who quit their last jobs.

That is essentially what this amendment is about. It addresses itself to the trigger we are going to use. The statistics are available. The statistics are there. For heaven's sake, let us use them and see that we get at the real problem which is the hardcore unemployed who cannot get work, without starting this tremendous program, which I happen to believe if implemented will be very inflationary, to take care of a lot of people who really do not want to work.

Mr. HAWKINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment is thoroughly unworkable and certainly defective. Unfortunately, despite what the gentleman from New York says, the amendment attempts to count among the unemployed all who are unemployed because of strikes. That would not make a change for those involved in strikes but would for those who may be unemployed because of strikes over which they have no control who are obviously secondarily unemployed because strikes have taken place.

The Labor Department counts the unemployed without regard to the length of their unemployment and the gentleman would only count them after 4 weeks, which would certainly be in conflict with our present method of counting that group.

What he means by those who have jobs waiting but for their own convenience are not ready to enter employment, I do not know. I do not know who is going to determine who those people are. It would take a psychiatrist to do that, and the Labor Department has told the subcommittee that this amendment is thoroughly unworkable and they would have no way of ascertaining many of these groups that have been named.

No one knows who those are who are not seeking full-time work. There is no record being made of those at the present time, and certainly no one knows who those individuals would be.

So where the gentleman attempts to say that we should reach the hard core, he is really not doing it in this amendment. What he is doing, however, is so redefining unemployment that it would mean 8 percent unemployment under current concepts would be the target of this bill under his concepts. Obviously what he is doing is saying that in 1977 when we had 7 percent unemployment, that we had no unemployment. That would be the effect of this amendment.

I would suggest that there are difficulties and certainly some defects in the present method of statistical gathering on who is employed and who is unemployed. For that very reason the Congress has named a commission, the National Commission on Employment and Unemployment Statistics, which is presently authorized to go into this question and to bring back into this body a more accurate method of doing it. I suggest we should wait until that commission reports to us because there are individuals on both sides. There are some 3 million persons who today are not counted as unemployed at all simply because they work part time, even though they want full-time work. There are almost a million not counted today because they are termed as discouraged workers. Both of these groups are actually reported in our statistics today and not counted. So, if we start counting on both sides, it would reduce to absurdity this amendment.

We have already adopted the Jeffords amendment which would reduce the unemployment trigger 2½ percent. This amendment would take us back to 8 percent.

Let me counsel all Members who are interested in countercyclical programs, that these countercyclical devices would be wiped out and they would be no longer qualified for Federal assistance merely because through statistical methods we have solved the unemployment problems

and declared to the Nation by this amendment that we no longer have unemployment in this country. That is really the effect of this amendment.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I will be glad to yield to the gentleman from Missouri (Mr. BOLLING) who has not had an opportunity to speak. Then I will yield to the gentleman from New York (Mr. PIKE) if I have the time remaining.

Mr. BOLLING. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, the gentleman from New York in his statement has mentioned and has indicated that we should look a little bit at the triggering. I think we should look a whole lot at the triggering. One of the problems with that is that we have not had a revision of unemployment compensation considered for a long time. We have not been able to pass a law on welfare reform.

What I fear is that the gentleman's amendment, no matter how well-intentioned, will be a counterpart of the effect of the earlier Jeffords amendment which casually fools with the problems of unemployment statistics. We have done a little checking on that and we find it will only take a billion dollars or so of our taxpayers' money and about 25,000 people to deal with the problem that that amendment offers. I suspect this will be even more difficult.

The way in which this should be handled is in the Committee on Ways and Means in a whole series of pieces of legislation.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. HAWKINS) has expired.

The question is on the amendment offered by the gentleman from New York (Mr. PIKE).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. PIKE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 204, not voting 31, as follows:

[Roll No. 158]

AYES—199

Abdnor	Chappell	Erlenborn
Ambro	Clausen,	Ertel
Andrews, N.C.	Don H.	Evans, Del.
Andrews,	Clawson, Del	Fenwick
N. Dak.	Cleveland	Findley
Applegate	Cochran	Fish
Archer	Cohen	Flippo
Armstrong	Coleman	Flowers
Ashbrook	Collins, Tex.	Flynt
Badham	Conable	Forsythe
Bafalis	Corcoran	Fountain
Barnard	Cornwell	Frenzel
Bauman	Coughlin	Fuqua
Beard, Tenn.	Crane	Gammage
Bennett	Cunningham	Gibbons
Boggs	Daniel, Dan	Gilman
Bowen	Daniel, R. W.	Goldwater
Breaux	Davis	Goodling
Brinkley	de la Garza	Gradison
Broomfield	Derwinski	Grassley
Brown, Mich.	Devine	Gudger
Burgener	Dickinson	Guyer
Burke, Fla.	Dornan	Hagedorn
Burleson, Tex.	Edwards, Ala.	Hall
Butler	Edwards, Okla.	Hammer-
Byron	Emery	schmidt
Cederberg	English	Hansen
Harsha	McKay	Ruppe
Hefner	McKinney	Santini
Heftel	Madigan	Sarasin
Hightower	Mahon	Satterfield
Hillis	Mann	Sawyer
Holland	Marlenee	Schulze
Holt	Marriott	Sebelius
Horton	Martin	Shuster
Hubbard	Mathis	Sikes
Huckaby	Mazzoli	Sisk
Hyde	Milford	Skubitz
Ichord	Miller, Ohio	Smith, Nebr.
Ireland	Mitchell, N.Y.	Snyder
Jacobs	Montgomery	Spence
Jeffords	Moore	Stangeland
Jenkins	Moorhead,	Stanton
Jenrette	Calif.	Steiger
Johnson, Colo.	Myers, Gary	Stratton
Jones, N.C.	Myers, John	Stump
Jones, Okla.	Neal	Symms
Kasten	Nichols	Taylor
Kazen	O'Brien	Thone
Kelly	Pettis	Treen
Kemp	Pickle	Trible
Ketchum	Pike	Vander Jagt
Kindness	Poage	Waggonner
Lagomarsino	Pressler	Walker
Latta	Preyer	Walsh
Leach	Pritchard	Wampler
Leggett	Pursell	Watkins
Lehman	Quayle	White
Lent	Quie	Whitehurst
Levitas	Quillen	Whitley
Livingston	Railsback	Wiggins
Lloyd, Calif.	Regula	Wilson, Bob
Long, Md.	Rhodes	Wilson, Tex.
Lott	Roberts	Winn
Lujan	Rogers	Wydler
McClory	Rousselot	Wylie
McDonald	Rudd	Young, Fla.
McEwen	Runnels	

NOES—204

Addabbo	Edwards, Calif.	Mikva
Akaka	Eilberg	Miller, Calif.
Alexander	Evans, Colo.	Mineta
Allen	Evans, Ga.	Minish
Ammerman	Evans, Ind.	Moakley
Anderson,	Fary	Moffett
Calif.	Fascell	Moorhead, Pa.
Annunzio	Fisher	Moss
Aspin	Fithian	Mottl
AuCoin	Florio	Murphy, Ill.
Baldus	Foley	Murphy, N.Y.
Bedell	Ford, Mich.	Murphy, Pa.
Benjamin	Ford, Tenn.	Murtha
Bevill	Fowler	Myers, Michael
Biaggi	Fraser	Natcher
Bingham	Garcia	Nedzi
Blanchard	Gaydos	Nix
Blouin	Gephardt	Nolan
Boland	Giaimo	Nowak
Bolling	Ginn	Oakar
Bonior	Glickman	Oberstar
Bonker	Gonzalez	Obey
Brademas	Gore	Ottinger
Breckinridge	Green	Panetta
Brodhead	Hamilton	Patten
Brooks	Hanley	Patterson
Brown, Calif.	Hannaford	Pattison
Burke, Calif.	Harkin	Pease
Burke, Mass.	Harrington	Pepper
Burlison, Mo.	Harris	Perkins
Burton, John	Hawkins	Price
Burton, Phillip	Heckler	Rangel
Caputo	Hollenbeck	Reuss
Carney	Holtzman	Richmond
Carr	Howard	Rinaldo
Carter	Hughes	Risenhoover
Cavanaugh	Johnson, Calif.	Rodino
Chisholm	Jones, Tenn.	Roe
Clay	Jordan	Rooney
Collins, Ill.	Kastenmeier	Rose
Conte	Keys	Rosenthal
Conyers	Kildee	Rostenkowski
Corman	Kostmayer	Roybal
Cornell	Krebs	Russo
Cotter	LaFalce	Scheuer
D'Amours	Le Fante	Schroeder
Danielson	Lederer	Seiberling
Delaney	Long, La.	Sharp
Dellums	Luken	Shipley
Dent	Lundine	Simon
Derrick	McCloskey	Skelton
Dicks	McCormack	Slack
Diggs	McDade	Smith, Iowa
Dingell	McFall	Solarz
Dodd	McHugh	Spellman
Downey	Maguire	St Germain
Drinan	Marks	Stark
Duncan, Oreg.	Mattox	Steed
Early	Meeds	Steers
Eckhardt	Meyner	Stokes
Edgar	Mikulski	Studds
Thompson	Volkmer	Wright
Traxler	Walgren	Yates
Tsongas	Waxman	Yatron
Udall	Weaver	Young, Mo.
Ullman	Weiss	Zablocki
Van Deerlin	Whalen	Zeferetti
Vanik	Wirth	
Vento	Wolff	

NOT VOTING—31

Anderson, Ill.	Krueger	Staggers
Ashley	Lloyd, Tenn.	Stockman
Baucus	Markey	Teague
Beard, R.I.	Metcalfe	Thornton
Beilenson	Michel	Tucker
Brown, Ohio	Mitchell, Md.	Whitten
Broyhill	Mollohan	Wilson, C. H.
Buchanan	Rahall	Young, Alaska
Duncan, Tenn.	Robinson	Young, Tex.
Flood	Roncalio	
Frey	Ryan	

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Flood against.

Mr. Teague for, with Mr. Rahall against.

Mr. Whitten for, with Mr. Metcalfe against.

Mr. Michel for, with Mr. Mitchell of Maryland against.

Mr. Robinson for, with Mr. Beard of Rhode Island against.

Messrs. SKELTON, MURPHY of New York, PEASE, and CONTE changed their vote "aye" to "no."

Mr. GOLDWATER and Mr. LEVITAS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 67, line 13, insert "veterans," after "elderly".

Page 68, line 8 insert the following:

"(4) For purposes of this subsection, the term 'veteran' shall mean the same as defined in 38 U.S.C.A. Section 101(2)."

Mr. YOUNG of Florida. Mr. Chairman, this amendment is not difficult to understand. In the line that reads,

every effort shall be made to reduce those differences between the rates of unemployment among teenagers, women, minorities, the elderly * * *

This amendment would add the word "veterans."

We all know that those who have served in the Armed Services have a unique problem when they leave their military service. They have been out of the job market for a period of time, and because of this, jobs just sometimes are not as available to them as they are to persons who have not had that same unique experience.

I would hope that the leadership on both sides would be able to accept this amendment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, we have seen the amendment and we are very happy to accept it.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I would congratulate the gentleman for offering this amendment, and it is acceptable on this side, as well.

Mr. YOUNG of Florida. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: Page 68, line 3, strike out "and" and insert immediately after such line the following new subparagraph:

"(C) study the employment status of recipients of Social Security benefits and other Federal government pension programs and the effects on their employment status caused by the statutory limitation on outside earned income; and

Page 68, line 4, redesignate subparagrapn (C) as subparagraph (D).

Mr. YOUNG of Florida. Mr. Chairman, this amendment, while it speaks to the question of outside earnings limitations for social security recipients, does not intend to, nor could it, make change in the basic law by this bill. What it does is to make this one of the goals of the act, that is to determine just what is the economic effect and the jobs effect upon those elderly citizens who want to work but who are limited because of the outside earnings limitation.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we are most willing and pleased to accept the gentleman's amendment on this side.

Mr. YOUNG of Florida. Mr. Chairman, I thank the chairman.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, we accept the gentleman's amendment on this side.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from Connecticut.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 71, line 10, strike out "and" and insert immediately after such line the following new subparagraph:

"(G) recommendations for legislation and administrative reforms necessary to improve the function of Federal agencies by requiring the completion of agency proceedings, including judicial review thereof, in a timely manner; and

Page 71, line 11, redesignate subparagraph (G) as subparagraph (J).

Mr. CLEVELAND. Mr. Chairman, on Wednesday, March 8, 1978, my remarks appear in the House Journal at pages 6107 and 6108. At this point I spoke about this amendment at some length.

Mr. Chairman, it is my understanding that the chairman of the committee, the gentleman from California (Mr. HAWKINS), will accept this amendment. In view of that fact, I will not repeat the remarks that I made last Wednesday.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we are trying to establish exactly which amendment it is. Is it the one that refers to procedural requirements applicable to public works or is it the one relating to judicial review of administrative reforms?

Mr. CLEVELAND. It is that latter one, yes.

Mr. HAWKINS. Mr. Chairman, we have no problem with that. We are willing to accept the gentleman's amendment.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I am delighted to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I want to be sure that we have the same amendment in mind. Is it the one that starts "Page 71, line 10"?

Mr. CLEVELAND. That is correct.

Mr. SARASIN. Mr. Chairman, we have no objection to the amendment on this side, and I congratulate the gentleman for his amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 71, line 10, strike out "and" and insert immediately after such line the following new subparagraph:

"(H) recommendations for legislation and administrative reforms necessary to reduce or eliminate procedural requirements applicable to public works programs and projects in order that such programs and projects which alleviate unemployment will proceed as expeditiously as possible; and

Page 71, line 11, redesignate subparagraph (G) as subparagraph (J).

Mr. CLEVELAND. Mr. Chairman, again, my remarks of last Wednesday, March 8, on pages 6107 and 6108, addressed the issue of this amendment; and I do not think it is necessary to repeat my remarks in the RECORD at this time.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we have seen this amendment and have discussed it with the author and think that it is an acceptable amendment. Therefore, Mr. Chairman, we accept it on this side.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I want to congratulate the gentleman on this amendment. I think it is a very constructive amendment.

I believe there is abundant evidence that some of the efforts by which Congress has attempted to alleviate unemployment have indeed been hampered by what we might call administrative drag, unnecessary regulations, and an overburden of redtape.

Mr. Chairman, I think the gentleman has a splendid amendment. It ought to be in harmony with the President's announced program, and I just want the gentleman to know that I congratulate him on it.

Mr. CLEVELAND. I appreciate the kind remarks of the majority leader. I should confess, and I do confess, that much of this particular amendment is based on hearings that the majority leader, who was then the ranking member on the Investigations and Review Subcommittee of the Public Works Committee, and I conducted. I am very grateful to him for those hearings. This amendment rests squarely on the results of those hearings, where we found this problem to be so frustrating.

Mr. WRIGHT. If the gentleman will yield further, having said all the kind and generous things about the gentleman and his splendid amendment, I now assume that the gentleman will be pleased to support the bill.

Mr. CLEVELAND. We will come to that later, because I have another amendment.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield.

Mr. SARASIN. Mr. Chairman, I wish to associate myself with the remarks of the majority leader. Certainly, the amendment is acceptable on this side of the aisle.

Mr. CLEVELAND. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CLEVELAND

Mr. CLEVELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 71. line 10, strike out "and" and insert immediately after such line the following new subparagraph.

"(I) an analysis of the impact of government regulations, environmental and safety requirements, and crime on the productivity of the economy; and

Page 71, line 11, redesignate subparagraph (G) as subparagraph (J).

Mr. CLEVELAND. Mr. Chairman, this is an amendment that is very much similar to the previous two amendments, but because this amendment specifically mentions the unmentionable it will not

be accepted. It squarely addresses the fact that among the regulations that are causing unemployment are certain environmental regulations, not to mention safety requirements, and indeed crime. However, I think it is important that we do remember that if we are going to honestly address this problem of underemployment or unemployment, we do have to take a hard look at ourselves—that is, the U.S. Government—and I think we have to address the problem as to whether or not some of these environmental requirements that we are insisting that business follow, and for good purposes, and some of the problems with crime and theft and some of the problems with the safety regulations, are not in fact impeding our national economic growth.

This is no idle allegation. In January, in the issue of Survey of Current Business, Edward F. Denison, a Senior Fellow of the Brookings Institution, reported on the results of a study supported by the National Science Foundation. He found evidence of a real decline in our national growth rate, and attributed much of it to the significant loss of productivity in the economy as a result of environmental and safety regulations, plus crime. It is perfectly true that this study may not be valid, but it certainly confirms other studies by economists, such as Mr. Weidenbaum, which have indicated that the regulatory process that we are loading up our economy with, is extremely costly, and far more costly than most people realize.

In my remarks in the RECORD which I previously referred to of last Wednesday, pages 6107 and 6108. I said that Mr. Weidenbaum estimated that the cost of this regulation might be in excess of $100 billion. Since that time, I have been corrected, and I find that it would be closer perhaps to $60 billion. But, it is still an enormous and significant amount of money.

Again, if we are going to honestly address—honestly address—this problem of economic growth and this problem that is related to employment, I think we have to be honest and take a good, hard look at just exactly what we are doing with these environmental requirements and other requirements that we are asking of the business community.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I would like again to congratulate the gentleman from New Hampshire. I think this amendment is complementary to the bill and certainly complementary to the other amendments just offered by the gentleman from New Hampshire. It is extremely important that this Congress keep in mind the effect of its regulations on the economy and employment. Certainly I would not view the language of this amendment as in any way interfering with our concern for the environment or with our concern for the occupational health and safety, but it is just telling us to be realistic and make sure we are not compounding the problems when we go out to express those concerns.

Again I compliment the gentleman from New Hampshire.

Mr. CLEVELAND. I thank the gentleman from Connecticut. He has ably and accurately expressed my own sentiments in offering this amendment.

I hope the Committee will accept the amendment.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I would like to express my vigorous opposition to this proposed amendment. What we have before us is a bill dealing with the great problem of unemployment within the context of managing our economy in the best possible way. This amendment in my opinion is very dangerous in terms of the environmental yardstick that this Congress has so carefully constructed.

Our committee and a variety of committees of the House have under review the impact on preserving our environment in a manner consistent with developing the Nation's economy.

This is a bad amendment on a bill that should not carry this burden and one that I think on environmental grounds should be rejected by our colleagues.

Mr. Chairman, I yield back the balance of my time.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN pro tempore. The Chair would like to advise the gentleman from Michigan that on an amendment printed in the RECORD offered after time for debate has expired, only 5 minutes is allowed to speak in opposition to the amendment. The gentleman from California (Mr. PHILLIP BURTON) has spoken in opposition to the amendment.

Does the gentleman from California (Mr. PHILLIP BURTON) yield to the gentleman from Michigan?

Mr. PHILLIP BURTON. Mr. Chairman, if the procedure permits that, yes. I did yield my time back, but I ask unanimous consent that I be able to recapture the time I yielded back.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, the gentleman from California has my respect in many things, but the imposition of the restriction on debate time was imposed by the majority's vote yesterday. If the gentleman will revise his request and ask that we proceed under the 5-minute rule in regular order on title I allowing all proper amendments, I will certainly not object to that.

Mr. PHILLIP BURTON. Mr. Chairman, I thank the gentleman from Maryland for his offer and respectfully decline it.

The CHAIRMAN pro tempore. The gentleman withdraws his request. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 31, noes 32.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MARKS

Mr. MARKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARKS: Page 63, line 10, insert immediately after "structural policies" the following: ", including measures to encourage private sector investment and capital formation", and on page 64, line 10, insert "capital formation," immediately after "production,".

Mr. MARKS. Mr. Chairman, I offer this amendment, and so that there will be no misunderstanding, the amendment applies to section 103, at page 63, line 10, and section 103, at page 64, line 10, and was printed in the RECORD.

Mr. Chairman, I offer this amendment to strengthen the impact of section 207 of the bill, formation of public and private capital. I strongly support section 207, which provides that the Economic Report of the President shall, as appropriate, review and assess existing Federal programs and policies which affect business investment decisions. It is encouraging that this section also states that the President shall recommend measures to improve existing programs concerned with private capital formation.

The purpose of this amendment is to emphasize the importance of capital formation in the creation of jobs by mentioning capital formation specifically in the declaration of policy and in the current and foreseeable trends set out in the Economic Report of the President.

Section 102 of this bill amends the important declaration of policy section of the Employment Act of 1946. The new section 2(f) will establish priorities in the effort to expand jobs to the full employment level. Approximately, the first priority is private sector jobs creation. The first part of the amendment would express this priority in the following manner: "expansion of conventional private jobs through improved use of general economic and structural policies, including measures to encourage private sector investment and capital formation."

Why should capital formation receive this emphasis? The answer is that capital formation truly is job creation. The ability of the country to create jobs and reduce unemployment depends upon its ability to equip its workers with the tools of production.

The civilian labor force is expected to rise from 93 million in 1975 to 103 million in 1980. The total investment required to equip these new workers will require large amounts of capital spending. Today it costs more than $30,000 to provide one manufacturing job in American industry, twice what it cost 10 years ago.

According to a Department of Commerce study of December 1975, to create enough jobs to reduce unemployment to 5 percent by 1980, the United States must devote 12 percent of its real

GNP during the period 1975–80 to capital formation. However, between 1965 and 1974, business fixed investment averaged only 10.5 percent of GNP; and during 1975 and 1976, it averaged only 9.3 percent. Moreover, of the seven major industrialized countries, the United States ranks last in investment ratio, last in productivity growth, and the next to the last in output growth.

In the Wall Street Journal of November 14, 1977, Irving Kristol summarized this predicament:

American productive capacity is growing far more slowly than even the disappointing statistics on current capital investment indicate. And it is such slow growth that largely explains our unemployment problem.

Policies to deal with insufficient investment are most critical in making maximum use of the capacity of the private sector to create jobs. A Hudson Institute study last summer found that:

Under present conditions the use of tax incentives to stimulate business can provide a particularly powerful tool for generating demand for labor.

The report went on to suggest that:

Avoidance of tax disincentives, price controls, and excessive government regulations which discourage investment would also make a major contribution to economic growth and reduced unemployment.

Given the importance of private sector investment and capital formation to private sector jobs creation, I believe they deserve specific mention in the declaration of policy. My first amendment provides for this.

The second part of the amendment would require that the Economic Report of the President transmitted to Congress include current and foreseeable trends in capital formation.

I was one of many of my colleagues who cosponsored the "Investment Policy Act of 1977," a bill to declare a national policy on investment in the private sector of the economy. That measure would have required the Council on Wage and Price Stability to submit to Congress an investment policy report which would have included information on current and foreseeable trends in the levels of investment capital. My amendment would spell out that the Economic Report in this legislation include that information.

I urge all of my colleagues, particularly those who cosponsored the "Investment Policy Act," to vote in favor of the amendment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I am happy to yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we have seen this amendment and think that the amendment adds immeasurably to the bill and stresses the importance of private capital, which I am quite sure is in line with the position of the sponsors of H.R. 50. We are very willing to accept the amendment on this side.

Mr. MARKS. I thank the gentleman from California.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I am happy to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I would advise the gentleman from Pennsylvania (Mr. MARKS) that we have had an opportunity to review his amendment and do consider it complementary to the bill. It adds thrust to the bill where it should be added to make sure we can deal effectively with the private sector and we do accept the amendment on this side of the aisle.

Mr. MARKS. I thank the gentleman from Connecticut.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. MARKS. I am happy to yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. MARKS). I think it is an excellent amendment in that it really focuses on the private sector. I thank the gentleman for offering his amendment.

I strongly support this amendment which strengthens the language of H.R. 50 regarding the importance of capital formation. The first priority of this bill is to create jobs in the private sector. In order to do this, the economy must be healthy and expanding, and capital formation is the most important source of this kind of economic growth. We must insure that our policies are conducive to investment which will augment capital, or future output-producing capacity.

Jobs which are created in the private sector, particularly in industries where undercapacity is present, such as the steel industry, or where expansion is possible, as in the computer industry, are directly related to the mainstream of capital creation. They fuel the engine of the American economy in the most stimulative, direct fashion.

On the other hand, jobs in "public service employment," although they may provide income, part of which may be spent on "capital intensive" goods, thus contributing to the capital capacity of the Nation, perform this function haphazardly and indirectly.

We must emphasize jobs in the private sector.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MARKS).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. HOLT

Mrs. HOLT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. HOLT: On page 70, immediately after line 7, add the following: "(A) national defense";

And redesignate the succeeding paragraphs accordingly; and

On page 71, line 9, strike out the words: "national defense and".

Mrs. HOLT. Mr. Chairman, this legislation H.R. 50 requires the President to submit an annual economic report setting forth national priorities and programs. In fact, this entire legislation deals with the issue of priorities.

Pages 70 and 71 of this act provide a list of subjects that shall be included in the ordering of national priorities. It is an alphabetical listing, and the order is very peculiar.

For example, listed under "D" are health care, education, training, child care, human services, and housing. These are very important, to be sure.

Under category "E" we find Federal aid to State and local governments, also important.

And when we get down to "F" we find national defense.

Mr. Chairman, this listing is out of whack, and my amendment is designed to correct the problem. It moves national defense up to "A."

Is there any member of this House who doubts that national defense is the foremost responsibility of the Federal Government? I think not. On February 22 our distinguished Speaker here on the floor said, and I quote:

Uppermost in our minds always is the defense of the Nation. The Nation's defense—that is always No. 1.

I know that we quarrel about how much money is needed to assure an adequate defense, but I cannot imagine any doubt expressed about defense being the primary responsibility of the Federal Government.

The States are capable of performing nearly every domestic function, but only the Federal Government can assure the defense of the Nation. Whenever we are considering priorities for Federal action, we must first consider the adequacy of our defenses.

If they are insufficient and we become prey to an aggressor, all the other Federal programs will not matter anyway.

I urge the Members to support this amendment.

Mr. HAWKINS. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I will be glad to yield to the gentleman from California.

Mr. HAWKINS. I thank the gentlewoman for yielding.

May I first, for clarification, state that the order of priorities listed on pages 70 and 71 is not really in terms of the importance of the programs, and there is no particular significance in the manner in which those programs are listed. We began with (A) which included the development of energy, transportation, and business, (B) dealt with attention to the needs of rural areas, (C) dealt with attention to the needs of the urban areas, and so on.

I think it must be pretty obvious that anyone reading that would not get the idea that we have, in terms of the manner in which these priority programs have been listed, attach significance as to order of importance.

Mrs. HOLT. If the gentleman will let me reclaim my time, then there would be no objection to placing national defense properly under (A)?

Mr. HAWKINS. If the gentlewoman would yield further, may I say in accepting it, we are accepting it on the basis that it is not stating any particular order of priority. We are willing to accept the amendment.

Mrs. HOLT. I thank the gentleman.

Mr. SARASIN. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from Connecticut.

Mr. SARASIN. I thank the gentleman for yielding.

We will accept the amendment on this side of the aisle.

Mrs. HOLT. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

The amendment was agreed to.

PREFERENTIAL MOTION OFFERED BY MR. WIGGINS

Mr. WIGGINS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WIGGINS moves that the Committee now rise and report the bill to the House with the recommendation that the enacting clause be stricken out.

Mr. WIGGINS. Mr. Chairman, I offer this motion in all seriousness. It is not offered for the purpose of delay or obtaining 5 minutes to speak on the Humphrey-Hawkins bill.

Mr. Chairman, when this proposal surfaced on the floor of the House last week, it was a mere seedling. But since then it has grown, and I contend that it has grown into an absolutely unworkable monster.

In my view, the only impact this bill will have on unemployment will be as a result of the hiring of an army of Government employees to implement its mandates.

A few moments ago we rejected an amendment to provide for a meaningful census of the unemployed. Both before and after that amendment we have accepted a whole host of proposals, which as I have said makes this bill unworkable.

For example, consideration must be given to inflation. Of course, we are all for that. Except for consideration, nothing is done about inflation, however.

Comments must be solicited from the 50 Governors. I suppose we might be for that except that it is unnecessary. Governors have never been muzzled where unemployment is concerned.

Consideration must be given to the handicapped, both with respect to construction and programs for the handicapped; and to the veterans; and to the elderly.

Consideration must be given to energy supplies.

One hundred percent of parity in the marketplace for farmers must be considered.

Day care centers must be considered.

A balanced budget is not to be neglected.

Foreign imports and the balance of trade also is a factor to be considered in this monumental report.

A few moments ago we agreed to give consideration to administrative law reform and to regulations and to environmental concerns. Just a moment ago we gleefully added to the list capital formation as appropriate for consideration.

Well, what is next? I would not be surprised if appropriate consideration should also be given to the weather, since it, too, has a significant impact on the economy in our country and upon unemployment.

All of this consideration will add to the weight of this monumental plan, but it will do little else.

Is it not clear that this seedling has grown into an unmanageable Christmas tree? And is it not clear beyond doubt that it would be merciful to chop it down right now?

We are going to have a vote, the leadership says, tonight, up or down, on Humphrey-Hawkins. In an effort to utilize your time efficiently and the time of the House, I suggest that the vote should occur now. We should strike the enacting clause and kill the bill. That would be the effect of the pending preferential motion.

Mr. Chairman, I urge an aye vote.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, when a preferential motion of this type is made, usually it is a frivolous motion.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count. Fifty-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The majority leader, the gentleman from Texas (Mr. WRIGHT), is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman, I appreciate the opportunity to speak against this preferential motion. Ordinarily, when a preferential motion is offered of the type presently pending, submitted by the gentleman from California (Mr. WIGGINS), it is a frivolous matter and merely a pro forma means by which a Member can get 5 minutes in which to address the membership. In this case, I perceive that the gentleman from California (Mr. WIGGINS) is serious about trying to report the bill back, with the recommendation that the enacting clause be stricken.

Let us understand exactly what the gentleman is proposing. The gentleman is proposing to kill the bill. That is the purpose of this pending motion. The gentleman suggests that it would be merciful just to send the bill back because it has been encumbered, as he suggests, with a number of amendments. That is about like suggesting that we ought in mercy to commit euthanasia upon someone as healthy as Muhammad Ali.

The gentleman from California complains that we have adopted amendments of the following type:

An amendment that would curb inflation. Why is that not harmonious with the goal of full employment? Indeed it is.

We have adopted an amendment that would stress our desire for a budget balance. What is wrong with that? It is in perfect harmony with the goals of this bill, because only as we get Americans back to work, off the unemployment compensation rolls and off the welfare rolls and onto productive payrolls which are tax paying rolls will we be able to balance the budget.

An amendment has been adopted within the last few minutes directing that the President make a study and report to us on the redtape and bureaucratic regulations which, in some instances, have hampered and hamstrung our efforts to create full employment. What is wrong with that?

I suggest to the gentleman that the kinds of amendments we have been adopting are the very kinds of amendments that should make this bill thoroughly palatable to him, unless he just does not believe in the goal of full employment.

I could take this bill, and so could any Member, back to the most conservative constituency in this country, and I think we would find in that constituency a basic appreciation of the fundamental thrust of what this bill says.

Not that America owes everybody a living. No. But that America does owe to every American an opportunity to earn a living. And that is exactly what this bill declares.

We have initiatives embodied in this bill expressing our desire that, to the maximum extent possible, employment should be in a healthy private sector of the economy. You can go to any Rotary club in America and demonstrate that this bill is not a radical departure from American tradition. It is indeed an embodiment of what the American Nation has stood for—a growing, healthy economy, capable of absorbing the energies and desires of every American who wants to work.

The gentleman from California seems to think it strange that we have just adopted an amendment which refers to capital formation. He appears to suggest that this has no place in a bill which would create full employment.

I would direct the gentleman's attention to page 85 of the bill as originally drafted, in which he will discover that there is an entire section devoted to the formation of public and private capital.

So I think, really, the objection of the gentleman is not just to the amendments that have been adopted. It would be an objection to the basic thrust of the bill.

We want to go on record with the strongest and most accurate reflection of what this Congress really believes in. I think this bill does that. Maybe some of the amendments we have adopted are not completely to my liking. Perhaps

those amendments can be perfected in a conference. But to suggest that the system is not working or that the bill somehow has been irredeemably flawed is really to say that one just is not quite getting his own way. This is a good bill. The bill has not been encumbered to the point of ineffectivneess. In fact, the bill has been strengthened by several of these amendments.

So I implore my colleagues to recognize this motion for exactly what it is—an effort to kill the bill. I urge the Members to vote "no" on the preferential motion.

The CHAIRMAN pro tempore. The question is on the preferential motion offered by the gentleman from California (Mr. WIGGINS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. WIGGINS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 106, noes 310, not voting 18, as follows:

[Roll No. 159]

AYES—106

Abdnor	Evans, Del.	Milford
Archer	Fenwick	Montgomery
Armstrong	Flynt	Moore
Ashbrook	Forsythe	Moorhead, Calif.
Badham	Frenzel	Myers, Gary
Bafalis	Goldwater	Myers, John
Barnard	Goodling	Pettis
Bauman	Gradison	Pike
Beard, Tenn.	Guyer	Quayle
Breaux	Hagedorn	Quillen
Broomfield	Hammer-schmidt	Rhodes
Brown, Mich.	Hansen	Rousselot
Brown, Ohio	Holt	Rudd
Broyhill	Huckaby	Ruppe
Burgener	Hyde	Satterfield
Burke, Fla.	Ichord	Schulze
Burleson, Tex.	Johnson, Colo.	Sebelius
Butler	Kelly	Shuster
Clawson, Del	Kemp	Skubitz
Cochran	Ketchum	Smith, Nebr.
Coleman	Kindness	Snyder
Collins, Tex.	Lagomarsino	Spence
Conable	Latta	Stangeland
Corcoran	Lent	Steiger
Crane	Livingston	Stockman
Daniel, Dan	Lott	Stump
Daniel, R. W.	Lujan	Symms
Derwinski	McClory	Taylor
Devine	McDonald	Trible
Dickinson	McEwen	Waggonner
Dornan	McKinney	Walker
Duncan, Tenn.	Marlenee	Whitehurst
Edwards, Ala.	Marriott	Wiggins
Edwards, Okla.	Martin	Winn
Emery	Michel	Wydler
English		

NOES—310

Addabbo	Biaggi	Carney
Akaka	Bingham	Carr
Alexander	Blanchard	Carter
Allen	Blouin	Cavanaugh
Ambro	Boggs	Cederberg
Ammerman	Boland	Chappell
Anderson, Calif.	Bolling	Chisholm
Andrews, N.C.	Bonior	Clausen, Don H.
Andrews, N. Dak.	Bonker	Clay
Annunzio	Bowen	Cleveland
Applegate	Brademas	Cohen
Ashley	Breckinridge	Collins, Ill.
Aspin	Brinkley	Conte
AuCoin	Brodhead	Conyers
Baldus	Brooks	Corman
Beard, R.I.	Brown, Calif.	Cornell
Bedell	Burke, Calif.	Cornwell
Bellenson	Burke, Mass.	Cotter
Benjamin	Burlison, Mo.	Coughlin
Bennett	Burton, John	Cunningham
Bevill	Burton, Phillip	D'Amours
	Byron	Danielson
	Caputo	
Davis	Jordan	Pursell
de la Garza	Kasten	Quie
Delaney	Kastenmeier	Railsback
Dellums	Kazen	Rangel
Dent	Keys	Regula
Derrick	Kildee	Reuss
Dicks	Kostmayer	Richmond
Diggs	Krebs	Rinaldo
Dingell	LaFalce	Risenhoover
Dodd	Le Fante	Roberts
Downey	Leach	Rodino
Drinan	Lederer	Roe
Duncan, Oreg.	Leggett	Rogers
Early	Lehman	Rooney
Eckhardt	Levitas	Rose
Edgar	Lloyd, Calif.	Rosenthal
Edwards, Calif.	Lloyd, Tenn.	Rostenkowski
Eilberg	Long, La.	Roybal
Erlenborn	Long, Md.	Russo
Ertel	Luken	Santini
Evans, Colo.	Lundine	Sarasin
Evans, Ga.	McCloskey	Sawyer
Evans, Ind.	McCormack	Scheuer
Fary	McDade	Schroeder
Fascell	McFall	Seiberling
Findley	McHugh	Sharp
Fish	McKay	Shipley
Fisher	Madigan	Sikes
Fithian	Maguire	Simon
Flippo	Mahon	Sisk
Flowers	Mann	Skelton
Foley	Markey	Slack
Ford, Mich.	Marks	Smith, Iowa
Ford, Tenn.	Mathis	Solarz
Fountain	Mattox	Spellman
Fowler	Mazzoli	St Germain
Fraser	Meeds	Staggers
Fuqua	Metcalfe	Stanton
Gammage	Meyner	Stark
Garcia	Mikulski	Steed
Gaydos	Mikva	Steers
Gephardt	Miller, Calif.	Stokes
Giaimo	Miller, Ohio	Stratton
Gibbons	Mineta	Studds
Gilman	Minish	Thompson
Ginn	Mitchell, Md.	Thone
Glickman	Mitchell, N.Y.	Traxler
Gonzalez	Moakley	Treen
Gore	Moffett	Tsongas
Grassley	Moorhead, Pa.	Udall
Green	Moss	Ullman
Gudger	Mottl	Van Deerlin
Hall	Murphy, Ill.	Vander Jagt
Hamilton	Murphy, N.Y.	Vanik
Hanley	Murphy, Pa.	Vento
Hannaford	Murtha	Volkmer
Harkin	Myers, Michael	Walgren
Harrington	Natcher	Walsh
Harris	Neal	Wampler
Harsha	Nedzi	Watkins
Hawkins	Nichols	Waxman
Heckler	Nix	Weaver
Hefner	Nolan	Weiss
Heftel	Nowak	Whalen
Hightower	O'Brien	White
Hillis	Oakar	Whitley
Holland	Oberstar	Whitten
Hollenbeck	Obey	Wilson, Bob
Holtzman	Ottinger	Wilson, C. H.
Horton	Panetta	Wilson, Tex.
Howard	Patten	Wirth
Hubbard	Patterson	Wolff
Hughes	Pattison	Wright
Ireland	Pease	Wylie
Jacobs	Pepper	Yates
Jeffords	Perkins	Yatron
Jenkins	Pickle	Young, Fla.
Jenrette	Poage	Young, Mo.
Johnson, Calif.	Pressler	Zablocki
Jones, N.C.	Preyer	Zeferetti
Jones, Okla.	Price	
Jones, Tenn.	Pritchard	

NOT VOTING—18

Anderson, Ill.	Krueger	Ryan
Baucus	Mollohan	Teague
Buchanan	Rahall	Thornton
Flood	Robinson	Tucker
Florio	Roncalio	Young, Alaska
Frey	Runnels	Young, Tex.

Mr. DUNCAN of Oregon and Mr. WAXMAN changed their vote from "aye" to "no."

So the preferential motion was rejected.

The result of the vote was announced as above recorded.

Mr. FINDLEY. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(By unanimous consent, Mr. FINDLEY was allowed to speak out of order.)

RETALIATION BY ISRAELIS AGAINST PALESTINIANS

Mr. FINDLEY. Mr. Chairman, earlier this week I signed a resolution sponsored by the House leadership deploring the Palestinian terrorist attack near Tel Aviv which caused the loss of life of 37 Israeli citizens as well as 9 of the terrorists. This destruction of innocent lives I deplored as senseless and an outrage on humanity.

Now, in retaliation, the Israelis have moved military armor heavily into southern Lebanon and loosed air strikes on villages along the coast and just south of Beirut. The human toll is unknown and perhaps will never be known. Based on eyewitness accounts already written by responsible journalists, several hundred residents of these areas—probably many more—died in the air and ground attacks. Of these an uncounted number were civilians.

I will gladly sign a House leadership resolution deploring also this terrible loss of life. So far I have seen none.

Clearly many innocent lives have been snuffed out, and entire villages have been leveled through deliberate military action.

The legality of all this is in serious question. The Israeli Government violated U.S. public law if, in these operations, it used any military gear or resources supplied by the U.S. Government. I refer to section 3(c)(1) of the Arms Export Control Act.

But the larger issue is the effect of this rising level of violence on the peace process, the prospect for a homeland for the Palestinians, and the hope for an end to terrorism in the Mideast.

The Israeli attack clearly is causing the death of several times as many innocent people as did the Tel Aviv terrorism. This vengeance will not end the problem but intensify it. It will embitter Palestinian passions already deep-seated.

The only hope for peace I can see in the Mideast lies in peaceful negotiations among all parties, including the Palestinians and a readiness among all parties, including Israel, to accept a Palestinian homeland in the region.

The CHAIRMAN pro tempore. Are there additional amendments to title I?

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 72, strike out lines 8 and 9 and insert in lieu thereof the following:

(A) promotion of small business development, stimulation of alternative modes of transportation, aggressive development of alternative energy technologies and conservation, and heightened environmental quality through programs, such as a beverage container deposit system, all of which provide meaningful private sector employment;

Mr. JEFFORDS. Mr. Chairman, what this does is to take the top priorities, which I think rightfully the top priorities that is energy, transportation, small business and environmental improvement and directs them more toward solving these problems in the way that Congress has already expressed its intent.

The present section cites several important areas in which development must occur if we are to stimulate increased employment. However, at present I believe it is inadequate both in emphasis and direction. My amendment would improve this section by insuring that alternative job-creating programs receive increased national attention. The amendment would require that particular attention be focused upon small business development, alternative modes of transportation, alternative energy technologies and conservation, and heightened environmental quality through programs such as a beverage container deposit system. Stimulation of development in all of these areas would create literally hundreds of thousands of new private-sector jobs.

By stimulating alternative transportation and energy technologies we can go a long way toward reducing our dependence upon imported oil. The United States currently imports between 8 and 9 million barrels per day. As I have indicated previously to my colleagues, it has been estimated that for every million barrels of oil imported into this country we lose the equivalent of 475,000 to 500,000 jobs. A million barrels of oil represents 2 quads of energy, and were we to produce those 2 quads by developing existing and alternative energy sources, rather than importing it, we could substantially increase job opportunities here at home. This outflow of dollars for oil imports, over $40 billion annually, increases our balance of trade deficit, with a resulting drain of capital which would otherwise be available for investment and job creation in this country. It is unconscionable that we should continue this export of desperately needed jobs and neglect the development of alternative energy sources.

Let me quote to the Members from the "Comparative Analysis of the Employment Effects of Solar Energy," recently released in the State of California—

> For example, the Solar Energy Industry Association cites its own estimates of 74,000 new jobs in the solar industry by 1982, 347,000 in 1987, and 931,000 in 1992 as a major rationale for Federal solar incentives ("Proposed Solar Incentive Prorgam," p. 2). The Campaign for Economic Democracy, in its proposal for a public solar energy corporation, "SolarCal," claims that the solar industry "would create *hundreds of thousands of new jobs*" ("SolarCal," p. 5). Even ERDA lists solar energy's "labor intensive technology" as one of its major "public benefits" (National Program for Solar Heating and Cooling." 1976, p. 7)."

It is my understanding that this represents the present programs. If we increase incentives these figures will increase automatically.

What this indicates is that if we do spend the money, we ought to spend it by creating the kind of technology which will help us not only solve the unemployment problem but also solve the energy crisis.

Now let me return to the conservation area. There is also much to be gained here by creating jobs in the conservation area and ending some of our problems about resources and energy, relating to waste. I cite the national deposit law for a specific reason. It is one area we know we will create substantial numbers of jobs. The more moderate of the reports, the FEA reports, reports that we will create around 100,000 net jobs, after subtracting job displacements by going to national deposit legislation. This would create many jobs especially in the area of critical need, and that is in the cities where we need employment which will attract the hard core unemployed.

These opportunities would be a mix of skilled and unskilled jobs. We are talking about significant increases in job opportunities all over the country, but especially in our large urban areas, our inner cities, where unemployment, especially among our youth and minorities, has reached epidemic proportions.

Rather than have the Federal Government provide CETA-type jobs to our unemployed, we can replace those proposed public service jobs with permanent private-sector employment through a national deposit system. Calculating the average cost of a CETA-type job, and substituting these new permanent jobs, we can save the American taxpayer over $900 million. This would roughly be the cost of 118,000 CETA positions. Not only can we save the taxpayer this money, but with the resulting increase in labor income of almost a billion dollars annually, increased tax revenues would flow to the Federal, State, and local governments. We can attain all these positive economic benefits, as well as the favorable environmental impacts of reduced litter and solid waste, conservation of scarce energy and material resources, decreased atmospheric and water pollution, and the stimulation of a new recycling industry.

This concept has been supported by a wide range of consumer and environmental groups, as well as organizations such as the National Urban League and the National League of Cities. We can provide meaningful employment for our jobless. We can provide jobs with a future, not dead-end employment. And, it can be done without enacting a multibillion-dollar public service jobs bill. We can attain our goals of increased employment simply by pursuing a policy which applies some commonsense to our methods of resource use.

I hope my colleagues on both sides of the aisle can see that we must pursue this range of alternative options in addition to conventional policies, and I strongly urge them to support me in this effort.

Mr. HAWKINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment is a borderline one from the point of view of acceptance, but there are some concerns that should be expressed.

I know the gentleman from Vermont presenting the amendment is doing so, certainly, in good faith and I think has faith in the merit of the amendment; however, this amendment amends the national priorities section of the bill, which really is concerned with overall economic policy. It seems to me that this section should not be burdened down with such detailed revisions, although they may in themselves be commendatory.

I just think, as has been said a few minutes ago in the motion to recommit this bill, that we are loading the bill up. I just hope those who are participating in loading it up will not take the position that having loaded the bill, we should then object to it on the basis that the bill has become unworkable.

I just think we should use that as somewhat of a test in the presentation of these amendments. I just thought we should express our concerns about the method being used here.

Mr. BAUMAN. Mr. Chairman, does the gentleman from California oppose the amendment?

Mr. HAWKINS. In effect, I am opposing the amendment, yes. I am not opposing it on the basis that it lacks merit. I am opposing it on the basis it does not fit into the proper place in the bill. The section of the bill deals with national priorities. I do not think we should get into the question, if I may use this in a loose sense, of beer cans in a national priorities section of the bill; that it really does not strengthen that section.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, I tend to concur with the gentleman, because if I am not mistaken, I have received considerable correspondence from employees who work in can manufacturing, and particularly members of the steel workers, very much opposed to this kind of legislation because they say it takes their jobs away.

Mr. HAWKINS. I have received thousands of letters on various subjects of this legislation, as I am sure the gentleman from Maryland has. If I took every one of these issues in the letters directed to me and tried to put them in the bill, and everyone did that, I am quite sure that the objections raised by the gentleman from California (Mr. WIGGINS) would gain validity.

I am just simply trying to discourage that, although as I say, with a minor objection, a very mild one. The motivation is good, but it does not really belong in this section of the bill.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS)

The amendment was rejected.

The CHAIRMAN pro tempore. Are there additional amendments to title I? If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II—STRUCTURAL POLICIES AND PROGRAMS, INCLUDING TREATMENT OF RESOURCE RESTRAINTS

STATEMENTS OF PURPOSE

SEC. 201. The Congress recognizes that general economic policies alone have been unable to achieve the goals set forth in this Act related to full employment, production, and real income, balanced growth, adequate growth in productivity, proper attention to national priorities, and achievement of

reasonable price stability as provided for in section 5(b) of the Employment Act of 1946. It is, therefore, the purpose of this title to require the President to initiate, as he or she deems appropriate, with recommendations to the Congress where necessary, supplementary programs and policies to the extent that he or she finds such action necessary to help achieve these goals, including the goals and timetable for the reduction of unemployment. Insofar as feasible without undue delay, any policies and programs so recommended shall be included in the Economic Report.

COUNTERCYCLICAL EMPLOYMENT POLICIES

SEC. 202. (a) Any countercyclical efforts undertaken to aid in achieving the purposes of section 201 shall consider for inclusion the following programmatic entities:

(1) accelerated public works, including the development of standby public works projects;

(2) countercyclical public service employment;

(3) State and local countercyclical grant programs as specified in section 203;

(4) the levels and duration of unemployment insurance;

(5) skill training in both the private and public sectors, both as a general remedy and as a supplement to unemployment insurance;

(6) youth employment programs as specified in section 205;

(7) community development programs to provide employment in activities of value to the State, local communities (including rural areas), and the Nation; and

(8) augmentation of other employment and manpower programs which would help to reduce high levels of unemployment arising from cyclical causes.

(b) In any countercyclical efforts undertaken, the President shall consider a triggering mechanism which will implement the program during a period of rising unemployment and phase out the program when unemployment is appropriately reduced, and incorporate effective means to facilitate individuals assisted under programs developed pursuant to this section to return promptly to regular private and public employment as the economy recovers.

COORDINATION WITH STATE AND LOCAL GOVERNMENT AND PRIVATE SECTOR ECONOMIC ACTIVITY

SEC. 203. (a) As an integral part of any countercyclical employment policies undertaken in accord with section 202, the President shall, to the extent the President deems necessary, set forth programs and policies, including recommended legislation where needed, to coordinate economic action among the Federal Government, regions, States and localities, and the private sector to promote achievement of the purposes of this Act and the Employment Act of 1946 and an economic environment in which State and local governments and private sector economic activity and employment will prosper and essential services will be maintained.

(b) In any efforts under this section, the President shall endeavor to meet the criteria that establish programs which are funded to take account of the fiscal needs and budget conditions of the respective States and localities and their own efforts, with special attention to the rates of unemployment in such States and localities.

REGIONAL AND STRUCTURAL EMPLOYMENT POLICIES

SEC. 204. (a) To the extent deemed appropriate by the President in fulfillment of the purposes of section 201, the President shall initiate, and recommend legislation to the Congress if necessary, regional and structural policies and programs.

(b) In formulating the regional components of any such programs, the President, to the extent the President deems it desirable, shall encourage new private sector production and employment to locate within depressed localities and regions with substantial unemployment. Any regional employment proposal of the President shall also include an analysis of the extent to which Federal tax, expenditure, and employment policies have influenced the movement of people, jobs, and industry from chronic high unemployment regions and areas, and proposals designed to correct Federal policies that have an adverse economic impact upon such regions and areas.

YOUTH EMPLOYMENT POLICIES

SEC. 205. (a) The Congress finds and declares—

(1) that serious unemployment and economic disadvantage of a unique nature exist among youths even under generally favorable economic conditions;

(2) that this group constitutes a substantial portion of the Nation's unemployment, and that this significantly contributes to crime, drug addiction, and other social and economic problems; and

(3) that many youths have special employment needs and problems which, if not promptly addressed, will substantially contribute to more severe unemployment problems in the long run.

(b) To the extent deemed necessary in fulfillment of the purposes of this Act, the President shall improve and expand existing youth employment programs, recommending legislation where required. In formulating any such program, the President shall—

(1) include provisions designed to fully coordinate youth employment activities with other employment and manpower programs;

(2) develop a smoother transition from school to work;

(3) prepare disadvantaged and other youths with employability handicaps for regular self-sustaining employment; and

(4) develop realistic methods for combining training with work.

JOB TRAINING, COUNSELING, AND RESERVOIRS OF EMPLOYMENT PROJECTS

SEC. 206. (a) Further to promote achievement of full employment under this Act and the Employment Act of 1946, the President, through the Secretary of Labor, shall develop policies, procedures, and programs to provide employment opportunities to individuals aged 16 and over in the civilian labor force able, willing, and seeking to work but who, despite serious efforts to obtain employment, remain unemployed.

(b) In meeting the responsibilities to provide job opportunities under subsection (a) and after full utilization of the Comprehensive Employment and Training Act of 1973 and other relevant provisions of law, the Secretary of Labor shall, as appropriate—

(1) assure that counseling, training, and other support activities necessary to prepare persons able, willing, and seeking to work for employment under relevant provisions of law including the Comprehensive Employment and Training Act of 1973 (including use of section 110 of such Act when necessary); and

(2) refer persons able, willing, and seeking to work to job opportunities in the private and public sectors through the existing public employment placement facilities and through the United States Employment Service of the Department of Labor, including job opportunities in any positions created pursuant to sections 202, 204, and 205 of this Act.

(c) Only to the extent that individuals aged 16 and over and able, willing, and seeking to work are not and in the judgment of the President cannot be provided with private job opportunities nor provided with job opportunities under other programs and actions in existence, in accord with the goals and time table set forth in the Employment Act of 1946, the President shall establish reservoirs of public employment and private nonprofit employment projects, to be approved by the Secretary of Labor, through expansion of the Comprehensive Employment and Training Act of 1973 and other existing employment and training projects or through such new programs as are determined by the President to be needed (and for which Congress has authorized and appropriated funds), or through both such projects and such programs. Such new programs as require authorizations under this Act shall not be put into operation less than 2 years after the date of the enactment of this Act, nor without a finding by the President, transmitted to the Congress, that other means of employment are not yielding enough jobs to be consistent with attainment of the goals and timetable for the reduction of unemployment set forth in the Employment Act of 1946. The Congress hardly establishes the policy that such new programs for reservoir projects shall be so designed as not to draw any workers from private employment to the reservoir projects thereunder. The jobs under such new program reservoir projects shall be useful and productive jobs. Nonetheless, such jobs shall be mainly in the lower ranges of skills and pay, and toward this end the number of reservoir jobs under such new programs shall, to the extent practicable, be maximized in relationship to the appropriations provided for such jobs. The projects under this subsection relating to such new programs shall be phased in by the President as necessary, in conjunction with the employment goals under sections 3(a)(2) and 4(b) of the Employment Act of 1946.

(d) The Secretary, in carrying out the provisions of this section, shall establish such regulations as he or she deems necessary. Such regulations shall include provisions for—

(1) an initial determination of the job seeker's ability to be employed at certain types and duration of work, so that such individual may be appropriately referred to jobs, training, counseling, and other supportive services;

(2) compliance with the nondiscrimination provisions of this Act in accordance with section 401;

(3) appropriate eligibility criteria to determine the order of priority of access of any person to any new program under subsection (c) requiring authorization by the Congress, including but not limited to (A) such criteria as household income, duration of unemployment (not less than 5 weeks), and the number of people economically dependent upon such person; and (B) denial of access to any person refusing to accept or hold a job other than a job under subsection (c) except for good cause as determined by the Secretary of Labor, including refusal to accept or hold a job subject to reference under subsection (b)(2), in order to seek a reservoir project job under subsection (c); and

(4) such administrative appeal procedures as may be appropriate to review the initial determination of the abilities of persons able, willing, and seeking to work under paragraph (1) of this subsection and the employment need and eligibility under paragraph (3) of this subsection.

FORMATION OF PUBLIC AND PRIVATE CAPITAL

SEC. 207. (a) The Congress finds that—

(1) promotion of full employment and balanced growth is in itself a principal avenue to high and sustained rates of capital formation;

(2) high rates of capital formation are necessary to ensure adequate rates of capacity expansion and productivity growth;

(3) an important goal of national policy shall be to remove obstacles to the free flow of resources into new investment; and

(4) while private business firms are, and should continue to be, the major source of

investment, the investment activities of the Federal Government, and State and local governments, play an important role in affecting the level of output, employment, and productivity and in achieving other national purposes.

(b) The Economic Report of the President under the Employment Act of 1946 shall, as appropriate, review and assess existing Federal programs and policies which affect business investment decisions, including, but not limited to, the relevant aspects of the Internal Revenue Code of 1954, Federal regulatory policy, international trade policy, and Federal support for research, development, and diffusion of new technologies. The Economic Report also shall assess the effect of the overall economic policy environment and the rate of inflation on business investment. The President shall recommend, as appropriate, new programs or modifications to improve existing programs concerned with private capital formation.

(c) The Economic Report referred to in subsection (b) shall review and assess, to the extent appropriate, Federal policies and programs which directly, or through grants-in-aid to State and local governments, or indirectly through other means, affect the adequacy, composition, and effectiveness of public investments, as a means of achieving the goals of this Act and the Employment Act of 1964. The President shall recommend, as appropriate, new programs and policies or modifications to improve existing Federal programs affecting public investment.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, may I ask the gentleman whether it is the gentleman's intention to move to cut off debate during the consideration of title II?

Mr. HAWKINS. I have no present intent. May I say, however, in responding, to indicate it would be our hope that we can complete this bill at a reasonable time today. I think we are moving along very well. If we continue in this manner, I think we can soon get through with title II. Beyond that, I think the rest of the bill will not consume more than a couple hours.

It would not be my intent to even think about limiting debate until we get to, let us say, about 3:30, at which time I would certainly consult with the minority and see just what we think we can do in completing consideration of the bill today. At the present time I have no commitments or I have no intention of limiting the debate on title II.

Mr. BAUMAN. Mr. Chairman, if the gentleman from California (Mr. HAWKINS) could give me his assurance that the majority would not move to limit debate on title II, I would not object; otherwise I will.

Mr. HAWKINS. Mr. Chairman, if the gentleman will yield further, the only problem is that it is very difficult to anticipate what may or may not occur. There are seven amendments of which we have knowledge to be offered. Based on that information and assuming that there will be no additional problems with respect to rollcall votes, the present intent is to accept at least five of those seven amendments. So we are only talking about two amendments, and I would anticipate there would be no necessity of limiting debate on title II.

Mr. BAUMAN. Mr. Chairman, further reserving the right to object, the gentleman has been saying that there will be no attempt by the majority to cut off debate on title II; is that a correct understanding?

Mr. HAWKINS. Mr. Chairman, I cannot promise the gentleman that, but I do say that I see no necessity for limiting debate.

Mr. BAUMAN. Then, Mr. Chairman, without the gentleman's assurance, I object.

The CHAIRMAN pro tempore. Objection is heard.

The Clerk will read.

(The Clerk continued the reading of title II.)

Mr. SARASIN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: On page 86, immediately after line 25 insert the following new section:

LABOR-MANAGEMENT COOPERATION

SEC. 208. (a) The Congress finds and declares that economic policies and programs to combat structural unemployment and create conditions consistent with the goals of this Act can be complemented by cooperative efforts of labor and management.

SEC. 208. (b) To promote voluntary labor-management cooperation, the President may extend assistance to labor-management committees, organized jointly by management and the legally certified organizations representing labor at the plant, industry, community, regional, or national level. The purpose of such committees is to improve labor-management relations, job security, and organizational effectiveness. The committees may obtain public or private third party expert assistance as necessary to achieve these goals. Projects designed by such committees may involve workplace problem-solving and subjects of mutual interest outside the collective bargaining process, such as factors which inhibit the economic development of the area or industry, provided that no program shall be supported which conflicts with rights guaranteed by the National Labor Relations Act, and that either labor or management may terminate a project or dissolve a committee at any point.

In the table of contents of the bill insert immediately after the item pertaining to section 207 the following new item:

SEC. 208. LABOR-MANAGEMENT COOPERATION.

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMON. Mr. Chairman, this is the amendment which Mr. LUNDINE of New York and I are cosponsoring on labor-management cooperation. I know of no opposition to it. I think it is a positive element that can be inserted here.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague from New York.

Mr. LUNDINE. I thank the gentleman for yielding, and I appreciate his cosponsoring this amendment.

Mr. Chairman, this amendment, cosponsored by my distinguished colleague from Illinois (Mr. SIMON) establishes the principle of voluntary labor-management cooperation as an integral part of our national economic policy. By offering a noninflationary way to expand private sector job opportunities, this approach represents an important addition to the Humphrey-Hawkins Full Employment Act, H.R. 50, and is wholly consistent with its purposes.

Our amendment essentially provides the President a valuable new option for dealing with structural unemployment. It suggests extending Federal assistance to a variety of voluntary labor-management efforts aimed at improving labor-management relations, job security, and organizational effectiveness. Cooperative activities may focus on work place problem-solving and other issues of mutual concern, such as barriers to economic development in particular industries or areas. Like other sections of the Humphrey-Hawkins bill, it does not require the creation of specific programs or provide an authorization for Federal funds.

As principal sponsor of the Human Resources Development Act (H.R. 8065), which does provide funding for labor-management projects, I do not consider this amendment a substitute for appropriate authorizing legislation. Currently, only limited assistance is available for these activities under existing programs.

Last July, after extensive hearings and debate, the House Banking Committee approved HRDA by a vote of 37 to 1, an impressive show of support from across the political spectrum. Our progress with this legislation owes much to the efforts of my distinguished colleagues from Wisconsin (Mr. REUSS) and Pennsylvania (Mr. MOORHEAD), who have long recognized the economic value of labor-management cooperation and argued forcefully for greater Federal encouragement.

In preparing this amendment, which incorporates the main principles of the bill, we have worked closely with the distinguished gentleman from New Jersey (Mr. THOMPSON), whose Labor-Management Relations Subcommittee also has jurisdiction over HRDA in the House. I wish to especially thank the chairman for his help and cooperation with this amendment, even though his committee has not completed its own hearings on the legislation. I also look forward to continuing discussions with the gentleman, as we work toward enactment of a program authorization.

All around the country, labor-management committees have proven an effective way to stimulate employment and cope with economic distress. Active community-wide committees exist in large manufacturing cities like Buffalo, N.Y., South Bend, Ind., and Pittsburgh, Pa.; in smaller towns like Cumberland, Md.; in mining areas like the Upper

Peninsula of Michigan. Promising new efforts are underway in Elmira, N.Y., and the Inland Empire region of California, encompassing San Bernardino and Riverside.

At the State level, labor-management committees are exploring ways to improve the quality of working life in Massachusetts and taking steps to prevent cyclical layoffs in New Jersey. Faced with similar problems, the food and airlines industries have formed national labor-management committees; the construction industry has strong cooperative initiatives in Chicago. And, despite widespread slack in the auto industry at the time, a labor-management project organized by Harman International Industries in Bolivar, Tenn., sparked substantial increases in productivity and employment at an auto parts plant there.

As mayor of Jamestown, N.Y., I saw first-hand how much this approach can accomplish. After years of high unemployment and steady loss of industry from the area, Jamestown dramatically revived its economy with the help of a community-wide committee. Unemployment fell from 10.2 percent to 4.2 percent within 3 years, as existing firms expanded and new industries—for the first time in decades—began moving in.

These success stories underline the need for a national policy to encourage labor-management cooperation. The distinguished Senator from New York (Mr. JAVITS), who has sponsored a companion version of HRDA, is interested in adding similar policy language to the Humphrey-Hawkins bill in the Senate. I have felt very privileged to work with the Senator on these matters, and the legislation has benefited greatly from his innovative ideas and expert advice.

Mr. Chairman, I am convinced our basic approach—involving labor and management in cooperative efforts to improve employment opportunities—has promise and deserves a more prominent place in our economic recovery plans. In recent years we have learned—the hard way—that macroeconomic policies alone cannot eliminate structural unemployment without possibly jeopardizing price stability and other important goals.

To reach full employment, we cannot simply settle for the same tired old solutions. We urgently require imaginative methods, that emphasize more effective uses of our human resources.

The workplaces of this country—our offices and assembly lines, our warehouses and construction sites—can supply a lot of good ideas about how to do the job better. Labor-management committees, by eliciting these sorts of suggestions, can improve productivity—and permit employment to expand.

My distinguished colleague from California (Mr. HAWKINS) has been an outstanding spokesman for full employment. His excellent leadership in advancing this foremost national goal can, I submit, be enhanced by passage of this amendment. I urge its adoption.

Mr. SIMON. As my colleague said, this is acceptable on this side.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I would be pleased to yield to the gentleman from Connecticut.

Mr. SARASIN. I would be very happy to accept the amendment on this side, and to congratulate Mr. SIMON, and especially Mr. LUNDINE, for his work in this area. Mr. LUNDINE, being a former mayor of Jamestown, has really pioneered this work.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, I would like to ask the gentleman what the implication is here. With respect to organization, described as labor-management organization, what would be their relationship at the local level to elected officials, who have responsibility for economic development?

Can this be viewed from the local level as a move in which the Federal Government is setting up an agency which circumvents the responsibility of the local elected officials?

Mr. LUNDINE. No, the amendment provides that it must be locally initiated. When I was mayor of Jamestown, N.Y., we constituted a labor-management committee. I was the convenor, the moderator of that committee. There have been labor-management efforts around the country, including Lock Haven, Pa., Evansville, Ind., and San Bernardino, Calif., and other places, of similarly structured joint labor-management government initiatives at the local level.

They are strictly voluntary in character.

Mr. GARY A. MYERS. It seems to me that in the absence of some direction from the Congress, one could have a bureaucratic takeover of a program which would circumvent local elected officials. I think the gentleman can agree that at times we can envision where a local elected official has objectives for the community which would be at odds with the details of a plan that some independent group might have. I thought we ought to express the concern of the Congress in that regard, that we do not want to circumvent people who are locally elected officials with the final responsibility for local decisions on economic development.

Mr. LUNDINE. I fully agree. The amendment contains the words, "locally initiated," and I believe that they are intended to mean that these programs must not be imposed from the top, but must be locally sponsored and created.

Mr. GARY A. MYERS. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PRESSLER

Mr. PRESSLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRESSLER: Page 79, line 2, immediately after the period insert the following new subsection:

"(c) In any countercyclical efforts undertaken pursuant to this Act, or in any triggering mechanism authorized under subsection (b) of this section, the President shall insure to the maximum extent possible that sufficient funds are allocated to address the special unemployment, underemployment and general economic concerns of non-urban areas."

Mr. PRESSLER. Mr. Chairman, I offer this amendment to call attention to the particular problems of unemployment and underemployment in nonurban areas of the country.

The Bureau of Labor Statistics unemployment figures for my home State, South Dakota, are often deceptive. South Dakota consistently has unemployment rates under 6 percent, yet the unemployment rate does not tell the whole story.

My State's greatest export is its skilled young people. Indeed, the cost of land has prohibited many young people in my State from going into farming, which is the mainstay of South Dakota's economy. I recently heard testimony from six young farmers, all under the age of 30, whose combined debt was $1 million. Facing these odds, many young people who cannot go into farming often leave the State to find employment. This outmigration could be stemmed if young people between the ages of 17 and 21 were able to find jobs within the State. This is a kind of unemployment which is ignored in our national employment policies, and it is a problem which is not unique to South Dakota.

Countercyclical mechanisms which have been approved by Congress in the past have failed to take into account pockets of unemployment that frequently exist in predominantly rural areas. Within my State there are pockets of unemployment that often exceed 30 percent. Yet, the unemployment statistics for South Dakota do not reflect these pockets of unemployment. Unemployment in rural and other nonurban areas has been historically difficult to pinpoint. However, it is, in my opinion a fairly safe assumption that if unemployment is a critical problem in urban areas, there is bound to be increased unemployment in nonurban areas. It is my belief that Congress has failed to address some of the problems nonurban areas experience with unemployment and underemployment. If, under the provisions of this act, countercyclical mechanisms are employed to reduce severe unemployment, I think any formula used must take into account the special needs of those areas of the country which may not, according to the Bureau of Labor Statistics, have a high unemployment rate based on the civilian labor force in urban or small city areas.

A vigorous effort should be made by the Congress, and the Federal Government, to identify the unemployed and underemployed in rural and other nonurban areas of our country. It is with this thought in mind that I offer this amendment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. PRESSLER. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, the amendment has been discussed with us.

I wish to commend the gentleman from South Dakota for offering the amendment. I think it is certainly in line with the general thrust of the bill. I commend him and I accept the amendment.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. PRESSLER. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, the amendment is acceptable to this side of the aisle as well.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. PRESSLER. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, the subject matter that the gentleman deals with here is an important one and one which is an easy concept to accept, but I think we have to recognize the fact that, as I understand the gentleman's amendment, it is to assist young people to purchase farms and retain the family farm concept. That is good. But we have to look at another aspect.

Mr. PRESSLER. No, that is not exactly the concept. The amendment would assure to the maximum extent possible that sufficient funds are allocated to address the specific unemployment and underemployment problems in nonurban areas. This would not be necessarily, as the gentleman stated, for the family farms, but rather in figuring the unemployment and countercyclical mechanisms that in the past have frequently failed to take into account all the pockets of unemployment and underemployment in particularly the rural areas. Sometimes pockets of unemployment in my own State and other nonurban areas have exceeded 30 percent. This is not to mention underemployment. I believe the gentleman misunderstands the amendment.

Mr. GARY A. MYERS. If the gentleman will yield further, as I understand the gentleman explained his amendment, he talked about the high price of land thus that young people cannot begin farming. If that is not the emphasis of the amendment, I misunderstood the gentleman. However, I thought he was talking about structuring programs which would in fact be subsidizing the high land costs where farming exists. It seems to me that could be a subsidization commitment we might not want to make. But if the gentleman is saying what the amendment addresses is to establish programs to hire people diverted from that type of employment, that is a different issue. I thought the gentleman's explanation would lead people to believe we would set up some programs to subsidize purchases of farms, which I think would exacerbate the high cost of land purchased in those communities.

Mr. PRESSLER. That is not the purpose of this amendment, although I would say it would be a good goal in other legislation.

Mr. GARY A. MYERS. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from South Dakota (Mr. PRESSLER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BRECKINRIDGE

Mr. BRECKINRIDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRECKINRIDGE: Immediately after page 86, line 25, insert this new section:

§ 206. Stimulation of Private Sector and Small Business Employment.

(a) To promote further the achievement of full employment under this Act, and in furtherance of the policies, programs, and priorities thereof, including particularly the establishment of the first priority on the creation of jobs in the private sector, the President, through the Secretaries of Agriculture, Commerce, Labor, the Administrator of the Small Business Administration, the Director of Community Services Administration, and other interested and responsible agencies and departments, shall develop and submit to the Congress, with the Economic Report required by section 3 of the Employment Act of 1946, proposals for the establishment and implementation of policies, procedures, and programs for the stimulation of private sector and small business employment through the improvement and extension of existing Federal guaranteed, insured, and direct loan and grant programs of such agencies and departments including those the subject of the Rural Development Act of 1972.

(b) Proposals developed pursuant to paragraph (a) shall include, but not be limited to, administrative, legislative, legislative oversight, and budgetary recommendations for action; the establishment of procedures and reporting of findings: (1) for projecting anticipated demands; (2) for determining jobs creation potential; and, (3) for enumerating jobs created and saved; the simplification of agency and department rules, regulations, forms, and procedures in the administration of applicable programs; and, inter alia, the developement of joint private-public training programs.

(c) Proposals for the implementation of programs pursuant to paragraph (a) shall ensure that agencies and departments responsible for providing financial and technical assistance will consider:

(1) the extent to which a loan or grant, or both, will directly or indirectly contribute to the creation of new jobs; and,

(2) the extent to which a loan or grant, or both, will directly or indirectly create or preserve jobs in communities, new entries and existing enterprises, especially family farms, small businesses, ethnic and minority-owned and operated firms, cooperatives, and other enterprises.

Mr. BRECKINRIDGE. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BRECKINRIDGE. Mr. Chairman, this amendment, which places emphasis and priority on the creation of jobs in the private sector with private dollars at a profit rather than a cost to the taxpayer, is the product of the congressional rural caucus with an executive committee which, as you know, is bipartisan and which has unanimously urged this amendment for the consideration of the House.

Very simply, our studies in this regard have shown first, that, if we are concerned seriously and truly about the serious unemployment rates amongst our youth, minority, and women's groups, we must place emphasis upon the jobs creation capacity of the small business community. Our research establishes, very simply, the fact that the Fortune 500—over the period of the past 6 years—has generated 0.15 percent of the new jobs which were created in this country; the second Fortune 500 generated 2.7 percent; the other 99 percent of the 14 million plus new jobs generated between 1969 and 1976 have been created by the smaller business community.

The moneys that we are talking about here are, second, private market moneys—not the product of general revenues, deficit financing, at a cost to the taxpayers not only in revenue dollars but in a highly contributing inflationary segment of the economy. These private revenue receipts are loaned out through the Small Business Administration and the Farmers Home Administration at a profit to you and me as taxpayers.

Mr. Chairman, I believe that this matter has been presented to the author of the bill and the leadership and I am informed it is acceptable to that side of the aisle.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. BRECKINRIDGE. I am happy to yield to my friend, the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, the gentleman in the well is absolutely correct. We think it is an excellent amendment. We wish to congratulate the gentleman and also the rural caucus of the House for their preparation for this amendment. We are delighted to accept it.

Mr. BRECKINRIDGE. Mr. Chairman, I thank the gentleman from California very much.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. BRECKINRIDGE. I gladly yield to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Chairman, we too would like to compliment the gentleman from Kentucky (Mr. BRECKINRIDGE) on his amendment. I think it emphasizes a principle in the right place and in the right direction and certainly we accept the amendment on this side as well.

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. BRECKINRIDGE. I am happy to yield to the gentleman from Oklahoma (Mr. WATKINS), a member of the congressional rural caucus and the chairman of its Subcommittee on Small Towns, Cities, and Rural Areas.

Mr. WATKINS. Mr. Chairman, the gentleman from Kentucky (Mr. BRECKINRIDGE) knows that I have an amendment to offer to his amendment that is at the desk which I believe is acceptable to him. I discussed this with the gentleman from California last Thursday and I believe it is also acceptable to him.

Mr. Chairman, if this would be the proper point, I would like to offer that amendment to the Breckinridge amendment at this time.

The CHAIRMAN. The Chair will state that the gentleman will have an opportunity to offer his amendment when the

gentleman from Kentucky (Mr. BRECKINRIDGE) concludes his presentation.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BRECKINRIDGE. I am happy to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I too want to compliment the gentleman in the well, the gentleman from Kentucky (Mr. BRECKINRIDGE). The gentleman has been a leader and a driving force in support of small business. I think the amendment the gentleman has offered is an excellent amendment and also that the amendment to be offered by the gentleman from Oklahoma (Mr. WATKINS) will perhaps make it even better. I am very grateful to the gentleman from Kentucky (Mr. BRECKINRIDGE) for introducing this amendment. We both have worked very hard and long in the interest of small business.

Mr. BRECKINRIDGE. Mr. Chairman, I wish to say to the gentleman from Maryland, my friend (Mr. MITCHELL), that the gentleman and I have worked together on this and on other related matters for many years and I appreciate the gentleman's remarks and support.

AMENDMENT OFFERED BY MR. WATKINS TO THE AMENDMENT OFFERED BY MR. BRECKINRIDGE

Mr. WATKINS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WATKINS to the amendment offered by Mr. BRECKINRIDGE: In subsection (a) of section 208, as proposed to be added by the amendment offered by Mr. BRECKINRIDGE, insert "and for the development of rural areas" after "for the stimulation of private sector and small business employment".

Mr. WATKINS. Mr. Chairman, I would like to thank the gentleman from Kentucky (Mr. BRECKINRIDGE) and also the author of the bill, the gentleman from California (Mr. HAWKINS) for allowing us to add this amendment to the amendment.

I would like to address the House and this committee on the grounds that rural America, maybe not intentionally, has been redlined or prevented from having adequate investment financing from the private sector as well as Federal funds. For example, SBA, HUD, and many other groups do not go into the rural areas to provide the adequate financing needed. A prime example is the private capital that the gentleman from Kentucky (Mr. BRECKINRIDGE) was alluding to a few minutes ago. Many of our small banks in rural America are one-loan-officer banks, and as a result they cannot close their banks to go to the larger cities to try to participate in SBA or try to get private sector investment money to help develop their small rural communities. Maybe not intentionally, but we have redlined these citizens in rural America from this needed asset of investment capital and this should be corrected. As a result, I would like to place, with this amendment to the Breckinridge amendment, an emphasis on trying to meet the needs of these communities in rural areas and not to discriminate against them with private moneys and through the Federal funded program.

The CHAIRMAN pro tempore. Does anyone desire to speak on either the amendment to the amendment or the amendment? If not, the question is on the amendment offered by the gentleman from Oklahoma (Mr. WATKINS) to the amendment offered by the gentleman from Kentucky (Mr. BRECKINRIDGE).

The amendment to the amendment was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Kentucky (Mr. BRECKINRIDGE), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: Page 77, line 21, strike out "(a)".

Page 78, line 3, strike out "countercyclical".

Page 78, strike out lines 4 and 5 and insert in lieu thereof the following:

"(3) State and local grant programs;"

Page 78, strike out lines 19 through 24, and on page 79, strike out lines 1 and 2.

Page 79, strike out line 15 and insert in lieu thereof a period.

Mr. BROOKS. Mr. Chairman, the purpose of this amendment is to remove from the bill, H.R. 50, an implication that Congress is at this time endorsing specific programs and even legislating specific mechanisms to implement those programs.

The purpose of this bill is to require Congress and the President to, on a regular basis, review the economic and employment situation and to act on recommendations on a given timetable. The intention of section 202 is to direct the attention of the President and the Congress to a number of programs that can be used to counter the effects of a recession and rising unemployment. It is my understanding that it is not the intention of H.R. 50 generally, or title II specifically, to endorse particular legislative programs.

I have no problem with referring to "countercyclical efforts" or "countercyclical policies." But, by using the word "countercyclical" in conjunction with specific programs, namely, State and local grant programs and public service employment, we seem to be endorsing particular types of programs and grants that have come to be known as countercyclical revenue sharing. The use of the word "countercyclical" in those two places is redundant in that it already appears in the introductory language of the section. My amendment will not change the substance of section 202, but will avoid confusion.

The second part of my amendment would delete section 202 (B). Section 202(B) directs the President to consider a specific triggering mechanism for all the suggested programs, not just countercyclical revenue sharing. While it may be attractive to have the triggering mechanism tied to rising unemployment, serious questions have been raised as to the accuracy of this information and its appropriateness as an economic indicator, and we may be hindering our efforts by giving undue attention to this particular factor. Changes in employment tend to lag in the economic cycle and the President should be free to give equal consideration to any number of possible triggering mechanisms.

My amendment will not change the meaning or intent of section 202 or 203 at all. The purposes of title II are stated in section 201, and the list of general programs section 202 calls attention to remains intact. My amendment simply removes the appearance of an endorsement of a particular program and a particular triggering mechanism, which should remain exclusively within the prerogatives of the legislative committees.

I hope the managers of the bill will accept this amendment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from California.

Mr. HAWKINS. I thank the gentleman for yielding.

We are aware of the amendment, and we think it is a good one. We accept it.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. BROOKS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: Page 86 after June 25 add new section 208 as follows:

PUBLIC WORKS EMPLOYMENT PROJECTS

SEC. 208. The President or his delegate shall prepare a comprehensive program of public works assisted by Federal matching grants to local governmental units of not more than 80 percent of the cost of projects, including, but not limited to, the following:

(a) construction, repair, and improvement of public highways, public buildings, and other publicly owned institutions and facilities,

(b) conservation and development of natural resources including control of, utilization, and purification of water, prevention of erosion, development and transmission of power, construction of river and harbor improvements, and flood control projects,

(c) construction, reconstruction, alteration, and repair, under public regulation or control, of low-cost housing and slum clearance projects,

(d) construction, reconstruction, alteration, and repair of hospitals and medical facilities, and

(e) construction, reconstruction, alteration, and repair of any other project which serves the general public and for which Federal assistance in the form of grants, loans, or guaranties is available under any provision of law other than this section.

Mr. ROBERTS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROBERTS. Mr. Chairman, I wish to offer an amendment to title II of the bill to put a provision for a public works employment program back into the bill.

The Humphrey-Hawkins bill H.R. 50, recommends "an expansion of CETA and

other existing employment and training projects," which would make the Federal Government "the employer of last resort." The experience of the last 3 years shows that public service employment is of very limited value in combating a long-term recession and the structural unemployment that is plaguing the country today.

The concept that Federal Government must be an employer of last resort apparently has been accepted by many. A year ago, 310,000 jobs were authorized by Congress. The number is now up to 750,000. The concept is included in the President's welfare reform proposal and it also is a basic principle in the Humphrey-Hawkins bill.

The evidence shows, however, that these programs do not reduce unemployment in the long run. CETA workers are not taught skills. They are not given the substantial education needed to equip them for unsubsidized jobs. If local governments want skilled people, they are very likely to try to find some way of tapping the available pool of unemployed skilled workers by using CETA funds. These jobs are not being filled by the hard-core unemployed. CETA funds are used to hire workers that would have been hired by local government anyway.

This substitution of Federal dollars for local taxes means that public service employment is not really creating new jobs for the unemployed. The Urban Institute and Brookings Institution both say that this substitution of jobs will reach 80 percent or more within years. This means that to create one new job, we actually have to buy five jobs—so the cost of creating one new $8,000 job actually costs $40,000 Federal money.

Once administrative costs of running the program are added in, the cost of the individual job goes up to $12,500 and allowing for an 80-percent substitution rate, the eventual cost of each of these jobs is $60,000.

In addition, it puts the Federal Government in competition for the same labor force that should be available to the private sector. This can lead to further inflation without any appreciable reduction in unemployment.

Training is essential in order to enhance job skills and lessen further dependence on tax-supported assistance in general, and public service jobs in particular. Logic demands that these jobs be oriented toward enhancing the employability of the participant. A worker should be advancing toward status as a tax generator rather than a tax consumer. This can be most effectively accomplished through on-the-job training within the private sector. The results would be manyfold: enhanced job skills, improved motivation, lessened dependence, less demand upon the public purse.

Public service employment has not in the past and will not in the future create jobs for the unemployed. Only the private sector can provide the employment which is necessary, not the Federal Government.

Public works programs are a proven tool for creating jobs and reducing unemployment. Such a public works program did the job in the 1930's and can do it again. By public works I am referring to community facilities such as courthouses, city halls, community centers, hospitals, and facilities of lasting value that local communities cannot finance themselves.

The program would be effective because it would work through the private sector. Public works projects by private contractors do not result in a permanent bloated bureaucracy. They do not pad Government payrolls, nor create permanent Federal jobs.

My amendment would require any participating contractor to agree that no less than 20 percent of the employees who work on such a project would be unskilled individuals.

This would provide the training and experience essential to future employment. Such individuals then would be able to seek permanent employment in the private sector, no longer dependent on the Government for public assistance.

Although the number of jobs created per dollar of outlay may not appear to be as great as other strategies, the "multiplier" effect in the construction supply industry is much greater than generally realized. The impact extends to the suppliers of construction equipment and materials. The U.S. Department of Labor has found that for every 2 man-hours of work at a construction site, 5 hours of employment in industry were necessary to produce, fabricate, and distribute the materials going into the project.

Each year we spend billions in unemployment compensation, as well as the other benefits that are needed to maintain the unemployed population. I do not believe the American people want more handouts or other short-term measures such as public service employment. The people of this country want jobs and a chance to make a contribution to their community.

Make-work jobs take care of today's needs, but do nothing about tomorrow's. The greatest charity of all is to help a person help himself. I believe my amendment would generate projects that would not only be a lasting investment in America, but we would also be investing in her most valuable resource—the hopes and dignity of the citizens of this great Nation.

I urge your support and your vote on this amendment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we on this side would like to express our appreciation to the gentleman in the well for his cooperation and for the accommodation of this amendment.

We would also like to commend the gentleman for the gentleman's expertise in the field in which the gentleman has served as a member of the Committee on Public Works.

I think the amendment the gentleman has offered strengthens the bill in many ways over its previous position and we do accept the amendment and commend the gentleman.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I, too, commend the gentleman in the well. I think it has added strength to this section of the bill, and we accept the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. ROBERTS).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: Page 82, line 13, strike out "and", on line 20 strike out the period and insert in lieu thereof "; and", and insert immediately after such line the following new paragraph:

(3) insure flexi-time and part-time jobs for persons who are able, willing, and seeking employment but who are unable to work a standard workweek.

Mrs. SCHROEDER. Mr. Chairman, this is basically a very simple little amendment. I think the reason I feel it is necessary is that in the past we have found that the people who who have managed some of the public works projects have not been too creative in doing anything about less than a 40-hour week or in dealing with flexitime concepts.

If you will note, the amendment is very carefully worded, it is not for people who just would like to have their hours changed, but for the people who need their hours changed. For people who for some reason, whether they are handicapped or have heart attacks, working mothers or what-have-you cannot work normal hours. If we are going to deal with unemployment, we are going to have to recognize the group we are dealing with. Many of them are mothers of small children. Many have physical problems. That is the reason they have not been employed in the past. Hopefully, the managers of programs creating the public sector jobs can be a little more flexible in the future dealing with their problems.

Mr. HAWKINS. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, I would like to commend the gentlewoman for her work on this amendment and for the cooperation the gentlewoman has extended to the committee.

Mr. Chairman, we are willing to accept the amendment.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for his support, and I thank him for the help he has been to me on the committee.

Mr. SARASIN. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I would be delighted to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I, too, would be glad to accept the amendment.

There is one thing I would like to be clear about first. Many of us were here yesterday when the gentlewoman from Colorado (Mrs. SCHROEDER) offered her very pointed remarks concerning the decorum of the House, and I want to be sure that the nanny the Congress will hire will be able to work on a flexitime schedule.

Mrs. SCHROEDER. Mr. Chairman, I think it is important to have flexitime there, because if the nanny could not be put on flexitime, we would be in real trouble. We in Congress probably work on flexitime better than any group I know of.

Mr. SARASIN. The question has been asked behind me, if the Committee will bear with me, if we could have a flexible nanny. I am not sure I know what that means.

Mrs. SCHROEDER. I would like to see the legal definition of that term before I endorse it.

Mr. SARASIN. Mr. Chairman, we accept the amendment.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 80, to add a new paragraph (c) to Section 204, which reads as follows: "(c) In formulating the regional components of programs and policies under this Section, in no instance shall actions be taken which would have direct negative impacts on the economies of other regions of the Nation."

Mr. GLICKMAN. Mr. Chairman, I am proud to be a supporter of this bill.

I am offering an amendment which I think may act as a preventive device to deal with problems which may be involved in the future and perhaps build some national unity in the bill. The amendment has to do with the section of the bill which deals with regional and structural employment policies, whereby the President is encouraged to lead new employment in areas that are suffering from unemployment the most in terms of regional and structural employment.

My amendment would make it clear that none of the actions to improve the employment situation in targeted geographical areas will be allowed if those actions would have a direct detrimental negative impact on the economies of other regions of the country.

This amendment will emphasize that what we want to do by this legislation is to improve the economies of the regions with high unemployment, but not at the expense of areas which have worked hard to maintain strong regional economies.

I think the Members of this House will agree that what we are trying to do in this bill is to try to reduce unemployment, not merely rearrange unemployment. We do not want to "rob Peter to pay Paul."

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I am sure the gentleman anticipates my question, and I thank him for yielding.

Am I correct in assuming that the gentleman's amendment will not affect any program to promote jobs in a particular area but is only directed toward action which would remove existing facilities and related jobs in one area and transfer them to another?

Mr. GLICKMAN. The gentleman is correct.

Mr. WEISS. Mr. Chairman, with that understanding, let me say that I know the committee has on this side reviewed the proposed amendment, I have discussed it with the chairman of the subcommittee, and we find it acceptable.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I would also like to say that we have reviewed the amendment, we believe it is a good one, and we on this side accept it.

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Oklahoma.

Mr. WATKINS. Mr. Chairman, let me ask the gentleman from Kansas (Mr. GLICKMAN) this question:

Does the gentleman's amendment include or could it be broadened to include also areas outside this country?

I ask that question because much of the problem today results not from industry moving from one area of the country into another area but, because of perhaps tax reasons or other reasons, industries are going into other countries.

Mr. GLICKMAN. Mr. Chairman, let me respond to the gentleman's question and say the amendment does not deal with that issue. The gentleman raises a fundamentally important question, but the issue is not dealt with in this particular amendment.

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I would be glad to yield to the gentleman from California.

Mr. KREBS. Mr. Chairman, I am frankly a little baffled as to how, from a practical standpoint, this type of a policy could be mandated on any human being, including the President.

Would the gentleman be kind enough to give me some examples as to where or how this could be implemented. I do not mean this disrespectfully, as I am sure my good friend, the gentleman from Kansas (Mr. GLICKMAN) knows, because in theory we can all agree with the language in this amendment. But from a practical standpoint, all too often if an action is taken in one area, we are bound to affect another area. I do not see how we can tie the hands of a President and saddle him with such a requirement.

Mr. GLICKMAN. Mr. Chairman, if the gentleman will allow me to reply, that is what I was trying to clarify with the gentleman from New York (Mr. WEISS). The amendment merely talks about situations such as the relocation of existing businesses whereby there is a direct removal of employment from one area and replacing it in another area. We are one country, and obviously, let us say, for an example, because we have tax credits for heavily populated urban areas that could indirectly affect the economies of other areas such as my own, that is not what I am talking about in this bill.

I am talking about actions which could be taken that could have a direct employment loss result in one area if they go into another area. For example, there may be the removal of a substantial industry in one area and putting it in another area. That is the kind of thing I am trying to deal with in this amendment.

Mr. KREBS. Mr. Chairman, if the gentleman will yield further, I do not think that there is anybody in this Chamber or out of this Chamber, regardless of political philosophy, who would not in theory agree with the gentleman. But I think, from a practical standpoint, whether it is private enterprise or whether it is the U.S. Government, the gentleman is really imposing what seems to me to be an impossible burden upon any individual or any group of individuals.

Mr. GLICKMAN. Mr. Chairman, what we have been dealing with and what I am dealing with is the broad consideration of national policy; and I just want to make sure that this Congress lets the President know that this is a policy consideration that we seriously want him to consider when he deals with the issues raised in this bill.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The question was taken; and on a division (demanded by Mr. GLICKMAN) there were—ayes 19, noes 13.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows

Amendment offered by Mr. ASHBROOK: On page 86, after line 25 insert:

"IMPACT OF CURRENT LAW AND REGULATIONS

"SEC. 208. In providing recommendations or programs pursuant to achieving the purposes of this Act, the President shall consider the impact of all the provisions of the United States Code, as amended, and the Code of Federal Regulations on the national economy."

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we do not have a copy of the amendment. It seems to be a very broad one, and we are completely without a copy of it.

Mr. ASHBROOK. Mr. Chairman, I apologize.

I would say to my colleague that yesterday he indicated that this bill was going to become a Christmas tree if we accepted one more amendment. I do not know what happened to that particular stand, but it seems that today everything but the kitchen sink is going in.

I offer this amendment in all seriousness, because if we are going to look at

the right problems in our economy, we have to look as the average taxpayer looks, as the average small businessman looks, as the average farmer, the importer, the exporter. Everyone in our economy must look at the impact of the laws. I am talking about everything from EPA to OSHA. I am talking about taxes; I am talking about labor laws—everything that impacts on our economy.

We have already put forward commissions to study paperwork. We know that Government paperwork is a major problem. I do not know how we can isolate and just say, "This area, Mr. President, look into that and see how that impacts on employment or unemployment." If we are going to go halfway on the Christmas tree I think we should have an amendment that tells the President to take a look at the United States Code and the Code of Federal Regulations and see how this impacts on employment and unemployment. In that spirit I offer this amendment.

Mr. HAWKINS. Mr. Chairman, I think that this is not only a mischievous amendment, but this is an amendment which obviously was kept back for the purpose of confusing and obfuscating the issue.

Mr. Chairman, I understand we have been given a copy of the wrong amendment. May we have the correct copy of the amendment? The amendment given to us would strike all of title II.

Mr. ASHBROOK. Mr. Chairman, if my colleague will yield, I am sorry. It does not. It just adds a section.

It does not strike title II. The gentleman's analysis might be accurate from his point of view, but it does not strike title II.

Mr. HAWKINS. Mr. Chairman, the gentleman is saying that my argument is still valid.

Mr. ASHBROOK. No. I said from the gentleman's point of view it may be but certainly not from mine.

Mr. HAWKINS. As I understand it now, it would provide that the President would have to consider the impact of all of the provisions of the United States Code, as amended, and the Code of Federal Regulations on the national economy, and that is in doing what? To what is it directed? Is it in the economic report?

Mr. ASHBROOK. It is aimed at carrying out the purposes of the act, which at this point we do not know.

Mr. HAWKINS. Mr. Chairman, it is pretty obvious, then, that the amendment is of a very mischievous nature and does not belong in the bill. What the amendment seeks to do is to impose on the President an endless and certainly impossible task. I think the effect of the amendment is simply to render the bill unworkable to the extent that it is imposing a responsibility which certainly would call for much more bureaucracy than what is available now to the President. I think as such the amendment should be rejected.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not think there is anything inconsistent about the pending amendment and the other provisions of the bill.

The gentleman from Ohio (Mr. ASHBROOK) suggests that the President must follow the existing law. I know that is a novel concept in recent years, depending upon who is President; but I think the gentleman from Ohio shares my view that this bill is very broad in its scope.

Furthermore, Mr. Chairman, the bill has been amended repeatedly. I am not even aware of the number of amendments. I have been unable to keep track of the total in the several days of consideration.

Mr. Chairman, very simply, this amendment is a statement that in administering the various goals and policies in the bill, the President also should have to consider all of the relevant provisions of the United States Code and all Federal regulations properly promulgated under the authority of that code.

Every businessman and worker in the country has to take into consideration the very same laws and regulations when they make economic decisions; and if we are going to have economic policy made by the President and adopted by the Congress, certainly we do not want that policy to be illegal or in violation of Federal regulations but to take both into proper account.

Therefore, Mr. Chairman, I think it is a perfectly rational and indeed consistent amendment.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, as a matter of fact, I tell my colleague, the gentleman from Maryland (Mr. BAUMAN), that it even goes deeper than that.

For almost 1 month last year the administration had a policy where the President indicated that all the Secretaries, all the directors, all the heads of agencies were to read the regulations before they issued them. That policy lasted for just about 1 month.

Mr. Chairman, in some ways this amendment would remind the President that most of us out in the real world live by those regulations issued in vast volume which affect employment, unemployment, imports, exports, taxes, labor policies, all the various actions in the private sector of our economy.

I think it is very important, if we are going to have a bill of this type, to take into consideration some of the mandated purposes that the President can require the administration to heed. Furthermore, they should look at the laws on the books, especially those that inhibit, those that discourage, those that are disincentives, and those that involve subsidies. Also, they should reconsider those that are antiquated and they should take a look at those policies that have been put on the books before implementing a long-term program to combat unemployment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

I think it is important to require these actions of the President. We are requiring this sort of thing of the average citizen around the country, so I would assume that everybody would just naturally vote for this requirement.

Mr. Chairman, we pass all kinds of laws requiring everybody else to do what is in this amendment. Therefore, why should we assume that the President should not be required to do the same thing? I cannot think of any reason that he should not comply with what is required of others.

Mr. Chairman, I appreciate the gentleman's offering the amendment and urge my colleagues to support the amendment.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Maryland (Mr. BAUMAN) is not correct in saying that all this requires is that the President abide by the law.

The gentleman from Ohio (Mr. BROWN) is correct when he said that this would require a massive review of the entire statutory framework and all the regulations of the United States. If we want to do that at some point, that is fine, but let us not have a frivolous amendment that is tossed in here which says, in providing recommendations, all laws have to be reviewed; all regulations have to be reviewed. If we want to vote against the bill, let us vote against the bill, but let us not adopt frivolous amendments.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield briefly?

Mr. SIMON. I will be happy to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I would oppose the amendment for a different reason. No matter what regulations are proposed by the administration, ultimately it is the responsibility of this Congress, through oversight hearings, to review the regulations and all aspects of public law. I, for one, do not want to take the responsibility of casting off our duty and our responsibility in oversight. That is essentially what the amendment would be doing. Therefore, I would oppose it.

I thank the gentleman for yielding to me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-one Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The vote was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Ohio (Mr. ASHBROOK) for a recorded vote.

Does the gentleman from Ohio (Mr. ASHBROOK) insist upon his request?

Mr. ASHBROOK. Yes, I do, Mr. Chairman.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 114, noes 296, not voting 24, as follows:

[Roll No. 160]

AYES—114

Abdnor	Erlenborn	Moore
Archer	Evans, Del.	Moorhead, Calif.
Armstrong	Evans, Ind.	Myers, Gary
Ashbrook	Findley	Myers, John
Badham	Flynt	Pettis
Bafalis	Forsythe	Pursell
Bauman	Frenzel	Quayle
Beard, Tenn.	Gammage	Quillen
Bennett	Goldwater	Regula
Breaux	Goodling	Rhodes
Broomfield	Gradison	Rousselot
Brown, Mich.	Grassley	Rudd
Brown, Ohio	Guyer	Runnels
Burgener	Hagedorn	Ruppe
Burke, Fla.	Hammer-schmidt	Satterfield
Burleson, Tex.	Hansen	Schulze
Butler	Harsha	Sebelius
Caputo	Heckler	Shuster
Carter	Holt	Sikes
Chappell	Ireland	Smith, Nebr.
Clausen, Don H.	Kasten	Snyder
Cochran	Kelly	Spence
Cohen	Kemp	Stangeland
Coleman	Ketchum	Steiger
Collins, Tex.	Kindness	Stockman
Conable	Lagomarsino	Stump
Corcoran	Latta	Symms
Crane	Lent	Taylor
Cunningham	Livingston	Thone
Daniel, Dan	Lott	Trible
Daniel, R. W.	Lujan	Vander Jagt
Devine	McClory	Walker
Dickinson	McDonald	Wampler
Dornan	McEwen	Whitehurst
Duncan, Tenn.	Marlenee	Wilson, Bob
Edwards, Ala.	Marriott	Winn
Edwards, Okla.	Michel	Wydler
Emery	Miller, Ohio	Young, Fla.

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Addabbo	Bonior	Cotter
Alexander	Bonker	Coughlin
Allen	Bowen	D'Amours
Ambro	Brademas	Danielson
Ammerman	Breckinridge	Davis
Anderson, Calif.	Brinkley	de la Garza
Andrews, N.C.	Brodhead	Delaney
Andrews, N. Dak.	Brooks	Dellums
Annunzio	Brown, Calif.	Dent
Applegate	Broyhill	Derrick
Ashley	Burke, Calif.	Derwinski
Aspin	Burke, Mass.	Dicks
AuCoin	Burlison, Mo.	Diggs
Baldus	Burton, John	Dingell
Barnard	Burton, Phillip	Dodd
Beard, R.I.	Byron	Downey
Bedell	Carney	Drinan
Beilenson	Carr	Duncan, Oreg.
Benjamin	Cavanaugh	Early
Bevill	Cederberg	Eckhardt
Biaggi	Chisholm	Edgar
Bingham	Clay	Eilberg
Blanchard	Cleveland	English
Blouin	Collins, Ill.	Ertel
Boggs	Conte	Evans, Colo.
Boland	Conyers	Evans, Ga.
Bolling	Corman	Fary
	Cornell	Fascell
	Cornwell	Fenwick
	Fish	Luken
	Fisher	Lundine
	Fithian	McCloskey
	Flippo	McDade
	Florio	McFall
	Flowers	McHugh
	Ford, Mich.	McKay
	Ford, Tenn.	McKinney
	Fountain	Maguire
	Fowler	Mahon
	Fraser	Mann
	Fuqua	Markey
	Garcia	Marks
	Gaydos	Martin
	Gephardt	Mathis
	Giaimo	Mattox
	Gibbons	Mazzoli
	Gilman	Meeds
	Ginn	Metcalfe
	Glickman	Meyner
	Gonzalez	Mikulski
	Gore	Mikva
	Green	Milford
	Gudger	Miller, Calif.
	Hall	Mineta
	Hamilton	Minish
	Hanley	Mitchell, Md.
	Hannaford	Mitchell, N.Y.
	Harkin	Moakley
	Harrington	Moffett
	Harris	Mollohan
	Hawkins	Montgomery
	Hefner	Moorhead, Pa.
	Heftel	Moss
	Hightower	Mottl
	Hillis	Murphy, Ill.
	Holland	Murphy, N.Y.
	Hollenbeck	Murphy, Pa.
	Holtzman	Murtha
	Horton	Myers, Michael
	Howard	Natcher
	Huckaby	Neal
	Hughes	Nedzi
	Hyde	Nichols
	Ichord	Nix
	Jacobs	Nolan
	Jeffords	Nowak
	Jenkins	O'Brien
	Jenrette	Oakar
	Johnson, Calif.	Oberstar
	Johnson, Colo.	Obey
	Jones, N.C.	Ottinger
	Jones, Okla.	Panetta
	Jordan	Patten
	Kastenmeier	Patterson
	Kazen	Pattison
	Keys	Pease
	Kildee	Pepper
	Kostmayer	Perkins
	Krebs	Pickle
	LaFalce	Pike
	Le Fante	Poage
	Leach	Pressler
	Lederer	Preyer
	Leggett	Price
	Lehman	Pritchard
	Levitas	Quie
	Lloyd, Calif.	Railsback
	Lloyd, Tenn.	Rangel
	Long, La.	Reuss
	Long, Md.	Richmond
		Rinaldo
		Risenhoover
		Roberts
		Rodino
		Roe
		Rogers
		Roncalio
		Rooney
		Rose
		Rosenthal
		Rostenkowski
		Russo
		Santini
		Sarasin
		Sawyer
		Scheuer
		Schroeder
		Seiberling
		Sharp
		Shipley
		Simon
		Sisk
		Skelton
		Skubitz
		Slack
		Smith, Iowa
		Solarz
		Spellman
		St Germain
		Staggers
		Stanton
		Stark
		Steed
		Steers
		Stokes
		Stratton
		Studds
		Thompson
		Traxler
		Tsongas
		Udall
		Ullman
		Van Deerlin
		Vanik
		Vento
		Volkmer
		Waggonner
		Walgren
		Walsh
		Watkins
		Waxman
		Weaver
		Weiss
		Whalen
		White
		Whitley
		Whitten
		Wiggins
		Wilson, Tex.
		Wirth
		Wolff
		Wright
		Wylie
		Yates
		Yatron
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NOT VOTING—24

Akaka	Frey	Roybal
Anderson, Ill.	Hubbard	Ryan
Baucus	Jones, Tenn.	Teague
Buchanan	Krueger	Thornton
Clawson, Del	McCormack	Treen
Edwards, Calif.	Madigan	Tucker
Flood	Rahall	Wilson, C. H.
Foley	Robinson	Young, Alaska

Messrs. ROE, SCHEUER, and SAWYER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HAWKINS. Mr. Chairman, I ask unanimous consent that all debate on title II and all amendments thereto terminate at 3 o'clock p.m.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, how many amendments are now at the desk?

The CHAIRMAN pro tempore. The Chair would advise the gentleman from Maryland (Mr. BAUMAN) that at the desk we have seven amendments.

Mr. BAUMAN. I thank the Chairman, and I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: On page 86, line 10, following the period insert the following new sentence: "The Economic Report shall assess the effect of stricter enforcement of the provisions of the Buy American Act (41 U.S.C. 10a–10c), consistent with the policies of the General Agreement on Tariffs and Trade, in contributing to the achievement of the goals and timetable set forth in title I."

PARLIAMENTARY INQUIRY

Mr. MITCHELL of Maryland. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. MITCHELL of Maryland. Mr. Chairman, I could not hear. Are these amendments with reference to title I or title II?

Mr. BROWN of Ohio. Title II.

Mr. MITCHELL of Maryland. Mr. Chairman, were these amendments printed in the RECORD?

The CHAIRMAN pro tempore. The Chairman is not aware of that. I do not have the answer to it.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield; no, the amendments were not printed in the RECORD. As I understand it, they do not have to be printed in the RECORD.

The CHAIRMAN pro tempore. The Chair will advise the gentleman from Maryland (Mr. MITCHELL) that the gentleman from Ohio (Mr. BROWN) is correct.

Mr. MITCHELL of Maryland. I thank the Chairman.

Mr. BROWN of Ohio. Mr. Chairman, I suppose that this amendment could be characterized as a buy American amendment in this legislation. But it follows the sentence on page 86 that requires:

The Economic Report of the President under the Employment Act of 1946 shall . . . review and assess existing Federal programs and policies which affect business investment decisions, including, but not limited to, the relevant aspects of the Internal Revenue Code of 1954, Federal regulatory policy, international trade policy . . .

Mr. Chairman, it is the negotiation of our trade policy about which I express some concern. The present bill goes on to talk about "Federal support for research and development and diffusion of new technologies," and so forth. I want to insert my amendment at the end of that sentence. What I am asking is that the Economic Report assess the effect of stricter enforcement of the provisions of the Buy American Act, because I think we have not had what I would appropriately call adequately strict enforcement of that legislation.

Mr. Chairman, we are very generous with our trading partners when it comes to their imposition of limitations on trade acceptance of our products going into their countries or the subsidization of their products coming into our country.

We have legislation on the books (41 U.S.C. 10a through 10c) which calls for our consideration of the purchase by Americans of goods made in America; but we seem to be losing out in that effort. There has been a tendency for us to be a little too generous in some of our trading arrangements with some of our trading partners.

Mr. Chairman, it is important with regard to employment, that the President look at the problem of enforcement and determine whether or not it should not be somewhat stricter than it is.

This amendment clearly has an impact on jobs. Jobs are lost in this country because of the impact of foreign imports. Jobs are also created in the United States because we encourage trade with countries abroad through the provisions of GATT.

What I am asking is that the President in his economic report do what we are asking throughout this legislation, and that is to balance various trade-offs—specifically made under my amendment to balance the impact of buy American and the encouragement of foreign trade through the GATT treaties so that we can encourage the maximum amount of jobs.

The basic legislation says that we should encourage the reduction of unemployment and also encourage the reduction of inflation. At some point those two things become mutually exclusive.

Mr. Chairman, the gentleman from Missouri and I sit on the Joint Economic Committee, and we had a discussion the other day in the committee over the question: At what point does reduction of unemployment encourage inflation and at what point does the encouragement of the reduction of inflation encourage unemployment?

Clearly, that trade-off is true in the trade area. I think there is nothing inconsistent between my amendment and the rest of the legislation in putting into the legislation a consideration of these trade policies: Buy American and the GATT treaties which encourage foreign trade. Certainly, the President would want to balance these two issues so as to encourage a maximum amount of employment, and the amendment that I offer has that objective. It should be as easy to accomplish as the balancing of unemployment and inflation each of which, of course, we would like to reduce to zero.

Mr. Chairman, I hope that the people who are handling the legislation on both sides of the aisle will accept the amendment, as I offered it in good faith, and encourage the President to look at those policies.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: On page 81, line 20, redesignate subsection "(a)" as "(a)(1)" and add the following new paragraph at page 82, line 2:

"(a)(2) Further to promote achievement of full employment under this Act and the Employment Act of 1946, the President shall develop policies and programs for reducing the burden of social security taxes on workers and employers, which reduction could be achieved in part by covering certain government officers, including the President, Cabinet Members, and Members of Congress within the social security system, and thereby stimulating employment by reducing the costs of hiring."

Mr. BROWN of Ohio. Mr. Chairman, this amendment might be a little bit more controversial in this body than my previous one; but I doubt that it will be controversial among our constituents. They will favor it.

As it happens, most of our constituents are covered by the social security program, a program whose benefits we have generously increased over the past several years—the benefits it pays to the elderly of this country because of the rates of inflation that the Federal Government has permitted to occur.

Since we have increased the benefits so generously, we have had the necessity of increasing social security tax rates in order to pay for those benefits.

Mr. Chairman, we have had a little trouble in keeping that in balance. As we have increased the tax rates, though, we have discouraged capital formation because we have taken always more and more money out of the pockets of the average working American.

I think it is time that this Congress demonstrate its confidence in the social security system it has crafted by encouraging the President to recommend, and the Congress to support, the coverage by the social security system of the President, Cabinet members, and Members of Congress. That is particularly important in view of the fact that, under the new ethics requirements, work as a Member of Congress is the only gainful employment, except for 15 percent of our income, that those of us who hope to be in the next Congress will be able to do.

And so, in order for us to pay our full share into the social security system it is important, I think, that we be covered by the social security system and pay its taxes. We will have very little outside earned income under the ethics requirements we have enacted in Congress, so I think we should demonstrate our support, our confidence in, and our willingness to share with the taxpaying constituents of this country the responsibilities of the social security system.

Granted, we have our own special retirement systems, but then so do other institutions which have employees who are required by law to pay into the social security system. And so, I think that those of us who are here would want to participate with our taxes with the other average Americans we represent who are covered by social security, because we do not want to set ourselves apart from them as something special just because we are Congressmen and have more generous separate retirement systems. We ought to be in that social security system that covers all Americans. That is the democratic way.

It seems to me that it is good ethics to help reduce or share in the tax burden of others. Under my amendment we would be participating to the fullest extent in social security taxes because of our very generous salaries. I would hope, Mr. Chairman, that my colleagues will support this amendment as a reaffirmation of our faith in that system.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. Of course, I will be happy to yield to the gentleman from California.

Mr. DELLUMS. I think the gentleman has made a very articulate statement.

Mr. BROWN of Ohio. Coming from the gentleman from California I am most flattered, because the gentleman himself is one of the most articulate Members in this body.

Mr. DELLUMS. Thank you very much.

I have listened with great enthusiasm to the gentleman's comments. However——

Mr. BROWN of Ohio. However? However?

Mr. DELLUMS. I fail to understand the relationship between the gentleman's proposal and the full employment bill that is before us.

Mr. BROWN of Ohio. Let me explain it to the gentleman, if I may. One of the things that takes money out of the pockets of our constituents at home is social security taxes, just like income taxes. After paying social security taxes, our constituents have less money to put in their savings accounts at the savings and loan institutions so that somebody can borrow that capital to build a home. They do not have that money to save for their own retirement in their own retirement plan, or to buy insurance. If they put it in an insurance policy, it would be used by those great insurance companies of the United States to invest in housing for the underprivileged, or to invest in office buildings to do the things done with this capital formation—things that create jobs.

Our constituents do not have the money, that comes out of their pockets in social security taxes, to put into their own private businesses. We have provided in that system for their future retirement, but we have taken the money away from them now.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has expired.

On request of Mr. DELLUMS and by unanimous consent Mr. BROWN of Ohio was allowed to proceed for 1 additional minute.

Mr. DELLUMS. Will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. DELLUMS. Since the gentleman has suggested the amendment, I assume the gentleman has done some research with respect to the ramifications of the amendment. Can the gentleman tell me how much revenue will be derived, and how much capital formation will actually accrue?

Mr. BROWN of Ohio. It depends on the social security tax rate that we will have in effect in the future. I am unsure about that, because I understand the Speaker has indicated we are to rethink our vote on the social security tax that we took in December. But under the taxes then approved, the rates go up quite high in terms of precentages and also they cover more and more dollars of individual income. Presumably every Member of Congress is making $57,500 per year and would pay the full social security tax rate. I think we should pay the full rate, and we should because it is a system we devised. We would pay the full rate on our salary, but that would be different rates in different years. I think the rate goes up as high as 6 or 7 percent.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

(On request of Mr. WAGGONNER, and by unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 2 additional minutes.)

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman, I thank my friend, the gentleman from Ohio, for yielding.

I have before me a copy of the amendment. The gentleman talks about a reduction which could be achieved in part by covering Federal Government officers including the President, Cabinet members, and Members of Congress under the social security system. What other Government officers would be included?

Mr. BROWN of Ohio. I would leave that to a distinguished group such as the Ways and Means Committee of the House and the Finance Committee in the Senate. Although it was the Ways and Means Committee that worked out a system which was going to include people under civil service retirement. I do not know that I would want to include all of them—I voted against that earlier provision—but we might want to include the higher grade employees of the administration and perhaps the employees of this Chamber of the Congress, or those people who work on the staffs of the Congress. I do not know. I leave that to those committees.

Mr. WAGGONNER. If the gentleman will yield again, twice the gentleman has said he would leave this to the committee on Ways and Means to make this decision. Is that not really what should be done in the first place, inasmuch as the committee has a study already authorized?

Mr. BROWN of Ohio. I would prefer that we admonish the President to look at it and make recommendations, and I think it ought to be included in the economic report, and I would hope that we can get some action on it because I do think it is important that we express our confidence in the system and that Congressmen also be affected by the taxes we impose on the other citizens of the United States.

Mr. WAGGONNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know that my friend, the gentleman from Ohio (Mr. BROWN), has good intentions in offering this amendment, but he has just said that he does not intend that this include all Government employees. The bulk of Government employment are not high-level officers such as he referred to. Those to be covered perhaps by such an amendment as this would indeed be few in number and their impact on stabilizing the system or improving the actuary would be negligible, in my personal opinion.

This social security problem is bigger than this. The Congress recognized it last year when we passed the social security amendments, because we mandated a comprehensive study to inquire into the matter of covering universally all Federal employees, which includes Members of Congress, other Federal employees, the State and local and nonprofit employees. These people would number perhaps 8 million people and would probably have a good effect in my opinion if they were brought into the system because contributions would be up.

It does seem to me, having already mandated a study to determine how and if indeed it can be done or whether it should be done, that we should wait on that study, because what we are talking about here with this amendment is just a mere handful of people, and we would have nothing.

But I could make no better argument against the amendment than the gentleman from Ohio (Mr. BROWN) himself has made when he said he would leave this whole question of social security to the Ways and Means Committee and the Social Security Subcommittee and the committee because we have already mandated a study.

Ways and Means has the responsibility.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I might say to the gentleman from Louisiana (Mr. WAGGONNER), and it is plaintive, that I would like to have the chance to vote on the issue from the Committee on Ways and Means. But so much of our legislation that comes from the Committee on Ways and Means comes out under a closed rule and I do not get to vote on several issues I would like to vote on. We do not really get an opportunity to put our imprint on their bills, as just ordinary Members of the Congress, that we would like to get. I do not really have any option but to leave it to the Committee on Ways and Means. However, I do think we ought to have a study to see what the impact of my idea is. I do think it would be wise that the President address himself to it.

The major thrust of the amendment is to assure that we express our confidence in the social security system and the taxes we impose on other citizens to support that system by sharing in the impact of those taxes since we will not have much outside earned income that can be covered by social security.

Mr. WAGGONNER. Mr. Chairman, in closing, let me say that any study such as this would be totally redundant. Such a study that is far more comprehensive is now underway. Therefore I would suggest that we reject the amendment.

Mr. WEISS. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. BROWN).

Mr. Chairman, it so happens that I supported efforts to keep this kind of a provision in the social security legislation that was before us toward the end of last year. Indeed, earlier this week I had argued in the Democratic caucus that we consider taking a Democratic Party position on the review and revision of the social security legislation that we passed.

But that is one thing, Mr. Chairman, to consider it in the context of the social security legislation or policy to be undertaken on social security taxes, it is quite another thing to drag social security, be it universal coverage or whatever, in by the heels into legislation that deals with employment and elimination of unemployment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I will yield to the gentleman after I get through. I will be pleased to yield to the gentleman at that time.

The fact is, Mr. Chairman, that even the particular section to which this amendment would go, on page 811—talking about the thrust of it—is inappropriate.

The heading there is:

Job Training, Counselling, and Reservoirs of Employment Projects.

It just occurs to me that perhaps the gentleman is rightly concerned about the rate of social security taxes and wants to take a position on it. And I appreciate and I admire that. But to include it in this legislation at this point I think just makes a farce of the efforts that we have been making, very seriously for some years now and certainly within the past week of having a piece of legislation which focuses on employment and putting to work people who have not had jobs. I really just do not think that the gentleman has sufficiently thought through the impact of what he is suggesting here.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, first, let me say that social security has everything to do with employment and employment has everything to do with social security because one does not get the opportunity to pay social security taxes and be covered for retirement unless one is employed. That is first. Second, the amount of tax that is taken for social security does have an impact on capital formation, one of the thrusts of this bill. It does have an impact on what a person gets from his employment because it is what the Government takes away from him before he gets the money to spend. It is our forced system which

has been established for many years in this society as a method of trying to care for that worker when he is aged, or maybe it will have an impact on the worker if he becomes disabled because the social security system serves him as a disabled person when he cannot work, and he has contributed to that system.

So I think that the social security tax has everything to do with employment.

Mr. WEISS. I appreciate that.

Mr. BROWN of Ohio. I think Congressmen ought to be covered by it, too, because we will not be covered by social security except for maybe a little bit on that $8,000 or so—the 15 percent of our congressional salary that we are limited to from the outside—if we can make any outside income.

Mr. WEISS. If the gentleman will yield back some of my time, the other point I would like to make is that this is perhaps the only place in the entire legislation if this amendment were to be adopted where we would have not a direction toward a policy or a goal, but a specific mandate upon the President to do thus and thus. The language in the gentleman's amendment says "the President shall develop policies and programs for reducing the burden of social security taxes on workers and employers, which reduction could be achieved in part by covering" et cetera the most specific kind of provision dealing not with the major theme or thrust of the legislation, but about something in my opinion not really germane or appropriate to the legislation.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there is a very famous concert pianist who had world acclaim. He always insisted that his instrument be finely tuned so that he could perform well. Once while in Germany, he insisted on the fine tuning of it against the advice of the tuner, whom he trusted to do it properly, he said, "Fine tune it a little bit more. Fine tune it a little bit more. Fine tune it a little bit more."

You can guess what happened. During a concert one night the strings broke because they were too finely tuned. His reputation as a great concert pianist was shattered.

It seems to me that is the problem with the gentleman's amendment. He is attempting to fine tune; and fine tune; and fine tune; far beyond the scope of this bill.

We started out by saying that essentially this was a macro approach—a macro policy approach—to the matter of reducing unemployment in this county, to bringing us to full employment.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I thank the gentleman for yielding.

I want to agree with everything the gentleman has said and point out that this is just a mischievous amendment. It will not do anything toward solving the problems of restructuring and refinancing social security. If the gentleman wants to be constructive, he can join with me and cosponsor my bill to reduce the social security taxes of 3.9, and he can join the other 150 cosponsors that I have, and I will welcome him aboard.

Mr. MITCHELL of Maryland. I thank the gentleman for his comments.

As I was trying to indicate, we started out with the premise that this was a macro-policy approach, and through a series of amendments offered mostly by the other side, we have shifted from a macro approach to a micro approach. Somewhere along the line this has got to stop.

In addition to that, one of the things that impressed me so about this bill was the tedious, protracted procedures by means of which the bill was examined, upside down and inside out, before it was brought to the floor. Hearings were conducted so that we knew what we should do vis-a-vis the Committee on Ways and Means. Hearings were conducted so that we knew that the bill would not invade the jurisdiction of the Committee on the Judiciary, that it would not invade the jurisdiction of the Budget Committee. But now we have amendments coming up which, in essence, violate that whole procedural position that was taken by the authors of the amendment, the procedural positions taken to avoid encroaching on the jurisdiction of the standing committees of this House.

I would respectfully suggest that the amendment be defeated, if for no other reason, than that it continues the fine-tuning process beyond any approach that seems reasonable.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

I regret so much that my colleagues on that side of the aisle do not want to be embraced in the social security system, but I am constrained—because it was mentioned by both the gentleman from New York and the dean of the Massachusetts delegation, the gentleman from Massachusetts (Mr. BURKE) and a member of the Committee on Ways and Means, that I should support his legislation to reduce the social security taxes—to say that I did not vote for that increase in the first place.

When Congress increases taxes, the Congressmen who increase them should also be paying those taxes.

It is a canard for us to eliminate our requirement to pay social security taxes and then raise those taxes on others.

Mr. MITCHELL of Maryland. Mr. Chairman, I think the gentleman has made the point. I just want to urge defeat of the amendment.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I would simply point out that I was one of 38 Members who voted, when everyone else voted in opposition, for the Fisher amendment. If I remember correctly, the gentleman from Ohio did not vote to include Members of Congress at that time. What the gentleman from Ohio is trying to do is put some weights on these things with these other amendments to sink the bill down to the bottom of the lake.

The CHAIRMAN pro tempore. The time of the gentleman from Maryland has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland may proceed for 1 additional minute.

Mr. MITCHELL of Maryland. Mr. Chairman, may I suggest to the gentleman that if I am given an additional minute, I will yield to the gentleman from New York (Mr. WEISS), so I would rather not have the additional minute.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise simply to correct the implication of the statement of the gentleman from Ohio that those of us who are opposing this amendment are doing so because we do not want to be covered by social security.

Mr. Chairman, I was one of the 38 Members, along with the gentleman from Illinois (Mr. SIMON), who voted against the Fisher amendment. The gentleman from Ohio was not. I think it is the height of chutzpah and hypocrisy for the gentleman from Ohio now to present this amendment.

POINT OF ORDER

Mr. BROWN of Ohio. Mr. Chairman, a point of order.

The CHAIRMAN pro tempore. The gentleman will state the point of order.

Mr. BROWN of Ohio. Mr. Chairman, I do not resent the word "chutzpah," but I do resent the word "hypocrisy."

Mr. WEISS. Mr. Chairman, I apologize and withdraw the word "hypocrisy."

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes, or even a minute.

I was one of those who did vote for the Fisher amendment, but I happen to think that the Members of Congress and governmental employees should be under social security. But this amendment has the same weakness as the social security bill had before we adopted the Fisher amendment; namely, it would direct the placing of Government employees under social security without specifying it is to be done, how it is going to be paid for and how we are going to preserve their vested rights.

For the same reason that we adopted the Fisher amendment, we should reject this amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BROWN of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN pro tempore. Are there further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW

STATEMENT OF PURPOSE

SEC. 301. (a) The purposes of this title are to establish procedures for congressional re-

view and action with respect to the Economic Report, the report of the Board of Governors of the Federal Reserve System, and the other policies and provisions of this Act and the Employment Act of 1946.

(b) To provide for comprehensive national policies to meet the objectives of this Act and the Employment Act of 1946, and to provide the Congress with guidance on these matters, the appropriate committees of the Congress shall review and revise, to the extent deemed desirable, the economic goals, priorities, policies, and programs proposed under such Acts by the President and the Board of Governors of the Federal Reserve System. Furthermore, the Congress shall consider the implications of the short-term goals and related policies for the Concurrent Resolutions required under the Congressional Budget Act of 1974. The Congress shall initiate or develop such legislation as it deems necessary to implement these proposals and objectives, after such modification in such proposals as it deems desirable. Nothing in this Act shall be construed to prevent the Congress or any of its committees from considering or initiating at any time action to implement this Act.

REVIEW OF ECONOMIC REPORT BY ECONOMIC COMMITTEE

SEC. 302. (a) In conjunction with its review of the Economic Report, and the holding of hearings on the Economic Report as required under the Employment Act of 1946, the Joint Economic Committee shall review and analyze the policies and programs recommended by the President and the short-term and medium-term goals for employment, production and purchasing power under section 3(a)(2) and section 4(b) of the Employment Act of 1946.

(b) The Joint Economic Committee shall hold hearings on the Economic Report for the purpose of receiving testimony from Members of the Congress, appropriate representatives of Federal departments and agencies, such representatives of the general public and interested groups, and such others as the joint committee deems advisable. The joint committee shall also consider the comments and views on the Economic Report which are received from State and local officials.

(c) Within thirty days after receipt by the Congress of the Economic Report, each standing committee of the Senate and the House of Representatives and each joint committee of the Congress shall submit to the Joint Economic Committee a report containing its views and recommendations with respect to aspects of the Economic Report which relate to their respective jurisdictions.

(d) Not later than ninety days after the submission of the Economic Report to the Congress, the members of the Joint Economic Committee who are Members of the House of Representatives shall report to the House, and the members of the joint committee who are Members of the Senate shall report to the Senate, a concurrent resolution which shall state in substance that the Congress approves or disapproves in whole or in part of the programs, policies, and goals in the Economic Report, and which may contain such alternatives to, modifications of, or additions to the Economic Report as the joint committee deems appropriate and in accord with the purposes of this Act and the Employment Act of 1946. The report accompanying such concurrent resolution shall include findings and recommendations of the joint committee with respect to each of the main recommendations contained in the Economic Report.

(e)(1) When a concurrent resolution referred to in subsection (d) has been reported to the House of Representatives it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed or disagreed to.

(2) General debate on any such concurrent resolution in the House of Representatives shall be in the Committee of the Whole House on the State of the Union, and shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the concurrent resolution. A motion further to limit debate shall not be debatable.

(3) Except to the extent specifically provided in the preceding provisions of this subsection, consideration in the House of Representatives of any such concurrent resolution and amendments thereto (or any conference report thereon) shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions, amendments and conference reports in similar circumstance.

(f)(1) Debate in the Senate on a concurrent resolution referred to in subsection (d), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to any such concurrent resolution shall be limited to two hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution. Debate on any amendment to an amendment, and debate on any debatable motion or appeal shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of the concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion in the Senate to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed three, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

(4) The conference report on any such concurrent resolution shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(5) During the consideration in the Senate of the conference report on any such concurrent resolution, debate shall be limited to two hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(6) Should the conference report be defeated in the Senate, debate on any request for a new conference and the appointment of conferees shall be limited to one hour to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(7) In any case in which there are amendments in disagreement, time on each amendment in the Senate shall be limited to thirty minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

(g) Upon adoption of a concurrent resolution under this section with respect to any Economic Report, the concurrent resolution shall serve as a long-term guide to the Congress with respect to legislation relevant to the goals, priorities, policies, and programs recommended in such report, as modified by the concurrent resolution. A copy of the concurrent resolution shall be transmitted to the President by the Clerk of the House of Representatives or the Secretary of the Senate, as appropriate, for such actions as the President deems appropriate.

EXERCISE OF RULEMAKING POWERS

SEC. 303. (a) The provisions of this title are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House), at any time, in the same manner and to the same extent as in the case of any other rule of such House.

REVIEW OF ECONOMIC REPORT BY COMMITTEES ON THE BUDGET OF BOTH HOUSES

SEC. 304. (a) Section 301(a) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of clause (5);

(2) by redesignating clause 6 and clause 7, and

(3) by inserting after clause (5) the following new clause:

"(6) the policies, programs, and goals set forth in the Economic Report of the President, and".

(b) The second sentence of section 301(c) of the Congressional Budget Act of 1974 is amended to read as follows: "The Joint Economic Committee shall submit to the Committees on the Budget of both Houses its recommendations as to the policies and programs and the short-term and medium-term goals set forth in the Economic Report. These recommendations shall be incorporated by the Committee on the Budget of each House in the first concurrent resolution on the budget referred to in subsec-

tion (a) reported by that committee, with modifications if necessary to fulfill the objectives of the Full Employment and Balanced Growth Act of 1978. In the event that the Committee on the Budget of either House modifies the recommendations of the Joint Economic Committee, that Budget Committee shall provide its reasons for such modification in the report accompanying the first concurrent resolution.".

Mr. BOLLING (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I would like to say to the gentleman from Missouri, as I understand it, there is only one major controversy regarding a substitute for this section; and before we dispense with the reading, does the gentleman have any idea about how much time might be devoted to this title?

Mr. BOLLING. Mr. Chairman, if the gentleman will yield, I would not think too much time. There is a committee amendment, as the gentleman knows, and I understand that the gentleman from New York (Mr. CONABLE) has an amendment to that committee amendment.

There are some perfecting amendments of a minor nature that I believe are agreed upon. I cannot really say how long it will take, because I do not know how long the controversy over the Conable amendment will take. I think it will be relatively brief.

Mr. BAUMAN. Mr. Chairman, my only concern before was about cutting off time before an opportunity could be had for full debate, and I would hope that would not be the intention of the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Chairman, I do not have any intention of cutting off time before there is full debate on the amendments about which I have information.

Mr. BAUMAN. Mr. Chairman, I know the gentleman from Missouri (Mr. BOLLING) to be very reasonable, and I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee Amendment: Strike title III and insert:

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSONAL REVIEW

TIMETABLE

SEC. 300. The timetable with respect to congressional review of the Economic Report for any fiscal year is as follows:

On or before:	Action to be completed:
15th day after Congress meets	President transmits Economic Report.
March 1	Federal Reserve Board transmits statement of intended policies.
March 1	Legislative committeees of both Houses submit reports to Joint Economic Committee.
March 15	Joint Economic Committee reports concurrent resolution on short-term congressional goals of national economic policy.
April 1	Concurrent resolution passes both House and Senate.
May 1	Congress completes action on concurrent resolution.

REVIEW OF ECONOMIC REPORT BY JOINT ECONOMIC COMMITTEE; ESTABLISHMENT OF SHORT-TERM CONGRESSIONAL GOALS

SEC. 301. (a) In conjunction with its review of the Economic Report, the Joint Economic Committee shall review and analyze the policies and programs recommended by the President and the short-term and medium-term goals under section 3(a)(2) and section 4(b) of the Employment Act of 1946, along with the statement of the Board of Governors of the Federal Reserve System transmitted under section 8 of that Act.

(b) On or before March 1 of each year, each legislative committee of the House of Representatives and the Senate shall submit to the Joint Economic Committee, for use by the Joint Economic Committee in conducting its review and analysis under subsection (a), a report containing the views and recommendations of the submitting committee with respect to aspects of the Economic Report which relate to its respective jurisdiction.

(c) On or before March 15 of each year, the members of the Joint Economic Committee who are Members of the House of Representatives shall report to the House, and the members of the Joint Economic Committee who are Members of the Senate shall report to the Senate, a concurrent resolution setting forth, as the short-term congressional goals of national economic policy (based on the Joint Committee's consideration of the goals proposed by the President in the Economic Report), annual numerical goals for employment and unemployment, production, real income, and productivity for the calendar year in which the Economic Report is transmitted and for the following calendar year. The report accompanying such concurrent resolution shall include findings and recommendations of the Joint Committee with respect to each of the main policy and program recommendations contained in the Economic Report.

(d)(1) When a concurrent resolution described in subsection (c) has been reported to the House of Representatives, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any such concurrent resolution in the House of Representatives shall be in the Committee of the Whole House on the State of the Union, and shall be limited to not more than ten hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate shall not be debatable.

(3) Except to the extent specifically provided in the preceding provisions of this subsection, consideration in the House of Representatives of any such concurrent resolution and amendments thereto (or any conference report thereon) shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions, amendments, and conference reports in similar circumstance.

(e)(1) Debate in the Senate on a concurrent resolution described in subsection (c), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to any such concurrent resolution shall be limited to two hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution. Debate on any amendment to an amendment, and debate on any debatable motion or appeal, shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of the concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) A motion in the Senate to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed three, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to one hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

(4) The conference report on any such concurrent resolution shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(5) During the consideration in the Senate of the conference report on any such concurrent resolution, debate shall be limited to two hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debates on any debatable motion or appeal related to the conference report shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(6) Should the conference report be defeated in the Senate, debate on any request for a new conference and the appointment of conferees shall be limited to one hour to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee; and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to thirty minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the

manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(7) In any case in which there are amendments in disagreement, time on each amendment in the Senate shall be limited to thirty minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

(f) Upon the adoption of a concurrent resolution (described in subsection (c)) setting forth the short-term congressional goals of national economic policy, such resolution shall serve as a guide to the Congress with respect to legislation relevant to achieving such goals. A copy of the concurrent resolution shall be transmitted to the President by the Clerk of the House of Representatives or the Secretary of the Senate, as appropriate, for such actions as the President deems appropriate.

AMENDMENTS TO BUDGET ACT

SEC. 302. (a)(1) Section 300 of the Congressional Budget Act of 1974 is amended by striking out "March 15" in the first column and inserting in lieu thereof "March 1".

(2) Section 301(c) of such Act is amended by striking out "March 15" in the first sentence and inserting in lieu thereof "March 1".

(b) Section 301(d) of such Act is amended—

(1) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9), respectively; and

(2) by inserting immediately before paragraph (2) (as so redesignated) the following new paragraph:

"(1) a summary analysis of the levels of revenues and budget authority and outlays designed to implement the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution;".

(c) Section 301(c) of such Act is amended—

(1) by striking out "Joint Economic Committee and" in the first sentence; and

(2) by striking out the second sentence.

EXERCISE OF RULEMAKING POWERS

SEC. 303. The provisions of this title are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House), at any time, in the same manner and to the same extent as in the case of any other rule of such House.

Mr. BOLLING (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERFECTING AMENDMENT OFFERED BY MR. GIAIMO TO THE COMMITTEE AMENDMENT

Mr. GIAIMO. Mr. Chairman, I offer a perfecting amendment to the committee amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. GIAIMO to the committee amendment: Page 97, line 5, strike out "and productivity" and insert in lieu thereof "productivity, and rate of inflation".

Mr. GIAIMO. I rise to offer an amendment, which was discussed last week, concerning the need for the JEC resolution to include "the vote of inflation." Mr. Chairman, the last paragraph on page 96, which carries over to page 97, would be amended. It now says:

On or before March 15 of each year, the members of the Joint Economic Committee who are Members of the House of Representatives shall report to the House, and the members of the Joint Economic Committee who are Members of the Senate shall report to the Senate, a concurrent resolution setting forth, as the short-term congressional goals of national economic policy (based on the Joint Committee's consideration of the goals proposed by the President in the Economic Report), annual numerical goals for employment and unemployment, production, real income, and productivity for the calendar year in which the Economic Report is transmitted and for the following calendar year. The report accompanying such concurrent resolution shall include findings and recommendations of the Joint Committee with respect to each of the main policy and program recommendations contained in the Economic Report.

My amendment would add the words "the rate of inflation." Thus, JEC's report will recommend numerical goals not only for unemployment, production, real income, and productivity, but for the rate of inflation, as well.

Mr. Chairman, I think this is a healthy amendment. I think it will give balance to this legislation, and I urge its support.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I thank the gentleman for yielding.

I want to compliment the gentleman on his amendment. I think this does carry out the intent, although not the target, of the Sarasin amendment which we discussed last week and which was designed to get us moving in the direction of reaching a lower rate of inflation and, in that case, a targeted rate of inflation.

This amendment offered by the gentleman from Connecticut (Mr. GIAIMO) in addition to the Wright amendment, will now require both the President and the Congress to set numerical goals, and I believe that is a step in the right direction. I am obviously very pleased, and again I congratulate my friend, the gentleman from Connecticut (Mr. GIAIMO), for offering his amendment.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the chairman of the committee.

Mr. BOLLING. Mr. Chairman, I thank the gentleman for yielding.

As I said in the debate last week, I heartily agree with this amendment. I think it strengthens the bill, and I am prepared to accept it on our side.

The CHAIRMAN pro tempore. The question is on the perfecting amendment offered by the gentleman from Connecticut (Mr. GIAIMO) to the committee amendment.

The perfecting amendment to the committee amendment was agreed to.

PERFECTING AMENDMENT OFFERED BY MR. BOLLING TO THE COMMITTEE AMENDMENT

Mr. BOLLING. Mr. Chairman, I offer a perfecting amendment to the committee amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. BOLLING to the committee amendment: Page 95, section 300, strike "March 1" the first place it appears and insert in lieu thereof "February 15".

Mr. BOLLING. Mr. Chairman, this amendment in effect implements the Stanton-Reuss amendment. To the best of my knowledge, there is no controversy whatsoever. It just changes a date.

Mr. Chairman, I urge the adoption of the amendment.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Chairman, I will ask the gentleman this question: Does this relate only to the information to be transmitted to the Federal Reserve Board?

Mr. BOLLING. That is correct.

The CHAIRMAN pro tempore. The question is on the perfecting amendment offered by the gentleman from Missouri (Mr. BOLLING) to the committee amendment.

The perfecting amendment to the committee amendment was agreed to.

PERFECTING AMENDMENT OFFERED BY MR. CONABLE TO THE COMMITTEE AMENDMENT

Mr. CONABLE. Mr. Chairman, I offer a perfecting amendment to the committee amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. CONABLE to the committee amendment: On page 95, strike out section 300.

On page 96, line 12, strike out "March 1" and insert in lieu thereof "March 15".

Strike out all following line 19 on page 96 through line 20 on page 101 and insert in lieu thereof the following:

(c) Prior to consideration of the first concurrent resolution on the budget, the members of the Joint Economic Committee who are Members of the House of Representatives may report to the House, and the members of the Joint Committee who are Members of the Senate may report to the Senate, an amendment to said concurrent resolution incorporating such additions, alternatives and modifications to the matters set forth in the resolution as the Joint Committee deems appropriate and in accord with the purposes of this Act and the Employment Act of 1946.

On page 101, beginning on line 22, strike out subsection (a) of section 302. Redesignate subsections (b) and (c) as subsections (a) and (b), respectively.

Mr. CONABLE (during the reading). Mr. Chairman, I ask unanimous consent that the perfecting amendment to the committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Mr. Chairman, while this amendment does not strike title III, it very much reduces the procedure in-

volved in title III. Title III was added in the Rules Committee at the request of the distinguished chairman of the Joint Economic Committee, as I understand.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Missouri and ask him if that is correct.

Mr. BOLLING. Mr. Chairman, I know the gentleman wants to be accurate.

Mr. CONABLE. Oh, I am sure I do, yes.

Mr. BOLLING. I am not being sarcastic. I mean it absolutely sincerely. It was not added. What the substitute title III did was to modify the provision reported out by the Committee on Education and Labor, which gave the Joint Economic Committee essentially, precisely really, the same duty. So it is not a substitute in that sense. The Committee on Education and Labor gave the Joint Economic Committee the same duty.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for his amplification.

In fact, what we have in this measure is a procedure which, in my view, front loads the Congress to a degree that it is going to be a burden, and an unnecessary burden, to the standing committees which already are required to prepare and present considerable information in the way of reports to the Committee on the Budget. The Committee on the Budget acts on those reports. They are to be in the hands of the Committee on the Budget by March 15. The procedure in title III would require similar reports, with a view to the goals of the Humphrey-Hawkins bill, to go to the Joint Economic Committee approximately 2 weeks earlier than the reports required for the Committee on the Budget. It requires the Congress to act on the information as provided with respect to the goals of the Humphrey-Hawkins bill—and those goals have been made somewhat more complicated by the action here on the floor—2 weeks in advance of the findings of the Committee on the Budget.

The result is that the House is being asked to make two separate findings with respect to two separate sets of assumptions, possibly, and it seems to me that it would be much better to meld these procedures in ways that would preserve the right of the Joint Economic Committee to receive this information, the information that is transmitted to the Committee on the Budget, to act on it with respect to the goals of the Humphrey-Hawkins bill, and to come to the floor and present amendments to the Budget Committee's report if they feel the Budget Committee has not been adequately sensitive to the goals of the Humphrey-Hawkins bill.

If this were to be done, it seems to me that it would save a great deal of procedure and a great deal of further burden on the standing committees. It seems to me, also, that it could protect the House and the Senate, as well, from the problem of having made separate findings, perhaps contradictory findings, only 2 weeks apart and, as a result, viewing considerable public notice of their inconsistencies.

The budget resolutions are likely to become ever harder to pass than the resolutions that will be provided by title III because they will be based on different economic statistics and on different goals and will become less rosy since they will address purely fiscal policy rather than the social purposes of the Humphrey-Hawkins bill.

Mr. Chairman, congressional credibility will be damaged by this process and the burden, an unnecessary burden, on the procedures and on the standing committees of the House will be quite unfortunate.

I hope that the Members will avoid overloading the House with unnecessary and duplicating procedures. We spend little enough time on the substance of issues and altogether too much time in setting up presumptions and practices that do not ultimately turn to the benefit of the American people.

At this stage in the development of the budget process, we would do very well not to further complicate it by setting up a parallel and somewhat competing process during the same time period.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. CONABLE).

Mr. Chairman, I rise in opposition to the Conable amendment, for two reasons.

First, it simply restates what can already be done under existing law. Of course, the House and Senate members of JEC may report an amendment to the budget resolution, just as any group of Members may at any time. We do not need Mr. CONABLE's amendment merely to restate the obvious.

Second, it would strike out the provisions of title III of the bill which establish a mechanism for congressional consideration of the President's economic report.

Without those provisions, there would be no mechanism for the orderly consideration of the President's economic goals and policies and programs to achieve those goals: no reports by committees commenting on the President's proposals; no comprehensive consideration of the President's proposals by the one committee of the Congress created to consider the President's overall economic policies; and no opportunity for the Congress to establish its own economic goals if it disagrees with the President.

Nor, may I add, does the gentleman's amendment give to the Budget Committees the task of comprehensively reviewing the President's economic program or of proposing economic goals to the Congress. In short, there would be no structured way for the Congress to deal with the expanded economic proposals that the President would be required to submit under the bill.

The gentleman's amendment is based, I believe, on a faulty premise: that is, that the provisions of title III of the bill are in the nature of a frontal attack on the prerogatives and responsibilities of the Budget Committees. They are not; and, as one who had a good deal to do with the creation of the Budget Committees, I would be the last Member of this body to support such a position.

Let me explain very briefly why I expect the provisions of title III to complement, and not conflict with or undermine, the work of the Budget Committees. There are basically two reasons:

First, the Budget Committees—through budget resolutions—deal explicitly with the economy only in fiscal policy terms—that is, by setting specific revenue and spending levels for the Federal budget. In doing so, they base their decisions, in large part, on the latest economic forecasts of market behavior, price levels, productivity rates, and monetary policy, over which the committees have little or no control. And, to the extent that they wish to affect changes in unemployment, for example, they do so only through revenue or spending levels.

The JEC resolution—and the report accompanying it—would not be similarly bound. It would be primarily a goals-setting resolution, not only for the fiscal policy determined by the budget resolution, but for the private economy as well.

For example, the JEC resolution would set goals for inflation and productivity—and the JEC report would make recommendations on the President's proposals for dealing with these matters. These are matters which ordinarily will not involve either revenues or spending matters. Yet to the extent that policies and programs are designed to deal with such structural matters, they will have great impact on our economy and on the fiscal policies recommended by the Budget Committees.

Second, I believe the Budget Committees' work would be greatly enhanced by the establishment of economic goals by the Congress. Just as Budget Committee resolutions serve to guide and influence—but not bind—the Congress in its actual tax and spending actions, the economic goals resolution would serve to guide and influence—but not bind—the Budget Committee in its work.

I stress certain of these words: "guide and influence—but not bind." The JEC resolution will in no way constrain the Budget Committee's deliberations. It will be free, as it is now, to arrive at its own fiscal policy determinations.

However, it will have before it the Congress recommendations as to what specific economic goals we ought to strive for. In my view, such a set of goals can only enhance the Budget Committee efforts to reach a fiscal policy recommendation that will have wider support.

I urge the defeat of the Conable amendment.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri has expired.

(On request of Mr. CONABLE and by unanimous consent Mr. BOLLING was allowed to proceed for 3 additional minutes.)

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I yield.

Mr. CONABLE. Is it not true, though, Mr. Chairman, that every budget report

has to include 1- and 5-year goals and targets for growth, unemployment, and inflation? In fact, the gentleman says we are going to be following a parallel procedure that can be a guide to the Budget Committee if the Joint Economic Committee target and goals are adopted, but are we not duplicating to a very substantial extent the same procedure that already exists, particularly with respect to these goals—growth, unemployment, and inflation—which are required as part of the Budget Committee report?

Mr. BOLLING. I am very anxious not to overstate my case but it is not really my case. It is the case for the Employment Act. The Joint Economic Committee's principal function is to work all year preparing itself to deal with that kind of thing. The Budget Committee, naturally, has to take into account goals; and it is true that they appear in the Budget Committee's reports. But, the Budget Committee begins its work with those goals. It is a very small part of its overall effort, because its major effort is to deal with fiscal policy.

I have certainly, as I suppose the last author, the leader of the House conferees in the Budget Act, and also as a long-time member of the Joint Economic Committee, tried to take into account those facts when we contrived the Budget Act. I think there is a very, very fundamental difference between the Joint Economic Committee in trying to be expert in arriving at goals, and the Budget Committee being expert in using goals to set fiscal policy.

Mr. CONABLE. May I say, Mr. Chairman, that as the gentleman describes the processes that he now envisions for the Joint Economic Committee before the Budget Committee, it seems as though he is reducing the Budget Committee to largely an arithmetic function. He is saying that the Joint Economic Committee will establish goals consonant with the Humphrey-Hawkins Act; that this will be a guide then to the Budget Committee, which is under mandate of its own to go through a very similar procedure and to make findings which two weeks later may be very different from those same findings the Joint Economic Committee has made. It seems as though it would be much more sensible, Mr. Chairman, from a procedural viewpoint, to meld the two into one procedure, as my amendment attempts to do.

Mr. BOLLING. I would like to repeat what I said over and over again in my original statement—guide and influence, but not bind.

Mr. LATTA. Mr. Chairman, I rise in support of the Conable amendment.

Mr. Chairman, I am a little bit confused as to what is being attempted here because we have heard so much in recent years, after the establishment of the Budget Committee, about how essential its work was, and now a major attack in my humble judgment is being made on the procedures and on the jurisdiction of the Budget Committee.

It seems to me that we have been forever making the business of the House ever more confused and more costly. Our motto seems to be "When in doubt, add a committee or a subcommittee, hire more staff, create another hoop or loop in the legislative process so everyone will think we're busy doing something useful." What is referred to as the Rules Committee substitute is a classic example of this principle of whenever possible, confuse the issue even further.

Apparently the Joint Economic Committee does not have enough to do these days, and therefore assumes that the standing committees of the House are in the same position. Point No. 1: the standing committees of this House have more than enough to do with far too little time the way it is; the last thing they need is a legislative mandate to develop, mark up and submit to the Joint Economic Committee their views and estimates of what we should spend and what we should do in each program area during the next fiscal year in order to accomplish the aims of H.R. 50 less than a month and a half after receiving the President's budget and a full 15 days before they have to report their views and estimates on budget policy to the Budget Committee. The Conable amendment would rightfully remove this unnecessary burden from the backs of the standing committees.

Point No. 2: The House has a hard time already agreeing on a first budget resolution. The last thing we need is any arrangement to make it more difficult. Let me tell you exactly what would happen if we accept the Rules Committee substitute requiring the House to vote on a Joint Economic Committee concurrent resolution a month in advance of the first concurrent resolution on the budget.

First, the Joint Economic Committee would report a resolution showing the economy growing at an astounding rate, with unemployment sinking rapidly, with inflation barely more than a murmur, and with a balanced budget just inches away. Everybody votes for it and informs their constituents what good things they have done for them.

Now what is the Budget Committee supposed to do? If it cranks in all the projections and demands of the JEC resolution, we are going to have deficits which make this year's look miniscule, inflation in the double-digit range, and very low levels of capital investment and economic growth. That is no solution. But on the other hand, if the budget resolution is reported out showing much more realistic growth targets, inflation and unemployment estimates, and a much lower deficit, then the House is going to gang up on it for not being consistent with the rosy projection contained in the JEC resolution. That is no solution either.

I support the Conable amendment because it would give JEC a say in our overall fiscal policy, but keep JEC in the same position vis-a-vis all the other standing committees. Let JEC ask the Budget Committee to consider their views and estimates along with those of the other committees. That way the power and authority of the standing committees in the House are not diminished, and the budget process is not further watered down. I urge support of the Conable amendment.

Mr. SIMON. Mr. Chairman, I move to strike the last word and I rise in support of the amendment offered by the gentleman from New York (Mr. CONABLE).

Mr. Chairman, I had not intended to speak and I would like to make it clear that I am not speaking in behalf of the gentleman from California (Mr. HAWKINS) or anyone else on this side, but just for myself.

I do not join my colleague the gentleman from Ohio (Mr. LATTA) in disparaging the work of the Joint Economic Committee. I think they have done a remarkable job. I particularly have great respect for the gentleman from Missouri (Mr. BOLLING). I was one of those who worked hard for him as majority leader of this body and I have never regretted that effort.

I think the fundamental question is how do we make H.R. 50, the Humphrey-Hawkins bill, not just empty words? How do we mesh this with the fiscal policy of this Nation?

It seems to me there is a real danger if we have one report coming out to do one thing and another report coming out that pays no attention to it and the result easily could be empty words.

Somehow they have to be meshed. The Conable amendment moves us in that direction and therefore I will support it.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, as the gentleman (Mr. SIMON) knows, as a member of the Committee on the Budget, the Joint Economic Committee chairman comes to report to the Committee on the Budget and makes several recommendations each year. The Joint Economic Committee through its chairman tries to give to the Committee on the Budget the benefit of whatsoever goals it has developed during the past year.

The gentleman is properly explaining to the House that the Joint Economic Committee on which I serve—and, incidentally, I serve both on the Joint Economic Committee and the Committee on the Budget—that both committees are already coordinating their efforts. In my humble judgment the amendment offered by the gentleman from New York (Mr. CONABLE) does a better job of making sure that there will be no confusion and that his amendment will eliminate unnecessary publication or reporting responsibilities.

Can the gentleman from Illinois (Mr. SIMON)—because I know that he has studied this substitute title III carefully—tell me how differences will be resolved if the Joint Economic Committee has one set of objectives and the Committee on the Budget another? There is no provision in here for a resolution of those differences.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, first I would like to see if my good colleague the gentleman from Illinois (Mr. SIMON), who is for the Conable substitute, has resolved this in his mind.

Mr. SIMON. If the gentleman will wait, the gentleman from California

(Mr. ROUSSELOT) who asked the question has answered his own question, and I concur in the gentleman's statement.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. CONABLE. Let me say that I believe there is a serious danger that there may be two contradictory findings and conclusions and I believe the resolution of any disagreement of this sort has to be by the House, obviously, but my procedure simply puts the input of the Joint Economic Committee into the budgetary process.

I would really like to warn my colleagues about the possibility of front end loading the House about certain procedures before we have an opportunity to study them in our various committees.

Mr. SIMON. If the gentleman will permit me, the purpose of this bill is to create jobs and we should not be adopting a budget that negates the force and thrust of this bill. We best accomplish that by having the Budget Committee handled differently.

Mr. ROUSSELOT. I thank the gentleman for his comments. I support the Conable amendment and urge my colleagues to do so.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Conable amendment.

Mr. Chairman, first I want to remind the sponsors of H.R. 50 and its supporters that the Conable amendment in no way reduces the bill's commitment to full employment. Instead, it attempts to improve and clarify the responsibilities and relationships between the various committees of the House. It amends portions of title III which were never in the bill reported by the Committee on Education and Labor.

As a member of the Committee on the Budget, I am concerned with potential problems posed by the Committee on Rules' substitute for title III. We all know the budget process is still in its infancy. It is now extremely difficult to get consensus on overall budget totals and on individual functional categories. Attempts at discipline and restraint generally fail. What we need to do is strengthen and improve the budget process, not complicate and weaken it further.

It makes no sense whatsoever to have two inherently separate tracks running at the same time, in the same direction, requiring substantial work and input from standing committees and putting House Members in the difficult position of having almost back-to-back votes on resolutions which appear to do the same thing but in fact do not. First, the Joint Economic Committee concurrent resolution, is a statement of principle and goals. The second, the budget resolution, is an action document which actually requires Congress to do something and live with it in the real world.

The Conable amendment seeks to eliminate this needless confusion and needless extra work and preparation on the part of the standing committees. The JEC, after all, was set up to be an advisory committee with no legislative powers. We ought to keep it that way. What my colleague from New York is proposing, with wide bipartisan support, I might add, is that we streamline and simplify the entire process. Yes, we want the JEC to give formal advice and counsel to the Committee on the Budget and the Congress on what it believes are the desirable fiscal and monetary policies for this country. But then let the Budget Committees in both Chambers sift through not only the JEC's advice, but that of all the other standing committees, and come up with what it thinks are appropriate bounds between all the competing demands. If the members of the JEC do not like what the Committee on the Budget reports out in its first concurrent resolution, provision is made for these JEC members to offer a separate substitute amendment to the first concurrent resolution on the budget on the House floor. This makes infinite sense to me, and it is a realistic, rational way to reconcile the conflicting views of many parties and many committees at one time in one place through the vehicle of the budget process.

Certainly at a time when inflation is of great concern to the American people, I think it wise that we, if anything, strengthen the Budget Committee process, that we give it an opportunity to work, and that we do not suddenly cut the ground out from under this effort on the part of the Congress to bring fiscal discipline to its responsibility for governing this Nation. I strongly support the Conable amendment as one of the important amendments to this bill to avoid destroying what we are now developing an effective way to deal with budget problems.

Mr. LEHMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Conable amendment to title III of the Humphrey-Hawkins bill. My support for this amendment does not represent opposition to full employment or to the bill. This amendment by merging the separate processes mandated by Humphrey-Hawkins and by the Budget Act into one unified economic planning process, will improve the House's ability to set economic goals to reach full employment. It will assure that the Federal budget, which influences our entire economy, is consistent with those goals, not in conflict with them.

The House already has a vehicle for economic planning and management, the House Budget Committee, which could easily carry out the purposes of Humphrey-Hawkins. Yet title III, by setting up a parallel resolution process, I believe will water down the House budgetary system.

The congressional budget process was a necessary reaction to recent threats to the balance of powers. It served to reaffirm Congress rightful historical and traditional control of the Federal purse-strings and to protect that right from the encroachments of a too-strong Executive.

It was also the clear intent of Congress in enacting the congressional budget procedures that the Budget Committee should have an active part in setting Federal fiscal policy in the context of the Nation's economic condition. Section 301 of the Budget Act requires that the report on the first resolution for each budget year include—

> The economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution.

The Federal budget and the economy are so closely interwoven that assumptions create goals and goals create assumptions. Without economic assumptions we could not estimate the revenue or outlay levels, which make up the budget, just as, without goals for the economy, we could not determine appropriate levels of fiscal activity. The House Budget Committee has a good track record in making accurate projections and in translating goals into spending and revenue targets.

The congressional budget process is working. It is no longer an infant in swaddling clothes, but it is still just a legislative toddler and needs our protection to become a robust segment of our fiscal process.

I am also concerned that the proposed two-resolution system will cause considerable confusion. Our constituents, deeply concerned about the cost of living and the effects of the Federal budget and deficit on the economy, are already dubious about the ability of Congress to manage economic policy. This new process is unlikely to be reassuring.

In supporting both the longer-term Humphrey-Hawkins goals set out in a Joint Economic Committee resolution, and the more specific but perhaps less optimistic fiscal year figures in a budget resolution, Members could find themselves casting contradictory votes on economic assumptions and fiscal policy recommendations. Worse would be passing the JEC resolution, then failing to pass the budget resolution, because it did not or could not meet Humphrey-Hawkins goals, or because the goals were too costly in terms of the Federal deficit, or because votes customarily committed to the budget resolution had been depleted by the earlier vote on the JEC resolution. In any case, the credibility of the House and Congress would suffer.

Mr. Chairman, I believe the Conable amendment will strengthen Humphrey-Hawkins. It will improve the ability of Congress to manage national economic policy. It will protect the Budget Committee's legal obligation to base its recommendations on what it believes are sound economic assumptions and workable goals. Finally, through the unified system, it will assure that the House considers economic goals together with specific budget policies and options, to be sure they complement each other and work together to serve the economic needs of the Nation.

Mr. Chairman, I urge the Members to join me in supporting this amendment to make Humphrey-Hawkins a better, more workable bill.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the Conable amendment to the

Rules Committee substitute for title III. In my opinion this is one of the most important amendments we will consider during our entire deliberation on the Full Employment and Balanced Growth Act. It is a simple amendment—a bipartisan amendment to eliminate some of the unnecessarily cumbersome and confusing procedures included in the Rules Committee substitute for title III.

If there is one thing I have learned in my 3 years in Congress, it is that procedure can often be as important as policy. Without a well-conceived, carefully designed implementation mechanism, the most laudable and wonderful ideas will amount to nothing. The Rules Committee substitute is simply not good congressional procedure—it carries unfortunate and potentially dangerous implications not only for the policies of H.R. 50, but for the vitality and integrity of the congressional budget process as well. I urge all of my colleagues to examine the procedures of title III as recommended by the Rules Committee—and decide for themselves whether or not they are necessary to the purposes of this full employment bill.

There are two points I feel it is important for my colleagues to consider.

First, if the Rules Committee substitute is enacted standing committees will be required to send separate March 15 views and estimates on their anticipated legislative business to two committees—the Joint Economic Committee and the Budget Committee. I for one do not feel that our already overburdened committee structure could stand the additional strain. It is highly likely that March 15 reports will become less and less meaningful under such a double reporting requirement.

Second, the Rules Committee substitute for title III calls for a separate concurrent resolution on economic policy to be reported by the JEC near the end of April. Thus, Members of the House will be called upon to vote at about the same time on two concurrent resolutions proposing fiscal policy—one from the Budget Committee and one from the JEC. I am fearful that this would make passage of the Budget Committee resolution quite difficult. Moreover, we would be risking the awkward situation where we might pass two resolutions with two different conclusions—all in the space of a few days. This would create needless confusion not only for Members, but also for the public.

I would submit to my colleagues that such cumbersome and confusing procedures are unnecessary and that it is very possible to integrate Humphrey-Hawkins goals and policies into the existing budget process without upsetting its desired objectives.

That is precisely what the Conable amendment does. It would eliminate the separate reporting requirement to the JEC and do away with their separate concurrent resolution. Instead, the JEC would report its views on the economy to the Budget Committee as it does now. Further, the JEC would be authorized to offer a privileged amendment to the budget resolution giving its views on how best to achieve full employment. This approach is eminently fair and feasible—it gives full-employment goals special stature, yet does not unnecessarily complicate the congressional budget process.

Mr. Chairman, as a Member of Congress who is committed to the goal of full employment, and as a Member of Congress who is committed to the preservation of the budget process, I urge my colleagues to consider carefully the procedures proposed by the Rules Committee and the alternative offered by Mr. CONABLE. I am sure you will conclude as I have, that his amendment deserves widespread and enthusiastic bipartisan support. It in no way attacks the goal of full employment.

Ultimately, I am convinced that the Conable amendment insures a viable congressional budget process and a real world attack on unemployment.

I urge my colleagues to vote yes on the Conable amendment to the Rules Committee substitute for title III of H.R. 50.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Conable amendment to the committee amendment.

Mr. Chairman, I recognize the interest those of us on the Committee on the Budget have in maintaining as strong a role in the budget process and in the formulation of objectives as possible. However, I must say that as I examine the Conable amendment, I fear that its effect would be to strengthen the budget role at the expense of carrying out the objectives of the legislation.

What we need and what the bill, as reported by the Committee on Rules, provides is an independent effort to look at the problem of unemployment and to set out the necessary steps that need to be taken with the problems of unemployment. We need to deal with the question of what goals we are going to try to achieve, and we must do this independent of the framework of the budget process itself, or all of this effort will simply disappear under the waves of the very murky and difficult problems we face when we deal with the budget as a whole.

On the Committee on the Budget we deal with all kinds of problems: With defense spending, with welfare spending, with the problems affecting health, and how much we are going to do for education. The Humphrey-Hawkins objectives will simply disappear in the morass of considerations that the Committee on the Budget has to take into account unless we first fix those goals, talk about them, decide upon them, and then try to get the budget process to effectively account for those objectives as we go into the budget process itself.

In my judgment, the budget process will continue to work, but it will only work well in relation to the objectives of Humphrey-Hawkins if we keep the language as the bill proposes and as it came from the Committee on Rules.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I will be glad to yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to ask the gentleman from Minnesota (Mr. FRASER) if he does not think, however, that the whole procedure of the Committee on the Budget will become secondary to the procedures set out for the Joint Economic Committee, and that in fact then we will only by making the decision just 2 weeks earlier than we have before. The Committee on the Budget thus will have become primarily an accounting committee; it will not be a budget committee at all, making real fiscal decisions. Either I will be rubber stamping the Joint Economic Committee, or diverging from its targets and goals only 2 weeks after adopting them.

Mr. FRASER. No, I think it is just the opposite. The problem that we face on the Budget Committee is that we go through each individual item and, as we look at obligations and outlays, we have to reconcile the different inputs that come from the various committees. This includes a wide range of spending and revenue possibilities. It seems to me that this objective of trying to fashion aggregate policy to deal with the unemployment problem is going to get lost. We need to deal with the problems that are inherent in the objectives of this bill, and I think we have to focus on them separately and then try to work with the budget and see if we can reconcile it with the goals we establish.

I have one question I would like to raise with the author, and that is with respect to the problem of setting objectives for unemployment or employment for subgroups in the labor force. For example, can we establish goals for nonwhite teenagers?

I would like to get a reply from the gentleman as to whether these kinds of numerical goals could be incorporated in the resolution that would come from the Joint Economic Committee.

Mr. BOLLING. Mr. Chairman, if the gentleman will yield, my understanding is that, while it is not required, it would be permissible on such goals. Disaggregate as opposed to aggregate.

Mr. FRASER. Mr. Speaker, I want to thank the gentleman from Missouri for his response. That was my understanding as well with respect to the meaning of title III. This matter of setting disaggregate goals and of analyzing the President's proposals in terms of their impact on the employment and unemployment situation of subgroups within the labor force is a matter of critical importance.

A glance at the unemployment statistics reveals the extent to which our unemployment problem is a problem of inequality. For January of this year the unemployment rates were:

[In percent]

White males 20 years and over	4.0
Nonwhite males 20 years and over	9.8
White females 20 years and over	5.5
Nonwhite females 20 years and over	10.8
White teenagers	13.7
Nonwhite teenagers	38.7

This is more than a matter of the business cycle. Over the last 20 years the percentage of nonwhite teenagers with a job has fallen steadily, in good times and in bad times. Today only one nonwhite teenager in four has a job.

The House Budget Committee's Task Force on Distributive Impacts of Budget and Economic Policies, which I chair, has spent several months looking into this matter of the unemployment rates of subgroups of the population. My own belief is that this is probably the most serious part of our unemployment problem.

In preparation for the first budget resolution for fiscal 1979 we have attempted to determine what impact the President's budget proposals will have on the employment and unemployment levels of those suffering from the highest levels of unemployment. We have sought answers from the administration, but so far, they have either been unwilling or unable to provide the answer. We have sought an analysis from the Congressional Budget Office, and I am hopeful that they will respond. Our meager experience with this area has shown that much more economic research needs to be done, and that higher priority must be given to the unemployment problems of subgroups.

I expect that a year from now, when we are enacting the concurrent resolution provided for in title III, this issue of goals for subgroups of the population will be a central issue. The fact that title III permits the inclusion of specific numerical goals for these subgroups we will be in a position to go beyond vague assurances that "we are doing the best we can." We will have a criterion for assessing the adequacy of programs and policies. It is my hope that when the adequacy of programs ond policies. It is my hope that when the Joint Economic Committee analyzes the President's economic report, it will pay particular attention to this issue.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Conable amendment to the committee amendment.

Mr. Chairman, I am in an embarrassing position here because for the last 4 days I have been telling everybody who would listen that I thought they ought to vote for the Conable amendment. And I am in the embarrassing position of asking them now to forget everything that I suggested that they do for the last 4 days. The reason for that is very simple. I misunderstood the Conable amendment 4 days ago.

Mr. Chairman, I do not like what is in title III. I frankly think that the process that is in title III is overly complicated. I think it almost hopelessly fragments the process. I do not like the fact that under the present title III you will have the House voting on the Joint Economic Committee resolution 1 month, which I think will be an easy political vote, and then a month later, when the budget resolution comes along and the only new factor added to that is the deficit, you will have the conservatives bailing out, because they are not going to want to vote for any deficits, and you will have the liberals bailing out because they will not like the fact that the budget resolution will not be as liberal as the Joint Economic resolution will be. As a consequence, you will have a bail-out on both sides, and the budget resolution is in a terrible position from the standpoint of passing.

I thought that is what the Conable amendment corrected by making the two resolutions one and in fact then having us vote on all of those specific targets in the budget resolution. The fact that I misunderstood was not the fault of the gentleman from New York (Mr. CONABLE). It was my own fault. But I just want to suggest that I think that the Conable amendment is dangerous because it goes beyond what I thought we were going to do to clean up the problems in title III. Not only does the Conable amendment fuse the two processes into one and simply divert the Joint Economic Committee resolution to the Budget Committee, but it also, for all practical purposes, eliminates the opportunity of this House to ever obtain a direct vote on items like unemployment, like employment, growth, all of the specific items which are contained in the Humphrey-Hawkins approach. I did not want to lose the ability of the House to vote on those specific targets. I did want to make the process on which we voted on those targets more rational.

I thought that is what the Conable amendment did; but it, in fact, does not do it.

Really, Mr. Chairman, I do think that it does gut the purpose of this bill, so I would urge the people who were listening to me with great attention 2 days ago to forget everything I said and vote against this amendment.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, the gentleman does acknowledge that the budget report must set forth a target for growth and for lessening unemployment and inflation and that that becomes one of the issues when the budget comes up.

Mr. OBEY. Surely; I agree with the gentleman.

Mr. CONABLE. At that point we can address these issues with the full expertise of the Joint Economic Committee available to us. They would have studied the same figures that are presented to the Committee on the Budget and all these things will be available for the record.

Mr. OBEY. I grant those things will be contained in the committee report; however, having served on the Committee on Appropriations and knowing how easy it is for people to ignore what is in a committee report, I do not think that that does the job. I think that every Member of this House deserves an opportunity and, in fact, has an obligation to vote on specific targets for employment, for unemployment, for growth, et cetera. I regret that the gentleman's amendment does not offer that opportunity.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield further, I deeply regret that we should be put in a position to vote seriatim for a lot of inconsistent things. I think we have to make a basic decision with full awareness of the goals of the Humphrey-Hawkins bill, if that is the will of the House, and with full awareness of the other things that have to be considered as part of fiscal policy.

Mr. OBEY. I recognize that that is a legitimate viewpoint. As I said, my problem is that I think there is a great deal of wisdom on both sides.

I do want to make it quite clear, however, that I oppose the Conable amendment because I do not think that the Conable amendment does the job that needs to be done.

The CHAIRMAN pro tempore. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 2 additional minutes.)

Mr. OBEY. To continue, Mr. Chairman, I doubt very much that anyone will see this Member voting for the Humphrey-Hawkins bill in the form in which it now stands, if that is the way it comes back from conference. I would hope very much that when this bill comes back from conference, this whole title III process will be cleaned up and streamlined so that we can have the opportunity to vote on the specific goals, as the resolution now provides, but under a much more simplified process, which I think is what the gentleman from New York (Mr. CONABLE) is trying to get at, although imperfectly, in this amendment.

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am afraid that what this bill would do is follow what we did so disastrously in dealing with the small businesses, farmers, and other citizens of this country in burying them in paperwork.

What President Carter is trying to do—and I am fully supportive of what he is trying to do—is to move back to the point where we can make one set of reports do for a number of agency reports and purposes.

That is exactly what we ought to be trying to do here in this Congress. I thought my friend, the gentleman from Wisconsin (Mr. OBEY), pointed up the issue very, very clearly as to why he opposed that provision of the bill and suggested that he was not going to vote for the bill if that provision stays in it. I think I find myself in that same posture.

A sensible system of reporting should be set by the Congress. We ought to be setting the examples by laying out one set of reports for the committee which would go to the Committee on the Budget. That would include the kind of data that would be important for all of the other committees and would be something that the Joint Economic Committee should use.

Mr. Chairman, the Conable amendment may not be perfect, but I strongly support it.

I do not agree with my friend from Wisconsin as to the Conable amendment. I think that this one report to the Budget Committee, with a copy to the Joint Economic Committee, ought to do what we want to do in the way of coordination. At some point, if this is not adequate, we can change the reporting procedure, but certainly that should be the premise that we work from.

It is my hope that the Conable amendment will carry, and we will not add to the existing reporting procedures that have already brought an onerous burden on the legislative committees. The committee chairmen and committees already have a really difficult problem in reporting to look that far ahead in the budgas witness our problem this year, and many other committee problems in trying to look that far ahead in the budgeting process. But now, if we say that in addition to that, and prior to that, we have to make other determinations, Members are putting us in a totally impossible position. If we bring the house of cards down around our heads, we cannot say that we have not been warned, because we can bury ourselves in paperwork just as we helped to bury the business community in paperwork. It is my hope that we can stay with one report, and the only way we have of achieving that is to adopt the Conable amendment.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield.

Mr. PICKLE. Aside from the problems the Ways and Means Committee and the Budget Committee would have in coordinating with the Joint Economic Committee, I understand that there would be a further problem with respect to the Federal Reserve. I understand that yesterday the new Chairman of the Federal Reserve testified before a committee on the other side of the Capitol, that he thought title III would weaken the Federal Reserve and did not think it was advisable. I have not seen that in print, but I have been told that is what he said.

If that is so, I think it ought to be verified. I am very disturbed about that.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield.

Mr. CONABLE. The article to which the gentleman refers is on the financial page of the Washington Post, which of course is always correct. It said:

> He (Mr. Miller) said he thinks it would be bad if the Humphrey-Hawkins bill now being debated in Congress eroded the role of the budget committees in setting Federal spending and taxing policies.

Mr. ULLMAN. I thank the gentleman, and I think we are getting into a very dangerous area.

Mr. DERRICK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Conable amendment.

Mr. Chairman, this body has tried twice—three times—in this century to develop a budget process. The budget process in the House is still in the embryonic stage. I support the Humphrey-Hawkins bill, and I also support the budget process. I say to the Members that if we leave the title III as it is without amending it, as the Conable amendment suggests, that the practical politics of the situation are going to be these:

When the Joint Economic Committee resolution comes out, the Members of the House will have an opportunity to vote for all kinds of great things, but when the Budget Committee resolution comes around several weeks later—and we have had some difficulty getting it passed under the most ideal circumstances—it will give those Members who might be inclined to do so the opportunity to bail out, because unfortunately, in the last several years the deficit has become the high visibility item in the budget resolution.

It will simply give those Members who are inclined to do so an opportunity to go back to their constituents and say, "Yes, I voted for all the great goals of the Humphrey-Hawkins bill and that resolution, but yet I voted against that nasty old deficit and those other things that are in the budget resolution."

Now, one of the great things about the budget resolution, I think, is that inner discipline it brings when we vote on the budget resolution, because we are required at that time to vote for outlays for the debt ceiling and for the deficit.

With title III remaining as it is now, the House would no longer be subject to this discipline. And for that reason I think it would have a disastrous effect on the budget process, which I believe is working so far, but which needs to gain a great deal more strength.

I find myself in a rather precarious position, because I know the chairman of the Joint Economic Committee was one of the prime sponsors of the budget resolution and this is a difference in perception on our parts with regard to the effect that title III will have on the budget process. I think it will do it irreparable harm, and for that reason I suggest to the Members and I ask that they support the Conable amendment. I believe that by doing so we can accomplish the laudable objectives of H.R. 50 as well as the budget process.

Mr. PATTISON of New York. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from New York.

Mr. PATTISON of New York. Mr. Chairman, I thank the gentleman for yielding and I thank him for his statement, to which I subscribe.

It seems to me we are getting ourselves into another situation that is similar to the situation which exists with the debt ceiling, where we vote on the budget at one point mandating a particular debt ceiling, I mean just without any question about it, and then we come and vote on the increase in the debt ceiling, and a lot of people who voted for the budget vote against the debt ceiling, because that gives them a chance to vote for the spending at one point and against it at another point.

It seems to me we are setting up another circumstance where that very thing will occur and we will find ourselves accomplishing less and less because of that sort of thing.

Mr. DERRICK. I certainly agree with the gentleman from New York, and for that reason I believe we ought to include it in the budget resolution on a one-time basis; let us vote on it all together.

Mr. PATTISON of New York. I am sensitive to what the gentleman from Wisconsin (Mr. OBEY) said, but it seems to me it is within the Budget Committee's ability to come out under the Conable amendment with not only the macro assumptions for the 16 categories but also with whatever assumptions it bases those on and allow the House to vote on those assumptions. I guess that is possible under the budget resolution.

Mr. DERRICK. It is my understanding that the budget process has that within its jurisdiction; yes.

Mr. PATTISON of New York. I also understand the Budget Committee is thinking very seriously of coming out on that basis. I think it would be very healthy. I urge them to do so.

I thank the gentleman for yielding.

Mr. DERRICK. I thank the gentleman from New York for his remarks.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the gentleman and I are on the same committee. I feel very strongly about the preservation of the budget process, but I think I heard him say he was for this.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. DERRICK) has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. DERRICK was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, if the gentleman will yield further, I think I heard the gentleman say he was for the Humphrey-Hawkins proposal and for this Conable amendment.

Mr. DERRICK. With the exception of title III.

Mr. OBEY. I would ask the gentleman this: Why is it necessary in the process of obtaining what the gentleman and I both think is necessary, which is a one-resolution system, why is it necessary to wipe out the House's guaranteed ability to vote on growth and unemployment and inflation?

Mr. DERRICK. The House will be able to vote on all those things under the budget resolution as constituted in this amendment.

Mr. OBEY. No, it is not. That is not spelled out in this amendment. If the Budget Committee chose to do that, they could bring it out, but it is not guaranteed that the Budget Committee will do that.

Mr. DERRICK. Very little is guaranteed around this place.

Mr. OBEY. Do not kid yourself. Anyone who votes for this amendment votes to wipe out the thrust of the Humphrey-Hawkins bill.

Mr. DERRICK. I do not agree with the gentleman.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. DERRICK) has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mr. DERRICK was allowed to proceed for 2 additional minutes.)

Mr. DERRICK. Mr. Chairman, I want to say it bothers me that we are on the same side of this issue.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. Yes; I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I think we should respond to our distinguished colleague, the gentleman from Wisconsin (Mr. OBEY), by saying that the budget resolution has five aggregates and those aggregates definitely relate to the whole issue being discussed here in the Humphrey-Hawkins bill. I think the gentleman from South Carolina (Mr. DERRICK) is correct when he says that the budget resolution, when it comes, is the aggregate work of a number of committees that have come together in one place. The Joint Economic Committee reports to the Committee on the Budget on its recommendations on these issues. So I think definitely related in the report of the Committee on the Budget are the aggregates which definitely relate to the subject which the gentleman addresses himself to.

Mr. DERRICK. I thank the gentleman.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Bolling substitute to title III of H.R. 50, the Humphrey-Hawkins Full Employment and Balanced Growth Act.

It seems as if many of my colleagues are confused as to the purpose of title III, specifically the Bolling substitute. They are asking how it affects the responsibilities of their committees and, more importantly, how it affects the budget process. At first glance, I too was confused, therefore, I am concerned that my colleagues will fail to pass this amended substitute primarily due to a lack of understanding of the ultimate effect and purpose of title III.

If we study the legislation before us, we will realize that H.R. 50 is not a manpower bill, but is an economic policy bill which speaks to the goal of achieving full employment within our Nation in a reasonable period of time. Title III establishes a mechanism by which the Joint Economic Committee can review the goals required by this legislation by taking the President's joint economic report and coordinating with the objectives and activities of the standing committees of the House and Senate. Through a timetable which complements that of the Budget Committee, the Members will have for the first time, the opportunity to discuss the findings of the Joint Economic Committee in the open on the floor of the House and Senate.

You may ask, Why is this important? Why is this necessary? The House Budget Committee is limited to the review of Federal programs. While Federal spending and Federal policies are playing an increasingly large role in our economy, it is by no means the only factor we need to look at. Demographic trends, new techniques in economic forecasting, changes in the international money market, activity in the private sector and many other ingredients need to be examined if we are to have a comprehensive integrated economic plan. While the Budget Committee looks at Federal spending, the Joint Economic Committee looks at all aspects of our economy. We need both views if we are to achieve a unified approach.

Further, a clearer understanding of the interrelationship between activity in the Federal sector and the private sector will make us better prepared to deal with, and make intelligent and informed decisions in the Federal arena. The state of the economy affects the initiatives Congress must take through legislation which is directed at relieving unemployment, inflation, and monetary and fiscal disruption. When has this body, as a group, had the opportunity to meaningfully discuss how our activities affect the economy in a wholistic sense? We have not had such an opportunity, but its time is long overdue.

Some of my colleagues will argue that title III destroys the budget process. This is not true. The findings of the Joint Economic Committee's concurrent resolution are not binding on the concurrent budget resolution. Yet, we must first establish a framework that makes Members of Congress aware of the ramifications of the Budget Act. We do not have a framework; we legislate as if the beginning and end of the world rests on the Federal programs and policies we produce. This is not the way we should work. Congress must address those programs and policies which not only affect macroeconomic budgetary concerns of the Nation, but those policies which will benefit those who suffer the consequences of severe unemployment and economic displacement. Without access to a Joint Economic Committee framework which encompasses factors of the entire economy, we cannot relieve these problems, and we will continue to treat them in a case-by-case, slip-shod fashion.

Efforts are being made to turn the findings and recommendation of the Joint Economic Committee into an amendment of privilege to the budget resolution. I think this is the wrong approach. The solution reported by the Joint Economic Committee covers both the private and public sectors of the ecoomy, on the other hand, the Budget Act deals primarily wtih the Federal share of the economy. An amendment of privilege, therefore, would be based on things like productivity goals for the private sector, projected increases in real growth, as well as goals for reducing youth and adult unemployment. If an amendment is based on these factors, it seems inappropriate for it to be an ancillary item attached to the Budget Act.

In addition, these are other concerns which have materialized as a result of Mr. BOLLING's substitute. I would like to respond to them briefly.

According to the substitute, each legislative committee is to file a report with the Joint Economic Committee outlining its goals and objectives for reducing unemployment for the upcoming year. Members are complaining that the budget report is too hard to produce and too lengthy to require another report due at the same time for a different committee. I do not think this is a legitimate reason for doing away with title 3. I think the committees can follow the same format for their report as the one submitted to the Budget Committee. The differences in the reports would be a shift in emphasis and detail as to how the programs authorized by a committee will reduce unemployment.

I am not denying that this substitute will ultimately mean additional responsibility for the Members and their committees. But for too long we have abrogated our responsibilities to the executive branch. We as the elected representatives, need to take a stronger role in shaping economic policy. Our current budget process does not encompass the entire scope of the economy, nor is it structured in such a way to correct the crime that this country has allowed, which, as you well know, is unemployment. People are unemployed not because they do not want to work. They are unemployed because our economic policies permit them to be. Congress must reemerge as the true leaders of this Nation by resetting the economic priorities of the Nation. Our priority should be full employment. We must therefore, pass the Humphrey-Hawkins bill with title 3 intact, so that we have an ongoing role in the reduction of unemployment.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Conable amendment.

Mr. Chairman, I am a very, very fortunate man in a very fortunate position. This may not be the thinking of many of the Members of the House. I am fortunate in that I serve on the House Committee on the Budget. I am fortunate in that I have just gotten on the JEC, and I am fortunate that I serve on the Domestic Monetary Policy Subcommittee of the Committee on Banking, Finance, and Urban Affairs. Therefore, I think I am in a position to address the problems raised by the amendment offered by the gentleman from New York (Mr. CONABLE) from the point of view of the Committee on the Budget, the JEC, and also the Domestic Monetary Policy Committee which is directly related to the Federal Reserve.

The thing that has disturbed me the most in the debate on this is that whenever something new comes up, we always look at it as a possibility of creating another problem area.

In my mind, title III does not do that. It should not be a problem at all. I look on it as an opportunity for a greater working together between the Budget Committee and the JEC. Why must we always be so fearful in looking at new developments as problems? The language gives us a golden opportunity to say we can work far more closely in the budget with JEC than we have in the past; so it is an opportunitv, not a problem area.

Mr. Chairman, there are a couple other comments I would like to make. I think my distinguished colleague, the gentleman from Wisconsin (Mr. FRASER) was absolutely right when the gentleman said it was virtually impossible for the Budget Committee to track through the steps necessary to achieve full employment under this legislation.

Now, that is in no way disrespectful of the ability of the members of the Budget Committee. I have seen how hard the distinguished gentleman from New York (Mr. CONABLE) works and all the

members work hard; but in light of the weight of work we have on us, it is virtually impossible for the Budget Committee to take on the task of tracking through to full employment and carry on the same responsibilities that we have now.

Let me state quite candidly, I am chairman of the Task Force on Human Resources of the Budget Committee. Obviously, the bulk of employment recommendations would come through my task force and, obviously, I am not prepared, nor is the membership of the committee prepared, to follow through with the added responsibilities imposed by Humphrey-Hawkins.

I suggest another thing for our consideration. It seems to me under the Conable amendment, whatever JEC would recommend, would, at best, appear as a kind of appendage to the budget resolution. It might luckily appear in the conference report or in the committee report on the budget resolution. That goes back to the point that my colleague, the gentleman from Wisconsin, raised. The fact is that the gentleman wants people to have an opportunity to vote. Can any Member of this House remember a time when we voted on the language in a conference report? It does not happen that way.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would call the gentleman's attention to the hearings in the Senate, the other body, before the Committee on Banking, Housing and Urban Affairs, in which Senator HUMPHREY said with respect to a question by Senator TOWER about title III:

> Senator TOWER. Now title III of the bill would assign some rather sweeping powers to the Joint Economic Committee. As a matter of fact, committees of the Congress would be required to submit their comments to the JEC and Governors of the States would, and JEC would make recommendations on monetary policy. The Budget Committee would be required to carry out JEC recommendations.
>
> Are we not in effect establishing the JEC as a virtual economic czar within the Congress?
>
> Senator HUMPHREY. No. My judgment is that it should be a committee that is sufficiently developed in every way—membership, staff and so on—to give broad economic counsel—

And that is the issue before us in a similar manner—

> and advice to the Congress. If it isn't so at the present time, then we can make it so. However, I am not addicted to a particular committee jurisdiction. I don't think that's the most important part of the bill. I do think that the Joint Economic Committee can play a very significant role and it ought to. It was set up under the Employment Act as the counterpart to the President's Council of Economic Advisers. It is supposed to be the economic advisory body of the Congress. Whether it has fulfilled that function properly or not is subject to debate and argument, but I think it could be.
>
> Again, may I say that's a part of the bill that I look upon as subject to amendment or adjustment as you may deem necessary. The important part of this bill is title I, the economic policy mechanism, and those features in title II that I think are supplementary to making this bill really produce the results that it's designed to achieve.

In other words, Senator Humphrey himself considered the role of the Economic Committee subsidiary and I would urge the gentleman not to ask the House to accept measures that might well break down our struggling budget procedures.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman from New York.

That was a situation similar to, but not the same as what we are dealing with the right now. That same kind of thing does not apply to the proposition before us.

Mr. FISHER. Mr. Chairman, I move strike the requisite number of words. I rise in support of the substitute amendment.

Mr. Chairman, I have been listening carefully to the debate on this matter and I have come to the view that we would be better off to adopt the Conable substitute. Not that that is perfect, but I think it is a better way to proceed.

I have two reasons that I wish to bring out in support of this position. First, I think that having two concurrent resolutions coming along more or less at the same time and in some respects covering much the same territory will be confusing. Unfortunately, the original substitute presented by the gentleman from Missouri (Mr. BOLLING) carries with it no way that I can see for reconciling differences between these two resolutions.

When we come forward with the economic resolution, it seems to me that Members are likely to be in a more expansive frame of mind and vote accordingly, and when much the same information comes forward in the budget resolution, I think Members will not be that expansive and we will find ourselves in conflict in basic ways over the space of a couple of weeks.

The amendment offered by the gentleman from New York (Mr. CONABLE) does get at this problem. It may not do it perfectly, and what is the word the gentleman used? It tries to "meld" the two, and that, it seems to me, is preferable.

Mr. Chairman, my other reason for supporting the Conable amendment is that I have some distrust for setting out numerical goals in legislation and in statutes for such things as inflation, employment, productivity, income, and the like. I prefer setting these goals forward as guidelines in reports and in the way of backup information, as is done under the Budget Act, so that this kind of information goes into the report and not into the resolution.

Let me illustrate that further. Suppose we put in legislation a goal for employment, as we are attempting to do in Humphrey-Hawkins, of 4 percent. Fine. We aim toward that. A conservative President, let us say, or a conservative Congress will say, "Aha! The way to get 4 percent is to cut expenditures, cut programs, and in that way stimulate the private economy, and in that way we will get there."

A liberal President or a liberal Congress will say, "Oh, yes, 4 percent, that is a good goal. Let us move toward that, and we will do it by spending more for jobs and perhaps cutting taxes."

So although we have the appearance of a specific goal and we have a number, we still have wide open the kinds of measures that can be brought forward to achieve the goal.

As I say, I am somewhat distrustful of elevating these numbers to this position of importance by placing them in statutes and requiring them to be voted on in that form.

So, Mr. Chairman, for these two reasons: First, the confusion that the two resolutions will bring; and second, my general discomfort with numerical goals—it does seem to me the Conable way forward is preferable.

Mr. BOLLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, I hesitate a little bit to make this speech. A couple of business publications which are against Humphrey-Hawkins have tried to make this a personal matter as far as I am concerned by saying that my substitute is based on the fact that I was the chairman of the Joint Economic Committee.

Well, I am the chairman of the Joint Economic Committee, but I will not be the chairman of the Joint Economic Committee when Humphrey-Hawkins goes into effect. Furthermore, I was the leader of the House conferees when the Budget Act went into effect.

I was enormously impressed by the debate. There was a speech made by the gentlewoman from New York (Mrs. CHISHOLM) which showed a real understanding of what Humphrey-Hawkins is and what the Budget Act is.

Something that has been ignored in the debate is that Humphrey-Hawkins is an amendment to the Employment Act. The Employment Act has been in place since 1946, and it provided a procedure by which the Congress worked toward goals. It set up a Council of Economic Advisers and the Joint Economic Committee.

I perhaps would be better off if I sort of left it at that. But I have been impressed by another fact in the debate. I know the problem that people have when they have a self-interest in a matter. It is enormously difficult to disassociate yourself from your own self-interest. The greatest compliment that I have ever heard paid Harry Truman and George Marshall—and it was paid to both together—was that they were able not to allow their egos to come between themselves and their work. I like to think that if I have a self-interest in this matter that it balances out, that I have a vested interest in having had something to do with the overwhelming passage of the Budget Act and in my work over the years on the Joint Economic Committee. That is not the point, nor is it really the

point that the author of the amendment and his principal supporter on his side have so voted on the amendments to Humphrey-Hawkins that it is relatively clear that they do not favor the bill. With one exception, the problem that I might have might be the problem of all but one of the speakers on this side, because with virtually no exception they are all members of the Budget Committee.

I think it is possible to decide this on the basis of merit and not on the basis of guilt by self-interest or guilt by association. But remember that the bill we are working on is the Humphrey-Hawkins Act. Only one item before the House provides for the implementation of that act specifically, and that is the so-called Bolling substitute to the similar provisions of the Humphrey-Hawkins Act as reported by the Committee on Education and Labor.

If the Members want to implement Humphrey-Hawkins, they only have one vote.

The CHAIRMAN pro tempore. The question is on the perfecting amendment offered by the gentleman from New York (Mr. CONABLE) to the committee amendment.

The question was taken; and the Chairman pro tempore being in doubt, the committee divided, and there were—ayes 29, noes 18.

Mr. BOLLING. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count. Sixty-one Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Missouri (Mr. BOLLING) for a recorded vote. Does the gentleman insist upon his request?

Mr. BOLLING. I do, Mr. Chairman.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 259, noes 153, not voting 22, as follows:

[Roll No. 161]

AYES—259

Abdnor	Badham	Breaux
Ambro	Bafalis	Breckinridge
Ammerman	Barnard	Brinkley
Andrews, N. Dak.	Bauman	Broomfield
Applegate	Beard, Tenn.	Broyhill
Archer	Bedell	Burgener
Armstrong	Beilenson	Burke, Fla.
Ashbrook	Bennett	Burleson, Tex.
Ashley	Biaggi	Burton, John
AuCoin	Bonker	Butler
	Bowen	Caputo
Carney	Harkin	Ottinger
Carr	Harsha	Panetta
Carter	Hefner	Pattison
Cavanaugh	Hightower	Pease
Cederberg	Hillis	Pettis
Chappell	Holland	Pickle
Clawson, Del	Hollenbeck	Pike
Cleveland	Holt	Poage
Cochran	Horton	Pressler
Cohen	Hubbard	Pritchard
Coleman	Hughes	Quayle
Collins, Tex.	Hyde	Quie
Conable	Ichord	Quillen
Conte	Ireland	Railsback
Corcoran	Jeffords	Regula
Cotter	Jenkins	Rhodes
Coughlin	Johnson, Colo.	Risenhoover
Crane	Jones, N.C.	Roberts
Cunningham	Jones, Okla.	Rogers
D'Amours	Kasten	Rousselot
Daniel, Dan	Kazen	Rudd
Daniel, R. W.	Kelly	Ruppe
de la Garza	Kemp	Russo
Dent	Ketchum	Santini
Derrick	Kostmayer	Sarasin
Derwinski	Krebs	Satterfield
Devine	LaFalce	Sawyer
Dickinson	Lagomarsino	Schulze
Dicks	Latta	Sebelius
Dornan	Leach	Sharp
Downey	Lederer	Shipley
Duncan, Oreg.	Leggett	Shuster
Duncan, Tenn.	Lehman	Skelton
Edgar	Lent	Skubitz
Edwards, Ala.	Levitas	Slack
Edwards, Okla.	Livingston	Smith, Iowa
Emery	Lloyd, Calif.	Smith, Nebr.
English	Lloyd, Tenn.	Snyder
Erlenborn	Long, Md.	Spellman
Ertel	Lott	Spence
Evans, Colo.	Lujan	Stangeland
Evans, Del.	Luken	Stanton
Evans, Ga.	Lundine	Steers
Evans, Ind.	McCloskey	Steiger
Fenwick	McDade	Stockman
Findley	McDonald	Stratton
Fish	McEwen	Studds
Fisher	McKay	Stump
Fithian	McKinney	Symms
Flippo	Madigan	Taylor
Flowers	Mahon	Thone
Flynt	Mann	Treen
Foley	Marks	Trible
Forsythe	Marlenee	Tsongas
Fountain	Marriott	Ullman
Frenzel	Martin	Vander Jagt
Fuqua	Mathis	Waggonner
Gammage	Mattox	Walgren
Gaydos	Mazzoli	Walker
Gibbons	Michel	Walsh
Gilman	Mikva	Wampler
Glickman	Milford	Watkins
Goldwater	Miller, Calif.	White
Goodling	Miller, Ohio	Whitehurst
Gore	Mineta	Whitley
Gradison	Minish	Whitten
Grassley	Mitchell, N.Y.	Wiggins
Green	Montgomery	Wilson, Bob
Gudger	Moore	Winn
Guyer	Moorhead, Calif.	Wirth
Hagedorn	Murphy, Pa.	Wydler
Hall	Myers, John	Wylie
Hammer-schmidt	Neal	Yatron
Hanley	Nichols	Young, Fla.
Hannaford	Nowak	Zeferetti
Hansen	O'Brien	

NOES—153

Addabbo	Brown, Mich.	Eckhardt
Alexander	Brown, Ohio	Edwards, Calif.
Allen	Burke, Calif.	Eilberg
Anderson, Calif.	Burke, Mass.	Fary
Andrews, N.C.	Burlison, Mo.	Fascell
Annunzio	Burton, Phillip	Florio
Aspin	Byron	Ford, Mich.
Baldus	Chisholm	Ford, Tenn.
Beard, R.I.	Clay	Fowler
Benjamin	Collins, Ill.	Fraser
Bevill	Conyers	Garcia
Bingham	Corman	Gephardt
Blanchard	Cornell	Giaimo
Blouin	Cornwell	Ginn
Boggs	Danielson	Gonzalez
Boland	Davis	Hamilton
Bolling	Delaney	Harrington
Bonior	Dellums	Harris
Brademas	Diggs	Hawkins
Brodhead	Dingell	Heckler
Brooks	Dodd	Heftel
Brown, Calif.	Drinan	Holtzman
	Early	Howard
Jacobs	Murtha	Seiberling
Jenrette	Myers, Gary	Sisk
Johnson, Calif.	Myers, Michael	Solarz
Jones, Tenn.	Natcher	St Germain
Jordan	Nedzi	Staggers
Kastenmeier	Nix	Stark
Keys	Oakar	Steed
Kildee	Oberstar	Stokes
Kindness	Obey	Thompson
Le Fante	Patten	Traxler
Long, La.	Patterson	Udall
McCormack	Pepper	Van Deerlin
McFall	Perkins	Vanik
McHugh	Preyer	Vento
Maguire	Price	Volkmer
Markey	Rangel	Waxman
Meeds	Reuss	Weaver
Metcalfe	Richmond	Weiss
Meyner	Rinaldo	Whalen
Mikulski	Rodino	Wilson, C. H.
Mitchell, Md.	Roe	Wilson, Tex.
Moakley	Roncalio	Wolff
Moffett	Rooney	Wright
Mollohan	Rose	Yates
Moorhead, Pa.	Rosenthal	Young, Mo.
Moss	Rostenkowski	Young, Tex.
Mottl	Roybal	Zablocki
Murphy, Ill.	Scheuer	
Murphy, N.Y.	Schroeder	

NOT VOTING—22

Akaka	Huckaby	Ryan
Anderson, Ill.	Krueger	Sikes
Baucus	McClory	Simon
Buchanan	Nolan	Teague
Clausen, Don H.	Pursell	Thornton
Flood	Rahall	Tucker
Frey	Robinson	Young, Alaska
	Runnels	

The Clerk announced the following pairs:

On this vote:

Mr. Sikes for, with Mr. Rahall against.

Mr. Krueger for, with Mr. Flood against.

Mr. Baucus for, with Mr. Akaka against.

Mr. ZEFERETTI and Mr. FITHIAN changed their vote from "no" to "aye."

Messrs. WAXMAN, BYRON, and MOFFETT changed their vote from "aye" to "no."

So the perfecting amendment to the committee amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. Are there additional amendments to the committee amendments? If not, the question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN pro tempore. The Clerk will read title IV.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

NONDISCRIMINATION

SEC. 401. (a) No person in the United States shall on the ground of sex, age, race, color, religion, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Act, including membership in any structure created by this Act.

(b) Whenever the Secretary of Labor determines that a recipient of funds under this Act has failed to comply with subsection (a), or an applicable regulation, he or she shall notify the recipient of the noncompliance and shall request such recipient to secure compliance. If within a reasonable period of time, not to exceed 60 days, the recipient fails or refuses to secure compliance, the Secretary of Labor may—

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.); or

(3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he or she has reason to believe that a recipient is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in the appropriate United States district court for any and all appropriate relief.

(d) To assist and evaluate the enforcement of this section, and the broader equal employment opportunity policies of this Act and the Employment Act of 1946, the Secretary of Labor shall include, in the annual Employment and Training Report to the President under section 705(a) of the Comprehensive Employment and Training Act of 1973, a detailed analysis of the extent to which the enforcement of this section achieves affirmative action in both the quantity and quality of jobs, and for employment opportunities generally.

LABOR STANDARDS

SEC. 402. (a) Any new programs provided for and implemented by this Act, and funded in whole or in part through this Act, shall provide that persons employed pursuant to such policies and programs are paid equal wages for equal work, and that such policies and programs create a net increase in employment through work that would not otherwise be done or are essential to fulfill national priority purposes.

(b) The President shall insure that any person employed in any reservoir project undertaken under section 206(c) which requires an authorization of appropriations by the Congress, or in any other job utilizing funds provided in whole or in part under this Act, shall be paid not less than the pay received by others performing the same type of work for the same employer, and in no case less than the minimum wage under the Fair Labor Standards Act of 1938. No person employed under section 206(c) shall perform work of the type to which the Bacon-Davis Act (40 U.S.C. 276a—276a-5) applies.

(c) Any recommendation by the President for legislation to implement any program under this Act or the Employment Act of 1946 requiring the use of funds under such Acts, and submitted pursuant to the requirements of such Acts, shall contain appropriate wage provisions based upon existing wage standard legislation.

DEFINITION

SEC. 403. For the purposes of utilizing the programs and policies toward reducing the amount of unemployment under this Act and the Employment Act of 1946, the term "State" includes the several States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, the Northern Marianas, and American Samoa.

AUTHORIZATION OF APPROPRIATIONS

SEC. 404. There is authorized to be appropriated such sums as may be needed to carry out the provisions of this Act and of the Employment Act of 1946. Nothwithstanding any other provision of this Act or of the Employment Act of 1946, no such provision shall be construed to require expenditures in excess of amounts appropriated pursuant to such Acts.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS OFFERED BY MR. HAWKINS

Mr. HAWKINS. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. HAWKINS: At the end of the bill, add the following new section:

EFFECTIVE DATE

SEC. 405. The provisions of this Act, and the amendments made by this Act, shall take effect on October 1, 1978.

In the table of contents for the bill, insert the following new item after the item relating to section 404:

SEC. 405. Effective date.

On page 104, line 22, strike "affirmative action" and insert in lieu thereof "positive results".

Mr. HAWKINS. Mr. Chairman, these amendments are merely clarifying.

Mr. Chairman, the first amendment merely makes the act effective on October 1, 1978, and this is to conform with the Congressional Budget Act of 1974. This amendment honors a commitment which we have made to the Committee on the Budget that the effective date will be subject to the act.

The second amendment merely clarifies the language which is found on page 104 relating to the enforcement of that provision and which uses the words:

. . . achieves affirmative action in both the quantity and quality of jobs . . .

That language has led to some misunderstanding, so we have inserted what the original intent was, and that is "positive results" in place of "affirmative action."

Mr. Chairman, that is the effect of the amendment. It substitutes "positive results" for "affirmative action."

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I rise in support of the amendments offered by the gentleman from California (Mr. HAWKINS), and on this side we accept the amendments.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from California (Mr. HAWKINS).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. DODD: In section 401 of the bill, insert at the end of subsection (a) the following new sentence: "Any prohibition against discrimination with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.".

Mr. DODD. Mr. Chairman, my amendment is a very simple and straightforward one. It would insure that the handicapped are extended the same protections under the Full Employment and Balanced Growth Act as they currently have under the Revenue Sharing Act, the Comprehensive Employment and Training Act, and many other Federal statutes.

I have discussed this matter with my distinguished colleague from California (Mr. HAWKINS) and he has informed me that he will support this amendment and in fact that it was an oversight that the handicapped were not included in section 401 of the bill as reported.

Since the enactment of the Rehabilitation Act of 1973, the handicapped have enjoyed the promise of protection against discrimination in programs or activities receiving Federal financial assistance. Unfortunately, it was not until May of 1977 that regulations implementing section 504 of the Rehabilitation Act were signed and this promise became a reality.

While in the past there has been considerable foot-dragging by the executive agencies in implementing these protections for the handicapped, the Congress has consistently supported including the handicapped among those protected against discrimination. Both the majority and the minority versions of legislation now pending in the Subcommittee on Civil and Constitutional Rights of the Committee on the Judiciary contain provisions which would include the handicapped among those groups already protected against discrimination in employment and housing by the Civil Rights Act.

Mr. Chairman, I believe it is clear that my amendment is consistent with other legislation passed by the Congress. The time is long past that the Congress can fail to recognize the discrimination suffered by our Nation's more than 35 million handicapped citizens. I urge my colleagues to support this amendment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. DODD. I would be delighted to yield to the chairman of the subcommittee.

Mr. HAWKINS. Mr. Chairman, I wish to commend the gentleman for offering this amendment. We think it is a very excellent one, and we are willing to accept it.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I am glad to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I would like to commend the gentleman in the well for offering this amendment. It seems to me the amendment strengthens this section of the bill, and we are glad on this side to accept the amendment.

Mr. NOLAN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Minnesota.

Mr. NOLAN. Mr. Chairman, I want to commend the gentleman from Connecticut (Mr. DODD) for offering this amendment.

Mr. Chairman, sometime ago, an opponent of this bill told Senator Humphrey to his face that full employment was nothing but an overpromise and that this government ought not to become an advocate for overpromises, Hubert looked him in the eye and he said:

My friend, the Sermon on the Mount was an overpromise. The Ten Commandments was an overpromise. The Declaration of Independence and the Constitution are over-

promises. The good Lord and the Founding Fathers all realized that we don't get anywhere without goals and without a commitment and a promise to do better.

Mr. Chairman, that is the Humphrey-Hawkins bill in a nutshell. This is not a cure-all or an end-all. This is the beginning of a long, hard road toward eliminating the tragic, debilitating, dehumanizing spectrum of unemployment from our land—and a recognition of the fact that a job ought to be a human right as much as a responsibility.

There are 11 million people in this country today who cannot find jobs;

Whose educations are being wasted;

Whose talents are being wasted;

And who are draining the Federal treasury of $50 to $60 billion every year because they cannot pay taxes and because they are forced to live on welfare paid for by those who are working and who do pay taxes.

There is not, I would venture to say, a single member of this body who has not made a commitment to ending waste and to curbing inflation.

If you have made that commitment, then you have an obligation to vote for this bill and to go on to make it work. Because the way to end waste and the way to end inflation is to put this entire country back to work—

Repairing the railroads;

Filling the potholes;

Manning the assembly lines and the offices;

The farms and the great industrial factories; and

Fulfilling unmet human needs.

Hubert Humphrey, when he spoke before this body, challenged us to be visionaries—to act boldly to meet the great challenges of this age. There will be no finer legacy to this great leader in this Chamber than to heed his advice, to follow his lead, and to pass the Humphrey-Hawkins bill overwhelmingly.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Connecticut (Mr. DODD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROYBAL: Page 104, after line 23, add the following new subsection:

(e) The membership of the advisory board or boards established pursuant to section 10 of the Employment Act of 1946 (as added by section 111 of this Act) shall include a representative cross-section of the ethnic minority population of the United States, including Hispanic-American members.

Mr. ROYBAL. Mr. Chairman, this is a very simple amendment. It merely guarantees that the membership of the advisory board or boards include a representative cross-section of the ethnic population of the United States.

I also added to that these words: "Including Hispanic-American members."

I do that, Mr. Chairman, because as we look at other legislation, we find that the words, "Hispanic Americans," are not present. The Civil Rights Act, the Equal Opportunities Act, and the affirmative action programs or acts do not contain the words, "Hispanic Americans." It is for that reason that I wish to add them at this time.

Because the words have not been included in other legislation, we find that the employment of Hispanic Americans in the Federal Government leaves a great deal to be desired. As an example, in the Federal Government at the present time only 3.4 percent of those under civil service have Spanish surnames. It is true that there has been an increase of seven-tenths of 1 percent in 12 years. At that rate it will take approximately a hundred years for this group to even reach parity. To continue the practice of increasing employment within the Federal Government by only seven-tenths of 1 percent every 12 years is unfair and unjust.

It is for that reason, Mr. Chairman, that I think it is most important that this amendment be adopted, and I urge the Members of the House to adopt this amendment at this time.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from California.

Mr. HAWKINS. I thank the gentleman for yielding.

Mr. Chairman, I am very glad to commend my distinguished colleague, the gentleman from California (Mr. ROYBAL), for offering this amendment. We are willing to accept the amendment on this side.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Mr. Chairman, I rise to commend my colleague, the gentleman from California (Mr. ROYBAL), for offering this amendment. There is no question that some of the greatest contributions to the Southwest in this country have been made by Mexican-Americans, and certainly they are a force that have a lot to contribute to the future of this country. They should certainly be represented on these boards.

Mr. ROYBAL. I thank the gentleman from Texas for his remarks.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding, and I want to compliment my colleague for offering this amendment. I think it is an important addition to the bill, and I join in supporting it.

Mr. LAFALCE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of this bill, a considerably different bill from that which we considered in 1975 and 1976, and even considerably different from the version reported in press accounts in November of 1977.

I had many serious reservations about the earlier versions of this bill. I am pleased that the objections strongly expressed by myself and many other individuals to those earlier versions were listened to and have resulted in our having before us today a vastly improved bill.

I wondered what was in the mind of Charlie Schultze when he supported this bill, as I know he vigorously opposed the earlier versions. Upon reading the bill in its revised form, after it was reintroduced in February of this year, it was obvious that Schultze must have had a large hand in redrafting it. It met virtually each and every one of his, and my objections.

Although this legislation retains the same bill number, H.R. 50, the content is very, very different from what it was. It is a similar situation to urban renewal, in a way. A store may be demolished, a new one built, and yet the street address remains the same. Further, the new store might retain the same name. Unfortunately, I think a good many individuals opposing the bill before us today are doing so because it has the same number, H.R. 50, and the same name, Humphrey-Hawkins, without regard to its content. They would do well to remember what Oliver Wendell Holmes once said:

A word is not a crystal, transparent and unchanged, it is the skin of a living thought and may vary greatly in color and content according to the circumstances and time in which it is used.

Let us look both at my earlier concerns, and the content of today's bill.

First, the earliest version of Humphrey-Hawkins in January 1975, mandated the creation of jobs—it was really a job bill, and primarily a public sector jobs bill. Today's bill, even according to its author, is not a jobs bill, it is a policy bill, it sets goals, but it does not mandate any specific type of public sector jobs approach.

Second, I was concerned that the earlier version of Humphrey-Hawkins emphasized Government as the employer of last resort, without seeming to recognize that the private sector should be the employer of first resort. Today's bill does what I want it to do. It creates a priority. It says that our approach toward the reduction of unemployment must, in the first instance, be through the private sector. Only after we exhaust our remedies to stimulate the growth of private sector jobs shall we turn to other approaches. Even then, today's bill specifies that our second priority must again be private sector jobs, this time, though, with Federal assistance.

For the first time, Mr. Speaker, because of this bill, I will be able to go to my friends who advocate public jobs creation and say to them: It is the declared legislative policy of the United States that we must first do everything possible to create jobs through the private sector.

I cannot emphasize enough the importance of this section of the bill.

Third, Mr. Speaker, I was concerned in 1975 and 1976 at the establishment of a numerical mandate for overall unemployment of 3 percent within a 4-year

period. In 1975, however, our national unemployment exceeded 9 percent. In 1976 it was almost 9 percent. The old Humphrey-Hawkins bill would have had us reach a 3-percent overall unemployment rate within 4 years. I thought that unrealistic.

But, Mr. Chairman, today is March 16, 1978, not March 1975, or 1976. Our Nation unemployment rate is now slightly over 6 percent, not 9 percent. And today's bill sets as a goal, not a mandate, the achievement of overall unemployment of 4 percent within a 5-year period. There is a big difference between mandating something, and setting a goal. It is a lot different and easier trying to get from about 6 to 3 percent in a 5-year period, then it is getting from 9 to 3 percent in a 4-year period. I find today's approach much more reasonable, realistic, and desirable.

Fourth, Mr. Chairman, I have been concerned because of those who say the bill does nothing, that it only sets goals. But upon reflection, I realized that it has only been when I have set specific goals, either for myself or my office, that I have been able to accomplish things. In a sense, it is exactly what business does today. Business sets goals. Business sets profit goals, sales goals, earnings goals, dividend goals, every kind of goal. The latest trend in management technique is called—MBO—management by objective. Fancy labels aside, the basic fact is—if you want to accomplish something, set goals.

In this respect, Government should emulate business: it should set goals and make plans for the future. Almost every other Western country uses economic goal setting and planning in one way or another, in order to accord the country involved a sense of where they are going and where they should go. This type of planning does not mean interference by the government in the private sector of the economy; indeed, it can result in greater freedom for the free enterprise system, by ending the irksome practice of constant shifts by the Government as it tries to adjust to different circumstances without a firm aim in sight. The adoption of long-term economic goals, as envisioned in this bill, accords the private sector the necessary foreknowledge of what the Government intends to do in the future. In 1971, when I was a member of the New York State Senate, the State legislature adopted a 5-year plan for these very reasons. Would that New York State did that 10 years earlier. It is high time that the same thing be done by the U.S. Congress on the national level.

Fifth, Mr. Chairman, I have been concerned at the possibility of passing a bill that would be a hoax, a bill that would create unfulfillable expectations. I am now satisfied that today's bill does not do that. In large part, this is due to the extensive coverage given it by the news media which have printed so many excellent analyses, discussions, debates, and explanations of the bill these past few weeks. I found everyone who favored the bill saying—it mandates nothing, it only sets goals and priorities; it does not create jobs, but calls for national attention to the problems of unemployment, and so forth. No, Mr. Chairman, I do not think, given the great amount of attention and analysis of this bill and present public understanding of it, that any reasonable person will be misled by it.

Another aspect of this criticism is that the bill is meaningless because it is only symbolism. But symbolism is not necessarily wrong, Mr. Chairman. I believe that symbolism can be very important, just as the Supreme Court ruled, when it declared that our flag may not be used in an irreverent manner because of what it symbolized. A symbol can also reflect and almost always does reflect an underlying attitude of a group or of a whole people. It is precisely here that the new Humphrey-Hawkins bill does service to our Nation, in that it dedicates our country to expurgating two of the greatest evils in our economy—unemployment and inflation, and in a way that goes a good deal beyond that of the Employment Act of 1946. It is always good to remember that from symbolism can come much reality and that without the proper attitude nothing great or even positive will be accomplished.

Sixth, Mr. Chairman, I was concerned that since the bill carried the same number, H.R. 50, and the same name, Humphrey-Hawkins, that it might be divisive and pit labor against management regardless of its content. Quite simply, it has not. Business interests have been virtually silent on this new bill, because they really do not object that strenuously to it at all. Small business organizations that usually are adamantly and vehemently opposed to any labor-backed legislation have remained silent on this bill. By their silence, they have almost acquiesced. Some, such as the Small Business Service Bureau, Inc., have come out in favor of it. Indeed, the Business Roundtable, not only has not come out in opposition to the bill, but it has come to the brink of endorsing it. At the very least then, I have perceived no divisiveness between labor and management on this bill as I at one time feared.

Seventh, Mr. Chairman, under the early versions, I was concerned that all other considerations would be sacrificed to providing jobs at any cost. Since I have been concerned about bringing the concept of productivity to the forefront of our national consciousness, I feared productivity efforts would be submerged. I was proud to be a coauthor of the law that created the National Center on Productivity, but have continued to feel that our commitment to improve productivity has not been adequate enough. Today's bill places improvement in our productivity on the highest level of priority. It demands that the President set goals for productivity growth. This is an extremely important part of the bill.

Eighth, Mr. Chairman, I have been concerned that our country, when developing economic policy, has not given adequate enough attention to capital formation. I am pleased that the final version of H.R. 50 had addressed this problem. As chairman of a subcommittee concerned with small business capital and investment, I am most conscious of our inattention as a Nation to this pressing area. Today's bill includes a section that calls for high rates of capital formation. It reads as follows:

FORMATION OF PUBLIC AND PRIVATE CAPITAL

SEC. 207. (a) The Congress finds that—

(1) promotion of full employment and balanced growth is in itself a principal avenue to high and sustained rates of capital formation;

(2) high rates of capital formation are necessary to ensure adequate rates of capacity expansion and productivity growth;

(3) an important goal of national policy shall be to remove obstacles to the free flow of resources into new investment; and

(4) while private business firms are, and should continue to be, the major source of investment, the investment activities of the Federal Government, and State and local governments, play an important role in affecting the level of output, employment, and productivity and in achieving other national purpcses.

(b) The Economic Report of the President under the Employment Act of 1946 shall, as appropriate, review and assess existing Federal programs and policies which affect business investment decisions, including but not limited to, the relevant aspects of the Internal Revenue Code of 1954, Federal regulatory policy, international trade policy, and Federal support for research, development, and diffusion of new technologies. The Economic Report also shall assess the effect of the overall economic policy environment and the rate of inflation on business investment. The President shall recommend, as appropriate, new programs or modifications to improve existing programs concerned with private capital formation.

(c) The Economic Report referred to in subsection (b) shall review and assess, to the extent appropriate, Federal policies and programs which directly, or through grants-in-aid to State and local governments, or indirectly through other means, affect the adequacy, composition, and effectiveness of public investments, as a means of achieving the goals of this Act and the Employment Act of 1946. The President shall recommend, as appropriate, new programs and policies or modifications to improve existing Federal programs affecting public investment.

Ninth, Mr. Chairman, because of my continued concern about our fight against inflation, I was not pleased with early versions which were inattentive to setting a balanced relationship between inflation and unemployment. Today's refined bill establishes in law the principle that we shall, as a matter of national policy, use every weapon in our possession, short of wage and price controls, in order to fight and control inflation. To be sure, I also favored, voted for, and preferred the defeated Jeffords and Sarasin amendments, which would have set a numerical goal of 3 percent; but, with the addition of the Wright substitute, which, incidentally, was drafted in large part by the Business Roundtable, the President will have to establish yearly goals for price stability, another way of saying, inflation goals. And so, I believe we will be much better off with this bill, and it's anti-inflation policy, than we would be without it. The President now will have to declare numerical goals for price stability, on a yearly basis, and such goals must exist along with the legislatively established unemployment goals.

By doing this, Mr. Chairman, we are rejecting the Nixon-Ford economic policies which said that unemployment is

an acceptable way of fighting inflation. We are saying that we must find ways to fight both, simultaneously, and that there can be no acceptable trade-off between the two.

Which leads me to my tenth, and final point, Mr. Chairman. I have always said that one of the best ways to fight unemployment and inflation simultaneously is to adopt a national policy of targeting. Today's bill does that.

Today's bill specifically says that—

The President shall encourage new private sector production and employment to locate within distressed localities and regions with substantial unemployment. Any regional employment proposal of the President shall also include an analysis of the extent to which Federal tax, expenditure, and employment policies have influenced the movement of people, jobs, and industry from chronic high unemployment regions and areas, and proposals designed to correct Federal policies that have an adverse economic impact upon such regions and areas.

Mr. Chairman, that is targeting, if I ever heard it, and that is now national policy, and that is the kind of national policy that is going to help both our country and, in particular, western New York.

Certainly I have some reservations about parts of this new bill but I do not know of any bill that I have ever voted on which I did not have some reservations. In particular, I would have preferred a specific legislative goal of 3 percent inflation, and I think the 100-percent parity provision is unconscionable. However, I am afraid that the parity provision will be killed by the Senate and dropped in conference. On balance, therefore, I feel that the good achieved in this new bill far, far outweighs my reservations about it, and that it serves our country well.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. ROYBAL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: Page 105, beginning on line 5, strike out "equal wages for equal work" and insert in lieu thereof the following: "not to exceed the minimum wage for a workweek of forty hours, as provided under section 6 of the Fair Labor Standards Act of 1938, or if higher, not more than the applicable State or local minimum wage".

Page 105, line 14, strike out "less" and all that follows down through "1938" on line 21 and insert in lieu thereof "more than the minimum wage for a workweek of forty hours as provided under section 6 of the Fair Labor Standards Act of 1938, or if higher, not more than the applicable State or local minimum wage".

Page 106, beginning on line 2, strike out "appropriate wage provisions based upon existing wage standard legislation" and insert in lieu thereof "wage standards which are not in excess of those provided for in this section".

Mr. ROUSSELOT. Mr. Chairman, I have at the desk an amendment to provide that any last resort public service jobs be paid no more than the minimum wage. This language would strike the so-called equal pay for equal work of section 402.

Let no one be fooled by section 402. Equal pay for equal work may sound nice, but in the public sector it represents nothing more than prevailing. The words equal pay for equal work are code words used by the Nation's municipal unions to require that any job be paid entry level bargained wages. In the State of Michigan, the lowest entry level wage rate exceeds $9,100 a year. To require that all future jobs be paid such wages would guarantee that public service jobs would always be more attractive than private employment and would draw thousands from existing private jobs into the public sector; and would in effect establish the principle that any minimum wage job is somehow beneath the dignity of Americans.

Mr. Chairman, this is the provision that Dr. Charles Schultz found so objectionable on earlier versions of H.R. 50. During committee hearings on this subject, he had severe difficulty in rationalizing his change in position.

I believe that we should make these public service jobs truly last resort. If we allow existing wage provisions to stay, they will become first resort and I do not believe that this is the purpose of the bill before us.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield for a clarification?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. HAWKINS. I thank the gentleman for yielding.

Mr. Chairman, I notice that the second part of the amendment on page 105, strikes everything down through line 21, and includes the year 1938. That strikes the prohibition against Bacon-Davis. I doubt if the gentleman wants to do that. Is that the intent?

Mr. ROUSSELOT. It was not my intent to do that.

Mr. HAWKINS. To strike Bacon-Davis?

Mr. ROUSSELOT. As it relates to the public sector, yes.

Mr. HAWKINS. Then the wording is simply defective, because 1938 does not appear in line 21, but rather, in line 17. But it is the intent to strike down through line 20?

Mr. ROUSSELOT. You are saying "line 20". In my amendment should read to "line 17"?

Mr. HAWKINS. To 21?

Mr. ROUSSELOT. I thank the gentleman for pointing out that defect, and I will change it at the appropriate time.

Mr. HAWKINS. I thank the gentleman.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there seems to be a little misunderstanding, about this amendment.

I asked the gentleman whether or not he intended to strike the language between lines 17 and 20 in the bill.

The bill at the present time has written into its provisions requirements to keep the jobs at the lower range, as close to the minimum wage as possible.

For that reason, Mr. Chairman, for example, in the section which the amendment attempts to amend, we have a prohibition against work of a type to which Bacon-Davis would apply. Now any jobs of the Bacon-Davis type which this amendment would seek to strike must pay prevailing wages.

Mr. Chairman, I am somewhat confused over why the gentleman, on the one hand, says that he wishes to keep the jobs at the minimum wage and then strikes the prohibition in the bill against the payment of prevailing wages under Bacon-Davis. The two just contradict each other.

Even if he had not done that, however, I would like to call to the attention of the Members the fact that in the bill at the present time, specifically, in this provision in which we are talking about the last-resort jobs, we have limited those jobs so that they would not become operative until two years after the effective date of the act. We have prohibited any attraction from the private to the public sector. We have said under that provision that the jobs shall be useful and productive jobs. Nonetheless, such jobs shall be mainly in the lower ranges of skills and pay; and toward this end, the number of reservoir jobs shall, to the extent practicable, be maximized in relation to the appropriation.

We have gone on to outline appropriate eligibility criteria which will limit the jobs as to the duration and as to the number of persons who would be economically dependent on those applying for the jobs, and we have tried to restrict the jobs much more than we have under any other provision in current law or in any of the proposed laws.

Mr. Chairman, what the gentleman's amendment will do will be to create another category of manpower programs.

Now, on the Comprehensive Employment and Training Act, wages that ranged all the way up to 7,000 or 8,000 are currently permitted. If we use that program rather than creating a new program, we could not use it under this amendment. We would have to create an entirely new program. I am quite sure that the gentleman would not want that.

In the welfare proposal we allow jobs which, if two individuals are working for the same employer and working alongside of each other, they shall be paid the same compensation, which is equal pay for equal work, which is the present law. It is nothing new. This amendment will strike what is the current law on the question of equal pay.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Michigan.

Mr. CONYERS. I would like to join in supporting the Chairman's position on the amendment, because this has been considered time and time again. We are not going to be paying excessive wages to those who will be working under the programs developed under H.R. 50. I read some additional language that the Chairman did not read, on page 83:

The Congress hereby establishes the policy that such new programs for reservoir projects shall be so designed as not to draw any workers from private employment to the reservoir projects thereunder.

I think the gentleman is absolutely correct, that we are not going to have that siphoning off from the private sector to the public sector. Obviously, that would defeat the purpose of this legislation, which is to reduce all unemployment, whether it be private or public. So, I join my chairman in opposition to the amendment.

Mr. HAWKINS. Let me just say—and the gentleman from California may respond to this also—I think he has agreed with me that these jobs should at least be useful and constructive, and should not be leaf-raking jobs. Yet, the gentleman's amendment says that the pay shall be not more than the minimum, which means that it can be less than the minimum. They are not even minimum wage jobs.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. ROUSSELOT and by unanimous consent Mr. HAWKINS was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield.

Mr. ROUSSELOT. As I stated previously, I wish to say to my colleague the amendment incorrectly struck out the provisions relating to Davis-Bacon. My intention was to leave the language in through "1938" on line 17.

Mr. Chairman, I ask unanimous consent that my amendment be changed to read "line 17" instead of "line 21."

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAWKINS. I thought in my question to the gentleman that he said he wished to include that. I agree to the clarification.

Mr. ROUSSELOT. I just merely say that I agree with the gentleman, that it was my intention to have the language beyond line 17 still included in the bill, which we left in my amendment by unanimous consent.

Mr. HAWKINS. May I simply say that, as I indicated, this amendment does not say they shall be at the minimum. It says they shall be not more than the minimum——

Mr. ROUSSELOT. Not to exceed the minimum wage.

Mr. HAWKINS. Not to exceed, which means that they could be much lower, and I think that is a very dangerous condition.

Mr. ROUSSELOT. Yes, they could be lower, but it is unlikely. My point is that if we are going to have the public sector unfairly competing with the private sector, by automatically allowing the prevailing wage rate, which may be very much higher than the minimum wage in many areas of the country. I think the gentleman from California recognizes that, considering his knowledge of youth unemployment, the minimum wage becomes an important factor, especially with entry-level type jobs in the public sector.

Mr. HAWKINS. I just cannot agree with the fact that this would in any way offer any protection. It would open up everything below the minimum, and I think that is a very dangerous correction. Any existing program or any proposed program, including the welfare reform proposal, does the same. I think in this instance we have limited the jobs, made it operative for 2 years, prohibited any opportunity to attract from the private sector to the public sector. We are, therefore, talking about only a few jobs.

The program would have to be made by this body; it would have to be authorized and set up by this body, and I would say that this body is not going to go hog wild in appropriating billions of dollars for that many public jobs. I think we have confidence in this body, since we have limited this and said that only in those instances where we have such a recession that we would have to reach this, at least we should keep this much flexibility.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 34, noes 65.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 106 add the following new title:

"TITLE V

"FIVE-YEAR AUTHORIZATION

"The provisions of this Act shall be effective for each of the fiscal years through September 30, 1983 unless extended beyond that date by Act of Congress."

The CHAIRMAN pro tempore. Before the Chair would entertain this amendment, the Chair would like to know if there are other amendments to title IV?

Mr. LONG of Maryland. Mr. Chairman, I wish to offer an amendment.

The CHAIRMAN pro tempore. The Chair would like to advise the gentleman from Maryland (Mr. BAUMAN) if his amendment were accepted at this time it would cut off the additional amendments. Would the gentleman withhold?

Mr. BAUMAN. Mr. Chairman, reserving my rights, as I think my amendment has already been put before the House, it would not cut off the gentleman from Minnesota who has a substitute for the entire bill, would it?

The CHAIRMAN pro tempore. The Chair would like to advise the gentleman from Maryland (Mr. BAUMAN) that the Chair feels that the rights of Members should be protected.

Mr. BAUMAN. The gentleman agrees.

The CHAIRMAN pro tempore. And for that reason the Chair would like to recognize the gentleman from Maryland (Mr. LONG) and then come back to the gentleman from Maryland (Mr. BAUMAN).

The Chair will protect the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. But in response to my question, the amendment has been laid before the House and unless it is withdrawn the gentleman from Maryland has a right to press the amendment, does he not?

The CHAIRMAN pro tempore. The Chairman would like to state to the gentleman that the Chair should have inquired of the gentleman from Maryland (Mr. BAUMAN) as to the nature of his amendment before extending recognition. The Chair would hope the gentleman would withhold his amendment at this time.

Mr. BAUMAN. But before making that judgment, the gentleman from Minnesota who has a substitute for the entire bill would still be in order; would he not?

The CHAIRMAN pro tempore. The gentleman is correct on that.

If the gentleman from Maryland insists, the Chair will present his amendment.

Mr. BAUMAN. No, Mr. Chairman, I do not insist and I withdraw my amendment in deference to the gentleman from Maryland (Mr. LONG).

The CHAIRMAN pro tempore. Without objection the gentleman from Maryland (Mr. BAUMAN) withdraws his amendment.

The Chair recognizes the gentleman from Maryland (Mr. LONG).

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: Insert at the end of the bill the following new section:

APPROPRIATE AND LIGHT CAPITAL TECHNOLOGIES

SEC. 450. (a) In the course of preparation of the Economic Report under the Employment Act of 1946, as amended by this Act, and in the course of preparing, proposing, and implementing structural economic policies and programs under title II of this Act (including counter-cyclical, regional, youth, job training and counseling, and capital formation programs) the President shall take such steps as may be necessary to assure consideration and utilization of the potential of appropriate and light capital technologies.

(b) As used in this section, the term "appropriate and light capital technologies" means technologies which—

(1) are small in scale, simple to install, and durable in operation;

(2) are labor rather than capital intensive;

(3) are not dependent on a highly centralized infrastructure for production, maintenance, or repair;

(4) make effective, efficient use of available and particularly of renewable resources;

(5) meet the needs of local communities and enhance the self-reliance of such communities; and

(6) enhance rather than degrade the environment.

In the table of contents of the bill, add after the item relating to section 404 the following:

SEC. 405. Appropriate and Light Capital Technologies

Mr. LONG of Maryland. Mr. Chairman, my amendment to request the President to take such steps as may be necessary to assure consideration and utilization of the potential of appropriate and light capital technologies, would help to solve the problem of providing full employment by stretching capital.

Our country's most crucial shortage is

the shortage of capital. A list of our capital shortfalls would run into the trillions of dollars; capital needed to rebuild our cities, fight poverty, combat pollution, modernize our steel mills, control floods, provide hospitals and homes for the elderly—all of these needs, if they could be properly met, would offer plenty of jobs for our unemployed. If we are to provide jobs for all, then we must stretch our supply of capital so that all workers can be equipped with the tools and materials to make them effective.

An appropriate or light capital technology is small scale and one which is labor, rather than capital, intensive. It makes the most efficient, effective use of available, renewable materials and local know-how, while meeting the end-use needs of the community.

The use of light capital or appropriate technology can help to lessen the demands on our scarce capital reserves and decrease the number of highly technical jobs for which the average unemployed person is not qualified. In the field of energy alone, the Ford Foundation's energy policy project concluded that a less energy intensive economy would reduce capital requirements and lead to an increase in the number of jobs.

New light capital businesses and industries would produce, market, install, maintain, and repair energy conservation technology such as new building insulation materials, heat pumps, and electronic controls for regulating energy use in buildings.

The main point I want to make here is that we do not have enough capital. The important thing is instead of piling too much of it in one corner of a field we want to spread it out. If you do fill up that one corner of the field then there is nothing to help us generate new jobs in the rest of the field.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, we have read and are familiar with the amendment offered by the gentleman from Maryland (Mr. LONG) and the gentleman has discussed it with us on this side and we accept the amendment.

Mr. LONG of Maryland. I thank the gentleman.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I want to commend the gentleman from Maryland (Mr. LONG) upon offering his amendment. I think it is an excellent amendment that will concentrate efforts in an area where it is needed.

Mr. LONG of Maryland. I thank the gentleman for his comments.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, let me say that I will accept the amendment offered by the gentleman from Maryland (Mr. LONG) but I will be darned if I can understand it.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I will yeld to the gentleman from California (Mr. BROWN); maybe the gentleman from California can do a better job of explaining it than I have.

Mr. BROWN of California. Mr. Chairman, let me state that similar language has been inserted in other legislation before this House, which the House has accepted and passed including the AID bill. I want to commend the gentleman in the well for the efforts he has made in that connection and in his efforts to assist the underdeveloped nations of the world by focusing on the importance of appropriate technologies to meet the needs of those nations.

Similar language is also in the Department of Energy bill and in a number of other pieces of legislation.

So far the experience that has been obtained with the emphasis on appropriate technologies has been uniformly good. I think that the experience would be similarly good if attention is paid to it in connection with this legislation which we are discussing and I commend the gentleman for bringing it to our attention.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding.

Is the gentleman aware that some of his language is already repeated in this bill in its over 60-some-odd pages? This is not a novel idea that we give emphasis to the problem of capital formation. We stated time and time again in the debate that the private sector would be given priority. We have said it so many times that to introduce this amendment at this late date suggests that the gentleman feels that it has not been emphasized sufficiently.

Mr. LONG of Maryland. This has nothing to do with the division between private and public capital formation. It is entirely different.

Mr. SARASIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think I will reconsider the comment I made earlier when I said I would accept the amendment. I am not sure this amendment does anything. As has just been pointed out by the gentleman from Michigan (Mr. CONYERS) we do talk about the need for capital formation in this bill. I do not understand how the gentleman from Maryland (Mr. LONG) makes the jump between the language in this amendment and his comments about heat pumps, insulation, and everything else. It would seem to me that this amendment would tell the President or have the President tell us that the Government will decide where capital is to be distributed in this country, and it would be restricted to light capital technologies. As I heard the gentleman from Maryland explain it, it seems to me that an example of light capital technology that fits the amendment, or at least fits this language, would take us back 250 or 300 years when everybody made their own shoes, made their own clothes, built their own tools to run their own farms. Beyond that, I do not think we can go with this language, and I think frankly we will not accept it.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

I have no proposal to take us back a couple hundred years but simply to use common sense combinations of factors if production in relation to their relative scarcities and prices. One example: It is proposed in Baltimore to build a $5 billion subway system. Another plan in Baltimore would make use of existing rail tracks for a rapid transit system for the whole city by putting extra track alongside the tracks that are already there; the whole thing to be done for $100 million to $200 million. Meantime, we have spent a billion dollars to build a subway that just covers 9 miles on one line out to one sector of the suburb.

Mr. SARASIN. If the gentleman would not object, I would reclaim my time.

Mr. LONG of Maryland. That is an example of what I am talking about.

Mr. SARASIN. That may be an example the gentleman has given, but it has nothing to do with this amendment. I do not know why I am getting so excited. We have added so many strange bits and pieces of the English language to H.R. 50 already, I suppose this does not hurt. It is like chicken soup, it may not help, but it will not hurt.

Mr. LONG of Maryland. What we are talking about here is spreading out our capital more evenly. Do not pile the fertilizer too high in one corner of the field.

Mr. SARASIN. I certainly do not want to be accused, Mr. Chairman, of having anything to do with piling the fertilizer in one part of the field. I will be very happy to let the gentleman from Maryland spread it all over the field, as he usually does.

Mr. Chairman, I yield back the remainder of my time.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the last word.

I would like to ask the gentleman from Maryland a question. I understand the gentleman's intent, I believe, but I want to clarify one point that concerns me. I assume there is nothing in this amendment which would encourage the DOT to lower its standards of highway construction. It has been said in the past that some complaints about the standards with which we require States to build highways or the Federal highway system causes them to put more money in construction. However, it would seem to me that one might not have the efficiency of the highway system we encouraged minimum standards to decrease capital investment in that area. In other words, if we go to lesser capitalization, it may in the long run cost the States more due to related increases in maintenance costs.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

If I understand the gentleman, I do not propose that we do anything that would turn out a product that would be less valuable or less safe.

All we are saying is that there is too much over-engineering. I think the gentleman knows that. We tend to move into things in a massive way, like we did in Vietnam, move in vast divisions and we have had a heck of a time dealing with an enemy that all they knew was a few guns and minor equipment and they seemed to do very well.

Sometimes you can use too much capital to accomplish something. The more capital you use in one place, the less you have for accomplishing somewhere else in another place.

Mr. GARY A. MYERS. I understand that. If one casts an eye toward investment of capital, he also must cast an eye toward the useful life of the product. If we only pay attention to the capital improvement and try to reduce it to the lowest possible level, we may be inflicting upon those using Federal programs a costly penalty for massive maintenance expenses in those programs.

Mr. LONG of Maryland. Mr. Chairman, if I can respond to the gentleman, that is why the word "appropriate" is used. We are not trying to do something that is inappropriate. We are just asking us to reach for our brains, instead of our pocketbooks, because we are doing much too much in this high-class economy reaching for our pocketbooks first. We think the solution is just spending more money. Sometimes if you use your brains, you can provide more jobs for people. We provide vast amounts of capital in one area, like our subways, and then have nothing somewhere else. We have millions of people unemployed in this country because we have used up too much capital in one part of the country and have nothing else left in the other parts.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and on a division (demanded by Mr. LONG of Maryland) there were—ayes 72, noes 6.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: on Page 106 add the following new title:

"TITLE V

"FIVE-YEAR AUTHORIZATION

"The provisions of this Act shall be effective for each of the fiscal years through September 30, 1983 unless extended beyond that date by Act of Congress."

Mr. BAUMAN. Mr. Chairman, this simply is a sunset amendment which the bill as reported by the committee does not contain. Several times this year and in the last several years this House has adopted similar amendments in bills creating new agencies, departments, and new programs that move in directions that a majority of the Members conclude should be reconsidered periodically. A similar provision was added to the bill creating the Department of Energy.

This particular legislation before us, I think even its authors would have to admit, is far-reaching in its concept and may well be even more far-reaching in practical scope. Anyone who doubts that has only to read the bill.

To add to that, there have been numerous amendments, the provisions of which are far-reaching, and we have no idea how they will be applied in the future.

It seems to me that since the bill is written in terms of a national 5-year plan, which has a certain historic ring to it, we ought to at least consider that at the end of that 5-year period there may be a need for some correction. Even Vladimir Ilich Ulyanov, better known as Nikolai Lenin, reached the conclusion, after his first 5-year plan, that he needed a new 5-year economic policy.

I think those in some future Congress might conclude the provisions of this bill may or may not have succeeded and sometime prior to the expiration date provided in this amendment decide that they want to extend it, perhaps amend it, or repeal it completely.

I know the argument may be made that this gentleman from Maryland is not in favor of this legislation and, therefore, this is a mischievous argument offered to damage the bill. I suggest to the Members that this does not in any way damage the bill. It only allows a chance for the Congress of the United States to review the issues at an appropriate time within that period of 5 years.

Mr. WEISS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I admire the capacity of the gentleman from Maryland (Mr. BAUMAN) to make the statement that he did with an absolutely straight face.

Sometimes in the course of debate, which has gone on now for the better part of a week, I think we have tended to forget that what we are talking about is an amendment to the Employment Act of 1946. That legislation has been in existence for some 32 years. This bill simply provides for an updating of that legislation.

In this bill there are no jobs provided, there are no programs as such, except for policy statements which are very critical and except for goals that are set. What the gentleman from Maryland is suggesting is that at the very time when those goals would have to be met for the first time, that is, in 1983, the bill would go out of existence.

Mr. Chairman, obviously what the gentleman is trying to do is to destroy this piece of legislation before it goes into effect, and I think we ought to defeat the amendment very quickly.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I must stress to the gentleman from New York (Mr. WEISS) the fact that it is not my intention to try to destroy this legislation, only to review it. If the gentleman will notice the language in the amendment, as it is drawn, it only allows the Congress to consider whether the legislation should be extended 3 months before George Orwell's 1984. I do not think that is unreasonable.

Mr. WEISS. Mr. Chairman, I suggest that the ultimate rationale of the gentleman from Maryland (Mr. BAUMAN) is, given some of the goodies that have been hung onto this legislation, that probably he is not willing to go straight out and oppose the legislation, and, therefore, he is trying to defeat it by indirection.

Mr. DERRICK. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, if we were to accept this amendment, it would be a very unsatisfactory way to do business. This amendment would end all provisions of this bill within 5 years.

There is substantial sunset legislation before both the Senate and the House, including a piece of legislation that I have introduced which has some 110 sponsors. That is the Legislative Oversight Act of 1978, and it would bring about the same results the gentleman from Maryland (Mr. BAUMAN) wishes to accomplish but, I believe, in an orderly manner within the congressional process.

Of course, the reason that a lot of the sunset legislation has not gotten any further than it has at this point is probably because it is very disruptive, and this particular amendment would be disruptive to this legislation.

Mr. Chairman, based on that argument, I ask that the amendment be voted down.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 216, not voting 22, as follows:

[Roll No. 162]

AYES—196

Abdnor	Collins, Tex.	Goldwater
Ambro	Conable	Goodling
Andrews, N. Dak.	Corcoran	Gore
Archer	Coughlin	Gradison
Armstrong	Crane	Grassley
Ashbrook	Cunningham	Gudger
AuCoin	Daniel, Dan	Guyer
Badham	Daniel, R. W.	Hagedorn
Bafalis	Derwinski	Hall
Barnard	Devine	Hamilton
Bauman	Dickinson	Hammer-schmidt
Beard, Tenn.	Dornan	Hansen
Bennett	Duncan, Tenn.	Heckler
Bowen	Edwards, Ala.	Hightower
Breaux	Edwards, Okla.	Hillis
Breckinridge	Emery	Hollenbeck
Broomfield	English	Holt
Brown, Ohio	Erlenborn	Horton
Broyhill	Evans, Colo.	Hubbard
Burgener	Evans, Del.	Huckaby
Burke, Fla.	Evans, Ga.	Hughes
Burleson, Tex.	Evans, Ind.	Hyde
Butler	Fenwick	Ichord
Caputo	Findley	Ireland
Carter	Fish	Jeffords
Cederberg	Florio	Johnson, Colo.
Chappell	Flynt	Jones, N.C.
Clawson, Del	Foley	Jones, Okla.
Cleveland	Forsythe	Kasten
Cochran	Fountain	Kazen
Cohen	Gammage	Kelly
Coleman	Gibbons	Kemp
	Glickman	

Ketchum	Myers, John	Skubitz
Kindness	Neal	Smith, Nebr.
Krebs	Nichols	Snyder
Lagomarsino	O'Brien	Spence
Latta	Panetta	Stangeland
Leach	Pettis	Stanton
Lent	Pickle	Steed
Levitas	Pike	Steiger
Livingston	Poage	Stump
Lloyd, Calif.	Pressler	Symms
Lott	Pritchard	Taylor
Lujan	Pursell	Thone
McCloskey	Quayle	Treen
McDade	Quie	Trible
McDonald	Quillen	Vander Jagt
McEwen	Railsback	Volkmer
McKay	Regula	Waggonner
McKinney	Rhodes	Walker
Mahon	Rinaldo	Walsh
Mann	Risenhoover	Wampler
Marlenee	Roberts	Watkins
Marriott	Rogers	White
Martin	Roncalio	Whitehurst
Mathis	Rousselot	Whitley
Mazzoli	Rudd	Whitten
Michel	Ruppe	Wiggins
Milford	Sarasin	Wilson, Bob
Miller, Ohio	Satterfield	Winn
Minish	Sawyer	Wolff
Mitchell, N.Y.	Schulze	Wydler
Montgomery	Sebelius	Wylie
Moore	Sharp	Young, Fla.
Moorhead, Calif.	Shipley	
	Shuster	

NOES—216

Addabbo	Eilberg	Moakley
Alexander	Ertel	Moffett
Allen	Fary	Mollohan
Ammerman	Fascell	Moorhead, Pa.
Anderson, Calif.	Fisher	Moss
	Fithian	Mottl
Andrews, N.C.	Flippo	Murphy, Ill.
Annunzio	Flowers	Murphy, N.Y.
Applegate	Ford, Mich.	Murphy, Pa.
Ashley	Ford, Tenn.	Murtha
Aspin	Fowler	Myers, Gary
Baldus	Fraser	Myers, Michael
Beard, R.I.	Fuqua	Natcher
Bedell	Garcia	Nedzi
Bellenson	Gaydos	Nix
Benjamin	Gephardt	Nolan
Bevill	Giaimo	Nowak
Biaggi	Gilman	Oakar
Bingham	Ginn	Oberstar
Blanchard	Gonzalez	Obey
Blouin	Green	Ottinger
Boggs	Hanley	Patten
Boland	Hannaford	Patterson
Bolling	Harkin	Pattison
Bonior	Harrington	Pease
Bonker	Harris	Pepper
Brademas	Harsha	Perkins
Brinkley	Hawkins	Preyer
Brodhead	Hefner	Price
Brooks	Heftel	Rangel
Brown, Calif.	Holland	Reuss
Burke, Calif.	Holtzman	Richmond
Burke, Mass.	Howard	Rodino
Burlison, Mo.	Jacobs	Roe
Burton, John	Jenkins	Rooney
Burton, Phillip	Jenrette	Rose
Byron	Johnson, Calif.	Rosenthal
Carney	Jones, Tenn.	Rostenkowski
Carr	Jordan	Roybal
Cavanaugh	Kastenmeier	Russo
Chisholm	Keys	Santini
Clay	Kildee	Scheuer
Collins, Ill.	Kostmayer	Schroeder
Conte	LaFalce	Seiberling
Conyers	Le Fante	Simon
Corman	Lederer	Sisk
Cornell	Leggett	Skelton
Cornwell	Lehman	Slack
Cotter	Lloyd, Tenn.	Smith, Iowa
D'Amours	Long, La.	Solarz
Danielson	Long, Md.	Spellman
Davis	Luken	St Germain
de la Garza	Lundine	Staggers
Delaney	McCormack	Stark
Dellums	McFall	Steers
Dent	McHugh	Stokes
Derrick	Maguire	Stratton
Dicks	Markey	Studds
Diggs	Marks	Thompson
Dingell	Mattox	Traxler
Dodd	Meeds	Tsongas
Downey	Metcalfe	Udall
Drinan	Meyner	Ullman
Duncan, Oreg.	Mikulski	Van Deerlin
Early	Mikva	Vanik
Eckhardt	Miller, Calif.	Vento
Edgar	Mineta	Walgren
Edwards, Calif.	Mitchell, Md.	Waxman
Weaver	Wirth	Young, Tex.
Weiss	Wright	Zablocki
Whalen	Yates	Zeferetti
Wilson, C. H.	Yatron	
Wilson, Tex.	Young, Mo.	

NOT VOTING—22

Akaka	Frenzel	Ryan
Anderson, Ill.	Frey	Sikes
Baucus	Krueger	Stockman
Brown, Mich.	McClory	Teague
Buchanan	Madigan	Thornton
Clausen, Don H.	Rahall	Tucker
	Robinson	Young, Alaska
Flood	Runnels	

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Akaka against.
Mr. Sikes for, with Mr. Baucus against.
Mr. Teague for, with Mr. Flood against.
Mr. Runnels for, with Mr. Rahall against.

Mrs. HECKLER changed her vote from "no" to "aye."

Mr. CONTE changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. QUIE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. QUIE. Have we reached the point where I can now offer my substitute?

The CHAIRMAN pro tempore. The gentleman is correct. The amendment in the nature of a substitute is now in order.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. QUIE: Strike out everything after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Economic Revitalization Act of 1978".

GENERAL FINDINGS

SEC. 2. (a) The Congress finds that Americans have suffered the cruel ravages of high inflation, an ever-increasing tax burden and and substantial unemployment and underemployment, idleness of other productive resources, and inadequate productivity growth, imposing numerous economic and social costs on the Nation.

(b) The Congress further finds—

(1) that unemployment is a personal tragedy, that the unemployed should be treated as people rather than just statistics and have adequate counseling and assistance looking toward retraining, if necessary, which will lead to permanent employment in the private sector of the economy;

(2) that maximum employment, reduced inflation, increased production and real income, and adequate productivity growth all accomplished under the free enterprise system are important national requirements that will promote the economic security and well-being of all citizens of the Nation;

(3) that business and industry are deprived, as a consequence of the circumstances described in subsection (a), of the production, sales, capital flow, and productivity necessary to maintain adequate profits, undertake new investment, create jobs, and contribute to meeting society's economic needs;

(4) that inflation is eroding the buying power of Americans, reducing their standard of living, and jeopardizing individual savings for family necessities and retirement;

(5) that an increasing tax burden coupled with high inflation places earnings in double jeopardy, as "tax bracket creep" moves wage-earners into higher brackets and inflation erodes the buying power of after-tax income, and as a result earnings buy less and the Government takes more in taxes;

(6) that job creation and capital formation in the private sector is inhibited by tax disincentives and a Federal tax program which discourages the savings and investment necessary to stimulate economic expansion; and

(7) that excessive deficit spending by the Federal Government fans inflation, boosts interest rates, crowds the private sector out of the money market, and reduces capital formation for economic expansion necessary to create permanent, nonsubsidized jobs.

(c) The Congress further finds that an effective policy to promote maximum employment, reduce inflation, increase production and real income, and provide adequate productivity growth should be based on the development of explicit policies by the President and Congress for the full use of the resources and ingenuity of the private sector of the economy.

TITLE I—AMENDMENTS TO THE EMPLOYMENT ACT OF 1946 ECONOMIC REPORT OF THE PRESIDENT

SEC. 101. Section 3(a) of the Employment Act of 1946 is amended to read as follows:

"Sec. 3. (a) The President shall transmit to the Congress not later than January 20 of each year an economic report (hereinafter called the 'Economic Report') setting forth current and foreseeable trends in employment and unemployment, with particular attention to private sector employment and unemployment; the rate of inflation; the Federal tax burden both corporate and individual; real income; farm income; purchasing power; Federal deficits, energy consumption, and levels of energy imports; and other indices which will assist the Congress in determining the health of the economy.

"(b) To assure that the Congress pursues a balanced approach to reach the full economic health of the nation, the President shall transmit to the Congress annual numerical goals, and the programs and policies which he or she deem necessary, consistent with achieving within five years after the date of enactment of the 'Economic Revitalization Act of 1978', the following:

"(1) a reduction in unemployment without the use of public service employment, among Americans age 16 and over to not more than four per centum of the labor force and a reduction of unemployment among Americans age 20 and over to not more than three per centum of the labor force;

"(2) an annual rate of inflation, without the use of any control of wages or prices in the private sector, not to exceed three per centum;

"(3) a reduction of the Federal tax burden to a level not greater than the Federal tax burden during calendar year 1965;

"(4) obtaining farm income at not less than 100 per centum of parity at the marketplace;

"(5) the balancing of the Federal budget;

"(6) the reduction of minority youth unemployment age 16 to 24 to that of nonminority youth and unemployment among all youth age 16 to 24 to that among adult males age 24 and over.

"(c) In setting forth the goals and programs and policies specified in subsection (b), the President shall present an analysis of:

"(1) the effect of inflation on the real income of Americans, on marginal tax rates, and the percentage change of tax returns filed in each bracket and the effects of such

changes on employment, real income and purchasing power;

"(2) the effect of unemployment, employment, idleness of other productive resources, inadequate productivity growth, declining real income, Federal deficits, and inflation on private sector productions, sales, capital flow, productivity, new investment, job creation;

"(3) and the cost of such unemployment to the American people in terms of increased Federal outlays, loss, of personal income, health and other related costs and other such costs;

"(4) the extent to which Federal policies encourage or discourage business investment in areas of high unemployment;

"(5) any other analysis which the President deems necessary to further describe the state of the economy and justify the specific recommendations called for in subsection (b).

"(d) For the purposes of this section,

"(1) the percentage rate of unemployment shall be the rate of unemployment as a percentage of the civilian labor force as set forth currently by the Bureau of Labor Statistics in the Department of Labor, except that such shall not include any individual hired into public service employment,

"(2) the term 'public service employment' includes employment in any public service employment or training program authorized by any Act of Congress, such as the Comprehensive Employment and Training Act of 1973, or any other new program in training authorized by this or any other Act of Congress which provides employment or training in the private sector in excess of the permanent public work force,

"(3) the term 'inflation' shall mean that the rate of increase in consumer prices as measured by the Consumer Price Index as set forth currently by the Bureau of Labor Statistics in the Department of Labor,

"(4) the term 'Federal tax burden' shall by the ratio of the total Federal tax collections in a calendar year to national income for such year as such term is used in the income and products accounts of the United States as published by the Department of Commerce.

COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 102. Section 4(a) of the Employment Act of 1946 is amended to read as follows:

"SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the "Council"). The Council shall be composed of three members who shall be appointed by the President, by and with the advise and consent of the Senate, and each of whom shall be a person who as a result of his training, experience, and attainments is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend national economic policy to promote full employment, production and purchasing power under free competitive enterprise, and specifically a program to determine the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and the percentage change of tax returns filed in each bracket, the level of employment, production, real income, farm income, the Federal deficit, and purchasing power under free competitive enterprise and to assist the President in developing the goals and policy recommendation set forth in section 3. The President shall designate one of the members of the Council as Chairman".

TAX IMPACTS OF INFLATION

SEC. 103. (a) Paragraph (2) of section 4 (c) of the Employment Act of 1946 is amended to read as follows:

"(2) to gather timely and authoritative information concerning economic trends, both current and prospective, including the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and percentage of tax returns filed in each bracket, the levels of employment, production, real income, farm income, purchasing power, and federal deficits, to analyze and interpret such information in the light of the policy declared in section 2 for the purpose of determining whether such developments and trends are interfering or are likely to interfere, with the achievement of such policy and to compile and submit to the President studies relating to such developments and trends;".

(b) Paragraph (4) of section 4(c) of the Employment Act of 1946 is amended to read as follows:

"(4) to develop and recommend to the President national economic policies to foster and promote a program to determine the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and the percentage change of tax returns filed in each bracket, the level of employment, production, real income, farm income, purchasing power, Federal deficits and to promote free competitive enterprise, to avoid economic fluctuations or to diminish the effects thereof and thus to maintain employment, production, purchasing power and full farm income, and a balanced Federal budget;".

TITLE II—ESTABLISHMENT OF A PRESIDENTIAL TASK FORCE ON YOUTH UNEMPLOYMENT

GENERAL FINDINGS

SEC. 201. The Congress finds that—

(1) notwithstanding improved economic growth and a continuing reduction in the overall rate of unemployment, youth unemployment continues to represent nearly half of overall unemployment and the rate of such unemployment has not been reduced;

(2) existing structural policies have been ill designed and ineffective in reducing youth unemployment; and

(3) the reduction in the rate of unemployment among the young, but particularly minority youth, would greatly alleviate and reduce the overall rate of unemployment.

PRESIDENTIAL TASK FORCE ON YOUTH UNEMPLOYMENT

SEC. 202. (a) There is hereby established in the Executive Office of the President a Presidential Task Force on Youth Unemployment, hereafter referred to as the "Task Force", to furnish recommendations to the President pursuant to section 103, which shall consist of eleven members appointed by the President, by and with the advice and consent of the Senate. Two of the members shall be representatives of business but shall be selected on the basis of their experience and knowledge of the labor market problems of youth, particularly in regards to wage and employment standards, collective bargaining agreements, and other such factors, and who have worked with labor in developing employment and training efforts for youth. Two of the members shall be representatives of labor, but shall be selected on the basis of their experience and knowledge of labor-sponsored apprenticeship and other such youth programs, wage and employment standards, collective bargaining, and who have worked with business in providing employment and training opportunities for youth. Two members shall be representatives of State and local government, but shall have had experience in carrying out the provisions of section 327(a)(3), section 327(b), section 342(a)(3)(b), and section 352(3)(A) of the Comprehensive Employment and Training Act. Three members shall be from the public at large, but one will either represent youth and have a thorough knowledge and understanding of the labor market problems of youth or shall represent an organization which has a special understanding of the labor market problems of youth, and one who shall have a special understanding of the labor market problems of rural youth. In addition, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall serve as members of the Task Force.

(b) Except when six members of the Task Force shall vote to hold an executive session for a particular purpose, the Commissioner of Labor Statistics, the Director of the Bureau of the Census, the Chairman of the National Commission for Manpower Policy, the Chairman of the Council of Economic Advisers, the Chairman of the National Commission on Employment and Unemployment Statistics, or in each case a designee, shall assist and participate in the hearings, deliberations and preparations of Task Force recommendations.

(c) The President shall designate a Chairman from among the appointed members of the Task Force.

(d) The Chairman, with the concurrence of the appointed members of the Task Force, shall appoint an executive director, who shall be the chief executive officer of the Task Force. The executive director may appoint, with the concurrence of the Chairman, such professional, technical, and clerical staff as are necessary to carry out the provisions of this section. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments to the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate of GS–18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Chairman, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. The Task Force may utilize such staff, with or without reimbursement, from the Department of Labor, the Department of Commerce, and such other appropriate Federal agencies as may be available to assist the Task Force in carrying out its responsibilities.

(e) The Task Force shall determine its own internal procedures, including the constituting of a quorum.

(f) The Task Force is authorized to accept and utilize voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 31, United States Code.

(g) Members of the Task Force who are not officers or employees of the Federal Government shall be paid compensation at a rate not to exceed the per diem equivalent of the rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Task Force, including traveltime; and, while serving away from their homes or regular places of business, shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as such expenses are authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

FUNCTIONS

SEC. 203. The Task Force shall—

(1)(A) identify the specific labor market problems of youth, but in particular minority youth;

(B) determine the extent to which existing structural policies of the government, including Federal, State, and local policies, work to mitigate such problems;

(C) identify the extent to which labor market barriers exist, including the effects of civil service, collective-bargaining arrangements, lack of education and training, and wage standards which create labor market problems for youth;

(D) identify the extent to which macroeconomic policies, such as tax and fiscal policy, have on labor market problems of youth, both nationally and regionally;

(E) identify long-range projections on labor market activity for youth;

(F) determine the extent to which the public education system relates youth to the labor market;

(G) determine the extent to which existing Federal programs, such as the Comprehensive Employment and Training Act, the Public Works Employment Act, contribute to alleviating the labor market problems of youth; and

(H) the extent to which federally mandated wage standards, such as those authorized under the Fair Labor Standards Act, the Davis-Bacon Act, Walsh-Healey, and the Service Contract Act contribute to the labor market problems of youth; and

(2) make a report to the President and the Congress within twelve months after the date of appointment of the first five members of the Task Force, which shall include:

(A) the findings of the Task Force under paragraph (1) and shall provide explicit programmatic recommendations to achieve the following:

(i) reduction of minority youth unemployment age sixteen to twenty-four to that of non-minority youth unemployment with five years; and

(ii) a reduction of youth unemployment age sixteen to twenty-four equivalent to that of adult males age twenty-four and over within five years;

(B) shall include recommendations for changes in macroeconomic and microeconomic fiscal and tax policies, in existing Federal and State employment programs;

(C) shall include a feasible schedule for the implementation of the Task Force recommendation, including a feasible schedule for their implementation, cost estimates and any appropriate draft regulations and legislation to implement such recommendations; and

(D) shall include recommended amendments to existing structural unemployment programs, such as those provided in the Comprehensive Employment and Training Act, the Public Works Employment Act of 1976, to redirect such programs to reducing the unemployment problems of minority youth in general.

ADMINISTRATIVE PROVISIONS

SEC. 204. (a) Each department, agency, and instrumentality of the Federal Government is authorized and directed to cooperate fully with the Task Force in furnishing appropriate information to assist the Task Force in carrying out its functions under this section.

(b) The head of each department, agency, or instrumentality of the Federal Government is authorized to provide such support and services to the Task Force, upon request of the Chairman, as may be agreed between the head of the department, agency, or instrumentality and the Chairman.

(e) There are authorized to be appropriated such sums and eighty days after submission of its final report as required under section 105 of this section.

(d) The Task Force or, on the authorization of the Task Force, any subcommittee or members thereof, may, for the purposes of carrying out the provisions of this section, hold such hearings, take such testimony, and sit and act at such times and places as the Task Force deems advisable. Any member authorized by the Task Force may administer oaths or affirmations to witnesses appearing before the Task Force or any subcommittee or members thereof.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

REPORT

SEC. 205. (a) Upon submission of the final report, the President shall take steps to ascertain the views of each affected executive agency, and shall make a report, so at the time of the next submission of the Economic Report required under section 3 of the Employment Act of 1946, but in no event later than January 20, 1980, which sets forth the President's recommendations for reducing youth unemployment. Such report shall comment on—

(1) the desirability, feasibility, and cost of implementing each of the Task Force recommendations and the actions taken or planned with respect to implementation; and

(2) recommendations with respect to any legislation proposed by the Task Force, the need for any alternative or additional legislation to implement the recommendations of the Task Force, and any other proposals to strengthen and reach the goals delineated in section 103(2)(B).

(b) In no event shall the President alter the established goal as outlined in section 10 (2)(B) and any change in the Task Force recommendations shall be made in furtherance of that goal However, the President shall establish for both minority youth unemployment and youth unemployment in general a specific numerical goal which in terms of labor-market tightness is equal to 3 per centum adult unemployment.

APPROPRIATIONS

SEC 206. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW

REVIEW OF ECONOMIC REPORT BY JOINT ECONOMIC COMMITTEE; ESTABLISHMENT OF SHORT-TERM CONGRESSIONAL GOALS

SEC. 301. (a) In conjunction with its review of the Economic Report, the Joint Economic Committee shall review and analyze the policies and programs recommended by the President and the short-term and medium-term goals under section 3(a)(2) and section 4(b) of the Employment Act of 1946, along with the statement of the Board of Governors of the Federal Reserve System transmitted under section 8 of that Act.

(b) On or before March 15 of each year, each legislative committee of the House of Representatives and the Senate shall submit to the Joint Economic Committee, for use by the Joint Economic Committee in conducting its review and analysis under subsection (a), a report containing the views and recommendations of the submitting committee with respect to aspects of the Economic Report which relate to its respective jurisdiction.

(c) Prior to consideration of the first concurrent resolution on the budget, the members of the Joint Economic Committee who are Members of the House of Representatives may report to the House, and the members of the Joint Committee who are Members of the Senate may report to the Senate, an amendment to said concurrent resolution incorporating such additions, alternatives and modications to the matters set forth in the resolution as the Joint Committee deems appropriate and in accord with the purposes of this Act and the Employment Act of 1946.

AMENDMENTS TO BUDGET ACT

SEC. 302. (a) Section 301(d) of such Act is amended—

(1) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9), respectively; and

(2) by inserting immediately before paragraph (2) (as so redesignated) the following new paragraph:

"(1) a summary analysis of the levels of revenues and budget authority and outlays designed to implement the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution;".

(b) Section 301(c) of such Act is amended—

(1) by striking out "Joint Economic Committee and" in the first sentence and

(2) by striking out the second sentence.

EXERCISE OF RULEMAKING POWERS

SEC. 303. The provisions of this are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House), at any time, in the same manner and to the same extent as in the case of any other rule of such House.

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, for several days now we have been debating this bill, and I hope by now it is clear that we are not debating full employment—we are debating the means of arriving at full employment. My Republican colleagues and I are for full employment, but not the full employment proposed in H.R. 50. We support full employment that is real; real full employment is accomplished by assuring that real wages will rise while taxes decrease; by assuring that the Government will spend less of its citizens' tax dollars; by assuring that our resources shall be directed toward permanent, long-term productive employment in the private sector; by assuring farmers that they will not be left out. We support full employment, but real full employment can be achieved only by addressing the problems in a more comprehensive way than that proposed in H.R. 50. Only by utilizing such a comprehensive approach can we deal with the multifacted nature of our current economic situation, and reclaim those resources which are most valuable, but are currently being wasted; namely, our people, and particularly our youth.

First, this amendment sets the goals of 4 percent unemployment among Americans age 16 and over and 3 percent among Americans age 20 or over. It specifies, however, that these goals shall be achieved without the use of public service employment. Clearly, it is not aiding the unemployment problem to shift people from one public payroll such as welfare, to another. The employment and unemployment figures with which we deal must accurately reflect private sector employment; to do otherwise would be to perpetrate another cruel hoax on the American people. We certainly recognize that public service employment has a valid role in the effort to find useful jobs—but it must not be an end in itself, nor should employment figures be distorted by including PSE participants in private sector figures.

Second, my amendment sets a goal, coequal to the above-mentioned unemployment goals, of an annual inflation rate not to exceed 3 percent. My colleagues from both sides of the aisle have agreed that there is no tradeoff; further agreement was reached in recognizing the impact of inflation not only on the unemployed and the elderly, but even on those who are employed. We must set aside our preconceived notions than an inflation goal is a partisan issue; certainly inflation affects us all, despite our political affiliation, and we must address it in any comprehensive approach to our economic problems.

A third goal, farm income at 100 percent of parity at the marketplace, is set by my amendment. There is no need to settle for the latest parity ratio, which stands at 66 percent. As recently as August of 1973, we not only reached 100 percent of parity, but 106 percent. Such a goal is attainable and desirable, and should be an integral part of any economic policy which is meant to deal with the problems of all Americans.

Achieving a balanced budget seems to be something we could agree upon as well—the fact that the President has promised to achieve a balanced budget by 1981 should serve to assure my reluctant colleagues that we are not imposing upon the President or ourselves some Republican pipedream. It is a challenge, to be sure, but one which we have avoided for long enough. There is a no more appropriate time, in my mind, to commit ourselves than now. A critical part of economic revitalization is the achievement of a balanced budget. Declaring our intent to cut back our spending of tax dollars not only is a step toward economic revitalization, but proves to the citizens of this country that we are indeed serious about reversing negative trends.

Another integral part of economic revitalization is tax reduction. As the gentleman from New York (Mr. KEMP) so succintly put it while addressing this body last week, we must work on the supply and production side of the economy, not just on the demand and consumption side. We must deal with the disincentives which currently exist for working and investing. We must enact permanent tax reductions, both corporate and individual, thereby rewarding personal savings, working, and business expansion—providing the necessary incentives to the private sector for creation of additional jobs.

Finally, the amendment seeks to achieve a reduction of minority youth unemployment age 16 to 24 to that of nonminority youth, and unemployment among all youth age 16 to 24 to that among adult males age 24 and over. Youth unemployment has remained critically high, even during months when the overall unemployment rate has remained steady or declined. Last month, youth unemployment climbed to over 17 percent, which is intolerable. My amendment, in addressing this structural unemployment problem, would establish within the Office of the President a Task Force on Youth Unemployment. The task force will identify the causes of youth unemployment and within 1 year after appointment, report to the President and Congress its recommendations for reducing minority youth unemployment.

This amendment which I have offered as a substitute to H.R. 50, addresses unemployment not in a vacuum, but as one part of a lagging economy, hampered also by inflation, high taxes, and a large deficit. It is a realistic approach to very real problems—and will lead us to real full employment. To oppose my substitute is to ignore the needs of youth, of farmers, of taxpayers, of the unemployed. I hope my colleagues will choose to stop shirking their responsibility and face these problems head on by adopting this comprehensive approach to the problems which have plagued us all for too long.

Mr. HAWKINS. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute offered by the gentleman from Minnesota (Mr. QUIE).

Mr. Chairman, I will take only a limited time, because I believe that the membership have been most patient and I believe that we are at the end now of a very long debate and that it will not be popular for me to extend that debate much longer.

The motives to substitute the Quie amendment's provisions for the bill I think should be thoroughly understood. All of the programs in title II of the bill will be stricken. These are structural policies and programs including public works, countercyclical programs, aid to State and local governments and the others which are designed to work in conjunction with the so-called macroeconomic policies, that is the fiscal and monetary policies of the Nation.

It has been demonstrated that we cannot accomplish the goal of limiting inflation and reducing unemployment by a broad economic policy such as fiscal and monetary ones who had seven tax reduction programs since 1960. They have stimulated the economy possibly for as long as 15 to 18 months, and then they have run their course and we have had to renew them. That is what has happened last year and this year as well, and I am anticipating maybe the same thing next year. So we have had to rely, in addition to these broad policies, on structural programs. This is the way of reducing inflation. We cannot do it otherwise, and it is a contradiction to say that one is for inflation and then not to agree to the reduction of those unemployment rates of certain groups and in certain geographic areas. It would not operate. It has not operated successfully in the past, and there is no reason why we should expect it to operate in the future.

In the past several days I think all of us have had an opportunity to vent our feelings, to state our positions, to take political positions, and we have done that. We have taken a position against inflation. We have supported and taken a position, a strong position, on a balanced budget. We have taken a position for full employment and for the other issues that probably all of us are going to be using in our campaign, and it seems to me that this is not the time to turn our backs and turn the country back to the early days of the 1930's. This is the time to go forward. I think the bill is balanced and structured to do that. There is something in the bill for everybody. The bill is a very strong private sector bill. The bill merely says that all of us will be willing to bind ourselves in order that each of us will help the other, and that is the nature of the bill.

I think despite some of the amendments that we have accepted, the bill is still a strong one. I ask the Members to support it. I think there is not a thing in this bill that would embarrass a single Member of this House. I think it is something that we will look forward to in the years ahead as having been a proud moment when we recommitted ourselves to the Employment Act of 1946, and that we will no longer have in the midst of this country a situation in which men and women will be fighting garbage in their alleyways as they did in the 1930's. We can go forward with a balanced economy, and it will help everyone, all Americans alike.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words, and I rise for the purpose of speaking in favor of the amendment.

Mr. Chairman, first I want to congratulate my good friend, the gentleman from California (Mr. HAWKINS), on his statement that he made, and also on the manner in which he has conducted the bill on the floor. The gentleman from California is a very able Member of the House, and he has certainly demonstrated his dedication to the principles of full employment on the floor. Again I congratulate him.

I do not think that the next statement I make will be applauded, at least not from both sides, because I now must give my true appraisal of the situation as we now see it. We have debated the bill. We have amended the bill. In fact, we have amended it to the point that those of us who have been here for a few years will recall that somebody would have come down to the well before the final vote and asked for an engrossed copy. An engrossed copy of a bill was asked for when the bill had been substantially amended so that it was very difficult for the Members to know exactly what was in it. I find this bill to be in that situation.

I do understand, however, that there is a substitute which is offered that I do understand and which is a good bill. It is a bill which addresses itself to the problem of unemployment, and it hits it by a rifle shot where it lies. Most of the areas of unemployment which are apparently unmanageable are in youth.

Youth, and without race, color, or creed, these are the people who are mainly the ones unemployed. The substitute amendment offered by the gentleman from Minnesota asks that a study be made for the purpose of determining the causes of youth unemployment and making recommendations to do something about it.

Now, I think that is important. I think that this is a very good basis upon which a bill should be built.

Also, the minority in its substitute offers a statement of principles, to which I commend the reading of everybody. It is a statement of principles which sets

forth our idea of what causes unemployment and what to do about it. We think that unemployment is caused by underinvestment in the economy, the fact there are too many people who do not have skills.

We will recall, those of us who have been here as long as I have, that the Manpower Training Act was a Republican motion to recommit offered by the gentleman from Missouri (Mr. Tom Curtis) back in 1962. Ever since that time we have been dedicated to the principle of manpower training, so that any individual who wants to work or is able to work can acquire a skill which is marketable. We believe in this and the substitute sets that forth as a principle.

We think that the way to take care of unemployment in this country is to make it possible for everybody to have a job in private enterprise. We do not believe in employment through the public sector. We think that a job in the public sector is no better than a palliative or even a bandaid, if you will, on the problems that an unemployed person has. Unemployment is a personal tragedy. It is a tragedy to the family. It is a tragedy to the individual. It is the cruelest thing that can happen to an individual in a free society. We want to do something about that. We think that the substitute does.

So, Mr. Chairman, I commend to the House the substitute offered by the gentleman from Minnesota. I hope it will be adopted so that when we finally vote, we will at least know what we are voting for.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the substitute amendment.

This brings us toward the end of a long struggle, a struggle that began back in January of 1974. For 4 years the gentleman from California, Mr. GUS HAWKINS, and together with him over most of that time that great American warrior for people, Hubert Humphrey, traveled the country, took testimony, listened to business, listened to labor, and listened to the heartbeat of the unemployed.

Now, finally we come to this historic day. It is the culmination of the labors, the dreams, the hopes, and the prayers of many; but among those, one stands out and that is that little giant from California, GUS HAWKINS.

I am so very happy that the minority leader took occasion to acknowledge the leadership that GUS HAWKINS has displayed as he brought this bill through the labyrinth, over the hurdles, and finally to the House floor and now through the briar traps that awaited it here.

I know that the gentleman from California appreciates the praise, but I believe he will appreciate even more the support that we are going to give the gentleman's labors.

Now, we have just had presented to us a substitute. The gentleman from Arizona, my distinguished friend, the minority leader, suggests that maybe we ought to vote for the substitute, because it is something the gentleman understands, rather than voting for the bill over which we have labored and which for the 2 weeks we have perfected and amended and modified and surely should understand much better. Surely, every Member of this House understands what is in this bill. I am not sure that I do understand what is in the substitute, except that to some extent it is a rehash of the amendments which earlier we in our collective wisdom have seen fit to reject.

The substitute would set a goal of going back to the taxes of 1965. That might in itself be a worthy goal. I do not know why the year 1965 may have been arbitrarily selected, but many changes have occurred, of course, in this Nation since 1965. Our gross national product has grown enormously. We have a different situation today.

Thomas Jefferson once said:

> We might as well require a man to wear yet the coat which fitted him as a boy as civilized society to remain forever under the regimen of their ancestors.

I believe that this House has worked its will. It has rejected amendments that were pernicious; it has barely rejected some amendments which I regarded as unwise; it has adopted amendments which in its judgment would improve the bill.

This is an historic bill. It ranks alongside that great landmark, the Full Employment Act of 1946. If there are those who believe that a statement of policy to which the Congress as an institution commits itself does no good, I invite their attention to the great sweeping changes for good that have occurred since 1946 when for the first time we established full employment as an official national goal.

The gentleman from Arizona (Mr. RHODES) says that he wants a "rifle shot" to treat the unemployed youth. This bill does that, and it also treats the unemployed at every age. It treats those who cannot find jobs, because of a lack of marketable skills; it treats the problems of the 40- and 45-year-olds who are suddenly thrown out of a job and find it hard to get one.

So I say that instead of a rifle shot for the unemployed, this substitute, if adopted, would be more like a rifle shot at the unemployed, because it would remove too many from the beneficial thrust of this legislation. What we seek today is a broad-based bill, a bill that recognizes the primacy of the private sector, a bill that recognizes the necessity to curb inflation, and a bill that recognizes the reality that a moving, growing economy, utilizing to its fullest capacity the industrial strength of this Nation, does fight inflation by keeping down the unit cost of production. These goals are in the bill. There is no need to narrow them.

So after all is said and done, the House has worked its will. We have perfected the bill to the best of our collective ability. Now let us give to the gentleman from California, GUS HAWKINS, and those who have labored so long the additional compliment of our support by rejecting this suddenly drafted, hastily conceived substitute and supporting the bill on final passage.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment in the nature of a substitute.

Mr. Chairman, I rise in strong support of the amendment in the nature of a substitute, because it targets on that area which all the statistics indicate is the area of need, and that is youth unemployment.

An analysis of statistics illustrates this graphically. Although no specific computer run has been made, the figures available indicate clearly that the bulk of the problem regarding the real seriously unemployed is the youth.

In January of 1978, total unemployment, including CETA jobs within that group, was roughly 7 million. If we subtract: those awaiting jobs, about 170,000; those unemployed 4 weeks or less, about 3 million; those seeking part time work about 1 million; and those that voluntarily left employment around 900,000, we are left with around 3 million seriously unemployed. Obviously, there are duplications and this figure would have to be adjusted accordingly, as would the youth unemployment figures.

With youth unemployment at around 1.6 million it is clear that the bulk of the problem lies with the youth of this country. That is the area that we should concentrate on. That is what the Quie substitute does. Let us help those that need the help the most. Why set up a whole elaborate structure to do what we already know needs to be done.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Minnesota (Mr. QUIE).

RECORDED VOTE

Mr. QUIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 137, noes 276, not voting 21, as follows:

[Roll No. 163]

AYES—137

Abdnor	Goldwater	Poage
Andrews, N. Dak.	Goodling	Pressler
Archer	Gradison	Pritchard
Armstrong	Grassley	Pursell
Ashbrook	Guyer	Quayle
Badham	Hagedorn	Quie
Bafalis	Hammer-schmidt	Quillen
Bauman	Hansen	Railsback
Beard, Tenn.	Harsha	Regula
Breaux	Hillis	Rhodes
Broomfie'd	Holt	Roncalio
Brown, Ohio	Horton	Rousselot
Broyhill	Hyde	Rudd
Burgener	Jeffords	Runnels
Burke, Fla.	Johnson, Colo.	Ruppe
Burleson, Tex.	Kasten	Sarasin
Butler	Kelly	Satterfield
Caputo	Kemp	Sawyer
Cederberg	Ketchum	Schulze
Clawson, Del	Kindness	Sebelius
Cleveland	Lagomarsino	Shuster
Cochran	Latta	Skubitz
Cohen	Leach	Smith, Nebr.
Coleman	Lent	Snyder
Collins, Tex.	Livingston	Spence
Conable	Lott	Stangeland
Corcoran	Lujan	Stanton
Coughlin	McCloskey	Steiger
Crane	McDonald	Stockman
Cunningham	McEwen	Stump
Dan'el, Dan	McKinney	Symms
Daniel, R. W.	Marks	Taylor
Derwinski	Marlenee	Thone
Devine	Marriott	Treen
Dickinson	Martin	Trible
Dornan	Michel	Vander Jagt
Duncan, Tenn.	Miller, Ohio	Walker
Edwards, Ala.	M'tchell, N.Y.	Walsh
Edwards, Okla.	Montgomery	Wampler
Emery	Moore	Whitehurst
Erlenborn	Moorhead, Calif.	Wiggins
Evans, Del.	Myers, Gary	Wilson, Bob
Fenwick	Myers, John	Winn
Findley	O'Brien	Wydler
Fish	Pettis	Wylie
Forsythe		Young, Fla.

NOES—276

Addabbo	Fountain	Murphy, N.Y.
Alexander	Fowler	Murphy, Pa.
Allen	Fraser	Murtha
Ambro	Fuqua	Myers, Michael
Ammerman	Gammage	Natcher
Anderson, Calif.	Garcia	Neal
	Gaydos	Nedzi
Andrews, N.C.	Gephardt	Nichols
Annunzio	Giaimo	Nix
Applegate	Gibbons	Nolan
Ashley	Gilman	Nowak
Aspin	Ginn	Oakar
AuCoin	Glickman	Oberstar
Baldus	Gonzalez	Obey
Barnard	Gore	Ottinger
Beard, R.I.	Green	Panetta
Bedell	Gudger	Patten
Bellenson	Hall	Patterson
Benjamin	Hamilton	Pattison
Bennett	Hanley	Pease
Bevill	Hannaford	Pepper
Biaggi	Harkin	Perkins
Bingham	Harrington	Pickle
Blanchard	Harris	Pike
Blouin	Hawkins	Preyer
Boggs	Heckler	Price
Boland	Hefner	Rangel
Bolling	Heftel	Reuss
Bonior	Hightower	Richmond
Bonker	Holland	Rinaldo
Bowen	Hollenbeck	Risenhoover
Brademas	Holtzman	Roberts
Breckinridge	Howard	Rodino
Brinkley	Hubbard	Roe
Brodhead	Huckaby	Rogers
Brooks	Hughes	Rooney
Brown, Calif.	Ichord	Rose
Burke, Calif.	Ireland	Rosenthal
Burke, Mass.	Jacobs	Rostenkowski
Burlison, Mo.	Jenkins	Roybal
Burton, John	Jenrette	Russo
Burton, Phillip	Johnson, Calif.	Santini
Byron	Jones, N.C.	Scheuer
Carney	Jones, Okla.	Schroeder
Carr	Jones, Tenn.	Seiberling
Carter	Jordan	Sharp
Cavanaugh	Kastenmeier	Shipley
Chappell	Kazen	Simon
Chisholm	Keys	Sisk
Clay	Kildee	Skelton
Collins, Ill.	Kostmayer	Slack
Conte	Krebs	Smith, Iowa
Conyers	LaFalce	Solarz
Corman	Le Fante	Spellman
Cornell	Lederer	St Germain
Cornwell	Leggett	Staggers
Cotter	Lehman	Stark
D'Amours	Levitas	Steed
Danielson	Lloyd, Calif.	Steers
Davis	Lloyd, Tenn.	Stokes
de la Garza	Long, La.	Stratton
Delaney	Long, Md.	Studds
Dellums	Luken	Thompson
Dent	Lundine	Traxler
Derrick	McCormack	Tsongas
Dicks	McDade	Udall
Diggs	McFall	Van Deerlin
Dingell	McHugh	Vanik
Dodd	McKay	Vento
Downey	Maguire	Volkmer
Drinan	Mahon	Waggonner
Duncan, Oreg.	Mann	Walgren
Early	Markey	Watkins
Eckhardt	Mathis	Waxman
Edgar	Mattox	Weaver
Edwards, Calif.	Mazzoli	Weiss
Ellberg	Meeds	Whalen
English	Metcalfe	White
Ertel	Meyner	Whitley
Evans, Colo.	Mikulski	Whitten
Evans, Ga.	Mikva	Wilson, C. H.
Evans, Ind.	Milford	Wilson, Tex.
Fary	Miller, Calif.	Wirth
Fascell	Mineta	Wolff
Fisher	Minish	Wright
Fithian	Mitchell, Md.	Yates
Flippo	Moakley	Yatron
Florio	Moffett	Young, Mo.
Flowers	Mollohan	Young, Tex.
Flynt	Moorhead, Pa.	Zablocki
Foley	Moss	Zeferetti
Ford, Mich.	Mottl	
Ford, Tenn.	Murphy, Ill.	

NOT VOTING—21

Akaka	Frenzel	Sikes
Anderson, Ill.	Frey	Teague
Baucus	Krueger	Thornton
Brown, Mich.	McClory	Tucker
Buchanan	Madigan	Ullman
Clausen, Don H.	Rahall	Young, Alaska
	Robinson	
Flood	Ryan	

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Akaka against.
Mr. Teague for, with Mr. Flood against.
Mr. Robinson for, with Mr. Rahall against.
Mr. McClory for, with Mr. Sikes against.
Mr. Madigan for, with Mr. Baucus against.
Mr. Frenzel for, with Mr. Ullman against.

Mrs. LLOYD of Tennessee changed her vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

● Mr. KEMP. Mr. Chairman, I would like to summarize at this time the reasons why I must vote against the Humphrey-Hawkins bill and reiterate my belief that the only road to full employment is by lowering the tax rates and restoring incentive for both the worker and investor.

H.R. 50 is really a hoax on the unemployed of America because it provides absolutely no means for achieving the full employment goal. The purpose of my amendment, yesterday, which would have required a goal for lowering the tax rate by 30 percent in 3 years, was to help supply that means. The fact is that tax rate reduction is the only proven means of creating large numbers of permanent jobs in the private sector, as shown by the results of the Kennedy tax reductions in the early 1960's and the experience of West Germany and Japan in the 1950's and 1960's. President Truman, Senator Robert A. Taft, and Andrew Mellon were all strong proponents of lower tax rates.

Insofar as the bill provides a strategy for achieving full employment it relys upon outmoded Keynesian economic policies which are so discredited today. H.R. 50 will lead to expanding public service jobs, which are notoriously ineffective in creating permanent jobs. It is a well known fact, for example, that public service jobs have as much as a 90 percent substitution factor—meaning that 90 percent of the jobs were already created anyway in the public sector. Already 1 out of every 5 jobs in America is in government and going this route will totally "Britanize" our economy.

The bill would upset the House committee structure by vesting great power in the Joint Economic Committee, largely at the expense of the House Budget Committee. Yet the budget process which is to be overseen by the Budget Committee has already proven to be much more complicated than anyone believed. So now we will add but one more layer of procedure on top of our already complicated procedures. I think the results will be disastrous and centrally planned economics all over the world are in a state of confusion and contraction economically.

Thus I can only reiterate the reasons why I believe that the Congress must adopt a massive tax rate reduction as soon as possible if it is to do something constructive toward achieving the goal of full employment without inflation.

What proof have we that a tax-rate reduction will lead to additional employment?

The proof is twofold.

On a theoretical level we know that all taxes constitute a wedge between gross wages and net wages. Thus every time taxes go up, whether they are on workers or employers, it increases the wedge and simultaneously increases the total cost of employment and reduces disposable income. Consequently, employers hire fewer workers and workers have less incentive to work to their potential.

In addition, there is ample historical evidence to show that when tax rates are reduced there is an increase in employment.

In the 1920's tax rates were reduced across the board by nearly two-thirds, leading to a vast economic expansion.

After World War II tax rates were reduced, thereby aiding the postwar recovery.

And in 1964–65 tax rates were reduced by roughly a fourth, leading to a substantial reduction in the employment rate and a tremendous economic boom. Table I demonstrates the effects of the Kennedy tax cuts on the unemployment rate.

TABLE I.—UNEMPLOYMENT RATE AFTER THE KENNEDY TAX CUTS

[In percent]

Year	All workers	Blacks	Black males 20 years+
1961	6.7	12.4	11.7
1962	5.5	10.9	10.0
1963	5.7	10.8	9.2
1964	5.2	9.6	7.7
1965	4.5	8.1	6.0
1966	3.8	7.3	4.9

One might now ask: Why did unemployment rise again a number of years after passage of these tax rate reductions?

The answer is that in each case the economic expansion created by the tax rate reduction was brought to an end by a direct or indirect increase in taxes. In 1932 Herbert Hoover raised tax rates to roughly their World War I level in an effort to balance the budget. The rates were roughly tripled for all brackets. Tax rates were raised again in 1934, 1936, and 1938, thereby prolonging the economic depression.

The tax cuts implemented after World War II were undone by President Truman to pay for the Korean war. The economic stagnation of the Eisenhower administration is largely the result of the fact that after the Korean war tax rates were not reduced back to their pre-World War II level. Again, the goal was to increase revenues to balance the budget.

The beneficial effects of the Kennedy tax cuts was undone by an increase in taxes resulting from inflation. Because the quantity of money and Government spending went up at such a rapid rate during the latter part of the 1960's and the early part of the 1970's, there were too many dollars chasing too few goods. As the inflation increased nominal incomes both marginal and average tax rates for the vast majority of Americans increased. Because of the progressive income tax, tax revenues go up faster than incomes. Tax revenues go up approxi-

mately 1.6 percent for every 1 percent increase in the Consumer Price Index.

It is true that Congress has reduced taxes several times since 1965, but marginal tax rates have remained intact. Consequently, only those at the very bottom of the income scale have benefited from these so-called tax reductions.

Consequently, a program for economic expansion must include a reduction in marginal rates.

Some conservatives, like Herb Stein, former chairman of the Council of Economic Advisers, may argue that the Nation does not need a reduction in tax rates because there is no economic necessity for it. Stein also argues that 7 percent unemployment is full employment.

Well, I do not believe this, and I do not think very many other people do either. We certainly are not willing to accept it. But even if Stein were correct, the problem is that tax rates are not static. As long as we have inflation taxes and tax rates will go up. In table II I have shown what will happen in just the next 3 years, if we have 7 percent inflation and incomes rise by the same amount. Although there is no increase in purchasing power taxes go up dramatically, especially when one also takes into consideration social security taxes and New York State income taxes.

TABLE II.—FAMILY OF 4 WITH 1 WAGE EARNER ASSUMING 7 PERCENT INFLATION WITH FAMILY INCOME RISING BY THE SAME AMOUNT

Year	1978	1979	1980	1981
1. Adjusted gross income in 1978 dollars	$10,000	$10,000	$10,000	$10,000
2. Adjusted gross income in current dollars	10,000	10,700	11,449	12,250
3. Federal income tax	450	570	722	874
4. Social security tax	605	656	702	815
5. New York State income tax	260	302	347	397
6. Total taxes	1,315	1,528	1,771	2,086
7. Disposable income	8,685	9,172	9,678	10,164
8. Real disposable income	8,685	8,472	8,229	7,914
9. Increase in nominal income over 1978 (percent)		7.0	14.5	22.5
10. Increase in taxes over 1978 (percent)		8.6	17.6	29.5
11. Increase in disposable income over 1978 (percent)		5.6	10.3	17.0
12. Increase in real disposable income over 1978 (percent)		−2.4	−5.2	−8.9
Adjusted gross income in 1978 dollars	$15,000	$15,000	$15,000	$15,000
Adjusted gross income in current dollars	15,000	16,050	17,173	18,375
Federal income tax	1,385	1,613	1,855	2,124
Social security tax	907	984	1,053	1,222
New York State income tax	368	439	518	614
Total taxes	2,660	3,036	3,426	3,960
Disposable income	12,340	13,014	13,747	14,415
Real disposable income	12,340	11,964	11,574	11,040
Increase in nominal income over 1978 (percent)		7.0	14.5	22.5
Increases in taxes over 1978 (percent)		14.1	28.8	48.9
Increase in disposable income over 1978 (percent)		5.5	11.4	16.8
Increase in real disposable income over 1978 (percent)		−3.0	−6.2	−10.5
Adjusted gross income in 1978 dollars	$20,000	$20,000	$20,000	$20,000
Adjusted gross income in current dollars	20,000	21,400	22,898	24,500
Federal income tax	2,536	2,886	3,269	3,731
Social security tax	1,210	1,312	1,404	1,629
New York State income tax	1,160	1,314	1,487	1,685
Total taxes	4,906	5,512	6,160	7,045
Disposable income	15,094	15,888	16,738	17,455
Real disposable income	15,094	14,488	13,840	12,955
Increase in nominal income over 1978 (percent)		7.0	14.5	22.5
Increase in taxes over 1978 (percent)		12.3	25.6	43.6
Increase in disposable income over 1978 (percent)		5.3	10.9	15.6
Increase in real disposable income over 1978 (percent)		−4.0	−8.3	−14.2
Adjusted gross income in 1978 dollars	$30,000	$30,000	$30,000	$30,000
Adjusted gross income in current dollars	30,000	32,100	34,347	36,751
Federal income taxes	5,424	6,173	6,969	7,924
Social security taxes	1,071	1,404	1,588	1,975
New York State income tax	1,992	2,286	2,600	2,493
Total taxes	8,487	9,863	11,157	12,842
Disposable income	21,513	22,237	23,190	23,909
Real disposable income (1978 dollars)	21,513	20,137	18,843	17,158
Increase in nominal income over 1978 (percent)		7.0	14.5	22.5
Increase in taxes over 1978 (percent)		16.2	31.5	51.3
Increase in disposable income (percent)		3.4	7.8	11.1
Increase in real disposable income (percent)		−6.4	−12.4	−20.2

It is for this reason that I introduced the Tax Reduction Act, together with 145 cosponsors in the House, to:

First. Reduce all individual income tax rates by roughly 33 percent over the next 3 years: from 14 to 8 percent at the bottom and from 70 to 50 percent at the top.

Second. Reduce the corporate income tax rate from 48 to 45 percent.

Third. Increase the corporate surtax exemption from $50,000 to $100,000.

I believe that such a program will restore full employment to this country.

Some may say to this: Yes, tax reduction is fine, but an across-the-board reduction does more for the rich.

I respond to this in two ways.

First, Treasury Department data indicates that we have just about reached the limit on cutting taxes for low incomes. In 1975 those with incomes under $8,930 paid only 7.1-percent of all individual income taxes. Those with incomes above $8,930 paid the other 92.9 percent. In other words, the poor are paying virtually no taxes now so we can not really cut them any more. What the poor really need are jobs and income growth, and this can only be accomplished if we restore incentive to the economy by reducing tax rates across the board.

Furthermore, it can be shown that lower tax rates actually cause the rich to pay more taxes. As the President put it in 1924:

> I agree completely with those who wish to relieve the small taxpayer by getting the largest possible contribution from the people with large incomes. But if the rates on large incomes are so high that they disappear, the small taxpayer will be left to bear the entire burden. If, on the other hand, the rates are placed where they will produce the most revenue from large incomes, then the small taxpayer will be relieved.

And the experience of the Kennedy tax cuts, in which the top rate was lowered from 91 to 70 percent, proves this thesis. If one examines the data one will see that the percentage of total income taxes paid by the wealthy from 1964 to 1968 went up considerably as people were hired out of tax shelters into productive investment.

The only other point which needs to be considered is that of inflation. Many on the minority side are especially concerned about this, and I share their concern. But one thing I do not believe is that high unemployment and high interest rates reduce inflation. Quite the contrary. If they lead to a reduction in the growth of GNP they may cause inflation. Conversely, a program which stimulates the total supply of goods and services, in conjunction with a moderate monetary policy, will reduce inflation.

In conclusion I would just like to emphasize once again my support for the goal of full employment. But without emphasis on tax rate reduction I do not see how we will ever achieve this goal, despite the rhetoric contained in H.R. 50.●

● Mr. STOKES. Mr. Chairman, I rise in support of H.R. 50, the Full Employment and Balanced Growth Act of 1978.

The necessity of this legislation is obvious. All one must do is look at the unemployment levels during the past few years, and the statistics reveal that our country is facing a profound human and economic crisis.

The figures are disgraceful. The unemployment rate averaged 7 percent in 1977. But Mr. Chairman, this overall figure does not reflect the inequitable distribution of unemployment among minorities. In 1977, the black unemployment rate was double the overall rate and averaged more than 14 percent; but even more astounding is the fact that in 1977 40.3 percent of our black youth were unemployed. In my district in Cleveland, black youth were unemployed in excess of 55 percent and black males in excess of 25 percent.

These levels of joblessness have serious economic, human, social, and even moral consequences. The economic costs are substantial: Lost income and revenue, lower productivity, and higher expenditures for welfare, food stamps, and unemployment compensation. The human and social costs are less obvious, but still serious. Unemployment destroys hope and confidence; it diminishes self respect and leads to increased crime, drug abuse, and mental illness. High levels of joblessness also retard or halt the advances of the poor, minorities, and women.

Additionally, senior citizens also have an important stake in achieving a prosperous economy with adequate job opportunities. The high unemployment coupled with high inflation of the past decade has resulted in middle-aged and older workers being pushed out of the job market and remaining unemployed for long periods of time. Elderly people, too, want and need the opportunity for gainful employment and continuing attachment to the mainstream of our society. And many of the social programs

which elderly people rely upon can only operate effectively in a healthy economic climate.

Many argue that recent declines in unemployment are a positive indication of economic growth, but let us face it, the longest and deepest recession since the Great Depression is still with us and there are no serious immediate signs that it is on its way out. But this vital legislation represents an economic policy bill which focuses the Nation's resources on greatly reducing unemployment while controlling inflation. It establishes in law our country's commitment to a job for every American able and willing to work. And the bill is practical because it mandates specific goals and timetables for the reduction of joblessness and outlines a comprehensive process of planning, economic coordination, and program development to reach these goals. Additionally, the bill also includes strong anti-inflation measures and provides a much needed framework for a concentrated and flexible attack on joblessness.

Existing law, the Employment Act of 1946, does not thoroughly address today's employment problems because it does not provide the mechanisms by which the Federal Government can guarantee job opportunities.

The Humphrey-Hawkins bill amends and strengthens this act by calling for a meaningful job for every person able, willing, and seeking to work at fair rates of compensation. H.R. 50 sets forth the specific goal of 4 percent unemployment to be reached within no more than 5 years, and stresses that this is only an interim goal—the ultimate goal being to provide a useful job at a decent wage to everyone willing and able to work. And the bill guarantees employment mechanisms by requiring the President to submit an economic report to the Congress each year spelling out the programs and policies to reach the goals set.

Mr. Chairman, the levels of unemployment are unacceptable and the tremendous human costs of unemployment are intolerable. Unemployment represents a vast and tragic waste of our human and material resources.

I believe all Americans are entitled to the basic human right to work. This country does not lack the material means and know-how to make this right obtainable. I urge my colleagues to join me in supporting this legislation, which I feel, will set our country on the path of a full employment economy.

In closing, Mr. Chairman, I want to commend my colleague, the gentleman from California (Mr. HAWKINS) for his perseverance in promoting this historic legislation. The passage of this legislation tonight will be a fitting tribute to our beloved late Senator Humphrey and to GUS HAWKINS who is one of the most able Members of this House.●

● Mr. LUKEN. Mr. Chairman, I am in support of the amendment of the gentleman from Pennsylvania (Mr. MARKS). It is essential that this Congress support section 207, providing that the Economic Report of the President "shall, as appropriate" review and assess existing Federal programs and policies which affect business investment decisions. It is also of significance that the President is required under this section to recommend the measures to improve existing programs concerned with private capital formation.

We have not really recovered completely from the recession which gripped the country during the past 3 years. We have had persistent problems of lagging regional growth and high unemployment. A primary cause of the deterioration of these regional economies, whether in rural, suburban, or urban areas, is the severly limited availability of equity, venture, and debt capital to small- and medium-size enterprises.

Moreover, as has been pointed out in the "Annual Report of the Senate Select Committee on Small Business" only 11 corporations with a net worth of less than $5 million were able to float new issues nationwide during the 23-month period ending in 1975. This fact, in itself, suggests an explanation for the sluggishness of certain regional economies.

Therefore, I support the purpose of the amendment to emphasize the importance of capital formation and the creation of jobs by specifically mentioning capital formation in the declaration of policy in title I, in the current and foreseeable trends set out in the Economic Board of the President, and in the statement of purpose in title II.

We should do everything possible to emphasize capital formation. The ability of this country to create jobs and reduce unemployment depends almost solely on its ability to equip workers and provide them with the means of production. If the civilian work force does rise as expected from 93 million in 1975 to 103 million in 1980, the total investment required will be substantial, and the goal will be elusive in view of the significant cost of providing a manufacturing job in American industry today.

It is therefore critical that we include in our declaration of national policy, a statement as to the necessary investment in the private sector. Many of us have been extremely concerned about capital formation, which has concerned many committees of this Congress, especially Ways and Means and Small Business Committee, the latter on which I serve. We are looking at the use of tax incentives to stimulate businesses and the avoidance of price controls and excessive government regulations as other means toward this end.

I am, therefore, happy to join in this significant effort to emphasize the importance of capital formation to jobs creation by supporting this amendment.●

○ Mr. HANNAFORD. Mr. Chairman, while I will vote for the passage of H.R. 50, I will strongly urge the conference committee to delete the provision for 100 percent parity for farm prices. If this provision is not deleted, however, I will have no choice but to oppose this legislation because of its deleterious effects on inflation.

Mr. Chairman, the importance of the farmer in our economy cannot be underestimated. Farmers need and deserve adequate incomes, just as much as other hard-working individuals in this Nation. Granting farmers 100 percent parity for farm commodities, though, is the wrong approach. In effect, this provision will fuel inflation and ultimately do more harm to the farmers and consumers of this country. This is not what was intended and this serious mistake must be corrected.

Mr. Chairman, H.R. 50 is designed to promote the economic well-being of the Nation as a whole. By advocating 100 percent parity for farmers we are saying that farm incomes are going to be protected at the expense of what may happen to other sectors of the economy. Given the Department of Agriculture's analysis of the projected results of a 100 percent parity program for farmers, it would be irresponsible, to say the least, for the Congress to enact H.R. 50. The Agriculture Department estimates that within 1 year after implementation of a 100 percent parity program that retail food prices would increase by more than 20 percent; that beef prices would rise by more than 50 percent; and pork by at least 40 percent. In addition, rising prices for farm commodities would reduce exports, with wheat exports falling by more than 30 percent; feed grain exports by 34 percent; rice by 45 percent, and soybeans by 4 percent. It is evident that the overall economy stands to suffer greatly. The impact of 100 percent parity could reduce GNP within 2 years by as much as $30 billion, the Federal deficit would increase by at least $9 billion, and unemployment would rise as well. We would be faced with across-the-board increases in domestic food prices, reduced consumption, and a frightening balance-of-payments situation.

Mr. Chairman, H.R. 50 represents a reasonable approach to solving our national economic problems. We have avoided making promises that simply cannot be met. That is why the 100-percent parity provision is even more repulsive. It is raising false hopes in the hearts of many farmers. It is deceiving to farmers who believe that this is the answer to their problems. It is deceiving to the entire Nation because 100 percent parity means greater inflation. Farmers should be aware that while their incomes may initially rise by $20 billion in 1978 as a result of the 100-percent parity program, by 1982 production expenses will rise by $47 billion due to higher prices for feed and livestock, higher storage costs, property taxes, and depreciation on structures.

The parity concept has also been seriously challenged. Debate on the efficacy of the concept points out that parity represents an inadequate and misleading indicator of the economic position of farmers; that it prohibits marketplace changes in commodity prices; and that parity prices do not reflect inflation. In addition, the artificial price supports of such a system tend to delay necessary adjustments in resource allocation.

Mr. Chairman, the responsible position for the Congress to take would be to follow current farm policies as set forth in the Food and Agriculture Act of 1977. Existing policies emphasize the need to

expand feed grain reserves. This is consistent with farm legislation of the past 15 years which reflects a need for reducing Government interference in setting reasonable farm prices and, thus, promotes a lasting solution to farm income fluctuations and overall economic stability.●

● Mr. LONG of Louisiana. Mr. Chairman, I rise in support of the amendment offered by Mr. BRECKINRIDGE.

It is important that this bill add a declaration of policy that the citizens of rural areas—such as those in my own congressional district—will not be overlooked in the economic policies we create.

The provision directs the President, through appropriate agencies, to fully utilize loan and grant programs already available to him to stimulate the private sector and small businesses in small communities. It also mandates the President to report on the state of economic progress in small towns and rural areas as part of his annual Economic Report to the Congress.

The issue we face in our discussion today is how to create jobs without increasing inflation or jeopardizing the goal of a balanced budget within the next few years. Last year the congressional rural caucus gave us a preview of what could be done with a little creative thinking. The caucus proposed a budget of rural loan, grants and special programs to put $16 billion into small towns and communities to help build the infrastructure and community services needed to bring about orderly growth and development in rural America.

The strength of the proposal is its reliance on the Government as a catalyst to stimulate private capital, private enterprise, and private initiative to improve services and job opportunities in rural communities. The guaranteed loan programs are of little cost to the Government and offer a return many times over in jobs and taxes generated. Projections show creation of 2 to 3 million permanent, private sector jobs which would be more than 95 percent non-tax-dollar funded.

It is no secret that our rural communities suffer because they are credit short. Smaller commercial banks and financial institutions in those areas lack the reserves necessary to finance many local projects—particularly those which might involve extensive and long-term loans, such as the construction of community facilities, water and waste-disposal systems, and housing.

But by using Government guaranteed and insured loans, local community banks would be able to draw additional capital and free up existing financial reserves for additional loan making.

The benefit of such activity is clear. It not only creates jobs, but gives business and industry the incentives to invest in areas where the need is greatest. "Taking the work to the workers" is a concept that has been with us for some time. I think it is vital in establishing our new policy framework to insure the needed flexibility to direct economic stimulation to areas of greatest distress—namely our rural communities as well as our inner cities.

I plan to continue to press for the proposed caucus budget this year. The added impetus of this new policy declaration will be important in fulfilling the job-creating potential of expanded government loan authority.●

● Mr. HAWKINS. Mr. Chairman, now that the House has fully debated H.R. 50, and I am sure will pass the bill, I want to take this early opportunity to express my appreciation to the membership for what has taken place here during the last week and this week.

We have given our support to proposed legislation which in its importance may be ranked with the three or four most important domestic enactments of the Congress within this century.

We have not only reaffirmed a human right which no other right takes precedence over in a modern industrial society—the right to a job at fair pay for all those able, willing, and seeking to work. Now is not the first time that this right has been declared. But now is the first time that this body has given its approval to proposed legislation with sufficient teeth in it to translate that right into actuality through hard additional efforts during the years immediately ahead.

We have recognized that this human right to a job is economic in its means of achievement. In the course of doing so, we have written into the proposed legislation an interrelated series of policies and principles, and we have done this in the light of long experience.

We have approved goals and instrumentalities, both executive and legislative, of a general but nonetheless meaningful nature. These will enable the President and the Congress, working together over the years in the manner that our Constitution contemplates, to replace random and improvised specific programs and policies with a unified and coordinated series of programs and policies directed toward full employment.

In doing this, we should always recall a statement made in his final economic report to the Congress by the President during whose first term the Employment Act of 1946 came into being and was administered with unusual understanding and success. President Truman said:

> Under the Employment Act, full employment means more than jobs. It means full utilization of our natural resources, our technology and science, our farms and factories, our business brains, and our labor skills. The concept of full employment values ends as well as means; it values leisure as well as work; it values self-development as well as dedication to a common purpose; it values individual initiative as well as group cooperation. In the broadest sense, full employment means maximum opportunity under the American system of responsible freedom.
>
> And it is a concept which must grow as our capacities grow. Full employment tomorrow is something different from full employment today.

President Truman's words were indeed prophetic. After 30 years of experience, good in the main but disappointing in part, the Full Employment and Balanced Growth Act of 1978 draws upon all of that experience, and in my judgment uses it well.

The actions which we have taken during the last week have mainly strengthened further the bill brought to this floor after 3 years of careful consideration and revision. We have in some respects improved it as a planning instrument. We have made it a more effective vehicle for the reduction not only of unemployment, but also for the restraint and ultimate removal of inflation. We have clarified the intent and improved the means to balance the Federal budget in a fully healthy economy, while avoiding the danger of attempting without success to balance the budget at the expense of a full economy. We have amplified some of the other provisions of the bill in the right directions, and we have brought within its scope some groups, such as the handicapped and those in need of part-time rather than full-time work, who were not covered by the bill before or not covered clearly enough.

In the deliberations on this floor which have led to the approval of H.R. 50 by the House, I would like to express my deep appreciation to Members from both sides of the aisle. We also respect those Members who have differed from us in detail and considerably in principle and economic philosophy; and we thank them also for the fine spirit in which they have recognized the tremendous importance and lasting significance of the Full Employment and Balanced Growth Act of 1978.

All of us here in the House, working together, have demonstrated once again what can be done for the good of the American people by members of a free government in a free society.●

● Mr. PREYER. Mr. Chairman, it is with some regret that I find I must oppose the passage of H.R. 50, the Full Employment and Balanced Growth Act.

Indeed, the goal of this act—to reduce unemployment—is laudable. In North Carolina and across the Nation, the unacceptably high unemployment levels of recent history have brought both the pain of personal hardship and the embarassment of governmental inability to effectively address the problem. But I suggest that with the passage of H.R. 50 we could foster an inflation that would mean only more hardship and more embarrassment while we collectively provoke further erosion of the economy through this bill's provisions.

I wish as fervently as any of my colleagues that we could harmlessly induce lower unemployment with this or any other bill, but I must hesitate before I let my wishful thinking interfere with reality. I join John Kenneth Galbraith in warning my colleagues "not to engage in the wishful economics that causes them to hope that there is still undiscovered fiscal or monetary magic which will combine low unemployment with a low level of inflation."

I must object to this bill also on the grounds that it would have Congress inflicting such nonexistent "monetary magic" on the presumably and preferably independent Federal Reserve Board. H.R. 50 would have Congress "take such action as it finds necessary to insure closer conformity" between the Federal Reserve Board's economic plans and the Con-

gress' ideas on how to implement H.R. 50—a dangerous interference that could inject partisan politics into the mainstream of this country's monetary and investment system and effectively muffle what traditionally has been a strong voice in the public debate over proper economic policy.

Unfortunately, our vote on this bill is being seen as a "litmus test" of our loyalty to the current Democratic administration. Those of us who have supported the administration on tough issues like the deregulation of natural gas, the consumer protection agency, and the B-1 bomber must in good conscience, vote against this bill—yet we can continue, in equally good conscience, to count ourselves among the administration's supporters. Such a well-intentioned yet potentially damaging bill is a weak reed indeed for testing a Member's loyalty to an administration whose chief economic adviser, Mr. Charles Schultze, admitted.

I cannot assure you that we will be able to achieve a 4 percent unemployment rate by 1983 without risking more inflation.

It is equally unfortunate that our vote on H.R. 50 is being seen as a test of our commitment to improve the economic plight of the Nation's minority communities. The liberals who fell off the minority bandwagon on the busing issue and who are now touting H.R. 50 as a "real" test of minority support ignore the fact that the bill's potential for causing inflation would harm the poor vastly more than the middle class or the well-to-do.

This is a bad bill born of good intentions, but a bad bill just the same.●

The CHAIRMAN pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 50) to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs, pursuant to House Resolution 1057, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ASHBROOK. Unequivocally I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves to recommit the bill H.R. 50 to the Committee on Education and Labor.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. RHODES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 257, nays 152, not voting 25, as follows:

[Roll No. 164]

YEAS—257

Addabbo	Conte	Garcia
Alexander	Conyers	Gaydos
Allen	Corman	Gephardt
Ambro	Cornell	Giaimo
Ammerman	Cornwell	Gilman
Anderson, Calif.	Cotter	Ginn
Andrews, N.C.	D'Amours	Glickman
Annunzio	Danielson	Gonzalez
Applegate	Davis	Gore
Ashley	de la Garza	Green
Aspin	Delaney	Gudger
Baldus	Dellums	Hamilton
Beard, R.I.	Dent	Hanley
Bedell	Derrick	Hannaford
Beilenson	Dicks	Harkin
Benjamin	Diggs	Harrington
Bevill	Dingell	Harris
Biaggi	Dodd	Harsha
Blanchard	Downey	Hawkins
Blouin	Drinan	Heckler
Boggs	Early	Hefner
Boland	Eckhardt	Heftel
Bolling	Edgar	Hightower
Bonior	Edwards, Calif.	Hillis
Bonker	Eilberg	Holland
Brademas	Ertel	Hollenbeck
Breckinridge	Evans, Colo.	Holtzman
Brinkley	Evans, Ga.	Horton
Brodhead	Evans, Ind.	Howard
Brooks	Fary	Hubbard
Brown, Calif.	Fascell	Hughes
Burke, Calif.	Fenwick	Jacobs
Burke, Mass.	Findley	Jenkins
Burlison, Mo.	Fish	Jenrette
Burton, John	Fisher	Johnson, Calif.
Burton, Phillip	Fithian	Jones, N.C.
Byron	Flippo	Jones, Tenn.
Caputo	Florio	Jordan
Carney	Flowers	Kastenmeier
Carr	Foley	Kazen
Carter	Ford, Mich.	Keys
Cavanaugh	Ford, Tenn.	Kildee
Chisholm	Fountain	Kostmayer
Clay	Fowler	LaFalce
Collins, Ill.	Fraser	Lederer
	Gammage	Le Fante
Leggett	Neal	Sisk
Lehman	Nedzi	Skelton
Levitas	Nix	Slack
Lloyd, Tenn.	Nolan	Smith, Iowa
Long, Md.	Nowak	Solarz
Luken	O'Brien	Spellman
Lundine	Oakar	St Germain
McCloskey	Oberstar	Staggers
McCormack	Obey	Stanton
McDade	Ottinger	Stark
McFall	Panetta	Stokes
McHugh	Patten	Stratton
Maguire	Patterson	Studds
Markey	Pattison	Thompson
Marks	Pease	Traxler
Mathis	Pepper	Tsongas
Mattox	Perkins	Udall
Mazzoli	Price	Van Deerlin
Meeds	Rangel	Vanik
Metcalfe	Regula	Vento
Meyner	Reuss	Volkmer
Mikulski	Richmond	Walgren
Mikva	Rinaldo	Walsh
Miller, Calif.	Rodino	Waxman
Mineta	Roe	Weaver
Minish	Roncalio	Weiss
Mitchell, Md.	Rooney	Whalen
Mitchell, N.Y.	Rose	Whitley
Moakley	Rosenthal	Whitten
Moffett	Rostenkowski	Wilson, C. H.
Mollohan	Roybal	Wilson, Tex.
Moorhead, Pa.	Russo	Wirth
Moss	Santini	Wolff
Motti	Sarasin	Wright
Murphy, Ill.	Scheuer	Yates
Murphy, N.Y.	Schroeder	Yatron
Murphy, Pa.	Seiberling	Young, Mo.
Murtha	Sharp	Young, Tex.
Myers, Michael	Shipley	Zablocki
Natcher	Simon	Zeferetti

NAYS—152

Abdnor	Gibbons	Pettis
Andrews, N. Dak.	Goldwater	Pickle
Archer	Goodling	Pike
Armstrong	Gradison	Poage
Ashbrook	Grassley	Pressler
AuCoin	Guyer	Preyer
Badham	Hagedorn	Pritchard
Bafalis	Hall	Pursell
Barnard	Hammer-schmidt	Quayle
Bauman	Hansen	Quie
Beard, Tenn.	Holt	Quillen
Bennett	Huckaby	Railsback
Bowen	Hyde	Rhodes
Breaux	Ichord	Risenhoover
Broomfield	Ireland	Roberts
Brown, Ohio	Jeffords	Rogers
Broyhill	Johnson, Colo.	Rousselot
Burgener	Jones, Okla.	Rudd
Burke, Fla.	Kasten	Runnels
Burleson, Tex.	Kelly	Ruppe
Butler	Kemp	Satterfield
Cederberg	Ketchum	Sawyer
Chappell	Kindness	Schulze
Clawson, Del	Krebs	Sebelius
Cleveland	Lagomarsino	Shuster
Cochran	Latta	Skubitz
Cohen	Leach	Smith, Nebr.
Coleman	Lent	Snyder
Collins, Tex.	Livingston	Spence
Conable	Lloyd, Calif.	Stangeland
Corcoran	Lott	Steed
Coughlin	Lujan	Steiger
Crane	McDonald	Stockman
Cunningham	McEwen	Stump
Daniel, Dan	McKay	Symms
Daniel, R. W.	McKinney	Taylor
Derwinski	Mahon	Thone
Devine	Mann	Treen
Dickinson	Marlenee	Trible
Dornan	Marriott	Vander Jagt
Duncan, Oreg.	Martin	Waggonner
Duncan, Tenn.	Michel	Walker
Edwards, Ala.	Milford	Wampler
Edwards, Okla.	Miller, Ohio	Watkins
Emery	Montgomery	White
English	Moore	Whitehurst
Erlenborn	Moorhead, Calif.	Wiggins
Evans, Del.	Myers, Gary	Wilson, Bob
Flynt	Myers, John	Wydler
Forsythe	Nichols	Wylie
Fuqua		Young, Fla.

NOT VOTING—25

Akaka	Frenzel	Sikes
Anderson, Ill.	Frey	Steers
Baucus	Krueger	Teague
Bingham	Long, La.	Thornton
Brown, Mich.	McClory	Tucker
Buchanan	Madigan	Ullman
Clausen, Don H.	Rahall	Winn
Flood	Robinson	Young, Alaska
	Ryan	

The Clerk announced the following pairs:

On this vote:

Mr. Akaka for, with Mr. Krueger against.
Mr. Flood for, with Mr. Sikes against.
Mr. Rahall for, with Mr. Teague against.
Mr. Steers for, with Mr. Frenzel against.
Mr. Madigan for, with Mr. Robinson against.
Mr. Ullman for, with Mr. Winn against.
Mr. Ryan for, with Mr. McClory against.
Mr. Bingham for, with Mr. Brown of Michigan against.

Until further notice:

Mr. Long of Louisiana with Mr. Anderson of Illinois.
Mr. Buchanan with Mr. Thornton.
Mr. Tucker with Mr. Don H. Clausen.

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 50, just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO MAKE CLERICAL AND CONFORMING CORRECTIONS IN THE ENGROSSMENT OF H.R. 50

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 50 the Clerk be authorized to correct section numbers, punctuation, cross references, and the table of contents to reflect the actions of the House in amending the bill H.R. 50.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT TOMORROW, FRIDAY, MARCH 17, 1978, TO FILE REPORT ON H.R. 11518, DEBT LIMITATION EXTENSION

Mr. WAGGONNER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tomorrow, Friday, March 17, 1978, to file a report, along with any separate or minority views, on the bill (H.R. 11518) to extend the existing temporary debt limit.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, SATURDAY, MARCH 18, 1978, TO FILE REPORT ON H.R. 11504, CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. WAGGONNER. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight, Saturday, March 18, 1978, to file a report on the bill (H.R. 11504) to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

MAKING IN ORDER CONSIDERATION OF HOUSE JOINT RESOLUTION 796, SUPPLEMENTAL APPROPRIATIONS FOR DISASTER RELIEF, ON TUESDAY NEXT OR ANY DAY THEREAFTER

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order on Tuesday next, or any day thereafter, to consider in the House as in the Committee of the Whole the joint resolution (H.J. Res. 796) making supplemental appropriations for disaster relief for the fiscal year ending September 30, 1978.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO HAVE UNTIL MIDNIGHT TOMORROW, FRIDAY, MARCH 17, 1978, TO FILE REPORT ON H.R. 11302, ENVIRONMENTAL RESEARCH, DEVELOPMENT, AND DEMONSTRATION AUTHORIZATION ACT OF 1979

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight tomorrow, Friday, March 17, 1978, to file a report on H.R. 11302, the Environmental Research, Development, and Demonstration Authorization Act of 1979.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks concerning the resolution I introduced today denouncing the act of terrorism and kidnaping of Aldo Moro, the former Prime Minister of Italy.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire as to the program for the balance of the week and for next week, and I direct my inquiry to the distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, the business of this week has been concluded, and you can bet your sweet shamrock we will not have any session tomorrow.

Mr. RHODES. Bless your Irish heart.

Mr. WRIGHT. Mr. Speaker, on Monday next the House will meet at noon. There are two bills scheduled under suspensions, as follows:

First. House Concurrent Resolution 494, rail passenger service resolution; and

Second. H.R. 11003, White House authorization.

Following those bills under suspension, we plan to take up H.R. 7700, the Postal Act of 1978, for which an open rule and 2 hours of general debate will be recommended.

Following that we may have several House committee funding resolutions, and then we will consider H.R. 9518, the Shipping Act Amendments of 1978, on which an open rule, with 1 hour of general debate, will be recommended.

On Tuesday the House will meet at noon. There will be no bills that we know of that would be considered under Suspension of the Rules.

We will on Tuesday take up H.R. 11518, the debt limitation extension, subject to the granting of a rule.

At this point, Mr. Speaker, I think it important to stress that this is distinguished from the bill which was rejected some days ago in the House and which would have increased the debt limit. This bill would not increase but would simply extend through July 31 the existing debt limit. I would assume that all Members would want to be present to vote for that bill, because without its passage our adjournment for the Easter Week and the home district work period would be impossible.

Following that we will take up H.R. 11315, Federal Election Campaign Act Amendments of 1978, subject to the granting of a rule.

On Wednesday the House would meet at 10 o'clock, and we would anticipate concluding action on H.R. 11315 and then taking up House Joint Resolution 796, emergency appropriations for disaster relief; H.R. 10899, the International Banking Act of 1978; and H.R.

11274, middle-income student assistance bill, the latter three subject to the grant granting of a rule.

At the close of business on Wednesday, March 22, 1978, the House will adjourn for the Easter district work period and will reconvene at noon on Monday, April 3, 1978.

The House, of course, will adjourn by 5:30 p.m., we expect, every day except Wednesday of next week.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. RHODES. Mr. Speaker, may I again ask the distinguished majority leader if the Private Calendar will be called on Tuesday.

Mr. WRIGHT. I am sorry if I neglected to mention that. The Private Calendar is on the schedule for Tuesday, and the Private Calendar will be called.

Mr. RHODES. Of course, the House would be regularly scheduled to meet at 3 p.m. on Wednesday. I would hope that the majority leader might withhold asking unanimous consent to meet at 10 o'clock, until perhaps Tuesday next. The thought strikes me that it may be possible for us to get more work done on Tuesday than we might suppose, and that it might not be necessary to come in at 10 o'clock on Wednesday.

Mr. WRIGHT. If the gentleman requests that I withhold that unanimous-consent request, I shall.

Mr. RHODES. I thank the gentleman.

ADJOURNMENT TO MONDAY, MARCH 20, 1978

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, MARCH 22, 1978

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday, March 22, 1978, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBER OF SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to the provisions of House Resolution 77, 95th Congress, the Chair appoints the gentleman from Hawaii (Mr. AKAKA) as a member of the Select Committee on Narcotics Abuse and Control to fill the existing vacancy thereon.

SELECTION OF MEMBERS TO BE ACCREDITED BY PRESIDENT AS OFFICIAL ADVISERS TO U.S. DELEGATIONS TO INTERNATIONAL CONFERENCES, MEETINGS, AND NEGOTIATION SESSIONS RELATING TO TRADE AGREEMENTS DURING 2D SESSION OF 95TH CONGRESS

The SPEAKER. Pursuant to the provisions of section 161(a), title I, Public Law 93–618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected the following members of that committee, to be accredited by the President, as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to the trade agreements during the 2d session of the 95th Congress: The gentleman from Ohio (Mr. VANIK); the gentleman from Illinois (Mr. MIKVA); the gentleman from Virginia (Mr. FISHER); the gentleman from New York (Mr. CONABLE); and the gentleman from Wisconsin (Mr. STEIGER).

APPOINTMENT AS MEMBERS OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION IN LISBON, PORTUGAL

The SPEAKER. Pursuant to the provisions of Public Law 94–45, the Chair appoints as members of the delegation to attend the Conference of the Interparliamentary Union held in Lisbon, Portugal, from March 22 to April 2, 1978, the following members on the part of the House: The gentleman from Indiana (Mr. HAMILTON), Chairman; the gentleman from North Carolina (Mr. PREYER), Vice Chairman; the gentleman from Texas (Mr. PICKLE); the gentleman from Mississippi (Mr. BOWEN); the gentleman from California (Mr. VAN DEERLIN); the gentleman from Texas (Mr. DE LA GARZA); the gentleman from Virginia (Mr. FISHER); the gentleman from Illinois (Mr. DERWINSKI); the gentleman from Illinois (Mr. MCCLORY); the gentleman from Pennsylvania (Mr. COUGHLIN), and the gentleman from Virginia (Mr. BUTLER).

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO UNITED STATES COAST GUARD ACADEMY

The SPEAKER laid before the House the following communication from the chairman of the Committee on Merchant Marine and Fisheries:

COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, D.C., February 21, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to section 194 of title 14 of the United States Code, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the year 1978:

The Honorable Mario Biaggi of New York.
The Honorable E. de la Garza of Texas.
The Honorable David C. Treen of Louisiana.

As Chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board

Sincerely,

JOHN M. MURPHY,
Chairman.

RESIGNATION AS MEMBER OF NATIONAL COMMISSION ON NEIGHBORHOODS

The SPEAKER laid before the House the following resignation as a member of the National Commission on Neighborhoods:

WASHINGTON, D.C.,
March 9, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: It is with deep regret that I inform you that I find it necessary to resign my position on the National Commission on Neighborhoods, effective immediately.

I firmly believe that the Commission will have a significant impact on neighborhood preservation and revitalization and needs the full attention and input of all of its members. I am presently unable to actively participate in Commission proceedings and recognize that the situation will not improve for several months.

I am therefore requesting that I be replaced on the Commission at your earliest convenience to allow them to move forward with their important tasks.

Very truly yours,

YVONNE BRATHWAITE BURKE,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

PERSONAL EXPLANATION

(Mr. STEERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEERS. Mr. Speaker, I was holding a reception in connection with the battered spouse bill, and there was so much congestion in my office that I did not hear the bells, so I was unable to get to the floor in time to vote on the Humphrey-Hawkins bill.

Mr. Speaker, had I been able to vote, I would have voted "yes" on the Humphrey-Hawkins bill.

TRIBUTE TO KAHIKINA AKAKA

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, it is with a deep sense of love for him, and great gratitude for the gift of his life to me, my family, Hawaii and our Nation that I offer this tribute to my beloved father.

Kahikina Akaka, outstanding father of Hawaii and America, died yesterday in Honolulu, 4 days short of 94 years.

Three of his sons were named "Fathers of the Year" for Hawaii in their respective fields: My brothers John Edward

Kahoa Akaka, vice president of the Musicians Union in Hawaii and former postal employee in 1959; the Reverend Abraham Kahikina Akaka, paster of Kawaiahao Church in 1958; and myself in the field of education in 1966.

All of his other children have raised good families also, and served well in their respective fields: Annie Kahikina Akaka, a school teacher retired with honors; Joseph Kahikina Akaka, retired after 36 years of faithful service at the Pearl Harbor Naval Shipyard; and Susan Akaka Taylor, clerk with the State Department of Social Services and Housing.

Because of his father's and mother's need, my father had to leave school at the third-grade level. He worked at age 12 as an apprentice molder. He worked continuously at the Honolulu Iron Works until 1946.

He taught his children the meaning, value, and glory of hard work—taking great pride in the quality of his work as he produced machinery parts for sugar mills of Hawaii and molded parts for ships that stopped in Honolulu for repairs. When we asked for money, for help in solving problems, he would stimulate our imagination and lead us to solutions, saying after we successfully solved the problems:

If I do something for you that you can do for yourself, I only make you weak.

Among his children's most cherished memories are our family ohanas or prayer times at the beginning and ending of each day, when he led us in reciting Bible verses from memory, in singing a hymn, in prayers of thanksgiving to God for blessings received, and of petition for guidance, strength, and wisdom for the day.

My father took great pride in our Hawaiian heritage, rising in the ranks of the Order of Kamehameha to the topmost position of Kaukaualii. He also felt the need of the working man to organize into unions, which he joined in 1912 and later served as secretary of the International Molders Union in Hawaii.

His love for and loyalty to our mother, Annie Kahoa, his children, as well as his gentleness, strength, kindness, sacrifice, patience, integrity, and unfailing care gave unshakable credibility to his religious faith. He served as deacon and trustee of Kawaiahoa Church and as secretary of the Sunday school.

Among America's most honored fathers are those who strengthen the foundations of our Nation by helping their children and grandchildren and great grandchildren learn, grow, and live to become the fulfillment of their prayers. My father was such a man. His love for God and country, his deep and profound faith and unrelenting sense of duty have been as flaming torches lighting the pathways of life for his children, 34 grandchildren and 40 great grandchildren.

On his 94th birthday, this Sunday, March 19, his children will rise up and call him blessed. His church and community will honor him in special services to be held in Kawaiahoa Church, Hawaii's Westminster Abbey. And the words of the Lord Jesus will be spoken:

Well done good and faithful servant. Enter thou into the joy of Thy Lord.

STATUS OF THE CONGRESSIONAL BUDGET FOR FISCAL YEAR 1978

(Mr. GIAIMO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GIAIMO. Mr. Speaker, as called for in the Congressional Budget Act, the House Budget Committee has notified the Speaker of the House on the status of the fiscal year 1978 congressional budget. A copy of my letter to the Speaker and the committee's report are attached at the end of these remarks. I would like to inform my colleagues how the Congress stands with regard to the budget resolution it adopted on September 15.

My last report to the House on January 31 summarized the current level, that is, the level of spending and revenues already committed by Congress, as of close of legislative business of the 95th Congress, 1st session. The House Budget Committee has now revised the current level to account for reestimates and spending actions of Congress.

OMB is required to submit budget estimates four times a year—January, April, July, and November. The President's January budget, which contains a comprehensive review of estimates for fiscal year 1978 in light of economic conditions and agency spending patterns, has been reviewed by the House and Senate Budget Committees and CBO. The result of this reestimating procedure is a net increase in budget authority of $4 billion and a reduction in outlays of $3 billion. And, as my colleagues are aware, the President has released this week his revised estimates for fiscal year 1978 and 1979 for the Budget Committees' use in considering the first resolution for fiscal year 1979. These estimates will be reviewed by the Budget Committees and CBO and any effect on the current level of spending and revenues for fiscal year 1978 will be communicated to the House.

In addition, the Congress has enacted and the President has signed the supplemental appropriation which increases budget authority $6.4 billion and outlays more than $500 million. The urgent power supplemental appropriation has been enacted. Other spending legislation, including the black lung benefits reform and revenue bills, have cleared the Congress and been signed into law. The attached chart summarizes these changes to the current level.

When taken together, these changes to the current level for spending and revenues result in an amount remaining of $4.6 billion in budget authority, $6.2 billion in outlays and $1.5 billion in revenues. Any spending or revenue measures for fiscal year 1978 (either supplemental requests as contained in the President's January budget or congressional initiatives) must be funded from this amount remaining if the Congress is to stay within the limits of the second budget resolution.

Thank you, Mr. Speaker.

CHANGES TO THE CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1978

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level:			
As of Dec. 15, 1977, close of legislative business 95th Cong. 1st sess.	485,065	454,315	398,067
Black Lung Benefits Revenue Act of 1977, Public Law 95-227	92	.....	92
Endangered American Wilderness Act, Public Law 95-237	9	9	.....
Black lung benefits reform bill, Public Law 95-239	4	73	.....
Supplemental appropriation, Public Law 95-240	6,368	678	.....
Urgent power supplemental appropriation H.J. Res. 746	13	13	.....
Net effect of reestimates	3,928	−3,059	366
Current level (as of Mar. 9, 1978)	495,479	452,029	398,525
Second budget resolution	500,100	458,250	397,000
Amount remaining	4,621	6,221	1,525

WASHINGTON, D.C.,
March 14, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedures which it had adopted in connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under H. Con. Res. 341, the Second Budget Resolution for FY 1978. This report reflects the resolution of September 15, 1977, and estimates of budget authority, outlays and revenues based on all completed action on spending and revenue measures as of close of legislative business, March 9, 1978.

Sincerely,

ROBERT N. GIAIMO,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1978 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONGRESSIONAL RESOLUTION 341

REFLECTING COMPLETED ACTION AS OF MARCH 9, 1978

[In millions of dollars]

	Budget authority	Outlays	Revenue
Appropriate level	500,100	458,250	397,000
Current level	495,479	452,029	398,525
Amount remaining	4,621	6,221	1,525

BUDGET AUTHORITY

Any measure providing budget entitlement authority which is not included in the current level estimate and which exceeds $4,621 million for fiscal year 1978, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 341 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $6,221 million for fiscal year 1978, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 341 to be exceeded.

REVENUES

Any measures that would result in a revenue loss exceeding $1,525 million for fiscal year 1978, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 341.

WASHINGTON, D.C.,
March 10, 1978.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for these items contained in the most recently agreed to concurrent resolution on the 1978 budget. The current level estimates are as of close of business March 9, 1978.

Congress has given final approval to the Urgent Power Supplemental Appropriations (H.J. Res. 746), clearing it for the President's signature. Budget authority and outlays have changed since my last report.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	491,514	448,189	398,525
2. Entitlement authority and other mandatory items requiring further appropriation action	3,952	3,827	
3. Continuing resolution authority			
4. Conference agreements ratified by both Houses	13	13	
Current level	495,479	452,029	398,525
2d concurrent resolution	500,100	458,250	397,000
Amount remaining:			
Under ceiling	4,621	6,221	
Over floor			1,525

Sincerely,

ALICE M. RIVLIN,
Director.

PARLIAMENTARIAN STATUS REPORT SUPPORTING DETAIL, FISCAL YEAR 1978 AS OF CLOSE OF BUSINESS MARCH 9, 1978

[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	241,420	222,805
Offsetting receipts	−62,488	−62,488
Enacted last session	304,681	286,054
Enacted this session:		
Black Lung Benefits Revenue Act of 1977, Public Law 95-227	92	
Black lung benefits reform, Public Law 95-239		69
Endangered American Wilderness Act, Public Law 95-237	9	9
Supplemental appropriation bill, 1978, Public Law 95-240	7,800	1,739
Total, enacted	491,514	448,189
II. Entitlement authority and other mandatory items requiring further appropriation action:		
Function 050:		
Retired pay (anticipated supplemental)	140	140
Department of Defense, civilian and military pay (anticipated supplemental)	2,161	2,096
Function 600: Black lung benefits reform (Public Law 95-239) (anticipated supplemental)	4	4
Function 700:		
Veterans compensation and pensions (anticipated supplemental)	490	445
Veterans' Administration physician and dantist pay comparability (anticipated supplemental)	4	4
Function 800:		
Payment to Civil Service retirement and disability trust fund (anticipated supplemental)	439	439
Offsetting receipts	−439	−439
Function 920: Civilian agency pay raise (anticipatad supplemental)	1,153	1,138
Total, entitlemant authority	3,952	3,827
III. Continuing resolution authority	(1)	(1)
IV. Conference agreements ratified by both Houses: Urgent power supplemental appropriations (H.J. Res. 746)	13	13
Total, current level, as of March 9, 1978	495,479	452,029
Current resolution of September 15, 1977	500,100	458,250
Amount remaining:		
Over ceiling		
Under ceiling	4,621	6,221

[1] Continuing resolution (Public Law 95-205) authority provides funding through Sept. 30, 1978, for: Labor-HEW appropriations, at level of conference agreement on H.R. 7555, and District of Columbia appropriations, at 1977 rate. Amounts are shown in the enacted category above.

THE RAISIN ACT OF 1978

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, the New York Times charged the other day that the White House has changed its mind on H.R. 6782, the famous Raisin Act of 1978 now pending in the other body. The Times suggests that there is a tradeoff in the works—that the President will go along with new set-aside authority for wheat, feed grain, and cotton in exchange for votes on the Panama Canal Treaty.

I am also aware, Mr. Speaker, that the White House Press Secretary has denied that a deal was cut and a tradeoff made. Jody Powell says it is just not true.

Whatever the case, I am hopeful the President has at least come to recognize the problems facing rural America—and is willing to consider solutions other than his present hands-off-do-nothing policy.

But I should call the attention of this body to the fact that the President and his Secretary of Agriculture have had the authority all along to boost farm income by increasing loan levels—up to 100 percent, if deemed necessary, or by using the set-aside authority in the Food and Agriculture Act of 1977. In other words, the President can exercise the authority he already has if he wishes to do so.

Unfortunately, Mr. Speaker, it now looks like it took the problems of obtaining ratification of a treaty with another nation to force the President to focus on the problems inside his own country.

LOCKING THE GOP WAR CHEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 5 minutes.

● Mr. CONTE. Mr. Speaker, lest certain leaders of the majority party in this body feel that their devious attempt to change the campaign financing laws has escaped the notice and the derision of the public, I would like to bring to my colleagues attention an editorial which appeared in the March 8, 1978, issue of the respected Berkshire Eagle.

In referring to the Democrats' attempt to severely limit the amount a candidate may receive from his or her party, the editorial states:

A more cynical attempt to stack the campaign-financing laws could scarcely be imagined.

In identifying the Democrats' attempt as an antireform measure, the editorial quite validly points out that adverse effects of a special-interest contribution are greatly dissipated when the contribution is passed through national committees, because—

Its passage through the coffers of the party national committee has a certain neutralizing effect on it and by the time the money reaches the candidate the fingerprints—and message—of the special-interest contributor are less evident than on the money that union and corporate political-action committees donate.

The editorial also properly identifies the Democrats' attempt as one which would greatly favor incumbents, who are better able to secure the direct, and fingerprinted, special-interest contributions. As a 20-year incumbent myself, I find myself in complete agreement with the Eagle's argument.

I do not believe that any sitting Member of Congress could seriously even attempt to dispute the fact that financing through national committees "serves the useful purpose of evening out the advantages that the incumbent always enjoys."

Mr. Speaker, I insert the full text of the editorial in the RECORD. It is a well-reasoned criticism of the political chicanery represented by H.R. 11315—a justifiable plea for justice and equity. I hope that all of my colleagues will read and heed it before casting their votes on H.R. 11315.

The editorial follows:

LOCKING THE GOP WAR CHEST

Cute, those Democrats in Congress. Aware that the Republican National Committee has amassed a formidable war chest for this year's congressional campaigns of $8 million while their own party has one-tenth that amount, the Democrats have come up with a proposal to change the campaign-financing laws so

that no candidate can receive more than $2,500 from his party. The limit is now $10,000.

Let the GOP eat all its gold, is the attitude, and a more cynical attempt to stack the campaign-financing laws could scarcely be imagined. For whatever reasons, the Republican National Committee is and generally has been a much more effective fund-raising operation than its Democratic equivalent. Instead of taking constructive steps to improve their own committee's work in this area, the Democrats would rather just spike the enemy's guns. All of this, mind you, is presented under the high-minded guise of taking special-interest money out of politics.

In fact, of course, the national committee money does come to candidates, indirectly, from special-interest sources. But its passage through the coffers of the party national committee has a certain neutralizing effect on it and by the time the money reaches the candidate the fingerprints—and message—of the special-interest contributor are less evident than on the money that union and corporate political-action committees donate.

Democratic candidates generally do as well, or better, than their Republican counterparts in securing direct special-interest contributions for the simple reason that far more Democrats run as incumbents. In this year's election in the House, for instance, the ratio of Democratic to GOP incumbents will be almost precisely 2–1. The well-heeled GOP national committee serves the useful purpose of evening out the advantage that the incumbent always enjoys, both in his ability to attract contributions and in the media attention and perquisites (staff, mailing privileges and others) which his office commands.

If House Democrats are so worried that they will be out-gunned in November, it is not too late for them to get behind the proposal to introduce public financing of House campaigns. Even with public financing, party national committee contributions would still be permitted, but a much better case could then be made for lowering somewhat the ceiling on what a party can donate to one of its own. Under no circumstances would it be a good idea to ban this form of funding altogether—party loyalty in modern U.S. politics is weak enough as is.●

PUBLIC PLAYGROUND EQUIPMENT SAFETY LEGISLATION INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

● Mr. WHALEN. Mr. Speaker, I am today introducing the Public Playground Equipment Safety Act to help reduce the number of avoidable accidents and injuries suffered by thousands of children each year. I am pleased to note that Newton Steers of Maryland is the cosponsor of this legislation.

A conservative estimate is that at least 100,000 children each year require hospital treatment for injuries resulting from accidents on playground equipment. Of course, many of these injuries are due to carelessness or reckless behavior. But a substantial number are directly attributable to unsafe design features of the playground equipment.

This is what concerns us the most. As the father of six children, I know that we are never going to be able to protect active youngsters from all possible sources of accidents. But as a legislator, I believe that we can establish a national policy that says playground equipment should be made in such a way as to minimize the possibility of serious injury resulting from the inevitable accidents.

Actually, we do not need new legislation in order to reach such a policy. This is already within the present authority of the Consumer Product Safety Commission. That agency, however, thus far has failed to promulgate standards for safe playground equipment.

This lack of Government action does not result from any lack of interest in the private sector. Even before the CPSC was established, the National Recreation and Park Association was petitioning the Department of Health, Education, and Welfare, for guidance in the design of safe equipment for public playgrounds. The National School Supply and Equipment Associations, one of the trade groups representing manufacturers of public playground equipment, also has been supportive of efforts to establish Federal standards. Several private citizens including Ms. Theodora Sweeney of my home State of Ohio, also have petitioned the CPSC for action on playground safety.

The Consumer Product Safety Commission has taken up at least one consumer petition, but it does not appear to be in any great rush to take conclusive action.

Consequently, the legislation Congressman STEERS and I are introducing today primarily is designed to force the Commission to do something it should have done already. The secondary purpose of this legislation is to help create a significant market for playground equipment with improved safety design, to hasten introduction of such material into the marketplace.

The Public Playground Equipment Safety Act is really a very simple bill. It has four key features:

First, it mandates the Consumer Product Safety Commisison to issue advisory safety standards for public playground equipment. Using a schedule that parallels that already established for CPSC rulemaking, the bill requires that such standards be issued not later than 1 year after date of enactment.

Second, the legislation provides that within 2 years after enactment, all new equipment installed on public playgrounds that receive Federal financial assistance must meet the advisory safety standards.

Third, within 6 years after date of enactment, all equipment on playgrounds that are owned or operated by the Federal Government must conform to the safety standards. This will necessitate retrofitting some older equipment, but the requirement will not apply to any playgrounds other than those established by Federal agencies.

Fourth, the Commission is directed to conduct a study of playground surfacing materials and how they relate to playground equipment and accidents. The report must be presented to Congress within 1 year after date of enactment.

As I have suggested already, the playground equipment safety standards would be advisory in nature. They would be applied on a compulsory basis only to Federal facilities and those public playgrounds that receive Federal financial assistance. This bill would not in any way affect playground equipment installed on private facilities or in the average consumer's backyard. This fact notwithstanding, I do believe passage of this legislation would result in an upgrading of the voluntary standards for that equipment as well.

Mr. Speaker, I think it is time that the Federal Government take some action to protect American children from needless injury that results from the inherently unsafe designs of some playground equipment. A good place to start this effort is with equipment that is owned or operated by the Federal Government or which he purchased or maintained with Federal financial assistance. In those cases, at least, we should give our constituents the assurance that the playground equipment on which their children are playing is safe. Hopefully, the private sector will follow the Federal lead and voluntarily move to upgrade the safety standards of playground equipment.●

DRAMATIC EVIDENCE OF HOW A HEALTHY INVESTMENT CLIMATE MEANS MORE JOBS AND STABLE PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

● Mr. KEMP. Mr. Speaker, I want to submit for the RECORD this testimony by the Securities Industry Association before the Ways and Means Committee which gives strong evidence that the decline in economic growth could be significantly reversed by restoring a healthy investment climate.

As one who has worked hard to alert this Congress to the counterproductivity of high marginal tax rates on the work and income opportunities of blue collar workers my efforts have also been directed at restoring incentive for investment and entrepreneural activity. My bill to lower all tax rates to increase the reward for working, saving, investment, and production received a tremendous boost yesterday when we obtained 194 bipartisan votes.

This testimony and accompanying econometric study figures show dramatically the efficacy of lower rates and a more liberalized treatment of capital gains:

STATEMENT OF THE SECURITIES INDUSTRY ASSOCIATION BEFORE THE COMMITTEE ON WAYS AND MEANS OF THE HOUSE OF REPRESENTATIVES, MARCH 7, 1978

Mr. Chairman, and members of the House Ways and Means Committee, my name is Robert H. B. Baldwin and I am Chairman of the Board of Directors of the Securities Industry Association (SIA) and President of Morgan, Stanley & Co., Inc. Accompanying me today are Edward I. O'Brien, President of SIA and George L. Ball, Chairman of the SIA's Tax Policy Committee and President of E. F. Hutton & Company, Inc.

We appreciate this opportunity to testify before the Committee today, to present our views on the effects of tax policy on investment and to comment on proposals contained in the President's 1978 Tax Program.

SIA represents over 500 leading investment banking and brokerage firms headquartered throughout the United States which collectively account for approximately 90% of the

securities transactions conducted in this country. The activities of SIA members include retail brokerage conducted on behalf of 25 million individual shareholders, institutional brokerage, over-the-counter market making, various exchange floor functions and underwriting and other investment banking activities conducted on behalf of corporations and governmental units at all levels. Due to their role in the capital markets, SIA members are in a position to recognize the impact of tax policy on investment decisions by corporations and investors.

TAX POLICY, INVESTMENT AND ECONOMIC GROWTH

SIA's testimony today is built upon a study it recently completed of nine tax proposals entitled, "Tax Policy, Investment and Economic Growth: A comparative Analysis of the Economic Effects of Alternative Tax Proposals Affecting Investment Income". A copy of that study is attached. The nine proposals were selected last summer from those either: 1. reportedly then under consideration by the Administration; 2. previously considered by Congress; or 3. contained in the April, 1977 report, "Tax Policy and Capital Formation," prepared for this Committee's Task Force on Capital Needs by the Joint Committee on Taxation staff.

SIA prepared its analysis on the basis of simulations undertaken at its request by Data Resources, Inc. (DRI), the economic consulting organization. DRI has constructed one of the most comprehensive models of the U.S. economy now available and manages the largest on-line data bank of economic information in the world. DRI Vice President Joseph E. Kasputys is with us today to answer any questions you may have regarding the simulations.

The study, "Tax Policy and Capital Formation," made a compelling case for increased capital investment. That report concluded that increased investment is needed to sustain economic growth, create jobs, raise real wages, increase price stability, avoid shortages in productive capacity and achieve national policy objectives concerning the environment, energy, housing and urban renewal.

SIA agrees with these conclusions. Recent studies, however, have cast doubt upon our economy's ability to generate adequate investment to fulfill those needs and goals. SIA believes that the present tax system contributes to this projected shortfall by favoring consumption over savings and investment. Savings and investment are discouraged through the imposition of multiple taxes on investment income at several levels. The SIA study supports this conclusion.

The SIA study presents evidence that reducing the tax burden on investment income will stimulate economic growth, increase employment, encourage capital investment and increase federal tax receipts. Tax reductions increase GNP through stimulating consumtion and/or investment. The advantages of stimulating investment relative to consumption are longer-term. Stimulating investment increases the capital stock and therefore the nation's production and employment potentials. This allows the economy to meet future demands with less inflationary pressures. In effect, by tilting the ratio of GNP devoted to investment closer to the 12% ratio considered necessary by the U.S. Bureau of Economic Analysis, the economy's ability to meet stated national objectives will be improved considerably.

The SIA study differs from most other studies of changes in the tax policy in that the analysis is not limited to static revenue estimates. Rather, SIA's study examines the effects of tax proposals over a five-year period, comparing the values of key economic variables to those projected by DRI under existing tax policy. DRI publishes monthly a short-term forecast for the U.S. economy. At SIA's request, DRI extended its August, 1977 control forecast through 1982. This forecast became SIA's baseline projection. SIA then asked DRI to model the effects of the nine tax alternatives for the five-year period 1978–82, and to compare the performance of the economy under each alternative to the baseline projection. The effects of the alternative tax proposals are then expressed in terms of deviations from the baseline projections.

As a reference point, the baseline projection envisages continued economic recovery, with growth in real GNP averaging 4.2% annually over the period 1978–82. Unemployment falls to 5.1% of the labor force by 1982, while the rate of inflation averages 5.7% over this time period. In addition to these economic variables, the DRI forecast also generates projections for investment in fixed business assets, potential output, personal income and consumption and many other important economic variables.

The summary table on the following page synthesizes the impact for each proposal using four indices. The first column shows the estimated net change in gross national product at 1978 price levels for the five-year period 1978-82. The second column shows the cumulative change in non-residential fixed investment (fixed business assets) in 1978 dollars. The third column indicates the change in the number of man-years of employment created or lost over the time period studied. The last column shows the five-year change in federal tax revenues in current dollars.

The summary table contains some striking information. The proposals studied which reduce taxes on investment income received by individuals have a stimulative effect on aggregate demand leading to a more robust economy and additional tax revenues.

At the time SIA's study began, the Administration was considered taxing capital gains as ordinary income and reducing the highest marginal tax rates to 50 percent. Even with a full offset against ordinary income for capital losses, such an approach (Proposal No. 5) has a negative impact on the economy over the period 1978–82. Real GNP would be lowered by $48 billion, capital formation reduced by $43 billion, well over 450,000 man-years of employment would be lost and the federal government would lose over $5 billion in revenues.

Without providing for a full offset of all capital losses against ordinary income, the treatment of capital gains as ordinary income (Proposal No. 1) would be even more damaging to the economy. Real GNP would drop by $116 billion, capital formation would fall by $73 billion, more than 1,500,000 man-years of employment would be lost and the federal government would lose over $25 billion in tax revenues. Clearly, such a proposal would be harmful to the economy.

Eliminating the distinction between capital gains and ordinary income constitutes one extreme. For purposes of comparison, the effects of the other extreme, eliminating all taxes on capital gains (Proposal No. 4) was also tested. This proposal produces the largest five-year gain in real GNP—nearly $200 billion. It also has the greatest impact on capital formation as fixed business assets increase by $81 billion. In addition, this proposal creates over 3 million additional man-years of employment from 1978 through 1982. At the same time, tax revenues increase $38 billion over the five-year period.

Dividend deductibility at the corporate level (Proposal No. 6) has a very positive impact on the economy. Of the nine proposals analyzed in Chapter IV, it has the second most favorable impact on real GNP, capital formation and the number of additional man-years of employment. However, this proposal has a high cost—federal tax revenues are reduced by $21 billion from 1978 through 1982.

Partial integration of individual and corporate taxes through a shareholder credit (Proposal No. 2) also results in a more robust economy. It has the third greatest positive impact on real GNP and the number of additional man-years of employment. This proposal has a smaller beneficial impact on capital formation than does dividend deductibility. However, partial integration would increase federal revenues by $18 billion from 1978 to 1982, while dividend deductibility reduces tax revenues.

A proposal to compensate for elimination of the current treatment of capital gains by offering relief on the double taxation of dividends (Proposal No. 3) produces mixed results. The positive aspects of partial integration mitigate, but do not offset, the negative economic effects of increased capital gains taxes. While this proposal would increase real GNP, five of the other eight result in substantially greater growth. Four other proposals create more man-years of employment. Moreover, this proposal reduces capital formation by $32 billion and results in a loss of federal tax revenues.

Deferring taxes on capital gains through an investment rollover (Proposal No. 7), adjusting capital gains for inflation via a sliding scale (Proposal No. 8) and lowering the corporate tax rate from 48 percent to 46 percent (Proposal No. 9) are all similar in their impact on the economy, although the magnitude of their effects differ. All three lead to an increase in real GNP, a raise in capital formation and additional employment. Of the three, only the corporate tax cut reduces federal revenues over the time period studied. Deferring the taxation of capital gains has the strongest positive impact on economic activity of these three proposals.

The basic conclusion drawn from all the simulations is that economic growth, employment and tax revenues will be increased by tax policies which promote capital mobility and encourage savings and investment. Furthermore, there are major differences in benefits to the economy of stimulating aggregate demand via investment rather than consumption. By encouraging investment, there is an increase in the capital stock and therefore the nation's production and employment potentials, as compared to scenarios in which aggregate demand is stimulated by increased private or government consumption.

In recent years, investment in equities has not yielded rewards particularly after taxes, commensurate with the risks involved. As a result, many individuals have left the stock market or reduced their stock investments. From 1970 to 1975, the number of individual investors fell over 18 percent, from 31 million to 25 million. Equity ownership by individuals as a percentage of their total financial assets fell from 40 percent in 1970 to 25 percent in 1976.

Associated with this decline in individual participation in the equity markets has been an increased reliance on debt financing by corporations. In the past decade, corporate debt-equity ratios have, on average, doubled. Small, young companies—those companies most likely to provide major gains in employment and output—are increasingly unable to raise equity capital. While there were 548 stock offerings totalling nearly one and one-half billion dollars by companies with a net worth under $5 million in 1969, there were only four such offerings totalling but $16 million in 1975.

There are several reasons for these trends, but there is no question that sharp increases in taxes on investment returns were a major factor. The Tax Reform Acts of 1969 and 1976 doubled taxes on capital gains, doubled the period of risk for the investor, and continued the double taxation of dividends.

SPECIFIC TAX PROPOSALS

Two of the proposals in the President's 1978 Tax Program continue this trend. These proposals are: repeal of the alternative tax

for capital gains and elimination of the offset of one-half of regular tax liability against preference income subject to the minimum tax. These proposals will further discourage investment. Accordingly, SIA opposes them.

The alternative rate for capital gains was maintained in 1969 to mitigate the sharp increases in capital gains taxes. Nevertheless, the maximum marginal tax rate on capital gains is approximately equal to the 50 percent maximum rate applicable to personal service income under current tax law. The President's proposal will increase the proportion of capital gains taxed at this rate, thereby further eroding the distinction between the returns on risk capital and ordinary income.

The minimum tax change proposed by the President would in some instances result in higher effective and marginal tax rates on capital gains than on personal service income.

On the other hand, the dividend tax credit proposal introduced by Chairman Ullman would stimulate investment. While this proposal would not eliminate the double taxation of dividends, we recognize that it is a step in the right direction, and we support it.

SIA's Executive Committee will review tomorrow other Administration proposals regarding to deferred annuities, limited partnerships, and industrial development bonds. We will provide additional comments to the Committee on these issues before the hearing record closes.

SUMMARY TABLE

Tax proposal	Change in real gross national product, 1978–82 (billions of 1978 dollars)	Change in capital formation—fixed business assets—1978–82 (billions of 1978 dollars)	Change in man-years of employment, 1978–82 (thousands)	Change in Federal tax revenues, 1978–82 (billions of current dollars)
1. Capital gains treated as ordinary income, with the maximum marginal rate on income, other than wages and salaries, set at 50 percent current loss treatment retained	−115	−73	−1,529	−25
2. Partial integration via shareholder credit	144	26	2,656	18
3. Combination of tax proposals No. 1 and No. 2	50	−32	1,414	−11
4. No taxation of capital gains	199	81	3,136	38
5. Tax proposal No. 1 with capital losses fully offsettable	−48	−43	−477	−7
6. Dividend deductibility at corporate level	171	49	2,969	−21
7. Deferral of taxation for investment rollover	103	42	1,629	19
8. Sliding scale adjustment	87	38	1,283	28
9. Corporate tax cut from 48 percent to 46 percent	37	12	597	−7

SPECIAL ORDER OF CONGRESSMAN MICKEY EDWARDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 20 minutes.

Mr. HANSEN. Mr. Speaker, the open battle over the Panama Canal treaties began in Congress several weeks ago and was preceded by a nationwide address of President Carter. The most startling fact which was absent from the President's remarks was the fact that the American taxpayer was going to have to pay approximately $4 billion to implement the treaties. The administration has to date only admitted to a $600,000,000 cost.

On August 4, 1977, I introduced a concurrent resolution stating that U.S. property in the Canal Zone should not be conveyed to Panama without an act of Congress. To date this resolution has gained 231 cosponsors from 47 States. Other resolutions similar to mine have also been introduced.

One of the fundamental and most important issues arising out of the proposed Panama Canal treaties is the role of the House of Representatives in the disposal of territory or property of the United States.

I have spoken out on many occasions to urge the House to assert its legitimate role with respect to the disposition of U.S. property and territory in the Canal Zone. I believe it is unconstitutional and inappropriate for the multibillion dollar investment of the United States in the Canal Zone to be transferred to the Republic of Panama by treaty alone. Article IV, section 3, clause 2 of the Constitution gives to the Congress the exclusive power to dispose of U.S. property and territory. Failure to exercise that power in this crucial question of the Canal Zone will be a disastrous precedent for the separation of powers in our Government.

The question is this: Does article IV require the consent of both Houses of Congress before American property in the Canal Zone can be transferred to Panama? Or can such holdings be given away by a "self-executing" treaty?

I am amazed that this has been treated so cavalierly by proponents of the treaty. The framers deliberately wrote article IV into the Constitution as one of the checks and balances provided to prevent rash and precipitous treaty action requiring that an implementing act be passed by both the Senate and the House of Representatives before Federal land or property can be conveyed to another power.

Mr. Speaker, there are several contemporary examples of the use of Congress' article IV powers. For instance, there were two treaties which were approved recently, one concerning the exchange of prisoners between the United States and Mexico and one concerning the establishment of the Commonwealth of the Northern Mariana Islands. I would like to call my colleagues' attention to the following excerpts from these treaties:

[From CONGRESSIONAL RECORD, July 27, 1977, p. 24275]

U.S.-MEXICO PRISONER EXCHANGE TREATY

VOTE FOR THE APPROVAL OF THE TREATY BY THE SENATE AND THEY APPROVED TO THE PARTICULAR DECLARATION

That the United States Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in Article 4 has been enacted.

H.J. Res. 549—P.L. 94-241.

COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS IN POLITICAL UNION WITH USA

Article 10—Section 1001B.

This covenant will be approved by the U.S. in accordance with its Constitutional processes and will thereupon become law.

For Congressional Approval See Title 48 USC Section 1681.

Until Congress shall further provide for the government of the trust territory of the Pacific Islands, all executive, legislative and judicial authority necessary for the civil administration of the trust territory shall continue to be vested in such person or persons and shall be exercised in such manner and through such agency or agencies as the President of the U.S. may direct or authorize.

Mr. Speaker, this is a matter that closely touches all the people. The transfer of the canal and Canal Zone assets whose replacement value is nearly $10 billion and whose operation is closely linked to the economy and security of our Nation, is a subject of gravest importance. It is undoubtedly the kind of public action which the framers did not want taken until it had received the most extensive and thorough deliberation.

It would be well to refer back to the original purpose of our Founding Fathers, who wanted a place to check on major action of the Government which may harm the country.

The matter came up early in the State conventions convened to ratify the Constitution. Where much concern was expressed about the possibility of yielding, by a treaty, territory that might be valuable to the economy of a particular State or region. This fear was specifically rebutted at the Virginia Convention.

Governor Randolph, who was a delegate both to the Federal and Virginia Conventions took note of the objection when he remarked:

But it has been said that there is no restriction with respect to making treaties.

His answer was that the Constitution provided, "the most express restriction" on sacrificing the property rights of the Nation in article IV, which empowers Congress to dispose of territory or property of the United States.

Randolph was not the only one who took this view. Francis Corbin added at the Virginia Convention that the people were protected against rash treaties by another provision of the Constitution. Corbin said that if property is sought to be transferred by an agreement in the nature of a commercial treaty—a description which clearly is applicable to a treaty relating to commerce through the Panama Canal—"the consent of the House of Representatives would be requisite, because of the correspondent alterations that must be made in the laws."

So I believe the framers definitely intended for any proposed transfer of

property or territory, which may have an important bearing on the economy or security of any State or region in the country, to receive the consent of both Houses of Congress, acting together with the President, before it would be vaild.

But it is not necessary to prove that Congress has the exclusive power to dispose of public property. George Leonard, a well-known Washington attorney with considerable experience in constitutional matters testified before the Subcommittee on Separation of Powers last year, that in the case of the Panama Canal treaties, the true question is: "Once Congress has legislated on the subject, can the canal and the zone be conveyed without the approval of Congress?"

Here there is a special situation. Congress as a joint body, has acted on the canal since at least 1902. In the Spooner Act of that year, Congress authorized the President to acquire property and "perpetual control of a strip of land" in the then territory of Colombia and to "perpetually maintain, operate, and protect thereon a canal" from the Caribbean Sea to the Pacific Ocean. It was pursuant to the will of Congress in the Spooner Act that the Panama Canal Treaty of 1903 was negotiated and concluded.

Since that time, Congress has established courts, enacted civil and criminal codes, provided for defense, and maintained, administered, and operated both the canal and the Canal Zone.

In the fact of this considerable activity by Congress concerning the Panama Canal, Mr. Leonard believes Congress has preempted any concurrent power which the President, together with the Senate, may have had to dispose of the canal and land in the zone by treaty.

In fact, we have always before used legislation passed by both Houses of Congress in order to cede property in the Canal Zone to Panama. In 1932, it took legislation to authorize the Secretary of State to modify the boundary line between Panama and the zone so that a new legation building could be built on foreign soil, that is Panamanian territory, instead of American territory.

In 1936, a treaty was signed relating to the disposal of certain property to Panama. This treaty was specifically qualified by the following words:

When the authority of the Congress of the United States shall have been obtained therefore, the Government of the United States will transfer to the Republic of Panama: the property in question.

Thus the treaty itself openly required subsequent action by both Houses of Congress.

Then in 1943, a joint resolution was approved authorizing an executive agreement for the transfer of certain land in the Canal Zone to Panama. During Senate deliberation over this resolution, the chairman of the Senate Foreign Relations Committee, Senator Tom Connally, unequivocally took the position that under the Constitution:

Congress alone can vest title to property which belongs to the United States.

He added:

So, if we had a formal treaty before us and if it should be ratified, it would still be necessary for the Congress to pass an act vesting in the Republic of Panama and the title to the particular tract of land.

Mr. Speaker, the public sentiment is rapidly rising against these treaties. To date 12 State legislatures have passed resolutions opposing the proposed treaties. Many groups such as the Oklahoma City, Okla., chamber of commerce and the Newport News, Va., city council have also passed resolutions opposing the treaties and urging the Senate not to ratify them. For the benefit of my colleagues, I include for the RECORD several samples of these resolutions:

[March 9, 1978, Resolution No. 2201-78]

A RESOLUTION EXPRESSING THE OPPOSITION OF THE CITY OF NEWPORT NEWS, VIRGINIA, TO THE PROPOSED PANAMA CANAL TREATY

Whereas, there is currently pending before the Congress of the United States a proposed treaty pertaining to the Panama Canal; and

Whereas, it is the opinion of the Council of the City of Newport News, Virginia, that said proposed treaty is inimical to the best interests of the United States of America; and

Whereas, the Council of the City of Newport News, Virginia, wishes to make its opinion regarding said proposed treaty known to members of Congress.

Now, therefore, Be it resolved by the Council of the City of Newport News, Virginia:

1. That it hereby expresses its opposition to the proposed Panama Canal Treaty as presently written.

2. That copies of this Resolution shall be mailed to each member of the Senate and each member of the House of Representatives and to the President of the United States.

[February 27, 1978, Oklahoma City, Oklahoma Chamber of Commerce]

A RESOLUTION

Whereas, the Constitution of the United States assigns to the people both the right and the duty to petition and memorialize their government on matters of general concern, and

Whereas, the Government of the United States, under both the present administration and the preceding administration, has embarked on a course of action with regard to the Panama Canal which would relinquish American sovereignty and control over that strategic waterway to local political authority during a specified period of years, and

Whereas, in its nearly three-quarters of a century of existence as an independent nation the Republic of Panama has proved one of the most unstable governments in the Western Hemisphere, and is now ruled by an unelected dictator who has professed unrelenting hostility toward this country, its aims and its economic well-being, and

Whereas, the Panama Canal retains much of its traditional military and strategic importance to the defense of this country and the entire Western Hemisphere, and holds a vital place in the economic relations of the nations of this hemisphere, and

Whereas, the economic importance of the Panama Canal in linking the East and West Coasts of this country by sea, bringing large cargoes, bulk shipments, fuels, and other vital goods from one part of the nation to another is as great today as in times past when this route served different but equally important roles, and

Whereas, the President and other government officials have said in recent public statements that the primary difficulty facing the negotiators attempting to reach an agreement with the Republic of Panama is accord on the amount of revenue to be paid to the Panamanian Government during the transition period when full control is being transferred from the United States of America to the Republic of Panama, implying that the transfer of control is one matter already agreed upon, and

Whereas, the people of Oklahoma City and the State of Oklahoma are well-traveled in the military, governmental, and commercial activities common to our age, and are familiar with the importance of the Panama Canal and its history, and are opposed to the introduction of any treaty or other international agreement which would cede ownership or control of this vital waterway to the whims and caprices of the authorities who may be ruling Panama now or at any given time,

Now therefore be it resolved by the Directors of the Oklahoma City Chamber of Commerce, that the President of the United States should take steps to ensure the continued control of and sovereignty over the Panama Canal by the United States of America, and cease any negotiations which would lead to the surrender of such control and sovereignty.

Be it further resolved that the Senate of the United States, given the responsibility by the United States Constitution to approve or disapprove all treaties, should reject any proposed treaty which cedes control over and sovereignty over the Panama Canal to any foreign nation.

Be it further resolved that the Congress of the United States, through its power of appropriation, should reject any financial plan which would facilitate such a transfer of the Panama Canal to another nation's control, and should reject any payments to the Republic of Panama beyond reasonable reimbursement for costs incurred by Panama due to the presence of the Canal Zone and the Canal.

Now therefore it is resolved that copies of this resolution should be forwarded to the President of the United States, the Secretary of State of the United States, and to all members of the Oklahoma Delegation in the Congress of the United States, as a petition and memorial of the will of the members of this organization, its affiliates and its directors.

ALABAMA—H.J.R. 109

Enrolled, House Joint Resolution, urging Congress and the President not to relinquish the Panama Canal.

Whereas U.S. ownership of the Panama Canal is essential to American defense and security as well as to the American economy; and

Whereas the United States financed and built the Panama Canal with a construction period of about 10 years in the early part of this century at what was then a great cost; and

Whereas the United States acquired title to the canal zone in perpetuity; and

Whereas the canal zone is considered a government reservation; and

Whereas it is imperative to Alabama and Southern economy that the U.S. retain control of the canal; and

Whereas some liberals in Congress desire to relinquish American title to the Panama Canal; and

Whereas such foolhardy action would be not only destructive but also dangerous; and

Whereas this legislature recognizes the seriousness of such proposed action and is adamantly opposed to it; now therefore

Be it resolved by the legislature of Alabama, both Houses thereof concurring, That we strongly urge Congress and the President not to surrender any title to or interest in the Panama Canal.

Resolved further, That a copy of this resolution be sent to the President of the United States and to each member of the Alabama Congressional Delegation.

ARIZONA SENATE — S.C.M. 1002

A concurrent memorial urging the Congress of the United States to call for every State legislature to immediately place before the people of their respective States an advisory referendum regarding the continued ownership, operation and control of the Panama Canal by the United States

To the Congress of the United States:

Your memorialist respectfully represents:

Whereas, from colonial times to the present there has been a widening opportunity for the people of the United States to exercise a share in the determinations of government; and

Whereas, the United States was the first large nation to attempt "government of the people, by the people, for the people"; and

Whereas, most nations have fallen under totalitarian forms of government, whereas this nation has maintained its exercise of democracy; and

Whereas, it is incredible that the unelected dictator of the Republic of Panama has held a referendum of the people of that nation as to their desire on the issue of ownership of the Panama Canal while this, the greatest democratic nation in the world, has not offered its people a voice in the determination of such issue; and

Whereas, in 1903 the United States and the Republic of Panama entered into a treaty under which the United States at great expenditure of lives and money constructed the Panama Canal, a vital waterway link between the Caribbean Sea and the Pacific Ocean; and

Whereas, the fifty-mile canal was completed under very adverse conditions which were overcome only by United States engineering genius where other nations had tried and failed; and

Whereas, in 1914 the United States paid the Republic of Panama ten million dollars for the Canal Zone, has paid all expenses for the construction and maintenance of that waterway, has paid to Panama an increasing percentage of the annual revenue generated by the canal, has a net investment in the project of about six billion dollars and has never recovered its original costs from revenues; and

Whereas, the 1903 treaty gave the United States sovereign control "in perpetuity" to operate the canal and maintain a fortified ten-mile-wide zone along the path of the canal through the Republic of Panama; and

Whereas, in 1964 the two nations agreed to renegotiate the treaty and such negotiation has resulted in the proposed transfer of the canal's operation and maintenance to the Republic of Panama and the retention of some "use rights" and a continuing obligation of military protection by the United States; and

Whereas, ratification of such proposed treaties would amount to a complete giveaway of a vital security holding of an interoceanic passageway to a government whose intentions toward the security of the United States are at least questionable; and

Whereas, such a giveaway would be a serious blunder and would severely threaten the security of our nation.

Wherefore, your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That the Congress of the United States request each state legislature to place before the people of the state an advisory referendum to make known the wishes of the people of each state on the issue of giving away the ownership, operation and control of the Panama Canal by the United States.

2. That until such time as the people of the United States make their wishes known on such issue, no ratification of the proposed Panama Canal treaties be voted upon by the United States Senate.

3. That the Secretary of State of the State of Arizona transmit certified copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.

CALIFORNIA HOUSE RESOLUTION NO. 357

Relative to a treaty between the United States and the Republic of Panama

Whereas, The Executive Branch of the United States Government has publicly announced that it is in the process of negotiating a treaty or treaties with the Republic of Panama that may affect the United States-owned Canal Zone territory acquired pursuant to law and purchase from individual property owners under the 1903 Treaty with Panama for the construction, operation maintenance, sanitation, and protection of the Panama Canal; and

Whereas, The proposed new treaty or treaties, if approved, might affect the rights heretofore exercised by the United States with respect to the Canal Zone and the Panama Canal; and

Resolved by the Assembly of the State of California, That the Executive Branch of the United States Government be requested to render due consideration to the potential consequences that might befall any and all existing treaties relating to the Panama Canal and its operation as a result of the United States entering into treaties with the Republic of Panama; and be it further

Resolved, That the Chief Clerk of the Assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the Unied States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

CALIFORNIA

Senate Joint Resolution No. 29—Relative to the Panama Canal.

LEGISLATIVE COUNSEL'S DIGEST

SJR 29, as introduced, Richardson (Res.). Panama Canal treaty.

This measure would memorialize the Members of the United States Senate from California to oppose any treaty which would alter, remove, or reduce the existing control and operation of the Panama Canal and the Canal Zone by the United States.

Fiscal committee: no.

Whereas, At a cost exceeding five billion dollars, the Panama Canal was constructed for the benefit of international commerce and world trade by reducing the length of time within which ships could navigate between oceans and countries; and

Whereas, Our country, bearing the burden of such massive cost, entered into a treaty with the Republic of Panama for the benefit of all free nations of the world; and

Whereas, The strategic importance of the canal requires the protection of a world power and a major world nation; and

Whereas, The economic welfare and stability of the United States and all other countries depends upon free and unrestrained access to the canal and its facilities; and

Whereas, We have witnessed, with the Suez Canal the proliferating problems which result from inadequate controls over such a vital link in international commerce when left in the hands of a small nation having few facilities and manpower to protect its operation; and

Whereas, The proximity of the canal to the shores of this country, and particularly to the State of California, makes imperative its continued control and operation under the terms of the existing treaty; and, therefore, be it.

Resolved by the Senate and Assembly of the State of California, jointly. That the Legislature respectfully memorialize the two Members of the United States Senate from California to vigorously oppose any treaty which would alter, remove, or reduce the existing control and operation of the canal and the Canal Zone, as presently and historically exercised by the United States of America; and be it further

Resolved, That the Secretary of the Senate transmit a copy of this resolution to the Honorable Alan Cranston and the Honorable S. Hayakawa, United States Senators from the State of California and to the Senate of the United States.

IDAHO SENATE JOINT MEMORIAL NO. 107

A joint memorial to the Honorable President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, and the Senators and Representatives representing the State of Idaho in the Congress of the United States.

We, your Memorialists, the Senate and the House of Representatives of the State of Idaho assembled in the Second Regular Session of thee Forty-fourth Idaho Legislature, do hereby respectfully represent that:

Whereas, the President of the United States has submitted to the Senate of the United States, treaties relating to the Panama Canal Zone; and

Whereas, the treaties propose that the United States relinquish their rights to operate and protect the Panama Canal; and

Whereas, since 1902, the Panama Canal Zone has been held and defended as sovereign American territory; and

Whereas, the treaties propose amendment of American rights which will inevitably result in higher product costs to American citizens; and

Whereas, it is contrary to the principles of a free society to abandon sovereign territory into the hands of a dictatorial minority; and

Whereas, the President has taken this precipitious action without regard for overwhelming public opinion in opposition to the give away of the Canal, and without apparent consideration for the consequences to every citizen of every state including Idaho.

Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the Senate and the House of Representatives concurring, speaking on behalf of the citizens of the State of Idaho, that we oppose ratification of the treaties abandoning American rights in the Panama Canal Zone. We urge the Senate of the United States to reject the treaties now pending before the Senate and that the Senate take such action as may be necessary to reaffirm our commitment to the rights, obligations and perogatives of the American people in the Panama Canal Zone.

Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable Jimmy Carter, President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives representing the State of Idaho in the Congress of the United States.

LOUISIANA SENATE CONCURRENT RESOLUTION NO. 19

A concurrent resolution expressing a strong opposition to the proposal that the United States relinquish its sovereignty over the Canal Zone and the Panama Canal

Whereas, the Executive Branch of the U.S. Government has publicly announced that it is in the process of negotiating a treaty or treaties with the Republic of Panama that could dilute the indispensable grant of sovereignty over the United States-owned Canal Zone territory, acquired pursuant to law and purchased from individual property owners

under the 1903 Treaty with Panama for the construction, operation, maintenance, sanitation and protection of the Panama Canal, and

Whereas, any such proposed treaty or treaties, if ratified by the United States Senate, could divest the U.S. of authority where there is grave responsibility and thereby render our government impotent to maintain and operate the Panama Canal in conformity with the provisions of the 1901 Hay-Pauncefote Treaty with Great Britain, under which Treaty the U.S. is obligated to maintain, operate and protect the Panama Canal on terms of equality for world shipping, and

Whereas, the proposed new treaty or treaties, if approved, could effectively destroy all the indispensable rights heretofore exercised by the U.S. with respect to the Canal Zone and the Panama Canal, and

Whereas, any withdrawal of the U.S. could make easier a take-over by communist authority and a similar take-over of governments throughout Latin America, as in the case of Cuba, and imperil the security of the U.S. and the whole Western Hemisphere,

Therefore, be it resolved by the Senate, the House of Representatives concurring, that the Legislature of the State of Louisiana opposes the relinquishing by the U.S. of its existing rights, powers and authority over the Canal Zone and Panama Canal:

Be it further resolved that a copy of this Resolution shall be forwarded to the President of the Senate in the Congress of the United States and the Speaker of the House of Representatives, and to each U.S. Senator from Louisiana in the Congress and each member of the House of Representatives in the Congress from Louisiana.

TENNESSEE HOUSE JOINT RESOLUTION NO. 84

A resolution expressing strong opposition to the proposal that the United States relinquish its sovereignty over the Canal Zone and the Panama Canal

Whereas, the Executive Branch of the United States Government has publicly announced that it is in the process of negotiating a treaty or treaties with the Republic of Panama that could dilute the indispensable grant of sovereignty over the United States-owned Canal Zone territory acquired pursuant to law and purchase from individual property owners under the 1903 Treaty with Panama for the construction, operation, maintenance, sanitation, and protection of the Panama Canal; and

Whereas, any such proposed treaty or treaties, if ratified by the United States Senate, could divest the United States of authority where there is grave responsibility and thereby render our government impotent to maintain and operate the Panama Canal in conformity with the provisions of the 1901 Hay-Pauncefote Treaty with Great Britain under which Treaty the United States is obligated to maintain, operate and protect the Panama Canal on terms of equality for world shipping and;

Whereas, the proposed new treaty or treaties, if approved, could effectively destroy all the indispensable rights heretofore exercised by the United States with respect to the Canal Zone and the Panama Canal; and

Whereas, any withdrawal by the United States could make easier a takeover by communist authority and similar takeovers of governments throughout Latin America, as in the case of Cuba, and imperil the security of the United States and the entire Western Hemisphere; now therefore,

Be it resolved by the House of Representatives of the Eighty-fifth General Assembly of the State of Tennessee, the Senate concurring, that we oppose the relinquishing by the United States of its existing rights, powers and authority over the Canal Zone and Panama Canal.

Be it further resolved, that copies of this resolution be forwarded to each United States Senator and each member of the House of Representatives in the Congress from Tennessee.

VIRGINIA SENATE JOINT RESOLUTION NO. 51

Expressing the sense of the General Assembly of Virginia relative to the Hay-Bunau-Varilla Treaty of 1903

Whereas, in nineteen hundred and three, the United States of America was granted sovereignty over the Panama Canal Zone in perpetuity; and

Whereas, the Panama Canal is essential to the defense and national security of the United States of America; and

Whereas, the Panama Canal is of vital importance to the economy and interoceanic commerce of the United States of America and the remainder of the free world; and

Whereas, valuable exports from Virginia go through the Panama Canal to distant reaches of the globe; and

Whereas, under the sovereign control of the United States of America, the Panama Canal has provided uninterrupted peacetime transit to all nations; and

Whereas, the traditionally unstable nature of Panamanian politics and government poses an implicit threat to the security of the interests of the United States of America served by the Panama Canal; and

Whereas, the Republic of Panama possesses neither the technical and managerial expertise to effectively operate and maintain the Canal nor the capability to meet the growing demands placed upon the Canal; and

Whereas, the Canal represents a five billion dollar investment on the part of the people of the United States of America; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia requests that the Congress of the United States reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insist that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered to and retained; and

Be it further resolved, That the Clerk of the Senate send copies of this resolution to Richard M. Nixon, President of the United States; Gerald R. Ford, Vice President of the United States; Henry A. Kissinger, Secretary of State; Carl Albert, Speaker of the House; J. William Fulbright, Chairman, Senate Foreign Relations Committee; and to each member of the Virginia Delegation to the Congress of the United States.

MARYLAND SENATE JOINT RESOLUTION NO. 34

A Senate joint resolution concerning Panama Canal and Panama Canal Zone for the purpose of supporting continued undiluted sovereignty of the United States and jurisdiction by the United States over the Panama Canal and the Panama Canal Zone on the Isthmus of Panama

Whereas, United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, U.S. sovereign rights and treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned Canal and its protective frame of the Canal Zone, herein designated as the "Canal" and the "Zone," respectively, situated within the Isthmus of Panama.

Title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Colombia, to wit:

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the Canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the Zone for the construction, maintenance, operation, sanitation, and protection of the Canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the Republic of Colombia and the United States, under which the Republic of Colombia recognized that title to the Canal and the Panama Railroad is vested "entirely and absolutely" in the United States, which treaty granted important rights in the use of the Canal and Railroad to Colombia.

The United States, in addition to having acquired title to and ownership of the Canal Zone, purchased all privately owned land and property in the Zone, from individual owners, making the Zone the most costly United States territorial possession.

The United States since 1903 has continuously occupied and exercised sovereign control over the Zone, constructed the Canal, and, since 1914, for a period of 60 years, operated the Canal in a highly efficient manner without interruption, under the terms of the above mentioned treaties, thereby honoring its obligations, at reasonable toll rates to the ships of all nations without discrimination.

From 1904 through June 30, 1971, the United States made a total investment in the Canal, including defense, at a cost to the taxpayers of the United States of over $5,695,745,000.

Under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, Panama has been adequately compensated for the rights it granted to the United States, in such significantly beneficial manner that the compensation and correlated benefits have constituted the major portion of the economy of Panama, giving it the highest per capita income in all of Central America.

The Canal is of vital and imperative importance to Hemispheric defense and to the security of the United States and Panama.

Approximately 70 per cent of Canal traffic either originates or terminates in United States ports, making the continued operation of the canal by the United States vital to its economy.

The present negotiations and a recently disclosed statement of "principles of agreement" by our treaty negotiator, Ambassador Ellsworth Bunker, and Panamanian Foreign Minister Juan Tack, Panama treaty negotiator, constitute a clear and present danger to Hemispheric security and the successful operation of the Canal by the United States under its treaty obligations.

The present treaty negotiations are being conducted by our diplomatic representatives under a cloak of unwarranted secrecy, thus withholding from our people and their representatives in Congress information vital to the security of the United States and its legitimate economic development.

The United States House of Representatives, on February 2, 1960, adopted House Concurrent Resolution 459, 86th Congress, reaffirming the sovereignty of the United States over the Zone territory by the overwhelming vote of 382 to 12, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the Canal and the Zone.

Under Article IV, Section 3, Clause 2 of the United States Constitution, the power

to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives.

The Panama Canal is essential to the defense and national security of the United States. It is of vital importance to the economy and interoceanic commerce of the United States with the remainder of the free world.

Valuable exports from the State of Maryland and valuable imports to this State go through the Panama Canal to and from distant reaches of the globe.

Under the sovereign control of the United States, the Panama Canal has provided uninterrupted peacetime transit to all nations [[.]]; now, therefore be it

[The traditionally unstable nature of Panamanian politics and government poses an implicit threat to the security of the interests of the United States which for many years have been served by the Panama Canal.

The Republic of Panama possesses neither the technical nor the managerial expertise effectively to operate and maintain the Panama Canal; and the Republic of Panama does not have the capabilities to meet the growing demands placed upon the Canal; now, therefore, be it]

Resolved by the General Assembly of Maryland, That:

(1) The government of the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal and Zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) There be no relinquishment or surrender of any presently vested United States sovereign right, power, authority, or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) There be no recession to Panama, or other divestiture of any United States-owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in Article IV, Section 3, Clause 2 of the United States Constitution; and be it further

Resolved, That the General Assembly of Maryland requests the Congress of the United States to reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insists that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered to and retained; and be it further

Resolved, That the Secretary of State of Maryland, under the Great Seal of this State, send copies of this Resolution to Richard M. Nixon, President of the United States; Gerald R. Ford, Vice-President of the United States; Henry A. Kissinger, Secretary of State; Carl Albert, Speaker of the House; J. William Fulbright, Chairman, Senate Foreign Relations Committee; and to each member of the Maryland Delegation to the Congress of the United States; and be it further

Resolved, That copies of this Resolution be sent to the presiding officers of the legislatures of the several states with request for similar action.

Oklahoma Senate Concurrent Resolution No. 21

A concurrent resolution expressing the feeling of the Oklahoma Legislature that the United States should not relinquish its control over the Panama Canal; and directing distribution

Whereas, under the Hay-Pauncefote Treaty of 1901 between Great Britain and the United States, the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for the operation, regulation, and management of the Panama Canal; and

Whereas, by the terms of the Hay-Bunau-Varilla Treaty of 1903, between the Republic of Panama and the United States, the perpetuity of use, occupation, control, construction, maintenance, operation, sanitation, and protection for said canal was granted to the United States; and

Whereas, the United States has paid the Republic of Panama almost $50,000,000.00 in the form of a gratuity; and

Whereas, the United States has made an aggregate investment in said canal in an amount of over $4,889,000,000.00; and

Whereas, said investment or any part thereof could never be recovered in the event of Panamanian seizure or United States abandonment; and

Whereas, seventy per cent (70%) of the Canal Zone traffic either originates or terminates in United States ports; and

Whereas, said canal is of vital strategic importance and imperative to the hemispheric defense and to the security of the United States; and

Whereas, a treaty has been proposed between the United States and the Republic of Panama which in effect would greatly impair if not all but eliminate the known and admitted sovereign rights of the United States in said canal; and

Whereas, under said proposed treaty, the Panama Canal would become the property of a non-American governmental authority; and

Whereas, the Suez Canal has been closed twice in the past ten years, subject to the discretion of the Egyptian Government, and the most recent closing, in June of 1967, resulted in a very substantial increase in United States shipping costs:

Now, therefore, be it resolved by the Senate of the First Session of the Thirty-Second Oklahoma Legislature, the House of Representatives concurring therein:

Section 1. The Government of the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal, and the United States Government should in no way forfeit, cede, negotiate, or transfer any of these sovereign rights or jurisdiction to any other sovereign nation or international organization.

Sec. 2. That duly authenticated copies of this resolution, after consideration and enrollment, be prepared and sent to the President; Secretary of State; Honorable Daniel J. Flood of Pennsylvania; and all members of the Oklahoma Congressional Delegation.

Indiana Resolution

A concurrent resolution supporting continued undiluted sovereignty of the United States and jurisdiction by the United States over the Panama Canal and the Panama Canal Zone on the Isthmus of Panama

Whereas, United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto revolutionary government of Panama, under a declared purpose to surrender to Panama, now or on future date, United States sovereign rights and treaty obligations in the Canal Zone;

The United States since 1903 has continously occupied and exercised sovereign control over the Zone, constructed the Canal, and since 1914, for a period of 60 years, operated the Canal in a highly efficient manner without interruption, under the terms of the Hay-Pauncefote Treaty of 1901, the Hay-Bunau-Varilla Treaty of 1903, and the Thomson-Urrutia Treaty of April 6, 1914, making a total investment in the Canal, including defense, at a cost to the taxpayers of the United States of over $5,695,745,000;

The United States House of Representatives, on February 2, 1960, adopted House Concurrent Resolution 459, 86th Congress, reaffirming the sovereignty of the United States over the Zone territory by the overwhelming vote of 382 to 12, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the Canal and the Zone;

Under Article IV, Section 3, Clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives; and

The Panama Canal is essential to the defense and national security of the United States. It is of vital importance to the economy and interoceanic commerce of the United States with the remainder of the free world:

Therefore, be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

Section 1. There be no relinquishment or surrender of any presently vested United States sovereign right, power, authority, or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States.

Sec. 2. There be no recession to Panama, or other divestiture of any United States-owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in Article IV, Section 3, Clause 2 of the United States Constitution.

Sec. 3. The Secretary of the Senate, under the seal of this state, send copies of this resolution to the President of the United States, Vice President of the United States, Secretary of State, Speaker of the House of Representatives, Senate Chairman of the Foreign Relations Committee, Chairman of the House Committee on Foreign Affairs, Chairman of the Senate Committee on Armed Forces, Chairman of the House Committee on Armed Forces, and to each member of the Indiana Delegation of the Congress of the United States; and that copies of this resolution be sent to the presiding officers of the legislatures of the several states with requests for similar action.

South Carolina Resolution

A joint resolution memorializing Congress and the executive branch of the Federal Government to preserve the rights of the United States in and to the Panama Canal and Panama Canal Zone on the Isthmus of Panama in Central America

Whereas, representatives of the United States are negotiating with people in Panama, under the declared purpose of surrendering our sovereign rights and treaty obligations to maintain, operate, protect, and otherwise govern the United States owned Canal and its protective frame of the Canal Zone in the Isthmus of Panama, and

Whereas, the title to, and ownership of, the Canal Zone along with the right and responsibility to exercise sovereign control of it is clearly vested in the United States in perpetuity; as is made clear in three treaties which are more fully referred to and briefly summarized in Exhibit "A" which is attached hereto, and

Whereas, the United States has acquired, by purchases from individual owners, all land and property which was privately owned in the Canal Zone, so that the Canal Zone is the most costly of the United States' territorial possessions; and

Whereas, the People of the United States have an investment in the Canal, including defense of over $5,695,745,000; and

Whereas, Panama has been fairly and fully compensated for all rights it granted to the

United States; and the compensation and other benefits of Yankee management have greatly increased the wealth of that area so it now has the highest per capita income in all of Central America; and

Whereas, the Canal is of vital importance to Hemispheric defense, to the security of the United States and Panama, and to our economy as approximately seventy percent (70%) of Canal traffic either originates or terminates in United States ports; and

Whereas, the present treaty negotiations between our country and a de facto revolutionary government in Panama are being conducted under a cloak of secrecy, withholding from our people and their representatives in Congress, information which is vital to the security of our government and the legitimate economic development of our country, and constitute a clear and present danger to Hemispheric security and the successful operation of the Canal by the United States; and

Whereas, the Republic of Panama possesses neither the technical nor the managerial expertise necessary to effectively operate and maintain the Panama Canal; and the Republic of Panama does not have the financial and productive capabilities to meet the growing demands placed upon the Canal; now, therefore,

Be it resolved by the General Assembly of South Carolina, That:

(1) The government of the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal and Zone, and should exercise extreme care not to cede, dilute, forfeit, negotiate away, or transfer any of our country's rights, power authority, jurisdiction, territory, or property in any way necessary for the protection and security of the United States and the Western Hemisphere; and

(2) There be no relinquishment or surrender of any presently vested United States sovereign right, power, authority, or property, tangible or intangible, to any other government, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) There be no ceding or giving to Panama, or divestiture in any other manner of any United States-owned property, tangible or intangible, without prior authorization by the Congress of the United States of America, as provided for in Article IV, Section 3, Clause 2 of the United States Constitution; and

Be it further resolved, that the General Assembly of South Carolina does hereby request the Congress of the United States to reject any encroachment upon the sovereignty of the United States of America over the Panama Canal, but instead to insist that the terms of the Hay-Bunau-Varilla Treaty of 1903, as amended, be strictly followed and carried out; and

Be it further resolved, That the Secretary of State of South Carolina be requested hereby to send official copies of this Resolution to the following:

The Honorable Richard M. Nixon, President of the United States;

The Honorable Gerald R. Ford, Vice-President of the United States;

The Honorable Henry A. Kissinger, Secretary of State;

The Honorable Carl Albert, Speaker of the House;

The Honorable J. William Fulbright, Chairman, Senate Foreign Relations Committee;

And to each member of the South Carolina Delegation to the Congress of the United States; and

Be it further resolved, That copies of this Resolution be sent to the presiding officers of the legislatures of the several states with requests that action similar to that indicated by this resolution be initiated by them for consideration by the members of those honorable assemblies.

EXHIBIT A

The treaties by the United States with Great Britain, Panama and Colombia which give the rights and responsibilities of the United States in the Panama Canal are:

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the Canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereignty rights, power, and authority in perpetuity to the United States over the Zone for the construction, maintenance, operation, sanitation, and protection of the Canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the Republic of Colombia and the United States, under which the Republic of Colombia recognized that title to the Canal and the Panama Railroad is vested "entirely and absolutely" in the United States, which treaty granted important rights in the use of the Canal and Railroad to Colombia.

ADDITIONAL FACTUAL SUPPORTING DATA

The United States House of Representatives, on February 2, 1960, adopted House Concurrent Resolution 459, 86th Congress, reaffirming the sovereignty of the United States over the Zone territory by the overwhelming vote of 382 to 12, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the Canal and the Zone.

Under Article IV, Section 3, Clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which include the House of Representatives.

Valuable exports from the State of South Carolina and valuable imports to this State go through the Panama Canal to and from distant reaches of the globe.

Finally, in 1955, another treaty provided for the transfer of land to Panama. Three provisions of the treaty related to the disposal of territory and property. Although two of those three provisions did not expressly call for implementing legislation, Assistant Secretary of State Holland, informed the Senate Foreign Relations Committee in writing that legislation would be needed to implement the transfer of all the territory and property covered by the treaty.

In summary, under article IV of the Constitution, the Panama Canal Treaty cannot become effective, even if it is given the advice and consent of two-thirds of the Senate, until the House of Representatives also acts favorably on the issue.

Even if the Senate should approve these treaties—and that is still a big "if"—they should not do so unless an amendment or reservation is attached requiring implementing legislation for the appropriate transfer of territory and property.

Even according to a recent Feb. 24–27, 1978, nationwide poll conducted by Opinion Research Corp., over a two-thirds majority of the American people favor a House vote on disposition of property in the Panama Canal Zone. Our constituents expect us to act and I for one refuse to be held hostage to the unconstitutional views of the President. I will not vote for any implementing legislation until after such time as this body has voted on disposition of property as required by the Constitution.

Finally, Mr. Speaker, one point that has not been brought out yet in this discussion is the fact that the opinion given by Attorney General Bell, to the effect that a treaty can dispose of U.S. property without enabling legislation, reverses the opinion given by at least three of his predecessors.

For example, in July of 1899, Attorney General John Griggs issued not one, but two opinions, telling the Secretary of War he could not dispose of property in Puerto Rico, which we had acquired by treaty with Spain.

In his opinion of July 26, Attorney General Griggs said:

I do not know of any right or power which the Secretary of War or the President has to alienate in perpetuity any of the public domain of the United States, except in accordance with acts of Congress duly passed with reference thereto.

On July 27, the Attorney General gave another opinion informing the Secretary of War he could not grant a concession to use the water power of a river in Puerto Rico, since it was public property of the United States. The Attorney General said:

By the Constitution the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States is vested in Congress. Congress has conferred no authority of this nature upon the Executive, and in the absence of such power conferred by Congress the President can no more dispose of this particular portion of the public property of the United States than he can dispose of the public grounds, buildings, and other property ceded by Spain to the United States. 22 Op. Att. Gen. 545, 549–550.

How different from this view of article IV is the opinion we are now given by Attorney General Bell, who acts as if he is unaware of the existence of any rulings by his predecessors.

Attorney General Gribbs is not the only Attorney General who differed from Mr. Bell. On October 28, 1924, Attorney General Harlan Stone, who later became Chief Justice Stone, made the following statement in an opinion he prepared for the Secretary of the Navy. Attorney General Stone said:

Property once acquired by the government may not be sold, or title otherwise disposed of, except under the authority of Congress . . . The question here is not of the right of power of the United States as the owner, to dispose of the property, but the authority which must be invoked to dispose of or grant rights in connection with it. The United States has a right to dispose of realty acquired under the law as of personalty, including patent rights; but it has been fully established that Congress is the only authority to be invoked, where there is, in fact, an alienation or what amounts to a transfer or surrender of government property, by which the title, control or possession of the government is lost, reduced or abridged. This authority may be generally expressed, or may be specifically granted to permit the disposition in whole or in part of particular prop-

erty rights. But until that power is given by Congress, expressly or impliedly, the Executive is without power to act." 34 Op. Att. Gen. 322–323.

Third, there is the opinion which Attorney General, and later Supreme Court Justice, Robert Jackson prepared for President Roosevelt involving the transfer of 58 destroyers to Great Britain. Attorney General Jackson advised the President on August 27, 1940, that congressional authorization was required before he could give away the old destroyers and that there was ample statutory authority for doing so. (39 Op. Att. Gen. 484, 485, 489–494.)

Thus, Mr. Speaker, I cannot understand how Attorney General Bell can dismiss these earlier opinions of his predecessors, apparently without even referring to them. The present Attorney General is overruled at least 3 to 1 by men who have previously filled the position he is now holding, and I believe their opinion is the correct one.

In conclusion, I must point out that it is up to the Members of this body to assert our constitutional authority concerning the disposal of property by refusing to pass implementing legislation until such time as we are first allowed to exercise our article IV powers. Additionally, I would also ask my colleagues to sign Discharge Petition No. 6 which would bring House Concurrent Resolution No. 347 to a more timely vote in the House of Representatives—that we may assert our will that no rights or titled property in this Canal Zone be transferred without an act of Congress.

HELSINKI COMMISSION TO HOLD HEARINGS ON BELGRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 10 minutes.

● Mr. FASCELL. Mr. Speaker, U.S. performance at the recently concluded Belgrade meeting on Security and Cooperation in Europe will be examined next week when Ambassador Arthur J. Goldberg testifies before the joint congressional-executive "Helsinki" Commission on Tuesday, March 21 at 10 a.m. in room 345 of the Cannon House Office Building.

Goldberg, a former Supreme Court Justice and Ambassador to the United Nations, led the U.S. delegation to the 5-month, 35-nation meeting which, among other things, probed human rights abuses in the Soviet Union and Eastern Europe.

The Belgrade meeting was an outgrowth of the Conference on Security and Cooperation in Europe which ended in 1975 with the signing of the final act designed to promote détente in Europe. In addition to human rights guarantees, the accord calls for measures to promote trade, human contacts, information flow, scientific and cultural exchanges, and military security among the countries of East and West. The purpose of the Belgrade meeting, the first of such meetings mandated by the final act, was to examine the progress of implementation and to discuss ways of improving it.●

PRESIDENT'S WELFARE REFORM PROGRAM NEEDS REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, the Department of Health, Education, and Welfare has recently prepared an analysis for me showing that States may have to spend as much as $784 million more on medicaid as a result of President Carter's welfare reform proposal, H.R. 9030, than they do under existing law.

These hidden costs could eliminate much of the fiscal relief promised to the States by the Carter administration. During hearings on this subject held by the Task Force on State and Local Government of the Budget Committee, which I chair, HEW estimated that the total fiscal relief offered to States by the Carter plan would be $2.1 billion. The newly computed additional State medicaid expenditures could, therefore, wipe out as much as 38 percent of that promised relief.

Furthermore, it may well be that the balance of the fiscal relief promised by the Carter administration to the States will not materialize. HEW's estimates are based on a variety of assumptions that may not be realized. For example, the administration assumes that States will not provide cost-of-living increases to beneficiaries, provide medicaid to people who will not be eligible under the President's welfare program, or pay for certain emergency assistance needs. If States act contrary to HEW's assumptions and pay these costs, there may be no fiscal relief for any State under the Carter proposal.

States, counties, and cities are staggering under an enormous welfare burden. They need real help from the Federal Government.

As this HEW report demonstrates, the President's welfare reform proposal needs reform itself.

The text of the letter follows:

WASHINGTON, D.C.
February 8, 1977.

HON. ELIZABETH HOLTZMAN,
State and Local Government Task Force, Washington, D.C.

DEAR MS. HOLTZMAN: During my October 28, 1977 appearance before the Budget Committee, State and Local Government Task Force, you requested an estimate of the increased costs to State and local governments arising from the administration of Medicaid as envisioned in Section 105 of H.R. 9030, the Medicaid conforming amendments of the Better Jobs and Income Act.

Because it is anticipated that the present Medicaid program will be superseded by National Health Insurance, it is expected that Section 105 will never become operative. The Administration is placing high priority on improving the quality of health care for low-income groups in the National Health Insurance planning effort now taking place. Should an unchanged Medicaid program continue to operate side-by-side with a reformed cash assistance program, however, we estimate that total Federal and State/local government Medicaid administrative costs would increase between $166 and $784 million annually.

The amount of increase would depend on two factors: (1) the decisions individual States must make on whether or not to administer the H.R. 9030 cash assistance intake function; and (2) the extent to which States not electing to administer cash assistance intake can minimize the cost of maintaining a separate Medicaid eligibility determination process.

The lower estimate ($166 million) assumes that all States would choose to operate both cash assistance intake and Medicaid eligibility processes and would achieve significant coordination between them. The higher estimate ($784 million) assumes that the Federal government would operate cash assistance intake in all States, and that all States would operate a separate Medicaid eligibility process with considerable duplication of administrative effort. It is expected that Medicaid administrative cost increases would be borne about equally by Federal and State/local governments, though the Federal share may rise to over half because the Federal government assumes a larger share of certain categories of administrative cost (e.g., computer services, training).

I have attached a detailed explanation of how we derived our cost estimates. Members of my staff will be pleased to provide you with additional explanation, if you so desire.

Sincerely,

HENRY AARON,
Assistant Secretary for Planning and Evaluation.

DERIVATION OF ESTIMATES OF INCREASED MEDICAID ADMINISTRATIVE COSTS IF SECTION 105 OF 9030 WERE TO BECOME EFFECTIVE

1. Amounts now claimed by States for Medicaid administration represent two categories of costs: (1) administrative costs not directly related to determining Medicaid eligibility (e.g., the administrative expense of negotiating provider agreements, of processing medical vendor claims for payment); and (2) costs related to determining Medicaid eligibility for individuals *not* receiving cash assistance. (Because Medicaid eligibility is automatically conferred on all AFDC and approximately 75 percent of SSI recipients, there currently is no additional Medicaid eligibility cost included in Medicaid administrative costs for these recipients.) To assess the cost impact of H.R. 9030 on Medicaid administrative costs, it is necessary to compare pre-reform Medicaid administrative costs to estimates of the same costs after reform.

2. The first category of cost, non-eligibility costs, are mostly of a fixed overhead nature. Only some overhead charges are sensitive to caseload changes (e.g., bill paying); most (e.g., negotiating provider agreements) are not. Since the Medicaid conforming amendments of Section 105 are expected to maintain Medicaid caseloads at pre-reform levels, the non-eligibility portion of Medicaid administrative costs is assumed to remain constant before and after reform. Administrative costs related to determining Medicaid eligibility are not expected to remain constant though, and it is therefore necessary to compare Medicaid eligibility costs before and after reform.

3. Pre-reform Medicaid eligibility costs are not now clearly identifiable, however. This situation arises because Medicaid eligibility determinations for individuals not receiving cash assistance are often performed by the same individuals doing AFDC cash assistance eligibility determinations. Since States are reimbursed at the same 50 percent matching rate for Medicaid and AFDC administrative costs, States have not had a financial or management incentive to allocate costs precisely between these programs at the State level. In some instances, Medicaid eligibility costs are charged to cash assistance administrative costs, and in other instances the reverse is true. To take ac-

count of this fact, pre-reform Medicaid eligibility costs were estimated to be equal to the eligibility portion of administrative costs now charged against the Medicaid program (assumed to be 40 percent for States that automatically confer Medicaid eligibility to all SSI recipients; 50 percent for all other States), plus 30 percent of States' AFDC administrative charges.

4. If States choose to perform both cash assistance intake and Medicaid eligibility functions after welfare reform, significant administrative efficiencies would occur with respect to Medicaid determinations. Basic eligibility information would only have to be collected once, and could be entered and stored in one recordkeeping system that supported both eligibility functions. Income and assets would only need to be verified once.

The cost of determining Medicaid eligibility under this administrative model is assumed to be: (1) 25 percent of States' average AFDC administrative cost for household units meeting Medicaid categorical requirements and also requiring on-going income or family composition eligibility checks, and (2) about 5 percent for other households not requiring such frequent Medicaid eligibility verification. When fixed Medicaid administrative costs ($322 million) that will continue after welfare reform are added to eligibility costs ($386 million) under this administrative model, the total cost is $708 million. This represents a $166 million increase over the $542 million charged exclusively to Medicaid administration in the base period for 49 States and the District of Columbia (Arizona does not have a Medicaid program).

5. If States do not choose to perform both cash assistance intake and Medicaid eligibility functions after welfare reform, considerable duplication of effort will arise between State Medicaid and the Federal cash assistance eligibility functions. Basic eligibility information might be collected twice, and entered and stored twice in different recordkeeping systems. States also might decide to verify Medicaid income and asset information independent of Federal verification for cash assistance.

The incremental cost of determining Medicaid eligibility under this administrative model is assumed to be: (1) 65 percent of the States' average AFDC administrative cost for households meeting Medicaid's categorical requirements and requiring more frequent Medicaid eligibility verifications, and (2) about 15 percent for other households. Sixty-five (65) rather than 100 percent of a States' average AFDC administrative cost is used, because unlike the current AFDC program, it will not be necessary to determine exact AFDC benefit amounts (so in most cases, work-related expenses will not have to be determined), Food Stamp determinations will no longer be made, nor will it be necessary to make absent parent, WIN or Employment Service referrals in the course of determining just Medicaid eligibility. Further, though ostensibly maintaining a separate Medicaid eligibility process, cost-conscious States will utilize information from the Federal cash assistance eligibility process to minimize the separate Medicaid administrative cost.

When fixed Medicaid administrative costs that will continue after welfare reform ($322 million) are added to eligibility costs under this administrative model ($1004 million), the total cost is $1326 million. This represents a $784 million increase over the $542 million charged exclusively to Medicaid administration in the base period for the 49 States and the District of Columbia.●

CIGARETTE SMUGGLING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, cigarette smuggling—the transportation of large quantities of cigarettes from low cigarette tax States to those with high taxes without payment of applicable State taxes—is a national problem with serious law enforcement implications. Cigarette smugglers buy cigarettes wholesale in States with low taxes, transport them to States with high cigarette taxes, and sell them on the black market. Potential profits in cigarette bootlegging are enormous, thus attracting large sections of organized crime. So widespread is this practice, that it is estimated that from 15 to 50 percent of all cigarettes sold in the high tax rate States are illegal, with a subsequent loss in revene to State government of over $400 million annually. In New Jersey alone, this amounts to $15 to $20 million. Government is not the only entity which suffers from this contraband trade. For every tax dollar lost by the State, industry is losing $2 to $3 gross. This does not include the large sums of money now being spent on extra insurance, security guards for those companies plagued by truck highjacking. Additionally, organized crime has made such inroads into cigarette sales, that legitimate wholesalers are being forced out of business.

A bill which I am introducing today along with all of my colleagues from the State of New Jersey, makes cigarette smuggling a Federal crime, and imposes heavy penalties. State law enforcement officials, acting alone, with insufficient manpower, cannot effectively monitor and apprehend cigarette smugglers. It is only with the assistance of Federal law enforcement officials that we can begin to stop cigarette smuggling now taking place, and prevent its further expansion. It is vital that the Congress take action on this problem during this session. This issue is not new to the Congress. For several years, governments and individuals affected by cigarette smuggling have been asking for congressional action to stem the flow of illegal cigarettes. State governments, hampered by insufficient budgets, are no longer able to even marginally affect this illegal trade—a trade whose profits contribute significantly to organized crime's other activities. Only the Federal Government has the authority and the resources to deal effectively with this crime. Hearings on this matter began on February 28 before the Subcommittee on Crime of the House Committee on the Judiciary. It is my hope and that of many of us here in the House that Congress will take action on this legislation in the very near future. I will certainly do all that I can to bring this about.●

CLARIFICATION OF ISRAELI RETALIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 10 minutes.

(Mr. WEISS asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. WEISS. Mr. Speaker, earlier this afternoon, in the course of the debate on the Humphrey-Hawkins bill, the gentleman from Illinois (Mr. FINDLEY) asked to proceed out of order. At that time, he made a statement relating to the PLO terrorist excursion and terrorist raid into Israel, and the Israeli Government's response in retaliation thereto.

Given the nature of that statement, I feel that it would be not appropriate to allow the day to be completed without a response to the gentleman's remarks. The fact is, Mr. Speaker, that the gentleman, in the course of his comments, paid much greater heed to the retaliation than to the attack; greater accent on the retaliation by the Israeli Government than the cause of that retaliation, which was the murder of almost 40 innocent human beings, and the wounding of over 70 people.

Mr. Speaker, the gentleman's comments ended with a statement to the effect that the matter will not be resolved until the Palestinian people would be given their legitimate homeland. Mr. Speaker, it seems to me that, if anything, the murderous raid by the PLO demonstrates that their autonomy on the border of Israel is something that could not be countenanced. It underscores tragically the reason why the United States ought not to be in the position of attempting to dictate to either the Egyptian or Israeli Governments as to the course of negotiations which they will be undertaking, and how those matters ought to be resolved. That really must be left to the two governments, and hopefully, other countries in the area, to do what they consider to be in their best interests.

Mr. Speaker, I will be entering in full a copy of an editorial which appeared in the New York Times of this date. I would like to read at this point, in conclusion, the last paragraph of that editorial.

It says:

Whatever the merit of these views and requests, the fact remains that it is Israel that is being asked to trust in new arrangements for its security, to relinquish territory that has been a phychological buffer for its people and to envision a time when it will surrender military control over hundreds of thousands of Palestinians in the West Bank and Gaza. The Arabs who have been trumpeting Israel's vulnerability this week and yet will not take measures that would relieve Israeli anxieties cannot have it both ways. Only by showing that they understand Israel's need for elementary security can they logically premise peace on the return of lost territory. The negotiations for an Israeli retreat from Lebanon will test them well.

Mr. Speaker, the entire editorial follows:

ISRAEL POSES A TEST

By sending troops into southern Lebanon, Israel has asked the world, and particularly the Arab world, to give it some assurance that terrorists will not be left free along the border to prey upon its vulnerable population. It is a fair request, particularly after Yasir Arafat took pride in the brutal assault on Israeli civilians last weekend and promised more of the same.

The problem is that there exists no easy answer. The Lebanese Government, by its own admission, cannot control the guerrilla forces based among its 400,000 Palestinians. Syria, having publicly supported the terror-

ism, could not be trusted to control them. The Palestinian extremists are probably in disfavor in all the Arab nations that border on Israel, but their cause has nonetheless been enshrined in Arab politics and diplomacy. If they are to be prevented from sabotaging the current negotiations—and they have once again begun the job well—the Arab nations must help Israel find some safety or else let Israelis patrol the five-mile-deep danger zone of Lebanon as they now threaten to do indefinitely.

It is all discouraging, of course. It is also horrible. Now mothers weep over maimed children on both sides of the Israel-Lebanon frontier, and shout for revenge. Onlookers the world over will measure the Israeli response against the Fatah provocation and wonder whether the Israelis fired too randomly from the air and why they were not content to capture guerrilla bases on the ground. Some will say the Israelis share responsibility for the Palestinian hatreds and for inflaming them yet again. The Egyptians, who wisely condemned the Fatah attack, will ask not to have their own peace overtures tangled in the forthcoming Lebanon negotiations. The United States, after dutifully refraining from criticism of the Israeli counterstrike, will ask Mr. Begin to put concern for peace with Egypt in the south ahead of the quest for security in the north.

Whatever the merit of these views and requests, the fact remains that it is Israel that is being asked to trust in new arrangements for its security, to relinquish territory that has been a psychological buffer for its people and to envision a time when it will surrender military control over hundreds of thousands of Palestinians in the West Bank and Gaza. The Arabs who have been trumpeting Israeli's vulnerability this week and yet will not take measures that would relieve Israeli anxieties cannot have it both ways. Only by showing that they understand Israeli's need for elementary security can they logically premise peace on the return of lost territory. The negotiations for an Israeli retreat from Lebanon will test them well.

ANATOLI SCHARANSKY—BRAVE DEFENDER OF FREEDOM IN THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. MEYNER) is recognized for 5 minutes.

● Mrs. MEYNER. Mr. Speaker, I would like to add my voice to those of many others who have condemned the efforts of the Soviet Government to try Anatoli Scharansky on trumped-up charges of treason. This persecution of Mr. Scharansky must be unmasked for what it truly is: A crude attempt by the Soviet Union to silence the voices of freedom and human rights in that country. Clearly, the Kremlin feels that this inquisition will intimidate others from proclaiming the fundamental human freedoms that are the birthright of every man and woman.

As President Carter declared before the United Nations:

> No member of the United Nations can claim that mistreatment of its citizens is solely its own business.

We are concerned about the violation of human rights anywhere on the globe.

The "right to freedom of opinion and expression," the "right to freedom of peaceful assembly and association," and the right of everyone "to leave any country, including his own, and to return to his country" are all guaranteed by the Universal Declaration of Human Rights and systematically denied by the Soviet Union. Détente between the United States and the U.S.S.R. will never reach fruition unless and until the Soviet Government begins to live up to the pledges they made in 1948 and violate so freely today.

I join with many of my colleagues in expressing my solidarity with Anatoli Scharansky and the other brave defenders of freedom in the Soviet Union.●

THE PLIGHT OF SOVIET REFUSENIKS "VLADIMIR AND CARMELLA RAIZ"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 5 minutes.

● Mr. ROSENTHAL. Mr. Speaker, Vladimir and Carmella Raiz, like so many other Soviet Jews, have been harassed and persecuted simply for their desire to emigrate to Israel.

It is for the Raiz family, their 7-month-old son Moshe and other Soviet Jews who are being detained in the U.S.S.R. as a result of their Government's repressive emigration policies, that we are here today in Congress conducting this vigil.

Vladimir and Carmella Raiz of Vilnius have applied numerous times for exit visas since 1972. It is their dream to join their relatives in Israel. Their application was denied by the local chief of OVIR who said that Dr. Raiz, a molecular biologist at the Institute of Molecular Biology of the Academy of Sciences, was in possession of secret scientific information. However, the institute has certified that his research was conducted over 14 years ago and is no longer considered secret.

The Raiz family has endured considerable hardship since first applying for an exit visa 6 years ago. Dr. Raiz was fired from the institute, and has been working at menial jobs ever since. Mrs. Raiz, a violinist in the Moscow Symphony Orchestra, was also fired. In May, Mrs. Raiz wrote:

> Every day is a terror. I never know if my husband will return when he leaves for work.

The Soviets are trying to cut off the Raiz' communication with the rest of the world. In 1975, the Raiz' phone was temporarily disconnected and they were warned it would be permanently disconnected if they again used it for international phone calls or for calls by tourists visiting them.

Last month, I wrote to Chairman Brezhnev, Ambassador Dobrynin, and the chief of the OVIR urging their reconsideration of the Raiz' visa request. I have not received a reply. In addition, I wrote to Dr. Raiz through registered mail. I have yet to receive the return receipt and fear he is not receiving his mail.

The Raiz family's only "crime" is their desire to join their family in Israel. The Helsinki agreement, which was signed and endorsed by the Soviet Union, calls for free movement of peoples, particularly for the unification of families. I can only pray that the Soviet officials will hear our plea and grant the Raizs and other refuseniks permission to emigrate.●

GENERAL REVENUE SOUGHT FOR SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

● Mr. BURKE of Massachusetts. Mr. Speaker, for many years Wendell Coltin has been trying to help the people of the Boston area cope with problems which they have encountered involving social security—and has done an admirable job. There is no one more qualified to voice the opinions of the elderly, nor anyone more competent at finding out just what those opinions are.

In that light, I think it is pertinent to bring to my colleagues' attention Mr. Coltin's article in today's Boston Herald American. His description of the statement by the AARP/NART's executive director, Cyrus Brickfield, reemphasizes several points which I have been trying to make over the past few years. In particular, I invite my colleagues to peruse Mr. Brickfield's comments about the intentions of the drafters of the original social security legislation regarding the self-supporting aspects of the program.

The Committee on Economic Security never intended that the program be self-supporting ad infinitum: Their actuarial tables showed that it could not be done. We must dispense with the idea that financing a portion of the cost of the system is violating the integrity of the social security concept. Both Mr. Coltin and Mr. Brickfield—as spokesmen for the elderly—show us that at least one segment of our population realizes that:

MEDICARE/SOCIAL SECURITY—GENERAL REVENUE SOUGHT FOR SOCIAL SECURITY

(By Wendell Coltin)

Cyril F. Brickfield, executive director of the American Association of Retired Persons and National Retired Teachers Association, "trusts" that Congress will "more seriously consider general revenue financing proposals during this year's debate on Social Security."

He adds, "Envisioned more than 40 years ago by the experts who created Social Security in the first place, it is surely an idea whose time has come."

Brickfield notes President Carter and others last year proposed using general tax revenue to help finance the Social Security system. He said, "The President wanted to use general revenue to offset the loss of payroll tax income when unemployment rates exceeded six percent.

"The idea of using general tax revenues to help fund Social Security is not new.

"In fact," Brickfield continued, "some of the original architects of the Social Security system, back in 1935, envisioned that, someday, there would be a three-way sharing of the cost of Social Security among employers, employees (through payroll taxes) and the federal government (through general tax revenues).

"Furthermore, as Congress has added to Social Security a number of elements—such as the minimum benefit, survivors' benefits and the like—which are not directly tied to the system, Social Security has become, in part, a program with welfare functions.

"Since government welfare programs are financed through general tax revenues—to

which all Americans contribute—some people have asked why the welfare aspects of the Social Security system should be financed through payroll taxes.

"Unfortunately, Congress 'purists'—who continue to insist that the entire Social Security system is a 'social insurance' program with benefits tied to contributions—were able to sidetrack President Carter's proposal last year. They opted, instead, for tremendous increases in the payroll tax for employees and employers alike over the next 10 years.

"I believe that Congress made a mistake. One only has to look at the short-term and long-term problems of Social Security to see that Congress' action last year amounted to little more than a band-aid solution.

"As early as 1975 we knew there would be a short-term imbalance in the system that Social Security would be paying out more than it was taking in. High UNEMPLOYMENT meant fewer people would put payroll taxes into the system. High INFLATION increased the amount of benefits being paid out.

Unless Congress acted, the Social Security Disability Trust Fund was expected to go bankrupt by 1979 and the Old Age and Survivors Benefit Trust Fund was slated to run out of money by 1982.

"But by using heavy payroll tax increases as the mechanism for solving the short-term imbalance, Congress failed to insulate the Social Security system from the effects of future inflation and unemployment—the very factors which, in large measure, created the short-term imbalance in the first place.

"...I am convinced that, sooner or later, general tax revenues are going to have to be used, at least on a limited basis, to help finance Social Security. Not only will the use of general revenue insure that the system will remain financially stable over the long term, it will provide government experts with the flexibility to meet the needs of the system in a changing economy."

SS STATISTICS: Brickfield points out more than 33 million persons receive checks every month totalling more than $7 billion; and "for many, it is the only source of retirement income."

(Your questions are welcome. Address Medicare Mailbox, Boston Herald American, 300 Harrison Ave., Boston, Mass. 02106).●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. BRECKINRIDGE) is recognized for 5 minutes.

● Mr. BRECKINRIDGE. Mr. Speaker, I regret that I was not able to be present when the House voted on rollcall 129, H.R. 10982, the first budget rescission bill of 1978. I was also unable to vote in rollcall 133, H.R. 10126, part-time career employment in the Federal service, and rollcall 134, H.R. 9146, congressional review of proposed changes in the Postal Service. Had I been able to vote on these three bills I would have voted "aye." ●

IN RESPONSE TO PRESIDENT CARTER'S FIRESIDE CHAT

(Mr. HANSEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANSEN. Mr. Speaker, Governor Reagan's response to President Carter's fireside chat pointed out the many inconsistencies of the President's comments. The most startling fact which was absent from the President's remarks was the fact that the American taxpayer was going to have to pay approximately $4 billion to implement the treaties. The administration has to date only admitted to a $600,000,000 cost.

I am deeply appreciative of Governor Reagan's forthrightness on this very critical issue and feel that his remarks are worthy of sharing with my colleagues and their constituents. Governor Reagan's remarks follow:

TEXT OF REMARKS BY THE HONORABLE RONALD REAGAN

Good Evening.

I appreciate this opportunity to discuss President Carter's television talk on the Panama Canal and the treaties he has proposed which are now before the United States Senate for debate.

A great deal has been said and written about the Panama Canal in recent months. Despite many different points of view about many different aspects of the issue, on one point virtually everyone seems to agree: the continued smooth and secure operation of the Panama Canal is vital to our national security interests and those of the entire Western Hemisphere.

Some of our Latin American neighbor states depend on the Canal to such an extent that more than two-thirds of their commerce goes through it very year. We ourselves will depend on the Canal for the smooth flow of Alaskan oil, by tanker, to our Gulf coast ports for refining. Our naval experts agree that, with our Navy shrunken in size to its smallest point since before World War II, mobility is critically important and the Canal is a vital factor in maintaining that mobility.

In his talk, President Carter said, "What we want is the permanent right to use the Canal." I agree with that, as I'm sure you do. We have that permanent right—right now, but will we effectively have it if the Carter-Torrijos treaties are ratified? I have very serious doubts that we will.

The President, in his fireside chat, discussed the background of this issue so briefly (perhaps because of the press of time) that he left the mistaken impression that we acquired the Canal Zone by some underhanded means; that the Canal was somehow forced on Panama. Nothing could be further from the truth.

Panama, a province of Colombia prior to 1903, had attempted repeatedly to become an independent nation—without success. Separated by mountains and jungle from the capital of Colombia, the people on the Isthmus of Panama felt neglected and forgotten—and maybe they were, in their disease-infested swamps and jungles.

Colombia had given a French company permission to build a canal through the province of Panama. When the French failed and gave up, our Congress authorized the President to negotiate a treaty with Colombia and to buy out the French interest for $40 million. Seeing a chance to get the $40 million for itself by stalling, the Colombian government rejected our proposals. The Panamanians saw their chance and rebelled, notifying the United States at the same time that the new Republic of Panama would sign a canal treaty. The revolution was bloodless . . . and successful.

President Carter made the point that our 1903 treaty was not even signed by a Panamanian, as if this somehow indicated we had forced Panama to accept it. Well, the treaty was signed by a Frenchman named Philippe Bunau-Varilla, but only because the Panamanians themselves named him as Minister Plenipotentiary, for the purpose of negotiating a Canal treaty with us, which he did. The people of Panama were so pleased with what he had done they erected a statue in his honor.

We were also told the other night that "the people of Panama have never been satisfied with the treaty." Yet, the first President of Panama, at his inauguration, said he was about to preside over a great economic boom and "the end of centuries of plague." The Panamanian legislature immediately and unanimously ratified the treaty. It took our own Senate three months and the vote was not unanimous. To top it off, every town council in the new Republic of Panama voted its endorsement of the treaty. You might say the Republic of Panama and the Canal are Siamese twins—one couldn't have been born without the other. The Canal is so vital to Panama's economy that the Panamanians have the highest per capita income in Central America and the fourth highest in all Latin America.

Our relationship with Panama has been an evolutionary one. Accommodations have been made to fit changing times. We entered into additional treaties in 1936 and again in 1955. And, each time the accommodations benefited Panama.

Negotiations for another treaty began under the late President Johnson, but in very recent years the nature of the talks shifted toward a treaty that would take us from our steady, evolutionary course to the uncertainty of radical change in our relationship. The treaties that the Carter administration announced last August are the result of that sharp change of direction in our negotiating approach.

The new treaties would, in a single stroke, eliminate the foundation on which our right—and our ability—to permanently use the Canal has been based for more than six decades. Until recently, the United States government had always taken the position that we could discuss and negotiate virtually any matter that would enhance our relationship with Panama, except the rights of sovereignty we hold in the Canal Zone. That was not negotiable.

The negotiations leading to the treaties now under discussion were carried out by two Democratic and two Republican administrations. This is an American, not a partisan, issue.

Let's take a look at what these treaties would do.

As you know, there are two of them. The first one is called the "Panama Canal Treaty"; the second is titled "Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal".

If the first treaty is ratified, the existing 1903 treaty will be cancelled entirely. Unlike the 1936 and 1955 treaties, these new ones do not simply adjust or amplify the basic treaty. They eliminate it and *it* is the one that gives us the right we now have to permanently operate and use the Panama Canal.

Once ratified, the first new treaty goes into effect six months later, at which time the Canal Zone ceases to exist.

While we would be granted the right to manage, operate and maintain the Canal till the end of 1999, the rights of sovereignty we presently have would be eliminated.

There has been a lot of confusion over this matter of "rights of sovereignty" and the fireside chat the other night didn't reduce that confusion. In trying to answer the question, "Why are we giving away the Canal Zone?", President Carter said, "We do not own the Panama Canal Zone. We have never had sovereignty over it. We have only had the right to use it." That is not quite accurate.

What we have (and this is very important to use) are the *rights* of sovereignty. That 1903 treaty is very explicit (as the new treaties are not). Listen to this: "The Repub-

lic of Panama grants to the United States all the rights, power and authority within the zone . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power and authority." Now, that isn't hard to understand, is it?

The Canal Zone is unique. We did not acquire it under precisely the same circumstances as we did the Louisiana Purchase or Alaska, but there can be no doubt our government intended to acquire a firm, unshakable legal basis for building, operating and defending the Canal.

The Canal Zone is not a "last vestige of colonialism". It has never been a colony. We didn't acquire it for the purpose of exploiting mineral wealth or harvesting crops or engaging in trade. It has been a single-purpose enterprise.

Only one nation can exercise sovereignty over a given piece of territory at a given time. Historically, there have only been a few special exceptions to that rule. In this case, the 1903 treaty makes it clear that the United States and not the Republic of Panama exercises sovereignty in the Canal Zone. The President, however, said on television that we are only paying rent for the Canal Zone. Read the 1903 treaty a thousand times and you'll never once see the words "rent" or "lease". We paid Panama $10 million outright and annual payments beginning nine years later and, according to the treaty, that was "The price for the rights, powers, and privileges granted in this convention."

We did more. We went into the Zone and bought, in fee simple, every privately owned piece of property, including homesteads and squatter's rights. We not only have the rights of sovereignty, we are the owners of the real estate.

The President told us that our Supreme Court has "repeatedly acknowledged" that Panama has sovereignty over the Canal Zone. Not so. The United States Supreme Court in 1907 (in the Wilson versus Shaw case) said, "It is hypercritical to contend that the title of the United States is imperfect and that the territory described does not belong to this nation." In 1971, the U.S. Court of Appeals ruled, "The Canal Zone is an unincorporated territory of the United States".

Why are the rights of sovereignty so important? Well, for one thing, they make it impossible for a government of Panama to expropriate the Canal. And, they give us the unquestioned right to operate, maintain and defend it. We can be proud of the way we have used that right. For 64 years, we have run the Canal at no profit and kept it open to all peaceful shipping of the world.

Through four wars it has been an important link in our Hemispheric defense. We have established bases in the Zone where our own forces receive training and where we have given training to the soldiers of our allies in the Hemisphere. As a matter of fact, that's where General Torrijos received his training.

Through four wars there has been no sabotage and we have successfully kept the ships of our enemies away from the Canal. Yet, the new treaties would give enemy ships the same right of access to the Canal that we have.

We've been warned there will be trouble if we do not ratify these treaties. Indeed, these treaties were negotiated under threat of bloodshed and rioting. Just recently, Col. Noriega, representing Torrijos, told Senator Baker and Garn during their recent visit to Panama that he "knows the weak spots in the Canal and our military does not."

Before we get frightened into ratifying these treaties, let us remember, there are no guerilla bands roaming the jungles of Panama. It is General Torrijos' National Guard which has the guns in Panama. And, as the President himself pointed out, the Canal's continued operation is vital to the economy of Panama. They aren't about to blow it up. Nor can a lone terrorist with a stick of dynamite under his coat sabotage the Canal. Experts on Canal operations say it would take a trained demolition squad, with access (which is not now possible) and an extended period of time to do any real damage.

George F. Kennan, the eminent scholar and former diplomat has said, ". . . one can only quail at the prospect of attempting to operate and protect the Canal in some sort of 'partnership' with the Panamanians. An arrangement of this nature would weaken the American position without giving permanent and complete satisfaction to the Panamanians. It would be replete with possibilities for disagreement and minor conflict."

We're not talking about a partnership in a mountain cabin. We are talking about our national security, and where that is concerned we must always be skeptical and on guard against the worst that might happen. In his book "The Treaty Trap," Laurence Beilenson documents that treaties down through history have been broken more often than not.

The so-called "partnership" of which President Carter speaks and of which Ambassador Kennan is worried, is almost certain to build up pressures in Panama. We had a portent of these just a few days after the new treaties were announced last August. The government-sponsored Panamanian Student Federation said it would support the treaties, but its secretary general declared, ". . . this struggle will be continuous and prolonged until the last invading soldier leaves." Those "invading soldiers" are, of course American G.I.'s.

Panama, a nation with a history of unpredictable politics, could find the pressures building to the point where its ruling regime might one day respond by declaring the new treaties obsolete; declare the Canal a national asset and tell us, "Yanquis, go home." Short of that, there could be disruptions of support services such as police, fire protection, traffic management and garbage collection—all of which we provide now but which we will be getting from Panama if the treaties are ratified (and for which we will pay $10 million a year). Or, there might be a quiet request for us to withdraw most of our troops so that they are not a provocative symbol to potential rioters.

Of course we do not know whether these or similar "cenarios" will come to pass if the new treaties are ratified. But we do know they can't come to pass under the 1903 treaty. If the Senate ratifies the new Panama Canal treaty, we'll be exchanging a sure thing for a mere hope that all will go well.

If, one day, we were told to get out, we would of course consider that a breaking of the treaty. But, with recent events in mind, would we risk a confrontation or would we comply? Or, suppose, at some point we declared that the Canal's neutrality had been violated, but Panama said it hadn't? If we sent our armed forces in would we be violating that part of the treaty which says we can't intervene in Panama's internal affairs? If what is now the Canal Zone becomes part of the Republic of Panama who can whatever happens there be anything but part of the internal affairs of that country?

The President told us, "We can take whatever military action is necessary to make sure that the Canal always remains open and safe." Doesn't this bring up the possibility that one day after the Canal Zone has been eliminated by the new treaty, an American President might be faced with having to order airborne and amphibious action there? And, what of the U.N. Charter which prohibits member nations from using force except in self-defense? We sternly reminded Britain, France and Israel of that in 1956 when Egypt's Nassar seized the Suez Canal.

The so-called Neutrality Treaty is so ambiguous in its wording that while the administration in Washington was telling us that it gave our naval ships the right "to go to the head of the line" in case of emergency, Panamanian officials repeatedly denied this to their own people. For example, Romulo Escobar Bethancourt, Panama's chief treaty negotiator and Torrijos' chief adviser, said in Panama, "If . . . the gringos with their warships say, 'I want to go through first then that is their problem with the other ships waiting there."

President Carter pointed to the treaty phrase "expeditious passage". Escobar, on the other hand, has said he had given us the word "expeditious" after refusing the term "privileged". He said "expeditious" was meaningless and intended only to help the U.S. negotiators sell the treaties to the Pentagon.

This caused quite a flap, as you'll recall. The President and General Torrijos met in Washington and gave out a joint statement supposedly confirming our right of priority passage and our unilateral right to defend the Canal after the turn of the century. The other night in his talk, President Carter tried to give the impression that this statement somehow has the same force as a treaty. It does not. It is not legally binding. It is simply the announced opinion of two heads of state and it was signed by no one.

General Torrijos, when he got home to Panama, even boasted that he had signed nothing, as if to say it was all a public relations exercise to help the White House sell the treaties to the American public.

Many Senators are deeply concerned about this problem and the Senate Foreign Relations committee voted to recommend a new article in the Neutrality treaty to take care of it. That was on a Friday, not quite two weeks ago. The following Monday, the State department sent a spokesman to the committee asking that the changes be made in existing paragraphs of the treaty rather than by adding a new one. It turns out that the Panamanians had burned up the telephone wires over that weekend, urging the change.

It doesn't sound all that important. Why were they so concerned? Well, on closer examination, it reveals a deep difference in interpretation between ourselves and Panamanians. It shows also why we can't afford to take anything for granted where treaties are concerned. Our Senate has been talking consistently about "amendments" to the treaties. But, the Spanish word for "amendment"—"enmienda"—has a different meaning.

Professor Cesar Quintero (Say-zar keentare-o), the dean of law and political science at the National University of Panama put it this way in a television interview on January 20: "The word 'amendment' in English is a substantive reform. In spanish, we speak of 'correcting' something (en-men-dar la plana). The word 'amendment' does not have the same strength in Spanish as it does in English."

So, in Panamanian eyes, adding the changes to existing paragraphs amounts to a minor change, but adding a new paragraph or article would be a major change. This would mean the treaties would have to be submitted to Panamanian people for another plebiscite. And that, Torrijos doesn't want to do.

If there can be such misunderstanding in one area, what lies ahead in this uncharted course President Carter has told us we must take in our relationship with Panama? And, speaking of that relationship, let us be reminded of a few things.

In the process of building what has been called the Eighth Wonder of the World, we wiped out diseases that had plagued Pan-

ama and had killed more than 20,000 workers when the French attempted to build a Canal. We gave Panama a lower death rate than we had in the United States. We built sanitation, power and water systems for Panama. We built schools, hospitals, bridges and highways.

The value of what we are proposing to give away is estimated to be as high as $6–10 billion, depending on whose estimate you choose. We are debating over treaties by which we not only will give the Canal away, we'll also pay a considerable amount to the government of Panama for taking it off our hands! We also promise to turn it over debt-free to Panama, after operating it for them for the next 22 years, during which time we will pay all operating and maintenance costs.

In addition to some hundreds of millions of dollars in loans and aid, we would pay the $10 million a year I mentioned for municipal-type services; another $10 million from Canal operations each year; plus 30 cents a ton on cargo going through the Canal. Estimates on the total range up to $70—even $80—billion a year. And, to top it off, under the new treaties we would give up the right to build another canal elsewhere without Panama's permission.

The President says we aren't paying Panama, that the payments would come from tolls paid by ships using the Canal and not from tax dollars. But, the law says the Canal must be self-supporting, so an increase in tolls is amost a certainty.

Industry Week magazine says that it is estimated tolls must rise between 25 and 46 per cent above the current level of $1.29 per ton. Note that that current rate already reflects sharp toll increases that went into effect in 1974 and 1976. The publication quotes a consultant to the Panama Canal company as saying that the payment provisions of the treaty give him "little optimism" that the Canal "will be financial viable."

Shippers who use the Canal are worried, too. The Gulf Ports association, representing 23 U.S. ports through which move nearly 40 percent of our waterborne commerce, warns that such toll increases may price some American exports—"notably grain and machinery to eastern and Pacific markets"—out of world competition. I'm sure I don't need to remind you what that would mean to American jobs.

If Canal tolls can't be increased because of worries over driving business away, or if they are increased and result in that, who will pay Panama its share of the revenues as promised in the treaties? And, what about the $43 million the Army says it will cost to rearrange our military bases if the treaties go into effect? Then there is some $16 million in interest paid to the U.S. Treasury annually because we've never recovered the original cost of building the Canal. Won't the American taxpayer have to come up with all of that?

Since General Torrijos came to power, Panama's national debt has climbed steeply, the country's economy is in serious difficulty and Panama is having trouble meeting its loan obligations to banks in New York and elsewhere. Perhaps this explains why our negotiators felt they had to pay Panama to take the Canal.

We are talking here about a huge and complex public enterprise; one that is difficult to operate and maintain. Yet, we have done so efficiently for more than 60 years. But, the government of Panama, operating much smaller utilities (some of them expropriated) does not have an encouraging record of public management. It is not a matter of skill, it is a matter of effective, honest management.

The President made one other point in his talk which deserves comment, namely, that these treaties giving up the Canal "have overwhelming support throughout Latin America." The fact is, only a few states neighboring Panama have ever actively supported treaties which would have us turn over the Canal to the government of Panama. Many others have repeatedly expressed in private their concern.

Now, we have very convincing evidence of that concern. Last week, Lt. General Gordon Sumner, Jr., chairman of the 19-nation Inter-American Defense board, the only group specifically charged with defense of the Western Hemisphere, testified before the Senate Armed Services committee. He told the Senators he had talked with high level officials of all the 18 Latin American nations in the organization. He said "All express a very grave concern about the treaties. They see the possibility there for conflict. They also see the possibility for mischief-making by the Communists. And . . . there is not one of these countries that does not have some type of Communist subversions or terrorism going on . . . (And) They are very concerned about the economics of the Canal. It is my impression that some of them were in favor until they got a copy of the treaties and looked at the economic prospects. When they look at what this is going to cost them, they have very serious reservations. Almost without exception they have expressed their opinion that the way the United States (has) . . . operated the Canal . . . has been fair . . . Because they are faced now with an unknown situation they are concerned that the Torrijos government will be unable or unwilling to keep the Canal in operation."

The General then asked for permission to retire from active duty.

The President made much of the support for the treaties by the Joint Chiefs of Staff. Well, our military is under civilian control. The President is Commander-in-Chief. The military must accept his policy decisions or resign. It is significant that more than 300 former top-ranking generals and admirals, now retired and free to speak their minds, are strongly opposed to ratification of the treaties, while only three are in favor.

Many distinguished veterans of the military and the diplomatic service have expressed their concern that our friends and allies worldwide would see our giving up the Canal as another indication of American weakness; a retreat from the free world leadership which is our responsibility. Can we afford this in today's world?

In making a case against ratification of these treaties as they have been proposed, I want to make one thing clear before my time is up. I believe these treaties contain fatal flaws—especially the Panama Canal treaty which would eliminate our basic right to operate, maintain and defend the Canal. Ratification of the proposed treaties would not be in our national interest. But, I also believe we should continue to seek ways to eliminate friction with the people of Panama and to strengthen the bond between our two countries.

Great nations which believe in progressive and friendly relations with their neighbors do not ignore those neighbors and we must not ignore our friends, the people of Panama and their aspirations.

We must recognize that, just as a spirit of evolution and progress dominated our approach to our treaty relationship with Panama for many years, so it must again. We must seek alternatives to these treaties; but alternatives that will also preserve our basic right to use the Canal permanently.

There are some features of the proposed Panama Canal treaty which have merit. It would permit us to embark on the Third Lock modernization program. This would take about 10 years and one to two billion dollars to complete. Its construction could directly benefit the people and economy of Panama and, once completed, the Canal would be able to handle all but a few of the world's largest ships.

The first new treaty also introduces the idea of a governing board which would have Panamanian as well as United States representatives. I hope the Senate will discuss this point in detail, for the idea of having representatives from both nations has merit. Why not go further and seriously consider having some seats (probably on a rotating basis) for the user nations, thus increasing participation by other Latin American nations?

We should consider further negotiations leading to adjustment of Canal Zone boundaries so that some areas no longer needed by us could be turned over to Panama for commercial development.

There is also the possibility of offering Panamanian citizens who break the law in the Canal Zone the option of being tried in their court system or ours.

We should discuss the possibility of building more vehicular bridges over the Canal to improve access to either side. Sovereignty easements on the bridges might even be part of that discussion.

Isn't it time for us to take a collective deep breath? To realize that our negotiators took a wrong turn some months ago, but that the mistakes can be corrected?

We do not have to plunge into a series of fresh mistakes; to replace a workable, sensible and time-tested system with a bundle of uncertainties.

Greatness may be measured in many ways. Carrying out our responsibilities as a nation is one of them. Being the middle point—the vital center—of the free world is not an easy responsibility. We have shown in recent years that we can get very weary of shouldering burdens. But, if not us, then who? The Panama Canal is vital to the free world and that world depends on us. It is part of our rendezvous with destiny. We must not shrink from it, for the ultimate price we pay may one day be our own freedom.

Thank you . . . and a good night.●

THE TRUTH SLOWLY COMES OUT CONCERNING THE REAL COSTS OF PANAMA CANAL TREATIES

(Mr. HANSEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANSEN. Mr. Speaker, once again the administration has been caught double dealing to the American people about the costs of the proposed Panama Canal treaties. President Carter promised in his campaign for the Presidency that "I'll never tell you a lie." This however has not been the case with the proposed Panama Canal treaties. The administration has finally admitted that the treaties would cost the American taxpayer an additional $600 million. However, their actions cannot help but make one wonder if there are any additional items which they are trying to keep quiet.

Mr. Jeremiah O'Leary wrote an article for the February 12, 1978, edition of the Washington Star which brought out the details of the administration's admission in this matter which I think every Congressman and Senator should be aware of. Mr. O'Leary's article follows:

[From the Washington Star, Feb. 12, 1978]

UNITED STATES ACKNOWLEDGES TAXPAYER COST: $600 MILLION TO TRANSFER CANAL

(By Jeremiah O'Leary)

The administration has acknowledged in a letter to all 100 members of the Senate that transfer of the Panama Canal to Pan-

ama could cost the U.S. Treasury nearly $600 million.

The letter was sent jointly to the Capitol late Friday by Secretary of State Cyrus R. Vance, Secretary of Defense Harold Brown and Secretary of the Army Clifford L. Alexander Jr.

It was in response to an outcry a week before by Senators who began pressing expert witnesses for the first time on the precise cost of the treaties now being debated in the Senate and a day-long, acrimonious meeting between Senate staffers and administration lobbyists Feb. 3.

The administration letter was in the form of questions and answers about the financial aspects of the treaties and used plain language to acknowledge that the U.S. Treasury and the taxpayers will be affected by additional costs. In short, the administration has abandoned some earlier and oversimplified statements of treaty proponents that the treaties will not cost U.S. taxpayers a dollar.

The administration letter got little attention because it was delivered to Capitol Hill late in the afternoon on "getaway" day, before the Senate embarked on the 10-day Lincoln recess. Many senators had already left town, but the administration letter was duly entered into the Congressional Record for Feb. 10.

The letter was promised to the Senate after the verbal fracas of the previous Friday, when more than half the Senate members sent representatives to demand straightforward answers to financial and cost questions.

The financial viability of the canal under Panamanian jurisdiction was raised by Canal Zone Gov. H. R. Parfitt and Comptroller General Elmer B. Staats the day before the staffers met with the lobbyists. Some veterans say this was probably the first time most senators became aware that the Panama Canal tolls were not going to take care of all the costs of the transition.

Vance, Brown and Alexander apparently attempted to soften the impact of costs in their letter by saying, "In the last analysis, U.S. security and commercial interests these new treaties were designed to serve cannot be measured in dollars. We feel the costs associated with U.S. operation of the canal between now and the year 2000 will be more than offset by the benefits derived during an orderly and efficient transition to Panamanian management and from the continued maintenance of U.S. troops and facilities in Panama for the next 22 years."

Actually, the administration has never claimed the transfer of the canal would be cost free but rather that studies were not complete. But there is little doubt that the Carter administration played down the cost factor while contending that all payments to Panama would come from canal tolls and revenues.

This created in the minds of many, including the senators who will vote on ratification of the treaties within the next five weeks, the impression that the canal would be handed over to Panama at no cost to Americans.

The letter sent to the senators this weekend now indicates that the costs to the U.S. will be at nearly $600 million over the life of the treaty.

The administration addressed itself to the funding problem with this question-and-answer sequence:

"Q. Will the treaties require any appropriated funds?

"A. Payments to Panama under the treaties will be made from canal revenues, not tax dollars. Moreover, all operating expenses of the new entity will be paid from canal revenues. Administration spokesmen have testified on several occasions before congressional committees that the transition from our present role to our proposed role under the new treaties would entail some costs in the U.S. budget. One major cost would be relocation of defense installations, estimated at $43 million for the first three years.

"Another would be an early retirement program for canal enterprise and certain other employes. The programs which have been discussed within the administration range in cost up to $150 million. There will be additional Department of Defense costs resulting from a merger of Canal Company and DOD activities and assumption of non-reimbursable costs for health, education and other support functions. The total appropriations impact over 21 years based on present information is unlikely to be much more than $350 million.

"Q. Are there any budgetary implications?

"A. Although not required by the treaty, the administration will recommend that the treaty cease collecting annual interest payments from the canal company which are currently averaging $18–$20 million (a year). It will be up to Congress to decide whether to accept the administration's recommendation. The administration's recommendation is based on the fact that we have always treated the canal as a public utility. . . ."

Over a 22-year span, the interest payments to the Treasury come to about $240 million: this sum would no longer accrue to the U.S. Treasury under the administration's proposal.

"Q. What is the value of property to be transferred to Panama under the terms of the treaties?

"A. ". . . Property which will be transferred to Panama during the life of the treaty had a net book value of $96 million in 1977. The monetary grand total of existing Canal Company and Canal Zone government property to be turned over to Panama is $194 million. Panama would also receive capital improvements to the canal and its facilities made during the treaty's lifetime which the Canal Company, based on planned capital improvements, currently estimates at $454 million."

"The administration pointed out that a separate economic and military cooperation package of $345 million over five years—all in repayable loans, credits and guarantees—is planned. It said only about $5 million in appropriated funds would be required to support the repayment guarantees for the military credit program as a reserve fund; none would be paid to Panama.

Meanwhile, an Associated Press survey of more than 50 of America's largest daily newspapers shows that an overwhelming majority favor Senate ratification.

Mr. Speaker, although President Carter has repeatedly insisted that the treaties would not cost the American taxpayers a single dollar, we now know that this is not true. Now the administration has reluctantly acknowledged in a letter to Members of the U.S. Senate that the treaties will require $633 million in appropriated funds and lost revenues to the U.S. Treasury. This letter was signed by Secretary of State Cyrus Vance, Secretary of Defense Harold Brown, and Secretary of the Army Clifford Alexander.

Unfortunately, Mr. Speaker, these direct taxpayer expenses under the proposed Panama Canal treaties do not include several additional costs. The Foundation for Law and Society has recently published a study which points out the true costs to the American taxpayer of the proposed treaties. This article is highly informative. I include it for the RECORD and seriously commend it to my colleagues and all interested Americans. The article follows:

[From the FLS Legal Review, Feb. 9, 1978]

PANAMA CANAL—WRITEOFF? RIPOFF?

The staggering burden on the American taxpayer of gratuitous payments to the Republic of Panama was revealed to the U.S. Senate for the first time in testimony by Canal Zone Governor, Major General H. R. Parfitt, and U.S. Comptroller General, Elmer Staats. Their comments before the Senate Armed Services Committee on Wednesday, February 1, 1978, stirred demands for Administration clarification of the U.S. obligation under the proposed Panama Canal Treaty.

Among the less known, until the Parfitt/Staats appearance, and still among the least understood provisions of the Treaty are those in Article III and Article XIII establishing "payments" to be made to Panama between the "entry into force" date of the Treaty and its expiration on December 31, 1999. The more than four billion dollars asked of American taxpayers raises three basic questions.

First, what is the total obligation of the "payments"?

Second, from what source are the "payments" to be made?

Third, why are the "payments" to be made?

This paper limits its focus to the heretofore obscured question of the tax impact on Americans of the proposed Treaty and suggests an alternative manner of disposing of the Canal without the tax burden.

HOW MUCH WILL WE PAY?

Article III. The Republic of Panama would be paid $10,000,000 annually for such services as police, fire and garbage collection. Every three years the figure would be reviewed to determine adjustments necessary "because of inflation and other relevant factors affecting the cost of such services." Upward adjustment would appear inevitable.

The Treaty would commit the Panama Canal Commission to make the "payments" instead of the U.S. but that may be a distinction without a difference. The PCC, despite its bilateral composition, would be under the terms of the Treaty, an agency of the U.S.

"The United States of America shall . . . carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission. . . ." (Panama Canal Treaty, Article III.)

Without regard to canal tolls (earned income), the American taxpayer would underwrite the payout of $10,000,000 whether or not the services actually cost that much or whether or not the services were actually provided.[1]

Article XIII. The housekeeping fee (above) is just the beginning. In this article the American taxpayer is burdened with three more items.

(1) A fixed annuity of $10,000,000 to be paid out of Canal operating revenues. The payout "shall constitute a fixed expense" of the Panama Canal Commission, i.e., it is to be paid out of first dollars received.

(2) $0.30 per commercial net ton transiting the Panama Canal. This amount is to be adjusted to reflect changes in the wholesale price index at the end of the first five years and biennially thereafter during the life of the Treaty. The source of these payments is strangely different from the $10 million annuity. Although the payment is to be from "Canal operating revenues", the provisions do not say that it shall be paid by the PCC.

Apparently reference to the "tolls" was thought to be sufficient identification of the source. Now why are the payments to be made? The treaty states that the payments are as "a just and equitable return on the natural resources which (Panama) has dedicated to the efficient management, operation, maintenance, protection and defense of the Canal." As Panama pays nothing, under

Footnotes at end of article.

the terms of the Treaty, for management, operation, maintenance, protection and defense of the Canal, the 30 cents per ton appears to be U.S. tribute for its privilege of providing defense and other services. In recent years the Canal has operated at a deficit which has thus far been absorbed in its reserve capital fund; when that is exhausted, it will be up to Congress to pick up the tab with tax dollars, of course. At that time, these payments will become an additional burden on the American taxpayer.[2]

(3) An annual sum up to $10,000,000 to be paid out of canal operating revenues to the extent that such revenues exceed expenditures. These "payments" would accumulate and be payable from later revenues to the extent that they could not be paid annually. This clause, which could be called the "Never give a Sammie an even break" clause, could well become a source of later grief.

Both General Parfitt and Comptroller General Staats testified that without clarification this clause could permit Panama to claim that any portion not paid accumulates throughout the life of the Treaty constituting a lien on the Canal. Another provision requires the U.S. to turn over the Canal to Panama free of all liens and debts. If the deficit operations continue, the United States would owe Panama $230,000,000 in 1999. Failure to honor this debt would be a breach of the Treaty.

In this instance "clarification" is a euphemism for "repudiation" of the view already voiced among Panamanian officials that this payment which appears to be "contingent" upon an operating surplus is not contingent at all and would become a debt which the U.S. taxpayer would have ultimately to discharge. The Treaty is silent on the question of "why" this amount is to be paid.[3]

A summary of the annual "payments" to be made by the U.S. in exchange for our ceding the Canal to Panama is as follows:

(1) $10,000,000 per year for police, fire, garbage, et cetera (subject to upward adjustment);

(2) $10,000,000 per year annuity;

(3) $40,000,000 per year on tonnage (approximation) (subject to upward adjustment);

(4) $10,000,000 per year override on revenues.

A minimum of $70,000,000 (subject to upward adjustment) per year is the commitment of American wages for the right to give Panama our Canal. The Canal now operates at a deficit. Toll increases can cover only a marginal amount of such payments. It has been estimated that increases of 40% would be necessary to cover the current deficit (excluding the tribute obligated in the Treaty)[4] and a study is underway to determine if a 50% increase would approach the point of diminishing returns with respect to tonnage.[5] In other words, the tribute is unquestionably a burden on individual Americans. Should inflation, moreover, raise the cost of operating the Canal, U.S. taxpayers can expect an additional burden.

An implicit, but undiscussed, burden on the United States taxpayers is the cost of paying the Panamanian members of the Panama Canal Commission who would be employees of the United States, and the costs of the bureaucracy to be established under the Commission: the Coordinating Committee, the Ports and Railroad Committee and the Joint Commission on the Environment.

In view of the State Department's position that the Treaty is self-executing, it is plain why it negotiated reference to the "payments" deriving from "tolls" under the control of the Panama Canal Commission. There would be no need for the House of Representatives to appropriate money to pay the committed amounts; so it would seem. Instead, the obvious source of the payments would be toll revenues, and Congress would be approached only if it became necessary to make up operating deficits (including the tribute).

Governor Parfitt made the point that should the Canal cease operating for any reason, the payments of tribute would still be due and payable. If operating revenues should cease, then Congress would have to be approached to make up the deficit. At that point, the assertion of "self-execution" may return, at least in the House, to haunt its proponents.

UNSEEN COSTS OF THE TREATY

Although many witnesses, before the Senate, made the point that only 7 percent of the shipping through the Canal is in American ships (made perhaps to diminish the importance of the Canal), the more important, and forceful, statistic is that about 70 percent of the cargo transiting the Canal originates or terminates in American ports.[6] As already pointed out, even with toll increases the American taxpayer will inevitably pay the cost of the "payments" to Panama and he will receive nothing in return.

If the $10,000,000 override "payment" is truly contingent on operating surplus, then the pressure is on the new owners of the Canal to push for an upward spiral of tolls. Under that circumstance, U.S. taxpayers will pay another real, but unseen, price for giving up the Canal. Toll increases will translate into increased costs for every commodity which transit the Canal from a few pennies for wheat, and therefore bread, to several dollars for oil, steel and wood. Parfitt said that increased traffic in Alaskan oil will sufficiently increase volume to keep down short term toll increases. The wary Northeast oil consumer might well wonder how much of a toll increase will be required to make Oriental markets too attractive to ignore for the Alaska oil consortium.

General price increases caused by escalating tolls could be more costly to Americans than the tax consequences of the tribute itself. There could also be an adverse impact on American jobs dependent upon exports due to increased tolls. Finally, upward toll pressures do not bode well for the year 2000 and thereafter when not even Congress can balance the distortion of converting our Canal into a money machine for one despot at the expense of the entire Western Hemisphere.

Of course, there is another view of Panama's self interest up to the turn of the Century. If the $10,000,000 override is not contingent and is cumulative, and in view if the 30 cents per ton transit fee payable to Panama, then the new owners will find it advantageous to reduce tolls to increase tonnage and let Uncle Sam worry about the override. The reader will recall that all the other "payments" are direct costs and not contingent upon an operating surplus. In other words, however Panama views the economics of toll rates, the American consumer/taxpayer will pay the freight.

Tolls will be set by the Panama Canal Commission on which the U.S. would have a majority of one. Under such circumstance, the importance of Senate advice and consent to the nominations to the PCC should be viewed as crucial. There is strong evidence to suggest that DOT and State intend to annex the status quo (no confirmation of Panama Canal Company directors) on the new Commission.

The terms of the Treaty as they relate to these "payments" must be viewed as significant in determining how the new owners will manage the Canal. Without the taint of jingoism, it may fairly be said that the Canal has been operated for seventy years on a non-profit service to the world basis. The principal reason put forth for transferring the Canal is third world opinion, principally in Central and South America. How will those nations view us when money hunger in Panama finally (perhaps only after the year 2000) translates into disrupted economies in those poor third world countries? Will Panama run the Canal at a deficit? The question answers itself.

It is beyond the purview of this paper to examine the related, and more crucial, question of whether the Canal in the hands of interests less altruistic than those of the United States might not become a potent political weapon to achieve revolutionary goals precisely through such economic disruption.

TAXPAYER RELIEF: AN ALTERNATIVE PROPOSAL

Given the immense cost to the American taxpayer, a serious question arises over the purpose of the proposed Treaty. Assuming the validity of all the arguments for giving the Canal to Panama, what is the purpose of the ornate financial arrangements to pay Panama two, or more, billion dollars? From the view of costs to the United States, it would appear simpler and considerably less expensive to cede the Canal directly to Panama by legislative act reserving our right to defend the Canal to assure its availability to all nations.

The same act could reserve a six-month turn over period to allow for the withdrawal of American presence. Thereafter, Panama would run the Canal directly without all the cumbersome commissions, committees and complex bureaucracy. Such direct cession would lift the burden of extended and expensive payments from the shoulders of American taxpayers. It would, moreover, demonstrate to the third world that America is altogether trusting of their intentions and competence.

Such a cession would also free the United States to negotiate elsewhere for rights to build a sea level canal without the limitation of Article XII forbidding such negotiation without the consent of Panama.

This approach would preserve the Constitutional prerogative of the House of Representatives under Article IV, Clause 3, Section 2 of the Conntitution. It would reduce the necessary vote, in the Senate, to a mere majority, and would achieve everything proponents of the Treaty have publicly deemed essential without the concomitant burden on the American taxpayers. The tax saving might then be used to underwrite the cost of a sea level canal.

The Neutrality Treaty could be allowed to take effect on its own terms without reference to the "Panama Canal Treaty" and with due regard of the right of the United States to defend the Canal, not in the year 2000, but immediately upon legislative action to transfer the Canal to Panama. For those who view the transfer as necessary, this approach provides simplicity and economy without additional hazard with respect to defense.

FOOTNOTES

[1] Major General H. R. Parfitt, background material prepared for testimony before the Committee on Merchant Marine and Fisheries, U.S. House of Representatives. The Governor has taken the position that if the Commission revenues are insufficient to meet these payments, as well as other obligations, the only practical alternative would be to borrow from the U.S. Treasury or seek appropriated funds from Congress.

[2] loc cit

Parfitt has stated that to insure the financial viability of the Commission during periods of decreased traffic, the Commission should be able to borrow on the faith and credit of the U.S. and should have authority to directly seek Congressional appropriations.

[3] loc cit.

Again, the Governor has made it clear that an argument could be made to the effect that Panama would be due a settlement in 1999 based on the cumulative "payments" of $10

million due each year "if earned." In view of the other terms of the Treaty, one need not be clairvoyant to see the kind of settlement which the State Department would negotiate on such a claim. We would simply pay it.

[4] Parfitt, Prepared Statement before Merchant Marine and Fisheries.

[5] Parfitt, background material prepared for testimony before House Committee on Merchant Marine and Fisheries. Reference to IRA study to traffic sensitivity to toll increases and Parfitt's flat denial that tolls can be raised to reflect inflation without a negative effect on traffic.

[6] Gaynor, "The Canal Zone—Panama and the United States," August 31, 1977, p. 3 Baldwin, "The Panama Canal: Sovereignty and Security," AEI Defense Review, No. 4, 1977, pp. 14–15.

The Foundation of Law and Society was organized on March 18, 1976 in the District of Columbia as a not-for-profit corporation for the purpose of litigating in the public interest and performing research and educational functions in connection therewith. It was recognized tax-exempt under section 501 (c)(3) of the Internal Revenue Code by letter dated May 3, 1976 from the District Director, Baltimore. Contributions are tax deductible.

PROJECTED COSTS TO AMERICAN TAXPAYERS IN GIVING CANAL TO PANAMA

30 cents per ton/$40 million 1st thru 5th years, equals $200,000,000.

(11 percent/yr. or 55 percent increase) 6th thru 7th years, equals $124,000,000.

(11 percent/yr. or 22 percent increase) 8th thru 9th years, equals $151,280,000.

(11 percent/yr. or 22 percent increase) 10th and 11th years, equals $184,570,000.

(11 percent/yr. or 22 percent increase) 12th thru 13 years, equals $225,175,400.

(11 percent/yr. or 22 percent incerase) 14th and 15th years, equals $274,713,988.

(11 percent/yr. or 22 percent increase) 16th and 17th years, equals $335,151,083.

(11 percent/yr. or 22 percent increase) 18th and 19th years, equals $408,884,318.

Tonnage, total "payments" during 19 years, $1,903,774,789.

NOTE: 11 percent represents the 1973–76 average "Wholesale Price Index for Industrial Goods" which is considered the most volatile of all indices.

Services "payment" 1st thru 5th years, equals $30,000,000.

(3 percent/yr. or 9 percent increase) 4th thru 6th years, equals $32,700,000.

(3 percent/yr. or 9 percent increase) 7th thru 9th years, equals $33,681,000.

(3 percent/yr. or 9 percent increase) 10th thru 12th years, equals $36,821,290.

(3 percent/yr. or 9 percent increase) 13th thru 15th years, equals $40,225,198.

(3 percent/yr. or 9 percent increase) 16th thru 18th years, equals $43,845,457.

(3 percent/yr. or 9 percent increase) 19th year, equals $15,053,605.

Services, total "payment" during 19 years, $232,326,550.

NOTE: 11 percent represents the 1973–76 annual inflation rate.

Annuity/$10 million for each of 19 years, equals $190,000,000

Toll override/$10 million for each of 19 years, equals $190,000,000.

Total direct "payments" during 19 years, $2,516,101,339.

NOTE.—Were the upper limit toll base of $50 million used to calculate the "tonnage" payments, $1,020,498,149 would be added, or the Total Direct Payments would become $3,536,599,488.

OTHER COSTS KNOWN WITH SOME PRECISION

Replacement cost of the Canal itself: equals $3,000,000,000.

Loss of interest paid by Panama Canal Co. to U.S.A., $18 million x 19 year: equals $342,000,000.

Transfer of CZ improvements without compensation: equals $200,000,000.

Waiver of principal cost of investment: equals $368,000,000.

Current cost of pending capital improvements: equals $128,000,000.

Total additional treaty costs (losses) to U.S.A. $4,038,000,000.

AS YET UNKNOWN COSTS

Termination of employment of U.S. nationals displaced by Treaties. Overhead of new Commission, committees, et cetera, to December 31, 1999.

COSTS RELATED BUT OUTSIDE TREATY

Side agreements for loans and other economic assistance, $500,000,000.

Total cost of arrangements with Panama during 19 years, $8,074,599,488.

One item has been omitted intentionally because it is both contingent and uncertain. Should the Canal be closed to the United States, for any reason, it would require the U.S. to continue a two ocean navy. The cost might be estimated by calculating the gross expense of a second ocean navy (e.g. $50 billion) and dividing by the probability of a hostile, or other, closing (perhaps 15 percent). The result cost estimate would be $750,000,000. This must be seen as an additional cost of transferring control of the Panama Canal. While such an item does not squarely fit into the outline of this paper, the mere existence of such a possibility is not comforting.

This is a far cry from not costing "a single dollar," as the President has persistently maintained.

The truth is that the proposed Panama Canal treaties, aside from threatening our Nation's strategic well-being, will hit our taxpayers right in the pocketbook.

It is a shame that the administration was not honest about this economic impact of the proposed treaties from the very beginning.

The administration's deception and mis-statement in its propaganda campaign to win approval of these questionable treaties has been a black mark against our Government's credibility and the public's belief in the integrity of our national leaders.

We can only alleviate this serious problem by making the truth known to the American people and face up to the economic realities of the proposed Panama Canal treaties—not sweep them under the rug as the President and other treaty proponents have tried to do.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. AKAKA (at the request of Mr. WRIGHT), for 2 p.m. today, on account of a death in the family.

Mr. MADIGAN (at the request of Mr. RHODES), after 5 p.m. today through March 22, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous matter:)

Mr. CONTE, for 5 minutes, today.
Mr. WHALEN, for 5 minutes, today.
Mr. KEMP, for 5 minutes, today.
Mr. HAGEDORN, for 5 minutes, today.
Mr. MILLER of Ohio, for 5 minutes, today.
Mr. HANSEN, for 20 minutes, today.

(The following Members (at the request of Mr. WEISS), to revise and extend their remarks, and to include extraneous matter to:)

Mr. FASCELL, for 10 minutes, today.
Mr. SOLARZ, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. WEISS, for 10 minutes, today.
Mr. LAFALCE, for 5 minutes, today.
Mrs. MEYNER, for 5 minutes, today.
Mr. ROSENTHAL, for 5 minutes, today.
Mr. BURKE of Massachusetts, for 5 minutes, today.
Mr. BRODHEAD, for 10 minutes, today.
Mr. BRECKINRIDGE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. HANSEN, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $821.25.

Mr. HANSEN, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $903.38.

Mr. HANSEN, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,807.

(The following Members (at the request of Mr. EVANS of Delaware) and to include extraneous matter:)

Mr. BEARD of Tennessee.
Mr. BOB WILSON.
Mr. HANSEN in three instances.
Mr. JOHNSON of Colorado.
Mr. LENT.
Mr. CUNNINGHAM.
Mr. COLLINS of Texas.
Mr. HYDE.
Mr. SARASIN in two instances.
Mr. CARTER.
Mr. DORNAN.
Mr. TRIBLE.
Mr. BROOMFIELD.
Mr. DERWINSKI.
Mr. GILMAN in two instances.
Mr. KASTEN.
Mr. CONTE.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. ROGERS in five instances.
Mr. OBERSTAR.
Mr. FARY.
Mr. CONYERS.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MCDONALD in five instances.
Mr. LUKEN.
Mr. FOWLER.
Mr. DENT.

Mr. RISENHOOVER.
Mr. CARR.
Mr. UDALL in two instances.
Mr. LEHMAN.
Mr. SIMON.
Mr. FITHIAN.
Mr. STARK.
Mr. RODINO.
Mr. EDGAR in three instances.
Mr. MAGUIRE.
Mr. STUDDS.
Mr. RANGEL in two instances.
Mr. OTTINGER.
Ms. OAKAR.
Mr. BRODHEAD in 10 instances.
Ms. HOLTZMAN.
Mr. MOORHEAD of Pennsylvania.
Mr. RICHMOND.
Mr. JENKINS.
Mr. BURKE of Massachusetts.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1432. An act for the relief of Mrs. Desolina Sciulli;

H.R. 1939. An act for the relief of Meda Abilay Florin;

H.R. 2761. An act for the relief of Su-Hwan Choe;

H.R. 3081. An act for the relief of Mrs. Chong Sun Yi Rauch;

H.R. 4401. An act for the relief of Kwi Sok Buckingham (nee Kim);

H.R. 6975. An act to amend title 5, United States Code, to provide the hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule; and

H.J. Res. 715. Joint resolution proclaiming May 5, 1978, "Sun Day."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1671. An act to designate the Absaroka-Beartooth Wilderness, Custer and Gallatin National Forests, in the State of Montana.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 1432. For the relief of Mrs. Desolina Sciulli;

H.R. 1939. For the relief of Meda Abilay Florin;

H.R. 2761. For the relief of Su-Hwan Choe;

H.R. 3081. For the relief of Mrs. Chong Sun Yi Rauch;

HR. 4401. For the relief of Kiw Sok Buckingham (nee Kim);

H.R. 6975. To amend title 5, United States Code, to provide that hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS–16 of the General Schedule; and

H.J. Res. 715. Proclaiming May 5, 1978, "Sun Day."

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 59 minutes p.m.), under its previous order, the House adjourned until Monday, March 20, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3578. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Health, Education, and Welfare, Health Care Financing Administration, for "limitation on administrative expenses," for fiscal year 1978, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

3579. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense articles and services to NATO (transmittal No. 78–20), pursuant to section 813 of Public Law 94–106 (91 Stat. 337); to the Committee on Armed Services.

3580. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of defense articles to the Republic of Korea (transmittal No. 78–22), pursuant to section 813 of Public Law 94–106 (91 Stat. 337); to the Committee on Armed Services.

3581. A letter from the Administrator, Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3582. A letter from the General Counsel, Foreign Claims Settlement Commission of the United States, transmitting a report on the Commission's implementation of the Government in the Sunshine Act during the year ended February 28, 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3583. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

3584. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the Republic of Korea (transmittal No. 78–19), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3585. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to NATO (transmittal No. 78–20), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3586. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the Republic of Korea (transmittal No. 78–22), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3587. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact of U.S. foreign arms sales and transfer since 1972 on U.S. defense readiness and national security, pursuant to section 23 of Public Law 95–92; to the Committee on International Relations.

3588. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report covering the month of November 1977, on sales of refined petroleum products, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

3589. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting an interim report on actions taken by EPA and other Federal agencies to regulate sources of halocarbon emissions, pursuant to section 155 of the Clean Air Act, as amended (91 Stat. 729); to the Committee on Interstate and Foreign Commerce.

3590. A letter from the Chairman, Interstate Commerce Commission, transmitting the annual report on the effectiveness of the Rail Passenger Service Act of 1970, pursuant to section 308(c) of the Act (Public Law 91–518), as amended; to the Committee on Interstate and Foreign Commerce.

3591. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 406 of the Fishery Conservation and Management Act of 1976 to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Merchant Marine and Fisheries.

3592. A letter from the Comptroller General of the United States, transmitting a report on the status of the Army's advanced attack helicopter program (PSAD–78–17, March 16, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3593. A letter from the Comptroller General of the United States, transmitting a report on the program of Federal assistance for the education of handicapped children in State operated and supported schools (HRD–78–6, March 16, 1978); jointly, to the Committees on Government Operations, and Education and Labor.

3594. A letter from the Comptroller General of the United States, transmitting a report on how the Department of Transportation can assist State and local governments in doing more effective transportation planning (CED–78–74, March 16, 1978); jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2, rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 1337. A bill to amend the Internal Revenue Code of 1954 with respect to excise tax on certain trucks, buses, tractors, et cetera (Rept. No. 95–976). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 11232. A bill to authorize appropriations to carry out the Standard Reference Data Act (Rept. No. 95–977). Re-

ferred to the Committee of the Whole House on the State of the Union.

Mr. LEHMAN: Committee on Post Office and Civil Service. House Joint Resolution 730. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16th through April 22, 1978, "National Oceans Week" (Rept. No. 95-978). Referred to the House Calendar.

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 11003. A bill to clarify the authority for employment of personnel in the White House Office and the Executive Residence at the White House, to clarify the authority for employment of personnel by the President to meet unanticipated needs, and for other purposes; with amendment (Rept. No. 95-979). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 2222. A bill to amend the National Labor Relations Act to clarify the scope of its coverage; with amendment (Rept. No. 95-980). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on House Administration. H.R. 11315. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; with amendment (Rept. No. 95-982). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. House Concurrent Resolution 494. Concurrent resolution expressing the sense of Congress regarding the operation of certain rail passenger service by the National Railroad Passenger Corporation (Rept. No. 95-983). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 3996. A bill for the relief of Mrs. Young Hee Kim Kang, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang (Rept. No. 95-981). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. BURKE of Massachusetts, and Mr. RISENHOOVER):

H.R. 11592. A bill to amend title 38 of the United States Code in order to provide for the payment of service pensions to veterans of World War I and for certain surviving spouses and certain children; to the Committee on Veterans' Affairs.

By Mr. BROWN of Michigan:

H.R. 11593. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. COHEN (for himself and Mr. PEPPER):

H.R. 11594. A bill to amend the Older Americans Act of 1965 to establish an advocate program for residents of long-term care facilities; to the Committee on Education and Labor.

By Mr. DRINAN (for himself, Mr. BALDUS, Mr. BROWN of Michigan, Mr. BONKER, Mr. CEDERBERG, Mr. CONTE, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. ERTEL, Mr. FRASER, Mr. KILDEE, Mr. LLOYD of California, Mr. MAZZOLI, Ms. MEYNER, Mr. MIKVA, Mr. NEAL, Mr. PANETTA, Mr. RANGEL, Mr. SANTINI, Mr. SIMON, and Mr. CHARLES H. WILSON of California):

H.R. 11595. A bill to provide additional assistance to small business concerns in acquiring procurement information and contracts from the United States; to the Committee on Small Business.

By Mrs. FENWICK (for herself, Mr. FREY, Mr. CORCORAN of Illinois, Mr. MAZZOLI, Mr. PATTERSON of California, Mr. TRIBLE, Mr. LUKEN, Mrs. MEYNER, Mrs. HECKLER, and Ms. HOLTZMAN:

H.R. 11596. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 11597. A bill to provide price and income protection for agricultural producers by assuring such producers a price for their agricultural commodities of not less than the cost of producing such commodities; to assure consumers an adequate supply of food and fiber at reasonable prices; and for other purposes; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. HEFTEL (for himself and Mr. AKAKA):

H.R. 11598. A bill to authorize the Secretary of the Navy to convey to the State of Hawaii certain lands referred to as the Navy Drum Storage Area, for educational purposes; to the Committee on Armed Services.

By Mrs. HOLT:

H.R. 11599. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HYDE (for himself, Mr. CAVANAUGH, Mrs. SMITH of Nebraska, Mr. TRAXLER, and Mr. WALSH):

H.R. 11600. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. KILDEE (for himself, Mr. SOLARZ, and Mr. BONIOR):

H.R. 11601. A bill to require free mass transportation service for physically or mentally handicapped individuals on mass transportation systems receiving Federal financial assistance, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KINDNESS (for himself, Mr. WHITEHURST, Mr. JONES of North Carolina, Mr. SPENCE, Mr. BURLESON of Texas, Mr. MONTGOMERY, Mr. WALKER, Mr. HANSEN, Mr. DORNAN, Mr. MILFORD, Mr. BADHAM, Mr. WINN, Mr. ROBINSON, Mr. ARCHER, Mr. LAGOMARSINO, Mr. STOCKMAN, Mr. BEARD of Tennessee, Mr. STANGELAND, and Mr. BURGENER):

H.R. 11602. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

By Mr. LAFALCE:

H.R. 11603. A bill to amend the National Housing Act for the purpose of providing mortgage insurance for buildings used by commercial establishments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOTTL:

H.R. 11604. A bill to reduce the amount of paperwork required by Federal agencies and to increase congressional awareness of the increase in paperwork required by bills and joint resolutions under consideration by Congress; jointly, to the Committees on Government Operations, and Rules.

By Ms. OAKAR (for herself, Mr. Whitehurst, Mr. RISENHOOVER, Mr. RICHMOND, Mr. ADDABBO, Mrs. HECKLER, Mr. LENT, Mr. GRASSLEY, Mr. DRINAN, Mr. LEDERER, Mr. MITCHELL of Maryland, Mr. EMERY, Mr. SOLARZ, Mr. GUYER, Mr. MAZZOLI, Mrs. SPELLMAN, Mr. CORRADA, Mr. FORD of Michigan, Mr. HEFTEL, Mr. LUKEN, Mr. ROONEY, Mr. BIAGGI, and Mr. BEARD of Rhode Island):

H.R. 11605. A bill to amend the Older Americans Act of 1965 to provide that the Commissioner of the Administration on Aging may make grants to assist older persons adversely affected by natural disasters, and for other purposes; to the Committee on Education and Labor.

By Mr. PEASE (for himself, Mr. ASHLEY, Mr. YATRON, Mr. STRATTON, Mr. EILBERG, Mr. WHITEHURST, Mr. WINN, Mr. GEPHARDT, Mrs. SPELLMAN, and Mr. SIMON):

H.R. 11606. A bill to provide that daylight saving time shall be observed in any State for 60 days after the President declares an energy emergency to exist within that State, to permit the President to extend such period after reviewing reports submitted by the Secretary of Transportation, and to permit certain daytime broadcast stations to operate before local sunrise; to the Committee on Interstate and Foreign Commerce.

Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 11607. A bill to further the rationalization, standardization, interoperability, and effectiveness of the land, air, and naval forces of the North Atlantic Treaty Organization countries; to the Committee on Armed Services.

By Mr. REUSS:

H.R. 11608. A bill to authorize the Federal Home Loan Bank Board to allow Federal savings and loan associations to issue graduated payment and reverse annuity mortgage instruments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RODINO (for himself, Mr. THOMPSON, Mr. MINISH, Mr. PATTEN, Mr. HOWARD, Mr. ROE, Mr. FLORIO, Mr. HUGHES, Mr. MAGUIRE, Mrs. MEYNER, Mr. LE FANTE, Mr. FORSYTHE, Mr. RINALDO, Ms. FENWICK, and Mr. HOLLENBECK):

H.R. 11609. A bill to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE (for himself, Mr. JOHNSON of California, Mr. HAMMERSCHMIDT, Mr. ROBERTS, Mr. DON H. CLAUSEN, Mr. HOWARD, Mr. ANDERSON of California, Mr. MCCORMACK, Mr. BREAUX, Mr. GINN, Mr. MINETA, Mr. OBERSTAR, Mr. NOWAK, Mr. EDGAR, Mrs. LLOYD of Tennessee, Mr. FARY, Mr. RISENHOOVER, Mr. HEFNER, Mr. CORNWELL, Mr. YOUNG of Missouri, Mr. BONIOR, Mr. EVANS of Georgia, Mr. FLIPPO, Mr. RAHALL, and Mr. APPLEGATE):

H.R. 11610. A bill to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976; to the Committee on Public Works and Transportation.

By Mr. ROGERS (for himself and Mr. CARTER):

H.R. 11611. A bill to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY:

H.R. 11612. A bill to terminate the authorization for the Trexler Dam and Lake project as part of the Delaware River Basin project; to the Committee on Public Works and Transportation.

By Mr. TREEN (for himself and Mr. FRENZEL):

H.R. 11613. A bill to amend title XX of the Social Security Act to repeal the mandatory child day care requirements which are presently contained therein; to the Committee on Ways and Means.

By Mr. WHALEN (for himself and Mr. STEERS):

H.R. 11614. A bill to provide for advisory safety standards for public playground equipment, and to provide that such equipment located in federally assisted playground facilities shall comply with such standards; to the Committee on Interstate and Foreign Commerce.

By Mr. BINGHAM:

H.R. 11615. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid for tuition at certain elementary, secondary, and vocational schools; to the Committee on Ways and Means.

By Mr. BLOUIN:

H.R. 11616. A bill to amend the Older Americans Act of 1965 by inserting a new title X to establish a senior environmental corps; to the Committee on Education and Labor.

By Mrs. BOGGS (for herself, Mrs. COTTER, Mr. LEACH, and Mr. SCHEUER):

H.R. 11617. A bill to authorize the Secretary of Health, Education, and Welfare to establish a grant program designed to develop methods of prevention and treatment relating to domestic violence, and for other purposes; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and the Judiciary.

By Mr. CARTER:

H.R. 11618. A bill to amend the Internal Revenue Code of 1954 to clarify the exclusion from gross income of National Research Service Awards made under section 472 of the Public Health Service Act by providing that such awards shall be excludable from gross income to the same extent as other scholarships and fellowship grants; to the Committee on Ways and Means.

By Mr. CARTER (for himself and Mr. FINDLEY):

H.R. 11619. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLINS of Texas (for himself, Mr. BADHAM, Mr. DAN DANIEL, Mr. DEVINE, Mr. DORNAN, Mr. GUYER, Mr. HALL, Mr. HANSEN, Mrs. HOLT, Mr. HYDE, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LENT, Mr. LOTT, Mr. MARRIOTT, Mr. MCDONALD, Mr. MURPHY of Pennsylvania, Mr. RUDD, Mr. SNYDER, Mr. SYMMS, and Mr. WHITEHURST):

H.R. 11620. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. DERRICK (for himself, Mr. WRIGHT, Mr. DOWNEY, Mr. MOFFETT, Mr. BAUCUS, Mr. SARASIN, Mr. EDWARDS, of Oklahoma, Mr. CRANE, and Mr. MCEWEN):

H.R. 11621. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; to the Committee on Rules.

By Mr. DINGELL (for himself and Mr. MARKEY):

H.R. 11622. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas, petroleum, petroleum products, and certain other materials, to provide standards with respect to the siting, construction, and operation of liquefied natural gas and liquid petroleum gas facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLORIO:

H.R. 11623. A bill to amend the Communications Act of 1934 to establish certain requirements with respect to the broadcast of games of professional sports clubs; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Ms. KEYS, Mr. ALLEN, Mr. ANDREWS of North Carolina, Mr. BEARD of Rhode Island, Mr. D'AMOURS, Mr. DICKS, Mr. FASCELL, Mr. GRADISON, Mr. HANLEY, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. LE FANTE, Mr. LLOYD of California, Mr. MAGUIRE, Mr. MARKEY, Mr. MIKVA, Mr. MINETA, Mr. MINISH, Mr. MOFFETT, Mr. PATTEN, Mr. PATTERSON of California, Mr. ROSE, Mr. SARASIN, and Mr. SEBELIUS):

H.R. 11624. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Ms. KEYS, Mr. SKUBITZ, Mrs. SPELLMAN, Mr. STOKES, Mr. THOMPSON, Mr. VANIK, Mr. WINN, Mr. WOLFF, and Mr. YOUNG of Missouri):

H.R. 11625. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling; to the Committee on Ways and Means.

By Mr. HAGEDORN (for himself, Mr. MATHIS, Mr. WAMPLER, Mr. VOLKMER, Mr. ALEXANDER, Mr. BLOUIN, Mr. DICKINSON, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. FRTEL, Mr. EVANS of Delaware, Mr. GRASSLEY, Mr. KELLY, Mr. MADIGAN, Mr. JOHN T. MYERS, Mr. RUDD, Mr. SEBELIUS, Mrs. SMITH of Nebraska, Mr. STEIGER, Mr. THONE, Mr. WHITLEY, and Mr. CHARLES WILSON of Texas):

H.R. 11626. A bill to limit the authority of the Secretary of Agriculture to restrict or prohibit the use of nitrites or nitrates as preservatives in meat products for a period of 2 years, and for other purposes; to the Committee on Agriculture.

By Mr. KINDNESS:

H.R. 11627. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures to the extent such expenses may be deducted by Members of Congress; to the Committee on Ways and Means.

By Mr. MAGUIRE (for himself, Mr. BEILENSON, Mrs. SCHROEDER, Mr. SEIBERLING, and Mr. SIMON):

H.R. 11628. A bill to facilitate the transition from energy technologies that use depletable energy sources to solar energy technologies; to the Committee on Science and Technology.

By Mr. OTTINGER (for himself, Mr. JEFFORDS, Mr. MAGUIRE, Mr. BLANCHARD, Mr. BAUCUS, Mr. WEAVER, Mr. CARR, Mr. MOSS, Mr. KASTEN, Mr. DRINAN, Mr. LLOYD of California, Mr. LEHMAN, Mr. PICKLE, Mr. MOAKLEY, Mr. BROWN of California, Mr. EDWARDS of California, Mr. NOLAN, Mr. RICHMOND, Mr. MCKINNEY, Mr. RYAN, Mr. HARRINGTON, Mr. WIRTH, Mr. VAN DEERLIN, Mr. UDALL, and Mr. LONG of Maryland):

H.R. 11629. A bill to facilitate the transition from energy techologies that use depletable energy sources to solar energy technologies; to the Committee on Science and Technology.

By Mr. ROSE:

H.R. 11630. A bill to establish an administrative procedure and guidelines to be followed by the Department of the Interior in its decision to acknowledge the existence of certain Indian tribes; to the Committee on Interior and Insular Affairs.

By Mr. RUNNELS (for himself and Mr. LUJAN):

H.R. 11631. A bill to amend Public Laws 90–266 and 93–134 to permit the Apache Tribe of the Mescalero Reservation and its constituent groups to use funds arising from certain judgments in favor of such tribe and such groups for any purpose authorized by such tribe and approved by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. WAGGONNER (for himself, Mr. PICKLE, Mr. HOLLAND, Mr. FRENZEL, Mr. STEED, Mr. TRIBLE, Mr. WHITE, Mr. CHARLES WILSON of Texas, Mr. MCFALL, Mr. ROUSSELOT, Mr. MILLER of Ohio, and Mr. SIKES):

H.R. 11632. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. CONYERS (for himself, Mr. HARRIS, and Mr. JACOBS):

H.R. 11633. A bill to translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government; to the Committee on Education and Labor.

By Mr. HANSEN:

H.R. 11634. A bill to provide the congressional authorization required by clause 2, section 3, article IV of the Constitution, for the transfer to Panama of the property of the United States in the Canal Zone; to authorize the appropriations required by clause 7, section 9, article I of the Constitution, to implement that transfer of U.S. property, including the transfer of military installations and of cemeteries in which U.S. veterans are interred, the closing of the Canal Zone courts, and the assumption by the U.S. Postal Service of the functions of the Canal Zone postal service; to otherwise provide legislatively the authorizations not provided pursuant to clause 2, section 2, article

2, of the Constitution which are necessary to implement the Panama Canal Treaty of 1977, and related agreements; and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, International Relations, the Judiciary, and Post Office and Civil Service.

By Mr. LAFALCE:

H.R. 11635. A bill to authorize emergency guarantees of obligations of States and political subdivisions thereof; to amend the Internal Revenue Code of 1954 to provide that income from certain obligations guaranteed by the United States shall be subject to taxation; to amend the Bankruptcy Act; and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. MAHON:

H.J. Res. 796. Joint resolution making an urgent supplemental appropriation for disaster relief for the fiscal year ending September 30, 1978; to the Committee on Appropriation.

By Mr. APPLEGATE (for himself, Mr. GRADISON, Mr. LUKEN, Mr. GUYER, Mr. LATTA, Mr. HARSHA, Mr. BROWN of Ohio, Mr. KINDNESS, Mr. MILLER of Ohio, Mr. STANTON, Mr. REGULA, Mr. CARNEY, Mr. STOKES, Mr. MOTTL, Mr. WINN, Mr. FARY, Mr. DAVIS, Mr. HUGHES, and Mrs. HOLT):

H.J. Res. 797. Joint resolution to establish the Patriots' Pledge; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. JOHNSON of California, Mr. AKAKA, Mr. BURGENER, Mr. PHILLIP BURTON, Mr. CARNEY, Mr. CLAY, Mr. CORRADA, Mr. DE LUGO, Mr. EILBERG, Mr. FREY, Mr. GINN, Mr. HEFTEL, Mr. JENRETTE, Mr. KAZEN, Mr. KETCHUM, Mr. LAGOMARSINO, Mr. MICHAEL O. MYERS, Mr. OBERSTAR, Mr. RAHALL, Mr. ROSENTHAL, Mr. TRIBLE, Mr. WEAVER, Mr. WHITEHURST, and Mr. BOB WILSON):

H.J. Res. 798. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning September 17, 1978, as National Port Week; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York, (for himself, Mr. ADDABBO, Mr. ANDERSON, of California, Mr. BEVILL, Mr. BONIOR, Mr. BONKER, Mr. D'AMOURS, Mr. DAVIS, Mr. DE LA GARZA, Mr. DORNAN, Ms. HOLTZMAN, Mr. HUGHES, Mr. LLOYD of California, Mr. LONG of Maryland, Mr. LOTT, Mr. MCCORMACK, Mr. MARKS, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. ROBERTS, Mr. ROONEY, Mr. ROSTENKOWSKI, Mr. WOLFF, Mr. YOUNG of Alaska, and Mr. ZEFERETTI):

H.J. Res. 799. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning September 17, 1978, as National Port Week; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER (for himself and Mr. LONG of Maryland):

H.J. Res. 800. Joint resolution to direct the Office of Technology Assessment to undertake a comprehensive evaluation of energy policy alternatives; to the Committee on Science and Technology.

By Mr. RODINO (for himself, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mrs. MEYNER, Mr. MINISH, Mr. PATTEN, Mr. RINALDO, Mr. ROE, and Mr. THOMPSON):

H.J. Res. 801. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr FISH:

H. Con. Res. 531. Concurrent resolution expressing the sense of the Congress that the President should direct the U.S. Ambassador to the United Nations to offer a resolution in the General Assembly which would remove the observer status of the Palestine Liberation Organization; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. AMBRO, Mr. AUCOIN, Mr. BADHAM, Mr. BINGHAM, Mr. BLANCHARD, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. BURKE of Florida, Mr. CEDERBERG, Mr. CONTE, Mr. COTTER, Mr. DRINAN, Mr. EILBERG, Mr. EMERY, Mr. FREY, Mr. GRASSLEY, Mr. HORTON, Mr. KREBS, Mr. LAGOMARSINO, Mr. LEACH, Mr. LEHMAN, Mr. LENT, Mr. MAGUIRE, and Mr. MAZZOLI):

H. Con. Res. 532. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. ARCHER, Mr. EVANS of Delaware, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. NOWAK, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PEASE, Mr. PEPPER, Mr. QUILLEN, Mr. RICHMOND, Mr. ROE, Mr. STEERS, Mr. TRIBLE, Mrs. SPELLMAN, Mr. VANDER JAGT, Mr. WHITEHURST, Mr. WOLFF, Mr. YOUNG OF FLORIDA, Mr. WIRTH, Mr. BYRON, and Mr. MARRIOTT):

H. Con. Res. 533. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. KEMP (for himself and Mr. VAN DEERLIN):

H. Con. Res. 534. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. MURPHY of New York (for himself, Mr. BADHAM, Mr. LEDERER, Mr. LENT, Mr. MICHAEL O. MYERS, Mr. WHITLEY, Mr. CHARLES H. WILSON of California, and Mr. WRIGHT):

H. Con. Res. 535. Concurrent resolution urging the Secretary of Defense not to include within the competitive rate program the movement of household goods of military and civilian personnel being transferred between the Continental United States and Alaska or Hawaii; to the Committee on Armed Services.

By Mr. ROONEY (for himself, Mr. STAGGERS, Mr. METCALFE, Ms. MIKULSKI, Mr. FLORIO, Mr. SANTINI, Mr. RUSSO, Mr. GAMMAGE, Mr. MURPHY of New York, Mr. DEVINE, Mr. SKUBITZ, Mr. MADIGAN, and Mr. LENT):

H. Con. Res. 536. Concurrent resolution expressing the sense of Congress regarding the operation of certain rail passenger service by the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

By Mr. YATES (for himself, Mr. ENGLISH, Mr. ERLENBORN, Mr. DE LUGO, Mr. MCDONALD, Mr. ANDREWS of North Carolina, Mr. MURPHY of Pennsylvania, Mr. YOUNG of Missouri, Mr. MCCLOSKEY, Mr. PATTERSON of California, Mr. SIKES, Mr. MAGUIRE, Mr. CONYERS, Mr. CLAY, Mr. ICHORD, Mr. LUNDINE, Mr. KINDNESS, Mr. GARY A. MYERS, Mr. FORD of Tennessee, and Mr. HALL):

H. Con. Res. 537. Concurrent resolution condemning terrorist activities of the PLO; to the Committee on International Relations.

By Mr. EDWARDS of Alabama:

H. Res. 1080. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. KEMP (for himself, Mr. BYRON, Mr. DORNAN, Mr. FLOOD, Mr. FREY, Mr. HANSEN, Mr. HUGHES, Mr. LENT, Mr. MANN, Mr. MILLER of Ohio, Mr. NEAL, Mrs. SMITH of Nebraska, Mr. SPENCE, Mr. STOCKMAN, Mr. STOKES, Mr. VANDER JAGT, and Mr. VENTO):

H. Res. 1081. Resolution to reaffirm the use of our national motto on currency; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. ADDABBO, Mr. AMBRO, Mr. ANNUNZIO, Mr. BIAGGI, Mr. CONTE, Mr. DENT, Mr. DOWNEY, Mr. FLORIO, Mr. GIAIMO, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. CAPUTO, Mr. LEGGETT, Mr. MAZZOLI, Mr. LE FANTE, Mr. MILLER of California, Mr. MILLER of Ohio, Mr. MINISH, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OBERSTAR, Mr. PANETTA, and Mr. RINALDO):

H. Res. 1082. Resolution expressing condemnation of the recent terrorist kidnapping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. RONCALIO, Mr. RUSSO, Mr. SANTINI, Mr. VENTO, Mr. ZEFERETTI, Mr. ALEXANDER, Mr. ALLEN, Mr. ANDERSON of California, Mr. APPLEGATE, Mr. BAUMAN, Mr. BEILENSON, Mr. BENNETT, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLOUIN, Mr. BOLAND, Mr. BOLLING, Mr. BONIOR, Mr. BREAUX, Mr. BROOKS, Mr. BURKE of Massachusetts, and Mr. JOHN L. BURTON):

H. Res. 1083. Resolution expressing condemnation of the recent terrorist kidnapping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. CARR, Mr. CARTER, Mr. CAVANAUGH, Mr. CLAY, Mr. CONYERS, Mr. CORMAN, Mr. CORNELL, Mr. COTTER, Mr. DAN DANIEL, Mr. DANIELSON, Mr. DELANEY, Mr. DEVINE, Mr. DIGGS, Mr. DINGELL, Mr. DUNCAN of Oregon, Mr. EARLY, Mr. EDWARDS of California, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Colorado, Mr. FARY, and Mrs. FENWICK):

H. Res. 1084. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. FINDLEY, Mr. FISHER, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. GARCIA, Mr. GAYDOS, Mr. GEPHARDT, Mr. GLICKMAN, Mr. GRADISON, Mr. GUDGER, Mr. HARKIN, Mr. HAWKINS, Mr. HOLLAND, Mr. HUGHES, Mr. HYDE, Mr. JENRETTE, Mr. JONES of Oklahoma, Mr. JONES of North Carolina, Miss JORDAN, and Mr. KINDNESS):

H. Res. 1085. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. KREBS, Mr. LATTA, Mr. LEVITAS, Mr. LONG of Louisiana, Mr. MCCLORY, Mr. MCDONALD, Mr. MCKAY, Mr. MAGUIRE, Mrs. MEYNER, Mr. MICHEL, Ms. MIKULSKI, Mr. MINETA, Mr. MOORHEAD of California, Mr. MOORHEAD of Pennsylvania, Mr. MOTTL, Mr. MURPHY of Illinois, Mr. GARY A. MYERS, Mr. NEDZI, Mr. NIX, Ms. OAKAR, Mr. OTTINGER, and Mr. PATTERSON of California):

H. Res. 1086. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. PATTISON of New York, Mr. PIKE, Mr. RAILSBACK, Mr. RICHMOND, Mr. ROGERS, Mr. ROONEY, Mr. ROSE, Mr. ROSENTHAL, Mr. ROUSSELOT, Mr. ROYBAL, Mr. SCHEUER, Mr. SEIBERLING, Mr. SIKES, Mr. SIMON, Mr. SISK, Mr. SLACK, Mr. SMITH of Iowa, Mr. STAGGERS, Mr. STARK, Mr. STEED, Mr. STOKES, and Mr. STUDDS):

H. Res. 1087. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. STUMP, Mr. TSONGAS, Mr. UDALL, Mr. VOLKMER, Mr. WAGGONNER, Mr. WHALEN, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WIRTH, Mr. WOLFF, Mr. WYDLER, Mr. YATES, Mr. YOUNG of Missouri, Mr. AMMERMAN, Mr. BRODHEAD, Mr. PHILLIP BURTON, Mr. BUTLER, Mr. D'AMOURS, Mr. FRASER, Mr. HALL, Mr. HANLEY, and Mr. JACOBS):

H. Res. 1088. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mrs. KEYS, Mr. LLOYD of California, Mr. MATTOX, Mr. MIKVA, Mr. MOFFETT, Mr. MOSS, Mr. PICKLE, Mr. RUDD, Mr. ST GERMAIN, Mrs. SCHROEDER, Mr. STRATTON, Mr. WALGREN, Mr. WEISS, Mr. WHITE, and Mr. YATRON):

H. Res. 1089. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mr. BAUCUS, Ms. CHISHOLM, Mr. PRICE, Mr. PEPPER, Mr. MURPHY of Illinois, Mr. ROE, Mr. MARKEY, Mrs. SPELLMAN):

H. Res. 1090. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. RODINO (for himself, Mr. ZABLOCKI, Mr. FASCELL, Mrs. BURKE of California, Mr. CARNEY, Mr. DE LA GARZA, Mr. DODD, Mr. GORE, Mr. HOWARD, Mr. KAZEN, Mr. KOSTMAYER, Mr. LONG of Maryland, Mr. MCCLOSKEY, Mr. RANGEL, Mr. ROSTENKOWSKI, Mr. SHIPLEY, Mr. ULLMAN, Mr. THOMPSON, and Mr. DEL CLAWSON):

H. Res. 1091. Resolution expressing condemnation of the recent terrorist kidnaping of Aldo Moro; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

335. The SPEAKER presented a memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to appropriations for the Trust Territory government; to the Committee on Appropriations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7700

By Mrs. SCHROEDER:

In the Hanley-Wilson substitute, on page 15 strike lines 3 through 15 and insert in lieu thereof:

(10) Section 3628 of title 39, United States Code is amended to read as follows:

"SEC. 3628. APPELLATE REVIEW.—A decision pursuant to section 3624 of this subchapter of the Postal Rate Commission may be appealable to any court of appeals of the United States, within 15 days after its publication by the Public Printer, by any interested person. The court shall review the decision, in accordance with section 706 of title 5 and chapter 158 and section 2112 of title 28. The court shall make the matter a preferred cause and shall expedite judgment in every way."

In the Hanley-Wilson substitute, strike the language from page 1, line 3 through page 5, line 3, and insert in lieu thereof the following:

RATES AND CLASSES

SEC. 2. (a) Section 3621 of title 39, United States Code, is amended by striking out its first sentence and inserting in lieu thereof the following: "The Postal Rate Commission shall establish rates of postage and fees for postal services in accordance with this chapter."

(b) Paragraph (a) of section 3622 of title 39, United States Code, is amended to read as follows:

"(a) From time to time the Postal Service shall request the Postal Rate Commission to render a decision on changes in a rate or rates of postage or in a fee or fees for postal services if the Postal Service determines that such changes would be in the public interest and in accordance with the policies of this title."; and

(c) Section 3622(b)(3) of title 39, United States Code, is amended to read as follows:

"The requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type (including the costs caused by variability with volume, and all of the costs caused by the collection, transportation, processing, storing, and delivery of each class of mail or type of mail service), plus that portion of all other postal costs reasonably assignable to such class or type."; and

(d) Section 3626(a)(1) of title 39, United States Code, is amended by inserting before the semicolon at the end thereof a comma and the following: "except that for the purposes of this subsection, those direct costs which exceed 60 percent of total estimated costs shall be reasonably assigned to all classes of mail.".

On page 5, line 4, strike the designation "(d)" and insert in lieu thereof "(e)"; and

On page 27, strike line 21 and insert in lieu thereof "60 percent of the postal costs directly attributable to mail of such class or kind"; and

On page 6, line 1, strike the designation "(e)" and insert in lieu thereof "(f)".

In the Hanley-Wilson substitute, on page 3, line 18, strike "60" and insert in lieu thereof "95" and on page 3, line 22, strike "60" and insert in lieu thereof "95".

On page 4, line 12, of the Hanley-Wilson substitute after the word "privacy" insert "intrusion on privacy,".

On page 4 of the Hanley-Wilson substitute, strike lines 23 and 24.

In the Hanley-Wilson substitute, strike the matter on page 8, lines 9 through page 9, line 10.

By Mr. SIMON:

Page 30, line 23, strike out "and".

Page 30, line 24, strike out "(B)" and insert the following new subparagraph:

"(B) any direct or indirect cost which is a consequence of providing services for zone-rated parcels; and".

Page 30, line 24, strike out "(B)" and insert in lieu thereof "(C)".

EXTENSIONS OF REMARKS

SAUDI ARABIA'S SUPPORT FOR PLO TERRORISTS DEMONSTRATES DANGERS IN FIGHTER PLANE SALES

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. LENT. Mr. Speaker, on February 21, 1978, I introduced a resolution disapproving the Carter administration's proposal to sell 75 F–15 fighter planes to Saudi Arabia and Egypt. At that time I considered the proposal ill-timed, ill-considered, and highly provocative and dangerous.

Mr. Speaker, I learned today through the Israel-American Public Affairs Committee of another good reason to oppose the sale. Following the treacherous ambush of March 11, 1978, by the PLO, in which 36 innocent Israeli citizens were murdered, Saudi Arabia immediately joined other Arab countries in praising the murderous act. Saudi State radio called the attack a "courageous operation" with a "noble aim—to let the world remember that the Palestinians do exist and that no peace talks will succeed without their participation."

But Saudi Arabia's support for the terrorist Palestine Liberation Organization and its aims goes much beyond giving verbal support. The PLO is the recipient of vast sums of financial aid as well.

On July 18, 1977, Time magazine reported that at the height of the fighting in Lebanon, Saudi Crown Prince Fahd—

Expansively wrote Arafat a check for $5 million. That modest gift—no strings attached—was in addition *to the $25 million that the Saudis annually fork over* to fedayeen organizations. (Emphasis added.)

More recently, the Fatah organization itself admitted the Saudi largesse. Saudi Radio broadcast on January 1, 1978:

Fatah representative in Saudi Arabia Abu Hisham praised Saudi Arabia for the material and moral support which Saudi Arabia and its people have been giving to the Palestine question and the Palestinian people's struggle to restore their rights. The Fatah representative said that *Saudi financial support to Fatah exceeded 120 million riyals ($34.6 million) this year*, including 80 million riyals in Saudi Government official drafts and 40 million riyals from contributions collected by popular committees.

On February 8, 1978, Riyadh Radio announced:

The stand of the Saudi leaders is this: complete backing with money, weapons and even blood for the Palestinian people . . .

Mr. Speaker, it is unbelievable that the Carter administration would even consider—let alone propose—putting 75 of the newest, most sophisticated fighter planes into the hands of a government with such a record of support of the PLO terrorists. On February 21, I warned that the proposal would encourage Arab extremists. The murderous assault on innocent Israel citizens on March 11 demonstrates the results of such encouragement. To deliver 75 sophisticated fighter aircraft to Saudi Arabia would give terrorism awesome military support. This deal must be stopped by Congress.●

SPEAKING OF INHUMANE BOMBS, IVAN

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. HYDE. Mr. Speaker, one of America's finest journalists is Michael Kilian of the Chicago Tribune. His columns and commentary are often humorous and vindicate the saying that "many a truth is said in jest."

However, once in awhile Mr. Kilian writes a most serious article about a most serious subject, and he has done so in March 14, 1978, Chicago Tribune. His views are so well expressed that I take this opportunity to share them with my colleagues:

SPEAKING OF INHUMANE BOMBS, IVAN

(By Michael Kilian)

If international treaty-making can be likened to a game of high-stakes poker, the clumsy Russians have just exposed their hand.

They have revealed that—notwithstanding all the babble about MX and Cruise missiles, Foxbat and Brickbat bombers—their chief, overriding concern in any arms limitation talks is to harangue or cajole the Americans into giving up the "Neutron Bomb."

What's most frightening about this is that, given the lobotomized mentality of many Americans on this subject, the Soviets may very well succeed.

Never a very subtle people [I was surprised in traveling through Russia to discover that their outhouses have doors], the Russians made their obsessive loathing of the Neutron Bomb known to American diplomats some time ago.

More recently, their histrionics have been quite public. They've even asked for a global ban on the bomb as an "inhumane and barbaric" menace to civilization.

Krokodil, Moscow's state-owned version of the Washington Post's Herblock, expressed the Kremlin fixation most extravagantly with a cartoon depicting a loutish gorilla perched King Kong-like atop the American Capitol. Wearing a furry tuxedo labeled "military industrial complex" and a top hat adorned with a dollar sign, the beast clutches a hideous-looking neutron bomb replete with a skull and crossbones.

To an unfortunately large number of Americans—including some journalists and members of Congress—that cartoon is reality.

Because some reporter gave it the Strangelovian name of "Neutron Bomb" [it could just as easily and more pleasantly have been called the "Reduced Radiation Bomb"]—because columnist Art Buchwald and other sages popularized the notion that it "destroys people but not buildings"—the bomb is viewed as a quintessential evil and its creators as war criminals.

That these Americans are educated and reasonably intelligent does not alter the fact that their attitude is idiocy.

ALL weapons are inhumane. That is their purpose.

From the pike [lovingly inserted through the visors of fallen knights by foot soldiers in medieval times] to the exploding bullet, our ordnance has been devoted solely to the production of gore.

The arsenals of many major powers today contain fiendish devices capable of triggering tidal waves, typhoons, and horrible plagues. There are laser beams that kill people with light and infrasonic sirens that kill them with sound.

One particularly diabolical invention is the "Tea Bag Bomb"—tiny packets of explosive that can be scattered by the thousands over cities and towns. Its purpose is not simply to kill masses of people—freeing survivors for combat tasks—but to wound and maim them so that others will be encumbered with caring for them.

In sheer quantitative terms, the nonneutron bombs in the American and Soviet nuclear arsenals are the most horrible, the most "inhumane and barbaric" imaginable—as anyone who watched Hiroshima die will attest. As U.S. arms negotiator Adrian Fisher pointed out, the Russians possess weapons "20,000 times" more powerful than anything at our disposal.

What distinguishes the neutron bomb—and what is so bothersome about it to the Russians—is that it is not a Doomsday weapon to be used in World War Last. It is a relatively clean nuclear weapon, markedly limited in its destructive force and radioactive spew. It is most useful in tactical circumstances—such as if the Russians, with their 2 to 1 superiority in manpower and 3 to 1 superiority in armor—decided to celebrate May Day by occupying West Germany.

The Soviet danger is not that they're about to leap onto the sands of Cape Hatteras. It's that they intend to intimidate Western Europe with the ease with which they can conquer it—an ease they would never enjoy if we [and particularly the Germans] could respond with the "Neutron Bomb."

What's at issue here is the ultimate freedom of Germany and Western Europe—nothing more or less. The most tragic aspect of the arms race is that it's necessary.●

DID SOL LINOWITZ ACT ILLEGALLY?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. McDONALD. Mr. Speaker, Mr. John Nelson Washburn, a Washington, D.C. attorney, has been doing some investigating as to just when Mr. Sol Linowitz was officially sworn in as part-time negotiator of the Panama Canal negotiations and when his duties terminated.

Everyone asked appears to come up with different dates. Mr. Linowitz stated in testimony before the Senate Foreign Relations Committee that his appointment expired on August 10. Therefore, was he sworn in on February 10? No one seems certain. Where was he sworn in? On what date? The White House stated its intention to nominate him on February 8. If all this is true, he had no official status when he participated in the White House briefing on the treaties on August 12, 1977. In what status did Mr. Linowitz sign the two bilateral agreements between the United States of America and the Republic of Panama dated September 7, 1977? These and other questions need answers, particularly in view of the apparent conflict of interest Mr. Linowitz had, due to his banking connections, in serving in any capacity relative to the proposed treaty. Let us have some sunshine on the subject, Mr. President, with some of the "open" White House we heard so much about during your campaign.●

STEVE A. MUSKATELO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. ANDERSON of California, Mr. Speaker, the Los Angeles Harbor area community lost a dear friend and highly involved citizen when Steve A. Muskatelo passed away on January 8, 1978, at the untimely age of 54. A devoted family man and tireless worker, Steve will long be remembered with fondness by all of those who were fortunate enough to know him.

A native of San Pedro, Steve Muskatelo was born on October 11, 1923. He was a graduate of San Pedro High School, and received his bachelor of science degree in accounting from the University of Southern California. During World War II, Steve served his country as a member of the U.S. Coast Guard.

Although Steve Muskatelo's successful accounting practice and lovely family kept him busy around the year, he obviously felt strongly about his duties as an involved member of the community. He always found the time to help his many friends when the occasion arose—and his concern for others knew no boundaries.

Despite his busy schedule, Steve devoted much of his time, energy, and talents toward making San Pedro and the entire harbor community a better place to live. An active member of the Yugoslav American Club of San Pedro, the San Pedro Elks Club, the Harbor Area Ethnic Political Coalition, and the Yugoslav Americans for Political Action; he also dedicated himself toward working for the Harbor Area Ethnic Retarded Children's Foundation. Steve also enjoyed membership in the Society of California Accountants.

Mr. Speaker, individuals like Steve Muskatelo are an asset to all of us, for they contribute much toward their community and their Nation. Through his many activities and accomplishments, Steve Muskatelo did his best to show his gratitude and affection for the community that had been his home for most of his life. He will long be remembered

not only by his family and friends, but also by the many people whose lives he touched in such a positive manner throughout his life.

My wife, Lee, joins me in expressing our sincere condolences to Steve's loving and devoted wife, Lucille; their daughter, Stephanie; his mother, Dobra Muskatelo; and his sister, Ann Wilson. Steve Muskatelo was a man who left only good memories behind him, and we know that they will endure for many years to come.●

TRUMBULL'S GOLDEN EAGLES MARCHING BAND

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. SARASIN. Mr. Speaker, each year, thousands of Washingtonians are joined by citizens from every State in the Nation to celebrate the annual Cherry Blossom Festival, a ritual that not only honors the coming of spring but also the talents of people from throughout the country and the world.

The week-long celebration from March 27 through April 1 is highlighted by the Cherry Blossom Festival parade competition. This year competition will be among 36 marching bands from all over the country, bands who have qualified by winning similar competitions throughout the United States and in other nations. Representing Connecticut will be the Trumbull High School Golden Eagles Marching Band from Trumbull, Conn.

The Golden Eagles Marching Band, under the direction of Mr. Lewis P. Cella, has distinguished itself throughout the Northeast and Canada. Evidence of their outstanding talents is their success in the Fall Foliage Festival, held in North Adams, Mass., which they won consecutively from 1974 to 1976. Success was also theirs when they took first place in the New England Regional Marching Band Championship in Greenfield, Mass. The Golden Eagles most recently won the Blossom Festival competition in Niagara Falls, Canada.

We in Connecticut, and most particularly in the Fifth Congressional District, are extremely proud of the achievements of the Golden Eagles and of the honor of their selection to participate in the Cherry Blossom Festival parade competition. We know that their success has come only after long and hard hours of practice and only because of the many talents of the individuals who comprise the marching band.

The 154-member band, which includes, in addition to musicians, a color guard, drum majors, and a unique rifle team, raised all of the funds necessary for their trip to Washington in just 1½ weeks. I am certain that this determination, combined with their past achievements and talents, will stand them in good stead during the coming competition. I wish the pride of Connecticut—the Trumbull High School Golden Eagles Marching Band—every success as they represent us in the Cherry Blossom Festival.●

NATIONAL FOREIGN LANGUAGE WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. SIMON. Mr. Speaker, for some time I have been concerned with the state of foreign language education in this country. There has been a clear decline in the quantity and quality of our language and international studies programs. This is not in our international interest. As President Carter noted in a letter accepting the recommendation of the Commission on Security and Cooperation in Europe that he establish a short-term commission to look into this problem:

In no small measure, friendly and peaceful relations among nations depend on improved communications between their individual citizens, and fluency in another language is one way of achieving improved communication.

The President has demonstrated a deep commitment to improving our foreign language and area studies programs. His decision last June to establish the President's Commission on Foreign Language and International Studies heartened those of us who are dedicated to upgrading our programs in these fields. Unfortunately, there has been a delay in formally establishing and appointing the Commission. It has been almost 9 months since the President's initial decision. Nevertheless. I am hopeful that the Commission will be able to begin its important work within the next few weeks.

The week of March 13 is National Foreign Language Week.

The President has issued a statement in support of National Foreign Language Week, reemphasizing his commitment to improvement in this field. The text of the President's statement follows:

THE WHITE HOUSE,
Washington.

NATIONAL FOREIGN LANGUAGE WEEK, 1978

National Foreign Language Week underscores the importance of person-to-person communication in today's interdependent world. Distances to once-remote countries have contracted, and the world has become a neighborhood of nations. We must be able to talk with our neighbors.

As President, and previously as Governor, I have seen firsthand the importance of language in the performance of my duties. My wife Rosalynn has also found that her efforts to achieve a better command of Spanish have served her well both here and abroad. As a result of such experiences, I have an especially high regard for the value and importance of proficiency in foreign languages.

I extend my best wishes to all who are engaged in teaching or studying foreign languages. I share with you an increasing concern for the progress of foreign language and international studies in this country. I hope you will encourage their further development and improvement. I am convinced that your endeavors in this respect can strengthen the foundation of peaceful cooperation throughout the world.

JIMMY CARTER.●

OPPOSE TUITION TAX CREDITS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. LEHMAN. Mr. Speaker, many of my colleagues have announced their support for the concept of a tax credit for tuition paid to colleges and private elementary and secondary schools. This is understandable in view of the ever-tightening squeeze on the middle income taxpayer. I too sympathize with the problems of the middle class, and I will work to find some means of relief for these taxpayers. A tuition tax credit, however, is simply not the proper means to achieve that laudable goal.

My opposition to the tax credit is based on my concern about the cost of the proposal, its effect on our public schools, and its failure to direct assistance to those who need it most.

The proposal which was recently approved by the Senate Finance Committee will cost the Treasury approximately $15 billion between fiscal year 1978 and fiscal year 1983. We cannot disregard the budget impact of this proposal. Where are we going to get that sum of money to make up for the loss of revenue? Which programs will we have to cut because we cannot pay for them? Certainly we do not want to raise taxes, and our budget deficit is already projected to be at least $60 billion for fiscal year 1979.

This country has a longstanding tradition of commitment to public schools. Each American is entitled to a free public education, and we must not allow this commitment to be undermined.

If we permit a $500 tax credit for tuition, Federal spending on each private schoolchild would amount to approximately $560. Federal spending per public school pupil is only $128. This would represent a significant shift in the role of Federal support in American education. It would be a mistake to provide incentives to middle-income families to take their children out of public schools.

A third major area of concern is that the assistance is not targeted to those who need it most. Secretary Califano has testified that a $250 per student per year tax credit program would give a quarter of a billion dollars a year to those families in the top 10 percent of income levels.

I believe that the President is taking the right approach in seeking to help middle-income parents with children in colleges or in private elementary and secondary schools. His plan to expand postsecondary student assistance has my full support. The administration is also working to insure that private schools receive their just share of Federal elementary and secondary education funds.

I am submitting additional material which discusses the problems of the tuition tax credit in greater detail. Included are Carl Rowan's article, "Bad Educational Policy," an editorial from the Miami Herald, and a section of Secretary Califano's testimony before the Subcommittee on Elementary, Secondary, and Vocational Education concerning the administration's plan to assist private schools:

[From the Washington Star, Mar. 1, 1978]

BAD EDUCATIONAL POLICY

(By Carl T. Rowan)

For years we've heard Americans earning $15,000 to $50,000 a year wailing that they are the unfavored people of this land.

They tell tear-jerking stories about how they're not poor enough to get welfare, food stamps, Medicaid or college scholarships for their children; and they aren't rich enough to enjoy the tax loopholes that gladden the hearts of the rich.

So now, in an election year, comes the Senate Finance Committee with a $4.5-billion morale-builder for these Americans who are pleading with government to "give" them something. What these Senate vote hustlers are offering is going to cost middle-class Americans plenty in the long run.

The Finance Committee has voted to raid the treasury of $4.5 billion in order to give tax credits of up to $250 for each college undergraduate and vocational school student. Drunk with the spirit of election-year largesse, the committee also voted to hike the credit of $500 in two years and to extend it to elementary and secondary school pupils in 1980.

I can hear 'em shouting in Middle America: "Hooray! Farmers and poor people, the aged and the sick, veterans and New York City, and all the others, have been raking in the handouts. Now I'm gonna get mine!"

If this atrocious Senate bill passes, they're sure going to "get it"—right in the old bank account. They're going to get a piddling tuition tax credit and then pay through the nose for the damage this scheme will do to the country.

Americans in the $15,000 to $50,000 category already pay heavy taxes to help sustain the tens of millions of Americans who are so ill-educated that they can't cope in this society. Pass this bill and let Uncle Sam give tuition money for elementary and secondary pupils and we'll have a vaster army of Americans who can't read, write or find a job. Because we will cripple even more a public school system that already is a disgrace in many communities.

Does the average American really want a $250 tax credit badly enough to accept another erosion of the principle of separation of church and state? Do we want Congress to put $250 in one pocket and take $1,000 out of another to support those whom we will leave incapable of fending for themselves because we have relegated them to even worse public schools? Is our greed for a tax credit so great that we will now permit Uncle Sam to help finance the "private academies" that have been created in Virginia and elsewhere to avoid desegregation?

It serves the common welfare for government to make available to all the best public schools we can create. But it is not the business of government to subsidize those who, for elitist, religious, racial or whatever other reasons, prefer private or parochial schools. That is their choice and it should be at their expense.

The cries for financial help from middle-class America are so strident that many Congressmen will overlook the fact that what the Senate Finance Committee has approved is bad educational policy, bad social policy and probably unconstitutional. So they'll give the old reelection-year wave to enactment.

But you ought to join me in asking President Carter to veto it.

TRY CARTER'S AID PLAN FOR STUDENTS

Public aid should go to those who need it most. It also ought to be invested in ways that benefit society the most. For both reasons, we favor more Federal help for needy college students.

Higher education has become so expensive in recent years, however, that the word "needy" has taken on a wider meaning. Many middle-class families now find that inflation has shriveled the value of their carefully hoarded college funds. They truly require aid.

Congress has tried to address the problem with a plan to give families a $250 tax credit for each member attending college. But the credits would be too small to help those with real need, and of little significance to those with large incomes.

We're more comfortable with the $1.46 billion program just outlined by President Carter, which would offer several kinds of assistance and be better targeted toward need. It features an automatic $250 grant, but only to families earning less than $25,000 a year. And it would put more emphasis on creating part-time jobs for students, adding 280,000 work-study slots.

Mr. Carter's plan is an improvement. There are other things we'd like to see in a Federal college-aid program, however. As far as practical, the work-study element should be expanded even further. Experience has shown us that a part-time job, with reasonable hours, gives a student a greater appreciation for the value of education.

Loans would be preferable to outright grants, we think. If a student realizes that the funds must someday be repaid—and that he is thus using his own money—they will be spent more carefully. Lent money can also be recycled once it's repaid, thus doing many times the service a single wave of grant funds could do.

In advocating an expanded loan program, we must take note of the failure of some past students to honor their obligations. One Federal loan program has suffered from default rates of up to 14 per cent, which irritated many taxpayers, including us.

Tighter monitoring over borrowers could help reduce the default rate, however. It's also likely that fewer students would renege if the costs and the terms of borrowing were clearly spelled out from the start. Apparently, loans made with only a vague understanding of when and how repayment is due are those most likely to go sour.

If a college education isn't to become a privilege only for the rich, Federal aid will have to be increased. We hope the form it takes will encourage initiative and self-reliance. Easy money, loosely spent, is a poor investment for both the student and the taxpayer.

TESTIMONY OF SECRETARY CALIFANO

Private Schools. President Carter is very concerned that, consistent with the Constitution, nonpublic school children receive their equitable share of funds provided under Federal elementary and secondary education programs. Although estimates in this area are quite rough due to poor record-keeping in the past, we estimate in Fiscal 1979 that private school students will receive between $100 and $250 million out of the $6.9 billion requested for Federal elementary and secondary programs. We also estimate that with appropriate legislative and administrative changes, nonpublic school students could receive from $100 to $250 million in additional funds in Fiscal 1980—funds to which they are legally entitled.

We must take all constitutionally appropriate steps to ensure that private school children receive the funds that are their due. Providing money to private school students through the existing programs—many of them on well-defined educational needs—is a far superior way of ensuring the diversity of education in America than the shotgun approach of a tuition tax credit. A $500 tuition tax credit under consideration by the Congress would, if enacted into law, deliver a devastating blow to public school education in this country. It is indiscriminate, affecting rich and poor alike. And it is inequitable—the Congress would, if private school families received the full benefit of the credit and if they received their full share of existing Federal programs, be providing about four times as much money per private school student as it presently provides per public school student.

For each private elementary and secondary school student, the Congress would provide the $500 from the tax credit, plus the approximately $60 per student that private school students could receive under existing Federal programs—all this for private school students—compared with only $128 per pupil for public school students under existing Federal programs. The proposal, in short, stands the American tradition of public education on its head.

By contrast, to ensure equitable treatment of private school students consistent with sound constitutional interpretation we propose the following legislative changes:

In Title I, require that spending for educationally deprived nonpublic school children is comparable, consistent with their numbers and education need, to spending for public school children; require that new Title I funds distributed through the Targeting and State Incentive provisions are subject to the same equitable standard; require that State plans contain monitoring and enforcement provisions concerning participation of nonpublic school children.

In Title IV, require States to develop a plan for ensuring equitable participation of nonpublic school students in all Federal programs.

Strengthen and clarify the "by-pass" authority which the Federal government may use to provide constitutionally permissible services directly to nonpublic school students if the States and localities fail to discharge their statutory obligations.

In addition, we have also taken, or will take, administrative steps to fulfill the President's commitment to private education:

We will establish a new Office for Nonpublic Schools within the Office of Education. This Office will coordinate all Federal education programs which call for the participation of private school students, obtain information about the level of non-public student participation in federally funded education programs, and process complaints.

We have already established a much more precise and systematic complaint process.

We will make sure that qualified representatives of private schools are placed on educational advisory committees.●

KIDNAPING OF FORMER ITALIAN PREMIER ALDO MORO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. BIAGGI. Mr. Speaker, I rise to express my shock, outrage, and profound concern over the kidnaping last night of the former Premier of Italy and current President of the Christian Democratic

Party, Aldo Moro. It is a reprehensible and reckless crime committed by the deranged Red Brigade terrorists, capping their current reign of terror. This is the first kidnaping of an Italian political figure since the end of World War II.

The severe political turbulence which has rocked Italy in recent months has been fueled by a rash of political assassinations and kidnapings committed by Fascist-based terrorist organizations. The kidnaping of such a prominent figure as Aldo Moro, demonstrates to the people of Italy that the terrorists will stop at nothing to achieve their aims.

Beyond the personal tragedy involved, this kidnaping will have broad political ramifications in Italy. The most immediate concern is the impact it will have on the recent agreement worked out by current Premier Andreotti to give the Communists a role in government for the first time in 31 years. Moro played a key role in the development of this agreement. If this arrangement does not materialize, the tenuous fibers of Italian democracy could be worn to their limit.

Terrorism in the world has reached deplorable heights—or, rather, depths. The world community must unite against terrorism and crush it before it spreads any farther. In the event that my colleagues have not yet seen any of the news accounts of this brazen abduction, I now insert an article from this morning's edition of the Washington Star:

EX-PREMIER OF ITALY KIDNAPPED

ALDO MORO'S GUARDS SLAIN, RADICALS CLAIM RESPONSIBILITY

ROME.—Terrorists disguised as air force men ambushed and kidnapped former Premier Aldo Moro today, shooting down his police escort in postwar Italy's most daring terrorist attack.

Italy's Red Brigades terrorist group claimed responsibility for the abduction. A message from the group claiming responsibility was received in Turin, where a court is trying 49 accused members of the Red Brigades for murder and other terrorist crimes.

Police said four men of Moro's five-man police escort were killed by gunfire and the other was seriously wounded in the attack in the residential Camilluccia district.

The kidnapping of the 61-year-old Moro, premier from 1963 to 1968 and again from 1974 to 1976 came just as Italy's new government was about to be presented to parliament in an attempt to end Italy's two-month political crisis.

Police said Moro was driving to work in the morning, with two police guards in his car and three more following in another automobile, when a white station wagon with a diplomatic license plate blocked his way.

Moro's car came to an abrupt halt and the police automobile following it slammed into its rear.

Three men in air force uniforms jumped out of another car, pulled submachine guns from attache cases and began firing at the police escort without warning, police said. Still another gunman rode a Japanese motorbike.

Two policemen were killed in their car seats and two more on the pavement.

Officials said the gunmen bundled Moro into one of their cars and drove away.

A report that Moro was wounded and hospitalized proved inaccurate. Police said the hospitalized man was actually the wounded policeman.

It was the first kidnapping of a major politician since the end of World War II and it came only one hour before Premier Giulio Andreotti was to present his newly formed cabinet to parliament after a two-month political crisis.

Moro is president of Andreotti's Christian Democratic Party and he played a decisive role in bringing about an agreement under which the Communists will support Andreotti's minority government in parliament—the first such deal in 31 years.

Italy has been plagued by political instability and partisan violence in recent years.

The instability has stemmed from the country's inability to elect a government with a solid majority of the seats in parliament. The Christian Democrats and Communists received just about the same percentage of the vote in the last elections.

The political violence is coming from both the extreme left and right. The terrorists have staged attacks in Italy over the past few years at a frequency unmatched elsewhere in the world.

There have been dozens of bombings, kidnappings of minor officials and shootings, but Moro's abduction was the boldest to date.

The timing of the kidnapping—just as a new government was being installed—appeared to indicate that those responsible were attempting to continue the political crisis that has beset Italy.

Moro's name also has been mentioned as a likely candidate for the largely ceremonial office of president, now held by Giovanni Leone.

After the kidnapping at 9:15 a.m., Andreotti met with Communist leader Enrico Berlinguer and other leading politicians in an emergency session at the parliament building.

Telephone calls to ANSA—the Italian news agency—and local newspapers purporting to come from the Red Brigades, said: "We have carried an attack to the heart of the state. Moro is just the start."

The callers said Moro was a hostage but made no demands. It was assumed, however, that a demand would come soon for cancellation of the Turin trial. Two previous attempts to try the guerrilla leaders there have failed because terrorist attacks intimidated prospective jurors or defense attorneys.

The kidnapping was apparently well planned. The first reporters on the scene said telephone lines in the area were cut, apparently in an attempt to give the kidnappers get-away time.●

THREE-QUARTERS OF A MONOPOLY

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. RISENHOOVER. Mr. Speaker, waste by the Federal Government is almost as repugnant as undue involvement by the Federal Government in the affairs of private enterprise.

It should come as an offensive shock to my colleagues to learn that a venture of the Federal Trade Commission is both wasting tax money and interfering in the affairs of several major American businesses. This venture is a foolish law suit, brought by the Federal Trade Commission against our Nation's leading cereal companies.

The foolishness of this suit is documented in a Wall Street Journal editorial, published on March 6, 1978. I hope my distinguished colleagues will take a few minutes to read this editorial:

THREE-QUARTERS OF A MONOPOLY

What is good news for Quaker Oats Company must logically be good news for the other ready-to-eat cereal companies in the industry's almost eight-year struggle against the Federal Trade Commission.

Quaker last week won from Harry R. Hinkes, administrative law judge of the FTC, a dismissal as defendant in the agency's "shared monopoly" case. Quaker, he decided, was not sharing in the monopoly. What this leaves us with is the silly proposition that Kellogg, General Foods and General Mills now constitute three quarters of a monopoly. This confounds logic as much as the idea of a three-quarters murder, which suggests to us that the sooner the government dismisses the entire case the sooner it can wipe the egg off its face.

The whole concept of shared monopoly was a silly one from the start, the idea that when a few producers share a major portion of the market they can act as a monopoly even without conspiring or colluding. The government would have us believe the four companies would make believe they were competing, dividing up the market with winks and signals, rigging high prices and preventing new competition from coming in to beat these shared-monopoly prices by spending lavish amounts on advertising that the "little guy" can't afford.

Quaker, we see, gets off this twisted hook because it increased its market share to 9 percent in 1972 from 2 percent in 1960 and because it evidenced "more rivalry" than the others in seeking supermarket shelf space. Thus, says Mr. Hinkes in his dismissal, the "record fails to show that an order against Quaker is necessary to restore competition in the industry."

It does not take a Jesuit to figure out that it takes two to tango and at least two to compete for supermarket shelf space. And if indeed the other three companies were somehow sharing a monopoly, it is not much of a monopoly if it allows a competitor to quadruple its market share. If there is no case against Quaker there's no case against anyone. We think the FTC and even much of its staff must know it has been engaging in foolishness.

And very costly foolishness at that. Quaker etimated that "despite efforts to minimize costs by handling its defense 'in house' (we) estimate the direct cost to it alone to be $1,888,405 aside from the nonquantifiable disruptive effects to Quaker's business and the substantial expenditure of taxpayers' money by Complaint Counsel."

Indeed the FTC's staff architect of this effort, Michael Glassman, almost gave Judge Hinkes no other choice when he testified that relief against Quaker "was not essential and would do very little, only make a marginal contribution to increasing competition in the industry," and relief should be pursued only if "it could be obtained cheaply." Dropping Quaker, he said, "would save the public some money."

Does this mean that our bureaucrats in Washington are beginning to sense that their moments of whimsy, as with the concoction of the shared-monopoly theory, involve extraordinary expenses to the taxpaying and consuming public? FTC Chairman Michael Pertschuk says yes, from now on there will be a "cost-benefit analysis" of each FTC proceeding "to make sure consumers are better off than they were before as a result of our action."

But wait a minute! On the very day Quaker finally got out from under the shared-monopoly suit the Federal Trade Commission announced a brave, new proceeding. An inquiry would begin on whether

or not all television advertising aimed at children should be banned altogether. An incredible FTC bureaucrat named Tracy Weston appeared on the Today Show to announce, wild-eyed, that television commercials manipulate little minds and must be prohibited. "Parents are helpless," he said. "Government must help parents, who after all cannot police their children day and night."

Who buys those commercials? Cereal companies. Luther McKinney, Quaker's senior vice president who personally argued the Quaker case on the shared monopoly suit, thus did not get even one day to celebrate. "The advertising ban proceedings," he says, "may take four or five years." ●

TRIBUTE TO THE REVEREND ROBERT I. GANNON, S.J., A MAN OF GOD AND A LEADER IN EDUCATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

Mr. BIAGGI. Mr. Speaker, yesterday, in the heart of New York City, spiritual and educational leaders, brother and sister servants of God, dear friends and church brethren, gave a final temporal farewell to one of their own. They ushered to an earthly resting place the remains of a man who had given so much to their world through God's work. As those in attendance heard of the man and his work, prayed for him and those remaining behind, and offered their personal intentions is his name, they shared a special sense of fraternal loss. For Father Gannon, the leader who had guided them well, particularly as a spokesman, often in sermons for the renowned, was no longer directing them from a lectern. But they knew, as men of faith, that Father Robert Ignatius Gannon, former president of Fordham University and elder statesman of the Society of Jesus, had gone to his real home. How very special it must be when one of God's ministry reaches the goal of everlasting life. I am certain that this realization provided the solace at St. Ignatius Loyola Church yesterday. And I am very honored to share with you and my colleagues here today, this memorial salute to Father Gannon.

A native New Yorker, Robert Gannon was born in the city borough of Staten Island on April 20, 1893; he was one of several children in a family of Irish heritage.

In 1909, the young Robert graduated from Loyola Preparatory School in New York, and following which, as a young man, he went on to earn an impressive list of degrees from the outstanding educational institutions of Georgetown University, Woodstock College in Maryland, Gregorian University in Rome, and Christ's College in Cambridge, England. In addition, he was to pursue his studies at the Sorbonne, at Oxford, in Perugia, and Louvain.

The culmination of study and holy preparation was his ordination as an Apostle of Christ and Prince of the Church in 1926. But his work was only to begin.

Significantly, he was assigned in 1930 to reopen St. Peter's College in Jersey City, which had been closed since World War I. He remained as dean of that college until 1936, and during that time he also organized the Hudson College of Commerce and Finance in Jersey City.

It was in 1919 that Dr. Gannon's talents first were to lead him to Fordham University, where he became an instructor and then assistant professor of English and philosophy. It was also during those early years at Fordham that Father directed student dramatics and founded the Fordham playhouse. The Rev. James C. Finlay, the president of Fordham University, remembers him as, "an enormously charming person, a man of great talent and a fine speaker." President Finlay, who was a student at Fordham during Father Gannon's leadership, continues—

He was also a good musician, very much interested in the theater, and did a lot to foster the theater here on campus when he was President.

Father Gannon's presidency of Fordham began in 1936, when his predecessor, the Rev. Aloysius J. Hogan, was transferred to Georgetown University. He remained as head until 1949.

Upon his retirement from Fordham, he served as superior of the Mount Manresa Retreat on Staten Island, during the years 1949 to 952.

His personal attributes and abilities supported him during his terms as rector of two excellent academic schools in New York, the Loyola Prep School and Regis High School. During this same time, this very learned man was also to serve as a model to the flock in the work of a parish priest. Yes, Father Gannon was also pastor of St. Ignatius Loyola Church until 1958. It is a momentous occasion in the church when a leader in God's service assumes the awesome responsibility of directing part of His province and providing the way to the salvation of souls, which was Robert Gannon's sacred raison d'être.

Ultimately in his work as a church spokesman, Father Gannon, served for 6 years as superior of the Jesuit Missions House.

Very specially, Dr. Gannon was to return to Fordham as assistant to the president in the early 1960's to write the history of the great institution, which began as St. John's College in 1841. This work, entitled "Up to the Present," appeared in 1967.

A final mission for the church was his service as retreat master at the St. Ignatius Retreat House in Manhasset, Long Island. He remained at that post until about 6 months ago. He was 84 years of age at the time of his death.

An educator, a writer, and a witty outspoken orator, Dr. Gannon frequently addressed public and religious functions, and was much sought after as an after dinner speaker. He was the author of a well-received biography of New York's Francis Cardinal Spellman, a longtime friend for whom he delivered a televised eulogy in St. Patrick's Cathedral upon the cardinal's death in 1967. Dr. Gannon was also chosen to eulogize Pope Pius XII in the cathedral in 1958, and praised the late pontiff as a churchman who had devoted his life to the defense of civilization against fascism and communism. He also delivered the sermon for the late Frank S. Hogan, former district attorney of Manhattan, in 1974, at St. Ignatius Loyola Church. In one of his last such appearances, Dr. Gannon—still sprightly at 82 years of age—gave the funeral homily at St. Patrick's for James A. Farley in 1976.

Dr. Gannon was a traditionalist in education who did not believe that undergraduates should run a college or devise their own curricula. He outlined his views on the matter in an autobiographical work, "The Poor Old Liberal Arts," published in 1962. Collections of his speeches have appeared under the titles of "After Black Coffee" and "After More Black Coffee." He also wrote "The Technique of the One-Act Play," "The Ten Commandments," and numerous articles that have appeared in various publications.

Although a strong opponent of America's entrance into World War II, Dr. Gannon later changed his opinion, and won public praise in 1942 for declaring before students and faculty members alike:

Today it is humiliating, but many of us are ready to stand up in meeting, and confess, that we were wrong . . . It was our war from the first.

Such was the way of Father Gannon—the advocacy of principle and the courage to do so.

We are paying tribute today to a brilliant and holy man, who gave his example and his leadership to the church, the Society of Jesus, Fordham University, education, and so many that he moved in life. We are saluting a man of God who helped people be better people through the proper spiritual and educational training. We have the greatest respect for the memory of this humanitarian who enabled people to live out days of their lives as best they could. All who were touched by Father Gannon in life could be, through his intercession, truer to themselves, a credit to their particular community, and an important contributing factor to the success of God's service and His work here on Earth.

May Father Robert I. Gannon truly rest in peace. His work is done.

ST. PATRICK'S DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. FARY. Mr. Speaker, March 17 marks a special day in the lives of millions of Irish and Irish-Americans, for it is on this day that those of Irish descent celebrate the feast of the patron Saint of Ireland, St. Patrick. The festivities of this day take many forms, but without a doubt. it is the St. Patrick's Day parade that is the most popular.

The Chicago St. Patrick's Day parade, of which I have been a participant for the past 20 years, draws thousands of spectators in the city of Chicago. The parades in the Chicago area were small neighborhood affairs until later when they were consolidated by the late Mayor Daley in 1956 and the parade route was changed to the world-famous State Street with each year's parade becoming larger and larger until today, Chicago's St. Patrick's Day parade is the biggest event of the year with different Irish societies and counties dressed in colorful uniforms with other ethnic groups joined in their native garb with a touch of green intertwined in their costumes.

Each year a committee of civic leaders coordinate the endeavors of the parade whose activities have grown from a single parade to a series of events including a colleen contest, a coronation ball, and many parade awards given in several categories.

I cannot lay claim to any Irish blood, but each year I have marched proudly in the Chicago St. Patrick's Day parade with my Irish friends. What impresses me most about the parade is the enthusiasm it generates among all the residents of Chicago—those of all ethnic backgrounds and of all ages.

Mr. Speaker, today parades such as the one in Chicago are being held in cities all over America and everyone is busy having a good time. But I wonder just how many people know who St. Patrick was or why he is celebrated in such grand fashion.

Born around 389 A.D. of Brittanic-Celtic origin, Patrick was captured by Galeic pirates in a coastal raid and taken from his father's estate on the west coast of England to Ireland, where he served as a shepherd slave. Escaping to France, he eventually entered the religious life. Sometime in 432, he obtained what had become his deepest desire: To carry the Gospel to paganistic Ireland. Consecrated Bishop of Auxerre, he traveled to Ireland with a company of Celtic monks and began his labors of nearly 30 years—baptizing, teaching, preaching, and founding churches and religious communities. Toward the end of his life, Patrick founded the Holy See of Armagh, which he held as Archbishop and Primate of Ireland until his death in 461.

Soon after his death, the inspiring reality of his life was embellished with many fictional and legendary wonders, reflecting the deep respect in which his memory was held among the people. This respect gradually assumed a two-fold special character which has marked the lives of the Irish people ever since: First, a sincere imitation of the great saint's life and deeds. At his famous shrines in Donegal and Mayo, he is not so much honored by services or prayers as by the hard and often heroic penances which devout men and women perform in imitation of St. Patrick's own life of fasting and prayers. Second, in the course of time, the respect paid to St. Patrick has become identified with the patriotic and national ideals of the Irish people so that eventually his feast became both a religious and national holiday.

Since this day represents the courage and faith of the Irish people, I can think of no better time to pay tribute to the sons and daughters of Ireland who contributed so relentlessly to the building of this great Nation. Of those who signed the Declaration of Independence, nine were of Irish descent and thousands more supported that declaration by fighting for its defense. A century later, Irish immigrants provided much needed manpower for the railroad and mining industries. Today, the talents of Irishmen and their descendents are abundantly evident in such diverse fields as politics, athletics, the arts, and religion.

The warmth and wisdom of the Irish life—indeed, in its very fiber. We can is apparent in every aspect of American only hope that these qualities will prevail in Ireland, and we wish for its people an end to violence, and the restoration of the principles to which St. Patrick himself was dedicated.

To our honorable Speaker, and you my colleagues in the House, and to the Irish-Americans of Chicago and to all those who celebrate this glorious day—a happy St. Patrick's Day.●

HEARINGS BY THE SELECT COMMITTEE ON AGING, DELAWARE COUNTY, PA.

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging, represented by Congressman MIKE BLOUIN and DAVE EVANS, held field hearings in my district to gather testimony regarding the Older Americans Act. I participated in these hearings which, in my view, were quite productive. For the past few days I have inserted into the RECORD portions of the testimony we received. The 11th and final section follows:

SELECT COMMITTEE ON AGING

Mr. Chairman, I do not plan to go into much detail about how the Older Americans Act should be amended. Mr. Bauer, Mr. Bradley, and others who work within the parameters of this law on a daily basis articulately addressed that issue. I would rather make some closing comments on what I feel was reflected in our deliberations here today.

The Older Americans Act of 1965 was enacted because of this nation's commitment to our senior citizens. This law has worked well, although it has been necessary to provide some fine tuning over the years. As you travel to different sections of the country to hold field hearings, I would urge you and other members of the Select Committee on Aging to remember the special problems of today's senior citizens. They encompass such broad ranging topics as housing, health care, and taxes.

Unfortunately, many people no longer can look forward to retirement. With constant increases in the cost of living and fuel shortages which have become more pronounced in recent years, retirement frequently becomes a question of survival.

Many of the people attending today's hearings saw this country through two world wars. All have experienced the hardships of the Great Depression of the 1930's. They sacrificed for this country, they sacrified for their children, and they sacrificed for themselves so that they could retire, not in luxury, but in security. The fact of the matter is that, for most, the security is not there.

Senior citizens find that today's taxes and utility bills are frequently higher than their mortgage payments ever were. I have here a letter from one of my constituents which is similar to a complaint that I hear more and more. He writes:

"Congressman Edgar, just why can't retired senior citizens receive a house tax break ... A man works hard toward retirement and saves a little so he can keep going on his own. All we ask is a little break to help us along. I have used my life savings and fear that unless something is done to help us, I will have to sell my home of 37 years."

I believe that if we look hard enough, there are ways that we can ease their burden. I have cosponsored a bill, introduced by Congressman Downey of New York, which would provide a tax credit for elderly property owners and renters for a portion of their property taxes.

When today's senior citizens were raising families, the members of their family felt a responsibility toward their parents and grandparents. They provided for them. The problem today is that many middle aged parents simply cannot afford to care for an older member of their family. A bill has been introduced in Congress by Congressman Scheuer of New York to provide a $250 tax credit for every taxpayer housing a relative who is 65 years of age or older in their home. I cosponsored this bill because I believe it will lessen the financial squeeze and allow families the choice of having an elderly relative with them.

Mr. Chairman, the special circumstances of today's world create unique emotional and psychological problems for today's elderly. Forced into retirement and a fixed income, they feel a loss of dignity and, for some, a loss of spirit. I was pleased to cosponsor a bill, authored by Congressman Claude Pepper who chairs the Select Committee on Aging, which amends the Age discrimination in Employment Act of 1967. This bill allows workers the option of retiring at age 65 if they so choose. It bans mandatory retirement in the federal government and extends protection from age-based mandatory retirement in the private sector to age 70. This bill has passed both the House and Senate and is currently before a conference committee where differences in the House and Senate version can be worked out. Although it does not help current retirees, they brought this issue to the attention of the country because they knew the absurdity of forced retirement based on age.

I have been working closely with retired members of the United Electrical Workers on a bill which I introduced, H.R. 4180. This legislation would provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees. If this legislation is passed, unions will be able to bargain for cost-of-living increases for their retired members. Congressman Frank Thompson, Chairman of the Subcommittee on Labor-Management Relations of the House Education and Labor Committee, has assured us that his subcommittee will hold hearings on this bill sometime in March or April.

Mr. Chairman, we are beginning to recognize the problems of older Americans. The efforts of today's senior citizens will be beneficial to the next generation, just as their

past efforts are beneficial to us today. We have made inroads into solving some of the problems we face in this area. Obviously, much more work is necessary. The Older Americans Act is but one tool we can use to build a better quality of life for retirees.

We appreciate your coming to Delaware County to listen to our concerns, and we hope that the testimony you have heard today is helpful to you.●

PANAMANIAN OFFICIAL DISCUSSES THEIR ECONOMY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. SIMON. Mr. Speaker, Dr. Nicolas Barletta, Minister of Development of Planning for the Republic of Panama, recently gave a speech in which he talks about the commitment of the Panamanian leadership to private enterprise and responsible management in that country.

I believe that particularly my colleagues in the Senate who are making an important decision regarding Panama, would find it of interest.

The statement follows:

STATEMENT BY DR. NICOLAS A. BARLETTA

It is really a very genuine pleasure and a deep honor for me to have this opportunity to hold a dialogue with you today about a subject which is so important to us and so dear to our hearts. I find very many knowledgeable people and friends here in the audience whom I have known for many years and who perhaps know more about the Panama situation than I; so I am sure that they are going to keep me honest. We think that this kind of communication, like the one we have and we are engaging in tonight, is of tremendous importance and that the exchange of correct information is very basic as we move toward a major change in our relationship—the relationship between Panama and the United States—toward one that would be put on a much more modern basis and much more equal basis as partners in the management and operation of the Panama Canal. It is obviously of utmost importance to our national development and to the consolidation of our identity as a people. Therefore we are grateful for your interest and your participation on this occasion. We think that we must behave as friends who understand each other and who respect each other even when in disagreement. A good deal of the issue, as we see it, is how to achieve our national goals, both the U.S. goals and Panama's goals, in friendship and dignity rather than through imposition of one upon the other. The subject matter reminds me of an experience I had back in 1961 in Chicago, on a winter day like today, when I was a student there. I was parking my car, on a snowy day, and from behind came another car and hit me on the left front fender and smashed it. I came out of the car, very mad, as did the other fellow, who was a black fellow, very mad, too. We began arguing right away about who had done it, and why, and who was at fault and all that. As this fellow heard my accent, he asked me where I was from, and I said, "Well, I'm from Panama," and he said, "Well, I'm from Panama, too." And at that very moment the whole climate changed. We laughed about the whole thing, we began to talk about it as friends, and we settled our problem on the issue. To a large extent, that is really the sort of thing we need to keep in mind as we solve the Panama Canal issue between our two friendly people.

Tonight, I will speak to you about the economic impact of the Treaty on Panama and about the use that Panama is planning to make of the area that will be returned to us almost immediately once the Treaty is ratified. But before we get into the subject matter, I think it would help us all if I give a little background about the Panamanian economy. For those of you who are not really familiar enough with it, the economy of Panama is one of a very small market of 1.75 million people. Our gross domestic product is about 2.2 billion dollars a year. The per capita income of Panamanians is around $1,200, the fourth highest in Latin America. Between 1957 and 1972, for fifteen years, on the average the rate of economic growth of Panama was 8 percent in real terms, the highest in the whole hemisphere for that period. However, that performance has not kept us from having a persistent level of inequality among our peoples, especially when we compare urban and rural standards or even when we compare some social groups within our urban areas. This is a typical problem we are all familiar with in developing countries. The nature of the country, then, is one of a small country and of a small market and that tells us that in order for Panama to continue to grow and develop successfully, it will need to do so as an open economy relating itself to larger markets within the area and, indeed, with the whole world. We are pointed in that direction, that is, our solution for improving our material level of well-being as a people needs to go the route of a Switzerland or a Sweden or a Belgium or a Holland, not only because of the small size of the market but because we have certain things in our favor; that is, our geographic location, which is really the subject we are talking about today as we talk about the Canal, and the history and tradition of Panama over the last 400 years. So we need, then, given this nature of the country, to achieve growth and distribution of the benefits of growth among our people under those circumstances, which are very special ones. We have now had two and a half years of economic recession, which is longer than it should have been. The main reasons for this recession, in our opinion, are the following:

First, because the sources of growth that were moving the Panamanian economy at such a rapid pace up to 1972 began actually to dry up after 1971, that is, the export of traditional goods and the substitution of primary industrial goods was beginning to lose dynamism as we entered the 1970's; secondly, the problem we all know about, the world-wide problem of an inflationary and recession cycle and the whole petroleum crisis; thirdly, some social legislation that our government approved as part of our desire to improve the participation of our people in our development, but which in the final analysis created enough friction in some areas that it also tended to make worse the whole situation that we were facing—legislation, for example, especially in the area of labor-management relations; and fourthly, and important in the last year of 1977, the whole uncertainty created among investors and producers, both domestic and foreign, with respect to whether Panama and the United States were going to come to a solution about the Panama Canal. In the midst of this situation, then, I think I can summarize and say that Panama over the last few years has engaged in three very major and very difficult and delicate objectives: one, to try to consolidate our country and integrate our country through the negotiation of a new canal treaty with the largest power in the world; second, to keep on as creatively as we could, transforming the social structure and the nature of our development pattern in such a way as to allow for the participation of all the Panamanians in the process of development; and third, to recover a rate of growth and diversify our economy in such a way that we may get ourselves back onto a path of growth and distribution that could be satisfactory to our needs. All of us, especially those engaged in economic affairs, can clearly see that for a small country like Panama, these three very ambitious objectives are difficult indeed and require, as we have tried to do over the last few years, a policy of achieving the maximum unity of purpose among our people so that we may be successful in achieving these goals.

I think it would be useful now for me briefly to point out to you Panama's performance in some of these areas, especially because recently we have heard that around the United States certain people are talking about some failures with respect to the Panamanian economy. In the social area, I think we can say that in the past nine years, Panama has increased educational facilities by 70 percent, especially in the rural areas and with special emphasis on the rural areas; we have increased our health facilities for all of our people by 65 percent; we have introduced nutrition programs for our children, especially in some of the poorest rural areas of the country; we have projected housing programs for low-income people that triple the rate of construction of this type of housing from what it used to be several years ago; we have carried on an agrarian reform program that has benefited 15,000 Panamanian rural families; we have increased by 500% agricultural credit, especially for small farmers in cooperatives and in small individual units; we have increased road constructions of the permanent kind and especially feeder roads by 45 percent; we have stimulated and organized small rural enterprises to increase the participation of these people in such a way that by their own efforts they could help improve themselves, and we have created a new political environment and a political system that tends to enhance the participation of people in the solution of their own problems, especially at the local level. I can also say that in the growth area or in things that tend to be related to growth, Panama is now engaged in the development of at least 14 major projects of quite substantial size for our dimensions as a country; these are an effort to open up our economy, to increase and diversify our exports, to open up new sources of growth where private investment could be profitable, and to generate employment for our people. There are in such areas as a brand new airport, which is almost finished; the construction of container ports, one of which we are ready to begin building; the construction of a fishing port; the completion of one hydroelectric plant and the beginning of the construction of two new ones; the construction of tourism infrastructure; the creation of an inter-American banking center of quite significant importance; the construction of the Darien highway, which is part of the Pan American Highway, opening up one third of our territory and the possibility of utilizing the forest resources there for our development, and the expansion of activity in the free-zone.

We are almost ready to make the final decision on the initiation of a copper project with an ore which is the fourth largest in the world. Still other activities include the construction of some sugar mills, which unfortunately, we must admit, have problems today because of the sugar market; the carrying-on of educational programs at the university level, at the polytechnical-institute level and in production schools, which is quite significant for the development of our people; the contracting of an oil transhipment facility where oil from Alaska is being transported and transhipped from large containers to smaller ones that will go through the Panama Canal. These are, then, some examples of the kind of things we are trying

to do for ourselves; they are all underway today and open up new opportunities and sources of growth for our economy. In short-term policy, to try to get out of the recession we have undertaken legislation that changed labor-management relations so as to enhance the opportunity for more productivity; we have introduced export and investment incentives; we have improved price policies that tend to help production in certain key areas; we have maintained a very high level of public investment to try to combat the recession; we have strengthened the financial infrastructure of the country by, among other things, creating a development bank, which was needed in our financial structure, and we have been able to bring down the inflation rate over the last three years.

But on top of all these things the truth of the matter is that the recession has continued beyond what its momentum should have been, largely because of the slow recovery of the rate of private investment, both domestic and foreign. It has been prolonged more than it needed to be and part of the reason for this, as I said before, has been the uncertainty with respect to whether Panama and the United States were going to come up with a new treaty that established the relationship on a new modern basis for the future. Since it became known in August that we had a treaty, since it was signed in September and ratified by Panama in October, and since recently the news seemed to suggest that prospects for ratification by the U.S. Senate are improving, we already see some reaction of investors with respect to several projects that we know they have been holding back.

In short, then, part of our strategy for development, which I am trying to summarize very briefly here, is important because everything related to the Canal and to the new Treaty fits into that picture. We are trying, then, to do four or five major things: first of all, to consolidate the economic benefits that Panama gets from the utilization of the geographic location—this will become evident with some slides I will show in a couple of minutes; secondly, to open up the utilization of new natural resources in some of the areas I have already mentioned to you; third, to take advantage of the real opportunities we still have in the area of agriculture and industry, and fourth, to concentrate a very significant effort in the development of human resources.

I would like, then, to concentrate now on the meaning of the geographic location for Panama, because that brings us close to the subject. The geographic location means to Panama the following: First of all, the export of services valued at the end of 1976 at $400,000,000. It is our impression that with the consolidation of many of the projects I am about to mention, we can double these exports of services for the Republic over the next 5 to 8 years, depending on our performance and how rapidly we get it done. The geographic location means basically two things. First, it means transportation systems. Foremost among them, of course, is the Canal; then there are the new airport, container ports in the Atlantic and Pacific, the railroad, the fishing port and the oil pipeline, which perhaps may come into being over the next 10 to 15 years. Secondly, it means the development around these transportation sytems, which give economic life to our geographic location by providing a service needed by the world, of complementary businesses closely related with those transportation systems.

Among those we have the following: the servicing of the ships that go through the Canal, of course, by selling them fuel and food and by providing ship repairs, maintenance and tourist goods; expansion of free-zone activity; industrial processing near the Canal site of goods that can be shipped back; businesses engaged in tourism; international banking businesses; creation of an insurance and reinsurance center for Latin America; communications services; Panama-based regional and subregional management offices of many international businesses that serve the area; the merchant marine and other such diversified commercial activities. This is then the setting in which we need to analyze the economic impact of the new Canal Treaty upon the development of Panama. We can summarize the economic impact in the very short run and medium run of the Canal Treaty in three points. The first one is the improvement of the expectations of investors and producers once they have seen that this major uncertainty has been settled between our two countries and they will be ready to begin moving—as I said they almost have begun in some cases—many projects that they have been holding back, waiting for the resolution of this problem.

Secondly, the revenues that Panama will be getting, according to the new Treaty, which are in recognition of what is due by virtue of the inputs that Panama has contributed to the Canal operation in terms of land, water and the geographic location itself, will help us to consolidate this very large and ambitious investment program that we have carried on for the last three years to open up these opportunities I have mentioned previously.

Thirdly, the utilization of the lands and waters that will be returned to Panama fit perfectly well in this area of the consolidation of the economic value of our geographic location. But I think I can make all of this far clearer to you and far more interesting if you will allow me to show you some slides of what we mean, so that we can see it in the area.

(Showing of slides—request to turn off the lights)

We are quite familiar, then, with the importance of our geographic location in the hemisphere and the world. This is a map of Panama. As you know here is the Panama Canal. The Canal Zone area, Panama City on the Pacific, Colon on the Atlantic. This is the area of the Canal and the Canal Zone as it stands today, and the Canal Zone borders. You can see the tremendous importance of the lake, which is the basis of operations for the Canal. As you know each boat that goes through the Canal takes 54 million gallons of fresh water and that is the basis for this lake. As you can see here a good deal of the watershed of the lake is in Panamanian territory under our jurisdiction today, on both sides; so the protection of this watershed is one of the key important elements of what we are trying to do today and what we will consolidate under one administration once the new Canal Treaties are ratified.

Let me show you that a little better. Here is the same idea. We will convert all this middle area that goes deep into Panama as it is today, outside the area of the Canal Zone into a huge park kept under forest for the protection of the watershed for the Canal. This is of tremendous ecological importance and helps protect the water sources for the Canal operation. So all this middle area we will hardly use for any other purpose except for the protection of the watershed for the Canal. The main economic value to us, then, is going to be in the areas around Colon City and Panama City, which I will show to you briefly. This map here shows you the borders of the Canal Zone today, on both sides, and how things are going to look once the Treaty is ratified. The pink area shown here is what will be kept for the next twenty-three years under U.S. administration of the Canal operation, which is the land absolutely necessary for the maintenance and operation of the Canal. The brown areas are for the defense areas that will be under the U.S. military also for the next twenty-three years, on both sides. The red areas are the areas where the American civilians operating in the operation of the Canal are living and will continue to live until their retirement over the next few years. The green areas are under joint administration and all the white areas, that is, 67 percent of the total land is being returned to Panama immediately.

Let me show you then a little bit in detail what we mean by that around Colon City and Panama City and how we are going to use it. Here is Colon City which as you can see is totally enclosed by the Canal Zone today. It is a city that has been stagnating for over two decades, among other things because we have not been able to keep on expanding the opportunities for economic activity around this area and for urban development in such a way that it could be a city more fully amenable to living and working. To take full advantage of some of the things I have mentioned to you before, let me show you a little bit more what we mean on the following map. Here is the summary of some of the plans we have ready to go as soon as the Treaty is approved. Here is Colon City, here is the Free-Zone in 40 hectares which are totally utilized today. We are ready to expand the Free-Zone right here, immediately. We are ready to build a container port right here, next to the Free-Zone; we have the financing and the plans and everything ready to go with a group of Canadian firms. We will use this airport area, which is totally unused today. By the way, all this land is totally unused today by the Canal Zone for anything related to the Canal or anything else. All of this will come to Panama right away. We will then use this area for location of industrial activity that could not only use the airport but the ships for the transportation of the goods. The yellow areas will be dedicated to urban expansion and housing programs for higher-income groups and lower-income groups and these dark areas will be used for recreational purposes, for the people of Colon City. Also here, these port facilities, which will be returned to Panama with the new Treaty, and the dry dock located right here which we can use for ship repair and maintenance—it is not used at all today except to some small extent, part of the time but very little, for the repair of the locks of the Canal—we can employ up to 1,000 to 2,000 Panamanians in ship repair and maintenance in these dry dock facilities. So in summary, around the Colon area then, we would be employing immediately, with the plans we have ready, some of the land for economic, commercial and industrial expansion for urban development and for recreational facilities.

Let me show you then a few pictures that present this case perhaps a little better. Here is Colon City today, which is a very crowded place; here is the Free Zone, which is totally occupied today; here is the area which is totally unused where as I said to you before the Free Zone will be expanded. Most of these buildings are empty and are not used; we are going to locate the container port right here; back in this area, which is totally unused, is where some of the residential land will be utilized.

This is another view, from the Port area; part of Colon City, the Free Zone right there, and the green unused area in the background where the Free Zone and the industrial area will be expanded, next to the container port. Part of the services that will be returned to Panama is the selling of bunker fuel to the passing boats, shown here.

Let me show you then a little bit more of the same around Panama City. Panama City is right here. It has had to grow long and narrow like a hot dog—most cities tend to grow round in order to save on location and transportation services. Panama City has grown in this way, far beyond its population size, because of the limits of the Canal Zone.

Let me show you then some of the things we are ready to do around Panama City as soon as the Treaties are ratified. Again, here is the city, expanding way out here to where the new airport is located. This is the area of the port facilities that will be returned to Panama. Here is where we are going to build a container port immediately; there is already demand for it by international shipping companies. Here are the dry docks that we will also use for ship repairs and maintenance, employing between 1000 and 2000 Panamanians. Here is Albrook Field, which is totally empty and unused today; we are going to use it as part of the area of industrial and commercial and service expansion around the port facilities, which together with the railroad, which goes right there, will communicate with the other container port and the two container ports with the railroad eventually, not immediately, but eventually will become a complementary system of transportation to the Canal giving access to larger boats that cannot use the Canal today. Also, urban expansion will take place in this area—the yellow area right here, allowing our city to develop in a more rational manner. Some recreational facilities will also be built; we are ready to build a 120-acre park right here—this is a forest—for the benefit of our population, to take their families out on weekends. These three islands here will also be used as park area at the entrance of the Canal; perhaps construction of a hotel will be allowed here. These are then some of the examples of how we are ready to carry on some of our plans right away, as soon as the Treaty is ratified, in the area of Panama City. Let me show you some pictures. Here is a view of Panama City; the entrance to the Canal over there and the growing Panama City here. Here is the entrance to the Canal. Just a view of part of modern Panama.

Then we can see here how congested some of Panama City area is against the land back here in the Canal Zone which is totally unused or very little used at all. These are some of the slum areas that we are clearing up by these kinds of buildings, which we can continue to build in some of these areas that will be returned to Panama. This is the same here. These are low-income housing built through financing by the public sector by private enterprises and they are sold to the people that inhabit them. This is medium-income housing that has grown tremendously over the last 10 or 15 years. Again here is area in the Canal Zone totally unused, where we can expand our urban development in a more rational manner.

This is part of the same here. There is Panama City, fairly crowded in some areas, and some of the empty land in the present Canal Zone which we will incorporate into our projects. The same here, the same thing. Here is Albrook field, which I mentioned to you, not used at all today; it goes all the way down to the port areas where we will locate, then, a whole area for industrial and commercial activity and service areas close to the ports and in connection with the railroad that goes up to Colon.

Again this is a little bit of the same. Here is Panama City and the empty areas in the Canal Zone which will be returned to Panama. Here is the bunkering area that is used for servicing the passing ships.

Here is the port area. Here is where we are going to build the container port, next to the port area, which is right here. These are the dry docks, a big one, a medium-size one, which we will utilize for ship repair and maintenance and where a good many Panamanians will be employed, right at the entrance of the Canal. Here is the first system of locks on the Pacific side. There is Panama City out there and a good deal of the green area, part of which will be returned to Panama. These are some of the areas that will be retained by the Americans living there today; the same thing here, part of the defense establishment. Those will remain pretty much as they are, but the empty areas over there will be returned for the purposes we have outlined before.

Let me just conclude this part before we open up to questions, by showing you a little bit of what we meant before. This map here, with all the sexy colors, tries to show you the results of a systematic analysis of the level of material well-being of Panamanians, done on a district-by-district basis, that is, the level of poverty in Panama. The darker the colors the greater the level of poverty of our people in those areas. The lighter the colors the higher the level of material well-being. The highest, of course, is in the areas of Panama City and Colon City.

We have used this information, then, to develop our programs for rural development, for education and health, and integrated rural development in recent years, which are now beginning to go into effect. And what I would like to show you in addition to that, on this other map, is how that is being partially done with the participation of all Panamanians. In this map, you have the total public sector investment program for 1976. Each one of these dots is an investment project. It may be a road, it may be a school, it may be an aqueduct, it may be any of those other small projects or larger ones developed through the whole country. I do not know if you can see it clearly, but the red dots, which are more than half of all these dots, are projects which have been constructed on the basis of the request to the people living there through their elected representatives; that is, a good deal of the investment program is prepared with the elected representatives of the people in all these areas, who consult their people about their needs and then all this is incorporated through our provincial plans which are then made part of the national plans. A good many of these projects are also done with financing partially contributed at the local level. We complement that financing with the national budget. Again, this is another example of some of the things I mentioned to you before.

But, then, this is taking us away from our central subject which has been how we are going to use the Canal area returned to Panama and the economic impact as soon as the treaties have been ratified. I think that for questions not only on these subjects but on other subjects where Dr. Lopez here present could help us, we would be very glad to give you some answers. We can turn the lights back on.●

LARRY WINN—ON THE SPACE PROGRAM

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. FUQUA. Mr. Speaker, Congressman LARRY WINN, the distinguished ranking minority member of the Subcommittee on Space Science and Applications of the Committee on Science and Technology, addressed the National Space Club on February 15, 1978. LARRY WINN has served diligently over the past 12 years as a member of the committee and has become highly knowledgeable on all aspects of our national space program. Because of the significance of his remarks, I am including them in the RECORD, for the benefit of my colleagues and the general public:

THE NATIONAL SPACE CLUB

Good afternoon, ladies and gentlemen. It is a pleasure to be here. I would like to take this opportunity to share some thoughts I have had regarding the long term future of science in general and specifically the U.S. space program.

In the past two decades, we have witnessed a virtual revolution in the areas of science and technology. A revolution that has been a fine display of what this nation is founded upon—technological innovation. It seems obvious that this is one of the most valuable and marketable commodities that this Nation has to offer to the world. This characteristic is founded within the moral fiber of the American public and can be traced to the very founders of this Nation.

Unfortunately, it appears that we are encountering a period when policy decisions are made that do not take that characteristic into account.

The most obvious example of this is the so-called national energy plan. This plan makes no attempt to exploit the innovativeness of this nation's engineers and scientists. In fact, that policy literally turns its back on the potential of this nation's technological capabilities by basing the plan on conservation. I don't have any qualms at all with emphasizing conservation. But conservation without an equitable balance of production is only prolonging the inevitable—depletion of our natural resources.

Every time I discuss this policy, I can't help but recall a cartoon I saw years ago in Readers Digest—

"The cartoon depicted a very frustrated husband attempting to pay the monthly bills. However, he is encountering one purchase after another that has been in response to some sort of sale. Save 20 percent here and 50 percent there. Finally, he throws his hands up in disgust and declares he cannot afford to save any more money."

The same situation exists with the energy plan—we cannot afford to continue depleting our energy resources without finding new sources of income.

I didn't come here to talk about the Administration's energy policy. I came here to share some of my views about the long term future of science and space. However, at this time in our history, I feel that the philosophy that is being expressed within the energy plan is reflective on the policy associated with the space program and consequently the future of science.

For several years now we have been groping for some well-defined direction to proceed with in our space program—if there is such a thing. But unfortunately, that direction does not seem to materialize. Every year brings a new set of problems that demand a major portion of the National commitment and every year we continue to waste away our most valuable National commodity—technology. This slackening in a total commitment invariably results in a new round of rationalization about how we are the world leaders in aerospace technology and how everyone has to tighten their belt and establish priorities.

The whole process reminds me of the race between the tortoise and the hare. We keep telling ourselves that we have plenty of time, we've got that tremendous speed, we can overtake the world whenever we want.

I don't mean to sound so negative about the Federal policy or appear overly critcial of this Administration (even if they do deserve it). This is a problem that every Administration has had. The technical programs seem to be the first to feel the tightening of the belt. From a fiscal point of view, it really seems a little ridiculous. The total research and development funding, both civilian and defense, represents less than 10 percent of the Federal budget, the civilian portion accounting for 1 to 2 percent. But we

continue to hear the same old arguments—the American public will not support a large space program.

In all good conscience though, I feel I must challenge that reasoning. If the American people are willing to accept a Health, Education and Welfare budget in excess of $200 billion I am quite certain they will support a sizable increase in the expenditures for science and technology.

In fact, as policy makers, I feel quite strongly that we owe it to the American Public to make that investment. The reason is quite simple—the only way we, as a society, are going to continue our prosperous existence is by investing a fair share in our future. I am not implying that we should begin spending $200 billion on R&D. I am saying that if, as policy makers, we do not recognize the significance of technology as a tool for solving societal problems and make reasonable commitments to the development of that technology, then we can count upon a continual decline in our standard of living.

Our investment in space or research and development should be viewed in the same fashion that an individual plans his personal retirement plan.

The individual is confronted with a dilemma when he begins to plan for his future. On the one hand he must cope with providing for the immediate needs of his family in the event of a crisis. On the other hand though, if he makes it to retirement then he must have some means to provide for a comfortable living.

Financially, the individual goes through three phases. The first phase is an infantile stage where the benefits of the program don't appear adequate to the individual to warrant the cost. The second phase represents the maturing stage. Here the individual recognizes the benefits of the program and makes a philosophical commitment to the framework but is just unable to pay for the total program. The significant aspect though, is that he has made a commitment. The ideal program would be made up of a nice whole life insurance policy that provides immediate short term protection, plus maximum long term benefits. Unfortunately, tihs cannot be afforded—the commitment is made, but it just is not financially practical. As a consequence, compromises must be made. Instead of buying all whole life the individual buys a combination of term and whole life. This provides the short term protection while holding onto the long term options at an affordable price.

The third phase would be characterized as a mature phase where the individual can afford to take advantage of the long term options that he guaranteed himself in phase two. Because of returns on the small investments he made in phase two, he can afford to exercise his options on the long-term benefits.

I hope by this time it is obvious that I am drawing an analogy between this insurance/retirement program and the United States' space program.

The first comparison that should be drawn is between the formulation of the program and the scientific community. In this case, I see the scientific community as the architects and salesmen of the program. The Congress and the American public being the customers. We have had these salespersons appear before the House Science and Technology Committee many times. I feel they have adequately formulated a broad based philosophical plan to provide for both the long and short term problems. The framework for that plan is represented in the Committee report entitled "Future Space Programs 1975" and I am certain a similar plan will arise from our most recent hearings on future Space Programs. For the short term it includes such things as remote sensing of Earth resources, space communications and space manufacturing. In the long term it includes such things as: space colonization, solar power satellites, and mining of the Lunar surface and asteroids.

Phase one of the financial dilemma, the infantile stage, can be related to the race for the moon. Here is where the customer has finally recognized the benefits of the program. He sees those benefits and utilizes them every day.

I sincerely feel that the American public is sold on those benefits. We live in a sophisticated, highly educated society and we are kidding ourselves if we don't believe this. Anytime you see farmers utilizing remote data links to central computers to control their irrigation systems and cattle feed rationing, it is obvious they can see the benefits of the total program.

That brings us to phase two of the financial dilemma. In the insurance plan the individual made the philosophical commitment to the plan or program and then proceeded to make financial compromises that maximized the short and long term benefits. This represents the problem we face today with the space program.

First, and I feel most importantly, we are not making the philosophical commitment to the plan. This may seem insignificant, but it is imperative to have a goal to shoot for. We all know that times and circumstances may warrant modifying those goals, but at least we have something we can focus on. It is important, when you are hoeing that very long row to be able to look at the end of the row and say,

". . . that's where I am going . . ."

and look back and say,

". . . that's where I've been."

Second, our plan seems to be leaning towards too much term insurance. In other words, we need more long term commitments. I don't want to sound like I'm condemning the space applications program. That is the furtherest thing there is from the truth. I have been crusading for space applications for years and I'm gratified to see the emphasis placed upon it. However, I am committed to the whole plan which must have a fair and reasonable balance between the short and long term aspects.

The third phase of the program is still in the future. But today was the future yesterday. We must prepare for the future today. I am firmly convinced that the continued prosperous existence of man is rooted within our technological capability. We as policy makers must recognize this if we are to plan properly for the future.

In summary, I would like to restate that there are two rudimentary problems which we as policy makers face regarding the space program.

First, and most important, we have not made a philosophical commitment to a plan. This commitment will provide a focal point for American technology and perhaps even smooth some of the economic peaks and valleys in the aerospace industry.

Second, in proportion to the Federal budget, we are not investing enough. I don't want to imply that there is a direct correlation between money and the accomplishment of the objectives of the plan. We must be realistic and recognize that the money must be spent in a way that maximizes its effectiveness. We can drive technology only so fast; it cannot be forced. This is my way of saying that I could not support arbitrarily making huge increases in the NASA budget. It must be accompanied by very sound, well-thought out planning.

What is the right amount of money to be investing? I don't think there is a unique number. It fluctuates depending upon the times. However, I am certain that the amount is considerably more than we are currently spending. In addition, we are fooling ourselves if we continue to think the public won't support an increase. Sometimes I think the public probably has a better perspective for these long term aspects than the policy makers. The public tends to be more removed from many of the nuts and bolts details and can see the big picture much better. It is like that proverb that says:

"When you are up to your neck in alligators, it is hard to remember the purpose was to drain the swamp."

Let me again say it has been a pleasure and honor to speak before you today.

Thank you very much.●

HEARINGS BY THE HOUSE SELECT COMMITTEE ON AGING—DELAWARE COUNTY, PA

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging, represented by Congressmen MIKE BLOUIN and DAVE EVANS, held field hearings in my district together testimony regarding the Older Americans Act. I participated in these hearings which, in my view, were quite productive. For the past few days I have inserted into the RECORD portions of the testimony we received. The 10th section follows:

HOUSE SELECT COMMITTEE ON AGING

Good morning. The Delaware County Office of Services for the Aging (known locally as COSA) is an office of County government and has been designated by the Office for the Aging, Pennsylvania Department of Public Welfare as the Area Agency on Aging for Delaware County.

As the Administrator of the Area Agency on Aging, or COSA, I have had the day-by-day responsibility for implementing provisions of the Older Americans Act. As such, I have seen the significant progress made in the three years COSA has been in existence, but I have also felt the frustration of senior citizens and those concerned for their welfare at the unmet needs in our communities and at the tremendous challenges that lie ahead.

Before addressing specific recommendations on the reauthorization of the Older Americans Act, I would like to outline the activities of COSA, the Area Agency on Aging in Delaware County. I do this because my perception of the Older Americans Act has been shaped by the experience in Pennsylvania and here in Delaware County and also because the Area Agency on Aging concept as it evolved in Pennsylvania is, at least in my understanding, significantly different than the development in most other states.

While there is great diversity among the 48 Area Agencies on Aging in Pennsylvania: Urban—Rural; Single County—Multi County; Public—Private non-profit; and Contract services—Direct service provision. there are certain common factors which I believe have contributed to the unique characteristics of Area Agencies on Aging in Pennsylvania and to the success we have had.

INTEGRATED FUNDING

Funds are allocated to COSA and other Pennsylvania Area Agencies from Title III (Community Services), Title V (Senior Centers), Title VII (Nutrition), and Title IX (Employment) of the Older Americans Act. In addition, funds reserved for aging in the State Plan for Title XX of the Social Security Act and State funds appropriated by the Legislature are included in this allocation

The allocation formula is based on the number of elderly poor in each Planning and Service Area.

This allocation process accomplishes two things: First, it allows for an equitable distribution of resources. More importantly though it channels all Older Americans Act funds and other dollars, Title XX Social Security Act and State appropriations, earmarked for aging programs through a single community agency, the AAA.

These funds, together with County and other local funds including senior citizen contributions, are combined in one central budget or "pot" at the Area Agency. They can then be mixed together and reallocated to service providers according to the needs of that particular service population.

One of the advantages of this approach is that Title XX Social Security Act funds can be mixed with Older Americans Act funds and spread throughout a variety of services. In so doing, no one program or service site is identified as a Title XX program. Rather, Title XX funds are distributed throughout most services with each service then requiring a percentage of its recipients to be eligible under Title XX eligibility guidelines. Due to the advocacy efforts of many senior citizen groups, the restoration of group eligibility contributed greatly to the effective use of Title XX funding for senior citizen services.

Centralized local administration of all Older Americans Act funds by the Area Agency and coordination with other available funding sources as demonstrated in Delaware County and Pennsylvania has resulted in expansion of services and the development of new services with minimal administrative costs. Consolidation and administration of these various Titles through the Area Agency has prevented the duplication of administrative functions that would have resulted if these funding sources were administered separately. Management functions such as planning, monitoring, reporting can be combined for all funding sources. In fact, the Area Plan and Contract serves as the single vehicle to encumber these funds. Previously, three separate proposals generating three contracts, invoices, reports, etc., had been required.

I think this experience has clearly demonstrated the efficacy of administering all Titles (III, V, VII, IX) of the Older Americans Act through the Area Agency on Aging. This strengthens the concept of the Area Agency as the focal point for coordinating other available funding sources and pooling resources, public or private, that are available to meet the needs of elderly in the Planning and Service Area.

The importance of pooling resources and access to funding other than the Older Americans Act is underscored by the fact that in Delaware County Older Americans Act funds represent less than half the budget of the area Agency. Collectively, the four Titles of the Older Americans Act represent 43 percent of our total budget. Title XX is our single largest funding source, larger than any single Title of the Older Americans Act, and represents 33 percent of our budget.

We have begun working with local agencies to attempt the coordination of other funds which are available for services to senior citizens. An example is Urban Mass Transportation Administration Sec. 16(b)(2) funds which are available for capital expenditures for transportation for senior citizens and the handicapped.

Non-federal funds available through COSA, the AAA, were used to provide the local match required for community non-profit agencies to obtain vehicles under UMTA Sec. 16(b)(2). Operating funds for some of these vehicles will be provided through Older Americans and Social Security Act funds allocated to COSA.

At the local level, we will depend increasingly on pooling resources in this manner to expand services.

INTEGRATION OF SERVICES

The consolidation of Older Americans Act funding in the Area Agency and the pooling of other resources as described above has allowed the development or expansion of services to proceed according to demonstrated community need rather than along categorical program lines. Since services were funded from a single source, the AAA, there was an immediate awareness of that program's relationship to other service providers. A higher degree of coordination among community programs was possible because of the central role played by the Area Agency in allocating resources.

While there is not necessarily a casual relationship, the ability to allocate resources certainly facilitates the ability of the AAA to develop a coordinated, comprehensive service system. If the mandate of the Area Agencies on Aging to develop a coordinated, comprehensive service system is to be renewed in the reauthorization of the Act, they must be given the clear authority and the resources to carry out that mandate. Consolidation of funding through the Area Agency is one important element needed to successfully carry out that mandate.

CONTINUUM OF CARE

The Older Americans Act requires that each Area Agency administer the development of a comprehensive, as well as coordinated, service system. Thus, a range of services have been made available to older persons in need in Delaware County. These services include:

Supportive Services: Information and Referral, Case Management, Protective Service, Transportation, Legal Services, Outreach.

In-Home Services: Homemaker Services, Chore Service, Home-Delivered Meals, Home Health Services.

Senior Center Services: Group Meals, Socialization/Recreation, Transportation, Nutrition Education, Counseling, Health Screening, Shopping Assistance, Volunteer Opportunities.

Extended Living Services: Foster Care.

Other services provided by COSA include a Senior Employment Program funded through a contract with the National Council on Aging which provides part-time employment and training for 50 senior citizens, a Foster Grandparents Program funded by ACTION which enrolls 70 senior citizens, and a Home Weatherization Program.

This continuum of care recognizes the diversity of need which exists among the elderly. Is the problem of isolation or loneliness which can be met through a senior center any less valued than a need for legal services, transportation, or homemaker service? Should our approach to services be prevention-oriented rather than treatment-oriented? The approach taken in Delaware County is to attempt to balance these approaches.

The development of a comprehensive, coordinated system requires the involvement and cooperation of local service agencies. Seventy-six percent of the funds encumbered in the 1978 Delaware County Area Plan have been allocated through contracts to community agencies for service delivery. Services will be provided through eleven separate contracts totaling in excess of $1.3 million dollars. The remaining services provided directly by the Area Agency include the supportive services excluding Legal Services and program administration. This mix of contract and direct delivery of services has worked well.

In 1977, this range of services was provided to 5674 separate individuals. Some persons may have received service only once during the year, while others received service on a daily or weekly basis. In addition, over 10,000 individual contacts were made by our Information and Referral Unit. Other services provided ranged from 170,000 congregate and home-delivered meals served, 40,000 hours of Homemaker service provided, 65,000 passenger trips in transportation, the opening of three new senior centers, to the successful placement of two persons in our new Foster Care program.

While we have seen major achievements in the provision of services to senior citizens in Delaware County during the last four years, one fact has been clear from the outset. That fact is that there does not appear to be any way in which COSA alone can meet all the needs of Delaware County's 95,000 senior citizens. Each small success is overshadowed by the reality of unmet need; unmet which we cannot hope to meet in the foreseeable future.

An Area Agency cannot meet the needs of all senior citizens directly and neither can the Older Americans Act alone resolve the problems of older Americans. What is made possible by the Older Americans Act and Area Agencies on Aging is the development, expansion and coordination of services for those most in need. Perhaps most importantly, the Area Agency on Aging will have to become a strong advocate for the elderly.

The Older Americans Act in its declaration of objectives in Title I set forth a ten-point program to provide older Americans opportunities for full participation in the benefits of our society. As stated in the Act, the objectives are to assist older people to secure the full and free enjoyment of:

1. An adequate income
2. The best possible physical and mental health
3. Suitable housing
4. Full restorative services
5. Employment without age discrimination
6. Retirement in health, honor and dignity
7. Participation in civic, cultural, and recreational activity
8. Community service
9. Immediate benefit from research
10. Freedom and independence

Clearly, these objectives have not been attained; however, this does not mean that the activities sponsored by the Act have been failures, or that the objectives need to be changed. These objectives set out goals which will require fundamental changes in our institutions. There has been progress toward these goals in the thirteen years since the Act's passage—progress which has been spurred by the existence of the Act.

While progress is being made toward these societal goals which will benefit all older Americans, we need to direct our attention to those older Americans who are most in danger of losing their independence—those persons who are most vulnerable.

It has become popularly known that a major transformation of our society is occurring. Popular magazines have termed it The Graying of America, or Growing Old in America. Simply put, there are more older Americans than ever before, and both their numbers and their percentage of the population is increasing significantly, particularly among the very old.

In Delaware County, we are rapidly approaching the point where the resources available to meet the service needs of senior citizens are exceeded by the demand for these services.

We can expect this demand to continue to increase as the population of older persons increases and as the availability of services becomes even more widely known. The 1970 Census established that there were 86,000 persons age 60 and over in Delaware County. An update furnished by the Administration on Aging estimated the 1975 population age 60 and over to be 95,000. The reality is that we will be unable to meet the needs of many persons who turn to us. With the advice of

our Advisory Council, we will have to attempt to identify those who are most in need.

The Act does not seem to recognize the problem of scarce resources. The 1973 Amendments make reference to full and special consideration for older citizens with special needs and that priority is to be given to the elderly with the greatest economic and social need, but does not provide any further definition.

In light of attempts by states such as Pennsylvania to develop a target population concept, and recently by the Federal Council on the Aging to develop a policy focusing on the frail elderly, it is appropriate and necessary for the reauthorization of the Older Americans Act to discuss and define those special needs to which we should give full and special consideration. The present lack of clarity regarding criteria of need and the increasing demand for service has led to unrealistic expectations for service. Criteria of need and the intent of Congress should be clearly spelled out.

SPECIFIC RECOMMENDATIONS

1. Administration of Older Americans Act Titles.—All titles of the Act should be administered through the Administration on Aging, the State Unit on Aging, and locally by the Area Agency on Aging. The Area Plan should be the vehicle through which these funds are administered at the local level. In this manner, the Area Agency will be a central focal point for coordinating all available public and private resources.

2. Local Decision-Making.—The responsibility of the Area Agency on Aging for determining the need for social services within the Planning and Service Area should be strengthened.

The Area Agency staff and Advisory Council are best able to identify local need and to develop an Area Service Plan to meet those needs. The Area Plan provides an opportunity for the State Unit on Aging to review the adequacy of such a determination of need.

Local discretion in determining need can best be strengthened by consolidating the Older Americans Act Titles into one comprehensive grant administered by the Area Agency. The Area Agency, working through its Advisory Council and utilizing public hearings, would make decisions on priorities based on local identification of needs.

3. National Priority Services.—The setting of national priority services within the Act seems inconsistent with the intent for local determination of need. National priority services should be eliminated and left to local discretion.

If national priority services are mandated, there should be no requirement that specific percentages of budgets be expended in those areas, but this determination be left to local discretion.

4. Non-Federal Matching Requirements — The matching requirement should be standardized at 90–10 for all Titles. This is especially true in Title III, where administration is funded at 75–25, while other services are funded 90–10.

While it is commendable to keep administrative costs down, Title III specifically provides that Area Agencies administer a service system. We should not be penalized by a higher matching requirement for doing what we are mandated to do.

5. Contributions.—Where the Area Agency has responsibility for administering programs receiving contributions from participants, the authority to decide on the disposition of this income should be with the Area Agency, subject to the advice of its Advisory Council. Said disposition shall be consistent with the objectives of the Act.

6. Area Agency Appeals Procedure.—State Units on Aging should be required to set forth specific appeals procedures for use by Area Agencies when: (1) Area Plans submitted by an approved Area Agency are not approved; and, (2) when a state acts to defund an officially designated and previously funded Area Agency on Aging.

7. Planning Cycle.—The Act should provide for a three-year planning cycle rather than the annual plan currently required. This will reduce the administrative workload required to submit an annual plan and will facilitate a comprehensive planning process.

8. Three-Year Funding Limit.—Authority to extend Title III funding of a specific program beyond the three-year limit should be granted to the Area Agency. This waiver would be included in the Area Plan and subject to review by the State Unit. The appeal procedure in effect for the Area Plan would apply.

9. Title IV–A.—The requirement that 70% of Title IV–A training funds need go to institutions of higher learning should be abolished. State Units and Area Agencies should have discretion in how to utilize these funds.

10. Title V.—

(a) Title V, Part B, Section 511, should be reauthorized, and amended to provide for staffing and operating costs for multipurpose senior centers.

(b) If no appropriate existing physical facility is available in an area for renovation, alteration or acquisition as a multipurpose senior center, the State Unit, or Area Agency on Aging where appropriate, should have the option of approving the use of funds for limited construction of new facilities.

(c) Part A, Sections 506 and 507 (Mortgage Insurance and Annual Interest Grants) should be implemented in order that this additional option of financial support is available at the local level.

Thank you for the opportunity to present my views on the reauthorization of the Older Americans Act.●

DISARMAMENT

Hon. John E. "Jack" Cunningham

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. CUNNINGHAM. Mr. Speaker, people who believe that the Soviet Union is a reasonable world power are apparently counseling the President to step up efforts to disarm our national defense.

The most ominous of these activities, of course, is seen in the SALT negotiations. Trends in those talks could lead to further expansion of the Soviet Union, the most power-hungry nation in the world and one of the premium violators of basic human rights of all of its citizens, particularly its Jewish citizens.

Recently, I obtained a fine summary of the adverse impact of the Comprehensive Test Ban Treaty, which is currently being proposed by some in the administration. I submit it for the RECORD and for the enlightenment of my colleagues:

COMPREHENSIVE TEST BAN SUMMARY

A. A comprehensive test ban (CTB) would result in a net U.S. disadvantage in regard to the balance of strategic deterrence.

1. A CTB adversely affects the reliability of the current U.S. weapon inventory. The U.S. deterrence capability vis-a-vis the Soviet Union is thereby decreased and the confidence of the U.S. allies in capability is weakened. Owing to their force structure, the Soviet problem is by far not the same, even of a CTB treaty could prevent them from testing and verifying weapon reliability in conjunction with their clandestine weapon tests or their "peaceful" nuclear explosion programs.

2. A CTB affects adversely the rationale and the cost of new United States weapon developments. This results from the constraints imposed on our development programs, the increased conservatism in our proposed new designs, and from the cost impact due to the less than optimal use of nuclear materials.

3. A CTB would prevent the U.S. from verifying, or establishing the criteria for, the hardness of U.S. weapon systems against nuclear weapons effects.

4. A CTB penalizes the U.S. R&D establishment far more than its Soviet counterpart. Under the constraints imposed by the test ban, the lack of intellectually challenging stimulus would add to the unavoidable shifts in funding emphasis to encourage the brightest U.S. scientific talent to leave the defense-oriented research establishments for more promising fields. The Soviets on the other hand are free to provide the combination of incentives and pressures required to maintain their scientific/technical manpower at the highest possible level of readiness independently of the CTB. This divergent trend would rapidly erode the current U.S. technology lead especially if we implement the ban unilaterally, and could have serious consequences if the Soviets intend to evade or abrogate the test ban.

B. A CTB will not accomplish the political objectives sought by the U.S.

1. A bilateral CTB between the U.S. and the U.S.S.R. would not affect the pressure for, or the restraints against, the proliferation of nuclear weapon capabilities.

2. A CTB would not increase the probability of reaching strategic arms limitation treaties favorable to the U.S. On the other hand, a CTB would increase the risks to the U.S. national security associated with strategic arms limitation treaties.

C. The implementation of a CTB is fraught with almost insuperable difficulties.

1. The peaceful nuclear explosions (PNE) can not, and should not, be exempted. There is no way to distinguish by remote means between "peaceful" and weapon explosions; military tests can be conducted under the disguise of PNE, or the result of "peaceful" tests can be used to military advantage.

2. Effective CTB verification techniques are not currently within the state-of-the-art; neither are they expected to be for many years in the future.

3. In order for a CTB to be effective and to meet the U.S. objectives associated with control of nuclear proliferation, all current and potential* nuclear powers must accept and ratify the CTB treaty.

BACKGROUND

Nuclear weapon tests are used to: (1) modify nuclear warheads so that they can fit into new weapon systems or to improve their performance; (2) investigate the effects of the explosion on military equipment: (3) ascertain that deployed weapons are in working condition. Weapons are like any other hardware (actually worse than most, because the materials are often chemically unstable or radioactive), past reliability and test results can not be conclusively applied to long-extended storage periods without frequent verification tests.

The U.S. has committed to the principle of banning some nuclear tests, in the Limited Test Ban Treaty (LTBT, 1963), the Non-Proliferation Treaty (NPT, 1968), and the Threshold Test Ban Treaty.* (TTBT, 1974).

In November 1961, the Soviet Union called for a Comprehensive Test Ban (CTB), although it would except nuclear explosions for peaceful (civilian) purposes from the ban. The Soviet motives may have been to help

* Not yet ratified.

turn world opinion against the Chinese, who are not currently part of any test ban treaty, or might have stemmed from the fact that the U.S. probably relies on advanced nuclear technology to a much greater degree than does the Soviet Union.

A. The comprehensive test ban (CTB) would result in a net U.S. disadvantage in regard to the balance of strategic deterrence.

1. Reliability of Current U.S. Weapon Inventory—A complete test ban would preclude the possibility of periodically testing operational warheads. Such testing of complex weapons is essential in the absence of operational employment over long time periods since past test and reliability data can not be projected into the future with the required confidence level. The absence of testing is eventually bound to result in a lowering of the confidence political leadership (not to mention the military) would have in the reliability of the U.S. strategic forces. The U.S. deterrence capability vs. the Soviet Union would be thereby decreased, both in reality and in perception. In addition, for the Western allied nations, who must also cope with the threat of large Soviet nuclear forces, anything which would cast doubt over the future viability of our central war deterrent forces or anything which would introduce an element of unreliability into our tactical nuclear forces would be viewed as a step away from the resolute support of our alliances. Such changes in attitude are adverse to the U.S. security interests.

The corresponding impact on the Soviets is far less severe. If the peaceful nuclear explosions (PNE) are exempted from the ban, in view of their large PNE program, they can divert the results to upgrade their military hardware with relative ease. Even in absence of PNE programs, the design of their nuclear weapons has in the past emphasized simplicity at the expense of cost in terms of weight and the use of nuclear materials. Thus, the U.S.S.R. requirements for continuous testing of sophisticated weapons in the operational inventory are less critical than those of the U.S.

2. Impact on New Weapon Developments—The commitment to weapon test ban policies was made by the U.S. at a time of unquestioned U.S. strategic supremacy. Today, rough equivalence is conceded by most U.S. analysts and while the unfolding trend in the strategic U.S./U.S.S.R. balance can not be reliably predicted, it appears to favor the Soviets. Very little is known of the purpose or the progress made in the Soviet nuclear weapon test and development program, thus the threat, which our weapons may be facing, is essentially unknown. New threats may suddenly appear, possibly jeopardizing the effectiveness of our strategic deterrent forces. The Soviets, with their ample throw-weight capability, can rely on much less testing since they can use warhead redundancy as protection against surprises. In contrast, the U.S. must rely on qualitative modifications to face new threat developments, especially when total throw-weight and number of warheads are constrained by arms limitation treaties. Intensive, continuous testing is then far more critical for the U.S. than it is for the U.S.S.R. in order to preserve the stability implied by the "rough equivalence" posture. A comprehensive test ban would prevent us from responding in time to technological surprises.

A sound weapon development program must thus comprise continuing improvements and changes. A nuclear explosive may fail to work as expected when seemingly slight design changes are made. Of course, under a test ban, changes in design of nuclear weapons would have to be made very cautiously (and, incidentally, would utilize more costly computing and non-nuclear test resources than at present). On the other hand, the nuclear weapons laboratories would be under continuous pressure to make design changes even in absence of new threat projections since even small changes in nuclear weapons have often a large impact on the cost, or effectiveness, or operational flexibility of the overall system.

If weapon tests are banned, our designers will have to be more conservative in terms of weapon effects hardening of our own devices, and use of weapon designs less efficient in terms of use of special nuclear materials. All this translates into additional cost and most likely, into the requirement for additional production of nuclear materials.

3. Hardening of Military Equipment Against Nuclear Weapons Effect.—In addition to nuclear weapons, the U.S. and allied military forces continually develop, test, deploy and exercise equipment aimed at strategic deterrence, conventional air, land and naval combat as well as non-conventional limited wars. Most missions envision nuclear combat environment. The ability to test against well-authenticated criteria in realistic (i.e. nuclear) test environment has essential bearing on the cost and the expected operational performance of newly developed components and systems.

4. Impact on the U.S. R&D Establishment—In the event of a CTB the U.S. nuclear weapons laboratories would severely, and quite probably, rapidly deteriorate in their effectiveness. It is most unlikely that the scientific and engineering talent now attracted to such laboratories could be retained in the long run in absence of significant level of new weapons development testing. Public opinion and budgetary considerations in the U.S. will soon cause significant attrition in the top technical talent pool indispensable for a sound, effective and continually evolving strategic posture. There is no way to restore this type of R&D base on short notice, should the need arise.

The corresponding problem does not exist to a comparable extent for the Soviet Union. The ability of the U.S.S.R. to direct its resources, including budgets, facilities and scientific talent to the tasks prescribed by the interest of the state would permit to maintain the Soviet nuclear R&D laboratories at a high state of excellence and readiness, even in presence of a CTB. In case of abrogation of the test ban, the Soviets would be in position to take rapid and effective advantage of the fully maintained R&D capability. They would also be in excellent position to make military use from test data covertly derived from "peaceful" nuclear explosions.

B. The CTB will not accomplish the political objectives sought by the U.S.

1. Nuclear Weapon Proliferation—The current CTB proposal is to commit bilaterally the U.S. and U.S.S.R. only. It is by no means clear that such a bilateral CTB would have a positive effect, from the U.S. point of view, on our broader political interests against nuclear weapon proliferation. Rather than reducing the prospects of proliferation, a CTB, unless it also commits all nations (currently or potentially nuclear-capable), might induce individual states to develop their own capability in the belief that they can no longer rely upon U.S. commitments.

Insecurity of nations in some form is in general the cause of nuclear proliferation. One source of insecurity is the presence, or the potential, of nuclear weapons in the hands of a nation viewed as an enemy. For this reason, the existing non-proliferation treaty (NPT) is valuable. But the desire to link the NPT to restrictions on U.S. nuclear tests, through understandable as an emotional and political reaction on the part of non-nuclear countries, has little rational basis. Few if any non-nuclear countries feel threatened by U.S. nuclear weapons. None are likely to be reassured by our taking on the operational handicaps which would flow from a complete nuclear test ban.

2. Strategic Arms Limitation Treaty—There is no guarantee that a CTB would have significant impact on improving U.S./Soviet relations, in particular with respect to strategic arms limitations. If the Soviet purpose was to preclude the U.S. from taking advantage of its technological superiority, a CTB would be one of the means of contributing signficantly to that purpose. By imposing constraints on the U.S. future weapon development programs, a CTB would render our negotiating position on stragetic arms limitation more difficult and more cautious.

Should the Soviets decide at a given point to take advantage of their growing superiority, a CTB agreement may in fact become a factor in destabilization. If the ban is maintained, we are precluded from responding to the emergence of a new threat. If we formally abrogate the test ban, that would offer an incentive to fast, decisive Soviet action, before we could benefit from the results of renewed testing.

C. The implementation of CTB is fraught with almost insuperable difficulties.

1. Peaceful Nuclear Explosions (PNE)—Peaceful nuclear explosions should not be exempted from any CTB, if one is ever considered. There is no way to verify the *purpose* of a nuclear explosion without a thorough on-site inspection. The Soviets have consistently rejected the principle of such inspection. Even if accepted in principle, inspection of this type would involve a detailed search of the site to confirm that measurements of military significance are *not* performed; a thorough examination of the test device to ascertain that it is *not* a weapon-compatible design. The plausibility of such intrusive inspection procedure being ever accepted is rather remote.

The Soviets, because of their belief in the possible economic utility of PNE's, because of the nature of their topography and possibly as a hedge in prevision of a CTB, have a considerable, long-range program involving many hundreds of nuclear explosions, of an aggregate yield reaching several tens of megatons. The U.S. has determined in the late 1960's that PNE's were not economically or environmentally attractive and therefore it has no planned activities involving nuclear explosives for peaceful purposes.

As stated previously, a well-maintained research establishment can derive significant military advantage of observations resulting from "peaceful" nuclear explosions.

On balance then, if PNE's are exempted from an assertedly comprehensive test ban treaty, such treaty would offer major advantages to the Soviets.

2. Verification—Improvements to the U.S. national technical means could reduce the probability of undetected tests. It is generally agreed that there is a threshold, estimated from 3.0 to 5.0 Richter magnitude above which earthquakes can be definitely distinguished from weapon explosions. Even though expert opinions differ, the monitoring of the Limited Test Ban Treaty (allowing underground explosions up to 150 KT) is, or may soon become, accessible to the verification state-of-the-art. On the other hand, while there is broad agreement that militarily meaningful results can be derived from much smaller nuclear explosions, the detection by "national technical means" (i.e. from remote distances) is contingent upon further major progress in the detection instrumentation and upon the continuing accessibility of monitoring sites contiguous to Soviet territory. Even with an aggressive program to improve the U.S. monitoring capabilities, it will be several years before improvements would be properly tested. In short, we may not have for quite a long time yet adequate means for verifying compliance in regard to very small explosions. Another pertinent question is what we would, or

could, do about suspicious events, except endless complaining. The possibility of unilateral advantage to the Soviets resulting from covert test activity should thus not be excluded.

3. A CTB Treaty Must Include All Nuclear Powers—Assuming that the U.S. and the Soviets can negotiate an equitable and enforceable CTB treaty (covering both military and peaceful explosions), they should not permit other potential competing nations, e.g., China, France, and India, to gain relative military advantage with respect to the currently existing situation. If this condition is not fulfilled, the stated purpose of a CTB would not be achieved. The same considerations prevail in regard to currently non-nuclear nations. If however the current nuclear powers fail to all agree on both CTB and non-proliferation treaties, the tendency toward further proliferation on the currently non-nuclear nations will persist or will even increase.

The probability of the current non-signatories of the non-proliferation pact acceding to a Comprehensive Test Ban treaty is rather slender.●

SPACE: INDUSTRY'S NEW FRONTIER

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. FUQUA. Mr. Speaker, the launch of the first Space Shuttle will occur in 1979, heralding the beginning of an era in space. Mr. Vernon Louviere, in the February edition of Nation's Business, describes well the value of the Space Shuttle to our Nation. I am including his article entitled, "Space: Industry's New Frontier" in the RECORD, so that my colleagues and the general public may better appreciate the significance of the program to our Nation's well-being.

The article follows:

SPACE: INDUSTRY'S NEW FRONTIER

(By Vernon Louviere)

(*Too low they build, who build beneath the stars.*—"Night Thoughts," Edward Young (1683–1765).)

Twenty years ago, the United States, stunned by the news of the Russian Sputnik, launched itself into the infant Space Age by rocketing a 30-pound satellite into low earth orbit.

Less than a dozen years later, the United States had overtaken and passed the Soviet Union, and the world witnessed one of the most dazzling exploits in history: Astronaut Neil Armstrong stepped out on the moon and proclaimed, "One small step for man, one giant leap for mankind."

In the years since that first landing on the moon, the United States has probed deeper and deeper into the mysterious reaches of outer space, with ingenious devices exposing the hidden secrets of Jupiter, Mars, Mercury, Venus, and beyond.

The lunar landing provided the high drama of America's first two decades in space. Less dramatic is the immense wealth of scientific knowledge that has been and continues to be accumulated as we hurl rocket after rocket toward the deep recesses of the universe.

THE COST OF LEADING THE WAY

For the United States to dominate the race into space has meant huge outlays of money that some detractors claim would be far wiser spent solving earthly problems. By and large, however, most Americans accept the fact that this heavy spending on space exploration pays off in terms of contributing to knowledge and helping the U.S. maintain military superiority, not to mention bolstering national pride.

Now America embarks on a new era—one of true space travel. Between this year and the end of the 20th century, U.S. scientists will seek to open highways to the heavens so they can convert new space knowledge into beneficial uses on earth.

This will be the age of the space shuttle. For the first time, the United States will have a reusable spacecraft, one that will loft men (and women, too) into orbit and let them return to earth in airplane style landings.

The pace shuttle—part airplane, part spacecraft—will pave the way for the beginning of space industrialization, a new industrial revolution bringing American business into solid partnership with space science. This marriage of technology and the marketplace is expected to improve old products and create new ones, vastly heighten the ability of people to communicate with one another, help uncover sources of oil, gas, and other valuable minerals, expand the science of weather forecasting, and set the stage for large-scale exploitation of solar energy.

HUGE REVENUES FOR BUSINESS

By the end of this century, some experts say, business in space will have generated revenues which could reach the neighborhood of a staggering $30 billion. Private enterprise, they predict, will take over more and more of an area now dominated by government, as the business community capitalizes on opportunities springing from industrialization.

In a sense, with the start of this new phase of space exploration, the United States stands at a crossroads similar to that of the 19th century when the railroads pushed across the western frontier, opening new industrial vistas and creating new wealth for this country and its people.

A small but growing number of American businesses already accept the space challenge, realizing that they are in the vanguard of business people entering an exciting era.

"As pioneering successes take place, you can expect much more of American industry to join the equivalent of a land rush into space," Paul Siegler, president of Earth/Space, Inc., a California space consulting firm, told Nation's Business.

The centerpiece of this unfolding second phase of space voyaging—the Model T, so to speak, of the expanding thrust skyward—is an ungainly looking flying machine with stubby body, stunted wings, and grotesque tail. This is the American space shuttle, whose prototype—the Enterprise—is now undergoing a series of test flight and landings.

Prime contractor for the shuttle—five are planned—is Rockwell International, the industrial giant that designed and built the lion's share of the Apollo lunar project, which culminated in six successful landings on the moon.

Sharing in the shuttle contract are such well-known aerospace firms as Martin Marietta, General Dynamics, Grumman Aerospace, Fairchild Republic, and Thiokol.

METAMORPHOSIS IN THE SPRING

Sometime in the spring of 1979, at Cape Canaveral, the squat, chunky shuttle will undergo a metamorphosis. Like its wingless forebears it will assume a vertical position on the launch pad. Two powerful solid-fuel rocket boosters and a huge propellant tank, all three resembling giant torpedoes, will be joined to the shuttle. Two astronauts will climb aboard, the two booster rockets and three liquid rocket engines on the craft itself will burst to life, and the world's first true space flying machine—now for the first time looking the part—will streak into the skies.

After two minutes of flight, the two boosters will burn out and drop off in the Atlantic to be picked up later and reused in future flights. A few minutes more, and the big external tank will be jettisoned over a remote part of the ocean. It will burn and break up into small pieces as it tumbles earthward. The external tank is the only expendable part of the operation.

Now the shuttle will be on its own, able to maneuver as its pilot wishes in the vast ranges of low earth orbit, a belt of space extending from 100 to 600 miles above the planet. On completion of this first manned test, scheduled to run from 54 hours to five days, the astronaut pilot will dip the craft's nose down and point it toward the desert runways at Edwards Air Force Base in California. By the fifth shuttle flight, landings will be at Cape Canaveral on the longest manmade runway in the world, a 15,000-foot stretch of concrete built especially for the shuttle.

A series of such flights are planned during 1979 and early 1980, according to the National Aeronautics and Space Administration. The turnaround time between flights can be as short as two weeks because of the shuttle's adaptability to quick overhaul and maintenance.

Starting in 1980, and for the next ten years, the space shuttle system will be fully operational, conducting a wide range of experiments—for industry; for government, including the military; and for foreign interests. Each of the five shuttles will be built to make 100 round trips, so, over the length of the program, as many as 500 missions may be accomplished.

A primary feature of the shuttle is that it can take a 65,000-pound payload into space and return to earth. The shuttle can accommodate seven people—three astronauts and four mission specialists who will handle experiments or engage in small-scale manufacturing—and they will live and work in a shirt-sleeve environment. Missions will run from seven to 30 days.

PAY AS YOU GO

For the first time, NASA has come up with a pay-as-you-go space vehicle. Over the ten years of the shuttle program, and the 500 or so flights planned the average cost of a mission will come to about $21 million, according to NASA computations. Whoever books space on the shuttle—a private business, a federal agency, or a foreign government—will pay the $21 million. If there are two users, they will split the cost.

There will be some exceptions to the amount charged. The European Space Agency, a consortium of ten Western European nations engaged in space research, is putting in $600 million to build the Spacelab that will be flown aboard the shuttle in the 1980's. So the agency will be billed on the basis of $18 million a flight.

The same goes for the Canadian government, which is contributing a $90 million manipulator arm that will be used for launching other spacecraft from the shuttle, for repairing communications satellites, and the like. NASA also will enjoy the lower rate, as will certain other federal agencies for special missions.

All the action won't be enjoyed by corporate giants and well-heeled governments. NASA has come up with a way for others to participate, to share in the thrill of this pioneering mode of transportation.

YOU CAN MAKE A RESERVATION

For as little as $3,000—$500 down—you can reserve space for a legitimate experiment aboard a shuttle flight. A number of small companies, universities, and even individuals have nailed down their reservations for what NASA calls its "Getaway Special" program.

After the lunar landings, it became apparent that the American space program was in danger of grinding to a halt. The drama and

the glamour were gone. Mounting economic problems and rising budget deficits would make it more and more difficult for Congress or the White House to generously approve requests for continued spending in space. In 1970, NASA began concentrating on the concept of reusable space vehicles where tangible, easily visible benefits would be immediate and costs would be held down significantly. Thus the space shuttle was born.

In terms of costs, the shuttle doesn't approach the Apollo project, which represented an outlay of about $21 billion from drawing board to the first lunar landing. The price tag for the whole shuttle program is expected to be in the neighborhood of $7 billion to $8 billion.

In terms of payload, the shuttle is a real bargain for the taxpayer. It cost $500,000 a pound to put a 20- to 30-pound payload aboard the Vanguard missile in the late 1950's. When the Thor missile came along in the 1960's, with payloads of little more than half a ton, the cost was reduced to $10,000 a pound. Payloads on the Saturn moon rockets came in at $600 a pound. With the shuttle, the cost drops to $150 a pound.

And when the next generation of space freighters comes along, with possibly as many as ten departures daily at Cape Canaveral's Kennedy Space Center, the price could drop to $20 or even $10 a pound.

NASA is counting on business to help keep the momentum going on space activity. Once space industrialization takes hold, NASA officials believe, space colonization will only be a matter of time. Those who favor space colonization point to the delicate ecological balance of the earth, its finite resources, and its burgeoning human population.

ALMOST WEARLESS MACHINERY

No man speaks more convincingly on space industrialization than George W. Jeffs, president of North American space operations for Rockwell. Industrialization, he says, "can utilize the unique properties of space—weightlessness, hard vacuum, limitless energy, and high vantage point—to produce large-scale benefits for all people."

Factories in space would feature almost wearless machinery. Without the physical constraints of gravity, workers and equipment would move about much more easily.

Individual productivity would increase because of lower energy expenditure. There would be few negative side effects such as pollution, congestion, and safety hazards. A big plus would be limitless nonpolluting energy from the sun, energy readily available outside the earth's atmosphere.

Mr. Jeffs's view is echoed by Dr. Robert A. Frosch, administrator of NASA, who told a congressional committee:

"While the shuttle is freqently discussed in terms of its ability to accomplish the things that we are already able to do in space, but in a more economical way, I believe its real significance lies in its ability to enable us to do new things in space that we cannot now do because of restrictions imposed by expendable launch vehicles.

"These new capabilities will begin to give us entirely new ideas for long-range projects."

Dr. Klaus Heiss, president of Econ, Inc., a Princeton, N.J., firm which has evaluated a number of NASA projects from the standpoint of costs, is unequivocal in predicting that the role of business in space will expand in the remaining years of this century. Looking further down the road, to the period starting about the year 2000, he says:

"Industrial space activities, with or without financial participation by government, will develop and sustain themselves entirely, based on pursuit of economic interests. Once this point is reached, the space program will have become truly irreversible. Economic self-interest, again and again, has proven to be the most lasting historical motivation for human activity."

HIGH-PRICED TOURISM

Earth/Space, Inc., the California consulting firm, has a contract with NASA to study the implications of space industrialization over the next 30 years. Paul Siegler, the president, predicts that transmission of information, solar power, and a fledgling tourist industry—all developed by the shuttle—will generate between $6 billion and $19 billion in revenues in the next two decades.

In addition, materials processing in space—metals, glass, medicines—will bring pioneering entrepreneurs $2 billion to $10 billion, he says.

"We're talking about things like wrist radios where people can communicate coast-to-coast for a few pennies, electronic mail, sophisticated national information services, and teleconferences where businessmen in several cities can get together as though they were around the same conference table," Mr. Siegler told Nation's Business.

He sees the first trickle of tourists coming on the scene near the end of the century.

"We're looking at people who would pay $50,000 for a few days in space," Mr. Siegler says. "In time, that could be cut to $5,000. I see a 100-room hotel up there in about the year 2000 ,when the tourist traffic really starts to move."

Mr. Siegler believes 1985 will be the turning point for American business to take the big plunge in space. At that time, he says, the two major stumbling blocks to business participation—companies' doubts that they can afford the investment and that they can turn out a marketable product or service—should fall by the wayside.

"As we proceed, government more and more will have to learn to speak the language of the marketplace, or we will have to get into the private space launching business," Mr. Siegler says. "Eventually, private enterprise will compete with NASA, and there will be increasing competition from abroad."

BOOST TO COMMUNICATIONS

Business investment in space actually has been under way for some time, considering the multiple uses being made of communications satellites—ranging from improved telephone service to remote telecasting from practically anywhere on earth.

Now it will be possible to launch from the high-flying shuttle even more complex satellites into even higher orbit and to repair, service and retrieve satellites already on station. This alone will add years to the life of such satellites, which are now lost forever if they develop malfunctions.

"Just to meet long-distance telephone requirements in the year 2000, we are going to need at least 50 more satellites," says retired Navy Capt. Chester M. Lee, NASA's space transport system director. "This means an increase in an already active field. The number of shuttle flights to repair and maintain these satellites will have to be stepped up. As with the airline industry, when you increase the number of flights, you reduce the costs of operation."

He adds: "When we look for customers for the shuttle, we will look at the business community."

SEEING THE UNSEEABLE

Several major communications firms already have booked space on early shuttle flights to launch a new generation of communications satellites. The firms include Western Union, Satellite Business Systems (a joint venture of IBM, Aetna Life & Casualty, and Comsat General) and the Communications Satellite Corp. Each has put up a nonrefundable $100,000 down payment.

Geologists hope the shuttle will add a new dimension to the ceaseless search for oil, gas, and other minerals. More than 100 major oil, gas, mineral, and engineering companies (Exxon, Bethlehem Steel, Kerr-McGee, Union Oil, U.S. Gypsum, and Phelps Dodge, to name a few) formed the Geosat Committee in 1976 to encourage NASA to incorporate special sensors in satellite designs. The sensors would help detect natural resources on earth from the vantage point of space.

The Geosat Committee's president, Dr. Frederick B. Henderson III, told Nation's Business the shuttle will make it possible to modify sensing devices on satellites while they continue to circle the globe. Today such equipment must operate in the same way from the time it is programmed before launch until the satellite burns out.

"We would like to have geologists aboard some of these shuttle flights because of the contributions they can make," Dr. Henderson says.

"Already, with satellites alone, we are seeing structural geological features we could not see before. In this business you're always looking for something that's buried. You're looking for clues."

Among other things, he explains, cameras could be launched from the orbiting shuttle that are more sophisticated than space cameras now launched from earth, enhancing the ability of geologists to uncover mineral riches in the ground and under the seas.

SAVING OF MILLIONS

Dr. Henderson says studies show that improved reconnaissance from the vantage point of outer space could shave $250 million off the $2.5 billion now annually spent looking for new mineral sources.

Obviously, there is no way of knowing what the shuttle, working with improved satellites, will turn up. But, Dr. Henderson says, "if only one copper deposit or one 100-million-barrel oil field is found, the cost of one of these space systems would be more than paid for."

One thing is sure, he adds: If these geological space tools had been around in 1901, spotting the immense riches of Texas's Spindletop, the greatest oil find in history, would have been a snap.

The minerals industries currently acquire their on-high geological data—though this is an infant science at best—from the two Landsat satellites that have been orbiting the earth for several years. But these satellites have been geared principally to study agriculture, water resources, and land planning. The Geosat Committee is pushing to have more geological sensing apparatus aboard future Landsat satellites.

Dr. Henderson believes that this, along with missions performed by the shuttle, has the potential for creating an earth resource and environmental information system that would give immense aid to the world geological community.

"Such a system will assist us in at least a partial solution to the dilemma of this nation's declining domestic nonrenewable energy and mineral resources," he adds.

SPOTTING TROUBLE ON THE FARM

Landsats already have proven themselves as far as agriculture is concerned. This is particularly true in the case of wheat farming. The satellites can often spot developing plant disease before the farmer himself. In time, scientists hope to be able to make precise, accurate predictions of wheat yields anywhere in the world. The impact this would have on future international wheat deals is obvious.

Last October, the St. Regis Paper Co. engaged NASA to use these satellites to monitor 1.7 million acres of valuable timber on company land in the southeastern United States. If the experiment is successful, the company says, it will provide information critically important to timber inventory. Sensing devices aboard the satellites will, for example, tell foresters how tree growth is progressing as well as provide clues to timber yield.

The ability of these and future satellites to help solve many problems on earth will be greatly improved with the emergence of the space shuttle.

Repairing satellites in space will be possible for the first time, resulting in tremendous savings. The shuttle will, after firing them into orbit, be able to provide maintenance for a variety of satellites involved in weather forecasting, energy, navigation, fishing, mapping, oceanography, environmental protection, and many other fields.

PRIVATE-PUBLIC PARTNERSHIP

Rockwell's George Jeffs believes that space industrialization will require a strong partnership of government and the private sector. He is equally convinced that the benefits will far outweigh the expense of these adventures in the world beyond.

"The new industrial revolution about to take place starting 100-plus miles over our heads in earth-orbital space may ultimately lead to unforeseeable payoffs," he says.

"As we begin to expand our capabilities through the space shuttle, more and more people on earth will become space beneficiaries."

Mr. Jeffs notes that space offers possibilities both in improving old products and producing new ones.

CAPTURING SOLAR ENERGY

Space industrialization, he says, can help lay the groundwork for the first massive capture of solar energy. The shuttle will make it possible to erect large structures in space, he says, and this will result, as technology is developed, in construction of the first solar power station high above earth.

"I don't think industry will take the lead here because of the huge costs involved," Mr. Jeffs says. "Government will have to lead industry by the hand in the initial phases. But when the time comes for industry to step in, industry will be ready."

A pilot project could be completed by 1990, about the time the current shuttle program is ending, Mr. Jeffs says.

"Before the century ends, we can be tapping solar energy with satellites," he says. "It won't solve all our energy problems, but the contribution will be meaningful."

He adds: "I believe that once the technical and enconomical feasibility of a space-power system has been demonstrated, even on a small scale, utility and other companies will participate in financing construction and operation of such systems."

DWARFING APOLLO

George Jeffs believes spin-offs from the shuttle program will dwarf those which came in the wake of Apollo. And those numbered in the thousands, bringing improvements in health, manufacturing, transportation, and many other fields.

"Apollo was an exploratory and learning phase," Mr. Jeffs says. "Now that we know we can operate in space, we will have to develop the technology to provide more for earth. This is not a hit-or-miss affair. We will be concentrating on larger payoffs for the public. That's what we're thinking about now."

Mr. Jeffs underscores the economy aspect of the shuttle when he says:

"We will be able to conduct an experiment on the shuttle without having to build a very expensive satellite around the experiment. Today, if we want to put on a $200,000 experiment in space, we have to wrap a $10 million satellite around it, and we get to use it only once."

The shuttle will enable scientists to conduct experiments of short duration as well as lengthy ones. Short-term experiments can be carried out on the shuttle itself. Longer experiments will be put aboard platforms built by shuttle workers and will be left in space.

"We can return to these platforms as often as necessary and tend the experiments just the way a farmer tends his crop," Mr. Jeffs explains.

Communications platforms, solar power satellites, meteorological and climatological platforms, and even satellites relaying vital lifesaving instructions—these all will come along with the advent of the shuttle.

THE NEXT GENERATION

Mr. Jeffs is eager for the United States to start thinking about the next generation of space shuttle travel, which he says will be in the magnificent heights of geosynchronous orbit—22,000 miles and above—rather than in the low earth orbit range of the pioneer shuttles. There are no plans for space shuttle operations in the 21,600 miles between these two orbit levels.

"I strongly believe," Mr. Jeffs told a congressional committee, "that we must be in a position, technically and operationally, by the end of the next decade to be able to make commitments necessary to have large operational space centers on line by the end of the second decade."

No less sanguine about the potentials of space industrialization is Econ's Klaus Heiss, who says:

"With the successful completion of the space shuttle system, a new era of space transportation, leading potentially to a full industrial use of the space environment, will set in."

Dr. Heiss also has this to say about what lies ahead:

"Of all the resources awaiting mankind out in space, energy clearly is the single most abundant and most important. The question is not if mankind will ever make use of this resource, but rather when and on what scale."

ACTIVE ROLE FOR BUSINESS

American companies will play an active role in the effort to capture the energy of the sun. NASA has let out contracts to a number of firms to come up with ideas on how this nondepletable source of energy can be transformed into usable electricity.

The Boeing Co., for example, has been engaged in research on solar power satellites since 1972. A satellite of this kind might be the size of a small city and be able to produce twice the power generated by Grand Coulee, the nation's largest hydroelectric dam. Forty-five such satellites could match the present total electrical generating power of the United States, freeing oil, coal, and their derivatives for other crucial needs.

Solar power satellites either would be constructed in low earth orbit for later shipment to the higher geosynchronous orbit or would be constructed directly at the higher orbit, according to Boeing.

Getting the men and equipment into space to build such a satellite would require a complicated transportation system. The construction equipment could be shipped aboard reusable large, unmanned freighters—heavy lift launch vehicles—and deposited at a space construction base. Work crews could travel to the construction site on a shuttle.

The costs, obviously, would be staggering. Likewise, the potential returns.

FUEL IS FREE

Boeing has worked out an arithmetical plan indicating that the revenue from one solar power satellite producing 10,000 megawatts of electricity, sold at a rate of 30 mills per kilowatt (the current average cost of electricity generated by new oil-burning generating plants), would be $78.8 billion in 30 years. Forty-five satellites would produce more than $3.5 trillion in revenues.

While solar power satellites would be expensive to bring on stream, the real payoff would follow. The sun's rays are free.

Dr. William Lenoir, one of the astronaut scientists who will fly the shuttle, told NATION'S BUSINESS:

"I think there is a great opportunity to capture solar energy. Now we have a chance to go up and learn more about it. The shuttle will give us the economics of what it will cost to build things in space."

GIANT ERECTOR-SET PARTS

Dr. Roger W. Johnson, the director of NASA/Civil Space Programs for Grumman Aerospace Corp., is considered an expert on space industrialization. He says the technology exists today to build five-by-eight-kilometer solar power satellites, each capable of producing 5,000 megawatts of power, and beaming the power to earth as microwave energy.

"We have the engineering, we have the paperwork behind us," he told NATION'S BUSINESS. "We can build a spacepower station by 1995 if we are prepared to spend from $15 billion to $25 billion. We're talking about an investment on the level of Apollo."

He adds: "The visionaries will have to look beyond the shuttle and assume this will happen."

Dr. Johnson predicts automated fabricating machines will be installed on space platforms that will turn out half-mile-long metal beams like giant Erector-set parts which technicians, working from the shuttle, will assemble into huge energy-gathering satellites.

"But remember, the kind of project we're thinking about is twice as complex as the Alaskan pipeline," he points out. "The energy crisis is not as acute as it has to be to force us to find these long-term solutions in space. That could come in another two or three years."

Experiences collected in the building of a solar satellite will make possible the development of the technology needed to start building factories in space, according to Dr. Johnson. "We will have learned more of what the productivity of man is like working in this kind of environment," he says.

Dr. Frosch, the NASA administrator, agrees that the shuttle will offer many challenges to industry, but he is not so sure how fast industry is willing to move.

WHAT ARE THE GROUND RULES?

"There is still a lot of uncertainty as to what the ground rules and risks are going to be," he explains, adding: "Until now, space has been largely a government-funded business, and the government took most of the risks."

Dr. Frosch does predict continued private investment in satellite communication because that has already proven itself. He says the next most promising area for private activity is commercial data services, where the market is wide open for development. He believes the big payoff for the shuttle will come when it begins to demonstrate its great flexibility and its ability to accomplish things never done before in space.

The merits of the shuttle aside, the NASA chief is convinced that the United States can only come out ahead with the high technology that will be developed as a result of space probing in the next decade or so.

LIFEBLOOD OF INDUSTRY

"The argument that high technology is a drain on the national economy is nonsense," Dr. Frosch asserts. "I have never seen a good case made for it.

"On the other hand, if you take a look at those industries in the U.S. that have turned their backs on high-technology spending in the past 25 to 50 years, you are looking at some dying industries or industries that are in deep trouble. If you want to kill off an industry, just let the technology remain static for a few years."

Econ's Dr. Heiss has no doubt that space exploration will result in colonization in the skies. He says:

"The establishment of space habitation will be an evolutionary outcome of the current United States space program. Mankind will achieve in the next 100 years the most significant accomplishment yet: true earth-independent, self-support systems which will lead to the establishment of a multitude of new, different, and enterprising civilizations."

NASA is not yet ready to ask Congress for money to start building space colonies. But the agency obviously watches with interest any serious discussion of the subject.

Probably the most serious scientific look to date at the concept of space colonization took place during the summer of 1975 at Stanford University and nearby Ames Research Center. For ten weeks, a group of engineers, physical scientists, architects, social scientists, and others met and designed a plan for creating a city in space to accommodate 10,000 people. Estimated cost: $190 billion.

Preposterous? A lot of serious-minded people don't agree.

The orbital space shuttle is being readied to take its place in the second chapter of space history. For the United States—indeed, for all mankind—it offers opportunities of tremendous scope.

A FANTASTIC MONOPOLY

Why a space shuttle? Perhaps the clearest answer is contained in a statement read to a congressional committee by George Jeffs, of Rockwell International. The statement, by Richard Lesher, president of the Chamber of Commerce of the United States and a former associate administrator of NASA, is as follows:

"Imagine that the year is 1492 and only one country in Europe has an oceangoing ship capable of making round trips to the New World. Consider what such a monopoly would have meant to that country.

"Now consider this: The year is 1977, and only one country has a spacecraft capable of making cargo-carrying trips into space and back. The country is the United States, the spacecraft is our new space shuttle, and the significance to my hypothetical European country on the eve of Columbus's famous voyage."●

A $100 BILLION DEFICIT?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. McDONALD. Mr. Speaker, the Wall Street Journal of March 13 carried an editorial entitled: "A $100 Billion Deficit?" This editorial expressed great alarm over the direction of spending by President Carter. I share this concern. However, I feel the editorial made it too much of a partisan issue. For the past 40 years, both Republicans and Democrats have been guilty of contributing to the Nation's deficit and the weakening of our currency. This deficit spending at times has led to ruinous inflation and depressions in our economy. As the editorial points out, such a huge deficit as we may now be contemplating this year will soak up so much of the available capital that the private sector will be starved and stunted. As Presidential Advisor Harry Hopkins admitted in the 1930's, the new philosophy in Washington is to "tax and tax, spend and spend, elect and elect. The people are too damn dumb to understand."

The unconstitutional growth of government with the expanding price tags is responsible for the deficits, inflation, and currency destruction. Some administrations and Congresses have been more irresponsible than others but by and large it has been a bipartisan and continual policy—a policy whereby the new and main function of government is to be a redistributor of wealth and the inevitable leveler of society.

In reality this leads to a conflict society and finally chaos.

A $100 BILLION DEFICIT?

The more we study President Carter's fiscal 1979 budget the more our worst fears are confirmed. We had never believed it to be the "lean, hard" budget of White House description. But now we can see how near it is to lurching out of control.

Unless Congress awakens to this danger—and we can't summon much optimism—the economy faces serious trouble.

The President projected federal spending of $500 billion for fiscal 1979, up 8 percent from his revision of President Ford's 1978 budget. But if you use the Ford budget as a base, the Carter budget is up 13½ percent. Then if you count a proposed oil wellhead tax refund as an expenditure, as it should be, the increase becomes nearly 15 percent. But that is only a beginning.

The House Republican leadership has noted that proposed new budget authority, meaning money to be appropriated but not necessarily spent in the fiscal year, is rising even faster than proposed outlays. And the budget seems certain to produce larger outlays than the administration now predicts.

For one thing, Carterites have laid a trap for Congress. The administration budget is highly accommodative to the strongest lobbyists within the administration, people like Secretaries Califano and Adams, and to organized labor. The Labor Department gets a 44 percent boost, education 30 percent, mass transit 210 percent, etc. New spending is allotted for welfare "reform" and a bail-out for financially troubled HUD projects, for example.

To offset all this spending there are proposed "cuts." But they just happen to be cuts that either Congress certainly won't allow, such as water projects or veterans benefits, or reductions based on unrealistic estimates of future "uncontrollable" spending.

For example, the Republicans believe that the Carter budgeteers have underestimated prospective farm spending by $5.8 billion through too-optimistic predictions of the amounts that will be needed for such things as grain subsidies and disaster relief.

The Republicans also think the administration has highly exaggerated the expected budget "shortfall." This is the drop below expectations in actual outlays that has occurred in the last two budget years simply because of delays in spending appropriated funds. Such delays sometimes occur, for example, on long-term construction contracts. The Republican analysts think a shift in the mix of defense procurement towards items with a shorter lead time, such as trucks and jeeps, and away from ships and other things that take a long time to build, will make shortfalls less likely rather than more likely in the future.

The outcome of the Republican calculations is startling. If the Democrats in Congress reject the President's cuts and add, as they usually do, to his increases, the 1979 federal deficit could soar. Even the President forecasts a $60 billion deficit, which is dangerously high at the peak of an economy recovery. The Republicans think $80 billion to $100 billion would be more realistic.

Their estimates, moreover, take no account of the President's optimistic economic assumptions. If the economy grows at, say, the 3 percent historical average in 1979 instead of the near-5 percent rate the President predicts, you can add another $20 billion or so. And if it slumps, all bets are off.

Now, it may be that the Republicans are underestimating the will of the Democratic majority for whipping the budget into shape. But we're told the proposed revisions now flowing into the House and Senate budget committees do not encourage optimism. There are plenty of Congressmen with big spending visions of their own, for Humphrey-Hawkins bill jobs and national health, for example.

If the Democrats don't respond the implications are little short of horrendous. A federal deficit of $100 billion or so, plus another $50 billion in borrowing from "off-budget" agencies, would soak up half or more of the nation's total available capital. That leaves the Fed with the choice of starving the private sector and state and local government or inflating the dollar still faster. It doesn't take much imagination to guess what the Fed will do—inflation already is heating up, the dollar is weak, the markets are jittery.

The Democrats have until May 15 to draw up their first concurrent budget resolution for fiscal 1979. For the sake of the economy, we hope they give some serious thought to what it is they are facing.●

OBJECTION TO SBA'S ECONOMIC DISLOCATION PROPOSED REGULATIONS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. OBERSTAR. Mr. Speaker, I would like to take this opportunity to bring to my colleagues' attention the Small Business Administration proposed rulemaking for the economic dislocation-economic injury loan program, Public Law 95–89.

The Small Business Administration's proposed rulemaking to implement the economic dislocation-economic injury loan program ignores both the letter of the law and the intent of Congress in enacting it.

The program was authorized by Public Law 95–89, the Small Business Act and Small Business Investment Act Amendments of 1977, which passed the House by a vote of 355 to 1. The purpose of the program is to help small businesses avoid insolvency caused by temporary conditions beyond the owner's control.

According to the proposed rulemaking, SBA has interpreted the law to exclude economic dislocation resulting from a strike as an eligible situation in which the law would apply. That interpretation is unecessarily restrictive. Nowhere in the law itself, or in the legislative history, is there any mention of exclusion of eligibility for this program because the economic dislocation arose out of a strike.

The law states the criteria very simply and very broadly: The term "economic dislocation" refers to "* * * extraordinary, severe, and temporary natural conditions or other economic dislocations as determined by the (Small Business) [1] Administration. Such economic dislocation must be of such magnitude that without the benefit of loans provided hereunder a significant number of otherwise financially sound small businesses in the impacted regions or busi-

[1] Words added.

ness sectors would either become insolvent or be unable to return quickly to their former level of operation."

A specific example of the type of situation that should be covered by the law is the 138-day-long strike in the iron ore mining area of my district, the Mesabi Iron Range. Iron ore mining is the mainstay of the economy in this area which, geographically, is roughly equivalent to the size of New England. The wages and salaries, purchase of goods and services generated by the iron ore mining industry is the economy of northeastern Minnesota. Without mining, there is very little else to generate income or stimulate other business activity. In short, northeastern Minnesota is a one-industry economy.

A strike in such an economy has devastating effect upon all other elements of the economy which are dependent on the major industry.

SBA, however, claims that strikes are a "generally recognized risk of doing business." This interpretation overlooks the necessary function of the small business sector in any community, and penalize independent small business operators who are helpless to prevent labor-management disputes in regions which are economically dependent on a single industry.

A strike in a single industry region can no more be considered a disqualifying factor as a "generally recognized risk of doing business" than could a lack of snow in ski areas. Lack of snow is a condition specifically cited in the legislative history by the conference committee as an "economic dislocation." The availability or lack of snow is one of the risks of doing business as a ski area. Lack of snow can be, and usually is, economically disastrous not only to the ski area itself, but also to the small business which depend on the economic activity generated by skiing. Congress considered lack of snow an unacceptable risk which should not be borne by small business alone and, therefore, one which should be protected by the economic dislocation program established by Public Law 95–889.

A strike is analogous to lack of snow. The strike itself is a matter totally beyond the control of all businesses other than the one being struck. Those businesses could not reasonably be expected to foresee the coming of a strike, which surely has far less predictability than the coming of snow. Once a strike is underway, those businesses have no legal means of influencing its outcome. A ski area, at least, can compensate for lack of natural snow by making its own.

Yet, even though a particular business is not the subject of a strike, it can feel very heavily the economic effect of a strike, and inevitably does in a one-industry economy.

In the Mesabi Range strike I have already described, a great many "otherwise financially sound small businesses" have "either become insolvent or unable to return quickly to their former level of operation," to quote the precise words of the law. Nowhere in the language of the law defining eligibility for the economic dislocation program do we find SBA's language that a strike is excluded because it is a "generally recognized risk of doing business." That interpretation is a pure fabrication by SBA, unintended by Congress, and nowhere even hinted at in the legislative history.

I will concede that it would be a questionable practice to allow the economic dislocation program to apply while a strike is in progress. This approach would be understandable application of a national policy of noninterference in the collective bargaining process.

However, it is quite a different matter when the strike has ended. No longer can there be any question of Government interference, aiding one or another party in a strike. If a region's economy has been adversely affected to such an extent that the effects continue after the strike has been settled and it is of such an intensity to qualify otherwise within the provisions of the law, then the fact that the economic dislocation has been caused by a strike should have no effect whatsoever upon the eligibility of businesses in that region for participation in the economic dislocation program.

Applying that principle to the Minnesota situation: In November 1977, Minnesota Gov. Rudy Perpich and I developed detailed documentation showing very clearly the adverse economic impact caused by a strike in the Mesabi Iron Range iron ore mining and processing industry. The impact on the small business sector was devastating: $44 million in lost earnings concentrated in 26 small communities having a total population of 85,305. Many millions more were lost in purchases of goods and services by the iron mining industry, permanently deferred during the period of the strike. Complete documentation of these and other effects of the strike is available in the SBA offices; I will not go into any further detail here. Clearly small businesses in that area qualify for assistance and ought to be covered.

Therefore, I recommend that SBA's proposed rulemaking be amended to permit coverage of economic dislocation resulting from a strike under the following conditions:

First. The strike occurs in an industry upon which the affected region is predominantly economically dependent.

Second. The strike is of a duration sufficient to certify "that small business concerns within the region have suffered substantial economic injury;"

Third. No designation may be made until the strike has been settled.●

PROBLEM OF SOLID WASTE DISPOSAL

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. EDGAR. Mr. Speaker, the problem of solid waste disposal is one that confronts virtually every community in the United States. The magnitude of the problem was touched upon during oversight hearings last week on the 1976 Resource Conservation and Recovery Act. I testified at these hearings on March 9 and would like to share my comments with my colleagues:

TESTIMONY OF CONGRESSMAN ROBERT W. EDGAR

Mr. Chairman, I appreciate this opportunity to testify at today's oversight hearings on the 1976 Resource Conservation and Recovery Act. Congressman Ambro, who is very knowledgeable about the solid waste problems in New York, is with me this morning and will have some brief comments to add at the conclusion of my testimony.

Prompted by a serious solid waste problem in my own district in Delaware County, Pennsylvania, two months ago I began to take a serious look at the federal government's solid waste program and its impact on state and local governments. As a relative newcomer to the solid waste arena, my comments this morning will be of a general, rather than specific, nature. Some of my concerns are touched upon in EPA's "Strategy for Implementation of The Resource Conservation and Recovery Act."

I have been impressed by the comprehensiveness of the Resource Conservation and Recovery Act (RCRA). The legislation reaches out to touch on almost all of the problems and issues that come to mind when we mention the term "solid waste." However, ambitious as the legislation may be, its application and effectiveness have been severely restricted because of the minuscule appropriations requested by EPA. Of $179 million authorized in FY 1978, less than $40 million was appropriated. The outlook for FY 1979 is not much improved, with only $56.9 million requested by the Administration. I have begun to seriously question whether hazardous and solid waste control are real concerns of the Administration. State and local governments are also questioning whether the federal government is serious in its intent to find solutions to these problems, or whether the government is simply developing more regulations and timetables to complicate ongoing state and local efforts to deal with these age-old problems. If EPA is to take its responsibilities under the Act seriously, it needs an effective funding base. I realize that the funding issue should more properly be addressed to the Appropriations Committee, but the issue has a place at these hearings as well.

The funding concerns of the Pennsylvania Department of Environmental Resources are typical of the concerns of many other state agencies with whom I have been in contact. The Department has a relatively well-advanced solid waste program of its own; however, the state does not have an effective hazardous waste program and recognizes the need to develop, administer, and enforce a hazardous waste program equivalent to the federal program outlined in Subtitle C of RCRA. However, the Department's budget has been so severely cut back in recent months that it cannot press for any new programs when existing ones are being curtailed. With the federal government failing to provide the modest amount of funds authorized under RCRA for state planning and implementation, Pennsylvania very likely will decide not to seek authorization for its own hazardous waste regulatory program, forcing the federal government to accept responsibility in this area. If other states take similar action, one of the most important goals of RCRA—to leave implementation and enforcement to the states—will be defeated. Another concern of the Department is that the federal funds for state planning are authorized for only a short two-year period, ending in FY 1979. This barely enables a state to get a plan underway before federal funds are cut off. Unless more funds are authorized and appropriated beyond FY 1979, state and local

governments will be unable to implement many of the programs outlined in the Act.

At the local level, where the solid waste disposal problems are most keenly felt, there is a great need for the $15 million in planning money authorized in Subtitle D, Section 4008(2)(C). Delaware County itself has a critical solid waste problem. Its incinerators are violating air pollution standards and therefore an alternative must be found. Acquiring additional landfills is a possibility, but suitable sites are very limited and, as in thousands of communities across the nation, both rural and urban, tremendous citizen resistance is unleashed when mention is made of siting a new solid waste facility in the community. Considerable interest has been shown in our County in a resource recovery facility, but no firm steps have been taken in this direction because of the many institutional barriers, risks, and high capital costs involved, and because there are no local funds for the feasibility studies, marketing studies, and other steps essential to consideration of a resource recovery facility. Without these basic studies, it is understandable that neither local governments nor private industries want to accept the responsibilities and risks associated with resource recovery technologies.

Let me illustrate some of the institutional barriers we have encountered. Delaware County is comprised of 49 municipalities, each of which has its own trash collection system, with the responsibility for disposing of the trash falling on the County. Many of these municipalities are unable or unwilling to enter into long-term agreements to supply their solid waste to a resource recovery facility. It has been suggested that a solid waste authority be established to fully look into the possibility of a resource recovery facility; however, state laws prohibit authorities from raising revenues. And perhaps the most difficult problem we face is the fact that the administrative and political machinery of most local governments is simply not geared to tackling the technicalities intrinsic to solid waste management.

I have heard complaints that the Resource Conservation and Recovery Panels set up under Subtitle B of RCRA are not as effective as they could be in helping state and local governments over these hurdles. In a number of cases, the panels have been slow to respond to the needs of communities. As the "salesman" of RCRA, these technical assistance teams must excel in their liaison work with state and local governments if the Act is to be effective. I am hopeful that the performance of the teams will improve as they gain experience and are called upon more often.

The lack of local planning money which I have discussed leads me to propose, in general terms, a change in the law to establish a "revolving fund" to provide planning money to communities considering resource recovery facilities or other revenue-producing systems to handle their wastes. These funds could be used for such purposes as feasibility studies, marketing studies, legal and consulting fees, and for the other purposes described in Section 4008(2)(A) of RCRA. If, as a result of the preliminary studies, a resource recovery or other revenue-producing system is built, the money would be paid back to the fund once the facility begins to make a profit. To be eligible for these funds, the applicant would have to agree that any final plan would adhere to all applicable provisions of RCRA. The federal government could not expect to recover all of the funds it lent out; some communities, as a result of the studies, would rule out attempting to develop revenue-producing solid waste systems as inappropriate to their needs. This is precisely one of the purposes of undertaking planning activities. Additionally, we must expect that some of the facilities constructed will not be as successful as anticipated, given the many risks and uncertainties of resource recovery, and perhaps will not prove profitable.

The benefit of a revolving fund is that it provides for an infusion of capital from the federal government at the planning stage when it is needed yet leaves the major financing of resource recovery outside of the federal government where, in my view, it belongs. If properly administered, the revolving fund concept would help to ensure that planning monies are available when communities are in a position to absorb them. By making planning money available indefinitely, rather than confining it to a one- or two-year period, we avoid the tendency to push communities into using money before they have determined how to make the best use of it. I submit my idea of a revolving fund as simply one possible means to provide planning money for resource recovery facilities. The important point is that if the federal government is going to fail in providing these funds, we will have to find other ways to make this money available.

It is clear that solid waste represents a potential source of valuable resources, including energy. Energy recovery from solid waste promises to meet a growing portion of our energy needs. It has been estimated that 1 percent of our nation's current energy demand could be met by recovering energy from just the municipal waste generated in urban areas. Energy recovery is a particularly attractive arrangement for urban areas with energy-intensive industrial bases. Solid waste when viewed as an energy source can act as an enticement to draw industries needing energy into urban areas, and just as importantly, can act as a stabilizing force to deter industry from leaving urban areas. Solid waste will become ever-more attractive as an energy source as the costs of traditional fuels continue to rise. Both our national energy policy and urban policy should address themselves to the energy-from-solid waste issue.

A number of uncertainties and unknowns exist regard the performance and economics of resource recovery systems. For example, how will the declining birth rate affect such systems? Will the rise in the plastics component of our waste stream continue, or will the federal government step in to reverse this trend? What impact will the current movement of people out of the cities to less populated areas have on the viability of resource and energy recovery facilities? The question arises as to how much we should factor in these and other trends when planning elaborate and costly resource recovery facilities.

EPA's strategy document points to the realization that even with agressive federal efforts toward resource recovery, most wastes will continue to be deposited in landfills for many years to come. Given the continued dominant role of land disposal in our solid waste management scheme, I believe that we must give more emphasis to developing small-scale, low-cost improvements to our current waste disposal operation. There is a need, for example, to take a closer look at our present collection and haul methods. These are the most costly phases of the solid waste disposal process. In 1976, it cost an average of $21 to collect a ton of discarded material as compared to $5 per ton to process and landfill it. Improving the collection system could mean substantial savings to local governments. There is also a need to give more emphasis to front-end separation, which is the separation of reusable materials at the source of generation. Incentives should be provided so that all materials which meet market demand will be separately collected before they become commingled with contaminated solid waste. If additional financial incentives were built into the Act, states would have more reason to take on the responsibilities for developing and managing solid waste plans as outlined in Subtitle D.

We must not overlook the underlying need to reduce the amount of our solid waste. I was disappointed to note that at one point the EPA strategy document for RCRA breaks down the term "resource conservation" into the terms "reuse" and "recovery." In my opinion, the concept of "nonuse," i.e., cutting down on our consumption of natural resources and material goods so that much of what is in the waste stream today is not there tomorrow, is equally at the heart of resource conservation. I believe that RCRA must give more emphasis to, for lack of a better term, the "nonuse" principle. We must avoid the temptation to look at resource recovery and RCRA itself as a panacea to our solid waste problems. They are certainly valuable and promising tools, but they won't solve the fundamental problem of our growing consumption of natural resources and materials.

This concludes my formal statement, Mr. Chairman. Thank you again for this opportunity to present my views.●

THE ABANDONED AMERICANS

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. McDONALD. Mr. Speaker, the problems of Americans held as prisoners by the U.S.S.R. dates back many years. From the time the Communists assumed power in Russia, Americans have vanished under mysterious circumstances while visiting or working in the U.S.S.R. However, the problem became more acute during the last days of World War II.

The Red army was surging through Eastern Europe overrunning German prisoner of war camps as they came. The United States asked to send help by plane so that our men could have immediate medical aid and assistance. At first the Soviets agreed and then refused. Our men simply had to walk to Moscow or Odessa. Some didn't make it. Some may still be in the U.S.S.R.

As the cold war era developed there were kidnapings and other incidents along the Iron Curtain—more unaccounted for Americans. Then came the Korean conflict and many more unaccounted for Americans. To these were added many more as a result of our tragic policy in Vietnam. Evidence has been accumulated over the years that some Americans and even World War II Axis prisoners of the Red army are still being held at various isolated points in the U.S.S.R. The Herald of Freedom newsletter for January 27, 1978, wrote an excellent summary of this problem, which I would like to call to the attention of my colleagues at this time. These Americans must not be forgotten.

The article follows:

THE ABANDONED AMERICANS

After many denials it has finally come to light that part of the negotiations conducted by Henry Kissinger with the North Vietnamese Communists stipulated that we would provide North Vietnam with 2½ to 3 billion dollars in reconstruction aid, actually reparations. Whereas originally this was denied, now that the facts have become known it is claimed that this was not paid because

the North Vietnamese did not live up to their part of the peace-keeping treaty arrangements. As a means of forcing the payment of the billions of dollars in reparations, the North Vietnamese have refused to give any honest accounting of American prisoners of war still alive or servicemen missing in action. The Carter Administration, which still uses the services of Henry Kissinger—as for example, his touring the country promoting the Panama Canal giveaway—has done nothing to determine the number of Americans still held prisoners by the North Vietnamese, by the Cambodians and by the Laos Communist forces, to say nothing of the many missing in action and perhaps deceased whose remains still are in Communist hands.

In September of 1977 a suit was instituted in the U.S. District Court in Brooklyn, N.Y., on behalf of the families of twenty-one servicemen listed as missing in action in Southeast Asia, asking that a law used by Government officials to declare missing as dead is unconstitutional. In briefs filed by attorneys for the families of the missing servicemen argued that declarations of death have been based in the past on insufficient or inaccurate evidence. In using such evidence, the briefs claim, the Federal officials "diminished their efforts to obtain a M.I.A. accounting on the assumption that . . . lies, half-truths and misrepresentations will be accepted as truthful."

The suit alleges that declarations of death have been issued for MIA's in the past to eliminate "MIA problems through determinations of death without the effort, inconvenience, difficulty and disclosure of information which might be required if the legal and constitutional rights of the subject MIA's were not dishonored and ignored."

For a number of years Theodore R. Grevers, owner of an international private detective service, known as the "Fat Man," has been endeavoring to bring the truth to the American people concerning the MIAs and POW's. He first became interested in the subject through John Noble who had been an illegally held American citizen in Soviet slave labor camps over a period of years. Private detective Grevers of Grand Rapids, Mich., endeavored to get information from State Department official Frank A. Sieverts who, although he admits the North Koreans never gave an accounting of the American POW's, states that there is no indication that any Korean MIA's survived after 1953. This of course is completely false information. For example, Steve Kiba of Akron, Ohio, was released on August 4, 1955. Of particular interest is the fate of the crew of a U.S. Navy plane which was shot down by the Soviets over the Baltic Sea in 1950. The ten individuals, with their serial numbers, have been recorded in the Congressional Record by Rep. Larry McDonald and there is considerable evidence that these American flyers have been, and are still being held in the Soviet Union. A CIA document made public January 21, 1977, contains important information concerning these American Navy flyers.

Columnist Tad Szulc disclosed the details of one case where a prisoner, reported dead by the Soviets, turned out to be very much alive. Raoul Wallenberg, a Swedish diplomat who disappeared in Budapest in 1944 after the entry of Soviet troops, was reported by Moscow officials to have died in a Soviet prison in 1947. After many years of inquiries it was discovered that Wallenberg was in a mental hospital in Irkutsk in Siberia as late as 1975. Slave labor camps in the USSR contain not only Russians who have been convicted of some offense against the State but many persons of other nationalities, including Americans. These prisoners are used as unpaid labor in Soviet industry.

The U.S. Department of Commerce approved licenses for the export to the Soviet Union of equipment and machinery for the construction of the world's largest truck factory to be built at the Kama River Project located just over 500 miles east of Moscow. The total U.S. contracts, most of which are guaranteed by our government, for this project total approximately one billion 400 million dollars. While there is no large city near the Kama River project from which to draw the thousands of workers necessary to man the world's largest truck factory, there is, however, an enormous slave labor camp at Kazan, one of the nearest communities to the project. In the report of the Senate Internal Security Committee entitled "Contradictions of Communism" there appears a map (page 21) under the title "Slave Labor in the Soviet Union, a documented map of forced labor camps." The map shows over 170 separate slave camps, a number of which are located in the area adjacent to the Kama River truck project.

Very little has been reported concerning Americans who have been and still are imprisoned in Soviet slave labor camps. With the exception of John Noble, who has lectured from coast to coast, there are almost no Americans who have suffered such imprisonment and lived to tell the story. Noble and his father, both American citizens, were in Dresden, Germany during World War II when the Russians moved in, and they were eye witnesses to the rapes, robberies, and murders committed by the Soviet troops. Both were arrested without being charged and eventually wound up in Siberia, standard procedure for the Communists.

In a report of the Senate Committee on Government Operations on the "Communist Interrogation, Indoctrination and Exploitation of American Military and Civilian Prisoners." (Report 2832) 84th Congress, Second Session, testimony revealed that a political criminal, who is any person considered a possible threat to the Communist Party or to the State, is subject to the following system in Russia. The K.G.B., the state secret police, decides who is a potential danger to the party or the State. The person is arrested and there is no hope for acquittal or vindication since, under this system, judgment is made as to his guilt prior to his arrest. His case cannot be settled, however, until a confession has been signed by both the prisoner and the interrogating officer.

John Noble was released in 1955 after 9½ years of his life had been spent in slave labor camps during which time the Soviets had repeatedly denied that Noble was being held by them. A post card bearing his handwriting was smuggled out of Siberia and finally reached America and at least one American, other than his family, was interested. The late Alvin M. Bentley, congressman from Noble's home state of Michigan, after being completely satisfied that the post card contained Noble's handwriting, protested to President Eisenhower and the State Department. The end result of his efforts was that the Soviets, who had repeatedly denied holding him captive, finally released Mr. Noble. An entry made in Congressman Bentley's diary under date of Tuesday, January 18, 1955 reads: "Another 'Noble,' a young Noble came in this morning but the State Department grabbed him before I could get to him. He missed a luncheon date here and was half-an-hour late to an informal meeting of the Foreign Affairs Committee, which I had arranged. When he showed up, however, it was worthwhile. Afterwards we had a press conference with the Detroit correspondents." (Courtesy of an employee of the late congressman)

Robert S. Ball, Washington bureau representative of the Detroit News, interviewed John Noble and reported that Noble had been questioned by the State Department and had appeared before a Foreign Affairs Committee. An article by Mr. Ball in the Detroit News of January 19, 1955 stated that Noble had given information to government officials about conditions inside Russia, which "necessarily is classified." Reporter Ball quoted John Noble as having seen things and heard reliable reports during his ten years behind the Iron Curtain which would be of interest and value to not only the State Department but, presumably, the Defense Department, the Central Intelligence Agency, and other government units. He certainly did but none of his testimony has ever been released and his information seems to have gone the way of all anti-Communist data. . . . into the circular file.

After being questioned by the American intelligence authorities, Mr. Noble stated that, based on information he had obtained by himself and from others held in the Soviet Union, there were approximately 3,000 Americans being held in Soviet slave labor camps as of 1955. Other sources have estimated the number of enslaved Americans to be as high as 5,000. Most of these dated back to World War II and were American military personnel who had been in German prisoner of war camps when the Communists occupied parts of German territory. The Reds seized the Americans as well as the Germans, and shipped them all to Siberia. All Russan prisoners of the Nazis were considered to be guilty of "surrender" and were sentenced to 15–25 years in slave labor camps as punishment for the crime of allowing themselves to be captured. It is understood that the Communists considered American prisoners of war also guilty of surrender.

In his book, "I Was a Slave in Russia," John Noble states (page 119): "Many other Americans are still in the Soviet, working as slave laborers. I heard that an American engineer, seized while working for the Reds in Vladivostok, is still in Lubianka prison in Moscow. . . . A Yugoslav who had been imprisoned only a hundred miles from Vorkuta told me more startling news. 'I spoke with eight of your countrymen,' the Yugoslav told me. 'They said they were American officers who had been shot down by the Russians over the Baltic Sea. The Air Force has, of course, acknowledged that several B–29s and B–50s on routine missions were downed over the Baltic. One of them told me he was afraid they would never get back to America. The Russians had reported them dead, saying there were no survivors of the crash.'

"Prisoners being funneled into Vorkuta from camps in Tadzhik and Irkutsk in Soviet Asia, Omsk in Siberia, and Magadan in the Far East said there are many Americans, including veterans of the Korean War, both GIs and officers, and South Korean soldiers, working as slave laborers in their camps. From what I heard, they were PWs captured by the Communist Chinese and North Koreans who had been shipped to the Soviet for safe-keeping."

John Noble gave this information, including the names of a number of Americans, to our State Department and our intelligence services. Nevertheless, nothing has come of it. In answer to inquiries, the State Department replies that the Soviets deny holding any Americans and in fact they deny holding any foreign nationals except those they considered guilty of "war crimes."

Congressman Bob Price of Texas wrote to the State Department, inquiring about American servicemen still missing and unaccounted for since the Korean hostilities. In a reply dated October 17, 1972 David N. Abshire, the State Department's Assistant Secretary for Congressional Relations, stated in part: "After the Korean hostilities ended, the Communist side failed to give a satisfactory accounting for 944 United States servicemen who we believe might at one time have been alive in the hands of Communist forces.

"The number of Americans missing and unaccounted for was later reduced to 389. . . .

"Neither the Department of Defense nor the Department of State has ever received

any reliable information or intelligence to indicate that any of the 389 men may be alive and held prisoner by the Soviet Union, the People's Republic of China (PRC) or North Korea.

"In the absence of any evidence that any of these men might be alive, the Department of Defense made a finding of presumptive death for each of them."

Of course, this is blatantly false since the State Department did receive information about American servicemen being held in Soviet slave labor camps not only from the Korean War but also World War II. Congressman Bentley, who was personally responsible for bringing about the release of John Noble, had been a State Department foreign service career officer and he had absolute confidence in the integrity of John Noble and the accuracy of his information. However, if the Soviets deny holding Americans, the State Department accepts this as accurate information, in spite of evidence to the contrary. The fact is the Soviet Union had for nine years denied holding John Noble until Congressman Bentley presented positive proof to the President of the United States.

Homer Cox, another captive American whom Noble had met in Siberia, spent 4½ years in slave labor camps before his release in the latter part of 1954. Cox returned to his home in Laughton, Oklahoma and began lecturing in order to inform Americans about conditions in the Soviet Union. In less than a year he was found dead in a motel, his death listed as a possible suicide . . . a strange death for a man who survived the freezing cold, hard labor, literally starvation rations and mental if not physical torture in the Soviet Union. According to a reliable source, Homer Cox's mother was also threatened and she refused to discuss any of the detail concerning her son.

Other Americans imprisoned in slave labor camps were U.S. Army Private William Marchuk who had wandered across the Red border in Berlin, and Private William Verdine who had been kidnapped by the Soviets while on duty at the Berlin Demarcation line. There are still thousands of military prisoners and civilians held in the slave camps scattered across the Soviet Union with almost half a million at Vorkuta alone. A study which was prepared by the Library of Congress for the Senate Internal Security Committee revealed that compilations made on the basis of official Soviet statements regarding POW's from 1947 to 1950 indicate that the U.S.S.R. was holding or had failed to account for, approximately 1,950,000 German POW's in 1950. Out of this figure of almost 2 million German POW's the Soviets subsequently admitted to holding only 3,500 who, they claimed, were being held for "war crimes." Allied and Japanese authorities established that Japanese nationals, both military and civilian, were taken prisoner by the U.S.S.R. and that 376,000 nationals were unaccounted for. Others captured by the Soviets as POW's and never accounted for, according to the Library of Congress study, included 180,000 Rumanians, 200,000 Hungarians, 63,500 Austrians, 200 Dutch, 12,000 French and several thousand Spaniards.

Senator James Eastland, Chairman of the Senate Internal Security Subcommittee, in his introduction to the study of Communist Treatment of Prisoners of War, pointed out that many hundreds of thousands of Poles, Germans, Japanese and other prisoners taken by the Russian forces in World War II (according to some estimates the total figure exceeds 1½ million), were never released and never accounted for. Countless thousands have died in captivity, victims of starvation, brutalization, and overwork.

After the Korean War, investigations established that several thousand American prisoners died or were executed in POW camps and that many of them were the object of inhuman torture. Testimony was received that 6,656 POW's in the Korean conflict were members of the U.S. Army. Only 3,323 were repatriated to this country. The rest of the prisoners died, were murdered, or are still prisoners of the Chinese Communists (or the Soviets).

In the secret negotiations in Vietnam the North Vietnamese officials flatly refused to discuss the discrepancies between the official Hanoi list of American prisoners and their own propaganda statements and photographs showing others not on the list. Communist negotiators also balked at examining evidence gathered by U.S. agencies which clearly showed that the North Vietnamese had captured more than one hundred Americans not listed among the 373 they admitted holding. An example of Hanoi's duplicity as to the fate of the captured Americans was revealed to U.S. officials from an unexpected source—Henry M. Aronson, an American attorney, who was invited to visit North Vietnam in December of 1971.

In viewing a display in Hanoi called the "Commission for Investigation of U.S. Imperialists' War Crimes," Aronson noticed ten photographs and four I.D. cards of Americans the North Vietnamese claimed they had captured. Later when an official handed Aronson a copy of Hanoi's official list of POW's, he scanned it for the names that appeared under the photographs in the exhibit. Missing were the names of two Navy lieutenants. When questioned by Aronson about the discrepancy, the North Vietnamese officials refused to discuss it.

The failure of our government to pursue the matter of POW's diligently, its acceptance of the false statements of the Communists, means we have not only let down our POW's from South Vietnam and Korea but even those from World War II. Unless our government recognizes their existence, they well may spend the rest of their lives as prisoners of the Communists.

As the Senate Internal Security Committee study "Communist Treatment of Prisoners of War" pointed out, the North Vietnamese maintain that the Geneva Convention is not applicable to any part of the conflict in South East Asia because war was not ever declared. The North Vietnamese further assert that the Geneva Convention does not protect American military men who were shot down and captured in North Vietnam because these men are not prisoners of war, but are "air pirates" or "criminals" subject to punishment according to their laws. The North Vietnamese contend that the bombing of North Vietnam without a declaration of war constitutes a war crime and that prisoners prosecuted for such crimes should not enjoy the benefits of the provisions of the present Convention as provided in article 85. (POW's must be treated as required by the Convention even after they have been convicted by the detaining power for acts committed prior to capture.)

Not only is our government abandoning the men it sends to war, it is undermining the economic welfare of those who labor at home and make the U.S. a prosperous nation. Since the Kama truck complex was built by Americans and indirectly financed by our government, the following is pertinent. A report of the Select Committee on Communist Aggression, House of Representatives, 83rd Congress, page 36 states: "The Communist system of labor control is a direct menace to organized labor in the free world. Products produced by such labor can be sold in international trade at such prices as to make free competition almost impossible. Whenever a free nation engages in trade with any Communist nation, there is a grave danger of ultimate harm being done to the standards and welfare of its own labor groups." All labor in Communist countries is underpaid by American standards . . . slave labor is not paid at all.●

FUTURE IMPLICATIONS OF THE PANAMA CANAL SELLOUT

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. HANSEN. Mr. Speaker, the proposed Panama Canal treaties are only a signal of things to come. Next the United States will no doubt be forced to give up our naval base at Guantanamo Bay, Cuba, and retreat from other areas.

Recently, Mr. William J. Halterman of the Trans-World News Service wrote an interesting article entitled "Panama Canal Today—Guantanamo Tomorrow?" Many will scoff, but just let the canal go back to Panama and we will be seeing the truthfulness of this thinking.

I commend this article to my colleagues along with an analysis by Cmdr. Laud R. Pitt, USNR, retired, a former Latin American analyst in the Office of Naval Intelligence who speaks of the ultimate fall this Nation will experience if we do not change our attitude and direction.

PANAMA CANAL TODAY—GUANTANAMO TOMORROW?

PART I

These are not only the times that try our souls, they are also times which strain the intellect. It is time we recognize that the Panama Canal debate transcends American control there. The Panama Canal is only part of an ongoing debate which has inevitably led to the withdrawal of American influence and decline in our military power. Indeed, there is little which is sensible in American foreign policy at this time.

After the Panama Canal, will we next be asked to renounce an old ally, Taiwan, in exchange for diplomatic relations with the People's Republic of China? Will we then witness a "liberation" movement in the Virgin Islands. . . . Puerto Rico? Will this ongoing debate then move on to the subject of $3 to $5 billion in "reconstruction" aid for Vietnam? Or, will we next be asked to give up the American military presence at Guantanamo Bay?

Cuban Foreign Minister Isidoro Malmerca stated in Mexico City in January 1978 that "Cuba would back Panama military" if the Panamanians requested their assistance. How long will it take, if the Panama Canal treaties are ratified, for the "Panamanian people" or rather their leadership, to request Cuban "aid"?

This means, of course, that the U.S. could find itself in far worse shape militarily for having ratified the Canal treaties. We could well find ourselves fighting Cubans and the Panamanian dictatorship in another communist so-called "war of liberation." Nor is it likely that very many throughout the world will remember the present Panama Canal treaties and the magnanimous terms upon which the treaties advocates want to surrender the Canal. This is directly connected to the U.S. military presence at Guantanamo Bay, Cuba.

Fidel Castro has made clear his desire that the United States leave Guantanamo Bay. The U.S., through treaties signed in 1903 and 1934, has a right to stay at Guantanamo until both the U.S. and Cuba agree on the termination of those treaties. These treaties have no expiration date but a treaty is only a piece of paper and we Americans are already being asked to countenance the surrender of the Panaman Canal.

It was reported in the Diario Las Americas, a Miami based Spanish newspaper, that the Cuban Foreign Minister had "stated his 'dismay' at the presence of U.S. troops in Guantanamo and the possible intervention of the U.S. Navy in the Panama Canal." Yet, this is a portion of the Canal treaties, that the U.S. has the right to send our Navy ships through on a priority basis: that no other nation may establish a military presence in the Canal once the U.S. withdraws; that we have a right to protect the neutrality of the Canal Zone; that the U.S. has rights in the Canal Zone.

Ominous rumblings have already appeared in the media about U.S. rights at Guantanamo Bay. Castro is a master of the media knowing how to select, flatter and cultivate those influential Americans he needs to accomplish his purposes.

One can already hear the arguments that the U.S. should pull out of Guantanamo Bay because our presence is an affront to Cuban national pride, because our presence there is not in our national interest because pulling out will help our relations with Latin America. You don't have to be a prophet to "hear" the argument that we should pull out of Guantanamo Bay and fully recognize Cuba, even though Castro has an ailing economy which is costing the Soviets dearly and our end of Cuban-U.S. trade would possibly amount to $300 million per year. All of these reasons are fallacious but they will eventually be offered to the American public.

Why shouldn't the United States pull our military forces out of Guantanamo Bay? The reader will probably react with the thought that it is foolish to abandon our military facilities at Guantanamo Bay, Cuba. But it is also foolish to ratify the proposed Panama Canal treaties, and it seems that the Senate may do so.

The supporters of the Canal treaties are trying to sell the American public a phony bill of goods. Some are well-intentioned, others one must wonder about. Regardless, we can be certain that the Soviet Union has a master plan for further intervention in the Western Hemisphere. The United States Senate will be playing along with that plan if it ratifies the proposed Canal treaties. How long will it be before Taiwan goes, Guantanamo Bay, or the Virgin Islands and Puerto Rico? Where does it all come to an end? When will the worldwide advance of communism be brought to a firm halt?

The disarmament lobby, led by people such as George McGovern, Edward Kennedy, Frank Church, Morris Udall, Paul Warnke, Andrew Young and others, may be intelligent and charming people but when it comes down to brass tacks, they can be mightly stupid.

In the second of this series we will talk further about Castro's Cuba and the communist plan to gain control in Latin America.

PART II

A few years ago it would have been preposterous to speculate about the United States leaving our military installation at Guantanamo Bay. But in recent years we have spent billions on welfare while not maintaining military parity wth the Soviet Union. So, why not Guantanamo Bay next?

Cuba has an ailing and deteriorating economy, propped up largely at Soviet expense to who Castro owes billions. Castro needs new sugar markets as well as U.S. food and technology. Trade with Cuba would only serve to boost Castro's communistic economy, a boost at the very time when Castro's troops are flying MIG missions in Ethiopia and Soviets are flying MIG missions from Cuba for training. But training for what? It takes little intelligence to witness that the Soviets never have a monocausal plan of conquest.

That Castro wants the U.S. out of Guantanamo Bay is no secret. In a 1977 interview with Fernando Morais, the Assistant Editor of the Brazilian newsweekly *Veja*, Castro put the matter this way: "It's amusing—they demand that we remove our troops from Africa while right here in our own territory, at the Guantanamo base, thousands of American military are stationed without our consent."

The United States has spent approximately $250 billion on facilities at Guantanamo Bay. The Naval base there is considered one of the best, if not the best, training bases in the world. And it is the only American military base in communist territory, another considerable advantage. It is a military base which the Soviet Union would very much like to possess. They already have a submarine base at Cienfuegos.

The drive to get the U.S. military out of Guantanamo Bay will come in good time. We have only to listen to the Panama Canal debate to hear many of the "reasons" why the U.S. should give up Guantanamo Bay.

The Committee of Americans for the Canal Treaties Inc. claims that "all Latin American countries are united in support of a new deal for Panama. They see the Panama Canal Zone and the Canal itself as the last vestige of colonialism in the Western Hemisphere." First not all Latin American diplomats and citizens are in favor of putting the Canal under Torrijos' control. And if the Canal is seen as the "last vestige of colonialism in the Western Hemisphere" one can already hear the rhetoric from the Andrew Youngs concerning Guantanamo Bay the Virgin Islands or Puerto Rico. The game plan is endless, a communist masterplot to isolate and disarm the United States.

It is claimed that anti-U.S. Panamanian feelings over our control of the Canal could lead to guerilla attacks or sabotage. If the Canal treaties are ratified the disarmament lobby will make the same claims about the American presence at Guantanamo. We lease Guantanamo just as we lease the Canal: "Gitmo," as it is called by the military there, is not part of the U.S., just as the Canal is not part of the U.S.

Castro is a master of public relations and most persuasive. Thus, Sen. Frank Church, a member of the Senate Foreign Relations Committee, went to Cuba in 1977 and returned to insert the following statement in the Congressional Record on November 15, 1977. "The Castro revolution is no longer an experiment; it is an established fact. Any new U.S. policy must be based on that reality." This is a highly debatable point. Would the "reality" of Castro's revolution mean that Guantanamo Bay must also go, Sen. Church?

The more pressure we keep on Fidel Castro, the higher the cost to the Soviet Union. It is not in our best national interests to recognize or trade with Cuba. Yet, President Jimmy "I'll never tell you a lie" Carter, told Sens. George McGovern and James Abourezk last year that he was not opposed to exporting food and medicine to Castro. In return, the U.S. will continue to reap a harvest of of Cuban-inspired terrorism in Latin America and aggression in Africa.

At its elementary and unvarnished level there appears to be a rather well organized lobby of individuals and groups who believe that the United States should not be the richest and most powerful country in the world. The U.S. is losing influence, we are losing territory, we are diminishing in military power. The United States is well on the way to becoming a has-been among nations unless we check the spread of this "disease."

Let us not forget that Castro's government confiscated some $1.8 billion worth of U.S. property after he came to power in 1959. So we'll sell Castro food, technology, farm equipment and badly needed spare parts—probably on a thirty year payment "plan"—and then let him renege on the debt in five years. You would think that the U.S. would learn.

But, no, Castro knows how to charm American politicians and businessmen. That Castro wants the U.S. out of Guantanamo Bay is no news and hardly a surprise. Let us wait until the conclusion of the Canal debate and see which Americans in Congress, government and elsewhere also advocate giving up Gitmo. An integral part of the "logic" for giving the Panama Canal up is that it is in Panamanian territory and our presence is offensive to Panamanian pride. If the George McGoverns and Frank Churches can in good conscience give up the Canal, and both have already espoused closer links with Cuba, how far are we away from the liberal onslaught to surrender American military facilities at Guantanamo?

President Carter is correct when he states that the Canal treaties open "a new chapter in our relations with all nations of this hemisphere." The opening chapter ought not make this book a best-seller. I don't think we can afford to see the end of the book from which Carter draws his "new chapter."

WHY THE PANAMA TREATIES WILL BE THE BEGINNING OF THE END FOR THE UNITED STATES

(By Cmdr. Laud R. Pitt, USNR, Ret.)

The beginning of the end for the United States actually began with the emergence and growth of Soviet power following World War II. But handing over the Panama Canal to the Communists will bring the end much nearer.

When the treaties are ratified there will be tremendous rejoicing throughout the Soviet Union. There will be dancing in the Kremlin, members of the Supreme Soviet will be patting each other on the back. Vodka will flow like water and uproarious laughter will be heard from the sanctimonious walls of the Kremlin to the austere shores of Vladivostok. Floral wreaths will be placed on the biers of Lenin and Stalin.

The Russians will be saying to each other: "Can you believe it? Those stupid Americans! What idiots! They have given to us by a mere stroke of the pen a strategic waterway vital to their defense. We have split the hemisphere right smack in the middle—We have separated North from South America. Congratulations, Comrades! Our propaganda has worked! What an outstanding victory for our cause! Comrade Torrijos will soon nationalize the Canal, he will invite us in to build military bases, and Panama will become another Cuba. Any U.S. interference with this takeover will be brushed aside."

The Russians, indeed, will have good reason to rejoice. The Panama Treaties will go down in the books as the most fantastic giveaway in the history of the world. While the Americans are still in a giveaway mood, the Communists, gloating over their unbelievable success, will unleash their powerful propaganda machine, and aided by Communist agents and sympathizers in the United States demand the immediate return to Cuba of the American naval base at Guantanamo. Since they have convinced the American people that they "stole" the Panama Canal from the Panamanians, why don't they (the Americans) give up this base which they "stole" from Spain in 1898. It should be returned at once to its rightful owners, namely Castro's Communist Cuba. Slowly but surely America's enemies will obtain a stranglehold on America's defenses on its southern perimeter.

A great campaign will be waged to grant independence to Puerto Rico which we also "stole" from the Spaniards. The Communist aim will be to replace U.S. forces there with Soviet forces. From their position of strength in Panama, the Communists will have much easier going in taking over Co-

lombia and Venezuela, especially Venezuela, so that its oil will be denied the United States.

Agitation will begin for the return of the U.S. West to the American Indians and for the return of Alaska to the U.S.S.R. whose $7.2 million sale in 1867 was a despicable transaction perpetrated by that traitor Czar Alexander. In lieu of territory, the Communists will accept not less than 50 billion dollars. Many Americans will agree with this saying along with the Communists that our obtaining Alaska for less than 2 cents an acre is a disgrace and an outrage to the nation's honor and should be rectified as soon as possible.

For some time now the Russians have made great strides in their campaign to control the continent of Africa. Angola has fallen. Little Somalia had the gall to snub the great Soviet Union. Through Cuban and Russian aid to their enemy, Ethiopia, Somalia will soon pay for its insolence. A worldwide movement of great intensity is being centered upon South Africa. This campaign which is supported by many liberals, leftists, and Communist sympathizers in the United States, including the Communist infiltrated World Council of Churches and the National Council of Churches is aimed at forcing the South Africans to give up their homeland to their black populations because the latter are so many and the White South Africans are so few. But the South Africans will fight on the theory it is better to go down fighting than to be murdered later. There will be a great battle, but the South Africans will lose because the blacks will be aided by Cuban and Soviet firepower.

Once the blacks are in control of South Africa, the Communists will control it and you can rest assured that when the moment of crisis comes, not a single drop of oil will ever go by sea from the Mid-East around the Horn of Africa to the United States of America. And how can America wage a major war without Mid-East oil? Even more important are the extremely rich South African mineral resources of antimony, manganese, chrome, platinum, uranium and other minerals essential to waging war.

Do you think the present vilification of South Africa is to help the poor Negro? Bah! The Communists' sole purpose is to control strategic South Africa together with its valuable resources.

As the Russians survey the present world situation, they can smack their lips in satisfaction. They are winning almost everywhere. Granted, they had a couple of setbacks in Chile and Portugal, but these were only temporary and had no effect whatsoever on the security of the Soviet Union. It's a different story when a country like Czechoslovakia which borders on the Soviets dares to show an independent attitude. Then the Russians move in quickly.

From almost any perspective you may choose, political, economic, or military the Russians can plainly see that the U.S. is daily becoming weaker and weaker and they are becoming stronger and stronger. American armed strength is being constantly reduced by inadequate budgets, poor training and maintenance, lack of discipline, disorganization, and the nitpicking by members of Congress. U.S. Intelligence Agencies have been emasculated to the impotence of a Sultan's eunuch. The deterioration in American education, morality, religion, and politics shows the influence of Communist direction.

The sole unswerving aim of the Soviets is to conquer the United States. They know that their plans for world domination will never succeed without the complete destruction of American power. Remember in your history the Roman Senator who always concluded his speeches with: "Carthage must be destroyed! Carthage must be destroyed!" The Russians are saying the same thing, only "America must be destroyed!" The Russians will soon have control of all of Africa.

When the Russians make their blitzkrieg, there will be no fighting there. Can you think for one minute that the Communists will repeat the devastating debacle of Hitler who lost thousands of his elite Afrika Korps fighting on the hot sands of the Sahara Desert?

As a prelude to conquering the U.S., the Soviets must control the Mediterranean. They are making great headway toward this goal. Communists in Italy are so strong that they may even take control in the near future. Since the demise of Franco, Communists in Spain are making great strides. Soon the Communists, through pressure in the UN and elsewhere, will see that that unholy remnant of British colonialism, Gibraltar, is returned to Spain. In France Communists are so powerful that France in 1966 withdrew its military forces in NATO. And what is NATO? A loose confederation of Greeks, Turks, Italians, Portuguese, French, Belgians, Dutch, British and a few others who have joined up because no one wants to give up free U.S. military aid. But when the chips are down or when that aid ceases to come, NATO will fall like a house of cards and the centuries-old fears and animosities will pop up like mud pots in Yellowstone Park. What chance have they against the determined, dedicated and efficient powerhouse of a single united nation?

Some of our military leaders have already claimed that Russian power is strong enough now to overrun western Europe. Why don't they do it? Because they have no particular timetable, they can afford to wait, the longer they wait the stronger they will be. And the Russians don't want to get hurt—if they can win by infiltration, subterfuge and propaganda they will do it.

But when they are ready to make their blitzkrieg, it will be a blitzkrieg that will end all blitzkriegs. It will make Hitler's blitzkrieg look like a turtle's crawl. The invasion of Poland will seem like child's play. When the Communists are strong enough in Western Europe by infiltration of the armed forces, to seize or immobilize them, the Russians will strike. Under the guise of maneuvers and an unobserved military buildup, the Soviet Juggernaut of jets, paratroopers, tanks, rocket artillery, armored cars, and millions of well equipped and trained infantry will overrun Western Europe in a matter of hours. But get this. It will all be done by conventional weapons.

Global air waves will be jammed announcing the peaceful purposes of the Russian onslaught—that under no circumstances will they be the first to start a nuclear war. If the U.S. wants to do it, that's their business. As the news reaches the United States, great consternation will prevail, but as the minutes, hours, and then days pass, nothing will be done because American public opinion will never allow another Hiroshima. Besides the time for action will soon pass since an American nuclear attack would kill friends as well as enemies.

The Russians will now quickly consolidate their gains over Western Europe. The Strait of Gibraltar will be sealed as tight as the lid on Mama's cookie jar. The Mediterranean will be a Soviet lake. No American ship will get in and none get out.

Hundreds of Soviet submarines will line up in the North Atlantic. Communist aircraft will rule the skies. Soviet agents in the U.S. will alert the Russians of the departures of U.S. troop carrying planes. These will be shot down before or on arrival. An American convoy system will never see the light of the day. The British, with no hope of American aid, no Winston Churchill to inspire them and no desire to be bombed again will relunctantly pull down the Union Jack and hoist the Hammer and Sickle.

Israel will be a slight thorn in the Soviet's side, because even without American aid, the Israelis will put up quite a fight. To rid themselves of this nuisance, the Soviets will use one thrust of nuclear weapons to wipe Israel off the map. By this time nuclear weapons will be entirely legal. If this one thrust doesn't do the job, the Palestinians and other Arabs will put on the finishing touches so no Israeli man, woman, or child will remain alive. Israel will never rise again.

The Russians know that the Germans failed twice in the 20th century because they could not prevent huge quantities of American men and materials from reaching Europe. This the Russians will not allow to happen again.

Once their position is secure, the blood bath that will ensue will be horrendous. All the upper classes and most of the middle classes will be eliminated. Black clouds will hover over Europe. The 5th century scourge of Attila the Hun will seem mild compared to the slaughter of civilized man in the twentieth century. The Russians will devise more efficient and streamlined ways for eliminating populations than Hitler used at Dachau.

By now the situation in the U.S. will be extremely perilous. With a complete embargo imposed by the Soviets, trade and communication with Europe will be cut off and America will be completely isolated. No friends will be able to assist it. Soviet nuclear submarines will be transferred from the eastern to the western Atlantic. New missile sites will be installed in Cuba. Missile sites, if necessary to the Russians, may also be set up in Mexico whose cooperation will be obtained by a Soviet promise (as the Germans did in World War I) of returning to Mexico their provinces of New Mexico, Arizona, and California which the U.S. "stole" in 1848.

Now the Russians have the the U.S. exactly where they want it. Some time, when they are ready, the Russians will deliver an ultimatum to the American people to surrender under the threat of nuclear anihilation. They would prefer not to bomb us at all because they want all of our riches and resources left intact. By this time American backbone will have been dissipated entirely, and our leaders will succumb. The once proud United States of America has been brought to its knees. Khrushchev's raised shoe threat "We will bury you" has become a reality.

The blood bath that faces the American people will be even more disastrous than in Europe. Only a remnant of American citizens will remain to serve their Soviet masters. Millions of American young women will be spared and reserved for the special use of Russian soldiers. Small children also will be spared to form a nucleus for a new slave labor force.

But you say, how about the Chinese Communists? Won't they come in? Wishful thinking. Don't bank on it. They will step in after the Soviets defeat the United States. They will want to share in the spoils. What the two Communist great powers do to each other will be no concern of ours because we will all be dead. That's how it will be. Giving away the Panama Canal to the Communists will start the ball rolling.●

VIOLENT ABDUCTION OF ALDO MORO

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. MINISH. Mr. Speaker, the news today of the violent abduction of Aldo

Moro, Italy's most influential political figure, is a cause of great concern to me, and I am sure, to every Member of Congress.

A former premier of Italy, and one of the staunchest defenders of democratic principles, Aldo Moro is the probable leader of the next Italian Government.

Mr. Speaker, this despicable act by ruthless terrorists is not in the tradition of the Italian culture. Only an alien and irrational mentality could commit, much less take credit for, such an action. Swift and full punishment of the murderer is required if such acts are to be prevented in the future.

In addition, Mr. Speaker, this despicable act could not have come at a more inopportune moment in European, or world, history. As the nations of Western Europe unfortunately move ever closer to the political left, Mr. Moro and his Christian Democrat Party stand as a beacon of hope for the principles we hold so dearly.

While we all hope that everything possible is being done to insure Mr. Moro's return, we must also recognize the need for the United States to denounce and take action against terrorist behavior. All of the forces of democracy must unite to battle those of a totalitarian mind.

Mr. Speaker, this is indeed a time of mourning, but also a time of high resolve against the terrorists.●

DRUG REGULATION REFORM ACT OF 1978

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. ROGERS. Mr. Speaker, I am pleased today to introduce H.R. 11611, a mutual proposal of the House, the Senate, and the administration, the Drug Regulation Reform Act of 1978. I am particularly pleased that my good friend and colleague, Dr. Carter, the ranking minority member of the Subcommittee on Health and the Environment, has joined me in introducing this legislation. This bill has the potential to be one of the most important pieces of health legislation inacted in this decade. It holds the promise of bringing the benefits of promising new drug therapies more rapidly to people who desperately need them—without compromising safety or effectiveness—and of reducing the costs of drugs. It has the potential of a vastly better informed citizenry about the proper use and intended effects of drugs. Properly implemented, it can result in much safer use of drugs than is the case today. And with a substantially more open decisionmaking process, the Commissioner of Food and Drugs will be better able to explain his actions to the American public.

I am particularly pleased by the manner in which this proposed legislation was developed. The Department has made a sincere endeavor to reflect the concerns of those of us in the Congress who have long felt the need for substantive revisions in our Nation's drug laws. Certainly there was sincere and complete consultation with its cosponsors in the Senate and the House during lengthy meetings over the last 3 months.

Dr. Carter and I cannot agree with every provision of this proposed legislation. Both of us can agree, however, that it will give much needed impetus to the ongoing congressional effort to reform existing drug laws. I am delighted to join my colleagues in the Senate and our counterparts in the administration in this joint effort to enhance the health of the American people.

During lengthy subcommittee hearings, which will begin later this spring, my colleagues and I on the Subcommittee on Health and the Environment will closely examine the provisions of the Drug Regulation Reform Act of 1978. I look forward to an open and frank exchange of views on this legislation from all interested parties.●

THE PLIGHT OF ANATOLI SCHARANSKY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1978

o Ms. HOLTZMAN. Mr. Speaker, I am pleased to have the opportunity to join my distinguished colleagues in calling attention to the plight of Anatoli Scharansky.

Today marks one full year since Anatoli's arrest. In flagrant violation of Soviet and international law, he has been held incommunicado, without family visits or benefit of counsel, for much of that time. The charges of "treason" and "espionage" which have recently been brought against him are patently without foundation. The only crime committed by Anatoli Scharansky is his desire to be reunited with his wife in Israel.

It is disheartening that the Soviet Union is still exercising repressive emigration policies and disregarding human rights. The brutal, unjust treatment of Anatoli Scharansky is further evidence of the Soviet Union's callous disregard of the Helsinki accords.

Because he was an articulate and forceful spokesman for "refuseniks" in the Soviet Union, Anatoli has become the target of a blatant attempt by Soviet authorities to paralyze the dissident movement. Anatoli often served as a translator for foreign correspondents and visiting dignitaries, including Members of Congress, and his arrest is clearly intended to discourage others from communicating their concerns to those outside the Soviet Union. Anatoli's case, which seems to be moving inexorably toward a "show trial," clearly represents a desperate effort by the Soviets to embarrass the United States and to abate the world's concern about oppressive human rights policies in the U.S.S.R.

Mr. Speaker, I had the pleasure of meeting Anatoli Scharansky on a trip to the Soviet Union and can attest to his personal courage, his pride in his Jewish heritage, and his sincere desire to emigrate. I hope that this expression of concern by the Congress will convince the Soviet Union how seriously the American people view Anatoli's plight and will induce the Soviets to reassess their treatment of him and their policy on human rights generally.●

THE GREAT HOPE OF SOCIETY

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. JOHNSON of Colorado. Mr. Speaker, one of my constituents, Mrs. Sarah Morris of Fort Collins, Colo., has taken a look at our society and has come away with reason to hope and a direction for our efforts. Mrs. Morris is a well known author and prominent citizen of Colorado. I commend this article to my colleagues.

THE GREAT HOPE OF SOCIETY

(By Sarah Morris)

The great hope of society is individual character.—William Channing

Arnold Toynbee, the brilliant philosopher of history, sees Western civilization in a "time of troubles" which he says is the first stage of its disintegration. But he does not consider such a collapse inevitable. Surely the evidence of its approach seem clear: Crime, suicides, drug use, spiraling, student test scores falling, work-ethic eroding, political scandals mounting . . . and one of every five adult Americans unable to read or write. But if Toynbee feels there is yet time, shouldn't we be willing to consider some measures designed to stem and turn this seemingly relentless tide? Let's look at one possibility.

A PLAN FOR AMERICA'S FUTURE

There is a solution. It may require a drastic and costly reorganization of our society. But we must find a way to nurture in the members of our rising generation a vastly increased ability to deal creatively with the human challenges of our times.

What institution could provide this nurture? The family? In some cases, yes. But one of the saddest symptoms of society's sickness is the casual abdication of parental responsibility. The family seems hardly ready to step into the breach.

The church? Again in some cases, yes. But there is an amazing percentage of our population with no visible church connection.

What about the schools? Legally all children must attend school from the age of six to the age of sixteen. But our schools, as presently constituted, are apparently unable to handle the job. Yet education could take the lead, if a three-part program were followed:

Part 1. Only the most skilled and effective people should teach. There are yet enough magnificent people among us who could salvage this society. They would be people who could pass on the knowledge and develop the character and skills which a younger generation would need to revitalize our country. Of course, this could mean weeding out those not gifted in such teaching who are now a part of the educational system. It would also mean the freedom to engage, try out, keep or let go teachers until children are guided largely by people reminiscent of those rare

teachers each adult remembers nostalgically through the years. These teachers talented in helping each child reach his full potential should be paid what they are really worth, paid through local funds supplemented by national subsidies.

Part 2. There should be no more than fifteen children in a class. And increasing public enlightenment should insure that every child is a wanted child, with improved chances to realize his own and society's higher hopes.

Part 3. Schools should also be centers for adult education and family recreation. Parents of many children are afraid to go to "the school" and contact a person called a "teacher"—or worse yet, they are indifferent. But if "school" was a place where parents could bowl, or play volley-ball, learn woodworking or sewing and above all child-rearing, parents too would be part of a rebirth. Teachers, those remote figures of authority, could become friendly human beings, seen every day as part of center activities.

A recent five-year Carnegie study actually recommends giving families more government money to solve the problems of weak parental control of children. To parents who have abdicated? To parents who may be long on money and short on the ability to parent? No! That money should be used for this school centered program where a parent in a one-to-one relationship with "a teacher" or in a class, could gradually catch and develop the spirit and know-how of effective parental guidance. Change in people can only be nurtured through human contacts. Such change can't happen just because people are given more cash in hand—particularly when it is dependent on their having children. Look at what has happened to the Aid to Dependent Children program! The more children (often illegitimate) the more money. One recipient is earning her way through college by getting both pregnant and educated continuously!

ROAD BLOCKS TO ACHIEVING THIS LIFE-SAVING PROGRAM

1. In the first years, the cost of such a program would be astronomical, perhaps almost equal to the defense budget! However we would be spending money on the fundamental development of our most precious product, people. And as time went on, we would see the results in ever-increasing numbers of productive human lives.

2. Of course, this solution presupposes legislators farsighted enough to vote for it and deaf enough to ignore the cries of the dissenters.

So the heart of the plan is a vast and systematic rebirth—a yeasty revitalization of children and parents. But—TV would have to be in league with this plan. It couldn't continue to pipe into people's lives the distractions of a shoddy counter culture.

Could such a plan really come into being? Great things can happen if we are frightened enough, and if we realize that we are committing suicide as a civilization—at least that's what we're doing if we can believe Toynbee and the news in our newspaper headlines.●

PERSONAL EXPLANATION

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. KASTEN. Mr. Speaker, due to previous commitments in Wisconsin, I was unavoidably absent on Monday, March 13. I wish to state for the record, therefore, how I would have voted on those rollcall votes that occurred during the session:

"Yea" on H.R. 7814, authorizing Federal agencies to experiment with flexible employee work schedules;

"Yea" on H.R. 10126, the Federal Employees Part-time Career Employment Act;

"Yea" on H.R. 9146, providing for congressional review of changes in the operations of the Postal Service;

"Yea" on the motion to order the second on H.R. 6635, relating to the rate of interest on individual retirement bonds;

"Yea" on the motion to recommit House Resolution 1010 with instructions to allocate $300,000 of Judiciary Committee expenses for internal security investigations;

"Yea" on the motion to recommit House Resolution 956 cutting expenses for the Select Committee on Assassinations;

"Nay" on final passage of House Resolution 956, providing $2.5 million for the Select Committee on Assassinations.●

THE MX—A SURVIVABLE U.S. ICBM

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. BEARD of Tennessee. Mr. Speaker, the growing vulnerability of the U.S. land-based ICBM to a Soviet first strike is probably the most important strategic problem presently confronting the United States.

Administration witnesses in testimony before the Armed Services Committee, on which I serve, have told us that with or without a SALT II agreement, the number of Minuteman ICBM's we could expect to survive a surprise Soviet attack by the middle of the next decade would be unacceptably low.

Recognizing this critical problem, the chairman of the Armed Services Committee, the Honorable MELVIN PRICE, has been at the forefront of the congressional effort to develop a more survivable U.S. land-based ICBM. The Carter administration, however, has twice deferred entering full-scale development (FSD) of the proposed Minuteman follow-on system, the so-called MX missile.

In the fiscal year 1979 defense budget the administration has, again, failed to request full-scale development for the MX system. Secretary of Defense Harold Brown, however, has testified before the Armed Services Committee that the failure to request FSD was the result of technical uncertainties relating to the basing mode. These uncertainties are expected to be resolved this summer, at which time the Secretary of Defense has indicated the administration would be able to come to the Congress for a supplemental funding request.

Based on my experience with the Armed Services Committee, I believe such a request would receive the overwhelming support of the committee and the Congress.

I do not see how any responsible U.S. Government official could oppose efforts to develop and deploy a survivable land-based U.S. ICBM. Such a system would significantly contribute to U.S. national security, strategic stability, and arms control objectives.

While time does not now permit me to elaborate on this matter, I would like to take the opportunity to share with my colleagues an Air Force Association policy paper entitled "MX Advanced ICBM."

This Air Force Association paper was approved unanimously by AFA's national board of directors on March 4, 1978. The paper very eloquently and concisely highlights the requirement for the MX system.

Mr. Secretary, I request unanimous consent to insert the AFA paper in the RECORD at this time:

[Air Force Association Policy Paper]

MX ADVANCED ICBM

The United States, the Air Force Association believes, stands at the crossroads of a decision that, for years to come, could affect our ability to deter nuclear war and to resist nuclear blackmail. At stake is the future of our land-based intercontinental ballistic missile (ICBM) force, keystone of this nation's strategic deterrent and thus of US politico-military effectiveness in general.

Modernization of the Soviet ICBM force proceeds at a rate that is awesome and far in excess of reasonable national security requirements. Every year, the Soviet Union installs between 100 and 150 modern new ICBMs. Each of the new missiles has from three to seven times the throw-weight and can deliver up to twenty times the megatonnage of the most advanced US ICBM, Minuteman III. The silos housing the new Soviet missiles are almost twice as hard as our most modern silos and thus more difficult to attack.

The three new ICBM types now entering the Soviet inventory—the fourth generation since Russia began building ICBMs—are being followed by yet another, even more advanced and threatening family of intercontinental missiles. At least four medium and large ICBM types as well as a thoroughly modified smaller missile system capable of mobile deployment are now in development and make up the Soviet Union's fifth ICBM generation. The US Defense Department warns—we believe with good cause—of potential Soviet "war-winning capabilities." This means the Soviets might conclude at some future time that they could destroy this country to a degree that would preclude recovery within a reasonable length of time while the Soviets could survive our retaliatory strikes with their military, industrial, and population base impaired but still intact.

In AFA's view, the relentless and—when measured against that nation's limited economic base—exorbitant Soviet drive to expand their ICBM capabilities is ominous: Within the coming decade, Soviet offensive capabilities could reach a level where the US ICBM force, as presently constituted, might not be able to survive a Soviet first strike. Moreover, the rapidly increasing number of Soviet warheads and their steadily improving accuracy could support Moscow's belief that such an attack would tilt the balance of the two countries' remaining nuclear forces so far in the Soviet Union's favor that the United States would not dare to counterattack. Consequently, the Soviet strategic arsenal that remained after the strike—ICBMs kept in reserve as well as the full complement of submarine-based strategic missiles and strategic bombers—could be so overpowering that no rational US leader would retaliate. If he did, he could be certain that in the ensuing Soviet restrike most of the people of this country would be killed

and the bulk of the facilities that make us a viable society destroyed.

If the capability to do that—perceived or real—were to come within the Soviet Union's grasp, the consequence would be intolerable instability. Such a preponderance of Soviet nuclear might could invite attack or, at the least, promote an environment favorable to Soviet nonnuclear aggression and political coercion.

We realize that Minuteman force "survivability" of a certain kind can be obtained with the stroke of a pen, by categorically committing the nation to a policy of "launch under attack," or even "launch on warning." Such policies would assert that the United States will launch its strategic missiles in a massive retaliatory strike against the Soviet Union, either upon detonation of the first enemy warheads or upon concluding that a major attack is under way. The Air Force Association believes firmly that the US should not provide a potential aggressor with the aid and comfort of foreswearing launch under attack. But neither must the nation degrade its force structure to the point where that force must be used or lost—where the only response would be an indiscriminate spasm launch against civilian targets. A future President thus could be forced into a "hair-trigger" choice that the aggressor might assume he would not make.

Lastly, such a curtailment of US strategic capability would snuff out all hope of confining nuclear war to military targets, should deterrence fail. The difference between an attack on US strategic forces and one on US cities and industry could be ninety million American lives. It is our long-standing contention that any deterrent posture or doctrine that fails to dissuade Soviet attacks on the US civilian population is morally unacceptable as national policy.

Early in 1974, the Air Force started work on a weapon system to follow Minuteman—the "MX" advanced ICBM that would assure for decades to come the survivability of our land-based ballistic missile force, and provide the nation with the unique, vital deterrent capabilities that only such a force can furnish.

The advanced-technology MX would have four times the throw-weight and vastly greater radiation hardness than Minuteman III. With up to fourteen warheads—compared to three for Minuteman III—MX would be vastly more effective and survivable and thus could provide strategic stability even if only a limited number of weapons were deployed.

The MX ICBM's survivability—now undergoing rigorous examination and testing—stems largely from its basing mode. By combining mobility with a sharply increased number of "aimpoints" that an attacker must target—up to six times greater than for silo-based ICBMs—MX would be difficult to destroy.

The nation, in the view of the Air Force Association, stands to gain in three major ways from an operational MX force. With the advent of the survivably based MX, the already paid for Minuteman force—far less costly to operate than either the fleet ballistic missile or the strategic bomber/cruise missile components of our strategic triad—would gain, in effect, the same degree of survivability as MX. Obviously, no rational aggressor would attack Minuteman if he could not successfully attack MX.

Secondly, because the MX force would be survivable, such a weapon could make possible sharp reductions in the strategic arsenals of both the Soviet Union and the US, without endangering strategic stability and our national security.

Third, MX, with an accuracy equal to the improved Minuteman III, would retain for the US the option of confining nuclear war to damage-limiting military targets, without automatic escalation to wholesale attack on the otherside's civilian population. Such flexibility would greatly strengthen our deterrent across a spectrum of conflict.

Like all land-based ballistic missile systems, MX would force a potential aggressor to attack targets deep in US territory openly and with some advance warning—an act of utmost severity and thus likely to evoke a comparable response. The certainty of prompt retribution, therefore, increases the deterrent value of ICBM forces based in the sovereign territory of the defender.

In short, the intercontinental ballistic missile—with its speed, accuracy, low operational cost, constant high readiness, and short flight-time to target—will remain for the foreseeable future the principal means for fulfilling this nation's policy of deterrence through flexible, controlled response, and thus for terminating nuclear conflict below the level of massive assured destruction. The characteristics of MX in turn, assure the long-term survivability of the land-based force, and, by extension, the continued effectiveness of the US strategic triad.

The weapon system's basing—from an environmental point or view—will physically disturb no more than several hundred square miles of public land. The estimated cost of the new system is no more than the cost of modernizing either of the other two members of the strategic triad.

MX, in the view of the Air Force Association, must be advanced into full-scale engineering development, in line with USAF's proposed, conservatively paced scheduled. Otherwise, an atrophying land-based component of the triad could, from the mid-1980s on, provide the Soviet Union with strategic superiority by default and thereby increase the risk of nuclear blackmail or strategic war.●

CHRONIC INACCURACY

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. CARR. Mr. Speaker, those of us in Government are accustomed to being taken to task by our relatively free press. Our form of Government thrives on our being called to responsibility in decision-making by the journalism profession. But we frequently forget that this responsibility is a two-way street. Yet, politicians and policymakers are reluctant to call the journalist to task for the same lack of responsibility. Why? We know all too well that the journalist always has the option of the last damaging word. In addition policymakers are usually more concerned with their press relations than journalists are with their political relations. As a result the accuracy and credibility of the media is rarely thoughtfully challenged as they challenge us.

But there comes a time when politicians and journalists alike recognize that inaccurate statements and the credibility of certain journalists becomes so grave as to warrant a public comment in the hopes that the offending journalist will be able to take corrective steps in this regard a militarily knowledgeable author, Alton Frye, has offered some constructive criticism for Rowland Evans and Robert Novak. From personal experience I can attest to the validity of Mr. Frye's piece published in the March 9 issue of the Tennessean. For my colleague's consideration I insert Mr. Frye's article:

[From the Tennessean, Feb. 26, 1978]

EVANS, NOVAK: READER BEWARE

(By Alton Frye)

(Mr. Frye, a native Nashvillian, is author of "A Responsible Congress: The Politics Of National Security.")

This is a citizen's arrest. Defendants: Rowland Evans and Robert Novak. Charge: chronic inaccuracy.

Like petty vandalism, Evans and Novak's frequent misdemeanors in print are generally too minor to warrant the effort to prosecute, and victims remain silent. Yet, collectively, their repeated errors are a clear and present danger to public understanding.

Having admired their early work together, I present this indictment more in sorrow than in anger. The Evans and Novak columns reveal a growing pattern of mistakes and distortions.

Item: Evans and Novak have incorrectly alleged that "secret computer studies show that the existing U.S. cruise missile would not have a chance of penetrating the Soviet Union's sophisticated defense system . . ." Even the most pessimistic studies do not support such a statement.

The Defense Department has been able to rebut the charge in detail, concluding that "The cruise missile, as presently designed, is capable of defeating the Soviet air defense system, as it is presently designed." Thorough inquiry would have shown Evans and Novak that not even a $50 billion crash porgram by the Soviets over several years could keep pace with the likely evolution of cruise missile technology.

The columnists were wrong in describing the Soviet SA-3 missile as "similar" to the U.S. Hawk against which the cruise missile will be tested; wrong in reporting that the "far more advanced Soviet SA-10 . . . is now guarding the Russian homeland"—such a missile does not exist except as the experimental SAX-10; and wrong in discounting the fact that, even if random interceptions were feasible, cruise missiles could saturate Soviet defenses.

Recently they have compounded these errors by alleging that a Jan. 28 briefing to Air Force Gen. David Jones contained "surprising new intelligence that the Soviet Union has started active deployment" of the SA-10. Never mind that this "alarming news" contradicts their own assertion months ago that the weapon was already deployed: General Jones received no briefing on the SA-10 and the missile has still been observed only in tests, not in operational deployment.

Item. By selectively quoting from classified documents, Evans and Novak conveyed the misimpression that the United States was seriously considering a basic change in NATO strategy. President Carter's advisers, reported the column of August 4, were presenting "a new defense strategy that secretly concedes one-third of West Germany to a Soviet invasion rather than seek increased defense spending . . ."

Evans and Novak's portrayal of options studied in Presidential Review Memorandum 10 neglected to point out that the options they chose to highlight were precisely those rejected by the administration in reaffirming the U.S. commitment to forward defense in NATO, including specifically the Federal Republic of Germany.

A second column ascribed to PRM 10 a contention it did not make, namely, "that removing U.S. troops from South Korea gives Washington 'flexibility' to determine whether or not to intervene against Communist invasion . . ."

Item: Evans and Novak manufactured the controversy over the so-called Sonnenfeldt doctrine. By mis-paraphasing an excerpt

from a leaked telegram describing U.S. policy toward Soviet domination of Eastern Europe, the column utterly distorted the actual direction of the Ford administration's policy.

State Department Counselor Helmut Sonnenfeldt had reiterated the U.S. policy "of clearly responding to the visible aspirations in Eastern Europe for a more autonomous existence within the context of a strong Soviet geopolitical influence," but Evans and Novak caricatured his position as one supporting "permanent 'organic' union between the Soviet Union and Eastern Europe."

"Organic" was his word; "union" was theirs. After weeks of diplomatic commotion and a House Committee inquiry, Stephen Rosenfeld summed up: "There was and is no 'Sonnenfeldt doctrine.' There was simply a newspaper column asserting there was one."

Item. Evans and Novak's use of leaks from the Senate Arms Control subcommittee has provoked Chairman Henry Jackson and others to deplore their reports as inacurrate in major respects.

A June column stated that the Soviet SS-19 missile was "untouched by the proposal'" made by the United States in SALT; that was untrue. It also erred in describing U.S. negotiators as "unconcerned that Soviet intermediate-range mobile missiles could be converted to long-range without anybody knowing it;" in fact, that danger has been an important element in American diplomacy.

A later column was flatly incorrect in charging that Sen. Sam Nunn tongue-lashed Secretary of State Cyrus Vance "for avowed ignorance of an alleged U.S. offer to renounce the neutron bomb." There was a confrontation in the subcommittee, but I am authoritatively told that the columnists were mistaken to depict Jackson "as a nearly certain opponent of a SALT II treaty." Henry Jackson is dedicated to making the country safe, not to making commentators look good.

Inflammatory errors of this type have bred an attitude toward the column typified by the insider's epithet, "Errors and No-Facts." It is surprising to find writers with a professed commitment to the nation's security rushing into print with uncorroborated stories which tend to undermine the morale of allies, to impugn quite recklessly American military capabilities, and to impede the cooperation between Congress and president on which true security must rest. This appalling record recalls H. R. Haldeman's dictum for leakers, "We could let Evans and Novak put it out."

This concern had crossed my mind, but it gained special force when I received a few misdirected barbs in the column. In comparison with other episodes, my own experience was inconsequential. Had they talked to me, Evans and Novak would have learned that, contrary to their implications, I have never so much as discussed with Sen. Howard Baker "a three-year limitation on the U.S. cruise missile." What I have said to others is that the Senate can and should make certain that, if there is such a limitation, Congress retains the final say on any extension beyond that period. In fact, my recent conversations with the senator have focused not on SALT, but on other matters about which he has invited my views precisely because I am a member of no "lobby'" on any subject. And far from being adversaries, Fred Ikle and I are old friends who try to understand, not to "eclipse," each other.

In considering whether to respond, I made a number of discoveries that bear reporting. More than two dozen interviews with members and close observers of the Washington press corps, including friends of Evans and Novak, reveal a sharp deterioration in the column's standing and credibility. Where they once enjoyed the esteem of journalists and politicians, they now elicit widespread contempt and mistrust.

Even the column's admirers apologize for its "sloppiness" and willingness to rely on single sources. Friends lament the writers' five-columns-a-week production rate. Evans and Novak are said to excuse their haste as the product of deadline pressures, and are extremely sensitive about charges of inaccuracies. Indeed, one is warned not to respond to their errors, lest they be aroused to further assaults. Intimidation will suffice, it seems, where investigation has failed.

Evans and Novak practice a kind of coercive journalism. They raise great alarms about officials who seek out differing opinions and imply deviousness when public servants elect to examine the evidence rather than to endorse the columnists' instant judgments.

Can Evans and Novak recapture their former diligence and skill? My purpose in arraying these cases is to challenge them to do so. For now, caveat lector: readers and editors alike must be wary of a column that tells more than it knows. We shall all judge whether Evans and Novak spend their energies lacerating their critics or earning the public's confidence. Watch these pages.●

WORLD HUNGER—FOOD OR ARMS AID?

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. FITHIAN. Mr. Speaker, an innate belief in human rights has been at the thrust of countless battles and issues for which America has gone to the fore. Our successes in this area, both historically and in a more recent context, have made us great.

Human rights begins in the stomach of man. This must be a basic premise of any human rights conviction. It amazes me, therefore, that we can now turn our backs on hundreds of millions of hungry people suffering from malnutrition. Well over 60 million of our fellow human beings die every year of starvation and the complications that arise from poor nutrition.

Over the last decade, our food for peace program (Public Law 480) has been seriously neglected. Our efforts in this arena are not simply a moral obligation. The intensive implementation of our food for peace program is potentially one of the most effective and humanitarian defense measures open to the United States. By permitting other nations to turn to us for agricultural commodities that they cannot grow themselves, we would strengthen our international relations immeasurably, while at the same time helping solve our agricultural surplus problems.

However, we have been "feeding" developing countries more in the way of military assistance to enable them to wage war, than food aid to keep them from dying from starvation and malnutrition. While President Carter's proposed 1979 budget allocates $5.5 billion in Federal aid and trust funds for foreign nations' defense, it requests only 15 percent of that, $805 million, for food assistance under Public Law 480.

In terms of actual exports under Public Law 480, figures reflect an astounding decrease. The value of agricultural products shipped overseas in 1968 was approximately $1.3 billion, and less than $1.2 billion in 1978. Although this would indicate a drop of only a little more than $100 million, this is considerably less in terms of quantity. Statistics show that between 1968 and 1972, the annual volume of Public Law 480 exports was 11 million metric tons. However, in 1977 there was a dramatic decrease in the annual volume to 6.5 million metric tons.

The U.S. supplies other food aid through the Agency for International Development (AID), in the Department of State. Total appropriations for fiscal year 1978 development aid were $3.8 billion. Only $515 million of this was set aside for food and nutrition programs.

In October of 1977, the United Nations listed 20 countries in danger of food shortages in the near future. Vast opportunities for mutually beneficial trade relationships lie in the undeveloped markets overseas—in Eastern Europe, the Middle East, Africa, and Latin America.

It was these concerns that compelled the House to pass the right to food resolution in the 94th Congress (H. Con. Res. 737). In that bill, we pledged to combat world hunger and to strive for a nutritionally adequate diet for all human beings by increasing our exports to countries in need of increased food production and more efficient distribution patterns.

This resolution was only one step in the long road to the conquest of world hunger. We cannot turn back because we are not hypocrites. We cannot delay because we are not cowards. We cannot fail to act because we are a caring and responsible nation. We have recognized and accepted a challenge, indeed a moral obligation. It is time to act.

As a cosponsor of the Agricultural Trade of 1978, I believe that this legislation is a natural followup to our passage of the right to food resolution and essential to the renewed success of our food aid programs. It would establish up to 25 new U.S. agricultural trade offices overseas. The primary functions of these missions would be to increase the effectiveness of agricultural commodities and to provide other services to assist Public Law 480 and other related programs.

In addition, the bill would make amendments to the Commodity Credit Corporation Charter Act, which would stimulate and maximize commercial sales of U.S. agricultural commodities by improving terms, conditions and availability of credit.

The Agricultural Trade Act would also recognize the importance of commodity programs to U.S. agriculture by establishing two new positions, Assistant Secretary for Commodity Programs and Under Secretary for International Affairs to replace the Assistant Secretary of Agriculture for International Affairs and Commodity Programs.

This legislation could enable the United States to reach into new markets for our farm commodities. It would benefit both the American farmer and the

hungry men, women, and children around the world.

If we are to retain credibility and respectability in our international relations and foreign policy, we must remain consistent in our campaign for human rights. We cannot deny a person's right to be fed. When a man is hungry, nothing else in the world matters to him.●

PAROLE PROGRAM FOR POLITICAL PRISONERS OF ARGENTINA

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. STUDDS. Mr. Speaker, the current situation in Argentina is saddening and discouraging to all. The human rights problem in that nation—which has been severe ever since the Videla regime took power 2 years ago—has been growing steadily worse.

It is my understanding, however, that the Argentine Government has expressed a willingness to allow a limited number of persons now being held in prison without formal charges—but clearly for political purposes—to accept exile in the United States. This decision has resulted in a State Department request to the Attorney General, asking permission to allow the issuance of 500 emergency parole visas to the political prisoners involved.

On February 22, I wrote to the Attorney General, urging him to grant this request to the fullest possible extent, consistent with his responsibilities under the law.

This request now appears all the more urgent in light of last Tuesday's massacre at the Villa Devoto prison outside Buenos Aires. In that incident, 45 people, all prisoners, were reportedly killed, and 70 injured. Outside observers believe that a substantial number of the Villa Devoto inmates were political prisoners, and many express doubts about the official Argentine explanation of the events at the prison. These suspicions were heightened by the apparent refusal of Argentine authorities to allow Red Cross pathologists to make an independent autopsy of the dead prisoners.

Mr. Speaker, many of the details surrounding this week's prison massacre in Argentina remain unclear. What is very clear, however, is that persistent and massive suppression of human rights is continuing in that country, and that the United States has an opportunity—through the emergency parole visa program requested by the State Department—to provide at least a small measure of relief.

The following is the text of my letter to Attorney General Bell on this subject:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 22, 1978.

Hon. GRIFFIN BELL,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: It has come to my attention that your office is presently reviewing a request by the State Department that 500 parole visas be allowed for heads of families from Argentina, Chile and Uruguay, in order to allow at least a portion of the individuals now imprisoned solely for political reasons in these countries to enter the United States.

I would like to urge you to grant this request to the fullest possible extent consistent with your duties and responsibilities under the law. As a Member of the House International Relations Committee, I have followed events in these South American nations very closely, and I believe that allowing the entry of at least a portion of the political prisoners now being held would be fully consistent with the principles upon which our country was founded, and with the principles of justice to which you are dedicated.

Thank you for your consideration of this request.

Sincerely,

GERRY E. STUDDS.●

ABDUCTION OF ALDO MORO

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. RINALDO. Mr. Speaker, the kidnaping of Aldo Moro, the leader of the Christian Democratic Party in Italy, is of deep concern to all of Italy's many friends in the United States and throughout the world.

Mr. Moro is the latest victim of the anarchist movement that is threatening to undermine public confidence in democratic institutions in Western Europe. We should not view his kidnaping as an isolated act by the Red Brigade. They are among a group of terrorist organizations loosely linked together and spanning national boundaries. Many have been trained in the Mideast. In fact, intelligence agencies have found evidence of specific coordination between Arab, Latin American, European, and Asian terrorists in an organization known as the Junta De Cordinacion Revolucionaria. It includes the Red Brigade.

The potential of this terrorist front is alarming. They have attacked government officials in Germany, Italy, France, and elsewhere, and their aim is to create political anarchy.

The bloody kidnaping of one of Italy's most distinguished citizens should serve to remind the world community that we cannot have order, economic stability, and democratic freedoms in a climate of fear.

We have a moral imperative to organize a concerted effort through our international intelligence agencies and security forces to block all financial, political and material support for these groups. They must not be allowed safe sanctuaries in any country that wishes to continue good relations with the United States and our allies.

Until the world community organizes a more effective means of arresting and imprisoning leaders of the Red Brigade and other anarchist groups, we face the possibility that they may inevitably find the means to manufacture or steal a small nuclear warhead to blackmail or paralyze governments.

Mr. Moro's kidnaping should open our eyes to the danger faced by the world community.

In this respect, I propose the Congress and the President commit the resources of the Central Intelligence Agency in this international effort.

Furthermore, I urge President Carter to convene a meeting of international intelligence agencies to formulate a program to exchange information and to pursue all possible leads to uncover the international network of terrorist organizations.

Mr. Speaker, the kidnaping of Aldo Moro is an alert to the rest of the free world that we must muster the courage to take stern measures to deal with terrorists. I join the rest of my colleagues in expressing our unalterable resolve not to buckle to terrorist tactics, and in praying for the safe release of former Prime Minister Moro.●

IN RECOGNITION OF THE WESTMORELAND COUNTY BOROUGHS ASSOCIATION

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. DENT. Mr. Speaker; today I wish to recognize a group of elected officials who are dedicated to preserving and protecting the integrity of our small communities; the borough mayors of Westmoreland County, Pa.

These highly motivated public servants have unselfishly devoted their time and considerable talents to making their communities better places in which to live. Their tireless efforts have resulted in 37 strong and vibrant boroughs populated with a proud and confident people.

For some 28 years these borough governments have been jointed together in common cause through the Westmoreland County Boroughs Association. The purpose of this association is to assist its members in coping with all the problems common to small communities. Through its efforts and support, community development and rehabilitation programs have been initiated and promoted. As a result, a better quality of life has been realized in the boroughs.

Mr. Speaker; the Westmoreland County Boroughs Association has indeed made a substantial contribution to the welfare of our people. On April 15, 1978, the association will sponsor a banquet in honor of its outstanding members. I believe that it is fitting and proper that we too recognize the Association's achievements and good works. Thus, on behalf of this House of Representatives, I salute the Westmoreland County Boroughs Association for a job well done, and I wish its members all the best in the years to come.●

REMEMBERING THE IRISH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. GILMAN. Mr. Speaker, as we near the celebration of St. Patrick's Day, I would like to take this opportunity to express my thoughts on several matters relating to the Irish, both abroad, and in our Nation. Many people join together on March 17 to wear buttons and march in the parades, commemorating the Irish contribution and spirit. Certainly, this show of gratitude and enthusiasm is welcomed by all, but in 1978, there are several sentiments which inevitably do not surface, and are not exhibited throughout the gaiety.

The Irish people have traditionally been a sad people, and 1978 is truly a year of sadness for them. Violence still scars the Northern section of their land, and a state of war is the best description of the present situation there. No longer is it a casual and internal matter: Photographs and first hand accounts depict the terror and fear that are the prevailing sentiments reigning in Ulster. Innocents are being slaughtered, young boys and children and women are being used as pawns in a dangerous and insidious show of force. Barbed wire and tanks have become objects that the citizenry accepts as "normal." Political parties are being destroyed by infighting and struggle.

Americans have shown a vivid, sympathetic interest in the Irish situation. The citizens of this Nation have watched the hopes for peace crumble and wane until further violence and destruction have become the way of life for the residents of Northern Ireland. And this interest has not gone unnoticed.

Within the last several months the Congress has formed an "Ad Hoc Committee on Irish Affairs" designed to provide a forum for discussion and public awareness of the problems in the North of Ireland, and to assess the role of the United States in bringing about a fair and equitable solution. The ad hoc committee is comprised of over 100 Members in the House, and is bipartisan, with members from most of the standing committees in the House. To date, the ad hoc committee has discussed several problems which have come to the attention of the American public: The problem of visas which have been withheld from Irish citizens asked to speak in the United States, economic problems relating to the struggle in Northern Ireland, and a long awaited declaration of intent.

This last matter has caused a great deal of concern among journalists, Irish leaders, and the American Congress. On my visit to Dublin in January of 1978, I had the pleasure of meeting with several of Ireland's leaders, including Prime Minister Jack Lynch. At that time, the leaders assured us that a declaration of intent was welcome, and necessary, and that the time had come for the British to announce its intent for their gradual withdrawal from Northern Ireland. In the past several weeks, however, the Prime Minister has spoken out against the ad hoc committee, and has indicated a lack of support for a declaration of intent.

This further underscores the need for a responsible policy concerning Northern Ireland, one which takes into account the delicacy of the problem and the intense desire for peace. The British cannot deny much longer the growing sentiment for withdrawal, and cannot continue sidestepping the issue.

Throughout our Nation on St. Patrick's Day, People of all nationalities and backgrounds will be joining together to honor the Irish, and all of the traditions that the Irish have brought to America. But the hostilities in Northern Ireland are a cloud of gloom hanging over the festivities, and there will be a fervent wish for peace. Let us not forget our brothers and sisters in Northern Ireland who cannot find jobs, enjoy their family life, and celebrate as we can.

As a Member of the House of Representatives, I pledge my support to the cause of peace in Northern Ireland, and as a member of the Ad Hoc Committee on Irish Affairs, I will continue to work toward the resolution of differences between the parties involved in this conflict.

Peace is the greatest gift that can be bestowed upon a people by their government. It is hoped that the residents of Northern Ireland will soon be able to have such a peace.●

THE OIL IMPORT FEE PROPOSAL

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. CONTE. Mr. Speaker, I rise to express my concerns over the comments made yesterday by the new Chairman of the Federal Reserve Board, Mr. G. William Miller. In his first appearance before the Senate Budget Committee, as the Chairman, Mr. Miller urged the immediate implementation of a program which has as its primary objective the reduction of our dependency on foreign oil. Thus, assisting in our efforts to combat the rise in inflation rates. This objective has been pursued by the Congress for years. I do not believe there is an individual here who opposes such a worthy goal. However, what disturbs me is the statement Mr. Miller made outlining the means of achieving this objective, namely the imposition of either oil import fees or quotas. He further refined his comments in a discussion with the press, at which Mr. Miller told them that he preferred the oil import fee because "it has simplicity and could be easily administered."

Mr. Speaker, while I strongly endorse the new Chairman's determination to assist the deteriorating dollar's position on the world's currency markets, and concurrently his resolution to combat inflation at home, I would suggest that the Chairman delve deeper into the impacts of levying such an import fee, apart from the simplicity of its administration. Such a hike in our oil costs, and the resultant increases in cost of product, will have its most disastrous impact on those areas that find themselves wholly dependent on foreign supplies, namely the New England region. Mr. Speaker, New England now imports more than 60 percent of its energy supplies, and pays dearly for this situation. Our energy prices are more than 25 percent higher than the national average. Now, the Chairman of the Federal Reserve Board is suggesting that, in addition to this heavy burden borne by the residents of New England, the Government is considering adding an additional financial milestone. Mr. Speaker, I suggest that this will only exacerbate the current economic conditions that currently exist in New England. Thus, the effect of such an import will be to saddle the New England consumers, who must rely on this import, with additional cost, while the rest of the country reverts to available domestic supplies. I should also mention, that through conservation, the residents of New England have already achieved substantial savings. Thus, any additional cost of imported oil will not result in substantial energy savings in New England.

Mr. Speaker, I would like to recommend that the equitable solution to this dilemma is, naturally, the passage of an effective and comprehensive National Energy Act. This would both induce domestic conservation and the development of alternative sources, while at the same time, boost our dollar abroad. In the immediate absence of such a proposal on the books, I recommend that the Administration thoroughly consider the effects the imposition of oil import fees will have on the American consumer. Mr. Speaker, I believe such a thorough analysis will conclusively demonstrate that the quota system is the proper means of distributing this increased burden equitably among the American Consumers. I will be watching for the results of such an analysis.

Thank you, Mr. Speaker.●

MASSACRE OF ISRAELI CITIZENS

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. MAGUIRE. Mr. Speaker, The abhorrent, senseless massacre of 36 Israeli citizens—including women and children peacefully enjoying weekend outings—and the wounding of over 70 others by guerrilla terrorists of Al Fatah, are the most outrageous and heinous of crimes. They disgust all humanity.

These hideous crimes are even further amplified in their horror by the plain fact that they were coldly calculated to disrupt Middle East peace efforts on the eve of Prime Minister Begin's trip to Washington.

Terrorism is not sane politics—it is simply wanton murder. It has no place in international relations. Let us pray

that this unimaginably cruel, bloodthirsty, and calculated attack will not succeed in the objective of destroying prospects for peace.●

THE 60TH ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. GILMAN. Mr. Speaker, the 60th anniversary of Lithuanian independence has come and gone. However, it is important to acknowledge this brave nation's struggle over the years for freedom and the basic human rights that we, in the free world, enjoy so readily. Lithuania's people today, as in the past, are a living, breathing symbol of a desire for liberty that has gone unfulfilled for all too many years.

Except for a 22-year period between 1918 and 1940, Lithuanians have experienced few individual human rights. However, from the time of their independence in 1918 under the Treaty of Brest-Litovsk until reoccupation by the Soviet Union in 1940, Lithuania attempted to build a free and prosperous state. Just as she was on the brink of launching herself freely and independently, Lithuania had her liberty taken away right out from under her. This makes the extremely difficult struggles that the Lithuanian people have gone through all the more bitter and frustrating. To have tasted freedom and lose it all too quickly, particularly to the same country who had dominated her under the czars, made the new loss of independence all the more painful.

It is most unfortunate that Lithuania is not able to truly celebrate this most important 60th anniversary as a nation experiencing liberty and the individual human rights that symbolize the occasion. At a time when our Nation, a keystone of the free world, is attempting to strengthen our commitment for the basic rights of all human beings, it is imperative that we reaffirm our promise to all captive nations to continue our advancement of free and independent ideals for all people. We, as a nation, must never sanction the denial of simple individual liberty to Lithuanians, or any person in any captive land.

Let us not wait till we mark the occasion of our country's own independence to think about what Lithuania, and the other nations under Soviet domination, sacrifice and struggle with each and every day. Experiencing the freedoms that we, as Americans, do should only heighten our admiration for the Lithuanian people's fierce determination to regain the cherished ideals of liberty and independence. The historic preservation by Lithuanians in this country of their own personal rich ethnic culture, marked by unparalleled courage and resiliency, only reinforces this admiration. Adding to our recognition of this courage must be the observation that it seems the greater the denial of rights that the Lithuanian people must endure, the greater their determination to regain those rights becomes. The flames of their desires for dignity and independence burn ever brighter in the face of unwaivering oppression.

As we exercise our duties to preserve our proper place in the free world, let us pray for the eventual addition of Lithuania to the roster of free nations.

In congratulating Lithuania at this special time, let us hope that one day her people may experience once again the joy of liberation they had for an all too short 22-year period. We must keep alive the hope that Lithuania will someday be a part of the free world with all the dignity and human rights her people deserve.●

ROBERT EMMET'S FAREWELL ADDRESS

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. BURKE of Massachusetts. Mr. Speaker, we all know that tomorrow is the day which is near and dear to the hearts of all Irishmen and Irishwomen. I thought that it would be very appropriate, considering the occasion, to present to my colleagues the most eloquent speech ever made in defense of human rights. It was naturally made by an Irishman, the noble patriot Robert Emmet. Emmet gave his life in defense of his countrymen against an oppressive foreign government, and his justification for his actions is one which should stir the hearts of Irish and non-Irish alike.

I call particular attention to the final few lines of Emmet's valiant speech; for they are most timely in this era of our focus on human rights. Robert Emmet was an Irishman, but he was also a man for all people:

SPEECH OF ROBERT EMMET, BEFORE RECEIVING SENTENCE OF DEATH

MY LORDS,—what have I to say that sentence of death should not be passed on me according to law? I have nothing to say that can alter your predetermination, nor that will become me to say, with any view to the mitigation of that sentence which you are here to pronounce, and I must abide by. But I have that to say, which interests me more than life, and which you have labored (as was necessarily your office in the present circumstances of this oppressed country) to destroy. I have much to say, why my reputation should be rescued from the load of false accusation and calumny which has been heaped upon it. I do not imagine that, seated where you are, your minds can be so free from impurity as to receive the least impression from what I am going to utter. I have no hopes that I can anchor my character in the breast of a Court constituted and trammelled as this is. I only wish, and it is the utmost I expect, that your lordships may suffer it to float down your memories untainted by the foul breath of prejudice, until it finds some more hospitable harbor to shelter it from the storm by which it is at present buffeted.

Were I only to suffer death, after being adjudged guilty by your tribunal, I should bow in silence, and meet the fate that awaits me without a murmur; but the sentence of the law which delivers my body to the executioner, will, through the ministry of that law, labor in its own vindication to consign my character to obloquy; for there must be guilt somewhere, whether in the sentence of the Court or in the catastrophe, posterity must determine. A man in my situation, my lords, has not only to encounter the difficulties of fortune, and the force of power over minds which it has corrupted or subjugated, but the difficulties of established prejudice; the man dies, but his memory lives. That mine may not perish—that it may live in the respect of my countrymen, I seize upon this opportunity to vindicate myself from some of the charges alleged against me. When my spirit shall have wafted to a more friendly port—when my shade shall have joined the bands of those martyred heroes who have shed their blood on the scaffold and in the field, in defence of their country and of virtue, this is my hope—I wish that my memory and name may animate those who survive me, while I look down with complacency on the destruction of that perfidious government which upholds its domination by the blasphemy of the Most High; which displays its power over man as over the beasts of the forest; which sets man upon his brother, and lifts his hand in the name of God, against the throat of his fellow who believes or doubts a little more than the government standard—a government steeled to barbarity by the cries of the orphans and the tears of the widows which it has made.

[Here Lord Norbury interrupted Mr. Emmet; saying, that the mean and wicked enthusiasts who felt as he did were not equal to the accomplishment of their wild designs.]

I appeal to the Immaculate God. I swear by the throne of Heaven—before which I must shortly appear—by the blood of the murdered patriots who have gone before me, that my conduct has been, through all this peril and through all my purposes, governed only by the convictions which I have uttered, and by no other view than that of their cure, and the emancipation of my country from the superinhuman oppression under which she has so long and too patiently travailed; and I confidently and assuredly hope that wild and chimerical as it may appear, there is still union and strength in Ireland to accomplish this most noble enterprise.

Of this I speak with the confidence of immense knowledge, and with the consolation that appertains to that confidence. Think not, my lords, I say this for the petty gratification of giving you a transitory uneasiness; a man who never yet raised his voice to assert a lie will not hazard his character with posterity by asserting a falsehood on a subject so important to his country, and on an occasion like this. Yes, my lords, a man who does not wish to have his epitaph written until his country is liberated, will not leave a weapon in the power of envy, nor a pretence to impeach the probity which he means to preserve even in the grave to which tyranny consigns him.

[Here he was again interrupted by the Court.]

Again, I say, what I have spoken was not intended for your lordships, whose situation I commiserate rather than envy—my expressions were for my countrymen; if there is an Irishman present, let my last words cheer him in the hour of affliction.

[Here he was again interrupted. Lord Norbury said he did not sit there to hear treason.]

I have always understood it to be the duty of a judge, when a prisoner has been convicted, to pronounce the sentence of the law; I have also understood the judges sometimes think it their duty to hear with patience, and to speak with humanity, to exhort the victims of the laws, and to offer with tender benignity their opinions of the motives by which he was actuated in the

crime of which he was adjudged guilty. That a judge has thought it his duty so to have done, I have no doubt; but where is the boasted freedom of your institutions? Where is the vaunted impartiality, clemency, and mildnesses of your courts of justice, if an unfortunate prisoner, whom your policy, and not your justice, is about to deliver into the hands of the executioner, is not suffered to explain his motives sincerely and truly, and to vindicate the principles by which he was actuated?

My lords, it may be a part of the system of angry justice to bow a man's mind by humiliation to the proposed ignominy of the scaffold—but worse to me than the proposed shame, or the scaffold's terrors, would be the shame of such foul and unfounded imputations as have been laid against me in this Court. You, my lord, are a judge; I am the supposed culprit; I am a man, you are a man also; by a revolution of power we might change places, though we never could characters. If I stand at the bar of this Court, and dare not vindicate my character, what a farce is your justice! If I stand at this bar and dare not vindicate my character, how dare you calumniate it? Does the sentence of death, which your unhallowed policy inflicts on my body, also condemn my tongue to silence and my reputation to reproach? Your executioner may abridge the period of my existence, but whilst I exist I shall not forbear to vindicate my character and motives from your aspersions; and as a man, to whom fame is dearer than life, I will make the last use of that life in doing justice to that reputation which is to live after me, and which is the only legacy I can leave to those I honor and love, and for whom I am proud to perish.

As men, my lords, we must appear on the great day at one common tribunal, and it will then remain for the Searcher of all hearts to show a collective universe, who was engaged in the most virtuous actions or attached by the purest motives—by the country's oppressors, or—

[Here he was again interrupted, and told to listen to the sentence of the law.]

My lords, will a dying man be denied the legal privilege of exculpating himself in the eyes of the community of an undeserved reproach thrown upon him during his trial, by charging him with ambition, and attempting to cast away, for a paltry consideration, the liberties of his country? Why did your lordships insult me? or rather, why insult justice in demanding of me why sentence of death should not be pronounced? I know, my lord, that form prescribes that you should ask the question—the form also prescribes the right of answering. This, no doubt, may be dispensed with, and so might the whole ceremony of the trial, since sentence was already pronounced at the Castle before the jury was empanelled. Your lordships are but the priests of the oracle, and I submit; but I insist on the whole of the forms.

[Here the Court desired him to proceed]

I am charged with being an emissary of France. An emissary of France! and for what end? It is alleged I wish to sell the independence of my country! and for what end? Was this the object of my ambition?—and is this the mode by which a tribunal of justice reconciles contradictions? No, I am no emissary; and my ambition was to hold a place among the deliverers of my country—not in power, not in profit, but in the glory of the achievement. Sell my country's independence! and for what? Was it for a change of masters? No, but for ambition! Oh, my country! was it personal ambition that could influence me? Had it been the soul of my actions, could I not, by my education and fortune—by the rank and consideration of my family—have placed myself among the proudest of my oppressors? My country was my idol; to it I sacrificed every selfish, every endearing sentiment, and for it I now offer up my life. O God! No, my lord; I acted as an Irishman, determined on delivering his country from the yoke of a domestic faction, which is its joint partner and perpetrator in the parricide, for the ignominy of existing with an exterior of splendor and a conscious depravity: it was the wish of my heart to extricate my country from the doubly-riveted despotism. I wished to place her independence beyond the reach of any power on earth—I wished to exalt her to that proud station in the world.

Connections with France were indeed intended—but only as far as mutual interest would sanction or require. Were they to assume any authority inconsistent with the purest independence, it would be the signal for its destruction; we sought aid, and we sought it as we had assurance we should obtain it—as auxiliaries in war, and allies in peace.

Were the French to come as invaders or enemies, uninvited by the wishes of the people, I should oppose them to the utmost of my strength. Yes, my countrymen, I should advise you to meet them on the beach with a sword in one hand and a torch in the other; I would meet them with all the destructive fury of war, and I would animate my countrymen to immolate them in their boats, before they had contaminated the soil of my country. If they succeeded in landing, and if forced to retire before superior discipline, I would dispute every inch of ground, burn every blade of grass, and the last entrenchment of liberty should be my grave. What I could not do myself, if I should fail, I should leave as a last charge to my countrymen to accomplish, because I should feel conscious that life any more than death is unprofitable when a foreign nation holds my country in subjection.

But it was not an enemy that the succors of France were to land. I looked indeed for the succors of France; but I wished to prove to France and to the world, that Irishmen deserved to be assisted; that they were indignant at slavery, and ready to assert the right and independence of their country.

I wished to procure for my country the guarantee which Washington procured for America. To procure an aid which by its example would be as important as its valor—disciplined, gallant, pregnant with science and experience; who would perceive the good, and polish the rough points of our character; they would come to us as strangers and leave us as friends, after sharing our perils and elevating our destiny. These were my objects—not to receive new taskmasters, but to expel old tyrants. These were my views, and these only became Irishmen. It was for these ends I sought aid from France, because France, even as an enemy, could not be more implacable than the enemy already in the bosom of my country.

[Here he was interrupted by the court.]

I have been charged with that importance in the efforts to emancipate my country as to be considered the keystone of the combination of Irishmen, or, as your lordship expressed it, "the life and blood of the conspiracy;" you do me honor over much; you have given to the solution all the credit of a superior. There are men engaged in the conspiracy who are not only superior to me, but even to your own estimation of yourself, my lord; before the splendor of whose genius and virtues I should bow with respectful deference, and who would think themselves dishonored to be called your friends; who would not disgrace themselves by shaking your blood-stained hand.

[Here he was interrupted.]

What, my lord! shall you tell me on the passage to that scaffold, with the tyranny of which you are only the intermediary executioner has erected for my murder, that I am accountable for all the blood that has and will be shed in this struggle of the oppressed against the oppressor? Shall you tell me this, and shall I be so very a slave as not to repel it?

I do not fear to approach the Omnipotent Judge, to answer for the conduct of my whole life, and am I to be appalled and falsified by a mere remnant of mortality here? By you, too, who, if it were possible to collect all the innocent blood that you have shed in your unhallowed ministry, in one great reservoir, your lordship might swim in it.

[Here the Judge interfered.]

Let no man dare, when I am dead, to charge me with dishonor; let no man attaint my memory, by believing that I could have engaged in any cause but of my country's liberty and independence, or that I became the pliant minion of power in the oppression of the miseries of my countrymen. The proclamation of the Provisional Government speaks for our views; no inference can be tortured from it to countenance barbarity or debasement at home, or subjection, humiliation, or treachery from abroad. I would not have submitted to a foreign oppressor for the same reason that I would resist the present domestic oppressor. In the dignity of freedom, I would have fought on the threshold of my country, and its enemy should only enter by passing over my lifeless corpse. And am I, who lived but for my country, and who have subjected myself to the dangers of a jealous and watchful oppressor and the bondage of the grave, only to give my countrymen their rights, and my country her independence—am I to be loaded with calumny, and not suffered to resent or repel it? No, God forbid!

If the spirits of the illustrious dead participate in the concerns and cares of those who are dear to them in this transitory life, O ever dear and venerable shade of my departed father, look down with scrutiny upon the conduct of your suffering son, and see if I ever for a moment deviated from those principles of morality and patriotism which it was your care to instill into my youthful mind, and for which I am now to offer up my life.

My lords, you are impatient for the sacrifice—the blood which you seek is not congealed by the artificial terrors that surround your victim; it circulates warmly and unruffled through the channels which God created for nobler purposes, but which you are bent to destroy for purposes so grievous that they cry to Heaven. Be ye patient! I have but a few words to say. I am going to my cold and silent grave; my lamp of life is nearly extinguished; my race is run; the grave opens to receive me, and I sink into its bosom! I have but one request to ask at my departure from this world; it is the charity of its silence! Let no man write my epitaph; for as no man who knows my motives dare now vindicate them, let not prejudice or ignorance asperse them. Let them and me repose in obscurity and peace, and my tomb remain uninscribed, until other times and other men can do justice to my character. When my country takes her place among the nations of the earth—then, and not till then—let my epitaph be written. I have done.●

CHALLENGES FACING OUR SCHOOLS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. DERWINSKI. Mr. Speaker, Chicago's WBBM Radio 78 has a very spirited, imaginative, and respected edi-

torial policy. In a hard-hitting editorial, broadcast on March 6, WBBM addressed the fundamental challenges facing our schools. The editorial follows:

BASICS OF EDUCATION

When we heard last week about President Carter's proposal to increase the federal funding for education by nearly twenty-five percent we had mixed emotions. At first it seemed like a terrific thing to do because, after all, there is hardly a cause more worthy of tax dollars than the education of our nation's children. The President obviously realizes they are the country's greatest natural resource and that's why he wants to see this money spent upgrading their basic reading, writing and math skills.

We certainly don't object to the idea of channeling more federal money into an effort to improve the youngsters' basic learning skills, but it raises a red flag that should cause all of us to take a closer look at the problem. What on earth is wrong with the educational process in this country, particularly in the cities? How could it have deteriorated to the point where the federal government has to pour additional millions of dollars into school systems because they have failed to teach children how to read, write and add? And why have parents allowed this to happen?

The federal money may help. But it seems to us that the real help must come from the basic source: The combined efforts of school administrators, teachers, parents and the children themselves. If they can work together, as some are learning to do in Chicago, to promote education as the essential thing it is, they can upgrade the quality of education. If they don't, no amount of federal money can help.

That's our opinion. We'd welcome a reply.●

NATIONAL PORT WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. MURPHY of New York. Mr. Speaker, I am pleased to introduce today legislation with our first 50 cosponsors for "National Port Week." The initial response by my colleagues demonstrates that they recognize the importance our ports have in expanding our national development. Presently, our ports spend substantial amounts of money on Federal requirements for environmental protection, employee health and safety, and cargo security. These are social and economic benefits which all Americans derive from port activities.

I thank these Members for their support and look forward to my other colleagues joining us in cosponsoring joint resolutions authorizing the President to proclaim the week of September 17, 1978 as "National Port Week." The list of our first 48 cosponsors follows:

Mr. JOHNSON of California; Mr. ADDABBO; Mr. AKAKA; Mr. ANDERSON of California; Mr. BEVILL; Mr. BONIOR; Mr. BONKER; Mr. BURGENER; Mr. PHILLIP BURTON; Mr. CARNEY; Mr. CLAY; Mr. CORRADO; Mr. D'AMOURS; Mr. DAVIS; Mr. DE LA GARZA; Mr. DE LUGO; Mr. DORNAN; Mr. EILBERG; Mr. FREY; Mr. GINN; Mr. HEFTEL; Ms. HOLTZMAN; Mr. HUGHES; Mr. JENRETTE; Mr. KAZEN; Mr. KETCHUM; Mr. LAGOMARSINO; Mr. LLOYD of California; Mr. LONG of Maryland; Mr. LOTT; Mr. MCCORMACK; Mr. MARKS; Mr. MITCHELL of Maryland; Mr. MICHAEL O. MYERS; Mr. NOWAK; Mr. OBERSTAR; Mr. RAHALL; Mr. ROBERTS; Mr. ROONEY; Mr. ROSENTHAL; Mr. ROSTENKOWSKI; Mr. TRIBLE; Mr. WEAVER; Mr. WHITEHURST; Mr. BOB WILSON; Mr. WOLFF; Mr. YOUNG of Alaksa, and Mr. ZEFERETTI.●

OTA STUDY OF ALTERNATE ENERGY STRATEGIES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. OTTINGER. Mr. Speaker, along with my distinguished colleague from Maryland, Mr. LONG, I have today introduced legislation to direct the Office of Technology Assessment to conduct a major study of alternative energy strategies.

This proposal addresses itself to such questions as: Where are our present energy policies and programs taking us? Where would alternatives to those policies likely lead? If we should so decide, how would we change course?

For the past few years now, we have been seeking ways to produce energy in order to reduce our dependence upon oil and natural gas. I have become firmly convinced that our Nation can produce all of the energy it needs to grow and prosper from a number of different sources. Our attention must now also be turned toward the consequences of our energy programs and policies. The real question is no longer how to produce energy, but what economic, social, and environmental price are we going to pay.

The truth of the matter is that the policies put into effect in the next few years by the Federal Government will largely shape the future of our people. Because energy supply patterns were critically important to past growth, it is difficult to imagine a future in which the same will not also be true.

The joint resolution which we introduced today directs OTA to formulate, analyze, evaluate, and compare a broad and diverse spectrum of energy scenarios for the short-, mid- and long-term future. A scenario is a sketch of a technically possible future based upon a specific combination of assumed policy and technology goals and trends.

Nine scenarios are specified, ranging from intensive synthetic fuel development and enhanced oil recovery to maximum solar energy utilization. OTA is authorized to consider other possible futures, as they feel necessary. The scenarios span a range of growth patterns in energy use commonly associated with the supply options espoused by various political, scientific, and social groups.

The real heart of the proposal, however, is not in scenario modeling. In fact, OTA is directed to use existing scenario work where appropriate. The major purpose of this proposal is to answer the questions raised by sections 2 and 3; respectively, strategic planning and energy impact analysis.

These sections would provide Congress with a comprehensive social benefit/social cost analysis of alternative levels of energy growth of all relevant energy systems. Such an analysis would consider a broad list of economic, social, and environmental factors as well as the interrelationships between the energy systems themselves, for example, does accelerated coal development mean retarded nuclear development, what secondary impacts are generated due to such conflicts, and so forth.

The study which we are calling for today would provide Congress with the information necessary to make the debate over various energy paths one of intelligence and reason, rather than a contest between myths and propaganda.

During the extensive work which went into preparing this resolution, I requested comments from OTA regarding the appropriatness of this proposal. Former Acting Director, Daniel DeSimone, stated:

Enclosed is a list of studies of which we are aware. Within some of these studies are individual scenarios similar to one or more of those in the proposed resolution. However, in none of the studies are we aware of a focus on developing a series of policies to implement given strategies, assessing the impacts of the policies for each strategy and comparing the strategies so that national policy-makers can consider them.

An identical resolution has been introduced in the Senate by Senator WENDELL ANDERSON, along with Senators HART, BUMPERS, PERCY and CASE. Inquiries and cosponsorship requests about this proposal are being handled by Karl Gawell, telephone: 225-6506.

There being no objection, I ask that the text of this resolution follow my comments in the RECORD:

H.J. Res. 800

Joint resolution to direct the Office of Technology Assessment to undertake a comprehensive evaluation of energy policy alternatives

Whereas, the strength and stability of our economy, the nature and quality of employment opportunities, the latitude which the Nation will have in pursuing an independent foreign policy, the choices which individuals will have in styles of living, the degree of Federal control over private decisions, the quality of the natural environment, and the security and welfare of the Nation in the immediate and indefinite future will be affected by the energy policy choices of the Federal Government;

Whereas, previous Federal studies of our energy options are inadequate for the responsible formulation of public policy because they do not consider or adequately resolve a number of issues which are crucial to the determination of such policy, including the extent to which our Nation can reduce its growth in energy consumption and sustain balanced economic growth, the maximum and minimum of our strategic energy supply and demand options, the trade-offs which may be necessary in the future between environmental and energy goals, and the measures which would be necessary if for any reason the development of a key technology was constrained; and

Whereas, each plausible pattern of energy supply and demand development should be closely examined and compared systematically, and the potential impact and costs of the corresponding strategies of the Federal Government should be thoroughly evaluated before making a commitment to an energy policy which may be irrevocable and which may have widespread and long-lasting repercussions: Therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

STUDY

SECTION 1. The Office of Technology Assessment is hereby authorized and directed to study energy strategies and prepare and transmit to the Congress—

(1) within 9 months of the date of the enactment of this resolution, an interim report of its preliminary findings together with a summary of actions to be taken under this resolution; and

(2) within 18 months of such date of enactment, a final report in accordance with section 2 of this resolution.

CRITERIA

SEC. 2. (a) The report under section 1(2) of this resolution shall include detailed formulations, evaluations, and comparisons of a full range of energy policy strategies for the short-, mid-, and long-term future. Such strategies shall include—

(1)(A) one strategy based on a set of assumptions associated with (i) a level of gross national energy use of approximately 140 quads per year in the year 2000 and (ii) a maximum use of synthetic fuels and enhanced oil recovery techniques,

(B) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) intensive electrification, and

(C) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) rapid energy self-sufficiency,

(2)(A) one strategy based on a set of assumptions associated with (i) a level of gross national energy use of approximately 110 quads per year in the year 2000 and (ii) maximum use of solar energy,

(B) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) limited use of power derived from coal, and

(C) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) rapid energy self-sufficiency; and

(3)(A) one strategy based on a set of assumptions associated with (i) a level of gross national energy use of approximately 80 quads per year in the year 2000 and (ii) maximum use of solar energy.

(B) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) a phaseout of nuclear power, and

(C) one strategy based on a set of assumptions associated with (i) such a level of energy use and (ii) rapid energy self-sufficiency.

(b) Strategies contained in such report—

(1) in the case of strategies described in paragraph (3) of subsection (a), shall be designed to conform energy equipment to end-use needs with respect to scale, geographic distribution, and energy quality;

(2) in the case of strategies described in paragraphs (1)(C), (2)(C), and (3)(C) of subsection (a), shall assume a cessation of imports of fossil fuels into the United States on or before January 1, 2000;

(3) in the case of the strategy described in paragraph (2)(B) of subsection (a), shall assume that the use of coal for producing power will not increase over the approximate level of use during 1990;

(4) in the case of the strategy described in paragraph (3)(B) of subsection (a), shall assume a cessation of use of nuclear powerplants within the United States on or before January 1, 2020; and

(5) in the case of each strategy described in subsection (a), shall specify the gross primary and delivered energy use per year within the United States, including the source, technology, and end use with respect to such energy.

(c) The report under subsection (a) shall include a strategic implementation plan corresponding to each strategy which shall include findings of—

(1) the principal institutional characteristics of commercially operating start-up, transitional, and full scale industries for each emerging technology;

(2) the policy options to meet commercialization requirements, estimating cost to the Government, timing, and rate of market penetration;

(3) the policy options to remove or mitigate actual or potential implementation barriers;

(4) the existing capacity for the manufacture of energy (and supporting) equipment and lead times necessary for the development of additional capacity;

(5) the possible roles of State and local governments and actions required by them to achieve the goals of each alternative; and

(6) the necessary Federal energy research, development, and demonstration program, including an estimate of the technology priorities, reorientation requirements, and budget level.

(d) The report under subsection (a) shall include analyses, evaluations, and comparisons of the international, national, and (as appropriate) regional and local impacts of each strategy with respect to—

(1) national security;

(2) economic prosperity (especially concerning growth, stability, resource availability, employment, income distribution, inflation, corporate profits, and balance of payments);

(3) environmental quality (especially concerning air and water pollution, solid wastes, and climate);

(4) social welfare and organization (especially concerning equity in sharing costs and benefits of energy programs, health and safety, occupational displacement, industrial infrastructure, and individual lifestyles);

(5) land use (especially concerning agriculture and urban design);

(6) politics (especially concerning interest groups which stand to gain or lose as the result of a particular energy strategy or any portion thereof);

(7) international economic development and stability; and

(8) any other aspect which the Office of Technology ssessment may deem to be relevant to the purposes of the report.

(e) The Office of Technology Assessment is directed to select and utilize the best available methodological, analytical, and evaluative techniques, and to include in the report under subsection (a) explanations of and justifications for the methodological, technical, environmental, economic, demographic, social, institutional, and other assumptions made in carrying out the provisions of this resolution.

(f) In preparing the report under this subsection, the Office of Technology Assessment shall use, to the extent it considers appropriate, information and analyses from any qualified source. Any such use shall be subject to the requirements of subsection (e).

DEFINITIONS

SEC. 3. For purposes of this resolution—

(1) the term "nuclear power" means power derived from the application of fission technologies;

(2) the term "quad" means one quadrillion British thermal units;

(3) the terms "short-, mid-, and long-term future" means the date of the adoption of this resolution through 1985, 1986 through 2000, and after 2000, respectively;

(4) the term "solar energy" includes all the meanings and technologies included within the definition of that term in section 3(1) of the Solar Energy Research, Development, and Demonstration Act of 1974 (88 Stat. 1431; 42 U.S.C. 5552) and also within the definitions of the terms "solar heating", "solar heating and cooling", and "combined solar heating and cooling" in sections 3 (1) and (2) of the Solar Heating and Cooling Demonstration Act of 1974 (88 Stat. 1070; 42 U.S.C. 5502); and

(5) the term "synthetic fuels" includes fuels derived from coal, oil shale, or biomass.

APPROPRIATIONS AUTHORIZATION

SEC. 4. There is hereby authorized to be appropriated such sums, not to exceed $2,000,000, as may be necessary to carry out the provisions of this resolution.●

TAX EXCLUSION FOR NATIONAL RESEARCH SERVICE AWARDS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

Mr. CARTER. Mr. Speaker, today I am introducing legislation to clarify present tax law to provide a permanent tax exclusion for National Research Service Awards, which are federally funded awards to support biomedical and behavioral research training at both the predoctoral and postdoctoral levels. The National Research Service Awards program, which is authorized under section 472 of the Public Health Service Act, by title I of Public Law 93–348, represents the continuation of a longstanding congressional commitment of almost 50 years to provide Federal support for research training.

Under this program, the Secretary of HEW is directed to make awards to predoctoral and postdoctoral individuals and to institutions training such individuals. In fiscal year 1977, approximately 9,000 people received research training support under the National Research Service Awards program for a total of about $114 million. Awards were made through the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, and the Nursing Division of Health Resources Administration.

In return for such support, the award recipients are required to fulfill a service obligation, usually by engaging in research or teaching for 1 year for each year of support. In the past, recipients of research training stipends who were doctoral degree candidates have been allowed to exclude their awards from taxable income. Postdoctoral recipients of awards have been permitted to exclude up to $300 per month for a maximum of 36 months.

However, a recent Internal Revenue Service ruling has drastically affected the tax status of these awards. The IRS ruled in September 1977, that all research stipends paid under the National Research Service Awards Act of 1974 were and are fully taxable, thus imposing tax liability retroactively to 1974.

Recent testimony before the Health and Environment Subcommittee on which I serve has drawn attention to this problem and has documented the serious detrimental impact of this ruling on the future viability and attractiveness of the NRSA program. Moreover, it has been estimated that as many as 11,500 award recipients will have to pay unexpected retroactive taxes, unless Congress acts to amend the law. Clearly continuation of this new tax policy would impose a severe hardship on all recipients of these awards, and would undermine future recruitment efforts. To my knowledge, Congress did not intend to tax these awards when it established the program.

The legislation I am introducing would treat National Research Service Awards as tax-free scholarships or fellowships under section 117 of the Internal Revenue Code of 1954, which generally excludes such amounts from gross income, and thus from taxation. The effect of this bill would be to allow predoctoral award recipients to exclude the entire amount of their awards from gross income, as the law currently allows for most other scholarships programs. Also, the bill would allow postdoctoral award recipients to exclude up to $300 per month for a maximum of 36 months, as was the case under previous research training authority.

Mr. Speaker, the National Research Service Award program fills a unique and important national need, and I am deeply concerned that its future viability is threatened by this tax ruling I have described. Our Nations' continued excellence in the worldwide biomedical and behavioral research community depends upon a strong research training program. I urge adoption of the approach embodied in this legislation so that we can effectively carry out our commitment to attract and train outstanding researchers.●

TRAGEDY IN THE MIDDLE EAST

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Ms. OAKAR. Mr. Speaker, I am appalled and saddened by the recent violence and tragedy in the Middle East. Clearly, it was outrageous that certain Palestinian terrorists brutally killed 35 innocent civilians. This senseless killing is what we are told motivated the massive Israeli attack on southern Lebanon which devastated five villages and killed hundreds of people, including the senseless killing of civilians. The killing of these innocent men, women, and children in both instances is inexcusable and abhorrent. Our Government cannot remain silent. It is our obligation in our quest for human rights and dignity to speak out. We should let the world know that violence as a means will never insure a peaceful end.●

ERIN GO BRAGH

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. FOWLER. Mr. Speaker, tomorrow throughout the world those of Irish descent are celebrating one of our most glorious holidays, St. Patrick's Day. To Irishmen everywhere I say "Slinte" and request that this poem by William Butler Yeats be placed in the RECORD so that we may all appreciate the beauty that is Ireland.

TO IRELAND IN THE COMING TIMES

Know, that I would accounted be
True brother of a company
That sang, to sweeten Ireland's wrong,
Ballad and story, rann and song;
Nor be I any less of them,
Because the red-rose-bordered hem
Of her, whose history began
Before God made the angelic clan,
Trails all about the written page.
When Time began to rant and rage
The measure of her flying feet
Made Ireland's heart begin to beat;
And Time bade all his candles flare
To light a measure here and there;
And may the thoughts of Ireland brood
Upon a measured quietude.

Nor may less be counted one
With Davis, Mangan, Ferguson,
Because, to him who ponders well,
My rhymes more than their rhyming tell
Of things discovered in the deep,
Where only body's laid asleep.
For the elemental creatures go
About my table to and fro,
That hurry from unmeasured mind
To rant and rage in flood and wind;
Yet he who treads in measured ways
May surely barter gaze for gaze.
Man ever journeys on with them
After the red-rose-bordered hem.
Ah, faeries, dancing under the moon,
A Druid land, a Druid tune!

While still I may, I write for you
The love I lived, the dream I knew.
From our birthday, until we die,
Is but the winking of an eye;
And we, our singing and our love,
What measurer Time has lit above,
And all benighted things that go
About my table to and fro,
Are passing on to where may be,
In truth's consuming ecstasy,
No place for love and dream at all;
For God goes by with white footfall.
I cast my heart into my rhymes,
That you, in the dim coming times,
May know how my heart went with them
After the red-rose-bordered hem.●

SEVENTY PERCENT OF AMERICANS FAVOR A VOTE BY THE HOUSE OF REPRESENTATIVES ON THE GIVE-AWAY OF THE PANAMA CANAL

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. HANSEN. Mr. Speaker, I have just been informed of the results of a nationwide poll conducted by the Opinion Research Corp. of Princeton, N.J., from February 24 to February 27. Seventy percent of those Americans surveyed said that because of the clear-cut prerogatives contained in article IV of the U.S. Constitution, the House of Representatives should be involved in voting on whether or not to give away the Panama Canal. Only 17 percent of those surveyed did not favor a House vote.

The Senate Judiciary Subcommittee on Separation of Powers recently issued a report concluding that—

> Having studied thet issue of the authority of Congress to dispose of territory or property belonging to the United States as set forth in Article IV, Section 3, Clause 2 of the Constitution, (the Committee) finds that the said power of Congress is exclusive and that the Constitution requires that Congress (both Houses) authorize, by the enactment of appropriate legislation, any disposition of the property of the United States in the Isthmus of Panama.

To reaffirm these constitutional prerogatives I have introduced House Concurrent Resolution No. 345, which presently has 231 cosponsors, representing 47 States which is designed to prevent the transfer of any rights or title in the Canal Zone without an act of Congress. Other Members have also introduced resolutions similar to mine.

In view of the current Senate deliberations on the canal treaties, it is imperative that the will of the House, which has been consistently expressed on a score of previous occasions with respect to the disposition of U.S. property, be properly exercised again. Therefore, to my colleagues I say if you have not already cosponsored, I urge you to take this opportunity to be included among those of us who are asserting that only an act of Congress, involving both the House and the Senate, may dispose of the Canal Zone and related property.

My resolution calls for one thing—a chance for the House as well as the Senate to vote "yes" or "no" on transfer of canal property. This is a constitutional issue and not one of partisan politics. It is our duty as the elected representatives of the people to assure that their voice is heard. The Constitution calls for it—now we must assert ourselves and demand it. Our stand must be perfectly clear to the President and all of America—we cannot accept a transfer of a major U.S. asset without House as well as Senate consent. Neither can we permit the payment of major sums of money to Panama without explicit appropriations authority from the Congress as outlined in article I.

My resolution is currently before the Merchant Marine and Fisheries Commit-

tee and variations have been introduced and referred to the Armed Services and Veterans' Affairs Committees. The legislation which is in the Armed Services Committee is cosponsord by 33 of the 41 committee members, including the chairman and the ranking minority member, all Republicans and over half of the Democrats. The resolution in Merchant Marine Committee is cosponsored by 26 of the 41 members including the chairman and the ranking minority member and all Republicans and nearly half of the Democrats.

The bill, referred to the Veterans' Affairs Committee, introduced to prevent arbitrary and precipitous action, came as a result of information which I recently obtained revealing that 4,903 U.S. citizens, 909 of whom are veterans, are interred in the two cemeteries located within the Canal Zone. The administration has admitted to overlooking the disposition of the cemeteries in the negotiating of the proposed treaties. The Panamanians have said that they would prefer that all U.S. graves be consolidated in one cemetery. The administration which had loudly contended that no funds would need be appropriated to implement the Panama Canal giveaway has now conceded that there will be a cost, and in this one unforeseen project alone the expense will be approximately $350,000 to move some 1,500 graves from Mt. Hope Cemetery to Corozal Cemetery. This request has not been presented to the House Veterans' Affairs Committee.

Mr. Speaker, to further elaborate on matters of title and cost I include for the RECORD a paper prepared for the Merchant Marine and Fisheries Committee by Mr. W. M. Whitman concerning U.S. property in the Canal Zone. This material is extremely valuable in any considerations of the Panama Canal issue and I commend it highly to my colleagues:

PROPERTY OF THE UNITED STATES IN THE CANAL ZONE

Property of the United States in the Canal Zone includes 647 square miles of land and land under water and improvements acquired at a total cost of $1.6 billion, of which about $171 million represents the cost of the real property and about $1.4 billion represents the cost of improvements, principally the waterway and its adjuncts.

Real property—Title to the real property in the Canal Zone was acquired through (1) purchase of the assets of the French Canal Company, including 98% of the capital stock of the Panama Railroad; (2) grants by Panama in the 1903 treaty of Panama's reversionary rights in the real property owned by the French Canal Company and Panama Railroad Company, as well as grants in perpetuity of the use, occupation and control of other land in the Canal Zone for construction and operation of a transisthmian canal; and (3) purchase or expropriation pursuant to the 1903 treaty of the interests of private owners or claimants to real property in the Canal Zone.

Real property of French Canal Company—The real property acquired by purchase of the assets of the French Canal Company included (1) fee titles to land purchased from private owners by the Company; and (2) the usufruct of public lands granted to the Company by the Republic of Colombia in 1878 by a concessionary contract for construction of a ship canal across the Isthmus of Panama (Wyse Concession). Under the terms of the concession, the lands granted were to revert to Colombia 99 years after completion of the canal. Colombia's reversionary rights passed to Panama upon Panama's acquisition of sovereignty over the area, and as previously noted Panama granted such reversionary rights to the United States in the 1903 treaty. (Arts. VIII and XXII).

The area of the real property obtained through purchase of the assets of the French Canal Company, exclusive of Panama Railroad property was estimated in 1911 at 101 square miles. (Sen. Doc. No. 191, 62nd Con., 2nd Sess., Senate Committee on Interoceanic Canals, p. 256.)

The United States paid $40 million to the French Canal Company for its assets in 1904. Payments to Panama for the grants contained in the 1903 treaty include a lump sum payment of $10 million, annual payments through 1976 of $56.6 million, and transfers of real property with a total value of $34.7, a total of $101.3 million. In addition, the United States has paid to Colombia $25 million under a 1922 treaty for the settlement of differences arising out of the 1903 events involved in the construction of the canal in Panama. The total amount of all these payments is $166,289,686.

Panama Railroad Company.—The assets of the French Canal Company purchased by the United States in 1904 also included about 98% of the outstanding shares of stock of the Panama Railroad Company. The remaining stock was purchased from individual owners in 1905 for $150,000. The assets of the Panama Railroad Company in turn included the usufruct of public lands now included in the Canal Zone granted in 1850 by a concession from the Republic of New Granada (the predecessor of Colombia) for a period of 99 year ending August 16, 1966, full title to some 150,000 acres granted to the Railroad by the Republic of Colombia in 1866, and full title to lands on the Isthmus of Panama purchased from private owners. Article III of the 1903 treaty with Panama renounced and granted to the United States all rights, title and intrest in the lands or other property of the Panama Railroad Company, including reversionary rights which would have accured to Panama under the Panama Railroad Concession. In 1911, the area of land owned by the Panama Railroad Company in the Canal Zone was estimated at about 104 square miles. (Sen. Doc. No. 191, 62nd Cong., 2nd Sess., Hearing Senate Committee on Interoceanic Canals, p. 256.)

Private titles.—Articles II and VI of the 1903 treaty with Panama had the effect of authorizing the United States to purchase or expropriate privately owned land in the Canal Zone, and provided for payment by the United States of damages to owners of private lands as determined by a Joint Land ommission, provided for in Article XV.

Sec. 3 of the Panama Canal Act of August 24, 1912, now incorporated in section 331 of title 2 of the Canal Zone Code, authorized the President to declare by Executive Order that all land in the Canal Zone was needed for canal purposes and to extinguish all private title. Such an Executive Order was issued on December 5, 1912, and the Isthmian Canal Commission issued a notice of taking all privately owned lands in the Canal Zone, pursuant to the statute and Executive Order. In 1911 the area of land in the Canal Zone acquired by the United States by direct purchase or expropriation was estimated at about 83 square miles. (Sen. Doc. No. 191, 62nd Cong., 2nd Sess., p. 256)

The action of the oint Commission convened pursuant to Arts. VI and XV of the 1903 treaty on the claims of private owners based on the 1912 statute and Executive Order are set out in the final report of the Joint Commission.

The cost of acquisition of private titles to land in the Canal Zone is shown in the accounts of the Panama Canal Company as $4,728,889.

Improvements and other assets.—The acquisition cost of property other than real property, plant and equipment of the Panama Canal Company and Canal Zone Government is shown on the books of those agencies as $958,134,622. Other assets of the two agencies are valued at $103,913,359. (Annual Reports, Panama Canal Company and Canal Zone Government, 1976, pp. 26, 30, 138.) Appropriations for military construction in the Canal Zone from 1904 to 1974 are reported as $310,200,000, bringing the total original cost of U.S. Government property in the Canal Zone and the value of other assets to $1,062,047,971. (118 Cong. Rec. p. 13154; 120 Cong. Rec. p. 38294.)

The property, plant and equipment were acquired over the period 1904 to 1976 and the costs reflect the prices in effect at the time of acquisition. At 1976 prices the replacement cost would be several times greater. The Governor of the Canal Zone recently estimated that the replacement cost of the Panama Canal Company property, plant and equipment at today's prices would be about $3.5 billion. (Hearing, Committee on the Judiciary, Subcommittee on Separation of Powers, August 3, 1977.)

A significant element in the value of many of the properties of the Panama Canal Company is that they are elements of going business-type, revenue producing activities. The financial results of operation of such enterprises are set out in the Hearings of a subcommittee of the Committee on Appropriations on the Department of Transportation and Related Agencies Appropriations for 1978, at pages 686 et seq. A partial list of the categories of properties included in the total cost of property, plant and equipment is shown in Attachment 4.

PROPERTY OF THE UNITED STATES IN THE CANAL ZONE

Property	*Area*	*Cost*
Real property (sq. miles)	647	$171,018,575
Improvement and other assets:		
Panama Canal (1976)		1,062,047,971
Military construction (to 1974)		310,200,000
Total improvements		1,372,247,971
Total		1,543,266,546

REAL PROPERTY OF THE UNITED STATES IN THE CANAL ZONE

Derivation of Title or Interest

Type and Area Sq. Miles	
Fee titles from French Canal Company	101
Fee titles Panama Railroad Company	104
Private titles of miscellaneous owners	83
Usufruct in Public Lands of Republic of Panama	359
Total area	647

COST OF REAL PROPERTY OF THE UNITED STATES IN THE CANAL ZONE

Payments to	*Cost*
1. Republic of Colombia	$25,000,000
2. Republic of Panama	
Lump sum 1904	10,000,000
Annuity 1904–76	56,600,000
Property transfers	34,689,686
Total	101,289,686
3. New Panama Canal Company	40,000,000
4. Panama Railroad Company (included 3)	
5. Private titles	4,728,889
6. Public Lands (included, 1 & 2)	
Total cost	171,018,575

PROPERTY, PLANT AND EQUIPMENT OF PANAMA CANAL COMPANY AND CANAL ZONE GOVERNMENT

The property, plant and equipment of the two agencies include the following principal categories:

	Cost in millions
Panama Canal Company:	
Canal excavations, channels, etc.	$323.8
Locks	111.5
Vessel repair facilities	16.4
Dams and spillways	10.1
Marine bunkering facilities	9.2
Harbor terminals	19.5
Housing	52.2
Retail stores	11.4
Railroad	13.3
Electric power system	43.8
Water System	15.8
Communications system	8.6
Warehouses	2.2
Canal Zone Government:	
Schools	29.2
Roads, streets and sidewalks	21.5
Hospitals and clinics	17.3

●

COUNCILOR ROGER P. TACHE

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mrs. HECKLER. Mr. Speaker, the city of Fall River is fortunate to have among its newly elected councilors Roger P. Tache. I am honored to add my congratulations and best wishes to him, and am pleased to be able to count Roger as one of my dear friends.

Roger is a man who brings to the city council the benefits of his experience in both government and private industry. As an aide to our beloved former Governor and Ambassador John A. Volpe, Roger was noted for his integrity and his abilities. He is a man of proven compassion for his fellowman and has devoted endless hours of his time to the improvement of institutions such as the Fall River Home for the Aged, the Union-Truesdale Hospital, the American Cancer Society, and the Salvation Army.

He is certainly a man of deep commitment to the service of his community which is truly what politics is all about. As Andrew Oliver, a precolonial Lieutenant Governor of Massachusetts once said:

Politics is the most hazardous of all professions. There is not another in which a man can hope to do so much good for his fellow creatures. Neither is there any in which by a mere loss of nerve he may do so much widespread harm. Nor is there another in which he may so easily lose his soul. Nor is there another in which a strict and positive veracity is so difficult. But danger is the inseparable companion of honor and with all the temptations and degradations that beset it, politics is still the noblest career that any man may chose.

Roger Tache has chosen to add an unlimited dedication to the people of Fall River as a public portion of his career. In him the voters have made an admirable choice. I welcome Roger Tache as a colleague in Government and offer my warmest wishes to Roger and Nancy and the Tache family for every success in this important new phase of their lives.●

ALASKANS SUPPORT H.R. 39

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. UDALL. Mr. Speaker, the House Committee on Interior and Insular Affairs is currently completing debate and mark-up on H.R. 39, the "Alaskan National Interest Lands Conservation Act." This legislation is perhaps the most important conservation initiative since President Teddy Roosevelt created our great National Forests at the turn of the century. The widespread support this legislation has received is clearly documented in the committee's extensive hearing records. Well over 2,000 Americans from all walks of life testified at the various hearings scheduled throughout the "lower 48" and Alaska. Unfortunately, many opponents of this legislation have tried to convey the mistaken impression that a majority of Alaskans oppose this legislation. Nothing could be further from the truth; the following letter from Fairbanks Assemblyman Keven Harun should help set the record straight.

FAIRBANKS NORTH STARBOROUGH,
March 7, 1978.

DEAR CONGRESSMAN UDALL: I want to dispel accusations made (particularly those made by Representative Meeds) that Alaska's economic development and position as America's energy breadbasket may be hindered by the Subcommittee's proposed D2 legislation. Furthermore as a public official elected at large from Fairbanks, Alaska's second largest municipality, I wish to give some greater insight into how many Alaskans view this legislation.

As one who has observed great developmental pressures in Alaska, I believe that we urgently need to direct and channel economic growth such that noneconomic values are protected. I see protection afforded by proposed D2 legislation as a balance to the inevitable developments which are already changing the face of Alaska.

To be sure, the issue at hand is not one of growth versus no growth. Just recently I met with members of the Anchorage Municipal Assembly (representing Alaska's largest city). Here in Anchorage the debate is now centered on whether Anchorage will attain a population of 700,000 or one million residents within the next twenty to twenty-five years. Already Anchorage has well surpassed the 200,000 population mark, and with the capital move slated to within 50 or so miles of Anchorage, urban sprawl from Anchorage to this capital site already seems a fact of life. Anchorage is pressuring for a Knik Arm Crossing to link the Municipality of Anchorage with the other side of the inlet. Already a road has been extended on the other side of this inlet, along with sprouting subdivisions, to meet this anticipated crossing. And are you aware that an 18 lane New Seward highway has been proposed for Anchorage? (Yes, believe it or not.)

Anchorage is only one source of pressures upon Alaska. This fall Alaskans will vote on an initiative to dispose of 30 million acres of "free land" to resident individuals with per capita amounts based upon length of residency in Alaska. Needless to say, if this so-called Beirne initiative passes and becomes law, one-tenth of Alaska in total and one-third of all state land (roughly) will revert to private ownership and subsequently to speculation and exploitation. Considering that including the Alaska Native Land Claims Act allocations, Alaska will have the highest per capita amounts of land in private ownership of any state, this initiative may serve as a magnet to attract people to free land in Alaska. Thirty million acres of additional acres in private ownership is a heck of a lot of land for 425,000 people.

The initiative serves to illustrate the tremendous political pressures for development already existing upon state government in Alaska. For instance, I recently walked into a district office of the State Department of Transportation and there, sprawled along an entire wall were plans for the proposed Road to Nome which is to link the interior with western Alaska. This road is only one of a proposed spider web of possible new roads across Alaska. Already the legislature has voted to begin funding a railroad link from interior Alaska to the lower-48. Preliminary studies are now under way for the Susitna River Dam Project, which incidentally will be larger than the Aswan Dam. There are many pressures upon the state to open up the Haul Road (pipeline) all the way to the Arctic Ocean.

Here in my own community of Fairbanks, plans are being made to use North Slope natural gas for a multi-billion dollar world scale petrochemical complex. Other petrochemical complexes and refineries are slated for south-central Alaska.

Let us not forget the Native Corporations and their impact upon the economic development of Alaska. These corporations possess or will possess 4 million acres of private land. Under the land claims act of 1971 taxes are due on these holdings in 1992, and already the development schemes are emerging. And then there's the many large federal energy projects in Alaska: OCS developments, pipelines etc. We shouldn't forget either, the vast amounts of revenues which will accrue to the State of Alaska through royalty payments, taxes, and land/lease disposals.

I have mentioned only the tip of the iceberg in probable/possible economic developments. The point I am trying to make is that Alaska's economic viability is not at stake in the Subcommittee's proposed legislation. Our state already possesses the economic potential: the richest of oil and gas lands, agricultural lands, and mineralized areas. What is needed is planned, careful utilization of these resources and protection for a large portion of Alaska's lands as a balance. As I see it unless certain federal lands are protected from random easements and easy exploitation we're going to see random exploitive types of development across Alaska. Certain lands should also be free from extensive mineral exploration unless it can be demonstrated that these lands contain minerals of clear national need. The wilderness values in Alaska are very precious and we should therefore proceed with caution on at least a portion of Alaska.

The Meeds' amendments do not go nearly far enough in providing this balance to economic developments. The sheer amounts of proposed wilderness (only 33 million acres out of 365 million) are far too small. Furthermore, Southeast Alaska deserves some protection.

Congressman Meeds has stated that he doesn't "think the current (subcommittee) bill is fair to the people of Alaska" and that "the environmentalists are more interested in stopping growth and development rather than preserving the land." Clearly, the Subcommittee proposal will not bring a halt to economic development in Alaska. As far as Alaskans feel about D2, I believe most want to see some protection for federal lands. Unfortunately, politics in Alaska tends to be dominated by developmental interests. And many Alaskans who would otherwise be supportive of protection of the land (1)

don't like the idea of federal meddling and (2) have been led to believe that the proposed legislation will wipe out their way of life or their dreams of a wilderness cabin or homesite. Still, many Alaskans do support protection as is most recently evidenced by the Rowan poll released last week by the State Steering Council for Alaska lands. According to this report, 61% of all Alaskans agree that "certain public lands in Alaska deserve receiving permanent protection as national parks and wildlife refuges even though (they) may not be able to visit all of them". This sentiment was also shown during the Subcommittee's hearings in Alaska last summer.

I wish to add that Alaska is really different from the lower-48. We need flexibility with the Wilderness Act of 1964 provisions so that we can continue to use motorized vehicles and aircraft for access. Hunting and trapping are essential to the survival of many Alaskans and there should be guarantees of flexibility even within the existing management systems.

In conclusion Congressman, I urge you to support the Subcommittee on General Oversight and Alaska Lands' proposal and likewise reject the Meeds' amendments.

Very Sincerely,

KEVIN A. HARUN,
Borough Assemblyman.●

OUTER CONTINENTAL SHELF RESOURCES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. BIAGGI. Mr. Speaker, this past week I had the rewarding opportunity of addressing the sixth annual meeting of the National Ocean Industries Association here in the Nation's Capital.

This event was particularly timely in view of recent actions by two of the three branches of our Federal Government—that of the U.S. Supreme Court in the case of *Ray* v. *Arco*, 76–930, and in House action by the passage of H.R. 1614, the Outer Continental Shelf Lands Act Amendments of 1978.

These combined actions have the effect of improving the process of Outer Continental Shelf oil and gas development of and approving the exploitation of our vitally needed domestic offshore oil resources, especially along the eastern seaboard. We must now proceed with all dispatch in performing the monumental tasks that lie ahead in this national effort.

I enclose for the RECORD what I consider are some important words on the vital roles played by industry, the executive branch, and the Congress—constituting a working partnership in the promotion and attainment of universally desirable goals such as safety, health, and environmental protection. In order to reach my colleagues and the public whom we all serve, I am submitting my remarks for inclusion in the RECORD:

OUTER CONTINENTAL SHELF RESOURCES

Good afternoon. While reading some National Ocean Industries Association literature, I came across a quote from former President Theodore Roosevelt that aptly summarizes why you, the members of the offshore industry, are here today. He said:

"Every man owes a part of his time and money to the business or industry in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere."

The members of this organization must have taken this maxim seriously, carrying your message as far as the U.S. Supreme Court.

To this I would add my own philosophy on the inter-relationship between business and government. I see it as a three-way partnership among industry, the executive branch (in this case, the U.S. Coast Guard), and the Congress.

Lacking the experience of personal participation on the Ad Hoc Select Committee on the Outer Continental Shelf, as well I have no preconceived views on the prospect of offshore oil exploration and exploitation on the eastern seaboard. I am convinced that Georges Bank and Baltimore Canyon oil and gas, if discovered, must be produced.

Representing an area that has suffered the loss of almost a million jobs since 1969 (the same year as the Santa Barbara oil spill), it hardly needs repeating that your industry and the nation have come a long way in our thinking. Prophetically, Continental Oil Company's first well in this area is to be drilled by the semi-submersible rig "new era".

The northeast and the oil and gas industry can both benefit from a commercially recoverable find off our coast. In fact, the race is now on among the Mid-Atlantic States to locate staging and support facilities for OCS operations. By the American Petroleum Institute's own estimates, at stake are 28,000 jobs, $177 million in annual income, and capital investment exceeding $300 million.

While we welcome you as a region, we have legitimate concerns which, as a member of the northeast delegation and as chairman of the Subcommitee on Coast Guard and Navigation, I will address today.

At our recent hearings on the annual Coast Guard budget authorization, these concerns were mirrored in discussions of marine safety and environmental protection of our coastal zone. It is clear that the members of my subcommittee look to the Coast Guard to preserve and protect these interests as we proceed to explore and develop offshore oil resources in the Atlantic frontier areas.

Complementing this, the Coast Guard's OCS marine safety program is presently expanding and will encompass:

(1) Inspection and certification of the design and operation of new U.S. flag mobile offshore drilling units, including jack-up and semi-submersible rigs and drill ships used in offshore oil exploration. These new responsibilities utilize existing Coast Guard authority and were developed in cooperation with the national offshore operators industry advisory committee. These proposed regulations will be presented to IMCO to form the basis for an international code for offshore drilling units.

(2) Adequate manning and inspection of the offshore supply industry, including those operators carrying passengers and equipment for hire.

(3) Safety of artificial islands and fixed structures on the OCS. Comprehensive revisions to the Outer Continental Shelf Lands Act of 1953 have now passed both Houses of Congress. Both S. 9 and H.R. 1614 contain language extending Coast Guard supervision over production platforms from the requirement for maintenance of minimum safety-of-life-at-sea equipment to the inspection and certification of design, construction, and operation of platform. Presumably, this review would extend to subsea completions as well.

(4) Maritime occupational safety and health of employees working on rigs and platforms on the OCS. Since last I spoke on this subject before the Associated Diving Contractors, OSHA's authority over the OCS has been subordinated to increased Coast Guard responsibility for occupational safety and health under the language of H.R. 1614, as passed. In addition, a new joint OSHA/Coast Guard program to resolve disputes, develop standards, and share capabilities in maritime occupational safety and health has been submitted to OMB. Commercial diving would be the first subject of regulation governed by the provisions of this agreement.

(5) The last area of maritime safety of concern to us is the avoidance of collisions between vessels and fixed or mobile structures on the OCS. I have requested a GAO study of the present devices used to demarcate offshore oil and gas operations and major shipping lanes. GAO is looking into approaches that involve predesignation of shipping lanes while permitting the requisite flexibility to accommodate the exploitation of major oil fields once discovered.

I am glad the "out of sight, out of mind" characterization of Atlantic OCS operations—predicated upon aesthestics—has been dropped. The simple fact is that nobody wants a major oil spill threatening East Coast beaches. While statistically such a catastrophic spill is likely, we must be vigilant and ready to respond to such an event.

My subcommittee added additional monies to the Coast Guard budget for marine inspectors, earmarked for OCS operations. I sponsored an amendment to add $5 million to the Coast Guard R&D budget, with the first priority for expenditure of these funds to improve the state of the art of high seas oil cleanup.

In contrast, the only resources given the Coast Guard by the administration to supplement its increased responsibilities in OCS safety and marine environmental protection—now extended by the Clean Water Act Amendments of 1978 to 200 nautical miles—was the addition of two high seas oil recovery packages to the Coast Guard inventory.

In terms of cleanup, I note the recent adoption of a new agreement between the U.S. Geological Survey and the Coast Guard governing OCS operations. The Geological Survey is charged with the cleanup of operational spills in the vicinity of rigs and platforms, while the Coast Guard is tasked with the responsibility to respond to major operational and accidental spills posing threats to land and the marine environment.

Most distressing is the fact that my super fund bill, H.R. 6803, which passed the House overwhelmingly last September, with industry's support, is now stalled in the Senate.

My last area of concern—which I mention with some hesitation—involves the security of fixed structures on the OCS. I am sure you are all aware that President Carter recently established our first anti-terrorist armed force, code named "Operation Bluelight." This is a sobering reminder of the state of global politics with the potential for spill-over into acts of political violence.

In the future, I see increasing emphasis on shared responsibility for security on the OCS—with the operator responsible for fixed structures, and the Coast Guard tasked with water-area surveillance. Recent possible instances of sabotage involving the Alaskan pipeline and a propane tank car derailment in Tennessee underscore this point.

Elaborating on my earlier comments on Government/industry partnership, I feel responsibilities exceed parochial concerns. I feel this constitutes a collective duty to im-

prove the quality of life for ourselves, our employees, and the Nation as a whole.

In this view, I offer the following requests for your consideration:

(1) I urge your continued support to effect the passage of the super fund legislation, covering all types of oil spills from all sources in a single liability and compensation scheme.

(2) I seek your support for the Biaggi amendment to improve high seas oil spill cleanup and recovery.

(3) I need your input. I have opened a new dialogue between the subcommittee and the Coast Guard. I now desire to expand that to include you, the third member of the partnership. Without this, we cannot effectively legislate, oversee agency operations, or respond to your concerns.

(4) On behalf of my constituents on City Island, Bronx, and on behalf of Staten Island, the shipyards, port facilities, and ancillary business in and around New York Harbor, I ask you to consider us as you choose staging areas, supply and repair bases, and contract for support services as offshore operations proceed. You'll love New York!!!

Thank you.●

SPILLOVER EFFECT OF A NEW YORK CITY BANKRUPTCY

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the Subcommittee on Economic Stabilization of the Banking Committee, as Members know, has been examining the question of further financial assistance to New York City following expiration of the present seasonal loan program at midyear. We have reached no conclusions. However, I do think that we have established beyond reasonable doubt one extremely important point: That a default or bankruptcy of New York City would have significant consequences beyond the City itself, primarily in the capital and foreign exchange markets. Among other things, every State and municipality in the country might suffer the effects in higher borrowing costs as a consequence of the "spillover" effects—perhaps mainly psychological but nonetheless real—on the municipal bond market.

I realize that some people have suggested that a New York bankruptcy has long been discounted and that its effects would therefore be contained and relatively minor for the rest of the country. This line of thought, while sincere, is almost certainly mistaken and dangerous. A New York bankruptcy would be very serious indeed.

To illustrate this point, I am inserting in the RECORD letters I have received in recent days from two men of great financial experience and impeccable credentials. One is Robert V. Roosa, the former Under Secretary of the Treasury for Monetary Affairs and now a partner in the banking firm Brown Brothers Harriman. The other is Richard D. Hill, chairman of the board of the first National Bank of Boston and recently chairman of the Federal Reserve Board's advisory council. Their letters are brief but unequivocal. I urge that my colleagues read and digest them. When Mr. Hill, for example, speaks of the possibility of a closing of the capital markets, we can all understand the magnitude of the risks.

The letters follow:

NEW YORK, N.Y.,
February 28, 1977.

Hon. WILLIAM S. MOORHEAD,
Chairman, Subcommitee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs, Washington, D.C.

DEAR BILL: This letter is a delayed reply to your letter of February 17 concerning the New York City situation. In the purely "hypothetical case of a city bankruptcy or insolvency," the destabilizing influence throughout the markets for municipal securities would be difficult to gauge, but certainly would be even more extreme than those occurring during the 1975 City crisis.

You ask specifically, though, that I concern myself with the implications for the foreign exchange markets. I have been canvassing a number of my contacts during the period since your letter arrived. The almost universal response is to say that this would rank in significance—as a further depressing influence on the dollar in the principal foreign exchange markets—with the impact of the enormous balance of payments deficit the United States has already incurred, so largely as a consequence of the country's $45 billion bill for imported oil last year. Various elements of a possible attack on the energy problem are, of course, of key importance. But I would stress that the impact of a collapse of New York City's finances could reopen the wounds in our external economic position even if real gains were to have been achieved in legislation and in physical results on the energy front.

As you suggested, I am excluding any reference to the question of Federal aid, but am commenting only on the "financial impact of a New York bankruptcy." The foreign exchange markets have become infused with fear, partly because the country has not taken strong measures to cope with the dollar problem. The disillusionment with American performance would become outright despondency in the event of a New York bankruptcy. The markets have reached a stage now where they have produced exchange rates for the dollar that are far beyond any relationship that would be indicated by comparative economic performance either in real or in price terms. Because of this overlay of confidence factors that has developed, a financial collapse in New York would have greatly magnified results, far beyond those that might otherwise be associated with such an event. It would imply to foreign observers, as it has to the dozens of financial and business figures abroad with whom I have now spoken, that even the "financial capital of the United States," cannot avoid insolvency.

I realize that this is not an expression in specific numerical terms. But in the present circumstances only the qualitative judgments of rather close observers can be meaningful. If there are aspects of this broad question on which any further comment of mine might possibly be useful, I hope you will ask Mr. Dale to get in touch with me again.

Meanwhile, with all good wishes in your endeavor,

Sincerely,

ROBERT V. ROOSA.

THE FIRST NATIONAL BANK OF BOSTON,
March 3, 1978.

Hon. WILLIAM S. MOORHEAD,
Chairman, Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs, Washington, D.C.

DEAR MR. MOORHEAD: We have given your letter of February 17 careful thought and feel that a New York City bankruptcy or insolvency would have widespread repercussions in all capital markets, with particular impact on the municipal market and to some extent on corporates. In fact, we would not be surprised if municipal and possibly corporate markets closed temporarily to give investors time to assess the extent of the damage. There would, furthermore, be lasting damage not only for New York City and New York State but all public securities would feel the adverse reaction because the marketplace would interpret this as meaning that the contractual obligations of public bodies in the U.S. could not be completely relied upon. Furthermore, it should be pointed out that bankruptcy on the part of a major city in the U.S. could have unexpected side effects in both the political and economic areas.

This atmosphere certainly would not foster confidence in the U.S. dollar and, in the eyes of foreign traders, would be one more compelling reason to view the dollar with distrust.

The bankruptcy of New York City might cause the foreign exchange markets to react severely with substantial selling of the dollar taking place. The credibility of the entire U.S. banking system could be severely strained and foreign banks, for credit reasons, might hesitate to conduct foreign exchange business with American banks, particularly those based in New York. This, of course, would bring into question the whole subject of the extent to which the dollar should be used as an international reserve asset.

Finally, we feel that New York City represents the most serious example of a major urban problem facing this country. Rather than try to sweep the problem under the rug, by evading the fundamental issue through bankruptcy, we suggest that the State and Federal Governments join forces to solve the problem, possibly by convening a special commission which in effect would oversee the City's finances as a "de facto" receivership.

In view of the foregoing, we obviously feel that bankruptcy or insolvency of the City of New York should be avoided at all costs. Admittedly, my remarks may err on the side of "cataclysm" but we are living in very uncertain times and the confidence of investors, lenders and other risk takers in our institutions is fairly low.

Sincerely,

RICHARD D. HILL,
Chairman of the Board.●

HAVING REGAINED MY SENSES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. STARK. Mr. Speaker, I was startled to discover that the CONGRESSIONAL RECORD of Wednesday, March 15, records me as voting "aye" on the Kemp/Quie amendment to the Humphrey-Hawkins bill, roll call No. 155.

In my opinion, that amendment not only sought to effect bad tax policy through an inappropriate legislative vehicle, but threatened to strike the very heart of the legislation now before us.

The only explanation I can find for this vote is that the preceding arguments in support of the amendment left me so confused that I was unable to push the right button. I apologize to the Speaker and my colleagues for giving them ample reason to believe that I had taken leave of my senses.●

PLO TERRORISM IN ISRAEL

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. TRIBLE. Mr. Speaker, last evening I joined several hundred of my constituents in a memorial program at the Rodef Sholom Temple in Hampton, Va., to honor the memory of the innocent Israeli citizens slain by the PLO in Israel last weekend.

This act of terrorism must be condemned by all mankind. This vicious destruction of innocent lives is a tragedy that heightens the pain and suffering of the people of Israel and of their friends around the world.

These events are further proof that the PLO is an organization of extremists dedicated to terrorism, death, and destruction. Clearly, the underlying motive of the attack was to destroy the current peace negotiations.

Peace in the Middle East hangs by a tenuous thread. It would be a tragic irony if the PLO by murdering Jews and Egyptians frustrated peace and thus prevailed. It is a heavy burden on Prime Minister Begin and President Sadat. They must redouble their efforts to assure that peace and decency prevail over terror and evil.

Although the PLO's attack has aroused anger and indignation throughout the world, there has been silence in many quarters—and even endorsement in some. It has been reported that Saudi Arabia has called the terrorist attack a courageous operation with a noble aim. No Arab State except Egypt has condemned this action. The Russians, who supplied the weapons used in the attack, harrassed those who demonstrated against the brutality in Moscow.

The PLO attack underscores the harsh realities of the Middle East. The PLO is not a voice of moderation, but rather a terrorist organization dedicated to the destruction of the State of Israel. Israel has real and legitimate security concerns with respect to the West Bank and Gaza Strip regions from which it is being urged to withdraw. In the face of Arab hostility, Israel cannot be expected unilaterally to give up land crucial to her security. Nor should Israel be expected to countenance a strengthening of Arab air power.

A neighboring state ruled by PLO gunmen is clearly too much to ask Israel to accept. It is clear to me that a state animated by the PLO or its purposes would pose a serious security threat not only to Israel but also to its Arab neighboring states. For it was this organization that provoked a civil war in Jordan in 1970 and is now engaged in a bloody civil war in Lebanon. Given a position of control in a state of its own on the West Bank or the Gaza Strip, the PLO would only continue such activity.

The tragedy of this past weekend emphasizes that the time has now come for the United States to reassess its policy toward the Middle East.

On February 15, the administration notified the Congress and the American people of its intention to submit letters of offer for the sale of 60 F–15 fighter bombers to Saudi Arabia, 50 F–5E fighters to Egypt, and 75 F–16's and 15 F–15's to Israel. The administration at the same time indicated, and subsequently has insisted these letters of offer would be a package deal, all planes to all countries or no planes to any.

I am unalterably opposed to the sale of these weapons of war to Egypt and Saudi Arabia. This package arrangement is wrong and it marks a major shift in our U.S. foreign policy.

Most Americans applaud our success in past years in gaining the confidence of the moderate Arab States. We have succeeded in undermining Soviet influence in the Mideast. We have played an instrumental role as mediator, fostering direct negotiations, while maintaining a special relationship with the democratic state of Israel.

If you will recall the 1973 Yom Kippur war, it was the United States that negotiated the Israeli pullback from the West Bank of the Suez Canal—preventing the inevitable encirclement and destruction of the Egyptian first and third armies. It was the United States that successfully negotiated the Israeli withdrawal from the strategic Giddi and Mitla Passes in the Sinai, in addition to the return of the Sinai oil fields to Egypt.

Each of these moves was taken at no cost to the Egyptian Government, but at increased security risks for Israel. These added security risks were compensated for by an American promise of the sale of advanced military aircraft to Israel. Israel's original request, which was made over 2 years ago, called for the sale of 150 F–16's—which will not even be available until 1981—and 25 F–15's. The Carter administration has cut the request in half, while at the same time bolstering the armed forces of Israel's potential adversaries.

In addition to cutting Israel's plane requests in half, the administration has disapproved the sale of concussion bombs to Israel, denied the sale of Israeli aircraft to Equador, called for the establishment of a homeland for the PLO, and issued the disturbing joint communique with the Soviet Union of 1977. In sum, this spells a major shift in our Nation's historic Middle East policy.

While the decision to sell Egypt American offensive weapons would be questionable at any time, a decision to sell these aircraft when a state of war still exists, and when peace negotiations are at a crucial state, makes such a decision more troubling.

There are those who suggest that the United States must show the Egyptian people that America appreciates the efforts of Anwar Sadat. I submit that President Sadat has done quite well since his severance of ties with the Soviet Union and the warming of relations with the United States. For—in addition to saving his armies, negotiating an Israeli pullback and restoration of the Sinai oil fields since the 1973 October war—Egypt has received over $4 billion in U.S. economic aid and a supply of radar, jeeps, trucks, and cargo planes. So the issue, is not that Egypt received anything, but whether we should leap from the nonlethal to lethal aid.

If the award of 50 F–5E fighters is viewed as a symbolic gesture of thanks from a grateful America—a reward for negotiations as yet uncompleted—it is carrying gestures too far. Such offensive weaponry clearly threatens the defense posture of Israel.

Next we come to the sale of 60 F–15 fighter bombers to Saudi Arabia. Sixty of our most advanced fighter bombers—more than the Saudis requested and 50 percent over what our Department of Defense thought they might need. Such a sale can only be destabilizing—heightening tensions in that troubled area. This is particularly true when it is realized that Saudi Arabia is building a major airfield at Tabuq—only 120 miles from Israel's southern Port of Eilat.

Nor are the Saudi's poor in armament. In the past few years, they have purchased over $12 billion in military equipment. As a result, Saudi Arabia is fast becoming a fourth confrontation state on Israel's border, and the acquisition of the proposed 60 F–15's will materially enhance that position.

There is, it seems, a misconception about Saudi Arabia in this country. Some seem to believe that they have never participated in past mideast conflicts. Yet, during the 1973 October war, Saudi troops fought along side the Syrian forces. Due to its great wealth from oil, the Saudi's—through massive grants and aid to the confrontation states—are and have been the bankers—the ones advancing the money to Syria, Egypt, and other confrontation states.

I believe a continued military relationship with Saudi Arabia is in the best interests of the United States. But, such a relationship has perimeters. Is it possible to justify this arm's sale to Saudi Arabia as a reward for its moderate policies in oil pricing and as an inducement to continued moderation? I hardly think so—it is a strange reward for the country which led the oil embargo against the United States in 1973, and whose influence with the oil exporting countries has resulted in the quadrupling of oil prices. Furthermore, Saudi investments in the United States and her own self-interest will determine oil prices and production volume.

The question arises, then—why not reject all the letters of offer? This, too, is unacceptable. All other countries in the Mideast can purchase arms from a

number of countries. Israel, alone, is dependent upon the United States and we must stand by her.

The President should not consider these letters of offer as a package. This Nation must honor its commitment to Israel as agreed to by the Ford administration following the Sinai II negotiations.

I would like to see the policy of our Government return to that of seeking peace in the Middle East. Selling large quantities of highly sophisticated aircraft to Egypt and Saudi Arabia is like throwing gasoline on the embers of a fire. Arms sales do not enhance the prospects of peace.

The President should be reminded of the statement he made on April 1, 1976,

I do not believe arms sales make lasting friends. I am concerned with the ways in which our country, as well as the Soviet Union, Britain, and France, have poured arms into certain Arab countries far beyond their legitimate needs for defense—five or six times more than Israel receives. This heady rush for weapons increases the chance of war. It postpones peace negotiations. It erodes security.

How true are those words.

This is a significant time for the State of Israel. In May of this year, Israel will be celebrating its 30th anniversary.

The world has watched as Israel changed a barren tract of land in the desert to a thriving progressive nation of well over 3 million people. In the world of nations, Israel remains young and vulnerable. Memories of the pain and suffering of her people as they struggled to maintain her existence are still fresh in our minds.

It was exactly 30 years ago this month, on March 20, 1948, that David Ben Gurion, proclaiming to the world Israel's independence, said:

We are masters of our own fate. We have laid the foundations for the establishment of the Jewish state and we will establish it. . . . we will no longer accept foreign rule in whatever form, and we will devote ourselves even more intensely to defending ourselves. The Jewish State exists and will continue to exist if we are able to defend it. The Jewish state will find a way to achieve mutual understanding with the Arabs . . . ."

That message has particular importance today. Almost immediately following Israel's declaration of independence, President Harry Truman recognized the State of Israel, and established as U.S. policy a moral and political commitment to the survival of Israel. That commitment must always be honored by the American people.●

A TRIBUTE TO JAMES Q. WESTBROOK OF WHITFIELD COUNTY, GA.

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. JENKINS. Mr. Speaker, I wish to take this opportunity to recognize and honor an outstanding citizen of Whitfield County, Ga., Mr. James Q. Westbrook. On October 25, 1977, Mr. Westbrook, trained in Red Cross first aid, was at work when a fellow employee began to choke on a piece of candy. The emergency was called to his attention by other workers who had failed to dislodge the obstruction. Mr. Westbrook then applied life-supportive first aid measures and the candy was dislodged, allowing the victim to breathe. Without doubt, the use of first aid by Mr. Westbrook saved the victim's life.

Mr. Westbrook had been trained by the American Red Cross in cardiopulmonary resuscitation, and he used this valuable training in his gallant efforts.

For this act, Mr. Westbrook was awarded the highest honor bestowed by the Red Cross—the Certificate of Merit. This award is given to a person who saves a life by using skills learned in a Red Cross first aid, small craft, or water safety course.

The certificate bears the signatures of President Carter, who is the honorary chairman, and Frank Stanton, who is chairman of the American Red Cross.

Mr. Speaker, this selfless and humane action on the part of Mr. Westbrook is appreciated by all.

Thank you.●

JOURNALISM IN CHAINS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. UDALL. Mr. Speaker, recently the respected editor of U.S. News & World Report, Marvin L. Stone, spoke before the American Association of State Colleges and Universities on the occasion of his being the recipient of the Distinguished Alumnus Award by the organization. Mr. Stone chose this occasion to voice his concern about some of the alarming trends taking place in journalism today.

I found Mr. Stone's views to be entirely consistent with my own in this area and commend his address to the attention of my many colleagues who have indicated their own concern about concentrated ownership of newspapers and other communications media.

Mr. Stone's speech follows:

JOURNALISM IN CHAINS

(By Marvin L. Stone)

If educators and journalists have a common ancestor, so to speak, it surely must have been Thomas Jefferson, who valued with equal ardor the virtues of education and the merits of a free press. It was Jefferson, you will recall, who wrote these lines, enshrined in the heart of every editor:

"Were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter."

Those are the lines we all remember. But there was a subsequent, almost forgotten, sentence in that letter to Edward Carrington in 1787. Jefferson had added: "But I should mean that every man should receive those papers, and be capable of reading them."

That was the heart of his philosophy—that a free press must be circulated among the mass of people sufficiently educated to profit from this information and opinion. He felt that one would suffer without the other, that one was as necessary as the other: educated citizens and an unfettered press.

I wonder, if he were alive today, what Jefferson would say both about the state of education and the state of the press—or media, as it is resoundingly hailed in today's world.

You will have to draw your own conclusions about the state of education. I will speak a bit about the state of the press.

And frankly, I am concerned about it. I am concerned about a trend that, if it continues to its ultimate, will leave us all the poorer.

Journalism is cyclical in its nature. What is fashionable in one era becomes passe in the next; only to become fashionable, once again, many years later.

Gossip, gore, sex and titillation are riding high today. They were staples of the yellow journalism of an earlier era. They flourished for many years. Then, they fell on hard times. Now, they are making a comeback. The magazine rack in your local store is powerful testimony to that.

There are other examples of journalism's cyclical nature. The exposes of the muckrakers were a mainstay of the press in the early part of this century. But as the Progressive Era gave way to more smug times, the raking of muck went out of fashion. Yet, today, it is once again a journalistic staple—only it is called investigative reporting.

These trends are significant, their cyclical nature notwithstanding. They have a marked impact on the quality of journalism. It matters enormously whether the front page of a newspaper is devoted to serious coverage of local, national and international affairs or whether it is filled with froth, gore and sex.

Yet, as important as these trends are, they are overshadowed by another development—one that does not appear to be cyclical. It does not seem likely that it will wane. It gives every sign of having staying power. It has come into its own and has continued unabated for almost two decades. The trend of which I speak is the swallowing up of independent journalistic enterprises by chains and conglomerates.

This trend has become epidemic. Hardly a week goes by without some big fish swallowing a smaller one.

Just since the beginning of the year CBS has added a second paperback publishing house—Fawcett—to its TV, magazine and book publishing enterprises. With that, CBS gained control of 15 to 20 per cent of the mass paperback market.

Time Inc., publisher of magazines and books, and owner of a TV station, a TV production company and a cable television system, is in the process of buying the Book-of-the-Month Club. That raised a fuss because Time Inc. already owns the trade publisher Little, Brown. The Authors Guild felt Little, Brown might have an unfair advantage when it came to selling titles to the club.

Capital Cities Communications, which owns newspapers, television stations and special newspapers such as Women's Wear Daily added the Kansas City Star and morning Times to its holdings.

The sums involved in these transactions are enormous. For example, Capital Cities paid $125 million for the Kansas City papers.

The wave of acquisitions has led the head of one major book publishing firm to say that he can foresee the day when his industry will be dominated by seven giant corporations, much as the "seven sisters" dominate the oil industry.

That is a disturbing prospect. This nation was built on diversity. In no realm is diversity more important than journalism. The Founding Fathers enacted the First Amendment in large measure to protect journalistic

diversity from government enroachment. But diversity may now be imperiled, and, ironically, not by government but by the dynamics of the marketplace. Great and venerable publishing enterprises are under pressure to join chains or conglomerates for a safer existance alongside goods ranging from rental cars to rugs.

Some may say the trend in the media merely is the same as that in other businesses-concentration. But the media are not just another business. They play a special role in American society. They are the primary sources of opinion and information for an educated public.

In the best of all possible worlds, a shopper can browse in the media marketplace and pick and choose from an enormous variety of information that is on display. At the moment, the stalls in the marketplace are owned by many merchants. But the day may be coming when most stalls are in the hands of a relatively small number. If that happens, I wonder whether the goods available will be as diverse as when ownership was less concentrated, when the "bottom line" of profit margins was not the supreme factor, when the men in the counting house took a back seat to editors whose profit was psychic—derived from excellence and responsibility to the public.

I am fully aware that journalistic enterprises need to make money to stay in business. That is not the issue. The question is: Do you strike a reasonable balance between profits and quality, or does profit become the be-all and end-all, with quality tossed out the window.

It is to be feared, as journalistic enterprises are swallowed up by larger and larger corporations, that quality might take a back seat to profit except in those instances where quality makes money—and all too often this is not true in publishing—or where a management has a strong commitment to first-class journalism.

One need look no farther than television to see where extreme concentration and emphasis on profits can lead.

As we know, the three networks dominate the electronic medium that has reshaped American society. Admittedly, it takes vast resources to bring a moonwalk into our livingrooms. Small, independent television enterprises could not offer much of the excellent news and public affairs programing the networks provide. Yet the networks also give us much inferior fare. There is little choice for viewers outside the offerings of the Big Three.

As far as the networks are concerned, quality is secondary to profits. They worship at the altar of the Ratings God—and, as a result, all too often what they pipe into our homes is raw sewage, polluting our minds.

The networks are all part of giant conglomerates, which might help explain their bottom line emphasis. RCA—which owns NBC—and CBS Inc. and the American Broadcasting Companies Inc. rank 31st, 102nd and 170th respectively on the Fortune 500 list of the largest U.S. industrial corporations. The three conglomerates earned a total profit of $823 million last year. Network earnings accounted for about one third of that sum.

The interests of these conglomerates is diverse. RCA's holdings include: Hertz car rentals, Banquet frozen foods, Coronet Carpets and a number of book-publishing houses.

CBS is involved in everything from tools to toys, retail stores to book publishers, from magazines to musical instruments.

American Broadcasting owns amusement parks, more than 250 movie theatres and magazines—and that by no means exhausts the list.

Is it desirable for these firms—whose most important mission should be to inform the public—to have interests that could come into conflict with that mission? Is it good for society to have networks owned by large conglomerates which treat TV as just another product to be merchandised? Does it make sense to have television dominated by only three corporations? I do not propose to answer these questions. I pose them for you to consider.

Now let me turn to the print media, to the publication of books, magazines and newspapers.

Book publishing, once regarded as a cottage industry, is a big business and getting bigger. In recent years there have been more than 300 corporate mergers and acquisitions in the book-publishing industry. Hardback publishers are buying publishers of paperbacks. Companies with movie and TV interests are buying both hardback and paperback houses. As a result, the number of major independent publishers is in decline.

The acquisition trend is generating concern that quality is becoming less important to publishers than what the public will buy in volume. One literary agent tells me that many young editors reject quality manuscripts they like because they fear losing their jobs if the manuscripts do not turn a profit.

Independent publishers find themselves at an increasing disadvantage in negotiating with authors unless they have a paperback subsidiary. Before they can bid on a sought-after book they often have to find a paperback partner so they can come up with enough money to stand a chance in the bidding. But most major paperback firms are now owned by corporations that also own a hardback publishing line—and this gives them a leg up in the bidding.

There is yet another disturbing trend in book publishing: Many companies with roots in the movie and television industries now are in the business. CBS, Warner Communications, Paramount, which is owned by the Gulf & Western conglomerate, and Universal, which is owned by the conglomerate MCA, are in book publishing. RCA alone owns Random House/Knopf/Pantheon/Ballantine/Vintage, and Modern Library, These giant firms can turn a book they own into a movie or TV series without ever leaving corporate headquarters. The process can also work in reverse, with these firms turning their movie scripts into books.

Consider the potential power these firms wield to shape American culture.

If diversity in the book-publishing field diminishes, and profits come to be the overriding consideration, American society will be the loser. Literary works of value almost surely will have an increasingly difficult time getting published.

Will we be seeing more and more of what Roger Straus calls "phony books" to turn a quick profit? Says this independent publisher of quality literature: "I cry for the trees that have been chopped down to make the paper for these books."

Turning now to magazines. The acquisition trend is not yet as pronounced here as in the book industry.

Nonetheless, conglomerates and chains are busily at work in my branch of publishing.

MCA, which owns Universal pictures, Putnam books and the Berkeley paperback line, has just announced plans to enter the magazine business by purchasing New Times. Thus, MCA will join such conglomerates as CBS, Time Inc. and the New York Times Co. in the magazine field.

CBS publishes more than 60 magazines which cater to specialized interests.

The New York Times Co. produces seven.

Times Inc. owns five.

And remember these firms have many other business interests besides their magazines.

I should note, by the way, that U.S. News & World Report is the only one of the three news magazines which is independently owned. We are the property of our employes.

Newsweek is owned by The Washington Post Co., which also has television and newspaper holdings. Time is owned by the mammoth conglomerate whose properties I mentioned earlier.

Now let me turn to newspapers, the area of print media where the impact of chain and conglomerate ownership is most dramatic. (Incidentally, a study by my office shows that 190 AASCU members are located in cities or town with only one newspaper, and 91 in localities where there are no papers at all. You need not feel alone. Ninety-seven percent of the 1,544 cities in which dailies are printed are one-owner towns. Critics make a point of which you may be aware: that a monopoly publisher, if so inclined, can put out an inferior product without effective challenge.)

In 1960, chains and conglomerates controlled 30 percent of the nation's newspapers. Today, just 17 years later, chains and conglomerates own about 60 percent of the nation's papers. Not only have they doubled the proportion of papers they control, but chain papers now account for 71 percent of newspaper readership.

The 10 largest newspaper chains alone have a daily readership of more than 22 million—more than one-third of total daily newspaper circulation.

These chains are not only busy gobbling up independent papers, they are also starting to purchase smaller chains. Newhouse Newspapers recently purchased the Booth chain, which is Michigan-based. Gannett bought the Speidel chains and Knight Newspapers merged with Ridder, creating a chain with the largest circulation in the nation. These developments demonstrate that chains are big and getting bigger. Their potential power is immense.

Papers like The New York Times and The Washington Post—both part of communications conglomerates—already have immense power because of their reputations and their supplementary news services, which many papers use.

Those who are given to extolling the virtues of conglomerates and chains in journalism point to the Times, the Post and Knight-Ridder as examples of excellence. They argue that bigness is not bad. But how do they rationalize a John McGoff? McGoff is head of the Panax chain, which publishes 8 dailies and more than 40 weeklies. He recently ordered his editors to publish two stories that some of his editors felt were irresponsible. Two of McGoff's editors refused to publish these stories and were fired or forced to resign by the press lord. Or how do you explain a Rupert Murdoch, the Australian publisher who has entered the U.S. market with his racy melange of shock, gossip, sex and journalistic voyeurism?

How many McGoffs and Murdochs will it take until a free press is undermined by those in control of corporate headquarters? The McGoff and Murdoch models are every bit as likely an outcome of chain ownership as the Knight-Ridder model.

Even in the best chains there are disturbing trends.

There is a tendency toward homogeneity, as publishers in one city try what has worked in another. Corporate leadership leads to blandness, as editors play it safe in their climb up the corporate ladder.

There is also the danger that chain papers will lose touch with their communities, as editors and publishers are shuttled in and out of cities every few years. In the past, if a newspaper lost touch with its community it would probably lose readers and ultimately go out of business. But today, in an age of newspaper monopolies, it is difficult for a paper to do such an inept job that its franchise is imperiled.

Because most newspapers are monopolies, they have great investment appeal to entrepreneurs. Owning a monopoly paper—in the words of one irrepressible chain owner—is "a license to steal money forever." Newspaper profit figures should be the envy of most industries. Chains and conglomerates whose stock is publicly traded average after-tax profits of 10 percent last year.

If newspaper owners view their properties primarily as profit centers, then the future of quality newspaper journalism is bleak indeed. If profits go down, corporate managers looking for places to cut costs are likely to turn first to the newsroom, which is not a revenue producer. Only those entrepreneurs with a strong commitment to journalistic quality are likely to resist bottom line pressures.

Why is there this trend toward concentration of ownership in the newspaper business? The reasons are complex, but several stand out.

Many independent owners are selling to chains or conglomerates because the younger generation in their families is uninterested in journalism. One editor told me that not one of his three children had the slightest desire to get into newspapering, so he sold to a chain rather than leave the future of the paper up in the air when he passed on.

Even those individuals who want to keep a newspaper in the family face a major obstacle—an onerous inheritance tax that many families cannot pay without selling the paper. Rep. Morris Udall of Arizona, who is concerned about the growth of conglomerate journalism, understands the impact of estate tax laws on newspaper ownership. He wants to change the laws to make it easier for families who own newspapers to pay these taxes.

The tax laws contribute to chain ownership in other ways. They make it more profitable for chains to invest their rising income in new properties, rather than to hold on to earned income and pay taxes on it.

Finally, newspapers are worth more to new buyers than to the old owners because of tax regulations governing tax depreciation. This depreciation factor tends to spur the turnover of more and more newspaper properties.

Some owners with strong commitments to journalistic excellence manage to hang on, even though the cards are stacked against them. A few have even traded their stock publicly, while maintaining control. They accomplish this by establishing two classes of stock—voting and non-voting. A majority of the voting stock remains in family hands. The New York Times is such property.

There is some talk in Congress of looking into the "state of competition" in several basic industries, including publishing.

But those who look to the antitrust laws as a possible obstacle in the way of the acquisition trend are bound to be disappointed. As long as newspaper buyers avoid acquiring a paper in competition with one they already own, they are home free.

Antitrust lawyers consider the main competition among newspapers to be in the field of advertising. The potential for reduced news coverage, for homogenization, for abuse of power—these are not the concern of the antitrust lawyer.

So where does that leave us?

I'm afraid the long-range prognosis is not encouraging. Additional acquisitions lie ahead. Ownership will continue to become more and more concentrated. Chains and conglomerates will grow. Diversity will diminish.

As journalism becomes more and more of a corporate enterprise, the counting house will play an ever larger role, the editor's office an ever smaller one.

I don't know what the solution is to the problem of concentration. In fact, I'm not sure there is a solution.

But those who view journalism as more than a balance sheet must remain steadfast in their dedication to quality, despite pressures to the contrary.

I opened with a reference to Thomas Jefferson. Now I leave by the door wherein I entered. Jefferson wrote, in the Virginia Declaration of Rights of 1776, that:

"The freedom of the press is one of the great bulwarks of liberty, and can never be restrained BUT by despotic governments."

But Jefferson lived in a simpler age, before the age of chains and conglomerates.

Only owners who value free expression more, and the dollar less, will enable us to survive this coming age of chain journalism.

Let us be certain that these chains are not the chains of bondage.●

DRIFT OF U.S. FOREIGN POLICY

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. BROYHILL. Mr. Speaker, in a recent issue of Newsweek magazine, February 13, 1978, there was a thoughtful article authored by Meg Greenfield, outlining the drift in U.S. foreign policy in recent months. Conclusions reached in this article should be of sobering concern to all Americans. I commend this article to my colleagues for careful study:

DRIFTING WITH THE TIDE

"So what are you going to do about it?"—it is the classic bully's taunt, the menacing reminder from the big kid on the block that in fact there's nothing his victim can prudently do. I bring up this painful echo from our common schoolyard past because something like it is resonating through the diplomatic chambers where our foreign policy is conducted. Only here's the switch: we are, at least by conventional measures, the big kid on the block; but it is the others, including some of the world's most notorious economic and military runts, who are issuing the taunt.

So what are we going to do about it—if the rulers of Cambodia embark on a policy of national genocide, if the Cubans take up (Soviet) arms in Africa, if the Saudis lower production or increase the price of oil, if Southern Africa moves toward all-out racial war, if the Indians continue to build nuclear explosives, if the Western Europeans vote Communists into office? Is there anything we can do in an era in which we have even been admonished for expressing the hope that Italy remain a democracy If that is regarded as an act of aggression, it tells you something about our role as a "superpower" in the post-Vietnam world.

DIMINISHING CONTROL

I am not about to seek sympathy for the "pitiful, helpless giant" of Richard Nixon's imagining, the much-preyed-upon, immobilized nation he told us we could become. No one feels sorry for giants anyway. The point is that this country, for a variety of reasons, seems to have less control of events around the world than at any time in the past generation. It is a circumstance that sits oddly with our vast economic resources and nuclear arsenal and one that seems to be generating a lot of anxiety in the county—just as it is generating a bitter political argument in Washington. Today Panama, tomorrow SALT—the question is whether the U.S. Government is accommodating wisely to change it cannot prevent or simply succumbing to pressures it needn't put up with.

The first thing to be said is that a large part of what we have lost was not so much power to control events as the illusion of such power. In Budapest, in Vietnam, in the United Nations—indeed, in the Atlantic alliance itself once Charles de Gaulle got into the act—it became plain that defying the American will did not necessarily have fatal consequences. Even so, the myth of American omnipotence continues to thrive in some quarters of our political life. I have in mind (1) the would-be interveners and bombers of the right, who believe we can shoot and scare our way to what we want and (2) the condescending left which holds that all human behavior outside the United States is merely a reaction to our own and that we can determine events elsewhere by behaving in a certain goodhearted way.

If you want to know how far history and circumstance have brought us from a time when any of this was true—if it ever was—then consider the American condition vis-a-vis the Horn of Africa. What has changed is practically everything. It wasn't all that long ago after all that we wouldn't have especially cared what the Ethiopians and the Somalis were doing to each other; that to be crude about it, we would have "bought" or "replaced" a government that gave us too much trouble there; that such governments, in any case, would have been plenty nervous about provoking our ill will, and that the Russians and Cubans would have been incapable of injecting a military presence into the scene.

Now we care—and our oil-producing friends in Iran and Saudi Arabia care even more. Our "control" of the situation including even our control of our own attitude toward it has been altered and diminished by a whole gaggle of circumstances and events. We (and our European friends) need oil; the American Government is nowhere near so free as it once was to manipulate foreign governments through "covert action" intelligence operations; the Soviets have developed a physical capacity to intervene in places around the world where they could not before, and to move directly against them and their Cuban proxies in the Horn would involve getting other countries to cancel overflight rights, imposing some kind of blockade and taking similar steps that could rapidly inflate to a full-fledged crisis.

FLAILING FOR LEVERAGE

Or so it is argued in some parts of the Administration anyway. We don't need to get into tactical disputes now going on in Washington concerning the proper moment and method of intervention. The point is that, messy as it is, the Horn of Africa provides a kind of model of the current American foreign-policy dilemma around the world. And in this situation, people seem to be flailing about foolishly in search of new levers of power. Some of these, in my judgment, amount to little more than collective threats to hold our breath until we turn blue if some nation or other will not do our bidding.

Examples of this self-defeating and self-destructive type of gesture abound. There is the Speaker of the House's threat to curtail military aid to South Korea unless its government cooperates in his Korean payoff investigation—never mind that U.S. aid to Korea presumably serves some independent and essential strategic purpose. Or there are the proposals to show our displeasure with the racial policies of the South African Government by removing our diplomatic presence from the country, never mind that the U.S. Embassy has served as an invaluable contact point with precisely those blacks and/or dissidents we are trying to encourage and help.

LIVING WITH CHANGE

Zbigniew Brzezinski, Jimmy Carter's national-security adviser, has made something of a point, if not in fact a career, of analyzing the manner in which the world is altering in its political, cultural and economic make-up. He argues that it is the

function of an American Administration to try to affect, not halt, that change and that to do so does not require sinking into a fatalistic what-can-be-done-about-it attitude. Others believe that this Administration has in fact accelerated the slipping away of control, taking "far out" rhetorical positions and encouraging all sorts of insurrectionary activity that polarize the countries we are dealing with and make our chances of influencing their governments even slimmer.

My own sense of it is that we are at a point where we have become keenly aware of our own dependence on the economic behavior of others; where we have, in a passion of correction and reform, sharply limited the capacity of our executive branch to act overseas, and where our military and technological strength seems particularly ill-suited to backing up our values and interests around the world. We can no longer say we don't care what happens in the Horn—and we can no longer act forcefully or directly if we do. This disjunction between ends and means is the principal problem of our foreign policy.●

DR. EASYSCORE: KILLER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. DORNAN, Mr. Speaker, on April 25 of last year I read into a RECORD a Reader's Digest article, "New Kings of Heroin." At that time, I noted that there are over one half a million full-time addicts in our country and the number is growing. The profits to the pusher are immense and they are virtually tax-free. The risks are minimal because the courts—through some distorted sense of protection of criminals—do not hand out stiff sentences when pushers are caught.

As frightening as is the flood of smuggled heroin into this country, there is another even more insidious source of drug addiction. It is more insidious because it is based inside our country and is represented by a fraction of those whom we trust with our lives; our physicians. People who have taken the famed Hippocratic Oath.

I am sad to report to the House that the most blatant examples of doctors who dispense drugs where there is no need, are to be found in my own state of California, particularly in or adjoining my district. Although less than 1 percent of California doctors are involved in writing prescriptions for anyone who can pay the fee, they account for about 90 percent of the illegal supply of pharmaceutical drugs on the street.

The Los Angeles Times has recently run an expose of the drug-pusher doctors, the "Dr. Easyscores", who pollute our streets with pharmaceutical drugs for an easy filthy buck. I ask that it be included in the RECORD today and I urge my colleagues to read it carefully. It should open some eyes and, I hope disgust enough of us to stimulate some action on the part of the pharmaceutical companies and the medical associations in order to cut off this source of death in our streets. Will the Congress again be sticking its long nose into the market place? This time with rare good cause. Physicians heal thyselves, and this time let us see some bums, some murderers who masquerade as doctors, going to jail.

I cannot commend highly enough the two social-minded and courages reporters, Mr. George Reasons and Mr. Goodman, for this superb series of dynamic reporting. What honor they have brought to themselves and their families, to realize that they can retire each night with the absolute knowledge that they are saving lives because of their hard-hitting writing. Keep hammering away, men.

[From the Los Angeles Times, March 2, 1978]

CALIFORNIA'S NEW DRUG PUSHERS—EXPERTS SAY 1 PERCENT OF DOCTORS PROVIDE MUCH OF ILLEGAL STREET SUPPLY

(By George Reasons and Mike Goodman)

Hundreds of California doctors have become the main illegal supplier of dangerous drugs to thousands of young people across the state, The Times has found.

The president of the state's Division of Medical Quality estimates there are "between 500 and 1,000 of these drug-pusher doctors" in California.

They are illegally giving out close to a million pills a day, and they do it by writing prescriptions for anyone who can pay their fees.

They operate in almost every community.

"Many doctors know who they are but will not expose them," said Dr. Eugene Feldman, president of the Division of Medical Quality.

"It's the brotherhood code: turn your back or get sued," he told The Times.

Although it is estimated that less than 1 percent of the state's doctors are involved, they now illegally supply about 90 percent of all pharmaceutical drugs on the street, according to narcotics experts.

Some of these doctors earn $1,000 a day writing illegal prescriptions for anybody who can pay the $10 to $20 fee, preferably in cash.

If it's not cash, it's Medi-Cal, and the taxpayer foots the bill.

"A doctor with a pencil and prescription pad has a ticket to a fortune," one narcotics agent said. "He works great hours and makes no house calls, doesn't need medical equipment or medical employees."

These doctors are found in fancy quarters in Beverly Hills and Century City and in storefront offices in Watts, in West Los Angeles, Hollywood and the San Fernando Valley.

The drugs they deal in are powerful narcotics that can transform young men and women into helpless addicts whose drug tolerance grows along with their drug dependence.

The drugs they deal in are extremely dangerous. The Physicians Desk Reference, the drug manual for members of the medical profession, warns over and over of the danger to patients who use the drugs without careful supervision. The most sought-after pills on the high school and college campuses across the nation all carry warnings such as this statement on Quaalude, a popular "party drug."

"Illicit use of the drug or abuse of the drug for nontherapeutic purposes may lead to severe psychological or physical dependence."

In extreme cases, another terse warning appears over and over. "Death may result."

Amphetamines (speed) to soup up the user and barbituates to knock him down. Powerful narcotic pills with the punch of heroin. Or codeine to carry him through when his hands shake and he doubles up in withdrawal pain.

Many are swallowed by the handful, but often they are dissolved and injected into the bloodstream with hypodermic needle and syringe, known as "outfits."

The outfits sometimes are supplied by pharmacists who work closely with the "scrip" doctors, cashing thousands of their prescriptions a week for up to 100 percent profits. There are dozens of these pharmacies in Los Angeles.

The trend began about five years ago when new federal laws cut off illegal pharmaceutical drugs from Mexico. Doctors became the best source for the drugs, and narcotics agents agree they filled the void well.

In Los Angeles County alone, The Times has evidence of more than 100 doctors who have been writing "scrips" for several hundred thousand dangerous pills a day.

Many high school students can rattle off the popular names of the pills—"reds, rainbows, black beauties"—and the local doctors to get them from.

One member of the "doctor scene" told The Times how his family physician first accidentally got him hooked on drugs at 16.

Joe (not his real name) said the doctor cut him off when he realized what he had done.

But by then he had discovered that "scoring" drugs from doctors was much easier and safer than buying pills from street pushers.

By the time he was 19, Joe boasted, he had become an expert at conning doctors out of drugs.

"I had it down to a science—an art form," he said.

I was not into street drugs at all—strictly pharmaceutical—getting them from the doctors you really can't get busted.

"I don't even know if they make street pills anymore—that's how long since I've seen them."

Joe has been off the streets for several weeks now, undergoing treatment for barbiturate (downer) addiction, considered by experts as the worst kind of addiction.

A few months ago, however, Joe said, he was working at least 20 local doctors.

He rattled off a dozen names. Some have been convicted, some indicted, and a few are under investigation. The rest apparently have yet to be discovered by law enforcement officials.

"Within my group everyone was into drugs from doctors," he said. "At least 200 people in the (San Fernando) Valley that I knew were living off doctors."

Joe said he maintained a detailed notebook, or "bible," containing each doctor's name, address, phone, kind of drugs he gave out and how easy it was to score.

The pages of the notebooks were an extremely valuable commodity to be copied and traded one page at a time for drugs, money, or names of other scrip doctors, Joe said.

"Anybody could score from a scrip doctor," Joe said, but it took preparation to get drugs from a family doctor.

Joe said he researched the latest drugs and the ailments they were given for so that he would know what symptoms to fake.

Then, clean-shaven, hair combed, he would shyly enter the doctor's office.

"Act soft-spoken and a little on the stupid-side. Mispronounce the name of the drugs, be naive and you'd be surprised what you can con a family doctor out of," he said.

Sometimes, Joe said, he would hit a bonanza by discovering that the family doctor was really a "Dr. Easyscore." A new scrip doctor had been uncovered.

Joe would round up his buddies and reveal the doctor's name if they agreed to give him half of the drugs they got on the first visit.

Joe said he used most of the drugs he got himself, but several of his friends made their living selling the stuff on high school campuses such as Taft High School, Reseda High School and Birmingham High School.

Or you could always go down to "Topanga Beach and get rid of anything."

Joe said it took the death of a friend recently and his own deteriorating physical condition to realize that the scrip doctors were "killing people," including himself.

A favorite among Joe's subculture was Dr. Wendell J. Mellor who practiced in Hollywood for almost 30 years and was on the staff of Hollywood Presbyterian Hospital.

According to court records developed in criminal proceedings against the doctor, Mellor was beset by financial problems. In 1976 he lost substantially in the stock market and owed state and federal income taxes amounting to thousands of dollars.

Mellor's prescriptions for dangerous pills began showing up in large numbers in pharmacies in West Los Angeles and Hollywood in 1976.

Many of them were written to "known drug users," according to narcotics agent who opened an investigation.

Mellor, 70, recognized he was running a risk, according to court records.

The first undercover agent who visited Mellor got one prescription for Quaaludes, but the doctor balked at giving her a second one for Desoxyn. (Desoxyn is a powerful stimulant sometimes taken intravenously.)

"He said it was not likely that the inspectors would check him but he didn't want to take any chances," she wrote in her report.

She went back several weeks later for a refill and the doctor told her:

"You understand, dear, this is very serious. I just got a phone call an hour ago and a doctor we thought was on vacation was actually in jail." He told the agent the doctor was arrested for writing scrip, and that it was too dangerous to write for Quaaludes, uppers and downers.

So, she said, he gave her a prescription for emperin-codeine. (Emperin-Codine is classified as a narcotic and is used by addicts to supplement heroin or Dilaudid habits.)

Mellor told a second agent who visited him in July that "he could not give him Quaaludes any more; that he was under surveillance by federal and state agents and had to be careful," the agent reported.

He gave him a powerful downer instead.

Mellor told a third agent "he was being watched by narcotics agents and for that reason he had stopped writing Quaaludes," the agent said. He gave him a downer, too.

Mellor was arrested a short time later and was found guilty of five drug counts.

As a rule scrip doctors run assembly-line operations.

Waiting rooms are jammed with addicts, pushers and teen-agers. Long lines spill out into the street, like a line "waiting to see 'Star Wars,'" one agent reported.

Some doctors pass around a sign-up sheet and take people in numerical order. There's a desperate scramble because more people are waiting than the doctor can see in a day.

Bodyguards often are hired to keep order.

The doctor's office becomes a meeting place for the drug culture. Those awaiting their turn—often an all-day vigil—make their wait a social event by swapping information on new scrip doctors and "easy" pharmacies, trading prescriptions and pills and selling marijuana and sometimes heroin.

The doctor's waiting room was a second home to Dennis, who told The Times he worked his way through UCLA by selling narcotics and dangerous pills supplied to him by numerous local physicians.

"I was living off the doctors. A lot of my friends were, too," recalled the 25-year-old son of a Los Angeles area executive.

The doctors, Dennis said, also helped him become a junkie. They kept him well supplied with the powerful narcotic pain-killer Dilaudid, knowing that he was shooting it up and selling it.

Dennis said he was shooting up 10 to 12 Dilaudid tabs a day while attending classes at UCLA. He was graduated with high grades last year.

He said he would carry his "outfit" (syringe, needle and drugs) in his backpack with his books.

Dennis said that when he needed a fix, about every two hours, he headed for a special campus bathroom where the toilet stall doors closed tightly so no one could see him "tie off" his arm with cord to make the veins stand out.

"I would crush the tablet, drop the powder into the spoon, put some water on top, fire underneath, cook it, draw it and fix. It took four or five minutes."

Then once a week Dennis performed the all-important ritual of visiting his main "Dilaudid doctor," a Los Angeles area physician now under indictment on drug charges.

"I was getting 18 to 20 (Dilaudid) tabs a day from the doctor," Dennis said. What tabs he didn't shoot he sold for $10 apiece on the street, he said.

A prescription for 50 Dilaudid cost only about $12 from the pharmacy, and Dennis' doctor charged another $20 for writing it.

"He knew I was selling it. A lot of people made some fortunes," said Dennis, particularly if they weren't addicts" and didn't shoot up the profits. Any junkie feels it's just as good as heroin."

Every few weeks Dennis would visit four or five other doctors for a variety of other pills such as "black beauties" (uppers), and downers such as Quaaludes, "reds" (seconal) and "rainbows (tuinal)."

At one point, Dennis said, he was getting 700 to 800 pills a month from the doctors.

"If I wasn't into using them they were easy to sell. Sometimes I'd make $800 a month plus keeping my habit."

Dennis said that his drug habit grew until it was all he thought about. It consumed his life. He said, he didn't care about eating and lost 40 pounds.

He spent most of his spare time searching for drugs. He said he sometimes had to get up at 2 a.m. to get a good spot in line at the office of Dr. Leroy Demery, 6213 S. Main St.

The office of Demery, who is awaiting sentencing after his conviction on 35 drug counts, often was a wild scene.

One undercover agent testified that 20 people already were in line when she arrived at the doctor's office at 8:10 a.m.

"Pandemonium broke out" when the door opened, she said. "Several people shoved and pushed ahead of me."

She said Demery's bodyguard told her "no matter how hard he tried . . . he couldn't do anything to control it.

"The doctor sees only 60 people a day and they get frantic to get in there because they might not get seen," the bodyguard told her.

It took the state Division of Medical Quality almost two years to discipline Demery after he was arrested. During that period he continued practicing and prescribing the same kind of pills.

In late 1977, the division's ruling allowed Demery to continue practicing, on probation.

"They (the board) didn't even pull his pill-prescribing privileges," said Robert Rowland, executive secretary of the board, comprised largely of doctors.

"The board blew it," remarked another medical board official.

The medical board, which has 45 investigators, rarely originates an investigation of a pill doctor, Rowland said.

In March, 1975, state and federal narcotics agencies formed the Diversion Investigation Unit comprised of 10 agents in Los Angeles and San Francisco. They deal exclusively with the illegal diversion of pharmaceutical drugs.

Since then, at least 100 doctors statewide have been arrested, convicted or forced to retire by DIU and police agencies.

Many others are under investigation but the special unit's 10 agents are spread thin.

"The pressure is so great—we've got so many cases it's unreal," said S. E. Kapelson, DIU investigator in Los Angeles.

One doctor's impact can be staggering, according to court records which show pills prescribed here sometimes wind up in the hands of large-scale dealers in Las Vegas, Seattle, Chicago, New York and Miami.

Examples:

—A Los Angeles doctor working with a criminal syndicate wrote prescriptions for more than a million pills, delivered to his confederates by the boxload.

—Nearly 200,000 pills were seized in the office of an Oakland doctor who confessed to "indiscriminately and recklessly dispensing huge quantities of dangerous drugs" over 2½ years.

—A San Francisco doctor was caught driving a panel truck loaded with 1.7 million amphetamines destined for the street.

—A West Los Angeles doctor sold thousands of prescription blanks to a dealer who filled them out, got the drugs and sold them to criminal syndicates in Las Vegas and New York.

—A second San Francisco doctor wrote 5,017 prescriptions for 130,442 pills in a 90-day period according to a federal study of 13 San Francisco pharmacies.

The study, which was obtained by The Times, illustrates the impact of a handful of doctors.

The 13 pharmacies filled 20,651 prescriptions for dangerous drugs written by 900 doctors in a 90-day period.

A tally of the prescriptions disclosed that only seven doctors wrote 53 percent of them.

Pharmacists sometimes go beyond filling prescriptions.

Barbara, a teen-age addict, told The Times of an unexcepted bonanza she received when she visited a Santa Monica pharmacy to fill her first prescription—for Desoxyn, "the Cadillac of speed."

It was the first time she had scored from a scrip doctor on her own. One of the big moments in her life.

"I was excited, I was patting myself on the back," said the daughter of a top California law enforcement official.

Now she had to get an outfit to inject the Desoxyn into her arm. Shooting up Desoxyn produces a much stronger "rush" than taking it orally, she said.

Barbara recounted how she and a girlfriend went to the pharmacy which catered to drug addicts and street people.

Her girlfriend—a speed freak—was a regular at the pharmacy and the druggist knew what his new customer, Barbara, would do with the Desoxyn.

With a wink, she said, he handed her the bag with the pill vial. The bag felt heavy. Barbara peeked inside. To her delight, she found a hypodermic needle and syringe.

"My own outfit!"

"Me and my girlfriend went right to my house. It was the first time we did it on our own. This was my project. My thing."

Three pills were sliced with a razor and soaked in a glass bottle of boiling water until the plastic coating on the pills worked loose and the water turned yellow with the drug, she said.

When the solution cooled, Barbara said, "I tied myself off so the vein would show and then I fixed. I would fix daily. Sometimes twice a day.

"When I got spaced out I would take some Tuinal to bring myself down," she said.

"After a while I could just call in the prescription (Desoxyn, Tuinal, Quaalude).

"It went on for four or five months. I just burned out. I was shaking so bad I couldn't fix myself. I must have poked myself 20 times. I had little holes up and down my arm.

"I overdosed and I broke my nose. I had gotten into a self-pity bag. I kept on taking pills, passed out and didn't wake up for three days," Barbara said.

Now in a rehabilitation center, Barbara said her drug abuse stemmed from her desire to "be grown up. I thought that was the way to be grown up." She also said she wanted attention from her parents.

"My mom would take pills—diet pills and Valium. I would tell her mine was OK too because I got them from the doctor," Barbara said.

"If I left here I could get to a doctor easy. It's so easy to do it. There are so many doctors making it OK for people to ask for scrips."

Barbara said she paid $15 to $20 a visit but many doctors deal in bulk and charge hundreds of dollars.

Dr. Werner Hugo Liechti of Berkeley wrote prescriptions to undercover agents for hundreds of dangerous pills at a time. His fees ranged from $100 for 60 uppers and 60 downers to $700 for 28 prescriptions bought on one visit by one agent and made out under eight different names.

The agent testified he got his first prescriptions from Liechti for Quaaludes and amphetamines simply by declaring "I like them."

Liechti, who pleaded guilty to illegal prescribing, was the city physician for Oakland from 1970 to 1972 and was an associate physican for the University of California Student Health Service at Berkeley from 1963 to 1973, records show.

Shortly after leaving UC Berkeley in April 1973, the court record shows, Liechti started prescribing massive amounts of Dilaudid, powerful morphine-like tablets known as "drug-store heroin."

He prescribted more than 30,00 Dilaudid tablets to four persons in about two years, according to state medical board records. The Dilaudid had a street value of more than $300,000.

Lois, 21, was a Dilaudid addict and a drug user since she was 14. She desperately needed scrip doctors to supply her with pills, but she despised them.

"If anybody knows what drugs can do it's doctors. They've seen the worst—babies born strung out from the mother's addiction.

"Most of them knew I was a dope fiend,"

"They'd take my blood pressure and see my tracks. I had them all over my arms," she said.

"I got the impression that as long as you could give them some kind of story you could get what you needed. They just wanted to hear a story and get the money."

Lois said she didn't care what kind of person the doctor was as long as she got her drugs, especially Dilaudid. "I was doing 15 Dilaudid a day—shooting three or four (tabs) at a time."

"It's the only thing you concentrate on. How, where and when are you going to get it. All my energy was into how I was going to get it from the time I got up to when I went to bed."

If she ran out of Dilaudid, or couldn't buy heroin from a street pusher, Lois said, she would go to a scrip doctor and get some pills to hold her over rather than trying to kick her habit.

"I'd take a handful and pass out somewhere."

Like several heavy drug users interviewed by The Times, Lois had built up a huge tolerance to drugs. Swallowing a dozen or so pills a day was routine.

Lois has been "clean" for two months now in a halfway house, but she admitted, "If I were to leave tomorrow, I might try and find a scrip doctor I know a few who are still doing their thing. You know it's going to be good dope if you get it from a doctor "

Some doctors deal in drugs for sex as well as money. Court records and investigative reports show the following:

Dr. Mahlon McKay of Long Beach pleaded guilty to two counts of illegally prescribing drugs to an addict and to an undercover agent, and he pleaded no-contest to charges that he prescribed a powerful sleeping pill to an emotionally disturbed woman who took an overdose and died. Twelve other charges against McKay were dismissed last year.

The addict said she received Demerol, a narcotic, from the doctor "for sexual favors and money," court records show.

A state undercover agent said she overheard one female patient warn another: "Don't let him get you on the examining table.'"

After his arrest, McKay went to work at another clinic but was fired after a patient complained that the doctor tried to arouse her sexually during an examination, court records show.

In the death of Diane Peurrung, records show she had been admitted three times to Stanton Community Hospital for drug ingestion.

Dr. Jack W. Johnson, her psychiatrist, said she was "suicidal and heavily dependent on drugs."

Johnson, a second physician and the women's father, Clarence H. Metzger, all had contacted McKay and asked him to quit prescribing for her, according to court records.

McKay agreed but Metzger said he didn't keep his promise According to Meztger, McKay prescribed more than 200 Carbrital (sleeping) pills for her in the 30 days before her death of an overdose.

In his anguish, her father later wrote a newspaper, "Those doctors who give out pills should have to attend the funerals and see the agony and suffering that the families go through "

"PATIENT" CALLS SHOTS, DOCTOR PRESCRIBES

A Times employe found out a few weeks ago how easy it is to get dangerous drugs from doctors.

The young employe, let's call her Linda, heard about a physician in the San Fernando Valley who was earning a reputation as a "Dr. Easyscore."

The one requirement was that "you had to bring cash."

Asked to check out the doctor, Linda found herself in a tiny waiting room with several other young people.

"Are you here for what everybody else is here for?" giggled another "patient."

They swapped names of other "pill doctors." Linda was told about a physician in North Hollywood whose medical examination consisted mainly of "having you stick out your tongue."

When Linda was finally ushered into the doctor's examining room, she discovered that another doctor had replaced "Dr. Easyscore," who, she was told, had gone on an indefinite leave of absence.

The new doctor, however, turned out to be very cooperative.

After a cursory examination, Linda told the doctor that she couldn't sleep.

He suggested Valium.

She said she didn't like Valium and wanted Quaalude, a powerful and "potentially addictive" relaxant known as the "love drug" because of its alleged aphrodisiac qualities,

"Anything else?" the doctor asked as he wrote out a prescription for 30 Quaaludes.

Linda said she had cramps, but that her gynecologist would only allow her to take aspirin.

This doctor, however, prescribed 50 pain pills containing codeine, an addictive narcotic.

He wrote the Quaalude prescription on a blank belonging to another doctor "who used to work here," Linda was told.

Then the doctor made sure that Linda went to a certain pharmacy by phoning in the orders himself. "They will be filled and waiting for you," he said.

She paid the doctor $25 and the pharmacy $19.60 for the pills. Their street value is about $200.

As she left the doctor's office, Linda asked when she should come back.

"Call me when you run out," the doctor replied.

TWO PHARMACISTS SUSPENDED IN SAN FRANCISCO

SAN FRANCISCO.—Two San Francisco pharmacists have been suspended for six months for illegally furnishing "massive" amounts of dangerous drugs to addicts.

The pharmacists—Dennis Wong, owner of the Safety Pharmacy, and Howard Wong, unrelated coowner of the Mandarin Pharmacy—were ordered suspended effective March 29 and placed on five years' probation. In addition, the Safety Pharmacy will be closed for 30 days and the Mandarin Pharmacy closed for 15 days.

Dennis Wong, a prominent Chinatown businessman, is vice president of the Chinese Chamber of Commerce and former president of the Chinese Six Companies.

Administrative Law Judge Robert S. Kendall found the pair guilty under a state law which says druggists share responsibility with doctors in providing drugs.

Kendall said an audit revealed that during 1974 the two pharmacists sold 256,000 tablets of Desoxyn, a stimulant and Dilaudid, a narcotic; and on April 1, 1974, filled more prescriptions for the two drugs than normally occur in a month.

The state Board of Pharmacy said most of the prescriptions were written by an Oakland doctor, Thomas Gates, whose license was subsequently suspended, and the prescriptions were filled at "short intervals" by the same individuals.

The board said the purchasers were people the druggists "knew or should have known were drug abusers."

Dennis Wong said he had not received written notice of the ruling and would have no comment.

DOCTORS FIND DRUG CULTURE CATCHING

Doctors who deal in drugs before long begin to act and talk like the street people they deal with.

Such was the case of Dr. J. J. Pontier who pleaded guilty to drug charges last October in Federal court in San Francisco.

"Dr.. Pontier conducted himself no differently than a street pusher" U.S. Atty. Lawrence Edelman told the court in urging a prison term for the doctor.

To support his position Edelman submitted the transcript of a conversation between the doctor and two undercover agents Pontier believed to be drug users.

The conversation began after the doctor got into a car with the two agents outside his office in Richmond.

PONTIER. . . . How many of these bastards (prescriptions) do you want?

AGENT. Uhm I've got a hundred dollars.

PONTIER. Oh . . . Better save some. (laughter).

Who is this to?

AGENT. Make the . . . make the first one to Geri Cross. We were just thinking of some really good names. We were looking down here Aida Band (laughter). Aida Band and uh Harry Merit.

PONTIER. That's pretty smart. It's Dec. 2, isn't it?

PONTIER. What's the address for this gal?

AGENT. 615 Central in San Francisco.

PONTIER. Is it benzedrine or Dexedrine you get?

AGENT. Biphetamine.

SECOND AGENT. You won't give us any Ritalin.

PONTIER. I can't. They're on my ——— on it, you know what I mean. I think that they're, uh, they're monitoring all these guys that are writing any kind of, for Ritalin and Eskatrol . . . Quaalude's the worst.

SECOND AGENT. Yeah, nobody wants to give you Quaalude, anymore.

PONTIER. Well, where did you get it before, did you have anyone who would give it to you?

AGENT. Sure, used to be able to get it all the time. Doctors would give you that instead of Seconal cause they'd say it wasn't as strong and then when the word got out that they were good for what they were good for (aphrodisiac), then all of a sudden you can't get 'em anywhere now.

POKTIER. Yeah, but all these ——— . . . soon as the Quaalude prescription hits the ——— . . . they they . . . they monitor the ———.

(Pontier then tells of a doctor whose office has red, blue and green lines on the floor to guide patients who want different kinds of pills. He says the doctor has lines around the block. Then he turns back to the two agents' prescriptions.)

PONTIER. How many did I give you? Thirty or 40, what was it?

SECOND AGENT. Can we get 50?

PONTIER. ———, it's too ——— high.

SECOND AGENT. OK, 40. (laughter).

PONTIER. I mean, you got to play it safe.

(Pontier writes out several prescriptions and then waits to be supplied another name.)

AGENT. OK, uhm, Harry Merit. I like that one.

PONTIER. How about D. Merit? (everyone laughs).

AGENT. D-E-E.

PONTIER. What's the address?

AGENT. 720 Jones.

SECOND AGENT. You're not really writing for Dee Merit, are you? (laughter).

PONTIER. This is it? (meaning the last prescription)

AGENT. That's it.

PONTIER. I better get to work before they come out and raise hell. (laughter)

SECOND AGENT. How about a hundred dollar bill? (He hands Pontier the bill.)

PONTIER. That's OK.

SECOND AGENT. Otherwise we got to get ones and fives.

PONTIER. Did you bring that film? You didn't, did you?

SECOND AGENT. I didn't have one. Next time.

PONTIER. Bring one. I'd just like to see it. That's all. All that porno stuff doesn't turn me on at all. (laughter)

PONTIER. It doesn't really.

SECOND AGENT. Really?

PONTIER. Oh, honest, that, that crappy . . . some of that stuff is so bad. I mean if it's cleverly done, it's fine, you know . . .

AGENT. Oh, yeah.

PONTIER. But anyway, good luck.

AGENT. Have a good day.

PONTIER. OK. See you later.

AGENT. OK. Bye-bye. Thank you.●

ST. PATRICK'S DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. RODINO. Mr. Speaker, this weekend my district will join many cities throughout the United States in celebration of the holiday we call St. Patrick's Day. I have marched in the Newark St. Patrick's Day parade for many decades, and this year I will march with the parade's grand marshal, Bill Morley. I believe it is a tribute to those great Americans of Irish descent that people from all backgrounds participate in this yearly celebration.

The Irish are very proud of their patron saint, and rightly so. His story serves as a lesson to us in the 20th century. When Patrick arrived in Ireland in 431 A.D., he was in the dangerous situation of preaching a new faith to a foreign population. Nonetheless, he was fearless in doing good works, preaching his beliefs. and setting up many schools and churches. When he died on March 17, 493, he was no longer a stranger in a strange land, but a beloved friend of an entire people and an entire country which continues to honor his name.

Mr. Speaker, let us hope that the spirit of St. Patrick will inspire social justice in Ireland and throughout the world. It is only through a renewed commitment to social justice that those living in strife will know peace.

Mr. Speaker, I am proud to march with my brothers and sisters of Irish heritage on St. Patrick's Day, and I salute the strong faith of the Irish people in the hope of obtaining peace one day soon.●

BROOKLYN NEWSPAPER WINS SIX AWARDS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. RICHMOND. Mr. Speaker, I am proud to share with my colleagues the noteworthy achievements of a neighborhood newspaper in my Brooklyn, N.Y., district, the Phoenix. Its staff has just earned six statewide awards in the 1977 Better Newspapers Contest, conducted by the New York State Press Association.

Although the Phoenix is "small" in circulation—that is, it only caters to an audience of Brooklyn residents—it is indeed a great newspaper.

I am proud to share with my colleagues the Phoenix's accomplishments because they are examples of journalistic excellence. In the past, the Phoenix has thoroughly covered the many major issues that affect its neighbors. Additionally, the Phoenix has been a dynamic voice in articulating community needs.

I applaud the Phoenix for its unequivocal journalistic achievement in Brooklyn and for being among the best newspapers in New York State.

The article follows:

[From the Phoenix, March 9, 1978]

PHOENIX GETS SIX AWARDS IN STATEWIDE NEWSPAPER COMPETITION

The Phoenix won six statewide awards, including two first place prizes in the 1977 Better Newspaper Contest of the 350-member New York State Press Association, the group announced at its annual meeting in Albany March 5.

The awards include First Prizes for Best Special Section and Best Editorial Cartoon, as well as a Certificate of Excellence for ranking first among member newspapers in an evaluation of the newspaper's design and content. Other awards were a second place for Best Feature Story in the state during the year and prizes for In-Depth Reporting and Best Front Page.

"For the fourth year that we have been a member of this state-wide group, The Phoenix has been rated among the best newspapers in New York State," said Michael A. Armstrong, Publisher. "We are proud of this honor from our peers, but this independent evaluation is also important because it is testimony we are serving our Brooklyn readers well—and that's the most important goal for any newspaper."

The six awards last week follow 12 other awards earned by the newspaper in the previous three years, including prizes for General Excellence and Best News Story in 1974, awards for Best Coverage of Local Government, Editorial Excellence, Best Column and Best Special Section in 1975, and prizes in 1976 for Best Community Service, Best Editorial Page, Best Editorial Cartoon, Best Special Section, Best Feature Story and Best Advertising Idea.

For the past year's competition, The Phoenix Waterfront Issue, published in November 1976 was judged the Best Special Issue in the state. "Brooklynites reading this special section can't help but know more about their locale and what they can look forward to," said Judge Wilson Barte of the Trenton (N.J.) Times who judged this category.

Best Editorial cartoonist in the state for the past year was Phoenix cartoonist Gene Suchma, who also won a prize for his work the previous year. Suchma now produces the weekly "Inklings" strip which also is published in The Villager in Greenwich Village, sister paper of The Phoenix. Judges singled out a Suchma work on redlining as a particularly praiseworthy example of the originality, technique and * * *.

Redlining was also the basis of the award of a Certificate of Excellence to the paper and to News Editor Jon Ciner for In-Depth Reporting for the August 25, 1977 special Redlining Report, researched, written and edited by a team of reporters headed by Ciner. The report was a 12-page special section analyzing local mortgage investment policy of Brooklyn-based savings institutions.

Second prize for Best Feature story in the state went to the paper and to writer Ed Moran for "Solar Energy—the (Heat) Wave of the Future Hits Brooklyn," a special four-page report on solar energy and how it works.

In evaluating the design and content of The PHOENIX, Professor Mario R. Garcia of Syracuse University said: "You do a very good job of bringing the news to your readers in a concise, objective and attractive manner. Graphic and content organization prevail throughout; consistency in the arrangement of graphic elements is one of your strongest points. Good newspaper!" Garcia also praised The PHOENIX Community Forum section. Only five newspapers in the state rated a Certificate of Excellence from the state association, and issues of The PHOENIX edited by Judy Linscott and Jon Ciner ranked first among these.

"The new rounds of awards is a testament to the outstanding reporters and writers working under the leadership of Managing Editor Judy Linscott who put The PHOENIX together every week," said publisher Armstrong. "Those people—some with us today and others no longer on our staff—do the hard work of conceptualizing, reporting and producing news and features on one of the most exciting communities in the state. The paper is the blood and sweat of these people."

Armstrong gives special praise to former PHOENIX Editor Eileen Blair, now Editor of The VILLAGER, who produced and edited the 1976 Waterfront issue that won a first prize and the Solar Energy section that received the Best Feature Story award. "Blair created the style and spirit that made these issues tops in their class, and the look and editorial approach of the present-day PHOENIX. Our awards this year are part of the mark her verve and style left on our newspapers." Blair was PHOENIX editor from March 1974 to April 1977.●

TAXES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. COLLINS of Texas. Mr. Speaker, the top 25 percent of 1975 taxpayers included all people who earned $15,898.

These people paid close to 75 percent of the tax bill. It is this same $16,000 a year breadwinner who has been called on to provide additional unemployment benefits through Humphrey-Hawkins to pay a prevailing wage to a man on relief. He is the one who has to bear the burden of increased social security taxes. He is the one President Carter has asked to pay most of the energy costs.

Today the Government takes through taxes 44 cents out of every dollar earned.

In the past 20 years, Government spending has risen 340 percent causing inflation. Corporate profits have increased 105 percent which does not meet inflation.

The answer is less taxes by less Government, so we can give the hard-pressed taxpayer a chance to make a living.●

THE ACCOMPLISHMENTS OF ASSEMBLYMAN GUY BREWER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. RANGEL. Mr. Speaker, the New York State Assembly could never be the same without the clear articulate voice of Guy Brewer, the distinguished gentleman from Queens County. And certainly, Guy's record as a vigorous, hard working assemblyman speaks for itself.

Guy and his wife Marie are no strangers to rough goings and Guy once again is taking hard times to the mat.

In the following article taken from "Newsday," Dick Zander salutes the accomplishments of Assemblyman Guy Brewer. I would like to share this fine article with you:

A LAUGHING MAN RECALLED

Mention the name of Guy Brewer to anyone who knows him and the first thing that happens is a smile. What comes next is a question, "How's he doing?"

The smile is because Guy Brewer, the assemblyman from Queens' 29th district, is a wit, certainly one of the sharpest in the recent history of the Legislature. The recollection of his quips is certain to cause smiles.

And why the question? Brewer has cancer. "It's only a matter of time," he told his colleagues in the Assembly last July.

Brewer hasn't been spending much time in Albany this session. He has been hospitalized, most recently in Roosevelt Hospital. But the short, dapper lawmaker from Jamaica has not been forgotten. He was honored by the Black and Puerto Rican Caucus at its annual dinner a couple of weeks ago in Albany. The plaque spoke of his "noteworthy contributions on behalf of poor people in the State of New York."

New York City Clerk David Dinkins, the chairman of the Council of Black Elected Officials, accepted the award for Brewer. Dinkins said that everyone knew of Brewer's wit, but did they know of his courage in his fight against cancer? Dinkins said he hoped that Brewer would be present next year to thank the caucus personally for its award. Brewer has served as chairman of both the legislative caucus and the statewide council.

Even on the most serious of subjects, Brewer added humor. His announcement to the chamber that he had cancer came during a debate on a bill to legalize Laetrile. He said he supported the bill, although personally he didn't think that the controversial drug was worth a tinker's dam. "If this gives somebody a ray of hope, for God's sake let him have it," Brewer said. Then he added, "I'm not going to use it. For my curative, I'd rather use a little gin."

Brewer, who won't divulge his age but is believed to be in his 70s, didn't enter the Assembly until January, 1969. He had served as assistant to the Queens borough president and as a delegate to the 1967 Constitutional Convention. It was while he was a Con Con delegate that he broke the racial barriers of the WASPish Fort Orange Club in Albany, becoming is first black member. Later, Brewer helped State Sen. Joseph Galiber (D-Bronx) become the second nonwhite to gain admittance to the club.

Several years ago, the Assembly was debating an election bill. Brewer angrily lambasted an unnamed Queens elections official who had given him a difficult time over designating petitions, as "that bum." His Republican colleague, Al DelliBovi of Richmond Hill, called on Brewer to identify the bum.

"I don't think I better do that, Brewer said. "The gentleman no longer is on the law committee. He has since ascended to the bench."

The New York Red Book, a compendium of state officials, lists Assemblyman Brewer as "a journalist and consumer education consultant" with offices at 107-35 170th St., Jamaica. His efforts as an advocate journalist appeared for more than seven years in an interracial weekly, The Voice, published in Flushing. Brewer was as outspoken in his column as he was in debate in the Assembly. "You never had to worry about figuring out just where Guy Brewer stood," said Ken Drew, publisher of the paper.

Indeed, Brewer always has been a strong partisan. But this Democrat, this representative of the poor, has maintained a relationship—indeed, a friendship—with the likes of Perry B. Duryea Jr. of Montauk, the Assembly minority leader and GOP gubernatorial aspirant. For a number of years, Brewer maintained a summer home in East Hampton Town, and he and Duryea would kid each other over whether Brewer was Duryea's constituent.

It seems almost certain that Guy Brewer will not run for re-election next year because of his health. And that's too bad. Official Albany, for all its sham, sound and fury, is a sentimental place, and when Brewer returns, even for a brief visit, the corridors will echo with applause and cheers.●

SENATE—*Friday, March 17, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 11 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Reverend Dr. Charles A. Trenthan, pastor, First Baptist Church, 1326 16th Street NW., Washington, D.C., offered the following prayer:

Eternal Father, draw near to us and grant us such communion with the heart and mind of God that we may think as You think and love as You love.

Let no barriers of prejudice, greed, or hatred hide Your face from us.

Hold before us a clear vision of those who depend upon what we say and do here.

Deliver us from the sins of pride and arrogance. Let us not be different for the sake of being different. Teach us the difference between steadfastness and stubbornness.

Keep our ears open to the voices of others, but let us not surrender our own best thoughts for the sake of being popular.

And when this day is done, let us lie down in the assurance that our world is more like the home which You want for all humankind.

In the strong and ever blessed name of Jesus. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 17, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Senator from West Virginia.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, if the minority leader has cleared on his side the nominations beginning with Department of State, on page 2 of the Executive Calendar, and going through the International Communication Agency, up to Department of Agriculture, I would then ask unanimous consent that the Senate proceed to the consideration of those nominations.

Mr. BAKER. Mr. President, I advise the majority leader that this calendar shows that the five nominations—meaning all the nominations under Department of State—and the other nominations that he identifies on pages 2 and

3 of the Executive Calendar have been cleared for consideration and disposition on this side, and we have no objection to such request.

Mr. ROBERT C. BYRD. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nominations.

There being no objection, the Senate proceeded to consideration of the nominations.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of Alice Stone Ilchman, of Massachusetts, to be an Assistant Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nominations of David Eugene Boster, of Ohio; Lawrence S. Eagleberger, of Florida; Donald B. Easum, of Virginia; and Thomas O. Enders, of Connecticut, to be career ministers.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

INTERNATIONAL ATOMIC ENERGY AGENCY

The assistant legislative clerk read the nomination of Roger Kirk, of the District of Columbia, to be the Deputy Representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

INTERNATIONAL COMMUNICATION AGENCY

The assistant legislative clerk read the nominations of John E. Reinhardt, of Maryland, to be Director; Charles W. Bray III, of Maryland, to be Deputy Director; and Alice Stone Ilchman, of Massachusetts, to be an Associate Director of the International Communication Agency.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider en bloc the nominations that have been confirmed.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the confirmation of the nominations.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the distinguished minority leader desire recognition?

Mr. BAKER. I do not, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the distinguished Senator from Colorado (Mr. HART) for not to exceed 15 minutes.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HART. I yield.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 9.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

(The amendment of the House is printed in the RECORD of Feb. 2, 1978 beginning at p. 2094.)

Mr. JACKSON. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. JACKSON, Mr. CHURCH, Mr. JOHNSTON, Mr. ABOUREZK, Mr. BUMPERS, Mr. HANSEN, Mr. MCCLURE, and Mr. BARTLETT conferees on the part of the Senate.

VIOLENCE IN NORTHERN IRELAND

Mr. HART. Mr. President, it was with both pride and sorrow that I joined my distinguished colleagues in signing the joint statement on Northern Ireland—with pride because I am of Irish descent, and with sorrow because of the continuing violence which makes such a statement necessary.

While we go about our daily lives—distracted and concerned from time to time by outbreaks of violence in the Middle East, in the Netherlands, or Northern Ireland—the people of Northern Ireland never escape the threat of violence. It has become their way of life.

While we worry about our children being exposed to violence on television, an entire generation or two of Irish children have been immeasurably scarred by anxiety, fear, and exposure to sudden, violent death—not the death of imaginary characters on television, but of their mothers, their fathers, and their brothers and sisters.

It is intolerable that this atmosphere of violence and death should continue year in and year out. It is intolerable that another generation of Irish children be allowed to grow up in the shadow of death. It is intolerable that anyone—be he Irish, American, or British—support the insanity of extremism over the sanity of moderation.

I remind any in this country who are still providing assistance to the enemies of peace in Northern Ireland of the words of the Prime Minister of Eire, Liam Cosgrave, when he spoke before a joint session of Congress 2 years ago:

> Let me tell such people in the most categorical manner possible what they are doing, whatever their motives, that every penny, dime, or dollar they give thoughtlessly for such purposes, is helping to kill or maim Irish men and women of every religious persuasion in Ireland.

I would also reiterate the appeal made in our joint statement to the leadership and community of Northern Ireland and to the British Government for a more genuine commitment and more effective leadership to achieve a settlement fair to Protestants and Catholics alike.

We must all support and encourage the efforts of those who, with courage and dedication, are working for the day when to be Irish will once again be only a source of pride and not also of sorrow.

We will have overcome what Yeats called "the fascination of what's difficult" and will have restored peace once again to that fine land.

Mr. President, in the remaining time I have allotted, I turn to another equally important, perhaps equally immediate subject, and that is the question of the pending negotiations on strategic arms limitation.

CLARIFYING LANGUAGE TO INSURE SALT PROTOCOL EXPIRES UPON ITS TERMS

Mr. HART. Mr. President, there are few enterprises facing us as a nation that call for more persistence and self-confidence than bringing the SALT II negotiations to a successful conclusion. Recent observations by members of the administration that Soviet policy in the Horn of Africa inevitably has repercussions in other areas of United States-U.S.S.R. relations, underscores the complexity of the task. Similarly, the events of a few weeks ago, with the expression of concern in the Russian press about American positions on issues still under discussion in Geneva, remind us once again that these are bilateral discussions: That the doubt and suspicion that characterize our perceptions of the Soviets may also prevail in their view of our motives and intentions.

But the difficulty of reaching agreement only underscores the need for doing so.

In my visits to the SALT talks as a congressional adviser, I have been deeply impressed by the professionalism and tenacity of the American negotiating team. I have also become aware of the added difficulty they bear, paradoxically, because they represent a free and open society. The intensity of our public debate, even on a treaty still under negotiation that touches on the most sensitive issues of national security, is a phenomenon not easily understood by others. This debate must not be perceived as a failure of the collective national will.

(Mrs. HUMPHREY assumed the chair.)

Mr. HART. Madam President, on several occasions, I have expressed concern about those critics who have condemned

SALT II accords that are still being shaped. A piecemeal attack on a single provision, viewed in isolation, may seem telling, yet prove to be of little weight in the context of the treaty as a whole.

Certainly all of us in the Senate have learned in the course of our deliberation on the Panama Canal treaties that full knowledge and information are essential to sound judgment. This will be even more true in weighing the yet more sober and difficult issues implicit in a strategic arms agreement.

On February 24, Senator SPARKMAN, chairman of the Foreign Relations Committee, presented to the Senate and to the American people the first full and unclassified status report on agreements to date in SALT II. This is a welcome development which should make possible a more informed and open discussion of the issues still to be resolved.

Much past criticism has centered on the agreement of May 1977 to divide the SALT accord into two parts: an 8-year treaty that will embody the key numerical limits, and a protocol of 3 years' duration or less to cover some qualitative controls affecting new systems still under development.

Although the limits of the protocol are widely viewed as advantageous to the United States, critics have quickly branded the strategy as a "distinction without a difference." They argue that, once an agreement is reached, it will automatically persist, even though it expires by its own terms on a date certain. Even more distressing, they charge that this position was deliberately conceived to avoid airing the most difficult and controversial issues before the Senate and the American people.

The division of the accord into treaty and short-term protocol is a superb negotiating strategy that warrants commendation and support instead of criticism. It provided a way to segregate issues on which there was promise of early agreement from other more long-term issues. Those longer term issues involve systems still under development, which pose special problems of counting and verification, at least under today's groundrules.

The difference between treaty and protocol is not, therefore, a cosmetic one. It is a separation of issues that are inherently different in both technical and political implications. It is not a diplomatic dodge, a concession to the Soviets, or political eyewash. In a very real sense, resolution of problems treated in the protocol may point the way to SALT III.

The fact that this line of demarcation between protocol and treaty is substantive adds to the importance of maintaining the distinction. I do not accept the blanket charge of some critics that the mechanism provides a way for the administration to avoid addressing the tough issues with the Senate, with our European Allies, or with the American public. But I would not wish to see essentially tentative and temporary decisions embodied in the protocol slide, by simple fact of their existence, into permanence.

If these constraints ultimately become part of the treaty, there must be a positive decision to that effect; it must not occur by default. For this reason, I am prepared to offer, at the appropriate time in the process, clarifying language to the resolution of ratification, in form similar to the following:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the understanding that nothing in the Protocol shall bind either of the Parties after the date of the termination of the Protocol, unless the Parties otherwise agree and approve such agreement, in accordance with their constitutional processes.

The purpose of this clarifying language will be to confirm, in unmistakable terms, the limited nature of the protocol; and to insure that any commitment to extend or alter the protocol or any of its provisions is reached through the full, unconstrained process of negotiation and approval.

Because of the gravity and complexity of the matters at issue in the SALT protocol, I believe that such an unequivocal understanding is vital on several counts:

It is vital that the Soviet Union understand that these issues are not permanently resolved, and that serious negotiation must continue to seek mutually acceptable answers;

It is vital that our European allies be reassured that we understand their special concerns, and that we will not unilaterally foreclose options of importance to them;

It is vital that the Members of the Senate be assured that our exercise of the constitutional responsibility and prerogative will not be impeded; and

Perhaps most important, it is vital that the American people have confidence that the public process will run its full course, and that they will, accordingly, have an opportunity to take part in those deliberations.

In addition to the intrinsic value of these reassurances, I would hope that they also serve to shift the debate from its present unproductive focus on matters of form to an examination of the substance of the negotiations.

First, this treaty allows us to get on with the crucial matter of limiting systems in being, in particular, the MIRVed heavy Soviet ICBM's, which pose the most immediate threat to peace and security.

Second, this protocol allows for our continued development and testing of new systems. Clearly, this right extends to both sides, but it is particularly important to the United States—because M–X, GLCM, and SLCM are at critical points in development, but are still some years short of full operational readiness.

Third, the timing of the protocol provides a point of leverage to secure Soviet agreement to reductions or constraints on other systems, including the possibility of securing some meaningful breakthroughs on theater weapons issues in the mutual balanced force reduction talks.

Fourth, the protocol buys time—time to attempt to find ways of dealing with the counting, verification and control problems introduced by mobile systems and by small weapons such as cruise missiles.

In sum, then, the protocol offers much-needed breathing space. We can institute the absolutely fundamental numerical and other limits embodied in the SALT II treaty. We can strengthen our position in other arms control negotiations in progress. We can try to deal with problems of compliance monitoring and verification introduced by new technologies. And if we fail, we retain the right ultimately to deploy these weapons. For these reasons, I believe the protocol to be a welcome development which, on its merits, will deserve our support.

In this context, let me stress again the nature of the language I propose. It would apply first of all, to the resolution of ratification, not to the treaty itself. It would not alter the treaty in any way, or call for any action or reaction on the part of the Soviet Union. It would not interfere with the process of negotiation now underway. It would impose nothing beyond that which we will already have committed ourselves to do; namely, to limit some elements of the accord to a shorter time span than others. Its purpose is, simply, to confirm—to assure and reassure.

But it will do something else as well. It will hopefully help refocus the debate on the sober, compelling considerations inherent in a treaty between the Soviet Union and the United States dealing with a subject no less important than national security and survival. The real issues are sufficient in and of themselves. There is no need to invent them.

Much of the recent argument about the "automatic permanence" of the protocol is just such a manufactured issue. It is charged that any concession inevitably persists to condition and limit subsequent negotiations. Thus, for instance, the critics argue that the limitations on deployment of ground- and sea-launched cruise missiles for the duration of the protocol are really permanent. The Soviets, they say, implacably resist any alteration or amendment of treaties that does not materially and unilaterally enhance their own position. Implicit in this argument, though rarely stated, is the corollary charge that the United States, having made a temporary concession, inevitably lacks the will or tenacity to pursue the issue.

Any reasonable reading of recent history belies such arguments. The 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems was amended just 2 years later to further reduce the number of allowable sites. Similarly, the Vladivostok Accords of 1974 posit a reduction of numerical limits from the 1972 SALT interim agreement. The accords require the Soviets to accept numerical symmetry—a concession that critics of SALT I argued would never occur. Even the decision by the United States and U.S.S.R. to continue to abide by SALT I limits after the expiration of the accord, pending the completion of SALT II, is brandished as proof of Soviet duplicity and American naivete. It ignores the fact that only the Soviets have had to make actual force reductions under SALT I, dismantling ICBM launchers as a tradeoff for submarine launchers, and that the Soviets are at a stage in weapons production which

could, at the moment, be more rapidly escalated than our own if SALT I limits were suspended.

Thus, I find this train of thought both inaccurate and superficial. More important, though, it is irrelevant. It is not possible to prove a negative. No one knows what will—or even what should—become of the terms of the temporary accord of the protocol. And a debate that is comprised of assertions that they will or would not become permanent ignores the real issues at hand.

There will be issues enough—real and vital issues—to occupy our energies when SALT II comes before us. Let us dispense with surrogates and prepare for the real debate that is ahead.

I call on my colleagues to consider the course I propose. I invite their comments and, in due time, their support.

Madam President, I yield back the remainder of my time.

THE PANAMA CANAL TREATY

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, Executive N, 95th Congress, 1st session, Calendar Order No. 2, the Panama Canal Treaty, which the clerk will state.

The assistant legislative clerk read as follows:

Calendar Order No. 2, Executive N (95th Congress, 1st session), the Panama Canal Treaty.

The Senate proceeded to consider the treaty.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, as in legislative session, not to extend beyond 10 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2760—REGULATION GOVERNING OPERATIONS

Mr. DOLE. Madam President, about a year ago I offered a half-dozen amendments to Public Law 480—the food-for-peace legislation—designed to help prevent program abuse such as is now being revealed to have occurred in past years as the Korean influence scandal investigations proceed. My amendments were accepted by my congressional colleagues and became a part of the Food and Agriculture Act of 1977.

PUBLIC LAW 480 PROGRAM ABUSES REGRETTABLE

Public Law 480 has functioned since its inception in 1954 with strong bipartisan support. Over $30 billion worth of food assistance has been provided hungry and malnourished people through this worthwhile program. It is regrettable that there have been efforts by a few to limit competition and to obtain contracts under the program through the use of political influence rather than on the basis of the merit of their services or products supplied.

As the investigations of the Korean influence scandals reveal more and more evidence of wrongdoing, it appears that Public Law 480 rice money was passed and certain political favors were rendered.

MY ADOPTED AMENDMENTS WILL HELP

My amendments, which became law, eliminated Public Law 480 sales agents. According to allegations, it is through this means that much of the influence buying money was generated. Another of my amendments, which is now law, requires that Public Law 480 regulations be rewritten to require the removal of conflict of interest situations between participating countries, their shipping agents, commodity exporters and suppliers of transportation. The USDA is now completing the revision of new regulations. However, the Public Law 480 regulations need further tightening.

FURTHER TIGHTENING NEEDED

Among the allegations under current investigation by the Department of Justice and appropriate congressional committees is one that there was political intervention to get top officials of some Public Law 480 countries to contract with specific shipping agents who arrange for ocean transportation for the commodities supplied under the program to destination countries.

The bill that I am introducing today would require each Public Law 480 program country that uses the services of a shipping agent to certify that political influence was not a factor in the selection of the agent and that the agent's capability to perform a service was the criterion used for his selection. My bill includes a penalty for false certification.

This requirement is needed not only because of longstanding allegations of abuse in this area but new allegations have recently been made that some shipping agents, in seeking conrtacts with Public Law 480 program countries, are claiming that they "have the most political influence." We must strengthen the competitive factors in the Public Law 480 program. Products and services must be contracted for on the basis of competition and merit—not on who has the "most political influence."

Madam President, I ask unanimous consent that my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 408 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by adding at the end thereof a new subsection (f) as follows:

The regulations governing the operation of Title I and III of this Act shall require each program country that uses the services of a shipping agent to nominate the agent selected to the U.S.D.A. for approval. Each nomination shall be accompanied by a certification stating that the shipping agent being nominated was selected in accordance with the following criteria:

(1) The selection for nomination was made on the basis of merit; i.e., the agent's capability to perform the required shipping agent and/or purchasing agent functions; and

(2) That political influence was not a factor in the agent's selection for nomination.

This certification shall be required when each P.L. 480, Title I program country either enters into a new contract with a shipping agent or renews their existing contract.

False certification shall result in nonpayment of ocean freight differentials to the program country during the period of service covered by the false certification.

EMERGENCY FARM LEGISLATION

(The following proceedings occurred during discussion of the Panama Canal Treaty and are printed at this point in the RECORD by unanimous consent.)

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I will be glad to yield without losing my right to the floor.

Mr. MELCHER. I thank the Senator from Alabama for yielding.

As in legislative session, I note that we have agreed in the Senate by unanimous-consent agreement that there will be a time limitation of 6 hours each on two bills that have been reported out of the Senate Agriculture Committee.

Because there is a real crisis in agricultural prices, it is obvious that the Senate should act as quickly as possible upon those bills, and do it in a timely fashion so that grain farmers, cotton farmers, and other agricultural producers will know where they are, at the time of planting.

While the unanimous-consent agreement does not set a date certain for taking up the bill, and while the bills are subject, one of them, to the concurrence or at least the release by the Agriculture Committee, and both of them are subject to waivers by the Budget Committee, both committees which are meeting today, it is my understanding on consideration of these two bills that it is obvious we need to take up this legislation on Monday of this coming week.

Would the Senator from Alabama agree with me that it is absolutely vital that we set aside consideration of the Panama Canal Treaty to take up those bills and for the Senate to act on them?

Mr. ALLEN. Yes. I certainly agree with the distinguished Senator.

Mr. President, I ask unanimous consent that this colloquy, the remarks of the distinguished Senator from Montana and my own remarks, appear as in legislative session at a place other than in between my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Will the Senator from Alabama yield on that point so that the colloquy can be conducted in the appropriate place?

Mr. ALLEN. Yes.

Mr. SARBANES. I was very interested in the Senator's response. It would seem to me implicit in it was the possibility that we could arrive at an agreement on how and when we will consider the Panama Canal Treaty and bring it to a final vote, either up or down, in the Senate.

The Senator from Montana, of course, has on previous occasions made this

same point concerning the serious issues facing our Nation and I have on previous occasions risen to agree with him that there are other important matters pending before the Nation, in addition to the canal treaties, which the Senate needs to get to.

It seems to me we really ought to try very hard in view of this concern, I know it is shared by others, to arrive at a time certain for the consideration of the Panama Canal Treaty so that the Senate and the country will know that at some definite point there will be a vote, just as we were able to do with respect to the neutrality treaty on which we voted yesterday, and which, of course, was approved by a margin of 68 to 32.

So I would hope that in view of the response of the distinguished Senator from Alabama that sometime in the near future, in the next few days, we would be able to arrive at such an arrangement so that we would know, the Members of the Senate and the country would know, that the treaty that is now before us will, at a certain time, be acted upon.

We could then, of course, plan the rest of the business of the Senate which is also pressing and needs to be dealt with.

Mr. ALLEN. I thank the Senator for his suggestion.

Now, let me return to the distinguished Senator from Montana.

I say to the distinguished Senator from Montana that these are emergency measures. This Panama Canal Treaty is not an emergency measure. I am hopeful that in the 3 or 4 days we have next week prior to the recess we will be able to take up these emergency farm bills.

I am told that action must be taken on them prior to the Easter recess if they are to do any good because both of them have to do with a needed set-aside of acreage; that is, not putting in production certain acreage, portions of their holdings, to withhold certain acreage from production.

Obviously, in the next 2 to 3 weeks they must, of necessity, make a decision, in possibly 10 days they must make a decision of how much of their land they are going to plant.

So time is of the essence with respect to the emergency farm legislation. I do not see that the agreement on taking up the farm bill should be held hostage to any demand that a time limit or time for voting be set on this important issue.

We are getting more information all along that the White House will give us this exchange of correspondence. It might have a tremendous influence on the outcome of this treaty.

Mr. LUGAR. Will the Senator yield?

Mr. ALLEN. Yes, in a moment I will yield to the Senator from Indiana.

Mr. MELCHER. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. MELCHER. I thank the Senator for yielding.

Time, indeed, is of the essence, because the effect of legislation, if passed in the Senate on Monday evening, or sometime on Tuesday, is to get over to the House in time for them to give it some consideration on next week, so that agricultural producers in this country can know now how much land they are going to put into cultivation, how much of their crops they are going to put into the ground in spring planting, and have some idea to make a judgment on how much crops they want to plant this spring, with some projecting prices which are also inherent in the bill. They need to know this very promptly.

The ships will go through the canal next week and the week after. World commerce will not be interfered with. The number of amendments at the desk at this point in the Panama Canal Treaty I am advised is 51. There may be scores more. It cannot be cleared up promptly.

This is one of the vital industries of this country that is waiting on action here in Congress, the agriculture industry, to see what we are going to do about the amount of land that will be set aside and not put into crops, or what will be the price projected for various crops, wheat and corn, and other feed grains, as well as cotton, so that farmers in America can make some determination of what they are going to plant at this time.

So, indeed, time is of the essence. It is vital for the country.

I am extremely hopeful that the Senate will agree to take up the unanimous-consent agreement on hours for these two bills on Monday, and we will proceed to address one of the serious problems here in our own economy in the United States.

I thank the Senator for yielding to me.

Mr. ALLEN. I thank the distinguished Senator from Montana for bringing up this matter. It is of greatest urgency. I assure him that I will not stand in the way of bringing up the farm bills. As a matter of fact, I will urge that they be brought up the first thing Monday morning.

With a 6-hour limitation on both bills, I would be willing to stay until both bills are disposed of on Monday, Monday night, or Tuesday—whatever time it takes. I would be willing to work right on through, to get these bills over to the House.

I believe the Senator from Montana has rendered a great service to the country in pointing this out.

I hope—as a matter of fact, I am confident—that the leadership will allow these bills to be brought up; because, very definitely, this treaty is not going to be approved next week. As the Senator says, ships are going to continue through the canal.

I yield to the distinguished Senator from Indiana (Mr. LUGAR).

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Alabama and the distinguished Senator from Montana, both of whom serve on the Agriculture Committee. They have been heavily involved this week in the important action taken by the Agriculture Committee of the Senate.

I simply wish to affirm the request by the Senator from Montana (Mr. MELCHER) and the words of the Senator from Alabama (Mr. ALLEN) and to confirm this, at least in a bipartisan way. I, too, think it is imperative that we act on Monday or, at the latest, on Tuesday on these bills, for which all three of us have evidenced support in the Agriculture Committee and which are of an emergency nature.

I believe that a large majority of our colleagues in this body who have not been a part of the Agriculture Committee deliberations, but at the same time are sensitive to the problems of farmers throughout this country, will want to take this action and do so promptly before the recess; because the planting season is at hand and, if we are going to take these steps, we must do so in a timely manner.

I appreciate the consideration of the Senator from Alabama in yielding this time to me.

Mr. ALLEN. I thank the distinguished Senator from Indiana for his remarks.

It is a bipartisan matter and certainly does not smack of politics in the slightest.

I do not regard the Panama Canal issue as being anything other than bipartisan advocacy and opposition; both. I think it is a healthy situation that it is not a party issue.

I notice that 10 Democrats on yesterday voted against the treaty. Considering the number of Democrats and Republicans, that was not too bad a ratio. The opposition is bipartisan, and the advocacy position is bipartisan.

I yield to the Senator from Utah (Mr. HATCH).

Mr. HATCH. I thank the distinguished Senator from Alabama.

I agree with the Senator from Montana, the Senator from Alabama, and the Senator from Indiana that we have to do something about this farm problem and the crisis we have in America. Last evening, I met with 50 farmers from Utah who are here doing everything they can to see that something is done about this national emergency.

I do not know of any nation which has survived which has not had consideration for its farmers. Especially since I think the farm business is one of the two largest producers of the gross national product in America, we have to do something to alleviate the extraordinary suffering farmers are undergoing as a result of the economic crisis in this country.

So I commend the distinguished Senator from Montana and my wonderful friend from Alabama and others who are pushing as hard as they can to get some justice for the farmer in America. I support this.

I think that, important as the Panama Canal treaties are, the 6 hours reserved for this matter certainly is not an inordinately long time. We can interject it in what is happening here and get the problem resolved and benefit our farmers in this country. So I certainly back these Senators in their request. I also would be willing to stay as long as it takes to resolve these farms conflicts, not only in order to expedite the farm conflicts but also to get back on the Panama Canal Treaty.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Let me put

this matter at rest, after hearing all things said and seeing all kinds of things.

Yesterday, the leadership secured a unanimous-consent agreement on both farm bills. The Budget Committee is not ready to take up that bill. They plan to take it up on Monday, for good reasons. The Senate Budget Committee has some responsibilities, too, not only in connection with the farm bill but also other bills. The Budget Committee is seeking information so that it will be prepared to make various judgments in connection with the farm bills.

So it is anticipated that by next Tuesday or Wednesday, the bills will be taken up and disposed of on the same day, if there is no objection to taking them up. We have the time limitation on them; and if there is no objection to taking them up on next Tuesday or Wednesday, they could be taken up; the Panama Canal treaties could be set aside for that one day, and those two measures could be disposed of.

UNANIMOUS-CONSENT AGREEMENT—H.R. 6782

Mr. President, I ask unanimous consent that on next Tuesday, at 9 a.m., the Senate proceed to the consideration of the bill reported by the Agriculture Committee, H.R. 6782; that upon the disposition of that measure, the Senate proceed to the consideration of S. 2481.

I have not cleared this request with the minority leader. I ask unanimous consent that he may be authorized to enter his approval of the request. I have not cleared it with Mr. TALMADGE or Mr. MUSKIE, nor have I cleared it with Mr. MAGNUSON. The Appropriations Committee has had to deal with this matter, also. So I ask that the request be conditioned upon the approval of those Senators.

Let it not be said that the debate on the Panama Canal treaties has to stand in the way of action on these two measures. I have said from the very beginning that any measure of an emergency nature would be taken up.

So, while the leadership is a convenient whipping boy for a lot of flogging and laying the heavy wood on, I hope the leadership will be dealt with tenderly in this case.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. CURTIS. Mr. President, reserving the right to object, I say to the distinguished majority leader that I hope he will include in his request a limitation of time, so that both bills can be completed on Tuesday.

Mr. ROBERT C. BYRD. They will be.

The PRESIDING OFFICER. The Chair advises that there is already a limitation of time on those bills.

Mr. CURTIS. But the vote will come on Tuesday?

Mr. ROBERT C. BYRD. No question about it, yes.

Mr. LEAHY. Mr. President, reserving the right to object, does the distinguished majority leader know that the complete committee reports of both the Agriculture Committee and the Appropriations Committee would be available by Tuesday? We are dealing with legislation. While we all understand that there are some very serious problems facing the agricultural community of this country, we are also talking about some very substantial appropriations involved. At least to this Senator, who is a member of the Agriculture Committee and the Appropriations Committee, it would be very helpful if those reports were available prior to voting.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield, on condition that I do not lose my right to the floor. I think that is understood.

Mr. ROBERT C. BYRD. Mr. President, the Appropriations Committee has just met and ordered reported H.R. 6782 without recommendation. As to whether the printed report would be available I do not know but I am quite sure it would be available by Tuesday, and I have no knowledge upon which I can base a response to the Agriculture Committee, but I feel it would be available and I will ask the Policy Committee staff to contact the Government Printing Office to urge that every effort be made that those reports be made available as soon as possible.

Mr. LEAHY. It is my understanding, also, then, from the distinguished majority leader's request, that both the chairman of the Appropriations Committee and the chairman of the Agriculture Committee would have opportunity today to interpose objections if they want to.

Mr. ROBERT C. BYRD. To the request.

Mr. LEAHY. Yes.

Mr. ROBERT C. BYRD. Yes, along with the distinguished minority leader and Mr. TALMADGE.

Mr. LEAHY. I have no objection.

Mr. ROBERT C. BYRD. I think I already cleared this with Mr. DOLE earlier.

Mr. LEAHY. I have no objection.

Mr. DOLE. Mr. President, reserving the right to object, first let me say that I thank the leadership for their efforts to cooperate. We have been discussing this for some, I guess, a couple of days now, and there has been every effort by the distinguished majority leader to work out some satisfactory time. I appreciate that very much.

The only reservation I would have is there is sort of an unwritten agreement between the Senator from Kansas and the Senator from Georgia that both bills be cleared and both bills be on the floor. On that basis, there will be no objection. We just did not want to lose one in the Budget Committee or the Appropriations Committee and not have an opportunity to vote on both bills on the same day. I guess that would be implicit in the unanimous-consent request.

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. The Chair will advise that was included in the original request for unanimous consent.

Mr. DOLE. So I think we can scale back the time. Six hours on each bill would be more than adequate. I would hope we could go back to 4 hours on each and that way finish in the early afternoon.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? If not, the unanimous-consent request is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for one further request?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that the time of 6 hours on each of the two bills, H.R. 6782 and S. 2481, be reduced to 4 hours in accordance with the suggestion made by the distinguished Senator from Kansas (Mr. DOLE), conditioned on the approval of Mr. MUSKIE, chairman of the Budget Committee, Mr. MAGNUSON, Mr. TALMADGE, and again the minority leader, Mr. BAKER.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Mr. President, reserving the right to object, and of course I never do, on both of these bills may that be amended to reserve 5 minutes on each bill to the Senator from Vermont?

Mr. ROBERT C. BYRD. Mr. President, that is the easiest request I have heard in a long time. I include that request.

The PRESIDING OFFICER. That is included. Is there further objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator from Alabama will yield further, so that I might be sure of this, it has now been ordered that at 10 o'clock on next Tuesday morning——

The PRESIDING OFFICER. Nine o'clock.

Mr. ROBERT C. BYRD. Nine o'clock on next Tuesday, yes—I am an 8 o'clock fellow with a 9 o'clock time—9 o'clock next Tuesday morning, the Senate will proceed to the consideration of that first farm bill; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, did I not include in that request that upon the disposition of that bill the Senate will take up the second one?

The PRESIDING OFFICER. That was in an earlier unanimous-consent request already agreed to.

Mr. ROBERT C. BYRD. Yes, that was last evening.

Mr. President, may I assure the Members of the Senate that the Senate will come in and will proceed to the consideration of the first farm bill, dispose of it, go to the second one and dispose of it on next Tuesday subject to the condition that those Senators whose names were mentioned may waive the order.

The PRESIDING OFFICER. For the Chair's clarification here, is it the Senator's intention that we will go to the Senate bill or the House bill first?

Mr. ROBERT C. BYRD. Go to the House bill, H.R. 6782, first.

The PRESIDING OFFICER. I thank the Senator for clarifying that.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. ALLEN. I state this to the distinguished Senator from West Virginia, our distinguished majority leader. He expressed some concern that the Senator from Alabama, to use his words, was making a whipping boy of the leadership with respect to bringing up the farm

bills. I state to the distinguished majority leader that, on the contrary, the Senator from Alabama said—and I use the same exact words—that I was not only hopeful but confident that the distinguished majority leader would bring up the farm bills. And my remarks about not allowing the farm bills to be held hostage to the canal treaties was occasioned by a question from the distinguished Senator from Maryland (Mr. SARBANES) who stated in connection with the comment of the distinguished Senator from Montana that in a short while we should agree on a time limit on the canal treaties, and I saw no connection between the two and so stated. But I did not state that the leadership was withholding the consideration of the farm bills at all. I expressed the contrary view, I might say.

Mr. ROBERT C. BYRD. Mr. President, in my use of the phrase "whipping boy" I did not attach that to the Senator from Alabama's name.

Mr. ALLEN. I thank the distinguished Senator.

Mr. ROBERT C. BYRD. Nor did I name any other Senator in the use of that phrase.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. SARBANES. I appreciate the Senator yielding. The point I made was really to underscore the importance of the issue the Senator from Montana had brought before the Senate in terms of dealing with the pressing issues facing our Nation's farmers. In fact, I made the unanimous-consent request last night with respect to establishing the time limitation for the farm bills in order to enable us to go forward with considering these farm bills.

The distinguished Senator from Alabama, in responding to the Senator from Montana, agreed with the point that there are a number of pressing issues, and the only point I then wished to make was it seemed to me that it would be very helpful to all Senators and to moving forward with the Senate's business, not that we should dispose of the Panama Canal Treaty by next week, because I understand the Senator from Alabama and other Senators have a great number of issues they wish to discuss, but simply in the near future we should try to reach some understanding on a date beyond that point when we would, in fact, finally deal with this treaty matter by an up or down vote just as an understanding was reached with respect to the treaty that was voted on yesterday.

I fully understand and intend that a reasonable time will intervene between the time understanding and the date for the vote during which consideration will take place of the various matters that are pending with respect to the Panama Canal Treaty. But it seems to me a very worthwhile objective in terms of transacting and planning the business of the Senate if we could soon reach some understanding that at some time on a date certain the Senate would act. Otherwise, we are left in the position of simply facing the prospect of going on for ever and ever when there are other matters also that the Senate needs to get to. It would seem to me that reasonable men should be able to arrive at an understanding as to what constitutes a reasonable period of time for the consideration of the issues involved with the Panama Canal Treaty. Reaching that time understanding, and it should not be too difficult to do, would give us a date for a final vote. We have already, of course, responded to the immediate problem of the farm bills. There was no suggestion whatever in terms of holding any issue hostage and, in fact, I have recognized and urged prompt action on the farm problem. Indeed, I have supported the comments that on occasion have been made from the able Senator from Montana with respect to the need to deal with other pressing issues. It seems to me that for the orderly planning of the business of the Senate we ought to reach an understanding as to a date when we will act finally on the Panama Canal Treaty. That was the thrust of my comments to the able Senator from Alabama, who is extremely skilled in matters on the floor of the Senate and in the Senate's business and who, of course, can play, if he wishes to, an enormously constructive role in helping the Senate to set a reasonable time framework in which to consider debate on the Panama Canal Treaty and action on the amendments and other changes which Members may have.

I would hope that in the next few days the Senator would be willing to join in an effort to try to arrive at some fixed timetable for dealing with this treaty which would be fair to everyone. I am not suggesting it should be of such short duration that people do not have a chance to fully express themselves, but we at least ought to understand what the ground rules are and the time framework in which we are operating, and I would think the Members of the Senate and the country would want to be assured that this matter could not drag on forever.

Mr. ALLEN. I thank the distinguished Senator from Maryland for making these comments.

Certainly there is no disposition on the part of the Senator from Alabama to unduly prolong the discussion on this treaty. But I call attention to the distinguished Senator from Maryland that we have had this treaty before the Senate for only an hour and a half, and we are talking about, worrying about, setting a time limit. That hardly seems to place this bill in a position where it is being unduly debated.

Not a single amendment has been brought up, and the Senator from Maryland says, "Let us set a time to vote." That is a little bit precipitate, it would seem to the Senator from Alabama.

I will assure the Senator from Maryland after the recess—I underscore after the recess—and several days' consideration thereafter, I feel sure that the opponents of this treaty would make a bona fide effort, as we did on the other treaty, and I heard no one say that matter was unduly prolonged. A time was set well in advance. All amendments anybody cared to offer were offered, and I feel confident that a time can be agreed upon.

But I think the country has a right to consider the action of the Senate and to weigh this matter and be assured that the issue is still before the Senate, that the action of yesterday really is not going to count at all if the Senate defeats the Panama Canal Treaty. That action would just be wiped out because one treaty cannot go into effect without the other. So I hate to see the distinguished Senator from Maryland, who certainly has done an outstanding job steering to approval the Neutrality Treaty, I would hate to have him seek to put the Senator from Alabama in a position where he is holding up final action on this treaty when we have not had it under consideration for but an hour and a half. It is too important to cut off that soon or to set a date for final action.

Yes, I yield.

Mr. LEAHY. I would just like to make a comment. I do feel, as I said from time to time on the floor, that the Senate should have ample time to debate these treaties. I think we have done a great service to the country, both those Senators who were opposed to the treaties and those who favored the treaties.

I cannot speak with the years of experience of the Senator from Alabama, but certainly in the short while I have been in the Senate I know of no issue that has received such full and complete debate, and one made so public. I think that is good for the country, and I have said that as a compliment both to Senators who opposed the treaties and Senators favoring them.

Mr. ALLEN. I thank the Senator.

Mr. LEAHY. I would hope at some point a time certain will be set, because while the issues should be brought out, while they should be fully debated, there is a broad concern around the country, as there is in my own State of Vermont, that we face a number of other equally pressing areas, whether it is farm bills, energy legislation, or tax legislation to be discussed.

I was reminded by some people in Vermont recently, some in favor and some against the treaties, that when we debated the treaty setting up the NATO alliance, probably the most significant military alliance in recorded history, that the debate on that was either 12 or 14 days in the U.S. Senate.

I am not unmindful of that, and certainly the Senator from Vermont is willing to start early and go late to expedite this matter. But I know the people in my State, while they are very interested, both those for and those against, they hope that at some time on a date certain the matter will finally be resolved and voted upon.

Mr. ALLEN. I feel sure the Senator's wishes will be complied with and a date will be set and it will not be an unreasonable date.

The point I am making is that after the treaty has been under debate for an hour and a half efforts are being made to indicate that the Senator from Alabama should agree on a time certain to vote on this treaty. I do not know what is going to come up.

The distinguished Senator from Michi-

gan just a moment ago called attention to the fact that there was an exchange of correspondence between Dictator Torrijos and President Carter in the last 2 days of consideration of the Neutrality Treaty, and the distinguished Senator from Michigan stated—I do not have personal knowledge of this but merely repeat in essence what he said—that while assurances were being made here on the floor of the Senate that these reservations to the resolution of ratification meant something that assurances were being made to dictator Torrijos that they did not change anything.

If that is in fact true—and I do not aver that it is, I merely state that that statement was made here on the floor of the Senate by a highly ethical and reputable Senator whose veracity I respect and believe that that circumstance does exist, and I stated in the absence of the leadership I would hope that the leadership would use their connections with the White House and their frequent contact with the White House to get that exchange of correspondence and make it available to the Senate.

I yield to the distinguished minority leader (Mr. Baker).

Mr. BAKER. I would like to say three things, if I may. I thank the distinguished Senator from Alabama for yielding.

He is correct, it was necessary for me to leave the floor briefly, and I was not here when the colloquy the Senator identified occurred. I will address that in just a moment.

I also was not here at the time of the propounding of the unanimous-consent request with respect to the farm bills, consideration of the farm bills. It is my understanding that the unanimous-consent request was put subject to the right to waive that agreement by the minority leader and certain others.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I wish to tell the Chair and my colleagues that that agreement was cleared with me in advance and discussed with the Senator from Kansas (Mr. DOLE). It is a good agreement. I expressed my appreciation to him, the Senator from Georgia (Mr. TALMADGE) and the Senator from Alabama (Mr. ALLEN) for agreeing for us to proceed with these farm bills under the very difficult circumstances to occur, and there is no need for me to have that right to waive that agreement, and I will relinquish it herewith.

(This concludes proceedings which occurred during discussion of the Panama Canal Treaty.)

SUN DAY

Mr. DOLE. Mr. President, on Tuesday the Senate passed a resolution to proclaim May 3 as a national day to celebrate solar energy. This event, if followed through, will certainly help to make people aware of the potential for solar energy.

As preparations are made for Sun Day, I think that all of us realize that there are still enormous hurdles yet to be overcome before most solar technologies are ready for the marketplace. We all realize that besides a celebration, May 3 should carry the message to "keep working." We have yet a long way to go. On May 3, we should equally emphasize the Nation's need for talented people to become interested in the problems and to help the country move toward a future based on inexhaustible supplies.

THE PROBLEMS

For many of the new ideas involving solar, we have yet to show that they are economical. This is a problem of our engineers and scientists. There are also difficult problems to solve in removing the institutional barriers to getting solar energy into our economy. We have yet to prove to ourselves that we know how to accept new and innovative ideas, even after the technology has been developed.

These are problems for lawyers and social scientists. It would seem that the challenge of solar energy provides intriguing problems for a broad range of talent in this country.

Much of the problem however, lies with the scatter-gun approach this administration has taken in getting solar energy implemented in the United States. On the part of the Government, what is needed is a program to inform our citizens of the facts regarding solar, and an active program to identify the institutional barriers that preclude solar energy from being considered in many cases.

GETTING THE FACTS

At the present time, it is nearly impossible to determine the important facts about a piece of solar equipment. Solar collectors are available over a wide price range. Some solar panels are simple; others are very sophisticated. Some use air; others use liquid. This system is "active"; that system is "passive." Every vendor will tell you absolutely for certain that his model is worth the extra price.

But only one fact is certain. There is no way that the consumer has to compare the different products. There is no widely accepted standard to help the consumer decide which is the "better" system. In addition, it is not at all clear that solar heat is competitive with gas heat in many parts of the country. A consumer needs to know the cost of the alternatives as well as the cost of solar equipment. While we favor a future that includes widespread use of solar energy, still today we owe it to the consumer to help him make rational choices.

A valid role for Government is to provide this needed information. I have seen no indication that the Energy Department is preparing to get this kind of information out where it will do some good.

INSTITUTIONAL PROBLEMS

The second problem with solar energy is that there are institutional barriers. It is no secret that we are pretty slow to accept new ideas. A good example of this kind of problem was brought up in a letter I received from Mrs. Donald Bressler of Hoisington, Kans. She and her husband put a lot of money into a house that used the sun to satisfy 60 percent of their energy needs. They felt that the savings in fuel would offset the added expense of putting solar collectors on their house. They were then shocked to find that their taxes were twice as high as their neighbors. These tax laws and other barriers are being gradually removed, but progress is slow.

Here again, the Government can take a leading role in identifying the problems and in investigating the possible solutions that would be compatible with our other national goals. Today I would doubt that we even know what most of those institutional problems are.

GOVERNMENT HINDERS INNOVATION

Meanwhile, our Government, the Department of Energy in particular, has obviously yet to learn how to accept new ideas. Let me give you a final example.

We all know that wind energy is solar energy, and that electricity from windmills is pretty expensive by today's standards. Some of my friends from Kansas had what I think was a reasonable approach to making wind energy useful, especially for rural areas. They wanted to allow people to sell wind-produced energy for local use to help defray the cost of the windmill. This would also mean that the owner would not have to buy a gadget to store the energy.

It is an understatement to say that DOE rejected the idea. They never even considered it. Within a week after the idea was proposed to them, they returned all the material relating to the subject. At this point, if you asked the DOE what they did about this idea, they would probably have no record of ever having received it. You may find this hard to believe, but they even sent back the calling cards of the people who proposed the idea.

It is easy to get upset at how DOE treats people, but that is not directly the issue. The larger issue is that there is a disturbing lack of interest in solar energy on the part of the agency that we created especially to work on new energy ideas. They are discouraging innovation, instead of encouraging it.

MORE THAN A 1-DAY CELEBRATION

In closing, I would recommend much more than a 1-day celebration. I would like to see Sun Day become the beginning of a real Government effort to get to work on solar energy.

I am very much aware of the problems yet to be solved. Both my staff and I have spent a lot of time on these issues. We have also been continuously dismayed that the DOE can do so little with so much money. For the agency at least, I do not think they deserve to take a day off to celebrate. They should have much too much work for that.

The Sun Day resolution calls upon the President to "direct all appropriate Federal agencies to cooperate with and participate in the celebration of Sun Day."

The Congress recognizes that although we can proclaim a special day, it is really up to the agency to make that day a success.

So the real question is, what can we expect from the DOE on May 3. Will we see the unveiling of a major new program in solar energy. Will we see the beginnings of a unified R. & D. effort to get the price of solar electricity down? Or will we only see lipservice, cosmetics, and a little Madison Avenue?

I look forward to May 3, as a day that

will provide yet another opportunity for the DOE to demonstrate its ability, and its commitment to solving the Nation's energy problems. In spite of their past performance, I feel that the message must be apparent to them by now. Thus I feel hopeful that on May 3, we will see the agency rise to the challenge. The Senator from Kansas looks forward to learning of several new solar initiatives that will be announced on May 3.

MAKING BULLETS OUT OF DEPLETED URANIUM

Mr. DOLE. Mr. President, an article appeared in the Washington Star on March 14, reporting that the Pentagon is about to start using depleted uranium to produce bullets. They seem to have chosen this material for bullets because uranium metal is dense, and because depleted uranium is cheap. Needless to say, I find this proposal shocking.

On the one hand this shows a complete lack of sensitivity to a general fear of using radioactive materials. On the other hand, only a strange set of policy decisions could have made this material so cheap that anybody would consider using it for bullets.

RADIATION HAZARD

First of all, uranium is dangerous. If the DOD decides to pursue this project, much will be said during the next few months about the hazards of working with this material. If they do go ahead with this project, it will imply that the DOD is willing to subject their personnel to a new source of gamma radiation. Just when concerns are being expressed about the effects of low level radiation, this project implies that the DOD already has all the answers.

But without minimizing the importance of health and safety, I would like to bring up another side of this issue. One important fact has not been mentioned in the press. It is a fact that the depleted uranium, instead of being used for bullets, could be used eventually to produce electricity.

At a time when we continually hear of an increasing energy crisis, it seems to me that the energy content of the uranium should at least be considered before anyone decides that uranium is only useful because it is heavy.

DEPLETED URANIUM

Depleted uranium is the material left over after fuel is made for commercial reactors. The name is somewhat misleading, however, because there is an enormous amount of energy in this material.

To get that energy out, the material would have to be processed in a breeder reactor. In such a reactor, the material would be transmuted into plutonium and it could then be used as reactor fuel.

ENERGY CONTENT

Last night I did a little calculation to see just how much energy we were talking about putting into those bullets. It is remarkable. The Pentagon is talking about 3 ounces of uranium in each bullet. If that material were used as nuclear fuel, it would have the energy equivalent of about 700 barrels of oil—in each bullet.

The news report also talks about a program to make 730,000 of the bullets. That is the equivalent of 510 million barrels of oil. That much energy could substitute for 85 days worth of oil imports. Yet the proposed program completely disregards the fact that the uranium might have other uses besides being shot from guns.

WHY MAKE BULLETS

Mr. President, it is very interesting why the Pentagon should come up with uranium when they looked around for a material for bullets. Depleted uranium is dense, but so are many other metals, like tungsten. The reason uranium looks so good is that it is cheap.

And why is it cheap? It is cheap because this administration has decided to defer indefinitely, the development of a commercial breeder reactor. And if we do decide to do without the breeder, we will essentially waste the energy content of the 270,000 tons of depleted uranium that we already have available in this country.

Again, let me tell you how much energy we are talking about. The depleted uranium that is already above the ground, that 270,000 tons, represents more energy than all the coal yet to be mined in this country. It is a truly astounding amount of energy.

But at this point, the Pentagon is right. The metal is practically worthless. We should keep in mind however, that it is not worthless because it has no real value. It is worthless because the administration has decided that the United States is not going to exploit the energy in this material.

STILL HOPE TO BRING ON NEW SOURCES OF ENERGY

Mr. President, we all recognize that the future of the breeder reactor is somewhat in doubt at this point. But there are those of us who have not given up hope that our Government will finally see that more energy supplies are the only real solution to our energy problems. When that time comes, a new decision will be made and I am confident that this country will move ahead with an aggressive program to develop and commercialize breeder reactors.

But in the meantime, the country continues to accumulate depleted uranium as it makes fuel for ordinary reactors. The question is whether we will save this extremely valuable material for use later, or whether we will think of it as useless in the near term, good for nothing except making bullets.

It seems to the Senator from Kansas that there is only one possible choice. We have now realized that fossil fuels will not last forever. It is folly to waste fuel that we might need in the future. While this administration calls conservation the "cornerstone" of its energy policy, they must realize that their proposed use of depleted uranium would deny that fuel to future generations.

Mr. President, I would urge the administration to adopt realistic and consistent policy toward nuclear power and nuclear fuel.

We need to bring on all the alternative sources of energy that we can develop in this country. Breeder reactors are one alternative.

While we are still developing that technology, it is folly to treat uranium as though it is a worthless metal, suitable only for making bullets.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

THE PANAMA CANAL TREATY

The Senate continued with the consideration of the Panama Canal Treaty.

ARTICLE I

ABROGATION OF PRIOR TREATIES AND ESTABLISHMENT OF A NEW RELATIONSHIP

1. Upon its entry into force, this Treaty terminates and supersedes:

(a) The Isthmian Canal Convention between the United States of America and the Republic of Panama, signed at Washington, November 18, 1903;

(b) The Treaty of Friendship and Cooperation signed at Washington, March 2, 1936, and the Treaty of Mutual Understanding and Cooperation and the related Memorandum of Understandings Reached, signed at Panama, January 25, 1955, between the United States of America and the Republic of Panama;

(c) All other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama, concerning the Panama Canal which were in force prior to the entry into force of this Treaty; and

(d) Provisions concerning the Panama Canal which appear in other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama which were in force prior to the entry into force of this Treaty.

2. In accordance with the terms of this Treaty and related agreements, the Republic of Panama, as territorial sovereign, grants to the United States of America, for the duration of this Treaty, the rights necessary to regulate the transit of ships through the Panama Canal, and to manage, operate, maintain, improve, protect and defend the Canal. The Republic of Panama guarantees to the United States of America the peaceful use of the land and water areas which it has been granted the rights to use for such purposes pursuant to this Treaty and related agreements.

3. The Republic of Panama shall participate increasingly in the management and protection and defense of the Canal, as provided in this Treaty.

4. In view of the special relationship established by this Treaty, the United States of America and the Republic of Panama shall cooperate to assure the uninterrupted and efficient operation of the Panama Canal.

The PRESIDING OFFICER. Are there amendments to article I?

Mr. ROBERT C. BYRD. Madam President, will the Chair recognize me?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I had promised the distinguished Senator from Alabama that nothing would occur until he entered the Chamber.

Mr. ALLEN. The Senator is here.

Mr. ROBERT C. BYRD. I wanted recognition to keep my commitment, so the Senator is here now. The Senator and I are both here.

Mr. ALLEN. I thank the Senator.

Does the Senator desire recognition?

Mr. ROBERT C. BYRD. No. I only wanted recognition in order that I might take a little time until the Senator came into the Chamber.

Mr. ALLEN. I thank the Senator.

May I pose a parliamentary inquiry?

Mr. ROBERT C. BYRD. Yes, I yield the floor.

Mr. ALLEN. Madam President, are we now in the Committee of the Whole for the purpose of considering the Panama Canal Treaty?

The PRESIDING OFFICER. The Senate is considering the treaty as in Committee of the Whole.

Mr. ALLEN. I did not understand the Chair.

The PRESIDING OFFICER. The Senate is as in the Committee of the Whole.

Mr. ALLEN. I thank the Chair. That would mean then that shortly we will start considering the Panama Canal Treaty which, I might say, many people throughout the country think was approved on yesterday. But we will start considering the Panama Canal Treaty article by article shortly, is that correct?

The PRESIDING OFFICER. We are considering that treaty article by article right now.

Mr. ALLEN. Very well. We have article I before us?

The PRESIDING OFFICER. Article I is before us.

Mr. ALLEN. I thank the Chair.

Madam President, as we consider article I of the treaty, I think it might be well to take stock of just where we stand with respect to the two treaties that have been submitted to us by the President of the United States, resulting from negotiations between the Panamanian Government and our Government with respect to the disposal of the Panama Canal, the transfer of the canal to Panama, which would take place at the end of this century, and then the approval of the so-called Neutrality Treaty, which really provides for the defense of the canal starting in the year 2000.

Yesterday the Senate, with one vote to spare, did approve the Neutrality Treaty. What, then, was the effect of the approval of the Neutrality Treaty? That vote gave tentative approval to the Neutrality Treaty. It provides that if the Panama Canal Treaty is approved by the Senate, and notes of ratification are exchanged by the two Governments, the treaties will not go into effect, I believe, until 6 months after the exchange of the notes of ratification. Therefore, such rights as might be conferred by the Neutrality Treaty are inchoate rights; they have not sprung into being as yet. They are more or less in a state of suspended animation awaiting further action by the U.S. Senate and the executive department.

This is a strange situation, and it really comes about as the result of the decision of the leadership to place the Neutrality Treaty ahead of the Panama Canal Treaty in Senate consideration of the two treaties.

I urged that the leadership not do that; that that was putting the cart before the horse. We ought first to decide whether are are going to give the Panama Canal away, and under what conditions, before we talk about defending it in the year 2000.

Madam President, I made a motion to that effect, and we had a rollcall vote here in the Senate on it. The Senate decided by a vote of 67 to 30 to abide by the leadership decision and consider the Neutrality Treaty first.

I pointed out to the leadership, both privately and on the floor, that going the route of considering the Neutrality Treaty first would deprive many Senators of the privilege of voting for the Neutrality Treaty. I urged that we decide first the basic question, the question of whether or not we are going to give the canal away, before we worry about defending it in the year 2000.

I pointed out that if the Panama Canal Treaty were being considered first, and that treaty was approved by the Senate, there would probably be five, six, or seven amendments offered to the Neutrality Treaty, but that in the final analysis, having already agreed on the Panama Canal Treaty—if this had been the case—there would probably have been a well nigh unanimous vote for the Neutrality Treaty.

No one objects to the defense of the canal. The chief objection raised here on the Senate floor has not been to the ultimate approval of the Neutrality Treaty, if the decision is first made to give the canal away, but to strengthening amendments that were sought to be added to the treaty by Members of the Senate giving the right to continue to maintain troops in the Panama Canal Zone if it were necessary for the defense of the canal.

But, no, the leadership wanted to leave the provisions of the treaty just as they were, requiring full withdrawal of our troops, the abandonment of all of our bases, by the year 2000.

I pointed out to the leadership, both privately and on the floor, that going the route they were going would take more time than going the route of considering the basic question first. I suggested a difference of a week in the ultimate timing of action on both treaties.

I pointed out, too, that if the Panama Canal Treaty had first been approved, many Senators who felt on yesterday that it was necessary to oppose the Neutrality Treaty, because it was and is part and parcel of the Panama Canal Treaty, would have been glad to have voted for a strong defense treaty. If the other treaty had been acted upon first, I daresay the defense treaty, the Neutrality Treaty, could have been acted upon in not over 2 or 3 days.

No, they said they had to act on the Neutrality Treaty first because some of us cannot vote for the Panama Canal Treaty unless we have a Neutrality Treaty first.

Well, of course, they knew that the same provision is in the Panama Canal Treaty as is in the Neutrality Treaty, that each one goes into effect simultaneously with the other, no matter which is considered first. Furthermore, the leadership amendment was cosponsored by some 78 or 80 Senators, so there was no doubt but what the Neutrality Treaty would be approved and, furthermore, one could not go into effect without the other.

Because of the choice of the leadership we now have the basic question, the propriety of giving up the Panama Canal, still undecided—and very much undecided, I might add.

I assume, Madam President, that that was part of the strategy of the leadership. They are very wise and very astute; they are great Senators, with over 60 Senators following their recommendations on questions before the Senate. I have to take that back: On one amendment we received 41 votes, on an amendment I offered. I guess really they are in command of only 59 Senators on any question concerning the treaties which might come up.

The effect of the leadership action in putting the wrong treaty first has left us, after 5 weeks of debate, with the basic question, the only real question which is in dispute aside from the adequacy of the defense rights given us under the Neutrality Treaty. The only real question in dispute is, Shall we give the canal away, and under what circumstances?

That still remains to be acted upon.

Madam President, the main thought I wish to get across, not only to the leadership and the Members of the Senate but to the people of the Nation, is that this fight is just the beginning; that no momentum has been built up that is going to move like a steamroller to the approval of the Panama Canal Treaty. If there is any thought of a buildup of momentum, let me disabuse the thinking of those who feel that that is the case. No momentum has built up, because we have not even started considering the basic and fundamental issue.

Madam President, it is rather strange that all of this effort we have gone through with respect to these treaties, including the approval by the Senate of the Neutrality Treaty, the defense treaty, will have been nullified and held for naught unless the Panama Canal Treaty is agreed to. What good would the Neutrality Treaty be if the canal stays the property of the United States or, to word it more accurately, if the 1903 treaty remains in full force and effect?

Madam President, we have a situation that I would say is somewhat analogous to two baseball teams, shall I say, playing two games, the first game being an exhibition game, not part of the regular season play of that league; then the next game being part of the regularly scheduled season between the two teams. The only game the outcome of which would be considered in the averages of the season would not be the exhibition game, which counts for nothing in the standing of the team. The only game that would have any standing in the league averages would be the regular season game. So, carrying that analogy one step farther, what we have done thus

far is something of a preliminary action, an exhibition game, a straw vote, as it were—a very high level straw vote, I might say, a vote of 68 to 32. That is the way the Senate voted on the Neutrality Treaty; but unless the Panama Canal Treaty is approved by a two-thirds majority in the Senate, this action taken on yesterday will be in effect vitiated, held for naught.

If we had gone the other route and considered it first, as I had stated, I would feel we would have had a wellnigh unanimous vote for the Neutrality Treaty. So the battle has yet to be won. The battle lies ahead.

The basic and fundamental issue, the transfer of the canal—some Senators object to the use of the words "giveaway of the canal," so I am going to try, as often as I can, to refer to this as the transfer of the canal, since it is not pleasing to some Senators to say the giveaway of the canal. But the basic and fundamental issue before the Senate is, shall the canal be transferred to Panama; shall conditions be set up that would change this nonprofit operation by the United States of the canal into a profitmaking operation which the United States carries on for 22 years for Panama and, thereafter, Panama would carry on for itself; and is the American taxpayer going to be called on to pay tens and hundreds of millions of dollars?

Assurances have been given by the President himself, by the way, in his fireside chat, that payments to Panama are going to come out of Panama Canal tolls. So I think we want to write that—I might say also that statement has been made here on this floor time and time again. So I think, in the interest of the American people and in the interest of the taxpayers of the United States, we are going to want to write that into the treaty—not merely add it to the treaty in some reservation.

By the way, these reservations—I have not listened to the radio or TV this morning; I have not read the morning paper, as a matter of fact. I heard other Senators say this morning that Mr. Torrijos is saying he does not much like these reservations. I say to the distinguished Senator from North Carolina (Mr. HELMS), who is listening attentively here, that I consider that an act. I do not think he has any doubt at all that he is going to accept these reservations and be overjoyed at doing so. I have said here on the floor that I believe he would accept 100 amendments. This is the opinion of the Senator from Alabama; I am not stating this as a fact. I believe he would accept 100 amendments to this treaty to get that $100 million a year start rolling in down in Panama to bolster his dictatorial regime, I say to the distinguished Senator from North Carolina.

Mr. HELMS. Will the Senator yield?

Mr. ALLEN. Yes, I yield.

Mr. HELMS. Not only is the dictator Torrijos acting, I would say there are a number in the Senate and others downtown who would qualify at least for an Academy Award, I say to the Senator from Alabama.

Mr. GRIFFIN. Will the Senator from Alabama yield?

Mr. ALLEN. Yes, I yield.

Mr. GRIFFIN. The Senator from Alabama may well be correct in his appraisal of the reaction by General Torrijos. However, a matter that disturbs this Senator very much relates to an exchange, within the last 48 hours, of telephone calls and an exchange of letters between the President and General Torrijos relating to the reservations that were being considered in the Senate. I now find, by reading the morning papers—not from any information provided by the White House—that a letter was received at the White House yesterday from General Torrijos, apparently in response to a letter sent by President Carter to General Torrijos on Wednesday, and that these letters pertain directly to the matter under discussion in the Senate. Despite the fact that this Senator, early in the debate on yesterday, following a CBS report by Phil Jones, called upon the White House to provide us with a report as to previous telephone conversations and the letter sent by President Carter, no information was provided to the Senate.

I suppose some would say, "Well, now, Senator GRIFFIN, did you call up the President and make that request personally?" No, I did not. But, of course, I know that Hamilton Jordan has the radio on down at the White House. At least, I read that he does. At the White House, they have turned off the music and are listening to the debate in the Senate. At the White House, they know what we are saying up here. I have no doubt about that.

I find it rather disturbing that the exchange of letters between the two heads of Government was not made available to the Senate yesterday before the vote. I do not know precisely what was in the letters. In the news reports this morning I find strong indications that the President apparently was seeking to assure the Panamanians that the reservations and amendments being adopted in the Senate are meaningless and will not change the treaty.

Mr. ALLEN. Is the Senator talking about the amendments to the resolution of ratification?

Mr. GRIFFIN. And certain reservations, particularly the one offered by Senator DECONCINI.

Mr. ALLEN. In other words, agreeing to something here that he was assuring Torrijos did not mean anything, is that right?

Mr. GRIFFIN. Obviously, until we see the letters, it is difficult to say what is in them.

Mr. ALLEN. Yes.

Mr. GRIFFIN. But there is every reason to be concerned that while Senators were being assured, on the one hand, that their amendments were meaningful, in order to get their vote, there were assurances being given to the Panamanians or General Torrijos that the same amendments would not change anything.

Mr. ALLEN. That is a very interesting circumstance.

Mr. GRIFFIN. I should like to see the letters.

I also learned by reading the papers that the exchange of correspondence I am referring to was read over the radio in Panama on yesterday. In other words, the letters are not a secret down in Panama, but they are a secret in the U.S. Senate. Is that not an interesting situation?

Mr. ALLEN. Yes; I might say to the distinguished Senator from Michigan (Mr. GRIFFIN) that that is the pattern that they apparently have had down in Panama. The Senator will recall that when the President and the dictator entered into this so-called memorandum, as quickly as Torrijos got back to Panama he put an entirely different interpretation on what the memorandum meant from what our people up here were saying it meant. That very same interpretation was carried forward into the leadership amendment, because the leadership amendment was in fact the memorandum between the President and the dictator.

So just following the same pattern, if what the distinguished Senator says is correct about it being broadcast down in Panama, do I understand him to say that the President's letter was broadcast over the Panamanian radio?

Mr. GRIFFIN. That is my understanding from reading the various press reports this morning: The letter of President Carter to General Torrijos on Wednesday, and a response from General Torrijos to the President, which was delivered to the White House before yesterday's vote, were both read on the Panamanian radio yesterday. Apparently—and I wish to emphasize that I do not know the contents of the letter yet—apparently the purpose was to assure the Panamanian people that the amendments and reservations being adopted in the Senate after being "accepted" by the President, really would not change the treaty.

I take it that was the purpose of it.

Mr. ALLEN. And the Senate is the last to know about what is going on, really.

Mr. GRIFFIN. We were.

Mr. ALLEN. Between them.

Mr. GRIFFIN. We are entitled to know what was in the exchange of correspondence, which was not provided to us or to the American people.

Mr. ALLEN. Did the Senator request it of the White House?

Mr. GRIFFIN. Well, I did not know, of course, at the time I did not know there was a letter from General Torrijos to President Carter. I thought the Senate should be advised in a report provided to the Senate concerning the communications in recent days between the President and General Torrijos.

I was aware, because of a report by CBS yesterday morning, that on Wednesday the President had talked personally with General Torrijos on the telephone about these matters of concern involving the DeConcini reservation, and also that there was a letter from the President to General Torrijos.

Now, despite the public request to the President and to the White House to provide that information to the Senate it has not been forthcoming. In addition, the situation is compounded by the fact that later in the day, but before the vote, there was a letter, according to press reports, from General Torrijos to the President. I think that letter would have been

very important information for the Senate to have had on yesterday.

Mr. ALLEN. Yes.

Mr. GRIFFIN. Would not the Senator agree?

Mr. ALLEN. I would certainly agree.

As soon as some of the leadership people come in—I rather imagine, possibly, they are listening to the proceedings over the radio or over the various squawk boxes that we have or some Senators have. I do not have one myself. They are probably listening to this. I should say that I feel what the distinguished Senator from Michigan feels, that would be appropriate, not only to have these letters, the correspondence between the President and Torrijos as to the amendments under consideration in the Senate—and when I say, "amendments" I mean not only amendments to the treaty, but amendments to the resolution of ratification. I think that would really have an important bearing on the bona fides of the whole operation. It would seem to me if the Senate is being assured that the reservation means something and if—and I do say "if," because I do not know if a different connotation is being placed on these amendments in assurances to Panama. I think we would need to know about that. There is nothing we can do about the action on the treaty because the action has already been sought to be reconsidered by the leadership as a parliamentary move, and then that motion has been tabled; but certainly if that is the manner that they have of treating amendments, saying here in the Senate that it means something and saying to the dictator that they do not mean anything, I think it is highly important that that correspondence come in, and along the same line, that the telephone conversations come in.

I would vote to call right now on the leadership, in their contact with the White House—and I assume they are in daily contact with the White House; the Senator from Alabama is not, but I imagine that they are—or in one of their victory celebrations, it could be brought up at one of those sessions that some Senators here would like to have this same correspondence; and I am calling on the leadership at this time, over the weekend, to obtain for the Senate this information to which the distinguished Senator from Michigan (Mr. GRIFFIN) has alluded, and I think it is very important to find out under what circumstances and what differing interpretations of language we were proceeding on yesterday, and then the weight that we are going to give to amendments offered here in the Senate under the assurance to us that they mean something, while assurances are being given to the other party that they mean nothing.

I am assuming that that is the thrust of what the distinguished Senator is saying.

Mr. GRIFFIN. The Senator from Alabama is precisely correct. And, of course, one could only engage in speculation at this point, without having those letters before us and being able to read them, but certainly one must wonder, if that information had been available to the Senate yesterday, whether the vote would have been the same.

Mr. ALLEN. Well, I think it might be well to put a time, not only a date, but a time for the dispatch of the President's letter or communication or phone call, the time of day as well as the date itself.

Would the Senator join in the request of the Senator from Alabama that those letters and a log of those phone calls be made available to the Senate on Monday?

Mr. GRIFFIN. Oh, well, I would hope that the White House——

Mr. ALLEN. Or possibly today.

Mr. GRIFFIN. This is the Senate of the United States. We are a coordinate, equal branch of the Government with a responsibility of high order. I would think the President would immediately provide those letters to us upon request. I will be surprised and shocked if that is not the case. I do not understand why this information was not provided yesterday before the vote.

Mr. ALLEN. The distinguished Senator seems to think they might have sent it up by limousine within the hour, possibly.

Mr. GRIFFIN. I would hope so, if the White House staff is listening on the radio down there, as I am sure they are. Of course, they may not be quite as interested in the debate this morning.

Mr. ALLEN. Well, they had better start taking an interest, because, as the distinguished Senator from Michigan knows, the battle is just now getting started.

Mr. GRIFFIN. Before I forget, I ask unanimous consent that various articles which appeared principally in the New York Times and the Washington Post providing the background from which I am speaking be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 17, 1978]

PANAMA HAILS VOTE; SENATE RESERVATION MAY CAUSE TROUBLE

(By Karen DeYoung)

PANAMA CITY.—The Panamanian government yesterday called the U.S. Senate's ratification of the Panama Canal neutrality treaty "a historic moment for the country," but warned that it would study carefully a reservation the Senate approved in its action on the treaty.

The reservation authorizes the use of U.S. military force in Panama, and the government here said it will determine if that alters the treaty objectives or violates Panamanian sovereignty or integrity.

In a radio address to the country minutes after the Senate vote, chief treaty negotiator Romulo Escobar Betancourt said that Panamanian head of state Gen. Omar Torrijos sent a letter to President Carter yesterday outlining possible problems with the reservation.

Panama, the Torrijos letter said, will find "unacceptable any reservation that dishonors the national dignity, that changes the objectives of the treaty, or is intended to impede the exercise of Panama's sovereignty over all of its territory or the U.S. military withdrawal on December 31, 1999."

A government spokesman said the letter referred primarily to the reservation proposed by Sen. Dennis DeConcini (D-Ariz.) and approved by a 75–23 vote preceding the ratification approval.

The reservation authorizes both Panama and the United States independently to use military force in Panamanian territory should the canal be closed or its operations interfered with, even after the 1999 withdrawal date.

Panama has long objected to any provision of the neutrality treaty that would authorize a U.S. military presence here without Panamanian permission.

Torrijos was believed to be greatly angered by the proposed reservation. It puts him in the difficult position of explaining to the Panamanian people a possible eventuality—U.S. invasion of Panama should canal operations be interfered with—that he had promised them would not occur.

Escobar said Torrijos had received a letter Wednesday and a telephone call yesterday afternoon from President Carter explaining the additional provision and the probability of its passage.

A lengthy radio explanation of the reservation, including a full reading of the texts of the Carter-Torrijos letters, was apparently an attempt to head off anticipated criticism here of the DeConcini provision and circumvent the need for an additional Panamanian referendum to approve it.

While pledging that the issue would be carefully studied, Escobar said that, in principle, the government considered the reservation "allowable" since it did not affect the "essence or content" of the treaty itself.

Specifically, he said, the reservation did not affect the scheduled 1999 closing of U.S. bases and complete withdrawal of U.S. troops stationed here.

Torrijos spent the day closeted with his Cabinet in the downtown house of a friend. Reporters converging on the scene after the Senate vote were told that Torrijos had "nothing to say" in addition to the Escobar statement.

While anticipated large-scale anti-treaty demonstrations did not occur, a small group of University of Panama law students paraded on the campus with banners reading, "No to the Right of Yankee Intervention in Panama." Students said the turnout—no more than 30—was low because the university is currently in spring recess.

A spokesman for a group of Panamanian attorneys who have been outspoken treaty opponents said they would meet to compose a protest statement.

"We think [approval of the DeCorcini reservation] was an elegant way for the Senate to reject the treaty," he said. The attorneys maintain, and the spokesman said the senators are aware, that the additional provision will require another referendum on the treaties here.

A referendum, required by Panamanian law, was held here last October and showed that 66 percent of the population approved the treaties. The lawyers said that the "wording of the referendum question did not say anything about changes on reservations," and thus new provisions require a new vote.

In the U.S.-controlled Canal Zone, most ignored the final Senate debate until the last moment, when they turned on their radios to hear the live Southern Command Network broadcast. Canal company spokesman Al Baldwin said he "never saw [the Canal Zone] so quiet in my life."

While the predominantly antitreaty Zonians took the news of passage of the treaty in relative silence, the radio perhaps expressed the sentiment of some.

A country music broadcast following the end of the debate and vote began with a mournful song entitled "You can take this job and shove it, I ain't working here no more."

[From the New York Times, Mar. 17, 1978]

PANAMANIANS RELUCTANTLY INDICATE THEY ACCEPT PACT'S RESERVATIONS

(By Alan Riding)

PANAMA CITY, March 16.— With evident reluctance, the Panamanian Government indicated tonight that it would accept the last-minute reservations attached to the new Panama Canal neutrality treaty before it was ratified by the United States Senate today.

In a nation-wide radio broadcast immediately after the Senate vote, Panama's chief treaty negotiator, Romulo Escobar Betancourt, said that "the fundamental objectives sought by Panama in the treaty have not been affected by the reservations."

He said that Panama's chief of government, Brig. Gen. Omar Torrijos Herrera, had ordered that the various amendments and reservations attached to the neutrality treaty this week be carefully studied by officials here before a formal response is made to the United States.

But Dr. Escobar added: "In principle, we consider that these reservations are very digestible since they do not touch the foundations, essence or content of the neutrality treaty, above all such basic provisions as the [United States] military withdrawal by Dec. 31, 1999."

Diplomatic sources nevertheless indicated that General Torrijos and the Panamanian negotiating team were particularly distressed by the reservation adopted by the Senate today granting the United States the right to send troops into Panama after the year 2000 if the canal were closed, even by a strike.

STORM OF PROTEST EXPECTED

But rather than reject the reservation out of hand or risk defeat of the treaties in a new Panamanian plebiscite, General Torrijos has apparently decided to try to ride out the storm of protest that is expected to follow the spelling out of the American right to intervene here after 2000.

Leftist and Nationalist opposition groups that campaigned against Panamanian ratification of the treaties last October are now expected to begin a new offensive, contending that Panama has been forced to make too many concessions to Washintgon. "At the very least, we should have another plebescite," said a spokesman for the left-of-center Independent Lawyers' Movement.

A small group of leftist students held a brief demonstration against the treaties on the university campus here this afternoon, but few young people attended because high schools and the university are closed for vacation. When classes reopen next month, however, more protests are planned.

To forestall an angry reaction by the Panamanian Government to the reservations, the Carter Administration has maintained close contact with General Torrijos over the last four days of Senate debate, with a top American treaty negotiator, Ambler Moss, Deputy Assistant Secretary of State for Congressional Relations, sent to explain the reservations to senior officials here.

President Carter also wrote to General Torrijos yesterday morning and had a telephone conversation with him later in the afternoon. In his letter, according to Dr. Escobar, Mr. Carter indicated that "everything possible to insure that the reservations are in accordance with the general objectives of the treaty" had been done.

In his response to President Carter, sent last night, General Torrijos expressed gratitude for Administration efforts to insure Senate ratification of the treaties and indicated that Panama would study the reservations with great care.

"Our study will be guided by the following principles," he told Mr. Carter. "For Panama, any reservation will be unacceptable if it affects national dignity, distorts or changes the objectives of the treaty or is aimed at impeding the effective exercise of Panama's sovereignty over all its territory, the handover of the canal or the military withdrawal by Dec. 31, 1999."

ANY MOVE AT 'INTERFERENCE' REJECTED

General Torrijos said that the Panamanian people would not accept "words or ambiguous phrases that imply or mean perpetual occupation or interference in our internal affairs disguised as neutrality."

The key reservation adopted by the Senate this morning had the effect of dampening any immediate celebration over the United States ratification of the neutrality treaty that, with the new canal treaty that is still awaiting final American approval, should eventually replace the 1903 treaty that gave the United States control over the canal and the Canal Zone "in perpetuity."

After his broadcast speech, Dr. Escobar told reporters that today's vote was "a great triumph." But General Torrijos, ensconced with his advisers in a well-guarded house in a residential district of Panama City, refused to speak to the press.

Asked by reporters if Panama was angered by the last-minute reservations, Ernesto Solis, the general's spokesman, said: "We have never been angry, we have always been expecting justice from the United States." Asked if Panama had now obtained justice, he added: "We hope we will get it."

U.S. WORRIED OVER PANAMANIAN REACTION

WASHINGTON, March 16.—The Carter Administration was concerned tonight about Panamanian acceptance of the amendments and reservations to the Neutrality Treaty.

In particular, Administration officials feared the reaction of General Torrijos to the reservation proposed by Senator Dennis DeConcini, Democrat of Arizona, that in effect would give the United States the right to send troops to Panama to reopen the canal or restore operations on the waterway, if such actions should ever be deemed necessary, after Panama takes control.

Mr. GRIFFIN. Will the Senator yield me 30 seconds more?

Mr. ALLEN. Yes.

Mr. GRIFFIN. I have a little bit of additional information to add to our colloquy.

I do not have available the complete letter from General Torrijos to President Carter which was delivered on yesterday, but there is now available from an authoritative source the fact that the letter from General Torrijos to President Carter included this sentence:

In your letter and your conversation—

And that refers to the telephone conversation—

you informed me the Senate will introduce some reservations, but that they do not alter or lessen the contents of what was agreed to in the Neutrality Treaty or in our statement of October 14, 1977.

Mr. ALLEN. Very interesting.

Mr. GRIFFIN. Yes. I hope the letters will be provided so we can see exactly what it was President Carter wrote to General Torrijos.

Of course, it would be even more interesting if we could have a transcript of the telephone conversation as well—all of which was pertinent and important information and should have been available to the U.S. Senate as we were proceeding yesterday to a vote on the treaty.

The fact that a public request had been made for the information and that it was not provided is very disturbing to this Senator.

Mr. ALLEN. I feel the information will be made available. I have that much confidence in the administration and the openness of this administration. But I feel sure that will be forthcoming.

(A colloquy concerning emergency farm legislation which occurred at this point is printed earlier in today's RECORD, by unanimous consent.)

Mr. BAKER. On the matter of the alleged exchange of correspondence between the White House and General Torrijos, I would tell my friend from Alabama that I have no knowledge of that. I have not been informed of such letters. I do not know of such letters. I heard of them first this morning.

Mr. ALLEN. It may not have been letters but communications in other forms.

Mr. BAKER. I do think on that score I would say that on yesterday I was advised by the Vice President's office that the Panamanians have expressed concern about the DeConcini reservation. But no mention was made to me of letters, and if there are letters, I must say I think the Senate is entitled to those letters.

Mr. ALLEN. I thank the Senator.

Mr. BAKER. I joined with the opponents of this treaty in insisting, for instance, that we have full access to the implementing legislation for these treaties. That is unprecedented. I am told no other administration has ever submitted implementing legislation for treaties in advance of the vote on ratification.

But as the Senator from Alabama may know, in response to a request made by the distinguished Senator from South Carolina (Mr. THURMOND) and others on my side, I wrote to the Secretary of State and insisted that we have a full draft of the implementing legislation proposed for these treaties before we voted on them, and that was done.

I am pleased it was, because I have been insistent that every Member of the Senate on my side of the aisle, indeed, every Member of the Senate, for or against the treaty, have every scrap of information which is relevant to our intelligent determination of these issues. I think these letters, if there are letters, fall in the same category. I herewith express my support for any request for such letters, or copies of those letters, if they exist. If they do not exist, of course, it is a different matter.

My only motivation is to see that the Senate have all the facts and all of the relevant detail and material, all the documentation, necessary to make an intelligent, reasoned and rational decision on these treaties. Nothing should be withheld.

Mr. ALLEN. I thank the distinguished Senator.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Let me answer and then I will yield.

I have never stated other than I have great admiration for the distinguished Senator (Mr. BAKER), our distinguished minority leader. I have confidence in his openness, his fairmindedness, his candor, and his willingness—not only

his willingness but his determination—to ascertain the facts. I appreciate his attitude. I have certainly not in any sense been critical in the slightest of the Senator.

Mr. BAKER. If the Senator will yield, I did not believe the Senator from Alabama had been critical. I simply wanted to reiterate what I am sure the Senator already knew, that I insist the Senate have every document, whether it helps or hurts the treaties, that we have every document and every bit of information.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Mr. President, did I understand the distinguished Senator to say that he felt we would arrive at an agreement which would include a vote on the resolution of ratification within a reasonable length of time?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. But that it would be after the Easter nonlegislative period before we could reach such an agreement?

Mr. ALLEN. Yes. I would like to suggest that is not unfair. The distinguished majority leader has already scheduled two bills which have 6 hours each on them, starting on Tuesday, with leave to amend. They might well take the entire remaining period that we have prior to the recess. I would hope the distinguished majority leader would not think it was unreasonable to allow us to get back from our recess, assess the situation, debate the matter for possibly 2 or 3 days and then sit down and seek to come to a reasonable agreement on a time certain to vote. We did work that out on the Neutrality Treaty. I am confident we can do it again.

Mr. ROBERT C. BYRD. I appreciate what the Senator has said. I do not understand what he means when he says that the consideration of the farm bill would be continuing to the beginning of the Easter nonlegislative period.

Mr. ALLEN. It is possible that it might. I thought both bills had 6 hours with leave to amend.

Mr. ROBERT C. BYRD. It has been reduced to 4 hours each, with the understanding that any motions, appeals, and so on, would come out of those 4 hours.

Mr. ALLEN. That would take 1 full day, then.

Mr. ROBERT C. BYRD. It would take 1 full day.

Mr. ALLEN. I misunderstood the time.

Mr. ROBERT C. BYRD. I hope that the Senate will be able to enter into an agreement before the nonlegislative period for the observance of Easter, which would lay down a definite date at some point following that nonlegislative period when the Senate could reach a final decision on the resolution of ratification for the Panama Canal Treaty. My thought was if we could agree to a date during the week of April 10, that would allow us 5 days before the nonlegislative period, and it would allow us up to 10 days, not including Saturdays, and we could utilize Saturdays, following the nonlegislative period. It would make a total of something like 15 days which would seem to me to be adequate in view of the fact that we actually have been debating this treaty into the 23d day. While the Senate was considering the Neutrality Treaty, it was also debating the Panama Canal Treaty.

As the distinguished Senator from Alabama has so correctly stated, both of these are one package and the debate has been rather frequently far reaching. There has been no attempt to confine the debate on the Neutrality Treaty.

Actually, with the treaties having been debated for 22 days prior to today, I do not think it is unreasonable for the majority leader to express the hope that before next Thursday evening at the close of business when we begin the nonlegislative period which was scheduled previously and announced to run from the close of business on Thursday, March 23, until Monday, April 3—that nonlegislative period had been laid out for Senators so they could schedule engagements in their home States—we could reach an agreement which would assure the Senate that it would dispose, one way or the other, up or down, of this Panama Canal Treaty.

I think we should have every reason to hope that after 5 days, beginning today, and concluding those 5 days next Thursday, and then taking the first 5 days when we return, and the second 5 days, into the week of April 10, there would be 3 weeks of debate on this treaty. It seems that would be a very reasonable suggestion. I hope the distinguished Senator from Alabama will give this his consideration over the weekend. We might arrive at an agreement one day next week.

Mr. ALLEN. I appreciate the courtesy and graciousness of the distinguished majority leader. Certainly, I can find no fault with what he has suggested. I believe we could reach pretty much the same end result if we did wait until after the recess. I am certainly not trying to prolong the debate. I do not know what it is going to encompass before we get into it. That is the reason I would like to debate it for the rest of this week, or until the recess, and then take an assessment of the situation soon after we come back.

I point out that no dilatory tactics have been used with respect to the first treaty. Senators were ready and, as a matter of fact, standing in line most of the time in order to speak. There were no quorum calls of any large number which were requested.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator will suspend. Will Senators wishing to carry on conversations please retire to the cloakrooms?

Mr. ALLEN. I will say that fewer than 10 quorum calls have been called for during this debate. The Senator from Alabama did not make a single request for a quorum call until the last day of the debate, at a time when he felt a quorum call was appropriate.

I assure the distinguished majority leader there is going to be no effort to use dilatory tactics. There will be no filibuster by amendment. Only legitimate amendments will be offered. There will be an effort made, however, to protect the interests of the United States and to protect the interests of the taxpayers of the United States. I know the distinguished majority leader wants to accomplish the same end result. I think in time we can work out a very fair and reasonable agreement. It might not take the length of time the Senator suggests.

Mr. ROBERT C. BYRD. Mr. President, what the Senator says encourages me. I hope that it will be possible, after the nonlegislative day period, to reach an agreement which would bring about a final vote earlier than the date which was included in my suggestion. However, I think that, unless we are able to reach an agreement before the evening of next Thursday—and I do not rule that out; I hope the distinguished Senator from Alabama will give further thought to it over the weekend and during next week, and talk with others who are on his side in this matter. I hope that we could still reach an agreement.

Mr. ALLEN. I hope the Senator will not proceed further than that, because if the Senator is getting ready to say what I fear he is getting ready to say, I do not believe that would be conducive to reaching an agreement. I hope he will leave it where he has now stopped.

Mr. BAKER. Mr. President, will the Senator yield for just a moment?

Mr. ROBERT C. BYRD. Will the Senator allow me to regain my composure? [Laughter.]

I think that this is about the first time that I can recall that I have been left completely disarmed, speechless, and helpless. He anticipated what I am going to say and cut me off at the pass.

Well, I shall not proceed to say what I was about to say. In good humor, may I say that I have been encouraged by what the Senator from Alabama has said.

May I just close on this St. Patrick's Day by saying that if we can reach agreement, we will not get to that sad state of affairs to which the poet alluded when he said:

There once was two cats from Kilkenny.
Each thought there was one cat too many.
So they quarreled and they fit;
They scratched and they bit;
'Til barrin' their nails
And the tips o' their tails,
Instead of two cats, there weren't any.

I hope that the two sides will not proceed to the point that there is nothing left but their nails and the tips of their tails.

Mr. PERCY. Will the Senator yield?

Mr. ALLEN. Yes, I am going to yield the floor in just a moment. I shall be delighted to yield at this time to the distinguished Senator from Illinois.

Mr. PERCY. May I have the attention of the distinguished majority leader?

Mr. ALLEN. If the Senator will excuse me, I shall yield the floor.

Mr. ROBERT C. BYRD. Will the Senator yield to me for just a moment?

Mr. ALLEN. Yes. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I have in my hands a letter dated March 17, 1978, which is this date, addressed to me by Douglas J. Bennet, Jr., Assistant Secretary for Congressional Relations, which reads as follows:

DEPARTMENT OF STATE,
Washington, D.C., March 17, 1978.

Hon. ROBERT C. BYRD,
U.S. Senate.

DEAR SENATOR BYRD: You may wish to share with the Senate the exchange of correspondence between President Carter and General Torrijos which occurred in connection with the Senate's vote on the Neutrality Treaty. Copies of both letters are enclosed.

With best wishes,

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

Mr. President, I shall make arrangements to see that all Senators have copies of these letters. I ask unanimous consent that they be printed in the RECORD.

Mr. ALLEN. The cover letter is dated today. Would the Senator mind saying the date of the letters enclosed?

Mr. ROBERT C. BYRD. I have not had opportunity to read them. As I look at them now, they are dated March 15.

Mr. ALLEN. I see.

The PRESIDING OFFICER. Did the Senator from Alabama object to the unanimous-consent request?

Mr. ALLEN. No; I have no objection.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 15, 1978.

MY DEAR GENERAL: As you know, the Senate is now approaching the end of its debate on the Neutrality Treaty. Although we expect the final vote to be close, we remain hopeful about the result.

We have made good progress since last September when you and I signed the Treaties. The Senate Foreign Relations Committee endorsed the Treaties by an overwhelming vote. In the Senate debate, we have fortunately been able to prevent any amendments to the Treaty other than the so-called "Leadership" amendments to Articles IV and VI. These incorporate exactly the terms of the Statement of Understanding published after our conversation of October 14.

In considering its Resolution of Ratification of the Treaty, the Senate will almost certainly attach a number of reservations, conditions or understandings reflecting certain of its concerns. We have made every effort and have been successful to date in ensuring that these will be consistent with the general purposes of our two countries as parties to the Treaty. I hope you will examine them in this light.

After approving the Neutrality Treaty, the Senate will move immediately to consider the basic Panama Treaty. While there will be problems, I am hopeful that the outcome will again be favorable, and that the two Treaties combined will gain for our countries the advantages we had envisaged when we signed them last September.

I know that the long public discussion of the Treaties in the United States has involved difficulties for you and your country. It has been a necessary element in informing the American public of the reasons for negotiating the Treaties and the benefits they bring to both parties. We have made notable progress in this regard.

Thus, as matters stand today, we are approaching an important milestone. If all of us can continue to work patiently and constructively for the achievement of our objectives, I believe we can achieve the outcome we both desire—sound and equitable Treaties in our common interest.

JIMMY CARTER.

MARCH 15, 1978.

DEAR PRESIDENT CARTER: In your kind letter of this date, as well as in the conversation which we had this afternoon, you expressed to me, among other things, your hope concerning a positive vote in the United States Senate on the Neutrality Treaty. I understand and I perceived the great efforts which you, as head of a great nation as well as those of numerous distinguished Senators, have carried out to create a consciousness in the rest of the Senate and in the American public for the need for a new relationship between Panama and the United States.

After intense and difficult negotiations we signed the resulting Treaties in Washington. Subsequently, and on account of certain confusion with respect to two articles of the Neutrality Treaty, we proceeded to release a Memorandum of Understanding which clearly interpreted the unilateral capability of each one of our countries to protect the regime of neutrality against threats, attacks, or a closing of the Canal, priority passage for warships in case of emergency and non-intervention in the internal affairs of Panama as well as a respect for territorial integrity and political independence of my country.

In this manner we perfected treaties which have received, because of their balance and equity, the support of practically all the countries of the world.

In your letter and conversation you informed me that the Senate will introduce some reservations, but that they will not alter nor detract from the content of what was agreed upon in the Neutrality Treaty and in our Declaration of October 14, 1977. In this respect, I wish to inform you that the Government of Panama will proceed to study carefully these reservations and will take its position once the Senate has voted on both Treaties. The situation is thus because in the plebiscite held in Panama the Panamanian people voted for the two Treaties together and not in separate form.

I do wish, nonetheless, to point out that such a study will be based on the following concepts: For Panama any reservation would be unacceptable which blemished our national dignity, which altered or changed the objectives of the Treaty or which were directed at hindering the effective exercise of Panamanian sovereignty over all of its territory, the transfer of the Canal, and military withdrawal on December 31, 1999. For that reason, I received with great gratitude your words that these objectives will absolutely not be changed by means of amendments or reservations. This reaffirms my estimate concerning the great morality and honesty which characterizes you as a political leader and as a person.

The Panamanian people would not accept words, misplaced commas or ambiguous sentences which had as their objective, or which might signify, occupation in perpetuity disguised as neutrality or intervention in their internal affairs.

President Carter, we both know the difficulties which we must overcome to achieve a new attitude in our two countries. But the expressions which you have made to me reveal the intimate truths of a man of great integrity. We believe that the American people elected you precisely for these qualities. Therefore, with the frankness which has characterized our relationship, I must tell you that we must face all of these difficulties about the Treaties with true courage.

The great power of conviction which you have must reach the true and upright men of your Senate. In your country there exists great proof of this fact by virtue of men who have never considered arrogance or threats as normal standards of conduct in the United States in its relations with the various sectors of its own people and in its relations with other countries. For that reason Lincoln, Franklin Delano Roosevelt, Kennedy and other great American Presidents hold a place in the history of the United States and serve as an inspiration to other peoples of the world.

It is obvious that not only Panama but the entire world anxiously awaits the decision which the Senate will make tomorrow. The Canal, as an international public service, is of interest to all humanity. For that reason, we see in the Treaties which we signed the peaceful solution which guarantees access to the Canal on an equal basis to all its users. Panama has made its great sacrifice: to wait 22 long years to achieve its decolonization. We have demonstrated maturity and patience. We are confident that the Senate will not disappoint the world.

Let me take this opportunity to express my highest esteem.

OMAR TORRIJOS HERRERA,
Chief of Government of the Republic of Panama.

Mr. ALLEN. I was just wondering, I say to the distinguished majority leader, if the letters were dated the 15th, it might have been of some benefit to the Senate to have had them up here on the 16th. They might have influenced a vote.

Mr. ROBERT C. BYRD. Mr. President, that could be said both ways. We could say what might have been.

Mr. ALLEN. I doubt if it would have made votes for the treaty.

Mr. ROBERT C. BYRD. I beg the Senator's pardon?

Mr. ALLEN. I doubt if the letters would have made votes for the treaties. Possibly they would have.

Mr. ROBERT C. BYRD. I do not know. I have not read them yet. I have tried to secure them for the Senator because of his interest. Of all sad words of tongue or pen, the saddest are these: "It might have been."

I do not know. They might have made votes. But I have not read them. I have asked that they printed in the RECORD because I wanted the Senator to know that the leadership wants to cooperate in every way to get the information that he and Senator GRIFFIN had expressed interest in.

Mr. ALLEN. I appreciate that. I might say that it is further indication of the power of the leadership, because only 30 minutes ago did we request the leadership to furnish these documents. Now we have them and they are before the Senate.

Mr. ROBERT C. BYRD. Mr. President, there is a time for every purpose under heaven: a time to speak and a time to keep silent. I shall choose to keep silent.

Mr. BAKER. Will the Senator yield to me?

Mr. ALLEN. Yes.

Mr. BAKER. Mr. President, I have just been handed copies of the letters of March 15, to which the majority leader referred, by a representative of the Vice President's office. I only want to take this opportunity to express my appreciation to the administration for very promptly acceding to the suggestion or the request that these letters be supplied: I am happy that they are now part of our official record.

Mr. ALLEN. Before yielding the floor, I wonder if I may glance at one copy.

Mr. ROBERT C. BYRD. Mr. President, let us just read the letters.

Mr. ALLEN. Fine; I yield for that purpose.

Mr. ROBERT C. BYRD. If the Senator will yield, I read first the letter by President Carter dated March 15, 1978, addressed to General Torrijos as follows:

MY DEAR GENERAL: As you know, the Senate is now approaching the end of its debate on the Neutrality Treaty. Although we expect the final vote to be close, we remain hopeful about the result.

We have made good progress since last September when you and I signed the Treaties. The Senate Foreign Relations Committee endorsed the Treaties by an overwhelming vote. In the Senate debate, we have fortunately been able to prevent any amendments to the Treaty other than the so-called "Leadership" amendments to Articles IV and VI. These incorporate exactly the terms of the Statement of Understanding published after our conversation of October 14.

In considering its Resolution of Ratification of the Treaty, the Senate will almost certainly attach a number of reservations, conditions or understandings reflecting certain of its concerns. We have made every effort and have been successful to date in ensuring that these will be consistent with the general purposes of our two countries as parties to the Treaty. I hope you will examine them in this light.

After approving the Neutrality Treaty, the Senate will move immediately to consider the basic Panama Treaty. While there will be problems, I am hopeful that the outcome will again be favorable, and that the two Treaties combined will gain for our countries the advantages we had envisaged when we signed them last September.

I know that the long public discussion of the Treaties in the United States has involved difficulties for you and your country. It has been a necessary element in informing the American public of the reasons for negotiating the Treaties and the benefits they bring to both parties. We have made notable progress in this regard.

Thus, as matters stand today, we are approaching an important milestone. If all of us can continue to work patiently and constructively for the achievement of our objectives, I believe we can achieve the outcome we both desire—sound and equitable Treaties in our common interest.

JIMMY CARTER.

Mr. President, as I read that letter, I am reminded of the tempest in the teapot. From what I have heard said today, there has been much ado about nothing. I see nothing in that letter—nothing. I think it was a very diplomatic, very factual, very articulate presentation of the situation as it existed and, as the President said:

We have made every effort and have been successful to date in ensuring that these will be consistent with the general purposes of our two countries as parties to the Treaty.

Mr. President, I congratulate the President of the United States on the letter. I think it laid out to General Torrijos in concise and succinct terms what the situation was. I hope that will put the matter to rest.

Now if the Senators would like for me to read the response—I suppose it is a response—by General Torrijos to the President's letter, I will be glad to do that.

Mr. SPARKMAN. Do it.

Mr. ROBERT C. BYRD. Let us do it. All right.

The letter is dated same date, March 15, which I believe has been recognized for centuries as the ides of March.

MARCH 15, 1978.

DEAR PRESIDENT CARTER: In your kind letter of this date, as well as in the conversation which we had this afternoon, you expressed to me, among other things, your hope concerning a positive vote in the Unted States Senate on the Neutrality Treaty. I understand and I perceived the great efforts which you, as head of a great nation as well as those of numerous distinguished Senators, have carried out to create a consciousness in the rest of the Senate and in the American public for the need for a new relationship between Panama and the United States.

After intense and difficult negotiations we signed the resulting Treaties in Washington. Subsequently, and on account of certain confusion with respect to two articles of the Neutrality Treaty, we proceeded to release a Memorandum of Understanding which clearly intepreted the unilateral capability of each one of our countries to protect the regime of neutrality against threats, attacks, or a closing of the Canal, priority passage for warships in case of emergency and non-intervention in the internal affairs of Panama as well as a respect for territorial integrity and political independence of my country.

In this manner we perfected treaties which have received, because of their balance and equity, the support of practically all the countries of the world.

In your letter and conversation you informed me that the Senate will introduce some reservations, but that they will not alter nor detract from the content of what was agreed upon in the Neutrality Treaty and in our Declaration of October 14, 1977.

Mr. ALLEN. Would the Senator mind reading that sentence over? I think it is significant.

Mr. ROBERT C. BYRD. I will read it over when I finish. I may have some comment.

Mr. ALLEN. I thank the Senator.

Mr. ROBERT C. BYRD. I would like to read the rest of the letter. Will you allow me to read the rest of the letter?

The Senator does not mind if I proceed.

Mr. ALLEN. I did not say I minded. I made a request of the distinguished Senator.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

In this respect, I wish to inform you that the Government of Panama will proceed to study carefully these reservations and will take its position once the Senate has voted on both Treaties. The situation is thus because in the plebiscite held in Panama the Panamanian people voted for the two Treaties together and not in separate form.

I do wish, nonetheless, to point out that such a study will be based on the following concepts: For Panama any reservation would be unacceptable which blemished our national dignity, which altered or changed the objectives of the Treaty or which were directed at hindering the effective exercise of Panamanian sovereignty over all of its territory, the transfer of the Canal, and military withdrawal on December 31, 1999. For that reason, I received with great gratitude your words that these objectives will absolutely not be changed by means of amendments or reservations. This reaffirms my estimate concerning the great morality and honesty which characterizes you as a political leader and as a person.

The Panamanian people would not accept words, misplaced commas or ambiguous sentences which had as their objective, or which might signify, occupation in perpetuity disguised as neutrality or intervention in their internal affairs.

President Carter, we both know the difficulties which we must overcome to achieve a new attitude in our two countries. But the expressions which you have made to me reveal the intimate truths of a man of great integrity. We believe that the American people elected you precisely for these qualities. Therefore, with the frankness which has characterized our relationship, I must tell you that we must face all of these difficulties about the Treaties with true courage.

The great power of conviction which you have must reach the true and upright men of your Senate. In your country there exists great proof of this fact by virtue of men who have never considered arrogance or threats as normal standards of conduct in the United States in its relations with the various sectors of its own people and in its relations with other countries. For that reason Lincoln, Franklin Delano Roosevelt, Kennedy and other great American Presidents hold a place in the history of the United States and serve as an inspiration to other peoples of the world.

It is obvious that not only Panama but the entire world anxiously awaits the decision which the Senate will make tomorrow. The Canal, as an international public service, is of interest to all humanity. For that reason, we see in the Treaties which we signed the peaceful solution which guarantees access to the Canal on an equal basis to all its users. Panama has made its great sacrifice: to wait 22 long years to achieve its decolonization. We have demonstrated maturity and patience. We are confident that the Senate will not disappoint the world.

Let me take this opportunity to express my highest esteem.

OMAR TORRIJOS HERRERA,
Chief of Government
of the Republic of Panama.

Now, I will read, at the request of the Senator from Alabama again this sentence in General Torrijos' letter.

In your letter and conversation you informed me that the Senate will introduce some reservations, but that they will not alter nor detract from the content of what was agreed upon in the Neutrality Treaty and in our Declaration of October 14, 1977.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. ALLEN. Mr. President, I am glad to receive these letters, which were mentioned first on the floor here by the distinguished Senator from Michigan (Mr. Griffin). I am wondering if there was a reply by the President to this letter.

Is there a reply to the letter of March 15?

Mr. ROBERT C. BYRD. Pardon?

Mr. ALLEN. I am wondering if there was a reply to the letter of March 15 from Torrijos to the President.

Mr. ROBERT C. BYRD. Well, Mr. President, I will immediately dispatch a call to the President of the United States or to one of his aides and inquire.

Mr. ALLEN. I thank the distinguished Senator.

Mr. ROBERT C. BYRD. I will attempt to get the answer for the Senator as to whether or not there was a reply to General Torrijos' reply to the President's letter.

Mr. ALLEN. I thank the Senator. The

significant sentence here, it would seem, is in the dictator's letter to President Carter, starting with the fourth paragraph of that letter of Torrijos to President Carter.

In your letter and conversation you informed me that the Senate will introduce some reservations, but that they will not alter nor detract from the content of what was agreed upon in the Neutrality Treaty and in our Declaration of October 14, 1977.

It looks as if Torrijos got the impression that the reservations, though here on the floor we were of the opinion that they did alter or detract from the content of what was agreed upon in the Neutrality Treaty and our declaration of October 14, 1977. Though, if we did not do something, what was the use of offering them?

I am also somewhat puzzled by the identical dates on the letters. I am wondering if Mr. Torrijos was in town or at the White House at the time and they exchanged their letters. I am not an expert, but it looks like the letters may have been written on the same typewriter.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Does the Senator want to go out over the airwaves of this country with this kind of subtle accusation? I do not believe the Senator wants to do that.

Mr. ALLEN. I merely asked.

I would ask the majority leader, if Mr. Torrijos was in town on March 15. Both letters are dated on that day.

Mr. ROBERT C. BYRD. Oh, they are both dated on that day, but we do not live in the age of Samuel F. B. Morse. We live in the age when communications are rather fast. One speaks and in the same instant people hear him halfway around the world. I hope the Senator will not imply that because two letters are dated the same date, they may have been written on the same typewriter, and so on. I do not believe the Senator wants to leave that impression.

The Senator first suggested that the leadership get the letter that was written by the President and the response. Now I have got them and I have read them.

Mr. ALLEN. Very well. I appreciate that. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I thought it was the Senator's understanding to begin with that they were of the same date.

Mr. SPARKMAN. May I respond?

Mr. ROBERT C. BYRD. In further response to the Senator's question.

Mr. ALLEN. Obviously, they are copies and could well have been prepared in the same place.

Mr. ROBERT C. BYRD. I would hope they would be bona fide.

Mr. ALLEN. I am sure.

Mr. SPARKMAN. Will the Senator yield?

Mr. ROBERT C. BYRD. May I further respond to say, and I will not proceed further, in answer to the question the Senator just asked, I am informed that there was no further communication, no further letter written in response to General Torrijos' letter.

Mr. ALLEN. I thank the Senator.

Mr. ROBERT C. BYRD. Which was in reply to the President's.

Mr. SPARKMAN. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Will the Senator yield to me?

The PRESIDING OFFICER. Senator ALLEN has the floor.

Mr. ALLEN. Yes, I yield to my distinguished senior colleague.

Mr. SPARKMAN. I understand, preceding the writing of this exchange of letters, they had telephone conversations.

Can the Senator tell me if that is right? That is my understanding.

Mr. ROBERT C. BYRD. I do not know. I do know we live in a world in which countries exchange letters by cable. That does not require 24 hours always to respond to a communication between these two countries.

I just take some umbrage, the implication that these two letters which were requested by the leadership after the charge was made on the Senate floor and in partial response——

Mr. ALLEN. No charge was made.

Mr. ROBERT C. BYRD. I did not say a Senator made the charge. I said a charge was made on the Senate floor which left the inference to be drawn that there was some kind of hocus-pocus, or something, that went on between President Carter yesterday and General Torrijos that should be kept hidden, that has been kept unrevealed, and that if revealed it might have changed the votes on yesterday.

Now, I have secured the correspondence. I hope that Senators will not imply that these letters have been manufactured.

Mr. ALLEN. I make no such charge.

Mr. SPARKMAN. I think I can clear that up.

Mr. ROBERT C. BYRD. All right. I hope the Senator can.

Mr. SPARKMAN. If we note in the letter to President Carter, General Torrijos says:

Your kind letter of this date, as well as in the conversation which we had this afternoon.

So there was an exchange over the telephone that was on the same date.

Mr. ALLEN. Yes.

Mr. SPARKMAN. The same day as that letter was written.

Mr. ALLEN. I wish the Senator would continue reading that.

Mr. SPARKMAN. Yes. I have read the whole letter.

Mr. ALLEN. Yes.

Mr. SPARKMAN. I have read the whole letter. I want to mention one thing that Senator DECONCINI said on yesterday, I believe it was, when his reservation came up.

Mr. DECONCINI said:

It is my interpretation and judgment it does not affect a major change in the treaty, but it is a condition precedent to the treaty taking effect, which means it has to be accepted or not contradicted by the Panamanians before the treaty is effective.

It seeems to me that has, certainly, some bearing on the interpretation.

Mr. ROBERT C. BYRD. In any event, Mr. President, both letters have been laid on the record for everyone to see.

Mr. ALLEN. I say to the distinguished majority leader, the only significant sentence I find here is the sentence in the Torrijos letter in which he says:

In your letter and conversation you informed me that the Senate will introduce some reservations, but that they will not alter nor detract from the content of what was agreed upon in the Neutrality Treaty and in our Declaration of October 14, 1977.

I think that is a significant sentence.

With that, I am ready to close the issue.

Mr. ROBERT C. BYRD. Well, Mr. President, that sentence alludes to this sentence in the President's letter: "We have made every effort and have have been successful to date in insuring that these"—meaning reservations, conditions or understandings, in my words—"will be consistent with the general purposes of our two countries as parties to the treaty."

The President of the United States did not misrepresent the situation at all. He said:

In considering its Resolution of Ratification of the Treaty, the Senate will almost certainly attach a number of reservations, conditions, or understandings reflecting certain of its concerns. We have made every effort and have been successful to date in ensuring that these will be consistent with the general purposes of our two countries as parties to the Treaty.

Now, that is all that I see in the Presidents' letter. That is the only verbiage I see that could possibly have been addressed by General Torrijos' sentence which the distinguished Senator from Alabama mentioned.

Mr. ALLEN. The word "conversation."

Mr. ROBERT C. BYRD. Now, the Senator talks about conversations, but he says, "In your letter and conversation."

So we have half of it in front of us. The letter is here. I do not have the President's conversation.

Mr. ALLEN. Yes, I understand.

Mr. ROBERT C. BYRD. If the Senator wants me——

Mr. ALLEN. I do not intend to contend any further with the Senator. I am willing to let the matter rest.

Mr. ROBERT C. BYRD. I take the letter on its face. I think it speaks for itself.

I am delighted to have had the opportunity to present it to the Senate.

Mr. SPARKMAN. Will the Senator yield?

Mr. ROBERT C. BYRD. I do not have the floor.

Mr. ALLEN. I yield to my distinguished colleague.

Mr. SPARKMAN. I simply want to bring out the point that Mr. DECONCINI—and remember, the President was talking about what had been accomplished by the reservation—in his reservation said exactly the same thing.

Mr. ROBERT C. BYRD. Yes.

Mr. SPARKMAN. That it made no major changes.

Mr. ROBERT C. BYRD. Precisely.

Mr. SPARKMAN. That it was a clarification.

Mr. ROBERT C. BYRD. Exactly.

Now, the senior Senator from Alabama is chairman of the Foreign Relations Committee of the Senate. Is it not true these communications between nations will usually be cabled and that——

Mr. SPARKMAN. Either that or telephoned.

Mr. ROBERT C. BYRD. And that these cables are then typed up, and even if both these were typed on the same typewriter, what would that indicate? Would that indicate any sinister, ulterior——

Mr. SPARKMAN. In fact, it is saying it makes no changes, does not affect the terms that have been agreed upon.

Mr. ALLEN. Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. SPARKMAN. I thank the Senator.

Mr. ALLEN. I thank my distinguished senior colleague (Mr. SPARKMAN).

I yield the floor, Mr. President.

The PRESIDING OFFICER. What is the will of the Senate?

The Senator from West Virginia (Mr. ROBERT C. BYRD).

Mr. ROBERT C. BYRD. Proceed to article II, if there are no——

The PRESIDING OFFICER. If there are no amendments?——

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have asked the White House to send up the cables; and they, likewise, will be made available to Senators, so that there will not be any question as to the letters and as to the apparent similarities in the type in the two communications which were of the same date.

(Subsequently Mr. ROBERT C. BYRD supplied the following material for the RECORD:)

WASHINGTON, D.C.,
March 17, 1978.

Hon. ROBERT C. BYRD,
U.S. Senate.

DEAR SENATOR BYRD: I understand some Senators have expressed a wish to see the cables containing the exchange of correspondence between President Carter and General Torrijos, copies of which I sent to you earlier today. Copies of the two cables are enclosed. These copies are identical to the original cables except that they have been declassified, as indicated by the words "class change and deletion of caption."

You may wish to inform Senators that the original copy of President Carter's letter is now on its way to General Torrijos, and that the original copy of General Torrijos' reply is now on its way to President Carter. It has become a normal diplomatic procedure to exchange copies of such correspondence by means of telegram in the interest of speed.

The copies of the letters I supplied you this morning were transcribed from the attached telegrams in an effort to supply as quickly as possible the information Senators had requested. This explains the phenomenon, noted by Senator Allen, that the copies of the letter appear to have been typed on the same machine.

I will be happy to supply an authoritative transcript of General Torrijos' letter as soon as the original is received.

Sincerely,

DOUGLAS J. BENNET, Jr.

[Incoming telegram pass White House for President Carter]

GENERAL TORRIJOS LETTER TO PRESIDENT DATED MARCH 15, 1978

1. Have just received following letter (unofficial translation from General Torrijos for President Carter:)

PANAMA,
March 15, 1978.

DEAR PRESIDENT CARTER: In your kind letter of this date, as well as in the conversation which we had this afternoon, you expressed to me, among other things, your hope concerning a positive vote in the United States Senate on the Neutrality Treaty. I understand and I have perceived the great efforts which you, as head of a great nation as well as those of numerous distinguished Senators, have carried-out to create a consciousness in the rest of the Senate and in the American public for the need for a new relationship between Panama and the United States.

After intense and difficult negotiations we signed the resulting treaties in Washington. subsequently, and on account of certain confusion with respect to two articles of the Neutrality Treaty, we proceeded to release a memorandum of understanding which clearly interpreted the unilateral capability of each one of our countries to protect the regime of neutrality against threats, attacks, or a closing of the canal, priority passage for warships in case of emergency and non-intervention in the internal affairs of Panama as well as a respect for territorial integrity and political independence of my country.

In this manner we perfected treaties which have received, because of their balance and equity, the support of practically all the countries of the world.

In your letter and conversation you informed me that the Senate will introduce some reservations, but that they will not alter nor detract from the content of what was agreed upon in the Neutrality Treaty and in our declaration of October 14, 1977. In this respect, I wish to inform you that the government of Panama will proceed to study carefully these reservations and will take its position once the Senate has voted on both treaties. The situation is thus because in the plebiscite held in Panama the Panamanian people voted for the two treaties together and not in separate form.

I do wish, nevertheless, to point out that such a study will be based on the following concepts; for Panama any reservation would be unacceptable which blemished our national dignity, which altered or changed the objectives of the treaty or which were directed at hindering the effective exercise of Panamanian sovereignty over all of its territory, the transfer of the canal, and military withdrawal on December 31, 1999.

For that reason, I received with great gratitude your words that these objectives will absolutely not be changed by means of amendments or reservations. This reaffirms my estimate concerning the great morality and honesty which characterizes you as a political leader and as a person.

The Panamanian people would not accept words, misplaced commas or ambiguous sentences which had as their objective, or which might signify, occupation in perpetu- in their internal affairs.
ity disguised as neutrality or intervention

President Carter: We both know the difficulties which we must overcome to achieve a new attitude in our two countries. But the expressions which you have made to me reveal the initimate truths of a man of great integrity. We believe that the American people elected you precisely for these qualities. Therefore, with the frankness which has characterized our relationship. I must tell you that we must face all of these difficulties about the treaties with true courage.

The great power of conviction which you have must reach the true and upright men of your Senate. In your country there exists great proof of this fact by virtue of men who have never considered arrogance or threats as normal standards of conduct in the United States in its relations with the various sectors of its own people and in its relations with other countries. For that reason Lincoln, Franklin Delano Roosevelt, Kennedy and other great American presidents hold a place in the history of the United States and serve as an inspiration to other peoples of the world.

It is obvious that not only Panama but the entire world anxiously awaits the decision which the Senate will make tomorrow. The canal, as an international public service, is of interest to all humanity. For that reason, we see in the treaties which we signed the peaceful solution which guarantees access to the canal on an equal basis to all its users. Panama has made its great sacrifice: To wait 22 long years to achieve its decolonization. We have demonstrated maturity and patience. We are confident that the Senate will not disappoint the world.

Let me take this opportunity to express my highest esteem.

OMAR TORRIJOS HERRERA,
Chief of Government of the Republic of Panama.

[Outgoing telegram for Ambassador Jorden]

PRESIDENT'S LETTER TO GENERAL TORRIJOS, DATED MARCH 15, 1978

(Please deliver to General Torrijos soonest today following letter from President Carter, of which text follows:)

MY DEAR GENERAL: As you know, the Senate is now approaching the end of its debate on the neutrality treaty. Although we expect the final vote to be close, we remain hopeful about the result.

We have made good progress since last September when you and I signed the treaties. The Senate Foreign Relations Committee endorsed the treaties by an overwhelming vote. In the Senate debate, we have fortunately been able to prevent any amendments to the treaty other than the so-called "leadership" amendments to Articles IV and VI. These incorporate exactly the terms of the statement of understanding published after our conversation of October 14.

In considering its resolution of ratification of the treaty, the Senate will almost certainly attach a number of reservations, conditions or understandings reflecting certain of its concerns. We have made every effort and have been successful to date in ensuring that these will be consistent with the general purposes of our two countries as parties to the treaty. I hope you will examine them in this light.

After approving the neutrality treaty, the Senate will move immediately to consider the basic Panama treaty. While there will be problems, I am hopeful that the outcome will again be favorable, and that the two treaties combined will gain for our countries the advantages we had envisaged when we signed them last September.

I know that the long public discussion of the treaties in the United States has involved difficulties for you and your country. It has been a necessary element in informing the American public of the reasons for negotiating the treaties and the benefits they bring to both parties. We have made notable progress in this regard.

Mr. LAXALT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I should like to make just a general comment on the amendments to the Neutrality Treaty that were adopted before the resolution of ratification was approved yesterday by the Senate.

I had said before that without Senate adoption of the two major amendments which assure the United States the unilateral right to defend the canal beyond the year 2000 and to send its warships and auxiliary vessels to the head of the line in time of need or emergency, I could not have voted for the treaties as signed by President Carter and General Torrijos. I think the adoption of those amendments was absolutely essential to ratification of the Neutrality Treaty.

The Senator from Illinois is concerned about one other aspect of the treaties, and it reflects not only a personal concern but also one reflected in conversations I have had with a great many constituents in Illinois.

While the amendments we have adopted have materially strengthened the Panama Canal treaties, I believe we must now work to minimize the burden on American taxpayers of the estimated $758 million it will cost to implement the treaties. Consideration of legislation to implement the treaties after they are ratified will provide an opportunity to confront the costs over the next 22 years associated with the takeover of control of the canal.

I would propose that we have higher canal tolls up to a level of, say, 50 percent, to recover such costs as lost annual interest payments from the Panama Canal Company to the U.S. Treasury, and such costs as civil service early retirement for hundreds of workers.

In addition, higher tolls would help insure legitimate payments to Panama under the treaties.

We have a responsibility to find ways to recover as much of our costs as possible. In the implementing legislation, we can require the new Panama Canal Commission to set tolls to meet many of these costs.

I intend either to offer a measure or support a measure to require Senate confirmation of the nominations of the U.S. members of the Board of the Commission, so that we can monitor their efforts to recover the costs.

Mr. President, at a time when we are trying to balance the budget—and the distinguished Senator from Virginia for a long time has been a proponent of this and a fighter for it—we must work toward that objective. We cannot just look lightly at these anticipated costs in connection with these treaties.

We have not run the canal on a businesslike basis in the past. We have run it in fine shape, but we have done it in many respects by offering a service to the users of that canal at rates that are less than commercial rates. When these treaties are ratified and we move toward the 22-year period when we will eventually turn over control of the canal, I believe we have a duty and an obligation to our own taxpayers to run the business of the canal like a business, to maximize its income. Certainly, that is not inconsistent with the partnership we intend to establish with Panama.

So, I simply wish to serve notice at this time that during the course of the next week's debate I will introduce the subject which, I think, already has been addressed in part by the Armed Services Committee and the Budget Committee. They have rendered a valuable service in bringing out in the testimony their estimates of the costs involved in these treaties. We can try to recover that cost and bring down to an irreducible minimum the impact on the American taxpayer and the U.S. Treasury, to see that the ships of the 70 countries that use the canal actually bear the cost that will be involved.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. ALLEN. Mr. President, I am encouraged by the comments of the distinguished Senator from Illinois (Mr. PERCY) about the membership of the Panama Canal Commission, which, upon the approval of the Panama Canal Treaty, is to take over the operation of the Panama Canal from the Panama Canal Company which now operates the canal.

I understood the distinguished Senator to say that he was going to offer an mendment that would require the nominations of five of the nine members of the Cmmission to be confirmed by the U.S. Senate. Is that correct?

Mr. PERCY. That is correct; during consideration of implementation legislation, I will either support it or submit it myself. But I do feel that the nominations of the American appointees should be confirmed by the Senate of the United States.

Mr. ALLEN. The Senator realizes, of course, that there will be four Panamanians on the Commission and that the United States has no power or direction over approving these Panamanians. The Panamanian Government makes up a list of four and hands it to the United States—I assume it is going to be the Secretary of the Army, because he presently makes the appointments—and we have no option or discretion, as I read the treaty.

Therefore, any Panamanian, whether of good moral character, whether under indictment, whether of bad reputation, as I read the treaty, we have to appoint.

This is not a joint commission. This is not a United States-Panama commission. This is an instrumentality of the U.S. Government for the next 22 years. Why would not the four Panamanians need to be confirmed by the U.S. Senate? Will the Senator kindly enlighten me on that?

Mr. PERCY. The whole issue, of course, that we have been dealing with in these treaties is a question of national pride and sovereignty. I really could not envision calling before a Senate committee foreign nationals and subjecting them to a confirmation proceeding of the U.S. Senate. I know of no precedent for that in any international body.

Mr. ALLEN. The trouble is they are members of the U.S. Commission. Why should they not be confirmed?

Mr. PERCY. I just put the shoe on the other foot. Could we envision Amercain citizens being subject to a confirmation proceeding by some other legislative body in some foreign country? I think this would be a difficult thing.

Mr. ALLEN. Yes. If they are members of the commission of that foreign country, yes. This is not a joint commission. This is a U.S. agency and every member thereof should be confirmed by the U.S. Senate in the judgment of the Senator from Alabama.

Mr. PERCY. The Senator from Alabama is perfectly free to offer a substitute, if he would care to, and provide for confirmation of all. The Senator from Illinois has thought it through as carefully as he can. The Senator from Illinois determined that it would simply lead to a great deal of complication, that it would not be worthy of the effort, and that it would really subvert, in a sense, the pride of sovereignty that we are trying to nurture in the partnership we are establishing with Panama. Certainly we would have sufficient oversight if five of the nine members were subject to Senate confirmation. That is the majority of the board to start with and that would be enough. It would be enough, probably, if we just confirmed the chairman. But in this case we would have all five American members. That would constitute the majority of the board, and it would seem to the Senator from Illinois that would give adequate oversight. It would not be necessary to call nine members before us as long as we knew that we, in the confirmation proceeding, would demand to know of the nominees whether or not they would assent to return to the Senate and appropriate committees any time for questioning on the operation of the canal.

Certainly, in the confirmation proceedings we could ask them then these pertinent questions. Do you intend to run the canal as a business or do you intend to subsidize for the next 22 years the 70 nations that use this canal, as we have really in the past, or do you intend to maximize revenue so that we cover all of the obligations that we have to the U.S. Government, to U.S. taxpayers and our own Treasury, as well as to our partners in Panama? Take into account that we cannot be and would not be unreasonable, because you reach a point of diminishing return. When you get the toll revenue up too high you lose enough tonnage so your net income is going to be less than it was before. That is why I say use good business judgment, and we want people who have that background and experience.

Mr. ALLEN. I thank the distinguished Senator, and I am very much pleased he is going to be insisting on the commission being operated on a businesslike basis.

I might also suggest to the distin-

guished Senator that whereas on the Neutrality Treaty the argument was made, of course, that that involved national pride, sovereignty, and dignity of the Panamanian Government and Panama and therefore we would not have any amendments—I believe the distinguished Senator from Illinois voted against all amendments—I am led to be hopeful by the attitude of the distinguished Senator from Illinois now that as we turn to the Panama Canal Treaty we are not dealing with something that has a whole lot of national pride involved; we merely have a business arrangement involved along with the gift of the canal by the United States to Panama.

I am glad to see the distinguished Senator wanting to tighten up on that business arrangement a little bit to protect the American taxpayer. And I assure the Senator amendments will be offered that would have that desired result. I am looking forward to having the very fine support of the distingiushed Senator from Illinois on amendments of that sort.

I thank the Senator.

Mr. PERCY. I thank my distinguished colleague, and I will advise him ahead of time when I intend to take the floor to begin this debate. I will certainly invite members of the Armed Services Committee and Budget Committee who have had hearings on this matter and I feel that we will have a good deal of support for this principle on the floor of the Senate.

The Senator from Illinois has supported, right from the outset, amendments to these treaties that the Senator from Illinois felt absolutely essential and crucial, and I said I would not have voted for these treaties as signed by the President and General Torrijos if they were not amended in some respects. The Senator from Illinois has supported some reservations. I now indicate that I will introduce legislation to require Senate confirmation of the American appointees to the Board of the Panama Canal Commission and would welcome my distinguished colleagues' comments at that particular time in debate when we have that piece of legislation under way.

Mr. ALLEN. I thank the Senator.

The only thought that occurs to me on it is that with a U.S. commission it would seem a little bit strange to have a hybrid-type membership, five Americans and four Panamanians sitting side by side around the great big mahogany table, with five of them having been confirmed by the U.S. Senate and four being Panamanians of uncertain origin or reputation. I just hope that the Senator would be willing to extend his thinking along this line to the extent of requiring all of these members of this American commission to be confirmed by the U.S. Senate. I hope the Senator will reflect on that and reach that conclusion.

Mr. PERCY. I thank my distinguished colleague.

Mr. President, I yield the floor.

Mr. LAXALT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAXALT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HODGES). Without objection, it is so ordered.

Mr. LAXALT. Mr. President, one of the vital items involved in the course of these various debates involves the matter of sovereignty. We have had extended discussions concerning these matters for these several weeks. We have been debating this matter and, of course, there are conflicting opinions that have been voiced on this floor in respect to sovereignty, as to the legal effect one way or the other, as to whether it really makes any difference at all.

I would like to for the next few moments read into the RECORD what I consider to be one of the better discussions of the legal situation in Panama overall and, in particular, the observations of an eminent American, an exceedingly fine lawyer, and one who probably more than anybody else, from firsthand knowledge, experienced the legal situation in Panama and, more particularly, through extensive research, would give us the benefit of his analysis on the question of sovereignty.

I speak of the Honorable Guthrie F. Crowe, who is a retired judge and who served in that capacity for a long while in the country of Panama.

In testimony before the Subcommittee on Separation of Powers, which was conducted under the chairmanship of the very able Senator from Alabama (Mr. ALLEN) several weeks ago, Judge Crowe appeared and testified. I would like for the next several minutes to have the record indicate, even though it is contained in the report, have the record formally indicate what his observations to the committee at that time were:

Judge CROWE. I am retired and I have no secretary or staff, so my comments today will be off the cuff. I retired because of old age. I am somewhat like the old judge I heard at the judicial conference, who said that old age made him a lot more moral than the Methodist Church ever did. So I am in that position.

I am very happy to be here and to be able to present something about my experience in the Canal Zone, I was there for 25 years as judge. I was appointed for an 8-year term by President Truman, and then reappointed by President Kennedy. Then no one was appointed to take my place, so I stayed on under operation of the statute until my successor was appointed and qualified. That was not done by President Nixon nor President Ford.

I resigned as of the 30th of April after, as I say, serving 25 years.

We have a number of good lawyers who are Members of the U.S. Senate. We have had a number of good international lawyers give us varying opinions concerning the basic issue of sovereignty. But I must say that of all those I have been exposed to in one form or another during extensive debates and deliberations in this matter, I doubt if we have anybody in this entire country who has had more personal experience in connection with the legal situation in Panama than does Judge Crowe, as he has indicated here in his testimony. He has served for 25 years and served in a very distinguished manner.

Now, why do I make reference to his testimony? For two purposes: One is to give my colleagues through the RECORD the benefit of his views concerning sovereignty which I consider to be a vital matter.

It seems to me the considerations we have in connection with the main Panama Canal Treaty as to whether we turn over this facility stock free, with additional payments amounting to several million dollars on top of it, the considerations relating to that transaction are far different if we have sovereignty than if we do not.

Obviously, if we are in some legal capacity short of ownership, in a tenant capacity, our legal relationship to the facility and its value and all the rest of it are far different than if we do own it. I happen to be one of the many Members of the U.S. Senate who feels that from the very outset, from the provisions of the various documents, we have purchased the 10-mile buffer zone known now as the Canal Zone. I feel history supports that view. I feel that the law supports that view.

In addition there are other values in hearing from Judge Crowe and in making his testimony part of the RECORD, and that is the fact that we have thousands of Americans who presently live in the Canal Zone who, under the terms of these treaties, very quickly will be subjected to the legal jurisdiction of Panama.

So it seems to me that it is terribly vital for all of us in consideration of these overall treaties to try to determine what type of legal system we are going to be subjecting our own to in addition to the vital question of where we are in relation to the legal issue of sovereignty.

I proceed now to read further from his testimony:

I entered on duty there in August of 1952. I had a very varied experience. I learned to speak Spanish while I was there and got to know a lot of Panamanian people. I think that many of them are splendid people. I am a great admirer of many of them, and I feel that many of them are quite competent.

There have been several discussions during the course of the debates here that those of us who are opposed to these treaties are insensitive to the Panamanians; that we were something less than humanitarian in seeking to preserve our own property.

We have attempted many, many times on this floor, all of us, to indicate that that is not our wish, it is not our desire, it is not our attitude. The fact is that we do relate to the Panamanians. The fact is that we do appreciate them. The fact is that they have been reliable allies for some 75 years. The fact is that we have had a good working relationship with them, politically and otherwise. The fact is that 75 percent or more of the employees working for us in operating the canal are Panamanians—good, loyal, competent employees.

The reason why I make this observation is to indicate the statement being

made here by the Federal judge, Guthrie F. Crowe, indicated that by virtue of his experience, which apparently is favorable in this regard, he has basically the same attitude and position that we have.

Going back to his testimony:

There was a good deal of discusssion this morning as to whether or not they would be able to operate the canal. Of course, there are some men who have been educated in the American schools and who have high competency. Whether or not as a nation they could operate the canal, of course, is a matter of considerable speculation.

Emphasis is on the words "as a nation."

We have never entertained any serious doubt that the Panamanians could physically manage the facility. I had some reservations before the beginning of these debates, but I am satisfied from what has been adduced here during the many discussions on the floor that there is ample expertise among the Panamanians within a period of 22 years to actually manage and operate the facilities.

But that is not the issue. The issue really is whether or not as a nation, whether or not politically, they can properly operate this facility.

As my colleagues will remember, during the course of debates on the Neutrality Treaty Senator GARN, the very able Senator from the State of Utah, spoke at length on this subject from his experience as a former mayor and a former executive.

He expressed concern about the lack of stability on the part of the Panamanian Government, and certainly that has been the history. Since we became involved in 1903, as I remember it—and I will stand corrected if I am wrong in this—there have been some 50 changes in the Panamanian Government over all that period of years. It has been stable for the last several years, that is true. Why? Because since 1968 it has been run by a dictator who runs the country with an iron hand, who took control at the point of a gun, who maintains control today at the point of a gun. It is a rigid dictatorship.

If that is the kind of stability that we want, and I do not believe it is, I think we have entered into a sad course of events in this country.

The point I want to make is that we have had a history of unstable government in Panama. We are now asked, as Senator ALLEN indicated before, to enter into a business arrangement. That is what the Panama Canal Treaty is all about: Whether or not it is to our business interests to turn over this facility. In any business consideration, if we are talking about entering into a partnership—and that is basically what we are going to be doing—an obvious question is, how stable is the partner?

I happen to be a lawyer by profession. One of the first inquiries you would have when a client would come in thinking in terms of entering into a partnership is, what is his prospective partner like? How solvent is he from a financial standpoint? How stable is he? How honest is he?

During the course of this debate I was frankly quite disappointed, particularly when we had our secret hearings, when there was substantial evidence developed here that the Torrijos family and associates had been involved in extensive drug trafficking of serious drugs, such as heroin. There was additional evidence indicating that there is an abundant amount of corruption in Panama. Many of our colleagues not only did not pay any attention to it, but stated on this floor during the course of the session that it was irrelevant.

How in the world can entering into a partnership with an unstable partner, who admittedly has been engaging in drug trafficking, with all that that involves, possibly be irrelevant? I personally cannot believe the American people would ever subscribe to that kind of standard. I cannot believe that they would not hold the Senate to a standard of decency. That is basically what we are talking about.

We are told that we have no choice; that we take the government as we find it; that we take the dictatorship as we find it.

We are told that all the rest of them are about the same; that they all engage in one degree or another in drug trafficking; that they all are afflicted to one degree or another with corruption, so it really does not make any difference.

But does it? The distinction, in my mind at least, which is shared by many of my colleagues, is that this is not a typical foreign aid transaction. We are not being asked here, as a Government, as a Senate, to dole out millions of dollars to a given country. We are asked here, and we will be asked here in the weeks to come, to make a judgment as to whether we turn over a vital international facility to this Government of Panama.

To that extent it seems to me it is highly relevant for us to seriously examine whether or not the government in question is a stable one, is one that we can rely upon and trust to faithfully and properly manage this facility from a political standpoint after the year 2000, in our interests, in their own interests, and certainly in the interests of our various allies.

Those are questions, Mr. President, that I think are highly relevant and that we should once again probe very closely during the course of the continuing debate of this matter.

May I proceed further with the discussions of Judge Crowe?

I want to bring to the attention of this committee the condition of the court at present. I think it might emanate from the fact that the Department of State is advising the President to the contrary. That is the need for a judge.

Since I resigned there has been no appointment of a judge, although there are a number of applicants. They have been using a distinguished judge from Florida, Judge Mertens, who has been sitting in criminal cases only. He has only been able to go 2 or 3 days at a time periodically.

As a consequence, the civil side of the docket has been completely unattended to. The people are suffering a great deal by reason of the fact that there is no judge there.

We have a pretty good sized court. As a matter of fact, it was the largest docket of any single judge in the Federal system under the American flag. There were about 400 criminal cases a year and 400 civil cases.

That is a rather astounding load when you consider the limited number of people there are in that particular area.

The fact that there is no judge, of course, leaves the people in considerable difficulty.

I might remark upon the Admiralty situation in the event that the Congress or the Executive with the treaty powers decide to transfer the canal to Panama.

The Admiralty jurisdiction of that court is equivalent to the Admiralty jurisdiction of a district court in the United States, although it is a territorial court and the judge is not a title III judge. He comes under title IV and is only appointed for a term of years. He has equivalent Admiralty jurisdiction under the Canal Zone Code, with judges in the United States.

Panama has no Admiralty courts nor any case law concerning Admiralty. Whenever a question in Admiralty arises it is decided under what is called a Panamanian Commercial Code. This means that the Admiralty bar of the world, whose members are accustomed to appear before courts that recognize the agreements adopted by international Admiralty conventions, would be at a disadvantage and the causes of their clients would suffer.

He has then many observations relating to the conditions of the courts. Let me proceed now to some salient portions which affect the interests of our Americans living in Panama, and the effect that turning over our court system and its jurisdiction to the Panamanian courts would have:

Americans who have lived in the zone for many years feel that American citizens who are caught and charged with crimes in Panama are dealt with more harshly than Panamanians, due to the strong feelings that have grown up over the years. There is no reason to think that this will change if and when Panama is in control of law enforcement in the zone area.

Small wonder, Mr. President, that our own citizens are terribly concerned about this feature of the treaty. We have many, many thousands of Americans living in that Canal Zone who very quickly, if these treaties are ratified, will become subject to the jurisdiction of the Panamanian courts and subject to the type of unequal treatment of which Judge Crowe speaks. Small wonder, Mr. President, that they are very apprehensive as to that feature of the treaty.

It is planned or discussed that a number of Americans will, of course, have to reside there because of their expertise in handling the Canal Zone and the engineering problems and the shipping difficulties. If those people are there they will be exposed, of course, to this type of jurisdiction of which I speak.

Again, Mr. President, let me remind those listening and for the purpose of the RECORD that these are the words of the Honorable Guthrie F. Crowe, retired judge, who served in Panama for a distinguished career of 25 years. He is speaking now of his great concern about the effect of imposing the Panama legal system upon our own citizens in the event that this treaty is passed:

In civil cases in the Canal Zone we use the Federal rules of civil procedure and the Canal Zone Code, especially drafted by Congress for the zone. Great attention is paid to the service of process. The greatest of diligence is used to see the rights of the parties are safeguarded. The court is open for the filing of cases and the issuance of needed process 24 hours a day, 7 days a week.

Obviously, it is a very efficient court:

In Panama there are no civil jury trials. I am advised that all cases are by deposition, taken in such a way that there is no opportunity for confronting witnesses and conducting a fruitful cross-examination. Criminal and civil liability in actions in tort are interlocked so that there is no civil liability unless there is criminal liability.

Think of the drastic differences there are in impressing the Panamanian system of law upon our citizens in these respects. Small wonder, Mr. President, that they are concerned about this as well:

Law enforcement in the Canal Zone is by a highly trained, carefully selected police force that is completely separate from the military. I suspect that Governor Parfitt touched upon that this morning. Unfortunately, I missed part of his statement. It is a fine organization of men who are well qualified, as well as women now. They have some excellent women on the police force.

We are talking about the police force, our police force, who are presently operating and have been for a number of years, within the Canal Zone:

There are, of course, military police drawn from the military units assigned to the zone. These people police the military encampments and military personnel only.

In Panama there is no separate constabulary. It is a military dictatorship. All policing is done by members of the Guardia Nacional—that is, the Panamanian Army.

So remember that in Panama—and again, we are subjecting our own people to this system—they do not have a police force as we know it in this country. The rights, the assets, the liablities—whatever may be touched by the rule of law—would be governed thereafter by military police under the authority and under the domination of a dictator:

Each one of the members of the army has full powers of arrest just as though he were a civil constable or a police officer.

There has been discussion here about how we would feel if a number of these conditions were imposed upon us. I wonder how a number of the citizens and residents, say, of the good State of Idaho, to whom we have had frequent reference, would feel if a system were imposed upon them that their police laws were administered and regulated, not by trained policemen but by military persons, amounting to martial law. Yet, that is precisely what is going to happen to our Americans in Panama, because the day that we ratify these treaties, the day that they become effective in this respect and we have the turnover, our Canal Zone Americans will be subjected to this kind of police activity.

This is the judge once again speaking, and he is speaking, now, of the Panamanians:

They also do have a secret police organization called the "Deni."

The 10,000 or 11,000 soldiers of Panama have full powers of arrest and law enforcement throughout the country.

I submit, Mr. President, that would be akin to having 10,000 or 12,000 National Guard people here in the District of Columbia, or in the State of Texas, or the State of Utah or the State of Nevada, with full powers of arrest without any conditions, supporting martial law. That is the situation we presently have in Panama, as attested to by Judge Crowe:

The general said this morning that there were only about 8,000 in the military. Panamanians whom I know and with whom I have talked on many occasions seem to think that there are many more—that there are about 10,000 or 11,000.

There are no sheriffs, no city police, nor State police, nor anybody of that nature. Political prisoners are not uncommon and exile has been used against prominent citizens without trial.

That is the type of law enforcement that you will find.

I submit, Mr. President, that is the type of law enforcement, if we approve these treaties, that we are going to subject Americans to:

I have a clipping here which is very interesting, on that particular score, that appeared in the Miami Herald recently. It was reported on Tuesday, May 24, 1977 concerning one Eisenman. Mr. Roberto Eisenman and 10 others were critical of the method that the Government of Panama was using in handling the beef situation. These people were raising beef and went up into the interior and protested against this method.

They are not unlike the hundreds and thousands of good farmers and agricultural people we have had all over this town and through these buildings in protest of their particular difficulties. These people are basically doing the same thing. They are protesting policies of the Government which are affecting them adversely as beef producers.

All right, what happened to them in Panama?

Those people were immediately arrested and handcuffed and exiled from the country without trial. They were sent to Ecuador, as this committee may already know. Mr. Eisenman charged that the Panama dictatorship is alive and well due to the support of the United States. He said this in Miami just recently.

Now, it has been stated time and time again on the floor of the Senate that this is the just due of the Panamanians. I do not subscribe to that. I think history reveals that there is no country that has ever been treated better in every way than we have treated Panama from its inception. It is my view that Panama would not be the Panama of today if it were not for the U.S. generosity over the years, and certainly not without the Panama Canal.

Let me proceed further with the statement:

In that meeting there were a number of people. The audience reaction generally appeared to be antitreaty . . .

I am speaking again of Judge Crowe in his testimony before the Subcommittee on Separation of Powers of the Committee on the Judiciary of the U.S. Senate:

In that meeting there were a number of people. The audience reaction generally appeared to be antitreaty, although the luncheon debate was cosponsored by the Council of the Americas, representing some 220 U.S. firms doing business in Latin America which has publicly endorsed the negotiations.

I have sat in the court, as I say, for 25 years. I have had occasion to study the history of the acquisition of the Canal Zone area. It has been gone over pretty thoroughly this morning. I am no expert on the question of separation of powers. Cases of that kind have not arisen in my court. I am familiar with the *Alabama* case and the *Fitzgerald* case and the different ones that were alluded to by Mr. Leonard this morning.

I believe thoroughly that the Congress must sit in the disposition of property that is the property of the United States.

Now, why is that important? Because we have had extensive debate and discussion in these last several weeks, on this floor and otherwise, as to whether or not the Constitution requires the approval of the House of Representatives in the disposition of Federal property. It has been said time and time again by the proponents of the treaty that that is not necessary, that that is a function of the executive that, upon approval of the treaty here, will be self-executing.

We know that well over a majority of the House of Representatives do not subscribe to this view. They have recently signed statements indicating that it is their judgment, on a bipartisan basis, Democrats and Republicans alike, that it is the constitutional responsibility of this body and the President to transfer this matter to the House of Representatives for approval before it is finally concluded.

Mr. LEAHY. Will the Senator yield for a moment on that point?

Mr. LAXALT. I certainly will. I am happy to yield to the Senator from Maine.

Mr. LEAHY. Vermont.

Mr. LAXALT. I apologize. These are long days. My apologies to the able Senator PATRICK LEAHY, from Vermont.

Mr. LEAHY. Maine is a beautiful State also. We also have been among those traveling up to those Northern States on occasion.

I have heard my good friend from Nevada discuss the question of allowing the House of Representatives to vote on this issue. My good friend from Utah did the same again last night. I have also heard a number of Members of the House of Representatives say that they would like to have a vote on it, at least publicly, and I have heard some of the same signers of the letter right here yesterday chuckling a little bit in the back of the hall during our vote on it, saying "It is a good thing you guys are the only ones voting on this."

I would love to have every one of them vote on the Panama treaties, but I think we are somewhat constrained by the Constitution in that regard.

With all due respect to our friends in the other body, I recall last year when the matter of major controversy was a pay raise—which I voted against twice here in this Chamber, I hasten to add—but the matter of controversy was a pay raise, and I recall Members of the other body being polled as to their feelings about it. An overwhelming majority said that if they were allowed to vote they would vote against the pay raise.

Of course, when suddenly by accident they were allowed to vote on it, as we all know, they voted for the pay raise. That may or may not be a matter of some concern here, but the fact is that the Constitution very clearly states that on

treaties of this nature, the Senate alone will vote. This was done on the first treaty and will be done on the second treaty.

Now, on the question of implementation: Whenever the implementation legislation comes up, naturally both Houses vote on that. As members of the Senate Appropriations Committee, for example, we have an inflexible analysis of the Constitution. I would be delighted to start a few appropriation bills over here rather than in the House. Maybe the Senator from Nevada, the Senator from Utah; and I could get together on a resolution asking the House of Representatives if, in return for us forgoing the Constitution and letting them vote on the Panama treaties, they would let us initiate appropriation bills on this side of the Capitol.

Would the Senator from Nevada like to join such a resolution?

Mr. LAXALT. I might not have any difficulty with that, Senator LEAHY. I wondered, though, if I could address a question to the Senator from Vermont in this whole general area.

There is a split of opinion as to whether or not the House of Representatives must pass on the disposition of property, admittedly. As a matter of fact, this whole matter now is the subject of litigation.

Mr. LEAHY. I ask my friend from Nevada, because there is a split of opinion, and because very learned constitutional lawyers have stated that they feel that it must be thus. There are precedents for it, and the matter is the subject of litigation.

If it has the urgency that many in the other body feel it does, is it not a fact, would not the Senator from Nevada agree, that such a matter, if pushed with diligence by those who claim that they feel a great urgency on it, could be through the appellate process, could have been before the U.S. Supreme Court, and could have been determined by now?

Mr. LAXALT. It has not been, though I assume they are pushing it with due diligence, and I understand that they are.

Mr. LEAHY. I look at other matters within the past few years that have gone quickly to the U.S. Supreme Court and have quickly been disposed of. During the Watergate time there were questions regarding the Watergate tapes. The ownership of the Watergate tapes is probably an example that we can all recall where the matter went very quickly to the U.S. Supreme Court and, of course, was disposed of.

I suggest that while it is very nice for Members of the other body to join in a lawsuit to seek a determination of this question, the U.S. Supreme Court is the one place where final determination could be made. Would the Senator agree on that?

Mr. LAXALT. Yes, I would.

Mr. LEAHY. I would suggest that if the Members of the other body are really that concerned and really that eager to have the treaties come over to the other side, to the other body, for a vote, I would suggest, considering the time at which their litigation was begun, that the matter could be much farther along than it is now. Steps could have been taken to have assured a decision within the U.S. Supreme Court, if not by now, certainly by the time we finish voting on these treaties.

Mr. LAXALT. Will the Senator suspend for just a moment?

Mr. LEAHY. Certainly.

Mr. LAXALT. Without discussing further the legal ramifications here, we are fortunate in having on the floor the very able Senator from Utah (Mr. HATCH), who probably, as much as anybody in the entire U.S. Senate, has been involved in the legal features.

Let me discuss with you for just a moment or two, Senator LEAHY, the question beyond the legal problems, as to whether or not it would not be just good political sense to have the House pass on these treaties.

Mr. LEAHY. I think that the U.S. Constitution has clearly set out that the treaties' ratification should be voted on within the Senate. I would not want, for the sake of political science or political expediency, to ask to have the other body act on them.

As a member of the Appropriations Committee, I find it very frustrating to have to wait for the other body to act first on appropriation matters, but that is clearly within the Constitution, and I have to forestall that frustration and wait for it to come over. Certainly, if the U.S. Supreme Court ruled in this case that this treaty, contrary to what many legal experts have advised and what appears to be the constitutional background to it, if the U.S. Supreme Court said that the House also should vote on it, then I would say "Fine. Let them vote on it. Let them vote on it." But I certainly would not want to pass it over there as a matter of political expediency.

Mr. LAXALT. I would not deem it to be a matter of political expediency. I would feature it to be almost a matter of political necessity.

I will tell you why. We have had Senator after Senator stand up on this floor and say that despite the fact that they may have a 10-to-1 majority against this treaty, they do not feel that they are bound by their constituencies.

Well, I will agree that we cannot be automatically sure. We cannot run the affairs of the U.S. Senate by simply looking at a poll; but I would say that if we do not pay heed to the people out there, and we have a situation where it is 10 to 1 or 15 to 1 or 20 to 1, as it may well be in some of these States, that we are not being as responsive as we might be in this Senate if we do not listen to that, and at least, make it a considerable factor even not conclusive.

Mr. LEAHY. I would agree with the Senator from Nevada on that. I happen to enjoy the luxury of representing a State where the latest polls show that the opinion is split 50–50—right down the middle on the treaties as of today.

Mr. LAXALT. All right.

Mr. LEAHY. But I will ask the Senator one further question.

If a U.S. Senator feels in his own conscience that his particular position is right, can he vote against his conscience, no matter what polls or constituents might say?

Can our form of government continue to exist if we have people on the floor of the U.S. Senate voting contrary to their consciences?

Mr. LAXALT. Of course not. But I must say this to the Senator from Vermont: We could pass on a thousand matters here on the floor of the U.S. Senate and there might be one of those thousand which may be a matter of conscience.

Mr. LEAHY. And I contend that this one is.

Mr. LAXALT. All right. So be it.

Mr. LEAHY. As I said yesterday on the floor of the Senate, I feel that the vast majority of Members of the Senate, those who vote both for and against the treaties, have voted the way they feel in their consciences is right and in the best interests of the United States.

Again, I do not think the vast majority of the Members of this body have voted in the way they think will get them the most political mileage, one way or the other. I say that both for proponents and opponents of the treaty. They have voted instead what they feel in their minds and in their consciences, is in the best interests of the United States.

I say this because it is the only way, especially in a matter of such significance. This is the only way the final decision can be made.

Certainly, everybody should do as I have done. I am sure they have gone to their own State, talked with their own constituents, studied the matter as deeply and as carefully as they know how.

The ultimate result was that most voted by their own consciences, because no U.S. Senator owns a seat in the U.S. Senate. No U.S. Senator, once having gotten here, has some kind of lifetime tenure, and no U.S. Senator——

Mr. FORD. Will the Senator yield at that point?

Mr. LEAHY. Can I finish?

Mr. FORD. Who owns the seat then if the Senator does not own it? Who really owns the seat and who sends the Senator here to warm the seat?

Mr. LEAHY. The people of the State. The people of the United States do.

When they send us here, they send us to exercise our best judgment, to represent them as well as we know how.

But they do not own you. They do not own your conscience. Nobody—nobody—in the country owns your conscience.

In the final result the Senator, when he casts his vote, must cast the vote that is consistent with his own conscience.

Mr. FORD. The Senator has been arguing the Constitution ever since I walked into this Chamber. Will the Senator yield to me for half a minute?

Mr. LAXALT. Yes.

Mr. LEAHY. The Senator from Nevada has the floor.

The PRESIDING OFFICER. The Senator from Nevada still has the floor.

Mr. LAXALT. I am happy to yield to the Senator from Kentucky.

Mr. FORD. The Senator has been arguing the Constitution ever since I walked in this Chamber, and how important the Constitution is. The Senator says the treaty should not go the House and be voted on in the House because that is what the Constitution says.

Alexander Hamilton in about 1825, in framing the Constitution, said to us and to the world that this is where the people's voice is heard. I repeat, this is where the people's voice is heard.

Now, I do not think we ought to just throw our conscience out the window and not have a conscience, but if we are truly going to reflect the voice of the people, somewhere along the way we have to say what they are saying.

I think the voices out there today are saying, "Big brother, listen to us. Why should we be interested in the political arena?"

That is why there is less than a 50-percent vote in an election, because they say their vote does not count, or their voice is not heard, and they are tired.

Mr. LEAHY. I think it is unfortunate if the Senator has less than a 50-percent vote in his State. In my State we have usually been in the top of the country for percentage of votes. Maybe that is why in our State, where opinion is split down the middle on this issue, the vast majority of people have come down and told their Senators that they exercised their input to us and they expect us to use our best judgment and vote our conscience.

Mr. FORD. If it is 50–50, you can fall on either side then, and your conscience will be clear.

Mr. LEAHY. No, I disagree with the Senator. I could not fall on either side and my conscience be clear because my conscience will tell me one side, and that is the only side I could go on, irrespective of what the poll might be.

Perhaps it is fortunate that in my State it is split 50–50. But no matter how it might be split, in the end result, like all Senators from Vermont before me, in the end result my conscience must be the guide.

Now, I would do everything possible to make sure, in reaching that conclusion and molding that conscience, that the people of my State have the ability to involve themselves. Fortunately, being from a small State, I can read every piece of mail, and do, that comes from Vermont. I can, several times a month, be in my home State and have town meetings. I am probably the only Senator in the country that has a listed home phone number, in both Vermont and Washington.

Mr. LAXALT. Mr. President, who has the floor?

The PRESIDING OFFICER. In this situation, may we have a more orderly debate?

The Senator from Nevada continues to have the floor.

Mr. LAXALT. The only point I want to make is that I will not argue with Senator LEAHY that when a given issue is a matter of conscience he follows it. Of course he does.

But the point the Senator from Kentucky (Mr. FORD) raises is also valid. We are here in a representative capacity. I cannot help believe the reason why the Congress and this body, in terms of public approval, are down to a rating of less than 20 percent is because of the fact that millions of Americans in this country do not think we listen any more. They think we talk to ourselves. We form our own conclusions in an ivory tower and we are not responsive.

Believe me, this is certainly true of our consideration of the Panama Canal treaties.

I personally believe, and that is the reason why I raised the point in issue, that one of the valid reasons for having the House pass on these treaties is that they run every 2 years and are far more responsive to the people.

I suggest to the Senator from Vermont that if every Senator who voted yesterday was running for office this year, instead of 34 votes we would have gotten twice that many.

Several Senators addressed the Chair.

Mr. LAXALT. I am happy to yield to the able Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator from Nevada for yielding.

As the Senator well knows, I served for 14 years in the House of Representatives prior to coming to the Senate. In those 14 years that I was there I learned this much: Generally speaking, Members of the House, as well as Members of the Senate, may be divided into two general classifications. One would be the issue-oriented, and the other the constituent-oriented.

The constituent-oriented, I found, would check the mail on any issue and say, "Well, today I received a thousand letters; 800 were opposed to the bill"—or whatever was before the House—"and only 200 supported it. So I will vote against it."

Mr. LAXALT. They voted by mail.

Mr. MATSUNAGA. Well, this, they feel, expresses the opinion of the constituents.

Mr. LAXALT. If that is spontaneous mail, as long as it is not fully automatic, is that harmful?

Mr. MATSUNAGA. If the Senator from Nevada will let me make my point, in the event a shift in public opinion is reflected by letters, now, I suppose those who voted against the treaty yesterday would say, "Now, my mail shows 800 for the treaty and 200 against. So I will now vote for the treaty."

On the other hand, we find the issue-oriented Members of Congress who would go by what they believe to be the right thing to do, the fair thing to do, not by how many letters they receive for or against a particular bill or treaty, as in this case; but by having the facts before them, they are better able to make a judgment on the issue than are their constituents. The constituents do not have the facts the Member of Congress has before him. He can make his judgment on the facts before him and decide on that basis, fully confident that he can go back to his people and lay the facts before them, explain his vote, and even win the majority of his constituents to his views.

Mr. FORD. Mr. President, will the Senator from Nevada allow me to question the Senator from Hawaii?

The PRESIDING OFFICER. As the Chair understood the Senator from Nevada, he was only yielding temporarily to the Senator from Hawaii.

Mr. LAXALT. I would be happy to yield to the Senator from Kentucky if the Senator from Hawaii has concluded his statement.

Mr. MATSUNAGA. Will the Senator permit me to conclude my statement?

Mr. LAXALT. Certainly.

Mr. MATSUNAGA. I hope that in the consideration of the Panama Canal Treaty, we will have more of the Senators here who will go on the basis of what Edmund Burke was trying to tell his people. Of course, it has been repeated here over and over. The Senator from Vermont (Mr. LEAHY), who sits next to me, did a beautiful job yesterday.

Mr. LAXALT. When was that statement made by Mr. Burke? It was in the 1800's, was it not?

Mr. MATSUNAGA. In the 1800's.

Mr. LAXALT. Before television, before electronic communication, before the high level of education we have in this country, before we had an electorate as well informed as they are on the Panama Canal.

Mr. MATSUNAGA. The Senator has the floor and can cut me off at any time.

Mr. LEAHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Will Senators follow normal procedure? The floor is held by the Senator from Nevada.

Mr. MATSUNAGA. I will yield back the floor to the Senator from Nevada, so that he may yield to the Senator from Vermont.

Mr. LEAHY. Will the Senator yield 30 seconds?

Mr. LAXALT. I yield to the Senator from Vermont for a question, for 30 seconds.

The PRESIDING OFFICER. The Senator has yielded for a question to the Senator from Vermont.

Mr. LEAHY. Is the Senator from Nevada suggesting by what he has said that because now we have television, with the quality of television coverage in this country, that it should be the determining factor for us?

Mr. LAXALT. No, of course not.

Mr. LEAHY. I think he has taken a total about-face from statements I have heard him make earlier. When I sit here, for example, in the Senate, and sometimes spend all day long in a hearing, not leaving the room once, and then watch the same coverage of that on television at night, I sometimes wonder if it is the same hearing, it is changed so. I hope we do not rely on the television networks in this country to be the educating factor for our people.

Mr. LAXALT. Of course not.

The only point I make is this: I have heard Mr. Burke quoted time and time again on the Senate floor. I suggest to my colleagues that the situation then existing was far different from the situation that now exists. At that time, he was representing a constituency that was largely uneducated, uninformed, and very often reacted emotionally. Surely, his standard of care was different from ours, when the electorate of this country, by reason principally of a higher level of education, by reason, since

Watergate, of a far higher sense of political interest, are well informed. I suggest that there are millions of Americans out there who are far better informed concerning the Panama Canal treaties than we are.

I suggest that on this point, the Burke matter of substituting our judgment, in that ivory tower, and imposing our judgment on all those poor masses, those uninformed masses, is the poorest standard of all.

Mr. LEAHY. I suggest to the Senator from Nevada that he is restating what I had to say either yesterday or today. He is restating it in an entirely different form from the way I did then. I quoted my own announcement for the Senate, in which I said at that time that in any vote, the ultimate determinant is going to be my conscience and my judgment—a matter that I repeated at every campaign stop I made from then until the time I was elected.

Mr. LAXALT. I understand perfectly.

Mr. LEAHY. The discussion has gone off the basic subject we were talking about before. But with respect to the House voting on these treaties, my interpretation of the Constitution is that they cannot. However, if the Supreme Court said otherwise and if the House Members are really anxious to have a chance to vote on them, they will push the case as quickly as possible before the Supreme Court; and if the Supreme Court says they should, they will. In any event, the implementation legislation is before us, and since it contains appropriations, the House will have a chance to vote on it.

Mr. LAXALT. The only point I make, before yielding to the Senator from Kentucky, is this: The reason why I injected this into the debate, in the matter of the House of Representatives passing upon these treaties so far as the transfer of property is concerned, is that I do not think we are as responsive to the American people as are the Members of the House of Representatives, because they have to run for office every couple of years.

Numerous suggestions have been proposed that we should have a national referendum on these treaties. Obviously, that is not practical, and it probably is not good political science. But I suggest that in this type case you have the conflict situation where the House of Representatives, more accurately reflecting the sentiment of the American people, should pass on this question. It is for that reason, separate and aside from the law, that I think it makes good political science.

I now yield to the Senator from Kentucky for an observation or two.

Mr. FORD. I thank the Senator for yielding.

Each of us, in our own way, has to answer to his own conscience.

I think that the education of the people of this country, as the Senator has stated, by those who are for and against the treaties, has been extensive. Each of us has to represent his or her State as we see best.

With respect to the knowledge and the change of emotions as related to the general constituency, I can only speak for my State. We received in our State, with open arms and delight, the Secretary of State, Mr. Vance, at a large meeting in our largest community. People from all over the State were there, and he expresesd his support of the treaty and answered questions.

Ambassador Bunker came and made several statements in our State, meeting with large groups of people, stating the pros of the treaties and answering questions. Former Governor and former Ambassador Harriman was there and made many visits around the State. A distinguished former colleague of this body, Senator Cooper, made his statement and has written letters by the hundreds to people of my State. We have had groups from the State Department, from the committee that was formed in favor of the treaties, all over our State—civic clubs, schools, colleges, universities. I think our people understand. Those were all protreaty people I have talked about.

Then, those who were opposed to the treaties have been getting their message over. I think the people of my State are well-informed through the electronic media, television, radio, newspapers, visits, and the so-called townhall meetings. The percentage has been higher in opposition to the treaties as they have learned about them.

I wanted to vote for the treaties. I said that to the VFW, the American Legion, and everyobdy else. But I could not go against the people I represent, and they are knowledgeable, in my opinion. So if it is lack of conscience that I represent the people of my State as to what I think they are saying to me, then I will yield to having no conscience. But I think I am their conscience when I vote what I think they want me to do.

Mr. LAXALT. I thank the Senator from Kentucky.

The Senator from Nevada has shared the same experience. Our State has been flooded by representatives of proponents of the treaty, by various appeals, through literature and otherwise.

I find that the people of my State, particularly since these debates have started, are exceedingly well informed. In all the years I have been in this business, I have not seen a higher quality of mail. I do not mean the highly orchestrated, postcard kind of mail, but thoughtful mail, exploring the aspects and facets of this treaty that did not even occur to me.

I learn a lot from my mail, as I suspect all of our colleagues here have. The point I make is I do not think the situation we now have, in really shunting aside our constituency in terms of our substituting our judgment for theirs, is any longer relevant in considering the treaty.

Mr. MATSUNAGA. Mr. President, will the Senator from Nevada yield?

Mr. LAXALT. I yield.

Mr. MATSUNAGA. This has already been inserted into the record, but in the light of what has been said by the Senator from Kentucky—I am sorry he had to leave, but I had him read this before he left the floor—I might point out that in the October CBS-Time survey, after a second question was asked relative to whether or not the people favored the ratification of the treaties, the question was put "Suppose you felt the treaties provided that the United States could only send in troops to keep the canal open to ships of all nations, would you approve of the treaties?"

The result showed a complete reversal from opposing the treaties by 49 to 29 percent to favoring them by 63 to 24 percent.

So, public opinion definitely has shifted and, in the light of the fact that we did adopt this so-called leadership amendment, the DeConcini reservation, and the Hayakawa understanding, I would think that public opinion in the United States today would support ratification of both treaties.

Mr. LAXALT addressed the Chair.

Mr. MATSUNAGA. If the Senator from Nevada will permit me to continue, in the January NBC news survey this followup question was asked: "Would you favor or oppose approval of the Panama Canal Treaty if an amendment were added specifically giving the United States the right to intervene if the canal is threatened by attack?" Again the results, abruptly reversing the original percentages, showed 62 to 28 percent opposed to the treaties among those who had heard or read about the treaties. But the second question, after it had been put to those who, again, had heard or read about the treaties, produced a result of 65 to 25 percent in favor of the treaties.

So the actual polls which have been conducted indicate what the proponents have been saying here, that after the people listen to what is being debated here on the floor they tend to even go further and are even more against the treaties, is not true. These polls which were conducted were scientific polls and they show that the more the people of America learn about the treaties the more they become supportive of the treaties.

Mr. LAXALT. Mr. President, I must suggest to the Senator from Hawaii, and he has been in this business I think even longer than I, that there are polls and there are polls. I would think that probably standing fairly low on the totem poll of credibility of the polls are the type the Senator described, not because they are improperly done but because they are not scientifically done.

I would suggest that the recent poll conducted by Opinion Research from Princeton is scientific, it is credible and over the years has had as high degree of credibility as any polling detail firm has. We have here the Senator from Utah (Mr. HATCH), who is familiar with the results of this poll, and I would like to have him read into the RECORD, if he will, the results recently of a scientifically conducted poll on the issues relating to the Panama Canal treaties.

Mr. HATCH. Mr. President, I thank the distinguished Senator from Nevada.

When we talk about polling sources and polling people we have to hold the Opinion Research Corp. of Princeton, N.J., very high in the overall understanding of polling.

This poll taken by Opinion Research is fairly dramatic, and it was taken just recently—actually, I think, after the polls cited by the distinguished Senator from Hawaii.

The interviewing in this poll was conducted during the period of February 24 through February 27, 1978.

This poll supports the argument of the distinguished Senator from Nevada, who has asserted that the people are not as dumb as some of our colleagues in this great body believe they are, because, according to this poll, their awareness of these negotiations has risen markedly over the years, from 18 percent in June 1975, to 69 percent currently.

Over the same period of time, the majority of the public have favored continued U.S. ownership and control of the Panama Canal. Currently—and that is toward the end of February, just a few weeks ago—72 percent of the people hold this view. There has been a significant increase in the number of persons who support Panamanian ownership and control of the canal. It is now 19 percent. It used to be only 8 percent; so that has increased also. When those who favor turning over the canal to Panama are presented with an alternative proposal, namely that the United States continue ownership but improve the canal and provide economic benefits to Panama, the large majority continued to favor ownership. However, 78 percent, or three-quarters of the total public, would favor continued U.S. ownership under this alternative plan. They also conclude that there is considerable support, 68 percent, for a treaty amendment that clearly guarantees the right of the United States to defend the canal without the permission of Panama. Only 18 percent of the public believed that the present clarification, which states that the United States can defend the canal but not interfere in the internal affairs or territory of Panama, is a satisfactory defense position.

Keep in mind that 69 percent of the people have great awareness of the problem according to the poll. Three-fourths of the people believe that the military facility on Galeta Island should continue under U.S. ownership even if the rest of the Canal Zone is turned over to Panama. My distinguished friend from North Carolina, Senator HELMS, brought that out very strongly with his amendment on the Galeta Island controversy. Three-quarters of the public do not want us to give that up, but nevertheless it was shot down in the Neutrality Treaty.

There is a majority opposition, 55 percent of the American people, to the treaty provisions that would cost the United States $100 million a year until the year 2000, with most of those costs involving payments to Panama.

Most people are unaware, this poll concludes, that the treaties require the United States to have the consent of Panama before we can build a new canal. Almost half the public, 47 percent, would favor an amendment removing the requirement for Panama's consent, although 36 percent believe this requirement to be all right.

According to the Opinion Research poll, a poll without peer in the polling business and recognized all over the world as one of the great polling sources right out of Princeton, N.J., they conclude that 7 persons in 10 believe the treaties should be sent to the House of Representatives for consideration under the terms of the Constitution that state that Congress, not just the Senate but Congress, shall have the power to dispose of territory or other property belonging to the United States.

Even those who favor Panamanian ownership of the canal are largely in favor. Sixty-seven percent of those who are for these treaties are largely in favor of sending the treaties to the House of Representatives.

I could go on and on with this poll. It certainly shows there is a considerable disparity between the various polls in this country. But this poll, I think, has fairly shown that the American people are not as dumb as some of our friends and colleagues in the Senate seem to think they are.

I can tell you I know they are not that dumb. I know very well the American people understand these issues and they are concerned.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HATCH. I am delighted to yield to the distinguished Senator from North Carolina (Mr. HELMS).

Mr. HELMS. Mr. President, what the Senator has said is true, and I would add the further comment that the attitude of the public opposition to these treaties has prevailed despite what many believe to be an almost unconscionable bias in the coverage of these debates.

Mr. HATCH. The Senator is not talking about the radio coverage?

Mr. HELMS. No; I refer to the major news media which so carefully select material supporting their posture in favor of the Panama Canal giveaway.

Mr. HATCH. Right.

Mr. HELMS. As the Senator knows, I come from the news media, and I was especially interested in a comment one afternoon a week or so ago, when the distinguished Adm. Tom Moorer came by for a visit. He said he had been involved in many public events of some controversy throughout his career.

Mr. HATCH. He was the former Chairman of the Joint Chiefs of Staff, from 1970 to 1974.

Mr. HELMS. That is right. Admiral Moorer said he had never before seen such one-sided coverage by the major media of this country. Now, Mr. President, I am not talking about the local television and radio stations, or the local newspapers; I am talking about the New York Times, the Washington Post, and others. With all due respect for their right to publish and broadcast as they please, I believe they nonetheless have a duty to present both sides of this issue. But they are not alone in their bias.

The President of the United States has been on national television twice, 30 minutes or more on each occasion; Ronald Reagan was granted time for response by one network.

I recall the President in a fireside chat stating various reasons why, in his mistaken judgment, these treaties should be approved.

It occurred to me at the time that the President of the United States, no doubt based on information supplied him by the State Department, delivered about five or six misconceptions—to be charitable in describing them—in about 60 seconds. For example, he said the United States had never owned the Canal Zone property and does not now own it. Well, the able Senator from Utah, who is a distinguished member of the Subcommittee on Separation of Powers of the Judiciary Committee, knows that last Saturday a hearing was held on this very question, and that misconception was blown out of the water.

Mr. HATCH. That is correct.

Mr. HELMS. The Senator knows that three enormous crates were delivered by uniformed officers. These sealed crates were opened at that hearing, and therein were several thousand deeds representing the purchase of the Canal Zone property. So it is absolutely correct that the American taxpayers bought and paid for that property.

It was interesting to me that the most coverage this hearing received was about a 30-second clip on one of the networks. The Washington Post did not carry one syllable about it. Nor did the New York Times.

Mr. HATCH. That is in spite of the fact we have had Senators on this floor trying to say these agreements were leases, temporary agreements, anything but a transfer of title and all the right of sovereign ownership.

Mr. HELMS. Not only have they said it——

Mr. HATCH. And ownership.

Mr. HELMS. They have literally shouted it for the benefit of the radio broadcasts going out across the Nation. But it still is a misconception that has no doubt misled many people.

Then repeatedly it has been contended, beginning with the President of the United States, that we will not be loved in other South American countries if we do not give this dictator in Panama the canal belonging to the people of the United States.

Nothing could be further from the truth, even if it were relevant—which it is not. The able Senator from Utah just the other day laid that to rest on this floor. I think he referred to a visit to South America by this Senator at this Senator's own expense. I did not go under the aegis of the State Department. I did not use any public funds. I went, as the saying goes, on my own nickel, and I arranged my own itinerary. That just happened to include visits with the heads of state in each of several countries representing three-fourths of the population, the gross national product, and the land area of South America.

Each of these heads of state said, in effect, "Don't give Torrijos your canal."

Then I recall the distinguished Senator from Alaska who, during the debate on the Neutrality Treaty, declared in his eloquent fashion, and certainly very loudly, that the canal is obsolete, that

all it would accommodate were "a few old rust buckets," as I believe he called them, accommodating one drop of oil apiece.

Well, that was reductio ad absurdum on its face. The Senator from Alaska was colorful. But he was contending, in effect, that the canal is obsolete and we were not doing Panama any favor by giving the canal to Panama.

Well, the fact, is as the Senator from Utah knows, that 98 percent of the vessels afloat in this world can go through the Panama Canal, can transit it. The only vessels that cannot transit it are the supertankers and the larger aircraft carriers. The Senator from Utah knows that the aircraft carriers would not use the canal anyhow because aircraft carriers are not intended to move from the Atlantic to the Pacific or vice versa. You build one for the Pacific, you build one for the Atlantic. Supposedly we have a two-ocean Navy, which we actually no longer have. We have at best a one-and-a-half-ocean Navy.

As for the supertankers, there would be no place for them to dock even if they went through the canal. So that is another misconception the proponents of the treaty have repeatedly stated on this floor and elsewhere.

I am a little bit amazed, I would say to my able colleague from Utah, that despite the deluge of misconceptions distributed by those who favor these treaties, the American people have instinctively understood what is afoot on this floor in the discussion of these treaties. I am very proud of the American people for not having been any more misled than they have been.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. HELMS. I would be glad to. However, I do not have the floor. The Senator from Utah yielded to me, and I am sure he will yield to the Senator.

Mr. MATSUNAGA. Mr. President, a parliamentary inquiry. Who has the floor?

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. MATSUNAGA. I thought the Senator from North Carolina had the floor.

The PRESIDING OFFICER. No, the Senator from Utah yielded the floor. I understand the Senator from Utah has yielded for a commentary to the Senator from North Carolina. Has he completed it?

Mr. HELMS. No, not quite, Mr. President. I shall be through in just a moment.

In summation, as I was saying, I am very proud of the people of the United States for not having been misled by the misconceptions that have been published and broadcast. The people understand what is at stake here. They understand that this is a facility that was bought, built, and paid for with the resources and sacrifices of the American people; a facility that is vital not merely to the best interests of the United States but to the entire free world; a facility that is by no means obsolete; and a facility which leaders throughout South America fervently hope will remain in the hands of the United States of America.

I compliment the Senator for his discussion on the Opinion Research Corp. findings. I would just add this footnote: I doubt that the Senator from Utah can find one mention in the major news media of that poll.

Mr. HATCH. I have looked for it and I have not been able to find anything; and yet it is the most significant poll taken to date, with the fairest questions and from all angles, and I have to agree with the distinguished Senator from North Carolina. I have not seen anything, which is not to say that it has not been printed; I just have not seen it.

I have looked, and I certainly have looked in some of the media sources that the distinguished Senator has commented about here today.

Mr. HELMS. I thank the Seantor for yielding.

Mr. HATCH. I appreciate the remarks of the distinguished Senator from North Carolina.

Mr. MATSUNAGA. Mr. President, will the Senator from Utah yield?

Mr. HATCH. Without losing my right to the floor, for a question.

Mr. MATSUNAGA. I thank the Senator for yielding.

As the Senator from Utah (Mr. HATCH) has stated, there are those who have said they would oppose and oppose and oppose. I take it that in the view of the Senator from Utah the Gallup poll is a reliable poll?

Mr. HATCH. No, it is not.

Mr. MATSUNAGA. It is not?

Mr. HATCH. Because some of the questions were carefully calculated to produce and evoke a certain response. I will agree to this extent, that with regard to other issues I have found him to be emintently qualified. With regard to this issue, it is another matter. I think the questions were geared to get the desered responses.

Mr. MATSUNAGA. Will the Senator yield further?

Mr. HATCH. I will yield for a question, but I want to get back to the original question raised by the distinguished Senator from Vermont. It involved the contitutional issues here. If the Senator has a question he wants to ask, I will yield for that purpose.

Mr. MATSUNAGA. I would like to read into the RECORD the latest Gallup poll, inasmuch as the Senator from Utah read into the RECORD a poll conducted by another research group.

Mr. HATCH. How much time does the distinguished Senator from Hawaii wish?

Mr. MATSUNAGA. No more than 2 minutes.

Mr. HATCH. That is fair, and I yield for that expressed purpose.

Mr. MATSUNAGA. I thank the Senator for yielding.

The result of a poll, as the Senator knows, depends on how the question is phrased. While we did not use the type of question asked in the opinion research study, the Gallup poll, which was conducted in February of this year, showed that the American opinion was 48 to 40 percent in opposition to the treaties. The last survey showed that 45 percent were in favor and 42 percent opposed.

The important finding of this survey was that the more the Americans were informed, the more they tended to favor the treaties, and the better informed, as determined by the ability to answer three questions about the treaties, expressed being in favor of the treaties by 57 percent, and those better informed opposed the treaty only by 39 percent, while 4 percent held no opinion or refused to express one.

We find that Americans who are better informed about the treaties tend definitely to favor the treaties. I would say to the distinguished Senator from Utah that in my own experience, among my own constituents, I have found this to be true, that those who are better informed favor the treaties. Believe me, I have spent many, many hours convincing those who were opposed to the treaties, not by being an advocate but by merely being a conveyor of facts. I have been able to convert opponents to proponents of the treaties. I thank the Senator for yielding.

Mr. HATCH. I am very interested in the remarks of the distinguished Senator from Hawaii. He just points up what Senator LAXALT said. There are polls and there are polls and there are polls. Let me say this: I suppose the ultimate poll will be at the election box next election, and the election after that election and the election after that. I suspect if the American people are so much in favor of this hardly anybody voting for the treaties has anything to fear. But my experience, as I have gone all over this country, and have talked to all kinds of groups, is that almost everybody is overwhelmingly against these treaties.

I have, in a sense, conducted my own polls with thousands and thousands of people. All I can say is we will have to wait until the elections to see how angry the American people are.

I think the real issue which was brought up was a question involving, why do we not let the Supreme Court decide this issue, whether or not the House of Representatives should have the privilege of voting on this transfer of $10 billion of American property?

Of course, that question arises out of article IV, section 3, clause 2 of the Constitution, which reads as follows:

The Congress—

Not the Senate but the Congress, which means both Houses—

shall have the power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States;

I do not intend to go into that in great detail today, but probably on Monday or Wednesday of next week I will go into it in great detail, what type of territory the Panama area was and is to the United States, which will prove, I think, through constitutional law, that both houses should vote on this transfer of $10 billion of American property.

The point was raised here, why not let the Supreme Court do it?

Well, one reason is because the Supreme Court will not do it prior to the end of this debate, which means that if we wait until the end of the debate and we deny the House of Representatives the right to pass or reject the transfer of

American property, which is the only issue they would have a right to vote upon under article IV, section 3, clause 2 of the Constitution, then the fait accompli will have occurred. There is not much we can do about it, if we ratify these treaties, whether or not the Supreme Court ultimately determines that the constitutional issues are as maintained by those of us who sit on the Separation of Powers Subcommittee, and I sit on the Constitutional Law and Amendments Subcommittee of the Judiciary Committee.

Mr. LEAHY. I did not understand the point the Senator made.

Mr. HATCH. Would the Senator like me to yield?

Mr. LEAHY. Just so I may ask him to clarify one thing. Is the Senator from Utah speaking of the House voting on both of the treaties?

Mr. HATCH. No. I am speaking about the House voting on one issue, the transfer of American property, which is what is covered under article IV, section 3, clause 2.

Mr. LEAHY. Is the Senator, insofar as the discussion before and the vote of the Senate on the treaties, suggesting that the House vote on the same treaties that are to be voted upon here?

Mr. HATCH. No. The issue is: Under article IV, section 3, clause 2, I will requote it, "The Congress," not the Senate alone, "shall have the power to dispose of and make all needful rules and regulations respecting the Territory or other Property belonging to the United States."

To respond directly to the question, why not let the Supreme Court decide this for us, I think what we ought to consider is some of the ramifications surrounding that particular statement.

Before examining the issue of Congress rights under the treaty, we need to be mindful of our duties under the Constitution. It has been suggested by some Members that because this is a constitutional issue involving the powers of both the President and the Congress, the proper place for its resolution is not the floor of the Senate but the Supreme Court of the United States of America.

Such a view, Mr. President, represents a gross distortion of our constitutional duties, and I hope that Senators will not be persuaded to abdicate their responsibilities by this sort of reasoning. It is true, of course, that the Federal courts may ultimately be required to give their opinion on this issue. Whether they will or will not, I do not know. Whether there will be a judicial determination depends in large measure on the action we take here and on technical matters relating to the question of standing and the so-called political question doctrine.

Certainly, the issue is settled if we accept this amendment and require the House of Representatives to join with the Senate in the decision to transfer the Canal Zone to the Government of Panama. That would be the end of the issue, the end of the question.

The growth of judicial power in this century, usually at the expense of Congress and the several States, suggests that the Senate has, however, already seriously weakened our separation of powers by refusing to exercise its powers, by giving the courts a free hand to roam at will and make laws throughout the country, and by abandoning the field, so to speak, and inviting the courts to step in where legislators fear to tread, in such manner does the Senate avoid a difficult vote that might anger the people back home. This may seem prudent to those who have no desire other than to be reelected, but it is nevertheless politically and constitutionally irresponsible. As a matter of sound constitutional policy, Senators should face constitutional problems squarely. Otherwise, we might just as well close up shop and turn over the whole Government to the courts.

Over and above these considerations is the Constitution itself, which states in no uncertain terms that we must, in order to serve as Members of this body, take an oath to uphold the supremacy of the Constitution. I fail to see how we can live up to our oaths of office if we disregard the Constitution during the course of our deliberations because it is easier to throw the yoke and the burden upon the Supreme Court. To meet our obligation, we must keep an eye on the Constitution especially in this case. It is the light which guides us through the legislative process. It sets the rules and the standards by which we judge the legitimacy of legislation and the propriety of our actions. We cannot legislate in a vacuum. The first test of every measure we consider is the constitutional test. Is this bill constitutional? If it is not, we abandon it, whether it is a good bill or a bad one.

Legislative construction, in other words, is one of our primary duties. If we are mistaken, if we erroneously interpret some provision of the Constitution, then the courts are free to declare our action null and void. But the possibility of judicial intrusion does not relieve the President of his duty to interpret the Constitution when he is called upon to enforce it or to sign a bill into law. All three branches of this Government, in fact, must interpret the Constitution in order to determine the legitimacy of their actions. It is not limited strictly to the Supreme Court of the United States. As a matter of fact, the Congress has asked them many times to determine what is to be done in a given situation, and certainly here.

This is not to say that our interpretation must be final, but only that the Constitution contemplates that all three branches of the Government have a constitutional role to play, and that our system would be reduced to utter confusion if every decision, in the first instance as well as the last, were to be made by nine men who are neither elected to office nor are responsible to the people of this country, as we are.

This question of our duty to interpret the Constitution first arose in 1789, in the first Congress. It was answered and put to rest by James Madison, one of the men who drafted our Constitution, and I believe his words bear repeating today.

The issue was whether the President had the power of removal. The Constitution expressly provides that the President may appoint principal officers, but it contains no instructions for the removal of officers except in instances where impeachment is appropriate. Members of the House considered at length whether Congress may decide the question of constitutionality and specify a removal process and a statute creating an executive department.

In response to the argument made by Representative Alexander White, of Virginia, back in 1789, that Congress ought not to interpret the powers of the President, Madison rose and addressed the matter in these words:

> It has been said by one gentleman that it would be officious in this branch of the legislature to expound the Constitution so far as it relates to the division of power between the President and Senate.
>
> It is incontrovertibly of as much importance to this branch of the Government as to any other, that the Constitution should be preserved entire. It is our duty, so far as it depends upon us, to take care that the powers of the Constitution be preserved entire to every Department of government; the breach of the Constitution in one point will facilitate the breach in another; a breach in this point may destroy that equilibrium by which the House retains its consequence and share of power; therefore we are not chargeable with an officious interference . . .
>
> But the great objection drawn from the source to which the last arguments would lead us is, that the Legislature itself has no right to expound the Constitution; that wherever its meaning is doubtful, you must leave it to take its course until the Judiciary is called upon to declare its meaning. I acknowledge, in the ordinary course of Government, that the exposition of the laws and the Constitution devolves upon the Judiciary. But I beg to know upon what principle it can be contended that any one department draws from the Constitution greater powers than another, in marking out the limits of the powers of the several Departments? The Constitution is the charter of the people to the government; it specifies certain great powers as absolutely granted, and marks out the departments to exercise them. If the Constitutional boundary of either be brought into question, I do not see that any one of these independent departments has more right than another to declare their sentiments on that point.

That statement by James Madison is found in the annals at page 500.

Mr. President, James Madison's explanation of our constitutional duties of legislative interpretation is no less valid today than it was some 189 years ago. We have a right and a duty to declare our sense of the meaning of the Constitution. Either we honor the Constitution now or never. But I reject the view that we honor it only in the breach.

The reason the Founding Fathers wanted the House of Representatives to vote on the transfer of American property is that they did not want any President of the United States or anybody else, for that matter, unilaterally making a decision to transfer American property without the consent of those Representatives of the Government in the legislature. Not just the Senators, who are elected only every 6 years, but those who have to go back to the people every 2 years, because those are the people who are going to realize, first and foremost, what the feelings of the populace really are.

The Founding Fathers wanted them to vote, because those 435 Representatives, as well as the 100 Senators, speak for the people in legislative matters—or at least should, I say, should speak for the people in legislative matters.

As I look at what has been happening to this country over the last number of years, I do not think they speak very well for the people in legislative matters. As a matter of fact, I think we have gone through some problems in this country that would never have arisen were it not for the fact that one philosophy has been ruling for the last 41 years. We are in the dilemma and plight we are in today strictly because some of our colleagues in the Congress have not done their duty or done their job.

In this case, we have 231 Members of the House of Representatives—Congressmen, if you will—elected by the people every 2 years, who have demanded the right to vote on the transfer of $10 billion of American property. I, for one, think they ought to have that right. I think the Constitution means what it says when it says that the Congress shall make that decision, not just the Senate.

Let me say this: If we want to do what is right here—I do not know how Congress is going to go. I do not know whether, if we gave them this right, they would vote for these treaties or not. I know one thing: I would feel a lot better whichever way they go knowing they had the opportunity to vote in this very important, specific area. I think it is almost crucial to this Government that we do not extend Executive power beyond where it is right now.

If we allow the President, through the representatives of the Department of State, the Ambassadors and others, to ignore the House of Representatives in this matter, since they have at least demanded it and the Constitution mandates it, I think we are going to be in trouble. I think we will allow the President in one fell swoop to extend his powers in violation of the separation of powers doctrine of the Constitution, to the detriment of the House of Representatives and, I think, the whole Congress. And we, as Senators, would have abdicated our responsibility to stand up and do what is right in this matter to insist on the protection of the rights of the House of Representatives as well as the Congress.

I might add that the 231 Congressmen are a bipartisan group. They are not just Republicans, they are not just Democrats. They are from both parties. And they are not all against the treaties. A number of them are for the treaties. But they know what is at issue here.

What is at issue here is one of the most important constitutional issues in the history of the country because it involves the very balance in the separation of powers. The Founding Fathers said that we have three coequal branches of Government, and not just one President who can ride roughshod over the other branches of Government.

To be frank, when Raoul Berger, that great authority on executive privilege, was backing those who wanted to attack Nixon for some of the things they said he did—and he should have been attacked—he was the hero of America. Everybody was talking about Raoul Berger, the great constitutional expert, because he was showing the way to impeach a President, in delicate matters of first impression. I think his opinion should be interesting to know, because I agree with Senator HELMS: I agree with him that the media, the major news media in this country, have not covered this constitutional issue, and it is the most significant issue in this whole debate.

I can tell you this: You will be interested to know that Raoul Berger, who, himself, would vote for these treaties if this problem were cleared up, has come out in definitive statements and made it very, very clear that, under the Constitution, the House should vote on this issue, and if the Senate refuses to allow it, the Senate is participating in extending the President's power over and above that of a coequal branch of the Government, meaning the U.S. Congress.

Now that is what is involved here, and it is no small issue. As I have said, it is one of the most important constitutional issues in the history of the country regarding the powers of the President and the scope of the treaty power.

Let me read what Professor Berger had to say, the eminent constitutional authority, formerly from Harvard University, when he testified before Congress a few weeks ago:

> You have invited me to comment on the relation between the Article IV, § 3(2) power of Congress to dispose of property of the United States and the treaty power. Although I am in favor of the Panama Canal Treaty, I share your solicitude for the preservation of constitutional boundaries and your concern lest the function committed to Congress be diminished. I have long held the conviction that all agents of the United States, be they Justices, members of Congress, or the President, must respect those boundaries. No agent of the people may overleap the bounds of delegated power, or encroach on power granted to another. That is the essence of constitutional government and of our democratic system.

That is what we mean by a separation of powers. That is the hallmark of American constitutional life, that we do not have any one of those coequal branches more powerful than the other. At least, they are supposed to be equal, even though at times some through power of leadership do rise above the other.

There is no question that the Senate could rise much above the administration of leadership if they would just recognize the House of Representatives.

In any event, he said, in essence, this is a balance of powers, this is a separation of powers, these are three coequal branches of Government. This is the essence of constitutional government and of our democratic system:

> The effect of these hearings ranges beyond the Panama Treaty, for the Panama cession will constitute a landmark which, should the State Department prevail, will be cited down the years for "concurrent jurisdiction" of the President in the disposition of United States property. For it needs constantly to be remembered that a succession of Presidents have circumvented Senate participation in treaties of gravest import by resort to Executive Agreements. Acquiescence in such claims spells progressive attrition of Congressional powers. Your insistence on respect for constitutional boundaries will warn the Executive against encroachments on the powers of Congress; it will alert foreign nations to the fact that treaties for the cession of United States property must be subject to the consent of the House as well as the Senate.

What he was saying there is that Presidents have already ignored the Constitution by bypassing the Congress, knowing that they could not get treaties through because of the coequal power of Congress and enacted and executed executive agreements, so that they did not have to go through this constitutional process of proving that the treaties are meritorious enough to get 67 votes.

The fact is, he said, that this is recognized above all in the Panama Canal decision. We are talking about the hallmark issue of constitutional government, the thing that makes this country the greatest in the world.

He goes on to say that:

> The President, "by and with the advice and consent of the Senate", may make treaties. But Article IV, § 3(2) provides that "the Congress shall have power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States." How are the two provisions to be accommodated? For present purposes the question whether the United States has "sovereignty" over the Panama Canal need not detain us because, in my judgment, the grant of "use and occupation . . . in perpetuity" constitutes "property" no less than the familiar lease of realty for 99 years. Then there are the installations that cost billions of dollars. Disposition of these no less requires the consent of Congress that does that of territory. In 1942, the President, by Executive Agreement, promised to return certain installations to Panama subject, however, to Congressional approval.

The precedents of the past with regard to Panama calls for congressional approval before we transfer property, and the reason they do is because the Presidents of the United States knew at that time that this principle rises above—transcends—the right of a President to transfer property without the consent of Congress:

> A similar provision is to be found in the Treaty of 1955.
>
> Involving the Panama Canal.
>
> These executive constructions are confirmed by established canons of interpretation.
>
> First, there is the settled rule that "where there is in an act a specific provision relating to a particular subject, that provision must govern in respect to that subject as against general provisions in other parts of the act, although the latter, standing alone, would be broad enough to include the subject to which the more particular provision relates."

And he is quoting directly from a Supreme Court case:

> In other words, "a broad statutory provision will not apply to a matter specifically dealt with in another part of the same act." Restated in terms of the present issue, the specific power of disposition, in which the

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Footnotes not printed.

House of Representatives must concur, governs the general provision authorizing the President and Senate to make treaties.

Second, there is the canon that express mention signifies implied exclusion, which the Supreme Court has employed again and again: "When a statute limits a thing to be done in a particular mode, it includes the negative of any other mode." [5] The grant of the disposition power to Congress, in other words, excludes its exercise by Senate and President. The rule was invoked by the Founders; for example, Egbert Benson said in the First Congress, in which sat many Framers and Ratifiers, that "it cannot be rationally intended that all offices should be held during good behaviour, because the Constitution has declared [only] one office to be held by this tenure." [6] Under these rules it is of no moment that Article IV contains no express exclusion of "concurrent jurisdiction" under the treaty power. Having given Congress the power to dispose of public property, it follows that the President and Senate were impliedly excluded therefrom. Although this particular exclusion was not before the Court, it tacitly ratified the application of the foregoing rules of construction when it stated that Article IV *"implies an exclusion of all other authority* over the property which could interfere with this right . . ." [7]

Attorney-General Griffin B. Bell conceded in his statement before the Senate Foreign Relations Committee, September 25, 1977 (hereafter cited as A.G.), that "the specific powers granted to the House of Representatives and Congress in fiscal matters (Article I, section 7, clause 1, and Article I, section 9, clause 7, money bills and appropriations power) preclude making treaties self-executing to the extent that they involve the raising of revenue or the expenditures of funds. Were it otherwise, President and Senate could bypass the power of Congress and in particular of the House of Represenatives over the purse-strings."

The Attorney General went on to say:

Now Sections 9 and 7 are couched in quite dissimilar terms. Section 9(7) is framed in terms of flat prohibition: "No money shall be withdrawn from the Treasury but in consequence of appropriations made by law. . . ." Section 7(1), however, merely provides that "All bills for raising revenue shall originate in the House." Yet the Attorney General reads § 7(1) to preclude the President and Senate from "bypass[ing] the power of Congress and in particular of the House of Representatives over the pursestrings." What is there that distinguishes "All bills . . . shall originate in the House" from the Congress shall have power to dispose . . ."? The impalpability of the distinction is underlined by the State Department's concession that "treaties may [not] impose taxes." [8] Nothing in the Article 1, § 8(1) "The Congress shall have power to lay and collect taxes" distinguishes it from the Article IV "The Congress shall have power to dispose."

If the President may not by treaty "bypass" the power of the House to originate revenue-raising bills, or the power of Congress to tax, no more may he "bypass" its "power to dispose" of the property of the United States.

In their testimony before the Congress, Herbert J. Hansell, Legal Advisor, Department of State, and Ralph E. Erickson, Deputy Assistant Attorney General, cited a string of cases in support of "The power to dispose of public land . . . by treaty." For the most part they fall under boundary treaties or treaties with Indian tribes which, as will appear, turn on circumstances peculiar to themselves. Preliminary consider Hansell's citation of *Missouri* v. *Holland*, 252 U.S. 416 (1920). It arose out of a State challenge to the treaty with Great Britain for the protection of migratory birds which annually traversed parts of the United States and Canada. Justice Holmes, addressing the argument that the treaty infringed powers reserved to the States by the Tenth Amendment, stated:

"Wild birds are not in the possession of any one, and possession is the beginning of ownership. The whole foundation of the States' rights is the presence within their jurisdiction of birds that yesterday had not arrived, tomorrow may be in another State, and in a week a thousand miles away."

The Indian treaty cases constitute one of the pillars of the argument for "concurrent power"; and Attorney General Griffin B. Bell referred to them as "a substantial body of Supreme Court decisions dealing with Indian tribes which holds that a treaty may dispose of property belonging to the United States without implementing legislation under Article IV, section 3, clause 2".

To begin with *Jones* v. *Meehan*, 175 U.S. 1 (1899), both Hansell and Erickson quote, "It is well settled that a good title to parts of the lands of an Indian tribe may be granted to individuals by a treaty between the United States and the tribe, without any act of Congress, or any patent from the Executive authority of the United States." This was because the treaty merely *reserved* certain individual tracks from the cession to the United States. It "set apart from the tract hereby ceded [by the tribe] a reservation of six hundred and forty acres" for an individual Indian, and the issue was what kind of title did he take. The Court quoted from an opinion of Attorney General Taney, destined before long to succeed Chief Justice Marshall:

"These reservations are *excepted* out of the grant made by the treaty, and *did not therefore pass with it*; consequently the *title remains as it was* before the treaty; that is to say, the lands reserved are still held under the original Indian Title."

Which, of course, distinguishes that case and does not make it a case at all for the State Department.

The Court held that "the reservation, unless accompanied by words limiting its effect, is equivalent to a present grant of complete title in fee simple." That explanation presumably responded to the fact that tribal lands were generally held in common; individual titles were all but unknown, so that such title had to be secured to an individual through the machinery of the treaty. But that is far from a disposition of government land because, as Taney explained, the "reserved" title remained in the Indians. Many, if not most, of the Indian treaty cases involve just such "reserve" provisions.

We might dismiss *Holden* v. *Joy*, 84 U.S. 211 (1872) because, as Attorney General Bell noted, "The Court conceded that the question was immaterial in the case at bar because Congress had actually implemented and ratified that particular treaty." A.G.9.

In other words, Congress did exactly what we are saying should be done here.

Nevertheless, the Court, in what he terms a "strong dictum", stated that "there are many authorities where it is held that a treaty may convey to a grantee a good title to such lands without an Act of Congress conferring it. . ." I was at pains to study each of the cases cited by the Court for this assertion, and abstracted them in an appendix attached to my statement before the Senate Subcommittee on Separation of Powers. There you may see for yourself that half of the cases thus cited are entirely irrelevant.

I should add, these were cited by the State Department and the Attorney General—and were entirely irrelevant.

and that the rest concern "reserves" under which, as Taney observed, no title had passed to the United States, but remained in the given Indian. In considering such dicta, it is well to bear in mind Chief Justice Taney's statement that the Court's "opinion upon the construction of the Constitution is always open to discussion when it is supposed to have been founded in error, and that its judicial authority should thereafter depend altogether on the force of the reasoning by which it is supported."

By that standard the *Holden* dictum is no authority at all.

As to other treaties, Hansell tells us, "the precedents supporting the power to dispose of property by treaty alone can be found in the boundary treaties with neighboring powers, especially in the treaties between the United States and Great Britain in 1842 and 1846 for the location of our northeast and northwest boundaries. . . ." Settlements of boundary disputes are not really cessions of United States property. The Oregon boundary dispute proceeded from an extravagant claim: "Fifty-Four Forty or Fight"; the British, on the other hand, claimed land down to the forty-second parallel. Only when the dispute was settled by negotiation at 49 degrees could either party confidently assert that it had title. As a respected commentator, Samuel Crandall, observed, "a treaty for the determination of a disputed line operation not as a treaty of cession, but of recognition."

Among other examples of alleged treaty transfers of property, Hansell instances the return to Japan of the Ryukyu Islands. By Article III of the 1951 Treaty of Peace with Japan, the United States received the right to exercise "all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of those islands . . ." While Japan renounced in Article II "all right, title and claim" to various territories, it made no similar renunciation with respect to the Ryukyus. Quoting the Legal Advisor of the State Department, that "sovereignty over the Ryukyu Islands . . . remains in Japan," a District Court stated that sovereignty over a territory may be transferred by an agreement of cession, but it concluded that there had been no cession. The Fourth Circuit Court of Appeals quoted a statement by Ambassador John Foster Dulles, a delegate to the Japanese Peace Conference, that the aim was "to permit Japan to retain residual sovereignty," and it held that the treaty did not make "the island a part of the United States, and it remains a foreign country for purposes of" the Federal Tort Claims Act.

In sum, Messrs. Hansell and Erickson have failed to make out a case for the President's "concurrent jurisdiction" with Congress in the disposition of United States property.

It remains to consider the arguments advanced by Attorney General Bell before the Senate Foreign Relations Committee. He cited *United States* v. *Percheman*, 32 U.S. (7 Pet.) 51, 88–89 (1833) to prove that "the Court held self-executing certain clauses of the Florida Treaty with Spain which related to the regulation of property rights in newly acquired territory." A.G.10. At the cited page it appears that Article 8 of the treaty provided, "all the grants of land made before the 24th of January 1818, by his Catholic Majesty . . . in said territory ceded by His Majesty to the United States, shall be ratified and confirmed to the persons in possession of the lands. . . ."

This article, Chief Justice Marshall held, "must be intended to stipulate for that security of private property which the laws and usages of nations would, without express stipulation have conferred."

In other words, the treaty provided that prior Spanish grants to *private* persons

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Footnotes not printed.

should be ratified and confirmed, a provision far removed from presidential "regulation" of *public* territory. Such regulation is confined to Congress, as *Foster* v. *Neilson*, 27 U.S. (2 Pet.) 253, 314–315 (1829) held with respect to the self-same provision: the ratification and confirmation which are promised must be by the Act of the Legislature," i.e., Congress.

REMARKS IN THE LEGISLATIVE HISTORY OF THE TREATY POWER

Before discussing the legislative history adduced by the Attorney General, permit me a few words of explanation and apology. When his statement before the Senate Committee reached me late of a Saturday afternoon, as appears in my own Senate statement, I had only about two days to prepare my comments before having them typed and forwarded to the Senate Committee. Pressure of time conduces to oversights, and I was mistaken respecting a time sequence, and in following the Attorney General's erroneous identification of a motion made by Williamson and Spaight with one he attributed to Sherman and Morris. Leisure for reflection and further research has since enabled me to correct such inaccuracies and to sharpen my analysis. And it has strengthened my conviction that the treaty power was not designed to diminish the Article IV power of Congress.

For the most part the Attorney General's citations have reference to settlement of boundary disputes by treaties of peace which, as we have seen, do not involve cessions. He begins with a remark of George Mason in the Constitutional Convention, an *in terrorem* statement during a debate on whether the Senate could share in originating revenue-raising bills. Speaking for exclusion of the Senate, Mason stated that the Senate "could already sell the whole country by means of treaties," and then toned down this extravagant overstatement to that quoted by the Attorney General: "the Senate by means of a treaty might alienate territory, etc., without legislative sanction." A.G.6, 2 Ferrand 297. Mason spoke *before* the Article IV progenitor was even proposed and referred to the Committee on Detail, 2 Farrand 321, 324, and of course before the resultant "disposition" provision was debated, id 466. Manifestly his earlier remark hardly expressed the view that the treaty power overrode the as yet unborn "power to dispose."

The Attorney General's other citations will be considered seriatim.

We will go into those more as we continue this debate on these most important issues on Monday.

All I am trying to say is that we have initiatives right here and now which involves the balance of powers of our Government, our constitutional separation of powers doctrine. It is lightly overlooked and lightly regarded, not only by the administration and the State Department and the Ambassadors in this case but also even by Members of this august body, who should be most interested in protecting the rights their fellow Members in the House of Representatives and of the Congress.

I think we should not reject the opportunity and reject the demand of the House of Representatives to approve the transfer of American property.

There is one thought I would like to finish with, and it is this: I do not think it is right for us to abdicate our responsibility to adjudge constitutional issues in these treaties by saying, "Let the Supreme Court take care of it," when we know they may never take care of it, by sliding off the issue on a political question basis. I do not see how the Supreme Court could slide off it on a political question basis when one-half of Congress would not have any say at all, if the Senate fails to recognize its right to vote on the transfer of $10 billion of American property. So how can that be a political question? If they had some right to say we do, then maybe it would be a political question. But they would be deprived of their rights and I think they would be injured. Their constituencies would be deprived of their rights to have Members of Congress stand up and be counted on this issue of transferring American property.

As I said yesterday the most significant thing that occurred yesterday was that, for the first time in I think 14 years, the American people know which Senators voted for these treaties and which Senators voted against these treaties. It is significant, whichever way the ball bounces, that they know this.

I know one thing: The people in the United States of America are starting to realize that that was just the first battle, because the Neutrality Treaty is not worth anything unless the Panama Canal Treaty, which we are presently debating, and which we will debate well into the next number of weeks, is ratified.

If the Panama Canal Treaty is not ratified, if those who share my view consist of 34 Senators, 3 or 4 weeks from now, or whenever these debates come to a close, then the Neutrality Treaty will not be of much moment or value.

I might mention, also, that it is important to note that those who brought the Neutrality Treaty forth first knew that it was much more likely that it would be ratified than the Panama Canal Treaty, which is filled with ambiguities, filled with mistranslations between the Spanish version and the English version, unprotective of the United States, costly to the United States, and is much inferior to the bad treaty that the Neutrality Treaty was.

I think it is important for the people to know that those 32 votes we received yesterday were very significant, because we need only two more votes in order to defeat the Panama Canal Treaty.

Although the debate in the last 22 or 23 days has been extremely important, it is not anywhere near as important as the debate in the future on the Panama Canal Treaty.

Much of the future of this country depends on what we do during the next few weeks as we debate the second treaty. I, for one, hope that some of the ambiguities, the translation errors—there is a whole paragraph in the English version that is left out of the Spanish version, and it is substantive—will not involve the same stonewalling that we saw in the Neutrality Treaty.

I think the most significant statement that was made right before we voted on the treaty yesterday was that if these reservations and understandings, which everybody was so eager to make a deal on and get into the resolution of ratification—if they were so binding or so important, why did not we have the courage to put them into the treaty as amendments? Conversely, if the amendments were so bad, as they were stonewalled and shot down one after another, why do we have to go to the bother of trying to correct them with reservations and understandings, which, as a number of people in this Chamber know, are not legally binding on Panama, not by principles of international law and not by their own constitution?

I believe it is important for the people, as they see their Senators during the next weekend or during the Easter recess, to express their point of view. If you think this battle is over, it is not. The big battle is before us; because if the Panama Canal Treaty goes down, the people's wishes, in my opinion, will have been heard, and the Neutrality Treaty will not be of any moment.

So then it becomes incumbent upon us to try to negotiate treaties that will be fair not only to Panama but fair to this country and protective of our interests.

I say to the American people, as these men come home to chat with you, if they tell you, "Why, I protected you by getting you a reservation or understanding," you might as well know that since they are not legally binding either under international or Panamanian constitutional law they have not done anything except to protect themselves, so that they would have an argument when they get home that they have been working to try to do what is right for you.

I think it will pay everyone in America to look at the quality of the amendments that were put forth one right after the other by sincere, dedicated, insightful, and intelligent Senators, who were fighting for the American people and were stonewalled and shot down by the very same people who claim that their reservations and understandings were protective of their interests.

Why would they not vote for the amendments to the treaty itself instead of trying to put these reservations and understandings in?

The answer to that is because the President has said that if he does not get those treaties in exactly the way they are written, as bad as they are, Torrijos will not take them. I submit to you that Torrijos will take whatever we send to him as long as it is basically fair. He has to, not because of the use of force, but because he himself knows that these amendments are fair. If we do not enact some amendments to the Panama Canal Treaty we are going to be in deep trouble.

Let me just run quickly through a list of some of the substantive and highly meritorious amendments which have been defeated, voted down by these very same people who are pushing the reservations and understandings that are not protective of the American people but would like the people to believe they are. Listen to some of the meritorious amendments that almost all of these people shot down time after time, amendments that they themselves know would make the Neutrality Treaty a much better treaty and much more protective of the United States of America.

These meritorious amendments were defeated because of the leadership's wish to avoid troubling the dictator of Panama with another election. This list

is by no means exhaustive but it does give an idea of what the Senate has rejected during the course of this debate. To me these are not by any means "killer" amendments, but they are substantive improvements without which the treaty is deplorable.

On February 27, by Mr. ALLEN, an amendment allowing a continued U.S. military presence in Panama until the year 2019, if the President certified as to its necessity.

On March 7, by Mr. HELMS, an amendment allowing continued U.S. maintenance of the highly sensitive Galeta Island communications base, which is extremely important to us.

On March 8, by Mr. STEVENS, an amendment prohibiting transit through the canal of vessels of war and auxiliary supply vessels of nations engaged in armed conflict with, or belligerent to, the United States.

On March 9, by Mr. DOLE, an amendment guaranteeing the United States authority to intervene militarily when the United States alone determines that the neutrality of the canal is threatened.

You would think that that would certainly be acceptable.

On March 10, by Mr. HELMS, an amendment setting up procedures for peaceful resolution of disputes but, in the event a threat to the neutrality or security of the canal could not be resolved by peaceful methods, each party would have the right to take, unilaterally, the measures its deems necessary.

On March 10, by Mr. DOLE, an amendment allowing for continued U.S. military presence by mutual United States-Panamanian agreement after termination of the Panama Canal Treaty.

On March 13, by Mr. DOLE, an amendment allowing the United States, independence of Panama, to declare the existence of an emergency which would permit our warships head-of-the-line passage.

I could go on and on. There were a lot of amendments.

We pointed out the translation difficulties between the two, where they take their Spanish translation to mean one thing which is very favorable to them and unfavorable to us.

Do not tell me that these amendments were not stonewalled; do not tell me they were not protective of the United States; and do not tell me they were "killer" amendments. They were amendments that any red-blooded person should have passed because they would protect this country without injuring Panama.

I go back to the original point that was made by the proponents of the treaty here, and that is this: I think that what is really involved here with the stonewalling is that the proponents of these treaties really do not seem to believe in democracy. They talk about democracy but they do not want the Panamanians to vote. They are unwilling to protect this country and force another plebiscite so they can vote on whether to accept the provisions that we have tried to put into these treaties.

Mr. LEAHY. Mr. President, will the Senator yield at that point?

Mr. HATCH. If I could finish, then I will be delighted to yield.

Mr. LEAHY. I wonder if I understood the Senator correctly that he is suggesting, because some of these amendments were defeated by very large majorities of Senators——

Mr. HATCH. Almost all were defeated that way.

Mr. LEAHY. That U.S. Senators who voted against them do not believe in democracy—is that what he is suggesting?

Mr. HATCH. That is not what I said. If it came out that way I certainly will correct it. I am asking, do they believe in democracy? My question is: Do the United States Senators who have stonewalled these amendments—now that might exclude the distinguished Senator from Vermont and it might exclude many others—really believe in democracy? By stonewalling these amendments, which are protective of the United States and which almost everyone I have talked to, including proponents and opponents, has admitted are protective, do they believe in democracy? Is it democratic to deny the Panamanians a chance to vote on amendments to the treaty? Is it democratic to deny the House of Representatives an opportunity to approve the transfer of property?

Mr. LEAHY. I might suggest to the Senator from Utah that any time someone has voted contrary to an amendment that I proposed I might have questioned that Senator's judgment, I might have prayed for his soul and redemption, but I have never ever questioned his belief in democracy or his belief in the United States of America.

Mr. HATCH. I have not named any Senators. I am saying this: I am asking a question, do they believe in democracy?

How about this matter of the House vote? The 435 representatives of the people, according to the leadership, are going to be denied their right to appear and vote on these matters, vote on the transfer of American property, as I said, $10 billion worth of American property. I think that we should be pretty solicitous of our brethren over in the House of Representatives because it goes right to the heart of the separation of powers doctrine.

What I am saying is, are we protecting our brethren in the House of Representatives? Are we projecting our own democratic and constitutional rights?

Do we understand that the Panamanian people deserve to vote even on some of these issues; and is not our duty, our highest sworn duty to uphold the Constitution and also to protect the people of the United States first?

And back to the major point: The fact that the Supreme Court might or might not be able to resolve this difficulty does not negate or take away the responsibility or the obligation of Senators in the U.S. Senate to determine constitutional questions.

I think we owe it to our bretheren in the House of Representatives, and I for one am going to argue that they should have that opportunity. I think they have made some pretty strong arguments as they have testified before some of the committees; and it was interesting to me, if you look at the list of the 232 Congressmen who have demanded the right to vote on these matters, that they comprise the chairman and ranking minority members of an awfully large number of committees over in the House of Representatives. These people are not stupid and these people do not like to be prohibited from voting on the transfer of American property, whether they are for or against the treaties; and some of them are said to be for and some of them are against.

I think our first consideration is to determine what is best for America, what is the best for our people and still, at the same time, keeping in mind what is fair to Panama, what is moral, just, and right to Panama.

As my colleagues know, I have never advocated that we should stick with the 1903 treaty, not from the beginning of this controversy until now. I have always said we need to at least upgrade that treaty, even though it has been upgraded twice in the 1936 and 1955 amendments to it.

I think we certainly should improve upon these treaties if we can, get rid of the imbiguities and the difficulties so that future problems, which we can foresee now, will not rise up and cause us greater difficulty and discord than we are already undergoing.

I think that is the danger we are facing in this matter. We have not begun to scratch the surface of the constitutional issue, and I suppose we will be into that issue on Monday.

It is my understanding we are going to discuss two agricultural bills on Tuesday, so I suppose it will take Monday, Wednesday, and maybe longer because there is a lot of feeling on this issue in the Senate.

I would just like to encourage my colleagues in the Senate on the other side of this issue that regardless of whether they want the treaty or not, they ought to seriously consider not abdicating our power and giving it to the President through an extension of power which he presently does not have under the Constitution.

I did not take time today to go through some of the other statements of eminent authorities in this area who happen to agree that the House should vote in this particular area, but we will not go into those. We will go into whatever the necessary cases are as we discuss this great constitutional question in the future.

I think it is important, however, to ask the questions of what are we here to do. Are we here to rubberstamp a treaty in favor of Mr. Torrijos? Are we here to please Mr. Torrijos? Or are we here to please the people of the United States of America?

I personally feel that the reservations and understandings charade was exactly that. The only reason we went through that basic charade was in order to get some argument settled with respect to certain Senators who were very concerned about their constituencies. If those things are important for the treaties, let us get them in as amendments so they are binding on both nations.

If the amendments are not important we can vote them down. But as we present decent amendments we ought to at least consider voting on what is right, and as we consider the constitutional issues I hopefully urge my colleagues in the Senate to consider them as deeply as they can and to consider with everything they have the rights of the full Congress in this matter, the specific language of the Constitution, the case law of the past, and the rights of our brethren over in the House.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I expect we will not be here much longer this afternoon, and I would hope, notwithstanding the fact that it is St. Patrick's Day and, perhaps, some share ancestry with me, some of the people in this country who share ancestry with me, might have found their loyalties torn this afternoon between certain celebrations that are known to take place in the country on March 17 and their overriding desire to sit by their radio and listen to every word of our debate today, that it is conceivable that we may not have a total radio population left at this point on Friday afternoon, and that maybe a percentage, possibly even a significant percentage, of the American people are not dropping everything right at the moment to listen to every word of our debate.

But for those possibly dwindling numbers who are still there, I think it is a fact that they should know that the Senate is well aware of the Constitution, is well aware of the history of the Constitution, is well aware, as is the Senator from Vermont well aware, of the fact that the Senate advises and consents to treaties, not the House of Representatives, but that the Senate advises and consents to treaties and has in this case and will continue to do so in this case. But for those who have been listening to the debate today, who are at home concerned, perhaps almost overridden with fear, that the House of Representatives will not have a chance to vote on this issue, and those Members of the other body who maybe have had nothing on their minds in recent weeks but their grave and overwhelming disappointment that they also would not get a chance to vote on the treaties, I say that there is a light for them and that they could put aside to some extent their fears and join with those of us who have an Irish ancestry in celebrating our favorite saint's feast day today because, Mr. President, they will have a chance to vote on some aspects of this.

All the implementation legislation will have to be voted on in the House. I know that this will come as a great relief to the Members of the House because I know how eagerly every one of the 435 Members wants a chance to vote either for or against the Panama issue, and when implementation legislation reaches there, they will vote on it with an eagerness probably surpassed only by a chance to vote on the pay raise.

As I stated earlier, if you will recall the person-by-person poll last year of the House of Representatives when it looked as if they would not have a chance to vote on the pay raise, when it was, as a result of that poll, found that the pay raise would lose, I think it was by a 4- or 5-to-1 margin, then somehow something slipped up and they got a chance to vote on it, and the pay raise was passed. And those of us who had voted against the pay raise were by that action forced, obviously forced, against their wills to accept the pay raise.

So I say that even though I suspect that most Members of the other body have been unable to enjoy St. Patrick's Day for fear that they might not get a chance to vote on the Panama issue, they will indeed get to vote on it on the implementation, as will we all, for that matter. Those of us who, like myself, serve on the Appropriations Committee, will get a chance to vote on it twice, both in committee and on the floor.

Mr. President, that is all I have to say today, and I yield to my distinguished colleague from Maryland, Mr. SARBANES.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from Maryland (Mr. SARBANES) is recognized.

Mr. SARBANES. I want to thank the very able Senator from Vermont (Mr. LEAHY) for giving us St. Patrick's Day here on the floor of the Senate.

Mr. President, I am not going to take the time of my colleagues in any extended fashion, but I do want to make some observations about the Panama Canal Treaty.

The treaty concerning the permanent neutrality and operation of the Panama Canal having been advised and consented to on yesterday by the Senate by a vote of 68 to 32—and I am always struck by the treaty requirement and the extraordinary majority it makes necessary in the Senate of the United States, for every vote against the treaty it is necessary to have two votes for the treaty. A 68 to 32 vote on any issue of difference or controversy is a very considerable margin, but it does not exceed by all that much what is required to pass a treaty, so the treaty requirement, the two-thirds requirement, is really a very heavy burden to carry.

I think it reflects well on the merits of the substantive provisions of the treaty that the Neutrality Treaty commanded a 68 to 32 margin. That having been concluded we now move to the Panama Canal Treaty, which is now pending before the Senate, which we will have to deal with in a similar fashion, as article by article it is opened for amendments. I understand there are a number of amendments pending at the desk. Is the information readily available, Mr. President, as to how many amendments there are pending to this treaty?

The PRESIDING OFFICER. There are 51 amendments, reservations, declarations, and understandings at the desk, a total of 51.

Mr. SARBANES. How many amendments are there to the text of the treaty? Is it 40?

The PRESIDING OFFICER. The Chair will determine. There are 38 amendments to the treaty.

Mr. SARBANES. I thank the Chair.

Mr. President, in the course of considering this treaty, the 14 articles which make up the Panama Canal Treaty, I am sure we will discuss many of the provisions in some detail. I simply want to underscore, since this is the treaty which applies to the 22-year period between now and the end of this century, that some of the provisions which are in this treaty accord very extensive rights to the United States.

Under the treaty, the United States is granted rights necessary to regulate the transit of ships through the Panama Canal and to manage, operate, maintain, improve, protect, and defend the canal. Those are rights which the United States will have.

Among those rights in article III, which is the article which discusses the canal operation and maintenance, it is stated:

In carrying out this function of managing, operating, and maintaining the Panama Canal, its complementary works, installations, and equipment, and to provide for the orderly transit of vessels through the Panama Canal, the United States may do a number of things, including the following:

Use for the aforementioned purposes, without cost except as provided in the Treaty, the various installations and areas (including the Panama Canal) and waters, described in the Agreement in Implementation of this Article as well as such other areas and installations as are made available to the United States under this treaty and related agreements.

Second, the United States can make such improvements and alterations to the aforesaid installations and areas as it deems appropriate consistent with the terms of the treaty;

Third, the United States can make and enforce all rules pertaining to the passage of vessels through the canal and other rules with respect to navigation and maritime matters;

Fourth, the United States can establish, modify, collect, and retain tolls for the use of the Panama Canal, and other charges, and establish and modify methods of their assessment;

Fifth, the United States regulates relations with employees of the U.S. Government; and

Sixth, the United States will provide supporting services to facilitate the performance of its responsibilities.

Those are rather extensive rights, and those are the rights, among others—because the treaty goes on to set out some general provisions—which the United States will have over the next 22 years in the operation and the management of the Panama Canal. Of course, once we reach the end of the century, the transition will be accomplished with the operation and management of the canal then being done by the Republic of Panama.

The treaty further provides that in carrying out this function of managing and operating the canal it shall be done by a U.S. Government agency to be known as the Panama Canal Commis-

sion. Nine members, five of them Americans and four of them Panamanians, will comprise the Commission.

They will be the board which will supervise the work of the Panama Canal, five of whom shall be nationals of the United States and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America in a timely manner.

So the majority, five, will be Americans and the remainder, four, will be proposed by Panama to the United States for appointment.

The treaty also provides that the United States shall have primary responsibility to protect and defend the canal. There is an agreement, comparable to a status-of-forces agreement, which has been negotiated to cover the rights of our military people and their dependents. We will have the primary responsibility to protect and defend the canal.

To facilitate cooperation of the Armed Forces of both countries in the protection and defense of the canal—and this is an effort to work out a cooperative relationship between the United States and the Republic of Panama—there will be a combined board established by the United States and the Republic of Panama comprised of an equal number of senior military representatives of each party. These representatives shall be charged with consulting and cooperating on all matters pertaining to the protection and defense of the canal, and with planning actions to be taken in concert for that purpose.

So there is a combined board that will consult and advise and plan.

The treaty goes on to provide that such combined protection and defense arrangements shall not inhibit the identity or lines of authority of the Armed Forces of the United States of America or the Republic of Panama.

While we have this combined board for the purposes of consultation, for the purposes of advice, the lines of authority of our Armed Forces are not inhibited. Of course, as I mentioned earlier, under another provision of this treaty the primary responsibility to protect and defend the canal is in American hands.

I think it is clear under these two articles I have been quoting, article III and article IV, that both in terms of operating and managing the Panama Canal and in terms of protecting and defending the Panama Canal, it is the United States which is given the powers and authorities under this treaty to meet those responsibilities.

Other provisions in the treaty provide for a shared effort in trying to protect the environment in the Republic of Panama, something important to both countries. The United States, of course, depends, as do all countries who seek to use the canal, on the watershed contained in the Republic of Panama to produce the water to make it possible for the canal to function.

There are also in article VIII very extended provisions giving the United States certain privileges and immunities in the course of our operations.

Let me just read a couple of those so we can have some appreciation of the range and extent of the privilege and immunities which the United States will have.

Agencies and instrumentalities of the Government of the United States of America operating in the Republic of Panama pursuant to the treaty and related agreements, shall be immune from the jurisdiction of the Republic of Panama.

There is also a provision that installations owned or used by the agencies or instrumentalities of the United States of America operating in the Republic of Panama pursuant to the treaty and related agreements, and their official archives and documents, shall be inviolable.

So there is an effort here, recognizing the responsibilities which the United States will continue to have over the next 22 years, almost a quarter of a century, with respect to operating, managing, protecting, and defending the Panama Canal, to give to us a grant of rights sufficient to carry out those responsibilities. I think that grant is very important. I think that many people do not fully appreciate how extensive and extended those grants of authority are in terms of giving the United States the ability to continue to meet is responsibilities with respect to the Panama Canal.

There are other provisions in the Panama Canal Treaty that deal with the transition over to Panama of various functions in the Canal Zone. Under the treaty the zone will cease to exist as a corridor of land dividing the Republic of Panama in two and, in effect, will become part, just like any other part, of the territory of the Republic of Panama. Certain rights will be reserved for the operations of American Government agencies and certain protections provided for American employees, military and civilian, and their dependents and families, who are involved in the Republic of Panama in helping to carry forward the operation, management, protection, and defense functions with respect to the Panama Canal. But the zone dividing the country into two will be gone. So that situation, an American extraterritorial presence, will no longer be the case.

Now, at one point in the debate, someone suggested that only a small portion of the population of Panama was on one side of the Canal Zone, that most of the population was on the other side; and therefore, they suggested it really should not matter very much to the Panamanians that their country was divided by this zone. Mr. President, how can we overlook the sensitivity of any people to another power controlling a strip of land through their country and thereby dividing their nation. I can understand the sensitivity that any people would have—I think we in the United States would be extremely sensitive in the reverse situation. In fact a good percentage of the population of the Republic of Panama is located on either side of this Canal Zone and it really does therefore in every sense, divide the country into two. Panamanians, when traveling through the zone are in effect, traveling through another jurisdiction. They are subject, then, to different courts and different police, and so forth. One of the things that will take place under the treaty is that there will no longer be a zone dividing the Republic of Panama into two, with all of the problems that have come with that situation.

Mr. President, there are some very careful provisions contained in this treaty with respect to employment: First of all, an effort to protect those people already working on the Panama Canal and their particular rights; and second, an effort to give an opportunity to include the Panamanian people more and more in the work of the Panama Canal; so that, over time, they, in effect, will gain the experience and the training that will be necesesary to manage, conduct, operate, and maintain this important facility when at the end of the century they assume full responsibility. There are some very careful provisions that have been worked out to accomplish this, I think reflecting a great deal of concern, for those who are already working there and also a concern that the people of Panama should have an opportunity to participate in making this canal work. In a sense, it is a great opportunity to show the benefits of mutual cooperation and a great opportunity for young people and not-so-young people in the Republic of Panama to develop the skills that will enable them to operate this major facility.

Almost 80 percent of the work force today on the Panama Canal are Panamanians. It has grieved me greatly, in the course of some of the debate that we have had on this issue, to have it suggested by some on the floor of the Senate that the Panamanians may not be capable of operating the canal, that they do not have the capacity to conduct this major facility. I think that is nonsense. The work of the canal today is largely carried on by Panamanians.

On a visit to Panama, meeting with employees who work on the canal, one of the inquiries that was made was how effective the Panamanians were as employees. The response we received was that they were the equal in every respect to other employees, Americans or others, who were working on the canal. I think it is clear that the capacity is there.

What is needed is the opportunity. These treaties hold out an opportunity to the people of Panama to move increasingly into higher positions and to assume, more and more, the responsibility for the operation of this canal.

In that sense, it is a great opportunity, not only for them but for the United States, working with the people of Panama in order to assure the efficient and effective operation of this canal indefinitely into the future.

Mr. President, there are other provisions in the treaty which I am sure we will discuss at much greater length—a provision for a sea-level canal and the provisions for Panama's economic participation in the canal, in which the tolls will provide certain payments to the

Republic of Panama, which, of course, will then bring them a return on their greatest natural asset commensurate with what they have devoted to this international waterway.

In short, Mr. President, the treaty now before us, the Panama Canal Treaty, that we are now considering, having approved the other treaty 68 to 32, offers the opportunity to develop between the United States and the Republic of Panama and between the peoples of our two countries a cooperative relationship which can be an example to the whole world. At the same time, it insures certain grants of rights to the United States which will fully enable us to meet our role to operate and manage the canal and our role to protect and defend the canal, since we will have the direct responsibility for both of those functions for the balance of this century, for almost another quarter of a century.

I submit, Mr. President, that this treaty, just like the one that has been approved, is a treaty that well serves important basic American interests and ought to command the approval of this body.

Mr. SARBANES. In the days ahead I know we will consider some 40 amendments, or those, at least those that will be called up that are pending at the desk. I hope we will be able to proceed, as I have indicated earlier in the debate, in an expeditious way to do that.

Someone said earlier today that the first treaty was like an exhibition game and that this was the real game. I differ with that. It is really like a doubleheader. You know, we have had just a brief pause in between and we are now into the second game of the doubleheader.

I must say, if you talk about cooperation between the United States and Panama, referring to baseball, I end on this note: A major sport in Panama is baseball. They are close to us in so many ways and this is but another example. Rod Carew who is such an extraordinary performer in this country and as I think many people know, he is a Panamanian citizen. He has been the batting leader in the American League now for a number of years with an extraordinary average, almost .400 last year, and I only bring that up at the close of this afternoon to underscore once again how much, in so many ways, we share as two peoples; and I hope that the debate that we have had over the course of the past weeks will not in any lasting way do anything to harm the relationship or weaken the friendship which has existed between the people of this country and the people of Panama.

It has been a special friendship. I hope that we will move ahead to approve this treaty, and that we will do it in such a way that the strength of the ties between our two countries will develop and increase.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to be allowed to proceed for 2 minutes, as in legislative session.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

WHY WE MUST RATIFY THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, I ask the Senate's consideration of an admittedly unpleasant scenario. Assume that somewhere in the world, a group of individuals perpetrates the brutal mass murder of another group because of racial hatred. Not unreasonably, there would be an overwhelming call for the punishment of this group. I would expect Americans to be among those who speak out for such retribution.

Now consider how other nations would react to our condemnations. For nearly 30 years, we have consistently refused to ratify a treaty, the Genocide Convention, which condemns these very actions. Would it be unreasonable for other nations to label our disapproval hypocritical? I doubt it.

Of course, I am aware that countless groups within this country have supported the treaty. Every President since the drafting of the treaty has given the same support. And I would assert that the great majority of Americans feel the same way. Yet, the fact remains that through the Senate's failure to ratify the treaty, the United States has officially failed to condemn acts of genocide. This reluctance has not been unnoticed by the rest of the world.

Failure to ratify the treaty also places us in a difficult position with any genocide trials which might result. The Genocide Treaty prescribes what does and does not constitute genocide. This insures that there is no de facto punishment. It is a fair method for trying those accused of genocide; by failing to ratify the treaty, we have failed to endorse this sound procedure.

To prevent the embarrassing situation I have presented, it is necessary for us to ratify the Genocide Treaty. Eighty-three countries have gone on record as being unalterably opposed to this abhorrent crime. Let us be included in this group.

PARAQUAT-CONTAMINATED MEXICAN MARIHUANA POSES SERIOUS HEALTH RISK TO MANY AMERICANS

Mr. PERCY. Mr. President, recent reports have come to my attention, and have now been made available to the public, indicating that more than 20 percent of the samples of marihuana seized at the Mexican border are contaminated with the herbicide, paraquat; that when analyzed, these samples are showing increasingly higher amounts of paraquat residues; that tests now conclusively established that the highly toxic paraquat is in fact found in the smoke of sprayed marihuana which is inhaled into the human body; and that such inhalation, particularly with prolonged exposure, may seriously impair the ability of the lungs to absorb oxygen—a condition known as fibrosis.

The U.S. Government has provided the Government of Mexico with millions of dollars—some $40 million over the last 3 years—for equipment and technical assistance related to the spraying of poppies with herbicides. Much of the funds have gone toward the purchase of planes and spraying equipment, the training of personnel, and repair and maintenance expenses—all, in turn, used by the Mexica Government not only for poppy eradication, but also for the spraying of marihuana fields. Mexican marihuana, which comprises about 60 percent of the hundreds of tons of marihuana brought into this country annually, is being sprayed with paraquat.

In May 1977, I requested information from Secretary of State Vance concerning the spraying of Mexican marihuana and the U.S. involvement in such programs. Pursuant to this request, an interagency meeting was held under the auspices of the White House Office of Drug Abuse Policy (ODAP), which included representatives from the National Institute on Drug Abuse (NIDA), the Department of State, the Drug Enforcement Administration (DEA), the Food and Drug Administration (FDA), the Environmental Protection Agency (EPA), and the Department of Agriculture for the purpose of developing a plan for paraquat testing. The meeting was chaired by Dr. Peter Bourne, the very able Director of ODAP and Special Assistant to President Carter.

As an outgrowth of that session, tests were designed to determine if the smoking or consumption of paraquat-tainted marihuana posed a serious health hazard to a portion of the 13 million regular marihuana users in this country.

Now, 10 months later, these tests, conducted by the National Institute on Drug Abuse, have produced definitive and highly disturbing results. In a March 12, 1978 release, HEW Secretary Joseph Califano, Jr., reported that, based upon samples actually seized, approximately 21 percent of the marihuana now coming into this country is contaminated with paraquat. The maximum level of contamination which EPA currently allows in this country is 0.05 parts per million. Yet, the NIDA reports disclose that some paraquate residues on Mexican marihuana are above 2,200 parts per million—one batch tested at as high as 2,264 ppm. That is 40,000 times the EPA tolerance level. The average approximated 450 ppm.

Surely, the hazards of such levels of paraquat in marihuana, and the associated risks affecting so large a segment of the American public, including millions of its younger citizens merit an immediate response by this Government.

Secretary Califano issued a warning that marihuana contaminated with the herbicide paraquat could lead to permanent or irreversible lung damage for regular and heavy users of marhauna, and conceivably for occasional users as well. The new findings clearly indicate the need for swift action on the part of this Government to insure the health and welfare of a significant number of our citizens. These citizens are endangered as a result of our own Government's involvement, however direct or

indirect, in Mexico's program to spray marihuana fields with paraquat. The health risk is evident and it is serious: we cannot afford to wait for another protracted period before doing everything possible to induce the Mexican Government to terminate the use of paraquat in its spraying program, or to substitute a safer herbicide.

Such a safer herbicide does not now appear to be available. To wait any length of time before one is identified—without in the interim doing anything to urge Mexico to suspend its current paraquat spraying program—could needlessly endanger a large segment of our population. This administration, through the Department of State, should do everything possible to get the Mexican Government to act responsibly and with dispatch in this respect. Having met yesterday morning on this matter with administration officials, I am not persuaded that, as a government, we have done or are doing everything we can.

On the other hand, having received a response 2 days ago from Secretary of State Cyrus Vance to my letter of last week, I am hopeful that his own expressed concern for the problem and his assurance that he "will do everything possible to resolve it" signals that corrective action is forthcoming. I trust that his message will get through to all segments of the State Department and the administration which may have a role in addressing this concern. I was most disturbed, last Friday evening, March 10, 1978, to hear Secretary Vance's special assistant for narcotics matters tell a nationwide NBC-TV audience that she felt the Department had no responsibility to deal with this matter since the drug involved, marihuana, was illegal anyway. This would seem to overlook reality. To Secretary Vance's credit, his direct response acknowledges the responsibility of the United States in this regard, and his personal expression of concern belies the earlier position taken by his aide.

Mr. President, so that the background of this problem is clearly stated, I ask unanimous consent to have printed in the RECORD the following materials relevant to this matter: My correspondence with the Department of State and with the White House Office of Drug Abuse Policy; the warning issued last week by DHEW Secretary Joseph Califano, upon being apprised by NIDA of the new, disturbing test results; the preliminary report of DHEW, entitled: "Contamination of Marihuana with Paraquat"; a White House press release dated December 9, 1977, which dealt with the problem.

I also ask unanimous consent to append to my remarks a copy of an article by Jeffrey Smith, from the February 24, 1978, edition of Science magazine, entitled, "Spraying of Herbicides on Mexican Marihuna Backfires on U.S.". This excellently researched article provides considerable information on the herbicide paraquat, the history of its use, and important background on this subject. And finally, I also include a fine article by Ken Bode from the March 18, 1978, edition of the New Republic magazine, entitled "Poisoned-Marihuana."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HEW NEWS

HEW Secretary Joseph A. Califano, Jr. today warned that marihuana contaminated with herbicide Paraquat could lead to permanent lung damage for regular and heavy users of marihuana, and conceivably for other users as well.

The Secretary issued the warning based on preliminary studies conducted by HEW's National Institute on Drug Abuse. Paraquat is a herbicide which is sprayed on marihuana plants in Mexico to destroy them, under a program operated and funded by the Mexican government. The contaminated marihuana, which may be disguised for street sales by mixing it with other marihuana, is not easily detected by the average user.

Secretary Califano said, "The report's preliminary findings suggest that if an individual smokes three to five heavily contaminated marihuana cigarettes each day for several months, irreversible lung damage will result. The report cautions, however, that there could also be a risk of lung damage for individuals who use marihuana less often or in smaller amounts. Although these results are preliminary, the report concludes that Paraquat contamination may pose a serious risk to marihuana smokers."

Secretary Califano indicated that a report on the preliminary findings has been sent to the White House Office of Drug Abuse Policy, the Departments of State, Justice, and Agriculture, and the Environmental Protection Agency, to permit these agencies to investigate whether there might be alternative herbicides which might be considered as potential substitutes for Paraquat.

Marihuana sprayed with Paraquat can be quickly harvested before the plant dies and in such cases harvested marihuana contaminated with Paraquat may find its way into this country. Roughly 60 percent of marihuana in the United States is illegally imported from Mexico. During the past year, concern has been expressed by the public over the health hazards posed by Paraquat contaminated marihuana.

In chemical analyses of 63 marihuana samples confiscated in the Southwestern United States by the Drug Enforcement Administration from October 1976 through late 1977, the National Institute on Drug Abuse found 13 samples (21 percent) to be contaminated with Paraquat with an average level of 450 parts per million.

Paraquat has been used in this country since the early 1960s for agricultural purposes. However, it does not persist in the soil and presents little hazard when used in the amounts precribed for agricultural crops. The maximum level of contamination that is permitted for domestic uses is 0.05 parts per million, which is far below the levels found in the marihuana samples tested.

CONTAMINATION OF MARIHUANA WITH PARAQUAT: PRELIMINARY REPORT

MARCH 11, 1978.

Since 1975, the Mexican Government has operated a marihuana eradication program. The principal herbicide employed in this program is Paraquat 1,1′ dimethyl-4,4′ bipyridinium dichloride, a chemical patented in England and manufactured in this country and in Mexico. Paraquat is sprayed from aircraft onto marihuana plants, and the herbicide interacts with sunlight to cause the plants to die within the course of roughly forty-eight hours. This eradication program is operated and funded by the Mexican Government.

Paraquat has also been used in this country since the early 1960's for agricultural purposes. The most common use of Paraquat is as a means of cleaning the seedbed before planting crops, but it is also employed for such purposes as weed control in fruit orchards and as an aid in harvesting mature plants such as cotton and soybeans. Paraquat does not persist in the soil and presents little hazard when used in prescribed amounts. It is one of 23 herbicides which the Environmental Protection Agency (EPA) is proposing to restrict only to trained farmers and users. The use of Paraquat on food crops as a direct harvesting aid is not recommended by the EPA. Use in orchards for weed control can result in some contamination of the fruit, but this contamination must not exceed 0.05 ppm prior to marketing.

Paraquat in concentrated form is highly toxic and has been responsible for at least 25 deaths in the United States due to accidental poisoning. It tends to concentrate in lung tissue whether it is ingested or inhaled The toxic reaction with the lung produces a condition called fibrosis, which reduces the capacity of the lung to absorb oxygen. Inhalation of Paraquat creates a greater risk of lung damage than ingestion of an identical amount.

During the past year, concern has been expressed about the possibility that Paraquat-contaminated marihuana was entering the United States and might pose a health hazard to marihuana users. Marihuana sprayed with Paraquat can be quickly harvested before the plant dies and in such cases harvested marihuana contaminated with Paraquat may find its way into this country. Roughly 60 percent of marihuana in this country is imported from Mexico.

As a result of this concern, a study was initiated last summer at the National Institute on Drug Abuse to answer two specific questions: (1) Is contaminated material entering the country in any significant amount; and (2) What are the chemical constituents of the smoke from Paraquat-contaminated marihuana which might create health risks beyond those presently associated with marihuana smoking.

STUDY RESULTS

These studies have provided the following data:

1. One hundred samples of marihuana confiscated by the Drug Enforcement Agency have been chemically analyzed for Paraquat. The average weight of the seizures from which these samples were taken was 699 lbs. All of the samples which were tested for Paraquat came from the Southwest United States, the area where contaminated samples are most likely to be found.

Thirteen of these were unambiguously identified as contaminated with Paraquat. All were confiscated after October 1976, and constitute 21% of the 63 samples tested that were confiscated after that date. The contamination ranged from three to 2,264 parts per million (ppm), with an average contamination of 452 ppm. This level far exceeds the 0.05 ppm level that is tolerated for domestic uses.

Since the sampling was not random in a statistical sense, no clear extrapolation of this data can be made to estimate the total amount or distribution of Paraquat-contaminated marihuana in the United States. No attempt was made to design a statistically valid random sample selection since the intent was only to answer the question of whether contaminated material was entering the country and the approximate level of its contamination.

2. Marihuana plant material which was treated with a Paraquat solution in order to produce a "contamination" level of approximately 10,000 ppm was burned in an apparatus designed to collect all the smoke produced. This artificially high concentra-

tion was prepared to expedite the analytical procedures. The apparatus is constructed of glass and allows the plant material to burn in an air atmosphere at a temperature similar to that of a marihuana cigarette. Although this method of burning is not exactly the way marihuana burns in a cigarette, it is sufficiently analogous to provide data which can be generally related to the real smoking situation.

The smoke was subjected to chemical analysis and it was determined that the major compound in the smoke resulting from the presence of Paraquat was a compound called bipyridine, which is formed from the chemical breakdown of Paraquat when it is burned. Bipyridine is a compound found in tobacco smoke, and is not itself likely to contribute significantly to the toxic effect of marihuana smoke.

However, it has also been determined that a small amount of Paraquat is carried in the smoke, although the exact amount of Paraquat resulting from the burning of plant material at a specific contamination level has not yet been determined. Efforts to obtain more exact determinations are in progress. However, rough estimates from the data in hand suggest that approximately 50 to 250 nanograms of Paraquat can be expected to be present in the smoke from a single marihuana joint contaminated at 450 ppm Paraquat. Analysis is also being carried out on the smoke from Mexican-variety marihuana grown at the United States Department of Agriculture and treated with Paraquat under simulated field conditions. Only when this analysis is complete will it be certain that the conclusions from the 10,000 ppm material discussed above are completely valid.

PRELIMINARY CONCLUSIONS

1. Considering the low-dose, chronic studies done in animals, it appears that the oral administration of marihuana treated with Paraquat (e.g., in brownies) probably creates little hazard. An individual would have to ingest approximately two full ounces of marihuana every day for two years (at contamination levels of 2,000 ppm) to reach the lowest dose level where cell damage has been observed in animals.

2. Smoking marihuana containing paraquat presents the greatest potential hazard. Studies of animal inhalation and of agricultural workers engaged in repeated spraying of Paraquat, when combined with other evidence, suggest that there exist certain risks to the marihuana smoker.

First, heavy users of marihuana run a possible risk of fibrosis which could be clinically measurable if the marihuana they smoke is contaminated with Paraquat. A rough estimate can be made that an individual who smokes three to five marihuana cigarettes each day could suffer measurable lung impairment after several months if the marihuana contained at least 450 ppm of Paraquat. It is less likely, though not inconceivable, that clinically measurable damage could be suffered by individuals who consume marihuana in smaller quantities, less regularly, or with lower levels of Paraquat-contamination. These risks of suffering fibrosis—which is an irreversible condition—must be considered against the use patterns of marihuana in this country. Recent surveys conducted by the National Institute on Drug Abuse suggest that nearly nine million Americans have used marihuana over 100 times in their life. Thus, contamination of marihuana with Paraquat may pose a serious additional risk for marihuna smokers.

Second, adverse effects on the lungs from the tar in marihuana smoke have been documented in the scientific literature. It is possible that the effects are increased by the contamination of marihuana with Paraquat, but there are no clear data presently available on this point.

There is no evidence at present that Paraquat is carcinogenic to lung tissue, but studies in this area are incomplete.

A final report of the technical details of these studies will be prepared within the next four to six weeks and provided to the Departments of State, Justice, and Agriculture, the Environmental Protection Agency, and the Office of Drug Abuse Policy.

THE SECRETARY OF STATE,
Washington, D.C., March 15, 1978.

Hon. CHARLES H. PERCY,
Ranking Minority Member, Subcommittee on Investigations, Committee on Governmental Affairs, U.S. Senate

DEAR SENATOR PERCY: Thank you for your letter of March 9 in which you expressed your concern that Mexican grown marijuana illegally entering the United States and sprayed with the herbicide paraquat in the Mexican eradication program could be harmful for users of marijuana in the United States.

In response to your letter to me of May 6, 1977, on this potential danger to American marijuana users, the Department indicated that it shared your concern that the means employed to control illicit drug abuse and international narcotics traffic do not result in individual suffering or ecological damage.

An interagency inquiry into the problem was authorized by the White House in May 1977. As you know, Secretary Califano released the preliminary findings of the study on March 11. The report concludes that paraquat contamination may pose a serious risk to marijuana smokers. Secretary Califano is sending copies of the report to the Departments of State, Justice, and Agriculture, and the Environmental Protection Agency to determine what action they might take in regard to reducing the health hazard of paraquat being sprayed on marijuana.

In view of the conclusions of the interagency study, the findings will be made available promptly to the Government of Mexico. Additionally, information concerning alternative herbicides which might be substituted for paraquat in the Mexican eradication program and which pose less of a health hazard will be passed to the Mexican Government.

On the basis of the excellent cooperation demonstrated by the Mexican Government in carrying out its international treaty obligation in narcotics control, we can assume that Mexico will examine the results of the new HEW study carefully with appropriate consideration for any health hazards that may affect its citizens or citizens of any other country.

The Mexican Government's decision in November 1975 to use aerially sprayed herbicides followed a careful study of the herbicides selected, 2-4-D against opium poppies and paraquat against marijuana, with consideration that the herbicides should be safe for man and environment, as well as effective in destroying the illegally grown plant.

As you know, the Governments of Mexico and the United States are parties to the Single Convention on Narcotic Drugs of 1961, which specifies in Article 22 as amended, that a party prohibiting cultivation of the opium poppy or the cannabis plant shall take appropriate measures to seize any plants illicitly cultivated and to destroy them. Thus, Mexico has taken seriously its obligation to destroy narcotics plants, but its Government has made it clear that in attempting to alleviate the harmful effect of illicit drugs, it also intends that its narcotics control efforts would be carried out in a manner that would avoid an adverse effect on the ecology or the health of its citizens.

The primary interest of the U.S. Government in supporting the Mexican eradication program through international narcotics assistance is to reduce the movement of illicit heroin entering the United States. The Mexican eradication effort against opium poppies is showing a significant reduction in heroin in the United States based on declining heroin overdose deaths, increased price levels, and declining purity levels based on hercin seizures. Consequently, the program is reducing drug abuse in the United States. This progress, which is obviously in our best interests, must be maintained along with efforts being made to reduce the health hazard of paraquat contamination of marijuana.

You may be assured that I personally share your concern with this problem and will do everything possible to resolve it.

Sincerely,

CYRUS VANCE.

COMMITTEE ON GOVERNMENTAL AFFAIRS, SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
Washington, D.C., March 9, 1978.

Hon. CYRUS R. VANCE,
Secretary, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Recent reports have come to my attention indicating that more than 20 percent of the samples of marijuana seized at the Mexican border are contaminated with the herbicide paraquat; that when analyzed, these samples are showing increasingly higher amounts of paraquat residues; that tests now conclusively establish that the highly toxic paraquat is in fact found in the smoke of sprayed marijuana which is inhaled into the human body; and that such inhalation, particularly with prolonged exposure, may seriously impair the ability of the lungs to handle oxygen—a condition known as fibrosis.

I wrote you on May 6, 1977, requesting information on the United States' involvement in the spraying of the toxic herbicide, paraquat, on Mexican marijuana fields. On July 18, 1977, I wrote Dr. Peter Bourne, Special Assistant to the President, urging him to expedite the conduct of tests aimed at determining the health risks associated with paraquat-treated marijuana. By December, the White House reported that samples seized at the border showed "about 50 parts per million (ppm)" of paraquat. The White House release further stated "The absolute maximum amount of paraquat likely to be found on plant material is about 500 parts per million." But Dr. Richard Hawks—the official-in-charge of the paraquat study being conducted by the National Institute for Drug Abuse—has recently reported that current samples are showing up to 655 ppm; and that with each batch of new samples, the amount of paraquat-contamination appears to be increasing. Informally, reports have reached me indicating that government-seized Mexican marijuana coming into this country has been found to contain as high as 2,200 ppm of paraquat contamination. Surely, the hazards of such levels of paraquat in marijuana, and the associated risks involved for a large segment of the American public, merit immediate and high-level response. Yet it has now been more than ten months since I first brought this problem to your attention and almost eight months since my July letter to Dr. Bourne urging that the government's inquiry into the paraquat problem be expedited because of the potential for serious harm to American citizens. With each passing day, the matter takes on more distressing proportions.

According to Dr. Hawks, we still do not know of the precise risk such marijuana contamination poses, but the potential risk is serious. My office was informed late last week that toxicity reports on paraquat-treated marijuana, when inhaled through smoking, are not conclusive and a more refined test was required. I have been informed as of today that subsequent testing indicated that paraquat traces are indeed trans-

mitted in the smoke. At the same time, it appears that studies conducted on paraquat-treated marijuana which might be consumed report only what doses would be lethal. Clearly, sub-lethal doses might well cause permanent damage—e.g., to the brain or lungs—to some proportion of the 13 million Americans who, by government estimates, are regular marijuana users. Yet, according to Dr. Hawks, none of the tests currently being conducted or which could be conducted will be able to tell us anything about the sub-lethal risks involved when persons consume marijuana contaminated with the highly toxic paraquat. Whatever information we still do not have, as a result of recent findings, we now know that no research will be able to tell us that paraquat is not a hazard to human health.

Whatever the reasons, we now know that more paraquat-tainted marijuana containing increasingly higher levels of paraquat residues are entering the United States and being sold to unsuspecting users and that there exists a clear risk to human health, of our own making. And yet, no action is being taken to induce the Mexican government to halt the use of paraquat in its spraying program, or to substitute a safer herbicide.

In light of recent developments, I believe that the United States Government should undertake immediately to safeguard the health and welfare of a significant number of our citizens who may be endangered as a result of this government's involvement, however direct or indirect, in Mexico's program to spray marijuana fields with paraquat. Without question there is a duty owed to those citizens when our government is acutely aware of hundreds of tons of marijuana crossing the border from Mexico and has lent behind-the-scenes assistance to the spraying effort which causes the marijuana to be a risk to human health.

Parenthetically, I believe that the Government of Mexico may well want to reconsider its paraquat program in view of the possible risks of lung damage to peasant farmers, and to officials in the spraying program itself who are handling this substance.

I would like your immediate response to ascertain why, in the face of an unknown but possibly serious health risk, this government has not, to date, acted with reasonable dispatch to eliminate the risk, and what actions you propose to take at this critical time.

Sincerely,

CHARLES H. PERCY,
Ranking Minority Member.

COMMITTEE ON GOVERNMENTAL AFFAIRS, SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
Washington, D.C., May 9, 1978.

Hon. PETER G. BOURNE, M.D.,
Special Assistant to the President, The White House, Washington, D.C.

DEAR DR. BOURNE: Recent reports have come to my attention indicating that more than 20 percent of the samples of marijuana seized at the Mexican border are contaminated with the herbicide paraquat; that when analyzed, these samples are showing increasingly higher amounts of paraquat residues; that tests now conclusively establish that the highly toxic paraquat is in fact found in the smoke of sprayed marijuana which is inhaled into the human body; and that such inhalation, particularly with prolonged exposure, may seriously impair the ability of the lungs to handle oxygen—a condition known as fibrosis.

On July 18, 1977, I wrote urging you to expedite the conduct of tests aimed at determining the health risks associated with paraquat-treated marijuana. By December, your office reported that samples seized at the border showed "about 50 parts per million (ppm)" of paraquat. The White House release further stated "The absolute maximum amount of paraquat likely to be found on plant material is about 500 parts per million." But Dr. Richard Hawks—the official-in-charge of the paraquat study being conducted by the National Institute for Drug Abuse—has recently reported that current samples are showing up to 655 ppm; and that with each batch of new samples, the amount of paraquat-contamination appears to be increasing. Informally, reports have reached me indicating that government-seized Mexican marijuana coming into this country has been found to contain as high as 2,200 ppm of paraquat contamination.

Surely the hazards of such levels of paraquat in marijuana, and the associated risks involved for a large segment of the American public, merit immediate and high-level response. Yet it has now been more than ten months since I first brought this problem to the attention of Secretary of State Cyrus Vance and almost eight months since my July letter to you urging that the government's inquiry into the paraquat problem be expedited because of the potential for serious harm to American citizens. With each passing day, the matter takes on more distressing proportions.

According to Dr. Hawks, we still do not know of the precise risk such marijuana contamination poses, but the potential risk is serious. My office was informed late last week that toxicity reports on paraquat-treated marijuana, when inhaled through smoking, are not conclusive and a more refined test was required. I have been informed as of today that subsequent testing indicated that paraquat traces are indeed transmitted in the smoke. At the same time, it appears that studies conducted on paraquat-treated marijuana which might be consumed report only what doses would be lethal. Clearly, sub-lethal doses might well cause permanent damage—e.g., to the brain or lungs—to some proportion of the 13 million Americans who, by government estimates, are regular marijuana users. Yet, according to Dr. Hawks, none of the tests currently being conducted or which could be conducted will be able to tell us anything about the sub-lethal risks involved when persons consume marijuana contaminated with the highly toxic paraquat. Whatever information we still do not have, as a result of recent findings, we now know that no research will be able to tell us that paraquat is not a hazard to human health.

Whatever the reasons, we now know that more paraquat-tainted marijuana containing increasingly higher levels of paraquat residues are entering the United States and being sold to unsuspecting users and that there exists a clear risk to human health, of our own making. And yet, no action is being taken to induce the Mexican government to halt the use of paraquat in its spraying program, or to substitute a safer herbicide.

In light of recent developments, I believe that the United States Government should undertake immediately to safeguard the health and welfare of a significant number of our citizens who may be endangered as a result of this government's involvement, however direct or indirect, in Mexico's program to spray marijuana fields with paraquat. Without question there is a duty owed to those citizens when our government is acutely aware of hundreds of tons of marijuana crossing the border from Mexico and has lent behind-the-scenes assistance to the spraying effort which causes the marijuana to be a risk to human health.

Parenthetically, I believe that the Government of Mexico may well want to reconsider its paraquat program in view of the possible risks of lung damage to peasant farmers, and to officials in the spraying program itself who are handling this substance.

I would like to meet with you as soon as possible to ascertain why, in the face of an unknown but possibly serious health risk, this government has not, to date, acted with reasonable dispatch to eliminate the risk, and what actions you propose to take at this critical time.

Sincerely,

CHARLES H. PERCY,
Ranking Minority Member.

THE WHITE HOUSE,
Washington, December 9, 1977.

In response to recent concern that Mexican marihuana plants which have been sprayed with Paraquat might be harvested and imported into the U.S., the Office of Drug Abuse Policy has issued the following statement.

While we do not at present time see any major health hazard associated with Paraquat-treated marihuana, we have directed the National Institute on Drug Abuse to conduct research to determine if marihuana contaminated with Paraquat is being imported and, if so, whether its use could cause injury to marihuana users.

Samples of marihuana confiscated in the Southwest Region of the United States by the Drug Enforcement Administration were analyzed by the National Institute on Drug Abuse. Out of 45 samples, six were found to be contaminated with Paraquat. These samples, presumed to be from Mexico because of both the chemical analysis and their nearness to the border, averaged 900 pounds in weight.

Lee Dogoloff, Deputy Director, said "We wish to make this issue public. Marihuana which has been sprayed with Paraquat appears damp, yellowish and sickly looking, and may have spots similar to burn holes. Once manicured and mixed with untreated material, it becomes difficult to recognize and has no characteristic smell."

Since late 1975, the Mexican Government has been using Paraquat to destroy illegal marihuana fields. While the U.S. has provided both equipment and technical assistance to the Mexican Government for the eradication of illegal poppy fields, it is not participating in the marihuana eradication program. The Paraquat for this program was purchased by the Mexican Government in Europe.

Studies by the National Institute on Drug Abuse on the smoke from marihuana sprayed with Paraquat are still being conducted with preliminary results due in January 1978.

BACKGROUND

Paraquat is a commonly used herbicide which has been employed by the U.S. and Mexico since the early 1960's and has been approved by the EPA for several purposes. The most common application of Paraquat is as a means of cleaning the seedbed before planting crops, but it is also employed for such things as weed control in fruit orchards and as an aid to harvesting mature plants such as cotton and soybeans. Paraquat does not persist in the soil and presents no hazard when used in prescribed amounts. It is one of 23 herbicides which the EPA is proposing to restrict to trained farmers and users only.

Paraquat is highly toxic, can be fatal if swallowed in concentrated form, and has no known antidote.

There has been concern recently that some of the Mexican marihuana plants which have been sprayed with Paraquat might be harvested and imported into the U.S. before the herbicide has destroyed the plants. This concern has led the Office of Drug Abuse Policy to conduct research to determine if marihuana contaminated with Paraquat is being brought into the U.S., and, if so, whether it could cause harm to marihuana users.

Samples of marihuana confiscated in the Southwest Region of the United States by the Drug Enforcement Administration (DEA)

were analyzed by the National Institute on Drug Abuse (NIDA). Out of 45 samples, six were found to be contaminated with Paraquat. These samples, presumed to be from Mexico because of both the chemical analysis and their nearness to the border, averaged 900 pounds in weight.

Studies by the National Institute on Drug Abuse on the effects of ingested Paraquat have shown the following:

The absolute maximum amount of Paraquat likely to be found on plant material is about 500 parts per million (ppm). The amounts actually found on the confiscated marihuana were about 50 ppm.

At a rate of 500 ppm, a person would have to consume one pound of marihuana within a few hours for it to be fatal; at a level of 50 ppm, ten pounds would have to be ingested over a short period of time for fatal results.

Studies by NIDA on the smoke from marihuana sprayed with Paraquat are now being conducted. Included in the studies will be the analysis of smoke for the presence of toxic substances which might result from burning or smoking the Paraquat-laced marihuana. While previous studies on Paraquat sprayed on plants such as alfalfa found that the herbicide is not present in the smoke, it is not known whether this is true of marihuana. Smoking studies in rats will begin shortly to determine what, if any, toxic reactions occur with Paraquat-treated marihuana.

QUESTIONS AND ANSWERS ON MARIHUANA AND PARAQUAT

Q. If marihuana treated with Paraquat is eaten, in brownies for example, will it be fatal and how much will it take?

A. Since the amount of marihuana which has to be eaten for a lethal dose is between 1 and 10 pounds, it is unlikely that anyone could possibly ingest a lethal dose in food. If, for instance, one ounce of marihuana were used to prepare 2 pounds of brownies, 32 to 320 pounds would have to be eaten within a short period of time to cause death.

Q. What are the effects of smoking Paraquat-treated marihuana?

A. At the present time little is known about smoke toxicity. Studies conducted by ICI (the manufacturers of Paraquat) have shown that no Paraquat is detectable in the smoke collected from burning Paraquat-treated field crops.

The National Institute on Drug Abuse (NIDA) is at present conducting studies of smoke collected from burning marihuana treated with Paraquat. The question remains to be answered whether the Paraquat is being converted by the heat of burning into other toxic substances. NIDA hopes to have preliminary study results in January.

Q. How can street marihuana that has come from Paraquat-treated fields be recognized?

A. When Paraquat is applied to plants they quickly turn yellow and dry out. Sometimes spots similar to burn holes are noticeable on the leaf. This process only takes 1–3 days so the marihuana must be harvested soon after spraying and before the plants become so dry as to be unmanageable. Material coming into the country in large lots therefore appears damp, yellowish, and sickly looking.

Recognizing Paraquat-treated marihuana in street samples is more difficult since by this time the material may have been manicured considerably and possibly mixed with untreated material. No characteristic smell is associated with Paraquat so this is not a means of detection.

Q. What symptoms might be noticed after smoking or eating marihuana containing Paraquat?

A. No information is at present available concerning human symptoms to be expected after smoking Paraquat. Symptoms to be expected after oral ingestion would probably only be manifested if the pure herbicide were swallowed.

Q. Why was Paraquat originally chosen as the herbicide of choice to be used to eradicate marihuana fields?

A. Studies conducted in the early 1970's demonstrated that Paraquat was highly effective in quickly killing marihuana plants and presented a minimum of environmental consequences.

THE WHITE HOUSE,
Washington, August 2, 1977.

Senator CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for your letter of July 18 concerning research on Paraquat toxicity. Please be assured that we share your concern and consider this an important research issue. I would like to detail for you the steps which have been taken and are planned to develop this project.

It was decided at our May 27 meeting to attempt to resolve certain questions concerning Paraquat's potential danger to marijuana smokers. To this end, I requested that the National Institute on Drug Abuse (NIDA) prepare a research plan which could be implemented to settle some of these concerns. The plan was presented on June 3, and I subsequently, discussed the project with Mr. Dodson of your office on June 6. I decided, in view of the potential danger to U.S. citizens, that the project should be implemented and this decision was communicated to NIDA on June 7.

The research timetable called for an 18-week project to arrive at preliminary conclusions concerning the pyrolysis products of Paraquat on marijuana leaf—those chemical entities which appear in the condensed smoke after a marijuana cigarette is smoked. If safety cannot then be adequately addressed, toxicity studies in rats will be conducted on Paraquat-treated marijuana to assess the potential toxic effects. If necessary, these studies would take an additional 12–14 weeks.

The timetable presented by NIDA is the period of time necessary to complete the project after all the individual stages have been arranged. Any delay is an unavoidable aspect of the need to supplement ongoing contract funding to cover this work, coordinate with the U.S. Department of Agriculture (USDA) for plant-growing and treatment aspects of the project, and to work out the exact details of the experimental procedures necessary to carry out the work. If these details and plans are not carefully formulated at this initial stage, more questions than answers will result from such a project.

You might be interested to learn that scientific representatives of USDA, NIDA, and the Environmental Protection Agency have agreed to the type of marijuana to be used on the experiment and the methods of application and quantity of Paraquat to be applied. Initial experimental details have been worked out and sources established for actual homegrown Mexican marijuana which is necessary for the project. It has also been agreed that Chevron Corporation will supply the Research Triangle Institute with radio-labeled Paraquat for the project.

The appropriate contractual proposals have been solicited and the seeds (Mexican varieties), which were obtained from the University of Mississippi after agreement was reached on varieties of plants necessary and numbers of plants required, planted.

Two modifications have been made to the project as originally conceived at our May 27 meeting. The first is that the confiscated material will be analyzed at the University of Mississippi for the presence of Paraquat. Depending on the amount of Paraguat that is detected on this random screening of marijuana samples from all over the United States, the potential of exposure to Paraquat by a U.S. smoker can be assessed in preliminary fashion. Secondly, the pyrolytic experiments to be carried out will be done initially on manicured (harvested) plant material after application of Paraquat to it. This is not growing plant material, but presumably the data collected on its pyrolysis will carry over to the live plant situation. Since this material is available now, initial data can be generated prior to the availability of the mature grown plants.

To summarize where we stand at this moment:

1. Plants are growing which should be ready for harvest by the end of August.

2. Chemical analysis of the confiscated samples at the University of Mississippi will commence as soon as chemical supplies arrive (2 weeks from now), and some data should be available on these analyses by the end of August with a total of 200–300 analyses completed by the end of September.

3. The contractual arrangements with the Research Triangle Institute of North Carolina are in negotiation, and their full efforts should begin in about 2 weeks.

Thank you for your interest in this important project. If I can be of further assistance, do not hesitate to call me.

Sincerely,

PETER G. BOURNE, M.D.,
Special Assistant to the President.

COMMITTEE ON GOVERNMENTAL AFFAIRS, SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
Washington, D.C., July 18, 1977.

PETER G. BOURNE, M.D.,
Director, Office of Drug Abuse Policy, The White House, Washington, D.C.

DEAR DR. BOURNE: Over ten weeks ago, members of the staff of the Senate Permanent Subcommittee on Investigations, of which I am ranking minority member, called to my attention the possible hazards associated with the use of the herbicide "paraquat" on Mexican marijuana fields. The potential seriousness of this problem was immediately apparent. As you know, thousands of pounds of marijuana cross the Mexican border every month, and there is good reason to believe that a large portion of this marijuana, destined for consumption by U.S. citizens, may be tainted with this highly poisonous chemical. Although I do not condone the use of illegal drugs under any circumstances, I feel that the United States government has a responsibility to ensure that its actions do not forseeably endanger the health and safety of any of its citizens, drug users included.

I understand that, under your direction, a meeting was held at the White House on May 27, to discuss possible means of resolving the uncertainties of paraquat use on drug crops. The outcome of this meeting was a decision to begin certain tests on paraquat and paraquat-treated marijuana, to be conducted under the auspices of the National Institute on Drug Abuse. On June 10, my office received assurances from the Deputy Director of ODAP that these tests would begin "immediately."

On July 8, Subcommittee staff contacted your office to check on the progress of these experiments. Staff was informed that the actual experiments had not yet been started and would not commence for another two weeks, even though six weeks had already passed since the decision to implement this effort.

It is most difficult for me to understand an eight-week delay in such a simple task as the planting of marijuana for test purposes, especially in view of the six to eight-week lead time required to grow the plants to maturity, which is a necessary first-step in this test effort.

I know you share my concern for the health and safety of all Americans. No one should be inadvertently poisoned through the actions or inaction of the United States government. In view of the delays in this project to date, I urge you to do whatever is necessary to expedite the conduct of these important experiments.

Sincerely,

CHARLES H. PERCY,
Ranking Minority Member.

DEPARTMENT OF STATE,
Washington, D.C., May 13, 1977.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for your letter of May 6 to Secretary Vance in which you asked for specific information and documentation about the Mexican Government's eradication program in which opium poppy and marihuana fields are sprayed with herbicides.

I have been informed that the Office of the Senior Adviser for Narcotics Matters has been in touch informally with members of your staff concerning these questions. While an initial response has been prepared by that office, a few of your questions will require more time to provide a sufficient reply.

The Department of State shares your concern that the means employed to control illicit drug abuse and international narcotics traffic do not result in individual suffering, or ecological damage. President Carter stated in his message to the U.N. Commission on Narcotic Drugs in February . . . We must combine deep compassion for the victims of addiction with a vigorous attempt to eliminate the world supply of illicit drugs through international cooperation . . .

The Mexican narcotics control effort is directed and controlled by the Mexican Government. The United States Government provides the Mexican Government assistance which includes equipment and technical advisory services, since success in the Mexican program will help reduce the supply of illicit narcotics for the United States market.

You requested a description of the U.S. Government's oversight of the Mexican spraying operations. In addition to oversight provided by the U.S. Embassy in Mexico and the Department's Office of International Narcotics under the Senior Adviser for Narcotics Matters, inspection of the program in Mexico is conducted by the General Accounting Office, the Inspector General of Foreign Assistance, the Drug Enforcement Administration, periodic audit by the Agency for International Development and various concerned Congressional committees.

The oversight definition varies from group to group. The Department of State is concerned with the effectiveness of the program as it relates to the use of the U.S. assistance provided to the Mexican Government, i.e., whether the program is helping to reduce the flow of illicit drugs into the United States. The spraying operation is the core of the eradication effort. All supplementary efforts are directed at insuring effective spraying of the poppy fields, which the Mexican Government has given priority over marihuana fields. Spraying of marihuana takes place primarily during the summer period between the normal harvests of poppies.

The role of the American advisers in the actual spraying operation consists of helping identify the location of poppy fields by the Drug Enforcement Administration's TDY personnel flying reconnaissance flights with Mexican pilots and spotters; U.S. contract flight instructors; maintenance and repair instructors; aviation systems advisers; and support advisory services in operation of multi-spectral poppy field identification systems. Concerning your question of surveillance of the operations, American advisers infrequently accompany Mexican spray flights and often accompany Mexican personnel on subsequent verification missions.

Independent audits of the program are conducted frequently and often overlap. At the present time, representatives of the Congressional Budget Office and the Inspector General's Office for Foreign Assistance are reviewing the program in Mexico. The Department's Inspector General's review of the program begins in a few weeks and the A.I.D. audit should begin in June. The extent to which each of the groups may focus on the detailed technical aspects of the type of herbicide used will vary.

Dr. Walter A. Gentner of the U.S. Department of Agriculture visited Mexico in 1976 when the transition phase between the outgoing and incoming administration took place. His recommendations have been passed to the new administration. To date, the new Attorney General has not desired U.S. technical assistance in developing the use of herbicides which he has stated must be effective in eradication, ecologically safe, and safe for the personnel who participate in the spraying.

Herbicides are selected for the program after these criteria have been examined by specialists from various ministries within the Mexican Government. The herbicides presently employed in the program have been approved by the Mexican Department of Agriculture and are used commercially in agriculture in various parts of Mexico. The United States does not have direct influence over the choice of herbicides.

We have provided technical advisers to consult with the Mexican Government on herbicides and current planning exercises with the Mexicans may result in additional consultation. The Mexican Government purchases and procures the herbicides used in the program. No reimbursement arrangements exist to cover this cost. The United States cannot and does not set standards and specifications for the purchase and handling of herbicides by the Mexican Government. In response to a Mexican request for guidelines to assure safe handling of herbicides, general instructions were prepared on one occasion by the Narcotics Assistance Unit at the U.S. Embassy in Mexico City.

The U.S. Embassy reports that the chemical, paraquat, has been used in 1976 and 1977 only against marihuana, while 2,4-D is used only against opium poppies. We have been advised that in the future, only 2,4-D will be used against both poppies and marihuana because tests showed it was more effective and safer to handle. We will look into this issue further and will advise you.

We only know of the use of 2,4-D and paraquat in the program. It is possible that other herbicides or chemical variations have been used for limited testings.

We are making inquiries regarding the Environmental Protection Agency's position on paraquat. The U.S. Department of Agriculture has advised us informally that handling paraquat in its concentrated form can be harmful. This advice was passed on to the Mexican Government.

The possible toxic consequences of paraquat being accidentally sprayed on Mexican food crops, appears to be a remote possibility. The marihuana fields are located generally far from food crop fields. Reports from the Embassy indicate that marihuana sprayed with herbicides disintegrates quickly into a fine powder rendering it useless for smoking.

The State Department believes that herbicides used in any eradication effort should be safe for man and environment as well as effective in destroying the illegally grown plants. Some evidence is available that paraquat can be harmful to those who prepare and apply paraquat; therefore, we have supported informally the reported decision of the Mexican Government to use in the future only 2,4-D. We shall make inquiries on the progress of this decision and advise you.

Concerning your request for all State Department correspondence, cable traffic, agency memoranda, and other documents, from January 1975 to the present, covering the use of herbicides on drug crops in Mexico, we will begin the search immediately and provide the documentation within a matter of days.

Sincerely,

DOUGLAS J. BENNET, JR.,
Assistant Secretary for
Congressional Relations.

COMMITTEE ON GOVERNMENTAL AFFAIRS SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
Washington, D.C., May 6, 1977.

Hon. CYRUS R. VANCE,
Secretary of State, Department of State,
Washington, D.C.

DEAR SECRETARY VANCE: For the past few years, the Permanent Subcommittee on Investigations has actively monitored the efficiency and effectiveness of federal drug law enforcement. As ranking minority member of this Subcommittee, I have taken a special interest in this subject.

In conjunction with the Subcommittee's continuing oversight of federal efforts to halt the flow of illegal drugs across the Mexican border, the Subcommittee is interested in the joint United States-Mexican program to cut off drug supplies at the source by spraying Mexican marijuana and poppy fields with chemical herbicides. In this regard, I would appreciate your providing me with the following information and any documentation pertaining thereto:

1. Please describe the United States government's oversight of the Mexican spraying operations. What role do American advisers play in the actual spraying operations and in the surveillance of those operations? How often are independent audits of this program conducted and when is the next such investigative trip scheduled? Specifically, does the State Department plan a review of the program by a multidisciplined team of experts, as recommended by Dr. Walter Gentner of the U.S. Department of Agriculture in the report on his Fall, 1976, study of the program?

2. How are the herbicides used for the program selected? What influence does the United States have over the choice of herbicides? Does the United States set standards and specifications for the purchase and handling of herbicides by the Mexican government?

3. Is the chemical herbicide paraquat (also known as gramoxone) still used in Mexico on opium poppy plants If not, when and for what reason was its use halted?

4. Is paraquat still used for spraying purposes on marijuana plants? If not, when and for what reasons was its use halted?

5. Have any types of herbicides other than paraquat and 2,4–D been used in this program? Specifically, has 2,4,5–T been used on Mexican drug crops? If other herbicides have been used, why was their use halted?

6. Does the EPA currently consider paraquat safe for use in this program? Has the EPA shifted paraquat to its "rebuttable" list, indicating that there may be some reason to believe that it should not be registered for use in the United States? Has the U.S. Department of Agriculture strongly urged the United States and Mexican governments to discontinue use of paraquat on drug crops? If so, what action has been taken or is contemplated?

7. Has the U.S. government considered the toxic consequences of paraquat sprayed (1) on non-target Mexican food crops intended for local consumption or for export to the U.S. or elsewhere? and (2) on marijuana plants which are harvested after spraying.

illegally exported into the United States, and subsequently smoked or consumed by American users of the drug?

8. What is the present position of the State Department on the use of paraquat in this program by Mexican authorities? Has the State Department made any effort to stop or urge discontinuance of the use of this chemical by the Mexican government? If so, please describe these efforts and the Mexican government's response to them.

Please transmit all State Department correspondence, cable traffic, agency memoranda, and other documents, from January 1975 to the present, concerning the use of herbicides on drug crops in Mexico. This should include but not be limited to all correspondence with the Department of Agriculture and the Mexican government.

Your prompt assistance and reply by Friday, May 13, 1977, will be greatly appreciated. Mr. Stuart M. Statler, Chief Counsel to the Minority, is available to provide all necessary assistance to your staff and can be reached at 224-9157.

Warmest personal regards,

CHARLES H. PERCY,
Ranking Minority Member.

[From Science magazine, Feb. 24, 1978]

SPRAYING OF HERBICIDES ON MEXICAN MARIJUANA BACKFIRES ON U.S.

In the mountainous, inaccessible regions of Mexico, over an area that comprises more than one-fourth of the national territory, Mexican farmers carefully cultivate fields of opium poppies and marijuana. Each year, more than 2500 tons of that marijuana and 5000 pounds of heroin, an opium derivative, find their way across the border into the hands of pot smokers and heroin addicts in the United States. Customs officials here will admit frankly that they are powerless to prevent it, and authorities in Mexico have fought a notoriously losing battle with farmers who are skillful at locating fertile ground hundreds of miles from highways—and do not hesitate to shoot at soldiers and narcotics agents. In a country where the average yearly income in rural areas is in the range of $200, the modest farmer of opium and marijuana can have an income of $5000.

In the spring of 1975, the Mexican government and their advisers in the U.S. drug enforcement establishment came up with a bright idea: Herbicides, which were successfully used to defoliate large portions of the Southeast Asian jungle during the Vietnam war, could be sprayed on the opium and marijuana fields by Mexican pilots in sophisticated American helicopters. Infrared aerial photography, another high-technology development of the Vietnam war, could be used by fixed-wing aircraft to track down and pinpoint the location of the fields. By this method thousands more acres and thousands more fields could be wiped out than through the older, slower, ground method of search-and-destroy by burning.

After a brief period of trials and demonstrations before a variety of Mexican and American officials, the program began with the use of a variety of agricultural herbicides, including 2,4,5-T, 2,4-D, and paraquat (Gramoxone by its trade name). Later, paraquat was accepted as the most effective herbicide to use on marijuana, and 2,4-D was judged the most effective for use on opium poppies. Last year, according to government officials, poppy fields covering 14,000 acres and marijuana fields covering 9500 acres were destroyed by airborne spraying. This prompted one U.S. official to pronounce it "the most effective and cost efficient means of decreasing the flow of drugs such as heroin into the United States."

What has followed this comparative success, however, has been a growing criticism of the program by American environmentalists, an exacerbation of existing tensions between the United States and Mexico, and in the words of an American senator, outrage over the fact that no steps were taken to ensure the health of millions of Americans who might be using marijuana harvested immediately after it had been dosed with herbicide.

Concerns about the safety of the paraquat-sprayed marijuana—first expressed in the underground press—have led to a federally funded study of the safety. A warning about paraquat-contaminated pot has been issued by the Office of Drug Abuse Policy in the White House. Dogging the whole affair has been a series of contradictory statements by the State Department, which has tried at nearly every opportunity to minimize the ecological and health risks associated with the program, as well as the American involvement in it.

"What we're dealing with here is a very sensitive issue within the framework of relations between the United States and Mexico," a State Department official told *Science*. "Right now, they are spending an inordinate amount of their resources on a project [the spraying] that essentially benefits the United States. We don't want to disturb that. Moreover, anything that makes it appear that the United States is in any way controlling or directing the program is damaging to the stability of the Mexican political environment. The closer their government is to the United States, the worse it looks in the eyes of the Mexican people and press."

When the office of Senator Charles Percy (R-Ill.) began inquiring about the herbicide-spraying program in May 1977, after a member of his staff saw references to it in the underground press, the State Department was mindful of the diplomatic problem. In its responses to Percy and to the later inquiries of the National Organization for the Reform of Marijuana Laws (NORML), department officials pointed out that "the Mexican narcotics control effort is directed and controlled by the Mexican government." The State Department also asserted that the herbicides used in Mexico—after having been selected by the Mexicans with complete independence—do not pose any environmental or human health risks: "Reports from the [American] embassy indicate that marihuana sprayed with herbicide disintegrates quickly into a fine powder rendering it useless for smoking." Even the White House drug abuse office, in a statement released on 9 December 1977, asserted that "while the U.S. has provided both equipment and technical assistance to the Mexican government for the eradication of illegal poppy fields, it is not participating in the marihuana eradication program."

However, these claims appear to be contradicted by the scope of U.S. assistance to the program and by the contents of several State Department documents relating to to herbicide spraying. Although the U.S. claims, for example, that the herbicide program is Mexican-directed and controlled, it seems clear it could not function as it does without American approval: Since 1973, this country has provided $40 million in direct funding for the program, most of which has been used to purchase 41 American-made Bell helicopters and 35 Cessna single- and twin-engined fixed-wing airplanes.

Mexican personnel are trained by flight instructors, maintenance and repair instructors, and aviation systems advisers under contract to the United States. Employees of the Drug Enforcement Administration accompany the Mexicans on flights to identify the fields and assure that they have been destroyed. Four government agencies oversee the operation: the State Department, through the U.S. Embassy in Mexico, and its Office of International Narcotics; the Drug Enforcement Administration; the General Accounting Office; and the Agency for International Development.

This participation and oversight, moreover, clearly has extended to the marijuana eradication program: A report filed by John Ford, an employee of the State Department who was sent to help set up the spraying program, contains several references dated October 1975 to observations he made and advice he provided on the spraying of paraquat on marijuana fields.

The importance of the contradictions in the activities and public statements of the government lies in the influence that the State Department's denial of a U.S. role had in delaying an investigation of the environmental and human health effects of the herbicide-spraying program. Concern over those effects first arose simply because of paraquat's inherent toxicity to humans and plants. As the label on it states, "one swallow can kill," and there is no known antidote. Ingestion or inhalation of one-tenth of an ounce is sufficient to damage major internal organs and result in a painful death after 24 hours. In fact, more than 100 persons in the United States have died from ingesting paraquat by accident or to commit suicide. Most of the deaths have occurred in Texas and California, where paraquat has been used to kill weeds and clear land, according to a scientist at the National Institute of Drug Abuse.

Despite its toxicity to humans, paraquat does not persist in the environment—it breaks down when it contacts soil—which made it initially attractive to the Mexicans. To the American critics of its use on marijuana, however, that major attribute is more than offset by the way it acts to destroy plants. When sprayed in the air, paraquat sticks to the leaves of plants, desiccating them through a chemical reaction with the leaves' surfaces, with sunlight as the catalyst. Thus, for the plant to be completely destroyed, it must sit for a day and probably two in bright sunlight. The potential hazard to users of marijuana is created whenever the crop is harvested by the farmer on the same day it is sprayed. Once harvested and pressed into bricks for shipment across the border, the leaves are out of the sun, the plant stops its deterioration, and the herbicide remains largely intact on the marijuana.

STATE DEPARTMENT DENIAL

Initial inquiries from Percy and NORML about the possibility of this occurring or having occurred were deflected by the State Department with a denial of any responsibility for the program. Eventually, in response to persistent inquiries by Percy, the White House drug abuse office convened a meeting in May 1977 of representatives of eight federal drug enforcement and health agencies to discuss the issue. Then a different obstacle arose. Several of the officials balked at the idea of investigating potential risks associated with use of a contraband substance. According to Percy, they said in effect: "So who cares, what responsibility does our government have for dope smokers who might be poisoned by paraquat?" Although Percy himself had carefully expressed his disapproval of "the use of illegal drugs under any circumstance," he firmly expressed his belief that "the United States government has a responsibility to ensure that its actions do not foreseeably endanger the health and safety of any of its citizens, drug users included."

This view was shared by presidential assistant Peter Bourne, the director of the Office of Drug Abuse Policy, who pointed out that any intake of paraquat-treated marijuana by U.S. citizens would be a direct result of the

U.S.-supplied spraying operation. Following the meeting, Bourne directed the National Institute on Drug Abuse (NIDA) to conduct a $35,000 study to determine if marijuana contaminated with paraquat actually was being imported, and if so, whether it could cause injury to those who used it.

To answer the first question, NIDA obtained 71 samples of marijuana confiscated during major drug busts in the southwestern region of the United States and had them analyzed by researchers at the University of Mississippi. Richard Hawks, a chemist at NIDA who is directing the research, makes no claims that the samples are representative of all the marijuana that comes across the border, but he said that researchers found paraquat on 10 percent of the samples, and "by itself, that was positive proof that paraquat-laden marijuana is being imported."

For the second portion of the study, marijuana plants were grown by the Department of Agriculture at a laboratory in Beltsville, Maryland, where they also were treated with paraquat. Scientists at the Research Triangle Institute in North Carolina then burned the marijuana and subjected the smoke condensate to chemical analysis. The researchers already knew that a hazardous amount of the herbicide was unlikely to be inhaled by the user as a part of the smoke, but it was unclear whether or not the heat of the burning converted paraquat into another toxic substance. Tests of the smoke condensate using mass spectrometry have yet to be carried out, but the preliminary results of tests using a slightly less accurate method indicate that the herbicide is broken down into bipyridine, which commonly exists in tobacco smoke and will not hurt the user, according to Hawks.

According to NORML, however, the government cannot be sure that paraquat-laden marijuana poses no health hazard unless a study is made of the effects of eating small amounts of it baked in cookies or brownies—a means of administration employed by a small but essentially unknown proportion of the estimated 15 million regular marijuana users in the United States. Using several rather arbitrary statistical measures of the concentration of the herbicide in imported marijuana and the distribution of marijuana in a batch of brownies, NIDA has calculated that a person would have to consume 32 pounds of brownies—containing 1 pound of the sprayed marijuana—over a short period of time to ingest a lethal dose of paraquat. But the agency does not know whether eating a portion of that amount would have less than fatal but still toxic results, according to Hawks. "We have no plans whatever to look at the effects of ingesting a sublethal dose," Hawks added.

One indication of the potential toxicity of ingesting it may be the fact that the concentrations of paraquat found on the imported samples analyzed by NIDA were between 3 and 650 parts per million. These concentrations uniformly exceed the tolerance levels set for the Environmental Protection Agency for paraquat on foodstuffs, which are in the range of 0.05 to 0.10 part per million. Moreover, "because of paraquat's inherent toxicity and studies that indicate it can cause birth defects," the EPA has placed it on a list of candidates for hearings that may lead to those tolerance levels being reduced, or to a removal of the herbicide from the U.S. market for use in connection with agricultural commodities, an EPA spokesman told *Science*.

Keith Stroup, the director of NORML, believes that NIDA should study not only the hazards of eating paraquat-laden marijuana, but that it should also look into the possibility that heroin may be coming across the border laden with toxic amounts of the herbicide 2,4-D. The chemical works by interfering with the normal growth cycle of a plant, causing it to wither in 36 to 48 hours. Although it is not considered to be as toxic as paraquat, it also has been placed on a list of candidates for hearings that may lead to use restrictions or to its removal from the market; studies have indicated that it may cause mutations and cancer. So far, NORML has been the only group to express any interest in the possibility that it has contaminated imported heroin; ensuring that addicts do not face such a hazard does not seem to be a popular cause. The State Department responds confidently that "because heroin is already injurious to health, we don't consider that [the possibility of herbicide-laden heroin reaching users in this country] to be a problem."

NORML believes that a first step toward changing State Department support of the herbicide-spraying program would be to force the department in federal court to file an environmental impact statement, placing the ramifications of the spraying program on the public record. Impact statements are required under the National Environmental Policy Act (NEPA) for "major federal actions significantly affecting the quality of the human environment" in the United States. The State Department contends that no statement is required for the herbicide program because it is outside the U.S., under the formal control of the Mexicans, and bereft of any direct U.S. subsidy for the herbicides themselves.

Many Washington environmentalists, on the other hand, believe that such a statement is required. Their view is based partly on a 1975 suit by the Environmental Defense Fund that forced the Agency for International Development to file the statements on its pesticide programs in foreign countries because of their potential impact here. Moreover, the herbicide-spraying program in Mexico appears to be a prime example of the type of issue that impact statements are designed to illuminate. The State Department from the start knew, for example, that marijuana treated with paraquat was likely to be harvested quickly by the Mexicans; reports filed by John Ford noted that some of the plots that had been selected for the initial trials were harvested in the same day they were sprayed. The State Department also knew that paraquat is an extremely hazardous herbicide with which to work. In early 1975, an official of the Agricultural Research Service in the Department of Agriculture wrote to the State Department to express his concern over the intention of the Mexicans to use the herbicide, because of the hazards present for those who administered it. If a statement had been filed at the inception of the program, the State Department would have been forced to consider these ramifications and explain them in a public document, critics have pointed out.

Despite the apparent strength that these arguments would have in court, there is some reluctance by the environmentalists to take the case there. Currently, they are engaged in a running battle with agencies of the federal government that oppose a proposal by the Council on Environmental Quality, a White House office, to extend the NEPA requirements for filing impact statements to U.S.-supported actions that will have an effect only *within* the environment of a foreign country. Bringing a federal agency to court over an existing NEPA requirement in a case that hinges primarily on concern for the welfare of U.S. pot smokers and heroin addicts, at the same time a battle is taking place over proposals to extend those requirements, apparently is not considered sound strategy. Some groups also feel that the two issues—concern for U.S. pot smokers and the need for broader use of impact statements—should be kept apart.

Whatever the reason, this lack of action leaves unsolved several confusing mysteries that surround the affair. One is whether or not the State Department actually has exerted any pressure on the Mexicans to substitute another herbicide for paraquat. Richard Dugstad, a policy officer in the State Department's Office of International Narcotics, was quoted recently in the Washington Post as saying, "We have done nothing to discourage the use of paraquat by the Mexican government." But this contradicts what the State Department, in a letter to Senator Percy dated 13 May 1977, said: "We have supported informally the reported decision of the Mexican government to use in the future only 2,4-D" on marijuana plants. Dugstad now states that he was quoted out of context by the Post. The letter to Percy also states that "we have been advised that in the future, only 2,4-D will be used against both poppies and marihuana because tests showed it was more effective and safer to handle." Dugstad recently told Science, however, that "the Mexicans are staying with the present system of using paraquat on marijuana and 2,4-D only on opium poppies," because of continuing experience that shows each herbicide to be most effective on the plants that are sprayed with it now. He added a rhetorical question that prompts greater uncertainty: "Is it really appropriate for the U.S. to direct another government to use one chemical instead of another?"

Another unanswered question is whether the Mexicans are using herbicides besides paraquat and 2,4-D on opium poppies and marijuana. A report filed in 1976 by Walter Gentner, an employee of the U.S. Agriculture Department who went to Mexico to observe the operation, states that he saw the herbicide 2,4,5-T, a toxic chemical that may cause cancer, in a shed where other herbicides were stored. He suggested then that a special investigation be initiated, but up to now none has been conducted. Dugstad said that "to the best of our knowledge, no herbicides besides paraquat and 2,4-D are being used by the Mexicans."

In a sense, the uncertainty of this statement is understandable. The State Department has been caught between the proverbial rock and a hard place in this affair, which is fraught with international political complications and the potential for exposure of an error in U.S. policy. To admit at the start that paraquat-laden marijuana posed a health hazard for users in the United States would have been to admit that the Mexicans had not made the wisest choice of chemicals and, moreover, that despite the best application of American ingenuity and good intentions, heroin and marijuana are continuing to flow across the border in quantities that pose a hazard to U.S. citizens. What seems clear now, however, is that unless the State Department immediately places all of its cards on the table for everyone to see, its own credibility and wisdom, and possibly its good intentions, will remain in question.

[From the New Republic, Mar. 18, 1978]

POISONED MARIJUANA

Every year more than 2,500 tons of Mexican marijuana finds its way into the United States, accounting for perhaps 70 percent of the total consumed here. In analyzing samples of marijuana seized in major drug busts in the southwest since October 1976, the National Institute for Drug Abuse has discovered that more than 20 percent is contaminated by a chemical called paraquat, which is a toxic defoliant.

Where the chemical is coming from is no secret. It is traceable directly to a program jointly conceived by the Mexican government and U.S. drug enforcement advisers under which opium and marijuana fields in Mexico are sprayed from helicopters with paraquat and other agricultural herbicides similar, and in some instances identical, to those used to defoliate the jungle during the Vietnam war. As in Southeast Asia, hidden

marijuana and opium fields are located by infrared aerial photography.

The program was originally designed to destroy Mexican opium, which is the source of about 5,000 pounds of heroin each year. According to the State Department, spraying marijuana as well was entirely the idea of the Mexicans. To be sure, the chemical paraquat is highly effective in eradicating marijuana—if the plants are allowed to sit in the sunlight and open air for a day or two after spraying while the herbicide does its work. But the Mexican peasants who cultivate the stuff in inaccessible mountain fields are inspired by a stiff entrepreneurial spirit. After the helicopters depart, they simply hustle out and harvest the freshly sprayed plants, immediately squeezing the leaves into bricks before decomposition can begin. Thus more and more frequently the marijuana that is sold in this country has the poisonous chemical in it.

It's not clear just how harmful marijuana laced with paraquat is. According to the February 24 issue of Science magazine, which has carried the most thorough examination of the problem to date, the paraquat label states that one swallow can kill and there is no known antidote. According to Science, "ingestion or inhalation of one-tenth of an ounce is sufficient to damage major internal organs and result in a painful death after 24 hours."

However, NIDA testing of paraquat-laden marijuana—ordered by President Carter's Special Assistant for Health Issues, Peter Bourne—indicated that at the levels of concentration initially found on the imported samples, no hazardous amount was likely to be inhaled as part of the smoke from a marijuana cigarette nor a lethal amount ingested by eating marijuana cookies or brownies. But levels of paraquat concentration have increased dramatically in dope from recent seizures—up from six to 50 parts per million to highs of 2,000 per million. Furthermore, no one really knows whether there is any harmful effect from ingesting amounts too small to make you ill on the spot. The Environmental Protection Agency has warned that the chemical can cause birth defects, and all the concentration of paraquat turned up in the Mexican marijuana greatly exceed the tolerance levels set by that agency.

Dr. Lester Grinspoon of Harvard Medical School, the author of Marijuana Reconsidered, points out, "There's no way for a consumer to know that his grass is poisoned or by how much. Nor is there any way to complain about it, because the government is putting the poison in. Whatever needs to be done to reverse this should be done immediately. The Drug Enforcement Agency should move to stop the spraying program."

Peter Bourne of the White House takes a more casual view. "I'm not sure there's any demonstrable health hazard of any consequence," he says. "People who disagree with that do so on a largely emotional basis without any scientific substantiation. I mean, we have nobody coming into hospital emergency rooms with toxic effects."

People also disagree about how much the U.S. government is responsible for the marijuana spraying. The official State Department position is that the entire operation is Mexican and it is important for their local politics that it be perceived to be so. We provide funds only for opium eradication. The Mexicans extended it to marijuana on their own, almost as a favor to us, it would seem. "Right now they are spending an inordinate amount of their resources on a project that esentially benefits the U.S.," a State Department official told Science. "We don't want to disturb that." State also insists that we have no direct influence over the choice of herbicides used in the program.

On the other hand, over the past five years, the U.S. government has provided $40 million in direct funding for the program, most of which has gone for the purchase of helicopters and other aircraft for spraying and reconnaissance. We've also trained aviators and mechanics, actually operating the infared photographic equipment and advised in the use of chemicals. Drug Enforcement Administration officials often accompany Mexicans on the flights. The State Department has asserted that we allow the Mexicans to use the helicopters to spray marijuana only because we would have to maintain them in the poppy offseason anyway.

Opinions differ about what obligations the U.S. government now has in all this. The National Organization for Reform of Marijuana Laws (NORML) believes that all U.S. involvement should be stopped until it is conclusively proved that the chemicals used in both the poppy and marijuana programs are not putting poisons into grass or heroin consumed in this country. Illinois Senator Charles Percy, who has kept a constant pressure on government drug enforcement authorities for nearly a year takes a similar, if softer, position. Percy says, "The United States government has a responsibility to ensure that its actions do not foreseeably endanger the health and safety of any of its citizens, drug users included."

At the other end of the spectrum, some US drug enforcement officials believe that the government has no obligations whatever: marijuana is illegal and the government has no responsibility to assure that illegal activities are safe. But if there is some danger, it is the direct result of US-supported spraying operations. That much even Peter Bourne is prepared to concede. Does that imply any further obligation? "I don't think so," Bourne says. "If the risk exists the guy still has the option not to smoke the grass to begin with."

As far as the Carter White House is concerned, the little matter of poisonous paraquat on Mexican marijuana is "not a policy question." The US government does not intend to suspend the spraying program, or even to recommend to the Mexicans that safer chemicals be used. It has done little to publicize the potential danger since it was discovered. Bourne says, "It's a health issue comparable to cigarettes, and we have instructed HEW accordingly."

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senate return to executive session, and I suggest the absence of a quorum.

The PRESIDING OFICER. The Senate is automatically back in executive session. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

(Routine morning business transacted and additional statements submitted are as follows:)

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–3096. A communication from the Secretary of Transportation, transmitting the third annual report of activities related to the Deepwater Port Act of 1974, covering the fiscal year October 1, 1976 through September 30, 1977; to the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works, and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of Transportation, relative to the third annual report under the Deepwater Port Act of 1974, be referred jointly to the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works, and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC–3097. A communication from the Under Secretary of Defense, transmitting, pursuant to law, a report of Independent Research and Development and Bid and Proposal costs; to the Committee on Armed Services.

EC–3098. A communication from the Under Secretary of Defense, transmitting, pursuant to law, Contractor IR&D and B&P Advance Agreements Negotiations completed during Government FY 1977 and Independent Research and Development and Bid and Proposal Costs incurred by Major Defense Contractors in the Years 1976 and 1977; to the Committee on Armed Services.

EC–3099. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to Korea for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3100. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to NATO for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3101. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 33 construction projects to be undertaken by the Army National Guard and the U.S. Army Reserve; to the Committee on Armed Services.

EC–3102. A communication from the Chairman, Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the third Annual Report of the Board of Governors of the Federal Reserve System on its functions with respect to Section 18(f) of the Federal Trade Commission Act; to the Committee on Banking, Housing, and Urban Affairs.

EC–3103. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Act of July 19, 1940 to authorize additional appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–3104. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the utilization of the authority granted in 14 USC 475(a), (b), (c) and (d), to designate and rent inadequate quarters, lease housing, and hire quarters; to the Committee on Commerce, Science, and Transportation.

EC–3105. A communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 406 of the Fishery Conservation and Management Act of 1976 to extend the authorization for appropriations for fiscal years

1979 and 1980; to the Committee on Commerce, Science, and Transportation.

EC–3106. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 and the Rail Passenger Service Act to authorize additional appropriations and for other purposes, and to amend other rail safety Acts, the Railroad Revitalization and Regulatory Reform Act of 1976, and the Department of Transportation Act; to the Committee on Commerce, Science, and Transportation.

EC–3107. A communication from the Comptroller of the currency, transmitting, pursuant to law, the Annual Report of the Consumer Affairs Division of the Comptroller of the Currency for calendar year 1977; to the Committee on Commerce, Science, and Transportation.

EC–3108. A communication from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report on the effectiveness of the Rail Passenger Service Act of 1970 (Public Law 91–518); to the Committee on Commerce, Science, and Transportation.

EC–3109. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend section 2632 of title 10, United States Code, to provide the Secretary of the department in which the Coast Guard is operating with the authority to transport Coast Guard employees to and from certain places of employment; to the Committee on Commerce, Science, and Transportation.

EC–3110. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend Section 5(a) of the Wild and Scenic Rivers Act by designating a segment of the North Umpqua River in Oregon and its tributary Steamboat Creek for study as potential additions to the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

EC–3111. A communication from the Acting General Counsel, Department of Energy, reporting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–3112. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report of monitored changes in the refiner distribution and market shares of the statutory categories of refined petroleum products; to the Committee on Energy and Natural Resources.

EC–3113. A communication from the Acting Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report on actions taken by the Environmental Protection Agency and other Federal agencies to regulate sources of halocarbon emissions; to the Committee on Environment and Public Works.

EC–3114. A communication from the Chairman, National Professional Standards Review Council, Public Health Service, Department of Health, Education, and Welfare, reporting, pursuant to law, on the National Professional Standards Review Council (NPSRC); to the Committee on Finance.

EC–3115. A confidential communication from the Director, Defense Security Assistance Agency, transmitting, pursuant to law, a report on the impact of United States foreign arms sales and transfers on United States defense readiness and national security; to the Committee on Foreign Relations.

EC–3116. A communication from the Administrator, Agency for International Development, Department of State, transmitting, pursuant to law, a report regarding activities carried out under Section 121 of the Foreign Assistance Act of 1961, as amended, on the Sahel Development Program; to the Committee on Foreign Relations.

EC–3117. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–3118. A confidential communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on major issues of the FFG–7 Guided Missile Frigate Shipbuilding Program; to the Committee on Governmental Affairs.

EC–3119. A confidential communication from the Comptroller General of the United States, transmitting pursuant to law, a report on the next-generation aircraft carrier: the CVV and other alternatives; to the Committee on Governmental Affairs.

EC–3120. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the Stinger Surface-to-Air Missile Program; to the Committee on Governmental Affairs.

EC–3121. A confidential communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the Advanced Attack Helicopter Program; to the Committee on Governmental Affairs.

EC–3122. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a Department of the Navy proposal, with supporting documentation, to alter two existing Navy record systems; to the Committee on Governmental Affairs.

EC–3123. A communication from the Administrator, Health Care Financing Administration, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records, "Medicare Second Surgical Opinion Experiments HEW–HCFA–OPPR–09–70–0001"; to the Committee on Governmental Affairs.

EC–3124. A communication from the General Counsel, Foreign Claims Settlement Commission of the United States, transmitting, pursuant to law, a report of its compliance with the Government in the Sunshine Act (Public Law 94–409); to the Committee on Governmental Affairs.

EC–3125. A communication from the Acting Staff Director, United States Commission on Civil Rights, transmitting, pursuant to law, a report on its administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EC–3126. A communication from the Director, United States Information Agency, transmitting, pursuant to law, a report on its administration of the Freedom of Information Act; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions, which were referred as indicated:

POM–538. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Budget:

"RESOLUTION

"Whereas, The domestic needs of our nation will never receive the major attention they deserve, or the financing they require, until there is a re-ordering of our national priorities; and

"Whereas, The amount of expenditures for the Pentagon is excessive, and unrelated to our actual foreign policy and defense needs; and

"Whereas, The attitude exists among some in the administration and Congress that Pentagon expenditures, regardless of their size and merit, must be reduced; and

"Whereas, If we eliminate the items which are fixed by law and contractual obligation, including such items as social security and railroad retirement, which are financed by separate payroll taxes, unlike defense expenditures and which come out of general revenues, and eliminate fixed costs such as interest payments or pensions, we find that only twenty-six per cent of the national budget is subject to appropriations controlled by Congress as reported by the budget office of the United States Congress; and

"Whereas, Of that twenty-six per cent, eighteen per cent goes to the military, including military foreign aid, and only eight per cent for domestic civilian needs; and

"Whereas, Responsible policy requires that if we advocate increased domestic and social spending, we must indicate where such funds must come from; now therefore, be it

"*Resolved*, That the Massachusetts Senate urges Congress to redress the imbalance between domestic expenditures and expenditures for the Pentagon by recognizing that the social defense of this nation is at least as important to the national defense as is our military defense, and by supporting the transfer of funds from military spending to human needs programs through the congressional budget process; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of the Congress, and to the members thereof from the commonwealth."

POM–539. A resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, For over six decades through two world wars and an intense civil war to hold back communism, Greece has been a fighting ally and friend of the United States, and is now an indispensable ally and the symbol of democratic government in Eastern Europe; and

"Whereas, Greece is essential to the security of the United States and the Free World in the Mediterranean area and is essential for the safeguarding of the Sixth Fleet in the Mediterranean; and

"Whereas, Turkey has attacked, seized and continues to occupy the independent island nation of Cyprus, by illegal use of United States supplied military weapons in violation of the United States Foreign Military Assistance and Sales Acts, and in violation of four United Nation Resolutions; and

"Whereas, The humanitarian crisis on Cyprus, involving 200,000 Cypriot refugees, grow's increasingly more desperate, as the prospects for a negotiated settlement appear dim; and

"Whereas, President Carter has declared that the United States foreign policy shall be committed to the protection of human rights, and he has proceeded to withdraw United States aid from nations which have persisted in violation of human rights, such as Turkey has committed, and is continuing to commit, against the people and the nation of Cyprus; now therefore be it

"*Resolved*, That the Senate of the Commonwealth of Pennsylvania urges the President and the Congress of the United States to exert their best efforts towards a just resolution of the Cyprus conflict, to effectuate a removal of all foreign troops from Cyprus, to restore the 200,000 suffering Cypriot refugees to their homes, and to restore to the people of Cyprus the right of self-determination; and be it further

"*Resolved*, That the Senate of the Commonwealth of Pennsylvania urges the Presi-

dent and the Congress of the United States to give generous support to the Cypriot refugees, and to continue to support Greece by annual aid authorizations and to continue the embargo on arms to Turkey until such time as Turkey acts to resolve the Cyprus conflict; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States and to the presiding officer of each House of Congress of the United States and to each Senator and Representatives from Pennsylvania in the Congress of the United States."

POM–540. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on Human Resources:

"HOUSE CONCURRENT RESOLUTION NO. 1016

"Whereas senior citizens are a valuable resource to the communities of this country because they are capable of providing vital services to all the citizens of the community; and

"Whereas, in the golden years of their lives, these citizens can convey their experiences for the benefit of the entire community;

"Whereas, the Retired Senior Volunteer Program is a federally and locally funded action program providing a dual benefit to the community by creating meaningful retirement roles to senior citizens through community volunteer services and providing needed volunteer help to the community; and

"Whereas, there are 1,800 volunteers serving in the nine Retired Senior Volunteer Programs in this state; and

"Whereas, this state has received 327,566 hours of volunteer service in one year from these programs; and

"Whereas, this assistance would have impacted state and local governments in the amount of $753,401.80 had they been required to hire such services;

"Now, therefore, be it resolved, by the House of Representatives of the Fifty-third Legislature of the state of South Dakota, the Senate concurring therein, that the state of South Dakota deeply appreciated the contributions of the Retired Senior Volunteer Program and requests that the Congress support full funding for such program; and

"Be it further resolved, that copies of this Resolution be sent to President Carter, the Chief Clerks of the United States House of Representatives and Senate, the South Dakota Congressional Delegation, and Jo Ann Eisenbeisz, Director of the South Dakota Retired Senior Volunteer Program."

POM–431. A memorial adopted by the Legislature of the State of Arizona; to the Committee on the Judiciary:

"HOUSE MEMORIAL 2002

"Whereas, each year thousands of persons are sentenced by state courts to prison for the commission of crimes; and

"Whereas, the current habeas corpus actions in federal court allow each defendant to demand an individual reexamination of each issue in a case and there is no requirement that all such issues be raised in one appellate action; and

"Whereas, the court system of this country is deluged with thousands of cases on appeal; and

"Whereas, the backlog of cases causes hardships on victims and defendants alike; and

"Whereas, excessive appeals result in the expenditure of millions of dollars in legal investigative and court costs and tend to thwart and defeat justice.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"1 That Congress give its most earnest consideration to the prompt enactment of legislation to require the consolidation of issues based on habeas corpus relief into one appeal.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Pursuant to order of March 16, 1978, the following reports of committees were submitted during the recess:

Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 417. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2481. Referred to the Committee on the Budget.

S. Res. 418. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2481. Referred to the Committee on the Budget.

By Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment and an amendment to the title:

S. 2481. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 crop (Rept. No. 95–704).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Appropriations, without recommendation:

H.R. 6782. A bill to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion (Rept. No. 95–705).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Herbert L. Chabot, of Maryland, to be a Judge of the U.S. Tax Court.

(The nomination from the Committee on Finance was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Elwood Thomas Driver, of Virginia, to be a member of the National Transportation Safety Board.

James B. King, of Massachusetts, to be Chairman of the National Transportation Safety Board.

(The nominations from the Committee on Commerce, Science, and Transportation, were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WILLIAMS, from the Committee on Human Resources:

The following-named persons to be members of the Board of Directors of the Legal Services Corporation:

Cecilia Denogean Esques, of Arizona;
Steven L. Engelberg, of Maryland;
Hillary Diane Rodham, of Arkansas;
Richard Allen Trudell, of California; and
Josephine Marie Worthy, of Massachusetts.

The following-named persons to be members of the National Commission on Employment and Unemployment Statistics:

Bernard E. Anderson, of Pennsylvania;
Glen G. Cain, of Wisconsin;
Jack Carlson, of Maryland;
Michael Harold Moskow, of Illinois;
Rudolph Alphonsus Oswald, of Maryland;
Samuel L. Popkin, of California;
Mitchell Sviridoff, of New York; and
Joan Lawson Wills, of Virginia.

The following-named persons to be members of the Board of Regents of the National Library of Medicine, Public Health Service:

Thomas C. Chalmers, of New York;
Kelly M. West, of Oklahoma;
Samuel Richardson Hill, Jr., of Alabama;
Doris H. Merritt, of Indiana;
Cecil George Sheps, of North Carolina;
James Franklin Williams II, of Michigan; and
Nicholas Edward Davies, of Georgia.

(The nominations from the Committee on Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOLE:

S. 2760. A bill to revise Public Law 480 Regulations Governing Operations; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOMENICI:

S. 2761. A bill to delegate power to the States, through their State legislatures, to disapprove certain specified activities licensed by the Nuclear Regulatory Commission, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRAVEL:

S. 2762. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation and the Committee on Agriculture, Nutrition, and Forestry, jointly, by unanimous consent.

By Mr. BARTLETT:

S. 2763. A bill to amend the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1954 to improve the administration and fairness of provisions relating to employee benefit plans; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. BAYH:

S.J. Res. 123. A joint resolution proposing an amendment to the Constitution to provide for election of the President and Vice President of the United States by the national bonus plan; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE:

S. 2760. A bill to revise Public Law 480 regulations governing operations; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. DOLE when he introduced the bill appear earlier in today's proceedings.)

By Mr. DOMENICI:

S. 2761. A bill to delegate power to the States through their State legislatures, to disapprove certain specified activities licensed by the Nuclear Regulatory Commission, and for other purposes; to the Committee on Environment and Public Works.

STATE CONCURRENCE IN SITING OF NUCLEAR WASTE STORAGE

● Mr. DOMENICI. Mr. President, I am today introducing legislation relating to the crucial issue of state concurrence in the siting of nuclear waste storage facilities. Legislation in this area is both timely and necessary, and I am hopeful that my Senate colleagues will give this matter their prompt and careful attention.

Mr. President, the rapidly intensifying interest in solving the problems associated with permanent disposal of the accumulated radioactive nuclear by-products from our defense programs and from operation of commercial light water nuclear reactors has put enormous pressure on the Federal Government to locate and develop safe and environmentally sound long-term storage facilities at the earliest possible date. Release this week of a report by the Department of Energy Task Force for Review of Nuclear Waste Management, headed by John M. Deutch, Director of DOE's Office of Energy Research, has further heightened this interest. Among its key recommendations, the task force emphasized the need for development of away-from-reactor interim storage of spent fuel rods, early demonstration of satisfactory long-term storage techniques for spent rod assemblies, timely development of the waste isolation pilot plant planned for storage of certain defense wastes in an area near Carlsbad, N. Mex., and expanded licensing authority for the NRC. All of these recommendations bear heavily on the role and responsibilities of individual States in the nuclear waste field.

The legislation I am introducing today will establish beyond any doubt the right of a State to say "no" to the location within its boundaries of facilities intended for the long-term storage of radioactive nuclear waste materials. This right is limited only by the restriction that the proposed facility be licensable by the NRC. Companion legislation, to be introduced next week, will greatly expand the NRC licensing authority to cover all waste disposal facilities except certain limited activities at facilities associated with the national defense research and development program.

My bill also sets out a step-by-step procedure by which a State can exercise this veto power. The Governor and the State legislature would be promptly notified of the Nuclear Regulatory Commission's decision to allow development of a long-term waste disposal facility in the State. The State would then be given a minimum of 120 days, including 30 days during which the State legislature is in session, to either veto the facility or impose a 1-year moratorium on the project. If the State adopted a moratorium of the project, it would retain the right to veto the facility at any time during the moratorium period. The specific means for exercising the State veto under the bill would be left to the State legislature.

My bill also assures that the State will be given full and timely information on the proposed waste disposal facility and that the State legislature or its representative will have every opportunity to participate in any NRC licensing proceeding concerning development of the facility and to give its advice to NRC on the proposed project. Both the Governor and the State legislature must be given at least 6 months' advance notice of the proposal before any application may be filed with the Nuclear Regulatory Commission. During this period, the State must be given access to all information relevant to the proposal.

The bill also gives the Governor and the State legislature or its representative the opportunity to independently review this information. The scope and form of any reviews by either the Governor or the State legislature would be left to their discretion. In order to carry out its review function, the State legislature would be eligible for funding by the Nuclear Regulatory Commission. An authorization of $500,000 for fiscal year 1979 has been included in the bill for this purpose.

Finally, any advice or findings by the State legislature or its representative based upon its review could be forwarded to NRC where it would be included in the Commission's environmental impact statements on the project. Taken together, these provisions give the States the resources, information and opportunity to participate in the planning, siting and licensing of these waste disposal facilities and to share in the decision-making responsibility for the project.

Mr. President, from the point of view of a State faced with the possibility of Federal action to construct and operate a nuclear waste repository within that State's boundaries the protection offered by this legislation is essential. This is particularly true when the proposed facility is to be located on Federal land where, under current law, the States have limited authority to directly influence Federal actions. The history of nuclear waste repositories in this country is less than exemplary. With current technology we can and must improve upon this record, and, in the process, restore the confidence of our citizens in this Nation's technical capability to solve this critical problem.

Mr. President, under current law the final decision regarding siting of many of these nuclear waste disposal facilities is made by Federal officials who in truth may be more interested in solving a problem quickly and with minimum fuss, rather than in locating the best site. This situation is even more likely to be true today as the pressure on Federal officials to find a solution for nuclear waste disposal intensifies. My legislation will assure that the Federal Government remains honest and open in its dealings with States in this critical area and will assure that the States will have a meaningful role in these decisions.

Mr. President, I would ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the purposes of this Act are:

(a) to recognize the interests of the States in the siting of facilities to be licensed by the Nuclear Regulatory Commission (hereinafter referred to as the "Commission") for long term storage and disposal operations, including research, development and demonstration operations, for high level radioactive wastes, irradiated nuclear reactor fuel, non-high level transuranium contaminated wastes, or low level radioactive wastes;

(b) to permit a State, through its State legislature, to fully participate in the process for planning, siting, and licensing any such facility to be located in that State; and

(c) to authorize the State, through its State legislature, to disapprove the site selection of any such facility to be located in that State.

SEC. 2. At least six months prior to filing an application with the Commission, any person proposing to apply for a Commission authorization to develop a facility for long term storage and disposal operations, including research, development, and demonstration operations, for high level radioactive wastes, irradiated nuclear reactor fuel, non-high level transuranium contaminated wastes or low level radioactive wastes must publicly notify the Governor and the presiding officers of the State legislature for the State in which the facility is to be located of its intent to file the application. Upon providing any notice of intent required by this section, such person must make available to the Governor and to the State legislature or its designated representative on a continuing basis all information, recommendations, and findings developed by it which are relevant to the intended application. The Commission may not accept any such application from a person who fails to comply with the requirements of this section. Upon receiving any notice of intent required by this section, the Governor and the State legislature or its designated representative may conduct such reviews of the information, recommendations, and findings made available to them as they deem appropriate.

SEC. 3. The Commission shall promptly notify the Governor and the presiding officers of the State legislature upon receipt of any application for a Commission authorization to develop a facility for long term storage and disposal operations, including research, development and demonstration operations, for high level radioactive wastes. irradiated nuclear reactor fuel, non-high level transuranium contaminated wastes, or low level radioactive wastes. The State legislature or its designated representative shall be afforded the opportunity to participate in any Commission proceeding on the application. Such opportunity to participate shall include reasonable opportunity to offer evidence, interrogate witnesses, and advise the Commission regarding the application without requiring the

State legislature or its representative to take a position for or against the granting of the application. The State legislature or its designated representative may also submit advice, recommendations or findings to be included in any environmental impact statement on the application which is prepared by the Commission pursuant to the National Environmental Policy Act of 1969, as amended.

SEC. 4. The Commission shall promptly notify the Governor and the presiding officers of the State legislature upon the issuance of any Commission authorization to develop a facility in that State for long term storage and disposal operations, including research, development and demonstration operations, for high level radioactive wastes, irradiated nuclear reactor fuel, non-high level transuranium contaminated wastes, or low level radioactive wastes. Any such authorization by the Commission shall not take effect for a period of at least 120 days, including at least thirty days during which the State legislature is in session, after the date of the Commission's notification. During such period, the State may (1) by majority vote of the State legislature, postpone the effectiveness of the Commission's authorization to develop the facility for a period of one year from the date of the legislature's action, or (2) in accordance with procedures adopted by the State legislature, immediately disapprove the Commission's authorization to develop the facility. Prior to the expiration of any one-year postponement adopted under this section, the State, in accordance with procedures adopted by the State legislature, may disapprove the Commission's authorization to develop the facility. Any such Commission authorization to develop the facility which is disapproved by a State in accordance with this section shall not take effect.

SEC. 5. The Commission is authorized to make annual grants and to provide other assistance, in accordance with rules and regulations promulgated by the Commission, to any State legislature which elects to conduct reviews of an intended application pursuant to section 2 of this Act. There is authorized to be appropriated to the Commission for this purpose for fiscal year 1979 to remain available until expended $500,000.

SEC. 6. As used in this Act, the term "person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, Government agency, any State or political subdivision thereof any political entity within a State, or any other entity.●

By Mr. GRAVEL:

S. 2762. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation and the Committee on Agriculture, Nutrition, and Forestry, jointly, by unanimous consent.

NATIONAL AQUACULTURE ORGANIC ACT OF 1978

● Mr. GRAVEL. Mr. President, I am introducing today legislation to focus national attention on the long neglected activity of aquaculture.

Aquaculture is the controlled cultivation of aquatic plants and animals. It is practiced in various degrees of intensity throughout the world and the time is now right for concerted action in the United States.

By introducing the National Aquaculture Organic Act of 1978, I hope to promote the concept of aquaculture by encouraging increased and coordinated activity in this area by public, private, educational, and almost any other seriously interested party.

AQUACULTURE—AN OVERVIEW

The world activity in aquaculture is wide and varied. China has been cultivating fish for over 2000 years. Japan now produces more than 10 percent of its seafood needs through aquaculture. And Russia has been giving aquaculture increased attention.

The United States has been dabbling in various forms of aquaculture for a considerable period of time, but a Library of Congress report (aquaculture—1976—serial No. 94-31) indicates that aquaculture in the United States has grown insignificantly compared to such activities in other parts of the world. The species which are presently receiving the most attention in the United States are salmon, catfish, trout, oysters, crawfish, clams, and shrimp. The potential for increased production of these species, as well as the production of species heretofore uncultured in the United States is very promising.

My home State of Alaska has been involved in the cultivation of fin fish since the late 1800's. With more than 50 percent of the entire U.S. coastline located within the State of Alaska, one can understand why my interest in aquaculture is great. The potential for marine aquaculture development within Alaska is truly incredible, not to mention the vast possibilities for future freshwater-cultivation.

AQUACULTURE—MARKET POTENTIAL

World fishery resources were once thought to be practically unlimited. This has been clearly shown not to be the case. The world resources are now estimated by some experts to be capable of yielding a maximum global harvest of 100 to 150 million metric tons per year. More conservative estimates rarely exceed 100 million metric tons, including that of the National Oceanic and Atmospheric Administration, which estimates that the 100 million metric ton figure will be met by 1980. This suggests that a world shortage of fish products is possible in the foreseeable future.

World per capita fish consumption has increased over the past several years and in the United States alone has risen to a present level of 12.9 pounds per person per year. Reliable estimates project American consumption to increase to 15.2 pounds by the year 2000. A Library of Congress study has predicted that in the same period of time overall demand for seafood products in the United States, both edible and industrial, is expected to increase by a full 80 percent.

All these indicators suggest that the demand for fish products will only continue to increase in the years to come. With wild fish stock exploitation reaching maximum levels, per capita consumption of fish products on the rise, and the world population expected to increase from a level of 4 billion today to 6 billion by the turn of the century, aquaculture must be viewed as a promising possibility in helping to meet these food demands.

AQUACULTURE—ECONOMIC POTENTIAL

For a nation practically surrounded by water and replete with possible sites for raising inland fish species, fishery imports into the United States are surprisingly high. In 1976 the United States imported 4.6 billion pounds of edible fishery products valued at $1.7 billion, and 1.6 billion pounds of industrial fishery products worth $.5 billion. This adds up to $2.2 billion of American money sent abroad to purchase fishery products. The U.S. fishery exports in 1976 amounted to 241 million pounds, valued at only $330 million.

This leaves a net annual trade deficit of practically $2 billion for foreign fish products. Stated another way, close to 65 percent of fish consumed in the United States is imported from foreign countries.

The studious application of aquaculture techniques could help to reverse this unfavorable balance of trade situation. A promotion of aquaculture will result in the creation of many new jobs, fishery employment on a year-round rather than a seasonal basis, and an overall stability to the historical boom or bust fishery economy.

NATIONAL AQUACULTURE ORGANIC ACT—INTENT

Mr. President, the National Aquaculture Organic Act of 1978 will provide long overdue impetus to the promotion of aquaculture in the United States. My desire is to encourage the development of aquaculture of all types in all parts of the United States. This would include encouraging aquaculture for marine, as well as fresh water, species; for aquatic plants, as well as aquatic animals; for presently cultured species, as well as species as yet untested by the techniques of aquaculture; and for the rehabilitation and enhancement of public fisheries, as well as the promotion of commercial enterprises.

To accomplish these goals, my legislation designates the Department of Commerce as the agency with ultimate responsibility. The Commerce Department will, however, operate in close conjunction with the Departments of Agriculture and Interior, as both those Departments have proven themselves expert in many important aspects of aquaculture.

There are many facets to aquaculture, and I believe no single agency can or should be named the exclusive authority. The better approach is to tap the existing expertise of the several Departments and coordinate all aquaculture efforts through the Department of Commerce.

An Interagency Committee on Aquaculture will be formed to facilitate and coordinate information and activities among the three Departments, as well as all other agencies and parties involved.

My legislation also provides for the formulation of a national aquaculture development plan. This plan, to be drawn up in the year following enactment, will embody concrete suggestions on specific directions and priorities to pursue in the development of aquaculture in the United States.

A grant program will encourage participation in what is generally considered a rather expensive enterprise. These grants will allow the private entrepreneur to get involved in a venture that would otherwise, by virtue of prohibitive startup costs, be reserved for large corporations or the individual of great wealth.

A Federal aquaculture assistance fund is created for three purposes: First, to facilitate aquaculture financing by guaranteeing loans made to aquaculture operations since such loans have historically been unreasonably difficult to obtain; second, to make disaster loans for aquaculture stocks which are destroyed by unavoidable diseases; and third, to provide insurance coverage to aquaculture operations in those instances where insurance is not otherwise available.

NATIONAL AQUACULTURE ORGANIC ACT—COMPARISON TO OTHER AQUACULTURE LEGISLATION

Mr. President, the bill I offer today is in many respects similar to other pieces of aquaculture legislation already introduced in the Senate. S. 1043, introduced by Senator BENTSEN and of which I am a cosponsor, and S. 2218 and S. 2582, introduced by Senators STONE and WEICKER, respectively, all make numerous points which coincide with the proposals I have here. H.R. 9370, a House aquaculture bill that just recently passed that Chamber by a vote of 234 to 130, is also similar in many regards to this piece of legislation.

There are, however, three important new areas which my bill emphasizes, and I should like briefly to explain them.

First, unlike the other aquaculture legislation, I would require that the national aquaculture development plan be formulated at the regional level in advisory subcommittees and finalized at the national level by the National Advisory Committee. In a country as large as ours, with aquaculture interests as varied as they are, regional input for this national plan is an absolute necessity.

To insure adequate input from interests as diverse as shrimp farmers in Florida, salmon ranchers in Alaska, oyster raisers in Maine, and catfish farmers in the Midwest, information must be gathered on a regional basis. Only persons intimately familiar with the regional needs and conditions of the various parts of this country can provide such particularized data.

Second, I add the enhancement and rehabilitation of traditional publicly owned fish stocks as a major goal to be addressed by this legislation. It seems obvious that in addition to encouraging development of commercial aquaculture for the private sector, we should not overlook the desirability of rehabilitating the numerous depleted fish stocks which are of vital importance to the public sector.

The third and final issue of importance is the problem of land and water access for aquaculture facilities. I believe the contributions which aquaculture can make in helping to meet nutritional needs, stimulating commercial activity, and enhancing existing fisheries warrant its being given due consideration in land and water use management deliberations.

Aquaculture is certainly an activity that has been neglected in this country for too long. The numerous benefits to be gained—commercial, nutritional, and conservational, among others—have not yet been fully appreciated. Passage of this legislation will be a positive step toward translating these benefits into tangible realities.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Aquaculture Organic Act of 1978".

SEC. 2. FINDINGS, PURPOSE, AND POLICY.

(a) The Congress finds the following:

(1) The world production of seafood has declined since 1970 and the harvest of some populations of fish and shellfish has exceeded levels of maximum sustainable yield.

(2) Certain stocks of fish and shellfish of importance to the United States are depleted, or are declining, and such depletion or decline has an undesirable impact on both commercial and recreational fisheries.

(3) There is an extensive market for seafood in the United States, but the United States imports in excess of 50 percent of its fish and shellfish for human consumption (which imports are ten times the level of exports), and this dependence on imports as a source of protein makes it difficult to insure continuous supplies and suggests that alternatives such as aquaculture be developed.

(4) Many segments of the world population are now facing serious nutritional deficiencies and food shortages due to adverse climatic conditions and the steady growth of population. These problems will become more severe, and the resulting demand for increased food production will have to be met chiefly through the application of scientific and technological advances from research on aquaculture and other food production systems.

(5) Aquaculture is contributing significantly to world food supplies with production equal to 10 percent of current landings of seafoods and has the potential for increase by a factor of five before the end of this century.

(6) Less than 3 percent of current United States fisheries production results from aquaculture but there is a good potential for expanding production from aquaculture to equal or exceed the worldwide average, thereby helping to provide United States consumers with stable supplies of high quality aquatic foods.

(7) Growth of aquatic plants is a source of food for human and animal consumption as well as a source of industrial materials and energy. The Congress recognizes the importance of developing aquaculture of both plant and animal species.

(8) The stocking of advanced life stages of fish and shellfish produced by aquaculture is a means of rebuilding and augmenting fish and shellfish populations and establishing new fisheries.

(9) The application of aquaculture technology offers opportunities for the recovery of wasted thermal energy, nutrients, and other resources and may be a more efficient use of these resources for food production culture.

(10) Where water, whether fresh, brackish, or marine is suitable for aquaculture, appropriate consideration should be given to the utilization of such water for aquaculture along with the other uses of such water.

((11) Where land-use management policies may inhibit the development of aquaculture facilities in areas suitable for aquaculture, appropriate consideration should be given to the utilization of these areas for aquaculture along with the other uses of such areas.

(12) Current efforts to develop aquaculture in the United States are highly diffuse, and a strong commitment by the Federal Government will make aquaculture more efficient and competitive, thereby stimulating public and private investment and development.

(13) While many scientific and technological problems are unsolved, there is sufficient knowledge to further the development of aquaculture production systems for many species of fish and shellfish.

(14) The development of aquaculture in the United States has been limited by the inability of producers of aquatic species to obtain adequate capital and a reliable source of seed stock.

(15) Aquaculture in the United States has traditionally concentrated on a few aquatic species, but many others have a potential for commercial and other culture. However, the culture of additional species may include a higher degree of risk than the culture of traditional species, especially during the initial stages.

(16) Government programs that help to reduce the risks associated with production of agricultural commodities have not been generally available to producers of those aquatic species in which the risk is high.

(17) The rehabilitation and enhancement of the publicly owned fish and shellfish resources are desirable applications of aquaculture technology as a means to increase the general public benefits to be derived from the utilization of these common property resources.

(18) Extensions of jurisdiction over marine resources by numerous nations have resulted in the exclusion of many fishing nations from traditional fishing areas and created a demand in those nations for aquatic food-stuffs. Aquaculture could supply this new demand.

(19) The Select Committee on Nutrition and Human Needs of the Senate has recommended an increase in the fish consumption of the American family. Aquaculture can help to carry out this recommendation.

(b) The purpose of this Act is to promote aquaculture in the United States by—

(1) declaring a national aquaculture policy;

(2) establishing and implementing a national plan for aquaculture; and

(3) developing programs and encouraging activities:

which will result in the coordination of domestic aquaculture efforts, the conservation of existing aquatic resources, the rehabilitation and enhancement of the publicly owned fish and shellfish stocks, the encouragement of commercial aquaculture activities, the creation of new industries and job opportunities, and other national benefits.".

(c) Aquaculture has a high potential for augmenting existing commercial and sport fisheries, thereby increasing the supply of aquatic protein for both human and animal consumption and assisting the United States in meeting its future food needs and contributing to the solution of world food problems. It is, therefore, in the national interest, and it is the national policy, to encourage the development of aquaculture.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) The term "aquaculture" means the propagation and rearing of aquatic species in controlled or selected environments, including ocean ranching.

(2) The term "aquaculture facility" means any land, structure, or other appurtenance, if such land, structure, and appurtenance is located within the United States, which is

used for aquaculture, including, but not limited to, any laboratory, vehicle, hatchery, rearing pond, raceway, pen, incubator, or other equipment.

(3) The term "aquatic species" means any species, native or introduced, of finfish, mollusk or crustacean or other aquatic invertebrate, amphibian, reptile, or aquatic plant, other than any such species which is primarily used for ornamental purposes.

(4) The term "Fund" means the Federal Aquaculture Assistance Fund established by section 11.

(5) The term "person" means any individual who is a citizen or national of the United States and any corporation, partnership, association, or other entity (including, but not limited to, any community development corporation or fisherman's cooperative) organized or existing under the laws of any State.

(6) The term "Secretary" means the Secretary of Commerce.

(7) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and any other Commonwealth, territory, or possession of the United States.

(8) The term "United States", when used in a geographical context, means all States.

SEC. 4. NATIONAL AQUACULTURE DEVELOPMENT PLAN.

"(a)(1) Before the close of the 1-year period beginning on the effective date of this Act, the Secretary, after consultation with the Secretary of the Interior and the Secretary of Agriculture, shall prepare a National Aquaculture Development Plan (hereinafter in this Act referred to as the 'plan').

"(2)(A) The Secretary shall, after consultation with the Secretary of the Interior and the Secretary of Agriculture, establish an advisory committee for the purpose of assisting the Secretary in formulating a plan responsive to the various regional needs, interests, and approaches to the concept of aquaculture.

"(B) Such advisory committee shall be composed of regional subcommittees. The subcommittee regions shall be established as follows:

"(i) Eight regional subcommittees shall be created which correspond in geographical composition to the eight regional divisions created under section 302(a) of the Fishery Conservation and Management Act of 1976.

"(ii) Other regional subcommittees shall be created by the Secretary to represent the remaining non-oceanic States which are not a part of the regional subcommittees created by clause (i) of this subparagraph. Such other regional subcommittees shall be established on the basis of the following criteria:

"(I) geographical proximity of States to one another,

"(II) similarity of States in aquacultural activities and potential, and

"(III) other revelant factors.

"(C) Membership of the regional advisory subcommittee from any region must include representatives of at least the following groups, where such groups exist in that region:

"(i) State fish and game department;

"(ii) commercial fishermen;

"(iii) fishfood processors;

"(iv) private sector aquaculture organizations;

"(v) regional fishery management councils;

"(vi) Federal fish and wildlife agency;

"(vii) recreational fishermen; and

"(viii) educational institutions.

"(D) The governors of the various States shall appoint members to the regional advisory subcommittees.

"(E) The members of the regional advisory committees established under subparagraph (B), while away from their homes or regular places of business in the performance of services for the committee, shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

"(b) The plan shall be formulated at the regional level and coordinated and finalized at the secretarial level. The final plan shall—".

(1) identify those aquatic species (hereinafter referred to in this Act as "priority aquatic species") which the Secretary determines to have a potential for culturing on a commercial or other basis, which determination shall be made by the Secretary after taking into account—

(A) the extent of commercial aquaculture, if any, currently being carried out with respect to such species, and the projected biological and economic feasibility of culturing such species;

(B) the extent to which aquaculture research and development have been undertaken, within the public and private sectors, with respect to such species;

(C) the time and resources which will be required to develop aquaculture technology to the point where such species can be cultured on a commercial or other basis; and

(D) such other factors as the Secretary determines to be appropriate; and

(2) contain an aquaculture development program, prepared by the Secretary, for each priority aquatic species.

(c) The aquaculture development program contained in the plan for each priority aquatic species shall set forth those actions which the Secretary determines should be undertaken, and the period of time within which each such action should be completed, to provide for the culture of each such species on a commercial or other basis. Such actions, with respect to each priority aquatic species, shall include—

(1) such research and development, technical assistance, demonstration, extension education, and training as may be necessary and appropriate regarding—

(A) aquaculture facility and operation,

(B) water quality management,

(C) utilization of waste products (including thermal effluents),

(D) nutrition and the development of economical feeds,

(E) life history, genetics, physiology, and pathology and disease control (including research regarding organisms which may not be harmful to fish and shellfish but are injurious to humans),

(F) processing and market development, and

(G) production management and quality control;

(2) research with respect to the effect of the culture of such species on estuarine and other water areas;

(3) the identification and analysis of any legal or regulatory constraints which may affect the culture of such species;

(4) the development of adequate supplies of seed stock;

(5) the construction, purchase, lease, or acquisition of necessary developmental aquaculture facilities; and

(6) such other actions relating to research and development, technical assistance, demonstration, extension education, and training as such Secretary deems necessary and appropriate.

(d) In preparing an aquaculture development program for any priority aquatic species, and in reviewing any such program pursuant to subsection (f), the Secretary shall, to the extent practicable, take into account any significant action which has been, or which is proposed to be undertaken by any other Federal agency, any State agency, or any person, and which may affect the accomplishment of the program.

(e) Each action under each aquaculture development program prepared under this section for a priority aquatic species shall be implemented, either individually, jointly, or collectively, by the Secretary, the Secretary of the Interior, or the Secretary of Agriculture, as specified by the Secretary in the program on the basis of—

(1) responsibilities vested in the respective Secretaries by law or any executive action having the effect of law (including, but not limited to, Reorganization Plan Numbered 4 of 1970); and

(2) in cases where paragraph (1) does not apply, the experience, expertise, and other appropriate resources which the department, over which the Secretary concerned has jurisdiction, may have with respect to the action required under the program.

(f)(1) The Secretary, in consultation with the Secretary of the Interior, the Secretary of Agriculture, and the chief executive officer of any other Federal agency, any appropriate Regional Fishery Management Council, and any State agency which has significant functions which relate to aquaculture, shall review on an annual basis—

(A) each aquatic species not identified as a priority aquatic species; and

(B) the aquaculture development program established under the plan for each priority aquatic species to determine whether the actions specified in the program are being accomplished on a successful and timely basis.

(2) If as a result of the review conducted pursuant to paragraph (1)(A), the Secretary determines, after taking into account the criteria set forth in subsection (b)(1), that any aquatic species has a potential for culturing on a commercial or other basis the Secretary shall by regulation amend and plan to identify such species as a priority aquatic species and prepare an aquaculture development program for such species pursuant to subsection (c).

(3) If as a result of the review conducted pursuant to paragraph (1)(B), the Secretary finds that—

(A) any action so specified should be revised, the Secretary shall make such revision to the program as he deems necessary and appropriate; or

(B) sufficient progress is not being made with respect to any such program or that actions taken under any such program indicate that culture of the priority aquatic species concerned is doubtful, the Secretary shall cancel the program.

The Secretary shall by regulation amend the plan whenever any revision or cancellation is made pursuant to this subsection.

SEC. 5. FUNCTIONS AND POWERS.

(a) In implementing the aquaculture development program prepared under section 4 for any priority aquatic species, the Secretary, the Secretary of the Interior, or the Secretary of Agriculture, as the case may be, shall—

(1) provide advisory, educational, and technical assistance (including training) with respect to culture of the species to interested public and private organizations and individuals, but in providing such assistance shall, to the maximum extent practicable, avoid duplication of like assistance provided by other Federal agencies;

(2) consult and cooperate with interested persons, Federal, State, and local government agencies, regional commissions, and educational institutions regarding the development of aquaculture technology;

(3) produce, under the authority of section 4(c)(4), and sell at cost seed stock for

the priority aquatic species when privately produced seed stock is unavailable, unreliable, or not sufficient to meet production needs;

"(4) encourage the implementation of aquaculture technology in the rehabilitation and enhancement of the publicly owned fish and shellfish stocks, as well as the promotion of private commercial aquacultural enterprises;

"(5) assist the development of aquaculture by requiring that in areas where multiple land and water uses exist, aquaculture should be viewed as an important use which should be given appropriate consideration; and".

(6) prescribe such regulations as may be necessary to carry out such program.

(b) The Secretary, the Secretary of the Interior, or the Secretary of Agriculture may, incident to such Secretary's implementation of any aquaculture development program—

(1) for the purposes of assessing the biological and economic feasibility of any aquaculture system—

(A) conduct scale tests of the system, and, if necessary for the conduct of any such test, construct, operate, and maintain developmental aquaculture facilities, including, but not limited to, pilot plants for testing laboratory-scale results; and

(B) conduct such other tests or analyses as may be necessary;

(2) develop methods to enhance aquatic species stocks by aquaculture;

(3) carry out such studies and research with respect to aquatic species as may be appropriate regardless of whether such species is or has been identified as a priority aquatic species; and

(4) take such other actions as such Secretary deems necessary and appropriate.

(c) In addition to carrying out such other functions as are required under this Act, the Secretary shall—

(1) establish and maintain an aquaculture information center which shall function as a national clearinghouse for the collection, selection, analysis, and dissemination of scientific, technical, legal, and economic information relating to aquaculture;

(2) conduct appropriate surveys, in coordination with other agencies, of public and private aquaculture being carried out in the United States with respect to each aquatic species for the purpose of acquiring information on acreages, water use, production, culture techniques, and other relevant matters;

(3) arrange for the mutual exchange of information relating to aquaculture with foreign nations; and

(4) conduct a continuing study to determine which existing capture fisheries could be adversely impacted in the marketplace by competition from products produced by commercial aquaculture enterprises significantly aided under this Act, which study shall include an assessment of economic impact by species and by geographical region, and recommended measures to ameliorate any adverse impact. The Secretary shall report to Congress on the findings made under such study no later than 2 years following the effective date of this Act and every 2 years thereafter.

Any production information submitted to the Secretary by any person under paragraph (2) shall be confidential and shall not be disclosed except to the Secretary, the Secretary of the Interior, or the Secretary of Agriculture, as the case may be, for purposes of carrying out this Act, the advisory committee which may be established under section 4(a)(2)(A), or when required under court order. The Secretary shall by regulation prescribe such procedures as may be necessary to preserve such confidentiality, except that the Secretary may release or make public any such information in any aggregate or summary form which does not directly or indirectly disclose the identity or business of any person who submits such information.

(d)(1) The Secretary, the Secretary of the Interior, and the Secretary of Agriculture are each authorized to accept any gift, temporary donation, or devise or bequest of real or personal property, or the proceeds therefrom, or interests therein, for use in carrying out any function that such Secretary may have under this Act. Any such acceptance may be subject to the terms of any restrictive or affirmative covenant, or condition of servitude, if such terms are deemed by the Secretary concerned to be in accordance with law and compatible with the purpose for which acceptance is sought.

(2) Any gift or bequest of money, and any proceeds from the sale of other property received as a gift or bequest under this subsection, shall be deposited in a separate account in the Treasury and shall be disbursed upon the order of the Secretary concerned.

SEC. 6. COORDINATION OF FEDERAL AGENCY ACTIVITIES REGARDING AQUACULTURE.

(a)(1) There is established the Interagency Committee on Aquaculture (hereinafter in this section referred to as the "Committee") which shall be composed of the following officers or their designees:

(A) The Secretary, who shall be the Chairman of the Committee.

(B) The Secretary of the Interior.

(C) The Secretary of Agriculture.

(D) The Administrator of the Environmental Protection Agency.

(E) The Administrator of the Energy Research and Development Administration.

(F) The Commissioner of Food and Drugs.

(G) The Administrator of the Small Business Administration.

(H) The Chief of Engineers.

(I) The chief executive officer of any other Federal agency and any Regional Fishery Management Council which the Secretary finds to have significant functions which relate, or may relate, to the development of aquaculture.

(2) The functions of the Committee shall be—

(A) to ensure that there is a continuing exchange of information among the agencies represented on the Committee with respect to the nature and status of the programs or projects being carried out by such agencies which relate, or which may relate, to aquaculture in general or to the implementation of the plan; and

(B) to review on a continuing basis the relevant programs and projects of all Federal agencies to determine whether they are being carried out in compliance with subsection (b).

(b) Each Federal agency which has any function or responsibility with respect to aquaculture or has jurisdiction over any activity which affects, or may affect, the achievement of the purposes of this Act, shall, in consultation with the Secretary and to the maximum extent practicable, carry out such function, responsibility, and activity in a manner which is consistent with the purposes of this Act.

(c) Nothing in this Act shall be construed to amend, repeal, or otherwise modify the authority of any Federal officer or any Federal agency to carry out any functions relating to aquaculture which are authorized under any other provision of law.

SEC. 7. CONTRACTS AND GRANTS.

(a) The Secretary may carry out any function under this Act, and the Secretary of the Interior or the Secretary of Agriculture may carry out any function relating to any aquaculture development program which he is specified to implement under the plan, through grants to, or contracts with, any other Federal agency, any agency of any State and, subject to the approval of the State, any agency of any political subdivision thereof, any regional commission, any educational institution, or any other person.

(b) Any contract entered into, or any grant made, pursuant to this section shall contain such conditions and limitations as the Secretary concerned shall by regulation prescribe as being necessary and appropriate to protect the interests of the United States; except that no contract may be entered into, and no grant may be made, pursuant to this section unless the applicant submits with his application therefor a certification from each appropriate State agency and each appropriate local government agency stating that nothing in the laws administered by such agency prevents the carrying out of the project to which the contract or grant will be applied.

(c) The amount of any grant made pursuant to this section may not exceed one-half the estimated cost of the project for which the grant is made.

(d) Any person who receives a grant or contract under this section shall make available to the Secretary concerned and to the Comptroller General of the United States, or any of their authorized representatives, for purposes of audit and examination, any book, document, paper, and record that is pertinent to the funds received by such person under such grant or contract.

SEC. 8. GUARANTEES OF OBLIGATIONS ISSUED FOR AQUACULTURE FACILITIES.

(a)(1) The Secretary may, subject to the provisions of this section, guarantee, or make a commitment to guarantee, the payment of interest on, and the principal amount of, any obligation issued by an obligor for any of the following purposes:

(A) The financing of the construction, reconstruction, or reconditioning of any aquaculture facility (including the financing of the purchase cost of any aquaculture facility to be reconstructed or reconditioned); except that no obligation may be guaranteed under this section later than 2 years after the date of the completion of the construction, reconstruction, or reconditioning of the aquaculture facility involved.

(B) The acquisition of stocks of aquatic species for any aquaculture facility.

(C) The financing of the initial operating expenses of any aquaculture facility.

(D) The financing of marketing operations exclusively for aquaculture products.

(E) The refinancing of any existing obligation issued for any of the purposes specified in subparagraph (A), (B), (C), or (D), whether or not guaranteed under this section, including, but not limited to, any short-term obligation incurred for the purposes of obtaining temporary funds for refinancing. Guarantees and commitments to guarantee may be made under this section without regard to section 3679(a) of the Revised Statutes of the United States (31 U.S.C. 665(a)).

(2) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to both principal and interest, including any interest, if provided for in the guarantee, which may accrue between the date of default under a guaranteed obligation and the payment in full of the guarantee.

(3) Any guarantee, or commitment to guarantee, made by the Secretary under this section shall be conclusive evidence of the eligibility of the obligation for such guarantee, and the validity of any guarantee, or commitment of guarantee, so made shall be incontestable.

(4) The aggregate unpaid principal amount of all obligations guaranteed under this section and outstanding at any one time shall not exceed $500,000,000.

(b)(1) Obligations guaranteed under this section—

(A) shall have an obligor approved by the Secretary as being responsible and possessing the ability, experience, financial resources, and other qualifications necessary for the adequate operation and maintenance of the aquaculture facilities;

(B) shall be in an aggregate principal amount which does not exceed 87½ percent of the actual cost involved or the depreciated actual cost, as determined by the Secretary;

(C) shall have maturity dates satisfactory to the Secretary, but not to exceed 25 years;

(D) shall provide for payments by the obligor satisfactory to the Secretary; and

(E) shall bear interest (exclusive of charges for the guarantee and service charges, if any) at rates not to exceed such percentage per annum on the unpaid principal as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the Secretary.

(2) In guaranteeing any obligation under this section, the Secretary shall give preference to any person with 40 or fewer employees which, together with its affiliates, is primarily engaged in the business of aquaculture or commercial fishing for aquatic species.

(3) No obligation shall be guaranteed under this section unless the obligor conveys or agrees to convey to the Secretary such security interest as the Secretary may require to reasonably protect the interests of the United States.

(c)(1) The Secretary may charge a fee for any obligation guaranteed under this section, the amount of which shall be established by the Secretary by regulation but which may not exceed one-half of 1 percent per annum of the outstanding principal balance of the obligation. Fee payments shall be made by the obligor to the Secretary when moneys are first advanced under a guaranteed obligation and at least 60 days before each anniversary date thereafter.

(2) The Secretary shall charge and collect from the obligor such amounts as he may deem reasonable for the investigation of the application for any guarantee, for the appraisal of properties offered as security for any guarantee, and for the inspection of such properties during construction, reconstruction, or reconditioning; except that such charges shall not aggregate more than one-half of 1 percent of the original principal amount of the obligation to be guaranteed.

(3) All fees and other amounts received by the Secretary under the provisions of this subsection shall be deposited in the Fund.

(4) Obligations guaranteed under this section, and agreements relating thereto, shall contain such other provisions with respect to the protection of the security interests of the United States (including acceleration and subrogation provisions and the issuance of notes by the obligor to the Secretary), liens and releases of liens, payments of taxes, and such other matters as the Secretary may prescribe.

(d)(1) In the event of a default, which has continued for 30 days, in any payment by the obligor of principal or interest due under any obligation guaranteed under this section, the obligee or his agent shall have the right to demand, at or before the expiration of such period as may be specified in the guarantee or related agreements, but not later than 90 days from the date of each default, payment by the Secretary of the unpaid principal amount of said obligation and of the unpaid interest thereon to the date of payment. Within such period as may be specified in the guarantee or related agreements, but not later than 30 days from the date of such demand, the Secretary shall promptly pay to the obligee or his agent the unpaid principal amount of the obligation and unpaid interest thereon to the date of payment; except that the Secretary shall not be required to make such payment if before the expiration of such period he finds that there was no default by the obligor in the payment of principal or interest or that such default has been remedied before any such demand.

(2) Payments required to be made by the Secretary under paragraph (1) shall be made by the Secretary from the Fund.

(3) In the event of any payment by the Secretary under paragraph (1), the Secretary shall have all rights in any security held by him relating to his guarantee of such obligations as are conferred upon him under any security agreement with the obligor. Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Secretary may, under such terms and conditions as the Secretary prescribes or approves, complete, recondition, reconstruct, renovate, repair, maintain, operate, or sell any property acquired by him pursuant to a security agreement with the obligor.

(4) After any default referred to in paragraph (1), the Secretary shall take such action against the obligor or any other parties liable thereunder that, in his discretion, may be required to protect the interests of the United States. Any suit may be brought in the name of the United States or in the name of the obligee and the obligee shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary may accept a conveyance of title to and possession of property from the obligor or other parties liable to the Secretary and may purchase the property for an amount not greater than the unpaid principal amount of such obligation and interest thereon. In the event the Secretary receives through the sale of property an amount of cash in excess of any payment made to an obligee under paragraph (1) and the expenses of collection of such amounts, he shall pay such excess to the obligor.

(5) Whoever, for the purpose of obtaining any loan or advance of credit from any person with the intent that an obligation relating to such loan or advance of credit shall be offered to or accepted by the Secretary to be guaranteed, or for the purpose of obtaining any extension or renewal of any loan, advance of credit, or mortgage relating to an obligation guaranteed by the Secretary, or the acceptance, release, or substitution of any security on such a loan, advance of credit, or for the purpose of influencing in any way the action of the Secretary under this section, makes, passes, utters, or publishes, or causes to be made, passed, uttered, or published any statement, knowing the same to be false, or alters, forges, or counterfeits, or causes or procures to be altered, forged, or counterfeited, any instrument, paper, or document, or utters, publishes, or passes as true, or causes to be uttered, published, or passed as true, any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited, or willfully overvalues any security, asset, or income shall be punished by a fine of not more than $5,000, or by imprisonmrent for not more than 2 years, or both.

(e) The Secretary shall promulgate such rules and regulations as may be deemed necessary or appropriate to carry out the purposes and provisions of this section.

(f) For purposes of this section—

(1) The term "actual cost" of an aquaculture facility, as of any specified date, means the aggregate, as determined by the Secretary, of—

(A) all amounts paid by, or for the account of, the obligor with respect to such facility on or before that date; and

(B) all amounts which the obligor is then obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of such facility.

(2) The terms "construction", "reconstruction", or "reconditioning" include, but are not limited to, designing, inspecting, outfitting, and equipping of the aquaculture facility involved.

(3) The term "depreciated actual cost" means the actual cost depreciated on a straightline basis over the useful life of the property involved as determined by the Secretary.

(4) The term "obligation" means any note, bond, debenture, or other evidence of indebtedness issued for one of the purposes specified in subsection (a).

(5) The term "obligee" means the holder of any obligation.

(6) The term "obligor" means any person primarily liable for payment of the principal of or interest on any obligation.

SEC. 9. DISASTER LOANS.

(a)(1) The Secretary may make one or more loans from the Fund to any person if—

(A) an aquaculture facility, or stock of aquatic species at the facility, or both, that is owned by such person is damaged or destroyed as a result of a natural disaster; or

(B) the stock of aquatic species at an aquaculture facility owned by such person is damaged or destroyed by disease, pollution, or contamination (caused by reasons other than a natural disaster or the willful or negligent action of such person).

The purpose of any loan made by the Secretary under this section shall be to accomplish one or more of the following objectives:

(i) The repair, rehabilitation, or replacement of such facility.

(ii) The replacement of aquatic species stock.

(iii) To continue aquaculture operations while any such repair, rehabilitation, or replacement is in progress.

(iv) The purchase, construction, or reconstruction of an aquaculture facility at another location if the Secretary finds that—

(I) the damage to the facility is to extensive that its repair or rehabilitation is impracticable;

(II) the replacement of the destroyed facility at the same location is impracticable; or

(III) the pollution or contamination referred to in subparagraph (B) is likely to persist for such period of time that continued aquaculture operations at the same location are impracticable.

(v) To meet payments of principal and interest on any obligation of such person with respect to the facility or stock so damaged or destroyed for such period of time as the Secretary deems appropriate, taking into account the degree of such damage or destruction.

(vi) To retire in full any such obligation.

(2) No loan may be made under this section for any damage or destruction—

(A) which is fully compensated for by insurance (including insurance paid under section 10) or otherwise; or

(B) for which assistance is available under any other Federal disaster assistance program.

(b) Any loan made pursuant to this section shall—

(1) mature in not more than 20 years;

(2) bear interest at a rate not less than the rate determined by the Secretary of the Treasury taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity;

(3) be approved only upon the furnishing of such security or other reasonable assurance of repayment as the Secretary may require; and

(4) be subject to such other terms and conditions as the Secretary may require to protect the interests of the United States.

(c) The Secretary may consent to the

modification of any term or condition of any loan made under this section, including, but not limited to, reduction of the rate of interest, deferment of any installment of principal or interest, or change in any security requirment.

(d) All payments of principal and interest on loans made under this section shall be deposited into the Fund.

(e) For purposes of this section, the term "obligation" means any note, bond, debenture, or other evidence of indebtedness issued for the purpose of financing (1) the construction, reconstruction, or reconditioning of an aquaculture facility, (2) the initial operating expenses of any such facility, and (3) the acquisition of stock of aquatic species for any such facility.

(f)(1) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security for the purpose of obtaining for himself or for any applicant and loan under this section, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary under this section, or for the purpose of obtaining money, property, or anything of value under this section, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 2 years, or both.

(2) Whoever, with the intent to defraud, knowingly conceals, removes, disposes of, or converts to his own use or to that of another, any property mortgaged or pledged to, or held by, the Secretary pursuant to this section shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 5 years, or both.

(g) No loan may be made by the Secretary under this section for any damage to, or destruction of, any aquaculture facility or stock of aquatic species which occurs on or after the close of the 5-year period beginning on the effective date of this Act.

SEC. 10. INSURANCE AGAINST CERTAIN LOSSES INCURRED IN AQUACULTURE FACILITY OPERATIONS.

(a) As used in this section, unless the context otherwise requires—

(1) The term "direct insurance" means any insurance described in paragraphs (2), (3), and (4).

(2) The term "essential liability insurance" means insurance against all sums which the owner of an aquaculture facility becomes legally obligated to pay as damages because of bodily injury or property damage caused by the aquaculture facility, the operation of such facility, or the aquatic species cultured at such facility.

(3) The term "essential property insurance" means insurance against direct loss of, or direct damage to, the real or personal property of an aquaculture facility caused by perils as they are defined and limited in standard fire policies and extended coverage endorsments thereon as approved by the State insurance authority, and insurance against loss of, or damage to, the real or personal property of an aquaculture facility from such perils as the Secretary by regulation shall specify, including, but not limited to vandalism, malicious mischief, burglary, and theft.

(4) The term "essential stock insurance" means insurance against loss of, or damage to, any aquatic species being cultured at an aquaculture facility due to unavoidable or natural causes, including, but not limited to, drought, pollution, hail, frost, wind, winterkill, freeze, lightning, fire, excessive rain, flood, snow, wildlife, hurricane, tornado, insect or parasite infestation, disease, and such other unavoidable or natural causes as the Secretary by regulation shall specify.

(5) The term "insurer" includes any insurance company or group of companies under common ownership which is authorized to engage in the insurance business under the laws of any State.

(6) The term "owner" means any person having an insurable interest in an aquaculture facility or aquatic species stock.

(7) The term "pool" means any pool or association of insurers in any State which is formed, associated, or otherwise created for the purpose of making insurance more readily available.

(8) The term "reasonable premium rate" means that premium rate determined by the Secretary, which would permit the purchase of any direct insurance coverage by a reasonably prudent person in similar circumstances with due regard to the costs and benefits involved.

(b) The Secretary may by regulation define any technical or trade term necessary in the administration of this section, insofar as any such definition is not inconsistent with the provisions of this section.

(c)(1) The Secretary shall conduct, within 6 months after the effective date of this Act, and annually thereafter, a study to determine whether direct insurance is generally available to owners at reasonable premium rates, through insurers, pools, or a suitable program adopted under State law.

(2)(A) If the Secretary finds, as a result of the study referred to in paragraph (1), that essential property insurance or essential liability insurance is not available at reasonable premium rates in any State and such insurance has not been provided by State action, the Secretary may establish a program to provide such insurance in such State, if the Secretary considers the issuance of such insurance necessary and appropriate to carry out the purposes and policy of this Act.

(B) Any essential property insurance or essential liability insurance issued by the Secretary under this paragraph shall be subject to such terms and conditions, and to such deductibles and other restrictions and limitations as the Secretary deems appropriate; except that the Secretary may not provide essential property insurance or essential liability insurance with respect to—

(i) any aquaculture facility or stock of aquatic species which the Secretary determines to be uninsurable due to the failure of the owner to follow established principles for operating aquaculture facilities or culturing aquatic species, as the case may be; or

(ii) any aquaculture facility which the Secretary determines to lack reasonable protective measures to prevent loss or damage.

(3)(A) If the Secretary finds, as a result of the study referred to in paragraph (1), that essential stock insurance is not available at reasonable premium rates in any State and that such insurance has not been provided by State action, the Secretary shall establish a program to provide such insurance in such State.

(B) Any essential stock insurance issued by the Secretary under this paragraph shall be subject to such terms and conditions and to such deductibles and other restrictions and limitations as the Secretary deems appropriate; except that the Secretary may not provide essential stock insurance with respect to any stock of aquatic species if the Secretary determines such stock to be uninsurable due to the failure of the owner to follow established principles for culturing aquatic species or due to the lack of reasonable protective measures at the aquaculture facility concerned to prevent the loss of, or damage to, the stock being cultured.

(d)(1) In determining the premium rate for any direct insurance offered from time to time under subsection (c) (2) or (3), the Secretary shall consult with persons knowledgeable and experienced in insurance, including, but not limited to, State insurance regulatory authorities, and may take into consideration with respect to the insurance concerned, the nature and degree of risk involved, the protective devices employed, the extent of past and anticipated losses, the prevailing rate for similar coverages, the economic importance of the insurance, and the relative abilities of the particular classes and types of insureds to pay the actual premium for such coverage.

(2)(A) The Secretary may not establish the premium rate for any direct insurance at less than 50 percent of the actual premium rate for such insurance.

(B) For purposes of subparagraph (A), the actual premium rate for any direct insurance offered under this section shall be determined as follows:

(i) If insurance of the same kind is generally offered by insurers or pools in the State concerned, the actual premium rate shall be that rate which the Secretary determines to be the median premium rate for all such insurance so offered.

(ii) If insurance of the same kind is not generally offered by insurers or pools in the State concerned, the actual premium rate shall be that rate which the Secretary determines to be the rate at which insurers or pools in such State would offer such insurance, taking into account actuarially sound principles applicable to the elements making up such rate, including, but not limited to, claim losses, general administrative expenses, acquisition expenses, taxes, license fees, and profits.

In making determinations under clauses (i) and (ii), the Secretary shall consult with the insurance regulatory authority of the State concerned and any rate advisory organization licensed by such State.

Nothing in this section shall be construed to prohibit or require either the adoption of uniform national rates or the periodic modification of the currently estimated reasonable premium rates for any particular coverage, class, State, or risk on the basis of additional information or actual loss experience

(e)(1) The Secretary may enter into any contract, agreement, treaty, or other arrangement with any insurer or pool to provide reinsurance coverage with respect to any direct insurance issued by such insurer or pool, in consideration of payment of such premiums, fees, or other charges by insurers or pools which the Secretary deems to be appropriate, after consultation with persons knowledgeable and experienced in insurance.

(2) Reinsurance issued under this subsection shall reimburse an insurer or pool for its total proved and approved claims for covered losses resulting from providing the direct insurance concerned during the term of the reinsurance contract, agreement, treaty, or other arrangement, over and above the amount of the insurer's or pool's retention of such losses, as provided in such reinsurance, contract, agreement, treaty, or other arrangement entered into under this section.

(3) Such contracts, agreements, treaties, or other arrangements may be made without regard to section 3679(a) of the Revised Statutes of the United States (31 U.S.C. 665 (a)), and shall include any terms and conditions which the Secretary deems necessary to carry out the purposes of this section. The premium rates and terms and conditions of such contracts, agreements, treaties, or other arrangements with an insurer or pool shall be uniform in any one year throughout the country.

(f)(1) All premiums received by the Secretary under this section shall be deposited into the Fund.

(2) The Secretary, in a suit brought in the appropriate United States district court, shall be entitled to recover from any owner, insurer, or pool the amount of any unpaid premium lawfully payable to the Secretary by such owner, insurer, or pool under any

direct insurance or reinsurance issued under this section.

(3) No action or proceeding shall be brought for the recovery of any premium due the Secretary, or for the recovery of any premium paid to the Secretary in excess of the amount due, unless such action or proceeding is commenced within 5 years after the right accrued for which the claim is made; except that, if the insurer has made or filed with the Secretary a false or fraudulent statement or other document with intent to evade, in whole or in part, the payment of premiums, the claim shall not be deemed to have accrued until its discovery by the Secretary.

(g) In order to provide for maximum efficiency in the administration of the insurance and reinsurance program provided under this section, and in order to facilitate the expeditious payment of any claims under such program, the Secretary may enter into contracts with any insurer, pool, or person, for the purpose of providing for the performance of any of the following functions:

(1) The estimation or determination of any amounts of payments for reinsurance or direct insurance claims.

(2) The receipt, disbursement, and accounting for funds in making payments for reinsurance and direct insurance claims.

(3) The auditing of the records of any insurer, pool, or person to the extent necessary to assure that proper payments are made.

(4) The establishment of the basis of liability for reinsurance or direct insurance payments, including the total amount of proved and approved claims which may be payable to any insurer, pool, or owner, and the total amount of premiums earned by any insurer or pool in the respective States from direct insurance or reinsurance.

(5) The provision of assistance in any manner provided for in the contract to further the purposes of this section.

(h) The Secretary may, with the consent of the agency concerned, accept and utilize, on a reimbursable basis, the officers, employees, services, facilities, and information of any Federal agency with respect to any insurance matter which is within the purview of this section.

(i) The Secretary may prescribe regulations establishing the general method or methods by which proved and approved claims for losses are paid under any direct insurance or reinsurance issued under this section. Proved and approved claims shall be paid from the Fund.

(j) The Secretary, in providing any direct insurance or reinsurance under this section may adjust and pay all claims for proved and approved losses covered by such insurance and, upon the disallowance by the Secretary, or upon the refusal of the claimant to accept the amount allowed upon any such claim, the claimant, within one year after the date of mailing of notice of disallowance or partial disallowance of the claim, may institute an action on such claim against the Secretary in the United States district court for the district in which the insured owner or reinsured insurer or pool resides or principally conducts business, and jurisdiction is hereby conferred upon such court to hear and determine such action without regard to the amount in controversy.

(k) The face amount of direct insurance and reinsurance coverage outstanding and in force at any one time under this section shall not exceed $1,000,000,000.

(l) No direct insurance or reinsurance may be issued by the Secretary under this section after the close of the 5-year period beginning on the effective date of this Act.

SEC. 11. FEDERAL AQUACULTURE ASSISTANCE FUND.

(a) There is established in the Treasury of the United States a Federal Aquaculture Assistance Fund. The Fund shall be available to the Secretary as a revolving fund for the purpose of carrying out, and administering, sections 8, 9, and 10. The Fund shall consist of—

(1) any sums appropriated to the Fund;

(2) any fees received by the Secretary in connection with any guarantee made under section 8;

(3) recoveries and receipts received by the Secretary under security, subrogation, and other rights and authorities under sections 8, 9, and 10;

(4) payments of principal and interest received by the Secretary under any loan made under section 9;

(5) premiums paid to, or recovered by, the Secretary for any direct insurance or reinsurance issued by the Secretary under section 10; and

(6) moneys deposited pursuant to the last sentence of subsection (b).

All payments made by the Secretary to carry out the provisions of sections 8, 9, and 10 (including reimbursements to other Government accounts) shall be paid from the Fund, only to the extent provided in appropriation Acts. Sums in the Fund which are not currently needed for the purposes of sections 8, 9, and 10 shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

(b) If at any time the moneys in the Fund are not sufficient to pay any amount the Secretary is obligated to pay under section 8(d)(1) or any direct insurance or reinsurance claim under section 10, the Secretary shall issue to the Secretary of the Treasury notes or other obligations (only to such extent and in such amounts as may be provided for in appropriation Acts) in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury prescribes. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations to be issued hereunder and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury at any time may sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Moneys borrowed under this subsection shall be deposited in the Fund and redemptions of such notes and obligations shall be made by the Secretary from the Fund.

SEC. 12. REPORT AND RECOMMENDATIONS.

Before the close of the 90th day after the close of the 3-year period beginning on the effective date of this Act, the Secretary shall review the operation and effectiveness of the disaster loan program provided for under section 9 and the insurance program provided for under section 10 and shall submit a report thereon to the Congress, together with the recommendation of the Secretary as to whether or not either such program should be continued and, if the Secretary recommends continuation, such suggestions as the Secretary may have for improving the operation and effectiveness of such program.

SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

(a) For purposes of carrying out the provisions of this Act (other than sections 8, 9, or 10), there are authorized to be appropriated, notwithstanding any authorization for appropriations in any other Act in effect before the date of the enactment of this Act—

(1) to the Department of Commerce, not to exceed—

(A) $4,000,000 for the fiscal year 1979,

(B) $15,000,000 for the fiscal year 1980, and

(C) $17,000,000 for the fiscal year 1981;

(2) to the Department of the Interior, not to exceed—

(A) $2,000,000 for the fiscal year 1979,

(B) $7,500,000 for the fiscal year 1980, and

(C) $8,500,000 for the fiscal year 1981; and

(3) to the Department of Agriculture, not to exceed—

(A) $2,000,000 for the fiscal year 1979,

(B) $7,500,000 for the fiscal year 1980, and

(C) $8,500,000 for the fiscal year 1981.

(b) There are authorized to be appropriated, without fiscal year limitation, to the Fund such sums as may be necessary and appropriate for purposes of carrying out sections 8, 9, and 10; but not to exceed $500,000,000 for the purposes of section 8 and not to exceed $250,000,000 for the purposes of section 9.

SEC. 14. EFFECTIVE DATE.

This Act shall take effect October 1, 1978.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Senator BARTLETT to develop aquaculture be referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Agriculture, Nutrition, and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. BARTLETT:

S. 2763. A bill to amend the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1954 to improve the administration and fairness of provisions relating to employee benefit plans; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

EMPLOYEE RETIREMENT INCOME SECURITY AMENDMENTS

● Mr. BARTLETT. Mr. President, during the 93d Congress, the Employee Retirement Income Security Act was signed into law and heralded as a major innovation to protect workers from the loss of pension benefits. Since ERISA became law, we have all become aware of the "nightmare" of paperwork and cross interpretations that have been created. The obvious effect has been the ever-increasing number of businesses dropping their pension plans. These figures most graphically describe the chaotic effect of the legislation. Mr. President, I ask unanimous consent that a table be printed in the RECORD which reflects the number of pensions started and number of pensions terminated during the years 1970 through December of 1977.

This data is provided by the Internal Revenue Service and reflects the detrimental effects of what was purported to be one of the most beneficial pieces of legislation in recent years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Retirement plan creations and terminations

Calendar year	Starts	Terminations
1970	32,570	2,306
1971	40,664	3,335
1972	49,335	3,550
1973	59,605	4,130
1974	59,919	4,604
1975	30,043	8,276
1976	25,821	15,859
1977	35,416	15,815

NOTE.—Corporate plans only, self-employed plans would add to totals.

Source: Internal Revenue Service.

Mr. BARTLETT. Mr. President, the obvious nature of the problem, and the comments I have received from Oklahomans, led me to request inputs from attorneys, certified public accounts, business people, and insurance agents for possible development as amendments. The result of these comments is the bill I am introducing today.

The bill addresses the more pervasive problems noted by the groups with which I consulted. It is introduced with the intention of easing the burden on business, but not jeopardizing the protection needed for the employee. The following is a brief description of each section, including its effect and the need for the particular amendment:

Section 1. This section raises the limit of plan assets that may be in one investment from 10 percent to 30 percent. A limit of 10 percent of plan assets in one investment may not create difficulties for a major national firm with a pension plan. However, a small employer who contributes from $3,000 to $5,000 a year to a plan finds it extremely difficult to find profitable investment opportunities for blocks of $300 to $500. The only alternative is to allow the plan assets to accumulate over several years until there is an adequate supply of money to make a reasonable investment.

Section 2. This section eliminates the requirement for payment of plan termination insurance to the Pension Benefit Guarantee Corporation for those plans funded entirely by insurance. The Pension Benefit Guarantee Corporation has no liability for insurer guaranteed benefits as the insurer provides the necessary guarantee. Payments of the premium to the Pension Benefit Guarantee Corporation for such fully insured persons is a waste of plan assets.

Section 3. This section authorizes the Secretary of the Treasury to issue a regulation under which insurance company deferred annuity contracts may be exempt from funding provisions. Employers who fund pension benefits through a deferred annuity contract are faced with a possible tax problem. The problem arises out of the requirement in the minimum funding standard and funding standard account provisions that experience credits to the plan be amortized over 15 years.

Under deferred annuity contracts, no turnover assumptions are made in setting premium rates. The reason for this is that the employer purchases individual annuities from the insurance company for benefits as they accrue. Zero turnover is the basis on which premium rates are set. When an employee for whom deferred annuity purchases have been made on a continuing basis terminates employment, his nonvested deferred annuities are cancelled.

The employer contributions released by the cancellation are reflected as a withdrawal credit. This withdrawal credit, according to IRS requirements, must be applied in full toward premiums next becoming due under the plan before any further employer contributions are so applied. Similarly, experienced credits declared by the insurance company because of favorable mortality, interest, and expense results, must be applied against the premium next becoming due.

The problem is that while the credits must be applied in one lump sum against premiums next becoming due, ERISA requires that the credit be amortized over 15 years for funding standard account purposes. Thus, only one-fifteenth of the credit may be applied in the year declared and each year thereafter to determine whether there is a funding standard account deficiency, and if so, how much has to be paid by the employer to abate the deficiency and avoid a deficiency tax assessment. The deduction for the 14/15 for tax purposes must be deferred until future years on a carryforward basis. This aggravates cash flow problems and creates an inappropriate tax result.

Section 4. This change provides that a plan which meets vesting requirements under section 411 of the act will be treated as meeting the requirements of section 401 unless there has been an actual pattern of abuse.

Section 411 has been interpreted to apply an additional rule of vesting if certain turnover tests are not met. These tests cannot be met by a vast majority of employers, and deleting this particular section permits plans to meet the minimum vesting standards under section 411.

Section 401(a)(4) provides that contributions or the benefit under the qualified plan cannot discriminate in favor of officers, shareholders, or highly compensated employees. With these requirements, there is no need for the additional, and somewhat different, requirement found in section 411(a)(1)(B). This section added the requirement that, "there have been, or there is reason to believe there will be, an accrual of benefits or forfeitures tending to discriminate in favor of employees who are officers, shareholders, or highly compensated."

Section 5. This section exempts plans with less than 100 participants from the notification to interested party requirements with respect to advance determination requests. Before an advance determination letter regarding the qualification of pension, profit-sharing, stock bonus plan, a trust which is part of a plan, or an annuity bond purchase plan may be issued, the applicant must provide evidence that each employee who qualifies as an interested party under the regulations has been notified of the application for such determination. All present employees of any employer qualify as interested parties, and if the plan amendment affects the contributions for, or benefits to, any former employee, all former employees who have a nonforfeitable right to an accrued benefit under the plan, are interested parties and must be notified.

The notice has proved of no practical use whatsoever to any employee. Not only is it of little use, it requires a great deal of ability and expertise to comment on whether or not the plan meets the requirements for qualification.

The cost of preparing and making the requisite notification properly with regard to plans covering a small number of employees has, in some instances, been equal to 10 percent of the cost of establishing the plan initially, or amending the plan.

Section 6. This language provides for the separate treatment of certain plans maintained by employers within multiemployer groups.

The existing code section, and regulations, effectively mean that all the substantive qualification requirements of the Internal Revenue Code are applied to a commonly controlled group to determine if any plan maintained by any of the entities within the group qualifies under the Internal Revenue Code. For example, if a subsidiary of a parent corporation, which meets the control tests, maintained an employee-benefit pension plan prior to ERISA which qualified on its own in relation to the subsidiary entity, then the plan, if it is to continue to be qualified under ERISA, must meet all the qualification requirements considering the entire controlled group as the relevant employee population. In effect, in order to continue the plan, the parent corporation is forced to either adopt a comparable plan or include all employees of the control group in the subsidiary corporation's plan. This requirement distorts the employee pension benefit plan concept in many instances. Termination of the "problem" plan is often easiest and the most beneficial alternative.

Contributing employers to multiemployer plans have potential liabilities over which they have no control, and such liabilities may arise even though the contributing employer fulfills the requirements of its agreement with the plan. When the Pension Benefit Guarantee Corporation provides benefits for a terminated plan, then an employer becomes liable to the PBGC for 100 percent of the unfunded liabilities in the terminated plan. The employer's liability may be up to 30 percent of the employer's total net worth.

Thus, voluntary termination of the plan could occur without the agreement or knowledge of the contributing employer, and consequently the contributing employer could become subject to the PBGC underfunded termination liability.

A contributing employer to a multiemployer plan who has funded his portion—based on his employees—correctly and adequately should not be liable to

the PBGC or any employee over which he had no direct control.

Section 7. This section exempts an insurance pooled separate account under a group annuity contract issued to a plan from the fiduciary or party in interest provisions of the act.

Regulation of insurance company operations by State authorities affords protection to a plan participating in the insuror's pooled separate accounts which are effectively like those a plan would enjoy in participating in a mutual fund through ownership of mutual fund shares.

The act already excludes mutual funds and the rationale behind this exclusion applies equally to insurance company pooled separate accounts. These accounts are regulated by a State insurance department, and are broadly held.

The existing provision makes operation extremely difficult because of the extra recordkeeping, clerical, and reporting needs of the various fiduciary responsibility requirements of ERISA. The net result is extreme cost.

If pooled separate account assets are considered plan assets, then a large number of transactions involving pooled separate accounts, which would be prohibited transactions under ERISA, could occur inadvertantly. For instance, a direct bond placement or mortgage loan might be made from a pooled separate account to an employer who, unknown to the insurance company, is a participant in the pooled separate account by virtue of being an affiliate of the insurer contract holder. Likewise, directly negotiated short-term lending by the insurer to a corporate obligor which, unknown to the insurer, participates in the separate account, could be a prohibitive transaction if the 25 to 50 percent of the assets test used in defining "marketable obligations" is not met when taking into account other such borrowing by the obligor from other sources of which the insurer has no knowledge.

There are numerous other such similar situations, but it is obvious to establish the necessary tests within the system would be financially prohibitive.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Senator BARTLETT amending ERISA be referred jointly to the Committee on Finance and the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 258

At the request of Mr. RIBICOFF, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 258, the Children and Youth Camp Safety Act.

S. 2323

At the request of Mr. PERCY, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor to S. 2323, a bill to prevent illegal traffic in lost, stolen, forged, counterfeit, and fraudulent securities.

S. 2354

At the request of Mr. DOMENICI, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 2354, the equal access to the courts bill.

S. 2732

At the request of Mr. PERCY, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2732, the Small Scale Energy Technology Programs Reorganization Act.

SENATE RESOLUTION 414

At the request of Mr. PERCY, the Senator from Minnesota (Mr. ANDERSON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Arizona (Mr. DECONCINI), the Senator from Maine (Mr. HATHAWAY), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of Senate Resolution 414, to study the feasibility of installing a solar energy system in the extension of the Dirksen Office Buildings.

SENATE CONCURRENT RESOLUTION 72

At the request of Mr. CASE, the Senator from Idaho (Mr. CHURCH), the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. DANFORTH), the Senator from Maine (Mr. HATHAWAY), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Concurrent Resolution 72, regarding efforts to counter international terrorism.

AMENDMENT NO. 1702

At the request of Mr. PERCY, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of amendment No. 1702 intended to be proposed to H.R. 7200, a bill to end welfare abuse by aliens.

NOTICES OF HEARINGS

DEPARTMENT OF EDUCATION HEARINGS

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will resume consideration next week of S. 991 and related legislation to establish a separate, Cabinet-level Department of Education in the Federal Government.

The hearings will begin at 10 a.m. on Monday, March 20 and on Tuesday, March 21 in room 3302 of the Dirksen Building. There will not be a hearing on Wednesday, March 22, as previously announced. The administration is scheduled to present its views on the creation of the new Department to the committee on Friday, April 14.

Witnesses appearing before the committee include:

MONDAY, MARCH 20

Panel I

Ms. Barbara H. Kemp, President, A.F.G.E. Local 2607 (HEW Education Division).

Mr. Lawrence S. Zaglaniczny, Executive Director, Coalition of Independent College and University Students.

Mr. Joel Packer, Legislative Director, National Student Association/National Student Lobby.

Panel II—Child nutrition

Ms. Faith Gravenmier, Chairwoman, American School Food Service Association Legislative Committee.

Ms. Dorothy Van Egmond, Director of School Food Services, Fairfax County Public Schools.

Mrs. Dorothy L. Finch, Supervisor of Food Services, Granview, Washington School District.

Ms. Helen B. McGee, Nutrition Coordinator, Oklahoma State Department of Education.

TUESDAY, MARCH 21

Panel I—State and local representatives

The Honorable Frank Logue, Mayor, City of New Haven, Connecticut.

Dr. Joseph M. Cronin, Illinois State Superintendent of Education.

The Honorable Helen Wise, Member, Pennsylvania State House of Representatives.

A Representative of Education Commission of the States.

Panel II

Mr. Albert Shanker, President, American Federation of Teachers.

Monsignor Wilfred Paradis, Secretary, Department of Education, U.S. Catholic Conference.

Panel III—Higher education representatives

Mr. Charles Saunders, Director of Government Relations, American Council on Education.

Dr. Helena Howe, Board of Directors Chairwoman, American Association of Community and Junior Colleges.

Dr. James A. Norton, Ohio Board of Regents Chancellor, representing State Higher Education Executive Officers.

Dr. Elias Blake, Chairman, National Advisory Commission on Black Higher Education and President, Clark College.

Dr. Alfred Sumberg, Associate Secretary, American Association of University Professors.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce that the Subcommittee on Energy, Nuclear Proliferation, and Federal Services of the Governmental Affairs Committee, has scheduled hearings on the issue of nuclear terrorism in conjunction with S. 2236, the Omnibus Antiterrorism Act of 1977. The hearings will be held on Wednesday, March 22, and Thursday, March 23 at 10 a.m. in room 4221 of the Dirksen Senate Office Building. For further information regarding the hearings, please contact the subcommittee staff at 224–2627.●

ADDITIONAL STATEMENTS

"WILDLIFE NEEDS YOU" IS THE THEME OF 40TH NATIONAL WILDLIFE WEEK

● Mr. RANDOLPH. Mr. President, President Carter has designated the week of March 19–25 as National Wildlife Week. This annual observance, initiated 40 years ago by President Roosevelt, provides Americans with the opportunity to reflect on and appreciate the value of our diverse and abundant wildlife in our daily lives. As chairman of the Committee on Environment and Public Works, which has jurisdiction over fish and wildlife legislation, I am acutely aware of the significance of this commemoration.

"Wildlife Needs You" is the theme for National Wildlife Week 1978 and is a thought which should be taken to heart by Members of the Senate. As national policymakers we have an impact on the Nation's fish and wildlife and other natural resources when we enact laws regu-

lating or otherwise influencing activities ranging from agriculture to energy development. Accordingly, we have an important responsibility and a unique opportunity to serve as stewards of this national treasure.

To effectively carry out this stewardship, we must educate ourselves regarding the needs of this resource and take positive action to promote and protect these needs. One very basic requirement of all plants and animals is habitat—the places where they not just survive but flourish. Indeed, destruction of habitat is the primary reason that over 170 species of native American fish and wildlife are faced with extinction today. The draining of wetlands for recreation and housing development; the need to provide greater domestic supplies of oil, gas, and other energy sources; and the use of imprudent agricultural techniques have all taken their toll on our natural world. Unless we reverse this trend by conducting these needed activities in a more intelligent, more environmentally sensitive manner, they may ultimately have a far greater effect on us. This realization has been at the very heart of the clean air, clean water, and other environmental protection legislation from the Environment and Public Works Committee over the years.

A second very basic need of fish and wildlife is management. In the days that our forefathers settled this country it might have been true that the best form of wildlife management was none. Over the last 200 years, however, we have drastically changed the face of this Nation so that, in many instances, husbandry by man is actually essential to the survival of a species. A good example is this year's National Wildlife Week "poster animal" the peregrin falcon. During the early 1960's this bird was nearly extinct in the United States as a result of eggshell thinning caused by the prevalence of DDT in the environment. Through research, captive breeding programs, and Government action severely limiting the use of the chemical, this species is beginning to make a comeback. While its situation is still critical, had it not been for the efforts of professional wildlife managers, the peregrine falcon might have well already gone the way of the passenger pigeon.

Congress can have a vital role in assuring the continuation of good wildlife management in this country by providing the experts at the Federal and State levels with the funds and basic statutory authority necessary to continue and enhance their work. This year our committee will act on several measures to improve the management of our Nation's fish and wildlife, including the Natural Diversity Act and the Federal Aid to Nongame Fish and Wildlife Act.

We are grateful for the guidance we have received in formulating these proposals from Federal and State conservation officials and members of national conservation organizations. Particular thanks is due the National Wildlife Federation and its State affiliates, which have sponsored National Wildlife Week 1978.

Mr. President, I emphasize that the theme for National Wildlife Week 1978 is "Wildlife Needs You." A more appropriate theme might actually be "We Need Wildlife." The protection of our plants and animals is not just an esthetic exercise to enable us to enjoy them in their native habitats. They are vital to the health and welfare of our people. Aldo Leopold made this point quite poignantly in the famous passage from his "Sands County Almanac" when, speaking of this legacy to his children, he said:

I hope to leave them good health, an education and possibly even a competence. But what are they going to do with these things if there be no more deer in the hills, and no more quail in the covets? No more snipe whistling in the meadow, and no more piping of widgeons and chatterings of teal as darkness covers the marshes . . . And when the day wind stirs through the ancient cottonwoods, and the gray light steals down from the hills over the old river sliding past its wide brown sandbars—what if there be no more goose music?

I hope we will all take a few minutes this week to reflect on the special significance of National Wildlife Week to us and our constituents. Furthermore, I hope that we will continue to work steadfastly to protect our irreplaceable fish and wildlife for generations of Americans to come.●

SMALL SCALE HYDROELECTRICITY

● Mr. PERCY. Mr. President, I am a strong advocate of rehabilitating small dams to produce electricity. I was most pleased to see a superb overview article by Lee Lescaze in the Washington Post on Saturday, March 11. In order to share Mr. Lescaze's observations with my colleagues, I ask unanimous consent that his article, "Little Dams Being Revived as Power Source," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LITTLE DAMS BEING REVIVED AS POWER SOURCE; BIG UTILITIES BALK

(By Lee Lescaze)

NEW YORK.—What may be the fastest-growing alternative energy source in the Northeast is one that is natural, renewable, non-polluting, native, and being resisted by some very large power companies. It's called water.

Henry Griffin of Collinsville, Conn., is working to restore a hydroelectric power plant that he helped chop up into scrap metal a dozen years ago.

In West Carthage, N.Y., Mary Jane Hirschey wants to generate power from her dam on the Black River that was producing electricity until 1963.

The 10,000 citizens of Springfield, Vt., have voted to spend $58 million to restore the generating capacity of six dams and to form a municipal power company and take over distribution from the investor-owned utility.

Water power built New England and made it prosperous. But over the last 60 years, the advent of cheap oil and gas and giant utility companies that had no use for small hydro projects killed off New England's small power station.

"Now we're returning to the river," says Vermont State Sen. Chester Scott, one of the backers of the Springfield project.

The 1973 oil embargo, quadrupled oil prices, two severe winters and depressing economic conditions in the Northeast have revived interest in small hydroelectric sites that would have been considered uneconomical 10 years ago.

The Department of Energy has earmarked $10 million for study and development of "low head" hydroelectric projects this year, and if the energy bill passes Congress it would provide $100 million a year for three years for renovation of existing dams. By the federal government's definition, low-head dams are those less than 64 feet high, with a production capacity less than 15 megawatts.

Some of the dams being looked at are as low as the four-foot one at Helen Winter's Grist Mill antique store at Farmington, Conn. It could light and heat only one building, while others could light a town.

"This is what created the industrial revolution in New England. We had sawmills, grist mills, every kind of factory—and they all ran on water," says Griffin.

New England and New York have many abandoned hydropower sites because they were settled early when water and wood were the only sources of power.

"These existing dams are pretty well confined to the original 13 colonies," Lawrence Falick of the Department of Energy said.

For years, utility companies concerned with vast power grids and with huge plants like the nuclear ones that produce 1,000 megawatts have scorned little dam sites as an obsolete technology.

Officials of all the northeastern state energy offices describe the large utility companies as less than enthusiastic about developing small hydroelectric projects—even ones that they own.

"They destroyed our dam so that there would be no competition from small sources," Griffin says bluntly. "I don't think the papers were signed a minute before they were in there cutting up the generators."

Griffin signed on for $50 to help the scrap metal company cut up the generators at the Collinsville dam after the Hartford electric company bought it. Now, as a member of the town conservation commission, he is seeking one of the Department of Energy grants to study the feasibility of reviving the dam.

Donham Crawford, president of the Edison Electric Institute, representing the nation's investor-owned utilities, denies that power companies oppose developing small sites.

"We have no desire to do anybody in," Crawford said. "We're all for hydro, but the question is whether it's economic or not."

Edison Electric represents about 200 companies that produce over 75 percent of the nation's electric power.

"It's my feeling that the large, investor-owned utilities will pay a lot of lip service to small hydro and basically fear it," said Bob Mauro, esergy research director of the American Public Power Association, which represents publicly owned companies.

The fear is that a community with a dam will divorce its power company and form a municipal utility, as Springfield is trying to do.

The Vermont community has spent more than $500,000 preparing its move, and part of the plan may be decided in court. In addition to activating the dam, the town wants to seize the distribution sytem now operated by the state's largest electric utility, Central Vermont Public Service Corp.

"We're going to sit down with them for what I call the waltz of the partridges," Sen. Scott said. "We'll flap our wings and see if there's anyone who can't stand to be in the room. I'm cautiously optimistic, but we've been disappointed by them before."

John Mullen of Central Vermont Public Service said, "We're not interested in having them take over our distribution system. It'll end in litigation." Central Vermont believes

that Springfield's engineering studies overstate the potential of its dams and that the town's project is headed for financial disaster, Mullen said.

Scott said Springfield was motivated by the worldwide shortage of energy:

"This energy bind is going to get worse, and the only resources we've got up here are water and wood. When the real crunch comes, we don't kid ourselves that tiny Vermont is going to be able to swing a very big axe in Washington. We better take care of ourselves."

Springfield shares a problem with many other places interested in developing hydroelectric power from existing dams.

"Some of us feel that we are victims of an unfair pricing structure," Scott said.

Typically, utilities buy power cheap and sell it dear. What they pay to anyone offering to feed power into their grid is the cost to them of throwing another shovel of coal on their fire, not the total cost of the power.

A man with excess power from a small dam might be offered half a cent per kilowatt hour by a utility that is paying larger suppliers five times that, according to Falick of DOE. At such prices, it doesn't pay the man to put his dam into production.

Similarly, a small businessman who wants to use electricity he generates most of the time but also wants to keep the local utility as a back-up finds that the utility will charge almost as much to stand by without selling him power as it bills him now for the power he uses.

Crawford explains that the utility has to maintain the equipment and capacity even if it isn't being used against the time the stand-by customer needs power and that the utility needs to be compensated for its trouble.

"I don't now of any solution, because it's a question of economics," he said.

In Collinsville, Conn., promoters of the dam hope to use the power to cut the town's $200,000 annual bill for street lighting and municipal buildings. Mary Jane Hirschey hopes her hydropower can be used by nearby industries or for a new community that could be built on Tannery Island, where the power plant is.

No one is certain what sort of agreement can be reached with utility companies.

Griffin believes that because of the world's energy shortage the courts are going to tell utilities, "Look, you've got to cooperate."

"All of us lawyers will be kept pretty busy," joked Alan Johnson of the Massachusetts energy office, in discussing the many issues likely to reach litigation in one place or another as low-head hydro develops.

At some places it is not clear who owns water rights or other rights. Elsewhere, questions arise whether a private individual selling power is thereby a utility and must be regulated by the government. The government is likely to have to consider whether it can say to utilities that it wants hydropower and therefore it wants utilities to buy such power at reasonable rates.

No one claims that low-head hydroelectric power is the answer to the energy crisis. The Army Corps of Engineers forecasts maximum potential from such sites at 26,000 megawatts, which would be the rough equivalent of 26 nuclear power plants.

But each dam is a very small fraction of the total. Hirschey's would produce 2 megawatts, for example.

According to a study by the federal Energy Regulatory Commission, 228 small hydro plants were abandoned in New England over the last 30 years. These presumably would be the easiest to bring back on line.

"I think small hydro definitely has arrived," said Richard McDonald of DOE.

No one knows exactly how many dams there are around the country, but 50,000 is a generally accepted guess. States like New York that take hydropower seriously are taking a census. Record keeping has been so sloppy that people have had to travel out to sites to see what sort of dam was there and whether it ever produced electric power.

Allis-Chalmers also believes small hydro has arrived. After 20 years of making small turbines and other parts only as replacements, the company has a new line of 10 standardized turbines ready for what general manager Goertz Pfafflin foresees as a strong demand. The much smaller Leffel Co. in Springfield, Ohio, is another U.S. manufacturer.

In addition to saving fuels, hydroelectric power has the potential to revive some New England towns that have fallen into decay, Susan Barney of the Connecticut energy office said. If old manufacturing and mill towns have a cheap local source of power, as they did when they flourished in the 1800s, they might attract new industries.

"Small hydro is an all-winning thing," said J. D. Brown, deputy executive director of the American Public Power Association. He said that a small dam might keep one industry open for a few extra weeks in a situation like the coal strike.

He would like to see the federal government go beyond its present support for restoration of existing dam sites and help fund construction of new dams.

"The government's been negative—at least cautious—about new hydro," Brown said. "They seem to be saying, 'It's a good thing but let's not let it happen any more.'" ●

THE MARINE CORPS MARATHON, 1977

● Mr. WILLIAMS. Mr. President, I would like to pay a belated, but well-deserved tribute today to the U.S. Marine Corps for staging the Second Annual Marine Corps Reserve Marathon here in the Nation's Capital last November. By noon that Sunday, November 6, more than 2,600 competitors had accepted the challenge of the traditional 26-mile, 385-yard course which wrapped its way around the city. While about 40 percent of the entrants were from the greater Washington metropolitan area, the field included representatives from 32 States, Canada, the United Kingdom, and Australia. This was by no means an event restricted to men in the military services—three out of four competitors had absolutely no connection with the service, and, it is important to note, 120 women chose to demonstrate their prowess in this grueling endurance contest. In fact, one of these woman athletes, 21-year-old Cindy Patton, a student at Boston University, finished the entire course in a wheel chair.

What is exciting and remarkable about this venture is that it has taken the Marine Corps just 2 short years to create a sports event which can now take its place among the premier marathons in this country. Indeed, the competition last November was the third largest ever held in the United States.

The Marines have once again rendered a genuinely worthwhile service to our Nation's Capital by organizing this magnificent marathon. Of course, it is extremely fitting that the Marines be involved in such activity, considering the military circumstances that gave rise to the original Marathon in 490 B.C. But today's marathon, far from being a military activity, is a true community happening.

The winner of the marathon was 27-year-old Kevin R. McDonald, of Columbia, S.C., who completed the course in 2 hours, 19 minutes, and 36 seconds. Second place went to Lt. Phil Camp, of Pensacola, Fla., who is a Navy helicopter pilot. Third went to Max White, of Alexandria, Va., a teacher at nearby Alexandria Episcopal High School. The British Royal Marines were represented in fourth place by Lt. B. C. Heath. Susan Mallory of Arlington, Va., who was first among the women competitors with a time of 2 hours, 54 minutes, and 12 seconds.

Mr. President, I am also proud to report that 28 youngsters, 15 years old and under, ran in the marathon as well. Ten-year-old Keith Griffler of Virginia Beach finished the course in 3:39:34, averaging just over 8½ minutes per mile, while 12-year-old Christian Moores of Augusta, Ga., finished in 3:35:35 and 13-year-old John Forehand of Rockville, Md., ran a blistering 3:07:27. It seems to me that the accomplishments of these young Americans bode well for our Nation's athletic performance in future international competitions.

In the short 2-year history of this event, Col. James L. Fowler, USMCR, who first initiated the marathon concept here in Washington, has been the race director. Colonel Fowler and his fellow Marines should be strongly commended for developing this great competition which seems to have already become a traditional part of the Washington autumn. I look forward to next year's race.

Mr. President, I ask unanimous consent that an article on the Marine Corps Marathon, which first appeared in the Marine Corps Gazette, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WITH A LITTLE MORE EFFORT YOU CAN RUN A MARATHON

(By Col. R. T. Lawrence)

Six November 1977 is the date for the Second Annual Marine Corps Reserve Marathon (held in the Washington, D.C.-Northern Virginia area), which got off to such a fine start last year with over 1,200 participants. Local AAU officials attribute much of the success of their marathoners at Boston on 18 April 1977 to the Marine Corps Reserve Marathon. It is certain to become a popular event for local runners and should be the Mecca for Marine marathoners all over the world, as is the Boston to international marathoners.

The purpose of this article is to encourage Marines to participate, who may think that 26 miles and 385 yards are beyond their capacity, while advising others who rashly enter the race without proper preparation to do some planning, coupled with training, in order to have a successful run.

There are several objectives in running a marathon. First is to finish the race. Second is to finish the race without being in a state of exhaustion. The third is to finish in the required time by age group or sex to qualify for the Boston Marathon. For men thirty-nine and below, the qualifying time was three hours this year. For men forty and above and all women, the qualifying time was three and one-half hours for the 1977 Boston.

The distance of 26 miles and 385 yards may either intimidate or be looked on as a snap by many of those uninitiated to the harsh demands of a marathon. For those Marines

who are jogging or running fifteen to thirty miles a week, be encouraged, because the gradual jump to the number of miles necessary a week to prepare for a marathon isn't that difficult to attain. For those rash Marines who feel that the thirty to forty miles a week they are running today will be sufficient to allow them to line up and run a marathon tomorrow, a word of warning. You may finish the marathon but it will be nearly impossible to do it within three or three and one-half hours, according to sex or age group. You will probably be sick for a week nursing yourself back to health, if you don't listen to your body and stop before you collapse.

The editors of Runner's World and their various Booklets of the Month or Runner's Book have published many articles to assist an individual to prepare for a marathon. Joe Henderson's "Training for the First One" in the February 1977 issue of Runner's World is a fine instruction which takes into consideration Henderson's "collapse point" theory. "The Runner Diet" is also well worth reading. These publications are readily available in local sporting goods stores or by mail order.

The following information is based on the practices by such experienced marathoners as Maj. Don Lynch, stationed at Headquarters, Marine Corps and George Marienthal, Deputy Assistant Secretary of Defense (Environment and Safety). Both of these seasoned marathoners have been very helpful to aspirant marathoners in the Washington, D.C. area.

In planning for your first marathon in particular, use the normal Marine Corps system of selecting D-Day or Marathon Day (M-Day), and back off nine weeks at a minimum or more, depending on the weakness of your running base, to start marathon training. You should be running seven days a week at a minimum of three to four miles a day, at a pace of seven minutes to no more than eight minutes a mile to begin marathon training. Until you reach that running base, you aren't really ready to start marathon training. Fortunately for most Marines intrigued with the aspiration to run a marathon, you are near to or already accomplishing the daily runs at the distance and rate necessary to start.

So your M-Day is 6 November 1977. The first week you back off is your taper down and special diet week just before the big race. The remaining eight weeks are used to build up the training effect of long, slow distance running. Your goal is to extend your collapse point to give you a comfortable cushion over the 26 miles 385 yards in order to account for various temperature/humidity mixes coupled with wind and road surface and grades that steal the marathoner's energy.

An essential training principle to follow is "train don't strain." Listen to your body. Don't let minor aches and pains deter you, but don't let them become aggravated so that they sideline you causing a setback in training or eliminating you from the race entirely. You may develop various aches, pains, blisters and lose toenails in training. And not all medical doctors are familiar with athletic injuries. A good podiatrist who runs for fun or health is a fine friend to have.

Don't be surprised by blood in the urine after prolonged long-distance training. Don't ignore the problems. Have a checkup so that you don't injure yourself. Don't overdo your training. Last-minute increases in distances can only injure without improving your performance. Stick to your training goal.

Warm up well before running with stretching exercises for the achilles tendon. Start off at a *slow* jog and gradually increase the pace. Vary it during the workout. Cool off gradually with more stretching exercises. A small investment will turn into a pair of million-dollar shoes. There are any number of suitable brands on the market. Make sure the shoes fit well.

It is important to run with one partner at a minimum to keep up the spirit when the training gets tough. There may be an experienced marathoner in your area who conducts regular marathon training runs and is happy to set the pace and explain the various methods used by world class runners that can be adopted by newcomers to the marathon. Join them and maintain normal conversation throughout the long, slow-distance runs. That helps keep you in the "train don't strain" window.

What is the collapse point? That's when you "run into the wall" or the "monkey jumps on your back." Your training base has been exhausted and so are you.

How is the collapse point calculated? Divide the total number of miles you run a week by seven to give you your average miles per day. Multiply that average distance by three and you have the "collapse point." There is an assumption here that you are stressing the system at a calculated controlled rate and are not just walking.

How far and how often do you have to run to prepare for a marathon? Eight weeks of running sixty-three miles a week at a seven-to-eight-minutes-a-mile pace will put your collapse point at twenty-seven miles. Ninety-one miles a week at the seven to eight minutes-a-mile pace will put your collapse point at thirty-nine miles. The first collapse point of twenty-seven miles don't give you much room to accommodate heat, cold, wind, loose surface, hills and excitement, but it should get you there in three hours, three minutes and thirty-three seconds (3:03:33) at a seven-minutes-a-mile pace and 3:29:45 at an eight-minutes-a-mile pace if you have been faithful to a seven-days-a-week schedule for eight weeks. The second collapse point of thirty-nine miles should give you a fine cushion for weather and course conditions while allowing you to expend more energy for a personal record in time and not just to finishing.

In the first collapse point of twenty-seven miles, averaging nine miles a day, seven days a week is relatively simple to fit into your work schedule. Averaging thirteen miles a day for the thirty-nine-mile collapse point takes some scheduling and sacrifices that involves you and your family or associates.

Running to and from work is a common solution for those running ninety miles a week or more. Two-a-day runs or seven to nine miles at least three times a week are less taxing on the impact points of feet, ankles, knees and hips while building the cardiovascular training effect in aerobic running you are seeking. Mixing the distances for variety and running less than marathon races of ten, fifteen and twenty miles conducted by local running clubs on weekends provides competitive situations under race conditions that are essential to gauge where you are in training and the race itself.

Table 1 indicates the last portion of six months marathon training that graduated from a sixty-three-mile-a-week average for a first marathon effort of 3:29:58 on 21 February 1977 to a ninety-mile-a-week average in preparation for the Virginia Beach Marathon effort of 3:27:06 on 19 March 1977, followed by the Boston effort of 3:21:28 on 18 April 1977.

TABLE 1.—PREPARATION FOR BOSTON MARATHON, APR. 18, 1977

[Male Marine: age—50; height—6' 2"; weight—174 lb]

Date	Duration	Miles
Feb. 23	1:05	9
Feb. 24	1:05	9
Feb. 25	1:07	9
Feb. 26	1:54	12.7
Feb. 27	0:53	7
Feb. 28 [1]	1:45	14
Mar. 1	1:07	9
Week average	1:16:6	9.9
Mar. 2 [1]	1:54	14
Mar. 3	1:07	9
Mar. 4	0:49	7
Mar. 5 [1]	1:42	14
Mar. 6	1:39.53	13.1
Mar. 7 [1]	1:45	14
Mar. 8	1:01	9
Week average	1:25:25	10.15
Mar. 9 [1]	1:56	16
Mar. 10	1:00	9
Mar. 11 [1]	1:58	16
Mar. 12	0:55	7
Mar. 13	2:12	17.75
Mar. 14 [1]	1:58	16
Mar. 15	1:01	9
Week average	1:34	12.95
Mar. 16	0:56	7
Mar. 17	Pack carbs	
Mar. 18	No training	
Mar. 19	3:27:06	26
Mar. 20	No training	
Mar. 21 [1]	2:07	16
Mar. 22	1:07	9
Week average	1:05	8.2
Mar. 23 [1]	2:05	16
Mar. 24	1:05	9
Mar. 25 [1]	2:01	16
Mar. 26	0:58	7
Mar. 27	2:06	17
Mar. 28 [1]	1:59	16
Mar. 29	1:04	9
Week average	1:37	12.8
Mar. 30 [1]	1:58	16
Mar. 31	1:07	9
Apr. 1 [1]	1:59	16
Apr. 2	0:58	7
Apr. 3 [2]	2:22	17
Apr. 4 [1]	1:59	16
Apr. 5	1:05	9
Week average	1:38	12.8
Apr. 6 [1]	2:04	16
Apr. 7	1:03	9
Apr. 8 [1]	1:56	16
Apr. 9 [1]	2:15	18
Apr. 10	1:12	9
Apr. 11	1:04	9
Apr. 12 [3]	0:49	7
Week average	1:29	12
Apr. 13 [3]	0:49	7
Apr. 14 [3]	0:52	7
Apr. 15	Pack carbs, no training	
Apr. 16	Pack carbs, no training	
Apr. 17	Pack carbs, no training	
Apr. 18 [2]	3:21:28	26
Week average	Not applicable	

[1] Split training session.
[2] Race.
[3] Protein diet.

Depending on your age, fifty in the case, it was not the smartest move to run the second marathon just one month before Boston. However, Joan L. Ullyot, the author of various marathon articles and a marathoner herself, has run two marathons on successive weekends while another, younger woman ran three marathons in fifteen days at a three-hour pace. Be that as it may, don't overdo it.

If the longest distance you run before a marathon is only twenty miles, how do you get the last six miles and 385 yards accomlished? The last portion comes from the aerobic training effect of long, slow distance running built up over a solid eight weeks of marathon training. Your pulse rate is probably down to fifty-six to forty-two beats a minute by that time. You are ready. Have confidence in your equipment. Your machine you have carefully tuned. It is all in your head from twenty miles on. Proper training will take care of the remaining six miles. Believe in it. It will be mind over matter.

Dieting to get the necessary energy from food is a must. Carbohydrates are the word. The rest of the family may get fat on pancakes for breakfast and spaghetti for supper for eight weeks, but you need it. Lose weight. Get well under the norm for your height in order to have a more efficient machine.

The prerace week diet following a long depletion run of eighteen to twenty miles one week before the race is a system used by many marathoners. It is not suited to all marathoners, but merits a test. Following the depletion run which may be done in two increments to save the feet, ankles, knees and hips, come three days of eating proteins: meat, eggs, fish, cottage cheese, cabbage, celery, lettuce, tomatoes and cheeses. Avoid fats. You will feel tired during your taper-off runs. Proteins make your body sugar-hungry in the muscles. Follow your three days of proteins with three days of packing carbohydrates: bread, pancakes, potatoes, beans, peas and spaghetti. Carbohydrates convert to glycogen stored in the muscle at a rate three to four times the normal.

Don't gorge yourself. Race day is runner's choice. Go to the starting line with a super load of stored glycogen but with body waste eliminated. Don't be caught by the proverbial turtle when you have to stop for an emergency comfort stop. The last three days before the race don't eat roughage or other food that might cause gas, cramps or diarrhea. Don't load up on honey just before the race. It may pull water into your stomach from the blood stream causing internal dehydration.

Proper diet must be accompanied by plenty of rest during the prolonged training period. Your social life may require modification.

Take water or special mixtures of fluids containing potassium and other minerals before, during and after the marathon in order to replace some of those burned out during the race. You won't always have a tail wind, downhill grade and temperature of fifty to fifty-five degrees. Avoid salt tablets. On hot days fluid intake is absolutely critical.

Wear a light-colored hat and shirt to reflect the sun's rays. Put ice under your hat frequently and carry it in your hands. Maintain your body temperature down by running through sprinklers. Try to maintain sweating. You will never make up all the liquids and chemicals you lose, but you won't enter exhaustion or shock either.

Drinking large amounts of liquid doesn't help. It can't be assimilated fast enough. It just sloshes back and forth in your stomach and makes you uncomfortable. The secret is to drink two to five ounces of fluid frequently. Pour what remains in the cup on your head, the key to your temperature control mechanism. This takes logistic support so a team effort is needed with pit stops for water, ice and special fluids along the way.

Logistics are more difficult on a point-to-point race as opposed to a repeating loop course. The race committee can only provide a few comfort and aid stations. They are adequate, but not ideal. It's up to you and your team to provide the extra support you need, depending on race conditions. Cold windy days also require protective clothing. Come prepared for all conditions. It's too late, if you guess wrong on the weather.

Marathon Day is Sunday, 6 November 1977. Your eight weeks of long, slow distance marathon training begins 4 September and ends 30 October. Your last long, slow distance run for depletion will be Sunday, 30 October 1977. That is followed by three days (31 Oct–2 Nov) of protein-eating to make the body sugar hungry, and then three days (3–5 Nov) of carbohydrate-packing with little or no training to build up a glycogen reserve in the body muscles of three to four times the normal.

If at this reading you have not reached a training base of three to four miles a day at a seven to eight minutes-a-mile pace seven days a week, you had best get started so you will be ready for marathon training and then the marathon itself.

You have the time. Put your Marine Corps training to good use and accomplish a goal that is one of the least attainable for the true amateur athlete: successfully completing a marathon in fine shape within the time requirements for your age and sex established for the Boston that draws international runners from around the world.

Don't be discouraged, however, if you don't make the qualifying times for Boston the first time you run a marathon. Use that race experience to build for the next one. You need not preoccupy yourself with the front runners who may be world class or nationally ranked marathoners. Remember your first objective is to finish the marathon, and, secondly, not to have collapsed with exhaustion. Your primary competition is yourself. After you . ave dominated the inner self that may want you to drop out or start out too fast, which burns you out in the long haul, then you will have plenty of company around you for your own marathon race.

By the way, there is no great material award for running a marathon. Even the winners of a marathon by age group and sex may receive no more than a symbolic laurel wreath. Your entrance fee pays for the cost of a tee shirt or patch commemorating the event, if that. The great reward is spiritual in the gratification of successfully participating in the marathon while sharing a grueling event with all the ordinary through world class marathoners who each carried their own weight 26 miles and 385 yards.

Make the Second Annual Marine Corps Reserve Marathon a happening where Marines show the way.●

LAWS FOR LAWMAKERS

● Mr. GARN. Mr. President, I am pleased to submit for inclusion in today's RECORD an enlightening and entertaining speech by one of America's foremost lawyers and scholars, Dallin H. Oaks, president of Brigham Young University and president of the American Association of Presidents of Independent Colleges and Universities. Dr. Oaks has distinguished himself as a scholar and leader, but his present activities are perhaps gaining for him an even more impressive reputation. These present activities are often directed toward reversing the powerful encroachments of the Federal Government into the private lives of American citizens and the affairs of private schools.

I think this country and this body are too little concerned with freedom. We appear determined to dominate and control every activity. We want to tax or regulate or legislate about every possible activity. We seek to level the social structure; diversity and private enterprise are enemies to be overcome. Independent, privately funded ventures, particularly it seems if they are motivated by moral or religious motivation, are brought under the most severe pressures to conform or collapse, and at this time the best evidence of this condition may be found among the private colleges and universities. They are fighting for their very independent existence. The Federal pressures are great; the goal is levelling, and if recent history provides any suggestion as to the outcome we must conclude that the levelling will be down rather than up.

This country has some serious education problems. I fear we will meet disaster if we destroy our private educational institutions, for it is these institutions that are providing sanctuary for educational excellence and moral strength. The levellers seek egalitarianism but we are getting a large measure of mediocrity.

We are blessed to have Dr. Oaks and others who so ably represent educational and personal freedom. I ask unanimous consent to have printed in the RECORD an excellent article by Dr. Oaks which was printed by another champion of freedom, Rockford College.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNRULY LAWS FOR LAWMAKERS

(by Dallin H. Oaks)

One of the most important books of the Twentieth Century is *Parkinson's Law*, a 1957 publication of C. Northcote Parkinson, Raffles Professor of History at the University of Malaya. This book is important because it is wise and readable. It is wise because it applies good common sense to questions of public policy. It is readable because of its style: lively, brief, specific, and satirical. *Parkinson's Law* is so interesting that it slips right by the defenses most of us raise against any new insight that threatens our complacency or prejudice.

Parkinson's first law proclaims that "work expands so as to fill the time available for its completion." This first law has two axioms: (1) "An official wants to multiply subordinates, not rivals," and (2) "officials make work for each other."[1]

In 1960 Parkinson published another book containing his second law: "Expenditure rises to meet income." The preface declares that this book was intended to show "that a greatly reduced revenue would bring about an improvement, not a decline in the public services." Parkinson explains this astonishing conclusion as follows:

"It is the paradox of administration that fewer people have less to do and more time, therefore, in which to think about what they are doing. When funds are limitless, the only economy made is in thinking. The worse inefficiencies do not stem from a lack of funds but from an initial failure to decide exactly what the object is. It is this muddled thinking that leads to waste, and often to waste on a colossal scale. Toward eliminating public waste, an essential step is to limit the total revenue."[2]

Inspired by Parkinson's wisdom and by his knack of making his insights memorable, I have sought to apply similar insights to the process of lawmaking and to some current featues of government administration. I have thereby entered upon the formulation of what I have chosen to call Oaks' "Unruly Laws for Lawmakers." So far I have three laws or principles, a number of illustrations, and some asosciated hypotheses.

I. LAW EXPANDS

I evolved my first law or principle for lawmakers by posing variations on Parkinson's first two laws. Thus, if "work expands to fill the time available for its completion," as Parkinson's first law affirms, then this surely implies that as the staff of a department increases, the amount of work accomplished by the average staff member will diminish so that the total work accomplished by the department will not exceed what is necessary to complete its assignment. Similarly, if "expenditures rise to meet income," then it follows, as Parkinson himself explained, that

Footnotes at end of article.

the money bureaucrats save in one direction will surely be wasted in another.[3]

By this process—reasoning from variations on Parkinson—I arrived at my first principle of law-making: *Law expands in proportion to the resources available for its enforcement.* The expanding law referred to in this principle is not limited to the law in the statute books. It includes the regulations of administrative agencies, the rulings of regulatory bodies, and even the individual actions of government servants.

The first principle is verified by the common observation that a government's bureaucratic army is never demobilized. If a government agency is created or a government worker is employed to accomplish a task that is later accomplished, experience teaches that the public employment rolls will not be reduced. The bureaucratic army will be transferred to another front, and if there are insufficient conflicts to justify their continued mobilization, they will start some. When this happens, we realize that the agency's formal goal of giving the service desired by taxpayers and citizens has been displaced by the controlling goal of providing continued employment for the workers and a secure power base for the leaders.[4] All of this assures that law and government activity expand in proportion to the resources available for their enforcement.

The process is not easy to counter, since it seems to rise out of human nature. It exists in private as well as public employment. It is worse in government because government activities are not disciplined by the constraints of a competitive market place. If someone challenges the tendency to put personal goals ahead of public service in government employment, bureaucrats take up the same position as sheep or cattle in the presence of wolves, a position Parkinson described as a tight circle with horns outward and the weakest in the center, "yielding nothing, denying everything, concealing all."[5]

A distinguished British scholar showed this principle in operation in the behavior of what she called "civil servants and academics and all kinds of social experts whose livelihood and advancement depend upon a continuing supply of social problems and deprived citizens." Her study showed these social planners perplexed at the substantial number of deprived individuals who appeared to be unaware of their deprivation and unwilling to claim the social welfare benefits to which they were entitled under British law. As a result, "the government did what any businessman does when sales are flagging. It mounted an expensive advertising campaign begging people to use" their welfare benefits.[6]

When I first read that description I thought it farfetched. Imagine, government workers trying to multiply welfare expenditures! I accepted its accuracy a few months ago when I was exposed to an intensive advertising campaign on commercial radio stations in Salt Lake City urging qualified persons to use federal food stamps and lamenting the fact that this valuable benefit was being used by fewer people than the government planners had estimated. The effort to promote welfarism is surely a successful one. In the decade from 1965 to 1975 the number of participants in the food stamp program increased from 1 in 439 to 1 in 13, and public expenditures have soared from $36 million to 52 billion, 150 times its level 10 years earlier.[7] Truly if resources are available, law or government activity seem inevitable to expand to consume them. I conclude this reference to food stamps with a comment on welfare reform. The rash of proposals to reform our decrepit welfare system seem to confirm what Arthur Bloch has dubbed "Howe's Law: Every man has a scheme that will not work."[8]

Before introducing my second principle I will share three hypotheses I have formulated in connection with my work on the first principle. All are closely related to the matter of lawmaking and government resources, but none has yet been tested sufficiently to be put forward as a full-fledged law or principle.

The first hypothesis states that *the public is easily fooled by government claims of economizing.* Inefficiency is easy to conceal because governments have no competitors in the performance of their functions. The complexity of government also inhibits public understanding. As they say in the nation's capital: "If you're not confused, you're not well informed."

A clear leader can nearly always take public insistance on government economy and turn it to his own advantage. For example, most of us can recall some candidate for public office who has campaigned on a platform of reduced government spending and employment. Elected to office, such a politician may achieve reductions but the more likely outcome is further increase in public employment and spending. The conventional way to promote eocnomy in government is to hire experts to analyze the problems and recommend solutions, hire others to evaluate the suggestions, hire others to write regulations to implement them, hire others to supervise their enforcement, and hire others—public relations sepcialists—to praise the results and persuade the public of their success.

This is the way of most government econcmy drives. A government official makes himself a hero, and the people—both taxpayers and spectators—think they see a great improvement. In fact, there has been an increase in both government regulation and government employment. The process is endless, which brings to mind my favorite aphorism about pointless activity: "When you're doing nothing, you never know when you're through."

As a second hypothesis I suggest that *an uninformed lawmaker is more likely to produce a complicated law than a simple one.* This hypothesis is grounded in the same truth relied on by the man who apologized for writing a long letter and explained that if he had more time he would have written a shorter one. If lawmakers understand a problem and agree on their objective, they may be able to express themselves with an elegant simplicity that is sure to be absent if their lawmaking efforts thrash about in ignorance and discord.

My final hypothesis in this series is a variation of Gresham's law, the well-documented economic principle demonstrating that "bad money drives out good money." By the same token, I hypothesize that *bad or complicated law tends to drive out good judgment.*

One of the principal effects of the private foundation provisions of the Tax Reform Act of 1969 has been to require greater and greater reliance on lawyers in the administration of charitable giving.[9] As this portion of the tax law has increased in complexity and its legal boundary-lines have become less and less distinct, the area for the administrators of charitable funds to exercise their good judgment has diminished. More and more administrative questions must be submitted to lawyers. As lawyers have gained an effective veto power over larger and larger areas of charitable fund administration, these organizations are inevitably less flexible and less venturesome. The legal profession, whose doubts can only be satisfied by precedents, is rarely comfortable with innovation.

Bad laws—especially complicated bad laws—can also cause administrators to be so preoccupied with whether something is *legal* that they wholly neglect to consider whether it is *wise.* Some years ago I was asked to advise on a complicated reorganization of business activities. There were two objections to the proposed reorganization: it was unwise as a matter of business judgment, and it might bring unfavorable tax effects. Unfortunately, the responsible administrators became so preoccupied with the complexities and the challenges of the tax law that they came to see this as the only question. When they received a favorable tax ruling, they treated that victory as having satisfied all doubts. They rushed into a business reorganization they would never have considered if they had not let bad law displace good business judgment. The lesson to be drawn from this experience is that a task not worth doing at all is not worth doing well.[10]

II. SUPPLEMENTING BAD LAW

Oak's second principle or law for lawmakers is that a *bad law is more likely to be supplemented than repealed.* Our statute books contain many bad laws that have been supplemented, but very little evidence of any that have been repealed. The current popularity of so-called sunset laws, which would automatically extinguish government programs or agencies after a certain period of time unless they were deliberately renewed, is welcome evidence of public uneasiness with this situation.

For example, consider the minimum wage. Economists have told us for many years that minimum wage laws increase unemployment, especially among "workers on the lowest rung of the employment-ladder—the very young and old, minorities, and the handicapped."[11] An employer who will hire a marginal worker at $1.50 an hour, will not hire him at $2.65. The employer will try to economize by mechanization or other means, which will increase unemployment among many of the workers the minimum wage law purports to protect. But the favorable political effects of minimum wage laws generally prevail over their unfavorable economic effects.

Instead of being repealed, the bad minimum wage law is supplemented by unemployment and welfare legislation. One law puts the marginal employee out of work, and other laws support him in idleness. Or, the government seeks to offset the unemployment caused by minimum wage laws by increased government employment, as the administration advocated in recent hearings on proposed increases in the minimum wage.[12]

These offsetting laws are reminiscent of the well-meaning federal agency that sought bureaucratic approval to save space and clerical help by destroying outdated files. Permission was granted, but only on condition that the agency make one copy of everything before they destroyed it.

The tendency to supplement a bad law rather than to repeal it is also reminiscent of the two novice businessmen who established a roadside stand. They bought a load of melons from a farmer for $1.00 a melon, trucked them across the valley to their stand, and sold them, for $1.00 a melon. Then a second load was purchased at $1.00 apiece, trucked, and sold for the same. As the partners returned with their third load one observed, "you know, we're not making much

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Footnotes at end of article.

money in this business." Quickly agreeing and anxious to be helpful, his partner asked, "Do you think we need a bigger truck?"

Laws that were good in their origin and initial effect sometimes accumulate bad effects with the passage of time. But even outdated laws are seldom repealed. The City of Chicago has a ban on sidewalk cafes. At the turn of the century there was a reason for such a rule: Chicago had so many horses that their collective droppings—ground under foot, dried, and sent swirling by the city's famous winds—made outdoor food consumption a significant health hazard.[13] The horses are gone, but the ban remains, and its enforcement and supervision (and that of similar regulations) provides welcome employment—dare one say Daly employment?—for an army of patronage workers. Other rules become unreasonable as one zealous bureaucrat seeks to outdo another, like the storied pentagon executive who coined a security classification more secret than top secret: DBR—"Destroy Before Reading."

Many of you will remember Professor Martin Anderson's demonstration that the effect of urban renewal programs was not to improve the housing of the poor, but rather to pack them into living quarters that were frequently more expensive and less desirable than the slums from which the federal bulldozer had evicted them.[14] In the first 22 years of urban renewal, 1949 to 1971, the federal government spent approximately $11 billion to demolish 538,000 low-income housing units, but only 200,000 were replaced, and only half of these with low- or moderate-income units. The net result of this federal housing program was a *reduction* of about 400,000 low income units in this period, with resultant overcrowding and increased prices for low-income Americans.[15] The damage inflicted by the urban renewal laws during this period had to be remedied with a host of supplementary legislation.

Rent control provides another example. Everywhere it has been tried, the inevitable economic effect of controlling rents has been to inflate demand and diminish supply. Where rents are kept artificially low, consumers use relatively more housing than where housing is priced at a market rate in relation to other needs. At the same time, landlords are deterred from maintaining or renovating old housing and from building new housing because rent control prevents them from obtaining a market return on their investment. As a result, housing shortages and deterioration in the quality of housing always follow rent controls.[16]

I saw this in Sweden. After 30 years of Swedish rent control, the effects of their interference with the market are apparent. A Swedish law professor I met at a professional conference in Stockholm explained how he had just leased quarters for his 3-year-old son to use as a bachelor apartment when he enrolled at the university 15 years later. "Will you rent it in the meantime?" I asked him. "Oh no, I can't do that," he explained, "since our landlord-tenant law makes it virtually impossible to evict a tenant." "Fortunately," he continued, "our rent control keeps the rent so low I can afford to hold the apartment vacant for about 15 years just to have it available when my son needs it." Sweden has a bad housing shortage, as you would expect. But, as always, the needs of those who have close ties to the government bureaucrats are well met, and it is the common people who suffer under the government controls that purport to be for their benefit.

The operation of my second principle, that "a bad law is more likely to be supplemented than repealed," also explains the strong current trend toward socializing major segments of our economy. In brief, the trend works like this: First, a law or government program or agency interferes with the free market in a particular industry, justifying its interference by reference to some abuse or catastrophe like a depression. In time, this government interference with the market causes less efficient allocation of resources and more conditions that merit complaint by consumers. Soon, well-meaning reformers propose government assistance or regulation as the best remedy for ills in the industry. For example, when rent control produces a housing shortage, the government solution is public housing and other tax-supported competition with and regulation of the private housing industry. With government intervention come further difficulties until, in the end, the government proposes to take over the entire industry in order to save it. That sequence of events can be seen in various stages in many major industries in the United States today.

In this strange sequence, the government interference that made the industry sick is proposed in larger doses as the means of making it well again. By this means one bad law supplements another. I know of no instance where the original bad law has been remedied by repealing it and getting back to the free market that has been responsible, more than any other single cause, for the fact that Americans have traditionally enjoyed the greatest political freedom and the highest standard of living of any people in the world.

Government intervention in the market can also provide a pretext for government interference with individual freedom. Consider the example of health care. As long as an individual is primarily responsible for his or her own welfare, bearing the burden of any personal activities that are likely to increase its cost, such as smoking, overeating, reckless recreational activities, and the like, there is no basis for the government to restrict persons in the exercise of their individual choices. Individual high-risk activities impose no cost on other individuals, nor on the government. But once the government assumes responsibility for all health care in the society—as it is doing under the type of socialized medical care toward which we are moving—any high-risk individual activities automatically affect the cost of health care by the responsible government agency and by taxpayers generally. In that situation, anything an individual does to increase the risk and cost of his or her personal health care is of concern to others and provides a theoretical basis for government regulation. By this means government social welfare programs provide a rationale for more government interference with individual freedom.[17] Even in this way a bad law is more likely to be supplemented then repealed.

My reflections on this second principle have also produced a related hypothesis, which, although not fully tested, is offered here in a preliminary way, for whatever illumination it may afford. This hypothesis suggests a vital defect in a representative democracy that is increasingly relying on government by agency decree: elected lawmakers reserve credit and delegate blame.

Like many of us in our private activities, lawmakers tend to be specific about what is welcome, and vague about what is unwelcome. When a law is generally hailed as a great accomplishment, elected lawmakers are resolute about shouldering responsibility for the accomplishment. But the blame for bad laws is generally delegated to the bureaucrats who wrote the regulations. If a lawmaker gets a letter from a voter, he answers it; if he gets a complaint from a taxpayer, he refers it to an agency.

One of the most disturbing recent trends in lawmaking is Congress's tendency to pass vague pronouncements in favor of virtue or in opposition to sin. By this means Congress abdictates its responsibility to formulate specific laws, leaving that function to a regulatory agency. That is what the Congress did in outlawing sex discrimination in Title IX of the Education Amendments of 1972, giving the government regulators 36 words of general condemnation of sex discrimination, on which HEW's Title IX sex discrimination regulations erected approximately 36,000 words of specific prohibitions. For example, Congress was entirely silent on the amount or type of "federal financial assistance" that made private organizations subject to the Title IX regulations. The law on that vital subject was decreed in the regulations.

The same abuse is evident in the Rehabilitation Act of 1973, which contains five lines condemning discrimination against the handicapped, with no legal definition or legislative history to define the "handicapped" who were the subject of the law. The law was decreed in the voluminous regulations recently issued by an executive agency.

Martin H. Gerry, director of HEW's Office of Civil Rights and hardly a natural foe of the bureaucracy, described and criticized this process in these words: "As these 'sense of the Congress' statutes have replaced the more meaningful lawmaking activities which surrounded the passage of Title VI (of the Civil Rights Act of 1964), the real lawmaking activities which surrounded the passage of Title VI (of the Civil Rights Act of 1964), the real lawmaking requirements, of course, have been shifted to the department." He called this a serious problem in terms of the separation of powers."[18]

By writing relatively meaningless laws and effectively delegating the lawmaking function in this manner, an elected lawmaker can escape having to vote on hard questions like the definition of "handicapped," the exceptions to be made to a law outlawing age discrimination, or who shall be subject to a law outlawing sex discrimination. Those vital lawmaking decisions are left to bureaucrats who rule by decree, largely in secret, and without responsibility to the electorate. As for the elected lawmaker, he can claim credit for the good results, but use the Halls of Congress to disclaim responsibility and to condemn the bureaucrats for interpretations that prove bad or unpopular.

III. LEGISLATING NATURE

The third of my three laws for lawmakers is: *social legislation cannot repeal physical laws.* This deceptively simple principle cannot be taken for granted since so many persons apparently disbelieve it, or act as if they do. People are generally too susceptible to gimmicks like the energy conservation measure the dowager who only plugged in her electric clock when she wanted to know what time it was. When Congress passed the law establishing Daylight Savings Time, it changed the time when the sun came up and when the cows gave their milk. But we do well to remember that this law did not change the sun or the cows. It only changed the clock. This simple fact is not understood by persons who believe that social legislation can change physical laws. Thus, a friend told me that when Arizona was considering Daylight Savings Time, some citizens in his neighborhood in Phoenix signed a petition opposing Daylight Savings Time because the extra hour of sunshine would burn up their lawns.

Footnotes at end of article.

President Carter recently proposed what he called the Hospital Cost Containment Act of 1977. This law would, in effect, put a ceiling on the prices hospitals could charge their patients. It should therefore be titled the Hospital Revenue Limitation Act. But if one were determined to title it in terms of its effect on patients in some situations, it could just as well have been titled the "Hospital Quality Reduction Act." Assuming a well-managed hospital that is not in a monopoly position—a frequent but of course not invariable situation in today's health-care market—there is no way to limit the price hospitals can charge without reducing the quality of services they provide. If hospital prices are frozen or held below market levels, the only way hospitals can operate existing services and build facilities for new ones will be to use more and more government assistance. As noted earlier, the effect of such increased government assistance will ultimately be to destroy the private sector of hospital care in our society, giving government a monopoly on hospital ownership and management. That is the inevitable trend promoted by the so-called Hospital Cost Containment Act.

We don't need more sophisticated economics to understand these principles. Basic arithmetic and common sense will do. Sometimes we seem to make some of our most important political and economic decisions on the same primitive level as the Florida draft board that wrote a young man to explain why he has lost his student deferment and been classified 1–A: "To keep your deferment you must be ranked in the top two-thirds of your class, and you are only in the top one-fourth."

In the area of social welfare legislation, my third principle is clearly illustrated by reference to its primary corollary: Law cannot increase resources. Congress can pass a law freezing wages and prices or devaluing currency, but it cannot pass a law that will bring about an increase in the true gross national product of the nation. That is why the Great Society's "war on poverty" had to be a war on taxpayers as well. In this pair of wars it was inevitable, as Parkinson noted, that the war on taxpayers would be the easier war to win.[19]

Social planners cannot be reminded too often that an overall growth in the economy is a sounder means of abolishing poverty than a redistribution of capital or income. The sum total of all resources in the hands of the wealthiest fraction of taxpayers in this country would be insufficient to make any practical dent on poverty even if all of those resources were confiscated and given to the poor. British planners had to learn this lesson. After more than a generation of promoting the myth that you could tax the rich in order to provide social welfare benefits for the poor, the Labour Government conceded last year that this wouldn't work. Wealthy Britons already paid some of the highest taxes in the world, with marginal rates up to 83 percent on earned income and 98 percent on unearned income. If the deficit-ridden British government now confiscated all incomes in excess of $10,000 per year this would provide less than 1 percent of the government's current budget, an amount far less than its continuing deficit.[20]

The taxes necessary to support social welfare programs obviously have to come from the working middle class. But, as the working man's taxes go higher and higher, and as generally available social welfare payments get more and more generous, a worker has less and less incentive to work. Even the British Labour Government was brought to that conclusion. Denis Healey, Chancellor of the Exchequer, conceded during last year's financial crisis that British taxes had reached the point where they were "corroding the will to work." It made more sense for the average British worker to stay home and collect unemployment pay than to work and pay taxes.[21]

All the Acts of Congress, all the rhetoric of bureaucrats, and all the assurances of the Keynesian economists do not seem to make even a tiny modification in the laws of human nature and resource allocation on which the functioning of the market is based. There are social welfare legislative schemes that attempt to increase resources or to repeal physical laws, but typically all they produce is a bad side effect, like the pill that was supposed to make a middle-aged user look like a teenager again. It did: three doses and his face broke out.

And so I have given you my three laws or principles of lawmaking: (1) *Law expands in proportion to the resources available for its enforcement;* (2) *bad law is more likely to be supplemental than repealed;* and (3) *social legislation cannot repeal physical laws.*

In my exposition of these laws I obviously have made no effort to conceal my bias against lawmaking as the solution to every problem. I am not indifferent toward the abundant problems of our society, but only convinced that voluntary is always better than compelled—that the momentum of enlightened self-interest is always better than the compulsion of law. Inherent in our free enterprise system are the natural forces to correct most of its internal irregularities, although these correctives are sometimes slow and unpopular. But free enterprise has no corrective for excessive interference from government. It can only tolerate that interference and pass its cost along to consumers. In time, that cost can rise so high that our people may reject free enterprise because of grievances that should be charged to excessive government interference.

I hope that the love of freedom and the good sense of our people is sufficient for us to provide correctives for excessive government rather than to reject free enterprise. Only by the patient revolution of free enterprise can we be assured sufficient freedom and sufficient resources to find largely voluntary and permanent solutions to the problems that confront our society.

FOOTNOTES

[1] C. Northcote Parkinson, *Parkinson's Law* (Ballantine, 1957), pp. 15, 17.

[2] C. Northcote Parkinson, *The Law and the Profits* (Houghton Mifflin, 1960, p. 9.

[3] Parkinson, *The Law and The Profits*, p. 18.

[4] The process is analyzed, in Amitai Etzioni. *Modern Organizations* (Prentice-Hall, 1964), p. 10.

[5] Parkinson, *The Law and The Profits*, p. 18.

[6] Barbara Shenfield, *Myths of Social Policy* (Rockford College Press, 1975), p. 15.

[7] *Utah Taxpayer*, Sept./Oct. 1977, p. 3.

[8] Arthur Bloch, *Murphy's Law—and Other Reasons Why Things Go Wrong* (in press), referred to in *Deseret News*, Sept. 12, 1977. p. 1C.

[9] John Labovitz, "The Impact of the Private Foundation Provisions of the Tax Reform Act of 1969," *The Journal of Legal Studies* 3 (1974): 63, 78, 81.

[10] Suggested by Arthur Bloch, Note 8 *supra.*

[11] "The Cruel Cost of the Minimum Wage," *New York Times* (editorial), Aug 17, 1977, p. 30; "Professor Opposes Minimum Wage Law," *Deseret News*, Oct. 19, 1977, p. 10A (comments of Dr. Walter Williams, UPI story).

[12] "$2.65 Minimum Wage May Cut 90,000 Jobs," *Salt Lake Tribune*, July 29, 1977, p. 4A (UPI story).

[13] "Out in Front," *American Bar Association Journal* 63 (1977): 298.

[14] Martin Anderson, *The Federal Bulldozer* (M.I.T. Press, 1964), p. x.

[15] John C. Weicher, *Urban Renewal: National Program for Local Problems* (American Enterprise Institute for Public Policy Research, 1972), pp. 2, 6–7; Bruce L. Jaffe, "What Happened to Urban Renewal?" *Business Horizons*, Feb. 1977.

[16] Shenfield, *Myths of Social Policy*, p. 24.

[17] E. C. Pasour, Jr., "Victims of Reform Laws," *The Freeman*, April, 1977, pp. 207, 210.

[18] Martin H. Gerry, "Civil Rights Regulations—Hindsight and Foresight," in *Private Higher Education: The Job Ahead* 5:11–12 (American Association of Presidents of Independent Colleges and Universities, 1976 Annual Meeting Talks).

[19] Parkinson, *The Law and the Profits*, p. 48.

[20] *New York Times*, Feb. 20, 1976, p. 6; *Economist* (of London) Feb. 21, 1976, p. 69.

[21] *New York Times*, Feb. 20, 1976, p. 1; Feb. 21, 1976, p. 7.●

A TIME TO STOP

● Mr. McGOVERN. Mr. President, the Washington Post features an editorial page piece each day, entitled "For the Record." It usually represents a thoughtful observation by someone on current events or the state of our civilization. I find it a most interesting part of the paper.

Today's selection from J. Barnet's article, "A Time to Stop," which appeared in the March Sojourner, is especially provocative. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 17, 1978]

A TIME TO STOP

Humankind is entering a period of unique opportunity and unprecedented danger. The opportunity is the creation of a world community in which the basic economic, political and spiritual needs of every human being on earth can be met. For the first time the idea of a world community has become more than a philosopher's dream.

Statesmen, politicians, economists, indeed almost anyone who thinks about public policy, realizes that the nation-state cannot solve the fundamental political and economic problems facing humanity. No matter how many missiles a great nation amasses, it cannot defend its people. The Pentagon cannot defend the people of the United States if, despite the near certainty of its own destruction, the Soviet Union should decide to attack. The Soviet government cannot defend its vast territory either.

Neither can any nation build prosperity for its people behind the walls of its national frontiers. There is no longer such a thing as a U.S. economy. There is a U.S. branch of a world economy. . . . When unemployment, starvation, disease, war and political repression strike millions in Asia, Africa and Latin America, the consequences increasingly are felt here.

The reality of interconnections is forcing us to think beyond the religion of nationalism and to work toward political structures that are obedient to the biblical injunction that humanity is one. It is only in the last 20 years that the 2 billion or so persons living in the former colonial and dependent world have become subjects rather than objects of history. . . . ●

CHEMICAL WARFARE AND BIOLOGICAL DEFENSE RESEARCH PROGRAMS

● Mr. McINTYRE. Mr. President, Public Law 93–608 requires the Department of Defense to make an annual report on the funds obligated in the chemical warfare and biological defense research programs. I think it is useful to provide this information to the public so that it is available for scrutiny to all who have a concern for their Government's activities in this area.

The obligations for research for chemical warfare and biological defense amounted to $93.6 million in fiscal year 1977, an increase of $30 million over fiscal year 1976. Spending for the research and development in these areas is as follows:

Chemical warfare $36.6 million;

Biological defense research $15.9 million; and

Ordnance programs $12.5 million.

Unfortunately, we have not yet eliminated the potential for use of chemical and biological agents from our concept of war. However, we have shifted our emphasis toward providing adequate defense against their use, as opposed to preparing to use them ourselves. That should continue to be the thrust of our policy.

Mr. President, I ask unanimous consent to print in the RECORD the report on funds obligated for research for chemical warfare and biological defense.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., February 4, 1978.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with the requirements of section 409, Public Law 91–121, as amended by section 2, (4) of Public Law 93–608, the report on funds obligated in the chemical warfare and biological defense research programs during fiscal year 1977 is enclosed.

The report provides actual obligations through 30 September 1977.

Section 4 of the Army report provides an adjustment summary which reflects change data to the second half, fiscal year 1976 report. This summary will permit the revision of estimated obligations to actual. The Departments of the Navy and Air Force reported no adjustments to their segments for the second half, fiscal year 1976 report.

The enclosed report has also been sent to the Speaker of the House of Representatives.

Sincerely,

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DEPARTMENT OF DEFENSE—ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, RCS DD-DR&E(SA) 1065 (ACTUAL DOLLARS)

	Army	Navy and Marine Corps	Air Force	Total
Chemical warfare program	$57,212,000	$1,284,000	$6,697,000	$65,193,000
R.D.T.E	(26,156,000)	(1,255,000)	(1,197,000)	(28,608,000)
Procurement	(31,056,000)	(29,000)	(5,500,000)	(36,585,000)
Biological research program	15,913,000	0	0	15,913,000
R.D.T.E	(15,913,000)	(C)	(0)	(15,913,000)
Procurement	(C)	(0)	(0)	(0)
Ordnance program	11,329,425	1,200,000	0	12,529,425
R.D.T.E	(5,976,000)	(0)	(0)	(5,976,000)
Procurement	(5,353,524)	(1,200,000)	(0)	(6,553,425)
Total program	84,454,425	2,484,000	6,697,000	93,635,425
R.D.T.E	(48,045,000)	(1,255,000)	(1,197,000)	(50,497,000)
Procurement	(36,409,425)	(1,229,000)	(5,500,000)	(43,138,425)

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[In conducting the research described in this report investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council]

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977

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OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1977; RCS: DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation	
	Prior year	In-house		
	Current fiscal year	Contract		
Chemical warfare program	1.061	20.593	During the fiscal year 1977, the Department of the Army obligated $26,156,000 for general research investigations, development and test of chemical warfare agents, weapons systems, and defensive equipment. Program areas of effort concerned with these obligations were as follows:	
	25.095	5.163	Chemical research:	
			Basic research	$801,000
			Exploratory development	5,682,000
			Total chemical research	6,483,000
			Lethal chemical program:	
			Exploratory development	1,281,000
			Advanced development	461,000
			Engineering development	59,000
			Testing	24,000
			Total lethal chemical	1,825,000
			Incapacitating chemical program:	
			Exploratory development	711,000
			Advanced development	120,000
			Engineering development	0
			Testing	0
			Total incapacitating chemical	831,000
			Defensive equipment program:	
			Exploratory development	9,457,000
			Advanced development	3,991,000
			Engineering development	2,255,000
			Testing	320,000
			Total defensive equipment	16,023,000
			Simulant test support	994,000

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)			Explanation of obligation
	Prior year	In-house		
	Current fiscal year	Contract		
1. Chemcal research	.212	5.915		
	6.271	.568		
(a) Basic research	(.000)	(.766)		
	(.801)	(.035)	Basic research in support of chemical materiel:	This basic research included, in the area of medical defense for chemical agents, studies on: Mechanism of action of refractory nerve agents, prophylaxis and therapy, skin protection, DNA repair in human cells and sites of action of incapacitating agents. CB defense research included work on ion-molecule reactions and enzyme induction for use in detection, quantitative structure activity relationship, and chemiluminescence kinetics. Basic research on chemical agents included studies on evaporation and dynamics of agent droplets. In the area of medical defense, the interaction of cyclic adenine methyl phosphonate (cAMP) with acetylcholine (ACh) level was determined. This provides a measure of anticholinesterace poisoning. In the area of chemical defense, it was demonstrated that the ionization detector for chemical agents can be made to respond to mustard (HD). These findings could materially aid in the de elopment of an advanced chemical agent alarm in response to a new joint service operational requirement (JSOR). Also in the defense area it was found that a chemiluminescence kinetics study pointed out the potential application of the XM19 biological alarm to the detection of chemical agents.
b. General chemical	(.212)	(5.149)	Exploratory development effort:	
	(5.470)	(.533)		1. Search for new co· pounds: The primary objecti es of this effort are to conduct initial screening studies in a search for improved leth l, incapacitating, riot ..ntrol, training agents, and simulants, and to determine analytical, chemical and physiochemic l properties of new and standard compounds. The chemical compounds subjected to initial toxicity screening originate from a variety of sources such as in-house research, friendly foreign countries, intelligence reports, industry, universities, medical institutions, and literature surveys. Research on analytical procedures is conducted on all known chemical agents, both domestic and foreign, and for detecting, identifying, and analyzing waste products from the demilitarization of toxic agents. Major accomplishments included the biological screening of 53 new therapeutic formulations for GD poisoning of which 3 showed primose; synthesis and evaluation of four chemical agents of interest from intelligence reports; completion of the investigation of chemical ion mass spectrometry (CI/MS) as a tool for identification of minute quantities of lethal agents; showed CI/MS to be superior to the electron impact mode of identifying V, G, and glycolate agents, their byproducts and intermediates and automated a test for potential respiratory irritants. A variety of initial toxicity studies were conducted on potential lethal, incapacitating and simulant agents; developed atomic absorption techniques for determination of organic arsenic in parts per million-billion, and demonstrated the feasibility of separating and identifying unknown materials in microgram quantities by combined gas chromatograph/infrared spectrometer. The data base being accumulated supports all technology areas in chemical defense, combat support and the design of chemical munitions. It represents the initial step in the determination of biological effectiveness of chemical compounds and is the 1st decision point as to whether chemical compounds have potential as a military agent or whether the compound should be dropped from further consideration. As the chemical compound advances in the exploratory development cycle other factors are considered such as analytical, chemical and physiochemical properties, stability, disseminability and producibility among others. 2. Techniques for evaluating effects of chemicals: Developed techniques to assess the behavioral effects of anticholinergic drugs in developing rodents. Determined that 5 and 10 mg/kg of the anticholinergic benactyzine reduced behavioral latency in adult and neonate rats as young as 5 days of age earlier than other studies reporting the onset of behavioral changes to anticholinergic drugs. Determined that behavioral data were consistent with development of spinal cholinergic system. Developed methods to assess brain and spinal cord cholinergic systems which can be applied in evaluating prophylaxis and treatment. Developed thin layer chromatographic method for identification and quantitation of impurities in the drug TMB-4. Developed an electrophoretic isoelectric focusing technique for separating isoenzymes of cholinesterase. Four isoenzymes have been identified in rat brain tissue. Initiated efforts to develop a rapid immunochemical field test for cholinesterase inhibition by organophosphorus agents. In evaluating a mechanism of organophosphorus agent inhibition, a spectrodensitometric method for measuring triphosphoinositides and diphosphoinositides in mouse brain was developed. 3. Medical effects of chemical agents: (a) Toxicity determinations and evaluations serve a multipurpose role. Chemical compounds are studied in animals to observe behavioral influences, effects on body systems and to estimate the toxicities for man. Data obtained are transmitted to a variety of sources both within the Department of Defense and to outside agencies. The information is used to evaluate medical and physical defensive posture; to obtain approval for use of chemicals in training, riot control or in quelling civil disturbances; to assist the munitions developer in concept studies and to provide those elements producing and/or handling hazardous materials, data to develop safety procedures. Major accomplishments include the acute and chronic evaluation of the chemical components of the M687 155 mm projectile, GB, binary munition; completion of the acute toxicological evaluation of the chemical components of the XM736, 8-in projectile, VX, binary munition and the initiation of chronic studies by all planned exposure routes except inhalation; the development of physiological techniques for evaluating respiratory and cardiovascular effects of chemical agents. The effects of single and repeated (13 weeks) exposures to red-phosphorus-butyl rubber was studied in mice, rats, and guinea pigs. The animals are being held for observation of chronic effects. A tumor sensitive strain of rats was exposed to GB vapors 5 days a week for 6 mo under controlled temperature conditions to study the presence or absence of testicular atrophy. Gross pathology on the exposed rats gave no evidence of testicular atrophy. (b) (1) Developed improved statistical methods to detect and evaluate mutagenic and chromosome damaging properties of chemical compounds. (2) Determined negative findings for 12 compounds and 2 mixtures being considered for use in prophylaxis and treatment of organophosphate poisoning. (3) Discovered that 5 of 10 dyes used by the United States, Canadians, and the United Kingdom had positive indications for mutagenicity on initial testing. Potent mutagenicity occurred with the B-1 dye, a component of the proposed XM 9 liquid agent detector. (4) Applied the signal detection theory to study pain in monkeys and found that the effective dose of diazepam, benactyzine, and scopolamine was equivalent to that which produces analgesia in humans. In previous studies using less sensitive measures of pain, the effective dose for monkeys was several times the human dose. 4. Chemical Dissemination & Dispersion Technology: The military effectiveness of a toxic chemical agent depends upon its toxicity, physical state and the system used to deliver it to the target. These factors dictate the optimal use of agents to produce casualties through the various routes of entry into the body systems; to contaminate terrain and/or equipment so as to restrict traversal or use; to harass personnel and force their survival in a toxic environment. Hence, the possession of a strong technological base for dispersion and dissemination is essential for evaluating the threat and the vulnerability of the armed services to chemical attack; for evaluating the efficacy of defensive countermeasures; to provide guidance for new and/or improved CW deterrent munitions and combat support systems; and to prevent technological surprise. Experimental studies were conducted to characterize the particle size distribution formed from centrifugally case liquid sheets, such as are produced by bulk liquid dissemination from spin-stabilized munitions. A predictive expression was established for Newtonian fluids and studies were begun to describe visco-elastic fluid breakup behavior. The characterization of liquid sheet breakup will be used to predict the performance of artillery projectile systems such as the XM736 8-in. VX, binary projectile. Two aspects of using agent-filled hollow fibers deployed on the ground to create extended duration terrain denial were

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	
1. Chemical research—con			
(b) General chemical—con			studied; namely, (a) potential reduction in systems effectiveness due to agent extraction fr m the fibers caused by soil contact, and (b) the ability of the fibers to infiltrate a tracked vehicle traversing fiber-contaminated ground. Laboratory and contractual investigations are being directed at the use of imhibitive polymer beads for controlling the release rate and area coverage of volatile agents when disseminated from munitions. Fundamental studies of the dissemination characteristics of liquids at high agent-to-burster rations were conducted using a controlled, explosive projector/sampling technique. A program was initiated to experimentally establish dissemination criteria for solid materials for use in IR screening applications. 5. Chemical testing and assessment technology: (a) The proper control of physical characteristics (i.e., flow rate, temperature, etc.) of a jet engine chemical decontamination system determines the effectiveness of the system. Laboratory equipment and technology to evaluate these physical characteristics have been developed and tested. (b) The ability of thickened liquid agent drops to penetrate clothing influences the protective capability of clothing systems. Laboratory methods and equipment to evaluate penetration were developed and testing initiated. (c) The pickup and transfer of liquid agents from contaminated surfaces influences the ability to operate in a contaminated environment. Laboratory equipment and methods were developed and tested to evaluate pickup and transfer mechanisms and testing initiated. (d) Controlled dispensing of drops of thickened liquid has been a difficult but necessary part of small-scale testing in many development programs. A thickened liquid dispenser was developed and tested. (e) Test technology and apparatus to measure the internal vapor hazard for externally contaminated vehicles has been developed and tested. (f) Since the advent of restrictions on open-air release of chemical agents, the selection and use of simulants for agents have become increasingly important. An explosive projector has been modified and a test program initiated to select a simulant for the explosive dissemination of mustard and thickened mustard. (g) The addition of thickeners to agents influences the evaporative properties of these liquid agents. A contract, has been let to study the evaporation of thickened liquid drops from a number of different surfaces (cloth, metal, etc.). 6. Technical evaluation of foreign chemical warfare potential: A mathematical model to simulate the dissemination of chemical agents from missile warheads using aerodynamic liquid breakup has been developed. Test firings of representative systems were used to validate the model. A number of developmental detectors and alarms were tested during these validation firings. The resulting model was used in an evaluation of intelligence information. 7. Chemical training agents and equipment investigations: (a) Training and doctrine command (TRADOC) conducted an indepth study of requirements for training in defense against chemical warfare agent attack. The study addresses the need for realistic dissemination devices, proper use of alarms, detectors, protection, and decontamination procedures. (b) The search continues for training agents to meet the criteria established. Meanwhile, persistent and nonpersistent simulant agents were selected to fulfill an urgent requirement to field a dispersing device for simulants in fiscal year 1978 although these simulant agents do not fully meet the criteria desired. Because toxicity information on DMMPA (dimethyl morpholinophosphonate) was incomplete, emphasis was placed on n-butyl mercaptan, trioctyl phosphate (TOF) and polyethylene glycol 200. (c) Major accomplishments include the testing and evaluation of an allied produced Simulant Projectile Airburst Liquid (SPAL), the analysis of improved groundburst and airburst disseminators, the analysis of potential training agents against performance requirements and the preparation of a toxicological data package and approval by The Surgeon General of the Army on the three interim simulant training agents for use in the Chemical Agent Training Equipment System (CATES). (d) The SPAL testing and evaluation will provide a capability for training with an airburst disseminator in FY78. The approval of the interim simulant training agents will permit use in CATES provided several use precautions are incorporated in the training scenarios. The analysis of potential training agents is of longer term, requiring purification, stabilization, and carcinogenicity studies prior to approval. 8. Chemical safety investigations: (a) The objectives of this applied research program are to devise analytical and sampling methods for toxic agents and their residues in soil, water, and in products from demilitarization operations; measure and evaluate ecological effects of Chemical Systems Laboratory operations; and minimize risks and hazards associated with chamber and laboratory testing of toxic agents. (b) Major accomplishments include the publication of an ecological survey of Carroll Island (formerly toxic agent test site) and the successful development of an automatic analysis system for GB. Evaluation of techniques for high volume sampling of air and the elution of agents from solid adsorbents are continuing, as are laboratory evaluations of an automated assay system.
2. Lethal chemical program	.221	1.576	
	1.604	.249	
(a) Agent investigations	(—.002)	(1.258)	Prior year deobligation resulted from withdrawal of residual funds upon completion of effort.
	(1.283)	(.023)	
			Exploratory Development effort: 1. Lethal chemical agent investigations: New chemical intermediates for the EA-5365 binary synthesis were evaluated and stability studies conducted on neat and stabilized samples as well as mixtures of proposed intermediates. A study was conducted on estimated costs to manufacture the EA-5365 intermediates in production quantities. Both insoluble and soluble polymers were assessed via laboratory and field dissemination tests with simulants. 2. Lethal chemical weapons technology: (a) Physical properties of several binary constituents for an intermediate volatility lethal agent were measured including viscosity, flash point, surface tension, and density. A storage stability study was initiated on the same chemicals which showed varying degrees of degradation after 7 months storage at 71¼ C. Several new compounds were preparod and evaluated as possible intermediate volatility agent binary constituents. Reaction temperatures and agent yields for various mixtures of intermediate volatility agent binary constituents were determined. Exploratory development support was provided for the XM-736 VX-2, 8-in projectile for investigation of binary VX reaction. Additives were investigated for reducing the reaction pressure and contents of gases from the binary VX reaction were analyzed revealing the presence of methane, ethylene, and ethane. The auto ignition temperatures of the chemical components of the binary VX system were also measured. Efforts were completed on evaluation of a thickener for binery VX to enhance the efficiency of agent dissemination. (b) A preliminary design of a binary chemical agent system was evolved that is applicable to both the 130 mm/8-in and 155 mm 8-in extended range projectiles. Designs were also prepared of a binary intermediate volatility agent system for the 155 mm projectile and dynamic firings conducted with simulants to evaluate the dissemination characteristics of the liquid payload. Concepts for low-level dissemination of liquid filled 155 mm projectiles were evaluated. Design concepts for application of the binary system to lightweight mobile systems were evolved and tests conducted to assess projectile ballistic dynamic stability for various quantities of liquid fills and mixing characteristics using the 81 mm mortar as a test vehicle. An analytical model and computer logic were developed to refine predictions of chemical agent casualties including the burden imposed by protective requirements.

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year	In-house Current fiscal year	Contract	Explanation of obligation
				(c) 2 binary lethal agent rocket warhead concepts, one with dual canisters and the other utilizing a pressurized injector, were designed, fabricated, and dynamically evaluated—2 short-term contracts to further evaluate these concepts were let.
				3. Chemical agent process technology: The investigation of alternative syntheses for a VX binary process material was completed and a process was recommended for further development. Kilogram quantities of candidate IVA binary reactants, including EA-5615, EA-5636, and RA, were prepared for system evaluation. Preparation of other candidates continued at end of period. A study of process and equipment problems was made to assess large-scale system production costs, and provide a basis for direction of process scale-up investigations with respect to material recycles and waste disposal problems. Materials were purchased for scale-up process studies of the EA-4923 system but work was deferred due to priority realinement. Analytical support was provided for all operations noted above.
(b) Ageny pilot plant investigations.	(.000)	(.224)	(.224)	Advanced development effort:
	(.224)	(.000)	(.000)	Lethal chemical ageny processes:
				(a) Pilot scale NM runs (100-gal reactor) are being processed to secure material for the 8-in binary development program and to check out the parameters established on the small pilot scale runs. Incineration is currently being studied as a method of waste disposal for all aqueous waste products and intermediates. Ventilation pollution control methods are being studied during the filling operation of the NM canisters.
				(b) Inertia welder and filling equipment for the XM736 projectiles was used to fill and close DT II quantities of XM27 and XM28 canisters. XM736 projectiles were assembled and packed in support of the R. & D. program and DT II testing. Engineering support was furnished to the R.& D. program for fill, close, load, assemble and pack of XM736 projectiles with XM27 and XM28 canister components. The helium insertion and retention study for M20 and M21 canister components for 155mm M687 projectile was completed and final report published.
c. Tactical weapons systems.	(.164)	(.073)	(.073)	Advanced development effort:
	(.073)	(.164)	(.164)	Lethal chemical materiel:
				Development of a binary warhead concept for a rocket system was continued and a successful concept feasibility demonstration flight test was conducted. Design concepts for a follow-on prototype were initiated using the demonstrated technique. Shop drawings were prepared and materials purchased for a full scale dynamic simulant test. A system logistic contract was implemented whereby concepts were provided for handling, storage, packaging, and assembly of the binary rocket. Contractual effort was initiated to study problems of large scale fluid mechanics and for the design of a multiple submunition system.
	(.059)	(−.003)		Engineering development effort:
	(.000)	(.062)		Lethal chemical ground munitions:
				(a) Based on the successful results of development II (DT II) and operational test (OT II) of the XM687E1, GB2, 155mm projectile, the development acceptance in-process (DEVA IPR) was convened. Agreement was reached among the DEVA IPR participants that the projectile was satisfactory for U.S. Army use. Minutes of the DEVA IPR were approved resulting in type classification of the projectile as M687 and the technical data package was finalized to support any future decision for procurement of M687 projectiles.
				(b) A special review was conducted at which the XM736, VX-2, 8-inch projectile was authorized to proceed into the POT-G phase of development test II. Most of the required hardware has been completed and the firing tables and dissemination test phases have been initiated.
(d) Materiel tests in support of joint operational plans and/or service requirement.	(.000)	(.000)	(.000)	No effort expended in this area.
	(.000)	(.000)		
(e) Army materiel development tests.	(.000	(.024)	(.024)	Efforts were directed toward the testing of binary weapon systems. 5 specific test programs were in progress during this report period. Major emphasis was on the testing of the projectile, 8-in, XM736. Engineering design tests with the 8-in projectile were conducted in the area of functional reliability, metal parts integrity, fuze performance and simulant dissemination. 6 dissemination trials were conducted to obtain data on droplet spectra, liquid recovery estimates and area coverage for the simulant of choice. Engineering design testing is essentially completed. Planning for the DT II testing of the XM736 has been completed and testing has been initiated. 2 of 34 scheduled simulant dissemination trials have been conducted to date. 120 of a total of 900 projectiles have been fired to provide data which will be used to produce firing tables. Testing in the area of safety, storage, and transportation, reliability evaluation, adverse environments, chemical simulant dissemination, hazards, soldier evaluation and maintenance evaluation will continue. In addition to the 8-in projectile testing, Dugway conducted 2 dissemination trials with the projectile, 155mm, binary, IVA to determine droplet spectra for a nonvolatile reaction simulant and to obtain area coverage data. Test efforts with the 8-in projectile will continue in fiscal year 1978.
	(.024)	(.000)		
3. Incapacitating chemical program..	.000	.719		
	.831	.112		
(a) Agent investigations and weapon concepts	(.000)	(.599)		Exploratory development effort:
	(.711)	(.112)		
				1. Incapacitating chemical agent investigations:
				The objectives of this research investigation are to evolve incapacitating chemical agents, to study techniques for their dissemination and to establish the feasibility of munition devices for their delivery. Because of the restrictions in testing potential incapacitating agents in man, major emphasis was placed on a review of incapacitants previously tested in volunteers. This review was to select an improved chemical incapacitating agent that causes physical incapacitation through both respiratory and percutaneous routes of entry into body systems, and to develop specific methods for its dissemination so that incapacitating agent munitions can be developed to meet military requirements.
				Significant accomplishments included the preparation of 7 technical reports documenting efforts on a binary reaction for an incapacitating agent, agent sampling devices, and mass spectral studies of potential incapacitating agents. 2 classes of compounds of interest as potential incapacitants were identified and laboratory studies initiated to develop a technology base. Laboratory and field tests were conducted to provide input to the analysis.
				The system analysis study will have a major impact on future Army requirements for incapacitating agent systems. One approach to an improved incapacitant is the mixture of a volatile irritant with a glycolate compound. Initial toxicity screening tests with this mixture are in process using laboratory animals.
				2. Incapacitating chemical weapons technology:
				2 contracts, one dealing with submunition design technology and the other with munitions safety for pyromix munitions were prepared and are scheduled to be let by the end of fiscal year 1977.
				A systems analysis study was initiated to examine proposed incapacitating agent munitions systems offering percutaneous possibilities to help determine the feasibility of such systems.
				Field tests have been initiated to study 2 modes of dissemination of percutaneously effective incapacitating agent solutions explosive and aerodynamic stripping. In the explosive test program a field grid has been constructed, test devices have been fired, and droplet impact cards have been collected for instrumental analysis to determine droplet particle size distributions. Parameters being tested are munition shape, agent to burster ratio liquid viscosity, and length-to-diameter ratio. Significant shifts in particle size distributions as a function of liquid viscosity have been observed. Data is still being reduced. Aerodynamic stripping tests are in extremely early stages and consist of testing equipment designed to insure proper functioning of the test device.

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year / Current fiscal year	In-house / Contract	
3. (b) (b) Agent pilot plant investigations.	(.000) / (.120)	(.120) / (.000)	Advanced development effort: Incapacitating chemical agent processes: (a) The 2 main waste streams produced in the preparation of the incapacitating agent EA-3834A, were simulated without agent contamination. The waste streams were investigated for the feasibility of intermediate recovery, recycling, and volume reduction before detoxification. Detoxification of the simulant waste streams were investigated by incineration and chemical neutralization. (b) A fill and close facility has been established for the 66 mm, XM-96, Rocket Warhead. Engineering support is being furnished for the fill and close of this item. Surplus equipment no longer needed in support of incapacitating program has been cleaned, decontaminated, and prepared for turn-in. Investigation into characteristics of microelectronic, intrinsically safe control systems for fill, close, load, assembly, and pack operations was initiated.
4. Defense equipment program	.438	11.789	
	15.585	4.234	
(a) Physical protection investigations.	(.206)	(3.384)	Exploratory development effort: 1. Chemical agent alarm technology: (a) Parallel studies continued on the ionization detector and enzyme alarm to satisfy the joint service operational requirement (JSOR) for an advanced chemical agent detector alarm (ACADA). The Ionization detector proved feasible as a nerve agent detector. A product improvement program that will save the Government $30,000,000 in 10 yrs was initiated to replace the M-43 sensor of the chemical agent alarm (CAA) with this system. Modifications to the enzyme alarm system have reduced interference responses and new approaches to enzyme immobilization appear to be successful. System analysis studies of the automatic liquid agent detector verified its capability to reduce casualties beyond that of presently planned systems. Field trials were conducted on an allied signaling cartridge as a possible candidate for chemical attack warning system (CAWTS). Action was initiated for the establishment of a development program for a warning cartridge. A nerve agent alarm capable of meeting the stringent Surgeon General requirement for demilitarization operations has been fielded. The effort was funded by the chemical demilitarization program, but is a technology transfer from point sampling studies. (b) The theoretical feasibility of the CO_2 Laser remote sensing technique for the detection of chemical agents was validated. The CO_2 laser system was modified for improved data processing and field measurements were initiated. A study was completed on spectral selection techniques for remote sensing alarms—4 techniques were appraised: inspection correlation, linear programing, and factor analysis. No individual technique was completely adequate, but each did contribute to some aspect of the problem. (c) Studies were concentrated upon obtaining a detector for VX munitions. A dry reagent system, bromophenol blue (BPB), on a lucite plug, gave excellent response and color change to trace vapors above VX liquid. Since BPB is a pH indicator, it is predicated that response is primarily due to low concentrations of amine vapors arising from the decomposition of VX. Glass fiber paper is affixed to a lucite plug which can be threaded into the openings of a shell or munition container. The color of the impregnated paper can be seen by shining a light into the end of the plug. Storage and sensitivity data indicate that BPB is stable for a reasonable length of time.
	(4.487)	(1.309)	2. Chemical detection and identification technology: (a) The accumulation of knowledge for improving chemical agent alarms and detectors is closely allied with information gathered from intelligence sources, friendly foreign countries and in-house research on toxicological compounds that are lethal or produce incapacitation. The objective is to evolve new chemical reactions, principles, and physical, chemical, or biochemical concepts as inputs leading to the development of chemical agent detectors and alarms. The items sought are kits with increased sensitivity and ease of manipulation with decreased logistical burden for the detection of chemical agents in air, in water, and on surfaces; individual detectors for the soldier operating in a contaminated environment; contamination surveillance devices to assess the hazards in traversing or occupying a location and field laboratories to provide rapid means of identifidation of toxic chemical agents. Major accomplishments included: An investigation of the feasibility of using an effervescent technique to evolve toxic agents from water and detect them as vapors, which showed promising results; and investigation of the physical principles to be used in detector kits and the identification of 2 promising approaches; and the initiation of a study of nonmutagenic dyes for detection of liquid chemical agents. Investigations on the differentiation of refractory from nonrefractory nerve agents were terminated after effecting coordination with TSG and TRADOC. Exploratory development efforts reached the point where advanced development will be initiated during fiscal year 1978 on an automatic liquid agent detector, chemical attack warning system, and a detector kit for chemical agents in water. (b) An eel enzyme system has proven to be significantly more sensitive than horse serum enzyme for the detection of nerve agents. It was demonstrated to be stable in storage and a search for a suitable substrate is under way. Exploratory studies have shown that the effervescent displacement of chemical agents from water and subsequent detection as a vapor to be a sensitive approach which will be considered for use in the water kit. A problem has been identified in the engineering development program concerning the XM9 paper, chemical agent detector. It was found that B-1 dye, the active indicator, was mutagenic. The exploratory development program was realigned to investigate other dyes which could be used in the detector paper which are nonmutagenic. 3. Chemical decontamination investigations: (a) Chemical decontamination concepts: In the continued search for removal and destruction of toxic agents on vehicles, equipment and material, utilizing available materials in the field such as water, oxygen of the air and/or moisture, a long chain nitrogen alkyl pyridinium aldoxime was synthesized. This micelle was able to destroy paroxime (a model for hydrolytically resistant organo phosphorus agents) with a half-life of less than 2 minutes at pH 9.3. Extrapolation of this data to VX projects a half-life of VX in this decontaminating solution of approximately 6 minutes at the same pH. This oxime shows promise as a noncorrosive, fast acting, water soluble decontaminant for all organophosphorus esters (including insecticides). (b) Chemical decontamination applications: A study was completed on materials and means for field expedient contamination avoidance and decontamination. The study showed that certain nonporous materials when properly draped over military equipment can eliminate or considerably reduce contamination from liquid chemical warfare agents. The study also showed that certain fuels and solvents available in the field are moderately effective for decontamination of materiel when used with proper procedures. A detailed report for field use by the armed services is being prepared. A contractual effort to develop design criteria to minimize contamination/maximize ease and speed of decontamination on future tactical equipment has concentrated on formulating design guidelines and compatibility information which will be published in a handbook in 1st quarter, fiscal year 1978. The format allows for easy updating as the data gaps identified in this study become closed. An agent impermeable urethane paint in eleven camouflage colors was developed and tested. This particular paint was developed for brush as well as spray application and appears to be within required health and safety limits. MERADCOM is staffing the formal specifications for this paint. Contract negotiations were begun on an effort to fabricate a concept model of a decontamination apparatus based upon jet/turbine engine exhaust. Contract proposals were reviewed, and the contract will be let in the 1st quarter of fiscal

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year: Current fiscal year	Funds obligated (millions of dollars) In-house: Contract	Explanation of obligation
			year 1978. A report is being prepared on the effects of resin modifications, thermal curing and natura l accelerated weathering of alkyd paints. An automated gas chromatograph, interfaced with a mini-computer system, has been made operational for material compatibility testing with agents and decontaminants in support of triservice requirements. A 2-phase contractual effort is providing a data base for a product improvement program for the standard skin decontamination kit. The improvements include greater ease of use, more rapid use and a multiuse capability. A literature survey was made preparatory to development of a minimally corrosive aqueous decontaminant. The survey revealed no previously unknown decontaminant. An emulsion developed by an allied country was laboratory tested as a part of this effort. Tests showed that the emulsion has an excellent ability to wet surfaces which produces superior cleaning action. However, scrubbing and wiping of contaminated surfaces for physical removal of the contaminating agents appear to be the most important factors irrespective of the water based decontaminant used. A design study was initiated on a decontamination apparatus utilizing vehicular exhaust for power and heat. The design includes a variable frequency pulsation attachment.
			4. Physical protection against chemical agents:
			(a) This technology is to provide for new and improved concepts, methods, and materials for individual respiratory and body protection against all potential threat agents. Laboratory studies on sorbent materials resulted in an improved capability to estimate the residual gas life of charcoal filters in masks and collective protective equipment.
			(b) Emphasis was directed toward the development of nondestructive methods of measuring the protective capacity of charcoal filters. The feasibility of using pilot canisters/tubes in parallel with larger carbon filters to estimate the residual gas life of the larger filters has been demonstrated through experimental testing. The feasibility of an alternate technique, using air sampling probes located in the carbon filter, has also been demonstrated experimentally under a contractual effort. Other techniques, such as, conversion of carbon monoxide (CO) to carbon dioxide (CO_2) and electrical/electronic methods, are being studied for future application as residual life indicators. The techniques which offer the greatest potential for an immediate solution for residual gas life indication are the pilot canister and the probe-in-bed approaches. A prototype pilot canister/tube assembly is currently being fabricated. In addition to testing of the assembly and the pilot tubes themselves, application of the prototype to larger filter units will be accomplished. Application of the probe-in-bed technique to large filters has also been initiated. Testing is in progress to determine the optimum filter location for insertion of the sampling probe. A sampling probe has been designed and fabricated for application to modular collective protection equipment (MCPE) gas filters. Testing to verify the design will be accomplished through in-house experimental effort.
			(c) 2 materials research contracts were in effect during fiscal year 1977, 1 of which was concluded late in fiscal year 1977. The contract calling for a survey of commercially available materials was satisfactorily concluded in September 1977. 2 basic materials were reported which were potentially suitable for the flexible lens area of a protective mask. A contract modification is planned for fiscal year 1978 to develop a 2-piece prototype mask utilizing a flexible lens coupled with a standard rubber faceblank. Other materials will be investigated for potential use as a lens material. A contract modification was made to study the feasibility of using a fluorinated ethylene propylene elastomer as a faceblank material. Progress has been satisfactory and the laboratory samples appear adequate however, more work remains before the material can be produced in sufficiently large quantities for molding studies.
			(d) Cooperative effort has been maintained with U.S. Army Natick Research and Development Command (NARADCOM) on the preparation of an all services chemical protective clothing plan. The 1st draft of this plan which includes the requirements of all services has been issued in draft form for review by the Army, Air Force, Navy, and Marine Corp representatives. A contract was awarded to Southern Research Institute on the development microencapsulated chemical reactants which can be attached to fabric and will neutralize liquid and vapor chemical agents which impinge upon the clothing. Tests were conducted to evaluate the protective efficacy of components of the USAF aircrew protective ensemble. Studies were continued on the conduct of end point tests of the protective efficacy of the suits, chemical protective (overgarments) both before and after wear against the effects of neat and thickened chemical agent. The results of these tests, it is anticipated, will be used to modify the logistic doctrine for wear and replacement of the overgarment.
4. (b) Advanced development defensive systems.	(.102)	(2.724)	Advanced development effort:
	(5.181)	(2.559)	1. Remote sensing alarm: Efforts during the past 2 yr have been limited to intermittent preparation for, and conduct of comparative testing of passive long path infrared (LOPAIR) and FLIR (forward looking infrared). The comparative testing is scheduled for 1st quarter fiscal year 1978 at Dugway Proving Ground.
			2. New protective mask: The new protective mask completed the advanced development phase and entered engineering development (ED) Sept. 19, 1977. Extensive laboratory and field testing comprising DT I have been performed. The Human Engineering Laboratory conducted a 6-week exercise of infantry equipment compatibility, maneuver and individual weapon performance. The conclusion of the test was that the new protective mask is superior when compared to the M17A1 mask. The Aeromedical Research Laboratory, Fort Rucker, performed a visual and optical analysis of the new protective mask versus the M24 aircrew mask. The information derived is being utilized to optimize the lens area design. Frankford Arsenal and Night Vision Laboratory have performed an optical coupling assessment with fire control and night vision devices. Extensive testing has been conducted to determine agent penetration resistance capability and material compatibility with field contaminants. Spectacle development has continued with the objective of providing a combat spectacle which can be utilized with the mask. An intensive effort is being pursued to improve the coatings at the environmental extremes (−25¼° to 125½°F.) with respect to crazing and softening, respectively. Contractual efforts have continued with emphasis being placed in the areas of quality assurance, manufacturing and maintenance engineering. The approval of the memorandum of understanding with Canada for canisters is still pending. Similarly, the joint service operational requirement for multiservice application is still pending.
(c) Collective Protection Systems.	(.000)	(0.55)	
	(0.70)	(0.15)	Engineering development effort:
			Modular collective protective equipment (MCPE): Modular collective protection equipment (MCPE) consisting of filter units, gas-particulate, XM56, XM59 (400 cfm) and XM62 (600 cfm) together with the entrance, protective, XM10 satisfactorily completed basic DT II/OT II. M56 filter unit and M10 protective entrance were type classified for TACFIRE use in March 1976. Compatibility tests of MCPE (collective protection equipment, CB, AN/TSQ-73, 200 cfm, XM17) servicing the AN-TSQ-73 were conducted in June 1977. Based on satisfactory performance, type classification will be sought in 1st quarter, fiscal year 1978. Work continues on the application of MCPE to the Patriot (SAM-D) system.
(d) Warning and detection equipment.	(.010)	(.864)	
	(.883)	(.029)	Engineering development effort:
			1. Chemical Agent Detector Kit, XM256: Phase II operational and developmental tests of the chemical agent detector kit, (XM256) were conducted and completed satisfactorily. The technical data package was updated to include recommendations resulting from the phase II tests. The development engineering verification acceptance review was held and the item was type classified standard. The simulant chemical agent identification and training set M72A2 was also type classified for use with the XM256 kit.

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	
			2. Paper Chemical agent detector, XM9: The B-1 dye, used in the chemical agent detector paper (XM9), was found to be mutagenic by the Ames Assay. A special review was held and it was agreed to continue the development, using OSHA standards, pending medical approval of procedures for phase II development and operational testing. A contract was prepared for bioassay of the dye to determine the extent of mutagenicity/carcinogenicity per the recommendations of the Office of the Surgeon General of the Army. Engineering design tests were completed. An interference problem (false positive) was found with the lubricant, small arms (LSA) and it was proposed to mask the color by inclusion of a blue dye in the LSA. Frankford Arsenal tested 3 dyes submitted by Chemical Systems Laboratory and found that they did not change the lubricant properties of LSA.
(e) Medical defense against chemical agents.	(.120)	(4.442)	Exploratory development effort:
	(4.644)	(.322)	1. Compared two techniques for measuring leaks in protective respiratory equipment mounted on head forms (biological tracer and sodium chloride aerosol).
			2. Published research on respiratory and percutaneous absorption of the nerve agent VX.
			3. Submitted investigative drug applications (IND) for TAB (antidote for nerve agent) to Food and Drug Administration. Approval for testing was granted.
			4. Determined that pyridostigmine has considerable promise for prophylaxis and began preparation of IND.
			5. Curtailed immunoprophylaxis research because methods did not increase protection against candidate nerve agents.
			6. Began animal studies of incapacitating effects of nerve agents at sublethal doses and various therapies and prophylactic regimens.
			7. Initiated screening of new drugs for potential prophylaxis and treatment.
			8. Continued research on mustard (HD) at the molecular and cellular level.
			9. Developed a pathogenetic model for HD-induced skin damage, consisting of amplification of a DNA lesion which progresses to inflammation and vesication.
			10. Negotiated a contract with Johns Hopkins University to study the therapeutic efficacy of specific enzyme inhibitors in HD-induced skin damage.
			11. Investigated the effects of physostigmine on state-dependent learing in trained rats. Dosage of 0.3 and 0.6 mg/kg revealed no adverse effects on the simple acquisition or performance tasks but influenced later performance in their normal state.
			12. Demonstrated the dominant role of physical removal in decontamination of thickened agents. A solution containing acetone was more effective than present decontaminant and other alcohol solutions.
			13. Obtained best results with prophylactic applications of polyglycols, which produced a five-fold increase in the decontamination protection factor.
			14. Suggested use of surgical stockinet mitt for cleansing, instead of gauze squares.
			15. Designed heat sealed packages for improved access to decontaminant materials.
			16. Reduced eye effects of present skin decontaminant by eliminating ammonia and sodium hydroxide.
			17. Improved protection against nerve agent VX with new skin protection films containing liquid fluorochemicals or etylacrylate. Another ointment offered considerable protection against the nerve agent GB.
(f) Materiel tests in support of joint operational plan.	(.000)	(.010)	Efforts were directed toward the field testing of the following:
	(.010)	(.000)	1. Decontamination field expedient: This test was designed to determine: (1) the effectiveness of field expedient decontaminants in removing thickened agents from unpainted metal, canvas, and painted surfaces and (2) the degree of protection provided when vehicles, subjected to thickened simulant agent attack, are covered with materials available in the field. 120 laboratory trials and 8 field trials were conducted. Data analysis has been completed Report is scheduled for completion fiscal yaar 1978.
			2. LOPAIR/FLIR comparison test: This test is designed to obtain data on the relative capabilities of a LOPAIR system and a FLIR system equipped with spectral filters, to detect and to discriminate between simultant chemical agent clouds, various interferences, and clouds containing mixtures of simulant and interferring materials. Planning and coordination has been completed. Testing is scheduled for 1st quarter, fiscal year 1978.
			3. Decontamination capabilities of chemical units and teams (DECAP CHUTE): This test was designed to study the capabilities of U.S. forces to decontaminate equipment which had been subjected to a thickened chemical agent attack, to determine any measures which might be adopted to improve these capabilities, and to determine the relative effectiveness of standard decontamination procedures on specific agent simulants and to establish a standard baseline time required for effective decontamination of standard Army equipment. For this period, the final report was revised based on comments received from the test sponsor and published.
(g) Army materiel development tests.	(.000)	(.310)	Tests were conducted on the U.S. Army's defensive equipment and in the long-term environmental storage and surveillance testing. Test efforts were as follows:
	(.310)	(.000)	1. Chemical agent detector kit, XM256: This test effort is designed to perform a DT II test and to determine: (1) the technical performance; (2) safety of the items; (3) its maintenance test support package; (4) demonstrate whether engineering is reasonably complete; and (5) effects of extreme climatic environments. Testing in the area of safety, reliability, maintenance evaluation, sequential rough handling, adverse environments, interference, sensitivity, transportability and human factors evaluation has been completed. A report covering that aspect of the test effort has been published. Testing in the extreme climatic environments is continuing.
			2. XM9 chemical agent detector paper: This test is designed to determine if the XM9 meets the design requirements, performance standards, and technical characteristics of the SDR, effects of extreme climatic environments on the item, and whether engineering is reasonably complete. For this period, testing is in progress. Test will be completed in fiscal year 1978.
			3. Battery computer system: Test is designed to determine if system components can be successfully decontaminated after CB contamination without damage to the system. All planning has been completed. Testing is scheduled for fiscal year 1978.
			4. Digital message device (DMD): This test is designed to determine if system components can be decontaminated without damage to the system. Test has been completed and a report published.
			5. DT II of common thermal night sight (CTNS): Test is designed to determine if system components can be successfully decontaminated without damage to the system. For the period, the contamination/decontamination test was completed and a report published.
			6. DT II of Patriot air defense system: This test is designed to determine if system components can be successfully decontaminated, if subjected to a chemical attack, without damage to the system. During this period, planning was initiated. Test is scheduled for fiscal year 1980.
			7. Stinger guided missile system: This test was designed to determine if the Stinger system and storage case can be successfully decontaminated with standard decontaminants without deterioration of components or degradation of performance. Testing was completed and a final report published.
			8. M51 CB shelter system: This test is designed to evaluate the performance of the M51 collective protection shelter system to determine if the corrective actions taken relative to deficiencies and shortcomings reported in the DT III testing are satisfactory. During this period, test monitoring at the contractor's plant and Chemical Systems Laboratory was accomplished. Report was published.
			9. Power supply—Chemical agent alarm: This test is designed to evaluate the performance characteristics of the modified power supply for use with a chemical agent alarm. During this period, test monitoring at the contractor's plant and Chemical Systems Laboratory was accomplished. Report is scheduled for com letion in fiscal year 1978.
			10. Environmental surveillance: The long-term environmental storage and surveillance program had a total of 5 items undergoing some phase of testing at 1 or more of the test sites. Items consisted of masks, chemical detectors, and chemical alarm units.

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SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977—Continued

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OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST AND EVALUATION FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977: REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1977; RCS: DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year Current fiscal year	In-house Contract	Explanation of obligation
5. Simulant test support	.190	.994	
	.804	.000	
(a) Materiel tests in support of joint operations plans and/or service requirements.	(.190)	(.994)	Efforts were directed toward the planning, conducting, and/or reporting of the following joint operational tests and operations research studies:
	(.804)	(.000)	

1. Thickened agent survey: This study reviewed past and current U.S. and foreign data on thickened chemical agents. Study was completed and was published in fiscal year 1977.
2. Thickened agent investigation: This test is designed to obtain data on the dissemination characteristics of bursting munitions filled with thickened simulant and to estimate dose-casualty relationships for such munitions. 18 field trials using thickened simulants were conducted. Analysis of data is in progress. Report is scheduled for completion in fiscal year 1978.
3. Agent transfer factors: This test is designed to provide data on the transfer factor and pickup associated with the field employment of vehicles and equipment when exposed to thickened agent munitions. Laboratory testing for obtaining transfer function and evaporation rates for selected simulants has been completed. The selection of 2 appropriate simulants for field use has been made. Field test portion of this project is scheduled for fiscal year 1978.
4. Simulant review and selection: This effort is a combination study and laboratory test and is designed to determine from laboratory/chamber experiments the physical/chemical properties most important in simulating thickened agents and to develop a spectrum of chemical agent simulants for use in the field. A complete literature review is being conducted and agent and simulant tables of physical and chemical description properties are being prepared. Compounds for evaluation for decontamination and dissemination testing have been selected and are being evaluated in the laboratory for thickening, vapor pressure, persistence, and reactivity with decontamination materials This study/test is a continuing effort. An interim report covering the fiscal year 1977 work has been published.
5. Effects of chemical attack on tactical staging operations: This effort is a combination study and test and is designed to determine the effects of an attack with chemical agents in tactical staging areas and to provide a data base for an appraisal of the effects of such an attack in tactical operations. The study will analyze, evaluate, and correlate the data from past pertinent studies and tests. The study will identify and validate knowledge gaps wherein the test phase can be designed. During this period, the literature review has been initiated. Study is scheduled for completion in fiscal year 1978.
6. Safety evaluation of the Air Force TMU-28/B spray tank: This test was designed to determine the operational hazards associated with the TMU-28/B spray tank when inadvertently released during takeoff or landing and if damaged from hostile fire—36 trials were conducted. Analysis of data is in progress. Report is scheduled for completion in fiscal year 1978.
7. Decontaminant requirement: This study determined the amounts of standard decontaminants required to decontaminate an Army unit which has been contaminated with persistent chemical agents. Study was completed and published.
8. Protection provided by wet weather gear: This study evaluated the protection afforded by standard Army wet weather gear against chemical agents. A literature review was completed. Laboratory testing was analyzed. A report was completed and published.
9. Vulnerability of the Marine landing vehicle (LVTP-7): This test will determine the vulnerability of the LVTP-7 vehicle when subjected to massive chemical attack. During this period, a test plan has been prepared and was conducted. Testing is scheduled for fiscal year 1978.
10. Capabilities of collective protection: This study will evaluate the CB collective protection facilities for both mobile and permanent structures. During this period, a literature review of past testing associated with collective protection units was in progress. Study is scheduled for completion in fiscal year 1978.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30 1977; RCS DD-D.R. & E. (SA) 1065

Chemical warfare program	10.392	7.414	During the fiscal year 1977, the Department of the Army obligated $31,056,000 for procurement activities associated with chemical warfare agents, weapons systems, defensive equipment, and production base projects. Program areas of effort
	20.664	23.642	concerned with these obligations were as follows:

Lethal chemical program:
- Materiel procurement 0
- Production base projects $10,000
- Total lethal chemical 10,000

Incapacitating chemical program:
- Materiel procurement 0
- Production base projects 0
- Total incapacitating chemical 0

Defensive equipment program:
- Materiel procurement 30,328,000
- Production base projects 719,000
- Total defensive equipment 31,056,000

1. Lethal chemical progarm	.010	.010	
	.000	.000	
(a) Item procurements	(.000)	(.000)	No obligations were incurred for procurement of lethal chemical and items.
	(.000)	(.000)	
(b) Production base projects: Omnibus engineering and design to support 155 mm binary M687.	(.010)	(.010)	Obligations incurred for engineering and design to support 155 mm binary M687 projectile.
	(.000)	(.000)	
2. Incapacitating chemical program.	.000	.000	
	.000	.000	
(a) Item procurements	(.000)	(.000)	No obligations were incurred for procurement of incapacitiatng chemical items.
	(.000)	(.000)	
(b) Production base projects	(.000)	(.000)	No obligations were incurred for production base projects in support of incapacitating chemical programs.
	(.000)	(.000)	

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SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977—Continued

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OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30 1977; RCS DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	
3. Defensive equipment program	10.382	7.404	
	20.664	23.642	
(a) Item procurements:			
(1) Decontaminating apparatus, M12A1.	(.295)	(.544)	Obligations incurred for in-house support and procurement of M12A1 decontaminating apparatus.
	(1.223)	(.974)	
(2) Filter unit M8A3	(.077)	(.191)	Obligations incurred for procurement and in-house engineering support for M8A3 filter unit to supply purified air for crewmembers or armored vehicles.
	(.674)	(.560)	
(3) Filter unit, M13-A1.	(.000)	(.093)	Obligations incurred for procurement and in-house engineering support for M13A1 filter unit used to supply purified air for crewmembers of armored vehicles.
	(.802)	(.709)	
(4) Alarm, M8–M10, chemical agent.	(1.968)	(2.849)	Obligations incurred for procurement and in-house engineering support of chemical agent alarms used to detect chemical agents.
	(12.219)	(11.338)	
(5) Shelter system, M51.	(7.992)	(2.451)	Obligations incurred for procurement and in-house engineering support of M51 shelter used to provide CB protection to field units.
	(3.695)	(9.236)	
(6) Modular collective protective equipment.	(.000)	(.558)	Obligations incurred for procurement and engineering support of modular collective protection equipment used to provide CB protection to field units.
	(1.383)	(.825)	
(b) Production base projects:			
(1) MMT imp and mod of gas mask leakage testing.	(.000)	(.305)	Obligations incurred for improvement and modification of gas mask leakage testing.
	(.305)	(.000)	
(2) MMT for M229 refill kit component of chemical agent alarm.	(.030)	(.030)	Obligations incurred for in-house engineering support to improve M229 refill kit.
	(.000)	(.000)	
(3) MMT mod of charcoal filter tests.	(.000)	(.245)	Obligations incurred to conduct program for modification of charcoal filter tests.
	(.245)	(.000)	
(4) MMT evaluation of exhaust filter systems.	(.020)	(.020)	Obligations incurred to prepare manual on the use and application of CB filters in design of air ventilation systems.
	(.000)	(.000)	
(5) MMT for M8 paper.	(.000)	(.118)	Obligations incurred for engineering effort to improve M8 paper used to detect chemical agents.
	(.118)	(.000)	

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD SEPT. 30, 1976, THROUGH SEPT. 30, 1977,
DEPARTMENT OF THE ARMY, RCS: DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST AND EVALUATION FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977: REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1977; RCS: DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	
Biological research program	1.608	10.159	During the fiscal year 1977, the Department of the Army obligated $15,913,000 for general biological research investigation and the development and test of physical and medical defensive systems. Program areas of effort were as follows.
	14.305	5.754	Biological research:
			Basic research (total biological research) $370,000
			Defensive systems:
			Exploratory systems 10,050,000
			Advanced development 253,000
			Engineering development 5,240,000
			Testing 0
			Total defensive systems 15,543,000
			Simulant test support 0
1. Biological research	.000	.233	
	.370	.137	
(a) Basic research	(.000)	(.233)	Basic research in support of biological defense materiel: This basic research includes studies on remote detection of biological aerosols, biocategorization by chemiluminescence, detection of residual bacteria and virus (all-clear kits), time/intensity chemiluminescence, mass spectrometry (MS) analysis of nucleic acids and disinfection of biological aerosols.
	(.370)	(.137)	In remote detection work, laser-fluorescence from pathogen aerosols was studied for potential as a remote detection concept in a contract with Illinois Institute of Technology. In biocategorization of chemiluminescence bacteria, tissue cells, and pollen were differentiated by this approach. In time/intensity chemiluminescence study, reaction curves were analyzed as a basis for programing computer recognition of biological responses by the XM-19 biological agent alarm. In the mass spectrometry analysis work, it was found that this method did not meet the objectives for sensitivity, rapidity and adaptability for field samples. Further work on this concept has been dropped. In the work on disinfection of biological aerosols, 2 alternatives to lactic acid were discovered.

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year: Current fiscal year	Funds obligated (millions of dollars) In-house: Contract	Explanation of obligation
2. Defensive equipment program	1.608	9.926	
	13.935	5.617	
(a) Physical defense against biological agents	(.015)	(.754)	Exploratory development effort: Physical defense against biological attack: Evaluations of lactic acid and hypochlorite as aerosol decontaminants proceeded into final phases of testing in chambers in-house and by contract, and plans were finalized for a field test. Screening of commercially available chemicals as replacements for betapropriolactone and formaldehyde continued in the search for decontaminants having more desirable properties as cited in STOG; two of over 20 chemicals screened showed promise as sporacides and will be treated further. The new mask test facility entered the design phase, and the protocol for using volunteers for testing mask leakage completed review, preparatory to Surgeon General review and approval. The fluorescence yields from 5 biological materials tested and the low background fluorescense levels from the atmosphere as measured in contract studies continues to show promise for this LIDAR (laser induced detection and ranging) approach. A new contract was negotiated to explore signal enhancement techniques to optimize LIDAR signal to noise ratios to further upgrade the potential of the approach. Direct chemiluminescence without tape-wash fractionation of the sample and PACT (pattern recognition of stained particles) both showed good probability of success as candidate systems in ambient background tests. Work is proceeding to refine the instrumentation and to measure the sensitivity to aerosolized biological materials. Progress was made in improving the sensitivity and response times of the resazurin reaction for small numbers of bacteria. Viral detection remains an imposing problem; enzyme specific detection of tissue cell material accompanying the virus is being investigated as a likely approach to this objective. Differentiation among groups of biological materials by the time/rate chemiluminescence technique progressed through exploratory development and is being applied in the XM-19 engineering development program. Work continued on the upgrading and evaluation of aerosol assessment techniques. Effort was begun on the development of a method for field calibration of the XM-19 biological alarm with biological simulant aerosols.
	(1.102)	(.363)	
(b) Biological defense materiel concepts.	(.000)	(.000)	No effort expended in this area.
	(.000)	(.000)	
(c) Biological defense materiel.	(1.593)	(2.310)	Engineering development effort: Biological detection and warning system: The multiyear prime contract program for the biological detection and warning system (BDWS) XM-19 detector and XM-2 sampler was started. Conceptual designs were prepared and full mockups fabricated. The configurations emphasize ease of operation and maintenance at the organizational level and a high degree of commonality of major components and subassemblies. A novel wet collector design for use in the XM-2 was developed in-house and experimentally tested. Its performance led to a major redesign of the XM-2 and resulted in lowered unit costs, increased projected reliability and reduced logistics burden. Conceptual models of the XM-19 and XM-2 are currently being fabricated and will be utilized in the execution of engineering design testing. Contract and in-house efforts continued in techniques and methodologies offering improvements for sample concentration and aerosol testing of the system.
	(3.612)	(2.895)	
(d) Medical defense against.	(.000)	(6.685)	The experimental programs of the US Army Medical Research Institute of Infectious Diseases (USAMRIID) are targeted toward: (a) Medical defense against biological warfare (BW); (b) infectious illnesses which pose special problems to our military forces; and (c) the safe study of infectious, highly dangerous microorganisms in the unique and special containment facilities of USAMRIID. During the past year, the research programs of USAMRIID have been revised with work priorities reordered and assigned to some of the most virulent and pathogenic microorganisms known. Agreements were reached with the Center for Disease Control (CDC) for USAMRIID to initiate studies with Lassa fever virus, Ebola virus, Congo/Crimean hemorrhagic fever viruses, and Legionnaire's disease organism. Moreover, studies are now underway on botulism toxins and investigations will be initiates shortly with the toxins of anthrax. Work will continue on Machupo virus, the etiologic agent of Bolivian hemorrhagic fever, as well as Korean hemorrhagic fever and Dengue 1 virus. These organisms or toxins all possess significant BW potential, are lethal for man and present enormous safety problems. Fortunately, USAMRIID is 1 of the few laboratories in the free world where such agents can be studied with minimum risk to the investigator and no risk to the surrounding environment. The goal of this research is to develop safe and effective vaccines or toxoids for these highly dangerous but poorly understood diseases. Work in pathogenesis and immunogenesis will support these vaccine development studies. 2d order priorities include studies on Japanese B encephalitis, Argentine hemorrhagic fever, Rift Valley fever, Chikungunya, and Venezuelan equine encephalitis (VEE). Toxin studies will continue with staphylococcal enterotoxins A, B, and C and Pseudomonas exotoxins A and S. Ricksettsial studies will continue in exogenous tick-borne spotted fevers, epidemic typhus fever and Q fever. The organisms or toxins in his priority are also highly infectious for man, possess significant BW potential and pose special problems of safety; however, at the lower order of magnitude. 3d order priorities include studies on western equine encephalitis, eastern equine encephalitis, meliodosis and tularemia. Of special significance during fiscal year 1977 was the reactivation of a dynamic program with medical research volunteer subjects. USAMRIID lost this resource several years ago with the termination of the draft and Project Whitecoat. The new program, as of Sept. 1, 1977, was comprised of 94 volunteers. Thus, the Institute has regained its unique capability to test experimental vaccines first in small laboratory animals, in larger laboratory animals, in primates, and finally in man, provided the vaccine is determined to be safe and effective at each stage of study. Specific statement of progress are illustrated by but not limited to the following examples: Preliminary development studies are underway to develop a killed Bolivian hemorrhagic fever vaccine. A crude vaccine was prepared from the Malale strain grown in BHK-21 cells, and although this type of product could never be used in man, the validity of the experimental approach was demonstrated. The formalin-killed vaccine was antigenic and protected monkeys from challenge. Future work will center upon the laboratory preparation of a killed vaccine that can be certified as being acceptable for use in man. Chemical and structural characterization of Machupo virus, the etiologic agent of Bolivian hemorrhagic fever, has made significant progress which should facilitate vaccine development. One of the most interesting observations has concerned the great plasticity of this virus and has led go studies comparing the virulent and avirulent members of this group of arenavirus. Biochemical analyses of human pathogenic Machupo and nonpathogenic Pichinde and Tacaribe arenaviruses have revealed anticipated simularities and interesting differences. The 3 viruses exhibited common polypeptides of 70,000, 45,000, and 12,000 daltons, but the patterns of glycosylation differed for each. Glycosylated polypeptides are of major interest because they normally exist near the virion surface and are significant in specifying serologic differences between virus types. The research also showed that an internal 70,000 dalton-structural-protein was common to all 3 virus types and was relatively rich in the amino acid lysine. This reflects that particular protein associated with the ribonucleic acid or genome of the virus. Antibody produced in rabbits to this protein was broadly negative with the 3 viruses by complement fixation. Earlier work had shown the protein to be associated with the ribosomes which are contained in the virus. Thus, there is strong evidence that the 70,000 dalton polypeptide is the nucleocapsid. In addition to the structural proteins of these viruses, evidence is available for the presence of surface glycolipids on the 3 arenaviruses. The glycolipid is almost certainly derived from the host cell in which the virus is grown, and it is well known that antibody raised against cells of a particular species of mammal will possess significant neutralizing activity against arenaviruses grown in that species. Nevertheless, the data shows that glycolipids comprise the major biological role in pathogenesis and immunity. The possibilities are currently being examined. Early development in-house studies are underway to develop an attenuated dengue-1 vaccine. Current studies are designed to select attenuated coloinies of virus grown in cell lines which meet the substrate requirements established by the Bureau of Biologics. Substrains of dengue-1 virus have been isolate which show promise as potential seed stocks for an attenuated vaccine. it is projected that this vaccine will not be ready for attempts at industrial-scale development until fiscal year 1979. USAMRIID's efforts are coordinated with other USAMRDC-sponsored efforts to develop a quadrivalent vaccine to protect against all four serotypes of dengue virus. It was recently discovered that 2 species of monkeys, squirrel and cynomolgus, showed serologic evidence of Korean hemorrhagic fever (KHF) infection when inoculated either intramuscularly or intratracheally with flourescent antibody technique (FAT)-positive Apodemus lung materal provided by Dr. Ho Wang Lee of Korea. 1 cynomolgus and 3 squirrel monkeys became infected. This is an important finding because it is the first time within the United States that any laboratory animal has been infected with an agent that could be etiologic for KHF. Previous transmission of the suspected viral agent has been limited to the natural host rodent reservoir, Apodemus agrariae corea. At the present time, this animal has not been colonized in the laboratory and is available only in Korea. The successful reproduction in this laboratory of the indirect FAT developed by Dr. Lee, and the successful infection of the monkeys not only confirms Dr. Lee's findings but provides the tools necessary to study this militarily important disease at USAMRIID.
	(8.933)	(2.248)	

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SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD SEPT. 30, 1976, THROUGH SEPT. 30, 1977, DEPARTMENT OF THE ARMY, RCS: DD-D.R. & E. (SA) 1065—Continued

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)			Explanation of obligation
	Current fiscal year	Prior year	In-house Contract	
				A critical need arose to develop an effective killed VEE vaccine. One potential danger of the live attenuated TC-83 vaccine was that vaccinated people or horses might become infectious for mosquitoes, which in turn might propagate and transmit VEE virus and establish a new transmission cycle of varients with renewed virulence in geographic areas otherwise free of the disease. Another consideration was the high reactogenicity of the widely used attenuated TC-83 vaccine; moreover, the attenuated live TC-83 vaccine posed an unquantitated threat to pregnant women and other special groups, such as children and the elderly. Studies were initiated to develop a formalin-killed VEE vaccine from the TC-83 attentuated strain of virus. Since a solid base of information was already available for this virus, in-house development costs have been small. Production lots of vaccine have been prepared under contract with Merrell-National Laboratories. Preliminary tests in 18 volunteers demonstrate the killed vaccine to be highly antigenic and safe—14 additional volunteers were inoculated in June 1977 with similar results. This new vaccine will be used to replace the use of TC-83 live attenuated vaccine in laboratory workers, and to provide booster doses in workers previously immunized with live TC-83 vaccine whose residual serological titers are considered inadequate. The new killed vaccine may prove safe enough for use in children, pregnant females and in other unique situations where the live vaccine is contraindicated. Strains of Rickettsia conorii of worldwide distribution have been received and are now being passaged in eggs for initial seed preparation. Studies on biologic markers are also under investigation. Moreover, approval has been granted for initiation of studies leading to the production of a purified, inactivated Rickettsia prowazeki vaccine. While it is still unknown why intravenous injection of staphylococcal enterotoxin B (SEB) (50 ug/kg) kills monkeys and rabbits within hours, present observations support thpe option that development of pulmonary edema is a significant factor. This is based on the finding that water accumulates in the lungs prior to SEB-induced death. Since pulmonary edema is treatable with continuous positive-pressure breathing (CPPB), and has been used effectively for both adults and children in the clinical setting, this approach was pursued. Using the same principle, CPPB (3-4 cm H_2O) was applied to conscious, SEB-inoculated (50-100 ug/kg) monkeys or rabbits. Of major importance is the fact that some of these animals have survived indefinitely. The present technique for applying CPPB is still primitive as applied to this particular experimental procedure and investigations are being conducted to improve the system. Medical research on respiratory infections is significant from the standpoint of both medical defense against biological warfare (BW) and the general health care of military personnel. Respiratory model infections for investigating pathogenesis and physiological alterations seen in the host, and for developing approaches to prophylaxis and therapy, are essential tools of this research. Ideally, these model systems must embrace a broad range of laboratory animals in order that research findings can be extended with confidence to man. Within this frame of reference, Klebsiella pneumonia in the mouse was employed as a model for a bacterial respiratory infection and recently a major breakthrough was made. The host range of K. pneumonia was extended to include rats and subhuman primates, including both squirrel and cynomolgus monkeys. A key factor was the discovery that clinical and generally fatal infections could be produced in all three species when the challenge organisms were introduced intratracheally as a liquid suspension. A challenger 5 x 10^5 K. pneumoniae, contained in 0.1 ml of volume, produced 80-percent mortality in rats within 9 days. Studies in monkeys showed a direct relationship between volume of inoculum and severity of infection. For example, 5 x 10^5 K. pneumoniae, when instilled into the cynomolgus monkey in 0.5 ml, failed to produce clinical illness, whereas the same number of bacteria in 3 ml was lethal. In the smaller squirrel monkey, 5,000 K. pneumonia contained in 0.5 ml produced a mild illness with transient bacteremia, whereas the same number of bacteria contained in either 1.0 or 1.5 ml was uniformly lethal. Dose-volume relationships, common among three species of experimental animals, provide an excellent model to effectively investigate respiratory pneumoniae. Previous studies concerning the host's metabolic response to various infections have clearly demonstrated that infection induces alterations in the availability of substrates and the utilization of metabolic pathways for energy production. For example, infection effectively prevents normal starvation-induced ketosis and instead enhances muscle catabolism to provide amino acids for glucose production via the process of gluconeogenesis. Excessive utilization of amino acids for energy production during an infection can eventually result in muscle wasting, increased output of urinary nitrogen, and subsequent negative nitrogen balance. Therapeutic reversal of nitrogen wasting during bacterial infection by intravenous hyperalimentation techniques have been most encouraging. Using the recently developed rhesus monkey and rat model, it has been possible to significantly mute the nitrogen excretion by providing the infected animal 0.5 gram of nitrogen per kilogram per day (amino acid mixture, BreAmine II), 78 calories per kilogram per day lipid (Intralipid), plus electrolytes and vitamins. Of key importance in these studies was the observation that although the provision of the nitrogen source alone was sufficient to achieve nitrogen equilibrium in noninfected monkeys, it still resulted in an 11-percent loss of body protein and a doubling of nitrogen excretion during illness. By comparison, in those infected animals provided with lipid in addition to the amino acid mixture, only 1 percent of the body protein was lost during the same time interval. Findings with the rat-hyperal-model support the conclusion that the infected host requires amino acids and additional calories to prevent wastage of body proteins during infection. The alveolar macrophage, localized immunoglobulins, and other localized factors including those of cell-mediated immunity, represent first lines of host defense against respiratory infections of significant military and public health importance. While lung lavage of man for purposes of pulmonary specimen collections in clinical studies is not new, the repeated lavage of living nonhuman primates for the collection of research specimens has not been reported. A recent significant accomplishment was the development of techniques to sequentially lavage the lungs of live rhesus monkeys in obtaining respiratory tract specimens of research importance. An average of 85 percent of the wash fluids introduced into the lung were recoverable as final specimens. Cellular component levels in these specimens were clearly adequate for research purposes and recovery of the monkeys following the procedure were uniformly uneventful. The development of this technique opens new avenues for research into the pathogenesis, immunology, and therapy of respiratory infections.
(e) Foreign biological threat	(.000)		(.142)	Operations research studies were conducted to evaluate and assess the biological threat to the United States and to U.S. military forces throughout the world. During this period 5 operation research studies were completed. 8 additional studies were in progress and are scheduled for completion in fiscal year 1978. A description of the studies is as follows: 1. Operations research studies completed in fiscal year 1977: (a) Study 3: Biological defense protocol—the biological preparedness of U.S. Army troops: An assessment was made of current capabilities and of biological defense requirements for the U.S. Army in the field. The estimate of the current capability was based on attitudes regarding biological defense and on training and defense equipment devoted to biological defense. A protocol for suitable biological defense was presented. (b) Study 8: Target vulnerability assessment: An analysis was made of the political, military, technological, and geographical conditions and developments in the target area that could contribute to the use of biological weapons and an assessment was made of the prospect for the use of and conditions for defense against such weapons. (c) Study 15: Biological cloud patterns and profiles; The characteristics and the behavior of biological aerosol clouds in the atmosphere were examined or postulated for a great many meteorological and terrain conditions. The defense requirements for each of these conditions were discussed. (d) Study 17: An evaluation of biological treaties, and some relationships to defense planning: an analysis was made of biological treaties with regard to weaknesses in the treaties, motives for violation of the treaties and the means available for observation of violations. (e) Study 18: Minimum resources for biological weapons capability: The technological capability necessary for the development of biological weapons was assessed. Particular attention was given to the role of biological weapons in the hands of small nations with limited resources for weapons development. 2. Operations research studies in progress and scheduled for completion in fiscal year 1978: (a) Study 6: Concepts of biological weapons development by small organizations: A previous study has assessed the requirement for nations with limited resources to develop a biological weapon. This study will evaluate the ability of trained, but uninformed, individuals to develop a biological weapon that could be used clandestinely against U.S. forces. During this period, an engineer and a biologist, both with no previous exposure to the concepts of biological weapons development and use, are reviewing past and present literature. Based on their review, an attempt to develop a biological weapon for specific uses will be made. Report is scheduled for completion in fiscal year 1978.
	(.253)		(.111)	

DEPARTMENT OF THE ARMY ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS
(OCT. 1, 1976, THROUGH SEPT. 30, 1977) RCS DD-D.R. & E. (SA) 1065—Continued

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD SEPT. 30, 1976, THROUGH SEPT. 30, 1977, DEPARTMENT OF THE ARMY, RCS: DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST AND EVALUATION FUNDS FOR THE PERIOD SEPT. 30, 1976, THROUGH SEPT. 30, 1977, REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1977; RCS: DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions o dollars): Prior year — Current fiscal year	Funds obligated (millions o dollars): In-house — Contract	Explanation of obligation
			(b) Study 10: Biological detector effectiveness for bomblet attack: This study will evaluate the detection capabilities for an on-target bomblet attack against U.S. military forces based on current detection arrays. During this period the characteristics and the magnitude of a biological bomblet attack were defined. Current biological detector arrays will be positioned in the target area to determine detection capability when subjected to a bomblet attack.
			(c) Study 11: Role of large particles in biological defense: This study will assess U.S. troop vulnerability from biological attack involving large particle size aerosols. During this period aerosols of biological agents composed of particles up to 20 microns in diameter were evaluated as to their role in biological weapons. The implications of large particles to biological defense were examined. Some e perimental work has shown that large particles protect the agent to some extent from environmental effects and provide a larger foci for infection. The basis for the effectiveness of particles less than 5 microns in diameter is being reviewed.
			(d) Study 12: Biological detector criteria for fixed installations: This study will develop procedures to determine the effectiveness of various biological detector criteria in preventing casualties for fixed installations. To date a survey has been made of fixed installations with regard to climate regimes, heating and ventilation characteristics of buildings, biological cloud characteristics associated with representative fixed installations and detector requirements to prevent casualties at fixed installations. Currently a model is being developed for fixed installations.
			(e) Study 19: Refinement of target vulnerability analog: This study will provide for further characterization of target vulnerability parameters which will be adaptable to a number of target sites and larger target areas. During this period, finite meteorogical data has been received for selected climatic regimes. Analog criteria are being evaluated in terms of the meteorological parameters represented by the six regimes.
			(f) Study 22: Biological casualties and attack identification: This study will develop procedures to determine when an undetected biological attack has occurred. A biological attack can be unobserved and undetected and the fact that an attack has occurred may be evident only upon the development of casualties. Certain tactical targets may present a problem because localized casualty concentrations may not readily signal the occurrence of a biological attack. During this period an analysis of tactical target casualty rates and attack identification capability was initiated.
			(g) Study 23: Biological weapons in urban areas: This study will assess the vulnerability of military and civilian personnel in urban areas to biological attack. Doctrine and tactics for urban areas are not well developed; however, some general analyses have shown potential for the effective use of both chemical and biological weapons in these areas. During this period, an examination of the vulnerability of miltary and civilian personnel and of the capability for defense of personnel in such areas when subjected to chemical and biological weapons.
			(h) Study 24: Biological theater conflict: This study is to determine whether biological weapons are of value to nations in a tactical role in support of a predominantly armor invasion. Further development of armored penetration scenarios for NATO Europe is required. During this period, scope of the study has been defined.
(f) Army materiel development tests.	(.000)	(.035)	Modifications were completed on an inclosed test chamber, preliminary checkout trials were conducted in order to validate test procedures prior to testing of the XM19 detector/XM2 sampler system. 14 trials were conducted with the XM2 sampler to determine collection efficiency and to determine the capability of the XM2 biological sampler and collecting fluid to collect and maintain viability during holding. Data forwarded to Chemical Systems Laboratory.
	(.035)	(.000)	
3. Simulant test support	.000	.000	No effort expended in this area.
	.000	.000	

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1977; RCS DD-D.R. & E. (SA) 1065

Biological research program	.000	.000	During the fiscal year 1977, the Department of the Army obligated $-0- for procurement activities associated with biological defensive equipment and production base projects.
	.000	.000	

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE PERIOD SEPT. 30, 1976, THROUGH SEPT. 30, 1977; DEPARTMENT OF THE ARMY; RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD SEPT. 30, 1976, THROUGH SEPT. 30, 1977, REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1977; RCS DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars): Prior year — Current fiscal year	Funds obligated (millions of dollars): In-house — Contract	Explanation of obligation
Ordnance program	.201	5.394	During fiscal year 1977, the Department of the Army obligated $5,976,000 for general research investigations, development and test of smoke, flame, incendiary, riot control agents and weapons systems, and other support equipment. Program areas of effort concerned with these obligations were as follows:
	5.775	.582	Smoke, flame, and incendiary program $3,754,000 Herbicide program* 0 Riot control program 1,448,000 Other support equipment program 650,000 Test support 124,000 Total ordnance program 5,976,000

*Department of the Army research on the Herbicide Program has been phased out.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF 1977; RCS DD-D.R. & E. (SA) 1065

Ordnance program	1.776	3.689	During the fiscal year 1977, the Department of the Army obligated $5,353,425 for procurement activities associated with smoke flame, incendiary, herbicide, riot control agents, weapons systems and other support equipment. Program areas of effort concerned with these obligations were as follows:
	3.577	1.664	Smoke, flame and incendiary program $1,423,000 Herbicide program 0 Riot control program 1,925,425 Other support equipment 2,005,000

DEPARTMENT OF THE ARMY ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS
(OCT. 1, 1976, THROUGH SEPT. 30, 1977) RCS DD-D.R. & E. (SA) 1065—Continued

SEC. 4.—ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS, ADJUSTMENT SUMMARY, TO REPORT FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

ADJUSTMENT SUMMARY TO THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976

Page	Description	From—	To—
	SEC. I—CHEMICAL WARFARE PROGRAM		
	Under explanation of obligations, change figures as follows:		
1	First line, "Department of the Army obligated . . ."	$35,279,000	$33,364,000
	Chemical research:		
	Basic research	940,000	938,000
	Exploratory development	6,860,000	6,662,000
	Total, chemical research	7,800,000	7,600,000
	Lethal chemical program:		
	Exploratory development	1,709,000	1,578,000
	Advanced development	756,000	745,000
	Engineering development	4,543,000	4,067,000
	Testing	433,000	510,000
	Total, lethal chemical	7,441,000	6,900,000
	Incapacitating chemical program: Exploratory development, total	645,000	645,000
	Defense equipment program:		
	Exploratory development	11,770,000	11,425,000
	Advanced development	3,982,000	3,913,000
	Engineering development	2,344,000	2,394,000
	Testing	860,000	210,000
	Total, defense program	18,956,000	17,942,000
	Simulant test support	437,000	277,000

Page	Description	From—		To—	
		Prior year	In-house	Prior year	In-house
		Current year	Contract	Current year	Contract
	Under funds obligated, change figures as follows:				
1	Chemical warfare program	−0.022	32.396	−0.001	30.462
		35.301	2.883	33.365	2.902
3	1. Chemical research	−.006	7.535	−.003	7.362
		7.806	.265	7.603	.238
3	a. Basic research	(.000)	(.885)	(−.002)	(.883)
		(.940)	(.005)	(.940)	(.055)
5	b. General chemical investigations	(−.006)	(6.650)	(−.001)	(6.479)
		(6.866)	(.210)	(6.63)	(3.83)
11	Lethal chemical program	.091	7.166	−.002	6.625
		7.350	.275	6.902	.275
11	a. Agent investigations and weapons concepts	(.080)	(1.709)	(−.002)	(1.578)
		(1.629)	(.000)	(1.580)	(.000)
13	b. Agent pilot plant investigations	(−.005)	(.306)	(.000)	(.311)
		(.311)	(.000)	(.311)	(.000)
14	c. Tactical weapons systems:				
14	(1) Advanced Development	(.000)	(.245)	(.000)	(.229)
		(.450)	(.205)	(.434)	(.205)
14	(2) Engineering Development	(.016)	(4.473)	(.000)	(3.997)
		(4.527)	(.070)	(4.067)	(.070)
14	d. Army materiel development tests	(.000)	(.433)	(.000)	(.510)
		(.433)	(.000)	(.510)	(.000)
17	3. Defense equipment program	−.107	16.621	.004	15.561
		19.063	2.335	17.938	2.381
17	a. Physical protection investigations	(−.018)	(4.525)	(.004)	(4.044)
		(5.776)	(1.233)	(5.541)	(1.501)
22	b. Advanced development of defensive systems	(−.033)	(3.744)	(.000)	(3.765)
		(4.015)	(.238)	(3.913)	(.148)
24	c. Collective protection systems	(−.001)	(.307)	(.000)	(.323)
		(.521)	(.213)	(.536)	(.213)
24	d. Warning and detection equipment	(−.055)	(1.305)	(.000)	(1.339)
		(1.879)	(.519)	(1.858)	(.519)

DEPARTMENT OF THE ARMY ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS
(OCT. 1, 1976, THROUGH SEPT. 30, 1977) RCS DD-D.R. & E. (SA) 1065—Continued

SEC. 4.—ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS, ADJUSTMENT SUMMARY, TO REPORT FOR THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

ADJUSTMENT SUMMARY TO THE PERIOD JULY 1, 1975, THROUGH SEPT. 30, 1976

Page	Desciption	From—		To—	
25	e. Medical defense against chemical agents	(.000)	(5.880)	(.000)	(5.880)
		(6.012)	(.132)	(5.880)	(.000)
27	f. Materiel tests in support of joint operational plan	(.000)	(.284)	(.000)	(.000)
		(.284)	(.000)	(.000)	(.000)
28	g. Army materiel development tests	(.000)	(.576)	(.000)	(.210)
		.576	.000	.210	.000
30	5. Simulant test support	.000	.429	.000	.269
		.437	.008	.277	.008
30	a. Materiel tests in support of joint operational plans and/or service requirements	(.000)	(.429)	(.000)	(.269)
		(.437)	(.008)	(.277)	(.008)

SEC. II—BIOLOGICAL RESEARCH PROGRAM

	From—	To—
1 1st line "Department of the Army obligated . . ."	$17,203,000	$14,151,000
Biological research	387,000	387,000
Basic research	387,000	387,000
Exploratory development	0	0
Defensive systems	16,813,000	13,761,000
Exploratory development	11,658,000	10,588,000
Advanced development	−2,000	−2,000
Engineering development	4,658,000	3,068,000
Testing	499,000	107,000
Simulant test support	3,000	3,000

Under funds obligated, change figures as follows:	From— Prior year / Current year	From— In-house / Contract	To— Prior year / Current year	To— In-house / Contract
1 Biological research program	−0.008	11.400	0.000	11.003
	17.735	6.327	14.151	3.148
2 2. Defensive equipment program	−.008	12.630	.000	10.698
	16.821	4.183	13.761	3.063
2 a. Physical defense against biological agents	(.000)	(1.036)	(.000)	(1.036)
	(1.278)	(.242)	(1.263)	(.227)
4 c. Biological defense materiel	(−.006)	(2.628)	(−.003)	(2.631)
	(4.664)	(2.030)	(3.071)	(.437)
5 d. Medical defense against bioagents	(.000)	(7.088)	(−.000)	(6.685)
	(10.904)	(3.816)	(8.933)	(2.248)

SEC. III—ORDNANCE PROGRAM

Under funds obligated, change figures as follows:	From— Prior year / Current year	From— In-house / Contract	To— Prior year / Current year	To— In-house / Contract
First line, "Department of the Army obligated . . ."	$8,120,000		$7,776,000	
Ordnance program	−0.002	7.775	−0.010	7.712
	8.122	.345	7.786	.064
Smoke, flame and incendiary program	5,213,000		4,787,000	
Herbicide program	−2,000		−2,000	
Riot control program	1,775,000		1,691,000	
Other support program	912,000		930,000	
Test support	222,000		370,000	

DEPARTMENT OF THE ARMY ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS
(OCT. 1, 1976, THROUGH SEPT. 30, 1977) RCS DD-D.R. & E. (SA) 1065—Continued

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, DEPARTMENT OF THE NAVY, RCS: DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST AND EVALUATION FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, REPORTING SERVICE: DEPARTMENT OF THE NAVY, DATE OF REPORT: SEPT. 30, 1977, RCS: DD-D.R. & E. (SA) 1065

Description of effort RDTE	Funds obligated (in millions of dollars) Prior year Current fiscal year	In-house Contract	Explanation of obligation
Chemical warfare program	0.000	0.524	During the period Oct. 1, 1976, through Sept. 30, 1977, the Navy obligated $1,125,000 for research and development efforts
	1.125	.601	
1. Defensive equipment program	.000	.524	
	1.125	.601	
a. Exploratory development	.000	.144	Funds support defense requirements analysis, development of automated chemical/biological detection systems, joint development of all new CB protection to personnel and new type naval ships.
	.229	.085	
b. Engineering development	.000	.380	The purposes of this program are: (1) provide U.S. Navy ships with CW advanced warning capabilities utilizing passive infrared techniques; and (2) to provide U.S. Navy ships with a CW agent point sampling detector and surface contamination monitor.
	.896	.516	

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977: REPORTING SERVICE: DEPARTMENT OF THE NAVY; DATE OF REPORT: SEPT. 30, 1977; RCS: DD-D.R. & E. (SA) 1065

Chemical warfare program	0.010	0.039	During the period Oct. 1, 1976, through Sept. 30, 1977, the Department of the Navy obligated $29,000 for procuremen associated with chemical warfare defensive equipment.
	.029	.000	
Defensive equipment program	.010	.039	
	.029	.000	
Protective clothing	.010	.039	Obligations to cover the procurement of chemical warfare protective clothing for distribution to Navy ships and stations.
	.029	.000	

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, DEPARTMENT OF THE NAVY, RCS DD-D. R. & E. (SA) 1065

Negative.

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, DEPARTMENT OF THE NAVY, RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, REPORTING SERVICE: DEPARTMENT OF THE NAVY, DATE OF REPORT: SEPT. 30, 1977, RCS: DD-D.R. & E. (SA) 1065

Ordnance program	0.000	1.200	Funds obligated to support procurement of 81mm smoke rounds.
	1.200	.000	

DEPARTMENT OF THE AIR FORCE, ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (OCT. 1, 1976, THROUGH SEPT. 30, 1977), RCS: DD-D.R. & E.(SA) 1065: SEPT. 30, 1977

SEC. 1.—OBLIGATION REPORT OF CHEMICAL WARFARE LETHAL AND INCAPACITATING AND DEFENSIVE EQUIPMENT PROGRAMS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, RCS DD-D.R. & E.(SA) 1065, DEPARTMENT OF THE AIR FORCE, SEPT. 30, 1977

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977; REPORTING SERVICE: DEPARTMENT OF THE AIR FORCE; DATE OF REPORT: SEPT. 30, 1977; RCS: DD-D.R. & E.(SA) 1065

Defensive eduipment program:			
Exploratory development	.000	.000	
	.000	.000	
Engineering development	—.014	.858	Development and testing of agent detection devices and further development of modification kits for structures. Evaluation and development of various items of personnel protection gear.
	1.197	.325	
Total defensive	—.014	.858	
	1.197	.325	
Total R.D.T.E. obligations	—.014	.858	
	1.197	.325	

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977; DEPARTMENT OF THE AIR FORCE; RCS: DD-D.R. & E. (SA) 1035

Chemical warfare program	.000	.000	
	5.500	5.500	
Defensive equipment program	.000	.000	
	5.500	5.500	
Protective clothing and equipment.	.000	.000	Obligations used to complete the established basis-of-issue of protective clothing and equipment and thereby provide USAF personnel with a capability to operate in a chemical warfare environment.
	5.500	5.500	

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977; DEPARTMENT OF THE AIR FORCE; RCS: DD-D.R. & E. (SA) 1035; SEPT. 30, 1977—NEGATIVE

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977; DEPARTMENT OF THE AIR FORCE; RCS: DD-D.R. & E. (SA) 1035; SEPT. 30, 1977—NEGATIVE- ●

THE HIGH COST OF REGULATION

● Mr. DOMENICI. Mr. President, pollsters have indicated that the American people consider the use of Federal regulation and bureaucracy the major domestic problem.

This problem affects manufacturers, consumers, and all individuals. We have entered the age of Federal regulation and there are few elements of life, commercial or otherwise, where the Federal Government does not have some role to play.

Newsweek magazine in this week's issue carries an article submitted by Henry Ford II which describes the effect of regulation on our free enterprise system and the cost to our society.

I ask unanimous consent that this assessment be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HIGH COST OF REGULATION

As I look at our country today, I see a powerful but uncertain and unsteady giant being trussed up in a growing web of rules and regulations to the point where it can no longer exert its strength freely and effectively. I am reminded of the story of Gulliver in the land of the Lilliputians.

Perhaps it's only a coincidence that the recent period of rapidly rising government spending and roughshod regulation also has been a time of high unemployment, slow productivity improvement, soaring government deficits and unprecedented peacetime inflation. But I don't believe it's a coincidence at all. Despite a mounting record of failure and frustration, our leaders have failed to grasp the fact that too much government inevitably leads to economic decay.

It is obvious to everyone—or should be—that the more government spends, the less wealth is left for productive investment as well as for private consumption. What is not so obvious—and our lawmakers and regulators apparently choose to ignore it—is that private spending to meet government requirements has similar consequences.

I am not arguing with the need for government action to conserve energy, reduce harmful pollution and protect the health and safety of all of us. But I am arguing with the tendency to sanctify each goal—to seek instant perfection with little regard for costs and consequences. In our national effort to solve common problems caused by our private choices, we have spent too much time on moralistic and ideological disputes and too little time seeking practical compromises. Our real task is to find the best balance between benefits to people as citizens and costs to people as consumers.

DESIRABLE GOALS

I am not at all reluctant to say that some automotive regulations have been needed. The industry simply did not respond quickly and effectively enough to the harmful side effects of vastly increased automotive usage in highly populated areas. And some obviously desirable goals such as reduced emisssion of pollutants and increased passenger protection in the event of accidents could not have been achieved as readily without uniform, across-the-board government mandates. In retrospect, I think it is fair to say also that the law requiring greater fuel economy in motor-vehicle use has moved us faster toward energy conservation goals than competitive, free-market forces would have done.

But the effect of even the most desirable law can be unnecessarily costly and disruptive to both manufacturers and consumers if it is interpreted in a narrow or punitive way by those who enforce the law. Regulatory decisions can have far greater impact than was intended or foreseen by those who enacted the basic legislation. To the extent that those decisions are biased or overzealous, there can be no hope of seeing the law carried out objectively.

INSIDIOUS POWER

There is a real danger that regulation will continue to feed upon regulation and become not so much a means to an end as an end in itself. With the labyrinth of regulations, many in Washington and elsewhere find themselves possessed of a power greater in some respects than that of the Congress or state legislatures.

It is an insidious kind of power. It lacks accountability to the people, has few real restraints and avoids any immediate public outcry because it does not make any direct or substantial demands upon the U.S. Treasury. The staggering cost of meeting regulations falls first upon the affected industry and its customers, and only later does the impact begin to be felt by the society at large in terms of general price rises, slower economic growth and fewer jobs. One of our critical needs today is a "sunset law" for regulations and regulatory agencies.

What the regulators evidently do not recognize is that they are forcing some fundamental changes in the structure of our economy. To the extent that some companies are unable to sustain the level of spending required by government regulation, they could find it necessary to cut back operations, reduce product lines or—at the extreme—simply go out of business. One automobile company has already dropped out of the heavy-truck business because, by its own account, it "could not keep pace with the growing list of government standards." Despite efforts by government throughout the years to prevent concentration in industry, the regulators are fast bringing us to the point where only the largest companies can survive.

What troubles me most about all of this is our apparent inability or unwillingness to recognize that there is something wrong about the way we look at our national problems and the way we try to solve them. We want clean, sparkling rivers and streams wherever we go. But must we close down all the industrial plants along their shores to achieve that goal? We want clean air. But is 90 per cent clean much worse than 99.9 per cent clean? We want safe motor vehicles. But can the vehicle alone guarantee absolute protection from accidents and injuries?

Several years ago, I went to Washington at the invitation of the late Sen. Hubert Humphrey to testify before the Joint Economic Committee. I suggested that this country would be well-served if we introduced into the conduct of our national economy some of the planning concepts that are common in business. We had better know and understand all the factors that must be taken into account when we size up the economy and lay out our course for the future. We cannot have economic growth, balanced or otherwise, if we approach problems narrowly. We must know how each action affects another, and be willing to change or eliminate those that are counterproductive.

INCENTIVES

It seems to me also that we have made too little use of incentives in attempting to resolve many of our most difficult social and environmental problems. That's the essence of this economic system that has served our country so well for so many years. Even a donkey will respond to a carrot as well as a stick. The more we can encourage people—manufacturers and consumers alike—to want to do what should be done because it is demonstrably in their best interest to do so, the less damage will be done to our economy and to the society at large.

That assumes, of course, that we can arrive at some better way of deciding—by consensus—what our national priorities should be. To paraphrase Winston Churchill, never before have so few attempted to speak for so many with such devastating results.●

ENERGY AND JOBS—AN URBAN PERSPECTIVE

● Mr. RIBICOFF. Mr. President, Senator KENNEDY's Joint Economic Energy Subcommittee recently held several hearings on the relationship between energy and employment. These timely and comprehensive hearings have focused on the impact of energy policy on jobs and those steps which can be taken to provide additional employment as energy is produced or saved.

One of the witnesses at the hearings was Hartford Council President Nicholas R. Carbone. Nick Carbone is one of the Nation's most perceptive and respected authorities on urban affairs. His testimony brings a unique perspective to the relationship between the problems of urban America and our country's energy needs. As Councilman Carbone has observed, there must be a partnership between the Federal, State, and local governments to "work together to redefine the impact of energy policy on Americans."

I believe Mr. Carbone's comments are of interest and I ask unanimous consent that his testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

ENERGY AND JOBS

I am pleased to join you today to discuss the role of energy policy in job creation. Our national energy policy is new and incomplete. In two weeks President Carter will announce America's first explicit urban policy. Behind both strategies and programs at the Federal, State, and Local levels must lie a response to our Cities' greatest need: Jobs. Our urban policy must be an investment strategy which creates employment opportunities.

Energy policy must also be shaped to play a central role in the task of urban job creation. As Congress moves closer to the historic adoption of the Humphrey-Hawkins full employment bill, the planning tools to create full employment must be utilized to shape our energy policy as a powerful instrument for economic growth.

The broad principles of an energy/jobs policy must be fashioned at the national level in cooperation between the Congress and the administration. But numerous state and local governments already have developed prototypes of energy programs that are putting people to work. We need to examine those ideas and implement the best of them in other states and local communities. That effort will require a partnership between all three levels of government.

That partnership must work together to redefine the impact of energy policy on Americans. Energy policy has come to imply penalties, sacrifice and prohibitions that affect some people more severely than others. In the atmosphere of mistrust and resentment that follows, it is difficult, if not impossible, to rally public understanding.

Energy policy does not have to mean unequal treatment and an unfair set of per-

sonal sacrifices. Energy conservation can be perceived as a positive step towards eliminating waste and creating jobs for Americans. According to Donald Gilligan, former Assistant Director of the New York State Energy Office: "The Northeast could increase its energy consumption by 40 percent over the next decade without a single new energy source—by simply eliminating waste." Energy conservation offers local officials and individuals opportunities to increase our options to reallocate capital and natural resources away from wasteful energy uses to job creating activities.

There are 3 basic principles which underline this theme—

1. Waste of Energy eliminates jobs;
2. Capital intensive production of energy eliminates jobs;
3. Lack of a comprehensive national and urban growth policy wastes energy and destroys cities.

Energy consumption and energy waste affect job loss.

In order to understand that relationship, let's look at how inflated costs have limited local government's ability to deliver services. Hartford's experience is typical. Since fiscal year '71–'72, Hartford's budget has increased from $94 million to $130 million, during the same period the consumer price index increased 50.5 percent—shrinking the value of today's dollar. Our total current budget would equal only $64 million in 1971–72 dollars, and in 1971–72 we were spending $94 million for city services. We have cut back in several ways. We have cut back through layoffs and attrition; our number of man years has been reduced by 20 percent. We are also delaying replacement of equipment such as street sweepers—which rose in price from $15,000 to $25,000 in five years.

And, at the heart of these inflationary price increases is the rising cost of energy. Since 1971, the cost of fuel oil has gone from 12 cents a gallon to 40 cents a gallon—a 228 percent increase. The price of gasoline has increased by 168 percent and electricity by 71 percent.

As Barry Commoner points out:

"It is no accident that we first experienced double digit inflation when the previous constant price of energy not only drives all prices upwards—it creates uncertainties that delay new industrial investment. It forces economic dislocations that costs jobs. It is a prescription for inflation and unemployment. Here, then is the real meaning of the energy crisis. It is not a distant prospect of someday running out of energy. Rather, it is the immediate prospect of economic catastrophe."

How can we as a nation avoid that economic and social catastrophe? Massive multibillion dollar projects such as the Alaskan Pipeline don't seem to be the answer. Neither do proposals to build networks of huge nuclear power plants. Nuclear power plants, Commoner points out, have had to meet a whole series of new safety and environmental protection requirements that were not built into the original design. These refinements have helped push up the costs of a nuclear power plant by 130 percent in five years. Since waste and reprocessing problems are still unresolved. nuclear power plant costs will continue to increase. In Commoner's words:

"That explains why nuclear power is the most expensive energy source." and "that is why utilities constantly demand higher rates to raise the huge amounts of capital needed to build nuclear power plants."

Our country also faces severe limitations in the availability and cost of capital. Given the shortage, we must make a choice—will we use the bulk of our capital to build costly nuclear power plants to produce costly electrical power? Or will we use our capital in ways that will reduce our energy costs, put our people to work, rebuild our cities and improve the quality of life for most Americans?

If the American people believed that the latter choice were realistic, they would demand that we make it. I believe that that option is realistic, that we can achieve those goals—if we are willing to implement a sensible energy policy.

We must help the American people understand that the lack of a comprehensive national and urban growth policy not only destroys cities, it saps our nation's strength through unnecessary waste of energy. What are the energy costs of unbalanced growth? What are the energy costs of the destruction of our Northeastern and Midwestern cities? In Hartford, we have estimated that the total capital cost of replacing our City is 8–10 billion dollars including private and public buildings, parks, streets, sewers, etc. It is ironic that the lack of a national urban policy is systematically destroying this capital base—by forcing people to leave to seek employment; and by underfinancing local governments so that we are unable to maintain our capital investment.

It is ironic that while we all decry the waste of energy, and while we decry the shortage of capital, we are wasting these resources and harming our environment through the absence of a growth policy.

The cost of new housing is exploding yet as we all know, the cost of rehabilitation is dramatically less than the cost of new construction. We also see a water crisis is developing, which I believe could someday overtake the energy crisis in importance in parts of our country—and coincidentally provide the Northeast with the advantage of an unparalleled natural resource. We also see the crisis in the mushrooming capital budgets in areas of high growth, placing unnecessary demands on local taxpayers. All of these phenomena are due to a lack of a comprehensive national growth policy.

We need a national growth policy not only to save our Northeastern Cities but also to save energy. We must understand that cities are inherently energy conserving. Buildings are closer together, reducing energy costs. Apartment dwellings are lower in energy costs per unit than detached houses. Public transportation is more readily available and financially possible in cities and the commute from home to job is shorter.

Given the principles that wasted energy eliminates jobs, that capital intensive production eliminates jobs, and that the lack of a national urban policy eliminates jobs and hurts our cities, what should we do? Our cities are already taking innovative steps towards a comprehensive energy policy at the local level—but they need assistance from Washington. Unfortunately the Schlesinger plan would shift the emphasis away from local governments, and put the responsibility in the hands of state governments. There is a role for the cities, of course, but local government holds the responsibility for building codes, zoning laws and a variety of regulations that have direct impact on energy conservation.

The Schlesinger plan also would place emphasis on the role of private utility companies in retrofitting, weatherization and financing. There are two major flaws in this. First, it does not recognize the role of public utilities in the delivery of water and sewer services. Secondly, electric and gas utility companies need increased revenues to maintain the debt service on existing and future capital expansions. Conservation efforts that have lowered demand also reduced revenues and utilities have responded with rate hikes. Putting conservation in the hands of utility companies would seem to place consumers in the midst of a no-win conflict of interest.

Further, the present winterization effort, deals primarily with middle and upper income people. Tax credits will help the homeowner conserve energy and save money, but the tax credit will not assist the urban poor and the working poor concentrated in apartment dewellings. As energy costs rose, landlords in Hartford began shifting the cost of energy to their tenants, so that 75 percent of Hartford's tenants now bear the responsibility of paying for their own heat and hot water. This is almost always the case in our poorest neighborhoods. When landlords are not paying heating bills, the tax credit won't motivate them to invest in insulation, storm windows or more efficient boilers. The tenant who is paying the heating bill can't get a tax credit even if he or she can afford to winterize the apartment.

As a result of this situation, at least 50 percent of our multi-family units won't be winterized nor will they utilize new technologies such as solar collectors.

The Community Renewal Team of Hartford, which operates our winterization program for poor people, estimates that we need $10 million to insulate all substandard living units occupied by the poor in the Hartford region. Last year CRT's total budget for insulation was $120,000—approximately 1 percent of the total need.

But, the Schlesinger program is not an energy program for cities nor is it an energy program which places priority on job creation. Let me cite some specific examples of the ways in which energy policy can be used to create jobs. The City of Hartford is establishing a Community Energy Corporation which will hire and train unemployed city residents to retrofit and audit existing structures. We will work on public buildings and hope to branch into homes and apartment buildings in the City and in surrounding suburban communities. We are attempting to change state legislation so that our regional water bureau could contract with the energy corporation to retrofit homes within its jurisdiction. The publicly-managed water bureau can act both as a technical resource and as a capital source for money borrowed at public rates. Secondly, within CEC funds that would be ordinarily considered a profit will be used by the public corporation to conserve energy in poor people's homes and apartments.

It is estimated that the Community Energy Corporation, with a public investment of $125,000, can winterize 1,200 homes on a cost basis. This will create 15 jobs for city residents at a cost per house of $106.00. This results in a total cost per job of public money of $8,400 in the first year. Compare this figure of less than $10,000 per job for C.E.E. with the average cost of job creation for nuclear power. Compare this figure with the $40,000 required in capital to create a manufacturing job. Clearly, energy conservation is job intensive. In addition, the skill profile of winterization makes it a profession accessible to those suffering from structural unemployment.

The second cornerstone of a job creating energy policy must be a massive federal, state, and local partnership to create a solar industry on a job intensive and decentralized basis.

In California, the campaign for economic democracy has sponsored SOLAR cal—a legislative package submitted to the California Assembly, SOLAR cal is a package of 12 bills of which four are central. SOLAR cal would make available, through the utilities, consumer loans at low interest rates. These rates would be set by the public utilities Commission and monthly installments on the loan would be no higher than present monthly utility bills.

SOLAR cal would create a public not-for-profit corporation which would use state and federal dollars to make loans to small businesses for the production and installation of solar energy. The $10 million in equity would

stimulate the growth of solar energy and capital would be made available to small enterpreneurs and community based organizations. Also, SOLAR cal would establish the use of state CETA funds to finance the training of personnel for local community development private corporations that would manufacture and install solar equipment. CETA would be used as a way of allocating jobs in the Solar industry to those who most need them.

Finally, SOLAR cal would create a commission to provide a plan to solarize California. The California Center for Public Policy has estimated the net number of jobs that would be created in California alone, through the promotion of solar energy. Let's assume a 75 percent retrofit of homes for solar space and water heating; and 100 percent solar space and water heating in new residential and commercial construction. It is estimated that the SOLAR cal proposal would create a new number of 378,000 new jobs over a 10-year period beginning January 1, 1981.

CEC and SOLAR cal share two basic assumptions. One, public guidance and public control are the cornerstone of the national energy industry. We cannot afford to have ownership of the sun in the same way we have monopolistic ownership of petroleum by an industry unresponsive to the needs of our people or even the controls of our government. Secondly, SOLAR cal and CEC are based around the principle that energy policy and planning can create jobs for the structurally unemployed.

There are other important national examples. In Springfield, Vt., local officials plan to use seven old mill dams to generate electricity for that town's 10,000 residents. Local officials predict that a series of hydro-electric plants will cut the town's electric bill in half. This plan could be duplicated in small towns and in big cities all across the country. The U.S. Army Corps of Engineers reports that at least 48,000 untapped dam sites could be used to develop electricity. Just 10 percent of the 3,000 dam sites available in New England could supply enough electricity for the entire city of Boston. Hydro-Electric power is safe, non-polluting, relatively inexpensive, produced from a renewable energy source and can reduce the cost of energy for industrial production—helping to hold down inflation.

Wilton, Maine is looking to relatively new technology of solar energy. Wilton is constructing a sewage treatment plant that would use solar energy to heat the building and fuel the process. Methane gas will be produced as a by-product and stored as a back-up fuel. In addition, Portland, Oregon has studied a capital improvement program to see how long-range physical plans for the city could be developed that would accomplish the two goals of reducing city government energy costs while stimulating energy efficient development patterns. Dallas, Texas has developed a set of energy efficient building design standards for all new facilities and structures that are being renovated.

Since energy affects virtually every aspect of our lives—social, economic, political and cultural—a city comprehensive energy plan needs to touch all levels of municipal policy including zoning, land use building codes, transportation, economic development and education. In Hartford we are looking at how we might revise our zoning and land policies. We plan an economic multiple use of structures so that people can work, shop and entertain themselves in the same complex. We are looking at our building codes to determine whether or not the City could require an energy audit on any building that is sold so that energy deficiencies would have to be corrected before transfer of title. The proposal would guarantee that every structure in the city over time would be completely retrofitted.

This City energy policy is being managed by a new standing committee of the Council which involves all nine members. They are actively involved in the study of all aspects of our energy policy including zoning, land use, transportation and job creation.

In conclusion, we must examine what we can do next. What should be the roles of the Federal, State and Local Governments? We need a partnership that involves all three levels of government so that we can create a system which conserves energy, creates jobs and improves the quality of urban life. The National League of Cities has called for federal assistance to cities in the form of direct federal subsidies, and energy extension service, a general revenue sharing plan, and local energy conservation and development banks. The SOLAR cal proposal creates a state role in planning, land use management and a public capital source as an attempt to engage a city in intelligent energy planning. Hopefully, the President's requirement of a State urban strategy as part of the urban policy will create growth policy.

Finally, whatever is done must be based on the following four principles of action. These principles share a common goal. An energy policy should create jobs, not waste capital. An energy policy should create jobs for those in greatest need, the structurally unemployed. These principles for action are:

1. We should utilize energy sources which are job intensive as a strategy for full employment.

2. A new capacity for state and local government to manage an energy service must be created at a level equally important with existing public services, police, fire and education.

3. Energy growth must be based upon the utilization of public capital. Public capital will both lower the cost of energy saving and more importantly public capital will help to decentralize the control of the energy industry.

4. A national growth and urban policy must be made an effective tool of energy. The policy must support the survival of one of our greatest energy resources—our cities.

Thank you very much.●

SOLAR ACCESS LEGISLATION

● Mr. HART. Mr. President, the impressive package of solar legislation that was introduced on Monday is designed to encourage and expand the use of solar energy. I commend my colleagues in both Houses for the many innovative proposals that have been set forth. It must be recognized, however, that the viability of solar energy as an alternative energy resource ultimately depends upon direct access to the Sun's rays.

Although sunlight flows unobstructed through nearly 93 million miles of space, it is often impeded in the final few feet before it touches the Earth. Since most of the Sun's rays that reach a particular piece of land must necessarily strike it at an angle, very little of the sunlight collected by a solar device comes to it from directly above the land on which it rests. In Colorado, for example, the usual angle for a solar collector is roughly 60 degrees above the horizontal. This angle means that, for most installations, the rays reaching the collector will be coming across adjacent properties and may eventually be blocked by buildings, walls, trees, or other construction, not anticipated by the installer of the solar collector.

A homeowner whose solar collector is shaded by a neighboring structure may have no legal redress. A solar energy user's legal right to sunlight varies from State to State and is, for the most part, undefined and unclear. A residential solar energy user may well be hindered by restrictive covenants, building codes, and municipal ordinances, that prevent or discourage rooftop location of solar collectors. The critical question of how sunlight, upon which solar energy is dependent, is to be allocated, is just beginning to be examined. With the emergence of solar energy as an important and increasingly reliable alternative to gas, oil, and coal for heating buildings, the questions regarding legal access to the Sun cry out to be resolved. If they are not, the prospect of legal tangles over denied access is likely to scare both developers and homeowners away from solar heating and cooling.

Measures which help clarify legal access to solar energy can play a vital role in stimulating advances in technology and eliminating institutional barriers. Such measures will serve to protect the solar user from a shadow and avoid litigation between neighbors, while promoting the development and use of solar energy devices.

Legislative initiatives in this area have traditionally been the prerogative of State and local governments and should clearly remain so. The Federal Government can, however, provide the crucial support needed by States and municipalities that seek to press forward and address these emerging problems.

Accordingly, I am preparing legislation which would establish a program of matching Federal grants to States for the purpose of conducting solar access reviews, by which States would identify legal alternatives to assure access to direct sunlight and methods of encouraging adoption of such alternatives. A number of States across the country have already developed solar access planning studies, but some, unfortunately, have not been able to proceed due to the lack of funds. Federal grants earmarked for solar access studies would provide the boost necessary to get many of these State programs off the ground.

I believe this legislation will provide a solid foundation for the growth and expanded use of solar energy throughout our Nation.●

CLUES TO THE EARLY HISTORY OF THE SOLAR SYSTEM

● Mr. LEAHY. Mr. President, yesterday I had inserted into the CONGRESSIONAL RECORD a paper by Alan Rohwer entitled "What Does the Amateur Astronomer Contribute to Scientific Research?" This was one of many papers presented at a recent conference on scientific research in Vermont.

Today I ask that unanimous consent be given to print in the RECORD an equally informative and scientific paper by Dr. John C. Drake entitled "Clues to the Early History of the Solar System."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

METEORITES: CLUES TO THE EARLY HISTORY OF THE SOLAR SYSTEM

(By John C. Drake)

ABSTRACT

Meteorites provide important insight into the early chemical evolution of the solar system. Type 1 carbonaceous chondrites closely approximate the original composition of the solar nebula. The compositional and mineralogical variability of other meteorite groups results from various periods of chemical fractionations occurring during the original condensation process and later events. Radioactive age dates indicate that meteorites formed rapidly approximately 4.5 billion years ago. Although many meteoritic processes are not well understood (for example chondrule formation and orbital perturbations) information gained from their study provides unique insight into evolutionary processes active in the early history of our solar system.

INTRODUCTION

The problem of using meteorites to interpret the early history of the solar system has several facets. First, it is necessary to establish the range of compositional and textural relationships exhibited by meteorites and then to evaluate their significance. The second problem is to establish when meteorites were formed, if in fact they did form during the early history of the solar system rather than at some later date. Thirdly scientists must establish the extent to which meteorites have been altered during their existence. If they have undergone extensive alteration since the time of their formation it becomes much more difficult to unravel their history. Finally it is necessary to ascertain whether or not they have their origins within the solar system, and, if so, in what part.

References to objects falling from the sky exist in the writings of the ancient Greeks and Romans (Krinov, 1960, p. 1–3; Wood, 1968, p. 1–4). It was not, however, until the end of the eighteenth century that the study of these objects was pursued in a scientific manner and an extraterrestrial source generally accepted. In 1794, Chladni, working at the University of Berlin, published a book entitled "Observations on a Mass of Iron found in Siberia by Professor Pallas, and on other Masses of Like Kind, with some Conjectures respecting their Connection with certain natural Phenomena" (Wood, 1968, p. 3) in which he forcefully presents the case for an extraterrestrial origin for these and other similar objects. Howard, an English chemist, discovered nickel in both stony and metallic meteorites, thus leading him to conclude, in 1802, that both types were not terrestrial material (Sears, 1975, 1976; Sears and Sears, 1977). Biot's report of the L'Aigle meteorite shower (April 26, 1803) further substantiated Chladni's and Howard's conclusions and thus the recognition that meteorites were of cosmic origin became established (Mason, 1962, p. 6–7). Until the return of the first lunar samples by Apollo 11 in July, 1968, meteorites were the only material of extraterrestrial origin available for study. The study of lunar samples and data from unmanned space probes has greatly increased the importance of meteorite studies. As more information becomes available, it is increasingly apparent that meteorites are unique in chemistry and texture, and are therefore invaluable clues in deciphering the early history of our solar system. Because of this the study of meteorites continues to be an area of interest for geologists, physicists, astronomers and chemists. Recent literature on meteorites is voluminous and this paper will not attempt a comprehensive survey. Rather, selected topics and controversies will be presented to give some idea of the varied nature of the subject material and the problems associated with using meteorites to interpret the early history of the solar system.

CHEMICAL AND MINERALOGICAL CHARACTERISTICS

Many different criteria, including chemical composition, textural relationships and mineralogy, have been used in attempts to devise a systematic classification of meteorites. In any classification scheme, however, it is important to determine whether the chosen criteria merely establish convenient, but arbitrary, subdivisions on a natural continuum or represent truly distinct groups. It is further necessary to establish whether the parameters upon which a classification system is based represent fundamental differences in origin and evolution or are merely convenient descriptive characteristics. Although there is now general concensus among meteoriticists regarding the format of the classification there are still varied interpretations as to the significance of the divisions.

Meteorites can be conveniently divided into three major groups on the basis of composition and mineralogy; (A) the irons composed primarily of nickel-iron alloys, (B) the stones which contain mostly silicate minerals and (C) the stony-irons which are a mixture of metals and silicates in approximately equal proportions. Although iron meteorites are those most frequently (59%) reported as finds (i.e. those meteorites that are found but not seen to fall), stony meteorites are probably far more abundant in space as indicated by the high percentage (92%) represented by those meteorites actually seen to fall and subsequently collected. The difference between the relative abundances of "falls" and "finds" undoubtedly represents the ease with which metallic meteorites can be distinguished from terrestrial rocks as well as their greater resistance to weathering processes on the surface of the earth. Stony-irons represent only a small percentage of either falls or finds (6% and 2% respectively; Mason, 1962, p. 3).

Iron meteorites are primarily composed of intergrowths of two nickel-iron alloys. Kamacite, a low nickel alloy is generally the predominant phase with taenite, a high nickel alloy, present in lesser amounts. The majority of metallic meteorites (the so-called octahedrites), after being cut, polished and etched with dilute acid, show an oriented intergrowth of these two minerals, known as a Widmanstatten pattern. This results from the alignment of taenite lamellae parallel to specific crystallographic directions within the more abundant kamacite host. These textures are frequently continuous over hundreds of centimeters indicating that many metallic meteorites are giant single crystals of metal. In order for crystals this size to develop, the rate of cooling must have been very slow. Rapid cooling tends to promote the formation of many nuclei rather than continued growth on one or a few crystals. Experimental work has shown that the compositions of both kamacite and taenite systematically change when temperature is lowered. Nickel atoms diffuse through the crystal lattices of these minerals enabling the compositions to re-equilibrate at lower temperatures. By combining appropirate experimental data regarding the rates of diffusion and predicted compositions with analytical data describing the distribution of nickel in the two minerals it is possible to calculate cooling rates for these meteorites (see Wood, 1968, p. 30–39; Wood, 1964; and Goldstein and Short, 1967a, 1967b; for a more detailed discussion of the technique and interpretation of results).

The results of these studies indicate a range of cooling rates from 0.4 degrees centigrade per million years (m.y.) to 500 degree centigrade per m.y., but with most iron meteorites falling in the range 1–10 degrees centigrade per m.y. Because metal is such an efficient conductor of heat these extremely low cooling rates are possible only if the metal were covered with a thick layer of insulation, such as silicate minerals. If, in fact, metallic meteorites represent the cores of parent bodies, it is possible, using conductivity data, to calculate the thickness of rocky material required to produce the measured rates of cooling. Such calculations (Goldstein and Short, 1967a, 1967b; Wood, 1968, p. 39) indicate radii ranging from 70 to 300 kilometers for the parent bodies, which compare favorably with the radii of asteroids, the largest of which is Ceres with a radius of 477 km (Hartmann, 1975), but are substantially smaller than the moon whose radius is 1738 km (Kopal, p. 5, 1969).

Stony-iron meteorites are the least abundant group. But, because they are transitional in mineralogy and texture between the more abundant iron meteorites and stony meteorites, their significant may well exceed their relative abundance. The stony-irons can be sub-divided into the two major groups that differ in chemistry, mineralogy, texture and probably mode of origin. The pallasites consist primarily of olivine, $(Mg, Fe)_2SiO_4$*, nodules or fragments set in a generally continuous matrix of nickel-iron. Investigations by Buseck and Goldstein (1969) suggest that these meteorites formed under conditions of equilibrium crystallization at very slow cooling rates (0.5 to 2 degrees centigrade per m.y.). This low cooling rate may indicate that they came from a deeper, better insulated source than most iron meteorites. These meteorites are products of extreme chemical differentiation resulting in the accumulation of olivine grains. Native metal was either interstitial to or intruded into the olivine rich zones (Buseck, 1977; Scott, 1977). Mesosiderites, the other main group of stony-irons consists primarily of pyroxene, $(Mg, Fe)SiO_3$, calcium-rich plagioclase, $CaAl_2Si_2O_8$, and nickel-iron alloy, with the latter existing as discrete grains rather than a continuous mesh. Texturally, many mesosiderites show evidence of crushing and brecciation (composed of numerous angular rock and mineral fragments) while mineral compositions indicate a lack of chemical equilibration (Powell, 1971). Cooling rates for mesosiderites, determined from nickel diffusion patterns in the metal alloys, are the lowest of any single meteorite group (0.1 degrees per m.y.). This, however, may be indicative of the cooling rate only in the temperature interval 500°C to 350°C. The textures and compositions of silicate minerals in these meteorites indicate a more rapid rate of cooling at higher temperatures. Mineralogical and textural criteria suggest that this group of meteorites has had a complex history including crystallization from an igneous silicate melt (a magma) ". . . brecciation, metal-silicate mixing, . . . burial, metamorphism (recrystallization at elevated temperatures) and ultimately removal from the parent body." (Powell, 1971, p. 5).

Stony meteorites, in which silicate minerals are predominant, are the most abundant groups, as indicated by the relative number of falls (92%). This group has been further subdivided into the chondrites which are meteorites containing small rounded inclusions (chondrules) of glass and/or minerals and the achondrites which lack chondrules. Achondrites, more than any other group of meteorites, resemble many terrestrial igneous rocks in both texture and mineralogy. They consist mainly of plagioclase, $CaAl_2Si_2O_8$, pyroxene, $(Mg, Fe)SiO_3$, and olivine, $(Mg,Fe)_2SiO_4$. The characteristics of these meteorites suggest that they crystallized from magmas formed when some meteorite parent bodies were partially or totally remelted.

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*In all chemical formulas the numbers indicate the relative number of atoms of the preceding element(s) present in a formula unit.

Chondrites are the most abundant type of meteorite observed as falls. Like the other major groups of meteorites they represent a wide range of texture, mineralogy and bulk composition which has led to numerous classification systems. The one most commonly used currently is that proposed by Van Schmus and Wood (1967) which incorporates both chemical and textural criteria. Major subdivisicns are based upon the following bulk chemical parameters; (A) the ratio SiO_2/MgO, (B) the ratio of metallic iron to total iron, Fe(m)/Fe(t), (C) the ratio of iron to silica $Fe(t)/SiO_2$ and (D) the amount of iron in olivine and pyroxene crystals. These criteria permit five different groups to be distinguished: (A) type E which is characterized by a relatively high SiO_2/MgO ratio and essentially no oxidized iron, hence a high Fe(m)/Fe(t) ratio, (B) the H, L, and LL groups (for high, low, and low low iron content) which comprise the "ordinary chondrites", having SiO_2/MgO ratios of about 1.6 (the ordinary chondrites are differentiated by Fe(m)Fe(t) ratios ranging from 0.6 for H to 0.1 for LL) (C) the "carbonaceous" or C chondrites which have low SiO_2/MgO and contain little or no native metal. These chemical groups are subdivided on the basis of mineralogical and textural (petrologic) characteristics. One extreme (type 6) contains highly recrystallized matrix constituents, with these characteristics; chondrules are poorly defined having been recrystallized in conjunction with the matrix glass is absent having been transformed into more stable crystalline minerals; minerals are in equilibrium with one another, and there is little volatile material (e.g. H_2O, C). The other extreme (type 2) contains well defined chondrules, glass, an opaque unrecrystallized matrix, disequilibrium associations of minerals and a high content of volatiles (H_2O=4–18%, C=0.6–2.8%; Van Schmus and Wood, 1967, p. 757). Type one chondrites, of which only C varieties have been found, are unique in that they contain no chondrules but have high volatile contents ($H_2O \approx 20\%$, $C \approx 2.8\%$) similar to the matrix of type 2 chondrites (which are also all type C).

There are additional chemical differences among the groups that are significant in developing any theory of origin. Many volatile elements (such as Sb, Rb, Cs, Ge, Se, Te, Ag, Bi, In, Tl, Zn, and Cd) in type 2 and type 3 carbonaceous chondrites (C–2 and C–3) are depleted by relatively constant amounts compared to type 1 carbonaceous chondrites (C–2=0.5×C–1; C–3=0.3×C–1; Grossman and Larimer, 1974, p. 85, Fig. 9). Ordinary chondrites are also depleted in volatile elements relative to C–1 but two distinct patterns exist. One group of elements (Cu, Au, Ga, Ge, Sn, Sb, S, and Se) are depleted by a constant factor (0.25×C–1) whereas a second group (Te, Ag, Zn, Cd, Hg, Cl, Br, I, Pb, Bi, In and Tl) show increasing amounts of depletion, up to 0.002×C–1 for In and Tl (Larimer and Anders, 1967). In addition to minor and trace elements (whose cosmochemical importance far outweighs their abundance) many more abundant elements (Al, Ca., Ti, Mg and others) are also depleted in ordinary and E group chondrites relative to carbonaceous chondrites. A fractionation of metal (Fe, Ni, Co) and silicate (correlated with Si) is also indicated by the systematic differences in the Fe/Si ratio among H, L, and LL chondrites. In summary, the chondrites exhibit numerous and complicated chemical and textural differences, the details of which must be considered when formulating any theory of origin. Fractionation among various chondritic meteorites exists for (A) those elements which are present in minerals at high temperatures (e.g. refractory elements), (B) those elements associated with nickel-iron metal, (C) slightly volatile elements showing constant depletion factors and (D) highly volatile elements showing variable depletion patterns. Although there is general agreement on the observational evidence, different interpretations exist as to how and when these variations were established, that have important ramifications on deciphering the evolutionary history of these objects. For example, the origin of chondrules, the small spherical inclusions from which chondrites derive their name, has been particularly enigmatic. The glassy nature or devitrification texture of many of these objects implies that they were at one time liquid and subsequently cooled to a glass. However, at the postulated pressures existing within the primordial solar nebula, gases should condense directly to solid crystalline substances rather than liquids. Hypotheses of origin include: (A) primary condensation during transient high pressure events, (B) metastable precipitation of liquids from super-cooled gases, (C) secondary formation from remelted dust by electrical discharges, (D) remelting caused by high velocity impacts between dust grains and (E) remelting caused by large scale impacts on meteorite parent bodies (Grossman and Larimer, 1974, p. 86; Wasson, 1972, p. 745; Wood, 1968, p. 77–84 and p. 100–107). Because chondrites are the most abundant group of meteorites (falls), any comprehensive discussion of the solar system must consider this group in detail.

AGES OF METEORITES

It is necessary to determine the ages of meteorites in order to assess their genetic significance. In general all dating techniques applied to meteorities rely on the spontaneous decay of radioactive elements with known half-lives (the half-life is the time required for one half of the radioactive atoms originally present to decay). As stated by Anders (1963, p. 402): "Five important events in the history of meteorites can be dated by radioactivity. In somewhat simplified terms they are (A) nucleosynthesis, (B) melting of the meteorite parent bodies, (C) cooling of the meteorite parent bodies, (D) breakup of the meteorite parent bodies and (E) fall of the meteorites." The first of these dates (A) which gives some estimate of the time interval required for the formation of the solar system, depends upon "extinct" radioactivity. This is a radioactive element such as I (129)[1] present in the original solar nebula that has a relatively short half-life. I(129) is converted to Xe (129) with a half-life of about 16 million years (short in terms of geological time!). Because Xe (129) is a gas it will be rapidly lost by diffusion at high temperatures, and will not be retained by a meteorite parent body until the temperature has fallen to 300 degrees Kelvin (0 degrees centigrade=273 degrees Kelvin) (Anders, 1963). Thus, if the original I (129) concentration can be estimated the residual Xe (129) gives an estimate of the time interval between accretion and cooling to 300 degrees K. Such determinations indicate that this length of time was about 100 million years after the cessation of nucleosynthesis reactions creating these elements. This interval is relatively short compared to the age of meteorites.

Meteoritic ages are usually determined using radioactive elements with longer half-lives. Various elements have been used including: Rb (87) to Sr (87); U (235) to Pb (208) + 7He (4); U (238) to Pb (206) + 8He (4); Th (232) to Pb (208) + 6He (4); and K (40) to A (40) + Ca (40). Meteorite ages based upon rubidium (RB) to strontium (Sr) decay relationships cluster around 4.5 billion years indicating that these objects achieved their present chemical identities at about that time. Radioactive age-dates based upon a gaseous decay product such as argon–40 or helium–4, are generally younger ranging from 4.5 billion years to less than 1 billion years. Because the decay product is a gas, these ages (so-called gas retention ages) indicate the time at which the temperature was sufficiently low that the gas could no longer diffuse out of the solid material. Thus the lower ages reflect the cooling interval from the time of formation or, in the case of some of the extremely young sizes, a reheating event that drove off previously formed gas in effect "resetting" the radioactive clock. Radioactive age-dates therefore suggest that meterites formed during a relatively short time interval approximately 4.5 billion years ago, and that some may have been reheated.

CONDENSATION OF SOLAR MATERIALS

In order to understand condensation processes in the primordial solar nebula it is necessary to know the relative abundances of the element prior to and during that event. As has been previously discussed, various classes of meteorites differ from one another by being depleted, or enriched, in a variety of constituents. In order to fully understand the processes of meteorite formation one must determine whether chemical fractionation involved enrichment or depletion. To do this requires quantitative information about the composition of the primordial solar nebula. Is it possible that some group of meterorities is composed of this ancient material? If so which is the best candidate and which groups represent products of various fractionation events that have separated primordial material into chemically distinct entities. Various lines of chemical, mineralogical and textural criteria suggest that type 1 carbonaceous chondrites most closely approximate the average composition of the early solar system, and that with the exception of a few very light elements such as hydrogen and helium this group represents the interstellar gases and dust from which the sun, planets and solar system bodies were formed. Chemical evidence for the primitive nature of type 1 carbonaceous chondrites has been summarized by Anders (1971). The cosmic abundances of individual nuclides in C–1 meteorites varies in a systematic way related to mass, and it is difficult to envision any chemical process that would transform an originally irregular distribution to a regular one. There is a very good correlation between element abundances in C–1 meteorites and both primary cosmic radiation and solar abundances which are thought to have maintained their primordial characteristics. In examining the relative abundances of elements in various meteorite groups it is possible to hypothesize processes leading to depletion of C–1 starting material but difficult to formulate a satisfactory process enriching C–1 relative to other groups. Finally any meteorites containing chondrules are highly suspect as starting materials because the chondrules themselves are depleted in volatile elements indicating a chemical fractionation; C–1 meteorites are the only chondrites that do not contain chondrules. On the basis of mineralogical and textural criteria, C–1 chondrites (as well as other type 2 and 3 chondrites) exhibit no evidence of recrystallization or chemical reaction. They contain many hydrous minerals and organic compounds (non-biogenic) that would be rapidly lost during any reheating or metamorphic event. The minerals present are commonly not in equilibrium with one another, whereas if chemical reactions had taken place they most likely would be.

If in fact type I carbonaceous chondrites do approximate to the composition of the primitive solar nebula it is necessary to determine the processes giving rise to the great diversity of meteorite types that now exist. Within the past decade this problem has been attacked by numerous investigators who have developed theoretical models predicting the sequence of minerals condensing from a high temperature gas (greater than

[1] Brackets following an element symbol enclose the mass (isotope) number.

2000°K of solar composition as it is cooled (for example Blander and Katz, 1967; Larimer, 1967; Larimer and Anders, 1967, 1970; Grossman, 1972, 1975; Grossman and Larimer, 1974). The results of these studies show that there is an orderly sequence in which the elements condense as temperature is lowered. The major elements condensing at high temperatures (the refractory elements) are Ca, Al, Ti and Si which form minerals such as corundum (AL_2O_3 at 1758°K), perovskite ($CaTiO_3$ at 164°K), melilite ($Ca_2Al_2SiO_7$-$Ca_2MgSi_2O_7$ at 1625°K), spinel ($MgAl_2O_4$ at 1513°K), metallic nickel-iron (Fe, Ni at 1473°K) and diopside ($CaMgSi_2O_6$ at 1450°K) (all temepratures in degrees Kelvin at a total pressure of 0.001 atmospheres; Grossman, 1972). Some of the minerals formed at high temperatures actually become unstable and disappear at lower temperatures by reacting to form new substances. For example under the specified conditions corundum becomes unstable at 1513°K, reacting with the remaining gas to form spinel. Between the temperatures of 1400°K and 1200°K many of the major minerals, such as olivine pyroxene and plagioclase condense while at lower temperatures many of the trace metals including Ag, Pb, Bi and Tl, condense. A characteristic pattern throughout the entire sequence is that a given element is almost completely removed from the vapor within a very short temperature interval. In addition various minerals are stable only below specific temperatures. For example magnetite (Fe_3O_4) is stable below 400° and troilite is stable below 700°. This means that within the sequence of condensates are various element and mineral relationships that should provide reasonable estimates of condensation temperatures.

Given this prediction of condensation sequences it is necessary to reexamine the mineral and element associations in meteorites to determine whether or not the predicted relationships are corroborated by natural occurrences. Evidence for the high temperature condensates appeared in a dramatic fashion at 1.05 a.m. on 8 February 1969 when a fireball, visible as far north as Arizona passed over southern Chihuahua, Mexico, and landed near Pueblito de Allende, depositing debris over 300 square kilometers. The Allende meteorite (named, as is customary, after a nearby geographical feature) is a type 3 carbonaceous chondrite containing numerous light-colored inclusions. Detailed examination of these inclusions revealed a variety of the predicted high temperature Ca-Ti-Al minerals including spinel, gehlenite, anorthite, diopside, perovskite, corundum and Ca-Al rich glass. Although spinel and other high temperature minerals had been previously reported in several other meteorites (Grossman and Larimer, 1974, pp. 79–83), the research on Allende drew attention to the significance of these minerals. Marvin, et al. (1970) postulated that they might represent actual samples of the early high temperature condensate, a conclusion subsequently substantiated (e.g. Grossman, 1975). Other geochemical relationships are also explicable in terms of a condensation model. Larimer and Anders (1970) suggest that the compositional relationships among the various chondrite classes can be explained by condensation. Thus the Ca, Al, Mg and Si concentrations in ordinary chondrites (H, L and LL) can be derived by removing 40 percent of the Ca and Al, 23 percent of the Mg and 15 percent of the Si from an original mix having the composition of C–1. This implies that an early, high temperature condensate was not incorporated in ordinary chondrites. Similar controls are postulated by Larimer and Anders for the more volatile elements. They suggest that the observed compositional depletions are related to varying proportions of a high temperature volatile-poor condensate and a low temperature volatile-rich condensate. Although many meteoriticists accept a model containing a mixture of high and low temperature condensates (Wood, 1968; Dodd, 1969) it has been suggested (Van Schmus and Wood, 1967; Dodd, 1969; Wasson, 1972) that the depletion of some volatiles is due in part to subsequent metamorphism (e.g. reheating/recrystallization) of meteorite parent bodies rather than initial condensation temperatures. Correlation between volatile content and petrologic type is cited as evidence for this point of view. In either instance the condensation studies have provided a theoretical model which agrees in many aspects with the evidence observed in meteorites.

Meteorites other than chondrites (the irons, stony-irons and achondrites) represent a far more complicated genetic history. In all instances these latter groups show evidence of severe chemical fractionation, most likely occurring in a meteorite parent body after accretion. Theories of their origin involve additional processes, including melting of parent bodies resulting in the partial or total segregation of metal from silicate minerals and resultant crystallization from igneous magmas.

SOURCE OF METEORITES

The preceding discussion has attempted to indicate some of the applications of meteoritical investigations to the interpretation of solar system evolution. It remains, however, to establish a solar system source for these objects. Several lines of evidence are relevant to this problem: (A) do orbital data suggest a solar system source? (B) are meteorite compositions correlative with other solar system objects? (C) are meteorites ages compatible with a solar system source?

Precise orbital information for meteorites is scanty. In order to make appropriate calculations a meteorite must be photographed from two or more locations. The entries of only three meteorites have been thus documented. In 1959 a meteorite landing near Pribram, Czechoslovakia was simultaneously photographed from several locations. Calculations based upon these photographs indicate that the meteorite had an elliptical orbit with an aphelion (maximum distance from the sun) of 4.05 astronomical units (1 a.u. equals the average distance between the sun and earth, 92,870,000 miles) and a perihelion (minimum distance from the sun of 0.79 a.u.). In order to gain additional information on meteorite orbits the Smithsonian Astrophysical Observatory in Cambridge, Massachusetts, established a series of automatic cameras called the Prairie Network, in the midwest. On the evening of 3 January, 1970, four of these cameras photographed a fireball, pieces of which were subsequently recovered near Lost City, Oklahoma, in the foothills of the Ozark Mountains. One piece was actually found within approximately 700 meters of the predicted impact site. Orbital calculations again indicate an elliptical path with aphelion between Mars and Jupiter (McCrosky et al., 1971). Other fireballs photographed by the Prairie Network and thought to represent unrecovered meteorites also had elliptical paths with aphelia between Mars and Jupiter. Most recently the entry of a meteorites was photographed on February 7, 1977, by the Canadian Meteorite Observation Recovery Project. Fragments were recovered within 0.5 km of the predicted impact location near Innisfree, Alberta, Canada (Anonymous, 1977a, b). Data from these observations indicates that meteorites probably originate within our solar system since objects from without would be expected to have parabolic or hyperbolic orbits (Wood, 1968, p. 8).

The source of meteorites within the solar system is problematic. One potential source is the asteroid belt between Mars and Jupiter. Over 2000 asteroids with well defined orbits have been identified in this region, the largest being Ceres with a diameter of 955 kilometers (Hartmann, 1975). Spectral studies of the asteroids reveal a very close correspondence between them and the various classes of meteorites (Chapman, 1975, 1976) indicating that the surface of asteroids may be similar to analyzed meteorites. The sizes of asteroids (less than 1000 kilometers diameter) correlates well with the size of meteorite parent bodies inferred from cooling rate calculations. A major problem in ascribing an asteroidal source to meteorites is identifying a mechanism which will perturb material from the asteroid belt into an earth crossing orbit. Theoretical calculations by Wetherill (1974) suggest that, on the basis of current knowledge, it is difficult for asteroids to undergo sufficient orbital perturbations within the time period allowed by cosmic ray exposure ages (approximately 10 million years) to achieve earth crossing orbits. Mechanisms proposed for such orbital alterations are associated with perturbations caused by Jupiter. However, the flux of material generated by these effects may not be sufficient to account for the estimated meteorite flux. Apollo objects, asteroids already having earth-crossing orbits, of which 19 have been identified, (Hartmannn, 1975) undoubtedly supply some meteoritic material. But they have a dynamic life expectancy of only 10 million to 100 million years (Wetherill, 1974) so that a continuing supply is still required, which Wetherill, postulates may be, in part, comets. It is difficult, however, to reconcile the mineralogical and textural characteristics of many meteorites with a cometary origin.

The age of meteorites further substantiates a solar system origin. Although it is difficult to determine a precise age of the earth it is 'inferred from multiple and rather complicated observations . . . . that the earth is approximately 4.5 billion years old" (Verhoogen, et al. 1970, p.1). This correlates well with the age of the moon (approximately 4.5 billion years: Burnett. 1975, p. 23) and meteorite ages. This suggests, but does not confirm the possibility that approximately 4.5 billion years ago our solar system was rapidly evolving giving rise to the various bodies present today. The alternate explanation is that the various bodies present today were coincidentally formed at the same time but that their current proximity within the solar system was established at a later date.

Approximately 10 billion grams of extraterrestrial dust strikes the earth each year (Wetherill, 1974) which include approximately 500 "first-sized or larger" meteorites of which only 10 to 20 are recovered and examined by meteoriticists (Wood, 1968, p. 12). Other than the lunar samples returned by the Apollo missions, however, meteorites are our only samples of extraterrestrial material. They have therefore deservedly been studied to an extent far disproportionate to their absolute quantities. These investigations indicate that meteorites formed in the solar system during its early stages of evolution. As the solar gas, initially at a high temperature, cooled various minerals condensed depleting the remaining gas. Theoretical studies have provided detailed insight into the condensation sequence and the nature of the related chemical fractionations. Both high temperature and low temperature condensations are preserved in meteorites, and there is substantial evidence that at least one group of meteorites (C–1 chondrites) closely approximates the composition of the primordial solar gas excluding such extremely volatile elements such as hydrogen and helium. The process of accretion, giving rise to meteorite parent bodies was very rapid (approximately 100 million years) compared to the age of these objects (4.5 billion years). The great diversity of meteorite types is explicable in terms of chemical fractionation of the primitive condensate, chondrule-forming processes (which are

highly speculative), partial melting and associated chemical fractionation and possibly metamorphism in parent bodies. Thus meteorites preserve a record of events occurring 4.5 billion years ago that have been essentially obliterated on earth by subsequent geologic cycles of igneous activity, erosion, sedimentation and metamorphism. They are therefore important clues in determining the early history of the solar system including the earth and other planets.

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PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the five notifications I have just received. A portion of one of the notifications, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S–116 in the Capitol.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 14, 1978.

In reply refer to: I–14226/77ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–16, concerning the Department of the Army's proposed Letter of Offer to Canada for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $11 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Attachments.

[Transmittal No. 78–16]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Canada.

(ii) Total Estimated Value:

	Million
Major defense equipment*	$11.0
Other	0.0
Total	11.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: 123,228 rounds of 81mm ammunition (M374A3) with fuzes.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: March 14, 1978.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 14, 1978.

In reply refer to: I–13467/77 ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–18, concerning the Department of the Navy's proposed Letter of Offer to the Federal Republic of Germany for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $7.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director Defense Security Assistance Agency.

[Transmittal No. 78–18]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Federal Republic of Germany.

(ii) Total Estimated Value:

	Million
Major defense equipment*	$7.1
Other	0.0
Total	7.1

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Ninety-six (96) SEASPARROW missiles (RIM–7H–5).

(iv) Military Department: Navy.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: March 14, 1978.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 15, 1978.

In reply refer to: I–13126/77ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–19, concerning the Department of the Army's proposed Letter of offer to Korea for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $14.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director Defense Security Assistance Agency.

Attachments.

[Transmittal No. 78–19]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.

(ii) Total Estimated Value:

	Million
Major defense equipment*	$14.0
Other	0.0
Total	14.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Descriptions of Articles or Services Offered: Sixteen (16) M88A1 tank recovery vehicles.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: 15 Mar 1978

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 15, 1978.

In reply refer to: I–2240/78ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover, Transmittal No. 78–20, concerning the Department of the Army's proposed Letter of Offer to NATO not for major defense equipment as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $88.8 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.

Separate cover: Transmittal No. 78–20, Policy Justification.

[Transmittal No. 78–20]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: NATO.

(ii) Total Estimated Value: Major Defense Equipment,* other $88.8 million, total $88.8 million.

(iii) Description of Articles or Services Offered: Digital computers, logistics, engineering, documentation production, installations and training to support the Solid State up-grading modification to [deleted] Nike-Hercules air defense missile system.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: March 15, 1978.

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 15, 1978.

In reply refer to: I–9787/77ct
Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–22, concerning the Department of the Army's proposed Letter of Offer to Korea for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $31.4 million and support costs of $8.7 million for a total estimated cost of $40.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Attachments.

[Transmittal No. 78–22]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Republic of Korea.

(ii) Total Estimated Value:

	Millions
Major defense equipment*	$31.4
Other	8.7
Total	40.1

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Six (6) Boeing Vertol model CH–47C helicopters, spare engines, ground support equipment and spare parts.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: March 15, 1978.●

MR. NICHOLAS CARBONE ON ENERGY AND JOBS

● Mr. McGOVERN. Mr. President, on yesterday the Subcommittee on Energy of the Joint Economic Committee, chaired by Senator KENNEDY, conducted hearings on the relationship of energy development to the creation of jobs.

Testifying before this hearing, which I had the privilege to attend, was Mr. Nicholas R. Carbone, a distinguished member of the Hartford, Conn., city council. Mr. Carbone is one of our most thoughtful urban leaders. He presented a most impressive statement to the committee yesterday, which was interrupted by a rollcall on the Panama Canal treaties.

Since the full text of Mr. Carbone's statement was therefore not given to the committee yesterday, I ask unanimous consent that it be printed in the RECORD so that Members of the Congress will have easy access to this important statement.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

ENERGY AND JOBS

I am pleased to join you today to discuss the role of energy policy in job creation. Our national energy policy is new and incomplete. In two weeks President Carter will announce America's first explicit urban policy. Behind both strategies and programs at the Federal, State, and Local levels must lie a response to our Cities' greatest need: Jobs. Our urban policy must be an investment strategy which creates employment opportunities.

Energy policy must also be shaped to play a central role in the task of urban job creation. As Congress moves closer to the historic adoption of the Humphrey Hawkins full employment bill, the planning tools to create full employment must be utilized to shape our energy policy as a powerful instrument for economic growth.

The board principles of an energy/jobs policy must be fashioned at the national level in cooperation between the Congress and the administration. But numerous state and local governments already have developed prototypes of energy programs that are putting people to work. We need to examine those ideas and implement the best of them in other states and local communities. That effort will require a partnership between all three levels of government.

That partnership must work together to redefine the impact of energy policy on Americans. Energy policy has come to imply penalties, sacrifice and prohibitions that affect some people more severely than others. In the atmosphere of mistrust and resentment that follows, it is difficult, if not impossible, to rally public understanding.

Energy policy does not have to mean unequal treatment and an unfair set of personal sacrifices. Energy conservation can be perceived as a positive step towards eliminating waste and creating jobs for Americans. According to Donald Gilligan, former Assistant Director of the New York State Energy Office: "The Northeast could increase its energy consumption by 40 per cent over the next decade without a single new energy source—by simply eliminating waste." Energy conservation offers local officials and individuals opportunities to increase our options to reallocate capital and natural resources away from wasteful energy uses to job creating activities.

There are 3 basic principles which underline this theme.

1. Waste of Energy eliminates jobs.

2. Capital intensive production of energy eliminates jobs.

3. Lack of a comprehensive national and urban growth policy wastes energy and destroys cities.

Energy consumption and energy waste affect job loss.

In order to understand that relationship, let's look at how inflated costs have limited local government's ability to deliver services. Hartford's experience is typical. Since fiscal year '71–'72, Hartford's budget has increased from $94 million to $130 million. During the same period the consumer price index increased 50.5%—shrinking the value of today's dollar. Our total current budget would equal only $64 million in 1971–72 dollars, and in 1971–72 we were spending $94 million for city services. We have cut back in several ways. We have cut back through layoffs and attrition; our number of man years has been reduced by 20 per cent. We are also delaying replacement of equipment such as street sweepers—which rose in price from $15,000 to $25,000 in five years.

And, at the heart of these inflationary price increases is the rising cost of energy. Since 1971, the cost of fuel oil has gone from 12¢ a gallon to 40¢ a gallon—a 228% increase. The price of gasoline has increased by 168% and electricity by 71%.

As Barry Commoner points out:

"It is no accident that we first experienced double digit inflation when the previous constant price of energy not only drives all prices upwards—it creates uncertainties that delay new industrial investment. It forces economic dislocations that costs jobs. It is a prescription for inflation and unemployment. Here, then, is the real meaning of the energy crisis. It is not a distant prospect of someday running out of energy. Rather, it is the immediate prospect of economic catastrophe."

How can we as a nation avoid that economic and social catastrophe? Massive multi-billion dollar projects such as the Alaskan Pipeline don't seem to be the answer. Neither do proposals to build networks of huge nuclear power plants. Nuclear power plants, Commoner points out, have had to meet a whole series of new safety and environmental protection requirements that were not built into the original design.

These refinements have helped push up the costs of a nuclear power plant by 130% in five years. Since waste and reprocessing problems are still unresolved, nuclear power plant costs will continue to increase. In Commoner's words:

"That explains why nuclear power is the most expensive energy source," and "that is why utilities constantly demand higher rates to raise the huge amounts of capital needed to build nuclear power plants."

Our country also faces severe limitations in the availability and cost of capital. Given the shortage, we must make a choice—will we use the bulk of our capital to build costly nuclear power plants to produce costly electrical power? or will we use our capital in ways that will reduce our energy costs, put our people to work, rebuild our cities and improve the quality of life for most Americans?

If the American people believed that the latter choice were realistic, they would demand that we make it. I believe that that option is realistic, that we can achieve those goals—if we are willing to implement a sensible energy policy.

We must help the American people understand that the lack of a comprehensive national and urban growth policy not only destroys cities, it saps our nation's strength through unnecessary waste or energy. What are the energy costs of unbalanced growth? What are the energy costs of the destruction of our Northeast and Midwestern cities? In Hartford, we have estimated that the total capital cost of replacing our City is 8–10 billion dollars including private and public buildings, parks, streets, sewers, etc. It is ironic that the lack of a national urban policy is systematically destroying this capital base—by forcing people to leave to seek employment; and by underfinancing local governments so that we are unable to maintain our capital investment.

It is ironic that while we all decry the waste of energy, and while we decry the shortage of capital, we are wasting these resources and harming our environment through the absence of a growth policy.

The cost of new housing is exploding yet as we all know, the cost of rehabilitation is dramatically less than the cost of new construction. We also see a water crisis is developing, which I believe could someday overtake the energy crisis in importance in parts of our country—and coincidentally provide the Northeast with the advantage of an unparalleled natural resource. We also see the crisis in the mushrooming capital budgets in areas of high growth, placing unnecessary demands on local taxpayers. All of these phenomena are due to a lack of a comprehensive national growth policy.

We need a national growth policy not only to save our Northeastern Cities but also to save energy. We must understand that cities are inherently energy conserving. Buildings are closer together, reducing energy costs. Apartment dwellings are lower in energy costs per unit than detached houses. Public transportation is more readily available and financially possible in cities and the commute from home to job is shorter.

Given the principles that wasted energy eliminates jobs, that capital intensive production eliminates jobs, and that the lack of a national urban policy eliminates jobs and hurts our cities, what should we do? Our cities are already taking innovative steps towards a comprehensive energy policy at the local level—but they need assistance from Washington. Unfortunately the Schlesinger plan would shift the emphasis away from local governments, and put the responsibility in the hands of state governments. There is a role for the cities, of course, but local government holds the responsibility for building codes, zoning laws and a variety of regulations that have direct impact on energy conservation.

The Schlesinger plan also would place emphasis on the role of private utility companies in retrofitting, weatherization and financing. There are two major flaws in this. First, it does not recognize the role of public utilities in the delivery of water and sewer services. Secondly, electric and gas utility companies need increased revenues to maintain the debt service on existing and future capital expansions. Conservation efforts that have lowered demand also reduced revenues and utilities have responded with rate hikes. Putting conservation in the hands of utility companies would seem to place consumers in the midst of a no-win conflict of interest.

Further, the present winterization effort, deals primarily with middle and upper income people. Tax credits will help the homeowner conserve energy and save money, but the tax credit will not assist the urban poor and the working poor concentrated in apartment dwellings. As energy costs rose, landlords in Hartford began shifting the cost of energy to their tenants, so that 75% of Hartford's tenants now bear the responsibility of paying for their own heat and hot water. This is almost always the case in our poorest neighborhoods. When landlords are not paying heating bills, the tax credit won't motivate them to invest in insulation, storm windows or more efficient boilers. The tenant who is paying the heating bill can't get a tax credit even if he or she can afford to winterize the apartment.

As a result of this situation, at least 50% of our multi-family units won't be winterized nor will they utilize new technologies such as solar collectors.

The Community Renewal Team of Hartford, which operates our winterization program for poor people, estimates that we need $10 million to insulate all sub standard living units occupied by the poor in the Hartford region. Last year CRT's total budget for insulation was $120,000—approximately 1% of the total need.

But, the Schlesinger program is not an energy program for cities nor is it an energy program which places priority on job creation. Let me cite some specific examples of the ways in which energy policy can be used to create jobs. The City of Hartford is establishing a Community Energy Corporation which will hire and train unemployed city residents to retrofit and audit existing structures. We will work on public buildings and hope to branch into homes and apartment buildings in the City and in surrounding suburban communities. We are attempting to change state legislation so that our regional water bureau could contract with the energy corporation to retrofit homes within its jurisdiction. The publicly—managed water bureau can act both as a technical resource and as a capital source for money borrowed at public rates. Secondly, within CEC funds that would be ordinarily considered a profit will be used by the public corporation to conserve energy in poor people's homes and apartments.

It is estimated that the Community Energy Corporation, with a public investment of $125,000, can winterize 1,200 homes on a cost basis. This will create 15 jobs for city residents at a cost per house of $106.00. This results in a total cost per job of public money of $8,400 in the first year. Compare this figure of less than $10,000 per job for CEC with the average cost of job creation for nuclear power. Compare this figure with the $40,000 required in capital to create a manufacturing job. Clearly, energy conservation is job intensive. In addition, the skill profile of winterization makes it a profession accessible to those suffering from structural unemployment.

The second cornerstone of a job creating energy policy must be a massive federal, state, and local partnership to create a solar industry on a job intensive and decentralized basis.

In California, the campaign for economic democracy has sponsored SOLAR cal—a legislative package submitted to the California Assembly. SOLAR cal is a package of 12 bills of which four are central. SOLAR cal would make available, through the utilities, consumer loans at low interest rates. These rates would be set by the Public Utilities Commission and monthly installments on the loan would be no higher than present monthly utility bills.

SOLAR cal would create a public not-for-profit corporation which would use state and federal dollars to make loans to small businesses for the production and installation of solar energy. The $10 million in equity would stimulate the growth of solar energy and capital would be made available to small entrepreneurs and community based organizations. Also, SOLAR cal would establish the use of state CETA funds to finance the

training of personnel for local community development private corporations that would manufacture and install solar equipment. CETA would be used as a way of allocating jobs in the Solar industry to those who most need them. Finally, SOLAR cal would create a commission to provide a plan to solarize California. The California Center for Public Policy has estimated the net number of jobs that would be created in California alone, through the promotion of solar energy. Let's assume a 75% retrofit of homes for solar space and water heating; and 100% solar space and water heating in new residential and commercial construction. It is estimated that the SOLAR cal proposal would create a new number of 378,000 new jobs over a 10 year period beginning January 1, 1981.

CEC and SOLAR cal share two basic assumptions. One, public guidance and public control are the cornerstone of the national energy industry. We cannot afford to have ownership of the sun in the same way we have monopolistic ownership of petroleum by an industry unresponsive to the needs of our people or even the controls of our government. Secondly, SOLAR cal and CEC are based around the principle that energy policy and planning can create jobs for the structurally unemployed.

There are other important national examples. In Springfield, Vt. local officials plan to use seven old mill dams to generate electricity for that town's 10,000 residents. Local officials predict that a series of hydro-electric plants will cut the town's electric bill in half. This plan could be duplicated in small towns and in big cities all across the country. The U.S. Army Corps of Engineers reports that at least 48,000 untapped dam sites could be used to develop electricity. Just 10% of the 3,000 dam sites available in New England could supply enough electricity for the entire city of Boston. Hydro-electric power is safe, non-polluting, relatively inexpensive, produced from a renewable energy source and can reduce the cost of energy for industrial production—helping to hold down inflation.

Wilton, Maine is looking to relatively new technology of solar energy. Wilton is constructing a sewage treatment plant that would use solar energy to heat the building and fuel the process. Methane gas will be produced as a by-product and stored as a back-up fuel. In addition, Portland, Oregon has studied a capital improvement program to see how long-range physical plans for the city could be developed that would accomplish the two goals of reducing city government energy costs while stimulating energy efficient development patterns. Dallas, Texas has developed a set of energy efficient building design standards for all new facilities and structures that are being renovated.

Since energy affects virtually every aspect of our lives—social, economic, political and cultural—a city comprehensive energy plan needs to touch all levels of municipal policy including zoning, land use building codes, transportation, economic development and education. In Hartford we are looking at how we might revise our zoning and land policies. We plan an economic multiple use of structures so that people can work, shop and entertain themselves in the same complex. We are looking at our building codes to determine whether or not the City should require an energy audit on any building that is sold so that energy deficiencies would have to be corrected before transfer of title. The proposal would guarantee that every structure in the city over time would be completely retrofitted.

This City energy policy is being managed by a new standing committee of the Council which involves all nine members. They are actively involved in the study of all aspects of our energy policy including zoning, land use, transportation and job creation.

In conclusion, we must examine what we can do next. What should be the roles of the Federal, State and Local Governments? We need a partnership that involves all three levels of government so that we can create a system which conserves energy, creates jobs and improves the quality of urban life. The National League of Cities has called for federal assistance to cities in the form of direct federal subsidies, and energy extension service, a general revenue sharing plan, and local energy conservation and development banks. The SOLAR cal proposal creates a state role in planning, land use management and as a public capital source. The City of Hartford has created a public capital source as an attempt to engage a city in intelligent energy planning. Hopefully, the President's requirement of a State urban strategy as part of the urban policy will create growth policy.

Finally, whatever is done must be based on the following four principles of action. These principles share a common goal. An energy policy should create jobs, not waste capital. An energy policy should create jobs for those in greatest need, the structurally unemployed. These principles for action are:

1. We should utilize energy sources which are job intensive as a strategy for full employment.

2. A new capacity for state and local government to manage an energy service must be created at a level equally important with existing public services, police, fire and education.

3. Energy growth must be based upon the utilization of public capital. Public capital will both lower the cost of energy saving and more importantly public capital will help to decentralize the control of the energy industry.

4. A national growth and urban policy must be made an effective tool of energy. The policy must support the survival of one of our greatest energy resources—our cities.

Thank you very much.●

SOLAR COALITION LEGISLATIVE PACKAGE

● Mr. HART. Mr. President, I would like to commend to my colleagues the package of legislation which was introduced on Monday by the Solar Coalition, an informal group of Senate and House Members dedicated to the early realization and widespread use of solar energy.

The Solar Coalition compiled an impressive record of legislative successes during its first year. Of nine bills introduced during the last session of Congress, eight have been adopted in whole or in part by both Houses.

In looking at the second coalition package, it would be well to assess where we have been and where we are going in national efforts to promote solar energy.

The United States is a latecomer in harnessing the Sun's power. Many industrialized and lesser developed nations have long used solar energy to compensate for a lack of domestic energy resources. Relatively inexpensive and seemingly inexhaustible supplies of fossil fuels retarded the growth of the solar industry in America.

The Arab oil embargo and the reality of dwindling domestic petroleum reserves compelled us to recognize the tenuousness and vulnerability of a national economy based on limited and interruptible energy sources. This miscalculation was largely responsible for the worst recession this Nation has endured in the post-World War II period.

It was in the crisis atmosphere of 1973–74 that the first landmark solar legislation was enacted into law. The Solar Heating and Cooling Demonstration Act, sponsored in the Senate by the late Senator Humphrey, and the Non-Nuclear Energy Research, Development and Demonstration Act of 1974 established an aggressive Federal program of research, development, demonstration and commercialization of solar technologies. Between 1974 and 1977, the Federal Government commitment to solar energy increased thirtyfold, from $10 to $300 million.

However, there are signs that our national commitment to solar energy is waning. The administration's proposed budget for fiscal year 1979—if adjusted for inflation—actually reduces the national solar effort. Outlays for the various solar technologies still comprise only 3 to 4 percent of the Federal energy budget. Certainly, this level of commitment is not consistent with the realignment of our energy priorities called for by the President in his energy message to the Nation last year.

Mr. President, we stand at a crossroad in determining our energy future. We can continue the "business as usual" approach to the development of solar and other energy alternatives, or we can act now to pre-empt the possibility that interruptions of fossil fuel supplies will cause radical disruptions of the Nation's economy and social fabric. The transition from an economy which is dependent upon depletable fossil fuels to greater reliance on renewable energy technologies will be a monumental undertaking, requiring an unprecedented peacetime investment of the Nation's resources. But a national commitment to solar energy today will ease the transition to a post-petroleum world.

This is the founding premise of the solar coalition. The legislative package which the coalition is introducing today will serve to renew our commitment to the early realization and widespread use of solar energy.

I will be sponsoring several bills in conjunction with the solar coalition in the coming weeks. Among them will be a proposal to promote solar and other renewable energy sources overseas.

Generally speaking, Third World nations are richly endowed with sunlight, have cheaper labor costs and can ill-afford the large capital costs and ongoing currency drain required by conventional energy sources. These nations are ideally suited for the use of appropriate scale solar technologies.

Besides being a benign instrument of U.S. foreign policy, a comprehensive international solar program would also accelerate the development of the domestic solar energy industry.

I will also be introducing legislation to address the issue of solar access. Although sunlight flows unobstructed through nearly 93 million miles of space, it is often impeded in the final few feet before it touches the Earth. Since most of the Sun's rays that reach a particular piece of land strike it at an angle, very little of the sunlight collected by a solar

device comes to it from directly above the land on which it rests.

At the present time, a homeowner whose solar collector is shaded by a neighboring structure may have no legal redress. A solar energy user's legal right to sunlight varies from State to State and is, for the most part, undefined and unclear. A residential solar energy user may be hindered by restrictive covenants, building codes, and municipal ordinances that prevent or discourage the use of solar collectors. The critical question of how sunlight is to be allocated is only now being examined.

Accordingly, I am preparing legislation which would establish a program of Federal matching grants to States for the purpose of conducting solar access reviews, which would permit States to identify legal alternatives to insure access to direct sunlight.

Recent studies have revealed that wind energy is the solar technology with the greatest potential for making an early and significant contribution to the Nation's energy "mix." In the coming week, Senators McINTYRE, DURKIN, and I will be introducing an amendment to the fiscal 1979 Department of Energy authorization bill to greatly expand the present Federal effort to develop this energy source.

Photovoltaics—the conversion of sunlight to electricity—is one of the most promising solar technologies. Despite dramatic reductions in the cost of photovoltaic cells in recent years, they are still too expensive for most common applications. I will be introducing legislation to bring the cost of photovoltaic cells down to a level which would be competitive with utility-generated electricity. Under this proposal, the Federal Government would assist the fledgling photovoltaics industry through systematic purchases of photovoltaic panels for its own uses. If carefully planned, these purchases would create a stable, long-term photovoltaics market which would justify investments in plants and equipment by manufacturers of photovoltaic cells. The Government purchases would be geared to promote competition between different cell designs and production methods so as to continually reduce costs.

Mr. President, these and other proposals should continue the momentum generated by the solar coalition today. It is my sincere hope that Congress will reaffirm its commitment to solar energy through early and favorable consideration of the coalition's legislative package.●

BRIDGEPORT WEATHER STATION—WHAT PRICE ECONOMY?

● Mr. RIBICOFF. Mr. President, in late January the National Weather Service announced that it would close some 19 weather service facilities throughout the country by September 30. This decision was an economy move, a part of a zero base budget effort to reduce Federal expenditures. One of the weather stations to be closed is located in Bridgeport, Conn. Its closing will save six staff positions and an estimated $173,170 annually.

While economy in government is a laudable objective, the closing of the Bridgeport weather station is a particularly ill-conceived move. As the entire Connecticut congressional delegation observed in a letter to Commerce Secretary Kreps, closing this vital weather station on the New England coast will eliminate on-the-scene weather forecasting for the entire Long Island Sound region from Greenwich to Stonington, Conn., and the entire north shore of Long Island.

Other facilities—such as those at Hartford and Boston—cannot properly cover weather forecasting along the Sound. The simple fact is that coastal weather is far different from inland weather. I also understand that the Hartford weather station personnel already have difficulty handling their current assignment and, during weather crises, local officials are unable to communicate with the Hartford station because phone lines are constantly occupied. This is of critical importance as school systems, law enforcement agencies, and other units of local government must depend on the weather forecasts from the Bridgeport weather station, especially during the winter.

The recent winter blizzards which Connecticut has experienced attest to the need for continued, accurate weather monitoring. An inland facility is simply unable to accurately duplicate an on-the-spot installation.

Closing the Bridgeport weather station will be a false economy. I am hopeful, therefore, that the Commerce Department and NOAA will reconsider its decision and maintain this important forecasting activity. In this regard, I am pleased and encouraged to know that the Senate State, Justice, Commerce, Judiciary, and Related Agencies Appropriations Subcommittee will go into weather service reductions at Bridgeport and elsewhere thoroughly when NOAA testifies.

In order that our colleagues may better understand the depth of sentiment in Connecticut on this issue, I ask unanimous consent that two radio editorials broadcast by WELI in New Haven, an editorial from the Bridgeport Post, the Connecticut delegation letter to Secretary Kreps, and statements from two private organizations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EDITORIAL

What price economy? Back in 1969, the New Haven area lost the weather station located at Tweed-New Haven Airport. We were told then that our weather information thereafter would be coming from the weather bureau at Sikorsky Airport in Stratford. Now we learn that that facility will be closed down at the end of September.

If the events of recent days have demonstrated anything to us it is that the people of Southern Connecticut need a weather station, one that has time and people to accurately report on the weather conditions in our area. We need . . . and will continue to need . . . the up-to-the-minute forecasts . . . that factor in our unique geography, our proximity to Long Island Sound. It is not sufficient to give us forecasts originating from Windsor Locks as the government is proposing. This information misses the target as far as we in the Greater New Haven area are concerned.

We need information that will tell us with precision about the onset of conditions that might require school and commercial closings; information that will enable the boaters in our area to go out on the Sound with confidence in the weather forecasts; information that may be used by pilots who regularly pick the brains of the forecasters at Sikorsky to determine the safety of flying conditions.

It's time to let our elected representatives know that we disapprove of the planned closing of the weather bureau at Stratford; that, as taxpayers, we resent and deplore this shabby treatment.

Write to Help WTLI Save Your Weather, Box 816, New Haven, CT. 06504; we will forward your cards and petitions to our elected officials.

EDITORIAL

Nothing demonstrated more clearly the need for a local weather station than the huge snow storm that struck our area on February 6th.

As motorists struggled to free themselves from mountainous drifts . . . and business and social life virtually came to a standstill . . . as families waited and worried about those who had not yet Made It Home . . . and the collective consciousness of communities dwelled almost totally on the storm and what to do about it . . . decisions had to be made. Informed decisions. Based on fact. Not on conjucture. Not on irrelevant statistics that might be applicable 40 or 50 miles away. Rather . . . the need was for accurate information pertaining to the area in which we live so we could know what to expect from the weather and how to arm ourselves against its onslaught.

No question about it . . . says the city of New Haven's staff meteorologist, Ed Schoonmaker . . . the proximity of the weather bureau at Sikorsky Airport in Stratford was a significant factor in collecting the import data . . . and making the important decisions. And the chief meteorologist at the Stratford facility, Ray Edwards, points out that there are enormous variables between the weather here and the weather in Windsor Locks which would be the source of our reports and forecasts if the government does away with the Stratford bureau. Our position on Long Island Sound causes fluctuations from hour to hour . . . fluctuations which cannot be anticipated, ascertained or forecast from a far-away weather station.

We're sure you share our concern with maintaining the weather bureau in Stratford. Please send your cards, letters and petition in support to: Weather WELI, Post Office 816, New Haven, Connecticut, 06504. This is Frank Moore.

BOATS AND WEATHER

The announcement that the federal government intends to close its weather bureau at Sikorsky Memorial Airport has boat owners up in arms, and for good reason.

Conditions on Long Island Sound can change in a matter of minutes converting a calm sea into churning white water. Without advance warning of impeding storms or changes in the wind, boatmen, be they operators of sailboats or power craft, can be seriously endangered.

The weather bureau provides an invaluable serxice by informing the media of the potential for severe storms, permitting the pru-

dent sailors on Long Island Sound to be informed about weather conditions.

Some of these "salts" have banded together to form "Mariners to Fight to Save the National Weather Service." They join in a common cause with pilots, businessmen, school officials and just plain folk who rely on the weathermen in Stratford to help them plan their daily activities.

Washington continues to say southern Connecticut can depend on weather stations in New York and Windsor Locks for up-to-date forecasts of local conditions.

The boatmen say that's hogwash, and we agree.

The weather station at Sikorsky Airport saves lives and helps mariners protect their property from storm damage, according to the boatmen. Their voice of protest against Washington's verdict joins a loud chorus of petitioners who rightly insist the decision must be reversed.

WASHINGTON, D.C.,
January 31, 1978.

Hon. JUANITA M. KREPS,
Secretary of Commerce, U.S. Department of Commerce, Washington, D.C.

DEAR MADAME SECRETARY: We are deeply concerned with the announcement by Dr. George P. Cressman, Director of the National Weather Service, that the Bridgeport, Connecticut, weather station will be closed no later than September 30, 1978.

Closing this vital weather station on the New England Coast will eliminate on-the-scene weather forecasting for the entire Long Island Sound region from Greenwich to Stonington and the entire North Shore of Long Island. The annual cost for maintaining this station is only $173,170, and it is our firm belief that this is money well spent.

Testifying to its need is the Weather Bureau itself, which stated in 1969 that the Tweed-New Haven Airport weather station was being closed only because Bridgeport's weather station could cover both areas. Currently, Federal Aviation Administration tower personnel at the Tweed-New Haven Airport are required to make 24-hour weather observations. This service will shortly cease.

Elimination of all professional weather services from Bridgeport and New Haven will have a marked negative impact on the entire coastal area described above. We have been informed by Dr. Cressman that the areas in question will be able to rely on the Boston and Hartford weather stations. These two stations constantly rely on updating their forecasts with information received from the Bridgeport meteorologists!

The 1969 closing of the Tweed-New Haven weather station, predicated on maintaining a fully operational Bridgeport weather station, may have been a bureaucratic expedient at the time. However, we will not now be satisfied with the mere explanation that Boston and Hartford will replace Bridgeport's weather station. Those two stations are too geographically remote to provide the type of meteorological service required by the Connecticut and Long Island users who constantly depend on Bridgeport's weather service.

We respectfully request that you look into this situation immediately and that you reconsider the closing of the Bridgeport weather station. Your prompt attention to this very critical matter will be appreciated, and we anxiously await your response.

Sincerely yours,

CONNECTICUT MARINE
TRADES ASSOCIATION, INC.,
March 7, 1978.

MRS. JUANITA M. KREPS,
Secretary, Department of Commerce, Washington, D.C.

DEAR MRS. KREPS: I am writing on behalf of the 200 members of the Connecticut Marine Trades Association to express our strong and total opposition to the proposal to close down the weather station located at Sikorsky Airport in Stratford, Connecticut.

Many of our customers use their boats on Long Island Sound. Many of them are boat owners simply because they are fishermen who enjoy their sport on Long Island Sound. A boat is critical to them if they want to fish. Equally as important to all boat owners using the Sound, given the nature of the weather in this area, is accurate and reliable weather information. If they are out enjoying a day's fishing, they may only have a transistor radio and the weather reports they receive over the radio can be important.

They need accurate information from a relatively local location. The differences between reports from Stratford and those from Bradley Field in Windsor Locks are often significant. Information collected and disseminated from Bradley Field may come too late to the boater on the Sound. On the other hand, information from Stratford can give the boater time to pack up and get safely back to shore before a storm.

Since much of our weather comes from the south and the west, the Stratford location is ideal for covering and warning the Sound, much of which is north of and almost all of which is east of Stratford. For the same reason, weather systems may be on the Sound or close to it before Bradley Field can report them.

In short, a weather station in Stratford is vital to the safety of the thousands of boat owners who use Long Island Sound.

While CMTA applauds the effort to hold the line on government spending, we feel the closing of the weather station at Stratford is both unnecessary and foolish. We urge you to support restoration of the funding for that weather station.

Sincerely,

R. O. PALMER,
Chairman of the Board.

POSITION PAPER TO KEEP BRIDGEPORT WEATHER STATION OPEN

We are surprised and distressed to learn the United States Department of Commerce plans to shut down the Bridgeport, Connecticut weather service station at Sikorsky Airport, as of October 1, 1978. If this decision is to be changed it must be acted upon before March 31, 1978. Budgetary cuts are given as the reason and Windsor Locks (Bradley) as the alternative.

We, the United Boat Owners of America, feel this shut down could be disastrous to the life and property of coastal residents and all mariners using Long Island Sound. We ask you to take the time to read and seriously consider the following.

First, some observations regarding aviation interests.

1. The aviation industry at Sikorsky will not be comfortable at a sub-standard airport. And some may be forced to move to Hartford or, more probably, Westchester.

2. Instrument landings (ILS) will no longer be practical. While this could be overcome by an FAA "observer", it borders on amateurism. and offers no protection for transient recreational and business pilots who would be prohibited from landing if no "observer" were available.

3. Coastal weather is far different from inland weather. There is no way that Bradley can accurately duplicate an on-the-spot installation.

4. Student and "low time" pilots rely heavily on the weather station for planning cross-country flights. They actually visit the station, pore over the weather charts and discuss their flight with the weather personnel. They are very concerned about having a safe flight and many would be in trouble if they encountered bad weather.

But, we are even more concerned about coastal residents, and mariners in particular.

At present, mariners using Long Island Sound do not have access to current weather information. The "stale" weather they do get is usually too general to be reliable. They listen to their household radio and tune in disc jockeys or news programs. Many have purchased a weather radio and listen to NOAA (New York 162.55 FM) and get a 3 to 4 hour old marine report covering 6,000 square miles, from Block Island to Manesquan, that includes Long Island Sound and New York Harbor.

In short, the quality of weather information for mariners is a disgrace. The irony is that the information already exists, but is not accessable to the mariner.

On behalf of our Connecticut and New York members and all mariners and Coastal residents living on or using Long Island Sound, we ask your support to make current weather information available to all.

To this end, UBA proposes the following.

1. Sikorsky (Bridgeport) weather station must remain in operation.

2. Sikorsky (Bridgeport) weather station be included in aviation weather reports.

3. NOAA weather (N.Y.C.) at Rockefeller Center be directed to retape the aviation weather broadcast, add it to their own weather report, and continue to broadcast on 162.55 FM (popular weather band).

4. NOAA weather (N.Y.C.) at Rockefeller Center be directed to upgrade reports hourly between the hours of 6AM and midnight.

The foregoing proposals would cost nothing. NOAA (N.Y.C.) already broadcasts on tape, as does aviation weather. The end result would be hourly weather for all when they need it.

In closing, we again ask your support. The good that will come from keeping this weather station far outweighs the cold indiscriminate decision of a budget cut.■

ALCOHOL FUELS

Mr. BAYH. Mr. President, yesterday I shared with my colleagues my sharp sense of disappointment with the Department of Energy's progress to date in the alcohol fuels area. At that time I included copies of testimony given at Appropriations Committee oversight hearings on alcohol fuels which I chaired on January 31, a copy of the Department of Energy's recently released position paper on alcohol fuels and a copy of S. 2400, my National Alcohol Fuels Commission bill. I inadvertently failed to include a copy of a letter I sent to Secretary Schlesinger which indicated my dissatisfaction with the Department's progress.

Mr. President, I ask unanimous consent that a copy of the letter I sent to Dr. Schlesinger be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., March 16, 1978.

Hon. JAMES SCHLESINGER,
Department of Energy, Washington, D.C.

DEAR MR. SECRETARY: I know that you and I share a mutual concern about the very real possibility of a liquid fuels shortage sometime in the 1980's. Last spring when the President unveiled the National Energy Plan, he emphasized the importance of an effective national energy policy and compared the effort needed to meet this challenge with the "moral equivalent of war." I have been encouraged by the high priority placed by the President on resolving our energy problems and have strongly supported most of his efforts over the past year.

One crucial ingredient missing from the National Energy Plan was an accelerated program for introducing a mix of alternative energy sources—especially liquid fuels—into our energy budget in a timely fashion. In light of this earlier omission. I have welcomed the Department's efforts this year to fashion a near-term program to assure development of substitutes for our diminishing fossil fuels.

As we look toward the future, I think it is clear to most of us that there is not going to be one answer to our energy problems, but that future supplies will come from a number of diverse sources. Those of us with responsibility for shaping government policy owe it to the Nation to explore every option available to us as thoroughly as possible.

As you know, I believe that utilization of alcohol fuels in a variety of settings is a near-term option that has not received the attention it merits. I have no doubt that alcohol fuels can become efficient and economical energy supplements with a relatively small federal investment if we apply our best technology to this effort.

In light of this conviction, I am quite disappointed with the Department's efforts to date to explore the potential of this alternative fuel. I have just received the Alcohol Fuel Task Force Position Paper on Alcohol Fuels. The Position Paper contains no information beyond what the Department submitted in response to the alcohol fuels Appropriations Committee oversight hearings which I chaired on January 31. Moreover, it was not accompanied by the revised program plan and budget information associated with it that the Committee requested at that time. It does reflect a lack of effort, commitment, and foresight with respect to this energy source on the part of the Department, which I find disturbing. It also indicates that DOE has made no discernible progress on alcohol fuels since last fall when the Task Force was formed.

I would hope that the Department will, in fact, take a fresh look at this area, as your witnesses in our January hearings indicated. I reiterate my request that DOE move imaginatively and aggressively to tap the energy potential of our most abundant and renewable resources.

I look forward to receiving the remainder of the Task Force Report, which I understand contains a revised alcohol fuels program plan and indicates what resources the Department would need to meet the Task Force goals.

I seek your earliest possible reassurance that the Department will move to meet its responsibilities in this area. I hope that you will construe these comments in the constructive manner in which they are offered. I will do whatever I can on this end to help you out and would like to proceed as allies and not adversaries.

Sincerely,

BIRCH BAYH,
U.S. Senator.●

INDEPENDENCE FOR LITHUANIA

● Mr. RIBICOFF. Mr. President, I join with the more than 1 million Lithuanian Americans across the Nation in celebrating the 60th anniversary of Lithuanian independence.

Lithuania has a rich, vital heritage dating back over 700 years. When independence was declared by the Republic of Lithuania in 1918, it was a testimony to the perservance of the Lithuanian people and the strength of their struggle against foreign domination. The next twenty years saw the Lithuanians thrive in their political freedom. They prospered in the absence of economic oppression, and their culture flourished. The forcible annexation of Lithuania by the Soviet Union in 1940 crushed all apparent signs of independence.

The denial of self-determination and the repression of dissent continue today, and the prospects for change rarely improve from one year to the next. Yet the desire for independence within the hearts of the Lithuanian people has never lessened. Though religious and political freedoms are only a distant goal now, the Lithuanians have never ceased their dedication to that goal. Thousands of Lithuanians last year spontaneously demonstrated in the streets of Vilnius for their basic human rights. Even though Soviet troops crushed this uprising, it was a graphic example that the Lithuanians will never accept repression as a way of life, nor will they let their freedom be compromised. Such determination to maintain their national identity has earned the Lithuanians the respect of free men everywhere. It has also fueled the struggle of Lithuanian Americans who work tirelessly for the establishment of a just society in their homeland.

President Carter and his administration have continued the longstanding U.S. policy of nonrecognition of the forced incorporation of the Baltic States into the Soviet Union. With human rights as a basic point of our foreign policy, those rights recognized by the Helsinki agreements deserve constant attention in Eastern Europe. The legitimate aspirations of the Lithuanian people cannot and will not be satisfied by empty gestures from Soviet leaders. We must insist on the reuniting of families, to urge release of political prisoners, and to permit the practice of religion without the threat of reprisals.

Mr. President, it is fitting that Americans of all heritages join with Lithuanians in proclaiming their proud struggle for self-determination and basic human rights. Their past accomplishments and their present efforts will never be forgotten. With our help and the help of freedom-loving peoples everywhere, their dream will some day be a reality.●

INDEPENDENCE FOR ESTONIA

● Mr. RIBICOFF. Mr. President, I salute the Estonian people and their commitment to self-determination on the 60th anniversary of the Declaration of Independence of Estonia.

After defending their nation against foreign aggressors for nearly 2 years after their independence was declared, the Estonians were finally able to celebrate this freedom in 1920 with the adoption of a democratic constitution and a series of reforms aimed at establishing a democratic society.

Like its Baltic neighbors, Estonia suffered the forcible annexation of its land by the Soviet Union in 1940, never to regain this lost freedom. But no foreign power could deny the Estonians their desire to be free. Though the Soviets have attempted to convince outsiders that Estonians enjoy complete freedom today, their gestures have not subdued Estonian desire for true independence.

Estonians have suffered under Soviet domination—forced relocations to isolated areas, denial of human rights, and attempts to obliterate the last vestiges of the once thriving Estonian culture. In view of this suffering, the courage and determination of Estonian Americans who work to keep alive the Estonian heritage deserve our support.

The history of the Estonian peoples' fight for freedom serves as an inspiration to the entire world. We must continue to voice our concern for the treatment of these people and focus attention on their plight. If others can capture the commitment of the Estonians themselves their struggle may yet be won.●

MACHINISTS' PRESIDENT WINPISINGER ON ENERGY AND JOBS

● Mr. McGOVERN. Mr. President, on yesterday, the Subcommittee on Energy of the Joint Economic Committee, chaired by the distinguished Senator from Massachusetts, Senator KENNEDY, conducted hearings on the relationship of energy policy to the creation of jobs. As a member of the committee, it was my privilege to participate in these important hearings.

One of the witnesses who testified on yesterday was Mr. William Winpisinger, president of the Machinists Union. Mr. Winpisinger is one of our most creative, courageous, and effective labor leaders.

I ask unanimous consent that his provocative statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DETAILED STATEMENT BY WILLIAM W. WINPISINGER

Mr. Chairman, Members of the Committee: My name is William W. Winpisinger. Since July 1977, I have been privileged to serve as International President of the International Asscciation of Machinists and Aerospace Workers.

IAM membership is found in nearly every sector of the U.S. industrial complex—aerospace, air transport, automotive, construction, electronics, light manufacturing, metals fabrication, machine and machine tool, tool and die, maritime, shipbuilding, nonferrous metals and mining, and railroads.

All these industries are highly sensitive to energy supplies, sources and prices. The nation's energy policies, or lack of them, directly impact the jobs, income and security of IAM members employed in them.

Regrettably, it is not possible to report in any definitive way, or to quantify by sector of Industrial Occupation category, just what the extent of energy impact is on the IAM membership; except in a negative way. We learned, for example, that some 15 to 18 thousand IAM members in Ohio were idled from work for approximately two weeks during the natural gas shut-off in the winter of 1976/77. In 1974 during the oil embargo, we learned that 2000 air transport workers were idled when the airlines used the scare as an excuse to curtail marginally profitable and unprofitable flights and schedules. We also learned during the embargo scare that some 8000 civilian aircraft manufacturing employees suffered reduced worktime, layoffs and loss of income, due to an emergency low priority for fuel for civilian light aircraft aviation purposes.

Not only do we not know the impact of energy inputs and alternative energy sources on employment within industries where we

have members, we are appalled to learn that there is no definitive analysis or study for the nation on a macro basis. The Department of Energy has made no such study. The Office of Management and Budget has made no study. The Commerce Department has no study. The Bureau of Labor Statistics has no study. And the Congressional Research Service has no energy/employment analysis or study.

In effect, Mr. Chairman, what we have is the evolvement of a national energy policy, albeit it is far from coherent, that concerns itself with control, allocation, prices and profits, but utterly fails to take into consideration its impact on the human factor of production.

We can develop the most profuse energy production and utilization program conceivable, but if it results in widespread displacement of human labor, what good will it do?

As Richard Grossman and Gail Daneker have pointed out in their study, *Guide to Jobs and Energy*, industry has historically substituted energy for labor. After substitution for labor in each process of the production chain, the total number of workers needed for production decreases. (See Appendix A.)

This fact alone seems to contradict the current industrial management argument, and of government spokespeople, too, that "more energy leads to more jobs."

According to Grossman and Daneker, greatly increased energy consumption in primary metals; stone, clay and glass; food; chemicals; and paper products has resulted in static or declining employment over the past 20 years. They note the same for steel, aluminum, and agriculture. They also note that between 1961 and 1973, electric utilities increased their kilowatt output by about 130 percent, their revenues by 260 percent, their construction costs by 340 percent. But employment in electric utilities increased only 21 percent.

Indeed, productivity is linked directly to industrial energy consumption. And, herein lies the dilemma of IAM members and working people in general. As the productivity index goes up, jobs and job opportunities appear to decline.

Further, it is no longer safe to say, as we often do, that displaced production workers will find employment in service industries. Will they find employment as supermarket clerks? Boxed beef and packaging machinery are replacing meatcutters and stock room clerks. As bank tellers? Electronic fund transfers and automatic drive-up windows are taking over. Centrex has already replaced telephone operators. So has taped and prerecorded messages. And computerized switching and billing systems are displacing thousands.

In the IAM, direct job loss is coming about in the highly skilled stamping, machine tool and tool and die industries through the Numerical Control (computerized) tools and automated control panels. The energy required to operate these machines is electricity, and electric consumption is on the increase. But the number of jobs decreases.

The point is, increased energy consumption may not create jobs in the economy. There may not be a correlation between energy growth and the economy. Certainly it is true in certain microeconomic instances.

At this stage of the game, on a macro-basis no one knows for certain. But we should know. It is time, perhaps, to begin focusing on energy efficiency, rather than labor efficiency. A good share of the energy supply problem may be found in wasteful, expensive and mismatched uses of energy. Such a focus may save jobs as well as en-energy.

Lack of reliable energy—employment impact data not only inhibits the deliberations and proceedings of this distinguished committee, it also impedes development of a comprehensive national manpower policy and achievement of a full employment economy. The latter, one assumes, is what really matters.

It would seem reasonable to suggest that the Bureau of Labor Statistics in the Department of Labor and the Department of Energy form statistical analysis and support groups to provide the Executive, the Congress and the public with reliable energy impact data.

Similarly, it would seem reasonable to expect that national energy programs emanating from the White House would include employment impact analyses, and that future energy development, conservation and conversion proposals and programs would contain job impact analyses. There is no other way for working people and trade unions to compare the relative merits of one energy source with another.

But working people are not only concerned with their jobs, they are also concerned with the prices they pay for home energy uses. There was a time when nonprofit consumer-owned and publicly-owned power and utility agencies and systems provided a cost yardstick, against which costs and rates of private investor-owned utilities could be measured. In that way consumers and regulatory agencies had some objective means to determine when excessive consumer rates and rate increases were occurring.

That yardstick principle has been seriously eroded over the past two decades, an erosion due in no small part to a lack of access to valid investor-owned cost and financial data. If measurement of energy efficiency is to be realized, if working people are asked to sacrifice their jobs to greater energy inputs and if consumers are to be asked to pay for energy development and conversion projects, then it is only fair that they be given information which comes from a source other than the energy companies and utilities themselves. So we would recommend that Department of Energy or perhaps SEC make this data available on a regular and timely basis.

Working people are also dependent on energy for transportation to and from work. Gasoline and oil prices are a large part of their "costs of doing business." Energy orthodoxy requires them to continue relying on gasoline for the bulk of their transportation needs, at least until the year 2000. Any new technologies with respect to auto fuels is not seriously considered, although conservation measures such as speed limits and fuel consumption (mpg) standards are. Meantime, the petroleum glut has not noticeably reduced gasoline pump prices, which soared 77.4 percent from the beginning of the OPEC embargo through first half of 1977. Profits of leading oil companies during the same period increased an average of 103.4 percent, while average weekly earnings for workers increased 38.5 percent over that nearly six-year period.

It is amazing how the economics of scarcity and the law of supply and demand inevitably redound to the profit ledgers of the energy companies and the glory of free enterprise.

ENERGY OVERVIEW AND COMMENTARY

Growth demand for energy is based on orthodox assumptions related to population and GNP growth. The assumption is that energy demand increases exponentially over time, and must, if the production of goods and services is to keep pace with increases in the number of people and their needs and demands.

In the near future, that is up until the year 2000, it is assumed by orthodox analysts that energy supply will lag behind demand. How they can be certain is questionable. Available figures describing supply and reserves of fossil fuels and uranium appear to be under the control of and dominated by the energy companies. It is to their advantage to understate reserves and current production. It is further assumed that up until the year 2000, the major portion of our energy supply must come from known and developed technologies. This assumption is based on a historical precedent that 20 to 30 years is required from development of a new technology to its commercial application.

Hence, according to the orthodoxy, in the near future, our energy supply must continue to come from fossil fuels, nuclear reactors, and hydro electric power.

The fallacies of these assumptions appear to be several. First, there is currently an oil glut, due to stepped up domestic discovery, Alaska pipeline and North Sea oil production, and the federal strategic petroleum stockpile program. (Energy Preparedness).

Secondly, the production of coal and conversion from natural gas to coal-fired industrial and electric generating plants has increased. Western strip mining of low-sulfur coal has increased and, until the recent strike by coal miners, eastern deep mining operations were on a sharp upswing.

Third, natural gas reserves, according to industry sources, appear to be declining, but, natural gas producers argue, if prices are deregulated, then they can greatly increase their supply. Apparently, the answer to this riddle will become known when Congress makes its decision on deregulation. If natural gas prices are deregulated, then one is left to surmise that the producers will release a new set of supply figures, which will relieve the natural gas shortage. How much natural gas may actually be in the ground, will probably remain a mystery for decades, or until someone other than the producers make the surveys, gather and report the statistics. In any case, following the producer's logic, we should expect increased natural gas production in the near future, if the price they are exacting is met. The issue clearly is one of price in the near term, rather than supply, and the shortage is in the figures, not in the ground.

In the case of nuclear energy, fission currently provides about nine percent (some sources say one percent—it depends upon whose figures one uses) of national needs. Industry and government proponents of nuclear power project that it will provide 20 percent of total electical energy by 1985 and about 50 percent by 2000. These projections are based on the assumption that there are sufficient domestic uranium reserves to feed some 232 planned nuclear plants, an assumption which may be open to doubt, if Canadian sources of uranium cannot be tapped. Again, the energy companies supply their own figures, so there is no objective way of knowing the extent of uranium reserves. Some existing fast breeder reactors are already judged to be technologically outdated, but industry and orthodox experts are touting fission on the basis that, by the time uranium reserves are depleted, a breeder reactor which converts unusable uranium into plutonium, will be on the line in force. In the meantime, the federal government will have to have overcome critical safety and waste disposal problems. This is a little bail-out program destined to cost taxpayers several billion dollars by 1985, the earliest possible date for permanently disposing of nuclear wastes, according to OMB.

But again we have a basic contradiction between the orthodox economic assumption of scarcity on the one hand, and industry assurances of a plentiful supply of nuclear energy on the other.

It is the kind of double-think and contradiction that permeates the economics of the entire energy industry.

As for nuclear fusion, there is no known way to control the one-million degree heat and energy release that would make it useful. For this source, the experts are right. There won't be a significant increase in supply of energy.

Orthodox thinking gives little credence to geothermal, wind, and solar power, in our energy future. Noxious gases, excessive salinity and land surface collapsing are said to prevent substantial geothermal development. Wind once generated electricity and pumped water on millions of American farms, but it is now argued that to generate one megawatt of power requires a windmill of 180 feet in diameter on a 200 foot tower, with an average wind velocity of 30 miles per hour. Thus, thousands of towers would be needed to replace one coal generating plant. Perhaps, but think of the jobs that could be created in manufacturing if farmers went back to using their own individual windmills.

Solar energy gets more attention than geothermal or wind, but even so, it is predicted that by 2000, only one-third of new construction and one-third of old construction will be fitted with solar heating systems. It is conceded by the orthodoxy that solar heating will play an increasingly larger part in meeting future energy needs, but we are cautioned not to be overly optimistic about solar heating systems, since the energy supplied for this purpose would be only about five percent of the national energy need.

There is a curious observation to be made in this survey of the orthodox assumptions underlying our present energy policy. Apparently there is no prospect of supply ever catching up with demand. Of the fossil fuels, it is said the petroleum supply will be exhausted, possibly within 30 to 40 years; natural gas supplies will be exhausted, possibly in 10 to 20 years; coal will be exhausted, possibly within 300 to 500 years. Hence, we can see why the President's National Energy Plan puts so much emphasis on coal.

About nuclear power, it is said that conventional fission reactors will exhaust their low-cost fuel supply (uranium) possibly within 30 to 40 years. Fast breeder reactors are thought to be able to greatly extend the potential fuel supply (plutonium) of fission reactors, but none say it will be low cost and safety and waste disposal problems, as well as the President's non-proliferation desires, must be solved. Fuel supply for fusion reactors is virtually unlimited, at what cost is unknown, but fusion's feasibility is still to be proven.

It is said that the number of sites for future hydroelectric power is extremely limited, but overlooked is the fact that only 800 of 50,000 dams in the U.S. are licensed to produce power. Thus, there would appear to be a great deal of potential if existing dams were to be fitted with turbine generators. That would create a considerable number of jobs in electrical machinery and electrical equipment manufacturing, construction and maintenance. Power generated at small dams could be used for individual industrial units or possible even individual farm needs. Or it could be used as peaking power for larger systems.

Neglected in the orthodox survey of power sources are synthetic petroleum products produced from coal, although a number of energy companies are currently engaged in government-funded synthetic research and development projects. It is conceivable that synthetics will supply a significant portion of not only energy needs, but petrochemical needs in the near future. Coal gasification demonstration projects are already in existence. Synthetic motor oil is on the market in limited supply and petroline, a synthetic gasoline, may be marketed next. DOE Secretary Schlesinger has unofficially put priority on creation of a liquid fuel replacement for the transportation sector.

All liquefied natural gas (LNG) does not have to be imported. There are remote areas of the U.S. where it might be economically feasible to process it, too.

Overlooked also is biomass energy, which could be a significant source of energy on farms and ranches and in small rural communities, assuming they are given the means and initial funding to construct and operate biomass plants. Loans and grants are now available for rural and small community water and sewer systems. Electric generation from biomass and solid waste disposal plants could similarly be funded, thus creating jobs and job opportunities in thousands of depressed rural communities. And the research and development, design and engineering, construction and manufacture of these small generating plants would create thousands of jobs upstream.

But one should focus more closely on the development and utilization of solar energy. There are two basic systems for solar energy production. One is at hand and familiar. That is terrestrial solar power. The second is in the research and development stages and futuristic. That is Solar Power Space Satellites.

First, all the technology necessary is in hand for terrestrial solar power development for hot water and building heat. Many firms are already marketing solar home heating and hot water heating systems. The American Solar Energy Association has outlined a comprehensive federally assisted program to have 11 million homes in America fitted with solar hot water systems by 1985. This contrasts with President Carter's goal of 2.5 million homes by 1985 and DOE Secretary Schlesinger's goal of 1.3 million solar homes by 1985.

The State of California, by the way, is well on the road to solar home heating and will have more solarized homes in 1985 than the entire nation.

In Japan, 2 million homes have solar hot water heating. Israel has 200,000 solar homes. And Australia requires that solar heating units be installed on all new buildings constructed in the energy-short northern provinces.

There is absolutely no reason why technology should be used as an excuse to delay or prevent the installation of solar hot water and building heating systems. It must be promising, for an energy giant such as Exxon to already be in the business. And a giant aerospace firm, Gruman Corp., is on the market with solar passive and active building heat systems. (A passive system stores energy where sunlight strikes building walls or floor or roof and is capable of providing 80 to 100 percent of a structure's space conditioning requirements, but cannot easily be added to existing structures. An active solar system can be bolted onto roofs or walls of existing buildings and can supplement conventional furnaces, by moving, with fans and pumps, solar heated air or liquid to storage areas, from which the heat can be withdrawn as needed).

Solar is also being applied industrially, at a soup canning plant and in laundries and car washes in California; at a fabric drying plant in Alabama; at a concrete block factory in Pennsylvania; and for pasteurization at a brewery in St. Louis.

According to the American Solar Energy Association, the potential for solar application is 45 million homes, 10 million apartment houses and 15 million commercial and farm buildings, which could be retrofitted, and 2 million new structures built each year.

The beauty of solar is that it is renewable, nonpolluting and its installation is labor intensive.

In fact, the Solar Energy Association, in testimony before the House Committee on Small Business, has very forcefully demonstrated that conversion to solar energy can be looked upon as major employment program for the hard core, low and semiskilled unemployed. But a major solar conversion effort would also provide thousands of jobs for skilled carpenters, sheetmetal workers, plumbers and other building tradesmen who are suffering from chronically high unemployment. Upstream from installation, thousands of fabricating and manufacturing jobs would also be created.

The Solar Heating and Cooling Demonstration Act of 1974, has been in operation for three years now. The technology and reliability of solar heating and cooling have been proven. The major barrier to an all-out solar conversion program is front-end money for mass production and marketing and initial installation costs for consumers. In terms of employment, taking the strain off the advertised "shortage" of fossil fuels, and nuclear power, it is sound economics and common sense for the federal government to boost solar power on a massive scale.

There are two precautions that should be taken however. One is that the giant energy companies are already casting a covetous eye upon solar. This is in line with their "total" energy concept. The established energy companies should not be permitted entry into the solar industry. If they are permitted entry, it will be just a matter of time before history repeats itself and the cost of solar power will be pegged to the monopolistic price of petroleum, natural gas, coal and uranium. Solar power must be the people's power. Solar power must restore the low-cost competitive yardstick that has been missing from the energy scene for over two decades.

The second precaution is that, in its infancy, the solar power industry will be highly susceptible to confidence games, quick buck artists, and sham manufacturers and installers. The industry and consumers must be protected against these opportunists and predators, through an enforceable licensing system at the state and local levels. Warranties for work, parts, service system performance and safety must be strict and adhere to standards promulgated and for review by the Consumer Product Safety Commission, Bureau of Standards, and Housing and Urban Development Department.

The far term future for solar power may be further augmented by the Solar Power Satellite. Futuristic in concept and design, the Solar Power Satellite is at least as feasible at this stage, as is nuclear fusion. Simply put, the idea is to put a large satellite in geosynchronous orbit some 22,000 miles above the earth. In that orbit, the satellite is constantly illuminated by the sun. The solar rays are converted to electricity by an array of solar cells or photovoltaic cells, which generate electricity directly when sunlight falls on them. The electricity is then transmitted to an Earth receiving site, from where the power distribution system will fan-out to communities and homes. It can be tied-in with existing transmission and distribution systems. Huge and heretofore unknown amounts of electric power can be generated by this method—several satellites could produce more electricity than all other alternative sources combined now produce.

Barriers to Solar Power Satellites becoming reality are large. The first is a safety and environmental problem stemming from the microwave beam which would transmit the energy from space to the earth collector. Microwaves can be extremely hazardous if not kept within minimal strength tolerances. Microwave environmental-effects experiments have yet to be completed and the danger eliminated. A second barrier is the cost of the program. Such an undertaking is similar in scope and cost to the Apollo program, or from $60 to $80 billion. At this early stage, electric power from the Solar Space Satellite is not cost-competitive with other sources.

Since the technology to develop the system is at hand, and since its development would provide socially useful employment for a large corps of highly trained scientists and engineers and highly skilled technicians and craftspeople, research and development funding by the federal government ought to be encouraged, and expanded. Currently

some 12 or 15 aerospace firms have been or are involved with Solar Power Satellites. However, if solar power is to be the people's power, one would expect such a vast publicly funded program to be federally-owned and operated, rather than the property of a few private corporate giants.

As a general statement, when the survey of growth demand, development status and prospects for future energy from all sources is completed, one can only conclude that all sources must continue to be developed, with as much public benefit emphasis as possible. Until employment impact analyses are made, until supply, demand, reserve and private cost and financial data are reliably reported, then working people have no choice but to accept the assumptions of orthodox economists and energy experts.

For if the lights do go out, or the power is shut off, or the oil does stop flowing, working people will be the last to know and the first to find it out.

CONSERVATION

Meantime, there are certain conservation measures which can be undertaken to prolong the life of nonrenewable resources, and hopefully will delay further increases in energy prices.

A functional definition of conservation is taken from Dr. Duane Chapman, in *Energy Conservation, Employment and Income,* published last year.

"Conservation in a philosophical sense has taken two partly contradictory meanings, one emphasizing the preservation of natural environments and the other giving its concern to the public interest in the proper management and development of natural resources."

Energy conservation, therefore, is not simply a matter of "returning to earth" principles. It is not a no-growth economic principle. It is not a return to the horse and buggy days or some idyllic and pastoral early 18 Century never-never land.

Energy conservation is not abandonment of the nation's technology base, nor the impediment to future technological development. It is not lower living standards or a downgrading of skills and wage and income levels.

It may be development and mass marketing of the electric automobile. It may mean the upgrading of skills and income levels of mechanics, tradespeople and workers in general.

Energy conservation is more than turning off lights, abiding by speed limits, setting the thermostat at 65 degrees and wearing warm woolen sweaters indoors. It is corporate responsibility to refrain from non-competitive and price gouging practices. It is corporate responsibility to serve the consuming public first, at the expense, perhaps, of profit maximization. It is government responsibility to regulate the regulated in the interest of the public and social accounting system.

Energy conservation is a greater sharing of privately held, whether usurped or purchased, resources, with members of the public at large.

CONTROL OF ENERGY COMPANIES

If we are to get a handle on the mind-boggling dimensions of the energy issue, then we must somehow rise above the laws of economics that are distorting the discussion.

We must, instead, raise the issue on ethical grounds. We must infuse and elevate the discussion, to the plane of justice and equity. These human values must become the common denominator in solving the energy crisis.

With that understood, we can then reduce the problem to five manageable components. These five components of the energy problem are: Control, allocation, prices, profits, and sacrifice.

Control is the key to the other four elements.

The energy companies seized control of the oil industry at the turn of the century. That is well known. What may be less well known is that they became multinational oil companies after World War I, when they, with considerable and indispensable help from the U.S. State Department, gained valuable concessions in the Mideast. They were in Mexico before that. One of the historical amazements of that turbulent period in Mexican history is that the American oil interests were able to prevail upon both sides of the Mexican civil war to preserve their oil fields and pipelines. Apparently that is what General Pershing was doing down there. In reality, the Punitive Expedition was an oil preservation operation.

Another measure of the control and power of the oil interests occurred during World War II. Allied forces were alarmed by fuel shortages. The Roosevelt Administration proposed public acquisition of the holdings in Saudi Arabia. That made eminent sense in terms of national security and the war effort. But it didn't make sense to the American oil interests. Operating from within the war councils, they torpedoed that proposal, and another, which called for construction of a government-owned refinery and pipeline in the Middle East. They termed public ownership as "fascist" and argued it would shackle "free enterprise." Standard Oil of California, Texaco, Jersey Standard and Mobil blocked the effort. The concern was not the war effort, rather it was control over the supply of crude and the mischief it might cause to their pricing policy if the government delivered and sold to independents outside the fraternity.

Now Franklin D. Roosevelt was a powerful President. World War II was a powerful cause. But the oil companies were more powerful than all.

These are but two of many historical examples which demonstrate what we mean by control, with control meaning power. The oil companies have it and the government and people do not.

Currently, the multinational energy companies maintain and perpetuate their power through the manipulation of at least five levers of power.

First, Exxon, Mobil, Gulf, Standard of California and Texaco are, for all practical purposes, part and parcel of the OPEC Cartel. Along with British Petroleum and Royal Dutch Shell, they comprise the "seven sisters," who've dictated production, distribution, sales and prices since the 1920s, for Iraq, Iran, Saudi Arabia, and Kuwait.

All are vertically integrated, i.e., they not only drill and pump crude, but they refine, transport and sell petroleum products through their own retail outlets. "From the wellhead to the gas pump" is the common expression.

In spite of the Arab embargo, in spite of the takeover of the oil lands themselves, by the Saudis, the Iranians and others, in spite of the OPEC countries arbitrarily increasing the price of crude fourfold, in spite of all this, Exxon, Mobil, Standard of California, Gulf and Texaco remain in the Middle East doing business as usual and enjoying the new artificially high world prices for oil.

And to remain there, they have had to influence, if not dictate, U.S. foreign policy, while assuaging the chauvinistic temperaments of kings, shahs and sheiks.

The companies are in Venezuela and Canada, too, and in Algeria and Indonesia and Alaska and the North Sea and the Antarctica. But they have used the OPEC Cartel as a scapegoat to absolve themselves from any responsibility for the energy crisis and all the while they are part of it and reaping its benefits.

A second lever of power used by the energy companies is the joint venture. There are domestic joint ventures and foreign joint ventures. There are horizontal joint ventures and vertical joint ventures. There are temporary and permanent joint ventures.

All are used for one primary purpose: to reduce the rigor and risks of competition.

The joint venture is not a subsidiary; it is a step child; it is a separate corporate enterprise in which the bulk of the stock is owned by two or more parent companies.

There are joint venture pipelines; joint venture refineries; joint venture exploration companies and joint venture bidding combinations for offshore and oil shale leases. The Alaska Pipeline is a joint venture.

This joint activity would seem to be prima facie evidence of anti-competitive abuses. Yet Congress and the Department of Justice are amazingly tolerant. No one knows how many joint ventures there are among the oil companies. Experts agree there are hundreds.

Exports also agree that joint ventures avoid competition; provide a common meeting ground for supposedly competitive firms; result in the exchange of information and production and marketing planning; concentrate economic power; and foreclose economic participation on the part of alternative businesses and potential competitors. And, needless to say, joint ventures have not led to lower prices for petroleum products.

Such behavior amounts to merger, which could be prosecuted under the anti-trust laws. In fact, it has become clear, in view of the current energy debate, that we are dealing with one giant petroleum octopus with only its tentacles labeled Exxon, Gulf, Texaco, etc.

The third lever of control and power exercised by the energy industry is the interlocking directorate.

The Clayton Act states, "no person at the same time, shall be a director in any two or more corporations . . ." which are engaged by virtue of their business and location of operations, as competitors.

Tell that to the energy companies.

Primary interlocks occur between oil companies and other energy companies. General Dynamics, you may be surprised to learn, is a major coal producer, and has a director sitting on the board of Diamond Shamrock Oil Company. Republic Steel is also a big coal producer, and shares a director with Standard of Ohio. Republic Steel and Marathon Oil are also interlocked through one director.

In utilities, we find interlocks between Mobil and Consolidated Edison, Standard of Indiana and Commonwealth Edison, Standard of Ohio and Detroit Edison, and Getty Oil and Southern California Edison.

Imagine an environmentalist walking into a Con Ed board meeting and suggesting it switch to solar power, with the Mobil Oil director sitting there!

There's more. The oil companies are locked into uranium mining and milling companies, liquefaction and even solar energy research and development firms. And, to a lesser extent, natural gas.

The glue that binds this welter of corporate relationships together is—money. And money is the fourth lever the energy companies use to consolidate and expand their power.

At last count, fourteen banks were tied to 18 of the largest oil companies, through interlocking directorates. All the big names are involved: Exxon and Morgan Guaranty; Exxon and Chase Manhattan; Exxon and Bank of America; Gulf and Mellon National; Mobil and Chemical Bank; Mobil and First National; Texaco and Continental Illinois; Texaco and Chemical; Atlantic Richfield and Chase; Atlantic Richfield and First Chicago. There are dozens more. A diagram showing the lines running from oil companies to banks and back, looks like a piece of string art.

Banks aren't the only financial tie with the energy companies. Insurance companies, investment companies and foundations are very much a part of the complex, too.

For example, Continental Oil Company (Conoco) has primary interlocks with Bankers Trust Company, Morgan Guaranty and Continental Illinois Bank & Trust. These banks, in turn, have interlocks with insurance, investment, and other energy companies.

In case of the Conoco and Morgan Guaranty tie, secondary interlocks occur with four of the nation's largest insurance companies—John Hancock, Aetna, Metropolitan and Penn Mutual; two coal companies, three other major oil companies, two large utilities, and a gas pipeline.

That's all under the Morgan roof. Conoco has two other banks tied-in, in similar fashion.

Multiply this network by all the major oil companies, and some idea can be had of the enormous concentration of wealth and power centered in the industry.

Interlocking directorates make it all possible.

It is difficult to perceive the lines of distinction and ownership between banks and energy companies. Ordinarily, one might expect it is the banks who ultimately call the shots. But when it is realized that literally millions of dollars in employee benefit funds are deposited by the energy companies, in the major banks, then the lines of authority and distinction become even more blurred. In effect, what we have is a siamese octopus, with the world economy wrapped in its clutches.

There is one more lever of power employed by the companies and banks, virtually invisible, but essential to their economic and political hegemony. It is the accounting firm.

A mere seven firms audit the books of the largest oil companies. The services these firms render go beyond accounting and auditing, to include tax assistance. They perform well in the latter function. The multinational energy companies haven't paid taxes on their foreign profits for years and, in reality do not pay taxes here at home, since they are, in essence, tax collectors, who pass the cost of taxes onto consumers, in the form of prices. They also receive all investment tax credits enjoyed by other members of the corporate world.

The "Big Seven" accounting firms also design data processing and information systems, do consulting, executive recruiting and pension and investment planning for the companies.

The advantages of this concentration are fairly obvious. A uniformity of practices and procedures is established, which tends to reduce the industry to conformity.

Data for revenues, operating costs and other financial figures are closely guarded as inside and proprietary information, not to be divulged for public consumption or government regulatory purposes. There are ample cases where the energy companies and their banking trusts have refused to open their books to the Securities and Exchange Commission and even the Congress.

Finally, there remains the possibility that accounting firms are used as conduits for the flow and exchange of information and policy among and between the members of the energy-financial sodality.

These then are the levers of power used by the energy interests to control and monopolize the industry, victimize the economy and command the government.

To summarize, there are five:

The OPEC Cartel Arrangement;

The Joint Venture;

The Interlocking Directorate;

Banking and Financial Institution Interties, and

The Accounting Firm Fraternity.

Political contributions and the interchange of corporate with federal energy agency personnel are two highly visible abuses of power, but presumably are commonly known. Why belabor the obvious?

We can deduce from this didactic discussion, several generalizations.

The first is that structural challenges to and changes in the private control of energy investment are probably preconditions to the political possibility of solving the energy crisis in an equitable and just manner.

This is why we need continued regulation of natural gas and home heating fuels.

This is why we must insist on full financial disclosure from energy companies.

It is why we must look to the rejuvenation of federal anti-trust prosecutions in the energy industry.

It is why we must insist on horizontal and vertical divestiture of the energy giants.

It is why we must look toward public, as opposed to private development of alternative energy sources.

What has been described in this analysis of corporate control and power is a kind of reactionary socialism, which makes the future of America contingent upon investment decisions by and in behalf of a few corporate entities and extremely wealthy people.

When this or next winter's excessively high fuel bills come rolling in; when the gas pump prices increase and the electric rates soar through the fuel adjustment clause, it won't be the perpetrators of this energy scandal who will sacrifice and suffer.

Since the crisis of 1973/74, average weekly earnings of working people have increased roughly 6 percent per year. Energy company profit increases have outstripped wage increases nearly threefold—averaging 17 percent per year. The inequity for working people is bad enough.

For the seven million or more unemployed it is tragic. And unconscionable.

There is a fundamental and human right to the basic necessities of life. The energy crisis is denying this right to millions of Americans.

It remains for public spirited and progressive citizens to remind the nation's policy makers and the public, that the sun and solar energy belong to the people, not the energy companies; that the waters of the ocean and the rivers belong to the people, not the monopolies; that the children of the ghettos have as much claim to ownership of public lands, oil shale and offshore oil deposits, as do a few private investors.

Thank you.●

ELECTORAL REFORM

● Mr. BAYH. Mr. President, earlier today a task force brought together by the Twentieth Century Fund issued its report on electoral reform and announced its proposal for a national bonus plan for electing the President and Vice President. This proposal calls for retaining the electoral vote system but adding an additional 102 electoral votes to be awarded on a winner-take-all basis to the candidate with the most popular vote nationwide. The task force report says that this national bonus "in essence virtually eliminates the possibility of defeat for a popular vote winner, which was the priority for proponents of direct election, while at the same time preserving those aspects of the existing system that are seen by its defenders as bulwarks of the two-party system and of federalism."

This proposal is very similar to a suggestion put forward by Arnold J. Levin in the May 22, 1977, Washington Post. The Senate Judiciary Subcommittee on the Constitution has examined this proposal and others made previously. At the request of the minority members of the subcomittee, Mr. Levin's version of the national bonus plan was reprinted at page 531 of the Record of Hearings on the Electoral College and Direct Election, July 20, 22, 28, and August 2, 1977.

As a result of the subcommittee's studies over the last 10 years I feel strongly, as I have for some time, that the best way to elect our President and Vice President is through direct popular election, as proposed in Senate Joint Resolution 1. However, it is important for the people of our country and for my colleagues to have before them all proposals that are advanced. With that in mind, I am introducing today the proposed national bonus plan constitutional amendment which was put forward this morning by the Twentieth Century Fund Task Force.●

THE ANNUAL MEETING OF STATE HISTORIC PRESERVATION OFFICERS

● Mr. LEAHY. Mr. President, in late February the National Conference of State Historic Preservation Officers convened in Washington, D.C., for its eighth annual meeting. The State officers, in cooperation with Federal agencies, administer national laws and programs related to preservation in the 50 States, the District of Columbia, and five territories. The conference proceedings reflected the broad impact of the preservation movement on the social and economic development of our country and its communities. It is clear that preservation plays an important role in a broad range of domestic issues of the highest priority to Americans.

My distinguished colleagues are well acquainted with my long interest in the preservation movement and my conviction that we must, as a people, take stock of our cultural heritage and recognize that it is in our best interest to protect and maintain architectural landmarks, archeological properties, and historically significant areas in our cities, towns, and countryside.

The preservation movement is to be commended for its record of accomplishment in thousands of communities across the country where it time and again has proven a key to economic revitalization and civic pride. It also is to be applauded for its determination to participate actively in the public planning process at every level so that preservation is recognized as a promising option as we confront issues bearing fundamentally on the quality of life in America.

I believe that the voice of preservation should be heard clearly in our public and decisionmaking forums. The movement's potential must be firmly articulated.

Secretary of the Interior Cecil D. Andrus and the Director of the Interior Department's recently created Heritage Conservation and Recreation Service, Chris T. Delaporte, both addressed the annual meeting of State historic preservation officers on February 28. Their statements speak eloquently to issues and opportunities for the historic preservation movement today. Mr. Delaporte speaks specifically of an initiative that the new Service is undertaking, with

broad public and private participation, to assess nationwide preservation activity and to add new dimensions to preservation planning and policy formulation. This effort will receive my close attention.

I respectfully commend Secretary Andrus's and Director Delaporte's statements to my colleagues in the Congress and ask unanimous consent to print the texts of their addresses in the RECORD of this day's Senate proceedings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY SECRETARY OF THE INTERIOR CECIL D. ANDRUS

Some of you may be familiar with the joke about the fighter pilot who upon spotting enemy planes said to his co-pilot: "Let's turn 360 degrees and get the heck out of here."

My schedule for today turned 360 degrees, or maybe 720 degrees. At any rate, I am pleased that we were able to reschedule some other obligations so that I could end up here where I wanted to be in the first place.

Our good friend and colleague Merle Wells has kept me informed of the splendid record of accomplishment in our historic preservation partnership and the role of the State Historic Preservation officers in this unique program.

I'm also very enthusiastic about the opportunities I see ahead for this partnership as a result of the President's initiative in calling for the National Heritage program. So, I welcome this occasion to tell you this in person.

When I became Secretary of the Interior, I made it clear that at the core of all of our decisions would be an ethic of conservation.

I am not, nor is this Administration, anti-development. But I think it is accurate to say that we are for wise development and wise utilization of our national resources.

Our decisions on all crucial issues have been guided by the principle of protecting the quality of our environment—the environment in which we, and our children, and their children, must live.

This approach led us to take a strong stand to protect the priceless resources of Redwood National Park—and I'm both proud and relieved that we are about to see congressional action to achieve this goal.

We have likewise taken a strong stand on the completion and protection of the Appalachian Trail. Again, working with Congress, we are approaching successful resolution of this crucial question.

We have approached our national energy crisis with the same principle of conservation in mind—and I believe that we have been able to provide a resource base for energy production without unacceptable environmental costs.

And in our Alaska recommendations we have sought to learn from the mistakes of the past, and to chart a responsible and reasonable course toward the preservation and wise utilization of a tremendous national resource.

But the natural resources of a nation include more than its land and water, more than its mineral and agricultural resources. The most important—and essential—natural resource of any nation is its people, and any "natural resource" decision which ignores this fact is, to that very degree, inadequate.

When one thinks of the strength of a nation it is all to easy to think only in terms in tangibles and quantifiable factors. The importance of these factors—of strategic energy reserves, of available and usable water, of agricultural output—is obvious of course.

But equally important are some intangibles, and some of the most important of these can be summed up in the word "heritage."

It is essential that the citizens of a nation have the sense of belonging and the sense of direction which comes from the knowledge of their "roots."

To know who we are we must have a sense of who we have been.

And we must take steps to preserve the essential fabric of that reality for our own benefit and that of those who come after us. Thus, what you do—and what we do *together*—is of great importance.

The President's recognition of this is reflected in his decisions and policy directives concerning development of a National Heritage program.

What we have been—our common inheritance—is both cultural and natural. To the extent we do not wisely protect either, we as a nation are diminished.

It is this realization that forms the foundation of the President's heritage program.

We also realize that in considering the diverse resources that make up our natural and cultural heritage, it is just as essential to recognize necessary differences in approach as it is to maximize common ground and joint strengths.

The new program and the Heritage Conservation and Recreation Service are structured to take advantage of both.

I know that as this conference progresses, you will be discussing the proposed program in great detail. I do not want to preempt that discussion.

I know that as you have carefully and thoughtfully considered the new program, you have found some points which have pleased and encouraged you—and others which have disappointed you.

Among the latter, I suspect, are the requested funding level of the Historic Preservation Fund, and this year's suggested matching ratio for planning and inventory grants.

In that regard, I will only point out to you what must already be obvious—the competition for the financial resources of the Federal government is intense.

Those of us who fought in the Fiscal Year 79 battle of the budget are not licking our wounds—we are at work on our strategy for FY 80. You can be assured of a strong presentation from those who represent you during the budget formulation process next year. Bob Herbst, David Hales, Chris Delaporte and I have had some discussions on this.

I say this not as a commitment to increased funding, but as assurance that we will do our best in representing the legitimate funding needs of historic and natural preservation.

In this process we will need your help. It is, for example, difficult to defend large funding increases when, all together, you have more than $30 million in unobligated funding from previous years. Let's put that money to work.

On a related point, it is incumbent on all of us to do a better job of demonstrating the importance of what we do, and its relationship to the major issues which concern this nation.

The National Heritage program is going to give preservation a voice and a hearing in the planning and decision-making forum here in Washington that it has not had previously. This is long overdue. It's time that the accomplishments and the proven economic and social benefits of historic preservation are given the credit they merit.

It's time our movement was better understood. But it's up to us to make that happen.

The historic preservation movement in the United States has always been and will always be more than just an administrative initiative or an organizational framework. It is more than funding formulas, more than comprehensive planning, and more than programming and budgeting. All these do is comprise a structure to support something far more vital, far more compelling. That something is an ethic, a philosophy, a commitment to maintain the links essential to civilization.

It is this kind of impetus that lies behind the National Heritage program. It lies behind the legislative and other initiatives we hope to be taking, with your cooperation, to expand consideration of and protection of our Nation's valuable heritage resources.

Our cause springs from the grass roots, from thousands of communities and millions of people in all walks of life who care deeply about the quality of life.

You, the State Historic Preservation Officers, are the key to the movement's success. We in Washington can provide a structure, a national focus and certain incentives, as we have in the past and as we now have with the National Heritage program.

But these initiatives are for naught if they fail to connect with the rising commitment of concerned Americans in their neighborhoods and communities. You provide that link. You are that connection. You are the real producers.

I believe that this Administration holds enormous promise for America. I don't say this because I'm expected to say it.

There are huge problems and challenges facing this country now, and great possibilities. As a Nation, we are taking a closer look than we have in a long time at ourselves, our cities, our communities, our neighborhoods, and our other human and material resources.

I've come here today to express directly to you my commitment to our common effort. I've also come to ask for your support—as well as your continued advice and guidance—on the National Heritage program.

This Administration views this program as a beginning, not an end product, and we look forward to working with you as we guide its development. We need feedback—your constructive criticism when we're wrong and your appraisal of what we are doing right.

As I consider our opportunities—and responsibilities—to preserve and protect our national heritage, I am reminded of one Alaska Native's remarks on our opportunities in Alaska. He said, and I'll paraphrase, that if we do not take advantage of our chance to preserve our national treasures, God will forgive us, for it is his nature to be forgiving—but our grandchildren will never forgive us.

Our joint endeavors are important to the future of this Nation—and I look forward to working with you as we carry out our responsibilities.

REMARKS BY CHRIS THERRAL DELAPORTE

On January 25, as you know, Secretary of the Interior Andrus announced establishment of the Heritage Conservation and Recreation Service. I think it is fortunate that this annual meeting of State Historic Preservation Officers and Federal Representatives is taking place so soon after that announcement. It gives us an opportunity to meet in person during the two to three month period set aside for organizational transition. The effort of the past eight months to keep one another informed of plans for this important step in the Administration's National Heritage Program is no substitute for face-to-face discussion.

Since 1971 the State Historic Preservation Officers have met each winter here in Washington. Many of you, as well as a good number of people with the Office of Archeology and Historic Preservation, have been present at each of eight annual meetings. This continuity—in experience, leadership, and associations—is one of the great strengths in the preservation partnership between the States and Federal Government. It has been and will continue to be very important in the National Heritage Program.

I intend to be candid today. I ask for your candor in return. I needn't dwell extensively here on the events that followed President

Carter's call for a National Heritage Program in his Environmental Message last May, or on the organizational composition of the new Heritage Conservation and Recreation Service. Instead, I want to give you several assurances. Then I want to share with you some thoughts about issues and opportunities I believe we face in America's historic preservation movement.

Here are the assurances.

One, I intend that the organizational structure of the Heritage Conservation and Recreation Service, providing as it does an integrated focal point in the Federal Government for related natural conservation, historic preservation, and recreational concerns, will serve, *without fail*, the best interests of each. I realize there are apprehensions that administrative integration of these functions may create its own imbalances. I respect the depth of commitment behind these apprehensions. It is understandable that major programmatic realignment at the Federal level will generate reservations as well as support. Something would be wrong if it didn't. Let me say simply, however, that I have found, time and time again, that at the local, community, grass-root level—where the real impetus of social movements is born and where action is most immediate and concrete—there is a clear conceptual link drawn among natural conservation, historic preservation, and sensitively planned recreational opportunities for our people. Apprehensions materialize in the more abstract administrative domain, where movements have a way of separating into programs, each with its own managerial, budgetary, and planning apparatus.

Two, I assure you there will be no disruption whatsoever in the impressive record of achievement of the Federal/State preservation partnership as a result of the Office of Archeology and Historic Preservation's transfer to the Heritage Conservation and Recreation Service.

Three, I assure you of my deep personal conviction that the historic preservation movement in this country is fundamentally related to the quality of our national and community life and to the well-being of all the American people.

Four, I assure you of my conviction that the past successes and future accomplishments of our partnership are primarily due to your initiatives as State Historic Preservation Officers. You are the central players and producers, and I will see that this continues, because this movement does not need an overly dominant Federal presence.

I welcome this opportunity to place these assurances in the public record.

Permit me now to address issues and opportunities I see before us.

In his history of the preservation movement in America before Williamsburg, Charles Hosmer traces the movement from its earliest, principally associative, manifestations into its urban phase and its dawning recognition that adaptation of historic resources to imaginative contemporary uses is essential if preservation is to have relevance in the development of our cities, towns, and rural areas. The Historic Preservation Act of 1966 ultimately represented the codification—a coming to fruition—of awareness that preservation is an environmental concern of the first order.

I appreciate and share the sense of achievement that you who have given life to that law must feel in reviewing the record of the past 12 years. Like you, I am prepared to present that record for quantitative and qualitative evaluation in any forum.

Nonetheless, I believe that historic preservation in the United States stands at an important juncture. We may say that preservation has "come of age" but, to draw an analogy in human terms, that means simply that the child has reached the age of 18. The formative years, during which a certain instability and impulsiveness can be tolerated, are suddenly past. A more clearly defined sense of responsibility is expected as the adult assume a full-fledged role in society.

If the preservation movement is at that point, and I suggest that indeed it is, it is implicit upon us to assess the formative years and chart a future course in the context of the movement's full participation in the mainstream of our national life.

I believe we must distinguish at the outset between the performance record of historic preservation and some public perceptions about the movement and its accomplishments.

To be frank, I am concerned that preservation is sometimes perceived as elitist, antiquarian, nonprogressive, and not always relevant to society's broadest goals. You note that I said perceived.

I am concerned that these perceptions, while in no way universal, are still prevalent enough to cause preservation at times to be shut out of the game before the hand is dealt.

I am concerned because I see our movement's contributions in the mainstream of American life, but sense that many preservationists have found themselves in the back seat when major issues are being weighed and resolved.

Why is this so? I don't pretend to have the answer, but I think we must ask the question.

Allow me to speculate that the fault cannot be laid exclusively at the doorstep of people who misperceive the preservation movement. We may have to look closer to home and ask ourselves some tough questions.

Are we doing all we can to articulate preservation's achievements, goals, and potential persuasively in the public forum?

Are we too modest? Or too reticent?

Is preservation to some extent inconsistent in policy and practice?

Do we present a confusing image? Have we made every effort to reconcile conflicting impulses in—and ramifications of—the movement?

Have we squarely confronted the issue of displacement?

I positively reject theories that would place that shoe on any single foot. This serious issue is far too complex for simplistic analysis. Still, Federal and Federally assisted programs are charged by law to assure uniformly fair and equitable treatment of persons who may be victims of displacement. Within the context of the American social conscience, it is implicit upon us to apply our best creative efforts to mitigate socially nonproductive consequences of our movement's involvement in the life of our communities and neighborhoods.

I am not suggesting with these questions that historic preservation is guilty of any unpardonable sin. I only suggest that if in fact we have come of age, the time is ripe to smooth out rough edges.

And to move out.

I believe that preservation, as I have seen it, is doing that. Our Federal/State partnership justly can claim a major role in the process. This is particularly evident in the national perspective so commendably reflected in your national conference's formulation of goals and objectives. I want us to take still more dynamic initiatives together.

To that purpose, I have today asked Dr. Ernest Connally, associate director of the Heritage Conservation and Recreation Service, to begin immediately a comprehensive, and ongoing, assessment of historic preservation activity in America. This initiative, which I am convinced will prove challenging and significant, will employ a systematic policy planning approach that already has proven fruitful in developing nationwide policy for the recreation element of the Heritage Conservation and Recreation Service.

The initial steps will be identification and selection of issues confronting the preservation movement. Task forces then will be established to address specific issues and develop options for Federal action by the Department of the Interior and the Heritage Conservation and Recreation Service. Throughout this process there will be broad public and private participation by agencies and groups with preservation-related interests, as well as full recognition that State historic preservation plans must reflect the diversity of State heritages and the differing contexts in which preservation is carried out.

Once these steps have been completed, the Department will determine options to be implemented. This thorough, nationwide policy planning process must be continuing and keyed to the Federal budget cycle.

I expect this effort to go a long way toward bringing fuller recognition that the preservation movement is a positive force in the mainstream of America's social and economic development.

I believe it will be valuable in shedding light on the movement's relationship to broad national objectives in urban policy, economic realization, neighborhood and energy conservation, rural development, housing, employment, land use, fair treatment of potentially displaced people and business, and public planning in the fullest sense at every level of Government.

And I expect the effort will be productive in defining specific actions the preservation movement should take in respect to identification and evaluation of cultural resources; improved public outreach programs; technical training of preservation craftsmen and professionals; allocation of public monies to projects that exemplify creative funding and adaptive use strategies as well as the highest possible standards of treatment for cultural properties; and the full range of tasks before us. I applaud your president, Frederick Williamson's, emphasis on sound management of State programs and tight administration of Federal grant monies apportioned for Statewide and project activities under the Historic Preservation Fund. The national conference clearly recognizes that the manner in which grant allotments are expended is a major criterion applied in decisions about the future of our cooperative efforts.

Historic preservation in the latter part of the twentieth century is inextricably linked with the validity and promise of our communities. The movement is a part *of*, not apart *from*, America's most compelling social issues and goals. It plays in every game in town. Our partnership has an exciting opportunity, working with local initiatives, to make an extraordinary positive impact on the physical and spiritual quality of life in our country. I know we all welcome the challenge of getting historic preservation on the fast track.●

THE MAINE INDIAN LAND CLAIM

● Mr. MUSKIE. Mr. President, the Passamaquoddy and Penobscot Indian tribes are claiming that millions of acres of land in the State of Maine were originally transferred from them in violation of Federal law. This claim, and its potentially devastating consequences, poses one of the most difficult problems I have encountered during my years in public life.

In recent weeks, a task force appointed by the President has presented a series of proposals which could resolve the Indian land claim, either in the courts or by mutual agreement among the parties, without the hardship and uncer-

tainty which might result from a comprehensive lawsuit against all present owners of land within the claims area. These recommendations have stimulated heated debate, both here in Washington and in Maine.

Because of the complexities of the matter, I would like to include in the RECORD some of the documents which are pertinent to this debate. I would like also to describe the events which took place over the past 2 years leading up to the White House task force proposal in February 1978.

THE POSSIBILITY OF A LAWSUIT

In the fall of 1976, the possibility of a large scale lawsuit against the State and private landowners in roughtly two-thirds of Maine threatened to hamper the ability of public institutions to raise long-term financing through the sale of bonds. It appeared at that time the prospect of serious economic hardship was imminent.

In response to a request for assistance by the Governor and attorney general of Maine, and by all four members of the State's congressional delegation, President Carter set in motion first one, and subsequently a second, effort to find an alternative to prolonged litigation and the associated economic dilemma for our State.

Early in 1977, the President appointed Judge William Gunter, a retired Georgia Supreme Court Justice, to identify a solution to the problem. Judge Gunter's recommendations did not attempt to fix legal responsibility for satisfying the claims, contrary to what some have stated. Rather, he suggested a combination of elements, including a congressional appropriation and a transfer of land, as the basis for either an out-of-court settlement or a court suit limited in scope.

Judge Gunter's proposals, which I ask unanimous consent to have included at the conclusion of these remarks, were rejected last year by both the State and the Indians as a basis of an out-of-court settlement.

In February of 1978, a three-member task force appointed by the President announced that the Indians had agreed they would drop all claims against the bulk of the landowners in return for a Federal appropriation of funds. Any lawsuit, therefore, would be severely restricted in scope. At the same time, the task force passed on to State officials and the remaining landowners separate offers by the Indians to settle the balance of their claims for a State appropriation of funds and private land transfers.

It should be made clear at the outset that President Carter, in responding to requests to assist Maine, did not have the option of ignoring the tribal claims.

Two Federal courts, the district court of Maine and the court of appeals in Boston, have ruled that a formal trust relationship exists between the Federal Government and the Indian tribes in Maine. Consequently, the Federal Government is legally bound to represent the interests of Maine's Indians to the fullest appropriate extent. This could include filing a lawsuit on behalf of the Indians seeking the return of, and/or compensation for, land taken from them in violation of the law. The two courts also ruled that the Federal law in question, the Non-Intercourse Act of 1970 and its successor statutes, did apply to Maine's Indians.

After examination of the land claims, and all the historical and legal documents relating to it, the Justice Department concluded in 1977, that the claims were sufficiently valid to justify legal action.

The Federal Government also has the right to pursue alternatives to extensive litigation. But in view of the obligations of a trustee which the courts have imposed on the Government, and the determination that the claims have legal merit, neither the President nor individual agencies of the Government can ignore the court and refuse to proceed if alternatives are not agreed upon.

Indeed, the Attorney General of the United States is presently subject to an order of the Federal District Court of Maine—an order which has been suspended during the current efforts to work out an acceptable alternative—to tell the court how the Justice Department intends to proceed.

RECENT DEVELOPMENTS

I ask unanimous consent that the latest proposals presented by the White House task force be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, they consist of three recommendations. Only one is endorsed and fully supported by the President. This proposal would give the tribes $25 million in Federal funds in exchange for their dropping their claims to 9.2 million acres of land held by small landowners, small businesses, municipalities, and every other owner up to 50,000 acres of land.

The other two parts of the proposal do not involve any action by the Federal Government and are simply offers by the Indians transmitted by the President to drop their claims against the State and large landowners in return for land and State appropriations.

I view them as a starting point for negotiations, knowing that up to this moment the parties involved have yet to discuss directly the alternatives to a lawsuit.

Clearly, the State and large landowners are free to accept the proposal pertaining to them, make a counteroffer, or reject it altogether. The President confirmed this at a public meeting in Bangor, Maine. He further said he had no preference on their chosen course of action.

The President has indicated that the proposal to relieve claims against the bulk of the land in the claim area could be submitted to the House and Senate at the end of a 4-month review period. If accepted by the Congress, the cloud would be removed from title to 9.2 million acres belonging to the State's small landowners and there could be no further legal action against them.

If the offers made to the State and large landowners are rejected, the Justice Department may be required to commence legal action against them in court. Or, direct negotiations between the primary parties could lead to a resolution of the claims without recourse to the courts.

I have urged all parties to carefully consider the proposed solutions. I wish to add that I will not attempt to force my views on any one, and am looking to the State's leaders and large landowners to decide for themselves on the best course of action to be taken. And, I will support whatever decision the State makes.

EXHIBIT 1

[Nos. 75-1171, 75-1172]

Joint Tribal Council of the Passamaquoddy Tribe et al., Plaintiffs-Appellees, v. Rogers C. B. Morton, Secretary, Department of the Interior, et al., Defendants-Appellees, State of Maine, Intervenor-Appellant.

Joint Tribal Council of the Passamaquoddy Tribe et al., Plaintiffs-Appellees, v. Rogers C. B. Morton, Secretary, Department of the Interior, et al., Defendants-Appellants.

United States Court of Appeals, First Circuit

Argued Sept. 11, 1975.

Decided Dec. 23, 1975.

Action was brought by the joint tribal council of the Passamaquoddy Indian Tribe and the tribe's two governors against federal officials for a declaratory judgment as to the applicability of the Indian Nonintercourse Act to the tribe. The state of Maine intervened as a party defendant. Judgment was given for the Indians in the United States District Court for the District of Maine, Edward Thaxter Gignoux, J., 388 F.Supp. 649, and the state of Maine and federal officials appealed. The Court of Appeals, Levin H. Campbell, Circuit Judge, held that the Nonintercourse Act applies to the Passamaquoddy Tribe and established a trust relationship between the United States and the tribe. No congressional termination of the guardianship role was shown, and neither the tribe nor the state of Maine would have the right to terminate the federal government's responsibility.

Judgment affirmed.

Levin H. Campbell, Circuit Judge.

This is an appeal from a declaratory judgment entered in the District Court for the District of Maine. 388 F.Supp. 649, 667 (D. Me. 1975).

Plaintiffs are, under Maine law, the political representatives of the Passamaquoddy Indian Tribe ("the Tribe"). 22 M.R.S.A. § 4831 (Supp. 1975). They brought this action against the Secretary of the Interior and the Attorney General of the United States after the Secretary refused to initiate a lawsuit against the State of Maine on behalf of the Tribe. Earlier, in a letter to the Commissioner of the Bureau of Indian Affairs, the Tribe had stated the following grievances against Maine and its predecessor, Massachusetts (hereinafter collectively "Maine"): that Maine had divested the Tribe of most of its aboriginal territory in a treaty negotiated in 1794; that Maine had wrongfully diverted 6,000 of the 23,000 acres reserved to the Tribe in that treaty; and that Maine had mismanaged tribal trust funds, interfered with tribal self-government, denied tribal hunting, fishing and trapping rights, and taken away the right of members to vote, from 1924 to 1967. The Tribe had requested the Secretary to sue Maine on its behalf to redress these asserted wrongs before July 18, 1972, the date an action would allegedly be barred.[1] Although the Commissioner of the Bureau of Indian Affairs favored compliance with plaintiffs' request, defendants did not act.

Footnotes at end of article.

On June 2, 1972, plaintiffs filed this action, seeking a declaratory judgment that the Tribe is entitled to federal protection under the Indian Nonintercourse Act, 25 U.S.C. § 177,[2] and a preliminary injunction ordering defendants to file a protective action on the Tribe's behalf against the State of Maine by July 18, 1972. Defendants persisted in their refusal to sue for the Tribe, relying upon the advice of the Acting Solicitor for the Department of the Interior, who stated:

"[N]o treaty exists between the United States and the Tribe and, except for isolated and inexplicable instances in the past, this Department, in its trust capacity, has had no dealings with the Tribe. On the contrary, it is the States of Maine and Massachusetts which have acted as trustees for the tribal property for almost 200 years.

[W]e are aware that the Tribe may thus be foreclosed from pursuing its claims against the State in the federal courts. However, as there is no trust relationship between the United States and this Tribe, the Tribe's proper legal remedy should be sought elsewhere."

After a hearing, the district court ordered defendants to file suit by July 1, 1972, and to include all matters of which the Tribe had complained. In compliance, the instituted *United States* v. *Maine,* Civil No. 1966 N.D. An appeal from that order was dismissed on motion of both plaintiffs and defendants. Civil No. 1966 N.D. has meanwhile been stayed pending final determination of the present action.

Plaintiffs then filed two amended and supplemental complaints herein, abandoning their request for an injunction and seeking only a declaratory judgment. The State of Maine was allowed to intervene. As finally framed and argued in the district court, the issues were,[3] (1) whether the Nonintercourse Act applies to the Passamaquoddy Tribe; (2) whether the Act establishes a trust relationship between the United States and the Tribe; and (3) whether the United States may deny plaintiffs' request for litigation on the sole ground that there is no trust relationship. The district court ruled in plaintiffs' favor on all points. Both the federal defendants and the State of Maine appeal. We affirm, subject to the qualifications hereinafter stated.

I

The issues in this proceeding can best be understood in light of facts about the Tribe appearing in the parties' stipulation and exhibits and in the district court's comprehensive and scholarly opinion.[4]

The Tribe now resides on two reservations in Washington County in Maine. Its members and their ancestors, as was agreed below, have constituted an Indian tribe in both the racial and cultural sense since at least 1776. Plaintiffs allege that until 1794 the Tribe occupied as its aboriginal territory all what is now Washington County and certain other land in Maine. In 1777, the Tribe pledged its support to the American Colonies during the Revolutonary War in exchange for promises by John Allan, Indian agent of the Continental Congress, that the Tribe would be given ammunition for hunting, protection for their game and hunting grounds, regulation of trade to prevent imposition, the exclusive right to hunt beaver, the free exercise of religion, and a clergyman. In adidtion, an agent would be appointed for their protection and support in time of need. Allan, as Superintedent of the Eastern Indian Agency, reported to the federal government on several occasions in 1783 and 1784 that the Passamaquoddy Tribe had greatly assisted the revolutionary cause and urged Congress to fulfill these promises made on the Government's behalf. Allan also transmitted the views of the Tribe in this regard. However, the Continental Congress failed to act on Allan's recommendations. His appointment was revoked in March 1784, under a resolution revoking the appointments of all Indian Superintendents. In 1790, the First Congress adopted the Indian Nonintercourse act.[5]

In 1792, the Passamaquoddy Tribe petitioned Massachusetts for land upon which to settle, and Massachusetts appointed a committee to investigate, one member of which was the same John Allan. Allan reported that during the Revolutionary War the Passamaquoddy Tribe had given up its claims to lands known to be its haunts on the condition that the United States would confirm its "ancient spots of ground" and a suitable tract for the use of both the Tribe and all other Indians who might resort there. Soon after, in 1794, Massachusetts entered into an agreement, also referred to as a treaty, with the Passamaquoddy Tribe by which the Tribe relinquished all its rights, title, interest, claims or demands of any lands within Massachusetts in exchange for a 23,000 acre tract comprising Township No. 2 in the first range, other smaller tracts, including ten acres at Pleasant-point, and the privilege of fishing on both branches of the Schoodic River. All pine trees fit for masts were reserved to the state government for a reasonable compensation. An additional ninety acres at Pleasant-point were later appropriated to the use of the Tribe by Massachusetts in 1801.

Since 1789, Massachusetts and later Maine have assumed considerable responsibility for the Tribe's protection and welfare. Maine was a District of Massachusetts until 1819, when it separated from Massachusetts under the Articles of Separation, Act of June 19, 1819, Mass. Laws, ch. 61, p. 248, which were incorporated into the Maine Constitution as Article X, Section 5. The Articles provided that Maine "shall . . . assume and perform all the duties and obligations of this Commonwealth [Massachusetts], towards the Indians within said District of Maine, whether the same arise from treaties, or otherwise. . . ." Maine was thereafter recognized by Congress and admitted to the Union. Act of March 3, 1820, ch. 19, 3 Stat. 544. The Maine Constitution, with the above quoted provision relating to the Indians, was read in the Senate, referred to committee, and finally declared by Congress to be established in the course of the admission proceedings.

Since its admission as a state, Maine has enacted approximately 350 laws which relate specifically to the Passamaquoddy Tribe. This legislation includes 72 laws providing appropriations for or regulating Passamaquoddy agriculture; 33 laws making provision for the appropriation of necessities, such as blankets, food, fuel, and wood, for the Tribe; 85 laws relating to educational services and facilities for the Tribe; 13 laws making provision for the delivery of health care services and facilities to the Tribe; 22 laws making allowance for Passamaquoddy housing; 54 laws making special provision for Indian indigent relief; 54 laws relating to the improvement and protection of roads and water on the Passamaquoddy reservation; and 15 laws providing for the legal representation of the Tribe and its members.

In contrast, the federal government's dealings with the Tribe have been few. It has never, since 1789, entered into a treaty with the Tribe, nor has Congress ever enacted any legislation mentioning the Tribe. In 1824, the Department of War contributed funds to the Tribe, one-third toward the construction of a school, pursuant to an act for the civilization of Indian tribes. Act of March 3, 1819, 3 Stat. 516. It also gave money annually from 1824 to 1828 under the same act to Elijah Kellogg of the Society for the Propagation of the Gospel Among the Indians, to support a school for the Tribe. The funds were granted at the request of the State of Maine, were channeled through the State, and were subject to State controls. Kellogg, according to one nineteenth century source, was himself sent to the Tribe as a schoolmaster by the State of Maine, and as a missionary by the Missionary Society of Massachusetts. These funds were withheld during 1829 because of intra-tribal differences concerning the religion of the Superintendent of the school and, as a result, two principal men of the Tribe, Deacon Sockbason and Sabattis Neptune, went to Washington to meet with Thomas L. McKenney, Director of the Office of Indian Affairs, and John H. Eaton, Secretary of War, to seek reinstatement of the school funds and additional money to hire a priest and to purchase a parcel of land. Money was again appropriated for the school and the priest in 1830, although discontinued after 1831 on account of the same intra-tribal differences. However, despite a request from President Jackson, Congress failed to appropriate any money to purchase land for the Tribe. After the school funds were again suspended during 1831 because of the same sectarian strife, the Tribe requested that the funding be reinstated and used for the improvement of the Tribe's agriculture; this request was also denied and the funding was never resumed. During the period from 1899 to 1912, five members of the Tribe attended the Carlisle Indian School for short periods of time. A member of the Tribe also graduated from Haskel Indian College in 1970. Since 1965, various federal agencies other than the Department of the Interior have provided funds to the Tribe under federal assistance programs available to all citizens meeting the requirements of the program. Some of these funds were taken from special Indian allocations or were administered by special Indian desks within the various agencies. In 1966, the General Counsel to the Department of Housing and Urban Development, writing to the Commissioner of the Maine Department of Indian Affairs in regard to the establishment of public housing authorities by the governing councils of the Passamaquoddy and Penobscot Tribes, stated in part that "[i]t is our understanding that these tribes do not have any governmental powers in their own right or by virtue of any federal law. . . ."

In 1968, the Tribe brought suit against the Commonwealth of Massachusetts in the Massachusetts state courts alleging that the Commonwealth, with the consent of the federal government, assumed jurisdiction over and responsibility for the Tribe and that by the act admitting Maine into the Union, Congress confirmed and ratified that relationship.

II

The central issue in this action is whether the Secretary of the Interior was correct in finding that the United States has no "trust relationship" with the Tribe and, therefore, should play no role in the Tribe's dispute with Maine. Whether, even if there is a trust relationship with the Passamaquoddies, the United States has an affirmative duty to sue Maine on the Tribe's behalf is a separate issue that was not raised or decided below and which consequently we do not address. The district court held only that defendants "erred in denying plaintiffs' request for litigation on the sole ground that no trust relationship exists between the United States and the Passamaquoddy Tribe." It was left to the Secretary to translate the finding of a "trust relationship" into concrete duties.

Over the years, the federal government has recognized many Indian tribes, specifically naming them in treaties, agreements, or statutes. The general notion of a "trust relationship," often called a guardian-ward relationship, has been used to characterize the resulting relationship between the federal government and those tribes, *see Worcester* v. *Georgia,* 31 U.S. (6 Pet.) 515, 8 L.Ed. 483

Footnote at end of article.

(1832): *Cherokee Nation* v. *Georgia*, 30 U.S. (5 Pet.) 1, 8 L.Ed. 25 (1831); and the cases cited in the district court's opinion, 388 F.Supp. at 662–63. It is the defendants' and the intervenor's contention here that such a relationship may only be claimed by those specifically recognized tribes.

The Tribe, however, contends otherwise. It rests its claim of a trust relationship on the Nonintercourse Act, enacted in its original form by the First Congress in 1790 to protect the lands of "any . . . tribe of Indians." Plaintiffs argue, and the district court found, that the unlimited reference to "any . . . tribe" must be read to include the Passamaquoddy Tribe as well as tribes specially recognized under separate federal treaties, agreements or statutes. As the Act applies to them, plaintiffs urge that it is sufficient to evidence congressional acknowledgement of a trust relationship in their case at least as respects the Tribe's land claims.

Before turning to the district court's rulings, we must acknowledge a certain awkwardness in deciding whether the Act encompasses the Tribe without considering at the same time whether the Act encompasses the controverted land transactions with Maine. Whether the Tribe is a tribe within the Act would best be decided, under ordinary circumstances, along with the Tribe's specific land claims, for the Act only speaks of tribes in the context of their land dealings. If that approach were adopted here, however, the Tribe would be deprived of a decision in time to do any good on those matters cited by the Department of the Interior as reasons for withholding assistance in litigation against Maine. And without United States participation, the Tribe may find it difficult or impossible ever to secure a judicial determination of the claims. Given, in addition, the federal government's protective role under the Nonintercourse Act, see below, it is appropriate that plaintiffs and the federal government learn how they stand on these core matters before adjudication of the Tribe's dispute with Maine.

Yet the resulting bifurcation of decision necessarily restricts the reach of the present rulings. In reviewing the district court's decision that the Tribe is a tribe within the Nonintercourse Act, we are not to be deemed as settling, by implication or otherwise, whether the Act affords relief from, or even extends to, the Tribe's land transactions with Maine. When and if the specific transactions are litigated, new facts and legal and equitable considerations may well appear, and Maine should be free in any such future litigation to defend broadly, even to the extent of arguing positions and theories which overlap considerably those treated here.

Now, however, for purposes of the issues currently existing between themselves and the federal government, plaintiffs are entitled to declaratory rulings on the basis of which courses can be charted and actions planned and taken.

A. Is the Passamaquoddy Tribe a "tribe" within the Nonintercourse Act?

[1] The district court found the Passamaquoddy Tribe to be within the language of the Nonintercourse Act, "any . . . tribe of Indians." It read the quoted language as encompassing all tribes of Indians. The court reasoned that the Act should be given its plain meaning, there being no evidence of any contrary congressional intent, legislative history, or administrative interpretation; that the policy of the United States is to protect Indian title;[6] that there is no reason why the Passamaquoddy Tribe should be excluded since it is stipulated to be a tribe racially and culturally; that there is no requirement that a tribe must be otherwise recognized by the federal government to come within the Nonintercourse Act; and that even if "tribe" is thought to be ambiguous, it should be construed non-technically and to the advantage of Indians so as to include the Passamaquoddy Tribe.

[2, 3] Intervenor and defendants contend that "any . . . tribe of Indians" is ambiguous; that its proper meaning is a community of Indians which the federal government has at some time specifically recognized; and that the Passamaquoddy Tribe is in that sense, not a tribe. "No court", says intervenor, "has ever held a statute regulating trade and intercourse with Indians to apply to a tribe which the Federal Government disavows any relationship with. . . ."

But while Congress' power to regulate commerce with the Indian tribes, U.S. Const. art. 1, § 8, includes authority to decide when and to what exent it shall recognize a particular Indian community as a dependent tribe under its guardianship,[7] *United States v. Sandoval*, 231 U.S. 28, 46, 34 S.Ct. 1, 58 L.Ed. 107 (1913), Congress is not prevented from legislating as to tribes generally; and this appears to be what it has done in successive versions of the Nonintercourse Act. There is nothing in the Act to suggest that "tribe" is to be read to exclude a bona fide tribe not otherwise federally recognized.[8] Nor, as the district court found, is there evidence of congressional intent or legislative history squaring with appellants' interpretation. Rather we find an inclusive reading consonant with the policy and purpose of the Act. That policy has been said to be to protect the Indian tribes' right of occupancy, even when that right is unrecognized by any treaty, *United States v. Santa Fe Pacific R. Co.*, 314 U.S. 339, 345, 347, 62 S.Ct. 248, 86 L.Ed. 260 (1941), *rehearing denied*, 314 U.S. 716, 62 S.Ct. 476, 86 L.Ed. 570 (1942), and the purpose to prevent the unfair, improvident, or improper disposition of Indian lands, *Federal Power Commission v. Tuscarora Indian Nation*, 362 U.S. 99, 119, 80 St. Ct. 543, 4 L.Ed.2d, *rehearing denied*, 362 U.S. 956, 80 Ct.858, 4 L.Ed.2d 873 (1960); *United States v. Candelaria*, 271 U.S. 432, 441, 46 S.Ct. 561, 70 L.Ed. 1023 (1962). Since Indian lands have, historically been of great concern to Congress, *see Oneida Indian Nation v. County of Oneida*, 414 U.S. 661, 667, 94 S.Ct. 772, 39 L.Ed.2d 73 (1974), we have no difficulty in concluding that Congress intended to exercise its power fully.

This is not to say that if there were doubt about the tribal status of the Tribe, the judgments of officials in the federal executive branch might not be of great significance The Supreme Court has said that, "it is the rule of this court to follow the executive and other political departments of the government, whose more special duty is to determine such affairs." *United States v. Sandoval*, 231 U.S. at 47, 34 S.Ct. at 6, *quoting United States v. Holliday*, 70 U.S. (3 Wall.) 407, 419, 18 L.Ed. 182 (1865). But the Passamaquoddies were a tribe before the nation's founding and have to this day been dealt with as a tribal unit by the State.[9] *See* 22 M.R. S.A. ch. 1355. No one in this proceeding has challenged the Tribe's identity as a tribe in the ordinary sense. Moreover, there is no evidence that the absence of federal dealings was or is based on doubts as to the genuineness of the Passamaquoddies' tribal status, apart, that is, from the simple lack of recognition. Under such circumstances, the absence of specific federal recognition in and of itself provides little basis for concluding that the Passamaquoddies are not a "tribe" within the Act.

Intervenor cites two cases dealing with the Pueblo Indians of New Mexico for its contention that "tribe" refers only to tribes that have been federally recognized. *United States* v. *Candelaria, supra; United States* v. *Joseph*, 94 U.S. 614, 24 L.Ed. 295 (1876). In *Joseph*, the Supreme Court found that the Pueblo Indians were not a tribe within the Nonintercourse Act, apparently because of their high degree of civilization and the nature of their earlier relations with the Government of Mexico when they had been under its control.[10] In *Candelaria*, the Court held that the Pueblos did come within the Act, though it did not expressly overrule the *Joseph* view that some tribes, because highly civilized or otherwise, might conceivably be exempt. The Court found that the Pueblos were a simple, uninformed people such as the Act was intended to protect and pointed to federal recognition in the past as evidencing Congress' intention to protect the Pueblos. 271 U.S. at 440–42, 46 S.Ct. 561. These cases lend little aid to intervenor and defendants. The cases do, it is true, suggest that the Act's coverage is limited to tribes consisting of "simple, uninformed people," an interpretation understandable in light of the Act's protective purpose. But it is not claimed that the Tribe and its members are so sophisticated or assimilated as to be other than those entitled to protection. *Cf. Joseph, supra. Candelaria* is cited mainly in support of intervenor's argument that the Act requires federal recognition, but it does not elevate recognition to a *sine qua non;* it merely indicates that if there is a question of inclusion, federal recognition of dependent, tribal status may be helpful evidence of Congress' intent.

[4, 5] Appellants also assert that there is significance to Congress' approval of the Articles of Separation between Maine and Massachusetts, providing that Maine would assume the duties and obligations which Massachusetts owed to the Indians. But, as the district court recognized, Maine's assumption of duties to the Tribe did not cut off whatever federal duties existed. Voluntary assistance rendered by a state to a tribe is not necessarily inconsistent with federal protection. *See State* v. *Dibble*, 62 U.S. (21 How.) 366, 16 L.Ed. 149 (1858). Similarly, Congress' unwillingness to furnish aid when requested did not, without more, show a congressional intention that the Nonintercourse Act should not apply. (*See* Part II, C *infra.*) The reasons behind Congress' inaction are too problematic for the matter to have meaning for purposes of statutory construction. *Cf. Order of Railway Conductors* v. *Swan*, 329 U.S. 520, 529, 67 S.Ct. 405, 91 L.Ed. 471 (1947).

We have considered appellants' remaining arguments carefully and find them unpersuasive. We agree with the district court that the words "any . . . tribe of Indians" appearing in the Act include the Passamaquoddy Tribe.

B. *Is there a trust relationship between the Passamaquoddy Tribe and the federal government?*

[6] The district court found that the Nonintercourse Act establishes a trust relationship between the United States and the Indian tribes, including the Passamaquoddy Tribe. It relied on a series of decisions by the Court of Claims, *Fort Sill Apache Tribe v. United States*, 201 Ct.Cl. 630, 477 F.2d 1360 (1973); *United States v. Oneida Nation of New York*, 201 Ct.Cl. 546, 477 F.2d 939 (1973); *Seneca Nation v. United States*, 173 Ct.Cl. 917 (1965), while also finding support in an extensive body of cases holding that when the federal government enters into a treaty with an Indian tribe or enacts a statute on its behalf, the Government commits itself to a guardian-ward relationship with that tribe. *See e. g., Heckman v. United States*, 224 U.S. 413, 32 S.Ct. 424, 56 L.Ed. 820 (1912); *United States v. Kagama*, 118 U.S. 375, 6 S.Ct. 1109, 30 L.Ed. 228 (1886); *Worcester v. Georgia, supra.*

We agree with the district court's conclusions and in large part with its reasoning and analysis of legal authority. That the Nonintercourse Act imposes upon the federal government a fiduciary's role with respect to protection of the lands of a tribe covered

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Footnotes at end of article.

by the Act seems to us beyond question, both from the history, wording and structure of the Act and from the cases cited above and in the district court's opinion. The purpose of the Act has been held to acknowledge and guarantee the Indian tribes' right of occupancy, *United States v. Santa Fe Pacific R. Co.*, 314 U.S. at 348, 62 S.Ct. 248, and clearly there can be no meaningful guarantee without a corresponding federal duty to investigate and take such action as may be warranted in the circumstances.

We emphasize what is obvious, that the "trust relationship" we affirm has as its source the Nonintercourse Act, meaning that the trust relationship pertains to land transactions which are or may be covered by the Act, and is rooted in rights and duties encompassed or created by the Act. Congress or the executive branch may at a later time recognize the Tribe for other purposes within their powers, creating a broader set of federal responsibilities; and we of course do not rule out the possibility that there are statutes or legal theories not now before us which might create duties and rights of unforeseen, broader dimension. But on the present record, only the Nonintercourse Act is the source of the finding of a "trust relationship," and neither the decision below nor our own is to be read as requiring the Department of the Interior to look to objects outside the Act in defining its fiduciary obligations to the Tribe.

Once this is said, there is little else left, since it would be inappropriate to attempt to spell out what duties are imposed by the trust relationship. This dispute arises merely from the defendants' flat denial of any trust relationship; no question of spelling out specific duties is presented. It is now appropriate that the departments of the federal government charged with responsibility in these matters should be allowed initially at least to give specific content to the declared fiduciary role.

Thus we are not moved by intervenor's criticism of the lower court's interpretation of cited Court of Claims cases, for those arguments go more to the scope of the federal government's duties under particular circumstances than to the existence of a trust relationship. Nor are we moved by intervenor's other complaint that the judgment below implies some sort of overly "general" fiduciary relationship, unlimited and undefined. A fiduciary relationship in this context must indeed be based upon a specific statute, treaty or agreement which helps define and, in some cases, limit the relevant duties; but, as we have held, the Nonintercourse Act is such a statute.

We affirm, on the basis set forth herein, the finding of a trust relationship and the finding that the federal government may not decline to litigate on the sole ground that there is no trust relationship.

C. Are plaintiffs precluded by acquiescence or by congressional termination of its guardianship role from now asserting a trust relationship with the federal government?

[7] Intervenor also contends that, under general equitable principles, the Tribe should be precluded from now invoking a trust relationship with the federal government because of its long-standing relationship with the State of Maine. However, once Congress has established a trust relationship with an Indian tribe, Congress alone has the right to determine when its guardianship shall cease. *United States* v. *Nice*, 241 U.S. 591, 593, 36 S.Ct. 696, 60 L.Ed. 1191 (1916); *Tiger* v. *Western Investment Co.*, 221 U.S. 286, 315, 31 S.Ct. 578, 55 L.Ed. 738 (1911). Neither the Passamaquoddy Tribe nor the State of Maine, separately or together, would have the right to make that decision and so terminate the federal government's responsibilities.[11]

[8, 9] We turn, then, to whether Congress itself has manifested at any time a determination that its responsibilities under the Nonintercourse Act should cease with respect to the Tribe. The district court cited a rule of construction that statutes or treaties relating to the Indians shall be construed liberally and in a non-technical sense, as the Indians would naturally understand them, and never to the Indians' prejudice. *Antoine* v. *Washington*, 420 U.S. 194, 199–200, 95 S.Ct. 944, 43 L.Ed 2d 129 (1975); *Carpenter* v. *Shaw*, 280 U.S. 363, 367, 50 S.Ct. 121, 74 L.Ed. 478 (1930). We agree with the district court that any withdrawal of trust obligations by Congress would have to have been "plain and unambiguous" to be effective.[12] We also agree that there is no affirmative evidence that Congress at any time terminated or withdrew its protection under the Nonintercourse Act. The federal government has been largely inactive in relation to the Tribe and has, on occasion, refused requests by the Tribe for assistance. Intervenor argues that this course of dealings is sufficient in and of itself to show a withdrawal of protection. However, refusing specific requests is quite different from broadly refusing ever to deal with the Tribe, and, as stated above, there is no evidence of the latter.

[10] Intervenor also points to a decision by the Supreme Judicial Court of Maine, *State* v. *Newell*, 84 Me. 465, 24 A. 943 (1892), which found that the Passamaquoddy Tribe has never been recognized by the federal government, and argues that the federal government's failure to react to that decision by recognizing the Tribe in some way amounts to an acknowledgment of that ruling. However, the federal government had no obligation to respond to the state court's decision, which could not affect federal authority with respect to the Tribe. *See Oneida Indian Nation* v. *County of Oneida, supra.*

We accordingly affirm the district court's ruling that the United States never sufficiently manifested withdrawal of its protection so as to sever any trust relationship. In so ruling, we do not foreclose later consideration of whether Congress or the Tribe should be deemed in some manner to have acquiesced in, or Congress to have ratified, the Tribe's land transactions with Maine.

Judgment affirmed.

FOOTNOTES

[1] 28 U.S.C § 2415(b) sets forth a special statute of limitations for actions seeking damages resulting from trespass on Indian lands. The time for filing such an action was originally July 18, 1972, but has since been extended by Congress to July 18, 1988. Act of October 13, 1972, P.L. 92–485, 86 Stat. 803.

[2] Title 25 U.S.C. § 177 provides as follows:

"No purchase, grant, lease, or other conveyance of lands, or of any title or claim thereto, from any Indian nation or tribe of Indians, shall be of any validity in law or equity, unless the same be made by treaty or convention entered into pursuant to the Constitution. Every person who, not being employed under the authority of the United States, attempts to negotiate such treaty or convention, directly or indirectly, or to treat with any such nation or tribe of Indians for the title or purchase of any lands by them held or claimed, is liable to a penalty of $1,000. The agent of any State who may be present at any treaty held with Indians under the authority of the United States, in the presence and with the approbation of the commissioner of the United States appointed to hold the same, may, however, propose to, and adjust with, the Indians the compensation to be made for their claim to lands within such State, which shall be extinguished by treaty."

[3] Plaintiffs also requested in their second amended and supplemental complaint a declaratory judgment that the U.S. Const. art. I, §§ 8 and 10, and art. II § 2, are applicable to the Tribe. Relief along these lines was not pursued below and is not now an issue.

[4] Plaintiffs' contentions that the Department of the Interior has wrongfully turned its back on the Tribe, and that federal guardianship must replace that of the State, are elaborated in detail in O'Toole & Tureen, *State Power and the Passamaquoddy Tribe; "A Gross National Hypocrisy?"*, 23 Me.L.Rev. 1 (1971).

[5] The first Nonintercourse Act, 1 Stat. 137, 138, provided that "no sale of lands made by any Indians, or any nation or tribe of Indians within the United States, shall be valid to any person or persons, or to any state . . . unless the same shall be made and duly executed at some public treaty, held under the authority of the United States." This was amended in 1793, 1 Stat. 329, 330: "No purchase or grant of lands, or of any title or claim thereto, from any Indians or nation or tribe of Indians, within the bounds of the United States, shall be of any validity in law or equity, unless the same be made by a treaty or convention entered into pursuant to the constitution." Subsequent amendments have made no major changes and the present version was enacted in 1834. (*See* note 2 *supra.*)

[6] Indian title, also called "right of occupancy," refers to the Indian tribes' aboriginal title to land which predates the establishment of the United States. *See e. g., Oneida Indian Nation* v. *County of Oneida*, 414 U.S. 661, 667, 94 S.Ct. 772, 39 L.Ed.2d 73 (1974). The right to extinguish Indian title is an attribute of sovereignty which no state, but only the United States, can exercise, the Nonintercourse Act giving statutory recognition to that fact. *Id.* at 667, 670, 94 S.Ct. 772; *O'Toole & Tureen, supra* note 4, at 25–26.

[7] Congress also has "a right to determine for itself when the guardianship which has been maintained over the Indian shall cease." *United States* v. *Sandoval*, 231 U.S. 28, 46, 34 S.Ct. 1, 6, 58 L.Ed. 107 (1913). On the other hand, Congress' power is limited in the sense that it may not bring "a community or body of people within the range of [its] . . . power by arbitrarily calling them an Indian tribe," and may exercise its guardianship and protection only "in respect of distinctly Indian communities." *Id.* It having been stipulated, however, that the Passamaquoddy Tribe is a tribe in both the racial and cultural sense, there is no question that the Tribe is a "distinctly Indian" community.

[8] In *United States* v. *Candelaria*, 271 U.S. 432, 442, 46 S.Ct. 561, 563, 70 L.Ed. 1023 (1926), the Supreme Court, quoting *Montoya* v. *United States*, 180 U.S. 261, 266, 21 S.Ct. 358, 45 L.Ed. 521 (1901), read "Indian tribe," as used in the Nonintercourse Act of 1834, 25 U.S.C. § 177, to mean "a body of Indians of the same or a similar race, united in a community under one leadership or government, and inhabiting a particular, though sometimes ill-defined, territory." The Tribe plainly fits that definition.

[9] In *State* v. *Newell*, 84 Me. 465, 24 A. 943 (1892), it is true, the Maine court disputed the continued viability of the Tribe, apparently on the grounds that its sovereignty, such as the power to make war or peace, and the like, had vanished, and the political and civil rights of its members were enforced only in the courts of the State. Nonetheless that court did acknowledge the Passamaquoddies' tribal organization for certain purposes, *Id.* at 468, 24 A. 943, and no federal cases hold that the test of tribal existence for purposes of the Act turns on whether a given tribe has retained sovereignty in this absolute sense.

[10] The Pueblos had submitted to all laws of the Mexican Government, their civil rights had been fully recognized, and they had been absorbed into the "general mass of the population." *United States* v. *Joseph*, 94 U.S. 614, 617, 24 L.Ed. 295 (1876).

[11] One might argue that, although Congress has not terminated this relationship, the Tribe's own course of dealings with the State of Maine still prevent it from asking

Congress for assistance. However, the Indians' presumed helplessness is at the heart of the guardian-ward analogy; to deny the ward a right to call upon the guardian for protection would be to deny that he was incapable of looking out for himself.

[12] The Supreme Court has said with respect to the termination of Indian reservations that it will not lightly conclude that a reservation has been terminated and will require a clear indication of that fact. *DeCoteau* v. *District County Court*, 420 U.S. 425, 444, 95 S.Ct. 1082, 43 L.Ed.2d 300 (1975).

KILPATRICK, CODY, ROGERS, MCCLATCHEY & REGENSTEIN,
Atlanta, Ga.

Recommendation to President Carter
From William B. Gunter
Re Passamaquoddy and Penobscot Tribal Claims—Maine

A. My assignment.

My assignment was to examine the problem created by these claims for approximately ninety days and then make a recommendation to you as to what action, if any, you should take in an attempt to bring about a resolution of the problem.

I have not acted as a mediator in this matter; my role has been more that of a judge; I have read the law and examined the facts; I have met and conferred with affected parties and their representatives; I have attempted to be objective, realizing that no one person can ever attain total objectivity; I have tried to come forth with a recommendation that, in my own mind, is just and practical; and I now proceed with a brief statement of the problem and my recommendation.

B. The problem.

The pending court actions based on these tribal claims have the unfortunate effect of causing economic stagnation within the claims area. They create a cloud on the validity of real property titles; and the result is a slow-down or cessation of economic activity because property cannot be sold, mortgages cannot be acquired, title insurance becomes unavailable, and bond issues are placed in jeopardy.

Were it not for this adverse economic result, these cases could take their normal course through the courts, and there would be no reason or necessity for you to take any action with regard to this matter. However, I have concluded that this problem cannot await judicial determination, and it is proper and necessary for you to recommend some action to the Congress that will eliminate the adverse economic consequences that have developed to date and that will increase with intensity in the near future.

I have concluded that the Federal Government is primarily responsible for the creation of this problem. Prior to 1975 the Federal Government did not acknowledge any responsibility for these two tribes. Interior and Justice took the position that these two tribes were not entitled to federal recognition but were "State Indians". In 1975 two federal court decisions, one at the trial level and another at the appellate level, declared that the Constitution adopted in 1789 and a Congressional enactment of 1790 created a trust relationship between the Federal Government and these two tribes. In short, the Federal Government is the guardian, and the two tribes are its wards. After the appellate decision, Interior and Justice concluded that the tribal claims would be prosecuted against private property owners owning property within the claims area and against the State of Maine for the properties owned by it within the claims area. Therefore, we have the unusual situation of the Federal Government being, in my mind, primarily responsible for the creation of the problem, and it is now placed in a position by court decisions of having to compound the problem by court actions that seek to divest private property owners and Maine of title to land that has heretofore been considered valid title. The prosecution of these cases by the Federal Government brings about the adverse economic consequences already mentioned.

I have concluded that the states of Maine and Massachusetts, out of which Maine created in 1820, bear some responsibility for the creation of this problem. The states procured the land in the claims area, whether legally or illegally, I do now decide, and sold much of it. The State of Maine now owns, I am informed, somewhere between 400,000 and 500,000 acres of land in the claims area.

I have concluded that the two tribes do not bear any responsibility for the creation of the problem, and I have concluded that private property owners owning property within the claims area do not bear any responsibility for the creation of the problem.

The problem is complex and does not lend itself to a simple solution because it is old and large. The factual situation giving birth to the problem goes back to colonial times and the early years of our life as a nation under the Constitution. Adding to the complexity is the fact that the problem is social, economic, political, and legal.

Enough about the problem—I move on to my recommended solution.

C. The solution.

I have given consideration to the legal merits and demerits of these pending claims. However, my recommendation is not based entirely on my personal assessment in that area. History, economics, social science, justness, and practicality are additional elements that have had some weight in the formulation of my recommendation.

My recommendation to you is that you recommend to the Congress that it resolve this problem as follows:

(1) Appropriate 25 million dollars for the use and benefit of the two tribes, this appropriated amount to be administered by Interior. One half of this amount shall be appropriated in each of the next two fiscal years.

(2) Require the State of Maine to put together and convey to the United States, as trustee for the two tribes, a tract of land consisting of 100,000 acres within the claims area. As stated before, the State reportedly has in its public ownership in the claims area in excess of 400,000 acres.

(3) Assure the two tribes that normal Bureau of Indian Affairs benefits will be accorded to them by the United States in the future.

(4) Request the State of Maine to continue to appropriate in the future on an annual basis state benefits for the tribes at the equivalent level of the average annual appropriation over the current and preceding four years.

(5) Require the Secretary of Interior to use his best efforts to acquire long-term options on an additional 400,000 acres of land in the claims area. These options would be exercised at the election of the tribes, the option-price paid would be fair market value per acre, and tribal funds would be paid for the exercise of each option.

(6) Upon receiving the consent of the State of Maine that it will accomplish what is set forth in numbered paragraphs (2) and (4) above, the Congress should then, upon obtaining tribal consent to accept the benefits herein prescribed, by statutory enactment extinguish all aboriginal title, if any, to all lands in Maine and also extinguish all other claims that these two tribes may now have against any party arising out of an alleged violation of the Indian Nonintercourse Act of 1790 as amended.

(7) If tribal consent cannot be obtained to what is herein proposed, then the Congress should immediately extinguish all aboriginal title, if any, to all lands within the claims area except that held in the public ownership by the State of Maine. The tribes' cases could then proceed through the courts to a conclusion against the state-owned land. If the tribes win their cases, they recover the state-owned land; but if they lose their cases, they recover nothing. However, in the meantime, the adverse economic consequences will have been eliminated and Interior and Justice will have been relieved from pursuing causes of action against private property owners to divest them of title to land that has heretofore been considered valid title.

(8) If the consent of the State of Maine cannot be obtained for what is herein proposed, then the Congress should appropriate 25 million dollars for the use and benefit of the tribes (see paragraph numbered (1)), should then immediately extinguish all aboriginal title, if any, and all claims arising under an alleged violation of the 1790 Act as amended, to all lands within the claims area except those 400,000 acres of land within the public ownership of the State. The tribes' cases could then proceed through the courts against the state-owned land. If the tribes win their cases they recover the land; but if they lose their cases they recover nothing against the state of Maine. However, in the meantime, they will have received 25 million dollars from the United States for their consent to eliminate economic stagnation in the claims area and their consent to relieve Interior and Justice from pursuing causes of action against private property owners to divest them of land titles that have heretofore been considered valid.

It is my hope that the Congress can resolve this problem through the implementation of numbered paragraphs (1) through (6) above. Paragraphs (7) and (8) are mere alternatives to be utilized in the event consensual agreement cannot be obtained.

Respectfully submitted,

WILLIAM B. GUNTER.

FEBRUARY 6, 1978.

JOINT MEMORANDUM OF UNDERSTANDING

For several months, representatives of the Passamaquoddy and Penobscot Tribes and a White House Work Group comprised of Eliot R. Cutler, Leo M. Krulitz, and A. Stephens Clay have been meeting to discuss the tribes' land and damage claims in Maine and the federal services to be extended to the tribes in the future. These discussions have produced agreement with respect to both a partial settlement of the claims and future federal services. The parties hope that the terms and conditions described here also will serve as a vehicle for settlement of all the tribes' claims.

A. THE BASIC AGREEMENT: A PARTIAL SETTLEMENT

The Administration, through the White House Work Group, agrees to submit to the Congress and to seek passage of legislation which would provide the two tribes with the sum of $25 million in exchange for (1) the extinguishment of the tribes' claims to 50,000 acres per titleholder of such land within the 5 million-acre revised claims area (Area I) [1] to which title is held as of this date by any private individual(s), corporation(s), business(es) or other entity(ies), or by any county or municipality,[2] and (2) for the extinguishment of all their claims in the 7.5

[1] This acreage description of the revised claims area is based on information taken from maps and not from surveys. The final revised claims area, to be determined by the Department of Justice based on information furnished by the Department of the Interior, may vary from this description by ±5%.

[2] For purposes of such extinguishment, titleholding, whether direct or indirect, partial or complete, is deemed to include control, or ability to control, through subsidiaries, partnerships, trusts, or other entities.

million additional acres (Area II) in the claims area as originally defined (Areas I and II). Thus, every landholder within Area I would have his title cleared of all Passamaquoddy and Penobscot land and damage claims up to 50,000 acres,[3] and all titles in Area II would be totally cleared of such claims.

The tribes will execute a valid release and will dismiss all their claims with respect to Area II and with respect to landholders with 50,000 acres or less in Area I. The legislation will not clear title with respect to any of the holdings of any private individual, corporation, business, or other entity which are in excess of 50,000 acres in Area I, nor to any lands in Area I held by the State of Maine.

By preliminary estimate, the $25 million to be paid by the federal government would clear title to approximately 9.2 million acres within the original 12.5 million-acre claims area. All claims against householders, small businesses, counties and municipalities would be cleared. Approximately 3.3 million acres in Area I out of the original 12.5 million-acre claim would remain in dispute. About 350,000 acres of the disputed land is held by the state; the remaining 3.0 million acres is held by approximately 14 large landholders.

B. PROPOSED SETTLEMENT OF THE TRIBES' REMAINING CLAIMS AGAINST THE STATE OF MAINE AND CERTAIN LARGE LANDHOLDERS

The tribes and the White House Work Group recognize the desirability of settling the tribes' entire claim, if possible. However, direct discussions between the tribes and the State of Maine or between the tribes and the large landholders either have not occurred or have not been successful.

In an effort to promote an overall settlement, the White House Work Group has obtained from the tribes the terms and conditions on which the tribes would be willing to resolve their claims against the State of Maine and against the large landholders whose titles would not fully be cleared by the Basic Agreement. The tribes have authorized the Work Group to communicate these terms and conditions to the appropriate representatives of the State and the affected landholders. In this context, the Work Group serves primarily as an intermediary with limited authority to settle the remaining claims on the terms set forth by the tribes.

1. Claims Against the State of Maine.

The tribes have claims against the State of Maine for approximately 350,000 acres of State-held lands in Area I and for trespass damages. Rulings on several of the defenses originally available to Maine already have been made by the courts in the tribes' favor.

The State of Maine currently appropriates approximately $1.7 million annually for services for the Penobscot and Passamaquoddy Tribes. The tribes are willing to dismiss and release all their claims for land and damages against Maine in exchange for an assurance that Maine will continue these appropriations at the current level of $1.7 million annually for the next 15 years. The appropriations would be otherwise unconditional and would be paid to the United States Department of the Interior as trustee for the tribes. Should the State agree to give this assurance, the legislation to be submitted to the Congress by the Administration would provide for the extinguishment of all tribal claims to the affected State-held lands and all trespass damage claims when the last payment is made.

2. Claims Against Large Private Landholders.

In exchange for the dismissal, release and extinguishment of their claims to approximately 3.0 million acres within Area I held by the large landholders as described in the Basic Agreement, and in exchange for a dismissal and release of all trespass claims against said individuals or businesses, the tribes ask that 300,000 acres of acreage quality (approximately $112.50 per acre) timber land be conveyed to the Department of the Interior as trustee for the tribes, and that they be granted long-term options to purchase an additional 200,000 acres of land at the fair market value prevailing whenever the options are exercised. The tribes also ask for an additional $3.5 million to help finance their exercise of these options.

In recognition of the desirability of achieving an overall settlement, the Administration will recommend to the Congress the payment by the federal government of an additional $3.5 million for the tribes, if the affected private landholders will contribute the 300,000 acres and the options on 200,000 acres as set forth in the tribes' settlement conditions. Additionally, the Administration will recommend the payment of $1.5 million directly to the landholders contributing acreage and options to the settlement package. The $1.5 million would be divided proportionately according to the contribution made by the respective landholders.

If a settlement of the tribes' claims against the large landholders can be accomplished on the terms specified above, the Work Group has agreed to use its best efforts to acquire easements permitting members of the tribe to hunt, fish, trap and gather for noncommercial purposes and to obtain brown and yellow ash on all property from the large landholders within Area I. The tribes will be subject to applicable laws and regulations in the exercise of these easement rights. Additionally, it is agreed that the exercise of easement rights shall in no way interfere with the landholder's use of his property, either now or in the future. If the Work Group's efforts to acquire these easements are unsuccessful, the tribes have reserved the right to reject a settlement with the large landholders.

C. OTHER TERMS AND CONDITIONS

(1) Nothing in this agreement is intended by the parties to be an admission with respect to the value of these claims. If settlement can be accomplished, it will reflect a compromise from every perspective. The tribes regard their claims as worth many times more than any consideration to be received under this agreement. The State of Maine, on the other hand, has taken the position that the tribes' claims are without merit.

The Administration has chosen to evaluate the claims not merely on the basis of their merit and their dollar value, but also in light of the facts that the claims are complex; they will require many, many years to resolve; and the litigation will be extremely expensive and burdensome to everyone and could, by its mere pendency, have a substantial adverse effect on the economy of the State of Maine and on the marketability of property titles in the State.

With these considerations in mind, any settlement will reflect a shared understanding of the reality created by the litigation, rather than one party's view of the equity of the claims. The claims are unique, and resolution of them on any basis other than litigation similarly must be unique.

(2) If a settlement can be reached with the State of Maine, with the large landholders, or with both on the terms described above, the White House Work Group has the option of implementing a settlement on those terms, rather than on the terms of the Basic Agreement specified in Section A. The Work Group has agreed to consult with the tribes before choosing any of the alternatives provided by this agreement.

(3) The tribes recognize that in no event shall the federal government's cash contribution to any settlement exceed $30 million; the federal government will pay $25 million to achieve the Basic Agreement, and an additional $5 million to facilitate a settlement of all claims against private landholders.

(4) The location of the 300,000 acres must be satisfactory to the tribes. However, it is agreed that the 300,000 acres may be in several tracts, so long as the timber land is of average quality. It is also agreed that land will be selected in such a manner as to not unreasonably interfere with the large landholders' existing operations.

(5) The cash funds to be obtained in the settlement shall be paid in trust for the benefit of the tribes on terms agreeable to them and the federal government. No part of the capital will be distributed on a per capita basis. The terms of the trust shall not preclude reasonable investment of the principal, nor shall they affect in any way the right of the tribes to dispose of income. The right to dispose of income shall be wholly a matter for tribal discretion.

(6) All property and cash obtained pursuant to this settlement shall be divided equally between the two tribes.

(7) The federal government pledges that the tribes will be considered fully federally recognized tribes and will receive all federal services, benefits and entitlements on the same basis as other federally recognized tribes.

(8) All lands acquired by the tribes and land currently held by the tribes shall be treated for governmental purposes as other federally recognized tribal lands are treated. The consent of the United States will be given to the exercise of criminal and civil jurisdiction by the State of Maine pursuant to 25 USC 1321, 1322, provided that the United States may effect a retrocession within two years upon request of the tribes.

(9) If a settlement can be reached with the State of Maine, the White House Work Group will use its best efforts to obtain for the tribes assured access under mutually agreeable regulations to a designated place in Baxter State Park for religious ceremonial purposes. If the Work Group's efforts to obtain such assured access are unsuccessful, the tribes have reserved the right to reject a settlement with the State of Maine.

(10) With respect to settlement of the tribes' claims against the State of Maine and large landholders within Area I, the White House Work Group has 60 days to accomplish an agreement. If such a settlement cannot be accomplished within that period, the parties will proceed with the Basic Agreement outlined in Section A, above.

(11) The settlement agreement will be executed in a form appropriate to effectuation of the terms of the agreement and will preclude further litigation with respect to all claims settled. Suitable procedural safeguards will be adopted and implemented by court order in the pending litigation to assure that the parties' intent with respect to this settlement agreement is accomplished.

(12) The White House Work Group and this Administration pledge their vigorous support to settlement on the terms and conditions specified in this memorandum.

(13) This agreement is subject to ratification by the tribes on or by February Ninth, Nineteen Hundred and Seventy Eight.●

[3] For any landholder with holdings in excess of 50,000 acres, the 50,000-acre exemption would apply to lands which are representative of the overall holdings of such landholder.

ORDER FOR RECESS UNTIL 11 A.M. ON MONDAY, MARCH 20, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF LEADERSHIP ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday the two leaders have their regular time, which they normally have, as in legislative session, but that that time not extend later than 11:15 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF PANAMA CANAL TREATY ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at no later than 11:15 a.m. on Monday the Senate resume consideration of the Panama Canal Treaty, and that an amendment by Mr. DOLE be laid before the Senate at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE AT 8:55 A.M. ON TUESDAY, MARCH 21, 1978, AND FOR CONSIDERATION OF FARM BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, March 21, 1978, as in legislative session, the Senate convene at 8:55 a.m. following a recess at the close of business on Monday; and that immediately following the prayer the Senate, as in legislative session, then proceed to the consideration of the first farm bill at no later than 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON REDWOOD NATIONAL PARK ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the disposition of the two farm bills, as in legislative session, on Tuesday next, the Senate proceed to the consideration of the conference report on H.R. 3813, the Redwood National Park bill, with the following agreement to obtain at that time: That there be back-to-back votes on the final passage of the two farm bills no earlier than 4 p.m., that the redwood conference report be called up with a time limitation thereon, in its entirety, of 4 hours, and that it be under the control of Mr. ABOUREZK and Mr. HANSEN, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TUESDAY NEXT UNTIL WEDNESDAY, MARCH 22, 1978 AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday, it stand in recess, and this can be changed later, until the hour of 10 a.m. on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, upon the disposition of the redwood conference report on Tuesday, would not the treaty then be automatically back before the Senate?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

AUTHORIZATION FOR COMMITTEE TO MEET

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Armed Services Committee be authorized to meet during the sessions of the Senate on Tuesday, March 21; Wednesday, March 22; and Thursday, March 23, to consider the military procurement authorization bill, which must be reported to the Senate by May 15 under the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I would anticipate rollcall votes on Monday on amendments and/or motions in relation to the Panama Canal Treaty.

The first amendment to be called up will be an amendment by Mr. DOLE, which will be called up no later than 11:15 a.m. on Monday, with the Senate to come in at 11 a.m.

So I would anticipate that the Senate would be in no later than somewhere between 6 and 7 p.m. on Monday, and that on Tuesday the Senate would dispose of the two farm bills and the redwood conference report. Then the Senate would be back on the Panama Canal Treaty on Wednesday and on Thursday, with rollcall votes to occur during both days on amendments to the various articles therein.

RECESS TO 11 A.M. ON MONDAY, MARCH 20, 1978

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 a.m. on Monday next.

The PRESIDING OFFICER. The question is on agreeing to the motion. As many as are in favor say "aye." Opposed, "no." The ayes have it. The motion is agreed to. Accordingly, the Senate, on this St. Patrick's Day, stands in recess until the hour of 11 a.m. on Monday next.

Thereupon, at 4:44 p.m., the Senate recessed, in executive session, until Monday, March 20, 1978, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 17, 1978:

DEPARTMENT OF STATE

Alice Stone Ilchman, of Massachusetts, to be an Assistant Secretary of State.

The following-named Foreign Service officers for promotion from class 1 to the class of Career Minister:

Davis Eugene Boster, of Ohio.
Lawrence E. Eagleburger, of Florida.
Donald B. Easum, of Virginia.
Thomas O. Enders, of Connecticut.

INTERNATIONAL ATOMIC ENERGY AGENCY

Roger Kirk, of the District of Columbia, a Foreign Service officer of class 1, to be the Deputy Representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador.

INTERNATIONAL COMMUNICATION AGENCY

John E. Reinhardt, of Maryland, to be Director of the International Communication Agency.

Charles W. Bray III, of Maryland, to the Deputy Director of the International Communication Agency.

Alice Stone Ilchman, of Massachusetts, to be an Associate Director of the International Communication Agency.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

RENE A. WORMSER ON THE REAL MEANING OF "TAX REFORM"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. KEMP. Mr. Speaker, the unnecessarily high rates of taxation in this country confront us with an issue whose importance surpasses that of other domestic, economic or social issues.

There is much evidence to this point.

In day before yesterday's Washington Post, that newspaper's economics reporter, Art Pine, reported that families earning $10,000 a year or more pay 94 percent of all individual income taxes, that families earning $17,000 a year or more pay 70 percent of all such taxes. Those figures shoot through and through the assertion often heard in this Chamber—that tax rate reductions are needed most at the bottom end of the scale. They are in fact needed all across-the-board.

In yesterday's New York Times, Robert D. Hershey, Jr., reported in a major special to that paper that Britain's high taxes are the principal factor in the stagnation of that country's economy.

And in this morning's mail came a very timely and forceful essay on taxes, to the point that the most important tax reform of all is tax reduction and that we ought to rise up in anger over most of what is otherwise being labeled as tax reform.

Presented at the January session of the Estate Planning Institute at the University of Miami by Rene A. Wormser, a noted tax authority, this essay is a stinging analysis of the so-called tax reforms of the Tax Reform Act of 1976.

What Mr. Wormser says here is of particular importance to this Congress as it votes tomorrow on my permanent, across-the-board tax rate reduction goal amendment to the Humphrey-Hawkins bill and as it moves to another round in this tax struggle. I commend it to all of my colleagues, particularly those on the House Committee on Ways and Means, the Senate Committee on Finance, and the Budget Committees. The essay follows:

IT IS TIME WE GOT UP ON OUR HIND LEGS REGARDING TAX REFORM

(By Rene A. Wormser)

It has been said that there are no longer enough angry men. Certainly we who help others with their planning have not been angry enough. Yes, we fulminate among ourselves against the injustices and absurdities of our tax system, but few of us do anything active to press for sensible reform.

Roscoe Pound once said that, in a democracy, government operates through an adjustment of pressures. We have allowed ourselves to be overwhelmed by pressure from those whose concept of tax reform has been to promote egalitarianism. Our opposition has been feeble indeed. Because we have not fought it with sufficient vigor, perhaps we deserve what has been imposed on us.

The pressure toward egalitarianism has come from several groups—from those who simply hate wealth; from idealists who are well-meaning but act in ignorance of economics; from academicians who don't understand the marketplace; from minorities whose understandable personal discontent leads them into dissatisfaction with the operation of our free enterprise system; from some demagogic leaders of organized labor who may or may not represent the true views of members; from some men of political influence who have inherited great wealth and exhibit a sense of social guilt for not having earned their own wealth; and from politicians who wish to be elected and re-elected and who thus operate from a basis of short-term political expediency.

Gradually, over the years, our tax system has been given a new course. It has long since ceased to be devoted solely to the support of government. It has been given a sociological function. The concept of "transfer payments" has been superimposed on it. Its new objective is illustrated by this statement of President Johnson made on January 5, 1964:

"We are going to try to take all the money that we think is unnecessarily being spent and take it from the 'haves' and give it to the 'have nots' that need it so much."

The concept is better known as "soaking the rich". It is a Robin Hood approach.

The concept has accompanied the development of the Welfare State. That development has been a sad mistake. That some welfare measures are desirable there can be no doubt, but our approach to solving social problems has been excessive abortive and wasteful. Whatever "welfare" measures may seem truly necessary or advisable should be paid for through general taxation (a legitimate form of transfer payment). But direct taxation is not popular. The public must be led to think that it is getting benefits without paying for them. So Congress has resorted to deficit financing. This avoids direct taxation, but produces inflation, a form of indirect exaction far more devastating than direct taxation.

But even deficit financing has not provided enough to satisfy the political objective of seeming to grant benefits without cost to the beneficiaries. More and more, Congress has adopted the principle of taxing the so-called rich for the benefit of the so-called poor. There has been a steady increase in this use of the transfer payments system. Driven to an extreme, the use of this mechanism would result in socialism. Indeed, we are approaching it rather rapidly. Are we not close when, as is the case, 37 percent of the gross national product and 43 percent of the per capita national income goes to government!

A basic political objective is and should be to increase the standard of living of the mass of our people. This objective cannot be attained through egalitarianism. There is only one way to achieve it and that is through increases in production. The American Economic Foundation has long promoted this explanatory formula:

$$MMW = NR + HE \times T$$——

That is, *Man's Material Welfare* depends on the use of *Natural Resources* to which *Human Energy* must be applied, and human energy isn't worth much without *Tools*. The more and better tools we have, the more goods and services can be produced, and the more cheaply. So it follows that the formation of capital is essential to the development of our economy.

And how can capital be formed? Only through profits and savings. Of course, if you make profits and save you may get rich. The egalitarian movement which has beset us does not like people to get rich and keep their possessions. Abraham Lincoln knew better. In an address delivered at New Haven, Connecticut, on March 6, 1860, he said:

"It is best to leave every man free to acquire property as fast as he can. Some will get wealthy. I don't believe in a law to prevent a man from getting rich, it would do more harm than good. So, while we do not propose any war on capital, we do wish to allow the humblest man an equal chance to get rich with everybody else."

Congress does not support Lincoln's position. If I recall correctly, he said, on another occasion, that if some get rich it would prompt others to. But many of our legislators seem to believe that getting rich is in itself evil.

What is wrong with getting rich? Was it wrong to allow Henry Ford to acquire great wealth? Was his acquisition of riches antisocial? Or, like so many who followed the American dream of starting at scratch and developing a great enterprise, did he not contribute enormously to employment and to growth and prosperity of the whole society?

Those egalitarians who think of themselves as "reformers" have been able to impose on us legislation like the miserable Tax Reform Act of 1976, and have made it ever more difficult to form and accumulate new capital, so badly needed for our economic progress. Nor has this pressure been directed solely against the truly rich. We have "soaked" not just the rich but also the middle class, the most productive class in our society. Moreover, the drive to egalitarianism has retarded the ability of the young and aspiring, particularly of those of the lower economic classes, to raise themselves into at least the middle class. Remember, Lincoln said: ". . . we do wish to allow the humblest man an equal choice to get rich with everybody else."

Let's see what our tax system has done to the "American Dream" of "rags to riches".

Take the case of one Jones, a "little man", who manages to save $10,000 with which to start a small shop. In the course of time he incorporates his business. Through hard work and frugality he manages to build his venture up until, because of ill health, he decides he must retire, and it is then worth $500,000. So he sells his business at that figure. Under our law he has made a taxable capital gain of $490,000. So what is his tax liability and how much would he have left upon which to retire?

The maximum capital gain tax used to be 25%. That would have cut substantially into his retirement fund. But it was raised not so long ago to a rate of 35% over $50,000 of gain. That would have left him considerable worse off. And now we have tht unconscionable Tax Reform Act of 1976.

It was rushed through Congress without any public hearings. It is lengthy and complex and is hardly and badly designed. Under its minimum tax and preference income provisions, Mr. Jones would be taxed brutally indeed. If he lived in a state with a capital gain tax, the aggregate capital gain tax on his sale might be in excess of $200,000, leaving him only 60 percent of the proceeds of sale as his retirement fund. This is an utterly unconscionable result.

But that is not the end of the story. A considerable part of the growth in value of his business would likely be the result of inflation. The dollar has lost close to 80 percent of its buying power since 1932; one-half since 1967; and one-third since we went off the last tie with gold in August of 1971. Therefore, to the extent Jones is taxed on whatever part of the increase in dollar value of his business represents a mere dollar-value increase and not a true purchasing-power increase in value, part of his principal is actually being confiscated.

An intelligent child could understand that our tax system, in taxing capital gains, is confiscatory when unadjusted for inflation. But Congress closes its eyes and its ears to the injustice involved, though being careful to index Congressional salaries to protect senators and congressmen against inflation.

The extreme egalitarians may be happy to see capital confiscation, as a satisfactory application of the transfer payments principle, for they conceive that it is only the rich who will suffer by it. They seem not aware that confiscating capital affects the middle class as well and, for that matter, the relatively poor, who need tools to work with. Many a "poor" man, for example, has managed, by working hard and saving, to buy a home for a modest price, paying for it, over the years, in installments. He is happy, then, to find that his home, because of inflation, is worth far more than he paid for it. Ah, but when he sells it, the capital gain tax settles on him, taxing also the inflationary increase in dollar value and thus confiscating part of his capital.

How, in good conscience, can Congress possibly justify this monstrous attack on the citizen's capital represented by his home!

The application of capital gain tax at inordinately heavy rates is brutal indeed. When these rates are not adjusted for inflation, the tax has been called a theft by government. It is just that. I have wondered whether a constitutional question may not be involved. Can the government confiscate capital under the guise of an income tax system? That is just what ours does. Wasn't it John Marshall who said "The power to tax is the power to destroy"; Congress has been using its taxing power to destroy capital.

But some egalitarians are not satisfied with this despoiling of the taxpayer. There are strong advocates of taxing long term gains as ordinary income. How pleasant this would be for the Mr. Jones, whose case I described earlier, to tax his entire "gain" of $490,000

as ordinary income! This cannot be defended on any moral basis!

How the egalitarians hate capital formation! There has been pressure, for some time, in favor of taxing unrealized capital gains at death, on the argued theory that it is not fair that a man who sells during life must pay a capital gain tax, while he who leaves his property by will evades such an imposition. Such unrealized capital gains are, in fact, taxed at death—with estate tax. But this was held not to be enough. It did occur to the designers of the 76 Act that there would be hue and cry against taxing gains until they were realized. So the "carryover" mechanism was enacted under which the recipient of property from an estate will be taxed with a capital gain tax, subject to some adjustment for estate tax paid, when he sells.

A concession was made, insofar as the cost basis was to be stepped-up to the value as of December 31, 1976. Thus, only increases in value subsequent to that date would be taxed with capital gain tax. However, inflation will continue until Congress chooses to do what is necessary to stop it, and it shows no disposition to do that. Therefore, the capital-confiscation factor in relation to the after-death taxation of gains will continue.

In establishing the December 31, 1976 values of listed securities, there is no serious initial problem. When it comes to other types of property (real estate, antiques, art objects, closely held securities, etc.), Congress imposed on us a very complex and enormously burdensome formula for ascertaining the December 31, 1976 value. In countless instances, compliance will be utterly impossible. In others, for example in the case of shares in a closely held corporation, the research complexities can be fearsome.

But this is only the beginning of the problem presented to executors (who must provide carryover basis information or be fined for failure to do so). It would take many pages to describe the errors and pitfalls contained in the imposed system. It would take even more pages to outline the complexities of computation necessary to arrive at a (hopefully) final carryover basis. The back-room gnomes who drafted the carryover provisions produced what Frederick S. Lane (Chairman of the Real Property, Probate and Trust Law section of the American Bar Association) has called a "public disaster".

Did even one congressman or senator who voted for the '76 Act understand fully what he was voting for? I doubt it! What a sad commentary on our legislative process!

There is now some hope that the entire carryover concept may be scrapped. We should pray that the realization among some legislators, that a grave error has been made, may spread. Tinkering to try to improve the mechanism might only make it worse. It should be buried—requiescat in pace.

Carryover was another attempt at "loophole-closing". Someone defined "loopholes" as those parts of one's income or wealth which are not confiscated by government. Congress finds more and more so-called "loopholes" to close, often reversing what a previous Congress had introduced for sound reasons. And, in all these "reform" efforts inflation is virtually ignored.

The progressive income tax system may have logical justification, although many doubt this. At any rate, if we are to have it, there should be a periodical adjustment of its rates to operate fairly. "Indexing" may not generally be desirable, but in connection with our tax system, it is essential. The income tax scale rises rapidly in the lower tax brackets, forming a convex curve of rapidly rising rates, whereas it should be concave, that is, it should rise much more slowly in the lower brackets. And, when inflation is present, then in order to try to keep pace with inflation, the taxpayer must try to raise his income at a still higher rate in order to retain the same purchasing power. This, in itself, promotes more inflation and, of course, economic disorganization. While Labor has often pressed excessively for wage increases, it cannot be blamed for its efforts to try to keep pace with inflation. Our progressive rate system, with no adjustment for inflation, has multiplied pressures for rapid increases in labor costs. It has produced wage increases in excess of productivity.

The progressive rate system has been applied with equal soundness to gifts and testamentary dispositions. Until the 76 Act there was no recognition of the extent to which inflation distorts the cost of dispositions of wealth. Even in the 76 Act the adjustments have been far from sufficient to compensate for the inflation which has been imposed on us. The exemption against the new uniform transfer tax, for example, which the Act has granted may seem generous, but it is far from adequate to compensate for inflation, and, being fixed in dollar amount, it will erode with further inflation.

It is difficult to understand why it was held desirable to discourage giving during life. Yet the uniform transfer tax has done this. But the animus of the designers of the 76 Act is shown very clearly in their failure to increase the gift tax exclusion. Instead of being increased, this exclusion has been reduced over the years. It was $5,000 in 1932; it was lowered to $4,000 in 1938, and to $3,000 in 1942; and the 76 Act retained it at that figure. To be fair to the taxpayers, this exclusion, in the face of inflation, should have been raised to some $12,000 or even $16,000.

Not only through the uniform transfer tax "reform" but also through the generation-skipping and other provisions of the Act it was made utterly clear that the purpose was not only to hamper the formation of capital but severely to limit its preservation and disposition. The desire to leave one's heirs some reasonable part of what one has worked to accumulate is a natural and hardly reprehensible motive. So, efforts harshly to limit the amount one can leave to one's family must be considered anti-social. It ignores one of the natural and basic motivations of human action and retards the growth of productive capital so necessary to our economic system.

Our method of taxing corporations and corporate interests obviously has been unsound. Congress likes the corporate income tax because it is a way of taxation which seems to many taxpayers to be painless to them. But it is not painless to the public. Corporations are, in a sense, mere conduits. That is, as a practical matter, the price to the public of product or service produced by the corporation will reflect what taxes it has had to take into account in determining price in order to achieve a fair net return.

The system imposes double taxation in two ways. Let us go back to our small entrepreneur, Mr. Jones, and see how the system operates in his case.

His corporation was subjected to corporate income tax. Then, when part of the net after taxes was paid to him in dividends, this part was taxed again. So, while Jones is building up his business, he is subjected to one form of double taxation. But that is not the end of his trouble. When he sells his business he is double-taxed again. The $490,000 growth in the value of his company consists of an accumulation of net profits after taxes. And so, when he sells out and a capital gain tax is imposed on that $490,000 of added value, he is taxed again—i.e., on what was left after he had already paid income tax on his profits. How can that be defended!

It is truly amazing that these abuses have persisted so long. There is now (belatedly) some recognition among some of our legislators that something should be done about it. Can we hope for a simple and straightforward solution of the problem? We can hope, but, if anything is done about it, it probably will be in the nature of a compromise, giving only partial relief and adding long and complex provisions to the already monumental Code instead of promoting simplification.

Indeed, we may not only get no sensible relief but be subjected to a new and monstrous imposition. The pressure mounts for taxing capital gains as ordinary income! If this should be enacted, what would Jones have left after a lifetime of work building his venture!

The complexity of our tax system (often a mystery even to so-called experts), will continue to impose on the public the waste of billions of dollars and the expenditure of countless hours of unproductive labor.

Aside from the many grave fallacies in the design of our tax system, the aggregate size of the tax burden which we must bear deserves sharp attention. The badly conceived and wasteful Welfare State drift has been largely to blame for the imposition of this huge burden on both poor and rich alike. But another factor bears heavy responsibility. Our government has grown outrageously paternalistic.

Our actions, both in personal and business life, have been restricted progressively. More and more, our independence has been sacrificed to the concept that politicians and bureaucrats know what's best for us and must impose it on us. Unsound as this concept is, its injury to Americans of all types is aggravated by the huge extent to which it has required heavy additions to our tax burden because of the costs of executing it. It has been implemented chiefly through the creation of an endless number of bureaus, commissions and agencies, manned by armies of persons extracted from productive occupations and assigned to unproductive work. The cost has been utterly stupendous and must be paid for in taxes. Nor is it paid for solely by the rich.

Much has been written about the vast number of regulations produced by these agencies of government. In one year, 10,000 new regulations were under consideration. So, in addition to the additional tax burden which these agencies produce, we must consider the even greater cost of complying with the countless regulations. This additional expense is passed on by business to the taxpayers in increased cost of products and services. The poorest man pays, directly or indirectly, for a part of this profligacy.

An enormous section of our law consists of bureaucratic legislation. Almost all of the national bureaus are autonomous, and their regulations are law until or unless they are overturned by a court. So a great many of the rules under which we live and have to do business are enacted not by Congress but by independent agencies—by men whom we have not elected to make law for us.

Many of these regulations are impractical, some ridiculous. And, while large corporations can afford to finance compliance with them (by passing the cost on to their customers), it is the smaller businesses which are most heavily inconvenienced, and even penalized. They often cannot afford to meet even the heavy cost of detemining to what regulations they are made subject, much less the cost of compliance.

What is basically wrong with our tax system is its violation of sound economic prin-

ciples. It should not be used as a vehicle for the reformation of our social structure, for shifting us ever closer to socialism, for impeding the capital formation which is the key to progress for all, epecially for the young who as yet have no capital.

Bad as our system now is, it could get much worse. The egalitarian movement is very strong, allied as it is with politicians who see the personal, political benefit of giving more and more to the public in what has the false appearance of being produced painlessly.

So, we must do what we can to fight against what is now fallacious in our tax system, and to forestall what is likely to menace us further. Much can be done by angry men. The efforts of even a single man can have heavy impact if he is determined enough. Pressure, heavy pressure, must come from advocates of sound economics and from those who understand that our tax system, in many respects, is on the wrong track. If we, who are so intimately involved in taxation, continue to bask in political inertia, the future hardly looks bright.

We must be alert to threatened expansions of the egalitarian movement. Through individual action and through influencing bar associations and other organizations, by every means we can, we must demand reason.

Part of the problem is directly political. Don't neglect primaries! Within a party, we must vote for and support candidates for nomination and for election:

Who believe that the egalitarian movement is fallacious and dangerous;

Who understand that tax measures which tend to destroy incentive are abortive;

Who realize that the progressive formation of new capital is essential to a sound economy;

Who recognize, as Abraham Lincoln did, that encouraging the acquisition of wealth is good for the country;

Who are acutely aware of the devastating impact of inflation and who deem its curbing must be our primary objective;

Who understands that deficit financing in time of peace is unconscionable and is the primary cause of inflation;

Who understand that operating on a fiat money system makes it all too easy for government to be profligate; and,

Above all, who believe that taxation should not be used as a means for affecting egalitarianism.

And when election time comes, we must not vote solely as Democrats or Republicans, but support and vote for those candidates of either party who espouse the principles I have just listed.

But we must not wait for primaries and elections. Sustained pressure is needed—relentless pressure for good sense. We must keep at it—keep at the Press, radio, TV, Congress, the White House, state capitols, mayors, bureaucratic leaders. Long distance telephoning is now cheap. Letters and telegrams may be even better. Seek out the executive assistants who prepare the material on which legislators and others usually make up their minds. Influencing these can influence their principals.

But none of us have all the necessary materials at hand to support our protests. Constant research is needed—more than any individual can hope to undertake by himself. We must have the data and other materials on which to base our positions. And so, support organizations which compile and supply these tools. Get the facts and then keep up unremitting pressure. Persistence can pay off.

If we do not fight for what we believe to be right, the future looks dismal indeed.●

ST. PATRICK'S DAY

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. CAVANAUGH. Mr. Speaker, March 17 is the day of the year when all the world is Irish. One day when America recognizes the great contributions that the Irish have made to build and defend our country. But there is a sadness in that celebration as well, for the deplorable violence in Ireland continues day by day, and the deprivation of human rights continues unabated.

The people of Ulster need to reconcile their differences, but the Governments of Britain and Ireland must act in the best interests of the people of Ulster if the violence is to end. As Americans, we too have an obligation, be Ireland to any one of an ancestral home, an ally or a small nation rich in cultural heritage. We must do all that we can to facilitate the establishment of a permanent peace in Ireland. Every quarter of Irish opinion, Republican, unionist, and moderate, must be cast aside for a future society in establishing a lasting peace.

It is said that there is no present in Ireland, only the past happening over and over again. Looking to the future, however, must be the main concern of all parties involved. The discrimination and violence of the past and present must be cast aside for a future society in which all Irishmen and Irishwomen around the world can look upon with pride.

The land of saints and scholars can once again be foremost among the small nations of the Earth. When the industry of the northerners is again coupled with the artistry of the southerners, then the freedoms we have so well realized in America can be Ireland's as well.

The Gael fought so hard for America's freedom. Several signers of the Declaration of Independence were Ulstermen. The Irish in America have never failed to respond when called to defend this country.

It is in that sense of obligation to all of America's ethnic roots and our firm desire for peace with justice around the world that we cannot ignore Ireland's troubles as we have so often in the past. The beacon of hope that America has been to Ireland's downtrodden should now shine all the brighter to give them the same life, liberty, and equality that American's enjoy and all Irishmen deserve. The Irish are far flung, but they are no transient tribe, no petty people and they should be allowed to live in peace and dignity in their own land.

What a cause for celebration it would be indeed if next Saint Patrick's Day we could sport the green and the orange together, and honor an Ireland no longer rent by destruction and discrimination. An Ireland where Protestants and Catholics could work together in building the future of their own country, as they have so diligently helped to build our own.●

JEFFREY BELL MAKES A CONVINCING CASE FOR PERMANENT TAX RATE REDUCTIONS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1978

● Mr. KEMP. Mr. Speaker, I read several days ago one of the most convincing cases for permanent tax rate reductions for the American people that I have ever read. It is one of optimism. It makes a point with which I totally agree: If we view off-year congressional elections primarily as verdicts and Presidential years as a combination of verdicts and forecasts, the American electorate knows what it is doing. And, it is calling for, demanding, permanent tax rate reductions something for which I've worked for years.

This article is particularly perceptive, penetrating, because it deals with the impact of that point upon the survival of the two-party system, and it then proceeds to detail a strategy for the survival of that system. The point is well made that the Republican Party has no hope for a future, if it continues to be perceived as the party of tax collectors for Democratic spending programs. His view that we must lower tax rates to restore the incentive so necessary for working and investing in America today underscores what the clear majority in the Republican Party in Congress and a growing majority of all Members of Congress are trying to do.

I commend this important article to the attention of all my colleagues and to our workers and taxpayers concerned for the future of our Nation:

[From the Bergen County/Passaic County, (N.J.) Record, Mar. 7, 1978]

A BRIEF FOR REPUBLICAN OPTIMISM

(By Jeffrey Bell)

If I had to give a single reason for my presence in this year's U.S. Senate race, it's my belief that the electorate may be much smarter than a lot of people think it is.

By "a lot of people," I'm thinking particularly of the elected officials, issue activists, political technicians, and journalists among whom I've spent nearly half my life. The consensus among these folks, whose lives are spent trying to communicate with the people in one way or another, is that the American electorate is shortsighted, selfish, and easily swayed.

As a direct result of this view, the trend of our politics in recent years has been toward manipulation and away from persuasion as it was understood and practiced by, say, Lincoln or Woodrow Wilson—toward changing the voters' "perception" of the world around them, as opposed to changing the actual conditions in which people must live and work.

This is a cynicism about people and a pessimism, therefore, about what democratic politics can accomplish. Nowhere is this pessimism more widespread than in the Republican party.

A casual observer might quickly add that, following the Nixon-Ford years, the Republican party has a lot to be pessimistic about. But my feeling, after full-time involvement in presidential campaigns at each end of that era—the Nixon campaign of 1968 and the Reagan campaign of 1976—is that Republican pessimism led to the failures of the Nixon-Ford years, rather than the other way around.

On taking over the executive branch in 1969, the Nixon administration was so intimidated by the opposition-controlled Congress, press, bureaucracy, and universities that little of importance was offered as an alternative. Republican pessimism became a self-fulfilling prophecy as the anti-Washington mandate of 1968, in which the Democratic presidential vote shrank from 61 to 43 percent in only four years, was dissipated in drift, cosmetics, and overblown rhetoric.

When this mix failed to ignite the electorate, the administration's pessimism caused it to turn its gaze toward supposedly implacable "enemies" as the cause. The whole poisonous cycle that led to Watergate had begun.

Even today, there is a tendency on the part of many Republicans to agonize over the supposed ignorance of the voters. How else, we ask each other, could they pick Carter over Ford and choose a Congress nearly two-thirds Democratic?

The answer, or so it seems to this unrepentant Ford voter, is simple: In eight Republican years, the nation enjoyed two recessions, two presidents, three vice-presidents, four "phases" of economic controls, and the first lost war in our history. Against this background, the miracle of 1976 is not that the "in" party lost at all levels, but that its presidential ticket carried 27 states and nearly ate up a 30-point poll deficit.

For this comeback we have the Carter-Mondale general-election strategy (so different from the Carter primary strategy) to thank. Just as the Democrats' initial 30-point lead was the electorate's considered appraisal of the eight Republican years, so the loss of nearly all that lead was the electorate's forecast (and growing wariness) of the prospective Carter-Mondale years.

In the end, the voters chose to terminate the eight-year GOP incumbency. One can disagree (and nearly half of us did), but is it fair to describe the verdict for Carter as blind or unreasoned? I think not.

From the beginning of this Republic, administrations have been judged by performance in office—particularly by the state of the economy. A party holding the presidency during a recession or panic has invariably been penalized in the next off-year election and unceremoniously ejected in the next presidential year, assuming the slump continued and the "out" party presented viable alternatives.

Contrary to some loose talk, this persistent practice did not start during the rapid centralization of the 20th Century—it has been a hallmark of our politics since the late 18th Century.

If we see the behavior of the electorate in these terms—off-year congressional elections primarily as verdict, presidential years as a combination of verdict and forecast—we begin to arrive at an exhilarating fact: By and large, the American electorate knows what it is doing. Failure is punished, success rewarded, alternative futures assessed—not always accurately, true, but within the scope of the facts available at the time of voting.

A study soon to be published by Edward Tufte of Yale argues that in the case of midterm elections, the "in" party's percentage of the national House vote is so tightly calibrated to the performance of the economy and the popular rating of the president as to be predictable in advance.

If there is one thing in our 200-year history that the national government has always been able to accomplish, it is the dislocation of production and commerce. It is an ability shared by the "small" federal governments of the Jacksonian era as well as the "big" governments of today, because more often than not the government-bred dislocations stem from seemingly "small" or "neutral" political changes in taxes, tariffs, or regulations.

As in the case of the recent Carter payroll tax increase, the incumbents usually make the changes in near-total ignorance of the crippling economic effects to follow.

Instead of the break from the recent past that Mr. Carter seemed to offer during the 1976 Democratic primaries, his Administration is intensifying the mistaken policies that put us where we are. Since around 1965, the national government has been enmeshed in income redistribution at the expense of income growth. As a result of overcentralization, manic regulation, and—above all—prohibitively high tax rates on personal and business income, major sectors of the economy have withered.

The voters sense that it's time to end our obsession with slicing up the pie and resume the task of making the pie bigger. This can be done by increasing the after-tax rewards for all Americans by means of a Kennedy-style tax rate cut of about one third, across the board.

Just as the Kennedy tax cut reduced the top marginal rate from 91 to 70 per cent and the bottom rate from 20 to 14, so we should now reduce the top and bottom rates to 50 and 10 per cent—not the piddling reduction to 68 and 12 per cent that President Carter has proposed, a cut that will hardly begin to atone for the payroll and energy taxes he has inflicted, or is trying to inflict, on the private sector.

Now as in the Sixties, warnings are heard of an impending "revenue loss" to the Treasury if a deep rate cut is enacted. But, now as then, inflation has pushed the real marginal rates so high that cutting the rates would certainly mean more revenue for the Treasury.

Instead of collecting its revenue by means of high tax rates on low production, Washington could be collecting the same amount by low tax rates on high production. For the first time since the early 1960's our economy could enter a period of expansion that would mean more jobs and higher after-tax incomes for all Americans.

For nearly a decade and a half, under the four presidents starting with Johnson, the electorate has observed the effects of income redistribution, and it has drawn negative conclusions. In the past, Republicans like Senator Case have used redistributionist policies to reach out to blacks, union members, and others largely outside GOP ranks, But today these voters, the ones most hurt by economic stagnation, are the least likely to want more of the same.

As the recent NAACP report on energy suggests, blacks are on the brink of making a commitment toward private-sector growth as the way out of the present morass. They see that such Carter-Case solutions as busing, quotas, and anti-poverty funding have been accompanied by a doubling of inner-city unemployment and increased family breakup. They are drawing the proper conclusions.

Now is precisely the time for Republican candidates to make clear that the approach we offer is different and has a future.

The years 1969–76 were not successful ones for Republicans, and here in New Jersey we've suffered the added indignity of a frustrating, needless defeat in 1977. If there is any comfort in these setbacks, it is the knowledge that, by and large, we brought them on ourselves.

Rather than blame the voters for changing unsuccessful governments and spurning poor campaigns, we should move swiftly to position ourselves as an alternative to the crippling tax and regulatory policies in Washington that (for better or worse) once again have an exclusively Democratic cast.

If in 1978 we emerge persuasively as the party of tax reduction and income growth for all Americans, we Republicans will be back on our feet so fast it'll make the Democrats' heads swim.●

A WELCOME TO THE SOLDIERS HOME, AMPUTEE VOLLEYBALL TEAM FROM TEL AVIV WHICH WILL TOUR THE UNITED STATES IN APRIL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 17, 1978

● Mr. KEMP. Mr. Speaker, it is my pleasure and privilege to announce to my colleagues the tour of a unique team of athletes from Israel.

The volleyball team from Beit Halochem, which is Soldier's House, near Tel Aviv, will be conducting a 2-week competitive trip through several east coast cities. The team, comprised of disabled Israeli war veterans, captured the gold medal in the 1976 World Handicapped Games held in Toronto, Canada. The players, who are arm and leg amputees, are now fully equipped with artificial limbs and similar apparatus. They are very mobile on—and off—the volleyball court and play according to international rules, the olympic rules.

Under the auspices of the U.S. Committee Sports for Israel, Inc., the volleyball team will appear in Washington, D.C., Wilmington, Del., Philadelphia, Pa., Yonkers, N.Y., Norwalk, Conn., and Marblehead, Mass. The team will play exhibition matches against the regular teams which represent the Jewish Community Centers in those communities.

The volleyball team from Beit Halochem will be arriving in New York City on April 23, 1978. On the following day, Monday, the 24, I will have the honor of hosting these athletes at a luncheon here at the Capitol. I hope to have the opportunity to show this group the facilities of the House of Representatives and to leave them with a positive and lasting impression of one of our country's oldest and most cherished institutions of democracy.

I am in whole-hearted agreement with Mr. Nat Holman, president of the U.S. Committee Sports for Israel, in his description of the members of this team as "quite remarkable and courageous people."

I am certain that these athletes, who have overcome serious injuries sustained in combat, will be as a group, an unforgettable source of inspiration to those with whom they will come in contact during their stay.

I look forward with great anticipation to their visit to the Nation's Capitol and wish them a most successful and rewarding experience in the United States.●

HOUSE OF REPRESENTATIVES—*Monday, March 20, 1978*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Blessed be His glorious name forever: and let the whole Earth be filled with His glory.—Psalms 72: 19.

Eternal God, our Father, as we enter Holy Week grant unto us a genuine sense of Thy presence. Come into our hearts and make them pure. Come into our homes and make them sanctuaries of love. Come into our churches and make them shrines of Thy grace. Come into this House of Representatives, and make it reflect Thy glory with high morality and deep devotion. Come into our offices and our shops and make honesty rule every endeavor. Come into the hearts of our people and make us a nation fervent in faith, strong in spirit, lovers of liberty, and pursuers of peace. So may justice and freedom, love and truth, come to rule the hearts of people and nations everywhere.

In the spirit of the Prince of Peace we offer this our morning prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 9) entitled "An act to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. CHURCH, Mr. JOHNSTON, Mr. ABOUREZK, Mr. BUMPERS, Mr. HANSEN, Mr. MCCLURE, and Mr. BARTLETT to be the conferees on the part of the Senate.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 796, MAKING SUPPLEMENTAL APPROPRIATIONS FOR DISASTER RELIEF FOR FISCAL YEAR 1978

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight to file a report on House Joint Resolution 796, making supplemental appropriations for disaster relief for the fiscal year 1978.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING RETIREMENT OF CERTAIN RESERVE ENLISTED MEMBERS AFTER 20 YEARS OF SERVICE

The Clerk called the bill (H.R. 10341) to amend title 10, United States Code, to authorize Reserve enlisted members of the Army and the Air Force to retire with 20 years of service.

Ms. MIKULSKI. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

RECALCULATING THE RETIRED PAY OF CERTAIN SENIOR ENLISTED ADVISERS OF THE MARINE CORPS

The Clerk called the bill (H.R. 10343) to provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967.

Ms. MIKULSKI. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

A MESSAGE THE RUSSIANS UNDERSTAND

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, at Wake Forest University in Winston-Salem on Friday, President Carter said the United States is determined not only to maintain a strategic balance with the Soviets, but also in developing forces to counter any threats to our allies and our vital interests in Asia, the Middle East, and other regions of the world.

He stated further,

We will match, together with our allies and friends, any threatening power through a combination of military forces, political efforts and economic programs. We will not allow any other nation to gain military superiority over us.

This is a welcome statement. I applaud the President for his forthright stand. Regretfully, it is one that is long past due. It expresses an attitude which is not borne out in the fiscal year 1979 budget now before us, nor in the Defense budget for the current year. Nevertheless, if vigorously followed through by appropriate action in the administration and in Congress, it will place our Nation again in position to earn the respect of the free world and to provide the leadership which is so desperately needed. Expanding areas of Communist control throughout the world must be encountered and contained.

The President's statement got the attention of the Soviets. It is language they understand. Their quick response through the Soviet news agency Tass demonstrates their concern about the ability of the United States to be strong and to act strong, and our willingness to use procedures more effective than the unheeded notes which heretofore have been our characteristic response to Soviet aggression.

It is also very important that specific proposals for strengthening America's military defenses be taken now. Paper airplanes that schoolchildren manufacture from note paper are not formidable weapons. Speeches not backed by action are like paper airplanes.

MIDDLE-INCOME STUDENT ASSISTANCE ACT

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, I rise in anger to warn my colleagues of the Carter-Califano chicanery that if successful would, in fact, rob Members of their right as elected U.S. Representatives to vote on an issue crucial to the educational fortunes of millions of taxpaying Americans—education tax credits.

By now, I am sure you all are aware of the blatant political manuever to bypass usual House rules and procedures, and bring the mislabeled Middle Income Student Assistance Act to the floor today under suspension of the rules. This would permit a vote on the Carter-Califano education bill, but not on an amendment for education tax credits.

To those of us used to being violated by the House leadership, this should come as no surprise.

To the many of my colleagues who believe the House should make its own rules and abide by them, this may come as a shock. I hope it does.

In addition to the House leadership dictating to the majority, we find that the President—who cannot even run the White House—wants to intrude into the legislative branch and make the House violate its own rules.

Mr. Carter is joined by the omnipotent master of our citizen's health, education, and welfare—Joseph Califano—in trying this out-of-bounds end run to prevent the elected Representatives from voting on education tax credits.

For the record—the Senate has voted

six times in the past 9 years for higher education tax credits.

You and I have been denied—by hook, crook, or legislative hanky-panky—from ever voting on the merits of education tax credits whether elementary, secondary, or higher.

Just last Thursday, I was scheduled to testify before the Rules Committee on procedures for debate and voting on the Carter-Califano education bill. The flurry of heavyweight Congressmen bursting in and out of the hearing should have alerted me to something unusual.

I did not testify, but was promised I would when the Rules Committee convened again on Monday.

At 6 last Friday evening, I received a call from a staff assistant. She had been informed by a staffer to a senior Republican on Education and Labor that our distinguished colleague and Post-Secondary Education Subcommittee chairman, the Honorable WILLIAM FORD, had been to the White House on a St. Patrick's Day visit.

The decision had been made to dispense with notification to what Mr. FORD must view as two very dispensable committees—Rules and Budget—that the Carter-Califano bill would be called up today under suspension. This neatly relieves Rules from deciding whether the Frenzel amendment—the House version of the Senate compromise on education tax credits—is germane. In doing so, however, it confirms what a lot of us knew. It is germane as germane can be.

I make quick note—because it deserves so little consideration—of Attorney General Bell's Saturday statement that the Justice Department views education tax credits as unconstitutional. I hesitate to impugn the Attorney General's credibility any more than the recent performances of Mr. Bell and his department lawyers have done by themselves.

It just seems to me that the waterboy is not going to dispute the coach.

I, therefore, urge you in good conscience to vote against considering the so-called Middle Income Student Assistance Act under suspension. Do not give away your individual choice to consider and vote on so vital an issue.

Perhaps, the voice of the turtle is now being heard throughout the land. So is the voice of your constituents.

MIDDLE-INCOME STUDENT ASSISTANCE ACT

(Mr. ERLENBORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERLENBORN. Mr. Speaker, later today under the call of the Suspension Calendar, I understand it is now the intention of the leadership to call up H.R. 11274, the Middle-Income Student Assistance Act. Mr. Speaker, this comes as quite a surprise to most of us. First of all, the leadership, the Democratic leadership, last week when announcing the business for today did not list this bill. As late as Saturday when we called the recording to find out what the schedule of business was for today, this bill was not included. It is now included, even though the Committee on Rules was meeting last week and intended to meet again this week on the question of a rule for the consideration of this bill.

Mr. Speaker, I voted against this bill when it was reported by our committee, not because I am against middle income student assistance, but I think there is a better way of doing it. I think that the House ought to be given the opportunity to choose between the concept embodied in this bill, which is asking the taxpayer to come hat in hand to the Federal Government and ask for the largess of the bureaucrats in giving some aid to the families of students and the better way.

That better way to do it, in my opinion, and the way that this House ought to have an opportunity to choose, would be through tax credits where as a matter of right the parents of students attending schools will know that they may have help in the cost of higher education.

Mr. Speaker, choosing this route to bring the bill up stealthily today with little or no warning denies the Members of the House an opportunity to choose between these two methods of middle income student assistance. I hope that the leadership will change their mind, withdraw this bill from the calendar, and wait for a rule that will give us an opportunity to choose between the two routes.

MIDDLE-INCOME STUDENT ASSISTANCE ACT

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I rise to second the remarks of the distinguished gentleman from Pennsylvania (Mr. COUGHLIN) and the distinguished gentleman from Illinois (Mr. ERLENBORN) in objecting to the procedure under which we are going to handle H.R. 11274 today.

This is a bill that is going to be handled under suspension, but it is hardly noncontroversial since it authorizes the expenditure of $1.5 billion of the taxpayers' money. It has also been objected to by the Committee on the Budget because it is contrary to the Budget Act.

More importantly, as was pointed out earlier, it will foreclose the ability of the House to consider at the same time the tuition tax credit.

If the House, indeed, plans to pass the Middle-Income Student Assistance Act, it ought to coordinate it with the tuition tax credit, because it is likely that that bill will be passed as well. It would be a bad mistake if both were passed separately and were not coordinated.

I urge all Members of the House to vote no.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I would like to associate myself with the remarks of the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman, and urge the Members to vote no on the second, or no on the final vote on suspension.

EDUCATION TAX CREDITS

(Mr. CORCORAN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORCORAN of Illinois. Mr. Speaker, President Carter and the majority leadership are trying to pull a fast one on Congress and the American people.

This all started when some of us began to make progress in our attempt to enact education tax credits. The administration and the leadership quickly came up with a plan to circumvent this. They have rammed this plan through the Education and Labor Committee and it went to the Rules Committee. I joined other Members in an effort to persuade the Rules Committee to allow an amendment to the Carter plan which would provide tax credits.

Today, even before the House Rules Committee has had a chance to hear all the arguments and reach a decision, the administration with the cooperation of the majority leadership, has proposed to bring the Carter plan to the floor under a suspension—meaning that the Members of the House will be asked to vote on a $1½ billion program, which has many serious flaws—after only 20 minutes of debate and with no amendments. I repeat with no amendments allowed. This is a calculated affront to the over 200 Members who support tax credits.

This whole effort by the administration is a denial of the open, honest approach to government that the President and his supporters promised us. It is a return to the old style "change the rules to fit the score" politics we have been trying to get rid of.

For that reason, I urge my colleagues to defeat this unjustified move for suspension of the rules to consider H.R. 11274.

NEED FOR IMMEDIATE FARM LEGISLATION

(Mr. LEACH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH. Mr. Speaker, American farmers are confronted with difficult spring planting choices. Unless we clarify the farm program many will be forced to make important economic decisions without knowledge of governmental intentions.

An emergency farm bill is imperative, particularly for corngrowers since neither the Congress nor the USDA have provided meaningful incentives for farmers to participate in a set-aside program. Unless adequate incentives are immediately enacted, corngrowers will be forced to plant an extraordinary acreage with no income protection.

Immediate clarification of the farm program is also vital for southerners who have already begun to plant this season's crops. As has been evidenced by the hundreds of farmers who have visited our offices in recent weeks, farmers are in an explosive mood. While there is little likelihood of agricultural violence in my home State, it is clear that in several

Southern and Southeastern States the possibility is real.

Under these circumstances it would be unconscionable for Congress to adjourn as planned this Wednesday unless an emergency farm bill is passed. We need to get a farm bill ready for Presidential signature before the end of the month. April consideration is simply too late to provide farmers opportunity to apply rational judgment on planting decisions. It may also be too late to deter violence born out of governmental neglect.

THE SENSELESS SLAUGHTER IN JAPAN

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, today I am introducing a resolution expressing the strong disapproval of this body to the recent senseless killings of over 1,000 innocent dolphins on the beaches of the Japanese island of Iki. I spoke out against this brutal activity a few days ago, in the hope that the increased public awareness of this bloody activity would result in the Japanese Government's announcement to employ more humane approaches in the future. Unfortunately, the Japanese have yet to respond, constructively, to the mounting world outcry.

Mr. Speaker, this resolution places this body on record in opposition to the senseless slaughter of these intelligent sea mammals. It is ironic, that at a time when mankind is beginning to understand these extraordinary mammals, and at a time when we read of the dolphin's heroic activities in saving humans who find themselves drowning, that the Japanese fishermen turn around and savagely slaughter them, in order to enhance their domestic fishing industry. It is also ironic, that another Japanese fishing industry, located just 300 miles from this bloody site, had at the same time of this slaughter, employed a more humane means of protecting their domestic fishing industry. They have captured some of these mammals they call a nuisance, and sold them to foreign interests who will provide for these mammals, and use them for the betterment of mankind. The Japanese Government is at fault for this savage incident on Iki, since they both provided the permit for this "kill" and also subsidized the fishermen engaged in this brutal activity.

Through this resolution, we again call upon the Japanese Government to offer the world its reassurances that such inhumane activities will not be permitted, nor subsidized in the future.

As one Member of this body, I can assure the Japanese officials that I will not let this issue subside until the positive response is received.

Thank you, Mr. Speaker.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 11518, DEBT LIMITATION EXTENSION

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 95-987) on the resolution (H. Res. 1092) providing for consideration of the bill (H.R. 11518) to extend the existing temporary debt limit, which was referred to the House Calendar and ordered to be printed.

RESOLUTION OF THE JOINT COMMITTEE ON PRINTING

(Mr. THOMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. THOMPSON. Mr. Speaker, the Joint Committee on Printing, at its meeting on Thursday, March 16, 1978, adopted unanimously a resolution regarding the implication and effect of marking certain material in the CONGRESSIONAL RECORD with a "bullet."

The resolution makes it clear that the purpose of the "bullet" mark is simply to distinguish the manner of delivery of statements or insertions, and that the intent of the Joint Committee on Printing in prescribing the use of the "bullet" marking is in no way to limit the protection afforded Members of Congress under the speech or debate clause of the Constitution.

As vice chairman of the Joint Committee on Printing, and on behalf of the committee, I include the text of the resolution adopted by the Joint Committee at this point in the RECORD, as follows:

RESOLUTION OF THE JOINT COMMITTEE ON PRINTING

Whereas, effective March 1, 1978. the Joint Committee on Printing amended the Rules for Publication of the CONGRESSIONAL RECORD to identify statements or insertions in the RECORD where no part of them was spoken;

Whereas, unspoken material in the CONGRESSIONAL RECORD will be preceded and followed with a "bullet" symbol, i.e., ●;

Whereas, the Joint Committee. after consulting with the leadership of both Houses, instituted these changes only to make the CONGRESSIONAL RECORD a more precise history of the actual proceedings taking place on the House and Senate floors;

Whereas, the Joint Committee determined that these changes are the most effective means to inform other Members of Congress of their colleagues' views and proposals;

Whereas, the Joint Committee made such changes knowing that delivered and inserted statements are part of the official record as Congressional Speech and Debate and are fully protected under Article I, Section 6 of the Constitution of the United States: Now, therefore, be it

Resolved, That paragraph 3 of the Rules for Publication of the CONGRESSIONAL RECORD is amended to read as follows:

"3. Only as an aid in distinguishing the manner of delivery in order to contribute to the historical accuracy of the RECORD statements or insertions in the RECORD where no part of them was spoken will be preceded and followed with a 'bullet' symbol, i.e., ●.".

SEC. 2. The Joint Committee directs its Chairman and Vice-Chairman to insert copies of this resolution into the permanent record of the House and Senate.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

RAIL PASSENGER SERVICE RESOLUTION

Mr. ROONEY. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 494) expressing the sense of Congress regarding the operation of certain rail passenger service by the National Railroad Passenger Corporation.

The Clerk read as follows:

H. CON. RES. 494

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, for the purpose of maintaining the present service over the basic system routes, National Railroad Passenger Corporation may, notwithstanding the pendency of the route reexamination study presently being conducted by the Secretary of Transportation and without regard to the Criteria and Procedures adopted pursuant to section 404(c) of the Rail Passenger Service Act, undertake the provision of any basic system intercity rail passenger service pursuant to section 404(a) by contracting with a railroad filing for the discontinuance of such service.

The SPEAKER. Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. ROONEY) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. SKUBITZ) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution is relatively simple and straightforward.

The resolution was brought about because the Southern Railway desires to discontinue the passenger train, the "Southern Crescent." Southern has asked the Interstate Commerce Commission for permission to discontinue this train. However, in order that continued service can be preserved, it has been proposed that this train be operated by Amtrak.

It is believed that after a number of conditions are satisfied, an agreement can be reached between Amtrak and Southern Railway for the operation of this train. One of the conditions, however, set forth by Amtrak is that as a condition precedent to an agreement would have to be congressional concurrence for it to operate the train. Thus, this resolution is merely satisfying a request of the Amtrak Board.

So that there is no misunderstanding, let me make it clear that we are not requiring Amtrak to take over the service, nor are we prohibiting Amtrak from taking over the service. Similarly, we are not expressing an opinion as to whether

Southern Railway should operate the service. Rather, we are merely stating that we have no objection if Amtrak and Southern Railway can come to an amiable agreement for the operation of this service.

Also, it should be understood that Congress is in no way attempting to influence ICC's decision as to whether it should accept or reject Southern Railway's petition to discontinue the service.

Simply put, the Amtrak Board asked if Congress would object to its assuming this service. The answer is emphatically no. Nothing more should be read into this resolution.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in May of 1971, when Amtrak took over most of the intercity rail passenger service in the country, it did not take over passenger trains run by the Southern Railroad. The Southern had decided not to join Amtrak because historically their passenger service had been important to the people of their region and important to them as a symbol of their company.

As a result of not joining Amtrak, the law required Southern to operate its passenger service until January 1, 1975. In fact, Southern has continued the Southern Crescent, its main passenger train, until this very moment. Several weeks ago, they filed a discontinuance petition with the Interstate Commerce Commission. At the same time, Southern began negotiations with Amtrak so that service could be continued as a part of Amtrak.

I think it is perfectly understandable that Southern Railroad went as far as it could in supporting economically unsound intercity rail passenger service. In the beginning, their losses were a little over a million dollars. Today, the loss on the Southern Crescent is $6.7 million. That is an avoidable loss of $6.7 million. What does that mean? It means that if the train is taken off, the Southern Railroad saves $6.7 million. It is not a figure that includes any of the overhead or the maintenance of way costs in how much the train is losing.

Of course, inflation and increased fuel costs account for some of the increased losses. For example, since 1971, fuel costs have gone up 230 percent. Other costs including material and supplies have gone up 89 percent and labor costs have increased by 99 percent. This resolution does not force Amtrak to take over the train. It simply says that if they want to, they can as far as Congress is concerned. To be quite candid, I am sure that Amtrak will lose more money than Southern has if it should decide to take it over. The big problem with Amtrak is that its officials will not or seem incapable of going after business in an aggressive manner. Revenue from the Post Office, for example, is practically nonexistent, and yet the Post Office has provided most of the revenue to the railroads prior to assumption of service by Amtrak.

The railroad brotherhoods are not without fault. As a matter of fact, the discontinuance of this train by Southern Railroad will mean practically no labor cost savings because of the job protection arrangements available for those employees.

When Amtrak takes over the train, it will still require a number of crews and a great deal of featherbedding in order to get the train from Washington to Atlanta to New Orleans. Obsolete work rules exist throughout the Amtrak system and unless the brotherhoods quickly begin to do their part in cutting costs for Amtrak, I am afraid we will see the end of intercity rail passenger service in this country. As you know, I have been a strong supporter of Amtrak and continue to offer my support during the rest of my congressional career. I cannot see how my colleagues will continue their support unless the brotherhoods in good faith attempt to give Amtrak more for its money than existing work rules.

I have no objection to taking up House Concurrent Resolution 494 under suspension. I believe its adoption will expedite the matters now involving the Southern Crescent intercity rail passenger service.

Mr. Speaker, I yield 1 minute to my colleague, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Speaker, as a cosponsor I rise in support of this House concurrent resolution. It is simply a sense of Congress resolution that will permit a contracting operation between Amtrak during the pendency of an application for discontinuance by Southern.

Mr. Speaker, I favor the resolution and I urge its adoption.

Mr. ROONEY. Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia (Mr. STAGGERS), the distinguished chairman of the committee.

Mr. STAGGERS. I thank the gentleman for yielding, and I want to congratulate him and the other members of the committee, both the minority members and the majority members, for bringing this bill out.

Mr. Speaker, House concurrent resolution 494 was unanimously reported out of the Committee on Interstate and Foreign Commerce. It expresses the sense of the Congress that Amtrak may contract to provide intercity rail passenger service with a railroad filing with the Interstate Commerce Commission for discontinuance of such service. The resolution does not mandate Amtrak to undertake to provide the service but leaves the decision whether to do so to Amtrak.

Southern Railway system presently operates a passenger train known as the "Southern Crescent" daily between Washington and Atlanta and triweekly between Atlanta and New Orleans. This Washington to New Orleans route is an important segment of Amtrak's New York to Los Angeles route which, I have been informed, has the third highest ridership in the Amtrak system.

Southern Railway, which elected not to turn this service over to Amtrak in 1971 and again in 1975 when it had another opportunity to do so, has incurred losses of approximately $30 million in operating the Southern Crescent since 1971, when Amtrak was formed. Had Southern contracted with Amtrak for discontinuance of the service at that time, the price of discontinuance for this train under the Statutory formula would have been about $6.2 million. Because of mounting losses on this service, Southern has filed for discontinuance with the Interstate Commerce Commission. It has also engaged in active negotiations over the last several months with Amtrak to arrive at a mutually acceptable contract whereby Amtrak would undertake to provide the service.

However, in the conference report accompanying the supplemental appropriations bill last fall, the conferees instructed the Secretary of Transportation, in cooperation with Amtrak, to conduct a comprehensive re-examination of Amtrak's route structure and to submit recommendations to the Congress for an optimal national railroad passenger system. The Secretary intends to submit recommendations by May 1 of this year. Under proposed legislation, these recommendations will then be the subject of public hearings, and the Secretary's final recommendations will be submitted to the Congress for its approval later this year. In any event, the Congress will thoroughly review the Secretary's recommendations and determine what type of passenger system the Nation should have. Amtrak has interpreted congressional action on last year's supplemental appropriation bill to mean that the route system it presently operates is frozen—that it can neither add nor drop routes from the system.

However, it seems rather foolish to have this route be arbitrarily dropped from the national rail passenger system prior to congressional action on the Secretary's recommendations. Of course, the decision whether to provide service over the route now being served by Southern must be Amtrak's and Amtrak should not be directed to operate over this route. House Concurrent Resolution 494 merely expresses the sense of the Congress that Amtrak in its discretion may contract with Southern to provide the service for which Southern has filed for discontinuance. It is my understanding that Southern has proposed a contract whereby it would pay Amtrak $6.7 million, $2.7 in cash and 4 million cash or equipment, at Amtrak's option, to assume the service. The total amount should certainly be sufficient to cover Amtrak's cost of operating the service until the Congress has had an opportunity to review the Secretary's recommendations.

For these reasons, I urge passage of House Concurrent Resolution 494.

Mr. ROONEY. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. ROONEY) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 494).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 494 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AMENDING THE SMALL BUSINESS ACT AND THE SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. ADDABBO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11318) to amend the Small Business Act and the Small Business Investment Act of 1958.

The Clerk read as follows:

H.R. 11318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE SMALL BUSINESS INVESTMENT ACT OF 1958

SEC. 101. Section 303(c)(1) of the Small Busness Investment Act of 1958 is amended to read as follows:

"(1) shares of nonvoting stock (or other corporate securities having similar characteristics), provided—

"(i) dividends are preferred and cumulative to the extent of 3 per centum of par value per annum;

"(ii) on liquidation or redemption, the Administration is entitled to the preferred payment of the par value of such securities; and prior to any distribution (other than to the Administration) the Administration shall be paid any amounts as may be due pursuant to subparagraph (i) of this paragraph;

"(iii) the purchase price shall be at par value and, in any one sale, $50,000 or more; and

"(iv) the amount of such securities purchased and outstanding at any one time shall not exceed—

"(A) from a company having a combined private paid-in capital and paid-in surplus of less than $300,000 and licensed on or before October 13, 1971, 200 per centum of such capital and surplus invested after such date,

"(B) from any company having a combined private paid-in capital and paid-in surplus of $300,000 or more but less than $500,000, 200 per centum of such capital and surplus in excess of $300,000, or

"(C) from any company having a combined private paid-in capital and paid-in surplus of $500,000 or more, 200 per centum of such capital and surplus.

The amount of such securities purchased by the Administration in excess of 100 per centum of such capital and surplus from any company described in clause (A), (B), or (C) may not exceed an amount equal to the amount of its funds invested in or legally committed to be invested in equity securities. For the purposes of this subsection, the term 'equity securities' means stock of any class (including preferred stock) or limited partnership interests, or shares in a syndicate, business trust, joint stock company or association, mutual corporation, cooperative or other joint ventures for profit.".

SEC. 102. The last sentence of section 308 (b) of the Small Business Investment Act of 1958 is amended to read as follows: "Such companies are authorized to invest funds not reasonably needed for their operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States, or in certificates of deposit maturing within one year or less, issued by any institution the accounts of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or in savings accounts of such institutions.".

SEC. 103. The last sentence of section 317 of the Small Business Investment Act of 1958 is repealed.

SEC. 104. Section 301(d) of the Small Business Investment Act of 1958 is amended by inserting "or formed as a limited partnership," immediately after "statutes,".

TITLE II—AMENDMENTS TO THE SMALL BUSINESS ACT

Chapter 1

SEC. 201. (a) The Congress finds—

(1) that the opportunity for full participation in our free enterprise system by socially and economically disadvantaged persons is essential if we are to obtain social and economic equality for such persons and improve the functioning of our national economy;

(2) that many such persons are socially and economically disadvantaged because of their identification as members of certain groups that have suffered the effects of discriminatory practices or similar invidious circumstances over which they have no control;

(3) that such groups include, but are not limited to, Black Americans, Hispanic Americans, and other minorities;

(4) that it is in the national interest to expeditiously ameliorate the conditions of socially and economically disadvantaged groups;

(5) that such conditions can be improved by providing the maximum practicable opportunity for the development of small business concerns owned by members of socially and economically disadvantaged groups;

(6) that such development can be materially advanced through the procurement by the United States of articles, equipment, supplies, services, materials, and construction work from such concerns; and

(7) that such procurements also benefit the United States by encouraging the expansion of suppliers for such procurements, thereby encouraging competition among such suppliers and promoting economy in such procurements.

(b) It is, therefore, the purpose of the amendment made by this chapter to section (8)(a) of the Small Business Act to—

(1) foster business ownership by individuals who are both socially and economically disadvantaged;

(2) promote the competitive viability of such firms by providing such available contract, financial, technical, and management assistance as may be necessary; and

(3) clarify and expand the program for the procurement by the United States of articles, equipment, supplies, services, materials, and construction work from small business concerns owned by socially and economically disadvantaged individuals.

SEC. 202. Section 8(a) of the Small Business Act (15 U.S.C. 637(a)) is amended to read as follows:

"SEC. 8. (a)(1) It shall be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary or appropriate—

"(A) to enter into contracts with the United States Government and any department, agency, or officer thereof having procurement powers obligating the Administration to furnish articles, equipment, supplies, services, or materials to the Government or to perform construction work for the Government. In any case in which the Administration certifies to any officer of the Government having procurement powers that the Administration is competent and responsible to perform any specific Government procurement contract to be let by any such officer, such officer shall let such procurement contract to the Administration upon such terms and conditions as may be agreed upon between the Administration and the procurement officer. If the Administration determines that it and such officer have failed to agree on such terms and conditions, the officer shall promptly notify, in writing, the head of the department or agency having such procurement powers. The head of such department or agency shall have five days (exclusive of Saturdays, Sundays, and legal holidays) to establish the terms and conditions upon which such procurement contract may be let to the Administration, and shall communicate in writing to the Administration the terms and conditions so established. Within five days (exclusive of Saturdays, Sundays, and legal holidays) after the receipt of such written communication, the Administration shall decide whether to perform such procurement contract or withdraw its prior certification that the Administration is competent and responsible to perform such contract; and

"(B) to arrange for the performance of such contracts by negotiation or otherwise letting subcontracts to socially and economically disadvantaged small business concerns for construction work, services, or the manufacture, supply, assembly of such articles, equipment, supplies, materials, or parts thereof, or servicing or processing in connection therewith, or such management services as may be necessary to enable the Administration to perform such contracts.

"(2) Notwithstanding subsections (a) and (c) of the first section of the Act entitled 'An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work,' approved August 24, 1935 (49 Stat. 793), no small business concern shall be required to provide any amount of any bond as a condition of receiving any subcontract under this subsection if the Administration determines that such amount is inappropriate for such concern in performing such contract: *Provided,* That when exercising the authority granted by this paragraph the Administration shall—

"(A) take such measures as it deems appropriate for the protection of persons furnishing materials and labor to a small business receiving any benefit pursuant to this paragraph; and

"(B) assist, insofar as practicable, a small business receiving the benefits of this paragraph to develop, within a reasonable period of time, such financial and other capability as may be needed to obtain such bonds as the Administration may subsequently require for the successful completion of any program conducted under the authority of this subsection.

"(3) Any small business concern selected by the Administration to perform any Government procurement contract to be let pursuant to this subsection shall, when practicable, participate in any negotiation of the terms and conditions of such contract.

"(4) For purposes of this section, the term 'socially and economically disadvantaged small business concern' means any small business concern—

"(A) which is at least 51 per centum owned by a member or members of socially and economically disadvantaged groups or by a socially and economically disadvantaged individual or individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by a socially and economically disadvantaged

group member or members or by a socially and economically disadvantaged individual or individuals; and

"(B) whose management and daily business operations are controlled by such person or persons.

"(5) The Administration shall presume that socially and economically disadvantaged groups and group members include, but are not limited to, Black Americans and Hispanic Americans. The presumption established in the preceding sentence may be rebutted with respect to any individual if the Administration finds, on the basis of substantial evidence, that such individual has not experienced impediments to establishing, maintaining, or expanding a small business concern as a result of being a member of a group presumed by this paragraph to be socially and economically disadvantaged.

"(6) Notwithstanding the provisions of paragraph (5), an individual not a member of a group presumed to be socially and economically disadvantaged may establish such disadvantage upon demonstrating to the Administration's satisfaction, that such individual has experienced impediments to establishing, maintaining, or expanding a small business concern which are not generally common in kind or degree to all small business persons and which result from both social and economic causes over which such individual has no control.

"(7) No small business concern shall be deemed eligible for any assistance pursuant to this subsection unless the Administration determines that it is able to provide the small business with such contract, financial, technical, and management support as may be necessary to promote the competitive viability of the small business concern within a reasonable period of time.

"(8) Within ninety days after the effective date of this paragraph, the Administration shall publish in the Federal Register rules setting forth those conditions or circumstances pursuant to which a firm previously deemed eligible by the Administration may be denied assistance under the provisions of this subsection: *Provided*, That no such firm shall be denied total participation in any program conducted under the authority of this subsection without first being afforded a hearing on the record in accordance with chapter 5 of title 5, United States Code.".

Chapter 2

SEC. 211. Section 8(d) of the Small Business Act is amended to read as follows:

"(d)(1) It is the policy of the United States that small business concerns and, in particular, small business concerns owned and controlled by socially and economically disadvantaged individuals, shall have the maximum practicable opportunity to participate in the performance of contracts let by any officer or agency of the United States or financed in whole or in part by the United States.

"(2) The clause stated in paragraph (3) shall be included in all contracts let by any officer or agency of the United States except any contract which—

"(A) does not exceed $10,000;

"(B) including all subcontracts under such contract will be performed entirely outside of any State, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico; or

"(C) is for services which are personal in nature.

"(3) The clause required by paragraph (2) shall be as follows:

"'(A) It is the policy of the United States that small business concerns and, in particular, small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in the performance of contracts let by any officer or agency of the United States or financed in whole or in part by the United States.

"'(B) The contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this contract. The contractor further agrees to cooperate in any studies or surveys as may be conducted by the United States Small Business Administration or the awarding agency of the United States as may be necessary to determine the extent of the contractor's compliance with this clause.

"'(C) As used in this contract, the term "small business concern" shall mean a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern—

"'(i) which is at least 51 per centum owned by a member of members of socially and economically disadvantaged groups or by a socially and economically disadvantaged individual or individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by a socially and economically disadvantaged group member or members, or by a socially and economically disadvantaged individual or individuals; and

"'(ii) whose management and daily business operations are controlled by such person or persons.

The contractor shall presume that socially and economically disadvantaged group members include Black Americans, Hispanic Americans, and other minorities, or any other individual found to be disadvantaged by the Administration, pursuant to section 8(a) of the Small Business Act.

"'(D) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.'.

"(4)(A) It shall be a condition of the solicitation of any offer for a contract let by any officer or agency of the United States and which is required to include the clause stated in paragraph (3) which may exceed $500,000 in amount (except those contracts which may be let to the Administration pursuant to subsection (a) of the section) that the offering company submit a summary subcontracting plan simultaneously with its offer for such contract. Such summary subcontracting plan shall include—

"(i) the estimated dollar value of all subcontracts which may be let under such contract;

"(ii) the estimated dollar value of all subcontracts which may be let under such contract to small business concerns; and

"(iii) the estimated dollar value of all subcontracts which may be let under such contract to small business concerns owned and controlled by socially and economically disadvantaged individuals as defined in paragraph (3) of this subsection.

The summary subcontracting plan and the offering company's compliance with other such plans (including final plans required by subparagraph (B)) shall be considered by the procuring authority in determining the responsibility of such offering company for the award of the contract: *Provided*, That, notwithstanding any other provision of law, every procurement authority of the United States, in order to encourage subcontracting opportunities for small businesses and small businesses owned and controlled by the socially and economically disadvantaged as defined in paragraph (3) of this subsection, is hereby authorized to provide such incentives as such authority may deem appropriate in order to encourage such subcontracting opportunities as may be commensurate with the efficient and economical performance of the contract.

"(B) Before the award of any contract let by any officer or agency of the United States (i) which is required to include the clause stated in paragraph (3)(ii) which may exceed $1,000,000 if for the construction of any public facility or $500,000 if for any other purpose, and (iii) which offers subcontracting possibilities, the apparent successful offering company shall negotiate with the procurement authority a final subcontracting plan. Such plan shall include—

"(i) percentage goals for the utilization of small businesses and small businesses owned and controlled by the socially and economically disadvantaged as subcontractors;

"(ii) the name of an individual within the offering company who will administer the firm's subcontracting program and a description of such individual's duties;

"(iii) a description of how the firm will provide adequate and timely consideration of the potentialities of small businesses and small businesses owned and controlled by the socially and economically disadvantaged in all make or buy decisions to provide materials or services;

"(iv) a representation that the successful offering company will notify the procuring authority prior to entering into any subcontract in excess of $50,000 with any company other than a small business concern to the extent to which small businesses and small businesses owned and controlled by the socially and economically disadvantaged have been considered for such subcontract;

"(v) a description of what efforts the successful offering company will take to assure that small businesses and small businesses owned and controlled by the socially and economically disadvantaged will have an equitable opportunity to compete for subcontracts, particularly by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules, so as to facilitate the participation of small businesses and small businesses owned and controlled by the socially and economically disadvantaged;

"(vi) a recitation of the types of records the successful offering company will maintain to demonstrate procedures which have been adopted to comply with the requirements and goals set forth in this plan, including the establishment of source lists of small businesses and small businesses owned and controlled by the socially and economically disadvantaged; and efforts to identify and award subcontracts to such businesses;

"(vii) a representation that the successful offering company will include the clause required by paragraph (2) of this subsection in all its subcontracts which offer further subcontracting opportunities, and that the successful offering company will require its subcontractors (other than small business concerns) receiving subcontracts of $1,000,000 or more if for the construction of any public facility or $500,000 or more if for any other purpose, to adopt a plan similar to the one required by this subparagraph (B);

"(viii) a representation that the successful offering company will cooperate with the contracting agency and the Administration in any studies or surveys of its subcontracting program; and

"(ix) a representation that the successful offering company will submit such periodic reports as may be required by the procurement authority or the Administration to determine the extent of its compliance with the plan.

The provisions of this subparagraph (B) shall not apply to apparent successful offering companies which are also small business concerns.

"(5)(A) Any plan required by this subsection shall be included in and made a material part of the contract to which it ap-

plies: *Provided*, That in those cases where a successful offering company has submitted both a summary and a final plan only the final plan shall be so included in the contract.

"(B) No contract shall be awarded to any offering company unless the procurement authority determines that the plan, required by this subsection to be submitted by such company, provides the maximum practicable opportunity for small businesses and small businesses owned and controlled by the socially and economically disadvantaged to participate in the performance of the contract.

"(C) The Administration is authorized, in its discretion, to participate in the negotiations of any final subcontracting plan as may be formulated pursuant to the requirements of this subsection. If the Administration determines that any such plan negotiated by the offering company and the procurement authority fails to provide the maximum practicable opportunity for small businesses and small businesses owned and controlled by the socially and economically disadvantaged to participate in the performance of the contract, the Administration shall appeal for modification of the plan to the Secretary or the head of the appropriate Department or agency, who shall have the authority for rendering a final decision. No such contract shall be let until such final decision has been rendered.

"(6) The failure of any contractor or subcontractor to comply in good faith with—

"(A) the clause contained in paragraph (3) of this subsection, or

"(B) any plan required of such contractor pursuant to the authority of this subsection to be included in its contract or subcontract, shall be a material breach of such contract or subcontract.

"(7) The procurement authority shall encourage expeditious payment of any small business subcontractor performing any work on any contract governed by this subsection. If any small business is not paid expeditiously, the procuring authority may withhold payments to any contractor which does not so pay such small business concern: *Provided*, That, if the contractor is a small business concern the authority granted by this paragraph may be exercised only upon the expressed written concurrence of the Administrator.

"(8) Nothing contained in this subsection shall be construed to supersede the requirements of Defense Manpower Policy Number 4A (32A CFR chap. 1) or any successor policy.".

Chapter 3

SEC. 221. Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end thereof the following new subsection:

"(f)(1) Except as provided in paragraph (2), no agency or department of the United States shall provide financial assistance (including any grant, loan, insurance or guarantee) for any applicant (including any business concern, organization, person, State, State agency, political subdivision or agency of a political subdivision) if any funds obtained pursuant to such assistance are used for the procurement of articles, equipment, supplies, material, or construction work unless such applicant agrees, as a condition of receiving such assistance—

"(A) to utilize small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals as defined by subsection (d)(3) to the maximum extent practicable for such procurement; and

"(B) if any subcontracts are to be let, to incorporate in any contract for such procurement the subcontracting clause contained in subsection (d)(3) of this section.

"(2) Paragraph (1) shall not apply to—

"(A) any applicant for Federal financial assistance which is also a small business concern; or

"(B) any contract for such procurement paid for in part or in whole with such assistance which, including all subcontracts under such contract, is—

"(i) not in excess of $500,000 in amount;

"(ii) to be performed entirely outside the United States, the territories and possessions of the United States, and Puerto Rico; or

"(iii) for services which are personal in nature.

"(3) If an applicant—

"(A) agrees, as a condition of receiving an amount of financial assistance, to comply with paragraph (1)(A) and (1)(B), and

"(B) willfully fails to comply with such condition, such amount of financial assistance shall be terminated.

"(4) Each agency or department of the United States Government which provides financial assistance subject to compliance with any condition under paragraph (1) shall submit to the Administrator such periodic reports as the Administrator may deem necessary to determine the extent of such compliance.".

SEC. 222. Section 15 of the Small Business Act is amended by adding at the end thereof the following:

"(g) No award of any contract referred to in subsection (d) shall be construed as being made for the purpose of relieving economic dislocations.".

SEC. 223. Section 15(f) of the Small Business Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

SEC. 224. There is authorized to be appropriated for the period beginning September 30, 1978, such sums as the Small Business Administration may need to carry out the amendment made by this title to the Small Business Act: *Provided*, That no funds may be expended by the Small Business Administration for the implementation of this title unless specifically appropriated therefor.

The SPEAKER. Is a second demanded?

Mr. STANTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New York (Mr. ADDABBO) and the gentleman from Ohio (Mr. STANTON) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. SMITH), the chairman of the full committee.

Mr. SMITH of Iowa. Mr. Speaker, I rise in support of the bill, H.R. 11318.

I ask unanimous consent to revise and extend my remarks.

This bill is the result of some 11 days of hearings by Representative ADDABBO's Subcommittee on Minority Enterprise and General Oversight which considered some four major proposals to provide additional assistance to small business concerns and help assure that they receive a fair share of Federal program money.

Basically this bill would:

MESBIC'S

Allow corporate minority enterprise small business investment companies, or MESBIC's—private companies incorporated to provide venture capital to disadvantaged businesses—to obtain additional capital from SBA by selling an additional tier of preferred securities to the agency. This new tier of preferred stock would not be greater than the amount that the MESBIC has invested in equity financings to socially or economically disadvantaged businesses.

SBA 8(a) CONTRACTS

Substantially revise SBA's 8(a) contract program through which SBA contracts to supply Federal departments and agencies with goods and services and then subcontracts with disadvantaged small businesses to perform the contract. These 8(a) contracts would be let only to the economically and socially disadvantaged providing that disadvantaged individuals own at least 51 percent of the business and are responsible for day-to-day business operations. Disadvantaged individuals would be presumed to include, but are not limited to black Americans, Hispanic Americans, and other minorities, and such other individuals as demonstrate impediments in establishing, maintaining, or expanding small business, provided that the impediments are not generally common in kind or degree to all small business and result from social and economic causes over which the individual has no control.

SMALL BUSINESS PARTICIPATION IN FEDERAL CONTRACTS

Require that a Government contractor or subcontractor whose contract exceeds $1 million for the construction of a public facility or $500,000 for any other purpose include in the contract provisions which would promote the equitable consideration of small and disadvantaged businesses as subcontractors.

SMALL BUSINESS PARTICIPATION IN FEDERAL GRANTS

Provide as a condition of most forms of Federal financial assistance that the recipient agree to utilize small and disadvantaged businesses in any procurements over $500,000 paid for with such assistance.

MISCELLANEOUS PROVISIONS

The bill also authorizes small business investment companies to deposit temporarily unneeded funds in institutions insured by the FSLIC to the same extent as they may in institutions insured by the FDIC; allows MESBIC's to be formed as limited partnerships; authorizes SBA to waive bonding requirements on 8(a) contracts; and extends for 1 year the sunset provision for labor surplus program established last August by Public Law 95–99.

The subcommittee and others worked long and hard to draft this bill and I want to particularly compliment the subcommittee chairman, JOE ADDABBO, the ranking Republican on the subcommittee, JOE MCDADE, and other members such as Mrs. FENWICK and Mr. MITCHELL, for their efforts.

I believe that this bill will help achieve the objectives of providing greater assistance to small concerns, promoting competition, and insuring that the Federal Government is able to ob-

tain needed goods and services at fair and reasonable prices.

I urge immediate passage of this legislation.

Mr. ADDABBO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 11318, and urge the immediate passage of this proposed legislation. I will limit my remarks to the purpose and need for this bill and a description of what, in specific, the bill will do. I commend and thank the staff for their expertise and untiring efforts. I thank the members of my subcommittee for their diligence and time in the many days of hearings and especially by cooperation and contributions of the minority. I thank our colleague, Mr. Parren, for his outstanding help and leadership.

THE PURPOSE OF THE BILL

The bill, H.R. 11318, is divided into two titles. Title I of the bill amends the provisions of the Small Business Investment Act of 1958. Its purpose is to provide additional incentives for investment of private capital in section 301(d) SBIC's—those small business investment companies which provide financial assistance to socially or economically disadvantaged—so that they, in turn, may provide an increased source of equity capital for small businesses owned by the disadvantaged.

Title II of the bill amends the Small Business Act and is divided into three chapters. Chapter 1 amends the section 8(a) procurement program by increasing SBA's ability to develop small firms owned by the disadvantaged and by imposing various controls on program implementation. Chapter 2 improves the subcontracting program for both small and disadvantaged business concerns so as to enable such concerns to be considered fairly as subcontractors and suppliers to Federal prime contractors. Chapter 3 adds a new section to the Small Business Act and makes it a condition of most forms of Federal financial assistance that the recipient of such assistance utilize small businesses and small businesses owned by the disadvantaged, to the maximum extent practicable in most procurements paid for with such Federal aid.

This chapter also amends the labor surplus procurement program and provides authorization for SBA to effectuate the provisions of title II of the bill.

THE NEED FOR LEGISLATION

MESBIC's: The committee has found that section 301(d), small business investment companies, oftentimes referred to as minority enterprise small business investment companies or MESBIC's, are severely undercapitalized and, as such, are not fulfilling the intended statutory purpose of providing a source of equity capital for disadvantaged business. Very few pure equity investments are made, and those made are of relatively small amounts not adequate in size to effect meaningful business growth. The size of the program should be increased, as well as the size of the individual MESBIC, in order for economies of scale to be achieved.

SBA's 8(a) program: Section 8(a) of the Small Business Act authorizes the SBA to enter into contracts with Federal procuring agencies or departments for the purchase of articles, equipment, supplies, or materials for the Government. For the performance of such contracts, SBA is empowered to let subcontracts to business concerns by negotiation or otherwise.

Since 1968, this authority, by administrative regulation, has been used to channel Federal purchase requirements to the economically or socially disadvantaged. Between fiscal year 1968 and fiscal year 1977, $2.2 billion of contracts were awarded through this program to a total of 3,726 firms. At present, about 1,500 businesses participate in the program and in fiscal year 1977, these firms received contracts totaling approximately $533 million.

Congress has never extended legislative control over the activities of the 8(a) program save through indirect appropriations, thereby permitting program operations. Reports prepared by the General Accounting Office and numerous investigations by both the executive and legislative branches, have found that the program is not as successful as it could be. This program is the most significant effort of the Government resulting in awards of Federal contracts to minority individuals. Yet, the problems of program administration have resulted in part from the lack of legislative direction, and this must be corrected.

Small business participation in Federal contracts: Small Businesses, and in particular small businesses owned by the disadvantaged, have not been considered fairly as subcontractors and suppliers to prime contractors performing work for the Government. This situation can be greatly changed by creating a subcontracting program which, if properly enforced, will result in increased subcontract awards to small and disadvantaged concerns. In order to accomplish this, the Federal buying agencies should know, in advance of the award of most contracts, what the prime contractor intends to subcontract to small firms. The estimates of the prime should be taken into account when determining its responsibility as a Federal contractor. Moreover, prior to the award of large contracts to big business, a detailed final subcontracting plan should be negotiated and included in the contract as a material term. By taking such measures, it is believed that the legitimate interests of small and disadvantaged concerns wil be recognized, thereby resulting in increased competition and its concomitant economic benefits.

Grants and other Federal assistance: The Federal Government provides billions of dollars in grants to businesses and other institutions. There is, however, no requirement under existing law that the recipient utilize small concerns or disadvantaged small concerns if it subcontracts part of the work. Thus, very little Federal grant money finds its way to such concerns. In order to provide a share of Federal grants to small concerns and disadvantaged small concerns similar to that supplied under Federal contracts, it should be made a requirement of most forms of Federal financial assistance that the recipient (if it is other than a small business) promise to utilize small and disadvantaged concerns in most types of procurements paid for with such assistance. In order to monitor this "promise" SBA should be authorized to gather such reports or records from Federal agencies or departments as may be necessary.

Labor surplus area contracts: The House and Senate debate on the conference report accompanying H.R. 692 (now Public Law 95–89) contains explicit mention of the so-called Maybank amendment routinely contained in the various Defense Appropriations Acts since 1953. That language prohibits DOD from paying any price deferential to relieve "economic dislocations." As construed, this amendment has been used as justification for DOD's refusal to participate in the labor surplus program—which is intended to channel Federal purchase requirements to high-unemployment areas, provided the costs are reasonable.

On August 4, 1977, Public Law 95–89 was enacted into law and provided for a labor surplus program "notwithstanding any other provision of law." House and Senate debate on H.R. 692 contains statements by Members clearly indicating the intent to override the Maybank amendment and thereby make the program applicable to military purchases.

On September 2, 1977, Public Law 95–111, the Defense Appropriations Act, was enacted into law, once again containing the Maybank amendment.

On October 31, 1977, the Comptroller General ruled that the Maybank amendment contained in the fiscal year 1978 Defense Appropriations Act—Public Law 95–111—in effect superseded the clear language of Public Law 95–89, floor statements to the contrary, notwithstanding. In a clarifying letter dated November 3, 1977, the Comptroller General explained his October 31 decision by holding that the Maybank amendment in the fiscal year 1978 (Public Law 95–111) was, indeed, operative, but that the Maybank amendment in previous Appropriations Acts had been overuled by Public Law 95–89. The result of this situation is that the military is required to implement the labor surplus program for purchases financed only with nonfiscal year 1978 appropriated funds, and to use regular procurement methods for fiscal year 1978 financed purchases. DOD estimates that it has approximately $15.6 billion in unobligated nonfiscal year 1978 funds which are available for procurements. At present, DOD is devising two different sets of procurement regulations—one for fiscal year 1978 financed purchases and one for nonfiscal year financed purchases. Not only has this caused an administrative burden on DOD, but Congress, in effect, voted for a bill believing it would do something which the GAO has, by nonreviewable fiat, precluded.

This conflict should be resolved and the law clarified to insure that DOD utilizes the labor surplus program for future procurements regardless of the fiscal year in which the appropriation was made. Public Law 95–89 contains a sunset provision to permit proper evaluation

of the program by the Congress. The delay in implementing the law's provisions necessitates extension of the program for an additional year.

Title II authorizations: An authorization for salaries and expenses for the SBA is needed to properly effectuate these provisions of title II.

WHAT THE BILL WOULD DO

MESBIC preferred stock: Title I allows section 301(d) small business investment companies, or MESBIC's, formed as corporations, to sell twice as much preferred stock to SBA as is presently allowed. However, the amount of this second tier of preferred stock would not be greater than the amount the MESBIC has invested in equity financings of disadvantaged businesses. This title also allows a MESBIC which has received financing from SBA to make distributions to its shareholders provided it is current on all obligations owing to SBA.

Deposits in savings and loans: Present law allows SBICs to invest their idle funds in FDIC insured institutions in any amount, but restricts such investments in savings and loans to the amount of the FSLIC insurance—that is, $40,000. In addition, present regulations allow SBIC's to invest idle funds in certificates of deposit, maturing within 1 year or less. This title allows small business investment companies to invest their idle funds in insured savings and loan associations to the same extent they can invest such funds in FDIC insured banks.

MESBIC limited partnerships: Title I also allows MESBIC's to form as limited partnerships. However, read in conjunction with section 101 of the bill, it is clear that a MESBIC formed as a partnership cannot receive 3 percent equity financing from SBA, but such a company would be entitled to financing through Government purchase or guarantee of its debentures—a source of Federal funding available to all SBIC's.

8(a) program: The bill authorizes SBA to choose any procurement requirement from a Federal department or agency for use in the 8(a) program upon such terms and conditions as may be negotiated. If the negotiations are stalemated, appeal can be made to the head of the buying activity. The head of the buying activity sets terms and conditions and SBA can either accept or reject the contract based on such terms and conditions.

SBA in its discretion can waive part or all of the Miller Act or other bonding requirements. Basically the Miller Act of 1935 requires the contractor to post both a performance and payment bond on most Federal contracts in excess of $2,000 for the repair, alteration, or construction of public facilities. If SBA does so, it must: First, take appropriate measures to protect the suppliers to the 8(a) company, and second, help the 8(a) company to eventually become "bondable" in its own right.

In addition, 8(a) companies are to participate in the negotiations of 8(a) contracts.

The 8(a) contracts can be let only to the economically and socially disadvantaged, who own at least 51 percent of the business, and who are responsible for day-to-day business operations.

SBA is to presume that socially and economically disadvantaged groups and group members include, but are not limited to, black Americans and Hispanic Americans. However, SBA is authorized to rebut this presumption with respect to an individual applicant if it can prove that such person has not experienced any impediments in establishing, maintaining or expanding a small business as a result of being a member of a group presumed to be disadvantaged.

There is sufficient discretion under the provisions of the proposed paragraph (5) of section 8(a) and section 201 of the bill to allow SBA to designate any other additional minority group of persons it believes should be afforded the presumption of social and economic disadvantage. However, before SBA exercises its discretion pursuant to this paragraph, the agency should compile such evidence as may be necessary to support its conclusion and present it to the Committee on Small Business for its review prior to taking final action.

A person not belonging to a group presumed to be disadvantaged, can also establish social and economic disadvantage if the applicant can demonstrate impediments in establishing, maintaining or expanding a small business, not generally common in kind or degree to all small business and which result from social and economic causes over which the individual has no control.

In order to admit someone into the program, not only is a finding of social and economic disadvantage needed, but SBA must also determine that it has the requisite contract, financial, technical, and management support needed for successful program participation.

Ninety days after the bill is enacted, SBA must publish regulations specifying when an eligible 8(a) company may be denied any assistance under this subsection. However, before SBA can terminate, graduate, or fail to "recertify" a company previously found eligible, it must afford it a hearing on the record in accordance with the Administrative Procedure Act.

Small business participation in Federal contracts: Chapter 2 of title II contains a recitation of policy that "small business, and, in particular, small businesses owned and controlled by the economically and socially disadvantaged, be given the maximum practicable opportunity" to participate in the performance of contracts let by the United States or financed in whole or in part by the United States. This chapter in effect establishes a "best efforts" type of subcontracting clause be inserted in all Federal prime contracts exceeding $10,000 in amount.

Moreover, it provides that it is a condition of the solicitation of an offer for any Federal contract that may exceed $500,000 in amount that the offering company submit a summary subcontracting plan which contains:

First, an estimate of total subcontracts;

Second, an estimate of subcontracts to small business; and

Third, an estimate of subcontracts to disadvantaged businesses.

The summary plan and the offering company's compliance with previous plans are to be taken into account when determining the responsibility of the offering company.

The buying activity is authorized in its discretion to give incentives to prime contractors in order to encourage them to subcontract with small and disadvantaged business "commensurate with the efficient and economical performance of the contract."

Before a prime contract exceeding $1 million if for the construction of any public facility or exceeding $500,000 if for any other purpose, can be awarded to a big business, that business and the buying activity must negotiate a final subcontracting plan. This final plan requires the prime contractor to do at least nine different things to promote the equitable consideration of small and disadvantaged businesses as subcontractors, including the negotiation of percentage goals for both small and disadvantaged businesses as subcontractors. The summary plan in the case of a small business, and the final plan in the case of a large business, must be included in and made a material part of the contract. A breach of the plan or subcontracting clause, in bad faith, is considered a material breach of the contract.

SBA is authorized to participate in its discretion in the negotiation of all final plans. If it disapproves the plan, it may appeal to the head of the buying activity for modification and the contract is suspended, pending a final decision by the head of the activity.

Grants and other Federal assistance: Chapter 3 of title II provides that it is a condition of most forms of Federal financial assistance that the recipient—if other than a small business—agree to utilize small and disadvantaged business in any procurements paid for with such assistance, and to insert the subcontracting clause found in chapter 2 in its prime contract if any subcontracts are to be let. This condition does not apply if the total purchase does not exceed $500,000 in amount. A willful failure by the recipient to abide by these conditions is grounds for terminating the assistance. In addition, SBA is authorized to collect such data from Federal agencies and departments as it deems necessary to monitor compliance.

Labor surplus area contracts: This chapter provides further that labor surplus contracts are not to be interpreted as being made for the purposes of relieving "economic dislocation." It also extends the sunset provision for the labor surplus program from September 30, 1979, to September 30, 1980.

Title II authorization: Finally, the last section of the bill contains authorizing language for salaries and expenses of SBA to carry out provisions of title II.

CONCLUSION

The bill is the result of extensive hearings conducted by the Subcommittee on Minority Enterprise and General Oversight of the House Committee on Small Business, over a 1-year period in the

95th Congress. It was considered and unanimously ordered favorably reported to the House by the members of the committee who were in attendance at the meeting.

The provisions of this encompassing bill are needed by the Nation's small businesses, and particularly those owned by socially and economically disadvantaged individuals, if a climate is to be provided in which they may prosper and obtain a fair share of Federal money spent for procurements and other purposes. This bill represents a reasonable, adequate, and inexpensive means of helping small businesses throughout the Nation. The development of viable small businesses as a source of goods and services to both private industry and to the Federal, State, and local governments will provide an increase in competition and result in lower prices to these purchasers.

Mr. STANTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in support of this bill, H.R. 11318. I am pleased to report that it has strong bipartisan support and was ordered reported favorably by a unanimous recorded vote by our Committee on Small Business.

This bill is the result of a year's work of hearings by the Subcommittee on General Oversight and Minority Enterprise. It was carefully considered and amended during three markup sessions by the full committee. It represents the end product of much hard work, careful deliberation, and precise draftmanship by members of the subcommittee and the full committee.

I would like to commend the chairman of the subcommittee (Mr. ADDABBO) and the subcommittee's ranking minority member (Mr. MCDADE) for their leadership and fine work in formulating this bill. I would also like to recognize the contributions of the gentlewoman from New Jersey (Mrs. FENWICK), a member of the committee, and the gentleman from Maryland (Mr. MITCHELL) a former member of the committee. Their valuable insight and input helped us avoid the controversy that could have arisen from a bill of this type.

I will not repeat the explanations of this bill that have already been presented here on the floor and in the committee report. I would, however, like to emphasize one particular concept which has been incorporated into this bill—the concept of insuring that Federal policy follows the Federal dollar.

Just as I have recently introduced legislation to require that our buy American requirements be extended to Federal grantees, I wholeheartedly support the provisions of this bill which require that Federal prime contractors abide by the long established Federal commitment to foster the growth of small businesses and disadvantaged businesses.

The concept of requiring recipients of Federal money to abide by Federal policy is nothing new in the procurement area. Federal prime contractors have long been obligated, by regulation, to use small and disadvantaged business subcontractors whenever possible.

Unfortunately, the regulations have too often been ignored or poorly enforced. I might be able to understand why a small firm does not have the ability to perform as a prime contractor on a defense contract, but I cannot accept the poor record of defense contractors in utilizing small firms in their subcontracts. In fiscal 1976, less than 38 percent of military subcontracts went to small business. Disadvantaged firms won less than 1 percent of those subcontracts. This record can and must be improved.

I would like to stress, Mr. Speaker, that our bill does not require subcontracting set-asides, nor does it establish quotas. We carefully avoided the situations which arose from the automatic set-aside provisions of the Public Works Employment Act. Under our bill, if a prime contractor does not have a small or disadvantaged firm available for subcontracting, the prime contract bidder needs only to identify this lack of availability to the contracting officer. A contractor will not be precluded from bid or award because the firm happens to be located in an area where no capable small or disadvantaged firms are available.

Finally, Mr. Speaker, I would like to express my firm support for section 201 of the bill, which extends legislative control over the Small Business Administration's 8(a) program. With congressional blessings, expressed through the appropriations process and oversight hearings, the SBA has used section 8(a) of the Small Business Act to funnel subcontracts to disadvantaged firms. The language of section 8(a), however, remains very vague. It sets no guidelines for the SBA to follow, nor does it establish a basis for effective congressional scrutiny. Just last week, the Administrator of the SBA, Vernon Weaver, informed me that he desperately needs statutory guidance in implementing the program. He sincerely desires to avoid the controversy and abuse that have marked the program in the past; and so do we.

We believe section 201 of our bill provides the guidance and legislative control needed—needed by the Congress, the Small Business Administration, and the constituencies of both.

Thank you.

I yield such time as he may consume to the distinguished ranking minority member of the subcommittee, Mr. MCDADE.

Mr. STANTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MCDADE).

Mr. MCDADE. Mr. Speaker, I also rise in support of H.R. 11318. I will not recite a full description of the bill which has already been provided by my colleagues, Mr. ADDABBO and Mr. CONTE. I would rather dwell for a moment on the process by which the bill was developed. This bill is the result of extensive hearings. The Minority Enterprise and General Oversight Committee heard testimony from 29 different witnesses during 11 days of hearings representing all interested agencies including the Administrator of the SBA, the Secretary of Commerce, and citizens associations. Many Members of the House, private citizens, association officers, and Federal executives have helped the subcommittee with the legislative language we present here today. The bill has seen substantial revision with expansion in some areas and severe trimming in others. The members of the subcommittee have expended great effort to reach a compromise.

The bill does strike a balance between the well-recognized needs of the business community and Government. The goals of increasing opportunities for small business and the requirement of Government purchasing flexibility have been equitably considered.

The bill will provide the Small Business Administration with new tools for practical aid for small businessmen throughout the Nation. The bill contains provisions which will not only increase participation of all segments of our society in business life but will help to provide new opportunities for their products and services. I feel that this bill will go a long way toward making business ownership—a big part of the American dream—a reality for more Americans and helping those already established businesses to grow and prosper.

Mr. Speaker, the entire business community will benefit from this legistion. I urge its unanimous passage.

Mr. ADDABBO. Mr. Speaker, I have no further requests for time, and I move the previous question on the bill. The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. ADDABBO) that the House suspend the rules and pass the bill, H.R. 11318.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALL OF THE HOUSE

Mr. ADDABBO. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 165]

Akaka	Clay	Drinan
Alexander	Cleveland	Evans, Ga.
Anderson, Ill.	Collins, Ill.	Fary
Andrews, N.C.	Conyers	Findley
Archer	Cornwell	Fisher
Armstrong	Daniel, Dan	Flood
Boland	Davis	Flowers
Burke, Calif.	Dellums	Foley
Chappell	Dent	Fowler
Clausen, Don H.	Dickinson	Fraser
	Diggs	Frey

Gonzalez	Pike	Teague
Gudger	Price	Thone
Harrington	Pursell	Thornton
Harsha	Quie	Tucker
Holland	Rhodes	Udall
Jenkins	Richmond	Ullman
Krueger	Risenhoover	Van Deerlin
Leggett	Roncalio	Walsh
McClory	Runnels	Waxman
McKinney	Ryan	Whitley
Madigan	Sarasin	Wilson, Tex.
Mathis	Scheuer	Winn
Metcalfe	Shipley	Wolff
Mikva	Shuster	Wright
Montgomery	Skelton	Young, Alaska
Moorhead, Pa.	Skubitz	Young, Tex.
Nichols	Steiger	Zeferetti
Patten	Stratton	

The SPEAKER pro tempore (Mr. KAZEN). On this rollcall 349 Members have recorded their presence by electronic device, a quorum.

By uanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE TODAY

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may be permitted to sit during the 5-minute rule today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman from New York tell us, will he just be having hearings?

Mr. MURPHY of New York. If the gentleman will yield, this is an oversight hearing, and we have had witnesses come in from across the country.

Mr. ROUSSELOT. The gentleman can assure us that no bill will be marked up?

Mr. MURPHY of New York. There will be no legislative action.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MIDDLE-INCOME STUDENT ASSISTANCE ACT SUPPORTED

● Mr. EVANS of Delaware. Mr. Speaker, the crushing burden of education costs on middle-income taxpayers is of great concern to me. With the increased tax burden which the Congress placed on our middle-income taxpayers in the form of higher social security and energy taxes, we have made it even harder for most Americans to send their children to college. I have long been a supporter of increased relief for educational costs. For this reason, I support the Middle-Income Student Assistance Act as part of the assistance which the Federal Government must provide to enable more Americans to obtain a college education at an affordable cost.

However, I am voting against the second on the motion to suspend the rules. Assistance for middle-income taxpayers to meet increasing educational expenses is one of the most important issues facing the Congress. To bring such an important measure up under a suspension of the rules is a simple attempt by the administration to "ramrod" this approach through the Congress without an adequate opportunity for full and open debate. American families need relief from mounting educational costs, but in not providing the opportunity for full discussion, we are further corrupting the deliberative legislative process.●

MIDDLE-INCOME STUDENT ASSISTANCE ACT

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11274) to amend title IV of the Higher Education Act of 1965 to increase the availability of assistance to middle-income students and to amend section 1208 of such act, as amended.

The Clerk read as follows:

H.R. 11274

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Middle Income Student Assistance Act".

SEC. 2. (a) (1) Section 411(a) (3) (B) of the Higher Education Act of 1965 (hereinafter in this Act referred to as the "Act") is amended by adding at the end thereof the following new division:

"(iv) (I) Except as provided in subdivision (II), in determining the expected family contribution under this subparagraph for any academic year after academic year 1978–1979, an assessment rate of not more than 10.5 per centum shall be applied to parental discretionary income.

"(II) For any academic year after academic year 1978–1979 for which funds available for payments under this subpart are not sufficient to satisfy fully all entitlements under this subpart determined in accordance with subdivision (I), an assessment rate of 12 per centum shall be applied to such income.".

(2) Section 411(b) (3) (B) (i) of the Act is amended by inserting "determined on the basis of the assessment rate specified in subsection (a) (3) (B) (iv) (II)" immediately after "under this subpart".

(b) Section 411(a) (3) (C) of the Act is amended by adding at the end thereof the following: "In addition, such regulations shall—

"(i) provide that the portion of assets which shall be exempt from assessment for contribution for an independent student who has one or more dependents shall be the same as the portion so exempt for the family of a dependent student;

"(ii) provide that the rate of assessment for contribution on that portion of assets of such an independent student which is not exempt from subdivision (i) shall be the same as the rate applied to the comparable portion of assets of the family of a dependent student; and

"(iii) in establishing a portion of effective family income which shall be exempt from assessment for contribution by reason of subsistence requirements of independent students who have no dependents, use the same method for computation of such portion for such students as is used for dependent students and for independent students who have dependents.".

(c) Section 411(b) (3) (B) (i) is amended—

(1) by redesignating subdivisions (II), (III), and (IV) as subdivisions (IV), (V), and (VI), respectively; and

(2) by striking out subdivision (I) and inserting in lieu thereof the following:

"(I) the full amount in the case of any entitlement which exceeds $1,600;

"(II) in the case of any entitlement which exceeds $1,200 but does not exceed $1,600, 90 per centum thereof;

"(III) in the case of any entitlement which exceeds $1,000 but does not exceed $1,200, 75 per centum thereof;".

(d) Section 411(b) (5) of the Act is amended—

(1) by striking out "$130,093,000" in subparagraph (A) and inserting in lieu thereof "$340,093,000"; and

(2) by striking out "$237,400,000" in subparagraph (B) and inserting in lieu thereof "$520,000,000".

(e) Section 411(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(6) No payment may be made on the basis of entitlements established under this subpart during the fiscal year ending September 30, 1980, if, for such fiscal year—

"(A) the appropriation for making grants under subpart 2 of this part does not at least equal $450,000,000;

"(B) the appropriation for work-study payments under section 441 of this title does not at least equal $600,000,000; and

"(C) the appropriation for capital contributions to student loan funds under part E of this title does not at least equal $286,000,000.".

SEC. 3. Paragraph (5) of section 415C(b) is amended to read as follows:

"(5) provides that—

"(A) in any fiscal year for which the total appropriation for this program does not exceed $75,000,000, the payment of the non-Federal portion of such grants from funds supplied by such State shall represent an additional expenditure for such year by such State for grants for students attending institutions of higher education over the amount expended by such State for such grants, if any, during the second fiscal year preceding the fiscal year in which such State initially received funds under this subpart;

"(B) in the first fiscal year in which the total appropriation for this program equals or exceeds $75,000,000, the amount of funds expended by each State for the non-Federal portion of awards from allotments based on the entire amount appropriated shall be governed by subparagraph (A), and in any subsequent fiscal year in which the amount appropriated equals or exceeds $75,000,000, the amount of funds expended by each State for the non-Federal portion of awards made from allotments based on funds appropriated in excess of $75,000,000 (exclusive of funds required for purposes of section 415E) shall represent an additional expenditure for that year by such State over the amounts, if any, expended by such State for student grants during the second fiscal year preceding the fiscal year in which such State initially received funds under this subparagraph (B); and

"(C) the amount of funds expended by the State for the non-Federal portion of grants made pursuant to section 415E shall also be governed by subparagraph (A); and".

SEC. 4. Section 417B(b) of the Higher Education Act of 1965 is amended by inserting immediately after paragraph (5) the following new sentence:

"No individual who is an eligible veteran, as that term is defined by section 1652(a) of title 38, United States Code, shall be deemed ineligible to participate in any program under this subsection by reason of such individual's age.".

SEC. 5. Paragraph (3) of section 420(a) of the Act is amended to read as follows:

"(3) With respect to any academic year beginning on or after July 1, 1978, and ending on or before September 30, 1980, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding paragraph (1)(A), to a payment under this section, if the Commissioner de-

termines that such institution is making a good faith effort to continue to enroll veterans in the educational programs of that institution.".

SEC. 6. (a) Section 422(c)(5) of the Act is amended by striking out "the effective date of this subsection" each place it appears in subparagraphs (A) and (B) and inserting in lieu thereof "the date of enactment of this subsection".

(b)(1) Section 427(a)(2)(C)(i) of the Act is amended by striking out "or" and by inserting immediately after "Commissioner," the following: "or pursuant to a rehabilitation training program for disabled individuals approved by the Commissioner,".

(2) Section 428(b)(1)(M)(i) of the Act is amended by striking out "or" and by inserting immediately after "Commissioner," the following: "or pursuant to a rehabilitation training program for disabled individuals approved by the Commissioner,".

(c)(1) Section 428(a)(2) of the Act is amended by redesignating subparagraph (C) as subparagraph (B), by striking out subparagraph (D), and by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(2)(A) Each student qualifying for a portion of an interest payment under paragraph (1) shall have provided to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which he is in attendance in good standing (as determined by the institution), which—

"(i) sets forth such student's estimated cost of attendance, and

"(ii) sets forth such student's estimated financial assistance.".

(2) Section 425(a)(1)(A) of the Act is amended by striking out "section 428(a)(2)(C)(i)" and inserting in lieu thereof "section 428(a)(2)(B)(i)".

(3) Section 428(a)(2)(B) (as redesignated by subparagraph (A) of this paragraph) of the Act is amended by striking out the semicolon at the end of clause (iii) and inserting in lieu thereof a period and by striking out clause (iv) of such section.

(4) Section 428(a) of the Act is amended by striking out paragraph (9).

(5) Section 428(b)(1)(A)(i) of the Act is amended by striking out "section 428(a)(2)(C)(i)" and inserting in lieu thereof "section 428(a)(2)(B)(i)".

(d) Section 438(b)(2) of the Act is amended—

(1) by striking out "3.5 per centum from such average" in subparagarph (A)(ii) and inserting in lieu thereof "3 per centum from such average for any loan which was in a period of repayment or subtracting 3.5 per centum from such average for any other loan";

(2) by striking out "(i)" in subparagraph (B);

(3) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) Except as provided in paragraph (4), if the special allowance computed according to subparagraph (A) would (i) cause the special allowance for any twelve-month period to exceed 5.5 per centum in the case of loans which were in a period of repayment or to exceed 5 per centum in the case of any other loans, the special allowance rate to be paid for such three-month period shall be reduced to the highest one-eighth of 1 per centum rate which would not cause such excess; or (ii) cause such allowance for any such three-month period to be less than 1.5 per centum in the case of loans which were in a period of repayment or less than 1 per centum in the case of other loans, the special allowance rate to be paid for such three-month period shall be increased to the lowest one-eighth of 1 per centum rate which would not cause such difference.

"(D) For purposes of this paragraph, the term 'period of repayment' means any period during which any installment of principal has become due in accordance with section 427(a)(2)(B) or 428(b)(1)(E) and such installment is not deferred pursuant to section 427(a)(2)(C) or 428(b)(1)(M).".

(e) Section 439(d)(2) of the Act is amended by striking out "80 per centum" and inserting in lieu "100 per centum".

SEC. 7. Section 491(b)(3) of the Act is amended by inserting immediately after the first sentence thereof the following new sentence: "Such term also includes a proprietary educational institution in any State which, in lieu of the requirement in clause (1) of section 1201(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution.".

SEC. 8. Section 497 of the Act is amended by adding after subsection (c) thereof the following new subsection:

"(d) Any determinations of need made for the purposes of part C or part E of this title shall include considerations of the factor described in section 413C(a)(2)(v). Nothing in this subsection shall be deemed to prohibit the taking into account for the purposes of such parts of other factors used for the determination of need under other parts of this title.".

SEC. 9. (a) Section 1208 of the Act is amended by striking out ", part C of title VII," each place it appears in subsections (a) and (b).

(b) Sections 1208(b) of the Act is amended by striking out "$215,000,000" and inserting in lieu thereof "$50,000,000".

SEC. 10. The amendments made by this Act shall take effect upon enactment, except that—

(1) the amendments made by subsections (a), (b), and (c) of section 2 shall be effective with respect to periods of enrollment beginning on or after August 1, 1979;

(2) the amendments made by subsections (d) and (e) of section 2 shall be effective October 1, 1978;

(3) the amendment made by section 3 shall be effective October 1, 1979;

(4) the amendments made by subsection (c) of section 6 shall become effective with respect to loans disbursed on or after October 1, 1978, to cover the costs of education for periods of enrollment beginning on or after August 1, 1978; and

(5) the amendments made by subsection (d) of section 6 shall become effective with respect to fiscal quarters beginning on or after October 1, 1978.

PARLIAMENTARY INQUIRY

Mr. COUGHLIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state the parliamentary inquiry.

Mr. COUGHLIN. Mr. Speaker, the consideration of this bill was not printed in the RECORD and not announced by the leadership last week. Could I ask what notification the Members have had?

The SPEAKER pro tempore. The gentleman is not asking a parliamentary inquiry. There is nothing in the rules that requires that the bill be listed on suspension.

Mr. COUGHLIN. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. COUGHLIN. Mr. Speaker, the so-called Gross rule, which is a tradition in which the House is required to have 24 hours advance notice, is that not being complied with in this case?

The SPEAKER pro tempore. There is no such rule.

Mr. COUGHLIN. Mr. Speaker, I cite the RECORD of March 5, 1974, in which that rule was cited.

The SPEAKER pro tempore. As far as the Chair is concerned, there is no such rule under the suspension of the rules. There was no such requirement then, when the Chair refused on that occasion to recognize a certain former minority Member to suspend the rules.

Is a second demanded?

Mr. ERLENBORN. Mr. Speaker, I demand a second and I demand the majority by tellers.

The SPEAKER pro tempore. The question is, Will a second be ordered?

Tellers were ordered, and the Speaker appointed as tellers, Mr. ERLENBORN and Mr. FORD of Michigan.

The House divided, and the tellers reported that there were—ayes 28, noes 63.

Mr. PERKINS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 156, nays 218, answered "present" 1, not voting 59, as follows:

[Roll No. 166]

YEAS—156

Allen	Gibbons	Natcher
Anderson, Calif.	Gonzalez	Neal
Andrews, N.C.	Gore	Nedzi
Aspin	Hamilton	Nolan
Baldus	Hannaford	Oberstar
Bedell	Harkin	Obey
Beilenson	Harris	Panetta
Biaggi	Hawkins	Patterson
Bingham	Heftel	Pattison
Blanchard	Hightower	Pepper
Blouin	Holtzman	Perkins
Bolling	Howard	Pickle
Bonior	Huckaby	Pike
Bonker	Jacobs	Poage
Bowen	Jenrette	Pressler
Brademas	Johnson, Calif.	Preyer
Breaux	Jones, N.C.	Rangel
Brodhead	Jones, Tenn.	Reuss
Brooks	Jordan	Roberts
Brown, Calif.	Kastenmeier	Rodino
Buchanan	Kazen	Roe
Burlison, Mo.	Keys	Rose
Burton, John	Kildee	Rosenthal
Burton, Phillip	Krebs	Rostenkowski
Carr	LaFalce	Roybal
Chisholm	Le Fante	Schroeder
Clay	Lederer	Seiberling
Conte	Lehman	Sharp
Conyers	Lloyd, Calif.	Simon
Corman	Long, La.	Sisk
Cotter	Long, Md.	Smith, Iowa
D'Amours	Lundine	Solarz
Danielson	McFall	Spellman
Davis	McHugh	Stark
Dicks	McKay	Steed
Dingell	Mahon	Steers
Dodd	Mann	Stokes
Duncan, Oreg.	Markey	Studds
Eckhardt	Mattox	Thompson
Edwards, Calif.	Meeds	Tsongas
Emery	Metcalfe	Udall
Evans, Colo.	Meyner	Ullman
Evans, Ind.	Mikulski	Vento
Fascell	Mikva	Waxman
Fithian	Miller, Calif.	Weaver
Flippo	Mineta	Weiss
Foley	Mitchell, Md.	Whalen
Ford, Mich.	Moffett	Whitten
Ford, Tenn.	Mollohan	Wilson, C. H.
Fuqua	Moorhead, Pa.	Wirth
Garcia	Moss	Yates
Giaimo	Mottl	
	Myers, Michael	

NAYS—218

Abdnor	Fenwick	Moore
Addabbo	Fish	Moorhead, Calif.
Ambro	Florio	Murphy, Ill.
Ammerman	Flynt	Murphy, N.Y.
Andrews, N. Dak.	Forsythe	Murphy, Pa.
Annunzio	Fountain	Murtha
Applegate	Frenzel	Myers, Gary
Archer	Gammage	Myers, John
Armstrong	Gaydos	Nix
Ashbrook	Gephardt	Nowak
Ashley	Gilman	O'Brien
AuCoin	Ginn	Oakar
Badham	Glickman	Ottinger
Bafalis	Goldwater	Pease
Barnard	Goodling	Pettis
Baucus	Gradison	Pritchard
Bauman	Grassley	Quayle
Beard, R.I.	Green	Quillen
Beard, Tenn.	Guyer	Rahall
Benjamin	Hagedorn	Railsback
Bennett	Hall	Regula
Bevill	Hammer-schmidt	Rinaldo
Boggs	Hanley	Robinson
Boland	Hansen	Rogers
Breckinridge	Harsha	Rooney
Brinkley	Heckler	Rousselot
Broomfield	Hefner	Rudd
Brown, Mich.	Hillis	Ruppe
Brown, Ohio	Hollenbeck	Russo
Broyhill	Holt	Santini
Burgener	Horton	Satterfield
Burke, Fla.	Hubbard	Sawyer
Burke, Mass.	Hughes	Schulze
Burleson, Tex.	Hyde	Sebelius
Butler	Ichord	Shuster
Byron	Ireland	Sikes
Caputo	Jeffords	Skelton
Carney	Johnson, Colo.	Skubitz
Carter	Jones, Okla.	Slack
Cavanaugh	Kasten	Smith, Nebr.
Cederberg	Kelly	Snyder
Clausen, Don H.	Kemp	Spence
Clawson, Del	Ketchum	St Germain
Cleveland	Kindness	Staggers
Cochran	Kostmayer	Stangeland
Cohen	Lagomarsino	Stanton
Coleman	Latta	Stockman
Collins, Tex.	Leach	Stump
Conable	Lent	Symms
Corcoran	Levitas	Taylor
Cornell	Livingston	Traxler
Coughlin	Lloyd, Tenn.	Treen
Crane	Lott	Trible
Cunningham	Lujan	Vander Jagt
Daniel, R. W.	Luken	Vanik
de la Garza	McCloskey	Volkmer
Delaney	McDade	Waggonner
Derrick	McDonald	Walgren
Derwinski	McEwen	Walker
Devine	Maguire	Wampler
Dornan	Marks	Watkins
Downey	Marlenee	White
Duncan, Tenn.	Marriott	Whitehurst
Early	Martin	Wiggins
Edgar	Mathis	Wilson, Bob
Edwards, Ala.	Mazzoli	Wolff
Edwards, Okla.	Michel	Wydler
Eilberg	Milford	Wylie
English	Miller, Ohio	Yatron
Erlenborn	Minish	Young, Fla.
Evans, Del.	Mitchell, N.Y.	Young, Mo.
Evans, Ga.	Moakley	Zablocki
	Montgomery	Zeferetti

ANSWERED "PRESENT"—1

Ertel

NOT VOTING—59

Akaka	Frey	Runnels
Alexander	Gudger	Ryan
Anderson, Ill.	Harrington	Sarasin
Burke, Calif.	Holland	Scheuer
Chappell	Jenkins	Shipley
Collins, Ill.	Krueger	Steiger
Cornwell	Leggett	Stratton
Daniel, Dan	McClory	Teague
Dellums	McCormack	Thone
Dent	McKinney	Thornton
Dickinson	Madigan	Tucker
Diggs	Nichols	Van Deerlin
Drinan	Patten	Walsh
Fary	Price	Whitley
Findley	Pursell	Wilson, Tex.
Fisher	Quie	Winn
Flood	Rhodes	Wright
Flowers	Richmond	Young, Alaska
Fowler	Risenhoover	Young, Tex.
Fraser	Roncalio	

The Clerk announced the following pairs:

On this vote:

Mr. Wright for, with Mr. Ertel against.
Mr. Akaka for, with Mr. Nichols against.
Mrs. Collins of Illinois for, with Mr. Chappell against.
Mr. Dellums for, with Mr. Dent against.
Mr. Shipley for, with Mr. Stratton against.
Mrs. Burke of California for, with Mr. Teague against.
Mr. Krueger for, with Mr. Dan Daniels against.
Mr. Flood for, with Mr. Young of Alaska against.
Mr. Patten for, with Mr. Madigan against.
Mr. Risenhoover for, with Mr. Dickinson against.
Mr. Leggett for, with Mr. Walsh against.
Mr. Van Deerlin for, with Mr. Sarasin against.
Mr. Diggs for, with Mr. McKinney against.
Mr. Jenkins for, with Mr. Pursell against.

Until further notice:

Mr. Fary with Mr. Anderson of Illinois.
Mr. Price with Mr. Frey.
Mr. Alexander with Mr. Scheuer.
Mr. Cornwell with Mr. Runnels.
Mr. Drinan with Mr. Findley.
Mr. Fisher with Mr. Flowers.
Mr. Fowler with Mr. McClory.
Mr. Harrington with Mr. Gudger.
Mr. Fraser with Mr. Quie.
Mr. Richmond with Mr. Holland.
Mr. Ryan with Mr. Thone.
Mr. Charles Wilson of Texas with Mr. Whitley.
Mr. Tucker with Mr. Steiger.
Mr. Thornton with Mr. Winn.
Mr. McCormack with Mr. Roncalio.

Mr. ERTEL. Mr. Speaker, I have a live pair with the gentleman from Texas (Mr. WRIGHT). If he had been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Ms. MIKULSKI and Mr. GONZALEZ changed their vote from "nay" to "yea."

Mr. ERTEL changed his vote from "nay" to "present."

Mr. BEARD of Rhode Island and Mr. RAHALL changed their vote from "yea" to "nay."

So the second was not ordered.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

(Mr. MAGUIRE asked and was given permission to revise and extend his remarks.)

Mr. MAGUIRE. Mr. Speaker, in this, and in the past Congress, I and a number of other Members have been interested in an approach to the student loan program which could provide flexibility in the repayment of student loans to minimize the loss to the Government from unrepaid claims on defaults, and to encourage broader use of the program.

Therefore, I shall urge on Wednesday that the House take the first step by tying repayment to the Government by a student who has defaulted to the student's ability to pay as evidenced in his taxable income. If this procedure works as well as I expect, it should be extended as an option to all student borrowers.

This approach will significantly lessen bankruptcy which is often used as a way of avoiding the ultimate obligation.

Mr. Speaker, I voted not to allow consideration of the Middle Income Assistance Act (H.R. 11274) under suspension of the rules for several reasons. First, the Education and Labor Committee failed to review alternative and more equitable payback procedures. While my amendment is a beginning, this whole area should be high on the committee's agenda next session.

Finally, the act does not offer the substantial financial reform of student assistance programs essential to assure all students the ability to choose the best higher education for which they qualify and to which they aspire.

PERSONAL EXPLANATION

(Mr. BINGHAM asked and was given permission to address the House for 1 minute.)

Mr. BINGHAM. Mr. Speaker, on March 16, rollcall No. 164, passage of the Humphrey-Hawkins bill, I was on the floor during the vote, intended to vote "aye," and to the best of my recollection did so. Apparently my vote was not recorded by the computer.

I understand that there is no way the record of the vote can be corrected. Accordingly, I ask unanimous consent that this statement be printed in the permanent edition of the CONGRESSIONAL RECORD.

The SPEAKER pro tempore (Mr. KAZEN). Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING FUNDS FOR THE STANDING AND SELECT COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution (H. Res. 1070) continuing funding authority for certain committees in the 95th Congress, 2d session, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1070

Resolved, That, notwithstanding the provisions of House Resolution 879, adopted on November 2, 1977, the period during which payments may be made from the contingent fund of the House of Representatives in accordance with such resolution, to any standing committee or select committee referred to in the first section or section 2 of such resolution, is hereby extended to the close of April 30, 1978.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1070 is a simple continuing resolution, and is identical to House Resolution 879, which was adopted on November 2, 1977. This resolution provides that committees of the House may continue with their business of this Congress until the adoption, by the House, of their respective funding resolutions. Further, this resolution specifies that House committees are entitled to continue their business in the second session at the expenditure rate of one-twelfth per month of the total amount authorized for their use during the first session of the 95th Congress. In addition, the resolution is effecting only through April 30, 1978, and any funds expended under this resolution will be deducted from the committee's 1978 funding. Mr. Speaker, this resolution is necessary so that the committees of the House may continue their business, and I urge its adoption.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to my distinguished friend, the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding to me.

Mr. Speaker, this bill was approved in our full committee by a unanimous vote and the chairman was directed to bring it to the floor.

I hope it will be promptly accepted.

Mr. ANNUNZIO. Mr. Speaker, I have no further request for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE EXPENSES OF THE INVESTIGATION AND STUDY AUTHORIZED BY A RESOLUTION ADOPTED ON FEBRUARY 3, 1977, BY THE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 996 to provide funds for the expenses of the investigation and study authorized by a resolution adopted on February 3, 1977, by the Committee on International Relations, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 996

Resolved, That effective from January 3, 1978, the expenses of the investigation and study to be conducted by the Committee on International Relations, acting through its Subcommittee on International Organizations, pursuant to the resolution adopted on February 3, 1977, by the Committee on International Relations, not to exceed $412,935, including expenditures for the employment of investigators, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee, signed by the chairman of said committee, and approved by the Committee on House Administration. However, not to exceed $9,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof, pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a (i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on International Relations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire at the close of October 31, 1978.

SEC. 4. Funds authorized by this resolution shall be expanded pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE OBJECTION

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Strike all after the resolving clause and insert in lieu thereof:

That effective from January 3, 1978, the expenses of the investigation and study to be conducted by the Committee on International Relations, acting through its Subcommittee on International Organizations, pursuant to the resolution adopted on February 3, 1977, by the Committee on International Relations, not to exceed $375,000 including expenditures for the employment of investigations, attorneys, individual consultants or organizations thereof, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee, signed by the chairman of said committee, and approved by the Committee on House Administration. However, not to exceed $9,000 of the amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof, pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House, and the chairman of the Committee on International Relations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire at the close of October 31, 1978.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore, The gentleman from Illinois (Mr. ANNUNZIO) is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, the request of the Subcommittee on International Organizations was for $412,935. The House Committee on Administration, after considerable deliberations, with the approval of the minority, approved $375,000.

I would like to inform the Members of the House that this committee expires on October 31, 1978.

I yield now to the gentleman from Illinois (Mr. DERWINSKI) if he wishes time.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, could my friend, the gentleman from Illinois, advise me whether or not any minority staff requirements are provided for in this resolution?

Mr. ANNUNZIO. Mr. Speaker, I would like to respond to my friend, the gentleman from Illinois (Mr. MICHEL) by stating that the ranking minority member of this committee, the gentleman from Illinois (Mr. DERWINSKI), appeared before the committee and stated that as far as minority staffing was concerned that he was satisfied. He is here with us this afternoon and I will yield to that gentleman for the purposes of debate only so that he can reply to the question put to him by me in the committee and now before the House.

Mr. MICHEL. I thank the gentleman.

Mr. DERWINSKI. Mr. Speaker, first may I say to the gentleman from Illinois (Mr. ANNUNZIO) that I am pleased that the reduction from the request was minimal in this case and I thank the gentleman and his colleagues on the committee for their interest in the continuation of this investigation. The minority is still negotiating with the chairman for one additional staff assistant and at a later date, possibly in a month or two, for clerical help. Except for those matters which are still being, as I say, negotiated for the purpose of resolving them, I hope we do not have any problems.

I would like to point out that notwithstanding the controversial nature of the investigation I believe there has been excellent cooperation and there has been effective staff work within the committee although, as I say, with the understanding that from time to time we have honest differences of opinion, and I commend the gentleman for the interest he has had in this committee. Before closing, however, I would like to reiterate my request for additional minority staff. I specifically addressed my concern before the Subcommittee on Accounts of the Committee on House Administration and Chairman FRASER indicated he would support additional minority staffing.

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman from Illinois (Mr. DERWINSKI).

Mr. THOMPSON. Mr. Speaker, will the gentleman yield for the purpose of debate only?

Mr. ANNUNZIO. I would be delighted to yield to the chairman of the full committee, the gentleman from New Jersey (Mr. THOMPSON) for the purpose of debate only.

Mr. THOMPSON. Mr. Speaker, this matter has been gone over very thoroughly and I appreciate the assistance given by the gentleman from Illinois (Mr. DERWINSKI). It is my view and also the view of the committee that it is well justified.

I thank the gentleman from Illinois (Mr. ANNUNZIO) for yielding to me so that I might express my support for it.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DERWINSKI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 13, not voting 54, as follows:

[Roll No. 167]

YEAS—367

Abdnor	Brademas	Cornell
Addabbo	Breaux	Cotter
Alexander	Breckinridge	Coughlin
Allen	Brinkley	Cunningham
Ambro	Brodhead	D'Amours
Ammerman	Brooks	Daniel, Dan
Anderson, Calif.	Broomfield	Daniel, R. W.
Andrews, N.C.	Brown, Calif.	Danielson
Andrews, N. Dak.	Brown, Mich.	de la Garza
Annunzio	Brown, Ohio	Delaney
Applegate	Broyhill	Derrick
Archer	Buchanan	Derwinski
Ashley	Burgener	Devine
Aspin	Burke, Mass.	Dicks
AuCoin	Burleson, Tex.	Dingell
Badham	Burlison, Mo.	Dodd
Bafalis	Burton, John	Dornan
Baldus	Burton, Phillip	Downey
Barnard	Butler	Drinan
Baucus	Byron	Duncan, Oreg.
Bauman	Caputo	Duncan, Tenn.
Beard, R.I.	Carney	Early
Beard, Tenn.	Carr	Eckhardt
Bedell	Carter	Edgar
Bellenson	Cavanaugh	Edwards, Ala.
Benjamin	Cederberg	Edwards, Calif.
Bennett	Chisholm	Edwards, Okla.
Bevill	Clausen, Don H.	Eilberg
Biaggi	Clawson, Del	Emery
Bingham	Clay	English
Blanchard	Cleveland	Erlenborn
Blouin	Cochran	Ertel
Boggs	Cohen	Evans, Colo.
Boland	Coleman	Evans, Del.
Bolling	Conable	Evans, Ga.
Bonior	Conte	Evans, Ind.
Bonker	Conyers	Fascell
Bowen	Corcoran	Fenwick
	Corman	Fish
		Fisher
Fithian	Lloyd, Tenn.	Railsback
Flippo	Long, La.	Rangel
Florio	Long, Md.	Regula
Flynt	Lott	Reuss
Foley	Lujan	Rinaldo
Ford, Tenn.	Luken	Roberts
Forsythe	Lundine	Robinson
Fountain	McCloskey	Rodino
Frenzel	McCormack	Roe
Fuqua	McDade	Rogers
Gammage	McEwen	Rooney
Garcia	McFall	Rose
Gaydos	McHugh	Rosenthal
Gephardt	McKay	Rostenkowski
Giaimo	McKinney	Rousselot
Gibbons	Maguire	Roybal
Gilman	Mahon	Ruppe
Ginn	Mann	Russo
Glickman	Markey	Santini
Goldwater	Marks	Satterfield
Gonzalez	Marlenee	Sawyer
Goodling	Marriott	Schroeder
Gore	Martin	Schulze
Gradison	Mathis	Sebelius
Grassley	Mattox	Sharp
Green	Mazzoli	Shuster
Guyer	Meeds	Sikes
Hagedorn	Metcalfe	Simon
Hall	Meyner	Sisk
Hamilton	Michel	Skelton
Hammer-schmidt	Mikulski	Skubitz
	Mikva	Slack
Hanley	Milford	Smith, Iowa
Hannaford	Miller, Calif.	Smith, Nebr.
Harkin	Miller, Ohio	Snyder
Harris	Mineta	Solarz
Harsha	Minish	Spellman
Hawkins	Mitchell, Md.	Spence
Heckler	Mitchell, N.Y.	St Germain
Hefner	Moakley	Staggers
Heftel	Moffett	Stangeland
Hightower	Mollohan	Stanton
Hillis	Montgomery	Stark
Holland	Moore	Steed
Hollenbeck	Moorhead, Calif.	Steers
Holt	Moorhead, Pa.	Stockman
Holtzman	Moss	Stokes
Howard	Mottl	Stratton
Hubbard	Murphy, Ill.	Studds
Hughes	Murphy, N.Y.	Stump
Hyde	Murphy, Pa.	Taylor
Ichord	Murtha	Thompson
Ireland	Myers, Gary	Traxler
Jacobs	Myers, John	Treen
Jeffords	Myers, Michael	Trible
Johnson, Calif.	Natcher	Tsongas
Johnson, Colo.	Neal	Udall
Jones, N.C.	Nedzi	Vander Jagt
Jones, Okla.	Nichols	Vanik
Jones, Tenn.	Nix	Vento
Jordan	Nolan	Volkmer
Kasten	Nowak	Waggonner
Kastenmeier	O'Brien	Walgren
Kazen	Oakar	Walker
Kelly	Oberstar	Walsh
Kemp	Obey	Wampler
Ketchum	Ottinger	Watkins
Keys	Panetta	Waxman
Kildee	Patterson	Weaver
Kindness	Pattison	Weiss
Kostmayer	Pease	Whalen
Krebs	Pepper	White
LaFalce	Perkins	Whitehurst
Lagomarsino	Pettis	Whitten
Latta	Pickle	Wirth
Le Fante	Pike	Wolff
Leach	Poage	Wydler
Lederer	Pressler	Wylie
Leggett	Preyer	Yates
Lehman	Price	Yatron
Lent	Pritchard	Young, Fla.
Levitas	Quayle	Young, Mo.
Livingston	Rahall	Zablocki
Lloyd, Calif.		Zeferetti

NAYS—13

Armstrong	Davis	Symms
Ashbrook	Hansen	Wilson, Bob
Burke, Fla.	McDonald	Wilson, C. H.
Collins, Tex.	Quillen	
Crane	Rudd	

NOT VOTING—54

Akaka	Findley	Jenkins
Anderson, Ill.	Flood	Jenrette
Burke, Calif.	Flowers	Krueger
Chappell	Ford, Mich.	McClory
Collins, Ill.	Fowler	Madigan
Cornwell	Fraser	Patten
Dellums	Frey	Pursell
Dent	Gudger	Quie
Dickinson	Harrington	Rhodes
Diggs	Horton	Richmond
Fary	Huckaby	Risenhoover
Roncalio	Steiger	Whitley
Runnels	Teague	Wiggins
Ryan	Thone	Wilson, Tex.
Sarasin	Thornton	Winn
Scheuer	Tucker	Wright
Seiberling	Ullman	Young, Alaska
Shipley	Van Deerlin	Young, Tex.

Mr. BOB WILSON changed his vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. McCORMACK. Mr. Speaker, I was inadvertently absent during the vote on ordering a second on H.R. 11274, the Middle Income Student Assistance Act, which immediately preceded the business just concluded. If I had been present, I would have voted "yea" on ordering a second or on any procedural motion to bring the bill before the House.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolutions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

POSTAL SERVICE ACT OF 1977

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1078 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1078

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7700) to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the United States Postal Service, to abolish the Board of Governors of the United States Postal Service, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. All points of order against the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill for failure to comply with the provisions of clause 7, rule XVI are hereby waived. It shall be in order to consider an amendment printed in the Congressional Record of March 14, 1978, by Representative Hanley of New York if offered as an amendment in the nature of a substitute for the bill, said substitute shall be read for amendment under the five-minute rule as an original bill, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby

waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendments in the nature of a substitute made in order by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1078 provides for the consideration of H.R. 7700, the Postal Service Act of 1977.

This is an open rule providing 2 hours of general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service.

The rule provides that the bill, as is customary, shall be read for amendment under the 5-minute rule. Printed in the bill is an amendment in the nature of a substitute. The rule, however, provides that an amendment printed in the CONGRESSIONAL RECORD (pp. 6899–6902) of March 14, 1978, by Mr. HANLEY of New York may be offered as an amendment in the nature of a substitute, and if such substitute is offered, it shall be considered as an original text for the purposes of amendment. This procedure is provided to expedite consideration of the bill by the House. Mr. HANLEY's substitute amendment represents the Post Office and Civil Service Committee's most recent attempt to achieve a compromise on the issue, and, thus, logically, should be the starting point for consideration of the measure.

The rule further allows any Member to demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or the amendments in the nature of a substitute. A motion to recommit with or without instructions is also provided.

The rule also grants waivers of points of order in three instances. The first is a waiver of section 402(a) of the Congressional Budget Act. This waiver is actually technical in nature. Section 402 (a) of the Budget Act prohibits the consideration of a bill authorizing new budget authority for a fiscal year unless the bill has been reported by May 15 prior to the start of the fiscal year. H.R. 7700 as introduced contained an authorization for fiscal year 1978 but was not reported until October 18, 1977. The authorization for fiscal year 1978 is something of a moot point at present since the committee substitute does not contain the fiscal year 1978 authorization. Nonetheless, the waiver is necessary since a point of order could still be raised against the bill.

The other two waivers provided by the rule pertain to germaneness. All points of order pursuant to clause 7, rule XVI (germaneness) are waived in regard to the committee amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service and now printed in the bill. The waiver is necessary because section 14 of the substitute amendment relating to congressional review of changes in postal services was not included in the bill as introduced, and since it involves the rulemaking authority of the House, would not be germane to the bill.

A waiver of germaneness is also granted to the amendment in the nature of a substitute which was printed in the CONGRESSIONAL RECORD of March 14, 1978, by Mr. HANLEY. This substitute amendment likewise contains the provision for congressional review of changes in postal services and, consequently, would not be germane to the bill.

Mr. Speaker, the purpose of H.R. 7700 is to make certain revisions to the Postal Reorganization Act of 1970. As my colleagues know, that act was designed to create a virtually self-sustaining postal system which would operate more efficiently and at less cost once it was isolated from political pressure. While the goals of efficiency and reduced costs have not been met, the postal service has become splendidly isolated from any type of political restraint.

One objective of H.R. 7700 is to insure greater accountability on the part of the Postal Service by increasing the authority of the President and the Congress over postal operations. Another objective of the bill is to provide a sound financial base for the future of the Postal Service.

The Hanley substitute for the bill includes provisions to reinstate presidential authority to appoint the Postmaster General with the advice and consent of the Senate. It also provides greater congressional control over the budget of the Postal Rate Commission, the closings and consolidations of post offices, changes in postal services, and the review of proposed capital investments. The substitute also authorizes $800 million in appropriations for each of the fiscal years 1979, 1980, and 1981.

In addition, the Postal Service is required to expend at least one percent of its total budget for research and development with particular emphasis on improving the technology for mail transfer.

In regard to this particular section, the Committee on Rules did hear testimony that the development by the Postal Service of a system for the electronic transmission of mail would also come within the jurisdiction of the Committee on Interstate and Foreign Commerce. The Rules Committee members were assured that satisfactory amendatory language would be offered to the bill to accommodate the jurisdictional concerns of both committees.

Mr. Speaker, H.R. 7700 is an important bill to all of us Our colleagues on the Committee on Post Office and Civil Service have worked diligently on this legislation and have persevered through several draftings of the bill. I urge my colleagues to adopt House Resolution 1078 so that we may proceed to the consideration of H.R. 7700.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 2-hour, open rule providing for the consideration of H.R. 7700, the Postal Service Act of 1977. Section 402(a) of the Congressional Budget Act, which imposes the May 15 deadline for reporting legislation authorizing new budget authority, is waived. I am advised, however, that the authorizing committee will offer a floor amendment to cure the Budget Act violation.

Clause 7, rule XVI, the germaneness rule, is waived, permitting consideration of the amendment in the nature of a substitute recommended by the Post Office and Civil Service Committee now printed in the bill. The rule resolution further makes in order an amendment printed in the CONGRESSIONAL RECORD of March 14, 1978, by Representative HANLEY of New York, if offered, as an amendment in the nature of a substitute for the bill. This substitute is to be open to all germane amendments as an original bill. All points of order against the substitute for not complying with clause 7, rule XVI, the germaneness rule, are waived.

There is a motion to recommit with or without instructions.

As reported, H.R. 7700 contains the following principal provisions:

First. Subjects postal rate changes to congressional veto by concurrent resolution and authorizes funds to compensate for disapproval of a postal rate increase.

Second. Limits the contingency reserve to 2 percent of the annual budget.

Third. Sets a maximum of 60 percent of total costs which may be attributed to a class of mail or type of postal service, except for parcel post. Nonprofit and preferred mailers are not required to pay more than the 60 percent attributable costs. Revenue loss is made up through appropriations.

Fourth. Authorizes annual public service appropriations for fiscal year 1979 and fiscal year 1980 for maintaining small post offices, R. & D. programs, and 6-day delivery.

Fifth. Lowers parcel post rate from 10 to 7 percent below the rate which would exist if no appropriation were made.

Sixth. Removes the Postal Rate Commission from Postal Service control and places the Commission under the appropriation process.

Seventh. Abolishes the Board of Governors of the Postal Service and transfers its powers to the Postmaster General and Postal Rate Commission. Gives the President power to appoint the Postmaster General with the consent of the Senate. Fixes the pay of Postmaster General at $66,000 and places a ceiling on other salaries of $47,500.

Eighth. Requires the Postal Service to hold a public hearing any time it proposes to close a post office.

Ninth. Provides for congressional review of nationwide changes in postal services.

Tenth. Requires that career employees who are residents of a post office delivery area be given preference in appointment to postmaster vacancies and that nonpostal employees who are residents of an area be given preference over nonresidents.

The total cost of the reported version of the bill is estimated to be approximately $2.57 billion in each of fiscal years 1979 and 1980. This cost estimate includes the $920 million and $832 million authorized under existing law for fiscal years 1979 and 1980, respectively. The net cost increases, then, for those fiscal years are about $1.65 billion and $1.74 billion.

The substitute to be offered by Representative HANLEY makes some significant changes in the bill as reported. Instead of the cost increases contemplated, the substitute proposes to authorize only $800 million for 3 fiscal years. The current $920 million authorization would be maintained through fiscal year 1984. The Postmaster General would be appointed by the President for a term concurrent with the President's. The Board of Governors would be retained in a primarily advisory capacity. The Postal Rate Commission, not Congress, would have final authority to approve postal rates. Finally, the amount the Postal Service is required to spend for R. & D. would be reduced from 2 to 1 percent by fiscal year 1982, or to a total of $180 million.

Mr. Speaker, when this bill came before the Rules Committee on Tuesday, March 14, each member of the committee found a copy of a letter addressed to the chairman from Stuart Eizenstat, Assistant to the President for Domestic Affairs and Policy. The committee soon realized that what had been perceived as a compromise with the White House, as embodied in the Hanley substitute, was not that at all. The letter is three pages long and indicates numerous sections in the legislation which the administration finds objectionable.

I bring this to the attention of the Members so that all of us will be aware of the confused state in which we are being asked to pass this bill. Although I intend to support the rule and am generally in favor of this legislation, I do not believe this House should be subjected to these chaotic conditions.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield.

Mr. CHARLES H. WILSON of California. The gentleman said that this bill was coming before the House in a peculiar way. What is peculiar about the manner in which the bill is coming before the body?

Mr. LOTT. Well, the peculiar part of it is that we have one bill reported from the Committee on Post Office and Civil Service. It came to the Rules Committee and stayed there for a while. Now, we have made in order a substitute offered by the gentleman from New York (Mr. HANLEY), which we will be considering if it is offered—and I am sure it will be—for the original H.R. 7700.

It is not clear to me exactly where the White House stands on this legislation. It is clear to me that there are going to be a number of amendments offered to this Postal Service legislation. So, I think that it is somewhat of a peculiar or confusing situation to bring it before us today. I want to emphasize to the gentleman that I am not speaking against this bill or the rule, but I am trying to point up the fact that there are some differences of significance in what we are going to be considering this afternoon.

Mr. CHARLES H. WILSON of California. There certainly have been some differences of significance. I intend to make reference to some of them when I get the opportunity. I would say that it is not uncommon, however, for a substitute bill to be offered after a bill has come from the Rules Committee. This is not an unusual procedure.

The fact that the bill was bottled up in the Rules Committee for some time was rather peculiar also, and we hope that we have made the necessary changes that will remedy the reasons for it having been bottled up. We think a lot of it was caused by misunderstanding, but as we proceed with the debate I think we will find that it is a different bill and will accomplish what the constituents of the Members of this body have been asking for for some time.

Mr. LOTT. I know the gentleman is interested in this legislation and I hope he will help us to clear up some of the questions that still exist.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, like the gentleman from Mississippi, I am not opposing the rule but I think we all ought to understand the complexities before us. First, I would like to remind the Members that in a widely publicized press conference on the 10th of February, in answer to a question about postal legislation, the President stated:

> My hope is that the Postal Reform Bill as presently drafted will not get out of the Rules Committee, and if it does, it won't pass.

Later on in that press conference the President also went on to say, and I quote again our beloved President:

> It is a very complicated bill and far-reaching in its impact. It would have a very adverse effect on the Federal budget. I think that in general—I do not want to say conclusively—but in general, the Congress and the President ought to stay out of the administration of the Post Office itself.

Then as I understand the situation, the Speaker was told to keep a hold on the bill. Due to circumstances I am not privy to, probably polite pressure from certain members of the majority, the Speaker released his hold. The word then went on that the administration, that is the White House, had reached an agreement with the committee majority.

Then the White House issued a letter of March 14, signed by Mr. Eizenstat, Assistant to the President for Domestic Affairs and Policy, which discussed modifications of the agreement that was reached. I quote from that letter:

> While we believe that each of the modifications has improved the legislation, we continue to have a number of serious reservations and objections to the bill. The President has indicated—

Listen carefully now—

> that he will not commit himself to signing postal legislation until he has had an opportunity to review it in its final form.

So I asked a knowledgeable Member: What does that language mean, "the President will not commit himself until he has an opportunity to review"?

It was indicated that this was White House language for threatening a veto. Then we were told that really was not so, that this letter was a mistake and we received a followup letter from Eizenstat, which was even more interesting, and I read from that letter of March 15:

> Although the Administration cannot support H.R. 7700 on the floor, we will not oppose it at that time nor do we intend to introduce or support amendments to it, other than those supported by Congressmen WILSON (CHARLES H. WILSON of California) and HANLEY.

But then the letter went on to say:

> We hope to be able to resolve any problems we now have with the proposed postal legislation during the balance of the legislative process.

So again having difficulty understanding the White House language, I asked someone what was meant. I was told that the phrase "during the balance of the legislative process" meant that the bill would be rewritten in the Senate.

So for practical purposes here is what we have: We have a bill with a number designated H.R. 7700, postal reform, in which the House has been told the White House does not like it, but pass it anyway because we have a deal in the Senate. There we will polish it up, rewrite it and revamp it, and so the House exercise is merely a technical step.

I ask Members about the precedent: If that is the case, why do we not take every bill, every budget measure, every appropriate measure, every education measure, just attach a number, pass it in any form we want, adding amendments helter-skelter, and the White House and the other body will work it out? Because that is what is really happening in this bill.

I feel like a prophet without honor, since a year ago I predicted that if this passed the Senate the sponsors would not recognize it.

By the time the distinguished Members of the other body and Mr. Eizenstat and his White House tacticians finish rewriting the bill it will be interesting to compare it to what was originally the House measure. But, not being privy to the strategy, not being privy to the relations, good or bad, between House Democrats and the administration, it strikes me as much ado about nothing. I really do not understand why we in the House are merely a technical vehicle when the real work, the real

thing, the final deals are all to be made in the Senate.

Mr. HANLEY. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. Of course I yield to the distinguished gentleman from New York (Mr. HANLEY).

Mr. HANLEY. I thank the gentleman for yielding.

Let me say to my very distinguished member of the committee I think the gentleman will agree that this is probably not the first time that an administration has had a difference of opinion with that of the legislative body.

We anticipate today that because this is such a highly responsible piece of legislation——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DERWINSKI. Will the gentleman yield me some additional time?

Mr. LOTT. I yield two additional minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. HANLEY. Mr. Speaker, if the gentleman will yield further, let me finish what I was saying: We anticipate today because, in that this is such a highly responsible piece of legislation.

Mr. DERWINSKI. Will the gentleman permit me to interrupt for just a minute. I understand what the gentleman is getting to, but that is not the point at all. The point is a little item of some $720 million.

Mr. HANLEY. But the gentleman sought clarification and that is the only purpose for the response. So what we intend to do here today is to overwhelmingly pass this legislation here in the House which, in essence, will transmit another message to the White House.

Mr. DERWINSKI. I understand.

Mr. HANLEY. Hopefully, along with the results of the three previous votes on the subject matter.

Mr. DERWINSKI. I understand the motive in sending a message to the White House, but what if the White House on this measure, knowing better, does not really respond to the message? Then where is the gentleman from New York? He is where I think he is, with the Senate rewriting his bill.

Mr. HANLEY. Our counterparts in the Senate have been totally responsive to what we have been doing here in the House and we anticipate expedient action over there. If we had the good fortune to have passed this in the House last year the Senate, in all probability, would have been in the process of disposing of it using similar language.

So we are very optimistic. We do not worry about what the administration might or might not do now or in the future because we will transmit a very strong message from the House and from the Senate which will conclude any further thinking on the part of the administration that this is less than good for the national interests.

Mr. DERWINSKI. That leads me to two conclusions: First, the next Postmaster General should come from Syracuse, N.Y., and second, that the President——

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. DERWINSKI. May I have 30 additional seconds?

Mr. LOTT. I yield 1 additional minute to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman again for yielding me the additional time.

Mr. Speaker, the point I want to make to my dear friend from New York is that when the White House gets this message, then they will send a message to the Speaker saying, "This time we mean business." And then I presume if the gentleman from New York (Mr. HANLEY) moves to override the veto in the House that this body will support our noble President and will sustain the veto.

If this bill had passed last year, the President would now be slightly grayer and more ulcer prone.

Mr. HANLEY. It was my intent that when the President gets around to appointing a Postmaster General that his selection would be the highly distinguished gentleman from Illinois (Mr. DERWINSKI).

Mr. LOTT. Mr. Speaker, will the gentleman yield for a couple of brief questions?

Mr. DERWINSKI. Anything the gentleman says.

Mr. LOTT. I am a little bit confused.

Mr. DERWINSKI. Join the crowd.

Mr. LOTT. Is the gentleman in the well (Mr. DERWINSKI) speaking on behalf of the administration on this legislation?

Mr. DERWINSKI. Yes.

The SPEAKER pro tempore. The time of the gentleman has again expired on that one.

Mr. LOTT. I will yield my own time.

Mr. DERWINSKI. I thank the gentleman for not cutting me off.

Mr. LOTT. I would just like to ask one additional question. Is there any significance to the yellow coat that the gentleman has on?

Mr. DERWINSKI. Yes, the yellow coat indicates springtime is here, postal reform is here, and support of our noble President is in order.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. For my colleagues' benefit, I would like to review the exact remarks of the President of the United States on February 10 in answer to a question. Mr. Grunfeld of New York asked the President:

> I would ask you to give the bill (the postal reform bill) every consideration and perhaps you would give us some comment on how you feel about the postal reform bill at this time.

The President, in his normal, very straightforward manner, said:

> My hope is that the postal reform bill as presently drafted will not get out of the Rules Committee, and if it does, it won't pass.

Then he gave a list of things that he thought were wrong, and one was that the bill is a budget buster.

I wonder if my distinguished colleague, the gentleman from New York, or the gentleman from California could tell us about the rule and why the President opposed the rule. Could either of the gentlemen tell us? I will yield to either one who wants to undertake to explain why the President opposed the rule for considering of this bill.

Mr. HANLEY. If the gentleman will yield, all I can say at this point in response to the President is that already we have proven the President wrong. At that time he said that it would not get out of the Committee on Rules.

Mr. ROUSSELOT. No. He said he would prefer that it not come out.

Mr. HANLEY. In essence he would prefer, so it is the same thing. The fact of the matter is that it sailed through the Committee on Rules, probably unanimously.

Mr. ROUSSELOT. No, I do not think it was unanimous.

Mr. HANLEY. Close to it, close to it. We will not clutter it up with detail. The fact of the matter is that it is on the floor.

Mr. ROUSSELOT. What did the President object to?

Mr. HANLEY. I cannot account for the misunderstanding on the part of the President. All we know is that we have a highly responsible piece of legislation that is embraced by virtually every knowledgeable entity in the United States of America.

Mr. ROUSSELOT. But the President does think it is responsible. Let me quote another statement.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. The gentleman from California wants to respond as to why the President is opposed to the rule. I yield to the gentleman.

Mr. CHARLES H. WILSON of California. I think the President was opposing the rule because he was writing a letter to the Committee on Rules through Mr. Eizenstat expressing reservations that he still had about the bill. He was not opposed to the bill, because representations were made to us that they would not oppose the bill.

The principal reason is that the President still does not understand this legislation. He has been so distant.

Mr. ROUSSELOT. As he was with the B–1 bomber.

Mr. CHARLES H. WILSON of California. He has not really had a chance to study this legislation.

Mr. ROUSSELOT. The two of you are trying to educate him?

Mr. CHARLES H. WILSON of California. We are, yes.

Mr. ROUSSELOT. The President also said, and I quote the President at this press conference:

> It is a very complicated bill and far reaching in its impact. It would have a very adverse effect on the Federal budget.

Then he went on to say that the bill would throw the budget out of kilter even more than it already is by almost $800 million.

I saw our budget chairman wandering around here a minute ago. I just wonder if somebody could talk about the adverse effect of this bill on the budget.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will always yield to my distinguished colleague from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Under the Rousselot-Burton immediately balanced budget provision, it would have had an adverse effect; but under the Ashbrook compromise that gave the President until 1983 to balance the budget, this really will not have any effect at all.

Mr. ROUSSELOT. I appreciate the gentleman's comments.

Mr. JOHN L. BURTON. It will have much more effect than the Saturday mail delivery that the gentleman voted for.

Mr. ROUSSELOT. Not me.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Arizona who helped create this wonderful Postal Act that we now operate under.

Mr. UDALL. I thank the gentleman for that kindness and for his support of the President. I hope he will continue his support of the President.

I cannot let this moment pass, there having been placed in nomination as the next Postmaster General of the United States the gentleman from Illinois (Mr. DERWINSKI). I think that is a serious mistake.

Mr. Speaker, I want to place in nomination the name of a great patriot, the gentleman from California, Mr. JOHN ROUSSELOT. I think the appointment of the gentleman from California as Postmaster General would simultaneously improve the quality of our Postal Service and also our deliberative process here in the House.

Mr. ROUSSELOT. What can I say on both counts? There is really not much response to that.

I see that the chairman of the Budget Committee has returned. The President mentioned this would have a very adverse effect on the budget.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. LOTT. Mr. Speaker, I yield 2 additional minutes to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I wonder if the Budget Committee chairman could respond to the President's statement that this bill would have a very adverse effect on our budget.

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, I believe I would concur in what the gentleman says.

Mr. ROUSSELOT. No. This is what the President said.

Mr. GIAIMO. Well, this is no question it will have an additional effect.

I cannot resist the gentleman's invitation, I must say to the gentleman from California, but there is no question as to what the gentleman says, that this legislation provides for assistance increases in an already crowded deficit and budget, to say the least.

What disturbs me about this bill, quite frankly, is that neither the Postal Corporation nor the President of the United States seem to favor it. I do not know why we are forcing that upon them, that being the case.

Mr. HANLEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my distinguished colleague, the gentleman from New York, who I am sure opposes deficits.

Mr. HANLEY. Mr. Speaker, the gentleman—well, he is a gentleman—the President in the state of the Union message a month or two ago stated that it was the goal of this administration to avoid crisis management. That is what this measure is all about, to avoid crisis management.

Mr. ROUSSELOT. By creating more deficits?

Mr. HANLEY. May I continue?

Mr. ROUSSELOT. Why, certainly. I want to know how that avoids crisis management.

Mr. HANLEY. The gentleman will remember that in the previous Congress we passed a measure known as H.R. 8603. What was the purpose of that measure? To provide the ailing almost bankrupt U.S. Postal Service with an additional billion dollars just to provide some glue to hold the institution together, so that it would not go bankrupt in October of that year. That is what we are doing here, so the taxpayers had to pick up the tab for that billion dollars.

Mr. ROUSSELOT. For that Postal Service?

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

Mr. LOTT. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. ROUSSELOT. Mr. Speaker, I yield to the gentleman from New York for a further explanation as to why after adding $1 billion to the debt we have to add another $800 million to the debt?

Mr. HANLEY. We are making this investment to negate the necessity of poor investments on the part of taxpayers in the future.

The $1 billion spent in the last Congress, unfortunately, as I said, was just to provide the glue to hold the institution together.

Mr. ROUSSELOT. We need some more glue.

Mr. HANLEY. All the provisions in this bill will tend to have the effect to mandate efficiencies by the U.S. Postal Service.

Mr. ROUSSELOT. How is this going to mandate efficiency?

Mr. HANLEY. Apparently the gentleman has not read this bill.

Mr. ROUSSELOT. Oh, I have read it very carefully. I have listened to the President. I have listened to many people who feel that H.R. 7700 is not the right kind of glue to help hold the Postal Service together. In the February 10 press conference, President Carter agreed with my assessment of this bill:

> My own concern, among others, is that if the bill is approved and another one and a half or two billion dollars is allocated to the Post Office, that this might be an encouragement to channel that money not into better services necessarily, but into immediate additional increases in salaries for postal employees.

The President went on to say:

> In general, the Congress and the President ought to stay out of the administration of the Post Office itself.

President Carter may be prophetic.

It is going to mean more deficit for the Federal taxpayers to pick up.

Mr. HANLEY. Mr. Speaker, let me say to the gentleman that I suggest upon the completion of his remarks here that he sit back at the table and give that another reading. If he does that I believe then he will come over here and say to me, "By golly, you're right."

Mr. ROUSSELOT. Mr. Speaker, I seriously doubt that, but I will give it a try.

Mr. LOTT. Mr. Speaker, I yield back the balance of my time.

Mr. SISK. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think the discussions of the last few minuts have made it very clear as to why we have this resolution before us here. We are doing this in order that we may enable the Committee on Post Office and Civil Service to take the floor and explain this bill. I understand that it has been somewhat controversial.

I want to take this opportunity to express my deep appreciation to the members of the committee on both sides of the aisle for their cooperation and their work in this matter. Certainly this whole issue of the Postal Service is a very controversial issue. I think in the last 7 or 8 years we have all had more mail on this subject than any other. It is evident to me that we need to debate this issue and debate it from the standpoint of the recommendations of the committee.

Mr. Speaker, I would hope, of course, that the resolution will be adopted.

Mr. Speaker, I yield 5 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, if the Postal Service were a public corporation, it would, in sales, rank about No. 11 on the chart of corporate giants—right after General Electric and right above Chrysler Corp. More money passes through the hands at the Postal Service each year than through the hands of four of the largest oil companies. It sells twice the dollar amount in stamps each year than United States Steel sells in steel. Those nickels and dimes add up.

The Postal Service is probably the best, cheapest, and most efficient postal operation in the world. It supplies a tremendous number of jobs to the national employment rolls. It is the only contact that most Americans have on a continuing daily basis with the Federal Government.

While the Postal Service is outstanding among postal services, we cannot say it is outstanding among American enterprises. Wherever it meets competition it is blown away. The record of its battles with United Parcel Service (UPS) over package mail best illustrates this: After billions down the drain to build bulk mail centers to emulate the UPS parcel delivery system, the Postal Service finds itself carrying less parcels, and

breaking more, while UPS continues to expand services.

Second, the reason the Postal Service is a large employer is the labor intensive nature of its operations. For fiscal year 1979, for example, about $14.7 billion of the $18.8 billion the Postal Service expects to spend will be spent in wages and benefits for about 524,000 employees. This is a wad of money and a lot of jobs but it does not mean that the average postal worker is on the gravy train. In fact, he or she is making a little less than the median national income.

Third, the Postal Service is the only contact which most Americans have, a day in and day out, with the Federal Government. That daily contact is why none of us, come October, will be campaigning on the steps of the Nation's many post offices.

In 1970, Congress tried to make the Postal Service into a business and insulate it from politics. There were and remain good reasons for transformation, but there is a big problem in turning a Government agency into a quasi-private corporation. One ends up with a corporation with private managers but no stockholders. One ends up with a management run amuck with no corporate gadflies or Securities and Exchange Commission around to bring the appropriate lawsuits to keep it in line.

An easy answer to this problem might be to pass a law authorizing, upon a certain day, that each citizen of the United States be given a share of stock in the Postal Service. We could then let the courts begin processing the torrent of stockholders derivative suits which would soon be filed. Frankly, however, such a procedure ignores the matter of congressional responsibility for permitting the irresponsibility of Postal Service management to persist for so long.

Another answer would be to turn the Postal Service back into a Government department.

We might make it more responsible but I sense many of us do not want to return to the days before the Postal Act of 1970 and the politics of those days?

A third approach lies in H.R. 7700. This bill would make the Postmaster General a Presidential appointee subject to Senate confirmation. This should make the Postal Service more responsive to the political officers of the Government and to the people who elect them without politicizing the whole agency. Second, the bill forthrightly recognizes that the Postal Service is not and cannot be a breakeven business, at least without large postal rate increases, and curtailments of service which we in Congress have generally agreed should not occur within the only Federal agency which has constant day-to-day contact with the public. A couple of amendments to be offered today—to dump the Postal Service Board of Governors and to require line item appropriations to the Postal Service—would strengthen the changes made.

Mr. Speaker, even though there are some very good changes in H.R. 7700, they are accompanied by some very bad provisions. The worst of these are in section 2 of the Hanley-Wilson substitute.

Section 2, as written, is, I believe, going to immediately justify the 16-cent first-class stamp. It will do this by assuring that first-class mail users pick up nearly 40 percent of the costs of other mail classes. This is because there will be a 60-percent cost gap placed on any costs which are directly attributable to a class of mail.

Section 2 of the bill, as now written, is a disaster to the first-class mailer. Nobody has done a study of its effects upon first-class mail rates, but my own educated guess is that this section alone will jack up rates for first-class mail by at least 2 cents a stamp. This increase will have nothing to do with rising costs of mail handling. It will have nothing to do with inflation. It will come about as the result of a statutory juggling of the books at the Postal Service.

The following is an example of how section 2 would work: Let us suppose that the Postal Service sends a truck to a magazine company once a week to pick up its latest issue for mail. The magazine company would only have to pay for 60 percent of the costs of that truck. First-class mail users would pick up most of 40 percent left. However, if a like truck were being sent to the Bank of America each week to pick up first-class Bankamericard bills, 60 percent of the costs of that truck would be charged to first class. But, because this is first-class mail, the other 40 percent left would also mostly be paid by first class. It is not sensible to think that BankAmericard may view electronic fund transfer systems as a godsend.

In other words, section 2 of the bill would put into statute form a concept which Marie Antoinette would have loved. Those who eat bread—all of us first-class users—would be forced to subsidize those who eat cake.

It is the same as lowering the cost to upper income people and putting it on lower income people, because a lot of people who cannot use telephones, et cetera, have to use first-class mail. By passing this bill we are guaranteeing first-class rates are going up, because we are mandating first-class money can bail out other classes and give them lower rates.

Mr. MAZZOLI. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I was listening with great interest to the gentlewoman's statement. The gentlewoman touched on a point that concerns me. I was not in the committee and was, therefore, not available for answer by way of debate.

The SPEAKER pro tempore. The time of the gentlewoman from Colorado (Mrs. SCHROEDER) has expired.

Mr. SISK. Mr. Speaker, I yield 2 additional minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mr. MAZZOLI. Mr. Speaker, if the gentlewoman will continue to yield, if I understood the gentlewoman correctly, she said that under the bill only 60 percent of the cost can be attributable to each class and, therefore, first class can in fact, and does, subsidize other classifications of mail, including parcel post. I was curious. What is the justification for that type of subsidy?

Mrs. SCHROEDER. It beats me. I can find no such justification. That is why I am offering an amendment saying we should not do that.

As I read the Postal Reform Act that we passed in 1970, it said there should be full allocation of costs to each class of mail. Obviously, there are some costs you cannot allocate. But you can allocate many more costs than the Postal Service is now. Those of us who challenged the rate base and accounting system in the courts said we did it on the basis, that 1970 act held all costs should be allocated if possible to each class. The courts agreed with my position. As the Members know, there was no way for the court to roll back the rate increase so winning meant nothing.

What worries me is that we are undoing the court decision by enacting section 2 of this legislation and saying what the Postal Service was doing in the past and the courts held was wrong—is now right.

Mr. MAZZOLI. It seems to me there is some justification for subsidizing small mailers and charity mail. I do not see that thread connected with the parcel post or connected with the big magazine mailers.

Mrs. SCHROEDER. That is right. In my amendment we leave in the small mailer's exclusion. But for large mailers and everything else, we do not.

Mr. MAZZOLI. If we were to campaign on the steps of our post office in the November election, it would be very hard to explain for the folks who send two or three letters a week at 13 cents a crack—soon to be 16 cents—that they are in fact subsidizing these multibillion-dollar operations.

Mrs. SCHROEDER. Yes. I think we in the Congress will probably continue to subsidize many of the people who need it, such as charities and nonprofits.

Mr. MAZZOLI. That would not be affected by the gentlewoman's amendment.

Mrs. SCHROEDER. But we need to know that.

Mr MAZZOLI. I thank the gentlewoman.

Mr. LOTT. Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I urge adoption of this resolution in order to permit the committee to explain its position. It certainly is an open rule. I would urge the Members to vote for it.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic de-

vice, and there were—yeas 387, nays 0, not voting 47, as follows:

[Roll No. 168]

YEAS—387

Abdnor	Dicks	Kildee
Addabbo	Diggs	Kindness
Alexander	Dingell	Kostmayer
Allen	Dodd	Krebs
Ambro	Dornan	LaFalce
Ammerman	Downey	Lagomarsino
Anderson, Calif.	Drinan	Latta
Andrews, N.C.	Duncan, Oreg.	Le Fante
Andrews, N. Dak.	Duncan, Tenn.	Leach
Annunzio	Early	Lederer
Applegate	Eckhardt	Leggett
Archer	Edgar	Lehman
Armstrong	Edwards, Ala.	Lent
Ashbrook	Edwards, Calif.	Levitas
Ashley	Edwards, Okla.	Livingston
Aspin	Ellberg	Lloyd, Calif.
AuCoin	Emery	Lloyd, Tenn.
Badham	English	Long, La.
Bafalis	Ertel	Long, Md.
Baldus	Evans, Colo.	Lott
Barnard	Evans, Del.	Lujan
Baucus	Evans, Ga.	Luken
Bauman	Evans, Ind.	Lundine
Beard, R.I.	Fascell	McCloskey
Beard, Tenn.	Fenwick	McCormack
Bedell	Fish	McDade
Beilenson	Fisher	McDonald
Benjamin	Fithian	McEwen
Bennett	Flippo	McFall
Bevill	Florio	McHugh
Biaggi	Flynt	McKay
Bingham	Foley	McKinney
Blanchard	Ford, Mich.	Maguire
Blouin	Ford, Tenn.	Mahon
Boggs	Forsythe	Mann
Boland	Fountain	Markey
Bolling	Frenzel	Marks
Bonior	Fuqua	Marlenee
Bonker	Gammage	Marriott
Bowen	Garcia	Martin
Brademas	Gaydos	Mathis
Breaux	Gephardt	Mattox
Breckinridge	Giaimo	Mazzoli
Brinkley	Gibbons	Meeds
Brodhead	Gilman	Metcalfe
Brooks	Ginn	Meyner
Broomfield	Glickman	Michel
Brown, Calif.	Goldwater	Mikulski
Brown, Mich.	Gonzalez	Mikva
Brown, Ohio	Goodling	Milford
Broyhill	Gore	Miller, Calif.
Buchanan	Gradison	Miller, Ohio
Burgener	Grassley	Mineta
Burke, Fla.	Green	Minish
Burke, Mass.	Guyer	Mitchell, Md.
Burleson, Tex.	Hagedorn	Mitchell, N.Y.
Burlison, Mo.	Hall	Moakley
Burton, John	Hamilton	Moffett
Burton, Phillip	Hammer-schmidt	Mollohan
Butler	Hanley	Montgomery
Byron	Hannaford	Moore
Caputo	Hansen	Moorhead, Calif.
Carney	Harkin	Moorhead, Pa.
Carr	Harris	Moss
Carter	Harsha	Mottl
Cavanaugh	Heckler	Murphy, Ill.
Cederberg	Hefner	Murphy, N.Y.
Chisholm	Heftel	Murphy, Pa.
Clausen, Don H.	Hightower	Murtha
Clawson, Del	Hillis	Myers, Gary
Clay	Holland	Myers, John
Cleveland	Hollenbeck	Myers, Michael
Cochran	Holt	Natcher
Cohen	Holtzman	Neal
Coleman	Horton	Nedzi
Collins, Tex.	Howard	Nichols
Conable	Hubbard	Nix
Conte	Huckaby	Nowak
Conyers	Hughes	O'Brien
Corcoran	Hyde	Oakar
Corman	Ichord	Oberstar
Cornell	Ireland	Obey
Cotter	Jacobs	Ottinger
Coughlin	Jeffords	Panetta
Crane	Jenrette	Patten
Cunningham	Johnson, Calif.	Patterson
D'Amours	Johnson, Colo.	Pattison
Daniel, Dan	Jones, N.C.	Pease
Daniel, R. W.	Jones, Okla.	Pepper
Danielson	Jones, Tenn.	Perkins
Davis	Jordan	Pettis
de la Garza	Kasten	Pickle
Delaney	Kastenmeier	Pike
Derrick	Kazen	Poage
Derwinski	Kelly	Pressler
Devine	Kemp	Preyer
	Ketchum	Price
	Keys	Pritchard
Quayle	Sikes	Ullman
Quillen	Simon	Vander Jagt
Rahall	Sisk	Vanik
Railsback	Skelton	Vento
Regula	Skubitz	Volkmer
Reuss	Slack	Waggonner
Rhodes	Smith, Iowa	Walgren
Richmond	Smith, Nebr.	Walker
Rinaldo	Snyder	Walsh
Roberts	Solarz	Wampler
Robinson	Spellman	Watkins
Rodino	Spence	Waxman
Roe	St Germain	Weaver
Rogers	Staggers	Whalen
Rooney	Stangeland	White
Rose	Stanton	Whitehurst
Rosenthal	Stark	Whitten
Rostenkowski	Steed	Wiggins
Rousselot	Steers	Wilson, Bob
Roybal	Stockman	Wilson, C. H.
Rudd	Stokes	Wirth
Ruppe	Stratton	Wolff
Russo	Studds	Wright
Santini	Stump	Wydler
Satterfield	Symms	Wylie
Sawyer	Taylor	Yates
Schroeder	Thompson	Yatron
Schulze	Traxler	Young, Fla.
Sebelius	Treen	Young, Mo.
Seiberling	Trible	Zablocki
Sharp	Tsongas	Zeferetti
Shuster	Udall	

NAYS—0

NOT VOTING—47

Akaka	Frey	Sarasin
Anderson, Ill.	Gudger	Scheuer
Burke, Calif.	Harrington	Shipley
Chappell	Hawkins	Steiger
Collins, Ill.	Jenkins	Teague
Cornwell	Krueger	Thone
Dellums	McClory	Thornton
Dent	Madigan	Tucker
Dickinson	Nolan	Van Deerlin
Erlenborn	Pursell	Weiss
Fary	Quie	Whitley
Findley	Rangel	Wilson, Tex.
Flood	Risenhoover	Winn
Flowers	Roncalio	Young, Alaska
Fowler	Runnels	Young, Tex.
Fraser	Ryan	

The Clerk announced the following pairs:

Mr. Akaka with Mr. Anderson of Illinois.
Mrs. Burke of California with Mr. Erlenborn.
Mr. Shipley with Mr. Harrington.
Mr. Flood with Mr. Young of Alaska.
Mr. Jenkins with Mrs. Collins of Illinois.
Mr. Chappell with Mr. Frey.
Mr. Risenhoover with Mr. Weiss.
Mr. Dellums with Mr. Dickinson.
Mr. Krueger with Mr. Winn.
Mr. Fowler with Mr. Madigan.
Mr. Fary with Mr. Quie.
Mr. Gudger with Mr. Findley.
Mr. Teague with Mr. McClory.
Mr. Cornwell with Mr. Charles Wilson of Texas.
Mr. Dent with Mr. Roncalio.
Mr. Hawkins with Mr. Whitley.
Mr. Nolan with Mr. Sarasin.
Mr. Rangel with Mr. Pursell.
Mr. Van Deerlin with Mr. Thone.
Mr. Thornton with Mr. Scheuer.
Mr. Runnels with Mr. Tucker.
Mr. Ryan with Mr. Fraser.
Mr. Flowers with Mr. Steiger.

Mr. McDADE changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. NIX. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7700) to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. NIX).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7700, with Mr. PATTISON of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. NIX) will be recognized for 1 hour, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania (Mr. NIX).

Mr. NIX. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will be brief because the two subcommittee chairmen who have guided this bill through our committee from the very beginning will lead the debate for the proponents to H.R. 7700 today, but I would like to say a few words in support of the bill.

The basic thrust of H.R. 7700 is to finance the current postal deficit through appropriations rather than facing the unpleasant prospect of another postal rate increase just as soon as the current postal rate increase is approved by the Postal Rate Commission.

To avoid this, the committee amendment, which Mr. HANLEY will introduce in a few moments, will authorize an additional public service appropriation of $800 million for each of the next 3 fiscal years. That is a reasonable figure. It is half as much as the bill originally proposed to authorize, and almost exactly the amount necessary to bail the Postal Service out of its current annual deficit. So an easy way to vote on this is as follows: If you want to balance the postal budget and avoid an 18-cent stamp next winter, vote for the committee amendment; if you want to increase the postal deficit, close small post offices, end Saturday mail delivery, and have an 18-cent stamp next year, vote against the committee amendment.

A second major feature is to restore to the President the authority to appoint the Postmaster General, as he did for about 150 years. Under the Postal Reorganization Act, the Postmaster General is appointed by the Governors of the Postal Service, and although I am sure that the gentlemen who have served as Postmaster General since then have all been faithful public servants. I believe I am accurate in saying that the Congress has not been particularly pleased by the Postal Service's failure to respond to congressional interest. By restoring the Postmaster General's status to the control of the President, which President Carter has requested, we believe that the Chief Executive Officer of the Postal Service will be more responsive to the public interest than he is when isolated by a Board of Governors which meets 1 day a month.

Finally, in the last few days, there has been quite a bit of talk about what the President's position is on H.R. 7700. A letter, which was addressed to me, and which was delivered to many others before it was delivered to me, and which was signed by Stuart Eizenstat, has been construed by some to support opposition to H.R. 7700. Such an interpretation is incorrect. Mr. Eizenstat has provided me with a clarification of his letter, which states specifically that the President will not support or propose any amendments to H.R. 7700, except the amendment proposed by Mr. HANLEY today, which was the basis of our understanding with Mr. Eizenstat earlier this month.

I insert in the RECORD at this point Mr. Eizenstat's letter of March 15, which makes the President's position crystal clear.

THE WHITE HOUSE,
Washington, March 15, 1978.

Hon. ROBERT N. C. NIX,
Chairman, Post Office and Civil Service Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As a follow-up to my letter of March 14, 1978, dealing with the Administration's substantive views on H.R. 7700, permit me to indicate our position when it reaches the floor.

Although the Administration cannot support H.R. 7700 on the floor, we will not oppose it at that time nor do we intend to introduce or support amendments to it, other than those supported by Congressmen Wilson and Hanley.

We hope to be able to resolve any problems we now have with the proposed postal legislation during the balance of the legislative process.

Very truly yours,

STUART E. EIZENSTAT,
Assistant to the President for Domestic Affairs and Policy.

Mr. Chairman, I yield to my distinguished colleague and most able subcommittee chairman, Mr. HANLEY, and yield the control of the time to him for the remainder of general debate.

Mr. HANLEY. I thank the very distinguished gentleman for yielding.

Mr. Chairman, it is a pleasure to rise in support of H.R. 7700, the Postal Service Act of 1978. This bill is strongly dedicated to the principle that a Government agency charged with service to the people cannot function properly, isolated from the elected leaders of Government. The substitute I and the gentleman from California (Mr. CHARLES H. WILSON) are offering contains modifications reached after some consultations with administration officials subsequent to the passage of the bill.

The consultations were held at the request of the Speaker who was responding to some disagreement with provisions of the bill. After modifications were made, although they did not change the basic thrust of H.R. 7700, the administration agreed not to oppose consideration of the measure by the House. Since the passage of the Postal Reorganization Act of 1970, this committee through its two Postal Subcommittees has closely monitored the operations and policies of the U.S. Postal Service.

H.R. 7700 is largely a result of these studies conducted by my Subcommittee on Postal Operations and Services and the Subcommittee on Postal Personnel and Modernization, chaired by the gentleman from California (Mr. CHARLES H. WILSON), who is a cosponsor of H.R. 7700. We did many things right in 1970 and H.R. 7700 does not move to change them. We establish a modern system of labor relations, allowing the Postal Service to borrow money for capital projects, revise and modernize contracting procedures, remove postmasterships from the clutches of political patronage and establish a more objective method for establishing rates; but we let our enthusiasm for creating something new get out of hand. We created an organizational monster, which in a real sense was accountable to no one. It was not accountable to the President, because it was run by a Postmaster General appointed by a very part-time board of governors, appointed for 9-year terms. It was not accountable to the Congress because it did not rely on Congress for the bulk of its operating funds. Those appropriations which were authorized permanently were scheduled to be eliminated over a period of years. Of course, it was not accountable to any stockholders, as it would have been if we had turned our mail delivery over to a private corporation. The result has been well documented here in the Congress. Suffice it to say that it has fostered arrogance and insensitivity which has cast a tall aura of unreality over the actions and pronouncements of top Postal management.

This is the distinct impression I get from Members of Congress, who tend to get upset when they are ignored by Government agencies. It is also a distinct chorus from major mail users, contractors who deal with the Postal Service, publishers and organizations which have become enmeshed in often meaningless redtape and postal employees, from mail handlers to and above postmasters.

Above all, it comes from our constituents. The Postal Service says surveys show that the majority of citizens are reasonably satisfied with mail delivery. That may be so, but the mail to our offices and meetings back home indicates that Americans of all kinds are more fed up with mail delivery and the Postal Service now than ever, ever before.

This, let it be said, is a fact of political life that no responsible elected official can or should ignore in a democracy.

The major features of the bill are well known. It provides for Presidential appointment of a Postmaster General and places policymaking authority in the hands of the Postmaster General. It eliminates the break-even concept. It authorizes appropriations for public service to the Postal Service. It reiterates the congressional intent of 1970 that postal rates should be more closely related to cost, but that important noncost factors also be considered. It gives a stronger role to Congress in setting postal financial and service policies.

Since H.R. 7700 was under the jurisdiction of both subcommittees, I will concentrate on those provisions under the jurisdiction of the Postal Operations and Services Subcommittee.

Section 3 of the substitute is extremely important for several reasons. First, it establishes firmly the principle of Postal Service performed, a vast public service which should be financed in part from the Treasury.

It eliminates the break-even concept which has caused an erosion in the principles of service. Second, it provides an additional $800 million public service authorization over and above the current $920 million. This is not as much as we would have liked or as was included in H.R. 7700, but it will help to reduce substantially the relentless pressure to raise postal rates and reduce services.

Finally, by authorizing the increased amount for only 3 years rather than the permanent authorization contained in current law, we give Congress a far larger role in establishing and overseeing financial policy through the vehicle of periodic authorization.

Section 2 of the substitute is equally important. It clarifies our intent in 1970 by more precisely stating that the principles which should be used in setting postal rates for recovery of cost is of paramount importance, but so are important noncost factors such as the educational, cultural, scientific, and informational benefit of mail matter, the effect of the proposed rates on the public, and the quality of services afforded any particular class of mail.

The provision placing a 60-percent cap on attributable cost assures that these important principles will be given sufficient weight in the setting of rates. This is of particular importance to the Nation's nonprofit mailers. In 1970 we required them to pay only attributable costs, at that time considered to run about 50 percent of total cost. Since then the increase in the percentage of attributable cost has placed in severe jeopardy the historic principle that charitable organizations should be encouraged through lower postal rates.

Section 2 also provides a measure of rate relief for small magazines and newspapers, publications which have been severely hurt by the massive rate increases during the past several years.

Finally, this section will give final decisionmaking authority to the Postal Rate Commission. Under current law that Commission makes recommended decisions and transmits them to the Board of Governors. The Board has the authority to accept or reject the decision and may ultimately change the decision by unanimous vote. H.R. 7700 removes the anomaly of the regulated body having final authority over the regulator.

This principle is carried further in section 4, which gives the Postal Rate Commission a budget separate from Postal Service control.

Two other sections deserve special mention because they address concerns which have been expressed by so many of us. Section 8 requires the Postal Service to hold a community hearing prior to making a decision to close or consolidate a post office. This, combined with the extensive procedures for post office closing we adopted in Public Law 94–421, should provide great protection against arbitrary post office closings and consolidations.

Section 13 gives either House the power

to veto proposed nationwide changes in service policies. This is immediately important because of the current debate over 6-day-a-week delivery. The Postal Service would not be able to cut the number of delivery days without coming to Congress first.

Other sections of H.R. 7700 under the jurisdiction of my subcommittee will allow the Postal Service and the Postal Rate Commission to represent themselves in court without prior permission of the Attorney General in cases arising from Postal Rate Commission decisions and classification matters pending before the Postal Rate Commission establishing uniform weight and size limitations for all classes of post offices.

There are a number of other excellent provisions in this bill, fundamental of which is to restore the requirement of the responsiveness on the part of those who lead this agency. Unfortunately, all of us know over the past 7 years that the agency has become virtually totally unresponsive to the will of the majority of the American people.

As I said to the President some time ago—

> The people have lost control of the United States Postal Service, the Congress has lost control of the United States Postal Service and, respectfully, Mr. President, you have lost control of the United States Postal Service.

One point I want to make before I conclude is that the measure that is pending before us today has absolutely no bearing whatsoever on the pending proposal before the Postal Rate Commission. I would judge that by late May the Postal Rate Commission will be coming back with its decision. And I can only assume, given the fiscal plight of the agency, that the Postal Rate Commission has no alternative other than to agree to that proposal which will have the effect of increasing the 13-cent stamp to 16 cents, and all other classes of mail will go up accordingly.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I thank the gentleman for yielding, and I want to commend him for his remarks.

Mr. Chairman, I would like to have the gentleman's assurance that we will not have a repetition of what I had in my district, where the Post Office Department came in and very arbitrarily planned the closing down of many post offices in my district, planned a complete change of distribution of mail, planned to build an incoming mail facility at the very end of the district, at an inconvenient place where the traffic jammed, and that the public would have some input into these questions and that the Congressman would be able to have some say in the matter. I was shocked to find out that a piece of land was purchased back in 1975 in my district for an incoming mail facility, and I knew nothing about it until late last year. Then I found out about the main post office in Quincy, the post office in Wollaston, the post office in North Quincy, the post office and the substation in Milton, and they were going to open up storefronts in areas where there are no parking facilities, no place for the public to be served, and the public not even being consulted about it. When I raised questions about it, the Post Office said there had been local officials consulted. But a letter by me to the local officials had indicated that 99 percent of them had not been consulted.

Can the gentleman give me assurance that under this legislation a repetition of that will not occur in the future?

Mr. HANLEY. Mr. Chairman, I appreciate the gentleman's comments. The example the gentleman has set forth here is parallel throughout this Congress. I would say that over the course of the last 7 years most congressional districts in the country have been confronted with similar problems, whereas the majority of the people of that community think in terms of what is best for them, you as their elected Representative convey that message to the Postal Service. But unfortunately under present law as it has been, your transmittal has fallen on the proverbial duck's back, with nothing in the way of response, or very little in the way of response.

Embodied in the language of this measure is the authorization process, the appropriations process, the requirement that, whereas the President himself will appoint that Postmaster General, we feel—the authors and those who have put together this piece of legislation—that it is good to again in the tradition of the past make that agency responsive to the will of the majority of the American people. There is also an important provision requiring congressional review of major building programs which would cover the situation described by the gentleman from Massachusetts.

Therefore, when complaints of the nature of the one which the gentleman just described are passed on to him, he is going to be able to bring them in here and talk with the congressional liaison people from that agency and his position, hopefully, is going to be upheld.

That is the intent of this legislation.

Mr. BURKE of Massachusetts. Mr. Chairman, I thank the gentleman.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it has been a privilege to work with the distinguished chairman of this committee, Mr. HANLEY.

I would like to state my position of support for the bill now before us, H.R. 7700, to reorganize the U.S. Postal Service. The current situation is intolerable. Top Postal Service management has not been fair to any section of our country—rural or urban. But most of all, many of the recent actions or attempted actions of the Postal Service management in Washington have been blatantly discriminatory against small communities and sparsely populated rural areas.

Attempts have been made to arbitrarily close down small town post offices, consolidate badly needed rural routes, eliminate Saturday mail delivery and not replace postmasters. Technically, Congress has been powerless to stop all of these events from occurring. Only some strong words, spurred by public reaction, and timely resolutions have made the Postal Service management back off of some of these controversial schemes.

All of these actions, the Postal Service management says, are being accomplished in the name of economy and efficiency. These are words that spur the same reaction as motherhood and apple pie. But we must look behind the rhetoric and emotion and see what is really meant. To my constituents this means that they will continue to pay Federal taxes but will lose one or more of the following: daily mail delivery, conveniently located post offices, adequate mail service, their hometown identity, and regular communication with neighboring communities, and people in other parts of the State, the country, and the world.

For much of rural America, Postal Service management's statements for economy and efficiency are a sham. It is just another example of the attempt by the Federal Government to make these hard-working, patriotic citizens pay more and more for less and less service. They are tired of it. They want it stopped.

H.R. 7700 will go a long way to bring about these desired changes. It will once again give the Congress some legal recourse to stop some of the insensitive and inept actions proposed by Postal Service management in recent years. This legislation is needed. Only recently Postmaster General Bailar announced he was retiring. But his successor brought no words of encouragement for the people of small communities and rural areas. He used the words "economy" and "efficiency" in his public statements just as Mr. Bailar had done before him.

As I read the legislation now before us, Mr. Chairman, there are several questions which come to my mind and several concerns that arise about the scope and intent of H.R. 7700. I feel that these must be cleared up.

As my colleagues know, I have sponsored a bill—H.R. 8048—the Rural Postal Service Protection Act. It was designed to insure that rural areas and small towns are fairly and equally treated by the Postal Service.

Briefly, it would:

Mandate a public hearing and a vote by Postal Service patrons before any existing post office with 30 or more boxes could be closed or rural route consolidated;

Require 6-day delivery service to small towns and to rural areas;

Insure that each county seat of government has a post office, and

Require an accounting of all Postal Service funds spent on mail services to rural areas and small towns.

I testified in behalf of this bill before the subcommittee chaired so ably by my distinguished colleague from New York (Mr. HANLEY). In light of this, I would like to ask the following questions about the intent and content of H.R. 7700:

First. This bill states that the Postal Service shall conduct a hearing within 60 days after announcing that it plans to consolidate or close a post office. It

also sets out some of the things that the Postal Service shall consider when contemplating such action. Is it the intent of this bill that the opinions of the patrons of such post offices be the deciding factor in whether or not the post office is closed or is allowed to remain open?

Mr. HANLEY. Mr. Chairman, I appreciate the very fine comments from my very dear friend, the gentlewoman from Nebraska.

I want to give the gentlewoman the assurance that the language of this bill intends, again, that that agency, the U.S. Postal Service, respond to the will of the majority of the people in the communities which the gentlewoman has referred to. As the gentlewoman knows, we have built into this measure the hearing process so that, with respect to an attempted closing or a suggested closing, there has to be notification given 60 days prior to it, and there has to be a public hearing. If the majority of the people in that particular service area want the continuation of that small post office, they transmit that ambition or that desire to their Representative. The Representative then takes it up with the leadership of the Postal Service; and I feel constrained to say that they are going to accept the Representative's position.

That is the intent of Congress. We have more stringent language in this measure with respect to rural post offices than the Department of Defense has in its language relating to military base closings. Therefore, we can appreciate the importance of this matter to the gentlewoman from Nebraska, and I can only assure the gentlewoman that that is the intent of the authors of this bill.

Mrs. SMITH of Nebraska. Mr. Chairman, I appreciate that answer very, very much.

Would the gentleman yield for three more questions, or could I get time to ask three more brief questions?

Mr. HANLEY. Mr. Chairman, I would be delighted to yield further to the gentlewoman from Nebraska.

Mr. DERWINSKI. Mr. Chairman, I would like to yield 5 minutes to the gentlewoman from Nebraska so that the time will not come out of that of the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I thank the gentleman.

Mr. DERWINSKI. Therefore, if I may, Mr. Chairman, I at this point yield 5 minutes to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Chairman, I thank the gentleman for yielding very much.

In many cases in our rural areas, the elimination or consolidation of rural or star mail routes is just as harmful to postal patrons as the closing or consolidation of the post office.

Is it the intent of this bill that a notification, public hearing and a seeking of the opinions of the patrons be carried out by the Postal Service before such an act is accomplished?

Mr. HANLEY. That is the intent of the legislation.

Mrs. SMITH of Nebraska. Mr. Chairman, I thank the gentleman very much.

Is it the intent of this legislation that each county seat of government have a post office? In many rural areas there is great fear that the post office in a county seat may be closed. This would be intolerable because of the hardship it would impose on the county government, the residents of the county, and of the surrounding area. Some protection for post offices in these unique circumstances is needed.

Mr. HANLEY. If the gentlewoman will yield, Mr. Chairman, actually, I believe that the matter of logistics as to where in that general service area the office itself should be maintained is a matter for consideration. That would be a logistical matter.

When we talk about the county seat, I suppose that the geography of the area becomes a determining factor; but I sense that we revert to the fundamentals here where if, in the judgment of the people of that community, it should be located in a certain area, then, hopefully the agency is going to concur with that judgment. Certainly, in that event, they are going to be listening to the gentlewoman from Nebraska (Mrs. SMITH), the Representative of those people.

As I mentioned, I am very hopeful that those who are in a position of leadership are going to recognize the essentiality of their being responsive to a Member of Congress.

Mrs. SMITH of Nebraska. I thank the gentleman very much. I have just one more area that concerns us.

There is a provision in this bill that requires the Postal Service to submit to the Congress any change of the level or types of postal service that would have a nationwide, or substantially nationwide, impact. One House of the Congress could stop the proposed change by passing a resolution within 60 days. But, my concern is this term "nationwide" and the ease with which it could be circumvented.

For instance, the Post Office could pick off, one by one, rural routes in certain areas of the country, or reduce the number of days of mail delivery in certain areas of the country; or, it could make other changes in its services in a specific area, wait for a period of time, then make the same changes in other areas, and before we know it a nationwide change could have been made, but not have been made on a nationwide basis according to the words of the bill.

My question is, what is to prevent the Postal Service, for example, from consolidating many, many rural routes in my congressional district, or stopping Saturday delivery, and then moving over to Kansas and stopping it there, and so on and on. This would not be a nationwide impact, as I understand the bill, but in the long run it would have the same disastrous effect on our country.

Mr. HANLEY. At the risk of sounding repetitious, I do have to relate again to the fundamental intent expressed in the language of the bill, that the leadership of that agency be responsive to the will of the majority of the gentlewoman's people. So, should there be a consolidation suggested, they are going to confer with us. They are going to confer with the people who are involved, and unless they are in a position to rationalize that overture to your satisfaction as a representative of the people in that general service area, then they will not follow through on the overture that they initiated.

Mrs. SMITH of Nebraska. I thank the gentleman very, very much. I thank our ranking minority member very, very much.

Mr. HANLEY. I thank the gentlewoman from Nebraska for her interest and her support.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I am delighted to yield to the gentleman from Maryland.

Mr. BAUMAN. I am very much concerned about section 3 of the substitute, page 6, and the manner in which it deals with funding over the next several years. Quite frankly, I am wondering whether or not the gentleman would be disposed toward some sort of amendment, perhaps the one to be offered by the gentleman from Illinois (Mr. CORCORAN), which authorizes funds on a year-to-year basis, providing for congressional review of the exact amounts both in the authorizing committee and in the Appropriations Committee.

Absent that, I have a great deal of fear that these sums the substitute authorizes over a several year period, may be far too large. Certainly we ought to retain the congressional prerogative of appropriating and authorizing on an annual basis.

Mr. HANLEY. I have great respect for Mr. CORCORAN and for his input in this measure, which has been immeasurable. We gave his proposition, when it was offered in committee, a great deal of consideration, and concluded that it would be far better to use the language which we have in the bill because it is so difficult for that agency to allocate on a line item basis. The agency itself asked to be free of that requirement. OMB did not think it was a very good idea and—not that I am sustaining the position of the administration—but the administration asked again for the language of this bill.

I remind the gentleman that we will have an excellent handle cn that agency through the authorizing process and through the appropriations process. Each time the leadership of that agency marches up here, they had better be in a good position to rationalize the allocation of these moneys within that agency. Thev have got to do that to the satisfaction of this body, and we feel that by providing them with some flexibility as opposed to boxing them in with a line-for-line situation, thev can effect greater efficiencies. Again, one of the fundamentals here is that the agency will, through the years ahead, effect efficiencies that will have the ultimate effect of bringing down that budget.

So we have given it a great deal of thought. I would like to find myself in a position of being supportive of the gentleman's amendment, but for the reasons I have attempted to describe we will have to oppose it.

Mr. BAUMAN. If the gentleman will yield further, I will say I am sure every

agency of the Federal Government, quasi-independent or otherwise, would love to enjoy the luxury of a multiyear authorization on which they can depend to some degree, but whether line item authorization is the approach or not I feel a great deal of reluctance in supporting a bill that allows a blank check for 3 years in effect. It would be a much greater control if the committee chaired by the gentleman reviewed fund requests on an annual basis and gave the agency subsequent authority to spend. I hope the gentleman will consider that if he feels he needs the support of a great many of us

Mr. HANLEY. It is not the intention to hand this agency a blank check and we intend to ride herd closely on the activities of this agency through the authorization process.

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Tennessee.

Mr. ALLEN. Mr. Chairman, will the distinguished gentleman from New York explain to me just how under this bill a Member of Congress is going to have any more influence on the conduct and actions of postal officers than the Members now have. That is nothing at all, no input. If indeed the only individual who is appointed is appointed by the President for a specified length of time and if the Postal Service does not have to come back to the Congress for any appropriation except once every 3 years—How do we expect, in those circumstances, for the Members of Congress to really gain the ear of the local postmasters or postal employees? Up until now we have been severely circumscribed by law in what we can even communicate to any member or employee of the Postal Service. In what way does this bill make any change at all that would give the Members of Congress some influence with the operation of the Post Office Department?

Mr. HANLEY. Yes, I can appreciate the gentleman's concern and the gentleman's frustration over these past 7 years. Generally speaking, the Congress is not interested in getting back into the matter of recommending postmasters. I think that at least our poll suggests that.

Short of that we do believe that by having the President appoint that Postmaster General, that Postmaster General then has to be responsive to the Congress, responsive to the gentleman as a Member of the Congress. And if he is not responsive, then the gentleman may take it up with the executive branch and let his complaint be known.

Then beyond that, the agency recognizes that it is going to have to march up in the Hill for the authorization process and for the appropriations process, and it is going to be fine tooth combed in each instance, and if the consensus is that the agency is not being resposive I would venture to guess that those who lead the agency would find themselves hard pressed with both the authorization process and the appropriations process.

Mr. ALLEN. If the gentleman would yield further, I would like to ask him another question.

Mr. HANLEY. I yield to the gentleman from Tennessee.

Mr. ALLEN. Would that more nearly be the case if they had to come back to us at least once every year, as other departments do, and not be assured of an authorization for 3 long years?

Mr. HANLEY. If the gentleman will permit me, initially we provided for but 2 years in the way of authorization. It is very difficult for an agency of this scope to pre-plan on the basis of a 1- or 2-year authorization. I would remind the gentleman we are dealing with one of the largest industries in the world, I guess second perhaps only to General Motors and maybe one or two others, and he will agree that in the private sector they take 5 to 7 years in the way of a projected budget and they look down the track that far. So actually we are limiting to but 3 years the authorization, so that the agency can procure and do all of the other things vital to implementation of this agency in an appropriate and responsible way.

Unfortunately, if you do it on a 1-year basis—and you know, I would be delighted to have them march up here every year—but when you are trying to run a business that way where you are unaware of what you are going to have to work with just a few months later, it is awfully difficult to attempt to run a business that way. For that reason we concluded that 3 years would be fair.

But again, I repeat that this institution and this committee is going to keep a very firm finger on the pulse of those activities as is the subcommittee headed by the gentleman from Oklahoma (Mr. STEED). The gentleman from Oklahoma (Mr. STEED) and his team are equally uptight as you and I are about what the agency has done during the recent years. It is our intent that they are not going to be able to do that once this measure is enacted into law.

Mr. ALLEN. If the gentleman will yield further: You have properly described what so many of us have found today about the deficiencies of the Postal Service and the arrogance of many postal officials and employees through the letters that we have received as Members of Congress. Quite frankly there may be something in this feeling and that this bill will change that attitude, so that it will change at least with respect to the President, himself. But, so far as Members of Congress are concerned, it has not yet been explained to me what provision of this bill will give us any more influence in trying to straighten out the problems of the Postal Service, to get the complaints of our constituents handled, complaints about the poor mail service and poor deliveries. There are many other complaints that they continue to address to the Members of the Congress, and our constituents do not seem to understand why we cannot do something about it.

Mr. HANLEY. We all have the exact same frustrations, your frustrations, my frustrations, Mr. WILSON'S frustrations, and every member of the committee, I dare say, shares your frustrations. We have tried hard to put together what we feel is a highly responsible measure that will serve the purpose that you are seeking. We ask for your confidence today. We assure you that we are going to keep a very firm finger on the pulse of this agency which under the current law we cannot do but that we are going to do once this measure is enacted. That is what the bill is all about and we seek your confidence and your support today.

Mr. ALLEN. I will be following this debate with great interest.

Mr. HANLEY. I thank the gentleman.

Mr. Chairman, I reserve the balance of my time.

Mr. DERWINSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, after that great commentary by the gentleman from New York (Mr. HANLEY), I think I should just throw up my hands and surrender but, having prepared for battle, I am going to go on and undo, if possible, the effects of the devastating remarks of the gentleman.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. HANLEY. The gentleman has rendered a most responsive statement; why does not the gentleman throw it in now and let us vote?

Mr. DERWINSKI. Because we have so many Members who are anxious to help us in our fight regarding the ramifications of the Postal Service, and I would not want to deprive them of something that they have been looking forward to for some time.

Mr. Speaker, because of unusual and chaotic circumstances surrounding this bill, I want to make sure all Members understand what is transpiring. Despite the substantial retreat by the sponsors of H.R. 7700, the bill does not enjoy the support of our beloved administration. As a matter of fact, the White House has objections to six major sections in this bill.

The White House objections were spelled out in a March 14 letter from Stuart E. Eizenstat, a Presidential assistant. The President's man reinforced and went considerably beyond the September 20, 1977, White House testimony in opposition to H.R. 7700 when it still was in its so-called pure and unadulterated form.

Among the sections in the drastically revised bill which continues to cause concern for our President is the one dealing with funding. It leaves the President and the chief sponsors of this bill separated by a $720 million chasm. The administration would prefer to increase the public service subsidy for fiscal year 1979 by only $80 million—from the current $920 million to $1 billion. The sponsors want to add an additional $80 million to the $920 million public service subsidy. Because of the difference between $80 million and $800 million, it can be said that the dispute on public service funding turns on a cipher.

It is obvious why the White House is troubled with the sizable increase in the public service subsidy. It has immediate concerns with increasing the debt limita-

tion and the budget resolution. Also pressing in on the administration from a half dozen directions is the need for decisions which could have a major impact on inflation. Just last week, the President's Director of the Council on Wage and Price Stability warned if postal rate increases or Treasury subsidies are approved in the next few months, they could provide "up-front funding for wage increases above those that would otherwise occur".

There still is another side to this complex story. We might very well be experiencing the initiation of a new White House procedure for processing legislation. After its March 14 bombshell which left the sponsors shellshocked, the White House, the very next day, reaffirmed its opposition to H.R. 7700, but said it would not support or introduce amendments which did not bear the good housekeeping seal of approval of the sponsors. The White House also made it clear it would prefer to place its faith and confidence in the other body to rewrite this legislation.

I for one, do not think our distinguished Speaker deserves that type of treatment. Is this the thanks he gets? Evidently, he is to be deprived of his leadership role in casting postal legislation into an acceptable White House mold.

If we follow the White House lead on this bill, we will pass all subsequent legislation, regardless of what exaggerated form it takes, and then leave it up to the administration to do business with the other body.

Regardless of what happens here today, it is safe to say the sponsors of this bill will have a hard time recognizing their product after it is worked over on the other side of the Capitol. The sponsors will have achieved some small measure of accomplishment. They will have provided the other body with a bill number.

First of all I would like to get to the now famous Eizenstat letter because it contains specific comments on particular sections of the bill which the White House found objectionable.

Those specific objections were to section 3 which would place:

> A limitation of 2 percent of the postal budget for contingency allowances. . . . Although the administration is sympathetic to the recent rate increases absorbed by the users of second through fourth class mail, we do not believe that reducing the Postal Rate Commission's authority to attribute costs that are reasonably and fairly associated with specific classes of mail is an improvement over the current practice.

Then the administration also expressed concern over the fact that the provisions of the bill will lead to greater postage increases for first class mail users.

Regarding section 4, the administration is specifically concerned with provisions that would apply to allocating 2 percent of the postal budget for research and development. At the moment the postal budget has $59 million for R. & D. Under the mandatory provisions of the bill it would rise to $320 million. The administration points out that to increase the budget allocation five times without the benefit of specific projects or programs can only result in waste, inefficiency, and questionable practices.

Section 6: The Department of Justice strongly opposes this provision which would allow the Postal Service and Postal Rate Commission to represent themselves in litigation.

Section 10 would amend the Surplus Property Act. Here the administration opposes the committee language and notes that the effect of this section would be to seriously reduce the ability of the Postal Service to offset the total costs of new, modern facilities by applying the proceeds from the sale of obsolete or outmoded facilities or stations. Then they say, "We fail to see how the committee's traditional support for an efficient Postal Service squares with the shackles of section 10."

Section 12 draws the wrath of the administration. This is the section that relates to international sea transportation.

Section 14, which provides for a legislative veto of service changes, also draws the administration's objections. I make these points from the letter from Mr. Eizenstat that was referred to earlier in its, say, political or strategic context, but in this case it was also a technical fact as well.

Mr. Chairman, modesty requires me to note that I wish I had a greater audience at this time, but at least the Members in the Rayburn Building have their TV sets on so they can listen in the comfort of their offices.

Earlier in the day the distinguished chairman of the subcommittee, the gentleman from New York (Mr. HANLEY) pointed out that if his leadership had been followed, this bill could have been passed last summer. Presumably then the other body would have acted, and the President would now be equipped with the muscle and the new genius found in H.R. 7700.

Really, when I rise to defend the administration in this postal debate, I admit that occasionally I may be facetious, but down deep in my heart, as a patriotic American, I hate to see the President's own party inflict this monstrosity upon him. It pains me to see this happening. But let me tell the Members what would happen. If some of us had not been a bit stubborn and procrastinated and delayed it, the President would now be equipped with H.R. 7700. In its original form, what would it have done? It would have provided that the President appoint the Postmaster General. It would have done away with the Board of Governors, and done away with a number of other reforms that gave the Postal Service independence.

Some Members say this would be good—but not the present occupant of the White House, because there is a rate increase going into effect in June. It is going into effect because of the wheels that were put into motion last fall. If by this time we had equipped the President with the authority to appoint the Postmaster General, and by abolishing the Board of Governors given the President's Postmaster General full responsibility, authority, and the recognition of running the Postal Service, we would have Mr. Carter saddled with the new rate increase, because then it would be the Carter rate increase, not the Postal Service rate increase.

Then we would also have said to Mr. Carter and his Postmaster General, "You are now totally responsible, and come the middle of April, you start negotiating with the postal unions for the next labor-management agreement."

Now, the President has just barely survived negotiations with the mine workers union. What would he do if he was responsible for negotiations with the Postal Union?

In his state of the Union message he made reference to a voluntary wage restraint in the private sector. What would he do as a matter of policy and as a matter of fiscal restraint if through his appointed Postmaster General he was responsible for the postal negotiations that will be a major settlement.

So I submit that those of us who have something to do with slowing up this legislation, which emasculates postal reform, would not have been serving the President's interest.

I might suggest, it does not do any President any good or any Congress any good to again be involved in the operations of the Postal Service. If we get our hands on the ratemaking machinery then we had better start negotiating with the employees for their wages.

Do we want it? No.

Do they want it? No.

The present system is preferable.

Does the President want to be responsible for every mail increase? No. The present system is preferable.

The attempt to equate this grotesquely shaped bill with postal reform is a sham. There is very little in H.R. 7700 which miraculously will cure some of the real and imagined ills of the U.S. Postal Service.

Certainly, the Postal Service is far from perfect. By the same token, the attempt to create the impression the Postal Service is a failing institution does not square with the facts. If the many wild charges hurled at the Postal Service were true, it would have been forced to cease operations. Instead, it has continued to demonstrate, on a daily basis, it is a working, viable entity. It is one of the largest public service organizations in the world.

Since postal reorganization, there has been a gradual improvement in service performance. Productivity has increased. There has been a marked improvement in working conditions and wages. Politics, which permeated the old Post Office Department, have been eliminated.

Meeting the mail needs of a nation as big and as diverse as ours is a complex, complicated undertaking. While self-styled expected abound, there really is a lack of genuine expertise on the subject. No other area of Government generates as much ill-conceived legislation.

Unfortunately, those in the best position to be rallying to the defense of the Postal Service are among its foremost critics. We have been told about low morale in postal installations across the country. Rank and file employees have a

very good contract, and their improved status can be traced directly to the 1970 Postal Reorganization Act. Under the authorized collective bargaining process, postal employees have achieved sizable wage gains. The average annual salary for clerks, letter carriers, and vehicle drivers now is over $17,000. For mail handlers, it is in excess of $16,000.

Then there are the postal supervisors. They have had difficulty accepting the prescribed role which makes them an integral part of postal management.

Finally, there are the local postmasters and their rival organizations. The postmasters too often have been caught up in the intramural strife of their respective organizations, instead of concentrating on ways to improve mail service.

What I am saying is that there is real need for genuine cohesiveness inside the Postal Service. Everyone should be pulling together to continue to improve our Nation's mail system.

Quite obviously, Postal Service management is not blameless. Some mistakes have been made. One of the most serious errors was the decision to invest $1 billion in a huge national bulk mail system network. It seems highly unlikely the Postal Service will ever recapture enough parcel post merchandise to make the bulk mail system cost effective.

While the Postal Service has succeeded in taking politics out of the system, there have been occasions where cronyism has figured in the hiring and promoting of top postal managers. All promotions should be on the basis of merit. The Postal Service is not the appropriate entity to be used in the attempt to correct social problems.

Finally, postal management must never lose sight of the fact that its first and primary function is to deliver the Nation's mail. It is a public service rather than a civil service organization.

Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, I yield 7 minutes to the gentleman from Missouri (Mr. TAYLOR), a member of the committee.

Mr. TAYLOR. Mr. Chairman, this bill makes what I believe are several major changes in the Postal Reorganization Act of 1970 that I hope will increase the authority of the President and the Congress in postal operations and should provide a better financial base for the future of the Postal Service.

Through the efforts of the chairman, the gentleman from New York (Mr. HANLEY) and the chairman, the gentleman from California (Mr. CHARLES H. WILSON), coupled with the leavening guidance of the ranking Member, the gentleman from Illinois (Mr. DERWINSKI) and with the on-and-off support of the administration, the committee brings forth to the floor a bill that reaches toward the goal of returning accountability to the President and the Congress for the operation of the U.S. Postal Service.

Whether or not we like it, Mr. Chairman, the Congress is held accountable by the public for the operation of the Postal Service. While we may not actually set the rates for postage, the public expects us to be responsible and insure the continued operation of the Nation's Postal Service.

A lot of us get more mail concerning the U.S. Postal Service than any other Federal agency. Most people seem to think that the Congress can react to their complaints and correct various situations. I dare say that many of the Members receive dozens of letters each week asking questions about our Postal Service.

The U.S. Postal Service is as old as the Nation itself. This bill is a step in the right direction, I believe, of assuring that as the Service moves into the 1980's, it will not lose sight of this tradition of "service" to all people across this land to which they are accustomed and entitled in urban and rural America.

There are several areas of the committee's reported bill that are to be changed under a series of amendments proposed by the chairman, the gentleman from New York (Mr. HANLEY) and the chairman, the gentleman from California (Mr. CHARLES H. WILSON), and I support these changes.

In one instance the committee's reported bill calls for an additional public service appropriation of up to $1.6 billion—that is in fiscal year 1979—and up to $1.8 billion in fiscal year 1980. The amount of authorization was too large to suit the administration, and I can certainly understand its budgetary concerns. The proposed Hanley-Wilson amendment is a more modest approach to the vexing problem of how to finance Postal Service operations, since the Postal Service is not able to pay its own way.

This revision calls for continuation of the $920 million authorization through fiscal year 1980 and an additional $800 million for the next 3 years.

The bill also returns to the President the responsibility to appoint the Postmaster General, retains the Board of Governors, and gives the President the ability to select a Chairman from among those he appoints to serve on the board. I frankly see no reason to maintain the Board of Governors with no meaningful function.

The committee's reported bill calls for a congressional veto of increased postal rates, as recommended by the Postal Rate Commission. This aspect of the bill was of concern to me and to other Members, as well as to the administration. Under the proposed amendments, this idea of congressional veto of rate increases is eliminated, and the Postal Rate Commission would retain final authority to approve postal rates.

I support an amendment that will be offered by my colleague, the gentleman from Illinois (Mr. CORCORAN) that I think is very important. This amendment will require a full accounting to the Congress and the American people of the performance of every class of mail. This will give the Congress an opportunity to monitor equitable allocation of costs within the service relating to the various classes of mail.

As many Members of the House know, Mr. Chairman, nothing touches the lives of individual Americans as often as does the Postal Service. In the last 8 years of operation under the Postal Reorganization Act, the Postal Service has been left to its own devices as far as delivery services, post office closings and changes in the level of services are concerned.

During the past 8 years this Congress has created, Mr. Chairman, many new Federal agencies. We have given older agencies new and far-reaching programs to carry out, and we have forced all these programs upon the American people. An ever-growing bureaucracy of red-tape, rules and regulations has followed these actions, and in most instances they are expensive and unresponsive to the needs of the American people.

As one example of the kind of activity in the Postal Service that has gone on during the past 8 years with which the public finds fault, I would cite the selection and appointment of postmasters.

When the Congress changed the law in 1970, it called for officers and employees to be in the career postal service. That sentence in the law has led to 12 pages of regulations on how postmasters will be appointed, and no one can now be appointed unless he or she is a postal employee. I think this might be of interest and certainly might address itself to some of the concerns that were raised by my colleague, the gentleman from Tennessee (Mr. ALLEN).

The committee's reported bill deals with the selection and appointment of postmasters and opens up competition for appointment to private citizens, giving first priority to employees within a local post office. Beyond that, it mandates that local postmasters must be selected from the communities in which the post office is located.

Mr. Chairman, I believe that this committee has in a bipartisan manner addressed itself as well as it can to this problem. It is a tough problem. It is one that will not be solved wholly by the content of this legislation.

There are some meaningful amendments that will be offered, some that I feel should be supported, especially one to be offered by my friend, the gentleman from Illinois (Mr. SIMON), dealing with parcel post rates, as well as the one I mentioned before that will be offered by the gentleman from Illinois (Mr. CORCORAN). That amendment, I think, is very important, because it gives us an overview of how the various classes of mail are doing financially.

The leadership has tried hard in this legislation, Mr. Chairman, to cooperate with the White House. Unable to do so, I think that it has come to the conclusion that the time has come for this Congress to act.

The bill was reported out of committee by a vote of 18 to 4. Thirty-six Presidents have accepted the responsibility of appointing Postmasters General; that has been true since the inception of the Postal Department. That system has served this Nation very well.

Mr. Chairman, with the forthcoming amendments that will be offered and hope will be adopted by the House, I think we have an opportunity here to move forward and to deal with a very

plaguing problem that concerns 220 million Americans, that of providing efficient mail service to our Nation.

Mr. HANLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. CHARLES H. WILSON).

Mr. CHARLES H. WILSON of California. Mr. Chairman, I do not really need to tell my colleagues that the American public places a high degree of importance on efficient postal service. Every congressional office receives a substantial number of inquiries every month about problems they are having with their mail.

The fact is there are some very serious problems facing the U.S. Postal Service as a result of deficiencies in the Postal Reorganization Act of 1970, and also because an inevitable loss of volume to new technology and rising labor costs appear to jeopardize the system's financial prospects.

H.R. 7700 addresses the most fundamental of questions about the future of this agency: Are we to continue the nationwide postal system as a service to the American public, and is this system to be responsive to the people? With this legislation, we clearly reestablish service as the primary goal for the service, and move away from the ill-considered "break even at any price" philosophy embodied in the 1970 Postal Reorganization Act.

In 1970 we made the mistake of giving a pseudobusinesslike mission to the newly created U.S. Postal Service. Unfortunately, the new postal managers saw this as a mandate to disregard the public's needs.

In discussing the management of a public service institution, Peter Drucker, the well-known author, has observed that what service institutions need is not to be more "businesslike," but rather to be more "hospital-like" or "Government-like," and so on. In other words, according to Drucker, "they need to think through their own specific function, purpose, and mission."

I believe that it is clearly the mission of the Postal Service to maintain our postal system and continue to provide a reasonable level of service. The public wants this kind of service continued including a viable parcel post operation, despite the efforts of some during the development of this bill to cut the USPS parcel capability.

And let me just say in this regard that we have worked long and hard to develop a fair parcel post provision, and the language in the bill today reflects a fair and equitable approach to the question. This has been attested to by a number of independent postal rate setting experts, despite United Parcel Service's claim to the contrary. It would be tragic if we adopted, as some have proposed, an amendment to this section which would, in the words of Postal Rate Commission Chairman Clyde Dupont, be "unfair and potentially disastrous to parcel post and the millions of citizens who use it."

Through direct appointment of the Postmaster General by the President with Senate confirmation, H.R. 7700 insures that postal decisionmaking will once again have some degree of public accountability. Specifically the Postmaster General would be appointed by the President for a 4-year term, concurrent with the President's, with Senate confirmation. This is a provision which I know has universal support in the House.

The Board of Governors, in this revised bill, will be retained, but only as an advisory and oversight body without the responsibility for directing postal policies.

The veto authority over service cuts provided under the bill would give the Congress a proper opportunity to evaluate whether such modification would be appropriate from a public policy standpoint. Specifically, if within 60 days, either House adopts a resolution of disapproval of the change, the change cannot become effective. This provision is identical to the Nix bill which was passed by the House on March 13, by a 371 to 6 vote.

The provision in the bill providing for congressional review of major capital investment projects is also significant. A public airing of the weak justification for the billion-dollar national bulk mail system in the early part of this decade might well have averted implementation of that costly white elephant. The new procedure will require the Postal Service, any expenditure exceeding $9 million, to present to the Congress a detailed description of the project.

Mr. Chairman, in summary let me just say that every Member of Congress is anxious to take some positive action to correct the deficiencies of the Postal Service.

This bill represents a golden opportunity to put the system on a proper course for the future. Many months, and indeed years, of investigation has gone into the careful preparation of this package. This revised version is the result of countless hours of discussion with top administration officials, and others involved in postal reform.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield.

Mr. DERWINSKI. I would like to point out to my dear friend from California that we live in a world of necessary international relations, and my support of the United Nations is not intended in any way to deprive the Postal Service of adequate funds. But, I wish the gentleman would explain to the House the fact that we have a situation where the administration does not want this additional funding, and the Postal Service, the particular entity of government involved, does not want it. Why is the gentleman insisting on ramming this $720 million down the throats of the Postal Service administrators?

Mr. CHARLES H. WILSON of California. I will be happy to try and explain to the gentleman. In the first place, the administration does not understand the bill, and they are using all types of reasons for opposing it; one of them happens to be the funding.

As far as the Postal Service is concerned, naturally they are opposed because the Postmaster General is going to lose his job, because the Postmaster General will be appointed by the President. I think the fact that only the Postmaster General, the Postal Service, and the President—who has not had an opportunity to completely understand the bill—are the only ones who are opposed to the legislation speaks highly for the legislation. It is all the more reason why we should pass it by a very strong vote this afternoon, and give the American people what they really want.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I will be happy to yield to my colleague.

Mr. ROUSSELOT. I appreciate my colleague yielding to me. Did I understand my colleague from California to say that he does not now favor the concept of Congress regaining some input by, say, veto provisions over the postal rate increases?

Mr. CHARLES H. WILSON of California. No, that is going to be included——

Mr. ROUSSELOT. You do favor that?

Mr. CHARLES H. WILSON of California. I am opposed to the congressional veto of postal rate increases.

Mr. ROUSSELOT. That kind of surprises me because I know both the gentleman and I have discussed what we consider some of the problems that have come up in the Postal Service as a result of that bad act of 1970, which I did not support. I was sure the gentleman supported a postal rate veto measure by Congress.

Mr. CHARLES H. WILSON of California. And I mistakenly voted for. I have to apologize.

Mr. ROUSSELOT. And one of the things we thought we could do is to reestablish congressional input on the issue of postal rate increases, since we get blamed for the increases all the time anyway. Our constituents always ask us every time postal rates go up, "Congressman, what are you doing about it?"

I would think, on the basis of our past personal conversations, that this would be another area that should be returned to Congress, the right to veto increases. I thought the gentleman would favor that concept.

Mr. CHARLES H. WILSON of California. Originally, as the gentleman knows, I did support it. In fact, I was in favor of abolishing the Rate Commission at one time.

Mr. ROUSSELOT. I remember that.

Mr. CHARLES H. WILSON of California. During the markup of the legislation in our two subcommittees, I suggested that it probably would be bad for us to keep the congressional rate veto in the bill because I did not think the Congress would appropriate the necessary funds to make up for this deficit that the lack of would cause. Now, if I felt that the Congress would assume its responsibility, when they veto a rate increase.

But I do not think the Congress is prepared at this time to assume that responsibility. That is the reason I feel that we have to continue with the Rate Commission at this time.

Mr. ROUSSELOT. I am not sure I would totally agree. I did not vote for the Social Security increase in taxes which will occur over the next 10 years with the result of what I consider will create a high inflationary impact, on all American working people. But in future times if the Congress vetoed postal rate increases I believe we would step forward to make up the difference.

Mr. CHARLES H. WILSON of California. That is one of the worst bills we passed.

Mr. ROUSSELOT. I agree, but the Congress did that, and I would think that under the Democratic leadership would want to cover any shortfalls because of rate increases rejections, now I understand we are going to repeal part of the new social security taxes, because it was too much.

Mr. CHARLES H. WILSON of California. I did not think that was responsible legislation.

Mr. ROUSSELOT. But my point is that the House has been willing on other occasions to assume the cost responsibilities on issues in which it had a part in causing, by writing new legislation to cover the same.. I would think that by reestablishing the gentleman's concept it would be a most effective way to have the Congress participate. That is why I supported portions of the previous recommendations made by the gentleman in the well, one of which was to take back or recover some of our input as it related to postal rate increases. So, I was surprised that Mr. HANLEY's substitute, or committee amendment in fact changes that proposal; and I was somewhat disappointed, because I think it is a good idea.

Mr. CHARLES H. WILSON of California. If the gentleman will allow me—he has been here a little while and I have been here a little while—we both realize that we cannot accomplish all of the things we want in each piece of legislation. It is necessary sometimes to go slowly and sometimes leave out things that later on we may have the opportunity to pass. I think we have a tremendous vehicle at this time. If there are needs for improvement, why the gentleman and I can work together on this and try to help the American people once more.

Mr. ROUSSELOT. Does the gentleman happen to know whether anyone from his side will reoffer that amendment to have a line item veto of postal rate increases?

Mr. CHARLES H. WILSON of California. The amendment the gentleman from New York (Mr. HANLEY) is going to introduce, the committee substitute, does not refer to line item vetoes as far as I know. It does not give us the congressional veto over rate increases.

Mr. ROUSSELOT. Does the gentleman know whether anybody is going to offer that?

Mr. CHARLES H. WILSON of California. No. I think there are already too many amendments that have been suggested. I would hope not.

Mr. ROUSSELOT. Would the gentleman support that if someone is going to offer it?

Mr. CHARLES H. WILSON of California. I do not know. I am going to have to listen to the debate and hear the discussion on it before I decide on that.

Mr. ROUSSELOT. I thank the gentleman. I hope he will continue to support his own congressional postal rate increases veto when it is offered.

Mr. HANLEY. Mr. Chairman, I reserve the balance of my time at this point.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. CORCORAN), a very active participant in the committee and a very dedicated member.

Mr. CORCORAN of Illinois. Mr. Chairman, I thank the gentleman very much for yielding.

Mr. Chairman, I rise in support of H.R. 7700, the Postal Service Act of 1977. I appreciate the opportunity to speak on behalf of H.R. 7700, which I voted for both in subcommittee and full committee. I feel that this legislation is necessary in order to restore accountability to the Postal Service.

I am sure, however, that all of my colleagues are aware of the controversy surrounding this bill. Although I voted to report H.R. 7700 out of the Post Office and Civil Service Committee, I did so with reservations about the bill. Today, as we are considering a substitute for that bill, my reservations are even greater. This controversy has, in fact, confirmed and strengthened my view that what is needed is even greater accountability.

The administration has indicated that it may not agree with Mr. HANLEY's assessment of the amount of postal subsidy needed, and Mr. HANLEY's amendment is a far cry from the original formula as reported by committee. All three figures have this in common, however. All of them constitute congressional guesswork as to the cost of maintaining vital public services that the Postal Service provides which are not profitable or self-sustaining.

These public services are not a regional issue; they affect every U.S. citizen. They include accommodations as common as placing post offices in accessible locations, on main streets, in suburbs, even though out-of-the-way locations would be less expensive. These services include accessible drop boxes and stamp vending machines and, of course, these services include 6-day mail delivery.

The difficulty lies in determining how much of a subsidy is sufficient, but not excessive; how much money is conducive to good service but not wasteful spending. No one agrees on how much is required, and there is no reason that anyone should agree, because no one has a basis for assessing how much these services actually cost.

During the 5-minute rule, I will offer an amendment to require that the U.S. Postal Service submit to Congress an account of public funds spent, by public service function, each fiscal year, and a projection of public funds to be spent in the next fiscal year for the various public service functions to be defined by the Postmaster General. I feel that this will, finally, end the guessing game that Congress has been forced to play to keep the Postal Service afloat. We will no longer have to wonder where this money is being spent, whether it is necessary, and whether it is sufficient.

I have not set an artificial ceiling on the public subsidy, a ceiling that again would be guesswork. Rather, my amendment would authorize the present $920 million and such other sums as are necessary, subject to delineation of public service uses by the Postal Service.

This is a sunshine amendment offered in the hope that we will no longer be forced to authorize appropriations on speculation, and offered in the spirit of a compromise that everyone who truly seeks good, efficient operation of the Postal Service can support.

My second reservation concerning H.R. 7700 involves not fiscal accountability, but accountability for postal policy. H.R. 7700 as reported by the committee eliminated the Board of Governors. It was felt that inasmuch as the Postmaster General would be appointed by and responsible to the President, there was no need for a Board of Governors. They have been notoriously unresponsive to the President, to Congress, and most important of all, to the people, in the recent past, as has the Postmaster General. Making the Postmaster General a Presidential appointee will restore the Postmaster General to a position of responsibility to the people, through the President and Congress of the United States. I believe this can lead to policies that reflect the will of the consumers and supporters of the Postal Service.

Reinstating the Board of Governors, as Mr. HANLEY's amendment would do, simply adds an overlay of bureaucracy, including an unspecified number of staff supported by an unspecified amount of money, all of which will carry out functions that can be performed as well by the Postmaster General. Therefore, I will be offering a second amendment that will abolish the Board of Governors, which was the intent of H.R. 7700 as reported out of committee.

I respectfully urge your support of these two amendments to increase fiscal and policy accountability in the U.S. Postal Service.

Having expressed some of my reservations about H.R. 7700, I would like to assure you that I do support the concept of the bill. It has many good points, of which I would like to single out a few in particular.

H.R. 7700 is consistent with and marks a return to the idea that the Postal Service is a public service. As such, it should not be expected that all of the services it provides should be self-supporting, or

that the Postal Service as a whole should be self-supporting.

This bill acknowledges the shortcomings of the experiment begun in 1970, leading to declines in service, increases in rates, and no hint of real self-sufficiency. H.R. 7700 acknowledges our obligation to support the public service aspects of the Postal Service.

The second major aspect of H.R. 7700 that I applaud is the requirement that the Postmaster General be a Presidential appointee. This stipulation reaffirms the right of the consumers and supporters of this public service to determine the policies of this vital public service.

I would also like to voice my general support for the research and development program established by H.R. 7700 although I will be offering an amendment to speed up the electronic transmission of the mails. Private industries engage considerable sums of money in research and development programs because they are subject to competition and face elimination if they do not keep up with the most modern and efficient methods of operation. Being a monopoly, the Postal Service has had no need to engage in such programs to avoid elimination, but in H.R. 7700 we have recognized the fact that, notwithstanding the lack of competition, it is to the benefit of the Postal Service to support such a program. It is time for the Postal Service to look at electronic communications as they will affect the future of the Postal Service, to study management policy, to evaluate their internal and external environment and respond to it.

Mr. Chairman, members of the committee, I hope you will support H.R. 7700 and the constructive amendments which will be offered to it during the 5-minute rule.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, there are many aspects of this legislation that merit comment, but I wish to zero in and ask the gentleman from New York (Mr. HANLEY) a few questions about a subject of special interest to me—electronic mail. This legislation does much to force the Postal Service into research and development of a public system of electronic mail.

I wish to make several points about this.

First, I want to observe that the Postal Service is quite a late comer to the subject of electronic message service systems (EMSS). As I have noted in several statements in the CONGRESSIONAL RECORD, private enterprise has produced a variety of functioning, competing electronic mail systems. Several different kinds, including communicating typewriters and telecopiers, are available to and used by many of us in the Congress.

Moreover, thousands of EMSS units have already been sold to offices and commercial users throughout the country. This is projected to be an area of great growth for office equipment suppliers.

Second, I wish to reiterate my concern that the Postal Service, in its efforts to date, has shown an almost total disregard for the need to design into any public EMS system safeguards for the confidentiality of the messages being transmitted. I have made my views known on this subject on previous occasions, so I will not belabor the point at this time.

What I wish to discuss now with my colleague from New York (Mr. HANLEY) is the issue of competition in the electronic mail marketplace. This third and final item on my list of concerns is of great importance to our future communications policies, I believe.

For the past several years we have witnessed a sometimes heated debate over the issue of competition in the telecommunications marketplace, particularly with regard to the sale of telephone equipment and business communications services. I think it is clear now that our public policy has been firmly resolved on the side of responsible competition.

Now I see that just a week ago the Federal Communications Commission authorized a staff study of the near monopoly on telegraph services that is currently enjoyed by the Western Union Co. A point of particular relevance is the fact that the Commission intends to look at the growing role of private EMSS as a part of its inquiry.

Given this trend in public policy toward competition in various communications media, and given the strong role in EMSS development being played by smaller, aggressive suppliers of business communications equipment, I think that we need to clarify several issues.

I would like to ask the gentleman from New York (Mr. HANLEY) a few questions that might help our understanding of how the pending legislation, H.R. 7700, would affect the electronic mail marketplace. First, I wonder would the gentleman state approximately how much money he expects the Postal Service would spend on electronic mail research and development if this bill is enacted. As I understand it, the legislation would make available over a quarter billion dollars for this purpose.

Mr. HANLEY. If the gentleman will yield, the original language of the bill required that the agency spend 2 percent of its budget on research and development, including exploration of electronic communications. We amend that figure and reduced it to 1 percent for research and development, striking from the language reference to electronic communications. Our intent is that in no degree will the agency invade an area of private enterprise with respect to electronic communications. We are saying to the agency: Develop your program of research and development which will allow you the opportunity to sophisticate the methodology used in the processing of mail, whether it be facilities automation, inhouse automation, et cetera. Take a reading, perhaps, on electronic communications. Determine if under the authority granted the agency within the private express statute they have a prerogative. Fine. But in no degree do you step 1 inch beyond the authority allowed you per the private express statute. So essentially we are saying: Look, we do not want you to get into a field that is already covered in the private sector. If there is something electronically that you may apply under your existing authority, fine.

I might add that we covered this ground with the chairman of the Communications Subcommittee of the Committee on Interstate and Foreign Commerce, the gentleman from California (Mr. VAN DEERLIN) assuring him that it was not our intent that the Postal Service invade the prerogative of those presently engaged in electronic communications, and agreed with Mr. VAN DEERLIN to strike reference out of electronic communications in the R. & D. provision.

Mr. WHALEN. Speaking of the R. & D., I wonder if the gentleman can explain how this money will be spent. Will most of it be inhouse work done by the Postal Service, or will it be contracted out; and if it is to be contracted out, will it be by competitive bid?

Mr. HANLEY. If the gentleman will yield further, I would assume that most of it would be contracted out by competitive bid, yes.

Mr. HANLEY. Mr. Chairman, I would assume most of it would be contracted out and by competitive bidding.

Mr. WHALEN. Now, pursuing this point about competition with the private sector, I know that the bill states that the Postal Service need not charge for a particular service more than 60 percent of the cost of that service. The remaining 40 percent of the cost can be charged off to general overhead and thus allocated to the fee schedules for other services offered.

Now, bearing this in mind, the problems we have seen with this kind of budget juggling in the telephone industry, I am wondering if the gentleman would comment on how this policy might impact on future competition between public and private EMSS?

Mr. HANLEY. The judgment of the Postal Commission is that the 60 percent attributable cap is a fair and equitable way to establish the rates. As you know, it is a highly technical subject matter. The Rate Commission actually works completely independent of the U.S. Postal Service. It recognizes the prerogative of the private sector.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ROUSSELOT. Mr. Chairman, I yield 3 additional minutes to the gentleman from Ohio.

Mr. HANLEY. Mr. Chairman, if the gentleman will yield further, in my judgment it tries hard to be very fair; so we essentially do not want that agency to enjoy competition advantage over any entity in the private sector. We have spoken out very strongly on this already and I think they understand what we mean.

Mr. WHALEN. Finally, I note that the pending legislation would remove from the Justice Department its jurisdiction over mail classification legal disputes. I am curious to know, then, how we can expect complete coordination between the various Government offices and agencies with respect to the controversial issue of competition in communications.

Mr. HANLEY. It would appear to me and others who have studied this part of the legislation that within the Postal Rate Commission itself problems will be resolved avoiding the necessity of a Justice Department action.

Mr. WHALEN. Well, I thank the gentleman for these informative replies. I believe that electronic mail will eventually have an enormous impact on the Postal Service and, indeed, on basic patterns of commerce in this country. The information provided by the gentleman from New York will provide an important part of the public record of consideration of the increasingly important subject of electronic mail.

Mr. ROUSSELOT. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

I am concerned about this. I was alerted when the chairman of the subcommittee said something about the electronic devices that might be used. I see these things very much from the working level. In talking to employees who work in the Post Office and to consumers and others who have received parcels that have been through some of these electronic marvels, I really would like to question whether we are wise in encouraging the Post Office to buy machines that were tested and discarded by the taxpaying very efficient United Parcel Service. The people who try to deal with these machines in the Post Office say they just tear things up. That is why the packages arrive all damaged.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I would be delighted to yield to the gentleman.

Mr. CHARLES H. WILSON of California. Mr. Chairman, we have been very critical of the operation of the bulk mail system. We feel there is great room for improvement. One of the criticisms we have had is that the Postal Service has not utilized the techniques and knowledge that UPS has.

I am later going to oppose the UPS amendment. I hope this will not be justification for supporting the amendment that the gentleman from Illinois (Mr. SIMON) will offer, but I have to give all the credit in the world to the UPS for running a good operation.

Mrs. FENWICK. Mr. Chairman, I would like to reclaim my time in order to make my point.

This was tried. This new equipment was tried by the UPS and found wanting, but the Post Office went right ahead and bought it anyway; they said they could save hiring a lot of people. They bought many machines, and those machines mangled the packages. After what the machines did to those poor packages, the Post Office Department did not save anything anyway.

Mr. Chairman, I am wondering very much if we may have had some misdirection and mismanagement here.

Mr. CHARLES H. WILSON of California. Mr. Chairman, if the gentlewoman will yield further, we have had misdirection and mismanagement.

The principal purpose of this bill is to see if we can get better management. There has been bad management right along.

We had difficulty trying to find out who was responsible for the bulk mailing system.

There is no question but what they will have to improve their method of handling parcel post packages if they are going to ask us to let them continue delivering parcel post and if they are going to ask us to oppose the UPS amendment.

The UPS is entitled to all the credit in the world for having a wonderful outfit, one that delivers the packages promptly and safely and without them being broken. I hope we can utilize some of their methods in the Postal Service.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. FENWICK) has expired.

Mr. DERWINSKI. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, let me point out for the benefit of the gentlewoman from New Jersey (Mrs. FENWICK) one of the problems in this parcel post area. The problem was that it is a massive operation, and it took awhile to integrate.

In fact, there are still bugs in the system, and mechanically there was an element of imperfection that was tolerated for too long a time. Also I think, as the gentlewoman knows, it is true in the business world that when one loses a customer, it takes a lot of effort to get the customer back. The Postal Service has lost customers, and it does not have them back yet.

Mrs. FENWICK. Mr. Chairman, I think an awful lot is to be gained by talking to the people who are working in the business. When we talk to postal workers and ask what is going on and why, they tell us they are not fooled and they are not foolish either. They are aware of what the troubles are.

They say they knew that these machines had been tried by UPS and discarded as useless and in fact as damaging to packages.

Then one wonders why we kept on with them. Why did we ever get them if they proved to be bad? Why did we keep them when they were found to be bad?

Mr. DERWINSKI. Actually, with the new building they built and with the machinery that was installed, at least in theory the system should have been absolutely perfect and efficient in their operation. However, as I say, there were bugs in the system, and they have not completely whipped them yet.

Mrs. FENWICK. Mr. Chairman, I am really more interested in practice than in theory. That seems to be a safer position if we are concerned about the people's money.

Mr. Chairman, I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, I thank the chairman of the Post Office Subcommittee for his efforts and I thank the ranking Republican member of the committee on our side, the gentleman from Illinois (Mr. DERWINSKI), who has taken such a firm stand and brought out so many questionable points in this legislation.

I appreciate the fact that we are bringing this bill to the House floor, so as to give us an opportunity to review all of the problems and all of the conflicts that the postal system has—and there are so many of them.

When I was home this weekend, I was talking to people who are in the direct selling business. They are in a business where they sell direct in a person's home and this is how it works: After a person has made a direct sale, the company ships the order from the factory in Ohio or wherever it might be. They package it up and send it to the customer. At the time they send it they include a little printed literature with it. That causes all kinds of mailing problems when they do that, because if they put anything in the box, then the question is: Is it first-class mail or not?

We have got so many privileges and exclusives set up for the Postal Service, so they have not had to compete. This has, I think, tended to make them very soft.

But now they have had to compete with the United Parcel Service. I think most of us have seen the statistics showing that the parcel post business has got to where they were doing only 20 percent of what they used to do in parcel post, and the UPS has just skyrocketed every year they have done business. The reason UPS has gained is because the do not have all these little rules about "You do this through the mail" and "You cannot do that." They operate based simply on service.

The best thing, I believe, that could happen to the post office would be to get them completely out of the parcel business. That would simplify it for them. Parcel Post is definitely one of the hardest phases of their operation.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, when we held our hearings and the United Parcel Service came in and tried to write a particular section of the bill for us that would give it some advantage—and that is an advantage they do not need, because of the fine job they do—I asked them if they would like to handle all the parcel post business. I said, "Let us just take it away from the U.S. Postal Service, and you folks handle everything."

They said no, they do not want it, because they are not prepared yet to go into the rural areas completely, and they are not prepared to have a universal system which we have to have in the Postal Service, and that is why we have to protect the parcel post business of the Postal Service and not let it deteriorate any greater than it has already. They are not prepared to deliver out in

the Indian reservations. They are not prepared to deliver over all the country the way the USPS is. We cannot think seriously about trying to let them have all of the service. They do not want it.

Mr. COLLINS of Texas. I wanted to recognize the gentleman because I think the gentleman from Illinois (Mr. SIMON) proposes an excellent recommendation. But just in answer to what the gentleman from California (Mr. CHARLES H. WILSON) said, first, I can see why the UPS wants to have the Postal Service as a competitor rather than have another competitor come in. The Postal Service is an efficient business competitor.

Mr. CHARLES H. WILSON of California. The UPS has a sweetheart labor contract, too, that helps them.

Mr. COLLINS of Texas. The whole argument that we have regards why we should keep the Postal Service so that they can deliver parcel packages to the rural areas. The gentleman from California and I are in metropolitan areas, and I do not think that it is the responsibility, in this changing country we have, to provide day-to-day delivery in rural areas for packages every day. In other words, today everybody gets in their car and they drive to town. If they do not get to town once every day, they go at least twice a week, and it would be very simple for them to go by the post office and pick up what they have or pick up from United Parcel. To think you can have a package delivered to a farm 20 miles out of town is absolutely ridiculous. Think of all the advantages the farmers have. They have a horse out in the back yard. They can ride horseback when they want to. They have fresh air. We who live in the metropolitan areas have to suffer from a lack of fresh air. They can grow their own vegetables. They have a whole lot of advantages. With the advantages of living that they have, I think they could have the handicap of picking up their packages. We should not subsidize them and pay about five times more than is necessary.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

Mr. Chairman, I would like to say, if I may, that I disagree a little with both of my colleagues, the gentleman from Texas (Mr. COLLINS) and the gentleman from California (Mr. CHARLES H. WILSON).

First of all, those farmers have a little bit of a disadvantage of having a hard time making a living these days. I think we have to keep that in mind. That is a minor disadvantage in the rural areas. I would disagree with my colleague when he says that the Postal Service should not be in the parcel post business. I think that alternative has to be there.

The CHAIRMAN. The time of the gentleman from Texas (Mr. COLLINS) has expired.

Mr. DERWINSKI. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas.

Mr. SIMON. If the gentleman will yield further, the Postal Service, I think we should know, delivers more than 1 billion packages a year. The 338 million figure the gentleman has seen is only for parcel post. It does not count priority mail and third-class mail and a lot of other things. I would differ with my colleague from California when he mentions that United Parcel Service does not deliver in rural areas. They come right to the homes, unlike leaving it in the mailbox. It is true they do not do this in all sections of Alaska, but in the other 49 States they cover all of the States completely.

I would point out, also, there are a number of other firms, Greyhound, and a number of others, some 62 firms that are in intrastate business delivering packages. So I do not think we ought to be putting those firms out of business.

Mr. COLLINS of Texas. Mr. Chairman, I appreciate the fact that the gentleman from Illinois (Mr. SIMON) has brought out one very important point. United Parcel is not without competition today. Greyhound and Continental Trailways consider it an excellent part of their business to be able to deliver these packages, and they give very fast service, in delivering packages. You have to go to the station and pick it up yourself. The real consideration is when Postal Service gets it to the area post office, they still have to distribute it out. Home delivery is the most expensive part of the whole service.

One other point I want to mention. I did not hear the other part of the debate, but another part of this bill which disturbs me is this request for $800 million more which, as I understand it, is not in the budget and President Carter has not requested it.

Where did this increased money come into the action?

Mr. HANLEY. If my very good friend will yield, Mr. Chairman, actually, as the gentleman knows, we have decreased the dollar figure in this legislation, dropping it from the original language, which required 15 percent of the budget; we have essentially halved it. In the legislation the provision now is for but $800 million over a 3-year authorization period.

Take a look at the fiscal plight of the agency, if you please. The 1977 fiscal year deficit is about $670 million. The 1978 fiscal year deficit, the projected deficit, is something like $900 million. It goes up to a projected deficit, under present circumstances, of about $1.3 billion in 1980. Add to that the accumulated obligation of the agency, which add up to about $4.5 billion, which suggests to anybody that we are on a collision course with bankruptcy.

The CHAIRMAN. The time of the gentleman from Texas (Mr. COLLINS) has expired.

Mr. DERWINSKI. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas (Mr. COLLINS), since I believe the gentleman from New York (Mr. HANLEY) has not finished his answer.

Mr. HANLEY. Mr. Chairman, will the gentleman yield further?

Mr. COLLINS of Texas. I yield to the gentleman from New York.

Mr. HANLEY. To continue, Mr. Chairman, the agency is on a collision course with bankruptcy.

In the latter part of May the Rate Commission will come back with its ruling on the pending rate-hike proposal. Given the fiscal situation I have attempted to describe, it has no alternative other than to approve the pending rate hike, which will have the effect of sending the 13-cent stamp up to 16 cents and all other classes of mail will go up accordingly about June 1 of this year.

Void this particular legislation and we can count on another rate-hike proposal right on the heels of the one that will be approved in the latter part of May.

We proceed with this, and we are not at all providing anything in the way of medicine to the fundamental problem of the agency. We are trying to incorporate in this agency efficiency that, hopefully, will have the effect that, through attrition, the labor intensity aspect of the agency will begin to decline. Mr. Chairman, 87 percent of the current budget is spent for labor and fringe benefits.

Mr. COLLINS of Texas. Mr. Chairman, if I may, let me go further into labor costs.

I appreciate what the gentleman from New York (Mr. HANLEY) is saying, and he is right. Postal costs all get back to the specific 87 percent labor cost. Congress has been very reticent about making suggestions as to how the post office could efficiently use their labor better.

One example, Mr. Chairman, is the way I get my mail at home. I have a box out in front of my house on the street side, and I walk out to the box and I get the mail.

When that suggestion was made, many Members of Congress objected and said they thought everyone should have mail delivered at the door. Door delivery is costly and does not expedite the handling of mail.

The suggestion of post office box clusters was made. Congress again objected. Congressmen wanted door-to-door delivery. The suggestion of not delivering mail on Saturdays was made. Again Congress objected and wanted 6 days delivery.

How can the Post Office reduce their costs if we take the political expediency position here in Congress?

Mr. HANLEY. If the gentleman will yield further, Mr. Chairman, the Congress, I believe, is responding to the will of the majority of the people.

Through the last year we have had three votes on the general subject matter. At one time we came back with 399 yeas to but a handful of nays. In another instance some months later, we came back with 377 yeas to but a handful of nays; and just last week, on another similar vote, we came back with 378 yeas to 6 nays.

The Members of Congress, I believe, respond to their responsibility to their constituents. I know I do not, and certainly the gentleman does not, do things that are unpopular with our own constituents.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. DERWINSKI. Mr. Chairman, I yield 4 additional minutes to the gentleman from Texas.

Mr. COLLINS of Texas. Let me at this time sum up something. The gentleman from New York is really getting down to cases. I agree with the gentleman from New York that Congressmen are responsive to our constituents and make things very difficult for the Post Office to operate on a profitable basis. We are overresponsive. We are ready to provide every service in the world, and yet we do not want folks to pay for it. We are trying to stand on both sides of the issue. They are being required to provide these services, and we are saying, "Do not increase the rates."

Somewhere down the line we have got to start talking about keeping down costs. I remember the vote we had last week, and there were just six of us voting on that. I know that Congress would not back up the Post Office on any cuts in service.

Where they were trying to put in something efficient, or trying to reduce costs, if we had told folks, "Do you want to get this service or do you want your rate to go up," but we never put it that way. We will always say, "Do you want the service," and discuss the rate at a separate time. They are correlated; they are definitely related.

Somewhere, somehow, we have got to get back to basics and we in the Congress are going to have to be stronger in backing post office management any time they suggest these cost-saving ventures.

Mr. HANLEY. If the gentleman will yield further, would it not be fair to say that the American people are attuned to a tradition when it comes to Postal Service It has been traditional in this country that they enjoy door-to-door delivery; that they enjoy Saturday delivery, and they are wedded to that concept, as is evidenced every time the agency moves in the direction of cutbacks. Well, that brings on an onslaught of complaints from people, and the Congress reacts in support of the people's position. Essentially, that is what we are doing here today. The self-sustaining concept, as well intended as it might have been back in 1969, has proven to be impossible.

Let me make one other point, if I can mention one other factor which, in my judgment, has led to the fiscal distress of the agency. Back in the act of 1970, the provision had it that it would enjoy public service costs up to 10 percent of that particular fiscal year budget. So, by that language the agency was locked into a situation whereas it was going to enjoy 10 percent of the budget for that year, going back to 1970. The budget was then $920 million.

Unfortunately, had the Postmaster General—the first one under this new concept—come back to the Congress and said, "Wait a minute, friends, what you should do is have that apply to the current fiscal year budget," had he done that back 7 years ago, I do not think the agency would have been in the jackpot it is in today. Unfortunately, they lived in that terrible fiscal situation, giving no consideration at all to the inflationary factor. As we have said many times, like gasoline alone, every time the cost of gasoline increased by 1 cent per gallon, it added $300 million to the annual budget of the Postal Service.

Mr. COLLINS of Texas. Let me just add that the gentleman has done a wonderful job in answering me. I understand all that he is saying, but I just want to state during the last minute I have that every poll in this country shows that the biggest problem in America is inflation. Everyone objects to inflation, and it starts right here in these seats we have here in Congress. We are the ones who are causing inflation in this country because of the spending we are doing.

We are running a $100 billion deficit this year, spending and more deficit spending, causing this country to issue more money, more money, and causing the value of the dollar to drop to the point where a dollar is worth 50 cents, and it takes $2 to buy what $1 bought in the better days.

What we need is more postal service like the postal carriers with their enthusiasm and strong sense of duty and responsibility.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. DERWINSKI. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas.

Mr. COLLINS of Texas. We never stop spending on a deficit basis. Let us start with the post office. Remember $100 billion of Government spending was Congress budget in 1962; 10 years later we reached $200 billion, in 1972. Congress is now spending $500 billion per year.

We talk about service, but what we ought to talk about is inflation, and inflation is simply spending money we do not have. Whether it is the post office or whichever Department in the Government is spending money we do not have, we ought to start changing right now. The American people do not need all the service. Americans can provide a few things for themselves. But they do want to end inflation, and if we can plan, economize and get to a balanced budget we can end inflation.

Mr. HANLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I thank the gentleman from New York for yielding.

At this time I want first to commend the committee, both the chairman of the full committee and the chairman of the subcommittee for having done an excellent job.

I remind the House the present Postal Service was initiated as an experiment in 1970 and operated since then in an effort to try to bring greater efficiency to the postal system. It was done at the urging of the American people and the business interests of this Republic, but it did not work.

At that time a number of people expected the Postal Service would be self-supporting, but some of us on the committee realized the Postal Service could not be self-sustaining. The only place in the world a postal system is self-sustaining is where both the telegraph and telephone and postal service are incorporated, and we certainly did not want to do that in this country.

My colleague was correct in indicating that when he was home his people were asking him to do something about the postal service. We have heard about that a great deal. This bill does exactly that. We have provided oversight and a veto over the policies of the system, and the President will have the opportunity to appoint the Postmaster General, and we will have subsequently the opportunity to have tremendous oversight to be sure the policies are appropriate to bring service to the public.

We have seen instance after instance where the Postal Service has attempted to cut back the service to the public. The latest example is the attempt to cut back the 6-day service by eliminating Saturday delivery. The American people and the Congress have said no, we want that delivery. The Service had previously cut back the three-times-a-day delivery to once-a-day delivery.

I ask the Members to support the bill and this effort to restore oversight and authority over the Postal Service.

Mr. HANLEY. In conclusion, Mr. Chairman, I just want to say we are dealing with a highly complicated subject matter. In recent years, there have been two Commissions appointed to deal with it in an effort to resolve the problems of the U.S. Postal Service. One was headed by the very eminent Fred Keppel, former chairman of the A.T. & T. Unfortunately the result of this Commission was not that productive. Most recently the study Commission instituted after passage of H.R. 8603 was headed up by a group of illustrious people chaired by Gaylord Freeman, a group of very intelligent people who have delved heavily into the matter and spent a great deal of time in trying to resolve the problems of this agency. Unfortunately they produced little in the way of constructive results.

The measure we are considering today is, in the collective judgment of many people in and out of the Government, one that hopefully will provide the solution to the problems of the U.S. Postal Service, if there is a solution to them. So we ask for your confidence on this legislation.

Like the gentleman from Texas (Mr. COLLINS), we do not like to spend any more money than is absolutely essential. We are trying hard to be responsible. We are trying hard to provide some direction for this gigantic agency in recognition of our responsibility as Members of the Congress. So I hope very much that a good majority of the Members of the House today will express their position on this subject matter once again as they have done three times in the recent past.

Mr. Chairman, I yield back the balance of my time.

Mr. ROUSSELOT. Mr. Chairman, I yield such time as he may consume to

the distinguished gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I completely support the provision in H.R. 7700 which calls for congressional review and veto power over proposed changes in national postal standards. For example, it would prevent the Postmaster General from eliminating Saturday mail delivery unless Congress concurred.

As many of my colleagues may remember, last September we passed House Concurrent Resolution 277, expressing the sense of Congress that the Postal Service should not eliminate Saturday mail delivery. Saturday mail service is a historic public service of the American postal system and, as a service, simply curtailing operations is not the proper approach to dealing with postal financial difficulties.

In my district, the discontinuance of Saturday service would completely disrupt the Saturday delivery of our weekly newspapers. It would hit especially hard our small businesses which depend on a reliable mail service and it could add at least 1 more day's delay to those older citizens waiting for a social security check.

Every Monday the backlog of mail in our small post offices would be mammoth, and, it is unlikely that the entire 3 day buildup of mail could be processed in just 1 day. On Monday the letters that should be delivered may well have to wait until Tuesday or even Wednesday. And, when one of the six Monday holidays occurs the entire mail schedule could be disrupted for the entire week.

With this in mind, I must commend my colleagues on the Post Office Committee for including this congressional review provision. Because we in Congress must be responsive to our constituents, this provision will allow us to keep the Postal Service equally as responsive and is a major step in working for true postal reform.

I am also pleased to see the provision in H.R. 7700 calling for public hearings in any community where the Postal Service is considering closing or consolidating a post office. It also would require the Service to consider the social effect of a post office closing on a community. As a Representative of a predominantly rural district I know from first-hand experience that the continuation of our small rural post offices is of utmost importance. In many areas these offices serve as community meeting places and have social and cultural impacts that cannot be measured in dollars and cents. This provision will insure our rural areas that they will have a direct input in any Postal Service decision affecting their areas and that all factors involved—financial, social, and cultural—will be considered in a possible closing or consolidation.

Furthermore, I am pleased to see that postal rate principles are clarified in the bill for nonprofit mailers. Our time honored tradition of keeping the mails open to small magazines and newspapers—which are now in danger of being priced out of the mails, and therefore out of existence—is strengthened by providing that the first 250,000 pieces of an issue be mailed at a reduced rate.

Finally, I plan to support the amendment which will be offered to preserve existing parcel post ratemaking rules. The Simon amendment would simply specify that parcel post rates should cover the costs of the service. Figures show that the margin of profit of the private carriers of parcels is small and that a major shift in subsidies, as proposed by H.R. 7700, could hurt the private sector.

The public should be allowed a choice between parcel post and a private sector firm—and that choice is in real danger should the Congress grant more taxpayer subsidies to the Postal Service in the form of higher rates on other classes of mail to undercut rates of private sector services.

The Simon amendment would simply require parcel post to pay its own way—as it should—and it is imperative that we adopt it if we want to continue the long stated principle of fair competition between public and private parcel delivery.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. DERWINSKI. I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I think the Members of the House should be aware that one reason many of us in this body have great concern about adding another $800 million to the deficit of this postal organization is because it already has had $17 billion to spend this year and they will probably spend $18 billion in 1979. Most organizations could make ends meet on that kind of a budget or on that kind of revenue. It seems unwarranted and wrong for us to add to a Federal deficit that is already too big, another $800 million.

We are not talking just about pin money, we are talking about big dollars. The American people are tired, they are sick and tired of constantly watching their Government going further and further into debt to pay for so-called service organizations that cannot get the local mail deliever on time in many cases.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. My colleague, the gentleman from Illinois (Mr. DERWINSKI), has control of the time.

Mr. DERWINSKI. Mr. Chairman, if the gentleman promises to try to control himself I will be happy to yield further to the gentleman from California.

Mr. ROUSSELOT. It is very difficult for me not to get excited about big Federal deficits. The American people do not understand our lack of any fiscal restraint.

I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, once again I reiterate that I share the concern of the gentleman for the dollar figure associated with this legislation; however, the gentleman should not forget that contained in the bill there are mandates that are going to require efficiencies within that agency that have not prevailed for the past 7 years. So we have high hopes that as a result of the overall provisions of this legislation we are going to enjoy efficiencies, subject to the enactment of this legislation, that will lead to many improvements from the standpoint of the taxpayers.

The CHAIRMAN. All time has expired.

Mr. DERWINSKI. Mr. Chairman, in view of the debate we have had and in view of the tremendous attendance we have had this afternoon, I must, of necessity, make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 169]

Akaka	Findley	Rahall
Anderson, Ill.	Fish	Risenhoover
Andrews, N.C.	Flood	Rosenthal
Archer	Fowler	Runnels
Armstrong	Fraser	Ryan
Blouin	Frey	Santini
Boggs	Goldwater	Sarasin
Bolling	Goodling	Scheuer
Broomfield	Gudger	Shipley
Burke, Calif.	Harrington	Shuster
Burton, John	Harsha	Skubitz
Burton, Phillip	Heckler	Solarz
Byron	Jenkins	Teague
Cederberg	Krueger	Thone
Chappell	Leggett	Thornton
Collins, Ill.	McClory	Tucker
Cornwell	McCloskey	Udall
Davis	Madigan	Ullman
Dellums	Mathis	Van Deerlin
Dickinson	Meeds	Volkmer
Diggs	Mitchell, Md.	Waxman
Drinan	Moffett	Whitley
Eckhardt	Murphy, N.Y.	Wiggins
Edwards, Calif.	Nolan	Wilson, Tex.
Erlenborn	Pepper	Wright
Evans, Ga.	Pursell	Young, Alaska
Fary	Quie	Young, Tex.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PATTISON of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 7700, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 353 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. Pursuant to the rule, it shall be in order to consider an amendment printed in the CONGRESSIONAL RECORD of March 14, 1978, by Representative HANLEY of New York if offered as an

amendment in the nature of a substitute for the bill, said substitute shall be read for amendment under the 5-minute rule as an original bill, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, are hereby waived.

At the appropriate time the Chair will recognize the gentleman from New York (Mr. HANLEY) to offer his amendment.

At this time the Clerk will read.

The Clerk read as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "Postal Service Act of 1977"

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HANLEY

Mr. HANLEY. Mr. Chairman, pursuant to the rule, I offer an amendment in the nature of a substitute for the bill.

The CHAIRMAN. The Clerk will report the amendment by sections.

The Clerk read as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Postal Service Act of 1978".

Mr. HANLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DERWINSKI. Mr. Chairman, reserving the right to object, as I understand the parliamentary procedure, this is the famous or infamous substitute that has drawn so much wrath from the White House. It is 35 pages long but if the gentleman from New York could explain it and especially the parts that the White House objects to, I think we would all feel much better.

Mr. HANLEY. Mr. Chairman, if the gentleman will yield, as the gentleman points out, this amendment contains provisions which will lower appropriations from 15 percent of the postal budget to a dollar amount or $800 million for the next 3 fiscal years. It also provides for the appointment of a Postmaster General by the President and for a term of 4 years, and it strikes out the provisions of H.R. 7700 providing for congressional review of postal rate increases. The remainder of the substitute is the same as the bill reported out of committee.

Mr. DERWINSKI. Mr. Chairman, I believe this is the same amendment that is covered by the White House letter of March 14 from a distinguished public official by the name of Stuart E. Eizenstat, Assistant to the President, in which he outlines objections to six specific sections of the bill. This is the same amendment, is it not?

Mr. HANLEY. The gentleman is right. I give the gentleman the absolute assurances that the administration is in concurrence.

Mr. DERWINSKI. In which of the hands of the administration, left or right?

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I am constrained to point out that some very strange things seem to be happening. I have in my hand H.R. 7700. It has the first 22 pages stricken and a bill following that, which I assumed was H.R. 7700, a bill that was part of the one we had last October. I have now been handed a 30-odd-page bill that is supposed to be a substitute. I have a report that does not relate to the October bill, to the original bill. It is almost 5:30 p.m. We were going to rise at 5:30. So I am going to object. I am not going to object tomorrow, but I certainly will today. I object to dispensing with the reading of the amendment in the nature of a substitute for the bill.

The CHAIRMAN. Under the rule, the amendment in the nature of a substitute is to be read by sections.

Are there amendments to section 1?

Mr. ASHBROOK. Mr. Chairman, am I to understand that this section of which the Chair is speaking is not to be read? The gentleman from New York (Mr. HANLEY) asked unanimous consent that it be considered as read.

Mr. HANLEY. Mr. Chairman, if the gentleman will yield, essentially we are dealing with the same bill. Four points have been changed, the four that I described in the amendment in the nature of a substitute.

The CHAIRMAN. The Chair will again state that, under the rule, the amendment in the nature of a substitute is to be read by sections as an original bill.

Mr. SIMON. Mr. Chairman, will the gentleman from Ohio (Mr. ASHBROOK) yield?

Mr. ASHBROOK. I yield to the gentleman from Illinois.

Mr. SIMON. If I might just point out, and the gentleman from New York (Mr. HANLEY) may correct me, it is unlikely that we are going to vote on final passage tonight. The amendment the gentleman is objecting to is an amendment in the nature of a substitute. What we would like to do is to get some of the amendments taken care of in the very near future, one of which I would like to offer in the very near future. But if we have to have the bill read it will be difficult to take care of those amendments.

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ASHBROOK. Mr. Chairman, do I understand the ruling of the Chair to be that the substitute can be offered and does not have the requirement that it be read?

The CHAIRMAN (Mr. PATTISON of New York). The Chair will state that the requirement of the rule is that the amendment in the nature of a substitute be read by sections.

Mr. ASHBROOK. Why cannot the first section be read in its entirety?

The CHAIRMAN. The Chair will state that the first section has been read.

Mr. ASHBROOK. The first section of the amendment in the nature of a substitute has been read?

The CHAIRMAN. That is correct, the first section of the amendment in the nature of a substitute has been read.

PARLIAMENTARY INQUIRY

Mr. CHARLES H. WILSON of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. CHARLES H. WILSON of California. Mr. Chairman, in the event we read the amendment in the nature of a substitute by sections, does this require, then, that amendments must be placed in at the particular section, or can they be placed in at any time? The intention of the gentleman from New York (Mr. HANLEY) was to ask unanimous consent that the amendment in the nature of a substitute be considered as read and be open for amendment at any time. What is the parliamentary situation so long as we are reading it by sections?

The CHAIRMAN (Mr. PATTISON of New York). The Chair will state that as each section is read, amendments will be in order to that section.

AMENDMENT OFFERED BY MR. SIMON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HANLEY

Mr. SIMON. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. SIMON to the amendment in the nature of a substitute offered by Mr. HANLEY: Page 4, line 2, insert:

POINT OF ORDER

Mr. ASHBROOK. I have a point of order, Mr. Chairman. Is this an amendment to section 1?

The CHAIRMAN. This is an amendment to section 1.

Mr. ASHBROOK. I have a point of order, Mr. Chairman. This is an amendment to section 2, Mr. Chairman.

The CHAIRMAN. An amendment to section 2 is not in order.

The Clerk will read section 2.

The Clerk read as follows:

CHANGING RATES AND FEES

SEC. 2. (a)(1) Section 3621 of title 39, United States Code, is amended to read as follows:

"§ 3621. Authority to fix rates and fees

"The Postal Rate Commission shall establish rates of postage and fees for postal services in accordance with this chapter. Postal rates and fees shall be reasonable, equitable, and sufficient to enable the Postal Service under honest, efficient, and economical management to maintain and continue the development of postal services of the kind and quality to meet the needs of the United States. Postal rates and fees shall provide sufficient revenues so that the total estimated income and appropriations to the Postal Service will equal, as nearly as practicable, the total estimated costs of the costs' includes—

"(1) operating expenses;

"(2) depreciation on capital facilities and equipment;

"(3) interest on debt and amortization of debt discount and expenses; and

"(4) a provision for contingencies, not to exceed 2 percent of an amount equal to the total of those items referred to in paragraphs

(1)-(3) of this section, for unforeseeable and uncontrollable occurrences;
but does not include a provision for repayment of past losses.".

(2) The item relating to section 3621 in the table of sections for subchapter II of chapter 36 of title 39, United States Code, is amended by striking out "classes" and inserting in lieu thereof "fees".

(b) Section 3622 of title 39, United States Code, is amended to read as follows:

"§ 3622. Rates and fees

"(a) The Postal Service shall propose to the Postal Rate Commission changes in a rate or rates of postage or in a fee or fees for postal services when the Postal Service determines that each such change would be in the public interest and in accordance with the policies of this title.

"(b)(1) Upon receiving any proposal from the Postal Service, the Commission shall make a decision on the request for changes in rates or fees in each class or subclass of mail or type of postal service in accordance with the policies of this title and the requirements of this subsection.

"(2) Each class or subclass of mail or type of postal service shall bear those postal costs attributable to that class, subclass, or type. Attributable costs shall be those costs which vary with the volume of the class or subclass of mail or type of postal service over a period of not more than 3 years. If the Commission determines that attributable costs exceed 60 percent of total estimated costs, the attributable costs of each class, subclass, or type shall be reduced to an amount that is determined by multiplying the attributable costs of the class, subclass, or type by a fraction whose numerator is 60 and denominator is a whole number equal to the percentage of total estimated costs determined to be attributable. Revenues received from zone-rated parcels shall recover attributable costs determined under this section without regard to the provisions of the preceding sentence, plus a fair share of all other costs.

Mr. HANLEY (during the reading). Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ROSTENKOWSKI) having assumed the chair, Mr. PATTISON of New York, Chairman of the Committe of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7700) to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 11315, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1978

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95-991) on the resolution (H. Res. 1093) providing for consideration of the bill (H.R. 11315) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR SUBCOMMITTEE ON AVIATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET FOR MARKUP TOMORROW, TUESDAY, AND WEDNESDAY OF THIS WEEK DURING 5-MINUTE RULE

M. ANDERSON of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Aviation of the Committee on Public Works and Transportation may be permitted to meet for markup tomorrow and Wednesday of this week during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, which bill is the gentleman talking about?

Mr. ANDERSON of California. Mr. Speaker, if the gentleman will yield it is the Aviation Subcommittee. We are meeting on the regulatory reform bill. We have been going for several days.

Mr. ROUSSELOT. Is that the only bill?

Mr. ANDERSON of California. It is the only bill.

Mr. ROUSSELOT. Is it hearings or marking up the bill?

Mr. ANDERSON of California. We have been marking up for the last week, and we have been continuing because of the schedule here, working 2 or 3 hours at a time.

Mr. ROUSSELOT. The gentleman can assure us only that bill will be handled?

Mr. ANDERSON of California. Only that bill will be handled, yes.

Mr. ROUSSELOT. Mr. Speaker, I yield to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, we have been marking up the bill, and we have an understanding that if things gets hectic here, we will shut down. We have been cooperating along that basis.

Mr. ROUSSELOT. Mr. Speaker, on that basis, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I was granted a leave of absence for Friday, March 10, 1978, to attend hearings in California conducted by the Subcommittee on Census and Population of the House Committee on Post Office and Civil Service. I thus missed the legislative session of that day. Had I been present, I would have voted in the following manner: H.R. 10982, first budget rescission bill, fiscal year 1978, rollcall No. 129; "yes."

CONCURRENT RESOLUTION PROTESTING SENSELESS PALESTINIAN TERRORIST ATTACK

(Mr. YATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. YATES. Mr. Speaker, I am pleased today to submit the remaining names of the cosponsors of the concurrent resolution I introduced condemning the PLO attack a week ago Saturday on unarmed Israeli men, women and children and to commend the governments of Israel and Egypt in their attempt to bring peace to the Middle East. There are now some 403 cosponsors on the concurrent resolution.

Mr Speaker, it is now clear that one of the purposes of the PLO attack in Israel was to disrupt the peace negotiations between Egypt and Israel. Let us hope that this effort by the PLO will fail, and that President Sadat of Egypt and Prime Minister Menachem Begin will continue in their efforts to resolve their differences and bring peace to that troubled area.

The list of names of the Members is as follows:

ALPHABETICAL LIST OF COSPONSORS OF CONCURRENT RESOLUTION

Addabbo, Akaka, Alexander, Allen, Ambro, Ammerman, Glenn Anderson, John Anderson, Ike Andrews, Mark Andrews, Annunzio, Applegate, Archer, Armstrong.

Ashbrook, Ashley, Aspin, Aucoin, Bafalis, Barnard, Baucus, Bauman, Edward Beard, Robin Beard, Berkley Bedell, Beilenson, Benjamin, Bennett, Bevill.

Biaggi, Bingham, Blanchard, Blouin, Boggs, Boland, Bolling, Bonior, Bonker, Bowen, Brademas, Breckinridge, Brinkley, Brodhead.

Broomfield, Clarence Brown, Garry Brown, George Brown, Broyhill, Buchanan, Burgener, Herbert J. Burke, James Burke, Yvonne Burke, Omar Burleson, John Burton, Phillip Burton, Butler, Byron.

Caputo, Carney, Carr, Carter, Cavanaugh, Cederberg, Chappell, Chisholm, Don Clausen, Del Clawson, Clay, Cleveland, Cochran, Cohen.

James Collins, Conable, Conte, Conyers, Corcoran, Corman, Cornell, Cornwell, Corrada, Cotter, Coughlin, Crane, D'Amours, Robert W. Daniel, Jr., Dan Daniel.

Danielson, Davis, de la Garza, Delaney, Dellums, de Lugo, Dent, Derrick, Derwinski, Devine, Dickinson, Dicks, Diggs, Dingell, Dodd.

Dornan, Downey, Drinan, John Duncan, Robert Duncan, Early, Edgar, Don Edwards, Jack Edwards, Mickey Edwards, Eilberg, Emery, English, Erlenborn.

Ertel, Billy Lee Evans, David Evans, Frank Evans, Thomas Evans, Fary, Fascell, Fauntroy, Fenwick, Findley, Fish, Fisher, Fithian, Florio, Flowers.

Foley, Harold Ford, William Ford, Forsythe, Fountain, Fowler, Fraser, Frenzel, Frey, Fuqua, Gammage, Garcia, Gaydos, Gephardt.

Giaimo, Gibbons, Gilman, Ginn, Glickman, Goldwater, Gonzalez, Goodling, Gore, Gradison, Grassley, Green, Gudger, Guyer, Hagedorn.

Hall, Hammerschmidt, Hanley, Hannaford, Hansen, Harkin, Harrington, Harris, Harsha, Hawkins, Heckler, Hefner, Heftel, Hillis.

Holland, Hollenbeck, Holt, Holtzman, Horton, Howard, Hubbard, Huckaby, Hughes, Hyde, Ichord, Ireland, Jacobs, Jeffords, Jenkins.

Jenrette, Harold Johnson, James Jones, Walter Jones, Jordan, Kasten, Kazen, Kelly, Kemp, Ketchum, Keys, Kildee, Kindness, Kostmayer.

Krebs, LaFalce, Lagomarsino, Latta, Leach, Lederer, Le Fante, Leggett, Lehman, Lent, Levitas, Livingston, Jim Lloyd, Marilyn Lloyd, Clarence Long.

Gillis Long, Lott, Lujan, Luken, Lundine, McClory, McCloskey, McCormack, McDade, McDonald, McEwen, McFall, McHugh, McKay.

McKinley, Madigan, Maguire, Mann, Marks, Mathis, Mattox, Mazzoli, Metcalfe, Meyner, Michel, Mikulski, Mikva, Clarence Miller, George Miller.

Mineta, Minish, Donald Mitchell, Parren Mitchell, Moakley, Moffett, Mollohan, Montgomery, Moore, Carlos Moorhead, William Moorhead, Moss, Mottl, Austin Murphy.

John Murphy, Morgan Murphy, Murtha, Gary Myers, John Myers, Michael Myers, Natcher, Neal, Nedzi, Nichols, Nix, Nolan, Nowak, Oberstar.

O'Brien, Ottinger, Panetta, Patten, Patterson, Pattison, Pease, Pepper, Perkins, Pettis, Pickle, Pike, Pressler, Preyer, Price.

Pritchard, Pursell, Quayle, Quie, Quillen, Railsback, Rangel, Regula, Reuss, Rhodes, Richmond, Rinaldo, Risenhoover, Roberts.

Robinson, Rodino, Roe, Rogers, Roncalio, Rooney, Rose, Rosenthal, Rostenkowski, Rousselot, Roybal, Rudd, Runnels, Ruppe, Russo.

Ryan, St Germain, Santini, Sarasin, Satterfield, Scheuer, Schroeder, Schulze, Sebelius, Seiberling, Sharp, Shipley, Shuster, Sikes.

Simon, Sisk, Skelton, Skubitz, Slack, Neal Smith, Snyder, Solarz, Spellman, Spence Staggers, Stanton, Stark, Steed, Steers.

Steiger, Stockman, Stokes, Stratton, Studds, Stump, Symms, Taylor, Thompson, Thone, Traxler, Treen, Tsongas, Tucker.

Udall, Ullman, Van Deerlin, Vander Jagt, Vanik, Vento, Volkmer, Waggonner, Walgren, Walker, Walsh, Wampler, Watkins, Waxman, Weaver.

Weiss, Whalen, White, Whitehurst, Whitley, Whitten, Wiggins, Bob Wilson, Charles Wilson of Texas, Charles Wilson of California, Winn, Wirth, Wolff, Won Pat.

Wright, Wydler, Wylie, Yates, Yatron, C. W. (Bill) Young, Don Young, John Young, Robert Young, Zablocki, Zeferetti.

RATINGS BY SOME ORGANIZATIONS ON CONGRESSIONAL VOTING ARE BIASED AND MISLEADING

(Mr. WHITEHURST asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WHITEHURST. Mr. Speaker, each year an increasing number of groups, representing a wide range of interests and political points of view, issue ratings of Members of Congress based on a selection of votes of particular concern to the individual group or organization. Many of these ratings are compiled in a highly responsible manner, with great care taken to give careful scrutiny to the full voting records of Members of the House and Senate. Unfortunately, however, it has been my experience that some organizations' ratings are biased and misleading.

One such arbitrary and unfair rating was recently published by the National Council of Senior Citizens. This group gave a "zero rating" to me and four of my colleagues from Virginia, as well as to a number of other Members, for votes we cast during the last session of Congress. The press release announcing this rating was published in a newspaper in my district, giving my constituents the impression that I am totally insensitive to the needs of the elderly.

Since the American people have traditionally been sympathetic to the plight of the elderly, nearly all public officials, myself included, like to think of themselves as being responsive to the concerns of older Americans. Consequently, I was shocked to receive such a negative rating from an organization purporting to represent senior citizens, and I immediately began to look into the votes upon which the rating was based. What I found was truly astonishing. In some instances, the National Council of Senior Citizens took positions on issues which were directly contrary to the stands taken by every other organization representing the elderly, and in complete opposition to the common perception of what would be in the best interests of senior citizens. Some other votes cited by the National Council had little, if any, significance for older Americans.

One example of the curious positions taken by the National Council of Senior Citizens is its opposition to the Ketchum amendment to the social security financing bill. Under existing law, social security recipients cannot earn more than $3,000 annually without suffering a major cutback in their social security benefits. The Ketchum amendment phased out the earnings limitations over a 5-year period. Ever since I have been in Congress, senior citizens in my district have asked me to support elimination of the earnings test. These individuals are still active and capable of productive work, but they simply cannot afford to continue working under the present limitations on income. Because of the strong feelings expressed to me by senior citizens on this issue, I have for many years sponsored legislation to repeal the earnings test. In my view, this limitation on earnings robbed our society of a great reservoir of knowledgeable, experienced, and valuable workers. It also seemed to me that the earnings limit symbolized an arbitrary and condescending attitude toward the elderly.

On a bipartisan basis, the House last year finally passed the Ketchum amendment repealing the limit on outside income. Much of the credit for the passage of the amendment should go to the American Association of Retired Persons, the largest group representing the elderly, with over 11 million members. Despite the support given the amendment by the AARP and other organizations representing senior citizens, the National Council of Senior Citizens strongly opposed the Ketchum amendment. Indeed, to demonstrate the depth of the national council's feelings on this issue, it actually chose the Ketchum amendment as 1 of the 10 votes on which to base its rating, out of the hundreds cast by Congressmen last year. Since no senior citizen has ever asked me to continue the earnings limit and many have asked me to vote to repeal it, I was flabbergasted to learn that my vote in favor of repeal was actually construed as a wrong vote by the national council, which is an organization purporting to represent senior citizens.

The strange machinations of the National Council of Senior Citizens did not end with their opposition to the Ketchum amendment. I have also learned that this organization did not so much as lift a finger to support the bill passed by the House last year to raise the mandatory retirement age to 70. The AARP, the National Council on the Aging, and other senior groups considered this the most important legislation affecting the elderly last year. These fine organizations worked for years to set the stage for its passage. Indeed, it is considered by most of the elderly in this country to be a fundamental aspect of their human rights. While the national council did not oppose this bill, its lack of interest in such a basic matter of senior citizens' rights leaves one with the clear impression that the national council would just as soon have seen the matter die. Raising the age limit to 70 was not 1 of the 10 votes they took into account in rating the Members. One wonders why.

At the same time that the National Council was opposing or ignoring legislation to allow senior citizens to lead fuller and more productive lives, it was hard at work promoting big spending measures to put the unemployed younger workers back to work. As 1 of the 10 votes which I cast which the National Council did not like was my vote in support of the Coughlin amendment to cut $382.5 million from the $22.6 billion economic stimulus appropriations bill. This measure was essentially designed to create Government-sponsored jobs, many for construction workers who were unemployed. Few, if any, elderly individuals obtained jobs under this program. Nevertheless, this was one of the key issues in the eyes of the National Council of Senior Citizens.

After reviewing these votes, I asked a number of knowledgeable people why the National Council would object to allowing senior citizens the right to work while at the same time it devoted so much energy to the passage of legislation providing jobs for younger workers. The answer I received from officials of other senior citizens groups, among others, was that the National Council of Senior Citizens has close ties to organized labor. Nelson Cruikshank, the former head of the National Council, was an official with the AFL–CIO for 21 years. Its current leaders are also closely attuned to the wishes of labor. Organized labor still holds to the 1930's view that older workers should retire at an early age in order to diminish the supply of workers and thereby raise wages for the younger workers. I believe that this is a misguided notion in

our modern economy. Nevertheless, I can understand the motivation of the labor movement in holding to this view. What I cannot understand is the motivation of a group like the National Council of Senior Citizens, which masquerades as the voice of older Americans and yet supports legislation which is much more in tune with the views of organized labor than with the needs and desires of the elderly.

In my judgment, inflation is this Nation's single most serious domestic problem. The Wholesale Price Index rose by 1.1 percent in February alone, raising the specter of another round of double-digit inflation. G. William Miller, the new Chairman of the Federal Reserve Board, and other public officials have recently been pressing for more effective anti-inflation measures by the Federal Government. Ironically, in the same week that the administration recognized that inflation is a major problem, the House passed the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978 without effective provisions to control inflation. Both economists and politicians generally agree that severe inflation hits hardest at the elderly, many of whom are forced to live on fixed incomes. Yet one would never know that inflation was a probem from the positions taken by the National Council of Senior Citizens calling for massive increases in deficit spending, often for programs with little relevance to the elderly.

One vote to which the national council objected was my support for the Mathis amendment to put a cap of $5.847 billion on this year's food stamp program. This amount was $300 million higher than the administration's own estimates of the cost of the food stamp program, so this amendment would in no way have meant the loss of food stamps for any needy individual. However, the Congress had not previously placed any limit on food stamps, and the general feeling among the Members was that we needed at least a modicum of fiscal discipline in this program, which had grown from a small demonstration program to an uncontrolled, multibillion dollar program in a decade. Even this minimal attempt at fiscal restraint was too much for the National Council of Senior Citizens.

The most inflationary legislation passed during my 9 years in the Congress clearly is the social security financing bill passed last year. This bill will raise taxes by $200 billion over the next decade, the largest peacetime tax increase in our Nation's history. Half of these taxes will be paid by workers and half by businesses which will pass on their share of these taxes to consumers in the form of higher prices. The National Council of Senior Citizens supported this massive tax increase and put a black mark next to my name for voting against it. Let me make clear that every Member of Congress is absolutely committed to maintaining adequate social security benefits for the elderly. But there are other steps, aside from a huge tax increase, which can and should be taken to place the social security system on a sound footing.

As a matter of fact, the public outcry against the increased taxes is already causing many of the erstwhile supporters of the tax to backtrack and look at alternatives. One of my concerns about the social security tax increase, aside from its inflationary aspect, is that it could set generation against generation in this country. If the tax burden on current workers becomes too heavy, a taxpayers' revolt could ensue which would threaten the social security benefits which the elderly need and deserve. The AARP recognizes this fact and is seeking alternative means to finance social security. I have sponsored legislation calling for a Special Advisory Council to investigate alternative means of funding social security, to insure that the benefits will not be lost and that funding will be on an actuarially sound basis instead of being based on a crippling and inflationary tax increase. The National Council of Senior Citizens, however, thinks the $200 billion tax increase is just fine.

In summary, then, I can only conclude that the ratings issued by the National Council of Senior Citizens are based more on ulterior political motives than on any desire to serve the best interests of the elderly in this country.

DEATH OF FORMER U.S. SENATOR JOHN MARSHALL BUTLER OF MARYLAND

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BAUMAN. Mr. Speaker, it is my sad duty to inform the House of the passing of the Honorable John Marshall Butler of Maryland, who served as a Member of the other body from 1951 to his retirement in 1963. Senator Butler died last week at the age of 80.

Senator Butler's political career in Maryland was unusual in that as an avowed conservative who supported the late and great Senator Robert Taft of Ohio for President, he also attained a large following among blue-collar workers and union members appreciative of his unstinting work for the Port of Baltimore and the maritime industry.

Mr. Speaker, I knew John Marshall Butler as a friend and as my sponsor when I served as a page in the other body during the special session on 1954 which considered the censure of the late Senator Joe McCarthy of Wisconsin. I worked with Senator Butler in his 1956 reelection campaign and on many subsequent occasions. He will certainly be missed by me and many other Marylanders who remember his faithful service to Maryland and the Nation. I extend my condolences to his wife and family.

At this point in my remarks I include editorials from the Baltimore Sun concerning the Senator's career which, while normally condescending in tone, at least recognizes the unquestionable integrity of John Marshall Butler.

[From the Baltimore Sun]

JOHN MARSHALL BUTLER

John Marshall Butler's record as a United States senator is forever colored by what happened before he took office. The 1950 campaign in which he unseated Millard E. Tydings was a low point in Maryland political history. A Senate subcommittee subsequently concluded that Mr. Butler engaged in a "front-street" campaign while his campaign apparatus took to the "back street." The subcommittee called the campaign's tactics, including a faked photograph of Mr. Tydings and a Communist leader, "destructive of fundamental American principles," yet found that some of what occurred did so without the Senator's knowledge.

It would be unfair to Mr. Butler if that regrettable campaign obscured his broader record. He was a conservative, blunt-spoken Republican whose consistent principles were never in doubt. His lawyerly conservatism was the type that allowed him to support a voting rights act because he believed the Constitution guaranteed everyone the right to vote, yet oppose a broader civil rights act because he believed it also gave everyone the right to discriminate. He worried about U.S. "integrity" in the world and that the nation was being "completely federalized."

But Senator Butler's real public service lay in protecting his constituents' interests, not in the great national and international issues of his day. He was a "service" senator, a man who paid close attention to the interests of his state, particularly its economic linchpin, the port of Baltimore, its shipyards, and the American merchant marine. Therein lies John Marshall Butler's record of service to Maryland.

MAN OF THE RIGHT

Maryland's sharp tilt toward registered Democrats tends to produce a breed of Republicans necessarily ambivalent about party labels—a McKeldin and an Alton, a Mathias and two Bealls. John Marshall Butler was not one of these. He was a Republican's Republican, dutiful party loyalist, unswerving soldier even of the GOP right wing, a lawyer who took the Constitution to mean precisely what it says. As spokesman for Maryland in the United States Senate, John Butler made bosoms swell with pride in private clubs and in boardrooms, in the banking world and stockbrokers' offices throughout the state. Here, at last, arose one of their own.

Historically, John Butler leaves a revealing picture. It is commonly argued that he first lucked into the United States Senate in 1950 on the strength of (a) a shamefully manufactured smear against Millard E. Tydings and (b) the first true Democratic blood drawn in the then-new era of Joseph McCarthy. That was correct. But what is not often noted is that, as a Senator, Mr. Tydings had dangerously neglected his Maryland political roots. Also that, in 1956, John Butler had secured his own constituency sufficiently, Democratic tilt or not, to face down a serious Democratic challenge from the always redoubtable George Mahoney. He won that one on his own. Many Marylanders then showed a taste for the outright right, and Senator Butler touched a responsive nerve.

Personally, not even liberals who knew John Butler could bring themselves to dislike him. His opinions were rigidly orthodox, his creativity limited: this newspaper frequently fought him. What he could also demonstrate, however, was a warm human touch and a personal straightforwardness which caught and held the affection even of those profoundly in disagreement. For John Butler was transparently a man of principle, a man who said what he believed, a man unswayed by popular winds. Winning politics and flinty honesty do not often go together. John Butler managed both.

IN DEFENSE OF APPROPRIATION RIDERS

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Under a previous order of the House, the gentleman from Min-

nesota (Mr. HAGEDORN) is recognized for 15 minutes.

Mr. HAGEDORN. Mr. Speaker, as we all know, the House of Representatives recently devoted considerable time and effort to determining what should be the proper role, if any, of the Federal Government in financing abortions. This debate extended over several months, during which final action was delayed on appropriations for the Departments of Labor, and Health, Education, and Welfare.

In reaction to the difficulties experienced in resolving so emotional and divisive an issue, some of our colleagues now propose that the rules by which this House operates be changed so that such contentious matters can be avoided in the future. In addition, the majority leadership is reported to be studying means of limiting riders to appropriation bills.

At issue is clause 2 of rule XXI, the second sentence of which prohibits provisions of, and amendments to general and supplemental appropriations bills which alter existing law, except germane amendments which would be certain to reduce Federal expenditures. This exception, popularly known as the "Holman rule," was first included in the House rules more than a century ago and has been in consecutive force for more than 60 years.

Until 1837, the separation of authorizations from appropriations had been an informal custom. Increasingly, however, Members of the House had seen bills delayed because of the practice of including matters of legislation in appropriations bills. These legislative clauses were being rejected repeatedly by the other body or by the President, thus stalling appropriations. In response, the House passed the first part of the first sentence of the present clause 2 which reads—

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law.

Thus, the practice was eliminated altogether.

The House was forced to reconsider the rule the very next year, however. In 1838, during consideration of the civil and diplomatic appropriation bill, the chairman of the Committee of the Whole was forced to rule out of order, because of the newly passed rule, an amendment concerning the salaries of customs officials, and refurnishment of the White House. As a result, the House was unable to provide for the continuation of public works, and for the carrying-on of the departments of the Government (in this case, the salaries of Government officials in those departments).

The next day, the House amended the rule to remedy this oversight. The first sentence of clause 2 was changed to allow for unauthorized appropriations—

In continuation of appropriations for such public works and objects as are already in progress and for the contingencies for carrying on the several departments of Government.

Today, this has been modified to read—

In continuation of appropriations for such public works and objects as are already in progress.

With this amendment, the rule remained in operation for 38 years, until 1876, when the House decided to attend to another problem that had become an unfortunate custom under the rule. The rule had been construed by the Chair to permit increases of salaries, but not decreases, hindering House efforts to control Federal spending. In defense of his amendment to rule XXI, Representative Holman stated on the floor of the House—

Now, it is very clear that this vast increase of expenditures during the last 12 years has been effected by means of appropriation bills under the operation of the Rules of the House . . . During the last 4 years, I have felt very much embarrassed by the fact that here on floor amendments increasing salaries must necessarily under the rule be declared in order, while any amendments to reduce salaries would be ruled out . . . The only effect of the propositions now submitted is that we shall be able to retrench expenditures on an appropriation bill.

With the adoption of the Holman language, the rule has remained the same since 1876, although there has been tinkering. The "Holman rule" was dropped altogether from the 54th to 61st Congresses (1895–1911), but readopted after a comprehensive review of the Rules of the House in 1910–11. An equally conprehensive review of the rules in 1946 in preparation for the Legislative Reorganization Act of that year left the rules unchanged.

The present rule thus is the product of nearly 150 years of legislative experience.

Over the years, rule XXI has also been interpreted by a long succession of presiding officers to permit amendments to appropriation bills which do not make affirmative changes in existing law, but which do impose certain types of "limitations" on how appropriations may be expended by the executive branch. An extensive, and admittedly complex body of precedents has evolved to insure that such limitation amendments permit the will of the house to prevail, without undermining the dual system of authorization and appropriation by which Congress has traditionally exercised its power of the purse.

These limitation amendments are premised on the right of the House not to appropriate. The power of limitation is so obvious that it is not even mentioned in the rules of the House. It does not involve changes in the law so much as it involves restrictions on the use of funds.

Now it is proposed that these rules be discarded. The sponsors of legislation (such as H. Res. 1007 and H. Res. 1035) urge that we strike the Holman rule, and that we prohibit limitation provisions and amendments. These resolutions would contain the proviso that germane retrenchment amendments changing existing law would be in order only if offered at the direction of the authorizing committee with appropriate jurisdiction. Virtually the only amendments, however, that individual Members could offer on the floor to appropriations measures would be amendments either to increase or decrease amounts of money already in the bill in the form of express line items, or to include funds for authorized purposes or programs for which no provisions are made.

The "bias" of House rules in behalf of reduced Government spending would be replaced by a bias in behalf of increased spending.

Mr. Speaker, I believe that these proposals are fundamentally misguided in that they constitute a serious overreaction to the recent abortion controversy, and that they represent a continuation of an unfortunate trend to limit the ability of all Members to participate in the legislative decisions of the House.

Clearly, the impetus for changing rule XXI is the amendment to the Labor-HEW appropriations bill for fiscal year 1978 which prohibited these departments from using appropriated funds to finance abortions. This amendment was adopted by the House and reaffirmed on numerous occasions during a long and difficult conference with the Senate.

It is ironic, therefore, that the sponsors of these resolutions would strike from rule XXI a provision—the Holman rule—which was not involved in any way during the abortion controversy, and which has not been the source of any significant delay or difficulty during this Congress. The Holman rule has neither been controversial nor abused.

In "Deschler's Procedure" for the 94th Congress, there are only seven references to rulings arising under the Holman rule since 1959. The Hyde amendment controversy would have been raised whether or not there had been a Holman rule.

The burden of proof must rest with those who contend that the established procedures of the House are in need of change. No evidence has been offered that the Holman rule is detrimental to the legislative process in any respect. Nothing could be more consistent with the congressional power of the purse than the right of this body and its Members to eliminate wasteful expenditures. To advocate repeal of this rule is to ignore the wise advice of former OMB Director Bert Lance commenting on earlier reform legislation, "If it ain't broke, don't fix it."

It is apparent from the statements offered in support of resolutions such as House Resolution 1007 and House Resolution 1035 that they should be addressed exclusively to the wisdom of permitting limitation amendments to appropriation bills. This is the crux of the matter: Whether or not the opportunity to offer such amendments contributes to sound legislative policy and practice, not the Holman rule.

I contend that it would be a serious mistake for the House to accept restrictions on its freedom of action in the form of outlawing limitation amendments. Such amendments serve a valuable function in enabling the House to act in a timely fashion when time is of the essence, and even to act at all on matters which might otherwise never reach the floor for decision.

The premise underlying limitations, as noted earlier, is a simple one: If the

House may appropriate, it may also choose not to appropriate. Although a purpose or program may be authorized by law, the House is under no obligation to fund it if we determine that it is no longer desirable or necessary.

No Member contests the right of the House to amend an appropriation bill by striking out an amount of money which the bill would appropriate for a specific program or purpose. Yet, limitation amendments have precisely that same goal—to prohibit appropriated funds from being spent for purposes or programs when they are not itemized, specifically or separately, in appropriations bills; or when their costs to the Federal Government cannot be predicted with precision, as in the case of Federal payments for abortions under medicaid.

If appropriations bills were more detailed and precise than they are at present, many, if not most, limitation amendments could be offered instead as amendments to reduce or to strike specific itemized appropriations in the bills. There is no reason in logic or legislative practice to make the ability of the House to control Federal spending dependent on the specificity with which different appropriation measures happen to be drafted.

The argument of principle which is most often made against limitation amendments is that they inevitably do change existing law, however subtly or indirectly, and that consequently they violate the procedure of separating authorizations and appropriations. Thus, critics of limitation amendments contend that these should be offered solely through legislation by the appropriate authorizing committees. However, this argument is not as compelling as it might seem.

Even it is true that limitation amendments sometimes do have an incidental effect on existing laws and how these laws are administered, the same can be said for congressional decisions generally to fund programs and the administration of programs at less than their authorized levels. An amendment to cut an appropriation in half, or to remove it from a bill altogether certainly has as much effect on the interpretation and implementation of existing law as do most limitation amendments, but no one argues that it should be ruled out of order for this reason.

The simple fact is that program costs are a critical factor in determining the substantive content of public policy. All amendments impacting upon cost have legislative effects.

Moreover, the separation of authorization and appropriation decisions, no matter how desirable, is not so sacrosanct a principle that it should subordinate the obligation of the entire membership of the House to consider the merits of legislation in as precise a manner, and as expeditiously as possible. The contention that the separation of authorizing and appropriation legislation is a primary and fundamental principle of constitutional government is an exaggeration, and is disproved by the success of our Nation during its first half century, as well as by the experience of Great Britain—admittedly without a written constitution—and Canada which do not maintain this strict division.

As a practical matter, annual appropriations bills are often the only legislative vehicles that are available for making changes in the law, usually modest in scope and effect, that are necessitated by unanticipated developments, or by evidence that executive branch officials are misinterpreting the intent of Congress as expressed in authorizing statutes.

With respect to the Hyde amendment, for example, the fact is that medicaid abortions have never been expressly authorized by this body. Indeed, when the proposed prohibition on medicaid funds was first offered during the last term of Congress, many Members of this body were not even aware that abortions were being funded publicly. The decision to fund abortions was made entirely by HEW. In the absence of the opportunity to offer a limitation amendment to the Labor-HEW appropriation, there would have been no alternative means for Congress to express its opposition to HEW's policies of appropriating funds on its own.

Many programs and agencies are authorized for 3 to 5 years or longer, while others are not subject to periodic reauthorization at all. Given the number of major bills considered by each authorizing committee every year, it is not always possible for these committees to report, and for the House to consider, separate bills imposing the restrictions on executive branch action that are normally embodied in limitation amendments.

Perhaps most importantly, when limitation amendments have had a major effect on public policy—and, after all, these are the cases which have stimulated the current interest in "reform"—it is generally because the authorizing committees have failed to act. Limitation amendments on abortion and on American bombing in Indochina, for example, would have been unnecessary if the authorizing committees with jurisdiction had been prepared to bring these issues to the floor.

In such cases, it is disingenuous at best to contend that limitation amendments deprive the House of the expert judgment of its standing committees. It is only when these committees have failed to respond to the demand for participation in major policy decisions by other Members of Congress that limitation amendments have resulted. While granting that it would be preferable for the House to act on bills reported by authorizing committees, acting on limitation amendments is certainly better than not being able to act at all.

When limitation amendments are offered, there is usually adequate opportunity for the Members to listen to the objections of members of the authorizing committees, and to determine for themselves whether there is justification for considering the amendments, or whether further hearings and study are needed. When the House is convinced that legislative action is timely and necessary, it should not be hamstrung by the intransigence of a committee majority.

It should be remembered that congressional committees are creatures of this body as a whole, that they were created as a convenience for this body as a whole, and that their judgment is not invariably meant to substitute for the judgment of this body as a whole.

Particularly when we consider the disproportionate representation of special interests on certain committees, and the resultant lack of representativeness of these committees, we should remind ourselves of the proper relationship between Congress and its committees.

In the absence of rule XXI, Members would find themselves reduced to exculpatory laments directed at committee inaction, and recourse to the demonstrably ineffective discharge petition procedure. While some Members might prefer having to avoid certain divisive and emotional issues (a sentiment that also motivates some of the opposition to "legislative vetoes"), the rules of this body should not be modified for their protection. It is our responsibility to act when action is required, and limitation amendments help to insure that opportunity.

So long as the Federal Government involves itself in matters traditionally outside its purview, this body will be dealing in controversial issues.

Mr. Speaker, I believe that rule XXI as it now exists constitutes a reasonable and practical balance between two primary requirements of responsible lawmaking: That this body acts responsively and expeditously, yet at the same time thoughtfully and deliberately. The number and complexity of the precedents which have evolved in interpretation of this rule are evidence of a continuing effort to adjust this balance to meet changing situations and needs. It would be a profound mistake to jettison a century of evolutionary development and adjustment because of a handful of instances in which limitation amendments have presented the house with controversial issues which have not been easy to resolve.

It bears emphasizing that there are limitations to limitation amendments (see, e.g., Hinds and Cannon, IV, 3942–52; VII, 1655; 1676; IV, 3953–9, 3975; VII, 1443; IV, 3862–3; VII, 1675; IV, 3956). There are examples too numerous to mention in which proposed limitations have been ruled out of order because they would have effected affirmative changes in existing law.

There is no better example of the constraints on these amendments already in existence than the Hyde amendment itself which ironically is now offered in support of the desirability of abandoning the present rule.

The bill reported to the House originally by the Appropriations Committee contained a limitation on funds which was ruled out of order on the grounds that it imposed new duties and determinations on the executive branch. An amendment then offered by my distinguished friend and colleague from Illinois (Mr. HYDE) also fell to a similar point of order. Both of these amendments prohibited the use of funds in the bill for abortion except under certain limited conditions. The inclusion of these

exceptions made them unacceptable under rule XXI.

It was only under these parliamentary circumstances that my colleague (Mr. HYDE) offered his amendment prohibiting the use of funds "to pay for abortions or to promote or encourage abortions." Because this amendment was a limitation in the most restrictive sense of the term, it was not subject to a point of order, and it was this language that the House carried into conference with the Senate.

It is quite possible, and to my mind likely, that, had rule XXI been interpreted more liberally, different language would have been adopted from the start by the House, and the prolonged impasse with the Senate would have been largely avoided. Rather than demonstrating a need to prohibit limitations altogether, the history of the Hyde amendment suggests that the House might be well advised even to relax existing restrictions so that the true sentiment of the House could be expressed with greater precision.

As the following table suggests, limitation amendments have been offered by Members of both parties—and of all political beliefs:

TABLE I.—LIMITATION AMENDMENTS—DEMOCRATS VERSUS REPUBLICANS

Years	Total offered	Total adopted	Democrats offered	GOP offered	Democrats adopted	GOP adopted
1963–70	116	(28)33	(27)31	(73)85	(18)6	(82)27
1971–77	225	(39)87	(57)129	(33)96	(59)51	(41)36
1963–77	341	(35)120	(47)160	(53)181	(47)57	(53)63

Note: The figures in parentheses indicate the percentage that the number is of the total—i.e. 33 is 28 percent of 116.

Source: Democratic Study Group Special Report, Feb. 14, 1978

If there are Members who are tempted to support a change in the rules because they disagree with the position of the House on abortion or busing, I hope that they will recall that it was also through adoption of a limitation amendment that the Congress ended all American combat activity in Indochina.

Nor should a fundamental and sweeping rule change be made to deal with a single issue. An interesting historical parallel can be drawn. In the first half of the 19th century, slavery provoked much the same sort of bitter debate as does abortion today. Glyndon G. Van Deusen, in his work "The Jacksonian Era," describes the situation in the House between the year 1824–40:

In his speech on Calhoun's resolution, Clay had remarked that the abolitionist movement was spreading, and that one reason for its spread was the arbitrary way in which anti-slavery petitions were being tabled by the Senate. This was a statement of fact, not only for the Senate but for the House, but southern control of Congress prevented any improvement in the situation. In December 1838, the problem of handling such petitions was again debated in the House of Representatives. A New Hampshire democrat presented a resolution directing that all anti-slavery petitions should, on their presentation, be laid on the table "without being debated, printed, or referred." The House passed this gag, divided chiefly along sectional lines. A year later (January, 1840), by a vote of 114 to 208, a resolution was adopted to the effect that anti-slavery petitions should not even be received by the House. Here again the vote was markedly sectional rather than partisan. In all, five successive gags were passed by the House during this controversy.

The failure of the Congress to deal deliberately with the issue of slavery during those years and later years would be resolved only by a civil war.

The rules of this body should not be made and unmade to suit the policy preferences as a transitory majority, despite occasional "inconvenient" results. Rule XXI has served the House well for many years and has been finely tuned and adjusted as circumstances have dictated. It should not be discarded spasmodically. The implications for the balance of power existing between the House and the Senate, between Congress and the executive, between Congress and the judiciary, and between individual Members of this body are too substantial and uncertain to justify this.

The partisan implications of the elimination of limitation amendments should also be of concern, and not simply to the minority. As observed by the Democratic study group in a recent special report—

A prohibition against riders would not mean that one favored by a majority of the the majority could not be considered. The rules committee would always be able to waive the prohibition and make a rider to an appropriation bill in order. Also, the Democratic caucus could instruct the rules committee to make a rider in order or instruct the authorizing committee to report legislation concerning the issue involved.

Either a change in rule XXI is justified or it is not: To suggest that it can be effectively turned on and off by a rules committee doing the bidding of a partisan majority is hardly a compelling argument in opposition to the rule.

One final observation: during the past few years, we have witnessed in the House an emerging trend toward limiting the opportunities for all members to participate freely and actively in shaping the legislation we enact. On more days than ever before, legislation is being considered and passed under suspension, and "modified" closed rules are increasingly more commonplace.

At the same time, (as illustrated by the following table), members have made growing use of limitation amendments to appropriation bills:

TABLE II.—APPROPRIATION AMENDMENTS OFFERED—1963–77

Year	Total amendments	Limitation amendments	Percent of total amendments	Other amendments
1977	107	44	41	63
1976	122	33	27	89
1975	106	34	32	72
1974	109	34	31	75
1973	99	31	31	68
1972	89	26	29	63
1971	83	23	28	60
1971–77	[1] 715	[2] 225	31	490
1970	51	13	25	38
1969	89	20	22	69
1968	75	20	27	55
1967	70	16	23	54

Footnotes at end of table.

TABLE II.—APPROPRIATION AMENDMENTS OFFERED—1963–77—Continued

Year	Total amendments	Limitation amendments	Percent of total amendments	Other amendments
1966	56	8	14	48
1965	26	11	42	15
1964	27	11	41	16
1963	47	17	36	24
1963–70	441	116	26	325
Total	1,156	341	29	815

[1] This represents 62 percent of all amendments offered to appropriations bills 1963–77.
[2] This represents 66 percent of all limitation amendments offered to appropriations bills 1963–77.

Source: Democratic Study Group Special Report, Feb. 14 1978.

It is also noteworthy—as illustrated by the next table—that the percentage of these amendments agreed to by the House has increased over the years:

TABLE III.—APPROPRIATION AMENDMENTS AGREED TO, 1963–77

Year	Total amendments	Limitation amendments	Other amendments
1977	50(54 of 107)	55(24 of 44)	48(30 of 63).
1976	56(68 of 122)	39(13 of 33)	62(55 of 89).
1975	49(52 of 106)	35(12 of 34)	56(40 of 72).
1974	49(53 of 109)	44(15 of 34)	52(39 of 75).
1973	31(31 of 99)	39(12 of 31)	28(19 of 68).
1972	17(15 of 89)	32(5 of 26)	16(10 of 63).
1971	41(34 of 83)	30(7 of 23)	45(27 of 60).
1971–77	43(307 of 715)	39(87 of 225)	45(220 of 490).
1970	22(11 of 51)	8(1 of 13)	26(10 of 38).
1969	30(27 of 89)	50(10 of 20)	25(17 of 69).
1968	32(24 of 75)	35(7 of 20)	31(17 of 55).
1967	21(15 of 70)	25(4 of 16)	20(11 of 54).
1966	18(10 of 56)	12(1 of 8)	19(9 of 48).
1965	35(9 of 26)	9(1 of 11)	53(8 of 15).
1964	32(9 of 27)	18(2 of 11)	44(7 of 16).
1963	32(15 of 47)	41(7 of 17)	33(8 of 24).
1963–70	27(120 of 441)	28(33 of 116)	27(87 of 325).
Total	37(427 of 1,156)	35(120 of 341)	38(307 of 815).

Source: Democratic study group special report, Feb. 14, 1978.

Rather than striking at the symptoms of what might someday pose a problem for the House, and limiting opportunities for legislative participation offered to Members under rule XXI, I believe that the integrity of the congressional process could be promoted far better by analyzing the reasons why so many Members increasingly have felt the need for recourse to appropriation riders.

REINTRODUCTION OF THE RURAL COMMUNITY DEVELOPMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

Mr. GRASSLEY. Mr. Speaker, today, I am pleased to reintroduce with 38 cosponsors the Rural Community Development Act, first introduced by myself and Mr. NOLAN in November of last year. This legislation is a response to the frustration expressed by small rural communities all over the country who have concluded, as have the 38 now cosponsoring this measure, that rural America is getting a raw deal in Washington.

In the Nation's housing programs, in

community development, in revenue sharing and a host of other Federal endeavors, smaller rural communities receive less than their fair share of Federal dollars, and more than their fair share of application and paperwork requirements. The philosophy of our Federal agencies and, I am afraid, all too many Members of this Chamber is to design programs for urban communities, which have multiple resources to apply for and administer Federal funds and to deal with Federal paperwork requirements, and to let rural communities fit themselves into these requirements as best they can.

The attitude in HUD, certainly is that, so far as the community development program goes, communities of under 50,000 should be glad they have a reservation of 20 percent of block grant expenditures. The unfortunate fact is that, if these funds were distributed according to criteria established by HUD for need, these communities would receive a third of overall expenditures.

I suppose, too, that smaller rural communities should be thankful that Secretary Harris, who is chairing a task force that has spent a year developing a national policy for urban areas, appointed a task force to take a look at how HUD might improve its administration of programs in rural areas, and gave it a meager 7 weeks to file its report. This deadline was extended, when HUD realized that the special problems of rural areas could not be compacted into a 7-week study.

In the meantime, smaller rural communities are confronted with small city regulations, and action grant regulations which clearly impose stiffer eligibility requirements on these communities than on large cities. Only a lawsuit convinced HUD not to exclude communities of under 2,500 from its small cities comprehensive program. These communities are still ineligible for funding under the action grant program, despite the intent of my amendment to the Housing and Community Development Act of 1977, to provide assistance to all smaller communities through a 25-percent allocation for those under 50,000 in population. This amendment, of course, HUD was adamantly opposed to.

I have spoken with a number of groups who express the reservation that if a rural community development program is established, these communities will no longer benefit from the concentrated lobbying efforts of big city representatives whose successes boost funding for all small communities, due to the 20-percent set-aside. I personally cannot agree with this assessment of the situation: When smaller communities should be getting 34 percent of block grant funds, when regulations are consistently promulgated which can only frustrate the efforts of smaller communities to obtain block grant funding, when the representation of rural areas on the Housing and Community Development Subcommittee, an urban-oriented subcommittee consists of just a handful of members, I think it is time that rural areas no longer remain dependent on the good will of urban-oriented legislators. Unfortunately, rural areas have gained little from this dependency.

That there are now 38 cosponsors of the Rural Community Development Act, from both parties, from all sections of the country, and of both a liberal and conservative philosophy that rural communities are demanding programs tailored to their particular problems and needs and want these programs now.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, because I thought I would be back before the first vote on suspension business, I was downtown discussing the proposed District of Columbia reciprocal nonresident income tax on local television when the vote on H.R. 11274 was taken. Had I been here, I would have voted "no" on ordering the second to consider the Middle-Income Student Assistance Act.

I am pleased to join my colleagues in successfully defeating the motion because I believe that alternatives to the present Federal student aid program should be discussed. With more than half the Members of both Chambers supporting some form of tax credit legislation, and in light of House passage of the Frenzel amendment to the budget resolution providing $175 million for a limited credit plan, I think suspension of normal House procedures inappropriate and a denial of the proper airing these widely supported proposals deserve. I must stress that in casting this vote, I express no opposition to increased student aid. But in good conscience, I must preserve my right, and that of the House of Representatives to debate and decide what form that augmented student assistance will take.●

MIDDLE-INCOME STUDENT ASSISTANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 30 minutes.

● Mr. FRENZEL. Mr. Speaker, today the House defeated an attempt to suspend the rules to pass H.R. 11274. The defeat of the second of was the first in at least a couple of decades, and was wholly justified.

The following statement is one prepared for floor delivery had there been any debate:

I rise in strong opposition to the motion to suspend the rules and pass H.R. 11274, the Middle-Income Student Assistance Act. I do not ask a vote against the substance of the bill. It is the procedure which must be defeated.

The leadership, today, is asking the Members of this body to suspend the rules and support a bill that authorizes the expenditure of $1.5 billion—a bill that makes substantial changes in the substance of basic education opportunity grants and the guaranteed student loan program. H.R. 11274 is a major education bill of overriding importance.

It is unconscionable to allow this bill to be ramrodded through the House under a gag rule that allows only the most perfunctory review by the Members before they are asked to cast their votes. A bill of this magnitude demands to be considered under the proper procedures that allow Members the right to propose amendments, or to be debated under the 5-minute rule.

The real reason for justifying this suspension is that the leadership does not trust its own Rules Committee to act responsibly. H.R. 11274 is still under consideration by the Rules Committee. Just last Thursday, the Rules Committee was considering my request to adopt a rule making in order a tuition tax credit amendment. The Rules Committee is scheduled to resume debate on Tuesday, March 21, 1978. The amendment being considered is the very bill which was passed by the Senate Finance Committee on a vote of 14 to 1 and shares the sponsorship of the majority of our Senate colleagues. Sidestepping the Rules Committee and avoiding further committee consideration of my amendment is a clear indication that the leadership is deathly afraid to bring tuition tax credits to the House floor.

Bringing this bill up under suspension is yet the latest in a long list of maneuvers to block House floor debate on tuition tax credits. Shortly after President Carter introduced his fiscal year 1979 budget on January 21, 1978, Secretary Califano, in derisively describing tuition tax credits, said:

> We cannot afford poverty programs for people who are not poor.

By sharp contrast on February 9, the administration proposed the Middle Income Student Assistance Act. In his testimony before education committees, Secretary Califano stated,

> President Carter is committed to increasing student financial aid for middle income families with children in college.

As originally proposed by the administration, the Middle Income Student Assistance Act was an admitted attempt to head off tuition tax credits. In a confidential memo—entitled "alternatives to Tuition Tax Credit Proposals"—Secretary Califano urged the President "* * * to propose an increase in existing student aid programs to counter congressional proposals for tuition tax credits advanced by Senator ROTH and by Senators PACKWOOD and MOYNIHAN." Continuing, he said,

> *We must move quickly if we are to seize the initiative on this very hot issue.* (Italic included in original text.)

The administration and the leadership have continued in their attempt to grasp the initiative by successfully bottling up tuition tax credit proposals in the Ways and Means Committee—where it is still on dead center in spite of 5 full days of public hearings. Today's motion to suspend the rules is the result of a hastily called White House meeting last Friday in a desperate bid to avoid the

possibility of favorable action by the Rules Committee—allowing tuition tax credits to be offered on the House floor as an amendment to H.R. 11274.

The administration did not even take the weekend off on this issue. On Saturday at the request of Secretary Califano, Attorney General Bell "coincidently" released a statement with the clear political intent to raise questions and prejudge the constitutionality of tuition tax credits. The opinions expressed in the statement are directly opposite of the opinions expressed by several constitutional experts who testified before the Ways and Means Committee. The Supreme Court is the proper body to decide this question.

The leadership and the administration are clearly attempting to thwart the will of the majority of the House of Representatives. Providing for tuition tax relief to students and parents at all educational levels has received considerable bipartisan support. In the House, over 170 bills have been introduced on this subject with over 250 individual Members sponsoring or cosponsoring some form of tuition tax relief.

Tuition tax credits are not new to Congress. The Senate has passed such legislation in four out of the past five Congresses. The House, however, was provided with the first opportunity to vote on education tax credits just this past September. The House strongly supported Mr. COUGHLIN's amendment to the fiscal year 1978 second concurrent budget resolution to insure the availability of $175 million for higher education tax credits. This vote demonstrated a strong—311 to 76—bipartisan support for tuition tax relief.

The members of the Education and Labor Committee and the Ways and Means Committee have demonstrated their own support for tuition tax credits. One-third of the Ways and Means members have shown their support through sponsorship of a tax treatment approach for tuition relief. A majority of the members of the Education and Labor Committee have signed supplemental views on H.R. 11274 indicating their support for both tax credits and increased student aid. Further, they hope that Congress will find a way to merge these two approaches.

I applaud the administration for recognizing that a definite need exists to assist middle-income families with education costs. Tuition costs are skyrocketing. The College Entrance Examination Board found that over the past 5 years, the average tuition and fees at private 4-year institutions rose by 54 percent, at public 4-year institutions by 57 percent, at private 2-year institutions by 52 percent, and at public 2-year institutions by 130 percent.

Unfortunately, the administration's bill overlooks the plight of low- and middle-income families who have children in nonpublic elementary and secondary schools—the very group to which candidate Carter made a firm commitment in 1976. Private schools primarily educate lower- and middle-income students. In fact, 51.4 percent of children attending private elementary and secondary schools come from families with incomes below $15,000. These lower- and middle-income families need help if private education is going to continue to be accessible to their children.

Private elementary and secondary schools play a very useful role in educating our children. In cities like Milwaukee, Chicago, New Orleans, New York, Boston, and San Francisco, private schools educate approximately one-fourth of all elementary and secondary students. In Cleveland and Philadelphia, 30 percent of students are educated in private schools.

Many low- and middle-income parents whose children attend nonpublic schools bear a very heavy financial burden. The cost of nonpublic elementary and secondary education has increased substantially in recent years, and it is expected that this increase will continue. At the same time, the cost of public schools also is rising substantially, and taxes keep increasing to meet these costs. As a result, nonpublic school parents must pay for the increased costs of both public and nonpublic schools, even though they relieve the public schools of the cost of educating their children. This financial burden is an important factor in accounting for the declining enrollment and the closing of nonpublic schools. In 1984, the U.S. National Center for Education Statistics projects that 4.2 million students will attend nonpublic elementary and secondary schools—a drop of 2.1 million students since 1965. The closing of many nonpublic schools would increase taxes significantly. The President's Commission on School Finance estimated that, if many nonpublic schools closed, public school's capital costs would increase from $4.7 to $10 billion (Schools, People, and Money, p. 55, 1972).

Some concern has been raised that tuition tax credits might deepen the problem of racial segregation in private elementary and secondary schools by providing aid for students to attend schools that discriminate. To prohibit this and to provide a clear incentive for integration in our private institutions, my amendment provides tax credits only for attendance at schools that are tax-exempt under section 501(c)(3) of the Internal Revenue Code. The courts have held that such institutions cannot have a discriminatory policy with regard to race and still maintain their tax-exempt status.

The Senate Finance Committee passed bill, which I have asked the Rules Committee to make in order as an amendment to H.R. 11274, is estimated to benefit more than 16 million students. According to the Joint Committee on Taxation, 85 percent of the total benefits will accrue to families with adjusted gross incomes below $30,000. Approximately 75 percent of the benefit from this amendment will accrue to postsecondary students and their families, while about 25 percent will accrue to those in elementary and secondary schools.

Before we make a final judgment on this issue, we must consider the political realities. It seems inevitable that the Senate will pass tuition tax credits and it may also be inevitable that the administration's Middle Income Student Assistance Act will also be passed, but without coordination. By coupling tuition tax credits with the administration's bill, the conference committees will at least be given an opportunity to coordinate the two.

Finally, if the House is to have the opportunity to work its will on tuition tax relief measures, it is vitally important that the Members be permitted to address these matters in conjunction with the administration's Middle-Income Student Assistance Act. I strongly urge a "no" vote on the motion to suspend the rules so that H.R. 11274 will be considered under normal House rules procedures as originally scheduled for this Wednesday. The high cost and substantial changes contained in this bill demand careful scrutiny and the opportunity to offer amendments, to finally arrive at an education assistance package that reflects the will of the majority of the House of Representatives.●

THE NEED FOR HUMPHREY–HAWKINS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 15 minutes.

● Mr. WHALEN. Mr. Speaker, last week the House passed H.R. 50, the Full Employment and Balanced Growth Act. In taking up this legislation, Congress faced a most fundamental issue: what is the role of the Federal Government in putting people to work?

The Full Employment Act of 1946 holds the Government responsible for fighting unemployment. No one can deny that the jobless rate is directly or indirectly affected by a plethora of decisions formulated by the Congress, the President, and the Federal Reserve Board.

It also is clear that these three institutions have not always used effectively their power to put people to work. In recent years we have seen the worst unemployment since the Great Depression; indeed, the jobless rate has not fallen below 5 percent since 1973. During this period, our economic policymaking too often has been one of fits and starts, often without consideration of long-term consequences. Yet our recent economic troubles have not led to any change in our ways of making economic policy. Our approach has been of cautiously bailing out the economy instead of plugging the leaks.

The resulting unemployment can only be termed catastrophic. In the last quarter century more than $5.2 trillion worth of GNP—in 1977 dollars—and 72 million man-years have been lost due to this Nation's failure to achieve full employment; the figures for 1977 alone were $357.8 billion and 5.3 million man-years. The potential for future loss is also grim: if the unemployment rate is 5.5 percent instead of 2 percent over the next quarter century, the U.S. economy would lose $6 trillion in GNP.

No so easily calculated is the terrible toll that unemployment inflicts on people's daily lives. Studies point to connections between unemployment and family tensions, alcoholism, infant mortality, heart disease, mental illness, and crime. Most chilling is a study by Dr. Harvey Brenner of Johns Hopkins University who found that a 1.4-percent rise in unemployment in 1970 was responsible for 51,570 deaths.

While our economy grew during 1977, over 6 million people were still without work. If dependents are included, approximately 60 million people suffered from the pain of unemployment last year. Nor should we forget that unemployment strikes those hardest who have the least: minorities, the poor, unskilled workers, women, youth, and the elderly. To cite just one example, in 1977 the jobless rate for whites fell from 7 percent to 6.5 percent; for blacks, it stayed at 13 percent. For black young people between the ages of 16 and 21, the ranks of the jobless has increased by over 100,000 in the last 2 years; today, more than 1 out of every 3 is without a job.

Our unemployment problem is so acute that countries we criticize for violations of human rights point to the plight of our jobless as evidence of our callousness. Without bold action, we risk creating, in the words of the late Hubert Humphrey, a "permanent underclass of unemployed Americans." In short, unemployment remains a critical national problem, one that demands prompt and effective action.

The Humphrey-Hawkins Full Employment Act is an economic policy bill which consolidates Government efforts to put people to work by amending a law already on the books: the Employment Act of 1946. When President Truman signed that act into law, he noted that the bill committed the Federal Government to work for "maximum employment" and declared that it represented "not the end of the road, but the beginning." Humphrey-Hawkins continues the journey by establishing economic policymaking procedures that go further toward putting people to work. It recognizes that there is no simple path to full employment through a single bill or program. Instead, the Full Employment Act proposes a general economic policy framework with a package to give that new structure direction and meaning.

The amendments that were added to the Humphrey-Hawkins bill last week did little to change the major provisions of the act, which fall into three categories. The first consists of policy declarations. Most importantly H.R. 50 declares it to be Federal policy to use all practicable means, consistent with other essential national goals, to promote full employment, balanced growth, and price stability. It further states "the right of all Americans able, willing, and seeking work to useful paid employment at fair rates of compensation" and declares inflation to be "a major national problem requiring improved Federal policies."

New procedures for economic policymaking comprise the second category. The President is required to submit an annual economic report giving numerical targets for employment, unemployment, production, real income, price stability and productivity. The legislation sets an interim goal of 4 percent unemployment for all workers—aged 16 and older—and 3 percent unemployment among adults—aged 20 and over—to be achieved within 5 years of enactment. It permits the President, with the approval of Congress, to change unemployment goals or timetables if, at least 3 years after enactment, any of them appear unreasonable. The President must also submit a Federal budget compatible with the yearly targets. The bill would compel the Federal Reserve Board to explain how its monetary policies and plans will help achieve these goals.

The third component of H.R. 50 outlines the programs that the President can recommend in order to achieve full employment. It requires the President to develop, where appropriate, supplemental employment programs to reach the established targets. Among the tools recommended are public works programs, public service jobs, antirecession aids to States and cities, programs for depressed areas, training, counseling, and special youth projects. If other efforts fail to achieve the unemployment targets, the Federal Government would be required to create additional public service jobs through new or existing programs. H.R. 50 also assures that jobs made available through the programs set up by the bill would pay at least the minimum wage and no less than the amount earned by others doing the same work for the same employer.

I opposed previous versions of the Humphrey-Hawkins bill because I felt that it did not properly address the other major economic concern in our country: inflation. However, in addition to the provisions already mentioned, the bill includes a number of anti-inflation safeguards. H.R. 50, besides providing for more coordinated use of fiscal and monetary policies, would give the President the authority to recommend structural policies to limit inflation. While the bill stipulates that "reasonable price stability" should not be sought through any weakening of the goals and timetable relating to the reduction of unemployment," it does state that the means chosen to achieve reasonable price stability be "mutally reinforcing" so as not to sacrifice one goal for the sake of achieving the other. This bill does not authorize expensive new programs nor would it increase the budget automatically. Public service jobs are called for only as a last resort, and then only for those "which Congress authorizes and provides funds for."

Mr. Speaker, I believe that our Nation must put itself back on the road toward full employment. There is, in the words of Hubert Humphrey, a critical need "for new policymaking machinery to insure that all Americans share in the prosperity which has been synonymous with America since its founding." I voted for the Full Employment and Balanced Growth Act because I believe it establishes an effective framework for boldly confronting our unemployment dilemma.●

ENERGY POLICY FOR THE FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 20 minutes.

Mr. COHEN. Mr. Speaker, there is no greater problem facing America today than our current energy situation. The viability of our economy and the very survival of our Nation depend upon our setting a rational, straightforward energy policy.

Nearly 4½ years have now lapsed since the Arab oil embargo against the United States. This dramatic event made explicit a critical national problem which had been simmering for years, largely out of the public eye.

Since the embargo, we have all undergone a crash course which has stressed the severe penalties inherent in the widening gap between energy consumption in America and domestic production. Let us take stock of what we have learned:

First, and perhaps most importantly, we have learned that an unbalanced energy budget leaves us politically and economically exposed—hostage to policy decisions and arbitrary judgments made external to our borders and contrary to our best interests;

We have learned that despite our national wealth in energy supplies, the transition to alternatives to oil and gas will be neither easy nor inexpensive;

We have learned that price stability will be achieved only when we have an effective energy policy in place, and not a moment sooner;

We have learned that the problem will not go away if left unattended. It will only get worse—making the eventual solution even more painful;

We have learned that we cannot "go it alone" on energy, for we live in an interdependent world in which our actions profoundly affect the economies and security of our allies, and vice versa;

We have learned that the energy crisis is not just an abstract playground for specialists, and that every citizen of the Nation must contribute to its solution;

We have learned that the environmental costs of profligate energy use are severe and, in many instances, irreversible;

Last, we have learned that the future strength and vitality of our society will be determined by the energy policies we adopt today.

By any objective assessment, the United States still lacks a clearly enunciated and cohesive national energy strategy. Today, we remain a divided and uncertain Nation on this vital issue, seemingly unwilling to abandon the status quo and confront reality. With each passing day, the costs of indecision mount, eroding away our freedom and independence both at home and abroad.

In 1973—the year of the embargo—we imported just over a third of the oil we consumed. Today, that figure has risen to nearly 50 percent. The dollar drain for imported oil has soared from $8.4 billion

in 1973 to over $45 billion last year—or more than $200 per American. That is $45 billion that did not stay at home to create jobs for the unemployed, stimulate alternative energy development in our own country, and improve the standard of living for every American.

Additionally, the dollar is severely weakened in international markets because of our inability to bring energy supply and demand into balance. This jeopardizes our economy, causes unemployment, and raises prices. OPEC prices are set in dollars, so as the value of the dollar declines in world markets, the oil producing nations have a greater incentive to increase their prices.

Clearly, we are courting disaster. During the embargo, a drop of only 10 percent of our imported oil, lasting less than 6 months, cost Americans half a million jobs and over $10 billion of national output. The massive price increases of 1973 added at least 5 percentage points to the price index, contributing to our worst inflation since World War II. It set the stage for a serious recession from which we are only now recovering.

If Arab oil producer nations today completely cut off crude oil exports to the United States, our Nation would experience a loss of about 3.7 million barrels of oil a day. This would represent nearly 57 percent of our crude oil imports and some 21 percent of total domestic petroleum consumption. It is obvious that such a cutoff would have a staggering impact on the Nation's well-being and threaten our national security.

It is appropriate to ask why it has proven so difficult for our Nation to face up to this critical problem in light of its profound effect on our economy and national security?

Why have we largely ignored the dire warning of three Presidents who have sought to mobilize an effective public response to the energy crisis?

To a considerable extent, the answer lies in the realization that energy is an exceeding complex problem of unprecedented dimensions. No single policy, program, or prescription can alone ameliorate our difficulties in this area. There are no quick fixes, no painless alternatives, no magical solutions. What is involved is nothing less than a wrenching change in all our pattern of energy use, both in the kinds of fuels to be used and the levels at which they must be consumed.

For more than half a century, during which U.S. industries grew at remarkable rates, per capita incomes rose—unevenly but ever up—as the entire economic base became increasingly dependent on a depletable and rapidly diminishing resource, petroleum. Domestic production of crude oil peaked in 1970. Even with the Alaskan supplies—which will aid us over the next 10 years—U.S. domestic oil production last year was 16 percent below the 1970 level. Natural gas production was 22 percent below 1970 levels.

Virtually the entire transportation system, three-quarters of industrial heating requirements, half of the electric power generation, and 80 percent of all residential and commercial energy use in the United States depends on oil and natural gas. A country which envisions for its citizens and their children a great and increasingly affluent future has allowed itself in nearly every facet of its life to be locked into finite energy supply which is now running out.

As a consequence, the task now facing Congress and the country as a whole is both vast in scope and historically decisive in consequences—reshaping transportation modes, retooling and redesigning industrial plants and homes, choosing new objectives to guide the allocation of capital resources, in short, overturning the whole spectrum of expectations on energy price, supply, and use. To determine new choices when the basis for choosing has been so radically altered is no easy task.

But choose we must—and soon. Four years of debate on the problem is enough. The time is at hand to brush away the webs of uncertainty and division that have resulted in near national paralysis on this critical issue. It is time to halt the search for scapegoats and accept our share of the responsibility for the problem. It is time to recognize that we can recapture our energy destiny if we are willing, individually and collectively, to place the national well-being above our own narrow parochial interests.

As former Secretary of State Kissinger observed in a 1975 speech on energy, "History has given us a great opportunity disguised as a crisis." Our task is to seize the opportunity while it is still available, and mold a comprehensive, farsighted energy policy for the United States.

What are the essential elements of an effective national energy strategy? What goals and objectives should we set for ourselves? Where should our priorities lie in the energy area?

In order to promote steady economic growth with full employment and low inflation, our first priority must be energy conservation Something like a third of the energy we consume is wasted—it produces absolutely nothing. That means we, as a nation, burn the equivalent of over 12 million barrels of oil a day, which is more than we import, and receive nothing in return. It is apparent to anyone who has analyzed the energy problem that the largest, cheapest and cleanest source of new energy we can tap immediately is "conservation energy"—the energy produced by cutting waste.

"Conservation energy" is, of course, not free. But is a banner bargain in today's market. On the average, it costs $3 to $5 a barrel to save, compared to $14 a barrel or more required for new production. Only a fool would pass up such a bargain. Certainly, not the thrifty person from Maine.

Additionally, using our energy more efficiently will help limit environmental damage that results from oil spills, strip mining and disposing of large quantities of nuclear waste. It can also reduce our vulnerability in foreign affairs and improve our declining balance of payments position. Finally, a strong energy conservation program would save beleagured consumers billions of dollars each year.

The opportunities for saving energy are enormous, and can be found in every consuming sector of the U.S. economy—in agriculture, in transportation, in industry, in residences, in schools and hospitals, and in commerce. Let me illustrate by citing a few examples.

Two years ago, the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) developed recommended standards based on energy efficiency using current technology systems and materials. They are now reflected in a model building code which is available for adoption around the country.

Two significant aspects of the ASHRAE standards, and the model code based on it, are the reduction in energy requirements and the investment cost to achieve these savings.

An Arthur D. Little study of the impact of the new ASHRAE building standards for new construction found that when compared to typical conventional buildings, those built to the new standard would save energy as follows:

[In percent]

Single family residence	11.3
Low-rise apartment building	42.7
Office building	59.7
Retail store	40.1
School building	48.1

Adoption of the ASHRAE standards—applied only to new buildings—would save an estimated 500 million barrels of oil by 1990. To illustrate the magnitude of that savings, 500 million barrels is the amount of energy that can be produced by 120 thremal electric powerplants of 1,200 megawatt capacity, costing approximately $1 billion each. We would have to build one plant every 36 days to match these savings.

An educational facilities laboratories study of America's school buildings has found an energy waste of 30 percent—that's 1 percent of the Nation's entire school budget. Reclaiming this waste energy would save: $15 per pupil per year; $375 per classroom, or, $655 million—annually.

Finally, a recent study jointly funded by the Brookhaven National Laboratory, Harvard University and the Maine Office of energy resources found that if all housing in Maine were brought up to a weatherization level similar to that in newly constructed housing, the State could save 41 percent of residential energy consumption and almost 10 percent of total State energy consumption. Imagine what this savings would mean to consumers in Maine who have seen their energy bills triple since the beginning of the decade.

At the individual homeowner level, insulation may well provide a higher rate of return than any other investment available to the average citizen. Common stocks, corporate bonds, and savings accounts pay interest rates of 5–10 percent—often at some degree of risk. Home insulation may earn 20–40 percent in saved fuel costs at little or no risk. Moreover, investments in home insulation will raise property values.

Given the economic inability of many homeowners to make energy saving improvements to their residences, it seemed clear to me that the Federal Government must develop incentives to assist those in need. With this in mind, I introduced legislation back in November 1973 which would permit homeowners to take a tax credit for a percentage of amounts paid for insulation and other devices designed to improve the energy efficiency of individual residences. I am pleased that the omnibus energy bill now in conference contains a provision which, when enacted, will provide a maximum $400 tax credit for individuals who install insulation, caulking, weatherstripping, furnace replacement burners and other energy saving devices in their homes.

This important legislation also extends and expands a present program which provides grants to low-income families to make their homes weathertight. It also authorizes a program of conservation renovation grants for public and private schools, as well as hospitals.

Given the high cost of energy, conservation is clearly in the self-interest of every hardheaded businessman and every cost-conscious homeowner. It is, as others have observed, a classic example of how the national interest can be exactly consistent with self-interest. Conservation is not a new burden to be imposed on our pocketbooks (or lifestyles); it is the discipline and effort required to ease the burden of energy costs on the national economy and on individual families.

The second essential element of an effective national strategy is the development of new and alternative energy supplies. Conservation alone, as crucial as it is, simply cannot alone get the job done. If there is no supply, there is nothing to conserve.

It is a great irony that the United States currently relies most on the least plentiful domestic sources—oil and natural gas—and least on the most abundant resources, such as coal, wood, the winds, the tides, and the very sunshine itself. Maine is almost totally dependent on energy sources which are not native to the State. Only 12.3 percent of our energy requirements in Maine are supplied by two native sources, hydropower and wood.

We in New England are paying clearly for the lack of energy diversity in our region. According to the Department of Energy, in 1976, the price paid for major forms of energy was 26 percent higher in New England than in the United States as a whole. At 42 cents more per million Btu's, New England consumers paid about $1.4 billion more than if our energy prices were equivalent to the rest of the United States.

Without question, we in the United States are in the fortunate and unique position to remove the shackles of oil dependency. Few other nations are as richly endowed as we are in native energy resources. The Office of Technology Assessment recently estimated that about 300 billion barrels of discovered oil remain in the United States. However, conventional techniques of extraction can deliver only 10 percent of that oil economically. U.S. coal resources are estimated to be about 4 trillion tons, with currently recoverable reserves about 217 tons. That's enough coal to meet projected demand over 100 years into the future. We have the technical ability to extract oil from shale, to tap the wind and the Sun for energy, to convert agricultural, municipal and industrial solid waste to power. We have light water nuclear reactors which can be used to bridge the transition from a fossil-fuel based economy to one more heavily dependent on renewable energy resources.

In Passamaquoddy Bay, we have the best potential site for a tidal power project in the United States. Throughout Maine and the Nation, there are thousands of existing small dams which can be economically put to work, almost doubling U.S. hydroelectric capacity and slashing electric bills for many hard-pressed American consumers.

In Maine, there are nine sites, excluding Dickey-Lincoln, which have a combined capacity potential of 675 megawatts and 1.3 billion kilowatt hours of energy annually. At current prices, these sites have the potential to save Maine consumers tens of millions of dollars in energy costs each year.

Our great forests in Maine are another vast untapped source of energy for both home consumption and as fuel for powerplants. I recently met with Harold Young, professor of forest resources at the University of Maine and an acknowledged expert in biomass and nutrient studies. Dr. Young informed me that based on 19 years of research, he has found that by utilizing forest residuals, such as tops, small trees and stumproot systems, Maine could produce nearly 1,700 megawatts of power annually. If these figures are valid, it is approximately equivalent to the total installed electrical capacity in Maine, including new generating facilities which will be brought on line by the end of this year.

Consider another fact. If only 1 percent of our forest potential in Maine could be converted to methanol, it could satisfy 2 percent of our total energy demand by 1985. At 50 cents a gallon for No. 2 heating oil, the energy contribution of methanol would have a value of approximately $33.3 million annually in terms of replacement oil costs.

Notwithstanding the favorable supply picture which I have just painted, we would be wise to keep our optimism in check. For there are massive price, environmental and institutional barriers which must be overcome if these energy sources are to be developed. The recent labor difficulties in the coal industry should serve as a vivid reminder to all of us that our efforts to develop alternatives to oil and gas will frequently be buffeted by the crosswinds of unforeseen controversy.

Before I conclude, I would like to briefly address what is perhaps the core issue in the energy debate, namely, what is the proper role for Government in promoting greater conservation and alternative supply development.

That the Federal Government is massively involved in energy supply and demand decisions is an indisputable fact. The Department of Energy alone employs approximately 20,000 workers and has an annual budget exceeding $10 billion. At the State level, energy offices are increasingly asserting their presence in supply and conservation decisions.

It is the view of many that this growing dominance of Government has done more to impede than promote responsible policies to address our Nation's energy problems. To the degree that low regulated prices discourage conservation and the development of new energy sources, this assertion is valid.

Moreover, it is clear that excessive regulatory requirements have, in many instances, frustrated efforts to bring on line additional energy generating facilities.

The fact remains that, despite its inherent limitations, the Federal Government will bear a large measure of responsibility for America's energy future.

As a recent newspaper editorial observed, this is not an enviable task. If the President and the Congress push through all the severe and unwelcome measures needed to reduce oil imports and promote greater energy efficiency, maybe this country can avoid the dire consequences of a future embargo and OPEC's extortionist pricing policies. In this event, no Congressman or public official ever have prove that this insurance policy had been necessary. It is like taking a flu shot. You always remember the sore arm, but never the case of flu that you did not get. Nobody can count the people who did not die in the epidemic that did not happen. Nobody can reckon the cost of an oil shortage that wise public policy prevented.

Indeed, the task ahead is formidable. What we need is a basic readjustment of our way of life and thinking to conform to the stringent realities of our current energy situation.

For far too long, we have operated under the illusion that our mineral resources were infinite.

For far too long, we have embraced the notion that it is every person's inalienable right to consume as much as he wants for as long as he wants.

For far too long, we have fought against the limits of nature, rather than learning to live comfortably within them.

And, for far too long, we have failed to understand that "progress" and "growth" do not necessarily equal improvement in the quality of life.

It would be irrational too refuse to move off dead center on energy out of fear of what is on the other side of the line. "History has indeed given us a great opportunity in the guise of a crisis." Let us not squander this opportunity.

MIDDLE-INCOME STUDENT ASSISTANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

● Mr. BOB WILSON. Mr. Speaker I am generally supportive of measures to aid middle income students in their efforts to attain a higher level of education and

believe that H.R. 11274 contains elements which have much merit.

However, I do not feel that this legislation belongs on the suspension calendar today. Suspension of rules is a parliamentary device designed to expedite passage of noncontroversial measures to which amendments are not anticipated. It is my understanding, though, that several Members had planned to offer amendments of some substance to H.R. 11274. By switching the bill from regular House consideration on Wednesday to suspension today, we are being given no choice but either accepting or rejecting H.R. 11274, a choice I consider highly arbitrary. In consideration of H.R. 11274 under suspension of the regular rules of the House, we are being asked to make a decision on a matter of great importance without opportunity for any discussion or amendment.

I think it a disservice to the citizens of our country to legislate in this fashion and would therefore hope we would not order a second on this measure today so that it may be brought up again in the near future for proper consideration.●

THE CONNECTION BETWEEN UNEMPLOYMENT AND ENVIRONMENTAL CONCERNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. APPLEGATE) is recognized for 5 minutes.

Mr. APPLEGATE. Mr. Speaker, I would like to bring to the attention of my colleagues in the House and to the general public of these United States, a very serious matter with which we are all becoming more familiar. The primary cause of our high unemployment is not necessarily large quantities of imports, even though they are a contributing factor, it is not the result of a slow economy where people do not have enough to spend; but rather, I believe a greater share of the fault lies with the U.S. Environmental Protection Agency and its overzealous, regulation making bureaucrats. It is this agency, created in part by this body, that is quickly becoming a rather large thorn in our side.

As the Representative of Ohio's 18th Congressional District, an area heavily reliant and renowned for steel and coal production, I am quick to see the effects of some of the environmental standards handed down by the EPA. If the current trend is not slowed to reasonableness, heavy industrial areas of our Nation, and my district in particular, are destined for economic ruin.

Let me say at this point, that neither I, the people and businesses of my district, nor any of us here today, are opposed to clean air and water. I believe we all recognize the necessity of these resources in order to maintain our physical health and well being. But, by the same token, the EPA must realize that our economic health and well being is also at stake.

In order to demonstrate the crippling effect that the imposed air and water standards have had on the upper Ohio Valley, I offer the case of Wheeling-Pittsburgh Steel. During calendar year 1977, this corporation, which is the ninth largest steel firm in America, lost nearly $25 million. They have spent nearly $120 million in attempting to comply with present standards; but yet, this is not enough. They must spend an additional $80 million to reach a point of full compliance with present law and must do so in the next 2 years. One need not be an accountant to realize that this is not feasible.

As each compliance date for different types of pollution control becomes a reality, Wheeling-Pittsburgh faces the likely possibility of heavy fines and penalties. This does not help their cause; it only adds to their problems. The money is simply not there.

This is not an isolated instance. North American Coal Co. has several mines in my district. Near the beginning of this month, North American announced the forthcoming closure of one of these mines, the Jensie Mine, in northwest Jefferson County, Ohio. According to those people involved with the decision, the mine was closed due to sulphur dioxide emission standards imposed on Cleveland Electric Illuminating in northeast Ohio. CEI was the sole buyer of the coal from Jensie mine.

What we are talking about here is nearly half a million tons of coal, and more importantly, nearly 250 jobs. If this were to be the only mine to shut down, it might be different, but I greatly fear it is only the tip of the iceberg. It will be very difficult for Ohio, which is the biggest producer and consumer of coal in the country, to help meet the coal supply requirements of the future as outlined by President Carter last year, if present trends continue.

Mr. Speaker, I am suggesting that a more practical approach be taken in the area of cleaning the environment and maintaining that quality. We must realize that the current economic trend must dictate how fast we progress in this area. We cannot continue to expect businesses to make the type of expenditures necessary to meet compliance standards if the capital is not there or if it means a definite loss of jobs. We must realize the importance of jobs in our country while, at the same time, retaining our sights on a clean environment.

INTERNATIONAL ECONOMIC POLICY SUBCOMMITTEE ANNOUNCES JAPAN TRADE HEARINGS IN WASHINGTON, D.C., AND OLYMPIA, WASH.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, on behalf of the Subcommittee on International Economic Policy and Trade, which I chair, I wish to announce two hearings on U.S. trade with Japan.

The first, a general overview of United States-Japan trade issues with particular reference to U.S. efforts to secure greater access to the Japanese market, will be held in Washington, D.C., on April 4. The second, a hearing on log exports to Japan, with specific reference to H.R. 7972, the Public Lands Timber Export Act introduced by Mr. BONKER, will be held in Olympia, Wash., on April 21.

Last year this Nation ran a trade deficit of $26.6 billion. A great deal of this imbalance is due to excessive oil imports and the absence of a national energy policy. But a significant part of the problem can also be attributed to lagging U.S. exports.

Three reasons for these lagging exports stand out. The first is insufficient demand for U.S. products abroad due to the failure of our customers to stimulate their economies as rapidly as we would like. The second is tariff and nontariff barriers to entry of our products erected by other countries. The third, in all candor, is a certain lack of aggressiveness and imagination on the part of our own businessmen in penetrating and capturing some foreign markets and, at least in some instances, inadequate export promotion activities by the U.S. Government.

These problems are brought out in stark relief with respect to our economic relations with one of our major trading partners, Japan, with which this country is running a substantial trade deficit. The overriding importance to our economy and foreign policy of United States-Japan trade relations has led Ambassador Strauss, the President's Special Representative for Trade Negotiations, to engage in comprehensive negotiations with the Japanese, both bilaterally and in the context of the Tokyo round of multilateral trade negotiations, designed to induce the Japanese to achieve higher rates of economic growth and to reduce or eliminate barriers to the entry of U.S. products. These negotiations have already resulted in one bilateral agreement in the nature of a statement of Japanese intentions.

One direct result of the bilateral negotiations has been the formation of a joint United States-Japan Trade Facilitation Committee, chaired at the United States and by Assistant Secretary of Commerce Frank Weil. The Committee is designed to promote U.S. trade missions to Japan and Japanese purchasing missions to the United States, to seek removal of Japanese trade barriers to U.S. products, and in other ways to seek to facilitate United States-Japan trade.

On April 4, the Subcommittee on International Economic Policy and Trade will hold an oversight hearing on United States-Japan trade negotiations and U.S. export promotion activities with respect to Japan. Mr. Allan W. Wolff, Deputy Special Representative for Trade Negotiations, will brief the subcommittee on the status of negotiations for obtaining increased access to the Japanese market for U.S. exports, on what this country hopes to accomplish through these negotiations, and on how we propose to accomplish those objectives. Hon. Frank A. Weil, Assistant Secretary of Commerce for Industry and Trade, will explain the activities, objectives, and prospects of the Trade Facilitation Committee. Mr. Robert D. Hormats, Deputy Assistant Secretary of State for Economic and Business Affairs, will place

our trade relations with Japan in an overall foreign policy context. The hearing will take place at 2 p.m. in room 2172 of the Rayburn House Office Building.

On April 21, the subcommittee will hold an all-day hearing in Olympia, Wash., on one aspect of the United State-Japan trade problem—log exports to Japan. Timber and timber products happen to be one of the commodities for which there seems to be great potential for increased export to Japan. We have an abundance of timber, while Japan's resources are limited and its needs great. The form in which we export timber and timber products, however, has a considerable impact upon the timber-supplying regions of this country, particularly the Pacific Northwest. While the Japanese have long been important customers for our timber, the volume of their imports has not come close to its potential, from our point of view. In the context of our current severe trade deficit with Japan, dissatisfactions from both the U.S. viewpoint and the Japanese viewpoint with our timber trade have become an important foreign policy issue.

The subcommittee has before it H.R. 7972, which would prohibit the export of unprocessed timber from public lands in the Western United States and the substitution of such timber for unprocessed timber from private lands which is exported or sold for export. At the same time, as a followup to the recent Strauss-Ushiba bilateral agreement, detailed discussions have been initiated with officials of the Japanese Government and lumber industry concerning how problems in this area might be solved, and a Japanese timber trade delegation is scheduled to visit the United States in the near future.

Testimony by a representative of the Office of the Special Trade Representative on the status of these detailed discussions of timber trade with Japan, which will hopefully result in improved access of processed lumber from the United States to the Japanese market, will be a major part of the subcommittee's April 21 hearing.

Any person wishing to present testimony at the April 21 hearing should submit a request to testify as soon as possible, and in no case later than April 7, to: Victor C. Johnson, staff associate, Subcommittee on International Economic Policy and Trade, room 707, House Office Building Annex No. 1, Washington, D.C. 20515, telephone (202) 225-3246. The subcommittee will hear as many witnesses as possible in the time available; others may submit written statements. Time for oral presentations will be strictly limited, with the understanding that a more detailed statement may be submitted in writing. Persons and organizations having a common position are urged to make every effort to designate one spokesman to represent them.

Each witness appearing on April 21 must arrange for six copies of his statement to arrive at the subcommittee office no later than April 17. A minimum of 50 additional copies must be submitted to the district office of Hon. DON BONKER, 209 Federal Building, Olympia, Wash., 98501, no later than April 19, for the use of the subcommittee and for distribution to the press and the public. Congressman BONKER's office will handle the forwarding of the six copies to the subcommittee, if witnesses so request and if the statements are submitted early enough.●

IT'S TIME FOR PUBLIC FINANCING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KOSTMAYER) is recognized for 5 minutes.

● Mr. KOSTMAYER. Mr. Speaker, tomorrow the House is scheduled to consider H.R. 11315 the Federal Election Campaign Act and Amendments of 1978.

An amendment to be offered by our colleagues, Mr. FOLEY and Mr. CONABLE, will publicly finance all House races this year.

I strongly support the legislation even though it is unfortunately limited to general election campaigns only and not to primaries and even though it does not go nearly far enough.

My predecessor and my friend, the Hon. Edward G. Biester, Jr., discussed the urgent need for such legislation in yesterday's Philadelphia Inquirer.

I hope Members on his side of the aisle will be persuaded by his eloquent statement and will adopt the rule, the bill, and the amendment now that the majority has yielded on the issue of contributions by political parties.

Mr. Speaker, tomorrow could be the beginning of the end for the special financial interests who control the Congress.

If we act we can make this truly the people's House.

[From the Philadelphia Inquirer, Mar. 20, 1978]

IT'S TIME FOR PUBLIC FINANCING

(By Edward G. Biester)

The House of Representatives is about to consider partial public financing of congressional elections, a measure whose cleansing impact on our national political system cannot be over-estimated. It would be a reform, sweeping and wholesome in its effect on Congress; it dwarfs all other recent so-called reforms of that body.

Those of us who support public financing believe that America is greater than the sum of its special-interest parts; and that the decisions America makes on the great and troubling issues of the next quarter century must do more than simply resolve certain conflicting special interests in our society. Their solutions demand creativity and breadth of vision. That is one reason why public financing is so important. There are other reasons.

The concept of public financing is a natural extension of the concept of one-person/one-vote. If one-person/one vote is one valid definition of American democracy, it means that no one American should have any greater political clout than any other American with the President or other elected officials. Obviously any individual American can increase his or her political clout by activity on behalf of a political party or an individual candidate. That activity, however, is open to all and there is no financial threshold which inhibits it.

But some Americans can, by using their greater financial resources, meet the needs of candidates for political office and thereby achieve for themselves a substantially greater political clout than other individual American citizens. To the extent that happens, our democracy has been diminished.

Some people complain that they don't want to see their tax money used to support candidates with whom they do not agree. Their point of view may represent a natural reluctance, but the difficulty with their position is that under our present system their money is already being used to support candidates with whom they do not, would not, could not and never will agree. Their money is frequently being used directly against their own interests.

For example, when a major American industry pools its financial resources and supports candidates for Congress, it does so not out of a sense of charity but because it expects to protect its long-term or short-term financial position. And who pays for that financial position?—we all do, whether we are taxpayer or consumer, whether we are investor or borrower—all of us pay for these contributions now, under the present system.

There is not and never has been a free lunch and we only deceive ourselves in believing that all of us are not now paying for the American political process. The difference between public financing and the present system is not that we shall, under public financing, start paying, but rather under public financing we will pay less and begin to protect ourselves against the impact of the special interests themselves.

The measure to be considered by the House will encourage small campaign contributions by many thousands of average Americans. The bipartisan-sponsored legislation to be proposed by Representatives Thomas Foley (D., Wash.) and Barber Conable (R., N.Y.), is based on a bill which has more than 140 House cosponsors. It calls for public funds to match small private contributions of up to $100.

It is based on the public financing system for Presidential elections that is already in effect. Each year American taxpayers by the millions voluntarily check off a box on their income tax returns that earmarks $1 of the tax they already owe for assignment to the Presidential Election Fund in the Treasury.

In its initial test in 1976, public financing worked very well. My former colleague, Senator Charles Mathias (R., Md.), has said that in the 1976 Presidential election, "to a rare degree in American politics, the average voter was the millionaire's equal" because both the Carter and Ford campaigns in the general election were financed entirely from the voluntary tax check-off fund.

That system can turn around the way we finance political campaigns. When candidates know that small contributions they receive will be matched equally from voluntary checked-off dollars, they will have every incentive to seek much wider support for their campaigns.

Very few candidates really want to rely for their campaign funds on "fat cats" or groups with axes to grind. As Hubert Humphrey once said, going hat in hand to potential large contributors is a "degrading, demeaning experience." Without public financing, however, candidates in tough races often feel they have no alternative.

I'd like to say something as a partisan Republican. The present "system" favors incumbents and as a Republican one cannot fail to miss that special interests must love the Democrats in Congress, they have made so many of them; and they keep them there.

This issue is not and should not be a partisan one.

However, as a former Republican member of Congress, I guess my message is directed especially to other Republicans. We ought not to miss the importance to our party in giving more of our challengers a chance to defeat incumbent Democrats. Public financing will help Republicans at least as much as Democrats.

The Democrats have been the majority party in Congress almost steadily since Franklin D. Roosevelt's election in 1932. Once someone is elected U.S. Representative, he or she is almost certain of re-election. In the five House elections from 1968–1976, well over 90 percent of representatives who sought re-election won. In 1976, 385 incumbents ran and only 12 were defeated in the general election, a re-election percentage of 96 percent.

Seventy-one years ago a Republican President, Theodore Roosevelt, first urged Congress to adopt public financing for election campaigns. If he were alive today I believe he would be leading the charge for congressional public financing.●

AMENDMENT TO FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS ESTABLISHING A SYSTEM OF PARTIAL PUBLIC FINANCING OF HOUSE GENERAL ELECTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 5 minutes.

● Mr. FOLEY. Mr. Speaker, today I am placing in the RECORD an amendment to provide for partial public financing of House general elections which Representative BARBER CONABLE and I intend to offer during House consideration of H.R. 11315.

Our amendment is the product of many months of effort. It contains what we believe are the best elements of previous proposals, plus several new features.

Basically, the system we are proposing is similar to the Presidential primary public financing system, and like the Presidential system the main purpose of our amendment is to reduce the dependence of congressional candidates on special interest money to fund their campaigns.

Under our proposal small individual contributions of up to $100 would be matched with funds from the voluntary dollar tax checkoff fund. A candidate would qualify to receive a $10,000 matching fund payment by raising $10,000 in small contributions. Each candidate would be eligible to receive up to five $10,000 matching payments. All matching funds would come from moneys voluntarily checked off by taxpayers; none would be taken from general tax revenues.

Candidates who accept public financing would have to agree to limit their total spending in the campaign to $150,000 and the use of their own personal funds to $25,000. (The 1976 Supreme Court decision in Buckley against Valeo has made clear that such limits can only be established as part of a public financing system.) The $150,000 overall figure consists of a $125,000 base amount plus an additional 20 percent (that is, $25,000) for any fundraising related expenses. This approach is exactly parallel to that used in the overall spending limit for Presidential primaries (in 1976, for example, that limit was $12 million, consisting of a $10 million base amount plus another 20 percent or $2 million, for fundraising related expenses).

Mr. Speaker, in addition to the full text of our amendment, I am placing in the RECORD the "Dear Colleague" letter that Mr. CONABLE and I recently circulated in support of the amendment as well as a summary of the amendment's key provisions. I urge my colleagues to review these materials carefully and hope they will then choose to support the amendment when it is offered on the floor later this week.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 15, 1978.

DEAR COLLEAGUE: The Federal Election Campaign Act Amendments of 1978, H.R. 11315, is scheduled to come to the House floor next week. We intend to offer an amendment to establish a system of partial public financing of House general elections.

The system we are proposing envisions a major role for small individual contributors, a major role for the political parties, and a diminished role for special interest groups in funding Congressional campaigns.

We believe that one of the main reasons for the decline of public confidence in the Congress is a growing public perception that there is too much special interest money in Congressional campaigns and that it unduly influences legislative decisions.

Public financing provides an alternative means of financing campaigns by doubling the importance of small contributions from people in our own states and districts.

We believe this is essential if we are to reduce public cynicism and begin rebuilding confidence in the Congress.

Basically, our amendment would permit candidates to receive up to five $10,000 matching payments from the voluntary dollar check-off fund, each matching individual contributions of $100 or less. No matching payments would be made for amounts less than $10,000. In addition, our proposal would limit total spending and use of candidate's personal funds. Attached is a summary of the basic provisions.

Thank you for your consideration. We hope we can count on your support.

Sincerely,

THOMAS S. FOLEY.
BARBER B. CONABLE, Jr.

SUMMARY OF FOLEY-CONABLE CAMPAIGN FINANCING PROPOSAL

(1) The proposed public financing system would cover general elections only and would prohibit a candidate from spending more than $25,000 in personal funds or more than $150,000 overall (including fund raising costs) in a House general election contest.

(2) Authorizes candidates to receive up to five $10,000 payments, each matching individual contributions of $100 or less received after January 1st of the election year. In other words, a candidate would be required to raise $10,000 in small contributions in order to receive each $10,000 matching payment. Matching fund payments would come from the voluntary dollar check-off fund.

(3) Requires that 80% of the contributions used to obtain matching funds must come from residents of the state involved.

(4) Requires candidates who wish to receive matching funds to sign an agreement within 10 days after being nominated for election that they will comply with the personal and overall spending limits. Candidates also would be required to apply for $1,000 in matching funds at this point in order to make the agreement binding in the eyes of the court.

(5) Provides that if a candidate does not opt into the public financing system and chooses instead to spend substantial sums of personal funds and private money, the overall spending limit is removed for his opponent in the system and the opponent is eligible for additional matching funds.

(6) Simplifies the procedure for obtaining matching payments in order to reduce the administrative burden on the Federal Election Commission and in order to expedite payments to candidates within 48 hours after making proper application.

(7) Protects against excessive independent expenditures by waiving the spending limit if the aggregate of independent expenditures and internal communication expenditures against a candidate exceed $33,000.

(8) Permits candidates to receive matching payments for contributions, even if the contributions have been expended at the time the candidate makes application for matching funds. Matching funds could not be obtained until after the primary election and could be used only for general election purposes.

(9) Prohibits matching fund payments to any candidate who is unopposed in the general election.

(10) Prohibits use of matching funds to repay loans or to make payments to the candidate, to the candidate's immediate family, or to any organization 10% of which is owned by the candidate or members of his immediate family.●

MIDDLE-INCOME STUDENT ASSISTANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 5 minutes.

● Mr. GLICKMAN. Mr. Speaker, my vote against bringing H.R. 11274, the Middle-Income Student Assistance Act, to the House floor today is not an indication of my opposition to that legislation. I agree wholeheartedly with the President's idea of providing expanded financial assistance to middle-income families trying to educate their children. But I also have indicated my support for a version of the tuition tax credit as a means of assuring access to higher education.

What led me to oppose the second was the belief that both of these proposals should be fully debated and subject to amendment. Either way we go, we are talking about a considerable amount of money. And the House should not put itself in the position of approving either program in a matter-of-fact way. We need to do something; there is no question about that. But I am sure my colleagues will agree that we should handle this issue in a responsible manner. That certainly would not have been the case if this had come up under suspension, but I am looking forward to full floor consideration at an early date.●

AMENDMENT TO H.R. 11315

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, as you know, H.R. 11315 reduces party contributions and expenditures on behalf of a House candidate from the $50,000 authorized by existing law to $15,000. I think this is a needed change.

However. because this change is obscuring the issue of public financing, I issued a statement on Saturday whereby I indicated my intention to offer an amendment, following the adoption of the rule on H.R. 11315 tomorrow, to restore the amendment of party contributions and expenditures to $50,000. I reiterated my offer again today before the Committee on Rules. Consequently, Mr. Speaker, I am printing the amendment in the RECORD.

The issue is now squarely drawn on the issue of public financing. I hope my Republican colleagues will join me in supporting the rule in order that all of our colleagues might have the opportunity to adopt or reject public financing.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. WHITLEY (at the request of Mr. WRIGHT), for March 20, 21, and 22, on account of a slight physical illness.

Mr. DELLUMS (at the request of Mr. WRIGHT), for March 20, 21, and 22, on account of illness in the family.

Mr. YOUNG of Alaska (at the request of Mr. RHODES), for today, on account of illness.

Mr. AKAKA (at the request of Mr. WRIGHT), for March 20, 21, and 22, on account of a death in the family.

Mr. RISENHOOVER (at the request of Mr. WRIGHT), for today, on account of official business of the Subcommittee on Mines and Mining of the Interior Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOLLENBECK) to revise and extend their remarks and include extraneous matter:)

Mr. HAGEDORN, for 15 minutes, today.
Mr. GRASSLEY, for 5 minutes, today.
Mr. MCKINNEY, for 5 minutes, today.
Mr. FRENZEL, for 30 minutes, today.
Mr. WHALEN, for 15 minutes, today.
Mr. COHEN, for 20 minutes, today.
Mr. BOB WILSON, for 3 minutes, today.

(The following Members (at the request of Mr. YOUNG of Missouri) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. APPLEGATE, for 5 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. KOSTMAYER, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.
Mr. BAUCUS, for 10 minutes, today.
Mr. FOLEY, for 5 minutes, today.
Mr. GLICKMAN, for 5 minutes, today.
Mr. DIGGS, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EVANS of Delaware, to revise and extend his remarks prior to recorded vote on ordering seconds.

Mr. MAGUIRE, to revise and extend his remarks immediately following vote on H.R. 11274.

(The following Members (at the request of Mr. HOLLENBECK) and to include extraneous matter:)

Mr. DERWINSKI.
Mr. RUPPE.
Mr. STEERS in two instances.
Mr. RHODES.
Mr. HYDE.
Mr. WHITEHURST.
Mr. LAGOMARSINO.
Mr. COLLINS of Texas.
Mr. RUDD.
Mr. STOCKMAN.
Mr. TREEN.

(The following Members (at the request of Mr. YOUNG of Missouri), and to include extraneous matter:)

Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. EDWARDS of California in two instances.
Mr. MINETA.
Mr. WEAVER.
Mr. BINGHAM in five instances.
Mr. MURPHY of Illinois.
Mr. LEVITAS.
Mr. GIAIMO.
Mr. MILLER of California.
Mr. GEPHARDT in two instances.
Mr. BLANCHARD.
Mr. HARRIS.
Mr. MAGUIRE.
Mr. ROSENTHAL.
Mr. STOKES.
Mr. MCDONALD.
Ms. HOLTZMAN.
Mr. MURPHY of New York.
Mr. ROGERS.
Mr. DRINAN.
Mr. TUCKER.
Mr. PATTISON of New York.
Mr. WAXMAN.
Mr. WALGREN.
Mr. RICHMOND.
Mr. BALDUS.
Mr. RANGEL.
Mr. FOLEY.
Mr. SOLARZ.
Mr. LUKEN in two instances.
Mr. PATTEN.
Mr. HOLLAND.

ADJOURNMENT

Mr. YOUNG of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 21, 1978, at 12 o'clock noon.

CONTRACTURAL ACTIONS, CALENDAR YEAR 1977, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85–804:

DEPARTMENT OF ENERGY,
Washington, D.C., March 14, 1978.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: The following information is submitted pursuant to the provisions of Public Law 85–804, and implementing instructions contained in Federal Procurement Regulation 1–17.000.

For the calendar year ending December 31, 1977, the following actions, under the subject Act, are reported for the Department of Energy:

1. *Actions Approved*

Contractual fairness—Correction of mistake

(1)	Amount requested	$28,463
	Amount approved	28,463

2. *Actions Denied*

Contractual fairness—Formalization of informal commitment

(1)	Amount requested	$25,000,000
	Amount denied	25,000,000

The above actions were taken prior to October 1, 1977.

Sincerely,

(S) JOHN E. REID,
Director, Office of Procurement Management, Procurement and Contracts Management Directorate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3595. A letter from the Board of Governors of the Federal Reserve System, transmitting the Board's position on the proposed International Banking Act of 1978; to the Committee on Banking, Finance and Urban Affairs.

3596. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–156, "To amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for the purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3597. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–158, "To amend the Air Quality Control Regulations of the District of Columbia relating to particulate emissions from fuel-burning equipment," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3598. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in two existing Navy records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3599. A letter from the Director, Office of Procurement Management, Department of Energy, transmitting a report on extraordinary contractual actions taken by the Department during calendar year 1977, pursuant to section 4 of Public Law 85–804; to the Committee on Government Operations.

3600. A letter from the Administrator of General Services, transmitting the 1977 annual report of the General Services Administration, pursuant to section 212 of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

3601. A letter from the Comptroller General of the United States, transmitting a report on the system of information and referral for people needing human services (HRD–77–134, March 20, 1978); to the Committee on Government Operations.

3602. A letter from the Secretary of Commerce, transmitting the annual report of the Department's activities during fiscal year 1977 under the Fair Packaging and Labeling Act, pursuant to section 8 of the act; to the Committee on Interstate and Foreign Commerce.

3603. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Interstate and Foreign Commerce.

3604. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 and the Rail Passengers Service Act to authorize additional appropriations and for other purposes, and to amend other rail safety acts, the Railroad Revitalization and Regulatory Reform Act of 1976, and the Department of Transportation Act; to the Committee on Interstate and Foreign Commerce.

3605. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order entered in the case of an alien found admissible to the United States, pursuant to section 213(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

3606. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

3607. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Public Works and Transportation.

3608. A letter from the Secretary of Transportation, transmitting the annual report on the highway safety improvement programs, covering fiscal year 1977, pursuants to section 203(e) of the Highway Safety Act of 1973 and sections 151(g), 152(e), and 153(e) of title 23, United States Code (H. Doc. 95–305); to the Committee on Public Works and Transportation and ordered to be printed.

3609. A letter from the Administrator of General Services, transmitting a report on the building project survey for Lansing, Mich., pursuant to section 11(b) of Public Law 86–249; to the Committee on Public Works and Transportation.

3610. A letter from the Secretary of the Treasury, transmitting the seventh quarterly report of the East-West Foreign Trade Board, pursuant to section 411(c) of the Trade Act of 1974; to the Committee on Ways and Means.

3611. A letter from the Secretary of the Treasury, transmitting the eighth quarterly report of the East-West Foreign Trade Board, pursuant to section 411(c) of the Trade Act of 1974; to the Committee on Ways and Means.

3612. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the establishment of an international emergency wheat reserve, and for other related purposes; jointly, to the Committees on Agriculture and International Relations.

3613. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the third annual report of the Corporation's Office of Consumer Affairs and Civil Rights, pursuant to section 18(f)(5) of the Federal Trade Commission Act (88 Stat. 2197); jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

3614. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the third annual report on the Board's activities under section 18(f) of the Federal Trade Commission Act, pursuant to section 18(f)(5) of the act (88 Stat. 2197); jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

3615. A letter from the Comptroller of the Currency, transmitting the annual report of his Consumer Affairs Division for calendar year 1977, pursuant to section 18(f)(5) of the Federal Trade Commission Act (88 Stat. 2197); jointly, to the Committees on Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

3616. A letter from the Comptroller General of the United States, transmitting a report on the need for consistent and uniform treatment of inflation in program cost estimates provided to the Congress (PSAD–78–8, March 20, 1978); jointly, to the Committees on Government Operations, and Appropriations.

3617. A letter from the Comptroller General of the United States, transmitting a report on the Army's acquisition of electronic warfare equipment (PSAD–77–157, March 20, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3618. A letter from the Comptroller General of the United States, transmitting a report on the role of Government in international air transport (ID–77–50, March 17, 1978); jointly, to the Committees on Government Operations, Public Works and Transportation, and International Relations.

3619. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to improve the nuclear siting and licensing process, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Mar. 16, 1978, the following reports were filed on Mar. 17, 1978*]

Mr. ULLMAN: Committee on Ways and Means. H.R. 11518. A bill to extend the existing temporary debt limit (Rept. No. 95–984). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 11302. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes; with amendment (Rept. No. 95–985). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on Mar. 16, 1978, the following report was filed on Mar. 18, 1978*]

Mr. FOLEY: Committee on Agriculture. H.R. 11504. A bill to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act; with amendment (Rept. No. 95–986). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted Mar. 20, 1978*]

Mr. SISK: Committee on Rules. House Resolution 1092. Resolution providing for the consideration of H.R. 11518. A bill to extend the existing temporary debt limit (Rept. No. 95–987). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 2984. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with light-duty vehicle for framing purposes or for transporting horses or livestock (Rept. No. 95–988). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 7684. A bill to amend the Flammable Fabrics Act to require the Secretary of Commerce to study the necessity and feasibility of establishing Federal standards relating to fire prevention and control; with amendment (Rept. No. 95–989, Pt. I.). Ordered to be printed.

Mr. MAHON: Committee on Appropriations. House Joint Resoluion 796. Joint resolution making an urgent supplemental appropriation for disaster relief for the fiscal year ending September 30, 1978 (Rept No. 95–990). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 1093. Resolution providing for the consideration of H.R. 11315. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes (Rept. No. 95–991). Referred to the House Calendar.

Mr. TEAGUE: Committee on Science and Technology. H.R. 11291. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the U.S. Fire Administration (Rep. No. 95–992). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 11400. A bill to authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds. (Rept. No. 95–993). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 11636. A bill to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act; to the Committee on Agriculture.

By Mr. AuCOIN (for himself, Mr. AKAKA, Mr. BAUCUS, Mr. CARR, Mr. CORNELL, Mr. DORNAN, Mr. DOWNEY, Mr. EDGAR, Mr. EILBERG, Mr. HARRINGTON, Mr. HUGHES, Mr. JENRETTE, Mr. LEGGETT, Ms. LLOYD of Tennessee, Ms. MIKULSKI, Mr. NOLAN, Mr. SANTINI, Mr. SIMON, Ms. SPELLMAN, Mr. TRAXLER, Mr. VENTO, Mr. YOUNG of Missouri, Mr. WAXMAN, Mr. CHARLES WILSON of Texas, and Mr. WINN):

H.R. 11637. A bill to amend the Internal Revenue Code of 1954 to allow a charitable deduction for certain crops furnished by farmers to certain tax-exempt organizations; to the Committee on Ways and Means.

By Mr. BAUCUS:

H.R. 11638. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 11639. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

H.R. 11640. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 11641. A bill to eliminate tax loss farming; to the Committee on Ways and Means.

H.R. 11642. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

H.R. 11643. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses by establishing a graduated income tax rate for corporations; to the Committee on Ways and Means.

By Mr. BOWEN:

H.R. 11644. A bill to establish an executive department to be known as the Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. CORRADA (for himself, Mr. BLANCHARD, Mr. LLOYD of California, Mr. DE LA GARZA, and Mrs. SCHROEDER):

H.R. 11645. A bill to amend the Bilingual Education Act, and for other purposes; to the Committee on Education and Labor.

By Mr. DUNCAN of Tennessee:

H.R. 11646. A bill to amend the Internal Revenue Code of 1954 to encourage the targeting of manufacturing-related investments in labor surplus areas by providing, with respect to property placed in service in such areas, an additional depreciation deduction and an additional investment tax credit, and by providing, with respect to real property located in such areas, an additional deduction for State and local real property taxes; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 11647. A bill to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of Revenue Ruling 77–85; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself, Mr. SIMON, and Mr. ALLEN):

H.R. 11648. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. FOLEY:

H.R. 11649. A bill to bolster farm income by providing emergency assistance for producers of wheat, feed grains, upland cotton and soybeans, and for other purposes; to the Committee on Agriculture.

By Mr. GRASSLEY (for himself, Mr. NOLAN, Mr. AKAKA, Mr. AMMERMAN, Mr. BAUCUS, Mr. BEDELL, Mr. BEVILL, Mr. BREAUX, Mr. BROYHILL, Mr. BYRON, Mr. COHEN, Mr. COLEMAN, Mr. CORCORAN of Illinois, Mr. CORRADA, Mr. DUNCAN of Tennessee, Mr. ENGLISH, Mr. HAGEDORN, Mr. HIGHTOWER, Mr. HUCKABY, Mr. HUGHES, Mr. JENKINS, Mr. JONES of Tennessee, Mr. KINDNESS, Mr. LOTT, and Mr. MARLENEE):

H.R. 11650. A bill to establish a separate community development program for units of general local government which have a population of 20,000 or fewer individuals and are located in non-metropolitan areas; jointly to the Committees on Agriculture, and Banking, Finance and Urban Affairs.

By Mr. GRASSLEY (for himself, Mr. NOLAN, Ms. MEYNER, Mr. MURPHY of Pennsylvania, Mr. PANETTA, Mr. PERKINS, Mr. RAILSBACK, Mr. SANTINI, Mr. SEBELIUS, Mr. SMITH of Iowa, Ms. SMITH of Nebraska, Mr. STANGELAND, Mr. STEIGER, Mr. VANDER JAGT, Mr. WHITE, and Mr. WAMPLER):

H.R. 11651. A bill to establish a separate community development program for units of general local government which have a population of 20,000 or fewer individuals and are located in non-metropolitan areas; jointly, to the Committees on Agriculture, and Banking, Finance and Urban Affairs.

By Mr. HARRINGTON (for himself, Mr. MITCHELL of Maryland, Mr. EDWARDS of California, Mr. EILBERG, Mr. JOHNSON of Colorado, Mr. STEERS, Mr. BONIOR, Mr. HARKIN, Mr. BAUCUS, Mr. BROWN of California, Mr. PHILLIP BURTON, Mr. BINGHAM, Ms. KEYS, Mrs. MEYNER, Mr. SIMON, and Mr. WEISS):

H.R. 11652. A bill to allow the President to waive certain prohibitions on the furnishing of food assistance to foreign countries if he determines that such assistance would help needy people; to the Committee on International Relations.

By Mr. MARTIN (for himself and Mr. BROYHILL):

H.R. 11653. A bill to continue the present income tax treatment of nonqualified deferred compensation plans established by State and local governments and other employers; to the Committee on Ways and Means.

By Mr. MATHIS (for himself, Mr. POAGE, Mr. WAMPLER, and Mr. FRASER):

H.R. 11654. A bill to strengthen the economy of the United States through increased sales abroad of American farm products; jointly, to the Committees on Agriculture, and International Relations.

By Mr. MEEDS (by request):

H.R. 11655. A bill to amend the Water Resources Planning Act (75 Stat. 244, as amended); to the Committee on Interior and Insular Affairs.

By Mr. MITCHELL of New York (for himself, Mr. KETCHUM, Mr. NEAL, Mr. MCDONALD, Mr. LEGGETT, Mr. LOTT, Mr. WALSH, Mr. TRIBLE, Mr. MANN, and Mr. WHITEHURST):

H.R. 11656. A bill to amend the Federal Civil Defense Act of 1950 to authorize appropriations for the purposes of such act for fiscal years 1979 through 1985; to the Committee on Armed Services.

By Mr. MURPHY of New York:

H.R. 11657. A bill to authorize appropriations to carry out the Central, Western, and South Pacific Fisheries Development Act until the close of fiscal year 1983; to the Committee on Merchant Marine and Fisheries

By MURPHY of New York (for himself, Mr. ASHLEY, Mr. DINGELL, Mr. LEGGETT, Mr. EILBERG, Mr. OBERSTAR, Ms. MIKULSKI, Mr BONIOR, Mr. AKAKA, and Mr. RUPPE):

H.R. 11658. A bill to amend title XI of the Merchant Marine Act, 1936, to permit the guarantee of obligations for financing Great Lakes vessels in an amount not exceeding 87½ percent of the actual or depreciated actual cost of each vessel; to the Committee on Merchant Marine and Fisheries.

By Mr. ROE (for himself, Mr. COHEN, Mr. SEBELIUS, Mr. SKUBITZ, and Mr. WINN):

H.R. 11659. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. ROGERS:

H.R. 11660. A bill to amend the Drug Abuse Office and Treatment Act of 1972 to extend the programs of assistance under that act for drug abuse prevention, education, treatment, and rehabilitation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RUPPE:

H.R. 11661. A bill to amend the Great Lakes Pilotage Act of 1960 in order to relieve the restrictive qualifications standards for U.S. registered pilots on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. TSONGAS (for himself, Mr. WRIGHT, Mr. UDALL, Mr. REUSS, Mr. SEBELIUS, Mr. RODINO, Mr. MOAKLEY, Mr. DRINAN, Mr. BURKE of Massachusetts, Mr. CONTE, Mrs. HECKLER, Mr. BOLAND, Mr. MARKEY, Mr. HARRINGTON, Mr. EARLY, Mr. STUDDS, Mr. MILLER of California, Mr. BINGHAM, Mr. MITCHELL of Maryland, Mr. PATTISON of New York, Mr. WAXMAN, Mr. MOFFETT. Mrs. FENWICK, Mr. NEAL, and Mr. DODD):

H.R. 11662. A bill to provide for the establishment of the Lowell National Historical Park in the Commonwealth of Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHITEHURST (for himself, Mr. ROBERT W. DANIEL, Jr., Mr. EDWARDS of Oklahoma, Mr. FISHER, Mr. HARRINGTON, Mr. HARRIS, Mr. SATTERFIELD, and Mr. STARK):

H.R. 11663. A bill to designate certain lands within the national forest system as wilderness; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BALDUS (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. JOHN L. BURTON, Mr. CARNEY, Mr. CORNELL, Mr. DINGELL, Mr. DOWNEY, Mr. EDWARDS of California, Mr. EILBERG, Mr. EVANS of Georgia, Mr. GINN, Mr. GORE, Mr. HUCKABY, Mr. JENKINS, Mr. JOHNSON of California, Mr. KASTEN, Ms. KEYS, Mr. KILDEE, Mr. LEDERER, Mr. LE FANTE, Mr. LEHMAN, Mr. MINETA, Mr. MOSS, and Mr. MURPHY of Pennsylvania):

H.R. 11664. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Committee on Small Business.

By Mr. BALDUS (for himself, Mr. OBEY, Mr. OTTINGER, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. SIKES, Mr. STEIGER, Mr. WHALEN, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. ZABLOCKI):

H.R. 11665. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Committee on Small Business.

By Mr. JONES of Tennessee (for himself and Mr. MOORE):

H.R. 11666. A bill to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act; to the Committee on Agriculture.

By Mr. LUKEN (for himself, Mr. MURPHY of Illinois, Mr. MURPHY of Pennsylvania, and Mr. HEFTEL):

H.R. 11667. A bill to amend the Buy American Act to require that certain Federal contracts be made with the lowest domestic bidder, and for other purposes; to the Committee on Government Operations.

By Mr. MOORHEAD of Pennsylvania:

H.R. 11668. A bill to expand and facilitate urban lending investment by Federal savings and loan associations, and to simplify section 5(c) of the Home Owners' Loan Act of 1933; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PRESSLER:

H.R. 11669. A bill to provide grants to elementary and secondary schools for the purpose of identifying gifted and talented children and providing special educational opportunities for such children; to the Committee on Education and Labor.

By Mr. TUCKER:

H.R. 11670. A bill to insure price and market protection for domestic tomato producers; and for other purposes jointly, to the Committees on Agriculture and Ways and Means.

By Mr. WAMPLER:

H.R. 11671. A bill to designate a certain Federal building in Big Stone Gap, Va., the "C. Bascom Slemp Building"; to the Committee on Public Works and Transportation.

By Mr. CLAY:

H.J. Res. 802. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. LUKEN:

H.J. Res. 803. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. RAILSBACK (for himself and Mr. WHITEHURST):

H.J. Res. 804. Joint resolution designating the composition known as "The Stars and Stripes Forever" as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. CONTE:

H. Con. Res. 538. Concurrent resolution condemning the slaughter of dolphins by Japanese fishermen; to the Committee on International Relations:

By Mr. YATES (for himself, Mr. PATTISON of New York, Mr. PRESSLER, Mr. HARSHA, Mr. EVANS of Georgia, Mr. WALKER, Mr. MATHIS, Mr. WEAVER, Mr. LEGGETT, Mr. GAMMAGE, and Mrs. COLLINS of Illinois):

H. Con. Res. 539. Concurrent resolution relative to condemning terrorist activities of the Palestine Liberation Organization; to the Committee on International Relations.

By Mr. ZABLOCKI (for himself, Mr. FASCELL, and Mr. BUCHANAN):

H. Con. Res. 540. Concurrent resolution praising the head of the United States delegation to the Belgrade meeting of the Conference on Security and Cooperation in Europe, Ambassador Arthur J. Goldberg, for his efforts on behalf of human rights, and urging the President to continue to express U.S. opposition to representative actions and to violations of basic human rights which are contrary to the Helsinki Accords; to the Committee on International Relations.

By Mr. McDONALD (for himself, Mr. MARKS, Mr. SCHULZE, and Mr. QUIE):

H. Res. 1094. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. QUIE (for himself and Mr. McDONALD):

H. Res. 1095. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. TUCKER:

H. Res. 1096. Resolution expressing the sense of the House of Representatives that the study provided for by section 4(d) of the International Investment Survey Act of 1976 be completed not later than December 31, 1978; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

336. By the SPEAKER: A memorial of the Senate of the Commonwealth of Pennsylvania, relative to the Cyprus conflict; to the Committee on International Relations.

337. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to the Cyprus conflict; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. LATTA introduced a bill (H.R. 11672) for the relief of Dr. Ka Chun Wong, and his wife, Marilyn Wong; which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

416. By the SPEAKER: Petition of Harrison J. Goldin, Comptroller of the City of New York, N.Y., relative to Federal guarantees of New York City securities; to the Committee on Banking, Finance, and Urban Affairs.

417. Also petition of Mr. and Mrs. Michael D. Masich, Fresno, Calif., relative to redress of grievances; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7700

By Mr. CORCORAN of Illinois:

Page 6, strike out line 8 and all that follows through line 17 and insert in lieu thereof the following:

SEC. 3. (a) Section 2401(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) As reimbursement to the Postal Service for public service costs incurred by it in providing a maximum degree of effective and regular postal service nationwide, there are authorized to be appropriated to the Postal Service, for each of the fiscal years ending September 30, 1979, through September 30, 1984, an amount equal to $920,000,000 plus the amount by which the sum of all proposed expenditures of public service funds, as detailed by function under paragraph (2), exceeds $920,000,000.

"(2) It shall not be in order in either the House of Representatives or the Senate to consider any bill, or amendment thereto, appropriating funds authorized under paragraph (1) of this subsection unless the Postmaster General submits to the Congress no later than February 1 of each year a report detailing by function the expenditure of public service funds during the immediately preceding fiscal year and the proposed expenditure of public service funds, by function, for the fiscal year beginning in the year of the submission of such report.

"(3) Expenditures which may be made by the Postal Service funds appropriated under paragraph (1) of this subsection shall be limited to expenditures for public service functions identified by the Postmaster General in the report submitted under paragraph (2) of this subsection.

"(4) The provisions of paragraph (2) of this subsection are enacted by the Congress—

"(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, and such rules shall supersede other rules only to the extent that they are inconsistent with such other rules; and

"(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.".

Page 6, strike out line 18 and insert in lieu thereof "(b) Subsections (d), (e), and (f) of section 2401 of".

And redesignate the following subsections accordingly.

Page 6, strike out line 22 and insert in lieu thereof "subsections '(d)', '(e)', and '(f)'.".

Page 6, line 23, strike out "(f)" and insert in lieu thereof "(e)".

Page 7, line 1, strike out "(g)" and insert in lieu thereof "(f)".

Page 7, line 7, by striking out "G" and inserting in lieu thereof "(G)" and by striking out the period at the end thereof and inserting in lieu thereof "and by striking out 'percentage'.".

Page 9, strike out line 11 and all that follows through page 10, line 23.

And redesignate the following sections accordingly.

Page 11, strike out line 3 and all that follows through page 13, line 5, and insert in lieu thereof the following:

SEC. 8. (a)(1) Section 202 of title 39, United States Code, is amended to read as follows:

"§ 202. Postmaster General

"The chief executive officer of the Postal Service is the Postmaster General, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall serve for a term of four years, which shall coincide with the term of office of the President. A Postmaster General appointed to fill a vacancy shall serve for the remainder of the term to which his predecessor was appointed. A Postmaster General may con-

tinue to serve after his term expires until his successor has qualified.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 202 and inserting in lieu thereof the following new item:

"202. Postmaster General.".

(b)(1) Section 203 of title 39, United States Code, is amended to read as follows:

"§ 203. Deputy Postmaster General

"The deputy chief executive officer of the Postal Service is the Deputy Postmaster General, who shall be appointed by, and serve at the pleasure of, the Postmaster General.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 203 and inserting in lieu thereof the following new item:

"203. Deputy Postmaster General.".

(c)(1) Section 205 of title 39, United States Code, is amended to read as follows:

"§ 205. General authority of Postmaster General

"The Postmaster General shall direct and control the expenditures and review the practices and policies of the Postal Service and perform other functions and duties prescribed by this title.".

(2) The table of sections for chapter 2 of title 39, United States Code, is amended by striking out the item relating to section 205 and inserting in lieu thereof the following new item:

"205. General authority of Postmaster General.".

(d)(1)(A) Section 102 of title 39, United States Code, is amended to read as follows:

"§ 102. Definition

"As used in this title, 'Postal Service' means the United States Postal Service established by section 201 of this title.".

(B) The table of sections for chapter 1 of title 39, United States Code, is amended by striking out the item relating to section 102 and inserting in lieu thereof the following new item:

"102. Definition."

(2) Section 204 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu thereof "Postmaster General".

(3) Section 207 of title 39, United States Code, is amended by striking out "Board" and inserting in lieu therof "Postmaster General".

(4)(A) Title 39, United States Code, is amended by striking out section 402.

(B) The table of sections for chapter 4 of title 39, United States Code, is amended by striking out the item relating to section 402.

(5) Section 1001(d) of title 39, United States Code, is amended by striking out "of the Board or."

(6) Section 1002(a) of title 39, United States Code, is amended by striking out "Governor or".

(7) Section 1011 of title 39, United States Code, is amended by striking out "Board'" and inserting in lieu thereof "Postmaster General".

And redesignate the following paragraphs accordingly.

Page 33, line 15, strike out "1982" and insert in lieu thereof "1981".

Page 33, lines 23 and 24, strike out "December 31, 1979." and insert in lieu thereof "September 30, 1979."

By Mr. LEVITAS:

Page 33, insert the following new section after line 5 and redesignate the following sections accordingly.

DELIVERY OF MAIL MATTER BY CANDIDATES FOR PUBLIC OFFICE AND BY NONPROFIT ORGANIZATIONS

SEC. 18. (a) Chapter 6 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"607. Delivery of mail matter by candidates for public office and by nonprofit organizations

"(a) Subject to subsection (b), any individual who is a candidate for any public office, any person authorized by such individual, or any charitable or civic nonprofit organization may deposit any mail matter in any letter box if such individual, person, or organization has obtained written approval to deposit any such mail matter from the postmaster for the district in which such mail matter will be deposited.

"(b)(1) With respect to any individual who is a candidate for public office or any person authorized by such individual, subsection (a) shall apply only to any mail matter regarding the candidacy of such individual for such public office.

"(2) With respect to any charitable or civic nonprofit organization, subsection (a) shall apply only to any mail matter regarding the activities or functions of such charitable or civic nonprofit organization.

"(c) Any mail matter which is deposited in accordance with subsection (a) may be deposited without the payment of any postage on such mail matter.

"(d) For purposes of this section—

"(1) the term 'letter box' mean any letter box established, approved, or accepted by the Postal Service for the receipt or delivery of mail matter on any mail route; and

"(2) the term 'charitable or civic nonprofit organization' means any charitable or civic organization which is not organized for profit and in which none of the net income of such organization inures to the benefit of any private stockholder or individual."

(b) The table of sections contained at the beginning of chapter 6 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"607. Delivery of mail matter by candidates for public office and by nonprofit organizations.".

(c) Section 1725 of title 18, United States Code, is amended by striking out "Whoever" and inserting in lieu thereof "Except as provided in section 607 of title 39, whoever".

H.R. 11274

By Mr. QUILLEN:

SEC. 9. CREDIT FOR POST SECONDARY EDUCATIONAL EXPENSES

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44C. POST SECONDARY EDUCATIONAL EXPENSES.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the educational expenses paid by him during the taxable year to one or more eligible educational institutions for himself, his spouse, or any of his dependents (as defined in section 152).

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The amount of educational expenses taken into account under subsection (a) for any taxable year with respect to any individual may not exceed—

"(A) $500, in the case of educational expenses incurred before August 1, 1980, and

"(B) $1,000, in the case of educational expenses incurred after July 31, 1980.

The $1,000 limitation contained in subparagraph (B) for any taxable year shall be reduced by the amount of educational expenses described in subparagraph (A) which are taken into account for that taxable year.

"(2) CERTAIN PAYMENTS EXCLUDED.—

"(B) GRADUATE AND PART-TIME STUDENTS.—Educational expenses paid or incurred.—

"(i) attributable to courses of instruction which are not general courses of instruction, or

"(ii) with respect to any individual who is not a full-time student,

shall not be taken into account under subsection (a).

"(C) GENERAL COURSES OF INSTRUCTION—For purposes of this paragraph, the term 'general courses of instruction' means courses of instruction for which credit is allowable toward a baccalaureate or associate degree by an institution of higher education or toward a certificate of required course work at a vocational school but does not include any course of instruction which is part of the graduate program of the individual.

"(D) FULL-TIME STUDENT.—For purposes of this paragraph, the term 'full-time student' means any individual who, during any 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a full-time student at an eligible educational institution.

"(c) DEFINITIONS.—For purposes of this section—

"(1) EDUCATIONAL EXPENSES.—The term 'educational expenses' means tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, including required fees for courses. Such term does not include any amount paid, directly or indirectly, for—

"(A) books, supplies, and equipment for courses of instruction at an eligible educational institution,

"(B) meals, lodging, transportation, or similar personal, living, or family expenses, or

In the event an amount paid for tuition or fees includes an amount for any item described in subparagraph (A) or (B) which is not separately stated, the portion of such amount which is attributable to such item shall be determined under regulations prescribed by the Secretary.

"(2) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(A) an institution of higher education; or

"(B) a postsecondary vocational school.

"(3) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution described in section 1201(a) or 491(b) of the Higher Education Act of 1965 (as in effect on January 1, 1978).

"(4) POSTSECONDARY VOCATIONAL SCHOOL.—The term 'postsecondary vocational schools' means an area vocational school as defined in section 195(2)(B) and (2)(C) of the Vocational Education Act of 1963 (as in effect on and after October 1, 1977).

"(5) MARITAL STATUS.—The determination of marital status shall be made under section 143.

"(d) SPECIAL RULES.—

"(1) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amounts otherwise taken into account under subsection (a) as educational expenses of any individual for any taxable year shall be reduced (before the application of subsection (b)) by any amounts received with respect to such individual for the taxable year as—

"(A) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income,

"(B) an educational assistance allowance under chapter 32, 34, or 35 of title 38, United States Code, or

"(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for educational expenses, or attributable to attendance at an eligible educational institution, which is exempt from income taxation by any law of the United States.

"(2) TAXPAYER WHO IS A DEPENDENT OF ANOTHER TAXPAYER.—No credit shall be allowed to a taxpayer under subsection (a) for amounts paid during the taxable year for educational expenses of the taxpayer if such taxpayer is a dependent of any other person for a taxable year beginning with or within the taxable year of the taxpayer.

"(3) SPOUSE.—No credit shall be allowed under subsection (a) for amounts paid during the taxable year for educational expenses for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(e) DISALLOWANCE OF CREDITED EXPENSES AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any educational expense to the extent that such expense is taken into account (after the application of subsection (b)) in determining the amount of the credit allowed under subsection (a). The preceding sentence shall not apply to the educational expenses of any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such expenses for the taxable year.".

(b) REFUND OF EXCESS CREDIT.—Subsection (b) of section 6401 of such Code (relating to excessive credits)is amended—

(1) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44C (relating to credit for educational expenses),", and

(2) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44C".

(d) DISREGARD OF REFUND.—Any refund of Federal income taxes made to any individual, and any reduction in the income tax liability of any individual, by reason of section 44C of the Internl Revenue Code of 1954 (relating to credit for educational expenses) shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program of educational assistance or under any State or local program of educational assistance financed in whole or in part with Federal funds.

(f) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44C. Postsecondary educational expenses.".

(2) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, and 43.".

SEC. 10. Effective Date.

The amendments made by section 9 of this Act shall apply to taxable years ending after July 31, 1978, for amounts paid after such date for educational expenses incurred after such date.

H.R. 11315

By Mr. BADHAM:

On page 80, line 17, strike the word "all" and insert "a" and strike the word "committees" and insert "committee".

On page 81, line 4, strike the word "all" and insert "a" and strike the word committees" and insert "committee".

On page 81, line 16, after the words "Payment by" add the words "a national, or".

On page 81, line 23, after the word "organized" insert a semicolon and strike all through page 82, line 3.

On page 89, line 12, after the word "organized," strike all that follows through line 17.

On page 88, line 19, strike the word "all" and insert in lieu thereof "a" and strike the word "committees" and insert in lieu thereof the word "committee".

On page 89, line 3-4, strike the word "all" and insert in lieu thereof "a" and strike the word "committees" and insert in lieu thereof "committee".

On page 89, line 6, after the phrase "the payment by" insert the following "National or".

On page 92, line 13, after the word "by a" insert the word "National,".

Page 99, line 1, strike "identification:" and insert in lieu thereof "name and address".

Page 99, line 2, after the word "the" and before "date" insert "identification".

On page 138, line 15, strike the figure $10,000 and insert in lieu thereof $20,000.

By Mr. BAUMAN:

On page 115, line 4, delete subsection (6) of section 105(b).

On page 140, line 3, strike "4" and insert in lieu thereof "5".

On page 140, line 10, strike "(5)" and insert in lieu thereof "(6)".

On page 140, line 25, strike "(6)" and insert in lieu thereof "(7)".

On page 142, line 7, strike "(7)" and insert in lieu thereof "(8)".

On page 142, line 13, strike "(8)" and insert in lieu thereof "(9)".

On page 143, line 9, strike "(9)" and insert in lieu thereof "(10)".

On page 143, line 18, strike "(10)" and insert in lieu thereof "(11)".

On page 140, line 2, after "$5,000" insert the following new subsection: "(4) Notwithstanding the limitations on contributions in subsection (a)(2)(A) separate, segregated funds established by membership organizations, if said separate, segregated funds are qualified committees, may make contributions to the authorized committees of a candidate with respect to any election for federal office which does not exceed $5,000."

By Mr. EDWARDS of Oklahoma:

On page 97, strike lines 3 through 6 and insert in lieu thereof the following: "notwithstanding the provisions of subsection ("B") a membership relationship exists if the only requirement for such membership relationship is a contribution to such membership organization or to its political committee."

On page 97, lines 7 through 9, strike the words "factors sufficient to demonstrate a membership relationship shall include—" and insert in lieu thereof the words "a membership relationship shall exist only if one of the following requirements is satisfied".

And on page 97, line 17 strike "and" and insert in lieu thereof "or".

On page 97, line 20 strike subsection (c).

Page 98, line 2, after the word "affiliated" insert the following new section:

"(D) Nothing in this Act prohibits a membership organization from making a disbursement for the purposes of increasing its membership."

On page 149, strike lines 17 through 19 and insert the following new paragraph:

(1) in subsection (b)(2)(C) thereof, after "membership organization", insert, "trade association".

On page 150, strike line 7 through 11 and insert the following new subsection:

"In subsection (b)(4)(C) thereof after "membership organization" or "organization" each place those words appear therein insert the following; "trade association".

On page 76, after line 9, add a new title as follows:

Mr. Mr. FOLEY:

TITLE I—FINANCING OF GENERAL ELECTION CAMPAIGNS FOR THE HOUSE OF REPRESENTATIVES

FINANCING PROVISIONS

SEC. 101. (a) The Act is amended by adding at the end thereof the following new title:

"TITLE V—FINANCING OF GENERAL ELECTION CAMPAIGNS FOR THE HOUSE OF REPRESENTATIVES

"DEFINITIONS

"SEC. 501. When used in this title—

"(1) the term 'Account' means the House of Representatives Campaign Account established in section 507(a);

"(2) the term 'eligible candidate' means a candidate who is eligible under section 502 for payments under section 504;

"(3) the term 'election' means any regularly scheduled, special, or runoff election which directly results in the election of a person to the office of Representative in, or Delegate or Resident Commissioner to, the Congress; and

"(4) the term 'immediate family' means a candidates' spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such individuals.

"ELIGIBILITY TO RECEIVE PAYMENTS

"SEC. 502. (a) To be eligible to receive payments under section 507, a candidate shall, with respect to an election, in such form and manner as the Commission may prescribe by regulation, and within 10 days after such candidate qualifies for the election ballot under the law of the State involved, or by August 1, 1978 whichever is later—

"(1) agree—

"(A) to furnish campaign records, evidence of contributions and expenditures, and other appropriate information to the Commission;

"(B) to cooperate in the case of any audit and examination conducted by the Commission under section 508;

"(C) that such candidate and his authorized committees will not accept any contribution in violation of section 316(a);

"(D) that such candidate and his authorized committees will not make any expenditure which exceeds the limitation established in section 316(b)(2); and

"(E) that such candidate will comply with the limitation on expenditures of personal funds established in section 503;

"(2) certify to the Commission that such candidate and his authorized committees have received contributions aggregating not less than $1,000; and

"(3) apply to the Commission for the initial matching payment of $1,000 referred to in section 504(a)(1)(A).

"(b) For purposes of subsection (a)(2) and section 504(a), in determining the amount of contributions received by a candidate and his authorized committees—

"(1) no contribution received as a subscription, loan, advance or deposit, or as a contribution of products or services, shall be taken into account;

"(2) no contribution received from any person other than an individual shall be taken into account, and no contribution received from an individual shall be taken into account to the extent that such contribution exceeds $100 when added to the amount of all other contributions made by such individual to or for the benefit of such candidate during the applicable period specified in paragraph (3); and

"(3) in the case of a general election, no contribution received before January 1 of the year in which such election is held, or received after the date on which such elec-

tion is held shall be taken into account, and in the case of a special or runoff election, no contribution received more than 90 days before such election or received after the date on which such election is held shall be taken into account.

"LIMITATION ON EXPENDITURES OF PERSONAL FUNDS

"SEC. 503. No candidate who is eligible under section 502 to receive payments under section 507 shall make expenditures from the personal funds of such candidate, or the funds of any member of the immediate family of such candidate, aggregating in excess of $25,000, with respect to the election involved.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO MATCHING PAYMENTS

"SEC. 504. (a)(1) Subject to section 502 (b), any eligible candidate shall be entitled to—

"(A) an initial payment under section 507 of $1,000 to match the contributions certified under section 502(a)(2);

"(B) not more than 5 matching payments of $10,000 under section 507, if, with respect to each such payment, the eligible candidate and his authorized committees have received contributions aggregating $10,000, which have not been matched under this section; and

"(C) in the case of an eligible candidate for whom the limitation on expenditures established in section 316(b) is made inapplicable under section 505(a), not more than 5 additional matching payments of $10,000 under section 507, if, with respect to each such payment, the candidate and his authorized committees have received contributions aggregating $10,000, which have not been matched under this section, except that any contribution which is received after the date on which the limitation on expenditures is made inapplicable shall be matchable under this subparagraph, whether or not the individual making such contribution has made any contribution that has been matched under subparagraph (A) or subparagraph (B).

"(2) No payment shall be made under paragraph (1)(B) or paragraph (1)(C) with respect to an election unless—

"(A) at least two candidates have qualified for the election ballot under the law of the State involved; and

"(B) the candidate seeking such payment certifies to the Commission that the conditions for such payment described in such paragraph and in subparagraph (A) have been met.

"(3) No contribution received from any individual who resides in a State other than the States in which the election is held shall be matched under paragraph (1)(B) to the extent that such contribution when added to all other contributions received from such individuals exceeds 20 percent of the aggregate of contributions otherwise matchable under paragraph (1)(B).

"(4) The aggregate payments to all candidates in an election shall not exceed $150,000.

"(5) All payments received under this section shall be deposited at a national or State bank in a separate checking account which shall contain only funds so received. No expenditures of funds received under this section shall be made except by checks drawn on such account.

"(b) Payments received under this section shall be used only to defray election campaign expenses incurred with respect to the period beginning on the day after the date on which the candidate qualifies for the election ballot under the law of the State involved and ending on the date of the election, or the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election, whichever occurs first. Such payments shall not be used (1) to repay any loan to any person, or (2) to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate.

"INAPPLICABILITY AND SUSPENSION OF EXPENDITURE LIMITATION

"SEC. 505. (a)(1) If any candidate who is not eligible to receive payments under section 502 makes expenditures from his personal funds or from the personal funds of any member of the immediate family of such candidate aggregating in excess of $25,000, receives total contributions aggregating in excess of $75,000, or makes total expenditures aggregating in excess of $75,000, the limitation on expenditures established in section 316(b)(2) shall not apply to any eligible candidate in the election involved.

"(2) Any candidate who is not eligible to receive payments under section 502, and who exceeds any amount specified in paragraph (1) relating to personal expenditures, total contributions, or total expenditures, shall so notify the Commission not later than 48 hours after the amount involved is exceeded. The Commission may determine upon its own initiative, or upon the request of any candidate in an election, whether any such amount has been exceeded.

"(b)(1) If, with respect to an election, independent expenditures, as defined in section 301(23), are made, or costs of communication, required to be reported under section 301(11)(B)(iii), are incurred, aggregating more than $50,000, the Commission shall, with respect to such election, suspend the limitation on expenditures established in section 316(b)(2) at the request of any candidate in such election who is eligible to receive payments under section 502, and who has received the benefit of no more than one-third of such independent expenditures or costs of communication.

"(2) Any person who makes independent expenditures, as defined in section 301(23), or incurs costs of communication, required to be reported under section 301(11)(B)(iii), shall notify the Commission not later than 48 hours after such person first makes such independent expenditures or incurs such costs of communication aggregating more than $5,000 and thereafter shall so notify the Commission each time such person makes any additional independent expenditure, or incurs any additional such cost of communication, aggregating $2,500 or more.

"CERTIFICATION BY COMMISSION

"SEC. 506. (a) No later than 48 hours after a candidate files a request with the Commission to receive payments under section 504, the Commission shall certify such eligibility to the Secretary of the Treasury (hereinafter in this title referred to as the "Secretary") for payment in full of the amount to which such candidate is entitled. The request, to the best of their knowledge, is corshall contain—

"(1) such information, and be made in accordance with such procedures, as the Commission may provide by regulation; and

"(2) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) Initial certifications by the Commission under subsection (a) and all determinations made by the Commission under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 508 and judicial review under section 511.

"(c) Any candidate who submits false information to the Commission under this section shall be subject to section 309.

"ESTABLISHMENT OF ACCOUNT; PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 507. (a) The Secretary shall maintain in the Presidential Election Campaign Fund, established by section 9006(a) of the Internal Revenue Code of 1954, in addition to any other accounts maintained under such section, a separate account to be known as the House of Representatives Election Campaign Account (hereinafter in this title referred to as the 'Account'). The Secretary shall deposit, into the Account, for use by candidates eligible to receive payments under this title, the amount available after the Secretary determines that the amounts to be available for the fund will be adequate to meet the payments under subtitle H of such Code (relating to financing of presidential election campaigns) except that, in a biennial general election year, other than a presidential election year, the Secretary shall deposit into the Account no later than May 15 for use by candidates eligible to receive payments under this title, the amount available after the Secretary determines that the total amount to be available in the fund by the end of such year will equal 60 percent of the payments made during the past presidential election under such subtitle. With respect to candidates who are eligible for payments in 1978, the May 15 deadline shall not apply and the Secretary shall make available to the Account from the Presidential Election Campaign Fund such amounts as may be necessary, and shall, from the moneys paid into the fund in 1979 and 1980, reimburse the funds for the amounts made available in 1978 to the Account. The moneys in the Account shall remain available without fiscal year limitation.

"(b) Not later than May 15 of each biennial general election year except 1978, the Secretary shall notify the Commission of the amount to be available in the Account for payments with respect to such year. Within 30 days after such notification, the Commission shall determine whether such amount will be sufficient to satisfy the estimated full entitlements of eligible candidates for such year. If the Commission determines that such amount will not be sufficient, the Commission shall transmit to the Secretary, not later than June 15 of such year, a formula for the ratable adjustment of such entitlements. The Commission shall make such changes in the ratable adjustment formula as may be necessary during the year and shall notify each eligible candidate by registered mail of any adjustment in entitlement of such candidate under this paragraph.

"(c) Upon receipt of a certification from the Commission under section 506, but not earlier than the date on which the candidate involved has qualified under the law of the State involved to have his name on the election ballot in a general election or the 60th day before a special or runoff election, the Secretary shall pay the amount certified by the Commission to the candidate, subject to any ratable adjustment formula, established under subsection (b).

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 508. (a)(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of eligible candidates designated by the Commission through the use of an appropriate statistical method of random selection to determine whether the contributions certified for matching payments and the expenditures made from such matching payments complied with this title.

"(2) After each special election or runoff election the Commission shall conduct such an examination and audit of the campaign accounts of each eligible candidate in such election.

"(3) Before any general election, special election, or runoff election, the Commission may conduct such an examination and audit of the campaign accounts of any eligible

candidate in such election if the Commission, by an affirmative vote of 4 members, determines that there exists reason to believe that such candidate has violated any provision of this title.

"(b)(1)(A) If the Commission determines that any portion of the payments made to an eligible candidate under section 507 was in excess of the aggregate amount of the payments to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to such excess amount.

"(B) If the Commission determines that any portion of the payments made to a candidate under section 507 was not used in compliance with section 504(b), the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to twice the amount of the misused funds.

"(C) Any amount received by an eligible candidate may be retained for a period not exceeding 60 days after the date of the election for the liquidation of all obligations to pay election campaign expenses incurred during the period specified in section 504(b). At the end of such 60-day period that portion of any unexpended balance remaining in the accounts of the candidate's authorized committees which bears the same ratio to the total unexpended balance as the total amount received from the Account bears to the total of all deposits made into the accounts of the candidate's authorized committees shall be promptly repaid to the Secretary.

"(c) All repayments received by the Secretary under subsection (b) shall be deposited in the Account.

"REPORTS TO CONGRESS

"SEC. 509. Not more than 6 months after the end of each calendar year, the Commission shall submit to the House of Representatives a report setting forth for such calendar year—

"(1) the expenditures made by eligible candidates, and their authorized committees, receiving payments under section 507;

"(2) the amounts certified by the Commission under section 506 with respect to such candidates;

"(3) the amounts of repayments, if any, required from such candidates under section 508, and the reasons for each payment required; and

"(4) the balance in (A) the Presidential Election Campaign Fund, and (B) each account maintained in such fund, at the end of such calendar year.

Each report submitted under this section shall be printed as a House document.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 510. (a) The Commission may appear in and defend against any action filed under this title, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, concerning appointments in the competitive service, and whose compensation the Commission may fix without regard to the provision of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission may appear, through attorneys and counsel described in subsection (a), in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary as a result of any examination and audit made under section 508.

"(c) The Commission may petition, through attorneys and counsel described in subsection (a), the courts of the United States for declaratory or injunctive relief concerning any civil matter arising under this title. Upon application of the Commission, an action brought under this subsection shall be heard and determined by a court of 3 judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal from the determination of such court shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"(d) The Commission may, on behalf of the United States, appeal from, and petition the Supreme Court of the United States for certiorari to review, judgments or decrees entered with respect to actions in which the Commission appears under the authority provided in this section.

"JUDICIARY REVIEW

"SEC. 511. (a) Any certification, determination, or other action by the Commission made or taken under this title shall be subject to review by the United States Court of Appeals for the District of Columbia upon petition filed in such court by any interested person. Any petition under this section shall be filed within 30 days after such certification, determination, or other action involved.

"(b)(1) The Commission, the national committee of any political party, and any individual eligible to vote for any Representative in, or Delegate or Resident Commissioner to, the Congress, are authorized to institute any action under this section, including an action for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this title.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted under this subsection and shall exercise such jurisdiction without regard to whether a person asserting rights under the provisions of this subsection shall have exhausted administrative or other remedies provided by law. Such proceedings shall be heard and determined by a court of 3 judges in accordance with the provisions of sections 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges deignated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"PARTIAL INVALIDITY

"SEC. 512. If any provision of this title, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the title and the application of such provision to other persons and circumstances shall not be affected thereby.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 513. There are authorized to be appropriated to the Commission, for the purpose of carrying out its functions under this title, such sums as may be necessary.".

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 102. (a)(1) Section 316(b) of the Act as so redesignated in section 105(a)(4), is amended by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) Except as otherwise provided in section 505(b)(1), no candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress who establishes eligibility under section 502 to receive payments from the Secretary under section 507 may make expenditures in excess of $125,000, in the case of a campaign for election to such office.".

(b) Section 316(c)(2)(B) of the Act, as so redesignated in section 105(a)(4), is amended by inserting after "calendar year 1974" the following: "; except that, with respect to the limitation established in subsection (b)(2), such term means the calendar year 1976".

APPLICABILITY OF AMENDMENTS

SEC. 103. The amendments made by this title shall apply to any election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress held after the date of enactment of this Act, provided that no payment under this title shall be distributed under section 507 prior to August 1, 1978.

And redesignate the following titles and sections accordingly.

By Mr. FRENZEL:

Strikes lines 20–25 on page 78, and lines 1–4 on page 79 and insert in lieu thereof the following:

"(B) has received contributions from more than 50 persons;

(C) except for any State political organization, has made contributions to 5 or more candidates for Federal office;

On page 81, line 13, strike the word "all" and insert "a" and strike the word "committee" and insert "committee".

On page 81, line 14, strike "$500" and insert "$750".

On page 86, line 3 and on page 98, line 9, after the word "payment" add the following, ", except that such payments shall be reported in accordance with section 304".

On page 88, lines 3 through 5, strike the words "(other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate)".

On page 88, line 6, strike "$2,000" and insert in lieu thereof "$100".

Page 88, line 9, after "304(a)(2)(A)(iii)" insert ", and in accordance with section 304(a)(2)(B)."

On page 89, line 4, delete "$500" and insert "$750".

On page 114, lines 3–5, strike the present language and insert in lieu thereof the following:

"(1) in subsection (a)(1) thereof by striking out "the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and".

Strike the language beginning on page 138, line 3 through page 149, line 12.

On page 141 after the word "party" on line 7 insert a period and strike the remainder through line 15.

On page 148, line 7, insert the following new paragraph:

"(4) Notwithstanding any provision of law with respect to limitations on expenditures or limitations on contributions, any committee of a national political party which accepts contributions only from persons who are individuals may make any expenditure on behalf of any candidate for Federal office."

On page 161, line 9, after "Section 301" strike "(a)" through "(c)", on line 10; and on line 13, strike all through line 7 on page 162.

By Mr. LOTT:

Strike lines 24–25 on page 79, and lines 1–3 on page 80.

By Mr. MIKVA:

Page 141, line 7, delete the word "except"; and page 141, delete lines 8 through 15 inclusive.

By Mr. GARY A. MYERS:

Page 140, line 2, after "$5,000" insert "in the case of an incumbent candidate, and $10,000 in the case of a nonincumbent candidate".

Page 147, line 24, after "1 cent" insert "with respect to an incumbent candidate, and 2 cents with respect to a nonincumbent candidate,".

Page 148, line 5, after "$2,500" insert "with respect to an incumbent candidate, and $10,000 with respect to a nonincumbent candidate".

By Mr. STOCKMAN:

On page 114, line 9, following "Members shall be" insert the following words: "chosen

on the basis of their maturity, integrity, impartiality, good judgment, and experience; and shall be".

Page 110, line 2, delete "$250" and insert in lieu thereof "$100".

On page 139, line 25, after the clause "with respect to" strike the words "elections held in any calendar year" and insert in lieu thereof the following "any elections held".

On page 147, line 24 strike the figure "1" and insert in lieu thereof "2".

On page 148, line 5, strike the figure "$2,500" and insert in lieu thereof "$10,000."

Offered by Mr. THOMPSON:

On page 139, line 25, after the word "to" delete all through "$5,000" on page 140, line 2, and insert in lieu thereof: "any election for Federal office which, in the aggregate, exceeds $5,000".

On page 140, line 16, strike out subsection a(5)(B) thereof and redesignate subsection (a)(5)(C) as (a)(5)(B).

On page 141, line 8, after the word "between" insert "or among", and on line 9, strike "(including the House and Senate congressional campaign committees of such party)" and insert in lieu thereof: ", the House and Senate congressional campaign committees of such party".

On page 148, line 5, strike "$2,500" and insert in lieu thereof "$10,000."

By Mr. VANDER JAGT:

On page 148, after line 7, insert the following new section:

"(4)(A) The House Congressional Campaign committee of a national political party may make expenditures in connection with the general election campaign of a candidate for election to the office of Representative, if the candidate is not an incumbent, in an amount not to exceed 2.5% of the average cost of preparation, printing and mailing of a newsletter as determined by the House Administration Committee multiplied by the number of newsletters sent by the incumbent.

"(4)(B) The Senate Campaign committee of a national political party may make expenditures in connection with the general election campaign of a candidate for election to the office of Senator, if the candidate is not an incumbent, in an amount not to exceed 2.5% of the average cost of preparation, printing and mailing of a newsletter as determined by the Senate Committee on Rules and Administration multiplied by the number of newsletters sent by the incumbent."

By Mr. WIGGINS:

On page 79, line 20, after the word "person" insert ", other than a national, including the Congressional or Senatorial Campaign Committees, state or local committee of a national political party,".

On page 82, line 7, strike ";" and insert ", except such payment shall be reported in accordance with section 304".

On page 87, line 10, after the clause "registered to vote" add the following new language ", except such disbursements over $100 shall be reported in accordance with section 304;".

On page 87, line 12, after "mittee" insert the following words "the congressional and senatorial campaign committees" and on page 87, line 13 after the words "individuals to" insert the words "vote or."

On page 88, line 5, after the word "candidate)" insert the following "or costs directly attributable to any communication designed to encourage individuals to vote or to register to vote,".

On page 89, line 20, strike "316" and insert "317".

On page 89, line 21, strike ";" and insert ", except such payment shall be reported in accordance with section 304".

On page 115, strike lines 23–25 and on page 116, lines 1–6 and insert the following:

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend or appeal to Federal Court of Appeals civil actions in the name of the Commission for the purpose of enforcing the provisions of this Act and Chapter 95 and Chapter 96 of Title 26 through its general counsel."

On page 157, line 24, insert the following new section:

"Section 9010(d) of the Internal Revenue Code of 1954 (relating to participation by the Federal Election Commission in judicial proceedings) is amended as follows:

(d) The Commission is authorized on behalf of the United States to appeal from judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

On page 120, line 17, following "Commission" insert the following: "Within 20 days of receipt of such complaint the Commission shall vote as to whether or not it has reason to believe that a person has violated this Act or Chapter 95 or Chapter 96 of the Internal Revenue Code of 1954."

On page 121, strike lines 13 through 15 and insert in lieu thereof the following:

"(4)(A)(i) In any written response filed pursuant to paragraph (3) the respondent may request a hearing before a hearing examiner appointed by the Commission. A hearing officer shall be appointed by the Commission and the hearing shall convene no later than 15 days after receipt of such written response. A hearing examiner shall be assigned in rotation so far as practicable and may not perform duties inconsistent with their duties and responsibilities as hearing examiners. The functions of hearing officers shall be conducted in an impartial manner. A hearing officer may at any time disqualify himself or herself. On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a hearing officer the Commission shall determine the matter as a part of the record in the case.

"(ii) Hearings officers presiding at hearings may:

"(a) administer oaths and affirmations;

"(b) issue subpenas authorized by the Commission pursuant to the Act;

"(c) rule on offers of proof and receive relevant evidence;

"(d) take depositions or have depositions taken when the ends of justice would be served;

"(e) regulate the course of the hearings;

"(f) dispose of procedural requests or similar matters; and

"(g) make or recommend decisions in accordance with subparagraph B of this title.

"(iii) Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof. Any oral or documentary evidence may be received, but the Commission as a matter of policy shall provide for the exclusion of irrelevant, immaterial or unduly repetitious evidence. A procedural ruling may not be issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence. A party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts.

"(iv) The transcript of testimony and exhibits, together with all papers and requests filed in the proceedings, constitutes the exclusive record for decision in accordance with subparagraph B of this title and, shall be made available to the respondent.

"(B) Within 10 days of the termination of the hearing the hearing officer shall certify the entire record, together with the recommendation of the hearing officer to the Commission for decision pursuant to paragraph (5).

"(C) Before a recommendation by the hearing officer to the Commission the parties are entitled to a reasonable opportunity to submit for the consideration of the hearing officer—

"(i) proposed findings and conclusions and briefs in support thereof; and

"(ii) exceptions to the procedural rulings of the hearings officer;

"(5)(A)(i) Within 30 days of receipt of the recommendation of the hearing officer, pursuant to paragraph (4); or within 30 days of the receipt of written response pursuant to paragraph (3) which did not request a hearing pursuant to paragraph (4); or within 30 days after expiration of the right of a respondent to file a written response with the Commission pursuant to paragraph (3) (such respondent having failed to so file) and except as provided in clause (ii), the Commission shall vote to determine whether or not there is probable cause to believe that any".

"On page 139, line 2, strike the figure "$1,000" and insert in lieu thereof "$5,000".

On page 139, line 6, strike the figure "$2,500" and insert in lieu thereof the figure "$5,000".

On page 139, line 11, strike the figure "$10,000" and insert in lieu thereof "$15,000".

On page 139, line 20, strike the figure "$2,500" and insert in lieu thereof "$5,000".

On page 139 strike lines 21 through 25 and on page 140 strike lines 1 and 2 and insert the following new section:

"(3) Notwithstanding the limitations on contributions in paragraph (2)(A), the National Committee, the Congressional Campaign Committee and the Senatorial Campaign Committee of a national political party and a State Committee of a political party may each make contributions to the authorized committees of a candidate with respect to any election for Federal office which in the aggregate does not exceed $5.000."

And on page 140 strike lines 16 through 24.

On page 154 after line 2 add the following:

SEC. 117. Section 310 of the Act as so designated in Section 105(a)(3) is amended by striking out subparagraph (a) and inserting in lieu thereof the following new subsection (a):

"(a) The Commission, the national committee of any political party, any political committee, candidate, or any individual eligible to vote in any election for the office of President may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment and injunctions, as may be appropriate to construe the constitutionality of any provision of this Act or of Subtitle H of the Internal Revenue Code of 1954 (26 U.S.C. 9001 et seq.). The district court immediately shall request the convocation of a three-judge district court pursuant to 28 U.S.C. 2202."

(b) by striking out the words "the court of appeals" from subsections (b) and (c) and inserting in lieu thereof: "the three-judge district court."; and

(c) by striking out the word "certified" from subsection (b) and inserting in lieu thereof "instituted,".

On page 160, line 22, insert after the word "committee" the first time it appears on said line the words "the national committee, the congressional campaign committee, the senatorial campaign committee and" and after the word "committee" the second time it appears on said line, the words "including any district, local or subordinate committees thereof".

And on page 160, line 22, after the word party insert "each".

SENATE—*Monday, March 20, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 11 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. PAUL G. HATFIELD, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"Holy, Holy, Holy, Lord God of Hosts;
Heaven and earth are full of Thy glory:
Glory be to Thee, O Lord most high."
—Sanctus.

Eternal God, as we enter this Holy Week, enable us to meditate reverently upon those mighty acts by which Thou didst bring redemption to Thy people. Search us and know our hearts and see if there be any evil way in them. Show us the meaning of the cross where Thy love met our sins and life was outpoured for our redemption. May America and its leaders become captive to that love made known in the first Holy Week. Help us to make every day a holy day because it is lived in service to Thee. And when the week is done, grant that we may know the glory of the resurrected life and the power of Thy living presence.

We pray through Him who lived and died and rose again for our salvation. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 20, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL G. HATFIELD, a Senator from the State of Montana, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. PAUL G. HATFIELD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Georgia (Mr. TALMADGE) has asked for 3 minutes of my time. I yield it to him.

Mr. TALMADGE. I thank the distinguished majority leader.

EMERGENCY AGRICULTURAL ACT OF 1978

Mr. TALMADGE. Mr. President, on Tuesday, March 21, 1978, the Senate will consider H.R. 6782, the Emergency Agriculture Act of 1978.

The Senate will have an opportunity to vote for a solution rather than a slogan.

The economic distress that grips our Nation's farmers and drives them to seek relief from Washington is easy to understand. Farm surpluses mean low prices. Low farm prices and skyrocketing costs of production add up to an economic disaster for farmers.

However, the solution to the farm problem is much harder to understand.

This is why that in advance of floor consideration, I want to share with my colleagues the compelling reasons why I believe this bill provides the most direct, immediate, and achievable method for providing urgently needed financial assistance for severely distressed farmers and for attacking the most pressing farm problems.

I also wish to share with my colleagues a comparative analysis prepared by the USDA for the Committee on Agriculture, Nutrition, and Forestry of my bill, H.R. 6782, and S. 2481, the flexible parity bill sponsored by the distinguished ranking minority member of the committee, Senator DOLE.

The Senate will consider the flexible parity bill also on Tuesday, although separately from my bill. There has been some confusion and misunderstanding of these bills which I think should be clarified before the Senate considers them tomorrow.

Mr. President, the emergency farm bill that I have sponsored with 20 other Members of the Senate simply provides for an additional voluntary set-aside program under which farmers would be paid to take 31 million acres of wheat, feed grains, cotton, and soybeans out of production this year. The bill anticipates the retirement of an additional 15 million acres of wheat, 10 million acres of feed grains, and 3 million acres each of cotton and soybeans. I believe there are urgent and compelling reasons for the passage of this bill before Congress recesses for the Easter break at the end of this week.

Indeed, if it is not passed this week, it will be too late for many farmers to participate—especially in the southern regions of the country. They will have already planted this year's crop.

Farmers will be left with a slogan—not a solution.

That is why time is of the essence.

That is why it is imperative that the Congress pass a bill before the Easter recess that the President can sign into law now.

Mr. President, here are the salient reasons why I recommend my bill to the Members of the Senate and ask for their support on Tuesday.

First, it means that farmers will have $8 billion more money in their pockets and products in their bins after paying their cash costs of producing wheat, feed grains, cotton, and soybeans than current programs would give them.

Under the current programs, USDA projects that farmers are going to pay out more to produce their crops than they are going to get back. They predict that farmers will suffer out-of-pocket losses amounting to $411 million in the production of these crops. That is the red ink that will remain after cash operating costs are deducted from the value of production plus deficiency payments.

If my bill is passed, this $411 million out-of-pocket loss will be eliminated, plus farmers will have another $7.532 billion. The bottom line, therefore, is that my bill will put $8 billion more into the farm economy than will be the case without this legislation.

The USDA comparative analysis estimates that the flexible parity bill would result in an increased return to farmers of $5.725 billion if the bill is passed and signed by the President. This is almost $2 billion less than my bill would provide.

Mr. President, the second compelling advantage of my bill is that it would put over $2.1 billion into the hands of farmers now.

This will occur because my bill specifies half of the diversion payments would be made to participating farmers at the time of signup. The Department has informed the committee that it could quickly implement the additional set-aside program and that regulations and administrative machinery could be in place by early April. Thus, diversion checks could be flowing into farm communities in the Nation within a matter of days. This money is sorely needed to help the farmers make this year's crops. As matters now stand, many of them are without cash or credit resources.

On the other hand, the Department states that the flexible parity bill could not be implemented until after most crops have been planted. Growers would be making planting decisions without knowing whether S. 2481 would be enacted into law.

More important, the deficiency payments that would be made to farmers under the flexible parity bill would not be made until 1979 in the case of cotton

and corn. In the case of wheat, payments would be made in November and December, 1978.

The third compelling reason for the Talmadge bill is that it would directly and effectively reduce the present huge carryovers of grain and cotton, which have severely depressed market prices and caused increased farm program costs through large deficiency payments.

If my bill becomes law, supplies of those commodities now in greatest surplus would be brought more into line with our requirements. This should be accomplished within the 1 year life of the bill.

The fourth overwhelming advantage of the bill is that it would have an immediate impact on market prices of covered commodities.

Prices bear a direct relationship to supplies. Reduced production of those commodities in surplus is certain to be reflected in higher prices for those commodities. As a matter of record, both futures and cash prices reacted favorably on last Monday, March 13, when the committee approved H.R. 6782.

The minimum market price objectives of the additional set-aside bill are reasonable and modest. These objectives are $3.50 per bushel for wheat, $2.50 per bushel for corn, $6 per bushel for soybeans, and 60 cents per pound for cotton.

The fifth advantage of my bill is that according to USDA estimates, it is the most cost effective program being considered. In fact, they estimate a net savings of about $90 million from the current program for fiscal years 1978 and 1979.

It is obvious that the Talmadge bill is by far the quickest and most cost effective means of providing relief to farmers from low prices and overproduction.

These then are the principal reasons why I am convinced that my bill should be approved by the Senate on Tuesday without being encumbered by killer amendments. I hope that favorable action will then follow quickly in the House so that congressional action can be completed before the Easter recess.

Time is running out.

We are now at the moment of decision.

We must now decide whether we want to pass legislation to help farmers before their planting preparations are completed and the crops are in the ground.

We must decide whether we want to help the farmers or whether we want to keep the farm issue alive.

I have stated repeatedly my conviction that my emergency bill is the only real option that we have in order to get a bill on the President's desk before Easter that he hopefully will sign.

I do not profess to know what action the President might take on my bill or the flexible parity bill if and when either one or both reaches him.

But it is crystal clear the USDA comparative analysis of the two bills that the administration considers the Talmadge bill as the more feasible and workable approach.

I want to make it clear that I have not focused on the USDA analysis of the flexible parity bill and the Talmadge bill in an invidious manner.

Indeed, I believe the flexible parity approach merits study. I voted to report that bill in order that the Senate might have an opportunity to consider it as well as my own bill. But I think it is imperative that S. 2481 be considered separately from H.R. 6782.

I think it is extremely important also that the Senate, the House, the Nation, and especially the Nation's farmers understand that the single best opportunity we have to help American agriculture now is through the passage of my bill.

Senator DOLE has advised me that he will not attempt to offer his bill as an amendment to or substitute for my bill. He is willing for his proposal to be considered separately on its own merits. I commend the Senator from Kansas for this. It again demonstrates the bipartisan attitude that members of the Senate Committee on Agriculture, Nutrition, and Forestry traditionally have taken on farm matters.

I am sure the Senator from Kansas realizes that an attempt to substitute his bill for mine could well result in no bill at all. That would be a grave disservice to American agriculture and would serve to fan the fires of farmer frustrations to an even greater heat.

However, neither the Senator from Kansas nor I can control the actions of any other Member of the Senate. It is possible that someone else will offer an amendment that would result in either the defeat of the legislation in Congress or a veto by the President.

I sincerely and devoutly hope that this will not happen.

I hope the Senate will act responsively and constructively on Tuesday.

I am well aware that some self-appointed farmer spokesmen are opposed to my bill. Some have even said it would be worse than no bill at all.

I believe the great body of decent, hardworking, responsible American farmers understand the realities of the situation that we face even if some who profess to speak for them in Washington do not.

I think a great majority of farmers want legislation, not political issues.

I think they want action now, not promises of pie in the sky by and by.

The American people generally—and farmers particularly—have grown tired of promises that cannot be delivered and pledges that are not fulfilled. In my judgment, this is one of the underlying reasons why there is so much distrust, disenchantment, and frustration with the Government in this country today.

I hope the Senate will not add to the frustration and disenchantment of the farmers by failing to pass the Talmadge bill on Tuesday.

I hope that the Members of the Senate will be able to return home to their farm constituents during the Easter recess with the knowledge that they have given their farmers a solution, not a slogan.

Mr. President, I ask unanimous consent that the USDA comparative analysis of the Talmadge and Dole bills with current legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A COMPARATIVE ANALYSIS OF THE TALMADGE AND DOLE BILLS WITH CURRENT LEGISLATION

1. Assumptions:

A. The Dole bill:

It could not be implemented until after most crops had been planted. Growers would make planting decisions without knowing whether it would be enacted into law.

Set-aside would be based on 1978 planted acreage for harvest.

Payment limitation of $40,000 per person would be effective.

Most growers will withdraw from the grain reserve rather than face a release level at parity prices.

To receive program payments, growers could not exceed their normal cropland acreage.

B. The Talmadge bill:

It would be implemented quickly under current authority and program regulations would be in place in county offices in early April.

Program would be operated to achieve the specified price objectives of: corn, $2.50; soybeans, $6.00; cotton, $.60, and wheat, $3.50.

To receive program payments, growers would not exceed their normal cropland acreage.

2. Government Costs:

A. Dole:

Budget outlays for FY 1978 and FY 1979 combined at $12.2 billion, about $1.5 billion above current legislation and the Talmadge Bill. Outlays would be substantially higher if the program could be implemented before the spring crops are planted.

Deficiency runs higher than under the Talmadge Bill or Current Legislation.

Loan and inventory outlays are higher than under the Talmadge Bill because of increased loan rates.

B. Talmadge:

Budget outlays would be moderately less than current program.

Loan and reserve repayments would provide a sizeable credit to FY 1979 program.

Direct payments to growers would total about $6.2 billion for the two years. This compares with $3.4 billion under Current Legislation and $6.3 under the Dole Bill.

3. Acreage Shifts:

A. Dole:

For designated crops there would be strong incentive for growers to maximize returns by utilizing as much of their NCA for plantings and set-aside as possible. Thus there would be an acreage reduction of oats at the expense of wheat and barley; a cutback in soybeans at the expense of corn; and flax and sunflowers at the expense of wheat and barley; and potential cutbacks in dry beans, peas, and lentils at the expense of wheat and barley.

B. Talmadge:

Set-aside payments for designated crops would be based on a rate of returns that would be on par with their expectations if they produced. Thus, among designated crops the return to equity would likely keep plantings in balance with recent relationships.

Payment rates would definitely be attractive enough for growers to utilize non-designated crop acreage for the program as under the Dole Program. Thus, this would result in cutbacks in oats, oilseeds other than soybeans, and some minor NCA crops.

4. Farm prices:

A. Dole:

For designated set-aside crops, season average farm prices for the respective marketing years would be above the Current Legislation

but somewhat under the Talmadge price objectives.

The fact that growers would have already planted and for some crops have already sunk a sizeable investment will reduce the participation in an otherwise extremely attractive set-aside program.

For non-designated crops such as oats, oilseeds, and dried beans and peas, cutbacks in acreage are likely as growers respond to the incentive to set-aside at levels with target prices near parity. Therefore, there is the potential for relatively tight supplies, particularly for some minor crops that are included in the NCA, and higher prices than under the Talmadge or Current Legislation programs.

B. Talmadge:

Farm prices in 1978/79 will average around the price objectives.

Prices are apt to strengthen earlier than under Dole since the market can assess weekly the progress of set-aside signup. It would be well into the growing season before there would be much certainty about participation in the Dole program.

5. Food Prices:

A. Dole and Talmadge:

Higher feed prices translated through adjustments in the livestock and poultry sectors would result in all food prices averaging about 1 to 1.5 percent greater than under the current program. Consumer food expenditures would be $2.0–3 billion higher.

6. Returns to Producers:

A. Dole:

Returns to growers would be greater than Current Legislation but less than Talmadge. Most of the gain over Current Legislation is in larger direct payments.

B. Talmadge:

Would yield the greatest returns to growers. Larger direct payments and lower costs account for this position. With all set-aside payments for 1978 adjustments included, direct payments are about $3 billion more than Current Legislation and slightly less than Dole. With plantings down 35–40 million acres, cash costs are about $2 billion less than Current Legislation.

7. Other Impacts and Concerns Under Both Bills:

The level of exports would be curtailed somewhat by the higher prices of the Dole and Talmadge. Under the Dole Bill, higher loan rates for grains would make it difficult for the U.S. to compete in world trade. Also there will likely be pressure and there may be cause to reintroduce export payments (subsidies) in order to avoid substantial slippage of world market shares.

The U.S. position in the negotiation of an International Wheat Agreement would be eroded.

Provides a clear signal to other major grain and cotton exporting nations that the United States unilaterally will take actions to correct the world supply imbalances.

Sharp acreage and supply adjustment will be disruptive to the farm supply and commodity handling and processing industries. Adverse impacts will be greater in rural communities.

Substantially higher feed costs will cause the feeding sector to curtail their operations. Adjustments would begin in 1978 but the impacts of smaller meat supplies would not be felt until 1979.

The reduced acreage under both bills would leave the United States extremely vulnerable in the event of poor weather during the 1978 growing and harvesting season. While soil moisture conditions are vastly improved from a year ago, it is well to remember that the current situation is not much different than it was in 1974 which turned into a disastrous production season.

MAJOR CROP ACREAGE PLANTED WITH ALTERNATIVE COMPARISONS

[In million acres]

Crop	1976/77	1977/78	1978/79 alternatives: Current program	Talmadge	Dole
Corn	84.4	82.7	(60)80.0	(32.0)67.0	(44.0)75.0
Sorghum	18.4	17.0	(6)17.0	(4.0)13.3	(4.0)16.0
Oats	16.7	17.8	17.0	(2.5)8.5	(2.5)9.5
Barley	9.2	10.6	(3)11.0	13.0	15.5
Total	128.7	128.1	125.0	101.8	116.0
Wheat	80.2	74.8	(7)66.0	(6.0)61.0	(7.5)61.0
Soybeans	50.2	59.1	63.0	58.0	60.0
Cotton	11.6	13.6	13.0	10.5	12.6
Total	270.7	275.6	267.0	231.3	249.6
Set-aside			15.1	61.8	34.0
Total	270.7	275.6	282.1	293.1	283.6

( ) Acreage planted outside the program.

SET-ASIDE ACREAGE WITH ALTERNATIVE COMPARISONS

[In million acres]

Commodity	1978/79: Current program: Req. set-aside	Talmadge: Req. set-aside	Talmadge: Vol. set-aside	Talmadge: Total	Dole: Req. set-aside
Corn	2.0	3.5	13.1	16.6	10.0
Sorghum	1.1	.9	3.5	4.4	2.6
Barley	.8	.6	2.3	2.9	1.9
Total, feed grains	3.9	5.0	18.9	23.9	14.5
Wheat	11.2	10.4	19.5	29.9	19.1
Soybeans			5.0	5.0	
Cotton			3.0	3.0	.4
Total	15.1	15.4	46.4	61.8	34.0

IMPACT ON RETAIL PRICES AND CONSUMER EXPENDITURES IN 1979—ALTERNATIVES COMPARED WITH CURRENT PROGRAM

Alternative	Change from current program: CPI, all food (percent)	Consumer expenditures (billion dollars)
Talmadge	+1.3	+2.9
Dole	+1.0	+2.3

[1] Personal consumption expenditures for food in 1978 is estimated at $225,000,000,000.

BUDGET OUTLAYS WITH ALTERNATIVE COMPARISONS

[In millions of dollars; fiscal years]

	Current program 1978	Current program 1979	Talmadge 1978	Talmadge 1979	Dole 1978	Dole 1979
Feed grains:						
Deficiency payments	434	320	434	38	434	1,638
Set-aside payments			1,060	1,060		
Disaster payments	266	114	266	123	266	125
Storage payments	144	144	144	37	15	15
Loan and inventory	1,248	487	248	+75	1,100	180
Total	2,092	1,065	2,152	1,183	1,815	1,958
Wheat:						
Deficiency payments	1,098	578	1,098		1,098	2,000
Set-aside payments			655	655		
Disaster payments	139	120	139	120	139	170
Storage payments	83	83	83	30	40	13
Loan and inventory	265	+93	+369	[1] +266	+208	209
Total	1,585	688	1,606	579	1,069	2,392
Cotton:						
Deficiency payments		154				188
Set-aside payments			112	113		
Disaster payments	85	125	85	102	85	127
Storage payments						
Loan and inventory	414	+176	414	+354	414	+153
Total	499	103	611	+139	499	162
Soybeans: Loan and inventory	245	555	[1] 525	[2] 225	245	200
Total:						
Deficiency payments	1,532	1,052	1,532	38	1,532	3,826
Set-aside payments			2,107	2,108		
Disaster payments	490	359	490	345	490	422
Storage payments	227	227	227	67	55	28
Loan and inventory	2,172	773	538	+710	1,551	436
Total	4,421	2,411	4,894	1,848	3,628	4,712
2-yr total	6,832		6,742		8,340	

[1] $280,000,000 in set-aside payments and $245,000,000 in loan and inventory.
[2] $280,000,000 in set-aside payments and +$55,000,000 in loan inventory.

BUDGET OUTLAYS: COMPARISON OF CURRENT PROGRAM WITH TALMADGE AND DOLE BILLS

[In millions of dollars; fiscal years]

	Current estimate 1978	Current estimate 1979	Talmadge bill 1978	Talmadge bill 1979	Dole bill 1978	Dole bill 1979
CCC outlays:						
Deficiency payments	1,532	1,052	1,532	38	1,532	3,826
Set-aside payments			2,107	2,108		
Disaster payments	490	359	490	345	490	422
Storage payments	227	227	227	67	55	28
Net loan and inventory	2,172	773	538	+710	1,551	436
Total	4,421	2,411	4,894	1,848	3,628	4,712
2-yr total	6,832		6,742		8,340	

Footnotes at end of table.

BUDGET OUTLAYS: COMPARISON OF CURRENT PROGRAM WITH TALMADGE AND DOLE BILLS—Continued

[In millions of dollars; fiscal years]

	Current estimate		Talmadge bill		Dole bill	
	1978	1979	1978	1979	1978	1979
Other CCC outlays	2,550	1,275	2,550	1,275	2,550	1,275
Total CCC outlays	6,971	3,686	7,444	3,123	6,178	5,987
2-yr total of CCC outlays	10,657		10,567		12,165	

[1] Includes feed grains, wheat, cotton, and soybeans.

FEED GRAINS: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977/78	1978/79 Current program	1978/79 Talmadge bill	1978/79 Dole bill
Acreage (mil. ac.):				
National allocation factor				
Allotment/National program acreage	89.0	88.7	88.7	88.7
Set-aside		3.9	5.0+18.9	14.5
Planted	128.1	*(69.0)125.0	101.8	116.0
Harvested	107.0	105.1	83.9	96.8
Yield/harvested acre (mt/ac)	1.88	1.87	1.98	1.92
Program yield				
Supply (mil. metric tons):				
Beginning stocks	29.9	42.2	42.4	42.4
Production	201.5	196.5	165.9	185.9
Total supply [1]	231.7	239.1	208.4	228.5
Disappearance (mil. metric t):				
Domestic use	173.7	143.8	138.4	141.0
Exports	51.6	49.8	46.5	47.0
Total	189.3	193.6	184.9	188.0
Ending stock (mil. metric ton)	42.4	45.5	23.5	40.5
Prices (dol./bu.):				
Target income support level				
Loan rate				
Farm price				
Government expenditures (m. $):				
Deficiency payments	434	320	38	1,638
Set-aside payments			2,120	
Disaster payments	266	114	123	125
Storage payments	144	144	37	[2] (15) 15
Loan and inventory	1,248	487	+75	[2] (1,100) 180
Total	2,092	1,065	2,243	1,958

[1] Includes 2,000,000 bu imports.
[2] Fiscal year 1978 loan and inventory.
*Acres out of program.

CORN: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977/78	1978/79 Current program	1978/79 Talmadge bill	1978/79 Dole bill
Acreage (mil. ac.):				
National allocation factor				91
Allotment/National program acreage	60.9	67.6	67.6	67.6
Set-aside		2.0	3.5+13.1	10.0
Planted	82.7	*(60.0)80.0	(32.0)67.0	*(44.0)75.0
Harvested	70.0	68.8	55.8	63.8
Yield/harvested acre	90.8	91.0	96.0	93.5
Program yield	90.0	90.0	90.0	90.0
Supply (mil. bu.):				
Beginning stocks	884	1,132	1,132	1,132
Production	6,357	6,267	5,357	5,965
Total supply [1]	7,242	7,400	6,490	7,098
Disappearance (mil. bu.):				
Domestic use	4,360	4,500	4,350	4,425
Exports	1,750	1,650	1,550	1,565
Total	6,110	6,150	5,900	5,990
Ending stocks	1,132	1,250	590	1,108
Prices (dol./bu.):				
Target/income support level	2.00	2.10	2.10	3.17
Loan rate	2.00	2.00	2.00	2.40
Farm price	2.05	2.10	2.50	2.30
Government expenditures (m. $):				
Deficiency payments				1,302
Set-aside			[2] 1,769	
Disaster payments	221	80	95	90
Storage payments				
Loan and inventory				
Total				

[1] Includes imports.
[2] Assumed 50-percent voluntary set-aside with 75-percent participation and a payment rate of $1.50 per bushel.
*Average planted outside the program.

SORGHUM: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977/78	1978/79 Current program	1978/79 Talmadge bill	1978/79 Dole bill
Acreage (mil. ac.):				
National allocation factor		81	100	90
Allotment/National program acreage	16.4	13.7	13.7	13.7
Set-aside		1.1	0.9+3.5	2.6
Planted	17.0	*(6.0)17.0	*(4.0)13.3	*(4.0)16.0
Harvested	14.1	14.0	11.0	13.1
Yield/harvested acre	56.2	52.5	54.0	53.0
Program yield	53.5	54.5	54.5	54.5
Supply (mil. bu.):				
Beginning stocks	91	201	201	201
Production	791	735	594	694
Total supply	882	936	795	895
Disappearance (mil. bu.):				
Domestic use	456	520	500	505
Exports	225	240	220	220
Total	681	760	720	725
Ending stocks	201	176	75	170
Prices (dol./bu.):				
Target/income support level	2.28	2.28	2.28	2.56
Loan rate	1.90	1.90	1.90	2.28
Farm price	1.80	1.95	2.35	2.28
Government expenditures (m. $):				
Deficiency payments	260	173		156
Set-aside payments			[1] 238	
Disaster payments	27	22	18	23
Storage payments				
Loan and inventory				
Total				

[1] Assumed 50-percent voluntary set-aside with 75-percent participation and a payment rate or $1.25 per bushel.
*Acreage planted outside the program.

OATS: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977/78	1978/79 Current program	1978/79 Talmadge bill	1978/79 Dole bill
Acreage (mil. ac.):				
National allocation factor				
Allotment/National program acreage				
Set-aside				
Planted	17.8	17.0	13.0	15.5
Harvested	13.4	12.3	9.4	11.2
Yield/harvested acre	55.6	50.5	52.5	51.5
Program yield				
Supply (mil. bu.):				
Beginning stocks	165	314	314	314
Production	748	621	494	576
Total supply [1]	914	935	808	891
Disappearance (mil. bu.):				
Domestic use	590	605	565	590
Exports	10	10	10	10
Total	600	615	575	600
Ending stocks	314	320	233	291
Prices (dol./bu.):				
Target/income support level				
Loan rate	1.03	1.03	1.03	1.24
Farm price	1.11	1.15	1.40	1.24
Government expenditures (m. $):				
Deficiency payments				
Set-aside payments				
Disaster payments				
Storage payments				
Loan and inventory				
Total				

[1] Includes imports.

BARLEY: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977–78	1978–79 Current program	1978–79 Talmadge bill	1978–79 Dole bill
Acreage (mil. ac.):				
National allocation factor		80	96	85
Allotment/National program acreage	11.7	7.4	7.4	7.4
Set-aside		.8	6+2.3	1.9
Planted	10.6	*(3.0)11.0	(*2.5)8.5	*(2.5)9.5
Harvested	9.5	10.0	7.7	8.7
Yield/harvested acre	43.8	44.0	45.0	44.5
Program yield	44.5	44.5	44.5	44.5
Supply (mil. bu.):				
Beginning stocks	126	178	178	178
Production	416	440	347	387
Total supply [1]	552	628	535	575
Disappearance (mil. bu.):				
Domestic use	314	340	320	330
Exports	60	75	65	70
Total	374	415	385	400
Ending stocks	178	213	150	175
Prices (dol./bu.):				
Target income support level	2.15	2.25	2.25	2.53
Loan rate	1.63	1.63	1.63	1.95
Farm price	1.72	1.75	2.10	1.95
Government expenditures (m. $):				
Deficiency payments	174	147	38	180
Set-aside payments			[2] 113	
Disaster payments	18	12	10	12
Storage payments				
Loan and inventory				
Total				

[1] Includes imports.
[2] Assumed 50-percent voluntary set-aside with 75-percent participation and a payment rate of $1.10 per bushel.
* Acreage planted outside the program.

WHEAT: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977–78	1978–79 Current program	1978–79 Talmadge bill	1978–79 Dole bill
Acreage (mil. ac.):				
National allocation factor		100	100	100
Allotment/National program acreage	62.2	58.1	53.9	55.6
Set-aside		11.2	[2] 10.4+19.5	19.1
Planted	74.8	*(7.0)66.0	*(6.0)61.0	(7.5)61.0
Harvested	66.2	58.2	42.3	49.8
Yield/harvested acre	30.6	30.9	32.3	31.5
Program yield	32.0	30.9	30.9	30.9
Supply (mil. bu.):				
Beginning stocks	1,112	1,210	1,210	1,210
Production	2,026	1,800	1,365	1,570
Total supply [1]	3,140	3,012	2,575	2,782
Disappearance (mil. bu.):				
Domestic use	830	707	675	681
Exports	1,100	1,200	1,100	1,150
Total	1,930	1,907	1,775	1,831
Ending stocks	1,210	1,105	800	951
Prices (dol./bu.):				
Target/income support level	2.90	3.05	3.05	4.29
Loan rate	2.25	2.25	2.25	2.85
Farm price	2.35	2.70	3.50	2.90
Government expenditures (m. $):				
Deficiency payments	1,098	578		2,000
Set-aside payments			1,310	
Disaster payments	139	120	120	170
Storage payments	83	83	30	13
Loan and inventory	265	+93	[3] (+369)+226	[3] (+208)209
Total	1,585	688	1,234	2,392

[1] Includes 2,000,000 bu. imports.
[2] Assumes 50-percent voluntary set-aside with 75-percent participation and a payment rate of $2 per bushel for unplanted wheat and $2.25 per bushel for planted wheat. Assumes 60,000,000 acres per $2 per bushel and 135,000,000 acres at $2.25 per acre.
[3] Loan and inventory for fiscal year 1978.
*Acreage planted outside of program.

UPLAND COTTON: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977/78	1978/79 Current program	1978/79 Talmadge bill	1978/79 Dole bill
Acreage (1,000 ac.):				
National allocation factor, percent		85	100	88
Allotment/National program acreage	11,000	10,248	10,248	10,248
Set-aside			3,000	400
Planted	13,637	13,000	10,500	12,600
Harvested	13,186	12,000	9,700	11,600
Yield/harvested acre	524	490	500	490
Program yield	510	500	500	500
Supply (1,000 bales):				
Beginning stocks	2,879	5,700	5,700	5,700
Production	14,400	12,200	10,100	11,800
Total supply [1]	17,284	17,915	15,800	17,500
Disappearance (1,000 bales):				
Domestic use	6,700	7,000	6,800	6,900
Exports	5,000	6,000	5,500	5,900
Total	11,700	13,000	12,300	12,800
Ending stocks	5,700	5,100	3,700	4,900
Prices (cents/lb.):				
Target/income support level	47.80	52.00	52.00	53.20
Loan rate	44.63	44.00	44.00	44.00
Farm price	50.00	53.00	60.00	54.00
Government expenditures (mil. dollars):				
Deficiency payments		154		188
Set-aside payments			225	
Disaster payments	85	125	102	127
Storage payments				
Loan and inventory	414	+176	+354	+153
Total	499	103	+27.	162

[1] Includes imports.

SOYBEANS: SUPPLY DEMAND ESTIMATES

Item	Estimated 1977/78	1978/79 Current program	1978/79 Talmadge bill	1978/79 Dole bill
Acreage (mil. bu.):				
National allocation factor				
Allotment/National program acreage				
Set-aside			5.0	
Planted	59.1	63.0	58.0	60.0
Harvested	57.9	62.0	57.0	59.0
Yield/harvested acre	29.6	28.6	29.0	28.8
Program yield			28.0	
Supply (mil. bu.):				
Beginning stocks	103	215	215	215
Production	1,716	1,775	1,653	1,699
Total supply	1,819	1,990	1,868	1,914
Disappearance (mil. bu.):				
Domestic use	979	995	975	985
Exports	625	635	625	635
Total	1,604	1,630	1,600	1,620
Ending stocks	215	360	268	294
Prices (dol./bu.):				
Target/income support level				
Loan rate	3.50	4.00	4.00	4.00
Farm price	5.70	5.00	6.00	5.65
Goverment expenditures (m. $):				
Deficiency payments				
Set-aside payments			[1] 560	
Disaster payments				
Storage payments				
Loan and inventory	245	555	+55	200
Total	245	555	505	200

[1] Assumes payment rate of $4 per bushel.

VALUE OF PRODUCTION PLUS PAYMENTS LESS CASH COSTS [1]

[In millions of dollars]

Item	1977/78 current estimates	1978/79		
		Current program	Talmadge	Dole
Value of production	33,998	32,917	33,812	34,205
Direct payments	2,022	1,411	4,598	4,248
Total	36,020	34,322	38,410	38,453
Less cash costs [2]	33,569	34,733	30,878	32,698
Returns above cash costs	2,451	−411	7,532	5,725

[1] Crops included: feed grains, wheat, soybeans, and cotton.
[2] Includes variable costs and land rental cost; labor at manufacturing rates.

QUANTITY OF EXPORTS—ALTERNATIVE COMPARISONS

[In million units]

Crop (unit)	Estimated 1977/78	1978/79 alternatives		
		Current program	Talmadge	Dole
Corn (bushel)	1,750	1,650	1,550	1,565
Sorghum (bushel)	225	240	220	220
Oats (bushel)	10	10	10	10
Barley (bushel)	60	75	65	70
Total	2,045	1,975	1,845	1,865
Wheat (bushel)	1,100	1,200	1,100	1,100
Soybeans (bushel)	625	635	625	625
Cotton (bales) [1]	5.0	6.0	5.5	5.5

[1] Million bales.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to the majority and minority leaders.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

U.S. DEFENSE POLICY AND SOVIET TIES

Mr. ROBERT C. BYRD. Mr. President, on Friday, President Carter made a significant and timely address on U.S. foreign and defense policy at Wake Forest University in Winston-Salem, N.C.

In his address, President Carter dealt with many of the major issues currently confronting the United States. In particular, he focused on our relations with the Soviet Union.

President Carter said that we would continue to seek the cooperation of the Soviet Union and other nations in reducing areas of tension. Likewise, while assuring our military capabilities, we will seek security through dependable, verifiable arms control agreements.

However, the President made clear that current Soviet policies may imperil cooperation. He noted the "ominous inclination" on the part of the Soviet Union to use its military power to intervene in local conflicts, such as that in the Horn of Africa.

Further, the President pointed out the continuing increase in Soviet military strength.

These developments demand that the United States maintain adequate responses—diplomatic, economic, and military—and President Carter affirmed that we will take steps to assure the preservation of our national security.

Mr. President, the speech by President Carter was strong but it was not provocative. It was balanced, but it emphasized the U.S. security interests. It was hopeful but also realistic. I strongly support the position the President has taken.

This important address deserves widespread attention. I ask unanimous consent that excerpts from the President's speech of March 17, as published in the New York Times of March 18, be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM CARTER'S SPEECH ON DEFENSE POLICY AND SOVIET TIES

(WASHINGTON, March 17.—Following are excerpts from a speech on United States defense policy and policy toward the Soviet Union given by President Carter today at Wake Forest University in Winston-Salem, N.C.:)

Let me deal at the beginning with some myths.

One myth is that this country somehow is pulling back from protecting its interests and its friends around the world. That is not the case, as will be explained in this speech and demonstrated in our actions as a nation.

Another myth is that our defense budget is too burdensome and consumes an undue portion of our Federal revenues. National defense is, of course, a large and important item of expenditures; but it represents only about 5 percent of our gross national product and consumes approximately one-fourth of our current Federal budget.

It also is a mistake to believe that our country's defense spending is mainly for interncontinental missiles or nuclear weapons. About 10 percent of our defense budget goes to strategic forces for nuclear deterrence. More than 50 percent of it is simply to pay and support the men and women in our Armed Forces.

Finally, some believe that because we possess nuclear weapons of great destructive power, we need do nothing more to guarantee our security. Unfortunately, it is not that simple. Our potential adversaries have now built up massive forces armed with conventional weapons—tanks, aircraft, infantry and mechanized units. Those forces could be used for political blackmail and could threaten our vital interests—unless we and our allies and friends have our own conventional military strength as a counterbalance.

CHANGES OVER TWO DECADES

Let us review how national security issues have changed over the past decade or two.

The world has grown both more complex and more interdependent. There is now division among the Communist powers; the old colonial empires have fallen, and many new nations have risen in in their place; old ideological labels have lost some of their meaning.

There have also been changes in the military balance among nations. Over the past 20 years the military forces of the Soviets have grown substantially—both in absolute numbers and in relation to our own. There also has been an ominous inclination on the part of the Soviet Union to use its military power to intervene in local conflicts with advisers, with equipment and with full logistical support and encouragement for mercenaries from other Communist countries, as we can observe today in Africa.

This increase in Soviet military power has been going on for a long time. Discounting inflation, since 1960 Soviet military spending has doubled, rising steadily by 3 to 4 percent every year, while our military budget is actually lower than it was in 1960.

The Soviets, who traditionally were not a significant naval power, now rank No. 2 in the world in naval forces.

In its balanced strategic nuclear capability the United States retains important advantages, but over the past decade the steady Soviet buildup has achieved functional equivalence in strategic forces with the United States.

These changes demand that we maintain adequate responses—diplomatic, economic and military.

PRESERVING NATIONAL SECURITY

We have recently completed a major reassessment of our national defense strategy and out of this process have come some overall principles designed to preserve our national security during the years ahead.

We will match, together with our allies and friends, any threatening power through a combination of military forces, political efforts and economic programs. We will not allow any other nation to gain military superiority over us.

We shall seek the cooperation of the Soviet Union and other nations in reducing areas of tension. We do not desire to intervene militarily in the domestic affairs of other countries or to aggravate regional conflicts, and we shall oppose intervention by others.

While assuring our military capabilities, we shall seek security through dependable, verifiable arms-control agreements where possible.

We shall use our great economic, technological and diplomatic advantages to defend our interests and to promote our values. We are prepared, for instance, to cooperate with the Soviet Union toward common social, scientific and economic goals—but if they fail to demonstrate restraint in missile programs and other force levels and in the projection of Soviet or proxy forces into other lands and continents, then popular support in the United States for such cooperation will erode.

MODERNIZATION AND REVITALIZATION

These principles mean that, even as we search for agreement on arms control, we will modernize our strategic systems and

revitalize our conventional forces. We shall implement our policy in three ways:

By maintaining strategic nuclear balance;

By working closely with our NATO allies to strengthen and modernize our defenses in Europe; and

By maintaining and developing forces to counter any threats to our allies and our vital interests in Asia, the Middle East and other regions of the world.

Our first and most fundamental concern is to prevent nuclear war. The horrors of nuclear conflict, and our desire to reduce the world's arsenals of fearsome nuclear weapons, do not free us from the need to analyze the situation objectively, and to make sensible choices about our purposes and means.

Our strategic forces must be—and must be known to be—a match for the capabilities of the Soviets. They must never be able to use their nuclear forces to threaten, coerce or blackmail us or our friends.

Our continuing major effort in the SALT talks now under way in Geneva are one means toward the goal of strategic nuclear stability. We and the Soviets already have reached agreement on some basic points, although still others remain to be resolved.

We are not looking for a one-sided advantage, but before I sign a SALT agreement on behalf of the United States, I will make sure that it preserves the strategic balance, that we can independently verify Soviet compliance, and that we will be at least as strong relative to the Soviet Union as we would be without an agreement.

But in addition to the limits and reductions of a SALT II agreement, we must take other steps to protect the strategic balance. During the next decade improvements in Soviet missiles can make our land-based missile forces increasingly vulnerable to a Soviet first strike. Such an attack would amount to national suicide for the Soviet Union, but, however remote, it is a threat against which we must constantly be on guard.

RAPID EFFORT ON CRUISE MISSILES

We have a superb submarine fleet which is relatively invulnerable to attack, and we have under construction new Trident submarines and missiles which will give our submarine ballistic-missile force even greater range and security. I have ordered rapid development and deployment of cruise missiles to reinforce the strategic value of our bombers. We are working on the M–X intercontinental ballistic missile to give us more options to respond to Soviet strategic deployments. If it becomes necessary to guarantee the clear invulnerability of our strategic deterrent, I shall not hesitate to take actions for full-scale development and deployment of these systems.

Our strategic defense forces are a triad—land-based missiles, sea-based missiles and air-breathing systems such as bombers and cruise missiles. Through the plan I have described, all three legs of the triad will be modernized and improved. Each will retain the ability to impose devastating retaliation upon an aggressor.

For 30 years and more we have been committed to the defense of Europe—bound by the knowledge that Western Europe's security is vital to our own. We continue to cooperate with our NATO allies in a strategy of flexible response, combining conventional and nuclear forces, so that no aggressor can threaten the territory or freedom which, in the past, we have fought together to defend.

For several years we and our allies have been trying to negotiate mutual and balanced reductions of military forces in Europe with the Soviets and the other Warsaw Pact nations, but in the meantime the Soviets have continued to increase and to modernize their forces beyond a level necessary for defense. In the face of this excessive Soviet buildup, we and our NATO allies have had to take important steps to cope with short-term vulnerabilities and to respond to long-term threats. We are significantly strengthening the United States forces stationed in Western Europe and improving our ability to speed additional ground and air reinforcements to the defense of Europe in time of crisis.

For many years the United States has been a truly global power. Our longstanding concerns encompass our own security interests and those of our allies and friends beyond this hemisphere and Europe.

RESPONSIBILITIES FOR PEACE

We have important historical responsibilities to enhance peace in East Asia, the Middle East, the Persian Gulf and in our own hemisphere. Our preference in all these areas is to turn first to international agreements that reduce the overall level of arms and minimize the threat of conflict. But we have the will, and we must also maintain the capacity, to honor our commitments and to protect our interests in these critical areas. In the Pacific we are protected, and so are our allies, by our mutual defense treaties with Australia, New Zealand, Japan and cooperation with other Pacific nations.

Japan and South Korea, closely linked with the United States, are located geographically where the vital interests of great powers converge. It is imperative that northeast Asia remain stable. We will maintain and even enhance our military strength in this area, improving our air strength and reducing our ground forces, as the South Korean Army continues to modernize and to increase its own capabilities.

In the Middle East and the region of the Indian Ocean we seek permanent peace and stability. The economic health and well-being of the United States, Western Europe and Japan depend upon continued access to oil from the Persian Gulf. In all these situations the primary responsibility for preserving peace and military stability rests with the countries of the region. We shall continue to work with our friends and allies to strength their ability to prevent threats to their interests and ours. In addition, however, we will maintain forces of our own which could be called upon if necessary to support mutual defense efforts.

The Secretary of Defense, at my direction, is improving and will maintain quickly deployable forces—air, land and sea—to defend our interests throughout the world. Arms-control agreements are a major goal as instruments of our national security, but this will be possible only if we maintain appropriate military force levels. Reaching balanced, verifiable agreements with our adversaries can limit the costs of security and reduce the risk of war. But even then, we must—and we will—proceed efficiently with whatever arms programs our security requires.

Mr. TOWER. Mr. President, I think most of us on this side of the aisle were delighted to see the President engage in a little tough talk last Friday. However, in addition to some strong statements, I believe we Americans are likely to be judged by our actions rather than what we say. Our actions should reflect the message that the President, appeared to be trying to convey to the Soviets last Friday.

In fact, if we talk tough and then act meekly, the result is not going to be what we want it to be. Teddy Roosevelt said that we should speak softly but carry a big stick. When we talk tough but carry a small stick, the result may not be what we intend.

On this side of the aisle, we are preparing a foreign policy statement which will be submitted for the RECORD at some point, once it has been acted on by the Republican conference. This statement will reflect Republican views, which I believe will not be inconsistent with what the President said on Friday.

We hope that this signals, on the part of the President, a new toughness toward the Soviet Union that has not been demonstrated in the past year.

Mr. ROBERT C. BYRD. Mr. President, I do not think the President's speech suggests any turn in U.S. policy. I believe it is a reaffirmation of the policy we have espoused all along, and that is a policy that recognizes détente as a two-way street, not as a one-way street. It recognizes détente as something that needs to be reciprocal and comprehensive.

I believe the President is to be complimented on this reaffirmation of our policy, and I congratulate him on his statement.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, is there a period for morning business?

Mr. ROBERT C. BYRD. Mr. President, the Senator from Texas and I have some time we would be glad to yield to the Senator.

Mr. DOLE. Three minutes?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. Three minutes.

EMERGENCY AGRICULTURE ACT OF 1978

Mr. DOLE. Mr. President, I was not in the Chamber when the distinguished Senator from Georgia (Mr. TALMADGE), the chairman of the Committee on Agriculture, Nutrition, and Forestry, delivered his statement. I have had an opportunity to look at the statement.

Tomorrow we will be discussing the so-called Talmadge proposal and the so-called Dole proposal, the Flexible Parity Act. It is my hope that between now and tomorrow morning, we can work out some agreement so that both bills can be considered—not only considered in the Senate but also considered by the House; because the Senator from Kansas is fearful that there may have been some developments in the past few days that will interfere, so that the flexible parity bill will pass the Senate and that will be the end of it, that it will never go to conference and will never be considered by the House.

I am hopeful that some agreement can be worked out that will permit not only the Senate to work its will on both proposals but also permit the House of Representatives to have an opportunity to look at both proposals.

As a cosponsor of the Talmadge proposal, I support it. Senator TALMADGE voted for the Dole proposal. So I do not believe there is any great disagreement, and I would hope that there can be some agreement on just what will be in the final version of the bill that may go to the House of Representatives for active consideration.

It seems to this Senator there is a great deal of support for the flexible parity concept. It is market oriented. It does require the farmer to set aside acres. The more acres he sets aside the higher the target price will be, and in some cases it could achieve parity if enough acreage is set aside.

So I would hope that the Senator from Georgia and the Senator from Kansas can work out some agreement that will accommodate the views of us in the Senate and, more important, will accommodate the interests of the American farmer, because if the American farmer suffers much more the real loser will be the American consumer.

It just seems to me that tomorrow is a very important day in the U.S. Senate, and I would hope that we can resolve any differences we may have so that the bill we pass in the Senate will be meaningful and will offer the proper assistance through the marketplace to the American farmer.

I thank my distinguished majority leader for yielding to me.

S. 2764—AMENDMENT OF THE EXPORT-IMPORT ACT

Mr. TOWER. Mr. President, today I am introducing legislation to amend the Export-Import Bank Act of 1945. The Eximbank's primary purpose is to provide official credit assistance to U.S. exporters in order to improve their ability to compete in international markets.

The Eximbank plays a vital role in granting credits in connection with sales of our capital goods abroad. Given this country's current balance of payments, exports are being regarded with greater emphasis, especially as we grow more and more dependent upon foreign sources for oil. Export markets are indispensable factors, particularly when domestic demand for our goods and services is not sufficient to consume the supply which is available.

Much of the growth and development in the value of U.S. exports can be attributed to the value of agricultural commodities which have been sold abroad. Between 1960 and 1976, the value of agricultural exports rose from $4.832 to $22.996 billion, greater than the total value of U.S. exports in 1960. The most noteworthy increase in agricultural exports occurred between 1972 and 1973. The value increased 88 percent, from $9.401 billion to $17.680 billion. During that same year, the value of nonagricultural exports increased only 33 percent.

Mr. President, these statistics clearly demonstrate the increasingly important role of agricultural exports in our Nation's balance of trade. The trade deficit in 1976 was nearly $8 billion. Had not the agricultural sector of our economy made the significant contributions that it did, our deficit no doubt would have been considerably greater, particularly in view of the fact that we imported only $11 billion worth of agricultural commodities and over $110 billion in the nonagricultural category.

I recognize that the Eximbank played a relatively minor role in the financing of these exports. However, the Bank usually chooses to concentrate on the financing of nonagricultural exports, even in view of the fact that the agricultural sector contributes more than 20 percent of the total U.S. exports, and has done so since 1973.

Of the $6 to $10 billion available to the Eximbank for the financing of exports, only $75 million have been earmarked for agricultural commodities. And, those credits were granted only after many Members of the Congress pressured the Eximbank and Treasury Department.

For these reasons, I am introducing an amendment to the Export-Import Bank Act of 1945. In my view, the ratio of the amount of credit which the Bank extends to finance the export of agricultural commodities bears to the total amount of credit granted should at least equal the ratio between the dollar value of exported agricultural commodities and the dollar value of total U.S. exports.

In the event that the Bank determines and reports to the Congress that the demand for these credits is insufficient to meet this standard, or the Secretary of Agriculture determines that the level of exports of agricultural commodities does not require these credits, the Bank shall be relieved of this responsibility.

Continuous excess supplies of agricultural commodities in this country tend to depress prices received by our Nation's producers of food and fiber. To relieve them of these pressures will not only increase the prices they receive in the marketplace, but will increase their contribution to our balance of trade as well. At the same time, we will strengthen the role of the Eximbank in financing exports of U.S. goods and services.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

"(d) (1) Subject to paragraph (2), for each fiscal year beginning after September 30, 1978, the ratio that the amount of credit which the Bank extends and in which it participates to finance the export of agricultural commodities bears to the total amount of credit which the Bank extends or in which it participates shall not be less than the ratio that the dollar value of exports of agricultural commodities during the immediately preceding fiscal year bears to the dollar value of all exports during such preceding fiscal year.

"(2) Paragraph (1) does not apply to any fiscal year with respect to which—

"(A) the Bank determines and reports to the Congress that the demand for credit to finance exports of agricultural commodities is insufficient to equal or exceed the ratio which would be required; or

"(B) the Secretary of Agriculture determines that the level of exports of agricultural commodities is or will be adequate without credit which the Bank extends or in which it participates.".

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following nominations on the Executive Calendar with the understanding that no more than 3 minutes be consumed thereby:

Calendars Nos. 93, 94, 95 on page 2, and then all nominations on page 3 beginning with National Commission on Employment and Unemployment Statistics, going through the calendar on page 4.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, and I shall not object, that would be Calendars Nos. 93 through 96 and 98 through 99 and would exclude Calendar No. 97 on page 3. Is that correct?

Mr. ROBERT C. BYRD. And it would exclude Calendar Order No. 96.

Mr. TOWER. The Legal Services Corporation nominees.

Mr. ROBERT C. BYRD. It would exclude all those numbered 97 but it would include nominations placed on the Secretary's desk on page 4.

Mr. TOWER. No objection.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF AGRICULTURE

The assistant legislative clerk read the nomination of P. R. Smith, of Georgia, to be a member of the Board of Directors of the Commodity Credit Corporation.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. TAX COURT

The assistant legislative clerk read the nomination of Herbert L. Chabot, of Maryland, to be a judge of the U.S. Tax Court.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL TRANSPORTATION SAFETY BOARD

The assistant legislative clerk read the nomination of Elwood Thomas Driver, of Virginia, to be a member of the National Transportation Safety Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL COMMISSION ON EMPLOYMENT AND UNEMPLOYMENT STATISTICS

The assistant legislative clerk read the nominations of Bernard E. Anderson, of Pennsylvania; Glen G. Cain, of Wisconsin; Jack Carlson, of Maryland; Michael Harold Moskow, of Illinois; Rudolph Alphonsus Oswald, of Maryland; Samuel L. Popkin, of California; Mitchell Sviridoff, of New York; and Joan Lawson Wills, of Virginia, to be members of the Na-

tional Commission on Employment and Unemployment Statistics.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

PUBLIC HEALTH SERVICE

The assistant legislative clerk read the nominations of Thomas C. Chalmers, of New York; Kelly M. West, of Oklahoma; Samuel Richardson Hill, Jr., of Alabama; Doris H. Merritt, of Indiana; Cecil George Sheps, of North Carolina; James Franklin Williams II, of Michigan; and Nicholas Edward Davies, of Georgia, to be members of the Board of Regents, National Library of Medicine, Public Health Service.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the votes by which the nominations were confirmed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that motion.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

Mr. ROBERT C. BYRD. I thank the Chair, and I thank all Senators.

THE PANAMA CANAL TREATY

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Executive N, 95th Congress, 1st session, Calendar Order No. 2, the Panama Canal Treaty, which the clerk will state.

The assistant legislative clerk read as follows:

Calendar Order No. 2, Executive 6 (95th Cong., 1st sess.), the Panama Canal Treaty.

The Senate continued with the consideration of the treaty.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kansas (Mr. DOLE) is recognized to call up an amendment.

AMENDMENT NO. 69

Mr. DOLE. Mr. President, I call up amendment No. 69 to article I of the Panama Canal Treaty and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes amendment numbered 69.

At the end of article I, add the following:

5. For the duration of this Treaty and consistent with the provisions of Article IV, the Republic of Panama and the United States of America agree that, subject to the other provisions of this Treaty, only the military forces, defense sites, or military installations of the Republic of Panama or of the United States of America may be maintained in the national territory of the Republic of Panama.

Mr. DOLE. Mr. President, as everyone perhaps understands we are now in the process of discussing and hopefully responsibly amending the Panama Canal Treaty.

The Panama Canal Treaty extends from the date of ratification until the year 2000 and, as the preceding Neutrality Treaty, contains many important provisions, and some are controversial.

There will be disagreements and there will be efforts by some to clarify through amendments whether we are talking about payment guarantees to Panama, the so-called sea level canal restrictions, transition provisions for Canal Zone, employment provisions and mutual defense arrangements. All these areas are highly controversial.

The Senator from Kansas would point up at the outset that while the first, the so-called Neutrality Treaty, was highly important, it is this treaty, the Panama Canal Treaty, which, in effect, transfers the canal and all property to Panama. This is the big one. This is the one that the American people have been focusing on for many, many months.

And having had the opportunity to visit in Indiana, Kentucky, and Ohio this past weekend I can say that the American people and my own State of Kansas are still very concerned about the action taken by the Senate last Thursday and are seeking leadership, asking questions, and hoping that there are some in this Senate who may have voted for the first treaty who will find it possible based on good faith and conscience to oppose the second treaty.

Mr. President, the Senator from Kansas from the outset has been trying to suggest amendments. As this Senate looks over the history of what happened in the first treaty starting last September and then in October with amendments offered by the Senator from Kansas, which later became the leadership amendments, after the Senator from Kansas released a cable which indicated the Panamanians had one view and President Carter had another view, the Senate will find that following the release of that cable there was a meeting between President Carter and General Torrijos. Following that meeting there was a memorandum of understanding issued, and following that there were amendments offered by this Senator which incorporated the memorandum of understanding. Through the process of trying to put the package together in an effort to secure the necessary votes for passage, these amendments became known as the leadership amendments, and they did in some small way strengthen the Neutrality Treaty. But there were other amendments, responsible amendments, which were rejected time after time after time on this floor, and only when it became apparent in the closing days of the debate during the so-called accommodation time that certain reservations would have to be accepted, not amendments but reservations, was there any yielding by the proponents of these treaties.

So it seems to this Senator that now we are starting chapter 2. We are now on the real treaty, the Panama Canal Treaty, the giveaway portion, which will now be discussed, and this Senator has no way of predicting what the vote may be or how long the debate may last.

But it does seem to this Senator that we should consider this treaty very carefully, and if appropriate amendments could be adopted maybe this treaty could be ratified rather easily. But if the treatment of those who offer amendments on the first treaty discussed and debated by the Senate is any precedent, I assume they will be stonewalling throughout the debate on this particular treaty.

Many colleagues just could not vote for that treaty, the Neutrality Treaty, without some changes, and as many as 41 votes against tabling demonstrated the widespread concern.

It seems to this Senator we still have some responsibilities; we still have the right to add amendments that are in the national interest.

It is not this Senate's duty to worry about the need for a new plebiscite in Panama. At least the Panamanians had a right to vote on the treaty. The American people do that through their elected Senators, and I would suggest the great majority of Americans are wondering what happened when they have a preponderant and dominant view which is opposed to the treaties, and the treaties are approved by a 68-to-32 vote.

There are some who, in an effort to excuse, I guess, those who accepted reservations or weak understandings or whatever have attributed the opposition to the so-called far right; that somehow those who raised any questions about the treaties are involved in some right-wing organization or right-wing effort to destroy the treaty.

Well, the Senator from Kansas would only say that is a rather lame approach to the problem. I would hope we could oppose and try to strengthen these treaties without being characterized as some far-out group or some right-wing Member of the Senate. But those efforts will be made by certain writers who were never disposed to make any changes, who were pro-treaty from the outset, and who saw every change and every effort by those who wanted changes for the better not as an effort to improve but as an effort to destroy.

That is a right of those who have that

bias, who never look beyond that bias, but the Senator from Kansas does not associate efforts to improve the treaty with any right-wing effort by anyone.

So we are in the process now of considering the first amendment, amendment No. 69, and there will be others. The Senator from Kansas, as in the first treaty debate, Neutrality Treaty, offered only two amendments, and I will offer only a few amendments to this treaty.

The Senator from Kansas time after time agreed on time limitations, and I am willing to do that insofar as this treaty is concerned. So it is not my intention to prolong the debate. It is not my intention to abuse my right as a Senator to extend and extend and extend the debate. But I do hope we will have a chance maybe during this debate to have our amendments voted up or down rather than being tabled.

It seems to me if the votes are there for tabling, the votes are there for defeating our amendments on their merits.

So this Senator will be discussing not just amendment No. 69 but an amendment to reduce payment guarantees to Panama; an amendment to allow the United States to keep bargaining options open for construction of a new oceanic canal; and an amendment to extend the transition period for canal operations; and a reservation which would guarantee human rights.

This Senator may not call up all these amendments because other amendments have been offered that cover the same ground. But all of these aspects should be addressed and discussed. This Senator, however, does intend to call up an amendment to eliminate restrictions against America's freedom to build a new canal anywhere we deem it more suitable.

I trust that the leadership would agree either to support my amendment, which is amendment No. 10, or to support some similar amendments, because it occurs to this Senator that this amendment is one in which there is a great deal of interest.

With reference to amendment No. 69, as stated it would add the following language to the end of article I, and that language would be:

> For the duration of the Treaty and consistent with the provisions of article IV, the Republic of Panama and the United States of America agree that, subject to the other provisions of this Treaty, only the military forces, defense sites, or military installations of the Republic of Panama or of the United States of America may be maintained in the national territory of the Republic of Panama.

Mr. President, this amendment has just one purpose in mind, and that is to insure that no foreign military presence other than that of the United States will be established within Panamanian territory between now and the year 2000.

In particular, this amendment is designed to prevent the stationing of Soviet forces or Cuban forces or the forces of any other nation within Panamanian territory, which could clearly run contrary to the interests of the free world in maintaining a peaceful and stable environment surrounding the canal.

It is obvious from the international situation today, in fact one that President Carter has just recently commented on, that the Soviet Union has not abandoned its traditional policies of intervention and destabilization, particularly around the principal water arteries of the world.

Beyond that, the practice of enlisting and arming mercenary troops to create regional havoc appears to be in full swing. The Cuban Government, which has long sought to broaden its influence in Central and South America, would be a willing tool of Soviet intervention on Panamanian soil.

I might suggest that, perhaps, sometime later this year we might reconsider what we did last year with reference to Cuba when all this big rush to normalize relationships with Cuba was in full swing, and I believe now the administration has learned that is not the proper course and, hopefully, under a proper appropriations bill there will be some limiting language on what we may or may not do so far as normalizing relations with Cuba are concerned.

We do not have to look very far. We just look at the outrageous military intervention of the Soviet Union and Cuba within Ethiopia within the past several weeks to recognize what threats the future holds.

I might say again the Senator from Kansas considers this to be a very significant amendment, and I would think that just what has happened in the past few weeks as far as the Russians were concerned and as far as the Cubans are concerned would alert the American people and my colleagues to the real danger, and the need for this kind of an amendment.

If the Cubans can go to Angola, and if the Cubans can go to Ethiopia thousands and thousands of miles away, then I would suggest that Panama must be a very tempting target. I propose we undercut that threat before it ever happens, and now is the time to do it.

The frank reality of the situation is this: Unless this provision is adopted, the Government of Panama will be entirely within its rights under the new Panama Canal Treaty to allow foreign troops to be stationed anywhere in Panama regardless of whatever misgivings or objections the United States may have. Foreign troops could be based not just in remote areas of Panama but even within in the present Canal Zone because we are giving up over 50 percent of that territory.

They could be right on the banks of the canal in some places—right up against remaining American military bases and within close proximity of the canal.

Because the Canal Zone immediately becomes Panamanian territory upon ratification of this treaty, and because the remaining U.S. presence is limited to certain designated areas for military bases and housing, there will be nothing to prevent Panama from doing whatever she likes with large portions of the Canal Zone. She may grant permission to whomever she likes, to move right into the American military base areas transferred to Panama under this treaty, for example. And the sad fact is that we have no legitimate grounds for objecting or blocking such a move.

The Senator from Kansas simply suggests that now is the time to confront this dilemma and seek a simple bilateral agreement that no foreign troops or bases will be maintained anywhere within Panama during the next two decades. An unwillingness to agree on this matter now makes later agreement all the more unlikely. In fact, failure to secure such a mutual agreement now will make future confrontations over this matter all the more likely. For, if we raise an objection or seek to block the stationing of foreign troops in threatening positions, Panama will inevitably charge that we are challenging her sovereignty. We will be accused of interfering in her internal affairs.

JUSTIFICATION FOR AMENDMENT

Mr. President, this is neither an impractical nor an unreasonable assurance to seek from Panama under the terms of this treaty. I think it is both practical and reasonable to ask for this assurance. My colleagues are well aware that the Panamanian Government has already given us a similar assurance under article V of the Neutrality Treaty—that "only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory" after 1999. Clearly, Panama did not consider such a guarantee to seriously challenge her sovereignty, or she would have never agreed to that provision.

In fact, if anything, the assurance contained within this amendment should enhance Panama's public commitment to national "sovereignty," for it would stand as a clear statement that Panama does not intend to allow others—such as Cuba or the Soviet Union—to intervene within her territory. I do not suspect that the United States, or any other self-respecting government, would hesitate to make such a proclamation, if it were as concerned about sovereignty as the Panamanian Government seems to be.

So this, as I have indicated, is neither an unreasonable nor an impractical demand upon Panama. In fact, it is not a demand at all. By approving this amendment, the Senate will simply be proposing a simple bilateral agreement between our two governments on this point. It will then be up to Panama to decide whether or not she will agree to this proposal.

So it is clearly within our right and our realm of responsibility to propose. and to approve this amendment. I hope the floor managers do not argue otherwise. And I would hope they will permit the Senate to have a direct, up-or-down vote on this amendment, rather than on a motion to lay on the table.

Mr. President, I do not have a large map, but I can display to any Senator who might be interested all the territory we surrender immediately upon ratification.

It is easy to see that well over half that territory which is now within the zone will be turned back to Panama. Unless this amendment is adopted, there is nothing to prevent the Panamanians, a week after ratification, from inviting

in the Cubans or inviting in the Russians; and I just suggest that that if we are really serious about the canal, if those who voted for the first treaty really believe that the canal has any interest insofar as we are concerned, then I ask them to look very carefully at this amendment, because it is offered in good faith. It is offered in an effort to strengthen the Panama Canal Treaty. It is offered as a way to protect and preserve the Panama Canal between now and the year 2000, and it does not take any genius to understand just how close foreign troops can moved to the canal itself without this amendment.

I know we are going to hear all the arguments that they can do that now. But that is not the case now, because they cannot move them within the Canal Zone. Then we will hear the arguments about General Torrijos. We will hear the argument that we cannot have another plebiscite.

I think we have considered those arguments, and I would hope that by now we understand that we have some rights in this country. We have some rights to preserve in the canal because of our interests as well as Panamanian interests, and they may not coincide with General Torrijos' interests, the Cuban interests, or the Russian interests.

I would only say, as I indicated a few moments ago, that if President Carter is so concerned about Russian influence, as he indicated in his strong statement just 2 days ago, then I think he might want to take a look at this amendment. He might want to react favorably to this amendment, because it goes to the very heart of the problem he is now having with the Soviet Union.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, it is absolutely essential, if commonsense in the ratification of these treaties is to prevail, tnat the amendment of the Senator from Kansas be adopted.

I strongly support the amendment of the distinguished Senator from Kansas. There is absolutely nothing in either of these treaties, anywhere, which prevents the Republic of Panama from inviting foreign troops into her territory—and that is true whether we speak of the period before the year 2000 or the period after the year 2000.

Some Members of the Senate are under the impression that the Neutrality Treaty prevents the introduction of foreign troops after the year 2000. As we know, in the treaty which was approved last Thursday, it provides in article V that—

> After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory.

This has been interpreted by the proponents of the treaties as meaning that only Panamanian troops may be maintained on Panamanian soil.

But, as the Senator from Kansas has indicated, if we look at it carefully, we note that the language says nothing about "Panamanian" troops. It says that only Panama may maintain military forces. Thus it is quite clear that Panama can maintain military forces of another nation if Panama so chooses. This is not merely the interpretation of the Senator from North Carolina or the Senator from Kansas; this is the official interpretation of the U.S. Department of State.

Mr. President, I direct the attention of my colleagues to an exchange of correspondence between the Panama Canal Subcommittee of the House Merchant Marine Committee and Mr. Douglas J. Bennet, Jr., Assistant Secretary of State for Congressional Affairs, under date of January 30, 1978. This is not some offhand opinion, or a garbled statement appearing in the newspapers. This is premeditated, official correspondence in which the Department of State responds officially to a duly constituted committee of the Congress.

Mr. DOLE. Mr. President, may we have order in the Senate?

The ACTING PRESIDENT pro tempore. The Senate will be in order.

Mr. HELMS. First, the question put to the State Department:

> Does Article V of the Neutrality Treaty after the year 2000 prohibit training of foreign troops in Panama? Temporary military exercises by the United States in Panama? Temporary military exercises by Cuba, or other non-U.S. or non-Panama military Units?

That was the question. Now here is the official answer from the State Department:

> Article V of the Neutrality Treaty would not prohibit Panama from inviting foreign troops, including those of the United States, to Panama for temporary exercises or training. The Treaty does provide that only Panama shall maintain military forces, defense sites and military installations within its territory. Any exercise or training by foreign troops that we judge constitutes a threat to the Canal would be a violation of the Treaty, and as such it would allow the United States to take appropriate countermeasures.

Now, Mr. President, our present debate is about the Panama Canal Treaty. But those Senators who are relying on the Neutrality Treaty to prevent the introduction of foreign troops in Panama are making a grievous mistake. For the State Department is admitting freely that Panama can legally bring in other foreign troops, including troops of Cuba or any other nation that may be hostile to us.

What would be our recourse if thousands of Cuban troops were brought in for alleged "training" or alleged "temporary exercise"? The State Department spells that out. The State Department claims that we have the unilateral right to use force against Panama, if in our judgment—that is, in our unilateral judgment—the introduction of Cuban troops would threaten the neutrality of the canal.

So we see what could happen, Mr. President. We have the makings of a potentially explosive situation, which the Senator is trying to avoid. For if there is nothing to prevent Panama from bringing in Cuban troops after the year 2000, there is obviously nothing that prevents Panama from bringing in Cuban troops before the year 2000. That is why the amendment of the Senator from Kansas is so essential.

The presence of U.S. troops in the U.S. bases in Panama, right next to troops of a foreign nation, troops that might be hostile to ours, would create a tinderbox in international relations. We would have to use force, or withdraw. Would we take action to prevent the introduction of, for example, Cuban troops? Would we blockade Panama? Would we blockade Cuba? The answers are so obvious—and this is in response to what the Senator from Indiana is about to say, I am confident—that I need not spell them out. Indeed, our military rights might even be more of a danger, than a protection.

Mr. President, once we give up the exercise of sovereign rights in the Canal Zone, then we are shut out under international law from taking whatever steps we deem necessary. We might decide that, to protect our rights and to protect the canal, we must use force anyway. But to do so would be illegal, and would fly in the face of all the solemn international obligations that we have undertaken. These treaties, frankly, are putting us in an untenable situation.

The amendment of the distinguished Senator from Kansas would, at least in a small degree, prevent the development of an explosive situation. Of course, Panama could still abrogate the treaties. But the amendment of the Senator from Kansas would set up a situation where Panama could not let a dangerous situation develop by degrees. Her alternatives would be to abrogate the treaties, or to violate them outright. Thus it would prevent the backdoor growth of confrontation. It would be a deterrent to the more drastic actions of abrogation or violation.

Moreover, the Senator's amendment amends article I. It is in effect a restriction on the return of the exercising of sovereignty to Panama. In other words, Panama would legally be prevented from exercising a certain sovereign right, the right to have troops from other nations on her territory, for the next 22 years. This restriction is essential if these treaties are going to work.

I commend the Senator for proposing his amendment.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mr. DOLE. I thank the distinguished Senator from North Carolina. I think he indicates very briefly and very well what the problems could be. I defy anybody who opposes this amendment to tell us what they are going to do if Cuban troops are invited into Panama—I still want some answers—and what they intend to do if Russian troops are invited into Panama.

I think we are getting down to the hard ball of this debate. We have had all the preliminary rounds on neutrality, but now we are down to that part of the treaty that really concerns the American people, and it concerns a number of Senators who voted for the Neutrality Treaty. It is time we started getting

some clear answers to the hard questions, instead of a lot of rhetoric in an effort to console some Senators to get their vote.

I would guess if we asked the American people this question—of course, we do not have the right to ask the American people to pass on these treaties as that only applies to Panama. The Panamanians have a plebiscite. Ours is indirect, through our elected Senators. But I would guess if we asked the question, would the canal be threatened if there were Cuban troops stationed there within a mile of the water, or less, between now and the year 2000, most Americans would at least think there might be some threat to the canal itself and to its neutrality between the day of ratification and the year 2000.

I do not know the answer. I would not know how to respond to someone who would ask me what would be our reaction. I would not know how to respond based on President Carter's recent statement about détente, and his warning to the Russians.

It seems to me, as I have indicated earlier, that if the Cubans are willing to go thousands of miles to interfere in Angola and the Horn of Africa, and who knows where else, the Panama Canal is a fairly attractive target.

Maybe there is some foolproof answer that the treaty proponents have. Maybe it is time that we take a look at what we are about to do and then step back and suggest amendments might be in order.

It does not really answer the question just to have the stonewalling we have had for the past 4 or 5 weeks on every amendment. It does not really satisfy those Americans who are concerned about the canal. As I have indicated before, they do not all belong to some right-wing nut club. They are concerned Americans, they are Democrats, they are Republicans, they are independents, who have an interest in what we do.

I would hope that we have some clear and compelling answers from the treaty proponents.

I pay tribute to those who were able to secure the 68 votes, the leaders of the Republicans and the leaders of the Democrats, the leaders of the pro treaty forces. I am not certain what was accomplished, but they had the votes. It seemed to some of us that we could accomplish more with appropriate amendments, but the leadership operated to table every amendment.

Maybe that is the statesmanlike approach. Maybe we should abandon or abdicate our responsibilities as Senators for 1 week or 2, or 3 or 4 or 5, so that we do not disturb General Torrijos, so that we do not embarrass General Torrjios with another plebiscite. This Senator is convinced that there is a great deal of concern across America—not anti-Panamanian, but sort of a pro-American concern. You know, there is really nothing wrong in talking about the rights of America. It really is not unpatriotic to talk about our rights in the canal.

The Senator from Kansas never understood the great rush by this administration to normalize relations with Communist Cuba, to normalize relations with Communist Vietnam, to give away the Panama Canal without any amendment that might be meaningful. I hope that in the next 2 weeks, or 3 or 4 or 5 weeks, as we debate thoroughly the Panama Canal Treaty, the American people, the thoughtful American people who vote for us and send us to the Senate, will have a chance to be heard. They do not all speak with one voice. There are some differences of opinion. Some do not think we ought to do anything to the treaties, that they ought to be ratified.

I hope that, when we offer responsible amendments—and I believe this is a responsible amendment—unless the questions can be clearly answered by the pro-treaty forces in the Senate, those who are willing to give it to Panama without any amendment, those who are willing to give the canal to Panama without any assurance, at least ought to clarify for the American people, for their own constituents and their own States, the answers to some of these questions that have been asked us time after time.

I hope that an amendment like this could be adopted, could be accepted. I am not optimistic, but I do not really see any real reason for its rejection.

I am happy to yield to the distinguished Senator from Nevada for any comment he might have. I yield the floor.

Mr. LAXALT. I thank the Senator from the good State of Kansas. I rise in support of the amendment. I commend the Senator from Kansas for raising a point that has been raised many, many times over to each of us by thousands and thousands of constituents out in America. They are concerned about the proposed Cuban influence. Time and again, I have been asked the question, "How can the Senators be so naive as to think that if Cuba, at the behest of the Soviets, will travel thousands and thousands of miles away to Africa and is now in the Horn of Africa, if the canal comes under the power of General Torrijos, an admitted friend and associate of Mr. Castro, the Cuban presence very quickly would not be keenly felt within Panama itself?"

In that regard, I think one of the finer statements that has been made during the course of the hearings was made by none other than Adm. Thomas Moorer in testimony before the Committee on Foreign Relations. For a moment, if the good Senator from Kansas will permit me, I should like to read from that testimony so that our colleagues and the American people can see the strong concern of this man who is totally independent, not responsive or responsible to the administration or anybody else. He is an independent, dedicated American. The depth of his concern was expressed in his testimony to the Committee on Foreign Relations:

> As Chairman of the Joint Chiefs of Staff, I became even more sensitive to the strategic value of this U.S. canal as a means of protecting the security of the United States. My job as Chairman involved all of the Armed Forces of the United States—their collective requirements—and I was primarily responsible to the President for their ability to carry out their roles and missions as assigned by the Congress. Any naval commander acting in that role in wartime will immediately perceive that it is vital to U.S. interest to retain complete ownership and control of the Panama Canal.

That is what this second treaty is all about. We are trying to determine, as the Senator from Kansas said, the gut issue: Is this country trying to give up control and ownership of the Panama Canal? We have dealt now with the sequel, the Neutrality Treaty, what happens after we give it away. Admiral Moorer has confirmed, in his statement and his testimony before the Committee on Foreign Relations, the concern of many of us on this side of the aisle as well as the other side of the aisle.

Quoting again from Admiral Moorer:

> In view of the above, I am very much concerned about the proposals to surrender the Panama Canal to a leftist oriented government allied with Cuba. There exists the potential danger for giving this U.S. advantage to a man who might allow or might be persuaded that it was in his best interest to permit Soviet power and influence to prevail by proxy over the canal, in much the same manner as happened in Cuba.
>
> I was convinced as Chairman of the Joint Chiefs of Staff, and I remain convinced today, that if the Soviet Union ever gained even proxy sovereignty and control over the U.S. Canal Zone and canal through Cuba, U.S. security as well as U.S. prosperity would be placed in serious jeopardy.

That is what this is all about. We have contended here that having full control over the ownership and the operation of that canal is vital, not only to Panamanian security and hemispheric security, it is vital to our own security. That is precisely what Admiral Moorer was saying in his statement.

Going further into the statement:

> The United States would be placed in jeopardy because interocean mobility would be threatened. The mobility of allied commercial lifelines of the entire Western Hemisphere would be needlessly jeopardized, and the point is: There is no point in surrendering this vital interest. Also, by relinquishing control of the Canal Zone and the canal, we would force all those nations who depend on our power and leadership to accommodate to the adverse implications of such action on our part. Recent history clearly indicates that the Canal Zone could quickly become the satellite base of an adversary. The advocates of this proposed treaty do not appear to take this factor into account.

That is what this is all about. That is precisely the concern that the Senator from Kansas expressed through this amendment, that between now and 2000, for the next two decades plus, we safeguard against the possibility of having foreign troops placed in Panama on a proxy basis.

Quoting further:

> The Panama Canal is one of the four maritime gateways of the world, together with the Malacca Straits, the Suez Canal, and the Gibraltar Straits.
>
> Anyone who reads Soviet literature concerning maritime affairs soon learns that the Soviets fully understand the strategic importance of the Panama Canal, even if some here in Washington do not. In my view, the prime reason for the burdensome support of Cuba by the Soviet Union is related directly to the interest in the canal as they greatly expand their maritime capabilities in the form of both warships and merchant ships.
>
> We have, in fact, in my view a Torrijos-Castro-Moscow axis.

That is critical to this discussion. This amendment would preclude that type of axis from implementing whatever agreement or understanding they may have to the extent of a visible military presence within Panama. That is precisely what Admiral Moorer says in this. I repeat that statement:

We have in fact, in my view, a Torrijos-Castro-Moscow axis. Castro has sent thousands of troops to Africa aboard Soviet ships. He has been to Moscow where he has been greeted with open arms. Torrijos has been to Havana where he has been decorated by Castro while both extolled the success of their respective revolutions. He has also been to Libya to visit Qadhafi who, next to Castro, is the most active international revolutionary in the world.

When Torrijos overflew Havana on his return from Washington to Panama after the ceremonies last month, he sent the following message to Castro, and I quote:

"On my return trip to my country and flying above the sky of Cuba, I salute you with friendship always. I wish that the Cuban people under your skillful leadership continue its ascendant march toward progress. In Latin America your name is associated with feelings about dignity that have been channeled toward the ending of a shameful period of colonialism."

In addition, I would note that a large Russian commission has recently visited Panama seeking concessions and offering economic assistance.

Mr. Chairman and members of the committee, do not be surprised if this treaty is ratified in its present form, to see a Soviet and/or Cuban presence quickly established in the country of Panama. Such a presence will seriously complicate the exercise of the claimed "right" of the United States to intervene. I can find no such specific right contained in the treaty, however.

It has been stated time and again on this floor that we need not be concerned, that we are breast beating, that we are fighting ghosts sitting out there, that there will be no Cuban presence, be no Soviet presence.

General Torrijos, if the good Senator from Kansas will remember, told us personally that this was no problem. He would not permit it.

Well, if it is no problem, why do we not express it? Why do we not make sure there is no problem by adopting an amendment that will be within the four corners of this treaty, so that at least within the next 22-year period we can all be assured that there will be no Soviet presence there through the Cubans as a proxy?

So I commend the Senator from Kansas. I think that this is an amendment that is as purposeful and substantive as anything we have treated on this Senate floor, in all probability, despite their merits, which have not seemed to mean much around here.

We have the responsibility of advice and consent. So far, it has been all consent and very little advice—that is what I have observed on this floor. But I think that if there is a substantive amendment with merit, this is it. It is absolutely essential that we protect our rights as a country by adopting this kind of amendment.

If we are stonewalled, as we probably will be again, by people against this amendment, I think it will render a great disservice, not only to the Panamanians and the treaty, but to the American people.

So I strongly support the amendment of the Senator from Kansas.

Mr. President, I yield the floor.

Mr. BAYH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Indiana.

Mr. BAYH. Mr. President, I have not participated often in these debates. I have listened carefully and, as my colleagues recall, I have, when asked, been prepared to supply certain very sensitive information to Members of the Senate, which was made available to the Intelligence Committee, so that my colleagues could best render judgment on the particular question in mind.

Inasmuch as I feel it is important to maintain the objectivity, inasmuch as it is possible to maintain it in the eyes of those who might reach a different conclusion, but as much as I feel it is important to maintain the objectivity of information coming from the Intelligence Committee, I think it is important for me at this moment to say I am not speaking as chairman of the Intelligence Committee, but I am addressing my colleagues as one of 100 Members of the U.S. Senate who feels very strongly about the obligation that we have here.

I have listened previously, and as I listen this morning, somehow or other, the inference slips into the words of those who seem to oppose the treaties and those who, for what would appear to them to be very good intentions, offer amendments, that if a Member of the U.S. Senate dares to disagree, feels that the treaties are important and that the amendments are not necessary, that we are part of some sort of stonewalling cabal, that we are really not sensitive to our responsibilities as Members of the Senate.

If, indeed, that inference has been sensed by others, I think it is most unfortunate. It is sad when Members of the U.S. Senate cannot disagree on the merits of an issue without suddenly being accused of being irresponsible in the fulfillment of their obligations under the advise and consent treaty ratification provision of the Constitution of the United States.

Frankly, I do not think there is sanctity in the treaty wording. I have been prepared to support those amendments which were proposed which I thought went a long way to clarify the rights of the United States, as well as the obligations of the United States under the defense and neutrality provisions of the previous treaty.

But I think it is important for us to understand just what we are talking about here, and I do not want to impugn the motives of my distinguished colleague from Kansas, or others.

But I think on any amendment which goes to really change the understanding of the words that are now there, the proposer or the supporter of those amendments needs to realize the consequences.

I suppose that any one of us, collectively, in the committee sitting around here, could make changes in wording that might look, in retrospect, to be a bit better or more clear.

We have had a good deal of air, both fresh and hot, flowing through and around these treaties since they have been signed, and hindsight is always much clearer focused than foresight.

The fact of the matter is that these treaties have been under consideration and negotiation for 14 years. We have had administrations of both political parties, reaching back almost a generation, trying to resolve differences of opinion between our two countries.

Now, if one is to negotiate a settlement, almost by definition neither side is totally satisfied with the final results.

But the final results look better to both sides than the alternative of no resolution of significant, outstanding differences.

So we are given the language of the treaty which, as far as the Senator from Indiana is concerned, clearly protects the two basic rights that are important to the United States, the two basic circumstances that are important to the United States; that is, the absolute necessity of seeing that the canal remains neutral and accessible and available, not just to our ships and our merchants, but the ships and merchants of the world.

It also guarantees in my judgment, our right to defend that canal against those adversaries who would not want it to remain open.

As I look at this treaty, I recall some of the remarks that have just been made which suggest that some of us, who might look at this particular amendment from a little different perspective or, indeed, the entire treaties from a little different perspective from that of the Senator from Kansas, the Senator from Nevada, or the Senator from North Carolina, might be afraid to embarrass Mr. Torrijos.

I do not see how anybody can direct that particular comment to the Senator from Indiana because if there has been anything that has been the cause of embarrassment to the goverment in Panama, there has been the very frank and open disclosure for the first time of certain facts, certain undertakings, by members of the Torrijos family.

Sure, they are embarrassing, but they are factual and they came out. The Senator from Indiana not only supported that, but was one of those who initiated it.

To suggest, as I mentioned a moment ago, that by having a different perspective of this amendment or the treaties is an abrogation of our responsibilities as Senators, I think is a bit unkind as well as totally inaccurate.

I have been out in my home State over this last weekend. I am glad that my colleague from Kansas was there and having a chance to address the members of the other party at a festive occasion. I am glad they chose one of the best orators to grace their festivity.

I might disagree with them and with my colleague from Kansas, but I like for them to have the best, and they had one of the best in Indiana.

I had a chance, of course, to renew the rather constant communication I have with my State. I must say the Senator from Kansas is accurate, there is a great deal of concern out in Indiana, and I think perhaps in every State, about the Panama Canal treaties.

(Mr. SARBANES assumed the chair.)

Mr. BAYH. I must also say there is a great bit of misunderstanding about the Panama Canal treaties. I sent out a questionnaire at the end of last year, which I think pretty well reflects this. It has been proven by those who are a bit more professional than I in the past few days, but one of the questions I asked was did my constituents support the Panama Canal treaties, and not surprisingly, by almost a 3-to-1 margin, the answer came back "No."

Then I asked a second question, which said, if you believe the treaties gave the United States the right to defend the Panama Canal, would you support the treaties? Whereupon, an additional percentage answered in the affirmative, which just on those two questions showed that a majority of the people of Indiana would support the Panama Canal treaties, if they believed the United States had the right to defend the canal.

We have the right to defend the Panama Canal, yet the treaty opponents have constantly harped away, and drummed away, at the fact that we do not have the right to defend.

Admiral Moorer suggested that suddenly there will be a massive infusion there of Communist troops and ammunitions. The fact of the matter is anybody who bothered to read the fine print of the treaties, particularly to read the amendment that was adopted, presented by both the Republicans and the Democratic leaders—and this is not a matter of dispute where we have all Republicans on one side and all Democrats on the other—has to come to the conclusion that the treaty does indeed give us the right to defend the canal.

As I listened to the testimony read by our distinguished colleague from Nevada about what Admiral Moorer said, I would suggest that maybe the people of the country ought to have a chance to read all of Admiral Moorer's statement that was given before the Armed Services Committee because there can be no question about Admiral Moorer's patriotism and his service to the country as an outstanding naval officer. There certainly can be some rather significant questions raised about whether he knows what he is talking about from a legal standpoint, if one looks at the way he addressed the legal and constitutional question of the treaty that was before us.

But Admiral Moorer seems to suggest that being for or against this treaty divides us into camps in which we are either for or against the continued use of the canal. I would like to suggest that certainly is inaccurate. I have not had a chance to discuss this particular point with all of the other 67 Senators who voted "yes" the other day, but I would doubt if a single one of them was prepared to endorse any proposition that would lessen our ability to use the canal or that would signal that the canal was less significant to the United States, from a standpoint of national policy.

Now I think it is important to look at this amendment, not only from the standpoint of the language of the treaty which the Senator from Kansas attempts to clarify, but I think it is important also to look at it in terms of what the situation is now without a treaty.

All this talk by Admiral Moorer about the Torrijos-Castro-Russian axis somehow or other totally ignores the fact that the Panamanian Government does not even recognize this and does not recognize either Moscow or the People's Republic of China. The Panamanians do not have relations with the Soviet Union and the Panamanians, interestingly enough, still recognize Taiwan as the mainland government of China. It is rather unusual now to suggest that suddenly they are going to have the Kremlin send in large numbers of surrogate armed forces wearing Cuban uniforms.

I think if we are going to address ourselves to what is going to happen between the time of signing the treaty or the ratification of the treaty and the year 2000, as far as the absence of foreign troops adjacent to the canal in Panama is concerned, maybe we ought to ask ourselves what the present status is. What is the present status under the 1903 treaty? I have not heard Admiral Moorer discuss this concern. Under the present status the Panamanian Government could invite the Russians and the Cubans to come in. The fact of the matter is they have a legal right to do that now under the 1903 treaty. They have not done it.

We are told by our distinguished colleague from North Carolina, as well as the Senator from Kansas, and others, that the fact that the Cubans have gotten on Russian ships and airplanes and gone to Ethiopia and Angola is good reason to believe they are going to go to Panama. Quite the contrary, in my judgment. The fact that they do go to Ethiopia and they do go to Angola is predicated on the understanding, in my judgment, that they know that those places are not just that important to the United States and they are not going to have to deal with the United States.

If they look at the record, not just to rhetoric of what happens when you get to fooling around in Uncle Sam's backyard, they are not going to sleep very easily if they are thinking about undertaking any such misadventures.

What happened when they put Russian missiles in Cuba? In did not take very long for John Kennedy and the U.S. Navy to get them out of there. We had no hesitancy in sending large numbers of troops into the Dominican Republic. There was no treaty. We sent military forces into Guatemala. There was no treaty.

The fact of the matter is, when you are in the Caribbean, you are in the U.S. backyard, and if you are inclined to do the United States ill you better stay out of there because if you come in there and it begins to look as if this is going to jeopardize the security of the United States and the safety of the people of America, Uncle Sam has unequivocally undertaken to do what is necessary to get those foreign powers removed.

We have not been bashful. And frankly, we have not looked for a whole lot of treaties and international precedent to rely on. And I suggest to anybody who thinks otherwise that once this treaty is ratified or is not ratified, we are going to take whatever steps are necessary adjacent to that canal in order to protect it.

I must say that contrary to the interpretation of my distinguished colleague, my friend from Kansas and I come to a different conclusion. Certainly, I do not impugn his motives at all but, as I see it, we do not have a treaty right to act if the Panamanian government now invites Russian or Cuban troops in there. The Senator from North Carolina talks about the thousands of Cuban troops. Well, that is sort of ridiculous, but suppose the Panamanian Government did undertake this. While we do not have any treaty right to intervene now, I think we would. The 1903 treaty does not give us that right, but, in my judgment, if this treaty is ratified we would not only have a right but we would have a responsibility to act. There is no question about what the prohibition is after the year 2000.

But let us suggest that Mr. Torrijos or someone who comes after him might be so naive and such a poor student of history as to not understand what the United States is going to do and thus they invite the Russians to have a training activity or the Cubans to set up a training camp within a mile, within the very sight of the canal, as our colleagues suggest might happen.

Well, in the very document that our colleague from North Carolina used to try to prove his point, and which he was quoting the State Department's response, it seems to me he answered the question. He should have allayed his own fears because in that very document it says that would happen. The United States would unilaterally decide on two basic points: one, whether the neutrality of the Canal Zone was being threatened by the presence of those troops, and; two, whether our right to defend the canal was going to be put in jeopardy by the presence of those troops, and that at any time the presence of those troops ran contrary to both the obligation of neutrality and the obligation and the right to defend the United States would act. And I suggest anyone who feels otherwise perhaps should get out the history book and look not at what we have said in the past but what we have in fact done in the past.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. BAYH. I am glad to yield.

Mr. CHURCH. I commend the Senator for his well-reasoned argument. I wish that we could conduct this debate without resort to fantasies. It is easy enough to concoct dismal versions of the future and to base one's arguments upon worst case situations.

But reasonable men and women must ask themselves the question, what likelihood is there, between now and the end of the century, that the Government of Panama will provoke a confrontation with the United States by inviting foreign troops onto Panamanian soil?

The answer to that question is that

the chances are practically nil, given the fact that Panama has had such an option under the existing treaty and never, in three-quarters of a century, has seen fit to invite foreign troops onto Panamanian soil.

So if the past is any measurement of the future, and I know of no better way to gage the future than from the past, there simply is no reason to fear that the Panamanian Government is going to do anything so foolish as invite foreign troops into Panama.

Having said that, will not the Senator agree that the best way we can assure ourselves that nothing so fanciful will ever occur is to ratify this treaty? That would preserve the good feeling which now exists between the two governments and, indeed, the two peoples. For then we would have followed through with a commitment we gave to Panama 14 years ago, the last time bloody riots occurred in the isthmus, that we would honor the Panamanian right to recover jurisdiction over their own soil.

It seems to me that security for the canal cannot be perceived through midnight fantasies, or nightmare visions of the future, but rather through preserving the existing friendship between Panama and the United States which, for the past 75 years, has worked to keep foreign troops off Panamanian soil.

Will not the Senator agree that, from the standpoint of the canal's security, it is the preservation of the friendship between our two countries that forms the best basis for preventing foreign intrusion in Panama between now and the end of the century?

Mr. BAYH. I think the Senator stresses a good point that the better the relationships between our two countries the less likelihood this is apt to happen, and should there be a change in the regime, which of course is another of the nightmares and it is a very real possibility, I suppose, that there could be a change of regime, but whether it is the present regime or a new regime, they cannot be totally oblivious of the United States' resolve to undertake whatever steps necessary to protect what we consider our national interest with or without every dot and every title of an international precedent to give us the right to do what we did. The Senator will recall—my friend from Idaho is one of the experts in foreign affairs in this country—the steps that we took at the time we were concerned about what was going on in the Dominican Republic. We really did not take a lot of time to prepare the legal groundwork for that. As I recall, we acted and then it became an Organization of American States undertaking, which had a broader effect, but we were not so concerned about the legal niceties at the time this all started. And one would assume we will continue to do what is in our national interest. That is a cold fact of international relations.

Mr. CHURCH. Of course, I agree that in an emergency any nation does what it finds necessary to preserve its vital interests. The United States has done that in the past and will again in the future if it should become necessary.

But the point I stress is that we enjoy today a friendly relationship with Panama and her people, and nothing is more important to the future than the preservation of that good feeling.

The members of our Chiefs of Staff and a number of our retired generals and admirals familiar with the situation on the isthmus all stress that the security of the canal depends, more than on any other factor, on the cooperation, the friendship, and the good will of the people of Panama.

Mr. BAYH. The Senator is absolutely correct and I wish to suggest and ask his thoughts on this. I happen to have the opportunity to chair that subcommittee of appropriations on transportation which handles the Panama Canal budget and, as he knows, the last couple of years we have had a deficit and the taxpayers of America have theoretically been supporting some of the Panama Canal operation, and the Governor of the Canal Zone has pointed out in testimony before our committee that we are going to have to increase tolls in the future anyhow. The question is by what amount will we increase them. But the one ingredient of this treaty that I think has not been stressed as much as I think it should be stressed, along the lines of the reasoning of my colleague from Idaho, is that under the new treaty the Panamanians will have an incentive to keep the canal open.

Mr. CHURCH. Yes, even more so than they had in the past.

Mr. BAYH. Even more so than they have now. As the Senator points out, this thrust of concern as far as defense goes has been commented on by General Brown or Admiral Holloway, and I assume even Admiral Moorer. They could not really believe the Russians or the Cubans are going to be able to mobilize divisions to come in and take over the canal.

What we are concerned about is the sabotage, one bomb in the bottom of a ship that is triggered by some nationalist sitting on a hill with an electronic device, and the canal is useless no matter what the language of the legal documents say.

Mr. CHURCH. The Senator is quite right. The nature of the threat most to be concerned about is sabotage, harassment, and guerrilla warfare.

Again and again, our best informed military spokesmen pointed out that if we want a secure canal, an open canal, a usable canal, an operating passageway between the seas, then the best assurance for getting it is in partnership with a friendly Panamanian people.

Indeed, they went further and stressed that without the support of the Panamanian people, if the military were forced to keep the canal open in a hostile environment, it could require as many as 100,000 American troops, at an expense that would make the costs associated with these treaties pale in comparison.

Mr. BAYH. Will the Senator permit me to interject here a rather succinct observation? Secretary of Defense Brown in committee hearings on this point said:

> The canal was built for shipping, not slogans. We seek to guarantee transit of vessels, not theoretical claims of title. These goals we have sought, as I said at the beginning, are practical. The issues before you are practical ones. Our negotiations have obtained instruments which, more certainly than thousands of forces and their armaments on the spot, will assure those practical objectives for generations to come.

In other words, what we want to do is to try to keep the canal open without having to prove we can fight, but leave that as a last alternative which, of course, will always be there.

Mr. CHURCH. Absolutely. The question is extremely apt and makes the point most forcefully.

I would just like to say one other thing, with the Senator's indulgence. I wish we would be mindful that this debate is being carried in Panama from gavel to gavel, translated simultaneously into Spanish.

Everything we say on this floor is being broadcast not only to the American people through public radio, but also to the people of Panama as well.

I, for one, wish them to know in Panama that there are Americans who appreciate the long, the faithful friendship that Panamanian people have shown toward the United States for the past 75 years.

I, for one, want them to know that there are Americans, and I believe them to be in the great majority, who appreciate the fact that Panama stood by us as an ally of the United States in both world wars of this century. Indeed, if my information is correct, the Panamanian Government, following Pearl Harbor, actually declared war against Japan before the Congress of the United States did.

When I hear some of the deprecating arguments directed toward Panama and the Panamanians, I think we ought to remind ourselves of that long period of friendship between this small country, Panama, and the United States of America.

It is to preserve the basis for that friendship that we have this treaty now before us. To do right by the people of Panama will enable us to preserve that close and friendly tie in the future.

Mr. President, nothing could be more injurious to such an objective than to adopt the amendment offered by the Senator from Kansas. It suggests that we have no memory; that 75 years of fidelity mean nothing to us.

The Senator from Kansas says, "Oh, but look, the Russians are in Ethiopia." Well, Mr. President, whatever that may have to do with Panama, it is at least useful to remember that the Russians did not enter Ethiopia until after the Ethiopian Government invited us out. It was only after a complete breakdown in our friendly relations with Ethiopia, that the Russians moved in.

I do not want to see the close ties, the friendship between the United States and Panama jeopardized, because that is what has kept hostile forces out of the isthmus all these years. It is a relationship to be preserved, and it is the basis

for keeping foreign troops away from the canal in the future.

I must say it is a matter far more important than the size of our Armed Forces or the numbers of weapons that we concentrate on the isthmus to protect the canal if the attitude of the Panamanian people were to turn against us, an environment of hostility and violence were to replace the present peaceful relationship that exists between our two countries.

Again I commend the Senator from Indiana for the splendid argument he has made against this amendment, and I hope the Senate will see fit to reject it.

It is my intention, as soon as the Senator from Kansas has had an opportunity to complete his remarks, to move to table the amendment.

Mr. DOLE addressed the Chair.

Mr. BAYH. Who has the floor, Mr. President?

The PRESIDING OFFICER (Mr. NUNN). The Senator from Indiana has the floor.

Mr. BAYH. Mr. President, if the Senator from Kansas has no objection I would just like to finish my remarks and then I will yield the floor. I am nearly finished. Of course, he is the principal proponent of this amendment.

Before the Senator from Idaho leaves, I would like to share one other thought with him to see if the Senator from Indiana shares similar concerns with him.

He stresses, quite understandably, the importance of a good relationship between the United States and Panama. I wonder if we are not dealing with a much broader perspective here.

I recall, back in the time when the Nixon administration had started intensifying the negotiation process, having lunch with a mutual friend of ours who is now the Secretary General of the Organization of American States, Alejandro Orfila.

At that time, Ambassador Orfila was the ambassador to the United States from Argentina. To those who have not had the chance to meet him, I say he is one of the most personable human beings I have ever met, and he is a very good friend of the United States. While he was ambassador from Argentina, he did yeoman service in trying to convey to both Argentina and the United States the importance of mutual friendship.

My reason for wanting to have lunch and to discuss certain problems with Ambassador Orfila was based on my feeling that at that particular point we were in the process of losing about 55,000 American boys in Vietnam, we were concerned about what was going to happen along the DMZ in Korea, we were concerned then as we are now about the prospects for peace in the Middle East, we were concerned about our ability to respond to the Warsaw Pact in Europe, and it seemed to me we were having a great deal of concern about every other part of the world except that in which the United States is located.

It has been a good long time since we have had anything approaching a "good neighbor" policy so far as our neighbors in this hemisphere are concerned, although, from a practical standpoint, the Western Hemisphere is the most important part of the world to us, because that is where we are.

I asked Ambassador Orfila what he would think about undertaking steps to improve our relations with our neighbors in the Western Hemisphere.

As I recall, his general response was as follows: "First of all," he said, "you have to recognize that we are not all alike. We are different. We have leftwingers and rightwingers, and some of them are not talking with one another and are in the process of fighting one another. The second point is that there is only one thing upon which all of the nations of the southern part of the Western Hemisphere can agree and that is that they are extremely unhappy with the United States because of the present relationship with the governing and running of the Panama Canal. They all look at that as the last vestige of gunboat diplomacy, of colonialism."

The ambassador said then—and that has been, really, a number of years ago—"If you really want to develop relationships in this part of the world, you have to deal with the Panama Canal situation, because it affects your relationships not only with Panama, but with every other Latin American nation."

I say to our colleague from Idaho that I get just a little tired of hearing some of the speeches here that tend to divide us into two groups, those who are really concerned about Communists and those who are not really concerned about Communists. It seems to me that some of the strongest anti-Communists we have here, in expressing their support or lack thereof for the treaties, do not understand that the continued existence of the relationship that now exists in Panama gives the Communist subversives in this hemisphere the best ammunition we can give them.

It seems to me that one thing this treaty does is take away that opportunity of every guerrilla band in the hemisphere, in any country, of pointing to the Panama Canal as a vestige of American colonialism, and that we can, by ratifying these treaties, turn this around. We are guaranteeing our right to defend it, and that it will stay neutral, but at the same time saying to Latin America and all the developing nations of the world that the United States is willing to let a small, developing nation run its own affairs as long as it is not inconsistent with neutrality and open access to the canal.

It seems to me that that is something we had better consider here, because our inability to ratify these treaties will have consequences much beyond the immediate relationship between ourselves and Panama, in my judgment.

Does the Senator from Idaho care to comment? He does not necessarily have to, but he has looked at world affairs, as a ranking member of the Foreign Relations Committee, soon to be the chairman, from a much broader perspective than the Senator from Indiana has had an opportunity to do.

Mr. CHURCH. I thank the Senator. I concur wholly in what he is saying. The old 1903 treaty under which we have governed the Panama Canal Zone and administered it as an American colony, even though it bisects this small country and, in effect, cuts it in two, has been a bone in the throat of Latin America for three-quarters of a century. I can think of nothing that would be more conducive to improving our relations with all of our neighbors south of the border than ratifying this treaty, which puts an end to that old resentment. The Senator is absolutely right when he says it is a resentment not confined alone to Panama, but one that has rankled all of Latin America.

Today, it rankles more than ever, because in 1903, the remnants of empire still existed in this hemisphere—though the Latin American wars for liberation had emancipated much of South and Central America before that time—still and all, there were colonies in the Western Hemisphere in 1903. Since then, they have nearly disappeared, along with the colonial empires elsewhere. Today, in their places, are independent governments. Even in the Caribbean, the small islands have achieved their independence. And so the Panama Canal Zone, to South Americans, appears to be the last vestige of colonial control.

We received some very eloquent testimony on this point during the hearings, and it usually came as a result of some member of the committee asking a witness to explain why it was that leftist elements, the Communist elements in Panama, such as they are, and in other countries in Central America, were the most adamant in opposition to the treaties, the most strident. It always seemed to me to be ironic that the leftist elements, the pro-Communist elements in Central America, are the most extreme in their opposition, the most vocal and militant of all against these treaties, while it is the rightwing in this country which takes that position. There is a strange dichotomy here.

In any event, when such questions were put to witnesses before the Foreign Relations Committee, the answers typically took the following form—and I will quote two witnesses to exemplify those answers. One was Gen. Maxwell Taylor, who was a former Chairman of the Joint Chiefs of Staff, as the able Senator from Indiana will remember. He had this to say:

> The Soviet Union always intriguing for leadership in the have-not world has taken as a primary objective the undermining of our Latin American relations, particularly those with our trade partners.
>
> It will always assure to Panama a large allocation of troublemakers to complicate our problems. Turbulence there is always good news to Moscow—so also are American blunders. In this connection, let us hope that we do not give the Kremlin chiefs the occasion to rejoice which our rejection of these treaties would undoubtedly afford.

Then let me quote from our Secretary of Defense, Secretary Brown, who, in a similar vein, said:

> I cannot speak for Mr. Castro, but if I were Castro and I wanted to do the most that I could to increase the influence of Cuba in the Caribbean and in Central and Latin America, and decrease and harm the United States psychology, politically and diplomatically, I would do all I could to see the treaties rejected.

I find it strange to hear such amendments as the one now pending urged upon us in terms of dealing with the Communist threat. The most effective means for dealing with the Communist threat, now and in the future, would be to reject such amendments and get on with the ratification of this treaty. I thank the Senator very much.

Mr. BAYH. I thank my colleague. I appreciate his observations. I might just make one or two concluding remarks before yielding the floor.

Let me direct attention once again to the specific matter before us, the amendment of the Senator from Kansas, which I think, of course, is designed to accomplish a worthy purpose, but it just so happens that the Senator from Indiana feels that that purpose is pretty well inculcated in the treaty as amended earlier.

I would call to the Senate's attention that the specific wording of the leadership amendment talks in terms of the right of the United States to defend the canal against any—and let me emphasize "any"—threat to the regime of neutrality, and, consequently, shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal.

I do not see how anyone can reasonably interpret those words—"shall have the right to act against" anything that threatens neutrality or shall have the right to act against any forces, any aggression or threat, which would impede the transit of vehicles—any other way than to say that if the presence of invited troops into Panama does, in fact, create a threat to neutrality, does, indeed, raise a question of our right to defend, that at that particular instance the United States shall act in such a way as to guarantee neutrality and exercise its right and solemn obligation to defend that canal to open access.

It is my concern that this amendment, if, indeed, it is designed to create any other interpretation, is going to cause a great deal of problems as far as finally getting a treaty. I would urge my colleagues to oppose it.

Frankly, I want a treaty. That is not because I am unhappy with the situation as it exists now. In fact, I must say I find myself in a great deal of sympathy with the statement of the present Chief of Naval Operations, Adm. James Holloway, when he said:

> As I said, my initial position is I would like to see the United States stay in Panama in perpetuity, both to defend and operate the canal, and having the Panamanians want us there. That is not the real life situation that prevails. The Panamanians don't want us there.

Given that situation, it seems to me that a treaty which legally protects legitimate United States and world rights to use the canal, and gives the United States the right to defend the canal, is better than the alternative of the status quo. The status quo, as most conversant military leaders are quick to point out, will not remain the status quo very long. Although I have had some constituents talk to me in terms of the cost of implementing the treaty, the present status quo costs are not going to remain the same status quo costs very long. In my judgment, the obligations and the costs are much more in the national interest of the United States than the costs and repercussions of no treaty.

When I think in terms of having to send—and I use the figures of the military experts, not my figures—100,000 American sons to Panama as a consequence of us having no treaty, then I say, heaven help us from this shortsighted approach to efficiency. Let us have a treaty. Let us be sure that it is adhered to and enforced, and then let us get on with the business of the Senate.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I want to respond to the arguments of the distinguished Senator from Idaho, but I think first I would like to ask the Senator from Indiana one question.

Let us just assume the worst, as now described by the treaty proponents, that the treaties are ratified and next year or 2 years from now Cuban troops are moved in to what now is the Panama Canal Zone area, or let us say within a mile of the canal itself. Would the Senator consider this a threat to the security of the canal?

Mr. BAYH. Yes, I think it would be the same threat as would now exist without a treaty. We would have to respond the same way whether we had the treaty or did not have the treaty, because Cuban troop access would be the same. We do not have that right now. We have a greater right, it seems to me, under this treaty, to respond to those troops than under the 1903 treaty.

Mr. DOLE. We have a 5-mile corridor on either side of the canal which gives a little more protection. As the Senator knows, they could come right to the water's edge with foreign troops, if they so decided. I agree with the Senator, that it would be a threat to the security of the canal. I am just trying to avoid that possibility with this provision. We might avoid a confrontation later on.

If it is preferred to have the confrontation, and I am not suggesting that the Senator from Indiana is saying that, my point is that the amendment is not offered as a killer amendment or as a far-out effort to destroy the treaty. I think we can cite examples. It could happen or maybe it would not happen. Maybe the Senator from Idaho feels that it would not happen. I appreciate the Senator's response to the question.

Mr. BAYH. Of course, the Senator was speaking and I did not want to interrupt him. I think what the Senator from Idaho was pointing out was that there have been troops sent to Angola and Ethiopia, and other places. Nobody has ever tried that with the Panama Canal. I think that is basically because they realize, first of all, the Panamanians do not want to do that, and I do not see why they should want to change. Second, and equally important, I think they have seen that when someone tries to play that kind of international game in our own backyard, they end up getting a bloody nose. Anyone who tries it after the treaty is ratified will find the same thing happening to them in the future.

I share the concern of the Senator from Kansas, but I think that is pretty well handled under the treaty provisions, particularly under the amendment of the leadership which has been adopted by the Senate.

Mr. DOLE. I thank my friend from Indiana.

Ethiopia was cited as a good example. I think it is a good example. We probably could not have perceived 8 years ago that an ally such as Ethiopia today would be in some adversary role and would invite the Cubans and Soviets into their country. I assume if we had a canal there we would be in big trouble.

Much the same can be said for Panama. I want to say, in response to the statement that this broadcast is being heard in Panama, we understand that. We certainly appreciate the efforts of the Panamanian people. I do not know of anybody on this floor who may be hostile to the Panamanian people. But it seems to us that we have a responsibility to the American people as well as the Panamanian people. The Senator from Kansas finds more and more concern and more and more discontent among the American people—not Republicans or Democrats or Independents, but people I have talked with about our failure in the Senate to address some of the real problems.

I might also suggest that if, in fact, this amendment somehow is hostile, though I do not view it that way, to the Panamanian people, it does not disrupt the traditional harmony that has been spoken about. In fact, the Panamanian people would probably welcome an assurance that Cuban and Soviet forces would not be stationed in their country.

This Senator does not have any inside information on how the Panamanian people feel about this amendment. We understand the blanket condemnation that Torrijos has over any amendments. We understand that that is the strategy adopted by the pro-party forces, to accept no amendments unless it is absolutely necessary to secure enough votes for passage and then, of course, take only reservations or understandings.

(Senator BENTSEN assumed the chair.)

Mr. DOLE. To suggest, as has been suggested on this floor, that those of us who have another view, that those of us who have an amendment will not even be permitted to add one word to change the text of these treaties in any way—not even adding one word, as the Senator from Idaho indicated a couple of weeks ago—then it causes us some concern. We wonder what we are really doing here. What do we accomplish by debating amendments, offering amendments, and having them tabled or otherwise disposed of, and then finally, on the last day or two of debate, when they are a vote or two short, certain accommodations are made, certain reservations are agreed to?

It seems to this Senator that we are now getting into the important treaty. This is the giveaway. This is the one the American people do not understand.

They just cannot understand why it is not in our interest to maintain some control and to maintain and operate the Panama Canal.

They cannot understand why some of us who have raised our concerns have them shot down as rapidly as they are raised. They cannot understand why their views are totally ignored.

This is an American proposition we are discussing in the Senate. We are not standing in Panama. We are not dealing with a dictator. We are in a free country. We are expressing our views and offering our amendments in the hope that some might be adopted; in the hope that we might improve the treaties for the American people, at least allay some of their fears and improve the treaties for the Panamanian people and, perhaps, allay some of their fears.

We understand the strategy of the pro-treaty forces. I commend the pro-treaty forces and the leadership of the pro-treaty forces: the minority leader, the majority leader, the distinguished Senator from Idaho, the distinguished Senator from Maryland, and others who have been able to secure enough votes for passage of the first treaty.

I might say to my distinguished friend from Indiana, with reference to embarrassing General Torrijos, I share his views. Certainly, I think he has done his share. I might add that it was done after a great deal of pressure was exerted by some of us who wanted to resolve the question of drugs, I say to the credit of the Senator from Indiana. As far as this Senator is concerned, those were resolved and they were never mentioned after the date we had our closed session and the report was reached by the Intelligence Committee. I think that, in itself, was an outstanding service performed by the Senator from Indiana, the Senator from Arizona, and others.

Mr. BAYH. Will the Senator yield?

Mr. DOLE. Yes, I yield.

Mr. BAYH. Let me say briefly that I appreciate the thoughts of the Senator from Kansas. Although we do not agree on the merits of this amendment and perhaps on the treaty finally, I appreciated the thoughtful approach which he took to this drug problem, which was a matter of concern to all of us.

Although I think, perhaps, the product of it, the report, caused some embarrassment, let me say, in behalf of the committee, that the purpose of that report was not to embarrass General Torrijos or anyone else, but just to get the facts out and if the facts were embarrassing to certain people, that is the way it had to be. We felt our responsibility was not to try to cover up anything, but to give information to the Members of the Senate so they could make the interpretation they thought best on the given issues.

Mr. DOLE. I appreciate that concern. I think the facts were laid on the table as much as they could be laid on the table so the American people could make a judgment. I think they made a judgment. I think the American people decided that, insofar as the drug allegations were concerned, they probably did not deserve consideration and they were forgotten.

As far as this Senator knows, after the cooperation we had from the Senate Intelligence Committee, and, as far as I knew, everything was revealed that could be revealed, that question was laid aside, as it should have been, and we went back to the merits of the treaties themselves.

I say that not only to commend the Senator from Indiana, but to indicate that there are those of us who raised questions who try to be responsible. We are not representing any faction, we are not representing any anti-Panamanian group. We are certainly not trying to scuttle the treaties. But it does seem to us that we should have some input and some impact and, if you will, some consideration of the amendments we offer.

In fact, any movement by foreign troops into any area which is now the zone or whatever is a threat to our security after the treaties are ratified; if the treaty proponents all see it that way, then maybe that might explain why the amendment offered by the Senator from Kansas is not necessary. But it seems to this Senator that one way to avoid that possible confrontation is to adopt the amendment, which simply says, and I repeat it:

At the end of article I, add the following:

5. For the duration of this Treaty and consistent with the provisions of Article IV, the Republic of Panama and the United States of America agree that, subject to the other provisions of this Treaty, only the military forces, defense sites, or military installations of the Republic of Panama or of the United States of America may be maintained in the national territory of the Republic of Panama.

That is consistent with what happens after the year 2000, because our troops will be in the area between now and the year 2000. But during this period of time between the date of ratification and the year 2000, our troops will be phased out and the bases will be phased out.

There is nothing that the Senator from Kansas can find in any of the treaty language that would indicate that Panamanian leaders—General Torrijos or someone else like General Torrijos—that would prevent them from inviting in troops of any foreign countries and putting them in the bases we have surrended. We are giving them the right to occupy those very bases that the American taxpayers handed over to the country of Panama.

The Senator from Kansas also suggests that he considers this to be one of four or five critical amendments to this treaty.

As I have indicated before, this Senator has entered into time limitations, made no effort to extend the debate. But it seems to me that this particular amendment deserves a great deal of consideration.

There was, at least, some inference in the dialog between the Senator from Idaho and the Senator from Indiana that, without trying to characterize their comments, those of us who offered amendments or tried to change the treaties maybe did not fully understand the ramifications or the implications of that.

Perhaps some of us feel the same about some of the arguments on the other side.

Frankly, it is very difficult to explain to the American people, whether it is in Indiana, whether it is in Kansas, whether it is in West Virginia, whether it is in Kentucky, whether it is in Ohio, or wherever it may be, it is hard to explain to the American man and woman—and they are not rightwing, not leftwing, they are American taxpayers that are concerned about the Panama Canal—it is hard for them to understand why amendments are offered and never accepted, why President Carter will not accept any changes in the treaty, why we are bound by some promise, whether contained in a letter to Torrijos or not, not to make any changes in the treaties.

It is hard for them to understand. It was even the subject of some ridicule, I understand, last Thursday night on the Johnny Carson Show, who made some reference to the goats that had been turned loose in the Capitol area—100 goats.

I think Johnny Carson said that before they noticed it, 15 of those goats entered the Senate Chamber and voted for the Panama Canal Treaty.

Now, the American people understand what we are doing here. They also understand what we are not doing here. What we are not doing here is considering seriously the amendments offered by some who want to improve the treaties.

If I had some clear and convincing and compelling argument that the amendment would somehow forever destroy our relations with Panama, or the Panamanian people, that would be one thing, or if I had some assurance from some in this Chamber who last year helped defeat my amendment, but tried to keep us rushing the normalization of relations with Cuba.

Their judgment was not too good, as I look back on it. They were opposing the Senator from Kansas on trying to put any restrictions on our relations with Cuba. They finally worked out some little language that did not mean anything.

What happened in the interim? Twenty thousand Cuban troops ended up in Africa. Even President Carter had to stand back a few steps and say, "Well, maybe we shouldn't be in too much hurry to normalize relations."

I suggest that sometime someone in opposition might be right. That could happen.

It happened with reference to the Cuban amendment on the appropriations bill last year, which was successfully shot down by many of those who now support the treaties. It was characterized by some meddlesome, interfering in foreign policy.

Maybe somebody on that side, the protreaty side, has some inside information from Castro. Maybe there has been some assurance paid during a personal visit to Cuba about whether or not he has any designs on Panama.

That is the question that this Senator wants answered. What happens if, in fact, Cuban troops do go into Panama in 1 year, 3 years, or 5 years, and we have a confrontation? Does that help the people of Panama? Does that

help preserve the neutrality of the canal? Does that keep the canal open for American ships and other ships?

I think we have a right to raise those questions without being, literally, accused of looking under a rock, of always looking at the dark side, because the Senator from Kansas would just remind Senators again about the Cuban situation. Almost a year ago in this Chamber there was a big rush by some to defend Cuba, to defend their intentions, and it was said that we did not understand. We were not on the Foreign Relations Committee, so we did not understand.

The American people are not on the Foreign Relations Committee and they do not understand. The American people are not Senators and they do not understand.

But they do understand that something is happening to the Panama Canal and they do not like it. They do not like the fact that their Senators can stand up and offer amendments and not even be seriously considered.

So we have a problem, those of us who have amendments. We have a decision to make, those of us who have amendments. Should we go through the exercise of offering our amendments only to have them tabled? Is that the way we ought to react? Is that responsibility in the Senate on either side? Because, certainly, this Senator knows, and any other Senator knows, that there are enough votes to table any amendment, and maybe a day or two before the final vote, if the head count shows they are one or two short, maybe a few reservations will be adopted, we will have the accommodation and the visits to the White House, the phone calls, the minority leader and majority leader winding up undecided, and then we will vote.

Or should we, on the other hand, adopt the view that one way to protect the rights of the American people is to offer so many amendments that we will have a vote until maybe May or June?

So if the American people can fully understand what is happening, is there interest in reaching some time arrangement now just because the pressure is on, just because we have been threatened with no Easter recess?

Who cares? Is that such a strong incentive, that those of us in the Senate must give in or lose 4 days' vacation when we are talking about the future of the Panama Canal, which is vital to America's military interests and her economic interests?

Perhaps the protreaty Senators and the protreaty forces and the protreaty press are right, they are in the minority in this body—in this body, not out on Main Street, not out on Main Street that this Senator can find, but they are in the majority in this body. Maybe we should accept their decision.

Maybe we should suggest, as has been suggested, that everybody is going to live in peace and harmony, if we do not upset General Torrijos he will not upset the present relationship with reference to the canal.

Well, if he gets the canal, he will be in power for a long time. This is a big bonanza. This is the big bonanza for Torrijos.

If he is in any danger now of losing power, he will be shored up forever if this treaty is passed without amendment.

How many billions of dollars will this mean to Torrijos? How many dollars does this mean to Torrijos if this treaty is passed? A great many. If we talk about replacement value, or even if we talk about book value, it is millions and millions and millions of dollars.

We are going to be stuck with a bill for maintenance and operation and repairs and we are going to turn over one base after another to Torrijos.

Maybe that is all right in the present day, modern day concerns for Latin America and the people of Panama. Maybe we should not quarrel about value of the canal itself. One billion dollars, $10 billion, $50 billion. Who cares?

Well, the American people care, for one. But their views are not being heard. Their views, for the most part, are being ignored.

But if, in fact, we are going to make the transfer—and this is the transfer, this is it—then what is so wrong with trying to add some amendments that strengthen the treaties? What is so wrong with saying, "I am going to stand up for America," without somebody looking down his nose and suggesting that we are some rightwing nut?

If that is the case, there are a lot of them across the landscape. There are a lot of people saying, "Why doesn't somebody stand up for our rights as taxpayers, why doesn't somebody stand up for our rights and our interest as Americans?"

They are not suggesting we are some big, powerful Nation that cannot deal with the country of Panama. But I think they are suggesting that there should be some safeguards in the treaty.

All we are suggesting in this amendment is what is going to be carried on after the year 2000, when our troops are gone and only Panamanian forces shall have any rights. It seems consistent.

Why do we invite foreign troops to the water's edge? Why the invitation of Cuba to the water's edge? This map cannot be seen, but once the treaties are ratified, not a year from now or 10 years from now, Cuban troops can move right up to the water's edge.

I know we are going to hear that that is not going to happen. Neither were they going to send any more troops to Africa last year, but they have sent 20,000 to Africa. That was not going to happen, either.

Frankly, I do not know what is going to happen, but it seems to this Senator that we should at least try to have a little insurance; we should try to preserve and protect the interests we have. It is not enough to say that we do not have the authority now to keep foreign troops out of Panama.

There was some change in the 1936 treaty. But the point the Senator from Kansas makes is that this new treaty will enable foreign troops to move up within the Canal Zone area—as I have indicated, to the water's edge—and that has not been a threat under the present treaty. There is a 5-mile buffer zone on each side of the canal. That offers some protection. Besides, we now have a number of bases that we are going to surrender when the treaties are ratified.

I suppose the main reason for a new treaty agreement is to address modern-day concerns, which this certainly is. The commitments we give Panama under this new treaty make it more important to obtain this guarantee in return. Panama certainly gains more under the new treaty, and we should be able to expect the same. It seems to me that it is not impractical, it is not unreasonable, to ask for this commitment, since Panama gives us a similar commitment, under the new Neutrality Treaty, for the period after the year 1999.

There is also this argument: "Don't worry about it, because we're going to have our military troops there. They are going to be there until the year 2000." It seems to me that if we were to rely on this argument, we would be inviting trouble. I think the argument underestimates the Soviet-Cuban determination, to which President Carter alluded in the past few days. He is very concerned about it. He sent a tough warning. Such an argument invites inevitable conflict over the sovereignty issue.

If Panama does approve the stationing of Cuban forces on the banks of the canal, which is within their right, once this treaty is ratified, and we use our military presence to prevent it, then we really will have a wide open conflict. At that point, Panama justly can argue that we are infringing on her sovereign rights. There is no doubt in this Senator's mind that world opinion would be with her. We leave ourselves open to justified criticism.

Can you imagine the hue and cry in Latin America? I think many Latin American countries may share a different view from that which has been expressed publicly, because they are concerned about communism, too, but imagine the hue and cry around the world if Cuban troops are invited in and we tell them to get out. I wonder what the outcome would be.

All the Senator from Kansas seeks to do by this amendment is to avoid the potential for this confrontation. Why not have some understanding and argument now on this point? Why wait until it is too late? Why not face up to the problem now, rather than to say, as the Senator from Idaho says, "Don't worry about it; you're conjuring up dark issues, problems, looking under a rock"? I would rather face up to it now than face up to it later. It seems to me that it is more of a challenge to Panama's sovereignty to use force later, if we have to use force later, than to reach some peaceful bilateral agreement now.

I wonder what would happen to those who now argue against this amendment if, in fact, Cuban forces were there, say 2 years from now and there was a show of force. I wonder if they would all stand together and say, "There is not an attack upon the sovereignty of Panama." Or would they be on the other side, saying, "We're interfering with their rights, their sovereign rights"?

So I think the time has come to ask the hard questions and not to accept the evasive, generalized answers. This is a very important issue. It is one that concerns a great many Americans.

Whether we are right or wrong in our approach, we are making a record. We are making a record that someone 6 years or 10 years or 6 months from now may be reviewing for some guidance as to what our policy may be. But now we are told that we cannot do this because it interferes with the sovereign rights of Panama. I suppose the question is, What happens if we do not do this and the Cubans are invited in? Then, what about the sovereign rights of Panama? Then, what will be the world reaction if those who kill this amendment raise their voices?

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. DOLE. I will yield.

First, Mr. President, I wish to withdraw amendment No. 69.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DOLE. Until such time as we can reach a time agreement on the amendment. I do not want to have it tabled while I am out to lunch.

I am happy to yield to the distinguished Senator.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. DOLE. I yield.

Mr. SARBANES. I assure the Senator that no one is going to move to table his amendment while he is out to lunch. We would be happy to try to work with him to reach a time agreement on his amendment.

There has been no such conduct in the course of the almost 6 weeks we have been on these treaties, and I do not expect there to be any such conduct. I want the Senator to appreciate very clearly that there is no intention of doing anything of that sort.

Mr. DOLE. The Senator from Indiana indicated about 30 minutes ago that he intended to move to table the amendment when the Senator from Kansas finished. The Senator from Kansas is not the only one concerned about this amendment.

Mr. SARBANES. If that is the case, we will try to adjust to others who are concerned. I was not here when the Senator from Idaho spoke, but I am certain that when he said that, he had no intention of doing it when the Senator from Kansas was out to lunch.

Mr. DOLE. I do not have lunch, but——

Mr. SARBANES. The Senator is entitled to have lunch. I am not suggesting that he is not entitled to have lunch. We are not waiting for the Senator to go to lunch, to move to table his amendment.

Mr. DOLE. I will take my amendment with me; then I know it will not be tabled.

I yield the floor to the Senator from Virginia.

Mr. SCOTT. Mr. President, I appreciate the distinguished Senator from Kansas yielding. Of course, I support his amendment.

When I was in the Chamber about 30 minutes ago, I was interested in a colloquy between the distinguished Senator from Indiana (Mr. BAYH) and the Senator from Idaho (Mr. CHURCH) in connection with the Dole amendment. The distinguished Senator from Indiana was referring to a conversation he had had with a former ambassador from Argentina, and he was speaking of how the Argentinians felt with regard to this treaty.

I have been to Argentina twice within the past year, and I have spoken with the President of Argentina. I have spoken with the Foreign Minister, with the Defense Minister, and with other officials of Argentina.

And they have informed me that Argentina does not make very much use of the Panama Canal, being on the east coast, being down near the horn; that they use it very little; that they feel that this decision is something between the United States and Panama. It is something that they do not, from a commercial point of view, have any great interest in. And yet, they have their strong, extremely strong feelings that this might be an area for Communist domination and this is something that I heard over and over again, in speaking with the officials of Argentina.

So, I would say that my personal experience has been entirely different from the experience of the distinguished Senator from Indiana.

Now I did not have an opportunity to respond at the time that the Senator from Indiana and the Senator from Idaho were discussing this problem. I did ask at one time that the Senator from Kansas (Mr. DOLE) yield to me so that I could make this statement, but he felt he had not been able to present his point of view and he preferred to go ahead when he had an opportunity and make the statement that he has just made.

I would say, that as far as Argentina is concerned, and I doubt that few Members of the Senate have talked with as many officials from Argentina as the Senator from Virginia has within the past year, because on two trips to that country, even within the past 6 months, I have gotten the definite impression that Argentina, from a commercial point of view, feels that this is a matter to be decided between the United States and Panama, but there is great concern about Communist infiltration and in fact Communist control of this vital artery that is important to us, from not only a commercial but a military point of view.

Mr. President, I appreciate the Senator from Kansas yielding. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LAXALT. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada is recognized.

Mr. LAXALT. Mr. President, I rise once again in support of the amendment of the Senator from Kansas, and during the course of the hearings——

The PRESIDING OFFICER. The amendment is no longer before this body.

Mr. LAXALT. The amendment is now withdrawn?

The PRESIDING OFFICER. That is correct.

Mr. LAXALT. It is going to be resubmitted, if I understand the Senator from Kansas correctly, and I would want at this time to continue speaking to the amendment because it will be before the Senate.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. LAXALT. Before us, as I indicated in my previous comments, and I think in various methods, and we have certainly had our fair share of comment as to the Neutrality Treaty and now to the Canal Treaty, that this probably makes as much and more sense than any.

We have had continuing discussions here on the floor about whether amendments would be an affront to the Panamanian dignity, as to whether any amendments would require a plebiscite, and those arguments and those contentions have been uniformly and roundly rebuffed here on the floor of the Senate, both during the course of the debate and certainly by virtue of the votes that have been taken.

We have had continuing concern here about the security of the canal, and I do not know of anybody in this body who does not have that as a principal goal. There is not a single Senator that I know of who does not honestly feel that we should take whatever steps are required to insure the continued safety and security of that canal, because I think that almost beyond question everybody recognizes that it has had great value commercially. It continues to have great value commercially, not only to Panama but to the hemispheric countries that are involved, our allies there and certainly to the United States.

It certainly has, I think, from the objective view of the experts that we have had militarily, great strategic military values. That being the case, it would seem to me that we should take whatever steps are required to insure that it is properly protected and defended.

Now there were amendments offered attempting to solve that problem and cure that difficulty. They were not adopted as amendments. We had a continuing debate here as to whether or not an amendment would require a plebiscite. I think it is rather clear from the estimation of all concerned, not only here in the Senate but in Panama, that an amendment which materially changes the terms of the treaty would require a plebiscite. That has been a problem for us because it has been uniformly felt here, and certainly the voters recognize this, that to have a plebiscite is wrong. This would submit General Torrijos to another vote of confidence, in his judgment, in connection with these treaties.

I fail to understand that because we have attempted during the course of the debates to poo poo the significance of the fact that Panama is a dictatorship

and has been for 10 years and that we are turning over a vital strategic facility to the Panamanian dictator. All we want is for the Panamanian people to be heard and yet we have been told time and time again that "No, that is wrong;" that we cannot permit the plebiscite, because somehow, to have the Panamanian people heard once again, that might result in the rejection of General Torrijos.

Well, as far as I am concerned, I would rather think that is probably one of the better reasons we should have a plebiscite.

We must bear in mind that when the plebiscite was conducted last year on these treaties there was a rather strong opposition there. It has been stated once again time and again here on the floor that they were resoundly passed.

Well, the fact is that those treaties passed about 2 to 1. The fact is that apparently at least one-third of the Panamanians who voted at that election find objection to the treaty, for whatever reason. Many of them, as we know, who worked with us in the canal zone feel the treaties are bad. They resort to the same type of argument that millions of Americans resort to: there is no justification whatsoever for us to give away the canal. None. And certainly there is no justification, not only to give away the canal, but thereafter to have to pay the Panamanians in excess of $50 million a year for the next 22 years. That to them makes absolutely no sense.

I might say this: In the meetings we had down there I was greatly impressed by the sincerity and strength of their opposition. These are not only Americans working there; these are Panamanians who are citizens of Panama who work within that zone, and who know from a firsthand knowledge what that canal means, how important it is to shipping, how important the whole area is militarily.

More important than that they know Torrijos. They know the kind of government he has. They know it has been a dictatorship. They know that human rights have been constantly violated.

They have indicated to us, many of us who opposed these treaties, "Please keep the debates on as long as possible because we have never had it so good in Panama under Torrijos. As long as these debates continue, as long as their passage remains in doubt, we are in better shape in terms of our own human rights."

So we have a situation here in Panama, it seems to me, where the situation cries for a plebiscite. I think the American people would like to know how the Panamanians feel. I think the American people would like to be heard on these treaties.

It has been suggested often that, perhaps, these treaties should be subjected to a nationwide referendum. It is appealing at first blush. I would rather think if these treaties were submitted to a nationwide referendum the American citizens would vote them down resoundingly because the American citizens have different perceptions and a clarity of thought concerning these treaties that I think we presently do not have here in the U.S. Senate.

Be that as it may, it is my feeling that if an amendment is worthwhile it should be adopted.

General Torrijos during the last 5 weeks of debate in this Chamber has had a power of veto over us as Senators here, a power of veto because time after time when we presented amendments on this floor that should have been seriously considered, should have been adopted, they have not been because General Torrijos, with his silent hand hanging over the Senate Chamber, has killed that particular amendment.

In my judgment, that is a sad state of affairs because we, as Senators here, have a prime constitutional responsibility, and that is in the matter of treaties of this kind to advise and consent.

As I indicated earlier, all we have been doing here for days on end into 200 hours of debate here on the Senate floor is consenting, consenting, and consenting with very little advice.

It seems to me if these votes continue, if we run into what appears to be a clear stone wall every time so that we cannot pass an amendment, it is going to be an affront to our constitutional responsibilities.

We must remember that under the terms of the Constitution the President only has the power to negotiate. We heard here in these halls during those last few critical hours before we took the vote the other day Senator after Senator was told, "You cannot do this to our President. It is going to hurt our President if you vote down these treaties. It is going to impair him in the conduct of his foreign relations."

I submit, Mr. President, that if the President of the United States is in difficulty presently in the conduct of foreign relations it is not the fault of the Senate. It is certainly not the fault of the U.S. Senate. I, for one, as a Senator from Nevada do not take on any bit of the blame in that respect because I feel we have to undertake our constitutional responsibilities seriously.

The only power that he has, the only power that any President has, in this country under the terms of our Constitution is to negotiate with a foreign country like Panama. That is all. Once he has completed his negotiations through his people, under the constitutional process it properly comes to us in the Senate, as representatives of the people.

You must consider that that constitutional responsibility, as indicated in the original debates, is not to be taken lightly by us.

They insisted not that a majority of us here as Senators would be able to ratify a treaty, no. Two-thirds of us must ratify it. That is the kind of serious responsibility we have. That indicates very clearly in the minds of the framers of the Constitution that checks and balances in this Chamber are going to be effected by us in the Senate—by us.

Yet we have not been permitted to exercise our constitutional responsibilities because we have been given treaties here which are sacrosanct, they are beyond amendment.

Last week we indulged in an exercise here in order to curry favor and get the few votes necessary for passage in taking amendments that were in the name of reservations and understandings, and we suddenly have three or four votes that were not there before.

If we would have had the same treatment in connection with the reservations and understandings that we had on the amendments, I would say we would not be on this floor today because that Neutrality Treaty would have been voted down.

So we have indulged, I think, in great part in an exercise in hypocrisy from the standpoint that the reservations and understandings in the view of the lawyers we have had looking at this are not binding on Panama.

Their own constitution provides that when the terms of a treaty are changed, as they were by the reservations and understandings, they must go back to a plebiscite. That has been keenly ducked here, keenly, because now it has been stated, apparently to the satisfaction of several Senators, that if the same material that was voted down, the same subject matter that was voted down, in an amendment was taken in a reservation or understanding suddenly that is binding on Panama and does not require a plebiscite. That is unbelievable doubletalk—unbelievable doubletalk because the legal effect is the same.

I submit to my colleagues, because I know this troubles a number of them, that the best thing they can do in the next several days before we take the vote on the main treaty here—and we are only two votes short of killing these treaties—I submit to those who are genuinely undecided, to take a look at the legal opinions presently on record here because they indicate, perhaps not with certainty but they indicate, that there is a great doubt as to whether or not a reservation or an understanding that materially changes the terms of the treaty may be binding on Panama.

If it develops that that is not the case, I think what we have done here may be very counterproductive.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. LAXALT. Yes, the Senator yields for the purpose of a question.

Mr. BARTLETT. I certainly agree with what the Senator said that the approval of the treaty by Panama which was submitted to us was changed in a very substantial way, which was agreed to by the majority leader as far as his first amendment was concerned, one of the leadership amendments, in a short dialog with the Senator from Oklahoma.

So when we acted with amendments, reservations, and understandings we did change in a substantive way the treaty we received and, in doing so, we turned it down.

Then we are in the process now of considering the resubmission of the two treaties back to the Panamanians. If these are both ratified, as one has already been, as the Senator said, this would have to be subject to approval by a plebiscite voted in order to be approved by Panama.

But if there is not a plebiscite, then is that not itself tantamount to turning down our resubmission? In other words, if they do not approve it, are they not disapproving it by not having a plebiscite, in the Senator's opinion?

Mr. LAXALT. I think that is the effect of it.

I have been wholly unable to comprehend here why we are so deathly afraid of submitting changes in the treaty to the Panamanian people. We have had great concern, and rightly so, for hours and hours and hours that we must keep in mind the dignity and the feelings of the Panamanians.

Yet here we are, we are on the verge, or we were on the verge the other day, of passing a treaty, a Neutrality Treaty, provisions of which were clearly outside of the terms of the plebiscite, clearly, and indicated here on the floor by Senator after Senator that this is binding on the Panamanians. Yet we are not going to submit those material changes affecting them individually and as a country to them for a vote.

What kind of hypocrisy is that? I agree completely with the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, will the Senator yield further?

Mr. LAXALT. Certainly.

Mr. BARTLETT. I agree with the Senator's choice of words because I think it is hypocrisy for the Senators, the Members of this body, to want to make and actually make substantive changes and then not want that to be considered as our resubmission of the treaty to the Panamanians.

For one thing, it appears to me—and I would ask the Senator's thoughts on this—that as far as the Neutrality Treaty is concerned, we do not know, really, even assuming that the other treaty is ratified, we would not know where we stood with the Neutrality Treaty, because we have made substantive changes, and if the Panamanians do not have a plebiscite, then where are we? In a sense, we could say that they turned it down because they have not accepted our version of the treaty on resubmission.

Mr. LAXALT. The Senator has stated the issue clearly and well. That is, where are we? I do not know where we are. The Senator from Oklahoma does not know where we are. There is not a Senator on this floor who can state with certainty that he knows where we are, because we have an unanswered question of resubmission hanging over those amendments adopted the other day. Nobody knows.

Mr. BARTLETT. How would we know whether they have accepted the amendments, the reservations, and the understandings that have been added?

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. BARTLETT. I do not have the floor.

The PRESIDING OFFICER. The floor is held by the Senator from Nevada.

Mr. LAXALT. I am happy to yield to the Senator from Maryland for an observation or a question, without losing my right to the floor.

Mr. SARBANES. Did I correctly understand the Senator to say he does not know where we are?

Mr. LAXALT. That was my observation in response to a similar statement by the Senator from Oklahoma.

Mr. SARBANES. I appreciate the Senator's observation. It seems to me that one of the things you are trying to do is to make the decisions for both the United States and Panama. I assume it is up to the Panamanians to determine where they are, and up to us to determine where we are.

Mr. BARTLETT. Will the Senator yield to me for a comment?

Mr. SARBANES. It is not my time, but if the Senator from Nevada wishes to yield, it will be fine with me.

Mr. BARTLETT. Will the Senator from Nevada yield for a comment?

Mr. LAXALT. Yes, I do.

Mr. BARTLETT. That argument was made last week, and to me it is a very ridiculous argument. The first thing of paramount importance to us in negotiating or ratifying a treaty, as we are doing, is to know whether or not both sides agree to the same provisions. Do they agree with the changes we have made? We do not know that. But it is of paramount importance to us that we do know where we stand, that we know whether or not they agree with our changes or if they do not agree with them. Do they agree to them?

Mr. SARBANES. Will the Senator yield?

Mr. BARTLETT. The Senate has made some very substantial changes. I think it is of paramount importance that we do know what route they take in either ratifying or not ratifying the treaty, under constitutional provisions which require a plebiscite on matters dealing with the Panama Canal.

Mr. SARBANES. I suggest to the Senator from Oklahoma that we have been trying to make some judgments in terms of what we think is necessary so far as American interests are concerned and not how Panama will respond to what we have tried to do here on the floor of the Senate in considering the permanent Neutrality Treaty. I assume we will do the same in considering the Panama Canal Treaty, which is to make the judgments that we think are necessary to protect American interests.

I find the argument interesting that the Senator from Kansas raises if his amendment is rejected; he assumes it is being rejected for some reason other than the substance of the amendment. I would like to suggest to the proponents of amendments that maybe one reason why they are being rejected is that they are deficient in one respect or another, substantively deficient. I would like to suggest to the Senator from Oklahoma and the Senators from Kansas and Nevada, who are now on the floor, that I take all the amendments they bring forward with a great deal of seriousness, and that we have to reject them on the basis of their own substantive merits.

Mr. LAXALT. Will the Senator yield for an observation?

Mr. SARBANES. Surely; it is the Senator's time.

Mr. LAXALT. If that be the standard, that the amendments that were voted down to the Neutrality Treaty were voted down on the basis of substance, how do we take those same amendments and adopt them as reservations or understandings, if they did not have substance to begin with?

Mr. SARBANES. Of course, if the Senator will yield, I do not agree that that is precisely what happened, and I think a careful reading of both the proposals made as amendments by the opponents of the treaties and the proposals subsequently adopted will reveal that that is not the case.

Mr. LAXALT. Will the Senator yield so that I may make a point?

Mr. SARBANES. Surely.

Mr. LAXALT. We discussed here the language, you and I and Senator CHURCH and several other Senators, that for us to think of military intervention unilaterally by the United States was unheard of. I heard you and Senator CHURCH, time after time, state that this would be an affront to Panamanian dignity.

Mr. SARBANES. That what would be an affront?

Mr. LAXALT. Unilateral military intervention on the part of the United States.

Mr. SARBANES. If I may respond to the Senator, I do not think he ever heard me talk in those terms. I have stated on the floor of the Senate that the term "intervention" is a term which carries with it such an overlay of meaning in all Latin American countries that we ought to cease and desist from using it in our own discussion of this issue. I would hope that the Senator, with some appreciation for Latin American history, would understand the thrust of that point.

In fact, I have underscored that the United States can take any action that is necessary in order to maintain the regime of neutrality which is called for by the Neutrality Treaty.

Mr. LAXALT. But the Senator must admit that time after time, when we unsuccessfully offered amendments to clearly specify the right, that we had the right to unilaterally intervene militarily we were eminently unsuccessful: those amendments were voted down. Yet that was the thrust of the so-called DeConcini amendment, and I think that met—for the reasons that the Senator from Maryland states, because the word "intervention" was used, that met with profound disapproval in Panama. If the press accounts are true, as recited in the Washington Post on Saturday and Sunday, there was no celebration in Panama after the vote here on Thursday. There was no celebration.

Mr. SARBANES. May I correct the Senator? The Senator just stated that the word "intervention" was used. That is not true.

Mr. LAXALT. That was essentially the thrust of the amendment.

Mr SARBANES. No, that is not the statement the Senator made. He did not

say "in effect"; he said it was used, and it was not used.

Mr. LAXALT. I suggest that the Senator read the amendment.

Mr. SARBANES. To keep this debate on some rational ground, I think we ought not to misstate what has taken place.

If the Senator will yield further at that point—Mr. President, is there an amendment pending at the desk?

The PRESIDING OFFICER. There is no amendment pending.

Mr. SARBANES. Then, if the Senator will yield further, I have been fascinated by some of the discussion that has taken place on this floor today, and I have listened to it quite carefully, both the comments of the Senator from Nevada and the comments of the Senator from Kansas (Mr. DOLE). Both are, of course, very skillful, and I have found it intriguing to listen to their assertion that someone has to stand up for America, and then the assertion that that is being done by the opponents of these treaties, and that the proponents of the treaties are not standing up for America.

I want to underscore, speaking for one proponent—and I think I fairly reflect the views of my colleagues—that we support these treaties because we see these treaties as protecting American interests and American rights; as being the most wise, sensible, and prudent way to stand up for America. And I would suggest that some of those who are so quick to use this rhetoric ought to stop for a moment and think seriously about American interests and American rights, and how we protect them.

The fact of the matter is that these treaties give to the United States a legal and a moral basis on which to use our strength to protect our interests should that prove necessary. Second, it opens up the prospect of developing a new relationship with Panama.

Someone said earlier, an opponent of the treaties, "Well, people are terribly worried about what the Panamanians think." The fact of the matter is that if we are concerned about American interests including the relationship between America and Panama, a part of that relationship involves, of course, what the people of Panama think in terms of the relationship they are going to have with the United States.

Mr. LAXALT. Will the Senator yield for an observation?

Mr. SARBANES. Surely.

Mr. LAXALT. Unless I misunderstood the thrust of our discussions here, the feelings of the Panamanians and their reactions toward us in the years to come is vital. We have been told time and time again that we cannot effectively operate the Panama Canal in the future in a hostile Panamanian environment.

It seems to me that how they feel, how they react to what we are doing here, is absolutely critical to what we are trying to achieve. If we get to the point, if I may pursue this for a moment, and I think we are close to that point, dangerously close to it, of adopting a treaty or treaties here which are unacceptable to most of the American people, if that be the case—and it is arguable—and also, by virtue of the device of reservations and understandings we also undermine the Panamanian leadership, we literally have the worst of all worlds. I suspect we are perilously close to that kind of result.

I think all we have to do is to read the exchange of letters demanded by Senator GRIFFIN from General Torrijos to President Carter and back to see that there may be an essential misunderstanding concerning the effect of what we are doing here.

General Torrijos still feels that we have not materially changed that treaty. I submit that, by virtue of the device of reservations and understandings, we have. I submit that that may well be the perception of General Torrijos, who has apparently put a blanket and a gag on top of all his people to preclude them from even talking to the press until we process these amendments, and also the Panamanian people.

I submit to the Senator from Maryland that we cannot have it both ways around here. If the thrust hour after hour after hour from the proponents is the fact that we must work out an agreement satisfactory to the Panamanians so that we do not operate that canal in a hostile atmosphere, if we do away with that standard and subordinate that standard to what we perceive to be right to get these treaties passed, we will, in effect, have the worst of both worlds.

Mr. SARBANES. Will the Senator yield?

Mr. LAXALT. If I may, I promised the Senator from Oklahoma I would yield first to him. Thereafter, I would be happy to yield to the Senator from Maryland.

Mr. BARTLETT. I thank the distinguished Senator from Nevada. I certainly agree with his statement. I think what we are doing here is trying to have it both ways. This is where the hypocrisy lies.

The Senator from Maryland said a few minutes ago that our job here is to look after the rights and the interests of the citizens of the United States and then, I think tying it into the same sentence, said it is up to the Panamanians to do their thing for themselves, that we should not try to tell them what to do or we should not try to become involved with their responsibilities.

Then he said we should expect out of this treaty to have a new era of relations with the Panamanians, better relations, I assume he meant. This would be my hope, too.

How can we expect to improve our relations if we are not at all certain that we agree on the treaty, if we have different opinions of the neutrality treaty, apparently? We are in the process and may resubmit to them two treaties, one of which, at least, will be substantially changed. Is it not looking after American interests on the one hand to insist that both the Panamanians and the Americans have the same understanding of the meaning of the treaties? Certainly, I think this is of paramount importance. It is a matter of looking after our own interests to know what they think of our submission.

I think it is very important, too, that if we expect to improve our relations with them, that there not be a difference of opinion of where we are.

Third, we should know where we are, precisely, unequivocally, without any reservations. Today, we do not. We do not know whether the Panamanians are going to have a plebiscite; whether they are going to follow their constitution, or not. We do not know officially how the citizens of Panama feel about the changes which have been made. We do not know what may happen in the future if they take no action and we assume that they agree with us. We do not know what a subsequent administration might do as far as the constitutionality of the approval of the treaty in Panama.

What we are doing is setting up a pig in a poke, not only for our citizens but for the Panamanians for now and in the future.

I think it is of the utmost responsibility on our part as Members of the Senate to know where we stand, to know what kind of an agreement we have, and that we know what the thinking of those on the other side of that agreement is.

Mr. SARBANES. Will the Senator yield?

Mr. LAXALT. I am happy to yield to the Senator from Maryland.

Mr. SARBANES. First, Mr. President, I want to say I am touched, though not quite yet moved, with the concern, as to whether the will of the Panamanian people is being reflected, in the statements of the two Senators with which I am engaged in this colloquy. They comment that the proponents want it both ways. Of course, they do not want it any way at all. They have rejected what has taken place on the floor of the Senate.

At some point I think we are going to have to recognize that we are proceeding on the premise that there are two separate, independent, sovereign countries, the United States and Panama, which are negotiating a treaty between themselves. I know it is difficult, as shown by the amendment the Senator from Kansas offered and then withdrew, for some to reflect this attitude.

Any agreement, and a treaty especially, requires, of course, the concurrence of the other side. One does not come along and lay down the terms. They try to negotiate arrangements which are mutually beneficial to both parties to the treaty. That is what we have tried to do here. We have gained some rights for the United States which I think are very important.

The amendment which was withdrawn would have required agreement from Panama to something we have from no other country in the world. It would have imposed upon them, or it would have sought to impose upon them, a condition that we do not need, because we are in a position to fully protect our interests, and a condition which is counter to what a self-respecting nation would agree too. We do not have that kind of an arrangement with any other country in the world. Yet we do have

arrangements with Panama which, in contrast to our arrangements with other countries are quite far reaching in terms of our ability to protect American interests.

As we discuss back and forth, we must recognize that an agreement must be made between two parties; it is negotiated to be mutually advantageous. Our responsibility is to see how our interests are provided for as we make our judgment with respect to the treaties. We have very extensive and extended rights under these treaties.

The Senate has taken the action we deemed necessary before giving our advice and consent to the previous treaty. We now have Members who would like to go beyond that and determine for Panama the position of the Panamanians. Of course, that is not for us to do.

As we proceed forward with the Panama Canal Treaty, having approved the Neutrality Treaty by the very wide margin of 68 to 32, which is bettter than 2 to 1, and which is the margin a treaty requires in the Senate, I think we need to be sensitive to what treaties are: agreements between two parties; voluntary agreement between two parties.

Lasting treaties do not constitute the imposition of the will of one party upon the other. They are mutually arrived-at understandings which are important to the interests of both countries.

With American interests protected as well as they are in these treaties, it seems to me that what we should do is to move ahead now to approve the second treaty and begin the development of a new basis and a new relationship with Panama.

I thank the Senator for yielding.

Mr. LAXALT. I thank the Senator from Maryland.

Getting back to the basic contention I was making in connection with the Dole amendment, which has now been withdrawn but which will be momentarily, I hope, recalled for consideration, I think the point we have to remember here is the fact that these treaties as presented to this Senate, from the standpoint of correction by amendment, have been almost infallible, untouchable.

(Mr. CULVER assumed the chair.)

Mr. LAXALT. The silent hand of General Torrijos hovers over this Chamber. As was indicated the other day, he literally has the power of veto and has had during the whole course of these debates upon what we can constructively pass as an amendment.

No one can convince me that the handful of negotiators who worked on these treaties have all the answers. I cannot believe that. If that were the case, we should not even be considering this at all; let it be handled by way of executive agreement. Why let us take a look at all?

Yet, that has been the essence of the discussion here. Every amendment that we have seen fit to offer here has been fought, has been argued against on the basis that it has no substance, has no merit; and yet, after they were voted down, they eventually were adopted as reservations and understandings—the very same amendments, in essence, that we offered here.

Why? Because that enabled the proponents of these treaties to pick up the two or three votes that they had to have to pass that first Neutrality Treaty. I submit that if that device had not been indulged in here, the Neutrality Treaty, last Thursday, would have been voted down. I suggested that the proponents of this treaty would not have been able to secure those two additional votes. Those two additional votes would be ours. And today, we would not be on the Senate floor because the Panama Canal treaties, and properly so, would have been voted down.

We have been asked here, in a few short weeks, to take an instrument in the form of these proposed treaties and say to ourselves, they are absolutely all right; they cover all the bases; they are perfect. There is no room whatsoever to clean them up and to protect them. That has been essentially the thrust of our discussion. Yet 14 years was spent in negotiations on the part of the executive and his people—14 years. Here we are expected, in a period of 5 or 6 short weeks, to arrive at sensible decisions without realistically being able to exercise the rights of correction by way of amendment.

I yield to the Senator from Iowa.

Mr. CLARK. I should like the Senator to yield for a question. I have heard the distinguished Senator from Nevada say, on several occasions now, that Torrijos looks over our shoulder and really has a veto on what goes in and out. I can only speak for myself, but I think I have looked at every amendment as carefully as I could, every reservation, every understanding. I voted my conscience on those. Why would the Senator feel that, somehow, I voted differently from my conscience on any given amendment simply because of the things he talks about?

Mr. LAXALT. I say to the Senator, I would not begin to suggest anything of the kind. All I can say is that I have spent 150 hours-plus on this floor. All I can say is that time after time, I have been told that we cannot amend lest it result in another plebiscite and that would be harmful to General Torrijos.

All I can say is that the political stance, at least here, has been, except aside from conscience, that that should be a conclusive factor in whether or not we vote one way or another on the amendments. That is why I think the silent hand of General Torrijos hovers over this Senate Chamber. I personally do not like it a bit.

Mr. CLARK. I must say that it does not hover over my head. I vote on the amendments as I see fit and the understandings and the reservations. I think that, to say that someone voted a particular way because of this or that, one would have to look into the conscience and the intentions of an individual Member. I do not think that is possible.

I voted, finally, against even the so-called DeConcini reservation because I felt that way, not because it might somehow cause us to have another plebiscite. It may well be that one could argue that if there were a good amendment which was a very insignificant one and that would cause all kinds of problems to do that, there may be Members who would argue that it was not worth the effort. But I must say, I have not seen any of those amendments yet.

It seems to me that each of us here has the responsibility to vote on each amendment based on the merits of that amendment. I do not know; the Senator may have individual cases or groups of Members who voted other than their consciences on these amendments or reservations, but I, for one, certainly am not prepared to say that I did that because of Torrijos' hand hovering over me or for any other reason.

There is nothing perfect about this negotiated treaty. There is never going to be anything perfect about any other negotiated treaty. But the terms of the amendments that have been offered so far, including the one that Senator DOLE has withdrawn and I think is about to reoffer, are not right on the merits as far as I am concerned. That is what I am going to vote on.

Mr. LAXALT. May I make an observation to the Senator from Idaho?

Mr. CLARK. It seems to me that the implication that some of us are going to do otherwise is at least questionable.

I do yield.

Mr. LAXALT. All I can say to the good Senator from Iowa is this: We have presented amendment after amendment, and a majority of the Senators in this Chamber have voted against all of them. That, to me, is not circumstance. That indicates to me that there has been a consensus developed by the proponents that no treaty amendment is going to be acceptable. That is more than mere coincidence.

I do not question the good faith of the Senator from Iowa: far from it. I have worked with him and I know that he votes these particular amendments as a matter of conviction and perhaps even as a matter of conscience. All I can say is that it has been quite a coincidence to be on this floor and see meritorious amendment after meritorious amendment voted down. I could say that there are over 50 Senators in this Chamber who voted against every one of the amendments. Yet the essence of some of those amendments finally was adopted by way of reservations and understandings.

Mr. CLARK. Which amendments and reservations were adopted? I would not say the DeConcini reservation is identical, but what other reservations?

Mr. LAXALT. I think the DeConcini reservation is a clear example of what I am talking about. We talked in this Chamber to guarantee the rights of military bases, talked at length for hours here. We were told this was an unacceptable amendment. We were told this was an affront to Panamanian dignity, that we could not guarantee this kind of provision within the terms of the treaty because the Panamanians would resent it, and secondly, that it was unnecessary.

Mr. CLARK. If I understood his language, and I think I did, the Senator said there were several. I voted against the DeConcini reservation, I might say. But what are the other amendments that are identical or, in essence, the same?

Mr. LAXALT. The Nunn reservation was basically the same as the amendment. The DeConcini is the cleanest and clearest one of all.

All we were attempting to do by way of the device of amendments was to secure our situation militarily. The Nunn reservation was essentially in the form of an amendment. The DeConcini clearly was.

As I say, we were told that we could not do this; it was unnecessary. Yet, when the DeConcini vote was needed, suddenly, that same wording to the same general effect was adopted by way of reservation.

I know the Senator from Iowa voted against it. But the fact is, that same reservation was voted in as a reservation, but not as an amendment. That meant to me that there were two ways of going here and the proponents had the best of both worlds. They have it both ways. They can stonewall us on amendments, as they effectively did, but all they have to do is offer it as a reservation or understanding and suddenly it becomes blessed and pure and perfect and we take it. That is what happened both with the Nunn and DeConcini matters.

I think that this is a sad state of events and I reaffirm that the silent hand of General Torrijos hovers over this Chamber. I, for one, resent it.

Let me refer, if I may, to another matter.

This relates to the canal treaty. This relates to our military situation between now and 2000 when the other treaty takes over. This relates to our having a positive assurance that no other country, other than Panama and the United States, will be permitted to have any military presence within Panama during that period of time.

Now, how in the world could there possibly be an objection to that? How could there be when we have written into the DeConcini amendment that we unilaterally can interfere with the affairs of Panama even if they do not operate the canal effectively?

What kind of sense does that make?

I think this is going to be a litmus test, frankly, as to whether General Torrijos' hand still hovers over this Chamber, because if this is voted down it will be, pure and simply, because of that consideration.

We have an additional fact which we have to take into consideration here, that General Torrijos is admittedly a friend and confidant of Fidel Castro.

The friendly association, by itself, does not mean much. But the fact is that they have worked together closely in matters political, they have worked together in other matters. The fact is that Cuba, at the behest of the Soviet, saw fit to send thousands of troops, over the bitter objection of America at the time the Senator from Kansas—I remember sitting on this floor—said that unless we take a firm position against Cuba, they will be sending troops to Africa.

We did not take that position, they went to Africa, not only into Angola, but now involved in the Ethiopian dispute.

So are we not naive in thinking the Cubans are friends of ours, or not doing the handiwork of the Soviet?

I am not so naive. I do not think people are so naive.

All we want to make sure through the Dole amendment is the fact that if these treaties do pass, we have absolutely guaranteed that there be no Cuban or Soviet presence within Panama.

That, to me, accomplishes several things. First of all, it assures us that we are going to have a military presence and control over the security of that canal, No. 1. It should reassure the Panamanian people. It is to their best interests we not have a confrontation.

Where are we going to be in the next 22 years if General Torrijos, as he is now permitted to do, decides he is going to permit the Cubans to come in? Are we as Americans going to tolerate that? No way.

Then we are left with the prospect of a confrontation, an unpleasant confrontation. This obviates that. So, it seems to me that it serves the best interests of the Panamanian people, certainly the best interests of the United States, that we build into this treaty by this amendment an absolute guarantee that we do not have that kind of problem.

The Cubans have no business in Panama with a military presence. Absolutely none, because if they are there, they will be doing the handiwork of the Soviet.

Tom Moore, the former chairman of the Joint Chiefs of Staff, came to this Congress and said, "Listen, the action is Soviet. That canal is vital strategically to the future of this country militarily."

It involves hemispheric security, the security of this country, and the future of the young people of this country is at stake, because if we sacrifice that canal, which is a choke point, in time we will trade it off to the Soviet.

In the opinion of a lot of us, we just get rid of a middle man in Panama; or let us give it to the Soviet, it is only a matter of time before, effectively, they will control the operation and control that canal. This amendment would forestall that at least for 22 years and make clear that no one other than Panama or the United States would be permitted to have any kind of military presence.

I think it is absolutely essential that this be built in as a safeguard to these treaties.

I commend the Senator from Kansas for offering this as an amendment. He offered several other amendments which were worthwhile in the Neutrality Treaty. He met with the same success we did on the various other amendments.

It is going to be interesting to the Senator from Nevada to observe this vote because if it has been indicated that the silent hand of Torrijos does not hover over this Chamber, this amendment should be adopted. By the same token, if we continue to get 35, 36, or 37 votes here, it is going to mean that as we move to this second treaty we will have the same old ball game, stonewall after stonewall after stonewall. Then the Senator from Kansas (Mr. DOLE), if some proponent does not beat him to it, can offer the same amendment by way of reservation or understanding, so that it will become all good, all perfect, and it will pass.

Mr. DOLE. Will the Senator yield?

Mr. LAXALT. Certainly.

Mr. DOLE. As the Senator knows, we went through that exercise a few times last week in an effort to secure enough votes for passage of the Neutrality Treaty. I would guess we will have the same exercise, if I am any judge of what might happen around here.

But it seems to this Senator that, as I have said, and I do not want to delay the vote on the amendment which I will call up again in a few moments, there probably are all kinds of arguments against the amendment. But the basic one is, though nobody will admit to it, we do not want to change any language at all because that might upset Mr. Torrijos. That is what it is. That is the strategy on the protreaty forces. That is their strategy and they have to live with it. It is what they have told us in no uncertain terms. We cannot add one word to these treaties because it might mean another plebiscite.

I have not checked the voting record of the Senator from Iowa or anyone else, but I doubt he supported any amendments. Apparently, he is of the view we do not need to change the treaties, that they are perfect in their present form.

I suggest that perhaps if some Senator should stand up and offer the word "America" in the treaty, it would be turned down by the pro-treaty forces. I doubt we could add the word "America" to these treaties successfully because that might change the text of the treaty and that might mean another plebiscite.

Somehow, we are told that would be an affront to General Torrijos. Well, I am not certain what may be the final outcome, but it seems to me we are back about where we started.

I cannot really believe the Panamanian people will be so upset about that amendment. After all, it is offered for their protection as well as ours.

I have tried to point out on the map that foreign troops could be invited to the water's edge, and I stopped to think about the role the Cubans played in Angola, the role they are playing in Ethiopia It seems to me Panama is a very attractive target for the Cubans and the Soviets in their efforts to expand communism.

Again, it is not enough to stand up as a pro-treaty Senator and say, "Well, those of you who are for these amendments are somehow always scrounging up these awful amendments, always looking on the dark side, always looking under a rock," because it has not been a year, not even a year has passed since this body watered down an amendment I offered to an appropriations bill to sort of slow down our normalization with Cuba. Since that time, the number of Cuban troops in Africa has gone up from 5,000 to about 20,000.

I do not know whether the Senator from Nevada or the Senator from Kansas have the answers, but I am not so certain any other Senators have the answers, either.

Why is it we always must accept their view? Does the presence on the Foreign

Relations Committee give some view that the rest of us are unable to comprehend or understand?

I do not know how many Americans really know what the Foreign Relations Committee is, or how many members are on it, or who the members are. I am not certain how many Americans know how many Senators there are, or who the Senators are. But I know most Americans know about the Panama Canal and they are not so enamored about some of the arguments made in this about what might be, we have to get along with everybody, including Cuba.

It just seems to me that probably we will lose, as we have in the past. The automatic votes will come from the pro-treaty forces, rejecting every argument, rejecting every amendment, and only when it is necessary to secure enough votes for passage will the other side respond at all. I guess that is the way legislation works, not just in this case but in many other cases. That gives some Members some leverage.

I would guess the reservations, though not particularly meaningful, may help the treaties in some respects, so maybe we should be thankful for that.

But if we were told at the outset that we could not offer any amendment, that we should not expect any amendment to be adopted, then perhaps we have wasted a lot of time, 4 or 5 weeks, unless we have exposed the workings of the Senate to the American people. Perhaps they understand what some of us are up against in this body. We are up against a majority. Some of that majority has voted for some amendments and against some amendments; but consistently there have been 40 or 50 votes or 50 or 60 votes that automatically were cast to table or dispose of every amendment.

So the American people, we hope, have learned just how difficult it is, because they are asking me, "Why don't you do something? You're my Senator. Why don't you do something? Why don't you stop of the giveaway of the Panama Canal?"

If they are listening, they know that we do not have the votes. We may have the arguments on our side, we may have the merit on our side, but we do not have the votes. That is why we cannot do anything, I say to the American people who may be listening. Do not focus the blame on the 32 of us who have tried.

Mr. CURTIS. Mr. President, will the distinguished Senator from Kansas yield?

Mr. DOLE. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I call the attention of the distinguished Senator from Kansas to a very peculiar situation we had in reference to the ratification of the first treaty.

The distinguished Senator from Michigan, in a very scholarly presentation, pointed out that a long list of authorities agree that if we amend the treaty, it is, in effect, a new treaty and would have to be accepted by the other country; and in this case, the Constitution of Panama calls for a plebiscite.

The Secretary of State, Mr. Vance, concurred with those authorities, that that was the case, that if the treaty were amended, it would have to go back for a new plebiscite. Then, at a later time, he said, "Yes, while that is true, it is not true if the leadership offers an amendment."

Is there any justification for that? If an amendment changes a treaty so that the other country is entitled to take a look at it and go through their processes, how does the situation change on the basis of who offers the amendment? What principle in international law says that an amendment offered by the distinguished Senator from Kansas changes a treaty but if it is offered by the Senator from West Virginia, it does not? Can the Senator from Kansas explain that?

Mr. DOLE. I would like to explain it to the Senator from Nebraska, but I never have really understood it myself.

Mr. CURTIS. We have gone a long way when we reach the point where a correct interpretation of a law is based upon who introduced it. Is that not right?

Mr. DOLE. That seems to be what is happening--and on whose vote may be needed and whose vote may be possible.

Perhaps in the 4 or 5 weeks we have remaining, we will have an opportunity to inform the American people who may be listening—not just in the Chamber, but listening to their radios—that this is how it really is.

Mr. CURTIS. In the light of the differences in translation of the two languages and in the light of some of the vagueness that has been pointed out on the Senate floor and in light of the apparent desire of a substantial number of Senators for amendments, does the Senator think it would be an affront to the Republic of Panama to suggest, "Let's go back and sit down and try it over again"? Would that be an affront to any country?

Mr. DOLE. The Senator from Kansas does not believe it would be; but we are told that repeatedly, that that, somehow, would be a big deterioration in our relationship with the Panamanian people.

Mr. CURTIS. A treaty is a contract. Does not clarity and exactness help both sides to a contract, if they know what it is?

Mr. DOLE. That is the normal understanding the Senator from Kansas has. That is why you negotiate.

I do not quarrel with our negotiators, but apparently the Senate does not have any role to play in this particular treaty. We can either take it or take it.

Mr. CURTIS. Well, they have played a role, I have noticed. I am not pointing my finger at any Senator who is unable to be here to listen to the debates. There are too many committees, too many subcommittees; there is much going on. But the fact remains that the attendance at the debates of those who voted against the first treaty has been much, much higher than those who supported the treaty.

We have been faced with this: The Senator has been earnestly presenting an amendment, such as the Senator from Kansas has done; and then when the bell rings, they come in, and the amendment is voted down. There have not been many instances in which we have even had a chance to vote on the amendment on its merits, have there?

Mr. DOLE. No. In fact, except for the leadership amendments, which were cosponsored by approximately 70 Senators, I do not know of any other amendment on which we had an up or down vote. There may have been some; but certainly none of the amendments that the Senator from Kansas had were voted on as to their merits.

Mr. CURTIS. Is it not an accepted principle of parliamentary procedure that a motion to table says, in effect, "Let's not consider this at all; let's just get rid of it and not consider it at all"?

Is that not correct?

Mr. DOLE. That is right.

Mr. CURTIS. Was that the way the amendments were treated in connection with the other treaty, for the greater part?

Mr. DOLE. There may be exceptions. The record would reflect that. But I do not know of any, except for the two leadership amendments, on which we had an opportunity to have a vote up or down. Every one was tabled, and the votes were automatic.

There are seven Senators on the floor now. There will be seven on the floor 2 hours from now, and seven tomorrow.

I agree with the Senator from Nebraska that many other things are happening. But I think the strategy is clear: Just to table every amendment, not upset Torrijos, not have another plebiscite, not worry about the American people. Their judgment really does not matter.

Mr. CURTIS. Does the Senator agree with me that the best legislative performance on the part of the Senate would be to consider an amendment offered in good faith, have it debated on both sides, and have the listeners to that debate decide it on its merits? Would the Senator approve of such a procedure?

Mr. DOLE. In looking around, yes, I think I would be glad to accept that. I would be 6 to 1 or 5 to 2.

Mr. CURTIS. I thank my distinguished friend for yielding.

Mr. DOLE. I thank my friend from Nebraska.

Mr. President, I indicate to the Senator from Iowa (Mr. CLARK) that the Senator from Kansas will call up amendment No. 69 in just a few moments, unless others would like to be heard. I will yield the floor.

Mr. HATCH. Mr. President, will the distinguished Senator yield ?

Mr. DOLE. I yield the floor.

Mr. HATCH. Mr. President, I have been intrigued by and interested in this amendment, as I have been with respect to a variety of other amendments as we have debated the Neutrality Treaty and now are in the debate on the Panama Canal Treaty.

I believe the distinguished Senator from Kansas has done us all a favor in pointing out that the Panama Canal Treaty is ambiguous and does not protect the United States of America as it should.

His amendment reads:

For the duration of this Treaty and consistent with the provisions of Article IV, the

Republic of Panama and the United States of America agree that, subject to the other provisions of this Treaty, only the military forces, defense sites, or military installations of the Republic of Panama or of the United States of America may be maintained in the national territory of the Republic of Panama.

I rise to speak in favor of this amendment because I think it should be acceptable to Mr. Torrijos as well as to every Senator on the floor of the Senate.

One of the developments that disturbed me about the debates on the Neutrality Treaty was the sudden rush to enact reservations and understandings toward the end of the debate on the Neutrality Treaty, as though we were really protecting the United States of America and as though these were really amendments to the treaty when they were not. They were amendments to the resolution of ratification which was the Neutrality Treaty which is a far cry from amending either one of these treaties, the Neutrality Treaty, or, as is the case today, the Panama Canal Treaty.

I do not think many people realize the relationship between international law and Panamanian domestic law.

Under Panama's old constitution, title I, article 4, it is stated:

The Republic of Panama respects the rules of international law.

Under the new constitution of Panama, title I, article 4, it says:

The Republic of Panama respects the universally recognized rules of international law, . . .

And then adds:

. . . which are not prejudicial to the national interests.

Which is an extremely convenient qualification to allow the dictatorship of Panama to do just about anything it wants to do with regard to these treaties.

The 1946 constitution, as amended in 1956, specifically provided that Panama would recognize the principles of international law. The Torrijos constitution of 1972, provides that Panama would respect the rules of international law only insofar as those rules "are not prejudicial to the Panamanian national interest."

That is a marked departure from the old constitution and a marked departure from an international rule of law or constitution which may be beneficial and reliable to others who are dealing with the Panamanian Government, such as we are here. It is interesting to note that Torrijos chose not to use the narrow words "inconsistent with Panamanian domestic law," but used the broad terms "prejudicial to the national interest."

This constitutional change vitiates the State Department's claim that Panama, as a matter of international law, bound by reservations, understandings, and declarations exchanged with the instruments of ratification. In other words, it is really a charade, which allows Torrijos to disregard valid, reasonable, and decent protective changes or clarifications for the benefit of the United States of America. And when we talk about the resolution of ratification, in connection with declarations, understandings, and reservations, we see they really do not mean very much under Panamanian domestic law and can be ignored at will by Mr. Torrijos and anyone else, for that matter. In other words, the way to have the treaties become binding on Panama and upon the United States is, of course, through the amendment process. If we do not like something, if the treaties are amendable because they are ambiguous or they do not state clearly that which they should state clearly, then the way to do it is to amend the body of the treaty and not wait until we get the resolution of ratification and amend that with reservations, understandings, or declarations which probably are not worth the paper they are written on. In other words, we are not protecting this country if we do not amend out the ambiguities.

In the exercise we went through on the Neutrality Treaty with some amendments of great import which would have protected the United States of America, many of which could hardly be said to be offensive to Panama, the only amendments which were acceptable were the two supposed leadership amendments which were supported by three-quarters of the Senate leadership.

Although Panama would under international law be bound by those documents, if as a matter of domestic law Panama refuses to recognize the U.S. claim under international law because it was "prejudicial to the national interest" the U.S. claim as a practical matter would be rendered academic unless we do it in the form of amendments which would then require a plebiscite in Panama or at least under international law would be binding if the dictator said they did not need a plebiscite.

This would also seem to apply to the leadership amendments that were passed in the last treaty. In that case Panama would have to go a step further and declare its authority to "blue pencil part of the treaty text because the leadership amendments were part of the treaty text. The only way they could do that is to come right up front and say that they did not accept that.

Let us look at a couple other changes of the Panamanian Constitution; changes which are important here. Consider, for instance, Torrijos' ability to pack the Supreme Court of Panama. Under the old constitution, article 165:

The Supreme Court of Justices shall consist of nine magistrates.

That is what it says.

Under the new constitution, article 185 of the Torrijos constitution, it says:

The Supreme Court of Justices shall be composed of the number of magistrates determined by law.

This constitutional change potentially allows Torrijos to pack the supreme court. If Torrijos as a matter of political convenience wanted any reservations, understandings, or declarations not submitted to a plebiscite declared unconstitutional and if the sitting court refused to strike those documents, Torrijos could pack the court and assure that they would be declared unconstitutional.

This theory could also apply to the leadership amendments as well in the prior treaty to which a resolution of ratification has been voted. In that case the Supreme Court would also have to declare its right to "blue pencil" part of the treaty text.

On another constitutional change on the national plebiscite for treaties affecting the Canal Zone, the old constitution had no comparable provision. However, the new constitution, article 274. talks about transitory provisions, and it says this:

Treaties which may be signed by the executive organ with respect to the Panama Canal, its adjacent zone, and the protection of the said canal, and for the construction of the new canal at sea level or of a third set of locks, shall be submitted to a national plebiscite.

The term "treaty" is the operative word in determining the validity under Panamanian domestic law of reservations, understandings, declarations, and even amendments which have not been submitted to the populous for a plebiscite. There have been no treaties concerning the Canal Zone since the promulgation of the new constitution other than these. Therefore, article 274 has never been the subject of judicial interpretation of the Panamanian Supreme Court which could be packed at any time if Torrijos dislikes a particular decision.

I the court were to define the term "treaty" as including all of the operative associated documents exchanged at the time of ratification, then it could strike any attached documents not submitted to the plebiscite or it could also strike the entire treaty if part of it were constitutionally defective under Panamanian law. In the case of Filos against Republic of Panama the Supreme Court struck an entire treaty because the procedures used in ratification were defective under Panamanian law as defined by the Panamanian Supreme Court. Panamanian law is so vague in this area that Torrijos, as a practicial matter, can do whatever he wants to.

In order to make its views known or to qualify its consent to ratification of a treaty, the Senate has basically four options.

No. 1, the Senate may advise and consent to ratification but makes its views known in the committee reports. This has no legal effect and is not binding on the parties other than to serve as legislative history.

No. 2, the Senate may include in its resolution language expressing its understanding or interpretation.

Now, let me repeat that.

The Senate may include in its resolution language expressing its understanding or interpretation. The purpose of an "understanding" is to achieve clarification or even modification of the treaty provision without entering a reservation. Under existing practice the President would communicate such understandings to the other parties. The legal effect of such understandings is not always certain. If, for example, the language does not substantively affect the terms of international obligations of the treaty, such language would have no legal effect.

Whether the understanding does or does not substantively affect the terms of the treaty is a matter that is ultimately resolved by the parties. Moreover, if the understanding is communicated to the other party and accepted, the treaty need not be reopened. The inherent danger of understandings is that they are not always certain or, should I say, it is not always certain whether the parties, because of the failure of communication, had a meeting of the minds. For this reason, an understanding may engender doubt or controversy as to whether the parties agreed to the same terms.

An understanding then may not require renegotiation, if the parties deem it insubstantial. Such understandings are always vulnerable to subsequent reinterpretation and disagreement. Thus, an understanding is not normally used where one of the parties to the treaty seeks a major clarification or modification to the material, as we are doing here, and as Senator DOLE is doing here.

Further confusion can result from an understanding if one of the parties accepts the treaty without expressly consenting to the understanding or to the understandings, which I think will be the case here. Because the only way the Panamanians can accept, it seems to me, would be to have another national plebiscite with regard to the understandings, which they claim they will not have to do because understandings are just what we think about the treaties and not what they think about the treaties.

No. 3, the Senate might include in its resolution language expressing its "reservation." A reservation usually, but not always, requires renegotiation. In only one instance—a treaty with Canada to divide the waters of Niagara River—has the legal effect of the reservation been seriously debated. In consenting to ratification of the treaty, the Senate resolved that the United States reserves the right to provide for redevelopment of its share of the waters by an act of Congress, and no such redevelopment should be undertaken unless specifically authorized by an act of Congress. Both the United States and Canada treated this reservation like other reservations.

The President asked Canada to accept it and Canada—though somewhat mystified by it—did accept it. Renegotiation, therefore, in that case, was not necessary. But the precedent shows that unless the other party does accept it and does so through the legal structure of its own constitution, then renegotiation is necessary.

Normally, reservation language involves some change in the international obligations of the treaty and may affect its terms in such a significant manner as to require the Executive to communicate the terms of reservation to other parties to the treaty, thus enabling them to take such action as they feel appropriate, including reservations of their own, renegotiation, or even refusal to proceed with the treaty.

In effect, the inclusion of the reservation tells the President that the Senate gives its consent on the condition that changes be made or certain conditions be met.

The Senate could, for example, include a reservation that required the passage of implementing legislation by both Houses before the President had authority to ratify. The Senate may even, as was the case in the Versailles Treaty, reserve special powers to interpret or terminate the treaty as a condition for ratification by the President.

The fourth point. Finally, the Senate may amend the terms of the treaty itself. In this instance, there will be no question but that the treaty would need to be renegotiated. A distinction should be made between a "reservation" and an "amendment." A reservation limits only the obligation of the United States under the treaty—although a reservation may, in fact, be of such significance as to lead other parties to file similar reservations or refuse to proceed with ratification.

An amendment, on the other hand, changes the obligations for all the parties of the agreement. It is therefore the only certain guarantee that the Senate has if it wishes to bind all the parties to a certain obligation. Certainly, reservations, understandings, and declarations do not give this country a guarantee that the Senate's wishes will be undertaken by, in this case, the country of Panama. It should also be noted that the Senate has not used the amendment process in the post-World War II years.

So, in summary, as a practical matter, if the Senate uses language of understanding, the implication is that the contractual relationship between the parties is merely being clarified. If the Senate attaches a reservation to its resolution of advice and consent, the inference is that the contractual relationship is being changed so far as the international obligations of the United States are concerned. But if the Senate adds an amendment, it is clear that the Senate requires a change of the contractual relationship between all the parties. In other words, it is a straight forward way of letting them know what the American people really believe and what we really feel. It is the way of saying, "Look, Mr. Torrijos; look, our Panamanian friends, these treaties need some corrections. They need some amendments and some changes. The ambiguities are intolerable to us and we improve the treaty so that you know where you stand and we know where we stand, and together maybe we could stand together forevermore."

It would be in the interest of both countries if we could bring about that wonderful state of Nirvana. Those who will not allow any amendments seem to think it is going to occur just because we enter into these treaties with Mr. Torrijos.

If you applied these considerations to the Panama Canal treaties and in particular to the uncertainties that have arisen in connection with the rights of the United States to defend the canal and to acquire preferential treatment through the transit of warships, and, of course, with regard to the Panama Canal Treaty itself and some of the ambiguities there, the only option available to the Senate that would bind all of the parties is the amendment process and that is why the distinguished Senator from Kansas has such a desire to get these decent and worthwhile amendments, clarifying amendments into the treaty, for the benefit of both countries—I would have to say for the benefit primarily of this country. Because, after all, that is what we have been elected to do as Senators. We have been asked to, it seems to me, protect this country and certainly all of us with any sensitivity have a desire to protect it in a way that is not offensive to the Panamanians but if offensive, at least honestly, so they know where we stand.

That is why I think these amendments, many of them, have been substantively valid. In fact, I cannot think of one that has not been substantively valid in the whole amendment process with the other treaty. This is the first one brought up on the Panama Canal Treaty, and I find it to be eminently fair and eminently worthwhile in the light of the ambiguities in the treaty.

One of the things that really bothers me is that there has been, and I do not think anyone can deny it or at least seriously deny it, a flat rejection of good amendments in the interest of making Mr. Torrijos happy and making sure that these treaties go through, good or bad. If we were not sworn to protect the interests of the United States in these matters and do our best to make sure that the interests of the United States are protected, I might not be nearly as excited as I am about the stonewalling which has taken place in this particular situation.

Let me go back to some of the Panamanian court decisions, just to show how Panamanian law operates, and maybe help all of us to realize that this treaty is in need of amendment.

The jurisdictional mandates for the Supreme Court of Panama under the 1946 constitution as amended in 1959 and the Torrijos constitution of 1972 are strikingly similar. The 1972 constitution is modeled after the 1946 constitution as amended. Torrijos expanded the jurisdiction of the Court somewhat in most areas by giving them greater jurisdiction over the subject matter of documents in controversy but denied the Court's jurisdiction to review the constitutionality of constitutional amendments. For purposes of this memorandum the Court's jurisdiction over treaties is, if changed at all, somewhat broader under the Torrijos constitution.

During the 1960's there were three court cases dealing with the Panamanian treaty ratification process. There have been no cases under the Torrijos constitution. The differences in the language of the two constitutions are so minor as to give no weight to theories that the decisions of the 1960's have been vitiated by the new constitution. There is no reason to expect that the doctrine of stare decisis would not be in operation.

The treaty cases of the 1960's affirmed the concept that the Panamanian Supreme Court has no jurisdiction over the substance of the treaties but may deal with the constitutionality of the proce-

dures used in the Panamanian ratification process.

An example of this was the Supreme Court's decision that the "Geneva Convention of August 12, 1949" was unconstitutional because the Panamanian Government failed to use the proper procedures in ratifying the treaty. Article 133 of the 1946 national constitution required that the National Assembly approve treaties. As part of that process the entire document had to be printed in the official Gazette. In the case of the Geneva Convention in controversy the entire document was not printed properly in the Gazette. The Supreme Court described the law as "truncated and therefore incomplete". The Panamanian Supreme Court held—

If the promulgation of the laws exists as a constitutional prerequisite so that their texts, through the publication in the official Gazette, can be accessible to those that must observe it, then it must be concluded that the observance of the acts omitted in the laws enacting them cannot be made compulsory, insofar as their text is unknown because of not having been published as part of that law. . . .

This dicta could have serious implications on the constitutionality of any reservations, understandings, declarations or even amendments not submitted to a national plebiscite.

If the Carter-Torrijos understanding was not published as part of the text of the neutrality treaty, there are serious doubts cast on its constitutionality. Dr. Quintero and Dr. Linares, professors of law in Panama, both agree that there was insufficient publication of the leadership amendments under Panamanian constitutional law. Both professors point out that there was no publication of these documents prior to the Panamanian plebiscite. Although the two treaties and various notes attached to them were published and available to the public the package of materials did not include the Carter-Torrijos understanding. The mere fact that Carter and Torrijos entered into the understanding prior to the plebiscite does not mean that the understanding was sufficiently published in Panama to meet Panamanian constitutional requirements.

Pedreschi, a leading Panamanian constitutional scholar in citing examples where the Panamanian Supreme Court has jurisdiction over a treaty states:

Consider, for example, a public treaty entered into by the President of the Republic, and a situation in which he states that the treaty is finalized and in effect only with his signature, with that of the appropriate minister being unnecessary, and, even more serious with the approval of the National Assembly being unnecessary. Could not a treaty such as the one given in this example, which can allegedly be finalized with the signature of the President of the Republic, be brought before the Court on constitutional grounds? A treaty entered into in clear violation of the Constitution can be brought before the Court on these grounds.

The Predreschi article predated the new transitory provisions of the Panamanian Constitution created by General Torrijos in 1972. Those provisions require that treaties dealing with the Canal Zone be submitted to a national plebiscite and it is only logical to conclude that Carlos Bolivar Predreschi would have included the national plebiscite within the framework of his article had it existed at the time of publication.

There are no precedents to indicate whether the Panamanian Supreme Court could strike understandings, reservations, declarations, or amendments including the leadership amendment leaving the balance of the text in force. Since there appears to be no restrictions in this regard and the Panamanian Supreme Court has broad discretion in their decisionmaking, there would seem to be nothing to prohibit them from rendering such a decision. This analysis, incidentally, is concurred in by Eduardo Abbot, a Chilean lawyer, working as a Hispanic law expert for the Library of Congress.

I bring these considerations up again because I think our assignment, for the people, is to provide good amendments to the treaties if they do not do for the the United States that which should be done.

Not too long ago I brought out some of the problems with these treaties which I think ought to be reconsidered at this time, the amendment of the Senator from Kansas (Mr. DOLE) does seem to alleviate one of the problems, and I wish to commend him in that regard.

Consider, if you will, that there may be a potential ambiguity under articles XX and XXII of the revised charter of the Organization of American States, which is binding on the United States in connection with the U.S. defense rights under these treaties.

Article XX provides that:

The territory of a state is inviolable; it may not be the object, even temporarily, of military occupation or of other measures of force taken by another state, directly or indirectly, on any grounds whatever.

Article XXII then goes on to provide that:

Measures adopted for the maintenance of peace and security in accordance with existing treaties do not constitute a violation of this principle.

Again, that is why the amendment of the distinguished Senator from Kansas is very appropriate here. I might add that the defense rights of the United States are presently exercisable under the 1903 treaty, an "existing treaty" under article XXII. Do these defense rights continue under article XXII, in light of the fact that these treaties terminate the "existing treaty" of 1903? That is a real question, and it is something we have to consider.

Former Secretary of Defense William P. Clements has recently revealed that the former administration had obtained consent for a security clause that clearly protected American defense rights in the Canal Zone.

The clause, which was approved by the National Security Council, the Department of State, the Pentagon, and General Torrijos, and not in the resolution of ratification of the Neutrality Treaty, unambiguously gave the United States the unilateral authority to defend the canal, even without the approval of Panama. Why was this clause, which had been approved, replaced by the ambiguous terminology of the Neutrality Treaty and agreement? One has to ask why.

I see in the Dole amendment here an attempt at least to clarify and straighten out some of the ambiguities from which we have been suffering.

The treaties, both of these treaties, purport to extend many guarantees to the United States. It is questionable whether such guarantees are meaningful, however, if they are simply paper guarantees. In other words, all sail and no anchor.

The prior treaty provides, for example, that American warships shall enjoy expeditious transit, and the joint statement indicates that they shall even go to the head of the line. But how does the United States enforce this guarantee if the Panamanians control all of the facilities of the canal and its ports, if Panamanians are in charge and refuse or fail to cooperate? How can the United States be assured of expeditious transit if the United States does not own or even operate the canal? Likewise, the treaty provides that only the Republic of Panama may maintain military forces in Panama after the year 2000. But how does the United States exercise its right to defend the canal and its ability to maintain the regime of neutrality if all of the military installations are owned and occupied by Panama?

What would be the cost in terms of manpower, material, and money? Would U.S. troops occupy Panamanian soil to keep the canal operational? Would they have the ability to operate the canal, or would the United States be required to keep a permanent corps of canal pilots and other trained specialists who could be sent to Panama to keep the canal operating in times of emergency?

Except for the Joint Chiefs of Staff, who are politically answerable to the administration, most American military leaders warn that loss of the canal would jeopardize our national security.

Exhaustive analysis by the Congressional Research Service of the Library of Congress concerning the importance of the canal in terms of our strategic mobility and logistic support indicates that the canal will be even more vital to our defense needs in the year 2000 than it is right now.

In examining the role of the canal in facilitating the shipment of munitions to an Asian military operation the study shows, for example, that we have only one munitions port on the west coast, and that this port is capable of loading only 4,000 tons per day. Since, based on past experience, the requirement could easily be 10,000 tons daily, at least 6,000 tons would have to come from the east coast, where most munitions are manufactured and from which most transit the canal.

Adm. James Holloway, Chief of Naval Operations, and Adm. Thomas Moorer, former Chief of the Joint Chiefs of Staff from 1970 to 1974, have pointed out that the present Canal Zone serves as a base of naval and air operations 3,000 miles south of the United States.

Moreover, the Canal Zone is the only refueling center south of California in the Pacific. When the United States no longer has use of the bases and ports and facilities of the Canal Zone after the year 2000, will not the loss of these strategic sources adversely affect our ability to control and defend the vast area of land and sea?

I could go on and on because there are many, many aspects of these treaties which really disregard American interests.

I might mention that recently General Sumner, representing the Inter-American Defense Board, an independent international organization established by the Rio Treaty, testified before the Armed Services Committee that there was a widespread anxiety in Latin America about the economic consequences of these treaties. General Sumner based this observation on his personal discussions with heads of state and high-level defense officers in 17 Latin American countries.

What I am saying is that I think if we really have the interests of the United States at heart and the interests of Panama, we ought to amend these treaties to get the ambiguities out, to resolve the problems now, even if it does mean another plebiscite, so that both countries can go into an era of friendship and unity.

I commend the distinguished Senator from Kansas for his effort to bring forth substantive and decent amendments for the protection of this country, and I think indirectly for the protection of Panama, because I think he is doing our country and Panama both a great service. It will not do either country any good because we fail to do our job as Senators now in the interest of pleasing Mr. Torrijos if we ultimately wind up having to go into Panama to reinforce our rights in the interests of the United States.

So is it not better for us, if we can, to clarify and to make these treaties the very best we possibly can on the assumption that 67 Senators will vote for them, even though that is an assumption which should not be made lightly at this time?

In closing, I extend my congratulations to the distinguished Senator from Kansas (Mr. DOLE) and wish to indicate that I certainly intend to vote for his amendment. I hope all other Senators will vote for it also.

Mr. DOLE. Will the Senator yield?

Mr. HATCH. I am delighted to yield.

Mr. DOLE. I thank my colleague from Utah for his remarks. It is probable that anything we do here will be rejected. There is great precedent for that in the first Neutrality Treaty debate.

Mr. HATCH. That would include many amendments that the Senator from Kansas proposed.

Mr. DOLE. That is correct. They never had the chance to see the light of day.

I am certainly not going to change any minds. Maybe this treaty will be adopted by the same vote, by the same Senators. But I think we do have an obligation to try to explain the process to those who may have an interest, who may be listening via radio. It seemed to me in this past weekend the American people just cannot understand why amendments which have merit are offered and rejected summarily, or tabled, whatever. Therefore, as the distinguished Senator from Utah indicated, we can predict what will happen, but I am not certain we can predict what the reaction might be outside this Chamber. It seems to me there is a lot of frustration with the American people. As I have said, they have asked me, "Why do you not do something?" Maybe they will find out, if they listen carefully, why we cannot accomplish what we would like to accomplish.

I appreciate the Senator's assistance. I believe the amendment does have merit and I would hope that we might have an up-or-down vote in the next few moments.

Mr. HATCH. Will the Senator yield?

Mr. DOLE. I yield.

Mr. HATCH. I feel we ought to have up-or-down votes. I personally feel that these moves to table are not as understood by the people as they might be. Basically, if there is a motion to table and an amendment is tabled, that is the end of it. There is no vote up or down. The American people should know that the vote would basically have been the same, up or down, so why not have a vote up or down?

Mr. DOLE. I think we might be able to agree on a vote very soon, if we could have an up-or-down vote.

Mr. HATCH. That is correct. I think it would be a more straightforward procedure. It would let the people in this country know a lot more about how the Senate operates if we vote up or down, and they would know exactly what we are voting on in each case. I do not think it would encroach upon any Senator's rights.

(Mr. RIEGLE assumed the chair.)

Mr. HATCH. But let us at least vote on them, up or down, so the American people will have less difficulty understanding them. I think the motion to table is strictly another way of obfuscating what is really going on here and not letting the American people know that, in essence, the treaty proponents are stonewalling every possible improvement to these treaties, rather than biting the bullet and facing those problems squarely.

I might just mention in that regard, under article IV of the agreement in implementation of article IV of the Panama Canal Treaty, the United States agrees to "emplace no type of nuclear armament on Panamanian territory."

We agree to bind ourselves in that regard, because Panama is a signatory to the Latin American Denuclearization Treaty. Such an important restriction serves no purpose other than to weaken our southern defense and improve the nuclear strategy of our enemies.

On the other hand, why did our negotiators not retain language which keeps powers unfriendly to the United States out of Panama, which includes powers with nuclear weapons? That is essentially what the Senator from Kansas is trying to do. I think that is one of the great defects in these treaties, which we could clear up with some very simple language so that both sides, once and for all, know exactly what is going on here, and above all, so the American people and the Panamanian people know what is going on in clear, unmistakable language.

That is what is wrong with these treaties. They are not in clear, unmistakable language. The Panamanians interpret these treaties to mean something that we do not agree with and we have interpreted them to mean something they do not agree with. The time to resolve those difficulties, so we do not have these internal difficulties for the rest of our countries' existences, is now, right here, with amendments like that the distinguished Senator from Kansas is undertaking to make. I think it is only fair and honest to do so.

I compliment him again. I have agreed with every amendment he has brought forward. Personally, I think there has been a great deal of time and effort regarding the amendments that he has brought forth, not the least of which is this amendment here today.

Mr. DOLE. I thank the Senator.

Mr. THURMOND. Mr. President, I rise in support of the Dole amendment. Under the treaty of 1903, we have the Canal Zone, including the canal, and we have it in perpetuity. Now, if we are going to turn back that Canal Zone to Panama, cannot we, at least, have an agreement—and that is all this amendment does—that military forces, defense sites, or military installations will not be placed in the Republic of Panama except by Panama and the United States during the 22 years of the Panama Canal Treaty? Is that not reasonable? Why would anybody object to that?

Mr. President, as we all know, the danger in the world today is from the Soviet Union. There is no use beating around the bush. We might as well face it. The Soviet Union has as its goal to spread communism throughout the world. The Soviet Union is now spreading communism throughout the world. They are in Africa, they are in Europe, and they are down in the Caribbean now, in Cuba. Knowing that, and knowing that they are a threat to the freedom of the people of the world, including the United States, why can we not put something in this treaty that will say to Mr. Torrijos, "There will not be any military installations, there will not be any defense forces, there will not be any military sites there except of your country or ours?"

How can anybody object to that, Mr. President? I cannot imagine any Senator in this body opposing such an amendment. If we wish to retain our freedom, we have to stand up against these expansionistic powers such as the Soviets. We have to be prepared. To be prepared, we have to help keep out the enemy from places like Panama, which are so vital to the economic and the military well-being of the world.

There is no question about the importance of this canal. It is one of the vital waterways in the world. It is extremely important, not only from an economic standpoint, but from a military standpoint.

Mr. President, if ships have to go around the Horn, for instance, it takes

3 or 4 weeks longer; they have to travel thousands of miles farther. That can be the difference between victory and defeat if we have a war.

I just cannot see any value to the argument that the Dole amendment should be defeated.

Mr. President, presently, we can keep foreign troops away from the canal because the zone is under U.S. control. Now, if a dispute arises, Panama can invite in Soviet Union or Cuban advisers and they could accelerate military training or activity as a leverage on the United States.

If foreign troops are not allowed after 2000, why not before 2000? That is 22 years off. In 22 years, a lot can happen. Look at the progress the Soviet Union has made in the past 22 years. I say it just does not make sense to me to leave this matter to the chance. The joint operation of the canal would be smoother and safer if foreign troops are prohibited before the year 2000 and that is what the Dole amendment does.

Mr. President, again I say, if anybody wants to be sure that there will not be foreign troops there then let us pass the Dole amendment. Then, insofar as Panama and the United States are concerned, there will not be foreign troops there and this reduces the threat of a confrontation.

We know that the treaty does not prohibit foreign troops between the time of ratification and the year 2000. We can change that by adopting the Dole amendment. I hope the Dole amendment will be passed.

Senator ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama (Mr. ALLEN).

Mr. ALLEN. Mr. President, the Dole amendment is a good amendment, a strengthening amendment, to the treaty. It should be approved by the Senate. That does not mean, of course, that the amendment will be approved. If the record of the treaty proponents on the consideration of the neutrality treaty is any criterion for the policy of the record that they will amass on this treaty, no amendments will be agreed to.

I want to express my appreciation, though, to the distinguished Senator from Idaho (Mr. CHURCH), who, in all candor, said, with respect to the Neutrality Treaty, that if we amended the treaty in any particular, it would defeat the treaty. While I do not agree with the distinguished Senator from Idaho that that is correct, I do appreciate his frankness and his candor in opposing all amendments on his theory that such amendments, no matter how small they might be—just a change of a few words—would defeat the treaty.

On the other hand, I have argued that no matter how many times we amended one of these treaties, the treaty would be accepted by the Panamanians, because Torrijos is a one-man government in Panama and all he would have to do would be to approve the treaty, exchange notes of ratification with the President, and who would there be to say that he had not properly or that the Government of Panama had not properly approved the treaty?

Some have said—as a matter of fact, I heard the distinguished majority leader on one of the television programs, just yesterday, say that he had kept an open mind and that he was going to keep an open mind with respect to amendments presented to the treaties.

Well, his open mind with respect to the Neutrality Treaty did not admit of support by him or acceptance by the proponents of the treaties of any amendment other than the leadership amendment, or amendments, if we group the two separate amendments in the form in which they were offered.

So keeping an open mind does not necessarily mean that approval is going to be given to a good amendment because, if the past record is any indication of what the record is going to be with respect to these amendments, the proponents of the treaties will, with their monolithic large majority here in the Senate, order the defeat of all the amendments.

Just what does the Dole amendment do? It supplies a missing provision, a provision that is missing from the Panama Canal Treaty which we now have under consideration, because the Neutrality Treaty, which we approved last Thursday, was a very close vote. It was close even though the vote was 68 to 32 because two more votes in opposition would have defeated the treaty.

But that treaty makes this provision:

> After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

In other words, after the United States is required under the Panama Canal Treaty to withdraw all of its troops from the Panama Canal Zone by the year 2000, Panama pledges to go it alone with respect to the defense of the canal. They pledge in the Neutrality Treaty which has been approved that they will not call in the forces of any other nation into Panama, even though the support forces of the United States have been withdrawn. They pledge to go it alone.

Now, we sought amendments which would have permitted a military presence in the Panama Canal Zone after the year 2000 if the President thought it was necessary for the defense of the canal and if we were in a state of war. A number of other provisions that we sought were turned down. But no such provision is made in the treaty we now have before us, that Panama cannot call in troops from another nation into Panama.

So we see the anomalous situation that where the United States and Panama until the year 2000 have the joint defense of the canal, there is no necessity whatsoever for bringing in foreign troops because one would certainly think that the United States and Panama could defend the canal, we find the anomalous situation that Panama is not prohibited from inviting in foreign troops during this 22-year period.

Now, we do not want a confrontation by our troops with the troops of any other nation that Panama might decide to call into Panama.

Under the present conditions, it was argued here on the floor, some sort of concession, that Panama in the neutrality treaty was agreeing not to bring in outside troops, whereas now they can bring them up, as was stated, up to the Panama Canal Zone fence, we find that under the Panama Canal Treaty they can bring in foreign troops not up to the fence, 5 miles from the canal, they can bring them in right up to the canal itself under the provisions of the Panama Canal Treaty. No prohibition against it whatsoever.

The Dole amendment would supply this missing provision and, in effect, make the same provision that applies from the year 2000 on, that Panama cannot bring in any other troops, though under the reservation they are permitted to negotiate with the United States for retention of our troops there. Of course, they could have done that without reservation, for that matter. But under the neutrality treaty they cannot bring any foreign troops into Panama, whereas under the Panama Canal Treaty they can, even though the United States is charged with the primary responsibility, along with Panama, of course, of defending the canal up to the year 2000.

If we have some, I believe, 9,000 troops there in the Canal Zone at this time, it does not seem to be very difficult for Castro to raise an army of 15,000 to go to Africa, I assume he could raise a much larger army just to cross the Caribbean and go into Panama, and this provision of the Panama Canal Treaty that does not forbid Panama to bring in outside troops should be done away with. The Dole amendment would supply that necessary prohibition.

So there is no need, if we are interested in defending the canal with the American presence there to the year 2000, the Panamanian presence there up to the year 2,000, there is no reason to believe that the two nations could not together defend the canal, especially when Panama says they can go it alone without the United States starting in the year 2000.

Mr. President, I believe the distinguished Senator from Kansas has started out with, certainly, one of the most meritorious amendments that will be offered. The others, of course, have to do with the prohibition on the United States for negotiating with another nation for another canal. That certainly ought to be eliminated because of the danger, and the certainty, for that matter, that the American taxpayer is going to have to not only give the canal to Panama, but is going to have to pay hundreds of millions of dollars to get him to take it. That needs to be straightened out.

But, certainly, the omission from the Panama Canal Treaty of the provision that is in the Neutrality Treaty, this same provision that Mr. DOLE seeks to put into the Panama Canal Treaty, is already in the Neutrality Treaty. So if it is in one, why should it not be in both?

The only difference being that before the year 2000 American troops are there, along with Panamanians, whereas after 2000 it would just be the Panamanians alone, but they are not authorized under

the Neutrality Treaty to bring in foreign troops after 2000.

Mr. DOLE says the same provision should apply as soon as this treaty goes into effect. Who can argue with the logic of that contention?

Mr. President, it is duty and responsibility—yes, it is the constitutional duty and responsibility—of the U.S. Senate to shape this treaty before we advise the President to ratify the treaty. We do not ratify the treaty in the Senate. That term is loosely used. We do not ratify it. We give our advice and consent or our advice and nonassent to the President in order to enable him to proceed with the ratification process.

The PRESIDING OFFICER. Will the Senator suspend?

The Senate is not in order. The Chair asks that the Senate be in order, so that the Senate can be heard.

Mr. ALLEN. I thank the Chair.

We have the duty in the Senate—it is our constitutional duty—to shape this treaty in such a way that we can conscientiously recommend—that is, give our advice—to the President that he proceed with the ratification process. So we do him no service, we do our country no service, and we do the Senate no service if we say that the Senate should not and must not amend these treaties, no matter how good the amendments are.

We read a lot in the press about Mr. Torrijos being dissatisfied with the reservation that was put on in the Senate. Well, let us not be fooled by Mr. Torrijos. He is laughing up his sleeve at us in the Senate right now.

I understand that this proceeding in the Senate is being translated into Spanish, for rebroadcast in Panama. I do not know whether in Spanish they have an expression that means the same as "laughing up his sleeve." I believe that is what Mr. Torrijos is doing, by making believe this reservation is such a heavy burden on them and he does not know whether to accept it or not. Wait until the U.S. Senate gives its approval to this treaty, and you will really hear a tremendous guffaw from Panama. It will be so loud that it will be heard in the Senate Chamber.

This is typical of his attitude: After the President and the dictator agreed to a so-called memorandum explaining what they are supposed to have understood the original Neutrality Treaty to mean with respect to unilateral intervention by the United States, and they were supposed to have had a meeting of the minds on it—the President and Torrijos—as soon as Torrijos got back to Panama, he laughed and said that he had not signed anything up here in Washington, that he had not even signed an autograph. He gave his interpretation of what the memorandum meant, and it was that we did not have the unilateral right to intervene in Panama for the defense of the canal. We had the duty to intervene when he called on us, when he pressed the button. He has not recanted on that until this good day.

Of course, we know that the memorandum, word for word, became the leadership amendments. That different constructon that Dictator Torrijos had as to the amendment, of necessity, would transfer over to being a different construction from what we have, with respect to our right to intervene.

They will want to get the best of the gringos. I note that one of the ministers there talked about our right to go to the head of the line. He said that, under the treaty, the gringos had to wait our turn. That is the expression they use in talking to us.

So if Mr. Torrijos, by expressing displeasure and reservations, which he does not have to submit to the people, can so upset the Members of the Senate into refusing to agree to any amendments, no matter how good, you can rest assured that he is going to have the last laugh on the United States.

It certainly seems a fair statement to say that Mr. Torrijos has had as much influence or more in shaping these treaties than has any Member of the U.S. Senate. He showed his power when the Foreign Relations Committee added the leadership amendment as a separate article or articles. The State Department expressed the view to the committee that that would not be pleasing to the Panamanians, and the committee backed up and reconsidered what they had done and put in the form of the leadership amendment, in the form of two amendments, to the existing articles.

Now we find that same spirit emanating from Panama. We do not even know whether they are going to take the first reservations on the first treaty. So what is our attitude going to be on amendments? Is it going to be to amend the treaty in ways that will strengthen our right to defend the canal, or is it to be one of bowing to the will of the Panamanian dictator? We know he expressed the view that there should be no amendments. I express the view that there should be amendments—amendments to protect the interests of the people of the United States, the taxpayers of the United States. If any amendment will do that, I do not care whether Mr. Torrijos objects or not, and I do not care whether it has to go back to another plebiscite. It should go back to another plebiscite, for that matter, if we are to be sure we have a compact with the Panamanian people rather than with a dictator who might not be dictator at the time these treaties are finally put into force.

So, Mr. President, we are engaged now in the most important phase of the Panama Canal treaties debate. What we have done up to now—that is, approve, with one vote to spare, the Neutrality Treaty, last Thursday—does not really get to the basic thrust of what we are considering here in the Senate. There were 68 votes cast for the Neutrality Treaty. At the time a score and a half of us were seeking to get the Panama Canal Treaty considered first, I stated with some degree of assurance that if the Panama Canal Treaty were considered first and approved by the Senate I would say that 90 or more Senators would have voted for a defense treaty or a neutrality treaty, by whatever name you might care to refer to it, not 68 Senators, but at least 90 Senators. Why would that be? By taking the Neutrality Treaty first, it of necessity is just one part of a package surrounding the central theme and thrust of these treaties giving the Panama Canal away.

That is the main question we are deciding, not whether we are going to defend it in the year 2000. Everybody knows we are going to defend it in the year 2000. So the proponents of these treaties would have gotten 90, 95, possibly 99 votes.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ALLEN. I yield for a question, yes.

Mr. SARBANES. Is it safe to assume that the Senator refrained from saying 100 because we would not have gotten his vote in that instance?

Mr. ALLEN. I was pledged against both treaties from the start, I say to the distinguished Senator from Maryland.

Mr. SARBANES. I thank the Senator.

Mr. ALLEN. Yes; I made that statement. I believe the Senate might possibly have gotten 99 because I could not have broken my pledge. I do not know, but I assume the Senator has the same feelings about a pledge. I am sure that he does.

Mr. President, that is what we have decided up to now, that we are going to defend the canal down around the year 2000. Upward of 99 Senators would have voted for that if that had been the second vote and not the first vote.

So to say that the Panama Canal Treaty has been approved is hardly accurate.

As a matter of fact, Mr. President, if this treaty we have before us is defeated, that completely wipes out all of the action we have taken up to now. It wipes it out, every bit. There will not be a vestige left. It will all be gone. That is the reason that I felt it was unwise to go with the Neutrality Treaty first because we still have the basic question to answer, are we going to give the Panama Canal away? We have not decided up to now.

We have decided on what I feel is an inadequate defense of the canal after the year 2000. But certainly we have not decided to give the canal away.

So, Mr. President, I hope that the same rule will not obtain here in the Senate with respect to amendments but that we will consider these amendments on their merits.

I believe the amendment offered by the distinguished Senator from Kansas (Mr. DOLE) is a great amendment. It merely provides that Panama cannot call foreign troops from Cuba or Russia or anywhere else into Panama during these 22 years. If Panama is willing at the year 2000 and beyond not to call in foreign troops, why should they want foreign troops to come in while the United States is still there? They are not needed. And the only service they would perform would be to provide a confrontation for American troops and possibly the takeover of the Panamanian army.

So the Dole amendment is necessary to put the same prohibition on Panama or the same right. I guess worded one way it would be a right. It is the right of Panama to be the only one to have

troops there after the year 2000. That is in the Neutrality Treaty. But it is a limitation, also, in that they cannot bring in other troops. It is a right and a limitation at one and the same time. It would be a limitation with respect to the Dole amendment in that during these 22 years they could not bring in outside troops. If more troops are needed I assume the United States would furnish them. What is the use of calling on Cuba or Russia or any other nation? That is all the Dole amendment does.

It is a sound provision. It is a provision that would avoid any confrontation by U.S. troops in Panama with foreign troops, and the Dole amendment would prevent so far as the canal's own area is concerned something that is now prevented under the present treaty, that is, bringing foreign troops into the Canal Zone where the canal is and 5 miles on each side. So without the Dole amendment Panama would be able to bring troops into the Panama Canal Zone where they are not now permitted. So the amendment cries out for adoption to protect the best interests of the people of the United States. Why should the proponents of the treaties object to a strengthening amendment, an amendment that will keep our troops in Panama from possibly being subjected to a confrontation with troops of a foreign nation?

That is the best way, Mr. President, that we could see hostilities down in Panama. Talk about we do not want to send our boys. The President said in the fireside address we do not want to see our boys sent down there to fight for the canal. This offers the best possibility that I can see, if we do not have the Dole amendment or something similar to it, the best chance of our boys having to fight in Panama for the very simple reason that if Panama brings in foreign troops into Panama there could not keep from being a confrontation between our troops and the troops of that foreign power.

I believe the Dole amendment is very sound. I hope that it will be approved by the Senate.

I yield the floor.

Mr. CHURCH. Mr. President, I remember an old film a few years back called "The Russians Are Coming." If I were to characterize the arguments made for this amendment I might do so in that form: "Beware, beware, the Russians are coming."

Well now, since 1903 we have not required the Panamanians to explicitly promise us not to let the Russians into Panama. Since 1903, we have not called upon the Panamanians to guarantee in writing that they would not permit foreign troops on their soil. For 75 years, the Panamanians have been good friends and neighbors. Would Senators think of asking a good neighbor to give a written promise not to let the Mafia in his house? I am afraid that would quickly put an end to the warm feeling between the two households.

I have no brief for General Torrijos. I have no liking for dictators. But I recall it was only a few weeks ago that General Torrijos said he did not want Communist sharks swimming in Panamanian waters.

Let alone envisioning the possibility that he would invite in Russian troops or Cuban troops, he does not even maintain formal relationships with the Soviet Union, which is more than you can say for the United States.

So why this insult, riveting into the text of this treaty an amendment that can only be calculated to inflame even further the sensitivities of the Panamanian people?

Well, of course, there is no good reason for doing it. The Panamanians, under many different governments, have never invited foreign troops onto their soil. It is a very unusual thing for any people to do.

The provisions of this treaty guarantee that our troops may remain in the Panama Canal Zone for purposes of defending the canal for the remainder of the century, and thereafter Panama promises not to let any foreign troops within its territory. Obviously, the vital interests of our country in preserving the canal as a safe and peaceful waterway are secured by the terms of the present treaty.

This amendment is not only unneeded, but it is mischievous in the friction it would bring to our relations with Panama, in the event it were adopted.

For that reason, Mr. President, I now move to lay the amendment on the table, and I call for the yeas and nays.

Mr. DOLE. Mr. President, will the Senator yield? I took the amendment with me when I went to lunch.

Mr. CHURCH. Very well. I withhold my motion.

(Mr. MELCHER assumed the chair.)

Mr. DOLE. Is there any possibility of any agreement on not moving to table but to have an up or down vote? The Senator has plenty of votes to spare.

Mr. CHURCH. I will say to the Senator that, insofar as up or down votes on this particular amendment are concerned, I would prefer to move to table. As the Senator knows, in our previous debate on the Neutrality Treaty this was not the invariable habit of the leadership, and I anticipate other amendments will be offered, where the vote will occur on the merits. I think in this particular case it is best to move to table, and that is my intention. But, first, I invite the Senator from Kansas to make any further remarks he may wish.

Mr. DOLE. Again, let the Senator from Kansas state that I do not want to delay the Senate. But it seems to me this is a matter of some substance, and it would be very much appreciated if we could have our amendments defeated on their merits, rather than some procedural motion to table that is not fully understood.

It seems to me there are a number of Americans who will wonder what we are doing here. We argue amendments sometimes for 2 or 3 days, and somebody stands up and moves to table the amendment, in other words, not consider it at all, and I just happen to believe that this amendment is an amendment of some substance.

I share the view expressed by the distinguished Senator from Alabama, and I do not share the arguments just made against the amendment.

We are saying that after the year 2000 there will be no troops in Panama, but Panamanian troops. It seems to me to be consistent with that policy, and also when we stop to consider we are going to relinquish a great amount of territory as soon as we ratify these treaties.

You cannot see the map, but you are going to, in effect, invite the Cuban troops to the water's edge. They can dip their fingers in the canal if they wish; for that there is no prohibition. We are going to give up bases, and there is no prohibition to prevent Torrijos from inviting Castro in to occupy the bases as we leave.

That is hard for the American people to understand. I certainly do not question the motives of any Senator, nor do I question the strategy because the votes are there. The protreaty forces have the votes. But I must say I share the views expressed by the distinguished Senator from Alabama (Mr. ALLEN). I am not so really concerned about what General Torrijos may think because if he gets this treaty approved by the Senate, he has it made. He will be in as long as he wants to be in. He does not have to stand for election every 6 years. He is not going to take the heat on why you voted for or against the Panama Canal treaties, because he is a dictator. He does not have any elections. Once we set him up with billions and billions of dollars worth of our property, he is on pretty sound ground; he is in easy street.

I do not know why there is this great anguish and concern about upsetting General Torrijos, particularly with an amendment like this which, I think, really helps the Panamanian people. It just says that between now and the year 2000, foreign troops cannot come into Panama. Our troops will be there, but as soon as this is ratified, the Panama Canal Zone is going to be shrunk drastically. In some cases, I would guess that the buffer between what was left of the zone and the water itself is less than a hundred yards, and I assume that is all part of the record. It is no secret, and this was furnished by the Panama Canal Company. I just cannot understand the opposition to this amendment unless it is that same old tired argument we have heard for 4 weeks: "We do not want another plebiscite. We do not want to amend the treaty. We cannot accept one word of change in the treaty."

I assume if you have the votes that is the strategy to adopt. But I must say again that when people ask me why I am not doing something in the Senate to strengthen the treaties, I am somewhat at a loss to explain.

It is not enough for some Americans—they do not understand that we are being stonewalled. They do not understand that the majority will not listen to amendments. I think maybe we just should use whatever time is left between now and the final vote on the Panama Canal Treaty to explain the so-called big giveaway, the bonanza to Torrijos. At least the American people ought to understand there were some Senators offering responsible amendments who could not

even get a vote up or down on their amendment.

I am about convinced there probably will not be any vote on this amendment, maybe no vote on Wednesday or Thursday or Friday. If we are asked to stand here and debate responsible amendments for 3 or 4 or 5 hours and then we are told, "Well, you cannot have a vote on it, we are going to table that amendment because it concerns us," then why do we want to relinquish the right to explain to the American people that we are unable, through parliamentary procedure and the debating process, to impress upon those who are alined with the pro-treaty forces of the seriousness of the amendment?

Now if it were frivolous or irresponsible, or offered in a series of 10 or 20 or 30 or 40 or 50 amendments, then the Senator from Kansas might agree, but this Senator has offered relatively few amendments.

As far as I am concerned, they were carefully drawn, they were carefully thought out, they were offered in the right spirit. And now we are told that "Well, we don't want to rock the boat; we don't want to rock the canal." I am convinced that the only thing we can do is spend our time talking to the American people, if we cannot impress upon our colleagues that we also have a point of view and that at least we would expect the courtesy of an up or down vote. So I just say at this point, if we cannot have an up or down vote, there will be no further votes today and there will be no further votes on Wednesday, and there will be no further votes on Thursday. I think the time has come, if we are going to lose, that we should have the right to have our efforts laid away, if those are the correct words, on their merits and not by some procedure that the American people fail to understand. The people listening to this debate do not understand what a motion to table is. They wonder what happened to our amendment. Well, it was tabled.

What do you mean it was tabled? What does that mean?

Well, it means they have more votes than I have. They do not want to face the music, and so they put it away. They laid it on the table. It was a nice quiet burial and they had more pallbearers than we had. So I think we have reached the point, and I think some of my colleagues agree, where hopefully we have enough to talk today and Wednesday and Thursday and Friday, so that if we are going to have any impact for the American people we should help them understand the process.

It seems to me that the process is frustrating, if we simply offer our amendment and then after 2 or 3 hours, or whatever, we agree that you can table our amendment. If that is the case, why offer the amendment in the first place?

The Senator from Kansas has agreed, on every amendment he has offered, to time limits. I agreed with the Senator from Maryland for 15 minutes one day on an amendment, a very serious amendment, about the military presence after the year 2000. I had 10 minutes, the Senator from Maryland had 5, and I did not quarrel with that.

Why is it that he cannot——

Mr. SARBANES. Will the Senator yield on that point?

Mr. DOLE. Yes.

Mr. SARBANES. Is it not a fact that the amendment referred to by the Senator from Kansas had been debated or the substance of that amendment had been debated at some length before the amendment was offered?

Mr. DOLE. I am just saying that I agreed.

Mr. SARBANES. Just like the pending agreement——

Is there an amendment pending now?

Mr. DOLE. No, not now.

The PRESIDING OFFICER. No, there is no amendment pending before the Senate at this time.

Mr. SARBANES. Of course, today, beginning at 11:15, when the Senator from Kansas offered his amendment until now, which is 4:15, that is 5 hours, most of our time has been devoted to talking about his amendment, in one way or another.

Although, I must say, on occasion the discussion has been much broader than the substance of the amendment, both when the amendment was pending and when the amendment was not pending. So that is 5 hours today that have been spent related to the Senator's amendment.

The previous occasion that he referred to concerning an amendment with a short time limitation, I regret that a great deal of time prior to that time limitation has been spent discussing the Senator's proposal. I do not think the Senator would quarrel with that.

Mr. DOLE. In fact, I would not quarrel with it. I have tried to point out that I have accommodated the wishes of the protreaty forces because I understand that there are other things to do in this body besides the Panama Canal Treaties. But it would seem by the same token, that maybe they can understand our point of view. I have no illusion that my amendment is going to be adopted, but I would like somebody to understand that it was defeated or rejected, instead of some mysterious act of laying it on the table. That does not make a great deal of sense to many people who are not familiar with parliamentary procedure.

What is so wrong with voting on the merits? You have as many votes for that as you have to table. Why is it that we cannot have a vote on the merits? Is it easier for some to vote to table than it is to vote against the amendment? Is that the strategy?

Apparently, it is the strategy.

Mr. SARBANES. Is the Senator asking a question?

Mr. DOLE. I am, more or less.

Mr. SARBANES. I was not quite sure whether he was asking me a direct question or making a rhetorical question. It is a little hard to differentiate between those two on occasions.

Mr. DOLE. Right.

Mr. SARBANES. Well, the Senator knows, as every other Senator knows, the motion to table is a standard parliamentary procedure in this body. We have not asked the Senator or the people on his side to relinquish any standard parliamentary procedure for dealing with matters on the floor of the Senate. It seems to me the request he is making is unreasonable. It is clear that a motion to table, in effect, kills the Senator's amendment. I do not think there is any problem in understanding that. I understand the Senator's point, though, he is going to go on forever, unless the vote is taken under the terms on which he wants it taken. That seems to me to be an unreasonable request for him to put to the proponents of the treaties.

Now the Senator may choose to follow that course. I suggest to the Senator that it is reasonable to take an appropriate amount of time to discuss amendments and then vote with respect to them, either up or down or by tabling motions. Now if the Senator wants to go on and on if it is not done in his particular way, that is of course the Senator's prerogative. Under the rules of the Senate, he may choose to proceed in that manner, but it seems to me that we ought to be able to move ahead on this matter, giving it proper consideration and then conclude so that we are then able to go on and deal with other pressing issues that are before the country.

Mr. DOLE. Well, I do not want to quarrel with that. Again, the Senator from Kansas is not trying to lead any extended debate or filibuster because in every instance I have agreed on time limits on my amendment, but I think we have an amendment here that this Senator considers to be very important.

If the Senator will look at the map of the territory we are giving Panama, and if only the American people could look at the map, I think they would understand this to be an important amendment. There are lots of things I would rather do than stand here and debate this amendment. There are lots of other things I would rather do than see it tabled. If the Senator has the votes to kill it, why not just kill it outright? Why the indirect method?

I guess there were a very few occasions in all those amendments we considered in the past several weeks where they pumped up-and-down votes on the Scott amendment and the so-called leadership amendments, and maybe an isolated one or two other than that.

Mr. CHURCH. There are five up-or-down votes, for the Senator's information.

Mr. DOLE. Well, let us have——

Mr. CHURCH. We are sure we will. We will have 8 or 10 before this debate is over, but to suggest that there is something conspiratorial in making a motion to table comes as a surprise to me.

Mr. DOLE. I am not suggesting it is conspiratorial.

Mr. CHURCH. Since the Senate normally uses the motion to table in connection with all of its legislative work.

Nor do I think it is such a great mystery to the people of the United States what a motion to table means. It means what it says: Lay the amendment on the table; to put it aside, and that

is one way of disposing of an amendment.

As a matter of fact, it has the added advantage of bringing debate to an end. The extent of this debate, which has now gone—we are in the sixth week of this debate. The most important alliance the United States ever entered, the NATO alliance, was debated for only 11 days in the Senate. Here we are in the sixth week on the Panama Canal Treaties, and I must say that every aspect of the treaty has been gone over and over and over and over again. If this debate were confined to new arguments it would soon be over.

Mr. DOLE. I might ask the Senator on that——

Mr. CHURCH. I must say to the Senator, this lecture to which we are being subjected about the impropriety of motions to table is not at all reflective of the normal procedures of the Senate, as the Senator well knows.

Mr. DOLE. Well, I would only say that we have had a number of lectures in this body and some I have listened to and some I have avoided. So I am not trying to lecture the Senate.

Mr. SARBANES. Will the Senator yield for a question at this point?

Mr. DOLE. Well, I want to ask the Senator from Idaho a question.

Mr. SARBANES. Just on the lectures.

Mr. DOLE. Right.

Mr. SARBANES. I was not clear whether you had listened to or avoided your own lectures, in particular the one that we just received.

Mr. DOLE. Well, you do not have to listen to what you say yourself because it depends on what you are talking about.

Mr. SARBANES. I thank the Senator for yielding. I think if we do not keep some sense of humor as we move things along here we may not survive. Now, the Senator and all of us know that a motion to table is a standard parliamentary procedure. The Senator makes great use of this at times. I do not mind him engaging in some rhetoric, for purposes of the airways with respect to it, but to then go on from that to assert the position that he intends to go on and on and on forever, with respect to this matter, unless the proponents relinquish standard techniques for considering matters on the floor of the Senate seems to me to be a short, narrowly unreasonable suggestion from the Senator from Kansas, and I must say not of the sort that he is usually given to making.

So I am somewhat taken by surprise with his approach to this matter, and I would hope that we would be able to proceed reasonably with respect to these items or to a determinative end of this matter and finally vote on the Panama Canal Treaty, and go on to all of the other business that faces the country.

Mr. DOLE. I appreciate the Senator's concern about the other business of the country and the Senator's concern about the treaty.

I will say again that this Senator has not engaged in any extended debate in this particular instance. I have had the pleasure, in years past, once for a period of 7 weeks, of engaging in debate with the distinguished Senator from Idaho on the famous Cooper-Church amendment. I was on one side and he was on the other. We were here for 7 weeks. I was so confused after 7 weeks, I finally ended up voting for the Cooper-Church amendment. [Laughter.]

The point is that we understood that we were really in extended debate, and that was very extended. I think it was an exercise. I agreed with the distinguished Senator from Idaho. I may agree with him on something else next year or this year or sometime.

The point is that now we are discussing what I consider to be the key amendment to the Panama Canal Treaty. I do not want to appear to be arbitrary or to be an obstructionist in any way, but it is a matter of some concern to me that we have an up or down vote. I will not discuss that now because there is no amendment pending. I will call it up later this week. Maybe I should bring it up again on Wednesday or Thursday.

I wanted to see if the distinguished Senator from Idaho and the distinguished Senator from Maryland had the same view of the treaty in its present form as the Senator from Indiana (Mr. BAYH) expressed this morning. If the treaties are approved and ratified, if everything happens according to the plan of the pro-treaty forces, and let us just say the worst possible thing happens and Cuban troops go into Panama 5 years from now, is that a threat to the security of the canal, so far as the distinguished floor leader's pro-treaty forces are concerned? Would that bring about a response from the United States?

Mr. SARBANES. Will the Senator yield?

Mr. DOLE. Yes.

Mr. SARBANES. If the United States would so view it. That would be our judgment to make. We would take a look at it and we would make a determination.

Mr. DOLE. Just the mere presence of Cuban troops would not be a threat?

Mr. SARBANES. That would be our judgment to make. Cuba might be a different place at that point, for all I know. There might be a wholly changed situation.

All I am saying is that if anything takes place which creates the possibility of endangering the regime of neutrality, the United States is entitled to act to prevent that from happening. We make the judgment.

Mr. DOLE. The point that worries the Senator from Kansas is the very thing we are discussing. If there is some assurance that we are already protected without the amendment, if the amendment does do serious damage to our relation with Panama, I might accept that argument.

Mr. SARBANES. Will the Senator yield at that point?

Mr. DOLE. Yes.

Mr. SARBANES. We maintain American military presence in Panama over the next 22 years. It is a significant presence in terms of the facilities and installations retained by us first of all, as it were, completely under our operation, and, second, other facilities and installations shared jointly with the Panamanians.

Furthermore, there is projected under the treaties a program for working cooperatively with the Panamanian military with respect to protecting and defending the canal. So we will have a presence—a real presence—until the end of the century. As to the further condition which the Senator is now seeking, we do not have with any country where we have an American presence or arrangement such a condition. The Senator is asking the country to foreswear control over its own territory. Even at the moment, even with the treaty of 1903, Panama has the right, if they choose to do it—and they have never chosen to do it—to have foreign troops on Panamanian soil. They have never done that over the course of our long-standing relationship.

We will continue to have an American military presence for the next 22 years, as long a term, I might point out to the Senator from Kansas, as we have anywhere else in the world. This was, of course, an important matter which was negotiated between the parties in the course of arriving at these treaties.

I do not know what the situation is of which the Senator is so fearful. We are on the ground and in a position to handle any situation which comes along.

Mr. DOLE. Earlier I referred to Ethiopia and the fact that I was glad there was no canal there. They too had been traditional friends and allies, up until a few years ago.

Mr. SARBANES. If the Senator will yield, the post-2000 treaty, when there will not be an American military presence in Panama any longer, precludes foreign troops. In the period up to the year 2000, when there will continue to be an American military presence in Panama, with all of the sites and facilities our people judge they need, does not carry that prohibition with it because it is judged that it is not needed; second, we do not have it anywhere else, with any other country, where we ask them to do that. Our presence is there. They have agreed to that. We have judged that having our presence there is adequate to defending and protecting the situation.

I think the American presence there which we will keep through this treaty, and the arrangement under the treaty, is more than adequate for us to be in a position to protect and defend the canal.

Mr. DOLE. If we rely on that argument, I believe we invite trouble. It underestimates Soviet intentions. Maybe the Senator from Kansas is wrong and the Senator from Maryland is correct, but I think we at least have to think about the Soviet-Cuban determination. It seems to me we might be inviting conflict over the sovereignty issue if, in fact, they were invited into the area, which is now protected by a 5-mile cordon on either side of the canal. It will be very much reduced. They could almost be at the water's edge.

That is the reason I posed the question: When do we concern ourselves with sovereignty? Is it when somebody is

there, or do we hope it never happens? Do we raise it now in a friendly atmosphere in the debate on the treaty by offering some amendment? Let me again indicate in response to an earlier statement by the Senator from Idaho that, as far as this Senator is concerned, there is no anti-Panamanian feeling. That is not the reason that amendments are offered.

I just believe that, rather than discuss this amendment any more today, since it appears that, once it is offered, it will be tabled, the Senator from Kansas will yield the floor. Perhaps some other amendment can be brought up and disposed of, so we shall not delay the process. Perhaps in the interim of the time the distinguished Senator from Wyoming is discussing his amendment, we can work out an agreement on a vote on this amendment.

I yield the floor.

Mr. WALLOP. Mr. President, I intend to call up an amendment. I share the frustration of the Senator from Kansas concerning the constant tabling motions on amendments of a serious nature which do more by way of protecting people from the consequences of their vote than they do by way of trying to end debate. I have no doubt that, if the Senator from Kansas could get an up or down vote on his amendment, he would end debate immediately and bring it to a vote of the Senate. I tried, a few minutes ago, to arrange for an up or down vote on this amendment and a time limitation and it was rejected summarily, even before treaty proponents had read the amendment. I am beginning to suspect that it is the word "amendment," not the words of the amendment, that is troubling the sponsors of this treaty.

It is with a feeling of some sense of sadness that I see in the proponents the unwillingness to have the highly visible nature of an up or down vote. I do, really, honestly believe that the word, "amendment," troubles them more than the words of any amendment that has been offered.

I think the Senator from Idaho would agree that there have been a number of amendments which I have voted to table along with them because I thought they were not in the interest of constructing a treaty. Nevertheless, and knowing full well that the motion will be made to table this, I send an amendment to the desk and ask that it be stated.

UP AMENDMENT NO. 13

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP) proposes an unprinted amendment numbered 13.

Mr. WALLOP. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Article 1, add the following:

"5. Notwithstanding the provisions of the first paragraph of this Article, if the Republic of Panama abrogates any provision of this Treaty or of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, all of the provisions of both treaties shall terminate, and the provisions of any treaty, convention, agreement, memorandum of understanding, or exchange of notes terminated or superseded under the first paragraph of this Article shall reenter into force.".

Mr. WALLOP. Mr. President, this amendment is designed to deal with the contingencies that would take place should the treaty be abrogated. It is not an item that has been brought up or considered by the Senate. The Senator from Idaho has correctly characterized some of this debate as being stated, restated and restated over the same issues. To my knowledge, this is not an issue which has been brought to the attention of the Senate. Simply stated, it would provide that, if the treaty is abrogated, we would return to the status quo.

There is, I think, great public concern in America over what happens if these new treaties between the United States and Panama are abrogated or, in layman's terms, broken. It is unclear what action the United States could legally and morally take should that event occur. I think it is the obligation of everyone to clarify what would happen if these treaties are broken. I bring it up because, in my trip to Panama, not only Panamanians but Zonians and American businessman in Panama and other places, consistently told me that they expected this to be but the first of perhaps three treaties between now and the year 2000; people on all sides of the issues—those who supported it and those who opposed it. If that is the case, then the country that we are dealing with and ourselves and bystanders with varying degrees of interest are not dealing in good faith for the future through the year 2000.

If that is the case as well, and there is not even the dignity of an extended negotiation for a new treaty and they are simply broken, then the American people ought to know and the world ought to know to what standard we would revert. The standard that I propose is recognizable, and it should be, by both parties and it should have standing in the world's mind. The world should understand what the situation would be should that take place. My amendment will make it clear what will happen if Panama abrogates the treaty: Then all other agreements and treaties we had with the Panamanians reenter into force. We return, in fact, to the status quo of pre-1977 treaty standards.

Article I, paragraph 1, of the Panama Canal Treaty terminates and supersedes all major agreements we have with the Republic of Panama. It states:

ARTICLE I

ABROGATION OF PRIOR TREATIES AND ESTABLISHMENT OF A NEW RELATIONSHIP

1. Upon its entry into force, this Treaty terminates and supersedes:

(a) The Isthmian Canal Convention between the United States of America and the Republic of Panama, signed at Washington, November 18, 1903;

(b) The Treaty of Friendship and Cooperation signed at Washington, March 2, 1936, and the Treaty of Mutual Understanding and Cooperation and the related Memorandum of Understanding Reached, signed at Panama, January 25, 1955, between the United States of America and the Republic of Panama;

(c) All other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama, concerning the Panama Canal which were in force prior to the entry into force of this Treaty; and

(d) Provisions concerning the Panama Canal which appear in other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama which were in force prior to the entry into force of this Treaty.

So, should there be an abrogation, we would know to what standard we would return. My amendment does not alter any of the treaty's terms. In fact, if the Panamanians live up to the terms of the new treaty, then my amendment will lie unused in those dusty files to which unused international agreements are rightfully consigned.

This amendment assures one thing: That whatever treaties the United States agrees to, will indeed govern the relationship between the United States and Panama. They will not prove to be mere way-stations on the road to abrogation and early ejection of American forces from the canal. It provides strong second-thought medicine to any Panamanian leader who might contemplate abusing any treaty provision governing the canal. The amendment does this by providing a simple legal basis for remaining in or returning to military positions in the zone in the event Panama breaks the treaty.

The administration's primary argument for these treaties is that the Panamanians' ill feelings toward the United States make necessary our gradual surrender of the canal to them. As they gradually assume control, so goes the argument, the Panamanians' feelings toward us will improve; a sort of prolonged and gigantic valium that we are administering to the relations between this country and Panama.

The theory also goes that taking this great tranquilizer, they will consequently work with us to keep the canal open, neutral, and secure.

It is reasonable that it should be so, and so it may well be. But unfortunately, Mr. President, the approval of treaties like these could just as well be followed by other developments. The Torrijos regime, or another more inclined toward our enemies—and Torrijos, despite claims to the contrary on this floor, is a mortal man and could die, be replaced, retire, or we could have another individual more inclined toward our enemies who could be emboldened by what he considers a show of weakness in Panama, or elsewhere in the world—to use the grant of sovereign rights to harass Americans, to find pretexts for abrogating the treaties, ordering American forces to leave, and to invite armed personnel from hostile countries to assist them. If the treaties are not amended as I suggest, we would then have no choice but to sit helpless or to act militarily without basis in law—that is to say, to commit aggression, something which is not and has not been the habit of this country.

Every nation has the sovereign right to enter into treaties and to render them inapplicable in the territory over which it exercises sovereignty. It follows that this right is limited to—and does not extend beyond—any nation's sovereign reach. No nation can make or unmake treaties except on behalf of areas where it has the sovereign right to make and unmake other laws. Today the Republic of Panama does not exercise sovereign rights over the Canal Zone. Since 1903, Panama has agreed that the United States should exercise all such rights in the zone. Today under the unique status established in 1903, the Republic of Panama can neither make nor break treaties binding the Canal Zone for the same reason that it cannot effect ordinary legislation there.

Should the treaty presently before us be ratified, the Republic of Panama would assume plenary sovereign rights over the zone. Panama would then be in the new position of making and unmaking all laws—including treaties—on behalf of the former zone on its own authority alone. Panama could then abrogate the 1978 treaties by fiat. It could not exercise the sovereign right to abrogate the treaty of 1903 because that regards a zone over which Panama exercises no sovereign right.

The treaty of 1903, and its subsequent modifications, like all other treaties which transfer sovereign rights in perpetuity, belongs to a well-defined category in international law. Consider how such treaties differ from ones which provide either for payment or for the performance of certain acts. In these cases, unilateral abrogation might constitute the international equivalent of theft or breach of contract. But sovereign rights are a different matter, the very stuff of which nations and national interests are composed.

Mr. President, this amendment provides us with a legal and a moral foothold in the case of unilateral abrogation by Panama. I would point out, if it is their intent to abide by the terms of the treaties, and other more evil influences on the world's stage do not orchestrate or instigate an abrogation, no one will ever know of this amendment, no sovereignty subject to it, no national loss of face be compelled by it. I hope that if the treaties are ratified the promised new relationship with Panama will be estimated and neither Panama's present or subsequent leaders will ever consider abrogation. But should such unfortunate events ever occur, the United States, no, the world's commerce is provided with no contingency plans under this treaty as drafted. Our commerce, South America's commerce, and the world's commerce, all need the assurances of the contingency provided by my admendment.

The world's economic structure depends, in large measure, on the stability of this canal over the years to come, especially in light of energy crises and the existing facts that the trip around the horn not only makes some commercial routes impractical, some commerce impossible, but all more expensive and all longer to take place.

We need assurances. We need a contingency in the world.

We know, Panama knows, and the world knows what the present structure is. It is no mystery. It is something everybody could rely on, that we go back.

The amendment is, in fact, simple reassurance to ourselves and to Panama.

Mr. President, I ask that this body adopt the amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. WALLOP. Mr. President, I suggested the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I call on the Senate for adoption of my amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURKIN addressed the Chair.

SEVERAL SENATORS. Vote! Vote!

Mr. DURKIN addressed the Chair.

Mr. DURKIN. Mr. President, I move to table.

Mr. WALLOP. Mr. President, the rollcall is underway.

Mr. DURKIN. A point of order. The rollcall has not been answered.

Mr. WALLOP. The rollcall is underway.

The PRESIDING OFFICER. There had not been a response.

Does the Senator from New Hampshire seek the floor?

Mr. DURKIN. I do, Mr. President.

Mr. WALLOP. Mr. President, a point of order. A rollcall was underway. Mr. ABOUREZK's name had been called.

Mr. DURKIN. No one had responded.

The PRESIDING OFFICER. The Chair already has ruled that the rollcall had not been responded to by any Member of the Senate. Therefore, the rollcall had not started.

The Senator from New Hampshire.

Mr. CURTIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Nebraska will state the parliamentary inquiry.

Mr. CURTIS. Suppose the Senator whose name was called would appear at this time and state that he wants to answer? Would that mean the rollcall was in progress or not?

The PRESIDING OFFICER. No, it would not.

Mr. DURKIN. Mr. President, I move to table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Wyoming. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Maine (Mr. MUSKIE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Illinois (Mr. PERCY), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent to attend the funeral of a former Senator.

The result was announced—yeas 50, nays 37, as follows:

[Rollcall Vote No. 67 Ex.]

YEAS—50

Abourezk	Hart	Metzenbaum
Anderson	Hayakawa	Morgan
Bayh	Heinz	Moynihan
Bentsen	Hodges	Nelson
Biden	Hollings	Pearson
Bumpers	Humphrey	Pell
Byrd, Robert C.	Inouye	Proxmire
Case	Jackson	Ribicoff
Chafee	Javits	Riegle
Church	Johnston	Sarbanes
Clark	Kennedy	Sasser
Cranston	Leahy	Stafford
Culver	Long	Stevenson
Danforth	Magnuson	Stone
Durkin	Matsunaga	Weicker
Eagleton	McGovern	Williams
Glenn	McIntyre	

NAYS—37

Allen	Ford	Packwood
Bartlett	Garn	Randolph
Bellmon	Hansen	Roth
Brooke	Hatch	Schmitt
Burdick	Hatfield,	Scott
Byrd,	Mark O.	Stevens
Harry F., Jr.	Hatfield,	Talmadge
Cannon	Paul G.	Thurmond
Chiles	Helms	Tower
Curtis	Laxalt	Wallop
DeConcini	Lugar	Young
Dole	McClure	Zorinsky
Domenici	Melcher	
Eastland	Nunn	

NOT VOTING—13

Baker	Hathaway	Schweiker
Goldwater	Huddleston	Sparkman
Gravel	Mathias	Stennis
Griffin	Muskie	
Haskell	Percy	

So the motion to table Mr. WALLOP's amendment (No. 13) was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator from Wyoming.

Mr. WALLOP. Mr. President, when I

called up that amendment, I said I fully expected it to be tabled.

The PRESIDING OFFICER. If the Senator will suspend, the Senate is not in order. Senators will kindly take their seats. The Senator from Wyoming is addressing the Chamber.

The Senator from Wyoming.

Mr. WALLOP. Mr. President, when I called up that amendment I said that I was certain that it would be tabled, and I was not disappointed in that. But, Mr. President, I also said that one of the things that the proponents of this treaty are unwilling to do is to look at any amendment on the face of it. We have as pure an example of that unbridled use of power as you could imagine on this amendment. They did not raise one argument against it. There was not one word spoken against that amendment, not one. They walked in. They refused the up and down vote, had to bend the rules to achieve that and they moved to table without a single word in argument.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. WALLOP. I yield.

Mr. ROBERT C. BYRD. How were the rules bent to achieve that?

Mr. WALLOP. Mr. President, if I may respond to the majority leader, the rollcall had begun.

Mr. ROBERT C. BYRD. Had there been a response?

Mr. WALLOP. There had not.

Mr. ROBERT C. BYRD. Then the rules were not bent.

Mr. WALLOP. The second name had been called and the response was about to be given when that took place.

Regardless of that point, no one is interested in what these amendments say. The proponents are not interested in any logical argument that can be brought up about anything. They are more frightened of the word "amendment" than the words in any amendment.

I think this is a good explanation to the American people of what is happening right here. The most interesting part of this situation is that it was an unprinted amendment, it was uncirculated, it was not read by the clerk in its entirety, and the proponents of the treaty did not even ask to see it. All they did was to call for the tabling of this amendment without raising one single argument.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. WALLOP. I doubt if anyone over there had the foggiest notion of what it said until after the tabling motion. It is typical of the way this thing is being run and it is not in behalf of the American people. It is in behalf of a power play. They are not interested in logic. They are not interested in the future of the country. They are simply interested in tabling anything.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. WALLOP. I yield to the Senator from Massachusetts.

Mr. ALLEN. Mr. President, let us have order.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Wyoming has yielded to the Senator from Massachusetts.

The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I thank my distinguished colleague from Wyoming for yielding.

Mr. President, I am very sensitive to what the Senator from Wyoming has said. Not only am I sensitive, but I am sympathetic to what he said. I think he makes a very strong point. I ultimately voted for the Neutrality Treaty, but I have consistently voted against every motion to table amendments, understandings, or reservations to that treaty, and I will continue to do so regarding the pending treaty. On this particular amendment I would vote no if an up-or-down vote were permitted.

I think both the administration and the proponents of these treaties are making a big mistake in not allowing any substantive amendments to be voted up or down by this body.

The only argument they have given is that if we in any way alter these treaties they will have to go back for a plebiscite in Panama. Mr. President, that is not our business. That is the Panamanians' business. I do not think we ought to have these treaties, which are important to the American people, important to our country, be voted favorably upon without amendment because of the threat of a plebiscite in Panama any more than I think we ought to have these treaties acted favorably upon because of a fear of violence in Panama or elsewhere. These should not be criteria by which we make our judgments pro or con on this matter.

If ever this Nation begins to make its policy, our foreign policy, based on the fear of violence anyplace around the world, we are traveling a very, very dangerous road, and we may encourage that perception by the way we argue substantive amendments and act upon them.

Obviously, the votes were here to defeat the proposal of the Senator from Wyoming. He knew that, he said that. But at least he was entitled to an up-or-down vote. And although I would have voted against his amendment I still believe he deserved an up-or-down vote.

He ought not to be subjected to a motion to table. The Senator from Kansas (Mr. DOLE) has an amendment that he believes in, and has been talking about it for many hours today. But he refused to have it brought up because he knew it would be subjected to a motion to table.

I think it is not in the best interests of the proponents of these treaties to continue this practice and procedure of filing motions to table every amendment that comes on the floor. Some of them may be frivolous, to be sure. But some of them are substantive and meaningful amendments that would strengthen the treaties in the best interests of the United States, and even assure the proponents of the passage of these treaties.

I make this statement very seriously, very somberly, and very soberly, and I make it in the best interests of this country because I think we are making a big mistake if we think that the only people concerned about the Panama Canal treaties are a group of extreme conservatives in this Nation.

There is a large segment of the American people who are seriously concerned about it, who maybe do not have all the facts about it, and who may perceive that they are being denied facts about it if we continue to proceed as we did on the Neutrality Treaty; namely, tabling substantive amendments that come up for consideration.

So I again say to the administration and I say most respectfully to the leadership and to the floor manager of this bill, for whom I have great respect, that at least in one Senator's opinion—and I think in other as well—this is not the proper procedure to follow. It is self-defeating, and you may rue the day that you make decisions or continue this practice and this procedure.

At least give these amendments an opportunity to be heard and to be voted upon without a motion to table. So I just want to say to my distinguished colleague from Wyoming I know why he is incensed, and he is justifiably incensed, and that his feeling about this is shared by others of us in this Senate who may have even voted on the other side of the first treaty, but who conceivably might vote on the other side of this treaty.

Mr. MATSUNAGA. Mr. President, will the Senator from Wyoming yield for a question?

Mr. WALLOP. I will in a minute as soon as I respond to the kind remarks of my friend from Massachusetts.

My point is that I expected a motion to table. I did not want it. I had asked for an up or down vote. I had even sought to make a time arrangement to achieve that. But more than that I think the amendment was entitled at least to the dignity of a response.

I think there may be arguments against it, but they were never brought up and nobody ever made any kind of a move whatsoever to argue against it but merely to table it, and I do not think it is in the interest of America, in the interest of the proponents or the opponents to willy-nilly dismiss out of hand any arguments that may have been made.

I do not say mine were the most compelling in the world. I took some time with them, and I thought the amendment out, and I did not put it on the table in a frivolous manner. I was serious about it because I do not think there is any provision for this country, in the event that Panama were to abrogate the treaty, and I brought up my amendment with all due seriousness.

So, Mr. President, I do thank the Senator from Massachusetts.

I yield now to the Senator from Idaho and then to my friend from Wyoming, and then from Alaska.

Mr. CHURCH. Mr. President, I want to say to my good friend from Wyoming I appreciate fully his irritation, and I want to say further to him that it was not my intention to ignore his argument. As a matter of fact, I believe that, at all times I have been on the floor, I have responded to the arguments made on behalf of all amendments. I have tried to state the case against them for the treaty proponents.

I also want to say that I did not regard the Senator's amendment as frivo-

lous. It just happened that I was called into the majority leader's office at the time the Senator was making his case for the amendment. I had anticipated that I would come back in time to respond.

The Senator's amendment was an unprinted amendment. I wanted to look at it first and to hear the Senator's argument.

While I was in the majority leader's office the bells rang signifying a vote. I came back onto the floor and discovered that the Senator had called for a rollcall vote, when the Senator from New Hampshire (Mr. DURKIN) temporarily occupied my chair. Mr. DURKIN jumped to his feet, made the motion to table, which was entirely within his rights. But that was not the way I had thought the matter would go.

I came back onto the floor, and discovered we were already voting on the motion to table.

So I want the Senator to know he has my apologies. It had been my intention to respond. He is quite right, he was entitled to a response. I would be willing to give it to him now, even after the event, but I am sorry that circumstances were such that I was not on the floor at the moment that the vote was called so that I could have responded in a timely manner to the Senator.

Mr. WALLOP. I thank the Senator from Idaho. I hope that at some time should something very similar to this occur that a motion to table would not be made because it is entitled to a full airing as an idea.

Mr. CHURCH. May I just add one other thing? It has not been the monolithic rule of those of us managing the treaty to move to table every amendment. When we had the last treaty up for consideration, a number of times we did vote up or down; I believe five or six times we voted that way. I am sure we will be voting up or down during the debate on this treaty as well. But, in any event, whether we vote on the merits or vote on a motion to table, the Senator was entitled to a response. His amendment was seriously intended, and had I been on the floor he would have received that courtesy.

Mr. BROOKE. Mr. President, will the Senator from Idaho yield for just a question? If the Senator from Wyoming will yield I would ask the Senator from Idaho to yield.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. WALLOP. I yield for the purpose that a question might be directed to the Senator from Idaho.

Mr. BROOKE. The distinguished Senator from Idaho is the floor manager of the treaty. Could the Senator tell me whether they have changed the strategy and that so far as the second treaty is concerned that there is not going to be an accepted procedure or strategy to enter a motion to table every amendment that is offered on the floor?

Mr. CHURCH. The Senator is correct; but there has been no change in strategy. As we had votes up or down on a number of amendments during our consideration of the Neutrality Treaty, so I anticipate we will have votes up or down on some amendments during our consideration of the Panama Canal Treaty.

Mr. BROOKE. But the only meaningful amendments, as I recall, to the Neutrality Treaty on which we had up or down votes, really, were the two so-called leadership amendments, where the Senator knew that he had sufficient votes to pass them. Those were the only meaningful amendments that I recall.

Mr. CHURCH. Well, I am sure that the Senator——

Mr. BROOKE. After they had been accepted, obviously, by the administration.

Mr. CHURCH. I am sure the Senator would not object if I referred to the RECORD, and pointed out that, in addition to the up or down votes on the leadership amendments, we also had an up or down vote on amendment No. 2, offered by the Senator from Virginia (Mr. SCOTT); we had an up or down vote on amendment No. 3, offered by the Senator from Utah (Mr. HATCH); and we had an up or down vote on amendment No. 47, offered by the Senator from Alabama (Mr. ALLEN).

Mr. BROOKE. And will the Senator, for contrast, state the number of amendments that we had motions to table on?

Mr. CHURCH. In most cases, amendments were handled by motions to table, but there were at least five exceptions to that rule, as the record shows.

Mr. BROOKE. Is it the Senator's intention to permit up or down votes on amendments to this second treaty?

Mr. CHURCH. Yes; there has been no change in the strategy, and there is no intent on the part of the Senator from Idaho to insist on motions to table in every case.

Mr. BROOKE. Will the Senator from Idaho enlighten the Senator from Massachusetts and the Senate, really, as to what basis will be used to make the decision as to whether up or down votes or votes on motions to table will be permitted?

Mr. CHURCH. Well, I think the decision will be made on a case-by-case basis, on the merits of the amendments and also on the propriety for considering the subject matter in the form of a reservation rather than changing the actual text of the treaty.

Mr. BROOKE. What was the basis the Senator used for not permitting an up or down vote on the Dole amendment?

Mr. CHURCH. Well, I would say to the Senator that I thought that the Dole amendment should be rejected on its merits, but in addition to that, if it is the disposition of the Senate to impose an explicit obligation upon Panama to refrain from permitting foreign troops on Panamanian soil while American troops are there, in addition to its promise not to permit foreign troops on Panamanian soil after American troops leave, then I believe that ought to be done in the form of a reservation, not in the form of an amendment to the text of the treaty.

Mr. BROOKE. That is the reason?

Mr. CHURCH. That was the reason why I felt the best way to proceed with the Dole amendment would be with a motion to table.

Mr. BROOKE. I thank the Senator.

Mr. WALLOP. Mr. President, I would say to the proponents of the treaty that Senator STEVENS and I will offer a very similar amendment to the last article of the treaty, and I hope that a point of order on the basis that it had been a subject considered by the Senate will not be raised against it, because I do not think that the issue was fully aired; certainly, no arguments were made against it.

Mr. CHURCH. I would be happy to oblige the Senator in that respect. He now understands the circumstances of the peremptory vote on his amendment?

Mr. WALLOP. Yes, I do. I appreciate the Senator's courtesy, and I yield to my colleague from Wyoming (Mr. HANSEN).

Mr. HANSEN. Mr. President, I shall not be long. I do want to say, though, that I think we have had some very scholarly efforts made by a number of Senators to help explain and make sure that all of us may understand what the issues are—and they are very intricate indeed—as we consider the two treaties before us, one of which has already been ratified by the Senate.

The PRESIDING OFFICER. The Senate is not in order. Senators will please take seats. The Senator from Wyoming is addressing the Senate, and is entitled to be heard.

Mr. HANSEN. But I do want to pay particular tribute to the Senator from Michigan (Mr. GRIFFIN) and to the Senator from Alaska (Mr. STEVENS). I think that the research that preceded their offering amendments on the floor was very scholarly, very much in depth, and certainly would have presented the sort of issues to the Senate that, by any measure, by any rational consideration, deserved an up or down vote.

Now, it is my recollection that Senator GRIFFIN's amendment was tabled, and I think the same fate befell the amendment of Senator STEVENS. I believe that the people of the United States had a right to expect that Senators would be called upon to vote up or down on issues of the importance that I attach to those two amendments. It seems unfortunate indeed that, as we undertake the extensive and exhaustive deliberations on these treaties, we think it is not worthwhile to have each of us declare and go on record as to whether we favor or reject a particular amendment, as is done when we vote up or down on a motion to lay on the table rather than voting up or down on the issues. I do not believe we are encouraging the American people to believe we are as open and forthright in the consideration of these treaties as they would hope that we might be. I deplore the fact that we have pretty well established a technique for disposing of any amendment that is not looked upon with favor by the leadership—and when I say that, I include both the Republican and Democratic leadership, because as we all know, Senator BAKER has been going along, and I am not criticizing him, with the Democratic leadership in trying to get these treaties ratified.

I believe we would do a far better job

than we have done so far if we would vote up or down on these issues, and I am sorry that my colleague from Wyoming was not afforded the satisfaction of having Senators record their feelings on the merits of the amendment that he proposed, instead of having it handled in the peremptory fashion that was attached to it.

I am encouraged by what one of the prime sponsors of the treaty, the Senator from Idaho (Mr. CHURCH), has said about his willingness to permit up or down votes on substantive issues. I hope we will see that carried out in practice.

I thank my colleague from Wyoming.

Several Senators addressed the Chair.

Mr. WALLOP. Mr. President, I will yield in a moment, after I make one further comment, to thank my colleague from Wyoming (Mr. HANSEN) for his contribution.

The PRESIDING OFFICER. Will Senators wishing to converse please retire to the cloakrooms? The Senate is not in order. The Senate will please come to order.

The Senator from Wyoming may proceed.

Mr. WALLOP. I thank the Chair. While the argument that I advanced may not have been the most compelling argument in the world, it was infinitely more compelling than any argument that was raised against it.

I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, a most unusual thing happened to me last Saturday. The State commanders of the American Legion, the VFW, and the DAV called to thank me personally for my vote on Thursday against the Panama Canal Treaty. Charges have been made that only the real conservative organizations are opposing these treaties. You could not get much better representative of the thinking of good responsible thinking, I do not believe, than these three national veterans' organizations. This is the first time in 33 years that I have been in the Senate that those three leaders have called to thank me for a vote. This is the most unusual thing that has ever happened to me.

Mr. SCOTT. Mr. President, I have listened to the comments that have been made by a number of Senators, including the concern of the Senator from Massachusetts about the motions to table the great bulk of the amendments that have been offered, and I would say that is also true of the understandings and other efforts to change the treaties somewhat.

It is my understanding that only under Panamanian law, only the amendments, the contents of the treaty are considered to be binding on the Panamanian Government.

I am concerned that when these various amendments come up, the floor manager of the bill indicates that if we adopt an amendment, that Mr. Torrijos, the dictator of Panama, will not accept it and perhaps it will mean that the treaty will be vitiated; that it will not become a reality.

Well, now, you know, Mr. President, when I hear about the concern of General Torrijos it reminds me of the Uncle Remus story, the story of Brer Rabbit and the fox, and I believe that every Member of the Senate is familiar with this statement and whether the fox was going to drown the rabbit, the fox was going to burn the rabbit up, and the fox was going to do great harm and kill Brer Rabbit, and in many ways Brer Rabbit, each time, said, "Well, go ahead and do that but please don't throw me in the briar patch."

And Brer Rabbit finally was thrown in the briar patch. He was not drowned. He was not burned. No harm came to him.

And he said, "I was born and reared in the briar patch."

I have a hunch that General Torrijos, after final action is taken on these treaties and we have acceded to his demands that we not have any amendments to the treaty, he will be glad that he has the title, the sovereignty, the control that he can do with this canal as he damn well pleases, and that is against the best interests of this United States.

I feel that we should amend or should reject these treaties.

Mr. LAXALT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. LAXALT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, is there an amendment pending at the desk?

The PRESIDING OFFICER. There is no amendment pending at the desk.

Mr. SARBANES. To article I.

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. ALLEN. I have an amendment.

Mr. SARBANES. Do I understand that the Senator from Alabama wishes to call up an amendment?

Mr. ALLEN. I have an amendment at the desk. I wrote it out just a moment ago. I ask that the clerk read my amendment.

The PRESIDING OFFICER. Is there a suggestion that we should call up his amendment?

Mr. ALLEN. I do not particularly care to call it up at this moment unless we have an understanding as to whether there will be a motion to table prior to being given an opportunity to discuss the amendment.

I wonder if we might inquire of the distinguished majority leader if other votes tonight are anticipated?

Mr. ROBERT C. BYRD. Mr. President, I would hope that we could get Mr. DOLE to call up his amendment—it has been discussed throughout the major portion of today—and possibly get a vote in relation thereto.

Does the distinguished Senator——

Mr. ALLEN. I have no objection. I merely did not wish to pass to the next article.

I have an amendment more or less in reserve to call up, if it is planned to go to the next article but I agree with the distinguished majority leader, as regards Senator DOLE, inasmuch as we have discussed his amendment some 4 or 5 hours should, if he wishes, call up his amendment.

I am not trying to come in ahead of the distinguished Senator from Kansas.

Mr. HANSEN. Will the distinguished Senator from Alabama yield for an observation?

The PRESIDING OFFICER. The Senator from Maryland has the floor.

Mr. SARBANES. I yield to the Senator from Wyoming for a question, without losing my right to the floor.

Mr. HANSEN. I am surely not privileged or licensed to speak for the Senator from Kansas (Mr. DOLE), but I would say that I hope Senators might understand the manner in which most amendments offered by those of us who oppose the treaty have been handled so far does not encourage Senators to call them up and press for a vote, and if we could have a vote on the merits, as has been pointed out by my distinguished colleague from Wyoming, it would certainly help.

I do not know at all what the distinguished Senator from Kansas (Mr. DOLE) may have in mind, as far as his amendment goes, but it seems to me that when a person works hard, is diligent and tries to understand the issue and tries to become better informed, as indeed Senator DOLE and others have, it is a little discouraging to have few people, if any, on the floor and then to have practically nothing spoken in rebuttal, as was indeed the case with my colleagues from Wyoming, to have someone get recognition of the Chair and move to table.

Now, obviously, most Senators who are away from the floor and who come in and ask what the issue is and are told that the prevailing side simply has moved to table, that is about all the information that the typical Senator has and Senator DOLE might have, and I do not know at all that he did, but he might have had the feeling that if he were to push further this evening for consideration on his amendment, the best that he can hope for would be to have someone move that it be tabled, and most Senators would come in and support that tabling motion, having little, if any, idea what the amendment was.

I could certainly understand why Senator DOLE might have chosen—maybe he did, maybe he did not, I do not know if he did—to put his amendment down. I can well understand why.

I thank my colleague from Maryland for yielding.

(Mr. HODGES assumed the chair.)

Mr. SARBANES. Mr. President, let me just respond to that because I think it is important to do so.

The proponents of the treaties have on occasion moved to table amendments and on other occasions amendments have gone to a straight up or down vote.

Now the motion to table is a standard and respectable parliamentary procedure. Senator DOLE has himself used it

on a number of occasions in this body, which I have been a witness to.

Mr. ROBERT C. BYRD. Mr. President, will the Senator allow me to interrupt him?

Mr. President, before the distinguished Senator from Washington leaves, we have heard a great deal today about this business if it does go to a vote up or down, look what is going on in the Senate here; look what the leadership is doing; we are being deprived of a vote up or down, the American people, when they catch on as to what is going on, and all that business.

Now, if you want to vote up and down on the Dole amendment, I ask unanimous consent that we vote in 5 minutes. Five minutes from now. Up or down.

Mr. CURTIS. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. I want to call your hand up. Let us just vote up or down.

Mr. CURTIS. Reserving the right to object, tomorrow there are two important agriculture bills to be voted upon. It is my information that the distinguished Senator from Kansas, who is the ranking minority member on the Committee on Agriculture, and the distinguished chairman of the committee, Senator TALMADGE, are now in conference arranging for the presentation of that important legislation tomorrow. I do not think that due to the fact that this legislation is scheduled for tomorrow and it is important, that Senator DOLE should be sent for and told in this great deliberating body of unlimited debate, if he is a good boy, he can have a vote in 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Mr. President, reserving the right to object, and I shall not object, I am perfectly willing. I should have to say this: If we vote within 5 minutes on the Dole amendment, that is a lot better than we expected. I do not object.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object in Mr. DOLE's absence.

The PRESIDING OFFICER. The objection is heard.

Mr. ALLEN. Besides, there is no amendment pending.

Mr. ROBERT C. BYRD. I can call up an amendment, precisely like it, of my own and move to lay it on the table, for that matter.

I have heard this all day long, the same old ritual, the same old record playing: "We cannot have an up or down vote."

We had some up or down votes on some amendments on the first treaty. The distinguished Senator from Idaho has said we will have some up or down votes on amendments to this treaty. That is a parliamentary technique that has been used since parliamentary bodies began.

Those who vote for a motion to table are voting against the amendment. I voted for the motion to table. I voted because I am against the amendment.

I know what these amendments will do. They will open the treaties to renegotiation. That allows the other party then to come in and ask for a quid pro quo. So let us have a vote up or down on the amendment.

Get in touch with Mr. DOLE. Let us get a vote.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Let me offer a further suggestion. I wonder if the opponents to the treaty would agree to a vote up or down on the Resolution of Ratification by no later than, say, 6 o'clock this coming Thursday, provided we have up or down votes on all amendments in the meantime? I should like to offer the opponents that opportunity, to vote up or down on the treaty.

We have debated this. We are in our 6th week now of debating this treaty, because it was debated along with the other treaty, before we voted on the resolution of ratification.

There has been ample debate and the reason there are only five or six Senators on the floor, as someone has said, is that they have heard these arguments over and over. They have heard the same old argument so many times that they do not need to be on the floor to know what has been said. So let us have a vote. Let us get this thing behind us and get on with other business.

I ask the opponents if they are willing to have a showdown vote up or down—to vote up or down—on the treaty no later than 6 o'clock this coming Thursday. Then we will go out for the legislative holiday and we will come back and we will be ready to start on other matters. But if we are not going to have an agreement, let us just inform our colleagues here and now—here and now—that the legislative holiday is going to be cut in half. If we do not get an agreement, we shall just be out on Good Friday and Good Saturday and Good Sunday, and Monday and Tuesday. and come back on Wednesday.

Of course, there will be votes, because any Senator can call up any amendment. He does not have to call up his own. He can call up someone else's.

For that matter, I can put in amendments of my own, call them up, and move to lay them on the table.

I implore my friends who are opposing this treaty to consider the suggestions I have made: get an agreement to vote up or down on the treaty by no later than 6 o'clock p.m. this coming Thursday, and get it all behind us after 6 weeks of debate. In the meantime, vote up or down on all the amendments.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. SARBANES. Mr. President, I have the floor. I yield to the Senator from South Carolina for a response without losing my right to the floor.

Mr. THURMOND. Mr. President, I just want to call to the attention of the distinguished majority leader that the able Senator from Kansas was here most of the day and he would have consented to a rollcall vote up or down, but the proponents of the treaties never did consent. He wanted an up-or-down vote. They would not give him an up-or-down vote. He was here and wanted it. Now he has gone, working on an Agriculture Committee matter which is very important, because the farmers cannot survive unless we do something. He is doing his duty there.

I am sure he will agree to an up-or-down vote as soon as he comes back. If we can get him back here, I am sure he will agree.

I thought I ought to call that to the attention of the distinguished majority leader.

Mr. SARBANES. I would hope so, and I think I ought to add to the record, for the information of the Senator from South Carolina and others, that the Senator from Kansas, in effect, said that unless he got an up-or-down vote, he did not intend to let his amendment go to a vote. That if a motion to table were in prospect he would then go on for days. Under those circumstances, his attitude obviously affected the perspective with which one viewed his position, understandably so.

I see the Senator from Kansas has now come back into the Chamber and I think that, perhaps, we may be able to go to an up-or-down vote in a few minutes on his amendment.

I yield to the Senator from Kansas without losing my right to the floor.

Mr. DOLE. I do not know what has been said. I have been meeting with Senator TALMADGE on tomorrow's legislation.

The Senator from Kansas is willing to agree to vote almost immediately on an up-or-down vote.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. SARBANES. I yield.

Mr. ROBERT C. BYRD. I say to the distinguished Senator from Kansas that I have just proposed that there be a vote on the amendment of the Senator from Kansas, up or down, within 5 minutes.

Mr. DOLE. Could I have about 2 minutes of the 5?

Mr. ROBERT C. BYRD. With the time to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOLE. Mr. President, I shall make my statement very quickly, since there are probably more Senators in the Chamber now.

The PRESIDING OFFICER. Will the Senator call up his amendment?

AMENDMENT NO. 69

Mr. DOLE. I call up amendment No. 69 to article I.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 69.

At the end of article I, add the following:

5. For the duration of this Treaty and consistent with the provisions of Article IV, the Republic of Panama and the United States of America agree that, subject to the other provisions of this Treaty, only the military forces, defense sites, or military installations of the Republic of Panama or of the United States of America may be maintained in the national territory of the Republic of Panama.

Mr. DOLE. Let me say this very quickly, and I should like to reserve 30

seconds of the 2½ minutes: This amendment has one purpose in mind. That is to insure that no foreign military presence other than that of the United States will be established within Panamanian territory between now and the year 2000.

We have argued this amendment and debated the amendment at some length. It seems to me that that is in our interest and is in the interest of Panama. It is going to happen after the year 2000. That is already in the Neutrality Treaty.

It is not a hostile amendment, it is not a killer amendment. It is an amendment offered in good faith to strengthen the treaty.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I said earlier in the debate that if you have a good neighbor, you do not ask that neighbor to protect the neighborhood by promising you in writing not to let the Mafia use his house. For 75 years, Panama has been a good neighbor. Never have they let foreign troops on their soil. One of the chief reasons they want this treaty is in the hope that, one day, only Panamanian troops will occupy Panamanian soil. It is highly unlikely that they will change their attitude between now and the end of the century. But if they do, American troops will be present to protect American interests.

This is a very unwise amendment. It should be rejected in the interest of preserving our friendship with the Panamanians, which is the best security we have for the canal and our interest in it in the future.

Mr. JAVITS. Mr. President, if the Senator has any time, I would like to say I shall be against it and vote "no," because it relates to the whole Republic of Panama. After all, what this is all about is that Panama is seeking to recapture its dignity. If we are there and we have not the ability and the presence to keep foreign troops out, it is a pretty sick day for us. I think this negates the whole reason for which the Panamanian people are seeking this treaty. It is to give them national standing and respectability. I hope very much that the Senate rejects the amendment.

Mr. DOLE. I yield the remainder of my time to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Kansas for yielding to me.

Mr. President, the Neutrality Treaty that was agreed to last Thursday provides that Panama shall not permit any foreign troops to be on Panamanian soil.

If that is going to be the rule from 2000 on, why should it not be the rule between now and 2000, especially since the United States will have troops there until the year 2000 and the United States will not have troops there beyond the year 2000?

There is less necessity to have troops between now and 2000 with the American troops being there than there is to have troops, foreign troops, there after the year 2000.

If they do not need them after 2000, why do they need them before the year 2000 with the United States there to defend the canal?

I hope the amendment will be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized for 30 seconds.

Mr. MOYNIHAN. Mr. President, I cannot conceive that anybody would responsibly suggest this amendment is not profoundly altering our agreement with Panama and would be altogether unacceptable by Panama.

Is there no man in this Chamber on the other side with any experience in foreign affairs, of any confidence for foreign affairs, of any sensibility about what is required of a great nation in its dealing with small nations?

Mr. President, this amendment is a monstrosity. It suggests a fearful nation and a declining one, and I will have nothing to do with it because we are neither. We are great and powerful and an indispensable nation to the liberties of the world and we will not stand here and cringe in front of the fears of uninformed men.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Kansas has 30 seconds.

Mr. DOLE. Mr. President, I agree with the distinguished Senator from New York. We should not look to uninformed men. I therefore, suggest we vote for the amendment.

I yield back the remainder of my time.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. All time has been yielded back.

The Senator from Montana.

Mr. MELCHER. Mr. President, I ask unanimous consent for 2 additional minutes for myself because I was in the Chair during much of the time when this was debated and could not enter into the debate. I ask unanimous consent for 2 additional minutes.

Mr. ROBERT C. BYRD. Mr. President, there should be an equal amount, may I say respectfully to the Senator, 2 minutes for Mr. MELCHER and 2 minutes for Mr. CHURCH.

The PRESIDING OFFICER. Is there objection to 2 minutes for Mr. MELCHER and 2 minutes for Mr. CHURCH?

Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I am going to vote for this amendment. I am not going to vote for this amendment to abuse Panama on any basis, nor that we are cringing in this country for wanting the amendment.

I am going to vote for it because in discussions with the Panamanian Government leaders a few weeks ago and with General Torrijos, this is exactly what the treaty meant, that there would not be any other troops between now and the year 2000, other than American and Panamanian troops in Panama.

The canal is strategic. It is important to us. That is why we can adopt this amendment because it agrees with what General Torrijos and the Panamanian Government officials have told us, that there will not be any other troops of any other foreign country in Panama between now and 2000.

That is all the Dole amendment declares. It carrys out that purpose.

For that reason, I will vote with Mr. DOLE for the amendment.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. President, since the 1903 treaty has been in effect, Panama has had the right to invite foreign troops into the Republic of Panama. It has not done so. It has not done so and we have had a close relationship between the United States and the Republic of Panama.

There is no expectation that Panama wishes to do so between now and the end of the century; a time period when we will have a continued American military presence in Panama. At some point there must be an understanding of the decent sensibilities of other people——

Now, we do not ask for this kind of condition in any agreements we have with any other country where we have an American military presence. We do not come in, and with respect to their sovereignty and their independence to make their own decision, say not only, "Let us in," but, "sign on the dotted line no one else will come in." That is understood and it is carried out that way. Why is there in this Chamber this desire to rub the faces of people into it.

The 1903 treaty does not preclude the presence of foreign troops in Panama and they have not been there. Now we seek to make explicit something that has always been understood, and the implication of making it explicit is to take away from a people their own right to make decisions just like other people.

We do not ask the same thing out of Spain, or out of Britain where we have American bases, or out of the other NATO countries, out of Germany.

Mr. DOLE. We do not have a canal there, either.

Mr. SARBANES. We do not ask them to make the same representations to us. Yet, we want to come along and impore this here. We have our presence there. We can protect our interests.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Montana has approximately 1 minute.

Mr. MELCHER. Mr. President, I want to state that, of course, this treaty is a different kind of agreement than other treaties with other countries. This is a treaty dealing with the Panama Canal. which is strategic to us, as it is for all of the rest of the countries of the world that use it in commerce.

We do not have a similar agreement with Spain or with Great Britain or other countries because it is a different set of circumstances and the treaties with them involve an entirely different subject and different circumstances.

This treaty with Panama involves the canal. We have a vital stake in it. We have a great responsibility for it. That is why there are different circumstances involved with this treaty and our agreeing to it than there are with other treaties with other countries throughout the world. The amendment is pertinent and carries out the mutual concept we have with Panama.

Mr. WALLOP. Will the Senator yield the remainder of his time?

The PRESIDING OFFICER. The Senator has 5 seconds.

Mr. WALLOP. I would just ask, how many Cubans defended Ethiopia since 1903?

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Kansas. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ZORINSKY (after having voted in the affirmative). On this vote I have a pair with the Senator from Maine (Mr. HATHAWAY). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withdraw my vote.

Mr. FORD (after having voted in the affirmative). On this vote I have a pair with the Senator from Colorado (Mr. HASKELL). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS), is absent to attend the funeral of a former Senator.

The result was announced—yeas 39, nays 45, as follows:

[Rollcall Vote No. 68 Ex.]

YEAS—39

Allen	Garn	Packwood
Bartlett	Hansen	Randolph
Bellmon	Hatch	Roth
Bentsen	Hatfield, Paul G.	Schmitt
Brooke	Hayakawa	Scott
Burdick	Helms	Stennis
Byrd, Harry F., Jr.	Johnston	Stevens
Cannon	Laxalt	Stone
Curtis	Long	Talmadge
DeConcini	Lugar	Thurmond
Dole	McClure	Tower
Domenici	Melcher	Wallop
Eastland	Nunn	Young

NAYS—45

Abourezk	Eagleton	Metzenbaum
Anderson	Glenn	Morgan
Baker	Hart	Moynihan
Bayh	Hatfield, Mark O.	Nelson
Biden	Heinz	Pell
Bumpers	Hodges	Proxmire
Byrd, Robert C.	Hollings	Ribicoff
Case	Humphrey	Riegle
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Church	Javits	Stafford
Clark	Leahy	Stevenson
Cranston	Magnuson	Weicker
Culver	Matsunaga	Williams
Danforth	McIntyre	
Durkin		

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Zorinsky, for.
Ford, for.

NOT VOTING—14

Goldwater	Huddleston	Pearson
Gravel	Kennedy	Percy
Griffin	Mathias	Schweiker
Haskell	McGovern	Sparkman
Hathaway	Muskie	

So Mr. DOLE's amendment (No. 69) was rejected.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN, Mr. ROBERT C. BYRD, and Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Chair, and I would like to take a moment, because perhaps there were just a few Senators here, to respond——

Mr. LEAHY. May we have order?

The PRESIDING OFFICER. The Senator from New York will cease until there is order in the Senate.

The Senate will be in order. Members will cease conversation. The Senate will please come to order.

The Senator from New York.

Mr. MOYNIHAN. Mr. President, as has been observed, we are now in the sixth week of debate on these treaties. By comparison the North Atlantic Treaty occupied 12 days of the Senate's time. And we begin to enter into a period where standards are collapsing.

The distinguished Senator from Wyoming this afternoon submitted an amendment to this treaty which was so devoid of intellectual content or even rhetorical merit as to literally silence the supporters of these treaties. He rose and said, in the aftermath of the defeat of the amendments, that not one word of argument had been presented against it. Did he ever stop to consider that the proponents of the treaty might have been showing mercy, that they might have wished to spare him any elaboration on the proposition that a Member of the U.S. Senate has stood up and proposed that the United States in certain circumstances would claim rights under nonexistent treaties?

Article I of the treaty before us abolishes the 1903 treaty and the 1936 treaty with Panama.

Having been abolished, the treaties ceased to exist. And in the name of heaven to what recourse can you claim somehow, now there is subsequent revival and resurrection in consequence of your own annoyance? It will not work.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MOYNIHAN. The Senator will not yield for the moment.

Mr. President, a moment ago I left the floor. I called Medford, Mass., and I spoke to what is perhaps the leading international legal scholar in America, possibly the world, today, Dr. Leo Gross. Dr. Gross did his work in Vienna, who was for a long time an official of the League of Nations, who taught at the Fletcher School of International Law and Diplomacy at Harvard University for a distinguished generation of diplomats after the Second World War, and I read to Dr. Gross this amendment of the Senator from Wyoming. Dr. Gross by definition, having given his life to the study of international law, does not have many laughs; there are not many chuckles in the day of a professor of international law. Leo Gross was reduced to laughter. He finally stopped and said:

> Nothing is beyond the imagination of a Senator, I suppose, but such a proposal would be meaningless unless accepted by the other side. You cannot claim rights under a nonexistent treaty.

Are we going to ask the world to look down upon us as persons who have no standards of argument, of the logic of a sentence, of the empirical basis of an assertion of fact?

Here is the United States of America that launched the Marshall plan, what Winston Churchill called the most generous and selfless act in the history of mankind, and this same U.S. Senate, which approved the Marshall plan, is going to spend some time trying to get $10,000 out of the Panamanians in the unlikely event that by 1993 the account may be in surplus.

We are going to ask the American Republic to be reduced to the circumstance of meanness and trivia.

Mr. President, there is a reputation of this Senate involved.

I thank the Chair.

Several Senators addressed the Chair.

Mr. HANSEN. Mr. President, my good friend, the distinguished Senator from New York has spoken about my colleague from Wyoming (Mr. WALLOP), and I regret that Mr. WALLOP is not on the floor at the time. I know that from what my colleague from New York says apparently the amendment that was offered by my colleague from Wyoming (Mr. WALLOP) caused him to evidence some humor.

All I can say is that if the junior Senator from New York's friends were to observe what goes on on this floor, as some of us have, I am sure he would become almost hysterical in his humor because if the amendment offered by my distinguished colleague would evoke that much humor and mirth, I can hardly imagine how funny, how ridiculously funny, would be the antics of the full Senate if he were to watch us all the time.

I would hope that my colleague from Wyoming might be permitted to be recognized when he comes onto the floor. I think he has gone to his office, and I

know that my good friend, Mr. MOYNIHAN, would want very much to afford him the opportunity of responding to the remarks which I do not think were intended to be critical, but I must say I am a little surprised that he would seemingly imply that there was so little merit in them.

I thought the amendment offered by my colleague did have merit, and I would hope that when he comes to the floor, as I understand he shortly will be doing, that he might be recognized and afforded as much time as my friend from New York.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from New York.

Mr. MOYNIHAN. Just briefly to state, of course, I should await the Senator from Wyoming's return. Clearly I did not intend by speaking to his amendment in his absence to do him any discourtesy. I was trying to make a general point about relevance in our debate.

I should be happy to talk with him. He is, of course, the most careful of persons. It is simply I fear that having strayed into international law he has got a principle wrong. I shall be happy to explain that to the best of my limited ability when he does return.

Several Senators addressed the Chair.

Mr. HANSEN. Mr. President, I would be happy to yield to my friend from Alabama.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. ALLEN. Is it not correct that some 36 Senators voted along with the Senator from Wyoming for this amendment? As the distinguished Senator from New York criticizes and makes light of the, as I gather it, mentality of the distinguished Senator from Wyoming, does he not also level the same indictment at 36 other Members of the Senate?

Mr. MOYNIHAN. May the Senator from New York respond?

Mr. HANSEN. I would be happy to yield.

Mr. MOYNIHAN. The Senator from Alabama, if he would do me the justice to listen to me, would know that no scintilla of suggestion was made by me with respect to mentality of those who voted for this treaty.

Mr. ALLEN. I thought he compared them with 5-year-olds who are not generally compared to a U.S. Senator.

Mr. MOYNIHAN. I compared it to the psychology, not mentality. There is a difference in my view.

Mr. ALLEN. I see.

Mr. MOYNIHAN. I said that to suggest that one could unilaterally impose upon another nation such a condition is to suggest that which is absurd, and it opens the Senate to the charge of absurdity.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. ALLEN. I thank the Senator for a clarification of his remarks.

Mr. CHAFEE. I would like to just say the Senator from New York was long on humor but I do not think he was long on accomplishing the goals. He stirred some people. A lot of laughs over there, great chuckles, but I do not think he is advancing his cause one bit.

I thank the Chair.

The PRESIDING OFFICER. Will the Senator from Wyoming yield the floor?

Mr. HANSEN. I yield to the Senator from Utah.

Mr. ROBERT C. BYRD. Mr. President, will the Senator allow me, yield to me? I simply want to state there will be no more rollcall votes today, Mr. President.

Mr. HATCH. Let me just say this: I thank the distinguished Senator from Wyoming for yielding. There are very few people in the Chamber whom I enjoy as much as I do the distinguished Senator from New York. As a matter of fact, I think he has in many cases shown a brilliant intellect, a very brilliant mind, a very facile way of speaking. But before I came over here I had to admit we just had in essence 41 votes on the Dole amendment, which he did not call a name, but at least he indicated that anybody who would vote for it or at least present it did not know much about foreign policy. That may be so. It may be that the distinguished Senator from New York knows more about foreign policy than anybody else in the United States of America.

Mr. DOLE. He does.

Mr. HATCH. I will say this, in fact I will be willing to say, that it is a distinct possibility that he does.

When he was at the United Nations I enjoyed every ounce of his service at the United Nations, and I appreciated it very much.

But I think it may be one thing to criticize a colleague on the floor of the Senate who advances, as I know Senator WALLOP had done, sincerely and in a dedicated fashion an amendment in which he believes. To call it inane, childish, and stupid and every other word in the book that was used, and then rely upon an international lawyer from New Bedford, I guess it was—was it New Bedford?

Mr. MOYNIHAN. Leo Gross.

Mr. HATCH (continuing). Who said it would be meaningless, this amendment, unless accepted by the other side.

Now, I think if the distinguished Senator from New York would stop and think about that, any Senator in the U.S. Senate can offer an amendment which, if this treaty is abrogated, assuming it is enacted, would reinstate the 1903 treaty, and if they do agree it would be acceptable and he has a right to do so.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. HATCH. Yes.

Mr. MOYNIHAN. Would the Senator restate the proposition?

Mr. HATCH. As I understand it, you stated that Leo Gross described that it would be meaningless unless accepted by the other side, meaning we can offer that amendment, and if it is accepted it would not be meaningless, which is exactly what Senator WALLOP wanted to do, because he knows as well as the distinguished Senator from New York that if you would offer an amendment on this floor, the only way it is going to be accepted down there is by plebiscite or unless the dictator says he will accept it, which will then not be valid if he is succeeded by another dictator who does not recognize the amendment.

All I am saying is this: Again, and I will preface my remarks with my regard for the distinguished Senator from New York who, I think, is very witty at times, but I personally felt he was not very witty today. It is the first time when he has evidenced humor that I have not found it to be humorous, and the reason I have not is because I think it has been demeaning to an awfully fine, distinguished, decent man on the floor of the Senate named MALCOLM WALLOP who, I think, offered a very sincere and dedicated amendment, in which 36 Senators concurred.

I think it is demeaning to the 36 Senators.

I will say this much more: I think the distinguished Senator from New York is entitled to express his opinions with regard to how meaningless that amendment may be. My only request is that he do so with greater courtesy, that he show courtesy, dignity, and respect, as I think Senator WALLOP has shown to every man in the Senate Chamber.

I think if the distinguished Senator from New York would do that he would have even more power and more visible acceptance and, I think, expression, which would be acceptable to other Senators on the floor of the Senate.

What I would like to just add, in conclusion, is that I hope this does not affect the relationship I have with the distinguished Senator from New York because I like him so much. But I do not think, however brilliant a man may be, and I think we have an awful lot of brilliant people here on the floor of the Senate, that that man or any other Senator has the right, the privilege, or even the capacity, in a very real sense, to be rude.

My interpretation may be faulty, but if I interpreted it right I felt the distinguished Senator from New York was rude to a fellow. If I am wrong I certainly apologize, but that was my personal interpretation of it. I think he made light of and had a humorous time at the expense of a very dignified and fine colleague, who would not do the same to him.

I would say that from my observation of these treaties and these debates, I have seen a great lack of understanding of international law by many Senators on the floor of the Senate, including perhaps even the distinguished Senator from New York, and including myself. We are all going to have to study a little bit harder. It would be wonderful if Leo Gross had found the price to run for office and become a U.S. Senator, so that he could enlighten all of us on the floor of the Senate. But I would imagine even if the famed Leo Gross were here on the floor of the Senate enlightening all of us, he would find arguments against some of his opinions, because no man is so great that his opinions and theories cannot be questioned.

Mr. MOYNIHAN. Will the Senator yield, so that I might respond?

Mr. HATCH. If the distinguished Senator from New York will allow me to finish——

Mr. MOYNIHAN. Yes, when you conclude.

Mr. HATCH. I promised to yield to the distinguished Senator from Alabama, and then I will yield to you.

The PRESIDING OFFICER. The Senator from Wyoming still has the floor. It is up to the Senator from Wyoming to whom he yields.

Mr. HATCH. May I finish?

Mr. HANSEN. I continue to yield to the distinguished Senator from Utah.

Mr. HATCH. I would say again, without a desire to cause offense to any of my colleagues, and especially my friend and brilliant colleague from New York, that I do not know a man on the floor of the Senate who is more sincere or more dedicated, who works harder, who does more good, who literally has pleased more people, or who has any more talents than my friend and colleague from Wyoming who has been so severely criticised on the floor of the Senate today, whether rightly or wrongly; I believe wrongly.

On the other hand, I think it is the right of any Senator to ridicule or find fault with any argument made on the floor of the Senate. I just think it should be done with dignity and courtesy. I suppose we will all be guilty of breaching this from time to time, but when I look at some of the programs that have been offered by this administration, including these treaties, with all their frailties and faults and problems, and, I would add, breaches of international law, to have anybody on the proponents' side of these treaties stand up and ridicule, if you will, a sincere, dedicated Senator who is opposed to the treaties is almost laughable, when you consider all of the matters and all of the ramifications involved here

In closing, I would just like to say that I personally was basically offended for my colleague. Since he is not here, I felt constrained to stand up and express my viewpoint that if you put two international lawyers together, just like two psychiatrists, you are going to find a variance of opinions, no matter how brilliant they are. I would suspect that if you put two U.S. Senators together on opposite sides of this issue, you would see some awful differences of opinion.

We have been fighting together for a long time on these particular treaties. In the opinion of some of us, these treaties are of immense importance. Maybe the time should be shortened, and I personally will work to try to do that, as will other Senators opposing these treaties.

On the other hand, I would hope we would have mutual respect between the two opposing sides, so that we can continue to work together, and so that whatever the result, we will all feel at least that there has been fairness on each side.

Mr. MOYNIHAN. Mr. President, will the Senator from Wyoming yield to me, so that I may reply?

Mr. HANSEN. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank my friend from Wyoming.

Mr. President, most explicitly, what I should have thought was very clear, there was no personal aspersion intended in what I said. I spoke to the nature of the proposition. I hope the Senator from Utah knows I would be incapable of being rude to the Senator from Wyoming, a fellow Member of our freshman class.

Mr. HATCH. I would have hoped that that was the case.

Mr. MOYNIHAN. I thank the Senator for making that clear.

But having said that, perhaps one should speak to those who are trying to defeat this treaty by offering a succession of nongermane or irrelevant or illogical or unimaginable propositions put to a vote in the Senate, some of which have the quality of intimidating Senators who are really for the treaty, but do not want to seem to be against the seeming logic of this or that proposition. If you do not support this treaty, say so. But, gentlemen, we are not negotiating the treaty. We are advising the President and counseling as to whether or not he should ratify it.

We are not negotiating. We cannot unilaterally amend it so as to change its meaning. That is not a constitutional function of this body.

The opponents of the treaty ought to stand up and say why they do not think the treaty, as negotiated, is a good one, and then proceed to vote against it. They ought not to present to us as solidly judged matters which are wholly ultra vires.

I put to you that this is something so large that the proponents of this treaty are going to feel free to comment on the irrelevancies the opponents present to us, if indeed they continue to do so. I feel we have no other recourse, because we feel very much that these treaties should be considered on their merits, and neither this Chamber, this country, nor the world should be distracted by inane and impossible proposals. I do not think that serves the opponents' purpose, and I do not think it serves the Nation's purpose. But I hasten to say that I meant no discourtesy of any kind to the junior Senator from Wyoming.

Mr. HANSEN. Mr. President, I propose to make a very brief statement, and then yield to the Senator from Alabama; at that point I shall yield the floor.

The Senator from New York said "Let us be specific. I would just like to ask him if the different adjectives he used applied specifically to the amendment offered by the Senator from Wyoming (Mr. WALLOP).

Mr. MOYNIHAN. Which adjectives?

Mr. HANSEN. Well, you used several a few moments ago. Frivolous—maybe that was not one of them, but you used several.

Mr. MOYNIHAN. I would say illogical.

Mr. HANSEN. Now, you are speaking about the amendment offered by Mr. WALLOP?

Mr. MOYNIHAN. Yes, that particular one.

Mr. HANSEN. And how do you characterize his amendment?

Mr. MOYNIHAN. Illogical, and incapable of implementation on the face of it. Not something that we could do.

Mr. HANSEN. The reason why I wanted to be specific on that point, Mr. President, is just this: My colleague, I think very wisely, will not be here this evening, because it would be awfully easy, when tempers may flare just a little, to come to the floor and say things that any of us might regret. So I think my colleague very wise, since he was absent from the floor when the distinguished Senator from New York, Mr. WALLOP's friend and mine also, spoke, since he was not here I think it best that he has concluded, as he has, that he will not come here to speak tonight.

I would hope that he might be recognized sometime tomorrow, if he cares to be, in order to explain the reasons which compelled him to offer the amendment. I have no doubt at all but what he will do that.

I just repeat again I do not think he intended in any way to offer an amendment that was frivolous, or which was poorly thought out, or which had little merit. I think he has been very diligent in this whole matter. I greatly respect and admire him for it.

Having said that, I yield to the Senator from Alabama and yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is reminded that under the rules he may not yield to another but the Chair will recognize another if the Senator yields the floor.

Mr. HANSEN. Mr. President, I yield the floor.

Mr. ALLEN. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I thank the Chair.

We all recognize the supremacy of the distinguished junior Senator from New York in the area of foreign relations. We recognize his great expertise in that area, as much as he served as U.S. Ambassador to the United Nations and gained much favorable attention there through his fine work in the interests of the people of the United States.

I wish that he would have made these comments while the amendment was pending. Possibly if he had pointed out these various criticisms that he voiced after the amendment was defeated, the distinguished Senator from Wyoming might possibly have adjusted his amendment to meet the distinguished Senator's suggestions.

Another thing I would like to comment on with respect too the comments of the distinguished Senator from New York is he points out that the Senate is not writing this treaty; that we are just advising with the President; that it is up to the executive to write the treaty and we advise.

We are not supposed to just take it as it is or not take it as it is. It is part of our function to shape this treaty, as I see it. Of course, we have been prevented from shaping the treaty by the leadership. But it is well within the con-

cept of giving advice to advise the President, "Yes, this treaty is all right, with this amendment, with that amendment and with another amendment."

The Senator says it cannot be amended unilaterally. Of course that is true. It would take the assent of the other party. That is what we want. We want to see Panama give its assent to such amendments as the Senate might adopt through Panama's constitutional processes, which they say would require a plebiscite if any substantial amendment is adopted.

Mr. STEVENS. Will the Senator yield?

Mr. ALLEN. That seems to be the position of the leadership. I yield for a question.

Mr. STEVENS. The Senator from New York implies that we have no business in trying to change this treaty on the floor of the Senate. I wonder if we would have the constitutional prerogative that we have to review this treaty article by article and consider amendments if all we were required to do is either rubber stamp or reject the treaty negotiated by the executive branch.

Mr. ALLEN. I think that is an excellent point. We do consider it article by article. Right now we are on article I.

Mr. STEVENS. If the Senator will yield again, I am sure my friend from Alabama heard the statement I made the other night concerning the fact that Panama had, in fact, declared unconstitutional the Geneva Convention of 1949 that it had ratified because it had failed to comply with its own domestic procedures when it ratified that document. Its own supreme court declared that the treaty was not binding upon Panama.

I wonder if the Senator has a feeling about how we would get the Panamanians to agree to a reservation, understanding, or declaration that we might attach to it if, under their domestic law, they choose to ignore it, as they did the Geneva Convention on the Red Cross.

Mr. ALLEN. I think unquestionably with the Panamanian Government, if they saw fit not to submit any amendment to a plebiscite, we would not raise that point. It has been pointed out here on the floor by myself and others that the ratification of the treaty could not be attacked collaterally, that is, as to whether Panama took the necessary steps as provided by its constitutional procedures.

I do appreciate the remarks of the distinguished Senator from Alaska and the great point that he made, of why are we considering this treaty article by article unless there is some thought that we might want to possibly offer a strengthening amendment.

Mr. LEAHY. Will the Senator yield for 2 minutes without losing his right to the floor?

Mr. ALLEN. Yes; I yield under those conditions.

The PRESIDING OFFICER. Without objection, the Senator from Vermont is recognized for 2 minutes.

(Mr. LEAHY's remarks at this point are printed later in today's RECORD.)

Mr. THURMOND. Will the Senator from Alabama yield?

Mr. ALLEN. I have one further comment and then I will yield to the distinguished Senator.

Mr. President, the Wallop amendment and the dim view the distinguished Senator from New York took of it, and the jocularity it produced in the humorless professor from Harvard, reminds me somewhat of the incident related in the Bible when Paul was appearing before Festus, the ruler in that day. Paul made his speech there before Festus, and Festus said, "Thy great learning has driven thee mad."

I do not feel that the great learning of the distinguished Senator from New York has driven him mad, but if we substitute the words "impetuous, wreckless and intolerant" of the views and workmanship of the distinguished Senator from Wyoming (Mr. WALLOP), I feel that that might well be viewed by some as a correct statement.

Now I do yield to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

THE ADMINISTRATION'S FAILURE TO REDUCE VETERANS' UNEMPLOYMENT

Mr. THURMOND. Mr. President, the Department of Labor's failure to be of meaningful assistance in resolving the coal strike is surpassed only by its record of total ineffectiveness and apparent apathy in carrying out its commitments in the area of veterans' employment. If our country's coal miners receive the same consideration from the Department of Labor as have our disabled and Vietnam-era veterans, our Nation's energy sources will soon be reduced to canned heat and stove wood. Tragically, unemployed veterans have no Taft-Hartley Act to invoke. Signs of improvement over at the Labor Department can be seen, however. Labor Department participation involving the proposed coal agreement actually involved union officials and representatives from the coal mining industry and took place here in Washington, not off in some exotic place like San Juan, Puerto Rico, where Deputy Assistant Secretary of Labor for Veterans' Employment Roland Mora recently convened certain members of the Veterans' Employment Service to consider veterans' unemployment. The Puerto Rico meeting occurred while the American Legion Economics Commission had assembled here in Washington, as part of that organization's annual conference, to work on ways to reduce unemployment among veterans. Government departments are certainly not bound, nor should they be pressured to court organizations comprised of members of the constituency whom they serve.

However, operations of such departments should not be conducted to appear to be in contravention of mutually desirable goals and policies of such organizations and departments. Nor should the operation of government give the appearance of being aloof from those whom it is responsible for serving. Unemployed veterans are not consoled by images of Proteus rising from the sea; they need jobs. If the Department of Labor and Deputy Secretary Mora start doing their jobs and fulfilling their commitments, the level of unemployment among veterans could substantially diminish.

The Carter administration's efforts of fulfilling its promises to unemployed veterans have not been the best. They have not even been good. An analysis of the several initiatives undertaken by the administration and the Department of Labor reveals the operation of several motifs frequently employed in Renaissance drama—a preference for form over substance, an affinity for appearance over reality, and frequent incongruities between public utterances and apparent private intent. Although the manner in which these programs have been implemented has often approached the dimensions of farce, the consequences for the veterans whom they were designed to benefit have been tragic.

In January of last year amidst rampant unemployment of Vietnam-era veterans, the administration announced with considerable fanfare the development of three new employment programs for veterans as part of the President's economic stimulus plan. It was also announced that these initiatives were targeted to assist unemployed disabled and young Vietnam-era veterans in particular. The first program, estimated to cost approximately $33 million and known as the disabled veterans outreach program (DVOP), provided for the hiring of up to 2,000 disabled veterans in 100 of the Nation's largest cities. Under the DVOP program veterans would be trained in placement techniques for unemployed disabled veterans. Although the announced plan of hiring 2,000 veterans essentially has been realized, the goal of placing 40,000 disabled veterans under the program apparently has not. Guidelines issued by the Department of Labor went to great lengths in emphasizing that the primary responsibility of DVOP staffers was to perform intensive outreach. In other words, DVOP personnel were supposed to work extensively in the field in an effort to identify job opportunities for disabled veterans. Complaints persist, however, that many DVOP personnel are not permitted to reach out beyond their own desks. Many are performing clerical and administrative tasks unrelated to job opportunities for disabled veterans. To date, no data has been made available by the Department of Labor concerning the output of the DVOP program. Additionally, no meaningful action has been taken by the Department to assure that the purposes for which the DVOP program was designed are being carried out. This inaction persists in spite of continuing and flagrant program violations of which the Department has been made aware.

A second veterans' employment initiative announced by the administration last January was the intended placement of 145,000 veterans in public service jobs under titles II and VI of the Comprehensive Employment and Training Act

(CETA). This goal would amount to hiring veterans for approximately 35 percent of all newly created public service jobs under CETA. To be eligible for placement under this program, however, veterans have to meet the stringent CETA program requirements, such as 15 previous weeks of unemployment and certain maximum income requirements. The rigidity of the program requirements has made meeting the 35 percent quota impossible. One expert in veterans' employment programs estimated that between 75 to 90 percent of veteran applicants are ineligible under the program's disadvantaged criteria. An August New York Times article quotes Michael Waggener, director of Swords and Plowshares, the largest community veterans organization in San Francisco, as saying the CETA jobs program for veterans was mere "lip service, peanuts, a band-aid." Veterans organizations have repeatedly insisted that veteran participation in the CETA program would significantly increase if they were permitted membership on the CETA planning councils, which consist of community-based organizations. The Department of Labor has agreed that such participation would be beneficial. To date, however, nothing has been done by the Department to effect such participation.

The final program announced by the administration to curb unemployment among Vietnam-era veterans was the $140 million initiative entitled "Help Through Industrial Retraining and Employment" (HIRE). This program was headed by business executive G. William Miller, President Carter's recently confirmed choice for Chairman of the Federal Reserve Board. The National Alliance of Businessmen, a private organization, was chosen to promote the program along with the Department of Labor. The announced goal under HIRE was to encourage business to employ approximately 100,000 veterans. Six months after the program's inception, the sponsors had been successful in landing 60 jobs. An article in the January 30 edition of the Philadelphia Inquirer indicates that a GAO study, completed in January of this year and yet to be released, has found that a total of 136 veterans have been employed under the program. The article states further that Department of Labor officials, reacting to the GAO findings, allege that more veterans have, in fact, been employed under the HIRE program but that program records were about a month behind at the time of the GAO study. The article, nevertheless, cites Department spokesmen as indicating that the total number of veterans employed during 1977 was still under 200. The fact that the Department of Labor experienced delay in keeping a current tally, amounting to a number fewer than 200, of job placements under the HIRE program is perhaps indicative of the threshold at which veterans' programs encounter difficulty within that Department.

In his January 12 Washington Post column, Jack Anderson refers to HIRE as a flop. That would appear to be an apt description of a program which has fallen so dismally short of announced goals. Moreover, recent reports indicate that the flip side of the HIRE program will involve turning over $100 million in HIRE funds to the field to be administered by CETA prime sponsors. Such an initiative would also appear ill-fated. Veteran participation in CETA has always been low. It is, therefore, likely that attempting to employ veterans in significant numbers using unobligated HIRE money under the CETA program may also be doomed to flop, or worse still—flip-flop.

Another indication of the administration's lack of commitment in resolving unemployment problems of veterans is the manner in which the Department of Labor has used the recently created office of the Deputy Assistant Secretary of Labor for Veterans' Employment. This position was authorized under the provisions of the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94–502). The principal role of the DASVE, as envisioned by the Congress, was to advise the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures involving veterans' employment. The administration left this vital position unfilled for 7 months. Finally, on August 5, 1977, the Senate confirmed the President's nominee for th DASVE, Roland Mora, a native of California of Apache and Spanish ancestry and a former marine officer with an outstanding service record. Although Deputy Secretary Mora had no prior experience in veterans' employment matters, he did enter his office having the benefit of an experienced staff in the Veterans' Employment Service of whom, under the law, he was the head. From a management viewpoint, therefore, upon assuming office Mr. Mora had the capability of fulfilling his statutory responsibilities of developing and influencing policy affecting veterans' employment and could rely upon the office of the Director, Veterans' Employment Service to assist him in carrying out the ministerial functions of his office. At Mr. Mora's confirmation hearing before the Senate Veterans' Affairs Committee on June 17, 1977, Undersecretary of Labor Robert J. Brown assured the Senate Veterans' Affairs Committee that the position of the Director of the Veterans' Employment Service would not be abolished. Upon assuming office, however, Deputy Secretary Mora took affirmative steps in concert with his superiors to eliminate the position of Director, Veterans' Employment Service. The decision to eliminate this position was made ostensibly for the purpose of granting Deputy Secretary Mora direct line authority over his regional directors and for facilitating management of the Employment Service, in general. Presumably, these objectives have been achieved from an aerial command post, considering Deputy Secretary Mora's penchant for travel. According to Jack Anderson's January 12 column in the Washington Post, Mr. Mora took six trips during one 6-week period last summer and was on the road again when reporters tried to get his comments on the HIRE program.

Mr. President, all of the shortcomings of the administration's veterans' employment programs cannot be attributed to a single person. It is clear, however, that at a time when veterans need solutions to their employment needs, Mr. Mora, and the Department of Labor in which he works have become a major part of their problems. In the meantime unemployment continues to be a major obstacle in the assimilation of hundreds of thousands of veterans to positions of meaningful responsibility and productivity within the civilian sector. Fourth quarter employment statistics furnished by the Department of Labor indicate that unemployment among black and other minority veterans in the group 20–24 is a shocking 30.8 percent, compared to 17 percent among their nonveteran counterparts. Moreover, in addition to the nearly half million unemployed Vietnam-era veterans, there are also approximately 750,000 older jobless veterans of earlier wars, many of whom have been displaced in the job market because of automation, obsolete skills, and older worker problems.

As disturbing as these statistics are, however, they cannot, in any real sense, describe the despair of those who are denied the dignity of working to earn their livelihoods because they cannot avail themselves of employment rights to which they are entitled under the law. Meanwhile, letters to the Department of Labor from Members of Congress and veterans organizations expressing concern over specific problems in veterans' employment programs are not responded to or are answered months after they are received by the Department. Phone calls are not returned; advice goes unheeded.

Veterans' employment programs are overburdened with mere garish symbols of concern; they need to be refurbished with genuine action. If the Department of Labor cannot, or will not, accomplish this objective, then perhaps now is the time for responsibility for veterans' employment programs to be assumed by the Veterans' Administration. A proposal (H.R. 11043) calling for such a transfer has already been introduced in the House by Congressman TEAGUE and is a measure which is being reviewed and studied with keen interest.

Mr. President, for the benefit of my colleagues, I request unanimous consent that newspaper articles from the New York Times of August 11, 1977; the Philadelphia Inquirer of January 30, 1978; and the Washington Post of January 12, 1978 and March 6, 1978, be printed in the RECORD at this point.

Mr. ROBERT C. BYRD. Reserving the right to object, and I will not object, may I ask the distinguished Senator from Alabama if he is going to continue to yield for morning business purposes? If he is, perhaps we ought to have a period of morning business.

Mr. ALLEN. As soon as the distinguished Senator finishes, I will yield the floor.

Mr. ROBERT C. BYRD. I have no objection.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 11, 1977]

JOBS PLAN FOR VIETNAM VETERANS GETS A SLOW START

(By Wayne King)

ATLANTA.—President Carter's program to provide jobs for 200,000 unemployed Vietnam veterans, announced last January, has been very slow getting off the ground and appears to have had little effect on the high rate of joblessness among veterans.

Beyond bureaucratic sluggishness, the joint public-private program has been troubled by slow industry response, inflexible regulations that bar some veterans from employment under existing programs and, perhaps most significantly, a defeatist, and even hostile attitude on the part of a large number of veterans.

The program to create jobs for unemployed Vietnam veterans was announced by Mr. Carter as one of the first priorities of his new Administration. The $1.3 billion program focuses on Government jobs but also emphasizes private industry training and employment for about 450,000 Vietnam-era veterans.

President Carter's program calls for 35 percent of new public service jobs funded by the existing Comprehensive Employment Training Act to go to veterans, and efforts are under way to inform veterans of the jobs.

PRIVATE HIRING SLOW

Inquiries at the state and local level around the country reveal that while some Government hiring is taking place, private sector employment is moving slowly, if at all. Employment officials have had great difficulty in getting in touch with veterans to inform them of job opportunities; some have been reluctant to relocate; and large numbers have simply given up the job hunt. Others seem to regard a job as their right, paid for in hardship and blood, and refuse to make any personal adjustment, such as doffing dirty blue jeans or showing up for interviews, to get and hold a job.

Generally, veterans' groups describe the job program as a "Band-Aid" or "window dressing," although state officials seem generally optimistic that coming months will show employment gains.

It is clear, however, that there is no efficient and reliable method of actually counting the unemployed veterans, particularly since many have simply stopped looking for work and thus are not listed as being unemployed.

In Louisiana, for example, the State Employment Agency reported in January that there were 10,370 unemployed Vietnam veterans in the state. By April, however, the figure had been cut almost in half to 5,479, apparently a dramatic drop. However, the state had simply eliminated the names of unemployed veterans not actively seeking jobs. Some unemployed veterans have not been in touch with the employment office for up to a year.

Even after the purging, the unemployment rate for Vietnam veterans in depressed Louisiana was 10.6 percent compared to 7.4 percent for the general population. Employment officials agree that the veterans' figure is actually much higher.

JOBS ALLOTTED FOR DISABLED

So far, the only Carter program fully under way in New Orleans, the area with the highest unemployment level in the state, is the Disabled Veterans Outreach Program, which began in April. The state has allotted 29 jobs for disabled Vietnam-era veterans.

Evans St. Romain Sr., district coordinator for veterans' placement in the Louisiana Office of Employment Security, discussed the elusiveness of the unemployed veteran. In an initial attempt under the Disabled Veterans Program, he said, the employment office sent job letters to 40 veterans receiving disability checks; there were seven responses. And of those seven, Mr. Romain said, "We did not see one sitting down in a chair to talk about a job or a training opening."

Mr. Romain said that the Vietnam veteran was demanding, sometimes caustic, and did not want to start in an entry-level job. Some show up for job interviews wearing cut-off blue jeans, "with wild hair and smelling bad when they walk in," he said.

One employer called to complain about an applicant sent over by the employment office. The employment worker replied that the applicant was qualified for the job. The employer said, "Yeah, but he's drunk."

Thaddeum Patin, 33, national supervisor for the Disabled American Veterans, said, "Three years ago there were more veterans than jobs; now we have the employers but we don't have the veterans. The biggest problem is getting the veteran to come in and register."

VETERANS CALLED INSECURE

James A. Dunnigan, 26, formerly an artillery officer in the Marine Corps and now an outreach program interviewer with the Louisiana Office of Employment Security, said that some of his clients were so insecure or defiant they would not show up for interviews or arrived slovenly and unwashed.

They are not interested in the jobs promised them by the Carter program because "they just don't give a damn about that pie in the sky," he said, "These people are the embodiment of the national guilt; the whole thing is straight out of Catch-22."

In Illinois, there has been a statistical drop in veterans' unemployment, and state officials project a figure of only 3.5 percent by mid-1978. However, Herman Roth, program director of Jobs for Vets, operated by state veterans' organizations, discounted the figures, noting that many veterans have simply "dropped out."

"They have developed a defeatist attitude," he said, "When World War II was over, a veteran would walk into a bar and everybody would buy him a drink. When the Korean War ended, he had to buy his own drink When the Vietnam War was over, he had to buy everybody else in the house a drink."

Daniel Lambert, Maine adjutant of the American Legion, said, "if anything, things have gotten worse for the Vietnam veterans in the employment field. The Vietnam veteran has been passed by and we now have more stress on the hiring of minorities, women and so forth."

He said that one veteran who had applied for an unspecified state job was told in a letter, "While we have not hired you, please be advised that we have hired four minority workers and three women."

In California, employment officials complain that it is nearly impossible to meet the 35 percent hiring guideline of the Comprehensive Employment Training Act. Juan Lopez, manager of the Alameda County C.E.T.A. Office, said that requirements such as 15 previous weeks of unemployment, a specified maximum income and so forth made it all but impossible to meet the quota.

Michael Waggener, director of Swords into Ploughshares, the biggest community veterans organization in San Francisco, said that the Carter program was just "lip service, peanuts, a Band-Aid."

"In the last two months, we sent 50 to 60 veterans over for C.E.T.A. jobs and only two or three have been hired. The problem seems to be that even though these guys are vets and need decent jobs, other eligibility restrictions, like having to be unemployed for 15 weeks, keeps them from being hired."

[From the Washington Post, Jan. 12 ,1978]

ANATOMY OF A FLOP

(By Jack Anderson)

A year ago, Labor Secretary Ray Marshall used the White House doorstep to announce the launching of a new government program to be known as Hire. It envisioned a cooperative venture with private industry to find jobs for the returned Vietnam veterans, at a cost to the taxpayers of $140 million. Both the veterans and the taxpayers have been shortchanged.

At the outset, nearly half-a-million war vets were out of work. Their unemployment rate has nearly doubled in the past year. Of the proclaimed $140 million effort, less than $10 million has actually been spent to help them. President Carter's budget cutters have now recommended that the Labor Department find more worthwhile use for the unspent funds.

Sources close to Carter have acknowledged that the Hire program was nothing more than political gimmickry. The President's advisers were groping for something to counter-balance public distaste for the President's controversial decision to grant amnesty to Vietnam draft evaders.

Compounding the problem was the penchant for travel demonstrated by the man who was supposed to be running the program in Washington. Roland Mora, the deputy assistant secretary for veterans employment, took six trips during one six-week period last summer. When we tried to get his comment, he again was on the road.

Footnote: A Mora aide told us they were running a "Mr. Inside, Mr. Outside" program, with the boss as Mr. Outside. The spokesman insisted the program is not dead despite the recommendation of the budget experts. A spokesman for the National Alliance of Businessmen, chosen to promote the hiring, also contended that "Hire is not a failure." He said 60 percent of the job placement goal has been attained.

[From the Philadelphia Inquirer, Jan. 30, 1978]

FOR VIETNAM VETERANS, MORE PLANS THAN JOBS

(By Saul Friedman)

WASHINGTON.—A $140 million federal program started in June to encourage business to hire about 100,000 unemployed Vietnam era veterans has so far gotten jobs for only about 60.

Appeals to thousands of American firms to take part in the program, called HIRE (Help Through Industrial Retraining and Employment), have uncovered only 47 businesses willing to sign up.

Those 47 businesses have pledged to hire 9,000 unemployed, most of them Vietnam veterans. The cost to the government will be about $1,600 per trainee. But because the program has been so slow getting started, only about $8.8 million of the $140 million has been committed for the promised jobs.

These were among the findings of a General Accounting Office (GAO) audit of the program, which was headed by business executive G. William Miller, President Carter's choice to be chairman of the Federal Reserve Board.

The GAO study, which has been sent to the Department of Labor for its comments, is to be released in a few weeks. But Rep. John Conyers (D., Mich.), who asked for the study, disclosed the GAO's basic findings and expressed concern that HIRE was "headed for failure."

A Labor Department expert on the program conceded its record so far "is dismal."

But he added, "It's not as dismal as it seems and we hope the record will get much better in 1978."

The program was announced by the President in January 1977 as part of his economic stimulus package. It was designed to provide jobs in private industry to disabled Vietnam veterans, non-disabled Vietnam veterans, unemployed youth and long-term job seekers, in that order. The primary goal was to put about 100,000 Vietnam veterans to work in a year.

Congress authorized the program and allocated $140 million for it under the Comprehensive Employment Training Act. It began operation in June under the joint auspices of the Labor Department and the National Alliance of Businessmen, a private organization.

Under the program, the government promised to reimburse employers up to 50 percent of the cost of training new employes. In exchange, the employer had to pledge to hire at least 100 workers.

Employers, including large corporations, balked at having to hire that many. To make the program more attractive, especially to smaller businesses, the requirement was lowered to a minimum of 15 new employees.

Under Miller's leadership, letters were sent to 100 major corporations and more than 4,000 businesses asking them to participate in the HIRE program.

The GAO study, which was done earlier this month, found that a total of only 136 unemployed had been put to work under the program—52 long-term jobless, 27 young people and 57 Vietnam war veterans.

A Labor Department source explained that its records were about a month behind when the GAO study had been made and more recent reports show that others have been hired under the program.

Even so, the source acknowledged, the total figure at the end of 1977 was still under 200 and included only about 60 Vietnam war veterans.

By December, only 25 employers had signed up for the program. An additional 22 are about to sign, the source said.

The Labor Department expert cited a number of possible reasons for the program's showing so far. Among them: A sluggish economy, a lack of business confidence, the reluctance of smaller businesses to commit themselves to hiring 15 new workers, a lack of publicity and promotion and the preference among large corporations for the purely "voluntary" programs of the National Alliance of Businessmen (NAB).

[From the Washington Post, March 6, 1978]

VETERANS' EMPLOYMENT

Officials in the Labor Department appear determined to breath new life into HIRE (Help through Industry Retraining and Employment), the program designed to assist Vietnam-era veterans who lack jobs. The $140-million program, announced with a splurge of publicity in January 1977 by the Carter administration, is now called a dismal failure even by officials within the department. According to their figures, the program has produced jobs for less than 200 veterans; 100,000 jobs was the program's goal. A General Accounting Office report on HIRE is scheduled to be released soon, and presumably the details of failure will be amply reported.

While waiting to learn what went wrong last year, the department still has this year to deal with, and the large numbers of jobless Vietnam veterans who need help. At the moment, a draft of new guidelines for HIRE is being considered by the department. Among other useful provisions, it would ensure that HIRE be a veterans-only program, and not one that includes the long-term unemployed or the unemployed young. Among the latter, it is true, are people who need help, but if the administration intended HIRE as a veterans' program, and Congress agreed, then it should be just that. As Rep. Lester Wolff (D–N.Y.) has pointed out, to include others in HIRE serves "to dilute the program's potential impact on the unemployment problems of our veterans.".

A second needed revision involves the number of workers that an employer would be required to hire in order to qualify for federal reimbursement for the cost of training the new workers. When the program began, the number was 100. Almost immediately, that was seen as unrealistic; how often do many companies, even major corporations, hire 100 workers in one sweep? Last November, the requirement was lowered to 15. Now the department thinks that may be too high, and is considering no minimum at all. According to the National Alliance of Businessmen, the group that is participating in the HIRE program, a no-minimum provision is likely to be the most workable.

As the Labor Department ponders its course of action, some improvement in the employment figures for veterans has been recorded. How much more improvement might have occurred had HIRE been more carefully conceived and run can only be guessed. It is regrettable, for example, that the department avoided any effective consultation with the business community on the requirement of the 100-worker minimum. It is too bad, also, that funds were not set aside for local veterans' groups that could have been been enlisted in providing support services—from counseling the unemployed veterans to publicizing the fact that help was available. The new guidelines propose that approximately $14 million be given for this purpose.

Whatever breakdowns and flaws led to HIRE's poor showing to date, at least a salvage operation is under way. The department, after an unfortunate delay, established a bureau that deals only with veterans' unemployment; its director, Roland Mora, a disabled ex-Marine, is new to government, but he is aware that large numbers of jobless vets lack an advocate within the department. Whether Mr. Mora and his staff can fill this role—or be allowed to fill it—will be clear in a few months, but for now it is obvious that the department needs someone to take the lead. As for the NAB, it deserves a measure of credit for its concerns about the veterans. In addition to being involved with HIRE, it also has its Jobs for Veterans program. The latter, according to recent NAB figures, has found work for some 35,000 veterans.

For HIRE to succeed, the department, first, must adopt new guidelines that would at least correct the mistakes of last year; second, give more authority to its office of veterans' employment; and third, be more open to taking the advice of the business community. In other words, the program needs to be pulled together. The money is already committed and available. Not to use it well would be to add still another burden on the unemployed veterans, a group that already has more burdens than it needs.

ADDITIONAL COSPONSOR—S. 623

Mr. THURMOND. Mr. President, I ask unanimous consent to add the Senator from Colorado (Mr. HART) to my bill S. 623, to amend title 10, United States Code, to make certain changes in the retired serviceman's family protection plan and the survivor benefit plan as authorized by chapter 73 of that title and for other purposes.

The PRESIDING OFFICER. As in legislative session, without objection, it is so ordered.

A NATIONAL COMMISSION FOR THE REVIEW OF ANTITRUST LAWS AND PROCEDURES

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Honorable John W. Lindsay to me, which explains itself.

The PRESIDING OFFICER. Without objection, as in legislative session, it is so ordered.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Re in reply, please refer to No. 100.

DEAR SENATOR STROM THURMOND: At the last meeting of the South Carolina Insurance Commission, the Commission unanimously adopted the enclosed Resolution pertaining to an Executive Order by President Carter dated December 1, 1977, to establish a National Commission for the Review of Anti-Trust Laws and Procedures. We believe that it is not only desirable but essential that the considerable body of experience and competence of State insurance regulatory officials be represented on this Commission. We take no exception to the review of the various industry exemptions under the Federal Anti-Trust Laws.

For your information, the National Association of Insurance Commissioners (NAIC) has established a new governmental liaison sub-committee. The general purpose of this new sub-committee is to provide each Congressional Delegation with information and assistance for the constituents of each Senator and Representative and advice on insurance matters of inter-state impact.

There are a number of activities at the Federal level relating to the business of insurance and we would be pleased to provide you with an informed judgment whether or not the Federal proposals serve the best interests of the citizens of South Carolina. For example, we are not convinced that a Federal no-fault automobile insurance law, as set out in House Bill H.R. 6601 and Senate Bill 1381 would be best for the citizens of South Carolina.

Putting it another way, we are not convinced that the cost benefit ratio of no-fault insurance would be meaningful. Finally, if you think it necessary, we would be delighted to come to Washington to brief your Administrative Assistant or a designated member of your staff about insurance matters that would affect the Palmetto State. I know there are tremendous demands on your time, but I would be glad to meet with you personally if you prefer that alternative. In any event, you may be assured that anything that this office can do to enhance our long standing, pleasant and effective working relationship will be accomplished at your request.

With kindest personal regards, I am

Sincerely yours,

JOHN W. LINDSAY,
Chief Insurance Commissioner.

Enclosure.

Whereas it has come to the attention of the National Association of Insurance Commissioners (NAIC), that there is to be appointed by the President of the United States a "National Commission for the Review of Antitrust Laws and Procedures" pursuant to an executive order dated December 1, 1977, and

Whereas the scope of the National Commission's activities is to encompass a review of the several industry exceptions to the federal antitrust laws, and

Whereas the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) is one of the current exceptions to the federal antitrust laws that is to be reviewed by the National Commission, and

Whereas the McCarran Act embodies the policy that state insurance regulation be continued in the best interests of the insurance consuming public, and

Whereas the interests of the public are now represented by the members of the NAIC in their capacity as the chief insurance regulatory officials of the several states, and

Whereas it is necessary for any meaningful review of the McCarran Act that the insurance regulatory community be represented on the National Commission.

Now therefore be it resolved that the NAIC forthwith advise the President of the United States and other appropriate federal officials in the most urgent terms of the absolute need for inclusion of an NAIC representative on the National Commission, and

Be it further resolved that the officers of the NAIC be authorized to select a list of qualified insurance commissioners for submission to the President of the United States from which Presidential selection of one insurance commissioner is recommended.

IT WORRIES US

Mr. THURMOND. Mr. President, I ask unanimous consent that an article entitled "It Worries Us," which appeared in the March 4, 1978, issue of the Gaffney Ledger be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT WORRIES US

It worries us that it doesn't seem to worry official Washington that the Soviet Union continues to build and prepare for nuclear war.

It worries us that, in denying that they asked the United States to join in an attack on China in 1969, the Russians do not deny they themselves planned such an attack. It seems to have been common knowledge in China that one was planned.

It worries us that Russia is testing killer satellites now used for spying. We got fooled when we thought the Russians would not develop this type satellite. We do not have one under development, according to the State Department.

It worries us that Russian planes and pilots are "protecting" Cuba while Cuban pilots fight in Africa. Fifteen years ago the U.S. would have been outraged and would have ordered Russia out. Not now. Russia figured we would look the other way, and we did.

It worries us that the Soviet Union, with Cuba's help, is seeking to control the horn of Africa so it can cut off oil supplies to Europe and the U.S. as need be. Russia already controls Yemen and wants Ethopia and Somalia on the opposite side of the horn.

It worries us that the Soviets are now working on a civil defense program which will allow a 90 percent survival rate of its population in the event of a nuclear attack. We have next to no program.

It worries us that the Soviet Union is becoming more and more solidly entrenched in the Arab camp where the oil barons now have a stranglehold on the U.S. economy.

It worries us that, with the passing of each month, the superiority we once held in arms over the Russians comes close to reversing the trend.

It worries us that the Russians are continuing space efforts which would lead to control of space explorations for military purposes. We not only seem not to know what they are doing in space, but seem not to care.

It worries us that the Soviet Union is making all this careful preparation for nuclear war if they indeed plan no such action.

It worries us that, once they feel they have achieved the upper hand and can risk an attack on this nation, they might just resort to such an attack or, at least, to blackmail.

Most of all, it worries us that our government seems not worried at all. That they have placed their trust in the word of the Soviet leaders, even though that word has proved very undependable in the past. Deeds, not words, speak of the intentions of the Soviets.

It worries us, not that our government is gambling on the word of and the agreements with the Soviets, but it worries us that they could be wrong.

Do these things not worry you?

If they do, let your officials in Washington know about it.

THE PANAMA CANAL TREATY

The Senate resumed the consideration of the treaty.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. THURMOND. I want to thank the distinguished Senator from Alabama for yielding the floor to me.

Mr. STEVENS. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Will the Senator from Alabama yield the floor?

Mr. ALLEN. I do yield the floor.

Mr. STEVENS. Mr. President——

The PRESIDING OFFICER. The Senator from New York receives recognition.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, perhaps it is best simply to conclude this little exchange tonight by saying that I believe it is the view of at least some of us, and more perhaps than just a few who are proponents to this treaty that the President has the right to have it discussed at a level of realistic and candid assertion of what is being proposed, and for what purpose.

The effort to bring it down by prolonging the process of the deliberation is really not becoming of this Chamber and certainly would be resisted by those who wish to see the President's work unaccomplished. It is not just his work. It is the work of the last four Presidents. We have certainly a responsibility to take seriously our duties to advise and consent and to do it with equal expedition and reference to real ideas and hard facts, as the President's negotiators who have brought this treaty to us.

In no sense do I suggest, as I fear the Senator from Alabama may have misunderstood me to suggest that I had any great learning in this matter. I went out of my way to consult one of the Nation's recognized authorities to make sure that what seemed on the surface to be inane—I repeat that word—as an idea was indeed just that: at least in the judgment of one person that was indeed the case.

And it is one thing to identify it inappropriate and irrelevant and to so state, and another thing to be intolerant of alternate views. I would suggest, if anything, there has been an excess of tolerance in this debate, as day after day we have gone on with great patience listening to some persons who obviously feel stronger, and at much greater length than would be the normal distribution of time on the Senate floor, but it is within our right, and we somewhat take our responsibilities to declare that to identify as irrelevant and inappropriate and on the face of matters not to be taken seriously those things which we feel to be of that order.

I thank the Chair.

Mr. STEVENS. Mr. President.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I have great respect for the Senator from New York, in the field of foreign affairs, but I have little regard for the comments he just made concerning the attitude of those of us who have walked the narrow road trying to make the treaties acceptable to the people of the United States. There are people who are, I think, blindly proponents of these treaties. There are others who are blindly opponents of these treaties and there are some of us who have worked very diligently to try to change them so that they might be agreeable to the majority of the people of this Nation.

I think I am one of those who has tried and has done a great deal of work to try and change it and it just so happens that prior to the time my good friend from Wyoming offered his amendment, we had drawn an amendment to accomplish the same thing, which I shall hope I will share with the Senator from Wyoming (Mr. WALLOP), to article XIV because our research shows us that Panama does in fact have a way to ignore the reservations, declarations, and understandings that under our law we might attach to these treaties. Reservations, declarations, and understandings which might seduce some people to support the treaties may well be ignored in Panama, unless there is an amendent placed in the body of the treaty which says, in effect, that if they ignore the will of the U.S. Senate, as expressed in a reservation and understanding, or a declaration, then the treaties which were superseded by this treaty would come back into force and effect.

There is no way I know for us to invade the domestic law of Panama and to make a reservation, a declaration, or an understanding binding upon Panama. Unless the treaty has a mechanism to in effect make the treaty void, if Panama ignores these declarations, understandings, or reservations then Panama would have no reason to recognize the reservations, declarations, and understandings passed by the U.S. Senate.

Now I think——

Mr. ROBERT C. BYRD. Mr. President——

Mr. STEVENS. I see my good friend from West Virginia rising and I have no greater respect for any man in this Senate than my good friend from West Virginia.

I think I spent a lot of time on this and I think I have been involved in the practice of law long enough to understand the treaty and its implications as well as anyone else here.

You may disagree with me, but I would not like to have my amendment referred to as being inane and inept, and like those offered by people who are merely trying to delay the process of the Senate. Mr. President, as I said in my question to my good friend from Alabama, if we do not have a role in trying to shape this treaty so it is acceptable to the people of the United States, what

are we doing here? Why do we go through article after article? Why do we have the process of amendment? Why do we not just have a reservation process?

I yield to my good friend, if he wants to comment on——

Mr. MOYNIHAN. Mr. President, may I respond for just a minute?

It would be typical to say to the Senator from Alaska, and he surely would know that it was very clear that with respect to the Neutrality Treaty there were improvements made and there were reservations registered and some of the most important were unanimously accepted or nearly so because they did make good sense.

But the Senator from Alaska—he does not have to agree with me, obviously, but there is no way that one nation can unilaterally declare that if something else happens, a nonexistent treaty will come into effect.

May I suggest to the Senator that what you probably are thinking—I wonder if this is what you are thinking because this is not my thinking. You can say that if the treaties were abrogated cr some portion of them, then you could put the others or other parties on notice about how the United States will conduct its affairs.

Mr. STEVENS. I say to my friend from New York that he misses the point of the amendment, and the point is, that unless Panama, following their own constitutional processes of their domestic law, accepts the constitutional processes of our domestic law, these new treaties will not become effective. If our amendment is adopted the problem can be overcome. Having not become effective, the treaties in and of themselves revoke and repeal these old treaties. What we are saying is we want to put in this treaty a provision which puts Panama on notice that if following their domestic law they use devices to circumvent the will of the United States, as expressed in these reservations, declarations, or understandings, then the treaties are void, as far as we are concerned, and the other treaties are still in effect.

Now, I say to my good friend that is a good provision and it is a good tactic. Unless it is followed in some way by the Senators who say to the people of the United States that they are voting for this treaty, or they voted for the last treaty because of an understanding or a reservation or declaration that was attached to the resolution of ratification, then one of us has been misled.

Mr. MOYNIHAN. Will the Senator yield?

Mr. STEVENS. Just let me finish that one point.

There is a mechanism for putting these people on notice down there that they cannot do what they have done in the past.

And I point out that they under their constitution now can pack their courts. Just remember what happened in the United States when the President of the United States tried to do that.

Well, General Torrijos just gave himself the authority to do that with a new constitution in Panama. He can pack the court and he can keep sending so many questions to that supreme court until he puts enough people on there to get the court to do what he wants them to do. He is in fact a dictator.

Now if my friend says that we have no way in the ratification process to assure that the meaning that the Senate attaches to a treaty will not be accepted under the domestic constitutional law processes of Panama and that it will not be binding on them before we agree, the treaty will in fact be binding, then I disagree with him on that, and I think that many constitutional lawyers would disagree with my friend from New York.

Mr. MOYNIHAN. Let me urge the Senator to let me intervene here and be very explicit.

I think his proposal is not a good proposal, but it is, in fact, a perfectly logical one and perfectly appropriate to debate in this Senate.

If we provide a provision in this treaty whereby the treaty, in effect, does not come into effect—I do not know how the time sequence would work here, but if, in effect, the cancellation of the previous treaties would be void by the terms of this treaty—then we can envision the previous treaties being in effect.

Is that right?

Mr. STEVENS. My point is, under our domestic law, the treaties with their reservations, understandings and declarations would be binding upon us, and under our interpretation of international law, if they accept the resolution of ratification, any other nation would be bound by that.

But we know by looking at their own internal domestic law, that is not the situation with this country, and we are put on notice with the way they rejected the Geneva Convention of 1949. The Panamanian Supreme Court stated that because they had not, in fact, published the text of that treaty properly and in its entirety, they had not complied with their own domestic law, and having not complied with their own domestic law in terms of the ratification procedure, the Convention was not binding upon Panama.

Mr. MOYNIHAN. Did the Senator hear me say that I think he may have a point here?

Mr. STEVENS. I know I have a point here. I have been arguing it a couple of weeks now. It sounds like my good friend from New York says those of us who want the treaties to be changed and improved before voting for them—and mind you, some of us said we would vote for them if they were changed in a specific way, the last one was not changed and I voted against it, the question of whether this one is changed is very material, as far as I am concerned—are abstructionists.

I shall vote against it unless it is changed to protect what I consider to be the national security, economic interests, of the United States.

Now, one of the things I think is in the interest of the United States is the question of whether Panama can accept this treaty. I am sure the Senator has read his paper from New York. I spent last weekend reading some of the items in the New York paper about General Torrijos' comments. He is going to wait, as he said to the President in the letter, until he sees all the reservations and they will determine later whether they will be bound.

That is very good.

All I am saying is that we should not give him a check that is binding upon us, when it is one he can ignore, one that is not binding on him at all.

Mr. MOYNIHAN. If the Senator can work that out and if that is the type of thing that ought seriously to be considered, and should be, and, certainly, would be welcomed by me, I am not in any means a principal in this debate, but that is a tenable proposition.

Mr. STEVENS. That is what the Senator from Wyoming's proposition was.

Mr. MOYNIHAN. Then I must respectfully disagree. In no way could that provision be binding on anybody else. No international court, no international lawyer, no other country would think it did. That is what I am talking about.

Mr. STEVENS. No. My friend is not understanding either one of us. All we say is that unless this treaty will be binding on Panama, with all the attachments kept on it, under their law, then it should not be binding on us under our law.

That is a simple proposition of, I think, international law.

But the difficulty is as my friend refuses to see the difference, in dealing with a dictatorship under a democratic process.

We are dealing with a country that is ruled by a dictatorship. He has the power to pack the court. He changed the Constitution. He now has the power to ignore the reservations we approved last week in the neutrality treaty.

Under those circumstances, I would say that there is no way for us to tell the American people that what we have done, if we have passed a resolution with reservations, understandings or declarations attached to it, is binding upon Panama unless we look at their own law, their own Constitution, which incidentally says in title I, article 4, that Panama is bound by international law only so far as it does not "prejudice" the "national interests" of Panama.

Mr. MELCHER. Will the Senator yield?

Mr. STEVENS. I am happy to.

Mr. MELCHER. I think there is even a more pertinent point in the Constitution of Panama.

Their Constitution clearly and emphatically states that the ratification process for any treaty dealing with the canal is only by plebiscite where a majority of people voting in that plebiscite agree with the treaty.

I think there is one thing we should keep in mind about our own Constitution, referring to the ratification of treaties.

Prior to the time we brought up the first treaty considered here, dealing with Panama, the Neutrality Treaty, I reviewed those few words in our own Constitution referring to the ratification of a treaty.

Our process is for the Senate to advise and consent, and there are very few words on it. Our process requires that the Senate advise and consent, and I do

not want any of us to lose sight of the word "advise."

We interpret that to mean a review of a proposed treaty by the Senate, article by article, open for amendments.

We in the Senate do not negotiate the treaty, as the Senator from New York has reminded us. No. But we do advise and consent, and no treaty is ratified by the United States without the Senate's two-thirds vote to advise and consent.

The process of these amendments is, indeed, the process of advising. If that should be construed or interpreted or understood by some in regard to these treaties as "negotiation," I think that would be an error on the part of the proponents of these treaties.

If we find in our process of considering these amendments, that amendment is needed and we adopt an amendment as part of our "advise," as part of our procedure of advising and consenting, we are clearly within our own Constitution. And that, indeed, I believe is not only a constitutional requirement, but I believe it is a grave responsibility on each and every one of us as Senators.

I cannot take these amendments lightly. I believe they should be considered and voted on their merits as our process of advising.

Mr. MOYNIHAN. If the Senator would hear me one last moment, there are some amendments, particularly the one the Senator from Alaska was trying to discuss, that obviously had to be taken seriously. It was a very serious proposition on the face of it. It appears to be something that could be done.

There are other amendments which we have heard presented and debated here, which, on the face of it, could not be done and should not distract this body and should not be seen as the appropriate subject for serious debate, but rather, dilatory, irrelevant. and not adding to the substance of our debate at all.

Obviously, there is a large area in between. But some of the extremes have been extreme, and it is to those extremes that I pointed, and nothing more.

I could not get the Senator from Alaska to quite hear me, but I was trying to say to him that I thought he had what is the making of a serious idea. Whether it would do or not, I could not quite follow. But it should be considered, and obviously will be. And that is the end of my thoughts on this subject tonight.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. HODGES). The Senator from West Virginia (Mr. ROBERT C. BYRD).

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, as in legislative session, the period not to extend beyond 30 minutes, with statements therein limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW YORK CITY AND ITS CONTRACTORS: IS THE YANKEE RIPOFF TYPICAL OF NEW YORK CITY CONTRACTS?

Mr. PROXMIRE. Mr. President, the New York City comptroller, Harrison Goldin, has called the New York City lease of Yankee Stadium "a disgraceful deal for the city," and it looks as if he is right.

The Senate has a particular interest in this contract because before June 30 when it expires we must decide whether to extend, modify or end the $2.3 billion seasonal loan the Federal Government made in 1975 to New York City. The nature of this Yankee contract suggests that while the majority of New Yorkers and their city leadership have made some commendable progress in the past 3 years, some people up there either because they are greedy, inept or corrupt are ripping off the majority and any Federal help will just prolong the ripoff and make it that much tougher to crack down.

THE GIVEAWAY CONTRACT

The Yankee contract looks like a transparent giveaway. Here is why: In 1977, the Yanks won the world series and had a terrific year at the box office. They grossed $9.3 million in admissions and $4.3 million from concessions. The city should have received nearly a million in rent. Instead it will get less than $150,000 and the Yankees have told the city it will cut even lower.

In 1976 it was even worse. The Yanks won the American League title, grossed more than $7 million. The city should have gotten more than $800,000 in rent, instead the city actually owes the Yankees $10,000. In other words, the city is paying the Yankees to occupy this stadium.

The joker is that the contract permits the Yankees to charge off certain maintenance costs against rents.

Now here is a contract that excluded the city from any participation in the most lucrative part of the Yankees financial operations, that is TV revenue. On its face it looks like a generous gift to the Yankees by the city. The city gets a graduated percentage of the gross at the gate and a percentage of concessions that ranged from 5 to 10 percent. But with the fine print in the maintenance deduction clause the contract becomes ridiculous, a transparent way for the Yankee owners to avoid paying any significanct rent to a city which has just poured $48 million into renovating the Yankee Stadium.

It is true that the million dollars or so a year that the city is losing on this deal would not make any real difference in keeping New York from bankruptcy, but the point is that if the city permits knuckleheaded ripoffs like this contract with a contractor as visible as the New York Yankees, what faith can we have that New York City is conducting its business with its thousands of other contractors in a way that gives it full value for the dollars it spends.

WHY CONGRESS MUST BE TOUGH

The Yankee contract illustrates again why Congress will be doing neither the Federal taxpayer nor New York City any favor by a soft, easy, permissive attitude toward further Federal assistance for New York City.

It also suggests that the city should not only pursue Mayor Koch's line of further reducing payrolls, it should also take a long, hard look at sweetheart contracts.

Look who is getting away with this ripoff. Here is the most successful and one of the richest franchises in baseball, an enterprise that is more conspicuously covered by TV, radio, newspapers than any activity outside of the White House.

We are dealing with a team that is not only argued about, debated, deplored, and enjoyed in offices, factories, bars, kitchens, and commuter trains in Harlem and Wall Street, Brooklyn and the Bronx, but in Oshkosh and Paducah.

YANKEE SUPREMACY REINFORCED

You do not have to be a Boston Red Sox or Milwaukee Brewer fan to recognize certain facts of life. And fact one is that the imperial, proud Yankees are the super team of 1978. Consider Seattle is a 2,000 to 1 shot to win the American League pennant this year. The Brewers are 100 to 1. The Yankees are actually a 5 to 7 favorite. Here is the super team of the twenties and thirties and fourties and fifties—the epitomy of success. There was even a popular book and movie entitled "The Year the Yankees Lost the Pennant." It was that rare for the Yankees not to crush the rest of us. And today they are once again dripping with success, not only with millionaire pitching aces and power hitting outfielders, but with millionaire relievers and pinch hitters.

Maybe this country would stand for seeing the richest man in town rob an orphan's piggybank and do it on network TV in prime time without outrage. But to be a party through New York City's dim-witted contract to making the Yankees richer still so the Yankees can pay the huge salaries to take the best players away from the rest of us, that no red-blooded baseball fan outside New York itself will ever permit.

Come on New York City—when you get less for leasing a stadium into which you have just poured $48 million than the bat boy earns, you really can't expect the taxpayer in Wisconsin, Kansas, Kentucky, and the rest of the country to give you a multibillion-dollar guarantee.

Mr. President, the one saving grace of this situation is that the New York Times conspicuously—on the Sunday front page reported this perverse contract and spelled out its giveaway nature in detail. And Harrison Goldin, the New York City comptroller has—as I said—denounced this giveaway and called for renegotiation of the contract.

So it is true there are responsible forces in New York protesting and fighting to correct this kind of giveaway. It will be interesting to watch what progress the city makes in renegotiating this contract over the next few weeks.

I ask unanimous consent that the article in the New York Times by Murray Schumach be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YANKEES' REVENUES RISE, BUT RENT TO CITY FALLS BELOW EXPECTATIONS

(By Murray Schumach)

In the process of winning the baseball championship last year, the New York Yankees grossed—after taxes—$9.3 million in admissions at the Yankee Stadium and took in $4.8 million more through concessions.

Theoretically, the city should have received nearly a million dollars in rent. Actually, it will receive less than $150,000, and the Yankees have advised the city it plans to cut this even lower.

The situation in 1976 was even more unbalanced. The Yankees, in winning the American League title that year, grossed more than $7 million. The latest figures show that the city, instead of collecting more than $800,000 in rent, owes the Yankees about $10,000 for that year.

THE PRICE OF STAYING

All of this is legal. It is in keeping with the terms of the book-length 1972 lease between the city and the Yankees that permits the baseball club to charge off substantial "maintenance" costs against rent and specifically excludes the city from a share of the television money paid to the Yankees.

These were some highlights of a study by The New York Times of the arrangements worked out between the city and the Yankees, whereby the city rebuilt the stadium as the price for keeping the Yankees—who had been threatening to move—in the city.

In an interview, Comptroller Harrison J. Goldin called the lease "a disgraceful deal for the city." He has started an audit of the Yankees finances and intends to press for a renegotiation of the city's contract with the Yankees that expires at the end of 2002.

"If the Yankees can renegotiate contracts with their baseball stars," he says, "then they can renegotiate the lease with the city."

George F. Steinbrenner, the owner of the Yankees, said:

"Our lease is 10 times tougher than the Mets. I didn't negotiate the lease. It was transferred to us when we bought the team from CBS. A lease is a lease. It's a pact, it's an agreement."

He said he would be willing to "sit down and talk" with Mr. Goldin, but did not see what there was to renegotiate. As to maintenance costs, he said he knew nothing about that phase of Yankee operations. He said that the Yankees, by becoming such a strong attraction in the last two years had made a lot of money for the city."

Former Mayor John V. Lindsay, who persuaded the city to rebuild the stadium and was in office when the lease was drawn up, said:

"If the Yankees had left it would have been a disaster for the city and particularly for the Bronx. If inflation and delays in rebuilding the stadium boosted the costs of rebuilding the stadium that's regrettable. I think it was the right thing. Brooklyn never recovered when the Dodgers left the city."

For that matter, Mr. Goldin, like nearly all critics of the city's agreement with the Yankees, believes it was a good idea to keep the Yankees here, but insists that the cost was much too high.

FINDINGS OF STUDY

Other findings of the study by The Times were:

Information from engineers that when Mr. Lindsay first estimated the cost of rebuilding Yankee Stadium at $24 million, it was not based on solid engineering data. This is denied by Mr. Lindsay. The latest figure for the overall project is $95.6 million, of which $46.8 million was to rebuild the stadium.

A single clause in the bulky contract cost the city its veto power over phases of reconstruction it considered unnecessary.

The promise to carry out an urban renewal program around the stadium was not kept by the city and the neighborhood has continued to deteriorate—although probably not nearly as much as it would have if the Yankees had left the city.

The private construction of garages that was not part of the original idea—and ran to $26 million—has not brought a penny to the city in a leaseback arrangement.

Whatever disagreement there may be about what happened since the contract, it seems certain that the idea began with Mike Burke, then president of the Yankees owned at the time by CBS Inc.

LINDSAY GIVEN 3 ALTERNATIVES

"I invited John Lindsay to a game at the stadium," recalled Mr. Burke, who is now president of Madison Square Garden. "We had supper at my quarters at the stadium. While we were having some wine in a corner I rehearsed for him the age and sad state of disrepair of the stadium. I told him we had to find some alternative, that we couldn't carry on as we were. Chunks of concrete were beginning to fall.

"I told him there were three alternatives—to rehabilitate the stadium, to move to Shea and share with the Mets or to leave the city, most likely to go to New Jersey. I said my preference was to stay where we were. He said he would help us stay at the stadium. I decided John Lindsay would be as good as his word. I opted to stay in the city."

Built into the contract between the city and the Yankees were provisions for rent for the city that looked good. The city was to get a graduated percentage of the gross at the gate and a percentage of the concession revenue that ranged from 5 to 10 percent.

However, also in the contract was the provision for deductions of maintenance costs from the rent. For the banner year of 1977, the maintenance costs, from figures at the Comptroller's office, were $839,106. For the year before, the maintenance costs reached $798,562.

With the latest figures from the Yankees came a note from David Weidler, treasurer-comptroller of the Yankees, saying:

"Please be advised that presently there are discussions going on with NYC which will further increase the maintenance credits for 1977."

Then there is the dispute about the $24 million estimate by Mr. Lindsay of the cost of the stadium rejuvenation. Men in the engineering firm that did the stadium work say that their data indicated this figure was much too low.

"That $24-million figure was pulled out of the air," says one engineer, then connected with the firm of Praeger, Kavanagh and Waterbury, which did the engineering work. The engineer, who asked not to be named, added: "Mike Burke felt that the city should pay the same amount to keep the Yankees as it paid for Shea for the Mets. And that was $24 million."

Mr. Lindsay insists his estimate was based on a careful study of engineering data. Former Mayor Abraham D. Beame, who was then Comptroller, said that the engineering data showed the cost would probably double $24 million.

A clear connection between the $24 million estimate and the Shea Stadium cost was indicated by Mr. Lindsay in his first public statement on the subject on March 2, 1971, when he said:

"The city is prepared to commit, with the approval of the Board of Estimate and the City Council, municipal resources substantially similar to those invested in Shea Stadium, the city-owned home of the baseball Mets and the football Jets. That sum was $24 million in capital funds."

OBSCURE CLAUSE

When the work of reconstructing the stadium got under way, according to one of the engineers, "changes were made all along the way."

"It was a process of reviews by the Yankees," he said. "The city worried about the rising cost. But the Yankees would insist, and they'd have their way."

This was mainly because of the obscure clause toward the end of the lease, which said:

"To alter and improve the stadium during the period of renovation so as to be equivalent in all respects with the best features of the new stadia at Pittsburgh, Philadelphia and Cincinnati."

One of those who was present during the reconstruction, when the Yankees were playing at Shea during 1974 and 1975, said:

"Each time someone from the city would object to something that would raise costs too much, the Yankee people would point to this trick clause and say that what the Yankees wanted was in Pittsburgh or Philadelphia or Cincinnati and that was that."

One item that swelled the overall total by $26 million was the construction of two garages near the stadium by the Kinney System. The garages were turned over to the city which put them at the disposal of Kinney on a leaseback arrangement from which Kinney is supposed to recoup its investment, with some proceeds to the city.

"The city has not yet received a penny from the garages," said Mr. Goldin.

Kinney has the right to deduct the costs of operation and repairs. At the end of 35 years the garages revert to the city.

A top city engineer who worked on the Yankee project from the beginning said:

"They fooled me when they put in two parking garages. I had found a big lot not too far from the courthouse near the stadium that could have been paved and used for parking. But the Yankees vetoed this."

Many thousands of baseball fans park their cars in empty lots not too far from the stadium and walk to and from night baseball games.

Despite the reconstruction the football Giants, who used to use Yankee Stadium, deserted the city for a new home in the Meadowlands complex in New Jersey. This was done before the argument began about whether the reconstructed stadium was suitable for football. The engineers say it is. All that is necessary, they say, is to make the bullpen level with the rest of the field.

FISCAL CRISIS KILLED RENEWAL

One of the most significant agreements in the city's deal with the Yankees was never kept. The city reneged on its promise to renovate the neighborhood as part of the stadium. The city's explanation is that this part of the plan was killed by the fiscal crisis.

The importance of this part of the plan was stressed in 1974, two years after the Yankee lease was worked out. On July 22 of that year Roger Starr, then head of the city's Housing and Development Administration, in a detailed document to John E. Zuccotti, then chairman of the City Planning Commission, wrote:

"Although the area designated for urban renewal includes the Yankee Stadium, the objective of renewal (is) to improve the environs of the stadium."

This is probably the only phase of the Yankee Stadium project that came in well under the original estimate.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Wisconsin, the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs, in whom the hopes and dreams of 8 million New Yorkers necessarily reside, owing to the circumstance of insolvency.

What the chairman says sounds right to me. I think he probably is right in what he has just said. I know of no grounds on which I would dissent. I do not know that much about these contracts.

However, I would like to say—and gently make the point—that because those entrusted to the governance of New York City in the past were irresponsible—and they were; there was irresponsible behavior in many cases, and maybe this was one—I do not in the least propose that it is not really the U.S. Senate, in its responsibility, to respond to the present circumstance, to the President's proposal for fiscal reorganization of the city through the means of long-term loan guarantees. They are not very long-term—about 15 years.

The chairman knows my feelings in that regard, and I simply would not want to agree with him on the one point without reminding him of the other.

Mr. PROXMIRE. I thank the distinguished Senator.

PUBLIC SUPPORT FOR WOMEN IN COMBAT

Mr. PROXMIRE. Mr. President, in a recent editorial the Christian Science Monitor joined the New York Times, the Washington Post, and other newspapers around the country in endorsing expanded use of women in the military—including combat.

The editorial points out that with an estimated 25 percent drop in eligible males by the 1990's, Defense officials predict that without increased use of women the military will either have to return to the draft or raise further the already soaring pay scales for the volunteer services.

The services have already taken the first steps to open up more opportunities for women who are interested in a military career. Now the services are seeking relief from legal restrictions that currently keep women from serving on board Navy ships and from flying combat aircraft, and I hope that the Congress will act soon to give the services the freedom they need in assigning their personnel.

Mr. President, I ask unanimous consent that the Christian Science Monitor editorial of March 16, 1978, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Mar. 16, 1978]

WHY NOT WOMEN IN COMBAT?

"The Marine Corps needs a few good women." A recruitment slogan for tomorrow? Perhaps. The U.S. Defense Department, facing an estimated 15 percent drop in the number of 18-year-old males available for military service in the 1980s, is actively seeking to increase the number of women in service and to open up new job opportunities to lure them into uniform. To this end, defense officials have asked Congress to lift the ban on women in combat, and legislation will be introduced this spring to overturn laws that prohibit women from serving aboard ships or on aircraft having combat missions.

The issue of women in combat is certain to stir strong emotional responses in and out of Congress and no doubt will require considerable debate if Americans are eventually to alter their traditional views on the subject. But with many women making strides toward shedding the unfair stereotype of the "weaker sex," assuming new work and leadership roles on an equal footing with their male counterparts, and enjoying greater personal independence, the time seems right to face the issue and give women the opportunity to choose combat positions if they so desire.

Part of the difficulty is in defining "combat" in modern terms. Numerous combat-related jobs—such as piloting aircraft and navigating ships—require primarily mental abilities. And the relative ease with which female cadets at West Point have adjusted to the rigors of combat training there would tend to indicate that even in battlefield situations women have the necessary physical capabilities.

The Soviet Union, Israel, and other countries have used women in combat situations, and in the United States, Army nurses, although classified as noncombatants, have served under fire for more than a hundred years. Although not assigned to infantry, armor, and artillery units, American women already work as truck drivers, communication specialists, helicopter pilots and repairers, and in other positions that submit them to combat conditions. The some 108,000 women in the U.S. military reprsent about 5 percent of the total force; Pentagon officials would like to see the number increased to 7.1 percent. The Army thus far has made wider use of females. The Navy and the Air Force would be the greatest beneficiaries of the moves to relax combat restrictions.

With defense officials estimating a 25 percent drop in the number of eligible males by the 1990s, the alternatives to women in combat-related jobs are not good. Officials predict either a return to the draft or further hikes in the already soaring pay scales for the volunteer services. Why not give women a chance?

A CLARIFICATION OF THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, I would like to take this time to clarify an important area of dispute over the Genocide Convention, a treaty which declares intentional acts to destroy, in whole or in part, a national, ethnical, racial, or religious group a crime under international law.

Article 3 of the treaty declares that "direct and public incitement to commit genocide" is punishable according to the provisions of the treaty. This clause has been assailed by opponents of the treaty as an infringement on freedom of speech and the press as guaranteed under the first amendment to the Constitution.

This argument overlooks American judicial history of the last 70 years. In the case of Schenck against United States, the Supreme Court ruled that freedom of speech is not absolute. In that case, it was determined that there are limitations on freedom of speech when that speech posed a "clear and present" danger.

The 1969 case of Brandenburg against Ohio draws a clearer distinction between protected and prohibited speech. The Supreme Court held that protection of free speech was guaranteed "except where such advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action." Incitement to commit genocide falls within this excepting clause.

One would also expect that if this clause were unconstitutional, the American Civil Liberties Union would strenuously object. In fact, the ACLU supports the treaty.

We should not allow obstruction of the treaty on the basis of erroneous legal reasoning. I urge the immediate ratification of the Genocide Treaty.

MESSAGES FROM THE HOUSE

At 1:47 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 50. An act to translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government.

At 4:15 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to the provisions of section 161(a), title I, Public Law 93–618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected Mr. VANIK, Mr. MIKVA, Mr. FISHER, Mr. CONABLE, and Mr. STEIGER to be accredited by the President as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to the trade agreements during the second session of the 95th Congress.

The message also announced that, pursuant to the provisions of Public Law 95–45, the Speaker has appointed Mr. HAMILTON, chairman, Mr. PICKLE, Mr. BOWEN, Mr. VAN DEERLIN, Mr. DE LA GARZA, Mr. FISHER, Mr. DERWINSKI, Mr. MCCLORY, Mr. COUGHLIN, and Mr. BUTLER as members of the delegation to attend the Conference of the Interparliamentary Union, held in Lisbon, Portugal, from March 22 to April 2, 1978.

The message further announced that, pursuant to section 194 of title 14 of the United States Code, the chairman of the Committee on Merchant Marine and Fisheries has appointed Mr. BIAGGI, Mr. DE LA GARZA, and Mr. TREEN; Mr. MURPHY

of New York, ex officio, to serve as members of the Board of Visitors to the U.S. Coast Guard Academy for the year 1978.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-3127. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the establishment of an international emergency wheat reserve, and for other related purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3128. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Health, Education, and Welfare, Health Care Financing Administration, for "limitation on administrative expenses" for the fiscal year 1978, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC-3129. A communication from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, a report of the Office of Consumer Affairs and Civil Rights; to the Committee on Commerce, Science, and Transportation.

EC-3130. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the Highway Safety Improvement Programs; to the Committee on Commerce, Science, and Transportation.

EC-3131. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report of a building project survey for Lansing, Michigan; to the Committee on Environment and Public Works.

EC-3132. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to amend the Atomic Energy Act of 1954, as amended, to improve the nuclear siting and licensing process, and for other purposes; to the Committee on Environment and Public Works.

EC-3133. A secret communication from the Chairman, Interagency Group, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, errata sheets for insertion in the FY 1979 ACIS; to the Committee on Foreign Relations.

EC-3134. A secret communication from the Director, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, the FY 1979 Arms Control Impact Statements; to the Committee on Foreign Relations.

EC-3135. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days thereof; to the Committee on Foreign Relations.

EC-3136. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Critical Role of Government in International Air Transport," March 17, 1978; to the Committee on Government Affairs.

EC-3137. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Information and Referral for People Needing Human Services—A Complex System that Should be Improved," March 20, 1978; to the Committee on Governmental Affairs.

EC-3138. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Consistent and Uniform Treatment of Inflation Needed in Program Cost Estimates Provided to the Congress," March 20, 1978; to the Committee on Governmental Affairs.

EC-3139. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on February 21, 1978, which would amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes (Act 2-156); to the Committee on Governmental Affairs.

EC-3140. A communication from the Records Officer, Finance Group, United States Postal Service, transmitting, pursuant to law, proposals for ten systems of records; to the Committee on Governmental Affairs.

EC-3141. A communication from the Administrator, General Services Administration, transmitting, the annual report on the major programs and activities of the General Services Administration for 1977; to the Committee on Governmental Affairs.

EC-3142. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Human Resources.

EC-3143. A communication from the Secretary of the Interior, transmitting pursuant to law, a report on activities under the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC-3144. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Human Resources, with amendments and an amendment to the title:

S. 2452. A bill to authorize funds for the Hubert H. Humphrey Institute of Public Affairs (Rept. No. 95-706).

Mr. ROBERT C. BYRD (for Mr. MUSKIE), from the Committee on the Budget, without amendment:

S. Res. 415. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H. R. 6782 (Rept. No. 95-707).

S. Res. 418. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2481 (Rept. No. 95-708).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

James T. McIntyre, Jr., of Georgia, to be Director of the Office of Management and Budget (Ex. Rept. 95-16).

(The nomination from the Committee on Governmental Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TOWER (for himself and Mr. DOLE):

S. 2764. A bill to amend the Export-Import Bank Act to preclude discrimination by the Bank against the financing of agricultural exports; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. EASTLAND:

S. 2765. A bill to eliminate the right to a jury trial in certain tax actions against the United States; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 2766. A bill for the relief of Philip W. Morgan of Britton, South Dakota; to the Committee on Governmental Affairs.

By Mr. CANNON (for himself, Mr. PEARSON, and Mr. MAGNUSON) (by request):

S. 2767. A bill to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

S. 2768. A bill to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to extend the authorization of appropriations; to the Committee on Commerce, Science, and Transportation.

S. 2769. A bill to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

By Mr. RIEGLE:

S. 2770. A bill to amend the Elementary and Secondary Education Act of 1965 to insure educational equity, and for other purposes; to the Committee on Human Resources.

By Mr. STEVENS (for himself, Mr. KENNEDY, Mr. MAGNUSON, and Mr. HOLLINGS):

S.J. Res. 124. A joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16 through April 22, 1978, as "National Oceans Week." Considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER (for himself and Mr. DOLE):

S. 2764. A bill to amend the Export-Import Bank Act to preclude discrimination by the Bank against the financing of agricultural exports; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. TOWER when he introduced the bill appear earlier in today's proceedings.)

By Mr. CANNON (for himself, Mr. PEARSON, and Mr. MAGNUSON) (by request):

S. 2767. A bill to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the

Department of Commerce, and on behalf of myself and my colleagues, Mr. MAGNUSON and Mr. PEARSON, a bill to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 to extend the authorizations for appropriations for fiscal years 1979 and 1980.

I ask unanimous consent that the letter of transmittal and statement of purpose be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980" together with a statement of purpose and need in support thereof.

The Department has determined that this proposed legislation does not constitute a major proposal requiring preparation of an Economic Impact Statement under Executive Orders 11821 and 11949, and OMB Circular A–107.

We have been advised by the Office of Management and Budget that there would be no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

JUANITA M. KREPS.

Enclosures.

STATEMENT OF PURPOSE AND NEED

Section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 (P.L. 92–532) authorizes funds to be appropriated to support research activities carried out pursuant to Title II (sections 201, 202, and 203) of the Act. These sections provide for: (201) initiation of a program of monitoring and research regarding the effects of dumping of waste materials into ocean waters; (202) research into the long-range effects of pollution, overfishing, and other man-induced changes to ocean ecosystems; and (203) promotion of programs of research on alternatives to ocean dumping. Funding under Section 204 is authorized through fiscal year 1978 in the amount of $6,500,000.

Funding will be required in FY 79 and FY 80 to support NOAA activities in response to Sections 201 and 202. No funds will be required for Section 203 because that mandate is expected to be transferred from NOAA to EPA pursuant to legislation now under consideration by the Congress.

With the phase-out of ocean dumping research by the Marine Ecosystems Analysis (MESA) New York Bight Project in FY 1981, the NOS-managed Ocean Dumping Program will be taking up the slack. The present (FY 1978) effort under section 201 includes studies of 3 dumpsites at a cost of $1.87 million. In FY 1979 work will intensify on 2 of these sites, a fourth dumpsite will be added, and a complementary program of research on dumped materials will be initiated. Additional funding required in FY 1979 will bring the total Section 201 allocation to $3,345 million. In 1980 the program would include continued studies at dumpsites, monitoring of deepwater dumpsite (DWD) 106, and support of the complementary research program.

For research on long-range effects of pollutants under Section 202, NOAA will require $2.560 million in FY 1979. This includes $0.4 million for establishing a program management and coordination group and for developing a program management plan. An additional $1.5 million is required for support of long-range effects research within NOAA and in other Federal agencies, and private research organizations and universities. A research program, to be funded at a level of $.660 million, will be initiated in the Gulf of Mexico for understanding and predicting environmental threats, such as industrial pollution, and lower than normal oxygen concentrations. For FY 80, funding for Section 202 would continue support of these tasks.●

By Mr. CANNON (for himself, Mr. PEARSON, and Mr. MAGNUSON) (by request):

S. 2768. A bill to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to extend the authorization of appropriations; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the Department of Commerce, and on behalf of myself and my colleagues (Mr. MAGNUSON and Mr. PEARSON), a bill to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to extend the authorization of appropriations.

I ask unanimous consent that the letter of transmittal and statement of purpose be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., February 28, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to extend the authorization of appropriations" together with a statement of purpose and need in support thereof.

The Department has determined that this proposed legislation does not constitute a major proposal requiring preparation of an Economic Impact Statement under Executive Orders 11821 and 11949, and OMB Circular A–107.

We have been advised by the Office of Management and Budget that there would be no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

JUANITA M. KREPS.

Enclosures.

STATEMENT OF PURPOSE AND NEED

This legislation, which the Department is proposing on behalf of the National Advisory Committee on Oceans and Atmosphere (NACOA), would provide for a two year extension of the authorization for appropriations for NACOA.

NACOA was originally established by Public Law 92–125 of August 16, 1971, to consist of 25 non-federal members having an interest and expertise in oceanic and atmospheric affairs. Public Law 95–63 of July 5, 1977, repealed the Act of August 16, 1971, and established a new committee of 18 members. NACOA is now mandated to (1) undertake a continuing review, on a selective basis, of national ocean policy, coastal zone management, and the status of the marine and atmospheric science and service programs of the United States; and (2) advise the Secretary of Commerce with respect to the carrying out of the programs administered by the National Oceanic and Atmospheric Administration. NACOA submits an annual report to the President and to the Congress and submits such other reports as from time to time be requested by the President or the Congress.

NACOA has been recognized as a Federal advisory committee that provides effective and timely advice both to the Executive Branch and to the Congress. Enactment of this proposed legislation would provide authorizations for fiscal year 1979 at the level ($484,000) included in the President's program, and for fiscal year 1980 for such sums as may be necessary.

The proposed amendments would provide for a postponement by one year of the termination of the appointments of the members of NACOA. Section 3(b)(1) of the Act provides that of the original appointees, six shall be appointed for a term of one year, six for a term of two years, and six for a term of three years. Section 3(b)(2) provides that the terms of office for members first appointed after enactment shall begin July 1, 1977. The effect of these provisions is that six of the original members would have to be replaced on July 1, 1978. Since the members were only appointed on January 24, 1978, the suggested amendments are necessary to insure that the members who were appointed for the one-year term will have an opportunity to contribute significantly by serving until July 1, 1979 instead of July 1, 1978.●

By Mr. CANNON (for himself, Mr. PEARSON, and Mr. MAGNUSON) (by request):

S. 2769. A bill to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the Department of Commerce, and on behalf of myself and my colleagues, Mr. PEARSON and Mr. MAGNUSON, a bill to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980.

I ask unanimous consent that the letter of transmittal and statement of purpose be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C. March 2, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill: "to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980" together with a statement of purpose and need in support thereof.

The Department has determined that this proposed legislation does not constitute a major proposal requiring preparation of an Economic Impact Sttatement under Executive Orders 11821 and 11949, and OMB Circular A–107.

We have been advised by the Office of Management and Budget that there would be no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

JUANITA M. KREPS.

Enclosures.

STATEMENT OF PURPOSE AND NEED

Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, authorized to be appropriated funds to be used by the Secretary of Commerce to acquire, develop and manage marine sanctuaries. This bill will extend the appropriations authorization for section 304 of the Act at a level of $500,000 for fiscal year 1979 and such sums as may be necessary for fiscal year 1980. The President's message to Congress on the environment dated May 23, 1977, directed the Secretary of Commerce to examine all marine areas where development activities such as outer continental shelf oil and gas leasing, deepwater port construction or deep sea mining appear imminent and to identify areas for potential marine sanctuary designations. The President's message emphasizes the role of the marine sanctuaries program in protecting our marine resources. Previously P.L. 94–62 extended the appropriations authorization or Title III through fiscal year 1976 at a $6.2 million level and at a $1.55 million level for the transitional quarter. P.L. 94–326 authorized $500,000 for fiscal year 1977. P.L. 94–153 authorized $500,000 for fiscal year 1978.●

By Mr. RIEGLE:

S. 2770. A bill to amend the Elementary and Secondary Education Act of 1965 to insure educational equity, and for other purposes; to the Committee on Human Resources.

WOMEN'S EDUCATIONAL EQUITY ACT AMENDMENTS OF 1978

● Mr. RIEGLE. Mr. President, today I am pleased to introduce legislation to revise and expand the Women's Educational Equity Act. The Women's Educational Equity Act (WEEA) should be viewed along with title IX of the Education Amendments of 1972 as the primary tools available to the Federal Government to combat sex bias and stereotyping in education in this country today. My bill will have the effect of reemphasizing the importance of women's educational equity by first, removing the current program from the Special Projects Act, and second, expanding its purposes to include assisting educational agencies, schools, and colleges in complying with title IX.

This bill, in particular, will create a "two-tier" funding structure, which will provide funds for national level development and demonstration projects, and local educational level implementation projects. Seventy-five percent of the funds available to assist title IX compliance and educational equity are reserved for local education agencies. Eighty million dollars has been authorized for fiscal year 1980 and each of the 3 succeeding fiscal years. Several other technical amendments have also been incorporated in order that we might insure clarity.

Mr. President, I ask unanimous consent that a portion of the testimony of the National Coalition for Women and Girls in Education, before the Subcommittee on Elementary, Secondary and Vocational Education of the House Education and Labor Committee on Thursday, July 14, 1977, and the text of this bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Women's Educational Equity Act Amendments of 1978.

SEC. 2. The Elementary and Secondary Education Act of 1965 is hereby amended by adding, in place of section 408, the following:

WOMEN'S EDUCATIONAL EQUITY

SEC. 408. (a)(1) The Congress hereby finds and declares that educational programs in the United States, as presently conducted, are frequently inequitable as such programs relate to women and frequently limit the full participation of all individuals in American society.

(2) It is the purpose of this section to provide educational equity for women in the United States and to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Education Amendments of 1972.

(b) As used in this section, the term "Council" means the National Advisory Council on Women's Educational Programs.

(c)(1) The Commissioner is authorized to make grants to, and enter into contracts with, public agencies, private nonprofit agencies, organizations, and institutions, and individuals, including student and community groups, for activities designed to achieve the purpose of this section at all levels of education, including preschool, elementary and secondary education, higher education, and adult education. These activities may include—

(A) demonstration, developmental, and dissemination activities of national, statewide, or general significance, including—

(i) the development and evaluation of curricula, textbooks, and other educational materials related to educational equity;

(ii) model preservice and inservice training programs for educational personnel with special emphasis on programs and activities designed to provide educational equity;

(iii) research and development activities designed to advance educational equity;

(iv) guidance and counseling activities, including the development of nondiscriminatory tests, designed to insure educational equity;

(v) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women; and

(vi) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education, and educational administration; and

(B) assistance to eligible entities to pay a portion of the costs of the establishment and operation, for a period of not to exceed two years, of special programs and projects of local significance to provide equal opportunities for both sexes, including activities listed in subparagraph (A), activities incident to achieving compliance with title IX of the Education Amendments of 1972 and other special activities designed to achieve the purposes of this paragraph. Not less than 75 per centum of funds used to support activities covered by this paragraph shall be used for awards to local educational agencies.

(2) For each fiscal year, the Commission shall use $15,000,000 from the funds available under this section to support activities described in subparagraph (A) of paragraph (1). Any funds in excess of $15,000,000 available under this section shall be used to support activities described in subparagraph (B) of paragraph (1).

(3) A grant may be made and a contract may be entered into under this section only upon application to the Commissioner, at such time, in such form, and containing or accompanied by such information as the Commissioner may prescribe. Each such application shall—

(A) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant.

(B) describe a program for carrying out one or more of the purposes set forth in this subsection which holds promise of making a substantial contribution toward attaining such purposes; and

(C) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application;

(4) Nothing in this section shall be construed as prohibiting men and boys from participating in any programs or activities assisted under this section.

(d) In addition to the authority of the Commissioner under subsection (c), the Commissioner shall carry out a program of small grants (as part of the grant program administered under subsection (c)(1)(A)), not to exceed $25,000, each, in order to support innovative approaches to achieving the purposes of this section; and for that purpose the Commissioner is authorized to make grants to public and private nonprofit agencies and to individuals.

(e) The Commissioner shall establish criteria and priorities for awards under this section to insure that available funds are used for those purposes that most effectively will achieve the purposes of this section. Those criteria and priorities shall be promulgated in accordance with section 431 of the General Education Provisions Act.

(f)(1) There is established in the Office of Education a National Advisory Council on Women's Educational Programs. The Council shall be composed of—

(A) seventeen individuals, some of whom shall be students, and who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals, broadly representative of the general public who, by virtue of their knowledge or experience, are versed in the role and status of women in American society;

(B) the staff Director of the Civil Rights Commission;

(C) the Director of the Women's Bureau of the Department of Labor; and

(D) the Director of the Women's Action Program of the Department of Health, Education, and Welfare.

The Council shall elect its own Chairperson from among the members indicated in subparagraph (A).

(2) The term of office of each member of the Council appointed under subparagraph (A) of paragraph (1) shall be three years, except that—

(A) the members first appointed under such clause shall serve as designated by the President, six for a term of one year, five for a term of two years, and six for a term of three years; and

(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of such term.

(3) The Council shall—

(A) advise the Secretary, Assistant Secretary, and the Commissioner on matters relating to equal educational opportunities for women and policy matters relating to the administration of this section;

(B) make recommendations to the Commissioner with respect to the allocation of any funds pursuant to this section, including criteria developed to insure an appropriate geographical distribution of approved programs and projects throughout the Nation;

(C) recommend criteria for the establishment of program priorities;

(D) make such reports as the Council determines appropriate to the President and

the Congress on the activities of the Council; and

(E) disseminate information concerning the activities of the Council under this section.

(4) The provisions of part D of the General Education Provisions Act shall apply with respect to the Council established under this subsection.

(g) The Commissioner is directed, at the end of each fiscal year, to submit to the President and the Congress and to the Council a report setting forth the programs and activities assisted under this section, and to provide for the distribution of this report to all interested groups and individuals, including the Congress, from funds authorized under this section. After receiving the report from the Commissioner, the Council shall evaluate the programs and projects, assisted under this section and include such evaluation in its annual report.

(h) For the purposes of carrying out this section there are authorized to be appropriated $80,000,000 for fiscal year 1980 and each of the three succeeding fiscal years."

TESTIMONY OF THE NATIONAL COALITION FOR WOMEN AND GIRLS IN EDUCATION

Mr. Chairman and members of the Subcommittee, we represent organizations active in the National Coalition for Women and Girls in Education. The coalition is a broad-based network of over 50 national organizations committed to equal opportunity for girls and women in our schools and colleges.

We are pleased to testify in support of a new and expanded authorization for the Women's Educational Equity Act. Now that Congress has made equal education opportunity a matter of law, the Act is essential to efforts throughout the education system to find a means to that end.

INEQUITIES PERSIST, DESPITE LAWS FOR EQUAL OPPORTUNITY

Title IX of the Education Amendments of 1972 has opened the door; five years later, full equality for students and employees is still a long way down the road. Title IX has not been enforced. Fewer than one-fourth of all Title IX complaints brought against public education systems since the law passed have been investigated and closed.* And HEW, which took three long years to even write a regulation spelling out what institutions need to do to end different treatment of the sexes, has taken virtually no action on Title IX independent of citizen complaints.

Thus even minimal compliance with basic principles of equal opportunity has been left to the good will and initiative of institutions which often find change of any kind difficult. Some schools and colleges have taken up the challenge and mobilized their own communities to identify and end discrimination based on sex. At the other extreme is the Southern school superintendent who told the American Friends Service Committee his school district would comply "on the last minute of the last day." Most institutions probably fall somewhere in between, taking the simplest and most obvious steps to reduce discrimination while avoiding tackling the more difficult and complex changes needed to make full equality a reality.

A look at education today makes it clear that we are still a long way from that equality. Textbooks, which are not covered by the regulation on Title IX, continue to reflect pervasive and blatant sex bias, from elementary school readers to medical school texts. As our children learn science, spelling, reading and math, they are still absorbing subtler messages reinforcing old ideas about the inferiority of women and the home as woman's only rightful place.

*Source: an unpublished study by the Project on Equal Education Rights.

Many textbooks in use in the classroom today still portray boys and men as active, independent, adventurous and successful, while girls are consistently portrayed as passive, dependent, and prone to failure. And, despite today's reality that every young woman must be prepared to support herself and possibly her family for some years of her adult life, young people are still reading textbooks that suggest just one employment option for adult women—that of full-time homemaker in their own homes. For example, a University of California study of widely used textbooks counted pictures of men in some 150 occupational roles, while almost every woman illustrated was a full-time housewife.

According to another study, this one made by a group of women in Princeton, New Jersey, "witch" is one of only 26 adult occupations shown for women while men are found in 147 jobs that vary from building contractor to explorer, from shoemaker to zookeeper. And if we take out mother, queeen, and witch, we're down to 23 occupational roles for women, most of them the traditional ones of teacher, school nurse, secretary and cleaning woman.

Last October, a report of the National Institute of Education on "The Development of Career Awareness in Young Children" confirmed that children do develop ideas about careers at an early age, and that they almost always develop limited, stereotypic ideas about appropriate careers for men and women that persist through early adulthood when they begin to make their own choices about work and careers.

This Subcommittee has heard extensive testimony about the dramatic differences in vocational training for young men and women today, so there is no need to repeat the sorry results of a long history of sex segregation in job training. You should know, however, that the most recent vocational education statistics show little progress. Over forty percent of female "vocational" education students are still, in 1975, learning homemaking skills for use in their own home, not skills for a paying job. And the percentage of young women in vocational education who were learning technical, trade and industrial skills—which lead to higher-paying jobs—is still tiny: only 6%—one percentage point higher than in 1972. A UCLA study last fall of college freshmen showed wide discrepancies between the number of young men and women who planned careers in traditionally male and female fields—in teaching, business, engineering, health, and so on.

In athletics, Title IX clearly has had an impact in reducing blatant inequities. According to recent figures from the National Federation of State High School Associations, more than four times as many girls are competing this year on high school sports teams as did in 1970. However, reports also make it clear that the progress so far stops far short of equality. Girls still have many fewer teams and sports to choose from, and their teams receive less funding, less equipment, poorer facilities, fewer opportunities for coaching and practice, and little or no publicity. From West Virginia, which ties with Kentucky for the lowest proportion of its high school teams for girls, a high school student recently wrote:

"A lot of girls here are very athletic and would like to participate in sport programs, if only we had any. I've talked to the principal and he said they didn't have enough room or money to give us any sports. He also said that if I liked sports to go watch the boys."

In employment, laws against sex discrimination seem to have made barely a dent on an overall pattern of women dominating lower paid teaching and service jobs, and a virtual male monopoly on school and college administration. In elementary schools, where for example, over 80% of the teachers are women, fewer than 20% of the principalships are held by women, and the proportion of women principals has been steadily declining for decades. And women have almost been eliminated from the ranks of public secondary school principals. The latest data show women holding less than 3% of junior high and less than 2% of senior high principalships. That's a drop from 12% and 6%, respectively, in 1950.

In higher education, opportunities for women continue to be much more restricted than in elementary and secondary education. Only 5% of postsecondary institutions are headed by women, and most of those are in small women's or church-related colleges. A recent report by the College and University Personnel Association, for example, finds women both underrepresented and underpaid in top administrative positions in higher education. Of just over 1,000 institutions surveyed, women held 16% of the administrative positions and earned only 80% of the salaries of men with the same job title at the same kind of institution. And, in 1976, women held only 9.6% of the full professorships at our institutions of higher education, a slight drop from the previous year. Only 17% of associate professorships were held by women in 1976, up a mere 0.3% from 1975.

THE EDUCATION SYSTEM NEEDS HELP TO MAKE FULL EQUALITY A REALITY

Obviously, laws are not enough. The laws against sex discrimination are poorly enforced, often ignored—and they are powerless to change many of the most important barriers to equality.

Laws alone will not effectively end covert discrimination in the behind-closed-doors selection of school principals and tenured faculty. Laws alone will not stop counselors from advising students to follow the career paths established by tradition for their sex. Laws alone will not prevent teachers from encouraging boys in math and science and girls in music and art. Nor can they change a school superintendent's firm conviction that his schools are doing well to prepare every girl for a lifetime of unpaid domesticity in her own home.

So many things are needed before words in a statute are translated to truly open opportunities regardless of sex that we can only begin to list them here today. Among the essentials which do not now exist or which are not widely available are:

Programs to build community and parent support and involvement vital to the effort to achieve equality in the schools;

Programs to inform students of their rights to equality regardless of sex, and to encourage them to take advantage of those new rights to the fullest;

Practical advice for teachers and administrators on how to make the transition from old discriminatory programs to brand new equitable ones. This is a most desperate need where the sexes have traditionally been segregated, such as physical education and vocational training;

Guidance for teachers and curriculum development specialists in changing the curriculum at all levels of education to reflect new information and research about women and the idea that girls as well as boys need strong and varied role models of their own sex in their formative years;

Models for encouraging girls—and boys—women and men—to explore occupational training in fields once considered closed to members of their sex, and for giving them the support they need as often lonely pioneers in training for those fields;

techniques for challenging the informal but powerful barriers that keep women out of influential administrative and other lead-

ership positions throughout the education system;

training for education personnel of all kinds on the subtleties of sex discrimination and how to avoid them in their own work;

basic information for everyone with a stake in education about what the laws against sex discrimination mean for their schools, and what they can do to make sure these laws are implemented;

better information for educators, public policy-makers, and the public assessing the nation's progress in combating sex discrimination in education.

In short, equal opportunity will only come about when communities, schools and college campuses can get help in three areas:

in ending sex discrimination now built into educational practice, and its long-term lingering effects;

in developing new programs to address the special needs of people of both sexes who want to explore new opportunities which are unfamiliar to many people of their own sex;

in defining their own equal opportunity goals in the context of solid information about progress nationwide in achieving an end to inequity.

CURRENT EFFORTS TO HELP ARE EXTREMELY LIMITED

Considering the enormous challenge these needs represent, present public and private efforts to meet those needs are meager. A small number of national organizations have, either on their own, or with the help of a small amount of seed money from foundations or public sources, undertaken projects of their own to encourage efforts to achieve equality in the schools. They range from a project of the American Association of School Administrators to support more women administrators to a six-state campaign of the American Friends Service Committee to check Title IX compliance in Southern schools. In addition, local community and education groups in some communities have taken a leading role in pressing for and helping promote equity for the sexes in their schools—holding workshops for parents and teachers, organizing non-traditional career awareness activities for young people, calling on school boards to make equality for the sexes an educational priority, and so on.

In HEW, funds to support equity for both sexes in education come primarily from two sources. First, Title IV of the 1964 Civil Rights Act, thanks to a 1972 amendment, is providing limited but essential technical assistance and training to school districts seeking to comply with Title IX. These funds are restricted to technical assistance and training, and they are restricted to assistance for public elementary and secondary schools. Title IV projects have been among the very few resources for basic compliance information and assistance for public school personnel.

Second is the subject of our testimony today: the Women's Educational Equity Act. Enacted in 1974 with the broadest of mandates to "provide educational equity for women in the United States," the program is now going into its second year.

Analysis of the slate of grants awarded in the first funding cycle shows that projects supported by this program have addressed problems of equity for women at all levels of education—preschool, elementary, secondary, higher and adult education. In the first year, priority was given to grant applications in three areas:

the development of training packages, mostly for teachers;

the implementation of training programs for educational administrators and other personnel; and

the development of model programs that broaden the career options of women.

In addition, small grants, limited to $15,000, were authorized for the support of innovative approaches to achieving educational equity.

Most of the small projects funded involved the development of instructional materials and guides, although some projects addressed the special needs of women offenders, women returning to educational programs after long absences, and women and girls choosing nontraditional careers. While we withhold final judgment until we have an opportunity to review the results of the first year's efforts, we are optimistic about the potential for accomplishment by the recipients of these small grants.

Although it is much too early to assess the effectiveness of the 67 grants and handful of contracts that have been funded in the first funding cycle, it is already unmistakably clear that the program, as presently constituted, has not and is not likely to address most of the urgent needs reflected in its ambitious mandate:

Because funds have been so limited ($7.27 million this fiscal year), the Office of Education has wisely chosen to restrict the program to development and demonstration projects which have a potential for national impact. That means that no funds are available to help support the costs for, or offer incentives to, institutions that want to take difficult or complex steps to open up new opportunities for students or employees.

Development and demonstration funds available last year primarily went for the development of general training materials and training programs for elementary and secondary school staff. Little attention has gone to badly needed development and demonstration projects in many other areas where resources are urgently needed: in community and student involvement in the process of achieving educational equity, in the implementation of nonsexist physical education and athletics programs, in broadening courses to include material about women or supplementing sexist textbooks, and so on.

In addition, the program has not effectively tackled the tremendous dissemination job needed to get information and materials that do exist into the hands of the many different groups that are demanding them—community and women's groups, parents, students, teachers, administrators, and so on. The WEEA program has recently let a contract to explore the creation of a "communications network" on sexism in education, but the choice of a research and testing firm with limited experience either with school-based change or the community groups concerned about the problems to plan the clearinghouse suggests that a broad range of alternative dissemination strategies for reaching the many different audiences will still be needed.

While different program priorities could channel existing funds in somewhat different directions, shifts in the way the program is administered could only make a miniscule difference in the programs's ability to meet these needs. (I would like to submit for the record the suggestions of 22 organizations of changes they believe could and should be made.)

Under current legislative constraints, the need for information, for materials, for models and practical ideas, and for help in supporting the costs of changing from old practices to new, open opportunities, will remain largely unmet—however the Office of Education allocates its Women's Equity funds. These needs simply cannot be seriously addressed with program funds at current levels. Last year, despite the fact that it was the program's first year and information about it was scanty, the Womens' Educational Equity program received about 20 applications for each grant made. Out of some $105 million requested, only $4.7 million in grants was awarded. And while these figures themselves suggest a great demand and high expectations for the program, it is clear that the potential demand for the broad range of activities envisioned by the original act is enormous. If the agency had not restricted most of the funds to "capacity building" projects in three priority areas, the application rate would certainly have been a great deal higher * * * ●

ADDITIONAL COSPONSORS

S. 310

At the request of Mr. MATSUNAGA, the Senator from Mississippi (Mr. EASTLAND) was added as a cosponsor of S. 310, providing for the reimbursement of licensed practical nursing services under the medicare and medicaid programs.

S. 927

At the request of Mr. DOLE, the Senator from Arizona (Mr. DECONCINI) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 927, the Minority Business Development and Assistance Act of 1977.

S. 993

At the request of Mr. PACKWOOD, the Senator from Oklahoma (Mr. BARTLETT) was added as a cosponsor of S. 993, the Alien Employment Act.

S. 2416

At the request of Mr. JAVITS, the Senator from New Mexico (Mr. DOMENICI) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2416, the Nurse Training Amendments of 1978.

S. 2487

At the request of Mr. CLARK, the Senator from Florida (Mr. STONE) and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 2487, a bill to amend the Public Health Service Act to provide for greater emphasis on rural health care needs in health planning.

S. 2685

At the request of Mr. HAYAKAWA, the Senator from Utah (Mr. GARN) and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 2685, the Youth Employment Incentive and Social Bonus Act of 1978.

S. 2691

At the request of Mr. WILLIAMS, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2691, a bill to provide for the furnishing of congregate housing services under the United States Housing Act of 1937.

S. 2716

At the request of Mr. NELSON, the Sentor from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2716, the Interstate Land Sales Full Disclosure Act Amendments of 1978.

S. 2757

At the request of Mr. MAGNUSON, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 2575, the National Agricultural Land Policy Act.

S. CON. RES. 72

At the request of Mr. CASE, the Senator from Maryland (Mr. MATHIAS), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Colorado (Mr. HART), the Senator from Colorado (Mr. HASKELL) and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Concurrent Resolution 72, regarding efforts to counter international terrorism.

SENATE RESOLUTION 419—SUBMISSION OF A RESOLUTION RELATING TO THE KIDNAPPING OF ALDO MORO

Mr. DECONCINI (for himself, Mr. BROOKE, Mr. LEAHY, Mr. KENNEDY, and Mr. DOMENICI) submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 419

Whereas the growing threat of international terrorism has manifested itself again in the kidnapping of Aldo Moro, former Prime Minister of Italy and head of the Christian Democratic Party, by the Red Brigade in Italy;

Whereas the Red Brigade in Italy has been responsible for a campaign of terror over the last year in which it has inflicted widespread loss of life and injury on dozens of prominent Italian citizens—officials, Members of Parliament, judges, journalists, educators and others;

Whereas such acts of terrorism continue to threaten the safety and well being of citizens of not only Italy but of all nations and cause a direct threat to the very foundations of democratic government; and

Whereas the Government of Italy deserves our support in the difficult position in which it finds itself as a result of this kidnapping: Now, therefore, be it

Resolved, That the Senate voices its shock and condemnation of this new abhorrent act of terrorism by the Red Brigade in Italy.

SEC. 2. It is the sense of the Senate that the Government of Italy deserves the solid support of the United States and of all democratic and freedom-loving peoples in its efforts to deal with this tragic crisis and to preserve the democratic society and institutions in Italy which are so important to Italy's role in the western alliance.

SEC. 3. It is further the sense of the Senate that the President should instruct the Permanent United States Representative to the United Nations to press for consideration of the subject of terrorism in all appropriate forums and to sponsor proposals aimed at finding solutions to this very urgent problem.

SEC. 4. The Secretary of the Senate is directed to forward a copy of this resolution to the President and the Ambassador of the Government of Italy to the United States.

● Mr. DECONCINI. Mr. President, on behalf of my colleagues, Senators BROOKE, KENNEDY, LEAHY and DOMENICI, I submit a resolution reflecting the sentiment of this body and the American people as a whole to the recent kidnaping of Aldo Moro and the assassination of his five bodyguards. An identical resolution was introduced late last week in the House, and will come to a vote either today or tomorrow.

This blatant and brutal act of terrorism, Mr. President, should make all civilized mankind shudder. Violence can never be condoned; but senseless, brutal violence like this simply has no justification, no redeeming dimension, and serves no purpose except to remind us that too many mentally unstable individuals inhabit the nether world of extremist politics. The so-called Red Brigade which claims "credit" for this despicable act promotes no political cause, certainly no cause that sane and humane men and women, regardless of their philosophy, would associate with. They are nothing more than a group of malcontents who camouflage their criminality in political words.

Aldo Moro is the former premier of Italy, and is president of the Italian Christian Democratic Party. He is among the most respected political figures, not only of Italy, but in the world today. His record of service and devotion to the Italian people is matched only by his dedication to the principles of world peace. It is sad, indeed, that this fine man should now be held by men and women incapable of any but the crassest sentiments.

The American people cannot stand idly as this tragic drama unfolds without expressing their own sense of outrage at the atrocity. Equally important, the American people should express their hopes and their prayers that Mr. Moro will be returned safely. For in this act of savagery, we see an ugly symbol of our times. It is, fortunately, only a small facet of our civilization, but one that we must nonetheless fear and, eventually, extirprate.

I ask my colleagues to assist in bringing this matter to the immediate attention of the Senate.●

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY AGRICULTURAL ACT OF 1978

AMENDMENT NO. 1735

(Ordered to be printed and to lie on the table.)

Mr. MCGOVERN submitted an amendment intended to be proposed by him to the bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion.

AMENDMENT NO. 1736

(Ordered to be printed and to lie on the table.)

Mr. HANSEN submitted an amendment intended to be proposed by him to the bill (H.R. 6782), supra.

AMENDMENT NO. 1737

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON (for himself and Mrs. HUMPHREY) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 6782), supra.

AMENDMENT NO. 1738

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself and Mr. BELLMON) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 6782), supra.

● Mr. EAGLETON. Mr. President, This amendment does two very important things. First, it legislates the price objectives included in the Senate report on this bill. That is, it provides that the Secretary of Agriculture shall take actions, including the crop acreage diversions stipulated in H.R. 6782, so as to achieve a season average price of not less than $3.50 per bushel of wheat, $2.50 per bushel of corn, $6 per bushel of soybeans, and 60 cents per pound of cotton.

Second, the amendment stipulates that the Secretary of Agriculture may take other actions that he deems necessary and appropriate in order to achieve these price objectives.

I think this amendment is important for a number of reasons. First, the Department witnesses testified that a crop acreage diversion of almost 50 percent more than the 31 million acres stipulated in the bill would be needed in order to achieve the price objectives spelled out in the report. If the price objectives are in fact the Congress goal, then we should spell them out in the legislation, since a 3-million acre diversion will not, according to the Department of Agriculture, come close to achieving the prices the Congress believes it is mandating.

Second, the amendment is important because it will permit the Secretary of Agriculture to take actions in addition to diversion of 31 million acres, in order to achieve the price objectives. This could include, but of course, would not be limited to: Increase grain reserves, increase in loan rate, increase set-aside, and so forth.

I strongly urge adoption of this amendment. Trying to achieve price objectives of the bill exclusively through set-asides could jeopardize both U.S. food stocks as well as the export position of U.S. grains.●

AMENDMENT NO. 1739

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself and Mr. BELLMON) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 6782), supra.

● Mr. EAGLETON, Mr. President, this amendment would strike the mandatory set-aside provision pertaining to soybeans. The basic objective of the soybean section is to achieve market prices of $6 per bushel. I do not believe that this section is needed, since the market for soybeans is already strong, and is likely to get even stronger as a result of recent market news.

Testimony from the American Soybean Association indicated that soybean growers are opposed to this section of the

bill, for the reasons set forth in the following exchange from the hearing:

AMERICAN SOYBEAN ASSOCIATION

Senator EAGLETON. The American Soybean Association, Mr. Groot and gentlemen.

STATEMENT OF MERLYN GROOT

Mr. GROOT. I am Merlyn Groot, vice president of the American Soybean Association from Manson, Iowa. Our association has had a limited amount of time to study the provisions of the Senate bill 2690, as now incorporated in H.R. 6872.

Senator EAGLETON. We all share in that. We had limited amount of time to study it, too.

Mr. GROOT. As chairman of our Government Relations Committee, we have reviewed with all of our soybean farmers from the Northern and Southern States the provisions of the bill which apply to soybeans.

Based on these discussions, we hope provisions applicable to soybeans would be deleted from the legislation for the following reasons: Over the years, soybean farmers have been relatively fortunate.

We have received parity prices in recent years without government set-asides and/or controls.

We produce 65 percent of the world supply of soybeans, and one half or more of our production is now exported each year.

We find ourselves in a peculiar situation, however, this year. Early forecasts suggest there will be another record soybean crop in the United States. Some experts have been predicting price levels below $5 per bushel.

CURRENT MARKET PRICE FOR SOYBEANS

Senator EAGLETON. What is the current market price for soybeans?

Mr. GROOT. When I left home yesterday, I believe it was approximately the $5.90 per bushel level. However, they fluctuated quite a wide range yesterday. I understand they may have closed at that level. This was our elevator prices.

I understand at one time they were up substantially during the period of trading, however, and did approach $7.

Senator EAGLETON. When did they approach $7.

Mr. GROOT. Yesterday, as I understand it, in my conversations with Mr. Johnson of my committee, he said that the board of trade had reached the $7 level for March futures during the trading yesterday.

Dr. KLING. Mr. Chairman, Just to clarify the situation, I think Mr. Groot is talking about a farm price when he mentioned $5.90. That is an elevator price for Iowa.

Of course, the price at the Chicago Board of Trade is higher and has been as high as about $6.80 in the last week or two.

Senator EAGLETON. The farm prices are what, $5.80, did you say?

Mr. GROOT. It had been as high as about $6.25 to $6.30 in our area.

However, we are affected by the shortage of railroad cars and prices will vary some between elevators because of the availability or shortage of transportation.

Senator EAGLETON. But at $6.20, a soybean grower can make a profit, can he not?

Mr. GROOT. Based on the figures we have available for the cost of production, this should exceed the cost of production, on the average, in our area. There are variations.

At present, however, our largest competitor, Brazil is projected to have a reduced harvest. Domestic and foreign use of soybeans and soybean products has accelerated to record high levels.

Chicago futures prices for soybeans have been climbing and are now approaching $7 per bushel. This reflects again the conversation I had yesterday with members of my committee.

Without commenting or prejudicing the entire bill, we believe our customers of U.S. soybeans might find it hard to understand if the world supply of soybeans was jeopardized at the same time that a set-aside program was put into effect by the world's major supplier.

Further, we understand yield and acreage data for soybeans are not available, which would be required to administer the provisions for soybeans in the bill.

For these reasons, we believe on balance, that the past history regarding soybeans has been kind to us without government controls or set-asides and that the best long-term interests of soybean farmers and the United States will be served by deleting soybeans from the provisions of this bill.

Thank you, Mr. Chairman. This concludes my brief statement.

Senator EAGLETON. Thus, it is your policy that the provision for 3 million acres that this bill anticipates being set aside for soybeans, in your opinion, should be deleted from the bill?

Mr. GROOT. We feel on balance that it could be removed. As we understand it, the price goal in the legislation is $6 per bushel. Recently and at the present time, the market has been at about that level.

Also, we do not comment concerning the other provisions of the bill that apply to wheat or corn or cotton.

But in the corn belt and in the cotton producing areas, it is my judgment that provisions that would increase participation in the program, might have an indirect reflection in reduction of soybean acres because of the increased participation in the program for these two crops.

Senator EAGLETON. There was a motion to strike soybeans from the bill in the Senate Agriculture Committee. It received a tie vote, and thus the amendment to strike failed.

Our jurisdiction here in this committee is limited to dollar amounts to be appropriated, and does not include the substantive parts of the legislation.

We wanted your comments. But that tie vote in the committee indicates to me that on the floor there will probably be an amendment to strike the soybean section as well.

Thank you very much, gentlemen.

Mr. GROOT. Thank you.

Basically, the soybean producers believe that with current soybean prices above $6, there is no need for the legislation of a set-aside for soybeans. Furthermore, they believe that customers of U.S. soybeans might find it hard to understand a set-aside if the world supply of soybeans was jeopardized at the same time that a set-aside is put into effect by the world's major supplier.●

PANAMA CANAL TREATIES, EX. N, 95–1

AMENDMENT NO. 86

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

NOTICES OF HEARINGS

SUBCOMMITTEE ON SEPARATION OF POWERS

(The following notice of hearing was inadvertently ommitted from the RECORD of Friday, March 17, 1978.)

● Mr. ALLEN. Mr. President, I wish to announce that on Tuesday, March 21, 1978, at 10:30 a.m., the Subcommittee on Separation of Powers of the Committee on the Judiciary will hold a meeting for consideration of an action on the staff draft of the subcommittee report on the congressional power to dispose of public property in the Isthmus of Panama. The subcommittee will meet in room 1418, Dirksen Senate Office Building.●

SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, I announced on March 7, 1978 the executive hearings schedule for the Select Committee on Ethics concerning alleged attempts by representatives of the Republic of Korea improperly to influence Members and employees of the U.S. Senate. I now announce an additional hearing to be held on Thursday, March 23, 1978 from 9:30 to 12:30 and from 2 to 5:30. This executive session will be held in S–210, the Capitol.●

HEARING POSTPONEMENT

● Mr. NELSON. Mr. President, the hearing of the Senate Small Business Committee originally scheduled for 9 a.m. on March 22 in the committee's hearing room, 424 Russell Building, has been postponed. A date will be announced shortly when the hearing will be convened.●

POSTPONED HEARING

● Mr. NELSON. Mr. President, the hearing of the Select Committee on Small Business, originally scheduled for 10 a.m. on March 22, 1978 in the committee's hearing room, 424 Russell Building, has been rescheduled for April 3, 1978 at 10 a.m. in the same hearing room. The subject of the hearing will be title I, S. 807 and S. 2733. Senator MCINTYRE will chair the hearing. Further information can be obtained from the committee offices.●

CHANGE IN HEARING

● Mr. GLENN. Mr. President, I wish to announce a change in the hearings scheduled for March 22 and 23, by the Subcommittee on Energy, Nuclear Proliferation and Federal Services on the issue of nuclear terrorism in conjunction with S. 2236, the Omnibus Antiterrorism Act of 1977. The hearings will be held by the full Governmental Affairs Committee and will begin with an executive session at 9:30 a.m. in room 4221 Dirksen Building, and will be open to the public at 10 a.m.●

ADDITIONAL STATEMENTS

THE RIGHT KIND OF TAX REFORM

● Mr. BIDEN. Mr. President, everyone is talking these days about the need for tax reform and tax simplification. No one who looks at my record will ever accuse me of being opposed to either. I am concerned recently, however, that more of the talk about reform centers around those tax provisions that many low- and middle-income families rely upon to help them meet some of the basic costs of living and bringing up a family. These reforms become tax increases for wide numbers of our taxpayers who are already shouldering a heavy tax burden.

It is these same people who pay heavy Federal income and payroll taxes; who pay heavy State income taxes; and pay ever-increasing local and school district property taxes. In fact, the property tax burden is getting to be one of the heaviest. We do not directly control State or local taxes here in Washington. However, when we propose tax reductions or tax reforms, we should consider the load imposed by other taxing authorities.

It is for this reason that I am disturbed by the recent talk about eliminating deductions of substantial importance to the average taxpayer, thus increasing his overall tax burden. This is not my idea of tax reform. I believe a primary goal of tax reform is to assure that every citizen pays a fair share of the cost of government. The people I am worried about already do. The first goal of tax reform should be to reach the person or company that deliberately shelters income from taxation in order to avoid paying an equitable share. For this reason, my attention was captured by a headline in the New York Times on Sunday, February 5, 1978 that read: "The Art World Turns to Original Prints as Tax Shelters." This article, by Grace Glueck, told about an ingenious new tax shelter being put together recently in an effort to overcome the obstacles to sheltering money from taxes included in the Tax Reform Act of 1976.

While some apparently felt that this will be of benefit to artists and promote new creative efforts, the Art Dealers Association of America is quoted as calling them "schemes" that involve the use of art work "solely as a device to avoid paying taxes." This is the kind of effort that tax reformers must guard against. Even if some side benefits accrue to the art world from a scheme like this, they are seldom large enough to be worth the tax money lost, that must be made up by other taxpayers. I believe this article well describes the kind of tax avoidance that should be the prime target of tax reforms. It is these schemes that should be attacked first, not the provisions of tax law providing tax relief to millions of American taxpayers.

Mr. President, I believe this article is most instructive and I submit it for the RECORD.

The article is as follows:

THE ART WORLD TURNS TO ORIGINAL PRINTS AS TAX SHELTERS

(By Grace Glueck)

The flower etching by the well-known artist Lowell Nesbitt was beautiful, the affluent investor thought. And the plate from which it had been made, plus the rights to everything produced from the plate, was for sale for $234,000, with only $44,000 cash on the line.

The investor was told he could profit from the sale of prints, posters and other items made from the plate. But even more attractive was the income tax write-off. Because the plate was a "depreciable property" with a "useful life" of seven years or more, he'd get an investment tax credit for the first year of his ownership, and could deduct for the plate's depreciation over a long period. The write-off in the first two years alone would be $64,000. He plunked down the initial payment and signed a 10-year note for the rest. And so he was in the business of producing artists' prints.

The transaction is typical of a trendy but controversial new development in the art world—the use of original-print editions as tax shelters. With changes in the 1976 tax law discouraging shelters in such fields as motion pictures, agriculture, oil wells and equipment leasing, a number—200 to 300 as a "guesstimate"—have already turned to the lucrative field of art.

OTHER USES INVOLVED

Beginning with a year-end rush that started last fall, promoters have been busy packaging deals in which the "master" matrix—metal plate, stone, woodblock, transparency, screen or other material from which the artist makes his print or photograph—is exploited for maximum production.

After a run of limited-edition graphics, the matrix, or plate, may be used to make posters, post cards, greeting cards, wallpaper, table mats, ceramic plates, T-shirts and other ancillary products, depending on the tastes of the participants. More than a dozen "names" are involved in the deals including, besides Mr. Nesbitt, James Rosenquist, Richard Lindner, Arman, Allan D'Arcangelo, Pierre Alechinsky, Karel Appel and the German movie actress Elke Sommer, who is also a painter and printmaker.

But many established print publishers and dealers look askance at the shelter proposals. In fact, the Art Dealers Association of America, a trade group of leading gallery owners, has recently issued a statement condemning them. Referring to the shelters as "schemes," the statement maintains that they are not "genuine and realistic" business ventures but involve the use of art-works "solely as a device to avoid paying taxes."

"FORM OF DEFERRAL"

Nevertheless, promoters of the shelters hold that besides their profit-making potential (a required feature if the Internal Revenue Service is to regard them as genuine business investments), they attract new money and marketing expertise to the art world. "If done right, it's a very good idea," says Rubin Gorewitz, an accountant who specializes in art-world clients, and is serving as consultant on a package that includes some big-name artists as well as lesser-knowns. "It stimulates the art market."

Mr. Gorewitz goes on to assert: "The Government doesn't lose anyway, since the shelters are a form of tax deferral. The investor eventually pays taxes on the income he earns from the venture. If it isn't profitable, then he has to eventually pay back the taxes deferred on the stated original value of the plate. It's a cheap way for the Government to subsidize art."

At present, there may be between 10 and 20 shelter packagers—lawyers, accountants and businessmen who are reluctant to publicize their projects lest they be construed by the Securities and Exchange Commission, which has broad oversight in the investing field, as subject to its regulatory provisions.

LITTLE CASH DOWN

While details of the deals differ, depending on the promoter, the standard plan is for an affluent taxpayer to buy a plate, along with its reproduction rights, at a price determined by appraisal. (The deals do not pay unless a taxpayer is in at least the 50 percent bracket, because under that level the tax savings do not warrant the risk of the investment.)

The taxpayer gives the promoter a relatively small cash payment, and the balance of the purchase price, up to 80 percent or more, is paid with a "nonrecourse" note—that is, one for which the taxpayer cannot be held personally liable unless sales are made. The note is paid off through sales of the plate's products as they occur.

In the case of the Lowell Nesbitt flower etching, a breakdown of the $44,000 cash-on-the-line payment made by the investor would go this way: The promoter would take approximately 25 percent, or $11,000 for printing and advertising; another $11,000 for payment to accountants, lawyers, salesmen and "finders" who recruit investors. Approximately 60 percent or $13,200 of the remaining $22,000, would go to the artist, with the other 40 percent, or $8,800, as profit for the promoter.

The investor would make his profits, theoretically, in the sale of a large poster edition and then from other works produced with the plate, reinvesting a certain percentage, as in any business, for production costs. He would also take tax deferrals each year on the depreciation of the plate, even though he had only "paid" its full price with a nonrecourse promissory note.

Many artists and print dealers, however, are concerned about the possible uses to which the plate may be put over a nine-year life, which gives maximum tax deductibility.

Most of the shelter plans call for an initial run of, say, 175 to 300 limited-edition prints, each signed by the artist. But the "ancillary products," it is feared, may cheapen the artist's image.

FLOOD CALLED POSSIBLE

Some promoters, however, say that the artists they are working with retain "esthetic discretion." "If something is in bad taste, they can complain," Ron English, an investment consultant now promoting shelters, said. "After all, when Alexander Calder painted the sides of a Braniff plane, did it cheapen his image?"

As ancillary products of one Lowell Nesbitt plate, Mr. English intends to produce 10,000 posters and "limited edition" ceramic plates—in runs of, say, 12,500—which he says sell well in the Middle West for $65 to $70 apiece.

But for Mr. Nesbitt, as for some other artists, the benefits of the shelter plans outweigh concern about what is produced from them. Asserting that the deals in which he is involved have allowed him to do print series "that I never would have done otherwise, with complete artistic freedom," the artist adds: "I don't care if they eventually use the plate to make paper napkins. At that stage, no one will know who really did it, anyway. Listen, *eat* off Mona Lisa plates that I bought somewhere."

Another concern of those who dislike the shelter plans is that the market may be flooded with prints. Sylvan Cole Jr., a member of the dealers' association and head of Associated American Artists, one of the country's largest print galleries, says that the tax shelters will "create huge print editions, sold at inflated prices." "They may glut the market and drive prices down drastically," he added.

Though some artists spurn the shelter proposals that would involve them in the market because of the plans' blatant commerciality, others have turned to a different kind of shelter arrangement that will, they hope, end up placing their work in museums. As detailed by at least one entrepreneur, the plan involves the commissioning of top-drawer artists with established market prices to do print editions.

The prints are sold, at "wholesale" prices, to taxpayers who hold them for several years, then donate them to museums at an "appreciated" value, which amounts to the price the print would bring on the retail market. Because donors of art to nonprofit institutions are allowed deductions at full market value, the donated print becomes a tax write-off.

OPINIONS VARY

Will the shelters really work, in terms of profits, for the artist and the investor? Jerald Ordover, a lawyer for many art-world clients, replies with a cautious "yes," adding: "If the deal is legitimate, with fair valuations on the plate and the prints, the artists not abused and the prints well handled."

But another accountant, who preferred to remain anonymous, took a dim view of the returns for the investor: "You buy a plate for, say, $200,000, and in no way are you going to make that money back by the time the artist and promoters get theirs."

Another key question raised by the dealers' association and others is whether the new shelter will pass muster by the Internal Revenue Service. The association thinks they will not. It cites appraisals it has examined as "highly problematic" and "grossly inflated," and urges artists and the public not to participate in the projects.

A spokesman for the I.R.S. in Washington said that the tax examiners, in assessing all the shelter deals, would be interested in such questions as "the proximate value of the nonrecourse notes to the property purchased, whether there is geneuine profit motive, and the relationship of the taxpayer's actual income to the deductions he claims."

He added: "When claimed tax benefits are based on exaggerated appraisals or misallocations of costs or what we believe to be doubtful legal theories, then we'll raise the issues on audit and carry them to litigation if necessary." ●

COMPETITIVE PRACTICE IN THE COMMUNICATIONS INDUSTRY

● Mr. MARK O. HATFIELD. Mr. President, the Oregon congressional delegation has been made aware of a large number of public and private organizations that have taken formal positions expressing concern that Congress should expeditiously review and determine the national telecommunications policy. They are also concerned that any policy not have an adverse impact on either the cost or quality of basic residential and basic long distance services.

I wish to make known the concerns expressed by my constituents and I submit for the RECORD the list of organizations which has been brought to my attention.

The list is as follows:

Albany AARP Chapter No. 668.
Albany Chamber of Commerce.
American Business Women's Association.
Arlington Chamber of Commerce.
Arlington Senior Citizens.
Astoria—AARP.
Astoria Chamber of Commerce.
Baker County Chamber of Commerce.
Bend AARP Chapter No. 438.
Bend Chamber of Commerce.
City of Arlington.
City of Carlton.
City of Heppner.
City of Klamath Falls.
City of Medford.
City of Pendleton.
City of Warrenton.
Clackamas County Senior Citizens Council.
Commercial Club of Portland.
Condon Senior Citizens.
Corvallis Chamber of Commerce.
Dallas Senior Center.
Extacada Chamber of Commerce.
Eugene Chamber of Commerce.
Eugene Communications Workers of America Local No. 9206.
Grants Pass & Josephine County Chamber of Commerce.
Heppner-Moro County Chamber of Commerce.
Holcomb-Outlook-Park Place Neighborhood Association.
Junction City Chamber of Commerce.
Klamath Falls Board of Commissioners.
Klamath Falls Quota Club.
Lake Oswego Kiwanis.
Lane County Farm Bureau
Lane County Labor Council.
Lents Citizens for Youth Commission.
Madras Chamber of Commerce.
Marion County Pomona Grange No. 4.
Medford Chamber of Commerce.
Medford C.W.A. Local No. 9208.
Metro East Jaycees.
Milwaukee Jaycees.
Mt. Angel Chamber of Commerce.
Mt. Angel Development Corporation.
Multi-purpose Dallas Senior Advisory Council.
National Governors Conference.
National Retired Teachers' Association, Tillamook County Chapter.
Newport Chamber of Commerce.
Oak-Grove Lodge Jaycees.
Oregon AFL–CIO.
Oregon Architectural Barriers Council, Inc.
Oregon Building Congress.
Oregon City Hilltop Booster Club.
Oregon City Kiwanis.
Oregon Coast Association.
Oregon Collectors Association, Inc.
Oregon Gray Panthers.
Oregon Hospitality and Visitors Association.
Oregon State Grange.
Oregon State Jaycees.
Pacific Northwest Travel Association.
Polk County Chapter AARP No. 587.
Polk Elderly Transportation, Inc. Board.
Port of Arlington.
Roseburg Chamber of Commerce.
Salem Area Seniors Inc.
Salem Chamber of Commerce.
Scandinavian Benevolent Society.
Seaside Chamber of Commerce.
Senior Citizen Council of Benton County, Inc.
Stayton Chamber of Commerce.
Stayton Grange No. 340.
The Dallas Chamber of Commerce.
Toledo Chamber of Commerce.
Umatilla County Board of Commissioners.
Warrenton Chamber of Commerce.
Western Governors Conference.
Winston-Dillard Chamber of Commerce.●

PACKAGING THE WILDERNESS

● Mr. CHURCH. Mr. President, on February 24, President Carter signed into law one of the most important pieces of public land legislation to be enacted in recent years. That bill, the Endangered American Wilderness Act of 1978, contains an area in Idaho with which many of my colleagues are now familiar: the Gospel-Hump Area located near the town of Grangeville in Idaho County.

For years, the Gospel-Hump roadless area had been the center of a maelstrom of controversy. Idaho conservationists wanted to see the magnificent alpine uplands of the region protected from development. So, they proposed a formal, congressionally mandated study of the feasibility of including Gospel-Hump in the National Wilderness Preservation System. Local timber companies in Idaho County, on the other hand, had long planned on cutting trees on the lower elevations of the area. Dependent almost entirely on the national forests surrounding them, these companies had built their mills and designed their operations on the assumption that part of the Gospel-Hump region of the Nezperce National Forest would be opened for logging. Both the environmentalists and the loggers had strongly held ideas about the best and most appropriate use of this roadless area. On the surface, at least, their positions seemed to be irreconcilable.

Mr. President, so often public land issues are choked with emotion. The interests wishing to develop the land feel they have very little in common with those who advocate it in its natural condition. Calm discussions degenerate into shouting matches. Consequently, neither side listens to the other and nothing gets accomplished.

Gospel-Hump, tied up in Forest Service redtape for years, looked to be but another stalemate in the roadless area war. When, in March of 1977, the Chief of the Forest Service rejected long-awaited plans for parts of Gospel-Hump, because they had been prepared in a piecemeal manner, both sides began again to gird for battle.

However, some of the business leaders in Grangeville desperately wanted a solution rather than another stalemate. Because Gospel-Hump contained 30 percent of the sawlogs within the entire Nezperce National Forest, they felt they could not risk the consequences of a lockout.

In late March, last year, they asked me to help arrange a meeting between designated members of the natural resources task force of the Grangeville Chamber of Commerce and representatives of the Idaho environmental groups seeking wilderness status for Gospel-Hump.

I set up and attended the first meeting between the two groups in April, where I told both sides that if they could reach a common agreement on a management plan for Gospel-Hump, then I would introduce their proposal, hold congressional hearings to ascertain the views of the public at large, and then endeavor to move the legislation through Congress.

At that first meeting, it became apparent that the two groups had much more in common than they first imagined. Both had a deep-felt respect for the land and its resources. The conservationists, recognizing the importance of the local sawmills to the economy of Idaho County, readily agreed that 45,000 acres of commercial forestland in Gospel-Hump should be made immediately available for logging and exempt from further wilderness consideration. They also agreed that the existing roads up into the summits were important for accessibility, and thus should remain open.

During the subsequent meetings they held on their own, over the next several months, the two groups fleshed out an agreement. On July 13, they announced a joint plan for the management of the area. While neither side got everything it wanted, the agreement has led to the creation of a splendid new upland wilderness, along with the release for multiple-use management of 137,000 acres of good timberland.

Mr. President, the story of Gospel-Hump is starting to be told all over the West. Perhaps the precedent established in Idaho County can be used in other instances where roadless areas are tied up in seemingly endless administrative appeals and litigation. In any case, whether or not this approach can work in other areas, it was successful in Idaho County.

Recently, there appeared in the Lewiston Morning Tribune, a fine summary of the precedent of Gospel-Hump, written by A. Smith, the well-known columnist. I submit this article to be printed in the RECORD.

The article is as follows:

[From the Lewiston (Idaho) Morning Tribune, Mar. 5, 1978]

PACKAGING THE WILDERNESS

(By A. Robert Smith)

WASHINGTON.—When the House began hearings a year ago on the Endangered Wilderness bill, a young troubadour appeared before the Interior Committee, strummed his guitar and sang these words:

"There are times I fear I lose myself. I don't know where I am.

"I got caught up in trouble and the strain.

"With my back against the stone wall, my finger in the dam.

"I'm losing strength and going down again.

"Then I take a look around me, my eyes can't find the sun.

"There's nothing wild around as far as I can see.

"Then my heart turns to Alaska and freedom on the run.

"I can hear her spirit calling me . . .

"To the mountain, I go rest there.

"To the river, I will be strong.

"To the forest, I'll find peace there.

"To the wild country, I belong."

John Denver brought the house down, of course, and afterward I told him that was the most effective testimony I had heard before a congressional committee in years.

He said he had just written that tune when in Colorado, and he hoped to record it.

When the recording was issued last fall, it seemed to me to have lost something along the way—too much orchestration, too many violins that were less effective than one guitar. I suspect this arrangement was considered necessary for the song, "To the Wild Country," to sell.

Something of the same thing happened to the Endangered Wilderness bill. It began as 22 new areas adding some 2 million acres to the national wilderness system. When President Carter signed it last week, it had been trimmed to 1.3 million acres.

Its arrangers, chiefly Sens. Frank Church, D-Idaho, and Mark Hatfield, R-Ore., and Reps. Morris Udall, D-Ariz., and Jim Weaver, D-Ore., had packaged it to sell—and sell it they did.

It may be only 65 percent of the acreage the environmentalists asked and John Denver sang for but it is the largest expansion of the wilderness system since its establishment nearly 15 years ago.

The most significant feature of this bill may be not the extent of the expansion but the unprecedented language covering the Gospel-Hump Wildernes in Idaho, which is intended to serve the needs of those who want preservation of this scenic area and those with an immediate need for timber to survive.

The bill sets aside 206,000 acres of high alpine forestland in the Nez Perce National Forest as wilderness, but it designates another 120,000 acres of the most valuable commercial timberland for logging.

All of this is roadless and therefore would have been subject to the current roadless area review (RARE II) procedure being conducted by the Forest Service over some 65 million acres. By the end of this year the agency is supposed to recommend which roadless tracts be retained as wilderness, which can be logged and which may require more land-use review.

The significance of the Gospel-Hump agreement is that it short-circuited this long bureaucratic process. The first timber sales in that area are expected by this summer, rather than several years hence. This expedited decision-making is expected to prevent the closing of at least one sawmill at Grangeville, Idaho.

More to the point, the Gospel-Hump compromise, worked out in a series of face-to-face meetings between local industry and environmentalists with the encouragement of Senator Church, has relieved the uncertainty and anxiety on both sides in this one area.

Church believes that this practical solution might usefully be emulated through the national forest system, wherever mill towns face log shortages because the roadless areas are off-limits to logging.

Instead of trying to scuttle one another's interests. Church advises negotiated settlements at the grass roots. Congress would be only too glad to ratify such solutions, as it did for Gospel-Hump.

The interesting lesson of the Grangeville meetings is that while the adversaries came together with considerable apprehension, they discovered that once acquainted they weren't really so hard to deal with across the table. Environmentalists found that lumbermen personally like and want wilderness, and lumbermen found that environmentalists don't want mills to close for lack of timber.

In the corridors of power in Washington, D.C., this humane view of social conflict is too frequently lost as each side maneuvers to block the other.

"Oh, I know sometimes I worry, of worldly ways and means.

"And I see the future killing me.

"On a misbegotten highway of prophecies and dreams.

"A road to nowhere and eternity.

"And I know it's just changes, yes, and mankind marching on.

"I know we can't live in yesterday.

"But compared to what we're losing and what it means to me.

"I'd give my life and throw the rest away."

The message of the Gospel-Hump achievement is that neither side need be losers, that the preservation of wilderness and the preservation of mill towns are both attainable.

Once that has been realized, we can go to the forest for peace and for jobs and to the wild country where we all belong.●

AUTOMATIC MARKET ENTRY

● Mr. CANNON. Mr. President, the Senate will shortly begin its consideration of S. 2493, the Air Transportation Regulatory Reform Act of 1978. During 1977 and so far this year, we have seen dramatic shifts among those initially opposing this legislation. Air carriers and their employees are beginning to realize that this legislation contemplates a well-reasoned, balanced approach to lessening the strict regulatory structure imposed on the air transportation system through provisions for pricing and entry flexibility to achieve a more competitive environment.

An essential part of the reform bill is the provision for automatic market entry. The provision as written in the Senate bill is a modest program allowing existing air carriers to add a limited amount of new routes to their system without seeking prior governmental approval. As important as the actual entry the provision allows for, is the threat of meaningful entry which it creates. A crucial element of a market-oriented environment is the balance struck between the services offered in the marketplace and the price demanded for those services. Preventing potential competitors from offering their services in a given market is no competition at all, therefore, there is little incentive for the incumbent to provide efficient, reasonably priced services. Any business is more likely to provide the public with the best service at the best possible price if it knows that other competitors are not effectively held at bay from entering that market by cumbersome Government regulations.

I would like to submit for the RECORD an editorial which appeared in the Washington Post on Tuesday, March 14, which describes, within the context of the House Aviation Subcommittee markup sessions, the vital need for an automatic market entry provision in air transportation regulatory reform legislation.

The articles to be printed in the RECORD follow:

AIRLINE DEREGULATION

The House Aviation subcommittee will make another attempt this week to work out some sort of compromise on a key part of the airline deregulation bill. Last week, after seven hours of wrangling, the committee voted to drop out of the bill a section that would make it easier for airlines to enter new markets. That section is central to the whole deregulation effort and ought to be restored in one form or another before the bill is sent on its way to the House floor.

The version of this so-called market-entry provision that has been approved by the Senate Commerce Committee would permit each airline to add to its routes, within limits, without getting approval from the Civil Aeronautics Board. An airline that thought it could make money by flying on a route it does not now serve could simply go ahead and begin service. Many airlines are deeply opposed to the provision because they believe the increased competition it would create on lucrative routes would be harmful in the long run.

The House Committee had been expected to approve a watered-down version of this entry provision. Under the compromise that had been worked out, the whole matter would have been turned over to the CAB and its ultimate decision would have been subject to a congressional veto. But opponents of deregulation were able to defeat even that weaker version.

Some sort of new mechanism to open up competition on existing airline routes is essential if a deregulation bill is to have much impact. The approach taken by the Senate committee, and supported by the Carter administration, is the one that makes the most sense It introduces the airlines to the world of free enterprise on a gradual basis and with sufficient protection to enable them to adjust to a kind of competition from which they have been shielded in the past. That approach would be far preferable to passing the buck to the CAB as the compromise provided. But either would be better than doing nothing. The committee ought to choose between them at its next meeting.●

A PALESTINIAN HOMELAND

● Mr. ABOUREZK. Mr. President, in view of the serious threat to a constructive Middle East peace settlement posed by the Israeli invasion of Lebanon, the remarks of the Syrian Ambassador to the United States printed in the New York Times on March 17, 1978 are deserving of special scrutiny, because they address the crux of the problem; viz, the moral need for a Palestinian Arab homeland. So I ask that they be printed in the RECORD.

The material is as follows:

CARTER, THE PALESTINIANS AND ISRAEL

(By Sabah Kabbani)

WASHINGTON.—The 16th of March occupies a special place in Middle East developments. Just a year ago, President Carter told a Clinton, Mass., audience that the Palestinians have a right to a homeland.

The Arab world found in Mr. Carter's statement the first, long-overdue public acknowledgement by an American President that the Palestinian people have a right to a homeland like any other people, that the denial of such a right for 30 years never caused it to vanish, and that the Palestinian people are not simply refugees whose problems can be solved through charity and resettlement outside Palestine. Moreover, the Clinton pronouncement indicated that an American Administration had finally focused in the core of the Middle East problem and had begun to approach it clearly and publicly, in a manner consistent with the concept of openness which Mr. Carter promised during his campaign.

Not surprisingly the positive reaction of the world community (including the European Community, which followed suit by issuing a similar statement) was not shared by the Israelis.

They expressed displeasure at Mr. Carter's new vocabulary, which they had vigorously tried to suppress for the past three decades. Israeli efforts had focused on getting Americans to accept their contention that the Palestine issue was not the core of the Middle East problem and that, in the words of former Premier Golda Meir, the 3.5 million Palestinians "did not exist."

The President of the United States called for an idea which, after all, is based on the same United Nations resolution which established a state for the Israelis. He resurrected a basic concept which 30 years of propaganda had sought to obliterate. And he did so without pressure of intimidation; cetrainly the Palestinians had no influence in the intricate game of Ameircan domestic politics.

The Clinton statement was made in the context of an affirmation of American support for Israel and concern for its security. It appeared in an overall framework which did not necessarily coincide with the Arab posture, and it was defined as one of the three conditions inecessary for a settlement of the Middle East problem. Nevertheless, the Israelis and their supporters realized how serious a deviation Mr. Carter's words represented.

Pressure on Mr. Carter mounted; Administration statements about the issue began to vacillate, and Mr. Carter's efforts to reconvene the Geneva conference before the end of 1977 were sidetracked.

President Sadat's trip to Jerusalem, based on the unfounded expectation that he could find a shortcut to peace, extinguished any hope that the Geneva conference would be reconvened. Israeli intransigence demonstrated what Syrian President Hafez Assad warned of—that going to Jerusalem was not the right way to achieve peace. Thirty years of experience have shown that Israel wants land, not peace.

Now Prime Minister Begin is willing to abandon 10 years of painful diplomatic efforts based on United Nations Resolution 242 through a new interpretation that it does not apply to the West Bank, even though in 1970 he resigned from the Israeli Government because it had accepted this resolution, which he knew required withdrawal from this area, Arthur Goldberg and later George Ball, as ambassadors to the United Nations, conveyed an Israeli promise of withdrawal from the West Bank to the Jordanians in accordance with Resolution 242.

This all sounds ironically reminiscent of an Israeli refrain. They have often resorted to asking how any agreement they might sign with an Arab country could be guaranteed beyond a change in leadership. Strangely enough, it is Mr. Begin who has now announced in plain terms that he had nothing to do with the previous Israeli Government's acceptance of Resolution 242 even though the majority of the international community considers it the basis for any settlement in the Middle East.

Additionally, Mr. Begin and his supporters in the United States have found in the aircraft package the Administration is offering to Israel, Saudi Arabia and Egypt a golden opportunity to plunge into a long debate, hiding from them main issues behind the fig leaf which Israel calls "security."

Israel's security cannot be maintained by occupying other people's territories or by denying the rights of he Palestinian people.

How can Israel's supporters now claim that the return of only 5 percent of the occupied Sinai Pennisula in 1975 was a security risk requiring 90 sophisticated F–15s and F–16s, while denying Egypt 50 basically outmoded F–5s?

Security seems to be a one-way street for the Israelis, although the entire world has become aware that the Arabs are the ones who in fact need it, with their lands in the 11th year of occupation and 3.5 million Palestinians still homeless.

Granting Israel its requested $13 billion in military aid and equipment is not conducive to peace., Billions of United States dollars given Israel in the past have only helped it to cling more tightly to the very policies which prevent peace; occupation and denial of the rights of the Palestinian people.

The guerrilla attack north of Tel Aviv only a few days before the anniversary of the Clinton declaration underscores the necessity of implementing the idea which was voiced in it. The Palestinians are resorting to violence because they are desperate and still deprived of a homeland. Until they have one, conflict between those deprived of a homeland and those who have usurped it is inevitable. The implementation of the principle which President Carter announced on the 16th of March last year, together with the United Nations resolutions which address the problem of Palestine, can bring the bloody and tragic cycle to a halt.

If resorting to violence is to be used as the pretext to deny the Palestinians the right to establish their state, Israel herself should never have come into being and should not have as her Prime Minister Menachem Begin, the former leader of the Irgun, a notorious Jewish terrorist group which carried out the massacre of 250 defenseless Palestinians in the village of Deir Yassin on April 9, 1948—five weeks before Israel was established.

The brutal new invasion of Lebanon, which is in progress at this writing, is further evidence that Israel's appetite for territory has not yet been satiated. Israel is repeating a pattern that it has pursued since its foundation, occupying more Arab land under the pretext of needing a "security zone." This is how Israel has expanded to seven times its original size when recognized by the United States in 1948. The coveted waters of the Litani River have long been part of Israeli dreams of expansion into Lebanon.

Israel's allegation that the current invasion is to eliminate Palestinian fighters is belied by its bombardment of residential areas and killing of hundreds of civilians. It is also belied by history, which has taught that the determination to resist an occupier mounts as he encroaches deeper on one's territory. In the words of Columbia University professor Edward Said, "People do not disappear under oppression; they sometimes grow, and they acquire a certain wise resilience in the process."

Together with the world community, the United States must assume its responsibilities as a major power and permanent member of the Security Council, as well as principal supplier of the arms and aircraft Israel has used to launch its invasions. Unless the United States acts immediately to bring Israel back to its international border with Lebanon, a new occupied territory will have been created, along with the West Bank, the Sinai, the Gaza Strip and the Golan Heights, Israel is creating another "fact" by occupying Lebanese territory, and in the process creating more Arab refugees and ultimately new settlements and new obstacles to peace.

The most urgent task now is not to salvage the illusory Egyptian-Israeli "peace efforts"

but to salvage peace itself. And peace begins with creating a homeland and a state for the Palestinians, not with a reprise of Israel's 1948 campaign to annihilate them.

In these critical hours, President Carter's Clinton, Mass., declaration must be translated into reality.●

THREE NEW JERSEY TOWNS SOLVE PROBLEMS WITH HOUSING

● Mr. WILLIAMS. Mr. President, a recent article in the Washington Post described how cooperation among three New Jersey communities—Morristown, Boonton, and Dover—combined with assistance from the Department of Housing and Urban Development, have made a real difference in the quality of housing for the residents of these towns. The successful experience of the three communities in pooling their resources to upgrade housing conditions shows the creativity and imagination that can, and should, exist on the local level. One HUD official called the intercommunity arrangements that these towns have established, "unique and promising." I agree, and in order to share with my distinguished colleagues the success of Morristown, Boonton, and Dover in seeking out new ways to improve housing for their people, I submit for the RECORD the article "Three New Jersey Towns Solve Problems With Housing."

The article is as follows:

THREE NEW JERSEY TOWNS SOLVE PROBLEMS WITH HOUSING

(By Lee Mitgang)

MORRISTOWN, N.J.—Three north central New Jersey towns may be showing how regional cooperation can relieve the economic problems of the nation's thousands of small, suburban public housing authorities.

More than two-thirds of the nation's 2,807 local housing authorities serve smaller suburban communities. One of the earliest discoveries these smaller towns have made is that economically speaking, smallness is no virtue in running public housing.

Two years ago, Morristown's tinier suburban neighbors, Boonton and Dover, saw their combined 131 units of public housing badly deteriorating because the cost of maintenance was prohibitive. With limited resources, they couldn't hire their own maintenance staff and had to rely on costly, outside private maintenance firms.

The elderly residents complained that repairs often took weeks.

Morristown, meanwhile, had 10 full-time persons on its maintenance staff, but lacked other social and occupancy services that it wanted to provide residents of its 400 units of public housing.

The solution in hindsight, was obvious—cooperation, pooling of resources and skills among the three small housing authorities. It is an answer the U.S. Department of Housing and Urban Development has urged on all small housing authorities for at least the past two years.

But in practice, there were huge obstacles, the largest being that suburban authorities across the country tend to guard jealously their local autonomy.

"The process of getting local housing commissioners to sit down and talk was very time consuming and difficult," says Garland Allen, who is monitoring the progress of the Morristown-Boonton-Dover venture for the HUD.

It took a $285,000 HUD contract and heavy involvement by state housing officials to overcome local fears that cooperation with outside authorities would mean being engulfed by a regional bureaucratic Frankenstein.

"You need a catalyst to get public housing authorities to cooperate because they have to give up some autonomy. But what I see in New Jersey is unique and promising," says Allen.

"What we're hoping is that when the demonstration project is over, we'll be able to document it so it will be duplicated elsewhere," says Martha Lamar, who is monitoring the program for the state.

Under the scheme, the local housing authorities retained much of their original autonomy, but they jointly hired full-time professionals to handle occupancy and social service problems, and are pooling a full-time maintenance staff.

Karen Taggart, who works for the Dover housing authority, says maintenance costs have gone down 66 to 70 percent as a result. Residents are happier because the maintenance crew is on 24 hour call and response time now is measured in days rather than weeks.

Phyllis Lemkau-Welch, the occupancy expert now employed by the three authorities, says she has made a thorough assessment of the residents' abilities to pay rent. Most pay 25 percent of their gross adjusted income—usually consisting of pensions, Social Security or other governmental benefits.

While her assessments frequently meant that some residents who weren't paying their fair share now are forced to, she says. "The average person doesn't mind if he or she knows his neighbor also is."

And by pooling resources and hiring social worker Kathy Marek, the three authorities are providing residents with social services that seemed too expensive before the regional venture.●

"LABOR REFORM"—A SECTION-BY-SECTION ANALYSIS

● Mr. HELMS. Mr. President, on March 16 my good friend and distinguished colleague from Maine, Senator HATHAWAY, inserted into the RECORD what he termed "an outline of the basic provisions" of the so-called labor reform bill. The purpose of the insertion was, according to the able Senator, to assist his colleagues who are receiving a number of inquiries about the bill, as well as expressions of opinion both for and against the bill, S. 2467.

Frankly, Mr. President, while Senator HATHAWAY's outline presents a very favorable analysis of S. 2467, it ignores the many weaknesses and dangers in the bill. And because I believe, as does the distinguished Senator from Maine, that our colleagues ought to have as much information as possible in order to answer the concerns being expressed by their constituents, it is only fitting that they should have the benefit of an analysis that is not reluctant to point up some of the difficulties associated with disguising pushbutton unionism as labor reform.

Therefore, Mr. President, I submit for the RECORD a section-by-section analysis of both S. 2467 and the House labor reform bill, H.R. 8410, be printed in the RECORD at the conclusion of my remarks.

The analysis is as follows:

SECTION-BY-SECTION COMPARISON OF H.R. 8410 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON OCTOBER 7, 1977 AND S. 2467 AS REPORTED BY THE SENATE HUMAN RESOURCES COMMITTEE ON JANUARY 31, 1978

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
ENACTING CLAUSE		
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Labor Reform Act of 1977".	*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) this Act may be cited as the "Labor Reform Act of 1978".	Both bills designate the Act as the current year's "Labor" or "Labor Law" Reform Act.
(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of the National Labor Relations Act.	(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Labor Relations Act.	Sec. 1(b) specifies that the Act concerns changes in the National Labor Relations Act, (NLRA), which governs the labor-management relations of most of the nation's private sector employers and unions.
EXPANSION OF NLRB		
Sec. 2. (a) Section 3(a) of the National Labor Relations Act is amended to read as follows:	Sec. 2. (a) Section 3(a) of the National Labor Relations Act is amended to read as follows:	Both bills seek to deal with the Board's caseload problem by expanding the Board from 5 to 7 members and lengthening terms of office to 7 years.
"Sec. 3. (a) The National Labor Relations Board (hereinafter called the 'Board') created by this Act prior to its amendment by the Labor-Management Relations Act, 1947, and by the Labor Reform Act of 1977, is hereby continued as an agency of the United States, except that the Board shall	"Sec. 3. (a) The National Labor Relations Board (hereinafter called the 'Board') created by this Act prior to its amendment by the Labor-Management Relations Act, 1947, and by the Labor Law Reform Act of 1978, is hereby continued as an agency of the United States, except that the Board	This approach, which erroneously focuses on the number of decisionmakers rather than the decisionmaking process, has been criticized by former NLRB Chairman McCulloch as an "oversimplified, mathematical approach, not carefully tooled to the reali-

SECTION-BY-SECTION COMPARISON OF H.R. 8410 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON OCTOBER 7, 1977 AND S. 2467 AS REPORTED BY THE SENATE HUMAN RESOURCES COMMITTEE ON JANUARY 31, 1978—Continued

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
	EXPANSION OF NLRB	
consist of seven instead of five members, appointed by the President by and with the advice and consent of the Senate. Of the two additional members so provided for, one shall be appointed for a term of five years and the other for a term of six years. Their successors, and the successors of the other members, shall be appointed for terms of seven years each excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom that individual shall succeed. The President shall designate one member to serve as Chairman of the Board. No more than a simple majority of the members of the Board shall be members of the same political party. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.".	shall consist of seven instead of five members, appointed by the President by and with the advice and consent of the Senate. Of the two additional members so provided for, one shall be appointed for a term of five years and the other for a term of six years. Their successors, and the successors of the other members, shall be appointed for terms of seven years each, excepting that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom that individual shall succeed. The President shall designate one member to serve as Chairman of the Board. No more than a simple majority of the members of the Board shall be members of the same political party. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.".	ties of the Board's operations." Since the bills do not provide for appellate court-type panelization, each decision issued by a three-member panel—no matter how routine—will still have to be cleared for issuance by all of the nonparticipating Board members. Instead of two non-participating members, however, now clearance from four will be required. The result will be a lengthening rather than a shortening of case processing time.
	SUMMARY AFFIRMANCE OF ALJ DECISIONS	
(b)(1) The third sentence of section 3(b) is amended by striking "three" and substituting "four". (2) Section 3(b) is further amended by inserting after the third sentence the following new sentence: "The Board shall within ninety days after the date of enactment of the Labor Reform Act of 1977 establish a procedure, upon conditions stated in the rule, pursuant to which a group designated pursuant to the first sentence of this subsection may, in appropriate cases, upon motion of the prevailing party in a decision of an administrative law judge after a hearing under section 10(b), summarily affirm such decision. A motion for summary affirmance shall be filed within ten days after the decision of the administrative law judge, any response shall be filed within twenty days thereafter, and the motion and response shall then be presented for decision to a group designated pursuant to the first sentence of this subsection.".	(b)(1) The third sentence of section 3(b) is amended by striking "there" and substituting "four". (2) Section 3(b) is further amended by inserting after the third sentence the following new sentence: "The Board shall within ninety days after the date of enactment of the Labor Law Reform Act of 1978 establish a procedure, upon conditions stated in the rule, pursuant to which a group specifically designated pursuant to the first sentence of this subsection to decide summary judgment cases may, where appropriate upon the motion of a prevailing party in a decision of an Administrative Law Judge issued after a hearing under subsection (b) of section 10, summarily affirm such decision. A motion for summary affirmance shall be filed within ten days after the decision of the Administrative Law Judge, any exceptions to that decision and any response to that motion shall be filed within twenty days thereafter, and the motion and response shall then be presented for decision.".	Sec. 2(b)(2). Both bills require the Board to issue a rule granting the winning party before an Administrative Law Judge (ALJ) ten days in which to request the Board to "summarily affirm" the ALJ's decision. The losing party is given 20 additional days to oppose the request or file exceptions. The procedure would impair, rather than improve, current Board practice. Existing regulations already require filing of exceptions to ALJ decisions within 30 days. The Board already utilizes a summary affirmance type procedure through three-member panel "short-form" adoptions of ALJ decisions. Most importantly, the procedure expands the scope of Board review and requires the prevailing party to establish that ALJ decisions are appropriate for affirmance in their entirety.
	LAW CLERKS FOR ALJ'S	
(No comparable provision)	Sec. 3. The second and third sentences of section 4(a) are amended to read as follows: "The Board shall appoint an executive secretary, and such attorneys, examiners, law clerks to Administrative Law Judges, and regional directors, and such other employees as it may from time to time find necessary for the proper performance of its duties. The Board may not employ any attorneys for the purpose of reviewing transcripts of hearings or preparing drafts of opinions except that any attorney employed for assignment as a legal assistant to any Board member may for such Board member, and any law clerk assigned to an Administrative Law Judge may for such judge, review such transcripts and prepare such drafts."	Sec. 3. authorizes the Board to employ full-time law clerks for ALJs. The function of AJLs is to serve as experts in both fact-finding, including determining the credibility of witnesses, and application of the law. It is essential that ALJs maintain sole responsibility for performing both of these functions. The limited assistance provided by law clerks could be secured less expensively by appointment of additional ALJs, if necessary, without incurring the risk that law clerks would tend to intrude improperly into the decisional process, as Board counsel have come to do in many cases at the Board level.
	ADMINISTRATIVE RULES GOVERNING ELECTIONS	
Sec. 3. Section 6 is amended to read as follows: "Sec. 6. (a) The Board is authorized to make, amend, and rescind (in the manner prescribed by subchapter II of chapter 5 of title 5, United States Code) such rules and regulations as may be necessary to carry out the provisions of this Act. "(b)(1) The Board shall within twelve months after the date of enactment of the Labor Reform Act of 1977 issue regulations to implement the provisions of section 9(c)(6) including rules—	Sec. 4. Section 6 is amended to read as follows: "Sec. 6(a) The Board is authorized to make, amend, and rescind (in the manner prescribed by subchapter II of chapter 5 of title 5, United States Code) such rules and regulations as may be necessary to carry out the provisions of this Act. "(b)(1) The Board shall within twelve months after the date of enactment of the Labor Law Reform Act of 1978 issue regulations to implement the provisions of section 9 including rules—	Both bills revise the wording but not the substance of the Board's *general* rulemaking power. They also require the Board to issue rules in certain areas because codification of the Board's precedents would "simplify the law, better guide the parties, and permit the prompt handling of petitions for representation elections." Codification will not simplify the law or expedite representation proceedings. The "delay" in Board election cases lies not in identifying the controlling principles, but in determining how those principles should be applied to the facts of a particular case. Rather than reducing case processing time, the rulemaking requirements will generate additional opportunities for litigation.

SECTION-BY-SECTION COMPARISON OF H.R. 8410 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON OCTOBER 7, 1977 AND S. 2467 AS REPORTED BY THE SENATE HUMAN RESOURCES COMMITTEE ON JANUARY 31, 1978—Continued

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
	EQUAL ACCESS	
"(A) which shall, subject to reasonable conditions, including due regard for the needs of the employer to maintain the continuity of production assure that if an employer or employer representative addresses the employees on its premises or during working time on issues relating to representation by a labor organization during a period of time that employees are seeking representation by a labor organization, the employees shall be assured an equal opportunity to obtain in an equivalent manner information concerning such issues from such labor organization, and, with due regard for the rights declared in section 7, the right of such labor organization to conduct meetings without undue interference, and the right of the employees to the privacy of their homes, provide also that the employees are assured an equal opportunity overall to obtain such information from the employer and such labor organization: *Provided*, That the rule shall apply to elections conducted pursuant to sections 9(c)(1) and 9(e);	"(A) which shall, subject to reasonable conditions, including due regard for the needs of the employer to maintain the continuity of production, provide that if an employer or agent of the employer addresses the employees on its premises or during working time on issues relating to representation by a labor organization during a period of time that employees are seeking (i) representation by a labor organization, (ii) to decertify or deauthorize a labor organization as their representative defined in subsection (a) of section 9, or (iii) to rescind an agreement made pursuant to the first proviso to subsection (a)(3) of section 8, the employees shall be assured an equal opportunity to obtain in an equivalent manner information concerning such issues from such labor organization, and, with due regard for the rights declared in section 7, the right of such labor organization to conduct membership meetings without undue interference, and the right of the employees to the privacy of their homes, provide also in the circumstances described in clause (i), (ii), or (iii) that the employees are assured an equal opportunity overall to obtain such information from the employer and such labor organization. To obtain an opportunity to present information relating to representation pursuant to this paragraph, a labor organization shall notify the employer, in writing, that employees of that employer had demonstrated an interest in representation by that labor organization and from the time of receipt of such notice the labor organization is to be entitled to an equal opportunity to present such information in an equivalent manner;	Both bills direct the Board to issue rules giving non-employee union organizers the right to campaign on company property even before a petition is filed whenever the employer "addresses" company employees on "its premises or during working time" on issues relating to union representation. A similar right is given to employers to utilize union halls for such purposes. The House legislative history on the scope of equal access is ambiguous but the Senate report indicates that, in general, management addresses to assembled employees on company time or property will trigger a corresponding right for union officials. Employer campaigning short of captive audience speeches—systematic supervisory conversations with individual employees, for example—would entitle union organizers to access only to nonworking areas such as cafeterias, lounges and parking lots during nonworking hours, but not to production areas. The equal access requirement would not be activated by casual employee-supervisory encounters or by employee questions during the course of regularly scheduled meetings to discuss issues of general concern to employees. Under S. 2467, to become eligible for equal access privileges, a union must notify the employer that "a significant minority" of its employees are interested in representation by that union. The required showing of interest is intended to be 10% of the unit or three employees, whichever is greater. Under current law employee union organizers already may solicit on company premises during nonworking hours and distribute union literature in nonworking areas. Non-employee union organizers may campaign on company premises in the absence of reasonable alternative means of communication. More importantly, however, organizers have the right to communicate freely with employees on an individual basis, may visit with employees in their homes, and may make unlimited promises of benefits to be derived from union representation. Since similar conduct on the part of the employers constitutes unfair labor practices, most employer campaigning has been restricted to speeches to employees on company property. Equal access will impair this right and force employers to pay employees for time spent listening to union propaganda. The NLRB General Counsel conservatively estimates that equal access will double the number of cases in which union file election objections which will result in more than 1000 addition litigated cases to be handled by the agency.
	VOTER ELIGIBILITY RULES	
"(B) to facilitate agreements concerning the eligibility of voters; and	"(B) to facilitate the resolution of disputes concerning the eligibility of voters; and	Both bills contain similar language requiring rules to resolve disputes concerning the eligibility of voters. Such rules would merely confirm existing practice as the Board has always placed a high priority on the negotiation of election agreements.
	VOTE AND IMPOUND RULES	
"(C) to govern the holding of elections in cases in which an appeal has not been decided prior to the date of the election.	"(C) to govern the holding of elections in cases in which an appeal has not been decided prior to the date of the election.	Both bills mandate rules which would permit the conducting of representation elections before pre-election issues such as appropriateness of the bargaining unit and eligibility of voters had been resolved. Such rules seriously undermine the fairness of Board elections. (See comment under Expedited Elections.)

SECTION-BY-SECTION COMPARISON OF H.R. 8410 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON OCTOBER 7, 1977 AND S. 2467 AS REPORTED BY THE SENATE HUMAN RESOURCES COMMITTEE ON JANUARY 31, 1978—Continued

BARGAINING UNIT RULES

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
"(2) The Board shall, to the fullest extent practicable, exercise its authority under subsection (a) of this section to promulgate rules declaring certain units to be appropriate for the purposes of collective bargaining.	"(2) The Board shall, to the fullest extent practicable, exercise its authority under subsection (a) of this section to promulgate rules declaring certain units to be appropriate for the purposes of collective bargaining.	Both bills require that the Board, "to the fullest extent practicable," issue rules declaring certain bargaining units to be appropriate for purposes of collective bargaining. Unit rules are well established in more than 40 years of Board precedents. Codification of these precedents will increase litigation as parties seek interpretations of the rules instead of the precedents. The problem lies in the application of rules or precedents to particular fact situations.
JUDICIAL REVIEW OF ADMINISTRATIVE RULES		
"(3) A rule or regulation issued by the Board with respect to the subject matter set forth in paragraph (1) or (2) of this subsection shall be judicially reviewable only in a proceeding under section 10 of this Act and only on the grounds that the Board prejudicially violated the requirements of subchapter II of chapter 5 of title 5, United States Code, or that a rule or regulation of the Board is arbitrary or capricious, contrary to a specific prohibition of this Act, or of the Constitution. The failure of the Board to comply with the time requirements set forth in paragraph (1) of this subsection, or to institute a rulemaking proceeding with respect to the subject matter set forth in paragraph (2) of this subsection, within a reasonable period of time after a request for such a rulemaking procedure has been filed with the Board pursuant to section 553(e) of title 5, United States Code, to complete such a procedure within a reasonable period after its institution, may be reviewed upon the petition of any aggrieved party in the court of appeals of the judicial circuit in which the petitioner resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit. The court of appeals shall have jurisdiction to grant appropriate relief.	"(3) A rule or regulation issued by the Board with respect to the subject matter set forth in paragraph (1) or (2) of this subsection shall be judicially reviewable in accordance with the provisions of section 706(2) (A) through (D) of title 5, United States Code, only in a proceeding under section 10 of this Act. The failure of the Board to comply with the time requirements set forth in paragraph (1) of this subsection, or to institute a rulemaking proceeding with respect to the subject matter set forth in paragraph (2) of this subsection, within a reasonable period of time after a request for such a rulemaking procedure has been filed with the Board pursuant to section 553(e) of title 5, United States Code, to complete such a procedure within a reasonable period after its institution, may be reviewed upon the petition of any aggrieved party in the court of appeals of the judicial circuit in which the petitioner resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit. The court of appeals shall have jurisdiction to grant appropriate relief.	Neither bill provides for direct court review of election rules. Instead, both provide for review only within the context of an unfair labor practice proceeding, presumably generated by an employer's refusal to bargain. S. 2467 defines the scope of review through specific reference to applicable provisions of the Administrative Procedure Act (APA) while the APA provisions are paraphrased in H.R. 8410. If the Board fails or refuses to promulgate rules within specified time periods, an aggrieved party may petition for appropriate relief in the court of appeals for the District of Columbia or in any circuit in which the petitioner resides or has its principal office. With respect to both the availability and scope of review, S. 2467 essentially confirms current practice. However, as noted, review is available only within the framework of an unfair labor practice proceeding usually generated by an employer's refusal to bargain on the basis that the rule is improper. What this section grants in terms of judicial review, however, is effectively nullified for many parties by a subsequent provision (discussed below) which establishes financially burdensome "make whole" remedies for such refusals to bargain. Accordingly, by strewing the only avenue of review with financial roadblocks, both bills render Board-promulgated election rules virtually unreviewable.
"(4)(a) Notwithstanding any other provision of this Act, simultaneously with promulgation or repromulgation of any rule or regulation, the National Labor Relations Board promulgating or repromulgating the rule or regulation shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the rule or regulation shall not become effective, if— "(1) within ninety calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the rule or regulation promulgated by the National Labor Relations Board dealing with matter of , which rule or regulation was transmitted to Congress on , the blank spaces therein being appropriately filled; or "(2) within sixty calendar days of continuous session of Congress after the date of promulgation, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within thirty calendar days of continuous session of Congress after such transmittal. "(b) If at the end of sixty calendar days of continuous session of Congress after the date of promulgation of a rule or regulation, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule or regulation and neither House has adopted such a resolution, the rule or regulation may go into effect immediately. If, within such	(No comparable provision)	H.R. 8410 contains a procedure for Congressional veto of Board adopted election rules which is cumbersome and impractical. This provision is not found in S. 2467.

SECTION-BY-SECTION COMPARISON OF H.R. 8410 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON OCTOBER 7, 1977 AND S. 2467 AS REPORTED BY THE SENATE HUMAN RESOURCES COMMITTEE ON JANUARY 31, 1978—Continued

JUDICIAL REVIEW OF ADMINISTRATIVE RULES—Continued

H.R. 8410—TEXT	S. 2467	ANALYSIS
sixty calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule or regulation may go into effect not sooner than ninety calendar days of continuous session of Congress after its promulgation unless disapproved as provided in paragraph (1)(A). "(c) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the rule involved. "(C) For the purposes of subparagraphs (A) and (B) of this paragraph— "(i) continuity of session is broken only by an adjournment of Congress sine die; and "(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of thirty, sixty, and ninety calender days of continuous session of Congress."		
	GUARDS	
SEC. 4. Section 9(b)(3) is amended by striking ", or is affiliated directly or indirectly with an organization which admits to memberships, employees other than guards." and substituting "nonguard employees of the same employer at the same location, or if such organization is directly affiliated with any national or international labor organization which represents nonguard employees of the same employer at the same location".	SEC. 5. Section 9(b)(3) is amended by striking out "such organization admits to membership, or is affiliated directly or indirectly with an organization which admits to membership, employees other than guards" and inserting in lieu thereof by a hyphen and the following: "(A) in the case of a unit involving guards regularly assigned to work on the premises of two or more employers (whether or not individual guards move between the premises of such employers), such organization admits to membership, or is affiliated, directly or indirectly, with an organization which admits to membership, employees other than guards, and "(B) in any other case, such organization admits to membership nonguard employees at the same location, or if such organization is directly affiliated with any national or international labor organization which represents nonguard employees at the same location".	A proviso to Section 9(b) of the NLRA currently provides that any union which represents nonguard employees may not be certified as a representative of guards. This restriction is designed to preclude the possibility that during the course of a labor dispute the responsibilities of security guards to protect their employer's property can be fulfilled only at the expense of sacrificing their loyalties as union members. Section 4 of H.R. 8410 would delete this provision. Instead, it would only prohibit the same union from representing both guards and non-guards of the same employer at the same location. S. 2467 maintains the current restriction whenever the guards sought to be represented are "regularly assigned to work on the premises of two or more employers"—primarily guards employed by contract guard or armored car companies. In-house guards on the other hand may be represented by any union whatsoever so long as that union does not itself represent—and is not directly affiliated with a national or international union which represents—nonguard employees at the same location. S. 2467 is an improvement but still fails to satisfy the sound reasons for the current provisions.
	EXPEDITED ELECTIONS	
Sec. 5. Section 9(c) is amended by adding at the end thereof the following new paragraph: "(6)(A) Notwithstanding any other provisions of section 9, whenever a petition shall have been filed and served on the employer, or a labor organization pursuant to subsection (C)(1)(A) or (e)(1) of this section 9, or the individual or the labor organization that is the representative defined in subsection (a) of this section, in accordance with such regulations as may be prescribed by the Board, by an employee or group of employees or any individual or labor organization acting in their behalf alleging that their employer declines to recognize their representative as the representative defined in subsection (a) in a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6 or a decision in the applicable industry, that a majority of the employees in that unit have designated that individual or labor	Sec. 6. Section 9(c) is amended by adding at the end thereof the following new paragraph: "(6)(A) Notwithstanding any other provisions of section 9, whenever a petition has been filed and served on the employer, or the individual or the labor organization that is the representative defined in subsection (a) of this section, in accordance with such regulations as may be prescribed by the Board, by an employee or group of employees or any individual or labor organization acting in their behalf— "(i) asserting that their employer declines to recognize their representative as the representative defined in subsection (a) in a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6, that a majority of the employees in that unit have designated that individual or labor organization as their representative defined in subsection (a), and that no individual or labor organization is currently certified or	Both bills adopt a new three-tier approach to representation, decertification, and deauthorization elections but do not change procedures applicable to elections requested by employers. S. 2467 allows the Board 13 days from the filing and serving of the petition to direct an election and 21–30 days within which to conduct it if a majority of employees support the petitions and the unit is covered by a Board rule. H.R. 8410 requires such elections (and also those in which the unit is appropriate under a "decision in the applicable industry") to be run within 25 days of service of the petition. If majority support is not demonstrated, the election must be held within 45 days under S. 2467 and 50 days under H.R. 8410. If issues of "exceptional novelty or complexity" are involved, 75 days are allowed. Earlier, but not later, election dates may be agreed upon by the parties. Both bills also provide that (1) in computing the time limits, days in which a majority

SECTION-BY-SECTION COMPARISON OF H.R. 8410 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON OCTOBER 7, 1977 AND S. 2467 AS REPORTED BY THE SENATE HUMAN RESOURCES COMMITTEE ON JANUARY 31, 1978—Continued

EXPEDITED ELECTIONS—continued

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
organization as their representative defined in subsection (a), and that no individual or labor organization is currently certified or recognized as the exclusive representative of any of the employees in the bargaining unit defined in the petition, or that a majority of employees in a unit currently certified or recognized designate that they no longer desire representation, or that a majority of the employees covered by an agreement made pursuant to section 8(a)(3) designate that such authority be rescinded, the Board shall investigate such petition. If the Board finds that the unit there specified is a unit covered by an agreement pursuant to section 8(a)(3), or is a unit where the certified or currently recognized representative is no longer desired or is a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6 or a decision in the applicable industry, and if the Board has reasonable cause to believe that a question of representation affecting commerce exists and that the other conditions specified in this subsection have been met, the Board shall within seventeen days after the filing and serving of the petition direct an election by secret ballot not more than twenty-five days after a petition is filed and served under this subparagraph and shall so notify the representative named in the petition and the employer. (ii) Asserting that a majority of the employees in a unit appropriate for the purposes of collective bargaining do not wish to be represented by the individual or labor organization which has been certified or is being currently recognized by their employer as the representative defined in subsection (a), or do not wish to be covered by an agreement between their employer and a labor organization made pursuant to subsection (a)(3) of section 8, the Board shall investigate such petition. If the Board has reasonable cause to believe that a question of representation affecting commerce, or a question covering an agreement made pursuant to subsection (a)(3) of section 8, exists and that the other conditions specified in this subsection have been met, the Board shall within seventeen days after the filing and serving of the petition direct an election by secret ballot which shall take place within eight days after such election is directed by the Board, and in no event more than twenty-five days after a petition is filed and served under this subparagraph, and the Board shall so notify the representative named in the petition and the employer.	recognized as the exclusive representative of any of the employees in the bargaining unit defined in the petition; or "(ii) asserting that a majority of the employees in a unit appropriate for the purposes of collective bargaining do not wish to be represented by the individual or labor organization which has been certified or is being currently recognized by their employer as the representative defined in subsection (a), or do not wish to be covered by an agreement between their employer and a labor organization made pursuant to the first proviso to subsection (a)(3) of section 8, the Board shall investigate such petition. If the Board finds with respect to a petition filed under clause (i) that the unit there specified is a unit appropriate for the purposes of collective bargaining under a rule established by the Board pursuant to section 6, and if the Board has reasonable cause to believe that a question of representation affecting commerce exists and that the other conditions specified in this subsection have been met, the Board shall within thirteen days after the filing and serving of the petition direct an election by secret ballot to take place not less than twenty-one days nor more than thirty days after a petition is filed and served under this subparagraph (unless another date prior to such twenty-first day is agreed to by the employer and the representative named in the petition) and shall so notify the representative named in the petition, the employer and any other appropriate party. If the Board has reasonable cause to believe with respect to a petition filed under clause (ii) that a question of representation affecting commerce, or a question concerning an agreement made pursuant to the first proviso to subsection (a)(3) of section 8, exists and that the other conditions specified in this subsection have been met, the Board shall within thirteen days after filing and serving of the petition direct an election by secret ballot to take place not less than twenty-one days nor more than thirty days after a petition is filed and served under this subparagraph (unless another date prior to such twenty-first day is agreed to by the employer and the representative named in the petition), and shall so notify the representative named in the petition, the employer and any other appropriate party.	of the employees are on vacation shall not be included; (2) elections shall be conducted as scheduled even though all pre-election questions relating to such issues as the appropriateness of the bargaining unit and voter eligibility have not been resolved; (3) elections may be set aside only on the basis of conduct which violates an election rules or constitutes an unfair labor practice; and (4) elections shall not be set aside on the basis that they were improperly run pursuant to the expedited schedule rather than the appropriate 45- or 75-day schedule. In addition S. 2467, but not H.R. 8410, provides that with the exception of the 48-hour period immediately preceding the election, non-coercive statements made during the election campaign shall not constitute, or be evidence of objectionable conduct.
"(B) In any proceeding under this subsection in which the Board directs an election by secret ballot, and which is not governed by subparagraph (A) of this paragraph, the Board shall direct the election on a date not more than fifty days after the filing and serving of the petition and shall inform the representative named in the petition, the employer, and all other interested parties of the election date not less than fifteen days prior to the election except that, where the Board determines that the proceeding presents issues of exceptional novelty or complexity, the Board may direct the election on a date not more than seventy-five days after the filing and serving of said petition. In computing the time limits stated in this paragraph the days of the week during which a majority	"(B) In any proceeding under this subsection in which the Board directs an election by secret ballot, and which is not governed by subparagraph (A) of this paragraph, the Board shall direct the election on a date not more than forty-five days after the filing and serving of the petition and shall inform the representative named in the petition, the employer, and all other interested parties of the election date not less than eight days prior to the election except that, where the Board determines that the proceeding presents issues of exceptional novelty or complexity, the Board may direct the election on a date not more than seventy-five days after the filing and serving of said petition. In computing the time limits stated in this paragraph the days of the week during which a majority	In fiscal 1977, 77% of the 14,399 election cases filed with the Board were conducted by agreement with the parties without formal hearings or contested decisions. Elections were held within a median time of 37 and 44 after filing of the petition. Even in contested cases the median time was only 75 days. The proposed expedited procedures will greatly reduce election agreements as the union incentive, i.e. quick elections, will be provided by statute and the employer incentive, i.e. acceptable resolution of pre-election issues, will be disregarded when elections are held without determining such issues. The result will be extensive post-election proceedings which will delay commencement of bargaining far more than existing pre-election delays.

SECTION-BY-SECTION COMPARISON OF H.R. 8410 AS PASSED BY THE HOUSE OF REPRESENTATIVES ON OCTOBER 7, 1977 AND S. 2467 AS REPORTED BY THE SENATE HUMAN RESOURCES COMMITTEE ON JANUARY 31, 1978—Continued

EXPEDITED ELECTIONS—continued

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
of the employees involved in the election are on vacation shall not be included. "(C) After an election conducted pursuant to subparagraph (A) or (B) of this paragraph is completed, the Board shall, unless under a rule adopted pursuant to subsection (b)(1)(D) of section 6, the ballots have been impounded, promptly serve the parties with a tally of the ballots.	of the employees involved in the election are on vacation shall not be included. "(C) After an election conducted pursuant to subparagraph (A) or (B) of this paragraph is completed, the Board shall, unles under a rule adopted pursuant to subsection (b)(1)(C) of section 6, the ballots have been impounded, promptly serve the parties with a tally of the ballots.	Other weaknesses in the bills are that: 1. Hinging election dates on union authorization cards will probably make the validity of such cards a litigable issue, leading to delays and needless litigation. 2. Union organizers will be able to control the timing of elections. 3. Voting and impounding ballots prior to determining issues that should have been decided before the election forces employees to vote without knowing such important points as, for example, the bargaining unit for which they are voting or the eligibility of certain voters.
	FREE SPEECH PROVISION	
"(D)(i) Any party to the election conducted pursuant to subparagraphs (A) and (B) of this paragraph may, within five days after such election, object to the election on the ground that conduct contrary to a rule relating to election declared by the Board pursuant to its authority under section 6 or conduct contrary to a rule of decision declared by the Board in a proceeding under section 10 did affect the result of the election. "(ii) With regard to challenged ballots, the Board shall, where such ballots are sufficient in number to affect the outcome of the election, investigate the challenges and serve a report upon the parties on challenges: *Provided*, That nothing contained herein shall preclude resolution of the eligibility questions raised by such challenges in a subsequent unit clarification proceeding. "(iii) The Board shall move expeditiously to resolve any issues raised by the objections or regarding eligibility and to certify the results of the election: *Provided*, That an objection that an election was conducted under subparagraph (A) instead of subparagraph (B) shall not be a basis for setting the election aside.".	"(D)(i) Any party to an election conducted pursuant to subparagraph (A) or (B) of this paragraph may, within five days after such election, object to the election on the ground that conduct contrary to a rule relating to the election declared by the Board pursuant to its authority under section 6 or conduct contrary to a rule of decision declared by the Board in a proceeding under section 10 did affect the result of the election. Except for the purposes of issuing and enforcing rules applicable to campaigning during the forty-eight hours prior to the holding of an election, the limitations stated in subsection (c) of section 8 on the Board's authority to utilize evidence in determining that an unfair labor practice has been committed shall also be applicable in determining that an election be set aside. "(ii) Whenever challenged ballots are sufficient in number to affect the outcome of the election, the Board shall investigate the challenges and serve a report on challenges upon the parties. Nothing contained herein shall preclude resolution in a subsequent unit clarification proceeding, of the unresolved eligibility questions raised by such challenges. "(iii) The Board shall move expeditiously to resolve any issues raised by the objections or regarding eligibility and certify the results of the election. An objection that an election was conducted under subparagraph (A) instead of subparagraph (B) shall not be a basis for setting the election aside.".	S. 2467 makes the free speech limitations in Section 8(c) of the NLRA applicable throughout election campaigns with the exception of the 48-hour period immediately preceding the election. The provision has little or no practical effect as the Board no longer sets aside elections on the basis of misrepresentations. *Shopping Kart Food Markets*, 228 NLRB 190 (1977).
	JUDICIAL REVIEW OF BOARD CERTIFICATIONS	
Sec. 6. Section 9(d) is amended by inserting immediately before the period at the end thereof a comma and the following: "except that no such certification prejudicially violated the procedural requirements of this Act or of subchapter II of chapter 5, United States Code, or acted arbitrarily or capriciously, or contrary to a specific prohibition of this Act or of the Constitution, or made findings with respect to questions of fact which are not supported by substantial evidence on the record considered as a whole.".	Sec. 7. Section 9(d) is amended by inserting immediately after the word "thereupon" the following: "after review in accordance with section 706(2) (A) through (E) of title 5, United States Code".	Both bills invoke a "substantial evidence" test, which assures that a reviewing court may consider whether the evidence supports the findings of fact relied on by the Board in reaching its decision as to a certification. S. 2467 does so by incorporating specifically provisions of the Administrative Procedure Act that are generally applicable to court review of agency proceedings, while H.R. 8410 paraphrases these provisions. As with the judicial review of Board promulgated election rules, review of Board certifications is available only within the framework of an unfair labor practice proceeding usually generated by an employer's refusal to bargain on the basis that the certification is improper. However, as discussed below, this avenue of review is precluded for many employers by virtue of a financially burdensome "make whole" remedy imposed on employers who engage in such refusals to bargain.

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H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
WILLFUL VIOLATIONS		
Sec. 7. The first sentence of subsection (10)(b) is amended to read as follows: "(b) Whenever— "(1) it is charged that any person has engaged in or is engaging in any such unfair labor practice, or "(2) it is charged that any person has engaged in or is engaging in a willful violation of— "(A) any final order of the Board entered pursuant to subsection (c) of this section and which is not and has not been the subject of a proceeding under subsection (e) or (f) of this section, or "(B) any final order of a court of appeals of the United States entered in a proceeding under subsection (e) or (f) of this section, prohibiting interference with, restraint or coercion of employees in the exercise of the rights guaranteed in section 7 or discrimination against employees to encourage or discourage membership in a labor organization, and that said violation occurred within three years of the entry of the order violated, the Board, or any agent or agency designated by the Board for such purposes, is authorized to issue and cause to be served upon such person a complaint stating the charges. Such complaint shall contain a notice of hearing before the Board or member thereof, or before a designated agent or agency, at a place therein fixed, not less than five days after the serving of such complaint. No complaint shall be issued based upon any unfair labor practice or willful violation of a final order occurring more than six months prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event the six-month period shall be computed from the day of his discharge.".	Sec. 8. The first sentence of subsection (10)(b) is amended to read as follows: "(b) Whenever— "(1) it is charged that any person has engaged in or is engaging in any such unfair labor practice, or "(2) it is charged that any person has engaged in or is engaging in a willful violation of— "(A) any final order of the Board entered pursuant to subsection (c) of this section and which is not and has not been the subject of a proceeding under subsection (e) or (f) of this of this section, or "(B) any final order of a court of appeals of the United States entered in a proceeding under subsection (e) or (f) of this section, prohibiting interference with, restraint or coercion of employees in the exercise of the rights guaranteed in section 7 or discrimination against employees to encourage or discourage membership in a labor organization, and that said violation occurred within three years of the entry of the order violated, the Board, or any agent or agency designated by the Board for such purposes, is authorized to issue and cause to be served upon such person a complaint stating the charges. Such complaint shall contain a notice of hearing before the Board or member thereof, or before a designated agent or agency, at a place therein fixed, not less than five days after the serving of such complaint. No complaint shall be issued based upon an unfair labor practice or willful violation of a final order occurring more than six months prior to the filing of the charge with the Board and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event the six-month period shall be computed from the day of his discharge.".	Section 7 of H.R. 8410 and section 8 of S. 2467 are identical. Both would amend § 10(b) of the NLRA to provide for institution of complaint proceedings against "any person" charged with willful noncompliance with the terms of an existing Board order or a court decree enforcing a Board order. The sanctions which are found in the following section transform the NLRA from a remedial to a punitive statute for the first time in the Board's history. The new remedies focus on punishing employers rather than protecting employees.
REMEDIES: CONTRACT DEBARMENT		
Sec. 8. Section 10(c) is amended by— (1) inserting "(1)" after "(c)"; (2) striking out the fifth sentence of paragraph (1) (as redesignated by this section) and inserting in lieu thereof the following: "If upon the preponderance of the testimony taken the Board shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unfair labor practice, or has willfully violated or is willfully violating a final order as specified in subsection (b) of this section, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.". (3) by adding at the end thereof the following new paragraphs:	Sec. 9. Section 10(c) is amended by— (1) inserting "(1)" after "(c)"; (2) striking out the fifth sentence of paragraph (1) (as redesignated by this section) and inserting in lieu thereof the following: "If upon the preponderance of the testimony taken the Board shall not be of the opinion that the person named in the complaint has engaged in or is engaging in any such unfair labor practice, or has willfully violated or is willfully violating a final order as specified in subsection (b) of this section, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint."; (3) by adding in the final sentence of paragraph (1) after the word "report" the following: "containing findings of fact (including the basis on which conflicts in the evidence are resolved) and conclusions of law and in cases of unusual complexity and novelty such further discussion of the facts or law as is necessary."; and (4) by adding at the end thereof the following new paragraphs:	Findings of willful violations must be supported by "the preponderance of the testimony" under both bills. Both bills provide for federal contract debarment against "willful violators" of the Act for up to three years. Debarment does not compensate persons aggrieved and is therefore clearly punitive in nature. It applies only to government contractors and can cause a significant loss of jobs for employees supposed to be protected by the Act. The mandatory nature of the remedy may cause due process problems and the procedures proposed could result in "de facto" debarment through contract passovers as has occurred under OFCCP.
"(2) If upon the preponderance of testimony taken the Board shall be of the opinion that the allegation in the complaint that a person has willfully violated or is willfully violating a final order as specified in subsection (b) of this section has been sustained, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order	"(2) If upon the preponderance of testimony taken the Board shall be of the opinion that the allegation in the complaint that a person has willfully violated or is willfully violating a final order as specified in subsection (b) of this section has been sustained, then the Board shall state its findings of fact and shall issue and cause to be served on such person an	A complaint of willful violation is tried before an ALJ as any other unfair labor practice proceeding. If a willful violation is found, the Board would issue an order certifying the identity of the willful violator to the Secretary of Labor. Unless the Secretary determines that the national interest requires otherwise, the identity of the violator would be certified to the

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REMEDIES: CONTRACT DEBARMENT—Continued

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
certifying the identification of that person to the Secretary of Labor. Notwithstanding any other law, unless the Secretary determines that because of unusual circumstances the national interest requires otherwise, the Secretary shall certify the identity of such person to the Comptroller General. The Comptroller General shall distribute a list to all agencies of the United States containing the names of persons certified by the Secretary of Labor pursuant to this subsection. Unless the agency of the United States concerned, after notice and opportunity for hearing to all interested parties, certifies to the Secretary of Labor that there is no other source of material or services furnished by the person affected by the Board order, no contracts shall be awarded to such person for a reasonable, definitely stated period of time commensurate with the seriousness of the violation, as determined by the Secretary of Labor, but such period shall not exceed three years. A debarment may be removed or the period may be reduced by the Secretary of Labor upon the submission of an application, supported by documentary evidence, setting forth appropriate grounds for the granting of relief, including without limitation compliance with the final order found to have been willfully violated, bona fide change of ownership or management, a fraud or misrepresentation of the charging party: *Provided*, That this subparagraph shall restrict the award of contracts solely to the products or service performed at the particular facility or facilities where the willful violation occurs or of the business entity legally responsible for the willful violation or to the local, intermediate, national or international labor organization legally responsible for the willful violation.	order certifying the identity of that person to the Secretary of Labor. Notwithstanding any other law, unless the Secretary of Labor determines that because of unusual circumstances the national interest requires otherwise, the Secretary shall certify the identity of such person to the Comptroller General. The Comptroller General shall distribute a list to all agencies of the United States containing the names of persons certified by the Secretary of Labor pursuant to this subsection. Notwithstanding any other law, no contracts shall be awarded to such person during the three-year period immediately following the date of the Secretary's certification, unless the Secretary, in his discretion and for reasons stated in a written explanation determines that setting a lesser period of debarment would better effectuate the purposes of the Act, or unless the agency of the United States concerned, after notice and opportunity for hearing to all interested parties, certifies to the Secretary of Labor that there is no other source for the material or services furnished by the person affected by the Board order: *Provided*, That debarment orders shall specify affirmative action to be taken to protect the affected employees' section 7 rights, and the Board shall recommend removal of the debarment or reduction of the debarment period to the Secretary if it is satisfied that the affirmative action requirements of the order have been effectuated, or if it is satisfied, for other reasons, that such relief will effectuate the purposes of the Act: *Provided further*, That this subparagraph shall restrict the award of contracts solely to the business entity legally responsible for the willful violation or to the local, intermediate, national, or international labor organization legally responsible for the willful violation.	Comptroller General who would notify all federal agencies not to contract with the offending employer. The bills permit only limited flexibility in imposing the debarment. Under H.R. 8410, debarment would not be allowed if there were no alternative source for required services or materials. Additionally, the debarment could be removed earlier if the unfair labor practice or practices had been remedied. Under S. 2467 Secretary of Labor would be empowered to determine that a lesser period of debarment would better effectuate the purposes of the Act. It also provides that the Board's order shall specify the steps the debarred party may take to dissipate the effects of the violations. Once an employer is debarred, the Board may recommend to the Secretary that the debarment be removed or reduced if it is satisfied that the affirmative action requirements of the order have been effectuated or if it determines that such relief would further the purposes of the NLRA. (Under H.R. 8410 the Board has no formal role in the reduction or removal of debarment orders.) The scope of debarment is broader under S. 2467 than under H.R. 8410. The Senate bill debarment applies to the "business entity" legally responsible for the willful violation while the House bill limits debarment to the "facility or facilities" where the willful violation occurred. The Senate Report indicates that in most cases parent-subsidiary relationships will be honored in defining business entities, but is silent on the legal effect of separate facilities. Presumably, Senate refusal to incorporate the House language constitutes a tactic rejection of any distinction predicated upon separate facilities of the same corporate entity.

REMEDIES: MULTIPLE BACK PAY; MAKE WHOLE

"(3) In a case in which the Board determines that any person has engaged in an unfair labor practice within the meaning of subsection (a)(1), (a)(3), (b)(1), or (b)(2) of section 8 which deprives an employee of employment while employees in a bargaining unit which includes that employee are seeking representation by a labor organization or during the period after a labor organization has first been recognized as a representative defined in subsection (a) of section 9 in such unit until the first collective bargaining contract is entered into between the employer and the representative, the measure of backpay for the period until a valid offer of reinstatement is made shall be double the employee's wage rate at the time of the unfair labor practice less the wages the employee has earned during that period. In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective-bargaining contract between the employer and the representative selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may award to the employees in that unit compensation for the delay in bargaining caused by the unfair labor practice which shall be measured by the difference between (i) the wages and other benefits received by such employees during the period of delay, and (ii) the wages and fringe benefits such employees were receiving at the time of the unfair labor practice multiplied by the percentage change in wages and other benefits stated	"(3)(A) In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective-bargaining contract between the employer and the representative selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may enter an order pursuant to paragraph (1) of this subsection which includes an award to the employees in that unit of compensation for the delay in bargaining caused by the unfair labor practice in an amount equal to the difference per hour during the period of delay between (i) the wages and other benefits such employees were receiving at the time of the unfair labor practice increased by a percentage equal to the change in wages and other benefits stated in the Bureau of Labor Statistics' average wage and benefits settlements, quarterly report of major collective-bargaining settlements, for the quarter in which the delay began and (ii) the wages and other benefits actually received by such employees during that period. If the Secretary of Labor certifies to the Board that the Bureau has, subsequent to the effective date of the Labor Law Reform Act of 1978, instituted regular issuance of a statistical compilation of bargaining settlements which the Secretary determines would better effectuate the purposes of this subsection than the compilation specified herein, the Board shall, in administering this subsection, use the compilation certified by the Secretary. "(B) In a case in which the Board determines that any person has unlawfully dis-	For violations of certain employee rights, a remedy of double back-pay (one-and-a-half times back pay under S. 2467) is imposed. Under H.R. 8410, the double back pay penalty would apply to employers found in violation of § 8(a)(1) of the Act, which deals with interference with union activity, and of § 8(a)(3), which prohibits discrimination against employees because of such activity. It also would apply to unions found to have engaged in conduct violative of § 8(b)(1), which bars labor organizations from restraining or coercing employees, and of § 8(b)(2), which prohibits unions from causing an employer to discriminate against an employee. A mitigation provision would deduct wages actually earned by the aggrieved party. Under S. 2467, employees unable to work as a result of the unlawful conduct mentioned in H.R. 8410 may receive a 150 percent backpay remedy if the violations occur: (1) when the employees are seeking to certify a union; (2) when the employees are seeking to decertify a union; (3) when the employees are seeking to rescind a union security agreement; and (4) prior to execution of an initial collective bargaining agreement. Under H.R. 8410 affected employees receive double backpay but the remedy is not available when discharges occur prior to decertification or deauthorization elections. Under S. 2467, the awarding of additional backpay is discretionary rather than mandatory. Under H.R. 8410 the employee is entitled to double backpay "until a

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REMEDIES: MULTIPLE BACK PAY; MAKE WHOLE—continued

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
in the Bureau of Labor Statistics' average wage and benefit settlements, quarterly report of major collective-bargaining settlements, for the quarter in which the delay began. If the Secretary of Labor certifies to the Board that the Bureau has, subsequent to the effective date of the Labor Reform Act of 1977, instituted regular issuance of a statistical compilation of bargaining settlements which the Secretary determines would better effectuate the purposes of this subsection that the compilation specified herein, the Board shall, in administering this subsection, use the compilation certified by the Secretary.".	criminated against employees to encourage or discourage membership in a labor organization, or has unlawfully interfered with, restrained or coerced employees in the exercise of the rights guaranteed by section 7, during a period (i) in which employees in a bargaining unit which includes that employee are seeking representation by a labor organization, (ii) after a labor organization has first been designated or selected as a representative defined in subsection (a) of section 9 in such unit until the first collective-bargaining agreement is entered into between the employer and the representative, or (iii) in which employees currently represented by an individual or labor organization which has been certified or is being recognized by their employer or currently covered by an agreement made pursuant to the first proviso to subsection (a)(3) of section 8 in a bargaining unit which includes that employee are seeking to deauthorize or decertify that representative or rescind that agreement is alleged, the Board may enter an order pursuant to paragraph (1) of this section which includes an award of backpay in an amount equal to one and one-half the employee's wage rate at the time of the unfair labor practice for the time lost by reason of the unfair labor practice less the wages the employee has earned during that period.	valid offer of reinstatement is made," whereas under S. 2467 additional backpay is awarded "for the time lost by reason of the unfair labor practice." S. 2467 makes no change in H.R. 8410 mitigation requirements. Both bills provide a "make whole" remedy for unlawful refusals to bargain. For refusal to bargain prior to the entry of a first agreement, affected employees may receive "damages," measure by the difference between the wages and other benefits received by the employees during the period of delay and the wages and other benefits they were receiving at the time of the unlawful refusal multiplied by a factor which represents the percentage change in such wages and benefits under collective bargaining contracts for employers with over 5000 employees, as determined by the Bureau of Labor Statistics. The Senate Report makes clear that this remedy is intended to be imposed against employers who are merely engaging in technical refusals to bargain for purposes of securing court review of Board-promulgated election rules or certifications. The provision thus totally undermines the statutorily-mandated procedure for acquiring court review of Board determinations in representation proceedings.
	AUTOMATIC COURT ENFORCEMENT OF BOARD ORDERS	
Sec. 9. (a) The third sentence of subsection 10(e) is amended by inserting immediately before the period at the end thereof a comma and the following: "nor shall any objection be considered by the court unless a petition for review pursuant to subsection (f) of this section has been timely filed by the party stating the objection".	Sec. 10. (a) The third sentence of subsection 10(c) is amended by inserting immediately before the period at the end thereof a comma, and the following: "nor shall any objection be considered by the court unless a petition for review pursuant to subsection (f) of this section has been timely filed by the party stating the objection".	Both bills provide for self-enforcing Board orders unless an aggrieved party files a petition for review in a federal court of appeals within 30 days after issuance of the Board's order.
(b) The fourth sentence of section 10(e) is amended to read as follows: "The findings of the Board with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive: *Provided*, That no finding of the Board that a representative is the exclusive representative of the employees in a unit for purposes of collective bargaining shall be accepted by the court unless such representative has been certified by the Board after a secret ballot election conducted in accordance with subsection (c) of section 9 or has been determined to be a representative defined in subsection (a) of section 9 by the Board in an order entered pursuant to subsection (c) of this section: *Provided further*, That no such order shall be entered where the employer has not engaged in conduct, unlawful under this Act, which undermines a free and fair election under subsection (c) of section 9: *Provided further*, That any representative designated or selected prior to the effective date of this Act shall remain such representative under this provision unless such designation or selection is withdrawn by the employees in the unit appropriate for the purposes of collective bargaining in an election under subsection (c) of section 9: *Provided further*, That where the employer agrees to recognize an individual or labor organization as a representative defined in subsection (a) of section 9 on the basis of proof of majority support other than a Board certification and such support is in fact demonstrated, the individual or labor organization so chosen shall be considered to be a representative for purposes of subsection (a) of section 9.	(No comparable provision)	H.R. 8410 also includes a provision that would permit a union to be recognized for collective bargaining purposes without the employees' assent through a secret ballot election if (1) the employer had engaged in unlawful conduct "which undermines a free and fair election;" (2) prior to enactment the union previously was established as a bargaining representative my means other than an election; or (3) the employer agreed to some means of determining the union's majority status other than an election, e.g., a third party card check. S. 2467 contains no comparable provision.

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H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
(c) That first sentence of subsection 10(f) is amended by— (1) inserting "within thirty days" after "by filing," and (2) inserting before the period at the end thereof the following: "except that, if a petition for review has been timely filed, any other party to that Board proceeding, aggrieved by the order, may, within fifteen days of service on it of said petition, file a further petition for review."	(b) The first sentence of subsection 10(f) is amended by— (1) inserting "within thirty days" after "by filing," and (2) inserting before the period at the end thereof the following: "except that, if a petition for review has been timely filed, any other party to that Board proceeding, aggrieved by the order, may, within fifteen days of service on it of said petition, file a further petition for review".	
	MANDATORY COURT INJUNCTIONS	
Sec. 10. The first sentence of section 10(1) is amended to read as follows: "(1) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of— "(1) subsection (a)(3) or (b)(2) of section 8 which deprives an employee of employment while employees in a bargaining unit which includes that employee are seeking representation by a labor organization or during the period after a labor organization has first been recognized as a representative defined in subsection (a) of section 9 in such unit until the first collective-bargaining contract is entered into between the employer and the representative, or "(2) subsection 4(A), (B), or (C) of section 8(b) or section 8(e) or section 8(b)(7), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred.".	Sec. 11. The first sentence of section 10(1) is amended to read as follows: "(1) Whenever it is charged that any person has engaged in any unfair labor practice within the meaning of— "(1) subsection (a)(3) or (b)(2) of section 8 which deprives an employee of employment during a period (i) in which employees in a bargaining unit which includes that employee are seeking representation by a labor organization, (ii) after a labor organization has first been recognized as a representative defined in subsection (a) of section 9 in such unit until the first collective-bargaining contract is entered into between the employer and the representative, or (iii) in which employees currently represented by an individual or labor organization which has been certified or is being recognized by their employer or currently covered by an agreement made pursuant to the first proviso to subsection (a)(3) of section 8 in a bargaining unit which includes such employees are seeking to deauthorize or decertify that representative or rescind that agreement, or "(2) paragraph 4 (A), (B), or (C) of section 8(b), paragraph (7) of section 8(b) or section 8(e), preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred.".	Section 10 of H.R. 8410 would make it mandatory for the Board to seek injunctions to compel reinstatement of any employees alleged to have been discharged discriminatorily during a union organizing campaign or the period of bargaining for an initial contract, where the Board's preliminary investigation indicated reasonable cause to believe the allegation is valid. Section 11 of S. 2467 differs somewhat in that the injunctive relief would be sought by the Board whenever a complaint was issued based upon a discharge occurring during any of the four periods in which the 150 percent backpay remedy was applicable. Discretionary authority to seek injunctive relief in any unfair labor practice case is now available under Sec. 10(j). Mandatory injunctions in discharge cases as proposed would often *cause* irreparable harm to employers and current employees by forcing the temporary reinstatement of persons who are unfit—by reason of incompetence, unsafe working habits, dishonesty or proclivity to violence—to be working in the plant. Also such injunctions would generate additional litigation because most discharges would have to be tried in two forums—once before the district court and once before the Board. In an analysis of the impact of the mandatory injunction provision in H.R. 8410—which, as noted, is narrower in scope than the comparable provision in S. 2467—General Counsel Irving has concluded that the settlement rate will drop considerably because charged employers (1) will be reluctant to execute any settlement providing for reinstatement before the election, and (2) will be anxious to take advantage of federal discovery privileges. As a result Irving predicts that in FY 1979 alone more than 3,479 8(a)(3)-type 10(1) petitions would be filed in federal courts, and the Board would require the services of 232 additional professional employees.
Sec. 11. Section 10(m) is amended by inserting "under circumstances not subject to section 10(1)," after "section 8,".	Sec. 11(b). Section 10(m) is amended by inserting "under circumstances not subject to section 10(1)," under "section 8.".	This section would amend the NLRA to conform to the changes proposed in the previous section of each bill.
	INDIVIDUALS WITH RELIGIOUS CONVICTIONS	ANALYSIS
(No comparable provision)	Sec. 12. Section 19 is amended to read as follows: "Sec. 19. Any employee who is a member of and adheres to established and traditional tenets or teachings of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required in a contract betwen such employees' employer and a labor organization in lieu of periodic dues and initiation fees, to pay sums equal to such dues and initiation fees to a fund maintained by the employer for the sole purpose of paying individuals for their services as neutral arbitrators under the contract or to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by	Section 12 of S. 2467 would permit any employee with religious conscientious objections to membership in or financial support of labor organizations to refrain from joining or supporting them as a condition of continued employment. Instead, the employee could be contractually required to contribute sums equal to the required union dues and initiation fees into a special employer fund maintained for compensating arbitrators for their services under the contract or into another nonreligious charitable fund.

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AUTOMATIC COURT ENFORCEMENT OF BOARD—continued

INDIVIDUALS WITH RELIGIOUS CONVICTIONS—continued

H.R. 8410—TEXT	S. 2467—TEXT	ANALYSIS
	such employee from a list of at least three such funds, designated in such contract or if the contract fails to designate such funds, then to any such fund chosen by the employee.".	
	STRANGER PICKETING	
Sec. 12. Section 10 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsection: "(n) Where there exists an agreement between an employer and a labor organization, whether express or implied, not to strike, picket or lockout, the Board, if it finds that the public interest would be served thereby, shall have the power to petition any district court of the United States (including the District Court of the United States for the District of Columbia) within any district where either or both of the parties reside or transact business, for such temporary injunctive relief or restraining order as is necessary to prevent any person not authorized by a representative of employees of the employer being struck or picketed within the meaning of subsection (a) of section 9 from engaging in, or inducing or encouraging any employee of the employer to engage in, conduct in breach of such agreement, irrespective of the nature of the dispute underlying such strike, picket or lockout, and such court shall have jurisdiction to grant to such party or the Board such temporary injunctive relief or restraining order as it deems just and proper.".	Sec. 13. Section 301 of the Labor Management Relations Act of 1947 is amended by adding at the end thereof the following new subsection: "(f)(1) Where there is in effect a collective-bargaining contract between an employer and a labor organization which is the representative of employees under section 9 (a) of this Act, the courts of the United States shall, notwithstanding the limitations stated in the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115), but subject to the limitations stated herein, have the authority in a civil action brought by that employer to restrain (A) a concerted refusal in breach of that contract to cross a picket line not maintained by a labor organization in connection with a labor dispute; or (B) a concerted refusal to work in a breach of that contract (and concerted activity in furtherance thereof) that is neither initiated, authorized, nor ratified by the labor organization, where a refusal to cross a picket line maintained by a labor organization in connection with a labor dispute is not involved. "(2)(A) In an action under paragraph (1) of this subsection no restraining order may issue unless the employer has, in addition to the other requirements for obtaining relief, proved at a hearing held after the labor organizations concerned have been given notice and an opportunity to oppose the granting of relief, that the concerted activity specified above has occurred or is occurring. "(B) In an action under paragraph (1)(A) of this subsection, if the picket line is maintained by a labor organization in connection with a labor dispute, no restraining order shall be granted pursuant to this subsection. "(C) In an action under paragraph (1)(B) of this subsection, if the labor organization does not oppose the granting of relief under this subsection on the ground that the concerted activity in question has been initiated, authorized, or ratified, it shall be conclusively established for the action in question and related actions that the activitiy was not so initiated, authorized, or ratified. If the labor organization has initiated, or authorizes or ratifies the concerted activity, no restraining order shall be granted pursuant to this subsection.".	These provisions of the bills vary widely. S. 2467 would provide injunctive relief against certain strikes and picketing in breach of no-strike agreements. Employers could seek injunctive relief against (1) sympathy strikes in support of a picket line "not maintained by a labor organization in connection with a labor dispute," and (2) wildcat strikes—i.e., those that are neither initiated, authorized nor ratified by the contracting labor organization. If the quoted language is strictly construed so as not to encompass dissent union members protesting local issues, this provision could provide much-needed relief. Unlike H.R. 8410, the bill also provides that the contracting employer—not just the Board—is authorized to seek court relief. Sympathy strikes in support of a picket line "maintained by a labor organization in connection with a labor dispute," and strikes called in violation of a no-strike agreement which are sanctioned by the contracting labor organization could not be enjoined. Moreover, if a contracting labor organization chooses not to oppose the issuance of injunctive relief on the grounds that it has approved the picketing, the unauthorized nature of the strike is thereby "conclusively established" not only for the action in question, but also for all "related actions." (H.R. 8410 would provide no relief against sympathy picketing). If construed literaly, the bill could be interpreted as overruling *Boys Markets, Inc. v. Retail Clerks Union*, 398 U.S. 235 (1970), which held that employers can secure injunctive relief in federal courts against any strike which is called in violation of a no-strike provision so long as the underlying dispute is arbitrable. S. 2467 appears to preclude any injunctive relief against authorized strikes and picketing. Since most strikes enjoinable under *Boys Markets* are fully authorized, they would not be encompassed by the prohibitions in the new legislation. S. 2467 also provides that merely by refusing to oppose the issuance of an injunction on the basis that the strike or picketing has been authorized, a labor organization may totally insulate itself from financial liability in any subsequent suit arising out of the unlawful conduct.
	EFFECTIVE DATE	
Sec. 13. Except as otherwise specifically provided in this Act, the amendments made by this Act shall take effect sixty days after the date of enactment of his Act.	Sec. 14. Except as otherwise specifically provided in this Act, the amendments made by this Act shall take effect sixty days after the date of enactment of this Act.	Both bills provide that the proposed amendments would be effective 60 days after enactment.●

COMMUNITY EDUCATION

● Mr. CHURCH. Mr. President, I am pleased to join Mr. WILLIAMS, chairman of the Senate Human Resources Committee, in sponsoring the Community Schools and Comprehensive Education Act of 1978.

Community education brings the community into the schools by allowing these public facilities to be used by the community after normal school hours. Young and old assist in developing programs that meet specific needs as identified by the people themselves. Such programs could include recreational and sports activities, participation in self-government and community improvement, arts and crafts, counseling, and even health services. Community education programs in Idaho have included such efforts as providing tax assistance with the help of IRS specialists and assisting victims of the Teton Dam disaster which struck the Rexburg area in 1976.

Several years ago, when I introduced the initial legislation to create a nation-

wide, federally supported community education program, I foresaw the effectiveness and popularity these programs would bring to this country. Since that time, community schools have emerged in every State of the country with State and local support. Many States have provided for community education specialists within their Departments of Education. I was very pleased to learn that my State of Idaho recently appointed a full time community education specialist, Mr. Michael Murphy.

Senator Williams' bill, S. 2711, recognizes the growth of community education and provides for a new title X "Community Schools" under the Elementary and Secondary Education Act. A separate title will allow States to develop a comprehensive community education program within their State educational systems and provide additional support for local educational agencies. S. 2711 encourages the coordination of the community schools with other service programs including CETA, Headstart, Public Health Services, and the Older Americans Act.

As chairman of the Senate Committee on Aging, I have witnessed the successful teamwork among community schools, senior centers, and our older Americans. Such cooperation with aging programs—as well as child services, health services and employment programs—builds bridges of communication and interests throughout the community.

Mr. President, community education works. I am proud to join Senator WILLIAMS and Senator PELL, chairman of the Subcommittee on Education, in sponsoring this most worthwhile legislation. I am hopeful that the Congress will act favorably upon this legislation and allow a growing movement to spread throughout every community in our country.●

NATIONAL ENERGY PLAN OPTIONS UNDER ASSUMPTIONS OF NATIONAL SECURITY THREAT

● Mr. DURKIN. Mr. President, it is important that every fresh view of our Nation's energy crisis be presented to Congress as it continues to deliberate proposed Federal solutions. Representative JEFFORDS, who represents my next door neighbors in Vermont, recently requested that the Library of Congress assess the extent to which the national energy plan reflects the urgency of our situation. I found the resulting report very interesting reading and commend it to my distinguished colleagues.

The study asks the question whether the policies set forth last April 20—when we declared the "moral equivalent of war" on our energy problems—are consistent with what would have occurred if we were fighting a real war. It concludes that certain features of the national energy plan could be strengthened. I was particularly interested in its conclusion that "a massive industrial and energy production effort will be needed even to achieve the plan's own quantitative goals" and pointing to resources like small-scale hydroelectric installations at existing dams as having great potential.

There is much in this study that should be scrutinized closely. For example, it suggests that rationing should be playing a larger role than at present—something I have my own very serious doubts about at the present time especially in light of the inadequate emphases on alternative means of transportation. Nonetheless, the study offers an original approach to analyzing the energy policies we are considering which deserves to be aired. Representative JEFFORDS deserves our congratulations in suggesting that it be done.

I submit for the RECORD the study and the letter.

The material is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 14, 1977.

Hon. GILBERT GUDE,
Director, Congressional Research Service, Library of Congress, Washington, D.C.

DEAR GIL: The President has stated that the energy crisis is our greatest challenge, terming it the "moral equivalent of war."

I am concerned that the present energy legislation, in regard to its treatment of alternative, or renewable, energy technologies, does not reflect the urgency of our situation. I would request that a paper be done, specifically by Ms. Frances Gulick, of the Environmental and Natural Resource Division, addressing what specific measures, both administrative and legislative, would have to be taken in order to promote these technologies under the assumption of a national energy emergency, i.e., wartime conditions. Preliminary discussions with Ms. Gulick have already occurred.

Thank you very much for your help in this matter.

With best personal regards,
Sincerely,

JAMES M. JEFFORDS.

THE NATIONAL ENERGY PLAN OPTIONS UNDER ASSUMPTIONS OF NATIONAL SECURITY THREAT

ABSTRACT

Purpose and scope

In presenting his national energy program the President based his case for that set of extraordinary measures on a perception of a serious threat to national and free world security. That threat would mature to crisis in the mid-1980s, as projected by the President, when world suppliers of oil would be unable or unwilling to provide enough oil to meet world needs and prevent economic chaos. In this analysis, the dependence of the U.S. and the free world on imported oil places free world economic, political and military health at grave near-term risk, requiring an accelerated program to reduce oil import dependence and a shift to other fuels, all with the equivalent of wartime urgency, vigor and scale.

During the ensuing months of executive and congressional action, many commentators have noted that neither the concrete elements of the President's plan nor the nature and pace of congressional action have been consistent with a credibly projected near-term national security crisis.

In response to a congressional request, this paper explores the types of programs and rationales that would be consistent with a credible, near-term national security threat of the nature described above, based upon analogous or comparable war-related mobilizations in the past. This analysis does not assess the relative merits of the President's projection of national security threat of crisis dimensions against other less drastic interpretations but accepts that projection and the need for wartime emergency measures as assumptions for this paper.

The leading executive role

A serious threat to national security always calls for a leading Federal role. In previous instances, the Executive branch has taken the responsibility for getting done whatever was necessary. Congress has provided support, funds, oversight, and sometimes legislative authority after the fact.

In an energy crisis that threatens the national security, the Executive branch could be expected to assume and exercise major authorities dealing with both the supply and the use of fuels and energy. Tasks which the Executive branch has assumed in the past in situations of real emergency include:

Defining the nature of the threat to security.

Setting production targets and mobilizing the U.S. industrial base for expanding the domestic supply of fuels and energy, munitions and industrial products needed to meet the emergency.

Placing large orders for the goods and services required to carry out direct Federal operations.

Setting priorities for use of critical materials and restricting their use by industry.

Enlisting and mobilizing public and private participation and support.

Maintaining the strength of the international collective security system.

Industrial mobilization for national goals

In earlier instances of national security emergency, large scale direct Federal procurement of goods and services in pursuit of industrial production goals aligned with national security objectives provided the primary Federal management tool by which such national goals could be both established and achieved.

Although the Federal Government set the production goals, the speed with which the targets were achieved depended on a close partnership between the Federal Government and private industry. This involved an exercise of Federal regulatory authority to allocate scarce materials, coupled with restrictions as required to limit non-priority uses, which was put at the service of the U.S. private industrial production sector, and close mutual exchange of information.

A similar partnership is possible now to fulfill the quantitative goals set in the National Energy Plan, accelerating the production of equipment and facilities using renewable and other fuels alternative to oil, through large scale Federal purchases for its own use of such items as the following:

Synthetic fuels, including oil from shale and coal, fuel from waste and gasoline substitutes.

Electric or other non-gasoline using vehicles.

Solar heating and cooling, photovoltaic and wind energy conversion systems.

Industrial facilities for waste recycling, cogeneration of heat, environmental protection, hydro-electric turbines and generators, fluidized bed combustors and other equipment permitting retrofit for the use of fuels other than oil.

Since the Federal Government owns, annually procures and maintains hundreds of thousands of buildings and vehicles for its own public services, accelerated procurement for replacing and retrofitting existing federally-owned capital stock could be sufficient to underwrite and accelerate an expanding private industrial production capability in equipment using fuels other than oil.

The public market for such equipment may be enlarged by enlistment of State and local government purchases for which Federal fiscal or other assistance may be provided.

Federal intervention is limited in time

During World War II and the Korean War, substantial Federal intervention and redirection of private industrial production to meet national security production goals was accepted in large measure because it was con-

ceived of as essentially temporary, "for the duration". There was general agreement on the wartime goals—defense of democracy, defeat of its foes—but there was also general agreement that, with victory, national production would revert to private hands, its output again determined by civilian consumption choices and needs.

Clearly, a direct analogy cannot be drawn with the present situation. "Victory" will not be "won" by 1985: Under the most optimistic scenario proposed, achievement of the Plan's 1985 energy goals would still leave the U.S. depending on annual imports of about 6 million barrels of oil a day. However, the accelerated Federal procurement program explored in this paper as an option would not be needed after 1985. It is expected that by then private sector demand could and would take over the process of expanding the volume and scope of the Nation's conversion to the use of fuels other than oil.

The congressional role

Historically, legislative measures enacted during periods of national security or wartime emergencies have served primarily to support presidential initiatives and decisions with such additional tax and other authorizations and appropriations as were considered necessary. Any or all of the executive measures outlined in the preceding section could be launched by the President under authorities and congressional consent procedures in laws still in force.

However, Congress is by no means prevented from taking much stronger initiatives independently or supplementing Executive initiatives in dealing with situations involvng risk to national security. Congress retains and may wish to exercise the option to assume a much stronger leading role in the design and rationale of new national policies intended to reduce U.S. dependence on imported oil, and independently promote the Federal procurement and other oil import saving programs which could realize in time this national security goal.

I.—THE NATIONAL ENERGY PLAN IN NATIONAL SECURITY TERMS

The President has defined the energy problem facing this country as one of grave and near term danger to national security. He set U.S. energy demands in a world context, as an approaching crisis of the mid-1980s when world suppliers of oil would not be able or willing to export all the oil needed by the U.S. and the free world. The resulting international tensions, competition for imports of oil, and slow down in the free world's economy would threaten "national catastrophe." The crisis point sometime in the 1980s, according to the President's perspective, is not self-imposed but will be determined by world events and trends which are now largely outside of domestic control.

The President's assessment

In a nationwide address April 18, 1977, the President described the approaching dangers in very strong terms.[1]

Tonight I want to have an unpleasant talk with you about a problem that is unprecedented in our history. With the exception of preventing war, this is the greatest challenge that our country will face during our lifetime.

The energy crisis has not yet overwhelmed us, but it will if we do not act quickly. . . .

The oil and natural gas that we rely on for 75 percent of our energy are simply running out. . .

Our Nation's economic and political independence is becoming increasingly vulnerable. Unless profound changes are made to lower oil consumption, we now believe that early in the 1980's the world will be demanding more oil than it can produce. . . .

We will constantly live in fear of embargoes. We could endanger our freedom as a sovereign nation to act in foreign affairs. Within 10 years, we would not be able to import enough oil from any country, at any acceptable price. . . .

Inflation will soar; production will go down; people will lose their jobs. Intense competition for oil will build up among nations and also among the different regions within our own country. This has already started.

If we fail to act soon, we will face an economic, social, and political crisis that will threaten our free institutions.

Seven months later, the President warned again of the encroaching threat to national security, if the rising dependence on foreign oil is not reversed soon.[2]

If this trend continues, the excessive reliance on foreign oil could make the very security of our Nation increasingly dependent on uncertain energy supplies. Our national security depends on more than just our Armed Forces; it also rests on the strength of our economy, on our national will, and on the ability of the United States to carry out our foreign policy as a free and independent nation. America overseas is only as strong as America at home.

The Secretary of Defense said recently, "The present deficiency of assured energy sources is the single surest threat . . . to our security and to that of our allies."

STATEMENT BY THE SECRETARY OF DEFENSE

The Secretary of Defense elaborated this concern in his testimony before the House Ad Hoc Committee on Energy on May 4, 1977: [3]

I do not believe my present responsibilities as Secretary of Defense make me aware of the very substantial impact, in fact, the crucial nature, of the energy shortage and of the need for a U.S. program to redress it. In fact, there is no more serious threat to the long-term security of the United States and to its allies than that which stems from the growing deficiency of secure and assured energy resources. . . .

The threat to national security, the economy and our way of life which arises from the energy crisis is not yet fully recognized by all. Some refuse to accept the fact that the energy crisis is real, and that its solution will require the development of a national policy and purpose commanding the dedication of the Nation, its resources, and its people over many years. Ultimately, the only alternative is disaster.

We are all familiar with the continuing risk of oil supply interruptions and upward pressures on prices from politically motivated embargoes such as experienced 4 years ago. Much less attention has been given to the potential for a much more serious interruption of oil supply by hostile forces in time of war. In the event of some future confrontation, the Soviet Union might be able to restrict access of the Western World to its essential oil supplies to a degree of severity and duration greater than any embargo by the oil producers. The U.S.S.R. might attempt to deny access to the oil of the Persian Gulf by direct attack on the facilities of the major oil-loading ports, which lie near Soviet territory. Simultaneous action to interdict on the high seas tanker movement of oil from other exporting nations could vastly exacerbate the oil supply situation for the United States and its allies.

The military, political, and economic risks of oil interruption are very real, and are steadily increasing as dependence on imported oil continues to grow. . . .

There is a third and greater energy threat to the Nation which has until recently received all too little popular attention, but which, as the President has said, should be the foremost consideration in development of national energy policy. This third threat is neither military nor political. It is, quite simply, resource depletion. A finite world supply of oil and gas will soon repeat the cycle so long evident in the United States. Growth in producible reserves will slow, halt and then go into decline as the remaining proven undiscovered resources grow smaller and the rate of discovery diminishes in the face of steadily increasing demand. The annual expansion in worldwide production which has been the foundation of 20th century world economic growth will level off and begin to decline.

Arguments that much greater hydrocarbon reserves remain to be discovered miss the point. A growing consumption rate assures that even if so they too will be quickly consumed. . . .

I believe there is comparatively little time for the United States to respond to the President's call and move toward reducing its dependence on imported oil. Failure to do so will impose increasing risks to our national security in the next few years and lead inexorably to the collapse of the world oil supply/demand balance in the next decade. Should that occur the effects on the security and economic viability of this Nation and the free world will be catastrophic.

II—PRIMARY FEDERAL TASKS IN A NATIONAL SECURITY RESPONSE

Almost by definition and by law and precedent,[4] any program designed to cope with a serious threat to national security serves to legitimate a leading Federal role. This role involves several complementary activities:

Primary executive responsibility

Previous experience has featured an Executive branch with primary responsibility for shaping and launching the Nation's response, particularly to:

Identify the nature of the threat and design the response.

Set quantitative targets for industrial goods, manpower, production of additional munitions, fuels and other resources needed to offset or at least forestall the threat.

Direct large scale procurement of the goods and services needed.

Determine and award priority access to critical materials to serve production targets aligned with national security goals, and restrict nonpriority uses when required.

Enlist and mobilize broad participation and support from State and local governments and the private sector as a whole.

Maintain the strength of the international collective security system.

The supporting congressional role

The role of Congress in national security emergencies has been primarily one of authorizing and supporting executive initiatives, particularly to:

Authorize, where needed, the exercise of existing contingency emergency powers.

Enact additional tax, loan guarantees and investment write offs designed to accelerate industrial plant conversion and to offset wartime risks.

Appropriate additional funds as required to pay for federally procured goods and services or other programs to meet the goals.

Supplement executive policy and program initiatives with congressional proposals developed independently if executive programs appear to be inadequate.

The wartime experiences, including the pre-war periods of preparation, from which these generalized precedents have been drawn are not directly comparable, even with each other: World War II involved much more widespread controls and more complete mobilization and conversion to war production of the national industrial base than did the Korean or the Vietnam wars.

In all instances, however, large-scale, direct Federal procurement of goods and services, in pursuit of production goals aligned with national security objectives, provided

Footnotes at end of article.

the primary Federal management tool by which such national production goals could be both established and achieved.

III—NATIONAL ENERGY PRINCIPLES IN THE CONTEXT OF A NATIONAL SECURITY RESPONSE

The President presented ten fundamental principles as the underlying rationale for the National Energy Plan and the framework within which present and future policies must be formulated.[5]

The 10 principles

In summary, the ten principles are:

(1) The energy problem can be effectively addressed only by a government that accepts responsibility for dealing with it comprehensively and by a public that understands its seriousness and is ready to make necessary sacrifices.

(2) Healthy economic growth must continue.

(3) National policies for the protection of the environment must be maintained.

(4) The United States must reduce its vulnerability to potentially devastating supply interruptions.

(5) The program must be fair. The United States must solve its energy problems in a manner that is equitable to all regions, sectors and income groups.

(6) The cornerstone of National Energy Policy is that the growth of energy demand must be restrained through conservation and improved energy efficiency.

(7) Energy prices should generally reflect the true replacement cost of energy.

(8) Both energy producers and consumers are entitled to reasonable certainty as to government policy.

(9) Resources in plentiful supply must be used more widely and the Nation must begin the process of moderating its use of those in short supply.

(10) The use of nonconventional sources of energy—such as solar, wind, biomass, geothermal—must be vigorously expanded.

There has been very little public disagreement with these principles. Although the Plan's goals and accompanying programs and policies have been assessed in depth in a wide range of official and unofficial studies,[6] the principles themselves have received relatively little analysis and attention.

It may be useful to review the underlying rationale reflected in the principles to determine whether they reflect the national security dimensions and urgency of the energy problem which the President and the Secretary of Defense have publicly described.

The first, sixth, and seventh of the principles laid down in the National Energy Plan arguably do not:

The Federal role

The National Energy Plan describes the Federal role as follows:

The first principle is that the energy problem can be effectively addressed only by a Government that accepts responsibility for dealing with it comprehensively, and by a public that understands its seriousness and is ready to make necessary sacrifices. The declining availability of oil and natural gas will affect virtually all energy prices and consumption patterns in the United States, for the various energy supplies are all part of an integrated energy market. Therefore, in this democratic society, a solution can be found only in comprehensive government policy-making informed by public comment and supported by public understanding and action.

The Federal Government can pass laws and encourage action. State and local governments can play active roles. But this society can function at its best only when citizens voluntarily work together toward a commonly accepted goal. Washington can and must lead, but the Nation's real energy policy will be made in every city, town and village in the country.

Comment

The fact that "declining availability of oil and natural gas will affect virtually all energy prices and patterns of consumption in the United States" may not be considered a self evident reason for "comprehensive Government policy making." A substantial congressional and public constituency has argued the opposite case, namely that to remove current Government price and other regulatory-controls on oil and natural gas would enable the economy as a whole to adjust to a new "integrated energy market" with consumption patterns much more efficiently geared to the realities of declining oil and natural gas supplies, as prices rise to meet near term replacement costs measured by or against the price of imported oil.

If, however, the rationale can be persuasively recast so as to reflect the threat to national and free world security, as the energy problem is elsewhere defined by the President, the assertion of a Federal policy making role would presumably be far less objectionable to the public.

The rationale could be rephrased along these lines:

The first principle is that the energy problem can be effectively addressed only by a Government that accepts responsibility for dealing with it comprehensively, and by a public that understands its seriousness, and is ready to make necessary sacrifices.

The declining availability of oil and the increasing dependence of the U.S. and the free world on oil imports whose availability in volume sufficient to meet world demand cannot be assured presents an unacceptable risk to national and free world security. Therefore, a solution should be found in comprehensive Executive and Congressional leadership, informed by public comment and supported by public and private understanding and action.

The role of conservation and production

Further possible incongruity between the problem and the principles as defined is revealed in the sixth principle of the plan which sets forth the rationale for a dominant conservation role:

The sixth principle, and the cornerstone of National Energy Policy, is that the growth of energy demand must be restrained through conservation and improved energy efficiency. Conservation and improvement in energy efficiency is the most practical course of action for the United States and for the nations of the world. Conservation is cheaper than production of new energy supplies, and is the most effective means for protection of the environment.

Comment

As stated, this principle—as well as the complementary ninth and tenth principles calling for switching from oil to use of plentiful fuels and renewable resources—fails adequately to suggest the massive production effort on the other side of the demand-supply equation, which must be accomplished within a very short period of time.[7] To do this will require large scale replacement of existing petroleum-fueled capital stock with new equipment using other fuels, or large scale construction of synthetic oil production capacity using domestic raw materials or some combination of these. This in turn would require very substantial production efforts which, under the national security emergency thesis, would need to be accelerated to virtually war-time production rates.

Production of insulation is already insufficient to meet current demand. The manufacture heat pumps and co-generation facilities requires expanded production capacity that will need fuels and energy. When the fuel switching goals are added, the volume of production of new and improved energy-using equipment contemplated is formidable: fluidized bed combustors, scrubbers and other facilities to prevent environmental damage, a wide variety of solar collecting and solar using hardware, recycling equipment, solid waste conversion plants, methane and methanol and ethane and ethanol production systems, electric cars, batteries and recharging units. Production of these kinds of industrial equipment must be in addition to the massive production effort implied in the Plan's fuel balance tables to increase domestic supplies of nuclear energy, from 1976 levels of 1.0 MMb/doe to 3.8 MMb/doe; coal, from 7.9 MMb/doe to 14.6 MMb/doe; and domestic oil, from 9.7 MMb/d to 10.6 MMb/d.

To repeat, reduction of oil import dependence will not take place as a result of belt tightening alone; a major production effort will be required to produce the products which use non-petroleum based fuels alternative to oil and use all fuels more efficiently.

The language used in the Plan's statement of this principle, comparing the costs of conservation to production of new energy supplies,[8] suggests a failure to identify the fact that the financial problems confronted by energy users, on whose individual decisions the Plan heavily relies, are very different from those of oil and natural gas producers.

Oil and natural gas producers have traditionally financed new investment out of current cash flows, rather than through borrowing. Few energy end-users, small or large, residential or industrial, enjoy such luxury. Most must borrow at commercial rates.

Furthermore, oil and gas producers have a guaranteed market for their products for a long time to come, and can reasonably expect that profits will not diminish in the near future. Industrial energy users called upon to switch from oil and gas to alternative fuels when there may still be ten or more years of economical and productive use in existing boiler or generating plant risk losing competitive markets for their products if the full cost of the added capital plant replacement is passed on to the consumer, or taking a substantial cut in profits if it is not. Even greater risks face the individual householder whose available cash and credit may already be stretched to the limit.

The continued sluggishness in the U.S. and free world economies discourages bold private investments now for a future post-petroleum age.

The sixth principle could be enlarged to reflect the reality that a massive industrial and energy production effort will be needed even to achieve the Plan's own quantitative goals[9] and that Federal procurement of industrial goods enabling large scale conversion to fuels other than oil may be needed to meet the goals within the time frame of 1985. That principle might be restated:

The cornerstone of National Energy Policy is that the nation's dependence on imported oil must be reduced through accelerated programs to achieve conservation and improved efficiencies of energy use concurrent with a major energy and industrial production effort to permit the necessary switching to fuels other than conventional oil and natural gas, without damage to the environment. Federal procurement contracts should be used to accelerate and expand the capital plant production and conversion efforts needed in the private sector to meet the Plan's quantitative goals.

Energy pricing concepts

Similarly, the seventh principle, which sets the basic framework for the Plan's energy pricing policies, appears to suggest that the size and pace of national production and

Footnotes at end of article.

conversion efforts designed to deal with threats to national security should be left primarily to individual and collective market choice:

The seventh principle underlying the National Energy Plan is that energy prices should generally reflect the true replacement cost of energy. Energy prices should move toward a level that reflects the true value of energy in order for market signals to work in harmony with conservation policy. When the cost of expensive foreign oil is averaged with cheaper domestic oil, consumers overuse oil. Government policy that promotes overuse by artificially holding down prices misleads consumers into believing that they can continue to obtain additional quantities of oil at less than its replacement cost.

Artificially low prices for particular energy sources also distort interfuel competition. The artificially low price of natural gas, for example, has encouraged its use by industry and electric utilities, which could use coal, and has made gas unavailable for new households, which could make better use of its premium qualities.

Neither Government policy nor market incentives can create additional oil or gas in the ground. But from a long-term perspective, prices are an important influence on production and use. As long as energy consumers are enticed into believing that they can continue to pay yesterday's prices for tomorrow's energy, they will continue to use more energy than the nation can really afford, U.S. resources will be rapidly exhausted, and continued overuse will make the inevitable transition more sudden and difficult.

Although producers need incentives for exploration and new development, pricing policies should not give them windfall profits unrelated to their economic contribution. If producers were to receive tomorrow's prices for yesterday's discoveries, there would be an inequitable transfer of income from the American people to the oil and gas producers, and producers' profits would be excessive.

Comment

This pricing approach does not appear consistent with the President's placement of the national energy problem in the context of grave impending danger to U.S. and free world security, and with the fact that the presidentially projected period of time to prepare for and surmount, or at least forestall, the threat is limited.

It is generally accepted that in times of national emergency or threat to security, government intervention in the market to preempt and redirect resources to meet the emergency or danger is justified.

Under these circumstances, existing pricing concepts are likely to be superseded by other pricing arrangements adapted to the particular emergency. In some instances, this may involve strict price controls over either the whole economy or, on a more selective basis, over materials and products in short supply, in order to control inflation. Emergencies are also likely to involve expanded government procurement of necessary equipment, materials or services in which the negotiated price may, for example, include a premium to offset financial risk or be calculated on a cost-plus-fixed-fee basis.

Additional subsidies or other incentives have also been made available for emergency situations, such as war risk insurance, extraordinary grants or loans for construction of new or expanded industrial plants including, where necessary, construction of plants to produce capital equipment in support of an expanded industrial base.

Footnotes at end of article.

Nor has government intervention designed specifically to distort market pricing in the public interest been limited to emergency conditions. For fifty years, the U.S. followed a de facto national energy policy that deliberately chose to subsidize private producers to produce oil and natural gas, with the objective of providing expanding energy supplies at the lowest possible cost consistent with reliability of supply. The policy served the United States' domestic social goals for many years. It enhanced personal mobility and economic choice to an extent that would otherwise have been unattainable in an area as vast as this continent and, through the second hand car market, enabled a qualitative "redistribution of wealth" which has been envied even in more centrally planned economies.

The Federal Government may decide that subsidies on an equivalent or greater scale may be required if the use of unconventional sources of energy is, as intended by the Plan, to be "vigorously expanded." [10]

If revised and expanded to include a pricing option which discriminates in favor of renewable and recycled fuels so as to rapidly expand their availability and use, the rationale for future energy and investment pricing principles might be phrased along these lines:

The pricing and investment principles underlying the National Energy Plan include the concept that the prices for oil and natural gas, as for their more abundant but non-renewable substitutes of coal and uranium, should generally reflect the replacement cost of imported oil.

The subsidies provided for investment in equipment to manufacture or use renewable and recycled fuels, however, should generally reflect within five years the full replacement cost of capital needed for these tasks. This should apply to individual users who made such investments and to industrial users and producers of such equipment alike.

Energy users of renewable and other fuels alternative to oil ought to be given incentives equivalent in scope and value to those which were given to producers to explore and develop oil.

With or without generous tax and other business subsidies reflecting privately assumed risks of war-time proportions, large scale Federal procurement may be needed to underwrite an expanded private industrial production capability and to guarantee a continuing market for the new fuel conservation and fuel conversion equipment and facilities needed to make the transition to a less oil dependent age.

During World War II and the Korean war, substantial Federal intervention and redirection of private industrial production to meet national security production goals was accepted in large measure because it was conceived of as essentially temporary, "for the duration". There was general agreement on the wartime goals—defense of democracy, defeat of its foes—but there was also general agreement that, with victory, national production would revert to private hands, its output again determined by civilian consumption choices and needs.

Clearly, a direct analogy cannot be drawn with the present situation. "Victory" will not be "won" by 1985: achievement of the Plan's 1985 energy goals would still leave the U.S depending on annual imports of about 6 million barrels of oil a day even if these goals could be met—and most analysts conclude that they cannot. (See Annex I.) However, the accelerated Federal procurement program explored in this paper as an option would not be needed after 1985. Under the assumptions stated in this paper, accelerated replacement of federally-owned oil-using capital stock would have been largely achieved by 1985, and thus Federal procurement contracts could then revert to normal annual replacement levels.

The program could be designed such that by then demand in the private sector could and would be expected to drive the process of expanding the volume and scope of the Nation's conversion to the use of fuels other than oil.

IV—A NATIONAL SECURITY ORIENTATION FOR THE NATIONAL ENERGY PLAN

What specific executive and legislative measures could be undertaken more rapidly to convert the Nation's stock of capital plant and equipment by 1985 and to mobilize its industrial productive capacity to meet the national security dangers addressed by the National Energy Plan?

Executive measures

The President and his advisors have already undertaken the first two of the tasks historically assumed by the Executive in situations presenting foreseeable dangers to national security, and many of the rest can be undertaken within the framework of the annual Federal budgets and under existing powers.

Define the nature of the threat to security: The President has identified the nature of the threat and designed a response, in the form of the National Energy Plan, and the proposed National Energy Act.

Set quantitative targets: The President has set quantitative targets, to be accomplished over a period of about eight years, intended to meet three "overriding" energy objectives:

As an immediate objective that will become even more important in the future, to reduce dependence on foreign oil and vulnerability to supply interruptions;

In the medium term, to keep US. [oil] imports sufficiently low to weather the period when world oil production approaches its capacity limitations; and

In the long term, to have renewable and essentially inexhaustible sources of energy for sustained economic growth.[11]

Among the specific quantitative goals identified in the Plan are the following intended to be achieved by 1985: [12]

Establish a Strategic Petroleum Reserve of one billion barrels;

Reduce gasoline consumption by 10 percent below the 1976 level (6.3 million b/d as compared with the 1976 consumption rate of 7 million b/d);

Increase coal production from 1976 output of about 600 million tons to more than one billion tons annually, anticipating substitution of coal for oil or natural gas equivalent to 2.2 million b/doe for industrial uses and 1.1 million b/doe for utilities; [13]

Insulate 90 percent of the approximately 74 million existing residential units and all new buildings;

Install solar energy in more than two and a half million homes;

Limit U.S. oil imports to 5.8 million b/d by 1985.

Place orders for large scale Federal procurement of goods and services: Except for purchases for the Strategic Petroleum Reserves, Federal procurement has not yet been employed on any significant scale to underwrite the capital plant conversion and production efforts required to achieve the quantitative goals of the Plan.

The opportunities and authorities for an accelerated exercise of this power exist, however, and could, for example, be used in the following ways:

Synthetic Fuels: Long-term Federal contracts for procurement of oil from shale or other synthetic fuels for Department of Defense uses and stockpiling in the Strategic Petroleum Reserves could be negotiated on a cost basis. Pilot tests using synthetic fuels

from coal, shale oil and tar sands have already been conducted under DOD-ERDA financing. DOD consumption of petroleum was 173 million barrels in 1976, about 450,000 barrels per day.

"Gasahol": Federal multiyear contracts for purchase of various forms of nonpetroleum substitutes for gasoline and a Federal commitment to use such substitutes for a least 10 percent of gasoline consumed in federally owned vehicles could be used to guarantee a private sector industrial production capability for these fuels. This would amount to annual purchases of 1.6 million gallons of gasoline substitutes, at 1976 consumption levels.

Electric or Other Non-Gasoline Using Vehicles: As of mid-1976, the Federal Government owned 425,226 motor vehicles, operated at an annual cost of $664.5 million (including depreciation) and using the equivalent of 16 million barrels of oil a year.[14] Excluding buses and ambulances, the Federal Government acquired 19,155 vehicles and disposed of 14,014 in 1976. P.L. 94–163, the Electric and Hybrid Vehicle Research Act, mandates Federal purchase or lease of 2,500 electric or hybrid vehicles by mid-1978 and an additional 5,000 by April, 1981, subject to certain conditions. It also calls for introduction of electric and hybrid vehicles into Federal fleets, including the U.S. Postal Service, GSA, DOD and other agencies "as soon as possible." Incremental costs, as required, including differential operating costs may be underwritten by the ERDA budget. Accelerated and additional purchases would be possible through the annual Federal budget authorization and appropriation process.

Photovoltaic electric power generating panels, also federally procured, could be installed at Federal facilities or at gasoline stations serving Federal fleets, as supplementary battery recharging services for electric vehicles.

Solar Heating and Cooling and Photovoltaic Energy Systems: Programs included in the National Energy Act as tentatively agreed to by both House and Senate conferees call for installation of solar heating and cooling in about 3,000 Federal buildings in 3 years, at a cost of $100 million, and installation of up to 30 megawatts of photovoltaic energy systems, at a cost of $98 million over 3 years. Both Federal purchase programs were intended to accelerate the commercialization of solar energy and, in the case of photovoltaics, to "temporarily create through government procurement a large enough market for solar cells so that mass production techniques will be instituted in their manufacture thus driving down the cost of the cells and consequently simulating a higher private demand for the solar cells." [15]

Since the Federal Government owns over 400,000 buildings, additional Federal procurement could be used to purchase and install such equipment in many thousands more buildings to expand more rapidly the industrial production capacity of the private sector and to standardize prices and performance criteria for these products. If final action on the National Energy Act is delayed, Federal procurement can be authorized and funded through the annual Federal departmental authorization and appropriations process.

Other Federal Procurement Orders: Federal procurement contracts could also be employed to enlarge and underwrite the market for waste recycling, cogeneration systems, wind energy conversion systems, environmental protection equipment, fluidized bed combustion devices and other equipment needed to convert Federal industrial and electric power generating plants from the use of oil and gas to coal, installing them in all facilities now operated by the Federal Government, including the Department of Defense, ERDA laboratories and the major Federal power administrations—Bonneville, Alaska, Southwestern and Southeastern.

In a report, "Estimate of National Hydroelectric Power Potential at Existing Dams", published July 20, 1977, the U.S. Army Corps of Engineers concluded that the development of all hydropower potential at existing dams could generate 160 billion Kwh of electricity and save 727,000 barrels of oil per day. Only 5,500 of the 49,500 dams in the U.S. are owned and operated by the Federal Government. Under a national security rationale, the Federal Government could elect the option of assuming the full capital cost of developing the maximum potential in all other dams as well, whether publicly or privately owned, in order to accelerate the availability of this additional supply.

Determine priority access to critical materials and restrict uses when required by national security: Under the Defense Materials System and the Defense Priorities System, the Department of Commerce and the General Services Administration have authority, delegated by the President, to allocate scarce material for production of items deemed essential for national security. This is done under procedures first adopted in World War II, subsequently authorized under the Defense Production Act of 1950, as amended, recently extended through September 30, 1979 by P.L. 95–37.

These authorities have been invoked for production of equipment needed for the Alaska Pipeline and could be invoked, if needed, for expanded production of capital goods and equipment using renewable and other fuels alternative to oil, such as those suggested in the previous section.

The President also has authority under Section 232 of the Trade Expansion Act of 1962, as amended, to limit imports of any commodity upon a finding that such limitation is required to prevent impairment of national security.

In a recent decision involving imposition of oil import fees, the Supreme Court ruled that the President's authority to limit imports for national security reasons included the authority to do so by means of license fees and was not limited to the use of quantitative methods such as quotas.[16]

The President's power to redirect energy uses by quantitative limitation is augmented by powers enacted in EPCA (P.L. 94–163, Section 457) which authorize him to impose direct controls on refinery operations to adjust the proportions of residual fuel oil, gasoline or any other refined petroleum product if he determines such adjustment is necessary to provide for public health, safety and welfare and the national defense.

Enlist and mobilize broad public and private sector participation and support: During World War II and the Korean War a significant component of the high level of popular support for the national defense effort derived from the enlistment of private sector participation in the production planning process, as well as in the production effort.

Although production goals and priorities were set by the Executive Branch, the pace of production was determined by private industry. The planning procedures and accelerated production pace depended on close consultation and continuing detailed exchange of information on materials requirements and progress of the industrial production efforts at all levels and stages. This close mutual involvement in the planning process helped to produce a sense of national partnership that tended to transcend contractual relationships.

Large scale Federal procurement in support of quantitative energy goals could also help to mobilize popular participation and support for a national energy plan cast in national security terms. Negotiations on the terms and scheduling of substantial contracts for the production of synthetic fuels and equipment using non-petroleum based fuels provide both the ends and the means for direct enlistment of the private sector in broader participation in planning for and achieving these national energy goals.

A national industrial production program geared to the achievement of accepted energy goals provides a valid base for national or local campaigns to sell energy production or fuel conversion bonds and stamps to mobilize both extra capital and popular support.

The public market represented by Federal procurement could be substantially broadened by Presidential enlistment of State governors and county and municipal executives in a similar expanded procurement effort to convert State and local capital plant and equipment in publicly-owned and financed facilities and services to renewable and other fuels other than oil.

The overall size and mix of a public market for synthetic fuels, vehicles fueled by alternatives to oil, solar equipment, waste conversion and recycling plants, efficient coal using combustors and environment protection devices, district heating and cogenerating facilities depends on projected demand. Contracts to meet this demand will require consultation and mutual cooperation between the Federal Government and State and local governments, between the public purchaser and the private producers.

Large scale Federal procurement orders can provide a clear and unambiguous evidence of Federal commitment to the declared national security energy goals. The planning, contract negotiation and production processes themselves could be a means, once more, by which a nation and its citizens can be convinced of the seriousness of the threat to national security created by our present dependence on imported oil and, having been convinced, mobilized in its defense.

Maintain the strength of the international collective security system: A threat to national security is by definition a danger that, if not resolved or forestalled, threatens either war or sufficiently massive political or economic disruption that our antagonists need not resort to war to achieve their aims.

It is the latter danger which the President foresees as facing the U.S. and its industrial allies and seeks to forestall sufficiently to "weather the period when world oil production approaches its capacity limitation; and in the long term to have renewable and essentially inexhaustible sources of energy for sustained economic growth." [17]

The United States presently depends on oil for 47 percent of its total energy needs and is now importing nearly half of all oil consumed in this country. Other industrial democracies are still more vulnerable to supply interruptions: Western Europe depends on oil for 63 percent of its total domestic energy consumption, and imports 97 percent of that oil. Japan is 80 percent dependent on oil and imports all of it.

The volume of physical capital stock of oil-fueled vehicles, heating and cooling systems, industrial boilers and generating plants which these proportions represent is gigantic. Much of this stock—for Europe and Japan as well as the U.S.—still has ten years or more of usefulness. Much of this capital stock must be replaced much earlier by equipment and facilities using fuels other than oil if the security goal of reduced dependence on imported oil is to be achieved by the mid-eighties.

Footnotes at end of article.

The collective security arrangements which have served to prevent the outbreak of global war have been successful because they were backed by and negotiated from a position of military, industrial and economic strength. A critical element of that strength was the prompt supply of military and industrial goods and equipment transferred in large volume, by aid and trade, to the members of the North Atlantic Alliance by the United States, acting as the "arsenal for democracy."

As the President and the Secretary of Defense pointed out in their testimony, our continued and increasing dependence on imported oil is weakening that industrial and economic strength and is making our military defense increasingly vulnerable as well, placing the whole post-war structure of international security at risk.

Achievement of the U.S. energy goals stated by President Carter would undoubtedly play a major role in reducing U.S. vulnerability to interruptions in oil import supply but these goals may still leave U.S. allies exposed to unacceptable risks. U.S. security interests may require further expansion of U.S. industrial production capacity and delivery of an additional substantial volume of equipment using non-petroleum based fuels to enable substantial replacement of our allies' oil-using capital stock earlier than would otherwise occur.

Federal procurement and delivery of such items can be done within the framework of existing collective security agreements and assistance programs. There is also historical precedent for assistance to NATO allies to increase their industrial capacity for equipment essential to collective security and free world strength. During the 1950's, U.S. assistance was provided for a Joint Military Production Program financing additional production capacity based in Europe for designated equipment. A similar joint program could be undertaken to accelerate production and use of equipment and facilities using fuels alternatives to oil.

Legislative measures

Historically, legislative measures enacted during periods of national security or wartime emergencies have served primarily to support presidential initiatives and decisions with such additional tax and other authorizations and appropriations as were considered necessary. Any or all of the executive measures outlined in the preceding section could be launched by the President under authorities enacted in laws still in force. Legislative measures could be limited to no more than those required to fulfill such procedures as may be needed to authorize the exercise of some emergency powers,[18] to enact additional tax and other fiscal measures to raise revenues, and to appropriate funds as required to pay for federally procured goods and services or other programs administered by Executive Departments to meet national energy goals.

However, Congress has the major option of taking much stronger initiatives independently or supplementing Executive initiatives in dealing with situations involving risk to national security.

The energy record of the 93rd and 94th Congress and during the first session of the 95th provide concrete evidence that the legislative measures Congress may choose to enact by no means constitute passive endorsement of the energy initiatives of three Presidents who have urged early approval of their proposals.

Congress retains and may wish to exercise the option to assume a much stronger leading role in the design and rationale of new national policies intended to reduce U.S. dependence on imported oil, and independently to promote Federal procurement and other oil import saving programs which could advance this national security goal.

FOOTNOTES

[1] The President's Address to the Nation, April 18, 1977, in Weekly Compilation of Presidential Documents, Monday, April 25, 1977. Vol. 13–No. 17.

[2] The President's Address to the Nation, November 8, 1977, in Weekly Compilation of Presidential Documents, Monday, November 14, 1977. Vol. 13, No. 46.

[3] Hearings before the Ad Hoc Committee on Energy, U.S. House of Representatives, 95th Congress, First Session, on the National Energy Act. Hearings held on May 4, 5, and 12, 1977. pp. 69–72.

[4] Among general studies of earlier U.S. experience are: *The United States at War: Development and Administration of the War Program by the Federal Government;* prepared under the auspices of the Committee of Records of War Administration by the War Records Section, U.S. Bureau of the Budget DeCapo Press, New York, 1972, 555 p. *Industrial Mobilization for War: History of the War Production Board and Predecessor Agencies, 1940:1945,* Volume I, Program and Administration. Prepared by the Bureau of Demobilization, U.S. Civilian Production Administration, 1947, published by the U.S. Government Printing Office, 1009 pp. *Administrative Reflections from World War II,* by Luther Gulick, University of Alabama Press, 1948, 139 p. Industrial production experience during World War II and the Korean War was reviewed and analyzed in *Materials Shortages. Selected Readings on Energy Self Sufficiency and the Controlled Materials Plan.* Prepared by CRS for the Permanent Subcommittee on Investigations of the Committee on Government Operations. U.S. Senate. Committee Print, August, 1974, 256 p. and *Workshop on Resource Management,* Committee Print, report published by the same Senate Committee, February, 1975, 76 p.

[5] The National Energy Plan, pp. 25–32.

[6] See Annex I for a list of these studies and summary report on the oil import savings assessments.

[7] This point is made in, among others, the GAO, CRS, OTA and University of Texas staff assessments of the Plan. See Annex I for citations to these and other studies of the Plan.

[8] I.e. "Conservation is cheaper than production of new energy supplies."

[9] These goals are listed on p. 19 below.

[10] National Energy Plan, p. ix, 31–2 and 75–81.

[11] National Energy Plan, Overview, p. xi.

[12] *Ibid.,* pp. 83–4 and ff.

[13] Data on anticipated substitution provided in *Hearings* before the Ad Hoc Committee on Energy, on the NEA, *op. cit.,* Administration testimony and tables, pp. 210–11, submitted in response to questions by Congressman John Dingell, May 12, 1977.

[14] Federal leased vehicles are not included in this total.

[15] Report of the Committee on Energy and Natural Resources, United States Senate, on S. 2057, National Energy Conservation Policy Act, S. Rept. 95–409, August, 1977, p. 66.

[16] *Algonquin SNG vs. FEA,* U.S. Supreme Court Docket No. 75–382, June 17, 1976. See also Cabinet Task Force on Oil Import Control. The Oil Import Question: A Report of the Relationships of Oil Imports to the National Security, GPO, February, 1970. pp. 2–7, and 19–55.

[17] See p. 20 infra.

[18] For example, although the President is ordered under EPCA to design and issue regulations for a contingency plan for gasoline rationing, additional formal congressional concurrence is needed before the President may order such a plan to be put into effect (P.L. 94–163, Section 201(c)).

Federal procurement opportunities for increasing private sector industrial production capacity for selected oil-saving products

OIL SAVING PRODUCT	POTENTIAL FEDERAL MARKET	POTENTIAL OIL SAVINGS
Synthetic oil —Oil shale —From coal	Annual Department of Defense use=c. 180 million barrels of petroleum (est. FY 1978)	Up to 500,000 bo/day or 180 million barrels of oil (bo) per year.
Electric or other nongasoline using vehicles	Federal fleet (worldwide in 1976) = 425,000 vehicles. Annual new vehicle purchases=c. 20,000 vehicles.	Depends on degree of replacement of existing fleet: e.g. at 50% replacement=8 million bo per year or c. 22,000 bo/day.
"Gasahol" —Ethanol —Methanol	Annual gasoline use by Federal fleet=16 million barrels of oil equivalent per year.	Depends on degree of substitution for fuel in remaining gasoline-using cars: e.g. at 20%=1.6 million bo per year.
Photovoltaic and wind energy conversion systems Solar hot water and heating	400,000 federally owned buildings. In 1977, Federal buildings and facilities used: 36.6 million MGW hours of electricity and 22 million barrels of fuel oil.	Depends on degree of substitution: e.g. photovoltaic devices and solar hot water heaters could be installed in all 400,000 federally owned buildings.
Products which enable oil savings in industrial plants and utilities which burn oil= —Fluidized bed combustors —Environmental protection equipment —Cogeneration, district heating equipment —Waste-to-fuel equipment	[Not available at time of writing. DOD has about 55 large boiler plants in United States which could be converted to coal.]	Not available at time of writing.
Incremental hydroelectric power: —Turbines and generators	Federal Government owns only 5,500 of the 49,500 dams in the United States. If Federal procurement were employed to develop all the hydro potential of these 49,500 dams, additional power generated is estimated at about 60 billion Kwh of electricity=727,000 bo/day.	

ANNEX L—NATIONAL ENERGY PLAN: OVERVIEW OF THE PRESIDENT'S PROPOSALS—ISSUE BRIEF NO. 1B77060

(By Frances A. Gulick, Environment and Natural Resources Policy Division)

[Excerpts]

PRELIMINARY ASSESSMENTS OF THE IMPACT OF THE PLAN ON THE OIL IMPORT SAVINGS GOAL

Four congressional agencies—the Congressional Budget Office (CBO), the Congressional Research Service (CRS), the General Accounting Office (GAO), and the Office of Technology Assessment (OTA)—have completed preliminary assessments of the President's proposed National Energy Plan, in response to requests from Committees and Members engaged in marking up the Administration's omnibus bills, H.R. 6831 and S. 1469. All of these are agreed, with minor differences, that the direct and indirect price and other economic impacts of the Plan itself would not produce results very different from what might take place without the Plan, with oil product price increases of between 7 to 12 cents a gallon believed likely (not counting the impact of the Administration's proposed gasoline tax, a measure dropped in the House).

All of these assessments, however, also conclude that the Plan, even if enacted as proposed, could not produce the quantitative oil savings effects targeted in the Plan's goals because of shortfalls which would occur in virtually all other quantitative goals.

Congressional Budget Office

The CBO report, issued May 31, 1977, concluded that anticipated oil savings will reach only 3.6 million barrels a day, rather than the Administration's estimated 4.5 mb/d. About 0.6 of the 0.9 mb/d discrepancy, according to CBO calculations, results from lower estimates of coal conversion potential. The remaining 0.3 mb/d discrepancy is due to differing estimates of impact of home insulation and solar equipment tax credits.

The Congressional Research Service

Although no specific quantitative shortfall is provided, the initial CRS assessment, issued June 1, 1977, concluded that the Plan's estimated import savings are "optimistic and not likely to be achieved," although impacts probably will be higher than 7 mb/d, CRS analysists do not expect imports to exceed a ceiling of 12 mb/d, even without the Plan, because of other constraints.

A subsequent CRS report on "The Carter Coal Conversion Program," issued June 10, 1977, concluded that the 5.1 percent per year growth rate of energy input to industry forecast by the Plan from 1977 to 1985 is far too high. Based on historical performance of the U.S. economy since 1960, the rate would be closer to 3.1 percent, even subtracting recession-caused decreases, and would be further decreased by the effects of the Plan, as the Administration has since conceded Furthermore, costs assumed in the Administration's calculations—estimated at $6.4 million for a 25 megawatt boiler plus $1.9 million for a scrubber—differ markedly from a number of other industry estimates, such as those presented in testimony to the Texas Industrial Commission in January 1977 (about $10 million without scrubber) and estimates made by the American Boiler Manufacturers Association (that scrubbing investment for a 25 megawatt boiler would be about $5 million rather than $1.9 million). The CRS report concludes:

"In sum, the Plan claims an increased coal use in industry of about 200 million tons in 1985. The concerns raised in this paper call into question some 140 million of these tons, 120 million tons of which result from an improbably high estimate of rate of growth of energy demand and the rest of the result of unreasonably low Plan estimates of the cost of coal-burning equipment."

General Accounting Office

In a preliminary review of the Plan released on June 8, 1977, the GAO strongly criticized the Administration for proposing a Plan which could not meet its own goals, and concluded that further shortfalls would occur:

"We generally agree with these goals and believe that they can form the basis for developing a national energy policy between now and 1985. On the basis of our prior work, we believe that there is a serious energy problem and that the goals proposed by the National Energy Plan provide a useful way to address this problem. One fact that has not been widely recognized, however, is that the Administration did not design its Energy Plan to achieve the stated goals without unspecified voluntary actions or further mandatory actions not specifically identified except by example. Based on the Administration's own estimates, with a few exceptions, the plan will fall short of the goals—even if the Plan is fully implemented."

The GAO cited the following goals and administration estimates as evidence for this internal Plan discrepancy:

Administration's proposed energy goals for 1985

Reduce total energy growth to below 2 percent a year.

Reduce oil imports below 6 million barrels/day.

Insulate 90 percent of all buildings.

Use solar energy in 2.5 million homes.

Administration's estimate of what the plan can accomplish through 1985

Reduction to 2.2 percent.

Reduction to 7 million barrels/day.

Insulate approximately 60 percent.

Use solar energy in 1.3 million homes.

The report concluded:

"We believe that it is somewhat incongruous to ask the Congress to establish a set of National Energy Goals, and then propose a National Energy Plan that is not expected to achieve them. . . .

"Since under the best of circumstances, plans designed to meet goals often fall short, we believe that the plan should be redesigned to provide a reasonable opportunity of achieving the stated goals."

In its final version, issued July 25, 1977, the GAO concluded that the Administration's estimates for domestic energy supplies were overstated by a total of 3.9 mb/doe (of which coal shortfalls account for 2.3 mb/doe; natural gas, 1.0 mb/doe; and nuclear power, 0.6 mb/doe.) Consequently, the GAO believes oil imports would more likely be about 10.3 mb/d in 1985.

In a subsequent letter report issued October 14, the GAO released additional analysis of anticipated domestic oil production, concluding that crude oil production in the U.S. is more likely to be in the range of 8 to 9 mb/doe, rather than 10.6 mb/doe as the Administration has estimated: "This means that oil imports are more likely to be in the range 12–13 mb/d instead of the 6 mb/d which is the Administration's goal."

Office of Technology Assessment

OTA (in prepublication draft analysis released June 24, 1977, and a final report issued August 1977) also has concluded that although the Plan is a major move in the right direction, the levels of supply projected by the Plan represent the upper limits of capacity and supplies of all fuels are likely to fall below the Plan's goals.

Two assessments of the degree of shortfall are contained in the report, one by a Task Force on Energy Supply, which attributes the shortage to a wide variety of probable logistical and regulatory delays, another by the OTA staff using 1950–1976 historical trends in energy supply and demand. The Task Force concluded that shortfalls of between 5.0 to 6.0 mb/doe would occur with shortage in oil and natural gas totalling between 2.0 and 3.0 mb/doe, as much as 2.4 mb/doe in coal, and 0.6 mb/doe in nuclear energy. These would be offset, however, by reduced coal demand about 2.4 mb/doe lower than the Administration estimates, leaving a net shortfall of 3.6 mb/doe. The OTA staff concluded that the gap between U.S. energy demand and domestic supply would widen to 16.5 mb/doe if the historical trends in demand (averaging 3% per year) do not change and if aggregate domestic energy production does not increase faster than historic trends indicate it will. The OTA staff report stated:

"The 'historic trends' analysis suggests that international shortages and price rationing are inevitable if United States oil import demands are not reduced. The basic question appears not to be whether the economy can continue to grow under more stringent conservation policies but whether conservation measures can take hold fast enough to head off the crippling impact of abrupt oil shortages in 1985."

Other assessments

Dr. Hans Landsberg, economist and senior fellow at Resources for the Future, in a mid-May review of the Plan's fuel balances (Plan, p. 96) also pointed out that these projections revealed projected results significantly at variance with the Plan's quantitative goals: Energy demand, according to the figures provided in the fuel balance tables, would grow at an average annual rate of 2.5 percent not 2 percent. He considered coal conversion and nuclear power additions to be overestimated due to foreseeable logistical difficulties, by as much as 3 mb/doe and concluded that the nation will need, in the absence of drastic mandatory conservation and conversion measures, "3.5 to 4 million barrels per day of oil above and beyond the target, or total 1985 oil import volume of 10.5 to 11 million barrels—if we are lucky, that is."

Another study, representing the "independent and individual evaluations" of some of the members of the faculty and staff of the University of Texas at Austin, issued May 11, 1977, places the oil import gap at 4.2 mb/d by 1985, primarily because production of oil, natural gas, and nuclear energy will be less than the Plan's balance sheet projections because of constraints (mainly price, according to these analysts) built into the Plan. Oil imports are likely to be as high as 11.8 mb/d by 1985 unless more serious production efforts are undertaken.

The International Economic Policy Association (Washington, D.C.) also issued a preliminary appraisal in June 1977, with special emphasis on the international economic implications of "America's Oil and Energy Goals." Pointing out even if the Plan does achieve the goal (of 7 mb/d oil imports in 1985), the cost to the United States in that year would still be $37.1 billion (at a reference price of $14.52 per barrel, and in 1976 dollars). If imports do not drop to that level and reach 11.4 mb/d, the cost to the United States would rise to $60.9 billion for the year 1985 (also expressed in 1976 dollars and a $14.52 reference price).

Administration's IEA statement

Energy Secretary James Schlesinger openly conceded shortfalls in the Plan in his statement to the governing board of the 19-member International Energy Agency (IEA) in Paris on Oct. 5, 1977:

"What we miss this year we are going back for next year. Indeed, we chose in January and the following months to gauge just about what we thought we could get through, recognizing that what we were proposing was a moderate program, [although] extraordinarily hold in relation to prior accomplishments in Washington, D.C. The goals were quite modest in terms of the gravity of the problem."

At the same meeting, the members of the IEA agreed to limit their combined oil im-

ports to 26 mb/d by 1985. This will require all members other than the United States to hold imports at no more than current levels, and the United States to achieve a reduction in oil imports by 1985 to 5.8 mb/d, a renewed U.S. commitment which Secretary Schlesinger acknowledged other IEA members view with "understandable" skepticism.

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REMARKS OF SENATOR CLARK ON GRAIN SHIPMENT TO VIETNAM

● Mr. LEAHY. Mr. President, I call the attention of my colleagues to a statement by Senator CLARK a few days ago on the occasion of the dedication of a shipload of grain bound for use by hungry people in Vietnam. The grain was the result of private donations by people from all across the Nation, who also contributed funds to pay for the shipping. Senator CLARK felt that this act of American generosity is symbolic of the willingness of Americans to reach to help others in need, no matter who or where they are.

Mr. President, I submit Senator CLARK's remarks for the RECORD.

The remarks follow:

KEYNOTE ADDRESS BY SENATOR DICK CLARK

Thank you very much, I am very delighted to be included here today to join with you in dedicating this cargo of food for hungry people. I very much appreciate your invitation to join with you in the celebration of the purpose of this event—and I want to tell you something of what it means to me—and to many other Americans.

We celebrate first the event itself—grain for hungry people! It will supplement meals in schools and hospitals for some quarter million people for a year, a tremendous help! It will provide help that is badly needed by a people battered first by war, then by a winter of extreme cold, a summer of drought, and then, last year, two devastating typhoons, one in July and one in September. This grain will replace but a tiny fraction of the losses from those storms, but it will help many of those who need help most and at a time when the need is greatest.

Beyond that, we are celebrating the meaning of this event—the willingness of the American people to be generous!

I can think of no human activity of higher purpose than an effort by the people of one nation to reach out half way around the world to help the hungry people of another nation who differ in culture, in ideology, and some of whom, in the recent past, we fought against. To send food to hungry people we were previously at war with is not new for Americans. We did the same after World War I and World War II. I think our capacity of Americans for helping others is a continuing tribute to our people.

The wounds of war are always difficult to heal. In the very act of making war a nation calls forth almost incredible human dedication. Minds and emotions are caught in these conflicts, and that extends far beyond the battlefield.

Because the Vietnam war was, in one sense, an ideological war its bitterness did not end with the beginning of peace. Perhaps it is always that way with ideological wars, and perhaps that is something of a measure of the futility of such wars. For all these reasons, and others, the wounds of this war are deep. Only time can heal them—time and spiritual leadership from those dedicated to peace and reconstruction. This most divisive war in our history must be put behind us—not forgotten—but reconciled.

So it is that this grain becomes a symbol, important even beyond the value of the food dedicated here today. It is a symbol that says to the world that the American people understand the needs of those who are hungry, and who need help. It is a symbol that the Vietnam war is over—that the American people have put that war behind them and that we are willing to work together with that nation, and all nations of the world for peace and the peaceful pursuits of commerce and development.

One cannot help but be impressed by the basic generosity of Americans. American farmers and American citizens made this effort—not our Government. Against that background, the American response to the need in Vietnam is all the more dramatic. Farmers from Mid-western states contributed wheat. People from the entire U.S. contributed funds to buy more wheat to fill the ship. It is to them we pay our respects and celebrate this event. Church denominations contributed large amounts of money, and large numbers of other groups joined in as well—some 50 national organizations are endorsing this project. $700,000 had to be raised for ocean freight.

It was. Over $7 million have been raised by voluntary agencies for Vietnam since the war's end. The funds have come from individuals all over the country, press reports from now indicate that most Americans support the U.S. Government's making food and medicine available to Vietnam. And, they report that a very large majority of farmers favor making surplus grain available for use by hungry people in Vietnam.

So, we are also celebrating the symbolic importance of this cargo and the help it can give in healing the wounds of war—wounds both here and abroad, but, it offers still another symbol. It is a symbol of our willingness to get on with the business of life. Food is life. I want to talk about that for just a moment.

Four years ago, the eyes of the global community were focused on the World Food Conference being held in Rome. I was a delegate to that conference. It was a time of crisis. A long drought gripped Africa, the Indian subcontinent, many parts of Asia, and part of the Caribbean. Television was bringing the human dimensions of that disaster into our living rooms—and into the lives of millions of Americans. We were stunned and shocked by the magnitude of human suffering we saw. We were puzzled by the fact that on this planet where we enjoy such abundance, and which has the capacity to feed all its people, that millions should die from hunger and malnutrition.

The World Food Conference was held to organize and mobilize a global attack on hunger and poverty. It was recognized by all of us in Rome that the resources to overcome hunger were within our capacity to achieve.

Since the Rome Conference, we have had two years of good weather pretty generally around the world. Cereal stocks have been increasing steadily. Indeed, American farmers face a huge surplus of wheat and other food grains, and a surplus of feed grains as well. We are once again focusing our farm policy on the "surplus problem" in an attempt to protect large numbers of farmers from economic disaster.

The sobering fact is that except for the improvement in world food production caused by good weather—unusually good weather—little real progress has taken place toward achieving the objectives of the World Food Conference. There has been no real shift in priorities toward food and nutrition around the world—the shift which must be developed if the world food system is to direct food to those most in need of it, and if developing countries are to produce more of the food they need. The poor cannot afford to buy food—no matter how much food there is in surplus. Our stake in international development is vital.

The conditions of global social and economic injustice—poverty, disease, hunger, and illiteracy—are indeed a real threat to our own security. They are also a threat to our own morality.

Our people just cannot escape the impact of the following human statistics: of 4 billion people in the world:

Some 700 million adults are unable to read or write. That is 18 percent of the world's people—almost 1 in 5.

Of 1.5 billion people—over one-third are without effective health care.

More than 500 million people, 1 out of every 4, are suffering from severe hunger and malnutrition.

Approximately 800 million—20 percent—are so poor that they cannot expect any improvement in their conditions for the rest of the decade.

These are our people—human beings! And yet this is a world which, in 1977, spent nearly $300 billion on arms, while allocating

only $17 billion to solve pressing development needs.

This set of circumstances breeds instability, conflict and chaos. Furthermore, they are morally indefensible.

As the United States approaches its third century, economic relationships among the Western industrialized nations remain a vitally important element of our foreign policy. The growing economic linkages between the U.S. and the non-market economies add a second dimension to our global policy concerns, but our greatest challenge—perhaps our most difficult international issue of future decades—is our approach to the need for new international economic policies for the developing world. These are the challenges flowing from the so-called "North-South Dialogue". They are not well understood, but they are of growing importance to us. To us as a nation—and as human beings.

This dialogue poses an economic and social imperative for the developing world. But beyond that, I think there are ways we can and should support development and deal with world hunger.

We know more about the transfer of technology, and more about which technologies are appropriate to transfer. High yielding varieties, for example, must be specifically suited to each local area. Norman Borlaug has worked for years in Mexico on this problem, and progress has been made around the world.

Not only is the potential for increasing production around the world very great, but it is within reach of current technology. And, we appreciate the importance of proposing assistance on a scale local farmers can understand and use. It must be our goal to help the poorest farmers increase their yield—to feed themselves and those around them—in their local areas.

In addition, we now have a functioning network of international financial institutions to provide capital for agricultural development. These institutions increasingly believe agricultural development is a very high priority investment—a major policy shift for them. The World Bank, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, are examples. There are others. There is not enough capital, but the amount has increased significantly. And, there are many other international institutions which are working to transfer agricultural technology, including the U.N.'s food and agricultural organization, and major American and European foundations, among others.

And, it is an especially hopeful sign that some of the governments of low income countries are showing a new determination to develop rural areas, with emphasis on food production. Where the governments do not have such priorities, problems are worse.

I am optimistic because every country—Vietnam included—has the potential to feed its own people. In the meantime, they need our food aid—shipments of food like this one—starving people cannot exist on promises of development, no matter how real.

If we can deal with problems of international poverty and hunger, why are we not doing better than we are?

I think that two national attitudes are important deterrents to the change in national priorities that was envisioned in Rome in 1974. The first is a kind of conviction that very little can be done to combat a problem so pervasive, so longstanding, and so complex as international hunger. And, the second is the feeling that the bad crops of the early 1970's were exceptional and that recent good crops are normal—the feeling that there is no hunger problem any more.

In some ways, the second misconception is hardest to deal with. We did overproduce in this country, and in other countries during the last three years. And, in 1974 we probably did underestimate the world's capacity to produce over the long term. Americans and others who must deal with today's surplusses have difficulty believing that there are still hungry people in the world. But the problem of world hunger will be even more severe during the next drought because there will be more people. I repeat, it's not the world's total food supply that is the present problem. it is poverty—the inability to buy it.

It takes a great and continuing effort to focus the nation's attention and the attention of the world on such problems in the absence of a major and visible crisis. We must work to provide that effort. The Churches of our country have done more than anyone to address this problem.

The second misconception comes from a kind of new economic realism. The nation is in a process of re-evaluation—of facing limits. We no longer believe that we can have everything we want.

It is a commonplace among politicians and political pundits that many of our social programs of the 1960's were too ambitious. They raised unreasonable expectations. And, it is certainly a haunting reality that we cannot have all the energy we want, or at least all the petroleum we want, at low prices. The energy crisis (and the international financial crises energy costs are causing), is not only diverting the nation's attention from its poor and hungry—it has shaken our national conviction that we can deal with such problems.

Such questioning is healthy. Realism in terms of resources and resource use is long overdue. Realism in terms of international politics is a fine thing. But realism should not be confused with pessimism. Neither an over optimistic view of world conditions, nor an over-pessimistic view of what we can do should be permitted to force us to retreat from our important interests in international development and the problems of the world's poor people.

This shipment of grain is a statement to the world that this nation is not retreating from problems—that we will not retreat from our responsibilities. It is a statement that we are confident of our ability to help, and that we are reaching out to heal and mend and build.

It is partly because I can see progress like this that I am optimistic about the future. Because I am optimistic I would like to conclude with a quote from Senator Humphrey's statement on the International Development and Cooperation Act which he finished shortly before his death.

Hubert Humphrey believed:

"It is possible to make changes. We have demonstrated that there are few if any physical or technological barriers that this country is uncapable of overcoming, provided that we are willing to make the national commitment to do so."

or again—

"We are a young country with our future before us. Our people are builders. They are restless. They are energetic. They are idealists who want to put their ideals to the test. It is an exciting time. The frontiers of science and technology are constantly being pushed forward. But it is in the political, economic and social fields where mankind's ingenuity and inventiveness must now be directed."

Today, we are celebrating a demonstration of the willingness and ingenuity Hubert Humphrey was talking about. It is a joining together of the people of this country to deal with one international social problem. It is a restatement of his conviction that the poor people of the world can be helped—and that it is our best interest to help them. It is the right thing to do. And, it is a statement of our conviction that neither the complexity of the task nor the passing considerations of national or international politics should deter us from that responsibility. Thank you very much.●

VIOLENCE AND HUMAN RIGHTS D'ALOG IN SOUTH AFRICAN PARLIAMENT

Mr. CLARK. Mr. President, I would like to print in the RECORD a brief dialog from a recent debate in the South African parliament discussing violence and human rights. The eloquent remarks by Alex Boraine and the climate of debate in that legislature provide an opportunity for us to better understand the difficulties of change in South African society.

The material follows:

Dr. A. L. BORAINE. Mr. Speaker, the hon. member for Balberton has made a number of proposals and has asked a number of questions. Let me say immediately, in answer to his one question, which he says he has not received an answer to, that this party, as a party or as individuals, has never sought to meet with any leaders, Black, White or Brown, in an attempt to work against this Government in an unparliamentary way. That is the first reply, and I hope that hon. member will not ask that question again because we say this quite emphatically.

Secondly, the hon. member was very distressed about certain so-called facts from the book of Amnesty International. I have not read that book and know nothing about it, so I am certainly not going to defend it. All I can say is that if we are going to talk about facts—and the hon. member for Pretoria Central sought to distinguish between fact and fiction concerning Steve Biko—we must ascertain what the facts are. The facts are very few and very clear. Steve Biko is dead and that is a fact, not a fiction. He is dead from brain injuries. Thirdly, he is dead from brain injuries received whilst under the supervision of the security police. Fourthly, the fact is that the injuries were received whilst he was being detained under section 6 of the Terrorism Act. The fifth and final fact, to which I want to refer, is that he is, together with many others, dead in detention. Those are the facts, and no matter how much covering up is done, nothing can stand against those facts [Interjections.]

I now want to go on to talk about certain other aspects of the climate of violence which is so apparent in South Africa, and not only in South Africa but also in many parts of the world today. This is a frightening and sobering fact. It is a world-wide phenomenon, that is true, but we must address ourselves particularly to this phenomenon as it manifests itself in our society. The Sunday Express of 15 January listed 1,600 crimes of violence committed against known critics of the Government since 1964 and indicated that since that time, despite the large number of crimes committed, only two men were prosecuted. When the hon. the Minister of Police was asked to comment, he said then what he repeated in the House this afternoon—

What do you expect me to do about it? I am not a policeman.

I want to remind the hon. the Minister that he is in charge. He is the Minister of Police. So I must ask again, Who else must I ask but the hon. the Minister of Police? What is happening in this country where crime after crime can be committed and no one is ever charged or brought to book?

The MINISTER OF DEFENCE. That is a wicked statement.

Dr. A. L. BORAINE. Of course it is scandalous! [Interjections.] What is scandalous, however, is not what I have said, but the fact of what has happened. That is what is scandalous.

The MINISTER OF JUSTICE. That vicious insinuation is typical of you.

Dr. A. L. BORAINE. No, I am not making any insinuations. I am asking a question on

the basis of facts. The crimes of violence I refer to are not minor. They include attempted murder, bomb attacks, assaults, arson, the burning of churches and private homes, the destruction of cars, harassment and death threats. The victims include archbishops, priests, ministers, student leaders, journalists, members of Parliament, university lecturers, teachers, lawyers, and ordinary citizens.

An Hon. MEMBER. What is your point?

Dr. A. L. BORAINE. The point I am making is that violence is endemic to South Africa. Wherever that violence is committed—whether one talks in terms of left wing or right wing, whether one talks in terms of White or Black, whether one talks in terms of institutional violence or not—violence feeds upon violence and if there is one thing this country has to do with a great deal of urgency it is to tackle the whole question of the growth of violence and violent crimes in South Africa. [Interjections.]

The MINISTER OF ECONOMIC AFFAIRS. And the instigators of violence.

Dr. A. L. BORAINE. Yes, I agree, the instigators too.

Mr. H. E. J. VAN RENSBURG. Start with yourself in that case.

Dr. A. L. BORAINE. Mr. Speaker, I assume then that we are at one on this. I assume we are totally committed to every effort being made to withstand the growth of violence in South Africa. [Interjections.] Unfortunately, when one refers to a serious situation such as this, one hears the kind of comment I have just heard on my left, namely that some of us are responsible for the violence. Mr. Speaker, I reject that with the contempt it deserves.

The MINISTER OF DEFENCE. Just be careful that your little wings don't melt!

Dr. A. L. BORAINE. Sir, sitting opposite that hon. Minister, I have to be very, very careful indeed. There was a time when he said he was after my blood. But I am still waiting.

The MINISTER OF DEFENCE. We have known your sort for 300 years.

Dr. A. L. BORAINE. Yes, I am not scared of you.

Sir, the kinds of crimes I have referred to are now becoming almost a daily occurrence.

Mr. P. T. C. DU PLESSIS. Your uncle's name is Lenin.

Dr. A. L. BORAINE: One of the worst features of that was the recent deaths, whether of Rick Turner or of Dr. and Mrs. Smit, and the injuries sustained by Mr. Mtshali. Everywhere violence is on the increase in South Africa and unless we address ourselves to this major problem we are going to find ourselves engulfed by it. There are two approaches to this. On the one hand we can say that, in order to withstand the growing violence, what we have to do is to increase our Police Force and the arsenal of weapons and to improve our techniques. It is self-evident that even if we were to be the best in expertise, we cannot quell violence and crimes of violence by that method alone. What we have to do is to ask the hard question: What are some of the root causes of the violence that is taking place in our country right now?

Mr. P. T. C. DU PLESSIS: Boraine!

Dr. A. L. BORAINE: Mr. Speaker, the new hon. Minister of Bantu Administration and Development is on record as having stated certain aims with reference to his new job. I congratulate the hon. the Minister on his new job and wish him well in it. He has a very difficult task. I want to ask him whether he is serious when he says that among his aims are self-determination, human rights and majority rule. This is what I have seen quoted in the newspapers. I simply wish to ask him whether that is right.

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT AND OF INFORMATION: Yes, in the context of what I said.

Dr. A. L. BORAINE: Yes, I understand the context. I want to ask the hon. the Minister about that now, particularly in respect of human rights. I think there is a direct link between those who believe and perceive themselves to be oppressed or to have basic human rights denied them and the temptation to take the law into their own hands.

Mr. P. H. J. KRIJNAUW: You speak up for them.

Dr. A. L. BORAINE: I say that one can then meet force with force; one can meet violence with violence. If I read the statement of the hon. the Minister carefully and correctly, I believe that what he is saying is that one cannot do that, that one is not going to succeed in doing that. What we therefore really have to apply our minds to is to decide whether or not, at this moment in time in South Africa, men and women, Black and White, have access to basic, fundamental human rights. If the answer is "no", whether in respect of White or Black, we are in dire peril because history makes it abundantly clear that wherever people perceive themselves to be oppressed, whilst they may be held back by repressive measures, in the final analysis the rise of expectations, over which no one has any control, will cause them to use every means at their disposal to throw off what they see as oppression in order to attain the basic and fundamental human rights that I am talking about. Mr. Speaker, it therefore seems to me that if there is one thing that that side of the House and this side of the House should be in agreement on, it is to discover what these basic human rights are and to test whether in this society these human rights are available for all our people. Unless we do that, we can never expect any of our people to be responsible, to accept their duty as citizens and to adhere lovally to the country in which they find themselves and to which they belong.

Mr. T. LANGLEY: List them.

Dr. A. L. BORAINE: I should like to list just a few, Mr. Speaker, and to ask the hon. the Minister whether he agrees with me that these are very basic and fundamental human rights—these are not the possession of all our peoples—and whether or not he will agree with me that we should bend our minds, our wills and our energies to make sure that they are guaranteed. I shall list a few but I do so against the background of the fact that South Africa is not a signatory to the United Nations Declaration of Human Rights. It seems to me that one of the best ways in which we can answer the conflict and the problems which we face is to make what I can call a declaration of intent or a human rights manifesto which South Africa can stand on. We could then say both to the outside world and to those who live within the country, and particularly the latter: This is where we stand; now let us get there as soon as possible.

What are these? Obviously this is an enormous area but I focus on only six.

Mr. D. J. L. NEL: Come to the point.

Dr. A. L. BORAINE: The first one is for the benefit of the hon. member for Pretoria Central—unfortunately he has not availed himself of this right: Everyone has the right to work, to free choice of employment and protection against unemployment. We are faced with the spectre of large scale unemployment within our land. I understand that new statistics have become available only today from the Department of Statistics. These indicate that well over 600,000 Blacks are unemployed. I have not checked those figures but the hon. the Minister of Labour should know better than I whether they are correct. Certainly, this indicates that there are hundreds and thousands of people unemployed in South Africa today who are not even registered as unemployed. Therefore we have this enormous problem.

An HON. MEMBER: What about Britain?

Dr. A. L. BORAINE: Whether or not that is the case in Britain, has nothing to do with it. That is a stupid question. The fact of the matter is that unemployment is a very real problem and that people should have the right to work and the right to be protected when they are unemployed. There are laws on our Statute Books and it is true that there is a commission looking at some of them now. I want to suggest and propose that wherever laws exist in South Africa that make it difficult to defend this human right, the right to work and to be employed and the right of protection when one is unemployed, those Statutes ought to be repealed without delay. One will therefore have a declaration of intent on the one hand and a movement towards action on the other. Does the hon. the Minister think that unreasonable?

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT AND OF INFORMATION: I am listening.

Dr. A. L. BORAINE: The second basic human right is the following: everyone has the right to minimal housing. This does not mean a luxury penthouse or a grand house with many rooms.

I am talking about minimal standards. A major grievance for decades, among Blacks in this country, has been the denial, over many years, of home ownership. The desire and right to own or rent property, however humble, I submit is a fundamental right. The destruction of squatter camps, the wholesale movement of people and the denial of freehold compound the problems and only throw petrol on smouldering resentment in our major townships.

Everyone has the right to free elementary education which is a third very basic right. At the very heart of the conflict in South Africa, however, we find this incredible dilemma of Blacks who believe they are getting less than what is a basic human right. With the whole search for a new name, perhaps for a new character, there might well be new priorities—I hope there will be—but one of the finest things the Government could do now, with its new Ministers, is to say that education is education and belongs together and that one should group education under one heading instead of trying to look to one group and then to another. Make no mistake, whether they are right or wrong, the young Blacks in our townships today, who form the tinderbox, are going to say that as long as there is a separate department they are being discriminated against. I believe that the hon. Minister and Ministers have a remarkable opportunity to move South Africa forward towards human rights for all by doing just that.

Fourthly, everyone has the right to basic health care. If one looks at what is happening in many of our major centres, some of the health care that has been brought into being in recent years is quite remarkable. When one looks at our rural areas, however, at the people who are not in our homelands—and there are millions of Blacks who are not in homelands or in urban areas—and when one sees the hardship there, one cries out aloud for the basic human right of health care which involves an understanding of the land, a caring for the . . . [Interjections.] It means helping people in their feeding habits, family planning and building up a health care programme which would be available to all our people. Is there something wrong with that? Surely that is a basic human right?

A fifth basic human right is that all are equal before the law and are entitled, without any discrimination, to the equal protection of the law. I submit that it follows that no one, on that basis, should be subjected to arbitrary arrest, detention without trial or banning.

Last of all, everyone has the right to participate in the government of his own country. This point has been made before. The hon. the Prime Minister went to great

lengths to say just how this is being made possible for everyone within his own group. Someone suggested that we live in a fairyland, but the harsh reality, whether we like it or not, is that in South Africa we are interdependent. It is not only a case of Whites being dependent on Whites or English-speaking people on Afrikaans-speaking people, but Blacks on Whites as well. The time has come for us to accept that harsh reality and begin to change and move into this real life situation instead of imagining that we can arrange our lives in small compartments forever.

Therefore, in conclusion, the central question is how we are to achieve this basic human right of enabling all people to participate in a government of their own land and in the decisions which affect their own lives and destiny whilst maintaining basic human rights for Black and White alike. The irony is that the Government by withholding certain basic human rights in order to maintain them for the survival of the Whites, is putting in jeopardy the very future of all Whites in South Africa. I do not believe the final question regarding participation which I would like to raise now can be answered in this Parliament alone. If there is any sterility, then it is in continually debating among ourselves as though in this day and age we can make the decisions which affect the destiny and the lives of hundreds of thousands and millions of people outside. That is why our nation calls for a constitutional commission. That is why we have asked for the commission and that is why we stubbornly go on asking for a national convention.

Why should people be so surprised that we call for this? Was it not true that in 1909 when there was enormous anger, bitterness and fear in this country between White and White—the legacy of the Anglo-Boer War—an opportunity arose, through the wisdom of some people at least for people to come together, for divisiveness to be set aside and for unity to emerge? With hindsight we can say that they should have included all the peoples of this land. However, we can learn from that and we can say that unless we do this together and negotiate together, we perish together.●

THE READINESS OF OUR MILITARY FORCES

● Mr. HARRY F. BYRD, JR. Mr. President, I recently came across a very thoughful letter which appeared in the Washington Action Reporter, a publication of the Veterans of Foreign Wars.

This letter from a former marine sergeant raises serious issues with regard to the vitality and the overall readiness of our military forces.

Although the letter specifically addresses problems in the Marine Corps, many of the concerns expressed apply equally to the other services.

The concerns raised in the letter are not unknown to the Congress, but I do not believe there has yet been sufficient attention to them.

While some of the problems pointed to in the letter may be overstated, they are problems that few would deny exist in our Armed Forces.

I submit for the RECORD the abovementioned letter.

The letter follows:

I am writing to you in an attempt to bring to your attention a problem of grave national concern, the deplorable state of the U.S. military. On Sept. 17, 1976, I ended a two-year enlistment in the U.S. Marine Corps. During my enlistment I gained first hand knowledge not only of what the Corps should be, but also of what it actually is. Unfortunately, I have been forced to conclude that Washington is not aware of the magnitude of the problem. As a citizen I feel an obligation to report this to you so you, along with your constituents, may initiate necessary corrective action.

It is important to note that I am speaking in reference to the Marine Corps. My exposure to the other branches was minimal. However, I feel it is fair to assume that these problems are common to all branches. Members of the other branches I have spoken with have reinforced this conclusion. It is also important to note that I was an excellent Marine. I was promoted meritoriously four times within a 20-month period. I represented my regiment during the summer of 1975 as "The Marine of the Quarter." By the end of my enlistment I had over four months in grade as a sergeant. I believe in the Marine Corps and am proud to be a Marine. I am writing to you because I feel the Corps is still salvageable if it undergoes extensive changes immediately. A unit is only as good at its men. As it stands today, the Marine Corps is not capable of defeating a semi-disciplined, semi-dedicated, enemy unit in conventional warfare. Because of a breakdown in discipline and a jumbling of priorities the Marine Corps is no longer an effective fighting force.

Discipline is the most essential factor in the construction of any fighting unit. Modern technology, advanced weaponry, and the most sophisticated combat tactics cannot be utilized to a recognizable potential if the fighting unit is not disciplined. The discipline the Marine Corps has always been known for is decaying.

Civilian pressure on the military, as well as current military trends, are to blame. Washington can solve many of the military problems because they, under the pressure of civilians totally oblivious to the operational structure of the military, initiated many of the problems. The civilian population has to stop interjecting into every aspect of the military. Washington should tell the military when, where, and why to fight, but not how. When training and warfare were run by the military, wars were won. Since it has been run by Washington we have lost. A civilian does not understand nor truly appreciate the necessity of absolute discipline. He does not understand how lives are saved by tough, realistic training. A Marine Corps saying sums it up: "The more you sweat in peace, the less you bleed in war."

The military has been under constant pressure to tone down its training. One prime example of this is the Lynn McClure incident in San Diego early in 1976. Lynn McClure should never have been allowed into the Marine Corps. However, once he got to boot camp it became the unfortunate responsibility of his drill instructors to make him as ready for combat as possible. He had to learn to fight if he was to survive in combat. When he refused to fight in pugil stick training his drill instructors used a time-tested method of pushing one into fighting back: they put more men on him so he would have to fight to stop the pain. Unfortunately, one of the recruits dealt McClure a lethal blow. The chances of this happening were infinitesimally small. But it did happen, so the public assumed there was something wrong with Marine training. They felt Marine training was inhumane and animalistic. To a degree it was. What they failed to realize is that there is no such thing as a fair fight or a gentleman's war. There is no socially acceptable way of thoroughly destroying another man's life. Only the meanest, most violent, will survive. What resulted were Congressional investigations and changes in training policies. The 16-hour day was shortened so recruits wouldn't have to endure such "stress." Will the congressmen and civilians who initiated this go into the combat zone, relieve the Marine, and endure the "stress" of combat for him? Special platoons were eliminated. Now those who could not adapt in a regular training environment are simply turned loose into the regular Marine Corps without correction. I had the unfortunate task of trying to convince these "children" who had just come from the Recruit Depot that their job was a serious one; to fight and win wars. Most of the nonrated Marines took the training as a joke.

I do not advocate a military state. I am fully aware of potential problems without regulation of the military. But the pendulum has swung the other way. It makes no sense to have a military that is incapable of accomplishing its mission. The operation of the military must be returned to the professionals who are the experts in military training and welfare.

With the public pressuring the military to be more "humanistic," changes in military attitude, as well as practice, have occurred. The military is attempting to be less rugged and more understanding of the problems of the individual. Instead of emphasizing combat efficiency, the Corps is desperately trying to make the Marine more comfortable with shorter days and luxurious living quarters. This practice must be terminated if we want to maintain a fighting force. The military is simply too soft.

Discipline is decaying because of a number of controllable factors. The caliber of man recruited is one of the big problems. Fortunately this is slowly coming to the surface. We must demand a mature young man with some degree of morality or dedication. The Marine Corps, as a rule, takes what it can get. I have been told the unqualified are no longer eligible for enlistment. However, I still see them constantly turning up in the Corps. Somewhere there exists an inconsistency in recruiting practice. The Marine Corps doesn't need geniuses. The Marine Corps also doesn't need crooks. Unfortunately a significant percentage of Marines are exactly that; social misfits given the choice of enlisting or going to jail. It is difficult to establish a sense of unit comradeship when mutual trust and respect cannot exist.

The noncommissioned officer is a mere figurehead. True delegation of authority stands in theory only. The commanding officer is the only person with any authority. Any enforcement of order attempted by the NCO is usually stifled by legal technicalities. The Uniform Code of Military Justice illegalized any physical disciplining. It's ironic to note that most school teachers can physically discipline students, yet a Marine NCO faces court martial if he touches one of his men without permission. The assumption that everyone acts rationally is naive. Reason cannot always be the sole tool for dealing with people. Eventually one must speak the language understood. There is little the NCO can do to enforce his orders short of reporting it to the CO. An NCO cannot punish his troops without punishing himself. Any additional duty must be NCO-supervised. If a Marine is not ready for an inspection the NCO may order him to spend the night on base working on his gear. The NCO must also stay with the man until he is done. Eventually, troops are intentionally disobedient in an effort to deprive the NCO of his free time. The NCO must then decide if the discipline of his men or his free time is more important. The average Marine knows the NCO has no authority with the exception of referring to the CO. He also realizes that NCOs are pressured not to put men on report and are told to "use their leadership ability." As a result, the nonrated subordinate usually does not do what he is told or does it barely within the legal confines of the order. In practice, because of this, few NCOs actually enforce their orders.

Punishment as regulated by the UCMJ is by no means strict enough to deter military crimes. I have known men who have intentionally placed themselves in a status of un-

authorized absence knowing that the worst punishment they would receive is a $90-fine. Article 15 of the UCMJ, Commanding Officers Non Judicial Punishment, was established to handle minor offenses while the three levels of court martial were designed to deal with progressively more severe crimes. Seldom does a crime go beyond the NJP level regardless of how severe. While courts martial do exist, they are relatively few in comparison to the number of offenses committed. The one deterrent the military leader had, the type of discharge, is losing its effectiveness. In the first place, it has been my experience that some civilian employers pay little or no attention to military history. Secondly, it is almost impossible to receive a punitive discharge. Of the five types of discharge, honorable, general, undesirable, bad conduct, and dishonorable, the UD, BCD and DD are legally considered punitive discharges. A Marine must be convicted by a court martial, which is considered a felony, to be awarded a punitive discharge without his consent. In other words, if a Marine cannot be convicted by a court martial, regardless of how poor the Marine's performance is, he must receive an honorable or general discharge. In either case he is entitled to all the benefits of other veterans who served honorably. This is a flagrant miscarriage of justice. The military has been using lately what it refers to as an expeditious discharge. This is a general discharge that, when certain specific requirements are satisfied, a problem Marine can be quickly discharged for the convenience of the government. Initially, I thought this would be a good idea. I was proven wrong. Many Marines competed with each other to see who could get into the most trouble and be out of the Marine Corps the fastest (with full benefits, of course). In essence, they were rewarded for their crimes. I know how hard it is to get a less than honorable discharge. It has to be intentionally worked at. I know the caliber of man who gets a less than honorable discharge. It turns my stomach to see these people categorized with and given the same benefits as those men who gave all they had for their country. As long as men are treated like children and not held responsible for their actions they will act like children.

Racial problems are approaching epidemic proportions. It can't get more tense. At the time of my separation, enlisted Marines were discussing and preparing for what they felt was the inevitable race war. In boot camp there was little if any racial problem. This was because everyone was treated equally. That is not the case in the Fleet Marine Force. Minorities are given preferential treatment. Through the use of a computer, minorities receive special consideration for selection of desired military occupational specialties. I saw good Marines lose out on a deserved promotion because their gutless superiors felt it wouldn't look good to promote all whites. There are even separate, more lenient grooming standards for minorities. I may sound very bigoted. I knew no prejudice until I entered the military. I am not prejudiced; if I were I would have no reservations about publicly stating so. However, I refuse to pretend circumstances don't exist that do. As long as a distinction between the races is made, the military will have a race problem.

I have no intentions of implying the Marine Corps is a totally negative, incompetent organization. To the contrary, it has the potential for actually being the finest fighting force in the world. Ideologically it is sound. If Marine theory and doctrine were actually applied, we would be trained for and capable of accomplishing difficult missions. Although much of the combat training is unrealistic, the actual physical training is excellent. The infantry Marine is physically capable of moving around the clock for many days, often with little or no food or water. Generally speaking, Marine officers are a very impressive group of men. The corps is very selective of its officers and those who make it are disciplined, dedicated men. If the Corps could be as selective of all its men, half of its problems would be solved. I am convinced the officers are doing the best they can with what they have, but their hands are figuratively tied. This is not enough. Action must be taken to correct discrepancies.

I intend my criticism to be constructive. While by no means all-encompassing, I have specific suggestions based on my experience to reform a few of the problems of the military:

(1) Return sovereignty to the military. After initial reforms are made, Washington should adopt a hands-off policy and let those qualified make military decisions.

(2) Treat troops like men. Individuals must be held accountable for their actions. Training should be toughened and more realistic. Realism should not be compromised solely for the purpose of safety or because of potential danger.

(3) Demand a higher quality enlistee. If necessary, drop total forces or start the draft. Do not compromise with plush recruiting promises. A million incompetent men are not that much more effective than 100,000 well trained elite troops.

(4) Return authority to the NCO. He knows the individual better than any other leader.

(5) Increase degree of punishment for violation of military law. Revise the manual for court martial accordingly.

(6) Amend discharge procedures. Eliminate the expeditious discharge as it stands today. Expedite court martial proceedings.

The job of the Marine is a thankless job. Traditionally, the only thing that kept him going was pride. Without that pride the Marine, in time gives up. There isn't much pride in the service. The troops are not blind. They realize they are not elite. Ironically, most Marines, all of whom have endured the pressure and intensity of boot camp, wish the regular Marine Corps were like boot. At least at that point they were disciplined and had pride.

Those who pretend the military is in a better state than I have suggested are either ignorant of the situation or lying. That is why it is important for you to get a view from a man on the bottom. There is little I can do to change the situation. You are the one our country has given the authority and responsibility to undertake a task of this magnitude. Fifty-thousand men are dead today because Washington insisted on running the military its own way. How many of those who died were unit leaders killed by their own undisciplined, gutless men? How do we justify this to the families and friends of these men? Nothing can change the past, but those who shirk their responsibilities today will be as responsible for the inevitable deaths of tomorrow as the one who pulls the trigger.

PARTICIPATION RATE AND INCOME DISTRIBUTION OF SCHOOL AND COLLEGE STUDENTS

● Mr. MOYNIHAN. Mr. President, much good data has recently become available from the Bureau of the Census concerning the participation rate and income distribution of school and college students in public and private institutions. These numbers are of sufficiently general interest as to warrant inclusion in the RECORD, and I insert them for their reproduction there.

The first table—drawn from the recently published series P–20, No. 319, Current Population Report—shows the college enrollment rates of dependent family members 18 to 24 years old by family income and sex. It is particularly useful because, unlike many time series tables produced on this subject, the incomes are cast in 1967 dollars and thus immunized against the effect of inflation.

It is noteworthy that for both sexes at all income levels, the college-going rate was almost precisely the same in 1976 as it had been a decade earlier: About 39 percent in both years, notwithstanding a brief surge in the late sixties and a subsequent decline around 1974.

When one examines male and female participation rates separately, however, a very interesting trend is apparent: men began the decade at 43 percent and finished it at 35 percent, while women display exactly the obverse, 35 percent in 1967, 43 percent in 1976. This country witnessed many events in 1972, but I submit that none portends greater long-term consequences for the society than the movement of women to higher college participation rates than men.

Some further developments of general interest are revealed by the income figures: While very low-income (below $5,000) persons have modestly improved their college-going rate during this period—evidence of the constructive effect of mounting Federal assistance for needy students—they are still far less apt to attend college than their more prosperous age mates. The ratio approaches 1 to 3.

Yet the only significant long-term decline in college-going rates is to be observed among those with incomes above $10,000, a fall-off from 52 to 48 percent for persons with family incomes between $10,000 and $15,000, and a more dramatic decline—from 68 to 58 percent—among those above $15,000.

The second table is table A–1 from the same census report. It deals with the percentages of various age groups to be found enrolled in school or college. It is worth focusing for a moment on the 18- to 24-year-old population, not only because the data confirm the aforementioned shift in male and female participation rates, but also because of a dramatic improvement in the rate of school and college attendance within the black population in these age groups. Most remarkably, in the 18- and 19-year-old population, blacks are now more apt to be found in school or college than are whites. While the white 18- to 19-year-old participation rate declined slightly from 48 percent in 1966 to 45 percent a decade later, for blacks in this age group the rate improved dramatically—from 38 to 50 percent. While one hesitates before inferring causation—the weak labor market for black teenagers surely contributes to their elevated school participation rates—if one believes that over the long run education is a source of social and economic advancement there is at least some reason for satisfaction. Among the 20 to 22 year age group, the white school participation rate remains somewhat ahead of the corresponding

rate for blacks, but whereas the former has held virtually constant for a decade, the latter shows striking improvement from 12 to 28 percent.

The next five tables are unpublished data compiled at my request by the Census Bureau on the basis of the survey of income and education conducted in 1976. This congressionally-mandated survey is the most authoritative source of reasonably contemporary information on the interaction of family incomes and student educational status. In view of the high level of congressional interest in tax credits for tuition expenses, and in additional need-based aid for college students, it seemed to me of the utmost importance that we have the best available data on key pertinent factual matters.

The tables submitted herewith represent just a small fraction of the special census compilations carried out at my invitation by Mr. Gordon Green of the Bureau's Income Branch with the approval of Manual Plotkin, a distinguished public servant presently serving as Director of the Census Bureau. This is characteristic of the timely, responsive, nonpartisan and meticulously accurate survey and statistical work we have come to expect of the Census Bureau, and I am particularly pleased that the Bureau's own analysts have found this material of sufficient intrinsic worth to social scientists and policymakers that they are planning to publish it (in somewhat different form) as a special study.

The five tables are identical in format. The first is for the Nation as a whole, while the next four display regions of the country. They show the number of students in various levels and types of schools and colleges by family income. The family income figures are broken down into much finer gradations than the $15,000 and above figures used in the current population survey. This is particularly helpful to those seeking information on middle-income students.

Four points are noteworthy:

First. College (postsecondary) students divide by family income rather neatly into recognizable thirds: those below $15,000, those between $15,000 and $25,000, and those over $25,000. Although there is a somewhat heavier concentration of lower-income students to be found in public institutions, the difference between public and private is not alarming. Indeed, it is reassuring to find that 26 percent of private college students come from families earning less than $15,000, despite the fact that the cost of attending a private institution now averages about $3,800 per annum. This suggests, among other things, that our need-based aid programs are having some effect.

Second. Attendance at private elementary and secondary schools is not a high income phenomenon, as is often alleged by opponents of tax credits designed to offer modest financial succor to the families of students enrolled in nonpublic schools. Fifty-four percent of private school students come from families earning less than $20,000; 82 percent from families below $30,000; just 8 percent from families above $40,000. Indeed, it is interesting to note that approximately 386,000 private school youngsters are below the Federal "poverty line."

Third. The regional data show patterns that, on the whole, are predictable. Private school and college students are naturally much in evidence in the northeast, where they constitute 20 percent of all students, but they are also present in significant numbers in the north central and southern regions—2.3 million and 2.1 million, respectively. They comprise the smallest fraction (9.5 percent) in the west, but even there the private sector accounts for 1 million students.

Fourth. The family income distributions are fairly similar across the Nation, with the conspicuous exception of the South, where 32 percent of all students (combining elementary, secondary and post-secondary) come from families earning less than $10,000. Of college students in the South 19 percent come from such families as compared with 11 percent in the Northeast.

These data lend themselves to analysis for a variety of purposes. It is in everyone's interest that they be in the public domain, and I am therefore pleased to submit them for inclusion in the RECORD.

The material is as follows:

TABLE A.—COLLEGE ENROLLMENT RATES OF DEPENDENT FAMILY MEMBERS 18 TO 24 YR OLD, BY FAMILY INCOME AND SEX, OCTOBER 1967 TO OCTOBER 1976

[In 1967 dollars]

Sex and family income	Percent enrolled									
	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
BOTH SEXES										
All incomes	38.8	38.7	36.2	36.6	37.8	38.9	39.1	41.3	39.7	39.1
Less than $5,000	22.4	23.5	20.3	20.1	22.6	22.8	20.8	24.8	22.5	20.0
$5,000 to $9,999	36.3	35.1	31.7	31.2	34.2	35.4	36.6	38.8	38.5	37.9
$10,000 to $14,999	47.5	45.4	41.4	42.7	44.2	46.4	48.4	50.6	50.7	51.9
$15,000 and over	58.2	59.6	57.5	56.6	56.9	61.8	61.7	65.2	63.0	68.3
Not reported	34.9	37.9	38.0	39.8	36.5	36.6	37.1	38.6	37.4	36.4
MALE										
All incomes	35.3	36.7	34.9	36.5	37.8	40.0	40.9	44.4	43.5	42.9
Less than $5,000	18.9	20.2	19.5	19.9	21.5	22.0	20.7	25.9	23.1	22.1
$5,000 to $9,999	32.1	33.2	29.5	30.6	34.3	37.0	38.4	41.3	42.0	43.0
$10,000 to $14,999	43.0	43.0	40.5	41.4	43.7	48.3	50.7	54.7	56.6	56.8
$15,000 and over	54.5	56.5	56.0	56.8	57.3	61.9	63.7	70.5	66.7	71.0
Not reported	33.6	40.2	37.3	41.0	37.9	38.2	39.1	41.3	42.3	39.2
FEMALE										
All incomes	43.2	41.2	37.9	36.8	38.0	37.5	37.0	37.8	35.5	34.9
Less than $5,000	26.4	27.4	21.4	20.3	23.9	23.7	20.8	23.5	21.9	17.5
$5,000 to $9,999	41.6	37.6	34.7	31.9	34.2	33.5	34.5	35.9	34.5	32.0
$10,000 to $14,999	53.1	48.5	42.7	44.3	45.0	44.0	45.5	46.0	44.6	46.3
$15,000 and over	63.1	63.6	59.5	56.4	56.4	61.6	59.3	58.6	58.3	65.2
Not reported	36.6	35.0	39.0	38.3	34.7	34.3	34.6	35.6	32.1	33.5

Note: Dependent family members are relatives of the family head, excluding the wife.

APPENDIX A

TABLE A-1.—PERCENT ENROLLED IN SCHOOL FOR THE POPULATION 3 TO 34 YEARS OLD, BY AGE, SEX, AND RACE, OCTOBER 1966 TO OCTOBER 1976

[Civilian noninstitutional population]

Age, sex, and race (years)	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
ALL RACES											
Both sexes:											
Total, 3 to 34	53.1	53.7	53.6	53.5	54.9	56.2	56.4	57.0	56.7	56.6	56.1
3 and 4	31.3	31.5	28.8	24.2	24.4	21.2	20.5	16.1	15.7	14.2	12.5
5 and 6	95.5	94.7	94.2	92.5	91.9	91.6	89.5	88.4	87.6	87.4	85.1
7 to 9	99.2	99.3	99.1	99.1	99.0	99.1	99.3	99.3	99.1	99.4	99.3
10 to 13	99.2	99.3	99.5	99.2	99.3	99.2	99.2	99.1	99.1	99.1	99.3

Age, sex, and race (years)	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
14 and 15	98.2	98.2	97.9	97.5	97.6	98.6	98.1	98.1	98.0	98.2	98.6
16 and 17	89.1	89.0	87.9	88.3	88.9	90.2	90.0	89.7	90.2	88.8	88.5
18 and 19	46.2	46.9	43.1	42.9	46.3	49.2	47.7	50.2	50.4	47.6	47.2
20 and 21	32.0	31.2	30.2	30.1	31.4	32.2	31.9	34.1	31.2	33.3	29.9
22 to 24	17.1	16.2	15.1	14.5	14.8	15.4	14.9	15.4	13.8	13.6	13.2
25 to 29	10.0	10.1	9.6	8.5	8.6	8.0	7.5	7.9	7.0	6.6	6.5
30 to 34	6.0	6.6	5.7	4.5	4.6	4.9	4.2	4.8	3.9	4.0	2.7
Male:											
Total, 3 to 34	55.1	56.0	56.0	56.1	57.8	59.3	59.7	60.5	60.4	60.0	59.7
3 to 4	30.9	30.6	28.1	24.5	24.4	20.0	21.2	15.5	15.4	14.2	12.3
5 and 6	95.6	94.3	94.4	92.2	91.7	90.9	88.9	87.7	87.3	86.6	84.5
7 to 9	98.9	99.2	99.1	99.0	98.9	99.0	99.3	99.0	98.9	99.4	99.2
10 to 13	99.1	98.9	99.3	99.2	99.3	98.8	98.8	98.9	98.9	98.9	99.1
14 and 15	98.6	98.4	98.0	97.9	97.7	98.7	98.2	98.1	98.2	98.3	98.7
16 and 17	90.5	90.7	88.6	89.4	90.2	91.7	91.3	91.6	91.7	91.0	89.9
18 and 19	48.2	49.9	45.8	47.8	51.2	55.4	54.4	59.4	60.4	56.3	57.8
20 and 21	33.6	35.3	34.8	34.4	37.3	38.9	42.7	46.5	45.0	44.3	41.4
22 to 24	20.7	20.0	19.4	19.1	21.3	23.3	21.2	22.9	20.5	21.0	21.3
25 to 29	13.0	13.1	12.7	11.8	12.1	11.9	11.0	11.3	10.8	9.9	9.6
30 to 34	6.8	7.7	6.7	5.6	5.8	6.3	5.3	5.9	5.0	5.4	3.8
Female:											
Total, 3 to 34	51.0	51.5	51.3	50.9	52.0	53.2	53.2	53.6	53.2	53.3	52.7
3 and 4	31.6	32.4	29.5	23.8	24.4	22.4	19.8	16.8	16.1	14.1	12.7
5 and 6	95.5	95.2	93.9	92.9	92.2	92.3	90.2	89.1	88.0	88.2	85.7
7 to 9	99.4	99.5	99.2	99.3	99.1	99.2	99.3	99.6	99.3	99.5	99.4
10 to 13	99.3	99.6	99.7	99.2	99.4	99.5	99.5	99.4	99.3	99.3	99.5
14 and 15	97.8	98.0	97.9	97.1	97.5	98.5	98.0	98.2	97.8	98.2	98.4
16 and 17	87.7	87.2	87.1	87.2	87.6	88.7	88.6	87.7	88.7	86.7	87.1
18 and 19	44.4	44.2	40.7	38.2	41.8	43.4	41.6	41.8	41.3	40.3	37.7
20 and 21	30.6	27.4	26.0	26.3	26.3	26.8	23.6	25.3	21.5	24.9	20.9
22 to 24	13.8	12.6	11.1	10.2	8.9	8.4	9.4	9.1	8.3	7.4	6.6
25 to 29	7.3	7.2	6.7	5.4	5.3	4.4	4.3	4.6	3.4	3.6	3.6
30 to 34	5.2	5.6	4.6	3.6	3.6	3.6	3.1	3.8	2.9	2.8	1.7
WHITE											
Both sexes:											
Total, 3 to 34	52.3	53.1	53.0	53.1	54.4	55.8	56.2	56.8	56.6	56.5	56.1
3 and 4	30.4	30.9	28.6	23.2	23.8	20.9	19.9	15.1	15.0	13.3	12.3
5 and 6	95.8	94.8	94.4	93.0	92.2	91.9	90.3	89.2	88.5	88.2	85.7
7 to 9	99.1	99.4	99.2	99.1	99.1	99.1	99.3	99.4	99.1	99.5	99.3
10 to 13	99.2	99.3	99.4	99.3	99.3	99.2	99.1	99.2	99.1	99.2	99.3
14 and 15	98.1	98.3	98.1	97.6	97.6	98.7	98.2	98.2	98.1	98.5	98.8
16 and 17	89.1	89.3	87.9	88.3	88.9	90.5	90.6	90.2	90.8	89.5	89.0
18 and 19	45.4	46.5	42.6	43.4	46.6	49.4	48.7	50.9	50.9	48.4	48.2
20 and 21	32.5	31.8	30.7	31.3	32.6	32.7	33.1	35.4	32.8	34.7	32.2
22 to 24	17.0	16.8	15.2	14.6	15.0	15.9	15.7	16.2	14.5	14.1	14.0
25 to 29	10.0	10.0	9.6	8.7	8.7	8.1	7.7	8.2	7.4	6.7	6.9
30 to 34	5.7	6.6	5.5	4.5	4.5	4.8	4.2	5.0	3.9	4.1	2.7
Male:											
Total, 3 to 34	54.2	55.4	55.2	55.6	57.3	59.0	59.6	60.5	60.4	60.0	59.8
3 and 4	29.9	30.8	27.7	23.5	23.4	20.1	20.7	14.5	14.8	13.6	12.2
5 and 6	95.8	94.3	94.8	92.7	91.7	91.2	89.7	88.5	87.9	87.5	85.0
7 to 9	98.8	99.2	99.1	99.0	98.9	99.0	99.3	99.1	99.0	99.5	99.2
10 to 13	99.1	99.0	99.2	99.3	99.2	98.9	98.8	98.9	99.0	99.0	99.1
14 and 15	98.5	98.5	98.2	98.0	97.7	98.9	98.3	98.2	98.2	98.5	98.8
16 and 17	90.6	91.0	88.2	89.4	90.4	92.0	92.2	92.2	92.1	91.4	90.3
18 and 19	46.9	49.6	45.5	48.4	51.5	55.9	56.0	60.9	61.5	57.2	59.0
20 and 21	34.2	36.3	35.0	35.7	38.4	39.7	45.0	48.9	47.8	46.9	44.9
22 to 24	20.4	20.5	19.2	19.6	21.6	24.6	22.6	24.2	21.9	22.0	23.0
25 to 29	12.9	13.1	12.8	12.1	12.5	12.1	11.2	12.2	11.4	10.5	10.3
30 to 34	6.5	7.5	6.4	5.4	5.8	6.2	5.4	6.2	5.0	5.4	3.8
F emale:											
Total, 3 to 34	50.4	50.9	50.9	50.5	51.5	52.6	52.9	53.2	52.9	53.0	52.5
3 and 4	31.0	30.9	29.5	22.9	24.2	21.7	19.1	15.8	15.2	13.1	12.4
4 and 6	95.8	95.3	94.0	93.2	92.7	92.6	90.9	89.8	89.0	89.0	86.4
7 to 9	99.5	99.5	99.3	99.3	99.2	99.3	99.3	99.6	99.3	99.6	99.5
10 to 13	99.3	99.6	99.7	99.3	99.4	99.5	99.5	99.5	99.3	99.4	99.5
14 and 15	97.6	98.1	97.9	97.1	97.5	98.4	98.1	98.2	98.0	98.5	98.7
16 and 17	87.7	87.5	87.6	87.3	87.3	88.9	89.0	88.2	89.4	87.4	87.6
18 and 19	44.0	43.5	39.9	38.7	41.9	43.2	41.8	41.8	41.3	41.0	38.6
20 and 21	30.9	27.5	26.6	27.4	27.5	27.0	24.1	25.8	22.3	25.6	22.3
22 to 24	13.7	12.2	11.4	9.9	8.9	8.1	9.7	9.4	8.2	7.5	6.6
25 to 29	7.1	7.0	6.5	5.4	5.1	4.3	4.4	4.5	3.7	3.3	3.9
30 to 34	4.8	5.7	4.6	3.6	3.2	3.5	3.1	3.7	2.8	2.9	1.7
BLACK											
Both sexes:											
Total, 3 to 34	57.9	57.7	57.3	55.8	57.8	58.6	57.4	57.8	57.4	56.8	55.5
3 and 4	34.5	33.5	29.1	28.9	28.3	21.5	22.7	21.2	18.7	17.7	* 13.7
5 and 6	94.0	94.3	92.8	89.9	90.0	89.8	84.9	84.1	82.7	82.2	80.8
7 to 9	99.3	99.3	99.2	99.2	98.7	99.0	99.3	98.8	99.2	99.1	99.2
10 to 13	98.8	99.2	99.8	99.0	99.3	98.8	99.3	99.1	99.0	98.7	99.2
14 and 15	99.0	97.4	97.0	96.7	97.4	98.4	97.6	97.9	97.7	96.1	97.4
16 and 17	89.0	86.9	87.1	87.7	89.5	89.2	85.7	85.8	86.4	84.1	85.2
18 and 19	50.4	47.1	44.0	37.8	42.8	46.6	40.1	44.5	45.4	40.7	37.7
20 and 21	28.2	27.1	23.4	20.5	22.0	27.3	22.8	23.3	18.2	21.2	11.6
22 to 24	16.4	14.2	12.1	12.4	13.1	11.4	8.0	8.6	7.9	7.2	6.1
25 to 29	9.4	9.4	8.9	6.1	6.5	6.2	4.8	4.3	3.1	5.0	2.3
30 to 34	8.1	7.1	6.9	5.0	5.9	5.2	3.4	3.4	3.3	2.4	2.3

APPENDIX A

TABLE A-1.—PERCENT ENROLLED IN SCHOOL FOR THE POPULATION 3 TO 34 YEARS OLD, BY AGE, SEX, AND RACE, OCTOBER 1966 TO OCTOBER 1976—Continued

[Civilian noninstitutional population]

Age, sex, and race (years)	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
Male:											
Total, 3 to 34	61.1	60.3	60.7	58.6	60.9	60.4	59.5	60.0	60.0	59.2	[1] 58.1
3 and 4	36.3	29.5	30.3	29.2	32.1	19.0	22.3	21.3	16.9	17.0	[2] 12.7
5 and 6	94.4	94.6	91.8	89.0	90.8	88.7	84.2	83.1	84.1	81.0	80.0
7 to 9	99.5	99.3	99.5	99.2	98.4	99.1	99.2	98.3	98.8	99.0	99.1
10 to 13	98.8	99.0	99.6	99.1	99.4	98.1	99.1	98.9	98.4	98.3	99.0
14 and 15	99.5	97.6	96.1	96.9	97.6	97.7	98.0	98.0	98.5	96.5	98.2
16 and 17	90.9	88.2	90.1	89.0	88.9	90.0	85.4	87.4	88.5	86.7	87.4
18 and 19	54.9	49.9	46.1	43.5	47.7	50.7	41.3	49.5	53.1	48.6	46.3
20 and 21	28.0	28.7	27.7	24.5	27.1	31.3	27.8	28.4	23.4	24.5	14.4
22 to 24	18.7	14.7	16.0	13.9	18.4	12.9	9.6	10.7	7.5	9.0	9.1
25 to 29	11.0	11.8	10.4	6.9	7.3	8.5	6.1	2.8	5.2	3.5	2.6
30 to 34	8.8	8.6	9.7	6.5	5.2	6.4	3.6	2.9	3.4	3.5	2.7
Female:											
Total, 3 to 34	55.0	55.3	54.2	53.3	54.9	56.9	55.5	55.8	54.9	54.6	[1] 53.2
3 and 4	32.6	37.6	28.0	28.5	24.5	24.1	23.2	21.1	20.5	18.5	[2] 14.7
5 and 6	93.6	93.9	93.8	90.9	89.1	90.9	85.7	85.0	81.3	83.4	81.6
7 to 9	99.1	99.3	98.9	99.2	99.0	98.9	99.5	99.4	99.7	99.2	99.3
10 to 13	98.8	99.4	100.0	98.9	99.3	99.4	99.5	99.2	99.5	99.0	99.4
14 and 15	98.4	97.2	97.9	96.5	97.3	99.0	97.2	97.7	96.9	75.8	96.5
16 and 17	87.0	85.6	84.2	86.4	90.1	88.4	85.9	84.3	84.3	81.6	83.1
18 and 19	46.4	44.7	42.1	32.8	38.7	43.1	38.9	40.1	38.6	34.0	30.3
20 and 21	28.4	25.8	20.1	17.3	17.9	24.1	18.9	19.6	14.5	18.5	9.3
22 to 24	14.5	13.8	9.0	11.1	8.5	10.1	6.7	6.9	8.3	5.6	3.6
25 to 29	8.1	7.5	7.7	5.5	5.9	4.2	3.6	5.5	1.5	6.1	2.0
30 to 34	7.6	5.9	4.8	3.8	6.5	4.2	3.3	3.7	3.2	1.5	2.0

[1] Percent enrolled for 3- to 34 yr olds is adjusted to include black only.

[2] Data for 3 and 4 yr old are for black and other races.

TABLE 1B.—FAMILY MEMBERS ENROLLED IN SCHOOL—FAMILY MEMBERS BY TOTAL FAMILY INCOME AND POVERTY STATUS IN 1975: SURVEY OF INCOME AND EDUCATION

[Numbers in thousands; family members as of spring 1976]

Total family income	All family members	Not enrolled	Enrolled (fully reported)										Not completely reported
			Total			Elementary and secondary schools			Postsecondary schools			Special schools	
			Total	Public [1]	Private [1]	Total	Public	Private	Total	Public	Private		
Number of all family members:													
Total (standard error)	190,676	128,649	61,022	52,733	8,288	48,258	43,387	4,871	9,913	7,530	2,383	2,851	1,005
Under $1,000	1,709	1,116	587	546	41	508	479	28	54	50	4	26	6
$1,000 to $1,999	1,849	1,252	587	547	39	493	476	17	41	34	7	53	10
$2,000 to $2,999	3,443	2,423	992	935	57	862	834	28	75	61	14	55	28
$3,000 to $3,999	5,078	3,616	1,435	1,330	105	1,231	1,170	62	121	100	21	82	27
$4,000 to $4,999	5,781	4,144	1,611	1,516	95	1,391	1,333	57	151	128	23	69	26
$5,000 to $5,999	6,507	4,642	1,838	1,737	101	1,572	1,513	59	168	140	28	99	27
$6,000 to $6,999	7,114	5,117	1,967	1,816	151	1,658	1,580	78	212	170	42	97	30
$7,000 to $7,999	7,431	5,261	2,136	1,965	171	1,823	1,722	101	216	174	42	97	34
$8,000 to $8,999	7,522	5,351	2,128	1,956	173	1,812	1,706	106	220	184	35	97	42
$9,000 to $9,999	7,780	5,464	2,267	2,026	241	1,904	1,754	150	272	210	62	91	49
$10,000 to $10,999	8,698	6,164	2,488	2,226	262	2,062	1,886	176	285	236	49	141	46
$11,000 to $11,999	8,007	5,629	2,350	2,108	242	1,922	1,785	137	298	237	61	130	28
$12,000 to $12,999	8,693	6,052	2,596	2,337	259	2,115	1,970	145	353	281	72	129	45
$13,000 to $13,999	8,145	5,623	2,475	2,201	274	2,015	1,855	161	335	270	65	125	46
$14,000 to $14,999	8,328	5,679	2,621	2,243	378	2,131	1,904	227	361	271	90	129	28
$15,000 to $15,999	8,608	5,752	2,815	2,413	402	2,271	2,010	260	410	320	91	134	41
$16,000 to $16,999	7,591	5,032	2,516	2,194	322	2,027	1,821	206	363	283	80	126	43
$17,000 to $17,999	7,301	4,789	2,452	2,110	343	1,942	1,720	222	400	321	79	110	59
$18,000 to $19,999	12,907	8,489	4,350	3,700	650	3,445	3,047	398	698	529	169	207	69
$20,000 to $24,999	24,828	16,022	8,663	7,304	1,359	6,726	5,868	858	1,583	1,225	358	354	143
$25,000 to $29,999	14,115	9,010	5,021	4,080	941	3,586	3,066	520	1,222	897	325	213	84
$30,000 to $39,999	11,861	7,461	4,350	3,434	916	2,974	2,470	504	1,204	876	328	173	50
$40,000 to $49,999	3,835	2,371	1,442	1,112	329	929	776	153	449	302	147	64	22
$50,000 and over	3,547	2,191	1,333	896	437	860	642	218	422	232	190	51	23
Percent distribution of all family members:													
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under $5,000	9.4	9.8	8.5	9.2	4.1	9.3	9.9	3.9	4.5	5.0	2.9	10.0	9.6
$5,000 to $9,999	19.1	20.1	16.9	18.0	10.1	18.2	19.1	10.1	11.0	11.7	8.8	16.9	18.1
$10,000 to $14,999	22.0	22.7	20.5	21.1	17.1	21.2	21.7	17.4	16.5	17.2	14.2	22.9	19.2
$15,000 to $19,999	19.1	18.7	19.9	19.8	20.7	20.1	19.8	22.3	18.9	19.3	17.6	20.3	21.1
$20,000 to $24,999	13.0	12.5	14.2	13.9	16.4	13.9	13.5	17.6	16.0	16.3	15.0	12.4	14.2
$25,000 to $29,999	7.4	7.0	8.2	7.7	11.4	7.4	7.1	10.7	12.3	11.9	13.6	7.5	8.3
$30,000 to $39,999	6.2	5.8	7.1	5.6	11.1	6.2	5.7	10.3	12.1	11.6	13.8	6.1	5.0
$40,000 to $49,999	2.0	1.8	2.4	2.1	4.8	1.9	1.8	3.1	4.5	4.0	6.2	2.2	2.2
$50,000 and over	1.9	1.7	2.2	1.7	5.3	1.8	1.5	4.5	4.3	3.1	8.0	1.8	2.8
Cumulative percent distribution of all family members:													
Under $5,000	9.4	9.8	8.5	9.2	4.1	9.3	9.9	3.9	4.5	5.0	2.9	10.0	9.6
Under $10,000	28.4	29.8	25.5	27.3	14.2	27.5	29.0	14.1	15.4	16.6	11.7	26.9	27.7
Under $15,000	50.4	52.5	46.0	48.3	31.2	48.7	50.6	31.4	31.9	33.8	25.9	49.8	46.9
Under $20,000	69.5	71.2	65.9	68.1	52.0	68.8	70.4	53.7	50.8	53.1	43.4	70.0	68.0
Under $25,000	82.5	83.7	80.1	81.9	68.3	82.7	84.0	71.3	66.7	69.4	58.4	82.4	82.2
Under $30,000	89.9	90.7	88.3	89.7	79.7	90.1	91.0	82.0	79.1	81.3	72.1	89.9	90.5
Under $40,000	96.1	96.5	95.5	96.2	90.8	96.3	96.7	92.4	91.2	92.9	85.9	96.0	95.5
Under $50,000	98.1	98.3	97.8	98.3	94.7	98.2	98.5	95.5	95.7	96.9	92.0	98.2	97.7

Total family income	All family members	Not enrolled	Enrolled (fully reported)										Not completely reported
			Total			Elementary and secondary schools			Postsecondary schools			Special schools	
			Total	Public [1]	Private [1]	Total	Public	Private	Total	Public	Private		
All family members 14 yr and over:													
Number (standard error)	142,477	111,442	30,317	25,535	4,782	17,825	16,407	1,418	9,913	7,530	2,383	2,579	718
Number with income (standard error)	114,128	94,002	19,684	15,901	3,783	8,550	7,793	757	8,964	6,791	2,174	2,170	442
Mean income (standard error, dollars) [2]	8,015	8,858	4,070	3,666	5,772	935	933	950	5,944	5,994	5,787	8,684	4,286
Number of all family members below specified poverty level (percent):													
Below 75	11,178	6,594	4,512	4,295	218	4,072	3,934	137	236	203	32	205	71
Below 100	19,099	11,442	7,527	7,139	388	6,785	6,536	249	412	351	61	329	130
Below 125	27,958	17,037	10,737	10,131	606	9,654	9,256	398	637	536	101	446	184
Below 150	37,360	23,131	13,983	13,121	863	12,539	11,957	582	883	742	141	561	246
Below 175	47,654	29,890	17,469	16,269	1,200	15,557	14,750	807	1,211	1,001	210	701	295
Below 200	59,098	37,484	21,255	19,632	1,623	18,792	17,701	1,091	1,608	1,308	300	855	359
Percent of all family members below specified poverty level:													
Below 75	5.9	5.1	7.4	8.1	2.6	8.4	9.1	2.8	2.4	2.7	1.4	7.2	7.1
Below 100	10.0	8.9	12.3	13.5	4.7	14.1	15.1	5.1	4.2	4.7	2.6	11.6	12.9
Below 125	14.7	13.2	17.6	19.2	7.3	20.0	21.3	8.2	6.4	7.1	4.2	15.7	18.3
Below 150	19.6	18.0	22.9	24.9	10.4	26.0	27.6	11.9	8.9	9.8	5.9	19.7	24.5
Below 175	25.0	23.2	28.6	30.9	14.5	32.2	34.0	16.6	12.2	13.3	8.8	24.6	29.3
Below 100	31.0	29.1	34.8	37.2	19.6	38.9	40.8	22.4	16.2	17.4	12.6	30.0	35.7
NORTHEAST—ALL RACES (TOTAL)													
Number of all family members:													
Total (standard error)	44,052	29,926	13,933	11,098	2,835	10,911	9,391	1,519	2,447	1,408	1,039	576	192
Under $1,000	245	162	83	75	8	67	63	4	12	10	2	4	1
$1,000 to $1,999	219	153	66	54	12	49	43	6	6	5	1	10	1
$2,000 to $2,999	530	380	146	130	17	128	117	11	10	7	3	8	4
$3,000 to $3,999	1,016	689	321	283	33	272	254	18	28	20	8	21	6
$4,000 to $4,999	1,221	851	369	341	28	326	307	19	27	24	3	16	1
$5,000 to $5,999	1,252	885	360	332	28	325	309	16	25	16	9	10	6
$6,000 to $6,999	1,399	989	407	354	53	348	316	32	36	26	10	24	3
$7,000 to $7,999	1,465	1,021	436	372	65	384	342	42	42	22	19	10	8
$8,000 to $8,999	1,494	1,070	417	354	63	362	320	42	32	21	12	22	7
$9,000 to $9,999	1,748	1,238	503	423	81	443	386	57	45	30	15	16	7
$10,000 to $10,999	1,974	1,443	522	430	91	442	375	67	58	42	16	22	9
$11,000 to $11,999	1,867	1,337	523	448	75	431	386	35	74	42	32	18	7
$12,000 to $12,999	1,921	1,361	547	472	75	452	417	35	71	41	30	24	13
$13,000 to $13,999	1,809	1,256	544	471	73	454	416	38	75	48	27	15	9
$14,000 to $14,999	1,887	1,302	581	444	137	465	382	84	87	52	35	29	4
$15,000 to $15,999	1,965	1,334	624	502	122	511	434	77	88	54	34	24	8
$16,000 to $16,999	1,861	1,277	573	465	108	466	400	66	88	52	36	19	11
$17,000 to $17,999	1,836	1,226	601	479	123	474	401	73	97	63	34	30	9
$18,000 to $19,999	3,043	2,052	978	776	202	763	650	113	163	98	66	51	14
$20,000 to $24,999	6,199	4,042	2,127	1,641	486	1,620	1,337	283	426	266	160	81	30
$25,000 to $29,999	3,833	2,499	1,314	976	338	909	761	148	353	191	161	53	19
$30,000 to $29,999	3,268	2,103	1,153	800	358	767	606	161	350	179	171	41	8
$40,000 to $49,999	1,068	688	377	269	107	231	196	35	131	66	65	14	3
$50,000 and over	932	569	356	203	154	222	165	57	121	34	88	13	7
Percent distribution of all family members:													
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under $5,000	7.3	7.5	7.1	8.0	3.4	7.7	8.3	3.8	3.4	4.7	1.7	10.3	6.3
$5,000 to $9,999	16.7	17.4	15.2	16.5	10.2	17.1	17.8	12.4	7.3	8.1	6.3	14.3	16.1
$10,000 to $14,999	21.5	22.4	19.5	20.4	15.9	20.6	21.1	17.0	14.9	16.0	13.5	18.7	21.9
$15,000 to $19,999	19.8	19.7	19.9	20.0	19.6	20.3	20.1	21.7	17.9	19.0	16.4	21.5	21.2
$20,000 to $24,999	14.1	13.5	15.3	14.8	17.1	14.8	14.2	18.6	17.4	18.9	15.5	14.1	15.4
$25,000 to $29,999	8.7	8.4	9.4	8.8	11.9	8.3	8.1	9.7	14.4	13.5	15.5	9.2	10.1
$30,000 to $39,999	7.4	7.0	8.3	7.2	12.6	7.0	6.5	10.6	14.3	12.7	16.5	7.1	4.0
$40,000 to $49,999	2.4	2.3	2.7	2.4	3.8	2.1	2.1	2.3	5.4	4.7	6.3	2.5	1.5
$50,000 and over	2.1	1.9	2.6	1.8	5.4	2.0	1.8	3.8	5.0	2.4	8.4	2.3	3.5
Cumulative percent distribution of all family members:													
Under $5,000	7.3	7.5	7.1	8.0	3.4	7.7	8.3	3.8	3.4	4.7	1.7	10.3	6.3
Under $10,000	24.0	24.9	22.3	24.5	13.6	24.8	26.2	16.2	10.8	12.8	8.0	24.6	22.5
Under $15,000	45.5	47.2	41.8	44.9	29.5	45.3	47.3	33.3	25.7	28.8	21.4	43.4	44.4
Under $20,000	65.3	66.9	61.7	65.0	49.1	65.6	67.4	55.0	43.6	47.8	37.8	64.9	65.6
Under $25,000	79.3	80.4	77.0	79.7	66.2	80.5	81.6	73.6	61.0	66.7	53.3	78.9	81.0
Under $30,000	88.0	88.8	86.4	88.5	78.2	88.8	89.7	83.3	75.4	80.2	68.8	88.2	91.1
Under $40,000	95.5	95.8	94.7	95.7	90.8	95.8	96.2	93.9	89.7	92.9	85.3	95.3	95.1
Under $50,000	97.9	98.1	97.4	98.2	94.6	98.0	98.2	96.2	95.0	97.6	91.6	97.7	96.5
All family members, 14 yr and over:													
Number (standard error)	33,423	26,374	6,910	5,140	1,770	3,955	3,484	471	2,447	1,408	1,039	508	139
Number with income (standard error)	26,579	22,122	4,373	2,990	1,383	1,768	1,540	228	2,188	1,246	942	417	84
Mean income (standard error, dollars) [2]	8,385	9,296	3,854	3,234	5,197	922	912	989	5,353	5,431	5,249	8,421	4,261
Number of all family members below specified poverty level (percent):													
Below 75	1,711	1,008	695	642	53	631	596	35	35	28	7	30	8
Below 100	3,361	1,939	1,402	1,290	112	1,267	1,193	74	74	58	16	61	20
Below 125	5,270	3,101	2,142	1,937	206	1,940	1,793	147	114	88	26	88	26
Below 150	7,113	4,237	2,837	2,539	298	2,574	2,357	217	157	117	40	106	39
Below 175	9,274	5,628	3,599	3,187	412	3,244	2,941	303	221	163	58	134	46
Below 2.0	11,832	7,323	4,448	3,901	547	3,989	3,598	392	305	208	98	153	62
Percent of all family members below specified poverty level:													
Below 75	3.9	3.4	5.0	5.8	1.9	5.8	6.3	2.3	1.4	2.0	0.6	5.2	4.4
Below 100	7.6	6.5	10.1	11.6	4.0	11.6	12.7	4.9	3.0	4.1	1.6	10.7	10.6
Below 125	12.0	10.4	15.4	17.5	7.2	17.8	19.1	9.7	4.7	6.3	2.5	15.3	13.7
Below 150	16.1	14.2	20.4	22.9	10.5	23.6	25.1	14.3	6.4	8.3	3.8	18.4	20.3
Below 174	21.1	18.8	25.8	28.7	14.5	29.7	31.3	19.9	9.0	11.6	5.6	23.3	24.2
Below 200	26.9	24.5	31.9	35.2	19.3	36.6	38.2	25.8	12.5	14.7	9.4	26.6	32.2

Footnotes at end of table.

TABLE 1B.—FAMILY MEMBERS ENROLLED IN SCHOOL—FAMILY MEMBERS BY TOTAL FAMILY INCOME AND POVERTY STATUS IN 1975: SURVEY OF INCOME AND EDUCATION—Continued

[Numbers in thousands; family members as of spring 1976]

Total family income	All family members	Not enrolled	Enrolled (fully reported)									Not completely reported
			Total			Elementary and secondary schools			Postsecondary schools			Special schools	
			Total	Public [1]	Private [1]	Total	Public	Private	Total	Public	Private		
NORTH CENTRAL—ALL RACES (TOTAL)													
Number of all family members:													
Total (standard error)	51,737	34,926	16,541	14,280	2,261	13,333	11,875	1,458	2,511	1,957	555	696	270
Under $1,000	445	288	156	143	14	139	127	12	8	8	----------	9	1
$1,000 to $1,999	338	243	94	85	9	78	74	4	9	6	3	7	1
$2,000 to $2,999	731	539	189	181	8	163	158	5	16	14	2	9	4
$3,000 to $3,999	1,141	824	310	284	26	266	247	18	28	23	5	17	6
$4,000 to $4,999	1,351	989	356	340	16	310	299	10	32	29	3	14	6
$5,000 to $5,999	1,531	1,107	416	393	23	358	347	11	40	31	9	18	7
$6,000 to $6,999	1,635	1,169	457	416	41	390	370	20	51	37	14	16	10
$7,000 to $7,999	1,648	1,195	447	402	45	374	347	27	55	43	12	18	7
$8,000 to $8,999	1,831	1,337	488	452	35	419	394	25	46	41	5	23	6
$9,000 to $9,999	1,820	1,316	490	446	44	402	375	27	66	54	11	23	14
$10,000 to $10,999	2,246	1,615	617	547	70	519	477	42	63	49	14	35	14
$11,000 to $11,999	2,123	1,520	594	522	72	509	455	54	59	50	9	27	9
$12,000 to $12,999	2,509	1,786	715	646	70	606	561	45	76	60	16	33	8
$13,000 to $13,999	2,389	1,673	706	633	73	593	546	47	81	68	13	32	11
$14,000 to $14,999	2,401	1,635	762	645	117	634	559	75	94	69	25	33	4
$15,000 to $15,999	2,548	1,713	822	691	131	693	596	97	87	70	17	42	13
$16,000 to $16,999	2,272	1,506	750	653	98	610	547	63	104	84	20	36	15
$17,000 to $17,999	2,210	1,452	741	636	105	610	530	80	102	86	16	29	16
$18,000 to $19,999	3,967	2,561	1,388	1,165	223	1,141	991	150	186	141	45	61	18
$20,000 to $24,999	7,338	4,682	2,612	2,232	379	2,093	1,835	258	421	336	85	97	45
$25,000 to $29,999	4,062	2,561	1,475	1,217	258	1,079	935	145	338	249	89	58	25
$30,000 to $39,999	3,212	2,008	1,187	976	211	848	710	137	308	246	62	31	17
$40,000 to $49,999	1,060	647	407	320	87	270	224	46	126	89	36	12	7
$50,000 and over	928	560	361	255	106	229	171	58	116	73	43	15	7
Percent distribution of all family members:													
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under $5,000	7.7	8.3	6.7	7.2	3.2	7.2	7.6	3.5	3.7	4.1	2.5	8.1	6.7
$5,000 to $9,000	16.4	17.5	13.9	14.8	8.3	14.6	15.4	7.6	10.2	10.5	9.2	14.1	16.1
$10,000 to $14,999	22.6	23.6	20.5	21.0	17.8	21.5	21.9	18.0	14.8	15.1	13.8	23.0	16.9
$15,000 to $19,999	21.3	20.7	22.4	22.0	24.6	22.9	22.4	26.8	19.1	19.5	17.6	24.3	22.9
$20,000 to $24,999	14.2	13.4	15.8	15.6	16.8	15.7	15.5	17.7	16.8	17.2	15.4	13.9	16.7
$25,000 to $29,999	7.9	7.3	8.9	8.5	11.4	8.1	7.9	9.9	13.5	12.7	16.1	8.3	9.4
$30,000 to $39,999	6.2	5.7	7.2	6.8	9.3	6.4	6.0	9.4	12.3	12.6	11.2	4.5	6.2
$40,000 to $49,999	2.0	1.9	2.5	2.2	3.8	2.0	1.9	3.1	5.0	4.6	6.5	1.7	2.6
$50,000 and over	1.8	1.6	2.2	1.8	4.7	1.7	1.4	4.0	4.6	3.8	7.8	2.2	2.5
Cumulative percent distribution of all family members:													
Under $5,000	7.7	8.3	6.7	7.2	3.2	7.2	7.6	3.5	3.7	4.1	2.5	8.1	6.7
Under $10,000	24.1	25.8	20.6	22.0	11.5	21.7	23.0	11.1	14.0	14.6	11.6	22.1	22.8
Under $15,000	46.7	49.3	41.1	43.0	29.3	43.2	44.9	29.1	28.8	29.7	25.5	45.2	39.7
Under $20,000	67.9	70.1	63.5	65.0	54.0	66.1	67.4	55.9	47.9	49.2	43.0	69.4	62.6
Under $25,000	82.1	83.5	79.3	80.6	70.7	81.8	82.8	73.5	64.6	66.4	58.4	83.4	79.3
Under $30,000	89.9	90.8	88.2	89.1	82.1	89.9	90.7	83.5	78.1	79.1	74.5	91.7	88.7
Under $40,000	96.2	96.5	95.4	96.0	91.5	96.3	96.7	92.9	90.4	91.7	85.7	96.2	94.9
Under $50,000	98.2	98.4	97.8	98.2	95.3	98.3	98.6	96.0	95.4	96.2	92.2	97.8	97.5
All family members 14 yr and over:													
Number (standard error)	38,474	30,116	8,179	6,921	1,257	5,046	4,579	467	2,511	1,957	555	621	179
Number with income (standard error)	31,056	25,440	5,492	4,513	979	2,666	2,408	258	2,293	1,777	516	533	124
Mean income (standard error, dollars) [2]	8,112	9,096	3,649	3,304	5,240	877	874	905	5,666	5,727	5,459	8,847	3,962
Number of all family members below specified poverty level:													
Below 75 percent	2,431	1,479	937	886	51	851	813	37	49	42	7	38	15
Below 100 percent	4,157	2,485	1,641	1,538	104	1,485	1,409	76	92	76	16	64	31
Below 125 percent	6,022	3,683	2,299	2,152	146	2,079	1,972	108	140	116	24	79	40
Below 150 percent	8,243	5,134	3,052	2,844	208	2,751	2,598	153	191	161	30	111	57
Below 175 percent	10,804	6,802	3,935	3,630	305	3,528	3,305	223	266	218	48	141	67
Below 200 percent	13,806	8,721	5,002	4,564	439	4,462	4,147	316	356	283	73	184	82
Percent of all family members below specified poverty level:													
Below 75 percent	4.7	4.2	5.7	6.2	2.3	6.4	6.8	2.6	2.0	2.1	1.3	5.4	5.5
Below 100 percent	8.0	7.1	9.9	10.8	4.6	11.1	11.9	5.2	3.7	3.9	2.9	9.3	11.3
Below 125 percent	11.6	10.5	13.9	15.1	6.5	15.6	16.6	7.4	5.6	5.9	4.3	11.4	14.9
Below 150 percent	15.9	14.7	18.5	19.9	9.2	20.6	21.9	10.5	7.6	8.2	5.4	15.9	20.9
Below 175 percent	20.9	19.5	23.8	25.4	13.5	26.5	27.8	15.3	10.6	11.1	8.7	20.3	24.6
Below 200 percent	26.7	25.0	30.2	32.0	19.4	33.5	34.9	21.6	14.2	14.5	13.1	26.4	30.9
WEST—ALL RACES (TOTAL)													
Number of all family members:													
Total (standard error)	33,119	21,605	11,328	10,251	1v077	8,500	7,919	582	2,181	1,893	288	647	186
Under $1,000	328	193	123	119	9	101	99	2	19	17	2	8	2
$1,000 to $1,999	275	173	101	96	5	84	82	2	7	5	2	10	----------
$2,000 to $2,999	467	332	133	126	7	109	106	3	15	14	1	9	3
$3,000 to $3,999	765	532	223	212	16	181	175	5	27	22	5	21	5
$4,000 to $4,999	969	641	324	302	22	270	256	14	41	35	6	14	4
$5,000 to $5,999	1,964	735	327	310	16	248	239	9	43	38	4	36	3
$6,000 to $6,999	1,226	876	343	328	18	262	258	4	62	55	7	22	4
$7,000 to $7,999	1,338	952	373	359	20	309	298	11	47	44	3	23	8
$8,000 to $8,999	1,229	824	392	374	18	319	312	7	58	52	6	14	14
$9,000 to $9,999	1,203	818	374	331	43	274	254	20	78	60	18	23	10
$10,000 to $10,999	1,447	962	475	434	40	365	338	26	71	66	5	39	10
$11,000 to $11,999	1,264	864	397	365	32	397	386	11	69	60	8	31	4
$12,000 to $12,999	1,466	983	479	433	43	372	349	23	81	71	9	27	5
$13,000 to $13,999	1,359	946	402	361	42	305	283	22	65	57	8	32	10
$14,000 to $14,999	1,443	949	490	454	36	380	364	16	85	74	11	24	5
$15,000 to $15,999	1,492	978	507	471	36	376	357	19	105	94	11	26	8
$16,000 to $16,999	1,226	757	462	424	38	361	339	22	71	63	8	30	7
$17,000 to $17,999	1,214	763	434	386	49	323	301	22	89	72	17	22	17

Total family income	All family members	Not enrolled	Enrolled (fully reported)										Not completely reported
			Total			Elementary and secondary schools			Postsecondary schools			Special schools	
			Total	Public [1]	Private [1]	Total	Public	Private	Total	Public	Private		
$18,000 to $19,999	2,356	1,532	812	742	70	619	579	40	155	134	20	38	12
$20,000 to $24,999	4,307	2,695	1,583	1,429	159	1,198	1,102	96	312	273	40	73	28
$25,000 to $29,999	2,657	1,670	973	869	104	687	626	61	245	219	25	41	14
$30,000 to $39,999	2,444	1,463	974	829	145	649	565	84	274	234	39	52	7
$40,000 to $49,999	798	493	301	258	43	196	175	22	84	70	14	21	4
$50,000 and over	781	440	309	244	65	217	176	41	82	64	19	10	3
Percent distribution of all family members:													
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under $5,000	8.5	8.7	8.1	8.3	5.4	8.8	9.1	4.5	4.9	4.9	5.2	9.7	7.7
$5,000 to $9,999	18.3	19.5	16.0	16.6	10.7	16.6	17.2	8.6	13.1	13.1	13.3	18.3	21.1
$10,000 to $14,999	21.1	21.8	19.8	20.0	18.2	20.2	20.5	16.8	17.0	17.3	14.6	23.6	17.9
$15,000 to $19,999	19.0	18.6	19.6	19.7	17.8	19.8	19.9	17.7	19.2	19.2	19.3	18.0	23.5
$20,000 to $24,999	13.0	12.5	14.0	13.9	14.7	14.1	13.9	16.5	14.3	14.4	13.8	11.3	15.2
$25,000 to $29,999	8.0	7.7	8.6	8.5	9.7	8.1	7.9	10.6	11.2	11.6	8.7	6.4	7.6
$30,000 to $39,999	7.4	6.8	8.6	8.1	13.5	7.6	7.1	14.5	12.5	12.4	13.6	8.0	3.8
$40,000 to $49,999	2.4	2.3	2.7	2.5	4.0	2.3	2.2	3.8	3.9	3.7	4.9	3.2	1.9
$50,000 and over	2.4	2.2	2.7	2.4	6.0	2.5	2.2	7.0	3.8	3.4	6.5	1.6	1.4
Cumulative percent distribution of all family Members:													
Under $5,000	8.5	8.7	8.1	8.3	5.4	8.8	9.1	4.5	4.9	4.9	5.2	9.7	7.7
Under $10,000	26.8	28.1	24.1	24.9	16.0	25.4	26.2	13.2	18.1	18.0	18.4	28.0	28.8
Under $15,000	47.8	49.9	43.9	44.9	34.2	45.6	46.7	30.0	35.0	35.4	33.0	51.6	46.6
Under $20,000	66.8	68.6	63.4	64.6	52.1	65.3	66.6	47.7	54.3	54.6	52.3	69.6	70.2
Under $25,000	79.8	81.0	77.4	78.5	66.8	79.4	80.5	64.2	68.6	69.0	66.2	80.9	85.3
Under $30,000	87.9	83.8	86.0	87.0	76.5	87.5	88.4	74.7	79.8	80.6	74.9	87.3	92.9
Under $40,000	95.2	95.5	94.6	95.1	89.9	95.1	95.6	89.2	92.4	92.9	88.6	95.3	96.7
Under $50,000	97.6	97.8	97.3	97.6	94.0	97.5	97.8	93.0	96.2	96.6	93.5	98.4	98.6
All family members 14 yr and over:													
Number (standard error)	24,393	18,420	5,837	5,198	639	3,051	2,898	153	2,181	1,893	288	605	136
Number with income (standard error)	19,652	15,509	4,057	3,527	530	1,589	1,491	97	1,982	1,721	261	486	86
Mean income (standard error, dollars) [2]	8,668	3,677	4,878	4,485	7,498	949	955	867	6,968	6,840	7,810	9,201	5,290
Number of all family members below specified poverty level (percent):													
Below 75	1,665	952	710	677	33	615	598	17	51	44	7	44	6
Below 100	3,012	1,735	1,256	1,196	58	1,091	1,062	30	90	79	12	75	21
Below 125	4,386	2,575	1,783	1,701	82	1,534	1,491	43	153	134	18	96	29
Below 150	5,894	3,513	2,340	2,220	120	2,008	1,940	68	212	187	25	119	41
Below 175	7,562	4,599	2,913	2,758	155	2,473	2,386	88	287	255	32	153	50
Below 200	9,508	5,873	3,570	3,366	204	3,000	2,885	115	378	337	41	193	65
Percent of all family members below specified poverty level:													
Below 75	5.0	4.4	6.3	6.6	3.1	7.2	7.6	2.9	2.3	2.3	2.4	6.9	3.2
Below 100	9.1	6.0	11.1	11.7	5.4	12.8	13.4	5.1	4.1	4.2	4.0	11.5	11.3
Below 125	13.2	11.9	15.7	16.6	7.6	18.0	18.8	7.4	7.0	7.1	6.4	14.9	15.7
Below 150	17.8	16.3	20.7	21.7	11.1	23.6	24.5	11.6	9.7	9.9	8.7	18.4	22.2
Below 175	22.8	21.3	25.7	26.9	14.4	29.1	30.1	15.1	13.1	13.5	11.1	23.7	26.7
Below 200	28.7	27.2	31.5	32.6	18.9	35.3	26.4	19.8	17.3	17.8	14.1	29.6	35.3
SOUTH—ALL RACES (TOTAL)													
Number of all family members:													
Total (standard error)	61,768	42,181	19,220	17,105	2,115	15,514	14,202	1,312	2,773	2,271	502	932	357
Under $1,000	691	468	220	209	11	201	191	10	15	15		4	3
$1,000 to $1,999	1,016	633	326	312	14	282	277	4	19	17	2	25	7
$2,000 to $2,999	1,714	1,173	524	499	26	462	453	9	34	26	8	29	17
$3,000 to $3,999	2,156	1,570	575	545	30	513	492	20	38	36	3	24	11
$4,000 to $4,999	2,240	1,665	562	532	30	486	472	14	52	41	11	25	15
$5,000 to $5,999	2,660	1,914	756	702	34	641	618	22	61	55	6	34	10
$6,000 to $6,999	2,853	2,083	753	718	40	659	637	22	64	52	11	35	12
$7,000 to $7,999	2,980	2,094	875	833	41	756	735	21	73	64	8	46	11
$8,000 to $8,999	2,968	2,120	832	775	56	711	680	32	84	71	12	37	16
$9,000 to $9,999	3,002	2,092	899	826	73	786	739	47	84	66	17	30	18
$10,000 to $10,999	3,031	2,144	874	814	60	737	697	40	93	79	14	45	13
$11,000 to $11,999	2,753	1,908	836	774	63	685	648	37	96	84	12	55	8
$12,000 to $12,999	2,796	1,922	854	787	68	685	642	43	125	108	17	44	19
$13,000 to $13,999	2,588	1,748	823	737	86	663	609	54	114	97	17	46	16
$14,000 to $14,999	2,597	1,793	788	700	83	651	598	52	95	76	19	43	15
$15,000 to $15,999	2,603	1,727	863	749	114	691	623	68	130	102	28	42	12
$16,000 to $16,999	2,232	1,491	730	652	78	589	535	54	100	83	17	41	10
$17,000 to $17,999	2,041	1,348	676	609	66	535	488	46	112	100	12	29	18
$18,000 to $19,999	3,542	2,344	1,172	1,016	156	921	827	94	194	156	38	57	26
$20,000 to $24,999	6,985	4,603	2,341	2,006	355	1,816	1,594	222	422	350	72	103	40
$25,000 to $29,999	3,561	2,279	1,252	1,018	241	911	744	167	287	238	49	61	25
$30,000 to $39,999	2,937	1,887	1,031	829	202	711	589	122	272	217	55	49	19
$40,000 to $49,999	908	543	357	265	92	231	182	50	108	76	32	17	9
$50,000 and over	906	592	307	195	112	193	130	62	102	61	40	13	07
Percent distribution of all family members:													
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under $5,000	12.7	13.2	11.5	12.3	5.2	12.5	13.3	4.4	5.7	5.9	4.6	11.4	14.6
$5,000 to $9,999	23.4	24.4	21.3	22.5	11.6	22.9	24.0	10.9	13.1	13.6	11.0	19.6	19.0
$10,000 to $14,999	22.3	22.6	21.7	22.3	17.3	22.1	22.5	17.3	18.9	19.6	15.8	24.9	20.1
$15,000 to $19,999	16.9	16.4	17.9	17.7	19.6	17.6	17.4	20.0	19.3	19.4	19.0	18.1	18.4
$20,000 to $24,999	11.3	10.9	12.2	11.7	15.8	11.7	11.2	16.9	15.2	15.4	14.3	11.0	11.2
$25,000 to $29,999	5.3	5.4	6.6	6.0	11.4	5.9	5.2	12.7	10.4	10.5	9.8	6.5	6.9
$30,000 to $39,999	4.8	4.5	5.4	4.8	9.5	4.6	4.1	9.3	9.8	9.5	11.0	5.2	5.3
$40,000 to $49,999	1.5	1.3	1.9	1.6	4.3	1.5	1.3	3.8	3.9	3.4	6.3	1.9	2.4
$50,000 and over	1.5	1.4	1.6	1.1	5.3	1.2	0.9	4.8	3.7	2.7	8.1	1.4	2.0

Footnotes at end of table.

TABLE 1B.—FAMILY MEMBERS ENROLLED IN SCHOOL—FAMILY MEMBERS BY TOTAL FAMILY INCOME AND POVERTY STATUS IN 1975: SURVEY OF INCOME AND EDUCATION—Continued

[Numbers in thousands; family members as of spring 1976]

Total family income	All family members	Not enrolled	Enrolled (fully reported)										Not completely reported
			Total			Elementary and secondary schools			Postsecondary schools			Special schools	
			Total	Public [1]	Private [1]	Total	Public	Private	Total	Public	Private		
SOUTH ALL RACES (TOTAL)—Con.													
Cumulative percent distribution of all family members:													
Under $5,000	12.7	13.2	11.5	12.3	5.2	12.5	13.3	4.4	5.7	5.9	4.6	11.4	14.6
Under $10,000	36.1	37.6	32.3	34.8	16.7	35.4	37.3	15.3	18.8	19.5	15.6	31.0	13.7
Under $15,000	58.4	60.1	54.5	57.1	34.0	57.5	59.8	32.6	37.7	39.1	31.4	55.9	53.7
Under $20,000	75.2	76.5	72.4	74.8	53.6	75.1	77.2	52.6	57.0	58.5	50.4	74.0	72.2
Under $25,000	86.5	87.4	84.6	86.5	69.4	86.8	88.4	69.5	72.3	73.9	64.8	85.0	83.4
Under $30,000	92.3	92.8	91.2	92.5	80.8	92.7	93.7	82.2	82.6	84.4	74.6	91.5	90.3
Under $40,000	97.1	97.3	96.5	97.3	90.4	97.3	97.8	91.5	92.4	93.9	85.6	96.8	95.6
Under $50,000	98.5	98.6	98.4	98.9	94.7	98.8	99.1	95.2	96.3	97.3	91.9	98.6	98.0
All family members 14 yr and over:													
Number (standard error)	46,188	36,532	9,392	8,276	1,116	5,774	5,446	328	2,773	2,271	502	645	264
Number with income (standard error)	36,841	30,931	5,763	4,872	891	2,527	2,354	173	2,502	2,047	454	735	148
Mean income (standard error, dollars) [2]	7,317	7,939	4,066	3,672	6,221	995	993	1,013	5,904	5,859	6,108	8,375	3,989
Number of all family members below specified poverty level (percent):													
Below 75	5,367	3,154	2,171	2,090	51	1,976	1,927	48	101	90	12	94	42
Below 100	8,569	5,284	3,227	3,113	114	2,942	2,873	69	156	139	18	129	58
Below 125	12,280	7,678	4,513	4,341	172	4,100	4,000	100	230	198	33	183	88
Below 150	16,111	10,247	5,754	4,518	237	5,206	5,062	144	423	276	47	226	109
Below 175	20,014	12,860	7,021	6,694	327	6,312	6,118	194	437	365	71	273	132
Below 200	23,952	15,567	8,235	7,801	434	7,341	7,072	269	568	479	89	325	149
Percent of all family members below specified poverty level:													
Below 75	3.7	7.5	11.5	12.2	3.8	12.7	13.6	3.7	3.7	4.0	2.3	10.0	11.8
Below 100	13.9	12.5	16.3	18.2	5.4	19.0	20.2	5.2	5.6	6.1	3.5	13.8	16.3
Below 125	19.9	16.2	23.5	25.4	8.1	16.4	18.2	7.6	8.3	8.7	6.6	19.6	24.7
Below 150	26.1	24.3	29.9	32.3	11.2	33.6	35.6	11.0	11.6	12.2	9.3	24.2	30.5
Below 175	32.4	30.5	36.5	39.1	19.5	40.7	43.1	14.8	15.7	16.1	14.2	29.2	37.1
Below 200	38.8	36.9	42.8	45.6	20.5	47.3	49.8	20.5	20.5	21.1	17.7	34.9	41.8

[1] Includes family members in special schols, not shown separately.

[2] Mean income and standard error calculated for all family members 14 yr and over with income.●

DOMESTIC VIOLENCE PREVENTION AND SERVICES ACT

● Mr. JAVITS. Mr. President, I am pleased to join with my distinguished colleague from California, Senator CRANSTON, as a cosponsor of S. 2759, the Domestic Violence Prevention and Services Act, which will begin to provide necessary Federal support to State and local programs and activities to prevent domestic violence and to assist the victims of such violence.

Until recently the problem of domestic violence in the United States has been largely hidden or ignored, its proportions unknown, its victims faceless and mute. We have begun to recognize, however, that domestic violence in the United States is not only widespread, but wreaks terrible damage to individuals, families, and to society as a whole.

Mr. President, the Domestic Violence Prevention and Services Act has been developed after thorough hearings by the Subcommittee on Child and Human Development of the Human Resources Committee, of which I am the ranking minority member. This legislation is a careful expansion and reorganization of the issues addressed in an earlier bill, S. 1728, the Domestic Violence Prevention and Treatment Act of 1977, introduced by my colleague from Minnesota, Senator ANDERSON, which I was pleased also to cosponsor.

Domestic violence is not restricted to any one sector of our society, but affects the whole spectrum of American social and economic life. Previous efforts to combat this pervasive problem have been minimal or largely inadequate in relation to its vast dimension. State social service programs provide funds for shelters and supportive services to victims of domestic violence through titles IVB and XX of the Social Security Act, yet these efforts are sporadic and underdeveloped.

In my own State of New York, private nonprofit organizations such as the Coalition for Abused Women, and the Victims Information Bureau of Suffolk, have begun innovative programs for comprehensive crisis intervention, advocacy and counseling for victims of domestic violence. The New York State Department of Social Services has established a task force to develop programs for victims of domestic violence. These local and State efforts can and must be encouraged, expanded and improved by appropriate Federal help.

The time is at hand for a concerted program of Federal assistance to encourage and support such State and local prevention and treatment services. This bill, introduced by Senator CRANSTON, will establish a first, yet nonetheless comprehensive, Federal effort to assist States and localities to help thousands of people affected directly or indirectly by the tragic consequences of domestic violence.

The bill establishes within the Department of HEW a National Center on Domestic Violence to coordinate Federal prevention and research efforts, and to act as a clearinghouse for information and technical assistance for domestic violence prevention and treatment programs throughout the United States. Building upon the concepts and experience of the Child Abuse Prevention and Treatment Act, Public Law 93–247, this bill will assist the States to direct protection and treatment services toward both actual and potential victims of domestic violence, regardless of age. Perhaps most importantly, the structure of this bill's State and private grant mechanism enables support to be targeted primarily to local public and private nonprofit programs which most closely serve the needs of domestic violence victims in local communities.●

CITIZEN PARTICIPATION IN DISARMAMENT POLICY

● Mr. CLARK. Mr. President, recently I had the opportunity to take part in a meeting in Washington with representatives of citizen organizations from throughout the country concerned about the forthcoming United Nations special session on disarmament. These 150 persons met to prepare their response to President Carter's call for citizen participation in the formulation of U.S. policy in the special session.

In my view, the five working groups of this conference have produced a series of stimulating and provocative ideas and have made a contribution to the search for ways of achieving security both for our Nation and for individuals.

As a result of this conference, the group forwarded a series of proposals to President Carter and his assistants, to the State Department, and to the Arms Control and Disarmament Agency.

Mr. President, I submit a summary of these proposals to be printed in the RECORD at this point.

The summary follows:

SUMMARY

The five working groups of the conference developed proposals in these areas:

(1) Nuclear disarmament.

(2) Conventional weapons disarmament.
(3) Transfer of research and resources to meet human need.
(4) Alternative security, peacekeeping and peacemaking.
(5) Creating public support for disarmament.

The group on nuclear disarmament recommended:

Because military technology tends to outpace the work of arms-control negotiators, we propose that the United States undertake the following initiatives in order to reverse the momentum of the arms race and to improve the negotiating climate:

1. Halt, for a specified period of time, the testing, production, and deployment of nuclear weapons.

2. Seek vigorously to achieve a comprehensive test ban (CTB) by the opening of the U.N. Special Session on Disarmament. If there is no CTB by that time, halt all U.S. nuclear explosive tests.

3. Halt, for a specified period of time, the testing, production, and deployment of strategic nuclear delivery systems.

4. Halt, permanently, the production of fissionable material for weapons.

The United States should invite the Soviet Union to take reciprocal actions.

We further urge that the United States:

1. Announce that we will destroy a specific number of nuclear weapons as a first step toward President Carter's stated goal of total nuclear disarmament and request other nations to join with us in this process.

2. Pledge not to use or threaten to use nuclear weapons against non-nuclear weapons states.

3. Pledge no-first-use of nuclear weapons (not agreed to by the entire group).

The group on conventional disarmament recommended:

I. Conventional Arms Transfers. In addition to announcing its willingness to help convene multilateral negotiations on the conventional arms trade. the United States should agree to impose a 25 per cent across-the-board reduction in military exports.

II. Arms-Making Technologies. The United States should propose international agreements to prevent the proliferation of conventional arms-making technology, and, as a positive step toward such restraints, agree to ban any further arms co-production or licensing agreements abroad (except those associated with arms standardization efforts in NATO).

III. Nuclear-Capable Delivery Systems. To help promote support for an agreement, the United States should impose a voluntary embargo on sales of such systems to all nations which have failed to sign the Nuclear Non-Proliferation Treaty.

IV. Repression Technology. The United States should agree to ban the sale of repression gear to any martial law regimes or governments with a record of serious human rights violations.

V. Other Initiatives. The United States should be prepared to take the following positive initiatives, and announce them at the U.N. Special Session on Disarmament:

The destruction of some amount of U.S. chemical weapon stockpiles; Renunciation of use of napalm and fuel air explosives, and a halt to the development and production of controlled fireball munitions, bomblet-filled "Improved Conventional Munitions," and wide-area conventional mass destruction weapons approaching or exceeding low-yield nuclear weapons in destructive capacity;

Press NATO to cancel or postpone maneuvers scheduled to take place in Puerto Rico in mid-May (around the time of the U.N. Special Session), in view of the already strong public opposition in Puerto Rico to U.S. Navy shelling of the island of Vieques;

Removal of nuclear-missile-carying submarines from the Indian Ocean and Mediterranean Sea; and

State its willingness to enter into an agreement with other nations to reduce its defense budget by 10 per cent as a first step toward further reduction of military budgets.

The workshop on transfer of resources recommended:

The U.S. should initiate a cap on its role in the arms race and a rollback in military spending through transfer of resources to human needs and services. Such an approach, modelled on the Mitchell-McGovern transfer amendment, would link specific military cuts to increased spending in such categories as community development, environmental protection, employment, health and nutrition, and energy. This transfer of resources should be accomplished by an economic conversion planning mechanism which would guarantee employment security for affected workers and outline specific alternative uses for idled facilities. The conversion planning principles embodied in the current McGovern-Mathias bill provide an appropriate model for such a mechanism.

A reversal of the arms race within the U.S., accompanied by a specific plan for economic conversion and alternative uses, would reduce arms shipments and permit productive civilian development at home and abroad.

The workshop on alternative security recommended:

The U.S. should advocate the establishment of U.N. regional arms control commissions to analyze arms control problems of the region, promote regional agreements on arms production and trade, develop machinery for the peaceful settlement of disputes, and negotiate for the non-interference of outside powers.

On negotiating machinery, the U.S. should welcome a greater role for Third World nations and should encourage a rotating chairmanship of the CCD among appropriate powers. Every effort should be made to bring France and China into negotiations. Powers engaged in SALT talks and other negotiations outside the U.N. should report regularly to the U.N. Provision should be made for the implementation of SSOD decisions.

We urge the Administration to take the following steps:

The President to announce forthwith his intention to participate in the Special Session; and on that occasion to assure the world of our determination to make full use of the U.N., and to help strengthen its authority by a general policy of compliance with its decisions.

In order to encourage productive negotiations, the President should indicate American awareness of the legitimate security concerns of other nations, including those of the U.S.S.R.

The President should also announce his support for national institutions for the study and dissemination of information on peace and conflict resolution.

The U.S. should also support an agreement by which a portion of funds saved through arms reductions would be made available for the support of international conflicts, including:

(a) the training of reserve U.N. peacekeeping contingents;

(b) the expansion and improvement of international mediation and arbitration, including U.N. panels of appropriate experts; and

(c) the strengthening of the International Court of Justice, regional courts, and the international legal system.

This should not preclude use of such savings for economic and social development, which should be supported.

The group on public opinion stressed:

(1) The major concerns of public education programs much focus on public apathy, fear of the U.S.S.R., and pockets of "unconverted citizenry."

(2) We must be careful of our terminology, perhaps using words alternative to "disarmament."

(3) We must link disarmament to economic concerns of everyday life and other immediate human needs.

(4) We should emphasize the positive dimensions of disarmament, not just the negative aspects of militarism.

(5) Much stronger linkages among NGOs on key strategy issues (SSD, neutron bomb campaign, etc.).

Our specific proposals directed at the U.S. government include the following:

(1) We urge the U.S. to continue to support efforts to convene a second SSD within three or four years to assess progress in disarmament.

(2) We urge the U.S. to agree to a reformation of the CCD that abandons the co-chairmanship format so as to more greatly democratize the commission. We also urge a direct linkage between the CCD and the U.N.

(3) We urge the leaders of the NATO meeting in May to take no actions concerning new weapons systems that might harm the disarmament initiatives inspired by the SSD. We recognize the need for the U.S. to work with its allies in taking affirmative action toward arms control and disarmament.

(4) We urge the State Department to make discretionary funds available to the Public Affairs Office of ACDA to be used for radio and TV publicity concerning the SSD both prior to and during the SSD.

(5) Recognizing widespread public frustration and skepticism about disarmament negotiations, we urge that the U.S. support the introduction of the concept/principle of national or independent initiatives in the Declaration on Disarmament at the SSD and that the U.S., in addition, urge specific initiatives other states can take which would facilitate the conclusion of a treaty to reverse the arms race without appreciably lessening national security.

(6) We urge the U.S. suggest August 6th as World Disarmament Day annually.

(7) We urge maximum NGO official representation at the SSD.

(8) We pledge as NGOs to support serious disarmament moves by the U.S. government and to rally public support for significant disarmament moves.

The Conference, in submitting these suggestions to President Carter, concluded:

We would very much appreciate your reactions to the views expressed. The Coalition for a New Foreign and Military Policy would be happy to forward your views on these issues to Consultation participants.

We hope that these public views will help you to prepare a very positive role for the United States at the United Nations Special Session.●

HART SENATE OFFICE BUILDING COSTS

● Mr. BELLMON. Mr. President, one of the more difficult issues we, as a body, will confront this year is the question of the major cost overruns and delays on the new Hart Senate Office Building, now under construction adjacent to the Dirksen Senate Office Building.

I am greatly concerned over this latest cost overrun to $122,000,000, with a 2-year delay. Neither of these facts was revealed to me or to most of my colleagues until the past few weeks.

As the ranking Republican of the Senate Office Building Commission, I believe we must review the entire concept, and see what can be done to bring the building in at or near the $85,000,000 now appropriated.

At its most recent meeting, the Senate Office Building Commission adopted a resolution proposed by the Senator from New Mexico (Mr. DOMENICI). This resolution directed the Architect of the Capitol to develop information on how costs can be pared down. I know that he will take this charge seriously, making every effort to find ways to hold down the cost, even if that requires the elimination of some aspects of the new structure. We owe that to the taxpayers. So does the Architect.

As another part of the resolution, the Commission directed the General Accounting Office to make a study of the factors involved in the cost overruns, a study that should help to guide the entire Senate.

Mr. President, I ask that a copy of the Building Commission letter to GAO be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SENATE OFFICE BUILDING COMMISSION,
February 28, 1978.

HON. ELMER B. STAATS,
Comptroller General of the United States, Washington, D.C.

DEAR MR. STAATS: The Senate Office Building Commission, at its meeting of this date, unanimously adopted the following motion:

(1) The Architect of the Capitol is directed to provide at least one alternative plan for completing the Hart Senate Office Building at or near the $85,000,000 presently appropriated.

(2) The General Accounting Office is directed to review the costs of the Hart Senate Office Building: the factors in the delay, whether the Architect's timetable and the "fast-track" (phased construction) proposal was realistic and properly carried out, whether the asociate architect's delay resulted in increased fees to the architect, and whether the procedures utilized by the Architect of the Capitol were standard ones that adequately protected the interest of the taxpayers.

Accordingly, because of the urgency of this matter, you are hereby requested to commence a review of this project, and report thereon, at the earliest possible date in order that the Commission may complete its deliberations relating to the possible additional cost of construction of the Hart Senate Office Building prior to the scheduling of Appropriations Committee hearings.

Sincerely,

JOHN SPARKMAN,
Chairman.
HENRY BELLMON,
Ranking Minority Member.●

JUVENILE JUSTICE COMMENDATION PRESENTED TO SENATOR BAYH

● Mr. DECONCINI. Mr. President, as a member of the Judiciary Committee, I had the opportunity to serve on the House-Senate conference committee considering the Juvenile Justice Act Amendments of 1977, which passed this body unanimously last year, and was signed into law by President Carter on October 3, 1977. I welcomed the opportunity to work with my distinguished colleague the senior Senator from Indiana, BIRCH BAYH, who for 7 years served as chairman of the Juvenile Delinquency Subcommittee and authored the Juvenile Justice and Delinquency Prevention Act of 1974.

It gives me great pleasure to inform this body that Senator BAYH was recently presented a commendation by the Association for Children With Learning Disabilities, headquartered in my own State of Arizona—

For his many years of leadership concerned with the welfare of the youth of this country resulting in landmark legislation, the Juvenile Justice and Delinquency Prevention Act.

Although Senator BAYH was unable to accept the Association for Children With Learning Disabilities commendation in person, he said in a message to conference participants:

I would like to thank the Board of Directors and members of ACLD for this honor on behalf of everyone in both public and private life who worked to make the Juvenile Justice and Delinquency Act a reality. Now we have a mechanism for strong federal leadership in the fight against juvenile delinquency and learning disabilities. I welcome the continued support of the ACLD and other organizations to help guarantee that we are successful in providing adequate independent programs to divert tens of thousands of children and young people from the juvenile justice system.

Founded in 1963, the Association for Children With Learning Disabilities is the country's leading nongovernmental agency in the learning disabilities field. More than 10,000 prominent psychologists, school teachers and administrators, juvenile court judges, State and local government leaders, representatives of youth service agencies and others comprise the membership.

The Juvenile Justice and Delinquency Prevention Act of 1974 authorizes a new set of programs of delinquency prevention, from the juvenile justice system and community-based alternatives to traditional incarceration, all of which are designed to stem the incidence of juvenile crime and the extremely high incidence of recidivism among juveniles.

Its purpose is to improve the quality of juvenile justice in the United States—not to provide a Federal solution, but rather to encourage local initiatives and to provide some of the resources necessary local member leaders to do the job.

All too frequently, when a child gets into trouble, he or she receives little support from parents and the community. Many status offenders become criminal offenders because they have in effect been abandoned, either psychologically and emotionally, or in actual fact by their families and other community institutions which normally provide them the supporting stabilizing influence in a youngster's life.

The 1974 act reflected the consensus of most professionals in the juvenile delinquency field, as well as other concerned citizens, that far too many juveniles are locked up. Many of the youths detained and incarcerated—particularly those whose conduct would not be illegal if they were adults—require, at most, temporary placement and guidance—not jail.

The Juvenile Justice Amendments of 1977, which extended the 1974 act for 3 years, contained an amendment I sponsored to fund special emphasis and treatment programs relating to learning disabilities and juvenile delinquency. Further, the act provides that persons with special experience in learning disabilities are eligible for membership on the Presidentially appointed National Advisory Committee. In addition, the act provides for participation on the State advisory groups by youth workers involved with alternative youth programs, as well as persons with special experience dealing with the problems of school violence and vandalism and learning disabilities.

Presently, the ACLD has a grant under the Juvenile Justice Act from the Office of Juvenile Justice and Delinquency Prevention, Department of Justice. This grant was issued to study the correlation between learning disabilities and juvenile delinquency at grant sites in Phoenix, Ariz.; Indianapolis, Ind., and Baltimore, Md.

Mr. President, I hope that you and my colleagues will join me in heartily congratulating Senator BAYH on his receipt of the ACLD commendation for his leadership in the area of juvenile justice.●

CHARTER FOR THE SOLAR ENERGY RESEARCH INSTITUTE

● Mr. HART. Mr. President, the Solar Energy Research Institute (SERI) was created by an amendment offered by the late Senator Humphrey to the Solar Heating and Cooling Demonstration Act of 1974. It is the most important symbol of the Nation's commitment to the early realization of this important energy alternative.

After 2 years of highly competitive bidding, Golden, Colo., was selected last year by the Energy Research and Development Administration (ERDA) as the site of the national SERI facility. Additionally, ERDA stated at this time its intention to establish four regional solar centers which would work with SERI to encourage the widespread use of solar energy.

In the year since ERDA's announcement, there has been significant confusion regarding the management relationship and respective program responsibilities of SERI and its associated regional solar centers. The inability of Congress and ERDA's successor agency, the Department of Energy (DOE), to resolve these issues has retarded the growth of SERI and the regional centers, and, more importantly, the effectiveness of the Federal solar effort.

Mr. President, I am pleased to announce today that the Department of Energy has devised a charter which will establish a rational and efficient working relationship between SERI and the regional solar centers. SERI will be

DOE's lead institution in research, development, and demonstration of the various solar technologies. Additionally, SERI will be responsible for national commercialization efforts, including market analysis and the assessment of institutional barriers to the introduction of solar technologies on a national and international basis.

The regional solar centers will be DOE's lead institutions in the commercialization of solar technologies in their respective regions. With the concurrence of SERI, the regional solar centers will also undertake solar research and development projects which address regional needs and are not duplicative of research conducted by SERI.

Mr. President, I am confident that this charter will permit SERI and the regional solar centers to get on with the important business of developing solar energy, and I am hopeful that the Congress will support them in this task.

Mr. President, I submit the charter defining the responsibilities of SERI and the regional solar centers to be printed in the RECORD.

A copy of the charter follows:

CHARTER

To amplify upon the assigned responsibilities for the National SERI and the Regional Solar Centers, the charter for their missions is as follows:

NATIONAL SERI

As its primary mission, National SERI shall function as the DOE's lead institution with regard to solar research, development and demonstration activities. In this capacity, National SERI will be responsible for undertaking the principal responsibility for the management and performance of assigned solar R&D programs and projects; planning support to Energy Technology in the development of national solar energy policies, program plans and strategies; and the major role for international solar technology programs. SERI shall also maintain capability for market analysis and assessment of institutional barriers to the introduction of solar technology on a national and international basis.

In keeping with their national RD&D responsibilities, it is incumbent that National SERI assure: (a) that duplicative activities are identified for resolution by the Assistant Secretaries and the Oversight Committee of the R&D Council the Secretary has established; and (b) that local or regional R&D carried out by the regional solar centers is consistent with national planning. In so doing, these activities should "pass through" SERI prior to Headquarters approval for management review of mission compatibility and correlation with national R&D strategies, etc.

In carrying out its assigned responsibilities, and within the framework of DoE policies and programs, National SERI may interact with foreign governmental and non-governmental entities, Executive Branch departments and agencies, regional, State and local governmental enties, the private sector, and the university community.

REGIONAL SOLAR CENTERS

In carrying out their primary mission, the regional solar centers shall be responsible, within their respective regions, as DoE's lead institutions related to the regional commercialization of solar technologies and conservation integral to solar applications. Assignments to carry out these missions will be under the cognizance of the Assistant Secretary for Conservation and Solar Applications. In addition, the regional solar centers can undertake solar R&D projects in support of DoE; such projects should pass to the regional solar centers through SERI.

In carrying out their assigned responsibilities, and within DoE's policies, the regional centers may interact with Executive Branch departments and agencies, regional, State and local governmental entities, the private sector and the university community.●

MINORITY BUSINESS DEVELOPMENT AND ASSISTANCE ACT OF 1977

● Mr. DOLE. Mr. President, today I ask unanimous consent that the Senator from Arizona, Mr. DECONCINI and the Senator from New Mexico, Mr. DOMENICI, be added as cosponsors to my legislation S. 927. S. 927 would establish a minority Business Development and Assistance Administration in the Department of Commerce for the purpose of improving Federal assistance to minority business enterprises.

These additional cosponsors are an indication of the interest in Congress to begin solving the problems in present minority business programs. At this time I also wish to announce that I have again asked the Senate Governmental Affairs Committee to hold hearings on S. 927. These hearings will be the first step toward passage of this much needed legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE APPROACH HAS WORKED

Mr. DOLE. The last few years have witnessed a tremendous increase in the amount of Federal money specifically earmarked for minority business. In 1969 when the Office of Minority Business Enterprise was created by Executive order, total Federal expenditures for minority business development, including both grants and procurement contracts, was $212 million a year. By fiscal year 1975, this figure had jumped to over $1.2 billion. The number of minority-owned firms increased 19 percent between 1969 and 1972 alone.

This expansion in minority business operations occurred partially because of a growing Government interest in minority business, but it could not and would not have occurred without the efforts of minority entrepreneurs across the country. The growing number of minority businessmen and women who are qualified and able to compete for Government contracts have made the increase in contract business inevitable.

This is the process which OMBE was designed to promote. The underlying rationale of OMBE's effort is that minority businessmen can compete equally when given an equal opportunity. One of the most important steps this country can take to insure equal opportunity for its hispanic, black and other minority citizens is to involve them in the mainstream of our free entreprise system. The Federal Government has a duty to not only remove the barriers that restrict minority business development, but also provide a little added help—a few additional opportunities—to encourage minority business expansion.

Since 1969, OMBE has been providing this added assistance. While the results have been encouraging, shortcomings have also been confronted. The present status of OMBE creates special problems which only legislation can solve. S. 927 provides those solutions.

PRIME ADVANTAGE OF S. 927

The Minority Business Development and Assistance Act retains the operational structure of OMBE but mandates its existence by law. Until now OMBE has existed on the basis of a Presidential Executive order. That order could be revoked at any time without any congressional opportunity to disapprove. If a President decided to change the focus of Fedreal minority business programs, those individuals relying on OMBE could be left deserted. Also, a statutory basis gives a firmer operational base for making long range plans.

Yet adoption of S. 927 would not necessitate any disruptive reorganization of the program. The needed services to the minority business community would not be interfered with during any transition stage.

S. 927 does make some improvements in the operating authority of the Minority Business Development and Assistance Administration as compared to OMBE. The MBDAA could provide essential legal services to its clients which OMBE cannot. The new Assistant Secretary of Commerce for Minority Business Development and Assistance would have the clear-cut authority to make grants for technical and management assistance to clients. Also, the MBDAA, unlike OMBE, can provide tuition to socially or economically disadvantaged individuals in connection with training for establishment and operation of new and existing businesses.

In the past few years, OMBE has been forced to operate with a budget that has not kept pace with increasing costs. My bill authorizes $100 million for each fiscal year. This figure is nearly twice OMBE's present budget.

S. 927: MINORITY BUSINESS OPPORTUNITY

This bill is neither complex nor extravagant. It provides basic programs aimed at expanding minority business opportunities. The key as far as the Government is concerned is opportunities. The rest is up to minority businessmen. Opportunity to begin on an equal footing with other businessmen is all that the Government can give. The ultimate fate of each new business depends primarily on the owner of that business. It depends on whether he can offer a product or service that the community wants, whether he can do what is necessary to compete profitably in a free market.

A large amount of controversy has surrounded recent Government efforts to guarantee a portion of Government contracts to minority business. When programs such as the MBDAA are finally successful, guarantees to minority busi-

nessmen will no longer be necessary. While that day will not come soon, I share the conviction of all successful minority businessmen that it will surely come. Adoption of S. 927 will hasten the arrival of the self-sufficiency of the minority business community.

The ultimate is not Government guarantees of anything. A Government program big enough to guarantee success would be so big that it would necessarily restrict the freedoms of the businessmen it "helps." A Government big enough to provide everything must also take back nearly everything in taxes to pay for what it is doing. Minority businessmen are often the ones most hurt by tax increases in the workers' compensation program, the social security system, the energy system, and every other tax increase adopted by this Congress.

We must remember that there are few things the Government can do that private initiative cannot do better. Yet I do better. Yet I do not want to give the impression that there is no proper problem-solving role for the Federal Government. The Government must be responsive to the people and special problems of groups in our society. But Government must not direct people's lives but rather give them the opportunity to achieve their own goals and make their own decisions. The important issues are not the quantity of Federal programs but the quality of those programs.

I believe that S. 927 is the right kind of program. It opens doors, but does not dictate which pathway to follow. It provides opportunity, but does not prescribe a course of action. It does not assure success or even partial success. But neither does it limit in any way the potential available to an industrious business man of woman. It relies on people and our free enterprise system, not Government, for answers. With this type of Government assistance, I am certain that potential minority businessmen will continue on the path charted by those who have been successful in the past.

I submit the letter written to Senator RIBICOFF and the text of S. 927 for the RECORD.

The letter and bill are as follows:

U.S. SENATE,
Washington, D.C., March 16, 1978.

HON. ABRAHAM A. RIBICOFF,
Chairman, Senate Governmental Affairs Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR ABE: On March 7, 1977, I introduced S. 927 to improve the functioning of the Office of Minority Business Enterprise. At that time, I requested that the Governmental Affairs Committee begin consideration of S. 927.

Because of the continued interest expressed, I wish to renew my request for hearings on S. 927 and want to offer my assistance to the Committee in any way that I can to help in conducting these hearings.

S. 927 would make needed improvements in the structure of OMBE without disturbing those aspects of the organization which have proven successful. OMBE now exists at the discretion of the President. My legislation would make this organization responsible to Congress and Congress responsible for its work. S. 927 would also eliminate some internal weaknesses in the structure of OMBE which have hampered it in the past.

While I realize the schedule of the Committee is heavy, I believe that the problems of the minority business community are of such a serious nature that Congressional action must be taken this session. Therefore, I respectfully request that the Governmental Affairs Committee or the Subcommittee on Intergovernmental Relations convene hearings on S. 927 at your earliest convenience.

Sincerely yours,

BOB DOLE,
U.S. Senator.

S. 927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Minority Business Development and Assistance Act of 1977".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) social and economic justice is best achieved through the American private enterprise system;

(2) socially and economically disadvantaged individuals have not developed their potential because they are unable to participate fully in the American free enterprise system;

(3) the strength of the American free enterprise system lies in allowing all Americans an opportunity to participate freely and fully in such system; and

(4) The Nation can no longer afford the economic and human waste that occurs when Americans fail to realize their potential.

(b) The purpose of this Act is to create a Minority Business Development and Development and Assistance Administration in the Department of Commerce to promote a strategy of minority business development and expanded ownership, including complete provision of technical and management assistance; within the Administration whenever feasible pursuant to the finds of subsection (a).

DEFINITIONS

SEC. 3. For purposes of this Act the term—

(1) "Administration" means the Minority Business Development and Assistance Administration;

(2) "Assistant Secretary" means the Assistant Secretary of Commerce for Minority Business Development and Assistance;

(3) "Council" means the Advisory Council for Minority Enterprise;

(4) "minority business enterprise" means any business association owned or controlled by one or more members of any cultural, racial, or economic minority of the United States, including but not limited to Blacks, Spanish-speaking Americans, Asian Americans, American Indians, Eskimos, and Aleuts;

(5) "Secretary" means the Secretary of Commerce; and

(6) "State" means a State of the United States. and the District of Columbia, the Commonwealth of Puerto Rico. and any other territory or possession of the United States.

ESTABLISHMENT

SEC. 4. (a) A Minority Business Development and Assistance Administration is established within the Department of Commerce. The Administration is headed by an Assistant Secretary of Commerce for Minority Business Development and Assistance.

(b)(1) The Assistant Secretary of Commerce for Minority Business Development and Assistance shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce.

(2) The functions of the Secretary under this Act shall be administered through the Administration.

(c) Section 5315 of title 5, United States Code, is amended by striking "(6)." after "(12) Assistant Secretaries of Commerce" and by inserting in lieu thereof "(7), one of whom shall be an Assistant Secretary of Commerce for Minority Business Development and Assistance.".

FUNCTIONS

SEC. 6. (a) The Secretary shall—

(1) establish goals for other Federal departments and agencies which may affect the establishment, preservation, and strengthening of minority business enterprises, and evaluate the compliance of such departments and agencies with such goals;

(2) promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations, and volunteer and other groups towards the growth of minority business enterprises;

(3) facilitate the coordination of the efforts of minority business enterprises with those of Federal departments and agencies;

(4) establish a center for the development, collection, summarization, and dissemination of information that will be useful to persons and organizations throughout the nation in undertaking or promoting the establishment and successful operation of minority business enterprises;

(5) review all proposed training and technical assistance activities with respect to minority business enterprises conducted by Federal departments and agencies in order to attain consistency and eliminate duplication in such activities;

(6) convene meetings of employees of such Federal departments and agencies to facilitate the coordination of the efforts of Federal departments and agencies under this Act;

(7) convene business leaders, educators, and other representatives of the private sector engaged in assisting the development of minority business enterprise in order to propose, evaluate, and coordinate governmental and private activities in furtherance of the purposes of this Act; and

(8) design methods for identifying and locating individuals who may participate in the owniership of minority business enterprises and for educating such individuals in various forms of such ownership.

(b)(1) The provisions of Executive Order 11625, October 13, 1971 (36 Fed. Reg. 19967) relating to the functions of the Secretary under this Act are void.

(2) There are transferred to the Secretary, and the Secretary shall perform, such other functions as the Director of the Office of Management and Budget determines relate primarily to the functions of the Secretary under this Act.

TECHNICAL AND MANAGEMENT ASSISTANCE

SEC. 7. The Secretary is authorized to extend financial assistance to, and negotiate and make any contract with, any person or any department or agency of the United States or of any State or with any political subdivision of any State for purposes of—

(1) providing management and technical assistance to minority business enterprise, including but not limited to—

(A) assistance for planning and research, including feasibility studies and market research;

(B) identifying and developing new business opportunities; and

(C) providing services useful to minority business enterprises, including business counseling, management training, and legal services, and emphasizing—

(i) the development of such services using the resources of the business and academic communities; and

(ii) the provision of such services in sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency;

(2) developing community support for minority business enterprises by—

(A) establishing and strengthening business service agencies, including trade or professional associations and cooperatives;

(B) encouraging the making of contracts and subcontracts with any minority business enterprise, including providing incentives and other assistance to any person who assists in the training of minority businessmen; and

(C) furnishing economic feasibility information and other services to any financial organization in connection with applications for financial assistance submitted by any minority business enterprise or in connection with the creation of such enterprise;

(3) conducting pilot or demonstration projects designed to overcome the special problems of minority business enterprises or otherwise to further the purposes of this Act; and

(4) providing tuition and other assistance to any socially or economically disadvantaged individual for the development of skills relating to any aspect of business management.

RESPONSIBILITIES OF FEDERAL DEPARTMENTS AND AGENCIES

SEC. 8. (a) The head of each Federal department or agency, or a representative designated by him, shall—

(1) when requested by the Secretary, and to the extent permitted by law, furnish information and assistance, including an evaluation of such department or agency's compliance with the published goals of the Administration, for carrying out the purposes of this Act; and

(2) keep the Secretary informed of all proposed budgets, plans, and programs of such department or agency affecting minority business enterprise.

(b) The head of each Federal department or agency shall, when requested by the Secretary, designate an Under Secretary or other senior official of such department or agency to have primary and continuing responsibility for the participation and cooperation of such department or agency in matters concerning minority business enterprise and activities as required by this Act.

ADVISORY COUNCIL FOR MINORITY ENTERPRISE

SEC. 9. (a)(1) There is established the Advisory Council for Minority Enterprise.

(2) The Council shall consist of 10 members appointed by the President, by and with the advice and consent of the Senate, from among representatives from minority business enterprises and other members of minority groups knowledgeable in the field of minority business enterprises.

(3) The members of the Council shall be appointed within 30 days after the effective date of this Act.

(4) The President shall select a Chairman from among the members of the Council.

(5) A majority of the members of the Council shall constitute a quorum for the transaction of business, but a lesser number may conduct hearings. A vacancy in the membership of the Council shall not affect the authority of the remaining members to execute the functions of the council and shall be filled in the same manner as the original appointment.

(6)(A) The terms of members of the Council shall be 2 years.

(B) A vacancy caused by the death, resignation, or removal of a member before the expiration of the term for which he was appointed shall be filled only for the remainder of such unexpired term. Upon the expiration of his term of office a member of the Council shall continue to serve until his successor is appointed and shall have qualified.

(b) The Council shall advise the Secretary when so directed on—

(1) economic and social developments which affect minority business enterprise;

(2) plans, programs and activities in the public and private sector which relate to minority business enterprise; and

(3) any other problems and matters relating to minority business enterprises and any measures by which to better achieve the purposes of this Act.

(c) A member of the Council, while attending meetings of the Council or otherwise engaged in the business of the Council, shall be entitled to receive compensation at a rate fixed by the Secretary, but not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including travel-time, and while so serving on the business of the Council away from home or regular place of business, he may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for a person employed intermittently in the Government service.

(d) The Secretary shall—

(1) provide the Council with whatever administrative support is necessary, including the use of any gift or bequest accepted by the Department of Commerce pursuant to law; and

(2) call meetings of the Council.

(e) The Council shall cease to exist two years after the date of the appointment of a majority of the Council members. Before the Council ceases to exist, if the Secretary determines in writing that the Council has continuing usefulness, the Council shall continue for a period of two years from the date of expiration.

ANNUAL REPORT

SEC. 9. The Secretary shall prepare and submit as a part of the annual report of the Department of Commerce a report of his activities under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated in each fiscal year the sum of $100,000,000, and such other sums as may be necessary to carry out the provisions of this Act.

MERIT SELECTION FOR FEDERAL JUDGES

● Mr. DECONCINI. Mr. President, recently one of our distinguished former colleagues, Senator Joseph Tydings, presented a speech on the advisability of merit selection for Federal judges. Senator Tydings' work while chairman of the Subcommittee on Improvements in Judicial Machinery from 1965 to 1970, together with his years of excellent service in the U.S. Senate, has shown him to be a dedicated public servant and an outstanding legal scholar. Senator Tydings' speech contains a legal expertise that is invaluable to all of us and can help provide us with greater insight into the complex contemporary issue of merit selection. Therefore, Mr. President, I submit a copy of Senator Tydings' statement be printed in the RECORD.

The speech is as follows:

MERIT SELECTION COMMISSIONS FOR FEDERAL JUDGES A PRACTICAL APPROACH

Merit selection of judges is a concept which I have supported since my days as a member of the Niles Commission to provide a Missouri plan in Maryland. I was able to include merit selection of all D.C. Superior Court judges as a part of the D.C. Court Reorganization Plan which I authored. I chaired President Carter's task force on judicial machinery during the transition period, which recommended the inception of merit selection plans for the Federal Judiciary. And, I have been most fortunate to participate in the first national steps toward merit selection of federal jurists in my capacity as chairman of the Presidential commission which selects the panel nominees for federal judges for the District and U.S. Circuit Court of the District of Columbia.

I might add that President Carter was receptive to merit selection since he had instituted a similar plan for the Georgia state judiciary while Governor. Moreover, Attorney General Bell was a member of our transition task force on judicial machinery, and his proclivity for merit selection was very evident during his confirmation hearings before the U.S. Senate.

As I am sure you all know, merit selection of judges began formally with the adoption of a plan by the State of Missouri in 1940. For obvious political reasons, Missouri's sister states were slow to follow, and it wasn't until the late 60's that the "Missouri Plan" began to catch on. Today there are state judiciary merit selection plans of varying degrees of effectiveness in 28 states, including, of course, our own state, as well as the District of Columbia, Guam, and Puerto Rico.

In the federal arena, there has been less enthusiasm for merit selection. Nomination of U.S. District judges is the traditional sole preserve of the U.S. Senate. It was not until 1974 that the first plan was instituted—that one by Florida Senators Richard Stone and Lawton Chiles. Since then, Senators from 13 other states have established formal procedures for merit selection of U.S. District Court judges. All of these plans have been voluntarily established by the participating senators of the several states.

As of the date of President Carter's Executive Order establishing Merit Selection Panels, senators no longer have jurisdiction and control in the selection of Circuit Court judges. President Carter appointed 13 commissions around the country—one commission for each of eight of the circuits as well as the District of Columbia: two commissions each for the fifth and ninth circuits. The Commission in the District of Columbia is the only such panel which also selects a panel of nominees for the U.S. District Court.

There was little senatorial opposition to the creation of the Circuit Court merit selection commissions since patronage in Circuit Court appointments has never been the sole prerogative of U.S. Senators.

District Court judges, however, are viewed with a highly proprietary prospective. Senators traditionally have had domain over District Court benches in their states, and the federal judgeship is the most prestigious office a senator can offer a loyal supporter. It is considered the ultimate patronage plum.

The present patronage or "green bag" system works rather simply:

(1) The senator or senators from the state involved, if of the President's party, suggest his candidate or candidates for the bench to the attorney general and the President. (If the state has no senator of the President's party, the suggestions come from the congressional delegation or other political allies of the President.)

(2) The Department of Justice does a limited amount of screening for competence, and the FBI conducts a background check.

(3) The 12-member ABA Committee on the Federal Judiciary investigates and reports on the qualifications of the nominee in confidence to the Attorney General.

(4) In most instances, the Attorney General then submits the senatorial nominee to the Senate for confirmation.

(5) The Senate Judiciary Committee holds a hearing if the senators from the nominee's state have returned their blue slips indicating approval. The power of any senator from a nominee's state to kill a judicial nomination lies in his discretionary return of the blue slip. As long as Jim Eastland is Chairman, the Senate Judiciary Committee will not hold hearings until the slip is returned by his senators.

The present system, for the most part, has worked well over the years, producing a sound judiciary with some balance of input from the legislative and executive branches. It has produced, however, a number of totally unfit Federal judges.

The merit selection procedure response is fundamentally sounder from the standpoint of judicial excellence, as well as practical politics.

The pending omnibus judgeship bill, S. 11, will create more than 100 new Federal judgeships. Unless an individual senator has been an active practitioner of the law, personally knowledgeable with respect to the capabilities of competing nominees, he and his staff will have to devote a tremendous amount of time to screening qualified candidates and evaluating them. Moreover, the train of "political IOU collectors," campaign contributors, etc., will start to appear at the senator's door in ever increasing numbers reminding him of services rendered in past campaigns, etc. For every person nominated, a senator makes one friend and countless enemies.

A senator with a Merit Selection Panel need not absent himself entirely from the process. He may make the final recommendation to the President from a list of five names given to him by his panel. There is no logical reason why he and his staff should screen every application or make himself available to the continuing political pressures; this work can be done with far greater efficacy and much greater objectivity by a Merit Selection Panel.

I would like to report to you some of the real advantages in merit selection, as I have seen them "in action".

Aggressive recruitment of outstanding talent to the Federal bench is a very real advantage.

When our commission began work on selecting the nominees to fill the vacancies left by the retirement of Judges Sirica and Corcoran, we not only advertised in the local legal periodicals, but the Chairman wrote a personal letter soliciting nominations to every law firm with more than three lawyers, to every law school, bar association, consumer groups, civic organizations, community groups, etc. We received about ninety nominations. To every prospective nominee we mailed a rather detailed questionnaire which we prepared. Over sixty persons returned our questionnaire, and the responses in some cases ran to over forty pages. From this group, we began our investigations, committee meetings and full day commission meetings to select twelve candidates for a personal interview. On the basis of all our deliberations, including the personal interviews, we selected seven nominees to send to the President. Two people on that final list were total strangers to me. I had never heard of them prior to our work. Moreover, they both told members of the panel that they nearly hadn't applied because, in their words, they had no "political" connections. The fact is that they are both exceptionally well qualified in my judgment, and would make superb judges.

Merit selection thus opens the door to persons who should be considered, but generally aren't in the present system because they lack political ties or legal "clout".

Merit selection as it is publicized gives greater confidence to the general public in the integrity of the judicial process. The openness and objectivity of this selection process, judgment on merit alone, goes a long way towards strengthening citizen support of our judicial system.

A senator operating, as I once did, within the limitations of the traditional selection process, is never able to totally dispel the aura of patronage and party loyalty. A senator cannot have the entree into as many areas of the community as a well-chosen merit plan. Moreover, a senator would benefit from just knowing about these talented people. If they are not ultimately selected for the bench, they certainly could serve in some other capacity.

Another major attraction of merit selection is the diversity it will bring to the bench without a loss in quality. A well-balanced merit selection committee reflecting the citizenry of a state will make certain that all qualified lawyers are considered.

(1) Seven of our eleven member commission are lawyers, five with extensive trial experience. Among them are myself, a securities lawyer, a criminal lawyer, a labor lawyer, professor at Georgetown Law School, a former solicitor general and Dean of Harvard Law School, and a Jack—or in this case—a Jacqueline of all trades. Among the lay members are a vice president of a university, the Executive Director of the Urban League, the assistant superintendent of schools in Maryland and the founding partner of a respected securities brokerage firm.

(2) The male/female ratio is six to five.

(3) Six members of the panel are black, while five are white.

Such diversity on the panels will put an end to the days when a successful senior white male partner of one of the cities' leading law firms could practically write his ticket to the bench, provided he was of the right political persuasion and had made appropriate contributions. Each panelist, while adhering to objective standards of excellence, will naturally want to see a judge from his or her race of sex, or his or her legal background, given the same consideration as the senior partners of the "establishment", "blue ribbon" law firms.

Our panel is not alone in the diversity of its composition. The Kentucky federal merit selection panel includes a minister and a newspaper editor. A farmer and a housewife sit on the panel which selects federal judges in Iowa. In fact, many of the Senate's voluntary panels have one short of a majority of lay members.

With the judges in Boston having run the school system, and the judges in Alabama in charge of the prisons, it is becoming increasingly apparent that citizens other than lawyers should have some input in deciding which lawyers or judges should be considered for elevation to the Federal bench. Administrative capabilities, a sensitivity toward community problems and willingness to make prompt decisions are becoming traits as important as an ability to write long and learned opinions.

I have not found the lay people of our panel deficient in any aspect of evaluation of candidates. Moreover, they are often unimpressed with the unanimity of lawyer members that John or Jane Doe is a "lawyer's lawyer", and are somehow innately superior. It has become as important in our panel to know about the candidates' work in civil rights, neighborhood legal services programs and their work on behalf of their community.

This diversity, as I said earlier, has not resulted in any lack of emphasis on a candidate's legal excellence. Most of the panels have a majority of lawyers as ours did. The Colorado, Indiana, Iowa, Kentucky, Florida and Ohio panels have seats reserved for representatives chosen by the state bar.

I might add that while I urge senators, including Paul Sarbanes, to adopt a merit selection system for their states, I would not like to see the Administration appoint the panels and establish the procedures as it has done on the circuit court level.

There can and should be flexibility among the various plans. An example of this is the question of the senators' involvement in the selection process. Senator Bayh's panel sends five names to him, from which he selects one to send on to the White House. The Florida senators operate similarly. On the other hand, the senators from Kentucky, Iowa, Colorado, and Senator Byrd of Virginia, absent themselves completely by sending all names to the President and giving him the final say.

Senator Bayh has a separate panel for each district in Indiana; Senators Cranston and Hayakawa have one for the entire State of California.

Each Senator should be able to fashion the panels as he (or she, now that Mrs. Humphrey has become a senator) sees fit, as long as the basic goal remains unchanged.

Let me conclude by saying that I see the adoption of merit selection plans as good politics, and therefore, inevitable. An open process which produces top quality candidates and which eliminates the unfit will become something the voters will demand of their senators. As the Judiciary becomes more involved in voters lives, the voters will want to know who it is making those decisions and how he or she got there.

SENATE JOINT RESOLUTION 124—TO DESIGNATE APRIL 16–22, 1978, NATIONAL OCEANS WEEK

Mr. STEVENS. Mr. President, I send to the desk a joint resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 124) to authorize the President to issue a proclamation designating the week beginning on April 16 through April 22, 1978, as "National Oceans Week".

Mr. STEVENS. Mr. President, I wish to give special thanks to the chairman of the Judiciary Committee, Senator EASTLAND, and the ranking Republican on that committee, Senator THURMOND.

We have cleared this resolution with the distinguished majority leader and minority leader.

It is necessary for us to expedite consideration of this because the proclamation that would be issued pursuant to the resolution would affect the week of April 16 through April 22. There have been serious plans made for National Oceans Week by the American Oceanic Organization.

I am privileged to have as cosponsors of this resolution the Senator from Massachusetts, Senator KENNEDY, the Senator from Washington, Senator

MAGNUSON, and the Senator from South Carolina, Senator HOLLINGS.

We have worked together trying to get greater recognition to the problems of the oceans, and we are joined by a number of our colleagues on the House side who would like to have the President issue the proclamation to bring about National Oceans Week.

I ask that the resolution be considered at this time.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration and, without objection, the joint resolution will be considered to have been read the second time at length.

The joint resolution (S.J. Res. 124) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 124

Whereas the oceans are playing an increasingly important role in the food, energy, and mineral production of the United States as well as the transportation of United States goods; and

Whereas it will be beneficial for the American public to learn of the interrelationship of the United States and the world's oceans; and

Whereas the declaration of a National Oceans Week would help Americans learn about the importance of the oceans: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the week of April 16 through April 22, 1978, as "National Oceans Week" and calling upon the people of the United States to observe such same week with appropriate activities.

The PRESIDING OFFICER. Is there further morning business?

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REQUEST TO HOLD H.R. 50 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the House of Representatives on H.R. 50, the Full Employment and Balanced Growth Act of 1978, be held at the desk pending further disposition.

Mr. ALLEN. Mr. President, reserving the right to object, and I do not plan to object, will the distinguished majority leader tell us the nature of the resolution?

Mr. ROBERT C. BYRD. I believe this is the Humphrey-Hawkins bill.

Mr. ALLEN. I believe I will object.

The PRESIDING OFFICER. Objection is heard.

NATIONAL FALLEN HEROES MEMORIAL SUNDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 642.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 101) to authorize the President to issue a proclamation designating the Sunday following Fire Service Recognition Day as Memorial Sunday for firefighters who have been disabled or killed in the line of duty during the preceding year.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution which had been reported from the Committee on the Judiciary with an amendment to strike all after the resolving clause and insert the following:

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled,

That the President is authorized and requested to issue a proclamation designating the third Sunday in May, 1979, as National Fallen Heroes Memorial Sunday for firefighters and law enforcement officers who have been disabled or killed in the line of duty and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

SEC. 2. The President is authorized and requested to include in the proclamation issued under the first section a provision calling upon Government officials to display the United States flag at half-staff on all Government buildings, and the people of the United States to display the flag at half-staff at their homes or other suitable places.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was amended so as to read:

Whereas courageous men and women have protected the lives and dreams of their neighbors from the ravages of fire since the beginning of civilization; and,

Whereas men and women have protected the lives and dreams of their neighbors from the ravages of crime; and,

Whereas many of these men and women have made the ultimate expression of love for their neighbors by laying down their lives; and,

Whereas some of these courageous men and women have suffered permanent disability; and,

Whereas numerous churches of many denominations have indicated a desire to participate in a designated memorial Sunday honoring these consecrated men and women for their ultimate sacrifices for their fellow men; and,

Whereas it is appropriate to commemorate the sacrifices of brave citizens by setting aside a day in their honor and by displaying the United States Flag at half-staff; Now, therefore, be it

The title was amended so as to read:

To authorize and request the President to issue a proclamation designating the third Sunday in May, 1979 as National Fallen Heroes Memorial Sunday for firefighters and law enforcement officers who have been disabled and killed in the line of duty.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO HOLD H.R. 50 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I repeat my unanimous-consent request with respect to H.R. 50, the Full Employment and Balance Growth Act of 1978, that it be held at the desk pending further disposition.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, and I shall not object if I understand the distinguished majority leader the purpose of holding it at the desk would be to allow the various committees that might have a claim on its jurisdiction to get together and decide how it will be handled by the committees.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I have no objection.

Mr. BAKER. Mr. President, reserving the right to object, I might say that that procedure was cleared on this side of the aisle. We have no objection to proceeding in that manner as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR PAUL LAXALT

Mr. LEAHY. Mr. President, in November 1974 Senator PAUL LAXALT and I were both elected to the Senate. We have known each other since we arrived here and have become quite good friends. We vote in alphabetical order with each other, although there are those who have noted that on occasions we do vote somewhat differently, a matter of some consternation among the people who tally the votes with LAXALT and LEAHY arriving together during the rollcall and we both vote the same—I might add, to the shock of each other when that occurs, feeling that either one or the other of us has suddenly seen the light or one or the other of us have made a mistake.

I have found Senator LAXALT to be unfailingly courteous during that time. It has been a privilege both for myself and my wife to know Senator and Mrs. Laxalt. We have enjoyed living near them in The Plains, Va.

I was pleased to see two articles about them by three of my favorite columnists, Germond and Witcover, and Mary McCrory. Mr. President, I ask unanimous consent that both articles be printed in the RECORD at this time because I think both have very clearly captured Senator LAXALT, the man who has friends certainly on both sides of the aisle, and a

man who has friends among all ideologies represented here in the Senate.

There being no objection, the articles were ordered to be printed in the Record, as follows:

IN COMBATING THE PANAMA CANAL TREATIES, LAXALT GAVE CONSERVATISM A GOOD NAME

(By Jack W. Germond and Jules Witcover)

Attila the Hun would have been disappointed in Paul Laxalt, the leader of the Senate opposition to the Panama Canal treaties.

It was not just that Laxalt lost on the first treaty, but the way he played the game. On a raw-meat issue many conservatives would have run over their grandmothers to win, Laxalt was a pussycat. Tenacious, thorough, determined, but nonetheless a pussycat who refused to use a meat-ax on colleagues who wouldn't go along with him. And in the process, he did as much as anyone has done lately to give conservatism a good name.

For all the emotionalism involved and the intense constituency pressure on senators, for all the macho talk of America becoming a second-class power if it gave away the canal, Laxalt waged the battle with class and decorum. He lobbied senators himself and his forces flooded the states of wafflers with radio spots, but to implore, never threaten. If Sen. Tom McIntyre of New Hampshire had a legitimate complaint about right-wing tactics, and he probably did, it was against Gov. Meldrim Thomson and publisher William Loeb, not Paul Laxalt.

The Laxalt style may be an important element in the second round of the canal fight as opponents try to hold their 32 votes and pry two more from the pro-treaty camp. Laxalt contends the neutrality treaty was "the leadership's strongest" and professes to be optimistic about winning on the second test.

The Nevada Republican insists his 32 will hold firm if only because they will be so roundly commended by their constituents when they go home for the Easter recess that they won't be able to switch. And he suggests that in all those soul-searchers on the first go-round, there must be two or more who can be shaken loose by more pressure from home, and by economic arguments on what the Panamanian takeover will cost the American taxpayer.

Laxalt will not name specific targets, but it takes no mind-reader to identify several of them: Dennis DeConcini of Arizona and Paul Hatfield of Montana, Democrats, and Ed Brooke of Massachusetts and H. John Heinz III of Pennsylvania, Republicans. All were hand-wringers on the first treaty vote and Hatfield and Brooke specifically said that vote did not bind them to back the second treaty.

Brooke particularly will hear from the ultra-right that controls his state GOP apparatus, so he faces the profile-in-courage number all over again. A member of the White House inner circle observed before the first vote that Brooke was probably the only senator who could be hurt at home for opposing the treaties, inasmuch as his statewide constituency is regarded as liberal. But in his own party in Massachusetts, he's bound to be in the doghouse now.

Laxalt says he made a mistake in not courting Brooke's vote because he just assumed he would be pro-treaty. But after hearing Brooke's Senate speech announcing support but filled with negative observations, Laxalt was sorry he hadn't tried. "I listened and I found he was with us for the first 27 paragraphs and against us in the 28th," he says.

DeConcini is still considered a possible switcher because, according to Laxalt, constituent pressure on him from Arizona to oppose the treaties has been "as strong as anywhere in the country." Says Laxalt: "What Dennis did in the face of it was gutsy." But the anti-treaty forces plan to step up the pressure by running more radio spots in Arizona, and in the states of other target senators, in the next weeks.

One senator who crumbled without apology was Jennings Randolph of West Virginia. He told Laxalt that he received 310 phone calls in the first hour of his office was open on the day of the first vote—after numerous radio spots in the Mountain State urging voters to phone him. When Randolph approached him to inquire how close the vote was, Laxalt says, he peeked at a make-believe list in his jacket pocket, smiled and said, "Jennings, you're it!" And that was about the maximum cruelty the Nevadan inflicted on anybody.

Another target on the second treaty will be Republican Henry Bellmon of Oklahoma, whose vote for the first treaty was a mild surprise. Laxalt says Bellmon was particularly sensitive to deal with, and will be again. "Henry is independent," he says. "If you apply too much pressure on Henry, you'll lose him." The anti-treaty forces lost him anyway, but Laxalt remains opposed to brass knuckles, on Bellmon or any other colleague. In this rough-and-tumble league, that approach nearly made it in the first round and, if Laxalt has his way, it will be used in the second, win or lose.

IT WAS A LITTLE HARD TO TELL THE WINNERS FROM THE LOSERS

(By Mary McGrory)

It was a little hard, in the first moments after the vote, to tell the winners from the losers. Bobby Byrd and Howard Baker, the leadership team, were patting each other on the back for having given President Carter his first Panama Canal victory.

But Republican Paul Laxalt of Nevada seemed equally, unaccountably elated.

"I'm very optimistic," he enthused, his face flushed with the excitement that usually comes with victory. But the two-vote margin, which brought relief and joy to the White House, had brought him high hopes.

Laxalt, who is one of the pleasantest men in the Senate, had proven that it is possible to wage a campaign on a conservative cause without breaking the furniture. Ronald Reagan's 1976 campaign manager had said nothing irretrievable in the course of the debate, and displayed in his vigorous behind-the-scenes activity a civility that is often absent in discussions of right-wing issues.

He was graciousness itself in defeat, leaped the net to congratulate Byrd and Baker. That was partly because it is his nature, and partly because he thinks next time around—that is, the vote on the second treaty—he'll be the one with the two-vote lead.

"I think it would be difficult for someone to turn around and vote for giving up the canal," he said. "Our 32 votes are firm and solid. They are committed."

He anticipates constituent huzzas for the 32 over the Easter recess. He intends to keep the heat on senators who voted for the first treaty, but who have expressed reservations about the second, people like Edward Brooke of Massachusetts and H.J. Heinz of Pennsylvania.

Brooke was a surprise to Laxalt. The moderate Republican from Massachusetts made a speech the day before the vote and put the case against the treaty in a jingoistic manner worthy of Ronald Reagan. He dwelt on the "debilitating deficiencies" of the document—and said he would vote for it.

"He was with us for 27 paragraphs," Laxalt said. "And we lost him in the 28th."

Brooke was his "mistake," Laxalt said.

"I didn't think Ed was doable," he mused. Nobody could have blamed him. Brooke comes from the most progressive state in the Union and is elected by Democrats. But to get the nomination, he must pass through the needle's eye of a Republican convention run by right-wing ultras, who are crowding him on Panama.

If Brooke was his "mistake," Sen. Henry Bellmon, R-Okla., is his greatest regret. He spent a lot of time with Bellmon, but never could corral him.

"I think he loves to thumb his nose at his constituency," Laxalt said after Bellmon gave thumbs up to Carter. "A man who would come out for busing in Oklahoma is inscrutable. He wouldn't tell us anything, refused a presidential invitation, refused to meet with veterans' groups. Just went his own way."

Laxalt's troops are gearing up for a final offensive. The "Truth Squad" plane will fly again. "Key constituents" (here read "big contributors") are waiting in the wings to pay weighty calls on wobblers. Radio spots will be beamed into doubters' states.

But most senators agree with one of Laxalt's allies, Republican Robert Griffin of Michigan, who said that Carter won the war in the first vote.

Democrats are still puzzled over why the administration did not play its trump card, the split on the right. Carter was handed two rightwing stars, William F. Buckley Jr., and John Wayne. Buckley devastated Reagan in a nationally televised debate. Wayne, despite howls from his fans, stuck to his guns on the treaty. The Duke, clumping through the Senate in his boots and ten-gallon hat, singlehandedly could have routed the American Legion, battered treaty voters say.

But the White House never mentioned their names, to the regret of senators who could have used two strong right arms to lean on. Laxalt was very grateful that they didn't figure in the debate. Neither, surprisingly, did Jimmy Carter.

And something else, which could have more bearing on the final vote than any other factor, was also not mentioned. It was the rising wave that is cresting around the world. Treaty foes argued endlessly that we should not negotiate under threat of terror, but in the back of their minds, even the most militant are tormented by the thought that if the treaty is rejected, Panama will explode.

In 1964, Panamanian nationalists gave violent demonstration of their abhorrence of American occupation. The senators have, in the past week, been afforded grisly examples of what the disaffected can do. The terror in Israel, the counter-terror in Lebanon, the South Moluccan siege in Holland, the kidnapping of Aldo Moro in Rome, these all suggest the range open to the lunatic wing of the politically outraged.

Nobody wants to invite that kind of horror. The senators do not speak of it, but they are fearful of blood on their hands if the treaty fails. It's a worse prospect even than the revenge of the right which awaits them if they opt for a peaceful passage through Panama.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet during the session of the Senate today, to consider and report out the nomination of the new Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR FOR TOMORROW

Mr. LEAHY. Mr. President, I ask unanimous consent that Liam Murphy, of my staff, may have the privilege of the floor throughout all debates and votes on agricultural matters tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:40 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 8:40 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ABOUREZK TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the prayer tomorrow mornnig Mr. ABOUREZK be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, there are certain nominations that I would ask unanimous consent be disposed of at this time. They are the following: Calendar Orders numbered 96 on page 2 of the Executive Calendar and 97 on page 3 of the Executive Calendar.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I merely wish to state to the majority leader that the nominations he identified are clear on this calendar and we have no objection to proceeding with their consideration and confirmation at this time.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

NATIONAL TRANSPORTATION SAFETY BOARD

The assistant legislative clerk read the nomination of James B. King, of Massachusetts, to be Chairman of the National Transportation Safety Board for a term of 2 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

LEGAL SERVICES CORPORATION

The assistant legislative clerk read the nominations of Cecilia Denogean Esquer, of Arizona, Steven L. Engelberg, of Maryland, Hillary Diane Rodham, of Arkansas, Richard Allen Trudell, of California, and Josephine Marie Worthy, of Massachusetts, to be members of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1980.

Mr. HAYAKAWA. Mr. President, when the nominations to the Board of Directors of the Legal Services Corporation were polled in the Human Resources Committee, I did not cast my vote. In this connection, I want to explain today that I have no objections to the polling procedure nor do I object to the nominees. I have, however, serious reservations about the policies of the Legal Services Corporation. In my judgment, they are not in conformity with the intent of Congress when the Corporation was established.

The legal services program is structured in such a manner that its national staff, which reports to a part-time board of directors, expends Federal funds through a nationwide network of approximately 300 private organizations which employ, in the aggregate, some 5,000 persons full time.

The statutes, regulations, work programs, and evaluation priorities to which federally funded staff projects are subject, place a priority on law reform and group representation.

Over the years, however, thousands of activist organizations, with public policy axes to grind, have been spawned with the essential assistance of salaried LSP lawyers. Organizations which have received help—such as welfare rights groups—have strived not merely to advance their own interests, but to challenge, with public funds, the interests of others.

In the area of "law reform" staff lawyers with assured incomes have been able to devote program resources to advancement of the causes and policies which they have determined to be just—through "test case litigation," preparation of "model legislation," lobbying legislative and administrative decisionmakers, as well as organizing grassroots action in behalf of referendum questions.

The LSP does not empower the poor. The poor remain poor and powerless. They do not, individually or collectively, control program resources. The LSP empowers only those who sit on local project boards and who are paid as project attorneys.

Those boards and the attorneys they employ are shaping public policy with public funds through the courts and through the action organizations they assist. These are the policies and practices to which I object. Thank you, Mr. President.

Mr. JAVITS. Mr. President, this is with respect to the Legal Services Corporation directors.

Mr. President, I fully respect the views of the Senator from California and his deep interest in the situation and the problems which have developed in California about the legal services. I believe that the present law which we have dealt with in a way which is cognizant of these problems will, as it works out and develops, deal with many of them and that these nominees are able people, who I think will do their utmost to carry out not only the letter but the spirit of the law; and for those reasons I favor the confirmation by the Senate of these nominees.

Mr. President, there is an important point that needs to be addressed in respect to the nominees that are before the Senate today.

I refer to the fact that on January 19, 1978, before the Senate reconvened for the 2d session of the 95th Congress, recess appointments were made by the President to the Board of Directors of the Legal Services Corporation.

In my judgment, Mr. President, there is some doubt as to whether the recess appointments were in order because: First, the five incumbents had not resigned, as such, indeed, they had continued to serve even though their terms had expired in July, 1977; and second, the recess appointment power of the President may not apply to directors of the Legal Services Corporation, since it may be that they are not "officers" of the United States.

During our hearings on the nominees—the President did submit their names for Senate confirmation on January 26—I requested the opinion of the Justice Department on this matter and, in turn, referred that to the Library of Congress, American Law Division, for analysis and comment.

In the view of the legislative attorney who looked into this, there is "a significant question about the propriety of the recess appointments made by the President under the vacancies clause to the Board of the Corporation." I submit for the RECORD correspondence from Robert J. Lipshutz, Counsel to the President, to the chairman of the Human Resources Committee (Senator WILLIAMS), the Justice Department opinion on the recess appointments, and the Library of Congress analysis of this opinion.

Mr. President, while I believe it is important to have this material before the public and while I happen to agree with the conclusion of the Congressional Research Service that some question does exist about the propriety of the recess appointments. I want to emphasize that this does not reflect on the quality of the nominees themselves. I have examined the nominees' records and statements and find them characterized by a deep concern for the legal needs of the poor. This should be the overriding consideration in passing on these nominees. I am quite confident that the President has sent the Senate some highly qualified, capable, and sensitive nominees, and I recommend to my colleagues that they approve the nominations without further delay.

The material follows:

THE WHITE HOUSE,
Washington, February 6, 1978.

Hon. HARRISON A. WILLIAMS,
Chairman, Committee on Human Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: I am advised that the Human Resources Committee will hold a confirmation hearing on February 7th for the five individuals nominated by the President to serve as Members of the Board of Directors of the Legal Services Corporation. In connection with that hearing, I am advised that a question has arisen as to the propriety of the recess appointments to the Board made on January 19, 1978 by the President.

The January 19, 1978 recess appointments were followed by the formal nomination of these same individuals on January 26, 1978. In my opinion the recess appointments were entirely proper and legal. And, I have received from the Department of Justice a formal opinion confirming that it was within

the President's power to make the recess appointments to the Board of the Corporation; the opinion concludes that the appointments were not illegal and did not constitute an abuse of Presidential power.

I am available to brief you on this matter should you so desire.

Sincerely,

ROBERT J. LIPSHUTZ,
Counsel to the President.

DEPARTMENT OF JUSTICE,
Washington, February 6, 1978.

Re Legal Services Corporation.

MEMORANDUM FOR MICHAEL CARDOZO, ASSOCIATE COUNSEL TO THE PRESIDENT

I am responding to your inquiry of February 2 as to whether the holdover provisions of the Legal Services Corporation Act precluded the President from making recess appointments to the Board of Directors of the Legal Services Corporation after the terms of the members expired but while they were serving as holdovers. It is our conclusion that these provisions do not affect the President's power to make recess appointments.

Section 2 of the Legal Services Corporation Act of 1974, Pub. L. 93-355, 88 Stat. 379, 42 U.S.C. (Supp. V) 2996c(b), provides that the term of office of the members of the Board of Directors of the Corporation is three years, except that five of the members first appointed are for a term of two years.* The subsection continues "Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified." According to the information furnished to us, President Ford appointed five members of the Board for terms of two years beginning on July 14, 1975, which terms expired on July 13, 1977. No new appointments to those positions were made by the President by and with the advice and consent of the Senate during the first session of the 95th Congress. On January 19, 1978, prior to the opening of the second session of the 95th Congress, the President made recess appointments to those positions pursuant to Article II, section 2, clause 3 of the Constitution. That clause provides in pertinent part:

"The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate . . ."

The exercise of the power to make recess appointments thus presupposes the existence of a vacancy. One of the directors replaced by the President asserts that despite the expiration of his two-year term on July 13, 1977, the position was not vacant, because under the statute he continued to serve until his successor has been appointed and qualified.

It has been the view of the Department of Justice, going back to the Attorney General's opinion of 1880 (16 Op. Atty. Gen. 538), that where the statutory term of an officer has expired, the interim filling of his position, either by a court appointment (United States Attorney) or by a holdover provision, does not fill a vacancy in the constitutional sense.

There are various methods designed to provide for the temporary performance of the duties of an officer after he has resigned or his term has expired. Among them are the temporary appointments by the courts as in the case of U.S. Attorneys and Marshals (28 U.S.C. 546, 565), or holdover clauses as in the cases of United States Attorneys and Marshals (28 U.S.C. 541(b), 561(b)), of territorial judges (48 U.S.C. 1424(b), 1614), and of most, if not all, regulatory commissions. Such a temporary performance after the expiration of the incumbent's statutory term, however, does not "fill" the vacancy. The office remains vacant and the President has the power to make appointments to it during the recess of the Senate. Were it otherwise the Senate could perpetuate in office an officer serving under a holdover provision by failing to confirm his successor. Moreover, Congress could deprive the President of his constitutional power to make recess appointments by the passage of legislation providing for the interim filling of the office. See *Peck* v. *United States*, 39 Ct. Cl. 125, 134 (1904).

The above views reflect the position of the Department of Justice since 1880. At that time the Attorney General ruled that the President had the power to make a recess appointment to the office of a United States Attorney although the position was then being temporarily filled by a court appointment pursuant to what is now 28 U.S.C. 546. The Attorney General stated:

"* * * The authority given to fill the office to the circuit justice is an authority only to fill it until action is taken by the President. The office in no respect ceases to be vacant in the sense of the Constitution because of this appointment, for the reason that the appointment itself contemplates only a temporary mode of having the duties of the office performed until the President acts by an appointment.

* * * * *

"* * * The office is not the less vacant, so far as his power of appointment is concerned, when the only power conferred upon any one else is a power to make an appointment which shall entitle the appointee to serve until an appointment is made by the President, and no longer." 16 Op. Atty. Gen. 539-540. (1880).

In an analogous situation arising at the same time in another judicial district, Mr. Justice Woods, sitting in circuit, came to the same conclusion as the Attorney General. *In re Farrow*, 3 Fed. 112, 116-117 (C.C. N.D. Ga., 1880).

The Justice position has been the same concerning holdover provisions, such as the one here involved. The Department has held that those provisions do not fill the vacancy but that they merely provide for a temporary method of insuring the performance of the functions of the office after the expiration of the term of the incumbent; hence they do not prevent the President from exercising his constitutional authority to make recess appointments. In 1950, the Deputy Attorney General advised the White House that the President had the power to make recess appointments to the Interstate Commerce Commission and the Reconstruction Finance Corporation, although the officials whose terms had expired were serving under holdover provisions. The Department's analysis in 1960 of bills containing holdover provisions with respect to several independent agencies concluded that those provisions would not interfere with the President's power to make recess appointments. Again in 1972, this Department advised the Interstate Commerce Commission that the holdover provisions of the Interstate Commerce Act did not preclude the President from making recess appointments.

Peck v. *United States*, 39 Ct. Cl. 125, *supra*, cited by the General Counsel of the Legal Services Corporation, does not hold to the contrary. It stands only for the proposition that where there is no present vacancy one cannot be created by a recess appointment. (At pp. 135-137). The Presidential practice is full in accord. For example, a United States Attorney cannot be removed during his statutory term by giving a recess appointment to a successor, the reason being that there is no vacancy to be filled. Accordingly, the President must first remove the incumbent. Where, however, a United States Attorney holds over, or serves under a court appointment, a vacancy exists. The President therefore can make a recess appointment which has the effect of removing the incumbent who is merely serving on a temporary basis. That rule governs here.

LEON ULMAN,
Deputy Assistant Attorney General, Office of Legal Counsel.

THE PRESIDENT'S POWER TO MAKE RECESS APPOINTMENTS TO FILL VACANCIES ON THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION

The purpose of this report is to analyze whether or not the President of the United States has the power to make appointments to the Board of Directors of the Legal Services Corporation when the United States Senate is in recess.

The Legal Services Corporation was created by the Legal Services Corporation Act, Public Law 93-355 (1974), subsequently amended in part by Public Law 95-222 (1977). The purpose of the Corporation, as set forth in Section 1003 of the Act, is to provide "financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance." To that end Congress established a "private nonmembership nonprofit corporation", which is Federally funded to carry out the program of providing legal services in a fashion specified in the Act.

The members of the Corporation's Board of Directors are appointed by the President, with the advice and consent of the Senate; however, the Directors are, under the Act, deemed not to be officers or employees of the United States. Section 1004 of the Act, which provides for the organization of the Board of Directors, provides in pertinent part:

Sec. 1004. (a) The Corporation shall have a Board of Directors consisting of eleven voting members appointed *by the President by and with the advice and consent of the Senate*, no more than six of whom shall be of the same political party. A majority shall be members of the bar of the highest court of any State, and none shall be a full-time employee of the United States.

"(b) The term of office of each member of the Board shall be three years, except that five of the members first appointed, as designated by the President at the time of appointment, shall serve for a term of two years. *Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified.* The term of initial members shall be computed from the date of the first meeting of the Board. The term of each member other than initial members shall be computed from the date of termination of the preceding term. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term. No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

"(c) *The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States.*

"(d) The President shall select from among the voting members of the Board a chairman, who shall serve for a term of three years. Thereafter the Board shall annually elect a chairman from among its voting members.

"(e) A member of the Board may be removed by a vote of seven members for malfeasance in office or for persistent neglect of or inability to discharge duties, or for

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*The members of the Board are appointed by the President with the advice and consent of the Senate. 42 U.S.C. 2996c(a).

offenses involving moral turpitude, and for no other cause. [Emphasis added.]

It should be noted that the Act itself makes no provision for a recess appointment to be made by the President. And, a review of the legislative history indicates that the Congress did not address any understanding about recess appointments in the committee reports which accompanied the measure. See, House Report No. 93–247, 93d Cong., 1st Sess. (1973); Senate Report No. 93–495, 93d Cong. 1st Sess. (1973); House Conference Report No. 93–1039, 93d Cong., 2d Sess. (1974); and Senate Conference Report No. 93–845, 93d Cong., 2d Sess. (1974).

On January 19, 1978, the day before the convening of the 2d Session of the 95th Congress, the President made recess appointments to positions on the Board of Directors of the Legal Services Corporation, pursuant to Article II, section 2, clause 3 of the U.S. Constitution, the Vacancies Clause. At that time five members of the Board of Directors were serving as holdovers.

The question arises as to the power, in the absence of express statutory authority, of the President, alone and without the advice and consent of the Senate, to appoint members of the Board of Directors when the Senate is in recess.

The President of the United States has a constitutional power to fill certain vacancies under Article II, Section 2 of the U.S. Constitution, which provides in pertinent part:

"The President . . . shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other Officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

"The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session."

It is well established that the Appointments clause requires that "Officers of the United States" must be appointed in the manner specified by this clause, either by the President of the United States, by and with the advice and consent of the Senate or by the President alone, the head of a department, or a court of law, and the creation of an "Office" with an alternative form of appointment is violative of the Appointments Clause. *Buckley* v. *Valeo*, 424 U.S. 1 (1975).

Because the President is required by the provisions of Article II, Section 3 to ". . . Commission all the Officers of the United States," it is a well established procedure that for "Officers of the United States", the President nominates the Senate confirms, the President issues a Commission, and thereupon the person assumes "Office." The Commission is clearly a necessary requisite before the "Office" is assumed. *Marbury* v. *Madison*, 5 U.S. 299 (1803). But, the Vacancies Clause permits the President to directly issue Commissions to "Officers" to fill vacancies during the recess of the Senate, when presumably, Senate confirmation would not be possible.

Regarding the Board of Directors of the Legal Services Corporation, there are several issues raised under the Appointments Clause and the Vacancies Clause.

The first matter of consideration is what constitutes a "vacancy" within the meaning of the Vacancies Clause. It is a well accepted view of the phrase "Vacancies that may happen" has been interpreted to mean "vacancies which happen to exist." Appointments During Recess of Senate, 16 Op. Atty. Gen. 522 (1880); Executive Authority to Fill Vacancies, 1 Op. Atty. Gen. 631 (1823); and see, Matter of Farrow, 3 Fed. 112 (C.C. Ga. 1880). Thus, where a vacancy in office exists prior to Senate recess and continues to exist without nomination, or with nomination but without Senate action, the President may issue a temporary Commission under the Vacancies Clause.

Under Section 1004(b) of the Legal Services Corporation Act members of the Board of Directors serve for three years and ". . . shall continue to serve until a successor to such member has been appointed *and qualified.*" [Emphasis added.] As used in several other statutes governing Federal agencies and other "officers", such a "holdover" provision permits a member to continue to serve until a valid designation of a successor has been completed.

However, it does not appear that a holdover provision would prevent the President from making recess appointments under the theory that there was technically no vacancy during the period that the "Officer" continues to serve under a holdover provision. The Department of Justice specifically addressed this question in its "Memorandum For Michael Cardozo, Associate Counsel to the President, Re: Legal Services Corporation," dated February 6, 1978. In that memorandum, the Department of Justice addressed the issue of "whether the holdover provisions of the Legal Services Corporation Act precluded the President from making recess appointments to the Board of Directors of the Legal Services Corporation after the terms of the members expired but while they were serving as holdovers."

The Department of Justice memorandum concludes that holdover provisions "do not affect the President's power to make recess appointments." In reliance upon *In Re Farrow, supra*, and the Attorney General's opinion 'Appointments During Recess of Senate," *supra*, the Justice Department expresses a well accepted view that an "office" is no less vacant for purposes of the recess appointments clause simply because there has been a temporary performance of the duties of the office until the President acts to make an appointment.

Moreover, the reading of *Peck* v. *United States*, 39 Ct. Cl. 125 (1904) by the Department of Justice in a manner consistent with the above also appears to constitute a long accepted interpretation. Peck appears only to stand for the proposition that the improper appointment of an officer does not create a vacancy by means of advancement from one office to another. But there, no vacancy existed because no position of office was authorized, and the question did not involve a "holdover" provision.

For "Officers of the United States'" completion of the appointment process occurs upon the issuance of the Commission by the President.

But not all "Officers of the United States" serve for terms of years established by statute. Cabinet department secretaries serve indefinitely, until the appointment of a successor. Under those circumstances, there is technically no "vacancy" since the Office continues to be filled, until the commission of a new officer terminated the tenure of the previous officer.

Thus, a statutory holdover provision would permit "Officers" to be appointed either as recess appointments or as appointments made with the advice and consent of the Senate. Either type of appointment would "qualify" a successor upon the issuance of a valid Commission.

If, for example, a member of the Board of Directors who had served for three years had not resigned, it would not appear that any less of a vacancy would exist under the Vacancies Clause, assuming its applicability, than with a cabinet Secretary who continued in Office after the swearing in of a new President until the designation of a new Secretary.

In short, it would seem that if the Vacancies Clause applied to the Legal Services Corporation, a "vacancy" within its meaning would exist even though a Director whose term expired continued to serve. When the term expires, the position would appear to become "vacant" even though a person continues to serve as Director under the holdover provision.

But the determination that "holdover" provisions of statutes permit recess appointments by the President under Article II of the Constitution is not dispositive of the question of whether Article II recess appointments can be made to the Board of Directors of the Legal Services Corporation. If it were dispositive, the analysis of the Department of Justice, as reflected in its memorandum of February 6, 1978, would be controlling.

There is, however, another important consideration which was not addressed by the Department of Justice memorandum. That issue is whether the Vacancies Clause applies to members of the Board of Directors of the Legal Services Corporation.

The Vacancies Clause would seem to apply only to vacancies in "Office", as that term is used in the Constitution. The manner of filling vacancies during recess is that the President issues a commission, with the clear implication that it is a commission to "Office." The juxtaposition of the Vacancies Clause after the Appointments Clause clearly suggests that the Vacancies Clause was intended to establish a constiutional means of providing continuity in the performance of duties of "Office" during periods where the Senate could not act. The Vacancies Clause must be read together with the Appointments Clause, because the two Clauses apply to the same subject—appointment of "Officers." It follows that the Vacancies Clause (as well as the Appoinments Clause) is not applicable to those who are not "Officers," as that term is used in the Constitution.

The fact that the Legal Services Corporation Act provides that members of the Board of Directors are ". . . not, by reason of such membership, . . . deemed officers or employees of the United States," does not necessarily establish for the purposes of the Constitution whether such members are "Officers," but it does express an intent of the Congress. Unfortunately, there are no apparent judicial decisions which determine, whether under these circumstances or even closely analogous circumstances, directors of a corporation, such as this, are "Officers."

The language of the Legal Services Corporation Act is not unique, however. The Communications Satellite Act of 1962, Law 87–624, 76 Stat. 419 (1962) contains similar provisions. On October 25, 1962 in an opinion captioned "Communications Satellite Corporation," Attorney General Robert F. Kennedy determined that the incorporators of the Communications Satellite Corporation were not "Officers" in a constitutional sense simply by virtue of the fact that the legislation provided for their appointment by the President by and with the advice and consent of the Senate. In reliance on the Congressional intent, Kennedy determined that the incorporators and the directors were not "Officers." However, as that opinion noted is footnote 2, the President did make recess appointments of the incorporators

without express statutory authority and apparently under the Vacancies Clause.

Kennedy concluded:

"Thus there appears to have been no intention on the part of the originators of the legislation to create directors who would be officers of the Government but rather an intention to dissociate the Government from the directors." Opinion of the Attorney General of the United States (October 25, 1962), at 7.

But in finding that the members were not "Officers", Kennedy failed to explain how recess appointments of these non-"Officers" could be made under the Vacancies Clause, leaving open the possibility that non-"Officers" might also be appointed under the Vacancies Clause.

The fact that this problem has been sufficiently unclear and legally unresolved is further demonstrated by the situation which occurred in 1972 with the Corporation for Public Broadcasting, under a statutory provision similar to that of the Legal Services Corporation. See, 47 U.S. Code Section 396. We understand that a recess appointment to the Board of Directors of that corporation was made in December 1972 by President Nixon. However, it appears that at that time concern for the legal status of that appointment caused the new Director not to vote on corporate questions, even though the Commission from the President had been delivered.

Despite the existence of precedent for a recess appointment under the Vacancies Clause to a corporation like the Legal Services Corporation, the status of such an appointment is unresolved in its effect. It does not appear that any legal dispute has ever been raised that would resolve the matter.

There are a number of considerations which obviously might be argued on either side of the question. Congress did not intend by the language of the Act that the Board members would be officers or employees of the United States. Congress apparently understood the necessity of providing for a means of removal in the statute, since the impeachment clause under Article II, Section 4 only applies to "Officers." Therefore, in further evidence of Congressional intent that Board members are not "Officers" under the Constitution, Congress provided that the Board members could be removed by a vote of the Board for reasons specified in Section 1004(e).

On the other hand, the statute says that the Board members "by reason of such membership" are not deemed "officers," leaving open the possibility that they might be deemed to be "Officers" for some other reason, such as a constitutional reason.

We are left, therefore, with the task of determining what constitutes an "Officer" under the Constitution. Until *Buckley*, the only court precedent which directly dealt with the question was *United States* v. *Mount*, 124 U.S. 303 (1888), which vaguely defined an "officer" as one who was in the service of the United States. Other cases tried to define officer in a generic sense. See for example, *Matter of Hathaway*, 71 N.Y. 238 (1877); and *McArthur* v. *Nelson*, 81 Ky. 67 (1883).

Buckley v. *Valeo*, *supra*, however, required a much closer scrutiny at the functions performed by the individual in question. In that case a review of the functions of the Federal Elections Commission resulted in the determination that the provisions of the statute which provided for appointment by means other than Presidential appointment with the advice and consent of the Senate violated the Appointments Clause because the members of the Commission performed functions as "Officers."

Buckley held, quite clearly, that for persons performing function's required by the Constitution to be performed by "Officers of the United States," those persons *must* be appointed to "office" in accordance with Article II, Section 2:

"We hold that these provisions of the [Federal Election Campaign] Act, vesting in the [Federal Elections] Commission primary responsibility for conducting civil litigation in the courts of the United States for vindicating public rights, violate Art. II, § 2, cl. 2, of the Constitution. Such functions may be discharged only by persons who are 'Officers of the United States' within the language of that section.

"All aspects of the Act are brought within the Commission's broad administrative powers: rulemaking, advisory opinions, and determinations of eligibility for funds and even for federal elective office itself. These functions, exercised free from day-to-day supervision of either Congress or the Executive Branch, are more legislative and judicial in nature than are the Commission's enforcement powers, and are of kinds usually performed by independent regulatory agencies or by some department in the Executive Branch under the direction of an Act of Congress. Congress viewed these broad powers as essential to effective and impartial administration of the entire substantive framework of the Act. Yet each of these functions also represents the performance of a *significant governmental duty exercised pursuant to a public law*. While the President may not insist that such functions be delegated to an appointee of his removable at will . . . none of them operates merely in aid of congressional authority to legislate or is sufficiently removed from the administration and enforcement of public law to allow it to be performed by the present Commission. These administrative functions may therefore be exercised only by persons who are 'Officers of the United States.'" [emphasis added] *Buckley*, *supra*, at 140–141.

This excerpt suggests that "broad administrative powers" such as rulemaking, advisory opinions and determinations of eligibility for funds are functions constitutionally required to be performed by "Officers", because Congress viewed these broad powers as "essential to effective and impartial administration of the entire framework of the Act."

The precise holding in Buckley did not focus on these "powers" separately, for the Commission, there, possessed a broad panoply of powers. But the Court suggested that at the point at which functions are "sufficiently removed from the administration and enforcement of public law" they might be vested in non-"Officers."

How Buckley might apply to the Legal Services Corporation is difficult to resolve. The Corporation operates on direct Federal appropriations, makes grants to recipient organizations who provide legal services, establishes standards for grants and contracts and carries on other functions. It has many of the traditional attributes of a Corporation, but lacks many of the characteristics of a Federal agency. Its chief function consists of administering a grant program to recipient organizations—some private, some governmental—which provide legal services to the indigent. These functions are certainly not of the same character as those prosecutorial, regulatory, and judicial functions carried on by the Federal Elections Commission. But, Buckley does not attempt to draw a precise line.

Congress, in creating the Legal Services Corporation, obviously intended that the Corporation would be removed, at least a step, from actual governmental operations. After all, money appropriated might easily be ultimately utilized to finance litigation in which the Federal Government was an adverse party or to finance the presentation of litigation interests adverse to those of the Federal Government.

Thus, the purpose and the nature of the organization is quite different from the purpose and nature of the Federal Election Commission. Buckley appears to have contemplated this unique type of Federal organization:

"Congress may undoubtedly under the Necessary and Proper Clause create 'offices' in the generic sense and provide such method of appointment to those 'offices' as it chooses. But Congress' power under that Clause is inevitably bounded by the express language of Art II, § 2, cl. 2, and unless the method it provides comports with the latter, the holders of those offices will not be 'Officers of the United States.' They may, therefore, properly perform duties only in aid of those functions that Congress may carry out by itself, or in an area sufficiently removed from the administration and enforcement of the public law as to permit their being performed by persons not 'Officers of the United States.'" *Buckley*, *supra*, at 138–139.

Under *Buckley* it is possible that "offices", in a generic sense, may be created with any means of appointment (including appointment in conformity with the mode or pattern in Article II, Section 2) so long as the functions performed are ". . . sufficiently removed from the administration and enforcement of the public law" as to permit their being performed by persons not "Officers", within the meaning of that term as it is used in the Constitution.

The Legal Services Corporation has no authority to prosecute violations of law. And, it might be argued that the functions of the Corporation are not "significant" governmental duties exercised pursuant to public law. Accordingly, there is substantial doubt that the Corporation, serving as what might be viewed more as an "agent" on behalf of the Congress, carries on functions which must be vested with "Officers of the United States."

And, if it is legally permissible that the functions of the Corporation be performed by a Board of Directors who are not "Officers", then a recess appointment under Article II, Section 2 is arguably unauthorized (vacancy or not).

As can be seen, there is little guidance in the legislative history of the Act or from established judicial interpretation which definitely resolves the questions raised here. We believe some of the implications flowing from the reasoning in the recent *Buckley* decision raise a significant question about the propriety of the recess appointments made by the President under the Vacancies Clause to the Board of Corporation.

Resolution of the questions raised here may require even clearer guidance from the Congress or the Courts.

ROBERT D. POLING,
Legislative Attorney, American Law Division.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a motion to reconsider en bloc the vote by which the nominations were confirmed be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I so move.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that the Consumer Subcommitteee of the Commerce, Science, and Transportation Committee be authorized to meet during the sessions of the Senate on Tuesday, March 21; Wednesday, March 22; and Thursday, March 23, to consider the National Vehicle Safety Act and reauthorization of the Motor Vehicle Information and Costs Savings Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 8:40 a.m. tomorrow.

After the prayer, the distinguished Senator from South Dakota (Mr. ABOUREZK) will be recognized for not to exceed 15 minutes, after which and no later than the hour of 9 a.m., the Senate will proceed to the consideration, as in legislative session, of the farm bill, H.R. 6782. There is a time agreement on that bill, a limit of 4 hours, which is all inclusive and out of which any time for amendments, motions, et cetera, would come.

Upon the disposition of H.R. 6782, the Senate will then proceed to take up S. 2481 under a similar time agreement.

There will be rollcall votes throughout the day on those measures and on motions and amendments in relation to the same.

Upon the disposition of those two measures, the Senate will proceed under a time limitation to consider the conference report on the redwoods bill. The final votes on the two farm bills will occur back-to-back and will occur no earlier than 4 p.m. tomorrow. So it would appear that tomorrow the Senate will proceed in legislative session to dispose of those two farm bills and the conference report on the redwoods, after which the Senate will resume consideration of the treaty.

RECESS UNTIL 8:40 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, as in legislative session, stand in recess until the hour of 8:40 a.m. tomorrow.

The motion was agreed to; and at 7:33 p.m. the Senate, as in legislative session, recessed until Tuesday, March 21, 1978, at 8:40 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20, 1978:

DEPARTMENT OF AGRICULTURE

P. R. Smith, of Georgia, to be a member of the Board of Directors of the Commodity Credit Corporation.

U.S. TAX COURT

Herbert L. Chabot, of Maryland, to be a judge of the U.S. Tax Court for a term of 15 years after he takes office.

NATIONAL TRANSPORTATION SAFETY BOARD

Elwood Thomas Driver, of Virginia, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1980.

NATIONAL COMMISSION ON EMPLOYMENT AND UNEMPLOYMENT STATISTICS

The following-named persons to be members of the National Commission on Employment and Unemployment Statistics:

Bernard E. Anderson, of Pennsylvania.
Glen G. Cain, of Wisconsin.
Jack Carlson, of Maryland.
Michael Harold Moskow, of Illinois.
Rudolph Alphonsus Oswald, of Maryland.
Samuel L. Popkin, of California.
Mitchell Sviridoff, of New York.
Joan Lawson Wills, of Virginia.

NATIONAL LIBRARY OF MEDICINE

The following-named persons to be members of the Board of Regents of the National Library of Medicine, Public Health Service, for the terms indicated:

For a term expiring August 3, 1979:

Thomas C. Chalmers, of New York.
Kelly M. West, of Oklahoma.

For a term expiring August 3, 1980:

Samuel Richardson Hill, Jr., of Alabama.
Doris H. Merritt, of Indiana.
Cecil George Sheps, of North Carolina.

For a term expiring August 3, 1981:

James Franklin Williams II, of Michigan.
Nicholas Edward Davies, of Georgia.

NATIONAL TRANSPORTATION SAFETY BOARD

James B. King, of Massachusetts, to be Chairman of the National Transportation Safety Board for a term of 2 years.

LEGAL SERVICES CORPORATION

The following-named persons to be members of the Board of Directors of the Legal Services Corporation for terms expiring July 13, 1980:

Cecilia Denogean Esquer, of Arizona.
Steven L. Engelberg, of Maryland.
Hillary Diane Rodham, of Arkansas.
Richard Allan Trudell, of California.
Josephine Marie Worthy, of Massachusetts.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE DIPLOMATIC AND FOREIGN SERVICE

Diplomatic and Foreign Service nominations beginning Stephen W. Bosworth, to be a Foreign Service officer of class 1, and ending Ronnie D. Woody, to be a Foreign service officer cf class 7, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 10, 1978.

EXTENSIONS OF REMARKS

A LOVELY PARK THAT DOUBLES AS FLOOD CONTROL

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. RHODES. Mr. Speaker, as you are no doubt aware Arizona has recently been ravaged by the worst floods in the State's modern history. The damage to property is running into the millions of dollars, and there has been a tragic loss of life and destruction of property in the once tranquil "Valley of the Sun."

There is, however, one element of solace that the residents of Scottsdale, Ariz., can take from this disaster. In the summer of 1976, the long-awaited Indian Bend Wash flood control project was completed. This project was the culmination of cooperation between the State, local Scottsdale government, and Army Corps of Engineers. It marked the first project of its kind where the Army Corps combined recreational parks, lakes, and other structures with flood control dams and dikes. The city of Scottsdale alone contributed over $7 million to the construction of this project.

The results of this project have borne out the careful planning and hard work that went into it. While the southern half of Phoenix was ravaged by uncontrollable water spilled through the normally dry Salt River bed, the city of Scottsdale to the north was able to control the waters that ran through the center of the town by using Indian Bend Wash. Because of this wash, property damage was kept to a minimum, and there was only minor disruption in the life of the city. I would like to submit for the RECORD an article from the Christian Science Monitor which describes the way the Indian Bend Wash project worked, and the letter of congratulations to me from the mayor of Scottsdale, William C. Jenkins, which highlights the successful flood control aspects of the wash.

Hopefully, this disaster will point out the necessity of moving forward as expeditiously as possible with the construction of Orme Dam as part of the central Arizona project, so the city of Phoenix will be able to plan and provide for a similar flood control project which

has already been named the Rio Salado, to minimize the ravages of any flooding that might occur in the future.

The article follows:

A LOVELY PARK THAT DOUBLES AS FLOOD CONTROL

(By David F. Salisbury)

LOS ANGELES.—Southwest cities faced with the aftermath of this winter's severe flooding would do well to consider the example of Scottsdale, Arizona.

In 1972, floodwaters churned out of Indian Bend Wash, swamping 1,500 homes, cutting Scottsdale in half, and costing the city $10 million in damages. But this year, despite a similar deluge, damage has been minimal.

The difference? A 7½-mile greenbelt that doubles as a recreation area and as a grass-lined spillway designed to protect the city from rushing floodwaters.

According to a spokesman from the Army Corps of Engineers, which originally suggested concrete canals, the new spillway is "the nation's first floodway project to both reduce flood damage and build recreational facilities in the same design."

However, the greenbelt approach is not universally applicable. If the land runs at a steeper slope than it does at Scottsdale, for instance, the spillway might not work. In areas where the flood plain is highly developed, as is the case in neighboring Phoenix, a park system would be expensive to develop. But there are a number of areas in the Southwest where flooding is a perennial problem which might benefit from Scottsdale's example.

Although preliminary damage estimates from recent flooding in next-door Phoenix have been chalked in at $8 million, the only damage in Scottsdale was in the still-unfinished areas of the new park, says Barbara Markiewitz of the Mayor's office.

In 1963, the Army Corps of Engineers prescribed a standard solution for Scottsdale's recurring flood control problems—sterile concrete canals identical to those which crisscross a number of older Southwest cities. Two years later, Congress authorized money to implement the plan.

But officials of the newly incorporated city had other ideas. They voted the idea down by a resounding margin.

CITIZENS OFFERED PLAN

At the time, Scottsdale was conducting a "town enrichment" program. Citizens meeting in neighborhood groups to propose and discuss priorities for development decided that flood control precautions could be combined with park and recreational facilities.

There had been several destructive floods. The worst occurred in 1972, and the resulting damage set the stage for passage of a $10 million bond issue for the proposal. When it became clear that the city was going ahead with the plan to use grass rather than concrete for flood control, the Army abandoned its previous position and joined in.

Today the project is 80 percent complete. Scottsdale's flood plain has been largely transformed into a narrow strip of grassy parks, lakes, golf courses, playing fields, and picnic areas. These are graded from 6 to 18 feet below the homes, businesses, and schools which line the banks. Although the area often is awash during severe floods, the greenbelt has been designed to withstand waters with only minimum resulting damage. Four bridges span the area and prevent sections of the city from being isolated by raging waters.

Total cost of the project is estimated at $30 million, only $4 million more than the original figures for a concrete canal. The investment is expected to save more than $9 million in damages for every severe flood.

SCOTTSDALE, ARIZ., *March 8, 1978.*

Hon. JOHN RHODES,
House of Representatives,
Washington, D.C.

DEAR JOHN: I wanted to write and thank you for your help on the Indian Bend Wash. As you know, the flood control aspects of the Wash were tested during the past week. It worked beautifully!

While Scottsdale residents were inconvenienced by the flooding, the areas protected by the Indian Bend Wash were virtually unscathed by the flooding.

The Council and I recognize the hard work you've done on the project and want to again say thanks!

Sincerely,

WILLIAM C. JENKINS,
Mayor.●

THE GREAT LAKES PILOTAGE ACT OF 1960

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. RUPPE. Mr. Speaker, I have today introduced a bill to amend the Great Lakes Pilotage Act of 1960 in order to relieve the restrictive qualification standards for U.S. registered pilots on the Great Lakes. This measure is intended to relieve the growing shortage of qualified applicants for pilots and to enable the development of a suitable training program to insure the continued safe conduct of both foreign and registered U.S. vessels within the confines of our Nation's Fifth Sea.

Pilotage has been defined as that eminent state of maritime "know-how," the achievement of which by all concerned would insure the safe navigation of all things that float. Though this definition is somewhat nebulous the one distinguishing concern expressed therein is—safety. Pilotage is a vital aspect of maritime safety which in the Great Lakes was satisfied in earlier years by experienced lake sailing masters taken on board voluntarily at Montreal as a vessel began her upbound journey.

Traffic increased, the demand for qualified masters grew, and beginning about 1957 the need for licensed pilots under Government control became clear, especially in the face of the fact that while vessels navigating solely on the lakes were required to have the service of officers with qualified piloting skills there was no statutory requirement that oceangoing vessels of any flag utilize similar service while in U.S. waters. This need was enhanced by the opening of the new deeper-draft St. Lawrence Seaway in 1959. There followed, after extensive hearings and consideration of equitable relations with Canada, the "Great Lakes Pilotage Act of 1960" which essentially requires the services of a registered pilot in restricted or "designated" waters and a registered pilot or other qualified officer upon the open or "undesignated" waters of the lakes. Suitable accommodations, reciprocity, and mutual concerns of the United States and Canada have since been covered by memoranda of arrangements. They provide for the equitable participation by U.S. and Canadian pilots in the required services to oceangoing vessels in U.S. and Canadian waters.

While mates of U.S. interlake vessels are licensed as "First Class Pilots," and this is the only license issued to lake vessel deck officers other than a master's license, the prerequisite to status as a U.S. registered pilot to enable service under the Pilotage Act of 1960 to oceangoing vessels is an unlimited master's license. Because of this requirement there is a chronic shortage of qualified applicants which, under the federally mandated system, causes concern for the future safety of navigation in this region. Mates usually sail for 10 years before obtaining a master's license and serve another 10 or more years before obtaining a master's berth. By this time these men are well advanced in their careers, unable to transfer retirement benefits built up with an established company, and otherwise unwilling to face the uncertainties of an applicant pilot's lot.

Other objectives to the master licensure requirement have been identified not the least of which is the accepted argument that essentially only navigational skills are required which can be found in the larger manpower pool of younger, lower ranking but skillful lake vessel officers. To these men "pilotage" would offer career advancement prospects.

Thus my bill would provide that a U.S. pilot need no longer be the holder of an unlimited master's license but that a license as master, mate, or pilot would suffice. However, to insure the requisite pilotage and ship-handling skills and to obviate any possibility that a master might be transferring the conning of his vessel to a pilot who was a less qualified ship handler than himself, my bill provides that the Secretary of Transportation may require additional training and experience as a prerequisite to registration as a U.S. registered pilot.

With these changes, safety of navigation as envisioned by the framers of the Pilotage Act is insured—and incentives to establish a desirable pilotage training program are fostered.●

TITLE XI FINANCING FOR GREAT LAKES VESSELS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. MURPHY of New York. Mr. Speaker, today I am introducing a bill to exempt Great Lakes vessels from the 14 knot speed criterion which the Merchant Marine Act of 1936 requires for a lower down payment for direct loans from the Federal Government and for mortgage insurance.

Under the Merchant Marine Act, an applicant whose vessel weighs a minimum of 3,500 gross tons and can maintain a minimum speed of 14 knots is allowed to make a minimum down pay-

ment of 12½ percent toward a direct loan from the Federal Government and toward mortgage insurance. All applicants who cannot meet these criteria must make a minimum down payment of 25 percent.

Most Great Lakes vessels cannot meet these requirements, nor is it necessary that they do. The provisions in the 1936 law were included to stimulate the construction of vessels capable of achieving convoy speed for wartime. It has been found, however, that the most economical operation for a modern-day Great Lakes vessel fully loaded is a sustained speed of 15½ miles per hour, and sometimes less. In order for a Great Lakes vessel to meet the 14 knot, or 16.1 miles per hour, criterion, and therefore obtain the loan or mortgage insurance with a 12½-percent downpayment, it would have to sacrifice cargo, add 5,000 horsepower, and consume more valuable fuel.

The particular nature of the Great Lakes, where numerous rivers and channels constrain vessel movements, does not call for a speed criterion. It is unfair to impose a standard set for oceangoing vessels on those transiting the Great Lakes. This bill, "to permit the guarantee of obligations for financing Great Lakes vessels in an amount not exceeding 87½ per centum of the actual or depreciated cost of each vessel," should remedy that problem.

Joining me in introducing this legislation are Mr. ASHLEY, Mr. DINGELL, Mr. LEGGETT, Mr. EILBERG, Mr. OBERSTAR, Ms. MIKULSKI, Mr. BONIOR, Mr. AKAKA, and Mr. RUPPE.●

EARTH DAY 1978

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. WALGREN. Mr. Speaker, on March 20, 1978, winter will officially turn to spring. At the exact moment of the Equinox, which occurs at 6:34 p.m., a ceremony celebrating Earth Day at the United Nations will culminate with the ringing of the peace bell by Dr. Margaret Mead, Earth Day chairman.

Earth Day s a global holiday proclaimed by the Secretary General of the United Nations. Since 1971, when U Thant first rang the peace bell at U.N. headquarters, the bell has been rung each year at the Equinox in the name of man's effort to protect the environment and improve the quality of life.

I would now like to bring to the attention of my colleagues an article by Dr. Margaret Mead which aptly describes the meaning of Earth Day:

EARTH DAY

(By Margaret Mead)

Earth Day is the first holy day which transcends all national borders, yet preserves all geographical integrities, spans mountains and oceans and time belts, and yet brings people all over the world into one resonating accord, is devoted to the preservation of the harmony of nature and yet draws upon the triumphs of technology.

Earth Day draws upon astronomical phenomenon in a new way—which is also the most ancient way—using the Vernal Equinox, when the sun crosses the equator, making night and day of equal length in all parts of the earth. EARTH DAY begins with the striking of the Peace Bell at the United Nations, joined by gongs and bells ringing around the world in Celebration of the Vernal Equinox. The Celebration offends no historical calendar, yet transcends them all.

Earth Day celebrates the interdependence within the natural world of living things, and of humanity's utter dependence upon earth, man's only home. It celebrates the importance of the land, the oceans and the air to life and peace. It is a Celebration for all mankind, for we who live in different lands, on land which we cherish—and which we will be abe to cherish indefinitely, insuring a brighter future for all, if only we apply what we have learned about our earth responsibly and wisely!●

IN OPPOSITION TO SUSPENDING THE RULE TO PASS H.R. 11274

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. LUKEN. Mr. Speaker, I am in opposition to the motion to suspend the rules, because I believe this to be a blatant maneuver to block the House vote on tuition tax credits.

The proponents of this measure characterize it as noncontroversial, and at the same time describe the tuition tax credits as a "highly controversial measure." The opponents acknowledge that the two are very closely related. It is common knowledge that this measure would not be before us if the chairman of the Ways and Means Committee had not scheduled hearings on tuition tax credit. Everyone knows that this measure was conceived in opposition to tuition tax credit, and is being brought into the world with no other purpose in mind.

The result of a favorable action here today would be to stifle the debate on tuition tax credit and prevent this urgently needed legislation from being considered fully by the appropriate committee and by this House. Actually, tuition tax credit is a simple, straightforward approach which would provide equitable treatment and very needed relief to millions of taxpayers. Instead of collecting taxes from the American citizen only to return it to them reduced by administrative costs, a tuition tax credit would provide a direct reduction in tax bills, correlated to educational expenses. It is true that the exact coverage and amount of such a tax credit is open to debate, and such a debate should and will take place on the floor of this House if this effort today is frustrated.

Neither, do we listen attentively to the opinion of Attorney General Bell. The Attorney General is not the court of last resort, but is the lawyer for this administration. His opinion is no doubt sincere, but it is also part and parcel of the effort of the administration to defeat tuition tax credits.

On this motion to suspend the rules and pass H.R. 11274, I will vote "no" and I urge all Members of the House to vote "no" out of desire for a full debate on all available options.●

CUTTING HEALTH COSTS IN ST. LOUIS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. GEPHARDT. Mr. Speaker, as a member of the House Ways and Means Committee, with its jurisdiction over medicare-medicaid and health insurance legislation, I share the concerns of my committee colleagues that something must be done to stop the ever-increasing costs of health care. In public hearings held in May 1977, on the hospital cost containment proposals, we learned that health care expenditures for the elderly have skyrocketed since 1966. During that year, an average senior citizen paid $237 in direct, "out-of-pocket" health care expenditures. In 1975, senior citizens, who are forced to make ends meet while living on a fixed income, paid an average of $390 in direct, "out-of-pocket" health care expenditures.

Clearly, action is needed to reverse the spiraling cost of health care. Congress has heard dozens of proposals. Few of these proposals are very innovative. Many proposals are negative and are often put forth by very defensive segments of our health care industry.

Fortunately, in my home State of Missouri, a unique health plan has been developed. It is a positive response to meeting this Nation's health care needs. It is innovative in its restructuring of the economics of American medicine.

For these reasons, I call the attention of all my colleagues and to the Nation's medical community a thought-provoking article by Dr. E. J. Cunningham, president-elect of the St. Louis County Medical Society. Dr. Cunningham has detailed the operation and organization of the unique St. Louis metro health plan.

As President of the St. Louis metro health plan, Dr. Cunningham has shown great insight and leadership in developing this positive solution toward reversing the cost-plus spiral. Dr. Cunningham's article follows:

KEY FACTORS TO HMO SUCCESS

As a private, practicing physician, I share the concerns of thousands of doctors about the rising cost-plus spiral which continues to plague the economy and health care industry in the United States. Physicians can, should and must play a real leadership role in reducing and reversing this cost-plus spiral.

Forty of St. Louis' leading private physicians[1] viewed this economic situation as an opportunity, not a problem. My fellow physicians joined me in developing a positive alternative to existing methods of health care financing. St. Louis physicians personally have committed $250,000.00 to start a prepaid

[1] Physicians sponsoring the Saint Louis Metro Health Plan include: President-Elect of the St. Louis County Medical Society; President of Missouri State Board of Healing Arts; Past President of Filipino Physician Association; President-Elect of St. Clair County; Five Hospital Staff Presidents; Past President of the National Medical Association; Missouri Delegate and Trustee to American Medical Association; President, Southwestern Surgical Congress and thirty other leading physicians.

health plan. These doctors clearly recognized that the key issue is basic economics and that the cost-plus spiral can only be reversed if the self interests of everyone are to reverse the spiral and reduce the costs. Private physicians did not want to assume the risk of hospitalization alone. The physicians were willing to accept the total risk of limiting the cost of physician care, in outpatient hospital care and providing the professional concurrent utilization review of services, but wanted a program which allowed all traditional health insurance carriers and every employer the opportunity to participate. The result is a program which allows each insurance carrier to participate by selling the plan to their existing clients and sharing with those clients and the physicians the financial risk and rewards of developing appropriate controls of the utilization of inpatient and outpatient services.

This open panel, multi-site Individual Practice Association provides every employer the opportunity with his existing insurance carrier to offer all employees their individual choice of insurance programs without having to change physicians. In this manner, the best elements of the traditional relationships with which each participant is familiar and accustomed are saved and a new common interest to reverse costs is introduced.

Quite simply, in the best tradition of America, it interferes with no one's rights. Every insurance company may choose to participate. Every consumer may elect to join the Plan. Every physician may participate. Every industry may offer this alternative. The role of the private insurance carrier is preserved. But the Plan's emphasis on outpatient care, preventive care, cost controls and health care education will dramatically reduce the total cost of care. Equally important, the Plan has been designed so that everyone shares in those savings.

By providing existing carriers the appropriate role of marketing, risk assumption and claims processing, and by utilizing a health management firm with experience in dealing with the problems of physicians as well as with the development and management of alternate health care delivery systems, we feel we are maximizing our utilizations of existing human resources in the management of the Plan. This straight forward, non-threatening approach is meeting with the enthusiastic support from every major segment of the health care providers in the community.

By utilizing existing facilities and community physicians, NO provider is excluded and each provider can participate to the extent they wish. By developing the program with the participation of the community's leading physicians, hospitals, insurance carriers and employers, the self interest of all will assure continual provider support. Marketing responsibilities will be shared by the Management[2] Company which has proven ability to develop and sell the prepaid alternative in other markets. The community's largest insurance carrier has agreed to aggressively market the Plan to existing customers and to participate with any employer whose present carrier does not want to assume their appropriate responsibilities by participating in the Plan.

Numerous Corporations and Unions have indicated their desire to participate and encourage their employees and members to participate. Existing closed panel HMO's in St. Louis operating from single sites have not been able to cope with the demand for prepayment. This community wide program will help meet the existing demand. Through inclusion of a wide spectrum of physician leaders as founders, we have been able to receive strong support of our fellow practitioners.

Why has such a unique response been experienced in St. Louis, known as a conservative bastion of private medicine? Can such a response be developed in other communities? We believe it can, but only with a non-threatening approach which clearly recognizes the importance of providing everyone an opportunity to participate and a reward for their participation. Because physicians both provide and determine the proper course of care, they are in effect both the provider and the consumer. The other key parties are labor and industry, who pay for the care.

PAST EXPERIENCE

St. Louis physicians know and HEW knows why HMO's have developed very slowly:

(1) lack of commitment by sponsors
(2) lack of management capability
(3) lack of providers
(4) failure to supply marketing support
(5) strong physician opposition

CURRENT AND SUCCESSFUL ACTIONS

To assure physician participation a plan must:

(1) Preserve the fee-for service concept, in that reimbursement should be made for each service rendered.

(2) Accommodate all types of medical practice, from the solo or small partnership to the large multi-specialty group.

(3) Afford those enrolled free choice of participating physician, regardless of specialty or practice setting

(4) Pay in full for nearly all medically related expenses, whether for inpatient or outpatient care.

(5) Pay for preventive as well as curative services.

(6) Streamline administration and eliminate patient billing and costly paperwork.

To assure industry and labor support, the plan must:

(1) Provide the credibility of participation by major health insurance carriers.

(2) Provide employers and unions the option of retaining their present hospitalization carrier.

(3) Provide employees the option to retain their present physician.

(4) Reduce the cost of administering their health benefit program.

(5) Not require employers to determine the appropriateness of care.

To assure everyone's support, we urge that the plan, through the use of the free enterprise system, should set the existing facilities, human resources and financial resources of the industry into an economic dynamic which will reverse the present incentive which results in a cost-plus spiral.

No amount of community planning, government regulation or control will be as effective in reducing cost as an economic dynamic based on the self interest of all concerned. The viability and responsibility of the free enterprise system are being tested and, in St. Louis, physicians and industry have clearly demonstrated a desire to rise to the challenge. We want our children and their children to have the same freedom to choose their doctor, but we also want them to be able to afford the care they need. To meet these medical needs, the responsibility is not for government to provide us the solution, but for physicians and industry to provide the solution.

CONCLUSION

If the continual support and development of federally funded programs are needed to stimulate an appropriate response, then so be it. In St. Louis, this is not the case, and it need not be in other communities. We hope by our example we will help others to recognize the opportunity.●

[2] *Medserco Incorporated*. Its Primary Care Systems Division, directed by Mr. James Dyer who managed five successful I.P.A. operations in Wisconsin is responsible for all management support.

RECENT FTC ACTIONS

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. BLANCHARD. Mr. Speaker, as a supporter of vigorous antitrust enforcement and reasonable trade regulation to protect the consumer, I, as well as many others in Congress, have an interest in seeing that Federal action in this area be sensible and reasonable.

Without question, Federal resources to enforce antitrust laws and consumer protection laws are limited. These resources must be put to the wisest, most effective use. A recent editorial in the Wall Street Journal calls into question the wisdom of recent Federal Trade Commission actions regarding the cereal industry. In my mind it also calls into question whether Federal resources are, in fact, being put to their most effective use. For the information of my colleagues, the March 6 editorial appears below:

THREE QUARTERS OF A MONOPOLY

What is good news for Quaker Oats Company must logically be good news for the other ready-to-eat cereal companies in the industry's almost eight-year struggle against the Federal Trade Commission.

Quaker last week won from Harry R. Hinkes, administrative law judge of the FTC, a dismissal as defendant in the agency's "shared monopoly" case. Quaker, he decided, was not sharing in the monopoly. What this leaves us with is the silly proposition that Kellogg, General Foods and General Mills now constitute three quarters of a monopoly. This confounds logic as much as the idea of a three-quarters murder, which suggests to us that the sooner the government dismisses the entire case the sooner it can wipe the egg off its face.

The whole concept of shared monopoly was a silly one from the start, the idea that when a few producers share a major portion of the market they can act as a monopoly even without conspiring or colluding. The government would have us believe the four companies would make believe they were competing, dividing up the market with winks and signals, rigging high prices and preventing new competition from coming in to beat these shared-monopoly prices by spending lavish amounts on advertising that the "little guy" can't afford.

Quaker, we see, gets off this twisted hook because it increased its market share to 9% in 1972 from 2% in 1960 and because it evidenced "more rivalry" than the others in seeking supermarket shelf space. Thus, says Mr. Hinkes in his dismissal, the "record fails to show that an order against Quaker is necessary to restore competition in the industry."

It does not take a Jesuit to figure out that it takes two to tango and at least two to compete for supermarket shelf space. And if indeed the other three companies were somehow sharing a monopoly, it is not much of a monopoly if it allows a competitor to quadruple its market share. If there is no case against Quaker there's no case against anyone. We think the FTC and even much of its staff must know it has been engaging in foolishness.

And very costly foolishness at that. Quaker estimated that "despite efforts to minimize costs by handling its defense 'in house' (we) estimate the direct cost to it alone to be

$1,888,405 aside from the nonquantifiable disruptive effects to Quaker's business and the substantial expenditure of taxpayers' money by Complaint Counsel."

Indeed the FTC's staff architect of this effort, Michael Glassman, almost gave Judge Hinkes no other choice when he testified that relief against Quaker "was not essential and would do very little, only make a marginal contribution to increasing competition in the industry," and relief should be pursued only if "it could be obtained cheaply." Dropping Quaker, he said, "would save the public some money."

Does this mean that our bureaucrats in Washington are beginning to sense that their moments of whimsy, as with the concoction of the shared-monopoly theory, involve extraordinary expenses to the taxpaying and consuming public? FTC Chairman Michael Pertshuck says yes, from now on there will be a "cost-benefit analysis" of each FTC proceedings "to make sure consumers are better off than they were before as a result of our action."

But wait a minute! On the very day Quaker finally got out from under the shared-monopoly suit the Federal Trade Commission announced a brave, new proceeding. An inquiry would begin on whether or not all television advertising aimed at children should be banned altogether. An incredible FTC bureaucrat named Tracy Weston appeared on the Today Show to announce, wild-eyed, that television commercials manipulate little minds and must be prohibited. "Parents are helpless," he said. "Government must help parents, who after all cannot police their children day and night."

Who buys those commercials? Cereal companies. Luther McKinney, Quaker's senior vice president who personally argued the Quaker case on the shared monopoly suit, thus did not get even one day to celebrate. "The advertising ban proceedings," he says, "may take four or five years."●

H.R. 10982, FIRST FISCAL YEAR 1978 BUDGET RESCISSION BILL

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mrs. COLLINS of Illinois. Mr. Speaker, although I was not present on Friday, March 10, to vote on the passage of H.R. 10982, the first budget recission bill of fiscal year 1978, I wish to be recorded as in favor of this bill had I been present.

The effect of this bill, which passed the House by a vote of 318 to 0, is to rescind budget authority previously appropriated by the Congress for purposes that were later determined to be no longer necessary. Included in the bill are $40.2 million for military assistance to Turkey and Greece. Since the implementation of this aid had been made contingent upon a certain degree of progress by these two countries in resolving their dispute over Cyprus—progress which the President had determined had not been made—the committee has recommended this item for recission.

Other items affected by this bill include the Federal Home Loan Bank Board which utilized only $11.5 million out of $21.6 million in borrowing authority which had been appropriated by the Congress for the construction of its new headquarters. Accordingly, H.R. 10982 rescinds the $10.1 million that the Board did not utilize.

Finally, the legislation rescinds $5 million in budget authority for the U.S. share of expenses to maintain United Nations peacekeeping forces in the Middle East. This is due to the fact that in December the U.N. General Assembly approved peacekeeping budgets substantially lower than anticipated, and, as a result, the U.S. assessment was reduced from $32 million to $27 million.●

LIBBY KLAWUHN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. WAXMAN. Mr. Speaker, it is with special pride that I ask the Members to join me in congratulating Libby Klawuhn for outstanding contributions to her community, State, and country on the occasion of the installation dinner of the Hollywood Highlands Democratic Club on March 31, 1978, in Los Angeles.

Libby is being honored for her service as a three-term president of that club, a duty which she carried out with distinction and leadership. But I would like to think of this commemoration as a tribute to her commitment to the principles of democracy through her tireless involvement with the candidates and causes she believes in, starting with the New Deal of the thirties to present day progressive issues.

In her various capacities as alternate to the Los Angeles County Democratic Committee, treasurer of the 45th assembly district council, an active member in the California Democratic council, she is known for her diligence, forthrightness, and as someone who can always be counted on. Not the least of her involvement is serving as a deputy registrar of voters—and in her enthusiasm to impart the spirit of citizen participation in the election process, she has undertaken all manner of tasks whether it be driving a citizen to the polls or getting information distributed where and when needed.

Professionally, Libby Klawuhn is a specialist in the field of temperature measurement instruments. She has also served as field deputy on the staffs of various legislators and in this capacity is the compassionate, efficient buffer between a constituent in need and the services of a sometimes indifferent public agency.

It would seem from all this that little time and energy would be left for the more frivolous interests. This is not so. Libby Klawuhn is a talented musician and composer, painter, science fiction enthusiast, and a first-class Dodger fan. Her friends come from all walks of life, all ages, all interests. They are a reflection of her own all-encompassing regard for human values and achievements.

Because of her special qualities, Libby Klawuhn might be rightfully termed a "Renaissance woman." Those who know and work with her would simply call her a very special human being.●

MILLER CHAIRS HEARINGS ON DOMESTIC VIOLENCE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. MILLER of California. Last week, I had the opportunity to chair hearings by the Subcommittee on Select Education on one very critical subject of domestic violence. The subjects of these hearings have been bills introduced by my colleagues, BARBARA MIKULSKI of Maryland, LINDY BOGGS of Louisiana, and NEWTON STEERS of Maryland. This legislation and these hearings have drawn national attention to this ignored and hidden crisis which, testimony has indicated, is a severe epidemic which transcends every barrier of race, educational level, income, and social status.

While congressional action has illuminated the extent of the problem, we certainly did not originate the idea of providing assistance to victims of domestic violence. That effort has been undertaken very successfully by community people in dozens of cities and rural communities who have established shelters and service programs with a minimum, or no Federal assistance whatever.

I think there should be Federal assistance, targeted specifically for the creation and replication of these locally based programs. A critical part of any Federal legislation must be that we scrupulously avoid introducing unreasonable bureaucratic requirements and redtape.

I look forward to working on developing legislation in this area. I would like to share my opening comments at last week's hearings with my colleagues in the House.

The statement follows:

HEARINGS OF DOMESTIC VIOLENCE LEGISLATION

Today's hearing marks the beginning of action in the House of Representatives which, I am hopeful, will conclude in enactment of legislation providing federal supports for shelters for victims of domestic violence.

Various experts, with far greater expertise in this field than I, will tell members of this subcommittee, and the general public, some extremely disturbing facts about the level of domestic violence which exists in our country. I need not recite the statistics at the outset.

It is important to note, however, that congressional action on the subject of domestic violence is not an example of responding to some fad. The evidence has clearly indicated that we in the Congress are well behind many committed people throughout the country who have recognized, and responded to this widespread problem long before legislation or financial assistance from the federal government became available.

I believe that the federal government should provide help to those operating, or seeking to establish, shelters for abused people throughout the country. But it is

terribly important, in constructing this federal policy, that we avoid establishing bureaucratic and other obstructions which will drain off funds needed for shelter operations and create a mountain of regulations and red tape.

The main goal of federal legislation should be to channel, to community based organizations, funds to assist in the maintenance or creation of shelters. Many successful models have been developed already with a minimum of direct federal assistance, if any, and we should build on these models while assuring that people in their own communities will make decisions about their shelters based upon the specific needs of their own communities.

This hearing, and others like it, can provide us with important information about shelters and the incidence of abuse. In preparation for chairing these hearings, I felt that I needed to gain more personal experience with the issue of domestic violence, and related problems, than I could get in the somewhat antiseptic atmosphere of a hearing room.

Over the past several weeks, I have spent several evenings in homes for abused women, talking with the people who organized the homes, and with the women themselves who sought refuge from battering spouses. I also spent time riding with policemen from nearby communities to gain firsthand their perspectives on the problems police encounter in this area.

These experiences, over several evenings of frank discussion, have greatly supplemented my awareness of the problem, and of the difficulties in offering assistance from the federal level. Most tragically, domestic violence appears to me to be one more piece of evidence that the myth of the American family, and the great value that we place on our children as "our most important resource", is at best a myth, and at worst a cruel lie.

In over three years of work on children and family issues—foster care, adoption, nutrition, education, health, and now domestic violence—I can only conclude that the American family is in the midst of a profound and frightening crisis. Ironically, I have learned, domestic violence is most likely to occur at times when the family is spending substantial amounts of time together—during holidays, on weekends.

The police have told me that domestic disputes are one of the three most frequent calls they receive, and the one they most dread, because the incidence of police deaths due to intervention in domestic disputes is the highest of any police action. Yet, although the police have been aware of the extent of the problem for so long, there are very few alternatives open for treatment. Under state and local laws, police responses are often severely restricted, and the issuance of a warrant for assault is not possible given the available evidence.

Often, the police tell me, they have neither the resources or the time to spend with the complaining party, which results in allegations that the police are "insensitive" or cavalier about complaints of domestic violence.

A related point which I think should be made concerns the personal problems of many police officers in dealing with this problem. From my conversations and from reading, I have learned that the emotional problems associated with high-stress police work often mitigate against an officer being able to serve the counselling function expected of him or her. Interestingly, the related problems of alcohol abuse, family arguments and high divorce levels which are associated with domestic violence are also unusually frequent in many police forces.

The major responsibility of dealing with domestic violence, therefore, should fall to those providing shelter and services to the victims. I have been pleased to learn that the police themselves are favorably disposed towards these shelters, because they provide a needed, non-legal response to women's serious problems. The success of these shelters, and the universally acknowledged breadth of the incidence of family violence, justify support for the kind of legislation we are considering here today.

I think it is very important to stress that domestic abuse is not by any means limited to one portion of the population. Both shelter operators and police have told me that they encounter middle and upper class victims as well as poor victims, from all races, educational and occupational backgrounds. Without divulging confidences, I think I can say that I have personally heard of cases where an abuser was a garbage truck driver, and a high ranking military officer.

Victims from differing background respond to abuse very differently. A poor victim often arrives at a shelter after years of abuse, informing the operators that she found the courage to leave her abuser only because finally there was a place to go. Without any financial resources of her own, she had had little alternative but to bear the abuse for eleven years, in the case of a woman with whom I spoke the other night.

A woman with her own career, or from a higher income family, may have somewhat different circumstances. In some cases, these women do not have access to the family's bank accounts, and are, for all purposes, destitute when they decide to leave their homes. I encountered one woman who left an abusing husband only to find, several days later, that he had sold all of her belongings, including family heirlooms. So, the mere fact that a woman comes from an affluent family is no assurance that she has access to financial resources.

In visiting shelters in middle class communities, I have found that some affluent women have an aversion to coming to the shelter proper. However, these women do use the hotlines to call the shelter staff for advice and counselling.

Another myth is that we should not provide aid to male victims of abuse. There is quite a bit of evidence that men are victims of domestic abuse, although they are (as many women have been) embarrassed or reluctant to admit to it. One woman victim told me that male victims of abuse do not turn up in shelters, but in morgues. "If I'm going to go after my husband," she said, "I'm not going to slap him. I'm going to be sure he can't come back at me." Police have confirmed that, in cases of male abuse, the injury is more often a gunshot wound than a black eye.

Regardless of the issue of who is abused, it is obvious that abuse illustrates severe problems within the whole family, and the evidence is that the whole family suffers. Research illustrates that an abusive spouse is likely to be an abusive parent, and that the child who witnesses or experiences abuse is likely to become an abuser in later life. In addition, given the fact that so many victims of abuse do return to their spouse, we must recognize the need to provide remedial counselling to the abuser, as well as to the abused.

In addition to providing money for the establishment and the maintenance of shelters, there are several other points which I would like to make about legislation on this issue:

1) We must bring about a large measure of coordination among various federal programs which may touch on this issue. LEAA, HUD, HEW, the Child Abuse Center, and other agencies have been developing or operating related programs already, and we should be careful not to duplicate past efforts with the limited funds we have available.

2) We should look to the many federal programs which could be brought into this effort to provide personnel to aid shelters. Congresswoman Mikulski has correctly drawn our attention to the role ACTION can play in this program by enlisting volunteers. We similarly should look to the Retired Senior Citizen Volunteer Program, and CETA to help staff shelters with skilled and trained people from the community.

3) Very importantly, we must not raise unreasonable expectations that, through this legislation alone, the federal government will be able to supply unlimited funds for shelters throughout the country, because that will not be possible. Ultimately, it is my hope that our limited resources will be used to put shelters on a stable footing so that they can compete for other money, such as revenue sharing and Title XX of the Social Security Act, within their own state and local community.

I have become aware of the fact that serious questions currently exist about the ability of shelters to utilize Title XX funds. To eliminate any problem in their gaining access to this important source of federal funding for social services, I will introduce early next week legislation to:

Specifically authorize the use of Title XX funds for adults or children who require shelter or services on an emergency basis because of the danger of physical or mental injury or abuse;

Provide that all funding for shelters shall be on a short term, emergency basis;

Provide a waiver from regular Title XX income eligibility standards for those utilizing such services because of the questionable financial circumstances of people using shelters;

Limit the amount of federal money which any one shelter may receive within one year from Title XX.

This legislation will serve as an important supplement to the Domestic Violence bills we are considering today. Hopefully, the testimony we will hear during these next two days of hearings will provide us with the groundwork on which we can move swiftly to enact these programs and provide much-needed federal assistance to these shelters and the people who so badly need the services they provide.●

STATEMENT ON PANAMA CANAL TREATIES APPLAUDED

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. LAGOMARSINO. Mr. Speaker, on March 6, 1978, our colleague from California, Mr. LEGGETT, sent to all the Members of Congress a copy of his statement concerning the environmental impact of the Panama Canal treaties on the Canal Zone. I would like, at this time, to compliment my colleague on his fine statement.

I was most disturbed over many of the problems presented in the statement. The Carter administration has already usurped the constitutional right of the House to vote on the transfer of U.S. property. It now appears that the executive branch has prepared an inadequate environmental impact statement as required by the National Environmental Policy Act.

The environmental implications of the canal treaties have not received adequate

attention. I strongly urge my colleagues to carefully study Mr. LEGGETT's informative statement.●

THE 60TH ANNIVERSARY OF BYELORUSSIAN INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. DERWINSKI. Mr. Speaker, as I have in the past, I wish to direct special attention of the Members to the commemoration of Byelorussia's Independence Day. Sixty years ago, on March 25, 1918, the Byelorussian people proclaimed their independence from Communist Russia and declared the autonomy of the Byelorussian Democratic Republic. The Soviet Government retaliated almost immediately, annulling that spark of freedom by creating the Byelorussian Soviet Socialist Republic and cementing it within the ironfisted grasp of the U.S.S.R.

However, that fierce desire to be free remains in the hearts and minds of the people of Byelorussia. Despite the continuous oppression imposed upon them by the Russian Communist regime, the Byelorussians have at every opportunity, sought to restore their national identity as a sovereign state, free from the forces of Communist domination and control. At the end of World War II, the All-Byelorussian Congress again convened to approve a second proclamation of independence, but was soon dispersed by the Soviet armies.

Throughout their history, the Byelorussian people have transmitted from generation to generation their national identity through their cultural achievements language and rich heritage. The knowledge of what it is to be free and the determination for this renewed freedom continues to inspire these valiant people in their dream of restoring their homeland as an independent nation.

It is indeed an unfortunate development that the Byelorussian people, whose heritage is so rich in traditions of democracy, live under the oppressive rule of the Soviet Government. As we commemorate their independence of 1918, we highlight this day as a symbol of the national aspiration of the Byelorussian people for their sovereignty and self-determination. We also command and acknowledge the courage of the Byelorussian people.

Now more than ever, when human, national, religious rights are actively defended throughout the world, but are subject to flagrant violations that occur in Communist countries in Eastern Europe, including Byelorussia, this commemoration gains additional significance. Through this annual observance on behalf of the Byelorussian people, I trust that we can help reassure those brave people whose human rights and cultural heritage are held captive, that they will continue to receive our encouragement and recognition for their paramount goal of self-determination.●

WHO BEARS THE TAX BURDEN?

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. LEVITAS. Mr. Speaker, it has long been my contention that the person who bears the heaviest relative burden of the Federal income tax bill in this country is the "middle-income" taxpayer. As the cost of running the country goes up, both in real dollars and inflated dollars, the largest portion of those extra dollars comes from this middle-income group.

The Tax Foundation, a nonpartisan research organization, has interpreted recent IRS statistics of income—how much different income groups pay in taxes—and has discovered that the middle-income taxpayer is in fact footing the largest portion of the bill. I would like to share the results of the Foundation research with my colleagues, because I think they are important for us to be aware of as we undertake new tax legislation in this session of Congress.

Is it fair to continue to sock it to these same people and groups? Are we creating disincentives to this productive segment of our society? When we talk of "tax relief," shouldn't these people be the recipients of some relief rather than the bearers of additional burdens?

I offer for the RECORD the report of the Tax Foundation at this point:

TEN PERCENT OF TAXPAYERS PAYING HALF OF U.S. TAX BILL

Tax Foundation computations based on the recently released *Statistics of Income* of the Treasury Department show that 5 percent of the taxpayers—those with adjusted gross income of $29,272 or more—paid more than one-third of the total personal income taxes collected by the Federal government in 1975. The top 10 percent of taxpayers—those earning $23,420 or more—picked up the tab for nearly half the total tax bill.

Similarly, taxpayers with AGI of $15,898 or more, representing one-fourth of all taxpayers, footed 72 percent of total tax liabilities. In contrast, the lowest 25 percent of taxpayers contributed less than 1 percent of total income taxes paid; the bottom 50 percent accounted for only 7 percent of tax collections.

Although much has been said about high-income taxpayers with little or no tax liability, the latest Statistics of Income showed that the 1,149 taxpayers earning $1,000,000 or more in 1975 paid an average tax of $1,011,317. The total tax paid by these few high-income taxpayers added up to $1.15 billion.

Moreover, as shown in the accompanying table, the relative share of the tax burden taken by upper income taxpayers has been increasing. For instance, the highest 10 percent paid 45.0 percent of total taxes in 1970 but their burden had increased to 48.7 percent by 1975. The share of the upper 25 percent went up from 68.3 percent in 1970 to 72.0 percent in 1975. At the same time, the small proportion paid by taxpayers in the lower income brackets shrunk to even smaller percentages over the 1970–1975 period. In addition, several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–1975.

Adjusted gross income reported on all tax returns rose from $632 billion in 1970 to $948 billion in 1975, or 50 percent, according to Tax Foundation. During the same period the average tax per return increased from $1,415 to $2,020, or 43 percent. The difference between the change in AGI and average tax reflects primarily sharp increases in the amount claimed under the standard deduction—$32 billion in 1970 and $101 billion in 1975, a rise of over 200 percent. Itemized dividual income taxes paid increased from $88 billion to $122 billion, or 38 percent; personal exemptions rose 25 percent, from $128 billion to $159 billion.

Still other comparisons: total Federal individual income taxes paid increased from $84 billion in 1970 to $125 billion in 1975, or 49 percent, but the number on whom the burden of paying taxes fell increased only 5 percent, from 59 million to 62 million.

The Mid-Session Review of the 1978 Budget estimates individual income taxes at $158 billion in fiscal year 1977 and $178 billion in fiscal 1978.

PERCENT OF TOTAL TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS, 1970 AND 1975

Adjusted gross income class	Income level		Percent of tax paid	
	1970	1975	1970	1975
Highest 1 percent	[1] $43,249	[1] $59,338	17.6	18.7
Highest 5 percent	[1] 20,867	[1] 29,272	34.1	36.6
Highest 10 percent	[1] 16,965	[1] 23,420	45.0	48.7
Highest 25 percent	[1] 11,467	[1] 15,898	68.3	72.0
Highest 50 percent	[1] 6,919	[1] 8,931	89.7	92.9
Lowest 50 percent	[2] 6,918	[2] 8,930	10.3	7.1
Lowest 25 percent	[2] 3,157	[2] 4,044	.9	.4
Lowest 10 percent	[2] 1,259	[2] 1,527	.1	.1

[1] Or more.
[2] Or less.

Source: Tax Foundation computations are based on Internal Revenue Service, Statistics of Income.●

REV. B. T. NELSON MARKS 50 YEARS IN THE MINISTRY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. STOKES. Mr. Speaker, I rise on this occasion to bring to your attention and to the attention of my colleagues in the U.S. House of Representatives, one of the leading ministers in the greater Cleveland, Ohio, area, the Rev. B. T. Nelson.

For 50 years, Reverend Nelson has been a devoted minister of the Gospel. Thirty of those years have been spent in Cleveland as the pastor of the Mt. Nebo Baptist Church at 12701 Superior Avenue in East Cleveland. During these years, Reverend Nelson has been a source of inspiration and guidance to his parishioners and to the community at large. He is a member of numerous civic and social welfare organizations including the Urban League of Cleveland, the NAACP, Hough Area Development Corporation, and the 21st Congressional Caucus. In addition, he is an active leader in the Baptist Church both locally and nationally. Some of these religious organizations include the National Baptist Convention of the USA, the National Baptist BTU and Sunday

School Congress, the Ohio State Baptist Convention, the Progressive Baptist District Association, the Greater Cleveland Interchurch Council, the Baptist Pastors' Council of Cleveland and Vicinity, the East Cleveland Ministerial Alliance, and the Interdenominational Ministers Alliance.

Mr. Speaker, on Saturday evening, April 1, 1978, the members of Mt. Nebo Church will hold a testimonial banquet in honor of Reverend Nelson to celebrate his 50 years in the ministry. To commemorate this event, Mr. Speaker, I would like to ask that my colleagues join me in extending our congratulations to Reverend Nelson and the members of the Mt. Nebo Baptist Church on this auspicious occasion. It gives me great inspiration to see a church community as strong and full of faith as Mt. Nebo's. Reverend Nelson is to be commended for a job well done.●

DISSENT WITH CIVILITY

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. STEERS. Mr. Speaker, when passions run high during debates such as those on the Panama Canal treaties which are largely centered in the other body, at present, we may lose our patience, our good humor, our "cool."

With the thought that we Americans can use all the cool we can get, I submit the following copies of letters, the first of which was on the stationery of the Manchester (N.H.) Union Leader, which features the slogan, "There Is Nothing So Powerful as Truth":

Representative MILLICENT H. FENWICK,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN FENWICK: You will not like the enclosed front page editorial, but this is how I see it.

Regarding the situation on the Panama Canal, you know what the polls indicate and you are not only voting against it but you are also throwing away a great political issue and are handing it to the Democrats on a silver platter.

Stupider than that you couldn't be.

Regards,

WILLIAM LOEB,
President.

Mr. WILLIAM LOEB,
President, Union Leader Corp.,
Manchester, N.H.

DEAR MR. LOEB: Thank you very much for your letter. I was impressed by your bannerline: "There is nothing so powerful as truth."

There is nothing so convincing as accuracy.

There is nothing so winning as courtesy.

There is nothing more desirable in our plural society, under our Constitution, than the practice of dissent with civility.

Each one of us is entitled to his or her opinion, and you may be surprised to know that I was delighted—though not surprised—to learn about yours.

Sincerely,

MILLICENT FENWICK,
Member of Congress.●

SHE SERVES WHERE SHE'S NEEDED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. HARRIS. Mr. Speaker, so often in civic life we will see a community become something different—something special. The streets may look the same as other communities, the homes may appear the same—even the people. But, the community is different. The people care for one another; and, therefore, do for one another. Problems are not "accepted," they are challenged.

What causes that difference? Usually, one or two people who are special because of a unique gift of commitment.

In Alexandria, Virginia, Annie Rose is such a person. Her philosophy is direct and profound: "I serve where I'm needed."

I would like to share with my colleagues a recent article in The Alexandria Gazette, which tells us a little more about Annie Rose— and about ourselves.

The article follows:

[From the Alexandria Gazette, Mar. 17, 1978]

AN ALEXANDRIAN "YOU CAN'T HELP LOVING"

(By Beverly A. Moses)

Debbie Brown of the Alexandria Urban League describes the 83-year-old Alexandrian as someone you have to love.

Anne Rose, she said is always running around doing something for somebody.

Currently a member of the United Way, the League of Women Voters, the Golden Age Club, the Crunch Bunch and numerous other volunteer organizations, Mrs. Rose believes that "two things stand out in a person's life and they are love and service."

She said her volunteer activities have been aimed at getting senior citizens "out and involved in the community," but she is especially interested in the housing problems in Alexandria.

Formerly on the Commission for the Aging, Mrs. Rose was one of those responsible for the creation of the Senior Citizens Employment and Services of Alexandria, Inc. More recently, City Manager Douglas Harman asked Mrs. Rose to serve on the Alexandria Economic Opportunities Commission.

Mrs. Rose has openly criticized officials who she thought were in positions to do something about present minority housing problems but failed to do so. She is particularly disturbed now about the Alfred Street dwellers who are being forced to move out of their homes so that the houses can be rebuilt and resold, she said.

Mrs. Rose said she herself was almost a victim of the urban renewal redevelopment project now going on in the city. It was the decision by local officials to preserve Old Town that saved her old Duke Street house.

Although she was almost forced to move out of Alexandria, Mrs. Rose said it wasn't by choice that she moved here in 1943.

Living in Occoquan at the time, she was renting a house in Alexandria to a man who used the house for purposes she didn't approve of. Mrs. Rose sought a court order to remove him from the premises and was told that she would have to move in if the man was forced to move out.

"People ask me why I worry about these things," she said, "but something has got to be done."

Mrs. Rose believes that people are just not concerned enough about people.

The haves resent the have-nots, she said, "and it's hurting us."

"We're just living in a, I don't know what kind of world it is." Mrs. Rose said, "but it's got to change.

"This seems to be an age where people really don't care. It's become something of a sadistic world," the Alexandrian continued. "People can hurt your heart, they can hurt your body and they just don't care."

Mrs. Rose thinks that it is up to today's young people to implement changes in society "so that we can get back to values, because polarization is taking hold of our country again."

Regardless of what they do to her, Mrs. Rose said, she can't hate people. She recalled that her father had a great love for people and often told her of the good that he encountered during his life.

"My father, the late L.H. Bailey, was a slave," she added.

Originally sold in Dranesville, her father was taken to Texas, where he worked until freed at the age of 21.

Bailey then searched until he found his mother in a house on the corner of Queen and Alfred streets in Alexandria.

He soon found a job laying track for the railroad line being built between Washington and Richmond, Mrs. Rose said, but like most former slaves, Bailey was not content.

He was eager to learn. On his lunch break he would see newspapers lying around and wish that he could read them. Somehow, she said he knew that he would learn one day.

Bailey was right. While he looked yearningly at the newspapers, one of the other employees, a white man, was watching him. Finally, the man came to him one day and offered to spend his lunchtime teaching Bailey to read.

Later, Bailey met others who were impressed with his eagerness to learn.

"Finally, he ran into a real philanthropist," Mrs. Rose said.

"That man was so impressed that he got in touch with an organization who later sent my father to Whalen Seminary."

"This is why I hesitate when people say that I've done things," Mrs. Rose said. "I haven't done anything."

When her father was graduated with an education degree, Mrs. Rose said, "he graduated in one boot and one shoe.

"Later he told me he wasn't ashamed 'although they laughed at me,'" she said.

Bailey later founded the Greater Zion Baptist Church in Occoquan and also founded a school there, Mrs. Rose said. He asked the father of another Alexandrian, Helen Day, to come and teach music.

"Then people were eager to learn," Mrs. Rose said.

The recent recipient of the Alexandria Chamber of Commerce George Washington Leadership Medal and the Urban League Award for her humanitarian activities, Mrs. Rose tries to help others in any way she can.

She was the first recipient of the Woman of the Month Award given by the Alexandria Commission on the Status of Women for her voluntary efforts to improve human rights.

Mrs. Rose also donates her time to the YWCA, to Church Women United and to the Manassas Educational Association. She was the first black woman to serve as president of the Women's Civic Club of Alexandria, as delegate to a Virginia state Democratic convention and on the local chapter of the League of Women Voters.

Her husband, William H. Rose, died in 1941 and Mrs. Rose said she doesn't have any living family except a brother in Washington.

With time on her hands, Mrs. Rose isn't waiting for young people to act before doing what she can to change this world, a world she describes as being "in a terrible confusion."

"I serve where I'm needed," she said.●

CONNECTICUT'S VOICE OF DEMOCRACY WINNER

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. GIAIMO. Mr. Speaker, for 20 years the Veterans of Foreign Wars have been associated with the Voice of Democracy Scholarship program, which this year involved a quarter million high school students. They vied to win this speaking contest in their respective States. This year's contest theme was "My Responsibility to America." Many of us in adult life do not reflect often on the matchless virtues of being an American, but our youth often weigh these values and do it very eloquently.

Thus, I am happy to inform you that the winner of the Connecticut State contest this year was David C. Cullison, a student at Guilford High School in Guilford, Conn. "Cully" Cullison plans to pursue a career as a political scientist and is the chairman of his school chapter of the Young Americans for Freedom, mirroring talents that he displays in his speech.

It is a real pleasure to include Cully's contest-winning speech in the RECORD and to bid him well in his future career:

MY RESPONSIBILITY TO AMERICA

(By David C. Cullison)

On contemplating one's responsibility to America, many people tend to become overawed by the feeling of thankfulness that every American should have for being a citizen of the nation that provides her people with a greater combination of political freedom and economic prosperity than any other nation on earth. There are those who call to mind the great heroes of America's past when thinking of their responsibility to America, yet one's responsibility to America is not just the willingness to perform great deeds should the opportunity come one's way. The responsibility each and every American has to their nation is to do the simple things in their day to day life that will insure the continuance of American greatness.

America is a country of great prosperity. However, for American prosperity to continue, the American worker must be productive. Should I become a businessman I must be willing to do my best to produce the best possible product. Should I become a worker I must try to work more efficiently and effectively than anyone else. No matter how humble my job may be, if I can leave my work each day and say, "I have done my best," then I have contributed to America's greatness.

American cherishes the great statement of our history. Yet it is not the responsibility of every American to become a political leader. None the less, I, as a citizen, do have the responsibility to American democracy. Statistics show that only two-thirds of those eligible to register as voters do so, and only a little more than half of those registered actually vote.

Democracy can only survive where the spirit is held dear. It is my responsibility to America to register and to vote regularly. While I may not become a great political leader, if I study local and national issues, I can follow the candidates' positions on these issues, and therefore vote more wisely. It is simple to become even more involved in the democratic process by volunteering my services to the candidates whom I support. Candidates are always eager for volunteers and I have the responsibility to support those candidates who I believe can best serve my community and my nation.

America has always needed great leaders and great heroes. While I may never be a great leader or hero I can help preserve an America that can produce leaders and heroes. Should I choose to marry and have a family, I owe it to America and myself to choose my spouse with care and to raise my children in a healthy atmosphere, to see to it that they have the best possible health care. I should teach my children right from wrong and instill in them a love of their country and pride in their American heritage. I should show them the responsibility they have toward America. As the family is the basic unit of America we must use the family to see to it that the next generation of Americans is capable of continuing America's greatness.

America has produced some of the great military heroes of all time. Yet not all Americans are expected to become military leaders. While I may not pursue a lifelong career in the military, I must be willing to bear arms to protect my country. As one who cherishes the American way of life it is my responsibility to defend America. It is not enough to love the liberty that America offers, I must be willing to fight to see that future generations of Americans have these same liberties. As General Douglas MacArthur said, "Only those Americans who are willing to die for their country are fit to live."

The responsibilities outlined above may seem commonplace beside the heroics of those few who have become the great men and women of American history, they are by no means easy to fulfill. Despite the fact that they are difficult they can be fulfilled by virtually all Americans. They are indeed the heroics of the many unnamed people who are the backbone of America. If I and all my fellow Americans fulfill these responsibilities, the continuance of America's greatness would be secure.●

THE BERLIN WALL—A SOBERING SCENE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. McDONALD. Mr. Speaker, as a culmination of being unable to convince the East Germans that Marxism was the wave of the future, the East German Government, with the aid of the U.S.S.R., erected the wall of Berlin in 1961. This was designed to prevent the brain and population drain from East Germany as well as the propaganda embarrassment that accompanied it. Last year, Penney Pullen, a State representative from Illinois, visited this "wall of shame" and it made a deep impression on her as well it should all free people. She reported her impressions in the Park Ridge Herald on October 13, 1977. I commend her column to the attention of my colleagues:

THE BERLIN WALL—A SOBERING SCENE

I have now seen The Wall, and I'll never be the same.

A peaceful wall built by peaceful soldiers to keep the happy citizens of East Berlin secure in their prosperous paradise. And beyond, a peaceful expanse of lush green grass, adorning a peaceful minefield.

It is chilling. It is shocking. It is inhuman. The 23 laughing, sightseeing American tourists—all young politicians of varying experience and background—clamber off the bus and walk to a small platform, passing a little souvenir stand. They climb the 10 or 15 steps in a brisk wind. At the top, the chattering stops.

How stark The Wall, so near—almost within reach. The grassy field known as no-man's land. The second wall hundreds of yards away, just at the edge of government buildings. The guardhouse 30 to 40 feet in the air. The guards can see us. They have no choice but to see tourists gawking at their deathwatch all day, every day. What are they thinking?—Surely they know what we are thinking. Surely they are ashamed.

After a few moments of silence, the young guide points to a small rise in the green field. "That's where Hitler's chancellery was." But it's only a hillock now. The Wall is today.

We don't want to leave. We've not yet reached the depth of emotion we can sense is in us. It is as if our standing there looking and feeling can somehow help the people who must be over there somewhere. If that's all we can do, we want at least to stay and do that much.

But three more groups are waiting. And we lumber down the steps, a little hesitantly, drifting off in thought, then wanting to be together, looking around for each other, visting the souvenir stand with thoughts of how crass was its existence and, arriving, realizing that here was not simply an array of Souvenir of Berlin keychains but an arsenal of truth: poignant posters of black and white photos taken at The Wall books about it, post cards of it, items to help us tell others what cannot be adequately expressed.

We have now seen The Wall. And it will never be the same. For in speaking of it and living with its memory, we do more to help the people over there than simply standing and looking and feeling. Each of us 23 Americans will do our part to dismantle that wall, stone by stone.●

A TRIBUTE TO MR. AL GAZVODA

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. RUPPE. Mr. Speaker, later this month, Al Gazvoda, who is a good friend and outstanding employee of the Michigan Employment Security Commission, will be retiring after 40 years of service to the State. Al has compiled a remarkable record of achievements throughout his career, and we in the copper country are especially proud of his contributions to the State. The Michigan Legislature in Lansing has recognized him for his work, and I am honored to bring to the attention of my colleagues the legislative resolution which cites some of the highlights of Al's decades of work for the people of Michigan:

Whereas, it has come to the attention of the Michigan Legislature that one of Michigan's leading state employees, Albert J. Gazvoda, district supervisor with the Michigan Employment Security Commission, will retire this month after nearly 40 years of meritorious service to the citizens of this state; and

Whereas, employment problems and job development have been his long time vocations, having joined the National Re-employment Service in 1935 and then the Michigan State Unemployment Commission in 1938; and

Whereas, he compiled an impressive record in attracting industries, job saving gov-

ernment contracts, and training programs to Michigan's Upper Peninsula; and

Whereas, during World War II he was responsible for German prisoners of war assigned to the Upper Peninsula to work on war manpower programs thereby aiding the nation's war effort; and

Whereas, he demonstrated a great ability in coming to grips with a variety of serious problems and in the cultivation of good working relations between the Michigan Employment Security Commission and the community; and

Whereas, in 1973 he was named the Upper Peninsula Man of the Year by community business leaders for his efforts to improve employment in that region; and

Whereas, in 1975 he was cited by Northern Michigan University when he was named recipient of the President's Award for Distinguished Citizenship for his contributions to the training of unemployed individuals in the Upper Peninsula; and

Whereas, in April of this year he will receive Hancock's Suomi College Award for his contributions to education and community participation which led to opportunities for individuals desiring higher education; and

Whereas, he was the longest acting district supervisor in the history of the Michigan Employment Security Commission; and

Whereas, he is representative of those who are not only concerned about but also actively involved in alleviating the employment problems of Michigan's Upper Peninsula, now therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Michigan Legislature accord Albert J. Gazvoda its highest tribute in recognition of his many years of distinguished and dedicated public service and extend to him best wishes for a happy and rewarding future; and be it further

Resolved, That a copy of this tribute be transmitted to Albert J. Gazvoda in testimony to the high regard in which he is held by the Michigan Legislature.●

ABDUCTION OF ALDO MORO CONDEMNED

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. MAGUIRE. Mr. Speaker, I rise in support of House Resolution 1082, which expresses the sense of the American people that the abduction of former Italian Prime Minister Aldo Moro was an act which demands international condemnation.

Running a ruthless campaign of political terror in Italy, the urban guerrilla group Red Brigades has disgusted the entire world. They have kidnaped the former Italian Prime Minister, and in so doing, murdered without mercy or conscience, five of his aides.

This politically motivated, death-wielding abduction is a horror to the Italian people, to Italian democracy, to humanity, and to the very concept of freedom.

Cold-blooded terrorism has no place in national or international relations. I support fully and absolutely my colleague Representative PETER RODINO's resolution of condemnation of these scornful events in Italy.●

VICE PRESIDENT MONDALE SPEAKS AT JOINT CENTER FOR POLITICAL STUDIES DINNER

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. DIGGS. Mr. Speaker, on March 9, at the first annual dinner given by the Joint Center for Political Studies here in Washington, D.C., Vice President MONDALE spoke to the assembled crowd of thousands about his own perceptions and views on black progress in the political life of our Nation. The very distinguished members of the audience, from every sector of political, economic and social life, was greatly moved by his remarks, and I would like to share them with my colleagues in the House:

ADDRESS BY VICE PRESIDENT WALTER P. MONDALE

President Eddie Williams, Chairman Louis Martin, Editor Oliver Cromwell, Vice President Eleanor Farrar, ladies and gentlemen:

It is a privilege to join with you tonight for this great event. I can't help thinking in these surroundings how far we have come in a short time. As Ed (Senator Edward Brooke) points out, there is so much further that we must go, and yet one cannot help but be enormously impressed by the profound changes in public life in this country that have come over this nation in the last 10 to 15 years.

This organization, those of you at this head table and in this room, have been at the forefront of all of those fundamental reforms in American life that have been won at such great cost—sometimes at the loss of life itself—as this nation has begun to rendezvous with its conscience and place its principles and its practices on the same plane.

This past few weeks it was my heavy responsibility, along with so many of yours, to participate in a funeral of one of the great exuberant, ever-present, always committed champions of human rights, Hubert Humphrey.

I think it caused us all to think of the time we shared with him, and that is what I did. And I must say I doubt that there has been any period in American history where more people saw the issues more clearly, fought more courageously and effectively, and achieved more fundamental reforms in law and in outlook than was accomplished during the 10 and 15 years when he was in his ascendancy.

I went to the funeral the other day of "Chappie" James. Coleman Young and Charlie Diggs and so on were together with him in the Tuskegee Air Corps experiment in World War II when the question was whether a black could fly. That was the kind of questions they were asking, unbelievably, in those days.

Today those changes are profound and thorough. We passed the Civil Rights Act, which they said was unpassable. We stuck with the one man/one vote principle, and we sometimes forget there was massive pressure to amend that and destroy that principle in American law.

We passed the Voting Rights Act and passed the Fair Housing Act and a range of other legislation of that kind that began the long march toward the elimination of official discrimination and to the clothing with power of every citizen in this country.

Everyone has their favorite law, but my favorite one is the Voting Rights Act, for a simple reason. I have met a lot of dumb politicians in my life, but I never met a successful one who couldn't count.

And people count, all of us count, if we care to, in American life today. And what is special about this Joint Center is that on a wholly bipartisan basis, with a highly skilled staff, modestly—too modestly funded—this center perceived the enormity and potential of the developments that were underway and has done as much good to help this process along, to help new political officers being elected at all levels of government, by way of communicating with each other, by way of providing technical assistance and qualified, and has contributed in a profound way to not only the momentum but the quality of progress that has been underway. And I am enormously proud to be here tonight with you to help this effort along.

There is so much more that needs to be done. One thing I hope we can do in this Congress—I don't know if we can—is to pass a system of public financing for congressional elections. We passed it for the Presidency.

It is still the case that, although everyone has one vote in American life, thank God, if they wish to exercise it, that it is still possible to amass vast quantities of money and, through the use of it, to have a disproportionate influence, contrary to the fundamental principles of American democracy; and in some of the worst cases, to have to make sordid compromises to boot.

We still have a long way to go, and we are beginning to make progress in bringing democracy to the nation's Capital. We elect local officers, but although the District of Columbia's population exceeds, I think, some 20 states in the Union, the citizens of this community cannot elect a voting Member of the House and cannot even elect an observer to the United States Senate.

The District of Columbia has many problems, but as Senator Fauntroy—was telling me the other day, what we need is one of us in the Senate.

We made great progress in the House the other day, with the help of the labor movement, civil rights movement, everyone at this table, and we can do the same in the Senate, right after the Panama Canal Treaties are ratified.

We need to act favorably on the President's sweeping proposals to reform the governmental structure for the enforcement of civil rights at the Federal level. Today the structure of civil rights enforcement is spread all over the Federal Government, so many offices that it defies any kind of rational enforcement policy.

We have made a thorough, in-depth study of what is needed simply to enforce the Federal laws and regulations that are now in existence. This proposal is the product of sweeping study, consultation, and a direct result of doing exactly what Eleanor Holmes Norton told us to do. And we think it ought to be approved, and we hope the Congress will quickly ratify the President's proposals on reorganization of the civil rights effort in Federal structure.

We need to know that elimination of discrimination is not enough. We cannot escape the truth that a ghetto looks no different from the front of a bus, and we need to have not only justice in law but in life. And this requires a continuing, all-out, unremitting policy of full employment in this country.

It must involve this year the adoption of the Humphrey-Hawkins legislation.

There is much else that needs to be done. We have passed a beginning youth employment bill. Now, there are things we can do in this country by way of macro-economic growth, and I am glad to say that Reg Jones is one of the growth people in this country.

There are many things that we can do, but we have learned enough to know that we also need special programs to go particularly to the young people of this country and particularly the minority youth, who are stand-

ing around the center cities of this country by the hundreds of thousands, week after week and month after month and year after year, utterly destroying any sense of self-worth or hope; days and years in which they never have a job, they never learn a skill, they never feel good about themselves. And whether it is in the ending years of a poor school or the endless days in the street, every minute of their lives they are reminded that they are a failure.

This nation cannot afffford to pay that cost. It is the most expensive bill that this country is paying today.

Someone once said, "Our young people make up something like 40 percent of our population, but they make up 100 percent of our future."

We have passed a Youth Employment Act. It is beginning now in some of our major cities, beginning to make a difference. But I don't think we should stop until every young person in this country who needs a job and needs training gets this as a matter of right and can be a part of this country.

We must continue to work with the gifted officials in local government, the Maynard Jacksons and the Dick Hatchers and the Coleman Youngs and the others, to make certain that local government grows and prospers and is better able to meet the overwhelming problems that sometimes face the center cities of our country.

We need to build on the programs that we now have, not only in terms of full employment, but in the total urban package, in decent housing. We have added substantially to education, and I would like to take just a minute, if I might, here. There are many things that parents want for their children, but I think above all they want their kids to have the training and the education to permit them to compete with others once they are out of school.

For too many kids in this country, that is not for them. They go to school and in the first years they are behind. They usually go to the poorest schools. They don't get the basic training that they need to read and write. And every day in that school they realize that they are falling behind.

I am proud of the fact that in two successive years, last year and this year, President Carter has added more money to Title I and other funds for elementary and secondary education, particularly for young people, than any other President in American history.

We need to have a system of national insurance in this country. And there is much more that needs to be done. You are a part of every one of these efforts.

Roosevelt once said that "Governments can err, governments can make mistakes, but the Divine Leader measures the sins of the cold-blooded and the sins of the warm-hearted on different scales. Better the occasional sin of a government operating in the spirit of charity than the sins of a government frozen in the ice of its own indifference."

That is what this council is all about, and that is why I am proud to be with you.

Thank you very much.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes. If I had been present, I would have voted as indicated:

MARCH 14, 1978

Rollcall 143, "yes,"
Roll call 148, "yes." ●

DRUG ABUSE OFFICE AND TREATMENT AMENDMENTS OF 1978

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. ROGERS. Mr. Speaker, today I am introducing the Drug Abuse Office and Treatment Amendments of 1978, a bill to extend for 1 year the authorizations of appropriations for the National Institute on Drug Abuse under the Drug Abuse Office and Treatment Act. These authorizations are due to expire September 31, 1978.

Last July the President transmitted to the Congress Reorganization Plan No. 1, calling in part for the abolishment of the Office of Drug Abuse policy. At that time, much concern was expressed by myself, many of my distinguished colleagues, and others about the elimination of that Office since it is the only centralized drug abuse policy and coordinating entity within the Executive Office of the President. We were particularly concerned since the Congress created ODAP to meet the need for an arbitrator in the development, coordination, and implementation of Federal drug abuse policies and activities emanating from approximately 20 Federal agencies with diverse and often conflicting responsibilities. During the course of the debate over the reorganization plan, assurances were made by the Executive Office to Members of Congress that ODAP's functions would be carried out by a system of other identifiable, and adequately staffed entities within the EOP. Reorganization Plan No. 1 subsequently became effective, and I understand that it will be implemented sometime in April, thus officially terminating ODAP at that time.

Since many questions remain unresolved respecting the future effectiveness of the proposed drug abuse policy and coordinating system in the EOP, I am proposing legislation which provides for a 1-year extension of the authorities under the Drug Abuse Office and Treatment Act of 1972, to permit their timely review by the Congress next year. This will provide the EOP the opportunity to demonstrate its proposed drug abuse policy system to the Congress so that the Congress can objectively determine whether it should reestablish ODAP or some comparable entity within the EOP.

In addition, the proposed legislation authorizes $45 million in fiscal year 1979 for State drug abuse formula grants under section 409 of the act and $177 million in fiscal year 1979 for drug abuse project grants and contracts under section 410 of the act. It separates the authorizations under section 410 between those for treatment programs and those for prevention, demonstration and other programs. Specifically it proposes authorization levels of $153 million for treatment programs and $24 million for prevention, demonstration, and other activities under section 410 of the act. This provision is intended to provide more visibility and accountability respecting programmatic expenditures for drug abuse activities authorized under that section.

The proposed legislation also addresses an area of concern regarding reports to Congress under Reorganization Plan No. 1. Section 223 of the Drug Abuse Office and Treatment Act requires the Director of ODAP to submit an annual report to the President and Congress on drug abuse policy and agency coordination objectives, activities, and accomplishments. Section 405(b) of the act requires the Secretary of HEW to submit an annual report to the Director of ODAP on new methods of drug abuse treatment and rehabilitation, their implementation and effectiveness in community programs, and administrative and legislative recommendations respecting such methods and programs for inclusion in the "section 223 ODAP" report. As a substitute for these reporting requirements, the proposed legislation requires the Secretary of HEW to transmit this information in an annual report to the Congress and to the President not later than January 15 of each year. In addition, it requires the Secretary to report other information comparable to that required for alcohol abuse and alcoholism programs under section 102 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. Specifically it requires the Secretary to report on the following:

(1) the health consequences and extent of drug abuse in the United States,

(2) a description and evaluation of the effectiveness of the drug abuse prevention functions carried out through any entity of the Department of Health, Education and Welfare in the fiscal year for which the report is made,

(3) a description of the manner in which such functions were carried out and a description and evaluation of the coordination within the Department of Health, Education and Welfare in carrying out such functions,

(4) a description and evaluation of the effectiveness of experimental methods and programs implemented in carrying out such functions, recommendations for implementation of such methods and programs by others in carrying out their drug abuse prevention functions, and a description and evaluation of the effectiveness of the means used to disseminate information respecting such methods and programs, and

(5) proposals for changes in the drug abuse prevention functions carried out by the Department of Health, Education and Welfare (including recomendations for legislation).

I believe that an annual report describing DHEW's response to drug abuse will greatly increase the evaluation capabilities of both the executive branch and the Congress, provide invaluable information to those working in the drug abuse field, and serve as an additional mechanism by which the effectiveness of the President's drug abuse reorganization measures can be gaged.

The Department of Health, Education, and Welfare has expressed concern over the requirement for an annual marihuana and health report under the Comprehensive Drug Abuse Prevention and Control Act of 1970. The Department has indicated that it has produced this report for 5 years and that there has been

insufficient new information to warrant its preparation at such short intervals. I am sympathetic to the concern voiced by the Department; however I also believe that this report is an important health document, particularly at a time when Federal, State, and local Government agencies appear to be shifting toward a policy of discouragement of marihuana use insead of a policy invoking severe criminal sanctions against its use. I am therefore including in this legislation an amendment to the Comprehensive Drug Abuse Prevention and Control Act of 1970 which requires this report to be made biannually instead of annually.

Mr. Speaker, the Subcommittee on Health and the Environment will be scheduling hearings and executive sessions on this legislation within the next few weeks in order to report a bill out of the Interstate and Foreign Commerce Committee by May 15. I urge all my colleagues to support it when it is before this body.●

SUN DAY

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. GEPHARDT. Mr. Speaker, I rise in support of House Joint Resolution 715 proclaiming May 3, 1978, as "Sun Day," passed on March 6. As I am a cosponsor of this resolution, it was with deep regret that I was not able to be in Washington when it came to a vote. Had I been here, I would have enthusiastically voted yea.

Throughout our country, Federal, local, and State groups are in the midst of planning Sun Day activities to further emphasize the value of solar energy as a viable alternative to this Nation's energy resources. I believe that this is an excellent opportunity to better inform the general public in the residential and industrial uses of solar energy and emphasize the value this source of energy has in securing for us a partial relief from our depleting fossil fuels.

A major step in the development of solar energy for home heating began in 1939 when the Massachusetts Institute of Technology built its first solar house. For the first time, solar collectors placed on a building's roof gathered sunlight for interior heating. During the next several years, MIT continued to experiment with different ways to capture the sun's heat and store it properly. The director of the MIT research team, Dr. Hoyt C. Hottel, together with his assistant, B. B. Woertz, derived an arithmatic formula from the results of different solar heating experiments which is today the basic guide behind the design of solar units.

On May 3 we will be honoring their pioneer work in this area as well as furthering efforts to convert from nonreusable fuels, on which we rely today.

To coincide with the planned activities throughout our Nation, I am planning to hold a Sun Day conference in St. Louis with the assistance of many local companies and organizations which have agreed to display their solar units and energy conservation materials. It is my hope that the success of this venture will set a precedent for similar conferences in the future. I urge my colleagues to plan and participate in mutual activities in acknowledgment of this eventful day.●

CORRESPONDENCE WITH SECRETARY VANCE ON BRITISH REPROCESSING DECISION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. BINGHAM. Mr. Speaker, I recently contacted Secretary of State Vance regarding my concern that U.S. policy on approval for reprocessing of our spent nuclear fuel abroad had not been adequately stressed during the recent "Windscale Inquiry" in the United Kingdom. At issue in the Windscale debate is whether or not the United States is going to allow U.S.-source spent fuel to be transferred from other countries—principally Japan—for the extraction of pure plutonium at the proposed expanded Windscale reprocessing plant. The current U.S. policy regarding such spent fuel transfers is that approval will only be made "on a case-by-case basis upon a clear showing of vital need".

The British Government is presently considering whether to permit expansion of the Windscale reprocessing facility; a debate on the question is scheduled to take place in Parliament in the coming weeks. I strongly believe expansion would be most unwise and my purpose in writing Secretary Vance was to gain assurance that U.S. policy has been clearly put to the British Government at the highest levels. I believe the United States should make it very clear to the British that our Government is not favorably disposed towards approving transfers of foreign spent fuel to the Windscale plant; this is especially important in view of the fact that the Windscale plant would be most reliant upon such transfers for its commercial viability.

"Purex reprocessing", the technique which would be employed at the Windscale plant, was developed to maximize outputs of pure plutonium for the fabrication of nuclear warheads. It is completely unacceptable for use in commercial nuclear programs. As reprocessing does little to solve nuclear waste disposal problems (it may, in fact complicate the issue), and since reprocessing is of dubious cost-effectiveness, I certainly hope the British Government will decide against Windscale expansion. At the very least, as I noted in my letter to Secretary Vance, one would hope British will defer a decision on the issue so as not to prejudice the on-going international nuclear fuel cycle evaluation which seeks to identify more proliferation-resistant nuclear technologies.

I insert herewith copies of my correspondence with Secretary Vance, along with the letter which Deputy to the Under Secretary Nye sent to the British Foreign Office last December and which is referred to by Secretary Vance as having clearly stated the administrations policy:

CONGRESS OF THE UNITED STATES,
Washington, D.C., February 24, 1978.

Hon. CYRUS VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR CY: I am writing to express my deep concern regarding the recently concluded "Windscale Inquiry" conducted by the British government. It has come to my attention that current U.S. policy regarding the transfer and reprocessing of U.S.-origin spent nuclear fuel has been misrepresented during the public inquiry into the proposed expansion of the Windscale nuclear fuel reprocessing facility. Should this misunderstanding be allowed to persist, I believe we might see a course of events unfold which would have the most grave implications for current U.S. antiproliferation efforts.

I am aware that Deputy Undersecretary Nye wrote the British Foreign Office last December 19 in an attempt to clarify the U.S. position. However, I fear that efforts to weaken the impact of this statement have left U.S. policy open to mischievous misinterpretations. This fear has been confirmed by recent reports in the British press indicating that the Foreign Office continues to downplay U.S. concerns over the proposed Windscale expansion.

Should the British proceed with approval for the Windscale expansion, our current policy of approving retransfers of spent fuel for reprocessing only "on a case-by-case basis upon a clear showing of vital need" would be subjected to the most intense international pressures. In particular, the U.S. would be hard-pressed to deny retransfer of U.S.-origin spent fuel from Japan to the U.K. for reprocessing, as such transfers would be necessary to the commercial viability of an expanded reprocessing operation at Windscale.

Thus, it seems imperative for the U.S. government to strongly restate current policy on spent fuel retransfers. I am concerned that such a blunt statement apparently still has not been transmitted at this late hour.

The very least it would seem that we could ask of our British allies would be for them to defer consideration of the proposed Windscale expansion until conclusion of the International Nuclear Fuel Cycle Evaluation (INFCE). If we acquiesce now in the expansion of a facility which will be designed to reprocess large volumes of U.S.-origin material, we would seriously prejudice the INFCE and would spur renewed international competition for commercialization of plutonium fuels. As such a result would clearly undermine the central aims of U.S. antiproliferation policy, I strongly urge you to clarify the U.S. position on Windscale expansion and the use of our fuel in such a facility with all possible dispatch.

I look forward to hearing from you on this urgent matter.

With best wishes,

Sincerely,

JONATHAN B. BINGHAM.

THE SECRETARY OF STATE,
Washington, D.C., March 13, 1978.

DEAR JACK: Thank you for your letter of February 24 in which you expressed your concern regarding the British "Windscale Inquiry."

We were informed this week that the Inspector's report on that inquiry had been

presented to the U.K. Government, which has decided to defer a final decision until after a Parliamentary debate on this subject, expected later this month. A copy of the March 6 statement by Peter Shore, Secretary for the Environment, is enclosed.

The December 19 letter which Deputy to the Under Secretary Nye sent to Patrick Moberly of the U.K. Foreign Office, clearly stated the Administration's policy, and our views on this subject have not changed. The British Foreign Office has both assured us that they clearly understand these views and has made the letter available to the House of Commons. I have discussed the matter with the Foreign Secretary.

With best wishes,

Sincerely,

CY.

Enclosure:
As stated.

UNDER SECRETARY FOR
SECURITY ASSISTANCE,
Washington, D.C., December 19, 1977.

PATRICK MOBERLY, Esquire,
Foreign and Commonwealth Office, London.

DEAR PATRICK: Our attention has been called to a misunderstanding of U.S. policy in the Windscale hearings. Let me try to set the record straight. Our view that it is not wise to build more solvent extraction reprocessing plants at this time has not changed since we discussed the question during consultations last April. The testimony draws an unwarranted conclusion from accommodations that we have made to avoid disruption of existing nuclear power programs.

On the broad question of whether to build a new 1200 MT per year reprocessing facility at Windscale, we of course recognize that this is a matter for your own Government to decide. As you know, President Carter has decided to defer indefinitely commercial reprocessing in the United States. This decision was based not only on the paramount need to seek ways of reducing the associated proliferation risks, but also on the conclusion that reprocessing was not urgently needed in the near term and was not essential to—and could in fact exacerbate—the problems of waste disposal.

While it has been argued that there are potential non-proliferation advantages of reprocessing services being supplied by a few supplier states, this solution entails three major difficulties: (1) If such services involve a requirement to return the separated plutonium directly to the customers, the proliferation gain is illusory. The plutonium will be moving in international, commerce, and the customer will be getting it without going to the trouble, delay and expense of developing its own reprocessing capability. (2) Denial of the plutonium to the customer, on the other hand, may make the customer unwilling to enter the deal, add to the complaints that industrialized states are trying to deny to developing countries fuels and technology, and in the case of nuclear-weapons states, that they are now trying to extend the discriminatory features of the NPT to the civil nuclear field, and thus increase the likelihood that the customer will build its own reprocessing facility. (3) The "compromise" of returning the plutonium only in the form of fabricated fuel elements seems unlikely to be acceptable to other industrialized countries, which have their own fabrication capability designed to meet their nuclear reactor fuel needs. And for threshold countries, it does not present much of an obstacle to obtaining the plutonium.

Accordingly, the United States is not prepared at this time to encourage weapons states to decide in favor of proceeding with new reprocessing plants. Thus, while we will continue to consider MB–10 requests on a case-by-case basis, and grant them in cases where there is a demonstrated need, such as inadequate spent fuel storage capacity, we cannot give any assurance that BNFL may count on MB–10s as a matter of course for feed for a new plant or in support of long-term reprocessing commitments that it may enter into.

Finally, as we have noted in each of the MB–10 requests involving transfers for reprocessing that we have granted in the past two years, the granting of such requests would be subject to our right of consent over the disposition of the nuclear materials resulting from such reprocessing. The enclosed excerpt from the Windscale hearings incorrectly concludes that we are prepared to consent now to retransfers of such products after reprocessing which will not take place for at least 13 years. The enclosed Department of Energy letter from which this conclusion was drawn stated that "in accordance with applicable agreements for cooperation, such transfers would, at that time, have to be approved by the Government of the United States."

I hope that this clarification of our policy is helpful. I am sure that you agree that we should seek to avoid any future misunderstandings that might arise from a lack of clarity now.

Sincerely,

JOSEPH S. NYE,
Deputy to the Under Secretary.●

DECLARATION OF INTERDEPENDENCE

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. LUKEN. Mr. Speaker, the following declaration was presented to me by the Hillel Jewish Student Center and the United Christian Ministries on the campus of the University of Cincinnati, on the occasion of Brotherhood Week, on Monday, February 20, 1978:

A DECLARATION OF INTERDEPENDENCE

When in the course of human events it becomes necessary for one people to dissolve the political, economic and cultural distinctions that separate it from another and assume among those who define themselves in broader terms than race, national origin, religion or creed, the interdependent and cooperative station to which the laws of nature and of Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to this action.

We hold these truths to be self-evident: that all humans—regardless of color, race or sex—are born with the desire to live, with the assurance of the basic necessities of life, but beyond that, realizing we neither grow in personal consciousness or appreciation for our fellow humans if we allow the restrictions of tribe, nationality, race, color, religion or creed to impede our goal.

And our goal is this: that the boundaries that separate us be dissolved, that these boundaries, whether they be political systems or narrow ideologies, be replaced by one process—Communication, through which we may grow toward the attainment of universal peace, happiness and freedom.

We look to the stronger among us to enable the weaker to gain strength, and the weak and strong alike to realize that power lies not in economic superiority, political astuteness or military might; rather in the essential goodness of each human person in all their diversity, and the inherent unity that goodness calls us to.

We, therefore, representatives of a very small section of humankind, but important members thereof, assembled at this circus in recognition of the weakness of our brother/sisterhood, do hereby as our first official act in recognition of our membership in the greater world community, affix our names as a sign of our commitment to the establishment of a community of persons and mutually pledge to each other, and to the world of humankind, our time and energy, our hearts and minds.

In the light of this symbol of unity among the various religious organizations on the University of Cincinnati campus, I think we can see the importance and beneficial results of learning to live and work together in appreciation of some of the differences which exist among people. Only when such differences are acknowledged and dealt with creatively can we hope to overcome the misunderstandings which often occur among the various groups who live in the United States.●

FARMERS FACED BY ECONOMIC THREAT

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

Mr. FOLEY. Mr. Speaker, American agriculture today is caught up in a vicious cost-price squeeze which threatens a crisis of major proportions for the entire country unless something is done and done quickly to reverse the economic dilemma now facing our farmers.

The problem developed as our very efficient farmers responded to a very short supply situation of a few years ago with vastly increased supplies of food and fiber. Now we have the opposite problem—one of oversupply and low prices. These low prices are hitting farmers at a time when their costs of production for such items as fuel, machinery, land, labor, and taxes are rising at rates even higher than the general inflation level being felt by all Americans. This has put many farmers in a desperate position this year of being only able to survive on the farm if they dig deeply into the equities they have built up over the years and which in some cases represent a lifetime of work.

Some may ask, "Didn't Congress just pass the Food and Agriculture Act of 1977 last year and wasn't it addressed to this need?" The answer is "yes," but unfortunately the production adjustment provisions of that act are not coming into play quickly enough this crop year to provide the necessary income protection that farmers need.

This legislation will immeasurably strengthen the 1977 act by increasing the levels of income assurance this year which will make it possible for farmers to engage in the necessary production adjustment to achieve a better balance between supply and demand and that farmers then will be able to get their income from the marketplace. In fact, unless target prices are adjusted upward now to provide this necessary in-

centive for production adjustments, the crisis facing American agriculture will only deepen. My bill addresses this problem by providing for an approximately $2½ billion additional income assurance this year to producers of the basic commodities—wheat, feed grains, upland cotton, and soybeans. This additional income assurance will make it possible for the necessary production adjustment to take place in the 1978 crop year. Specifically, in order to meet these objectives, target prices and loan rates would be changed as follows:

For wheat, the target price would be increased to $3.50 per bushel (now $3.00), and the minimum loan rate to $2.50 per bushel (previously announced at $2.25 per bushel); for corn, the target price would be increased to $2.40 per bushel (now $2.10), and the minimum loan rate to $2.10 per bushel (now $2.00); for upland cotton, the target price would be increased to 60 cents per pound (now 52 cents), and the current formula for the loan rate would be retained but a floor established at 46 cents per pound (now 44 cents).

A set-aside program would be required for upland cotton of 10 percent of the acres planted to cotton in 1978 as a condition of eligibility for program benefits.

Target prices for the 1979 through 1981 crops would be adjusted based on changes in the Consumer Price Index.

A paid land diversion program would be made available in 1978 on wheat, feed grains, and upland cotton to those producers who, in addition to any required set-aside, divert to approved conservation uses an acreage of cropland up to 10 percent of the planted acreage in 1978.

No set-aside program would be provided for soybeans, but a land diversion program would be made available to soybean producers on the same basis as producers of other crops.

Fifty percent of land diversion payments would be made in advance, and these payments would not be subject to payment limitation.

The borrowing authority of CCC would be increased to $25 billion from $14.5 billion in order that CCC may be able to finance outlays under the emergency program as well as under its regular ongoing programs.●

H.R. 7970 REINTRODUCED

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. WHITEHURST. Mr. Speaker, because there were errors in the printing of H.R. 9770 and H.R. 11338, which were reintroductions with cosponsors of H.R. 7970, I am reintroducing H.R. 7970 again today with those same cosponsors, so that they might have a correct copy of this legislation.

This legislation is intended to designate certain lands within the National Forest System in Virginia as wilderness, and I am pleased to note that the Subcommittee on Indian Affairs and Public Lands of the House Committee on Interior and Insular Affairs will be taking it up early next month.

For further information on the provisions of this bill let me refer my colleagues to my RECORD statements of June 22 and October 13, 1977.

Thank you, Mr. Speaker.●

RETIREMENT BILL NEEDS DEBATE

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. PATTISON of New York. Mr. Speaker, when the House considered legislation prohibiting mandatory retirement at age 65, there were very few of us who questioned the merits of that proposal. In fact, only four of us voted against it.

I was among that select group. As you are aware, Mr. Speaker, my chief reason for opposing that legislation was my concern over the lack of consideration we had given to it. Virtually no time had been devoted to a discussion of the bill in committee, and the information presented on the floor of the House was not especially enlightening.

My concern was, and is, that the Congress has acted without regard for the consequences. There is a great disagreement over what, if any, impact this legislation will have. Yet, there was no study given to the conflicting interests of those entering and those leaving the employment roles.

Only after our hasty action, while the bill was pending in the Senate, did educational institutions and others have an opportunity to come forward and express their reservations. Even the public commentators were caught flatfooted by the haste of our action.

This past weekend the Albany, N.Y., newspaper, the Times-Record, carried a very perspective and thoughtful column by syndicated writer David Broder. He discusses the continuing need for further consideration of the retirement bill.

At this point in the RECORD, I wish to insert David Broder's recent column. The text follows:

RETIREMENT BILL NEEDS DEBATE

(By David S. Broder)

WASHINGTON.—With little public notice, Congress is about to pass a bill that will affect the future work opportunities of almost every American. It is a measure opposed by most business organizations and viewed with skepticism by the AFL–CIO, and yet there is hardly a politician ready to raise a word of caution about it.

It is the bill that would ban any mandatory retirement age for federal workers and give almost all private-sector employees protection against involuntary retirement up to the age of 70, instead of the present ceiling of 65.

The political appeal of the measure is indicated by the fact that it passed the House last year with only four dissenting votes. And it was approved in slightly different form, by the Senate, with only seven "nays."

A conference committee of the two bodies now has agreed on a compromise version of the bill.

It is a politically appealing measure, described by proponents as an answer to the evils of "age discrimination." But, from another perspective, it can also be called an "I'm all right, Jack" bill. For if it becomes law, it means that those of us who have jobs already can hold unto them longer, if we wish, while younger people, scrambling for a foothold on the employment ladder, wait still longer in the cold.

The hearings on this measure, which whisked through Congress with extraordinary speed, are full of noble sentiment about the rights of senior citizens. But they are conspicuously lacking in anything that can be called a solid estimate of the legislation's impact on a job market where teenagers are having a tough time finding entry-level opportunities, and minority youth unemployment rates in some cities run up to 40 percent.

It is known that voluntary early retirement before the traditional age of 65 has become more and more popular in the past decade.

Relying on that trend, the U.S. Department of Labor told Congress that it estimates that only 150,000 to 200,000 older workers would take advantage of the bill's protection against forced retirement at age 65. Even a shift of 200,000 jobs from the young to the normally retired is a social decision of some consequences. But there are indications the effects may be much larger than that.

A personnel officer of Sears, Roebuck Co. said he thought that the law would cut new hiring by 7 percent in his firm and eliminate 20,000 "job change opportunities" (hirings and promotions) in the first five years of application to that one company alone.

Arthur C. Prine, Jr., testifying for the U.S. Chamber of Commerce, said it was "very clear to us that if this legislation goes through, it is going to undermine in many companies the affirmative action programs which provide for improved opportunities for young and minority workers." Vernon Jordan of the National Urban League expressed the same fear and so did Bert Seidman, director of the Social Securty department of the AFL–CIO.

"It may be unjust to force retirement on those who are healthy and want to continue working," Seidman said. But it is "equally unjust to lay off younger workers with families to support and retain at work elderly workers who are eligible for Social Security benefits, a good private pension and health care."

Despite Seidman's reasoned objections, the AFL–CIO has now adopted a position of neutrality toward the legislation, after winning a provision "grandfathering in" all existing union contracts that have mandatory retirement provisions at an age younger than 70. "We decided," said one AFL–CIO lobbyist, "just to let Congress go its way."

The Carter administration, no more eager than Congress to affront the elderly and their lobbies, is giving the bill its blessing. So there is little to halt its progress.

Questioning benefits for the elderly is dangerous for politicians—and even for reporters, like this one, who are on the downward side of their own graceful slump toward retirement. A previous column on the subject of the exponential growth of federal payments to the retired, a few years back, gave ample warning that any discussion of such questions is likely to invite the charges of ingratitude toward one's elders.

But the issue is there—whether we like it or not. There are hard choices involved. Every elderly third-grade teacher who decides to stay in the classroom an extra five years means that five more classes will be taught by a 1935 college-graduate, rather than a 1975 graduate.

Every federal employee who decides to hold onto his job indefinitely means that much less change in the bureaucracy.

These issues deserve more debate than they have received in the legislation about to become law.●

BOLTON'S FIREFIGHTERS—THE LAST OF A DEDICATED BREED

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. DRINAN. Mr. Speaker, the town of Bolton, Mass., which lies in my congressional district, is the only one of our State's 351 cities and towns which still has an all-volunteer fire department.

Bolton residents can take pride in the spirit of sacrifice and selflessness which motivates their firefighters to work without pay. Volunteer service is always praiseworthy, but when we find individuals willing to work without pay in a dangerous job such as firefighting such service is even more impressive.

The following editorial from the March 9, 1978, edition of the Country News, a weekly journal published in Bolton, is an excellent presentation of the unique virtues of Bolton's fire department.

THE LAST OF A DEDICATED BREED

Bolton has a very honorable distinction. It has, we understand, the very last, totally volunteer fire department in the Commonwealth of Massachusetts.

By totally volunteer we mean that its male and female firefighters receive no monetary compensation whatsoever for their services. [This is not to ignore the ambulance personnel who serve also without compensation, as well as the many board members who receive no pay either.]

The annual budget for the Bolton Volunteer Fire Department this year was $8500 for maintenance and equipment, and $750 for the upkeep of waterholes. There is no provision for salaries or wages for the chief or any of the firefighters. The only other expense which occurs from time to time is the cost of a new truck—and Bolton is accustomed to the best. The townspeople have always been liberal in purchasing good equipment, for they feel it is the least they can do for their department which works without any other compensation.

Volunteerism is a virtue that is rapidly disappearing from our society. The pressures of growth result in an impersonal, large population; a callousness and a take-it-for-granted attitude has taken much of the joy and informality out of volunteering for any public service. The growth of a small town brings with it innumerable frustrations to the dedicated volunteer which, when added together, tempt withdrawal. Growth in a small town, which does not encourage industry and which is losing its farmlands, loses also its citizens who are employed in that town during the day. As a result, fewer and fewer qualified individuals are available during the day to lay down their work tools to answer the fire call. Fewer individuals are willing to give up a hours of pay from their job to order to go fight a fire.

This is all quite understandable. It has been these pressures that have forced 350 other towns to quit their volunteer status. And this is what makes Bolton unique among these towns. It is a remarkable phenomenon—and Bolton stands alone. How much longer can this continue? It's up to the firefighters themselves. And they answered this question at a fire department meeting recently when they voted to continue without pay.

Why? Why do people volunteer? Basically all public service is thankless. Rarely does a Thank You surface from the general public. Public service is taken for granted—"something our taxes pay for, and we pay doggone high taxes." Any attempt to explain volunteerism would be futile. Inner satisfaction must be the strongest and most sustaining motivation.

Bolton should be very thankful. When looked at objectively, service begins to deteriorate when even the smallest compensation is offered. Whereas the volunteer performs strictly out of choice, once money is introduced there is another motivation which is not related to good performance. You cannot pay an individual to love his job.

So here we are, back to the Bolton Volunteer Fire Department, truly the last of a dedicated breed. We think public recognition is long overdue, and that the fire department in its modesty has not played up the fact that they now stand above all others in being unique and real volunteers. Some lettering should be painted on the side of each truck proclaiming this distinction. The town should foot the bill to purchase each department member a unique jacket or medal that will set him and her apart from all the others.

We are very serious about this. Firefighting, and the total dedication of individuals without pay, and at great personal sacrifice in some cases, is very serious business. It should be recognized as the unique and honorable service it is.

We hope you feel the same.●

PUBLIC PLAYGROUND SAFETY EQUIPMENT ACT

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. STEERS. Mr. Speaker, last week I joined our colleague, CHUCK WHALEN, in introducing the Public Playground Safety Equipment Act. Yesterday's issue of Parade Magazine, a supplement to the Washington Post, contained an article that discusses our legislation and the general problem of children being injured on playground equipment that has inherent design defects.

Obviously, we cannot protect all children against all injuries that occur on playgrounds. However, I believe we can act now to protect children against unnecessary hazards.

Examples of safety problems in design include protruding nuts and bolts; unguarded moving parts; sharp edges; moving parts made of hard material instead of soft substances.

At this point in the RECORD, I wish to insert the article that appeared in the March 19 issue of Parade magazine. Congressman WHALEN and I will be seeking cosponsors for our bill in the near future, and I hope that our colleagues will read this article for background information:

IS YOUR CHILD'S PLAYGROUND SAFE?

(By Susan M. Gately)

Each year an estimated 118,000 children are taken to the hospital because of accidents on playground equipment.

In suburban Maryland, an 8-year-old boy required 60 stitches after being hit by a low-swinging ladder when he jumped off a playground apparatus. A girl, 6, fractured her shoulder blade when she fell over the side of a slide.

In an Ogden, Utah, public playground, a 7-year-old girl fell from climbing equipment onto concrete and died a few days later.

In Rock Island, Ill., a 10-year-old girl died after a fall from climbing apparatus onto asphalt.

The playground equipment your child climbs, rides, swings and slides on may be unsafe, even fatal. Yet there are at present no federal standards designed to assure the safety of a child in a public playground.

National regulations are sorely needed, and soon. But whereas the Occupational Safety and Health Administration has issued more than 90 regulations to guarantee the safety of the adult workplace, the government's Consumer Product Safety Commission (CPSC) has yet to issue any hard-and-fast standards for playground safety.

Playground equipment manufacturers are eager for federal safety standards. They've been petitioning the government—through their representatives, the National School Supply and Equipment Association (NSSEA)—to issue guidelines since 1973, when the CPSC was formed. However, it took two years and citizen petitions from two safety experts. Elayne Butwinick and Theodora Sweeney, to get the commission simply to study the problem. Any federal guidelines are still months, perhaps a full year, away.

ACCIDENTS CATALOGUED

In 1975, the CPSC published "Hazard Analysis—Playground Equipment," a catalogue of the horrible ways in which children are injured on jungle gyms, slides, swings, merry-go-rounds, seesaws and the like. Of the accidents studied by the commission, 27 percent resulted in broken arms, another 35 percent caused severe cuts and bruises, and nearly 10 percent involved fractured skulls. No safety regulations or guidelines were issued at the time.

The CPSC study noted briefly the importance to children's safety of the surfacing material used on playlots. Substances used today range from grass, wood chips or safety matting to concrete and asphalt.

In northern Ohio, a 4-year-old girl fell from a sliding board, hit her head on a cement surface and suffered a concussion. Her mother bitterly complains, "With all our technology, you'd think they could come up with something better than cement to put under playground equipment. It ought to be outlawed."

Surfacing plays a role in three-fourths of all playground accidents. As Elayne Butwinick notes, "In so many accidents, the asphalt and concrete under the equipment is the real danger."

The National Recreation and Park Association (NRPA), which represents thousands of municipal, county and state parks, wrote to the CPSC in 1976: "Very little information about [surfacing materials] is available now, and it rarely gets into the hands of the builder/installer."

While it may be impractical to outlaw all unsafe surfaces, it is not unreasonable to seek firm construction regulations and general safety guidelines to help interested communities take appropriate action on their own.

Theodora Sweeney suggests the need for "negative labeling." All new playground equipment would carry an inexpensive label warning that it should not be installed on a non-resilient surface. "Our towns have piles of unwanted wood chips that could easily be used to provide safer surfaces," she says.

Some local standards exist now. Since 1969, all U.S. military installations have followed comprehensive and detailed guidelines for the construction of their playgrounds. And many communities have guidelines.

But the lack of uniform standards for the country has kept the accident rate high and bred chaos in the industry. Each manufacturer is building to his own specifications. All say industry self-regulation on a voluntary basis is impractical and undesirable. In addition, local communities and school boards that attempt to set their own standards usually lack guidance and adequate research.

After publishing its "Hazard Analysis," the CPSC sought recommendations from outside groups concerned about playground safety. The NRPA responded with a voluminous, detailed report on all types of playground equipment, backed up by research conducted by the Franklin Institute of Philadelphia.

Many of the recommendations were rejected, however. "There is concern among the commission's professional staff about the NRPA standard," says Elaine Besson of CPSC's Office of Program Management. "It just was not adequate, nor were the test methods. A lot of technical questions need to be resolved."

In attempting to formulate a playground safety policy, the CPSC has been reducing the number of NRPA recommendations and replacing proposed mandatory regulations with voluntary guidelines. In addition, last August the commission authorized another study by its own staff, to include an evaluation of surfacing materials. The new report is due in late fall.

John L. Spalding, general manager of the NSSEA—which helped prepare the NRPA package of recommendations—says the manufacturers are "very definitely in favor of [mandatory] standards," not voluntary guidelines.

THREE ITEMS STANDARDIZED

Since 1973, the CPSC has issued safety standards for only three products under the Consumer Product Safety Act: matchbooks, swimming pool slides and architectural glass.

A report by the General Accounting Office last December concluded that "the commission has not promptly issued safety standards to protect consumers from hazardous products because of . . . a lack of clear commission policies and procedures." Recent charges of questionable practices by the commission led to the resignation of its chairman, F. John Byington.

Several Congressmen looking into the problem of playground safety have expressed amazement at the record of inaction by the CPSC. They have proposed a National Public Playground Equipment Safety Act, which would require the commission to issue performance standards for public playground equipment within one year of the law's enactment.

In addition, equipment newly installed on public playgrounds that receive federal assistance would have to meet the new standards. And playgrounds owned or operated by the federal government would be required to bring all equipment, old and new, into conformity with the standards.

"NO EXCUSE FOR DELAYS"

Rep. Charles Whalen (R., Ohio), author of the bill, says, "There is no excuse for the Consumer Product Safety Commission's continued delays. They should have promulgated standards and guidelines long ago, but it looks like we may have to prod them a bit."

Safety expert Mrs. Sweeney adds, "The CPSC has really dragged its feet about assuring safe playgrounds for children. If they can take a dangerous toy off the shelf in a matter of days, why can't they deal with the unnecessary hazards of playgrounds?"

We can never fully eliminate the risk of children accidentally injuring themselves while playing. "Child's play can get rough, and children are adventurous, ever ready to test their abilities; so playgrounds will always be a place for skinned knees and elbows," says Rep. Newton I. Steers Jr. (R., Md.), father of three active boys. "But many of the dangers of serious injury can be minimized. If we can try to reduce these dangers among adults in their workplace, why not try even harder among children, who have less judgment, in their places of play?"

To these ends, concerned citizens are trying to move the government to act—which is definitely not child's play.●

BEHIND THE CANAL TREATIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. McDONALD. Mr. Speaker, in a sad day for our Republic the Senate voted to approve the so-called Neutrality Treaty with Panama last week. This supposedly will safeguard American interests in the canal. America is now on its way to second-class status if the other treaty giving away our canal is approved next month, in my view. The Rome News-Tribune of Rome, Ga., had an excellent editorial on why we should not give away the canal, and I would like to commend it to the attention of the Congress. The editorial of March 15, 1978, follows:

[From the Rome News-Tribune, Mar. 15, 1978]

BEHIND THE CANAL TREATIES

It is disappointing to learn that Georgia's senators have decided to vote for the Panama Canal treaties. While we appreciate the fact they have given long deliberation to their decision, we believe they have been persuaded by the protreaty arguments of the Carter administration—and perhaps misplaced loyalty to that administration—to a course which is counter to the wishes of most of the people they represent and which is not in the best interest of Georgia or the nation.

Casting aside the fervent emotion which has surrounded most of the debate over the canal treaties, there are basic economic and national security issues at stake. We do not believe these treaties, perhaps any treaties relinquishing U.S. title and control of the canal, satisfactorily resolve these issues in our national interest.

Economically, the treaties propose a severe new financial burden on the United States. They call for a $345-million immediate aid package to bail out the debt-ridden Republic of Panama plus an annual subsidy of $65-million a year for use of the canal, a payment which may be adjusted upward to $100-million a year by the year 2000. After that, who knows?

Little attention has been given the fact that the new Panama Canal Commission is expected to revise canal passage tolls upward in the range of 25 to 45 percent. These additional transportation costs will severely damage the seafaring economy of the southern and southeastern coastal states, including Georgia, likely costing thousands of jobs in related industries, and impacting adversely on our balance of foreign trade, international business and energy problems.

Additionally, there is the commitment only to improve the existing canal or limit American participation in another canal to Panama. Such an agreement curtails our future options.

Addressing the issue of security, we are binding ourselves with the Republic of Panama to pledging international neutrality of the canal. Just how good is that mutual pledge? We recall a bitter precedent.

In 1954, Great Britain withdrew from the Suez Canal zone under a similar agreement with Egypt. Two years later, piqued by British refusal to finance its Aswan dam. Egypt nationalized the canal, touching off a week-long war with Britain and France.

The incident nearly drew the United States into the fighting and we supported United Nations intervention—on the side of Egypt's right to nationalize the waterway. Have we, then, already sanctioned some such future chain of events in Panama?

This has by no means touched all the issues at stake in the canal treaties but one view which treaty proponents continue to expound is that control of the canal by the Panamanians is a legitimate aspiration of the Latin American people. But there is no such thing as "legitimate aspiration" by some to an achievement created by others. If one considers what Panama would be like today without the canal, it is clear who has received a disproportionate share of benefits and who owes what "moral" debt to whom.

Stripped of meaningless jargon about American "colonialism" and "imperialism" and "exploitation" the "moral" argument holds that we must give up the canal to satisfy the malice, hatred and envy of the worst elements in the Latin American countries and, indeed, in the whole undeveloped world.

The canal is a hated symbol all right, but not of a non-existent American colonialism. What the canal really symbolizes—and what our detractors want symbolically to wipe out by making us give it up—is the energy, accomplishment and pride of a free people.●

THE NEED FOR A NATIONAL POLICY ON TIMBER CAPITAL FORMATION

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. WEAVER. Mr. Speaker, one of the least recognized and most pressing problems in the Nation is the extent to which reforestation is not occurring after harvest on private forest lands, especially nonindustrial private forest lands. In large part, this is due to the lack of incentive which a private forest landowner has to reforest. The costs are substantial, and the benefits come only after the trees are grown which normally is a very long time.

An article by John J. Stephens in the March issue of Forest Farmer titled, "The Need for a National Policy on Timber Capital Formation" correctly identifies the extent of the problem and proposes a solution. I find his investment tax credit proposal interesting and worthy of congressional consideration.

An abbreviated version of the article follows:

THE NEED FOR A NATIONAL POLICY ON TIMBER CAPITAL FORMATION

(By John J. Stephens)

Today the U.S. forest products industry is the only basic American process industry that remains cost competitive on a world-

wide basis. This position is due primarily to the relatively low-cost timber resources of our nation.

To assure America's continuation as world low-cost producer, capital must be generated to provide for maximum productivity from the nation's timberlands. America requires a policy for positive action to encourage timber capital formation.

Historically the difficulty has been that the timber economy requires large amounts of capital invested over long periods at high risk. A realistic tax policy could overcome this difficulty by using tax incentives to encourage capital to be put at risk. This is not, however, the nation's present tax policy, nor is it a definable part of the Administration's proposal as revealed at this time.

Past and present incentives, including capital gains, have been available only when timber is harvested. Incentives for other forest productivity improvements have been negligible, and herein lies a very serious problem. Private, nonindustrial landowners are neglecting reforestation after harvest more than half the time, studies by the Southern Forest Institute disclose. This is particularly critical in the South where 70 percent of the region's 195 million acres of commercial timberlands are in the hands of nonindustrial private owners.

Alabama is a perfect example of this ownership pattern where 75 percent of the nearly 16 million acres of biologically potential forest lands belong to private nonindustrial owners. A study currently being conducted by the FIC Forest Productivity Committee finds that approximately 12 million acres require some form of reforestation activity, and of this, about eight million acres are capable of returning an average of ten percent or better on investment by utilizing intensive management techniques. The study points out, however, that there are two major restraints to increased timber productivity: the nature of the investment and the formation of capital.

Specifically, the relatively high costs of regeneration and intermediate cultivation, coupled with the long investment period—usually more than 10 years and often longer than 20 years—make it difficult for the small landowner to invest in forest management.

Small landowners, in general, do not consider forest management as a primary investment objective. Higher current economic needs, as well as relatively low capital budgets, have a large impact on these owners' lack of interest in forest management activities.

Government programs have failed to overcome this restraint because of low or irregular funding, restrictions on participation, timing of funds allocation and treatment of funds as taxable income.

Herbert Knight, resource analyst of the Southeastern Forest Experiment Station, draws an even more disturbing conclusion. He states that the loss of commercial timberlands is nearly one million acres each year, including roughly 500,000 acres of pine forest type in the Southeast.

If this trend continues just at present levels, by the year 2000 over 20 million additional acres of commercial timberland will be lost, an obvious tragedy for the nation; but one that could be reversed by a realistic and fair tax policy for timber income. Also, if this nation's forest products industry is to meet future softwood fiber demands, it is absolutely essential that nonindustrial private landowners double present productivity of their timberlands.

The small private landowner whose forests are an increasingly vital source of fiber, needs front-end incentives to buffer the high cost of regeneration. Assistance is also needed to relieve financial risks involved in the long delays between cutting cycles, volatile markets, increasing regulatory controls on land management and forest practices, and natural hazards which are not insurable. In addition to these risks, landowners face rising costs for silvicultural practices necessary to bring timberlands into full productivity.

Perhaps the most serious disincentive is the annual cost of carrying the tree farm from regeneration to first harvest. The cash outlay for taxes and timber protection without income is a difficult expenditure for most small tree farmers. . . .

Presently the only incentive available to timber growers is capital gains treatment of the resulting income. This treatment comes after a long rotation period and is compensation for the ravages of inflation and natural risks that can befall any forest.

In the broadest sense, the primary benefit of capital gains treatment has been its contribution to sound, sustained-yield forest management.

Considering that this nation inherited a rich legacy of forest lands which are a national treasure in every sense of the word, one needs only to look to history for the painful lesson of what conditions were before capital gains treatment was allowed.

Prior to enactment of capital gains in 1944, tax treatment, encouraged "cut out and get out" practices that drastically reduced America's private forests and resulted in millions of acres of cutover land being sold out, abandoned for taxes or diverted to marginal agricultural use.

The money earned from timber cut then was usually invested in non-forest assets, where one could be assured of satisfactory return and regular earnings. This period saw our nation's timber resources depleted at a rate of about seven billion cubic feet per year. The enactment of capital gains in 1944 in large measure helped to reverse this situation. U.S. timber-growing stock began increasing and is still increasing today, where it is approximately 175 billion cubic feet more than in 1944.

While this increase, of course, reflects a confluence of favorable economic developments after 1944, including a rapid expansion in demand for lumber and paper products, it is particularly significant that replanting of private forest acreage has increased dramatically since 1944. For every one acre planted in trees prior to World War II, 10 acres were planted in 1976.

In the most recent year for which data is available, it is estimated that more than 1.4 million acres were planted by the private sector.

With all the good capital gains treatment has done, however, it does not meet the needs for adequate renewal of this very important resource. At the time timber is cut, the private timberland owner must make investment decisions. If he decides to reforest under the present accounting treatment for tax purposes, he will capitalize his reforestation, timber stand improvement and other related costs for longer than 20 years in the South, and considerably longer in the Northwest and Northeast.

The small private landowner, at the time he must make his investment decision, has the prospect of a long period with no return. Reforestation of his lands, however, is absolutely essential to meeting this nation's future fiber requirements.

Considering the fact that the forest lands of this nation provide for multiple use and are in reality wood producing factories, why not treat the investment in forestry the same as that in any other employment-creating capital situation? Why not provide forestry with the tax incentive that has had so positive an effect in attracting vital capital for other industries? Why not give an investment tax credit for reforestation?

Another inducement for reforestation would be shorter amortization periods, or immediate write-off of reforestation expenses. This would also aid in the capital formation requirements.

Unlike investments in other capital assets, which begin to earn a return almost immediately upon installation, timber does not generate a return until it is harvested. Present tax rules require that all investments in forest productivity be capitalized over an extensive period. In the West capital lies in a dead account for 30 years before it becomes part of the cost of the timber harvested account and is amortized over the volume harvested. It is likely that the flow-through takes a period of about 50 years.

In the South these capital costs are kept in a dead account for 13 years which means it takes about 25 years for them to flow through.

Most forest products companies have significant sums in non-earning capital assets, and they are growing rapidly.

In essence, the development opportunity costs in timber investment are enormous in relation to any other competing investment. They represent the single largest component of cost in the production of timber.

Capital gains treatment of timber has helped to restore a needed balance between delayed yield forest resource investments and other investments which provide an ongoing return. Further, the returns on timber are low in comparison with alternative investments. While modern forestry techniques can accelerate the growth of trees, there are natural limitations to growth which will always limit investment return. Generally new growth in the range of four to seven percent per year is as favorable as can be anticipated and timber growers frequently encounter lower growth rates.

Normally most business investment opportunities must promise a return of 10 to 15 percent per year to attract equity capital. Given the natural restraints on the speed of wood accumulation in the forest, growth in dollar values of 10 to 15 percent per year cannot be approached unless stumpage prices rise. The forest products companies face a high degree of uncertainty in this regard since there is no guarantee that a sufficient rise in stumpage prices will materialize over the protracted growing cycle of the trees.

The risk return ratio is also less favorable than in most other industries. During its extended life, timber is subject to a broad range of uninsurable risks, encompassing such factors as fire, disease, insect, wind and ice storm damage.

The U.S. Forest Service estimates that in 1976 alone, losses due to fire on all forest lands totaled over five million acres, or one percent of the nation's almost 500 million acres of commercial timberlands. Losses were probably even worse in 1977 because of the drought.

Beyond that, the industry serves end markets which are highly volatile over the business cycle, particularly the housing market which has experienced volume swings of about 50 percent between peaks and troughs. Timber prices show very wide swings over the cycle, adding to the risks and uncertainty.

As a result of the extended growth cycle, new forest investments face a host of natural and economic uncertainties. This represents the basic contradiction of the business: low inherent returns combined with high risk and uncertainty.

The industry is at a disadvantage in competition for equity captial where high risk presupposes higher potential returns. Capital gains treatment has historically helped to overcome this disadvantage by raising the after-tax return of timber growing, albeit not to competitive levels. In fact, the real earnings for second growth timber cut are only slightly better than inflation rates.

Federal Trade Commission reports indi-

cate the return on investment for lumber, paper and allied products during the period 1964 to 1973 was 5.8 percent compared with a return of 6.4 percent for all durable and nondurable goods produced. Moreover, the lumber and wood products segment of the forest products industry is highly competitive as indicated by the substantial number of producers and their moderate rates of return in relation to other industries.

Timber supply responds positively to rising price levels, but response time is measured in decades rather than in months or years as in most other industries.

While harvesting of existing supplies can be accelerated temporarily to meet a peak in demand and prices, new supplies for the longer term can only be assured by increased planting and more intensive management of existing lands.

Realizing that wood costs represent about 50 percent of production costs for unbleached kraft, 70 percent for lumber and over 50 percent for plywood, imagine what loss of capital gains would do to these product costs and prices and their ability to compete with substitute products.

Forest economics have unique characteristics, and it would be a mistake to assume that the normal working of the market system will assure adequate supplies by the end of the century.

What is seen today is that capital gains, the only tax incentive, is doing only half the job. To get the reforestation part of the job done, forest owners need the incentives that have been used in other situations to attract capital.

Forests play a vital role in the economy of America. One million three-hundred thousand people are directly employed in the forests and in direct processing industries. Multiples of that number are influenced in their employment by the products from the wood producing industries.

Exports from the forest products industry in 1976 amounted to $4.7 billion, and this was a major contribution toward the nation's balance of payments, particularly in light of a huge deficit for imported energy.

As important as the economic role played by the forests are their social and conservation roles. The opportunity for recreation, for everything from wildlife to camping, is assured only as long as America's forest lands are maintained and kept productive.

The first major reforestation efforts in the United States were intended to reduce soil erosion and to improve water conservation practices. Watersheds protected by the forests are vital to life in all parts of America.

The pressing need to develop fully our forest resources is now even more evident as America scrambles to become more energy self-sufficient. Energy costs will continue to escalate and alternative sources are an absolute necessity for the nation and most of the world. The economics of utilizing forest residues and low grade forest species for energy production are about at the right point now.

The nation's approximately 500 million acres of commercial forest lands contain about 96 quadrillion BTUs (quads) of usable energy. The annual increase in usable energy stored in these forests is 2.5 quads. If these commercial forests were genetically improved and intensively managed, the annual yield in usable energy could be raised progressively to 28 quads per year, which gives an indication of how growth can be accelerated by more extensive application of modern forestry techniques. An energy yield of 28 quads per year would equate to more than 35 percent of the nation's current annual energy consumption of about 75 quads.

This assumes that all vegetative growth on forest land is utilized. The quantity of biomass remains the same and only unused growth is harvested. These managed forests would be in a steady state, but with a high yield.

The forest industry currently uses only about 2.6 quads of wood per year for lumber and paper products, a small fraction of the nation's forest potential. The U.S. will undoubtedly need this steady renewable energy source in the near future, and the more productivity can be improved, the smaller will be the land base necessary to supply needs of the nation. This certainly represents a more viable alternative than importing all the fuel America uses, although it was not even mentioned in the Administration's energy package.

It might have been argued a few years ago that maximum timber supplies were not really critical since substitute products were available. However, the raw materials for the substitutes, for plastics, aluminum, steel and concrete, are all energy-intensive materials as well as exhaustible resources. Alternative materials such as sell and aluminum are much heavier consumers of energy during processing than wood is. Furthermore, production of such wood substitutes creates greater air, water and solid waste pollution problems than wood production. Much of wood fiber can be recycled, and what is not recycled is biodegradable.

The U.S. Forest Service issued its first report under the Rangeland and Renewable Resources Act in 1976. This report indicated that there is a need to invest over $900 million in public and private nonindustrial lands per year from 1980, increasing to over $1 billion per year in the 21st century. The need to attract capital to assure the availability of this important raw material and environmental resource for generations to come is obvious.

With that backdrop, it is urgent that the Administration, with a view for the needs of our nation, provide sufficient incentives that would attract venture capital necessary to begin immediately increasing levels of fiber productivity.

Most industrialized countries of the world have encouraged risk-taking investors through preferential tax treatment. Special tax provisions to encourage investment in future timber crops and sound forest management have ranged from tax credits, as is the case of Brazil, to special expense deductions, as used in Europe, to favorable treatment of gains from sales of capital assets. Similarly, over 30 states in this country have enacted special rules recognizing that unless the long-term growing requirements of timber are taken into account, it can be taxed out of production.

The economic loss resulting from a disruption of investment in forest management can never be recovered, because time is an essential ingredient in the development of forest resources. Obviously, the ideal tax treatment has never been devised.

Part of the problem is that there is presently an artificial consensus as to the extent of our nation's timber supply. Political leaders must be alerted to the realities of this crisis. Their support would be enlightened and responsive leadership as well as self-evident common sense, focusing on acknowledged national goals of the future.

The nation's forest products industry has a brilliant list of achievements, not only in its scientific capabilities, but it is in fact the only U.S. process industry that is cost competitive on a world basis. This is primarily due to the highly productive timbergrowing capacity of our nation's forest lands. That productivity, moreover, has been accomplished despite environmental contraints and similar cost burdening, and without government support.

The needs of all mankind are dependent now more than ever on our achieving even greater levels of forest productivity. Forest science and technology must continue to progress. The fact remains, however, that this nation has not even scratched the surface of its forest productivity potential. The future will see dramatic improvements in biological productivity, in highly efficient harvesting and utilization systems and in expanded uses of forests for fuel and food.

Almost by definition, problems present opportunities, Just such an opportunity exists in the tax reform package. Specifically, forest owners must convey to the Administration and Congress a sense of urgency regarding forest resources for future Americans. National leaders should be urged to support investment tax credits, shorter amortization periods, . . . and a continuation of capital gains tax treatment, as the principal mechanisms for creating an atmosphere for capital formation essential to increased productivity on our nation's timberlands.

Just as the Forest Service indicated a need for over $900 million investment in the public and private, nonindustrial sectors, the Administration can now recommend those types of incentives that attract capital to the timber growing sector. Timberland investments can then be treated the same as other job-creating capital and be covered by the investment tax credit and shorter amortization schedules.

It is significant that the present high standard of living Americans enjoy today was made possible, in large measure, by past trends in capital formation and other economic aggregates. Hopefully, future Americans will, in turn, benefit from similar equitable rewards for risk-taking. This is possible only if government again fosters a climate in which capital can be formed and put to work. If government enacts a fair and realistic tax policy, cognizant of our nation's need to grow, one that envisions an even greater standard of living than is enjoyed today, and one that recognizes the potential impact of forests as an energy source, forces of productivity can be rekindled. This should result in higher levels of investment in forest productivity including (1) creation of jobs in rural areas. Since 70 to 80 percent of investment funds spent on forestry are for labor, a significant portion of any tax incentive would pass through to the local work force; (2) maintenance of America's role in world trade for forest products; and (3) assurance of adequate timber resources for future generations of Americans.●

FOR IMRI TEL-OREN: LETTER TO A PALESTINIAN MILITARY SPOKESMAN

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. ROSENTHAL. Mr. Speaker, the Palestinian terrorists' raid in Israel last weekend was an outrageous act of violence against all humanity. It was also a tragedy of a highly personnal dimension. Forty-five individuals were killed and many more were maimed.

One of those slaughtered was Imri Tel-Oren, a 14-year-old Israeli youth who was gunned down by the PLO because he happened to be in a car behind one of the hijacked buses. Imir's American cousin, Cynthia Ozick, wrote a moving story about Imri and his family that appeared in the New York Times on March 16. I would like to share Imri's story with my colleagues:

LETTER TO A PALESTINIAN MILITARY SPOKESMAN

(A Palestinian military spokesman in Beirut said the attack had been carried out by members of Al Fatah, the largest guerrilla group in the Palestine Liberation Organization. He asserted that 33 Israeli soldiers had been killed in the attack.)

(By Cynthia Ozick)

DEAR PALESTINIAN SPOKESMAN: When you say that your friends killed 33 Israeli soldiers in last weekend's terror attack on the road near Haifa, do you mean my cousin Imri? Your friends shot him in the throat. He was not a soldier. He was 14 years old, and played the clarinet.

Now I am not sure what the mentality of a terrorist might be, since unlike you, I have never had one for a friend; but it seems logical to assume that if you have murdered someone, you might like—even if only out of idle curiosity, but especially out of ideology—to know something about the life you have taken. So please let me tell you a little bit about my cousin Imri. I promise you it won't occupy much of your time, because if someone is murdered when he is only 14 years old, how much can there be to tell?

In fact, Imri's life was so brief, and there was so little he ever had a chance to do, that I might as well begin with his grandfather and grandmother.

Imir's grandfather is a poet, a lover of the English Romantics. He has won some fine prizes for his work (including the Brenner Prize, named after an early Zionist who vowed that Jews were no longer going to be murdered just for being Jews), and he has translated Walt Whitman into Hebrew; but he is rather elderly now, so these days he mostly sits in his little garden reading Wordsworth and Keats and Shelley and Blake.

The garden is rather special. It is in the backyard of a house not far from the Lod airport (where some of your other friends murdered a group of Christian pilgrims not so long ago).

When Imri's grandparents built the house—a simple concrete cube filled with volumes and volumes of poetry—it was entirely surrounded by sand. But Imri's grandmother, though very frail, put down seeds and nourished and raised up her "babies"—a whole orchard of flowering fruit trees.

Every morning very early Imri's tiny grandmother climbs a shaky ladder to reach up to each young pear, which she patiently and meticulously wraps in a little paper bag. It looks pretty comical—a paper-bag tree!—but Imri's grandmother will not spray the trees with insecticide; she does not want to kill the insects, who also have a right to live. Imri's grandparents are vegetarians, and so was Imri, and so are his parents and all his brothers and sisters and aunts and uncles. You see, they do not like to take life.

Imri's mother and father are passionate musicians. They play first and second flute in the Jerusalem Symphony—or at least they did until last weekend, because Imri's father may never play again. One of your friends blew up his hand. In the hospital at Haifa they are trying to patch together some of it with bone grafts; soon they will know whether the nerve will die. (Imri's brother Nir is luckier, it was only his leg that was wounded. He lost a lot of blood, but he is all right.)

About two years ago, Imri's father came to America for a time to teach flute at Ithaca College. It was hard to tell which he loved more—music or his students. Tears fell from him when the term drew to an end and he had to say goodbye. When he heard or played music he seemed illuminated: "Isn't this beautiful?" he would murmur. All of Imri's six brothers and sisters are musical. They play all sorts of instrument, and the beauty flies out of their hands.

Imri's oldest sister, Anva, a dancer, just had her second baby, and so what happened was this: Imri and his brothers Nir and Adiel and his little twin sisters Vivi and Cori and their parents all piled into the family car to drive up to Haifa to see the new baby. After the visit, they were on their way home to Jerusalem, just behind a bus, when your friends started throwing grenades and shooting at them, at first on the road itself and then from inside the bus. When Imri's father, who was driving, got hit, Imri's brother Nir. Nir managed to grab the wheel and save his family, even though his leg was streaming blood. In the horror of the explosions and the pursuit it was a little while before anyone realized that Imri was dead.

All right, now about Imri himself.

He was mainly a quiet boy, private as some adolescents like to be, and a good student. Until not long ago he was still quite small, but in the last few months his family had begun to marvel at how he was springing up. He was going to be tall, like his father. He was fond of stamp-collecting, and when his mother toured with the orchestra she always brought back interesting foreign stamps for him. His instrument was the clarinet; he was a member of a youth orchestra in Jerusalem. He used to grumble over his clarinet because it was second-hand and somewhat woebegone; but only two days before your friends killed him he had the delight of learning that he was going to get a better clarinet.

And that is about all I can tell you about your victim Imri. I warned you it wouldn't amount to much. The main thing, you know, is that he was never going to kill anyone or anything—not even a fish or a chicken, much less a fellow human being. He was only going to make beautiful sounds on his clarinet.

Imri's grandfather, when he was not much older than Imri during the First World War, used to write pacifist poems; and once after the 1948 war he began a lyric about Bialik, the Hebrew poet, that in the most natural way turned into a prayer for fraternity between Arabs and Jews. And after that Imri's grandmother kept on growing trees and flowers in what used to be sand, and Imri's whole family kept on sending music, one of the languages of peace, up into the Middle East air.

Well, I just thought you would like to hear about one obscure 14-year-old who happened to become a target of yours, because why shouldn't you know who it is you hated enough to kill? And now that your friends have murdered Imri and blown up his father's hand, there will be that much less music in the world, and that much less civilization.

You have made it pretty clear that all of this feeds your pride and your notion of manhood and especially your sense of nationhood. The triumph of guns and blood excites you more than symphonies and poems and clarinets.

It could be, though, that you didn't really tell an untruth when you called Imri a "soldier." On our battered planet there are always, after all, two armies—the army of guns and the army of clarinets. Death flies out of one and beauty from the other. Imri is a fallen soldier in the army of clarinets, and in the end your most intractable stumbling block, your deepest contest, will have to be not politics, or your Soviet arms suppliers, or land, or your propagandists abroad, or your multiple perversions of the vocabulary of idealism, or your fellow Arabs who have imprisoned and despised and morally crippled and corrupted you for the last 30 years, or your hatred of Jews, or what you call "self-determination" while denying it to other people, or you vow to dismantle Israel, or your putting military uniforms on boys just Imri's age and teaching them terrorism, or even your bloodthirsty braggadocio; or anything like that.

No. You will have to grapple with what you know to be your chosen enemies—rank after rank of the singing clarinets: the army of civilization. Your guns cough in brutal eyeblink blasts and shatter human bones. Your friends, by stealth and ambush, murdered Imri. You are terribly proud of this, and crow it over the airwaves. No matter. Civilization is more tenacious than the death you bring. Paperbag trees, and Keats in a garden near an airport, and the long, long voice of the flute, and the singing clarinets—these are the soldiers you will have to defeat. If you can.●

ANATOLI SHCHARANSKY NO ORDINARY CASE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. EILBERG. Mr. Speaker, last week several of us commented on the fact that this month marks a full year of imprisonment for Anatoli Shcharansky, Soviet Jew denied the fundamental human right of emigrating to the land of his choice, Israel.

At that time, I stated that Shcharansky's arrest had a special meaning for me, because 3 years ago I met Anatoli in Moscow when I traveled to the Soviet Union as chairman of the Subcommittee on Immigration, Citizenship and International Law. I also stated that a great many of my constituents plan to be anything but silent as the injustice against this young man continues.

As a demonstration of the strong feeling in Philadelphia for Anatoli Shcharansky, I offer for the RECORD the following article authored by Dean Peter Liacouras, of the Temple University School of Law. Dean Liacouras' account appeared in the Philadelphia Inquirer only the morning after we rose to express our hope that the Soviet Union will recognize the folly of its continued imprisonment of Shcharansky:

DRAW THE LINE AT SHCHARANSKY

(By Peter J. Liacouras)

Today—the Ides of March—marks the first anniversary of the "imprisonment pendling trial" of Anatoly Shcharansky in Moscow's Lefortovo prison. The Shcharansky case has become a watershed in U.S.-U.S.S.R. relations. It is a symbolic threshold in the worldwide struggle for human rights.

Who is Anatoly Shcharansky? Why, as prominent Soviet officials asked Professor Burton Caine of Temple Law School and me during our visit to Moscow and Leningrad last December, is there such interest in his "rather ordinary" case? Why has the case taken on such international significance?

Shcharansky, now 30, is an engaging young man who dabbled in computerized chess playing. In 1973, like thousands of other Soviet Jews, he applied for an exit visa to emigrate to Israel. His request was refused on the ostensible ground that he possessed "state secrets". He reapplied and was again refused.

Since 1973 when Shcharansky first applied, he has been out of work. He has frequently been arrested. This harassment stems directly from his desire to leave Russia, and because he acted as an informal press agent and English interpreter for dissidents with

the Western world, including U.S. news correspondents.

All of his activities were in the open and monitored by the Soviet secret police (the KGB). They considered him a thorn in their side. He was highly successful in helping the fledgling human rights movement in Russia attract embarrassing worldwide attention.

Shcharansky thought that his lawful and courageous activities on behalf of other dissidents would finally convince the government to let him go to Israel. He was wrong. Instead, the massive power of Soviet government has come down on him. Following his arrest last March 15, he has been "on ice" facing treason charges which carry a possible death sentence.

Throughout all 365 days of his imprisonment, Shcharansky has been held incommunicado. He has been unable to see, speak with, or otherwise communicate with anyone except the Soviet secret police (KGB) interrogators trying to make the case of treason against him.

Despite dozens of attempts by the family to supply a lawyer for Shcharansky, none was permitted. A fort-night ago, a KGB-cleared lawyer, not acceptable to the family, was appointed by the president of the Moscow Bar to represent Shcharansky.

Despite the absence of any express provisions of Soviet law or the constitution authorizing such actions, the Presidium of the Supreme Soviet, on Dec. 15, 1977, in a special, secret decree applied only to Shcharansky, extended for an additional six months his incommunicado investigation and interrogation.

Despite Soviet denials that the forthcoming trial of Shcharansky is an attempt to intimidate other Soviet Jews who would like to live as Jews or emigate, some 150 Jews from throughout the U.S.S.R. have been forcibly interrogated under threat of imprisonment. A dozen of them, whom Professor Caine and I interviewed, were warned by the KGB that "as soon as the pressure from the West subsides, you will also be taken care of."

During the past year, three apparent KGB agent provacateurs (Lipovsky, Tsypin and Raslin, all Jewish refuseniks, one of whom shared an apartment with Shcharansky and is an admitted ex-volunteer spy for the CIA) have charged that Shcharansky and other Jewish refuseniks were CIA spies.

President Carter, breaking with a U.S. policy of not commenting on spy charges, has publicly denied that Shcharansky ever "had any sort of a relationship, to our knowledge, with the CIA."

Anatoly Shcharansky is being made "an example" not only because he was a thorn in the side of Soviet leaders who mouth "human rights" while ruthlessly suppressing them.

What is particularly disturbing is that the Shcharansky investigation and forthcoming trial is fanning traditional anti-Semitism in Russia. By characterizing Shcharansky as a "CIA agent guilty of treason," Soviet officials clearly have attempted to distract our attention from continuing violation of the basic right of Jews to practice their religion.

Human rights are no longer matters solely within the "domestic jurisdiction" of the Soviet Union or any other nation. To argue they are makes a farce out of solemn legal obligations freely and voluntarily entered into by nations.

"Everyone shall be free to leave any country, including his own, and to return to his country." That basic human right, expressly binding on the Soviet Union as a party, is guaranteed by the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Final Act which also guarantees family reunification. Such is the law today. Human rights are not solely domestic concerns for good reason.

During the second decade of this century, some two million Armenians were murdered while other governments including our own stood by without protest, unwilling to incur Turkey's wrath by suggesting that genocide of one's own citizens was also somebody else's business.

The Armenian genocide and the "domestic jurisdiction" shield combined with virulent anti-Semitism, two decades later, produced the Nazi genocide of six million Jews.

That same mind set has led more recently to the slaughter of untold hundreds of thousands of tribal victims in Africa.

Given the traditional anti-Semitism in Russia, and the most recent intimidation of Jews seeking to excercise their cultural identity, history could repeat itself.

Because of detente, the U.S. government is engaged in a variety of negotiations with the Soviet government concerning such matters as SALT, trade, etc. In bargaining, it is important to know the state of mind of your counterpart.

If during the course of important negotiations, you get evidence about the lack of good faith of your adversary on another matter, you naturally draw an inference about his or her state of mind and probable bad faith on the question under discussion.

So when the Soviet Union cracks down on dissidents, especially Jews, in violation of its own law and international treaties to which it is a party, every American citizen may infer the Soviet Union's true "commitment" not only to the principles of detente embodied in the Helsinki Final Act, but also the Soviet Union's true intention in the field of disarmament, arms control, African and Mideast policies, protection of foreign investment, academic freedom of U.S. students and scholars in Russia, and so on.

This is why the Shcharansky case is a clear-cut test for the Carter Administration. We must draw a line with the Soviet government. Detente cannot be a one-way street where we give up our fundamental values, or where the basic human rights of Soviet citizens or those in Soviet-occupied states are bartered away for corporate profits or false educational benefits or false security.

Anatoly Shcharansky is not a spy. He and those hundreds of thousands of Soviet Jews who find it impossible to live in Russia, are more like the slaves Abraham Lincoln emancipated 115 years ago. Those who help Soviet Jews gain freedom to Israel and the West, and who aid the millions of other persons irrespective of religious beliefs and national origin who are in Russia and Soviet-occupied states (such as Lithuania, Poland, Czechoslovakia)—those who help—are like workers on the Underground Railroad of the last century.●

BYELORUSSIAN INDEPENDENCE DAY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. PATTEN. Mr. Speaker, this Saturday marks the 60th anniversary of the proclamation of the Byelorussian Democratic Republic in 1918. That independence day must have been glorious. However, the glory was short lived. In 1920, this independent nation was captured by the Soviet Union.

Today, the spirit of independence is much alive, both in Byelorussian and in the Americans of Byelorussian descent. This anniversary will be celebrated here in the United States in many ways. It will be a celebration of what once was, and what we pray will be again, soon. And today, when much emphasis is on human rights around the world, I call on my colleagues to give support to these activities so that all nations will know that we oppose oppression in Byelorussian and other nations where people do not have the freedom of movement, religion, speech, and culture which we so enjoy.●

CLOSING THE PURSE TO CLOSE OUT THE FOES

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. HYDE. Mr. Speaker, I need not caution my Republican colleagues concerning weekend statements by the Chairman of the Committee on House Administration. Let there be no mistake. The camapign financing bill is still a heavy-handed partisan attempt by the majority party to push the Republican Party toward extinction.

Columnist George F. Will succinctly set forth the facts in his column which appeared in the March 19 issue of the Washington Post, the text of which follows.

I suggest that my colleagues read it carefully, and heed Mr. Will's final comment:

By drafting this bill, House Democrats have shown themselves capable of abusing power in an attempt to secure power.

Mr. Will's column is herewith reprinted:

CLOSING THE PURSE TO CLOSE OUT THE FOES

(By George F. Will)

Politics on Capitol Hill usually is a cascade of more or less amicable disagreement. But occasionally the hard, metallic voice of mean-spirited partisanship is heard. It is heard today in a bill drafted by Democrats in the House of Representatives.

Without even a redeeming trace of subtlety, the Democrats on the House Administration Committee have passed a bill that would rewrite the rules of campaigning to minimize Republican strength. The bill was passed in committee on a party-line vote, just as the Republican request for hearings was defeated on a party-line vote.

The most important provision would drastically reduce by 70 percent—from $50,000 to $15,000—the amount that a party can contribute to one of its candidates for a House seat. The bill's supporters say it is needed to cut "excessive" political spending. To give a thin veneer of plausability to that rationale, the bill also reduces, but much less drastically, the amount that can be contributed to a candidate by political action committees (PACs) established by interest groups. Nevertheless, the real rationale for the bill is obvious and obnoxious.

Democrats have lost four of six recent special elections to the House, and are nervous as they head toward midterm elections in which they expect, on the basis of history, to lose seats. Since 1976, the Democratic National Committee has congealed. The Republican National Committee has hustled. So today, House Democrats are spoiling for a fight, but not a fair one.

In House races in 1976, the average expenditure by Democratic candidates exceeded that spent by Republicans ($74,757 to

$71,945). And the average Democratic incumbent outspent his Republican challenger $73,495 to $52,815. (Also, Democrats usually benefit from, but do not have to report, valuable inkind services from organized labor, such as registration and get-out-the-vote campaigns.)

In 1976, PACs gave 66 percent of their funds to Democratic candidates ($13.6 million), while Republicans received 34 percent ($6.9 million). In 1977, an off-year for elections, the gap widened as PACs gave 70 percent ($1.9 million) to Democrats, 30 percent ($807,000) to Republicans.

In contrast, support from the party is currently much more important to Republicans than to Democrats. In 1976, total spending by Republican candidates was $46.9 million, with 9.7 percent ($4.6 million) coming from rank-and-file contributions to the party. Democratic candidates spent $5.2 million *more* than Republicans spent, but received only 3.7 percent ($1.9 million) from their party.

In 1977, rank-and-file Republicans gave their party $18.5 million; rank-and-file Democrats gave their party just $5.6 million. The difference is especially dramatic because the Democratic Party relied more heavily on large contributors: 47 percent of Democratic Party funds came from contributions of more than $500, compared with just 12 percent of Republican funds. The average Republican contribution was less than $25.

Going into this year, the GOP had $8.2 million on hand; the Democratic Party had just $867,000. So House Democrats, aware that their party is receiving less support from rank-and-file members than the GOP is receiving, want to drastically limit this form of citizen participation in politics. And in doing so, they want to increase the importance of interest-group contributions relative to contributions from rank-and-file members. Their proposal would further reduce the vitality of the parties, which should be a source of coherence and principle for American politics.

Communicating—broadcasting, printing, mailing—costs money. Limits on political spending are limits on political communicating. One reason incumbents vote low limits is that incumbents begin with many advantages, such as recognition, staff, franked mail, travel and stationery allowances and more. When incumbents impose upon themselves and their challengers a low spending limit, the result is the equivalent of a basketball game that begins with one team ahead 50–0, and both teams limited to an equal number of shots.

In 1974, Congress's "response" to Watergate was a law favoring incumbents by limiting political spending. It then became inevitable that, ever after, the party controlling Congress would be tempted to fiddle with the limits to cripple the competition. House Democrats have succumbed to that temptation.

Their wretched excess will not become law. If necessary, Senate Republicans will filibuster it to death. But by drafting this bill, House Democrats have shown themselves capable of abusing power in an attempt to secure power.●

PEACE PEOPLE OF NORTHERN IRELAND

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. EDWARDS of California. Mr. Speaker, at this time surrounding the celebration of St. Patrick's Day, it is most fitting for the House of Representatives to take special note of the growing efforts by citizens in Northern Ireland to reject the violence that has divided their land. Leading these brave efforts is a group called Peace People formed by Betty Williams and Mairead Corrigan, winners of the 1976 Nobel Peace Prize.

Their story is one of leadership born out of tragedy. In August of 1976 three young children were killed in Belfast by an automobile whose IRA driver had been shot by the British. Betty Williams was the aunt of those children. Since that time the two women and their organization have worked continuously toward an organized rejection of the violence and terriorism in Northern Ireland.

Their efforts for peace were acknowledged last year by the award of the Nobel Peace Prize. In this country, their work has been reflected by a notable shift in official U.S. policy regarding Northern Ireland. From a former position of "It's not our problem," our Government has taken on a more concerned role. The change in attitude was given a powerful assist by the joint statement given last year on St. Patrick's Day by Senators KENNEDY and MOYNIHAN, Speaker O'NEILL and Governor Carey condemning both the violence and the support of violence by Americans of Irish decent.

Last Thursday the Peace People's cause was given further support when I had the pleasure of accompanying Mairead Corrigan to the White House where she met with President Carter in the Oval Office. At the meeting the President said that Betty and Mairead were an inspiration to him personally since they have shown through their actions what an average person can accomplish against tremendous odds. He told Mairead that he strongly encouraged the Peace People to keep up their fine work.

Recently a book was published about the work of these dedicated women and I am pleased to include with my remarks a review of the book which appeared in the February 26 Washington Post. In that review, Robert Coles explains the significance of the contributions these two brave women have made to peace in a troubled land:

A SEPARATE PEACE IN ULSTER

(By Robert Coles)

(Robert Coles, a psychiatrist and Pulitzer Prize winner, is the author of the five-volume *Children of Crisis*. The last two volumes *Eskimos, Chicanos, Indians* and *Privileged Ones* have just been published.)

In his epilogue to *War and Peace* Tolstoy admitted to an awe of history—its mystery, its nagging unpredictability, its willful refusal to be tamed by those who want to know for sure what will happen, when, and why. He also discussed two contrasting modes of historical interpretation—the kind that dwells on important figures, kings and generals and presidents, and the kind that emphasizes the more impersonal social and economic forces that gradually exert sway over us all. And who knows, he asks repeatedly, whether the emergence of a given leader is not itself the result of those forces that have, in a way, enabled someone in particular to be heard, to be found worth following?

Northern Ireland has for years seemed bereft of any leadership at all—a place thoroughly possessed by contradictory and implacable religious tensions and class loyalties. The British, for so long an alien and oppressive force, are now left the thankless, costly, and dangerous job of trying to keep order in the face of deadly murderous confrontations between Protestant and Catholic militants, neither of whom seem inclined to give an inch. The Protestants are the majority and are relatively better off. The Catholics make up about a third of Ulster's population, and are, in the main, poor, afflicted with joblessness and an especially awful housing problem—wretched slums such as George Orwell described as he wandered through England during the 1930s. As is not uncommon, those with money and power don't want to surrender what they have—and are expert at manufacturing excusing self-justifications, often thinly disguised versions of arrogance and hate.

In recent years, the Catholic poor, have signalled *basta*—no more silent acquiescence. The IRA is, of course, notorious, but it does operate in a vacuum; thousands of ordinary Catholics, sick and tired of their fate, crave serious political and economic changes, and search vainly, it seems, for a means of achieving them. And there is an element of the Protestant majority that has shown no reluctance to use violence to intimidate any kind of social protest, however moderate.

In August of 1976 a Catholic woman and her three children got caught up in one of the violent episodes that almost daily plague Belfast. The three young ones were killed by a runaway car, whose IRA driver had been shot by British troops. Suddenly, out of nowhere, it seemed, a social movement was born; the Peace People—those of both Catholic and Protestant backgrounds who had, finally, become not only fed up with senseless violence, but willing to take a stand for their beliefs. Two women, Mairead Corrigan and Betty Williams, both Catholic, the former an aunt of the three dead children, began to speak up, protest, collect signatures, organize marches, collar those who stood by apathetically, inertly and urge them to similar action—all on behalf of a nonviolent campaign to register opposition to the murderous strife that has plagued Ulster these recent years. The result has been a significant historical shift—no panacea, but at least a beginning of reconciliation for a region essentially caught in a civil war.

No historian or social analyst had figured that two such ordinary, modest women, aided by a thoughtful journalist, Ciaran McKeown, could have rallied so many people to their side, against high odds—threats from various parmilitary groups, Protestant and Catholic—and gone on to win the Nobel Peace Prize. But then, no one would have given Rosa Parks, the quiet, lowly seamstress, much of a chance when she protested the segregated seating in the buses of Montgomery, Alabama, during the middle 1950s. An enabling historical moment sometimes beckons unlikely though utterly deserving participants for a dramatic, combatant role.

Richard Deutsch is a French journalist (*Le Monde*) who has lived in Belfast for years and knows Ulster well. He offers his readers a brief, pointed account of that region's history, then uses tape-recorded interviews and his own shrewd, direct observations to construct portraits of two brave and decent women, who have stood witness to the truly Christian side of a people long haunted by awful religious fears, envies, hates—all upheld in the name of God, no less. There is no "answer" in this book—not the kind that politicians will find pragmatic. Even Gandhi perished in the flames of unrest, despite the brilliance and steadfastness of his commitment to non-violent social reform. Still, generations of political and ecclesiastical manipulations have given Ulster nothing but misery and more misery; it is good to know, through this written account, that a benevolent, redemptive history, mediated through Mairead Corrigan and Betty

Williams, and countless others like them, is not yet out of the question for Ulster.●

VETERAN MISSIONER: BISHOP JAMES WALSH

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. EILBERG. Mr. Speaker, the Catholic Standard and Times, published weekly by the Archdiocese of Philadelphia, recently described the experiences of a man whose career should be an inspiration to all of us.

In a profile prepared by the National Catholic News Service, the Catholic Standard and Times recounts the remarkable dedication of Bishop James Walsh, former missioner in China.

Despite constant harassment by the Communist Chinese Government, Bishop Walsh carried out his efforts in the early 1950's to aid refugees in Shanghai. Later, he was imprisoned, and suffered a great deal for many years.

As the story explains, Bishop Walsh, now 79 years old, maintains his dedication to the people of China and to the goal of serving humanity:

BISHOP JAMES WALSH: VETERAN MISSIONER

(By Father Ronald Saucci, M.M.)

The old man placed his cafeteria tray on the table, sat down and bowed his head to say grace. Waffles covered with peanut butter and maple syrup were his main course. I sat down across from him and tried to make conversation while watching him carefully cut a piece of waffle with his fork, spread some peanut butter on it, and dip it into the maple syrup.

My mind wandered as I thought about this small giant of a man sitting across from me. It went back to Shanghai, 1952, when Bishop James Edward Walsh of Maryknoll, 61-year-old veteran missioner was placed under a kind of house arrest by the Communists. His coming and goings were under constant surveillance by the police as he spent each day giving aid to refugees from outlying areas who arrived penniless in Shanghai. For some years everything went well. But as the Communists carefully worked to eradicate all foreign influence from China, the bishop headed their list of "undesirable aliens."

One day, nine years later, he was arrested, tried in absentia as an American spy, and imprisoned for 20 years for a so-called currency violation, while attempting to aid the local bishop.

He was confined to a small, damp cell in a Shanghai prison. As the months passed his health began to fail. He became frail and boils erupted on his body. "They would send a doctor in to lance my boils occasionally. Fearing that I would not survive in the small cell, they moved me to a light and airy hospital room where I stayed for the remainder of 12 years. It was altogether quite pleasant," he told me.

Shortly after Bishop Walsh returned to the United States, I interviewed him on a WNBC–TV special welcome-home program. He arrived in the studio extremely irritated by a back problem not helped at all by the muggy sweltering weather. I expected to have my hands full during the interview. Was I surprised! As soon as we began to discuss China, his pains seemed to disappear.

As we finished the show, a strange thing happened. The camermen and studio personnel, usually unimpressed by stars, God or man, lined up to shake hands with Bishop Walsh.

In every conversation Bishop Walsh has had since his release from China in 1972, he never once has said anything negative about the Chinese. In fact, his most animated conversation always concerns China and his love for her people. After spending most of his life in China, he proudly claims a close affinity with the people in spite of all the past sufferings he experienced. His feelings for the Chinese almost from the first day he set foot in China in 1918 have remained unchanged.

When asked whether he would return to China if he could he responded, "Of course! After so many years in China I'm practically half Chinese. They're my people."

Readjusting to life in the United States after so many years in a Chinese jail was less difficult than one might imagine for the 79-year-old bishop. Asked about the change from Latin to English in the Catholic liturgy, he said, "It makes a lot of sense."

Since his release from China, Bishop Walsh has made three major journeys.●

FOR THE MAKERS OF TOMORROW, NO TODAY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. MINETA. Mr. Speaker, we have recently received the news that from January to February 1978, the national unemployment rate dropped from 6.3 to 6.1 percent.

That is good news, but we should not be deceived by it. The burden of unemployment does not fall equitably on all groups. About half of the Nation's unemployed are under age 25. Teenage unemployment is now 17.4 percent, almost three times the national average. And teenage unemployment has actually gotten worse in each of the last 3 months. Among minority teenagers, unemployment stands at 38 percent.

Statistics can never fully express the loss to this Nation that occurs when young people cannot find productive work. Our national sense of both individual and collective self-esteem requires productive work. Take that away from the young and you tamper dangerously with our Nation's future.

In appreciation of this fact the Congress has created several youth employment programs, such as the Youth Conservation Corps and the Young Adult Conservation Corps. The success of these programs shows that the work ethic is still very much alive in young people, if we will only give them the opportunity to do the work that needs to be done.

The YCC can accept approximately 47,000 young people this year, and yet the applications outnumber the opportunities by 10 to 1.

The YACC, now in its first year, is expected to hire only 22,000 this year. Young people from 16 to 23 years of age may apply for this physically demanding work, which pays only $2.65 per hour minus a fee for food and lodging, and which they must leave after 12 months. Yet already there are over 4 million applications on file for those 22,000 jobs. That's roughly 182 applications for every job.

There are willing workers and there is work that needs to be done. The Nation will profit many times over by providing work for these willing hands. And there is an opportunity to prevent the erosion of our greatest resource for the future—our young people. I hope we will do everything possible to fully fund and utilize these fine programs.

I would like to bring to the attention of my colleagues an article by Page Smith, former professor of history at the University of California at Santa Cruz, which appeared recently in the Los Angeles Times. His analysis of the special problem of youth unemployment is a strong argument for positive government action:

[From the Los Angeles Times, June 15, 1977]

FOR THE MAKERS OF TOMORROW, NO TODAY

(By Page Smith)

As a species we have, it seems to me, a curious capacity for ignoring the obvious. Although it cannot in truth be said that we have ignored the problem of youth unemployment in the United States, it is certainly the case that we have dealt with it in an oddly evasive fashion. There is a growing awareness, as a consequence of the energy crisis, that we are all in the same economic boat (which bears, it might be said parenthetically, little resemblance to a lifeboat), but our response seems to be a little half-hearted bailing.

If statistics can be trusted at all, the rate of unemployment among men and women in their late teens and 20s is catastrophic, ranging from 15% to 20% in some sections of the United States to as high as 45% among urban minority youth. From these facts innumerable consequences flow, of which drugs, crime and mental illness are only the most obvious.

During the Great Depression Eleanor Roosevelt was deeply concerned that we might lose a generation of young people to alienation and despair because of the lack of work. This made her an ardent advocate of the Civilian Conservation Corps and other youth programs, many of which were highly successful. Indeed, we are still experiencing their benefits.

From the early days of the "automation revolution," we were warned that the replacement of people by machines would have serious effects on the job market. The post-war boom, aided by the oracular pronouncements of economists, obscured the effects of automation, and yet year after year the number of unemployed or marginally employed young people steadily increased, not just in the United States but also in most other highly industrialized nations (Japan perhaps being the most notable exception).

The response of government to the mounting crisis of youth unemployment has been vapid reassurances and inadequate palliatives. Behind these less-than-halfway measures lay the simple-minded and outdated notion that in our "free-enterprise system" the market takes care, in the long run, of unemployment. The trouble is that the run is getting longer and longer. Meanwhile, every month that a young man or woman goes without a job, that person suffers increasing demoralization.

We like to think that America was built on work and the "work ethic." Indeed, the redemption through work has prevailed in recent times over the earlier belief in redemption through God's grace, though the two ideas have certainly been intertwined

throughout most of our history. So how are we to react when our young people—the "heirs of the future," "the makers of tomorrow"—are without meaningful work or any work at all?

There is, it seems to me, an irresistible simplicity to the solution. It becomes plainer every day that the "private sector" cannot substantially alleviate the situation—even if it can somewhere down the road, we dare not wait upon the experiment—and so we have only to declare, with appropriate oratorical embellishments. that we have entered a new era in human history: Modern industrial technology has been so successful in terms of gross efficiency that it has produced a surplus of human energy beyond what is needed to keep it functioning.

Thus, as we will (or should) announce, millions of people in every industrialized country have been freed to do all the tasks that need so badly to be done to conserve and enhance our environment, natural and human. At last, in the long, painful progress of history, we have reached a point where great public works need not be performed by a servile class but can be the creations of free people performing a myriad of public services.

A necessary step toward this proclamation, of course, is for us to stop viewing unemployment as evidence of personal or social economic failure and recognize it as the most brilliant achievement of modern technology. "See," we must say, "what we have accomplished: We have freed a vast army of young men and women from routine labors and given them an opportunity to perform useful, constructive and rewarding work for their country or, more broadly, for humanity. How splendid! How resourceful!"

"But," the cynic will say, "who is paying for all this? The poor, downtrodden, middle-class jobholder and taxpayer?"

"No, the economy will pay. That is to say, we are already, for better or worse, committed to not allowing people to starve in the most flourishing economy in the history of the world. We spend or waste countless billions on armaments too destructive to use and that will be obsolete tomorrow. We dissipate other billions in overbureaucratized, poorly conceived stopgap measures. We paid the necessary price to salvage our children in the depth of a devastating depression; in times of almost euphoric prosperity, surely we can do no less."

It is not, in any event, a question of money. The money is there, the tasks are there, and the people are there often in desperate need, both psychologically and economically. All that we have to do is the simplest and hardest thing for human beings to do: change our minds—change the way we view work and people without conventional work.

Are our millions of jobless a liability or an asset? Most assuredly an asset. As in a fairy tale, we have only to say it, to make it come true.●

WASHINGTON PRESENTATION BY J. EDWARD DODDS ON BEHALF OF THE SOUTH CAROLINA SOIL AND WATER CONSERVATION DISTRICTS AND RESOURCE CONSERVATION AND DEVELOPMENT PROJECTS

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. HOLLAND. Mr. Speaker, hearings are currently being held by the House Appropriations Subcommittee on Agriculture and Related Agencies on President Carter's budget request for the resource conservation and development projects. Following is testimony prepared by Mr. J. Edward Dodds from Lancaster, S.C., located in my district, which I believe explains well the need for continued funding of these worthwhile programs at their present level, and I at this time submit it for inclusion in the RECORD:

THE RESOURCE CONSERVATION AND DEVELOPMENT PROJECTS BUDGET OF $31,033,000 SHOULD BE INCREASED, NOT REDUCED

I bring to you greetings from the State of South Carolina and I speak to you in behalf of that state.

These are my credentials:

1. I am a beef cattle farmer with a farm in Lancaster County. I have operated this farm for 22 years.

2. In 1971 I received the Goodyear Conservation Award for outstanding accomplishment in Conservation in Lancaster County.

3. In 1977 I was given the Outstanding Conservationist award by the East Piedmont Association of Conservation Districts.

4. I was chairman of Lancaster County Resources, Conservation and Development Committee for a two-year period.

5. I am presently chairman of Crossroads of History RC&D Area. This is made up of a six-county area.

6. I am chairman of County Rural Development Committee of Lancaster County.

The purpose of being here today is to speak regarding the proposal budget for Resource, Conservation and Development projects. The appropriations budget for 1978 was $31,033,-000.00. The proposed budget is $6,797,000. The proposal is wholly inadequate. In the few minutes at my disposal I believe I can tell you why this is so.

Although my remarks will be confined to experience in South Carolina, I have been in touch with other states and find our experiences quite similar.

Like other states we in South Carolina face the glaring damage resulting from unrecognized ignorance, mistreatment of land and in many cases even willfulness. This state of affairs will require awakening all the people not just farmers to their dependence on the land if we as a nation are to continue to be well fed, clothed and housed.

The four Resource Conservation and Development areas (Crossroads of History, Ninety-Six District, Low Country and Santee-Wateree) in South Carolina are people oriented. By joining the effort as a volunteer local leader begins the educational process of knowing the land and working with nature to improve the soil.

RC&D activities include conservation treatment of eroding roadsides and other critical areas. Other activities include flood reduction and better drainage through improved channels and retarding dams, recreation, wildlife habitat development and many other environmental and economic improvements. Project activities include revegetation of critically eroded land. Special preparation and plantings on steep slopes keep the soil in place and prevent sediment damage to water courses below.

The State of South Carolina is essentially undeveloped with approximately 60% of her land in forest. We are beginning to break out of this condition with the great national emphasis on the Sun Belt. Taking place are clearings for homes, industry, business and transportation. With each development we face the possibility of pollution from erosion. Those of us who have been concerned with water pollution have learned that the greatest source is not chemicals or waste but *soil erosion*. Proper control takes time with good technical advice and guidance. We have had this with our RC&D staff.

Flood and water control is a never ending problem. We are meeting this with flood control ponds, terracing, and proper planting. The State of South Carolina receives adequate rainfall. However, in many instances it does not come at the time needed. Therefore it is necessary to conserve water during the rain periods and use it by irrigation when needed. An emphasis on ponds for that purpose has been initiated by RC&D committees throughout the state.

When one looks at the end result of no erosion control, the destruction is so obvious one would wonder why it would be permitted in the first place. The fact is that erosion control must begin with the clearing of the land. A plan for that control should be a part of the plan for clearing. This is the objective that RC&D has set for basic control. It is the process of education and the development of enforcible regulations that is needed to implement the move toward the objective. About 70% of the land of our state has been surveyed by air. Each cooperating landowner may receive a photo copy of his land with recommendations as to its proper use. We are studying landuse and are already involved in planning at the local level. Proper land use is something that does not happen over night. It is a long hard road to get acceptance. Confidence must be established before one moves to acceptance of an over-all plan. The RC&D, with the local committee volunteer program has the inside track for the education to proper land use.

South Carolina has four (4) RC&D Projects that cover 23 of the states' 46 counties. Each project is sponsored by local units of government such as county councils, town councils, soil and water conservation districts and special purpose districts. Each project has a council that provides direction and position. The council members serve without pay or any other compensation. The members came from varied backgrounds. Some are farmers, doctors, bankers, teachers, etc.

Each project is planned and implemented by local citizens. Each RC&D project has developed its goals and objectives to fit the needs of local people. Many of these objectives take long-term planning. Only a very few can be completed within a year's time. The first RC&D project in South Carolina was the Low-Country RC&D program. Because the "Low Country's" topography is near sea level and wet, water management has been a top priority. Sixteen small flooded prevention plans have been implemented at a cost of $1.3 million. An additional seventeen projects have been requested and developed by various groups. It is estimated that $1,000,000.00 will be needed to install them. The Low Country effort has required financing, designing and the construction of watershed recreation projects. Assistance also was given to many communities with other types of recreation efforts. The establishment of tennis courts, conversion of unused railroad stations to community centers, and the building of little league base ball diamonds to mention a few. The most recent recreational project is Palmetto Islands County Park in Charleston County. This back to nature oriented park is located on 725 acres and composed of several islands. Many conservation techniques are used in the park and the facilities were designed to blend and enhance the natural characteristics of the site. Other such recreational projects have been requested.

The Crossroads of History RC&D Project is located in the northern part of South Carolina where a great deal of erosion is taking place. Silt produced from this erosion has filled many streams in the area and a lowering of water quality and the destruction of wildlife habitat has resulted. Seven critical area treatment plans have been developed and are being put into operation. Four hundred and nineteen acres have been seeded

at a cost of $128.354 using RC&D funds. Additional contracts for $36,700.00 are being awarded this month. In Lancaster County an environmental laboratory has been established at no cost to the RC&D. An area of woodland making up over a hundred acres of land was provided by the Springs Corporation. It was surveyed and plotted by foresters after which trails were developed, trees identified, etc. An all-weather parking area was developed after a road was bulldozed into the land. The objective is to provide students and individuals with an understanding of the land and what is required to keep it in top condition. A plan is underway to set up the trails so blind individuals can enjoy a unique experience. Trail signs in braille and rope-guide lines are to be a part of the project.

One of the most unusual critical area treatment plans is Henry Knob in York County. A mining company moved off the 180-acre mountain and left the county and citizens with a man-made disaster. Silt damages from erosion taking place on the mountain was causing problems ten miles down stream. York County asked the RC&D area committee for help. The Henry Knob Critical Area Treatment Plan was developed. In 1977 half of the Knob was re-vegetated with grass and trees. At the present time the other half is being brought back to life.

Seventy percent of the Crossroads of History RC&D Project area is in woodland which is extremely difficult to sell pulp wood at any price. Nevertheless the project committee is looking for ways to utilize this vast resource. Through study and research we have found that we will be able to help solve the energy crises through the utilization of pelletized wood as an energy source. The pellets can be used in place of coal and produce a heat equivalent to coal.

The Santee-Wateree RC&D Project in central South Carolina has installed four small flood prevention programs with funds provided by the RS&D. The cost was $124,000. Two more have been planned and requests for assistance for a dozen or more are being considered. One county has already used $100,000 to heal over eroded land and it is estimated that it will take at least $400,000 more of RC&D project funds to complete the job over a period of several years.

The RC&D committees have been studying the floodplains of their areas and are alert to development programs that may come to disaster if proper planning is not taken into consideration. The committees have no intention to prevent building development. On the contrary the main thrust of RC&D is proper planning and control to prevent future loss.

Pocotaligo Conservation Park (near Manning in Clarenton County) would not be a reality today if the RC&D Council had not assisted with the planning and implementation of the plan. The land now used for the park is located in a beautiful swamp. It was about to be "clear cut" until the RC&D Council got the local people involved and aware of the immense possibilities. Talk about cooperation, some local funds were provided, RC&D funds were used to plan the park, and a grant from the Bureau of Outdoor Recreation paid for the installation.

The youngest RC&D Project located in western South Carolina, the Ninety-Six District RC&D, has already re-vegetated over 500 acres of critically eroding areas. However, there are 2500 more acres to be completed.

At the present time work is underway on some twenty projects that have come to my attention. Our people are diligent in the work and tireless in their effort because we know that only about a third of all agricultural land in this country is adequately protected against erosion. An important point to call to your attention is that South Carolina is interested in tax dollars. Therefore, we seek opportunities to broaden the tax base by encouraging new industry and business to incorporate in the state. At such times these interests seek the guidance of RC&D staff for proper landuse. To us in a very practical sense, RC&D funds are investments in future tax dollars. One other fact, if South Carolina gets increased tax base the Federal Government always gets its share.

Our objective is to save the land. It is God's gift to man and we are the stewards for a moment of time.

By proper use of this important natural resource the people of America should be able to maintain a high standard of living which includes good homes, schools, churches, adequate and stable incomes for farm people and a continuous and plentiful supply of farm products for all the people. Those of us who have worked with the land know how fragile it is. It must have constant attention. The local RC&D committees try to give it the over all attention it needs.

If our nation is to live and if the well being of its people is to be made secure the soil must be passed on to our descendants in better condition than it was received. This is the objective to which we strive.●

LEGISLATION TO AUTHORIZE APPROPRIATIONS FOR TUNA RESEARCH

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. MURPHY of New York. Mr. Speaker, I wish to bring to the attention of my colleagues a measure that will greatly assist in the development of the tuna resources of the Central and Western Pacific, and the strengthening of the American tuna industry.

Today I am introducing legislation that will increase the funding authorization for the Central, Western, and South Pacific Fisheries Development Act by an additional $25 million. The existing law authorizes $3 million for the period from September 30, 1976, to September 30, 1979. Although, that authorization does not expire until September 30, 1979, my bill would increase that authorization to $8 million and extend the act for an additional 4 years (for fiscal years 1980, 1981, 1982, and 1983) at a level of funding of $5 million per year.

The Central, Western, and South Pacific Fisheries Development Act was enacted in 1972 to assist in the development of a skipjack tuna fishery in the Central and Western Pacific. The skipjack tuna resource in this area is sufficiently extensive to provide a suitable base for the economic development of the Trust Territories of the Pacific, American Samoa, Guam, and the State of Hawaii.

Unfortunately, although tuna are present in this area, we have not yet developed the fishing gear which can efficiently harvest this resource. This legislation will accelerate current efforts to develop this much-needed new fishing technology.

This bill comes at a particular critical time for the American tuna industry. Although the fleet has demonstrated that it is well on the way toward solving the tuna-dolphin problem, the fleet is now facing a new and possible more damaging challenge. This new challenge has come in the form of exhorbitant Latin American demands for special yellowfin tuna allocations. These demands could spell disaster for the yellowfin tuna resource of the Eastern Pacific and for the American fleet which has pioneered efforts to harvest that resource.

Although the United States should continue to resist these demands, it is incumbent upon us to simultaneously move ahead and develop new fishing grounds outside of the Eastern Pacific Ocean.

Since the enactment of the Central, Western, and South Pacific Fisheries Development Act in 1972 the tuna industry has contributed large sums of money in a joint industry-Government effort to get this fishery off the ground. This legislation will insure that this joint effort is continued and expanded.

I should note, Mr. Speaker, that the development of a tuna fishery in the Central and Western Pacific will not increase incidental dolphin mortality. Although a significant percentage of the yellowfin catch in the Eastern Pacific is landed in association with dolphin, the skipjack tuna of the Central and Western Pacific are not known to travel with dolphin populations. Any expansion of effort in the Central Pacific will work to the benefit of dolphin populations by decreasing the fishing pressure in the Eastern Pacific Ocean.

I hope my colleagues will support the expanded program to be provided by this legislation so that a skipjack tuna fishery in the Central, Western, and Pacific Ocean will be a reality within the not too distant future.●

INNOCENT VICTIMS OF PLO TERROR

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Ms. HOLTZMAN. Mr. Speaker, the cowardly and brutal Palestinian Liberation Organization raid on Israel last week resulted in the deaths of 36 innocent people and led to predictable military retaliation. Perhaps the most moving account of the human tragedy wrought by the PLO was written by Cynthia Ozick in the New York Times.

I commend this poignant article to my colleagues.

The text follows:

LETTER TO A PALESTINIAN MILITARY SPOKESMAN

[From the New York Times, Mar. 16, 1978]

Dear Palestinian Spokesman:

When you say that your friends killed 33 Israeli soldiers in last weekend's terror attack on the road near Haifa, do you mean my cousin Imri? Your friends shot him in the throat. He was not a soldier. He was 14 years old, and played the clarinet.

Now I am not sure what the mentality of a terrorist might be, since unlike you, I have never had one for a friend; but it seems logical to assume that if you have murdered someone, you might like—even if only out of idle curiosity, but especially out of ideology—to know something about the life you have taken. So please let me tell you a little bit about my cousin Imri. I promise you it won't

occupy much of your time, because if someone is murdered when he is only 14 years old, how much can there be to tell?

In fact, Imri's life was so brief, and there was so little he ever had a chance to do, that I might as well begin with his grandfather and grandmother.

Imri's grandfather is a poet, a lover of the English Romantics. He has won some fine prizes for his work (including the Brenner Prize, named after an early Zionist who vowed that Jews were no longer going to be murdered just for being Jews), and he has translated Walt Whitman into Hebrew; but he is rather elderly now, so these days he mostly sits in his little garden reading Wordsworth and Keats and Shelley and Blake.

The garden is rather special. It is in the backyard of a house not far from the Lod airport (where some of your other friends murdered a group of Christian pilgrims not so long ago).

When Imri's grandparents built the house—a simple concrete cube filled with volumes and volumes of poetry—it was entirely surrounded by sand. But Imri's grandmother, though very frail, put down seeds and nourished and raised up her "babies"—a whole orchard of flowering fruit trees.

Every morning very early Imri's tiny grandmother climbs a shaky ladder to reach up to each young pear, which she patiently and meticulously wraps in a little paper bag. It looks pretty comical—a paper-bag tree!—but Imri's grandmother will not spray the trees with insecticide; she does not want to kill the insects, who also have a right to live. Imri's grandparents are vegetarians, and so was Imri, and so are his parents and all his brothers and sisters and aunts and uncles. You see, they do not like to take life.

Imri's mother and father are passionate musicians. They play first and second flute in the Jerusalem Symphony—or at least they did until last weekend, because Imri's father may never play again. One of your friends blew up his hand. In the hospital at Haifa they are trying to patch together some of it with bone grafts; soon they will know whether the nerve will die. (Imri's bother Nir is luckier; it was only his leg that was wounded. He lost a lot of blood, but he is all right.)

About two years ago, Imri's father came to America for a time to teach flute at Ithaca College. It was hard to tell which he loved more—music or his students. Tears fell from him when the term drew to an end and he had to say goodbye. When he heard or played music he seemed illuminated: "Isn't this beautiful?" he would murmur. All of Imri's six brothers and sisters are musical. They play all sorts of instruments, and the beauty flies out of their hands.

Imri's oldest sister, Anva, a dancer, just had her second baby, and so what happened was this: Imri and his brothers Nir and Adiel and his little twin sisters Vivi and Cori and their parents all piled into the family car to drive up to Haifa to see the new baby. After the visit, they were on their way home to Jerusalem, just behind a bus, when your friends started throwing grenades and shooting at them, at first on the road itself and then from inside the bus. When Imri's father, who was driving, got hit, Imri's brother Nir managed to grab the wheel and save his family, even though his leg was streaming blood. In the horror of the explosions and the pursuit it was a little while before anyone realized that Imri was dead.

All right, now about Imri himself.

He was mainly a quiet boy, private as some adolescents like to be, and a good student. Until not long ago he was still quite small, but in the last few months his family had begun to marvel at how he was springing up. He was going to be tall, like his father. He was fond of stamp-collecting, and when his mother toured with the orchestra she always brought back interesting foreign stamps for him. His instrument was the clarinet: he was a member of a youth orchestra in Jerusalem. He used to grumble over his clarinet because it was second-hand and somewhat woebegone; but only two days before your friends killed him he had the delight of learning that he was going to get a better clarinet.

And that is about all I can tell you about your victim Imri. I warned you it wouldn't amount to much. The main thing, you know, is that he was never going to kill anyone or anything—not even a fish or a chicken, much less a fellow human being. He was only going to make beautiful sounds on his clarinet.

Imri's grandfather, when he was not much older than Imri during the First World War, used to write pacifist poems; and once after the 1948 war he began a lyric about Bialik, the Hebrew poet, that in the most natural way turned into a prayer for fraternity between Arabs and Jews. And after that Imri's grandmother kept on growing trees and flowers in what used to be sand, and Imri's whole family kept on sending music, one of the languages of peace, up into the Middle East air.

Well, I just thought you would like to hear about one obscure 14-year-old who happened to become a target of yours, because why shouldn't you know who it is you hated enough to kill? And now that your friends have murdered Imri and blown up his father's hand, there will be that much less music in the world, and that much less civilization.

You have made it pretty clear that all of this feeds your pride and your notion of manhood and especially your sense of nationhood. The triumph of guns and blood excites you more than symphonies and poems and clarinets.

It could be, though, that you didn't really tell an untruth when you called Imri a "soldier." On our battered planet there are always, after all, two armies—the army of guns and the army of clarinets. Death flies out of one and beauty from the other. Imri is a fallen soldier in the army of clarinets, and in the end your most intractable stumbling block, your deepest contest, will have to be not politics, or your Soviet arms suppliers, or land, or your propagandists abroad, or your multiple perversions of the vocabulary of idealism, or your fellow Arabs who have imprisoned and despised and morally crippled and corrupted you for the last 30 years, or your hatred of Jews, or what you call "self-determination" while denying it to another people, or your vow to dismantle Israel, or your putting military uniforms on boys just Imri's age and teaching them terrorism, or even your bloodthirsty braggadocio; or anything like that.

No. You will have to grapple with what you know to be your chosen enemies—rank after rank of the singing clarinets: the army of civilization. Your guns cough in brutal eyeblink blasts and shatter human bones. Your friends, by stealth and ambush, murdered Imri. You are terribly proud of this, and crow it over the airwaves. No matter. Civilization is more tenacious than the death you bring. Paperbag trees, and Keats in a garden near an airport, and the long, long voice of the flute, and the singing clarinets—these are the soldiers you will have to defeat. If you can.●

LIKE IT IS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. RANGEL. Mr. Speaker, recently the black public affairs show "Like It Is" celebrated its 10th anniversary on WABC–TV. This enlightening program has provided a much needed forum for minorities in America.

Scholars, heads of state, and other national personalities have, on this show, shared their views on a wide range of both interesting and extremely socially relevant issues.

"Like It Is" has excelled despite its meager budget and resources. The outstanding efforts of its producer and co-host Gil Noble has resulted in consistent programing of outstanding quality and focus.

To commemorate the 10th anniversary of so fine a show, New York Times reporter C. Gerald Fraser wrote an article which I would like to share with my colleagues:

"LIKE IT IS," BLACK-ORIENTED SHOW CELEBRATES ITS 10TH BIRTHDAY

(By C. Gerald Fraser)

"Like It Is," the black-oriented WABC–TV public affairs program, is now 10 years old and has more than 60 awards from community organizations as well as five Emmys from the National Academy of Television Arts and Sciences to show for it.

The primary focus of "Like It Is," the longest running program on WABC–TV and the oldest community affairs program dealing with minority issues on television, is "the politics of the black condition," according to Gil Noble, its co-host and producer. The program deals with "the politics of our health, for example, of our housing and an international perspective," Mr. Noble said.

ONLY HISTORICAL ENTERTAINERS

"The industry has already established that we can sing and dance," he said, so there are few entertainers seen live or on film on the program, only those, such as the late Charlie Parker and Sid Poitier, who have "historical value."

In the production office at 1 Lincoln Plaza, Mr. Noble, conservatively dressed as usual, sat with one of his long legs thrown over one arm of his chair—he is 6 feet 5 inches tall. The afternoon sun brightened the room, which was decorated with plants, and photographs of Paul Robeson, the Rev. Adam Clayton Powell, Jr., Malcolm X and the Rev. Dr. Martin Luther King Jr.

Motoring toward the pictures, the 43-year-old Mr. Noble said that periodically he asks himself, "Am I doing what they would approve of?"

FOCUS ON AFRICA AND CARIBBEAN

General local programming, he said, regularly focuses on the Middle East, Greece, Ireland and human rights in the Soviet Union because a sizable number of the population here hails from those places.

"If that is right, I'm obligated to focus on Africa and the Caribbean," he said. "That is what the people who made my employment possible had in mind, I believe, and I take my commitment very seriously," as he referred to the civil-rights activists of the 60's.

The hour-long program is usually broadcast early Sunday afternoons. In typical public-affairs program fashion, "Like It Is" often floats from one time slot to another.

THE REWARDS OF STUDY

The program uses filmed reports, commentaries, panel discussions and interviews with scholars, physicians, writers, government officials, politicians, heads of state and local and national personalities.

His best programs, Mr. Noble said, included one on the rewards of study. Mr. Noble simply took his camera into the libraries of two black historians—John Henrik

Clarke and Josef Ben Johannan—and each discussed his boyhood, his zest for reading, his sacrifices to get books and what interested him about black and African history and the search for knowledge about himself and his people.

"What surfaced," Mr. Noble said, "was an ethic not glamorized or made important by America. These scholars are true heroes with genuine validity built on hard work. The point was to make, say, John Henrik Clarke as valid and as glamorous as a basketball player."

AFRICA AND THE MOVIES

Other favorites of Mr. Noble include a series on Africa's "gifts to the world," which discussed ancient African metallurgy, architecture and the university at Timbuktu.

Mr. Noble also cited a 90-minute special with Mr. Poitier. It included clips from the actor's movies, and Mr Poitier discussed in detail his career, the motion-picture industry and what happens to money invested in films and revenues from films

What he has tried to do, Mr Noble said, was to "present the continuing stream of information about what is happening in the black experience." "We also want to present a constant stream of history for both white and black viewers"

For this reason, he said, he presents both historical segments and hard news because of the "paucity of exposure of black history on the rest of broadcasting"

MEAGER BUDGET

By television standards, the program's budget, which was $500,000 last year, and, according to a WABC–TV spokesman, is scheduled to be increased 10 percent this year, is meager. A camera crew is available for the program's use one day a week.

These are nettlesome limitations, Mr. Noble said, but for 10 years, he has worked around them. He often augments the film his crew shoots, he said, with footage from the station's film library—film often previously unused because of the news department's different perspective.

"Like It is" was first produced by Ed Silverman and written by a staff newswriter. WABC–TV had wanted to call the program "The Way It Is," but Mr. Noble and Robert Hooks, the actor and the show's first co-host, convinced management to use the more colloquial expression and also to drop a rock-and-roll theme management had thought appropriate.

OFTEN A SPRINGBOARD

By June 1968, Charles Hobson, the program's first black producer, was hired. Other producers have included Richard Watkins, Melba Tolliver and Marquita Pool. All of them have moved on to better-paying jobs in radio or television since they left "Like It Is."

Two other co-hosts were Gloria Rojas and Geraldo Rivera. Both were imposed on the program by the station's management to broaden the show's ethnic appeal. But objections by black community groups and individuals succeeded in keeping the focus on blacks.

The current staff of five includes Robert Van Lierop, a lawyer and film maker who is co-producer and has made films in Mozambique that have been on the program.

BEGAN BROADCASTING AT WLIB

Mr. Noble began his broadcasting career in 1962 working full-time days as a newscaster at WLIB and full-time nights in the letters of credit department at the Chase Manhattan Bank.

In 1967, he moved to WABC-TV.

A pianist, he led the Gil Noble Trio, which attained prominence, in Mr. Noble's home community—Harlem. Today, he is married, and he and his wife, Jean, have five girls; he sculptures, paints and is writing a book on his experiences in television.

He became the "Like It Is" producer about two years ago and has since generally limited his appearances to anchoring the 11 o'clock news on weekends.

"I HAVE TO BE MYSELF"

This suits him, he said, because he realized he did not fit into a "flip" news format. "I have to be myself," he said, "concentrating on what I'm doing. As a reporter, I am a conduit, I am subordinate to the report.

"'Like It Is' has made me feel more like a reporter. I am able to focus on my priorities. 'Like It Is' is not the entire answer, but it makes black peoples' thoughts available to all television viewers." ●

"SCIENCE CENTERS: A POTENTIAL FOR LEARNING"

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. BRADEMAS. Mr. Speaker, in the words of a summary of an article I wish to insert in the RECORD—

The past decade has witnessed a proliferation of science-technology centers, or public places for informal learning about science and technology. Science centers are the only institutions that can provide the general public with participatory exhibits and experiences, together with an accurate scientific interpretation of the materials that are involved. The dramatic rise in attendance and the enthusiasm of repeat visitors to science centers reflect a strong public demand for exhibits designed to help the visitor develop a better understanding of the contemporary scientific issues of society.

Mr. Speaker, the summary I have just quoted describes an excellent article, "Science Centers: A Potential for Learning," published in the January 20, 1978 issue of Science magazine, the weekly publication of the American Association for the Advancement of Science.

The author of this article is Ms. Lee Kimche, formerly executive director of the Association of Science-Technology Centers in Washington, D.C., and now Director of the Institute of Museum Services in the Department of Health, Education, and Welfare.

The text of Ms. Kimche's article follows:

SCIENCE CENTERS: A POTENTIAL FOR LEARNING

Science centers provide a whole new field of self-motivating experiences in learning, through environmental exhibits that appeal to the senses, emotions, and intellect. They are among the most rapidly developing institutions of learning in contemporary society. They have been responsive to a growing public demand for knowledge and information. As more and more people visit them, the science centers have a unique opportunity to assist a large segment of the public to gain a greater understanding of the contemporary technological issues of society. The objects and exhibits can form the basis for other types of educational programs, not only within museums, but throughout the entire community. The informal educational techniques that science centers employ may have implications for other types of institutions. Traditional forms of education are undergoing reappraisal; perhaps some of the methods used in science centers can be adapted to enhance more conventional methods of teaching.

The growth of science centers began early in the century. The greatest growth has occurred within the last 10 years, and there is no sign that the trend will slow down soon. The expansion of existing science centers is proceeding apace with the building of new facilities.

ATTENDANCE EXPLOSION AT SCIENCE CENTERS

The increasing number and size of science centers is a direct result of the sharp rise in public demand on existing institutions. The number of visitors to science museums is greater than to any other single type of museum. According to a 1974 survey of 1820 institutions conducted by the National Endowment for the Arts[1], 38 percent of all museum visits were to science museums, 24 percent to history museums, and 14 percent to art museums. The survey, which included natural history museum in the science museum category, found that, of a total of 308 million museum visits in FY 1971–72, 117 million were to science museums. Excluding natural history museums, science-techonology centers alone have experienced skyrocketing attendance in this decade, with the 14.4 million visits registered in 1973 soaring to 36.5 million in 1975. And in 1976, more than one-fifth of the members of the Association of Science-Technology Centers reported attendance increases of at least 10 percent since 1975. Many science centers that offer after-school, evening, weekend, and summer courses have reported waiting lists for enrollment, and still other museums have been forced to impose time limits at certain participatory exhibits due to long waiting lines.

Until recently, it was thought that science centers appealed primarily to children. It is true that school groups form approximately 25 percent of visitors to these centers, but a brief survey shows that 45 percent of the visitors are adults, including college students and senior citizens.[2]

Most full-scale science-technology centers offer workshops for all age groups in chemistry, biology, photography, ham radio operations, computers, magnetism, model airplane construction, and other popular fields. Classes and workshops for school-age children reveal some intriguing offerings, such as "Elementary, My Dear Watson: Solving Problems by Deduction," "Marble Shoot Computers," "Water Wizardry," "Optical Toys and Parlor Amusements," and "Performing Plants." Although fewer programs are offered for adults, they range from auto rally classes to lapidary labs, from workshops on dehydrating foods to "Wild Parties," banquets based on edible wild plants.[3]

CHARACTERISTICS OF SCIENCE CENTERS

Most other kinds of museums have evolved as depositories for categorical collections that may be admired by the public and studied by scholars in private. While traditional museums emphasize static displays of objects and artifacts, science centers have followed the more dynamic philosophy of the Chinese proverb: "I hear and I forget, I see and I remember, I do and I understand."

Studies by Thier and Linn[4] revealed that visitors are not attracted to science centers to learn only facts; they come to experience new and interesting phenomena. This is substantiated by a preliminary study by Yankelovich[5] at the National Air and Space Museum. Fifty percent of the visitors in the museum, when asked why they visited the museum, answered "for juicy tid-bits"; 40 percent said that they came for entertainment or a dynamic experience; and 10 percent cited miscellaneous purposes.

Attendance at science centers is voluntary, unlike the required attendance of most traditional educational programs, and the course that the visitor follows once inside is self-

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established. There is no "required" reading, listening, or viewing. There is no prescribed path to be followed, or set time for departure. In the museum, visitors may spend as much time as they want at the exhibits that interest them most. Goodman [6] has stated that people will learn best when they have opportunities to make choices about their own learning and chances to build on their own interests. In a study of children between the ages of 10 and 12, Thier [7] found that they showed an interest in exploring science materials of their choice, and that self-selected science experiences foster the development of logical thinking in that age group.

A museum is a social environment, and learning takes place more readily in a social context. One reason that people go to science museums is to share time with family or friends. According to Laetsch, who is director of the Lawrence Hall of Science in Berkeley, family groups constitute the museum's single largest constituency, and his research has shown that adult-child combinations spent more time at the exhibits selected for observation than did child-child or adult-adult combinations.[8] Almost no research has been done on learning in family groups, yet the museum is perhaps the only educational setting where families frequently appear as a unit.

Another feature of science centers is that they provide experiences that are not available anywhere else. Increased technology has brought about an increased desire among people to do things in simulation that they cannot do in actuality.

Through the modern, sophisticated technology found in science centers, the public is able to experience more activities on a firsthand basis. In addition to simulated submarines and airliners, many science museums offer the public opportunities to use telescopes, computers, musical instruments, and other apparatus to which few people have access elsewhere. The instructional design of such exhibits as the "Physics Playground" at the Exploratorium in San Francisco is one of the more innovative approaches to informal learning to be found anywhere. There, swings and other playground equipment were constructed to teach the principles of physics.

People go to science centers to satisfy their curiosity about branches of science that are having more and more impact on their daily lives. The public is demanding timely access to information on subjects such as the saccharin debate, genetic engineering, nuclear reactors, solar energy, air and noise pollution, food supply, and other critical issues. Science centers are peculiarly adapted to presenting this material understandably. Few of these issues were publicly evident when many people completed their formal education; the science center affords access to authoritative information in a setting where people can keep abreast of new developments in science and technology voluntarily and on a lifelong basis.

The learning opportunities available at science-technology centers comprise a resource that can be understood best in the context of a change in public attitudes toward formal and informal education and leisure time. A survey of high school graduates' satisfaction with their educational achievements during the past 10 years since their high school graduation showed that 46 percent were dissatisfied with their intellectual accomplishments.[9] This would partially explain the findings of Hyman [10] that indicate that 50 million adults are currently engaged in pursuing some form of continuing education and that only 9.6 million of those adults are enrolled in programs that lead to a degree or other certification from an educational institution. The remaining 40.4 million are involved in courses, classes, symposia, and discussion groups that are provided by other institutions, such as museums, libraries, businesses, community groups, religious organizations, and science-technology centers.

Furthermore, science centers present information on current issues objectively since their goal is to present enough facts to enable people to make intelligent decisions on their own.

Special constituencies such as the deaf, the blind, women, senior citizens, inner-city youth, and non-English speaking immigrants and tourists are finding that science centers have been among the institutions most responsive to their needs.

OPPORTUNITIES FOR EDUCATIONAL RESEARCH

Relatively little information exists from which to determine whether the experiences that people have in science centers actually result in measurable advances in learning. Research to date has concentrated on gathering demographic data about museum audiences and on exhibit popularity, rather than on the effectiveness of exhibits in transmitting information. Both cognitive and affective testing of museum experiences are limited because the traditional instructional model that is employed in pedagogical research is inadequate to measure the effectiveness of museum experiences.

Furthermore, if learning in a museum is a visual and kinesthetic experience, which differs qualitatively from sequential classroom lectures or reading printed texts, recent theories of brain physiology should also be taken into consideration.[11] Current experiments have found that this distinction has a somatic basis, that is, the hemispheres of the brain have distinctive behavioral attributes (for example, visual learning is right-brained, while linguistic-based information-transfer is left-brained). If we are to maximize the potential of learning opportunities in museums, it is imperative that new models for measurement be developed. These models should be based on the uniqueness of the museum experience and take into account the most recent theoretical and empirical studies of the brain.

A systematic measurement of what people get out of a visit to a science center, or how, if at all, they are changed as a result of the visit, is just getting under way. The few researchers who have pursued this question are divided over the question of whether or not such changes are even measurable. It is possible to measure information transfer in terms of cognitive gains by testing how much a person can do, or how many questions he can answer correctly, before and after exposure to a given exhibit message.[11-13] But if the results of the cognitive testing are disappointing, the value of the visit should probably not be written off without knowing anything about the affective or attitudinal impact of the visit. As long as evaluation of the museum experience is carried out with methodologies designed to measure cognitive gains, or the quantity of information absorbed, the danger exists that museum exhibits will fall short of their potential to be inspirational and provocative stimulators of ideas as well as transmitters of knowledge. New evaluation tools need to be developed that can meaningfully register the museum-goer's attitudes and feelings, not only about science but about the informal learning environment itself. Photography is not a measurement tool, yet one only has to look at photographs of people interacting with exhibits for evidence that something more than information transfer is taking place. Systematic tools need to be designed that can interpret what the camera has always been able to capture: laughter, concentration, perplexity, satisfaction, curiosity, surprise, awe, and the thrill of discovery. Tressel has suggested that one of the most important accomplishments of a museum visit is to provide people with reference points that can aid them in later reasoning.[14] It may be impractical to collect data on the recollection of museum experiences days, weeks, months, or even years after a visit, or on how recollections are triggered; but it is evident that mention of a particular science museum will make eyes light up, nostalgia creep in, and people respond. "I will never forget my childhood experiences at the Museum of Science and Industry," or "I practically grew up in the Franklin Institute."

Screven pointed out in his studies that "learning cannot be directly observed. It must be inferred, usually from observed changes in what a visitor can do before and after exposure to an exhibition".[13] How much visitors learn depends on the time and effort they devote to an exhibit, as well as on an exhibit's content and layout. Therefore, it is useful to distinguish between the "teacher-learning" aspects of an exhibition (what an exhibit potentially can teach or communicate) and its motivational aspects. Motivation involves exhibit conditions (contingencies), which determine whether the visitor will stop, spend time and effort attending to content, return, and so on.[15] Effective teaching exhibits should integrate both learning and motivational aspects.

Shettle found that the average visitor views an exhibit unit for 20 seconds and tours a complete exhibit for a maximum of 14 minutes.[12] If both observations are correct, it may be concluded that science centers are able to draw the attention of the viewer for a very limited, if concentrated, period of time. In order to capitalize on that time, it is important not to require the reading of extensive text nor concentrations on visual aids that would try the patience of the average viewer. To create such learning systems, Screven has added various interactive response devices to permanent exhibits, such as cassette tape recorders linked to punch cards, game cards, or free-standing self-teaching machines. His data suggest that the added interactive devices improve visitor learning.[13] Screven also found that casual visitors in both art and history-science museums can then be motivated to spend time and effort at exhibits to achieve specific learning goals, and will learn considerable substantive content in the process.[13] Much more work needs to be done to develop and expand the most effective use of these methods to meet the principal and everyday demands of museums.

Science centers have been forerunners among educational institutions in introducing participatory experiences which provide effective but informal learning techniques. The findings of Laetsch, Screven, and Shettle correlate well with the theories of many educators who have found that learning is enhanced when the learner is involved in self-discovery.[16] Involving the learner in what is to be learned is an approach basic to science centers. Shettle studied the educational and attitudinal impact of exhibits and stated that "active participation heightens the acquisition and retention of information." [12]

The concepts of "visitor involvement" and "participatory exhibit" have undergone some basic changes in recent years as a result of museum research on viewer attention span and of nonmuseum research on cognitive and affective processes. The earliest exhibits deemed participatory were those in which the role of the viewer was limited to pushing a button which then activated the exhibit on a fixed course, started a tape recording or lit up a panel bearing a printed message. Thus, the push-button variety of exhibit was considered an early mode of viewer participation.

With the advent of systematic exhibit evaluation, the participatory nature of push-

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button exhibits fell into dispute. Eason and Linn explained "the term participatory does not refer to exhibits equipped merely with start buttons or audio tapes. Participatory exhibits actively involve the visitor in discovering information through his own participation in the demonstration process".[10] In a more recent study, Borun found that push buttons correlate negatively with learning, and that successful participatory learning devices are those that allow manipulation, experimentation, and variation.[11] Laetsch, in attempting to determine the essential properties for an instructionally efficent and effective exhibit, concluded "some feedback loop between the person and object appears to be necessary".[17]

Currently, push-button exhibits are considered first-generation participatory exhibits. In this context, an attempt to improve upon the push-button exhibit and correct its deficiencies has resulted in the development of exhibits that provide for viewer dependent variation. Many of these exhibits are in the form of self-teaching machines, which offer a number of advantages over their push-button predecessors. They are equipped with several buttons instead of one, and may offer the viewer an opportunity to select the button that he thinks is appropriate in response to a series of stimuli. Often the visitor will be asked by the exhibit to select the correct answer to a question from a multiple-choice set of responses, and usually the exhibit will give immediate feedback on whether the answer is right or wrong. This method seems to have some success in helping visitors to learn.[13]

The inclusion of feedback mechanisms into exhibits would appear to be, as Laetsch claimed, essential if the object is to maximize learning. People tend to repeat a behavior when positive reinforcement is given; Shettle has found that people tend to discontinue a behavior when no reinforcement is given as well as when negative reinforcement is given.[12]

While Shettle has demonstrated that interactive devices improve learning,[12] it must be remembered that he is referring to on-the-spot learning and to the learning of a finite amount of information contained in the instructional format of the exhibit. Others have suggested that while automated exhibits may increase the likelihood of learning some things, they actually limit the potential for learning many more things by designing all but a few possibilities out of the exhibit. Self-teaching machines allow choices, but from a preestablished set of alternatives. They do not allow an opportunity for raising questions other than those raised by the machine, or for learning information other than that transmitted by the machine.

Moreover, it has been demonstrated that mechanical devices and moving parts are not necessary to render a participatory experience. "A tree has no pushbuttons or gadgets attached to it. But one can look at it, lie under it, climb it, feel it, study the bark and cambium layer and root hairs, extract sap, learn about photosynthesis, hear the rustle of the leaves, and watch the sway of the branches," says Oppenheimer.[18]

Many science centers make use of live animals in their exhibits and educational programs. Laetsch has found that live animals have more attention-holding power than any other kind of exhibit except computers, each averaging 15 minutes. Other types of exhibits surpassed in holding power by the live animals were passive displays (30 seconds), push-button-activated devices (2.5 minutes), puzzles (5 minutes), and games (5 minutes), including noncomputer self-teaching exhibits.[8] Neither a tree nor a goat has push buttons, nor does an iguana or a rabbit have gadgets attached; yet one can feel, hold, or feed a goat or rabbit, examine its coloring, observe its behavior, and speculate upon the structure and function of its anatomy as an adaptation to its natural habitat. Thus, one is moved to ask more profoundly, "Why does an iguana have thick skin?" or "Why do a rabbit's ears differ from those of a cat?"

If participation is enhanced by maximizing accessibility to an object and its intrinsic features, can trees, animals, water, sand, and prisms be called third-generation participatory exhibits? The addition of interpretative devices to models representing these natural objects and materials may facilitate viewer learning, but it does so at the expanse of reducing the viewer's range for discovery.

The possibilities for learning through participatory exhibits seem to be endless. But the possibilities for measuring what is learned have not even begun to be realized. One can learn the color of animals or the height of trees from a book or lecture or film. But manipulating a live rabbit or tree, or operating a real computer, produces more than a knowledge of its physical properties; it produces affective responses, and it is these affective responses that so far have not been measured adequately. Goodman has noted that it is important to address the "whole person" in any education endeavor. In addition to the cognitive realm, it is crucial that we acknowledge and focus on the affective.[6]

Oppenheimer argues that the attributes of participatory exhibits, "their beauty, their multiple linkages with different themes, the inclusion of extraneous possibilities for intervention and discovery, have proved important to the overall effectiveness of the museum".[19] He sees most of the exhibit pieces at the Exploratorium (San Francisco) as links in a pedagogical chain, with many links common to several different chains. Thus, the Relative Motion Swing, which has a swinging table beneath a pendulum on the same period, can be used in many contexts. "We can use it in talking about vectors, poralized light, Lissajous figures, phase, amplitude and frequency, damping, kinetic and potential energy, frame of reference, and relative motion".[19] Chase, after conducting a museum study on the environment, states "objects that allow tangible, direct, personal and complementary experiences . . . are most meaningful when they are linked to other components of the museum learning environment".[20]

To carry these findings to a logical conclusion, if the cognitive and affective experiences gained by the museum visitor can be linked to the internal and external experiences that occur in everyday living, then the informal kind of learning that is possible in museums is invaluable. It becomes important to understand ways in which opportunities for learning in the museum can be enhanced by appropriate linkages to other learning environments, as well as ways in which learning in other environments might be enhanced through appropriate linkages to museums.

CONCLUSION

Little data have been collected to prove that the experiences that people have in science centers are educational. Two factors suggest that the potential for learning in science centers is great. (i) The dramatic rise in attendance during the past decade and the enthusiasm of repeat visitors reflect a strong public demand for science centers to provide exhibits designed to help the visitor develop a better understanding of the contemporary scientific issues of society. (ii) Objects housed in the museum form the basis of alternative, participatory educational programs. Museums are the only institutions that can provide the general public with these kinds of participatory experiences, together with an accurate scientific interpretation of the materials that are involved. The interaction of these two factors—the predisposition on the part of the visitors to be receptive to the museum's message, and the capability of the museum to transmit the message in a multisensory and yet authentic manner—indicates the presence of conditions favorable to learning.

Although no conclusive data exist, it can be deduced from available research that exhibits can be considered an educational medium, but that new evaluation models must be developed. The present educational and anthropological evaluation models that have been imposed on the science and technology center environment are inadequate. To ascertain the full potential for learning in science centers, systematic data must be gathered about the characteristics and effectiveness of the informal learning environment offered by science centers. Methods for collecting evidence that are not dependent on the exogenous variables that each visitor brings to the science center environment must be devised.

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HOSPITAL COST CONTAINMENT

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. CORMAN. Mr. Speaker, Mal Schechter has been one of Washington's

most perceptive health reporters for 20 years. As correspondent of Hospital Practice magazine and more recently as publisher of several newsletters covering the health field, he has shown a rare ability for cutting through the cliches and getting to the heart of a matter. Mr. Schechter's editorial in the February 24 issue of the newsletter, Health Cost Containment, deals with the problem of hospital cost controls. But his is not the standard fare. He feels that, as closer public scrutiny of hospital budgets develops, major attention should be given to getting the hospitals to do the things that should be done—such as the provision of home care to the chronically ill and elderly—and not just to those things that the hospitals are already doing or that they want to do.

Mr. Speaker, I respectfully request that Mal Schechter's editorial from the February 24 issue of Health Cost Containment be inserted in the RECORD at this point:

GETTING DOWN TO BRASS TACKS WHEN YOU REALLY NEED A BLUEPRINT: A DEBATE OVER CONTAINING COSTS IGNORES REVIEW OF HOSPITAL PURPOSES

There is something out of joint about the current debate on hospital cost containment, the Administration's legislation, the voluntary alternative, and the Rostenkowski riposte. All of this may be step 3 or 4 of a debate in which step 1 or 2 is: To what extent is what hospitals and doctors do really a high priority vis-a-vis community needs and resources? (I.E., should they fund CAT scanners or home-health services?)

Business ought to ask—and keep asking—this question. There is always danger that institutions lose touch with the reality of human need and resources and being to serve themselves. There is a growing literature from economists and others about how hospitals serve themselves and drain resources that might better go into other activities.

We are prompted to these remarks after a day spent in Room 2255 of the Rayburn Office Building for a hearing on home care by the House Aging Committee. If you don't see at once why such a hearing might be important to business, we will just mention that at least half the health spending in this country is for *chronic* illness and that the 65-plus population, the beneficiaries of Social Security cash and health benefits, is 22 million and growing, with the frailest segment (over age 75) growing at a faster pace than the general elderly population.

Many in the packed room were moved by the stories of persevering middle-aged, middle-class sons and daughters who were having great difficulty in helping disabled parents stay out of institutions. The point was made time after time that absence of a $3 or $4-an-hour home-health aide, or of a visiting nurse, or of a housecall physician was stressing these families to the economic and emotional breaking point—and channeling their parents into those high-cost hospitals and nursing homes.

General Accounting Office witnesses reported results of a study that showed that many families invested more in the maintenance of disabled elderly persons at home than did public agencies. These investments don't show up in the $180-billion-a-year pace of national spending for health care.

We were waiting for someone to ask why hospitals and other elements of the medical/hospital complex weren't moving quickly to meet the great need for home care. We didn't hear the question raised. The fact is that nationally hospitals have done a dismal job in home care; they can plead, justifiably, we think, that reimbursement mechanisms focused on acute care are partly the reason. But it also is true that nobody has held the industry's feet to the fire. We wind up, then, with excess hospital capacity in many areas—and no home care. Anybody who wants to see imaginative hospital planning for geriatric needs, including home care, should talk to Greater Southeast Community Hospital in Washington, a town with 2,000 excess hospital beds right under Congress' nose.

How do we make hospitals more efficient at doing the things that ought to be done? The answer lies in an open process of planning and budgeting, that is, through health planning agencies. We think it is inevitable that reimbursement controls and planning will fuse, making local planning agencies a crucial pressure point. Hospitals will submit budgets for review, and, once approved in an open, lay-dominated forum, they will be funded. A missing ingredient: how to get care givers to compete for a limited number of bucks. Some method of setting national, regional and local spending limits clearly is needed. One byproduct would be to give business some certainty for budgeting its own contribution to health benefits at a reasonable rate of controlled growth.

This editorial has gotten a little longer than we intended. There is plenty more one could say, but the basic point has been put. One final shot: we are convinced more and more of the absurdity of saying that the nation can't have national health insurance until health costs are brought under control. We don't think they ever will be brought under control without national health insurance; it's the proverbial cart before the horse. We think business is being led astray by arguments pitched to its often-justified skepticism, if not fear, of bigger government. There happen to be purposes that are best served through governmental mechanisms, qualified by intelligent public participation and oversight. We think cost containment is wrongly approached as an efficiency proposition; the right context is a public planning, budgeting, funding process with plenty of grassroots say by business and other interests.●

THE FUTURE OF THE NUCLEAR FUEL REPROCESSING CENTER AT WEST VALLEY, N.Y., AND THE FEDERAL GOVERNMENT'S ROLE AND RESPONSIBILITY IN THAT FUTURE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. KEMP. Mr. Speaker, the issue of nuclear waste disposal is an important one. Last year Congress addressed itself to it by requiring the Department of Energy to formulate a comprehensive national policy with respect to the disposal of existing and future nuclear waste.

This issue is of particular importance to the people of western New York because one of the major nuclear fuel reprocessing centers, one which operated between 1966 and 1972, is located at West Valley, about an hour's drive south of Buffalo.

This past weekend our colleague STAN LUNDINE and the Department of Energy held a public meeting at West Valley, a meeting on the future of that reprocessing center. That meeting came only 2 days after the Department released its draft report on nuclear waste management, a report which called for total Federal assumption of responsibility for management of nuclear waste but only a partial assumption of the costs. That is eating your cake and having it too, wanting to go to lunch but have the other guy pay for it, or whatever other analogy one would want to use. It is simply unrealistic. If the Federal Government is to assume total responsibility, it must also assume the total costs which go along with that responsibility, at least insofar as other levels of government are concerned.

While I was unable to be at that meeting in person, because I was attending to other duties in Buffalo, I was able to prepare and have offered a statement for the RECORD, one detailing my position on this important question.

Because the issue is of continuing importance to Congress and special importance to the people of western New York, I wish to make that statement a part of our RECORD here today. It follows:

STATEMENT OF REPRESENTATIVE JACK KEMP AT THE DEPARTMENT OF ENERGY PUBLIC MEETING ON OPTIONS FOR THE WESTERN NEW YORK NUCLEAR FUEL SERVICE CENTER

The country is watching West Valley today. It is watching not only what is done but also how it is done. The formulation of a critically important public policy, one which may impact substantially upon the types of energy fuels we, our children and their children will use in the future, must be based on reality. Neither unfounded hysteria nor saying we have nothing to worry about will help us, in the end, resolve this matter.

But everyone concerned with the problem must understand it is not worth endangering the health or life of a single human being because of a postponement of addressing ourselves to the problem and the expeditious effecting of a solution.

There are three questions with which the Department of Energy study of the options available as to the Nuclear Fuel Services Center must answer:

How we got to today;

What is to be done with respect to the wastes, the facility and the site; and

Who is to pay and why?

HOW WE GOT TO TODAY

In 1957 the Federal Government sought industrial and State participation in reprocessing radioactive waste and in their storage. It is important to keep in mind as we go through this inquiry that the impetus which led eventually to today came from the Federal Government.

In 1961 New York State acquired the present site, and in the following year Nuclear Fuel Services, Inc., was formed By W. R. Grace Company and AMF. Between 1962 and 1963 a lease and waste storage agreement was negotiated between Nuclear Fuel Services and the New York State Energy Research & Development Authority. A base load agreement was reached with the Federal Government's Atomic Energy Commission to provide an initial load for the plant, a load understood to be sufficient to insure the success of Nuclear Fuel Services as a commercial venture. The Atomic Energy Commission insisted that the State of New York take responsibility for the long term care and custody of the radioactive wastes. After those assurances were given by the State, utility contracts were negotiated, providing a limited initial commercial load with no responsibility for wastes.

The plant was constructed between 1963 and 1965, and between 1966 and 1972 that plant processed 600 tons of fuel, 75-percent of which was Federal Government source,

three out of each four tons processed. In 1970 the Atomic Commission, an instrument of the Federal Government, changed its policy with respect to long-term storage of radioactive wastes, in essence insisting upon the Federal care and custody of such wastes. The Nuclear Regulatory Commission, a Federal agency and successor to an element previously within the Atomic Energy Commission, sustained that new policy. In short, the new rules required wastes to be solidified and shipped to a Federal waste disposal area, rather than retaining the wastes in a liquid form, as had been contemplated in the construction of the NFS Center. That change in policy made further commercial reprocessing uneconomical.

Based on the change in policy and on the fact that such a change made further commercial operation of the Center's facilities impractical, NFS notified the public, Federal agencies, and the State of such a decision. It also notified the State of its intention not to renew the existing lease beyond 1980, a lease the terms of which not only provided for that contingency but also for the State to take over the entire site and facilities, including the wastes, upon the expiration of the lease.

Last year the State of New York, based upon the preponderant role of the Federal Government in the operation of the facilities, including supplying 75-percent of the spent fuel and governing the facilities' operations through its policies, sought a Federal takeover of the site. Faced with the policy question of what ought to be done, Congress authorized the study by the Department of Energy which brings us to these and other meetings.

What is to be done with respect to the wastes, the facilities and the site?

My staff was informed this week by an engineer with the Department of Energy that the 600.000 gallons of liquid wastes now at the West Valley site would reduce to approximately 85 cubic feet in a solid waste form. That is a block of only four feet by four feet, some 5 feet 4 inches high. I believe those wastes should be moved to a Federal storage area far removed from any population center, presumably on Federal lands in the West. The Department of Energy's draft Report of Task Force for Review of Nuclear Waste Management, released only two days ago, has recommended, "A majority of independent technical experts has concluded that high-level waste can be safely disposed in geologic formation, such as salt or granite." I see no reason why this cannot be done and done far from any population centers.

This report deserves substantial attention today, because as the Federal Government's outline of where it intends to go with respect to nuclear waste management, the decision with respect to West Valley will be made within its framework.

Let me quote from the relevant sections of the Report:

A majority of independent technical experts have concluded that high-level waste . . . can be safely disposed in geological media. . . .

The responsibility for the ultimate disposal for all forms of nuclear waste should be with the Federal Government. . . .

The Task Force recommends that DOE assume responsibility for the ownership and management of the six present commercial low-level waste burial grounds. These are located at . . . West Valley, New York. . . .

Federal management of nuclear waste for ultimate disposal cannot take place independently of local concerns. State and local governments have an important role to play in the process. Their viewpoints, and local expertise, must be more effectively integrated into national planning.

DOE should accept responsibility for the high level waste at West Valley. . . . Planning for the disposition of this material should then be integrated into total DOE planning for high level wastes at all sites. . . . Similarly, other possible applications of the West Valley site to meet future national and state needs should be considered.

Costs associated with assumption of Federal responsibilities should be shared by the participants so that all parties have a financial stake in the decisions taken to restore the site to productive use, if this is desired, and in removal of undesired waste materials.

Now, what does all of this mean.

First, that the Federal Government is willing to accept responsibility for the low-level waste burial ground and the high level waste at West Valley. This is presumably in recognition of their 75-percent role in providing those wastes.

Second, the Federal Government desires the viewpoints and the expertise of State and local governments, viewpoints which can be expressed openly here today.

Third, we do not know what the Federal Government intends to do with the West Valley facilities after assuming their responsibility. The inference is made in the Report that operations at the facility could be resumed.

Fourth, even though the Federal Government wishes to assume responsibility for the wastes and the management of nuclear waste in the future, it feels those costs should be shared by the participants, without clearly defining the participants. Does that mean the State of New York and its State Energy Research and Development Authority? Commercial ventures which supplied 25-percent of the spent fuel? It then wants unrecovered DOE costs for low level burial grounds to be recovered in charges for future low level services to all customers, a strong hint of future activity.

Let me comment on those points.

First, the Federal Government should assume responsibility for the low-level waste burial ground and the high level waste.

Second, State and local government, as well as community interests, public and private, should be heard, and all of this should be on the public record. I will return to this point in a moment.

Third, I believe the site must be decommissioned as a nuclear fuel reprocessing center in the sense it was operated from 1966 to 1972. I am unalterably opposed to its use as a major reprocessing center, bringing wastes in from through the country or the region, reprocessing them and disposing of them at this site. The availability of the site for limited research and development in this field remains to be seen.

I want to make it clear that I am unalterably opposed to using West Valley as a dumping ground for additional nuclear waste in the future.

Fourth, I believe the Federal Government ought to bear the total costs for this matter. To recommend that it assume the responsibility but only a share of the cost is to insult our intelligence; it's analogous to having its cake and eaating it too. It also ignores the role of the Federal Government in having brought the facility into existence, providing it with 75-percent of its work, and then changing the rules and regulations to such a degree that it put the commercial venture out of business.

This brings us to our last principal point. Who is to pay and why?

The most pressing problem for the people of New York is the issue of potential liability for the costs of decommissioning. Depending upon the disposal technique selected, the cost of decommissioning the plant ranges from $20 million to $600 million. It is important to remember, as these figures are analyzed, that there really is no upper limit on expenditure for absolute safety in anything, whether it is an automobile, an aircraft or an electric generating plant.

I am firmly persuaded, however, that liability for any such costs rests entirely with the Federal Government, as I have indicated.

No private organization should be protected from poor business judgment, one which results in commercial failure. But, when the Federal Government assumes responsibility for the complete regulation of an industry, as it did here, it must also assume the responsibility for the economic consequences of such substantial changes in regulations that the viability of the industry is undermined.

In light of this point and the realities on which it is based, there is no reason for the State of New York and thereby its taxpayers to assume these costs. Yet I have heard disturbing rumors in recent weeks that the present New York State Government may be in the process of agreeing to pay as much as 50-percent of the yet-to-be-determined costs. This could add a tax burden of as much as $300 million—nearly half of the proposed tax cut which New Yorkers are supposed to receive under the terms of the new State budget.

This State's leadership has a regrettable history of selecting the highest cost alternatives for its operations. I see no reason to continue that history. If the Governor wishes to make the point to the people that the costs are a result of an agreement arrived at by a prior Governor, he ought simply to say it, make the point, and get on with placing the present responsibility where it really lies, with the Federal Government. It is not too late for the State to reverse its historical pattern and insist upon full Federal liability for costs associated with the NFS decommissioning.

In summation, I think the Buffalo Courier-Express hit the nail on the head when it editorialized about this matter last year, commenting:

". . . the prime responsibility lies with the federal government, which licensed the operation, provided much of the spent fuel and generally encouraged the undertaking (through the then-Atomic Energy Commission). So we hope the Subcommittee (on Environment, Energy and Natural Resources of the House of Representatives) will push this position and insist that it be accepted as government policy." ●

LEGISLATION NEEDED TO SERVE NEEDS OF LIVESTOCK SELLERS AND STOCKYARD OPERATORS

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. TUCKER. Mr. Speaker, I am a cosponsor of H.R. 9482, to amend the Packers and Stockyard Act of 1921 to better serve the needs of livestock sellers and stockyard operators in rural areas.

This legislation is necessary to relieve small competitive auction barns in my State of Arkansas from the burden of excessive Federal regulation. Under current law, rural auction barns are treated like public utilities with regulated charges. The bill we are recommending will establish an animal unit as one head of cattle, one calf, one horse, three hogs, and four sheep. Weekly auction barns; that is, any barn that sells less than 100,000 animal units annually, would be exempt from Federal regulation. If such

a barn is more than 75 miles from a competing barn, the maximum number of head that could be sold free of Federal intervention would be 20,000.

Let me briefly trace the situation that has necessitated this legislation action to secure a fair return on livestock sales by small rural auction barns. In 1976, auction barn managers in Arkansas were getting a 3-percent commission on gross sales up to $2,000 and 2 percent on anything over that. When labor costs increased from $2.30 to $2.65, the managers asked for a reasonable 1-percent increase in commission to cover their costs. Their request was turned down by the Packers and Stockyard Administration which in turn proposed a national commission lower than the 3-percent and 2-percent combined rates. The USDA stated as part of the rationale for the low rate proposal the need to weed out livestock operators from what they described as an unfeasible market. An administrative law proceeding subsequently set a rate per head which is inadequate for meeting the actual operating expenses of weekly auction barns in Arkansas.

These auction barns in Arkansas have continued to operate on a percentage rate, but have been ordered by the U.S. court of appeals to hold in escrow the difference between the low rate per head set by the court and the percentage rate. This is an unsatisfactory approach which requires one particular operator in Arkansas to hold more than 51 percent of his commission in escrow, leaving him with no return on his investment.

This law was written in response to the stockyard situation in 1921 when there were 71 terminal markets in the United States. Today, with over 2.000 terminal stockyards nationwide, the days of a natural monopoly for rural stockyards are over. The regulatory standards applied to public utilities are ill-suited to modern stockyards. The law must be updated to reflect current conditions.

We are not recommending changing the rules for large stockyards in major cities or in isolated areas which do, in many cases, operate without effective competition. But in rural areas with a number of auction barns in close proximity, rates that are fair to both the livestock producer and weekly auction barn operators would be best determined by the competitive forces of a free market system.●

REAUTHORIZATION OF THE OLDER AMERICANS ACT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. SOLARZ. Mr. Speaker, today the Subcommittee on Select Education of the House Committee on Education and Labor held hearings on the reauthorization of the Older Americans Act, a comprehensive program which provides for planning, research, training, nutrition, home health care, transportation, senior centers, legal services, and employment programs for our older citizens.

In testimony prepared for the hearing, I expressed the views of many of my constituents in calling for an increase in funding for these programs, particularly for the nutrition programs which provide meals at reduced costs for the elderly, and for an extension of home health care services to more of our chronically ill senior citizens.

The testimony follows:

As the Representative of the 13th Congressional District of New York, I am privileged to represent the district with more senior citizens than any other district outside of the state of Florida. They are an active constituency who keep me informed on the impact of federal programs on their lives and well being, and it is because of their need for services that I appear before you today.

Today older Americans are no longer content with being "forgotten Americans", they are working actively to improve their position in our economic and social order. As a co-sponsor of the legislation to extend the protection against job discrimination to persons over 65, and to end mandatory retirement at 65, I was concerned, as are the members of this committee, to give our older workers the protection they need to stay active in the job market for as long as they are able. I have also introduced legislation in the Congress to allow older Americans and handicapped persons to travel twenty-four hours a day at half-fare on our Nation's mass transit systems. Another measure I have introduced would allow seniors to enroll in our Nation's colleges, on a space available basis, without paying tuition so that they might enjoy the riches of knowledge and so that our campuses might profit from the mixing of old and young students together with their various perspectives on life.

But the measure under consideration today represents the most comprehensive approach which we in the Congress have yet devised to deal with the special needs and talents of our older citizens. The Older Americans Act provides for planning, research, training, nutrition programs, home health care, transportation, senior centers, legal services and employment programs.

I would urge the committee that we continue all of these programs and increase the funding so that more of our older citizens may participate, so that the level of services provided may be improved, and so that a greater degree of integrated planning and service coordination can be possible.

Thus, I favor the proposals to consolidate the administration of Titles III, V, and VII and to provide additional funds for planning, but only if this consolidation will not reduce the total amount of services being delivered. At the current time, my district office in Brookyln averages about three requests a month for new senior citizen centers alone—reflecting the real need of my constituents, many of whom are poor or living on greatly reduced incomes, for programs to meet their social and physical needs.

The recent severe snow storms in New York heightened my conviction that more nutrition programs must be established and funded by this Congress. In Brooklyn, we convinced the National Guard that our senior citizens, particularly in the shorefront areas, desperately needed food supplies—and thus the local Jewish Association for Services to the Aged was able to commandeer a National Guard vehicle and driver and with other volunteers delivered the regular "meals on wheels" program. In addition, they took supplies to home-bound individuals in Brighton Beach, which is not now served by any delivered meal program. Brighton Beach has a large population of elderly citizens, many of whom are desperately in need of a "meals on wheels" program. Unfortunately, current funding levels on Federal nutrition programs prohibit Brighton Beach from having a "meals on wheels" program of its own, due to the ceiling on funds under Title XX of the Social Security Act and the fact that only 20 percent of the funds available under Title VII of the Older Americans Act can be used for a delivered meals program.

The storm displayed in a very vivid manner to me just how important such nutrition programs are for our home-bound senior citizens. I urge the Congress and the Administration to break the deadlock on expansion of delivered meal programs and to change the various regulations under Title VII so that more of the senior citizens who need home-delivered meals can receive them. Also, the regulations requiring hot meals delivery might be changed to allow some experiments with frozen foods and the delivery of several meals at one time.

An even more serious problem facing our senior citizens is health care. One of the most frustrating experiences in dealing with constituents who need home health care and social services is the large number of programs that provide these services, with their different regulations, requirements, and types of services. To assist our elderly and help alleviate this problem, I have co-sponsored H.R. 10995, introduced by Mr. Pepper and Mr. Cohen, that would establish "single entry point" programs within communities for the entire range of medical and social services needed by the chronically ill and disabled elderly. One of the chief effects of this bill would be to negotiate the maze of regulations, eligibility requirements, and income limits that confuse and frustrate the elderly in need of health care services. This bill is a first, rational step towards what I feel is the real need of our older citizens—a comprehensive health program that will match senior citizens with the kind and amount of services they actually need at a given time. Thus, institutionalization would become a last resort treatment, only necessary for those severely impaired people who are unable to function in the community, even with the support of home health care services.

I would like to add my voice to that of Congressman Pepper and the Select Committee on Aging in urging a greater provision of home health care services, particularly for senior citizens just above Medicaid eligibility limits who cannot afford the full cost of these services. In addition, I would like to urge the Committee to look into the possibility of adding a new emergency home health care provision to the Older Americans Act that would allow agencies to provide immediate home health services to individuals who can be presumed to be eligible for services funded under Medicare or Medicaid until the various intake procedures, home visits, and screenings can take place. My district staff have told me of cases where an elderly person is released from a hospital only to wait weeks and weeks for the needed home health and personal care services to begin. This delay is caused by the lengthy case eligibility procedures mandated by these programs. In several cases, elderly people have had to be readmitted to hospitals, or even institutionalized, because home health care services did not come quickly enough. The inability to provide immediate home health care services also means that the community must incur the greater costs of hospitalization or institutionalization. A recent G.A.O. report found that home health care was the most cost-efficient method of care for 83% of our nation's elderly in need of health services. The timely delivery of health care services could actually reduce national health costs and prolong the productive lives of our citizens.

Employment programs, provided under Title IX of this act, have allowed many of our senior citizens to earn needed income,

and just as importantly, have given them the opportunity to continue making important contributions to the community through the utilization of their particular talents and abilities. Since individuals can be employed under this Act at age 55, the Act should also allow for some full-time positions. Many individuals 55 and older are not only able and willing to undertake the responsibilities of a full-time job, but because of continuing family responsibilities greatly need the additional income of a full-time position.

In conjunction with paid employment programs, I am also concerned with the fate of the retired senior volunteer program (RSVP). This program was formerly administered by the Administration of the Aging under the Older Americans Act, but was transferred in 1973 to ACTION, which now administers it. RSVP has provided millions of hours of service to our communities from our older citizens, and allowed them a chance for stimulation and activity that utilizes their skills, talents, and experiences in socially useful ways. RSVP currently "employs" over 220,000 elderly volunteers. Recently, however, ACTION proposed cutbacks in this most useful program despite the fact that there has been no formal evaluation of the program that suggests the need for such a cutback. Perhaps this program should be returned to the Administration of the Aging, where it might find a more supportive climate.

Transportation is another need of our senior citizens. The need for improved access to existing mass transit is particularly great. In my district, I have worked for the construction of escalators to our elevated subway lines, for the introduction of barrier-free buses that the elderly and handicapped can use with more ease, and for twenty-four hour half-fares for the handicapped and elderly. Under the terms of the Older Americans Act, some transportation programs designed to meet the special needs of the elderly have been started. I urge their continuation and expansion. Even in a community such as mine, in which good public transportation is available, senior citizens still have special needs that programs such as this can meet—such as transportation to and from centers and clinics, transportation that allows the physically limited to go out to shop, or transportation that can bring senior citizens home from the hospital.

A final proposal that I would like to make to the Committee is to urge a change in the funding formula in Titles III and VII of this Act, to reduce the burden that areas such as New York State face in serving a large number of elderly who are poor and thus more dependent on public services. The current formula takes into account only the total number of elderly in allocating funds, not the percentage of elderly citizens who are poor. Yet the Act itself mandates priority services for elderly citizens who are poor, or who are members of a minority group. Some recognition of these factors should occur in the funding formula to assist states like New York whose total elderly population is declining, but whose remaining senior citizens are disproportionately poor and members of minorities.

In my frequent contacts with my older constituents, I have been inspired by their interest and concern with the many problems that face our country, their knowledge of the issues, and their strong belief in our government's commitment to providing opportunities for a decent life for all our citizens. But in these days of restricted government spending and cutbacks in services, many senior citizens have become concerned for their future. They must now live on fixed reduced incomes and find themselves for the first time dependent on government to meet their needs for services—services that they previously were able to provide for themselves and helped provide for others through their taxes.

As their representative, I am anxious that programs funded under the Older Americans Act be continued and that additional funding be provided so that more of our senior citizens will be able to enjoy that full quality of life that we would wish for ourselves.●

LABOR LAW "REFORM"—A SMALL BUSINESS NIGHTMARE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. RUDD. Mr. Speaker, several times a year, the National Federation of Independent Business sends out its Mandate newsletter/questionnaire to almost 500,000 member small businesses throughout the country. Each questionnaire usually covers five issues of concern to consumers, our economy, and to business, and the results are tabulated and sent to every Member of Congress.

I find these survey results to be of enormous benefit as I serve Arizona's Fourth Congressional District and our Nation. I believe that NFIB does us an invaluable service, and I am most grateful to the many small businessmen and women who take the time to participate in this effort.

In the current NFIB Mandate, there is a reprint of an excellent article about the so-called Labor Law Reform Bill (S. 1883) by NFIB President Wilson Johnson. Mr. Johnson demonstrates how this bill will give big labor bosses an unfair advantage against workers and small business owners in their effort to unionize all workers. This would certainly not be in the interests of the general public.

I would like to include the NFIB article at this point in the RECORD:

LABOR LAW "REFORM": A SMALL BUSINESS NIGHTMARE

(Editor's note: The following article by NFIB president Wilson S. Johnson appeared in the January 28th issue of National Journal, a highly regarded weekly news magazine which circulates extensively among the legislative and executive branches of government and business organizations. The Washington NFIB legislative team, headed by James D. "Mike" McKevitt, is working at the behest of the membership to defeat the "labor reform" legislation described below.)

Early in 1978, the Senate will tackle the so-called "Labor Law Reform" bill, S. 1883, a complicated bill that could introduce disastrous powers and penalties into the field of labor-management relations. As so often has been the case, the proposed changes in federal labor laws would greatly increase the pressures and penalties facing small businesses least able to cope with them.

Unlike many recent "reform" bills, this labor law reform has not been initiated by good government groups or reform organizations but by the bureaucrats and power brokers of organized labor. This is not surprising. It seems that the union leaders have noticed a phenomenon very disturbing to them: more workers want less union involvement than ever before. Today only one out of five workers belong to unions, compared to more than one out of four 20 years ago. Unions likewise recite in dolorous tones their pathetic record in organization elections. NLRB fiscal year 1976 figures show that unions won fewer than half of the certification contests conducted by the NLRB.

The union logic is audacious: unions argue that they are not very successful under our present system of labor law, so the rules must be changed to improve their organizational record. This logic completely overlooks the obvious question. If unions are so good for their members, then why don't more workers join unions?

Wherever the fault lies, it is not with the federal labor law. The tumultuous labor environment of the thirties provoked Congress into enacting a system to bring peace and evenhandedness to relations among management, workers and unions. In the 40 years since passage of the original National Labor Relations Act, workers in this nation have enjoyed tremendous gains in wages, fringe benefits and job security. The economic and political impact of unions is awesome and obvious. The present federal labor law has generally worked as it was intended and is not in need of wholesale reform.

But the bill's proponents disagree and claim several current examples of organizing efforts frustrated because the federal law is not strong enough or tough enough. Whatever the facts may be in those cases, it is certain that large national companies will continue to have legions of lawyers and labor consultants available to advise them on how to stay in the bounds of the law and still give the unions a good fight. Small businesses, however, will be severely affected by this bill.

Big labor may well complain that it cannot win against big business. The latest NLRB annual report lists labor as winning only 17 percent of the 119 organizing elections of units with 500 or more workers. But big labor has been going after small business with a vengeance and has been very successful at it. For the same period the NLRB supervised 3,855 elections in units with fewer than 20 employees and unions won 57 percent, nearly three out of every five organizing drives for small units. Small businesses with small groups of employees are clearly easy targets for the big labor leaders.

These statistics document a situation distressing but familiar to many small businesses. Not only do they usually lack regular counsel on labor affairs and laws, but they often lack the time and resources to effectively fight any organizing drive. The small business owner does not sit in a board room giving orders. He or she is often the foreman, inspector, accountant and substitute for any employee off work. He cannot take the time to print placards or organize employee rallies to discuss his views on unions. He is sharply restricted by law and NLRB decisions as to the type and content of contacts with his employees on the union issue. And he is often unaware of any movement toward unionization of his firm until he is presented with the certification petition by the NLRB. By then the union has done all its advance work and the owner faces a fait accompli.

The "reform" bill proposes an accelerated timetable for certification elections, exactly what is least likely to improve labor-management relations. An organizational drive is not unlike a domestic dispute; workers and employers who may have known each other for some time are surprised and often angered at the other's position. It would be much more sensible to impose a mandatory cooling off period of 75 to 90 days after presentation of certification petitions, than the quick interim called for by the Senate bill. Tempers could cool on both sides. Workers would be in a better position to decide whether the union was best for them. Employers would not feel as pressured and would be less likely to react precipitously. Inflammatory language and tactics would likely decline and all sides would approach a very important issue with cool heads.

Proposed changes in the federal labor laws would surely deal organized labor a much stronger hand, vastly increasing the amount of pressure it can bring to bear against workers and businesses. More importantly they will add several new stumbling blocks for small businesses to get over in today's tough business environment.

Congress is responsible for legislating in the public interest. Trade unions are now large, powerful bureaucracies. What is good for unions is not necessarily good for the nation. Federal labor laws must strike a balance among workers, unions, and business, large and small. Each has different needs and problems. The Senate should realize that S. 1883 will badly tip that balance against small business.●

SMALL BUSINESS DEVELOPMENT CENTER BILL

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. BALDUS. Mr. Speaker, today I reintroduced the small business development center bill (H.R. 5754) with additional cosponsors. Because of the widespread interest in this bill, and the increased likelihood that a request for floor action on the bill will be made this year, I believed it would be helpful to summarize the history of the bill, and to list the cosponsors (over 80) this piece of legislation has attracted to date.

In April of 1977, I first introduced the small business development center bill in the House. Simultaneously, the measure was under consideration in the Senate, and S. 972 finally passed in the Senate on August 5, 1977.

Both the House and Senate measures would authorize the Small Business Administration to provide small business management assistance through cooperating universities around the country.

The House bill was under consideration by the SBA and SBIC Authority and General Small Business Problems Subcommittee for about a year. Earlier this month the subcommittee reported out a small business development center measure, as title III of an Omnibus bill. The bill, including title III, will be marked up in the full Small Business Committee meeting scheduled for tomorrow, Tuesday, March 21, at 10 a.m.

With favorable committee action, it is likely that floor action on the bill will be forthcoming in the near future. I would therefore, like to include at this point the names of the cosponsors of H.R. 5754, as an indication of House support for the small business development center concept:

COSPONSORS OF THE SMALL BUSINESS DEVELOPMENT CENTER ACT, AS OF MARCH 17, 1978

1. Hon. Addabbo, Joseph P. (D–NY).
2. Hon. Akaka, Daniel K. (D-Hawaii).
3. Hon. Aspin, Les (D–Wis).
4. Hon. Badillo, Herman (D–NY).
5. Hon. Barnard, Doug (D–Ga).
6. Hon. Baucus, Max (D–Mont).
7. Hon. Bedell, Berkley (D–Iowa).
8. Hon. Blouin, Michael (D–Iowa).
9. Hon. Bowen, David (D–Miss).
10. Hon. Breckinridge, John (D–Ky).
11. Hon. Brodhead, William M. (D–Mich).
12. Hon. Burton, John (D–Calif).
13. Hon. Carney, Charles J. (D–Ohio).
14. Hon. Cleveland, James C. (R–NH).
15. Hon. Cohen, William S. (R-Maine).
16. Hon. Cornell, Robert J. (D–Wis).
17. Hon. Dingell, John (D–Mich).
18. Hon. Downey, Thomas J. (D-NY).
19. Hon. Drinan, Robert F. (D–Mass).
20. Hon. Edgar, Robert W. (D–Pa).
21. Hon. Edwards, Don (D–Calif).
22. Hon. Eilberg, Joshua (D-Pa).
23. Hon. Ertel, Allen E. (D-Pa).
24. Hon. Evans, Billy Lee (D-Ga).
25. Hon. Fowler, Wyche, Jr. (D–Ga).
26. Hon. Gephardt, Richard A. (D-Mo).
27. Hon. Gilman, Benjamin A. (R–NY).
28. Hon. Ginn, Bo (D–Ga).
29. Hon. Gore, Albert, Jr., (D-Tenn).
30. Hon. Huckaby, Jerry (D–LA).
31. Hon. Ireland, Andy (D–Fla).
32. Hon. Jenkins, Ed (D–Ga).
33. Hon. Jenrette, John W., Jr., (D-SC).
34. Hon. Johnson, Harold T. (D–Calif).
35. Hon. Kastenmeier, Robert W. (D–Wis).
36. Hon. Kasten, Robert W., Jr. (R-Wis).
37. Hon. Keys, Martha (D-Kans).
38. Hon. Kildee, Dale (D–Mich).
39. Hon. Kostmayer, Peter H. (D–Pa).
40. Hon. Lederer, Raymond F. (D–Pa).
41. Hon. Le Fante, Joseph (D–NJ).
42. Hon. Lehman, William (D–Fla).
43. Hon. Levitas, Elliott H. (D–Ga).
44. Hon. Lloyd, Jim (D-Calif).
45. Hon. Lloyd, Marilyn (D–Tenn).
46. Hon. McHugh, Matthew (D–NY).
47. Hon. Mathis, Dawson (D–Ga).
48. Hon. Mineta, Norman Y. (D–Calif).
49. Hon. Moakley, John Joseph (D–Mass).
50. Hon. Moss, John E. (D–Calif).
51. Hon. Murphy, Austin (D-Pa).
52. Hon. Murphy, John (D-NY).
53. Hon. Neal, Stephen L. (D-NC).
54. Hon. Nolan, Richard (D-Minn).
55. Hon. Oberstar, James L. (D-Minn).
56. Hon. Obey, David R. (D-Wis).
57. Hon. Ottinger, Richard L. (D-NY).
58. Hon. Panetta, Leon E. (D-Calif).
59. Hon. Pattison, Edward W. (D-NY).
60. Hon. Pressler, Larry (R- S. Dak).
61. Hon. Rahall, Nick Joe (D-W. Va).
62. Hon. Rangel, Charles B. (D-NY).
63. Hon. Reuss, Henry S. (D-Wis).
64. Hon. Richmond, Frederick W. (D-NY).
65. Hon. Roe, Robert A. (D-NJ).
66. Hon. Ruppe, Philip (R-Mich).
67. Hon. Sarasin, Ronald A. (R-Conn).
68. Hon. Sikes, Robert L. F. (D-Fla).
69. Hon. Spellman, Gladys Noon (D-Md).
70. Hon. Steiger, William (R-Wis).
71. Hon. Stockman, Dave (R-Mich).
72. Hon. Vento, Bruce F. (D-Minn).
73. Hon. Weaver, James (D-Ore).
74. Hon. Whitten, Jamie L. (D-Miss).
75. Hon. Whalen, Charles W. Jr. (R-Ohio).
76. Hon. Winn, Larry Jr. (R-Kansas).
77. Hon. Wirth, Timothy E. (D-Colo).
78. Hon. Won Pat, Antonio Borja (D-Guam).
79. Hon. Yatron, Gus (D-Pa).
80. Hon. Young, Robert A. (D-Mo).
81. Hon. Zablocki, Clement J. (D-Wis).●

A GIANT STEP FORWARD FOR SMALL AND MINORITY-OWNED BUSINESSES

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. RICHMOND. Mr. Speaker, on March 20, 1978, the House passed by voice vote H.R. 11318, amendments to the Small Business Investment Act and the Small Business Act.

This legislation deals with matters of greatest importance to small and minority-owned businesses.

Chapter 1 of title II amends the section 8(a) procurement program by increasing the Small Business Administration's ability to develop small firms owned by the disadvantaged.

Chapter 2 improves the subcontracting program for both small and disadvantaged business concerns.

Chapter 3 makes it a condition of most forms of Federal financial assistance that the recipient of such assistance utilize small businesses and small businesses owned by the disadvantaged to the maximum extent practicable in most procurements paid for with Federal aid.

The benefits of this legislation will be available to small businesses, and especially those small businesses owned by members of disadvantaged groups—in Bedford-Stuyvesant, in Williamsburg, in Harlem and throughout the Nation. These small business owners have demonstrated their commitment to remain in the inner cities, to provide jobs, to help rebuild our neighborhoods. That is why I am so pleased to be a cosponsor of this legislation.

I am also pleased that as a result of much discussion and debate our Small Business Committee unanimously agreed upon a definition of economic and social disadvantage that provides maximum opportunities for participation by so many of our fellow citizens.

The legislation includes specific references to black Americans and Hispanic Americans who have traditionally suffered discrimination which has inhibited business growth and development.

Also, and of equal importance, the legislation recognizes that minority groups other than these may have suffered discrimination because of their cultural backgrounds or their deeply held cultural convictions and, therefore, they too may be eligible for the kinds of assistance provided in this act. The language in this legislation is close to that of Executive Order 11625, which provides a broad definition of "minority." Thus, it is of particular importance to those of my constituents who are members of disadvantaged minority groups other than those specifically referred to in the bill.

Finally, the bill recognizes that sex discrimination can and does result in business impediments and that sex discrimination may also be a cause of disadvantage.

This legislation will provide opportunities for full participation in our free enterprise system by all socially and economically disadvantaged persons.

It will insure that persons who are socially and economically disadvantaged because of their cultural background or deeply held cultural convictions may participate to the maximum extent possible in business ownership, and that the competitive viability of their businesses will be insured through the provision of a wide range of Government assistance.

The passage of this legislation is a giant step forward for our Nation, if we are to obtain social and economic equality for all of our citizens and improve the functioning of our local and national economies.●

GOVERNMENT DEADHEAD REGULATIONS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. COLLINS of Texas. Mr. Speaker, one of the most serious threats to Americans today are the Government deadhead regulations which are devouring the American economy. Overregulation is consuming both jobs and profits, and we must put an immediate halt to this monster which is eating us up.

Let's look at the growth of the bureaucracy since the time of our first President. In 1789, George Washington established two agencies—one to regulate the payment of pensions to Revolutionary War veterans and one to regulate duties collected on imported goods. The Congress expanded the number of regulatory bodies to six in 1887, an addition of only four agencies in 100 years time. We are now dealing with more than 1,250 Federal advisory boards, committees, commissions, and councils involved in the regulation of business. Think of it—1,244 bodies of Government added in the past 90 years compared to the 6 that grew out of the first 100 years of this country's existence.

Big Government has led to bureaucratic intervention in the private sector costing consumers tens of billions of dollars each year. The hidden tax of regulation is passed on through increased costs of goods to the consumer. How does the American public feel about this regulatory overkill? A January 1977 Gallup poll found that 39 percent of the American people believe that big Government is the biggest threat to the country in the future. A 1976 Harris survey found that 76 percent of the people think that the trouble with Government is that the elected officials have lost control over the bureaucrats, who really run things.

The paperwork burden imposed on business by Government is a dominant factor in the increased overhead costs of producing goods and services. According to a National Federation of Independent Business study, there are now 4,400 types of approved Federal forms inflicted on the businessman. One hundred forty-three million man-hours are spent each year just to fill them out. Dow Chemical Co. recently conducted an extensive study to find out what Government regulations had cost their company over a 2-year period. Regulatory costs for Dow increased over 27 percent in 1976 to over $186 million, with excessive and questionable regulatory costs increasing in 1 year 38 percent to more than $83 million.

The delay caused by the time-consuming, expensive paperwork can run into years while the costs pile up. A Dow project to construct a $500-million petrochemical complex in the San Francisco Bay area involved regulatory approval from 65 different Government agencies. Although the plant would have provided 1,000 construction jobs and over 1,000 permanent jobs, the company halted the project after spending 2 years going through this review process, spending $4 million and obtaining only four permits. Environmental impact statements can run up a big bill. The EIS for one off-shore oilfield in the Santa Barbara Channel required nearly 1,300 pages and took 2 years to prepare. Unnecessary Government inspection is another source of regulatory excessiveness. Although the Public Health Service recommends that milk plants be inspected twice a year, the average inspection rate is 24 times annually. And one plant reported that it was inspected 47 times in 1 month.

We are seeing fewer and fewer new products come to the market strictly because of Government redtape. New product applications under the Insecticide, Fungicide, and Rodenticide Act have declined from 5,400 in fiscal 1975 to 1,700 in 1977. New product registrations were only 1 out of 17 applied for as opposed to 1 out of 3 in 1975. With fewer new products coming to the marketplace, less jobs are created and businesses find it hard to expand. Not to mention the small businessman with a bright idea who is driven out of the competition simply because he cannot afford the time or expense of going through the bureaucracy to have his product marketed.

More detailed recordkeeping calls for more management time and outside experts which takes a toll on the time and money managers can devote to the investment end of a company's business. Managers must now spend their time filling out forms, posting notices, and answering trivial questions; and the burden is heaviest on the small businessman who does not have extra staff. In regulating the pension plans, the Government so increased the cost to the small businessman that 30 percent of the private pension plans were driven out of business in a 3-year period.

We have reached a period of regulatory dictation in this country which is totally undermining the economy and the balance of growth. Unless the tide is turned, growth will stop and more Americans will be out of work.●

REGULATIONS FOR FEDERAL NATIONAL MORTGAGE ASSOCIATION

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. TUCKER. Mr. Speaker, recently the Federal National Mortgage Association (FNMA) brought to my attention the fact that the Department of Housing and Urban Development proposed regulations that will have a substantial affect on FNMA operations. FNMA questions whether the Department has exceeded its authority with respect to certain sections of the proposed regulations concerning mandatory credit allocation, certain limitations on financing capacity, as well as other areas of FNMA's operations.

FNMA's biweekly free market auctions have generally been extremely successful in enabling mortgage lenders, home builders, real estate brokers, as well as home buyers and sellers, to work in predictable and relatively stable conditions in an otherwise volatile market. The FNMA commitment gives the housing industry the confidence it needs to weather difficult periods while preserving the free-enterprise character of home building. Healthy and vital home-building industry is an essential part of continued economic recovery.

I am hopeful that the final regulations adopted by HUD will reflect the importance of free enterprise in the real estate business. I am confident that the administration will consider the comments and criticisms of FNMA and other interested parties in developing useful and constructive regulations. Following are excerpts from an FNMA statement on this matter:

REGULATIONS GOVERNING OPERATION OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

BACKGROUND

On February 24, 1978, Secretary of Housing and Urban Development Patricia Roberts Harris published proposed amendments to regulations concerning the operations of the Federal National Mortgage Association (FNMA). The proposed regulations exceed the Secretary's limited regulatory authority over FNMA and threaten to disrupt FNMA's secondary market operations to the serious detriment of homeowners to whom FNMA provides an important source of mortgage credit and the home building and housing finance industries.

FNMA is a Congressionally chartered private corporation created for the sole purpose of "providing supplementary assistance to the secondary market for home mortgages by providing a degree of liquidity for mortgage investments, thereby improving the distribution of investment capital available for home mortgage financing." FNMA accomplishes this statutory purpose by purchasing residential mortgages and financing these purchases with the sale of common stock and corporate debt to the investing public.

FNMA operates primarily through its Free Market System Actions. At these biweekly auctions, FNMA sells commitments to purchase mortgages at a future date. The purchaser of the commitment (mortgage originator) has the option of delivering the mortgage to FNMA or not doing so, if it can secure a higher price elsewhere. FNMA does not announce the amount of mortgages it will purchase or the minimum yield it will accept before the auction.

FNMA gives mortgage originators the security of knowing that they can sell their loans at a predetermined yield, regardless of interest rate fluctuations. It is the commitment from FNMA that enables mortgage lenders to enter into loan agreements; home builders to proceed with construction plans; and real estate brokers, home buyers, and home sellers, to proceed with their sales plans. These producers and consumers know that financing will be available when needed at terms fixed in advance. Particularly in periods of rising interest rates, the availability of an FNMA commitment is essential to any mortgage lender originating residential mortgages if he does not have the capital to retain such mortgages, as well as to other mortgage sellers originating higher-risk loans which they do not want to retain in their portfolios.

FNMA finances its mortgage purchases by selling various debt instruments, including short-term notes, longer-term debt, and convertible debentures. FNMA and many other corporations have found convertible deben-

tures to be among the most successful tools for raising capital. By generating its funds from non-traditional mortgage investors, FNMA has played a major role in enlarging the availaility of mortgage credit, particularly during periods of disintermediation. In so doing, FNMA has helped to dampen the upward pressure on mortgage interest rates during cyclical shortages of savings inflows.

The FNMA Charter Act provides the Secretaries of HUD and of Treasury with overlapping regulatory authority concerning FNMA's capital structure, to assure FNMA's financial solvency and to coordinate FNMA's financings with Treasury borrowings. The HUD Secretary also has authority to assure that FNMA provides a secondary market for market-rate mortgages on housing for low and moderate income families to implement her authorities by rulemaking, the Act also gives the HUD Secretary "general regulatory power." Finally, the HUD Secretary has the specific power to examine the financial transactions of FNMA and to require the corporation to report on its activities.

The mandatory credit allocation regulations are totally unworkable in the current FNMA auction system. FNMA cannot determine ahead of time the amount of urban, existing, or low and moderate income housing loans it will commit to purchase at an auction. FNMA could only do so by having a separate auction for each of these types of loans, but a separate auction would inevitably result in higher interest rates for these higher-risk loans, thereby defeating the very purpose of the proposed regulations.

Moreover, even if FNMA could ration its commitments, there is no way that it could guarantee that loans will be delivered in the same ratio as the commitments it issues unless it requires sellers to identify loans at the time of commitment and to deliver those loans. At the time they purchase forward commitments for a large block of mortgage credit, mortgage originators do not and cannot identify the individual loans which they may later deliver to FNMA. Accordingly, the proposed requirements would make FNMA's forward commitment procedure, heavily relied on by mortgage originators and builders, impossible. FNMA would no longer be capable of providing homeowners with insurance against interest rate increases.

Finally, by converting FNMA's purchase authority to a multiple of inner-city, existing or low and moderate income housing mortgages, the regulations would also cripple FNMA's ability to respond quickly and efficiently to cyclical shortages in overall mortgage credit. In sum, by destroying the single national Free Market System Auction, and FNMA's forward commitment process, the proposed changes threaten to end FNMA's essential role as the primary national secondary mortgage market lender.

There appears to be general agreement that FNMA has contributed substantially to the secondary market's capacity to improve the geographical distribution of mortgage funds and that FNMA has made a significant contribution to the overall availability of mortgage credit, by generating as much as two-thirds of its funds from nontraditional mortgage investors. FNMA has also been "particularly successful" in ameliorating cyclical shortages of mortgage credit since 1968. FNMA's continued capacity to fulfill this role depends on its ability to generate funds in the capital market at the lowest possible cost. The proposed regulations seriously threaten that capacity.

The proposed regulations represent an attempt to accomplish by regulation fundamental changes in FNMA's purposes and methods of doing business, which were considered by the Johnson Administration and Congress during the drafting of the 1968 amendments to the Charter Act and rejected. The regulations evidence HUD's tendency to blur the distinction between FNMA and GNMA as well as to confuse FNMA's secondary market role with the functions of primary lenders.

These regulations represent a clear move towards government domination of a major, publicly-financed corporation which would seriously damage the business community's confidence in the Federal Government's commitment to deregulation and to reliance upon the private sector as a partner in solving national problems. Because FNMA has an obligation to remain faithful to the statutory purpose of the 1968 amendments to the Charter Act—turning the control and management of FNMA over to its shareholders—the corporation is required to resist any attempts by the Secretary of HUD to extend her regulatory authority beyond the bounds carefully defined by the FNMA Charter Act.●

ILLEGAL ALIEN LEGISLATION NEEDED

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1978

● Mr. TREEN. Mr. Speaker, an interview with Leonel J. Castillo, Commissioner of the Immigration and Naturalization Service, appeared in the February 20, 1978, issue of U.S. News & World Report. Although I do not agree with all of Mr. Castillo's comments, the article does point out that the problem of illegal aliens is a serious one and it is a problem getting worse. Despite the comments of Mr. Castillo, the Carter administration is doing little to resolve this issue. The proposal put forth by the administration is inadequate to deal with the real roots of this problem.

Mr. Castillo points out the seriousness of this problem in this interview:

Q. But have your efforts reduced the number of people who enter this country illegally?

A. Last year we exceeded a million apprehensions. That's the highest since "Operation Wetback," when the service carried out a major roundup of undocumented aliens in 1954.

We are developing a more efficient enforcement arm, but what it really comes down to is that we are running a more efficient revolving door. We can apprehend more, we can deport more, and we can have more helicopters and technological devices. But if illegals can—by simply trying long enough—end up being hired in the U.S. without any problem, what will stop them from continuing to come?

Q. How many illegal aliens do you estimate there are in this country?

A. Estimates have been made by everybody. It makes for fascinating reading, but it doesn't give you anything that you can be sure of. The experts are tending to cluster around 3 to 5 million as the total number in the U.S. But these are really nothing more than guesstimates.

One way these figures are reached is to assume that for every person caught at the border, perhaps three or five more get through. But I know that we've apprehended some people 20 times. We apprehended one man five times in one day.

Q. Five times in one day? How do you do that?

A. Well, after you apprehend them, you deport them. You drive them back across the bridge in El Paso or take them to the border at Tijuana. He came back five times in one day, and we picked him up five times. For all we know, he's here now.

Q. In your opinion, has the number of persons crossing the border illegally been reduced since you've been in office?

A. No. I think the flow is growing. I think our effectiveness is growing and that a lesser percentage is getting across—but, in total numbers, it's higher.

Besides the increasing number of aliens coming into this country with their detrimental effect on our economy, a whole crime operation is an integral part of the illegal alien scene. There are smuggling rings to get illegals into the United States, false identification documents to facilitate the securing of jobs, and blackmail of illegal aliens already here. These illegals are exploited while certain individuals reap an illegal profit from such trade. The problem is intensified by inadequate border personnel and lenient judges.

The Carter administration proposal providing amnesty in various stages would not resolve the problem. When the President announced his suggested amnesty last August, we witnessed an intensified effort by illegals to get into the United States in the following weeks. They got word of the amnesty and wanted to be part of the crowd to be eligible for this bonus. Once inside the United States, false identification papers—e.g., bogus social security cards, birth certificates, rent receipts, drivers licenses—could establish a residency by any date desired. The Carter proposal would actually provide more business for the crime rings operating in the illegal alien field.

I call attention to Mr. Castillo's discussion of the sophistication of the smuggling rings:

Q. How do these people go about getting here?

A. A lot of them arrive as visitors who have visas and they simply overstay.

Lately, we've uncovered some smuggling rings that bring people by land from places as far away as Ecuador—through Mexico.

Q. Do you mean an organized network is smuggling illegal aliens?

A. Yes, and it's a very extensive network. That's one of the reasons we're beefing up our investigations: because we think that maybe as many as one fourth of all people coming across have someone helping them.

There are great, big operations almost like travel agencies. They have an office in New York, and they can find you 50 workers—complete with phony documents—to work in carwashes in Philadelphia. They'll get them in from Brownsville, Texas, for example, with stops in different places.

We're concentrating a lot of resources on the smuggling rings.

Q. Is this part of the organized-crime syndicate—the Mafia?

A. We don't know if it flows to the Mafia, but it's very clearly organized criminal groups. We don't think it's involved very much with things like hard drugs, although there may be some overlap.

We have also apprehended members of "ma and pa" type operations, where they drive down from Los Angeles for a weekend in a station wagon, pick up some people in Tijuana and drive them back to Los Angeles.

They can make $400 to $500 for a weekend drive.

The big ones can deliver all over the country.

Q. How often do you catch and prosecute these smugglers?

A. Last year we presented for prosecution about 5,000 individual smuggling cases. But we have problems with that because we clog up the courts very quickly. There are just too many cases. So we're trying to focus on the bigger and better cases.

Q. Are the judges too lenient?

A. Except for a few jurisdictions, the fines have been uniformly low, and the time in jail is uniformly short. In addition, the law is weak in some areas.

We cannot, for instance, keep the smugglers' vehicles. We've asked for legislation that would enable us to do that. Some vehicles are custom designed. They have special springs so you can't tell that there are 20 people in the back of a pickup truck.

We've apprehended some of these vehicles more than 20 times. We impound the vehicle for a few hours, and they pick it up and use it again.

Q. Where do these poor people in Mexico get $1,000 to pay someone to smuggle them into the U.S.?

A. Some of them become a modern form of indentured servant. They pay a percentage of their salaries for years. Sometimes relatives, both here and at home, help come up with the money.

I joined with my colleagues to sponsor the "Illegal Alien Control Act." In contrast to the Carter administration's half-hearted efforts, this measure would take meaningful steps toward resolving the illegal alien problem.

The highlights of the "Illegal Alien Control Act" include—

Increased border patrol to more effectively prevent entrance of additional illegal aliens into the U.S.

Provisions for the confiscation of vehicles used to smuggle illegal aliens into the U.S. This would prevent these vehicles from being used over and over again for transporting illegal aliens into the U.S.

Increased penalties on those individuals involved in smuggling illegal aliens into the U.S. and increased penalties on illegals captured.

Strengthen the present law making it a criminal penalty to counterfeit border crossing and alien registration cards (or any other documents) used for entry or for a stay in the U.S.

More effective provisions so employers can check out information on prospective employees to discover if they are illegal aliens and/or using false identification.

Penalties on employers who fail to follow the procedure or who knowingly hire illegal aliens.

Tighter restrictions on Social Security card issuance to prevent fraudulent use and abuse of the Social Security card. This would, in addition, protect the Social Security accounts of millions of Americans by cutting down or eliminating fraudulent use of documents.

A "guest laborer" program which would allow aliens to come into the U.S. to work to meet legitimate labor needs in the agricultural field and then return to their native land.

A flat prohibition on federal benefits (e.g., Medicard, Aid to Families with Dependent Children, Food Stamps, Supplemental Security Income) from going to illegal aliens. These benefits would be limited to U.S. citizens or aliens lawfully admitted.

The Carter administration's discussion of amnesty for illegal aliens presently in the United States, increased foreign aid to nations which have been sources of illegal immigration (e.g., Mexico), and harsh penalties on employers without giving the employer a protective mechanism in checking out the status of potential employees will not resolve the illegal alien problem. These measures could conceivably make the situation worse. The suggestions made by the President would do little to break up the network of criminal activities associated with illegal aliens.

I believe the time for action is now and that the Subcommittee on Immigration, Citizenship, and International Law of the House Judiciary Committee should schedule hearings on this problem. The longer the Congress waits and delays, the worse the problem will become. I also urge a careful examination by Members of this Congress of the provisions of the "Illegal Alien Control Act"—a more effective bill to solve our illegal alien problem than the Carter administration proposals.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 21, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED
MARCH 22

9:00 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To hold hearings on the problems of inspection standards of U.S. produce versus foreign imported produce.
322 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
318 Russell Building

9:30 a.m.
Armed Services
Tactical Air Craft Subcommittee
To resume hearings on S. 2571, proposed fiscal year 79 authorizations for military procurement.
224 Russell Building

Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To hold hearings on S. 2236, to strengthen Federal programs and policies for combating international and domestic terrorism.
4221 Dirksen Building

Human Resources
To hold hearings on S. 2084, the administration's proposed welfare reform legislation.
Until 12:30 p.m. 4223 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Coast Guard.
S–146, Capitol

Armed Services
Manpower and Personnel Subcommittee
To continue hearings on S. 2571, proposed FY 79 authorizations for military procurement.
212 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
To hold hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol

Select Small Eusiness
To resume hearings on S. 2733 and title I of S. 807, to authorize grants to individuals and small business concerns for development of solar energy equipment and energy related inventions.
424 Russell Building

Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
S–207 Capitol

10:30 a.m.
Conferees
On H.R. 9179, to extend until September 30, 1981, the basic operating authority of the Overseas Private Investment Corporation.
S–116, Capitol

2:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the defense establishment.
S–128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for FY 79 for general government items.
1224 Dirksen Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

Select Intelligence
Closed business meeting.
6226 Dirksen Building

MARCH 23

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2603, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To mark up S. 1140, to encourage and assist States to develop improved programs of the conservation of "nongame" species of fish and wildlife.
4200 Dirksen Building

9:30 a.m.
Armed Services
To resume closed hearings on S. 2571, military procurement authorizations for fiscal year 1979.
212 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the Office of Science Technology Policy.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed construction of a Federal interstate highway near Memphis, Tennessee.
1224 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To continue hearings on S. 2236, to strengthen Federal programs and policies for combating international and domestic terrorism.
4221 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 2318, the proposed Buy American Act.
3302 Dirksen Building

Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume oversight hearings on the witness protection program of the Organized Crime Control Act (P.L. 91-452).
5110 Dirksen Building

Veterans' Affairs
To mark up S. 2384, the Veterans and Survivors Income Security Act.
412 Russell Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Room to be announced

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 79 for the Bureau of Land Management, the Indian Health Service, and related activities.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To mark up S. 1010 and H.R. 2777, to establish a National Consumer Cooperative Bank.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on the price differential between leaded and unleaded gasoline.
3110 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings to explore ways of preventing nuclear terrorism.
4221 Dirksen Building

2:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the defense establishment.
S-128, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain Independent Agencies, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the impact of building codes on housing rehabilitation.
5302 Dirksen Building

MARCH 31

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on a report by the National Research Council on the space shuttle main engine.
235 Russell Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities.
1114 Dirksen Building

Commerce, Science, and Transportation
To hold overnight hearings on the Coastal Zone Management Act (P.L. 92-583).
235 Russell Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

11:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2534, to extend through FY 83 programs for health maintenance organizations; S. 2450, authorizing funds for FY 79 for Community Mental Health Centers and for biomedical research; and S. 2466, to establish a National Institute of Health Care Research.
Until 1:00 p.m. 4232 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiicary Subcommittee
To hold joint hearings with Select Small Business Committee on budget estimates for FY 79 for the Small Business Administration.
S-146, Capitol

APRIL 4

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on FY 79 authorizations for the Consumer Product Safety Commission.
1202 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC regulation in the motor common carrier industry.
Room to be announced

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on the Environmental Noise Control Act (P.L. 92-574).
4200 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Judiciary and on supplemental appropriations for FY 78.
S-146, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

Banking, Housing, and Urban Affairs
To resume mark-up of S. 2065, 2470, and 2546, bills to protect consumers' rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed legislation to provide a means of safe nuclear waste disposal.
3302 Dirksen Building

Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S–126, Capitol

APRIL 5

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on FY 79 authorizations for the Consumer Product Safety Commission.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
To continue oversight hearings on the Environmental Noise Control Act (P.L. 92–574).
4200 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
1202 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 2318, the proposed Buy American Act.
318 Russell Building

10:00 a.m.
Appropriations
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S–126, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
5302 Dirksen Building

Commerce, Science and Transportation
To hold oversight hearings into how the U.S. Coast Guard will benefit from two proposed Intergovernmental Maritime Consultative Organization treaties.
235 Russell Building

Finance
Social Security Subcommittee
To hold hearings on S. 2503, S. 2501, and related bills dealing with refinancing of the social security system.
2221 Dirksen Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Rules and Administration
To resume hearings on S. Res. 166, to reorganize administrative services of the Senate, and to consider other legislative matters.
301 Russell Building

Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
218 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AMVETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6225 Dirksen Building

APRIL 6

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on FY 79 authorizations for the Consumers Product Safety Commission.
5110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 2224, to establish a national ocean policy, to set forth the missions of the National Oceanic and Atmospheric Administration.
318 Russell Building

Finance
Social Security Subcommittee
To continue hearings on S. 2503, S. 2501, and related bills dealing with refinancing of the social security system.
2221 Dirksen Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 7

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2541 the Highway Safety Act.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2701 and 2704, bills to promote a more adequate and responsive national program of water research and development.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on S. 2520, FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings jointly with the Human Resources Subcommittee on Education, Arts, and the Humanities on proposed FY 79–80 authorizations for the National Sea Grant College program.
235 Russell Building

11:00 a.m.
Appropriations
HUD–Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2410, to amend certain sections of the Public Health Service Act relative to health planning and health resources development, and S. 2579, to establish a President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.
Until 1:00 p.m. 457 Russell Building

APRIL 10

Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 50, the Full Employment and balanced Growth Act.
1202 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2549, FY 79 authorization for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs.
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on FY 79 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building

Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S–407, Capitol

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 225, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 74, to amend P.L. 94–565 so as to include payments for lands on which certain semiactive or inactive military installations are located.
3110 Dirksen Building

Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. C–407, Capitol

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed Federal aid highway legislation.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

Commerce, Science and Transportation
To hold hearings on proposed FY 79 authorizations for the U.S. Coast Guard.
235 Russell Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Rules and Administration
To hold hearings on S. 1029, to authorize construction of museum support facilities for the Smithsonian Institution, and to consider other legislative matters.
301 Russell Building

Select Indians Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

9:00 a.m.
*Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume mark up of S. 50, the Full Employment and Balanced Growth Act.
155 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the Rail Services Act (P.L. 94–210).
318 Russell Building

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Arms Control and Disarmament Agency, Board for International Broadcasting, International Communications Agency, and on supplemental appropriations for FY 78.
S–146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 2691, the Congregate Housing Services Act.
4232 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on S. 2520, FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 14

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1896, FY 79 authorizations for the Hazardous Materials Transportation Act.
235 Russell Building

Select Small Business
To hold hearings on the nomination of Milton D. Stewart, of New York, to be Chief Counsel for Advocacy, Small Business Administration.
424 Russell Building

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

APRIL 17

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2090 and S. 2081 proposing an extension of certain programs of the Economic Opportunity Act.
4332 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume markup of proposed Federal aid highway legislation.
4200 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on H.R. 9370 and S. 2582, to provide for the development of aquaculture in the United States.
235 Russell Building

Finance
Public Assistance Subcommittee
To resume hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2549, proposed FY 79 authorizations for the National Science Foundation; S. 2416, to extend through FY 81 the program of assistance for nurse training; and S. 2474, to extend through FY 83 the Public Health Service Act.
457 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of State, and on supplemental appropriations for FY 78.
S–146, Capitol

APRIL 18

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2090 and S. 2081, proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To meet in closed session with Secretary of State Vance to discuss foreign policy.
S–146, Capitol

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings jointly with the Senate Banking Subcommittee on International Finance on technology exports and research and development investments.
Room to be announced

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on FY 79 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building

Finance
Public Assistance Subcommittee
To continue hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response

to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
5110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the International Organizations and Conferences, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 19

9:30 a.m.
*Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
424 Russell Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Justice, and on supplemental appropriations for FY 78.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for fiscal year 1979 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Rules and Administration
To resume hearings on S. 2 and S. 1244, to require periodic reauthorization of Government programs, and to consider other legislative and administrative business.
301 Russell Building

APRIL 20

9:00 a.m.
Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2390, the Citizens' Access to the Courts Act.
6226 Dirksen Building

9:30 a.m.
Appropriations
Agricultural Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of Agriculture and related agencies.
1224 Dirksen Building

Judiciary
To resume oversight hearings on the application and enforcement of the FBI Charter.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Attorney General Bell on budget estimates for FY 79 for the Department of Justice.
S-146, Capitol

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Select Indian Affairs
To resume hearings on S.2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
318 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Justice.
S-146, Capitol

APRIL 21

9:30 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittees
To hold hearings on SS. 1314, to provide that State and Federal prisoners may petition the Federal courts in a writ of habeas corpus.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Justice.
S-146, Capitol

APRIL 24

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Commerce. and on supplemental appropriations for FY 78.
S-146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on FY 79 authorizations for the Fishery Conservation and Management Act (P.L. 94-265).
235 Russell Building

2:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Commerce, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 25

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4332 Dirksen Building

9:30 a.m.
Judiciary
To resume oversight hearings on the application and enforcement of the FBI Charter.
2228 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Secretary of Commerce Kreps on budget estimates for FY 79 for the Department of Commerce.
S-146, Capitol

Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

Finance
Public Assistance Subcommittee
To resume hearings on S. 2084, to replace the existing Federal welfare program with a single coordinated program.
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Commerce, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 26

9:00 a.m.
Commerce Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to examine the science and technology aspects of the Federal Research and Development budget.
5110 Dirksen Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings on the impact of company mergers and economic concentration.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute for Building Sciences.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Foreign Claims Settlement Commission, Japan-U.S. Friendship Commission, and the Legal Services Corporation.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
235 Russell Building

Finance
Public Assistance Subcommittee
To continue hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Transportation Safety Board and the ICC.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the FCC, Federal Maritime Commission, FTC, International Trade Commission, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 27

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on the impact of company mergers and economic concentration.
2228 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Civil Rights Commission, EEOC, and on supplemental appropriations for FY 78.
S-146, Capitol

Commerce, Science, and Transportation
To continue oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
6226 Dirksen Building

2:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Renegotiation Board, SEC, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to examine the science and technology aspects of the Federal Research and Development budget.
235 Russell Building

9:30 a.m.
Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2559, to provide a judicial remedy against the U.S. and U.S. officials who take retaliatory action against employees who charge impropriety in the Federal Government.
2228 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony on budget estimates for FY 79 for the Departments of State, Justice, Commerce, the Judiciary, and related agencies.
S-146, Capitol

MAY 1

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

Finance
Public Assistance Subcommittee
To resume hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

Finance
Public Assistance Subcommittee
To continue hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
4200 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 9

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the Antitrust Division, Department of Justice.
2228 Dirksen Building

MAY 17

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

CANCELLATIONS

MARCH 22

9:00 a.m.
Judiciary
Constitutional Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume markup of S. 2065, 2470, and 2546, to protect consumer rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2158, to permit the storing of foreign-caught shark fins at U.S. foreign trade zones for eventual exportation to foreign countries.
235 Russell Building

Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

MARCH 23

10:30 a.m.
Judiciary
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

APRIL 3

10 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building

APRIL 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirksen Building

APRIL 14

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings on S. 1927, to promote competition in the energy industry.
1202 Dirksen Building

APRIL 15

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on S. 1927, to promote competition in the energy industry.
2228 Dirksen Building

SENATE—*Tuesday, March 21, 1978*

(Legislative day of Monday, February 21, 1978)

The Senate met at 8:40 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D. offered the following prayer:

Let us pray:

Almighty God whose spirit searcheth all things, and whose love beareth all things, we draw near to Thee in sincerity and truth. We would spread before Thee the spiritual deadness of our nature, our carelessness in the things of the spirit, our callous attitudes toward the weak and the poor, our insensitiveness to suffering, our willful breach of Thy holy laws, our habits of self-indulgence, the fading of bright ideals, and our neglect of prayer. Forgive us the things we cannot forgive ourselves, the cruel gesture remembered with shame, the vindictive word that went forth to poison and defame, the little hidden sins too numerous to mention. Not for pardon only but for cleansing, we plead. E'er this week has ended show us the path to Calvary that we may see the glory of God in the face of the Man of Sorrows, see the love that forgives to the uttermost, that will not let us down nor give us up, that suffers for our sins but keeps on loving until there is nothing left for us to do but surrender. Come to us, Lord of life, as we come to Thee, and make us new. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 21, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

THE JOURNAL

Mr. ALLEN. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate through yesterday, Monday, March 20, 1978, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Tennessee.

Mr. BAKER. Mr. President, I have no requirements for my time under the standing order, and I yield it back.

Mr. ALLEN. I have no further requirements for time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from South Dakota (Mr. ABOUREZK) is recognized, as in legislative session, for not to exceed 15 minutes.

The Senator from South Dakota.

THE ISRAELI INVASION OF LEBANON

Mr. ABOUREZK. Mr. President, the news of the Middle East is growing increasingly worse. I am afraid it will get worse yet before it gets better. There are now in excess of 200,000 refugees streaming into Beirut from the south of Lebanon, driven there by the savage Israeli attack on the southern part of that country. The Washington Post has reported that cluster bomb units, antipersonnel weapons provided by the United States, have been dropped on the city of Tyre. At least one bombing raid by the Israeli Air Force has been directed at the city of Tripoli, Lebanon, which is north of the capital city of Beirut. Anthony Lewis of the New York Times reports Monday, March 20, that at least 700 people have been killed in Lebanon thus far by Israeli military operations. A great many of these are innocent civilians. Their numbers are far in excess of the 35 civilians who were killed in the terrorist raid in Tel Aviv.

The Israeli military has moved in force approximately 20 miles north of the Lebanese-Israeli border. The communiques from the Israeli Government, and censored news reports from American reporters on the Israeli side, report all of the operations as being "surgical strikes," against guerrilla encampments. Once again, with the Palestinian attack inside Israel, the grief of the families involved, and gory details of the death of civilians in Israel have been reported time and time again in the American press. But there is hardly any mention of civilian casualties caused by Israel in Lebanon. I have said it before and the statement bears repeating; it is almost as though the lives of Arab women and children are valueless, that they are worth far less than the lives of Israeli women and children. The (in) equality of such press coverage contributes to the ability of Israel to continue to receive U.S. support for such institutionalized terrorism while, at the same time, the United States properly condemns the unorganized terrorism committed by Palestinians.

Reports of the use of American weapons, such as the F–15 and the cluster bomb units being dropped in city areas, killing anyone in range in a nondiscriminatory manner bring to mind a major question; that is, should the United States continue to underwrite such barbarism on the part of a so-called ally. The propagandists for Israel have succeeded in dehumanizing Palestinians, Lebanese, and Arabs in general because such dehumanization makes it easier for Israel to engage with impunity in the savagery of killing. That is a tragic lesson in racism, committed by people who have suffered the most throughout history from racism.

The question of the Israeli attack in Lebanon goes beyond that of retaliation. We would hardly expect the United States to invade Mexico if 10 terrorists from Mexico attacked inside the United States. We would hardly expect the Soviet Union to invade Israel the next time a Soviet Jew hijacked a Soviet airliner. Other than the desire by Israel for its expansion into southern Lebanon, what plausible reason can there be for such an attack? I was told in 1974 by an Israeli journalist that, when Israel deemed the provocation to be appropriate, it would invade southern Lebanon and effectively annex part of that country at the Litani River line. Given the past behavior of Israel in the Middle East, its expansionist history, and its desire for additional water, which can be provided by the Litani River, the statement by the Israeli journalist was believable. In view of the experience of the last few days, what he said was totally credible.

The Sunday edition of the Washington Star has reported that Prime Minister Begin is bringing a comprehensive plan for rebuilding the Lebanese Army and for reconstructing Lebanon as an independent "sovereign state." The newspaper report says that Begin will offer to withdraw Israeli troops from southern Lebanon on two conditions: First, when an equally powerful force takes up a position now held by Israel and undertakes to keep Arab guerrillas out of the area; second, Israeli withdrawal will be linked to the Syrian withdrawal from the rest of the country.

How cynical and how arrogant Mr. Begin and the Government of Israel now appear in making such a proposal. Israel cannot pretend that it has been invited to commit aggression against Lebanon, unless it might be by the small fascist group of right-wing Lebanese who have been proposed by Begin to run the new Lebanese Army, once the Syrian forces have withdrawn. That proposal would effectively place Lebanon under an Israel mandate.

Most of the world has come to recognize the kind of imperialism pursued by the Israel Government.

The Carter administration, with its resolution in the United Nations Security Council demanding prompt Israeli withdrawal from Lebanese soil, has recognized it as well. It is incumbent upon the Congress to give support to that resolution.

As I see it, Israel will refuse to give up the fruits of its aggression, unless it is convinced it has more to lose than it has to gain as a result of such aggression. In 1956, when Israel joined France and England in attacking Egypt and attempted to keep the Sinai Desert, President Eisenhower was successful in threatening Israel to the extent that Israel withdrew from the Sinai.

Unless this administration, joined by this Congress, is equally as firm, we will have once again underwritten the acquisition of territory by force on the part of Israel. If we do so, then nobody who supports Israel's aggression, its barbaric killing of innocent civilians can, with a straight face, speak of the violation of human rights on the part of the Soviets or any other nation.

The Foreign Military Sales Act prevents the use of American weapons for aggression against a third country. All of the facts exist for the cutoff of American arms to Israel, much the same as we shut off the arms for Turkey when Turkey invaded Cyprus. Israel's clear violation of our law is the obvious lever the administration should use to enforce its demand for Israeli withdrawal.

I understand the feasance most politicians must pay to the Israeli lobby but, at some point, Mr. President, those of us in the American Government must consider the American interest, and in addition, the morality of supporting territorial aggression by Israel.

SENATE RESOLUTION 420—SUBMISSION OF A RESOLUTION RELATING TO THE LEBANESE CRISIS

Mr. ABOUREZK. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

Mr. BAKER. Mr. President, reserving the right to object, may I see the resolution?

Mr. ABOUREZK. Yes.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

A resolution (S. Res. 420) expressing the sense of the Senate with respect to United Nations Security Council Resolution 425, relating to the Lebanese crisis.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. BAKER. Mr. President, reserving the right to object, I have an idea that there is general agreement for this procedure, but I must say that I was only advised of this resolution this morning. It is early in the morning. It is now only 8:52. I would like to suggest the absence of a quorum, or ask the distinguished Senator from South Dakota if he would suggest the absence of a quorum, so that we can consult with others who might be interested in this, particularly with members of the Foreign Relations Committee.

Mr. ABOUREZK. I would be happy to do that. Before I enter the call for a quorum, I will say this is a sense of the Senate resolution which calls upon the United Nations Security Council resolution 425 relating to the Lebanese crisis, adopted a few days ago, Sunday, to be implemented immediately, and that all parties concerned comply fully with the provisions of that resolution.

Mr. BAKER. Mr. President, I hope the Senator understands I am not opposing the resolution, but I am simply trying to protect the rights of Members if, in fact, there are some Members who object to its immediate consideration.

Mr. MELCHER. Mr. President, will the Senator withhold his suggestion of the absence of a quorum so I may make a unanimous-consent request?

Mr. ABOUREZK. Let me finish this.

I understand what the distinguished minority leader has said. That is why I contacted the minority side this morning.

Mr. BAKER. I am happy that the Senator brought it to our attention this morning.

Mr. ABOUREZK. Mr. President, I thought I might explain before we proceed further that all this does is to track the resolution which the United States will sponsor, and which I believe the Senate will probably want to sponsor, in the U.N.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if I may have the attention of the distinguished Senator from South Dakota, I notice that the chairman of the Foreign Relations Committee is here. I will yield to him in just a moment.

I have also talked to the distinguished ranking member of the Foreign Relations Committee (Mr. CASE), who has not yet arrived on the Hill.

Before I yield to the Senator from Alabama, I might tell my friend from South Dakota that Senator CASE indicated he would prefer that I object to the immediate consideration of this resolution for the time being, until he can examine it and confer with his staff.

Mr. ABOUREZK. Mr. President, I am not able to hear the distinguished minority leader.

Mr. BAKER. I was asked to object until Senator CASE can confer with his staff, until after he arrives on the Hill. It is now just before 9 o'clock and he has not yet arrived.

If the Senator wants to withhold the resolution for the time being, maybe something can be worked out later. But if he wants to ask unanimous consent to proceed to its immediate consideration, I would feel compelled to object.

(Mr. PAUL G. HATFIELD assumed the chair.)

Mr. ABOUREZK. Instead of that, in view of what the distinguished minority leader said, I would like to ask unanimous consent that 10 minutes be reserved at 10 o'clock for immediate consideration of this resolution at that time, when Senator CASE can be here.

Mr. BAKER. Mr. President, I cannot agree to that. I can agree if the majority has no objections to setting aside 10 minutes at 10 o'clock to discuss it, but I cannot agree in advance to 10 minutes for immediate consideration of it. That is up to the distinguished chairman of the Senate Committee on Foreign Relations.

Mr. ABOUREZK. Oh, I am sorry.

Mr. SPARKMAN. Mr. President, I wish to say, in connection with the remarks by the minority leader, who is also a member of the Committee on Foreign Relations, that I certainly would object to the immediate consideration now, or any agreement for any fixed time for its immediate consideration.

Mr. ABOUREZK. I misstated what I really intended to say.

I would ask unanimous consent that at 10 o'clock, we set aside 10 minutes once again to call up and ask consent at that time so that, if Senator CASE or anybody else might want to object at 10 o'clock, that is up to them. But I would like to have that time set aside.

Mr. SPARKMAN. Of course, I cannot object to the Senator's wanting to present it at that time, but I shall give the Senator notice now that I shall be compelled to object. I think a resolution of this extent—surely no one can object to his right to introduce it, but I think that a resolution of this nature and of this extent should go to the Committee on Foreign Relations for proper consideration.

Mr. BAKER. Mr. President, the majority leader is necessarily away from the floor at this moment. It is his primary responsibility and opportunity to order the scheduling of activities for the Senate. I have no desire to intrude on that. It may be that the majority leader would consider the request contemplated by the Senator from South Dakota. But, right now, we are locked in by a previous unanimous-consent order to proceed to the consideration of two farm bills beginning at 9 o'clock, and to proceed to votes on amendments to those bills as they may occur during the day; then the two bills themselves at 4. So we are under rather tight time constraints already. I, therefore, shall have to object at this point to that procedure.

I once again suggest to the distinguished Senator from South Dakota that if he wants to do that, he consider propounding that request for a time after 4 o'clock and that, in the meantime, he

discuss this matter with the majority leader.

Mr. ABOUREZK. Mr. President, I ask the distinguished chairman of the Foreign Relations Committee if he opposes this resolution, just endorsing the U.N.'s action over the weekend?

Mr. SPARKMAN. I want to say this: I know nothing more I can add to what I have said. That is that a resolution as important as this should have the consideration of the Foreign Relations Committee. I certainly would have no objection to its being introduced. I could not object to its being introduced and properly referred to the Foreign Relations Committee. I can assure the Senator from South Dakota that we will give it prompt consideration.

Mr. ABOUREZK. I wonder if I might ask the distinguished chairman of the Foreign Relations Committee, since this is an emergency situation, how soon the committee would be able to take it up?

Mr. SPARKMAN. Well, I certainly would want to consult with Senator CASE when he comes. So far as I am concerned, if we get permission to sit, we could have a session this afternoon.

Now, I ask that he not bind me to that, because I have to consult the calendar first, but I certainly think we could have time to meet. We can treat it as an emergency, I think.

Mr. ABOUREZK. Yes, that is what I was asking the distinguished chairman. I understand that he cannot, on the floor, set a schedule. But could he commit himself to no later than tomorrow morning for considering this resolution?

There are people dying every day. It is not a routine measure. I think it is important that Congress go on record as supporting an end to the fighting in the Middle East.

I think the distinguished chairman knows, as does the distinguished minority leader, that almost on a daily basis, if there is something that the Israeli side wants, they get it through automatically. Nobody objects to it, nobody wants it to go to the Foreign Relations Committee. But here is a measure where we are trying to speak on behalf of the Senate and say we have to put an end to the fighting and endorse the resolution of the United Nations. It is very simple, very straightforward.

Mr. BAKER. Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee (Mr. BAKER) is recognized.

Mr. ABOUREZK. Mr. President, who has the floor?

The PRESIDING OFFICER. All the time has expired.

Mr. BAKER. Mr. President, a point of order: What is the pending business at this moment?

The PRESIDING OFFICER. The request of the Senator from South Dakota for immediate consideration of the resolution.

Mr. BAKER. Mr. President, I shall be forced to object to that if the Senator continues with the request. I can tell him that if he wants permission for the Foreign Relations Committee to meet this afternoon or during the day, I shall certainly not object to it. We have a 9 o'clock time when we have to begin on the farm bill. I hope we can postpone this conversation until a little later.

Mr. ABOUREZK. Well, I have the commitment of the distinguished chairman of the Foreign Relations Committee that they will meet as soon as they possibly can to consider this emergency measure. I, therefore, Mr. President, withdraw my request.

Mr. SPARKMAN. I want it understood that certainly we should consult with Senator CASE.

The PRESIDING OFFICER. Is the request for immediate consideration withdrawn?

Mr. ABOUREZK. I withdraw it. I merely submit the resolution for immediate referral.

The PRESIDING OFFICER. It will be referred.

Mr. BAKER. I thank the Senator.

EMERGENCY AGRICULTURAL ACT OF 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consideration, as in legislative session, of H.R. 6782, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion.

The Senate proceeded to the consideration of the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Emergency Agricultural Act of 1978".

ADDITIONAL SET-ASIDE PROGRAMS FOR THE 1978 CROPS OF WHEAT, FEED GRAINS, UPLAND COTTON, AND SOYBEANS

SEC. 2. Effective only with respect to the 1978 crops, title I of the Agricultural Act of 1949 is amended by adding at the end thereof new sections 112 through 115 as follows:

"1978 WHEAT PROGRAM FOR ADDITIONAL SET-ASIDE

"SEC. 112. Notwithstanding any other provisions of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of wheat under which payments shall be made to producers on a farm who, in addition to making any required set-aside of acreage under section 107A(f) of this Act and to the extent prescribed by the Secretary, set aside and devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable, taking into consideration the productivity of the acreage to be set aside, the extent of the cropland to be set aside under this section, and the total acreage of cropland set aside from the production of wheat under this Act.

"(b) The total acreage of cropland set aside from the production of wheat under this section shall be the amount necessary to adjust the total national acreage of wheat to desirable goals, as determined by the Secretary. Notwithstanding any other provision of this section, the rate of payment established by the Secretary shall be set at such level as the Secretary estimates will achieve the purposes of this section and assure the set-aside under this section of not less than fifteen million acres of cropland. The Secretary shall limit the total acreage to be set aside under this section in any county or local communty so as not to affect adversely the economy of the county or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropirate share of the cost of practices designaed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriated in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all of such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) As a condition of eligibility for participating in the program formulated under this section, producers must set aside any acreage of cropland required to be set aside under section 107A(f) of this Act.

"(e) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) The payment limitation provisions of section 101 of the Food and Agriculture Act of 1977 shall not be applicable to the program formulated under this section.

"(g) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(h) Fifty per centum of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(i) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(j) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. With regard to wheat acreage planted for harvest, the Secretary shall administer the program formulated under this section in such a manner as to permit the use of acreage set aside under this section for haying, grazing, clipping, or wildlife food plots and habitat.

"(k) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(l) The Secretary shall permit the production of hay on acreage set aside under section 107A(f) of this Act in any area where a natural disaster or other condition beyond

the control of the producer has depleted stocks of feed in order that the stocks may be replenished.

"1978 FEED GRAIN PROGRAM FOR ADDITIONAL SET-ASIDE

"SEC. 113. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crops of corn, grain sorghums, and barley under which payments shall be made to producers on a farm who, in addition to making any required set-aside of acreage under section 105A(f) of this Act and to the extent prescribed by the Secretary, set aside and devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable, taking into consideration the productivity of the acreage to be set aside, the extent of the cropland to be set aside under this section, and the total acreage of cropland set aside from the production of feed grains under this Act.

"(b) The total acreage of cropland set aside from the production of feed grains under this section shall be the amount necessary to adjust the total national acreage of feed grains to desirable goals, as determined by the Secretary. Notwithstanding any other provision of this section, the rate of payment established by the Secretary shall be set at such level as the Secretary estimates will achieve the purposes of this section and assure the set-aside under this section of not less than ten million acres of cropland. The Secretary shall limit the total acreage to be set aside under this section in any county or local community so as not to affect adversely the economy of the county or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) As a condition of eligibility for participating in the program formulated under this section, producers must set aside any acreage of cropland required to be set aside under section 105A(f) of this Act.

"(e) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) The payment limitation provisions of section 101 of the Food and Agriculture Act of 1977 shall not be applicable to the program formulated under this section.

"(g) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(h) Fifty per centum of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(i) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(j) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. With regard to feed grain acreage planted for harvest, the Secretary shall administer the program formulated under this section in such a manner as to permit the use of acreage set aside under this section for haying, grazing, clipping, or wildlife food plots and habitat.

"(k) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"1978 UPLAND COTTON PROGRAM FOR ADDITIONAL SET-ASIDE

"SEC. 114. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of upland cotton under which payments shall be made to producers on a farm who, in addition to making any required set-aside under section 103(f)(11) of this Act and to the extent prescribed by the Secretary, set aside and devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable, taking into consideration the productivity of the acreage to be set aside, the extent of the cropland to be set aside under this section, and the total acreage of cropland set aside from the production of upland cotton under this Act.

"(b) The total acreage of cropland set aside from the production of upland cotton under this section shall be the amount necessary to adjust the total national acreage of upland cotton to desirable goals, as determined by the Secretary. Notwithstanding any other provision of this section, the rate of payment established by the Secretary shall be set at such level as the Secretary estimates will achieve the purposes of this section and assure the set-aside under this section of not less than three million acres of cropland. The Secretary shall limit the total acreage to be set aside under this section in any county or local community so as not to affect adversely the economy of the county or local community.

"(c) The average set-aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit of the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) As a condition of eligibility for participating in the program formulated under this section, producers must set aside any acreage of cropland required to be set aside under section 103(f)(11) of this Act.

"(e) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) The payment limitation provisions of section 101 of the Food and Agriculture Act of 1977 shall not be applicable to the program formulated under this section.

"(g) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(h) Fifty per centum of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(i) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(j) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. With regard to upland cotton acreage planted for harvest, the Secretary shall administer the program formulated under this section in such a manner as to permit the use of acreage set aside under this section for haying, grazing, clipping, or wildlife food plots and habitat.

"(k) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"1978 SOYBEAN SET-ASIDE PROGRAM

"SEC. 115. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of soybeans under which payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, set aside and devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable, taking into consideration the productivity of the acreage to be set aside and the extent of the cropland to be set aside under this section.

"(b) The total acreage of cropland set aside from the production of soybeans under this section shall be the amount necessary to adjust the total national acreage of soybeans to desirable goals, as determined by the Secretary. Notwithstanding any other provision of this section, the rate of payment established by the Secretary shall be set at such level as the Secretary estimates will achieve the purposes of this section and assure the set-aside under this section of not less than three million acres of cropland. The Secretary shall limit the total acreage to be set aside under this section in any county or local community so as not to affect adversely the economy of the county or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consul-

tation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(e) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) Fifty per centum of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(h) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. With regard to soybean acreage planted for harvest, the Secretary shall administer the program formulated under this section in such a manner as to permit the use of acreage set aside under this section for haying, grazing, clipping, or wildlife food plots and habitat.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

INCREASE IN THE BORROWING AUTHORITY OF THE COMMODITY CREDIT CORPORATION

SEC. 3. (a) Section 4(i) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(i)) is amended by striking out "$14,500,000,000" and inserting in lieu thereof "$25,000,000,000".

(b) Section 4 of the Act of March 8, 1938 (15 U.S.C. 713a-4), is amended by striking out $14,500,000,000" and inserting in lieu thereof $25,000,000,000".

(c) The increase in the borrowing authority of the Commodity Credit Corporation made by this section shall be effective only to the extent provided in appropriation Acts.

FARMERS HOME ADMINISTRATION REAL ESTATE AND OPERATING LOANS—ELIGIBILITY AND LOAN LIMITS

SEC. 4. (a) The Consolidated Farm and Rural Development Act is amended as follows:

(1)(A) Section 302 is amended by—

(i) striking out the language down through the first comma and inserting in lieu thereof the following: "The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers, and to private domestic corporations and partnerships controlled by farmers and ranchers and engaged primarily and directly in farming or ranching, in the United States and in Puerto Rico and the Virgin Islands, who individually, or, in the case of corporations and partnerships, the principal stockholders or partners of which, (1) are citizens of the United States,"; and

(ii) inserting at the end thereof the following: "In the case of corporations and partnerships, the family farm requirement of clause (3) of the first sentence of this section shall apply to the farm or farms in which the entity and its principal stockholders or partners, as applicable, have an ownership and operator interest and the requirement of clause (4) of the first sentence of this section shall apply both to the entity and its principal stockholders or partners.".

(B) Section 304(a) is amended by striking out the word "individual".

(2)(A) Section 311(a) is amended by—

(i) striking out the language down through the first comma and inserting in lieu thereof the following: "The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers, and to private domestic corporations and partnerships controlled by farmers and ranchers and engaged primarily and directly in farming or ranching, in the United States and in Puerto Rico and the Virgin Islands, who individually, or, in the case of corporations and partnerships, the principal stockholders or partners of which, (1) are citizens of the United States,"; and

(ii) inserting at the end thereof the following: "In the case of corporations and partnerships, the family farm requirement of clause (3) of the first sentence of this subsection shall apply to the farm or farms in which the entity and its principal stockholders or partners, as applicable, have an operator interest and the requirement of clause (4) of the first sentence of this subsection shall apply both to the entity and its principal stockholders or partners.".

(B) Section 312(a) is amended by striking out the word "individual".

(b) The Consolidated Farm and Rural Development Act is further amended as follows:

(1) Section 305 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Secretary shall make or insure no loan under sections 302, 303, and 304 of this title that would cause the unpaid indebtedness under such sections of any one borrower to exceed the lesser of (1) the value of the farm or other security, or (2) in the case of a loan other than a loan guaranteed by the Secretary, $200,000 or, in the case of a loan guaranteed by the Secretary, $300,000. The Secretary is authorized to establish each year an amount or amounts of total unpaid indebtedness that may exist against the farm or other security, which shall apply with respect to loans made or insured during that year. Whenever such amount or amounts are in effect, the Secretary shall make or insure no loan under sections 302, 303, and 304 of this title that would cause the total unpaid indebtedness against the farm or other security at the time the loan is made to exceed the applicable amount.".

(2) Section 313 is amended to read as follows:

"SEC. 313. The Secretary shall make or insure no loan under this subtitle (1) that would cause the total principal indebtedness outstanding at any one time for loans made under subtitle to any one borrower to exceed, in the case of a loan other than a loan guaranteed by the Secretary, $100,000, or, in the case of a loan guaranteed by the Secretary, $200,000; or (2) for the purchasing or leasing of and other than for cash rent, or for carrying on any land leasing or land purchasing program.".

SEC. 5. (a) Effective October 1, 1978, section 8c(6)(I) of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by inserting "raisins," after "apples"; and

(2) by inserting ", raisins," after "with respect to almonds".

(b) Within a period of sixty days following the second anniversary of the implementation of this section, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report which shall describe in detail how this section has been implemented including, but not limited to, information as to the issuance or amendment of any affected order, the annual amount of assessments collected, in the aggregate and by size and class of handler, the manner in which such assessments were collected, the amount of direct expenditures credited against the pro rata expense assessment obligations of each handler, and the purpose to which such assessments and such direct expenditures of each such handler were devoted.

Amend the title so as to read: "An Act to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes.".

The PRESIDING OFFICER. Time for debate on this bill is limited to 4 hours, to be equally divided and controlled by the Senator from Kansas (Mr. DOLE) and the Senator from Georgia (Mr. TALMADGE), with the time for debate on all amendments, motions, appeals, and points of order submitted to come out of the 4 hours; and with the Senator from Vermont (Mr. LEAHY) to be recognized for 5 minutes on this matter.

The Senator from Georgia (Mr. TALMADGE).

Mr. TALMADGE. Mr. President, a parliamentary inquiry. I understand that the unanimous-consent order further requires back-to-back votes at 4 p.m.

The PRESIDING OFFICER. The Senator is correct.

No; the agreement is for no earlier than 4 o'clock.

Mr. TALMADGE. No later or no earlier? Is it ordered no earlier than 4 p.m. or no later than 4 p.m.?

The PRESIDING OFFICER. No earlier than 4 p.m., is my understanding.

Mr. BAKER. Will the Senator yield to me?

Mr. TALMADGE. I yield to the distinguished minority leader.

Mr. BAKER. I ask a point of clarification from the Chair. As I understood it, the Chair said all votes are to be at 4. That is not the agreement as I recall it. As I recall it, the votes were to be on amendments during the day as propounded, with the vote on the bill to be no earlier than 4 p.m.

The PRESIDING OFFICER. The Senator is correct. The amendments will be voted upon as they are brought up.

Mr. BAKER. I thank the Chair. I thank the Senator for yielding.

Mr. TALMADGE. Further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. If the Senate were to vote on the final passage of the bill

prior to 4 p.m., that would require unanimous consent, would it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture, Nutrition, and Forestry be granted the privilege of the floor during consideration of H.R. 6782, including all rollcall votes thereon: Michael McLeod, Henry Casso, Carl Rose, Dale Stansbury, Phil Fraas, Steve Storch, Karen Schubeck, and Laura Rice.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I further ask unanimous consent that Bill Seale of Senator HUDDLESTON's staff, and Bill Motes of Senator CLARK's staff be granted the privilege of the floor during consideration of H.R. 6782, including all rollcall votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Will the Senator yield to me?

Mr. TALMADGE. I yield to the distinguished Senator from South Dakota.

Mr. McGOVERN. I ask unanimous consent that Mr. Owen Donley of my staff be granted the privilege of the floor during all proceedings under this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. I yield to the distinguished Senator and ranking minority member of our committee, the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I make the same request for H.R. 6782 and S. 2481 for the following persons: Dale Sherwin, William Taggart, Glenn Tussey, Morgan Williams, Stu Hardy, and a member of Senator HANSEN's staff, Patty Howe, and also Jack Odgaard of Senator CURTIS' staff and Karen Darling of Senator HAYAKAWA's staff, and Mr. Twilley of Senator THURMOND's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following proceedings occurred during Mr. ABOUREZK's remarks:)

Mr. MELCHER. Mr. President, I ask unanimous consent that Ben Stong and Jim Rock, of my staff, be granted the privileges of the floor during the consideration of the bills today and all the votes.

Mr. ABOUREZK. Mr. President, I make the same request for Dave Sherwin of my staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that Jim Range be granted the privileges of the floor during the consideration of the two bills the Senate will consider today.

Mr. SCHMITT. Mr. President, I make the same request for Emma Lou Gale.

The ACTING PRESIDENT pro temport. Without objection, it is so ordered.

(This concludes proceedings which occurred earlier.)

Mr. TALMADGE. Mr. President, the bill now under consideration, H.R. 6782, is emergency farm legislation to deal immediately with the critical economic problems of American agriculture.

This is a simple, straightforward bill that does four things:

First, it directs the Secretary of Agriculture to make land diversion payments to producers of wheat, feed grains, upland cotton, and soybeans who voluntarily agree to set aside at least 31 million acres this crop year. The cropland withheld from production would be an addition to the set-asides already announced by the Secretary of Agriculture for wheat and feed grains. The objectives of the land diversion program are to put cash payments in farmers' hands immediately, stimulate market prices for the covered commodities, and reduce the huge carryovers of grains and cotton that have depressed market prices.

Second, the bill increases the borrowing authority of the Commodity Credit Corporation—CCC—from $14.5 to $25 billion. This increased authority is necessary because of increased CCC activities resulting in part from the farm crisis.

Third, it will increase the lending limit on farm real estate and operating loans under the Consolidated Farm and Rural Development Act. These provisions are needed on an emergency basis to increase credit availability to hard-pressed farmers immediately.

A separate, comprehensive farm credit bill has been approved by the Senate Committee on Agriculture, Nutrition, and Forestry and will come before the Senate in due course.

Fourth, H.R. 6782, as passed by the House, amends the Federal marketing order provisions to authorize market development and research for raisins. This bill was adopted as a vehicle by our committee in order to obtain the quickest possible consideration of the emergency provisions of the legislation in both the Senate and the House.

Mr. President, the heart of this emergency farm legislation is the voluntary land diversion program.

I do not believe a single Member of the Senate—whether or not from an agricultural State—needs to be reminded again of the gravity of the economic situation that confronts farmers today.

Our committee completed 11 days of intensive hearings on the agricultural crisis on March 10. We heard from some 200 witnesses, most of them rank-and-file farmers and ranchers.

Whether it was a corn producer from Georgia, a wheat farmer from Kansas, or a cottongrower from Texas, the main theme of the testimony we heard was virtually the same:

Farmers have been devastated by falling prices and escalating production costs.

Many already are broke and others are on the precipice of bankruptcy.

They are deeply in debt and many are without cash or credit resources to make this year's crops.

Almost without exception, the witnesses appealed to our committee—and to the Congress—for help now, immediately.

The Emergency Agricultural Act of 1978 will provide that help now, immediately.

The paid land diversion program is, in my opinion, the only viable method available to Congress for providing financial help to farmers before this year's crops are in the ground—especially in southern areas of the country. In my own State, spring planting is already well advanced.

This is the reason I have urged and pressed for congressional approval of this emergency legislation before the Easter Recess later this week. Unless we send a bill to the President immediately, it will be too late for a great many farmers.

We will have denied them the help they so desperately need.

Mr. President, yesterday, I addressed the Senate on the urgent need for immediate action on this emergency legislation. I sought to point out why the land diversion approach was the only attainable solution to the immediate farm problem.

I also placed in the RECORD a comparative analysis of the Talmadge land diversion bill, the Dole flexible parity proposal, and the currently authorized farm programs. This analysis was prepared for our Committee by the Department of Agriculture and was received only late last week.

I hope that most Members of the Senate have taken the time to study this analysis carefully.

At this time, I only wish to summarize quickly the compelling reasons why the land diversion bill is the only attainable means of providing immediate help to farmers.

First, it would result in an increase of more than $7.5 billion in returns to producers of wheat, feed grains, upland cotton, and soybeans over cash production costs on this year's crops.

Second, by making half of the payment at the time of signup, the diversion program would put $2.1 billion into farmers hands almost immediately. The Department of Agriculture has assured me that it could administer the additional set-aside program at once.

Third, within the 1-year life of the program, the existing huge commodity surpluses would be brought down to manageable levels. According to USDA estimates, the Talmadge bill would reduce carry-overs as follows:

Wheat from 1.21 million bushels to 800 million bushels.

Corn from 1.132 million bushels to 590 million bushels.

Upland cotton from 5.7 million bales to 3.7 million bales.

The soybean carryover actually would increase under my bill, from 215 million bushels to 268 million bushels. But this prospective increase would be about 100 million bushels less than is now anticipated under current programs.

Fourth, with the prospect of smaller

supplies, market prices would increase under the land diversion program.

The minimum price objectives of the bill are: $3.50 per bushel for wheat; $2.50 per bushel for corn; $0.60 per pound for cotton, and $6.00 per bushel for soybeans.

While these price objectives are not as high as many producers and I might wish, they are realistic. More important, they are achievable under this bill.

Fifth, paid land diversion is the most cost-effective means of achieving immediate price and income relief for farmers. Budget outlays for fiscal years 1978 and 1979 would be $6.742 million under this bill, a reduction of $90 million in current program costs for the 2-year period.

Mr. President, the land diversion bill as originally introduced would have authorized the Secretary of Agriculture to enter contracts on a basis of bids by farmers as an optional method of determining participation in the program. I want to emphasize that this provision has been stricken from the bill. Instead, the Secretary is directed to offer diversion payments on a basis that will be "fair and reasonable" to all producers. The Department has advised me that the bid system will not be used if H.R. 6782 becomes law.

Furthermore, it is my understanding, as the bill's author, and the committee's intent that the Secretary shall administer the program in such a way that every farmer will be guaranteed a fair and equal opportunity to participate.

I wish to allay any fears that large farmers will have any advantage over small producers in participating in the program.

While the Secretary would have latitude in arriving at payment rates, it is anticipated that payments for the various commodities would be based on a rate of return on par with what the diverted acreage might have been expected to produce if it had been planted to the given commodity.

Mr. President, the Department of Agriculture provided the committee with a range of land diversion payments that it feels would be necessary to set aside the required 31 million acres.

I ask unanimous consent that a table showing this range be printed in the RECORD at this point of my remarks:

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RANGE OF LAND DIVERSION PAYMENT RATES TO OBTAIN DIVERSION UNDER TALMADGE PROPOSAL

Commodity	Program yield per acre	Payment rates	
		Per unit	Per acre
Corn (bushels)	90.0	$1.00–$1.50	$90–$135
Sorghum (bushels)	54.5	.75– 1.25	40– 68
Barley (bushels)	44.5	.60– 1.10	26– 50
Soybeans (bushels)	28.0	3.00– 4.00	84– 112
Cotton (pounds)	500.0	.14– .20	70– 100
Wheat (bushels)	30.9	1.50– 2.00	[1] 46–[1] 62

[1] An additional cost of $25 to $35 per acre would be required to divert winter wheat because of costs already incurred.

Mr. TALMADGE. Mr. President, I have spoken thus far about what can be attained and accomplished through the enactment of my land diversion bill. Now let us consider some of the consequences if the Talmadge bill is not enacted.

First, there would be no immediate payments to farmers. The administration could, under the 1978 act, implement a paid land diversion program, but it has declined to do so.

Thus, unless my emergency bill is enacted, farmers will be denied $4.2 billion in payments, half of which could begin flowing into the Nation's farm communities next month.

Second, unless a paid diversion program is implemented, the surpluses of grains and cotton that are overhanging the market and depressing prices would not be appreciably reduced and in some cases would even be increased.

According to USDA projections, the corn carryover of 1.132 million bushels will increase under the current program to 1.250 billion bushels. As I stated earlier, the current carryover would be reduced to 590 billion bushels in 1978–79 under my proposal.

In the case of wheat, the present carryover of 1.210 billion bushels will be reduced nominally under current programs, to 1.105 billion bushels. Under my bill, the carryover would shrink to 800 million bushels.

The present upland cotton carryover of 5.7 million bales would be reduced to 5.1 million bales under current programs. But under my bill the cotton carryover would be reduced to 3.7 million bales.

Third, without the reductions in projections that would occur under my bill, farm prices on this year's crops will remain weak.

The Department of Agriculture projects that corn prices this year will average $2.10 per bushel under current programs. The projected minimum price under my bill is $2.50 per bushel.

Cotton prices under the existing program are expected to average $0.53 per pound this year. Under my bill, cotton prices are expected to rise to $0.60 per pound on the 1978 crops.

Soybean prices are projected to fall to an average of $5 per bushel under the current program. By contrast, soybean prices are projected to be $6 per bushel if my bill is enacted.

Finally, if current programs are not changed, producers of wheat, feed grains, cotton and soybeans will incur a loss of $411 million on this year's crops, in contrast to an increase in return of $7.532 billion if my bill is enacted.

Mr. President, what this all boils down to is that the farm crisis that has ruined many farmers and frustrated all farmers will get worse instead of better.

Farmer unrest and discontent will not subside, but will become even more intense.

Mr. President, the Senate has a clear responsibility to approve emergency farm legislation today. The bill I offer will provide immediate financial assistance to farmers and restore stability to American agriculture.

I believe the farmers of this country have waited long enough.

What they want now is action.

The Senate and the House of Representatives can provide farmers a solution by sending this emergency farm bill to the White House before the Easter recess.

Mr. President, I yield the floor.

I am sure the distinguished ranking minority member desires to make a statement at this time.

The PRESIDING OFFICER. The Senator from Kansas (Mr. DOLE).

Mr. DOLE. Mr. President, first, I thank the distinguished Senator from Georgia, the chairman of our committee. I point out at the outset that we would not be in this Chamber today acting on legislation if it were not for the leadership of the distinguished Senator from Georgia, a longtime friend of the farmer. He has indicated that again, because without the chairman's approval, we would not have had hearings in the first place; and without those hearings, we would not be here, trying to make some determination on farm legislation.

I thank the distinguished Senator from Georgia for his able statement which sums up concisely the economic difficulties facing American agriculture at this time. I also thank the Senator for his effective and responsive leadership as chairman of the Committee on Agriculture, Nutrition, and Forestry. He has worked long and hard for the farmers of this Nation.

As I look around the Chamber, I find those Senators present who have a very sincere interest in agriculture, a bipartisan interest in agriculture. That is the way our committee operates and functions, and we hope that is the way it will function during this debate today.

There is no question about the facts as outlined by the chairman. As I have said many times, we have had a three-stage program.

The first stage was when the American farmers, because they were frustrated and because they were suffering from economic problems, took to their tractors, and in other ways tried to alert the American people to their problems. That effort was very successful.

The second stage was the fact that many farmers came to Washington. Many farmers discussed their problems with Secretary Bergland and some with the President of the United States. This was the second stage—telling the administration about their problems.

Finally, came the legislative approach, and that is our responsibility, as legislators. Here, again, the American farmers, from all across the country, whether from Oregon, Texas, Kansas, Georgia, Arkansas, Nebraska, or wherever, have indicated to us the need for additional legislation.

We are now in the process of completing the third stage, so far as the Senate is concerned, because sometime today, a bill will pass the Senate and will be on its way to the House, where we hope we can have some very quick action.

FOOD AND AGRICULTURE ACT PROVIDES TOOLS

Last year, during deliberations on the omnibus farm bill, the Agriculture Committee received testimony from more than 250 witnesses representing every

sector of the food and natural fiber industries. After 26 days of hearings, and another 9 days of markup sessions, many of which began at 8 a.m., the committee produced a farm bill which remained substantially intact when the President signed it on September 29, 1977.

The Food and Agriculture Act of 1977 does not answer all questions or solve all problems that confront the Nation's farmers and ranchers. But this act does provide the tools to respond adequately to the present farm crisis.

The Food and Agriculture Act of 1977 provides authority to the Secretary of Agriculture to:

Increase loan levels for most basic commodities;

Provide better terms to increase participation in the farmer-held grain storage program;

Provide financial incentives for additional acreage set-asides or land retirement.

Despite repeated urgings by Chairman TALMADGE and other Members, including the Senator from Kansas, the administration has declined to use the tools it now has to take constructive steps toward resolving this emergency.

So we were faced with our responsibility to pass new legislation.

NOW IS THE TIME FOR ACTION

Since the administration has not voluntarily provided adequate price supports, or established effective acreage controls, the Congress must take the initiative—and do so at once.

Mr. President, time has now run out.

Preparations for spring planting are underway all across the Nation. In the Deep South, farmers are already planting cotton. In my State of Kansas, and throughout the southern plains, the winter wheat crop is already in the ground, and will soon be ready for harvest. We must act now in order to curtail overproduction and bring supplies of farm commodities into balance with demand.

FARM CRISIS SPREADING

The farm situation is the worst since the Great Depression. Farm debt has increased 63 percent in the last 5 years. In 1974 it was $74 billion; by 1977 it had increased to $119 billion.

In terms of current dollars, farm income declined from $33 billion in 1973 to only about $20 billion in 1977—just 4 years later. The economic problems of farmers are spreading to other agribusiness enterprises such as farm machinery and farm supply dealers and manufacturers—and it will spread even further. The nonfarm economy cannot long escape the effects to the disastrous farm situation.

The plight of the American farmer has resulted in increasing frustration as production costs have continued to rise. Farmers have called their deteriorating economic situation to the attention of the administration, Congress, and the American public, as I have indicated before, in rather dramatic fashion since the first "tractorcade" in late 1977.

COMMITTEE ACTION

Recognizing that emergency farm legislation is needed—and needed at once—the Agriculture Committee reported two emergency farm bills on Monday and Wednesday of last week. The first bill, H.R. 6782, is before us now. The second bill, S. 2481, will also be considered. Following these remarks, I will offer the germane portions of S. 2481, as an amendment to H.R. 6782.

THE NEED TO CURTAIL OVERPRODUCTION

Both of the emergency farm bills, H.R. 6782 and S. 2481, are aimed at achieving the same basic objective bringing supplies into line with demand. These bills represent alternative methods of curtailing overproduction of the 1978 crop, and restoring a measure of economic stability to our Nation's depressed farm sector. Every member of the Agriculture Committee shares this objective. The only question is which bill, H.R. 6782 or S. 2481, offers the best means of accomplishing our common objective.

Ever since the post-World War I era, the problem of farm surpluses has been a major dilemma confronting farm policymakers. As in other sectors of the economy, prices are a function of supplies. Oversupply is the result of excessive acreage devoted to production while world demand is slack. The only way to get back into a more desirable supply-demand balance is to reduce planted acreage and, therefore, production.

CARRYOVER STOCKS

Let us look at the carryover stocks before we make a judgment. Let us look at the statistics relating to the commodity supply situation for wheat, corn, and cotton. In wheat, our carryover stocks now stand at about 1.2 billion bushels. But despite these vast supplies, the Department of Agriculture estimates that wheat farmers will plant as many as 66 million acres in crop year 1978.

In corn, our carryover stocks now stand at about 1.1 billion bushels. Nevertheless, planting intentions by corn producers this spring are estimated at a whopping 81 million acres.

The cotton outlook is just as bad Stocks of cotton now total about 5.8 million bales, but spring planting will likely remain at a high level of 12.6 million acres.

You do not need a Ph. D. in agricultural economics to conclude that these statistics mean a continuation of depressed prices for wheat, feed grain, and cotton. It is equally apparent that the existing acreage set-aside programs for wheat and feed grains has proven totally ineffective.

FEATURES OF THE PAID SET-ASIDE PROGRAM

This critical problem of oversupply is at the root of the present farm crisis, and it is this problem which H.R. 6782 and S. 2481 both attempt to resolve.

The Senator from Georgia has described in detail the provisions of H.R. 6782, which he introduced on March 8 under the title, "Emergency Agriculture Act of 1978."

This bill was cosponsored by this Senator from Kansas and by seven or eight other Senators on the committee and a total of 20-some Senators so it has broad support.

Let me summarize the key features. This legislation would require the Secretary of Agriculture to implement immediately a land retirement program under which farmers will be paid to withhold from production cropland that otherwise would be harvested or planted in wheat, corn, grain sorghum, barley, cotton, and soybeans.

The bill would provide for the retirement through a 1-year paid set-aside of not less than 31 million acres with total payments estimated at $2.1 billion based on a per acre average of $75. The set-aside payments would be largely offset by reduced deficiency payments, and the cost to taxpayers could prove minimal, and in fact, the Senator pointed out, it might even be a net plus.

In the case of wheat and feed grains, farmers would be required to make additional set asides of acreage over and above those already announced in order to qualify. They would then be eligible for payments on the additional set-aside acres.

PROS AND CONS OF H.R. 6782

This emergency diversion program mandated in H.R. 6782 has several beneficial features.

By retiring a minimum of 31 million acres of cropland, crop production will begin to fall back into balance with demand, and commodity prices will respond immediately and rise to more reasonable levels.

Since the bill provides that one-half of a participating farmer's set-aside payment will be made as soon as the contract is signed, it will put urgently needed dollars in the pockets of farmers.

Finally, this temporary emergency measure is not expected to cost the taxpayers any more money than would be spent under existing programs.

These are the strong points of H.R. 6782. But on the opposite side of the ledger, there are some who have reservations.

RETURN TO SOIL BANK

In the first instance, this emergency land retirement program is based on the old soil bank concept of land retirement payments. Many Senators may remember the soil bank, which was a key feature of national farm policy during the decade of the 1950's and 1960's.

The soil bank program was the land retirement program which received so much bad publicity. Critics said that it made no sense to pay farmers not to farm. It was a difficult criticism to refute—even by those who understood the need for production controls.

FLEXIBILITY IS LACKING

There are other concerns with H.R. 6782 in that it lacks flexibility in application and imposes a standard, uniform program on farmers who produce under vastly differing conditions and who have vastly differing needs.

It is hoped there may be an amendment adopted that would provide some flexibility. The amendment that the Senator from Kansas hopes to offer adds a title II incorporating the flexible parity provisions of my bill, S. 2481, as reported by the Committee on Agriculture, Nutrition, and Forestry.

I wish to explain that farmers will not benefit under both programs from

the same set-aside acreage. You cannot have it both ways. You cannot participate in both programs. Each one of the problems inherent in H.R. 6782 is addressed and resolved, I believe, in S. 2481.

It seems to me that S. 2481 is an appropriate addition to H.R. 6782 to address these concerns.

It also seems to the Senator from Kansas that by sending to the conference with the House of Representatives both concepts, the concept introduced by Senator TALMADGE and 20 others, and the concept introduced by the Senator from Kansas and 21 others, we will have a package that I think can result in sound legislation that will bring immediate help to the American farmer.

However, my amendment will add this needed flexibility.

My amendment to H.R. 6782 adds a title II incorporating the flexible parity provisions of my bill, S. 2481, as reported by the Senate Committee on Agriculture, Nutrition, and Forestry.

I wish to explain that farmers will not benefit under both programs from the same set-aside acre.

NEED TO SUPPORT BOTH BILLS

Each one of the problems inherent in H.R. 6782 is addressed and resolved in S. 2481, the Flexible Parity Act of 1978. I believe that S. 2481 is the appropriate addition to H.R. 6782 to address these concerns.

FREEDOM OF CHOICE FOR FARMERS

During 11 days of hearings in late February and March 1978, before the Committee on Agriculture, Nutrition, and Forestry, testimony was received from approximately 200 witnesses representing every major commodity and all regions of the Nation. A persistent theme throughout the hearings was the need to provide flexibility and maximize the choices available to producers in complying with any future system of price supports and production controls. Producers want and need the freedom to make rational production decisions reflecting their current circumstances and capabilities. This freedom ought to extend into the area of price supports and production controls in recognition of the infinite complexity of American agriculture today.

In the past, our national farm programs, however, effective in providing a basic level of support, tended to remove the decisionmaking function from hundreds of thousands of individual farmers and ranchers, and concentrated decisionmaking in Washington, D.C. Any future farm program ought to continue to provide a basic level of price stability, yet leave decisions and production choices where they belong—with individual farmers and ranchers.

WHAT S. 2481 DOES

Mr. President, I wish to state very briefly what S. 2481 does. It is just a little different approach, I might say, without reference to what may be written in front of me, to the very fine effort by the chairman of our committee, Senator TALMADGE. It is a little different concept. Some have reservations about S. 2481. I think it is fair to say that there are some who think it will not work.

My bill achieves land diversion for the 1978 crop year through a system of incentives in the form of higher target prices as farmers voluntarily increase their set-aside acreage in order to bring production in line with demand. This freedom of choice will enable farmers whose costs of production require higher target prices to achieve the needed level by increasing their set-aside acres up to 50 percent of their planted acreage for either wheat or feed grains. In the case of upland cotton, the bill provides a voluntary set-aside of 20 percent for a target price of 60 cents per pound.

Some would think it may be too costly. There are some who are not certain because it is a new concept, and certainly the Senator from Kansas understands that questions will be raised and questions should be answered, and that they may be valid questions. There may be flaws in the concept.

But it seems to me that what appeals to the American farmer in an incentive program based on the target price system which, in effect, permits the market price to rise and the farmer to receive his profit. That is really what he wants: a profit from the market place.

We are going to see some figures by the Congressional Budget Office on the cost, and I am certain the Senator from Oklahoma is going to stress those in great detail. But I would say in advance to the Senator from Oklahoma that those figures reflect a market price which is less than the market price today, and I suggest if the concept that was worked out by the distinguished Senator from South Carolina (Mr. THURMOND) and others, a flexible parity concept, is adopted, we will see a higher market price, this means that we are going to see a very small deficiency payment, and the CBO estimates of $1.5 billion are going to be, if anything, zero.

I will discuss that later on when the amendment is being debated. But it is obvious if you want to make the program sound bad under our concept you estimate on the basis of a very low market price, and that is just what they have done; that is just what has happened in every instance. They try to make it look like a very expensive program, and it is not an expensive program. It is geared to the marketplace, and if I have learned anything from the farmers in the last 6 to 8 weeks it is that they want to get their profit from the marketplace.

So all we do in applying the flexible parity concept is say to the American farmer of wheat, of feed grains and, to a certain extent, of cotton:

The more you reduce your acreage, the more you set aside your production: the higher the target price.

That is not a Government payment, that is the target price, the theory being, of course, that the market price will rise once we set aside acreage. The same theory inherent in the bill introduced by Senator TALMADGE and others. The flexible parity bill is going to have an effect on the market price just as the Talmadge bill will have.

The day the Talmadge bill passed the market rose the limit; the day S. 2481 was reported, the market rose as well. So flexible parity legislation has an impact on the market.

Now, in supporting S. 2481, the flexible parity concept, we say to the farmer:

You are not going to get any payment at all or any higher target price for the first 20 percent. Take wheat. Only if you set aside additional acres will you get a higher target price.

A wheat grower under my bill would be able to freely choose voluntarily the target price level for his crop in accordance with the following schedule:

If the set-aside is:
20 per centum, the established (target) price shall be $3.00 per bushel;
25 per centum, the established (target) price shall be $3.25 per bushel;
30 per centum, the established (target) price shall be $3.50 per bushel;
35 per centum, the established (target) price shall be $4.00 per bushel,
40 per centum, the established (target) price shall be $4.25 per bushel;
45 per centum, the established (target) price shall be $4.50 per bushel;
50 per centum, the established (target) price shall be $5.04 per bushel.

At 50 percent you would get the established target price, which would be up to full parity. That is why it is called the Flexible Parity Act. It does not mean there is going to be a payment to every farmer on every bushel of $1.5 or $2 per bushel.

The same is true with corn. A corn grower would exercise freedom-of-choice in a similar manner in accordance with the schedule below:

If the set-aside is:
10 per centum, the established (target) price shall be $2.10 per bushel;
20 per centum, the established (target) price shall be $2.25 per bushel;
25 per centum, the established (target) price shall be $2.45 per bushel;
30 per centum, the established (target) price shall be $2.65 per bushel;
35 per centum, the established (target) price shall be $2.85 per bushel;
40 per centum, the established (target) price shal be $3.05 per bushel;
45 per centum, the established (target) price shall be $3.25 per bushel;
50 per centum, the established (target) price shall be $3.45 per bushel;

It should be made very clear that the farmer has to make a sacrifice. He has to set aside part of his productive capacity in order to receive this higher target price. I think the concept makes a great deal of sense.

The established target prices for grain sorghum, and if designated by the Secretary of Agriculture, oats, and barley shall be at levels appropriate with their relationship to corn.

An amendment to my bill limits producers of cotton to only one voluntary set-aside option—a 20-percent set-aside at an established target price of 60 cents per pound.

It is my understanding that the distinguished Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER), and the distin-

guished Senator from Louisiana (Mr. LONG) may want to change that provision back to its original form.

An amendment to S. 2481 proposed by the distinguished Senator from Montana (Mr. MELCHER) was adopted in our committee and provides a loan level in 1978 of $2.85 per bushel for wheat and $2.40 per bushel for corn. This is up from $2.25 for wheat and $2 for corn under the Agriculture Act of 1977, as administered by Secretary Bergland.

Mr. President, I support the flexible parity approach proposed in S. 2481 because I trust the judgments of farmers to adjust production of crops based on the market signals that they receive more than I do the bureaucrats who may think they can fine tune the farm economy from Washington.

At the same time, however, I believe that H.R. 6782 is also capable of providing timely and effective assistance to thousands of depression-stricken farmers.

The distinguished Senator from Georgia said it all. He said that time is of the essence; we must act now. The crisis is real and it is here, it is now, it is immediate. I urge my colleagues to support H.R. 6782, as amended.

I ask the support of my colleagues in the passage of this legislation which will give individual farmers the opportunity to exercise freedom of choice in bringing about needed adjustments in American agriculture.

At the appropriate time I would like to have considered an amendment which I send to the desk and will withhold.

Mr. TALMADGE. Mr. President, will the Senator yield momentarily?

Mr. BELLMON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. TALMADGE. May I get this committee amendment agreed to first? Mr. President, I ask unanimous consent that the amendment of the Committee on Agriculture, Nutrition and Forestry to H.R. 6782 be agreed to, and the bill, as amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER (Mr. CLARK). Is there objection? The Chair hears none and it is so ordered.

Mr. TALMADGE. I do not know who has the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, will the Senator from Kansas yield for a unanimous-consent request?

Mr. DOLE. I yield.

Mr. BELLMON. Mr. President, I ask unanimous consent that Brad Gungoll of my staff, Bill Stringer and Paul Cartter of the Budget Committee staff, be granted floor privileges during the consideration and votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DOLE. I yield.

Mr. CURTIS. I thank my distinguished friend. Mr. President, I ask unanimous consent that Belinda Neilson of my staff be granted the privileges of the floor during the deliberation on these two bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I yield to the distinguished Senator from South Carolina who has other pressing business.

Mr. BELLMON. Mr. President, will the Senator yield to the Senator from Oklahoma for about 5 minutes.

Mr. DOLE. I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, the farmers of this country are facing a disastrous economic situation, the past 3 years have demonstrated that all sectors of agriculture are able to get sick at the same time. In spite of the overwhelming evidence of economic disaster facing American agriculture the administration has refused to use the authority Congress provided in the 1977 farm bill to strengthen prices by bringing supply and demand into balance.

Since 1974, the price of wheat has fallen from a season average of $4.09 to a low of $2.03 in 1977. This is a reduction of more than 50 percent, and at the same time costs of production were going up. Corn prices have fallen from a season average of $3.03 in 1974 to a low of $1.60 in 1977. Cattle prices have slipped from an average value of $321 per head in 1974 to $206 in 1977, with prices much lower than this in the interim. Beef prices are beginning to strengthen. This welcome news has been greeted by a high administration official with the threat of expanded imports of foreign beef.

During this same period, farm real estate debt has risen more than $15 billion. Most of this increase is due to borrowing by farmers against the value of their land, to pay production expenses that have been incurred and that cannot be paid from income from the sale of commodities. The result of this inverse relationship between costs and prices is that farmers are facing bankruptcies at 4 to 5 times the normal rate, especially in the High Plains area of the Middle West. The impact of this situation has been felt most by our young farmers. These young producers are the future of agriculture in this country, and the whole country has a stake in keeping them in agriculture. This situation creates a dim view of the Nation's ability to fulfill future food production needs.

Most young farmers do not have the resources built up over years of farming to survive heavy losses, and are being forced to sell out and quit. The country will need these efficient young food producers in the very near future.

The agricultural policy which this Nation has chosen to pursue is largely to blame for the intolerable markets farmers are facing. Past administrations have encouraged "all-out" production at times of high prices and then greeted farmers who have responded to their urging with embargoes and price controls. The present administration has failed to achieve an aggressive agricultural export policy. In addition, tools in the 1977 farm bill have not been used to strengthen farm income. The USDA seems oblivious to the problems of farmers and will not act to help producers at this time of crisis. The President and Secretary Bergland appear to have allowed the Departments of State and Treasury and the Office of Management and Budget to determine agricultural policy rather than the USDA, which supposedly has expertise in the area.

Mr. President, our people do not understand that one farmer cannot affect the price situation he faces. Neither can segmented groups have an appreciable effect. It takes leadership from the administration to bring supply and demand into balance and strengthen farm prices. This leadership has been lacking. This absence has created a situation that requires immediate administrative action or further legislation. The farmers of this country have called for action, and the administration has failed to act. Unless this current administration's stonewalling policy changes at once, Congress has no choice but to provide funds to make farmers able to get through this depressed state.

However, we as Members of Congress must use good judgment, caution, and restraint to insure that we do not overreact and help farmers to the extent that we destroy them in later years. Overreaction by Congress which results in suplies becoming overliquidated can be just as disastrous as previous policies which created oversupply. If supplies reach critically short levels, then producers face the threat of embargoes, price controls, and consumer boycotts. These actions can result in loss of foreign markets and would again send shock waves of disastrous proportions through the agricultural sector.

The present farm situation could have been prevented. We appropriate more than $70 million annually to the USDA to assemble information to show farmers what situation they face. However, little of this information ever reaches farmers and when it does it is generally not in usable form. Evidently, the information which the USDA has assembled is not in usable form for USDA either. Perhaps this explains why the administration has been so reluctant to act. Or perhaps the Department of Agriculture is not to blame. Perhaps the Carter administration has decided that agriculture is too important to be left with agriculturists. Regardless of the reason for this inaction, I have joined Senator TALMADGE as a cosponsor of his bill to force the administration to do what they have failed to do. That is, to use tools available to strengthen farmer income. The Talmadge proposal may not be the only way to accomplish these surplus reductions. However, I feel that it is the best and the most responsible action Congress can take at this time, if in fact we must act in the face of the administration not meeting its responsibility.

Mr. President, I do not like to see Congress get into the business of administering programs on a day-to-day basis. The executive branch is capable of performing administrative functions in a more orderly fashion than can the legislative branch. But because of lack of action by the administration, Congress has no choice at this time. It is unfortu-

nate that the U.S. Department of Agriculture, which is responsible for action to strengthen farm income, is not being used; but since the President has apparently used his authority to prevent the Secretary from using the provisions of the farm bill to improve life on the farm, I believe Congress in this case is going to have to do the administration's job and pass the emergency legislation that is before us at this time.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I believe the Senator from South Dakota (Mr. McGOVERN) had wanted to be recognized.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield time to the distinguished Senator from South Dakota to call up an amendment.

Mr. McGOVERN. Mr. President, first I I ask unanimous consent that Bob Reynolds of Senator WALLOP's staff be accorded the privilege of the floor during the remainder of the debate on this

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, today is the first day of spring. I cannot think of a more appropriate action for the U.S. Senate to take on this opening day of the spring season than to pass a strong farm bill, designed to meet the serious agricultural crisis that all of us on this floor are aware of.

I commend the chairman of our committee (Mr. TALMADGE) for making it possible for us to be here in the Senate Chamber today, just 60 days after the opening of this session of Congress, prepared to act on important farm legislation. It has been my privilege to serve on the Committee on Agriculture, Nutrition, and Forestry at the side of Senator TALMADGE for some 15 years. I am beginning my 16th year in that role in 1978, and I know that he is dedicated to the proposition that we must have a strong program for American agriculture.

There may be some honest disagreements among farmers, among Senators, and among our fellow citizens as to the most practical way to approach the problems that face us in rural America today, but I think it is fair to say that the chairman of the committee has worked diligently over the last 2 months, and indeed throughout his public career, to strengthen the hand and the position of the American farmer.

I commend also Senator DOLE, the ranking minority member of our committee, and the other members of the committee for the bipartisan spirit in which these hearings and deliberations and the effort here today have been conducted.

I also wish to express my admiration for the effectiveness of the American agricultural movement, these farmers who have sprung up from all over the United States and have come here to the Nation's Capitol to present the case of American agriculture to those of us in the Congress of the United States. When this effort first began, as I told my colleagues on the committee, I was frankly skeptical as to how to win the broad kind of public support that was necessary before we could do what some of us wanted to do last year to strengthen the terms of the farm legislation so that we could have avoided the crisis that faces us in 1978.

But I have been encouraged, not only by the reaction of Members of Congress to these citizens of ours from the farm States who have been in our midst in the last few months, but also by the reaction of the American public.

I placed in the CONGRESSIONAL RECORD just a month ago, on February 20, the results of a public opinion poll conducted nationwide by one of the most respected polling organizations, the Lou Harris survey, in which Americans were scientifically selected to represent every shade of American life; and on the basis of that poll, we discovered by a margin of 80 to 13—80 percent to 13 percent—the overwhelming majority of Americans are in sympathy with the farmers who have taken to their tractors to protest falling farm income.

The news account of this poll indicates that the public, by a 54 percent to 36 percent majority, would be willing even to have food prices rise significantly, in order to give farmers their partity goals. By margins of more than 5 to 1, the American public supports the basic demand of farmers, which is to raise the prices of the crops they sell so that they would be based on 100 percent of parity.

The survey experts who conducted this public opinion study indicate that a significant part of the reason why the American public feels deep sympathy for the farmers is the fact that they do not blame the American farmer for the basic increases in food prices that have taken place in recent years. Quoting now from this article, by a lopsided 87 to 4 percent the majority of the American people continue to agree with the charge of the farm protest leaders that food middlemen rather than the farmers are the ones who are making most of the profits from food.

Mr. President, I took the time to make these points about public opinion because I believe our colleagues in the Congress ought to understand that we are legislating in a different environment today than was the case even a year ago; that the American people are aware of the vital role that agriculture plays in the life of this country, and they are aware of the seriousness of this crisis.

I am not going to belabor the points which have already been made by Senator TALMADGE, Senator DOLE, and others, other than to say that it is impossible for farmers to produce wheat that costs in excess of $3 a bushel to produce and then sell it for somewhere around $2.25 a bushel. That is an absolute formula for bankruptcy. It does not make any difference whether a farmer has a half-million dollars in assets, $100,000, $1 million, or whatever it is, if on that asset, on that land, that machinery and that property, he is selling a product at a per bushel loss. Obviously he is going broke and he is jeopardizing the banks and businesses in his community who depend on his solvency.

Beyond this, we are jeopardizing the enormous contribution that American agriculture makes to our balance of payments situation. We know about the decline of the American dollar. We know about the deepening crisis in our balance of payments. It is only our agricultural production and our agricultural exports which are keeping us in the international ball game at all.

AMENDMENT NO. 1735, AS MODIFIED

(Purpose: To increase loan rates and established prices for the 1978 crops of wheat and corn, increase the established price and loan rate for the 1978 crop of upland cotton, and increase Public Law 480 activities in fiscal year 1979.)

Mr. McGOVERN. Mr. President, at the appropriate point I also have an amendment I want to call up. I believe the amendment is now at the desk.

I would like to ask that it be reported at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes an amendment numbered 1735.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 2, line 20, insert "LOAN RATES, TARGET PRICES, AND" immediately before "ADDITIONAL".

On page 2, line 21, strike out "UPLAND COTTON, AND SOY-" and insert in lieu thereof "AND UPLAND COTTON, AND SET-ASIDE PROGRAM FOR SOY-".

On page 2, line 25, strike out "112 through 115" and insert in lieu thereof "112 through 118".

On page 2, immediately after line 25, insert the following:

"1978 WHEAT LOAN RATE AND TARGET PRICE

"SEC. 112. Notwithstanding any other provision of this Act—

"(a) The Secretary shall make make available to producers loans and purchases on the 1978 crop of wheat at a level not less than $2.80 per bushel.

"(b) The established price for the 1978 crop of wheat shall be $3.55 per bushel.".

On page 3, line 2, strike out "SEC. 112." and insert in lieu thereof "SEC. 113.".

On page 6, between lines 11 and 12, insert a new section as follows:

"1978 CORN LOAN RATE AND TARGET PRICE

"SEC. 114. Notwithstanding any other provision of this Act—

"(a) The Secretary shall make available to producers loans and purchases on the 1978 crop of corn at a level not less than $2.25 per bushel.

"(b) The established price for the 1978 crop of corn shall be $2.50 per bushel.".

On page 6, line 13, strike out "SEC. 113." and insert in lieu thereof "SEC.115.".

On page 9, between lines 19 and 20, insert a new section as follows:

"1978 UPLAND COTTON TARGET PRICE

"SEC. 116. Notwithstanding any other provision of this Act, the established price for the 1978 crop of upland cotton shall be 60 cents per pound.".

On page 9, line 22, strike out "SEC. 114." and insert in lieu thereof "SEC. 117.".

On page 13, line 2, strike out "SEC. 115." and insert in lieu thereof "SEC. 118.".

On page 20, immediately after line 17, insert a new section as follows:

"AMENDMENT TO PUBLIC LAW 480

"SEC. 6. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act—

"'(1) the minimum distribution amount under section 201(b) of this Act of one million six hundred thousand metric tons for fiscal year 1979 shall be increased by such tonnage, and

"'(2) financing during fiscal year 1979 of the purchase of United States agricultural commodities under agreements entered into under titles I and III of this Act shall be increased by such amount in excess of $800,000,000, as could be accomplished by an additional expenditure of $500,000,000. The total increase shall be apportioned between the title II minimum distribution amount increase and the titles I and III financing increase so as to reflect the comparative needs of the programs during fiscal year 1979.' ".

Mr. McGOVERN. I had intended in this amendment to offer one section which would have raised the authority under the Food for Peace program, Public Law 480, by a half billion dollars. That is something we very much need to do. However, I am advised that it is not germane under the parliamentary situation under which we are operating today. So I modify my amendment to strike that portion which has to do with Public Law 480.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. McGOVERN. Mr. President, the remaining sections of this bill are based on my own conviction that we cannot rely on the vagaries and uncertainties of the market alone as a means of securing a fair price for our farmers. While I support the proposal offered by the chairman of our committee (Mr. TALMADGE), and I will support Senator DOLE's amendment to that bill, I do think that a third step is needed to give farmers some assurances beyond the uncertainties and the unpredictability of the marketplace.

I am still old fashioned enough to believe that there is room for a strong price support program and a strong target price system for American agriculture. At the appropriate point today I would like to offer the amendment which embraces roughly what I attempted to do last year at the time we were marking up basic farm legislation.

In short, it would accomplish the following things: It would raise the present target rates on wheat in the bill we passed last year, which is a 4-year bill, from $3 a bushel to $3.55, to not less than $3.55. It would raise the loan rate on wheat from the present level in the bill we are now operating under from $2.25 to $2.80 a bushel.

On corn, the present target price of $2.10 would move up, under my amendment, to $2.50. Corn loans would move from $2 to $2.25.

The target price on cotton would move from 52 cents a pound in existing legislation to 60 cents a pound, and the cotton loans from 44 cents to 50 cents a pound.

Mr. President, one modification in the amendment as printed would include the following: I ask unanimous consent that the minimum on cotton on the loan be raised to 50 cents in the amendment I have pending at the desk.

The PRESIDING OFFICER. The Senator is allowed to modify his amendment and it is so modified.

The amendment, as modified, is as follows:

On page 2, line 20, insert "LOAN RATES, TARGET PRICES, AND" immediately before "ADDITIONAL".

On page 2, line 21, strike out "UPLAND COTTON, AND SOY-" and insert in lieu thereof "AND UPLAND, AND SET-ASIDE PROGRAM FOR SOY-".

On page 2, line 25, strike out "112 through 115" and insert in lieu thereof "112 through 118".

On page 2, immediately after line 25, insert the following:

"'1978 WHEAT LOAN RATE AND TARGET PRICE

"'SEC. 112. Notwithstanding any other provision of this Act—

"'(a) The Secretary shall make available to producers loans and purchases on the 1978 crop of wheat at a level not less than $2.80 per bushel.

"'(b) The established price for the 1978 crop of wheat shall be $3.55 per bushel.

On page 3, line 2, strike out "SEC. 112." and insert in lieu thereof "SEC. 113.".

On page 6, between lines 11 and 12, insert a new section as follows:

"'1978 CORN LOAN RATE AND TARGET PRICE

"'SEC. 114. Notwithstanding any other provision of this Act—

"'(a) The Secretary shall make available to producers loans and purchases on the 1978 crop of corn at a level not less than $2.25 per bushel.

"'(b) The established price for the 1978 crop of corn shall be $2.50 per bushel.' ".

On page 6, line 13, strike out "SEC. 113." and insert in lieu thereof "SEC. 115".

On page 9, between lines 19 and 20, insert a new section as follows:

"'"1978 UPLAND COTTON LOAN RATE AND TARGET PRICE

"'"SEC. 116. Nothwithstanding any other provision of this Act—

"'"(a) The Secretary shall make available to cooperators nonrecourse loans on the 1978 crop of upland cotton at a level not less than 50 cents per pound.

"'"(b) The established price for the 1978 crop of upland cotton shall be 60 cents per pound." '.".

On page 9, line 22, strike out "SEC. 114." and insert in lieu thereof "SEC. 117.".

On page 13, line 2, strike out "SEC. 115." and insert in lieu thereof "SEC. 118.".

On page 20, immediately after line 17, insert a new section as follows:

Mr. TALMADGE. Will the Senator yield at this point?

Mr. McGOVERN. I yield.

Mr. TALMADGE. I have studied the amendment of the distinguished Senator from South Dakota, as has the distinguished minority manager, Senator DOLE. I agree that we need some improvement in these rates. We hope to achieve that in the marketplace by bringing supply in line with demand. If we can do that, the amendment proposed by the distinguished Senator from South Dakota will have a cost to the Government which will be very minimal. Senator DOLE and I are both agreeable to accepting it and taking it to conference.

Mr. DOLE. Will the Senator yield briefly to me?

Mr. McGOVERN. I yield.

Mr. DOLE. I agree with the remarks of the chairman and also, of course, the statement of the distinguished Senator from South Dakota.

As I understand, this would not do violence to an amendment the Senator from Kansas hopes to have accepted later. If it gets to conference, the total area we are trying to cover will be presented, and I assume at that point we could make some decision on which way we will finally go. But in any event, it seems to this Senator there should be an adjustment in target prices and an adjustment in loan rates, whether it is at the level set as the Senator from Kansas proposes or the Senator from South Dakota, or some other figure. I think it is a very constructive amendment.

I have no objection. I see Senator YOUNG is in the Chamber. He is the father of the target price concept.

Does the Senator have any objection to the amendment?

Mr. YOUNG. I appreciate the comment about me being the father of the target price system.

The target price does not raise the market price to a level to which consumers would object. It does provide higher level of income to what the farmer receives by giving a cash payment over the market price when the market price is low.

I have no objection to this amendment—I support it.

Mr. TALMADGE. If the Senator will yield further, I also want to pay tribute to the distinguished Senator from North Dakota for the concept of the target price, rather than to make loans so high as to preclude sales in international markets. We have seen agricultural exports increase from $7 billion annually to $24 billion in recent years. Were it not for our huge agricultural exports, this country would really be in a far worse situation on international trade than we are at this moment.

Mr. YOUNG. I appreciate the comments of the distinguished Senator. The target price concept wouldn't have been possible if he hadn't immediately seen the merit in it.

Mr. ALLEN. Will the Senator yield?

Mr. McGOVERN. I yield to the distinguished Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator for yielding. I would like to inquire about the established price for the 1978 crop of cotton. I note in the Senator's amendment that that is set at 60 cents per pound.

Mr. McGOVERN. That is correct.

Mr. ALLEN. The current market prices in future delivery months are up around 62 cents a pound right now.

I would say that this figure would be entirely inadequate for cotton farming. I know the argument is made that if the price gets up to the parity price, around 84 cents, mills might shift over to synthetics. But I question whether we are dealing fairly with the cotton farmer as compared with the corn farmer and the wheat farmer and, hopefully, the soybean farmer when we set the price, the established price, at 60 cents a pound, because that contains practically no profit. With practically no profit for the

farmer and escalating costs, by the time the 1978 crop is brought in, I daresay 60 cents a pound would result in a loss to the cotton farmer.

I know the distinguished chairman has indicated that he is going to accept this amendment, but I cannot stand idly by and see a 60-cent figure for cotton pass in the Senate when we are supposed to be giving relief to all farmers. The cotton farmers of Alabama have been hard hit.

I respectfully request the distinguished Senator from South Dakota seriously to consider setting some figure between the 60-cent and the 84-cent figure.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. TALMADGE. I yield 2 additional minutes to the Senator from South Dakota.

First, may I yield myself some time?

What would the distinguished Senator from Alabama suggest at this point? All these matters will be in conference. Of course, the Senator from Alabama is fully aware of the fact that all synthetic fibers sell at about 55 cents a pound. If prices get too high, they price themselves out of the market. There will be no market domestically or internationally for cotton. I agree with the Senator from Alabama that we want the cotton farmers to have a fair price, but at the same time, we do not want to kill the market. We want to keep them in business.

Mr. ALLEN. Sixty cents a pound is not going to keep the Alabama cotton farmer in business. I hope the distinguished Senator from South Dakota will be willing to modify his amendment to set this at least at 70 cents.

Mr. McGOVERN. Mr. President, if the Senator will let me respond, I want to make clear, first of all, that a target price is not a ceiling. There is nothing in setting a target price on cotton at 60 cents or a wheat target at $3.55 that means that is a ceiling. That is a floor.

Mr. ALLEN. I understand that.

Mr. McGOVERN. I hope, personally, that with the kind of diversion that we are talking about here under the bill submitted by the chairman, prices will go well above the minimum targets that are set in the legislation. We do not produce much cotton in South Dakota. I would be more than happy to respond to cotton State Senators as to what they think is a fair target price.

I have discussed this with the Senator from Mississippi and other Senators, but if some modestly higher price—does the Senator from Alabama think the 70-cent range is in line with what we are doing on other basic commodities?

Mr. ALLEN. It would still be well below the approach to parity that is contained for the other crops.

The Senator says that by the set-aside provisions, the diversion provisions, prices are going up. That being true, why would the Senator object to a modest increase?

Mr. McGOVERN. I would not object to a modest increase.

Mr. ALLEN. I hope he will accept the 70-cent figure.

The distinguished chairman states it is in conference. Since the House has no provision whatsoever, then the 70-cent figure would not do violence to the concept of the bill. I hope that an agreement can be reached on the floor to set this figure at 70 cents.

Mr. EASTLAND. Will the Senator yield me 2 minutes?

Mr. McGOVERN. I yield to the Senator from Mississippi.

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Mississippi?

Mr. TALMADGE. Yes, I yield 2 minutes to the distinguished Senator from Mississippi.

Mr. EASTLAND. Mr. President, I am as much interested in a sound cotton program as anyone. Cotton has to compete with synthetic fibers directly, and let me say now that cotton's share of the fiber market has decreased from 80 percent to around 35 percent because it was not competitive. Synthetic fibers are 54 cents a pound. Cotton is an industrial fiber that has to compete with it directly to stop this erosion of cotton's share of the market. I have seen, because of these matters, the Soviet Union become the leading cottongrower in the world. We have to compete with synthetic fibers.

Also, we have to compete in the export market. That would happen under 60 cents a pound. It is not a ceiling, it is a floor under the price. I hope we will not do something that will destroy the cotton industry. It will destroy it in 2 years.

Mr. BUMPERS. Will the Senator from Georgia yield for a question to him?

Mr. TALMADGE. I yield to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I wish to address a couple of questions to the distinguished chairman of the Committee on Agriculture.

No. 1: Is my understanding correct that the manager is prepared to accept the Dole bill? Is that a correct assumption?

Mr. TALMADGE. I have agreed to take it to conference. It is my judgment that the Dole bill has little chance of becoming a law, either by the House accepting, or by Presidential signature. The only way to get the Dole bill into conference is to accept it as an amendment to this bill.

Mr. BUMPERS. Will there be an up or down vote on that amendment?

Mr. TALMADGE. No, I am prepared to accept it by voice vote.

Mr. BUMPERS. Could the floor manager tell me approximately at what time that will occur.

Mr. TALMADGE. I am ready to accept it right now. But we have an amendment pending by the distinguished Senator from South Dakota, so it is not in order to consider the Dole amendment until we dispose of the amendment of the Senator from South Dakota.

Mr. ALLEN. If the distinguished chairman would yield, I would like respectfully to suggest that if we can agree on this 70-cent figure, that same concept he brought forward into the Dole bill as an amendment to the bill.

Mr. TALMADGE. I am willing to take it to conference, sir. May I say to the distinguishsed Senator from South Dakota and the distinguished Senator from Alabama, these matters will be considered in conference. The Senator from Alabama has served on many conferences with agriculture bills. He knows it is a give-and-take proposition.

Mr. ALLEN. Yes, sir.

Mr. TALMADGE. It has difficulties. I also point out that I share the views of the distinguished Senator from Mississippi.

Mr. ALLEN. I know the distinguished Senator does.

Mr. TALMADGE. I do not want to kill cotton.

Mr. ALLEN. I understand that.

Mr. BUMPERS. May I ask just one more question?

Mr. MUSKIE. Will the Senator yield?

Mr. ABOUREZK. Will the Senator yield?

Mr. TALMADGE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Georgia has the floor.

Mr. BUMPERS. Could the distinguished floor manager tell me two things?

No. 1, how much land is it anticipated will be set aside under the Dole bill? How much will it cost, in all the crops listed therein, if the agriculture people in this country decided to set aside the full 50 percent in order to get 100 percent parity?

Finally, what effect would that have on consumer prices if that occurred?

Mr. TALMADGE. We had a good deal of testimony. I cannot answer it in a limited period of time. But under the Dole bill it was to cost the taxpayers an additional $1.5 billion more. The land retirement under the Dole bill would be a total of 14½ million acres under the Dole bill, as to present estimates, and about 30 million under mine.

Mr. BUMPERS. Those have to be estimates.

Mr. TALMADGE. Estimates.

Mr. BUMPERS. Out-of-hand estimates.

Mr. TALMADGE. The best estimates I can get.

Mr. BUMPERS. One of the calculations I made, based on today's wheat prices, which I assume would go up if 50 percent of all wheat in this country were set aside, roughly $2.75 as of this morning, and the set-aside figure of $5.04, 100 percent parity, if we cut production.

Last year we had a 2.2-billion-bushel wheat crop. If we set half aside, which would be 1.1 billion, and presumed the price remained the same, that alone would cost over $2 billion, would it not?

Mr. TALMADGE. That is possible. Of course, they hope to achieve that price in the marketplace.

Mr. BUMPERS. I understand. I think a certain portion will be, but it occurs to me these estimates just have to be——

Mr. TALMADGE. We hope to achieve it in the marketplace under the bill I have proposed and save the Government $90 million in the process.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Georgia has the floor.

Mr. ABOUREZK. Will the Senator yield?

Mr. TALMADGE. Our staff economist tells me that under the Dole bill it is estimated that 34 million acres of land would be retired, and, under the Talmadge bill, 61.8 million acres would be retired, but that includes the set-aside already mandated.

Several Senators addressed the Chair.

Mr. TALMADGE. The Senator from Maine has been seeking time.

Let me point out to my colleagues that under the unanimous-consent agreement we have only 2 hours to the side.

I would like, if I could, to disporse of these amendments and then yield for colloquies later.

But I yield now to the distinguished chairman of the Budget Committee.

Mr. MUSKIE. I thank the Senator from Georgia.

I simply rise at this moment to ascertain what the likely parliamentary situation is going to be. The unanimous-consent agreement provides for 4 hours to be equally divided on the Talmadge bill.

Mr. TALMADGE. That is right.

Mr. MUSKIE. To be followed by 4 hours to be equally divided on the Dole bill.

Mr. TALMADGE. That is correct.

Mr. MUSKIE. Now, I understand, contrary to my understanding at the time that unanimous-consent agreement was entered into, that the Dole bill will be offered as an amendment to the Talmadge bill. That will considerably shrink the time that I had expected would be available for these two very important issues because the Dole bill, in effect, will have to be debated the same time as the Talmadge bill within the constraints of a 4-hour rather than an 8-hour time limitation.

Then, in addition, I understand there will be a McGovern amendment offered, the existence of which I was unaware of yesterday, which also has serious budgetary as well as economic implications.

That, too, I understand will be offered in this 4-hour period on the Talmadge bill, and a combination of these three really restricts the time that we ought to have available to us to discuss these issues. They are difficult. They are urgent.

Mr. TALMADGE. I think we can get unanimous consent for further time.

Mr. MUSKIE. In what order does the floor manager expect these to arise?

Mr. TALMADGE. The McGovern amendment is pending at the present time. I understand subsequent to the McGovern amendment the Senator from Kansas desires to offer his amendment. That would be the next pending matter after the McGovern matter.

Mr. MUSKIE. There is one other matter that needs to be disposed of, a technicality, that is the question of the section 402 waivers. Implementation of our understanding on those requires that two amendments be offered, one to the Talmadge bill and one to the Dole bill, in order to eliminate provisions that would otherwise require a section 402 waiver.

That, I understand from staff, can be done toward the end of the consideration of the bills.

Mr. TALMADGE. Yes.

Mr. MUSKIE. And that is agreeable to me.

Mr. TALMADGE. Yes.

Mr. MUSKIE. I would reserve my comments on that until we can get to that point.

For the time being, I say to my good friend from Georgia that I would reserve my time.

Mr. TALMADGE. That is agreeable.

Before I yield to the junior Senator from South Dakota, may we complete action on the McGovern amendment?

Mr. ALLEN. I have an amendment that I hope will be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. I have yielded 2 additional minutes to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, after listening to the statements of the Senator from Alabama and the chairman's willingness to accept this amendment on the cotton target price, I would have no objection to going to conference with the 70-cent target price on cotton.

UP AMENDMENT NO. 1214

Mr. ALLEN. Mr. President, I have an amendment I would like to offer on behalf of myself and the distinguished Senator from South Carolina (Mr. THURMOND), which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself and Mr. THURMOND, proposes unprinted amendment numbered 1214:

Amend pending amendment on page 2, line 21, strike 60 and insert 70.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield 1 minute to the distinguished Senator.

Mr. MUSKIE. Do I understand we are on the verge of seeing the McGovern amendment accepted without further debate?

I would like to speak to the McGovern amendment as well as these others.

Mr. TALMADGE. The Senator will have that opportunity. How much time does the Senator want at this time?

Mr. MUSKIE. I would like to begin with 10 minutes. I am in a difficult position.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the distinguished Senator from Maine may be allotted 10 minutes at this time without it being charged to either side.

Mr. ALLEN. Reserving the right to object, and I shall not object, is the distinguished Senator speaking on the amendment to the amendment?

Mr. MUSKIE. On the McGovern amendment.

Mr. ALLEN. Yes, but the Senator——

Mr. MUSKIE. Is there an amendment to the McGovern amendment now?

Mr. ALLEN. Yes. Does the Senator have an objection to the adoption of the amendment to the amendment?

Mr. MUSKIE. Will the Senator advise me of the nature of the amendment to the amendment?

These are coming out of the woodwork faster than I can keep track of them.

Mr. ALLEN. It changes the 60-cent floor for cotton to 70 cents.

Mr. MUSKIE. Well, we might as well make the amendment as bad as possible from a budgetary standpoint.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Parity will be 84 cents.

Mr. MUSKIE. This sets it at 70 cents.

I have no objection to it being part of the McGovern amendment. My difficulty is, may I say to my good friend from Alabama, that since I was not advised of these amendments until 10 o'clock last night, I have not had an opportunity to get an economic analysis of their implications.

I am really disturbed. I understand the urgency of the farm problem. I have no desire to delay beyond the time necessary for us to understand the implications of what we are doing.

These amendments have budgetary implications. They have inflationary implications. We ought to at least know what those are.

The Senator from Alabama has offered an amendment to a McGovern amendment which itself catches me by surprise without the kind of analysis we ought to have.

Now, if we have agreed to make it part of the McGOVERN amendment, I guess I have no real objection to that. But I have considerable reservation about moving so quickly on proposed agricultural policy which has such serious implications.

I am going to be able to give the Senate only a very smattering of insight from the point of view of the Budget Committee on either proposition.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request by the Senator from Georgia to allow 10 minutes to the Senator from Maine, without objection, from either side?

Mr. ALLEN. I reserve the right to object and I hope the Chair would put the question on the pending amendment.

The PRESIDING OFFICER. The Senator cannot reserve the right to object unless someone yields time for that purpose.

Mr. ALLEN. Well, I object to the unanimous-consent request pending the approval of the pending amendment to the amendment.

The PRESIDING OFFICER. Objection is heard. Who yields time?

Mr. MELCHER. Will the Senator yield 2 minutes to me?

Several Senators addressed the Chair.

Mr. ALLEN. I do not object to the distinguished Senator from——

The PRESIDING OFFICER. I thought I heard the Senator object.

Mr. ALLEN. I reserve an objection and I was in hopes the Chair would put the question on the amendment to the amendment, prior to recognizing the distinguished Senator from Maine because he said he has no objection to that.

The PRESIDING OFFICER (Mr. ZORINSKY). Will the Senator from Georgia propound the unanimous-consent agreement?

Mr. TALMADGE. Yes. I ask unanimous consent that the distinguished Sen-

ator from Maine have 10 minutes, without it being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

The Senator from Maine.

Mr. MUSKIE. Mr. President, I appreciate the Senator's courtesy.

Let me repeat what I just said. The budget imposed upon this Senator is an obligation and a duty to provide the Senate with a budgetary analysis and with an analysis designed to identify the economic impact of legislation of this kind and this Senator is unable to do so this morning. My inability to do so has nothing to do with our lack of resources. It has to do only with the lack of time.

The haste with which this series of policy proposals are being paraded to the floor I find enormously disturbing. I reached a unanimous-consent agreement last Friday with the distinguished Senator from Georgia, the distinguished Senator from Kansas, and the majority leader covering two propositions.

We set the date for Tuesday because, in my judgment, from Friday to Tuesday would give the CBO and my staff adequate time to develop the information which the Budget Act says I have a duty to provide the Senate. Now, this morning I find that there has been added to those two propositions two more: one, the Dole amendment as an amendment to the Talmadge bill; and the other, a McGovern amendment to the Talmadge bill.

Now, Mr. President, there is no way—no way—for the budget process to provide instant analysis on such serious problems. I would have to oppose these amendments on that ground alone. The budget process is designed and intended to equip us to know what we are doing before we adopt programs with budget implications. I do not know what other amendments are lurking in the woodwork to be added to these bills, but my fear is that they are pretty horrendous.

Mr. DOLE. Will the distinguished Senator yield for just a moment?

Mr. MUSKIE. Of course.

Mr. DOLE. I share the frustration of the distinguished Senator from Maine and I know it is not a matter of resource; it is a matter of time, but in defense of the Dole amendment, I think the budget implications do not change. In fact, if anything, they are reduced because we remove the Food for Peace section, which reduces the cost by $400 million.

Mr. MUSKIE. The Dole and Talmadge measures together had different consequences for the budget and the economy than Talmadge and Dole separately. There are three combinations: Talmadge alone, Dole alone, and Talmadge-Dole together.

As a matter of fact, on Talmadge-Dole together, unless the Senator is equipped with information that I have not been able to get, the Department of Agriculture has not yet been able to tell us how they would administer both of them together, so they are not the same.

Combining them is not the same as having two and two and getting four, and I do not know what the answer to that is going to be, but I know that the inflationary implications are going to be magnified if both are adopted.

I know that the budgetary costs are going to be magnified if both are adopted. And if on top of that the McGovern amendment is added, both the inflationary and budgetary costs are going to be magnified and exacerbated in ways that I have absolutely no way of advising the Senate.

This chapter in agriculture policy follows on a very disturbing year from last year. Let us review what happened last year.

President Carter asked for $2.3 billion for agriculture in the budget—$2.3 billion. The Agriculture Committee, the very committee that brought these bills to the floor recommended $4.35 billion in its recommendation to the Budget Committee. That $4.35 billion is not the number that the Budget Committee produced. It is a number that the Agriculture Committee recommended to us and we put it in the budget. That first budget resolution provided $4.35 billion.

Two weeks later the Senate passed an agricultural bill that cost $5.6 billion. The ink was not dry yet on the first budget resolution and it was that $5.6 billion that we put in the second budget resolution.

Then what happened? The very day after the Budget Committee went along with that $5.6 billion the Agriculture Conference Committee voted a conference report costing $6.3 billion, and the Senate reported that conference bill and defeated the Budget Committee's recommendation of $5.6 billion which it had just approved the day previously. By a vote of 64 to 27 the Senate voted to raise the second budget resolution and the deficit it contained to pay for this new agriculture bill.

That is not all. Three weeks later the Senate voted to break that new ceiling which the Agriculture Committee had added to the budget resolution. Three weeks later, the Agriculture Committee reported another bill which reached the ceiling Congress had just adopted. This new bill provided a new and unanticipated $21 million payment program for some of the wealthiest, largest farmers in the United States. It gave them money to cut their crop losses from last year's drought, even though loan programs are available from the Government for the same purpose.

When Senator BELLMON and I took the floor against that budget—the Muskie bill—we were defeated by a vote of 61 to 26.

May I point out that 10 Senators who had voted against the budget resolution only voted against it because it was too high, and voted for this new agriculture bill which broke that very budget which they said was too high.

What kind of game are we playing?

The present projected cost of what I just recited, according to the latest scorekeeping report, for fiscal year 1978 is not $6.3 billion. It is $9 billion. And that number does not include $1.5 billion that was added to the SBA program for disaster relief payments to farmers. If we add that we are up to $10.5 billion for agriculture compared to the $2.3 billion we started the year with just a year ago.

We have not even tried that farm bill which has produced this escalation. We have not even tried it to see whether it would work. We were told that the increases I have recited were justified because we needed new farm policy and that this new farm policy was going to solve the problem. Now before it is tried we have this deluge of proposals that are going to add billions of cost to the budget. They are going to trigger inflationary pressures again with promises that this time it will work.

I say to Senators I think that is the greatest comedy of errors under the supposed aegis of the Budget Act that I have seen in all my experience with it. The Senate of course can work its will. The Senate, if it chooses, can break the budget and a lot of these costs that we are talking about will show up in 1979 rather than 1978.

But let me tell Senators something about 1979. The March 15 committee reports to the Budget Committee are in. I have not had a chance to analyze them all, but let me give just two.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. MUSKIE. Mr. President, will the Senator yield me just a minute so I may finish?

Mr. DOLE. I yield 1 minute to the Senator.

The PRESIDING OFFICER. One minute is yielded on the time of the Senator from Kansas.

Mr. MUSKIE. Mr. President, the Appropriations Committee has recommended $508 billion. That is above the President's budget. The Finance Committee, with its tax cut recommendations, has given us a revenue floor of $428 billion.

I say to Senators the difference is $80 billion of deficit, not the President's $60 billion, not this year's figure of $57 billion, not $65 billion or $70 billion, but $80 billion, and we have not yet looked and fully analyzed the recommendations of other Senate committees. That $80 billion does not include anything of what we are debating today, nothing of what we are debating today with these proposals.

The PRESIDING OFFICER. The 1 minute has expired.

Mr. MUSKIE. Mr. President, will the Senator yield me 2 additional minutes?

Mr. DOLE. Mr. President, I yield 2 additional minutes.

The PRESIDING OFFICER. The Senator from Kansas yields 2 additional minutes to the Senator from Maine.

Mr. MUSKIE. Mr. President, these proposals should not even be considered under the Budget Act until we take up the first concurrent resolution—that is what the Budget Act says—because we should not decide and make these spending decisions for 1979 until we know what other spending decisions we are asked to make.

So here we have the prospect of an $80 billion deficit, or more. Before we even get into the details of that one we are adding spending above the $80 billion, or considering adding it in the form

of these amendments which hit us too fast for anyone to analyze them.

I know the plea of urgency and emergency. Congress should be flexible enough to be able to respond to urgencies and emergencies. But I say to Senators if we set precedents here of this kind, which just casually brush aside the budget process, we set the precedent for others who will seek to do the same for other purposes. When that becomes a snowball the budget process will be dead.

As I get other insights into the McGovern amendment, I will be glad to provide whatever analysis we can on the spot.

I will just say this, without McGovern, the Talmadge bill in 1978–79 would have a net cost of $700 million. With the McGovern amendment, the McGovern-Talmadge bill would have a net cost in those 2 years of $2.6 billion. That is a difference of almost $2 billion attributable to the Talmadge bill, and we have not even gotten to Dole. We have not even gotten to Dole.

Mr. DOLE. Get to me first.

Mr. TALMADGE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I yield myself such time as I may take.

BUDGET WAIVER RESOLUTION

Mr. TALMADGE. Mr. President, I move that the Senate proceed to the immediate consideration of Calendar Order No. 648, Senate Resolution 415.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, if the Senator will yield, should we not dispose of this first?

Mr. TALMADGE. No. We cannot dispose of that until we get the waiver passed.

Mr. ALLEN. Very well.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 415) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 6782.

Mr. MUSKIE. Mr. President, I do not want to delay the Senate unusually, but I think it is important for the record to note the reason why the Budget Committee reported the two waivers. It reported them, because this amendment has the effect of taking out of the Talmadge bill that provision which was subject to a point of order under section 402.

Mr. President, I ask unanimous consent that the committee report on that issue be printed in the RECORD at this point.

There being no objection, the committee report was ordered to be printed in the RECORD, as follows:

WAIVER OF SECTION 402(a) OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONSIDERATION OF H.R. 6782

PURPOSE OF THE RESOLUTION

Section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House or the Senate to consider any bill or resolution which directly or indirectly authorizes the enactment of new budget authority for a fiscal year unless that bill or resolution is reported in the House or Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year. Because H.R. 6782, as reported, authorizes enactment of new budget authority, which could be available in FY 1978, and was reported by the Committee on Agriculture, Nutrition and Forestry on March 13, 1978,—after the May 15, 1977, deadline—a resolution waiving Section 402(a) of the Budget Act with respect to H.R. 6782 must be adopted before this bill can be considered by the Senate. In reporting favorably on the resolution, the Budget Committee is assuming that the effective date of this provision will be changed and is not otherwise prejudging the merits of the bill.

Committee criteria

The Budget Committee is extremely reluctant to recommend the adoption of resolutions waiving section 402(a) of the Budget Act. This section was included in the Budget Act to insure that all authorized legislation is considered as far as possible in advance of the fiscal year in which it will take effect so that it could be considered in the formulation of the First Concurrent Resolution. In addition, this section was included to provide the Appropriations Committee with some reasonable notice of needed appropriations for the coming fiscal year so that the Appropriations Committee can meet the appropriations timetable spelled out in the Budget Act.

Legislation authorizing the enactment of new budget authority which is reported to the Senate after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of seven days after Labor Day for the completion of the entire appropriations process. The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be lightly waived. Under these circumstances, the Budget Committee, in deciding whether to favorably report resolutions waiving section 402(a) of the Budget Act, will consider factors including: the reporting committee's effort to meet the May 15 deadline, the delay in the appropriations process engendered by the late reporting of the authorization, and whether the enactment of the authorization will significantly affect the national priorities established in the Congressional budget.

Budget considerations

H.R. 6782 authorizes appropriations of an increase in the borrowing authority of the Commodity Credit Corporation from $14.5 billion to $25 billion. Since the reported bill is effective upon the date of enactment, the legislation constitutes an authorization of new budget authority for FY 1978 and, therefore, is subject to a point of order under Section 402 of the Budget Act because it was reported after May 15, 1977.

However, the Chairman of the Committee on Agriculture, Nutrition and Forestry has reviewed the status of the Commodity Credit Corporation and found that delaying the authorization until FY 1979 will not restrict the program. In a letter to the Budget Committee, reproduced below, the Chairman has stated that he will offer a floor amendment on behalf of the Committee to change the effective date of this provision to fiscal 1979.

To permit orderly consideration of H.R. 6782 by the Senate, the Budget Committee reports favorably on Senate Resolution 415, with the understanding that the effective date of the authorization will be changed, and recommends that the resolution be adopted.

Mr. MUSKIE. I think further comments by me are unnecessary.

Mr. TALMADGE. Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of that Act are waived with respect to the consideration of H.R. 6782, a bill to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion. As reported by the Committee on Agriculture, Nutrition, and Forestry, H.R. 6782 would also provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans.

Such waiver is necessary to permit consideration of statutory authority to increase the borrowing authority of the Commodity Credit Corporation from $14,500,000,000 to $25,000,000,000. Section 3 of H.R. 6782, as reported by the Committee, states that the increase in the borrowing authority of the Commodity Credit Corporation will be effective only to the extent provided in appropriation Acts. Section 3, therefore, is an authorization of new budget authority, which was not reported by May 15, 1977, and requires adoption of a waiver resolution pursuant to section 402(c) of the Congressional Budget Act before it may be considered by the Senate.

The need for increased borrowing authority is an emergency response to a deteriorating situation with respect to American agriculture. This need for increased support could not have been foreseen prior to May 15, 1977.

BUDGET WAIVER RESOLUTION

Mr. TALMADGE. Mr. President, I move that the Senate proceed to the consideration of Calendar Order No. 649, Senate Resolution 418.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 418) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2481.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the committee report on that waiver which touches the Dole bill be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WAIVER OF SECTION 402(a) OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONSIDERATION OF S. 2481

PURPOSE OF THE RESOLUTION

Section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House or the Senate to consider any bill or resolution which directly or indirectly authorizes the enactment of new budget authority for a fiscal year unless that bill or resolution is reported in the House or Senate, as the case may be, on or before May 15, preceding the beginning of such fiscal year. Because S. 2481, as reported, authorizes enactment of new budget authority in FY 1978 and was reported by the Committee on Agriculture, Nutrition and Forestry on March 16, 1978,—after the May 15, 1977 deadline, a resolution waiving Section 402(a) of the Budget Act with respect to S. 2481 must be adopted before this bill can be considered by the Senate. In reporting favorably on the resolution, the Budget Committee is assuming that the effective date of

this provision will be changed and is not otherwise prejudging the merits of the bill.

Committee criteria

The Budget Committee is extremely reluctant to recommend the adoption of resolutions waiving section 402(a) of the Budget Act. This section was included in the Budget Act to insure that all authorizing legislation is considered as far as possible in advance of the fiscal year in which it will take effect so that it could be considered in the formulation of the First Concurrent Resolution. In addition, this section was included to provide the Appropriations Committee with some reasonable notice of needed appropriations for the coming fiscal year so that the Appropriations Committee can meet the appropriations timetable spelled out in the Budget Act.

Legislation authorizing the enactment of new budget authority which is reported to the Senate after May 15 could delay the enactment of appropriations bills past the Budget Act deadline of seven days after Labor Day for the completion of the entire appropriations process. The legislative history of the Budget Act indicates that the May 15 reporting deadline is not to be lightly waived. Under these circumstances, the Budget Committee, in deciding whether to favorably report resolutions waiving section 402(a) of the Budget Act, will consider factors including: the reporting committee's effort to meet the May 15 deadline, the delay in the appropriations process engendered by the late reporting of the authorization, and whether the enactment of the authorization will significantly affect the national priorities established in the Congressional budget.

Budget considerations

S. 2481 authorizes additional budget authority of $0.2 billion for Public Law 480, the Food for Peace program. Since the reported bill is effective upon the date of enactment, the legislation constitutes an authorization of new budget authority for 1978 and, therefore, is subject to a point of order under Section 402 of the Budget Act, because it was reported after May 15, 1977.

However, the sponsor of the provision, Senator McGovern, has reviewed the status of P.L. 480, Food for Peace, and has found that delaying the authorization until FY 1979 will not restrict the program. In a letter to the Budget Committee, reproduced below, Senator McGovern has stated that he will offer a floor amendment to change the effective date of this provision to fiscal 1979.

To permit orderly consideration of S. 2481 by the Senate, the Budget Committee reports favorably on Senate Resolution 418, with the understanding that the effective date of the authorization will be changed, and recommends that the resolution be adopted.

Mr. DOLE. Mr. President, it, too, is relevant because that provision in the Dole measure which raises a point of order will be stricken by agreement.

Mr. TALMADGE. Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of that Act are waived with respect to the consideration of S 2481, a bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 crops.

Mr. TALMADGE. Mr. President, I believe now the amendment proposed by the Senator from South Dakota, modified by the Senator from Alabama, is in order.

Mr. BENTSEN. Mr. President, I wish to suggest to the Senator from Georgia that he allow me 3 minutes to proceed.

Mr. TALMADGE. I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

Mr. BENTSEN. Mr. President, I would like to state my support of Senator McGOVERN's amendment. I am particularly interested in its application to upland cotton. The cotton loan rate is presently at least 10 cents per pound below the level any Member of the Senate anticipated at the time of passage of the 1977 farm bill. I know the intent of the Senate at that time was to set a loan rate which would allow producers the ability to continue growing cotton on their land. Certainly, it was not the intention of Congress to have a loan rate on 1978 crops which is below the 1977 loan level; however, this is currently the situation. This problem is even more serious in Texas. Due to the type of short staple cotton grown in Texas, many producers are forced to put their cotton in the loan at less than 40 cents per pound. I am sure my colleagues realize this price is well below today's cost of production. Frankly, I believe the loan for cotton should be higher than the 50 cents proposed in the McGovern amendment, but recognizing the sentiment of the Senate I believe this is the best we can expect.

Mr. President, 60 percent of the cotton grown in Texas is exported to foreign countries. Without agricultural exports, our balance-of-payments deficit would be considerably higher, and we as a nation cannot afford this. To my colleagues who say a higher loan rate will only increase cotton production (resulting in a surplus), I say that our farmers will participate in the set-aside programs available. If farmers are forced to grow alternative crops because of the low upland cotton loan rate, it will only increase the surplus of other commodities.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated January 20, 1978, from the Fisher County agriculture movement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROBY, TEX.,
January 20, 1978.

DEAR SENATOR BENTSEN: The purpose of this open letter is to present data compiled by the Fisher County American Agriculture Movement to accurately identify the disparity of prices paid by farmers and ranchers in Fisher County, Texas, for goods and services versus the prices received by farmers for raw agricultural products. The businesses of Fisher County furnished yearly prices from 1967 through 1977 of representative items which had no product improvement. Some items had design changes during the period. No product improvement items accurately reflect inflation of prices.

Prices were obtained on representative items in the categories of farm equipment, chemicals, petroleum, rubber, steel, textile, food, and medical services. Percent of price increase from 1967 through 1977 was computed. The percent of price increase for cotton, milo, and wheat (primary agricultural products of Fisher County) was computed for the same period. Comparisons were made to reveal the discrepancy between operation and living costs and receipts for agricultural products which results in a loss in a typical Fisher County farming operation at current prices received for agricultural products. The following comparisons illustrate this disparity by showing the number of pounds of an agricultural product required to purchase farming and ranching necessities based on 1977 Fisher County market prices; December 15, 1977 USDA price quotations; and 100 percent parity:

Agricultural commodity versus manufactured item	1977 Fisher Co. market price	Dec. 15, 1977 USDA price quotations	100 percent parity price.
Pounds milo needed to purchase 1,000 gal diesel at 38½ cents per gal	18,780 lb at 2.05 cents per lb	11,526 lb at 3.34 cents per lb	6,638 lb at 5.80 cents per lb.
Pounds wheat needed to purchase 1 $2.75 steel fence post	86.75 lb at 3.17 cents per lb	67.40 lb at 4.08 cents per lb	32.66 lb at 8.42 cents per lb.
Pounds bales cotton needed to buy 100 hp tractor ($15,500)	37,500 lb at 40 cents per lb	33,623 lb at 46.10 cents per lb	18,430 lb at 84.10 cents per lb.
Pounds cottonseed needed to buy 50 lb salt block ($2.05)	63.08 lb at 3.25 cents per lb	65.08 lb at 3.15 cents per lb	28.67 lb at 7.15 cents per lb.
Calf pounds needed to buy 1 in by 3 in steel shank and clamp $48	No county market	130.08 lb at 36.90 cents per lb	70.28 lb at 68.30 cents per lb.

In 1977 cost per ground acre for a diversified farming operation in Fisher County was approximately $130, excluding land costs and management fees. (See attached per acre costs breakdown.) Receipts from sale of agricultural products in 1977 were approximately $100 per ground acre. This is a loss of $30 per ground acre or a $30,000 loss for a 1,000 acre diversified farming operation in 1977, which was an above average crop production year. The primary reason for the loss was the increased cost of essential goods and services. (Computations of prices for goods and services purchased by Fisher County farmers from 1967 through 1977 showed:

1. Petroleum products showed the most drastic increases; increases averaged 216 percent. Propane increased 260 percent. An energy policy which is effective in reducing inflation rates of petroleum products is a most pressing need.

2. Farm chemicals (cotton insecticides and defoliants which are petroleum derivatives) showed an increase of 175 percent.

3. Rubber products (e.g. tractor, implement, and road vehicle tires) increased by 72 percent.

4. American-made hammered and pressed steel items, increased 245 percent. A solution to the rapidly increasing price of steel is imperative for agriculture.

5. Farm equipment increased 173 percent. Highest increases in equipment for which data were obtained were planters and cultivators which increased 216 percent.

American agriculture uses over half the steel milled in the United States. Much of the steel is used in equipment to a farming operation. Attached is a list of the most basic equipment required for a 1,000 acre diversified farming operation in Fisher County. The approximate cost of this equipment purchased new is $241,330. The same equipment purchased used would cost approximately $159,675.

Fisher County has an average annual income of $22.5 million from agriculture. At no time from 1967 through 1977 were any agricultural commodities marketed at 100 percent of parity. The 1967 prices were an average of 25 percent below parity; the 1977 prices, lowest percent of parity since 1933, were an average of 35 percent below parity.

The attached graph shows average percent of parity since 1910.

In addition to prices for agricultural commodities already being below parity, the slight increases from 1967 through 1977 in prices paid farmers and ranchers in no way kept pace with increases in prices for essential goods and services purchased. During this period agricultural commodity prices increased the following amounts: (1) cotton increased 21 percent; (2) cottonseed increased 14 percent; (3) wheat increased 52 percent; (4) milo increased 28 percent. Texas State Senator Ray Farabee recently stated:

When costs of production exceeds that income ($22.5 million acreage farm income), it not only hurts the people of Fisher County, but it hurts Texas and America and destroys the family farm which has been responsible for making this country the most productive in the world.[1]

Not only has cost of production exceeded income for Fisher County farmers and ranchers, but the cost of living has shown drastic increases during the period from 1967 through 1977. Computations revealed:

1. Medical services which include doctor, hospital, and nursing care, increased 208 percent. Prescription drugs, identical in form today as in 1967, rose 105 percent.

2. American-made retail cotton products which have not been improved since 1967 (i.e. sanforized with shrinkage allowances but not pre-washed, faded, etc.) increased 93 percent. In contrast the price (already below parity) paid for baled cotton used in these manufactured cotton products increased only 31 percent.

3. Grocery items manufactured from raw agricultural products increased by 75 percent. Canned vegetables increased only 32 percent, which suggests the vegetable farmer is experiencing the same problems as the Fisher County farmer and rancher.

The difference between these average increases (31.25 percent average increase for agricultural products and 139.4 percent average increase for goods and services) puts the Fisher County farmer and rancher at a 108.15 percent disadvantage. This 108.15 percent disadvantage shows why farmers and ranchers are losing money in their farming and ranching operation and equity in their land, homes, and equipment.

1977 COSTS PER GROUND ACRE FOR DIVERSIFIED FARMING IN FISHER COUNTY, TEX.

Item	Cost
Labor	$13.64
Supplies	7.48
Repairs	7.02
Fuel	6.15
Seed	3.79
Utilities and phone	.42
Chemicals	2.80
Fertilizer	1.60
Leases and rent	32.15
Pest control	20.13
Machine hire	.66
Feed	.26
Vet	.02
Interest	2.96
Taxes	2.37
Dues and fees	.07
Office expenses	.12
Vehicle licenses	.10
Hand expense	.50
Storage	.19
Insurance	.96
Equipment payments	26.36
Miscellaneous	.13
Total	129.8

[1] *Rotan Advance*, Vol. 69, No. 49, January 19, 1978, p. 1.

MINIMUM MAJOR ITEM EQUIPMENT LIST NEEDED FOR 1,000 ACRE DIVERSIFIED FARMING OPERATION (65 PERCENT COTTON, 10 PERCENT MILO, 10 PERCENT WHEAT, 15 PERCENT LIVESTOCK) IN FISHER COUNTY

Item	New price	Average used price
2 tractors 100 hp	$31,000	$19,600
2 cultivators complete	4,800	3,200
2 planters complete	1,770	1,300
2 14 ft tool bars complete	3,600	2,400
1 4 bottom plow and rake	3,650	2,400
2 14 ft tandem disc and rake	7,960	5,000
1 90 in. shredder	1,690	750
2 300 gal spray rigs	3,150	1,900
1 1,000 gal water trailer	2,200	1,600
1 14 ft chiesil	2,100	975
1 big ox 9 shank	1,800	850
1 cotton stripper	10,500	6,800
10 cotton trailers	24,000	20,000
1 cotton ricker	3,100	2,100
1 grain drill	2,300	1,600
1 combine 14 ft header	45,000	29,600
1 grain truck	19,400	14,000
2 ¾ ton pickup trucks	10,950	4,900
2 fuel storage tanks	1,400	1,100
1 8 row rotary hoe	3,950	2,600
1 8 row sand fighter	1,970	900
1 12 ft hay swather	6,540	3,700
1 stack hand	10,700	6,400
1 stack mover	4,800	3,500
1 metal barn with shop (40 ft by 100 ft)	9,700	6,000
1 16 ft stock trailer	2,800	2,100
Farm shop equipment and tools	12,000	9,000
Livestock miscellaneous equipment	8,500	5,400
Total	241,330	159,675

Mr. McGOVERN. Mr. President, will the Senator yield me 2 minutes? I thank the Senator from Texas for his support, and I would suggest, if there is no objection, that we go to the consideration of the Allen-Thurmond amendment which would set the target price on cotton at 70 cents. Senator BENTSEN of Texas would also like to be listed as a cosponsor, as would Senator TOWER, and I ask unanimous consent that they be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Alabama. (Putting the question.)

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I yield 1 minute to the distinguished Senator from Montana.

UP AMENDMENT NO. 1215

Mr. MELCHER. I thank the chairman for yielding.

Mr. President, a week ago tomorrow when we were considering in committee the question of where loan rates should be for wheat we attached to the Dole bill a loan rate on wheat of $2.85. The McGovern amendment before us has a loan rate of $2.80. For the sake of consisteency, I suggest to the Senator from South Dakota (Mr. McGOVERN) that we ask him to modify his amendment. I have an amendment prepared that would merely increase the loan rate from $2.80 to $2.85, to be consistent with that action of last week.

I might point out to the Senator from Maine, the chairman of the Budget Committee, that by doing this we reduce the exposure for wheat. Hence, the deficiency payment is reduced by $75 million if the amount of wheat that would go under loan and be subject to a deficiency payment would be 1.5 billion bushels.

The reason for that is the market would automatically go to a floor of $2.85.

I have an amendment prepared and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. MELCHER. This is on behalf of myself and Senator HATFIELD of Montana that I offer this.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) for himself and Mr. PAUL G. HATFIELD proposes an unprinted amendment numbered 1215: On page 1 line 13, of amendment 1735 strike $2.80 and insert $2.85.

Mr. McGOVERN. Mr. President, I think the points the Senator from Montana has made on this modification are well taken, and I move the adoption of the amendment.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Is there any reason why I cannot yield myself my own time?

Mr. DOLE. Does the Senator wish 10 minutes?

Mr. MUSKIE. I do not need that much, only a couple of minutes.

I hope the Senator's amendment has the effect he described. Unfortunately, since we did not have the basic McGovern amendment for purposes of analysis, I have no really precise measure of its consequences, so I sort of have to take the Senator's word. He is knowledgeable about this field, I have no question about it. I have to sort of take the Senator's evaluation of the consequences of his amendment. I hope they are as beneficient as the Senator described.

My basic problem is not with the Senator's amendment but with the McGovern amendment which we simply have had no opportunity whatsoever to analyze, and I think that is——

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. MUSKIE. Of course.

Mr. MELCHER. I thank the Senator for yielding.

I merely point out again this was the loan level amount for wheat that was adopted last Wednesday in the Committee on Agriculture to the Dole bill, so the Senator and the Budget Committee have had the $2.85 figure before them, and it would be consistent with that.

Mr. MUSKIE. That is not an accurate description of the events of the past few days since Wednesday. No. 1, we did not get anything by way of a written description of what DOLE was until the weekend. I did not get an analysis of it until Sunday evening, and that did not include the McGovern amendment at that point. I understood the committee was working on the question of support prices and target prices, and so on, but as a component of the policy we would debate today I was not informed to that effect.

We had job enough, may I say to the Senator, to analyze the two propositions on which we had reached agreement, a

time agreement. One was the Talmadge bill separately, and one was the Dole bill separately.

Now, to say that we should somehow have had judicial notice, or committee notice, or something else from the Committee on Agriculture that might be added to this bill I do not think is very realistic or fair to us.

Getting these analyses is an unprofessional challenge. We have to check with the Department of Agriculture, with CBO, with the affected committees in order to insure that our analyses are based on agreed-upon facts or if there is disagreement that the disagreement is identified.

We just cannot casually produce these analyses. We simply did not have time to respond to the McGovern amendment as a piece of action that we would face today. Maybe we should have read the signals more clearly, but we did not. The time agreement simply did not include it.

Mr. MELCHER. Mr. President, will the Senator yield again?

Mr. MUSKIE. Yes, I yield. I do not know where the time is coming from, but I yield.

Mr. MELCHER. I repeat that the $2.85 loan rate for wheat is the same loan rate for wheat that was in the Dole bill that was given to the committee, and it is for the basis of consistency.

Mr. MUSKIE. But the Dole bill is a set-aside proposal. Obviously McGovern adds something to that or it would not be offered. I mean, you are talking about support prices here in a different sense than you are talking about it as part of a set-aside program.

Mr. MELCHER. The Dole bill contained the loan rate at $2.85.

Mr. MUSKIE. As part of a set-aside program.

Mr. MELCHER. As part of the bill which would modify existing legislation.

Mr. MUSKIE. I was prepared to discuss the Dole amendment. I am not prepared to discuss the McGovern amendment, because I do not have the analyses, and I make that point with all the emphasis at my command, which is not insignificant.

Mr. TALMADGE. I yield 2 minutes to the Senator from Ohio.

Mr. BUMPERS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. TALMADGE. I yield 1 minute to the Senator from Ohio and to the Senator from——

Mr. BUMPERS. I ask unanimous consent that Richard Arnold and Grace Ellen Rice of my staff be granted floor privileges.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. I make the same request with respect to Dan Grady of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I rise to indicate that I intend to support the Talmadge bill in the form in which it was reported by the Committee on Agriculture. It is beginning to look, however, as if this bill may become another Christmas tree measure by the time it is passed. If that happens, I may be forced to reconsider my position.

I am prepared to cast my vote in favor of the Talmadge bill as reported by the committee because I recognize that farmers in all parts of our country are on the edge of financial ruin. As the result of conditions beyond their control, tens of thousands of family farmers have been forced in recent years to leave the land. Farm prices are now lower in real terms than they were in 1970, but farm operating expenses have increased since that date by over 60 percent. Similarly, farm debt has escalated from $59 billion in 1970 to over $100 billion today.

I concur with the judgment of the Senator from Georgia that strong and immediate Federal action is needed in order to restore an orderly agricultural market.

Farmers must be able to plan for a future in which they can reasonably expect to get a fair return on their investments in dollars and in labor.

The vast agricultural surpluses created by almost a decade of shortsighted Federal agricultural policy must be reduced to manageable levels.

Farm income must no longer be subject to the wild fluctuations we have experienced in recent years.

And other nations of the world must realize that the temporary existence of large American surpluses is no excuse for the world's failure to move ahead aggressively to create adequate international food reserves.

This bill is a temporary expedient. It is an emergency measure, designed to cope with an extreme situation. I will support it as such, but I must say to my colleagues that I will cast my vote with the greatest reluctance.

Mr. President, I believe that there is something deeply wrong about paying American farmers not to produce. I believe it is a tragedy that our farmers are suffering as a direct result of their success in responding to the need of a still-hungry world for additional food production. It is a shame that American taxpayers must intervene to sustain the world's most efficient farm industry and that American consumers must look forward to rising food prices.

A few short years ago, in 1974, I attended the World Food Conference in Rome. That Conference, called in response to the potential disasters that confronted the world in 1972 and 1973, seemed at the time to offer the hope that a process could be set in motion to create an effective international approach to a common problem for all humanity.

But the 4 years that followed have been disappointing.

We have had 4 years of relatively good weather.

We have lost the sense of urgency that motivated the delegates who assembled in Rome in 1964.

We have made little progress and it appears that we will make little more until we are confronted once again with the specter of massive starvation.

Mr. President, the world food shortage is over, but it is only over for now. The bumper crops of the last few years represent merely short-term increases in the food supply. The 2.5-percent annual rate of growth achieved worldwide in the 1970's falls well below the 4-percent growth rate recommended by the World Food Conference.

Current world food stocks—now about 14 percent of annual consumption—are still well below the 17 to 18 percent designated by the United Nations Food and Agriculture Organization as the minimum "safe level." Current stocks are, in fact, comparable to what they were in 1972–73, when poor weather and massive crop failures in the Soviet Union caused a rapid depletion in world reserves.

In taking the steps proposed by this bill, we will remove 31 million acres of American land from production.

These steps are inevitable. They may be necessary. They are certainly sufficient to make a major, positive impact on farm income. But we must face the fact that they involve real and substantial risks for this country and for the poor of the world.

Mr. President, we must find a better way to deal with the long-term needs of our farmers and of the world. World food security cannot, I submit, be left to chance. We must move to initiate vigorous international action to provide a truly international solution to the problem of secure food supplies. And we must do so now.

I believe that we should pass this measure as reported. But I do not believe that we should stop there.

American agriculture, more than virtually any other American industry, is vitally tied to the world economy. Solutions to our agricultural problems must be considered on the international as well as on the national level.

Mr. President, I believe that our incomparable agricultural potential can and should be fully harnessed in the cause of ending hunger and malnutrition in our own country and in the world at large. The prospect that people anywhere in the world will go hungry while our farmland lies idle is unacceptable to me and, I am convinced, to the farmers of America.

Mr. President, let us take this emergency step, but let us also move to insure that we will never have to do such a thing on such a scale again.

Let us say to the world that we in America are ready and willing to do our share to meet our international responsibilities. Let us say that we are ready to take the lead in negotiating international agreements to insure that buyers who depend on the world market and farmers who produce for it will be able to enjoy a degree of protection from roller-coaster price fluctuations and alternating periods of shortages and glut.

We are responding today to an immediate emergency, but I hope that we will learn from this painful experience and do what is necessary, at home and abroad, to permit our farmers to produce to their capacity in a rational and stable market.

Mr. President, I will support the Tal-

madge bill because I know that the farmers of this country are suffering as they have not suffered in many a year. I believe that it is our duty to do something about this situation and I am convinced that the bill we have before us is a fair response. It is fair to the farmers of America and acceptable to American taxpayers and consumers as a short term solution.

But I must reiterate, Mr. President, that massive set-aside programs are not and cannot be our policy in the long run.

I call upon the President, the Secretary of Agriculture, and chairman of the Agriculture Committees of both the House and Senate to provide the leadership and the programs so that the men and women who have made the United States the food basket of the world will never again be called upon to plow under or to refrain from growing crops that could be grown to feed the hungry mouths of the world.

Mr. TALMADGE. I yield 1 minute to the Senator frrom South Dakota.

Mr. ABOUREZK. Mr. President, I would like to direct a question to the distinguished chairman of the Agriculture Committee. I think a little while ago he said that he was willing to accept the Dole amendment and the McGovern amendment and take them to conference; did I understand the Senator correctly?

Mr. TALMADGE. Yes; I said it was my feeling that the conferees on the part of the House and the White House would be willing to accept the Dole amendment.

Mr. ABOUREZK. If I might have 1 more minute——

Mr. TALMADGE. Of course, I am only speculating and speaking as one Member of the body.

Mr. ABOUREZK. Senator DOLE yields me 2 additional minutes.

I would like to say to the Senator from Georgia (Mr. TALMADGE) that I think his bill is good as far as it goes, the McGovern amendment is good as far as it goes, and the Dole amendment is good as far as it goes, but I think there are additional protections for cattlemen that ought to be put into the bill, whichever one of them we accept.

I do want to say that the American Agricultural Movement, all the farmers we have seen in Washington for several weeks now, have come here in a sincere effort to try to get something through that will mean something to prevent them from going into bankruptcy. I think it is not only in their interest and in the interest of the people who represent those farmers, but in the interest of the country in the long run, that something be done so that they do not have to come back. If we are simply going through an exercise today that will get some legislation over in the conference committee that will be dropped out in the operation of the conference committee and will never see the light of day again, I think we are doing a disservice to all these people who have worked so hard, including the fellow from South Dakota—as my colleague, GEORGE MCGOVERN, who has been talking with him, knows—Wayne Peterson left his farm, he and his wife came to Washington, and they have not even made arrangements for people to feed their cattle; and I had a farmer out there last week tell me his cattle were dropping over because they have not had any feed or water; but they are here in a desperately serious effort to get some kind of legislation so that they can go back to their farm and stay there.

I appeal to the members of the committee—I know they have put in a lot of effort, but I am pleading with them, including Senator DOLE and the other members on that side as well, not to send these farmers home just to be disappointed, but to stand by them, or in fact keep the farmers here in Washington. If you send them back home with the hope they are going to get something, and later it gets dropped out over your objection, it will not do any good, and they are going to have to drop everything and come back to Washington again.

So I am asking you that you stay in conference and talk as firmly as you can.

Mr. DOLE. Mr. President, let me say to my friend from South Dakota that that is certainly the intention of this Senator. I think the distinguished chairman of our committee joins me in the hope that, without going to conference for an unloading operation, we will come back from conference with something for the American farmer.

I happen to believe that there is a way to nail some of these proposals together to get a very good farm bill, much like the one in which the distinguished junior Senator from South Dakota wants. So I pledge right now that it is not my intent just to shove it off to conference, wave goodby to the farmers, and let them go home and be disappointed. I hope my chairman shares my view in that respect.

Mr. TALMADGE. I do.

Now, Mr. President, is the amendment of the Senator from Montana pending?

Mr. MELCHER. It is.

Mr. TALMADGE. Could we have a vote on it?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana (Mr. MELCHER).

The amendment was agreed to.

Mr. TALMADGE. Now the question is on agreeing to the McGovern amendment as modified; is that correct?

The PRESIDING OFFICER. The question is on agreeing to the McGovern amendment, as amended.

Mr. TALMADGE. I believe the distinguished Senator from Maine wanted the yeas and nays on that question.

Mr. MUSKIE. Mr. President, I would like the yeas and nays, but before I request them, I would like to make sure that there is complete understanding on the next order of business. I understand that the Dole amendment will be the next order of business. I would like to have some definite time. I do not have an analysis of the Dole amendment to present.

Mr. TALMADGE I think the Senators will be glad to give the Senator time.

Mr. MUSKIE. I will be glad to do that, and I have been asked to provide some time for other Senators as well.

Mr. TALMADGE. How much time remains on each side, Mr. President?

The PRESIDING OFFICER. The Senator from Georgia has 57 minutes.

Mr. TALMADGE. And the Senator from Kansas?

The PRESIDING OFFICER. The Senator from Kansas has 78 minutes.

Mr. DOLE. How much time does the Senator need?

Mr. MUSKIE. If I could be sure I could have up to an hour of that time, I doubt that I will use it all, but so that I can yield to other Senators. Or we can start with 45 minutes.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the distinguished Senator from Maine, the chairman of the Budget Committee, may have 45 minutes in opposition to the Dole amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. In other words, the time will not be charged to either side?

Mr. TALMADGE. Not charged to either side.

Mr. DOLE. I want to furnish the Senator all the rope I can.

Mr. TALMADGE. I could not agree more.

Mr. MUSKIE. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I yield.

Mr. MUSKIE. Earlier, I indicated that we had not had any kind of analysis, and I gave some rough figures as to the budget costs. I have now received a letter from Alice Rivlin of CBO on the budget cost question; and in order that the record may be complete, I ask unanimous consent to have this letter printed in the RECORD. It simply confirms the figures I estimated roughly in the course of the debate.

There being no objection, the estimate was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 21, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office is providing the following estimate in response to a request from the Budget Committee staff.

If H.R. 6782 were amended to authorize an additional $500 million for P.L. 480, effective October 1, 1978, and to raise for 1978 crops only: the wheat loan rate to $2.80 per bushel and the wheat target price to $3.55 per bushel; the corn loan rate to $2.25 per bushel and the corn target price $2.50 per bushel; and the cotton target price to $.60 per pound, CBO's cost estimate of March 15 would be changed as shown in the following table:

BUDGET AUTHORITY AND OUTLAYS

[By fiscal years; in millions of dollars]

	Mar. 15 CBO estimate		Possible amendment		Revised total	
	1978	1979	1978	1979	1978	1979
Budget Function 350:						1,847
New budget authority for additional set-aside	1,064	−432	−432	+2,279	641	
Authorization for increased CCC borrowing authority	10,500	0	0	0	10,500	0
Net potential budget authority impact	9,396	−6,266	0	0	9,396	−6,266
Outlays:						
Raisin promotion	1	(1)	0	0	0	0
Payments for additional set-aside	1,064	1,064	0	0	1,064	1,064
Decreased outlays for related CCC programs	0	−1,496	−423	+2,279	−423	+783
Net outlays	1,064	−432	−423	+2,279	641	1,847

[1] Less than $500,000.

This revised estimate assumes that loans and targets will revert to the levels specified in P.L. 95–113 for the 1979 and following crops.

The above costs of this amendment represent our best estimate in the brief time we had available to study the effects of H.R. 6782.

We are unable to estimate at this time, the budget effects of an additional authorization of $500 million to the P.L. 480 program. We would be able to provide further details later should you desire.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. MUSKIE. I now ask for the yeas and nays on the McGovern amendment.

Mr. DOLE. Mr. President, before the Senator does that, I ask unanimous consent that Barbara Washburn, of Senator JAVITS' staff, and Bob Cooper, of Senator BARTLETT'S staff, have the privilege of the floor during the consideration of this measure. Also Mr. Sneeden, of Senator THURMOND'S staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the McGovern amendment. as amended.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended, of the Senator from South Dakota (Mr. MCGOVERN). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Michigan (Mr. RIEGLE) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "yea."

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The result was announced—yeas 58, nays 35, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—58

Abourezk	Hart	Nelson
Allen	Hatfield,	Nunn
Anderson	Mark O.	Packwood
Baker	Hatfield,	Pearson
Bartlett	Paul G.	Randolph
Bayh	Hodges	Sarbanes
Bentsen	Hollings	Sasser
Bumpers	Huddleston	Schmitt
Burdick	Humphrey	Sparkman
Chiles	Inouye	Stafford
Church	Jackson	Stennis
Clark	Johnston	Stevens
Culver	Leahy	Stevenson
Danforth	Long	Stone
Dole	Magnuson	Talmadge
Domenici	McClure	Thurmond
Eagleton	McGovern	Tower
Eastland	Melcher	Wallop
Ford	Morgan	Young
Hansen	Moynihan	Zorinsky

NAYS—35

Bellmon	Durkin	Lugar
Biden	Garn	Mathias
Brooke	Glenn	McIntyre
Byrd,	Goldwater	Metzenbaum
Harry F., Jr.	Griffin	Muskie
Byrd, Robert C.	Hathaway	Pell
Cannon	Hayakawa	Proxmire
Case	Heinz	Ribicoff
Chafee	Helms	Roth
Cranston	Javits	Schweiker
Curtis	Kennedy	Scott
DeConcini	Laxalt	Weicker

NOT VOTING—7

Gravel	Matsunaga	Williams
Haskell	Percy	
Hatch	Riegle	

So Mr. MCGOVERN'S amendment (No. 1735) as modified and amended, was agreed to.

Mr. MCGOVERN. Madam President, I move to reconsider the vote by which the amendment was adopted.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. CRANSTON: Kathryn Files; Mr. DOMENICI: Darla West; Mr. PACKWOOD: Greg Dow; Mr. DANFORTH: Burleigh Leonard; Mr. DECONCINI: Lois Pfan; Mr. HELMS: George Dunlop; Mr. GLENN: Tom Dougherty; Mr. THURMOND: William E. Twilley; Mr. HARRY F. BYRD, JR.: Mr. John Mac Ilroy.

Mr. MUSKIE. Mr. President, I make a parliamentary inquiry related to the time schedule for today.

The time agreement that was reached last week was to the effect that the first 4 hours today would be devoted to the Talmadge bill, with the final vote at 4, and the next 4 hours to the Dole bill. Now what is happening is that the Dole bill is being offered as an amendment to the Talmadge bill, which, for me, confuses the time situation.

In addition, I wonder what it does to the order of voting. We are to vote, as I understood it, back to back at 4 o'clock. I should like to know what the situation now is.

Is that time agreement still controlling? Should we have another one? I think Senators would like to know for their own information when we can expect votes and ir. what order, because these are two very serious issues. They will have adequate debate, I am sure.

I wonder if this might not be the time, and I do not see the majority leader, to propose another unanimous-consent agreement, taking into account the new order of things here.

Mr. TALMADGE. I did not hear the Senator. I was engaged in a conversation.

Mr. MUSKIE. I wondered if it might not be well, given the fact that we are now considering these two proposals together, Dole and Talmadge, why it might not make sense to arrange a new time agreement and a new time for voting.

Mr. TALMADGE. I requested that the Senator be allotted 45 minutes.

Mr. MUSKIE. I am not complaining about that. I am not sure—we are supposed to vote on the Talmadge bill at 4, followed by the Dole bill at 4. Obviously, we are going to have a vote on Dole before 4.

Mr. TALMADGE. No; we cannot do that. The unanimous-consent agreement provides that we cannot vote on either bill prior to 4 o'clock.

Mr. MUSKIE. Even though it is offered as an amendment?

Mr. TALMADGE. If it is offered as an amendment, the amendment can be voted on, but passage of the bill cannot be voted on until 4 p.m.

Mr. MUSKIE. What was that?

Mr. DOLE. If I offer my bill as an amendment, which I am about to do, it is my understanding that the amendment can be voted on at any time.

Mr. TALMADGE. That is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. If that amendment, by some strange event, were defeated, I still have the right to offer it separately later

today. Then it would fall into the 4 o'clock agreement, because I understand this is a primary day in Illinois. We are trying to protect the Senators from that State.

Mr. MUSKIE. If that were to happen, it would be a strange reason, indeed.

Mr. DOLE. It would be very unfortunate for the American farmer, but it could happen.

Mr. MUSKIE. That is all right. The matter has been straightened out as far as I am concerned.

Mr. BUMPERS. Who has the floor, Madam President? I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. DOLE. I am happy to yield.

Mr. BUMPERS. Madam President, a parliamentary inquiry on this unanimous-consent request.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. On this unanimous-consent request on which we are, the agreement under which we are operating, how is the time divided, No. 1, on the Dole amendment, who controls it? No. 2——

Mr. TALMADGE. The Dole amendment time will be controlled by the distinguished Senator from Maine and the distinguished Senator from Kansas.

Mr. BUMPERS. Two hours on either side?

Mr. TALMADGE. Not if it is offered on the amendment, only on the bill, but by the unanimous consent I got 45 minutes allotted to the distinguished Senator from Maine and he will handle the time in opposition thereto.

Mr. BUMPERS. Second, Madam President, how much time will be given for amendments to the Dole amendment?

Mr. TALMADGE. There is no time allotted on that.

How much time remains for the distinguished Senator from Kansas and the floor manager of the bill, myself?

The PRESIDING OFFICER. There is no specific time allotted.

Mr. TALMADGE. Yes, there is, Madam President. There is a time allotment of 4 hours on the bill and to that 4 hours will be added 45 minutes to the Senator from Maine.

Will the Chair please give me the time remaining to the Senator from Kansas and the Senator from Georgia?

The PRESIDING OFFICER. The Senator from Georgia has 57 minutes. The Senator from Kansas has 72 minutes.

Mr. BUMPERS. Does this mean an amendment offered, unless the floor managers elect to yield time to offer that amendment, it would have to be voted on without debate?

The PRESIDING OFFICER. That is correct.

Mr. TALMADGE. If the Senator from Arkansas desires time, I am sure the Senator from Maine will allot him some, I am sure the Senate would allot him time.

I do not want to foreclose debate on any Senator.

Mr. MUSKIE. As I understood my discussion with the majority leader on the time agreement basically controlling this, it is all confusing by the proposal to offer the Dole amendment, it was that there would be 4 hours on Talmadge which would include time for amendments. There is no doubt about that, in my judgment.

Now, no specific time, no specific amount of time, but that was supposed to include time for amendments.

Mr. ROBERT C. BYRD. The Senator is precisely correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. MUSKIE. I do not know who will determine how much time, but I would think maybe this would be a good time to arrange for that. We are going to have a whole day. I would suggest we have half an hour on amendments.

Mr. BUMPERS. Will the Senator from Kansas yield?

Mr. DOLE. Yes.

Mr. BUMPERS. I have an additional inquiry on the agreement we are operating under now.

I understand we cannot vote before 4, but that does not mean we cannot vote at sometime after 4; is that correct?

Mr. DOLE. That is correct.

Mr. BUMPERS. So we are not under any real time constraints of the unanimous-consent request propounded for additional time, the present agreement would not prohibit that?

Mr. ROBERT C. BYRD. The Senator is correct.

But I hope the time on amendments could come out of the 4 hours, as earlier agreed, and then, if we find 4 hours does not accommodate that situation, we can adjust ourselves to it at that time.

Mr. BUMPERS. I hope the majority leader would, as he always does, monitor this because I have an amendment that I would certainly like 20 or 30 minutes on, and there may be others similarly situated.

Mr. DOLE. I have not discussed this, maybe it is something we can accommodate the Senator on.

Mr. BUMPERS. Maybe, and I will be happy to talk to the Senator on it, and the chairman of the committee, both.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. DOLE. I yield to the distinguished Senator.

Mr. ROBERT C. BYRD. Madam President, it seems to me we have a total of 8 hours here between the two bills and that Mr. DOLE is going to offer his bill as an amendment to the bill that is now pending.

It would seem to me we could merge the two allotments of 4 hours each and make a total of 8 hours. That should be sufficient for all amendments, motions, and so forth.

Mr. DOLE. The Senator from Kansas has only one reservation.

As I indicated to the Senator from Maine, if, by some misfortune, the Dole amendment should be defeated as an amendment, then I would still want the right to offer it separately because it might make a difference with some Senators on how they vote.

Mr. MUSKIE. Will the Senator yield?

Mr. DOLE. But I am very happy to take 2 hours out of the 4 and add it onto this.

Mr. ROBERT C. BYRD. That might be an answer, may I say to the Senator from Maine, take 2 hours off the bill, add it to this.

Madam President, I ask unanimous consent that the arrangement whereby 4 hours were to be allotted to the bill now pending be modified to allow 6 hours under the same conditions, to wit, that amendments, motions, and so forth, come out of that 6 hours and that on the bill by Mr. DOLE, in the event we still take up that bill, the time be limited to 2 hours under the same conditions.

Mr. MUSKIE. Who is to control the time?

The PRESIDING OFFICER. Is the Senator from Maine still to have 45 minutes in addition thereto?

Mr. ROBERT C. BYRD. Well, I would hope it would come out of the 6 hours because I think the Senator from Maine wants time and if it is allowed out of the 6 hours I would hope he would be agreeable to that, so that we do not start making exceptions.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Madam President, might I inquire of the majority leader what the constraints would be of the 4 o'clock vote then?

Mr. ROBERT C. BYRD. Well, the earlier agreement was that the vote come not before 4 o'clock.

Mr. MELCHER. So, it could occur at 6 o'clock, if need be?

Mr. ROBERT C. BYRD. It could, yes.

Mr. MELCHER. I thank the Senator.

Mr. ROBERT C. BYRD. In answer to——

Mr. MUSKIE. I suppose a vote on the Dole amendment, as against the Dole bill, the Dole amendment, I take it, could take place at the end of 6 hours, as the Senator is suggesting?

Mr. ROBERT C. BYRD. Yes; the vote on the Dole amendment would not have to wait, under the agreement, only the two final votes were to begin no earlier than 4 p.m.

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Votes on amendments could occur earlier.

Several Senators addressed the Chair.

Mr. TALMADGE. For the purpose of clarification——

Mr. HARRY F. BYRD, JR. Reserving the right to object, the Senator from Virginia has no amendments to offer to this bill, but the Senator from Virginia is concerned as to the precedent of such a unanimous-consent agreement, because, as the Senator from Virginia understands the situation, no amendments could be offered unless the managers of the bill or those in opposition were to grant time.

I think that rules out, without the con-

sent of someone else, the right of a Senator to offer an amendment.

For that reason, I would be inclined to object to this unanimous-consent request, except that goes back to the original unanimous-consent request, which contains the same provision.

So I will not object to this, but in the future I will object to any unanimous-consent request that does not permit time on an amendment.

Mr. ROBERT C. BYRD. Madam President, may I say to the Senator, this agreement in this instance does not set a precedent. I have arranged similar unanimous-consent agreements in the past. I can understand his concern. I feel sure that the Senator, if he wishes to offer an amendment, will not be shut out.

Mr. HARRY F. BYRD, JR. I have no amendment to offer.

Mr. ROBERT C. BYRD. The leadership will do everything it can to cooperate and accommodate Senators. I know the managers of the bill, Mr. DOLE and Mr. TALMADGE, will do the same.

Mr. HARRY F. BYRD, JR. I have no amendment to offer, but I do not want in a future bill another Senator not get time to offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. May I say again, this is not a precedent.

Mr. TALMADGE. Reserving the right to object, for the purpose of clarification now, I understand we have 6 hours of time on the bill to be equally divided. The original proviso was the time to be divided between the distinguished Senator from Kansas and myself. I have by unanimous consent requested, and the Senate has agreed, that the distinguished Senator from Maine have 45 minutes in opposition on the bill. How will the time be handled now in opposition to the Dole amendment and the time limitation thereon? I want to allot the time in opposition to the Senator from Maine.

Mr. ROBERT C. BYRD. That would be agreeable.

Mr. TALMADGE. How about reaching this agreement: an hour and a half on the Dole amendment, to be equally divided between the distinguished Senator from Kansas and the distinguished Senator from Maine

Mr. MUSKIE. Madam President, reserving the right to object——

Mr. TALMADGE. The time to begin as soon as he offers the amendment.

Mr. ROBERT C. BYRD. The time to come out of the 6 hours.

Mr. TALMADGE. The time to come out of the 6 hours.

Mr. MUSKIE. Reserving the right to object, when I agreed to 45 minutes, I did not expect the possibility of someone using my time to offer an amendment. Forty-five minutes would be restrictive. I may not need the full 45 minutes. If we should need additional time for an amendment in opposition——

Mr. TALMADGE. I suggest this to the majority leader, the Senator from Maine, and other interested parties: I ask unanimous consent that time on the Dole amendment be evenly divided between the distinguished Senator from Kansas and the distinguished Senator from Maine, the time not to exceed an hour and a half, and that any amendment thereto be limited to 30 minutes, to be equally divided between whoever offers the amendment and the distinguished Senator from Kansas.

Mr. ROBERT C. BYRD. Reserving the right to object, with all time to come out of the total 6 hours.

Mr. TALMADGE. All time to come out of the total 6 hours allotted on the bill.

Mr. MUSKIE. That is agreeable.

The PRESIDING OFFICER. Is there objection?

Mr. HATHAWAY. Reserving the right to object, I have two amendments of my own that might take a half-hour each. If the manager of the bill will accept them, they will take less than that—or will accept at least one of them. I do not know how the agreement which is proposed to be entered into leaves me with my amendments.

Mr. TALMADGE. I will take a look at the Senator's amendments, and I am sure the Senator from Kansas will. I assure the Senator from Maine that if he desires to offer amendments, he will have ample opportunity to do so; and if we have to request additional time, I think the Senate will authorize that.

Mr. HATHAWAY. All right.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. ROBERT C. BYRD. Madam President, I thank all Senators for their cooperation.

UP AMENDMENT NO. 1216

Mr. DOLE. Madam President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 1216.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 20, insert "TITLE I—" immediately before "ADDITIONAL".

On page 2, line 23, strike out "SEC. 2." and insert in lieu thereof "SEC. 101.".

On page 9, line 20, insert quotation marks immediately before "1978".

On page 11, line 1, strike out "average" and insert in lieu thereof "acreage".

On page 14, line 15, strike out "anl" and insert in lieu thereof "and".

On page 15, after line 23, insert the following:

TITLE II—PRICE SUPPORT FOR PRODUCERS SETTING ASIDE ACREAGE FOR THE 1978 CROPS OF WHEAT, FEED GRAINS, AND UPLAND COTTON

"SEC. 201. This title may be cited as the "Flexible Parity Act of 1978".

"SEC. 202. Effective only with respect to the 1978 crops, title I of the Agricultural Act of 1949 is amended by adding at the end thereof new sections 116 through 118 as follows:

"1978 WHEAT LOAN RATE AND TARGET PRICE

"SEC. 116. Notwithstanding any other provision of this Act—

"(a) The Secretary shall make available to producers loans and purchases on the 1978 crop of wheat at a level not less than $2.85 per bushel.

"(b) The established price for the 1978 crop of wheat shall be at a level related to the amount of cropland that the producers on a farm voluntarily elect to set aside from production. If the acreage the producers voluntarily set aside is—

"(1) 20 percent, the established price shall be $3 per bushel;

"(2) 25 percent, the established price shall be $3.25 per bushel;

"(3) 30 percent, the established price shall be $3.50 per bushel;

"(4) 35 percent, the established price shall be $4 per bushel;

"(5) 40 percent, the established price shall be $4.25 per bushel;

"(6) 45 percent, the established price shall be $4.50 per bushel;

"(7) 50 percent, the established price shall be $5.04 per bushel.

"1978 FEED GRAIN LOAN RATES AND TARGET PRICES

"SEC. 117. Notwithstanding any other provision of this Act—

"(a) The Secretary shall make available to producers loans and purchases on the 1978 crop of corn at a level not less than $2.40 per bushel.

"(b) The established price for the 1978 crop of corn shall be at a level related to the amount of cropland that the producers on a farm voluntarily elect to set aside from production. If the acreage the producers voluntarily set aside is—

"(1) 10 percent, the established price shall be $2.10 per bushel;

"(2) 20 percent, the established price shall be $2.25 per bushel;

"(3) 25 percent, the established price shall be $2.45 per bushel;

"(4) 30 percent, the established price shall be $2.65 per bushel;

"(5) 35 percent, the established price shall be $2.85 per bushel;

"(6) 40 percent, the established price shall be $3.05 per bushel;

"(7) 45 percent, the established price shall be $3.25 per bushel;

"(8) 50 percent, the established price shall be $3.45 per bushel.

"1978 UPLAND COTTON TARGET PRICE

"SEC. 118. Notwithstanding any other provision of this Act, the established price for the 1978 crop of upland cotton shall be 60 cents per pound in the case of producers who voluntarily set aside an acreage of cropland on their farm equal to 20 per centum of the acreage of upland cotton planted for harvest."

TITLE III—GRAIN RELEASE PRICES

SEC. 301. Effective for the period beginning on the date of enactment of this Act and ending one year thereafter—

(1) Section 110(b)(5) of the Agricultural Act of 1949 is amended by striking out "wheat has attained a specified level which is not less than 140 per centum nor more than 160 per centum of the then current level of price support for wheat or such appropriate level for feed grains, as determined by the Secretary" and inserting in lieu thereof "the commodity has attained a specified level which is not less than the current parity price for such commodity."

(2) Section 110(b)(6) of the Agricultural Act of 1949 is amended by striking out "is not less than 175 per centum of the then current level of price support for wheat or such appropriate level for feed grains as determined by the Secretary under this Act" and inserting in lieu thereof "is not less

than 105 per centum of the current parity price for such commodity".

SEC. 302. Effective for the period beginning on the date of enactment of this Act and ending one year thereafter, section 110(d) of the Agricultural Act of 1949 is amended by striking out "150 per centum of the then current level of price support for such commodity" and inserting in lieu thereof "the parity price for such commodity."

SEC. 303. Effective for the period beginning on the date of enactment of this Act and ending one year thereafter, the language following the third colon in the third sentence of section 407 of the Agricultural Act of 1949, as amended by section 408 of the Food and Agriculture Act of 1977, is amended by striking out "115 per centum of the current national average loan rate" and inserting in lieu thereof "the current parity price".

On page 16, line 1, insert "TITLE IV—" immediately before "INCREASE".

On page 16, line 2, strike out "SEC. 3." and insert in lieu thereof "SEC. 401.".

On page 16, line 8, insert quotation marks immediately before "$".

On page 16, line 9, insert quotation marks immediately before "$".

On page 16, line 13, insert "TITLE V—" immediately before "FARMERS".

On page 16, line 15, strike out "SEC. 4." and insert in lieu thereof "SEC. 501.".

On page 19, between lines 20 and 21, insert "TITLE VI—RAISIN MARKETING ORDERS".

On page 19, line 21, strike out "SEC. 5." and insert in lieu thereof "SEC. 601.".

Mr. DOLE. Madam President, I yield to the distinguished Senator from North Dakota.

Mr. BURDICK. Mr. President, I ask unanimous consent that Steve Petrie be allowed the privilege of the floor during the debate on the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me review what we are about to do, because other Senators have come to the Chamber.

We are now discussing the flexible parity concept. It is a concept supported by farmers all across this Nation. Its strength is that it gives the farmer the option. The farmer makes the determination as to whether he is going to set aside 20 percent or 25 percent, up to 50 percent, of his production. In return for that sacrifice or that set-aside—that decision by the farmer, there will be a determination of the amount of the target price.

I hasten to add that that is not a Government payment; that is a target price. When the Congressional Budget Office and the USDA made estimates on the cost of this bill, I am prepared to show at the appropriate time that they used the worst possible examples. They tried to make the bill cost as much as it possibly could. The worst case assumptions were used. They were using market prices, after the bill had been passed, that were even lower than the market price today.

I know one thing: If you set aside production, the market price is going to go up. It is going to cut production and raise demand, and there is going to be lots of the product there. So what happens? The market price increases. The more the market price increases, the less the deficiency payment, the less exposure to the Government.

I happen to believe that the flexible parity concept will work. I believe that the flexible parity concept has the support of Democrats and Republicans. If it will help pass the bill, I will take off my name and put on a Democrat's name. The Senator from Kansas really does not care whose name is on the bill. It seems to me that with 20-odd cosponsors, about equally divided on both sides of the aisle, there is some interest in this concept.

I hope we are not shot down because of what the USDA might estimate—if we can have the attention of the distinguished Senator from Oklahoma—and what the Congressional Budget Office might estimate as to the cost of this program. It is easy to add up a lot of figures when you are trying to make a case for or against.

I will give an example of how figures vary on this particular bill. The USDA figures for this bill for fiscal year 1978 are $3.68 billion; for fiscal year 1979, $4.7 billion. That is a total estimated cost by USDA of $8.3 billion.

The Congressional Budget Office figures are just the opposite. For fiscal 1978 there is a saving of nearly $1.1 billion, and the cost in fiscal 1970 is $3.5 billion; and they say the total cost would be $4.7 billion.

Here are two different groups estimating the cost of this program. One says $8.3 billion; the other says $4.7 billion. It seems to this Senator that if we use the right assumptions, the cost will be even less. Let me suggest what I mean.

While we are finding that, let me suggest that even with the CBO estimate, if we use the 5-year total cost for the Dole bill of $621 million and use the 5-year total cost for the Talmadge bill, it is $151 million. So we are talking about $451 million. But let us take a look at how the CBO estimated their costs. The farmers will understand this, if no one else does.

Let us take wheat, for example.

CBO assumes for wheat a target price of $3.85 per bushel.

What do they assume for a market price? $2.80 a bushel. Market price of wheat as of March 17, 1978, was $3.20, leaving a difference between target and market of 60 cents, instead of $1.

And my point is this: Certainly, if I estimate the market price at a very low cost, a very low price, you are going to have more exposure for the Government. You are going to be able to get a higher cost figure for the program.

Let us take corn, because I know the distinguished Senator from Iowa (Mr. CLARK) is interested in corn. Maybe, the distinguished Senator is not interested in the flexible parity bill, so he assumes a target price of $2.76 per bushel. He further assumes a market price of $2.40 a bushel; therefore, a deficiency payment of 36 cents a bushel.

Well, the market price of corn as of March 17, 1978, was $2.49 higher than the market price assumed by the Congressional Budget Office after the set-aside, after the program would be in effect, and that would reduce the deficiency payment as of that date to 27 cents a bushel instead of 36 cents, and I suggest that would reduce the cost.

And my point is this: The flexible parity concept is designed to give that farmer the option of setting aside production and therefore permitting the market forces to operate to lift the price and reduce the exposure to the Government.

Mr. McGOVERN. Will the Senator yield for just a moment?

Mr. DOLE. Yes.

Mr. McGOVERN. I think the Senator from Kansas is making a very valuable point here that Senators ought to take into serious consideration when they make their judgment on these programs and that is, that it is impossible to do anything more than to make an educated guess about the cost of these various farm proposals that are now pending before us.

I realize that all of us have to make some estimates, but we do not know how much land the farmers are going to set aside. We do not know what the world market prices are going to be. So whether we are talking about the Department of Agriculture's estimate or the Congressional Budget Office or some other source, we ought to recognize that these are not mathematically precise figures. They represent, at the very best, an educated guess.

Now we do have some general knowledge, rather accurate knowledge, I think, about what it costs for farmers to produce a bushel of wheat, or a bushel of corn, or a pound of cotton. What the Senator from Kansas is trying to do with his legislation, and what others have tried to do, is to see to it that the farmers get a fair price that does lower the cost of production, plus a reasonable return on investment.

So I just wanted to commend the Senator from Kansas for the point he is trying to make here and reminding us that none of these cost estimates are all that reliable. At the very best, they represent somebody's educated guess.

Mr. DOLE. I thank the distinguished Senator and my colleague.

As we are all certainly aware, I can say very honestly, when a $2 billion price tab was placed on the McGovern amendment, I stood in the well and I heard many Senators say, "What does it cost?" When Senators hear a figure of $2 billion, they vote "No."

It has a very serious impact when people walk into the well who have not listened to the debate and they see a $2 billion price tag and they vote "No." I am not certain the McGovern amendment is going to cost $2 billion. It might not cost anything.

As the Senator from Nebraska has just mentioned to me, farmers pay income tax when they make a profit.

Mr. McGOVERN. I say to the distinguished Senator, if it does cost $2 billion or if it costs three or whatever the mentioned figure is, that represents just a modest contribution toward the losses that farmers are now receiving. It means that to whatever extent these cost factors are accurate, that is the amount by which farmers are now subsidizing the rest of us.

Mr. DOLE. That is absolutely correct.

Mr. McGOVERN. By selling their product below the cost of production.

So to whatever extent the estimate moves legislation out of this Chamber this afternoon that will assure farmers a decent return on what they have to produce, we are making amends for past injustices to the farmers of this country.

When we talk about a $2 billion cost, what about the cost to this country of hundreds of thousands of farm families faced with bankruptcy. That represents a loss in revenue to the Treasury alone that runs many billions of dollars. So I think we need to look at costs from a perspective that is broader than someone's estimate of what a particular amendment is going to cost. We need to consider the larger cost to this country that we are going to face if millions of farm families go under. That will be a cost that is inestimable.

Mr. DOLE. The Senator is absolutely correct.

Before I yield to the Senator from Alabama I want to give him cotton. Those are probably the worst estimates.

The CBO assumes for cotton per pound a 60-cent target price. They figure the marketplace for 46 cents. So that will be a deficiency payment of 14 cents per pound.

Well, the facts are that as of March 17—that was yesterday—the market price was 57 cents a pound, but if you want to paint the worst possible picture you lower the market price and therefore make the deficiency payment greater and you charge up more cost to the Government.

We can all paint these dark pictures and look under rocks and find the worst case but knowing the Senator from Alabama's interest in cotton, I wanted to recite that figure before yielding.

I am happy to yield to the distinguished Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Kansas, and I commend him on the great work that he has done in trying to do something to help the American farmer. I commend him for his recognition that this is an emergency legislation and something must be done and done immediately, and I commend him for his flexible parity concept.

I do have the honor of being one of the cosponsors of the bill as introduced, but I would like to comment on the fact that the bill as it came out of the Committee on Agriculture, pretty well deprives the cotton farmer of the flexible parity concept because it sets a floor, it is true, of 60 cents a pound.

Now as to the Talmadge bill, the figure has been changed to 70 cents as the target price. The Dole amendment, which is now the amendment which came out of the Agriculture Committee, it carried forward the 60-cent target price and did not give the cotton farmer the opportunity by cutting his planted acreage to achieve parity. Now I understand the distinguished Senator from Texas (Mr. TOWER) is to offer an amendment that would restore the parity concept.

Mr. DOLE. The Senator from Texas has just entered the Chamber.

Mr. ALLEN. At the present time it would not be in order to introduce it until the time has expired on the Dole amendment.

I would like to inquire if the distinguished Senator from Kansas would support going back to the original concept of his bill as to cotton?

Mr. DOLE. The Senator from Kansas is willing to restore the concept.

As the Senator from Alabama knows, there was some resistance in the committee on the theory that we are going to devastate the cotton market and inadvertently create an incentive for manmade fibers, but again I think the concept is sound despite those who say that the farmer is going to put too much in set-aside. He does not have any return if he does that.

Mr. ALLEN. But if we do not add that concept back in as to cotton, then if we go to conference we would be frozen at the 70-cent level provided in the Talmadge bill, which achieves 70 cents only by an amendment here on the floor which raised it from 60.

Mr. TOWER. Will the Senator yield?

Mr. ALLEN. Excuse me for just a moment.

Even if we do have the parity concept that would allow by 50 cents reduction in acreage to achieve the 84 cents. If the conference committee is not willing to go along on that, they could cut it down.

But if we do not have that in here there is no way in the world under the conference committee rules that they could go up from the 70 cents; is that not correct?

Mr. DOLE. That is correct. I think that is what the Senator from Texas has in mind.

Mr. TOWER. Mr. President, if the Senator will yield, the Senator from Texas does intend to bring up his flexible support amendment as an amendment.

Mr. ALLEN. I would like to be added as a cosponsor.

Mr. TOWER. As soon as all time is yielded back.

Mr. DOLE. There are others. Senator THURMOND has an interest in that amendment as well as the Senator from Alabama.

Mr. TOWER. I have dearly noted that interest.

Mr. DOLE. May I yield to the Senator from South Carolina 7 minutes at this time?

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, first I commend the able chairman of the Committee on Agriculture (Mr. TALMADGE) for his interest in the farmers and his outstanding leadership in their behalf.

I also commend him for the bill which he introduced to provide emergency assistance to the producers of wheat, feedgrains, upland cotton, and soybeans.

However, I feel that the Flexible Parity Act introduced by the distinguished and able Senator from Kansas (Mr. DOLE) and myself and a number of other Senators is the more practical approach, because it permits the farmer to choose set-asides at target price levels that best suit his needs.

I hope the conference committee will be able to keep in the bill the Flexible Parity Act, as I think it is probably the most practical approach I have seen or that anyone has suggested.

Now, Mr. President, I am deeply concerned about the plight of the farmers. I know the situation in my State, and I think that condition prevails throughout the Nation. The farmers are up against a wall. Their very survival is at stake. They are not receiving as much for their product as it costs to produce it. I want to cite some figures from Clemson University, which is the agricultural college in South Carolina, to substantiate that fact.

Now, these are the 1978 crop production cost estimates that are made by Clemson University. Take wheat, for instance. The State average yield is 38 bushels. It costs the farmer $2.89 per bushel to produce the wheat. The market price is $2.85 per bushel. In other words, the market price will be 4 cents less, Clemson estimates, than it actually costs the farmer to produce it.

This means that instead of making a profit on wheat in my State, the farmers would lose $1.52 an acre on wheat that they produce.

Now, take corn, for instance. Clemson University estimates the State average yield as 60 bushels to the acre. The production cost is $2.66 per bushel. Today's market price is $2.25. That means a loss to the farmer of 41 cents per bushel. This is a loss of $24.60 per acre, a substantial loss.

Let us take soybeans: Clemson University estimates the average State yield is about 21 bushels to the acre. The production cost is $6.26 a bushel. The current market price is $6.30. In other words, a farmer will make a profit of only 4 cents a bushel on soybeans in 1978.

The profit per acre on soybeans will be 84 cents.

Take cotton: Clemson estimates the State average yield as 450 pounds to the acre. They estimate the cost of production at 73 cents a pound. The current market price is 52 cents a pound. Therefore, the farmer loses again. He will get 21 cents per pound less for cotton than it actually cost him to produce it. This means a loss to the farmers of my State of $94.50 per acre to grow cotton. They not only fail to make a profit, but suffer a loss instead. That is the reason why I am joining in an amendment here to raise the cotton target price.

Now, Madam President, I just want to say that no farmer can stay in business in my State with prices at today's level.

There has been talk about the budget. I do not think there has been any Member of this Senate who has stood more for economy than the Senator from South Carolina. But this is a time when we must help this segment of our population, if they are going to survive. If farmers do not survive. then the Nation will have corporation farms and the prices of farm products will go up significantly.

I think it is in the interest not only of the farmer but in the interest of the consumer and in the interest of all the American people that we take action here to help the farmer during this period of crisis.

I want to say further that some people feel the farmer is getting fair prices. He

is receiving, in many cases, less than it costs him to produce, and he cannot stay in business on that basis.

For instance, 10 years ago fertilizer was $58 per ton. Fertilizer now—and these are 1977 figures, and there has even been an increase some from that—is $120 per ton, which is an increase of 106 percent.

Ammonia was $89 per ton compared now to $182 per ton, an increase of 104 percent.

Nitrogen was $65 per ton. Now it is $300 per ton, an increase of 361 percent.

Pesticides have gone up, of course.

We will take a 110-horsepower tractor. Ten years ago it was $8,800. Today it is $21,000, an increase of 138 percent.

Fuel, diesel fuel, 10 years ago was 17 cents per gallon; today it is 45 cents per gallon, an increase of 164 percent.

Lubricating oil, 10 years ago it was $3.18 per gallon; today it is $7 per gallon, an increase of 120 percent.

Maintenance is up 300 percent in the last 10 years. A disc harrow is up 300 to 400 percent in the last 10 years. A combine, an average combine, that sold for $13,000 10 years ago today sells for $45,000, an increase of 246 percent.

Madam President, we see from these figures that what the farmer buys has gone up from 100 to 300 or 400 percent. On the other hand, what he sells is bringing practically little more. This is many times less than his cost of production.

Again I say it is a matter of survival. Do we want the farmers to survive? Do the consumers and people of America want the farmers to exist? We must have food and fiber, and I urge the Senate to take action, and take it today. Let us give relief to these farmers.

Every agency in South Carolina which has anything to do with farmers has recommended that we act on this bill. They prefer the flexible parity bill to the so-called Talmadge bill. I have a letter here from the Agriculture Commission of South Carolina. They are endorsing the flexible parity bill introduced by Senator DOLE, myself, and some other Senators.

I have a letter here signed by Robert E. Connelly, Lynn H. Youmans, and Johnny E. Kirkland representing the American agriculture movement of South Carolina.

I ask unanimous consent that these two letters, together with the attachment, be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COLUMBIA, S.C., *March 2, 1978.*

HON. STROM THURMOND,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR THURMOND: The enclosed Resolution was adopted at today's special meeting of the Agriculture Commission of South Carolina.

We respectfully request your full support of these two Bills which we feel will offer some help to many of our farmers in overcoming their current financial crisis.

Sincerely yours,

JOHN JAY JAMES,
Chairman.

RESOLUTION

Whereas, South Carolina producers of feed grains and cotton are in a state of uncertainty as to plans for planting such crops in 1978; and

Whereas, outlook for prices for such products is so low as to be unfavorable to yield a profit; and

Whereas, in order to obtain the greatest degree of freedom in planting for 1978 and to obtain 100 percent of parity or less for such products produced and to have a voluntary program; and

Whereas, proposed legislation has been introduced in the Congress of the United States which would provide "flexible" parity for producers who voluntarily agree to reduce acreage of such above crops and thereby receive up to 100% of parity, and

Whereas, such proposed legislation is contained in the Thurmond-Dole Senate Bill S. 2481 and a companion Jenrette-Sebelius House Bill H.R. 10781 merits support, provided soybeans are also included, and offers some hope for profitable production of the above crops. Now, therefore,

Be it resolved that the Agriculture Commission of South Carolina, in session March 2, 1978, urgently requests the full support of all members of our Congressional Delegation on the above proposed legislation.

Be it further resolved that the Commission requests the General Assembly to support the above proposed legislation by Resolution and such resolution be forwarded to members of the State's Congressional Delegation in the national Congress.

MARCH 21, 1978.

DEAR SENATOR THURMOND: We the farmers of South Carolina, representing the American Agriculture Movement of the great state of South Carolina, do support and urge you and your colleagues of the U.S. Senate, to support and vote for the, Flexibility Parity Act, of 1978—Number S 2481.

Sincerely,

ROBERT E. CONNELLY,
LYNN H. YOUMANS,
JOHNNY E. KIRKLAND, Jr.

Mr. THURMOND. Madam President, the South Carolina Farm Bureau also has endorsed this Flexible Parity Act. We can see that the business people of the State and the leading farm movement organizations of the State have endorsed this bill. I hope the flexible parity bill will be acted upon and will be adopted here today.

I wish to commend the able Senator from Kansas for his outstanding foresight and leadership in this matter. No man in this body has worked harder than he, and I wish to express my deep appreciation to him on behalf of our farmers.

Madam President, I ask unanimous consent that a statement I made before the Senate Committee on Agriculture, Nutrition, and Forestry be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STROM THURMOND

Mr. Chairman and members of the committee: I want to thank Chairman Herman Talmadge and Ranking Minority Member Bob Dole for this opportunity to make a statement before this committee. The farmers in my State of South Carolina are experiencing economic difficulties as is the case of farmers all over the country.

South Carolina agriculture has undergone many transitions and adjustments over the years. In the early days, South Carolina was a large producer of rice and indigo. These crops gave way to cotton and tobacco. While tobacco and cotton are still important cash crops in my State, cotton is no longer king. We have a diversified agriculture—we produce sizable acreages of soybeans, peanuts, grain, fruit and vegetable crops. Additionally, we produce beef cattle, daily products, poultry and swine. However, this diversification has not insulated our farmers from the present farm crisis. The problems of inflation have run up the cost of production on all farm commodities and products. This has left all farmers, regardless of what they produce, caught in a cost-price squeeze.

In my State we have many farm families from which one or more family members work in industry. If it were not for this supplement to their incomes from farming, they would be in deep trouble. I welcome these off farm opportunities for the people of my State, but I regret that their earnings from industry must often be used to cover losses from their farming operations.

Farm debt is one of the most accurate barometers of farm distress. Farm debt, as you know, is on the rise. Farm indebtedness increased rapidly in the past year, rising a record 16 percent. Farm debt now totals nearly $120 billion, twice as much as in 1970!

Clearly, farmers don't need more credit, they need better prices.

Four weeks ago the administration released its budget proposal for FY 1979. The budget, as you know, is the biggest ever, and it means a record deficit.

But despite the generous funding increases in many urban-oriented agencies, the budget numbers hold out very little promise for farmers and rural Americans. The total budget of the Department of Agriculture is put at $17.7 billion in 1979—$5 billion less than in 1978. This compares, for example, to the Department of Health, Education and Welfare, which is given a $17 billion increase—an increase nearly as large as the total agriculture budget!

The deepest agriculture cuts occur in the areas of soil and water conservation, rural development, and research.

Let me cite some examples:

Conservation cost-sharing under the agriculture conservation program is cut in half (from $190 million to $100 million).

The resource conservation and development program is phased out of existence.

A number of plant and animal disease control programs are cut or eliminated.

Tobacco research is eliminated.

The forestry incentives program is cut by one-third.

New watershed project starts are eliminated from the small watershed program.

These and other cuts are being proposed at precisely the time when farmers in every State in the nation need all the help they can get just to stay in business.

I support the President's goal of a balanced Federal budget. At the same time, however, I believe that budget cuts should be spread out among all agencies, and that cuts should be made in duplicative, wasteful or unnecessary programs—not in programs that are vital to the economic health and well-being of rural America.

A number of legislative initiatives have been offered by my colleagues. These initiatives range from increasing loans and target price levels to strengthening existing credit programs. The element of time is important to immediately provide farmers with needed assistance. South Carolina farmers are today planting corn. Cotton will be planted by the first of the month.

Therefore, I have cosponsored with Senator Dole and others several bills which are designed to provide this immediate relief.

The first is S. 2481, the Flexible Parity Act of 1978. This bill provides a mechanism under which farmers can collectively control production and under which each individual farmer can select a target price level and set-aside that best applies to his farm situation. Thus, the producers of wheat, feed grains, and cotton can have the opportunity to receive parity prices for their 1978 crops. (However, the bill should be amended to cover soybeans.)

A more aggressive export program for farm exports should also be launched. I do not think we should concede the grain market in the People's Republic of China to the Canadians, the Australians, and the Argentines. We should not concede the cotton, peanut, or tobacco markets of Europe and Asia to our competitors. Therefore, I have cosponsored with Senator Dole and others a second bill—S. 2483. This bill would authorize the Secretary a minimum of $1 billion additional to increase financing for exports in fiscal year 1978 under title I of the Pub. L. 480 program.

As a continuing effort to strengthen farm prices, I cosponsored with Senator Dole and others, a bill, S. 2482, that will provide an incentive to farmers to participate in the extended loan programs for wheat and feed grains by increasing the storage payment to not less than $.25 per bushel. This bill will also require the Secretary of Agriculture to lower interest charges to farmers on commodity loans to not more than the cost of money to commodity credit corporation from the U.S. Treasury.

A fourth bill which I cosponsored with Senator Dole and others, S. 2492, is aimed at providing aid to meat producers. S. 2492 will amend the Meat Import Quota Act of 1964 so that meat import quotas would be adjusted in inverse proportion to changes in per capita U.S. production of cow beef. The suggested formula would have meat imports decreasing when U.S. production of cow beef increased cyclically, and vice versa. This would help provide more stability of supplies and prices.

However, from a long term view, we need some solid thinking on a program that will provide rural America with more than a "quick fix". Therefore, I have introduced a bill, S. 2526, which would establish a bipartisan national parity farm income commission to examine and analyze the long term agricultural problems of our U.S. farmers.

This 15-member Commission shall be composed of farmers, agricultural economists, and scholars, as well as members of the Congress. It would prepare a report to the President and the Congress within one year after its establishment.

I realize, Mr. Chairman, that this legislation that I have cosponsored is not by any means the answer to all of the farmers' problems. However, I am convinced that these bills are a step in the right direction.

I would like to commend the distinguished chairman, Mr. Talmadge, on his bill to provide emergency assistance to the producers of wheat, feed grains, upland cotton, and soybeans. However, I feel that the Flexible Parity Act is a more practical approach because it permits the farmer to choose set-asides and target price levels that best suit his needs. However, if the Flexible Parity Act is not received favorably, I have joined you, Mr. Chairman, in cosponsoring S. 2690.

Mr. Chairman, again I thank you and Senator Dole for this opportunity to appear before the agriculture committee to discuss farm problems of my state and how these problems are a part of the larger national problem. I hope that this committee will be able to soon report out legislation which will be enacted into law, and when coupled with full and quick implementation will help restore prosperity to rural America and the Nation.

Mr. DOLE. Mr. President, I thank my distinguished friend from South Carolina.

Let me add, that one of the places we went for information was South Carolina.

We had hearings in South Carolina. Senator THURMOND was there and is certainly aware of the contribution the farmers made that day.

Madam President, at this point I would like to yield 7 minutes to the distinguished Senator from North Dakota (Mr. YOUNG). Before doing that, let me say particularly to the wheat farmers in America that I would guess that Senator YOUNG has had more impact on wheat legislation than anyone else who has ever been in the Senate. I think that goes without saying. He had served 33 years on the committee as of March 12, just a week ago, and all that experience has been of benefit to the farmers of America.

I am pleased that he supports this concept. It was, in fact, his concept; the target price was not the idea of the Senator from Kansas or the Senator from Georgia, it was the idea of the Senator from North Dakota (Mr. YOUNG).

Mr. YOUNG. Madam President, I deeply appreciate the comments of our colleague from Kansas (Mr. DOLE). I may have had a lot to do with wheat legislation in the past, but in more recent years the Senator from Kansas and the Senator from Georgia (Mr. TALMADGE) have had more important roles than I have had. You are doing a great job for farmers.

Madam President, I rise to support the farm price support legislation amendment sponsored by the distinguished Senator from Kansas (Mr. DOLE) and others.

I support the motion to amend the Talmadge bill by adding the Dole bill. We will have two versions in conference, but both of them have great merit. Out of it could come a better bill than either two.

The Dole bill, like all other bills dealing with farm legislation, is not perfect. It is, however, the best answer that we have right now to cope with the serious financial problems that a sizable number of our farmers are facing. Present farm prices would not be so bad if it were not for the severe inflation we have had in recent years. Only those farmers who were well-fixed and well-established before this severe inflation hit are able to stay even.

The American agriculture movement is composed mostly of young farmers who just got started when farm prices were much higher than they are now. Thus, with their huge investments, high rates of interest, and inflated cost of everything, they cannot help but be in trouble now.

It would not only be a great loss to agriculture, but to the entire Nation if these young farmers had to leave the farm. The average age of our present farmers is approaching the age when most people in other occupations are retiring. Without the young farmers to take over, we will be in serious trouble.

Many people who are unfamiliar with the problem of these farmers seem to think that they are only in the minority. I find that in North Dakota, one of the great farm States, and I think it is true in most other farm States, the majority of all farmers are in sympathy with their request for better farm prices and better price support legislation.

I note in a poll taken by weekly newspapers in North Dakota that not only the majority of farmers are sympathetic to the position taken by the American agriculture movement but other people as well. The result of this weekly newspaper poll was published by the member papers last month. This poll indicates that 74.8 percent of farmers polled and 56.6 percent of the nonfarmers polled support the objectives of the American agriculture movement.

Madam President, I ask unanimous consent to have printed in the RECORD as part of my remarks the results of this poll published by one of the member weekly newspapers, the McLean County Independent of Garrison, N. Dak.

There being no objection, the poll as published was ordered to be printed in the RECORD, as follows:

NORTH DAKOTANS SUPPORT CONCEPT OF FARM STRIKE BY MARGIN OF 2-TO-1

North Dakotans support the concept of a farm strike by a margin of better than 2-to-1, but they're not nearly so keen about continuing cattle blockades along the Canadian border.

A North Dakota Poll survey indicated that 67.0 percent support the concepts of a farm strike, but these same people would reject continuance of blockades along the border by a margin of 39.0 to 38.6 percent even though most, 51.1 percent, felt the blockades were "worthwhile."

As might be expected, farmers were more sympathetic than non-farmers to the blockade and grain freeze efforts which seemingly peaked in North Dakota last month, during the time the survey was taken by 10 community newspapers which make up the North Dakota Poll.

The folks who said they were "engaged in farming" (a total of 458) backed the farm strike concept 74.8 percent to 17.3 with 7.9 undecided. While the non-farmers (numbering 341) also said they supported that concept, the margin was only 56.6 to 32.3 percent with 11.1 undecided.

Poll respondents in the Garrison area had the same general views as North Dakotans in other parts of the state except in this area the non-farmer showed more sympathy to the blockade and grain freeze efforts.

Participating in the North Dakota Poll are 799 or about 40 percent of the 2,000 North Dakotans who were asked opinions on questionnaires mailed to them by their local community newspaper. Newspapers participating in the survey, in addition to the Independent, were the Casselton Reporter, Crosby Journal, Finley Press, Grafton Record, Harvey Herald, Kenmare News, Linton Record, New Rockford Transcript and Stanley Promoter.

Here are the questions and the results, for both North Dakota and the Garrison area:

"Farm strikes and blockades are in the news these days. How you feel is important, and we would like to know:

"Were the cattle blockades at the Canadian border worthwhile? Yes, No, Undecided.

"Should the blockades be continued? Yes, No, Undecided.

"Do you generally support the concepts of a farm strike? Yes, No, Undecided."

North Dakota

	Farmers	Nonfarmers	All
Blockades worth while?			
Yes	63.5	34.5	51.1
No	19.3	42.5	29.2
Undecided	17.2	23.0	19.7
Continue blockades?			
Yes	49.1	24.5	38.6
No	29.9	51.3	39.0
Undecided	21.0	24.2	22.4
Support concept?			
Yes	74.8	56.6	67.0
No	17.3	32.3	23.7
Undecided	7.9	11.1	9.3
Garrison			
Blockades worth while?			
Yes	65.5	45.5	58.2
No	10.4	33.3	18.7
Undecided	24.1	21.2	23.1
Continue blockades?			
Yes	52.6	33.3	45.5
No	17.6	42.4	26.7
Undecided	29.8	24.3	27.8
Support concept?			
Yes	72.4	66.7	70.3
No	13.8	27.3	18.7
Undecided	13.8	6.0	11.0

While there was strong support for demonstrations by farmers focusing attention on low farm prices, many respondents stressed "sincere hope there will be no violence." Others stressed this nation's good relations with Canada and expressed hope the blockade of cattle won't impede that relationship.

A somewhat typical reaction to the farmers' demonstrations was a comment by a reader of the Independent who wrote: "Organization to work for higher prices is alright, but . . . absolutely no violence!"

Still others thought the blockade was wrong, one man from Kenmare calling it "a Marxist concept" while another, from Stanley, wrote, "As a taxpayer, I don't condone the use of the State Highway Patrol to ride shotgun on cattle coming into the State . . ."

Some were critical of the farmers' efforts to attract attention to low prices. "Parades with 50–60 thousand dollar machines are ridiculous," wrote a Stanley man. A Casselton area resident maintained, ". . . the farms that are in trouble are the ones that have made poor business decisions in the past, buying unneeded equipment for tax credits and holding wheat and durum when they could have sold it for $5 and $8 a bushel."

Others felt that a "buyers' strike" would be more effective. "I don't believe in striking the market," wrote a Kenmare area resident, then asked, "Why not refuse to buy the $60,000 tractor or the $10,000 pickup."

Some people who penned their opinions blamed labor, government leaders and even farmers themselves for the current problem. From New Rockford came an indictment of President Carter: ". . . if Pres. Carter would keep his campaign promises, there would be no problem." But a Casselton Reporter reader laid the blame on North Dakota's congressional delegation, stating "North Dakota needs representation in Washington, and not the self-serving politicians we have now."

A reader of the Independent who said he generally didn't support "this kind of action" (blockades and grain freezes) wrote that he nonetheless felt "we have reached the place of drastic action" because "I feel American agriculture has been sold down the river by Big Labor, Big Business and Big Government."

A Stanley area resident who obviously supported efforts by farmers to raise the prices of their commodities indicated his belief that little would come of the current campaign. "There is no central organization or power structure in this farm strike or in general," he wrote, but he had a solution. "Hire a George Meany for 5–16 percent of gross sales and let him kick ass and take names and farmers would have 150 percent of parity."

Mr. YOUNG. It is interesting to note that this poll indicates there was far less support for the blockades carried out by farmers.

Madam President, the provisions of the Dole bill are workable and I cannot help but feel there would be very sizable participation by farmers. The cost of this bill may seem a little high to some people, but it is very small compared to the amount of good it will do in stabilizing farm income and in keeping the new generation of farmers from going broke. If permitted to go broke, they would have to leave their farms to seek work in our bigger cities where there is already high unemployment.

This would be a small price to pay, not only to stabilize agriculture but all the vast number of businesses associated with agriculture as well. Those who provide the goods and services to agriculture, too, are deep in debt for the credit they have extended. I cannot help but feel the Dole bill would go a long way toward stabilizing our economy in rural America. In doing so, it will also go a long way toward stabilizing the economy of the Nation as a whole.

I yield the floor.

The PRESIDING OFFICER (Mr. LEAHY). Who yields time?

Mr. DOLE. Mr. President, I thank the distinguished Senator from North Dakota.

Is the Senator from Maine prepared to use some of his time?

Mr. MUSKIE. Mr. President, at this point I yield to the distinguished Senator from Iowa (Mr. CLARK); then thereafter I will be glad to get into the issue myself. But he has a time problem, and I am happy to yield 8 minutes at this time to the distinguished Senator from Iowa.

Mr. CLARK. I thank the Senator very much. I shall try to be very brief.

Mr. President, I am very much concerned about what seems to be happening here today, and I would like to talk about that rather than the weaknesses or strengths of this particular bill or that particular amendment.

As Senator DOLE knows, I made the argument in the Agriculture Committee that I am very much afraid that his legislation would cause Federal grain price supports to go so high that it would be devastating to livestock, dairy, poultry, and so forth. But quite aside from whether that argument is valid or not, I am concerned about something rather different.

In my judgment, what is happening here today is that we are abdicating our responsibility as Senators with regard to farm legislation. We are not really facing up to the tough decisions which will be required of us if farmers are to be seriously helped.

Why so? Well, it seems to me what we are doing is saying we are going to support every increase that is presented to us. Then we can each go off this floor and out into the halls, and be patted on the back and take credit for having done everything we could to raise farm prices. We will have voted for everything—everything anybody thought of. That is a comfortable position, given the pressures that I suspect most of us are under with regard to this legislation.

But what is going to happen, now that we have the Talmadge bill, the McGovern amendment, the Allen amendment which raises target prices on cotton from 52 cents to 70 cents; we have the Melcher amendment, and now it appears we are going to have also the Dole amendment? Never mind that the Dole amendment and the Talmadge bill are mutually contradictory—how in the world we could have both of them is beyond me. But never mind that; we are going to support both. We will pass both, and add 20 more on for good measure. Everyone gets everything he wants; we can report to the farmers that we have voted for everything, everything we could think of. Nothing is voted down, and we supported it.

But where will we go with this bill when all the votes are in, and it is amended and amended and amended ad infinitum? Where is this bill going to go after 4 o'clock today, when we vote on it?

I would like to predict at this moment that it is going nowhere. I think most of us know that. It is not going any place after it is passed. No one seriously believes that this bill will be accepted in conference by the House of Representatives, or by the President, first because the Talmadge and Dole bills are mutually contradictory. How can we accept both of them?

Both bills were almost unanimously supported in the committee; I think mine was the only negative vote on the Dole bill in the committee, and I think there were no negative votes on the Talmadge bill. So all those who are going to conference are already committed to vote for both, and now the Senate is apparently going to say, "Yes, we want both"; so that is our instruction to the conference.

Now, with the conferees supporting both bills, and the Senate having passed both bills, what is the conference going to do? Remember, we are attaching this bill to the House-passed bill, so the House is not going to have a chance to debate this bill or to offer amendments. They can debate the conference report, but not this legislation. So I think it is quite clear what will happen after we get done here today: nothing. And I would like to go on record as predicting, first, that there will be no conference until sometime in April; there will not be any conference now before planting season, so there will be delay in any case, even if the bills were adopted. The corn is already in, and the wheat will be in by that time, with no opportunity really to help the farmers.

Mr. DOLE. Mr. President, will the Senator from Iowa yield?

Mr. CLARK. I will yield at the end of my statement.

I think what will happen, therefore, is we will get a conference sometime in April, which will be deadlocked in the House between the Dole and the Talmadge bill, and the other amendments, and we are going to end up with nothing. Farmers are going to be the losers. There will be no bill to help farmers this year if we send this bill with everything. Even if the conference by some miracle passes both of them, mutually contradictory, obviously the President would veto it.

That might give people a good issue to talk about back home. "We did everything we could. We voted for everything. That is the President's fault or somebody else's fault. That is the conference's report." They will blame the President.

What about the farmer? What does he get out of this exercise? He gets absolutely nothing. He may get the benefit of a good political education about how things happen and how things work, but he ends up with nothing, nothing but a kind of cruel hoax which has been played upon him. I came here dedicated to the idea of supporting the Talmadge bill. It is a modest bill. It does not cure all the problems, but it gets some land out of production and gives the proper incentive to get that land out of production. Perhaps we should add some support prices to it. I thought it had a good chance of getting out of this body, getting over into the House, being accepted, and signed by the President before the end of this week, before planting season began. We had every opportunity to help farmers with the Talmadge bill.

That is gone, once we add the Dole bill, in my judgment. That is the end of that. We all have a great issue; we have absolutely nothing for the farmer. I am prepared to yield on the Senator's time.

Mr. DOLE. If that is what the Senator wants to happen——

Mr. CLARK. It is not what the Senator wants to happen.

Mr. DOLE. What does the Senator propose?

Mr. CLARK. That we pass the Talmadge bill, which will be accepted by the House, signed by the President, and go into law before we get deeper into the planting season.

Mr. DOLE. I do not think the House will accept the Talmadge bill without some changes.

Mr. President, this is on my own time.

Certainly, this Senator is not standing on the floor and has not been going to hearings every day, including hearings in Kansas, just for exercise. I think the flexible parity concept is a novel concept that has a great deal of merit. So do other Members in this body, including members of both parties. If the Senator from Iowa does not like it, certainly that is his privilege. I detect, based on a statement I saw issued by the Senator, and a statement on the floor, that maybe it is because I am a Republican. If I were a Democrat, he would probably be embracing that bill. That is his right, to make it a political issue.

I think we have a farm issue which is much more important than politics. I share the view of the distinguished chairman of this committee that we are going to conference to get a farm bill. We do not need any political issues. There is enough time for that later.

Mr. CLARK. If the Senator from Maine will yield 1 additional minute, I do not think it has anything to do with partisanship or where the committee stands. Everybody is supporting all the amendments. It is not a question of that. It is a question, it seems to me, of whether we are going to help farmers. The fact is I would be happy to hear the Senator address himself to whether he really thinks we are going to leave here this afternoon, the conference is going to meet, and the conference will adopt the Talmadge and Dole proposals, and all these other proposals and send them to the President. If the Senator is prepared to say that is what will happen, I am willing to consider it.

I would like to know how we will have both the Talmadge and the Dole bills at the same time. Having resolved that problem, it seems to me the central question is what are we going to do for the farmers, and not just to talk about it. What will come out of this? I see nothing coming out of it.

Mr. DOLE. The Senator has been here a long time and has made a number of contributions to agriculture. I remember the last conference we had he did not think much would come out of that. The point is that we are going to conference with a couple of concepts which we hope can be forged into a stronger instrument for rural America. If the Senator has already given up—I have not—if he has given up on the Senate floor, that is one thing. I am determined. These concepts are not mutually contradictory, as we will explain later on. I will say to the Senator from Iowa I will join him. He will probably be a conferee, and that will be our responsibility. We cannot predict what the House may do.

I share his view that if it is an exercise in futility it is certainly a blow to the American farmer. I do not see it that way. I hope, in cooperation with the Senator from Iowa and others, it will not be that way. I say that as a compliment to the Senator from Iowa since I know of his interest in the bill.

Mr. BELLMON. Will the Senator yield?

Mr. DOLE. I was going to yield to the Senator from Maine.

Mr. MUSKIE. Does the Senator want some time?

Mr. BELLMON. I would like to have 5 minutes.

Mr. MUSKIE. Mr. President, I yield 5 minutes.

Mr. BELLMON. Is the Dole amendment the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BELLMON. Are amendments to the Dole amendment in order?

The PRESIDING OFFICER. Not until the expiration of the time, except by unanimous consent.

Mr. BELLMON. Mr. President, I ask unanimous consent that I may be allowed to offer two amendments which I believe are noncontroversial.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. DOLE. Reserving the right to object——

Mr. HODGES. Mr. President——

The PRESIDING OFFICER. The Senator from Kansas reserves the right to object.

Mr. HODGES. Mr. President, I also reserve the right to object until I find out what the amendments are.

Mr. BELLMON. I would be glad to have the amendments read, Mr. President.

Mr. President, I withdraw the request.

The PRESIDING OFFICER (Mr. MELCHER). The request is withdrawn.

Mr. BELLMON. I would like to ask the Senator from Kansas to enlighten the Senator from Oklahoma. I am a coauthor of the Talmadge bill. I agree very much with what Senator CLARK has said, that we have to do something to help the farmers now and not get caught up in a legislative hassle which will keep us tied up until well into the summer.

I would like to ask the Senator from Kansas to tell me the effect of his amendment to the Talmadge amendment on a typical Kansas farm. Let us say this farm has 1,000 acres of cultivated land. Under the present law, if the farmer wishes to participate, he will be required to set aside 167 acres. Does the Senator agree?

Mr. DOLE. Yes.

Mr. BELLMON. Under the Talmadge amendment, we do not know how much the set-aside would be because the amendment simply requires that the Secretary try to get 15 million acres of wheatland retired in the country. So I do not think we know what the situation would be on any individual farm if the Talmadge bill passed. What about the Dole amendment? How much set-aside would that farmer have to make under the Dole amendment if he chose to qualify for full parity?

Mr. DOLE. It is estimated that the base would be about 35 percent.

Mr. BELLMON. I am talking about one farmer, one farmer who wants to get full parity for his production and he has 1,000 acres of cropland.

Mr. DOLE. 311 acres.

Mr. BELLMON. That is not in addition to the 167 acres under present law. That is the total set-aside?

Mr. DOLE. No. That is in addition.

Mr. BELLMON. What is the total set-aside?

Mr. DOLE. Excuse me. It includes the 167.

Mr. BELLMON. So the farmer would have a set-aside of 311 acres total; right?

Mr. DOLE. Right.

Mr. BELLMON. What would be the situation under the Talmadge bill as amended by Dole? What would that farmer do?

Mr. DOLE. I assume he would probably make an election. If both bills passed, the farmer would elect whether to participate in accordance with the flexible parity schedule, or accept 20 percent set-aside on wheat and 10 percent set-aside on corn under the Talmadge land diversion program.

Mr. BELLMON. Let me inquire. The farmer has 1,000 acres of cropland. The Talmadge bill, as amended by Dole, is now law. The farmer needs to know what to do right away because the crops are rapidly reaching maturity. How much does he set aside? What is his best course of action under the Talmadge bill, as amended by Dole?

Mr. DOLE. To see where he would make the most profit?

Mr. BELLMON. That is right. What is in his best economic interest?

Mr. DOLE. I assume that would be determined by each individual farmer on what he wanted to do.

Mr. BELLMON. I am talking about one individual farmer who has 1,000 acres of cropland. What is his best course of action under the bill we are considering?

Mr. DOLE. Do I know his cost of production?

Mr. BELLMON. I do not see that has any relevance.

Mr. DOLE. I think it would have some relevance.

Mr. BELLMON. His crop is already planted and in the ground, in the southern wheat belt.

Mr. DOLE. If the Senator will give me the facts——

Mr. BELLMON. I am giving the facts. He has 1,000 acres of cultivated land.

Mr. DOLE. If the Senator will give us a little time, we will give an answer.

Mr. BELLMON. I am trying to give the Senator the facts.

Mr. DOLE. The point is, Mr. President, and I would like to have the Senator's attention, I do not think anybody knows what the impact of this legislation is on an individual farm.

Mr. BELLMON. We are passing or are about to pass legislation here on which I do not believe the good Lord himself knows what would be the best course of action for any producer.

Mr. DOLE. I think we have some information, I say to the distinguished Senator, which I shall have available to discuss in a few moments.

Mr. BELLMON. I shall be glad to come back, then. Let us go to another point.

What would be the amount of payment that this farmer with 1,000 acres of wheatland would qualify for under Talmadge as modified by Dole?

Mr. DOLE. That would depend on Congress. I have a payment limit and there is no payment limit in the Talmadge bill.

Mr. BELLMON. We cannot guess what Congress is going to do. We have to look at the legislation before the Senate. I think we need to know what the impact on any single farmer would be. This one I have chosen is a fairly typical 1,000-acre size operation.

Also, if the Senator from Kansas would do so, I would like to know what the projections are as to what the production of wheat in the country under this proposal would be. I think he would agree, we do not want to run the country out of wheat. I am concerned that, if we pass this double-barreled bill, will it be so attractive to farmers to idle land that they will simply idle so much land that we will run short?

We now have around 1,002 million bushels. Could he also give the Senate figures on what the expected production, nationwide, would be, under Talmadge as amended by Dole?

We do not want to cut it so much that there is not enough production to go around.

If the Senator does not have the information, I shall be glad to wait.

Mr. DOLE. Right. They are trying to dig it out here, but we shall provide it.

I think what the Senator is asking is a figure that we do not have; that is, if both bills should become law.

Mr. BELLMON. Mr. President, I shall yield the floor. I hope to get the information from the Senator later on.

Mr. DOLE. We have analysis by the Congressional Budget Office dated March 19.

Mr. BELLMON. What does the analysis show?

Mr. DOLE. According to the Budget Office, it shows that if both programs are fully implemented and H.R. 6782 is administered so as to meet the acreage objectives in the bill, acreage and production would be reduced beyond that estimated for either bill alone. Using CBO's current assumptions on set-aside participation with S. 2481, wheat production would be likely to be around 1.1 billion bushels. However, if all farmers chose both the 50 percent set-aside under S. 2481, and an additional 15 million acres were bid out of production, production could be as low as 700 million bushels, slightly more than domestic consumption. That is the CBO estimate.

They cannot choose both. They have to make an election.

Mr. BELLMON. I hope we can get the facts before we vote on this legislation.

Mr. DOLE. Right. I agree with the Senator from Oklahoma. I do not accept everything that comes out of the Congressional Budget Office as fact.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

I thought the Senate might like to know the perception that some people outside this Chamber have of what goes on here. I just read in the press that my ACA rating—that is the rating by the Americans for Constitutional Action—was 13 percent last year. I stood on this floor in the last 3 years, opposing and voting against proposals that will breach the budget, and people in this body have voted to breach the budget who have a much better ACA rating than I do. I am a little curious as to what it is all about. So as sort of an exercise in amusement, I have prepared a table here that I might call the Muskie Rating System.

Last year, there were 11 key votes involving the first budget resolution. The Budget Committee lost 8 of those 11 here, in the Senate. I ask unanimous consent that the table indicating those votes be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF THE RECORDS OF SENATE REPUBLICANS AND DEMOCRATS ON THE 11 KEY VOTES

[C=votes consistent with the First Budget Resolution; N=votes not consistent with the Resolution]

vote	Democrat (C–N)	Republican (C–N)	Democrat (percent C)	Republican (percent C)	Vote	Democrat (C–N)	Republican (C–N)	Democrat (percent C)	Republican (percent C)
1—Increase Ag Outlays	16–40	11–24	28.6	31.4	7—Recommit Social Security Bill	12–43	24–11	21.[illegible]	68.6
2—Table Tuition Tax Credit	22–32	3–27	40.7	10.0	8—Add Tuition Tax Credit	10–36	1–25	21.7	3.8
3—Increase SBA Loans	6–52	7–30	10.3	18.9	9—Extend Unemployment Benefits	27–19	16–10	58.7	61.5
4—Add Energy Tax Credit for the Elderly	1–55	1–33	1.8	2.9	10—Increase Corn Target Price	38–18	31–7	67.8	81.6
5—Cut Inter-city Bus Tax Credit	26–28	17–14	48.1	54.8	11—Reduce Ag Target Price	28–30	18–20	48.3	47.4
6—Table Residential Energy Tax Credit	13–35	14–13	27.1	51.9					

Mr. MUSKIE. I have another table to accompany that. We have analyzed the votes of every Senator with respect to those 11 key votes. Anybody looking over this list will quickly note that a substantial majority of Senators voted against the budget resolution more often than they voted for it. There are two notable exceptions, Senator BELLMON and myself.

I ask unanimous consent that that table, without the names of Senators, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The following table sets forth the stances taken by individual Senators on key votes challenging Senate-established budget targets.

C=vote cast was a position consistent with the First Budget Resolution.

N=vote cast was position not consistent with the First Budget Resolution.

'=no vote was cast, but senator was paired on the side indicated.

"=no vote was cast, but senator announced for the side indicated.

1	2	3	4	5	6	7	8	9	10	11	C-N
N	___	___	___	C	N	C	C	N	N	N	2-5
N	N	N	N	N	___	C	N	C	C	N	3-7
N	C	N	N	N	___	N	N	N	N	N	1-9
N	N	N	N	N	N	N	N	C	N	N	1-10
N	N	C	N	C	C	C	___	___	C	N	5-4
N	N	N	N	C	___	N	N	N	N	N	1-9
N	C	C	C	C	C	C	C	C	C	C	10-1
N	N	C	N	N	C	N	___	___	N	N	2-7
___	N	N	N	C	N	C	N'	___	C	C	4-5
___	N	N	N"	C	N	C	___	___	C	C	4-4
N	C	N	N	___	C	___	N	C	___	C	4-4
N	N	N	N	N	N	N	N	C	N	N	1-10
C	N	C	N	C	N	N	N	C	C	C	6-5
N	C	N	N	N	N	N	N	C	C	C	4-7
C	C	N	N	N	N	N	___	___	C	C	4-5
C	N	N	N	N	N	C	N	N	C	C	4-7
C	N	C	N	___	N	C	N	N	C	C	5-5
C	C	N	N	C	C	C	C	C	C	C	9-2
N	N	N	N	C	C	C	N	C	___	___	4-5
N	C	N	N	C	N	N"	C	N	N	C	4-7
N	C	N	N	C	N	N	C	N	C	N	4-7
N	C	N	N	C	N	___	C	N	N	C	4-6
N	N	N	N	N	C	N	N	C	N	N	2-9
N	N	N	N	C	N	C	N	N	C	C	4-7
C	N	N	N	C	N	C	___	___	C	C	5-4
N	N	N	N	N	C	N	N	N	N	N	1-10
N	N	N	N	N'	___	C	N	C	N	N	2-8
C	N	C	N	C	N	N	N	C	C	C	6-5
N	N	N	N	N	N	C	N	C	N	N	2-9
N	N	N	N	N	N	N	___	___	C	N	1-8
N	N	N	N	N	N	N	N	C	C	N	2-9
C	N	C	N	C	___	C	N	C	C	C	7-3
N	___	N	N	C	C	N	C	C	C	C	6-4
C	N	C	___	___	___	C	___	___	C	N	4-2
N	N	N	N	N	___	N	N	N	___	___	0-8
N	N	C	N	___	___	C	N	N	C	C	4-5
N	N	N	N	N	C	N	N	C	C	N	3-8
N	C	N	N	C	C	N	C	C	N	N	5-6
N	N	N	N	C	___	N	N	N	N	N	1-9
N	N	N	N	C	___	C	___	___	C	C	4-4
N"	N"	N	N	C	___	C	N"	N'	C	N	3-7
C	___	N	___	C	N	N	N	N	C	C	4-5
N	N	N	N	C'	___	C	___	___	C	C	4-4
C	N	N	N	C	N	C	N	N	C	C	5-6
C	N	N	N	N	C	C	N"	C'	C	N	5-6
C	N	N	N	C	C	N	N	C	C	N	6-5
___	C	N	N	___	N	N	___	___	C	N	2-5
N"	C"	N"	N"	N	N"	N	N"	N"	N	N	1-10
N	C	N	N	N	___	___	N	C	C	N	3-6
N	N	N	N	C	N	N	N	N	C	N	2-9
C	C	N	N	C	N	N	N	N	C	C	5-6
C	N	N	N	N	N	N	___	___	C	C	3-6
C	C	N	N	C	N	N	C	N	___	N	4-6
N	N	N	N	C	C	N	N	C	C	N	4-7
N	N	N	N	N	C	N	N	N	C	C	2-9
N	N	N	N	N	N	N	N	C	C	N	2-9
N	___	C	N	C	C	C	N	C	N	N	5-5
N	C	N	N	N	N	N	N	N	C	N	2-9
C	___	N	N	N	N	N	N	N	C	C	3-7
N	C	N	N	N	N	N	N	C	N	N	2-9
___	___	N	N	N	C	C	N	C	C	N	4-5
N	___	N	___	___	___	N	N	C	N	N	1-6
C	N	C	N	N	N	N	N	C	C	C	5-6
N	N	N	N	N	N	N	N	C	N	N	1-10
N"	C	___	N	___	___	C	C'	___	N	N	3-4
C	N	N	N	C	C	N	N	C	C	C	6-5
N	C	N	N	C	C	C	C'	C'	C	C	8-3
___	N	N	N	___	N	N	N	N	C	C	2-7
C	C	C	___	___	___	C'	___	___	C	C	6-9
N	C	N	N	C	C	N	N	N	C	N	4-7
N	C	N	N	N	___	N	N	C	C	C	4-6
N	___	N	N	C	N	C	N	C	C	N	4-6
N	C	N	___	___	C	___	___	___	N	N	2-4
C	___	N	N	N	N	N	C	N	C	C	4-6
N	N	___	N	C	N	N	___	___	C	C	3-5
C	N	C	C	C	N	N	N	C	C	C	8-3
N	N	N	N	N	N	N	N	C	C	C	3-8
C	N	N	N	N	N	N	N'	N'	C	C	3-8
N	N	N	N	C	N	N	N	N	N	N"	1-10
C	N	N	N	N	C	C	N	C	C	C	6-5
N	C	N	N	___	N	N	N	N	C	C	3-7
N	N	N	N	N	C	C	N'	___	___	C	3-6
N	___	N	N	N	C	___	N	C	C	N	3-6
C	N	N	N	C	N	C	N	N	C	C	5-6
C	N	N	N	C	___	___	___	___	C	C	4-3
N	N	N	N	C	___	N'	___	___	C	N	2-6
N	N	N	N	N	___	N	N	N	C	C	2-8
N	C	N	N	N	N	N	C	C	C	N	4-7
N	N	N	N	N	___	C	N"	___	C	N	2-7
N	___	N	N	C	___	C	N	C	N	C	4-5
N	N	N	N	N	N	N	C	C	C	N	3-8
N	N	N	N	N	N	N	N	C	C	N	2-9
N	N	N	N	C	N	N	N	C	C	N	3-8
N	N	N	N	N	C	C	N	C	N	N	3-8
N	___	N	N	N	C	C	N	C	C	N	4-6
N	N	N	N	C	N	C	___	___	C	C	4-5
C	C	N	N	N	N	N	N	N	C	C	4-7
N	___	N	___	___	___	___	N	N	C	N	2-5
N	N	N	N	C	C	N	N	___	N	N	2-8

Mr. MUSKIE. I shall strike the names of Senators so that Members may look at this survey dispassionately. If they can identify their own place in the table, that is fine. If not, we shall be glad to supply them with the information.

Why do I refer to this sort of thing? Mr. President, frankly, I think we set something in motion last year and we are adding momentum to that motion here today, that can destroy the budget process. If all we need to breach our own targets is a constituency out in the country, there are plenty of them: In the field of education, the field of health, the senior citizens, veterans—you all know who they are. We can set the example for them here in the way we do this—and there is no doubt in my mind what we are going to do this afternoon—we are going to vote for this package of unanalyzed, undigested, inconsistent proposals, for only one reason. We all know what the reason is.

Do you not suppose that other constituencies are watching? Or, if they are not watching, that they will not quickly learn how to do it for themselves? Do we think this is the only budget function that is vulnerable to that kind of pressure? If you do, you are more naive than a U.S. Senator ought to be.

I told the Senate earlier this morning that the deficit for 1979, if we are to look only to the recommendations of the Appropriations Committee and the Committee on Finance, is going to be $80 billion in 1979, and that does not include this legislation. The Budget Committee has already lost 1 vote today to add to the 11 last year. Now it is 12 votes, of which we have lost 9. We are going to lose at least 2 more this afternoon, so it will be 11 out of 14. As we build up momentum behind our notion that whenever—whenever—there is a loud enough voice and an urgent enough problem raised back home, we are going to breach the budget, the budget process is gone.

I would have supported Talmadge. I was prepared to support Talmadge even though it involved some budget problems.

One of the reasons was that the administration already has the authority to do what Talmadge would do. So we have provided the authority, the budget problems would have been procedural rather than substantive, in my judgment, and I think the problem the farmers face is urgent enough to justify that kind of action.

But now we are adding things we do not even have time to properly analyze.

I listened to the Senator from Kansas complaining about the CBO estimates. We created CBO, this Congress. For what reason? To give us our own analytical arm. We did not want to trust OMB. We did not want to trust the agencies downtown. We created our own.

What does the Senator from Kansas propose? That we brush CBO aside and create another independent arm of some kind.

I ask the Senator which is worse, to put estimates on the basis of the worst case or to put estimates on the basis of the best case?

The Senator is inclined to use the best case, the case that minimizes budget impact, the case that minimizes costs, and he says that CBO is biased the other way.

The second point I would make to the Senator from Kansas is, how in heaven's name—how in heaven's name—does he evaluate either the budget cost or the inflation cost of this three-headed monster? We have Talmadge, we have Dole, we have McGovern.

The Senator from Kansas was using the cost estimates of Dole standing alone. Well, I have some of those, but I do not regard mine as being relevant to this new package, and I am surprised if the Senator from Kansas thinks his are relevant to the new package.

The fact is that we do not have the facts on what this new package is going to cost. We do not have the facts on what its impact on inflation will be. We do not have the facts on what possible shortages may be stimulated by an overgenerous stimulus to farmers to withdraw land from production.

We do not know.

I do not care what the Senator from Kansas' estimates are on his bill. They are not relevant to this new package, and he knows it as well as I do.

There is not a Senator on this floor, including the chairman of the Budget Committee, who can tell any Senator who may inquire, "What is this going to cost, Mr. Chairman? What is the inflation impact going to be, Mr. Chairman? Will this result in too little production? Will it put us in a position to respond economically to a crop shortage this year, if it should happen?

If that should happen, as it did following 1972, what will happen to prices? How will that impact on cattle producers? We do not know.

So, out of the emotion of this emergency, we are going to do something without adequate information. Are we going to build up expectations of the farmers as to what we are doing for them? Are we going to mislead consumers about what we may be doing to them? Are we going to have an impact upon our potential agricultural exports upon which we depend for much of our foreign exchange earnings to pay for our oil? We do not know.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Two more minutes.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Should we not know things like that, I ask my colleagues, before we embark upon policy making of this quality?

The budget process is something more than holding a ceiling on costs. The budget process is supposed to provide us with information. I cannot see any hunger for information on the floor of the Senate this afternoon.

Mr. President, I am going to discuss estimates with respect to the Dole bill as it was, not because I think that is the kind of information we ought to have, but because it is the only information we do have. We ought to have better, and we ought to wait until we have better information. But no, we are not going to.

The troops are there. The vote was 58-to-31. I doubt that it changes much. So the 58, having the votes, have the power. Because they have the power they are able to say that they are right and that we are wrong. As a matter of fact, we may be a little annoying because we raise these questions.

But I have raised them not just to agriculture programs, may I say to my good farm friends in the galleries, I have raised them all across the budget because I was charged 4 years ago to try to implement a system for disciplining the way in which we pay out taxpayers' dollars.

I do not seem to have much company this morning.

The Muskie survey is now in the RECORD. It will make interesting reading for a number of people.

May I say to the press, I will not supply the names of Senators.

Mr. DOLE. Will the Senator give mine?

The PRESIDING OFFICER. The 2 minutes have expired.

Mr. MUSKIE. Mr. President, I will reserve the remainder of my time, for the time being, because I do want to go elsewhere, and discuss this with the Senator from Kansas, if there is some way we could.

Mr. DOLE. The Senator from Nebraska is willing to proceed for 10 minutes at this point. Would that give the Senator enough time?

Mr. MUSKIE. That will be convenient. I will come back at that time and we can continue the debate.

Mr. CURTIS. I thank the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, I am sure that by the time I use my 10 minutes, our beloved friend from Maine will think of something else to say. [Laughter.]

Mr. President, he is a very much loved Senator. He is honest. He speaks with conviction, and he is forceful. But, Mr. President, on the issue of the budget he is totally wrong.

Under his leadership as chairman of the Budget Committee, this country is headed further and further into debt, into larger and larger deficits.

What is it that is weighting the country down? It is the welfare state.

What is our Budget Committee doing about that under the leadership of the distinguished chairman? Nothing.

Take the budget for the Department of Agriculture in round figures. It is $14 billion. Who gets $9 billion of it? Welfare programs. Food stamps and related items.

I stood on this floor and offered amendment after amendment to take out the abuses of the food stamp program. The distinguished chairman of the Budget Committee opposed every one of them.

I am glad to say that not all the members of the Budget Committee did. The distinguished chairman of the Agriculture Committee supported amendments that would do what every American knows ought to be done—reduce the food stamp program.

Has the chairman of the Budget Committee ever come on this floor and asked us to do something about the $9 billion in welfare programs in the Agriculture Budget? No.

Mr. MUSKIE. Will the Senator yield?

Mr. CURTIS. I will yield when I finish my statement.

Mr. MUSKIE. The Senator should review the record to find that, with respect to administration of the food stamp program, the Budget Committee did, indeed, urge the committee of jurisdiction, of which the Senator, I think, is a member, to reform the administration of the program to reduce the cost.

Second, the authorizing legislation originates not in the Budget Committee, which is not a legislative committee, but in the committee of which the Senator is a member. We cannot rewrite legislation. The best we can do is report to the Senate the budgetary consequences of the law as it is.

Mr. CURTIS. The Senator declines to yield further. I have only 10 minutes.

Mr. MUSKIE. The Senator referred to my name.

Mr. CURTIS. I am going to refer to him again. I am very respectfully going to refer to him again.

I stood on this floor and offered 10 amendments to reduce the food stamp program, and the Senator from Maine voted against every one. We do not have that many hungry people in the country. That program can be reduced.

The committee can recommend, but the final action is taken on the Senate floor, and the chairman of the Budget Committee has opposed those amendments.

Where is our money going? Not for national defense, not for the necessary functions of Government. That is what it is costing us to provide, not to govern. These programs are costing us, this year: food, $8,955 billion; housing, $6.8 billion; education, $19.6 billion; assistance to local and State governments, $81.17 billion; medical health programs, $56 billion; unemployment compensation, $10.6 billion; retirement and disability, $122.4 billion; the Panama Canal, $6 billion.

Now, what is the record? Well, if the Director of the Congressional Budget Office does not speak for the distinguished Senator from Maine, for whom does she speak? This is what she was quoted as saying in the press last December. Miss Alice Rivlin has been quoted by the press as favoring increased expenditures and increased tax reduction, which would mean an increased deficit. The press states that her reason is to spur the economy. That is the voice of the chairman of the Budget Committee, favoring increased deficits to spur the economy.

Mr. President, the Secretary of HEW has a proposal to expand the welfare program. It is going to cost between $14 billion and $17 billion. The administration has start-up money in the budget. I challenge the chairman of the Budget Committee to oppose that. Time will tell.

The administration advocates national health insurance. It will cost $75 billion. We have now a medical care program for the aged. We have one for the poor. So they come in and say, "Let's have a program for people who are neither poor nor aged." It is in the administration's program. I challenge the chairman of the Budget Committee to oppose it. Time will tell.

Mr. President, nobody knows what the Humphrey-Hawkins bill will cost, but it will cost plenty. If I were to make a guess, I would guess it would cost between $25 billion and $30 billion. I challenge the chairman of the Budget Committee to oppose it.

Mr. President, this idea of picking on a small minority in our population, the farmers, knowing that out of 100 people, all 100 consume food but maybe 4 or 5 produce it—to pick out those 4 or 5 and club them and club them and club them, year after year, under a pretext of balancing the budget, is ridiculous. That does not constitute the big items in the budget.

The administration brought in here an energy program. We built a great bureaucracy. It is costing $10 billion a year—more money than the profit of all the oil companies in the United States—and it has not produced a pint of new oil. There is not a line in this program to increase production at all. Mr. President, what is the record of the distinguished chairman of the Budget Committee on that $10 billion erection of a huge bureaucracy that produces no oil?

They have what they call countercyclical revenue sharing. Revenue sharing is a scheme whereby we give money to other politicians to spend, which they will not collect themselves in taxes. To speed that up, it is going to cost nearly $6 billion. Not only does the distinguished chairman of the Budget Committee support that; I think he thought it up. It is sort of his proposal.

Oh, it is easy to pick on a small minority of people who produce the food, who supply the only bright spot we have in exports, and club them over the head and pick out the worst assumptions you can to make a picture look bad.

Mr. President, when is the Budget Committee going to get on the side of the taxpayers and attack the cause of big government? It is the welfare state. It is providing for people, not governing.

I mentioned the food stamp program earlier. It is around $6 billion.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. May I have 2 minutes?

Mr. DOLE. I yield 2 minutes to the Senator.

Mr. CURTIS. I had some amendments that I offered to the Committee on Agriculture. I offered them on the floor. I sort of believed this talk that the Budget Committee wanted to balance the budget. I was shocked and disappointed to find here that they were opposed to any reduction.

Also, something needs to be said about the way these figures are arrived at. When they make a commodity loan—they make somebody a corn loan, they count that as an expenditure. Most of those are paid back. If they are not, the Government takes possession of the corn, and the Government gets something out of the corn; so the actual budget loss is what they lose on that, not the original amount of the loan. That is a

mistake in our budget. I would not vouch for all the things in this bill, not at all.

I made a motion in the Agriculture Committee in reference to wheat and feed grains, to raise the target price and the loan price by 50 cents a bushel across the board. My motions failed, but a couple of days later we adopted similar provisions.

I received a call from my State of Nebraska that pointed out that there was no money on Main Street because no one had any to spend.

The PRESIDING OFFICER. The 2 minutes of the Senator have expired.

Mr. DOLE. I yield the Senator 1 minute.

Mr. CURTIS. I received a report from a supplier of feed, fertilizer, seed, and the like. He had $300,000 on his books and he could not collect it, so he could not extend more credit to the farmers, and he could not buy any more.

I realize that commodity loans are not a solution to the farm program, but in this year we provided, for 1 year, to do something about this very problem; and the fact that loan rates will be raised will help every situation on every farm.

Mr. President, if I have said anything unkind about the distinguished chairman of the Budget Committee, about him personally, I point out that he is a man of excellent character and good intentions, but he needs to get on the right track with respect to budget matters. It is the welfare state that is breaking the country. The welfare programs in the Department of Agriculture are getting the lion's share of the money—$9 billion out of $14 billion.

I come from a rural State, and I resent the attacks upon a small minority that, in many respects, stand as individuals and are not organized because of the great diversity and the great geographical area involved.

I thank the distinguished Senator for yielding.

Mr. DOLE. I thank the distinguished Senator from Nebraska and yield 5 minutes on the bill to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Kansas for yielding.

Mr. President, I support the concept of the original bill, because it did extend the concept of flexible parity to all commodities covered by the bill, including cotton. As the bill came out of the Agriculture Committee in effect cotton was deprived of the flexible parity concept and the target price of cotton was frozen in at 60 cents.

Now the Tower amendment, of which I am a cosponsor along with a number of other Senators, restores to the Dole amendment, because the Dole amendment has the same provision as the Dole bill as it came out of the Agriculture Committee, the flexible parity concept to cotton, and I see no reason why cotton should not have the same flexible parity that other commodities have.

Mr. President, just last week as I drove to work one morning, I heard a radio interview with one of the American agriculture movement representatives. In response to a question as to how he was received by the officials at USDA he replied:

> They listen but do not hear, they talk but don't say anything about immediate solutions to our problems.

I believe that the flexible parity concept will provide some immediate relief. I think it will result in a substantial rise in the market price on the commodity exchanges for various commodities and certainly when the 1978 crop comes in the farmers would be guaranteed the price for their commodities that the amount of their set-aside entitled them to.

Mr. President, we in the U.S. Senate have been listening and talking now for more than 2 months to our farmers who have so clearly presented to us their serious problems. Now it is time for action by this body. The united voices of the farmers have reached a crescendo and with one voice they have told us they want parity not charity; the ability to profit within the marketplace not Government subsidy. They should be given that chance.

Thirty-four years ago our late President, Franklin Delano Roosevelt, in his state of the Union message, outlined what he called "The Economic Bill of Rights." Appropriately enough, one of the rights espoused was "The right of every farmer to raise and sell his products at a rate which will give him and his family a decent living." Farmers are as much entitled to that right in 1978 as they were in 1944.

Our farmers have been caught in a terrible cost-price squeeze. The cost of production has more than doubled while prices paid to farmers for their commodities have steadily declined over the last year. Farmers are deeper in debt today than ever before and farm income has declined from $30 billion in 1973 to an estimated $19 billion in 1978. The value of farmland has taken a downward turn and exports are off. Yet this Nation's 2.8 million farms still provide jobs for about 4.4 million people, including the principal operator, working family members, and hired hands. That is more jobs than are provided by such industrial heavyweights as autos and steel. Our national unemployment percentage reached a 3-year low in February at 6.1 percent, which brings great relief to us all, but with a continual decline in the farm income, there will surely be an increase in the number of farmers looking for other jobs, at a time when unemployment among nonfarmers is just beginning to show improvement. But, what can we expect when USDA figures reveal that last year the average income per farm was $7,885, compared with a peak of $10,529 in 1973. Alabama farmers have patiently and forcefully outlined their economic inequities to me along with their suggested solutions. They do not want sympathy or a Government handout. They want a fair price for their crops and livestock.

This Nation is composed of the sum of its separate parts. When one part of its economy is sick, the entire economy suffers. We cannot have a healthy national economy in the absence of a healthy agricultural economy. We, here today, have a real responsibility to do what is reasonable, responsible, and feasible in helping farmers achieve a fair share of the national income.

After traveling throughout Alabama last summer and fall, seeing first hand the situation in the agriculture sector, and hearing the serious financial plight that my farmers were in, I came back to Washington and introduced S. 2392 on January 19, the first day of the 2d session of this Congress, to increase the target prices on cotton and corn for the 1977 and 1978 crops. I said at the time that this legislation was no "cure-all" but that it could serve as a vehicle for the attachment of other sound, reasonable, and practical amendments which could bring much needed assistance to our sorely depressed agricultural economy. That bill, in my judgment, served that purpose.

Following this legislative initiative came the Flexible Parity Act of 1978 as introduced by my distinguished colleague, Senator DOLE, on February 2, which I gladly cosponsored and which many of my farmers preferred. This bill, which would allow an individual farmer to choose the target price he needs all the way up to 100 percent of parity, so long as he scales down his production accordingly, is an innovative idea for these unusual circumstances in which the farmer finds himself.

On February 9, I joined my dedicated colleagues on the Agriculture Committee in cosponsoring Senate Resolution 393, which called upon the President and the Secretary of Agriculture to use the authority vested in them by the 1977 farm bill to ease the financial crisis faced by the farmer. But this was evidently another instance in which USDA and the administration listened, but did not hear and talked without offering any solution. Even as the crisis grows deeper and the hour grows later, Secretary Bergland was saying on television Sunday that we did not need legislation, but could remedy the current crisis by using the 1977 farm bill administratively. Mr. President, those provisions giving the Secretary of Agriculture discretionary authority to act in situations like this, could have been put into effect long ago. In my State it is planting time right now. In some States some crops are already in the ground. Our farmers cannot wait any longer. The legislative branch of the Government must act now to deliver the farmers from the quagmire in which they find themselves through no fault of their own.

After 10 days of extensive hearings by the Agriculture Committee when we heard more than 150 witnesses, our chairman introduced the Emergency Agricultural Act of 1978, S. 2690, and I was delighted to be listed among its cosponsors. This bill, which we are presently considering, can and will give emergency relief to our farmers which they so desperately need. The witnesses who appeared before our committee agreed and the members of the committee concur, that due to our large surpluses and carryover stocks, we need a reduction in planted acreage. This bill will take some

31 million acres out of production and infuse some $1 billion into the hands of producers immediately to alleviate the financial anemia which is plaguing them. Our farmers are standing by awaiting some signal from Washington as to what relief we intend to give them and we must therefore act with dispatch.

This legislation before us today, S. 2690 and S. 2481, will solve our greatest problems—the problem of excessive stocks. Planting intentions registered by our farmers indicate that the potential 1978 crops may add to these stocks by more large carryovers. Our country, the most efficient agricultural producing nation in the world, is faced with the necessity of reduced production. By reducing production we can at the same time raise the income of our farmers by increasing the value of their commodities at the marketplace, thus covering their cost of production and providing a fair return to the producer. These bills before us today will not only give the farmer higher prices in the marketplace, but will decrease excess stocks now hanging over the marketplace driving prices received by the farmers ever downward.

I know that the issue of cost to the Government will be raised and it is appropriate that it should. But those who raise that issue should bear in mind that we are faced with an emergency situation here. The agricultural economy of my State and every other State, is on the verge of collapse.

Congress must now provide an immediate infusion of financial help to enable farmers to pay off their debts, meet their notes, buy new farm equipment, and to continue producing food and fiber. We have given financial assistance to every other sector of our national economy when faced with emergency situations and disasters. There have been emergency public works projects along with emergency unemployment legislation, but there are few, it seems who are enthusiastic about helping the agricultural sector in its time of distress. Some of the farmers have even accused us of "stonewalling." But if the farm sector fails, those businesses related to agriculture are placed in jeopardy also—the farm machinery dealer, the hardware merchant the rural banks which have loaned him money, and those other merchants whose livelihood is dependent on farms and farmers. The economy of many of our small towns is totally dependent upon the farmer. The sectors of our economy are mutually dependent on each other. When one is unhealthy, all function at less than total efficiency. The Nation's continued prosperity lies in a strong and stable agriculture.

There will be those here today who worry about the cost of whatever legislation we pass on the one hand while on the other hand taking little thought as to what it will cost the American taxpayer to give away the Panama Canal. Yes; we liberally give billions in foreign aid and then conservatively question the cost-benefit ratio of meeting the domestic emergency faced by our farmers. We glibly talk of a $25 to $35 billion cut in Federal income taxes beginning October 1 of this year. Mr. President, we could do more for our country, our farmers, and our consumers by cutting this proposed reduction in Federal income taxes enough to offset what this legislation will cost and channeling it into the agricultural sector of our economy on which every other sector depends. The cost of these farm bills pales when compared to our expenditures in other areas.

Of course, I am concerned about inflation, Mr. President. I have consistently fought to balance our budget and restrain Federal spending. But for too long our Government has used the farmer as its number one hedge against inflation. It is not fair to deny the farmer a decent wage and a decent profit to balance off the inflation effects of other governmental programs and legislation. The farmer cannot be sacrificed any longer and he should not be asked to sacrifice anymore. We must make sure he has his fair share of the national income just as he inherits his share of the national debt and that he is given his proper recognition as the very "backbone" of this Nation and its economy.

Alabama farmers and those from across the Nation have stated to me privately and have announced publicly that they are willing to reduce production. They would prefer, however, to remain in business in the process so that they might continue to produce for themselves, the American consumer, and for the world market. They must not be held hostage to a "cheap food policy" whether it be by this administration or any administration.

Mr. President, these men and women of our established farm organizations and of the American agriculture movement have come to us in good faith exercising their right to present their grievances to their Government through their elected officials expecting redress therefrom. For the most part, they have been patient. Some in their desperation have become hostile, but only a few. I wish to compliment those from Alabama who have been here for the past 2 months for their decorum and demeanor. They have raised the profile of American agriculture and the American farmer as never before. This country is more farmer conscious today than ever before. The farmer, as a result of these efforts, has more friends and more understanding and more appreciation than ever before.

Consequently, Mr. President, it would be the cruelest hoax ever if after the investment of their time, their energy, their money, and the efforts of the Committee on Agriculture, we failed to pass this emergency legislation before us today. Therefore, I implore my colleagues to support these needed pieces of legislation which can be so effective in bringing relief to our beleaguered farmers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, how much time does the Senator from Kansas have remaining on the amendment?

The PRESIDING OFFICER. The Senator from Kansas has 5 minutes remaining.

Mr. DOLE. I am not certain what the wishes of the distinguished Senator from Maine are. He has 21 minutes remaining?

The PRESIDING OFFICER. The Senator from Maine has 18 minutes remaining.

Mr. DOLE. I wonder if I might have 5 minutes on the bill while we are waiting for the Senator from Maine to return.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. DOLE. Mr. President, just let me say that there has been some concern expressed by the distinguished Senator from Iowa, Senator CLARK, and I think the Senator from Oklahoma, Senator BELLMON, that if the Dole bill were implemented, we would run out of wheat or run out of cotton.

I am taking the USDA estimates which I assume would be accurate. In 1978–79 under the current program we will have a wheat carryover of 1.1 billion bushels. Under the Talmadge bill, we will have a carryover of 800 million bushels, and under the Dole bill we will have a carryover of 957 million bushels.

With reference to corn, under the current program we have 1.2 billion bushels, under the Talmadge bill we have 590 million bushels, and under the Dole bill 1.1 billion bushels.

Under feed grains, the ending stocks in million metric tons, under the current program we have 45.5, under Talmadge 23.5, and under the Dole bill 40.5 million metric tons.

I supply those figures for the RECORD so that Senator BELLMON and others who are concerned about running out of wheat and the price of wheat going too high, whatever that is, will have that information.

Mr. President, I again emphasize the CBO estimates, because I serve on the Budget Committee and I have the greatest respect for the Congressional Budget Office and the Budget Committee. But when they use prices that are lower than today's market prices, it is pretty hard for this Senator to understand how they can give an accurate estimate of the bill.

There has also been some question about the Flexible Parity Act in its administration.

I received a letter this morning from Harold Hunter, former Oklahoma State executive director of ASCS, and Frank Mosier, former Kansas State executive director of ASCS. It said:

> One of the merits of your Flexible Parity Bill is the simplicity of its administration.
>
> As former State Executive Directors in Kansas and Oklahoma, we would like to endorse your concept of flexible target prices and indicate the ease with which we feel such a program could be administered in the State and County offices. We are confident that other persons now employed by ASCS in top positions would concur, but hesitate to step forward for fear of jeopardizing their position.
>
> The requirements for eligibility at the various levels of participation would be uniform to all producers and easily stated. The benefits accruing to the producer could be easily understood by him.
>
> The proposal of the Department to the producer would be a firm contractual com-

mitment, based on the options relating to the level of set aside provided by the producer.

The producer could have a clear understanding of these options and the benefits inherent to each.

And this is the key paragraph:

We administered the target price provisions of the present law for the past five years and feel the extension of flexible targets would only necessitate the printing of another form. Certification is verified on a random basis, which has proven very accurate and satisfactory.

Furthermore, if you and Chairman Talmadge should decide to combine your flexible target concept and paid diversion programs, we feel it would be equally as easy to administer and would necessitate only adding another option for the farmer to choose from when he signs up for the program.

Because of the innovative benefits this legislation would provide our farmers and the extreme need many farmers face today, we hope you are successful in passing this legislation.

(Mr. INOUYE assumed the chair.)

Mr. DOLE. Mr. President, another objection raised to the flexible parity concept is that the Talmadge bill would make one-half of the payment immediately.

It seems to me that the one thing we do with the flexible parity concept once it is enacted is to raise the market price.

Another thing we do is guarantee the farmer a certain target price and hope the market price goes higher, but he has that guarantee.

Mr. President, I have a number of telegrams from bankers indicating that the flexible parity bill would allow bankers to loan money to farmers to plant crops. Let me just read two or three of those while waiting for Senator MUSKIE to return.

One telegram is from Floyd Pinnick, president, Grant County State Bank:

I am manager of Kansas' second largest agricultural lending commercial bank. I have studied Senator Dole's flexible support bill. I believe that the farmer benefits from this bill through establishing a target price for wheat from $3 to $5.04 will enable the farmer to borrow from our bank against this commitment.

Another one is from Max Dickerson, senior vice president, Commercial National Bank, Kansas City, Kans., addressed to me:

If your bill would provide for some instrument from ASC that certain payments would be received by the farmer most agricultural bankers would loan money on that instrument for immediate funds some banker might want a formal method of assignment your bill would be very helpful to agriculture.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. DOLE. Mr. President, I yield myself an additional 5 minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. DOLE. Mr. President, we have a number of telegrams from Oklahoma and from Kansas supporting the Talmadge bill and the Dole bill and indicating that in either event, either through the prepayment by Senator TALMADGE or the fact that we are going to have a guaranteed price and the flexible parity concept it is going to ease the credit pinch for farmers. I ask unanimous consent that those telegrams be made a part of the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

Senator BOB DOLE,
U.S. Senate,
Washington, D.C.

I am manager of Kansas' second largest agricultural lending commercial bank. I have studied Senator Dole's flexible support bill. I believe that the farmer benefits from this bill through establishing a target price for wheat from $3 to $5.04 will enable the farmer to borrow from our bank against this commitment.

FLOYD PINNICK.
President, Grant County State Bank.

Senator ROBERT DOLE:

If Dole-Talmadge bill is enacted it will assist the farmers credit considerably.

Mr. and Mrs. WALLY KLINE.

Re financing farmers for 1978 production.
Senator ROBERT DOLE,
Senate Office Building,
Washington. D.C.:

If your bill would provide for some instrument from ASC that certain payments would be received by the farmer most agricultural bankers would loan money on that instrument for immediate funds some banker might want a formal method of assignment your bill would be very helpful to agriculture.

MAX DICKERSON, Sr.
Vice President, Commercial National Bank, Kansas City, Kans.

Senator ROBERT DOLE:

We support your Senate Bill as well as Senator Talmadge's bill.

ORIN LANCASTER,
Vice President, Central National Bank.

Senator ROBERT DOLE:

We support your farm bill. It is urgently needed in our area.

WESLEY NIXON,
President, Freedom State Bank.

Senator BOB DOLE:

We at the First Security Bank have many farm customers who in the next few weeks will be needing financing in order to plant this year's spring crops. It would be easier for us to justify providing these loans if we were assured that these farmers would be given the opportunity to receive a fair price for their products. Therefore we urge you to support the Dole flexible parity concept as we feel that it would give our farmers the best opportunity to receive a fair price for their products.

J. C. LYLE,
President, First Security Bank,
Beaver, Okla.

Senator BOB DOLE:

Passage of Dole-Sebelius amendments will strengthen the lending ability to farmers in this area.

LESTER SNOW,
President, First State Bank.

Senator BOB DOLE:

We at the Bank of Beaver City have many farm customers who in the next few weeks will be needing financing in order to plant this year's spring crops. It would be easier for us to justify providing these loans if we were assured that these farmers would be given the opportunity to receive a fair price for their products. Therefore we urge you to support the Dole flexible parity concept as we feel that it would give our farmers the best opportunity to receive a fair price for their products.

A. C. HARRIS,
President, Bank of Beaver City,
Beaver, Okla.

Senator ROBERT DOLE:
Capitol Building,
Washington, D.C.

If the Dole flexible parity bill is enacted it will have a positive effect on our policy in lending to farmers.

MIKE PERKINS,
State Guaranty Bank.

Mr. DOLE. Finally, Mr. President, I want to go back to the CBO. We are in the process now of trying to compute the cost of the flexible parity approach. If we just use today's prices—they used prices lower than today's market prices in figuring the cost of my bill and even with that figure the cost over a 5-year period is only $621 million.

The price of cotton, according to the Wall Street Journal yesterday was 57 cents. The target price of my bill is 60 cents, but the Budget Office used a market price of 46 cents.

So the deficiency payment would be 14 cents a pound instead of 3 cents per pound.

Well, it would not take any genius to understand very quickly they used the worst example they could find and we are willing to accept that it may cost some money—we do not believe so—but I think it is much more objective and more meaningful, and the American farmer knows how it is based and what the costs are.

I am not going to accept the Budget Office figures when they use market prices to figure the costs of my bill, when it is lower than today's market price before the bill has had any impact. Once the bill is enacted, whether it is by itself or whether it is in combination, or whatever may happen, there is going to be an impact. Acres will be then out of production. The market price is going to rise and the deficiency payment is going to be much smaller.

So I just suggest, based on what I consider not to be estimates but guesses, and not even very accurate guesses, that the cost of the program being proposed now as an amendment would be, if anything, on the negative side. It would be a plus over current policies.

Let us not forget there is some cost in the present farm bill. I think over the life of this bill the costs are around $12 billion.

So I suggest that in either the Talmadge approach or the flexible parity approach that the Congressional Budget Office figures may not be accurate.

It seems to me that we ought to keep this in mind as we consider this legislation.

Mr. TOWER. Will the Senator yield me 5 minutes on the bill?

Mr. DOLE. I yield 5 minutes to the Senator from Texas.

Mr. TOWER. I thank my friend from Kansas. I have an amendment that I intend to offer when the time expires, but since the Senator from Maine is not here, I think perhaps we could do some talking about it right now and save some time later on.

Mr. President, when I joined the distinguished Senator from Kansas in introducing S. 2481. I was particularly pleased that the legislation contained provisions for wheat, feed grains, and upland cotton. On Wednesday of last week, however, the Agriculture Committee deleted the flexible parity concept for upland cotton, and reported the bill with a target price of 60 cents per pound when a producer voluntarily sets aside 20 percent of the acreage planted for 1978 harvest instead. In other words, to be eligible for the 60-cent established price, farmers must cut back 20 percent.

The cotton producers in my State, and producers in other cotton-producing areas tell me that they could make better production and management decisions if they were afforded the same options as we are now considering for those who produce wheat and feed grains.

In my view, cotton farmers should be afforded the same opportunity as producers of wheat and feed grains to make decisions based upon their cost-price analyses. Our Nation's food and fiber producers want what any other businessman wants—the opportunity to sell a product and realize a reasonable rate of return on investment. When farm income is compared with farm equity, the farmer's return in 1976 was only 2.4 percent as compared to approximately 13.5 percent in other industries. Our farmers and ranchers want to be able to make production decisions which are based upon sound management practices, founded upon realistic cost-price analyses.

Amending the Dole amendment to insert the original concept of flexible parity will not interfere with export markets. It will not encourage an individual farmer to substitute with other crops. It simply would allow cotton farmers to set the target price they need to remain financially solvent when increases in target prices, up to parity, are accompanied with decreases in production.

Even if the program we are considering is enacted into law, producers must continue to deal with physical risks which occur from destruction or deterioration of the product itself by unfavorable weather conditions. Farmers and stockmen must still obtain the necessary financial resources. They must continue to exercise the management skills and production efficiencies which are as inescapable as the need for feed, seed, or fertilizer.

Mr. President, in 1976, Texas farmers produced 3.307 million of the 10.5 million bales of upland cotton produced in this country. Roughly 70 percent of the Texas production is sold abroad. The problem we face at this point is that there is an oversupply of cotton in this country which continually depresses prices in the marketplace.

Under my amendment, if the farmer chooses to cut back 30 percent, he assures himself of a target price of 60 cents, allowing him the necessary room to adjust his production and management decisions such that his efforts will be fruitful.

Upland cotton is produced in 18 States and is of appreciable significance in 13 of those States. Of those principal 13 States, cotton accounts for from about 1.7 percent of the total cash farm receipts in Missouri to 21 percent in the State of Arizona.

I hope that my colleagues in the Senate will lend their support to my amendment to the Dole amendment so that we can give cotton producers the opportunity to avoid financial ruin and failure.

I should like to ask my distinguished friend from Kansas if he might be prepared to accept the amendment that I offered as an amendment to his amendment to establish this flexible formula for cotton.

Mr. DOLE. The Senator from Kansas is prepared to accept the amendment.

It was, as the Senator knows, part of the original Tower-Dole bill, and there was some objection raised in the committee. There has been a change made in the McGovern amendment which raises the target price of cotton to 70 cents. I do not have the same reservations about the amendment that some had in the committee.

I would certainly be willing to accept it as a part of my amendment.

Mr. TOWER. I thank my distinguished friend from Kansas.

If he is prepared to accept the amendment, and in the interest of the preservation of time, if he would accept it as a modification to his amendment, I think we would then not have to go through the time expiration process.

Mr. DOLE. Mr. President, I think on that basis that if it would save some time I would so modify the amendment. I would send a modification to the desk.

Mr. TOWER. I send the modification to the desk.

The PRESIDING OFFICER. The Chair reminds the Senator that such modification takes unanimous consent.

Mr. TALMADGE. The yeas and nays have not been ordered.

Mr. DOLE. Have the yeas and nays been ordered?

The PRESIDING OFFICER. There is a specific time limitation on the amendment.

Mr. TOWER. I simply asked the Senator from Kansas to modify his amendment to include language that I have proposed. It is my understanding that if he accepts that modification it is not necessary to act on the amendment.

The Senator from Kansas has the right to modify his own amendment.

Mr. DOLE. I think under a time constraint it would take unanimous consent since there might be someone here who will object and not——

Mr. TOWER. I ask unanimous consent that the Senator from Kansas be allowed to so modify his amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and without objection, it is so ordered.

Mr. TOWER. I thank my distinguished friend from Kansas for the modification.

UP AMENDMENT NO. 1217

The PRESIDING OFFICER. The clerk will report the modification.

The legislative clerk read as follows:

On page 3, delete section 118 and insert in lieu thereof:

"Notwithstanding any other provisions of this Act, the established price for the 1978 crop of upland cotton shall be at a level related to the amount of cropland that the producers on a farm voluntarily elect to set aside from production. If the acreage the producers voluntarily set aside is—

(1) 20 per centum, the established price shall be 54 cents per pound;

(2) 25 per centum, the established price shall be 59 cents per pound;

(3) 30 per centum, the established price shall be 64 cents per pound;

(4) 35 per centum, the established price shall be 69 cents per pound;

(5) 40 per centum, the established price shall be 74 cents per pound;

(6) 45 per centum, the established price shall be 79 cents per pound;

(7) 50 per centum, the established price shall be 84 cents per pound."

The PRESIDING OFFICER. Who yields time?

Mr. TALMADGE. Mr. President, I ask unanimous consent that I may have a brief rollcall, without it being charged to either side, for the purpose of getting word to the distinguished Senator from Maine that there is an amendment on the floor, if he wants to use the remainder of his time.

The PRESIDING OFFICER. The Senator from Kansas (Mr. DOLE) time has expired.

Mr. TALMADGE. We would like to get word to the distinguished Senator from Maine concerning the amendment if he wants to use the remainder of the time to come to the floor. I ask unanimous consent that I may have a brief rollcall, without it being charged to either side, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum, and I ask the clerk to let the Senator from Maine know that he is desired here on the Senate floor.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes. I find it difficult to believe that everyone else is talked out. Perhaps I can stimulate a little more discussion.

Mr. President, no one questions that farmers in this country face an economic crisis. I understand that crisis and I sympathize with those who are concerned about the fate of the family farm.

In my own State, agricultural output is almost entirely from family farms.

In Maine as in the rest of the country, families have proved to be an efficient social and economic unit.

Family farms are the backbone of rural communities.

They are important for the food and fiber they produce and the way of life they preserve.

I am committed to these families who produce food for our own people and much of the world.

The amendment offered by Senator Dole, originally the Flexible Parity Act of 1978, is designed to provide relief for producers of wheat and feed grains, representing approximately one-third of America's farm output.

It also provides assistance to growers of upland cotton.

Falling prices, the burden of interest payments and increased operating expenses have caught these farmers in a cost-price squeeze.

Of course, not all farmers are so situated.

Wheat and feed grain producers have suffered while cattle, poultry and hog producers have actually benefited from low feed prices.

Nevertheless, there is a serious problem.

This amendment establishes a system of graduated target prices for wheat, feed grains and upland cotton based on the acreage a farmer chooses to set aside from production.

The amendment also increases the minimum loan rate for the 1978 crops of wheat and corn, raises the prices controlling the release of Government and farmer owned stockpiles of grain and increases the authorization for the food-for-peace program (Public Law 480).

The purpose of the amendment is to remove acreage from production and increase farmers' selling prices and income.

While the problem the farmers face is very real, we can not afford the luxury of considering this bill only in relation to their needs.

Careful thought must be given to the impact this amendment will have on inflation, food supplies and the Federal budget.

I remind my colleagues that because we now have not just the Dole amendment, but the Dole amendment taken together with the McGovern amendment to the Talmadge amendment, all of these figures which I use and which other Senators have used are suspect. But these figures give us an order of magnitude that we ought to take into account.

Overall prices are expected to rise 6.2 percent in 1979 under current law.

The Congressional Budget Office estimates the amendment would add 0.36 to 0.5 percent to the rate of increases in the Consumer Price Index.

This will cost the consumer up to $6 billion in 1979. This amendment would increase the annual food costs for a family of four by $100.

These costs result not only from the acreage that is taken out of production but also because the loan rate for commodities and thus prices will be increased by direct Government action.

These estimates take into account the fact that grains are only part of food costs and food only part of the Consumer Price Index.

Further, these figures reflect only the "first round" effect.

The Budget Office estimates that by 1981 the total inflationary impact would be nearly twice the first round effect because the more rapid increase in consumer prices would result in higher wage increases and thus higher product prices in other sectors of the economy.

This amendment could reduce stocks to a dangerous level and increase the risk that crop failures will result in food shortages and runaway commodity prices.

According to Congressional Budget Office estimates, compared to current law, this amendment would result in a diversion of about 29 million acres.

This in turn will result in a 20-percent drop in production of wheat and feed grains.

Wheat stocks under the amendment would drop by about 33 percent and feed grains by about 47 percent by the end of marketing year 1978.

Wheat stocks in the farmer-held reserve would be reduced by 50 percent and feed grain stocks in the farmer-held reserve would be reduced by 97 percent compared to current policy.

The stocks of farmer commodities at the end of 1972—if we are interested in history—were insufficient to prevent massive increases in corn and wheat prices when consecutive major crop failures took place in 1973 and 1974.

Under this amendment wheat stocks would be below their 1972 levels and feed grain stocks would be only half of their 1972 levels.

The risk of shortages and inflation would increase and the size of the potential price increases would be larger.

This action is being proposed at a time when world grain consumption has increased 50 million tons in each of the past 3 years.

Given these increases in consumption and the limits on production in this amendment, the resulting stocks are not big enough.

In the last 2 years, we have had unusually good weather and bumper crops.

We cannot assume this will continue indefinitely. We must anticipate the lean as well as the bumper years.

Without adequate stocks, bad weather here or abroad could result in a problem of the same magnitude of 1973 and 1974.

Turning to budget costs, this amendment will result in additional net outlays of $3 billion through fiscal year 1979, $2.4 billion of which will be direct payments to farmers, not loans. It increases the farmers' dependence on Government payments and on Government-controlled prices.

The fiscal year 1978 savings in this amendment are illusory.

They are simply the result of early repayment of loans.

Further, although this amendment authorizes higher loan rates only for fiscal year 1978, I am sure all of us realize the difficulty of lowering these rates in the future.

The administration contends the current law has not had time to achieve its intended results.

There is some evidence to support that contention.

Wheat farmers, have placed nearly 220 million bushels in the grain reserve, two-thirds of the administration's goal of 330 million bushels.

I would emphasize here that this amendment would cut the reserve program.

Although I am sympathetic to the plight of farmers in financial distress, I believe we should place their problems in proper perspective.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. TALMADGE. Mr. President, I yield an additional 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for an additional 5 minutes.

Mr. MUSKIE. I thank the Senator.

I remind my colleagues that in 1973 and 1974 grain prices soared. Farmers who were meat producers lost their shirts. They were forced to butcher their stocks and consumers reaped the advantage of exceptionally low meat prices. As grain prices have come down profitability has been restored to meat production and herds have been replenished.

During that period of exceptionally high grain prices many farmers believed that $5 per bushel of wheat was here to stay. Consequently they bought more land and invested heavily in new machinery and implements. In the process the price of farmland soared and farmers now find themselves with unrealistically high mortgages.

Experience should have taught us by now that efforts to drive up grain prices will only serve to drive up the price of land, proving the old saying that in agriculture land gets all the profit.

Now prices for grain have come back down. As a consequence many young farmers, people who have just entered farming, are hurting very badly. They purchased land at unrealistically high prices which in turn reflected the ephemeral phenomenon of high grain prices.

I sympathize with them but I do not believe that we should prescribe a remedy which will take us on another roller coaster ride of higher prices followed by disastrous contractions. These trips will leave many Americans high and dry with only frustrated dreams to carry them through the tough times.

Should we begin to think about the long-term consequences of our actions in the agriculture sector?

Should we continue to approach these problems on an ad hoc basis without carefully weighing the budgetary, fiscal, and economic factors which affect American farmers, and about which we have inadequate information today, before we vote on this three-headed bill?

Should we continue on our present course, which calls for Federal direct and indirect burdens on us as taxpayers and consumers?

Should we continue to ignore the budget process as we rush headlong into still another ill-conceived series of programs to bail out American farmers?

I believe we must undertake a responsible, prudent course and let the current farm program—which we enacted into law with such high hopes on the part of the sponsors just last year—have a chance to operate.

For these reasons, Mr. President, I must oppose the Dole amendment. I reserve the remainder of my time.

Mr. DOLE. I would hope the distinguished Senator would yield back any unused time.

As I understand, the impact on retail

prices and consumer expenditures in 1979 will be plus 1 percent under the Dole proposal and plus 1.3 under the Talmadge proposal. As I indicated in the absence of the distinguished Senator from Maine, as far as corn is concerned, under the Dole bill there will still be about 1.1 billion bushels, and wheat will be 957 million bushels, which is more than adequate.

I would also say, with reference to the comments of the Senator from Maine, I certainly do think we have to look at the long range. I think that is what the farmers have been telling us for the past several weeks.

With reference to world supplies, most farmers feel, and I think the records reflect, that we are sort of the world's granary, that we will have our farmers hold wheat at their cost. They cannot even sell it for the cost of production. They have sort of become the world grain suppliers. That is certainly not fair to the American producer.

Our bins are full, and that is another reason prices are depressed. That is the reason that both myself and the distinguished Senator from Georgia are trying to address the problem, to reduce the production unit in an effort to take some of the pressure off the market, which we hope will be reflected in higher grain prices.

This is not to be reflected in higher Government costs. I think the farmers themselves share the views expressed by the Senator from Maine, as far as Government cost and Government spending. I believe they are sincere when they say, "We do not want a subsidy. We want our profit from the marketplace."

We have tried to respond with responsible legislation. It is probably not perfect, and there are probably a great many things that can and should be done to tighten it up. But it seems to me it addresses the problem in a responsible way. I would hope whatever the Senator from Maine has in mind does not succeed. I am not certain what he has in mind. Will it be an up-or-down vote on the Dole proposal?

Mr. MUSKIE. Mr. President. I ask at this point for the yeas and nays on the amendment. I do not intend to move to table it.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. I have 3 or 4 minutes. I shall not use all of that.

As fast as I can get information that bears upon this amendment, I shall provide it. I now have a table showing the CBO's estimates on carryover, beginning with the year 1972. For example, the wheat carryover in 1972 was 1 billion bushels. That was not sufficient to carry us through the next 2 crop years and we had escalating prices, with all of the consequences that I described. That was 1 billion bushels.

At the present time, we have 1 billion bushels.

So it was 1 billion bushels in 1972, and it is 1 billion bushels today.

With the Dole amendment alone, in 1979, that carryover would shrink to 700 million. Under Talmadge alone, it would shrink to 800 million. Under Dole-Talmadge-McGovern, it will shrink to 600 million. So that is 40 percent less than the carryover in 1972, which will lead to shortages in the next 2 years.

With respect to feedgrains, in 1972 the carryover was 2.1 billion. Under the current policy, today, it is 7.1 billion bushels. Under Dole, it would be 900 million, under Talmadge, 1.6 million. Under Dole-Talmadge-McGovern, that carryover would shrink to 300 million bushels, leaving us in 1979 with an 800 million carryover in wheat and a 300 million carryover in feedgrains, compared with a 1 billion and 2.1 billion in 1972, which appeared inadequate.

These are the figures that tempt many of us to believe that this bill, the Dole amendment, offers a very high, an unacceptably high risk of underproduction, inadequate carryover, and the risk of really uncontrolled commodity prices if we have a bad year in the next year or two.

I yield back the remainder of my time.

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BUMPERS). All time has been yielded back.

UP AMENDMENT NO. 1218

Mr. BELLMON. Mr. President, I have an amendment at the desk. I ask unanimous consent that it be considered.

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 1218 to the Dole amendment:

On page 3 of the amendment, insert immediately after the last line new sections 119 and 120 as follows:

" 'GRAZING AND HAYING ON ACREAGE SET ASIDE UNDER THE 1978 COMMODITY PROGRAMS

" 'SEC. 119. Notwithstanding any other provision of this Act, the Secretary shall administer the 1978 set-aside programs for wheat, feed grains, and upland cotton in such a manner as to permit the use of the acreage set aside for grazing and hay production.' ".

" 'NORMAL TILLAGE PRACTICES ON ACREAGE SET ASIDE UNDER THE 1978 WHEAT PROGRAM

" 'SEC. 120. Notwithstanding any other provision of this Act, the Secretary shall administer the 1978 set-aside program for wheat in such a manner as to permit producers to perform normal tillage practices on set-aside acreage the same as if such acreage had not been set aside.' ".

Mr. TALMADGE. Will the Senator yield?

Mr. BELLMON. I am very happy to yield.

Mr. TALMADGE. I am looking at section 12 and I read as follows:

. . . shall administer the 1978 setaside program for wheat in such a manner as to permit producers to perform normal tillage practices on setaside acreage, the same as if such acreage had not been set aside.

That includes only tillage to preserve moisture and not to produce a crop; is that right?

Mr. BELLMON. That is correct.

Mr. TALMADGE. I have no objection to the amendment; I accept it. I think I have the same thing in my bill.

Mr. BELLMON. The same thing is already in the Talmadge bill. We want to put it in the Dole amendment so that, if the Dole amendment survives the conference, the bill will be identical in this respect.

I yield back my time.

The PRESIDING OFFICER. All time having been yielded back on the Bellmon amendment, the question is on agreeing to the Bellmon amendment to the Dole amendment.

The amendment was agreed to.

UP AMENDMENT NO. 1219

Mr. BELLMON. Mr. President, I have another amendment at the desk that I ask to have considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes unprinted amendment No. 1219 to Dole amendment No. 1216.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page two of the Dole amendment, following line 4 of section 116(b) delete the remaining portions of that subsection and insert in lieu thereof;

"20 per centum, the established price shall be $3.00 per bushel;

"30 per centum, the established price shall be $3.34 per bushel;

"40 per centum, the established price shall be $3.68 per bushel;

"50 per centum, the established price shall be $4.02 per bushel;

"60 per centum, the established price shall be $4.36 per bushel;

"70 per centum, the established price shall be $4.70 per bushel;

"80 per centum, the established price shall be $5.04 per bushel;"

Mr. BELLMON. Mr. President, the effect of the amendment is to raise the set-aside required to qualify for the parity price of $5.04 on wheat. The problem is that the way the program is being administered, the set-aside of 50 percent does not actually produce a 50-percent set-aside. Rather, it produces only about a 33-percent set-aside. This results because the calculation of the set-aside is against planted acres rather than against total acres.

The facts are that a 50-percent set-aside produces a 33.5-percent reduction in acreage and an 80-percent set-aside produces only a 44.4-percent reduction in acreage. I believe that the Senator from Kansas can see that this amendment will help to achieve the purpose that he has in mind in his bill.

Also, in testimony yesterday before the Senate Agriculture Appropriations Subcommittee, Professor Tweeten of Oklahoma State University testified that the Dole amendment as now written will result in the expenditure of $8.25 for each bushel of wheat production that is removed. The adoption of this amendment would have the effect of lowering the cost of each bushel of wheat production removed down to $3.63 a bushel.

Mr. President, I ask unanimous consent that Professor Tweeten's statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY LUTHER TWEETEN

A. Talmadge Bill (H.R. 6782):

1. It is difficult to hold the price relationships specified (wheat $3.50, corn, $2.50, soybeans $6.00, cotton 60 cents) with set aside alone. Wheat, in excess supply, will tend to fall to its feeding value relative to corn. Hence, I assume $3.12/bu. for wheat in my appraisal.

An increase in loan rates could remove this problem, but creates some new problems.

2. The desired price and stock levels are incompatible—prices acceptable to farmer are not compatible with desired stocks (e.g. 600–800 million bushels wheat, 40 million tons of feed grains). The following stocks are compatible with desired prices:

Wheat $3.50/bu, 700–750 million bushel carryover.

Corn $2.50/bu, 800–850 million. Bushel—20–25 million ton carryover.

One solution is to use farmer held reserves to partially insulate stocks from markets. Here, I would suggest a "first" release price for wheat raised from the current $3.15 (140% of loan) to $3.50 (155% of loan).

3. It will be very difficult to implement the proposal on the 1978 crop of winter wheat because harvesting will begin in May. However, a crash program allowing grazing and haying of wheat would help reduce the grain harvest without excessive harm to the cattle industry.

4. It will be necessary to set aside considerably more than 31 million additional acres to achieve seasonal average market prices of $2.50 for corn, $3.12 for wheat, $6.00 for soybeans and 60 cents per pound cotton.

5. Achieving price goals will require the following set aside and costs:

Wheat—20 percent set aside will leave stocks nearly unchanged. To reduce stocks to 800 million bushel carryover requires diversion of 400 million bushels.

400 mil. bushels × $3.12 = $1,248 million (cost est. No. 1).

Set aside is as follows:

Set aside land 75 percent as productive as average, hence expected yield is .75 (31 bu. average land) = 23 bu./acre.

To reduce production by 400 million bushels requires 400/23 or 17.4 million acres.

It requires 1.5 acres of set aside to take out one harvested acre.

1.5 × 17.4 = 26.1 million acres + 10.9 under 20 percent set aside = 37 ml/acres.

This compares to national program acreage of 53.9 mil. acres and 74.8 million planted acres in 1977/78.

The additional (over 20 percent) set aside cost is 26.1 mil. acres × $2.08/bu × 23 bu/acre = $1,248 mil. (cost est. No. 2).

Feed grains—Stocks of 22.4 million metric tons will achieve desired seasonal average price of $2.50 for corn.

This requires diversion of an additional 20 million metric tons or 800 millon bushels of corn equivalent.

800 million bushels × $2.50/bu = $2,000 million (cost est. No. 1).

Set aside as follows:

Set aside land 75 percent as productive as average land, hence expected yield is .75 (90 bus., average land) = 67.5 bu/acre.

To reduce production by 800 million bushels requires 800/67.5 or 11.85 million acres.

It requires 1.5 acres of set aside to take out one harvested acre.

1.5 × 11.85 = 17.8 mil. acres + 5.0 (under 10 percent set aside, all feed grains) = 22.8 mil. acres.

This compares to national program acreage of 88.7 mil. acres and 128.1 million planted acreage in 1977/78.

The additional (over 10 percent) set aside cost is 17.8 mil. acres × $1.66/bu. × 67.5 bu/acre = $2,000 mil. (cost est. No. 2).

Cotton—Stocks of 3.7 million bales will achieve desired seasonal average price of 60 cents/lb. for upland cotton. This requires diversion of an additional 1.4 million bales.

1.4 mil. bales at 500 lbs/bale × $.60/lb = $420 million (cost est. No. 1).

Set aside as follows:

Set aside land 75 percent as productive as average land, hence expected yield is .75 (500 lbs/acre, average land) = 375 lb./acre.

To reduce production by 1.4 million bales required 1.4/.75 or 1.87 mil. acres.

It requires 1.5 acres of set aside to take out one harvested acre, thus set aside is 1.5 (1.87) = 2.8 mil. acres. This set aside is 2.8/10.25 (27 percent) of national program acreage or 2.8/13.64 (21 percent of 1977–78 planted acreage.

The set aside cost is 2.8 mil. acres × $.40/lb. × 375 lbs/acre = $420 million (cost est. No. 2).

B. Dole Bill (S. 2481)—

1. Incentive to participate is very attractive up to the full extent of permitted diversion. Nevertheless, because of payment limitations, producers aversion to any set aside program or for other reasons, some producers will not participate. Preliminary calculations indicate the 50 percent participation rate is profitable for wheat price below $4.36/bu. and operating costs $3.00/bu. and is profitable for corn with corn price below $2.83/bu. with operating costs $1.60/bu.

2. Because the program is complex and requires Congressional action, it will be extremely difficult to implement for the 1978 wheat crop, and perhaps difficult for the 1978 feed grains crop.

3. The following set aside acreages and deficiency payments are estimated.

Wheat—Estimated 50 percent (maximum) diversion on 75 percent of production base of 55.6 mil. acres = 21 million acre set aside. Set aside acres 75 percent as productive as average, hence yield is .75 (31 bu/acre, average land) = 23 bu/acre.

Each set aside acre removes .67 acres of wheat, hence wheat harvested acres reduced .67 (21 mil. acres) = 14 mil. acres.

14 mil. acres times 23 bu/acre = 931 mil. bu. reduction in wheat output.

	mil. bu.
Production without any wheat program	2,100
Less set aside	—332
Expected production with S. 2481	1,775
Expected utilization	1,758

Thus stocks increase slightly. Utilization depressed by high prices.

The loan price and market price is $2.85.

Deficiency payments—

$5.04 (estab Price) − $2.85 = $2.19 × 30 bu. yield × .75 (% part) × 55.6.

$5.04 (estab Price) − $3.50 = $1.54.

mil. acre allotment = $2,740 million = 2 billion—our bill.

(Costs government $8.25/bu. of production removed).

$3.63/Bu. = Tweeter says very reasonable. Talmadge = $3.12.

Feed grains—Estimated 50% (maximum rate) diversion on 75% of production base of 79.5 mil. corn equivalent acres = 29.8 mil. acre set aside.

Set aside acres 75% as productive as average, hence yield is .75 (90 bu/acre, average land) = 67.5 bu. of corn equivalent/acre.

Each set aside acre removes .67 acres of corn harvested, hence corn equivalent harvested acres reduced .67 (29.8 mil. acres) = 20 mil. acres.

20 mil. acres times 67.5 bu/acre = 1350 mil. bu. reductions in corn equivalent or 33.75 million tons.

	Million tons
Expected production with S. 2481	164
Beginning stocks	42.4
Total supply	206.4
Utilization	185.0
Ending stocks	21.4

Estimated average price $2.60 in first 5 months of market year.

Deficiency payments — $3.45 (estab. price) — $2.60 = $.85/bu × 90 bu. yield × .75 (% part.) × 79.5 mil. acres = $4,561.3 mil.

(It costs $3.38 to remove each bushel of corn).

Cotton—Results are similar to the Talmadge bill, setting aside 2.8 mil. acres at a set aside cost of $420 million.

4. The Dole program is subject to large instability. If farmers anticipate high prices because other farmers participate because of unfavorable weather or large export demand, then participation will be low, farm prices will be at loan levels and stocks will accumulate under loan (and it will be difficult to get them out from under loan, once in). On the other hand, if producers anticipate little participation by other farmers and expect low market prices, participation could be large. Realized prices would be high and reward who stay out of program. Feed grains supplies will be inadequate after 2 years of program.

5. The cost for government to remove a unit of production tends to be very high.

C. Summary—Comparison of proposals—

1. Without knowledge of the degree of participation in the S. 2481 program, it is impossible to accurately judge the set aside and payment levels. However, some general statements are warranted.

Any given level of outlay under the H.R. 6782 will result in less production and higher net farm income than will S. 2481. This is because S. 2481 is more nearly a direct payment program than H.R. 6782. A diversion program thrice benefits farmers: (1) with the payment for diversion, (2) with lower production cost and (3) with higher farm prices induced by lower production.

2. It is much more difficult to tailor H.R. 6782 than S. 2481 to farm price and production adjustment needs. The current version of S. 2481 withdraws too little wheat relative to feed grains from production.

3. The storage release policies under H.R. 6782 could insulate stocks from markets to a degree that gyrations in prices would become large.

4. The high loan rates under S. 2481 reduce exports and feeding of wheat and encourage excessive farm output.

5. Summary of set aside cost and acreage estimates, 1978/79.

Commodity	Set aside (million acres)				Payments to farmers (millions of dollars)	
	Talmadge			Dole total	Talmadge (set aside)	Dole (deficiency)
	Current	Added	Total			
Wheat	10.9	26.1	37.0	21.0	1,248	2,740
Feed grains	5.0	[1] 21.0	26.0	[1] 34.0	2,000	4,561
Cotton		2.8	2.8	2.8	420	420
Total	15.9	49.9	65.8	57.8	3,668	7,721
Def. pay					−1,000	1,500
Total					2,668	6,221

[1] Expressed as corn equivalent acres in text. Grain sorghum would be 4,000,000 acres, barley 3,000,000 acres, and corn 14,000,000 acres with H.R. 6782, for a corn equivalent of 17,800,000 acres. Grain sorghum acreage would be 6,000,000 acres, barley 4,000,000 acres, and corn 24,000,000 acres in S. 2481 for a corn equivalent of 29,800,000 acres.

Mr. BELLMON. Mr. President, I should think the wheat producers of the country would be very much in favor of this amendment, because it will help to get supplies in line with demand and it will help to make certain that the costs of this reduction are not exorbitant.

The amendment is very simple. As I say, it simply changes the schedule of reductions so that, in order to reach full parity, we have to set out 44.4 percent of our land as compared to 33.3 percent under the Dole bill.

Mr. DOLE. Mr. President, I rise in opposition to the amendment. I do not know whether it is quite as simple as the distinguished Senator from Oklahoma points out. It would require the farmer to set aside up to 80 percent rather than the 50 percent contained in the flexible parity bill that has been cosponsored by some 20 Senators in this body. We are asking the farmer, even under the circumstance explained by the Senator from Oklahoma, to make considerable sacrifice before he reaches parity.

I have not had a chance to study the reference he had to some professor at Oklahoma State. I do not have any quarrel with him except that I do question the cost. In the short time I looked at that study, he also indicated that it would be difficult to participate in the flexible parity program. They also had contained in the original proposal the same provision with respect to corn. We only have to set aside up to 30 percent of corn to reach parity, but 80 percent of wheat.

Now, they have dropped the corn portion for some reason, and I think that, perhaps, if they dropped the wheat provision, it would be a good idea, too. Based on what we have been able to achieve and what we have been telling farmers working on the basis that we have had in our bill from the outset, I oppose the amendment.

Mr. BELLMON. Mr. President, if the Senator from Kansas will allow me, the amendment which the Senator from Oklahoma offered does not require the setting aside of 80 percent of the land to qualify for parity, but rather, 44.4 percent. It it less than 50 percent, not 80 percent.

I am not sure the Senator from Kansas fully understands.

Mr. DOLE. I understand the Senator. Under my proposal it requires about 33 percent.

Mr. BELLMON. That is right.

So it is not 50 percent of setaside to reach parity, but 33.3 percent under the Senator's bill.

Mr. DOLE. Well, 30 percent, and 80 percent of 500 acres is what the Senator from Oklahoma has in mind?

Mr. BELLMON. No, that in order to qualify for full parity, a farmer would set aside 44.4 percent of his acreage.

Mr. DOLE. How much of his planted acreage?

Mr. BELLMON. A farmer has a thousand acres of land, of wheat land. Under my proposal he will be able to harvest 666 acres. He would set aside 444 acres.

Mr. President, let me correct that statement. It is 556, not 666. It is 444 acres of set-aside and the balance would be harvested.

To me, this does the thing the Senator from Kansas (Mr. DOLE) has in mind, which is to set parity for those who set aside roughly half of their land.

Mr. DOLE. I disagree with the Senator from Oklahoma, who is a wheat farmer himself.

I will say, as I said earlier, we are asking, under my proposal, and I guess to reach the established price, or target price, of $5.04, set aside 50 percent of planted acreage. The Senator from Oklahoma wants 80 percent set aside to reach the target price of $5.04.

I guess the second half of the amendment has been discarded.

We could set aside 30 percent of planted acres of corn to reach the target price of $3.45 a bushel, which is about 100 percent of parity, as is $5.04 100 percent of parity on wheat.

I think the Senator from Kansas understands what the Senator from Oklahoma has in mind, but I disagree with the result.

Mr. BELLMON. Mr. President, the purpose of these bills, I think, is to bring supply and demand closer into balance so that producers of wheat, particularly, my amendment goes only to wheat, not corn, will get a decent price, a parity price, for their production, hopefully, in the marketplace.

As long as we continue to overproduce, we will have a surplus hanging over the market and the result will be very low prices.

So the purpose of my amendment is to reach the objective set up by the Senator from Kansas. That is, that those who harvest about half their acres will get full parity, and that is the thrust of this amendment.

Mr. President, I ask for the yeas and nays.

Mr. DOLE. The Senator from Oklahoma told me 2 days ago that my amendment would run the country out of wheat. Now he wants to take more out of production.

Mr. BELLMON. The Senator from Oklahoma asks for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. Does the Senator yield back all of his time?

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield back all of his time?

Mr. BELLMON. I yield back the remainder of my time.

Mr. DOLE. Mr. President, I move to table the amendment.

Mr. BELLMON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second on the motion to table? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Oklahoma to the amendment of the Senator from Kansas. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WILLIAMS (when his name was called). On this vote I have a pair with the Senator from Colorado (Mr. HASKELL). He is in Denver, at a hearing on energy and natural resources. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "yea."

The result was announced—yeas 66, nays 29, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—66

Abourezk	Hansen	McIntyre
Allen	Hart	Melcher
Anderson	Hatch	Morgan
Bartlett	Hatfield	Moynihan
Bentsen	Mark O.	Nelson
Burdick	Hatfield,	Nunn
Byrd,	Paul G.	Packwood
Harry F., Jr.	Hathaway	Pearson
Byrd, Robert C.	Hayakawa	Percy
Cannon	Helms	Sarbanes
Church	Hodges	Sasser
Clark	Hollings	Schmitt
Cranston	Huddleston	Schweiker
Culver	Humphrey	Sparkman
Curtis	Inouye	Stafford
Danforth	Jackson	Stennis
DeConcini	Johnston	Stone
Dole	Laxalt	Talmadge
Domenici	Leahy	Thurmond
Eastland	Long	Tower
Ford	Magnuson	Weicker
Garn	McClure	Young
Griffin	McGovern	Zorinsky

NAYS—29

Baker	Eagleton	Pell
Bayh	Glenn	Proxmire
Bellmon	Goldwater	Randolph
Biden	Heinz	Ribicoff
Brooke	Javits	Roth
Bumpers	Kennedy	Scott
Case	Lugar	Stevens
Chafee	Mathias	Stevenson
Chiles	Metzenbaum	Wallop
Durkin	Muskie	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Williams, against.

NOT VOTING—4

Gravel	Matsunaga	Riegle
Haskell		

So the motion to table Mr. BELLMON'S amendment (UP amendment No. 1219) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the Dole amendment, as amended and modified.

Several Senators addressed the Chair.

Mr. BENTSEN. Mr. President, I have an amendment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. McCLURE. Mr. President, will the

Senator yield for a unanimous-consent request?

Mr. BENTSEN. I am glad to yield for a unanimous-consent request.

Mr. McCLURE. I thank the Senator.

Mr. President, I ask unanimous consent that Mr. Frank Cushing, of my staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator will suspend until we have order.

Will Senators please take their seats? The Senator from Texas is entitled to be heard.

The Senate is still not in order.

Please proceed.

UP AMENDMENT NO. 1220

Mr. BENTSEN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes unprinted amendment No. 1220.

Amend title I by adding at the end of section 118, the following new subsection:

"The Secretary shall make available to producers loans and purchases on the 1978 crop of upland cotton at a level not less than $.50 per pound."

Mr. BENTSEN. Mr. President, earlier today, I spoke in favor of the upland cotton provisions of Senator McGOVERN's amendment to the Talmadge bill. As passed, the McGOVERN amendment raises the loan price for the 1978 crop of upland cotton to 50 cents per pound. I had initially proposed an amendment to raise this loan rate to 52 cents per pound, but the realities of the Senate are such that 50 cents is the best loan rate we can expect.

Since the Senate is now considering the flexible parity plan contained in Senator DOLE's bill, I believe it is in order to keep cotton in line with other commodities by increasing the loan rate for upland cotton to at least 50 cents per pound. Since the flexible parity provisions contained in the original Dole bill have been accepted as a modification of the amendment currently under consideration, I would ask that the Senate accept this increase in the loan rate in order to give every farmer a chance to participate in the Government loan program at a reasonable level.

Mr. President, time is very crucial. Many farmers in south Texas are planting, and some will be completed very soon. The uncertainties which face these men and women are most unfair. They still do not know what help, if any, Congress and the President will offer. If we act now, it will not be too late to help them.

At a loan rate of 50 cents per pound, we will keep cotton on an even keel with other commodities. The provisions of the 1977 farm bill were designed to accomplish this, but the complex formula has not worked. I think we must correct this situation now. Mr. President, I wish to cite the case of a typical Texas county, which shows the tremendous increase in costs of production over the last 10 years, while showing only a moderate rise in the prices the farmer receives for his products.

During the past decade the cost of petroleum products used by Fisher County farmers has risen by 216 percent—propane is up even more. Farm chemicals cost 175 percent more today than in 1967. Steel products like fencing are up by 245 percent; the cost of farm equipment is up 173 percent. Today a Fisher County farmer has to produce 19 tons of baled cotton to purchase a 100-horsepower tractor; he has to produce 87 pounds of wheat to buy one fencepost.

Farm prices have simply not kept pace with inflation in Fisher County, Tex. During the past 10 years cotton prices have increased by only 31 percent; wheat prices by 52 percent; milo by 28 percent.

The result, Mr. President, is that it costs the Fisher County farmer $130 to farm an acre of land and the crops he brings to market earn him only $100 per acre.

Mr. President, there are those who say that a higher loan rate for cotton will allow synthetic fibers to take over an increasing share of the market. I do not believe this to be the case. Just as the cost of petroleum products has risen in Fisher County by 216 percent, the costs of producing synthetics has also increased. The cost of petroleum has dramatically increased in all segments of industry. I believe that domestically produced cotton can continue to compete effectively with synthetics if we give our producers the necessary incentive to produce at a price above the cost of production.

According to figures available from the U.S. Department of Agriculture, the current loan rate for upland cotton is 44 cents per pound. Last year at this time, the loan rate was 44.63 cents per pound. I suggest that the cost of production for cotton has certainly not decreased. I believe these figures serve to dramatize the problem faced by our farmers.

Mr. President, cotton farmers need a higher loan rate. I think my amendment to increase the loan to 50 cents per pound is a reasonable increase. It will allow producers to continue growing cotton and not force them to alternative crops which will only add to the surplus in other commodities. I ask for the support of my colleagues on this amendment.

Mr. DOLE. Mr. President, I think it is a good idea. Without any opposition from the chairman, I accept the amendment to my amendment.

The PRESIDING OFFICER (Mr. SASSER). It would take unanimous consent to modify an amendment.

Mr. DOLE. Mr. President, I ask unanimous consent to modify the amendment to so reflect.

The PRESIDING OFFICER. Is there objection?

Mr. BELLMON. Mr. President, reserving the right to object, may the amendment be explained?

Mr. BENTSEN. Mr. President, the amendment is to provide a 50-cent-per-pound loan on cotton as was added by the McGovern amendment.

Our problem in Texas is that the loan goes into effect about 4 or 5 cents below the current level. The 1977 loan rate provided a higher loan provision than we are getting in 1978.

I do not think this was the intent of this body at the time the 1977 farm bill was passed.

What we are trying to do is just make the loan provision in the Dole amendment the same as that in the McGovern amendment.

Mr. BELLMON. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The question is on agreeing to the Dole amendment, as amended.

The yeas and nays have been ordered.

Mr. MUSKIE addressed the Chair.

Mr. McCLURE. Mr. President, was the Senator from Maine seeking recognition?

Mr. MUSKIE. Mr. President, I wanted recognition before we voted on the Dole amendment, but I yield.

Mr. TALMADGE. Mr. President, are there any additional amendments other than the Dole amendment? If not, then as to the Dole amendment, are there any amendments to the Dole amendment?

Mr. McCLURE. I may or may not have an amendment. Let Senator MUSKIE go ahead first.

UNANIMOUS-CONSENT AGREEMENT

Mr. TALMADGE. Mr. President, before we vote on the Dole amendment, Senator MUSKIE has requested that I ask unanimous consent that both he and the distinguished Senator from Kansas have 2 minutes to summarize the arguments for and against the amendment. There are a substantial number of Senators on the floor now. Unfortunately, during most of the day there had not been this good an attendance.

So, I ask unanimous consent that Senator MUSKIE have 2 minutes, and Senator DOLE have 2 minutes, to conclude the argument, and then Senator MUSKIE, I am sure, wants a yea and nay vote on the Dole amendment, and I ask that the yeas and nays be ordered at this time.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Without objection, the Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, it is impossible to summarize all of the arguments in 2 minutes, but I would at least like to provide to my colleagues information bearing upon the inflationary impact and the possible risk of a shortage in production, given the present state of carryout stocks.

Mr. TALMADGE. May we have order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MUSKIE. I made the point earlier that because of the way in which these amendments have been brought to the floor the Budget Committee simply does not have the information on the budget impact, the inflation impact, and the supply impact of this combination of policies.

On the McGovern amendment, the Talmadge bill, and the Dole amendment, we simply do not have it, and I think it is most unfortunate and regrettable because if there is anything the budget

process is supposed to do it is to give us the information necessary for us to vote intelligently, and we do not have that information.

With respect to the inflation impact, the carryover impact of this combination of bills, I do now have tentative information from the Congressional Budget Office. On the inflation side what this will do is add 1 full-percentage point to the rate of inflation. It will mean that the cost to the consumer of food bills will be increased by $7 to $12 billion. For a family of four that translates into an additional cost of feeding a family of four of $130 to $220.

With respect to the risk of a shortage in production, in 1972 our wheat carryover was 1 billion bushels. It was not sufficient to carry us through the next 2 bad crop years, which led to the roller coaster of higher and higher feed prices that undercut the situation of the meat producer, and that eventually led to low prices that have undercut the wheat and feedgrain farmer. That 1 bushel carryover in 1972 would be reduced as a result of this bill to 600 million bushels, less than in 1972.

With respect to feedgrains, we had a 2.1 billion bushel carryover, which would be reduced to 300 million bushels. Those are two of the risks associated with this amendment.

Mr. DOLE. Mr. President, I appreciate the concern of the distinguished Senator from Maine.

Just let the Senator from Kansas point out that we took the CBO figures when they said the Dole amendment would cost $1.8 billion, and all we did was to use today's prices, not the prices 6 months from now but today's prices, and on that basis reduced the cost over $1 billion.

They are using prices that are lower than today's market prices in trying to figure the estimate.

In addition, we have taken out the Public Law 480 proposal, which reduces the cost another $375 million.

So I suggest the total cost, just based on today's prices not on the prices that are going to be up higher and higher because of the set-aside, is around $600 million some. I suggest the cost will be nothing to the American taxpayer.

I do not know that we have ever run out of wheat in this country, but it is the same old story we hear about that we ought to have low farm prices. Well, the American farmer cannot produce anymore at present farm prices. He is producing now at less than the cost of his production.

We have plenty of wheat. We will have plenty of wheat, plenty of corn, and plenty of feedgrains under this proposal or any combination of these proposals.

I just suggest it is time to act for the American farmer. It seems to me we would be doing it in a responsible way, and I would hope that the Members of the Senate would approve the amendment, the flexible parity amendment.

SEVERAL SENATORS. Vote!

Mr. DOLE. I yield to the distinguished Senator from Idaho.

Several Senators addressed the Chair.

Mr. BAKER. Mr. President, there are some Members of the Senate who are involved in a luncheon for a distinguished foreign guest and others who are away from the floor under the expectation that the vote on the Dole amendment would come somewhat later. I do not mean to discommode the Senate, but I wonder if there will be any objection to another amendment being called up and dealt with at this time?

I understand the distinguished Senator from Idaho has an amendment to the Talmadge-Dole bill, and if he would be agreeable to offer it at this time, I wonder if we could get unanimous consent to do that now instead of having a vote on the Dole amendment?

Mr. DOLE. If the Senator will yield, Mr. President, I just agreed that we are finished with the Dole amendment, everything except the vote. The yeas and nays have been ordered, and we could take up other amendments to the Talmadge proposal.

Mr. BAKER. That would be entirely satisfactory to me.

Mr. TALMADGE. Mr. President, reserving the right to object, how much time remains on the bills of the Senator from Kansas and also the Senator from Georgia?

The PRESIDING OFFICER. The Senator from Georgia has 67 minutes on the bill; the Senator from Kansas 50 minutes.

Mr. TALMADGE. Do I understand the request of the distinguished minority leader—and I certainly want to cooperate with him, he has been most cooperative in all instances that I have ever requested—is to postpone the vote on the Dole amendment until 3:30 p.m.?

Mr. BAKER. Mr. President, that would be fine.

Mr. MUSKIE. Until what time?

Mr. TALMADGE. 3:30 p.m. Is that the request of the distinguished minority leader? I shall not object, Mr. President.

Mr. LEAHY. Reserving the right to object——

Mr. TALMADGE. Are there any other amendments to the Dole amendment at this point? I think they have all been completed. Are there other amendments to the bill?

Mr. BUMPERS. I have an amendment to the Talmadge bill, and I was just curious as to how many amendments were to be offered.

UNANIMOUS-CONSENT REQUEST

Mr. TALMADGE. How many amendments are expected to be offered to the Talmadge bill? Apparently about four.

Then, Mr. President, I ask unanimous consent that notwithstanding the fact that the Dole amendment is pending that other amendments be considered at this time to the Talmadge bill.

Mr. DOLE. There are no further amendments to the Dole bill.

Mr. LEAHY. Reserving the right to object, Mr. President, if there is a time certain for a vote on both the Dole amendment and the Talmadge bill, does that mean the Senator from Vermont still has his 5 minutes reserved on both those bills?

Mr. TALMADGE. Certainly. The unanimous-consent agreement obtained by the distinguished majority leader provided—at that time it was anticipated that the vote on the Dole bill and the Talmadge bill would be back to back—but the distinguished Senator from Kansas has offered his bill as an amendment to the committee bill that I sponsored, and of which he is also a cosponsor, and by unanimous consent with the distinguished minority leader, we have postponed voting on the Dole amendment until the hour of 3:30 p.m.; and then after voting on that I expect that the amendments would be concluded in the remainder of the bill, and then we will vote on the Tadmadge committee bill at 4 p.m. In the meantime, if the distinguished majority leader desires to take up the conference report between the Dole amendment and the vote on the Talmadge bill, there may be a hiatus in time, but that could be squeezed in or perhaps follow the 4 p.m. vote on the Talmadge bill. Is the Senator from Vermont assured that the time reserved for him will be available sometime between now and 3:30?

Mr. TALMADGE. I can assure the distinguished Senator from Vermont, who is a very diligent, hard-working member of our staff, that he will have 5 minutes.

Mr. LEAHY. I thank the Chair.

Mr. BAKER. Mr. President, reserving the right to object, do I understand now the form of the request is that the vote on the Dole amendment is to occur at 3:30 this afternoon?

Mr. TALMADGE. Correct.

And that the vote on the Talmadge bill is to occur at 4, as was established yesterday and the day before by unanimous-consent agreement.

Mr. BAKER. And also that other amendments to the bill, notwithstanding——

Mr. TALMADGE. It has been agreed to and may be in order right now.

Mr. BAKER. I understand.

Mr. BUMPERS. Reserving the right to object, I understood the amendment by unanimous consent this morning provided for 30 minutes on amendments.

Mr. TALMADGE. That was the Dole amendment.

Mr. BUMPERS. Was that the Dole amendment only?

Mr. TALMADGE. Yes.

Mr. BUMPERS. Well, this means that if we vote on the Dole amendment at 3:15——

Mr. TALMADGE. 3:30 p.m.

Mr. BUMPERS. 3:30.

And the Talmadge amendment at 4, and there are three amendments pending after the McClure amendment, that means that all three would have to be considered within that 30-minute period.

Mr. TALMADGE. We are going to do it right now. It is 2:30 p.m. and we expect to proceed to consider other amendments by unanimous consent at this time.

If the Senator desires some more time on the amendment, I think we can arrange to secure that.

Mr. BUMPERS. Will the Senator assure me of that, if we get into a bind at that time. My amendment is not all that comprehensive, but it will take a few minutes to explain it to the Senate, and I would like to have some assurance that there will be no objection to a unani-

mous-consent request for a few minutes to do that.

Mr. TALMADGE. I cannot speak for 100 Senators, but this group lives by accommodation, and I would certainly urge that all 100 Senators give any Senator ample time to propose an amendment, and I certainly support that.

Mr. BUMPERS. It is my thought that if the floor manager does not object to that time increase, probably nobody else would.

Will the Senator from Kansas object to that?

Mr. DOLE. I have no objection, as long as we vote on my amendment at 3:30, because we have some people that have to leave after that vote.

Mr. BUMPERS. After 3:30.

Mr. DOLE. That is right.

Mr. TALMADGE. We will vote on the Dole amendment at 3:30 by unanimous consent.

Mr. DOLE. It is 2:30 now. We have an hour.

Mr. BUMPERS. Mr. President, will the majority leader consider a unanimous-consent request to make sure that I get at least 20 minutes on my amendment, 10 minutes on either side?

Mr. ROBERT C. BYRD. Is the Senator in a position to call up his amendment between now and 3:30?

Mr. BUMPERS. Depending on how long the McClure amendment takes I will be happy to do that.

Mr. TALMADGE. I think the McClure amendment will take about 90 seconds.

Mr. BUMPERS. In that case——

Mr. TALMADGE. And the Hansen amendment will also take about 90 seconds.

Mr. BUMPERS. I will agree with the distinguished Senator from Georgia and I will call up my amendment immediately after that.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on the disposition of the amendment by Mr. McCLURE that Mr. BUMPERS be recognized to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the vote on the Dole amendment will occur at 3:30, the vote on the bill at 4, and the rule XII is waived.

UP AMENDMENT NO. 1221

Mr. McCLURE. Mr. President, I have an amendment at the desk and I ask the clerk to report.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 15, following line 23 insert the following section:

"AGRICULTURAL COMMODITIES UTILIZATION PROGRAM

"SEC. . Notwithstanding any other provision of law; (a) The Secretary of Agriculture is authorized to permit, under such regulations as he may prescribe, any person participating in any year in any program administered by the Department of Agriculture under which there is an acreage set-aside or land diversion program in effect for such year to plant and harvest on the set-aside or land diversion acreage of such person's farm any agricultural commodity which is to be used or sold by such person for the purpose of being converted into industrial hydrocarbons and blended with gasoline or other fossil fuels for use as motor or industrial fuel.

"(b) In order to insure that a constant supply of agricultural commodities used in the manufacture of hydrocarbons suitable for blending with gasoline or other fossil fuels for use as motor or industrial fuel is available in years in which no acreage set-aside or land diversion program administered by the Department of Agriculture is in effect for such commodities, the Secretary of Agriculture is authorized to formulate and carry out in such years a production set-aside program under which producers of such commodities will be paid an incentive payment, in such amount as the Secretary determines necessary, to set aside a portion of their production of such commodities for use only in the manufacture of hydrocarbons for the purpose described in subsection (b).

"(c) Whenever a production incentive program is established under subsection (b) of this section in any year for any agricultural commodity, no producer shall be permitted to participate in such program unless such producer agrees to produce, for use or sale for the purpose described in subsection (a), a quantity of the commodity equal to not less than 15 per centum of the farm acreage allotment or farm base acreage for such commodity.

"(d) The amount of the incentive payment provided for in subsection (b) of this section shall be an amount determined by the Secretary of Agriculture to be necessary to obtain sufficient participation in the program to insure an adequate supply of the agricultural commodities needed for use in the manufacture of hydrocarbons for the purpose described in subsection (a).

"(e) The Secretary of Agriculture is authorized to issue such rules and regulations as he deems necessary to carry out the provisions of this section.

"(f) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this program."

Mr. McCLURE. Mr. President, I can explain this amendment in very simple terms. I have given copies of the amendment to both the majority floor manager and the minority floor manager of the bill.

It simply allows the Secretary of Agriculture to permit by regulation the use of diverted acres for crops that are devoted to the production of alcohol for blending with gasoline and the so-called gasahol program. This will carry forward one more step what we have already put in process without repeating all of the arguments for the gasahol program, which may be important to us both from the energy standpoint.

Mr. President, I am today submitting an amendment which is the same as the Agricultural Commodities Utilization Act which I introduced earlier, important legislation designed to encourage the production of agricultural commodities suitable for use in the manufacture of industrial hydrocarbons to be blended with gasoline or other fossil fuels.

As many of my colleagues are well aware, the technology involved with the production of hydrocarbons—more commonly referred to as ethyl and methyl alcohol—for use as a motor fuel blend has been with us since the late 1930's. Although alcohol was produced and blended with gasoline in great quantities during World War II, the economics of the situation did not lend itself to serious consideration of an alcohol-gasoline, "gasohol," motor fuel for everyday consumption.

However, those days of cheap foreign and domestic petroleum products are a thing of the past. We must now do everything in our power to both conserve our energy resources and find reasonable, effective energy alternatives whenever and wherever possible. Alcohol produced from agricultural commodities is just such an alternative.

Mr. President, while we all acknowledge the importance of conserving and finding new energy sources, there is another consideration involved with the production of alcohol from agricultural commodities which I feel is of equal, if not greater, importance. Stated simply, every gallon of alcohol produced means roughly 1½ bushels of grain (or other commodity equivalent) that American farmers can market. In years such as this when the national average price of wheat is slightly over $2 per bushel, the national average cost of producing the wheat is $3 or more, and our national surplus of wheat stocks amounts to well over 1 billion bushels, any market farmers can find is nothing less than a godsend.

Mr. President, the amendment I offer today is one of the very important steps that must be taken if the United States is to fulfill these two important goals of assisting farmers and finding energy alternatives.

First, my amendment provides that farmers participating in any USDA set-aside or land diversion program would be able to plant and harvest crops on his set-aside or diverted acreage, provided such crops are dedicated to the production of alcohol for use as a motor or industrial fuel. This provision, of course, thwarts the farmer's nemesis of forced land idling while providing an additional monetary incentive for farmers to continue to produce.

Secondly, because acreage set-asides and land diversion programs do not occur every year, we would be foolish to expect that individuals would invest in an alcohol manufacturing facility if supplies of agricultural commodities could not be constantly assured. Therefore, this legislation provides an additional monetary incentive to farmers in non-set-aside or diversion years when they dedicate established acreages to the production of industrial hydrocarbons.

Mr. President, a comprehensive gasohol program is still in its infancy stage in the United States. The Food and Agriculture Act of 1977 provided the first step by authorizing loans for the construction of four alcohol manufacturing plants, as well as for college and university gasohol research grants during the next 5 fiscal years. It is clearly the responsibility of this Congress to insure that the now-popular gasohol concept be reviewed and nurtured properly for the benefit of all of us in the coming years.

It is, also, clearly our responsibility to get moving now. I am confident that my colleagues will find this legislation an important and necessary link in their gasohol plans, and hope that they will join me in passing this amendment.

I urge the amendment be adopted.

Mr. TALMADGE. I have examined this amendment and the staff has exam-

ined it and I presume the distinguished Senator from Kansas has examined it.

Mr. DOLE. I have examined it.

Mr. TALMADGE. This authorizes the Secretary and merely authorizes. It does not make mandatory that the land that is set aside be used to produce any commodity that he thinks can make gasahol, which would be used as a propellant for automobiles and farm machinery. In the Food and Agriculture Act of 1977, Senator CURTIS and I put in two provisions to try to utilize forest and wood products for petroleum resources, as the Senator knows. We directed the Secretary of Agriculture to build a pilot plant to use wood for development of the alcohol and also separate agricultural commodities.

If my memory serves me correctly, the distinguished Senator from Indiana has authored a bill similar to the amendment here and it may well be on the statute books, but I have no objection to it being on the statute books the second time.

I urge my colleagues to approve the amendment of the Senator from Idaho.

Mr. McCLURE. I thank the distinguished Senator.

Mr. MAGNUSON. Will the Senator yield?

Mr. McCLURE. I will be happy to yield to the distinguished Senator from Washington.

Mr. MAGNUSON. I am glad that the manager of the bill has accepted this amendment. I want to join with the Senator from Idaho on this amendment.

Mr. McCLURE. I ask unanimous consent that the distinguished Senator from Washington be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. We do have out in our country in Idaho and Washington some very exciting prospects and we are hopeful that we will get some approval, which this amendment will do, to proceed with those projects.

I am glad that it is accepted. It calls attention to the fact that this is technically probable. The research has been done and it is just a question of how much it is going to cost, whether we will get the cost down, but it can be down and I am glad we are starting on this road and I am glad it has been endorsed by Senator DOLE and Senator TALMADGE, and their previous works in asking the Secretary to do these things.

Mr. McCLURE. I thank the Senator for his support.

I ask unanimous consent that the distinguished Senator from South Carolina (Mr. THURMOND) be added as a cosponsor to the amendment and the Senator from Washington——

Mr. JACKSON. Will the Senator yield?

Mr. McCLURE. I yield to the distinguished Senator from Washington.

Mr. JACKSON. I ask unanimous consent that I be joined as a cosponsor.

Mr. McCLURE. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. I ask unanimous consent that the previous unanimous-consent agreement whereby Senator BUMPERS was going to follow Senator McCLURE with an amendment may be amended so as to permit me to go ahead of the distinguished Senator from Arkansas (Mr. BUMPERS).

Mr. BUMPERS. Mr. President, I think unanimous consent has been agreed to on all sides. I have no objection to the change of the unanimous-consent agreement, providing I follow that Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. McCLURE. I move to reconsider the vote by which the amendment was agreed to.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. BUMPERS. I do not have the floor.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. McCLURE. Will the Senator yield for a unanimous-consent request?

Mr. HANSEN. I yield to the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, I ask unanimous consent that Senator CURTIS be added as a cosponsor to the amendment just adopted.

Mr. EAGLETON. Will the Senator yield?

Mr. HANSEN. I will be happy to yield to the distinguished Senator from Missouri.

Mr. EAGLETON. I thank my colleague from Wyoming.

Mr. President, I ask for two unanimous-consent requests. First, that Mr. Auer and Mr. Lewis, of my staff, have the privilege of the floor during the pendency of the agriculture bills.

The PRESIDING OFFICER. Without objection, so ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent, bearing in mind that I have been in and out of this Chamber all day, that my amendment No. 1738 be taken up for consideration immediately following the disposition of the Bumpers amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Will the Senator from Wyoming yield for a further unanimous-consent request?

Mr. HANSEN. I will be happy to yield to the distinguished Senator from Texas.

Mr. BENTSEN. I ask unanimous consent that staff members Charles Pucket, David Allen, and Carroll Schubert be allowed the privilege of the floor during consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1736

Mr. HANSEN. Mr. President, I call up my amendment No. 1736.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN) proposes amendment No. 1736.

Mr. HANSEN. Mr. President, I ask unanimous consent that further reading of the amendment may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, after line 6, add the following:

MEAT IMPORT LABELING

SEC. 6. (a) Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620(a)), is amended by inserting "(1)" after "(a)" and by adding at the end thereof the following:

"(2) Any imported meat or meat food product referred to in paragraph (1), and any meat food product made in whole or in part of such imported meat, or its package or container, shall be labeled as 'imported' or 'imported in part', as the case may be. This paragraph shall not apply if the meat or meat product, or its package or container, is marked and labeled to show the country of origin as required under regulations referred to in paragraph (1).

"(3) If any person other than the ultimate consumer cuts or otherwise divides meat or meat food products into pieces or breaks a package or container containing meat or a meat food product and such meat, product, package, or container is marked or labeled as required by paragraph (1) or (2), such person shall affix a label to each piece of such meat or product or to each package or container in which any such meat or product is placed to provide the information required by paragraph (2). This shall include any product that may result from a blend of imported and domestic meat, except that such product may be labeled as 'contains imported meat.' In applying this paragraph and paragraph (2), for purposes of this Act the term 'label' includes 'labeling' as defined in section 1(p).

"(4)(A) The Secretary shall prescribe such assessments and fees on imported meat and meat food products as he determines necessary to cover the costs of labeling (or other marking) required under this section.

"(B) In establishing the level or rate of assessments and fees to be imposed under this section, the Secretary shall take into consideration the volume of exports, the value thereof, and such other factors as he deems appropriate in order to achieve a fair and equitable allocation of such assessments and fees among exporters.

"(C) The Secretary shall reimburse, from assessments and fees imposed under subparagraph (A), any State which carries out a mandatory meat inspection program under title III of this Act for any expenses incurred by such State in enforcing the provisions of paragraphs (2) and (3) of this subsection.

"(D) The Secretary shall have authority to suspend or revoke the privilege of any exporter of meat or meat food products to export such products to the United States if such exporter fails to pay the assessments or fees for which such exporter is responsible to pay under this section.".

(b) The provisions of subsection (a) shall become effective one hundred and eighty days after the date of enactment of this Act.

Mr. HANSEN. Mr. President, the purpose of this amendment is to enable consumers in this country to determine whether the meat they buy is of domestic or foreign origin. The amendment says that all meat and meat food products made in whole or in part of imported meat must be so labeled at all stages of distribution so that citizens may know when they are buying a product of foreign origin.

The amendment also says that the cost of administering and enforcing this labeling requirement must be paid by the foreign exporters who sell their meat in this country.

Mr. President, legislation passed several years ago by Congress greatly expanded Federal monitoring and control of meat production, processing, and marketing to the American public. The purpose of this legislation was, of course, to protect the health and well-being of consumers and enable them to know what they are buying and eating.

We have the best meat inspection and labeling law in the world. American consumers know when they buy meat regulated by this law that it has been rigorously examined for wholesomeness and purity and that it is labeled according to requirements meant to tell people what they are buying and where it came from.

In addition to regulating domestically produced meat and meat products, our existing Federal law also applies to canned, processed, and prepared meats which come from foreign countries. Such products must be labeled as to country of origin. We import more than half a billion pounds of processed and canned meat every year, all of which is labeled as to origin according to the requirements of existing law.

But, Mr. President, that processed meat accounts for only about one-third of the total amount of foreign meat imported by the United States. The rest is distributed to consumers in the form of various products, but it is not labeled as to origin and the consumer has no way of knowing when he or she is buying and consuming this foreign meat.

Typical of the products made from foreign meat, but not so labeled, are most hot dogs, soups, TV dinners, and hamburger. The meat in these kinds of products is usually imported. But unlike the canned luncheon meat from Argentina or Canada, the hot dogs and the hamburger and the other products bear no label telling the buyer where the meat came from. A consumer who wishes to do so cannot restrict purchases to domestically produced and inspected beef and meat, because there is no way to determine the origin of the meat in most products.

So, our law requires that foreign meat entering the United States in canned, processed, or prepared form be labeled as to origin for the benefit of American consumers. It even requires that domestically produced meat intended for sale to foreign countries bear a label saying it is for export and disclosing information about any preservatives used. This is for the protection of foreign consumers of American beef.

But the law does not require disclosure of the origin of more than a billion pounds of foreign beef and meat which enters the United States every year in fresh, chilled, and frozen form. This meat is sold to consumers in restaurants and in supermarkets throughout the country. It is made into hamburger, hot dogs, frozen dinners, soup, lunch meat and dozens of other products. The labels on these products must, by law, tell consumers the name of the product, the ingredients, the name and place of business of the manufacturer, packer, or distributor, the quantity of the contents, and whether the product was inspected.

But the most important information—the origin of the meat—does not appear on products made from imported fresh, chilled, or frozen meat. This is a serious oversight which my amendment would correct.

We are not talking about a minor amount of meat, Mr. President. We are talking about billions of pounds of imported meat which is made into products sold to millions of American citizens. Last year, we imported close to a billion and a half pounds of this meat which was not labeled as to origin when it reached the retail level.

Imported meat which arrives frozen is generally thawed and made into a variety of products for sale to American consumers. Most of the frozen meat we import is ground, blended with fat trimmings from domestic beef, and then sold as "fresh" hamburger. Millions of consumers then refreeze this hamburger in their home freezers. The freezing, thawing, and refreezing of meat is discouraged by the Department of Agriculture, which warns in a consumer bulletin:

Cook thawed meat immediately or keep only a short time in a refrigerator. Avoid refreezing thawed meat.

Mr. President, American consumers deserve to be told if the meat they buy has previously been frozen and they deserve to know where it came from. Our law says countries which sell meat to the United States must have inspection laws as strict as ours, but I would stress that there is no way without subjecting it to our inspection system to guarantee that foreign meat measures up to our standards. Consequently, many people would prefer to buy domestically produced products which they know have been produced here in the United States and have passed through our strict and exacting inspection system. My labeling amendment would permit citizens the opportunity to buy domestic products.

I was pleased to see in a United Press International story that ran yesterday that Carol Foreman, Assistant Secretary of Agriculture for Consumer Affairs, has endorsed the concept of labeling meat which is imported. I welcome her support.

I believe this amendment is in the best interests of consumers and producers alike, Mr. President, and I urge my colleagues to approve it.

Mr. President, this amendment seeks to do two things: One is to require that the country of origin be shown on all meat products which are imported into the United States; and, further, that the cost of administering this labeling requirement must be paid for by foreign exporters who sell their meat in this country.

The concept of this amendment has been endorsed by the Secretary of Agriculture.

Essentially, it seeks to carry out what the Department of Agriculture has——

Mr. TALMADGE. Will the Senator yield?

Mr. HANSEN. I yield.

Mr. TALMADGE. I understand this amendment would require the labeling of imported meat and meat products and do nothing more; is that correct?

Mr. HANSEN. That is correct.

Mr. TALMADGE. I support the amendment.

Mr. DOLE. Mr. President, I support the amendment.

Mr. HANSEN. Mr. President, we are ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment was agreed to.

Mr. HANSEN. Mr. President, I ask unanimous consent that Senators MELCHER, DOLE, MAGNUSON, DOMENICI, MCCLURE, THURMOND, ALLEN, BURDICK, BENTSEN, CURTIS, and Mr. HATFIELD of Montana be included as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas.

UP AMENDMENT NO. 1222

(Purpose: To permit loans to be made up to 36 months and to create a National Commodity Reserve)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas proposes an unprinted amendment numbered 1222.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

"TITLE II

"SEC. 1. In the event of any conflict as between this Title and any other provision of this Act or of any other law, this Title shall prevail. The Agricultural Act of 1949 is amended by adding Sections 2-10 hereof, as appropriately renumbered, to its terms.

"GUARANTEE OF LOANS: AMOUNT OF LOANS: TERMS

"SEC. 2. (a) The Secretary shall guarantee in any year loans made by commercial lending institutions to producers of nonperishable specified commodities for which a loan program is authorized by law. The amount of any such loan (loan level) in the case of any producer shall be an amount not in excess of an amount determined by multiplying the quantity of such commodity on which such producer is eligible for a loan by the loan level as set pursuant to law.

(b) The term of such loan shall be for such period as may be agreed upon by the lender and the producer-borrower but in no case for a period longer than thirty-six months.

(c) No loan may be guaranteed under this Act unless the rate of interest thereon is no greater than the rate of interest on comparable loans made by commercial institutions in the same area for the same purpose without the benefit of Federal guarantees.

DIRECT LOAN AUTHORITY

SEC. 3. (a) The Secretary is also authorized to make loans to producers of such nonperishable specified commodities on their crops through the facilities of the Commodity Credit Corporation. Loans made under authority of this section shall be made at a

level not less than that prescribed in section 2(a). Loans made by the Secretary under authority of this subsection on any specified commodity shall be made at the same rate of interest at which loans guaranteed under this Act are made on the same commodity. The Secretary shall use the guarantee loan program whenever practicable in providing an initial loan to any producer on any specified commodity.

(b) Producers shall be entitled, upon application to the Secretary, to obtain a loan from the Secretary as provided in subsection (a) on the commodities owned by such producers in an amount not less than that described in section 2. Loans made under this subsection shall be for an unspecified period of time. Notwithstanding the foregoing no loan may be made by the Secretary on any specified commodity of such producer unless such producer has satisfied any prior loan made on such commodities which was guaranteed by the Secretary or unless the proceeds of the loan made by the Secretary are to be used to satisfy such prior loan.

NONRECOURSE NATURE OF LOANS; ADJUSTMENTS FOR GRADE AND OTHER FACTORS; COMPLIANCE REQUIREMENTS

SEC. 4. (a) Loans guaranteed by the Secretary under section 2 and loans made under section 3 shall be guaranteed and made without recourse against the producer-borrowers and no security other than the commodity on which such loans are made shall be required.

(b) The Secretary may adjust the loan level for any specified commodity on the basis of the grade, type, staple, or quality of such commodity.

MANDATORY RELEASE PRICE

SEC. 5. (a) The Secretary shall establish for each specified commodity mandatory release prices at which a percentage (specified by the Secretary) of the quantity of that commodity under loan (made or guaranteed under this Act) must be released for sale in domestic or export markets. Mandatory release prices shall be a condition of any loan made or guaranteed under this Act.

(b) Mandatory release prices shall be established for each specified commodity prior to the start of the marketing year for such commodity and shall remain in effect for that marketing year.

(c) Mandatory release prices in the case of any specified commodity shall be established by the Secretary as a percentage of the loan level for that commodity plus storage charges and interest charges applicable to prevailing loans for that commodity.

AUTHORITY TO CALL LOANS

SEC. 6. The Secretary is authorized to call any loan made under this Act and secured by commodities comprising part of the National Commodity Reserve, if the Secretary determines that the domestic or foreign market for the commodity for which such loan was made is unstable because insufficient quantities of that commodity are being offered for sale, except that the Secretary may only call loans on such commodity at any time that the market price for such commodity is at or above the mandatory release price established by the Board for such commodity. The Secretary shall call the oldest outstanding loans first and proceed chronologically to the newest loans outstanding; except that at no time shall the Secretary call any loans on any specified commodity if the calling of such loans will cause the price of such commodity to drop below the loan level currently in effect for such commodity.

PROHIBITION AGAINST RENEWAL OR EXTENSION OF CERTAIN LOANS

SEC. 7. No new loan may be made or guaranteed under this Act with respect to any quantity of any specified commodity owned by any producer and no existing loan may be renewed or extended on any quantity of any such commodity owned by any producer if such quantity of such commodity has been ordered released from loan pursuant to section 5 of the loan on such quantity of such commodity has been called pursuant to section 6.

Mr. BUMPERS. First, I apologize, Mr. President, to the Senator from Georgia for not having gotten this to him and his staff earlier. I will make every effort to be as concise and precise as I can be in stating to him and the other colleagues present the purpose of the amendment and what is does.

Since I do not have any other time allotted to me, I would like to take about 2 minutes to say that I am going to vote against the Dole amendment. I am going to do it for some of the reasons which have already been articulated by the Senator from Maine, but I am going to vote against it for other reasons.

Number one, I do not believe that the Budget Office or the Department of Agriculture can give this body any assurance that the approach of the Dole amendment is in keeping with all the interests that we have to consider, the farmer interests, our exports, the U.S. Treasury, and the consumers.

I do not believe anyone can tell us with any degree of certainty how many acres will be set aside, and, therefore, it is impossible to tell what the cost will be.

We do not know what the price of these commodities will be. Obviously, the price of these commodities in the future will depend to some extent on how many acres are set aside. But we cannot know how many acres will be set aside.

Finally, I believe that the Dole bill and the Talmadge bill are contradictory. I do not see how they can be made compatible with each other. I know there is a chance that the Dole bill will be kicked out in the conference, but I do not think we ought to legislate with that understanding. I do not think we ought to vote for the Dole bill and go home and tell our farmers we voted for 100 percent parity for them with the certain knowledge it will be kicked out in conference.

I do not have any strong opposition to the approach of the Senator from Kansas, but I just think it goes too far. I think serious shortages in the commodities covered under that bill could result.

In addition, it does not cover livestock. In my State, when I was Governor, it was like being Governor of two States. Everything east in Arkansas was soybeans, rice and cotton, and everything in the West was poultry and livestock. I say this facetiously, but I used to go to the East and say they were not getting enough for their grain and go to western Arkansas and tell them their grain was costing too much.

This is what we are doing here. We are being deceptive. I think the Talmadge bill has a chance of passing here and in the House. We can say to the farmers, "It is not a perfect solution. It is an approach. At least we are doing something for you now."

It will help the farmer and also help get rid of the glut or surpluses with which we are confronted.

Mr. President, my amendment is taken from a bill that Senator HODGES and I introduced sometime ago after weeks of hard work. This amendment is only one section of it. But the thrust of this amendment is to give the farmers two options:

No. 1, when the Secretary sets the loan levels on any commodity, the farmer can go to a commercial lending institution and get a federally guaranteed loan for the amount that he is going to raise. If he has 100 acres and he is going to raise 100 acres of wheat, he can go to the bank and say, "The Secretary has set the loan levels on wheat at $3 or $3.10"—whatever, though I do not think it is that high—and he can get a federally guaranteed loan.

That is not going to be a subsidized loan. That will be at the going interest rate. The only difference between this and what the farmer is doing right now is that the Government will guarantee that loan.

The second part of this amendment provides that he will also have that same privilege of putting his commodities in the Commodity Credit Corporation at that same loan level, but it will be for up to a 3-year period, to be negotiated between the Secretary and the producer-borrower. The same time the loan would be available on commercial loans, incidentally.

In the past, one of the problems the farmers have had is they borrow money from the bank and the bank loan comes due on December 31. They always feel compelled to sell the crop to pay off the bank loan.

What has been happening? Last April, less than a year ago, soybeans were selling for $10 to $10.15 in this country, and the bigger farmers who had the grain storage on their farms, or who had the wherewithall to hold out and keep their commodities off the market, were able to hold out and get $10 a bushel for their soybeans.

This past fall, between October and the end of December, I will guarantee that 70 to 80 percent of the farmers in my State sold their beans at somewhere between $5 and $6 a bushel because they had to pay off a loan.

Yesterday, the closing price on soybeans was around $7 to $7.10. I hope nobody in this country holds onto their beans based upon what I am about to say, but I will venture a guess that beans will go still higher. Why will they? Because they are beginning to get worried about them. Brazil came out and said, "We did not produce as many soybeans as we thought." They have run their guess from about 13 million metric tons down to 9 million metric tons. The speculators are getting worried and the price is going up. If it is not Brazil, it is some other problem.

If we go back and look at the charts and graphs of what has happened to the price of soybeans—and I am using that as an illustration, which we can do with almost any crop except wheat, which stays depressed—if we go back and look at the charts and graphs, we will see that at harvesttime when there is an abundance of everything the price is

down, and that is when the farmers are forced to sell. If he can hold on until April, May, or June of the next year, almost invariably the price is up where, if he could have held out, he could have made a decent profit.

Of the farmers in my State, one of the biggest farmers down there and one of the leaders in the agricultural movement, told me that he made two bales of cotton to the acre. There are farmers who said if he made two bales to the acre he made money regardless of what he sold his cotton for. I am not here to argue that. All I am saying is he sold his cotton for 42 cents, and if he was selling it today he would be getting 52 to 55 cents. Today, if he wants to book his cotton for this fall he can probably get 58 cents.

I am not trying to make speculators out of farmers; I am just trying to give them a fair shake so they can participate in all the benefits that agribusiness and the wealthy farmers have been enjoying for years because of their financial ability to withhold their commodities until the price went up.

It is not asking very much. We are not asking anybody to subsidize them because they will be paying the going rate of interest.

Did Members know that the Commodity Credit Corporation has made money since the day it was set up? It not only never lost a dime, but it has made money.

Why can we not help the farmers by allowing them to leave their commodities in there for a little longer period of time and allow the Secretary—and this is the final provision in the amendment—to set a triggering mechanism by which any time the price of that commodity exceeds the loan level by some percentage, they will be required to take a percentage of their commodity out of the loan?

Is that not fair enough? Right now, the Secretary says he is going to set a loan level of $4.50 on soybeans. This would mean that a farmer puts his beans in the loan, in the Commodity Credit Corporation, this fall at $4.50. He can leave them there until the price reaches the predetermined rate set by the Secretary.

Let us assume the Secretary says that when soybeans reach $6, the farmer has to take a percentage of his beans out of loan. That does not mean he has to sell them. He may or may not. If he does not have storage space for them, if he does not have the wherewithal to hang on to them, it means, in effect, that he will have to sell them.

If they go to $7, the Secretary might say, "You have to take out another 40 percent or 50 percent." That way, the farmer gets rid of the crop, he does not keep it in storage, but it does give him an opportunity not to be taken advantage of by the speculators and the telecommunications systems and computer systems in Chicago.

The American Board of Trade and the Chicago Board of Trade have computers and they can tell exactly how many bushels of any commodity will come out of loan on any given day. All they have to do is look at what their demand is, push a button on the computer, and say, "Well, that is not going to push prices up because on this day and the next, so many bushels are going to come out of Commodity Credit Corporation."

There has to be an adequate supply. They ought not to have that kind of information to take adavntage of farmers. If this amendment is adopted, they will not have.

This amendment is not going to deprive anybody of anything.

Mr. TALMADGE. If the Senator will yield, I did not see this amendment until a few minutes ago. I have heard a good many complaints about the release of stocks from the Commodity Credit Corporation reserve as presently constituted and it does need some improvement. Will the Senator take me now through the scenario of how this amendment is going to work?

Take Farmer Smith. He produced 1,000 bushels of soybeans in Arkansas. Will the Senator tell me what happens under this amendment?

Mr. BUMPERS. No. 1, before he produces the beans, he goes down to the bank and says, "I am going to produce 1,000 acres of soybeans." The Secretary of Agriculture has set the loan level on beans at $4.50 per bushel. He would be entitled to get a federally guaranteed loan from that banker for some figure agreed on, possibly the average yield that he could anticipate.

Mr. TALMADGE. Of course, that loan is not mandated by law. That would depend on the financial security of the farmer in that community, I suppose.

Mr. BUMPERS. That is correct.

Mr. TALMADGE. All right. I ask the Senator to proceed further. Assuming the farmer has adequate credit, he can get loans from the bank contingent on the price that the Secretary of Agriculture has set on soybeans. Take me down in the scenario further now.

Mr. BUMPERS. He can do either of two things: he can leave that loan in the commercial lending institution at that same rate of interest for up to 3 years.

Mr. TALMADGE. There again, it would be dependent upon the bank. Most banks do not make commodity loans for 3 years. We do not mandate a commercial bank to make commodity loans for 3 years.

Mr. BUMPERS. That is right. If the bank does not want to make those loans, that also is their privilege. We are assuming there will be some institutions that would make loans of up to 3 years, anyway.

Mr. TALMADGE. He can get a loan now direct from the Government, but it has to be renewed from year to year. Does the Senator's amendment change that? Would the Commodity Credit Corporation be mandated to make a 3-year loan rather than a 1-year loan?

Mr. BUMPERS. That would be any given period of time. It could be up to 36 months.

Mr. TALMADGE. In other words, the law would be changed and it would be authorized to make loans up to 3 years in lieu of 1 year?

Mr. BUMPERS. That is correct.

Mr. TALMADGE. The rate of interest on loans would be at what level?

Mr. BUMPERS. At the going rate. Both the CCC and the lending institution rate would not be a subsidized rate. It would be the going rate.

Mr. TALMADGE. Who would pay the storage fee?

Mr. BUMPERS. The farmer would pay the storage fee.

Mr. TALMADGE. What would the storage fees amount to? I believe the rate was recently raised to 25 cents a bushel in the reserve program. I believe the farmer pays the interest on that loan at cost of borrowing by the Commodity Credit Corporation. How does this amendment change that?

Mr. BUMPERS. It does not change that, in any respect.

Mr. TALMADGE. What else does it do to change existing law?

Mr. BUMPERS. It just gives the farmer the opportunity of leaving his crop in loan a longer period.

Mr. TALMADGE. Thirty-six months in lieu of 12?

Mr. BUMPERS. That is true, unless the price reaches a certain level. The Secretary would have the right to set certain triggering price limits under which he would be required to take action.

Mr. TALMADGE. He would recall the loan at that point?

Mr. BUMPERS. That is right.

Mr. TALMADGE. What is the price level of the call? At what rate would the Secretary call the loan?

Mr. BUMPERS. We would leave that to the Secretary under the bill. It is not set here.

Mr. TALMADGE. That is left to the Secretary's discretion.

Mr. BUMPERS. That is right.

Mr. TALMADGE. I notice some reference to a board here. What board is the Senator referring to?

Mr. BUMPERS. That word should be stricken. Where does the Senator find that?

Mr. TALMADGE. It is in the explanation that I saw.

It is at the bottom of page 4: "The Secretary, in consultation with the board."

Mr. BUMPERS. That line should be striken.

Mr. President, I ask unanimous consent that it be stricken from the amendment.

Mr. TALMADGE. Is it all of line C?

Mr. BUMPERS. No, it would just read "The Secretary shall designate."

Mr. TALMADGE. "The Secretary shall designate the national reserves." In other words, strike out "in consultation with the Board."

Mr. BUMPERS. That is correct.

Mr. TALMADGE. Does the Senator so modify his amendment?

Mr. BUMPERS. That is correct.

The PRESIDING OFFICER. Is there any objection to the modification?

Mr. TALMADGE. The Senator has that right. The yeas and nays have not been ordered here.

What is the national commodity reserve to which the Senator refers in his bill?

Mr. BUMPERS. The national com-

modity reserve section should be stricken. I apologize for that. This was taken from a bill, but that entire section should be stricken.

Mr. TALMADGE. That is on page 4, section 8.

Mr. BUMPERS. Section 8 should be striken and section 9 should be renumbered section 8. Section 10 should be renumbered section 9.

I ask unanimous consent that it be so modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Those are the main features.

I must say to the Senator that this may or may not be exactly what the confereees, when and if we reach agreement with the House, will want to do. But I have heard considerable complaint about the commodity reserve and loan program, and many farmers tell me it can stand some improvement. If my distinguished colleague from Kansas is willing, I am perfectly agreeable to taking it to conference. Then we can have a second look at it and the views of the administration and make a decision that may or may not be more enlightened than one on such short notice.

Mr. BUMPERS. Mr. President, let me make an additional modification, because section 9 and section 10 should be stricken, too. All three of those sections deal with the national commodity reserve.

Mr. DOLE. Reserving the right to object.

Mr. BUMPERS. Mr. President, I have the right to modify my amendment.

Mr. TALMADGE. Certainly, the Senator has a right to modify his amendment.

Mr. BUMPERS. Mr. President, I further modify the amendment by striking sections 9 and 10.

The PRESIDING OFFICER. Since the Senate gave unanimous consent for consideration of this amendment, it will take unanimous consent to modify it.

Mr. DOLE. And I reserve the right to object.

Mr. BUMPERS. Will the Chair please restate the proposition?

The PRESIDING OFFICER. Since the Senate gave unanimous consent to consider the amendment, it will take unanimous consent to modify the amendment.

Mr. DOLE. Let me say to the Senator from Arkansas, who was so kind when he spoke of the flexible parity bill and not being certain what it did and what would happen when it went to conference. I hope the Senator understands that the same thing might happen to this amendment.

Mr. BUMPERS. I understand that quite well.

Mr. DOLE. I want to make a further point. I do not intend to object, because I want to get the best bill we can. I do not want to go to conference with any death wish. If we are just going to go in and throw out things, I hope we revise or revamp this amendment to make it work.

I hope we can come out of the conference with something like flexible parity, but I hope the Senator from Arkansas will be willing to assist me on that.

I withdraw my reservation.

Mr. TALMADGE. One final question.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (UP Amdt. No. 1222), as modified, is as follows:

At the end of the bill, insert the following:

"TITLE II.

"SEC. 1. In the event of any conflict as between this Title and any other provision of this Act or of any other law, this Title shall prevail. The Agricultural Act of 1949 is amended by adding Sections 2–10 hereof, as appropriately renumbered, to its terms.

"GUARANTEE OF LOANS: AMOUNT OF LOANS: TERMS

"SEC. 2. (a) The Secretary shall guarantee in any year loans made by commercial lending institutions to producers of nonperishable specified commodities for which a loan program is authorized by law. The amount of any such loan (loan level) in the case of any producer shall be an amount not in excess of an amount determined by multiplying the quantity of such commodity on which such producer is eligible for a loan by the loan level as set pursuant to law.

"(b) The term of such loan shall be for such period as may be agreed upon by the lender and the producer-borrower but in no case for a period longer than thirty-six months.

"(c) No loan may be guaranteed under this Act unless the rate of interest thereon is no greater than the rate of interest on comparable loans made by commercial lending institutions in the same area for the same purpose without the benefit of Federal guarantees.

"DIRECT LOAN AUTHORITY

"SEC. 3. (a) The Secretary is also authorized to make loans to producers of such nonperishable specified commodities on their crops through the facilities of the Commodity Credit Corporation. Loans made under authority of this section shall be made at a level not less than that prescribed in section 2(a). Loans made by the Secretary under authority of this subsection on any specified commodity shall be made at the same rate of interest at which loans guaranteed under this Act are made on the same commodity. The Secretary shall use the guarantee loan program whenever practicable in providing an initial loan to any producer on any specified commodity.

"(b) Producers shall be entitled, upon application to the Secretary, to obtain a loan from the Secretary as provided in subsection (a) on the commodities owned by such producers in an amount not less than that described in section 2. Loans made under this subsection shall be for an unspecified period of time. Notwithstanding the foregoing, no loan may be made by the Secretary on any specified commodity of such producer unless such producer has satisfied any prior loan made on such commodities which was guaranteed by the Secretary or unless the proceeds of the loan made by the Secretary are to be used to satisfy such prior loan.

NONRECOURSE NATURE OF LOANS; ADJUSTMENTS FOR GRADE AND OTHER FACTORS; COMPLIANCE REQUIREMENTS

SEC. 4. (a) Loans guaranteed by the Secretary under section 2 and loans made under section 3 shall be guaranteed and made without recourse against the producer-borrowers and no security other than the commodity on which such loans are made shall be required.

(b) The Secretary may adjust the loan level for any specified commodity on the basis of the grade, type, staple, or quality of such commodity.

MANDATORY RELEASE PRICE

SEC. 5. (a) The Secretary shall establish for each specified commodity mandatory release prices at which a percentage (specified by the Secretary) of the quantity of that commodity under loan (made or guaranteed under this Act) must be released for sale in domestic or export markets. Mandatory release prices shall be a condition of any loan made or guaranteed under this Act.

(b) Mandatory release prices shall be established for each specified commodity prior to the start of the marketing year for such commodity and shall remain in effect for that marketing year.

(c) Mandatory release prices in the case of any specified commodity shall be established by the Secretary as a percentage of the loan level for that commodity plus storage charges and interest charges applicable to prevailing loans for that commodity.

AUTHORITY TO CALL LOANS

SEC. 6. The Secretary is authorized to call any loan made under this Act and secured by commodities comprising part of the National Commodity Reserve, if the Secretary determines that the domestic or foreign market for the commodity for which such loan was made is unstable because insufficient quantities of that commodity are being offered for sale, except that the Secretary may only call loans on such commodity at any time that the market price for such commodity is at or above the mandatory release price established by the Board for such commodity. The Secretary shall call the oldest outstanding loans first and proceed chronologically to the newest loans outstanding; except that at no time shall the Secretary call any loans on any specified commodity if the calling of such loans will cause the price of such commodity to drop below the loan level currently in effect for such commodity.

PROHIBITION AGAINST RENEWAL OR EXTENSION OF CERTAIN LOANS

SEC. 7. No new loan may be made or guaranteed under this Act with respect to any quantity of any specified commodity owned by any producer and no existing loan may be renewed or extended on any quantity of any such commodity owned by any producer if such quantity of such commodity has been ordered released from loan pursuant to section 5 of the loan on such quantity of such commodity has been called pursuant to section 6.

Mr. TALMADGE. Where is the money coming from to make these guaranteed loans?

Mr. BUMPERS. The amendment does not touch any authorization for such sums. It just guarantees it. I do not know.

Mr. TALMADGE. Out of the Commodity Credit Corporation, I assume.

Mr. BUMPERS. There is a provision in here, as the Senator knows, that increases the amount of money available to the Commodity Credit Corporation from $14 billion to $25 billion.

Mr. TALMADGE. I shall have an amendment on that in a moment, based on a figure from the Bureau of the Budget dated October 29, 1977. Prior to that time, it conformed to the projection that the committee has made.

If there be no objection on the part of any Senator, I am prepared to urge that this amendment be approved and we take it to conference and that it be given further scrutiny at that time.

Mr. BUMPERS. I thank the Senator, very much.

Mr. DOLE. Will the Senator yield?

Mr. BUMPERS. Yes.

Mr. DOLE. It is my understanding that it has been modified. I share the view expressed by the Senator from Arkanas. This does have a lot of merit. I think it is one that I have discussed, at least briefly, with the junior Senator from Arkansas (Mr. HODGES). I reiterate that I hope the distinguished senior Senator will be pushing in the conference for the best bill we can have. I do not want anybody here thinking we are just trying to put everything in the pot and say, "Well, it is all over, and we have fooled the farmers again this year, let us go home."

That is not my intent. I am sure it is not the Senator's intent.

Mr. BUMPERS. I appreciate the Senator's comments. I simply want to say that I think one of the most pressing things, the urgency of the matter, is that the farmers in my State are anxious to get some word as quickly as possible as to where they stand this planting year. My thought was and I think the record is for the flexible parity concept, that the Talmadge proposal could be adopted easily, whereas the combination would present almost a problem for the Department.

I am most anxious to do everything I can to help hammer out the best possible bill for the farmers of this country. But I think time is extremely important.

Mr. TALMADGE. Mr. President, after we vote on the amendment, I will send a further amendment to the desk.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Senator HODGES be added as a cosponsor to my amendment.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment, as modified, was agreed to.

Mr. TALMADGE addressed the Chair.

The PRESIDING OFFICER. The Chair will call to the attention of the distinguished Senator from Georgia that under the unanimous-consent agreement, on the disposition of the Bumpers amendment, amendment No. 1739 of the distinguished Senator from Missouri (Mr. EAGLETON), was to be called up.

Mr. TALMADGE. Mr. President, I ask unanimous consent that we act on the amendment I will send to the desk while we await the arrival of Senator EAGLETON to the floor and then consider his amendment next.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

UP AMENDMENT NO. 1223

(Purpose: Makes the increase in CCC borrowing authority from $14.5 billion to $25.0 billion effective October 1, 1978)

Mr. TALMADGE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. TALMADGE) proposes an unprinted amendment numbered 1223:

On page 16, between lines 12 and 13, insert a new subsection as follows:

"(d) The provisions of this section shall become effective October 1, 1978.".

Mr. TALMADGE. Mr. President, the committee bill which is before the Senate increases the lending authority of the CCC from $14.5 billion to $25 billion.

The amendments I have sent to the desk would make the effective date October 1 in lieu of enactment of the bill.

I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I am wondering, while we await the arrival of the Senator from Missouri, if the Senator from New Mexico might have 5 minutes.

Mr. TALMADGE. I have no objection.

The PRESIDING OFFICER. Hearing no objection, the Chair recognizes the distinguished Senator from New Mexico (Mr. DOMENICI).

Mr. DOMENICI. Mr. President, let me first extend my congratulations to the distinguished chairman of the committee, the senior Senator from Georgia, and the ranking Republican (Mr. DOLE) for bringing to the floor their respective bills today after much national debate and without having a lot of time to conduct hearings.

I am sure that the American farmer and I am sure that the American consumer and all America, when they understand the significance of these two bills in light of the plight of our farmers, will also join in extending to them and the Senators that support the American farmers here on the floor today their congratulations.

Mr. President, when a farmer goes to a market to sell his crop, he asks, "How much will you give me?" But when that same farmer buys supplies for his farm and his family, he must ask, "How much will it cost me?"

Mr. President, the Congress of the United States, and this particular body, takes a great deal of pride in bringing legislation to the floor of the Senate, especially when they can say something is just, that something is fair.

We ought to be extremely proud of this legislation today because we cannot even put an adjective in front of the word that would describe the dimension of fairness that is present here today and needed for the American farmers.

It is simple justice, simple fairness. Whatever the most basic kind of fairness we can describe, that is the situation today.

There will be arguments about inflation. But I ask, did the American consumer get the benefit when the American farmer's wheat went from $3.50 to $4 to $1.85?

There were those prophets of gloom when the farmer was starting to get a fair price that said, "Let's don't even sell any more overseas because we're going to have $1 a loaf bread."

What happened to that increase when it went down to $1.85? It should have been decreasing. In fact, if they were right, bread should have come down 40 cents or 50 cents to 20 cents or 25 cents. But in spite of this, it went up.

If we think the American free enterprise system is working, then why did not the consumer get the break when the farmer went broke? They did not, did they?

Bread went up. The only commodity that went down was beef and there is a question whether it had any relationship to the price of grain or whether it was something else that caused that to happen.

If, as a matter of fact, this is going to be inflationary, then let me say three things. I do not believe the dimension of the inflation. But, even so, and if the farmer is going to get a fair price for his crops, then it is their just due. They should have got it last year and the year before, and the American consumer should have been paying for it last year and the year before.

If this system was working, we should have had a deflation while they were going broke, and we just picked that up now with an inflation, which they would be entitled to and simple justice demands.

So we can stand up here and talk about social justice when we pass a social security bill that is going to cost the American people $33 billion. We can stand up here and talk about simple social justice when we change the minimum wage. Yet it is said by economists that those two acts alone will add 2 full percent to the consumer price index within 18 months after they are in full force and effect.

Yet we passed them. This Congress passed them in the name of justice, in the name of something that was needed for this country.

We do not have very many options left for the farmers in America. We either have an independent small farmer out there growing our crops, keeping us productive, keeping us healthy, selling overseas to balance our payments, or we let them go broke and let something take its place.

Either the Government runs it, and if we do as well with it as we did with the Post Office, it will make the subsidies that people are crying about here look like absolute Christmas presents. Or we can let the huge monstrous corporate farms take over. Then we will see the prices. We will see them related directly to supply because they will control them.

It will not be the small independent farmer who trusts this enterprise system, only to find that when he loses money and the price to him comes down, the consumer does not benefit. But the first time he comes in, in a disaster, and says, "Give me a fair return," the cry is, "Inflation. We can't afford it." Well, I think tit for tat.

We should have given them credit last time, when they lost money; and if we have to make it up now with some added

costs and some inflation, then it is their just due.

I am not smart enough to know how to straighten out this system, whereby the American farmer can get a reasonable, fair return for the work and the risk. They do not really demand very much. They like their life, but they also like to be assured once in a while that their toils will bring them a reasonable profit. They are sick and tired of the roller coaster. They are sick and tired of selling a lot overseas one year and a little the next.

I say more power to the Agriculture Committee, to bring us these two bills. I hope that when they go to conference, they will bring back a bill that will say to the American farmer, "We want you to make a fair living, and you're just as much entitled to simple justice and equity as any other group of Americans, be they social security recipients or those we are trying to protect with a minimum wage, or the millions and millions in categorical grants that we continue to pass here, in the name of helping the unfortunate people of this country who cannot help themselves."

These farmers do not demand that much. They only want help through a disaster and a crisis so that they could do it for themselves, for this country, and help feed the world.

I thank the Senator from Kansas for yielding 5 minutes to the Senator from New Mexico.

Mr. TALMADGE. Mr. President, the Senator from Missouri has a noncontroversial amendment which will take only a few minutes, and then the distinguished Senator from Vermont desires 5 minutes.

UP AMENDMENT NO. 1224

The PRESIDING OFFICER. The Chair recognizes the distinguished senior Senator from Missouri (Mr. EAGLETON) to call up an amendment.

Mr. EAGLETON. Mr. President, I send an amendment to the desk, which is a modification of the printed amendment which is at the desk.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON), for himself and Mr. BELLMON, proposes an unprinted amendment numbered 1224.

Mr. EAGLETON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment as modified, is as follows:

On page 3, line 5, strike out "under which" and insert in lieu thereof "so as to achieve an average price of not less than $3.50 per bushel for such crop of wheat. Under such program".

On page 3, beginning with "estimates" in line 24, strike out down through "section" in line 25, and insert in lieu thereof "determines necessary, together with the exercise of his authority under any other program authorized by law, to achieve the purposes of this section".

On page 6, line 17, strike out "under which" and insert in lieu thereof "so as to achieve an average price of not less than $2.50 per bushel for corn and an equivalent price for grain sorghum and barley for such crop of such commodities".

On page 7, beginning with "estimates" in line 10, strike out down through "section" in line 11, and insert in lieu thereof "determines necessary, together with the exercise of his authority under any other program authorized by law, to achieve the purposes of this section".

On page 10, line 1, strike out "under which" and insert in lieu thereof "so as to achieve an average price of not less than 60 cents per pound for such crop of upland cotton".

On page 10, beginning with "estimates" in line 20, strike out down through "section" in line 21, and insert in lieu thereof "determines necessary, together with the exercise of his authority under any other program authorized by law, to achieve the purpose of this section".

On page 12, line 25, strike out "Corporation." and insert in lieu thereof "Corporation.'."

On page 13, line 5, strike out "under which" and insert in lieu thereof "so as to achieve an average price of not less than $6.00 per bushel for such crop of soybeans. Under such program".

On page 13, beginning with "estimates" in line 21, strike out down through "tion" on line 22, and insert in lieu thereof "determine necessary, together with the exercise of his authority under any other program authorized by law, to achieve the purposes of this section".

Mr. EAGLETON. Mr. President, time and again we in Congress have set forth in agricultural legislation that it is the goal of the Federal Government to preserve the American family farm. And yet, unless we take action now, we will be supporting the death of the family farm.

The fence-row to fence-row policies of the previous administrations have caused such drastic supply and demand dislocations that prices have plummeted. At the same time the cost of the inputs needed to produce each bushel of grain and bale of cotton has markedly increased. This situation is now so bad that farmers have been determining what to plant not on the basis of which crop will make them the most money, but rather on the basis of which crop will minimize their losses.

As consumers we must recognize the blunt facts. Whereas our Nation's farmers have not only fed us more than adequately ever since the beginning of this country, they are now subsidizing out of their own pockets each meal we consume.

The Carter administration has taken steps which have stopped the fall of prices so that the situation will get no worse.

They have instituted the farmer-held grain reserve program which not only isolates the surplus production off the marketplace, but also provides the farmer with an additional marketing option previously unavailable. In addition, the grain storage facility construction program has provided many farmers with the opportunity to build storage on his farm so that he can hold all or a portion of his crop when it is harvested instead of having to sell it at harvest time when prices are almost always at their lowest.

These efforts by the Carter administration are to be praised; however, they do not go far enough, fast enough, to solve the current problem. It is my firm belief that the family farm system of agriculture in this country cannot survive any longer under current market and price conditions.

The bills we have before us today are both intended to give the family farmers relief from their strained financial situation.

As chairman of the Senate Agriculture Appropriations Committee, I conducted 2 days of hearings in an effort to pin down the costs of both the Talmadge and Dole bills and their impact both on farmer income and on consumer prices.

The Department of Agriculture's chief economist, who testified at both sessions states that the 31 million additional set-aside acres which the Talmadge bill calls for would not be adequate to achieve the market-price levels desired; namely, $2.50 for corn, $3.50 for wheat, $6 for soybeans, and $0.60 for cotton. To reach those levels, according to the Department's analysis, would require an addition of approximately 15 million acres of set-aside above and beyond what the Talmadge bill calls for. That would bring the total set-aside acreage for the 1978 crop year to something in excess of 61 million acres. Broken down as follows:

Fifteen million acres alreay programed for set-aside under current Department plans.

An additional 31 million acres proposed under the Talmadge bill.

Yet another 15 million acres thought to be necessary by the Department to reach the desired commodity price levels.

Mr. President, it was the strong view of the Department that it would be hazardous to withdraw that much acreage from food production. It could leave us extremely vulnerable to bad weather in this country or a poor harvest elsewhere in the world. Wheat reserves are very high at the present time, but we would seriously deplete those stocks if we attempted to curtail production this year on the scale that would be necessary to meet the price objectives of the Talmadge bill.

I strongly support the Talmadge bill and the amendment I propose in no way changes the basic thrust of that bill. It would, however, give the Secretary of Agriculture some discretion as to how he would achieve the price objectives we want, so that he is not required by law to accomplish that goal solely through set-asides, with all the implications that might have for world food reserves.

My amendment proposes that rather than legislating the means of achieving our price goal we legislate the goal itself and give a range of discretion to the Secretary in how he goes about it.

I believe some part of that solution must involve additional set-aside acreage and so I have not changed in any respect the new set-asides called for in the Talmadge bill. But, in view of the Department's belief that those 31 million acres will not be sufficient, my amendment provides the Secretary shall take such other actions as he deems necessary and desirable to meet the price levels called for. These could include a number of things such as increasing our farmer-held grain reserves and raising commodity loan levels. The Secretary is fully empowered to take such actions on his own.

In sum, I believe my amendment simply restates the Talmadge objectives in a manner which is more achievable and with fewer risks to critical food reserves.

Mr. TALMADGE. Mr. President, I have examined the amendment, and so has the staff, and I have discussed it with Senator DOLE. It merely mandates the objectives of the bill and directs the Secretary to accomplish them—that is, a price of $3.50 a bushel for wheat, $2.50 a bushel for corn, 60 cents a pound for cotton, and $6 a bushel for soybeans. Those would be the floors and not the maximums, of course.

I am prepared to urge the Senate to accept the amendment.

Mr. MUSKIE. Before the Senator does that, I should like a question.

As I understand the Eagleton amendment, by putting in prices to be achieved as a result of the set-aside program, this result could follow, and I put it in the form of a question, either to the sponsor or the floor manager: If the set-aside does not have the effect of achieving the price level named in the Senator's amendment, then presumably the Secretary would have to find additional acreage to set aside, until the price level is achieved.

Mr. TALMADGE. That would be one. He could put more in reserve, or he could lower the level.

Mr. EAGLETON. I might add, in response to the distinguished Senator from Maine, that the way the amendment is worded, the Secretary can use any method he desires to achieve the price. He does not have to use set-aside. He can use other alternatives that are within his executive authority. It does not per se mandate that there must be a set-aside greater than the 31 million acres Senator TALMADGE has included in his bill in order to achieve the stated prices.

Mr. MUSKIE. The effect is to assure that prices rise as mentioned in the Senator's amendment.

Mr. EAGLETON. It is the desire that prices do rise to the level indicated in this amendment.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield.

Mr. DOLE. I share the views expressed by the chairman. I think it is a good amendment. What it does is to keep the pressure where the pressure should be applied. From that standpoint, with the upward pressure to achieve the goals set forth in the amendment, it will be helpful to the Secretary of Agriculture. I am not suggesting that he needs pressure, but I think this will be something to point at and say, "This is the law." I think it is a good amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE. I yield 4 minutes to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Vermont (Mr. LEAHY) for 4 minutes.

Mr. LEAHY. I thank the chairman, Senator TALMADGE.

Mr. President, in the last few months, the American agricultural movement has successfully brought attention to the present plight of the American farmer. The protests, the strikes, and the lobbying by the farmers demonstrates the severity of the situation.

Farmers costs have increased dramatically, while prices received for their products have dropped. They are being crushed by overwhelming debt. Their purchasing power is at one of the lowest points since the depression of the 1930's.

Action to provide a fair return to farmers for their work and investment must be taken.

The two bills on the Senate floor today are directed to alleviating the current pressure of low prices. I laud their intent to provide greater income to farmers. However, I cannot share their approach. Both H.R. 6782 and S. 2481 are directed toward reducing supply and therefore forcing market prices up. Both bills reduce supply by paying farmers not to grow. The Talmadge bill does this directly through diversion payments. The Dole bill indirectly by paying farmers greater deficiency payments for growing less.

I object to this approach of supporting farm prices. I have deep philosophical problems with any measure which pays farmers to idle their land. I believe my view opposing paid set-aside is shared by a great portion of the American people. The American public is committed to supporting the farmers of the Nation. They will support us in our efforts to provide a fair return to the farmer for his goods. However, I fear they will not understand paying for not growing and will be less willing to support any farm program in the future.

In addition to my philosophical objectives, I believe that massive paid set-asides are too much of a gamble to take. I want the present set-aside program to have a chance to work. However, the reduction of stocks by the quantities foreseen in the Talmadge and Dole bills leave us very vulnerable to the vagaries of weather. Both bills assume that with good weather grain prices will rise sufficiently to provide grain farmers a fair return. As I have stated I support this increase, and I believe that the major feed users, the cattle, dairy, and poultry industries, do also because we cannot provide a long-term stable supply on a cheap feed or food policy.

However, I am worried about what happens if after such a large cutback of planting we have a major crop shortfall here in the United States or anywhere in the world? Food and feed prices would skyrocket.

Under such a "bad weather" situation a dollar or two a bushel jump in prices is conceivable. Such an increase in so short a period of time would be devastating for our livestock and poultry industry. In addition, the inflationary impact would be seriously disruptive to our economy.

Finally, diminished resources would have the greatest impact in human terms. If we have a serious shortfall after reducing our stocks, it would be painfully felt by those in greatest need—the hungry and malnourished of this country and the world.

Opposing any paid set-aside does not mean I oppose income supports for farmers. It merely means I support a different approach.

I support measures to provide a farmer a reasonable return for his crop. I believe we should raise farm target and loan supports so they more accurately reflects the cost of production.

I support this minimum income price concept for a number of reasons. First, it provides freedom to farmers to make their own management. They can decide what and how much to grow. The Government should, as it does with numerous other products, merely insure that they receive an adequate price for their product. I believe the Ameican public can understand and support this minimum price concept.

In addition, the paying of deficiency payments does not affect our buffer stocks. If we experienced a serious shortfall, we might have sufficient stocks to see us through without serious disruption to the other segments of the farm sector and to our economy.

Also, I fear if we take steps to reduce our supply and unilaterally raise our grain prices, our negotiating position with world grain producers and consumers will be seriously eroded and we may even price ourselves out of the world grain markets.

Finally, higher price support payments built upon the 1977 current law with its payment limitation will direct our Government resources toward the small- and moderate-size farmer who needs it the most.

I understand that if we do have gross higher target prices without acreage reductions it will mean increased exposure for the U.S. Treasury. However, I prefer to take this gamble than gamble with reduced stocks and the possibility of a serious crop shortfall and its resulting consequences.

Therefore, Mr. President, I plan to oppose any measure for paid set-asides and will support measures, such as my vote for Senator MCGOVERN's amendment, to guarantee a reasonable return to farmers through increased target and loan prices.

Mr. TALMADGE. Mr. President, I believe the distinguished Senator from Maine has one additional amendment he desires to consider at this time.

The PRESIDING OFFICER. The Senator from Maine (Mr. HATHAWAY).

UP AMENDMENT NO. 1225

(Purpose: To prohibit the growing of Irish potatoes on set-aside acreage)

Mr. HATHAWAY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. HATHAWAY) proposes an unprinted amendment numbered 1225.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, after the period in line 3, add the following:

"In no case shall any producer be permitted to devote any acreage set aside under this section to the production of Irish potatoes.".

On page 9, after the period in line 16, add the following: "In no case shall any producer be permitted to devote any acreage set aside under this section to the production of Irish potatoes.".

On page 12, after the period in line 22, add the following: "In no case shall any producer be permitted to devote any acreage set aside under this section to the production of Irish potatoes.".

On page 15, after the period in line 20, add the following: "In no case shall any producer be permitted to devote any acreage set aside under this section to the production of Irish potatoes.".

Mr. HATHAWAY. Mr. President, the Talmadge bill will set aside 31 million acres, and this amendment simply assures that on those acres that are set aside potatoes will not be grown.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HATHAWAY. I yield.

Mr. TALMADGE. I am glad to accept the amendment, and I state that my colleague from Kansas is agreeable to accept the amendment and I urge the Senate to approve it.

We do not want to set aside land and urge the growing of Irish potatoes on that land and cause a surplus in Maine.

Mr. DOLE. Mr. President, I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 1226

(Purpose: To provide a 1978 potato set-aside program)

Mr. HATHAWAY. Mr. President, I have another amendment that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. HATHAWAY) proposes unprinted amendment numbered 1226.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 24, strike out "115" and there insert "116".

On page 15, between lines 17 and 19, insert the following:

"1978 POTATO SET-ASIDE PROGRAM

"SEC. 115. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of potatoes under which payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, set aside and devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable, taking into consideration the productivity of the acreage to be set aside and the extent of the cropland to be set aside under this section.

"(b) The total acreage of cropland set aside from the production of potatoes under this section shall be the amount necessary to adjust the total national acreage of potatoes to desirable goals, as determined by the Secretary. Notwithstanding any other provision of this section, the rate of payment established by the Secretary shall be set at such level as the Secretary estimates will achieve the purposes of this section and assure the set-aside under this section of sufficient acreage. The Secretary shall limit the total acreage to be set aside under this section in any country or local community so as not to affect adversely the economy of the country or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(e) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this setcion if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) Fifty per centum of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(h) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. With regard to potato acreage planted for harvest, the Secretary shall administer the program formulated under this section in such a manner as to permit the use of acreage set aside under this section for haying, grazing, clipping, or wildlife food plots and habitat.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation."

Mr. HATHAWAY. Mr. President, first of all, I thank the Senator from Georgia and the Senator from Kansas for accepting my last amendment. I hope that they will extend the same courtesy on this next one, which establishes a set-aside for potatoes.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HATHAWAY. I am happy to yield.

Mr. TALMADGE. Mr. President, this amendment provides for the set aside of cropland previously used to produce Irish potatoes. No. 1, this is not germane and is subject to a point of order.

No. 2, the Irish potato is a short season vegetable crop that is produced probably everywhere in the United States and sometimes it is in short supply and sometimes it is in surplus.

I do not believe it lends itself to a set-aside. It is a perishable commodity.

The other commodities have not been perishable except over a very long period of years and huge surplus.

I regretfully have to make the point of order that the amendment of the Senator from Maine is not germane and is therefore not in order.

The PRESIDING OFFICER. The point of order is well taken, and the amendment is ruled to be out of order.

● Mr. HATHAWAY. Mr. President, I wish to express my support for the Emergency Agricultural Act of 1978.

As we have seen in recent weeks, there are thousands of farmers who need help at this time if they are to avoid bankruptcy.

Chairman TALMADGE, in the committee report to the bill states:

What we have seen is but the tip of the iceberg. The gathering farm crisis is painfully evident in terms every American should be able to understand.

Many farmers are being crushed by overwhelming debt.

The prices farmers must pay to produce the food and fiber for the Nation and much of the world has multiplied manyfold.

They have been devastated by natural disasters of drought and flood.

They have been subjected to a vicious cycle of boom or bust.

For potato farmers and dairy farmers in the Northeast and in Maine, section 4 of the bill is of the greatest interest. Liberalizing eligibility and increasing the limits on real estate and operating loans will help many farmers whose banks have been unable to go further than they already are with their clients.

However, I believe that increasing the ability of farmers to borrow money is of little use when prices are low, because of uncontrollable and abundant production.

Potato farmers in Maine are suffering from one of the worst years in memory. Prices have remained tenaciously low—about $2 a barrel. But costs of production and storage are between $6 and $7 per barrel.

Less than 10 years ago, it cost about $400 per acre to produce potatoes. Today, it costs about $1,000 per acre. Tractors, equipment, fertilizer, and pesticides are increasingly expensive.

But demand for potatoes is somewhat more inelastic than for many other agricultural commodities. They are perishable, thus harder to export or store for long periods of time.

I feel that, given these factors, it may be time to consider creating a set-aside

program for potatoes. After all, if Farmers Home is going to support a system of credit that only enables farmers to get further overextended than they would have gotten on their own, it must be time to approach this on a businesslike basis. That means some control on production is required in order to achieve better prices for all.

Acreage limitations on potatoes were used in the 1940's up until about 1951. They had some problems, but I am sure that with a careful look at today's needs, coupled with the lessons of experience, it would be possible to fashion a program of benefit to all potato farmers.

In any case, agriculture has become so expensive, while food in the United States remains such a bargain, that it behooves us to look at all of agriculture, in all parts of the country, and start to take steps to preserve and strengthen it.

My amendment, which has been ruled out of order, would have enabled the Secretary of Agriculture to conduct a 1-year potato set-aside. In that way, we would discover how to perform a set-aside of a crop like potatoes, which is more perishable than soybeans or wheat. I do believe that the principle of a set-aside is essentially the same in each case, since it is not perishability that is important; it is, instead, supply and demand.

I regret that there was not the opportunity to be included in the time agreement on the bill. However, I shall submit legislation and will press the chairman to hold hearings in order that the potato industry can participate fully in determining the kind of help it needs.●

Mr. TALMADGE. Mr. President, the distinguished Senator from Kentucky desired 3 minutes. I yield him 3 minutes.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Kentucky (Mr. HUDDLESTON).

Mr. HUDDLESTON. I thank the distinguished chairman of the Agriculture Committee.

Mr. President, I shall take a couple minutes to express my support for the effort that is being made here today on the floor of the Senate.

First, I commend the chairman of the Agriculture Committee who several weeks ago, seeing and understanding the plight that the American farmer was faced with, scheduled a long series of hearings by the committee to explore the dimensions of this difficulty and to seek ways to find solutions. He and the distinguished ranking minority member of the committee, Senator DOLE of Kansas, joined in these very extensive hearings, and today's labor is a result of those hearings.

I have supported both efforts that have come to the floor, the Talmadge bill and the Dole flexible parity approach.

I believe that they both have good features. Also, they both have language in them that needs to be adjusted, and I think the melding of them here today with the other amendments gives us the opportunity to go to conference, work out the best, combine that which is good, discard that which may not be effective, and produce an effort that will be of substantial benefit to the agriculture sector of our Nation.

I think it is appropriate that we do this.

All of us recognize that the agriculture production capacity of the United States is without doubt our greatest asset. If we do not protect that asset, and if we permit the American farmer to be run off the farm to seek other ways to make a living, we will lose that capacity. And, as the population not only of this country but of the remainder of the world continues to climb upward, somewhere not too far distant production will not be adequate and we will find ourselves in a serious shortage situation. It is in the best interest of the American consumer and the best interest of this Nation that we prevent that from happening.

The need is now. I think everyone recognizes the urgency of doing something that will provide some immediate relief. We know this is not the final answer. We know that in the total picture to put together a program that takes care of the needs of all of the diverse sectors of agriculture is like a giant jigsaw puzzle. The pieces have to fit together very carefully. But this is a start.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. DOLE. Mr. President, I say very quickly that I appreciate the Senator's comments and also his leadership on the committee, his efforts to work all the time for agriculture, and his help on the flexible parity concept in particular.

I thank my distinguished friend.

Mr. TALMADGE. Mr. President, I thank my distinguished colleague from Kentucky who served so ably on our committee.

Mr. JAVITS. Mr. President, will the Senator yield 2 minutes?

Mr. TALMADGE. I yield 2 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from New York (Mr. JAVITS) for 2 minutes.

Mr. JAVITS. Mr. President, the consumers, and I represent millions of them, have really much at stake here. We must strike a balance between what is to be done for American agriculture and the impact on the consumers from the increased food costs that will result without any question if what we are discussing today becomes law. Of course, inflation would, therefore, rise and the consumer's real standard of living would, therefore, be jeopardized.

Mr. President, I am going to try to vote as far as I can with the full recognition of those competing interests. I understand the situation which will be presented to us in that regard, and I may have to vote against everything, because of the interests which I represent. But I have a real feeling for the farmers suffering losses and so would vote for a bill that is more provident from the point of view of Government spending and less burdensome on the consumers. I hope such a bill would result from conference.

I wish to call my colleagues' attention to the fact that one classic way of improving the farm situation without bringing windfalls to some and not enough to others who feel they have been badly hurt, such as those who are overextended from purchases of machinery and land, is by aggressively developing farm exports. In 1977 the United States expected $24 billion worth of agricultural products. This year it is estimated we will export $3 billion less. This situation must be reversed.

There is an enormous opportunity right now to increase trade in the fact that the multilateral trade negotiations at Geneva are not yet concluded. A determined effort by our Government at Geneva to increase agricultural exports could be very, very successful.

In addition, we are engaged in very extensive foreign aid both directly and indirectly—directly through AID and indirectly through the international financial institutions. For fiscal year 1979 the administration has requested $1.8 billion in bilateral development assistance and $3.8 billion in multilateral development assistance. There should be a high premium placed upon this kind of assistance which is a great incentive to people to do better and better their own condition.

So I rise, Mr. President, for the purpose of seeing that in this debate, which essentially relates to the domestic price level, the opportunity for a great benefit to agriculture is not overlooked and that we maintain as a key element of our agricultural policy the need for widely stimulating, inventively and intelligently, agricultural exports as one of the prime ways in which the agricultural situation can be helped.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. TALMADGE. I concur fully with the distinguished Senator from New York.

As he knows, agricultural exports have risen from $7 to $24 billion.

Food needs are worldwide. Most of the countries use sophisticated gimmicks to keep out our agricultural products. I have talked to Ambassador Straus at least a half-dozen times, and assured him of the urgency of getting equity in the marketplace. For instance, in Japan they have a beef quota that Tokyo can eat up in 24 hours. Yet beef in Japan brings $15 a pound.

Mr. JAVITS. I understand that and am quite concerned about it myself.

Mr. TALMADGE. Our farmers are being swamped with beef imports from Argentina and Australia. I thank my colleague.

● Mr. EAGLETON. Mr. President, let me say a word or two on the Dole amendment. I most certainly agree with Senator DOLE's objective, the objective we all share; namely, to help the beleaguered farm economy. I honestly feel, however, that the implementation of the Dole amendment will be so difficult that it will not be of meaningful help to farmers who will have to plant their crops within the next few weeks. I believe that the Talmadge approach and the McGovern-Foley approach can be of help quickly. Therefore, I opted in favor of the Talmadge and McGovern-Foley approach.●

● Mr. BELLMON. Mr. President, as the Senate knows, the Senator from Oklahoma endeavored to amend the Dole proposal so that it would have the effect of requiring the idling of 44 percent of wheat acreage in order to qualify for the $5.04 per bushel support price. The bill, as now written, requires that a producer idle only 33 percent of the land in order to receive the $5.04 target price. My amendment lost by a vote of 29 to 66.

The Dole bill, as it presently stands, will cost the taxpayers in excess of $8 per bushel for each bushel of wheat not grown. To me, this is an exhorbitant price to expect taxpayers to pay. Certainly there must be a more cost effective means of achieving the result of balancing wheat supply and demand.

Had the Bellmon amendment been approved, the cost to the Treasury would have been reduced to about $3 per bushel of wheat not grown. That figure is not out of line since at the present time the price of wheat in the marketplace is about $2.80.

Mr. President, in good conscience I cannot support the Dole amendment in its present form. I consider it to be wasteful and that, in the long run, it would be detrimental to the interests of the farmers we are trying to help.●

The PRESIDING OFFICER. At this time, the hour of 3:30 having arrived, the question is on agreeing to the Dole amendment, as modified, and as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LEAHY (when his name was called). Mr. President, on this vote I have a pair with the Senator from Michigan (Mr. RIEGLE). If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." Therefore, I withhold my vote.

Mr. WILLIAMS (when his name was called). Mr. President, on this vote I have a pair with the Senator from Colorado (Mr. HASKELL). If he were here and voting he would vote "yea." If I were at liberty to vote I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. MAGNUSON), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

The result was announced—yeas 55, nays 39, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—55

Abourezk	Hart	McGovern
Allen	Hatch	Melcher
Anderson	Hatfield,	Morgan
Bartlett	Mark O.	Nunn
Bayh	Hatfield,	Packwood
Bentsen	Paul G.	Pearson
Burdick	Hayakawa	Schmitt
Chiles	Helms	Schweiker
Church	Hodges	Sparkman
Curtis	Hollings	Stafford
Danforth	Huddleston	Stevens
DeConcini	Humphrey	Stone
Dole	Jackson	Talmadge
Domenici	Johnston	Thurmond
Eastland	Laxalt	Tower
Ford	Long	Wallop
Garn	Lugar	Weicker
Griffin	Magnuson	Young
Hansen	McClure	Zorinsky

NAYS—39

Baker	Durkin	Nelson
Bellmon	Eagleton	Pell
Biden	Glenn	Percy
Brooke	Goldwater	Proxmire
Bumpers	Hathaway	Randolph
Byrd,	Heinz	Ribicoff
Harry F., Jr.	Inouye	Roth
Byrd, Robert C.	Javits	Sarbanes
Cannon	Kennedy	Sasser
Case	Mathias	Scott
Chafee	McIntyre	Stennis
Clark	Metzenbaum	Stevenson
Cranston	Moynihan	
Culver	Muskie	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Leahy, against.
Williams, against.

NOT VOTING—4

Gravel	Matsunaga	Riegle
Haskell		

So Mr. DOLE's amendment, as modified and as amended, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I note that for the first time today we have a good attendance on the floor. I really am inclined to conclude that there is no point in the chairman of the Senate Budget Committee spending a day on this floor to provide information on the budget and economic consequences of a bill like this; but I think I have some obligation to try for a few minutes. I doubt that it makes any difference. It seems to be the mood of the Senate to vote for anything that has the words "farm bill" in the title.

But last year there were 11 key issues on the floor of the Senate involving the question of whether or not the Senate would support the congressional budget resolution. The Budget Committee lost eight of those votes. Today, the Budget Committee has lost every vote that has been taken. In last year's vote of 11 votes, only 16 Senators voted for the budget most of the time.

I put the table in the RECORD this morning. I left out the names. It is my hope that not letting the other shoe drop might have some useful effect, but only 16 Senators last year voted to support the budget.

I wish to make a second point, and I made this point earlier when there were fewer Senators here. We have examined some of the March 15 reports of committees. I gave Senators two totals they can digest.

The Appropriations Committee has recommended appropriations for fiscal year 1979 of $508 billion.

The Finance Committee has set revenues at $428 billion. All Senators can subtract as well as I. Those two figures would mean a deficit in fiscal year 1979 of $80 billion, and that does not take into account the reports of other committees, many of which I know propose additional spending not reflected in those numbers.

And those numbers do not include the cost of this bill.

Now with respect to this bill, there is another point that to me is even more significant than the numbers we now have. I assume a substantial majority to support the Talmadge-Dole-McGovern bill. But nobody knows what the budgetary, inflationary, and economic consequences of that combination is.

This was put together at the last moment. The McGovern amendment did not even come to my attention until near midnight last night. We have an analytical arm in the Congressional Budget Office. It has not been able to give us the analysis which the budget process is supposed to give us so that we can vote intelligently. So we do not know. We have heard numbers. I have used the best I have got. We do not know what the budget cost for 1978–79 is.

The Dole amendment by itself was a $3 billion bill for 1978 and 1979. The McGovern bill by itself was a $1.9 billion bill for 1978–79, but you do not necessarily add those two numbers and be fair. Nobody knows.

As for the inflation effect, CBO has told us, because I pressed them to give us something today, that the inflation impact of Dole, McGovern, Talmadge is 1 full percentage point added to the rate of inflation, because of the impact on carryover stocks, which are our protection for stable markets, which are our protection against bad crop years.

Excessive exports are going to be down from the 1 billion bushels of wheat that we had in 1972 to 600 million on feed grains. We are going to drop from the 2.1 billion bushels of feed grains that we had in 1972 to 300 million, and those numbers in 1972 were not sufficient to protect us against runaway prices when we had 2 crop years in the 2 years following.

Now all of this is imprecise information because we have not taken the time, and nobody on this floor was interested in taking the time to get a final and full analysis.

We had a prime example today of voting without knowing what we are voting for, and we think we are doing a favor for the agricultural sector of our economy. We may learn otherwise in a year or two.

I have seen too many examples of ad hoc pieces of legislation rushed through here under the pressure of emotion and urgency and emergency that later proved not only not to solve the problem that the sponsors urged, but to create the side effects that were worse than the original problems.

Well, I am not sure how long this budget process is going to survive, but I doubt if it can survive this kind of situation.

It is like the Bill of Rights. The Bill of Rights is tested by bad clients. It is the people who commit crimes who test the Bill of Rights.

Well, with respect to the budget it is not the good bills that test it usually. It is the tough choices that test it. As far as I can see over the last 2 years, when we came to the tough choices, the Senate backed down.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, may I take a minute to voice a vote of confidence for the so-called flexible parity concept.

I share some of the statements made by my distinguished colleague from Maine, the chairman of the Budget Committee, but I would again say that if we take the estimates of the CBO it is not a very rosy picture.

We checked some of their figures against present-day prices and I know there is the charge that now we have all three of these bills lumped together and I guess you add up the total cost of each and say that is going to be the cost of what——

Mr. MUSKIE. I said to the Senator we have not done that. I very carefully said a few moments ago I would not do that because I cannot do it.

Mr. DOLE. The Senator had a $3 billion figure for the Senator from Kansas.

Mr. MUSKIE. I said that I got that from the combination.

Mr. DOLE. I do not think the $3 billion figure applies to this Senator.

Mr. MUSKIE. The Senator has not used the same source as we rely on. He has made it clear that he prefers his own analysis.

I must rely on the CBO, which is our independent analytical arm created by the Congress for that purposes. The Senator would have us choose to go with our own computer rather than the CBO. That is another breakdown of the process.

Mr. DOLE. I do not suggest that at all. I would say to my distinguished chairman that it does seem to this Senator that if we are going to figure out costs for the flexible parity concept, we must take a realistic look at what the market prices are going to be when acreage is set aside. The market prices are going to go up.

Now when we talk about stable prices, you are talking about low prices and the farmers have had it bad enough. They would like to make a profit. They want to stay on the farms. They want to educate their children. They want to pay their bills.

We can talk all day long about justice and the CBO, but if we do not have a farmer left in this country the prices are going to go right out of this room for the American consumer, and I just suggest——

Mr. MUSKIE. Will the distinguished Senator yield?

Mr. DOLE. I will in a minute.

I just suggest—let us just take cotton. The CBO used the estimate of a market price of 46 cents a pound. The market price is 57 cents a pound. The target price is 60 cents a pound. So you make a bigger exposure for the Government if you use a lower market price.

I just think we have to be realistic. There is not a Senator in this Chamber who does not believe that if you set aside acreage, lower the production of a commodity, the market price is going to go up. That is the law of supply and demand.

But the Congressional Budget Office did not even assume that would happen, and I just suggest that we have a responsibility to take this into account.

We are not irresponsible because we happen to believe that what we are doing will not cost 1 cent. In fact, the chairman's bill, I think, will save about $90 million.

Mr. TALMADGE. $90 million?

Mr. DOLE. In the next 2 years, and I think the flexible parity concept offered by this Senator and many other Senators, Democrats and Republicans, will end up in saving the American taxpayers money.

Mr. McCLURE. Will the Senator from Kansas yield to the Senator from Idaho?

Mr. DOLE. I am happy to yield to the Senator from Maine and then to the Senator from Idaho.

Mr. MUSKIE. I have never been one to argue that budget processes do not work. If the budget process does not work, it means that Congress has lost the one institution it has created to set priorities, to assure stability of the economy to the best of our wisdom, and if it does not work, the loss will be not only mine and the Senator from Kansas, but the loss will be the farm population of this country, the consumer population of this country, the taxpayer population of this country.

Mr. President, I ask unanimous consent that the CBO estimate of the Dole bill be printed in the RECORD. It speaks for itself and it speaks very well.

There being no objection, the estimate was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 19, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request of March 16, enclosed is a copy of the Congressional Budget Office cost estimate of S. 2481, the Flexible Parity Act of 1978.

Also enclosed in response to your request is a CBO staff analysis of the estimated effects of both S. 2481 and H.R. 6782 on production, prices, exports and stocks by crop underlying our separate cost estimates of the two bills. This staff analysis also discusses the possible effects on these factors if both bills were enacted and implemented.

Additional information has been provided to the Committee staff concerning the details of the CBO cost estimates and staff analysis.

Sincerely,

JAMES BLUM,
(For Alice M. Rivlin, Director).

Enclosures.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 19, 1978.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Sections 403 and 308 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2481, a bill to provide producers of wheat, feed grains, and upland cotton the opportunity to receive parity prices for their 1978 crops; to amend the Agricultural Trade Development and Assistance Act of 1954; and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

JAMES BLUM,
(For Alice M. Rivlin, Director).

[From the Congressional Budget Office]

COST ESTIMATE, MARCH 19, 1978

1. Bill number: S. 2481.

2. Bill title: Flexible Parity Act of 1978.

3. Bill status: As ordered by the Senate Committee on Agriculture, Nutrition, and Forestry, March 15, 1978.

4. Bill purpose: S. 2481 provides for a variable parity program for the 1978 crops of wheat and corn. Producers may select one of seven set-aside levels for wheat, or one of eight set-aside levels for corn. Each set-aside level corresponds to a specific target price. For cotton, one set-aside choice would be available.

S. 2481 also increases the 1978 crop loan rates to $2.40 for corn and $2.85 for wheat. In addition, the release prices for the farmer-held grain reserves are to be based on parity prices rather than on loan rates.

S. 2481 also amends the Agricultural Trade Development and Assistance Act of 1954, as amended, as follows:

(1) Section 301 amends Title II of the Act to increase the minimum tonnage distribution in fiscal year 1978 by such tonnage of commodities as can be purchased by an additional expenditure of $250 million; and,

(2) Section 302 amends Title I of the Act to require the Secretary of Agriculture to provide financing of not less than $1,050 million for the purchase of U.S. agricultural commodities under agreements entered into during fiscal year 1978.

5. Cost estimate: The following table represents the estimated budget authority and outlays for direct spending programs in S. 2481:

Budget function 350

[Fiscal years, in millions of dollars]

Budget authority change (increase or decrease in contract authority):	
1978	−1,104
1979	+3,562
1980	0
1981	0
1982	0
Outlays:	
1978	−1,198
1979	+3,562
1980	−679
1981	−503
1982	−561

The next table shows the authorization amounts and costs associated with the proposed amendments to the Agricultural Trade Development and Assistance Act of 1954.

Budget function 150

[Fiscal years, in millions of dollars]

Authorization amounts, net:	
1978	154
1979	474
1980	—
1981	—
1982	—
Estimated costs:	
1978	372
1979	256
1980	—
1981	—
1982	—

6. Basis for estimate: This estimate assumes this legislation is enacted prior to April 15, 1978. The estimate is the change from the CBO current policy/current law base.

COMMODITY PROGRAMS

CBO's current policy projection of contract authority, necessary for the Commodity Credit Corporation, is $1,104 million in fiscal year 1978. This amount will be new budget authority in fiscal year 1978. The decrease in outlays in fiscal year 1978 under the provisions of S. 2481, if enacted, would reduce estimated contract authority (new budget authority) to zero.

The variable parity program has not previ-

ously been implemented as a government support mechanism, so there is no historical basis for projecting producers' reactions. Because each farmer's situation and judgment are likely to differ, a uniform distribution of base acreage over each of the possible set-aside categories was assumed for wheat and corn. For example, with eight set-aside alternatives available for corn, one-eighth of CBO's estimated base acreage was allocated to each of the alternatives. This implies 100 percent participation in the set-aside program, but at many different levels (in the case of cotton, 100 percent participation at the 20 percent level was assumed). The average set-aside on corn is about 32 percent, and the average set-aside on wheat is about 35 percent.

CBO did not adjust its base acreage estimates for possible shifts among crops.

Under these assumptions, wheat production would be reduced to 1.6 billion bushels from the current projection of 1.8 billion bushels. Corn production would be reduced from 6.2 billion bushels to 5.0 billion bushels, and cotton production from 13.4 million bales to 10.7 million bales.

However, the reduction in volumes produced would be partially offset by a lower volume of farmer-held reserves than is assumed in CBO's current projection. This occurs because of the change in the release price mechanism. Farmers are not likely to place additional grain in the reserve if the release prices are nearly double the current prices, and are likely to be continually rising as parity prices are adjusted. This could have the effect of taking the grain off the market indefinitely. The result is additional loan repayments on approximately 500 million bushels of corn and approximately 150 million bushels of wheat, part of which fall in fiscal year 1978 and part in fiscal year 1979.

The higher loan rates, which tend to push projected end-of-year prices upward, induce some additional repayments on existing loans. However, the higher loan rates induce increased gross lending on the 1978 crop.

With the uniform distribution assumption on set-aside selection, the average target price for corn is estimated to be $2.76, and deficiency payments would average $0.36 per bushel, as opposed to the current projection of $0.10 per bushel. In addition, the assumption of a 100 percent participation rate doubles the volume of corn on which deficiency payments are made as compared to the current policy projection. These estimated increased payments would fall in fiscal year 1979.

For wheat, the average target price is estimated to be $3.85, resulting in deficiency payments averaging $1.00 per bushel (the current projection is $0.62). However, the volume on which deficiency payments are made would decrease from 1.6 to 1.5 million bushels. The resulting estimated increase of $542 million would fall in fiscal year 1979.

Cotton deficiency payments in fiscal year 1979 are estimated to increase by over $200 million. The deficiency payment is projected at $0.142 per pound, as opposed to a current projection of $0.08 per pound, but the increase is partially offset by the decrease in production.

Disaster payments in fiscal year 1979 would increase by an estimated $130 million as target prices increase.

In the fiscal years following 1979, market prices are assumed to decline from those in fiscal year 1978, but remain above currently projected levels. This results in a savings in net lending and deficiency payments as opposed to current policy projections.

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 (P. L. 480) AMENDMENTS

Section 301 requires that in addition to the current law minimum distribution of 1.6 million metric tons, an additional $250 million worth of commodities must be distributed in fiscal year 1978. Transportation costs for the $250 million of additional commodities shipments would require $75 to $125 million depending on the mix of commodities shipped. The mix will determine unit acquisition costs, total tonnage and shipping costs per ton. If the entire $250 million worth of commodities were actually shipped, the increased costs in fiscal years 1978 and 1979 would be from $325 to $375 million. The lower end of the transportation cost range implies the same mix of commodities shipped under the $250 million increment as are currently being shipped. The CBO estimate assumes the current commodity shipping mix.

Section 301—Title II

[Fiscal years, dollars in millions]

	1978	1979
Estimated authorization:		
New shipments and transportation	$325	—
Higher prices	—	$34
Change in funds carried forward	−172	172
Total	154	205
Estimated costs:		
New shipments and transportation	156	169
Higher prices	—	—
Total	156	203

Section 203 of the Agricultural Trade Development and Assistanct Act authorizes the Commodity Credit Corporation (CCC) to pay for the acquisition, processing, and transportation to designated ports of entry abroad of commodities distributed under Title II of the Act from its own resources. Section 403 of the Act authorizes the appropriation of such sums as may be necessary to carry out the purposes of the Act including such amounts as may be required to make payments to the Commodity Credit Corporation (CCC) for its actual costs incurred or to be incurred. Entering fiscal year 1978, the Title II program had available to it through appropriations Acts $648.8 million. If the full amount of commodities were purchased and shipped, the costs to the CCC would exceed this amount by $150 to $200 million. The President could cover this by requesting a supplemental appropriation for fiscal year 1978, or he could direct the Secretary of Agriculture to use the resources of the CCC to cover any obligations and seek an appropriation in fiscal year 1979 to reimburse the CCC.

The above cost stream assumes the President will seek a supplemental appropriation in 1978 for the full cost of commodities and transportation less the funds available to be carried forward into 1979. It also assumes a larger appropriation will be sought in fiscal year 1979 to cover the higher commodity prices from other provisions of the bill and the loss of funds carried forward.

Using the currently shipped mix of commodities, CBO assumes additional $250 million would purchase 1.1 million tons of commodities, or nearly a seventy percent increase to the current program. With half of the fiscal year passed, CBO assumes that both programing and shipping an increase of that magnitude in fiscal year 1978 is not possible. The above cost stream assumes the shipments will take place in fiscal years 1978 and 1979. However, completing all shipments could take more than two years if donees cannot be found for all the food that can be purchased with the $250 million.

Section 302 of this bill directs the Secretary of Agriculture to provide financing of not less than $1,050 million for the purchase of agricultural commodities under agreements entered into during fiscal year 1978 under Title I of the Act. Section 409 of P.L. 480 requires that new spending authority for Title I be limited to such amounts as are provided in appropriations acts. Entering fiscal year 1978, the President had $1.0 billion including receipts available for Title I. Shipments of $1,050 million plus transportation costs of $105 million in fiscal year 1978 would exceed this level by $155 million, and would require subsequent appropriations.

It is assumed, however, for purposes of this cost estimate that the President will negotiate and carry out agreements under Title I in conformance with the other provisions of the Act, including the requirement that the President shall take reasonable precautions to safeguard usual marketings of the United States, to assure that sales under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries, and to assure Title I sales do not displace any sales which would otherwise be made for cash dollars.

It is further assumed that in order for an agreement to be signed and commodities shipped in fiscal year 1978, the agreements must be under active consideration now. CBO estimates of the potential for new agreements over the Administration's current allocation range from $120 to $200 million. This estimate assumes the current allocation plus $120 of new agreements will be signed.

These new shipments are estimated to increase costs from the CBO current estimate by $216 million to $986 million. The CBO current estimate assumes that additional budget authority of $231 million is available in fiscal year 1978 for Title I purposes so that no new appropriations would be needed to cover the additional costs of Section 302.

Fiscal year 1979 costs are increased by higher commodity prices only. The CBO cost estimate assumes the level of commodity shipments is not affected by this legislation. The authorization level would be increased by the higher commodity prices and the smaller amount of funds carried forward from fiscal year 1978.

Section 302—Title I

[Fiscal years, dollars in millions]

	1978	1979
Estimated authorization:		
New agreements	$216	—
Higher prices	—	$63
Change in funds carried forward	−216	216
Total	—	279
Estimated costs:		
New agreements	216	—
Higher prices	—	63
Total	216	63

7. Estimate comparison.—

Commodity programs: USDA has estimated the combined fiscal year 1978 and 1979 costs of this bill at $1.5 billion, about $0.8 billion lower than CBO's estimate. USDA estimates an increase of $2.8 billion in deficiency payments, as opposed to CBO's estimated increase of $2.4 billion. However, USDA estimates a decline in net lending of $1.3 billion, while CBO estimates a net decrease of only $0.1 billion.

USDA assumes some acreage shifts from soybeans to corn, and from oats, flax, and sunflowers to wheat and barley. USDA also assumes a low participation rate in the corn

program. The average corn target is $3.17, (compared to CBO's $2.76) and the average wheat target is $4.29 (compared to CBO's $3.85). Estimates of market price do not differ substantially.

P.L. 480 amendments: None.

8. Previous CBO estimate: None.

STAFF ANALYSIS OF ESTIMATED EFFECTS OF H.R. 6782 AND S. 2481

The enactment of one bill or the other is likely to have a different result than the enactment of both bills.

SINGLE BILL ENACTMENT

Production is projected to decrease under each bill, but would decrease less with H.R. 6782 than with S. 2481. The estimated decrease in production for feed grains is approximately 200 million bushels for H.R. 6782, compared to approximately 1.2 billion bushels for S. 2481. The decrease in wheat production is about the same for both bills, about 300 million bushels.

The estimates for harvested acreages of wheat under both H.R. 6782 and S. 2481 are roughly equivalent (46–49 million acres). Feed grain acreage is estimated at about 80–82 million for H.R. 6782, but only 75–77 million for S. 2481. The feed grain acreage going out of production under H.R. 6782 is assumed to be composed largely of barley and grain sorghum, while the set-aside acreage for S. 2481 will probably be drawn from corn.

The market prices projected for the 1978 crop year are likely to be higher under S. 2481 than under H.R. 6782 for wheat and corn. While both bills restrict production and tend to move market prices upward, S. 2481 also increases loan rates. The loan rate increase exerts an additional upward push on market prices. Projected 1978 crop year prices for corn are roughly $2.40 per bushel with S. 2481 and $2.10 per bushel for H.R. 6782, compared to the current policy projection of $2.00 per bushel. Projected 1978 crop year prices for wheat are $2.85 per bushel with S. 2481 and $2.65 per bushel with H.R. 6782, compared to the current policy projection of $2.49 per bushel.

The estimated direct effect of H.R. 6782 on consumer prices is an increase of .15 to .20 percent in 1979. The estimated direct effect of S. 2481 on 1979 consumer prices is a .35 to .50 percent increase. It is possible that further price increases in 1980 would occur as a result of secondary effects.

The variable parity option in S. 2481 is estimated to increase the average target price for corn to $2.76 per bushel and the average target price for wheat to $3.85 per bushel for the 1978 crops. These increases, together with increased program participation, more than offset decreases in production volumes, and increase projected deficiency payments in fiscal year 1979 by $2.4 billion. With H.R. 6782, targets are static, but market prices increase and volumes decline. The net effect is a decrease in projected deficiency payments of $800 million in fiscal year 1979.

The higher market prices generated by H.R. 6782 would result in a net lending decrease of roughly $600 million in fiscal year 1979. Under S. 2481, there is a probable decrease in net lending of $1.2 billion in fiscal year 1978, but an increase of $1.0 billion in fiscal year 1979. The 1978 decrease occurs because of the farmer-held reserve does not reach the volume projected under current policy, and because end-of-year market prices induce higher repayments. However, in fiscal year 1979, the higher loan rate, together with declining end-of-year prices, increase net lending.

Exports of corn and wheat would be reduced minimally under H.R. 6782, less than one percent in fiscal year 1979. However, with S. 2481, the export volume of corn is estimated to drop twelve percent in fiscal year 1979 and the export of wheat drops eleven percent.

Wheat stocks are estimated to drop by approximately 17 percent, and feed grains drop by about 5 percent by the end of marketing year 1978 under H.R. 6782. Wheat stocks under S. 2481 drop by about 33 percent and feed grains by about 47 percent by the end of marketing year 1978. With S. 2481, the wheat stocks in the farmer-held reserve are reduced by 50 percent and feed grain stocks in the farmer-held reserve are reduced by 91 percent over the volumes with current policy and H.R. 6782.

BOTH BILLS ENACTED

The legal implications of the enactment of both bills are not clear. The order of enactment, the timing, and the manner in which USDA chooses to administer the programs will also help determine the combined effects.

If both programs are fully implemented, and H.R. 6782 is administered so as to meet the acreage objectives in the bill, acreage and production would be reduced beyond that estimated for either bill alone. Using CBO's current assumptions on set-aside participation with S. 2481, wheat production would be likely to be around 1.1 billion bushels. However, if all farmers chose both the 50 percent set-aside under S. 2481, and an additional 15 million acres were bid out of production, production could be as low as 700 million bushels, slightly more than domestic consumption. With CBO's current assumptions on set-aside participation for S. 2481, feed grain production would probably be about 4.1–4.8 billion bushels, depending on the crops taken out for the additional set-aside. However, with H.R. 6782 if all farmers were to choose both the 50 percent set-aside, an additional 10 million acres were bid out of production, production could be as low as 3.0–3.7 billion bushels. Stocks would be cut substantially in all cases.

With the enactment of both bills, there is clearly a possibility of greatly increased prices for wheat and feed grains. In addition, the risks associated with crop failure are magnified.

Government outlays for deficiency payments and net lending would be likely to decrease in the face of much higher market prices. However, the amount required for set-aside payments would increase.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the Senator from Idaho.

Mr. McCLURE. Just in the time available, I wish to say that I am a member of the Budget Committee. We questioned the witnesses who came before us in regard to the budget estimate and, let me frankly say, I do not believe those figures are accurate. If I believed those figures were accurate, I might respond as the Senator from Maine has responded. But I think the evidence is on the other side that, as a matter of fact, those costs will not occur as CBO has said.

THE FARM CRISIS

Mr. McGOVERN. Mr. President, I had a printed amendment to S. 2690, a bill to provide emergency assistance to producers of wheat, feedgrains, upland cotton, and soybeans and for other purposes.

Before explaining my amendment I want to congratulate the distinguished chairman of the Committee on Agriculture, Nutrition, and Forestry (Mr. TALMADGE) for the leadership he has shown in the face of the current agriculture crisis. The chairman moved swiftly and held 10 days of hearings to listen carefully to every segment of the agricultural community. No one can question his long and dedicated service to American agriculture. I have served on the Agriculture Committee for 15 years at the side of the present chairman. During those years we have both seen the agricultural scene change drastically. The senior Senator from Georgia is sensitive to the problems of farmers and his legislative skills prompt him to move swiftly. The present bill for consideration has a number of cosponsors. It was reported from the committee without dissent. Admittedly, it addresses itself in the short range to the present emergency by pumping an estimated $2.3 billion into the hands of farmers quickly in return for their agreement to lay aside land. Laying aside 31 million acres will undoubtedly have a positive effect on farm prices. It can also be a valuable land conservation and energy saving measure.

The American Agriculture Movement has made its point in this Capitol City. Though the bill under consideration falls short of all their goals, it is still a start. I am confident that the chairman will seek later in the year to address the concern of the committee to the long range objectives of this Movement and to the long-term concerns of some of our farm organizations who have been fighting the battle for farm parity for many years.

Mr. President, though I support the present legislation and voted for it in committee, I feel that there is a good opportunity to strengthen it. Farmers must still be encouraged to produce. They will only do this if they have reasonable assurances of support from the government at reasonable levels. The bill we passed last year did not contain acceptable figures in this area and, though I feel that the administration must bear the brunt of this responsibility, it is certainly evident from the farm demonstrations this year in Washington that farmers simply won't accept the figures contained in that bill. I offered a bill in committee which I felt contained reasonable target and loan figures. Though it was rejected by the committee, there was substantial support for its acceptance. This leads me to conclude that the committee was not conceptually opposed to higher target and loan rates on basic commodities but rejected only the figures I offered.

For this reason, I now offer an amendment with more moderate numbers. These numbers, in my judgment, are still not high enough but they do, I feel, contain sufficient encouragement to let farmers know that we are on their side.

Thus, I propose that the minimum established price for 1978 on wheat be raised to $3.55 and the minimum loan to $2.80. On corn, I propose an established price of at least $2.50 a bushel and a minimum loan of $2.25.

On upland cotton, I ask a target price $0.60 per pound and raise the loan to $0.50.

Let me say, Mr. President, that one of the reasons I offer this amendment is to strengthen the position of the Senate in dealing with the House in conference. It is my judgment that both the House

Agriculture Committee and the membership in the House are not ill disposed to the concept of higher targets and loans on basic commodities. With this conviction in mind, as well as a strong feeling on my part that these better figures are needed, I offer this amendment.

To those who would criticize this move on the basis of cost, let me say that taking 31 million acres out of production has to result in an upward movement in market price, and can do nothing but cut the cost of a support program. I do not know what the market will be. I do know that without these basic minimums in support prices, this Congress will severely short change any effective farm program. I further want to remind Senators that the figures I suggest today are not too far from those I recommended last year. Had these figures been in last year's bill, it could well be that some of the intensity of ill-feeling farmers now have for the Congress and the administration could have been averted.

Mr. President, the last section of the amendment I propose calls for an additional half a billion dollars in Public Law 480 food for peace authorization for fiscal year 1979. This program has fallen on bad days and needs new life. It is popular with farmers as well as consumers and charitable organizations. As a matter of record, it was accepted by the committee as an amendment to the so-called Dole bill and thus bears the imprimatur of the Agriculture Committee. I will temporarily withhold this section of the amendment because I am advised that it is not germane in the present parliamentary situation.

Mr. President, in conclusion, I urge the distinguished Senator from Georgia to accept this amendment as a part of the bill he is presently managing.

● Mr. BAKER. Mr. President, I rise in support of this important and urgently needed legislation, H.R. 6782, which has been offered by our colleagues, both majority and minority, on the Agriculture Committee. The members of this committee have responded quickly and effectively to the critical situation being faced by farmers all across this country.

I am pleased that the committee has acted expeditiously on this issue for, indeed, the farmers are in a grave situation. It is imperative that we enact legislation which allows farmers to receive a reasonable return on their investment and hard work. Farmers that we have had visiting us in the last few months have convinced me that they cannot do this under present circumstances. If the legislation we are approving today can be quickly enacted it will provide the short term relief which is a major first step in addressing the total agricultural question.

I am sure that all of us in the Senate have been impressed with the deep concern and sincerity of the members of the agriculture movement. This farm group is composed of politically unsophisticated but determined people who have come to Washington to tell the Congress about their plight. They have been most eloquent in their own way.

These farmers feel strongly that if they fail in their effort as a catalyst for farm policy reform in Washington that the family farmer, the independent producer who keeps the market competitive and honest, may well fail with them. I agree with them.

In view of our actions today I have a strong feeling that the farmers have succeeded in their efforts. This is due largely to their dedication and the fact that they deserve to be heard. It is reassuring that the Senate has been able to respond to the problems presented by the farmers because this group really represents the true spirit of American ingenuity and independence.●

● Mr. WALLOP. Mr. President, this emergency agriculture assistance legislation is long overdue. Lack of congressional direction and administration leadership have compounded the problems of farmers and ranchers.

The experience of farmers and ranchers over the past few years demonstrates the need for immediate assistance. The situation in Wyoming is no better than the conditions met by other producers across the country. Farmers in my State have seen an erosion of farm income from $123 million in 1973 to under $10 million in 1977. This decline in farm prices and the continued rise in the cost of production has driven thousands of farmers to bankruptcy.

It is essential to point out that not just the farmers will be hurt by the depression in agriculture. If farmers cannot purchase farm equipment, fertilizer, or other manufactured goods, then every American will suffer from the ripple effects of an agricultural depression.

There are two proposals before us today which attempt to provide emergency assistance to agriculture. Both proposals will help to raise farm incomes and increase production through land diversion programs. Senator Talmadge has sponsored a traditional land diversion scheme. Senator DOLE has introduced an alternative proposal that combines land set-asides with the concept of a moveable target price. I support the flexible parity proposal. The strong point of this proposal is that it allows each farmer to decide what target price he needs to meet his cost of production. It allows each farmer to choose and achieve his desired target price by setting aside additional acreage, up to a target price equal to parity.

The greatest advantage of this proposal is that it is geared to the marketplace. There is a growing need to bring supply and demand into line so that market prices can rise. The acreage set-aside of the flexible parity proposal will raise prices and let the farmer meet his cost of production. The real assistance provided by this bill is through the market, where strong commodity prices will allow the good producers to receive a fair return on their investments and will make them more productive.

There are Senators who will oppose the flexible parity proposal and the acreage set-aside proposal of the Talmadge bill because both will raise the price of food. The Department of Agriculture estimates that these bills would raise food prices 1 to 1.5 percent. To put this in terms that consumers can understand, this means that the cost of a loaf of bread would rise about one cent if these bills were enacted. However, the American consumer still enjoys the least expensive food in the world. The Carter administration is willing to run record deficits to fund ever-expanding programs with little concern for the inflationary consequences. But when it comes to an agriculture assistance bill that will provide real help for the farmer, we suddenly see great concern for inflation and the budget. It is time to stop the free ride that the consumer is getting from the farmers and ask the question: "Are Americans willing to break the back of agriculture to continue a short-range and destructive cheap food policy?" I believe the answer is "no."

Mr. President, I want to commend the Agriculture Committee for its hard work and effort that they have put into these bills. However, this legislation does nothing to address the problems of the cattle industry. The cattlemen have been suffering from an extended period of low prices and high production costs. The cattlemen neither need nor ask for a system of Government price supports. The fact is that the cattle industry has requested and desperately needs some relief from excessive beef and live cattle imports.

This is not the time to introduce an amendment dealing with beef imports. An emergency agriculture bill complicated by the issue of beef imports would be delayed and its passage would be severely hampered. Today is the day to assist the farmer, but this year's emergency agriculture legislation will not be completed until something is done to curtail live cattle imports and meat imports are contained to an acceptable level. The Finance Committee has held hearings on beef imports and the labeling of imported beef products. To this end, I commend my colleague from Wyoming, Senator HANSEN, for introducing an amendment which would require the labeling of imported beef. But I would urge the Finance Committee to approve a bill that will bring cattle imports to an acceptable level as soon as possible, so that prosperity can return to the cattle industry.

Mr. President, I hope that the efforts of our farmers and ranchers will not go unnoticed in the future. We owe much to them, and the Congress, the administration, and the American people should not forget this fact.●

● Mr. PELL. Mr. President, I have voted today against the Emergency Agricultural Act of 1978 because I believe it is a hastily and ill-conceived measure.

I fully understand the plight of American farmers—the fact that they are not receiving an adequate return for the cost of their labors—however, I believe in attempting to correct this problem in one segment of our population, we must not shift the burden to another segment—the consumers.

Last year the Congress passed and the President signed into law a farm bill designed to provide relief to farmers. This current law has not had time to achieve its intended results.

In racing this measure through the Senate today, the Senate has ignored the budget process and the inflationary impact of this bill.

It is unfair that consumers, who are already burdened by the high cost of energy and the increasing costs of living, should now be asked to pay even higher prices for their food, because of an ill-conceived farm relief measure.

The Nation's farmers have a real problem. This bill just happens to be the wrong way to solve it.

Because this bill was approved by the Senate with no proper time for deliberation of the consequences, there is no assurance that the Senate has acted in a way that is in the best interests of all farmers, of our export trade, or most importantly, of our consumers.●

The PRESIDING OFFICER. The hour of 4 o'clock having arrived, under the Senate agreement, the debate must end.

Are there further amendments?

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

(Mr. McGOVERN assumed the chair.)

Mr. CANNON (after having voted in the negative). Mr. President, on this vote, I have a pair with the junior Senator from Michigan (Mr. RIEGLE). If he were present and voting, he would vote "yea." I have already voted "nay." I therefore withdraw my vote.

Mr. WILLIAMS. Mr. President, on this vote I have a pair with the distinguished Senator from Colorado (Mr. HASKELL). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT) is necessarily absent.

The result was announced—yeas 67, nays 26, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—67

Abourezk	Hart	Melcher
Allen	Hatch	Morgan
Anderson	Hatfield, Mark O.	Nelson
Baker		Nunn
Bayh	Hatfield, Paul G.	Packwood
Bentsen		Pearson
Brooke	Hathaway	Percy
Bumpers	Hayakawa	Randolph
Burdick	Helms	Sarbanes
Chiles	Hodges	Sasser
Church	Hollings	Schmitt
Clark	Huddleston	Schweiker
Culver	Humphrey	Sparkman
Curtis	Inouye	Stennis
Danforth	Jackson	Stevens
DeConcini	Johnston	Stone
Dole	Kennedy	Talmadge
Domenici	Laxalt	Thurmond
Eagleton	Long	Tower
Eastland	Lugar	Wallop
Ford	Magnuson	Weicker
Griffin	McClure	Young
Hansen	McGovern	Zorinsky

NAYS—26

Bellmon	Garn	Moynihan
Biden	Glenn	Muskie
Byrd, Harry F., Jr.	Goldwater	Pell
	Heinz	Proxmire
Byrd, Robert C.	Javits	Ribicoff
Case	Leahy	Roth
Chafee	Mathias	Scott
Cranston	McIntyre	Stafford
Durkin	Metzenbaum	Stevenson

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Cannon, against.
Williams, against.

NOT VOTING—5

Bartlett	Haskell	Riegle
Gravel	Matsunaga	

So the bill (H.R. 6782) was agreed to.

The title was amended so as to read:

An Act to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE. Mr. President, I ask unanimous consent that H.R. 6782 be printed as passed by the Senate and that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order on S. 2481 be vitiated and that S. 2481 be postponed indefinitely.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I ask unanimous consent that I be granted 3 minutes to comment on the previous vote.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is recognized for 3 minutes.

Mr. GLENN. Mr. President, I voted against the agriculture bill. I did it with great hesitation. I did it with great personal displeasure. But I think we must heed the words of the Senator from Maine concerning the impact of this bill on inflation, concerning the unknown impact on the economy.

As much as I am for helping the farmer, as much as I am for helping agriculture, it was with these considerations in mind that I voted against this bill.

I voted against the McGovern amendment earlier. I voted against the Dole amendment. But I had planned to vote for the Talmadge bill because I felt it addressed the problem fairly and squarely and did much of what the farmers hope for—it was timely and adequate.

But I am afraid the extent to which this bill goes now really upsets the apple cart with regard to agriculture and with regard to our not paying enough attention to Senate budget processes and not paying enough attention to the inflationary impact of this legislation. I feel it has gone too far. I repeat that I would like to help the farmer and help agriculture.

Some of the members of the committee and those who are going to conference expressed their view that they were voting for the bill on the basis the Dole amendment undoubtedly would be knocked out in conference. If we could be certain of that, I would have been the first to vote for the Talmadge bill, because I repeat we need to do something for agriculture and for the farmer.

So I wish to go on record as favoring the Talmadge bill, and I hope the conferees are successful in knocking out the other excessive amendments that were added to it today.

I now give my pledge, in advance, that if the Talmadge bill comes back to us stripped of these other excesses, I fully plan to support it and to vote for it. I hope the conferees are successful in bringing back what I feel is an appropriate level of support for agriculture and for the farmer. I plan to vote for the Talmadge bill if the conferees are successful in bringing it back to us in that form.

● Mr. HEINZ. Mr. President, I was prepared to vote for the Talmadge bill as it came to the floor this morning. Unfortunately it was no longer the same bill that we considered this afternoon in its original form. The Talmadge bill provided a commonsense, though ultimately short-term, solution to the legitimate problems of our Nation's farmers.

The record should be clear that the vote I cast on the Talmadge bill a few moments ago was aimed at the Dole amendment, and does not necessarily reflect my vote had the Talmadge bill stood alone. It is unfortunate that these two items—representing very different approaches and bearing very different price tags—could not have been separately considered on their separate merits.

The fact is, the Talmadge bill had much to commend it. The cost of set-aside payments would have been substantially offset by reduced deficiency payments. A definite amount of land—31 million acres—would have been taken out of production and the resulting market situation would have financed the improvement in farm prices. True,

there would have been a budgetary cost in excess of what we contemplated in the second concurrent resolution; and increased consumer prices could have contributed a bit more to expected inflation. But compared to the farmers' need, the bill was arguably modest; and compared to the Dole proposal, it was fiscally responsible.

Although the 1977 farm bill provided what were at the time considered extremely generous target prices and loan rates, it cannot be ignored that market prices of most commodities remain depressed. Farm income has plummeted, while farm debt has soared. The losses being experienced go beyond the normal risks of entrepreneurship. It is not for idle reasons that farmers around the country have taken to the streets of the Nation's Capital.

The plight of younger farmers is particularly acute, since their recent investments have made for heavy mortgages. Moreover, they have not enjoyed the occasional good years that can tide farmers over.

And the fault is not entirely their own that they today find themselves overextended. Our own Government encouraged them to plant fence row to fence row just a few years back when prices were high, and when it was assumed that there would always be an export window to boost prices when necessary. Of course, the truth is that weather and harvests remain unpredictable, and that few expected farmers today to be faced with such a degree of carryover stock and continuing surplus.

Perhaps the American Farm Bureau is correct in arguing that the fundamental solution is new marketing and bargaining legislation to provide producers fair leverage in negotiating prices in the marketplace. Perhaps there is some merit in the President's support of grain reserves, though some suspect that, no matter how they are regulated, their very existence will always act as a depressant on prices. But these are long-term approaches.

The immediate need is for incentives to restrict production. Such set-aside authority as Congress has recently vested in the Secretary of Agriculture has not been exercised. I do not find it unreasonable that a majority of the Senate seems prepared to mandate the land diversion that the current administration has avoided.

I voted against final passage of the Talmadge bill because it was amended beyond recognition. I am referring not only to the Dole amendment, but as well to the McGovern amendment, which tagged on major increases in target prices and loan rates. It is my hope that this legislation can be scaled back in conference, so that it provides the relief farmers deserve without recklessly ignoring budget discipline.

Mr. President, I want to take this opportunity to associate myself with remarks made earlier in the day by Senator JAVITS, namely, his suggestions for improving the market for our farm exports and providing a release for our surpluses. In addition, I would call the attention of my colleagues to a number of recommendations issued today by the ad hoc Republican Policy Subcommittee on Agriculture, chaired by Senator DOLE. I do not necessarily endorse them all, but I do believe they represent the type of imaginative thinking useful in averting further crisis on the farm.

RECOMMENDATIONS

Senate Republicans believe much can be done to turn things around for the American farmer. We offer these recommendations as a basis for a coherent agriculture policy which, if adopted, would raise farm income, create jobs, strengthen the economy, and bolster that part of America which works to feed and clothe us.

SELL AMERICA ABROAD: THE NEED FOR EXPORTS

U.S. agriculture exports have increased for seven successive years, reaching $24 billion last year. In 1978, exports are expected to decline to about $21 billion.

To revive the momentum of food and fiber exports, we recommend:

Capitalizing on our advantages as the world's foremost producer by emphasizing to importing countries that we can guarantee them a dependable supply of farm commodities.

Aggressively developing foreign markets for U.S. farm commodities.

Building a policy framework for the pursuit of export markets in the developing world.

Expanding the Food for Peace Program (P.L. 480), thereby stimulating U.S. exports while helping meet the food requirements of developing nations. Current levels of Public Law 480's Title I programming are too low in view of both the need to stimulate exports and to help meet the food requirements of developing nations. We believe that the Title I funding level of $800 million should be increased to at least $1 billion.

Restoring the Office of Food for Peace to its previous position of prominence. Only last year the Congress amended the law to place even greater emphasis on the use of food aid for promoting international development. The administration's recent reorganization of AID has undermined this congressional intent, buried the Food for Peace Program under bureaucratic layers and redtape, and delayed the shipment of vital exports to hungry countries overseas.

Providing short and intermediate term Government credit (through the Commodity Credit Corporation) to other countries for the purchase of U.S. farm products.

Directing the Secretary of Agriculture to establish an "intermediate CCC credit program" to take advantage of export market opportunities that demand credit for a term of five to ten years.

Directing the Secretary of Agriculture to establish a program for expanding exports of farm commodities by making available Commodity Credit Corporation financing to exporters who extend deferred payment terms to foreign buyers.

Expanding Export-Import Bank financing of loans for farm commodity exports commensurate with agriculture's share of total U.S. exports.

Expressing the sense of the Congress that the Export-Import Bank not discriminate between the financing of agricultural and industrial exports. If this Sense of Congress Resolution does not produce this fair and equitable treatment for farmers by the administration, additional Republican legislation, which will mandate such treatment when the Export-Import Bank Act comes up for extension later in this session of Congress, will be introduced.

Taking advantage of the current multilateral trade negotiations in Geneva to gain concessions for U.S. farm exports and improved market access, especially to markets in Japan and Western Europe.

Adjusting our tariff policy to provide most-favored nation tariff status to certain countries in those instances in which it is necessary to protect the interests of American agriculture and to advance the commerce upon which our economy, especially our farm economy, depends.

Implementing existing legislation that permits foreign nations to purchase our grain and store it in the U.S. for subsequent export.

Recognizing that the most important human right is the right to food. The subordinations of foreign sales of grain to State Department notions of what constitutes benign social policies will destroy our humanitarian goal of eliminating hunger in the world. Farmers should not be made pawns of the Carter-Mondale Administration's inconsistent foreign policy.

Changing the Meat Import Act of 1964 to provide for "counter-cyclical" beef import quotas so that expanded imports will not occur when prices are low. Currently, imports increase as U.S. production increases, and imports reached record high levels last year. If this trend is not halted, many ranchers will have to cut back production or be driven out of business. The end result, therefore, would be higher meat prices for consumers. Imports of meat should be phased to U.S. production.

Requiring that all imported meat, poultry, and dairy products be subject to the same labeling and health and sanitation inspection standards as domestic farm products.●

REDWOOD PARK EXPANSION—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report on H.R. 3813, which will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3818) to amend the Act of October 2, 1968, an Act to establish a Redwood National Park in the State of California, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

(The conference report is printed in the House proceedings of the RECORD of March 8, 1978.)

The PRESIDING OFFICER. The time for debate on this conference report is limited to 4 hours, to be equally divided between and controlled by the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Wyoming (Mr. HANSEN).

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the following members of the staff be accorded the privilege of the floor during consideration of the conference report on H.R. 3813: James Beirne, Tom Williams, Daniel Dreyfus, Michael Harvey, Tony Bevinetto, Marsha J. Williams, and Kathy Files.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Chamber and in the galleries, please?

The PRESIDING OFFICER. The Senate will be in order.

Will our friends in the gallery be as

quiet as possible during the further deliberations of the Senate?

Mr. ABOUREZK. Mr. President, I will keep my remarks on this legislation brief, as I believe all of the issues have been fully discussed both in committee and on the floor. I believe that this is an outstanding measure which fully recognizes the national interest and responsibility for both the protection and preservation of our natural treasures and the impact that such protection has on individuals. The beauty and majesty of the redwood forest needs no elaboration on my part. The legislation before us fully protects this unique resource.

I am pleased and proud of the work done by the conferees and I especially would like to thank Senator HANSEN for his invaluable assistance and his dedication on the resource questions in this legislation. I think in all respects title I of this legislation is a tribute to his wise counsel. The Senator and I disagree on the need for the inclusion of title II, but even in the discussion of title II he was constructive and offered invaluable assistance in assuring that the program would be administerable and would accomplish its objectives.

I think it is important in considering this legislation that we recognize that there is no uniform boilerplate language universally applied to all national parks. Each national park is considered in the context of an organic act. Specific legislation addressed to the specific park which takes into account the resources to be protected, the management which is necessary, and the objectives which are contemplated. In considering national park legislation, we have always paid careful attention to the location of boundaries so as to protect the resources while creating as little adverse impact on the local area as possible.

The situation at Redwoods is unique and this legislation addresses the uniqueness of that situation, a situation I might add which was not caused by the Federal Government or the national park. The local economy is almost exclusively dependent upon timber harvesting although some effort has been made in the recent past to diversify. The liquidation program which timber companies have historically engaged in has created a situation of excessive unemployment and a precarious economy in the area which would be even worse if the companies had not recently begun a program of reforestation.

I firmly believe that the creation and full protection of the Redwood National Park will be a significant boon to the local economy. In the short term, however, there will be an impact on individuals and it is these individuals who are addressed in the legislation. I deeply and firmly believe that the Federal Government has an obligation to the people of this country, and where we take an action in the national interest which impacts on individuals we should help to alleviate that impact.

I do not foresee any other situation where the creation of a national park is so critical or so vital nor do I see the situation where creation of a park would cause this impact. I do want to emphasize that all of the evidence before the committee and before the Congress indicates that the impact will be minimal. The maximum potential job displacement identified by the companies themselves would amount to no more than 900 jobs.

The administration has already identified in excess of 800 new job opportunities as a direct result of this legislation. This does not take into account any new job opportunities which could become available as a result of the efforts of the Economic Development Administration in the area. This is not a massive program which we are talking about. The thrust of the program is not to provide rocking chair money for an extended period of time to individuals who could be gainfully employed if they so chose. The thrust of this legislation is to provide retraining where necessary, consideration for employment, job search and relocation allowances where necessary, and protection if all else fails.

Mr. President, I believe that the conferees have significantly improved the language of H.R. 3813 by deleting specific directives to the Secretary of Labor to adopt a specific course of conduct in meeting the objectives of the legislation and permitting him discretion.

Mr. President, considerable concern has arisen over the intent of the language surrounding the park protection zone. That language was developed by the Senate committee and I believe that the report of the Committee on Energy and Natural Resources is abundantly clear on the intent and history of that section. The Secretary should be guided by the language of the committee report. I would like to emphasize that the language of the bill refers to a finding by the Secretary of damage from a parcel of land or portion thereof. Any construction which would imply that the Secretary is limited in his acquisition to particular trees or specific rocks within a parcel rather than the acquisition of an entire parcel in order to minimize severance would be absurd.

It could be expected that activities on a parcel of land could result in a situation of potential damage to park resources which could be traced to a portion of that parcel, but that does not limit that Secretary's authority to the specific portion. Under no circumstances is the Secretary to consider esthetics, visitor access or enjoyment, or access in his determination of the extent of acreage to be acquired by condemnation.

He is limited strictly to the protection of park resources. However, it is expected, and landowners in the area should be aware that the Secretary will acquire entire parcels to minimize severance where a more limited acquisition is not prudent. It is probable that in many situations the Secretary may be able to acquire only the specific lands causing physical damage, but in other situations where the resulting impairment of the use of the remainder of the parcel would result in extensive severance costs we firmly expect the Secretary to adopt the reasonable construction of the language and acquire the entire parcel.

Mr. President, I wholeheartedly endorse and support the action of the conference committee and urge the adoption of the conference report.

Mr. HANSEN. Mr. President, when the bill to expand the present Redwoods National Park reached the floor, after extensive hearings and consideration in the Energy and Natural Resources Committee, I felt compelled to support that bill. I still feel that those reasons for support are there in the portions of the bill that speak to the preservation of the natural resource.

At the risk of being repetitive, let me list those reasons. When Congress established Redwoods National Park in 1968, many thought a significant example of coastal redwoods would be preserved for future generations to enjoy. The world's tallest trees were thought to be protected by the inclusion of a narrow peninsula following Redwood Creek and extending upstream from the main body of the park. I said at that time, and I think it bears repeating, the essence of that park and the reason for its national significance is that tall tree grove. I am sure the Senate today will concur. A narrow peninsula called "the worm" drains an unstable, silt laden watershed that was being harvested until just recently.

The stated purpose of this proposed expansion of some 48,000 acres was to primarily acquire this watershed ridge to ridge. And an additional 30,000 acres was established as a park protection zone which can only be acquired if land practices occur that would result in actual physical damage to the park. The conference committee concurred in both of these actions.

The legislation has many controversial provisions. Careful attention was given to most of them. The portions calling for legislative taking were justified, in my estimation. Provisions calling for a forest rehabilitation program which proposes to repair and patch the land damaged from prior timbering practices are not only a resource program, but some $33 million has been authorized and directed to this activity and it is labor intensive. The various company timbering practices today and in the last few years are excellent and do minimal damage to the land, but older timbering practices did scar and tear the land and rehabilitation is needed.

I opposed the effort in the Senate committee to include provisions calling for income maintenance of "jobs" for protection of workers who would theoretically be displaced by park expansion. The committee defeated the attempts to add these provisions and they were not added on the Senate floor.

I firmly believe the bill as passed by the Senate went a long way using existing Federal programs to mitigate the effects of park expansion. The administration has directed upward of $40 million for the existing Federal programs. The forest rehabilitation program and an additional $33 million is, as I said before, labor intensive. I think a dangerous precedent has been set by agreeing to the House title II, the so-called jobs package.

I am convinced that park expansion is not the root cause of unemployment

in Humboldt and Del Norte Counties. I firmly believe that over the long run national parks have become positive economic forces in the region in which they are established. The transition in local economies may be rough, with some displacement. But time after time a national park makes a real contribution to the regional economy. I know this from personal experience and close observation of the symbiotic relationship of Grand Teton National Park and Teton County, Wyo., that this does in fact occur.

I call the Senate's attention to a letter sent by James T. McIntyre, Acting Director, Office of Management and Budget, to the Honorable THOMAS P. O'NEILL, Speaker of the House of Representatives, dated February 8, 1978:

Shortly, the House will consider H.R. 3813, a bill to enlarge the boundaries of Redwoods National Park in California. The Administration has strongly supported legislation to protect these valuable park resources and has endorsed the acquisition of 48,000 additional acres for the park. In his recent State of the Union message, the President expressed his desire for early Congressional action on this important matter.

However, I want to share with you the Administration's concern over Title II of H.R. 3813. Title II would have the Secretary of Labor provide extraordinary services and cash benefits for up to six years to individuals who are presumed to have been affected by the federal law acquiring additional land for the park.

This Administration has consistently opposed any such provision.

As you are no doubt aware, last Spring the President directed the Secretary of Labor to join with the Secretary of Commerce in analyzing the potential employment effects of the Redwood Park land-taking. In addition, the President directed both agencies to take whatever steps were necessary to develop plans, working with appropriate State and local officials, to ensure that all available applicable Government programs—including job training, job placement, unemployment insurance, economic development aid, and other federally funded services—would be ready to help the affected communities when needed. Secretaries Marshall and Kreps have fulfilled their responsibilities; staff of both agencies are well prepared to move expeditiously when the Redwood Park bill becomes law.

The steps taken to date are proper actions of the Federal Government whenever we find a significant local unemployment situation developing. Our general authorities under both Commerce and Labor Department statutes have been drawn by the Congress to assure this flexible, timely response capability.

The provisions of Title II are neither desirable nor appropriate. They would allow one group of workers to receive from the government extremely costly and specialized benefits that we cannot justify for other workers whose unemployment is equally painful. We firmly believe that in the absence of overwhelming national policy considerations, which we do not find in the Redwood Park situation, all workers who have lost jobs through no fault of their own and have difficulty finding others deserve to be treated equally by their government.

I hope that the Congress can speedily enact the Redwood Park legislation, whose basic purpose is warmly supported by the President, without including these most undesirable provisions.

Let me also quote from the CONRESSIONAL RECORD of February 9, 1978, on page 2909. Mr. WEAVER, the gentleman from Oregon, is making a statement on H.R. 3813, the Redwoods bill:

Madam Chairman, first, let me say that my admiration is great, and the respect of this body should be great, for the efforts of the gentleman from California (Mr. PHILLIP BURTON) for his leadership in what has been a very controversial and hard-fought bill. I happen to believe that this bill is one great monument of labor legislation, containing, as it does, carefully worked out reemployment, relocation, and retraining programs for the workers of the region affected. It shall stand as a great precedent to what I would hope to be future legislation affecting workers, employment and business in areas affected by governmental policy decisions . . .

Again, let me reiterate. I have no substantive objections to the park expansion itself and related provisions, but I have strong reservations about the cost and the precedent involved in the bill's effort to protect jobs. In existing programs $40 million has been allocated; in the labor-intensive rehabilitation program, $33 million additionally. Title II as offered in the conference report is estimated to cost upward of $20 million. Almost $100 million additional costs to address direct or indirect displacement of the economy.

What is in title II? I would ask the Senator from South Dakota to explain in detail the provisions. Title II as considered by the House had no hearings in subcommittee, in full committee nor an explanation provided on the floor. A substantially different labor or income maintenance provision had a brief hearing in the Senate, but that is not the title II being considered today.

I, for one, believe the issue of park expansion should and could be made on resource values alone. The cost of the resource decision is estimated to be $359 million. As the issue is decided in the courts it may well be more. Add to that the $93 million or $100 million of economic costs and the total is well over half a billion dollars. By far, the most expensive park expansion ever considered by Congress.

I urge my colleagues to vote no on accepting the conference report. Should the report be rejected, I am prepared to offer a motion to appoint new conferees and instruct the Senate on title II alone. As stated before, Mr. President, the other provisions have received careful attention and I think reflect the will of Congress and I support the expansion as it deals with the resource.

Mr. MARK O. HATFIELD. Mr. President, I am in full accord with the remarks of the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Wyoming (Mr. HANSEN) concerning the study which the Forest Service is required to undertake pursuant to this legislation.

In my view, this study should include a comprehensive discussion and analysis of reasonable alternatives to present Forest Service harvest scheduling policy. The framework and authority for establishing harvest levels different from present policy was well established by the National Forest Management Act, passed by the Congress last year. Congress, throughout its consideration of the National Forest Management Act, rejected the concept of writing detailed prescriptions into law. Congress intended the Forest Service to have broad latitude to exercise professional judgment in its establishment of planning processes and criteria, in the determination of silvicultural prescriptions, and in the setting of harvest levels. Section 11 of NFMA is intended to provide considerable flexibility to deviate from present harvest policies for a variety of reasons including, but not limited to, situations where it would be needed to improve the age-class distribution of a forest, to reduce high mortality losses or to protect the economic stability of dependent communities. This last situation will be particularly applicable to the California north coast if this bill is passed.

It is my understanding that the harvest ceiling language contained in the first part of section 11 must not, and should not, be read separately from the provisos which follow. Moreover, any interpretation of section 11 should be made with full consideration of the language contained in the conference report and other appropriate legislative history, especially the colloquy which occurred during passage of the conference report on the floor of the Senate between Senator Hubert Humphrey and me.

The net effect of section 11 and its legislative history was to reject the Forest Service policy of applying nondeclining yield ceilings without exception to all forests and in all situations. The language of section 11 clearly requires the Forest Service, where it may be appropriate for any number of reasons, to consider reasonable alternatives to the harvest ceilings which would normally be set under the language in the first part of section 11. The study required of the Forest Service by Redwood Park legislation should reflect the full flexibility available to the Agency to analyze and adopt harvest schedules different from present policy. The primary constraint on harvest levels under section 11 is that they must be designed to achieve and be consistent with meeting "overall multiple-use management objectives." As such, multiple-use objectives mean not only water quality, wildlife, and recreational and environmental goals, but also timber management, economic, and community stability objectives as well.

It is very unfortunate that the harvest scheduling issue has been presented as strictly an economic versus environmental issue. Any deviation from even-flow, regardless of size or duration, has been referred to as over-cutting. This charge is an attempt to appeal to emotion without regard to the facts or complexity of this issue.

The harvest scheduling issue is concerned with the timing of management, not the extent or area which will eventually be managed. Neither does it affect the silvicultural system or logging methods which will be applied, or the road design standards which will be used. The same land areas are involved, regardless of whether or not exceptions to the ceiling language are granted. The Forest Service must utilize forest management systems which give appropriate protection to environmental and multi-

ple-use values regardless of the harvest schedule adopted.

The Congress clearly intended to give the Secretary of Agriculture flexibility to determine harvest schedules which deviate from its present policy. It is extremely important that in the study required by this bill the Forest Service not place unnecessary constraints on the flexibility which Congress intended.

Is this also the understanding of the Senator from South Dakota?

Mr. ABOUREZK. The Senator is correct.

Mr. HANSEN. Will the Senator clarify the meaning of some of the language agreed to by the conferees on this measure?

Mr. ABOUREZK. I will be happy to do so.

Mr. HANSEN. It is my understanding that the new map reference in the legislation does not alter any of the boundaries nor include nor exclude any lands not included by both the Senate and the House when this measure was originally considered.

Mr. ABOUREZK. The Senator is correct. Because each House had used different terminology in referring to areas included in the legislation, we decided that a new map reference would be appropriate to avoid any ambiguity as to the intent of the Congress. There are absolutely no changes or alterations.

Mr. HANSEN. It was my understanding that with the exception of additional authority for the Secretary of the Interior to acquire lands within the park protection zone from a willing seller the conferees agreed to the Senate language and the Senate history and intent on the park protection zone.

Mr. ABOUREZK. The Senator is correct.

Mr. HANSEN. I think it is important that we have this issue perfectly clear. The park protection zone was conceived in the Senate committee as an alternative to the regulatory authority proposed by the Department because we felt that the question of park protection was far too important and too critical to be left to new methods. The clear intent of the committee and of the Senate was that we did not intend to impair the Secretary's existing authority or responsibility to protect park resources through whatever means are necessary, including the seeking of equitable relief; but that we did permit the Secretary to acquire additional lands within the park protection zone, if and only if, he makes a finding that the failure to acquire such lands could result in physical damage to park resources. It was my understanding that the Secretary's authority to acquire lands extended only to those parcels which he felt could physically damage park resources.

Mr. ABOUREZK. The Senator is correct. It was not the intent of the Senate nor of the conferees to permit the Secretary to acquire lands willy-nilly for esthetics, access, interpretation, public enjoyment, or for any reason other than the protection of the physical resources of the Redwood National Park.

Mr. HANSEN. That limitation does not apply to the case of a willing seller.

Mr. ABOUREZK. That is correct, but the acquisition of land from a willing seller will in no way modify the requirement for finding of potential physical damage prior to acquisition where condemnation is used.

Mr. HANSEN. The Senator is in effect restating his earlier comments to the Senator from Idaho (Mr. McCLURE), restating that the acquisition of any lands within the park protection zone will not in and of itself provide a basis or justification for the acquisition of additional lands.

Mr. ABOUREZK. The Senator is correct and for that reason we agreed to the language included in the House version which so stated.

Mr. HANSEN. One further question on the park protection zone. Does the language with respect to a person's right to peaceful use and enjoyment of their lands confer any new rights on landowners or would it in any way limit the Secretary's authority to take such other action, short of acquisition, which may be necessary to protect park resources?

Mr. ABOUREZK. No; it will not. That language merely affirms the fact that acquisition of a particular parcel within the park protection zone will not itself give rise to actions against adjacent or neighboring land-owners to protect that specific parcel. The land-owner would still be subject to acquisition, injunction, or other appropriate action should he engage in activities which could result in damage to park resources.

Mr. HANSEN. The conference committee adopted the language of the House measure with respect to the removal of down tree personal property. Although the language is rather extensive, it is my understanding that the entire import of the language is simply to authorize the Secretary to impose reasonable terms and conditions on the removal of such property. The language is not designed to limit ownership rights in such property but rather to recognize that the removal of such property should be done in such a manner as not to disturb park resources.

Mr. ABOUREZK. The Senator is correct.

Mr. HANSEN. On the last day of the conference, the conferees agreed to language proposed by Representative DON CLAUSEN with respect to grants by the Secretaries of Agriculture, Commerce, and Labor on forest resources improvement and utilization. It is my understanding that the purpose for all of the grant programs is to benefit the local economy of Humboldt and Del Norte counties. In that event I would think that the Secretaries should look first to the local counties and only in the event that they find that the local counties are totally unable to use such funds they may look to the State of California.

Mr. ABOUREZK. The Senator is correct. Under no circumstances should any grants be made to the State of California where the local units of government are capable of administering and implementing such programs; and there could be no justification for having moneys diverted by the State of California when the local economies should be the beneficiaries. I think the amendment offered by Congressman CLAUSEN could be of great value to the local economy and to the two counties; and I would not want to see those efforts frustrated by ignoring the local counties and providing such funds to the State.

Mr. HANSEN. One section of the legislation was identical in both Senate and House versions and that was the language offered by the distinguished junior Senator from California for a study of timber harvest scheduling alternatives for the Six Rivers National Forest. It appears to me that the language of the bill is absolutely clear.

Mr. ABOUREZK. I would agree with the Senator.

Mr. HANSEN. The legislation does not provide any constraints on the Secretary beyond those included in existing law.

Mr. ABOUREZK. The Senator is correct.

Mr. HANSEN. It is my understanding that the requirement for a study is not intended to mandate a revised timber management plan for the Six Rivers National Forest nor is it designed to indicate congressional sanctions of either an increased or decreased cut level for the Six Rivers National Forest. The language does no more than require the Secretary to conduct a study. It does not authorize him to implement any options developed in the study nor does it prohibit him from implementing any options which he finds to be consistent with his duties and responsibilities under existing law.

Mr. ABOUREZK. The Senator is correct. I would hope that the study will provide a useful basis for future decisions by the Secretary and I certainly expect that the study will be objective, but in no sense are we constraining the Secretary in his analysis beyond those environmental, economic, and social considerations which he would be otherwise required to consider.

Mr. HANSEN. I think the history of this amendment should be recognized. The purpose of the amendment was to afford the affected companies an opportunity to demonstrate that the present levels of timber harvesting are too low and could be increased consistent with existing law. While I am expressing no opinion as to whether that assertion is correct or incorrect, I do think it is important that the record indicate the genesis of this amendment.

Mr. ABOUREZK. I agree with the Senator in his historical analysis and also concur with him that we have no basis to either agree or disagree with the claims made, but I would caution again that this is a study, a study which should be objective and which should fairly consider the evidence presented by the affected timber companies but, nevertheless, it is only a study and in no sense should be considered as a congressional mandate to alter, modify, or otherwise deviate from existing law.

Mr. HANSEN. I agree with the Senator. The companies have maintained that they have not had a fair hearing on their evidence and this study is designed only to insure that they receive such a review. It does not prejudge the outcome

of such a review which may very well indicate that the present plan is the correct one.

Section 103(h) includes a judicial review procedure by reference to those procedures contained in the Trade Act of 1974. Would the Senator share with us the legislative intent underlying this section?

Mr. ABOUREZK. Yes, I would be happy to address this matter. The only reason the Trade Act was specifically referenced was to expressly assure that, for purposes of reviewing a determination by the Secretary of Labor, the "substantial evidence" standard be the measure by which the appeal would be decided. It was felt by the conferees that the often used "arbitrary and capricious" standard might preclude effective judicial review of agency action. While we are confident that the Secretary's determination will of course be based on an adequate consideration of all relevant factors, we felt nonetheless that specific statutory safeguards be prescribed

Mr. HANSEN. Was it the intent of the conferees to limit, as the Trade Act does, the right of appeal to the 60 days immediately following the determination?

Mr. ABOUREZK. No, this was not discussed by the conferees. The only issue discussed had to do with the standard of review, not the time for review.

Mr. President, I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the conference report. Do Senators yield back their time?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HAYAKAWA. I wish to make a unanimous-consent request.

Mr. HANSEN. I yield such time as the Senator from Alaska needs.

Mr. STEVENS. I yield to the Senator from California.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that a member of my staff, Mary Eddy, have the privilege of the floor during the discussion of this conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I inquire whether the Senator from California intends to make remarks at this time concerning this conference report. I have some remarks.

Mr. HAYAKAWA. I have some remarks to make on the conference report.

Mr. STEVENS. I would prefer to follow the Senator from California, if he wishes to make remarks at this time. If not, I will proceed.

I ask the Senator from Wyoming who is managing the time on this side.

Mr. HANSEN. I am.

Mr. STEVENS. Let me yield the floor and allow the Senator from Wyoming to yield such time as the Senator from California wishes, and I will seek time from the Senator from Wyoming later.

Mr. HANSEN. I am happy to yield such time as the Senator from California may desire.

Mr. HAYAKAWA. I thank the Senator from Wyoming.

Mr. President, I would like to point out to my colleagues the controversial nature of this Redwood Park expansion legislation. Northern California already has set aside 181,000 acres of old-growth north coast redwoods in Federal, State, and local parks combined. We do not need any additional acreage of redwoods.

The arguments for park protection are highly disputable—the results of soil erosion studies show that soil deposited in the Tall Trees Grove is soil that has been carried from miles upstream, and not soil from adjacent hillsides as a result of logging. Under the guise of "park protection" we are adding 48,000 acres of redwoods, and only 1 out of every 5 acres of this land has any old-growth on it.

Many hundreds of people will lose their jobs, many thousands of acres of land will be taken out of timber production, and for what? So that we can triple the size of the Redwood National Park, which is the sixth least visited national park in the entire United States? The 28,000 acres of already existing Redwood National Park is already more expensive than all other national parks combined. This additional 48,000 acres will cost the taxpayers at least $400 million, probably more.

The income maintenance package that originated in the House bill, is a typical example of the Federal Government throwing welfare dollars at a problem, and hoping that it will go away. The loggers who are losing their jobs do not want a welfare handout.

The want their jobs. They do not want to be retrained as short order cooks or as kindergarten teachers. They want to continue to be loggers.

This income maintenance provision is an insult to any self-respecting logger. It is a real slap in the face. I cannot support this approach to alleviate the unemployment problems that result from this unnecessary park expansion.

This provision is especially poor in that it provides no incentive for the recipient of this Federal hand-out to find new employment. Up until this time all citizens of the United States were treated the same. If a worker loses his or her job, then they are eligible for unemployment compensation, which does not pay as much as their original salary. This old structure provides an incentive for the former worker to go out and find new employment. Now title II of the Redwood Park expansion conference report provides for full compensation for employees who lose their jobs for up to 6 years. This is the new proposal. Although I am extremely sympathetic to this jobs situation in this case, as I have repeatedly expressed, I cannot condone the income maintenance provision.

This provision will not only apply to the workers who lose their jobs as a result of the Redwood Park expansion. When future park bills come before Congress, or other legislation that puts people out of work, the legislators from those areas will also want income maintenance for the workers affected by that action. I believe that we are setting a dangerous precedent, and I urge my colleagues to join with me in voting against this conference report.

I wish to comment on the park protection zone provision. Mr. President, it is my understanding that this 30,000 acre area shall be purchased by the Secretary of the Interior only in cases where there is a definite danger of damage to park properties as a result of activity on that land. I noticed that there was some discussion on the House floor indicating purchase of the land to provide for enhanced public benefits and that consideration should be given to esthetics, visitor use, and the like. I cannot agree with this opinion and believe that it is inconsistent with the original intent of this section based on the committee's diiscussions about this legislation. My fear, Mr. President, is that we are actually talking about a 78,000 acre park expansion bill instead of one for 48,000 acres. It is my hope that, through careful management of the lands known as the park protection zone, these lands will never have to be purchased and that the private property owners in this area will not be harrassed by the Federal Government.

There has also been some discussion about compensation for the land and the timber involved in this legislation. Some people have questioned whether or not redwood timber is really competitive, since there is a limited market. Redwoods only grow in a small area in California. I state that there is a free flow of competition upon which to base free market values. There are many kinds of timber, and redwood timber is competitive on the commercial timber market with all of them. I state this for the record, Mr. President, because of the timber companies involved in this legislative taking of land did not want the Federal Government to come in and take their land. They simply want to get on with their business. I certainly believe that they should be awarded just compensation for the property they lose as a result of this legislative taking.

Furthermore, Mr. President, there is an amendment in the final bill for the Secretary of Agriculture to study timber harvest scheduling alternatives on the Six Rivers National Forest and to report back to Congress in a year. The Six Rivers National Forest is in the same general area as the Redwood National Park expansion acreage, and the timber sales from this forest serve the same general economy of northern California.

We have recently heard from Secretary Patricia Harris of the Department of Housing and Urban Development on the incredible rise in the cost of timber in recent years. Secretary Harris was very much concerned about this tremendous rise in the costs of housing, which continues to increase at a terrific rate, and she was demanding a Federal investigation. At the request of Secretary Harris, the Council on Wage and Price Stability issued a report in October 1977 clearly linking the management of Federal timber lands to our Nation's ability to meet future demands for housing material.

In addition, I refer to Forest Service report No. 21 entitled "The Nation's Renewable Resources: An Assessment.' This report points out that our national

forests contained 46 percent of all softwood inventories in our country—and 56 percent of the softwood timber stocks in 1970.

Mr. HANSEN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HAYAKAWA. However, these national forests contributed only 20 percent of the softwood output and 27 percent of the softwood sawtimber output that year. These figures raise some questions about the efficiency of public timber management policies.

Mr. Barry Bosworth, the Director of the Council on Wage and Price Stability, recently suggested that harvesting of timber on public lands be increased to combat high lumber costs. That advice was reiterated by Chairman Miller of the Federal Reserve Board in his recent testimony before the Budget Committee.

This approach makes perfect sense, especially considering the timber in the Six Rivers National Forest, the area which will be designated for study under this bill. Special attention should be given to the large amount of old growth in this forest, in order to avoid a potentially high mortality rate of these trees.

My office has had several discussions with Forest Service officials. The Forest Service does not always employ every possible means to increase the timber output per acre on national forest lands. I hope this study will produce positive results in this direction. Through improved and intensified management practices we would be able to alleviate unemployment in the north coast area and increase the timber supplies to fight inflation. Another important point to remember is that timber is a renewable resource. Through careful management of our national forests, we can insure timber for future generations.

Mr. President, I ask unanimous consent to print in the RECORD an article from the Wall Street Journal, March 16, 1978, in which it is stated clearly by Mr. Miller that the Government increase the amount of timber harvested from Federal forests to combat soaring lumber costs and that it "would be desirable" to reduce payroll taxes that contribute directly to higher prices.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW FED CHAIRMAN MILLER PRESSES CARTER TO BOLDLY ATTACK INFLATION, ENERGY WOES

(By Richard J. Levine)

WASHINGTON.—The new chairman of the Federal Reserve Board, linking the dollar's decline to accelerating inflation, stepped up pressure on President Carter to act boldly and quickly to conserve energy and slow wage and price increases.

A week to the day since taking office, Chairman William Miller used an appearance before the Senate Budget Committee to campaign for a "very aggressive" anti-inflation program and for either import fees or quotas on oil if Congress fails to pass an energy bill soon.

Unless Mr. Carter deals with these "fundamentals," the chairman said, the Fed's intervention operations in foreign-exchange markets to support the dollar "will prove of little value" because this "bridging action will be perceived to be superficial."

Thus did the businessman-turned-central banker ally himself with Treaury Secretary Michael Blumenthal and other Carter administration policymakers who believe the White House must pay greater attention to the intertwined problems of inflation, energy and the dollar.

"I hope we have the courage to make inflation our highest priority for domestic economic policy," Mr. Miller declared. He added: "We're going to be tested now if we have the will."

In Mr. Miller's view, "strong presidential leadership" will be required if the administration's voluntarily anti-inflation program is to stand a chance of success. That program, under which business and labor will be urged by the administration to "decelerate" price and wage increases from the level of the past two years, has got off to a very slow start since it was announced in January.

The deceleration effort simply hasn't been "implemented with the degree of visibility" needed, Mr. Miller said, noting that he would like to see "restraints" on pay increases for federal government workers that could serve as a model for the private sector. The Fed boss also suggested that the government increase the amount of timber harvested from federal forests to combat soaring lumber costs and that it "would be desirable" to reduce payroll taxes that contribute directly to higher prices.

Barry Bosworth, director of the Council on Wage and Price Stability, has urged President Carter to make such moves. And yesterday, Mr. Miller said that Mr. Bosworth's ideas constitute the "beginnings of an outline" of a broad-based anti-inflation program.

The Fed chairman also urged budget restraint in the battle against inflation. He said that the $53 billion federal deficit projected for fiscal 1978 should be viewed as a "maximum" and that it would be "prudent" to reduce the $59.6 billion in red ink projected for fiscal 1979, which begins Oct. 1. It's an "anomaly" to see the deficit widening, rather than narrowing, so late in an economic recovery, Mr. Miller said.

In the absence of effective anti-inflation efforts, the Fed chairman testified, the economy's basic inflation rate could turn out to be a percentage point or more higher than the 6 percent figure currently cited by many economists. Indeed, he said, the decline of the dollar just since last December could add three-quarters of a point to inflation this year—an estimate with which administration analysts concur.

"We see serious problems ahead" on the inflation front, he said.

The Fed chairman told the Senators that, in addition to curbing inflation, the U.S. must adopt an energy-conservation policy if the dollar's decline against the German mark, the Japanese yen and the Swiss franc is to be halted. There's an urgent requirement for Congress to "pass an energy bill," he said. But if that isn't forthcoming in a matter of weeks, he added, then "executive action" will be needed in the form of a presidential decision to impose either import fees or quotas on oil imports.

After the hearing, Mr. Miller told reporters that, as of today, "I'd prefer the fee" because "it has simplicity and could be easily administered." But whether Mr. Carter prefers a quota or a fee, Mr. Miller added, "he shouldn't wait very much longer" because of the dollar's deteriorating position.

Mr. Miller conceded that such action would add immediate inflationary pressures to the economy, citing this as one of the many difficult "policy dilemmas" currently confronting Washington officials.

Discussing the U.S. policy of buying dollars to support the value of the American currency when exchange markets become "disorderly," Mr. Miller said that "all of us approach intervention with great reluctance." But, he continued, it's "important to create some order" in the currency markets.

Mr. HAYAKAWA. Mr. President, I also wish to add some remarks made by former Gov. Ronald Reagan in a recent radio address.

As he says:

No one can quarrel with the idea of preserving the Cathedral like groves of Coast redwood trees which are found only in California. And, likewise, it's hard to be against a national park when one thinks of the exceptional beauty spots preserved now in parks such as Yellowstone and Yosemite. Why then do I think the idea of a National Redwood park doesn't make sense? I think I have an answer.

The Los Angeles Times, in an editorial, recently referred to the long struggle that—"led first to the creation of the original 58,000-acre park to the preserve." I believe the people of the United States who are being asked—make that told—to put up millions and millions of dollars for the added acreage plus $40 million or more on a job training program for the lumber jacks and others who will be thrown out of work should know there isn't a 58,000-acre National Redwood park.

We have nothing of the kind. He continues:

Back in 1968 when diehard preservationists were going all out for a national park the federal government learned that virtually all of the superlative redwoods, the cathedral-like groves were already preserved in a number of state parks totaling 282 square miles. That is more than 180,000 acres. The only way there could even be a pretense of a national park would be to include one of our existing California state parks. The Federal government bought 28,000 acres (not 58,000) and 16,000 of those acres were either non-timber or cut-over land. Only 320 acres consisted of the superlative trees, plus 10,000 acres of old growth redwoods similar to the kind used for lumber.

Governor Reagan continues:

When I left the California Governor's office in early 1975 nothing had been done to incorporate the state park into the national holding. The promise of more than one and a half million visitors a year as a boost to the local community turned out to be about 35,000. Nor had the Bureau of Land Management opened the 40,000 acres of commercial-type forest to timber cutting which had been promised to avoid hardship in the lumber industry.

The state park that was supposed to make the National purchase look like a park has almost six times as many acres of superlative trees and twice as many old growth forest. It only has one-fourth the open or cut-over land as the federals bought. I'm sure this is known to Senator Cranston and Congressman Phil Burton of California who honchoed this measure through Congress. But, I wonder if it is to all those others who voted "aye"?

The 48,000 acres approved for purchase are not the ancient giant trees that we have already preserved in those state parks.

As I say, giant trees are preserved elsewhere. Continuing:

This purchase is for a so-called buffer zone and is a run of the mill mix of redwoods and fir trees. I have no doubt the push will continue to acquire more thousands of acres of timber land to act as a buffer zone for the buffer zone.

This business of adding buffer zones to buffer zones to buffer zones is what is creating so many of our problems in the destruction of jobs and employment, and the destruction of the economy of northern California.

I thank the Chair.

Mr. ABOUREZK. Mr. President, I yield 5 minutes to the senior Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I would like to express my strong support for the conference report on H.R. 3813, legislation to expand the Redwood National Park. I believe Senator JIM ABOUREZK, Senator CLIFF HANSEN, and the other Senate conferees did an excellent job of preserving the important provisions of the Senate bill, while accepting appropriate House language to protect any loggers and mill workers who lose their jobs as a result of the park expansion.

I am particularly pleased that the House conferees agreed to the Senate provision increasing the authorization for the Redwood Creek watershed rehabilitation program from $12 million to $33 million. The watershed rehabilitation work is extremely important to stabilize the soils and control the erosion of the slopes which is damaging the park. The increased funding will permit a labor intensive watershed rehabilitation program, providing additional job opportunities for displaced woods workers and insuring against the use of heavy equipment which could cause further erosion and damage to the park.

I am also very happy the Senate conferees agreed to the employee protection provision in the House bill (title II). While I believe the watershed rehabilitation program and the other employment provisions in the Senate bill—the commitment of $40 million in existing Federal programs, job training, and additional park hiring—will more than offset the job losses, the employee protection provision will deal with any temporary dislocations.

Regarding section 201(14) in title II of the bill, it is our intention that among the unique characteristics which the Secretary of the Interior should keep in mind in defining "suitable work" is the strong attachment of many of the employees in the industry to outdoor work and particularly to woods and related work.

The conference committee language in section 102 of the bill encourages the Secretaries of Interior, Agriculture, Commerce and Labor to make grants or enter into contracts or cooperative agreements with the State or counties to develop and implement a program of forest resource improvement as a key element of Federal efforts to provide employment opportunities and strengthen the economy of the Humboldt and Del Norte County regions. The State of California has already initiated a forest improvement program designed to revitalize presently underproductive forest lands and resources. This program should be given a first priority by Federal agencies responsible for implementing section 102 of the bill. It relates directly to the improvement of the regional economy in both the short and long term and has the support of local labor representatives.

Mr. President, I believe the conferees have refined the best features of both the House and Senate bills into a final measure which once and for all will establish a viable Redwood National Park. I want to thank all those involved in this effort. Senator ABOUREZK has done an outstanding job in guiding this bill through the Senate Energy and Natural Resources Committee and the Senate. I also want to thank Senator HANSEN, the ranking minority member of the Energy Committee, and Senator JACKSON, the committee chairman, for their support and fine work. In addition, I want to express my deep appreciation to Senator BYRD, the majority leader, for his cooperation in expediting floor consideration first of the bill and now the conference report. A special thanks also goes to Congressman PHILLIP BURTON for his dedicated and hard work in the House and his important contributions to the bill, especially the addition of the jobs package. Finally, I would like to thank Kathy Files and Roy Greenaway of my own staff, Jim Beirne and Tom Williams of the Senate Energy Committee, and Tony Bevinetto of Senator HANSEN's staff for all their good work.

Mr. President, I hope that we can vote favorably on the conference report today, clearing the measure for the White House.

Mr. ABOUREZK. Mr. President, I just want to say there is one other staff member who has worked extremely long hours on this legislation, Jody Williams, and I would like to express the thanks of the entire committee for her work on this legislation.

I reserve the remainder of my time.

Mr. HANSEN. Mr. President, I yield such time as the Senator from Alaska may require.

Mr. STEVENS. Mr. President, I want to call the Senate's attention to the provisions in this bill that provide income maintenance for those workers who are affected by the bill. This will include loggers, pulp workers, and any of those working for logging companies directly.

It provides for preferential hiring for those laid off; it waives the Federal equal employment opportunity laws and provides certain other Federal standards relating to hiring. It provides that these people who are displaced by the application of this bill will be provided jobs, in effect.

I am informed that some people believe this is not a precedent. I want to state that for myself I consider it to be a precedent of rather substantial magnitude. The Congress has before it the so-called d-2 issue, which is the issue that arises out of section 17(d)(2) of the Alaska Native Land Claims Settlement Act, and legislation before Congress provides in one form at least for setting aside almost 150 million acres in wilderness.

The proponents of that bill were the proponents of this bill. They have sought setting aside areas that go far beyond the actual needs at the time for protection, for redundant protection, of the redwoods area.

Now, that is the proposal that is before the Congress. As far as my State is concerned, I want to call attention to this precedent because we have people with the same problems. We have people who are going to be put out of work. They are going to be denied employment opportunities if the extreme version of the d-2 issue is passed.

We have a much greater dependency upon resources and resource employment than do the people in California who live near the redwoods and have been employed in connection with harvesting the redwoods in the past.

Unemployment in the Fairbanks area is now at least 17 percent. Unemployment in southeastern Alaska is above 10 percent. Unemployment in the native villages of Alaska now approaches 80 percent, and yet we have proposals to deny job opportunities and, in fact, to do away with some of the job opportunities that exist in Alaska today.

The impact of the d-2 legislation would disrupt employment opportunities in not only the timber fields but also in terms of recreation, tourism, oil and gas activities, mining activities, and all of the related activities concerning access to the areas that could provide employment.

The ramifications of the d-2 issue in terms of labor opportunities and employment opportunities are so great that it would be difficult to put them in the RECORD at this point. But I want to state, and state clearly, that in fairness the precedent that is established here in the redwoods bill must be applied to my State. If it is fair to the employees who are going to be disturbed, in terms of their income-producing ability in the redwoods, with respect to action taken by Congress, it is fair that similar consideration be given to the people in Alaska whose employment opportunities would be disturbed if Congress accedes to the requests of the extreme environmentalist organizations and sets aside almost a third of Alaska, denying those people there now the opportunity for employment that has existed in the past.

This is a labor protection provision. If it makes sense in connection with the redwoods—and the conference committee has decided that it does—then it makes sense in connection with Alaska. I want to assure you that it is going to be raised in connection with Alaska, and it is going to be applied to Alaska if it is applied to California. I view this as a matter of States' rights, employees' rights, and the rights of American citizens. There should not be any difference, in terms of the rights of people who have jobs and the way they are protected by Federal legislation, that is dependent upon where they live. If this is fair for the employees of California it is fair for the Alaska Native, the Alaska logger, and anyone in Alaska who would be disturbed by the final version of the Alaska d-2 legislation.

I raise that question as one who has legislation before Congress, before the Senate, which would in fact impact on some employment opportunities. We intend to address that problem, dependent upon the final version of the so-called d-2 bill as it passes the Senate. But I hope

those who support this precedent today realize that it is a precedent.

I want to state that I voted against the bill when it passed the Senate before. It did not have these provisions in it then. The presence of these provisions, with due respect to my friend from California, with whom I have worked in the past, makes this bill of such a precedent shattering character that I must support the bill now, because I want that precedent.

I want the President, the world, and the country to know that we are going to apply that precedent to the Alaskan working people if the d-2 legislation passes. Mind you, I do not know what the price of this legislation now is. Maybe the Senators from California have put that in the RECORD. But I know it will be substantial when it comes to the application of this precedent to the Alaska lands controversy.

I thank my good friend from South Dakota for allowing me to establish a precedent.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. STEVENS. I will be happy to do so.

Mr. HANSEN. Mr. President, I think the distinguished senior Senator from Alaska has pinpointed the most glaring weakness and error in this bill. I share his sentiments and those of our esteemed colleagues from California, who are on both sides of this issue, as well as the distinguished Senator from South Dakota, in recognizing the overwhelming interest of people throughout the entire United States in providing more protection for the redwoods in Califrnia. But I think the Senator from Alaska is precisely right when he asks, "How can you differentiate between workers in Alaska and workers in California?" I find no basis at all on which to take issue with him when he makes that statement, and I have expressed earlier my feeling and my conviction that this particular provision will come back to haunt us every time we create a national park or set aside for posterity lands that will be designated for controlled use, as are our national parklands.

I say to my good friend from Alaska that I think he is precisely right. I am going to vote against the bill, not because I do not feel very enthusiastic about the overall good that I am confident will flow from title I, but title II does indeed worry me considerably, and I thank my friend from Alaska for making the valid point that he has.

Mr. STEVENS. I thank my friend from Wyoming.

I am sure the junior Senator from California has expressed it; title II does not create any economic assets. But you face in California a proposition that involves how many acress? Some 85,000 acres, is that about what is involved in this bill? I think that is about right.

Mr. HAYAKAWA. 78,000.

Mr. ABOUREZK. Forty eight plus thirty.

Mr. STEVENS. Forty eight plus thirty?

Mr. HAYAKAWA. Forty eight plus thirty, yes.

Mr. STEVENS. Well, we face in Alaska 150 million acres. I hope you understand why I see this as being something that will make people think before they set aside 150 million acres and take on the obligations that title II would impose on the Federal Government for people who are disturbed by such action.

I understand full well why the Senator from Wyoming would disagree with title II. But as someone who looks forward to the situation of the d-2 bill and all it means to employment opportunities in my State, I think we have no alternative but to support it.

Someone is reported to have told one of the guides who came down from Alaska to complain about the d-2 legislation that he should not worry; that if it passed, this Member of Congress would be glad to recommend him to be a park ranger. He said this very facetiously. Title II does just that. What it does is provide for retraining to be a park ranger. There is a lot of that in here.

But you cannot make guides into park rangers; you cannot make commercial fishermen into park rangers. There is going to be a substantial relocation problem in my State if you make one-third of it into a wilderness area. Do you know what that is? That is all of New England, New York, New Jersey, and Pennsylvania put together, and man will be permitted in there only as a visitor on foot.

I intend to use title II as a symbol to my people. Think what setting aside 150 million acres will mean to the largest State of the Union. Again I thank my good friend. I think he understands what I am doing. I want to support this bill now, because I think you have here probably the most precedent-shattering employee protection provisions that Congress has ever passed. I want that to be in everyone's mind when they vote on the d-2 question when it comes before Congress later this year.

Mr. ABOUREZK. Mr. President, I have an idea what our colleague from Alaska is up to. You know, there are certain people around the country who do not like my politics. When I want to destroy a political candidate, I go out in those areas and endorse him. That is what my friend from Alaska has just done to this bill.

I have got to say that even if he says this is a precedent, as manager of this legislation I do not see it as a precedent. As I see it, in this case we do it on a case-by-case basis.

Mr. STEVENS. That reminds me of what an old judge used to tell me about a case I said was on all fours. He said:

That's all right, but I wanted a horse case, not a cow case.

That is what the Senator from South Dakota is saying, but still this is a precedent. It is a precedent that is an employee protection mechanism for those displaced by the overzealousness of some people in the environmental field.

You are right. While I am not trying to love it to death, I am trying to say I love that provision because those people are about ready to squeeze us to death. We want everyone to understand that when that squeeze comes, we are going to ask for this kind of protection, too. Maybe it will make people see what it will cost to give in to this kind of pressure every time.

Mr. ABOUREZK. I do not want to prolong this debate, Mr. President, because I think we are about ready to vote on the conference report, unless someone else wishes to speak on it. I only want to say that we put in a jobs provision and we accepted it in the conference committee, because I think it is time, and we have done it in different cases before, that when someone's property is taken away from him in this country, if you take a piece of his land he gets paid for it by the Government.

But what happens when you take his job? They are usually out of luck. I think we did establish something this time. We have shown that a person's job is a piece of property in some respects. Unless we abolish the property system in this country, I think it is a good idea to put in title II.

There is a Member of the Senate who is new, Senator KANEASTER HODGES, of Arkansas. He was not here when we first brought the redwood bill out. He is a very strong supporter of this legislation.

I ask unanimous consent that Senator KANEASTER HODGES, of Arkansas, be added as a cosponsor to the redwood bill. He was a little worried about being added at the last minute, but since he is new in the Senate, I believe it is perfectly all right.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Will the Senator yield?

Mr. ABOUREZK. Yes, I will yield. How much time does the Senator wish?

Mr. THURMOND. I would like to ask some questions of the Senator.

Mr. ABOUREZK. May I ask for the yeas and nays—does the Senator from California wish the yeas and nays on this bill?

Mr. HAYAKAWA. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I voted for this bill when it was passed by the Senate. It did not contain title II at that time. Is that correct?

Mr. ABOUREZK. That is correct.

Mr. THURMOND. This title concerns me a great deal. I wanted to inquire of the Senator if he could explain just what does occur with regard to anyone who loses his job there. We have unemployment compensation for people who lose their jobs. We have ways to take care of people until they get another job. What has been done here that is so drastic, as referred to by the able Senator from Alaska, which is so different and establishes precedent, as he says it does? I want to ask if this is correct: Does this pay an employee a full salary? I was told by someone that it pays an employee who loses his job a full salary for 6 years, maybe, or something like that. Will the Senator please explain exactly what it does? I would like to vote for this bill, because I believe in preserving our natural resources as much as possible under reasonable circumstances. But if

this title II is unreasonable, it could cause me to change my mind.

Mr. ABOUREZK. There is nothing in title II which is unreasonable, to answer the question. It is a reasonable provision which provides that if a person is thrown out of work as a result of this condemnation that we are undertaking here, he will be provided help in getting a new job, retraining, and full consideration by Government agencies for hiring, if he is thrown out of a job as a result of this park expansion. If he refuses to accept suitable work, then he is paid a full salary, yes, but he has to——

Mr. THURMOND. If he refuses to accept work?

Mr. ABOUREZK. No, if he refuses to accept suitable work he is not paid any benefits at all. But if he cannot find work, if there is no suitable job offered him, then he is paid full benefits.

Mr. THURMOND. I would not object to helping anybody to be retrained. I think that is all right. If he has been thrown out of a job and the Government is responsible, that is all right. But does he draw his full salary? If so, for how long can he do that?

Mr. ABOUREZK. He can do so for up to 6 years.

Mr. THURMOND. Full salary?

Mr. ABOUREZK. If there is no job available to him. We fully expect jobs through the retraining program and the job search help. Incidentally, there is additional help in the business community in Del Norte and Humbolt County through EEA, through the Commerce Department, which will provide a great deal of employment. In addition to that, there is a rehabilitation program in the park itself, a $33 million rehabilitation program. We do not expect that anybody will be out of work. We do not expect that any of this money for salary benefits will be paid to any of these workers. It is there just as a kind of insurance policy, just in case they need it. We do not expect to have to use it.

Mr. THURMOND. As I understand from the Senator, if they are offered suitable employment they will have to take it or they will not draw the salaries.

Mr. ABOUREZK. That is correct.

Mr. THURMOND. For what length of time is he retrained for another position, and at what cost?

Mr. ABOUREZK. Would the Senator repeat the question?

Mr. THURMOND. For what length of time is he trained or retrained for new employment, and at what cost to the Government?

Mr. ABOUREZK. We do not set a specific period of time there. That is up to the Secretary of Labor to do that. We do not know the cost of that retraining. It will take some people longer to retrain than others. We have no idea what the cost will be.

What we are primarily concerned about are those workers right now who are over 60 years old, very close to retirement. We are greatly concerned about them. That problem is mostly what the insurance program is designed to take care of. If they are near retirement, we do not want to ask those people to relocate in some other part of the world, which would be very unfair to them. They will be offered jobs and rehabilitation. It will be very difficult to retrain somebody over 60 years of age. We have the insurance program and the rehabilitation program designed for them.

Mr. THURMOND. Does the Senator know of any precedent for paying anybody in a case like this the full salary, as provided for here, in case they cannot obtain suitable employment?

Mr. ABOUREZK. Yes. The Railroad Reorganization Act is one specific example of a precedent very similar to this one.

Mr. THURMOND. For what period of time did that run?

Mr. ABOUREZK. I cannot give the answer to that.

Mr. THURMOND. But here it could run for 6 years?

Mr. ABOUREZK. I think that ran for at least 6 years, but I am not certain.

Mr. THURMOND. In this proposal, it could run for 6 years?

Mr. ABOUREZK. It could run up to 6 years, that is correct.

Mr. THURMOND. If a person is offered suitable employment, he would have to take it; is that correct?

Mr. ABOUREZK. That is correct.

Mr. THURMOND. And then he would not get his salary from this.

Mr. ABOUREZK. That is right.

Mr. THURMOND. I just do not want to see something passed which the public will feel is irresponsible. That is what I am trying to ascertain, if what this conference committee did is responsible or not. I am trying to get the facts to make a determination. As I say, I would like to vote for this bill, but I want to be sure it is responsible.

Mr. ABOUREZK. We tried to our utmost to be fully responsible to the taxpayers in this area. We believe that the taxpayers wanted this park expanded. We also believe that this bill is fair to those people who work in the timber industry. We have taken care of the timber companies. They will go into the district court under this legislation and get paid a fair value for the land we have taken from them as a result of the park expansion.

Mr. THURMOND. Does the Senator mean the owners of the property?

Mr. ABOUREZK. That is correct.

Mr. THURMOND. Of course we have to pay the owners of the property.

Mr. ABOUREZK. Why does the Senator say, of course, we have to pay them and the Senator is questioning whether or not we are trying to keep a guy in a job who is a poor working stiff.

Mr. THURMOND. The Constitution provides that you cannot take private property without just compensation.

Mr. ABOUREZK. Is a job private property or not?

Mr. THURMOND. No, a job is not private property, as I construe the Constitution. I do favor retraining people to do other jobs if there is no job in the area where they live which they could perform, if they lose their job in an instance like this.

Mr. ABOUREZK. That is what we are doing.

Mr. THURMOND. But I am concerned about the Government being responsible to pay people for 6 years. That is what disturbs me.

Mr. CURTIS. Will the Senator yield?

Mr. THURMOND. I will be pleased to yield.

The PRESIDING OFFICER. Who yields time?

Mr. ABOUREZK. If the Senator wants to oppose this conference report, I would appreciate his taking it from Senator HANSEN's time.

Mr. CURTIS. I wanted to ask a question.

The PRESIDING OFFICER. On whose time?

Mr. ABOUREZK. Senator HANSEN's time.

Mr. CURTIS. Is it not true that the rank and file covered by our unemployment compensation law have a basic period of 26 weeks?

Mr. ABOUREZK. It is longer than that now.

Mr. CURTIS. We have a supplemental program where, under certain circumstances, it is extended. But all of it adds up to less than a year, is that not correct?

Mr. ABOUREZK. That is correct.

Mr. HATCH. Will the Senator yield?

Mr. ABOUREZK. I yield.

The PRESIDING OFFICER. On whose time?

Mr. ABOUREZK. Senator HANSEN's time. He is not here.

The PRESIDING OFFICER (Mr. METZENBAUM). The Senator from Utah.

Mr. HATCH. As I understood the distinguished Senator from South Dakota, the Senator indicated that he did not believe any employees would be receiving any benefits under this, because they would be going into other jobs, is that correct?

Mr. ABOUREZK. I did not say I did not believe it. I said I did not expect they would receive these benefits, but if they do need this, we will have this insurance program.

Mr. HATCH. I see.

Now, as I understand it, although you do not expect anybody will do it, if anybody was to, he is going to be paid his full salary that he would normally make for 6 years?

Mr. ABOUREZK. No, that is not what I said, and that is not the case.

Mr. HATCH. I am asking you.

Mr. ABOUREZK. That is not the case.

The case is that up to a 6-year period——

Mr. HATCH. Will the Senator explain it?

Mr. ABOUREZK. If there is no job available after retraining the job stiff, if there is no job available, no suitable job to be offered to the guy, then he will receive full salary benefits, yes.

Mr. HATCH. That will be during the period——

Mr. ABOUREZK. Let me finish now.

Mr. HATCH. Yes.

Mr. ABOUREZK. If he is offered suitable work, and it does not have to be of the exact kind that he was thrown out of, if he is offered that and if he turns it down, his benefits are cut off.

Mr. HATCH. Who is going to determine what is a suitable job?

Mr. ABOUREZK. The Secretary of Labor.

Mr. HATCH. The Secretary of Labor would?

Mr. ABOUREZK. That is right or his designee.

Mr. HATCH. Who is going to offer the job to him?

Mr. ABOUREZK. Who is going to offer him a job?

Mr. HATCH. Since there were jobs.

Mr. ABOUREZK. I cannot answer that job. I do not know.

Mr. HATCH. If he stays right there, say, in Eureka, Calif., and, of course, the jobs are cut off because of this particular bill by acquisition of property by our Government and he just sits on his dime, he is going to be entitled to full salary benefits up to 6 years; is that right?

Mr. ABOUREZK. That is true.

Mr. HATCH. How is it true, because who is going to offer him a job?

Mr. ABOUREZK. Well, I cannot answer that question. There are probably thousands of employers who might offer him a job, I do not know.

Mr. HATCH. The employment in Eureka, Calif., has been markedly decreased as a result of this particular acquisition by the Government.

Mr. ABOUREZK. That is not exactly the case either, Senator HATCH.

Mr. HATCH. It is not?

Mr. ABOUREZK. The case is that EDA has a program, and as a result of this park expansion EDA will go in and rejuvenate the local business economy through different State packages that will provide jobs. There is a $3 million package.

I wish the Senator had been here a little eariler. I am tired of repeating this.

There is a $3 million rehabilitation package for the existing park and expanded park that will be expended for jobs for people who are thrown out of work as a result of the expansion program.

Mr. HATCH. And these people will be expected to take those jobs?

Mr. ABOUREZK. Well, they will, presumably, be offered those jobs, that is right, and if they turn them down they get no benefits. There ought to be plenty of jobs in that area.

Mr. HATCH. They will either be working for the Federal Government or the expanded jobs, as a result of the expanded economy that is going to——

Mr. ABOUREZK. That is right.

Mr. HATCH (continuing:) Occur because the Federal Government has taken away from old sources land for development.

Mr. ABOUREZK. That is right.

Mr. HATCH. Well, I apologize for not having been here before, but the distinguished Senator knows I have been on the floor almost every hour——

Mr. ABOUREZK. I know that.

Mr. HATCH. Week after week.

Mr. ABOUREZK. All I am saying is I have answered the question four times.

Mr. HATCH. I understand.

Mr. ABOUREZK. I only wish you had been here. I gave a better answer the other time.

[Laughter.]

Mr. HATCH. I hope you gave a better answer the other time than you just gave to me now, because——

Mr. ABOUREZK. That is right.

What I just tried to tell you was I gave a better answer. I wish you had been here.

Mr. HATCH. I will have to take your word on that. I have not thought too well of your present answers, although I have enjoyed the colloquy.

All I am saying is that under certain circumstances, as I understand it, assuming there are not new jobs developed, assuming that there are not ways that they can get jobs elsewhere, be moved elsewhere, they may be able to sit down and not work for 6 years and get full benefits.

Mr. ABOUREZK. Assuming that there are no jobs available, that there is nothing to offer them and they have been retained and they do not relocate somewhere they can find a job, in South Dakota or Utah, whatever, they would be eligible for benefits up to 6 years.

Mr. HATCH. All right.

Mr. ABOUREZK. We do not expect that there will be any or very few people who will use that program.

Mr. HATCH. All right, I thank the distinguished Senator.

Mr. HAYAKAWA. Will the distinguished Senator yield?

Mr. ABOUREZK. I just wanted to make a comment before I yield.

I will be happy to yield in a minute or two.

I remember during the debate itself and the same lineup of people over here worried about paying out to somebody for a job where other people were worried about whether the timber companies were going to get paid enough. Remember that? I remember it. They were out there worrying about whether the timber companies are entitled to more money. Why do not you worry about a working stiff instead of the rich timber companies?

Mr. HATCH. Will you yield on that?

Mr. ABOUREZK. When I am done.

Mr. HATCH. Consider yielding now, would you?

Mr. ABOUREZK. Let me pose the question and I will be happy to yield for a response.

Mr. HATCH. Certainly.

Mr. ABOUREZK. Now I have never seen one bit of concern for a working guy that gets thrown out of a job. He is just kind of a straw in the wind. He is at the whim of the faction of the ones for the park and the faction of those who do not want the park. He is right in between both of them. He is in between the timber companies and the environmentalists, and the administration, the Park Service, the Labor Department. He is right in between them. I think that guy is entitled to some kind of protection from the Federal Government, and I reject the argument that the timber companies are entitled to more than their fair share.

My distinguished colleague from California (Mr. HAYAKAWA) tried to get a Court of Claims provision put in, because they are more generous with the timber companies. I do not blame him for doing that. I am just saying a fact is a fact, is a fact, is a fact, and the point is that when you try to unload the treasury on the timber companies and then try to shut it off again for working stiffs it is unfair. I think it is wrong and unfair.

I just wanted to say that.

Mr. HATCH. Will the Senator yield?

The PRESIDING OFFICER. On whose time?

Mr. ABOUREZK. On his time.

Mr. HANSEN. I yield time.

Mr. HAYAKAWA. I thank the Senator from Wyoming.

I am touched by the concern that the distinguished Senator from South Dakota shows for the "working stiffs," as he calls them. What really moves me to anger and concern about this whole legislation and the whole operation of jobs for "working stiffs" is the arrogance and the contempt for workingmen who are involved in this whole damn training program. Men in the lumber industry, the sawmill hands, the lumberjacks, all these people have pride in their work. They have dedicated their lives to it and we want to say, "Oh, we will retrain you as something else because what you do is not important. All you need is security. We will guarantee it for 6 years."

It is a kind of shuffling around of helpless human beings in situations by people who have no respect for their work, in the way that we respect our own jobs as legislators, as lawyers, as professors, and so. This is a kind of condescending to another class of people, that can be readily shifted around from being sawmill hands to whatever else you are going to make out of them. This is the basic contempt to the working stiff that I object to so seriously in this bill.

And to talk about employment, goodness me, you have these little towns like Orick, Calif., just north of Eureka, where the kind of rehabilitation that you are talking about is not restored. Eureka used to be a prosperous town. The restaurants that existed there, there are only half of them now. The motels that existed there, there are only half of them now, and a little over a half of the service stations.

When one says, as the distinguished Senator from South Dakota says, that the taxpayers want this park expansion, where is the evidence for that? The only evidence you have is the evidence of pressure groups who want the park expansion, not necessarily the working people. The people have shown their lack of desire for a park expansion, in light of the fact that over the years, despite an expected 1.5 million visitors per year to that Redwood Park they have only had 35,000. There is no demand. The State parks are not filled up. The Federal parks are not even made into parks that people can use. There is no public demand for this park expansion.

It is only a demand from conservationists who do not want this land used for economic purposes because again there is a syllogism that what people do for a living does not matter. The work that people do that requires dignity as human beings does not matter. They should stop cutting down these redwood trees.

They take over twice cutover land. They take over mixed land from the redwoods and everything else and they lump it all together as buffer zones to account for buffer to buffer to buffer zones for a few redwood trees. I can readily say there are 181,000 acres of redwood trees already in preservation, and those redwood trees are majestic, and they are just fine, and with that we preserve them.

I do not think they need to preserve all these tens of thousands of acres of cutover land to serve, as I say, buffer to buffer to buffer. I have failed to see any concern for the working people and the dignity of the working people, and the dignity of the people who have dedicated their lives to the preservation of the forest and to make a living out of the forest and keep the forests going. That dignity is yet to be discussed in this legislation.

Thank you.

Mr. HATCH. Will the Senator yield?

Mr. ABOUREZK. I yield to the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. I would just like to join with the distinguished Senator and say that he has handled that bill so very ably.

Let me go further and say that I feel that when the U.S. Government takes an action that may put some people out of work, the U.S. Government has an obligation to seek to find ways to enable those people to find work and if there are times when they cannot find work we have an obligation to help them during that time. I think that the statistics that some people have tossed around of many, many people put out of work are not accurate and that we will find that that is the case. Obviously, some people will suffer some dislocation.

Obviously, some people will suffer some dislocation. I think we have an obligation to help them, just as we have had an obligation and do have an obligation, and we will fulfill that obligation, to save those magnificent redwood trees.

Mr. ABOUREZK. I might just add to that, we have been hearing figures of anywhere between 2,000 and 6,000 people being thrown out of work, because of this expansion.

I say to my colleagues who are concerned about this title II, this jobs package, that we asked the working stiffs themselves to work up this jobs package. We put them together with the Labor Department and the Energy Committee staff, the working stiffs themselves from California, from Eureka, Humboldt County, Al Laxley was one of them on the committee, to work up this title II part of the legislation.

But we sent this same committee to the timber companies who were screaming about job losses for so long and asked them to detail an outline of who was going to be laid off as a result of the expansion.

The timber company's figures were, when we pinned them down on it, 972 people maximum. That is all they could scrape up. You can bet your sweet bippie they were out looking for every person to be laid off and they were not conservative in their estimates.

That is the maximum, 972 people. I maintain it is much less than that.

In any event, the rehabilitation program will likely be in forestry, in the kind of work they have been doing. It is not going to change them or reduce the dignity of the work they have been doing one bit. It will be the same kind of work they have been doing all their lives. They will hire most of the people that are laid off.

For those not laid off, there will be a retraining program, a job search program, and if all that fails, then we have salary benefits for them, and I think they are entitled to it.

SEVERAL SENATORS. Vote! Vote!

Mr. ABOUREZK. I am ready to vote any time.

Mr. HATCH. Will the Senator yield?

Mr HANSEN. I yield to the Senator.

Mr. HATCH. I compliment the distinguished Senator from California (Mr. HAYAKAWA). Because I heard the debates before, it seemed to me his major thrust was the loss of jobs, the loss of dignity, the loss of business, the taking away of opportunity for people in this area.

I happen to have gone to that area as a working stiff myself and I understand the pride and dignity those people have.

I believe there will be more than 900 jobs lost. I have no problem with jobs approaches that would find people jobs, give them opportunities, put them to work and do many of the things the Senator thinks this will do.

On the other hand, the major concern when we debated this before was the loss of jobs, the loss of business, the loss of the unnecessary jobs, business, and economic development of that particular area, plus the cost to the Federal Government, plus, in a very real sense, having them go to a court that will not treat, in our opinion, the owners of the property as well as the court of claims, which may treat them better and probably more fairly.

These were some of the issues.

All I can say is that I do not know how it is going to work. I hope it works in the exotic nirvana state that the distinguished Senator from South Dakota and the other Senator, my friend and colleague (Mr. CRANSTON), think that it will work.

Unfortunately, in almost every one of these Federal cases, they never seem to work out that way in the end. In the end, it is the good old Joe Public who gets the shaft, while, as in this case, certain conservationists get thousands and thousands of extra acres that may not benefit anybody.

Mr. HANSEN. Mr. President, I am ready to yield back the remainder of my time, but, before I do, I express my gratitude and thanks to the distinguished floor manager of the bill (Mr. ABOUREZK), to Senator CRANSTON who has worked so long and diligently and faithfully on this, and to our very good friend, the junior Senator from California (Mr. HAYAKAWA), as well as those staff members whose names have already been mentioned. We are grateful to them.

Mr. President, I yield back the remainder of my time.

Mr. ABOUREZK. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the conference report. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. HATFIELD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "yea."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Kansas (Mr. PEARSON), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 63, nays 26, as follows:

[Rollcall Vote No. 73 Leg.]

YEAS—63

Abourezk	Hatfield, Mark O.	Muskie
Anderson	Hathaway	Nelson
Bayh	Heinz	Nunn
Biden	Hodges	Packwood
Brooke	Huddleston	Pell
Bumpers	Humphrey	Percy
Burdick	Inouye	Proxmire
Byrd, Robert C.	Jackson	Randolph
Cannon	Javits	Ribicoff
Case	Johnston	Sarbanes
Chafee	Kennedy	Sasser
Church	Leahy	Sparkman
Clark	Long	Stafford
Cranston	Lugar	Stevens
Culver	Magnuson	Stevenson
Danforth	Mathias	Stone
DeConcini	McGovern	Talmadge
Durkin	McIntyre	Thurmond
Ford	Melcher	Williams
Glenn	Metzenbaum	Zorinsky
Griffin	Moynihan	
Hart		

NAYS—26

Allen	Dole	Morgan
Baker	Domenici	Roth
Bartlett	Garn	Schmitt
Bellmon	Hansen	Schweiker
Bentsen	Hatch	Scott
Byrd, Harry F., Jr.	Hayakawa	Stennis
Chiles	Helms	Tower
Curtis	Laxalt	Wallop
	McClure	Young

NOT VOTING—11

Eagleton	Haskell	Matsunaga
Eastland	Hatfield, Paul G.	Pearson
Goldwater	Hollings	Riegle
Gravel		Weicker

So the conference report was agreed to.

Mr. ABOUREZK. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ABOUREZK and Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

SENATE RESOLUTION 422—SUBMISSION OF A RESOLUTION RELATING TO THE LEBANESE CRISIS

Mr. ABOUREZK. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 422

Whereas innocent lives are being lost hourly in southern Lebanon;

Whereas the Israeli invasion of southern Lebanon is a direct threat to the prospects of peace in the Middle East;

Whereas it is in the highest national interest of the United States and all parties to the Middle East conflict that an equitable, just, and durable peace be negotiated: Now, therefore, be it

Resolved, That the United Nations Security Council Resolution 425 relating to the Lebanese crisis, adopted on March 19, 1978, be implemented immediately and that all parties concerned comply fully with provisions of such Resolution.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary General of the United Nations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. TOWER. Mr. President, reserving the right to object, I do not believe it has been cleared on this side.

Am I to understand that the unanimous-consent request is for immdiate consideration?

Mr. ABOUREZK. Yes.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. TOWER. I yield to the Senator from Alabama, reserving my right to object.

Mr. SPARKMAN. Mr. President, I ask my good friend, Senator ABOUREZK, if this is not the same resolution that he proposed earlier today.

Mr. ABOUREZK. This is exactly the same resolution that I proposed early this morning and asked the distinguished chairman of the Foreign Relations Committee if he would agree to its immediate consideration. If the chairman will recall, he said that he would take it up in the Foreign Relations Committee if it were referred and have hearings on an emergency basis. I wish to say that I was notified later by both the staff of the Foreign Relations Committee and the chairman himself that the ranking minority member of the Foreign Relations Committee, Senator CASE, had advised him that he could not agree to act on it until after the recess.

Mr. SPARKMAN. That is correct.

Mr. ABOUREZK. Mr. President, this resolution is very simple and noncontroversial in that all it does is it has the Senate endorsing the Resolution No. 425 of the United Nations, which was sponsored by the U.S. Government, calling for an end to the fighting in Lebanon, for withdrawal of Israeli troops from that third country that they have invaded, and for replacement of the Israeli troops by UN buffer troops.

It is to try to save lives. And I say that if the Foreign Relations Committee desires to put it off until after the recess and tries to kill it by procedural methods in that manner, I think it is horrendous. I know there are people dying as we stand here talking, and I think it extremely important for the U.S. Senate to go on record to endorse an act of peace.

We have gone on record many times endorsing acts of war by shipping arms to this country or that country. In fact, Mr. President, the arms we have shipped to Israel have created this circumstance that we are now trying to put an end to.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. ABOUREZK. I am happy to yield.

Mr. TOWER. Mr. President, if the Senator will withold his unanimous-consent request to take up immediately until we can get a quorum call and touch all bases, perhaps it can be expedited. So, if he would withhold his request and allow me to suggest the absence of a quorum, maybe the matter could be very quickly resolved.

Mr. MOYNIHAN. Mr. President, will the Senator yield only for a question?

Mr. TOWER. I am happy to yield.

Mr. MOYNIHAN. Mr. President, the Senator spoke to the United Nations Security Council resolution, and it is indeed a resolution supported by our Government, but it is a resolution of our Government accepted in the Security Council of the United Nations, a body which is not distinguished or noted for its friendship to the United States.

For example, the call for the withdrawal of Israeli troops, with which I would agree, nonetheless should be balanced by a call for the withdrawal of Syrian troops. The Syrian Army has been in occupation of Lebanon for 3 years, and no Security Council resolution has come forward.

Iraqi arms have moved through Syrian lines with impunity and repetitiveness.

It seems to me, with great respect to the Senator, that the thought that this is not a controversial matter is surprising to me. I would have thought that very strong reservations might be introduced, and I would think that at the very least the chairman of the Committee on Foreign Relations ought to be shown the normal courtesy of the Senate to have the matter considered in his own committee. But that may not be the judgment of the chairman. I do not want to speak for him.

Several Senators addressed the Chair.

Mr. ABOUREZK. I ask for recognition.

Mr. TOWER. I object.

The PRESIDING OFFICER. Objection having been made the resolution will go over under the rule.

Mr. ABOUREZK. I ask for recognition for a parliamentary inquiry. Because of the objection this goes over under the rules; is that correct?

The PRESIDING OFFICER. If the Senator from South Dakota insists upon immediate consideration, an objection will put the matter over for consideration under the rules.

Mr. ABOUREZK. That has already happened.

Secondly, I would like to respond to the Senator from New York. I would submit there is a little bit of difference between the Syrian troops in Lebanon and the Israeli troops in Lebanon in that the Syrian troops were invited by the Government of Lebanon and the Israeli troops were not.

Mr. MOYNIHAN. Mr. President, will the Senator allow me to respond?

Mr. ABOUREZK. I would be happy to.

Mr. MOYNIHAN. I would simply say that is a matter of dispute, and the circumstance in which that government did state what it did was a circumstance under siege, a siege which was in very many ways brought about by political elements in association with the Syrian Government.

I do not mean to dispute what the Senator has said. I only suggest this is an immensely complex subject, an equally immensely important one, and not likely to be resolved save by a very extensive inquiry of the kind the Committee on Foreign Relations is fully capable of performing.

Mr. ABOUREZK. An extensive inquiry, Mr. President, while people, while civilians are dying by the minute because of the invasion of Israel into the territory of Lebanon is a waste of time, if I might say to my distinguished colleagues here.

I want it on the RECORD that there has been an objection by the minority side. There has been—there would probably have been an objection by my distinguished friend from New York.

Mr. MOYNIHAN. If your distinguished friend knew the rules.

Mr. ABOUREZK. The Senator can object. The Senator knows how to do that. Had he not objected he would have; had he not, he would have; and had he not he would have. So let me say——

Mr. MOYNIHAN. I will say for the RECORD that I would have objected.

Mr. ABOUREZK. I do not yield at this point.

I just want to say, Mr. President, I am very sad to see the U.S. Senate going on record as being afraid, as being afraid to say something to Israel that they ought to do, that is the right thing to do, and I think it is a crying shame. That is all I want to say about it. It speaks for itself.

Mr. TOWER. Mr. President, if the Senator will yield——

Mr. ABOUREZK. I am not going to yield until I am done. It just seems to me that the Members of this Senate ought to have the courage, for God's sake, to stop the killing, to at least go on record as saying we are against the killing. They are not doing it and they are refusing to do it, and they are afraid to do it because of the Israeli lobby. I will tell you one thing, I am not afraid of the Israeli lobby. but there are too many Members of this body who are. Maybe they are justified in being so, but I will

say one thing, that it is going to go on the moral record of this U.S. Senate.

I will yield if the Senator wants to comment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I would like to take issue with the Senator's contention that the U.S. Senate has gone on record. The U.S. Senate has done no such thing. We have objected to the immediate consideration of the resolution proposed by the Senator from South Dakota in the interest of due deliberation and consideration of the matter, and for reasons so ably raised by the distinguished Senator from New York (Mr. MOYNIHAN).

I do not think it reflects any expression of sentiment on the part of the Senate at all. As long as we are talking about killing, there is a great deal of killing in this world we can disapprove of, not the least of which is the tourist killing activity of the PLO.

Mr. ABOUREZK. Let us disapprove of that right now as well, and I am ready to go on record as to that.

Mr. SPARKMAN. Mr. President, will the Senator yield to me? The Senator has been quite patient.

Mr. ABOUREZK. I yield to the Senator.

Mr. SPARKMAN. Let me say just this: I recognize much of the truth of the Senator's statement. People are being killed. But that happens many times and in many places. I remember Pearl Harbor. I remember when Franklin D. Roosevelt came before the Congress and pronounced that day "a day that will live in infamy."

But we did not declare war immediately following the attack. It took the regular course of having Congress declare war.

Pearl Harbor had been virtually destroyed with all of the ships. Certainly it was a time for quick action, but we did not declare war immediately. We waited until the President addressed the Congress and until both Houses considered his request.

Here is my attitude, that I expressed this this morning when the Senator first brought up his resolution. I said my objection to it was that the resolution is of a nature that ought to have committee consideration and it ought to go before the Committee on Foreign Relations which has jurisdiction.

I said that I would try to get as expeditious action as I possibly could, and I will try. I recognize the value of some of the arguments of the Senator, and I sympathize with many of the points that he makes.

But, after all, we are a deliberative body. We are not supposed to just at the drop of a hat enact things that may have disastrous results. I agree that we ought to do what we can to stop the killing.

The United Nations has already acted. I believe that Secretary-General Waldheim is going in as an agent for peace. Things are being done. Furthermore, I think I can assure the Senator that the Senate Committee on Foreign Relations will give as early consideration to this as it possibly can.

Mr. ABOUREZK. I have already had the word, Mr. President, from the distinguished minority member, ranking member of the Committee on Foreign Relations, who said he does not want to hear it until after the recess.

Well, you know what is going to happen between now and the recess and between now and after the recess. Israel will have established whatever it wanted to establish. That is the reason for the delay. That is the only reason.

Let me ask what is so bad about endorsing a U.S. resolution in the U.N. sponsored by the U.S. Government? Is there anything wrong with that?

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Texas.

Mr. TOWER. Is the Senator aware that the Israelis——

Mr. ABOUREZK. What kind of due deliberation is required to stop the fighting and send in a U.N. force?

Mr. TOWER. It has already stopped.

Mr. ABOUREZK. What?

Mr. TOWER. Is the Senator aware that Israel ordered a cease-fire at 11 a.m. this morning?

Mr. ABOUREZK. Let me——

Mr. ROBERT C. BYRD. Mr. President, regular order. I do not want to shut the Senator off in the middle of his statement, I would like for him to finish. But I would like to call the attention of the Chair that the order was to go to the treaty.

I ask unanimous consent that the Senator may have 5 minutes. Does anybody else want 5 minutes?

Mr. TOWER. I will take 5.

Mr. MOYNIHAN. I would like to speak for about 2 minutes.

Mr. ROBERT C. BYRD. Five minutes to the Senator from Texas and 5 minutes to the Senator from South Dakota.

Mr. TOWER. I will yield several minutes to the Senator from New York.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered. The Senator from New York.

Mr. MOYNIHAN. I thank my former colleague of the London School of Economics—I had to get that in—the distinguished Senator from Texas.

Mr. President, I should like to associate myself with the statement of the Chairman of the Committee on Foreign Relations and with the added fact that the Senator from Texas has brought forward.

First, there is a cease-fire declared today. Second, the U.S. Government has made its proposal to the U.N. The U.N. has acted. What remains for the Senate is to judge how well it acted and with what completion.

It seems to me that there is a distinct double standard in the behavior of the Security Council, and not greatly to the credit of the United States that the invasion of Lebanon by Syria, and I choose to think of it as an invasion, was never protested, not by this country, and certainly not by the Security Council.

A second point——

Mr. ABOUREZK. Will the Senator yield at that point?

Mr. MOYNIHAN. Yes, but I need 20 seconds to finish.

Mr. ABOUREZK. I do not think you can revise history to the extent that you can say that the Syrians were not invited to Lebanon. They were. You know it, I know it, and everybody else knows it.

Mr. MOYNIHAN. The Germans under Adolph Hitler were invited into one country after another, which they conquered brutally.

I would like to put one other thing in the RECORD, if we have to do so, and I think we do not, this Senator is not afraid of the Israeli lobby. What this Senator is afraid of is a United States of America that will not defend the remaining free nations of the world. I thank the Senator from Texas.

Mr. ABOUREZK. Mr. President, just to use up a little bit of the time allotted to me, I want to say that the importance of how the Senate speaks on this issue cannot, I think, be overstated to any extent. I say that because the bulwark of support for Israel's objectives comes from the U.S. Senate. Everything, every bit of territorial acquisition by force that Israel has undertaken successfully has been done and has been underwritten by the U.S. Senate.

Every time the administration makes a foreign policy initiative in the Middle East that it believes is in the best interests of the United States, the Israeli lobby comes to the Senate and gets it turned around. Every foreign policy action that has been taken by the United States has been thwarted by the Israeli lobby acting through the Senate.

The importance of the Senate speaking on U.N. Resolution No. 425 is that it will let Israel know, at one point in time, that by God the Senate is not going to stand for the killing and the invasion and the aggression into an innocent third country that they have undertaken in Lebanon.

That is what I am asking, is for an up or down vote on that, and I cannot even get that. I just want the Senate to go on record one way or the other, and they will not do that. They will kill it with delay and procedural votes, they will get it in the Foreign Relations Committee and swallow it up, and we will never see it again.

I yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, before the Senator goes, will he yield to me?

Mr. TOWER. I yield the Senator from Alabama such time as he may require to respond out of the time allotted to me.

Mr. SPARKMAN. I just wish the Senator from South Dakota would tell me when the Foreign Relations Committee has taken a resolution or a bill referred to it and swallowed it up. We do not act that way.

Furthermore, when we had this resolution before the Senate this morning, I think I heard the Senator make a motion to have his resolution referred to the

Foreign Relations Committee. Is that not correct?

Mr. ABOUREZK. Well, I did; I agreed——

Mr. SPARKMAN. Is that not correct?

Mr. ABOUREZK. Mr. Chairman, I agreed that if you would take it up on an emergency basis I would agree to that referral. I asked for immediate consideration of the resolution.

Mr. SPARKMAN. And I objected.

Mr. ABOUREZK. That is right.

Mr. SPARKMAN. And I said that any time you asked for immediate consideration I would object, because a resolution of that import is entitled to careful and serious consideration by the Foreign Relations Committee. As soon as we can have a meeting on this issue, I will be glad to do it, and to give full consideration to the Senator's resolution.

Mr. ABOUREZK. Could I ask——

Mr. SPARKMAN. You know we have been restricted on committee meetings, and you cannot just call a committee meeting all at once.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be allowed to meet all day tomorrow, if necessary, to consider this resolution and report it out.

The PRESIDING OFFICER. Is there objection?

Mr. SPARKMAN. Yes, I object.

The PRESIDING OFFICER. Objection is noted.

Mr. ABOUREZK. All right.

Mr. TOWER. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. TOWER. Mr. President, if there is no further discussion of this issue, I am prepared to yield back the remainder of my time.

THE PANAMA CANAL TREATY

The PRESIDING OFFICER. All remaining time having been yielded back, under the previous order, the Senate will resume the consideration, in executive session, of the Panama Canal Treaty, which the clerk will report.

The second assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st Session, the Panama Canal Treaty.

Mr. THURMOND addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield, for his own benefit?

Mr. THURMOND. Mr. President, I will be pleased to yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from South Carolina speak as in legislative session. The Senate is in executive session. Inasmuch as he is speaking on a subject which does not pertain to the treaty and is not an executive session matter, I ask unanimous consent that he may speak as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I thank the majority leader.

DANGERS POSED BY THE SOVIET SATELLITE KILLER

Mr. THURMOND. Mr. President, admission by Defense Secretary Harold Brown that the Soviets had achieved an operational capability to destroy some U.S. satellites represents a development of serious and far-reaching implications.

Central to this issue, in my view, is that such a capability jeopardizes U.S. verification rights. Such rights are essential to Strategic Arms Limitation Talks and bring into doubt Soviet intentions to abide by current and future agreements.

Paragraph 2 of article XII of the ABM Treaty, signed and ratified in 1972 by President Nixon, reads as follows:

Each Party undertakes not to interfere with the national technical means of verification of the other Party.

This right to verify a nation's missile launchers by satellite is also protected in the interim agreement of SALT I, also signed in 1972, with identical words in paragraph 2 of article 5 of that agreement.

Thus, although the ABM Treaty and the interim agreement of SALT I are clear on this subject, the Soviets have now achieved an operational capability to interfere with our means of verification which is central to these arms agreements.

Mr. President, this new Soviet weapon brings into serious question the worth of the verification safeguard in the ABM Treaty. Further, the question arises as to how such safeguards can be assured by SALT II and are they worth anything in view of Soviet policy to circumvent these articles.

Furthermore, article IV of the Space Treaty of January 27, 1967, states as follows:

States Parties to the Treaty undertake not to place in orbit around the Earth any objects carrying nuclear weapons or any other kinds of weapons of mass destruction, install such weapons on celestial bodies, or station such weapons in outer space in any other manner.

Operational capability of a satellite killer by the Soviets, as confirmed by Secretary Brown, makes it also unclear as to the Soviet intent to abide by the Space Treaty. While the letter of the treaty may be avoided by this issue, it certainly violates the spirit of the Space Treaty.

Of possible even greater import is the fact that this new capability gives the Soviet Union the option to destroy vital missions of U.S. satellites. These include general reconnaissance, general communication, the targeting of our sea-based missiles, and detection of launch of Soviet missiles. If any of these capabilities were denied us, our defensive capabilities would be greatly impaired.

On April 23, 1977 I warned in a speech at Columbia, S.C., that the Soviets were developing just such a satellite killer. Certainly the administration has known for some time about this development.

This development deserves the strongest type of protest by U.S. SALT negotiator Paul Warnke, whose Arms Control and Disarmament Agency monitors treaty violations through a permanent team in Geneva. While I have seen no formal protest raised by the United States to date, I assume it would be forthcoming promptly and with force.

The capability of the killer space satellite gives the Soviets greater power to strike against us without warning. I question any future Treaty guarantee could effectively remove this threat.

We must not allow our research and development to lag to such an extent that we are victims of such surprises like the Soviet satellite killer.

Research Director Malcolm Currie warned the Congress just last year about such a danger. Dr. Currie's words leave no doubt as to the importance or significance of this development. He stated, it would be "catastrophic" to the balance of power if the Soviets "obtain a military advantage in space through antisatellite weapons."

Mr. President, I view these developments as having far-reaching and serious implications. The United States should accelerate its own efforts in this area, as the Soviet actions are clearly provocative and destabilizing. It gives the Soviets great potential to initiate a first strike, the very capability President Carter denounced for the United States in his United Nations speech last year.

Besides the administration's responsibility in addressing this development, the Congress has an equal or greater responsibility. Our efforts to accommodate ourselves to "essential equivalence" with the Soviets is fraught with dangers as evidenced by this development. World peace demands a more vigilant and aggressive U.S. position in assuring we can protect ourselves and restrain the Soviets from their expansionistic goals.

The fiscal year 1979 budget does include increases in spending for our military space programs. However, Congress should accelerate this effort if after examination it is found this late-blooming request is insufficient.

Mr. President, in a recent development on this issue the State Department has sought talks with the Soviets to seek a ban on satellite killers. Why this request was not undertaken last year remains a mystery.

In any event I ask unanimous consent that an article by George C. Wilson entitled, "U.S. Seeks Talks on Killer Satellite Ban" which appeared in the March 20, 1978 issue of the Washington Post newspaper be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 20, 1978]

U.S. SEEKS TALKS ON KILLER SATELLITE BAN

(By George C. Wilson)

The State Department said yesterday that the United States has asked the Soviet Union to open negotiations on putting outer space off limits to such hostile action as satellites that destroy each other.

Although the department did not disclose how the request was made, nor when, administration sources said yesterday it was made last month to Soviet officials in Washington. U.S. officials suggested that the first meeting be held sometime in April, sources said.

The Soviet Union has not yet replied to the request, according to administration officials.

Defense Secretary Harold Brown, administration sources said, felt that a meetng next month wouldn't allow enough time to coordinate the U.S. government's effort and unsuccessfully argued for a later date.

Brown, sources stressed, welcomes negotiations to ban hostile space activities, and did not argue for waiting until the United States had such weapons in hand. The Soviet Union has a satellite killer system while the United States is still developing one.

The Soviet antisatellite system requires that the killer satellite track and intercept the enemy satellite and then explode near it. The United States is working on several faster-reacting systems.

The Vought Corp. of Dallas, for example, has a contract with the Air Force to build a flying test model of a tiny vehicle that would leave the mother rocket once in space and home in on the heat of the enemy satellite. The tiny satellite killer would crash into the enemy satellite while flying thousands of miles an hour, relying on the force of collision rather than explosives for destruction. This heat-seeking satellite killer is expected to be ready for flight testing by 1980.

President Carter and Defense Secretary Brown have said that the United States is hopeful of negotiating a limitation on military activity in space. Said State Department officials yesterday in confirming that the United States had asked the Soviets to begin talks: "We don't want to see the arms competition extended into outer space."

The U.S. military has become increasingly dependent on space satellites for reconnaissance, communications, navigation and monitoring such Soviet activity as rocket launchings. Brown said in his annual posture statement that the Soviets "with their present capability" in space "are leaving us with little choice" but to respond to those efforts both defensively and offensively.

"Because of our growing dependence on space systems," Brown said, "we can hardly permit them to have a dominant position in the ASAT [antisatellite] realm."

Brown said last October that the Soviets had put into operation an antisatellite system. The Pentagon's fiscal 1979 budget called for sharp increases in military space programs, a trend that would become more pronounced in future years if a broad outer space treaty covering antisatellite systems is not negotiated.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield? I do not want to interrupt his statement, but the Senate is back on the treaty and Senators have been patiently waiting to resume the consideration of the treaty. I wonder if the Senator could give us a suggestion as to the time he would need to complete his remarks.

Mr. THURMOND. I would think about 3 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from South Carolina may continue to speak for not to exceed 5 minutes, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBMARINE MISSILE GAP IN 1980's

Mr. THURMOND. Mr. President, an outstanding article which addresses the approaching missile gap in U.S. submarine forces was published in the March 19, 1978 issue of the Washington Post newspaper.

This article by George C. Wilson, entitled "The Next Missile Gap: Submarines" points out that delays in construction of the new Trident sub and the retirement of our older missile boats will reduce the number of missiles in our sea-based deterrent during the mid-1980's.

As students of United States-Soviet strategic forces know, the United States is already facing trouble in this period, as 90 percent of our Minuteman III missiles will be vulnerable in the early 1980's. This approaching weakness is very significant because of administration delays and cutbacks in development of the new mobile MX missile program.

Mr. President, with the B–1 strategic bomber now scrapped, the Minuteman III becoming vulnerable and a shortage of sea-based submarine missiles also in prospect, it is easy to see the United States is falling behind in defense.

No one could predict the delays in construction of the Trident. But we have known for sometime Minuteman III was becoming vulnerable and we also had a choice on the B–1.

This Nation needs some leadership from the White House if we are to avoid confrontation in the future. Such confrontations can best be avoided by a position of strength. The current policy of "essential sufficiency" is a policy of risk and reduction.

Mr. President, I ask unanimous consent that this article by Mr. Wilson entitled "The Next Missile Gap: Submarines" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEXT MISSILE GAP: SUBMARINES

A new missile gap is opening up, this one of the United States' own making. Pentagon managers, not the Kremlin nor a presidential candidate looking for headlines, are to blame.

Simply put, the Navy's present fleet of Polaris and Poseidon missile submarines will wear out faster than they can be replaced by the giant Trident missile subs now beset with cost and construction difficulties.

This confronts U.S. policy makers with two alternatives, neither of them attractive: keep the aging Poseidon-Polaris fleet of 41 subs at sea longer than planned to reduce the gap or gamble that such a risk need not be taken because the United States can safely settle for a smaller sea-based nuclear deterrent.

Defense Secretary Harold Brown said at his March 10 press conference that the way to stave off the forthcoming missile gap "is to make plans, if necessary, to extend the life of the Poseidons. That is not simple. It is likely to cost money, and it is likely to mean that they have to be out of commission a somewhat longer time, but it is an alternative approach."

Although B–52 bombers have been kept flying long after their scheduled retirement dates, the depths of the ocean are mercilessly unforgiving of any kind of mechanical failure on a submarine. Sending men down into the sea on an over-age submarine would involve risks no leader would like to take. And even if such risks were taken, Navy projections still show there would be a big gap.

The second option, of tolerating a reduction in the sea-based deterrent of submarine missiles, would bring down a number of problems on any administration—unless the Soviets made offsetting cuts, a dim prospect at the moment.

Historically, both hawks and doves in Congress have enthusiastically supported the missile submarine force. The idea of hiding missiles under tons of water where they can neither be found nor destroyed has made eminent sense through the years to politicians of the left and right. These submarine missiles would be fired at Russia to retaliate for a surprise nuclear attack on the United States—or would deter the Kremlin from pushing the button in the first place.

The missile submarine is clearly a retaliatory weapon, which has made it especially attractive to arms control specialists. The missiles now carried by submarines would not be used to launch a surprise, first-strike attack, because they are neither accurate nor powerful enough to crack Soviet missile silos. But they could devastate Soviet cities in a retaliatory second strike. (That old distinction between first-strike and second-strike weapons is now being blurred, however, by improvements in the submarine missiles and in the satellite systems that would guide them to their targets.)

Any president who announced that the United States was going to reduce unilaterally its sea-based missile force would draw heavy political fire from all sides. Therefore, the president would be tempted to add to another part of the U.S. nuclear arsenal.

This is where a land-based mobile missile called MX comes in, a nuclear blockbuster that would be carted back and forth inside tunnels 10 to 15 miles long. The MX, to the distress of hawks, has been kept at a moderate rather than all-out development pace by President Carter. But the Navy's problems on Trident are likely to give the Air Force MX program a boost.

Once Congress perceives the extent of the projected gap between the Polaris-Poseidon and Trident submarine fleets, the demands for going ahead with MX are sure to intensify. If MX does go into full-scale development by virtue of that argument, the gap in the nation's second-strike submarine force will have helped tilt the American nuclear offense toward first-strike. This is because the MX would be so accurate and powerful that it would fall into the first-strike category of "silo busters," especially in the eyes of the Soviets.

How did Pentagon leaders, past and present, fail to anticipate the gap between Polaris-Poseidon and Trident? And is there anything more that can be done to minimize it besides extending the life of the Poseidon?

The short answer to the first question is that, despite record high Pentagon budgets of recent years, there was not enough money to buy all the Tridents needed to avoid a gap. Adm. Elmo Zumwalt Jr., former chief of naval operations, wrote about Trident's first delay in his book, "On Watch": "In order to soften the financial impact" of Trident on the Pentagon's Fiscal 1973 budget to go to Congress in January, 1972, former defense secretary Melvin R. Laird "decided that the target date for deploying the first boat should be 1980 rather than 1978" as the Navy had planned.

Today, despite earlier efforts to return to the 1978 deployment date, the Navy estimates the first Trident will not go to sea until 1981. So this replacement missile submarine is off to a late start and still slipping.

Compounding the slippage problem, the cost of this first Trident is running 50 per cent above Navy estimates—$1.2 billion rather than $800 million. More increases are anticipated. President Carter and Defense Secretary Brown have concluded that the Trident building rate can be no higher than 1½ submarines a year. Otherwise the Navy would have money for little else in the way of ships besides Trident.

To further cloud Trident's future, the only shipbuilder contracted to build this

largest-ever submarine is so angry at the Navy that it has threatened to stop work on its other big submarines project, the 688 class of attack submarines. General Dynamics' Electric Boat division of Groton, Conn., has threatened to abandon the 688 project on April 12 on the ground the Navy has refused to make an equitable settlement of $544 million in disputed back bills.

Until last week, the official line was that problems with the 688 class of attack sub would not jeopardize Trident. But in Electric Boat's letter to the Navy dated March 13, the company said: "The Navy's material breaches of the 688 contracts have materially increased the cost of performance on the Trident contract and seriously delayed delivery of the Trident vessels . . ."

Even if the Navy and Electric Boat manage to resolve their differences and get Trident back on schedule, the planned building rate still will leave a gap. Vice Adm. C. H. Griffiths, deputy chief of naval operations for submarine warfare, detailed this gap in testimony to a House Armed Services subcommittee last month:

"Retirement of the Poseiden submarines at their normal service life of 20 years or at the presently planned maximum extended life of 25 years will result in a significant reduction of [submarine missile tubes] in the 1980s and early 1990s since the Polaris-Poseidon force was built at a much faster rate than that planned for Trident."

The admiral added that if the Navy does not spend the money to renovate Poseidon subs to make them last 25 instead of 20 years, the big submarine missile gap will occur in 1986, when the United States would have only 312 launchers available instead of today's 656. (Each of the 41 Polaris and Poseidon subs carries 16 missiles for a total of 656. Each Trident will carry 24 missiles.)

If the Poseidons are made to last 25 years, the biggest submarine missile gap will be pushed back to 1992, when the United States would have 480 submarine missile tubes to deploy in the depths, according to Griffiths.

"A CONTINUED SOVIET ADVANTAGE"

Even though Brown has said Trident subs and their missiles will be more lethal than the Polaris-Poseidon fleet, the Navy estimates of the gap are ready-made for political thundering. One likely formulation: "The Navy itself admits that by 1986 the submarine missile gap will be so big that the United States will have only half as many missiles at sea as are deployed today. We must go ahead with new land missiles or build a new bomber."

A possible counter-argument is that the more powerful Trident missiles, plus the Trident II missile under consideration for future deployment, could hurl more individual nuclear warheads, called MIRVs, longer distances, and that the gap in submarine missile launchers therefore is not as alarming as it seems.

Griffiths buttressed the hawkish side of the argument by stating: "The combination of a steadily increasing Soviet SLBM [submarine-launched ballistic missile] force level, block obsolescence of the U.S. Polaris-Poseidon force and a slow Trident shipbuilding rate clearly predict a continued Soviet advantage in SLBM launchers, the most invulnerable element of each nation's strategic forces, for the foreseeable future."

Currently, the Pentagon is planning to build a total of 14 Trident submarines for $25 billion, including new bases for the giant sub, making it the most expensive weapon in the history of warfare. (The MX would cost about $40 billion.) It would take 27 Tridents, each carrying 24 missiles for a total of 648, to come close to duplicating the current force of 656 submarine missiles.

Adm. James L. Holloway III, chief of naval operations, said in an interview with The Post that he sees "no alternative" to the Trident for keeping up the nation's sea-based nuclear deterrent. But undersea warfare specialists, who declined to be quoted for fear of retaliation by Navy leaders, argued that there are ways to plug the coming submarine missile gap if the defense establishment will only stand up to Adm. H. G. Rickover and change course. Rickover, by insisting on building bigger and bigger nuclear power plants, they claimed, has saddled the Navy with giant submarines it can neither afford nor build in a hurry.

Alternatives recommended by these specialists in a series of interviews included:

Converting the troublesome 688 class attack subs to missile boats. This, it was argued, would help plug the missile gap while giving the Navy breathing time to design better subs than the 688 and Trident. One drawback here: The 688, despite all the praise President Carter heaped on it when he was given a demonstration ride, cannot go as deep as the old Polaris missile boat. Depth is protection for subs.

Building a mix of do-everything and single-purpose attack and missile subs. The Navy, specialists argued, cannot afford to keep building all its subs as big and as expensive as the Trident and 688. Non-nuclear propulsion deserves a new look in this context, they said.

Changing course away from fast missile subs like Trident to slower and cheaper ones that would rely primarily on depth and quietness for protection. Even the huge Trident power plant will not provide the sub with enough speed to outrace modern Soviet killer subs.

Compressing today's nuclear propulsion plants into smaller units without sacrificing horsepower, thus increasing performance while reducing the size of new subs.

Some of these specialists predicted that as the extent of the coming submarine missile gap begins to be appreciated by the public and Congress, the Navy will be forced into an overdue look at alternatives to the giant attack and missile submarines now threatening to leave the service short of money and the nation short of vital weapons.

THE LABOR REFORM ACT OF 1978

Mr. THURMOND. Mr. President, I rise again to express my opposition to S. 2467, the so-called Labor Reform Act of 1978. Few, if any of us in this Chamber would label the Washington Post a conservative oriented newspaper. It is for this reason that I found an editorial, which appeared in the Post recently concerning S. 2467, particularly interesting. The point made was on the mark. Mentioned as a major failing in this bill was the abuse it fails to address. It does nothing to protect workers from abuses by labor unions.

The distinguished Senator from Utah (Mr. HATCH) has introduced a bill S. 1855, which does fill this gap. Together with other Senators, I have joined him in this effort.

Mr. President, I ask unanimous consent that this editorial, along with my remarks be printed at this point in the RECORD.

There being no obection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 15, 1978]

THE LABOR BILL

The Labor Reform Act is one of those pieces of legislation whose pluses and minuses are buried under the cloud of rhetoric that accompanies it. The bill is (depending on which version of the literature you prefer): a) a measure desperately needed to protect vital rights of working men and women from destruction by law-breaking and vindictive employers; b) a last-ditch effort by labor unions to bolster their sagging membership rolls by stacking the deck against workers who do not want to join unions; c) a relatively insignificant measure that tinkers with, but makes no monumental changes in, present law.

Regardless of which view is closest to the truth, the bill is going to be the major battleground between the unions and business organizations this year. Both sides have already invested vast sums of money and lobbying power in the fight. More will be forthcoming as the time for the Senate to begin debate on the subject draws closer. Both sides, it seems to us, have staked far more on the bill than its merits deserve. Organized labor appears to regard its passage as the best way to retrieve at least part of the prestige it lost last year when the common situs picketing bill was defeated. Business groups seem to see the bill as an opportunity to demonstrate that the political clout the labor movement once had is slipping quickly away.

We do not intend to get into the specifics of this legislation just now. It is enough, for the moment, to say that the bill is mislabeled. It ought to be called the "Union Organizing Act of 1978." Most of its major provisions are aimed at making it easier for unions to organize new units. Some of these are aimed at well-documented problems, but others are not. Much of the rest of the bill involves procedural changes at the National Labor Relations Board. However, one major section would put the government in the business of blacklisting companies that are persistent violators of the labor laws.

Last fall, when the House passed its version of this act, we noted that we were less troubled by what the bill did than by what it failed to do. That is still true. Like the House, the Senate Human Relations Committee has lost sight of the need to change the law so that it better protects the rights of workers. This bill does improve the protection of some of those rights against abuses by management, but it does nothing to protect them from labor unions. And one kind of abuse is about as common as the other these days. The main focus of this legislation is on the rights of unions—as unions, not as representatives of workers. We doubt that adding additional provisions strengthening the law against union misdeeds would take much of the bitterness out of the fight that is going on over passage of the bill. But that would at least reduce the one-sidedness of this "reform" act.

FOOD STAMPS AND STRIKERS

Mr. THURMOND. Mr. President, I have just today learned that since January 1978, it has cost taxpayers nearly $13 million per month for food stamps for striking miners. The President has invoked the Taft-Hartley Act, which the strikers have chosen to disregard. Yet, food stamps still go to the strikers. Should the strike continue, and when the food stamps are cut off by the administration, we can expect the union to go to court. Thus insuring a flow of food stamps to strikers, while the battle for an injunction against the administration goes on.

So far the coal strike has resulted in a slowdown of other vital industries and layoffs. It will inevitably cause a further inflationary spiral and higher prices. The lion's share of the costs will be borne by taxpayers and consumers who have no connection with the coal industry.

The Federal Government has provided food stamps to people who have voluntarily walked off their jobs. This amounts to the Government injecting itself into the strike on the side of the union bosses. This is not fair. It is particularly not fair to American taxpayers, who must bear the overwhelming share of the cost of the food stamp program. The program was never intended to assist those who voluntarily refuse to work. It was meant to be used to help those who are genuinely in need.

On February 1, 1977, I introduced S. 567, a bill which would deny food stamps to any household where the head of the household is engaged in a labor strike. Joining me as cosponsors of this proposed legislation were Senators BARTLETT, CURTIS, GARN, GOLDWATER, HATCH, HELMS, HOLLINGS, MCCLURE, SCHMITT, TOWER, and WALLOP.

The time has come for action on S. 567. The Federal Government should not feed those who voluntarily refuse to work. That is the responsibility of the striking union.

Mr. President, I ask unanimous consent that the attached editorial from the Columbia Record, Columbia, S.C., dated March 9, 1978, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRUEL IRONY TO STRIKE

In its recent issue of "Congressional Action," the Chamber of Commerce of the United States makes some telling points relative to the current national ordeal, the prolonged coal strike.

The chamber noted that the taxpayers have, in a sense, been both unwitting collaborators and victims in the whole sorry situation because of a multi-million dollar drain placed on the nation's food stamp and welfare coffers by striking miners.

Take West Virginia, for instance. Statistics there show that the number of persons on non-welfare food stamp rolls nearly doubled as a result of the strike. In January and February, 34,000 striking households were added to the West Virginia rolls, costing the taxpayers $8.8 million more than would normally be the case.

In Ohio, the normal food stamp caseload runs about 715,000. In January, it jumped to 752,000 and to 805,000 in February.

The same situation is reflected in other coal-producing states.

"Regardless of whether one supports the coal miners' strike or not," said the chamber, "it is a very cruel irony that the taxpayer and consumer not only have to pay for the coal strike with higher prices, their own job layoffs, and even cold homes and businesses, but also have to support the striking miners with their tax dollars through government welfare programs."

Enough said.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Senator from South Dakota (Mr. MCGOVERN) has been waiting very patiently all afternoon to present some comments. I ask that he may be permitted for not to exceed 5 minutes, as in legislative session. At the conclusion of his remarks, Mr. President, I will insist on regular order, reluctantly.

THE SENTENCE OF MR. BHUTTO

Mr. McGOVERN. Mr. President, I was shocked to learn of the conviction and sentencing to death before a firing squad of former Pakistani Prime Minister Zulfiqar Ali Bhutto. While I do not wish to interfere in the internal affairs of another state and I do not intend to challenge the judicial process in Pakistan, I am compelled to state my personal feelings on this issue and to appeal to the Pakistani Government to commute the sentence.

In January 1976, I was a guest of Mr. Bhutto in his home in Larkana during my visit to Pakistan. He was a gracious host and a distinguished leader with impressive achievements. In my report on this trip to the Senate Foreign Relations Committee, I observed that although, as Mr. Bhutto's critics pointed out even then, he was ruling with a firm hand that was becoming more authoritarian, Mr. Bhutto, nevertheless, deserved to be recognized as a man who brought stability and international prestige to Pakistan during very difficult times. I reported then:

Mr. Bhutto, a forceful and erudite leader appears to retain much of the charisma attached to him when he came to power after the 1971 war [in which Bangladesh was created]. He assumed leadership of a shattered, bewildered and demoralized country and played the central role in getting the country moving again. Perhaps his greatest achievement is the restoration of Pakistan's self-confidence and respect and its standing in the international community following the 1971 war.

As the current unrest within Pakistan indicates, there still remains a considerable degree of support for this condemned man. His execution would almost certainly result in deepening divisions, widespread violence, and a lowering of international confidence in Pakistan's political system.

It is certainly not my role to sit in judgment on the guilt or innocence of Mr. Bhutto, either on the charge of ordering the assasination of a political opponent for which he was sentenced to death, or on the charges he faces in six other cases that have not yet been brougt to trial. However, I strongly urge the Government of Pakistan to act out of prudence, compassion and wisdom. Commuting the death sentence is not tantamount to revoking the verdict in the crime with which he was charged. Commutation is merited in consideration of the role that Mr. Bhutto once played during a painful period in Pakistani history, in consideration of the damage which his death would cause to the country today, and in consideration of the setback his death would represent to the commitment made by Gen. Mohammend Zia Ul-Haq to return the country back to civilian rule.

Most of all, commutation of Mr. Bhutto's death sentence is justified on humanitarian grounds. Surely Mr. Bhutto and his family have already suffered much. They face many more ordeals ahead. My hope is that Mr. Bhutto decides to appeal the judgment in this case to the supreme court. But if he declines to do so, then it would be to the greater benefit of the country as a whole—and certainly a mark of statesmanship for the Pakistan Government itself—if Mr. Bhutto, a man who ruled as President and Prime Minister for 5½ years, were allowed to live.

Mr. President, in addition to my remarks today, I ask unanimous consent to have printed in the RECORD an editorial in the Washington Post likewise appealing to the Pakistan Government to reconsider Mr. Bhutto's fate.

There being no objection, the editorial was ordered to be printed in the RECORD. as follows:

[From the Washington Post, Mar. 21, 1978]

MR. BHUTTO'S DEATH SENTENCE

The death sentence given former Pakistani prime minister Zulfiqar Ali Bhutto, convicted for ordering a rival's assassination, poses a stark choice between the demands of law and the demands of politics. His trial was public and lengthy and held in conformance with the law of the land; Mr. Bhutto can yet appeal and ask the government for clemency. But even though the principles of accountability and legality are thus being respected, a certain basic political "law" is not. Mr. Bhutto still claims substantial numbers of followers, and many of them see his sentence, as they saw his arrest and trial, as an expression of vengeance. The disturbances reported yesterday in several Pakistani cities offer a taste of the form their continued alienation could take. The military leadership is not so firmly in command as to tempt that sort of trouble without a second thought.

We hope the government of Gen. Mohammed Zia ul-Haq does give that second thought. We do so not with the thought that the crime of which Mr. Bhutto was convicted is not serious or that he is innocent or that his trial was fraudulent. What troubles us is that it is asking a great deal of Mr. Bhutto's still substantial constituency to expect them to accept that the process by which justice has been meted out to Mr. Bhutto is untinged by politics. For all of his real and imagined misdeeds and flaws of character and policy, Mr. Bhutto did have political legitimacy: He was the people's choice. The generals do not have that legitimacy, and they are therefore at a great disadvantage in convincing Mr. Bhutto's supporters that what is happening to him now is fair.

In the very different circumstances surrounding President Ford's pardon of President Nixon, essentially political grounds were found for sparing the disgraced president the full rigors of the judicial process. The argument was the country had seen sufficient upheaval during the period leading up to Mr. Nixon's resignation and that the public interest in tranquillity and a return to normalcy would be better served by pardon than by a series of trials. That is not to say that the pardon was universally approved or that the Pakistanis should or can follow literally that particular American example. It is to say that Americans are in a good position to appreciate the moral and legal and political complexities of the passage the Pakistani government is entering now.

Mr. MOYNIHAN. Will the Senator yield?

Mr. McGOVERN. Yes, I yield to the distinguished Senator from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. Mr. President, I should like to express the appreciation

of, I am sure, many of us on the floor and in the Senate to the distinguished Senator from South Dakota (Mr. McGOVERN) for having raised this matter and the tone with which he did so and the content of his statement.

I, too, have had the great pleasure of being a guest of Prime Minister Bhutto. He was surely a gracious man and in his time in Pakistan, he showed himself not to be a brutal man by the standards of so many nations today. It is indeed a point about his own country that, while it has had a succession of nondemocratic governments come to power by overthrowing their predecessors, it has also had a tradition of some compassion about those predecessors. They have been placed under house arrest. I believe Gen. Yaya Khan is still under house arrest.

I cannot let the opportunity pass simply to note that those nations which fail in their democratic vows create for themselves intolerable problems of succession. There are many things the matter with the way we do things, but our leaders are not taken away in chains, much less in a box. Perhaps the world will come to note that there are, in fact, advantages to the inconveniences we put up with, including, perhaps, listening interminably to speeches such as the Senator and I have just made.

I thank the Senator from South Dakota and congratulate him.

Mr. McGOVERN. I thank the Senator for his remarks and I subscribe to them wholly.

Mr. President, I yield the floor.

THE PANAMA CANAL TREATY

The Senate continued with the consideration of the treaty.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. Mr. President, I rise briefly as the debate on the second Panama Canal Treaty resumes. Last evening, at about this time, or perhaps a little earlier, the Senate having just voted on the second of two amendments that had been presented, I rose to speak, both in retrospect with regard to that day's proceedings and as to the prospective proceedings that have now commenced. I addressed myself in part to an amendment which had been proposed by the distinguished Senator from Wyoming, a Member, as I am, myself, of the freshman class in the Senate and a man for whom I have come to have the highest regard and close relations. In the confusion of the moment following the vote, I was not aware that Senator WALLOP had left the floor, so I inadvertently spoke to a matter of considerable, of very direct concern to him, when he was not present to reply. Of course, I spoke in opposition to his amendment, as I voted in opposition.

I did so in very considerable, in largest measure, because he had complained, if I might use that term—he might want to use some other term—to the Senate at the time of the vote on his measure that it had not been debated by the proponents of the treaty; that, rather than entering a dialog with him and rebutting, if they could and as they were able, to the extent they were able, his argument, a vote was simply called for and the majority that exists for these treaties voted down his amendment. That seemed to me a perfectly appropriate matter to raise and I did raise it.

I thereupon used and, in several passages, I employed terms and analogies and references which seemed to me not to have been necessary and, in retrospect, that seemed to me not to have been in order. I should like to express to my good friend—and he knows that our relations are of that order—my regret for any wrong I may have done and to state that he knows of my great regard for any man who has had the good fortune to be educated at Yale. As a CCNY man, I have almost a class deference to such persons.

Finally, Mr. President, I should like to say that, with respect to my having spoken yesterday when he was not on the floor, when I called the Senator from Wyoming this morning to offer my apologies for having done that—stating that it was inadvertent, but it nevertheless did occur—characteristically and most graciously, the Senator from Wyoming accepted my apologies. We have since had occasion to talk about these matters and, with respect to any ill service that I may have done him, that matter is behind us. The issue of the treaties and of his particular point of view which he represented in that amendment is still very much before us.

I recall that the Senator asked yesterday that, since the matter was not debated fully, or at all, in his view, it be brought up at a later time and no point of germaneness be brought against it. I believe the managers of the bill indicated that they acceded to his desire and I think they were wise to do so.

Mr. WALLOP. If the Senator would yield to me for a minute.

Mr. MOYNIHAN. The Senator is happy to yield.

Mr. WALLOP. One of the things that I admire most about being in the Senate is the stature of the men that are in the Senate and, you, sir, I think have shown in every way that the Senate rightfully deserves that reputation.

I accept your apology and I accept your friendship and so far as I am concerned, the Senate has many better things to do than to drag grudges across the floor from day to day, and let me say that I bear no grudge, I bear no ill will, and as far as I am concerned, the matter will be raised as an amendment by Senator STEVENS. We can talk about it at that time, I do much appreciate your kind and gracious words, and I thank you very much.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I wish to congratulate both the distinguished Senator from New York (Mr. MOYNIHAN) and the distinguished Senator from Wyoming (Mr. WALLOP). They have demonstrated what to me is a courtesy, which is of the highest caliber, and for which Senators and this institution itself are known.

I listened to the distinguished Senator from New York on yesterday and I never understood at any point that he was expressing in any way any disrespect for the Senator from Wyoming nor could I determine in his words any aspersions on that distinguished Senator from Wyoming.

As a matter of fact, he went out of his way later to state very emphatically and clearly that he meant no offense to the Senator from Wyoming and I understood it that way.

I am grateful that he has in the meantime contacted the Senator from Wyoming and that he has taken the floor here this afternoon to state beyond any peradventure of doubt his high respect, his high regard for the Senator from Wyoming, and I hope that that will make the record clear.

I admire the Senator from New York. He has an enormous facility for expressing himself and expressing himself well. I think he was directing his attention not only to the amendment that had been introduced by the Senator from Wyoming but he got to the fact that the Senate is being subjected to the consideration of a good many amendments, and some which have merit, but I think he was remonstrating against amendments that really, as he characterized the amendment yesterday, are incapable of implementation.

I am not entering the argument as to whether it was or whether it was not capable of implementation, but I clearly remember those words. And that was one of the objections he had to the amendment, and I think he was speaking for all of us, when he expressed the view that we ought to avoid, if we can, introducing amendments which are incapable of implementation, which obviously are—and I do not characterize the Senator from Wyoming's amendment this way when I say that but Senators' amendments that obviously are not going any place and in some instances may be considered to be frivolous and which take up the Senate's time and which keep the Senate from reaching a final conclusion on the treaty itself.

So I did not misunderstand the Senator from New York. I think he was very kind and generous and he did the right thing, I think, in contacting the Senator from Wyoming to explain what he had said and to state that he was apologizing for having inadvertently spoken while the Senator was not on the floor.

I think the Senator from Wyoming, likewise, has demonstrated a splendid attitude in the way he has reacted toward this, and I join with him in saying that I hope that we can now put the matter behind us and get on with the business of consideration of the treaty.

Mr. WALLOP. May I say that I thank the distinguished majority leader.

My friend, the Senator from New York, called me this morning and I explained to him that I thought no public act was necessary on this thing. He has been more than gracious in offering it and I think it speaks well of both himself and the

United States Senate. I thank the distinguished majority leader for his remarks.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. BAKER. Will the Senator yield to me for just a moment?

Mr. MOYNIHAN. The Senator is honored to yield to the Senator from Tennessee.

Mr. BAKER. I must confess to my colleagues for the record that when the event that we are now discussing occurred yesterday I was on my way back from Tennessee, so I did not hear it, which may have no advantage except it gives me a touching point of view, and from that point of view I must say that the performance of my two colleagues today, the distinguished Senator from New York and the equally distinguished Senator from Wyoming, has been in the best tradition of the Senate.

While I know nothing about the matter in controversy, I do know that both of them have acted with honor and dignity today and they are to be commended for it, and I do now commend them for it.

Mr. MOYNIHAN. I thank the distinguished Senator from Tennessee and I especially thank my good friend, the Senator from Wyoming.

Thank you, Mr. President.

(Mr. MOYNIHAN assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I would like to inquire if there are any amendments at the desk or unwritten amendments any Senator would like to call up at this time in connection with the treaty.

Mr. ALLEN. I have an amendment at the desk if no other Senator would have one.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Alabama.

Mr. ALLEN. I would inquire of the distinguished majority leader if it is his plan to continue the discusson in consideration of the treaty to the point of requiring additional rollcall votes tonight?

Mr. ROBERT C. BYRD. No, I do not necessarily have that in mind. May I say to the distinguished Senator from Alabama that I have alerted Senators on this side of the aisle that we will probably be in until 6:30 or 7 o'clock and that there could be another rollcall vote.

I am not insisting on a vote, may I say to my distinguished friend. I will be pleased to have an amendment called up and debated briefly and voted on, but perhaps the Senator will want more time on his amendment.

In any event, if we could get the amendment up and hopefully reach an agreement as to a time limit on it so that we could look forward to tomorrow and have a vote on the amendment or in relation to the amendment at a particular time, I think that will serve the interests of the Senate.

Mr. ALLEN. I would not object to that, providing enough time was given, because I believe the amendment addresses one of the most important defects in the treaty, one of many I might say, but this is one of the most important defects in the treaty and I would hope that other Senators would be given the opportunity to discuss the amendment after they become familiar with it.

I would think that sometime possibly in the—I do not know when the majority leader has in mind bringing the Senate back in. I wonder if he would mind telling us that.

Mr. ROBERT C. BYRD. I had in mind the hour of 9:30, inasmuch as two Senators want special orders. This will enable the Senate to resume consideration of the treaty by 10 o'clock tomorrow morning.

Mr. ALLEN. Well, I might state to the distinguished majority leader that the amendment is capable of being divided and there are two questions, and I would ask for a division and I would feel that both phases of the amendment could be addressed so that both phases of the amendment could be acted on tomorrow.

That would be in the late afternoon of tomorrow, and both phases might have been disposed of.

I would agree if that sort of order could be entered I would certainly have no objection.

Mr. BAKER. Will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I will be happy to yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I would hope that we could arrange some sort of schedule for tomorrow, particularly in view of the request I have now from one Senator who has accommodated us rather extraordinarily on voting times today. I am speaking of the distinguished Senator from Kansas (Mr. DOLE). He has commitments that will keep him from the floor until around noon, so if we can arrive at some sort of an arrangement to have an amendment pending. I wonder if the majority leader would consider also a request that no rollcall vote occur, say, before 12 o'clock.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Maryland is here, and he and Senator CHURCH have the heavy burden of managing the treaty on this side of the aisle. If he would have no objection, I certainly would think that would be a reasonable request.

Mr. SARBANES. Mr. President, will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SARBANES. I think that not having any vote before noon is a reasonable request. But I wonder if we could then go on to vote perhaps on the first part of the amendment. I understand the distinguished Senator from Alabama is going to divide his amendment and have two votes. Is that correct?

Mr. ALLEN. That is correct.

Mr. SARBANES. I think we might have a vote on the first part shortly after that hour, when I take it Senator DOLE would be back.

Would another hour or two be adequate for considering the second part?

Mr. ALLEN. One phase at 1 o'clock and another phase at 3:30, say.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? I ask that the Sergeant at Arms help us to secure order.

The PRESIDING OFFICER. The Sergeant at Arms will do so.

Mr. HANSEN. Mr. President, if the Senator will yield, I apologize. The Sergeant at Arms did not tell me precisely what he wanted, and I misunderstood his gesture. I assure the Senator that I shall not do it again.

Mr. ROBERT C. BYRD. The Sergeant at Arms is pretty capable of taking care of himself.

[Laughter.]

Mr. BAKER. Mr. President, I might also note for the record that the Sergeant at Arms is blushing. [Laughter.]

Mr. ROBERT C. BYRD. May I also say for the record that he is an outstanding Sergeant at Arms, and I have had the occasion many times to speak in approbation of him.

Will the distinguished Senator indicate what his amendment does? Perhaps the Senator from Maryland is aware of it.

Mr. ALLEN. The amendment I have at the desk is amendment No. 86. It addresses the question of whether or not the United States should agree in the treaty that we shall not have the authority to negotiate with another nation for the construction, operation, and maintenance of a new canal. It also discusses and addresses the question of whether or not another nation would be allowed to build another canal in Panama.

Those twin questions are addressed by the amendment.

Mr. ROBERT C. BYRD. The distinguished Senator had suggested a vote at 1 o'clock and another at 3:30.

Mr. ALLEN. That is correct.

Mr. SARBANES. If we had one at 12:30 and one at 3, that would give us from 10 to 12:30 on the first part—that is 2½ hours—and that would give us another 2½ hours on the second part of the amendment. That would make it possible to go on to another amendment after the vote at 3 o'clock. Does that sound reasonable to the Senator from Alabama?

Mr. ALLEN. I have a particular requirement that is going to cause the time of 12:30 not to be appropriate. I wonder if we could set it at 1 o'clock and 3:30?

Mr. SARBANES. If the Senator has some other requirement, I certainly think we should accede. I think the times he originally suggested, of 1 o'clock and 3:30, would be all right.

AMENDMENT NO. 86

Mr. ROBERT C. BYRD. Mr. President, if the Senator will allow me, I will put that in the form of a request.

Mr. ALLEN. Yes. I will call up the amendment.

Mr. President, I call up amendment No. 86, and I ask that it be stated in full.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment numbered 86:

Amend Article I by adding at the end of Section 1(d) the following new Subsection:

(e) It is expressly provided, however, that (A) nothing contained in this treaty shall deprive the United States of the right it has under the 1903 and 1955 treaties to prevent the construction of a second canal in Panama by any nation other than the United

States; and that (B) nothing contained in the treaty shall prevent the United States from negotiating with any other nation for the construction, maintenance, and operation of a transoceanic canal anywhere in the Western Hemisphere, or from constructing, maintaining, and operating any such canal.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I am delighted to yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that the vote occur in relation to the first division at 1 p.m. tomorrow and that a vote occur in relation to the second and final part at 3:30 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

I thank the distinguished Senator for calling up his amendment.

Mr. ALLEN. I thank the distinguished majority leader and the distinguished Senator from Maryland (Mr. SARBANES).

Mr. ROBERT C. BYRD. Before the Senator begins, may I ask this question: Does the Senator intend to speak on the amendment this evening? If so, can he indicate the length of time?

Mr. ALLEN. I would rather have a larger audience of Senators. I will not state the number on the floor, but every seat is not filled, I say to the distinguished majority leader. [Laughter.]

I would rather have a larger audience; and if it is all right with the distinguished majority leader, we might go out at this time and let me start discussing the amendment the first thing in the morning.

Mr. ROBERT C. BYRD. That will be fine. I thank the distinguished Senator.

Mr. President, I ask unanimous consent that when the Senate resumes its consideration of the treaty tomorrow, Mr. ALLEN be recognized at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business at this time, with statements therein limited to 5 minutes each, and the period not to extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 2:19 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 11318. An act to amend the Small Business Act and the Small Business Investment Act of 1958; and

H.R. 11518. An act to extend the existing temporary debt limit.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 494. A concurrent resolution expressing the sense of Congress regarding the operation of certain rail passenger service by the National Railroad Passenger Corporation.

At 4:55 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House has passed the following bills, without amendment:

S. 833. An act for the relief of Ah Young Cho Kwak; and

S. 1135. An act for the relief of Youngsoon Choi.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5383) to amend the Age Discrimination in Employment Act of 1967 to extend the age group of employees who are protected by the provisions of such act, and for other purposes.

The message further announced that the House insists upon its amendment to the bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes, disagreed to by the Senate, and agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; that Mr. MURPHY of New York, Mr. UDALL, Mr. EILBERG, Mr. BREAUX, Mr. STUDDS, Mr. HUGHES, Mr. MILLER of California, Mr. DODD, Mr. SEIBERLING, Mr. FISH, Mr. FORSYTHE, Mr. YOUNG of Alaska, and Mr. TREEN were appointed managers of the conference on the part of the House; and that the Speaker has appointed Mr. DINGELL as an additional manager on the part of the House solely for consideration of the provisions contained on page 8, lines 1–8; page 20, lines 12–14; page 30, lines 5–11; page 156, line 24 through page 158, line 18; and on page 167, lines 10–17 of the House engrossed amendment to the bill (S. 9) and modifications thereof committed to conference.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 11318. An act to amend the Small Business Act and the Small Business Investment Act of 1958; to the Select Committee on Small Business.

ORDER TO HOLD H.R. 11518 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 11518, to extend the existing temporary debt limit, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ABOUREZK, from the Select Committee on Indian Affairs, with amendments and with a preamble:

S.J. Res. 102. A joint resolution entitled "American Indian Religious Freedom" (Rept. No. 95–709).

By Mr. SASSER, from the Committee on Governmental Affairs, with an amendment:

S. 1265. A bill to amend chapter 21 of title 44, United States Code, to include new provisions relating to the acceptance and use of records transferred to the custody of the Administrator of General Services (Rept. No. 95–710).

By Mr. SASSER, from the Committee on Governmental Affairs, with amendments:

S. 1267. A bill to amend sections 3303a and 1503 of title 44, United States Code, to require mandatory application of the General Records Schedules to all Federal agencies and to resolve conflicts between authorizations for disposal and to provide for the disposal of Federal Register documents (Rept. No. 95–711).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Louis Polk, of Ohio, to be Chairman of the U.S. Metric Board.

The following-named persons to be members of the U.S. Metric Board:

Carl A. Beck, of Fennsylvania;
Francis R. Dugan, of Ohio;
Henry Kroeze, of Wisconsin;
Thomas A. Hannigan, of Maryland:
Frank Hartman, of Michigan;
Sandra R. Kennedy, of Maryland;
Roger Ellis Travis, of Massachusetts;
Sydne D. Andrews, of Florida;
Joyce D. Miller, of New York;
Glenn Nishimura, of Arkansas.
Satenig S. St. Marie, of Connecticut; and
Adrian G. Weaver, of Connecticut.

(The nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

H. K. Allen, of Texas, to be First Vice President of the Export-Import Bank of the United States.

(The nominations from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HATHAWAY:

S. 2771. A bill to exempt veterans' organizations from the unrelated business tax; to the Committee on Finance.

By Mr. SASSER:

S. 2772. A bill to amend title 5, United States Code, to revise the pay structure for Federal air traffic controllers; to the Committee on Governmental Affairs.

By Mr. ABOUREZK:

S. 2773. A bill to prohibit the release of information held, obtained, or prepared by the Federal Government, its departments and

agencies as a consequence of the Federal trust relationship with Indian people; to the Select Committee on Indian Affairs.

By Mr. LAXALT:

S. 2774. A bill to extend the boundaries of the Toiyabe National Forest in Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HART (by request):

S. 2775. A bill to amend the Atomic Energy Act of 1954, as amended, to improve the nuclear siting and licensing process, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DOLE:

S. 2776. A bill to amend the Internal Revenue Code of 1954 to provide that the use of the zero bracket amount will not reduce the benefits of income averaging; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATHAWAY:

S. 2771. A bill to exempt veterans' organizations from the unrelated business tax; to the Committee on Finance.

● Mr. HATHAWAY. Mr. President, I am pleased to introduce legislation to provide that the proceeds from the operation of certain games by nonprofit organizations would not be subject to the unrelated business income tax. Under the present law, organizations such as the Veterans of Foreign Wars and the American Legion, which are otherwise tax exempt, must pay Federal income taxes on the proceeds from beano and other regularly conducted games, if the organization pays workers to operate the games. The proceeds from the games are used for worthwhile charitable purposes. The present tax liability assessed to these groups, if not amended as provided in my bill, could cause them to significantly reduce their sponsorship of many worthwhile activities.

Originally the tax on income from unrelated business conducted by such organizations was imposed because taxpaying businesses complained of unfair competition. Since the operation of games by otherwise tax-exempt organizations does not compete with commercial activities, taxing their proceeds is not necessary, in my judgement, under the general purpose of the law.

The legislation I am introducing would only apply to games which are not prohibited by State or local law. In addition, the operation of the games could not be in competition with profitmaking businesses. The exempted proceeds would also have to come from games which usually have the wagers placed, the winners determined and the prizes or other property distributed in the presence of all persons placing wagers in the game.

The taxation of the proceeds of those games is an unnecessary obstacle for organizations performing important civic activities. It is a burden for their members and an injustice to the people they are trying to serve.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2771

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 513 of the Internal Revenue Code of 1954 (defining unrelated trade or business) is amended by adding at the end thereof the following new subsection:

"(f) CERTAIN GAMES.—

"(1) IN GENERAL.—The term 'unrelated trade or business' does not include any trade or business which consists of conducting qualified games.

"(2) QUALIFIED GAME.—For purposes of paragraph (1), the term 'qualified game' means any game—

"(A) of a type in which usually—

"(i) the wagers are placed,

"(ii) the winners are determined, and

"(iii) the distribution of prizes or other property is made, in the presence of all persons placing wagers in such game,

"(B) the conducting of which is not an activity ordinarily carried on on a commercial basis, and

"(C) the conducting of which does not violate any State or local law."

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1969.●

By Mr. SASSER:

S. 2772. A bill to amend title 5, United States Code, to revise the pay structure for Federal air traffic controllers; to the Committee on Governmental Affairs.

AIR TRAFFIC CONTROLLERS PAY REFORM ACT OF 1978

● Mr. SASSER. Mr. President, I am today introducing a bill which is designed to correct deficiencies in the classification system and pay structure which applies to the Nation's air traffic controllers. This bill recognizes that there are no other occupations in either the Federal or private sectors comparable to air traffic controllers and that therefore the general schedule and current Civil Service Commission classification methodology cannot be appropriately utilized for controllers.

The Controller Pay Reform Act establishes a unique classification and pay system specifically geared to controllers' duties and functions. The job of air traffic control is one of the most stressful in the entire Federal system and the proposed classification acknowledges the various difficulties associated with the job.

Principally this bill separates controllers from the constraints of the general schedule. The bill also proposes improvements in controller hours of work, reassignment options at the busiest, most difficult facilities, and recognition for the difficulty connected with giving on-the-job training to controller trainees using live traffic.

In short the Air Traffic Controller Pay Reform Act is designed to correct deficiencies and provide a sound, workable, and equitable classification system and pay structure which recognizes the unique, stressful, and highly complex nature of the job performed by this Nation's professional air traffic controllers.●

By Mr. LAXALT:

S. 2774. A bill to extend the boundaries of the Toiyabe National Forest in Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. LAXALT. Mr. President, I am pleased to introduce today legislation amending Public Law 91-372, known as the Bible Act, to remove the funding limitation and to expand the existing Toiyabe National Forest boundaries in the State of Nevada.

Mr. President, Lake Tahoe is one of the world's largest alpine lakes and is internationally known for its unique scenic and recreational resources. However, in spite of development controls and public acquisitions, continued development is still threatening the Lake Tahoe Basin environment. To preserve the ecology of the Lake Tahoe Basin, it has been a Federal policy to seek an optimum public land ownership pattern to provide increased public access and use of lands for outdoor recreation, to protect scenic and open space values, and to protect critical watersheds and fish and wildlife habitat. However, at this time, special legislation is needed for the Nevada portion of the Tahoe Basin to extend the Toiyabe National Forest boundaries and to amend the dollar limitation in the act of August 5, 1970, Public Law 91-372.

This law, as amended, extended the boundaries of the Toiyabe National Forest to include approximately 12,920 acres along the Nevada side of Lake Tahoe in order to aid in the protection and management of the resources of the area under principles of multiple use and sustained yield. In addition, there was a ceiling of $12,500,000 placed upon acquisition costs within the boundary extension. A total of $9,389,817 has been expended by the Forest Service within the Bible boundary, but there is an estimated $9,200,000 worth of property that remains to be purchased within the boundaries. Thus, the remaining available limitation of $3,110,183 from Public Law 91-372 will be inadequate to cover the acquisition of the remaining private lands within the Bible boundaries that have been identified as providing significant public benefits.

Additionally, Mr. President, there are other private lands outside the Bible boundaries that are highly desirable for recreation use by the public. These key private parcels include properties where sale for development purposes is likely, as well as properties not threatened by development but highly desirable for recreation purposes. Mr. President, if these lands were ultimately to be developed, it would create additional adverse environmental impacts on the Tahoe Basin and would unquestionably reduce the use and enjoyment of the existing public lands.

But, because these lands lay outside the current national forest boundaries, there is the question as to the Forest Service authority for acquisition. The bill I am now introducing would expand the Toiyabe National Forest boundaries, which, in my view, is the ideal solution.

Mr. President, since the limitations of Public Law 91-372 (Bible Act) will severely restrict the ability of the Forest Service from acquiring private lands that will provide significant public benefits,

I encourage my colleagues to support this legislation to enlarge the Toiyabe National Forest boundary and remove the existing funding limitation of $12.5 million. In my view, this action will greatly increase the recreation opportunities in the Lake Tahoe Basin as well as significantly reduce the risk of environmental degradation due to development.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2774

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to aid in the protection and management of the various resources of the lands, including the protection, improvement, and maintenance of the watershed, wildlife, recreation, and natural environment values thereof, situated in the Lake Tahoe Basin, and to promote the management and protection of such lands under principles of multiple use and sustained yield, the boundaries of the Toiyabe National Forest are hereby extended to include the area described in section 2 hereof. Subject to any valid claims now existing and hereafter maintained, any lands of the United States within such area are hereby added to such National Forest and shall be subject to laws and regulations applicable to the National Forests.

SEC. 2. This Act shall be applicable to the following described lands:

MOUNT DIABLO MERIDIAN, NEVADA

Township 13 North, Range 18 East: Section 3, lots 3 and 4, SE¼NW¼;

Section 9, lots 1 and 2; Section 10, lots 2 and 3, NE¼SW¼, S½SW¼;

Section 14, SE¼SE¼; Section 15, lots 1, 2, and 3, SW¼SW¼, E½W½, E½;

Section 16, lots 1 and 2; Section 22, lots 2, 3, and 4, E½NW¼, E½;

Section 23, E½NE¼, NW¼NW¼, S½NW¼; S½; Section 24, S½NE¼, NE¼SW¼, S½SW¼, Sections 26, 27, and 35, all that portion lying within the State of Nevada.

Township 13 North, Range 19 East: Section 19, all.

Township 14 North, Range 18 East: Section 3, lots 3, 4, and 5, NE¼SW¼, NW¼SE¼, SE¼SE¼; Section 4, lot 3; Section 10, lots 1, 2, 3, 4, and 5, NE¼NE¼, SE¼SE¼; Section 11, SW¼NW¼, W½SW¼; Section 15, lots 1, 2, 3, and 4, W½NE¼, SE¼SE¼; Section 22, lot 1, E½NE¼; Section 27, lots 1, 2, 3, and 4, NE¼NE¼, S½NE¼, SE¼; Section 34, lots 1, 2, 3, and 4, S½NW¼SW¼-NE¼, SW¼SW¼NE¼; Section 35, NW¼NW¼.

The area described aggregates 5,649.38 acres, more or less.

SEC. 3. Funds appropriated and available for acquisition of lands, waters and interests therein, in the National Forest System pursuant to section 6 of the Act of September 3, 1964 (78 Stat. 903), shall be available for the acquisition of any lands, waters, and interests therein, within the area described in section 2 of this Act. In addition, the Act of August 5, 1970 (P.L. 91-372) is hereby amended to remove the limitation on expenditures of $12,500,000 as it applies to the area described in the Act of August 5, 1970 (84 Stat. 694).●

By Mr. HART (by request):

S. 2775. A bill to amend the Atomic Energy Act of 1954, as amended, to improve the nuclear siting and licensing process, and for other purposes; to the Committee on Environment and Public Works.

NUCLEAR SITING AND LICENSING ACT OF 1978

● Mr. HART. Mr. President, at the request of the administration I am pleased to introduce the Nuclear Siting and Licensing Act of 1978. This is a complex and comprehensive bill designed to streamline the licensing process for light water nuclear reactors.

I have not had the opportunity to review personally all of the provisions of the bill. Thus, I am not prepared to endorse the measure. However, I do believe that nuclear licensing reform is an important issue which can and should be addressed by both the Congress and the Nuclear Regulatory Commission, and I commend the administration for moving on this matter.

Light water reactors provide a proven technology to meet part of our expanding electrical power needs. However, the extent to which this technology can and will be used depends on our ability to efficiently assure protection of the environment, and public health and safety. Over the past two decades, the Federal Government has developed a complex procedure aimed at providing assurance. However, in recent years, it has become increasingly apparent that the licensing process is unsatisfactory to all concerned—industry, intervenors, consumers, as well as State and Federal governments.

Dissatisfaction with the existing nuclear regulatory system, together with other questions, have challenged nuclear power as a viable energy resource. In the 1970's, generating electricity with nuclear power appeared to be the wave of the future. Between 1972 and 1974, there were orders for over 100 new plants. Two years later, however, the number of orders began to decrease drastically. There were only three in 1976, and four in 1977. Furthermore, in the past 3 years at least 25 nuclear plants have been canceled and 125 have been delayed—some indefinitely.

Such a significant decline in the nuclear energy industry can be traced only in part to the licensing process. Other factors, such as utility financing difficulties and reduced forecasts of electric power demand, have contributed to the nuclear dilemma. However, to the extent that inefficiencies within the nuclear regulatory process can be eliminated, this country's future nuclear energy prospects will be properly determined more by substance than by procedural considerations.

Mr. President, the Subcommittee on Nuclear Regulation of the Senate Committee on Environment and Public Works will consider this legislation carefully in the months ahead.

Mr. President, I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Nuclear Siting and Licensing Act of 1978."

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FINDINGS AND PURPOSES

SEC. 2. (a) The Congress, recognizing that a clear and coordinated energy policy consistent with sound safety and environmental controls must include an effective and efficient licensing process for siting, construction, and operation of nuclear power reactors which meet applicable safety and environmental criteria, finds and declares that:

(1) the national interest requires improved planning for future energy supply and demand;

(2) interstate commerce is substantially affected by the siting, construction, and operation of nuclear power reactors;

(3) the national interest requires full and open public participation in planning, siting, and licensing of nuclear power reactors;

(4) determinations respecting the need for new electric generating facilities, including power reactors, and the environmental impacts of such facilities, should be made in a timely manner by competent State or regional authorities and such determinations should not be duplicated by the Federal Government;

(5) where States do not elect to make site-specific environmental or general facility need determinations respecting nuclear power reactors, the national interest in the timely completion of such reviews and determinations warrants Federal exercise of the authority to make these determinations;

(6) it is in the national interest that planning for energy facility siting and need for power determinations be made consistently with national energy priorities, including the minimization of the use of oil and natural gas and the reduction of oil imports;

(7) decisions on the need for energy facilities necessarily entail a balanced consideration of alternative sources of energy including but not limited to conservation, solar energy, coal-fired and nuclear powered generating plants and other economically feasible technologies;

(8) siting and construction of nuclear power reactors may be facilitated by use of standardized nuclear power reactor designs which reduce the need for individual reactor licensing reviews; and

(9) the Nuclear Regulatory Commission should continue to exercise its independent statutory responsibilities to protect the pub-

lic health and safety and the common defense and security, taking into account that absolute safety is an unattainable goal for any energy source, that the cost of additional safety requirements should be given consideration, and that adequate protection of the health and safety of the public, in accordance with high standards established by the Commission, is the paramount consideration.

(b) The purposes of this Act are:

(1) to improve the effectiveness and efficiency of the nuclear power reactor licensing process, consistent with sound environmental, safety and security principles;

(2) to provide for early site reviews and open advance planning that will ensure needed electric generating facility siting;

(3) to protect the public interest and insure early and open public participation in the nuclear power reactor licensing process;

(4) to recognize the interests of the regions, States, and subdivisions thereof in nuclear power reactor siting;

(5) to facilitate the use of standardized facility designs for nuclear power reactors; and

(6) to provide for a more coherent allocation of nuclear power reactor review responsibilities and for cooperation and coordination between the Federal Government and the States.

TITLE I—PLANNING, SITING AND LICENSING

ADVANCE PLANNING AND EARLY NOTICE

SEC. 101. The Atomic Energy Act of 1954, as amended, is amended by adding a new section 112 to read as follows:

"SEC. 112. ADVANCE PLANNING AND EARLY NOTICE.—

"a. The Commission shall take such action as it may deem necessary or desirable, including establishment of Commission priorities in reviewing license or permit applications, to encourage or require persons proposing to construct and/or operate nuclear power reactors and persons proposing to obtain site permits for such facilities as provided by section 193 to engage in open and advance planning for the addition of such generating capacity and the selection of such sites, with opportunity for the Commission and interested persons to participate in such open and advance planning. Such planning shall consider projections of future energy supply and demand developed by a State, authorized interstate or regional organization or the Secretary of Energy. Open and advance planning under this subsection is intended to promote the early identification and resolution of issues which may exist with respect to a potential site or facility. The Commission by rule or regulation shall establish guidelines for participation in open and advance planning and shall establish its priorities for reviewing licenses and permits. Proposed guidelines and priorities shall be published in the Federal Register a minimum of ninety days before they are to take effect. Within sixty days after publication, the Commission shall hold an informal public hearing conducted without regard to section 554, 556 or 557 of Title 5 of the United States Code to consider comments prior to putting final guidelines and priorities into effect.

"b. The Commission shall require by rule or regulation that a person proposing to obtain approval of a standardized facility design, to construct and/or operate a production or utilization facility for industrial or commercial purposes, or to obtain a site permit for such a facility, provide notice of intent to file the application not less than six months prior thereto to the Commission and, except with respect to an application for approval of a standardized facility design, to the State in which the facility is proposed to be located or the site is located. Within ten days of receipt of the notice of intent, the Commission shall publish or cause to be published the notice once in the Federal Register, and twice in such major newspapers serving the affected areas as may be reasonably calculated to notify concerned or affected persons, except that with respect to an application for approval of a standardized facility design, newspaper publication shall be in such major newspapers as may be reasonably calculated to assure a broad national circulation.

"c. The Commission shall participate in the adequacy and reliability programs of the Department of Energy under section 202(a) of the Federal Power Act."

CONSTRUCTION PERMITS AND OPERATING LICENSES

SEC. 102. Section 185 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 185. CONSTRUCTION PERMITS AND OPERATING LICENSES

"a. All applicants for licenses to construct or modify production or utilization facilities shall, if the application is otherwise acceptable to the Commission, be initially granted a construction permit. The Commission shall not issue a construction permit for a thermal neutron power generation facility unless the State or a political subdivision within the State which has direct authority over electric generating facilities within its jurisdiction or other authorized public authority, after holding a hearing under procedures comparable to those that would be employed by the Commission for determinations under the National Environmental Policy Act of 1969, as amended, certifies to the Commission the specific need for the facility, except that if no public authority is authorized to issue such certification, the requirement for certification shall be waived. Any entity holding a certification hearing under this subsection shall hereinafter be referred to as the State. No less than 60 days prior to the commencement of a State certification hearing under this subsection, the applicant shall present to the State, and shall make available to the public, a detailed statement of the reasons for the need for power and all reasonable conservation alternatives. Such certification shall constitute a definitive determination of need for the power to be provided by the facility for the purposes of any other provision of Federal law. The State shall defend any determination of a certification hearing under this subsection in Federal Court in any action authorized under the National Environmental Policy Act of 1969, as amended. The Commission shall provide for on-site inspection of the construction of a production or utilization facility to insure conformity with the application and the construction permit, as amended, and with the rules and regulations of the Commission. Upon the filing of any additional information needed to bring the original application up to date, and upon finding that the facility authorized has been constructed and will operate in conformity with the application as amended and in conformity with the provisions of this Act and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of an operating license would not be in accordance with the provisions of this Act, the Commission shall thereupon issue an operating license to the applicant. For all other purposes of this Act, a construction permit is deemed to be a 'license'.

"b. Notwithstanding any other provision of this section, the Commission may issue to the applicant a combined construction permit and operating license for a thermal neutron power generation facility, if the application contains sufficient information to support the issuance of both a construction permit and operating license in accordance with the rules and regulations of the Commission and to enable the Commission to make the determinations relating to the common defense and security and the public health and safety required by sections 103 and 182. The Commission shall not issue a combined construction permit and operating license unless the State or a political subdivision within the State which has direct authority over electric generating facilities within its jurisdiction or other authorized public authority, after holding a hearing under procedures comparable to those that would be employed by the Commission for determinations under the National Environmental Policy Act of 1969, as amended, certifies to the Commission the specific need for the facility, except that if no public authority is authorized to issue such certification, the requirement for certification shall be waived. Any entity holding a certification hearing under this subsection shall hereinafter be referred to as the State. No less than 60 days prior to the commencement of a State certification hearing under this subsection, the applicant shall present to the State, and shall make available to the public, a detailed statement of the reasons for the need for power and all reasonable conservation alternatives. Such certification shall constitute a definitive determination of need for the power to be provided by the facility for the purposes of any other provision of Federal law. The State shall defend any determination of a certification hearing under this subsection in Federal Court in any action authorized under the National Environmental Policy Act of 1969, as amended. The Commission shall provide for on-site inspection of the construction of the facility to ensure conformity with the application and the combined construction permit and operating license, as amended, and with the rules and regulations of the Commission. Prior to the commencement of operation, the Commission shall find that the facility has been constructed and will operate in conformity with the combined construction permit and operating license, the provisions of this Act, and the rules and regulations of the Commission. Prior to commencement of operation the Commission shall publish a notice of intended operation as required by section 189 a. (2).

"c. In addition to any other authority the Commission may have, the Commission may permit an applicant for a construction permit for a production or utilization facility or combined construction permit and operating license for a thermal neutron power generation facility to prepare the proposed facility site for construction and perform such limited construction activities thereat as the Commission shall by rule, regulation or order determine to be permissible, upon determining (1) that all findings required to be made by the Commission, a State, or an authorized regional organization under the National Environmental Policy Act of 1969, as amended, or under section 195, prior to issuance of a construction permit or a combined construction permit and operating license, have been made, (2) on the basis of the available information and review to date, that there is reasonable assurance that the proposed site is a suitable location for a facility of the general size and type proposed from the standpoint of the protection of the health and safety of the public, and (3) if and to the extent that any safety-related construction activities are sought to be undertaken, that there are no significant unresolved public health and safety issues with respect to such activities. Such activities shall be conducted at the risk of the applicant and shall be subject to termination or modification by the Commission at any time. Safety-related construction activities undertaken pursuant to this subsection shall not proceed more than one year from the com-

mencement of such activities unless the Commission, upon good cause shown, extends such period.

"d. Nothing in this section shall affect the authority of any State or local governmental unit with respect to the issuance of any required permit or license for the siting, construction or operation of a production or utilization facility.

"e. Nothing in this section shall affect the requirement that antitrust review shall be completed prior to the issuance of a construction permit or a combined construction permit and operating license, including where necessary a hearing on antitrust issues as provided by sections 105 c. and 189 a."

HEARINGS

SEC. 103. Subsection 189 a. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"a. HEARINGS.—

"(1)(A) Except as provided by section 126 and by paragraph (2) of this subsection, in any proceeding under this Act for the granting, suspending, revoking, renewing or amending of any license (other than a manufacturing license issued pursuant to section 194), construction permit, or application to transfer control, in any proceeding for the suspending, revoking, renewing or amending of a site permit, in any proceeding for the payment of compensation, an award or royalties under section 153, 157, 186 c., or 188, in any proceeding for authorization to prepare a facility site or perform limited construction activities under section 185 c., or in any proceeding for the suspending, revoking, amending or renewing of an approval of a standardized facility design or major subsystem thereof under section 194, the Commission shall grant a hearing upon the request of any person whose interest may be affected by the proceeding, and shall admit any such person as a party to such proceeding. In any proceeding under section 103 or section 104 b. for a combined construction permit and operating license, under section 193 for the granting of a site permit, or under section 194 for approval of a standardized facility design or major subsystem thereof, the Commission shall hold a hearing and shall admit any person whose interest may be affected as a party to such proceeding.

(B) Hearings and decisions on issues arising under this Act in proceedings under this paragraph shall be in accordance with sections 554, 556, and 557 of Title 5 of the United States Code.

(C) Hearings and decisions on issues arising under the National Environmental Policy Act of 1969, as amended, in proceedings under this paragraph shall be in accordance with section 553 of Title 5 of the United States Code except that, only where necessary to resolve particular factual or legal questions which are essential to the outcome of the proceeding, the hearing and decision shall be in accordance with sections 554, 556, and 557 of Title 5 of the United States Code.

(D) Any other proceeding for the issuance or modification of rules and regulations dealing with the activities of licensees or holders of site permits shall be conducted in accordance with section 553 of Title 5 of the United States Code.

"(2) (A) With respect to any application under section 103 or section 104 b. for a license to manufacture a facility (other than a manufacturing license issued pursuant to section 194), any application under section 103 or section 104 b. for a construction permit or operating license for a facility, any application under section 104 c. for a construction permit or operating license for a testing facility, any application for an amendment or renewal of a license to manufacture or an amendment or a renewal of a construction permit or operating license for such facilities, any application under section 193 for an amendment or renewal of a site permit, or any application under section 194 for the amendment or renewal of an approval of a standardized facility design or major subsystem thereof, the Commission shall publish once in the *Federal Register* and twice in such major newspapers serving the affected areas as may be reasonably calculated to notify concerned or affected persons (except that with respect to an application under section 194 for an amendment or renewal of an approval of a standardized facility design or major subsystem thereof, newspaper publication shall be in such major newspapers as may be reasonably calculated to assure a broad national circulation), within thirty days after the receipt of any such application notices of the receipt thereof, and at least one hundred eighty days prior to the granting of any such application, a notice that consideration is being given to the granting thereof and that the Commission will grant a hearing upon the request of any person whose interest may be affected by the proceeding except that in the case of applications for amendments to manufacturing and operating licenses, construction permits, combined construction permits and operating licenses, site permits, and rules approving standardized facility designs such period shall be thirty days. The same one hundred eighty days notice shall be published with respect to applications under section 103 or section 104 b. for combined construction permit and operating license, under section 193 for the granting of a site permit, under section 194 for approval of a standardized final design or a major subsystem thereof except that such notice shall state that the Commission shall hold a hearing and shall admit any person whose interest may be affected as a party to the proceeding. The Commission may dispense with the thirty days' notice and publication with respect to any application for an amendment to a manufacturing license, an amendment to a construction permit and/or an operating license, an amendment to a site permit pursuant to section 193, or an amendment to a rule approving a standardized facility design pursuant to section 194, upon a determination by the Commission that the amendment involves no significant additional risk to the public health and safety. The Commission shall publish once in the *Federal Register* and twice in the appropriate newspapers notice of the issuance of such an amendment. With respect to any request for authorization to prepare a facility site or perform limited construction activities under section 185 c., the Commission shall publish once in the *Federal Register* and twice in such major newspapers serving the affected area as may be reasonably calculated to notify concerned or affected persons within thirty days after the receipt of any such request notice of the receipt thereof and that the Commission will grant a hearing on the findings required by 185 c. upon the request of any person whose interest may be affected.

"(B) The Commission shall also publish once in the *Federal Register* and twice in such major newspapers serving the affected area as may be reasonably calculated to notify concerned or affected persons at least one hundred eighty days prior to commencement of operation of any facility for which a combined construction permit and operating license had been issued, a notice that commencement of operation is expected to take place and that the Commission will grant a hearing upon the request of any person whose interest may be affected by such operation, but only upon a prima facie showing that, as a result of (1) significant new information or a significant new issue, or (2) a violation of a permit or license or rule, regulation or order issued by the Commission, some modification of the facility or other appropriate action should be taken which will provide substantial, additional protection for the public health and safety, or the common defense and security, or the protection of the environment.

"(C) Any hearing on an application subject to this paragraph or any hearing on the commencement of operation of any facility shall be limited to issues as to which there was no prior opportunity for hearing in a prior proceeding before the Commission or a State, unless the person requesting the hearing on the issue makes a prima facie showing in accordance with procedures established by the Commission that significant new information relevant to the issue has been discovered since the prior proceeding and that as a result thereof it is likely that the site or facility design will not comply with this Act or the Commission's regulations for protection of the public health and safety, the common defense and security, or the environment.

"(3) The Commission may, subject to the provisions of section 192, issue, in the case of a production or utilization facility, an interim operating license or an interim amendment to an operating license, or allow interim operation of a facility for which a combined construction permit and operating license had been issued, in advance of the conduct or completion of any required hearing. Prior to issuance of any such interim amendment, and at least thirty days prior to issuance of any such interim license or allowing any such interim operation, the Commission shall publish once in the *Federal Register* and twice in such major newspapers serving the affected area as may be reasonably calculated to notify concerned or affected persons a notice of intent to do so, requesting comments from interested persons and stating that a hearing shall be held on whether such action is, in the case of an interim operating license or in the case of allowing interim operation of a facility for which a combined construction permit and operating license had been issued, necessary because of an urgent public need or emergency or, in the case of an interim amendment to an operating license, necessary in the public interest. In the case of an interim operating license or allowing interim operation of a facility for which a combined construction permit and operating license had been issued, such hearing may be held either before or after the expiration of the thirty-day notice period. The Commission itself shall preside at any such hearing and shall determine, in its sole discretion, whether the hearing and decision will be formal or informal, conducted with or without regard to section 554, 556, or 557 of Title 5 of the United States Code. Selection of hearing and decision procedures by the Commission shall not be subject to judicial review."

INTERIM OPERATING AUTHORITY

SEC. 104. Section 192 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 192. INTERIM OPERATING AUTHORITY.—

"a. The Commission is authorized, subject to the provisions of subsection b. of this section, to issue an interim operating license or an interim amendment to an operating license for a production or utilization facility, or to allow interim operation of a facility for which a combined construction permit and operating license had been issued, in advance of the conduct or completion of any required hearing. Application for such interim operating authority shall be in writing and shall show, to the satisfaction of the Commission, that there is a need for the operation of the facility in advance of the conduct or completion of such hearing.

"b. (1) Prior to the issuance of an interim operating license or prior to commencement of interim operation, it shall be found by the Commission itself that:

"(A) issuance or commencement of opera-

tion is necessary because of an urgent public need or emergency; and

"(B) that the hearings provided for in paragraphs (1)(A) and (2) of section 189 a. have been completed on any significant, site-specific issue presented in such hearing pertaining to public health and safety or the common defense and security.

"(2) Prior to the issuance of an interim amendment to an operating license, it shall be found:

"(A) by the Commission itself, that the issuance thereof is in the public interest; and

"(B) by the Commission itself or its designee that, in all respects other than the conduct or completion of any required hearing, the requirements of this Act, including but not limited to matters of public health and safety and common defense and security, of the rules and regulations of the Commission, and of the National Environmental Policy Act of 1969, as amended, and as provided in section 195, have been met.

"c. (1) No interim operating license or interim amendment to an operating license shall be issued, and no interim operation shall be allowed, for a period to exceed twelve months, unless for good cause shown the Commission extends such period.

"(2) Any interim operating license or any interim amendment to an operating license shall contain and any interim operation shall be subject to such conditions as the Commission deems appropriate to assure that any subsequent findings and orders of the Commission with respect to the proceeding will be given full force and effect."

EARLY SITE APPROVAL

SEC. 105. The Atomic Energy Act of 1954, as amended, is amended by adding a new section 193 to read as follows:

"SEC. 193. EARLY SITE APPROVAL.—

"a. The Commission is authorized to issue a site permit for approval of a site for one or more thermal neutron power generation facilities upon the application of any person, notwithstanding the fact that no application for a construction permit or a combined construction permit and operating license for such facility or facilities has been filed. For all other purposes of this Act, a site permit is deemed to be a 'license'.

"b. Each application under subsection a. shall be in writing and shall contain such information as may be required by the Commission to determine the suitability of the site for its intended purpose, including:

"(1) the number, type or types, and thermal power level of the facilities with respect to which application for site approval is made;

"(2) the boundaries of the site;

"(3) the proposed general location of each such facility on the site;

"(4) the proposed maximum levels of

"(A) radiological effluents; and

"(B) thermal effluent

that each such facility will produce;

"(5) the type or types of cooling systems (intake or outflow) that may be employed by each such facility;

"(6) the seismic, meteorological, hydrologic and geologic characteristics of the proposed site and the population density of the area surrounding the site; and

"(7) such other information as the Commission may by rule or regulation require.

"c.(1) If, after considering all information submitted by the applicant regarding the matters specified in subsection b., and holding a hearing as provided by section 189a. (1), the Commission determines that the proposed site is suitable for the construction and operation of the facility or facilities described in the application consistent with public health or safety and protection of the environment, it shall grant the application under subsection a. and issue a site permit without condition or with such conditions as it deems appropriate.

"(2) In making any determination pursuant to paragraph (1) of this subsection, the Commission shall, with respect to each of the matters specified in subsection b., state in writing its findings regarding the suitability of the site for the facility or facilities described in the application.

"(3) Any final determination of the Commission on an application filed pursuant to this section shall be a final order of the Commission for purposes of section 189 b.

"d. (1) A site permit shall be valid with respect to a facility to be constructed on the site for which an application for a construction permit or a combined construction permit and operating license is filed within a period of ten years from the date of issuance of the site permit.

"(2)(A) No less than eighteen nor more than forty-eight months prior to the expiration of the ten-year period, the holder of the site permit may apply for a renewal of the site permit. Upon review by the Commission, the Commission may renew a site permit for additional ten-year periods from the date of renewal, pursuant to such rules and regulations as the Commission may deem appropriate.

"(B) Upon application for renewal of a site permit pursuant to subparagraph (A), the Commission shall renew the site permit unless it finds that significant new information relevant to the site has become available and that as a result thereof it is likely that the site will not comply with this Act or the Commission's regulations for protection of the public health and safety, the common defense and security, or the environment.

"(3) Any site permit issued puruant to subsection c. shall be valid only with respect to a thermal neutron power generation facility:

"(A) which is designed to produce levels of thermal power, radiological effluent and air emissions and thermal effluent no greater than the levels specified in the permit; and

"(B) which meets such other criteria as the Commission may by rule, prescribe.

"e. Any applicant for a construction permit or a combined construction permit and operating license for a thermal neutron power generation facility to be located on a site approved pursuant to subsection a. may, upon 30 days' prior written notice to the Commission and to the State in which the site is located, and upon publication twice in such major newspapers serving the affected area as may be reasonably calculated to notify concerned or affected persons notice of the scope of the intended preparation and unless otherwise ordered by the Commission or the State, prepare the approved site for construction and perform such limited construction activities thereat as the Commission may, by rule or regulation, determine to be permissible. Such activities shall be conducted at the risk of the applicant and shall be subject to modification or termination by the Commission at any time. Safety-related construction activities shall not proceed more than one year from the commencement of such activities unless the Commission, upon good cause shown, extends such period. Nothing in this subsection shall affect the authority of any State or local governmental unit with respect to the issuance of any required permit or license for the preparation of the site or the construction activities authorized by this subsection.

"f. For purposes of any evaluations and determinations relating to the approval of a proposed site under this section required by the National Environmental Policy Act of 1969, as amended, whether made by the Commission, a State or a regional organization, a finding of a generic future need for electric power shall constitute a definitive determination that there is a need for the power proposed to be provided at the site.

"g. Approval of a site under this section shall not preclude its approval or use as a site for an alternate or modified type of energy facility or for any other purpose.

"h. Nothing in this section shall preclude a request for a determination with respect to limited aspects of the suitability of the site for its intended purpose."

APPROVAL OF STANDARDIZED FACILITY DESIGNS

SEC. 106. The Atomic Energy Act of 1954, as amended, is amended by adding a new section 194 to read as follows:

"SEC. 194. APPROVAL OF STANDARDIZED FACILITY DESIGNS.—

"a. The Commission is authorized and directed to establish procedures whereby, through a rulemaking or manufacturing license proceeding in which a hearing shall be held, as provided by section 189 a. (1), it may approve the preliminary or final design for a thermal neutron power generation facility upon application by any person, notwithstanding the fact that no application for a construction permit or combined construction permit and operating license for such facility has been filed.

"b. The Commission is also authorized under this section to approve preliminary or final standardized designs for any major subsystem of a thermal neutron power generation facility which represents a discrete element of the facility, as defined by the Commission.

"c. Notwithstanding section 161 w. of this Act or the Independent Offices Appropriation Act of 1952, no application filing or issuance fees shall be required for an application for approval or for an amendment or renewal of an approval of a standardized facility or major facility subsystem design under this section, provided that the Commission is authorized to allocate the costs that would otherwise have been defrayed by fees required of applicants under this section among applicants for permits or licenses which propose to use the approved standardized design.

"d.(1) Any rule or license issued by the Commission under this section shall be valid with respect to an application for a construction permit or a combined construction permit and operating license which meets any conditions of the rule or license and is filed within a period of five years from the date of approval.

"(2)(A) No less than twelve nor more than eighteen months prior to the expiration of the five-year period provided under paragraph (1), the person to whom the rule or manufacturing license was issued may apply for a renewal of the rule or manufacturing license. Upon review by the Commission, the Commission may renew the rule or manufacturing license for additional three-year periods from the date of renewal pursuant to such rules and regulations as the Commission may deem appropriate.

"(B) Upon application for renewal of a rule or manufacturing license issued pursuant to subsections a. or b., the Commission shall renew the rule or license unless it finds that significant new information relevant to the design has become available and that as a result thereof it is likely that the design will not comply with this Act or the Commission's regulations for protection of the public health and safety, or the common defense and security.

"e. Within six months from the date of enactment, the Commission shall by rule or regulation determine which utilization facilities, for which applications for construction permits have been filed with the Commission, propose to employ designs which would be eligible to qualify as approved standardized facility designs under this sec-

tion. The Commission shall publish in the *Federal Register* a list of all such facilities. All provisions of this Act which apply to standardized facility designs shall apply to all such facilities.

"f. Nothing in this section or section 189 shall preclude the Commission from promulgating rules in accordance with section 553 of Title 5 of the United States Code which set forth standards and criteria for production or utilization facility designs, or which approve the preliminary or final designs for minor subsystems of thermal neutron power generation facilities, as defined by the Commission, or which approve the preliminary or final design for production or utilization facilities other than thermal neutron power generation facilities.

"g. Any final determination of the Commission on an application filed pursuant to subsections a., b., or d., shall be a final order of the Commission for purposes of section 189 b."

TITLE II—FEDERAL AND STATE REVIEWS

LICENSE APPLICATIONS

SEC. 201. Subsection 182 b. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"b. The Advisory Committee on Reactor Safety shall review each application under section 103 or section 104 b. for a manufacturing license for a facility, each application under section 103 or section 104 b. for a construction permit and/or an operating license for a facility, any application under section 104 c. for a construction permit or an operating license for a testing facility, any application under section 104 a. or c. specifically referred to it by the Commission, any application for a site permit under section 193, any proposed rule approving a standardized facility design under section 194 a. or b., and any application for an amendment or renewal of a manufacturing license or construction permit or an amendment or renewal of an operating license under section 103 or section 104 a., b., or c. or an amendment or renewal of a site permit under section 193 or a proposed amendment or renewal of a rule approving a standardized facility design under section 194 a., b., or d. specifically referred to it by the Commission, and shall submit a report thereon. Except with respect to applications for approval of standardized designs under section 194 a. or b. and for construction permits or operating licenses for facilities other than thermal neutron power generation facilities, unless the Commission specifically requests a review and report on an application or portion thereof, the Committee may dispense with all or part of such review and report by notifying the Commission in writing that all or part of such review by the Committee is not warranted. Except to the extent that security classification prevents disclosure, any report of notice required by this subsection shall be made part of the record of the application or rulemaking proceeding and available to the public and any notice by the Committee that review is not warranted shall be published in the *Federal Register*."

STATE ENVIRONMENTAL REVIEWS

SEC. 202. The Atomic Energy Act of 1954, as amended, is amended by adding a new section 195 to read as follows:

"SEC. 195. STATE ENVIRONMENTAL REVIEWS.—

"a. (1) Upon the filing of an application for a site permit, construction permit, or combined construction permit and operating license for a thermal neutron power generation facility, whichever is filed first, the Commission shall within ten days notify the State within which the facility is proposed to be located. A State may elect to determine the environmental acceptability of and/or need for proposed thermal neutron power generation facilities or proposed sites for such facilities with specified general site-related characteristics, or to evaluate discrete, limited aspects, as established by the Commission, of the environmental acceptability of and need for proposed thermal neutron power generation facilities or proposed sites for such facilities with specified general site-related design characteristics. Within sixty days after receipt of such notice, the State shall notify the Commission whether it has made or will make any or all of the evaluations and determinations provided for by this section, and whether it has a program, approved by the Commission under subsection e., for making such evaluations and determinations.

"(2) If the Commission receives notice that the State will make all the determinations provided for by this section and has an approved program:

"(A) it shall not issue the site permit, construction permit, or combined construction permit and operating license for the facility, whichever is requested first, unless it is notified by the State that the State has determined that in the case of a construction permit or combined construction permit and operating license, construction and operation of the thermal neutron power generation facilities will be environmentally acceptable or, in the case of a site permit, that the State has determined that construction and operation of the thermal neutron power generation facilities with specified general site-related design characteristics will be environmentally acceptable; and

"(B) it shall not issue a construction permit or combined construction permit and operating license for the facility unless it is notified by the State that the State has determined that there is a need for the facility.

"(3) If the Commission receives notice that the State will make some of the evaluations and determinations provided for by this section and has an approved program:

"(A) it shall not, in the case of a site permit, construction permit, or combined construction permit and operating license for the facility, whichever is requested first, determine that in the case of a construction permit or combined construction permit and operating license construction and operation of the thermal neutron power generation facilities will be environmentally acceptable or, in the case of a site permit, determine that construction and operation of the thermal neutron power generation facilities with specified general site-related design characteristics will be environmentally acceptable, until it has received from the State such evaluations and determinations as the State has elected to make; and

"(B) it shall not, in the case of a construction permit or combined construction permit and operating license, determine that there is a need for the facility, until it has received from the State such evaluations and determinations regarding the need for the facility as the State has elected to make.

"(4) Evaluations and determinations shall be made by a State under this section in accordance with the National Environmental Policy Act of 1969, as amended.

"(5) Evaluations and determinations made by a State under this section and under its approved program shall not be subject to further review by the Commission and shall not be subject to challenge either before the Commission or in a Federal court review of Commission action under the National Environmental Policy Act of 1969, as amended.

"b. (1) Notice from a State to the Commission that it has made or will make all the determinations provided for by this section and has a program, approved by the Commission, for making such determinations, will discharge the Commission from its responsibilities under the National Environmental Policy Act of 1969, as amended, with regard to such determinations.

"(2) Notice from a State to the Commission that it has made or will make some of the evaluations and/or determinations provided for by this section and has a program, approved by the Commission, for making such evaluations and determinations, will discharge the Commission from any of its responsibilities under the National Environmental Policy Act of 1969, as amended, to prepare an assessment of those discrete aspects of environmental acceptability and/or need for power covered by such evaluations and/or determinations. The Commission shall use the evaluations and determinations prepared by a State under this section in discharging its remaining responsibilities under the National Environmental Policy Act of 1969, as amended.

"(3) If no notice is received within sixty days by the Commission, as provided in subsection a., then the Commission shall have the exclusive authority, except as provided in section 185 a. and b., as against the State, to determine whether the thermal neutron power generation facilities will be in compliance with the National Environmental Policy Act of 1969, as amended.

"c. If a State has made some or all of the evaluations and/or determinations provided for by this section with respect to proposed thermal neutron power generation facilities or proposed sites for such facilities, then the provisions of this section shall apply with respect to such evaluations and determinations to each successive application with respect to the same facilities or site. The ongoing responsibilities of any State with a program approved under subsection e. of this section for such evaluations and/or determinations under the National Environmental Policy Act of 1969, as amended, shall be the same as those of the Commission with respect to any application for a facility proposed to be located in a State that does not have a program approved under subsection e. of this section.

"d. Nothing in this section shall affect in any way the Commission's authority to protect the public health and safety and the common defense and security pursuant to the Atomic Energy Act of 1954, as amended, or the Energy Reorganization Act of 1974, as amended, to be construed as vesting the States with any such authority not contained in existing law. If notice is received by the Commission that a State will make all the determinations provided for by this section and has an approved program, the Commission shall, pursuant to the provisions of the National Environmental Policy Act of 1969, as amended, assess the environmental aspects of radiological safety impacts of the operation of the facility and prepare and forward to the State a statement of its analysis and conclusions of the nature and extent of such impacts. The State shall include the radiological safety impacts as set forth by the Commission in its statement of conclusions in the State's determination regarding environmental acceptability provided for by this section. The Commission's statement of conclusions of the nature and extent of radiological impacts shall not be subject to review in any State administrative or judicial proceeding.

"e. The Governor of any State electing to make any or all of the evaluations and determinations provided for in subsection a. of this section shall submit a program for making such evaluations and determinations to the Commission for review and approval. The Commission is authorized to approve a State program in whole or in part and to specify for which evaluations and determinations a State program is approved. The Commission is authorized, in consultation with other Federal agencies and the States, to establish

guidelines for use in reviewing the State programs. Any State program approved under this section shall include:

"(1) provisions to assure compliance by the State official or officials who administer the program with the National Environmental Policy Act of 1969, as amended, including consent by a State official to assume the status of a responsible federal official within the meaning of such Act and authority for and consent by the State official to accept the jurisdiction of the Federal courts for the purpose of enforcement and review of responsibilities under such Act;

"(2) provisions to assure that the State will give reasonable consideration to economically feasible alternative source of power including but not necessarily limited to conservation, solar energy, coal-fired generating plants, and other technologies and that, with respect to an application for a site permit, the State will find a generic need for power as provided in section 193 f.;

"(3) provisions to assure that the State will have adequate resources and expertise to consider environmental impacts of and/or the need for proposed facilities. State determinations regarding environmental acceptability shall include all relevant environmental considerations, including decisions on certifications and discharge permits under sections 401 and 402 of the Federal Water Pollution Control Act, as amended, decisions on certification concurrences under section 307 of the Coastal Zone Management Act of 1972, as amended, and any other State decisions required by Federal or State law to prevent or mitigate environmental impacts from siting, construction, or operation of the thermal neutron power generation facilities;

"(4) provisions to assure open and early public participation, including provisions for hearings on final determinations under this section, under procedures comparable to those that would be employed for such determinations by the Commission;

"(5) provisions to assure that coordinated and timely decisions are reached to carry out the purposes of the Act with respect to the issuance by the Commission of site permits, construction permits or combined construction permits and operating licenses, including the establishment of a schedule for completing the evaluations and/or determinations provided for by this section;

"(6) provisions to assure that where more than one State agency is involved, an agency is designated to coordinate, direct and combine the reviews of all of the involved agencies and to cooperate with Federal authorities to insure adherence to the schedule established under paragraph (5);

"(7) provisions to assure coordination with related Federal reviews and for mutual assistance between Federal and State agencies to avoid duplication;

"(8) provisions to assure that, if the State elects to assume less than full responsibility for determining the environmental acceptability of and need for the thermal neutron power generation facility, the State, in consultation with the Commission, shall coordinate its evaluations and determinations with those of the Commission in order that the Commission may in a timely fashion make the determinations required by the National Environmental Policy Act of 1969, as amended; and

"(9) provisions to assure consideration of regional factors in determining environmental acceptability and need for power and that there is opportunity for participation of adjacent States, when affected.

"f. States are encouraged to establish and participate in interstate or regional organizations which, among other things, may discharge the State's responsibilities for determining need for power and/or determining whether the thermal neutron power generation facilities will be environmentally acceptable or evaluating such discrete, limited aspects thereof as the Commission may permit. Upon notice by a State to the Commission that such a regional or interstate organization is designated to act for it, the provisions of this section shall be applicable to that organization.

"g.(1) The Commission is authorized to review any program approved under this section and the performance of each State.

"(2) The Commission shall have the authority to suspend or terminate any financial assistance extended under this section and to suspend or terminate its approval of a State program if:

(A) it determines that the State is failing to adhere to the program approved by the Commission; and

(B) the State has been given notice of the proposed termination and withdrawal and given an opportunity to demonstrate compliance with its program.

"(3) If a State program is terminated or suspended, the appropriate Federal agency may take into account such record as may have been established in any proceeding pending at the time of termination or suspension, so as to avoid undue delay and duplication of State actions.

"h. States with programs approved under this section and States providing information and assistance as provided by subsection i. of this section may request and receive the assistance of Federal agencies, including national laboratories. The Federal agencies are authorized to provide such assistance, which may include manpower training, the loan of personnel, and such studies and data as may be required by the State to discharge its responsibilities under the approved program or under subsection i. of this section.

"i. Any State that does not have a program approved by the Commission under subsection e. may provide to the Commission such information and assistance with respect to the evaluations or determinations provided for by this section as the State may deem appropriate. Such information and assistance may include any decisions regarding the need for and any data, analyses, conclusions, findings and/or decisions regarding any or all environmental impacts (except radiological safety impacts of the operation of the facility) of the proposed thermal neutron power generation facilities. The Commission may rely on such data, analyses, and conclusions in discharging its responsibilities under the National Environmental Policy Act of 1969, as amended. Paragraph (5) of subsection a. shall not apply to such information and assistance.

"j. The Commission is authorized to make annual grants to any State or authorized interstate or regional agency for the purpose of assisting in the development or administration of a program specified in this section or the providing of information and assistance as provided by subsection i. of this section. Such grants shall be allocated among States and authorized interstate or regional organizations based on rules and regulations promulgated by the Commission. A State or authorized interstate or regional organization may, subject to the criteria contained in section 197 and the rules and regulations of the Commission issued pursuant thereto, use that portion of the money received under this subsection as may be permitted by the Commission to fund intervenors in proceedings held in furtherance of such State or interstate or regional organization's responsibilities under this section or under section 185 a. or b. There are authorized to be appropriated for this purpose such sums as may be necessary for the fiscal year ending September 30, 1979.

"k. Except as expressly provided by this section, the responsibility of the Commission or any other Federal agency to comply fully with the requirements of the National Environmental Policy Act of 1969, as amended, shall not be changed."

FEDERAL AND STATE COORDINATION

SEC. 203. The Atomic Energy Act of 1954, as amended, is amended by adding a new section 196 to read as follows:

"SEC. 196. FEDERAL AND STATE COORDINATION.—

"a. With respect to any application for a site permit, for approval of a standardized facility design, for a construction permit and/or operating license, or for a manufacturing license, the Commission shall establish a schedule for the conduct and completion of all required Commission reviews and decisions. The Commission is authorized to cooperate with other Federal and State or regional agencies with review and/or decision-making authority regarding the siting, licensing, construction, or operation of nuclear power reactor facilities in order to eliminate duplication of effort, establish a common data base for similar reviews and decisions, and assure timely decisions. The Commission shall establish, after consultation with the interested Federal and State or regional agencies, target dates consistent with the Commission schedule for completion of agency reviews and decisions. All Commission cooperative efforts, including establishment of schedules and target dates, shall be accomplished in a manner consistent with the statutory obligations of all Federal and State or regional agencies, and the Commission shall have no authority to require any agency to reach a particular decision on the merits of any matter pending before it. Neither the establishment of a schedule or target date by the Commission nor the failure of any affected Federal, State or regional agency to meet a target date shall be subject to judicial review, whether in a proceeding to review or set aside an individual affected Federal, State or regional agency decision, or otherwise.

"b. The Commission or a State that is making all the determinations provided for by section 195 shall be the lead agency for purposes of the preparation of any environmental impact statement required by section 102(2)(C) of the National Environmental Policy Act of 1969, as amended, for any action taken under this Act.

BULK ELECTRIC POWER

SEC. 204. The Atomic Energy Act of 1954, as amended, is amended by adding a new sentence at the end of section 271 to read as follows:

"Nothing in this Act shall be construed to imply any delegation of authority to any State, political subdivision thereof or other authorized public authority to regulate, obstruct or burden commerce in bulk electric power."

TITLE III—INTERVENORS

FUNDING FOR INTERVENORS

SEC. 301. The Atomic Energy Act of 1954, as amended, is amended by adding a new section 197 to read as follows:

"SEC. 197. FUNDING FOR INTERVENORS.—

"a. (1) The Commission is hereby authorized to establish a pilot program for funding intervenors in initial or renewal licensing proceedings, including site permit, construction permit and/or operating license and amendment proceedings, but not including any proceeding for an export license, conducted by the Commission pursuant to the Atomic Energy Act of 1954, as amended, or the Energy Reorganization Act of 1974, as amended. The Commission may, in its sole discretion, also extend the pilot program to selected rulemaking proceedings conducted by it.

"(2) This section does not authorize the payment of funds for merely attending, as opposed to participating as a party in, Commission proceedings, nor for proceedings where the cost of participation is minimal.

"(3) This section does not create any new right to participate in any Commission proceeding which is not authorized by other provisions of law.

"b. The Commission shall, upon request and subject to available appropriations, the eligibility criteria set forth below, and any allocation determination under this subsection, pay for all or part of the cost of intervention of a party, including attorneys' fees, in Commission proceedings of the type described in subsection a. The amount paid, if any, need not cover all the costs of intervention and shall be determined based upon the intervenor's contribution to the proceeding, the provisions of this subsection and subsections f. and g., and procedures and criteria established by the Commission by rule or regulation for determining the eligibility of intervenors for funding and the amount of funds to be provided. These criteria shall include requirements to establish the following:

"(1) the intervenor's interest in the matter;

"(2) that the intervenor does not have reasonable access to alternative sources of funds;

"(3) that the intervention would not occur or its effectiveness would be significantly limited in the absence of funding;

"(4) that the intervenor's participation is likely to lead to presentation of substantive arguments and/or views that would not otherwise have been presented; and

"(5) that presentation of such views can reasonably be expected to contribute substantially to a fair determination in the proceeding.

The Commission shall by rule, regulation or order, allocate available funds for costs of intervention to types or classes of proceedings.

"c. Payments shall be made following the proceeding unless the intervenor establishes to the satisfaction of the Commission that advance payments are required in order that its participation not be substantially impaired.

"d. A person who receives payments after a final decision or order pursuant to this section or advance payments pursuant to this section shall be liable for repayment of part or all of such payments actually received, or for forfeiture of part or all of such payments for which such person is otherwise determined to be eligible, whenever the Commission determines that:

"(1) the person clearly has not provided the representation for which the payments were made or authorized; or

"(2) the person has acted toward any other participant or the Commission in such a way as to unjustifiably delay, mislead, or otherwise frustrate the objectives of the proceeding.

"e. The amount of costs of intervention awarded under this section for a particular proceeding shall be based upon the appropriations available and the prevailing market rates for the kind and quality of the services furnished, except that no expert, consultant or attorney shall be compensated at a rate in excess of the highest rate of compensation for experts, attorneys and consultants paid by the Commission.

"f. Whenever applications for payment under this section are submitted by more than one intervenor, the Commission may require consolidation of duplicative presentations, select one or more effective representatives to participate, offer compensation only for certain categories of expenses, or jointly compensate parties representing identical or closely related viewpoints.

"g. Any decision of the Commission made pursuant to this section shall be subject to review in court to the same extent as any other Commission decision, notwithstanding the fact that such decision may be interlocutory in nature, except that the courts of the United States shall have no jurisdiction to stay, restrain or otherwise enjoin the proceedings of the Commission based on an alleged violation of this section, nor shall the courts of the United States have jurisdiction to reverse, remand or otherwise require reconsideration of any other Commission decision solely on the basis of a Commission decision under this section, except where there has been a clear abuse of Commission discretion.

"h. The Commission shall, within ninety days after the date of enactment of this section, propose regulations to carry out the provisions of this section. Such regulations shall be adopted by the Commission and take effect no later than one hundred eighty days after the date of enactment of this section.

"i. Authority to fund intervenors under this section shall expire on December 31, 1983, except that the Commission may continue to fund intervenors in proceedings which were underway on that date and where applications for funding in such proceedings were already filed with the Commission before that date. On or before December 31, 1982, the Commission shall prepare and transmit to the Congress a report on the impact and effectiveness of this section."

"j. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

TITLE IV—CONFORMING AMENDMENTS

ADVISORY COMMITTEE ON REACTOR SAFETY

SEC. 401. Section 29 of the Atomic Energy Act of 1954, as amended, is amended by deleting "Safeguards" wherever it appears and inserting in lieu thereof "Safety"; and in the second sentence by inserting ", as provided in section 182 b.," after the words "the Committee shall"; by deleting the word "and" after the word "studies" and inserting a comma in lieu thereof; by deleting the words "referred to it" after the word "applications" and by inserting in lieu thereof the words ", site permit applications, and proposed rules approving standard facility designs".

ANTITRUST PROVISIONS

SEC. 402. Section 105 c. of the Atomic Energy Act of 1954, as amended, is amended in the first sentence of paragraph (2) by inserting "and/" after the word "construct".

GENERAL PROVISIONS

SEC. 403. Section 161 O. of the Atomic Energy Act of 1954, as amended, is amended by inserting the words "authorized by section 193 or conducted" after the word "activities" the second time such word appears.

REVOCATION

SEC. 404. Section 186 a. of the Atomic Energy Act of 1954, as amended, is amended by inserting the words "or site permit" after the word "license" wherever it appears: and by inserting the words "or section 193" after the words "section 182".

MODIFICATION OF LICENSE AND SITE PERMITS

SEC. 405. Section 187 of the Atomic Energy Act of 1954, as amended, is amended by inserting the words "and site permits" after the word "licenses".

JUDICIAL REVIEW

SEC. 406. Section 189 b. of the Atomic Energy Act of 1954, as amended, is amended by adding a new sentence at the end thereof to read as follows:

"Decisions made by the Commission as provided in section 197 shall be subject to judicial review as provided in section 197, and shall not be subject to judicial review as part of the final Commission order in the proceeding."

ATOMIC SAFETY AND LICENSING BOARD

SEC. 407. Section 191 a. of the Atomic Energy Act of 1954, as amended, is amended by deleting the word "or" after the word "license"; inserting a comma in lieu thereof; and by inserting ", or site permit" after the word "authorization".

TITLE V—EFFECTIVE DATES

SEC. 501. a. Sections 104, 105, 106, 201, 203 and 204 shall take effect as of the date of enactment, and shall apply to all proceedings pending as of the date of enactment or commenced on or after the date of enactment.

b. Sections 102, 103, 401, 402, 403, 404, 405, 406 and 407 shall be effective as to all applications filed with the Commission on or after the date of enactment.

c. Section 301 shall be effective as to all applications filed with the Commission on or after one hundred eighty days after the date of enactment.

d. Sections 101 and 202 shall take effect one year after the date of enactment and shall be effective as to all applications filed with the Commission on cr after that date.

SECTION-BY-SECTION ANALYSIS

Section 2. Findings & Purposes.

Subsection a. sets forth Congressional findings, relating to the need for developing a more effective and efficient licensing process by facilitating siting, construction and operation of nuclear power plants consistent with sound environmental controls. These include a finding of an effect on interstate commerce of the siting, construction and operation of nuclear power plants; a finding that determinations respecting site-specific environmental impacts and general need for electric generating capacity should be made by competent State or regional authorities except where States do not elect to make such determinations or fail to make such determinations in a timely manner; a finding of the need for advance planning and public participation; and a finding of the need for a balanced consideration of alternate sources of energy. Additional findings include a recognition that siting and construction of nuclear power plants may be facilitated by use of standard nuclear power plant designs which reduce tho need for individual licensing reviews; and a finding that the national interest would be served by the Nuclear Regulatory Commission ("NRC") continuing to exercise its independent statutory responsibilities for the protection of the public health and safety and the common defense and security. This finding recognizes that absolute safety is an unattainable goal for any energy source, and that the NRC should consider the costs involved in prescribing additional safety requirements. However, adequate protection of the public health and safety in accordance with high standards is the paramount consideration.

Subsection b. sets forth the purposes of the legislation, including improving the effectiveness and efficiency of the nuclear power plant licensing process, consistent with sound environmental, safety and security principles; insuring early and open advance planning and public participation; recognizing the interests of regions, States, and subdivisions within a State in the siting process; facilitating the use of standardized facility designs, and maximizing cooperation and coordination between the Federal Government and the States.

TITLE I—PLANNING, SITING AND LICENSING

Section 101. Advance Planning and Early Notice.

This section amends the Atomic Energy Act of 1954, as amended ("AEA") by adding a new section 112 to provide the NRC with the authority to encourage open and advance planning.

Subsection a. of section 112 authorizes the NRC to take such action as it may deem necessary or desirable to encourage persons proposing to construct and/or operate

nuclear power plants or to obtain site permits for such facilities to engage in open and advance planning, with opportunity for participation by the NRC and by interested persons. As part of the planning process, this subsection provides that projections of future energy supply and demand available at that time should be considered. It mandates establishment of guidelines for participation in such planning and authorizes the NRC to establish priorities for license and permit reviews to encourage advance planning. Such guidelines and priorities must be published in the *Federal Register* and an informal public hearing is to be held to consider comments prior to issuance of final guidelines. One goal of this advance planning process is to identify and resolve problems early in the process with ample opportunity for public participation.

Subsection b. of section 112 directs the NRC to require anyone applying for approval of a standardized facility design, a construction permit and/or an operating license for a commercial or industrial production or utilization facility, or a site permit for such a facility, to provide a notice of intent to file an application for such permit, license or approval to the NRC and the state in which the facility will be located not less than 6 months prior to the filing of the actual application. Such notice shall be published in the *Federal Register* and twice in such major newspapers serving the affected areas as may be reasonably calculated to notify concerned or affected persons. In the case of an application for a standardized facility design, newspaper publication must assure a broad national circulation.

Subsection c. of section 112 directs the NRC to participate in the adequacy and reliability programs of the Department of Energy.

Section 102. Construction Permits and Operating Licenses.

This section amends section 185 of the AEA by deleting language providing that a construction permit must specify the earliest and latest dates for completion and that failure to complete a facility by the stated date shall result in forfeiture of the permit, absent good cause shown. This section also adds two new subsections to section 185.

Subsection a. of section 185 authorizes the NRC to grant a construction permit for a production or utilization facility and, upon additional findings, to grant an operating license. The NRC would not be authorized to grant a construction permit for a thermal neutron power generation facility unless the State or appropriate political subdivision within the State or other authorized public authority certified to the NRC the specific need for the facility. Such certification is effective only if made after a hearing held under procedures comparable to those of the NRC. A political subdivision within a State might have direct authority over a municipally-owned generating facility and would be, therefore, the appropriate body to issue the certification. An authorized public authority may be called upon to certify the need for the facility in those States in which public power authorities are not directly regulated by the State. If no public authority is authorized to issue such certification, the requirement for certification of the need for the facility shall be waived. This requirement for a certification of need for the facility provides the State, political subdivision, or public authority with explicit veto authority over the licensing of nuclear power plants in its jurisdiction. Unless the certification is made, the NRC is prohibited from issuing the construction permit. Once such certification is made, it shall be deemed to be conclusive for any other "need for power" requirements in this Act and any other Federal law. Under this section, an applicant will have to supply the State or other entity holding the certification hearing with a detailed statement supporting the need for power and listing possible conservation alternatives. In a judicial review of any determinations made in a certification hearing held under this section, the State or other entity that held the hearing shall defend such action in Federal Court. This subsection also requires the NRC to provide for on-site inspection of the construction of the facility to insure conformity with the permit and with the rules and regulations of the NRC.

Subsection b. of section 185 authorizes the issuance of a combined construction permit and operating license for a thermal neutron power generation facility, if the application contains sufficient information to support the issuance of both a construction permit and operating license. This would require the approval of a final facility design, a requirement for issuance of an operating license under current authorities. Issuance of the combined permit and license also requires a certification of need for the facility and NRC on-site inspection of the construction, as in subsection a. Certification of the need for the facility under this subsection will be determinative of the issue of need for power, as in subsection a. Notice of intended operation under a combined construction permit and operating license shall be published by the NRC, and operation shall be permitted by the NRC only upon a finding that the facility has been constructed and will operate in accordance with the combined permit and license, the provisions of this Act, and with the rules and regulations of the NRC. The requirements that on-site inspection be provided and that findings be made prior to commencement of operation are intended to emphasize and reinforce the on-going responsibility of the NRC to protect the public health and safety.

Subsection c. of section 185 authorizes the NRC to permit an applicant for a construction permit or a combined construction permit and operating license for a production or utilization facility to prepare the proposed facility site and perform such limited construction activities as the NRC deems permissible upon (1) determining that all findings required to be made under the National Environmental Policy Act of 1969, as amended ("NEPA"), have been made; (2) finding that there is reasonable assurance that the proposed site is suitable for the proposed facility from the standpoint of the protection of the health and safety of the public, and (3) determining, if any safety-related construction activities are sought to be undertaken, that there are no significant unresolved public health and safety issues. This subsection specifically provides that such construction shall be conducted at the risk of the applicant and shall be subject to termination or modification at any time. Any safety-related construction shall be limited to one year unless extended by the NRC.

At the risk of the applicant means that such things as activities undertaken by the applicant shall not prejudice subsequently safety or other reviews by the NRC or the decision by the NRC upon the application.

Subsection d. of section 185 provides that this section does not affect the authority of any State or local governmental unit regarding the issuance of any license or permit for a production or utilization facility.

Subsection e. of section 185 provides that nothing in this section shall affect the existing requirement that antitrust review, including a hearing on antitrust issues where necessary, be completed prior to the issuance of a construction permit or a combined construction permit and operating license.

Section 103. Hearings.

The hearing provisions of the AEA are substantially modified by this bill. The basic intent underlying these changes is to provide full opportunity for hearing on any issue but to preclude subsequent relitigation of issues if there has been an opportunity for hearing in a prior NRC or State proceeding. The intended effect of the section is to encourage consideration and resolution of issues at the earliest possible stage in the proceedings so that only a limited number of issues would remain to be addressed at a subsequent hearing.

Subparagraph (1)(A) of subsection a. of section 189 provides that hearings will be held only upon request in most proceedings, and includes proceedings for an amendment or renewal of a site permit or an approval of a standardized facility design among those proceedings for which a person whose interest may be affected may request such a hearing. The NRC would be required to hold a hearing in any proceeding for the granting of a site permit, the approval of a standardized facility design or major subsystem thereof or for the issuance of a combined construction permit and operating license.

Subparagraph (1)(B) hearings on proceedings covered by this paragraph shall be adjudicatory with respect to all issues arising under the AEA. Subparagraph (1)(C) of the bill changes current NRC practice by providing "hybrid" hearings for issues arising under NEPA, that is, legislative hearings (oral presentations with questioning by the presiding officer, no cross examination) on most issues with adjudicatory hearings (trial-type format with testimony under oath and cross-examination) only where necessary to resolve particular factual or legal questions which are essential to the outcome of the proceedings.

Recently enacted nonproliferation legislation provides that procedures for export licensing proceedings shall be determined exclusively under its provisions. Section 189 a. explicitly recognizes this exception to its provisions.

Subparagaph (1)(D) of subsection a. of section 189 restates existing law concerning conduct of other NRC rulemaking proceedings. Under the Administrative Procedure Act, public participation in these proceedings is usually in the form of an opportunity to provide written comments.

Paragraph (2)(A) of subsection a. of section 189 provides for notice to be placed in the *Federal Register* and twice in the appropriate newspapers within 30 days after receipt of applications listed therein relating to the siting, licensing or operation of a facility and at least 180 days prior to the granting of any such application, that the NRC will grant a hearing upon request of any person whose interest may be affected. For granting a combined construction permit and operating license, a site permit, or an approval of a standardized final design or a major subsystem thereof, the same 180 days notice shall be given, except that in these cases, a hearing by the NRC shall be mandatory. Applications for certain amendments and rules would only require thirty days notice prior to the granting of such amendments and rules, but the NRC could dispense with the 30 days notice upon a determination that there is no significant additional risk to the public health and safety. In such circumstances, the NRC shall publish notice of the issuance of such amendment. Within 30 days of receipt, the NRC is required to publish in the *Federal Register* and in such major newspapers serving the affected area as may be reasonably calculated to inform concerned people, notice of receipt of a request for limited work authorization and that the NRC will grant a hearing on the findings required by section 185 c.

upon the request of any person whose interest may be affected.

Paragraph 2(B) of subsection a. of section 189 provides for *Federal Register* notice at least 180 days prior to commencement of operation under a combined construction permit and operating license. The NRC will grant a hearing on the commencement of operation of a facility for which such a combined construction permit and operating license has been issued upon the request of any person whose interest may be affected. A hearing on commencement of operation will only be held upon a prima facie showing by the person requesting the hearing that significant new information or issues, or a violation of a permit or license, requires some modification of the facility or other appropriate action for the public health and safety, or the common defense and security, or the protection of the environment. Information as to a pre-existing condition that only becomes available after a previous hearing is included within the scope of "significant new information."

Paragraph 2(C) of subsection a. of section 189 provides that the scope of any hearing under paragraph 2 will be limited to issues for which there was no opportunity for hearing in a prior proceeding before the NRC or a State unless there is a prima facie showing that significant new information relevant to the issue has been discovered since the prior proceeding that would make it likely that the site or facility design would conflict with this Act or the NRC's regulations for protection of the public health and safety, the common defense, or the environment. The purpose of this provision is to prevent, absent the requisite showing, the relitigation of issues which could have been raised in an earlier proceeding. The NRC shall establish procedures for how it will implement the hearing limitation of making a prima facie showing.

Paragraph (3) of subsection a. of section 189 authorizes the NRC to issue, in the case of a production or utilization facility, an interim operating license or amendment to an operating license, or to allow interim operation of a facility prior to the conduct or completion of any required hearing on the license or amendment. Prior to issuing such interim amendment, and at least 30 days prior to issuing an interim license or allowing interim operation, the NRC shall request comments by publishing a notice in the *Federal Register* and in major newspapers serving the affected area. The notice shall provide that the NRC itself shall hold a hearing as to whether such action is, in the case of an interim operating license or in the case of allowing interim operation, necessary because of an urgent public need or emergency or, in the case of an interim amendment to an operating license, necessary in the public interest. Such hearing and decision shall be formal or informal, at the discretion of the NRC. In the case of an interim operating license or allowing interim operation of a facility for which a combined construction permit and operating license had been issued, such hearing shall be held either before or after the expiration of the 30-day notice period. NRC decisions on hearing and decision procedures shall not be subject to judicial review.

Section 104. Interim Operating Authority.

This section amends section 192 of the AEA by deleting that section and adding a new section 192. The earlier section 192 provided for temporary operating authority but by its own terms lapsed in 1973. This section was added because of the strongly-perceived need for interim authority in certain cases before the hearing on an operating license or amendment thereto was completed.

Subsection a. of section 192 authorizes the issuance of an interim operating license or an interim amendment to an operating license for a production or utilization facility and allows interim operation of a facility for which a combined construction permit and operating license had been issued prior to the conduct or completion of any required hearing. Authority for the NRC to issue an interim operating license is needed to expedite the testing and operation of new facilities which may be needed due to an urgent public need or emergency, while the interim amendment to an operating license may be needed so that an existing facility can continue to provide power where required in the public interest. Application for such authority by an applicant must be in writing and must show the need for such authority.

Paragraph (1) of subsection b. of section 192 provides that the NRC Commissioners must find that there is an urgent public need or emergency prior to the issuance of an interim operating license or prior to commencement of interim operation under a combined construction permit and operating license. The Commissioners must also find that the appropriate hearings provided under section 189 have been completed on any significant, site-specific issue presented in such hearing pertaining to public health and safety or the common defense and security.

Paragraph (2) of subsection b. of section 192 provides that prior to the issuance of an interim amendment to an operating license, the NRC Commissioners must find that the issuance of such amendment is in the public interest and the Commissioners or their designee must find that all requirements of the AEA, NEPA, and the rules and regulations of the NRC have been met, other than the conduct or completion of any required hearing.

Paragraph (1) of subsection c. of section 192 specifies that issuance of the interim license or amendment or interim operation shall be for a period not to exceed 12 months unless extend for good cause.

Paragraph (2) of subsection c. of section 192 provides that the NRC shall place such conditions in the interim license or amendment or on interim operation as are necessary to insure compliance with any subsequent NRC findings as a result of completion of the hearing process under section 189a.

Section 105. Early Site Approval.

This section adds a new section 193 to the AEA to authorize the approval of one or more sites for thermal neutron power generation facilities prior to the filing of any application to construct or operate such facility or facilities. The purpose of this authorization is to permit the resolution of site-specific questions at an early stage in the licensing process. This would serve to focus public participation on a crucial aspect of the overall facility planning and construction process at an early point in time when public participation can be most effective. This provision is an integral part of the effort to promote the early, effective and efficient resolution of issues in the licensing process.

Subsection a. of section 193 provides that an application for early site approval may be filed by any person, and the NRC is authorized to issue a site permit even though no application for a construction permit or a combined construction permit and operating license has been filed.

Subsection b. of section 193 outlines some of the information that the NRC shall require to be included in the written application for a site permit. Such information shall include the number, type or types, and location of such facilities, proposed maximum levels of thermal power and radiological and thermal effluents, the seismic, meteorological, hydrologic and geological characteristics of the proposed site.

Paragraph (1) of subsection c. of section 193 requires the issuance of a site permit after holding a hearing as provided by section 189 a. (1), if the NRC finds that the proposed site is suitable for the construction and operation of the type of facility described in the application consistent with the public health and safety and protection of the environment. A site permit may be issued with or without conditions.

Paragraph (2) of subsection c. of section 193 provides that the NRC shall state in writing its findings regarding the suitability of the proposed site or sites.

Paragraph (3) of subsection c. of section 193 provides that an NRC determination on a site permit application filed pursuant to this section shall be a final order of the NRC for purposes of judicial review.

Paragraph (1) of subsection d. of section 193 provides that a site permit shall be valid for a facility for which an application for a construction permit or a combined construction permit and operating license is filed within ten years from the date of issuance of the site permit.

Subparagraph (2)(A) of subsection d. of section 193 provides that the NRC may renew a site permit for additional ten-year periods from the date of renewal. Application for renewal of a site permit must be filed no less than eighteen nor more than forty-eight months prior to the expiration of the ten-year period originally granted.

Subparagraph (2)(B) specifies that the NRC shall renew a site permit for which a timely renewal application has been filed unless it finds that significant new information relevant to the site has become available and that, as a result, it is likely that the site will not comply with the AEA or with NRC regulations for protection of the public health and safety, the common defense and security, or the environment.

Paragraph (3) of subsection d. of section 193 establishes limitations on the use of a site permit by providing that the maximum levels of power, radiological effluent and air emissions and thermal effluent specified in the site permit cannot be exceeded by the proposed facility or facilities. Any proposed facility or facilities must also meet such other criteria as the NRC may establish.

Subsection e. of section 193 provides that any applicant for a construction permit or a combined construction permit and operating license for a thermal neutron power generation facility to be located on a previously approved site, upon 30 days' prior written notice to the NRC and to the State in which the site is located, upon publication of such notice twice in appropriate newspapers, and unless otherwise ordered by the NRC or the State, may prepare the approved site for construction and perform such limited construction as may be permitted. The applicant shall proceed at it's own risk and no activities by the applicant shall in any way prejudice subsequent review and decision by the NRC. Any safety-related construction activities shall be limited to one year from the commencement of such activities unless extended by the NRC. No State or local authority with respect to site preparation work or construction activities has been affected by this subsection.

The intent of this subsection is to allow the applicant to proceed with its site preparation and limited construction as quickly as possible, with no formal procedures to follow. Site suitability and environmental acceptability will have been determined at the site permit stage. Work shall continue unless ordered otherwise by the NRC or the State. There is no requirement that the finding of a specific need for the facility be made prior to work under this subsection.

Subsection f. of section 193 provides that for purposes of any evaluations and determinations required by NEPA, the determination of need for power at the proposed site may be based on a projection of generic future need for electric power facilities, whether such projection is made by the NRC, a State or a regional organization. Because

a site may not be utilized for many years, it is not necessary to find an actual need for the facility at the time of site approval. A generic determination that a need for the facility will exist in the future will be sufficient. At the time that a construction permit is applied for, the requirement for the issuance of a certification of need for power will insure that there is a need for such facility prior to its construction.

Subsection g. of section 193 provides that a site approved under this section for the location of one or more thermal neutron power generation facilities does not preclude that site from being approved or used as a site for an alternate type of energy facility. This paragraph is intended to emphasize that early site approval will not prejudice a land use plan or future planning involving other types of energy facilities.

Subsection h. of section 193 provides that there may be determinations respecting selected site-related issues in addition to full site approval. In situations where an applicant may not wish to seek full site approval at an early date, the applicant will still be able to resolve certain site-related issues at this early stage prior to the construction permit or combined construction permit and operating license proceeding.

Section 106. Approval of Standardized Facility Designs.

This section amends the AEA to add a new section 194, which provides for approval of standardized facility designs for thermal neutron power generation facilities. As with early site approvals, this section is intended to promote early resolution of design-related issues with full opportunity for participation by interested persons. Although the NRC currently has procedures for approving standardized designs, this section gives explicit statutory sanction to the standardization concept and establishes requirements for NRC approval of standardized designs.

Subsection a. of section 194 authorizes the NRC to approve the preliminary or final design through a rulemaking or manufacturing license proceeding. Prior to the approval, the NRC shall hold a hearing as provided by section 189(a)(1). The NRC is authorized to approve a design for a thermal neutron power generation facility, even though no application for a construction permit or combined construction permit and operating license has been filed by the applicant.

Subsection b. of section 194 authorizes the NRC to approve preliminary or final standardized designs for major subsystems of a thermal neutron power generation facility. Such authorization is needed when full standardization may not be possible, but approval of a major subsystem representing a discrete element of the facility is desired.

Subsection c. of section 194 provides that notwithstanding section 161 w. of the AEA or the Independent Officer Appropriation Act of 1952, no application filing or issuance fees shall be required for an application for approval or for an amendment or renewal of an approval of a standardized facility or major subsystem design. The NRC is authorized to allocate the costs that would otherwise have been defrayed by fees collected among future applicants for permits or licenses which propose to use the approved standardized design. This provision is added as an incentive to vendors and architect-engineer firms to develop and seek approval for standardized designs. The very high fees have acted as a deterrent to applications for such approvals in the past.

Paragraph (1) of subsection d. of section 194 provides that a standardized facility design shall be valid with respect to an application for a construction permit or a combined construction permit and operating license which meets the conditions of the rule or license and is filed within five years from the date of approval of the design.

Subparagraph (2)(A) of subsection d. of section 194 provides that a standardized design may be renewed for additional three-year periods, upon application to the NRC no less than twelve nor more than eighteen months prior to the expiration of the original five-year period by the person to whom the rules or license was issued.

Subparagraph (2)(B) of subsection d. of section 194 provides that in cases where there is a timely application for renewal of a standard design approval, the NRC shall renew the design approval unless it finds that significant new information relevant to the design has become available since the prior proceeding for approving the design and that, as a result, it is likely that the design will not comply with the AEA or NRC regulations for protection of the public health and safety or common defense and security.

Subsection e. of section 194 directs the NRC to determine whether or not any pending applications for construction permits already filed with the NRC propose to employ designs which could qualify as standardized facility designs under this section. The NRC shall publish a list of all such facilities that qualify in the *Federal Register*. This subsection is intended to cover applications that are already in the pipeline. In order for this Act to affect the current licensing process as quickly as possible, it is important to have its provisions apply to existing applications where possible. This subsection seeks to identify existing projects which may qualify as standard designs.

Subsection f. of section 194 preserves the NRC's existing rulemaking authority in accordance with section 553 of Title 5 of the United States Code to set standards and criteria for production or utilization facility designs, or to approve the preliminary or final designs for minor subsystems of thermal neutron power generation facilities, as defined by the NRC, or to approve the preliminary or final design for production or utilization facilities other than thermal neutron power generation facilities.

Subsection g. of section 194 provides that final NRC determination on applications for the issuance, renewal or modification of a rule or manufacturing license approving a preliminary or final standardized design for a thermal neutron power generation facility or a major subsystem thereof will be a final order for the purposes of judicial review.

TITLE II—FEDERAL AND STATE REVIEWS

Section 201. License Applications.

This section changes the name of the Advisory Committee on Reactor Safeguards to the Advisory Committee on Reactor Safety to more appropriately identify its jurisdiction and responsibilities. This section amends subsection b. of section 182 of the AEA to include among the applications to be reviewed by the Advisory Committee on Reactor Safety applications for a manufacturing license, a construction permit and operating license and a site permit, a proposed rule approving a standardized facility design under section 194 a. or b., and any amendments or renewals to the above specifically referred to the Committee by the NRC.

Unless specifically asked by the NRC to conduct a review, the Committee may dispense with its review on an application, in whole or in part, by notifying the NRC in writing that all or part of such review is not warranted, except with respect to its review on an application for approval of a standardized facility design or for facilities other than thermal neutron power generation facilities.

The Committee is given discretionary authority to dispense with reviews where warranted because of the work demands on the Committee. Eliminating the need to review every application in detail will enable the Committee to focus attention on those applications with the more significant safety considerations. Any decision that a review is not warranted shall be published and shall be made part of the record in the proceeding.

Section 202. State Environmental Reviews.

This section amends the AEA to add a new section 195 which provides the opportunity for States to discharge some or all of the NRC's responsibilities under NEPA or to otherwise have a more direct role in the review process. Current Federal law requires full environmental impact evaluation by the NRC while many State laws impose similar responsibilities on State authorities. Because of the duplication of effort associated with such dual reviews and because the majority of the issues involved in environmental acceptability and need for power determinations are particularly important to and within the competence of States, it is appropriate that those States electing to do so be authorized to make these determinations for thermal neutron power generation facilities. Such determinations are authorized at the earliest point in the proceedings, so that the NRC's NEPA responsibilities may be discharged at the site approval stage, when applicable.

Paragraph (1) of section 195 a. provides for notice to be given by the NRC to the affected State within 10 days following the filing of an application for a site permit, construction permit or combined construction permit and operating license for a thermal neutron power generation facility, whichever is first filed with respect to a specific site. Within 60 days, the State shall notify the NRC whether it has made or will make any or all of the evaluations and determinations relating to environmental acceptability and/or need for power and whether it has a program approved by the NRC for making such evaluations and determinations. The State is given the option in this subsection to decide whether it wants to make all of the necessary determinations and evaluations, whether it wants to make only some of them, or whether it chooses not to make any of them.

Paragraph (2) of subsection a. of section 195 provides that if the State elects to make all the determinations and has an approved program, the NRC will not issue the requested permit or combined permit and license until notified by the State that construction and operation of the proposed facility will be environmentally acceptable and, except for a site permit, that there is a need for the facility. A State determination that construction will be environmentally acceptable includes those cases in which environmental acceptability is contingent upon successful performance of a required condition.

Paragraph (3) of subsection a. of section 195 provides that if a State elects to make some, but not all, of the evaluations and determinations provided for by this section, the NRC shall not determine environmental acceptability or need for power prior to receiving such evaluations and determinations.

Paragraph (4) of subsection a. of section 195 provides that State evaluations and determinations on environmental acceptability and need for power issues shall be made in accordance with NEPA.

Paragraph (5) of subsection a. of section 195 provides that evaluations and determinations made by a State under its approved program will not be subject to revision by the NRC under NEPA and shall not be subject to challenge either before the NRC or in a Federal court review of NRC action. The intent of this paragraph is to insure that once a state has acted pursuant to an approved program, and such action is judicially reviewed, such action should be final and not reviewable again.

Paragraph (1) of subsection b. of section

195 provides that notice from a State that it has an approved program and that it will make all the determinations provided for by section 195 discharges the NRC of its responsibilities under NEPA regarding such determinations.

Paragraph (2) of subsection b. of section 195 applies a similar principle to the extent that States elect to make some but not all of the determinations provided for by section 195. NRC would use the State evaluations and determinations in discharging its remaining NEPA responsibilities.

Paragraph (3) of subsection b. of section 195 provides that if no notice from the state is received within 60 days, the NRC shall have exclusive authority, except with respect to the definitive certification of need for the facility by the State at the construction stage, to determine whether the thermal neution power generation facilities will be in compliance with NEPA. This exclusive authority only applies to compliance under NEPA and does not affect State or local authority under State or local statutes.

Section c. of section 195 provides that once a State elects to make some or all of the evaluations and/or determinations under this section, then the provisions of this section shall continue to apply in all succeeding proceedings with respect to the same facilities or site. This paragraph also defines the ongoing responsibilities of a State for such evaluations and/or determinations under NEPA pursuant to an approved program to be the same as those of the NRC with respect to an application for a facility proposed to be located in a State that does not have an NRC—approved program.

Subsection d. of section 195 provides that nothing in the section affects the NRC's authority to protect the public health and safety and the common defense and security pursuant to the AEA or the Energy Reorganization Act of 1974, or vests the States with any such authority not contained in existing law. The NRC shall continue to assess, pursuant to NEPA, the environmental aspects of the radiological safety impacts of reactor operation. Where a State elects to make all determinations under this section, and it has an approved program, the NRC shall prepare and forward to the State for its use a statement of the NRC conclusions regarding the radiological safety impacts of reactor operation, which shall not be subject to review in any State administrative or judicial proceeding.

Subsection e. of section 195 provides that the Governor of any State electing to make any or all of the evaluations and determinations on the issues of environmental acceptability and/or need for power shall forward to the NRC for its review and approval a program for making such evaluations and/or determinations. The NRC, in consultation with other Federal agencies and the States, is authorized to establish guidelines for reviewing such programs. The program shall include provisions to assure compliance by the State official or officials with the requirements of NEPA, including assuming the status of a responsible Federal official and accepting Federal court jurisdiction; that economically feasible alternate sources of power are considered and that with respect to an application for a site permit, generic power needs projections are determined; that the State will have adequate resources and expertise to make decisions regarding environmental acceptability and need for the facility; that there is open and early public participation, including hearings on final determinations under procedures comparable to those of the NRC; that timely decisions are reached pursuant to an established schedule; that there is coordination with related Federal reviews particularly where the responsibilities under NEPA are being shared between the State and the NRC; that there is mutual assistance between Federal and State agencies to avoid duplication; that one State agency is designated to coordinate the reviews of all State agencies and to cooperate with Federal authorities in adhering to time schedules; and that regional considerations are properly taken into acount when determining environmental and need for power issues.

Subsection f. of section 195 encourages States to establish and participate in interstate or regional organizations which may, upon authorization by a State and notice to the NRC, discharge the State's responsibilities in making the evaluations and/or determinations authorized by this section.

Paragraph (1) of subsection g. of section 195 authorizes the NRC to review any State program and the performance of each State.

Paragraph (2) of subsection g. of section 195 authorizes the NRC to suspend or terminate approval of a State program and to suspend or terminate financial assistance if it determines that the State is failing to adhere to its approved program. A State must be given notice of the proposed suspension or termination and an opportunity to demonstrate compliance with its program.

Paragraph (3) of subsection g. of section 195 provides that the record established in any proceeding pending at the time of suspension or termination of a State program may be used by the appropriate Federal agency to avoid duplicating work already done by the State.

Subsection h. authorizes Federal agencies to provide assistance, including the use of national laboratories, to States with approved programs and to States providing information and assistance to the NRC. The national laboratories are government-owned contractor operated facilities.

Subsection i. provides that any State that does not have an approved program may provide information and assistance to the NRC to assist the NRC in making its determinations of environmental acceptability and need for power. The Commission may rely on the information provided by a State regarding any or all environmental impacts of the proposed thermal neutron power generation facilities except radiological safety impacts of the operation of the facility, in discharging its responsibilities under NEPA. This provision resolves any doubt regarding the NRC's authority under NEPA to accept and rely on State data, analyses, and conclusions regarding non-radiological environmental impacts and need for the facility. In such State data, analyses or conclusions are challenged by any party to an NRC proceeding, either the NRC staff or the cognizant State officials who prepared the analysis could appear as witnesses in the NRC proceeding. State data, analyses, and conclusions would need to be provided to NRC in a timely fashion in order to be used by NRC in its NEPA review. This subsection, however, does not apply to information submitted by a State pursuant to an NRC-approved program. Information submitted pursuant to an approved program is not subject to review by NRC.

Subsection j. of section 195 authorizes the NRC to make annual grants to States or interstate or regional organization to assist in the development or administration of a program specified in this section, and authorizes the appropriation of funds for that purpose. Included among the possible uses of the funds is the funding of intervenors in State proceedings, both under an approved program and for proceedings for the certification of need under section 185 a. and b., subject to criteria contained in section 197 below and the rules and regulations of the NRC promulgated under that section and in such amounts as may be determined by the NRC.

Subsection k. of section 195 expressly provides that, except as provided by this section, the responsibility of the NRC or any Federal agency to comply fully with NEPA has not been changed or eliminated.

Section 203. Federal and State Coordination.

Subsection a. of section 196 provides that the NRC, consistent with its statutory responsibilities, shall establish a time schedule for the conduct and completion of all required NRC reviews and decisions for specified proceedings. Time schedules shall be set for proceedings on applications for site permits, approvals for standardized designs, and for construction permits and/or operating licenses.

The NRC is authorized to cooperate with other Federal and State or regional agencies to eliminate unnecessary and duplicative work. The NRC is also authorized to establish schedules and target dates for other Federal, States, and regional reviews. In the establishment of schedules and the setting of target dates for completion, the NRC is not authorized to require any other agency to reach its decisions on the schedule set by the NRC. Further, all cooperative efforts, including establishment of schedules, shall be conducted in a manner consistent with the statutory responsibilities of all other agencies. Schedules would not be subject to judicial review.

Subsection b. of section 196 provides that the NRC shall be the lead agency for purposes of preparing any environmental impact statement under NEPA for actions under this Act, except that where a State is making all of the NEPA determinations pursuant to section 195, the State shall be the lead agency.

Section 204. Bulk Electric Power.

This section amends section 271 of the AEA to make certain that the expanded State role established by this Act is not interpreted to give States authority to limit or restrict bulk power supply competition.

Interstate bulk power supply competition is not now a matter of State regulatory jurisdiction. Under this section, the bulk power supply activities of electric utilities in or affecting interstate commerce would remain outside the jurisdiction of the States.

TITLE C—INTERVENORS

Section 301. Funding for Intervenors.

This section amends the AEA to add a new section 197, which provides for the establishment of a pilot program for the funding of intervenors in described licensing and permit proceedings and, at the NRC's discretion, in rulemaking proceedings. This represents the first statutory authority for the NRC to fund intervenors.

Paragraph (1) of subsection a. of section 197 authorizes NRC to establish a pilot program for funding intervenors in NRC proceedings, excluding export licensing proceedings, conducted by the NRC pursuant to the AEA or the Energy Reorganization Act of 1974, as amended. The NRC is also authorized, in its sole discretion, to extend the pilot program to selected rulemaking proceedings.

Paragraph (2) of subsection a. of section 197 provides that mere attendance at a proceeding or participation where the cost of such participation is minimal will not qualify for funding.

Paragraph (3) of subsection a. of section 197 specifies that no new rights of participation in NRC proceedings are created by this section.

Subsection b. of section 197 directs the NRC, upon request, to pay some or all of the costs of intervention, including attorneys' fees, pursuant to procedures and criteria established by the NRC to determine eligibility of intervenors and the amount of any payment. Payments shall be made subject to available appropriations. The criteria to be established shall include requirements set forth in this subsection.

Subsection c. of section 197 provides for

payments to intervenors to be made following the proceeding, although there is provision for payment prior to or during the proceeding if the intervenor establishes to the satisfaction of the NRC that the advance payments are required in order that the intervenor's participation not be substantially impaired.

Subsection d. of section 197 provides for repayment of amounts received or forfeiture of future payments if the party has not provided the representation for which payments were made or if it has delayed, misled or has otherwise frustrated the objectives of the proceeding.

Subsection e. of section 197 provides that the costs of the proceedings awarded shall be based upon available appropriations and prevailing market rates of compensation not to exceed the rates of compensation paid by the NRC for its own expert assistance.

Subsection f. of section 197 authorizes the NRC to require consolidation of duplicative presentations, select the more effective representatives, compensate only certain expenses, or offer joint compensation, whenever more than one intervenor seeks funding.

Subsection g. provides for judicial review of decisions under this section to the same extent as any other NRC decision except that the courts are precluded from staying, restraining, or otherwise enjoining NRC proceedings on an alleged violation under this section. No court shall reverse, remand or otherwise reconsider any other NRC decision solely on the basis of an NRC decision under this section, unless a clear abuse of NRC discretion exists.

Subsection h. of section 197 provides that the NRC will propose regulations to carry out the intervenor funding program within 90 days after enactment. Such regulations shall be adopted and take effect no later than 180 days after enactment.

Subsection i. of section 197 provides that the pilot program for intervenor funding shall expire on December 31, 1983, except that the NRC is authorized to continue to fund intervenors in proceedings which were pending on that date and where applications for funding had already been filed, and that the NRC shall report to the Congress on the program's impact and effectiveness on or before December 31, 1982.

Subsection j. of section 197 provides authority for the appropriation of such sums of money as may be necessary to carry out the purposes of section 197.

TITLE IV—CONFORMING AMENDMENTS

Section 401. Advisory Committee on Reactor Safety. This section amends section 29 of the AEA to include site permit applications and proposed rules approving standard facility designs within the Advisory Committee's review functions. Also, the section amends the name of the Committee by changing "Safeguards" to "Safety."

Section 402. Antitrust Provisions.

This section amends paragraph (2) of subsection c. of Section 105 of the AEA to include an application for a combined construction permit and operating license for a utilization or production facility under Section 103 among those applications subject to review by the Attorney General for possible adverse antitrust aspects.

Section 403. General Provisions.

This section amends subsection o. of section 161 of the AEA to extend the authority of the NRC to require reports and recordkeeping to activities authorized by section 193, applications for early site approval and subsequent advance preparation of such approved site.

Section 404. Revocation.

This section amends subsection a. of section 186 of the AEA to acknowledge the fact that the sections of the Act covering early site approval and standardized facility designs are also covered by these standards for revocation.

Section 405. Modification of License and Site Permits.

This section amends section 187 of the AEA to include site permits among the licenses that are subject to the modification provisions set forth in this section.

Section 406. Judicial Review.

This section amends subsection b. of section 189 by adding a new sentence to provide that NRC decisions pursuant to section 197 shall not be subject to judicial review as part of the final NRC order in the proceeding, but shall be subject to judicial review as provided in section 197.

Section 407. Atomic Safety and Licensing Board.

This section amends subsection a. of section 191 of the AEA to include site permits among the proceedings for which the NRC may establish an atomic safety and licensing board to conduct hearings and make such intermediate and final decisions as the NRC may authorize.

TITLE V—EFFECTIVE DATES

Section 501 provides for the effective dates of the various sections of the Act.●

By Mr. DOLE:

S. 2776. A bill to amend the Internal Revenue Code of 1954 to provide that the use of the zero bracket amount will not reduce the benefits of income averaging; to the Committee on Finance.

INCOME AVERAGING

● Mr. DOLE. Mr. President, the Tax Reduction and Simplification Act of 1977 has created a very harsh result for those Americans who use income averaging as the method to calculate their tax liability. Today, I am introducing legislation to restore the benefits of income averaging.

The income averaging procedures are designed to save taxpayers who may have a windfall tax bite resulting from a sudden boost in income. Instead of paying full tax on increased income, the taxpayer can compare his current income with his average income over the 4 previous years, and hence pay a lower tax on the difference between his average income and his current income. However, the changes made in 1977 have significantly cut back on the tax savings through income averaging.

Mr. President, the problem was created by replacing the old standard deduction with the new "zero bracket" concept that reduces taxable income by $3,200. This change triggered an alteration in the definition of taxable income for income averaging purposes. By requiring addition of the zero bracket amount to each pre-1977 base year the Senator from Kansas believes the tax benefit has been seriously eroded.

My proposal provides that the 120-percent factor—a device used to compute liability—could be used on the income of the base. Then the zero bracket amount could be added to the prior base years. This change will put taxpayers in a position they enjoyed under prior law.

I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (a) and (b) (2) of section 1302 of the Internal Revenue Code of 1954 (defining average income and related terms) are each amended by striking out "taxable income" each place it appears and inserting in lieu thereof "modified taxable income".

(b) Section 1301 of such Code (relating to limitation on tax) is amended by striking out "120 percent of average base period income" and inserting in lieu thereof "the sum of (1) 120 percent of average base period income, plus (2) the taxpayer's zero bracket amount for the computation year".

(c) Subsection (c) of section 1302 of such Code (defining other related items) is amended by adding at the end thereof the following new paragraph:

"(5) Modified taxable income.—The term 'modified taxable income' means—

"(A) in case of a taxable year beginning before January 1, 1977, the taxable income for such year, or "(B) in the case of a taxable year beginning after December 31, 1976, the taxable income for such year reduced (but not below zero) by the taxpayer's zero bracket amount for such year."

(d) Subsection (b) of section 1302 of such Code (defining average base period income) is amended by striking out paragraph (3).

Sec. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1976.●

ADDITIONAL COSPONSORS

S. 76

At the request of Mr. STONE, the Senator from Oregon (Mr. MARK O. HATFIELD) was added as a cosponsor of S. 76, a bill to authorize payment under the medicare program for certain services performed by chiropractors.

S. 990

At the request of Mr. MATHIAS, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 990, a bill to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians.

S. 1967

At the request of Mr. ROBERT C. BYRD, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1967, a bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis.

S. 1976

At the request of Mr. ABOUREZK, the Senator from Arkansas (Mr. HODGES) was added as a cosponsor of S. 1976, a bill to add certain lands to the Redwood National Park in the State of California, to strengthen the economic base of the affected region, and for other purposes.

S. 2096

At the request of Mr. CRANSTON, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 2096, the Financial Privacy Act.

S. 2400

At the request of Mr. BAYH, the Senators from New Jersey (Mr. CASE and Mr.

WILLIAMS), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 2400, a bill to establish a National Alcohol Fuels Commission.

S. 2565

At the request of Mr. MATHIAS, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 2565, a bill to provide for further research and services with regard to victims of rape.

S. 2674

At the request of Mr. PROXMIRE, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 2674, a bill to assist cities and States by amending section 5136 of the revised statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments.

S. 2699

At the request of Mr. JACKSON, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2699, a bill to amend the act of June 27, 1960 (74 Stat. 220) as amended by the act of May 24, 1977 (88 Stat. 174, 176; 16 U.S.C. 469) relating to the preservation of historical and archeological data: to authorize appropriations under section 3(b) and 4(a) for fiscal years 1979 through 1983, and for other purposes.

SENATE JOINT RESOLUTION 102

At the request of Mr. ABOUREZK, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of Senate Joint Resolution 102, to protect the religious rights and practices of Native Americans.

SENATE RESOLUTION 420—SUBMISSION OF A RESOLUTION RELATING TO THE LEBANESE CRISIS

Mr. ABOUREZK submitted the following resolution, which was referred to the Committee on Foreign relations:

S. RES. 420

Whereas innocent lives are being lost hourly in southern Lebanon;

Whereas the Israeli invasion of southern Lebanon is a direct threat to the prospects of peace in the Middle East;

Whereas it is in the highest national interest of the United States and all parties to the Middle East conflict that an equitable just, and durable peace be negotiated: Now, therefore, be it

Resolved, That the United Nations Security Council Resolution 425 relating to the Lebanese crisis, adopted on March 19, 1978, be implemented immediately and that all parties concerned comply fully with provisions of such Resolution.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary General of the United Nations.

(The remarks of Mr. ABOUREZK when he submitted the resolution appear earlier in today's proceedings.)

SENATE RESOLUTION 421—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING

Mr. RIBICOFF submited the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 421

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Voting Rights in Major Corporations" be printed as a Senate Document, and that there be printed five hundred additional copies of such document for the use of that committee.

SENATE RESOLUTION 422—SUBMISSION OF A RESOLUTION RELATING TO THE LEBANESE CRISIS

Mr. ABOUREZK submitted the following resolution, which was ordered to lie over under the rule:

S. RES. 422

Whereas innocent lives are being lost hourly in southern Lebanon:

Whereas the Israeli invasion of southern Lebanon is a direct threat to the prospects of peace in the Middle East;

Whereas it is in the highest national interest of the United States and all parties to the Middle East conflict that an equitable, just, and durable peace be negotiated: Now, therefore, be it

Resolved, That the United Nations Security Council Resolution 425 relating to the Lebanese crisis, adopted on March 19, 1978, be implemented immediately and that all parties concerned comply fully with provisions of such Resolution.

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary General of the United Nations.

(The remarks of Mr. ABOUREZK when he submitted the resolution appear earlier in today's proceedings.)

AMENDMENTS SUBMITTED FOR PRINTING FARMER-SPONSORED AGRICULTURAL PRODUCTION AND STABILIZATION ACT OF 1978—S. 2736

AMENDMENT NO. 1740

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. ABOUREZK submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 2736) to regulate interstate and foreign commerce in agricultural products, to promote the general welfare by providing price and income protection to agricultural producers by securing to producers a price for agricultural commodities of not less than 100 percent of parity for such commodities; and to assure consumers of abundance of food and fiber at reasonable prices, and for other purposes.

● Mr. ABOUREZK. Mr. President, today I am introducing in the form of an amendment the finalized version of a bill entitled "the Farmer-Sponsored Agricultural Production and Stabilization Act of 1978." Just as its name implies, this piece of legislation owes it inception and form to the influence of the spontaneous farm movement that has come to have such a significant impact on us all in the last few months. The Senate Agriculture Committee has been laboring long and hard the past few weeks in an effort to come to some sort of agreement on the proper mix of measures with which to remedy the crisis that is threatening the family farmer with economic extinction.

Several measures have been reported as a result of these deliberations and we will soon be asked to decide on which route would be the best to take. As short-term relief measures, these measures combined have considerable merit. In my conversations with the members of the American Agricultural Movement here and back in my home State of South Dakota, however, I have been consistently struck by the unanimous conviction that there is a danger of these short-term measures being accepted as palliatives and that the crisis facing American agriculture will be merely put off until another time instead of being confronted and solved.

There is no doubt, Mr. President, but that the reason that the normally reticent farmer is here in Washington instead of in the fields is that previous governmental policy has been a superficial, "ad hoc" collection of patchwork measures that have done nothing more than to mollify him and send him back to the fields to subsidize the U.S. Government's cheap food policy.

The day of reckoning has finally come. There is no need to again recite the overwhelming statistical evidence that conclusively points to the imminent demise of the family farm system of agriculture in this country. The stream of farm failures that has been so stoically endured in the past will turn to a flood if a comprehensive, meaningful, and timely farm program is not put into effect.

Our farmers are asking us for 100 percent of parity. In the simplest form, all that means is that they are asking that they receive an income that offers them equivalent purchasing power with the other sectors of the economy. It does not mean that they will be guaranteed a profit unless they produce a crop, a qualification which still makes the agricultural producer in this country the biggest gambler around. We cannot legislate control of weather, nor can we make a farmer an efficient manager. We must, however, present him with the wherewithal to receive a price for his product once he delivers it that allows him to recover his costs of production plus a reasonable profit. We accord that right to virtually every other sector of our economy, why can we not do the same for the one sector from which this country's wealth originates?

There has been a great deal of doom-saying going on in this city lately about what disastrous implications the concept of parity holds for this country's economy. On the other hand, I have yet to see a study setting out the disastrous implications of a failure to maintain the economic viability of the independent family farmer. Of course, food prices will rise if 100 percent of parity were to become reality, although not as high as the conventional wisdom is predicting. But where are those figures that could show what full parity pricing would do to the purchasing power of the farm sector? Every $1 that a farmer makes generates $7 more as it works its way through the

national economy. It is easy to see that low farm income and high unemployment go hand in hand; already, implement manufacturers are laying off hundreds of employees because the farmer cannot afford to buy.

In 1977, farmers spent $85.7 billion on production inputs. They spent another $40 billion on family living expenses. The production, processing, and distribution of food and fiber accounts for 20 percent of the GNP and creates jobs for 15 percent of the national workforce—15 million people in all.

Mr. President, I think that it is time that we start listening to these dedicated men and women when they tell us that they will not be around next year unless something is done for them very soon. I think that it is time that we quit looking for imaginative ways to say that 100 percent of parity is impossible and look for some imaginative ways to make it possible. It is not just for the farmer's sake that we must do this; this country's economic future and the future of many millions of underfed people throughout the entire world depend on a sound and healthy farm economy.

The farmer-sponsored Agricultural Production and Stabilization Act of 1978 is far from perfect. I am introducing it so that the AAM can have a long-range-oriented piece of legislation that encapsulates its five-plank program. I sincerely hope that the movement and its supporters can incorporate the provisions in this bill that appeal to them with the provisions in the several other long-range parity bills that have already been introduced into a single piece of legislation that they can support with one unified voice. I believe that a unified AAM, with all of the persuasive instruments that it has at its disposal, will be able to convince the entire country that their demands are justified and that 100 percent of parity is not just a Quixotic campaign.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1740

On page 1, strike all after the enacting clause and replace with:

TITLE I—FINDINGS, STATEMENTS OF PURPOSE AND DEFINITIONS

SEC. 101. This act may be cited as the "Farmer-Sponsored Agricultural Production and Stabilization Act of 1978."

SEC. 102. Congress finds that—

(1) the agricultural producers of the nation are beset with economic problems of major proportions, in that they are deeply in debt, receive prices for their products which do not recover their costs of producing such products, and are without means of escaping agricultural cycles of overproduction which drive levels of return to agricultural capital below subsistence levels;

(2) that agricultural production is the foundation of manufacture and commerce, that a strong, vigorous agriculture is essential to the welfare of the Nation; and that the agricultural producers of the Nation must be maintained as the most efficient and productive farmers in the world;

(3) that direct and immediate economic relief is required to prevent irreversible changes in the character of the agricultural producers of this Nation; for many small and medium agricultural producers are presently being forced into bankruptcy or to abandoning agricultural production for other means of earning a livelihood; that this trend toward small farm dissolution must be reversed.

(4) that current agricultural policies will not provide the economic infusion of money and market stability necessary to reverse the disastrous economic conditions afflicting agricultural producers;

(5) that certain domestic markets for agricultural commodities have been injured by imported agricultural commodities;

(6) that strong and consistent export policies have benefited agricultural producers of the Nation in the past, providing markets for the Nation's agricultural products and promoting and economic stability of the Nation by contributing to a favorable balance of trade; and

(7) that agricultural producers must have a method by which they may have a voice in the policies of the Nation which directly impact upon their livelihood.

SEC. 103. In light of the finding of Congress set forth in this title, the purposes of this Act are—

(1) to provide as a price to agricultural producers 100% of parity for all agricultural commodities subject to the provisions of this Act, whether sold in domestic markets or exported;

(2) to provide for a national reserve of the commodities subject to this Act;

(3) to provide and maintain a voice for agricultural producers in policies of the Nation which affect agriculture;

(4) to regulate import and export policies of the Nation regarding agricultural commodities to ensure that domestic agricultural producers receive 100 percent of parity for commodities affected by such policies;

(5) to provide a system whereby the transfer of unfavorable economic conditions from one agricultural commodity to another within the domestic agricultural economy will be curtailed; and

(6) to provide price stability in domestic and foreign markets for agricultural commodities at prices which are reasonable and reflect the true cost of producing such commodities.

SEC. 104. General Definitions—For the provisions of this Act—

(1) "Secretary" as used herein shall mean the Secretary of Agriculture;

(2) "Board" as used herein shall mean the National Agricultural Producers Board established by this Act;

(3) "President" as used herein shall mean the President of the United States;

(4) The term the "United States" means the several States and Territories and the District of Columbia, Puerto Rico, and the Virgin Islands;

(5) the term "agricultural commodity" means any poultry, livestock, and any farm product of the soil, and any product or by-product thereof, in an unmanufactured state, which is made subject to the provisions of this Act by Section 201 of this Act.

(6) The term "producer" shall mean the original producer of agricultural commodities as herein defined, whether for his own benefit or under contract or agreement to produce for another, and includes any individual, partnership, firm, joint-stock company, corporation, association, trust, or estate engaged in the production of agricultural commodities.

(7) The "Department" shall mean the Department of Agriculture.

TITLE II—NATIONAL AGRICULTURAL PRODUCERS BOARD

SEC. 201. (a) There is hereby established in the Department of Agriculture a Board to be known as the National Agricultural Producers Board (hereinafter referred to as the "Board").

(b) The Board shall be composed of 50 members, one to be elected from each of the 50 States. The Secretary shall prescribe by regulation the qualifications for voting in the election for members of the Board and the time and place for voting; but only persons engaged in the production of agricultural commodities shall be eligible to vote in such election. No person may be elected to the Board unless such person is engaged in the production of one or more agricultural commodities and earns at least one-half of such producer's income from such production.

(c) The duties of the Board shall include, but not be limited to, determining the optimum production level for each agricultural commodity covered in this Act which would result in a National Market Equilibrium as provided for in this Act, assisting the Secretary in formulating guidelines and objectives for any commodity for any year, and assisting in the development of policy for implementing this Act. The Board shall also advise and assist the President, the Secretary, and the Special Representative for Trade Negotiations in the formulation and implementation of international agricultural trade policy including, but not limited to, negotiations toward a more realistic world grain price. The Board shall be given such other duties as the Secretary may prescribe.

(d) The Secretary may also establish regional, State, and local producers boards to help advise on the administration of this Act.

TITLE III—MECHANISM FOR ATTAINING MARKET EQUILIBRIUM

SEC. 301. If the Board determines that there is a need for production or marketing agreements for any commodity in any year, it shall, in consultation with the Secretary, arrive at the proper combination of production or marketing agreements which will assure the desired market equilibrium. Producers shall be given the opportunity to express their preference on the form of agreements used, by way of nationwide referendum of those producers in the affected commodity groups.

(b) For the purposes of this Act, all commodities shall be included in the coverage of the above paragraph.

(c) Any announcement of such changes as may be necessitated by the determinations made under this section shall be made with sufficient prior notice so that the producer will have reasonable time to make any required adjustments in his operation.

(d) For the purpose of this Act, any such determination as described above shall be called a National Market Determination.

TITLE IV—PRICING POLICY

SEC. 401. (a) No agricultural commodity may be sold, traded, or otherwise disposed of in any marketing year at any price less than 100 percent of parity, as revised periodically by the Board, for each commodity for each marketing year.

TITLE V—IMPORTS

SEC. 501. Imports of all agricultural products which are domestically produced must be stopped until 100 percent of parity is reached. Thereafter, imports must be limited to the amount that the American producers cannot supply.

TITLE VI—RESERVES

SEC. 601. All quantities of agricultural commodities produced in any year which exceed the total market equilibrium quantities as determined by the Board in Title III of this Act shall be stored on the farm or in any approved commercial or cooperative storage facility.

SEC. 602. All sales of excess production stocks must be accompanied by an approved certification procedure as set forth by the Board.

SEC. 603. The Secretary may establish a National Strategic Reserve of any commodity. No sales from the National Strategic Reserve may be made except to fulfill necessary amounts of any commodity needed to meet under-production if no producer reserves are available to fulfill the requirements. No sales from the National Strategic Reserve may be made at less than 100 percent of parity prices.

SEC. 604. The Secretary may purchase overproduction of any commodity in any year not needed to meet the National Market Determination equilibrium for such commodity for such year but may not purchase any quantity in excess of the total certified production approved by the Board for such commodity for the marketing year concerned. Such purchases shall be made at 100 percent of parity prices.

TITLE VII—APPLICABILITY OF OTHER LAWS

SEC. 701. Whenever a National Market Determination provided for under this Act is made applicable to any commodity for any crop and marketing year, the provisions of all other laws, to the extent inconsistent with the provisions of this Act, (as determined by the Secretary) shall be inapplicable to such commodity for such crop and marketing year.

TITLE VIII—SANCTIONS

SEC. 801. Any person who buys, sells, trades, or otherwise disposes of any agricultural commodity in violation of this Act or any rule or regulation issued thereunder shall be fined not more than $10,000 or imprisoned not more than 6 months, or both.●

COMPREHENSIVE EMPLOYMENT AND TRAINING AMENDMENTS OF 1978—S. 2570

AMENDMENT NO. 1741

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. KENNEDY (for himself, Mr. JAVITS, and Mr. HATHAWAY) submitted an amendment intended to be proposed by them, jointly, to S. 2570, the Comprehensive Employment and Training Amendments of 1978.

● Mr. KENNEDY. Mr. President, I am today submitting for myself, Mr. JAVITS, and Mr. HATHAWAY, what I believe is an important amendment to S. 2570, the Comprehensive Employment and Training Amendments of 1978.

Mr. President, the No. 1 issue in the land—the first priority of economic justice—is providing jobs for American workers.

Employment is the key to achieving so many of our goals. It is, of course, an end in itself, for it is the luck and genius of this country that people want to work and would prefer working to getting a dole. Full employment is the key to a better economy; for we then reap the bounty of productive hands and minds. And full employment saves us the billions of dollars that we otherwise disgorge on welfare and unemployment compensation and gains for us billions in tax revenues which would otherwise never materialize.

The CETA program is a large part of bringing people who desire jobs into the economy.

One important aspect of the CETA program is that it provides countercyclical jobs to those people who are out of work because of the poor economic conditions which exist in their areas. These people need the positions which CETA has made available; the cities and organizations for which these people work are also the great beneficiaries of the service that these people perform.

Mr. President, I think that the training aspects of the CETA program are, if anything, even more important than the countercyclical aspects of the program. The current titles I and II are oriented toward the structurally unemployed, and title II of the proposed reauthorization is similarly oriented. As the purpose of the program is stated at the beginning of title II:

It is the purpose of this Title to establish programs to provide comprehensive employment and training services throughout the Nation. Such programs shall include the development and creation of training, upgrading, retraining, education, and other services needed to enable individuals to secure and retain employment at their maximum capacities so as to increase their earned incomes.

The object of the programs funded through these sections is to provide unskilled people with the skills necessary to get jobs in a modern economy. There are hundreds of thousands of jobs in this country which are waiting to be filled by people who can perform them.

Meanwhile, the jobs go undone and we do not reap the increased production that filling them would provide. Meanwhile, the people go unemployed and they do not reap the benefits of holding jobs. This is clearly a situation which this country cannot abide.

We must help provide these skills to people who can then use them to better their lives and ours, through service in the private sector and in the regular civil service.

Most of the prime sponsors have probably done a good job in giving this training to their enrollees. But we must insure that we are making the best efforts possible in this vital area.

Many of the witnesses who have testified on the CETA reauthorization have emphasized the lack of information that we have on what, and how well, the prime sponsors are doing. Currently, the training sections contain no provisions for the Department of Labor to monitor prime sponsors to see how well they have succeeded in their ostensible primary task under title II—

To provide training and employment services which enable people to secure and retain employment.

There is only a very general evaluation provision in title III.

And, we do have some clues that some prime sponsors are not maximizing the use of these funds for purposes expressed in the initial section of the structural title. Funds may be used as a simple supplement to title VI, merely providing "work experience," when training would be more helpful. In fact, some 45 percent of the title I enrollees in fiscal year 1977 were placed in "work experience" or public service employment slots. With the demonstrated desire of so many people to get jobs, it is hard to believe that we needed to spend so much to build people's confidence. Other prime sponsors may overemphasize on-the-job training, when their main purpose is actually to get people to perform those jobs.

Furthermore, even where funds are spent to train or help place people, we have no idea as to how successful these programs have been. There is no incentive for prime sponsors to choose the best training methodology. Sponsors may concentrate training where they have a surplus of people who know how to teach—and therefore a surplus of people in the industry. Or trainees may be placed with formal educational programs which are chosen for reasons other than their demonstrated effectiveness.

Finally, of course, there is no incentive for the prime sponsor to "go the distance," to constantly be on the alert for ways to train people and then move them into regular jobs.

Mr. President, the best way to insure that we are making the best efforts is not through layers and layers of regulations on what the prime sponsors may and may not do. The best way to insure that we are making the best efforts is not through requiring a specific curriculum or program mix. The best way is not through playing guessing games as to which people who are in "work experience" programs truly need the experience and which ones are only supplementing the civil service.

Mr. President, the best way to insure our efforts is through the marketplace. It is through rewarding those prime sponsors who do the job and not rewarding those who do not. It lies in measuring whether the prime sponsor has truly met the purposes of this section—whether people have been placed in regular jobs, whether they can command higher salaries, whether they can keep the jobs. In the new title II the taxpayers of the United States are consumers—they are consumers of employment services for the structurally unemployed. And we want to know who is doing the best job and we want to make our purchases accordingly.

So, Mr. President, the first part of the amendment which we are submitting would allow prime sponsors to ask the Department of Labor to evaluate the performance of those who have gone through a title II program, according to criteria such as rate of placement, length of time in job in which placed, salary and, eventually, amount of time in entry level position. Performance would be compared to the success rate of a comparable group in the prime sponsor's area of those who have not gone through a CETA program. This would give the Department some basis upon which to gather information which they can use to plan better programs. More importantly, this information would give the basis upon which to gage the effectiveness of prime sponsors.

At this point the program would be voluntary. The Department will be undertaking, for the first time, this comprehensive evaluation program, and it should not be inundated by having to evaluate all of the prime sponsors. In addition, while the evaluation program is getting underway, and the methodology is being workel out, there should be a free and open exchange of ideas and information among the prime sponsors who are being evaluated and the Department. It is obvious that it will be

very difficult for this exchange to take place if prime sponsors which are resistant to evaluation are forced into the exchange. Once the program is worked out, and if it is worked out satisfactorily, then we should consider making it mandatory.

Mr. President, monitoring alone will not be sufficient to create the incentives for the prime sponsors to do the best job possible, or to give greater authority to prime sponsors who do well. So, Mr. President, the second part of the amendment that we are proposing would establish a system of incentive grants for those prime sponsors who do well. Essentially, we will give more money to those who have shown that they can do the job—who meet our output criteria. More people would be trained by those who can do the job. Other prime sponsors will have the incentive to become more effective so as to get some more of the funds. A discretionary fund would be set up and distributed to prime sponsors based upon a measure of their success, rather than by demographic formula. This measure would include a composite of proportion of trainees placed in a job, longevity of the job and salary, as compared to the comparison group within the prime sponsor's area. These incentives should be based on performance which betters the lot of people within the area. It should not be based on a comparison to any national average of those who have gone through a CETA program, because basic economic conditions—beyond the control of the prime sponsor—vary so much from city to city. Thus, a prime sponsor in City A which places 75 percent of its enrollees, where only 50 percent of nonenrollees with the same characteristics can find jobs, has really done better with the situation which confronts it than has a prime sponsor in City B who places 80 percent of its enrollees, where 75 percent of the nonenrollees are able to find jobs anyway.

Mr. President, Federal funds should be directed at those who can do the best job in meeting our program goals. By establishing this simple principle as an important part of our dispersement system we achieve two aims. We create a real incentive for those from whom we purchase services to give us the best services. And by buying on this basis, we eliminate the need to burden all the prime sponsors with regulation after regulation, whose strictures are meant to serve as placebo incentives but which often result in nothing more than a cat and mouse game.

The Comprehensive Employment and Training Act has made a great contribution to our national purpose. The act is of great value today to the hundreds of thousands of people who are trained and employed through it. It will be of even greater service in the future, as it becomes part of a comprehensive welfare policy. We should act to insure that the program is as effective as it can be. I believe that this amendment will help to do that.

Mr. President, I ask unanimous consent that this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 63, line 4, insert after subsection (d) the following: "(e) Four per centum of the amounts available for this title shall be made available to prime sponsors as incentive grants as determined according to section 214(b)," and redesignate subsequent subsections accordingly.

On page 69, line 11, insert after section 213 the following:

"EVALUATIONS AND INCENTIVE GRANTS

"SEC. 214. (a) Any prime sponsor may volunteer for an evaluation of its title II programs by the Department of Labor. Such evaluation may include monitoring of the rate of placement of title II enrollees after leaving the title II program, the salaries paid to such enrollees, the length of time that they remain in the job and whatever other information that the Secretary determines, by regulation, is important in evaluating the performance of the prime sponsors. For purposes of making this evaluation, the performance of the prime sponsor shall be assessed by comparing enrollees to a comparable group of nonenrollees within the prime sponsor's area.

"(b) The Secretary shall make awards from the funds set aside under section 202(e) to those prime sponsors which have performed well in their title II functions. The Secretary shall make awards according to a unit measurement; each such unit may consist of some degree of improvement among title II enrollees in job placement, salary, longevity, and whatever other factors the Secretary determines, by regulation, are important (each factor shall be weighed by the Secretary in a manner which best effectuates the purposes of this Act), over performance on each of the criteria set forth in this section by a comparable group of nonenrollees in the prime sponsor's area.".●

AMENDMENTS AND DECLARATIONS SUBMITTED FOR PRINTING—PANAMA CANAL TREATY—EX. N, 95–1

AMENDMENTS NOS. 87 AND 80 AND DECLARATION NO. 2

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER submitted two amendments intended to be proposed by him to the Panama Canal Treaty, and a declaration of ratification intended to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95–1.

● Mr. GOLDWATER. Mr. President, I submit today for printing two amendments to the Panama Canal Treaty and one declaration to the resolution of ratification of the treaty which, if adopted, would uphold the constitutional requirement set forth in article IV that legislation enacted by both Houses of Congress is necessary in order to transfer property belonging to the United States to a foreign power.

I ask unanimous consent that the text of the amendments and the declaration be printed in the RECORD.

There being no objection, the amendments and declaration were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 87

At the end of article XIII, add the following:

"5. The provisions of this Treaty relating to the disposal of the territory or other property belonging to the United States of America shall take effect only if the Congress of the United States of America enacts implementing legislation providing for the transfer of such territory or other property to the Republic of Panama.".

AMENDMENT NO. 88

At the end of article XIII, add the following:

"5. The provisions of this Treaty relating to the disposal of any real property of the United States of America which is located in the former Canal Zone and which, on the day before the date of entry into force of this Treaty, was under the jurisdiction of a Secretary of a military department of the United States of America enacts legislation providing for the transfer of such property to the Republic of Panama.".

DECLARATION NO. 2

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the following declaration:

"That the United States Government declares that it will not deposit its instrument of ratification until after implementing legislation relating to the disposal of the territory or other property belonging to the United States has been enacted providing for the transfer of such territory or other property to the Republic of Panama." ●

AMENDMENT NO. 89

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

● Mr. BARTLETT. Mr. President, I submit an amendment, No. 89, in the nature of a substitute, revising the Panama Canal Treaty as a lease agreement between the United States and Panama.

After many years of public discussion and official negotiation, during four administrations, after weeks of debate here in the Senate, concluding in the ratification of the Treaty of Neutrality, the treaty ratification process now advances to the very heart of the Panama Canal issue.

Article I of the Panama Canal Treaty terminates all previous treaties between the United States and the Republic of Panama, redefines the rights and responsibilities which are delegated to the United States and Panama for the management, operation, and defense of the canal, and affirms the goal of uninterrupted, efficient operation of the canal.

In a sense, however, the real essence of this article, and of the entire treaty issue, is the recognition of Panama as territorial sovereign over the canal and Canal Zone. Both in Panama and the United States, the debate over the present treaty is virtually as old as the treaty itself. The focus of this debate has been the matter of sovereignty, a circumstance which has regrettably made discussion of the treaty far more emotional and complex than it might have been, had the new agreement conformed to the treaty precedent the United States had established a half century earlier.

The United States and Colombia, Panama's former sovereign, had long enjoyed a mutually beneficial commercial arrangement under the Bidlack-Mallarino Treaty of 1846. The treaty, while guaranteeing Colombia's sovereignty over the Isthmus of Panama, granted the United States—

The right of way or transit across the Isthmus of Panama upon any modes of communication that now exist or that way be, hereafter, constructed.

With the treaty, the United States acquired the right to preserve the neutrality of transportation routes across the isthmus. Thus, America's Panama Canal policy was truly formulated 65 years before the canal became a reality. In the exercise of that policy, the United States built the highly successful Panama railroad across the isthmus. It was also in the legitimate exercise of that policy that the United States deployed military forces and warships to Panama on occasions when transportation across the isthmus was jeopardized.

These principles were reaffirmed on January 22, 1903, when U.S. Secretary of State John Hay signed a treaty with Colombian Minister Tomas Herran. The Hay-Herran Treaty, while granting the United States the right to construct a canal across the isthmus, acknowledged Colombian sovereignty of the Canal Zone. The treaty established U.S. jurisdiction and control over the canal and Canal Zone by leasing the property to the United States for a period of 100 years. The lease was to be renewable indefinitely at the option of the United States.

This precedent was followed again by Secretary of State John Hay in treaty negotiations with the new Republic of Panama. The treaty originally drafted by Hay appropriately avoided the question of sovereignty and proposed instead a simple 100 year lease of the Canal Zone by the United States, renewable indefinitely by our country. Under Hay's proposal, it is quite possible that the matter of renegotiation of the treaty might never have arisen until the year 2003.

Fortunately, in the opinion of the Senate and the Roosevelt administration, the Hay proposal was substantially revised by Panama's own Envoy, Phillipe Bunau-Varilla. Rather than simply leasing the Canal Zone, the revised Treaty granted the United States "sovereign rights" over the Canal Zone "in perpetuity."

Thus, the new treaty was undermined from the beginning, as John Hay would later confess in a letter to Senator John C. Spooner of Wisconsin, champion of a Panamanian route versus a Nicaraguan route for the canal. Hay described the new treaty as "very satisfactory, vastly advantageous to the United States, and we must confess, with what face we can muster, not so advantageous to Panama * * * You and I know too well how many points there are in this treaty to which a Panamanian patriot could object."

In negotiating a new treaty with the Republic of Panama, the United States should have been guided by the precedents which existed before the Hay-Bunau-Varilla Treaty. We might have also been guided by another international agreement, negotiated, ironically, in the same year as the Panama Canal Treaty. The agreement, entered into force February 23, 1903, renewed in 1934, and remaining in effect indefinitely, provides for the lease to the United States by the Republic of Cuba of an area of land and water known as Guantanamo Bay.

The treaty is entitled "Lease of Lands for Coaling and Naval Stations," and, while its provisions are not precisely analogous to the issue of the Panama Canal, the language of Article III of the agreement is indeed relevant to our current dilemma. Article III states:

While on the one hand the United States recognizes the continuance of the ultimate sovereignty of the Republic of Cuba over the above described areas of land and water, on the other hand the Republic of Cuba consents that during the period of the occupation by the United States of said areas under the terms of this agreement the United States shall exercise complete jurisdiction and control over and within said areas. . . .

It is extremely important to note the manner in which the separate concepts of sovereignty and jurisdiction and control were addressed in this agreement. For this distinction is perhaps the primary reason the Guantanamo Bay lease remains in effect and undisputed today. Likewise, the absence of such a distinction is a principle defect, not only of the 1903 Panama Canal Treaty, but the proposed new treaty before us.

Mr. President, as I outlined in detail in a statement of February 23, 1978, the weight of evidence before the Senate affirms once again that the Panama Canal is vital to America's economic and national security interests, and that these interests will be secured only by continued U.S. administration and control of the Panama Canal.

It is clear that "America's Panama Canal policy," formulated a half century before the canal was constructed, remains valid today. I believe the course we must take to preserve that policy is equally clear.

The necessary revisions in the 1903 treaty between the United States and Panama will be achieved most appropriately and effectively through a lease agreement—an agreement similar in principle to those in force or proposed by the United States prior to the 1903 treaty, and to the existing treaty covering Guantanamo Bay, Cuba. Such an agreement would surely have appealed to the Republic of Panama. Within the framework of an international lease, every reasonable demand of Panama could be met.

First, the complex and emotional issue of sovereignty could finally be resolved in Panama's favor. At the same time, more tangible concessions could be made to address the justified resentment Panamanians have held for the U.S. presence, not only as a sovereign power, but a superior one in their own country. Duel economic, social, and legal standards would, and should, be dissolved.

Other appropriate concessions could include:

A substantial reduction of the land and water area of the Panama Canal Zone.

A substantial reduction in the number of U.S. military bases in Panama.

A substantial reduction in the level of U.S. forces in Panama.

A substantial increase in Panamanian employment in the operation of the canal and participation in higher levels of management of the canal.

A substantial increase in the share of the canal revenues for Panama.

A substantial increase in the U.S. annuity to Panama.

It should be noted that these provisions are not inconsistent with the terms of the Panama Canal Treaty before us. However, the proposed new treaty goes far beyond these generous concessions to phase out and eventually relinquish completely U.S. administration and control over the canal and Canal Zone.

During the recent debate over the Treaty of Neutrality, many Senators, perhaps even a majority, expressed serious misgivings about the loss of the U.S. rights to assure the continued effective operation of the canal. My amendment, revising the proposed new Panama Canal Treaty as a legitimate international lease agreement, reaffirms those rights. Unlike the 1903 treaty, however, it would do so in a fair and just manner, in good faith and without apology.●

ADDITIONAL STATEMENTS

DEPARTMENT OF ENERGY ACCOMPLISHMENTS

● Mr. BELLMON. Mr. President, I wish to share with my colleagues the excitement members of the Appropriations Subcommittee on Public Works felt the other day as a result of the testimony about the accomplishments of the Department of Energy's (DOE) Office of Energy Research. A portion of the testimony of Dr. John M. Deutch, Director of the Office of Energy Research follows:

ACCOMPLISHMENTS

This is a time of great discovery and exploration especially in the realm of the quark. The excitement and promise in high energy physics haven't been as great since the 1950's. Phenomena displaying the explicit properties of charm have been revealed through the copius production of the D mesons at SLAC—as opposed to the hidden charm that is characteristic of the J/Psi particles. The confidence in the quark concept was further extended this past year by the discovery at Fermilab of the upsilon particle, and ultra-heavy member analogous to the J/Psi particles but at about three times the mass of the J/Psi (ten times the mass of the proton). Just as the J/Psi signaled the existence of the fourth (charmed) quark, the upsilon is believed to be the first evidence of a fifth type of quark. Much excitement attends confirmation of this result and the search for new particles carrying the fifth quark.

There has also been substantial progress in other areas of study. There is considerable evidence now that heavy leptons, beyond the muon, are a reality. There are widespread indications of strong polarized spin effects at both ZGS and Fermilab energies in regions where none were anticipated. There is new progress in the study of neutrino interactions with the discovery of entirely new kinds of phenomena. The symbiotic relationships among experiments at proton accelerators, electron accelerators, polarized proton accelerators, and storage ring facilities, in concert with impressive progress in theoretical analysis techniques, have made it possible to produce new advances in knowledge of the basic constituents of matter.

Advances in superconducting and cryogenic techniques make possible the construction of facilities at much higher energy for much less cost and with reduction in electric power use. These new techniques may be applicable to electric power transmission, fusion research, MHD and energy storage. Accelerator technology developed for high energy physics has potential for the development of fusion initiated by energetic heavy ion beams as an alternative to laser

fusion and also for accelerator breeding of fissile materials.

Synchroton radiation from SPEAR at SLAC is being used with great success to explore solid state phenomena and the structure and behavior of biological systems. New facilities using this principle are expected to revolutionize research in these fields including permitting critical studies of catalysis and substantial subminiaturization of electronics.

In summary, the U.S. high energy physics program is now in a dynamic and highly productive phase and the potential for major discoveries in the near future is bright.

Mr. BELLMON. I doubt that any of you who were not there can imagine the excitement this testimony engendered in the hearts of the members of the committee. This excitement was produced at a total budget outlay in fiscal year 1978 of about a half-billion dollars. The requested appropriations for the Office of Energy Research in fiscal year 1979 is $618 million and that does not include about $250 million more than is being asked for a machine called Isabelle. When Isabelle begins relating symbiotically with SLAC and ZGS, and Dr. Deutch gets cooking with his half-billion dollars, can a solution to the energy problem be far off?

There are two things wrong with the kind of testimony this DOE official has presented to our committee. That testimony is supposed to persuade us Senators that we should appropriate the money requested. Well, not only am I not persuaded by the testimony; I do not even understand it. For me, the charm of quarks is well hidden. The other thing wrong with this testimony before our subcommittee is the envelopment of a program by the Magic Energy Clock. Even though I do not understand Dr. Deutch's testimony, I feel that I can state with some certainty that the construction and operation of Isabelle will not result in one less barrel of OPEC crude being imported to this country.

I had hoped that with the first appropriation request by the new Department of Energy that some of the errors of the past could be rectified. Some technologies have been oversold by their disciples in the past. We have been told, for example, that significant quantities of energy can be produced by magnetic fusion before this century is out. Other programs that realistically ought to be considered to be in the basic research stage are represented instead as if they would soon contribute significantly to energy supply. The energy supply category of the fiscal year 1979 budget for DOE amounts to $4.1 billion and that includes, among other things, $225 million for magnetic fusion and $295 million for quark hunting.

The Appropriations Committee has got to have a more realistic assessment of what we can expect in return for the money we appropriate. If the return on our investment in the high energy physics research program, for example, is enhanced prestige in the international scientific and technological communities, then we ought not be promised by DOE officials that the return will be barrels of oil.

I have asked Dr. Deutch to provide the committee a review showing how much money has been spent in years past in programs that this administration now claims are oriented toward increasing supply—budget function 271—and how much energy has been produced for the more than $12 billion that has been spent since 1974. I believe that a review of the kind I have requested will show that a lot of money has been spent in the guise of increasing supply, but that not much energy has been produced as a result. If my expectations are borne out, I believe that future DOE appropriation requests will be accompanied by justifications and testimony more easily appreciated and understood by members of the Appropriations Committee.●

ARGENTINE PRISONS

● Mr. ABOUREZK. Mr. President, I want to make available to my colleagues a recent press release issued by the Council for Hemispheric Affairs concerning the alarming incidents of March 14, 1978 at the Villa Devoto Prison on the outskirts of Buenos Aires, Argentina. The events involve what the Argentine Government calls a "prison uprising" among the political prisoners there which was brutally put down to mask the true conditions of the prison and the inmates there. The COHA statement serves as a reminder to all of us that repression and the deprivation of personal and civil liberties goes on in Argentina and that we must continue to bring pressure on the Argentine Government for a substantial improvement in the human rights situation. For the information and consideration of my colleagues I submit the COHA statement concerning the Devoto Prison incidents for the RECORD.

The statement follows:

ARGENTINE PRISON MASSACRE PROMPTS CALL FOR EMERGENCY PAROLE VISA PROGRAM FOR POLITICAL PRISONERS

In a statement distributed today, a private organization concerned with U.S.-Latin American relations called upon President Carter to take immediate steps to implement an emergency parole visa program for Argentine political prisoners whose very lives depend upon their immediate departure from the country for asylum in the U.S.

The Council on Hemispheric Affairs' statement said that recent occurrences at the Villa Devoto prison on the outskirts of Buenos Aires dramatically demonstrated the pressing need for the initation of such a program on a crash basis. At 8 A.M., on the morning of March 14, security forces of the Argentine Army and Federal Police moved in on the prison to suppress an uprising of uncertain origin within its walls. By 11 A.M. the same morning, the uprising had been suppressed and a reported 55 people had been killed and over 70 wounded in the melee. There were no reported casualties among the security forces.

According to Argentine government sources, the uprising had been staged by "common criminals", with no political prisoners being involved. Even in the unlikely case that this explanation is accurate, the COHA statement claimed that international human rights organizations and criminologists had long indicted the practices of the Argentine penal institutions which practice grossly inhumane physical and psychological policies that brutalized prison populations.

In its statement, COHA charged that events surrounding the prison incident suggest that another, perhaps more accurate explanation of what occurred at Villa Devoto, is that the uprising directly involved political prisoners and that the government used maximum force to put it down.

COHA noted that Villa Devoto prison was reported by Amnesty International to hold, as of November 1976, 2,794 female and 36 male political prisoners; of the total, 560 were eligible under Argentine law to leave the country for exile. A joint fact finding mission of U.S. lawyers organized by the Council on Hemispheric Affairs and the International Federation of Leagues for Human Rights, was told last month by the Argentine Interior Minister that one of the reasons these prisoners were not allowed to leave the country was because the U.S. government, among others, would not accept them. The U.S. Embassy in Buenos Aires later admitted that it was practically impossible to obtain a visa for the U.S. or otherwise obtain political asylum in this country.

In a telephone account received this morning from a reliable source in Europe, COHA was told that the International Red Cross had offered its assistance in providing internationally renown pathologists in order to make an independent autopsy on the dead prisoners. According to this source, Argentine authorities had turned down this request claiming that none of those who had been killed or wounded had been political prisoners. COHA also has received unconfirmed reports that the bodies of the dead had been cremated, thus preventing their positive identification or establishing whether they had died of bullet wounds.

In its statement, COHA also recalled that a document of uncertain origin, but possibly an internal U.S. government background paper, had come to its attention in early November 1977. This document, relating to the Argentine political prisoner situation, and the conditions in Argentine jails, was circulating among high State Department and National Security Council officials, as well as members of the U.S. Congress, and the Washington Press Corps. This material had also come to the attention of the Argentine Embassy in Washington. The background paper observed that:

"Prisoners have begun to organize various forms of protest ranging from hunger strikes to minor rioting. In these occasions, the authorities reacted violently, beating prisoners, selectively torturing, and, in some cases, executing apparent ring leaders, thus exacerbating the already explosive conditions. It is likely that in the next few months there will be an increase in prison protests that could flare up into full fledged rioting. The Argentine Government has elaborate contingency plans for such an eventuality. These plans call for massive killing during the rioting and selective execution of leaders and participants after the situations are brought back under control."

The COHA statement says that it has reason to believe that Secretary of State Cyrus Vance brought up the subject of the alarming conditions of Argentine jails with President Videla during his visit to that nation at the end of last November, but that the Vance initiative had been brusquely dismissed by the Argentine authorities.

The COHA statement went on to say that at the present time all the information that the press is carrying on what took place at Villa Devoto is what the government has been telling it. Wire services stories arriving in Washington have carried official government statements and fragmentary accounts being provided by people in the neighborhood of the jail. The government claims that those who died in the incident had been overcome by fire and fumes from burning mattresses that they themselves ignited. Yet reports from the neighborhood clearly stated that helicopters had been used in putting down the prison uprising and that machine gun fire, lasting about ½ hour, had been

heard at 8 A.M., three hours after the uprising had begun. Further reports had established the prisoners had barricaded themselves in Wing 7 of the jail when the government forces took their final action against them.

After the uprising had been repressed, the Argentine Minister of Justice and the Federal Director of the prison system issued statements that none of those who had been killed had died of bullet wounds but fell victim to fire and asphyxiation.

Our conclusion is that there is a very strong possibility that those who died on Tuesday in Villa Devoto were political prisoners and that the unusually harsh action used by the Argentine authorities to put down the uprising had been motivated by a desire to savagely suppress an action by political opponents of the military regime.

The Argentine authorities must realize that given its past human rights record and the fact that it has repeatedly eliminated its political opponents in staged events, they must go to unusual lengths to clarify what really took place at the prison. At the very least, if the bodies of the victims were cremated, the ashes should be turned over to independent authorities for chemical tests. The Argentine authorities must also make public the names of all those killed and wounded, as well as allow the survivors to speak before the word press to tell their version of the events at the prison.●

SEEK TIGHTER ENFORCEMENT OF SAFETY REGULATIONS

● Mr. SASSER. Mr. President, a great deal of information about the safety of our Nation's railroads has come to light since the disastrous explosion in Waverly, Tenn., caused by a derailed tank car carrying liquid propane. I believe this public awareness is a positive step toward effecting many needed changes in the railroad industry.

One example of the information which has come to light is the fact that 85 percent of the fatalities caused by exploding harzardous materials could be prevented. We have learned that the simple step of installing protective headshields could do that job. We have learned that existing tank cars could be retrofitted in a matter of months rather than a matter of years. In light of this information, it appears that the Department of Transportation may speed up the current program to install these devices in 4 years.

We have also learned much about the condition of the Nation's railbeds and the tracks themselves. I think this will help to encourage private enterprise and the Government to make a serious effort to take the steps needed to improve the rails and the roadbeds.

There are safer ways to transport hazardous materials. I think we are beginning to get a good idea of how to do that. Only through continued efforts to learn more and to make the public aware can we achieve that goal.

An excellent article written by Mr. Albert R. Karr appeared in this morning's Wall Street Journal. This article brings together a good deal of what we have learned in the past few weeks. I ask that it be printed in today's RECORD.

The article follows:

AGENCIES, FEARING RISE IN TANK-CAR DERAILMENTS, SEEK TIGHTER ENFORCEMENT OF SAFETY REGULATIONS

(By Albert R. Karr)

The recent freight-train derailments that killed 22 persons in Tennessee and Florida prompted fears of similar disasters among residents of areas far removed from those two states.

One such person was Leonard Bisk, a Philadelphia businessman. He grew concerned that Consolidated Rail Corp. trains that roll past his home near Jenkintown, Pa., might be carrying hazardous substances similar to the propane and chlorine gas involved in the Southern accidents. He registered that concern with the Federal Railroad Administration, which regulates rail safety. "We could have a major catastrophe very, very easily," Mr. Bisk says, because of what he terms worn track in the densely populated Jenkintown area.

The derailment last month in Waverly, Tenn., although it was in a less crowded region, led to the explosion of a propane tank car that killed 14 persons and injured about 50. A few days later, the derailment near Youngstown, in the Florida Panhandle, released highly toxic chlorine gas that killed eight persons and injured about 115 others.

While the concern is widespread, the worries naturally run strongest in places where tank-car derailments have already occurred. "Everyone is fearful" on such occasions, says Lloyd Fleming, the fire chief of Pensacola, Fla., the scene of a derailment, last fall. And, he adds, "they've certainly got a reason to be fearful."

A GROWING DANGER

Although tragedies like those in Tennessee and Florida seldom occur, rail-safety analysts warn that the danger is always there and that, in many ways, it is growing. Officials of the National Transportation Safety Board, among others, are worried by trends that seem to increase the chances of such disasters.

Each year, more and more hazardous substances are being produced and transported, by rail or otherwise. Government figures show a 40% rise in chlorine output and a 55% increase in anhydrous ammonia during the 1966-76 period. Such substances have become ingredients of many everyday products: heating fuels, clothing and fertilizer, for instance.

Alan Roberts, director of the Transportation Department's Office of Hazardous Materials, says his staff oversees shipments of more than four billion tons of dangerous goods each year, twice the level of a decade ago; perhaps 75% of this tonnage moves at least part of the way by rail.

For one reason or another, many trains—including some with dangerous cargo—are going off the track. Federal officials report that derailments now exceed 7,000 a year, and about one a day involves some shipment of hazardous substances. One big problem is deteriorating track. Although many railroads have been pouring large sums into repair, the industry has deferred track maintenance estimated to cost well over $4 billion. Defective wheels or other faulty equipment can also cause derailments. (So can sabotage; the safety board has said that caused the recent Youngstown, Fla., derailment.)

Moreover, to cut costs, trains are getting longer, and the tank cars carrying toxic or explosive cargo are getting bigger. The extra length and weight make it harder to control trains, adding to derailment dangers, and they increase the potential magnitude of any resulting disaster, federal officials say.

WASHINGTON VERSUS THE L&N

Aware of these perils, rail-safety authorities aren't resting easy. The Federal Railroad Administration has begun a drive to impose heavy penalties on railroads violating its safety rules—rules governing train operations, condition of track and equipment, and training of crews.

The agency's first big target is the Louisville & Nashville Railroad, which ran trains that derailed at Pensacola last fall, at Waverly, Tenn., last month and at Bowling Green, Ky., six days later. In the Pensacola accident, a cloud of anhydrous-ammonia gas from two punctured tank cars took two lives and injured 45 persons; Chief Fleming says the toll might have been far higher if the wind hadn't blown the gas away. The Kentucky derailment, however, didn't do any serious damage.

The L&N has a generally high accident rate and is a "very sloppy railroad," contends Raymond James, the agency's chief counsel. He suggests that inadequate operating and maintenance practices may have contributed to wheel and brake difficulties that showed up at Waverly, and also to equipment defects and operating "peculiarities" (including unusual train length) that investigators found at Pensacola.

Prime Osborn, the L&N's president, insists, however, that the railroad is doing all it can to operate safely, especially when carrying hazardous materails. He says the road tries vigorously to keep track in good shape, to run trains slowly on poor track, and to repair faulty equipment.

NEW SAFETY RULES

Government safety efforts aren't merely an outgrowth of the latest derailments. A few months before the Waverly and Youngstown accidents, the Federal Railroad Administration adopted new regulations that offer hope of saving lives. They require reinforcement of tank-car ends and installation of better couplings and insulation jackets on newly produced tank cars of certain types after Jan. 1 of this year; the jackets are designed to keep heat from the dangerous materials. Comparable old cars are due to be similarly refitted over four years, but because of the Florida and Tennessee accidents, officials are considering a speedup of this schedule; they may require some new safety features to be installed by the end of this year.

Cars of this kind make up only one-seventh of the entire U.S. fleet of 170,000 tank cars, but they have been involved in half the fatalities resulting from hazardous-materials accidents. Safety experts figure that the required improvements will help protect tank cars from being punctured and will contain cargo that might otherwise burst or leak out.

James King, the new chairman of the safety board, figures that the safeguards could prevent more than 90% of derailment-caused ruptures of tank cars carrying dangerous substances. He thinks that chemical companies and other shippers, which own most of the tank cars, should make these corrections voluntarily and quickly, without waiting the four years permitted. Otherwise, Mr. King says, the public might demand more drastic steps, like a ban on shipments of some substances. Waiting four years is "nonsense," he says—"there's no reason the public should play roulette."

Although railroads helped to develop the safety features that the Federal Railroad Administration recently required for tank cars, many railroads, tank-car builders and shippers vigorously resisted those regulations; some even went to court to try to get the rules nullified. But that opposition was weakened by a series of fatal accidents in recent years.

From 1960 through 1968, there hadn't been any deaths resulting from tank-car accidents. But fatalities occurred in both 1969 and 1970, and in 1974 the number rose to 10. After that, fatalities declined—until this year. Now, federal officials say, railroaders are more eager to promote safety than before.

But railroad executives still worry that the cost of making the tank-car improvements, plus further safety measures that federal, state or local governments might require, could force some shippers to switch to trucks for hauling hazardous materials. That might pose greater dangers, railroads warn.

The recent record does raise caution flags about added reliance on trucks. From 1975 through 1977, railroad accidents involving hazardous substances caused three deaths; in the same period, highway accidents involving tank trucks led to 75 fatalities. Explanations aren't hard to find: These trucks may travel through more towns than trains do and may make more frequent trips. But safety experts note that the disaster potential in a single rail accident is higher, simply because a train can carry so much more hazardous cargo than a truck can.●

THE AGRICULTURAL CRISIS

● Mr. BENTSEN. Mr. President, the Senate has spent almost 6 weeks now debating the Panama Canal treaties. We have heard over and over again that the treaties are important to our security; to our economy; to our standing in the world. The treaties have become an obsession for millions of Americans, an important symbol of what is right—or wrong—with this country.

Mr. President, I submit that the issue we are considering today—the 8-hour issue of our agricultural policy—is in many respects more far-reaching, more significant, and more important than the 6-week issue of the treaties.

In considering the Panama Canal treaties, we have constructed elaborate worst-case scenarios and debated at length "what would happen if."

In the case of agricultural policy, the worst case hypothesis is upon us. We are not talking about what might happen in Panama in the year 2001. We are talking about what is happening today to the American farmer and what this means to our Nation.

We are attempting to cope with a full-blown crisis that affects the economic future, the very likelihood, of 9 million Americans—our farmers and their families. We are debating the price the American consumer will pay for his food. We are discussing our future potential to compete effectively in international agricultural trade. We are seeking to determine whether there is still a place for the family farm in 20th-century America.

The American farmer is caught in a classic cost/price squeeze. A victim of his own efficiency and hard work, he has fallen prey to the irrevocable force of supply and demand.

Mr. President, at a time when many segments of our economy are calling out for relief from unfair or more efficient competition, the situation of the American farmer is unique. He is not inefficient—he can feed half the world. His equipment is not obsolete—it is the best money can buy. He has been quick to take advantage of technological breakthroughs. The American farmer is not only willing to put in a 14-hour day, 7 days a week. It is a sad but undeniable fact of life, Mr. President, that the American farmer today has little to show for his labor.

Like many of my colleagues, I have spoken with hundreds of farmers in recent months. I know their problems and their complaints. I have seen many Texas farms go up on the auction block during the past year. I have seen thousands of farm families forced off the land they have worked for generations.

I am convinced that the farmers of this Nation have a legitimate complaint; they have every reason to expect the Congress of the United States to come to their assistance. Today, before it is too late.

There is no requirement for a lengthy recital of why the American farmer is finding it difficult or impossible to make a dollar. The facts speak for themselves.

Let us consider very briefly the situation in Fisher County, Tex., a typical farm county. During the past decade the cost of petroleum products used by Fisher County farmers has risen by 216 percent—propane is up even more. Farm chemicals cost 175 percent more today than in 1967. Steel products like fencing are up by 245 percent; the cost of farm equipment is up 173 percent. Today a Fisher County farmer has to produce 19 tons of baled cotton to purchase a 100-horsepower tractor; he has to produce 87 pounds of wheat to buy one fencepost.

Farm prices have simply not kept pace with inflation in Fisher County, Tex. During the past 10 years cotton prices have increased by only 31 percent; wheat prices by 52 percent; milo by 28 percent.

The result, Mr. President, is that it costs the Fisher County farmer $130 to farm an acre of land and the crops he brings to market earn him only $100 per acre. This, I suggest, is a classic application of Micawber's law and the result, as Mr. Micawber so aptly noted, is misery.

Clearly, this situation is intolerable, not only for the American farmer, but to the American people who rely on the farmer. It is high time, Mr. President, to heed the warning of William Jennings Bryan—"destroy our farms and the grass will grow in the streets of every city in the country."

We have two proposals before the Senate to provide urgently required assistance to American agriculture. I am a cosponsor of Senator DOLE's flexibility parity bill. I believe it is the best possible response to the crisis confronted by millions of American farmers.

This bill is, indeed, a flexible act. Each farmer has the opportunity to select the target price and the set-aside level which best applies to his particular situation. This allows the farmer the flexibility he desires. It allows him to choose his own personal program and yet at the same time it will bring the total national production down to a level closer to our Nation's current demand, without Government fiat. The flexible Parity Act of 1978 does not guarantee the farmer a profit, but it does allow him a fair chance to receive a reasonable rate of return above his high costs of production.

I realize that flexible parity is a new idea, but it is an idea who's time has come. I am proud to support the flexible parity bill, and I hope my colleagues will not be too timid to join me.

I sincerely hope that the Congress will act today to treat the symptoms of the illness confronting American agriculture and will begin tomorrow to look for a long-term solution to the problems that have become so evident in this important sector of our economy.

Before yielding the floor, I would like to commend both the Senator from Georgia, the distinguished chairman of the Agriculture Committee, and the Senator from Kansas for their untiring efforts on behalf of the American farmer. I think the Nation owes them a vote of thanks and appreciation.●

MERIT SELECTION IN UTAH

● Mr. LUGAR. Mr. President, I take this opportunity to commend my colleagues from Utah for their active support of merit selection of Federal judicial officers.

Following the death of U.S. District Court Judge Willis Ritter, Senators GARN and HATCH acted immediately to establish a merit procedure for the selection of nominees to be considered by the President in filling this vacancy. This action is evidence of the Senators' personal integrity, and their deep commitment to the independent judiciary promised by the Constitution.

I am hopeful that Senators GARN and HATCH will receive the recognition due them by their constituents for rejecting the politics-as-usual approach to appointing a Federal judge. The people of Utah should know that under standard procedure in the Senate, either Senator from Utah could have effectively controlled the appointment of this new judge. Admirably they have chosen not to do so. Rather they have consciously decided that the Federal judiciary should stand above partisanship and political influence. They have rejected the most cherished of all political plums in favor of a system to select the best and most qualified U.S. district court judge for Utah.

Senators GARN and HATCH have also joined me and Senators WALLOP and STEVENS in cosponsorship of Senate Resolution 353, which provides for the merit selection of U.S. district court judges, attorneys, and marshals. This resolution would require that a merit selection procedure established by Senators from each State must meet certain minimum standards which insure genuine merit selection. The merit system established by the Senators from Utah meets the minimum standards required in Senate Resolution 353.

It should be noted here that other Senators have also expressed commitment to the genuine merit selection of Federal judicial officers, and have established commissions which meet the minimum standards contained in my resolution. With great respect and admiration, I wish to acknowledge these Senators, my colleagues from Kentucky, Iowa, Oklahoma, and Colorado. I wish to note here, also, that the Senators from California, New Mexico, and Pennsylvania have established merit selection systems which nearly meet these standards.

Once again, I compliment the Senators from Utah, and commend their action to the attention of all my colleagues.●

THE MASS SLAUGHTER OF BABY HARP SEALS

● Mr. HART. Mr. President, I would like to take this opportunity to praise the achievements of my colleague, Senator FLOYD K. HASKELL, for his work in the

field of environmental legislation. Congress has recognized the need to protect our environment and Senator HASKELL has been a leader in pushing through proposals which work to insure the preservation of our wildlife. He was responsible for securing additional lands for the Hunter-Fryingpan wilderness area in Colorado, and he authored the Weminuche, Flat Tops, and Eagles Nest wilderness designation and the Natural Resources Lands Management Act. Senator HASKELL has also worked for such legislation as the Endangered Species Act, the Endangered American Wilderness Act, and various other environmental proposals.

Senator HASKELL believes, as most of us do, that the environment consists of our most vital resources which we have no choice but to preserve. He feels we must protect the environment against further harmful intrusions so that future generations will be able to enjoy its unique beauty.

Senator HASKELL's concern for wildlife is further reflected by a statement read on his behalf to a group of approximately 300 citizens in Denver on Saturday, March 11, 1978. This group was protesting the mass slaughter of the baby harp seals off Newfoundland's coast. His statement demonstrates the depth of his feelings on the subject.

Mr. President, I submit Senator HASKELL's statement for printing in the RECORD.

The statement follows:

Each spring countless harp seal pups are hunted down for their fine white fur by Canadians and Norwegians on the ice off Newfoundland's coast. For over 200 years this yearly hunt has taken place with little or no concern for the welfare of these newborn pups. Indeed, these hunts were cloaked with adventure and courage, and the sealers were looked upon with a sense of admiration. Fortunately, this naive view has dramatically changed in the last few years, as the reality of the mass slaughter of these seal pups has become well-known.

This recognition has led to a series of actions to protect the seal pups. Helicopters carrying sealers to the ice have been banned since the 1960's. In 1971, international pressure was great enough to push the Canadian government into placing constraints on the hunting methods and numbers of seals harvested. Until 1977, quotas were set by the International Commission of North Atlantic Fisheries. This responsibility now lies with the Canadian government since it has extended its fisheries jurisdiction to 200 miles off its coast.

Unfortunately, the Canadian government has not been as responsive to world concern for these seal pups as was hoped. Canadian officials have insisted that the harp seals are being killed humanely, and that the harp seal population is increasing yearly. This statement has been met with skepticism by several groups, including a Vancouver based group called Greenpeace. Greenpeace contends that the harp seal population has actually dropped and the seal could face extinction in about 50 years.

The U.S. Government has tried to prevent this inhumane killing of these seals by enacting the Marine Mammal Protection Act which bans all imported products of the harp seals. A House Concurrent Resolution was passed last year to urge the Canadian Government to stop this slaughter, but it has thus far been ineffective. I sincerely hope, however, that the Canadians will soon realize how important it is to protect these seals and that they will take appropriate action to do so. The Canadian Government has been studying the seal population to determine the true numbers of seals, and their life cycle; however, I feel this government must take on the responsibility to do much more to protect these seals. I do not believe we can continue to condone the antiquated hunting methods which are used to kill these seal pups, nor do I believe that we can adequately determine reasonable hunting quotas without further studies of the harp seal and its environment.

In a world where the importance of our environment has been so widely recognized, it is hard to imagine that cruel hunting practices are still allowed. I firmly believe this situation demands Congressional attention, and I will personally continue to fight for the humane treatment of the harp seal.●

TOM STORRS GIVES ELOQUENT ANSWER TO SECRETARY CALIFANO

Mr. HELMS. Mr. President, Thomas I. Storrs is one of North Carolina's most prominent bankers. A former officer of the Federal Reserve Bank of Richmond, he now serves as chairman of the board of the North Carolina National Bank. He is a personal friend of long standing and one for whom I have the highest respect.

Tom Storrs is a patriotic American who clearly perceives the imminent threat to individual freedom in this country which Secretary Califano's antismoking crusade presents. Responding to a letter from Mr. Califano, my distinguished friend has forcefully dissented from the all too familiar notion that HEW bureaucrats have the unqualified right to impose their standards on American citizens in an area that should be left to personal choice and convenience.

Mr. Storrs has directed our attention to just another in a long line of perhaps well-intentioned, but misguided, bureaucratic initiatives which miss the mark and create more problems than they solve.

Mr. President, I ask that Secretary Califano's letter and Mr. Storr's reply be printed in the RECORD at the conclusion of my remarks.

The articles follow:

WASHINGTON, D.C., *February 16, 1978.*

Mr. THOMAS I. STORRS,
Chairman, NCNB Corporation,
Charlotte, N.C.

DEAR MR. STORRS: Last month I announced an expanded national program on smoking and health. As I stated then, cigarette smoking is the leading cause of premature death and disability in this country, more than 300,000 Americans died from diseases associated with smoking last year alone. Our estimates indicate that smoking annually adds between $5 and $7 billion to health-care bills and that it costs between $12 and $18 billion in lost productivity, foregone wages, and absenteeism.

In developing our new program, we reexamined our own internal guidelines on smoking within HEW buildings and facilities. As a result, we have adopted a new policy which restricts smoking in common areas and respects the rights of non-smokers to a smoke-free environment.

For your information, I am enclosing copies of both my announcement of the expanded program and our new internal policy. In considering the practices of your company with regard to smoking, I would hope that our policy might be useful as one possible model.

If this Department can be helpful to you in providing additional information related to smoking and health, please do not hesitate to call on us. If you have ideas to assist HEW and other companies in this important effort, I would appreciate hearing of them. It is only through our cooperative efforts that this health challenge can be met.

Sincerely,

JOSEPH A. CALIFANO, Jr.

CHARLOTTE, N.C.,
March 7, 1978.

Hon. JOSEPH A. CALIFANO, Jr.,
The Secretary of Health, Education, and Welfare, Washington, D.C.

DEAR SECRETARY CALIFANO: I am unable to join you in imposing further unnecessary restrictions on the personal freedoms of Americans. I cannot presume to be an expert on the health effects of smoking, and I cannot presume to impose either your or my conclusions on this subject on the employees of NCNB Corporation.

It is our policy to provide attractive and efficient spaces for our employees and our customers. Without exception, these include adequate air conditioning. There is no generalized problem in our company with regard to decisions by individuals to smoke or not to smoke. As a matter of good personnel policy, we are as responsive as possible to the wishes of individual employees concerning their immediate environment.

Looking beyond our own firm, I am disturbed by the philosophy underlying your letter and its attached address and statement of policy. It is, in my opinion, absolutely contrary to the basic concepts of this country for an employer to impose upon employees requirements or restrictions concerning individual conduct which go beyond the needs of the employment. Your letter clearly indicates that your guidelines are not relevant to work performance but are intended to implement a program relating to health by restricting smoking in those areas over which you have authority. I should disapprove of such action by any employer. I particularly resent it when taken by a government officer whose conduct toward his employees should be an example rather than a cause for concern.

I am sending a copy of this letter to the President to reflect the reaction of one of the addressees of your letter.

Sincerely yours,

THOMAS I. STORRS.●

RESOLUTION HONORING G. WERBER BRYAN

● Mr. HOLLINGS. Mr. President, recently the South Carolina General Assembly paid homage to a pioneer in our State's struggle to cope with the problems of the mentally ill. In honoring G. Werber Bryan, the general assembly has recognized the unparalled contributions of as dedicated a citizen and public servant as it has ever been my privilege to know. His efforts have borne fruit in many ways in our State, and recently these efforts were recognized with the dedication of the G. Werber Bryan Psychiatric Hospital. Here is a facility which will turn into reality the values and practices for which Werber Bryan has worked these many years. It has been a long road from those days a quarter of a century ago when the State made its first appropriation of any size for mental health. and that was with Werber Bryan in the South Carolina House of

Representatives fighting for it every step of the way.

Now we see the playoff of these efforts in facilities such as this one. But we best honor my good friend by our continuing and future efforts in the great cause for which he has given so much.

Mr. President, I submit the resolution passed by the South Carolina General Assembly on February 28, 1978, for printing in today's RECORD.

The resolution follows:

A CONCURRENT RESOLUTION

To congratulate the Honorable G. Werber Bryan of Sumter, South Carolina, on being honored with the dedication of the G. Werber Bryan psychiatric hospital in recognition and appreciation of his monumental and enduring contribution toward improving the treatment and understanding of the problems of the mentally ill

Whereas, The Honorable G. Werber Bryan, prominent attorney and civic leader of Sumter, can boast a long and distinguished career of public service in many areas but in none so noteworthy as his prolonged, dedicated struggle to focus public attention upon the desperate needs of the mentally ill; and

Whereas, the metamorphosis of this singular enterprise was conceived and nutured in 1951 while Mr. Bryan as a member of the South Carolina House of Representatives was elected Chairman of the Legislative-Governor's Commission on Mental Health. Through the efforts of Mr. Bryan and with the support of the committee members the first substantial appropriation for mental health was successfully approved by the General Assembly; and

Whereas, in the case of Werber Bryan the complete record of his accomplishments in Mental Health and his efforts in focusing public attention and concern on the mentally afflicted cannot be illustrated in a list of the offices and positions of responsibility and leadership which his peers bestowed upon him; rather it is in the man himself that the true record is written, his gentle persuasion, his generosity with his time, his endless hours in behalf of these unfortunate members of society. These intangible ingredients cannot be measured, they abide in his compassionate heart and in his humanity; and

Whereas, the G. Werber Bryan Psychiatric Hospital is testimony to Mr. Bryan's faithfulness to the commitment made in the first report of the Committee to Study the Problems of the Mentally Ill in 1952 wherein is stated "It is our duty to see to it that our hospital advances as medical science advances. We must see to it that our hospital is made an active treatment center maintained on the same high standards that the public demands of its other hospitals. We cannot in good conscience afford to commit the citizens of South Carolina, our friends and relatives, to any institution and then forget them"; and

Whereas, the G. Werber Bryan Psychiatric Hospital is a monument to a great humanitarian and a message to each of us that when we work for others our efforts return to bless us. Now, Therefore, Be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly by this resolution congratulates The Honorable G. Werber Bryan of Sumter on being honored with the dedication of The G. Werber Bryan Psychiatric Hospital in recognition and appreciation of his monumental and enduring contribution toward improving the treatment and understanding of the problems of the mentally ill.

Be it further resolved that a copy of this resolution be forwarded to Mr. G. Werber Bryan, P.O. Box 2038, Sumter, South Carolina, 29150.●

AGRICULTURE

● Mr. GOLDWATER. Mr. President, it is a very uncomfortable role that I find myself in on this day when the Congress is trying, and I emphasize trying, to help American agriculture. I find myself in the position of not being able to support these efforts. My reasons are based solely on the inflationary effects that these measures will have. American agriculture today finds itself in these circumstances for the sole reason that the Federal Government has been engaged in the support of 30 percent of agriculture for many, many years. While this support has not been the sole reason for inflation, it has had an effect and a rather sizable one. The fact that the farmers today have to pay more for equipment, for labor, taxes, and so forth, can be blamed on one unpleasant fact of life that we have had with us since the middle 1930's; namely, inflation. It affects not only the farmer, it affects every single businessman, professional man and workingman in this country. If inflation is allowed to go its unabated way, if we in the Congress do not recognize that we are to blame for inflation, then the time is not far distant when, regardless of Federal support, no one in this country, including farmers, will be able to make a profit. I will recall to my colleagues' attention the fact that the downfall of the Roman Empire started with the support of agriculture and that the first support was only a small percentage on behalf of the Roman farmers. It was not long, however, before the others could not make money and then the kind of support agriculture was getting was extended to the rest of the economy. It resulted in the lowering of morals and contributed greatly to the decline and fall of Rome. I cannot support measures that add to the problems that we already have, and I dislike this, because I do not like to see farmers or anyone else in this country working for a living but who cannot quite "hack" it.●

RECLAMATION LANDS FAMILY FARM ACT AMENDMENTS

● Mr. ABOUREZK. Mr. President, earlier this week, Senator NELSON introduced an amendment in the nature of a substitute for S. 1812, the Reclamation Lands Family Farm Act. In order that those interested in this matter may have a chance to read the new version in its entirety, I submit the bill for the RECORD.

The bill follows:

S. 1812

On page 1, strike all after the enacting clause and substitute the following:

That this Act, divided into titles and sections in accordance with the following table of contents, may be cited as the "Reclamation Lands Family Farm Act".

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Sec. 101. Findings and purposes.
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Sec. 201. Lands other than class 1 lands—acreage equivalency.
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Sec. 301. Rights to water and termination or suspension of rights; moratorium on sale of excess lands.
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TITLE VI—MISCELLANEOUS
Sec. 601. Guarantees by Department of Agriculture of loans made by private lenders to qualified leaseholders.
Sec. 602. Copies and explanations of this Act to be freely available.
Sec. 603. Negotiations of project contracts to be conducted in open sessions following public notice.
Sec. 604. Secretary's rules and regulations to be published.
Sec. 605. Department of Agriculture programs for family farmers.
Sec. 606. Authorizations of appropriations.

TITLE I—FINDINGS, PURPOSES, DEFINITIONS

FINDINGS AND PURPOSES

SEC. 101. (a) The Congress finds that:

(1) a populous, prosperous rural society is essential to the preservation of the national character, and rural prosperity must be based on a pattern of broadly distributed ownership and operation of productive agricultural land;

(2) the purpose of reclamation law is and has been to encourage the settlement of federally irrigated land by family farmers living on or near their land;

(3) the administration of a substantial amount of the acreage currently affected by reclamation law has not accomplished and is not likely to accomplish the statutory policy of settling family farmers on the land;

(4) the construction of reclamation projects, by law, involves substantial subsidies to landowners; and that the subsidies are intended to provide landowners with an incentive to sell excess land, presumably to family farmers, but too often land has been sold instead to nonfarming investors;

(5) there are large numbers of potentially successful family farmers, both with and without financing, who, as a consequence of practices approved by the Secretary of the Interior for the sale of reclamation land, are unable to move onto the land and thus fulfill the original purposes of reclamation law;

(6) appraisal techniques to determine the approved selling prices of excess land do not fully exclude enhancements in value attributable to projects;

(7) while vendors of excess land can dispute price approval decisions of the Bureau of Reclamation, no procedure exists for prospective purchasers to challenge these decisions; and

(8) due to a variety of weather conditions, soil qualities, and other natural characteristics affecting the productivity of farmland, it is inequitable to apply the same acreage limitations to every parcel of land.

(b) (1) It is the purpose of this Act to reaffirm as law and policy that—

(A) the congressional intention in reclamation law is and has been to foster the settlement of bona fide family farmers living on or near the land in Federal irrigation projects;

(B) those who do not comply with this purpose should be excluded from the right to receive federally supplied water;

(C) the intent of the law is to exclude project benefits from the price at which excess land initially receiving federally supplied water is sold; and

(D) there should be established procedures to assure sounder repayment practices from those receiving federally supplied water.

(2) It is the further purpose of this Act to provide that—

(A) the one-hundred-and-sixty-acre limitation shall be applied to less poductive lands in a manner, and in accordance with clear regulations, that will compensate for their less productive quality; and

(B) Federal financial assistance shall be provided to potential family farmers who would otherwise be unable to own or operate the land.

DEFINITIONS

SEC. 102. As used in this Act, the term—

(1) "family farm" means a farm (A) owned and operated or leased and operated by a family farmer; (B) of a size small enough to be maintained and operated by such family farmer and members of his family or with hired labor; (C) which provides sufficient income by itself in average or better agricultural years to enable the farmer to meet necessary family and operating expenses, including the maintenance of essential chattel and real property and the payment of debts; and (D) which is no more than three hundred and twenty acres of class 1 land or its equivalent in lands of lesser productivity; and is within the acreage limitations for farm ownership and operation as set forth in section 202 of this Act;

(2) "a cooperative family farm" means (a) a family farm jointly owned and operated or jointly leased and operated by more than one qualified purchaser or leaseholder, each of whom is a family farmer as defined by this Act, and (b) which is within the acreage limitations as set forth in section 202(b) of this Act. A cooperative family farm may, as specified in section 202(b), exceed three hundred and twenty acres of class one land or its equivalent in lands of lesser productivity.

(3) "family farmer" means an individual who (A) owns and operates, or leases and operates for his or her own account, a farm; (B) lives on or near the land which constitutes the farm; and (C) derives a major portion of his or her income during periods of normal agricultural productivity from the operation of that farm. The term does not include an individual whose participation in farming operations is primarily limited to management decisions with respect to land rented or leased to another person; but the term may include an individual, otherwise meeting the provisions of this definition, who operates a family farm in the partnership or corporate form of business organization;

(3) "qualified purchaser" means any individual who (A) is eligible under the Federal reclamation laws to purchase excess lands; (B) would be eligible, after having made such a purchase, to receive from a project or division, water for the lands purchased; and (C) does not own land receiving or eligible to receive federally supplied water in any project or division subject to Federal reclamation laws;

(4) "cooperative family farmer" means a family farmer who owns and operates or leases and operates for his or her own account a cooperative family farm with one or more other family farmers.

(5) "qualified leaseholder" means any individual who (A) is eligible under the Federal reclamation laws to purchase excess lands; (B) would be eligible, after having made such a purchase, to receive from a project or division water for the lands purchased; (C) certifies that lands leased pursuant to this Act will be used as a family farm, and that that individual will operate that farm as a family farmer; (D) does not have the financial resources necessary to purchase a farm of an economically feasible size; (E) has been unable to obtain adequate financing to purchase such a farm; and (F) has the ability to farm those lands as a family farmer;

(6) "dependent" means a person dependent on another person for over half of his or her support, within the meaning of the Internal Revenue Code (26 U.S.C. 152);

(7) "Secretary" means the Secretary of the Interior;

(8) "Federal reclamation laws" means the Act of June 17, 1902 (32 Stat. 388), as amended (43 U.S.C. 391), and Acts amendatory thereof or supplementary thereto, including this Act;

(9) "project" means a Federal irrigation project authorized by or subject to the Federal reclamation laws;

(10) "division" means a substantial irrigable area of a project designated as a division by order of the Secretary;

(11) "Administrator" means the Administor of the Farmers Home Administration; and

(12) "class 1 land" has the meaning defined in paragraph 2.5.2, "Class 1", of chapter 2.5, "Land Classes", of part 2, "Land Classification", of volume V, "Irrigated Land Use", of the United States Department of the Interior Bureau of Reclamation Manual, or comparable definition contained in a subsequent manual that is officially designated as the successor in function to that manual.

TITLE II—ACREAGE LIMITATIONS AND EQUIVALENCY

LANDS OTHER THAN CLASS 1 LANDS—ACREAGE EQUIVALENCY

SEC. 201. (a) Notwithstanding any other provisions of law, the Secretary, for purposes of administering Federal reclamation laws, may establish the acreage of land held in private ownership by any one individual owner, which is eligible as nonexcess lands to receive project water from, through, or by means of project works, at one hundred and sixty acres of class 1 land, or the equivalent thereof in other lands of lesser productive potential. Standards and criteria for the determination of land classes pursuant to this authority shall make use of, where possible, on land classification surveys that have been made or shall be made in feasibility studies at or before the time the project involved was begun. Where previous land classification surveys do not exist, the Secretary may establish acreage equivalency formulas on a project-by-project basis. In any classification for equivalency purposes, including those cases where preproject surveys already exist, the Secretary shall hold public hearings in the area affected before promulgating regulations. The regulations will go into effect sixty days after their final promulgation. This section shall not apply to any project, unit, or division of a project, or repayment contracting entity located in an area in which the average frost-free growing season, as as determined from published Department of Commerce records, exceeds one hundred and eighty days. In establishing such equivalency formulas, the Secretary shall certify to the Congress in writing that the acreage equivalency formula will be adequate to provide for operating expenses, debt retirement and family living expenses and (b) the goal of distributing the benefits of the reclamation program as widely as possible will be realized.

(b) The Secretary is authorized upon request of the holder of an existing contract under Federal reclamation laws to amend the contract to conform to the provisions of subsection (a) of this section, and to otherwise perform any and all acts appropriate to carrying out the purposes of this Act. All such amendments shall be negotiated and executed in keeping with the purposes and procedures set forth in sections 602, 603, and 604 of this Act.

PURCHASE OF LAND FOR DEPENDENTS OF QUALIFIED PURCHASER

SEC. 202. (a) A qualified purchaser will be eligible to purchase, and a qualified leaseholder will be able to lease, in addition to the one hundred and sixty acres for which he or she is qualified under reclamation law, one hundred and sixty additional acres for one dependent, with whom he or she has permanently resided for a period of at least one year prior to the date of purchase: *Provided*, That the purchaser is a family farmer as defined by this Act.

(b) In the case of an individual purchaser without dependents the Secretary may allow the purchase or lease of up to three hundred and twenty acres if the purchaser or leaseholder is otherwise qualified under reclamation law and will be a family farmer as defined in this Act.

(c) In the case of a cooperative family farm, qualified purchasers or qualified leaseholders may purchase or lease up to three hundred and twenty acres, or purchase and lease land in any combination up to three hundred and twenty acres: *Provided*, That none of the qualified purchasers or leaseholders are (1) married to each other or (2) under the age of 18: *And provided further*, That each purchaser or leaseholder is a family farming as defined by this Act, and is farming the land purchased or leased.

(d) An individual purchasing land but not operating the land as a family farmer will be entitled to purchase up to one hundred and sixty acres of land: *Provided*, That no other dependent of the purchaser has previously purchased land in any project: *And provided further*, That the purchaser permanently reside within twenty-five miles of the land purchased.

TITLE III—EXCESS LANDS AND IRRIGATION RIGHTS

RIGHTS TO WATER AND TERMINATION OR SUSPENSION OF RIGHTS; MORATORIUM ON SALE OF EXCESS LANDS

SEC. 301. (a) One year after the date of enactment of this Act, no water from any project or division shall be delivered to any lands unless (1) those lands comprise a family farm or a cooperative family farm, (2) those lands are described in subsection (b) of this section, or (3) thost lands are within a project or division which prior to the enactment of this Act had been exempted by statute from the one-hundred-and-sixty-acre limitation. The Secretary, through the Commissioner of Reclamation, shall take appropriate steps to insure that water deliveries to lands not in compliance with the preceding sentence are terminated.

(b) In addition to lands comprising family farms, the following lands shall be entitled to receive or continue to receive water from a project or division:

(1) land currently under recordable contract;

(2) land owned by a former family farmer who has retired from active farming, who had farmed that land as a family farmer for five years or longer before retiring, and who continues to reside on that land;

(3) land owned and operated by a family farmer who otherwise conforms and complies with the provisions of this Act, but who leases that land for not more than two years of any ten-year period, or in instances approved by the Secretary on the basis of extreme hardship to that family farmer, for more than two years of a ten-year period;

(4) subject to the provision of subsection (c) of this section, land acquired by foreclosure or other process or procedure in satisfaction of a mortgage or any other legal instrument securing a creditor's rights;

(5) subject to the provisions of subsection (c) of this section, land acquired by inheritance or devise; and

(6) subject to the provisions of subsection (c) of this section, land not under recordable

contract purchased prior to the date of enactment of this Act and actually receiving or lawfully entitled to receive water on that date.

(c) Lands that receive or are entitled to receive water pursuant to clause (4), (5), or (6) of subsection (b) of this section shall cease to receive or be entitled to receive water from any project or division unless those lands are sold to the Secretary pursuant to section 501 or to a qualified purchaser and operated as a family farm—

(1) in the case of lands described in clause (4) or clause (5) of subsection (b), three years after the date of acquisition of title to or other possessory rights in those lands by a person or persons not qualified purchasers or for operation otherwise than as a family farm; except where land is inherited by a direct lineal descendant of the purchaser, in which case the person or persons inheriting the land will have ten years in which to come into compliance with the provisions of this subsection;

(2) in the case of lands described in clause (6) of subsection (b), five years after the date of enactment of this Act.

(d)(1) Not less than sixty days prior to terminating deliveries or entitlement to deliveries of water to any lands pursuant to this section, the Secretary shall give notice by personal service or by certified mail to the record owner or owners of those lands, to any person or persons known to have a leasehold or other lawful possessory or security interest therein, and to the head or heads of any household or households of persons known to the resident thereon. The notice shall specify the legal reason or reasons for and the intended date of the termination. Each person having a right to receive such notice shall have a right, within the period after notice and prior to termination, to present to the Secretary or his delegate oral or written arguments that those lands are in compliance with this section and that deliveries or entitlement to deliveries of water accordingly should not be terminated.

(2) The Secretary, by regulation, shall establish procedures for the settlement of contested rights to water under this section. Those procedures shall provide for final determination of such rights at the administrative level not later than one year after the issuance of the sixty-day notice of intended termination. While any such contest is pending, lands involved in that contest may receive water for the duration of the growing season during which the intended termination date fell. After that growing season has ended, no deliveries of water shall be made to those lands during the pendency of the contest at the administrative level or in the courts: *Provided*, That if the Secretary shall upon inquiry find and by order declare that, in a particular case, the termination of deliveries of water would cause hardships to the recipients of water that substantially outweigh the benefits to enforcement of the policy and purpose of this Act, the date of suspension of deliveries of water during the pending contest may be deferred for not to exceed two additional growing seasons. Thereafter, no water shall be delivered to those lands until they have been duly found or adjudged to be in compliance with this section.

(e) Not later than three months after the enactment of this Act, the Secretary shall publish proposed regulations for the administration of this section and shall provide for hearings on those proposed regulations during the following six months. There shall be at least one day's public hearing in each region of the Bureau of Reclamation. The Secretary shall also provide for the filing of written comments on the proposed regulations during the six-month period following their publication. The Secretary shall promulgate final regulations, taking into account testimony heard and suggestions received, not prior to six months, not later than one year, after the date of enactment of this Act.

(f) No excess lands in any project or division receiving or eligible to receive federally supplied water shall be sold for a period of one year following the date of enactment of this Act: *Provided*, That, if the Secretary, upon inquiry finds and by order declares that, in a particular case, the moratorium on the right to sell land would cause hardships to the owner or owners of that land which substantially outweigh the benefits of the moratorium to achievement of the policy and purpose of this Act, the moratorium on land sales shall be waived in the case.

DISPOSITION OF EXCESS LANDS

SEC. 302. (a) A seller of excess land shall have the right to determine to which purchaser he or she will sell his or her land if that sale does not result in the retention of any interest other than purchase-money mortgages (or other equivalent purchase-money security instruments) on the part of the seller: *Provided*, That only qualified purchasers of that land may receive federally supplied water therefor under this Act and Federal reclamation laws. If the seller is unable or unwilling to choose among two or more offers for the same parcel of land from purchasers, the offer to be accepted shall be determined by lot, in accordance with subsection (b).

(b) The Secretary shall determine by lot which of two or more offers from qualified purchasers for the same parcel of excess land shall be accepted by the seller, when the seller is unable or unwilling to make a choice among competing offers from qualified purchasers. The Secretary shall promulgate regulations for the conduct of lotteries for that purpose. Those regulations shall provide that—

(1) Each prospective actual occupant of the excess land to be sold pursuant to a lottery among prospective qualified purchasers shall be entitled to one and only one chance in that lottery if that prospective occupant is a qualified purchaser or a dependent in whose right a qualified purchaser may purchase land pursuant to section 202.

(2) Persons who participated unsuccessfully in prior lotteries shall be entitled to separate, earlier chances in each new lottery for a different parcel of land, in accordance with their seniority as lottery participants. Whenever the Secretary is called upon to determine the purchaser of a parcel of excess land by lot under this section, he shall provide first for a lottery in which the chances drawn will be only those of the present qualified purchasers who have participated unsuccessfully in the greatest number of prior lotteries for the purchase of excess land, and only if no persons come forward in that class shall provision be made for a lottery in which the chances drawn will be only those of qualified purchasers who have participated unsuccessfully in the next-greatest number of prior lotteries. The Secretary shall prepare and maintain a roster of participants in lotteries for the purchase of excess land which shall indicate the lotteries in which each person has participated unsuccessfully, for purposes of carrying out this paragraph. Persons on that roster shall be given, at their last known address, direct-mail notice of each lottery until they indicate to the Secretary that they are no longer interested in purchasing excess land or have ceased to be qualified purchasers.

(3) Lottery chances and positions on the roster of unsuccessful participants in prior lotteries shall not be transferrable in any manner.

(c) The appraisal of excess lands for sale thereof shall be made without reference to any chattel, fixture, or other property which can be liquidated by the seller in a sale unrelated to the sale of the land, such as tractors, trucks, leasehold rights, securities and other items or materials. In all cases the price for excess land shall be no higher than the price the Secretary determines would result from taking the fair market value of the land at the initiation of actual construction of the project and indexing it by the Consumer Price Index for the period between the initiation of construction and the sale of the land.

(d) Disagreements between the seller and a qualified purchaser of excess lands covered by any recordable contract of sale as to price or any other condition of sale shall be resolved by arbitration. The Secretary shall promulgate regulations, pursuant to section 604, for the conduct of such arbitration.

SPECULATION AND PROFITEERING PROHIBITED

SEC. 303. After the date of enactment of this Act, no owner of land receiving or entitled to receive water from a project or division who purchased that land as excess lands and at a price limited by the Federal reclamation laws shall sell that land at a price greater than that owner's cost for the land, indexed by the Consumer Price Index for the period between that owner's purchase and sale of the land: *Provided*, That, if that owner has actually farmed that land as a family farmer for a period of ten years prior to that sale, the sale price may be at fair market value without reference to the Federal reclamation laws. The Secretary is authorized to approve or disapprove the price of land sold subject to this section and to institute such procedures, by regulations promulgated pursuant to section 604, as may be necessary to assure the settlement of family farmers on excess lands and to prevent speculation and profiteering in land receiving or entitled to receive water from any project or division, including speculation and profiteering by family farmers for a period of ten years.

TITLE IV—REPAYMENT OF PROJECT COSTS

PROJECT COST REPAYMENT PROVISIONS OF CONTRACTS

SEC. 401. (a) Notwithstanding any other provision of law, the Secretary, in the case of water right contracts or amendments to contracts entered into after the date of enactment of this Act, shall be required to stipulate in any such contracts that all rates and assessments to be paid by the contracting entity or the landowners in that entity shall be renegotiated every five years. The repayment capacity studies on which such rates and assessments may be based shall also be conducted every five years.

(b) Notwithstanding any other provision of law, the Secretary, in case of water right contracts or amendments to contracts entered into after the date of enactment of this Act, shall require that repayment for the distribution infrastructure systems shall commence for each section of the system when it begins regularly and permanently to deliver water. No section of the system shall be used to deliver water for more than one year unless repayment for that section has commenced.

TITLE V—LEASING OF CERTAIN EXCESS LANDS

PURCHASES OF EXCESS LANDS BY THE SECRETARY IN ORDER TO LEASE THOSE LANDS TO FAMILY FARMERS

SEC. 501. (a)(1) During the fiscal year beginning October 1, 1978, and each of the next following four fiscal years, the Secretary, subject to the availability of lands and appropriations, is authorized and directed to utilize all moneys appropriated for that purpose to purchase excess lands, and fixed equipment thereon, for lease to family farmers in accordance with the provisions of this section. The Secretary shall make no such purchases within any fiscal year in excess of the acreage he determines will be necessary to meet the demands of potential qualified leaseholders under this section during that

and the next following fiscal year. Such purchases may be made in any size units which the Secretary determines to be necessary to enable the leaseholders thereof to farm such lands as a family farm in accordance with the provisions of this Act: *Provided*, That the ultimate division of such lands shall be consistent with the provisions of this Act concerning ownership.

(2) There is authorized to be appropriated for the fiscal year commencing October 1, 1978, and for each of the next following four fiscal years, the sum of $5,000,000 to carry out the provisions of this subsection.

(b) (1) The Secretary is authorized to lease lands purchased pursuant to subsection (a) of this section to any qualified leaseholder in an amount of acreage which the Secretary determines will be necessary to farm the land as a family farm: *Provided*, That leasehold acreages shall be subject to the same conditions and limitations as those which would apply under section 202.

(2) Each such lease shall contain a requirement that the leasehold will be used as a family farm and the leaseholder will farm the lands as a family farmer.

(c) In determining the amount of rent which a leaseholder shall be required to pay, the Secretary shall require an amount sufficient to enable the Secretary to pay all costs, excluding interests, incurred in the ownership of land and the administration of the program established by this title. The Secretary, in determining the amounts, shall be authorized to adopt variable rental schedules in order to take into account both bountiful and natural-disaster conditions.

(d) Leases under this section shall not exceed, originally or by any extension or extensions, a total term of seven years, and in no case shall any such lease be issued for a term of less than two years. No leaseholder shall sublease lands covered by his or her lease unless approved by the Secretary on the basis of an extreme hardship to that leaseholder.

(e) The Secretary shall be authorized to terminate any lease for any failure to pay rents or other substantial violation thereof by the leaseholder in accordance with such regulations as he shall prescribe.

(f) In accordance with such regulations as the Secretary shall promulgate, a leaseholder shall be authorized, during the term of that lease, to make improvements within a five-acre area approved by the Secretary for that purpose. Upon the termination of that lease, the Secretary shall compensate the leaseholder for such improvements in an amount not to exceed the fair market value thereof.

(g) In those cases where two or more qualified leaseholders make application for lease of the same tract of land, the Secretary shall determine which of those applicants shall be entitled to that lease by lot in the same manner as provided under subsection (b) of section 302 of this Act for choosing among competing offers from qualified purchasers.

(h) In any case in which a qualified leaseholder certifies in a manner satisfactory to the Secretary that he or she does not have the financial resources necessary to operate the lands covered by that lease as a family farm, including nonfixed assets, such as tractors, trucks, and other items or materials, the leaseholder shall be entitled to receive financial assistance in accordance with the provisions of section 601 of this Act.

(i) In any case in which the Secretary determines, on the basis of a qualified leaseholder's use of the lands covered by his or her lease during the term thereof and such other factors as the Secretary, by regulation, shall prescribe, that that leaseholder can successfully manage and operate the lands covered by the lease as a family farm, the Secretary shall, upon application of that leaseholder submitted to the Secretary within six months prior to the expiration of the term of that lease, sell those lands to that leaseholder at the same price the Secretary paid for the land at the time of its acquisition indexed by the Consumer Price Index for the period between acquisition and sale of the land. If the leaseholder certifies in a manner acceptable to the Secretary that he or she does not have and has been unable to obtain adequate financial resources to make the purchase, the leaseholder shall be entitled to receive financial assistance in accordance with section 601 of this Act. All proceeds of those sales shall be placed in a fund to be administered by the Secretary for the purpose of purchasing additional lands for lease under the provisions of this title.

(j) Upon the purchase of land pursuant to subsection (i), the former leaseholder shall be subject to all of the conditions, limitations, and restrictions imposed by the Federal reclamation laws, including in particular title III of this Act, on excess lands and qualified purchasers thereof, except that, for purposes of section 303, the former leaseholder may count up to five years of the term of his leasehold as if he had been the owner of that land during that period.

(k) Notwithstanding any other provision of law, a qualified leaseholder shall be entitled to contract for water for lands covered by the lease in the same manner and to the same extent as if that leaseholder were the owner of those lands.

(l) In any action of the Secretary involving the denial or rejection of an application for a lease under this title, the Secretary shall require that the applicant be notified of that action by both oral and written communications. If the applicant believes that the Secretary has wrongfully denied or rejected the application, the applicant shall have thirty days following that denial or rejection within which to file a petition for review of the application and denial. By regulations promulgated pursuant to section 604, the Secretary shall establish procedures for the initial processing, granting, and denial of those applications, and, following rejection, for review thereof by a different authority.

LEASING OF LEMOORE NAVAL AIR STATION LAND TO FAMILY FARMERS

SEC. 502. Within ninety days following the date of enactment of this Act, the Secretary of the Navy shall transfer to the Secretary of the Interior administrative jurisdiction over the leasing of all lands owned by the Secretary of the Navy within the Westlands Water District which qualify as excess lands, for purposes of leasing those lands pursuant to this title. The Secretary of the Navy shall, however, be permitted to issue such rules and regulations as he may deem necessary for the operation of the Lemoore Naval Air Station and the Department of the Navy shall retain title to the land. On and after that transfer, those lands shall be available to the Secretary of the Interior for disposition under this title in the same manner and to the same extent as those lands purchased by the Secretary pursuant to section 501, except that those lands with respect to which the Secretary of the Navy retains title under this section shall not be available for purchase in accordance with subsections (i) and (j) of section 501. Notwithstanding the provisions of section 501(d) of this Act, the Secretary of the Interior is authorized, upon the expiration of any such lease, to renew the lease for a further term or terms.

TITLE VI—MISCELLANEOUS

GUARANTEES BY DEPARTMENT OF AGRICULTURE OF LOANS MADE BY PRIVATE LENDERS TO QUALIFIED LEASEHOLDERS

SEC. 601. (a) In order to furnish financial assistance for purposes referred to in subsections (h) and (i) of section 501, the Administrator may, in accordance with the provisions of this section, guarantee loans made by non-Federal lenders to qualified leaseholders for those purposes. No loan guarantee under this section for any such purpose may apply to so much of the principal amount thereof as exceeds 90 per centum of the cost of carrying out any such purpose.

(b) Individuals seeking guarantees of loans under this section shall submit to the Administrator applications, in a form which the Administrator shall prescribe, containing such information and assurances as may be required by the Administrator. The Administrator may approve any such application only if—

(1) there are in the application satisfactory assurances that the applicant will, if the loan is granted, keep those records, and afford such access thereto, and make those reports in the form and containing the information, as the Administrator may reasonably require; and

(2) the Administrator determines, in the case of a loan for which a guarantee is sought, that the terms, conditions, maturity, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed the per centum per annum on the principal obligation outstanding as the Administrator determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

(c) In the case of any such loan guaranteed under this section, the United States shall be entitled to recover from the applicant the amount of any payments made pursuant to any such guarantee, unless the Administrator for good cause waives the right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(d) Guarantees of loans under this section shall be subject to such further terms and conditions as the Administrator determines to be necessary to assure that the purposes of this section will be achieved, and, to the extent permitted by subsection (e), any of those terms and conditions may be modified by the Administrator to the extent he or she determines such modification to be consistent with the financial interest of the United States.

(e) Any guarantee of a loan pursuant to this section shall be incontestable in the hands of an applicant on whose behalf the guarantee is made, and as to any person who makes or contracts to make a loan to the applicant in reliance thereon, except for fraud or misrepresentation on the part of the applicant or such other person.

(f) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section is authorized to be any amount not in excess of $50,000,000.

COPIES AND EXPLANATIONS OF THIS ACT TO BE FREELY AVAILABLE

SEC. 602. The Secretary, on request of any individual, shall furnish without cost to that individual a copy of this Act, together with a summary explanation of the provisions thereof written in simple English or in simple Spanish, as the requesting individual desires.

NEGOTIATIONS OF PROJECT CONTRACTS TO BE CONDUCTED IN OPEN SESSIONS FOLLOWING PUBLIC NOTICE

SEC. 603. After the date of enactment of this Act, all contract negotiations involving construction, reconstruction, enlargement, operation, repayment of costs, excess lands, rights to water, or other aspects of any

project or division existing under or subject to the Federal reclamation laws, or any combination of those subjects, shall be conducted in public sessions and pursuant to public notice given in a form and manner calculated to provide the widest practical actual notice to interested parties. All parties conducting such negotiations, including but not limited to the Secretary and his delegates, shall share responsibility for implementing the policy of this section to assure notice to and participation or observation by the public in all negotiations involving contracts, including amendatory and supplemental contracts, affecting projects or divisions.

SECRETARY'S RULES AND REGULATIONS TO BE PUBLISHED

SEC. 604. Beginning not later than one year after the date of enactment of this Act, the Secretary shall take no action pursuant to or in implementation of the Federal reclamation laws, except in accordance with published, formal rules and regulations promulgated by the Secretary. Those rules and regulations shall, in addition to other matters, be explicit in making provision for the disposition of excess lands. All such rules and regulations shall be published in the Federal Register not less than thirty days before becoming effective. All such rules and regulations, including amendments thereto, shall be subject to the provisions of subchapters I and II of chapter 5 of title 5, United States Code.

DEPARTMENT OF AGRICULTURE PROGRAMS FOR FAMILY FARMERS

SEC. 605. In order to facilitate the successful operation of the other titles and purposes of this Act, the Secretary of Agriculture is authorized and directed to make available, to the maximum extent authorized by law, to family farmers in each irrigation district, those benefits provided to farmers and stockmen under programs administered by the Farmers Home Administration, the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Federal Crop Insurance Corporation, the Extension Service, and by such other agencies and offices of the Department of Agriculture as may be appropriate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 606. For the fiscal year beginning October 1, 1977, and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

SOVIET VIOLATIONS OF HUMAN RIGHTS

● Mr. HEINZ. Mr. President, the recent announcements by the Soviet Government that first General Grigorenko and now Mstislav Rostropovich and his wife had been stripped of their citizenship focuses attention once again on the Soviet Union's continuing harassment of its own citizens in violation of all accepted standards of human rights.

In both these cases and in others we are not witnessing the punishment of criminals. Rather we are dealing with several different kinds of persons of great dedication and integrity; those who have chosen to pursue their own careers and interests despite the wishes of a totalitarian state which is apparently unable to tolerate any individualism; those who have chosen to speak out against the inhumanity and oppression of the Soviet regime and strike a blow for freedom and liberty; and those who because of their faith choose to live elsewhere in a country where they are free to worship as they wish.

These freedoms are normal here. In Russia those who attempt to exercise them are martyrs to the narrow intolerance of a government which will permit no opposition, no questioning of its own omniscience, and no deviation from its conception of a person's proper role. It is a tragedy of our time that these injustices occur at the very time the Soviet Union continues its material economic progress and attempts to raise the standard of living of its citizens.

The Kremlin still has not learned that there is more to life than bread. The fact is, that as basic economic needs are satisfied, the cries for more fundamental freedoms will become all the louder.

The Solzhenitsyns, the Schcharanskys, the Grigorenkos, the Rostropovichs, each in their own way, express those freedoms. They can, in one unjust way or another, be cast out of Soviet society, but no amount of oppression can extinguish the spark of freedom they have ignited.

It is the responsibility of the United States to nurture that spark, to feed it and help it grow with our moral and material support. Our condemnation of the Soviet Union must not bow to political exigencies. We must remain committed to our own principles of liberty and justice and seek to spread them where we can. The Soviet Union's denial of those same principles condemns it in the eyes of freedom-loving peoples everywhere. Just as we hold to our own principles, we must be equally persistent in rejecting Soviet ideas so that freedom might spread.

Mr. President, the Soviet Union has embarked on an unprecedented campaign of grievous harassment of her citizens. Their apparent sin is to be themselves, to speak their minds, to work for a just society in their own country. We should condemn this campaign of oppression of the human spirit for what it is: The raising to a new level of the Soviets unremitting effort to stamp out the individual. I urge my colleagues to join in speaking out against this new violation of human rights in the U.S.S.R.●

AIRLINE REGULATORY REFORM

● Mr. CANNON. Mr. President, I read with great interest the statement of Senator McGOVERN in the February 23, 1978 CONGRESSIONAL RECORD concerning the subject of airline regulation and, in particular, S. 2493 which will soon be on the floor. The reservations expressed by the distinguished Senator are ones which I understand quite well since I too shared them before exploring the issues in substantial depth. After more than 2 years of study, however, which included countless hearings and hundreds of documents, I am firmly convinced that the very understandable fears expressed by Senator McGOVERN are unfounded. Let me explain why.

Basically four arguments are raised in his statement. They are that: First, less regulation will lead to industry concentration; second, when there are fewer carriers, there will be fewer flights and higher fares; third, thousands of employees will lose their jobs; and fourth, small communities will lose service. These are the principal arguments which have been raised all along by proponents of the status quo. I would like to respond carefully to each one.

First. Less regulation will not lead to the increased domination of the U.S. commercial airlines by a few carriers. In the first place, on a theoretical level it does not matter how many carriers there are so long as they are operating competitively. Right now there are 43 federally certificated air carriers—that fact has not resulted in a competitive environment nor prevented the bulk of the traffic from being carried by just a handful of carriers. I would much prefer to see a system with fewer carriers which are highly competitive than one with 43 carriers and no real competition.

Realistically, however, virtually all the economic evidence submitted in this controversy indicates that there is no substantial danger of industry concentration. The key to this conclusion is that there are no significant economies of scale in the airline industry; that is, beyond a relatively low threshold there is no advantage to size. Indeed, there are certain distinct diseconomies involved in large size. Most importantly, we have learned that optimum efficiency is attained when a carrier limits itself to just one aircraft type, allowing the greatest flexibility in interchanging parts and personnel and reducing training and inventory needs. Thus there is a distinct competitive advantage to specializing in transportation suitable to a single type of aircraft—long haul, medium haul, or short haul.

A perfect example is Southwest Airlines in Texas, operating relatively short hauls exclusively with B–737 equipment. They have managed to attain economies significantly greater than most federally certificated carriers.

We know from actual experience that even the most vigorous competition by large carriers against small efficient carriers will not endanger the existence of the smaller carrier. An excellent case in point is the situation in California where Pacific Southwest Airlines is faced with vigorous head-to-head competition by no fewer than 10 federally certificated carriers with combined assets and resources which dwarf those of PSA. Yet, the California carrier holds its own quite well, with its specialized operations and highly efficient operations.

While it is inherently impossible to predict with precision what would happen in a less regulated environment, many economists believe that there will be even more opportunity for specialization and hence more carriers. The capital barriers to entry into the airline business are relatively low. Equipment can easily be leased, complete with crews if necessary. Competition can be mounted on fairly short notice. Carriers could not afford to become fat and lazy in a less regulated environment because it would not be difficult to challenge incumbents unless the Federal Government intervenes to protect them.

The picture of a system dominated by just a few carriers and in which there is little competition is more reflective of the current situation than the dangers of a new one. This is a unique industry with respect to its competitive nature—there is none other that I can think of in which the capital is so mobile. If there is an opportunity anywhere in the country, the equipment necessary to take advantage of it can be there within hours or even minutes. This industry is a far cry from the highly immobile operations of a railroad, telephone company, utility plant, or other so-called "natural" monopolies.

Finally, this legislation imposes very strict antitrust standards on this industry, and places a duty upon the Civil Aeronautics Board to promote new entry. Thus, even if the economists are all wrong, as a safeguard, the CAB will have the legal responsibility to prevent the kind of concentration which Senator McGovern fears.

Second. There will not ultimately be fewer flights and higher fares. If anything, careful study of the system indicates that just the opposite is more likely. In the first place, this bill has carefully balanced the entry and pricing provisions. This is the key to the entire legislation. Wherever there is a credible threat of competition, prices will be kept down. That is why the automatic entry provisions are so very important. If carriers are aware that all of their routes are vulnerable to new entry, they will be motivated to keep their prices as low as possible on a systemwide basis to prevent such entry. But not taking any chances, we have gone further to prevent even short-term increases in fares by prohibiting price hikes on all monopoly routes unless specifically approved by the CAB. Thus, the public is protected—primarily by the threat of entry throughout the system and secondarily by the CAB when monopoly markets are concerned.

The contention that there will be fewer flights is based on the assumption that there will be fewer carriers who will concentrate their efforts in fewer markets. This will not happen. For the first time, every community in the country now receiving service is guaranteed to continue receiving it; hence, there cannot be a wholesale abandonment of markets throughout the country. Moreover, it is very important to recognize that for the most part, the amount of service being provided today is far in excess of that required of carriers to fulfill their minimum service obligation to each community they serve. Whenever this is the case, it means that the carrier is operating the level of service which it does because there is enough traffic to make a profit for the carrier. Nothing that the Congress can do will reduce the demand for air services—and if there is a profit to be made, somebody will always be there to take advantage of the opportunity.

Moreover, we are already seeing evidence that the lower fares which this legislation will encourage will probably result in more flights than currently offered. In virtually every case of low-fare experimentation during the past year, the traffic generated by the new low fare has been far in excess of expectations. The low fares have stimulated new passengers, load factors have increased and, after a point, additional frequencies are required.

In some markets, wasteful head-to-head service may be eliminated. But this is desirable. It is hard to believe, but under the current system there are 10 flights every evening during just one 10-minute period which depart from New York to Miami. Such excessive and costly service competition would be a luxury in which carriers could not engage under the new system. But in most cases, we expect lower fares to generate many more passengers and result in more service in the long run.

Third. There should be more jobs for airline employees. The argument raised by Senator McGovern that thousands of employees will lose their jobs is very disturbing to me, because just the opposite is true. There should be more employment resulting from this legislation.

The reason is quite simple. Lower fares are going to generate more traffic and as load factors increase new flights will be added. We have solid evidence that this will be the case. The existing experiments with low fares have produced a tremendous response from the traveling public. The result is more service, not less. More service means more jobs. A prime example is Delta's operations between St. Louis and Chicago's Midway Airport. After years of extremely low-volume service, Delta cut its fares. Its traffic has multiplied dramatically and now it is adding more flights in a market which has always been thought to be a sure loss. As a result, the public has better service and lower fares, Delta's employees have more work, and Delta has more profits. This can happen throughout the country.

At the same time the long-term exodus of carriers from small communities will be halted, maintaining existing opportunities for airline employees.

Meanwhile, there are comprehensive provisions for protection of airline employees in the event of any serious disruptions which, I repeat, we do not anticipate occurring anyway. But the existence of these labor protective provisions is decidedly not a recognition that a substantial number of airline employees will be without work, as Senator McGovern states in his statement. Far from it. I do not believe they will ever have to be used.

Fourth. Small communities will not lose service. The contention that small communities will lose service is completely wrong. Far from eliminating small community service, this legislation would guarantee it for the first time. Since 1960, over 175 communities throughout the country have lost certificated air service altogether. This trend will end immediately if this legislation is passed.

In the first place, service to every community now receiving it is absolutely guaranteed for a minimum of 10 years. At the end of that time the Civil Aeronautics Board has the specific mandate to maintain "a comprehensive and convenient system of continuous scheduled airline service for small communities and for isolated areas, with direct Federal assistance where appropriate."

In the second place, the CAB is instructed to review all those points which have lost service during the past 10 years to determine which of those should again receive subsidized service. Thus, not only will the trend toward elimination of service to small communities be stopped—it will be reversed.

Under the current system, which Senator McGovern indicates he prefers, service at four small communities in South Dakota has been completely eliminated with the approval of the CAB—Hot Springs, Lemmon, Mobridge, and Spearfish. This legislation would put a stop to the exodus of carriers from small communities once and for all. Never before has the CAB had the specific direction from the Congress to support small community service.

Moreover, the quality of the service is likely to increase. Under the current system, the CAB pays subsidy to carriers based on the needs of each carrier for a certain level of profits—regardless of the quality of service being provided. In many cases that service is completely second rate, with infrequent and poorly-timed flights which can meet the needs of very few travelers.

In contrast, this bill would require the CAB for the first time to actually go out to the communities involved and sit down with them to determine their specific air transportation needs. Once those needs are determined, the CAB has the obligation to see that they are met. At last, the community can have a substantial input into the decision concerning the cities to which it needs flights, the times of day it needs service, the type of aircraft which would be most suitable, and the fares which should be charged.

These are concepts which will be greatly beneficial to small communities throughout the country.●

UNIONS AND THE FEDERAL ELECTION CAMPAIGN ACT

● Mr. GOLDWATER. Mr. President, the news media has devoted much attention recently to the campaign finance bill that is being worked on in a House committee, H.R. 11315. Many independent observers have complained that the bill will change the rules in the middle of an election year and is over-partisan.

However, virtually no attention has been given to a brief, four-line provision of the bill that may have more importance to itself than all of the rest of the legislation. I am referring to section 301 (25) (ii) of the House measure which would exempt big labor from major limitations of the present election campaign law by considering the individual members of a local union to be members of the national AFL–CIO. Let me explain.

Mr. President, under present law there is a prohibition against the creation of

multiple segregated funds by organized labor and large corporations as a means of evading the statutory campaign ceiling limits on political contributions. This was added to the law in 1976 by Congress in order to prevent the proliferation into many political committees by what in fact is one group. Otherwise, the $5,000 ceiling of the law could easily be evaded by powerful economic interests who would not only shatter the purpose of having a ceiling, but reap an unfair advantage not allowed to natural persons.

This restriction on contributions is nailed down in paragraph (5) of subsection (a) in section 441a, of title II, United States Code, which reads in pertinent part as follows:

"(5) For purposes of the limitations provided by paragraph (1) and paragraph (2), all contributions made by political committees established or financed or maintained or controlled by any corporation, labor organization, or any other person, including any parent, subsidiary, branch, division, department, or local unit of such corporation, labor organization, or any other person, or by any group of such persons, *shall be considered to have been made by a single political committee, . . .*" (Emphasis added.)

The final sentence of this paragraph further clarifies the intent of Congress. It reads:

"In any case in which a corporation and any of its subsidiaries, branches, divisions, departments, or local units, or a labor organization and any of its subsidiaries, branches, divisions, departments, or local units establish or finance or maintain or control more than one separate segregated fund, all such separate segregated funds *shall be treated as a single separate segregated fund for purposes of the limitations* provided by paragraph (1) and paragraph (2)." (Emphasis added.)

Yet, in the face of this clear mandate of the law, it is on the public record that a single organization, the AFL–CIO, made numerous contributions in the 1976 elections vastly exceeding the $5,000 limit on contributions by political committees to any particular candidate. According to evidence compiled by the National Right To Work Committee, public filings of congressional candidates with the Federal Election Commission revealed several hundreds of instances where contributions by AFL–CIO unions far exceeded the legally permissible limit imposed on a single organization's political committee.

In the Senate race of one State, big labor's contributions went 10 times above the legal limit on contributions by a single political committee to any one candidate in the 1976 elections. In another case, which the National Right to Work Committee has documented, the Senate campaign of a candidate received seven times more funds from AFL–CIO contributions than the law allows to single political committees. These are just two of the proven evasions of the spirit, if not the letter, of the Campaign Act.

But at the same time big labor was considering itself and its union affiliates as constituting a multitude of separate organizations for purposes of the contributions limit of the campaign law, the same labor organizations were treating themselves as a single group under a different provision of the law. When engaging in registration and get-out-the-vote campaigns, the solicitation of funds, and communications with individual voters, these various AFL–CIO organizations claimed to be a single political committee.

In other words, when AFL–CIO affiliate unions, and the several State AFL–CIO federations want to make political contributions, they claim to be separate groups. But when the same unions want to conduct a massive voter drive aimed at individual union members, they suddenly achieve a transformation and become a single organization.

These activities, which were estimated by news accounts to cost union bosses in excess of $4 million, would have been legal only if the same 14 million individual union members of the AFL–CIO affiliates are considered members of the national AFL–CIO itself. This is exactly the loophole which the AFL–CIO needs for a special exemption from the law and which the bill pending in the House would create.

Under the theory being used by big labor, all the individual union members of the affiliated AFL–CIO organizations, the State federations, directly affiliated local unions, State and local central bodies and trade and industrial departments, are considered as one political committee. However, in a complaint filed on January 28, 1977, with the Federal Election Commission by the National Right to Work Committee, it is pointed out that the AFL–CIO constitution itself repudiates this theory. There is no provision in the AFL–CIO constitution for either the collection of money as dues from individuals or the suspension of individuals for non-payment of dues. The whole document deals with affiliated unions, not with individual union members.

Thus, the AFL–CIO has not only been directing get-out-the-vote campaigns as if it and all its affiliated unions are a single body, in contradiction to the theory under which big labor gives political contributions, but it has been addressing its political activities to millions of individuals who under the AFL–CIO constitution are not even members of the national organization.

Mr. President, this self-contradiction by the AFL–CIO in considering itself to be a single political organization for one purpose, and then a multitude of political committees for a different purpose under the Federal Election Campaign Act, has been brought to the attention of the Federal Election Commission by the National Right to Work Committee. Although the Commission has delayed acting by asserting it does not have sufficient information as yet, there is no question but that big labor or any other major economic group cannot have it both ways at the same time. They are either a single political committee or separate committees.

This is where the pending campaign finance bill comes in. In order to protect union bosses from application of these restrictions of present law, the House bill would eliminate their problems. The proposed bill would brazenly exempt big labor from an evenhanded application of the law.

As written, the new section 301(25)(ii) would amend only the definition of "member" with respect to a labor organization. No pretense is given of making a comparable exemption with respect to trade associations composed of corporate members.

If the amendment passes, big unions can do virtually anything they want under the election law by interpreting it to suit their own purposes. When the AFL–CIO wants its political arm to be a single committee, it can do so. On the other hand, when it wants to be composed of many separate groups, it can do that, too.

Mr. President, this obvious exercise of muscle by union bosses in attempting to change the law for their own ends is a shameless display of power. I hope that my colleagues will see what is going on and be willing to block it.

Now, I have mentioned that this situation has been uncovered by the National Right to Work Committee. But this is not the only possible violation of campaign law which the committee has turned up.

The committee has pressed at least three other serious complaints of AFL–CIO violations with the Federal Election Commission. In two of these cases, the committee has been successful in winning court decrees ordering that the Commission stop dragging its feet in enforcement of the law.

These other cases include a complaint charging the AFL–CIO with illegally spending millions of dollars of union treasury funds on partisan campaign activities in alleged violation of requirements that such activities be "nonpartisan."

A second complaint filed by the committee charges that the AFL–CIO made massive illegal in-kind contributions in the last Presidential election that were not reported.

A third complaint charges that the AFL–CIO transferred funds from its general treasury to the COPE Education Fund, a nonreporting body that is not a political committee, and that this fund then illegally transferred the general treasury funds into the COPE Political Contributions Committee. On December 14 of last year, the U.S. District Court in Washington, D.C., found that the Federal Election Commission had violated the campaign law by failing to act on two of these three complaints. Finally, on December 19, the Commission brought suit in court itself against the AFL–CIO for the alleged violation of law by funneling funds from its general treasury into its political contributions fund. The suit is still pending.

Mr. President, this was the second time the Federal Election Commission has been forced by a Federal court to adhere to the very law which it is charged by Congress with enforcing. The first instance also was initiated by the National Right To Work Committee, which won a court order forcing the Commission to

act against the National Education Association union for what was later held to be an illegal "reverse check-off" political fund collection scheme.

Mr. President, it is tragic that a private citizen's group must utilize the court processes to compel the Government monitoring office to carry out its duties. The Federal Election Commission has shown a serious unwillingness to enforce the law against big labor.

Clearly, the law now contains major loopholes which permit the use of compulsory dues for political activities and contributions contrary to the basic purpose of having a Federal campaign law, and it is becoming increasingly clear that the theoretical enforcement body will not fairly carry out its responsibilities.

If Congress acts on any changes at all this year to the campaign practices statute, this is the problem we should focus on, rather than the exact opposite, which is a flagrant attempt to immunize the AFL–CIO from restrictions applicable to everyone else.

Mr. President, it is we in Congress who drafted the Federal Election Campaign Act and we who set up the Commission. It is also the Congress who should correct our own creation.

We should be grateful that the National Right to Work Committee has assisted in bringing these alleged violations by big unions to public attention for it appears that otherwise nothing would have been done. I hope that we will keep this knowledge in mind as we consider proposed amendments to the election law later this year.●

STERILIZATION REGULATIONS

● Mr. ABOUREZK. Mr. President, at my request, the General Accounting Office investigated charges of federally funded sterilization abuse against American Indian and Alaskan Native people. The Department of Health, Education, and Welfare has recently published proposed regulations on this issue. I have commented to the agency on this most important matter and I submit these comments for the RECORD.

The material follows:

COMMENTS BY SENATOR JAMES ABOUREZK

As the Department is aware, I requested a General Accounting Office (GAO) investigation in April, 1975, in response to charges of federally funded sterilization abuse against American Indian and Alaska Native people. The subsequent November, 1976 GAO report documented severe weaknesses in the Department of Health, Education and Welfare's (HEW) Indian Health Service (IHS) direct service and contract care systems, especially in the area of noncompliance with the Federal sterilization regulations in existence at that time.

In regard to the proposed regulations on federally funded sterilizations, I generally endorse the proposed regulations. I do, however, have some very deep concerns which are not at all adequately addressed by the proposed regulations.

First, the new proposed regulations do not appear to include any monitoring and enforcement provisions substantially different from the present regulations. Second, there are no counselling provisions in the proposed regulations. Third, the proposed regulations do not explicitly provide for contract care compliance with these regulations.

MONITORING AND ENFORCEMENT

It is clear from the track record of HEW and IHS that the monitoring and enforcement of sterilization regulations is by far the largest and most important task. I am dismayed therefore at the lack of attention given this area in the proposed regulations. The 1976 GAO report showed that even the less stringent HEW sterilization regulations in effect at that time were simply not followed in many of the 3,406 sterilizations investigated. Without the inclusion of strict monitoring and enforcement mechanisms in these proposed regulations, such abuse can only continue.

For example, IHS recently provided me with information on the number of sterilizations performed on Indian women since the release of the GAO report in 1976.

CHART A

INDIAN HEALTH SERVICE REPORTED FEMALE STERILIZATION PROCEDURES AT INDIAN HEALTH SERVICE FACILITIES AND CONTRACT FACILITIES FOR 4 AREAS DURING FISCAL YEARS 1973–76 AND NOV. 5, 1976 TO SEPT. 1977

Area	1973	1974	1975	1976 [1]	Nov. 5, 1976 to Sept. 30, 1977 [2]
Aberdeen	213	188	180	159	110
Albuquerque	60	68	65	29	40
Oklahoma City	360	427	443	421	427
Phoenix	224	203	213	153	125
Total	857	886	901	762	702

[1] Contract data included in this total is for 1st 10 mo of fiscal year 1976.
[2] Contract data included in this total is for the period Nov. 5, 1976 to July 31, 1977.

While these figures do not provide conclusive proof that abuse continues, they do indicate that the overall number of surgical operations resulting in sterilization has generally remained at the same level, even after the adverse publicity raised by the GAO report and the subsequent IHS directive ordering more strict compliance with the old regulations. In view of the numerous personal testimonies given by individual victims of coerced sterilization during these same years, proper enforcement of even the less stringent regulations should have caused a substantial drop in the number of sterilization procedures performed in the less than eleven month period between November 5, 1976 and September 30, 1977. Unfortunately, it appears that the current HEW monitoring and enforcement efforts have had little, if any, effect on local level reality.

The establishment of effective monitoring and enforcement mechanisms is not only necessary, but also financially possible. As Allan Chase noted in his testimony during the January 17, 1978 HEW proposed regulation hearings, the proposed abolition of Federal funding for hysterectomies for the purpose of sterilization will save a great deal of money—money which can and should then be used to ensure that the local level realities of federally funded sterilization programs comply with the rules and regulations.

I will be assured of the effectiveness of the proposed regulations only when "mistakes" and other forms of non-compliance are clearly made to be grave and serious issues by HEW and IHS regulatory and administrative measures.

STERILIZATION COUNSELLING

While the proposed informed consent measures do much to remove many of the present barriers to informed consent, I strongly urge the Department and IHS to include sterilization counselling services as a mandatory element of the informed consent procedures with one important qualification. Such counselling should be of a non-directive nature, offered by selected individuals regardless of formal education and/or professional preparation. Because of the life-long consequences of sterilization, counselors should have special training that provides an adequate knowledge/skill base as a framework to assist clients in making a decision, without coercion or ambivalence, to have or not have a sterilization, and to provide accurate information about alternative methods of contraception, the sterilization surgical procedure, and its possible side effects and complications. This type of counselling must be carefully administrated to ensure that each counselor has a high regard for the worth of all people, and believes that the client has the capacity to decide what is best for him or her when fully informed. Not only do physicians and nurses have no training in quality counselling and person to person communication skills, but the demands on their professional time are such that few have time to devote to this important activity.

Further, much of the sterilization abuse against Indian people has come as a result of cultural insensitivity among the non-Indian medical professionals to the values and needs of Indian clients.

Thus, I propose that the IHS and HEW establish a special sterilization counselling program which involves specially trained Indian counselors from the local community. The main emphasis of such a program should be to ensure an informed choice that reflects the client's and the Indian community's prevailing values. Again, such a program is financially feasible through the use of funds formerly used to finance hysterectomies for the purpose of sterilization.

CONTRACTED CARE COMPLIANCE

The GAO report found that the IHS and HEW were neither monitoring nor enforcing the sterilization activities of contract care health programs. Many of the serious violations of existing regulations discovered by GAO were in non-IHS contract care programs. The proposed sterilization regulations should explicitly adopt the GAO recommendations that IHS and HEW include in all its contracts with non-IHS physicians and facilities, provisions to ensure that contractors comply with HEW sterilizations regulations, and establish effective monitoring procedures to ensure their compliance.

Finally, I want to urge the Department to give special consideration to the comments and testimony provided to the Department by Indian tribes and individuals, because of the Federal government's trust responsibility to Indian people and its often very direct involvement in the lives of Indians through the Indian Health Service. For Indian people and their tribal governments, sterilization abuse is not only a matter of individual human rights, but also one of political survival. As such, the right of Indian people to freely self-determine their reproductive lives, is a necessary pre-condition to all other rights they possess individually and as tribal members.●

HEW RESPONDS TO GAO REPORT ON SOCIAL SECURITY

● Mr. RIBICOFF. Mr. President, on Friday, March 3, 1978, I inserted in the RECORD a report of February 21, 1978, by the U.S. General Accounting Office regarding security procedures at the Social Security Administration's computer complex near Baltimore.

GAO found that security safeguards had been improved at the social security complex recently but that much more improvement was needed if the installa-

tion was to meet adequate security standards.

Specific weaknesses in the social security computer complex were cited by GAO.

Along with the GAO report, I inserted in the RECORD a letter from me to Joseph A. Califano, Jr., the Secretary of Health, Education, and Welfare.

In my letter, I stressed the importance of adequate security procedures at the Social Security Administration. The need to protect against computer compromise, theft, manipulation, and assault is great because so many millions of our citizens rely on social security computers to function properly and because so many billions of dollars are at stake.

Secretary Califano has replied. His letter, dated March 20, 1978, calls attention to rapidly increasing awareness at Social Security and HEW of computer security. Secretary Califano also points out that HEW criminal investigators are now being trained in computer fraud and are better equipped to investigate such crimes. Secretary Califano also questions the correctness of certain conclusions drawn by GAO in its report.

Mr. President, I submit Secretary Califano's March 20, 1978 letter to be printed in the RECORD.

The letter follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 20, 1978.

HON. ABRAHAM A. RIBICOFF,
U.S. SENATE,
Washington, D.C.

DEAR ABE: Thank you for calling my attention to the February 21, 1978, letter from Franklin A. Curtis of the General Accounting Office (GAO) to Donald I. Wortman, Acting Commissioner of the Social Security Administration, reporting on ADP systems security at SSA's central headquarters. We are in general agreement with the GAO findings. SSA is taking prompt action and has already implemented some of the recommendations.

It is unfortunate that this matter has been sensationalized in media reports. In his February 21 letter to Mr. Wortman, Mr. Curtis of GAO indicates that the recently installed security system for the central computer facility is a step in the right direction. With modifications, GAO feels the system should be an effective way to prevent unauthorized access to the central computer facility. GAO's primary finding, however, related to potential fraudulent and malicious acts of persons who work inside the computer facility; i.e., employees, not outsiders.

GAO's investigation took place from January 23 to February 3, 1978, during a period in which the new security system was being validated. This relatively short investigation period was not sufficient to test the new security system adequately against all possible threats. For that reason one of GAO's key recommendations was that SSA perform a complete and formal risk analysis. SSA is now performing a cost/benefit evaluation of such an analysis. As soon as it is completed, all safeguards that can be supported from a cost/benefit standpoint will be implemented.

Perhaps you are not aware that the GAO investigators requested, consistent with the charter given them by the Congress, essentially unlimited access to all information and facilities for which SSA has responsibility. We, of course, cooperated with them. They were allowed unescorted access into the secure area and were not denied access, information, or assistance in fulfilling their responsibilities. Because of the freedom they had under this arrangement, they succeeded in proving not that the new security system, appropriately modified, is ineffective, but that there is always a potential problem of fraudulent and malicious acts by persons who work inside computer centers.

Regarding the other issue raised in your letter—the adequacy of the Department's capacity to investigate allegations of computer crime—the Inspector General advises me that he has had in place for the past two years a program to train his investigative staff in this field. Over half the criminal investigators assigned to his office have attended the FBI's training course in detection of computer crime, and several have also attended the Department of Defense computer school. We intend to make such instruction a routine part of our training program for both auditors and investigators. We will continue to develop the technical and investigative expertise required to deal with sophisticated white collar crimes.

I believe Social Security has raised the level of employee awareness of ADP systems security far above what it was two years ago and has taken a number of important steps to upgrade physical security. Security will be greatly enhanced when SSA moves to their new computer building, which is presently under construction.

In a related area, earlier this year I asked that the General Counsel and the Inspector General undertake an analysis of the problem of computer security as it affects the privacy of individuals who are the subjects of our computer matching projects. The results of their inquiry should be available by late Spring. I will keep you informed as these reviews progress.

Sincerely,

JOSEPH A. CALIFANO, JR.●

CIVIL SERVICE REFORM

● Mr. MATHIAS. Mr. President, President Carter proposes to make major changes in the Federal personnel system through both a reorganization plan and specific legislation. Some of the changes will make the civil service more effective. But four of the changes would gravely threaten the effectiveness and impartiality of our civil service, while the benefits sought from these particular changes are vague and uncertain.

The President proposes that the Civil Service Commission be split into two agencies. One, called the Merit System Protection Board, would handle employee appeals from agency actions, investigate allegations of violations of merit principles, and protect "whistle blowers" against reprisals. It would be the watchdog to protect the merit system. The other agency would be an Office of Personnel Management to serve as the President's adviser and policy leader for personnel management in the executive agencies. It would also continue to perform all the regular operating functions of the Commission not assigned to the Merit System Protection Board.

There are, in my opinion, two very serious problems with this reorganization plan:

First, the possibilities for manipulating the civil service for personal or political favoritism would be greatly increased because personnel policy would be made solely by the Administrator of the new Office of Personnel Management, appointed by the President and serving at his pleasure, instead of by three Civil Service Commissioners appointed on a bipartisan basis with overlapping terms.

Daily operations of the central personnel agency do need to be the responsibility of a single individual, and this, in fact, is what happens now with the Chairman of the Civil Service Commission designated by law as the chief operating officer of the Agency. However, a single Administrator making personnel policy as well as directing operations of the central personnel agency would hold an unwarranted concentration of power and would pose a major threat to the merit system. For example, the power to make personnel policy includes the power to interpret the laws, to take positions out of the competitive service so they can be filled politically, to establish criteria by which applicants and political appointees can receive permanent appointments, et cetera. I believe all Americans would have far greater confidence in the wisdom and impartiality of such policies if they were made by a bipartisan commission.

Secondly, the Merit System Protection Board, with three members appointed by the President on a bipartisan basis and removable only for cause is intended to serve as the keystone to protect against merit abuses but, as proposed, it lacks the clear mandate, authority, and resources to fulfill this expectation.

The proposed Board could well serve a useful purpose for adjudicating employee appeals. However, it would be incapable of meeting the larger responsibilities of protecting the merit system because it would be too far removed from day-to-day operations. It is the administration's intention to give more flexibility in personnel matters to agency managers and to decentralize from the Commission to the agencies substantial authority to examine applicants for jobs. In view of this, the Board would require a large staff to conduct frequent and regular reviews in the agencies and in the Office of Personnel Management to assure that merit principles are being observed. A lesser staff that would merely investigate specific complaints and make special studies, as contemplated in the reorganization plan, would provide only the most superficial protection of merit principles.

Even if the Board had a broader mandate and a much larger staff than planned, it would still be incapable of fulfilling the stated objective of protecting the public's interest in merit because it is not sufficiently independent of the Office of Management and Budget and the White House. With a single Administrator responsible to the President making personnel policy and directing personnel operations, it would be vital that the Merit System Protection Board's accountability to Congress and the public be stronger and clearer. To this end the Merit System Protection Board should, at a minimum, be required to submit to the Congress, as well as the President, its budget requests and its reports from regular and frequent inspections of agency and Office of Personnel Management policies, programs, and practices that relate to merit.

The 95-year-old Civil Service Commission is not without its faults; it has gone through many changes to overcome weaknesses as they have been identified. Additional changes are needed. But the civil service of this Nation is widely recognized as being of exceptional competence, dedication, and honesty; and its professionalism and devotion have met the test often, particularly during the turbulent events of the last four decades. This is largely due to the Commission's emphasis on merit in its policymaking role and its effective action in preventing major political abuse of the merit system. Abolishing personnel policymaking by a bipartisan Commission will not improve the quality and performance of the civil service or increase the public's confidence in it. The contrary is more likely.

Promising that the Merit System Protection Board will be an effective watchdog of merit principles, guarding against political abuse and cronyism, raises expectations which can not be fulfilled since the watchdog has a patch over one eye caused by a lack of mandate to inspect agency and Office of Personnel Management operations regularly and frequently. In addition, the watchdog has few teeth and is on a short chain firmly fastened to the White House since it is not required to report the results of regular and frequent inspections to both the Congress and the President.

The improvements sought by the administration through the reorganization plan could be achieved with far less risk and at lower cost. This could be done by establishing an independent bipartisan Board to adjudicate employee appeals, and by making the Civil Service Commission even more effective so it can serve as the central personnel agency for the entire executive branch as the watchdog of merit principles, and as the principal adviser to the President and Congress on the whole civil service. In this way, the objectives of the administration would be met for making the appelate function independent, while the policymaking and merit oversight functions would be strengthened instead of weakened.

Complementing his reorganization plan, the President proposes a number of changes to be effected through legislation. Over time, two of these changes would seriously impair the quality and performance of the civil service.

First, the President's plan delegates significant authority to the agencies to examine applicants for many positions from the lowest to the highest levels instead of having all examinations conducted by the central personnel agency. Such decentralization would turn the calendar back to the pre-1965 era of civil service, seriously weaken the merit system, and cause a deterioration in the performance of the civil service.

Before 1965 a great deal of examining for civil service jobs was done by agency employees serving on boards of civil service examiners in almost 1,000 locations. There were many complaints from all over the country to Members of Congress and others that job applicants were not examined fairly, professionally, or promptly.

After the examining was centralized into 65 area offices of the Civil Service Commission in 1965, such complaints dropped off sharply. There are still some weaknesses in the present system. One is that it often takes too long to fill jobs; but 85 percent of the delay is in the agencies, not the Commission. Moving toward major decentralization in examining is the wrong way to go if we want to have a high-quality civil service based on open competition, if we want a citizen to be able to file an employment application in one place instead of many, and if we want professional evaluation of the qualifications of applicants without personal or political favoritism.

Secondly, to increase responsiveness in the agencies, the President proposes that Presidential appointees be given sweeping authority to transfer, promote, and demote many top career executives and replace them with political or other career appointees. With rare exception, career executives have reached the top, however, through repeatedly demonstrating on the job their capacity to perform well under difficult conditions. In times of political transition, they are the glue that keeps Government agencies functioning, thereby enhancing the confidence of the American people in the stability of our institutions. These career executives would now be subject to transfer and demotion simply because a Presidential appointee wanted to put someone else in the job. Once Presidential appointees have this authority they will be subjected to pressure from all sides to use it.

Career executives represent an important national resource which the Federal Government develops at considerable cost. There is no body of evidence to support the assumption that there is or has been a lack of responsiveness or competence by career executives in any Administration. The opposite is true. Presidential appointees in successive administrations have appointed them to these positions because they did exhibit a high order of competence and responsiveness.

The proposed drastic change in their conditions of employment would seriously impair one of the most important qualities of career executives—the capacity to provide, without fear, views and judgments which, based on their experience, may be critical of proposed policies and programs. The fear of being labeled "unresponsive" would understandably cause many career executives to temper their criticisms or even to hesitate to adequately question proposals of Presidential appointees.

Presidential appointees in the agencies occupy positions of power for relatively short periods, and in their eagerness to bring about changes, many are impatient and sometimes intolerant of views that identify weak or undesirable elements in their proposals. They have a tendency, particularly in the first year of a new administration, to characterize such disagreement, or even questions, as evidence of unresponsiveness. The proposed change would send a clear signal to many career executives that if they do not want to be shipped out, they should shut up. This system would serve the Nation badly by introducing elements of fear and uncertainty that could stifle debate at the crucial point where political and career appointees should debate proposed policies, programs, and procedures.

I believe that changes should be made in the Federal personnel system, but we should make them without incorporating the four major defects discussed above. I will work toward that end.●

POINT OF VIEW—DEBT RELIEF FOR THE POOREST COUNTRIES

● Mr. JAVITS. Mr. President, the Foreign Economic Policy Subcommittee recently held hearings on North-South economic issues, with particular attention to the question of debt. At that time I stated that the United States must be very careful in dealing with the debt issues so as not to do more harm than good. The developing countries must become accustomed to the international discipline involved in repaying financial obligations if they are to improve their access to private capital markets and if the international financial markets are to remain healthy.

A provision in the International Development Cooperation Act of 1978, of which I am a cosponsor, would, on a case-by-case basis, authorize permitting some of the world's poorest countries to repay principal to the United States on old foreign assistance loans into local currency accounts, from which funds could be expended on development projects approved by the United States. Interest payments would be waived in such instances. Such a provision would be in conformity with our current policy of extending grant-only assistance to those poorest countries.

This provision will certainly be debated, and I will, myself, want to be assured that such an authority should be used and could be used without any harmful effects on those developing countries which now use private capital markets or which hope to do so in the near future. A recent article in the highly respected Economist addresses this issue, which I would like to submit for printing in the RECORD:

The article follows:

RELIEF FOR THE POOREST

When bankers have nightmares, they are about bad debts. As commercial banks lent more than $50 billion to the less developed countries (Idcs) in 1973–76, it is not surprising that some of the chief general managers fall out of bed every time the Idcs mention debt relief. The subject will be raised again on March 6th, at the ministerial meeting of the United Nations Conference on Trade and Development (Unctad). But the bankers can sleep sound. The rich governments are thinking of writing off outstanding official loans to the poorest Idcs. Some governments not notoriously anti-banker (Switzerland, Canada, Holland and Sweden) have already done just that. If other countries follow suit, they will be confirming (quite cheaply) their own

aid priorities, not nudging the Idcs down a slippery slope to mass cancellation or default. On the contrary, some taxpayers of rich countries may suspect that their money is being donated to shore up debts that imprudent commercial bankers should never have allowed to mount. Happily, that suspicion is also incorrect.

Since 1972, the OECD's development assistance committee has recommended that official aid to the 29 least-developed countries—the poorest of the poor—should be in grants, not loans. Increasingly, that has happened. The special needs of the least developed have become more acute since 1972. To insist that earlier loans should be repaid is rather like making a patient continue with aspirin for a headache, even though you now know he has a brain tumour.

A clean slate for the official debts of the poorest countries would be relatively cheap for donors, but enormously valuable to recipients. The outstanding official debt of the 29 least-developed countries was less than $7 billion in 1975; this meant interest and capital payments of about $500m, just 3 percent of the $17 billion total official aid to all Idcs in that year. But $55m is the equivalent of a whole month's imports for the poorest 29 (Britain's well-publicised overseas debts last year cost less than a week's worth of its imports to service). And most of that $500m would be spend on goods and services from depressed rich countries.

The main effect of the proposed cancellation of debt would therefore be to transfer about $500m into expenditure on exports from the industries of rich countries, and away from debt interest paid to the governments of rich countries. Nearby 95 percent of the 29 poorest Idcs' external debt is official debt to other governments (compared with only about 65 percent for the debt of all Idcs). In 1976 these poorest 29 received only 1.1 percent of the private funds going from the rich countries to all Idcs. Relief to them would neither encourage them to ignore their private debt (as bankers fear) nor enable them to pay mountains of debt back to the banks and then start borrowing more (as taxpayers fear). The mountains don't exist.

THE 29 POOREST, 1975

[In millions of dollars]

	Total outstanding debt (disbursed)	Debt service	Debt service ratio[1]
Afghanistan	787	23	10
Bangladesh	1,622	70	16
Benin	99	9	7
Botswana	263	20	12
Bhutan	0	0	0
Burundi	15	2	6
Central African Empire	92	11	14
Chad	70	6	5
Ethiopia	387	32	9
Gambia	14	NA	NA
Guinea	211	24	NA
Haiti	62	6	5
Laos	25	2	NA
Lesotho	13	NA	NA
Malawi	262	17	9
Maldives	1	NA	NA
Mali	327	6	5
Nepal	37	5	NA
Niger	114	13	NA
Rwanda	22	1	2
Sikkim	NA	NA	NA
Somalia	257	5	4
Sudan	1,191	158	30
Tanzania	839	38	8
Uganda	209	29	11
Upper Volta	63	8	6
Yemen Arab Republic	243	17	5
Yemen PDR	101	4	1
Western Samoa	16	1	5

[1] Total debt service as percent of total exports of goods and services.

Source: OECD.●

THE NATIONAL HEALTH PLANNING AND RESOURCES DEVELOPMENT ACT

● Mr. ABOUREZK. Mr. President, I recently cosponsored S. 2487, Senator CLARK's bill to amend the National Health Planning and Resources Development Act of 1974. The bill is designed to increase rural input into the health planning process. Health planning must include and address the special needs of the medically underserved.

The South Dakota Health Systems Agency, Inc. has passed along a letter from Mr. Merle Lofgren of McLaughlin, S. Dak. Mr. Lofgren's comments are a graphic description of the serious plight of the rural communities in my State, and in the Nation, faced with attempting to obtain or preserve health care delivery services in the face of the many problems present today.

I submit for the RECORD Mr. Lofgren's letter.

The letter follows:

MCLAUGHLIN HOSPITAL DISTRICT,
McLaughlin, S. Dak.

DONALD G. BREKKE,
Executive Director, South Dakota Health Systems Agency, Vermillion, S. Dak.

DEAR MR. BREKKE: I am impressed by the slogan on your letterhead "Dedicated to increasing the accessibility, acceptability, continuity and quality of health care at a reasonable cost."

That is what we have been trying to do for many years and were successful in that effort up until mid-June when we ran out of doctors. The people of this community have through their tax dollars and donations provided a health care facility which has served the people of Corson and Dewey counties of South Dakota and Sioux County in North Dakota since 1948.

One must realize Corson County is 100 miles wide and there is no other health care facility in the county, and that there is no health care facility closer than Bismarck 90 miles north or Pierre several hundred miles away to the south to appreciate the "accessibility" of your slogan. Add to this there is no railroad or bus service in this area, roads are difficult to travel during some of the winter months, as this winter, and people who do not drive, such as the elderly, must prevail upon friends or relatives or hire cars to take them for medical care.

Up until shortly before we closed our hospital, we were charging $44 a day for private rooms. We finally went to $56 a day just before closing. This certainly is a reasonable cost.

I would like to impress upon your people the practicality of an experiment on which we embarked with the South Dakota Department of Social Services and Blue Cross along with the South Dakota Department of Health.

We were allowed to keep a certain number of intermediate care nursing home patients in our hospital facility. As you are aware, almost no hospital and certainly none of the rural hospitals operate to bed capacity most of the time. We kept up to 10 people in an intermediate care facility status. This left us enough beds for our pediatrics, mothers and babies and persons who needed hospitalization. It enabled us to use our facilities with greater efficiency and to keep our staff busy. It was a remarkably successful program and one that was beneficial to the intermediate care patients and the Hospital District alike.

The doctor who had been here for 28 years suffered a heart attack a couple of years ago. Another doctor came but after a year he decided he preferred work in the emergency ward more than the general practice alone and went to work at the Bismarck Hospital. The doctor who had been here for 28 years returned and worked for about 9 months but his health wouldn't allow him to continue.

We are currently in contact with several doctors, including some under commitment to the National Service Corps. One of these is a female doctor, Doctor Pagart, who is in practice in another site but whose husband is a hospital administrator and health planning technician. There is no use for his services where they are presently located and we are trying to find some way to employ him here which would mean Dr. Pagart would go into practice here. I enclose his references and perhaps you can give us some suggestions. We would be able to employ him and pay him as administrator of our hospital when we get it open again, which might take some time for licensing etc.

Our hospital and clinic were remodeled not long ago at considerable cost. We have the x-ray equipment, heart monitoring machines, emergency care facilities and everything that is needed. We still have the lab technicians and personnel it takes to support a health care facility.

We are of the opinion if we cannot get two doctors we should have a doctor and a physician's assistant or nurse practioner. In addition, the doctor who is working at Bismarck still lives here and would work two or three days a week when he is not on duty at Bismarck.

We stand ready to assist in any way we can with the fulfillment of your slogan.

Sincerely yours,

MERLE LOFGREN,
Board Chairman.●

JOHN MARSHALL BUTLER: AN EXAMPLE SET

● Mr. MATHIAS. Mr. President, yesterday at St. David's Church in Baltimore, Md., I attended a memorial service for our former colleague, John Marshall Butler. When I came to the Congress in the election of 1960, John Marshall Butler was the senior U.S. Senator from Maryland. He was elected to his first Senate term in 1950 at the same time that the late Theodore R. McKeldin was elected Governor of Maryland. That election signaled the revival of the Republican Party in Maryland after a long period of dormancy during the New Deal.

The fact that Senator Butler and Governor McKeldin represented opposing wings of the Republican Party and yet managed to live together and to work together made it easier for all other Republicans in Maryland to succeed. I am grateful for that. And I think we should all be grateful for the example Senator Butler and Governor McKeldin gave to us.

Throughout the years of his service not only was Senator Butler widely respected, but Mrs. Butler too was much admired for the quiet support she gave him. They were a devoted couple and an effective team. Mrs. Mathias joins me in expressing deepest sympathy to Mrs. Butler.

So that my colleagues may appreciate the measure of the man whose loss we mark, I ask that an account of Senator

Butler's life which appeared in the Baltimore Sun on Friday, March 17, 1978, be printed in the RECORD.

The article follows:

JOHN MARSHALL BUTLER DIES, FORMER U.S. SENATOR

A memorial service for John Marshall Butler, the first Maryland Republican elected to two terms in the United States Senate, will be held at 2 P.M. Monday at St. David's Episcopal Church, Roland avenue and Oakdale road.

Mr. Butler, who was 0 and lived at 2 Bouton Green in the Village of Cross Keys, died Tuesday after a heart attack at a hotel in Rocky Mount, N.C., while returning with his wife from a vacation trip to St. Simons Island, Ga.

A member of the Senate for 12 years, he was accused of being an old guard Republican—which he described as being "as American as baseball."

More seriously, he described his position in the Senate as follows: "I felt I represented the conservative constitutional element of the party. I'm a constitutionalist; I thought the liberal elements were straying pretty far from the concept of constitutional government that had been taught me. And I therefore resolved to expend every effort to bring the government back to government by the precepts of the Constitution as I understood them."

Before his election to the Senate, he had been a partner since 1937 in the law firm of Venable, Baetjer and Howard and had had one experience with public life. He had twice been appointed, first by a Republican and then by a Democratic mayor to a seat on the City Service Commission, now the Civil Service Commission.

He was elected in 1950 after first winning the Republican primary on the unit vote while losing the popular vote.

He then went on, in a controversial campaign, with the support of the late Senator Joseph R. McCarthy (R., Wis.), to unseat the late Senator Millard E. Tydings, who had held the seat for 24 years.

Though Senator Butler was widely known by the public for his anti-Communist positions, he also became known as a supporter of the maritime industry, particularly in the Baltimore area.

By the time of his retirement from the Senate in 1962, due to ill health, he was the ranking Republican member of the Foreign and Interstate Commerce Committee, one of a number of committee memberships he held.

The shipping correspondent of the London Times described him as "the foremost champion in the United States Senate of the American shipping and shipbuilding industries."

He was a strong opponent of the St. Lawrence Seaway.

Though he campaigned heavily with the late Theodore R. McKeldin, who was elected governor when Mr. Butler was first elected to the Senate, they later parted ways, Mr. Butler supporting the late Senator Robert A. Taft for the presidency while Mr. McKeldin supported Dwight D. Eisenhower.

The rift was later mended, and Mr. Butler supported President Eisenhower in the 1956 election when both gained second terms.

Born in Baltimore, Mr. Butler attended Poly but quit to take a job as an office boy, a step dictated by his family's financial situation.

He enlisted in the 110th Field Artillery of the 29th Division when the United States entered World War I and served in France.

After his demobilization in 1919, he attended The Johns Hopkins University for a time, and played on the football team, but again had to leave school to help his father, who was ill, in his real estate business.

He studied law at night and graduated from the University of Maryland Law School in 1926. The same year, he married the former Marie Louise Abell, great-granddaughter of A. S. Abell, founder of The Sun.

He was a member of a number of legal societies, a former commander of the Emory Post of the American Legion and a member of the Veterans of Foreign Wars and the 29th Division Association.

He was also a member of the Oriental Lodge of the Masons, Boumi Temple and the Royal Order of Jesters.

In addition to his wife, he is survived by two sons, John Marshall Butler, Jr., and Edwin F. Abell Butler, both of Towson; a daughter, Mrs. Maria Butler Harrington, of Towson; two sisters, Mrs. Lydia Hill, of Fort Dodge, Iowa, and Mrs. Sarah McKenney, of Bradenton, Fla., and five granddaughters.●

MSTISLAV ROSTROPOVICH

● Mr. JACKSON. Mr. President, I am impelled to speak out against the arbitrary and mindless cancellation by the Soviet Government of the Soviet citizenship of the great conductor and virtuoso cellist Mstislav Rostropovich and his famous soprano wife Galina Vishnevskaya.

I join with all the friends and admirers of the Rostropovich family throughout the world who are rallying to their side.

We remind the Soviet leaders that they have again flaunted international law. The governments of the world have established the right to leave and return to any country—in the Universal Declaration of Human Rights and in other international accords and conventions to which the Soviet Government is itself a party.

We remind the Soviet leaders that they only hurt themselves by denying the Russian affiliation of these two superb artists.

We want the Rostropovich family to know that we are proud of them, for their free spirits, for their humane and generous actions, and for their magnificent contributions to the artistic life of the world.

I submit the March 20, 1978, editorial from the New York Times entitled "Moscow Denies Only Itself" to be printed at this point in the RECORD.

The article follows:

MOSCOW DENIES ONLY ITSELF

Soviet art and thought are bleeding, hemorrhaging, in fact. The stream westward of distinguished artists and intellectuals in the past decade can be compared only with the flow from Nazi-occupied Europe 40 years ago. So if settling in freedom without losing interest in the affairs of the homeland is truly "unpatriotic activity," there is plenty more work for the Soviet bureaucrats who last week erased the traces of citizenship from Mstislav Rostropovich, the cellist; his wife, Galina Vishnevskaya, the soprano; and Pyotr Grigorenko, a former general.

It is a tribute, of sorts, to Soviet self-confidence that the Kremlin has been willing to accept the shame of the exodus just to rid itself of the nuisance of these free spirits. Stalin used to dog his famous émigrés around the world and play upon their attachment to the homeland to lure them back to mental anguish and repression. But Mr. Brezhnev's way is no less cruel, for the loss of citizenship carries the punishment of lifelong banishment; there is no returning, even for a visit with family.

Still, if they keep it up, the Soviet leaders will bring far greater injury to themselves. Imagine anyone wanting to deny the national affiliation of the likes of Andrei Amalrik, Vladimir Ashkenazi, Rudolf Barshai, Igor Barukshtis, Mikhail Baryshnikov, Herman Branover, Joseph Brodsky, Vladimir Bukovsky, Valery Chalidze, Yefim Etkind, Anatoly Fedoseyev, Kaleriya Fedicheva, Aleksandr Glezer, Victor Korchnoi, Naum Korzhavin, Anatoly Levitin-Krasnov, Pavel Litvinov, Natalya Makarova, Vladimir Maksimov, Zhores Medvedev, Boris Midney, Aleksandr Minz, Ernst Neizvestny, Viktor Nekrasov, Rudolph Nureyev, Galina and Valery Panov, Leonid Plyushch, Aleksandr Solzhenitsyn, Dmitri Segal, Andrei Sinyavsky, Vladimir Titov.

And for each of these better-known émigrés there are thousands more of achievement and promise, and their children. Like the precious vines once transplanted from Europe, many of them bear instant and splendid fruit in the United States and elsewhere. The world will not forget what is Russian in these exiles. It is the Soviet motherland that must hope it will not one day be denied by them.●

NUCLEAR SAFETY

● Mr. ABOUREZK. Mr. President, most of us are aware that the electric power industry has announced a brave new world of foolproof nuclear fuel cycles. The announcement got front-page coverage in the national newspapers, and the supposed "new" discovery was immediately hailed by nuclear proponents as a solution to all the problems of proliferation. But the so-called discovery was not new, and does not eliminate the risks of plutonium proliferation, as several public interest groups have pointed out since the announcement. Their responses did not get quite the coverage, however, and I am happy to be able to report that the New York Times itself has printed an editorial that puts its front-page coverage into context. As the Times' editorial says:

That solution should now be measured against other proposed nuclear systems—and non nuclear energy sources as well—to determine which are best in terms of economics, conservation of resources, and nonproliferation.

That is all that the advocates of renewable and benign resources have ever asked. I take it as a good sign that the Times has acknowledged the importance of making energy decisions in this context. I submit for the RECORD the Times' editorial, "Hard Sell on Nuclear Safety."

The editorial follows:

[From the New York Times, Mar. 2, 1978]

HARD SELL ON NUCLEAR SAFETY

American and British researchers this week unveiled a "dramatically new system" that will supposedly prevent nuclear fuel from being used to make bombs. The system was described as completely secure against efforts by terrorists or governments to extract weapons-grade plutonium from nuclear facilities. It would thus permit, its advocates claim, "worldwide expansion of nuclear power" without spreading the means to make weapons. If the claims hold up, the development would be a breakthrough in efforts to curb the proliferation of nuclear weapons. But the claims appear exaggerated—a hard sell on behalf of rapid development of the next generation of nuclear reactors.

There is irony in the new announcement, made jointly by scientists from the Electric

Power Research Institute, an arm of the American utility industry, and Britain's Atomic Energy Authority, for it underscores the dangers in the world's current nuclear course. In describing the need for the new system, the researchers give a frank appraisal of defects in the old systems. They argue that current nuclear reactors are producing vast quantities of material that could be fabricated into bombs.

This is a surprising admission. Even the Carter Administration, which is pushing hard to curb proliferation, has not considered current reactors a weapons hazard. These reactors run on uranium fuel that is not of weapons grade. But their used fuel rods contain plutonium that could be fashioned into bombs. This plutonium has generally been considered inaccessible because of lethal radioactivity. Now the British and American researchers point out that the radioactivity dies down over a period of years, making every spent fuel-storage facility in the world a "plutonium mine" that becomes steadily more accessible. No more eloquent plea could be made for bringing spent fuel rods under better international control.

This week's announcement also casts doubt on current efforts to develop the next generation of nuclear reactors—the "breeder reactors" that would operate on plutonium—and the "reprocessing plants" that would create it. President Carter has tried to slow the rush toward breeders and reprocessing because plutonium can be readily made into weapons. The nuclear industry initially poohpoohed his fears. But now the Electric Power Research Institute has acknowledged that these technologies are "directly applicable to weapons production" and would permit diversion of enough material "to produce several nuclear weapons in a short time . . . as short as a few weeks." That is long overdue acknowledgement that Mr. Carter is on the right track. It lends support to his efforts, thus far unsuccessful, to kill off the Clinch River breeder reactor project, as well as to delay development of reprocessing facilities in the country and elsewhere.

How far would the utility industry's "dramatically new system" go toward eliminating the acknowledged risks? The system unquestionably represents an advance over conventional technologies. Plutonium concentration would be kept below 25 percent, too low to make a weapon, and the fuel would contain radioactive fission products "hot" enough to kill anyone trying to steal it unshielded. Moreover, the design of the plants involved would make it "physically impossible" to siphon off plutonium without undertaking a major construction project. Still, Government experts in energy and arms control consider the plan a less-than-dramatic advance that embodies ideas long under consideration. They say it would still be possible to extract plutonium from the new system. And they fear that if plants embodying the new system were spread around the world, they would increase the dangers of weapons proliferation by spreading nuclear expertise.

The utility industry deserves credit for identifying the risks and proposing a solution. That solution should now be measured against other proposed nuclear systems—and non-nuclear energy sources as well—to determine which are best in terms of economics, conservation of resources, and non-proliferation. The proposal is not a panacea that justifies a headlong rush toward a supposedly safer nuclear future.●

BALTIMORE RECEIVES INTERNATIONAL RECOGNITION

● Mr. MATHIAS. Mr. President, the city of Baltimore is now in the forefront of American cities rebounding with vigor from the doldrums of the fifties and sixties. It is, as its gateway signs proclaim, a "working city." It is the home of working men and women and it "works" for them. It is well managed and ably led by its dedicated mayor, William Donald Schaefer, and a host of creative government and private leaders who have recognized the value and potential of Baltimore and have helped bring about the renaissance.

I urge my colleagues to visit Baltimore and see a working city in action. Everywhere physical renewal is underway; homes, shops, the downtown, and the inner harbor are being rejuvenated. It is a cooperative effort of both public and private organizations that has required a great deal of energy and confidence in the future of Baltimore.

This enthusiasm for their own neighborhoods, and the civic pride that unabashedly comes through when you talk with Baltimoreans, are now attracting international recognition.

The International Federation for Planning and Housing—a 60-year-old federation of eminent urban planners from 57 countries—recently chose Baltimore as the first American city to be recognized as a model city by the federation at its 1978 World Congress.

I ask that a Baltimore Sun article describing Baltimore's selection be printed at this point in the RECORD.

The article is as follows:

[From the Baltimore Sun, Mar. 5, 1978]

INTERNATIONAL BODY HONORS BALTIMORE RENEWAL EFFORTS

(By Tracie Rozhon)

Baltimore has been singled out as the American city with the best urban revitalization program by the International Federation for Housing and Planning, which has asked the city's top officials to explain their success in Hamburg, Germany, this September.

This is the first time the 60-year-old planning federation has so honored cities; besides Baltimore, a federation committee chose Hamburg itself and is now selecting an outstanding Asian or African city for presentations at the federation's 1978 World Congress.

Mary K. Nenno, the associate director of the National Association of Housing and Redevelopment Officials—a member of the federation—confirmed the designation late Friday.

She said NAHRO, along with the American Institute of Planners and the American Society of Planning Officials—the country's three most prestigious planning organizations—had "strongly supported" Baltimore as the American city that best exemplified urban revitalization.

Groups in Canada and Mexico also were represented on the North American committee that chose Baltimore.

Mrs. Nenno said that Baltimore was NAHRO's first choice, although American cities such as Boston, Atlanta and Philadelphia also were making significant progress.

"The thing that was most impressive about Baltimore's program was its comprehensiveness," Mrs. Nenno said. "It's not just downtown renewal, not just commercial or residential, not just new buildings or old buildings, or businesses or neighborhoods. It's all of them."

Each of the three cities will be given one-half day in which to make a presentation to the planners' 1978 World Congress which will take place September 11 to September 14.

Yesterday, M. Jay Brodie, the city's housing commissioner and a member of NAHRO's board of governors, confirmed that he and Mayor Schaefer had been informed of the honor and that the Mayor had asked him to recommend people for the city's delegation.

"Obviously the Mayor will be going," Mr. Brodie mused. "And a few technical people to talk about the nuts and bolts. . . . This is an involved business, with the different languages. We'd probably want to have stuff we could leave there, we should bring the best materials to tell the story."

Asked whether he would go himself, Mr. Brodie laughed and said he did not know, adding he had no idea how much the trip would cost and how many people the city could send. He said Robert C. Embry, Jr., the former commissioner and an assistant federal housing secretary, might be a logical person to ask to accompany the group.

Neither Mr. Embry nor Mayor Schaefer could be reached for comment yesterday.

As part of the congress, delegates will tour Warsaw and Dakar, Senegal.

The International Federation for Planning and Housing has 57 member countries and has headquarters in The Hague. The American delegate to the congress, William L. Rafsky of Philadelphia, was elected treasurer of the General Secretariat, or governing group. Mr. Rafsky is president of the Center for Philadelphia Area Development.

Friday night, Dorothy H. Gazzolo, chairman of the North American committee for the 1978 congress, explained how Baltimore was chosen.

"The federation decided the theme of this year's congress should be urban revitalization, and when Mr. Rafsky came back to the United States, he posed the question to NAHRO and the North American regional section of the federation how America could be best represented.

"There was a lot of conferring from coast to coast, checking back with The Hague as to possible cities—there were six or seven—and the consensus had been Baltimore."

Mrs. Gazzolo said that Baltimore "has always emphasized using what it has.

"It burgeoned under Embry and became even more significant under Mayor Schaefer when the emphasis was enlarged. He really threw a lot of political support behind the revitalization. . . . He made it part of his platform."

There are planning parallels between Baltimore and Hamburg, she continued. Both are port cities and both were devastated—in one way or another—in the years following World War II. Hamburg, too, she said, emphasizes "citizen participation." ●

FAITH BALDWIN

● Mr. RIBICOFF. Mr. President, Faith Baldwin, whose novels, short stories, poetry, and articles brought pleasure to millions of Americans for a half century, died Saturday, March 18, 1978 in Norwalk, Conn. She was 84.

With an incredible 60 novels to her credit—and countless other stories and articles behind her—Faith Baldwin was one of the most popular writers in American history and her passing will be mourned by her many readers.

Mr. President, I submit an article from the New York Times of March 20, 1978, about Miss Baldwin's career and ask that it be printed in the RECORD.

The article follows:

FAITH BALDWIN, AUTHOR OF 85 BOOKS AND MANY STORIES, IS DEAD AT 84

NORWALK, CONN., March 19.—Faith Baldwin, the doyenne of American light fiction writers, died at her home last night after a 17-month-long illness. She was 84 years old.

Miss Baldwin, who wrote more than 85

books in her long writing career, lived with her son, Stephen Cuthrell, in a 14-room house set on 8½ acres. It had been both her home and studio.

Miss Baldwin was the widow of Hugh H. Cuthrell, the former president of Brooklyn Union Gas Company. Mr. Cuthrell died in 1953.

In recent years, Miss Baldwin wrote two books a year and was working on one when she died. Her most recent novels were "Adam's Eden" and "Thursday's Child," published in 1977 and 1976 respectively.

A FLIGHT INTO FANCY

For almost 50 years, Faith Baldwin, with never a pretense at literary significance, was one of the most successful writers of light fiction on the American scene.

In rooms filled with books and family photographs, white lace doilies and china mementos, she wrote—from the early days of her marriage to the last months of her life—about 85 books, including more than 60 novels and two books of poetry, and countless short stories and magazine articles.

The key to her popularity was that she enabled lonely working people, young and old, to identify with her glamorous and wealthy characters. She told them that certain problems and preoccupations, about love and friendship, are shared by everybody.

Her books were meant not only to interest readers but also to encourage them. Women found in them solace as well as entertainment.

MOST SUCCESSFUL IN 1930'S

It was during the 1930's—the era of soap operas and frothy movies—that she reached the height of her success. In 1936, at the peak of the Depression, she made more than $315,000.

With jejune books such as "Office Wife," "District Nurse," "Honor Bound" and "Rich Girl, Poor Girl," she accumulated a readership so vast that most of the more than 30 novels she wrote in that period were serialized in national magazines. About a dozen were also made into films.

"People had to have some escape hatch, some way to get out of themselves, especially during the Depression," Miss Baldwin said in an interview in the late 1960's.

"When we got into the war," she continued, "nothing was more exciting than the headlines. After that I was still successful, but it was all different, because the world was different. Escape wasn't as important then."

MONEY AND HIGH MORALS

She always wrote about people who had money, good breeding and high morals. Some, with severe mustaches and tight lips, were bad, but in her pages and pages of short paragraphs, there was no hint of depravity or evil. Nor was there ever any attempt to show the Depression and hard times in the way that her contemporaries, John Steinbeck and James T. Farrell did.

Miss Baldwin's almost superhuman heroes and heroines intrigued her readers as they sat over milk shakes at lunch counters and rode in crowded buses. In novel after novel they read about ermine-collared bed jackets, private railway cars and vast, unbelievable inheritances. And always, at least by the last chapter, the good girl and the good man fall in love.

Although love was the major element in her stories, she only hinted at sexual relationships.

The important factor, Miss Baldwin explained, in allowing readers to identify with her characters was what she called "the fantasy element."

"The girl on the subway reads about the rich heroes and hopes she'll meet a man with $500,000," the author said. "But she also reads that the two young millionaires come together not through money but through love and personal honesty. And the girl understands that even if she doesn't marry a millionaire, she may have other rewards if she is true to herself."

This respect for goodness and honesty was a major theme throughout all her works.

Faith Baldwin, born Oct. 1, 1893, in New Rochelle, N.Y., was the daughter of Stephen and Edith Baldwin. Three years later they moved to Manhattan and then to a large brownstone house in Brooklyn Heights where the younger sister, Esther, was born. Mr. Baldwin was a well-known trial lawyer.

Faith's childhood in New York's upper-class world was a mixture of what she called "wild extravagance" and "protection." Her early exposure to sophistication explained not only her later choice of subject matter but also the casual, familiar way she handled it.

Life for her was finishing schools and gatherings at tea time. But it also was trips by herself to California and Kansas City to visit relatives and private luncheons with actresses to whom she had written fan letters.

Her parents were alternately alarmed and permissive. "I could read when I was 3 and that frightened them," Miss Baldwin recalled, "but later they let me smoke."

"I never wanted to be a writer," she said. "I wrote all the time, but I wanted to be an actress. I thought that was the only way I could be adventurous and independent."

She attended the Brooklyn Heights Academy and finishing schools in Brooklyn and Briarcliff Manor, N.Y.

In 1914, dark-haired, stylish Miss Baldwin went to Dresden, Germany, where she lived for two years with one of her mother's closest friends. "Life didn't change for us because of the war," she recalled, "I was sent to cooking school and learned German, but we continued to go to the opera."

In 1916 she returned home and when the United States entered the war, she worked for the War Camp Community Service.

In the winter of 1919 she met Hugh H. Cuthrell, a Navy pilot who later became president and chairman of the board of the Brooklyn Union Gas Company. They were married in Brooklyn the next winter when she was 27 years old.

They had four children, including Hugh Jr., who was killed in a car accident in 1960.

Miss Baldwin's first novel was published in 1921. In 1927 she sold her first serial, to Good Housekeeping, and knew that success had come. Afterward she sold the serialization rights to her books for as much as $55,000.

In one year, 1936, she wrote five novels for serialization in magazines such as Cosmopolitan and The Ladies' Home Journal. She published three novels, written and serialized the year before, and Hollywood made movies from four others, with stars such as Henry Fonda, Jean Harlow and Clark Gable. In addition she wrote columns for various New York newspapers and was invited almost daily to give speeches and interviews.

Evidence of her continuing popularity came as recently as the mid-60's. When her monthly column in Woman's Day drew 300 letters a month from readers, the magazine increased her salary from $250 to $850.

Miss Baldwin is survived by a son, Stephen Cuthrell of Norwalk; two daughters, Hervey Moores of Killingworth, Conn., and Ann Schubert of Shell, Wyoming; a sister, Mrs. Bruce Bromley of Manhattan; 11 grandchildren, and one great-grandchild.

Memorial services will be held Thursday at 11 A.M. in the United Methodist Church of Norwalk.●

FOREIGN POLICY DILEMMAS

● Mr. CLARK. Mr. President, events in the Horn of Africa and in Rhodesia are creating serious foreign policy dilemmas for the United States. The twin aims of resisting Communist expansionism and promoting majority rule in Southern Rhodesia may soon come into conflict if we are not careful. The dangers that lie ahead in the Rhodesian situation were thoughtfully explored in a recent column by Victor Zorza, a columnist for the Washington Post, who has strong anti-Communist credentials.

Two points that Zorza made in this piece deserve special attention: First, Zorza warns that—

The West would again find itself on the wrong side if it gave support to the Smith formula, because the "internal settlement" is a transparent device to ensure that the real decisions in Rhodesia will continue to be made by the whites.

This is Moscow's interpretation and Zorza, in his own judgment, tends to agree. Second, Zorza warns that the West should not exclude the Patriotic Front and its guerrillas from any settlement it recognizes, else we permit the Russians once again to claim that it is sending an expeditionary force to Africa to assist either the Patriotic Front or the front-line states which support them. This would allow Moscow to back a legitimate government and a popular movement against invaders—only this time the invaders—that is, the Rhodesian forces—would be white.

I urge everyone concerned with the issue of Soviet and Cuban activities in Africa to consider Zorza's comments seriously. I submit for the RECORD his column of March 16, 1978.

The column follows:

[From the Washington Post, Mar. 16, 1978]

IS RHODESIA NEXT IN LINE FOR SOVIET INTERVENTION?

(By Victor Zorza)

The new danger in Africa, just when the Russians and the Cubans should be beginning their withdrawal from Ethiopia, is that instead of going back home they will turn around and go to the aid of the Rhodesian guerrillas. What will the West do then? Its threats have done nothing to get them out of Ethiopia. It was only when the provocation that brought them there in the first place was removed, and the Somali regular forces that had invaded Ethiopia retired in disorder to their own borders, that the prospect of a Soviet-Cuban withdrawal became at all real. There is a lesson here for the West that we will ignore only at our peril.

Somalia was the aggressor in Ethiopia, and the West found itself on the wrong side. That gave the Kremlin the opportunity to introduce its expenditionary force into Ethiopia, with the approval of most African leaders. Now a similar chain of events may be beginning in Rhodesia.

The new Rhodesian settlement negotiated by Ian Smith and the three African leaders inside the country is rejected by the guerrilla leaders now outside Rhodesia, and by most of the black African countries. The West would again find itself on the wrong side if it gave support to the Smith formula, because the "internal settlement" is a transparent device to ensure that the real decisions in Rhodesia will continue to be made by the whites.

That is what Moscow Radio has been tell-

ing the Africans, and the analysis cannot be easily controverted. It has also said, more ominously, that the new situation creates "a serious threat to peace" that could be made an excuse for the introduction of Cuban and Soviet military forces. "The leaders of the Patriotic Front," Moscow said, "have stated that they will step up their armed struggle against the illegal Smith regime and its puppets, and will struggle to a victorious conclusion." That is one threat to peace.

The other, which is really the obverse of the first, is that Rhodesian security forces will seek to preempt the stepped-up attacks by Patriotic Front guerrillas based in neighboring Mozambique and Zambia. To do so, the Rhodesian forces would have to cross international borders, as they have done repeatedly in the past, and thus give both Zambia and Mozambique a reason for requesting Soviet-Cuban military aid.

Once again, as in the case of Ethiopia, the Kremlin would be in a position to say that a communist expeditionary force had gone to Africa at the request of a legitimate government to help it against invaders—though this time the invaders would be white.

Ian Smith thinks he knows what he is doing. He believes that the West in general, and the United States in particular, cannot easily afford to allow yet another communist military intrusion into Africa. The United States has tried to prevent the communist intrusion into Angola with little more than angry words, but when those failed it warned the Kremlin that any repeat performances would have grave consequences. But when the Kremlin did repeat the performance, in Somalia, the United States was not in a position to do anything about it—until it was too late. By the time the Somalis agreed to withdraw—partly under prompting from Washington, but also under blows from the communist expeditionary force—there were more than 10,000 Cubans in Ethiopia, a thousand Russians, two Soviet generals, and large stocks of Soviet arms.

The pattern that had so often been anticipated by students of Soviet policy in Africa was assuming an increasingly clear shape. First a testing of the waters by the Kremlin in Angola, and then a bolder venture into Ethiopia, which could become a stepping stone to Rhodesia, so that ultimately Soviet forces could intervene in South Africa when that unhappy land explodes.

The terms of the "internal settlement" and the world reaction to it would make it difficult to keep the Kremlin out if it decided to intervene again. Although the Foreign Office in London and the State Department in Washington have taken refuge in ambiguity, while they try to agree on the next step, the condemnation of the Salisbury deal by Andrew Young, the U.S. ambassador to the United Nations, makes one thing clear. The Western powers will not be able to support Ian Smith in imposing on the Rhodesian blacks a settlement that ignores the Patriotic Front and its guerrillas.

The pictures of happy blacks dancing and chanting their approval of the "internal settlement" do nothing to alter the realities of the situation. True, the camera does not lie—but it is not much help in determining where the political loyalities of the population lie. Those are measured by the ballot box.

Andrew Young takes a different view of Soviet adventures in Africa from that held by Zbigniew Brzezinski, President Carter's national security adviser. Young believes that the Kremlin will not be able to build a permanent Soviet presence in Africa, that sooner or later its own blunders, and African pride, will lead to the expulsion of Soviet influence, as has happened so frequently in the past. Brzezinski, who is more concerned with the global strategic picture than with what happens just in Africa, is sometimes accused of taking unthinkingly the alarmist view of Soviet actions, which is said to come automatically to a man with his Polish American background.

But there is one important element in that background that should put him on Young's side. Anyone steeped in Polish history as he is will remember the "internal settlements" imposed by Russia on Poland during an occupation that lasted more than 100 years—and the refusal of the great majority of the population to acquiesce in them, even though the Russians usually managed to find a few Polish leaders who were prepared to act as their puppets.

The parallels with the black leaders who accepted Ian Smith's "internal settlement" may not be exact, but they are sufficiently suggestive to give pause to a man with Brzezinski's background. He certainly wants to stop Soviet incursions into Africa once and for all—but he may find that the way to do it is to give greater U.S. support to those African leaders, in Rhodesia and elsewhere, who cannot be accused of being quislings by their compatriots.

If the West allows itself to be maneuvered once again into the position of supporting the wrong side, then it will also find itself on the losing side—and the Kremlin will have made another gain in the steady unfolding of its African strategy.●

THE AMAZING A–10

● Mr. MATHIAS. Mr. President, there is justified unease in this country concerning the buildup of Soviet conventional military capability in Eastern Europe. Secretary of Defense Harold Brown in his 1979 annual report speaks of "an increasingly precarious conventional balance between NATO and the Warsaw Pact in Europe." I am pleased that the administration sees this as a problem which must be addressed quickly and effectively.

I am also pleased that they have recognized the A–10 close air support aircraft, manufactured by Fairchild Industries, as one important part of an effective response to the pact threat on the ground. The administration has requested a fiscal year 1979 procurement of 162 of these planes. Secretary Brown's annual report justifies this request by saying that—

> The A–10 gives ground forces a level of flexible firepower that would be difficult to achieve in any other manner.

This is a plane that can prove invaluable in responding to enemy tanks in the European theater.

Mr. President, I submit for the RECORD a letter I received from the Department of the Air Force concerning the A–10.

The letter follows:

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., March 13, 1978.

Hon. CHARLES MCC. MATHIAS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: Knowing of your continuing interest in our A–10 program and the employment of this aircraft in our tactical units, we are pleased to advise that the first operational readiness inspection (ORI) of an A–10 unit, the 354th Tactical Fighter Wing at Myrtle Beach AFB, South Carolina, was completed on January 31, 1978. The overall rating was Satisfactory, with an Excellent or Outstanding rating being awarded in several areas.

The ORI scenario, which incorporated deployment, readiness, and weapon systems capabilities, simulated an attempt to provide enhanced firepower in support of an allied nation. Mark–82 500 lb. general purpose bombs, the GAU–8 30mm cannon, and AGM–65 Maverick air-to-ground missiles were all employed in the exercise.

The average reaction time for sorties flown was ten minutes, and maintenance was awarded an Excellent rating based on only three sortie cancellations, a tribute to both the aircrews and support personnel. There was a 100 percent success rate on MK–82 deliveries, and a 99.6 percent effectiveness rate for the GAU–8 firing reliability.

In all, we are quite proud of our A–10 units and the accomplishments of this first ORI. Our goals for the future are to maintain our established proficiency levels and develop programs to enhance our training and further improve effectiveness.

We hope this information is useful to you, and look forward to your continued support of our program in the future.

Sincerely,

W. MULLINS,
Brigadier General, USAF, Deputy Director, Legislative Liaison.●

INFLATION AND FEDERAL ECONOMIC POLICY

● Mr. CHILES. Mr. President, Congress is currently in the midst of considering next year's budget and the Nation's economic policy. I believe we are at a critical point for reappraisal. We are two-thirds of the way through economic recovery in terms of reducing unemployment and increasing industrial output. We have reversed the momentum of recession and fostered a strong momentum for expansion. It is time to look ahead and see where this momentum will take us next year.

All too often, Federal economic policy reacts to old problems or comes into effect too late to achieve its goals. We have learned that the Government cannot fine tune the economy. It can act to moderate the boom-bust cycles that result from private actions. It can stimulate the private economy out of a recession, or slow the pressures for inflation. But these Government actions have to be large measures acting over a period of a year or two. They cannot track and adjust the economy quarter by quarter.

It seems to me that we have created the momentum for economic recovery, and that momentum will carry through the last phase unless we do something drastic to prevent it. Allowing the recovery to proceed means we need some form of tax reduction to offset increases built into the law. We need to offset the overly high social security tax increase, because that will hurt both employment and inflation. We need to offset the effects of inflation on income taxes, or that will impede recovery. But I do not think we need such a big tax cut as to constitute a new round of economic stimulation.

Inflation is now emerging as the No. 1 economic problem. To reduce inflationary pressures in 1979 and 1980, our policies have to be set in place now. It is critical that we reestablish a climate of predictability for Federal economic policy. The rapid shifts in policy and uncertainties regarding energy prices, payroll taxes and regulatory policies have hurt business investment and cost us jobs and productivity. We need to address these policies together in the framework of the

1979 budget resolution, and send out clear signals about where we are heading. It seems to me that by holding down inflation and creating confidence among businessmen, we could get a lot of the business investment that some people want to stimulate by tax reductions.

At my request, the Senate Budget Committee held a hearing devoted entirely to strategies of dealing with inflation. Professional economists from the business community, the administration and the private research world expressed consensus on several major points:

First. Learning to live with inflation over 6 percent a year is not possible—it will accelerate until it drives up interest rates and impedes investment, causing another recession.

Second. Inflation over the last 3 years has not been caused by Federal deficits. Rather, it is the result of the continued spin-through of oil price increases and the continued expectations of workers for higher salaries and businesses for higher profits.

Third. In the last year Congress and the President have taken a variety of actions that will add at least 1 percent to the inflation rate: Increased minimum wage, increased payroll taxes, measures to increase food prices and protect higher priced domestic products from import competition.

Fourth. Wage and price controls would produce great disruption and impede business growth; failure to take other effective measures will increase the pressure to adopt wage and price controls.

Fifth. A voluntary deceleration effort, as proposed by the President, will not have much effect unless the Government can show business and labor some concrete evidence that costs can be held down if they agree to participate. The administration is hoping that reduced food prices will provide this impetus; recent pressures by farmers and the reaction by Congress and the President make that an unlikely hope.

Sixth. Payroll taxes—which pay for social security and medicare—have worse economic effects than income taxes. They add to the price of hiring workers, and they are passed on by businesses as price increases. The overly large payroll tax increase adopted by Congress last year will add to inflation. A reduction of those taxes would be the single most important action the Government could take to reduce the inflationary spiral.

Seventh. Excessive Federal regulations have driven up prices more than is necessary to achieve goals of safety for workers and a clean environment. Federal regulations in some areas increase prices by reducing competition.

When the economy went into a deep recession, I supported strong measures to stimulate recovery. I think we need equally strong measures to restrain inflation. It took more than exhortations to private businesses to increase employment; it took tax cuts and deficit spending. It will take concrete actions to moderate the wage-price spiral that is beginning to accelerate inflation. If we do not come up with a definite strategy, then pressure will increase to adopt controls. I would not like to see us go that route again.

One very significant thing we can do is stop the trend toward greater reliance on payroll taxes. In 1967 payroll taxes provided less than one-quarter of Federal revenues; they now account for a third. If we adopt the President's tax proposal, they will account for even more in the future. I do not think businessmen are adequately aware that their biggest increase in tax burden has been in payroll taxes, not in corporate income taxes. Businesses tend to pass on payroll taxes as price increases and ignore their effects. Besides hurting cash flow, this pass-on of payroll taxes as higher prices comes back to haunt the businessman in the form of higher wage demands and higher interest rates.

I am one of the original cosponsors of a bill to reduce the payroll tax rate by 1.6 percent by shifting to general revenue financing of medicare hospital insurance. The council on Wage and Price Stability, the Congressional Budget Office and the Joint Economic Committee all calculate that just the shift from the President's proposed tax cut to this payroll tax cut would reduce inflation by one-half to 1 percent in 1979 and more in 1980. This would represent a major turnaround in the wage-price spiral. It could give the council on Wage and Price Stability a concrete starting point as they try to persuade business and labor to go along with the President's voluntary deceleration plan.

I want to emphasize that this plan does not call for general revenue financing of the old age and survivors insurance fund, which is what most of us think of as social security. I believe we should maintain the contributory basis of that retirement system and keep the direct link between the payments workers make and the benefits paid out.

However, medicare is not linked to contributions in the way the retirement system is. We do not have any dollar limit placed on the benefits to be paid. We have found that to control medicare's costs for hospitalization, we have to develop a whole new cost containment mechanism. Part B of medicare—which pays for out-of-hospital physicians' costs—is already financed 70 percent by general revenues. I therefore think we have no good reason to pay the economic costs of higher payroll taxes.

This big a reduction in payroll taxes, over $20 billion, would have to substitute for some or all the President's recommended tax cut, since we certainly do not want to increase the deficit above the $61 billion level he proposed. We therefore have to compare the effects of the two types of tax cut. The Congressional Budget Office calculates that they would each have about the same effect in stimulating economic recovery. The big economic difference would be a reduction of inflation by the payroll tax cut, as opposed to a slight increase of inflation by the President's proposal.

The other concerns are for the effects on business investment and tax reform. Greater productivity through investment in modern plant and equipment is necessary for both long-term economic growth and reduced inflation. I believe that a reduction in payroll taxes would stimulate that investment by improving cash flow and reducing inflation. Lower inflation means lower interest rates, and that will probably induce more investment for more types of business than an increase in the investment tax credit. Every business pays payroll taxes.

Some administration officials are concerned that shifting the tax cut to payroll taxes would reduce the pressure for reform. First let me say that there has been no great public or congressional enthusiasm for the major tax reform proposals the President has made. Limiting deductions for business lunches would save $700 million, eliminating the deduction for State and local sales and gasoline taxes would save $2.7 billion, reducing medical and casualty deductions would save $1.3 billion. But a lot of people would have to make up that extra $5 billion, and right now I feel a lot more concern in Congress about how to reduce taxes than how to raise them.

However, if some workable reform proposals can be worked out to generate $2 or $3 billion of revenues, then I am sure the American taxpayers will be glad to get either an additional income tax reduction or a lower Federal deficit.

In the long run, the way we will reduce the tax burden will be to hold down spending and reduce inflation. It is for that reason that I have devoted so much of my time and attention to reforming the congressional budget process. Through the Budget Committees and the budget resolution we now have a mechanism to put a lid on Federal spending and to point out the economic effects of various spending and tax proposals. We have a long way to go, but we are beginning to make progress.●

MASS TRANSIT

● Mr. BIDEN. Mr. President, I have been an advocate of mass transit, and I will continue to support Federal assistance for mass transit. Therefore, I welcome the opportunity the President has given us recently to reorder our mass transit and highway funding priorities.

While firmly supporting Federal aid to mass transit, I believe there is plenty of room for local initiatives and innovations supporting this vital element of urban transportation. I am particularly pleased when the private sector realizes that promoting transit can be good business, just as subsidizing parking has proven to be.

For that reason, I want to bring to my colleagues' attention an editorial published in the February 15 edition of the Washington Post. This editorial supported a Chicago retailer's offer of free transit rides to his customers. This marketing idea not only attracts potential customers, but also gives this businessman a way to combat our extravagant energy use.

Mr. President, I submit for the RECORD the Washington Post editorial.

The editorial follows:

RIDE AND SHOPS: A BRIGHT IDEA

A Chicago retailer has an idea that Washington businesses might well adopt. The re-

tailer, Sol Polk of Polk Bros. appliance stores, is offering Chicagoans free mass-transit rides to his stores. Under the system, which he calls a FARE Plan, the stores refund the equivalent of a round-trip transit fare to everyone who brings in a transfer no more than a few hours old. Riders don't have to buy a thing to get the refund. "As long as they come in and see what we've got we're happy," says Mr. Polk.

Mr. Polk obviously wants to sell more appliances— but he's trying to sell mass transit, too. He thinks the nation can't afford to burn more and more gasoline in private cars and let its vast investment in mass transit go to waste. Buses and subways should be marketed like any other product, he believes. So his company has invested $200,000 in rebates and promotion for a 90-day test of the FARE Plan. The results so far are good. Despite very bad weather last month, Mr. Polk reports, his stores' sales surpassed last January's by 12 percent. The plan has brought in "a lot of nice people," he says, including many "who haven't been on public transportation for years."

It's a splendid idea. Retailers routinely subsidize people who park and shop, why not encourage folks to ride and shop instead? Fare refunds should also draw potential customers such as elderly people who don't drive. And everybody benefits when public transit is used more, especially in off-peak hours. Washington retailers should try something like this; the ideal time might be when Metro starts running on Saturdays. It strikes us as the kind of private initiative that can produce profits for everyone.●

CHINA TRADE—PROBLEMS AND PROSPECTS

● Mr. MATHIAS. Mr. President, last January I was privileged to be part of a congressional delegation led by Senator CRANSTON of California to the Peoples Republic of China. One of the topics our delegation raised with Chinese leaders was the prospect for future PRC agricultural imports from the United States.

As we all know, the farm sector in the U.S. economy is in a state of depression. Our farmers are not getting an adequate return for their labor. Increasing exports abroad of our agricultural produce may provide a partial answer to this dilemma. At present, according to Secretary of State Cyprus Vance, "every third acre of U.S. farmland produces for export." Last year agricultural exports brought the United States $24 billion. Clearly additional opportunities exist to increase this figure. The Peoples Republic of China represents a potential market of great promise.

In 1973 the PRC imported 7.6 million tons of grain. Out of this, 4.2 million tons came from the United States, 2.5 million tons from Canada, and 1.4 million tons from Australia. Last year the PRC imported 7 million tons of grain but none of it came from the United States. The bulk of China's grain imports in 1977 came from Canada and Australia.

We explored the rationale for the PRC's import policies very carefully with China's leaders. We were told that the PRC wants very much to develop its foreign trade. However, the Chinese are frank to admit that trade is tied to good diplomatic relations. "Old friends," to quote one Chinese official, are favored.

Chinese leaders emphasize that they believe in self-sufficiency. They recognize however, that they must import. The availability of foreign exchange does limit their options. If their petroleum production can be increased, sale of oil should help their foreign currency problem. Moreover, the Chinese indicated some interest in deferred payment terms if not in outright credit for their import needs. They make a clear distinction between the two.

China's population is fast approaching a billion people or one-quarter of mankind. It is estimated to be growing at 1.6 to 1.8 percent per year. They have had disappointing harvests in recent years. They must import food. How much is hard to say. We were told that even they did not engage in very precise crop predictions. Clearly China does represent a tremendous potential market for American produce if we can get around the difficult political issues separating the two countries.

Mr. President, I submit for the RECORD an article on China's economy from the January–February 1978 China Business Review entitled, "China Economic Notes."

The article follows:

CHINA ECONOMIC NOTES

Briefly: After 14-percent industrial growth in 1977, Chinese planners set sights for 1985 with new 8-year plan.

Energy and electric power output increases, but slowdown reported in petroleum industry.

Shuffling in Chinese bureaucracy may weaken ministries, promote specialty agencies of State Council.

1977 harvest shows little growth, more grain purchases possible.

Details on agricultural mechanization programs revealed by Chinese leadership.

Outline given of new scientific and technological priorities.

China's cement production tops 50 million metric tons in 1977.

GENERAL

Following a year of stagnation and strife, China's industry reported the largest annual increase of the decade in 1977. With total industrial output up an estimated 14 percent in 1977, according to official reports, the country's total industrial production was probably nearly six times what it was twenty years ago in 1957, an average annual increase of 9.1 percent. Chemicals, construction, petroleum, and at least thirty-two of China's eighty major industrial products set new records in 1977. Steel, however, China's "key link" and the sector most seriously affected by the perfidy of the "gang of four" and the destruction of the 1976 earthquakes, improved 11.5 percent in 1977 but may still fall short of the 26 million metric tons China is thought to have smelted in 1975. Nevertheless, Minister of Metallurgy Tang Ko was optimistic over the development of China's iron and steel in 1978, according to a January interview held during the recent national conference on metallurgy. The most intriguing development in the year-end reports was the evolution of China's planning mechanism. In the past, the leadership had spoken only in terms of setting and fulfilling the Fifth Five-Year Plan (1976–1980). Now the hierarchy seems to have resigned itself to aborting the Fifth Five-Year Plan and keying on the successful completion of a Sixth Five-Year Plan which will last until 1985. In a December 31 interview with NCNA, a State Planning Commission official revealed that as a result of recent national conferences "practical short-range and long-range plans were mapped out to increase production in key enterprises in such industries as petroleum, coal, power, metallurgy, railways, and navigation.

"Accordingly, the State Planning Commission has made 3-year and 8-year plans which begin in 1978." Increasingly, 1985 has been hailed as the deadline for current industrial projects and the springboard for a national sprint towards industrialization by the end of the century. Reorganization. As part of the new drive to operate both government and bureaucracy efficiently, the Chinese leadership has apparently reshuffled the lines of command in Peking. For one thing, the People's Bank of China, in large part responsible for the fiscal integrity of China's industry, has been elevated out of the bailiwick of the Ministry of Finance into the role of direct subordinate to the ruling State Council. Additionally, officials from the Chinese Petroleum Corporation (CPC), responsible for China's petroleum industry from exploration through production to refining, have revealed that the corporation, established late in 1977, is administratively under the Ministry of Petroleum and Chemical Industries, but, as one of the only independent corporations in China, apparently has some separate relation with the State Planning Commissions and also has control over such organizations as the China Oil and Natural Gas Exploration and Development Corporation. In any event, the CPC has its own direct lines of communication with the Ministry of Foreign Trade and a large degree of influence over China's purchases of Western petroleum equipment. These recent signs of reorganization may signal a decline in the importance of the ministries and the ascension of individual specialized governmental units to guide and monitor key sectors of the nation's economy.

AGRICULTURE

Chinese press accounts at the end of December reported China's 1977 agricultural performance in the most reserved tones. Claiming "a fairly good harvest" with grain output equal to last year's, the Chinese press emphasized crop increases in cotton as well as such minor crops as jute, ambray hemp, tobacco and tea. Foreign analysts conclude that China's farmers were never able to recover from the devastating drought across China in early 1977 followed by scattered flooding later in the year on the North China Plain. While Western observers are inclined to accept PRC reports that cotton production increased over 1976's 2.35 million metric tons, there is some skepticism whether total grain output last year even equaled 1976's estimated 272 million tons. As of early January, only eight of the twenty key grain producing provinces in China were boasting grain increases in last season's harvest. Oilseeds, not mentioned in recent press reports, may also have faced production declines due to China's unfavorable weather conditions in 1977 although soybean production may have expanded.

Looking into 1978, China watchers are encouraged by the conditions in the first few months of the new season. Above average precipitation as well as normal to above normal temperatures bode well for this year's winter wheat and early spring wheat harvest. Nevertheless, China's international buyers may soon return to the world grain market. In the first six months of 1977, China imported 2.1 million metric tons of grain, followed by another 4.5 million tons in the second half of the year. Between January and June 1978, the PRC is committed to import over 4 million metric tons, but less than a million tons are scheduled for the final six months of the year. Consequently, the Chinese may have to buy as much as 2 million metric tons of grain in the next few months for delivery later in 1978. The outcome of the winter wheat harvest will be

crucial in determining the size of such purchases.

AGRICULTURAL MECHANIZATION

With only three years remaining before the target of "agricultural mechanization in the main by 1980," China's leadership and media have come squarely behind a national program to increase the production and use of farm machinery across the country. Highlighted by the Third National Conference on Agricultural Mechanization which opened in Peking on January 4, 1978, the drive is aimed at expanding production of fifteen key pieces of agricultural equipment. According to a January 4 NCNA interview with Chou Tsu-chien, Minister of the First Ministry of Machine Building, charged with the production of all farm equipment, these target products are tilling machines; machines for farmland capital construction; drainage and irrigation machines; machines for plant protection; transport machines; harvesting machines; machines for processing farm and sideline products; machines for manufacturing chemical fertilizers, insecticides, and twin plastic sheets; forestry machines; livestock machines; fishery machines; small rural power plants; and semi-mechanized farm implements. Noticeably absent from this proposed list are the new rice-transplant machines which have been publicized in the Chinese press during the last few years. Four-wheeled and hand tractors are also not mentioned, per se. This renewed commitment to agricultural mechanization comes after ten years of sustained growth in the farm machinery industry of China. Recent PRC reports have claimed an average annual increase of 20 percent in large- and medium-size tractor production from 1965 to 1976, an assertion only slightly higher than U.S. government estimates that tractor production grew from 9,600 units in 1965 to 53,600 units in 1976, up some 17 percent yearly. Year-end Chinese accounts place 1977's tractor production 39.8 percent over 1976's, or roughly at 74,826 units based on American statistics.

In production of hand tractors, the small multi-purpose farm machines popular across China, Chinese sources claim growth rates averaging 46.4 percent per annum between 1965 and 1976, topped by a 37-percent increase in 1977. The decline in growth of hand tractor production accompanied by a marked increase in the growth rate of standard tractors during the last year may signal a Chinese decision to move towards mechanization of larger-size fields in the future. Regardless of the direction of future development in the farm machinery industry, it does seem clear that central authorities will be playing a larger role than in the past. A State Council officer responsible for agricultural mechanization recently explained China's policy in this area: "In the manufacture of farm machinery, we pool the industrial forces under both central leading organs and localities with emphasis on local industries; in the classification of farm machinery, we produce big, medium and small-scale machinery with emphasis on medium and small; in sales of farm machinery, we emphasize selling to the collective economy of the communes and production brigades with the state giving aid when necessary." The introduction of the state into the production and purchasing of farm machinery is only the latest in a series of events scoring the seriousness with which China's leadership is approaching the problem of mechanizing its agriculture. New production and new production records have been reported throughout the nation. In Hopei, the Shihchiachuang Tractor Works, designed to produce 5,000 55-hp tractors annually, went into production in November, 1977, and was commissioned on December 18. By the middle of November, the Kiangsi Tractor Works had fulfilled its annual production target for 1977 with 5,620 Fengshou 27-hp tractors. In Kirin, the Provincial Farm Machinery Research Institute announced the development of three new farm machines: "A model 482 maize harvester to be used in combination with a Tungfanghung-28, Tungfanghung-54 or Tungfanghung-75 tractor capable of harvesting 10–12 mou (0.7–0.8 hectares) of maize an hour, with stalks cut and ears picked and stockpiled; a 6-ton self-unloading trailer to be used in combination with a rubber-tired Changchun-60 or Shuiniu-55 tractor, noted for its simple structure, light weight, safety and stability in operation, ease in negotiating slopes, and ability to unload to the left, right, or rear; and a Model 280.4 hydraulic wagon to be used in combination with a Tungfanghung-28 tractor capable of loading and carrying 5.4 cubic meters of earth, manure, sand, gravel or other bulk material and, with proper attachments, capable of lifting and hoisting items of up to 800 kg." Even some plans for the future have been revealed. The Yunnan Provincial Party Committee revealed that the province should strive to produce 5,000 "Kun" 40-hp tractors, 5,000 "Tung" 20-hp caterpillar tractors and 25,000 hand tractors annually by 1979 in addition to other farm implements.

ENERGY

New Year's report on China's energy were generally favorable, but the growth of petroleum production, once the star of Chinese development, was disappointing during the past year. The most precipitous increase came in natural gas production, jumping some 22.3 percent over 1976's estimated 1,222 billion cubic feet to 1,495 billion cubic feet. Coal output also increased substantially from approximately 479.1 million metric tons in 1976 to perhaps 528.0 million metric tons in 1977, a reported increase of 10.2 percent. Petroleum production, however, grew a meager 8 percent in 1977, less than the growth rate for China's industry as a whole and the smallest annual increase China's petroleum sector has experienced this decade. Computed from U.S. government estimates, China's 1977 petroleum output was 90.1 million metric tons. In related petrochemical developments, the Chinese chemical fertilizer industry announced a 31.9 percent increase over the previous record year of 1975. This boost, which pushed Chinese chemical fertilizer output to approximately 36.8 million metric tons, was largely due to foreign plants coming on-stream during the last year. And, in fact, China's press has become increasingly frank about the contribution imported equipment plays in their economy. A Szechwan news account heralded the successful completion of the first major overhaul of an imported chemical fertilizer plant at the Luchou Natural Gas Chemical Plant. Elsewhere, a European Chemical News story claimed China's synthetic rubber production to have grown 14.3 percent in 1977 to 80,000 tons. In general, China's energy industry is implementing a double-tiered planning program as 1978 begins. The coal industry minister, Hsiao Han, revealed through an NCNA interview, published January 3, that China's coal workers should implement a two-stage development program. "The first stage covers the period up to 1980, at which time general mechanization will be realized in the main in large and medium-sized coalfields.

At least one National Supply sub-contractor has been invited to Peking in 1978 to discuss selling China additional equipment for the stripped National Supply rig. More jack-up rig sales may be in the works as well. America's Marathon, a leading producer of such rigs, traveled to China late in 1977 to present a technical seminar, and, according to various industrial sources, Marathon and several of its U.S. competitors may find themselves in a fierce battle to fulfill remaining Chinese demand for offshore drilling rigs. Some U.S. executives fear that cut-rate Japanese prices may torpedo their efforts once contract negotiations get underway. In other areas, St. Louis-based Chromalloy officials returned from the Fall 1977 Canton Fair with reports that China was interested in buying special chemicals for mud drilling plus additional oil equipment. Rigs Sold. Baker Trading Company ended 1977 with the sale of two hydraulic workover rigs, manufactured by Texas-based Hydra-Rig.

The two rigs, models HRL–150, were sold by Hydra-Rig to Baker Tool who, in turn, sold them to MACHIMPEX. One of the rigs is a skid-mounted, long-stroke unit with a 150,000-pound capacity, and the other is a carrier-mounted, long-stroke model also with a 150,000-pound capacity. The two rigs, scheduled for completion in March and April, 1978, brought a selling price of roughly $2 million. Another rig in addition to the Baker/Hydra-Rig sales, Otis Engineering also sold the Chinese a hydraulic workover rig late in 1977. On December 17, 1977, Otis Engineering Corporation of Dallas, Texas, received two major contracts from MACHIMPEX. The sales included a total production testing unit package for performance evaluation for oil and gas wells drilled from offshore vessels or structures. Also sold was a hydraulic multi-cylinder workover unit capable of running or pulling pipe with or without pressure in wells. The unit was of 250,000-pound capacity. The value of the two Otis sales is approximately $2 million. More Seismic Equipment Sold. Houston's Digital Resources has completed its second contract with China for "Prospector" seismic exploration systems. Signed in August, 1977, and valued at $3.7 million, this second sale came less than a year after the company's initial business transaction with the PRC. With the four units included in the later sale, Digital Resources has now contracted to send China six "Prospector" lines, based on Digital Electronic's PDP 11/45 mini-on-line interactive seismic software and an AP 60 array processor. As part of technical assistance included in the contract, Digital Resources will send three technicians into China for six months followed by additional visits every four months for the next twelve months. Once export approval is received, Digital Resources will ship the six units to three Chinese sites: three to Nanking for the Chinese Geological Exploration Corporation, three to Peking for the Chinese Petroleum Corporation, and one to Hunan, also for the Chinese Petroleum Corporation. Company officials feel that one of the Nanking-bound units could be used for offshore exploration. Digital Resources is a subsidiary of Applied Devices of Hauppauge, New York, BJ-Hughes, a California oil equipment supplier that participated heavily in the National Supply rig sales of 1977, has now signed a contract of its own with the PRC. Having reached a tentative agreement with the Chinese last November, the company had the final contract ratified on its behalf by its agent, Baker Trading, in Peking early in 1978. The sale calls for slightly less than $100,000 of petroleum handling tools to go to China in 1978; the equipment can be used on or offshore. After more than four years of contract with the PRC, Ann Arbor, Michigan's Daedalus Enterprises contracted in November, 1977, with China's MACHIMPEX for more than $2 million of infra-red, multi-spectoral image sensing units to be used in airborne surveying. The units, which measure thermal levels, will be shipped to China during 1978 provided export approval procedures are completed.

Fishing equipment. Houston's Bowen Tool, a subsidiary of Big Three Industries, Inc., sent its President Dante Siracusa into Peking in early fall, 1977, to introduce the company's line of oil well fishing equipment. After five weeks in China, Mr. Siracusa, with

the assistance of his agent, Stan Mills of Baker Trading, signed a contract with MACHIMPEX for $500,000 of oil well fishing tools. Bowen is the world's largest producer of such equipment which is used to recover lost strings of drilling pipe. The equipment is scheduled to be sent to China in two shipments: first, a small package in early 1978, and second, the balance of the order in March–April, 1978. Bowen's president is planning to return to China for further discussions in June, 1978, and a company technician will travel to the PRC in mid-summer to help service the tools. Another American supplier of petroleum equipment signed a contract on November 26, 1977, with the Chinese for 16 servo-hydraulic vibrators for the VIBROSEIS surface method of exploration. These units together compose four geophysical parties and are mounted on heavy-duty buggies designed for rough terrain. The vehicles have replaceable tires to adapt to various land conditions. The contract calls for complete shipment by mid-August, 1978. To master the operation and maintenance of the equipment, the Chinese will send 8 to 10 technicians to the United States, and an American team of three mechanical, hydraulic, and electrical experts will travel to Peking to oversee start-up of the units.

AGRICULTURAL MACHINERY PURCHASES BEGIN

As 1978 arrived in China, high-ranking Chinese officials announced plans for the third national conference on agricultural mechanization since 1966. With only thirty-six months remaining before the end of the decade—the target date for "mechanization of agriculture in the main"—China's leadership is clearly anxious to increase farm machinery production as rapidly as possible; for the first time in the 1970's, major purchases of agricultural equipment from the West and even the United States seem possible. Irrigation Equipment to China. In one of the initial reported American agricultural machinery sales to the PRC, Nebraska's Valmont Industries completed a contract in October for 15 center-pivot irrigation units. The sale, valued at roughtly $1 million, will include power units and pumps. The world's largest producer of center-pivot irrigation systems, Valmont regards this initial contract as a trial balloon.

Apparently, the units will be put to use on five state farms in northern China this year; shipment is scheduled for January–February, 1978, and Valmont is planning to send two technicians into China to train the Chinese end-users and help install the systems which will be used in Chinese wheat, corn, potato, and cotton fields. The contract was signed after Valmont executives traveled into Peking to present a 10-day technical seminar to Chinese end-users on irrigation technology; the company was initially contacted by East Asiatic, a Danish trading firm that had learned of the Chinese interest in advanced center-pivot machinery. At the end of January, Deere & Company announced the conclusion of a October, 1977, contract with China's MACHIMPEX for farm machinery including large tractors, combines, and related farm implements. The equipment, which will be shipped to China in January and February, 1978, will be used on several Chinese sites for a variety of crops. As of the end of January, several Chinese technicians and an interpreter were being trained at Deere's headquarters in Moline, and two teams of company technicians are planning to travel to China for additional training and support after delivery of the equipment. The value of the deal is slightly over $1 million. Both Deere and Valmont officials peg their chances for additional sales on the success Chinese farmers have with these trial orders. At least one American delegation to China, the Illinois governor's team scheduled to enter the PRC in April, 1978, will include a representative of a major American farm machinery producer (Deere & Co., as well as representatives for Dekalb), and preliminary indications are that the Chinese will invite a broadly representative group of American farm equipment producers for a major technical seminar in China sometime during 1978. U.S. air support for China? One area of American agricultural equipment production that has attracted Chinese attention appears to be agricultural aircraft. Press reports in the past two months have revealed Chinese interest in both Cessna and Grumann crop dusting planes although neither company has announced sales or even serious PRC interest.●

SHADOW OPEN MARKET COMMITTEE

● Mr. HATCH. Mr. President, I would like to call the attention of my colleagues to the latest policy statement of the Shadow Open Market Committee. The committee is comprised of a distinguished group of academic and business economists who meet semiannually to encourage discussion of alternative economic policies and to recommend policies that promote economic stability. The committee points out that the rate of monetary expansion in 1977 was too high and recommends that the rate be held to 6 percent during 1978. The committee also recommends a reduction in personal and corporate income tax rates in order to encourage investment and output. I submit the committee's statement to be printed in the RECORD.

The policy statement follows:

A declining dollar, a falling stock market, and rising long-term interest rates describe the reaction by financial markets, at home and abroad, to our government's actions. Currently the Nation does not have an economic policy to reduce inflation, balance the budget, and encourage investment growth and high employment.

The stock market, the bond markets, and the foreign exchange market shout their disbelief at our government's statements about increasing investment, reducing inflation, balancing the budget, or supporting the dollar. They fear a drift of controls, a reliance on stopgaps, and increased inflation.

The Shadow Open Market Committee repeatedly has urged the Federal Reserve and the Administration to recognize that the Nation's problems are long-term problems that cannot be solved by fine-tuning and by stopgap approaches. A policy that looks ahead years, not weeks or quarters, is what is required. Last year this Committee warned that the policies then proposed and subsequently adopted would have the inflationary consequences now apparent to all. This year we urge again that a long-term program be adopted and adhered to.

The problems the Nation faces are not intractable. They seems intractable only because the government continues to seek short-term solutions to long-term problems and acts on the false presumption that inflation will not increase as long as resources are counted as unemployed. Such presumptions lead the Administration to solve every problem by pumping up short-term spending and to understate the role of incentives to output and capital formation—not only tax incentives, but also reduction of business uncertainty caused by accelerating inflation.

Promises to defend the dollar, increase investment, balance the budget, and lower inflation cannot be met if the primary aim of policy is to stimulate short-term spending. Current policy will produce higher inflation, but not the high level of investment the Administration seeks to restore growth of income to the long-term potential of the U.S. economy.

WHAT HAS BEEN DONE?

Last year the Carter Administration gave up the commitment to balance the budget by 1981. The Federal Reserve failed to carry out its announced policy of reducing the growth of money. The budget deficit remained high in 1977 and continues high in 1978.

The growth of money stock—currency and demand deposits—exceeded 7%, a rate last seen in 1972 and 1973, just before the major inflation began. There is cause for alarm in the continuation of so high a growth rate. No less alarming would be an abrupt reduction of this growth rate. The policy of reducing unemployment first and reducing inflation later has created the expected dilemma.

We cannot expect real investment to reach the growth rates of the 1960's if large budget deficits, highly variable monetary policies, growing restrictions on trade, and misguided policies on energy continue. We cannot expect a more stable exchange rate for the dollar until policies become stabilizing. We cannot expect inflation to slow following a period of sustained increase in money growth from 4.4% in 1975, to 5.6% in 1976, and to 7.4% in 1977. We cannot expect to avoid recession in 1979 if monetary policy shifts suddenly to combating inflation.

Because of the excessive monetary growth that was permited in 1977, anticipations of future inflation are hightened, and interest rates are rising. To minimize the adverse effects on savings flows to thrift institutions, Federal ceilings on interest rates on consumer deposits should be abolished or raised. These price controls have never served a useful purpose and have done far too much damage. We commend Chairman Miller's recent initiative in this regard.

Last year this Committee warned the Federal Reserve that monetary growth in excess of the announced targets would be detrimental to the durability of this economic expansion. The members of the House Banking Committee cautioned the Federal Reserve to maintain monetary growth within its own announced target ranges. The Federal Reserve did not heed the advice that was given. A mistake in economic policy was made, and now a price must be paid to correct it.

WHAT SHOULD BE DONE?

The policy of gradualism brought the increase in consumer prices down from the very high rates of 1973 and 1974 to an average of 4.5 percent in the last six months of 1977. The economy recovered. The dollar exchange rate remained stable. If we had avoided the burst of government spending and excessive money growth last year, we would have continued to receive the sustained benefits that can only be achieved if government policies are stabilizing. Excessive stimulus last year has continued too long to be abruptly halted.

We propose four steps:

One, the rate of monetary expansion in the past year was between 7 percent and 7.5 percent. We urge that the rate be maintained at 6 percent in 1978.

Two, we recommend reductions of 1 percent a year in the average rate of monetary expansion until a noninflationary rate of monetary expansion is achieved. The Federal Reserve should commit monetary policy to this stabilizing long-term monetary course in order to fulfill its legal responsibilities under the Federal Reserve Reform Act of 1977.

Three, the Congress should implement the Administration's pledge to reduce the growth of government spending below the growth of

private spending during the next three fiscal years.

Four, to encourage investment and output, the Administration and the Congress should reduce all tax rates, individual and corporate, to offset the full effect of inflation on taxpayers. Real taxes in future years should be no higher than they would have been if there were no inflation.

SHADOW OPEN MARKET COMMITTEE

The Committee met from 3:00 p.m. to 10:00 p.m. on Sunday, March 12, 1978.

Members

Prof. Karl Brunner, Director of the Center for Research in Government Policy and Business, Graduate School of Management, University of Rochester, Rochester, New York.

Prof. Allan H. Meltzer, Graduate School of Industrial Administration, Carnegie-Mellon University, Pittsburgh, Pennsylvania.

Mr. H. Erich Heinemann, Vice President, Morgan Stanley & Company, Inc. New York, New York.

Dr. Homer Jones, Retired Senior Vice President and Director of Research, Federal Reserve Bank of St. Louis, St. Louis, Missouri.

Dr. Jerry Jordan, Senior Vice President and Chief Economist, Pittsburgh National Bank, Pittsburgh, Pennsylvania.

Dr. Rudolph Penner, American Enterprise Institute, Washington, D.C.

Prof. Robert Rasche, Department of Economics, Michigan State University, East Lansing, Mich.

Prof. Wilson Schmidt, Department of Economics, Virginia Polytechnic Institute, Blacksburg, Virginia.

Dr. Beryl Sprinkel, Senior Vice President and Economist, Harris Trust and Savings Bank, Chicago, Illinois.

Dr. Anna Schwartz, National Bureau of Economic Research, New York, New York.●

LEAVE OF ABSENCE

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may be absent from the Senate for the next 2 days for committee work which will take me out of the country.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Transportation Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to consider the 1978 authorization of the Federal Highway Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the prayer, Mr. BAKER be recognized for not to exceed 15 minutes; that Mr. DANFORTH then be recognized for not to exceed 15 minutes; and that Mr. BENTSEN then be recognized for not to exceed 5 minutes, after which the Senate resume its consideration of the treaty; and, further, that the recognition of Senators on the special orders be as in legislative session.

The PRESIDING OFFICER. Without objection. it is so ordered.

NATIONAL RAILROAD PASSENGER CORPORATION

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senate proceed to the consideration of House Concurrent Resolution 494, which I understand has been cleared.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 494) expressing the sense of Congress regarding the operation of certain rail passenger service by the National Railroad Passenger Corporation.

The concurrent resolution is as follows:

H. CON. RES 494

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, for the purpose of maintaining the present service over the basic system routes, National Railroad Passenger Corporation may, notwithstanding the pendency of the route reexamination study presently being conducted by the Secretary of Transportation and without regard to the Criteria and Procedures adopted pursuant to section 404(c) of the Rail Passenger Service Act, undertake the provision of any basic system intercity rail passenger service pursuant to section 404(a) by contracting with a railroad filing for the discontinuance of such service.

Passed the House of Representatives March 20, 1978.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the concurrent resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD, a statement by Mr. CANNON, together with an excerpt from the House Report 95–983.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. CANNON

House Concurrent Resolution 494 was unanimously reported out of the Committee on Interstate and Foreign Commerce, and passed the House of Representatives by voice vote without objection on March 20, 1978. It expresses the sense of the Congress that the National Railroad Passenger Corporation (Amtrak) may contract to provide intercity rail passenger service with a railroad filing with the Interstate Commerce Commission (ICC) for discontinuance of such service. The resolution does not mandate Amtrak to undertake to provide the service but leaves the decision whether to do so to Amtrak.

In 1971, when virtually all of the Nation's railroads elected to join Amtrak and discontinue passenger trains under the Rail Passenger Service Act, Southern Railway Co. (Southern) elected to continue to provide intercity passenger service at its own expense. Subsequently, in accordance with the law, Southern, faced with mounting losses on such service, discontinued its passenger trains, with the exception of the Southern Crescent (Crescent), which operates daily between Washington and Atlanta and tri-weekly between Atlanta and New Orleans. On March 6, 1978, having incurred substantial additional losses, Southern filed with the ICC for discontinuance of the Crescent.

House Concurrent Resolution 494 is designed to permit the proposed assumption by Amtrak of passenger service operations on the Southern Crescent, in light of Southern's discontinuation notice, filed with the ICC on March 6, 1978; and in light of the pending Amtrak route reexamination study being conducted by the Secretary of Transportation.

The Concurrent Resolution does not require Amtrak to take over the service, nor does it prohibit Amtrak from taking over the service. Similarly, it does not express an opinion as to whether Southern Railway should operate the service. Rather, it merely states that we have no objection if Amtrak and Southern Railway can come to an amicable agreement for the operation of this service.

Also, it should be understood that Congress is in no way attempting to influence ICC's decision as to whether it should accept or reject Southern Railway's petition to discontinue the service.

In conclusion, under no circumstances should this resolution be interpreted to require Congressional action in all future instances involving additions or deletions to the route network.

This resolution was discussed at a meeting of the Senate Committee on Commerce, Science, and Transportation on March 21, 1978, at which time it authorized me, as Chairman, to request the Senate's immediate consideration of this matter without referral to the Committee.

BACKGROUND AND PURPOSE

In 1971, when virtually all of the Nation's railroads elected to join the National Railroad Passenger Corporation (Amtrak) and discontinue passenger trains under the Rail Passenger Service Act, Southern Railway Co. (Southern) elected to continue to provide intercity passenger service at its own expense. Subsequently, in accordance with the law, Southern, faced with mounting losses on such service, discontinued its passenger trains, with the exception of the Southern Crescent (Crescent), which operates daily between Washington and Atlanta and tri-weekly between Atlanta and New Orleans. On March 6, 1978, having incurred substantial additional losses, Southern filed with the Interstate Commerce Commission (Commission) for discontinuance of the Crescent.

Southern and Amtrak have explored in negotiations the possibility of an agreement under which, in consideration of appropriate compensation by Southern and contingent upon Commission approval of Southern's discontinuance of the Crescent, Amtrak would undertake to provide service between Washington and New Orleans. Such an agreement may assist Southern in obtaining early Commission approval of the proposed service discontinuance and permit uninterrupted continuation of service.

Amtrak has interpreted congressional action with respect to Public Law 95–340, providing for supplemental appropriations for fiscal year 1978, as a mandate that the present route structure not be modified in any way until the Congress has acted upon the recommendations on an optimal National railroad passenger system. Pursuant to a directive in the Conference Report (H. Rept. 95–829) accompanying H.R. 9375, the bill which became law, the Secretary of Transportation, in cooperation with Amtrak, is currently conducting a comprehensive reexamination of Amtrak's route structure and intends to submit such recommendations to the Congress by May 1, 1978.

Washington-New Orleans service is a significant component of the present national pattern of intercity railroad passenger service. As such, the impact of its addition to the Amtrak system may be ascertained without the necessity of adhering to the criteria and procedures established under section 404(c) of the Rail Passenger Service Act, which Amtrak must follow in determining whether to add or discontinue routes and services.

In view of these circumstances, House Concurrent Resolution 494 merely expresses the sense of the Congress that Amtrak, in its discretion and in accordance with section 404 (a) of the Rail Passenger Service Act, may undertake to provide the service sought to be discontinued by Southern, notwithstanding the pendency of the route reexamination presently being conducted by the Secretary of Transportation and without regard to the route and service criteria and procedures established under section 404(c) of the act. The resolution does not mandate Amtrak to take any action with respect to Washington-New Orleans service and is not legally binding on Amtrak. As Mr. Rooney stated at the hearings on the resolution:

"I believe that it should be clearly understood that Congress is not taking sides in this matter. That is, it is not requesting Amtrak to take over the service, nor is it prohibiting Amtrak from taking over the service. Similarly, it is not expressing an opinion as to whether Southern Railway should operate the service. Rather, Congress is merely stating that it has no objection if Amtrak and Southern Railway can come to some amiable agreement for the operation of the service. On the other hand, if they cannot reach an agreement, Congress would not intervene to assure continuation of the service. Thus, it should also be clearly understood that Congress is in no way attempting to influence the ICC's decision regarding Southern Railway's petition to discontinue the service."

Committee consideration

The committee's Subcommittee on Transportation and Commerce held hearings on House Concurrent Resolution 494, introduced by Mr. Staggers, Mr. Devine, Mr. Rooney, and Mr. Skubitz, on March 14, 1978. Testimony was received from the Department of Transportation, the National Railroad Passenger Corporation, the Railway Labor Executives Association, Southern Railway Co., and the National Association of Railroad Passengers.

The subcommittee met in open markup session on March 14, 1978, and, by voice vote, ordered the resolution reported to the full Committee on Interstate and Foreign Commerce. The full committee met in open markup session in March 15, 1978, and, with a quorum present, by voice vote, ordered House Concurrent Resolution 494 reported to the House of Representatives.

Oversight findings

Pursuant to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, no oversight findings or recommendations have been made by the committee.

Pursuant to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the committee by the Committee on Government Operations.

Inflationary impact statement

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the committee makes the following statement with regard to the inflationary impact of the reported bill:

The committee believes that the enactment of this resolution will have no inflationary impact on prices and costs in the operation of national economy.

Cost estimate

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the following statement is made regarding the cost of this legislation:

The committee estimates that no costs to the Government will be incurred if this resolution is enacted.

Congressional budget cost estimate

In accordance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the committee includes the following cost estimate submitted by the Congressional Budget Office relative to the provision of House Concurrent Resolution 494:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., March 16, 1978.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed House Concurrent Resolution 494, to express the sense of Congress regarding the operation of urban rail passenger service by the National Railroad Passenger Corporation, as ordered reported by the House Committee on Interstate and Foreign Commerce, March 15, 1978.

Based on this review, it appears that no additional cost to the Government would be incurred as a result of enactment of this resolution.

Sincerely,

ALICE M. RIVLIN, *Director.*

The PRESIDING OFFICER. Without objection, the concurrent resolution is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which House Concurrent Resolution 494 was agreed to.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there is one nomination on the Executive Calendar which has been cleared on both sides. I ask unanimous consent that the Senate proceed to consideration of Calendar No. 100 on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. As in executive session, the nomination will be stated.

OFFICE OF MANAGEMENT AND BUDGET

The second assistant legislative clerk read the nomination of James T. McIntyre, Jr., of Georgia, to be Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. LAXALT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. METRIC BOARD

Mr. ROBERT C. BYRD. Mr. President, there are three nominations which were reported earlier today by the Committee on Commerce, Science, and Transportation. I understand they have been cleared for action on both sides of the aisle. Therefore, I ask unanimous consent, as in executive session, that the Senate proceed to the consideration of those nominations at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations will be stated.

The second assistant legislative clerk read the nomination of Carl A. Beck, of Pennsylvania, to be a member of the U.S. Metric Board for a term of 2 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Francis R. Dugan, of Ohio, to be a member of the U.S. Metric Board for a term of 2 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Henry Kroeze, of Wisconsin, to be a member of the U.S. Metric Board for a term of 2 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Louis Polk, of Ohio, to be Chairman of the U.S. Metric Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Thomas A. Hannigan, of Maryland, to be a member of the U.S. Metric Board for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Frank Hartman, of Michigan, to be a member of the U.S. Metric Board for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Sandra R. Kenney, of Maryland, to be a member of the U.S. Metric Board for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Roger Ellis Travis, of Massachusetts, to be a member of the U.S. Metric Board for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Sydne D. An-

drews, of Florida, to be a member of the U.S. Metric Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Joyce D. Miller, of New York, to be a member of the U.S. Metric Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Glenn Nishimura, of Arkansas, to be a member of the U.S. Metric Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Satenig S. St. Marie, of Connecticut, to be a member of the U.S. Metric Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Adrian G. Weaver, of Connecticut, to be a member of the U.S. Metric Board for a term of 6 years.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, my earlier statement was premature, and I beg the pardon of the Chair and the clerk.

I will not move to reconsider the vote on these nominees tonight because of the fact that their names did not appear on the executive calendar.

NEW YORK CITY PENSION FUNDS MUST HONOR FINANCING COMMITMENTS

Mr. PROXMIRE. Mr. President, I am disturbed about certain statements made recently by Harrison J. Goldin, comptroller of the city of New York, which are intended to pressure Congress to act percipitously and, in my view, unwisely to extend more financial aid to New York City. Mr. Goldin should be put on notice that such statements could well have the opposite effect.

My main concern is with the veiled threat that the city's pension and sinking funds may not make the $700 million in purchases of city bonds they are scheduled to make by May and June of this year unless they have assurances that Federal aid will be continued beyond June 30, when the present seasonal loan program is due to expire. In testimony before the House Economic Stabilization Subcommittee and in a subsequent press release, Mr. Goldin pointed out that:

> The ability of New York City to meet day-to-day operating expenses in the final quarter of this fiscal year hinges on the pension funds' making these purchases of $700 million in bonds.

He then went on to state that—

> Although the trustees of these funds have committed themselves under the present Financial Plan to make these purchases, there is every reason to doubt whether they can proceed without knowing that Federal mechanisms will be established to ensure protection of their investments after the expiration of this fiscal year on June 30.

Mr. President, the pension and sinking fund bond purchases which Mr. Goldin is referring to are binding legal commitments made by these parties in 1975 as a condition for enactment of the Federal loan program. My understanding, and the understanding of other Members of Congress when we passed the New York City Seasonal Financing Act in December 1975, was that Federal aid was strictly contingent on signed commitments already obtained from certain local parties, including various New York banks as well as the pension and sinking funds, to provide other necessary parts of the city's financing needs over the life of the loan program; that is, through June 30, 1978. These signed commitments, contained in a document known as the amended and restated agreement of November 26, 1975, were printed in the CONGRESSIONAL RECORD, at the time of the debate on the seasonal loan legislation and that legislation was passed only after these local commitments were made available to the Congress.

Obviously, these commitments made in 1975 were in no way contingent on the subsequent passage of Federal aid legislation for the period after June 30, 1978. Indeed, New York City and State officials were saying explicitly and loudly at that time that they would not be back, that the one-time assistance in the form of the 3-year seasonal loan program would be enough to get the city back on its feet and back in the credit markets.

As a matter of fact, the Governor of New York, Governor Carey, appeared on Meet the Press in December 1975, and said New York City would not be back.

The regrettable fact that they are back and they are asking for more aid in no way alters these prior legal commitments.

Mr. President, I am not disturbed that Mr. Goldin, who is a trustee of the pension and sinking funds, is in effect threatening noncompliance with a binding legal commitment of vital importance to the city's welfare, for the purpose of putting pressure on Congress to act with undue expediency on the complicated and vital question of whether to provide more Federal financial aid to New York City.

I believe this is inappropriate behavior for someone who is New York City's chief fiscal officer, as well as a trustee of these funds. Furthermore, I think this is behavior which could easily backfire and have the opposite effect. If Members of Congress perceive that the city's chief fiscal officer, and perhaps other local parties involved in this $700 million bond purchase, take their responsibilities and their financing commitments to insure the city's current solvency so lightly, then why in the world should they act to entrust the city with the $2 billion in Federal guarantees being requested for the next 4 years? As conceived by the administration, those guarantees would be contingent on additional, "up-front" commitments from the pension funds and from banks and other local parties to insure that all of the city's financing needs can be met over the 4 years after June 30, 1978. If the city does not even carry through on its pre-June 30 financing commitments, then I see no way that Congress is going to be willing to risk $2 billion in Federal guarantees for the period after June 30.

Mr. President, I believe that this is a most important matter, and that is unfortunate that doubts have been cast as to whether these financing commitments will actually be fulfilled. I sincerely hope that Members of Congress will soon receive assurances from Mr. Goldin and from other trustees of the pension and sinking funds that the $700 million in bond purchases will be made this year, so that further debate on the larger questions involved in the New York City financing issue can take place in an atmosphere conducive to serious deliberation.

I have written a letter to Mr. Goldin expressing my concern about this matter. Mr. President, I ask unanimous consent that the text of the letter be printed in the RECORD at the conclusion of my remarks, together with a copy of Mr. Goldin's letter to me and accompanying press release.

My letter also addresses the other issue raised by Mr. Goldin, which involves a study done by his staff showing that New York City currently owes $418 million on contracts with firms outside New York State worth a total of $1.26 billion. In his letter to me, Mr. Goldin states that payment of this $418 million in currently due obligations "would be extremely difficult, if not impossible, to meet were the city forced into default." He goes on to say that "prevention of such a calamity"—that is default—hinges on "congressional action respecting Federal guarantees of city securities."

Mr. President, I can agree that a New York City default would have some impact beyond the city itself, although I very seriously doubt that default would occur in the absence of Federal guarantees, given the large resources available in the New York banks and pension funds to meet the city's post-June 30 financing needs.

However, I can in no way support the political blackmail implied in this listing of New York City's out-of-State contractual commitments, coupled with the suggestion that the $418 million currently due will not be paid unless Federal guarantees are forthcoming. I object to these tactics on several grounds.

First, a very obvious response is that if these amounts are in fact presently due to the companies listed, then payments should be made promptly by the city out of funds budgeted for this purpose, and not held hostage to the passage of Federal legislation. The city knows that it has to make those payments, so it should make them. Second, of course, even if the city were to go into bankruptcy, it is highly unlikely that the contractors would receive none of the money owed them, although the payments might be delayed by court proceedings. The companies involved must have had ample knowledge of the city's actual and

potential financial problems when they entered into or continued their contracts with the city.

Finally, and most importantly, I think it serves no constructive purpose to threaten nonpayment of contract obligations due to refusal of local parties to meet their investment commitments. This is the last way to help New York City get back in the credit markets. And it certainly is not likely to improve the prospects for passage of Federal legislation.

Mr. President, Comptroller Goldin has appeared before the Committee on Banking, Housing, and Urban Affairs on a number of occasions. In general, I respect his views and appreciate the competence with which he carries out his duties as comptroller. For instance, just yesterday I called attention to the scandal involved in the ripoff lease of Yankee Stadium which nets the city almost no money. I know that Mr. Goldin is investigating the lease issue, and I applaud his efforts.

But on these other issues, I think Mr. Goldin is dead wrong, and I have felt obliged to make my thoughts known here on the Senate floor as well as in my letter to him.

Mr. President, the decision on whether to extend further financial aid to New York City involves a number of broad policy concerns, ranging far beyond the question of the impact of default on city contractors. The committee and the Congress will have to weigh with care the the questions involved in providing long-term Federal guarantees to New York City and the potential impact of such a precedent on the fiscal prudence of other cities across the country. At the present time, I am extremely skeptical of wisdom of providing such guarantees, and I certainly do not intend to act immediately and under pressure on such an important issue.

I have stated publicly on a number of occasions that the Committee on Banking, Housing, and Urban Affairs will hold hearings and give full consideration to proposals for additional financial aid to New York City at an appropriate time. That time is not now. It will not be until certain matters at the city and State level have been resolved, such as the labor contract negotiations which are presently underway.

I should point out, however, that the committee is unanimously on record as urging New York City and New York State to obtain firm commitments from local parties on meeting the city's financing needs for the period after June 30, 1978. Given this fact, I think it highly unlikely that the committee would be persuaded to act expeditiously if confronted with either the threat or the actuality of the city's pension and sinking funds refusing even to meet their present financing commitments.

Mr. President, I ask unanimous consent that a letter that I wrote to Mr. Goldin and Mr. Goldin's letter to me and his press release be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON BANKING, HOUSING, AND UBRAN AFFAIRS,
Washington, D.C., March 21, 1978.

Mr. HARRISON J. GOLDIN,
Comptroller, City of New York,
New York, N.Y.

DEAR MR. GOLDIN: I am disturbed about various aspects of your letter of March 15, 1978, with attached press release and report.

My main concern involves the question you raise about the likelihood of the City's pension and sinking funds making scheduled purchases of some $700 million in City bonds, as anticipated in the current Financial Plan, no later than May or June. You quote from your testimony before the House Banking Subcommittee, where you stated that "although the trustees of these funds have committed themselves under the present Financial Plan to make these purchases, there is every reason to doubt whether they can proceed without knowing that Federal mechanisms will be established to ensure protection of their investments after the expiration of this fiscal year on June 30."

My understanding, and the understanding of other Members of Congress when we passed the New York City Seasonal Financing Act in December 1975, was that the Federal loans were contingent on signed commitments already obtained from certain parties, including banks and pension and sinking funds, to provide other necessary parts of the City's financing needs over the life of the loan program, that is, through June 30, 1978. Obviously these signed commitments (contained in the Amended and Restated Agreement of November 26, 1975), which were printed in the Congressional Record at the time of the debate on the seasonal loan legislation, were in no way contingent on subsequent passage of Federal financial aid legislation for the period following June 30, 1978. Indeed, at that time in 1975, New York City and State officials were insisting that there would be no need for any further Federal involvement in the City's financing.

Therefore, I can only conclude that you are now, in your capacity as a trustee of these funds, suggesting non-compliance with a binding legal commitment of vital importance to the City's welfare, for the purpose of putting pressure on Congress to act with undue expediency on a complicated issue of great national concern. If this is the case, then I believe it is inappropriate behavior for New York City's chief fiscal officer. Furthermore, if Members of Congress perceive that the City's chief fiscal officer and other local parties involved take a financing commitment of this magnitude so lightly, then they may seriously question the advisability of the Federal government's making a commitment to provide $2 billion in long-term guarantees to New York City after June 30, 1978.

I am also concerned about the political blackmail implied in your listing of New York City's contractual commitments, on which you state that $418 million is currently due. If these amounts are in fact presently due to the companies listed, then the payments should be made promptly out of funds budgeted for this purpose and not held hostage to the passage of Federal legislation. While I can understand your desire to point up the financial stake which other parts of the country have in New York City's continued solvency, warnings of possible nonpayment due to refusal of local parties to meet their investment commitments are not, in my view, the best way either to improve the prospects for passage of Federal legislation or to restore market confidence.

The decision on whether to extend further financial aid to New York City involves a number of broad policy concerns, ranging far beyond the question of the impact of default on City contractors, most of whom must have had ample knowledge of the City's financial problems when they entered into or continued their contracts. Congress will have to weigh with care the questions involved in providing long-term Federal guarantees to New York City and the potential impact of such a precedent on the fiscal practices of other cities across the country.

I have stated publicly on a number of occasions that the Committee on Banking, Housing and Urban Affairs will hold hearings and give full consideration to proposals for additional financial aid to New York City at an appropriate time, after certain matters such as the City's labor contract negotiations have been resolved. However, the Committee is unanimously on record as urging New York City and New York State to obtain firm commitments from local parties to meet the City's future financing needs. Thus, in my view, the Committee is unlikely to be persuaded to act expeditiously if confronted with either the threat or the actuality of the City's pension and sinking funds refusing even to meet their present financing commitments.

Sincerely,

WILLIAM PROXMIRE,
Chairman.

OFFICE OF THE COMPTROLLER,
CITY OF NEW YORK,
March 15, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR SENATOR PROXMIRE: The enclosed document is a study prepared by my staff showing the outstanding contractual commitments of New York City to firms outside New York State and the amounts currently owed on those contracts. As the accompanying press release explains, these commitments, totaling $418 million in currently due obligations on active contracts worth $1.26 billion, would be extremely difficult, if not impossible, to meet were the City forced into a default.

With the prevention of such a calamity hinging on Congressional action respecting Federal guarantees of City securities, it is essential that everyone who has a role to play in this momentous decision understand that without a firm, positive expression of Congressional intent in the very near future, serious disruptions could affect communities across the nation even before the expiration of the current fiscal year of June 30. This is because the City, in order to replenish cash transferred from its General Fund to pay certain capital expenses must be able to effect a scheduled sale of $700 million in bonds to City pension and sinking funds, as anticipated in the current Financial Plan, no later than May and June. Without knowing that Federal mechanisms will be in place to assure the City's continuing solvency beyond June 30, the trustees of these funds will be forced to reconsider their commitment to such purchases.

With the administration endorsing the concept of long-term Federal guarantees and others publicly stating their support for both guarantees and a continuation of the seasonal loan program on a diminishing scale, there now appears to be a strong chance for a timely resolution of this issue. I hope that you will find it in the best interests of your own constituency, as well as of the nation as a whole, to join in this effort to forestall a local and national tragedy.

Sincerely,

HARRISON J. GOLDIN.

PRESS RELEASE

Comptroller Harrison J. Goldin said today that a study of the City's outstanding contractual obligations reveals that vendors in

40 states, excluding New York, would stand to lose some $418 million in payments due on $1.26 billion in active contracts in the event of a City bankruptcy.

Mr. Goldin said he had ordered the study in order to document the extent to which a City default on its obligations would directly affect local economies throughout the country. "Without Federal guarantees to ensure that there will be sufficient revenues in the coming fiscal year and beyond to compensate for the City's inability to borrow in the public credit markets, there will be immediate shortfalls that could imperil the City's ability to pay its vendors," Mr. Goldin stated.

The economies of New Jersey, Pennsylvania, Illinois, Louisiana and Texas, with firms there awaiting payments totaling over $303 million on active contracts worth $930 million, would be particularly hard hit by a City default, Mr. Goldin said.

"In New Jersey, where $172 million is currently due and presumably would be due at any point in the near future as new obligations replace the old, the effect of a New York City default would be on the scale of a major financial disaster," Mr. Goldin stated. "In terms of gross revenue losses, the failure to collect money currently due from New York City would deprive the state economy of an amount roughly equivalent to the sales income that would be lost if every machinery manufacturer or every primary metal producer in the state closed down for a full month. The income loss to farmers and fishermen in New Jersey if all the farms and fisheries were knocked out for several months would be substantially less than the sum that New York City currently owes New Jersey vendors."

In Pennsylvania, where $52.7 million is currently due on outstanding contracts totaling $175.5 million, the failure to collect just the sum presently due would deprive the state of income equal to 20 percent of the losses in coal sales occasioned by the miners' strike, Mr. Goldin said.

Among the other states with large amounts due from New York City, the Comptroller's report indicates that Illinois vendors are owed $26.1 million on outstanding contracts of $230.9 million; Texas firms are awaiting payments of $26.5 million on contracts worth a total of $150.9 million, and Louisiana contractors are owed $26.3 million on $30.6 million.

Mr. Goldin said the possibility of losses of this magnitude underscores the need for rapid Congressional action. "I wan to reiterate a point I made in comments before the House Subcommittee on Economic Stabilization last week with respect to the urgency of the situation," Mr. Goldin stated. "The ability of New York City to meet day-to-day operating expenses in the final quarter of this fiscal year hinges on the purchase of $700 million in bonds by the City's pension and sinking funds. Although the trustees of these funds have committed themselves under the present Financial Plan to make these purchases, there is every reason to doubt whether they can proceed without knowing that Federal mechanisms will be established to ensure protection of their investments after the expiration of this fiscal year on June 30."

Funds raised by means of these bond sales are necessary to replace cash which has been transferred from the General Fund to cover capital expenditures. If such sales do not take place, the City may be short of cash to meet expenses in the quarter beginning April 1.

Mr. Goldin stated: "With so many parties, including the Administration and some key members of Congress, agreeing that Federal action is essential, it would be especially tragic if the reluctance of others to state publicly their concurrence delayed action just long enough to push the city over the brink."

According to the Comptroller's report, other states with large contractual commitments from New York City are Massachusetts with $6.8 million due on a total $232.9 million outstanding; Ohio with $8.5 million due on $42.7 million outstanding; Indiana with $386,000 due on $16.3 million; Wisconsin with $68,493 due on $13.7 million; Michigan with $3.4 million due on $11.2 million; Virginia with $9 million due on $9.6 million; California with $2.4 million due on $9.2 million; Kentucky with $4.1 million due on $8.1 million; and Connecticut with $2.9 million due on $7.8 million.

Mr. Goldin pointed out that, when considered in terms of municipalities, the impact of default would be even more significant in some areas than the state-by-state tabulation might imply. For example, the Comptroller's report shows that firms in Philadelphia are owed $34 million on total outstanding contracts of $35 million. In the event of a complete default, Houston would stand to lose some $25.3 million currently owed on $144 million in outstanding obligations. Equitable Shipyards in New Orleans is owed $26.3 million on $30 million for ferry boats.

Mr. Goldin said that copies of the report, which is similar to one issued prior to Congressional approval of the seasonal loan program in 1975, were being sent to Secretary of the Treasury W. Michael Blumenthal, key members of Congress, including Senators Proxmire, Brooke, Byrd, Cranston, Baker, Bentsen, Moynihan and Javits and Representatives Moorhead, O'Neill, Wright, Brademas and Rhodes and the governors of New Jersey, Pennsylvania, Illinois, Texas, Louisiana, Massachusetts and Ohio.

The study of contractual obligations was directed by Jeffrey Barrett and Margery O'Connor of the Comptroller's executive staff and involved the cooperation of a number of bureaus in the Comptroller's Office as well as the Office of Management and Budget.

NOMINATION OF H. K. ALLEN, OF TEXAS, TO BE FIRST VICE PRESIDENT OF THE EXPORT-IMPORT BANK

Mr. PROXMIRE. Mr. President, today the Banking Committee voted to report the nomination of Mr. H. K. Allen to be First Vice President of the Export-Import Bank of the United States.

Mr. Allen is a good man. He has been a successful banker. But he has no experience whatsoever in international finance or in trade. He has no background.

And it was the view of both the chairman of the subcommittee, Senator STEVENSON, and the ranking minority member, Senator HEINZ, that this nomination should not be approved. But a majority of the committee overruled that, and Mr. Allen's nomination is being sent to the floor.

I agree with Senator STEVENSON and Senator HEINZ. We should have a qualified man for this job, and this is a tremendously big agency. They are asking for $40 billion in authorizations. They make loans all over the world.

We questioned this man for 2 days. He knew nothing about foreign countries, nothing about foreign country operations. He had no experience in lending any of the nine principle categories in which the Bank makes their loans.

This particular job for which he is being appointed is one that has been occupied for 30 years by people who are professionals in the field who deal on a day-to-day basis with the Japanese, the Germans, and others.

Mr. Allen, as I say, is a good man. There is no way. He could deal for years to learn this job of handling this enormously complicated Export-Import Bank operation.

So this is going to be a nomination that I expect will be debated, and I am asking to be notified at the time that the nomination is called up by the leader so that I can be on the floor, and I am sure Senator STEVENSON, Senator HEINZ—and Senator TOWER, who is a strong supporter of Mr. Allen—and others, wish to be here at the time.

THOMAS J. DOWNEY

Mr. PROXMIRE. Mr. President, a fine young Congressman named THOMAS J. DOWNEY, of New York, has been assigned to the Armed Services Committee of the House of Representatives.

He entered Congress at the age of 25, as young as he could be, of course, and still be eligible for a Congressman's membership.

He has done a superlative job on that committee. He is a lonely voice fighting for holding down unnecessary expenditures and fighting for arms control.

A fine article appeared in the New York Times recently on Mr. DOWNEY, and I wish to call the Senate's attention to that article, because there are so few people who have the courage to make this kind of fight under those circumstances.

I might point out that Mr. DOWNEY is joined on the Armed Services Committee by one of the finest Congressmen we have, Congressman LES ASPIN, of the First District of Wisconsin, who has been making the same kind of fight for years.

LES ASPIN was a Rhodes scholar. He was a summa cum laude at Yale University. He has a Ph. D. from MIT.

When President Carter wanted to be briefed before his debate with President Ford on arms policy, he asked for two people. He asked for former Secretary of Defense Schlesinger and LES ASPIN.

This is the kind of quality we have there from Wisconsin, and Mr. DOWNEY is joining Mr. ASPIN in this kind of fight. I am happy to call the attention of the Senate to it.

Mr. President, I ask unanimous consent that the article in the New York Times entitled "Downey Is Shaping a Role in Arms Control" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOWNEY IS SHAPING A ROLE IN ARMS CONTROL

(By Bernard Weinraub)

WASHINGTON, March 15.—Three years ago, Thomas J. Downey nervously took his seat in the House of Representatives. At 25, he was the youngest member of the new Congress and eagerly sought an assignment on one of the influential committees.

"I wanted Ways and Means or Appropriations or the Rules Committee," said the Congressman from New York's Second District. "I couldn't get on them because I had no seniority. So I was named to a vacant

Democratic seat on the Armed Services Committee.

"I had no military experience, no military background. I knew very little about the military. But I thought it would be interesting to learn. I've learned a lot."

Within the last few years Mr. Downey has emerged as the most articulate liberal voice on the powerful committee, as an arms control specialist and as a controversial, if somewhat iconoclastic, figure among his colleagues.

"My life," says the dapper Congressman, "is a little schizophrenic. I turn it off and on. I deal with SALT and arms control and the B–1 all week, and then I fly home to Long Island on Friday nights with my laundry and my law books and it's back to reality. I go out to the Great South Bay on Saturday, and if someone ever asked me what are the chances for a SALT accord, I'd probably fall in and drown."

DIFFICULT FOR A LIBERAL

With defense policy and legislation often shaped in the Armed Services Committees of the House and Senate, Mr. Downey speaks candidly, and sometimes angrily, about his colleagues. He makes it plain that it is difficult to be a liberal on the committee, which traditionally has a heavy conservative tilt.

"The committee is tremendously frustrating," said the Suffolk County Congressman, as he ate a luncheon salad in the House dining room. "The committee will listen to facts and opinions that would lead reasonable men to conclude that we need to end the arms race, yet the committee comes to the reverse conclusion and says we need to spend more on arms.

"The frustrating thing is to have the D.I.A.," he said, referring to the Defense Intelligence Agency, "or Air Force intelligence give a security briefing and explain how the Russians are ahead of us, and the committee chorties with delight. But when they hear a briefing, as they did the other day from Stansfield Turner, who gave a realistic assessment of where we were ahead and where we were behind, these people who would have us spend infinite amounts on arms seem almost depressed. They're depressed when they find out that there are areas in which we surpass the Russians. It's an amazing situation."

Adm. Stansfield Turner is Director of Central Intelligence.

LIKE MISCHIEVOUS CHOIR BOY

At hearings, Mr. Downey, who is the youngest member of the Armed Services Committee, chews gum intensively, toy with pencils and bounces restlessly in his chair. He speaks rapidly and confers in whispers with colleagues. With his youthful appearance, he resembles a slightly mischievous choir boy.

"If you're too aggresive or too ambitious, you get nothing done in this place," he says. "I'm trying to be reasonably aggressive."

Mr. Downey, a native of Ozone Park, Queens, has strongly supported the Administration's proposals to limit strategic arms—he is one of five members of the House who is an official observer at the Geneva talks—and was a vocal supporter of the Administration's plan to develop the neutron bomb, a decision that upset his liberal colleagues.

He supported the White House decision to end production of the B–1 bomber, although component parts of the plane are built in his district. However, he opposes plans to reduce sharply production of the F–14 Tomcat fighter, which is made by a constituent, the Grumman Aerospace Corporation.

He concedes the irony of being a vocal liberal on defense matters but representing constituents whose jobs are dependent on bigger defense budgets.

DOESN'T SUPPORT ALL PROJECTS

"I realized when I got on the committee there were going to be problems," he says. "There are projects which directly help my district which I may not be for. But there are others, like the F–14, that I fully support."

Mr. Downey, a bachelor who lives in a basement apartment near the Capitol, attends American University Law School at night. (Speaker of the House Thomas P. O'Neill Jr. was one of his sponsors.) His knowledge of military matters has grown over the last three years as a result of weekly Pentagon briefings, private sessions with ranking Pentagon officials, as well as former Defense Secretary James R. Schlesinger, and a flow of reports and documents.

"If you spend the time and ask the questions, the military is delighted to educate you, even if they know that you won't agree with them," he says. "You can receive a briefing on anything—how to destroy a dam, how the terrain guidance of the cruise missile works, how a nuclear weapon is made."

Perhaps his most frustrating moment on the committee, he says, took place during the West Point cheating scandal when he offered a compromise that was designed to keep cadets threatened with suspension in the military academy until a full report was issued. Despite Mr. Downey's plea, most of the Congressmen voted to suspend the cadets immediately.

"It was pure emotion on the part of some of my colleagues," he says evenly. "I felt like strangling them."

ARGUMENTS FOR THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, for years I have spoken out in favor of the Genocide Treaty. My support for the treaty is largely based on moral grounds. I do not understand how we, as human beings, can refuse to condemn an act which so threatens human life and degrades the meaning of life for those who witness such atrocities.

I would like to point out, however, that my support for the treaty is rational as well as moral. The treaty has been defended on logical and legal grounds.

The treaty specifically declares "acts committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group as such" to be crimes under international law. It also spells out in careful detail how genocidal acts are to be punished. Proponents of the treaty have been happy to discuss every aspect of the treaty, explaining the implications of every article. The treaty has been demonstrated to be constitutional, logically sound, and necessary for the implementation of an effective international human rights policy.

I now ask you to consider the arguments against the treaty. Frankly, they are embarrassingly trivial and erroneous. The treaty has been attacked on the grounds that it does too much and that it also does not do enough. Words used in the treaty have been attacked for their ambiguity; yet the meanings of these words have been fully explained many times.

It is clear that such random opposition betrays a certain blind and irrational fear of the unknown. This is why I speak out on the treaty. It is also why I urge a full consideration of the testimony from past hearings of the Foreign Relations Committee; reports from the American Bar Association, which now supports the treaty; and arguments made in the United Nations at the time of the treaty's drafting. I am convinced that the evidence is very strong. The Genocide Convention must be ratified immediately.

Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from New York.

THE JOB LOSS IN NEW YORK CITY

Mr. MOYNIHAN. Mr. President, the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs and I have commenced the pleasant practice of speaking a bit about the affairs of the city of New York at the end of the day here in the Senate, and once again I find myself rising to agree with what the chairman has said, as yesterday I found myself agreeing with his views of a contract the city had entered into which was contained in his views and recorded in the New York Times this morning.

Tonight I would have to say that the case he makes is a persuasive one.

Let me go beyond this, and like an Iroquois warrior, the Iroquois used to have the habit when captured by inferior tribes such as the Algonquin, who would proceed to torture them so inexpertly and, in disgust, the Iroquois would proceed to ask to allow to torture themselves to show that it was done properly.

You have to be a New Yorker properly to know how to be outraged with the management of our own affairs.

But Mr. Goldin last week again issued a report in which, it seemed to me, he curiously listed all the moneys, bills outstanding to purveyors of service, mostly goods, around the country, which would not be paid if New York went bankrupt. It started out with a pipe foundry in Anniston, Ala., I believe.

Well, that seems to me not the most gracious way to say, "Won't you give us a hand here?"

But on the other hand I would like to draw the attention of the Senator to one point which I keep coming back to that our whimsies and peccadilloes and curiosities do not overwhelm, the central fact that this is the most important city in the world and the financial capital of the world, and it is a symbol of the soundness of our commitments of money.

It seems to me it is of enormous international and national importance that it be maintained. The difficulties we face are so great that the other day on March 16, Mr. President, the chairman and I entered into a colloquy in which I spoke of the great loss of jobs in New York City in the last few years.

New York City is alone among cities, and the State itself, that have not recovered the employment levels of 1969, two recessions ago.

I stated some of those numbers. The Senator asked if I would yield, and I did to the distinguished Senator, and he said there were four or five cities, some of the biggest cities, which have lost more than New York. Detroit has lost more, Baltimore has lost more, Philadelphia has lost more. I said then, I did not think that was the case. I used to be an Assist-

ant Secretary of Labor under President Kennedy, and President Johnson, and the BLS was my small domain over which I exercised an ineffective governance, may I say. The BLS runs itself, as the chairman knows, and a good thing, too.

But I have here a table of the facts, and let me just summarize them.

I will ask, Mr. President, unanimous consent that I be enabled to put this in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y.,
March 21, 1978.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate, Dirksen Office Building, Washington, D.C.
Attention: Tim Russert.

DEAR SENATOR MOYNIHAN: In response to your inquiry of March 21st, I am providing below Payroll Employment Statistics which are not seasonally adjusted:

Area	June 1969	October 1977	Change
New York SMSA	4,221,300	3,587,000	−634,300
New York City	3,844,100	3,180,700	−663,400
Philadelphia SMSA	1,828,400	1,805,100	−23,300
Philadelphia City	944,200	798,300	−345,900
Baltimore SMSA	808,000	877,800	+69,800
Detroit SMSA	1,565,900	1,721,100	+155,200
Houston SMSA	738,400	1,176,500	+438,100

The data for June 1969 are not exactly comparable with the data for October 1977 due to a revision in the Standard Industrial Classification system which has not as yet been carried back that far, but the differences are probably slight.

In addition, the job loss in New York City, 663,400, is greater than the preliminary total nonagricultural employment for December 1977 in seventeen states; and it is also greater than the preliminary December, 1977 labor force levels in the same seventeen states. These states are: Alaska, Delaware, Hawaii, Idaho, Maine, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

I hope this data provides you with the information you need.

If I can be of further assistance, please do not hesitate to contact me.

With warmest personal regards.

Sincerely,

HERBERT BIENSTOCK,
Regional Commissioner of Labor Statistics.

Mr. MOYNIHAN. In sum, the New York metropolitan statistical area has lost 634,000 jobs since June of 1969. New York City itself has accounted for more than that loss, 663,000 jobs. That loss is greater than the preliminary total nonagricultural employment for December 1977 in 17 States. The 17 States do not have as many jobs as New York has lost.

Philadelphia, I will say to the chairman, he is right about Philadelphia. It has not lost as many jobs, but the SMSA has lost 23,000, and the city has lost 145,000.

Mr. PROXMIRE. The Senator from Wisconsin was talking about percentage losses, and I was basing my statement on a Bienstock group of figures, an eminent New York economist who is a top authority in the Bureau of Labor Statistics, and these were his figures, and they reflected percentage losses in Baltimore, Philadelphia, and Detroit.

Mr. MOYNIHAN. A rough calculation says that New York and Philadelphia are about the same. But Baltimore SMSA has gained jobs; Detroit SMSA has gained jobs, 155,000 jobs.

Mr. PROXMIRE. It depends on what period we are talking about.

Mr. MOYNIHAN. June 1969 to 1977.

Mr. PROXMIRE. That was not the period Bienstock had. That is not the period he referred to.

Mr. MOYNIHAN. I see. Houston SMSA in that period has gained 438,000 jobs compared to the loss——

Mr. PROXMIRE. Houston, of course, I did not mention.

Mr. MOYNIHAN. The Senator did not mention it.

Mr. PROXMIRE. Houston is the outstanding example of a city that has gained in employment.

Mr. MOYNIHAN. It most certainly is.

I do suggest in magnitude New York is clearly singular, and happily no city can claim a greater proportion of loss.

We must face a fact, which is—and I will stop right here—but I would ask the chairman and anyone who would read these remarks or those listening to them to recognize that in the history of economic change there has never been as large a loss of jobs in as short a period of time from one city. Just as in the history of urban settlement, there has never been anything to equal the South Bronx. We are in the presence of something we do not understand, have not been able to control and, therefore, it seems to me all the more important that the Federal Government do the one thing it can do. It cannot keep those jobs there, it cannot keep that neighborhood there, that borough there. It can, however, provide a little support for the credit of the city, reeling under these unexplained, perhaps inexplicable, unprecedented difficulties.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I would be happy to yield.

Mr. PROXMIRE. Everything New York City does is likely to be the biggest because it is the biggest city by far. It is in a class by itself in size. When you have a city that was 7 or 8 million in population, and they lose jobs, of course if they lose a proportion which is less than some other city they lose far more in numbers.

The figures I had are based on a period chosen to be a neutral period by Mr. Bienstock who, as you know, is an eminent and very fair——

Mr. MOYNIHAN. He certainly is.

Mr. PROXMIRE. And very capable economist, and his figures were—he listed, as I remember off the top of my head, I can remember four, but I will be happy to bring the data in so I can give the Senator the exact data Bienstock shows and that may be the explanation why New York had a greater proportion of loss during the 1969 to 1977 period.

But he picked another period, and he showed that over, perhaps, a long period that New York's loss has been less proportionately than, as I say, a number of other very large cities—proportionately.

Mr. MOYNIHAN. That may very, very well be. You have your Bienstock figures; I have my Bienstock figures which is ultimately the source we all turn to.

Mr. PROXMIRE. Very good.

Mr. MOYNIHAN. But I wanted to make the point that there is a reality in just plain quantity here.

Mr. PROXMIRE. Yes. Of course, the fact is all of our cities, with the exception of Houston, with the exception of one or two others, have lost population. It has just been one of the things that has happened, one of the phenomena. Chicago is smaller, Milwaukee is smaller, you name it, except for Houston and two or three others. They are all smaller than they were because New York is the biggest city, and it has lost more.

Mr. President, I yield the floor.

WARNINGS OF A FOREST PRODUCTS SHORTAGE

Mr. STEVENS. Mr. President, one of the most important issues to face the Congress this year will be the so-called "d-2 lands" decision. As you know, this decision deals with the review of certain withdrawn land in Alaska for potential designation as new parks, forests, wildlife refuges, and wild and scenic rivers. I have long advocated that Congress be cautious in its approach to this important issue. Alaska is a great State with a variety of resources which can be of use to the United States. Congress must assure that its d-2 decision provides flexibility for future generations to make decisions as to the uses of Alaskan land. We must trust future generations to deal with their own problems rather than making all decisions for all time this year.

An example for the need for flexibility are the warnings that are being received regarding a shortage in the forest products industry, commonly known as the approaching "forestry crunch." Recently, the Seattle Times featured an editorial regarding this upcoming forestry crunch. I commend this editorial to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"FORESTRY CRUNCH" PREDICTED

Most Americans are familiar with the "energy crunch." Comparatively few are aware of an approaching "forestry crunch."

That is a term used by the American Foresty Association to describe a looming shortage of accessible, marketable timber.

Association leaders want Congress to take further steps to avoid the "crunch." They speak against a background of steeply rising housing costs caused in part by inadequate timber supplies.

Signs and warnings multiply, both as regards an insufficient federal-government response to the problem and the threat of government actions that can only make the problem worse.

This month the General Accounting Office issued a report that blistered the Forest Service for "questionable" and "unreliable" timber-management policies.

The report recommended that the Forest Service "reduce uncertainties in determining sustainable timber-harvest levels," adopt better management policies "needed to sustain and increase the timber-harvest level," and attempt "to reduce conflicts between timber harvesting and other forest-resource uses."

The report charged the agency with not paying adequate attention to either scenic or economic considerations.

Concern about underfunded and inefficient management of those federal forest lands open to commercial use is matched by that over the continuing drive to "lock up" more of those lands.

A case in point is the potential effect of "D–2" legislation on the economy of Southeast Alaska. (The "D–2" issue involves the withdrawal of federal lands under the Alaska native-lands settlement.)

The Louisiana-Pacific Corp. informed Alaska Senator Ted Stevens the other day that it is considering closing its huge pulp mill at Ketchikan because of the threat posed by the "D–2" bill recently approved by the House Interior Committee.

According to Harry A. Merlo, president and general manager of Louisiana-Pacific, that legislation probably would not leave enough timber to supply both the company's Ketchikan mill and the Japanese-owned mill at Sitka.

If Louisiana-Pacific shut down in Alaska, 2,500 jobs would be lost, and Ketchikan itself would virtually shut down.

To avert the "forestry crunch" in this country, the federal government should be moving in two directions. It should act on the need for long-range, well-funded forestry programs, and it should slow down the stampede to "lock up" still more federal forest lands.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow morning at 9:30 a.m. and after the prayer Messrs. BAKER and DANFORTH will speak each for not to exceed 15 minutes; after which Mr. BENTSEN will be recognized for not to exceed 5 minutes, all as in legislative session; after which the Senate will resume its consideration of the treaty at which time the question will be on the amendment by Mr. ALLEN. There will be a division of that amendment. The first rollcall vote in relation thereto will occur at 1 p.m. tomorrow. The second rollcall vote will occur at 3:30 p.m. tomorrow.

It is hoped that after the disposition of the amendment by Mr. ALLEN Senators will be prepared to call up other amendments, and I think that the Senate should be prepared to stay in fairly late tomorrow evening so as to make as much progress as possible on the treaty.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, in executive session, stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 7:10 p.m. the Senate, in executive session, recessed until Wednesday, March 22, 1978, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 21, 1978:

OFFICE OF MANAGEMENT AND BUDGET

James T. McIntyre, Jr., of Georgia, to be Director of the Office of Management and Budget.

U.S. METRIC BOARD

Louis Polk, of Ohio, to be Chairman of the U.S. Metric Board for a term of 6 years.

The following-named persons to be members of the U.S. Metric Board for the terms indicated:

For a term of 2 years:
Carl A. Beck, of Pennsylvania.
Francis R. Dugan, of Ohio.
Henry Kroeze, of Wisconsin.

For a term of 4 years:
Thomas A. Hannigan, of Maryland.
Frank Hartman, of Michigan.
Sandra R. Kenney, of Maryland.
Roger Ellis Travis, of Massachusetts.

For a term of 6 years:
Sydney D. Andrews, of Florida.
Joyce D. Miller, of New York.
Glenn Nishimura, of Arkansas.
Satenig S. St. Marie, of Connecticut.
Adrian G. Weaver, of Connecticut.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, March 21, 1978*

The House met at 12 o'clock noon.

The Reverend Russell Wojtenko, pastor, Byelorussian Autocephalic Orthodox Church, St. Cyril's of Turov, Brooklyn, N.Y., offered the following prayer:

In the name of the Father, and the Son, and the Holy Spirit. Amen.

Almighty Father, Thou art our Creator, Teacher, and Judge. Free us of all human weakness and guide us in every step of our life on a rightful path.

Eternal God, bless this House of Representatives of the United States of America. Strengthen the minds of its Members with wisdom, fortify their hearts with love, and their deeds with courage and justice.

Merciful God, we pray to Thee on this 60th anniversary of the Proclamation of Independence of Byelorussia, have mercy upon the Byelorussian people. Strengthen their faith in Thy infinite goodness, support them in their sufferings, and restore their freedom.

O God, accept this humble prayer, bless the United States of America, bless Byelorussia and her oppressed people. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 101. Joint resolution to authorize and request the President to issue a proclamation designating the third Sunday in May 1979, as "National Fallen Heroes Memorial Sunday" for firefighters and law enforcement officers who have been disabled or killed in the line of duty; and

S.J. Res. 124. Joint resolution to authorize the President to issue a proclamation designating the week beginning on April 16 through April 22, 1978, as "National Oceans Week."

REV. RUSSELL WOJTENKO

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker and Members of the House, I am happy to join with the Speaker and with my colleagues in honoring the pastor, Rev. Russell Wojtenko, whom we have just heard, and in remembering that day which he has brought to our attention here.

Mr. Speaker, it was on March 25, 1918, that Byelorussia declared its independence. We stand by this religious and hopeful people, trusting in Almighty God, and hoping that in the future Byelorussia may be restored to its original state. Indeed, the distinguished clergyman, Reverend Wojtenko, has reminded us of that hope today, and all of us here should join the distinguished pastor in that hope.

I thank the Speaker.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

KWONG LAM YUEN

The Clerk called the bill (H.R. 1798) for the relief of Kwong Lam Yuen.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MORRIS AND LENKE GELB

The Clerk called the bill (H.R. 3084) for the relief of Morris and Lenke Gelb.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MRS. SUN POK WINER

The Clerk called the bill (H.R. 1396) for the relief of Mrs. Sun Pok Winer.

There being no objection, the Clerk read the bill, as follows:

H.R. 1396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(23) of the Immigration and Nationality Act, Mrs. Sun Pok Winer may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GILBERTO TANEO GILBERSTADT

The Clerk called the bill (H.R. 1779) for the relief of Gilberto Taneo Gilberstadt.

There being no objection, the Clerk read the bill, as follows:

H.R. 1779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Gilberto Taneo Gilberstadt may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Samuel Gilberstadt, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANTOS MARQUEZ ARELLANO

The Clerk called the bill (H.R. 1938) for the relief of Santos Marquez Arellano.

There being no objection, the Clerk read the bill, as follows:

H.R. 1938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in administration of the Immigration and Nationality Act, Santos Marquez Arellano, may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Archie A. Swindle, citizen of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 7, before the word "citizen" insert the word "a".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMEN CECILIA BLANQUICETT

The Clerk called the bill (H.R. 2291) for the relief of Carmen Cecilia Blanquicett.

There being no objection, the Clerk read the bill, as follows:

H.R. 2291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a)(14) of the Immigration and Nationality Act, Carmen Cecilia Blanquicett may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, for the purposes of section 101(b)(1) of the Immigration and Nationality Act, Carmen Cecilia Blanquicett shall be held and considered to be the natural-born alien daughter of Cecilia De Miguel, a citizen of the United States: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHELLE LAGROSA SESE

The Clerk called the bill (H.R. 2555) for the relief of Michelle Lagrosa Sese.

There being no objection, the Clerk read the bill, as follows:

H.R. 2555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Michelle Lagrosa Sese may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Rosauro Edrosa and Nieves Lagrosa Sese, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act: *Provided further,* That any fee received by any agent or attorney on account of services rendered relating to the introduction of this bill shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

On page 1, line 12, strike out the word "Act:" and substitute "*Act.*"

Beginning on page 1, line 12, strike out "*Provided further,* and the remainder of the bill through line 6 on page 2.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

WILLIAM MOK

The Clerk called the bill (H.R. 4607) for the relief of William Mok.

There being no objection, the Clerk read the bill, as follows:

H.R. 4607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, William Mok may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Drs. Ying B. Mok and Lynn C. Mok, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUNG IN BANG

The Clerk called the bill (H.R. 5230) for the relief of Jung In Bang.

There being no objection, the Clerk read the bill, as follows:

H.R. 5230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jung In Bang may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Dale D. Hurst, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 2. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JONATHAN WINSTON MAX

The Clerk called the bill (H.R. 5933) for the relief of Jonathan Winston Max.

There being no objection, the Clerk read the bill, as follows:

H.R. 5933

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jonathan Winston Max may be classified as a child within the meaning of section 101(b)(1)(F) of such Act, upon approval of a petition filed in his behalf by Mr. and Mrs. John W. Max, citizens of the United States, pursuant to section 204 of that Act, except that section 204(c) of that Act, relating to the number of petitions

which may be approved on behalf of children, shall not apply and the provisions of section 245(c) of the Act shall be inapplicable in this case. The brothers and sisters of the said Jonathan Winston Max shall not, by virtue of that relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Beginning on page 1, line 8, after the language "204 of that" strike out the remainder of the bill and insert in lieu thereof the following: "Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act, Section 204(c) of the Immigration and Nationality Act, relating to the number of positions which may be approved, shall be inapplicable in this case.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HYE JIN WILDER

The Clerk called the bill (H.R. 6801) for the relief of Hye Jin Wilder.

There being no objection, the Clerk read the bill, as follows:

H.R. 6801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Hye Jin Wilder may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Frank Wilder and Bosley Wilder, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sister of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act. Section 204(c) of the Immigration and Nationality Act, relating to the number of petitions which may be approved, shall be inapplicable in this case.

With the following committee amendment:

On page 1, line 7, strike out the name "Bosley Wilder" and substitute the name "Dorothy Bosley Wilder".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DONNA MARAINNE BENNEY

The Clerk called the bill (H.R. 6934) for the relief of Donna Marainne Benney.

There being no objection, the Clerk read the bill, as follows:

H.R. 6934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Donna Marainne Benney shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act, or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in the administration of the Immigration and Nationality Act, Donna Marainne Benney may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Charles E. Benney, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOUNG-SOON CHOI

The Clerk called the bill (H.R. 7033) for the relief of Young-soon Choi.

There being no objection, the Clerk read the bill, as follows:

H.R. 7033

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Young-soon Choi may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Douglas L. R. Neeley, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 1135) for the relief of Young-soon Choi, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Massachusetts could explain his request?

Mr. BOLAND. If the gentleman will yield, my understanding is that the Senate bill is identical to this House bill.

Mr. BAUMAN. I see. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Young-soon Choi may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Douglas L. R. Neeley, citizens of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7033) was laid on the table.

VERONICA JUDITH HUDSON

The Clerk called the bill (H.R. 7795) for the relief of Veronica Judith Hudson.

There being no objection, the Clerk read the bill, as follows:

H.R. 7795

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)(A)), Veronica Judith Hudson shall be held and considered to be a returning resident alien.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAE KEUN CHRISTIANSON

The Clerk called the bill (H.R. 8308) for the relief of Jae Keun Christianson.

There being no objection, the Clerk read the bill, as follows:

H.R. 8308

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jae Keun Christianson may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mr. and Mrs. Robert C. Christianson, Junior, a citizen and lawful resident alien, respectively, of the United States, pursuant to section 204 of the Act: *Provided*, That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCY DAVAO JARA GRAHAM

The Clerk called the bill (H.R. 1751) for the relief of Lucy Davao Jara Graham.

There being no objection, the Clerk read the bill, as follows:

H.R. 1751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act (8 U.S.C. 1101–1503), Lucy Davao Jara Graham shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraph (1) through paragraph (8) of section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(1)–1153(a)(8)).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDRÉE McGIFFIN AND JEAN-MANUEL HENRY

The Clerk called the bill (H.R. 8192) for the relief of Andrée McGiffin and Jean-Manuel Henry.

There being no objection, the Clerk read the bill, as follows:

H.R. 8192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of the Immigration and Nationality Act, Andrée McGiffin and Jean Manuel Henry shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct the required number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' births under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of natives under section 202(e) of such Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, for the purposes of section 101(a)(27)(A) of the Immigration and Nationality Act, Andrée Marie Helene McGiffin shall be held and considered to be a returning resident alien.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Andrée Marie Helene McGiffin."

A motion to reconsider was laid on the table.

AH YOUNG CHO KWAK

The Clerk called the Senate bill (S. 833) for the relief of Ah Young Cho Kwak.

There being no objection, the Clerk read the Senate bill, as follows:

S. 833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ah Young Cho Kwak may be classified as a child within the meaning of section 101(b)(1)(F) of such Act upon approval of a petition filed on her behalf by Mr. and Mrs. John Kwak, citizens of the United States, pursuant to section 204 of such Act. The natural parents, brothers, and sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that further reading of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation may be permitted to sit on tomorrow, Wednesday, March 22, 1978, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman please explain the purpose of his request?

Mr. HOWARD. Mr. Speaker, if the gentleman will yield, this meeting will be to conduct hearings and take testimony on the pipeline slurry bill which has been referred to our Subcommittee on Surface Transportation from the Committee on Interior and Insular Affairs.

Mr. ROUSSELOT. Is this for today and tomorrow?

Mr. HOWARD. Only for tomorrow and only for taking testimony.

Mr. ROUSSELOT. Only for testimony?

Mr. HOWARD. Yes.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REPORT OF JOINT ECONOMIC COMMITTEE ON ECONOMIC REPORT OF THE PRESIDENT

(Mr. BOLLING asked and was given permission to address the House for 1 minute.)

Mr. BOLLING. Mr. Speaker, today I am pleased to file with the House of Representatives the Joint Economic Committee's 1978 annual report on the economic report of the President. The report, which was approved unanimously by the Democratic members of the committee, is filed with minority and additional views.

Mr. Speaker, this report generally commends the Carter administration for addressing "in a responsible manner" most of the problems the Nation faces on its road to recovery from the economic recession that started in 1975.

Nevertheless, we conclude that with proper policies economic performance can be better than the administration has forecast.

A major thrust of the report is on monetary policy. It notes that fiscal policy has borne the brunt of the recovery in the last 3 years while monetary policy has remained preoccupied with the problems of slowing inflation and more recently with the international condition of the dollar.

One of the consequences of this one-sided monetary-fiscal policy mix has been that consumption and Government spending have expanded while growth of investment and net exports have been retarded.

This report states clearly that economic stimulus, in addition to that proposed in the budget, is needed in 1978 and 1979. This stimulus should be implemented through an expansionary monetary policy. To achieve this stimulus, the growth of the money supply should be such that the rise in short-term interest rates is reversed. Policy in 1978 should tend to move short-term rates toward their 1977 levels. Interest rates should be maintained at these lower levels in 1979.

The report contains many additional recommendations. It calls for a complete review of the social security financing system. It recommends a coordinated approach to fiscal and monetary policy formation. And it discusses many policies to address our serious structural problems of inflation and unemployment.

Rather than go into further detail, Mr. Speaker, I commend this report to your attention.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman, the distinguished majority leader, assure us that we will not be whipsawed back and forth between all kinds of committee meetings and legislative action on the House floor? There are some committee meetings scheduled at 10 o'clock.

Mr. WRIGHT. Mr. Speaker, the gentleman is aware of the rules. A committee can meet only under the privileges granted in the rules. It occurred to some of us that it would be useful to come in at 10 o'clock tomorrow and finish whatever business may remain for us.

Mr. ROUSSELOT. Further reserving the right to object, I do not disagree with that objective of coming in at 10 o'clock so that we can appropriately recess by 3 or 4, but the great difficulty is always

caused by some chairmen who feel constrained to call committee meetings at 10 o'clock. Can we be assured that there will be an attempt not to put Members under the tremendous strain of trying to be in several places at once? There are all kinds of unanimous-consent requests to have all kinds of committees sit. Maybe some of those hearings can be postponed until some other time.

Mr. WRIGHT. If the gentleman will permit me, I cannot speak for all the committee chairmen, and I am not aware of all the committee meetings tomorrow, but the gentleman knows the rules and the committee meetings will not be permitted save as allowed under the rules.

Mr. ROUSSELOT. So the gentleman will make an attempt to make sure that committees are not in conflict with our legislative activities here on the floor?

Mr. WRIGHT. To the extent consonant with appropriate practices.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

Mr. RHODES. Mr. Speaker, further reserving the right to object, is it my understanding the majority leadership has no intention of adding to the program which had been previously announced for this week? Is that correct?

Mr. WRIGHT. The answer is, there is no plan to add anything to the program previously announced. The problem would be completing that entire program. I doubt very much that it would be completed.

Mr. RHODES. It would be the intention of the majority leader to continue with H.R. 7700 if time allows?

Mr. WRIGHT. Yes, time permitting.

Mr. RHODES. Is there any particular agreement, or what may be established as an agreement as to the time on Wednesday, which is tomorrow, that we might expect adjournment of the House?

Mr. WRIGHT. I think that is a little too hypothetical. I think we simply must understand that we would finish earlier if we came in at 10 a.m. than if we came in at 3 p.m. tomorrow.

Mr. RHODES. I think the reasoning of the majority leader is good.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman from Texas (Mr. WRIGHT) tell us which portions of the legislative schedule he thinks we might take up?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield, if the gentleman now speaking were clairvoyant perhaps I could but I make no such claim. It would depend upon certain things, how long certain bills take, as well as certain rules and other imponderables at this moment.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, would it be a fair guess on the part of the gentleman from Texas (Mr. WRIGHT) to believe that the bills farthest down the list are the most likely ones to be put over until we get back?

Mr. WRIGHT. That would be a reasonable assumption.

Mr. ROUSSELOT. Is that your guess, too?

Mr. WRIGHT. That is just about the way I would likely guess.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1978, IF PROPOSED AMENDMENTS ARE ADOPTED, WILL NOT DISCRIMINATE

(Mr. MIKVA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MIKVA. Mr. Speaker, during the last few weeks intense controversy has surrounded the portion of H.R. 11315 that reduced the amounts that political party committees could contribute to or spend on behalf of their congressional candidates. Arguments over this single issue have been so heated as to obscure the strong case that exists for taking favorable actions on many of the important features of the bill as well as the Foley-Conable amendment to establish a system of partial public financing of House general elections.

This situation has been changed, however, by the fact that yesterday House Administration Committee chairman, FRANK THOMPSON, placed in the RECORD an amendment he intends to offer in order to restore the political party giving and spending levels to those contained in the current Federal campaign laws. To deal with another point of contention, I placed in the RECORD an amendment that I plan to offer to strike the provision in H.R. 11315 that would prevent national and State political party committees from transferring funds among themselves for the purpose of making candidate contributions or expenditures.

These two amendments make it clear that the political party issues that have led to such a high level of partisan polarizations and controversy can be resolved. As a result, the stage is now set for the House to consider the other important issues in the committee bill and the Foley-Conable amendment. There is no longer any room to argue that the legislation is designed to discriminate in an unfair or partisan manner. All Representatives who find it unacceptable to continue the current system of campaign financing should join together in helping to enact this legislation. For these reasons, I strongly urge my colleagues to lend their support to the rule, to the amendments Chairman THOMPSON and I will be offering, and most important, to the Foley-Conable amendment.

TO DIRECT U.S. AMBASSADOR AT U.N. TO OFFER RESOLUTION REMOVING OBSERVER STATUS OF PLO AT THE U.N.

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, today, I am reintroducing with 25 cosponsors my House concurrent resolution calling on the President to direct the U.S. Ambassador to the United Nations to offer a resolution at the upcoming General Assembly session to remove the observer status of the PLO at the United Nations.

The March 11 raid in Israel by Al Fatah, the military arm of the PLO, which resulted in the death of many innocent men, women, and children, who at the time were returning from a holiday weekend, was the final straw that prompted me to offer this resolution for consideration by the Congress.

Participation in the United Nations by the PLO as observers, legitimizes an organization which promotes the destruction of legitimate democratic nations who are members of the United Nations. PLO representation at the U.N. sets a dangerous precedent as the logic used to permit this nonnation's participation can also be applied to other groups such as the kurds of Iraq, the separatists of Quebec, and groups which claim sovereignty over various territories.

Mr. Speaker, this House concurrent resolution, which is receiving bipartisan support, will demonstrate the strong feelings in the Congress that terrorist organizations like the PLO should not be afforded a U.N. forum since recognition, inadvertently legitimizes the acts of terrorists who often choose civilians as their victims.

THE ATTORNEY GENERAL'S ARROGANCE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, as I have stated on several previous occasions, Attorney General Griffin Bell has refused to personally acknowledge or discuss serious concerns I raised in correspondence to him 8 months ago concerning the Justice Department's questionable prosecution of former FBI special agent John Kearney.

My concerns center around the department's own intelligence-gathering policies that required investigation of radical left terrorist organizations by Kearney's squad 47 during riot-torn years of the 1960's.

I believe the Attorney General owes an explanation of what appears to be a selective, vindictive prosecution of a loyal public servant who was investigating known criminal elements under policies and orders laid down by Justice Department superiors.

Since when does the Attorney General of the United States assume such a posture of arrogance and unresponsiveness when asked by Members of Congress and the public to explain and discuss his actions?

AMERICAN TAXPAYERS, THROUGH CONTRIBUTION TO INTERNATIONAL DEVELOPMENT ASSOCIATION OF WORLD BANK, WILL BE REBUILDING VIETNAM INDIRECTLY

(Mr. YOUNG of Florida asked and was given permission to address the

House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, for sometime now I have been presenting the details of how our foreign aid program is providing indirect assistance to Communist Vietnam. I have told you about the three soft loans totaling $105 million which are being considered by the International Development Association (IDA), the soft loan window of the World Bank.

Today, I thought you would be interested to learn that IDA is now considering two more soft loans for Vietnam. These new loans would be for industrial rehabilitation and for power development. This means that IDA is now considering a total of five soft loans totaling $160 million in aid to Vietnam. You may also be interested to know that the administration's request of $1.5 billion for our contribution to IDA in fiscal year 1979 is a 93-percent increase over last year's appropriation for IDA. No matter how you add up the figures, the bottom line is that the American taxpayers, through their contribution to the International Development Association of the World Bank, will be rebuilding Vietnam indirectly, just like the Vietnamese said we would do.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I think the gentleman will point out that last year this happened because of the House and Senate capitulating from an amendment which would have prevented indirect aid to those Communist nations. Under White House pressure they took out the word "indirect."

Mr. YOUNG of Florida. The gentleman is correct. That is part of the reason.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I hope the gentleman will reintroduce his amendment banning indirect foreign aid. I will be interested to see what the reaction will be of the Members of this House to that amendment when they know exactly what happens when we do not have that language in the bill.

Mr. YOUNG of Florida. I thank the gentleman for his suggestion.

CONDEMNATION OF RECENT TERRORIST KIDNAPING OF ALDO MORO

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the resolution (H. Res. 1082) expressing condemnation of the recent terrorist kidnaping of former Italian Premier Aldo Moro, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 1082

Whereas the growing threat of international terrorism has manifested itself again in the kidnaping of Aldo Moro, former Prime Minister of Italy and head of the Christian Democratic Party, by the Red Brigade in Italy;

Whereas the Red Brigade in Italy has been responsible for a campaign of terror over the last year in which it has inflicted widespread loss of life and injury on dozens of prominent Italian citizens—officials, Members of Parliament, judges, journalists, educators, and others;

Whereas such acts of terrorism continue to threaten the safety and well-being of citizens of not only Italy but of all nations and cause a direct threat to the very foundations of democratic government; and

Whereas the Government of Italy deserves our support in the difficult position in which it finds itself as a result of this kidnaping: Now, therefore, be it

Resolved, That the House of Representatives voices its shock and condemnation of this new abhorrent act of terrorism by the Red Brigade in Italy.

SEC. 2. It is the sense of the House of Representatives that the Government of Italy deserves the solid support of the United States and of all democratic and freedom-loving peoples in its efforts to deal with this tragic crisis and to preserve the democratic society and institutions in Italy which are so important to Italy's role in the western alliance.

SEC. 3. It is further the sense of the House of Representatives that the President should instruct the Permanent United States Representative to the United Nations to press for consideration of the subject of terrorism in all appropriate forums and to sponsor proposals aimed at finding solutions to this very urgent problem.

SEC. 4. The Speaker of the House of Representatives is directed to forward a copy of this resolution to the President and the Ambassador of the Government of Italy to the United States.

The SPEAKER. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 1082, expressing condemnation of the recent terrorist kidnaping of former Italian Premier Aldo Moro.

Last Thursday, a clandestine group of terrorists, who call themselves the Red Brigades, kidnaped the former Premier of Italy and, in the process, murdered five of his aides. This despicable act is a stunning and bleak reminder of the growing threat of terrorism to democratic and freedom-loving societies everywhere. Whether such murderous events occur in Italy, the Middle East, or elsewhere, there can be no justification for such extreme and brutal actions no matter what the cause of the perpetrators.

The terrorist acts of the so-called Red Brigades in Italy are particularly alarming. This violent organization has already claimed responsibility for 44 assassinations, 30 kidnapings, and countless armed attacks and acts of sabotage directed against prominent Italian Government officials, journalists, and other Italian citizens. Now, by kidnaping the country's former Premier, the terrorists have shown that the very foundations of Italian Government and society may be endangered if such actions continue with impunity.

Mr. Speaker, in addition to voicing condemnation of the terrorist actions in Rome last Thursday, the resolution also calls upon the President to instruct the permanent U.S. Representative to the United Nations to press for the consideration of the subject of terrorism in that world body and to sponsor proposals aimed at finding solutions to this extremely urgent problem.

I would like to take this opportunity to commend our colleague, the Honorable PETER W. RODINO for his sponsorship of the resolution as well as the nine identical resolutions and the 195 cosponsors of the resolutions.

Mr. Speaker, I urge the adoption of this resolution.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Speaker, if democratic societies are to survive, governments must be allowed to operate in an atmosphere of open debate. Terrorism and the mere threat of terrorism deprive society of vital discourse on public affairs, and lead to the destruction of all political freedoms.

Mr. Speaker, the most recent terrorist act—the kidnaping of former Italian Prime Minister Aldo Moro—is one of the most serious attacks we have witnessed on democratic government.

The Red Brigades, the group claiming responsibility for the abduction of Aldo Moro, have a long record of halting the free political process. The Red Brigades claim responsibility for 44 killings, 30 kidnapings, and countless armed attacks and acts of sabotage. With the recent acts of violence and terror, the Red Brigades go beyond their so-called Marxist ideology, and they now can claim no identifiable political philosophy except anarchism. Even this is no excuse for the type of cold-blooded, calculated acts of terror in which the Red Brigades victimize innocent citizens.

Mr. Speaker, as representatives of a free government, it is our utmost responsibility to be vigilant in speaking out against acts of terrorism wherever and whenever they arise.

I also wish to remind this House that the United States does not stand immune to terrorism. The Terrorist New World Liberation Front recently claimed its 58th bombing in northern California in the past 3½ years. These bombings have caused more than $1 million worth of damage.

What is most dismaying about these outrages is how difficult it seems to prevent them. Along with prevention, we must address the issue of creating the atmosphere which would alleviate the tension that cultivates terrorist activities.

It is most important that our Government do all that is possible to press for consideration of the subject of terrorism in all appropriate forums and to come up with proposals aimed at finding solutions to this urgent problem.

The resolution which I sponsored along with 195 of my colleagues is now before us—its words speak for themselves. We must express our unequivocal condemnation of this latest outrage, for to do less could be interpreted as condoning these senseless acts of barbarism.

I urge your support.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from Michigan, the ranking member of the Committee on International Relations.

Mr. BROOMFIELD. Mr. Speaker, I rise in strong support of this resolution and also to commend the gentleman from New Jersey for sponsoring it.

Mr. Speaker, I rise in support of House Resolution 1082, which expresses the shock and condemnation of the House of Representatives over the kidnaping by terrorists of Aldo Moro, former Italian Premier.

This act of terrorism, which included the murder of five of Premier Moro's aides, must be condemned by all who love freedom and democracy. The Government of Italy—our friend and NATO ally—deserves our support in this time of grave danger to its democratic institutions.

Terrorism is a growing and alarming threat throughout the world, and the violence of the "Red Brigades" in Italy is especially despicable. Such violence cannot be allowed to continue for it jeopardizes the Italian Government and the democratic institutions of that great nation.

Mr. Speaker, this resolution in addition to condemning terrorism in Italy, calls upon President Carter to instruct our permanent representative to the United Nations to press for consideration of terrorism in all appropriate forums and to sponsor proposals aimed at finding solutions to what has become an urgent problem.

I believe that this world body, of which the United States was a founding member, should promptly mobilize its sources to find ways of coping with the growing threat of violence and terrorism that endangers world order.

I commend the sponsors of this resolution and I urge its adoption.

Mr. ZABLOCKI. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding this time to me.

I want to commend the chairman of the Committee on International Relations and the chairman of the Committee on the Judiciary for bringing this piece of legislation before us.

Mr. Speaker, a recent Herblock cartoon in the Washington Post likened the worldwide proliferation of terrorism to the plague of the middle ages. I think that is a very apt description of what is going on. The recent bloody kidnaping of Aldo Moro in Italy reveals just how widespread the problem has become.

Of the literally thousands of acts of terrorism committed in Italy, the kidnaping of Aldo Moro is the most shocking and brutal. To put it in perspective, it would be the equivalent of the weathermen kidnaping Henry Kissinger or Gerald Ford.

The problem of international terrorism must be stopped now.

I join the vast majority of the world in strongly condemning the abduction of Aldo Moro.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Speaker, I thank the distinguished chairman of the committee for yielding this time to me, and I would like to associate myself with his remarks. I wish also to compliment the distinguished chairman of the Committee on the Judiciary for introducing this excellent resolution which I joined in supporting and signing.

I would like to make one comment, however, with regard to the consistency of this body, because I think it is important that we try to be as consistent as possible, and that comment is this: This resolution came up under unanimous consent, and there was no objection. I am very pleased with that. I think it is right that we consider it without any objection.

But when a person is blown up in Sheridan Square in downtown Washington and we try to bring up a resolution, with no politics or ideology attached to it but simply to express our despair and our concern over that kind of act, and there are objections in this body, that is inconsistent. That is the kind of inconsistency we saw a couple of years ago when the former Ambassador to the United States from Chile was killed.

So, Mr. Speaker, let us condemn terrorism wherever it occurs. I think all of us want to do that, and this gentleman is going to be one who wants to continue supporting resolutions of this kind.

● Mr. McCLORY. Mr. Speaker, I rise in support of this resolution sponsored by our distinguished colleague from New Jersey (Mr. RODINO) and I fervently hope the House will adopt it.

I am pleased to be a cosponsor of this resolution which among other provisions asks the President to seek through the U.S. Permanent Representative to the United Nations consideration by the U.N. of the subject of terrorism with a view toward restoring order and tranquility in public affairs throughout the world.

Mr. Speaker, terrorism in any form is frightening because it poses the threat of anarchy. But what is even more fearful about the Red Brigades who boast of kidnaping former Italian Premier Aldo Moro is that they apparently have no goal but that of anarchy.

I read a chilling sentence in a news account out of Rome in the Washington Post this morning. It quoted a young woman who among thousands attended Saturday's funeral for Mr. Moro's five slain bodyguards. She is quoted as saying:

> If it so easy to get Moro, then none of us is safe.

These are words for all of us to remember.

Mr. Speaker, I urge that we adopt this resolution so that the U.S. House of Representatives may send a strong message to the Moro family, the leadership of Italy, the world, and, yes, to this young woman that the United States will do all within its vast power to stamp out this disease of terrorism that imperils us all.●

Mr. ANNUNZIO. Mr. Speaker, on March 16, the Italian terrorist Red Brigades kidnaped the Christian Democratic Party leader, Aldo Moro. Their objective, they claimed, was to strike at the heart of the state and create a revolutionary situation. If their goal was to throw the country into a state of turmoil, the Brigades picked their man well. Aldo Moro has been a stabilizing force in the Italian Government for over a decade. As Premier, he has headed five governments. Currently president of the powerful Christian Democratic Party, he is considered a front-running candidate in the 1978 presidential elections.

Moro's influence has not been contained within Christian Democratic Party limits. Largely as a result of Moro's efforts, the 2-month-old crisis in the Italian Government was finally resolved. He succeeded in reconciling the Christian Democrats and the Communists in a compromise that brought the Communists into the parliamentary majority for the first time in 30 years. It was Moro who finally persuaded his own party's right wing to accept the agreement, and Moro who persuaded the Communists to accept a parliamentary, rather than full governmental, majority.

The new government was sworn in the day before Moro was kidnaped. Embarking upon a tenuous course in a country fraught with economic and social unrest, the regime was in need of all the support it could muster. Instead, terrorists struck at its steadying arm.

Moro is not the first victim of Italian terrorism. In fact, he is the 73d person to be kidnaped in Italy in a little more than a year. His dead bodyguards are but five among dozens of Italians who have been killed or maimed by the Red Brigades in recent years. Seeking badly needed change within society, but unwilling to accept a collaborative effort of traditional left (Communist), center, and rightist forces within the government, the terrorist group has resorted to senseless violence that can be nothing but counterproductive. While Italy's government is tied up in the search for Aldo Moro, the country's ills go unattended. The 15-percent inflation rate continues to mount, the 1.8 million jobless continue to be unemployed, and the economy stagnates.

As a cosponsor of House Resolution 1082, I join in the condemnation of the Moro kidnaping and deplore the terrorism that is so destructive to human progress. In this tragic crisis, the Government of Italy has, I know, the staunch support of our country, and indeed, of all freedom-loving peoples, in its efforts to effect the safe release of Aldo Moro and to preserve the democratic society and institutions of Italy.

● Mr. FASCELL. Mr. Speaker, I strongly support House Resolution 1082, and urge its adoption by the House.

This resolution deals with terrorism—a most abhorrent political act. It expresses condemnation of the recent terrorist kidnaping of former Italian Premier Aldo Moro.

Terrorism is a classic tactic of Communists and others who would destroy duly elected democratic governments in order to succeed to power. Their goal is to tear apart the fabric of lawful institutions, thereby laying the groundwork for a takeover.

In Italy, the clandestine group of terrists, who call themselves the "Red Brigade," have by their own claims assassinated 44 persons, kidnaped 30 others, and staged countless armed attacks and acts of sabotage directed against prominent Italian Government officials, journalists, and other citizens.

No freedom loving country can ignore the threat to world peace posed by this terrorist action. The kidnaping of Aldo Moro and the murder of five of his aides serves as a reminder that we must actively support the institutions of democracy in all countries.

I commend my colleague, Congressman PETER RODINO, for introducing the resolution, and urge its adoption.●

● Mr. GILMAN. Mr. Speaker, I was pleased to rise in support of the resolution (H.R. 1082) offered by my esteemed colleague, the gentleman from New Jersey, Mr. RODINO, expressing the sense of indignation and disapproval that the Congress has vocalized concerning the kidnaping of the prominent and respected former Prime Minister of Italy, Aldo Moro, a man who has given his life to public service and to world peace.

The sad fact of life that the world is facing is that terrorism has virtually become a way of life. The most frightening aspect of terrorism is its arbitrary nature: innocent people are gripped by the consequences of terrorist activities, often being slaughtered for no apparent reason. The cause of such fear is inhuman. Such fear must be abolished. Let us seek guarantees against further occurrences of terrorism. But in doing so we should recognize that wherever there is political strife and the accessibility of weapons that terrorism is most likely to occur.

Terrorism has little, if anything, to do with democracy. A democracy can come under siege by terrorists as readily as any tyranny; and no government is strong enough to thwart terrorist activities. Powerful men and leaders of governments have been the targets for terrorists, as have innocent bystanders and other civilians. The recent kidnaping of Aldo Moro, and the murder of his bodyguards sadly demonstrates that no amount of protection is enough.

Recently, the consciousness of the American public has been struck by the numerous terrorist attacks which have filled news reports. It is becoming increasingly clear that terrorism begets other acts of terrorisms and violence, and that living in a climate filled with a fear of arbitrary attack is unhealthy and inhuman. Within the last few weeks, there have been reports of attacks in Ireland, Israel, and now Italy, and other isolated terrorist activities taking place all over the world.

Italy, in order to survive this tragedy, must have the support of the United States and other democratic nations. At stake here is the basic question of human rights, and a basic threat to the dignity of all citizens. To use the kidnaping of Aldo Moro as a symbol of terrorist powers is ill conceived—certainly everyone is aware of the frightening realities inherent in terrorist demands and tactics. Kidnaping and murder will not resolve political differences, and will placate no one into acceding to terrorist demands. Certainly, the Red Brigade of Italy cannot hope that the rest of the world will look favorably or sympathetically upon their wanton acts and demands; terrorism only alienates the masses of peace-loving people and calls to mind the horror scenes from past wars.

We vividly recall the seige that the city of Washington underwent at the hands of the Hanafis last March. The Nation's Capital was gripped by fears, and many of the victims have not yet regained the confidence which is necessary to perform the simplest and most basic human functions. We are still very aware of the possibility of other such sieges and preparawhat a sad, sad commentary on our way of life that makes this necessary—and how much longer will civilized people be forced to live with the fear of terror haunting them?

Let us join together as a body which respects democracy and which is, in reality, democracy in action; and let us show the entire world that we condemn the reprehensible acts of these terrorists in Italy, and that we hold the principles of democracy far above the activities which have become the hallmark of political disagreement and strife around the world.●

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 398, nays 0, answered "present" 1, not voting 35, as follows:

[Roll No. 170]

YEAS—398

Abdnor	Allen	Anderson, Calif.
Addabbo	Ambro	Andrews, N.C.
Alexander	Ammerman	Andrews, N. Dak.
Applegate	Archer	Armstrong
Ashbrook	Ashley	Aspin
AuCoin	Badham	Bafalis
Baldus	Barnard	Baucus
Bauman	Beard, R.I.	Beard, Tenn.
Bedell	Beilenson	Benjamin
Bennett	Bevill	Biaggi
Bingham	Blanchard	Blouin
Boggs	Boland	Bolling
Bonior	Bonker	Bowen
Brademas	Breaux	Breckinridge
Brinkley	Brodhead	Brooks
Broomfield	Brown, Calif.	Brown, Mich.
Brown, Ohio	Broyhill	Buchanan
Burgener	Burke, Calif.	Burke, Fla.
Burke, Mass.	Burleson, Tex.	Burlison, Mo.
Burton, John	Burton, Phillip	Byron
Caputo	Carney	Carr
Carter	Cavanaugh	Cederberg
Chappell	Chisholm	Clausen, Don H.
Clawson, Del	Clay	Cleveland
Cochran	Cohen	Coleman
Collins, Tex.	Conable	Conte
Conyers	Corcoran	Corman
Cornell	Cornwell	Cotter
Coughlin	Cunningham	D'Amours
Daniel, Dan	Daniel, R. W.	Danielson
Davis	de la Garza	Delaney
Dent	Derrick	Derwinski
Devine	Dickinson	Dicks
Dingell	Dodd	Dornan
Downey	Drinan	Duncan, Oreg.
Duncan, Tenn.	Early	Eckhardt
Edgar	Edwards, Ala.	Edwards, Calif.
Edwards, Okla.	Eilberg	Emery
English	Ertel	Evans, Colo.
Evans, Del.	Evans, Ga.	Evans, Ind.
Fascell	Fenwick	Fish
Fisher	Fithian	Flippo
Florio	Flowers	Flynt
Foley	Ford, Mich.	Ford, Tenn.
Forsythe	Fountain	Fowler
Fraser	Frenzel	Fuqua
Gammage	Garcia	Gaydos
Gephardt	Giaimo	Gibbons
Gilman	Ginn	Glickman
Goldwater	Gonzalez	Goodling
Gore	Gradison	Grassley
Green	Gudger	Guyer
Hagedorn	Hall	Hamilton
Hammer-schmidt	Hanley	Hannaford
Hansen	Harkin	Harrington
Harris	Harsha	Hawkins
Heckler	Hefner	Heftel
Hightower	Hillis	Holland
Hollenbeck	Holt	Holtzman
Horton	Howard	Hubbard
Huckaby	Hughes	Hyde
Ichord	Ireland	Jacobs
Jeffords	Jenkins	Jenrette
Johnson, Calif.	Johnson, Colo.	Jones, N.C.
Jones, Okla.	Jones, Tenn.	Jordan
Kasten	Kastenmeier	Kazen
Kelly	Kemp	Ketchum
Keys	Kildee	Kindness
Kostmayer	Krebs	Krueger
LaFalce	Lagomarsino	Latta
Le Fante	Leach	Leggett
Lehman	Lent	Levitas
Livingston	Lloyd, Calif.	Lloyd, Tenn.
Long, La.	Long, Md.	Lott
Lujan	Luken	Lundine
McClory	McCloskey	McCormack
McDade	McDonald	McEwen
McFall	McHugh	McKay
McKinney	Maguire	Mahon
Mann	Markey	Marks
Marlenee	Marriott	Martin
Mattox	Mazzoli	Meeds
Meyner	Michel	Mikulski
Mikva	Milford	Miller, Calif.
Miller, Ohio	Minish	Mitchell, N.Y.
Moakley	Moffett	Mollohan
Montgomery	Moore	Moorhead, Calif.
Moorhead, Pa.	Moss	Mottl
Murphy, N.Y.	Murphy, Pa.	Murtha
Myers, Gary	Myers, John	Natcher
Neal	Nedzi	Nichols
Nix	Nolan	Nowak
Oakar	Oberstar	Obey
Ottinger	Panetta	Patten
Patterson	Pattison	Pease
Pepper	Perkins	Pettis
Pickle	Pike	Poage
Pressler	Preyer	Price
Pritchard	Pursell	Quie
Quillen	Rahall	Railsback
Rangel	Regula	Reuss
Rhodes	Richmond	Rinaldo
Roberts	Robinson	Rodino
Roe	Rogers	Roncalio
Rooney	Rose	Rosenthal
Rostenkowski		

Rousselot	Staggers	Wampler
Roybal	Stangeland	Watkins
Rudd	Stanton	Waxman
Runnels	Stark	Weaver
Ruppe	Steed	Weiss
Russo	Steers	Whalen
Santini	Steiger	White
Satterfield	Stockman	Whitehurst
Sawyer	Stokes	Whitten
Schroeder	Stratton	Wiggins
Schulze	Studds	Wilson, Bob
Sebelius	Stump	Wilson, C. H.
Seiberling	Symms	Winn
Sharp	Taylor	Wirth
Shuster	Thompson	Wolff
Sikes	Treen	Wright
Simon	Trible	Wydler
Sisk	Tsongas	Wylie
Skelton	Udall	Yates
Skubitz	Ullman	Yatron
Slack	Van Deerlin	Young, Alaska
Smith, Iowa	Vander Jagt	Young, Fla.
Smith, Nebr.	Vanik	Young, Mo.
Snyder	Vento	Young, Tex.
Solarz	Volkmer	Zablocki
Spellman	Walgren	Zeferetti
Spence	Walker	
St Germain	Walsh	

NAYS—0

ANSWERED "PRESENT"—1

Waggonner

NOT VOTING—35

Akaka	Frey	Ryan
Anderson, Ill.	Lederer	Sarasin
Annunzio	Madigan	Scheuer
Butler	Mathis	Shipley
Collins, Ill.	Metcalfe	Teague
Crane	Mineta	Thone
Dellums	Mitchell, Md.	Thornton
Diggs	Murphy, Ill.	Traxler
Erlenborn	Myers, Michael	Tucker
Fary	O'Brien	Whitley
Findley	Quayle	Wilson, Tex.
Flood	Risenhoover	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Erlenborn.
Mr. Akaka with Mr. Anderson of Illinois.
Mr. Fary with Mr. Frey.
Mr. Flood with Mr. Sarasin.
Mr. Mineta with Mr. Butler.
Mr. Mitchell of Maryland with Mr. Quayle.
Mr. Shipley with Mr. O'Brien.
Mr. Ryan with Mr. Crane.
Mr. Charles Wilson of Texas with Mr. Thone.
Mr. Thornton with Mr. Tucker.
Mr. Teague with Mr. Murphy of Illinois.
Mr. Lederer with Mr. Metcalfe.
Mr. Dellums with Mrs. Collins of Illinois.
Mr. Diggs with Mr. Findley.
Mr. Risenhoover with Mr. Michael O. Myers.
Mr. Traxler with Mr. Whitley.
Mr. Mathis with Mr. Madigan.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BUTLER. Mr. Speaker, on the vote on House Resolution 1082, I was present and intended to vote in the affirmative. I thought I had voted in the affirmative, but the record indicates that I did not vote.

PERSONAL EXPLANATION

Mr. WAGGONNER. Mr. Speaker, on the vote earlier today on the adoption of House Resolution 1082, I am recorded as having voted "present." That was in error, and my vote should have been "yea."

REQUEST FOR PERMISSION TO VACATE PROCEEDINGS

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent that the proceedings be vacated under which the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation was granted permission to meet under the 5-minute rule tomorrow.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROE. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PROVIDING FOR CONSIDERATION ON H.R. 11518, DEBT LIMITATION EXTENSION

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1092 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1092

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11518) to extend the existing temporary debt limit, and all points of order against said bill for failure to comply with the provisions of clause 5 of rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendments to the bill shall be in order except amendments recommended by the Committee on Ways and Means and said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1092 provides for the consideration of H.R. 11518, extending the temporary debt limit.

This is a closed rule providing 1 hour of general debate with time equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The bill is to be read for amendment under the 5-minute rule. Only amendments offered by direction of the Committee on Ways and Means shall be in order, and these shall not be subject to amendment. The rule also provides for one motion to recommit.

The rule grants two waivers of points of order. The first is a waiver of clause 2(L)(6) of rule XI, the 3 day rule. This is necessary for the bill to be considered today since the report on the bill was filed on Friday, March 17, 1978, and copies of the report were not available until yesterday.

The rule also waives all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI, prohibiting appropriations in a legislative matter. This waiver is necessary because the original Second Liberty Bond Act which the bill amends contained an appropriation, thereby subjecting any further amendment to the act to a technical point of order.

Mr. Speaker, H.R. 11518 extends the present debt limitation of $752 billion, without increase, from its current expiration date of March 31, 1978, through July 31, 1978.

As my colleagues know, it is extremely important that we pass this bill prior to the recess. Failure to pass the bill would leave the Federal Government without the authority to meet its financial obligations. I urge my colleagues to adopt House Resolution 1092 so that we may proceed to the consideration of H.R. 11518 to extend the public debt limit.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides 1 hour of general debate for the consideration of H.R. 11518, a bill to extend the temporary debt limit. Under the rule no amendments will be allowed, except for amendments offered by direction of the Committee on Ways and Means, and those amendments, if any, will not be subject to amendment.

The rule also includes two waivers of points of order. First, the rule requiring that the report be available for 3 days is waived, because the report was not available until yesterday.

Second, the rule prohibiting appropriations on a legislative bill is waived. This is necessary because extending the debt limit, in effect, appropriates the money to pay the interest on that debt.

Mr. Speaker, the current debt ceiling legislation expires at the end of this month. This bill extends the existing temporary public debt ceiling of $752 billion through July 31, 1978. The debt limit is not increased, just extended for 4 months.

Unlike the proposal to increase the debt limit to $824 billion which was defeated on March 7, this bill makes no changes in the procedure for setting the debt limit, and makes no changes in long-term bond issuing authority or in the interest rate on savings bonds.

There is, however, one thing I would like to point out today. Two weeks ago the House rejected the Carter administration's request to extend the limit to $824 billion. Now, 2 weeks later, we are told they can get along with the $752 billion limit for 4 more months.

Mr. Speaker, this tells us one thing. They can get along on fewer billions downtown if they really want to. We should give them many more such opportunities. The taxpayers would welcome them.

Mr. Speaker, I have no request for time and reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THONE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 314, nays 80, not voting 40, as follows:

[Roll No. 171]

YEAS—314

Addabbo	Dodd	Ireland
Alexander	Downey	Jacobs
Allen	Drinan	Jenkins
Ammerman	Duncan, Oreg.	Jenrette
Anderson, Calif.	Early	Johnson, Calif.
Andrews, N.C.	Eckhardt	Johnson, Colo.
Applegate	Edgar	Jones, N.C.
Ashbrook	Edwards, Ala.	Jones, Okla.
Aspin	Edwards, Calif.	Jones, Tenn.
AuCoin	Edwards, Okla.	Jordan
Baldus	Eilberg	Kastenmeier
Barnard	Emery	Kazen
Baucus	English	Ketchum
Beard, R.I.	Ertel	Keys
Beard, Tenn.	Evans, Colo.	Kildee
Bedell	Evans, Del.	Kindness
Bellenson	Evans, Ga.	Krebs
Bennett	Evans, Ind.	Krueger
Bevill	Fascell	LaFalce
Biaggi	Fenwick	Lagomarsino
Bingham	Fish	Le Fante
Blanchard	Fisher	Leggett
Blouin	Fithian	Lehman
Boggs	Flippo	Lent
Boland	Florio	Levitas
Bolling	Flowers	Lloyd, Calif.
Bonior	Flynt	Lloyd, Tenn.
Bowen	Foley	Long, La.
Brademas	Ford, Mich.	Long, Md.
Breaux	Ford, Tenn.	Lundine
Breckinridge	Forsythe	McClory
Brodhead	Fountain	McCloskey
Brooks	Fowler	McCormack
Brown, Mich.	Fraser	McDade
Burgener	Frenzel	McEwen
Burke, Calif.	Fuqua	McFall
Burke, Mass.	Gephardt	McHugh
Burleson, Tex.	Giaimo	McKay
Burlison, Mo.	Gibbons	McKinney
Burton, John	Gilman	Maguire
Burton, Phillip	Ginn	Mahon
Butler	Glickman	Mann
Byron	Gonzalez	Markey
Carney	Gore	Marlenee
Carr	Gradison	Martin
Carter	Green	Mathis
Cavanaugh	Gudger	Mattox
Cederberg	Guyer	Mazzoli
Chappell	Hagedorn	Meeds
Chisholm	Hall	Meyner
Clay	Hamilton	Michel
Cochran	Hanley	Mikulski
Cohen	Hannaford	Mikva
Conable	Harkin	Miller, Calif.
Conte	Harrington	Mineta
Conyers	Harris	Minish
Corman	Harsha	Mitchell, N.Y.
Cornell	Hawkins	Moakley
Cornwell	Heckler	Moffett
Cotter	Hefner	Montgomery
Coughlin	Heftel	Moorhead, Pa.
D'Amours	Hightower	Moss
Daniel, Dan	Hillis	Mottl
Daniel, R. W.	Holland	Murphy, Ill.
Danielson	Hollenbeck	Murphy, N.Y.
Delaney	Holtzman	Murtha
Derrick	Horton	Natcher
Derwinski	Howard	Neal
Dickinson	Hubbard	Nedzi
Dicks	Huckaby	Nichols
Dingell	Hughes	Nolan
	Hyde	Nowak
Oakar	Rose	Studds
Oberstar	Rosenthal	Thone
Obey	Rostenkowski	Tsongas
Ottinger	Roybal	Udall
Panetta	Russo	Ullman
Patten	Santini	Van Deerlin
Patterson	Satterfield	Vander Jagt
Pattison	Sawyer	Vanik
Pease	Schroeder	Vento
Pepper	Schulze	Volkmer
Perkins	Sebelius	Waggonner
Pettis	Seiberling	Walgren
Pickle	Sharp	Walsh
Pike	Sikes	Wampler
Preyer	Simon	Watkins
Price	Sisk	Weaver
Pritchard	Skelton	Weiss
Quie	Skubitz	Whalen
Quillen	Slack	White
Rahall	Smith, Iowa	Whitehurst
Railsback	Smith, Nebr.	Whitten
Rangel	Solarz	Wiggins
Regula	Spellman	Wilson, Bob
Reuss	St Germain	Wilson, C. H.
Rhodes	Staggers	Winn
Richmond	Stangeland	Wirth
Rinaldo	Stanton	Wolff
Roberts	Stark	Wright
Rodino	Steed	Yates
Roe	Steers	Young, Mo.
Rogers	Steiger	Young, Tex.
Roncalio	Stokes	Zablocki
Rooney	Stratton	Zeferetti

NAYS—80

Abdnor	Devine	Moore
Andrews, N. Dak.	Dornan	Moorhead, Calif.
Archer	Duncan, Tenn.	Murphy, Pa.
Armstrong	Gammage	Myers, Gary
Badham	Gaydos	Myers, John
Bafalis	Goldwater	Pressler
Bauman	Goodling	Pursell
Benjamin	Grassley	Quayle
Brinkley	Hammer-schmidt	Robinson
Broomfield	Holt	Rousselot
Brown, Ohio	Ichord	Rudd
Broyhill	Jeffords	Runnels
Buchanan	Kasten	Shuster
Burke, Fla.	Kelly	Snyder
Caputo	Kemp	Spence
Clausen, Don H.	Kostmayer	Stockman
Clawson, Del	Latta	Stump
Cleveland	Leach	Symms
Coleman	Livingston	Taylor
Collins, Tex.	Lott	Treen
Corcoran	Lujan	Trible
Crane	Luken	Walker
Cunningham	McDonald	Wydler
Davis	Marks	Wylie
de la Garza	Marriott	Yatron
Dent	Milford	Young, Alaska
	Miller, Ohio	Young, Fla.

NOT VOTING—40

Akaka	Frey	Ryan
Ambro	Garcia	Sarasin
Anderson, Ill.	Hansen	Scheuer
Annunzio	Lederer	Shipley
Ashley	Madigan	Teague
Bonker	Metcalfe	Thompson
Brown, Calif.	Mitchell, Md.	Thornton
Collins, Ill.	Mollohan	Traxler
Dellums	Myers, Michael	Tucker
Diggs	Nix	Waxman
Erlenborn	O'Brien	Whitley
Fary	Poage	Wilson, Tex.
Findley	Risenhoover	
Flood	Ruppe	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Anderson of Illinois.

Mr. Akaka with Mr. Erlenborn.

Mr. Shipley with Mr. Frey.

Mr. Teague with Mr. Sarasin.

Mr. Flood with Mr. Hansen.

Mr. Mitchell of Maryland with Mr. Madigan.

Mr. Dellums with Mr. Michael O. Myers.

Mr. Diggs with Mr. O'Brien.

Mr. Risenhoover with Mr. Ruppe.

Mr. Traxler with Mr. Ashley.

Mr. Fary with Mr. Bonker.

Mrs. Collins of Illinois with Mr. Garcia.

Mr. Metcalfe with Mr. Lederer.

Mr. Ambro with Mr. Mollohan.

Mr. Nix with Mr. Tucker.

Mr. Brown of California with Mr. Whitley.

Mr. Thompson with Mr. Charles Wilson of Texas.

Mr. Ryan with Mr. Thornton.

Mr. Waxman with Mr. Scheuer.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON ANTITRUST, CONSUMERS AND EMPLOYMENT OF COMMITTEE ON SMALL BUSINESS TO MEET TODAY NOTWITHSTANDING PROCEEDINGS UNDER 5-MINUTE RULE

Mr. BRECKINRIDGE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Antitrust, Consumers and Employment of the Committee on Small Business may be permitted to sit today, beginning at 1:30 o'clock p.m., during any proceedings under the 5-minute rule, in order that the subcommittee may take testimony during the course of a study and investigation on the future of small business.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, does the minority feel that this is acceptable, and that this would not keep the Members away from the floor during the debate on the terribly important Federal Election Campaign Act legislation?

Mr. BRECKINRIDGE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Kentucky.

Mr. BRECKINRIDGE. Mr. Speaker, I would point out that the minority is present in the person of the gentleman from Virginia, Mr. CALDWELL BUTLER. He has been given notice, and he has participated in our meetings in preparation for these proceedings. I would defer to the gentleman from Virginia, if the gentleman from California (Mr. ROUSSELOT) desires to yield to him.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman assure us that there will be absolutely no markup of any legislation, and that the request is made for the purpose of holding hearings only?

Mr. BRECKINRIDGE. That is correct.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEBT LIMITATION EXTENSION

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11518) to extend the existing temporary debt limit.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11518), with Mr. DELANEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in this public debt limit bill, the Committee on Ways and Means provides for a simple extension for 4 additional months of the present legal limit on Federal debt; that is, $752 billion through July 31, 1978.

Under present law, the debt limit is $752 billion which consists of a $400 billion limit and a $352 billion temporary additional limit which expires on March 31, 1978.

Revised estimates of budget outlays were made available Monday afternoon, March 13, 1978. These revisions indicate it will be possible for the administration to carry on for an additional 4 months without an increase in the present debt ceiling because actual outlays continue to fall short of budget estimates. Legislation is necessary, however, to continue the present debt limit for the additional period.

The budget revisions attribute the shortfall to: First, a review of the fiscal year 1978 total outlays in view of the overestimate of actual spending in the first months of the year; second, policy changes enacted by Congress or proposed by the administration since the budget was submitted; and third, technical changes in several of the estimates.

As a result, the estimate of outlays was reduced by $8.7 billion from $462.2 billion to $453.5 billion, and estimated receipts were increased by $100 million. The new calculations reduce the budget deficit estimated for fiscal year 1978 from $61.8 to $53 billion.

A simple extension of the present limit for the additional 4 months appeared to be the most desirable choice among those available to the committee. By July, Congress will have adopted the first budget resolution for fiscal year 1979 and most of the appropriations bills for that year will have been passed by the House. There will be available to the committee then some congressional guidance with respect to the targets for budget totals and debt limit, and the committee will be able to report out a bill that reflects the guidance of the budget resolution.

Any bill that would cover a longer period of time also would involve an increase in the size of the debt limit. That would be true even if the limit would be extended only through September 30, the remainder of fiscal year 1978. However, if the limit would be extended for that period, Congress would have to act on the next adjustment on the debt limit in the 1-week period remaining in this session between adoption of the second budget resolution and adjournment of this session. The committee believed it would be preferable to give Congress a chance in July to use the first budget resolution as a guide to make an extension into 1979 and avoid the crowded legislative calendars in the last week of the session.

Any extension of the debt limit for a period longer than the remainder of fiscal year 1978 would take us into fiscal year 1979. That choice cannot be considered as a viable alternative at this time. Rejection by the House of a debt limit bill 2 weeks ago appeared to be directed at the length of time involved in the extension as well as the size of the debt limit increase. Since no action has been taken as yet on the first budget resolution for fiscal year 1979, there is no expression of congressional will on the budget, its components or the debt limit to guide the Committee on Ways and Means or the House floor. Prudent legislative policy requires delay of any action relating to the debt limit for fiscal year 1979 until after the first budget resolution.

The administration requested two amendments to debt management policies, but the committee deferred action on them because both amendments would make available authority that is not needed before fiscal year 1979.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

Mr. ULLMAN. Mr. Chairman, I yield myself 1 additional minute.

Mr. FORD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Tennessee, a member of the committee.

Mr. FORD of Tennessee. I thank the distinguished chairman for yielding.

Mr. Chairman, I have 2 or 3 questions. This bill, of course, extends the maintenance of the $752-billion figure through July; is that correct?

Mr. ULLMAN. That is correct.

Mr. FORD of Tennessee. It would give Congress more time to consider what the deficit will be?

Mr. ULLMAN. That is correct.

Mr. FORD of Tennessee. And in July, the enlarged ceiling would be considered; is that correct?

Mr. ULLMAN. That is right. We would have to face up to the issue of what kind of extension and what kind of increase would be necessary at that time.

Mr. FORD of Tennessee. Is it not also true that the debt limit does not control the deficit?

Mr. ULLMAN. That is absolutely correct. This debt limit has nothing to do with the deficit. The deficit is created by the whole series of authorizations and appropriations and also by the size of the revenues coming in, which are totally apart from this matter before us.

Mr. FORD of Tennessee. Mr. Chairman, I thank the distinguished chairman of the Committee on Ways and Means.

Mr. Chairman, I want the record to show that the Representative from the Eighth Congressional District of Tennessee supports a temporary extension of the debt ceiling at $752 billion. I am concerned that the ceiling will revert to $400 billion if we do not take some action on this measure by March 31. While Congress must act on the debt at some time in the immediate future, it is our responsibility to vote in favor of the debt limitation extension today. Otherwise the Government would be unable to manage the public debt.

When we set the fiscal year budget for 1978 last year, our decision to enlarge expenditures, hence the debt, was already made. If we rescind our agreement, we will cripple the Government in that the United States would not be able to sell bonds, which are a considerable source of revenue; would not be able to borrow; would not be able to pay social security and medicare, among other bills for social service programs.

Mr. Chairman, I furthermore do not believe we would be serving the best interest of our country if we are not able to meet the payroll of our Federal employees which would indeed happen if we take no positive action. The whole United States and the world economies would be devastated, and I do not honestly think we can afford the price of this negligence.

The message, in other words, is this: A vote against the temporary, and I emphasize temporary, extension is an act tantamount to cutting off one's nose to spite one's face, and surely we will not be serving any reasonable purpose in so doing.

Let the record also show that I firmly believe and will work toward achieving a balanced budget. But to try to clear the deficit at this time would only yield a "balance due" statement with compounded interest which would result on the congressional ledger sheet and this balance due would not pay our constituency any dividends in the long run.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I support the bill H.R. 11518 to extend the temporary debt limit for 4 months.

The permanent and temporary debt ceilings presently stand at $752 billion. This bill does not change that amount. It merely extends the time limit on the temporary ceiling from March 31 to July 31 of this year. Presumably, by then, we will know our fiscal situation in a detail already legislatively accomplished.

Mr. Chairman, this graceful escape from a rather sticky dilemma was engineered by the fiscal magicians of the Office of Management and Budget, who, before our very eyes, made $8.8 billion disappear from this year's budget deficit. It achieved this primarily by rediscovering a shortfall in current spending which was heretofore alleged no longer to be with us.

Although the already thin credibility of the administration's grasp of economic affairs was strained by this fortunate

coincidence of timing, the coincidence is nevertheless gratefully acknowledged. It extricates us from a legislative tangle of our own making which, if left unresolved, could bring the Government to a complete standstill.

Mr. Chairman, we understand, though we prefer not to admit it publicly, that the debt limit does not impede the steady expansion of indebtedness; it ratifies it. Nevertheless, 2 weeks ago we refused to change the debt level mechanism so that it would automatically reflect congressional decisions on spending and taxing. We also refused to allow enough debt increase to carry the Government for another year of deficit spending. In short, we had reached an impasse.

Mr. Chairman, we were lucky this time; but it is unlikely that we will be bailed out again in July or at any other time. We must agree on some fundamental changes in the way we legislate the public debt limit.

What I propose now is a simple change in timing rather than a change in method in May, immediately after we have completed action on the first concurrent resolution on the budget. At that time we should reexamine the debt limit and make whatever prospective changes are required to bring it into line with the resolution's revenue and outlay figures. This should be done promptly, before conservative impulses erase all memory of the spending decisions the majority has made which necessitate debt increases. This timing has the added advantage of making clear what already should be obvious, that the only way to keep the debt level down is to achieve a better balance between outlays and revenues.

Mr. Chairman, I hope that we can try this in May; and I urge the chairman to use his influence to bring it about so that we can escape from the ridiculous ritual of refusing to approve the public debt several times a year.

In the meantime, we should take advantage of the reprieve contained in the bill before us today.

Mr. Chairman, I hope this extension of the time limit with no increase in the dollar amount of the temporary debt ceiling will be passed.

Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, it is nice to be back here again with another bill on the debt ceiling.

As most of the Members know, if they have ever attended a meeting of the Committee on Ways and Means, they can be rather dull and stodgy, most important, of course, but dull and stuffy.

But, now we have had something new added. Call it, for lack of a better term, administrative legerdemain, a magic show. Fourteen days ago, we brought the debt ceiling bill to this floor, and you in your wisdom defeated it. Just a few days later, the administration came back to us and, presto, when they lifted the cloth off the bowl they found out that they had overestimated their needs by a trifling $8 billion.

So, you have achieved something. It would be interesting if we were to turn this one down, although I doubt that that will happen, to see if we could shake loose Treasury's cookie jar and find out how many more billions could be saved. You have done your constituents an amazing service by turning down the last debt ceiling increase. Just think, you have saved them $8 billion, and in addition to that the administration found that their revenues were going to be $100 million more than they expected.

Now, either they have got some new computers down there that they are not sharing with us, or they have information that they never share with us, but it is an interesting experience and an interesting exercise.

Now, I rather suspect that since this does not represent an increase in the debt ceiling that presently exists, that the debt ceiling bill will pass today; a most reasonable request—only extend it to July. I would submit to the Members that in July they will have an opportunity to again vote for the debt ceiling. We will see some more magic, and they can go home and tell their people why they had to increase the debt ceiling just before they go home on the August recess. I will vote no on this debt ceiling increase because I voted no when we increased it the last time, and I hope those who joined me then will join me again.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CONABLE. Mr. Chairman, I yield one additional minute to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to my colleague from California.

Mr. ROUSSELOT. I appreciate the position my colleague, a member of the Ways and Means Committee, has expressed. Is it not true also that—the gentleman from the other body, Senator PROXMIRE—a member of the Joint Economic Committee, announced this week when the Joint Economic Committee report was being announced, that the Congress was not doing a good enough job in holding down the expenditure levels of the Federal Government, and that if we did a better job, said the gentleman from the other body, we would not have to constantly be supporting all these debt increases?

So, as the gentleman has pointed out, the combination of two actions that is the administration suddenly finding that there is $8.8 billion that they could not even spend, even though Congress had appropriated much more, and the other potential action of not allowing expenditures to go up so far, we would not have to be here at all today. We would not have to raise the debt ceiling at all.

Mr. KETCHUM. There is absolutely no question that the gentleman is correct, and when one says that the debt ceiling is not tied to the deficit, that is in error. The gentleman is absolutely right.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I would like to ask the chairman of the Ways and Means Committee if his committee is now in close touch with the administration so that if we come up close to July and we really do not need this debt-ceiling increase, maybe we could exist on the present temporary debt level until September 30. The administration may find a few billion dollars that they are not going to spend, and we could live on this current debt ceiling. Is that not true?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, I will respond.

Mr. ROUSSELOT. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, we are in constant touch with the OMB and the administration on this matter, but let me say to the gentleman that there is absolutely no chance whatsoever that we could go beyond July 31. We have extended it to the maximum. There is a flow of revenues that reach a peak and at that time we are getting into a period where the revenue inflow stops and our expenditures continue, and so there would be no opportunity at that time. But we are in touch and if something very unforeseen would happen we would bring the Members the exact situation in our resolution.

Mr. ROUSSELOT. So it is entirely possible that when we come to July we again would not need to raise the temporary debt ceiling because there are adequate funds in the Treasury to cover all the expenditures under that debt ceiling?

Mr. ULLMAN. If the gentleman will yield, it is highly improbable that will happen.

Mr. ROUSSELOT. That is what we were told the last time, and when we had the debt ceiling bill here just a few weeks ago we were told it was critical and crucial and all those kinds of things.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. CONABLE. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield further, the interaction between the temporary ceiling and the permanent is where the difficulty arises.

Mr. ROUSSELOT. I understand that.

Mr. ULLMAN. And as the gentleman knows, if we fail to act now we drop back to our permanent level of $400 billion which absolutely stops all financing, and that is the reason we have to pass this.

Mr. ROUSSELOT. I understood the point when the gentleman originally made it. I understood the reason for the temporary debt ceiling increase, and whether or not we could go to October 1 when the new fiscal year starts is a question.

Mr. ULLMAN. All I can say to the gentleman is that we will have carefully assessed the situation at that time and if it is possible to do that we will certainly do it. We will have to make the judgment however as to whether it is wise to just bring it up to the final closing minutes of this Congress or whether we should try to go over to next year at that time, but we will make that decision when the time comes.

Mr. ROUSSELOT. Mr. Chairman, I am not convinced that we even need to

extend it just to July 1. On the basis of my experience on the Budget Committee and trying to follow this whole debt management situation, I am convinced this Congress could exist with a temporary debt ceiling to September 30. It is my belief that the administration is constantly finding money that they are not spending. The OMB admits to the Budget Committee that they still have to put a total handle on where money is or is not being spent. In the committee report for this bill, we note that the deficit estimate for fiscal year 1978 was reduced by $8.8 billion, from $61.8 billion to $53.0 billion. This kind of reassessment seems to happen more and more frequently. We do not know what money is or is not being spent.

It is my conviction, along with the gentleman from California (Mr. KETCHUM), that we could in fact live with this squeezed-down temporary debt increase through the rest of the fiscal year of 1978. So I would urge my colleagues to vote against the extending of this temporary debt ceiling to July. I believe it could be done if we had an open rule to extend it just to September 30.

Mr. CONABLE. Mr. Chairman, I have no further request for time.

Mr. ULLMAN. Mr. Chairman, I have no further request for time.

The CHAIRMAN. Pursuant to the rule, no amendments to the bill shall be in order except amendments recommended by the Committee on Ways and Means and said amendments shall not be subject to amendment.

Mr. ULLMAN. Mr. Chairman, we have no amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DELANEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11518) to extend the existing temporary debt limit, pursuant to House Resolution 1092, he reported the bill back to the House.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. KETCHUM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 233, nays 172, not voting 29, as follows:

[Roll No. 172]

YEAS—233

Addabbo	Alexander	Allen
Ambro	Gibbons	Oberstar
Ammerman	Gonzalez	Obey
Andrews, N.C.	Gore	Ottinger
Applegate	Green	Patten
Ashley	Hagedorn	Patterson
Aspin	Hamilton	Pattison
Baldus	Hanley	Pease
Beard, R.I.	Hannaford	Pepper
Bedell	Harkin	Perkins
Beilenson	Harrington	Pettis
Benjamin	Harris	Pickle
Bennett	Hefner	Pike
Bevill	Heftel	Poage
Bingham	Hightower	Preyer
Blouin	Holland	Price
Boggs	Holtzman	Rahall
Boland	Horton	Railsback
Bonior	Howard	Rangel
Biaggi	Hubbard	Reuss
Blanchard	Ireland	Richmond
Bolling	Jacobs	Rodino
Bonker	Jeffords	Roe
Brademas	Jenkins	Rogers
Breckinridge	Johnson, Calif.	Roncalio
Brodhead	Johnson, Colo.	Rooney
Brooks	Jones, N.C.	Rose
Brown, Calif.	Jordan	Rosenthal
Burke, Calif.	Kastenmeier	Rostenkowski
Burke, Mass.	Kazen	Roybal
Burleson, Tex.	Keys	Ruppe
Burlison, Mo.	Kildee	Schroeder
Burton, Phillip	Krebs	Seiberling
Butler	Krueger	Sharp
Carney	LaFalce	Simon
Carr	Le Fante	Sisk
Chisholm	Leggett	Skelton
Clay	Lehman	Slack
Cohen	Long, La.	Smith, Iowa
Conable	Long, Md.	Solarz
Conte	Lundine	Spellman
Conyers	McCloskey	St Germain
Corman	McCormack	Staggers
Cornell	McFall	Stanton
Cornwell	McHugh	Stark
Cotter	McKay	Steed
Danielson	McKinney	Steers
Delaney	Maguire	Steiger
Derwinski	Mahon	Stokes
Dicks	Mann	Stratton
Dingell	Markey	Studds
Dodd	Martin	Thompson
Downey	Mathis	Traxler
Drinan	Mattox	Treen
Duncan, Oreg.	Mazzoli	Tsongas
Early	Meeds	Udall
Eckhardt	Meyner	Ullman
Edgar	Mikulski	Van Deerlin
Edwards, Ala.	Mikva	Vanik
Edwards, Calif.	Miller, Calif.	Vento
Eilberg	Mineta	Volkmer
Ertel	Minish	Waggonner
Fascell	Mitchell, Md.	Walgren
Fenwick	Moakley	Weaver
Fish	Moffett	Weiss
Fisher	Mollohan	Whalen
Flippo	Moorhead, Pa.	White
Florio	Moss	Whitehurst
Flowers	Murphy, Ill.	Wiggins
Foley	Murphy, N.Y.	Wilson, C. H.
Ford, Mich.	Murtha	Wirth
Ford, Tenn.	Natcher	Wolff
Fraser	Nedzi	Wright
Frenzel	Nichols	Yates
Fuqua	Nix	Young, Tex.
Garcia	Nolan	Zablocki
Gephardt	Nowak	Zeferetti
Glaimo	Oakar	

NAYS—172

Abdnor	Burgener	Davis
Anderson, Calif.	Burke, Fla.	de la Garza
	Burton, John	Dent
Andrews, N. Dak.	Byron	Derrick
	Caputo	Devine
Archer	Carter	Dickinson
Armstrong	Cavanaugh	Dornan
Ashbrook	Cederberg	Duncan, Tenn.
AuCoin	Chappell	Edwards, Okla.
Badham	Clausen, Don H.	Emery
Bafalis		English
Barnard	Clawson, Del	Evans, Del.
Baucus	Cleveland	Evans, Ga.
Bauman	Cochran	Evans, Ind.
Beard, Tenn.	Coleman	Fithian
Bowen	Collins, Tex.	Flynt
Breaux	Corcoran	Forsythe
Brinkley	Coughlin	Fountain
Broomfield	Crane	Fowler
Brown, Mich.	Cunningham	Gammage
Brown, Ohio	D'Amours	Gaydos
Broyhill	Daniel, Dan	Gilman
Buchanan	Daniel, R. W.	Ginn
Glickman	Lloyd, Tenn.	Rousselot
Goldwater	Lott	Rudd
Goodling	Lujan	Runnels
Gradison	Luken	Russo
Grassley	McClory	Santini
Gudger	McDade	Satterfield
Guyer	McDonald	Sawyer
Hall	McEwen	Schulze
Hammer-schmidt	Marks	Sebelius
	Marlenee	Shuster
Hansen	Marriott	Sikes
Harsha	Michel	Skubitz
Heckler	Milford	Smith, Nebr.
Hillis	Miller, Ohio	Snyder
Hollenbeck	Mitchell, N.Y.	Spence
Holt	Montgomery	Stangeland
Huckaby	Moore	Stockman
Hughes	Moorhead, Calif.	Stump
Hyde		Symms
Ichord	Mottl	Taylor
Jenrette	Murphy, Pa.	Thone
Jones, Okla.	Myers, Gary	Trible
Jones, Tenn.	Myers, John	Vander Jagt
Kasten	Neal	Walker
Kelly	Panetta	Walsh
Kemp	Pressler	Wampler
Ketchum	Pritchard	Watkins
Kindness	Pursell	Whitten
Kostmayer	Quayle	Wilson, Bob
Lagomarsino	Quie	Winn
Latta	Quillen	Wydler
Leach	Regula	Wylie
Lent	Rhodes	Yatron
Levitas	Rinaldo	Young, Alaska
Livingston	Roberts	Young, Fla.
Lloyd, Calif.	Robinson	Young, Mo.

NOT VOTING—29

Akaka	Flood	Sarasin
Anderson, Ill.	Frey	Scheuer
Annunzio	Hawkins	Shipley
Collins, Ill.	Lederer	Teague
Dellums	Madigan	Thornton
Diggs	Metcalfe	Tucker
Erlenborn	Myers, Michael	Waxman
Evans, Colo.	O'Brien	Whitley
Fary	Risenhoover	Wilson, Tex.
Findley	Ryan	

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Frey against.
Mr. Findley for, with Mr. Madigan against.
Mr. Teague for, with Mr. O'Brien against.

Until further notice:

Mr. Akaka with Mrs. Collins of Illinois.
Mr. Shipley with Mr. Anderson of Illinois.
Mr. Risenhoover with Mr. Dellums.
Mr. Waxman with Mr. Diggs.
Mr. Flood with Mr. Erlenborn.
Mr. Fary with Mr. Evans of Colorado.
Mr. Thornton with Mr. Whitley.
Mr. Charles Wilson of Texas with Mr. Scheuer.
Mr. Hawkins with Mr. Sarasin.
Mr. Lederer with Mr. Michael O. Myers.
Mr. Ryan with Mr. Metcalfe.

Mr. LEGGETT changed his vote from "nay" to "yea."

Mr. THONE and Mr. RUSSO changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 11315, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1978

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1093 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1093

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11315) to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such Act, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman, and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on House Administration now printed in the bill as an original bill for the purpose of amendment under the five-minute rule and said substitute shall be read for amendment by titles instead of by sections. It shall be in order to consider an amendment to the committee amendment in the nature of a substitute printed in the Congressional Record of March 20, 1978, by Representative Foley of Washington, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 11315, it shall be in order in the House to take from the Speaker's table the bill S. 926 and to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions of H.R. 11315 as passed by the House.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLLEN), pending which I yield myself 5 minutes.

Mr. Speaker, this is an open rule, open as to the committee amendment in the nature of a substitute, open as to the so-called Foley amendment. It is an open rule and it waives a few minor technical matters. The thing that it does that is unusual is that it makes in order the Foley amendment, and the Foley amendment is a version of public financing of elections.

I listened with care to the discussion yesterday before the Committee on Rules, and I have read with no pleasure at all over the last several weeks the way in which this bill became bitterly partisan. Frankly, I gave some very serious consideration to not voting for a rule in the Committee on Rules, the partisanship had become so bitter. And I think the atmosphere has been poisoned.

When I thought about the very able arguments made by my friend, the gentleman from California (Mr. WIGGINS), that we should not consider the Foley amendment, we should not make it in order because the committee of jurisdiction had not come out with it, I came to the conclusion that if we were going to deal again with this very complicated problem in three or four different ways, that if we had a completely open rule, it would be fair.

I understand—and I hope it is not so—that our friends on my left in this respect have indicated that they are going to have a near unanimous, if not a unanimous, party vote against the consideration of this matter or these matters.

If that is the case, the whole decision is going to rest on this side. If every Republican is going to vote against the rule, the only hope of the American people's finding out where the Members of the House of Representatives stand on a whole series of questions lies in adopting the rule.

The series of questions include those on which both sides agree that action should be taken on amendments to the act which affect the Federal Election Commission.

There is bitter disagreement over some of the limitations which have caused the bill to become so partisan, and there is bitter disagreement over whether or not we should have any form of public financing.

If the American people, Republicans, Democrats, Independents, are to have a real opportunity to find out where their Representatives stand on the question of whether there should be amendments, on the question of whether there should be limitations on the total funds that are allowable with respect to taxes, with respect to the parties, and on transfers, and whether there should be public financing, the only opportunity that they will be able to have is if this rule is adopted.

Mr. Speaker, I urge my friends on the left to support the rule, and I hope there are some of them; and I urge my friends on the right to recognize that this is a straight up-and-down issue of consideration. Are all of these matters important enough to be considered? I am convinced that each and every one of them is important enough, and I urge the Members to support the rule.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have heard the eloquent plea of the gentleman from Missouri (Mr. BOLLING) about an open rule. We have heard some remarks that would make us believe that this is a nonpartisan bill.

Mr. Speaker, we know that this measure which comes before this House today has had no adequate committee hearings, nor has the subject matter of the amendment which is made in order.

We know that the committee has brought to this House by the Democrat votes on the Committee on Rules a measure which stinks to high heaven of partisanship.

Mr. Speaker, if there was ever a time to defeat a rule, that time is now. The rule must be defeated because this election campaign bill is a direct assault on the Members of this House and a shameful disgrace to the Democratic Party. Its provisions will also severely restrict and change campaign financing for Members of the House. I plead with all the Democratic Members who are committed to fair play in our political process to join us in defeating this rule.

Mr. Speaker, we members of the minority can accept defeat on the House floor on issues because we lack the votes of the majority. We do not like these defeats, but we accept them. If the majority is disciplined and if it can count votes, its will is going to prevail. But that is not the case here.

What we have a case of here is an attempt on the part of some Members of the majority to alter the political process in such a way as to deny the minority a fair chance of becoming the majority. The manner in which this bill has moved forward through the committee and the rule under which we are being asked to consider these issues demonstrate that.

I urge Members to pull back from this path, if not out of concern for the legitimate rights of the minority, then out of concern for democratic tradition and the integrity of the majority. Newspapers across the country have already issued editorial warnings about the political quicksand that lies at the end of the path that some would lead you down. I am asking that you think again of what you are doing, and who you are following.

If it is reform we are after, why reduce the ability of the political parties to support its candidates? How can the Republican Party unduly influence a Republican candidate? How can the Democratic Party unduly influence a Democratic candidate? On what basis should the ability of the two political parties to support their candidates be prevented? And what is improper about a national party committee transferring funds to a State committee for use in Federal campaigns. This bill will prevent that too.

Mr. Speaker, I urge the defeat of the rule. I plead with Members of both sides of the aisle to vote no on the rule, because our whole political process is at stake. If the minority were in the majority today, and they ramrodded a rule through the Rules Committee and brought a measure—a partisan measure—before the House, I would be up here saying the same things, because this measure truly demonstrates that great harm will be done to Democrat Members of this body as well as to Republican Members, and to our whole political process and to our two-party system.

Mr. Speaker, these election campaign

amendments and the public financing proposal this rule makes in order should not be considered today by the House because their substance and their effects on the political process have not been sufficiently studied.

I say to those who are responsible for this outrageous attack on our party and on the legitimate campaign practices of many Democratic Members of the House that we Republicans are not going to fall on our own swords and let you get away with it. We accept the challenge that has been delivered by some Members and call on all fair-minded Democratic Members to join us in defeating this rule.

Mr. Speaker, today let us do what is necessary to be done. Let us vote down the rule.

Mr. MEEDS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, let me say that I am very much opposed to the granting of this rule. I think that we can save a lot of time if Members will cast their votes against the rule.

This proposition was conceived in controversy of the worst possible kind, apparently. It has been promoted in controversy. It comes here in controversy. In fact, if what I understand to be true about some of the various amendments that are going to be offered today is true, there is a real question of what kind of a birth this proposal is going to bring about. I do not wish to go too far in a discussion of just what kind of a creature it might ultimately resolve itself into, but let me assure the Members that it is a proposition that, in my opinion, is detrimental to the American political process.

It was unfortunate that the situation developed as it did, and I would hope and trust that we might lay this turkey to rest in the quickest, quietest possible way. That would be to vote down this rule.

There are, and there may be, a few good things in this piece of legislation, but they are so contaminated with the bad that it is impossible to revive them and, so, I would urge my colleagues to vote no on this rule.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. WIGGINS).

Mr. WIGGINS. Mr. Speaker, the rule should be defeated.

No fair-minded Member of this House—Republican or Democrat—should ratify by his vote the process by which the bill made in order by the rule comes before the House.

We all know what has transpired prior to today.

A bill proposing major and destructive changes in the Campaign Act surfaced for the first time on Friday together with the announcement that markup would commence on Monday. On Monday morning, a request by the Republican members of the committee, supported by every single Republican Member of the House, for hearings was defeated. Hearings were denied, notwithstanding the fact that important groups were affected by the bill.

A vote for the rule ratifies that extraordinary and irresponsible process.

I am told that some wish to support the rule because public financing of congressional races is made in order. To those Members, I ask you to reconsider your position—not on the substance of public financing, but on the process by which that issue is to be considered.

We do not vote on concepts in this House. We vote on specific legislation. The text of the public financing amendment only became known yesterday. The House is asked to mark it up today and pass it. Have you read it? Do you have the benefit of hearings? Do you have a committee report specifying the purpose, need and cost of the legislation? Have you read and considered minority or additional views? Of course you have not.

Even if you support public financing in principle, how could you possibly ratify the process by which that issue is considered by voting for this rule? Responsible Members could not do so.

There is a better way which I commend to my colleagues for your earnest consideration.

If the rule is defeated, a bill containing the needed and noncontroversial amendments to the act could be considered under suspension of the rules. And it would pass and become law, appliable to the pending election.

A separate bill altering contribution and expenditure limits could be considered fully and fairly by the House Administration Committee. It would not apply, if passed, to the elections this year—but no one seriously contends that the present bill will apply to this election either.

Public financing could be a part of the separate bill. You would have had an opportunity to vote on public financing months ago, if the leadership were willing to let the House work its will on the narrow issue of primary coverage.

And so, let us do the right thing—defeat the rule and let our committees do the job which we created them to do.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield, if the gentleman has time?

Mr. WIGGINS. I will yield briefly to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I appreciate the gentleman yielding.

I am concerned here, and let me state the case. I have voted twice for public financing. I have twice walked that plank. At the same time, I believe public financing is inevitable and important. I support my party, and I hope the party of the gentleman from Kentucky remains the majority during the time I am in Congress.

Mr. WIGGINS. May the gentleman's tenure be limited.

Mr. MAZZOLI. I am concerned for the fairness of this legislation. Am I correct in what I heard, that the gentleman and his colleagues on the committee requested hearings and those hearings were denied?

Mr. WIGGINS. That is absolutely correct.

Mr. MAZZOLI. Were those hearings denied, in the gentleman's opinion, because of party or was there some other reason? Was the gentleman being capricious in his request for hearings?

Mr. WIGGINS. Not at all. This was a brand new proposal which surfaced on Friday and we made the request for hearings and it was denied and the matter was brought up Monday for a vote.

Mr. MEEDS. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, may I begin by reminding my highly respected friend, the gentleman from California (Mr. WIGGINS), that first of all as far as his recitation of the proceedings on the bill, that many, many conferences were held with the minority staff all through the process. The final version was delivered on a Friday. The markup began not on the following Monday, but on Tuesday.

I say to my friend from Kentucky (Mr. MAZZOLI) that public hearings relating to public financing were eight in number and were held on May 18 and 19, on June 23 and 28 and 29, and on July 10, 11, and 12.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I thank the gentleman from New Jersey for yielding.

I appreciate his leadership in the Congress but I am concerned about the public hearings question. Were there public hearings on changes in the public election laws other than public financing?

Mr. THOMPSON. Yes.

Mr. WIGGINS. Mr. Speaker, if the gentleman will yield, surely he will acknowledge there were no hearings on the major changes in expenditures that came right out of the blue.

Mr. THOMPSON. Hearings were held on October 13, I say to the gentleman from California (Mr. WIGGINS). We had the Federal election officials before us that day for oversight purposes. He might be right on the specific nature of them, but we did hold such oversight hearings. If I may finish my statement then I will be glad to yield further.

Mr. Speaker, I ask my colleagues to join in voting for the adoption of this rule.

This bill is an effort to reform the Federal election law. The rule before us is controversial for just two reasons:

First, in our attempt to restore the influence of the individual citizen in electing his representative, the committee reduced the amount of money a political party could contribute to or expend on behalf of a House candidate.

Second, the rule provides the House with the opportunity to vote on the question of partial public financing of House elections.

On the question of party money, current law provides that a political party may contribute $30,000 and expend $20,000 on behalf of a House candidate, for a total of $50,000 in party money in a House race. When you realize that the

average 1976 House race cost approximately $69,000, one can see the need for some reduction.

The committee reduced the party contribution and expenditure total from $50,000 to $15,000. This reduction was perceived by our colleagues on the minority side as being too great, and they expressed their intention to vote against this rule as well as the bill.

However, it is my belief, Mr. Speaker, that our colleagues in the House should have the opportunity to adopt or reject partial public financing. Thus, in order that partial public financing not be held hostage to the party money reductions, I issued a public statement last Saturday in which I declared my intention to offer an amendment, following the consideration of public financing, to restore the party money cuts in the bill to the full $50,000 permitted under present law. And I want to inform my colleagues that I reiterated that commitment before the Committee on Rules yesterday. Further, the amendment was published in yesterday's RECORD and is supported by more than 100 Democrats, including myself.

Consequently, Mr. Speaker, any debate at this time on the reductions in party spending limits in the legislation is moot. But, Mr. Speaker, I cannot see any justification to the position that the House should not even have the opportunity to debate and vote on this issue.

The SPEAKER. The time of the gentleman has expired.

Mr. MEEDS. I yield 1 additional minute to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, the question of political money and how we are elected is vital to the country and 90 percent of this bill is not controversial. It contains needed changes in the election law. Surely we should have an opportunity to work our will under an open rule.

The issues are clearly drawn. The party spending cuts will be eliminated from the bill. To vote against this bill now would be to perpetuate the influence of special interest money at the expense of the individual citizen and, second, it would be to deny the House its right to debate the question of partial public financing.

I respectfully urge support of the rule.

Mr. WIGGINS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from California.

Mr. WIGGINS. Mr. Speaker, I would inquire of the gentleman from New Jersey (Mr. THOMPSON) is it not a fact that this House could have worked its will with regard to public financing not less than 3 months ago had you and the leadership been willing to bring a full public financing bill to the floor, including the primaries? You are the one who took it off the calendar, I did not.

Mr. THOMPSON. Mr. Speaker, I would say to the gentleman from California (Mr. WIGGINS) that the gentleman from New Jersey is indeed flattered by the comments of the gentleman from California (Mr. WIGGINS) with regard to his influence on the leadership which the gentleman from New Jersey does not command.

Mr. WIGGINS. Most of us know the answer to that question.

Mr. THOMPSON. It is rhetorical in nature and you can answer it any way you want.

The SPEAKER. The time of the gentleman has again expired.

Mr. COHEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, few bills have caused as much excitement as this election legislation, H.R. 11315. To say that the political environment has been poisoned by partisanship is to be guilty of understatement.

The Los Angeles Times in its editorial compared the bill to "mugging the opposition in broad daylight." There seems to be no disagreement that its principal intent is to penalize the Republican Party.

Despite serious negotiations between a variety of groups and individuals, potential compromises have not been achieved. The amendments printed in the RECORD by the distinguished chairman of the House Administration Committee (Mr. THOMPSON), do not restore what has come to be called the antebellum status quo.

They ignore transferability between party committees, and would seem not to uncouple the authorities of national and congressional committees which have been combined in H.R. 11315.

The amendment of the gentleman from Illinois (Mr. MIKVA) does restore transferability between party committees, but lacks the guarantee of the majority leadership. The minority would be foolhardy, indeed, to trust to agreements between ad hoc groups.

The history of this bill indicates a majority attempt to disadvantage the minority at every turn. The olive branch has been used only to conceal the naked sword. The minority's first line of defense for its own survival, and perhaps its only defense is to defeat the rule.

The rule itself is worthy of defeat, even if the bill had some essential merit. Since only germane amendments are allowed to a nongermane amendment, there are great questions about the ability of Members to make responsible amendments.

Worse, Members are not protected for 5-minute debate time for their amendments to the Foley amendment. The Foley amendment has only been available to the House for 4 hours. The Members have not had enough time to prepare amendments, much less to file them in the record so others can, in turn see them. There has been no time for "Dear Colleague" letters to explain our amendments on taxpayer financing of Federal elections.

Hearings have not been conducted on this matter since for nearly a year. None have been held concerning the Foley amendment. In short, the procedures have been short circuited at every point in the process. I personally feel the House should note on the important question of public financing, but I think we should do so under regular procedures.

We all know that H.R. 11315 is a punitive antiparty bill. What is not well understood is that the Foley amendment is a poorly drafted piece of work which is loaded with controversy, quite apart from its main concept.

The Foley amendment gives sweeping audit authority which the committee bill had repealed. Its drafting seem to fit neither the current enforcement procedures, nor the changes in the committee bill. It does not repeal the principle of personal liability which was so dramatically demonstrated in the Shapp case. It contains gross limitations which in States like New York could steer taxpayers' funds to minor party candidates, and deny them to late-filing major party candidates. It offers no protection against write-ins.

The Foley amendment, is in brief, all concept, with little attention to legislative detail. It is as rough, legislatively, as might be expected of a bill and with no hearing and no committee work.

There are many, many reasons to be voting against this rule. The majority leadership could have saved us some distress by pulling this question off the schedule until the polluted political environment has been cleansed. Absent that practical leadership, there seems to be no alternative to a "no" on the rule.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I strongly oppose this scheme to force taxpayers to finance the political aspirations and views of any congressional candidate—whether it be me, my colleagues in the Congress, or any other candidate for election to this body.

The power to tax can be classified as a police power of the State.

There can be absolutely no justification for imposing that police power to take the people's money to support candidates who the people may not support, to support the promotion of political views with which the people may disagree or oppose, in fact to support candidates the people may not even know.

The use of the people's tax money to finance congressional elections would be a gross abuse of the legislative function, just as it was an abuse of power to use public funds to finance the campaigns of Presidential candidates in the last election.

There were 15 candidates in the 1976 Presidential race.

Many of them were not serious contenders, and many had absolutely no real public support.

Yet one of these candidates, who dropped out of the race very early in the primary season received $633,000 in Federal funds.

Another received $615,000. In all, Democratic Presidential contenders received more than $16 million in public funds—which Republican taxpayers as well as Democrats were forced to give under the law.

The two Republican candidates received about $10 million, which Democratic taxpayers were forced to pay as well as Republicans.

No one can demonstrate that this improved the political process. Quite the contrary, it is a known fact that many of the candidates would never have dreamed of running for President if taxpayer funds were not available.

I disagree with my colleagues who say that public financing of congressional elections would encourage more and better candidates to run who otherwise would not or could not.

Any person who wants to run for public office, and has the qualifications to get votes, can also obtain sufficient contributions to put a campaign together—without taxpayer funds.

This is the genius of the American political process. Private contributions from individual citizens, business and labor organizations, political parties and other groups, can be obtained by any qualified person. This encourages good candidates to run, and most often discourages bad or ineffective candidates from jumping into the race.

Since when did running for public office become a right that anyone is entitled to at the taxpayers' expense?

Taxes are already too high.

The proposal gives us only two bad choices.

Congress will either have to increase taxes even higher to raise the $100 million or more that public financing of congressional campaigns would cost every election year.

Or the same amount of money will have to be diverted from other programs—whether it be the defense budget, the farm program, assistance programs for the needy, or whatever.

We know from past experience that neither choice will be acceptable to a lot of people.

And I am here to tell any Member of this body who has not yet perceived the public attitude on this proposal that it is highly unpopular with the people.

This proposal to finance congressional elections with the people's tax money will inevitably be an issue in the elections this year.

The only merit that I can see in a vote for this proposal is that it might contribute to the defeat of the incumbent who cast such a "yes" vote for another taxpayer "rip-off."

Mr. Speaker, there is absolutely no justification to invoke the police power of the state—the taxing power—to finance the election campaigns of congressional candidates.

It borders on being an immoral abuse of legislative power.

And I urge the defeat of the rule.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. STOCKMAN).

Mr. STOCKMAN. Mr. Speaker, I rise in opposition to the rule, but I want to say that if the rule is defeated—and I hope it is—there will be undoubtedly some who will interpret it as a defeat for public financing—a no vote on this as a vote against public financing. I would like to suggest that nothing could be more inaccurate or inappropriate, and I say that as a supporter of public financing and a cosponsor of the bill. I say it as one who helped draft the original matching payment public finance bill a number of years ago, and as one who strongly believes it can help improve our elective process.

But I would like also to suggest to the House today that if there is anything more important, more fundamental to the very integrity of our political system and our government process, it is the continued viability of our political parties. It is only the political parties, in my view, that can help overcome this enormous welter of special interest pressures, government by pressure groups, that we see rising in this country today.

The fact is in the last 2 weeks we have been faced with a fundamental assault on the very integrity, the continued viability, the continued meaningful role of our political parties in the electoral process. So I would urge that the rule be defeated and that it be defeated so that we can, once and for all, send a very firm message to the Committee on House Administration to improve the campaign and the election process, yes; but leave the political parties alone, and design the reforms and the changes in a manner that will strengthen them and not weaken them.

I think public financing is a viable idea. I think it will withstand the test of time. It will have another day. But I would certainly hope that we would never again see another day in this House of Representatives when we are faced with a bill that would have such an unworthy intent and such a destructive effect as the provisions in this bill affecting the political parties.

Mr. Speaker, I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Speaker, I rise in support of the rule on this bill, principally, because this is the only way we can put the lid on campaign spending. We have been witnessing an escalation of spending in congressional elections in recent years that is alarming, to say the least. It is time that elections for Congress are taken off the auction block and reasonable limitations on spending imposed.

The amendments intended to be offered would propose reasonable rules that all could live with with reference to the provisions for matching funds, and particularly for penalties for those who spend excessively. The requirement that candidates raise initial funds, in contributions of $100 or less insures that all candidates be legitimate before matching funds are available.

The opponents of this legislation are principally from safe seats, and from one party districts, and they are frankly opposed to encouraging competition in the congressional field. This is precisely the reason why most Americans should be in favor of this legislation; namely, to encourage competition. It is only through competitive races at election time that we, as people, secure responsive representatives in the Halls of Congress.

It is time that this Congress became more responsive, and there are encouraging signs that this is occurring. The 94th and 95th class are working changes, changes which are being accepted by the veteran Members of this Congress. Campaign financing for congressional elections will be an important element of the continuing push for reform and responsiveness in this body.

Therefore, I strongly support the rule.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, this legislation that is before the House deals with election law reforms. It is important for Republicans. It is important for Democrats. That is essentially what we are dealing with here is revising election laws.

The legislation that has been reported here to the House dealing with the changes in the FEC law deals with that. It eliminates the burdensome reports from 24 to 9 that we have had to file in campaigns. It does away with random audits. It changes the definitions that have burdened the process. It improves the enforcement mechanism of the FEC.

This legislation deals with essential reforms so that substantively it is important.

Secondly, on the issue of public financing, there are legitimate reasons to consider that issue. The fact is that campaign expenditures have grown excessive; $61 million was spent in House races in 1976. Races have gone beyond control. Almost $1 million was spent in one congressional race, $829,000 in another, and $804,000 in another and the figures go on.

Sixty-three districts had costs in excess of a quarter of a million dollars. We need some control on expenditures and, constitutionally, the only control is through public financing.

The Supreme Court says that we need some form of partial public financing to establish a limit. It seems to me we set a double standard when we talk about the need to control Government spending on one hand and then argue for uncontrolled campaign spending on the other hand.

This bill on public financing is voluntary. You can opt in or you can opt out. It is totally voluntary, depending on what you as a candidate want to do. Should not the people have an opportunity to make the judgment in the end?

The last point is that I think it is in the public interest not to have candidates based on the amount of money they can raise, but based on the issues and how they address themselves to the issues.

I would urge you both procedurally, because this is an open rule and you can deal with these issues on an open and free basis on this floor, and substantively to vote for the rule and a chance to deal with reform of the election laws, both for the parties as well as the people.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Speaker, there are legitimate reasons to consider partial public financing of congressional

elections. But this is not the time to consider them. It is an important step and should be considered separate and distinct from this particular bill.

It may come as a shock to some that I, as the former deputy chairman of the Republican National Finance Committee and cochairman of the Republican National Committee, support partial public financing for congressional campaigns. I do so because I think public financing is an important step in restoring the public's confidence in Government.

I respect the chairman of the House Committee on Administration, my friend Mr. THOMPSON of New Jersey, very much but the procedure under which this legislation is being rammed through this House is improper.

I believe it is critically important that we do everything possible to encourage participation in our Nation's political parties. We need to encourage more small contributors. We need participatory democracy. And we need to encourage far more participation by all our citizens in the American political process.

This bill, instead of encouraging participation, discourages that participation and I hope my colleagues will join me in voting against the rule.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Speaker, as a member of the committee I would like now to address myself to the members of the majority party.

Proposals for public financing have been heard time and time again in public hearings during the first session of this Congress in the Committee on House Administration. The majority party members of that committee could have brought such a bill out if they had wanted it on the floor at any time. But this language before us in the rule does not fit the bill. As it presently stands, the bill was conceived in stealth and is not properly before us. The bill was not heard in committee, and the public financing amendment was never even proposed in the committee.

What is at stake here is the democratic process and the political process of this Nation. This process in which we are now engaged totally circumvents the committee system, which was created by the majority.

Mr. Speaker, I urge my colleagues on the other side of the aisle to take this to heart and consider whether this should be the way public financing should be brought up. If this rule without due process and without hearing is adopted, I believe this should be somewhere between embarrassing and sickening to my Democratic colleagues.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I support public financing, not just for philosophical reasons, or because I feel it is in my party's interests for reasons of personal practice and preference in my own campaign, but also because I believe it is one of the devices that can insure the continued credibility of this institution, given the potential for scandal which develops during the course of recent election campaigns. I support the concept strongly, and if the rule is passed, I will work to see that it remains as part of this bill.

However, I deeply regret the environment in which public financing is being considered. It has been considered in an environment which can be described best as a mixed bag of motives, and uncertainties about the motivations have led me to believe that a vote against the rule is preferable to going ahead with public financing at this time.

Assurances have not been forthcoming from the leadership on the other side that the Republican Party will be put back in the status quo it enjoyed before this whole unfortunate affair came up, the issue of transferability specifically being an issue on which assurances have not been given by any Member except the gentleman from Illinois (Mr. MIKVA) and his associates who in good faith have been trying to assure a suitable environment for the proper consideration of public financing.

I hope, Mr. Speaker, that the issue will come up again, because I think it is the wave of the future. By itself, it would have my enthusiastic support, free I hope from the corrosion of this partisan flux which the majority of the House Administration Committee have started with the other provisions of the bill. I urge my colleagues on both sides of the aisle to vote against the rule.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Speaker, the gentleman from New York (Mr. CONABLE) said that this is an unfortunate environment in which to consider public financing. I doubt that there is ever a proper environment in which to consider public financing. Somehow we always want to get it considered in the right position, but certain Members seem to think it is in the wrong position. Sometimes we start consideration of it in the wrong position; we consider it in one vein here and they consider it in another vein over there.

But this is an open rule, one which would allow an open consideration of public financing. The rule would allow every Member to offer amendments to the bill, it would allow the House to pass the bill the way it saw fit and it would give the majority of this House the decisional power as to whether or not public financing should be a part of the law.

Mr. Speaker, election reform law and changes in the election laws are never easy to come by; that is true partly because we have so many different constituencies we must answer to. We have party constituencies to answer to, for instance. I understand the concern of my colleagues on the other side about the impact of the changes that have been made in this bill by the committee as far as their party is concerned.

We also have our own selves to answer to as a constituency, and no incumbent views the election laws in the same way as a nonincumbent. There is no way we can fashion an election law that takes into account all those constituencies. I have yet to know of an election law that does not get the juices flowing faster, particularly if it makes any changes beyond dotting an "i" or crossing a "t" in a different way.

But for all of that, the best atmosphere in which those changes could be considered is one in which the House could work its will. There is not one semblance of a restriction on this rule. We are not talking about public financing in this rule. We are talking about an opportunity to consider it. We are not talking about whether the party should be restored in this rule or not. We are talking about an opportunity to consider it.

The gentleman from New York suggested many of us would like to see the party restored. I deeply regret that the committee in its wisdom saw fit to change the party financing. I can assure my colleagues on the Republican side that I and my colleagues will do all we can—and it represents a lot of votes—to restore the Republican Party financing to what it was before the change in the law. But just as that can be changed if the rule is adopted, so can public financing be adopted only if a rule is adopted. An open rule is the only way to get at these questions. This is not an effort by the rule to try to ram something down the minority's throat or the majority's throat.

Someone suggested we did not have the opportunity to have hearings on public financing. My goodness, we have had so many hearings and so much debate in this Chamber on public financing that I cannot believe there is anybody on either side of the House who has not had an opportunity to prepare speeches they want to make for or against.

It would be wrong to vote down this rule on the assumption that it does anything other than to make sure that this Congress will not consider public financing. I do not care what the Members are thinking they are voting for, the way it will be read and the plain fact will be that if this rule is voted down, there will not be another opportunity to decide whether the majority of this House wants public financing. If this rule is voted down, efforts to achieve some measures of bipartisanship will suffer a blow. I thing voting down this rule will show that bipartisanship has gone out the window. I would regret this. I do not expect the changes made in this bill will please everybody in the Chamber. I would hope that, before we finally vote, everybody would agree that there has been a reasonable effort made to see that neither party is disadvantaged.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding, and I first want to commend the gentleman for his efforts in regard to public financing.

Let me ask the gentleman if he shares my queasiness that maybe public financ-

ing is at the root of this thing and that is why we have gone through this kind of fire drill, and if people on my side of the aisle really wanted public financing we could have gotten it much easier than this?

Mr. MIKVA. If it was easy, then I suggest it would have been achieved in the last session of Congress or before. It is a very controversial subject, I have to candidly say. I do not know whether the majority of my colleagues favor it or not, but I am sure I share his views that tht best way to find out is to have an up or down vote on what is finally agreed upon as to which public financing scheme is the best, and what most people can associate with. The only way we can get it on is to have a rule that will allow that to be in order. If we do not get this rule, the gentleman and I both know there will be no further debate in this session of Congress on public financing.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. DAVIS).

Mr. DAVIS. Mr. Speaker, I take this time because I am a Democrat and I am on the Committee on House Administration and I am opposed to this rule and I am opposed to the bill.

When we talk about public financing, let us get the record straight. That bill was in the Committee on House Administration and was going through the amendment process and was jerked. It was just taken flat off of the agenda. We have never seen it again. But when we get back to this other turkey that we have—and this is really a bad bill—what is it but a pure and simple indictment of the Democratic Party?

It says that our party has not done its job in fulfilling its obligation to raise money. So what do we do? We come in and we try to place limitations on it.

We passed a bill in 1972 creating the Federal Election Commission, and we came forward with amendments in 1974 and 1976.

They have worked. What has been the matter with them? Nothing. The problem is that our party did not do the job, so we changed the rules in the middle of the ball game.

Is that equity? I would say not. If it is not broke, why fix it? Is it bad just to shape something that will be in the future a limit on special interests? I say no.

Maybe if we do not limit special interests we then create a club, my friends, for the rich where an individual can put all of his money in a race, and his family can put all of their money in a race, with no limitations.

Mr. Speaker, the seats are not on the auction block; they are up for sale.

If the Members want to participate in this sort of thing, they should go ahead and pass this rule and go forward. However, if they want to continue with good government in which people are involved, let us defeat the rule and keep a system that works and not change it in the middle of the ballgame.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from California, the former State party chairman.

Mr. JOHN L. BURTON. Mr. Speaker, I was just going to say, as a former State party chairman, that what we have done in this bill is to strengthen States parties. The gentleman's own amendment would really have the State parties' work go down the tube with the bill.

Mr. DAVIS. That is why I say the Committee on House Administration can go back and in 2 days bring forth the good parts of this bill.

Mr. JOHN L. BURTON. That is something which the gentleman and I support.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, this is a bill that never should have been born.

It comes out of the Committee on House Administration, and I think that everybody who looked at it fairly realized that it had one intent, and that was to give some advantage to the Democratic Party over the Republican Party.

Mr. Speaker, as I said to my friend, the gentleman from New Jersey (Mr. THOMPSON), on that famous confrontation of ours, "How many do you want? You have two-thirds. Will you be satisfied with 90 percent or 87 percent?" The gentleman said, "87 percent."

Mr. THOMPSON. If the gentleman will yield, Mr. Speaker, I said 87.5 percent.

Mr. RHODES. I thank the gentleman.

Mr. Speaker, if this bill is adopted as it came out of the Committee on House Administration, I think the gentleman would have to work mightily to find many Republicans to kick around. There would not be many.

Mr. Speaker, I just do not like to hear anyone saying that this is what the country needs or wants. As a matter of fact, the people of this country have become well aware of the nature of this bill. They know that it was brought out of the Committee on House Administration, and that almost immediately the chairman, my good friend, the gentleman from New Jersey (Mr. THOMPSON), sought ways and means of finding some amendments to water down the parts that the Republicans did not like.

I am perfectly pleased to accept any largesse I get from my good friend, the gentleman from New Jersey, except that whenever he brings out a bill which obviously is a gun pointed at my back and says, "I will give you the gun back," I immediately wonder if, perhaps, he does not have a knife hidden somewhere which I am going to get in the back some time if I continue to deal with him.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Of course, I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I do not have a knife, but I always notice you kept the bullets. One of your Republican colleagues told the press that I am a snake. After all, snakes do not have room to carry knives.

Mr. RHODES. Mr. Speaker, I do not think the gentleman is a snake. I think he is a very clever operator, and I think he knows exactly what he is was doing.

The reason I have to oppose this rule is that I am worried about what else is in the bill, and I think there are lots of things in the bill, lots of problems, if Members do not mind my saying so.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I prefer not to yield at the present time.

Mr. Speaker, I think the only fair thing that can be done is to send this bill back to the committee. The committee needs to do some work. It needs to have some hearings. Perhaps this bill cannot stand the light of day, but I cannot imagine the gentleman from New Jersey bringing out a bill that would not stand the light of day.

If it will stand the light of day, however, then there should be hearings; and people should understand exactly what this bill is all about.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank the gentleman for yielding.

I just want to say that we are doing something important here. I have worked in so many elections for public financing in the past.

What gives us pause is that splendid speech we heard from the other side of the aisle, from the gentleman from Illinois, which directs our attention to another concept of what our duty is.

We know what cynical things are behind us. Every newspaper in the country has been telling us.

If you continue like this you make it impossible, with the power you have got and the exercise of that power—and that is what we are seeing, and it is not pretty—it would make it impossible for those who believe we can clean up this terrible work of special interest groups through some kind of voluntary effect on our campaigns. Are you going to make it impossible for us? Are we not going to be able to find some equitable way of correcting this bill according to Mr. MIKVA's excellent suggestion?

Mr. RHODES. The gentlewoman has said it better than I could.

Actually, when we passed that bill in 1972 which created the Federal Election Commission, a lot of people thought that the Republican Party's ability to raise money had been done in. Actually, we took that law and did a better job of it than the Democrats did. The gentleman from South Carolina is absolutely right. We did not rely on fat cats, as some people do, when they hold $1,000-a-plate dinners.

We went out and started mailing appeals to people, very frankly, and we were able to get 1,300,000 people to contribute to the Republican Party an average of $25 or less.

Now, what the House Administration Committee has done here is to try to keep those people—and they are little people—from having their money, which

they contributed freely, spent to elect Congressmen to represent them. This is not, in my opinion, the way the American system ought to operate. I, most strongly urge that the Members of this House vote down this rule. As for public financing, we can bring out another bill and I hope it will receive due consideration.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, notwithstanding the two major controversial areas of the debate over this rule, I think those in the House who honestly believe in real election reform, and those organizations such as Common Cause and other organizations that have tried to bring about election reform, ought to pay close attention to another section of this bill.

We believed for a long time that reporting of all financial contributions and expenditures was important if our voters were going to have an opportunity to see who really supports us. We finally got a real reporting system required in the law. Over a 2-year period, a candidate and his committee will file reports 24 times.

This bill would reduce that 24 reports to 9. This reduced reporting requirement may be more convenient for us as candidates—but the people who want to know who our financial supporters are, are going to have 15 less opportunities to find out who is contributing to our campaigns. We ought to pay close attention to that. I do not think we ought to be reducing the number of campaign finance reports we make to the people of our districts.

Mr. QUILLEN. Mr. Speaker, I yield the remaining time to the gentleman from Michigan (Mr. VANDER JAGT).

Mr. VANDER JAGT. Mr. Speaker and Members of the House, 1 year ago this month, this Chamber resounded and rocked with cheers and applause. That was when the new Member from the Seventh District of Minnesota stood in this well and was sworn into office by you, Mr. Speaker. I know that it is not surprising that Republicans cheered. We had not had anything to cheer about since the dark days of 1975, but what was interesting to me was the enthusiastic cheers from the majority side of the aisle.

Of course, part of that was common courtesy, decency, good sportsmanship, as we were swearing into this distinguished parliamentary body a new Member. But, I like to think that maybe the enthusiasm went just a little bit—not too far—but a little bit beyond the requirements of common courtesy.

I think that perhaps some Members on that side had begun to wonder, as some of us on this side had begun to wonder and most political commentators had begun to wonder: Is the Republican Party still alive? And when we saw ARLAN STANGELAND'S victory, maybe some thought: "Ah-hah, maybe there is a breath of life in the Republican Party." And you were glad that your old buddy, the GOP had a flicker of life and might live to do battle with you again. After all it was not too hard to be charitable to your old adversary. You have whipped us in 18 out of the last 20 elections. I do hope part of the motivation for the enthusiasm was that you believed in fair play and in good sportsmanship and in the two-party system and that it has indeed served America well.

Now this bill before us tries to get a partisan advantage in the 1978 congressional elections by limiting to 75 percent what the parties can give. The so-called compromise amendment, which is billed as 100 percent restoration, to be offered by the chairman of the committee actually limits by a little more than half what the parties can give to their candidates. This legislation arises out of the fact that the Democrat coffers are empty and the Republican coffers are full.

And yet does anybody in this Chamber believe that this bill will not be filibustered forever by the Republican Members of the other body? It is a simple matter to send out the checks while the filibuster is going on, so the challengers will have the contributions under the current law. The real impact is in the 1980 elections, and that is when the body blow is delivered to both political parties.

That is why in the debate on this bill a week ago with John White the new Democrat chairman he did not offer one word of defense on behalf of this legislation, because he knows it hurts his party as well as mine. Who knows what the situation will be in 1980? I think it is possible the administration can get its act together and that the Democrats can raise money. I know from painful experience that it is a whale of a lot easier to raise money when one's party is in the White House than when it is outside the White House.

Any bill, which diminishes the role of the political parties automatically magnifies the role of special interests and fat-cat giving. Of all money contributed to the Democrat Party last year, 66 percent came from special interest pacts and fat cats. That is not going to get into the political process in 1978 because there is no surplus. The funds of our committee, at which this bill is really aimed, 99-plus percent came from small contributors. Ninety-seven percent of all contributions were under $100. Ninety-two percent came from contributors who gave under $50 and 72 percent of the contributors gave under $20. The average contribution of the whole shebang is $18.21. This bill restricts the right of that little giver who has already given to participate in the political process thru the political party of his choice.

Members know it is perceived that way by the media. In editorials from the Los Angeles Times to the Washington Star, from Oliphant cartoons to the Dave Broder columns, it is perceived that way.

I do not know why the leadership would want Members to vote on a rule when in voting for that rule they will be forced to vote for fat cat giving and against the little guy giving to the political process, when the bill is not going to get through the other body anyway.

It seems to me a vote for the rule is handing one's opponent a far more significant issue than any contribution we would be able to hand him.

So the right vote is "no" in terms of partisan reelection, the right vote is "no" in terms of fair play, the right vote is "no" in terms of the Democrat Party, and certainly the right vote is "no" on behalf of our two-party system and love for America. A defeat of the rule means a victory for the little guy and his right to participate in the political process through his political party.

CALL OF THE HOUSE

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 173]

Akaka	Flood	Runnels
Alexander	Frey	Ryan
Anderson, Ill.	Heckler	Santini
Annunzio	Hefner	Sarasin
Archer	Lederer	Scheuer
Armstrong	Madigan	Seiberling
Bellenson	Mann	Shipley
Collins, Ill.	Metcalfe	Shuster
Cornwell	Miller, Calif.	Solarz
Dellums	Myers, Michael	Teague
Dent	Nix	Thornton
Diggs	O'Brien	Tucker
Drinan	Pepper	Whitley
Erlenborn	Pike	Wilson, Tex.
Fary	Risenhoover	Wolff
Findley	Rostenkowski	

The SPEAKER. On this rollcall 387 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 11315, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1978

The SPEAKER. The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I yield the balance of my time to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, this has been an intriguing debate.

The gentlemen on my left have asserted that they oppose this open rule because they see it as a partisan maneuver, and, of course, the gentlemen on my left disparage partisan maneuvers.

And then I hear the vicious rumor that the gentlemen on my left have caucused today and have been bound to a man and to a woman to vote against this rule. I do not for a moment believe that to be true, because I have faith in the gentlemen on my left who despise partisan maneuvers and who have said eloquently here today that they believe in freedom of choice for the little man.

Let me not disparage our Republican friends. This is a two-party system, as my friend, the minority leader, has asserted, and we are interdependent one upon the other.

I used to wonder what makes Republicans. But then I thought, and I realized the truth that Democrats make Republicans.

Then, given a little while, they return the favor. Things tighten up, and that

fellow who thought, once he got that second car and that power-driven lawnmower, that he had to put a Republican sign in his yard to show that he had arrived, begins to discover that if he is going to keep on living like a Republican he better darn well start voting like a Democrat. So we are interdependent.

I have been intrigued by the logic that has been presented against this open rule. One of the spokesmen said, in effect, "Oh, I am for public financing, but not today. This isn't the way to do it. We ought to do it some other time or some other way."

One of the gentlemen says, "Oh, there is good in this bill and there is reform that needs to be made in the election laws of our country, but not under this open rule, not today—some other time."

And then with disarming candor my dear friend, the gentleman from Arizona (Mr. RHODES), the minority leader, says, "Vote down this rule and let's put an end to this for all time."

Well, this is an open rule. Do you wish to deny your colleagues the privilege of voting, however you may feel, upon the various issues at stake?

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Oh, of course, I yield to my friend, the gentleman from Arizona (Mr. JOHN RHODES). I could not deny him.

Mr. RHODES. Mr. Speaker, I think the key word was this: that I wanted to put an end to. And the thing I wanted to put an end to was this apparent penchant on the part of the gentleman and some of the members of the Committee on House Administration to do us in. I do not think I should be condemned for wanting to do away with the practice of people drawing guns on me and who have concealed knives, which would end up with my political death. I plead guilty to the fact that I do not like that.

Mr. WRIGHT. Mr. Speaker, I will assure the gentleman that I would disarm in public.

The gentleman from New Jersey (Mr. THOMPSON) has already surrendered his firearms. He has agreed—and I think this is important—to drop that provision from the bill which is most distasteful to the gentleman from Arizona. Really and truly, we ought not craft a bill deliberately in a way that would predetermine the outcome of an election as between one party and the other. I will join this pledge and my colleagues will join this pledge: We will follow the gentleman from New Jersey (Mr. THOMPSON). We will continue to allow the Republican Party to give just as much money as it has been giving directly to its candidates under existing law. We will make no change that denies them that right, just so nobody can say this is a partisan maneuver.

But let me say what this bill does that needs doing and will not get done unless we have a chance to vote on it. It does what the gentlemen on my left plainly want to do, and that is to give the little fellow an opportunity.

If it is true that the gentlemen and the ladies and the Republican Party have raised a lot of money with small contributions, I salute them for that. I think that is very healthy for the democratic process. There is nothing in this bill, however, that will inhibit anybody from giving in small denominations—not one thing—and we will permit the Republican Party, with however much money it has, to continue to give as much as it desires to give legally and openly and directly to its individual candidates.

But what we should not permit is the proliferation of booster clubs, A, B, C, and D as separate funnels so that they wind up giving indirectly to a candidate $50,000 to $100,000 that has been raised from the big and little man who never heard of the candidates who are the recipients of the party's largesse.

There is another thing this bill will prevent and which needs to be prevented. I think we made a serious mistake in election-law reform with the creation of the Election Commission which was given the almost wholly unbridled authority to write rules wholly out of conformity with congressional intent.

They have written some rules that are bad. I do not think any person in this House would agree to this one recent thing: The FEC made a ruling a few days ago to the effect that a corporation, ITT, can send out to all its stockholders with its periodic dividends a card with a negative checkoff containing instructions that, unless you check this box, find an envelope, put a stamp on it, return it to us and tell us we cannot, then we assume you have given us the right to deduct 10 cents per share to give to whatever candidate we decide we want to give it to.

Unless something is done to stop it, that is presumed to be the law because it has been so decreed by the Presidentially appointed, unelected officials of the Federal Election Commission.

Mr. Speaker, there is another thing that I think has been abused; and I think most of us agree it has been abused. That is the manner in which some who raise funds have made a racket of raising funds. There was a study printed in one of the Washington journals only a couple of days ago which indicated that the practice of professional fundraisers of sending out correspondence to widespread mailing lists has resulted in only about 27 percent of the funds innocently given by these so-called little people actually reaching a candidate for public office.

Mr. Speaker, I think that is something we want to stop.

I think if we trust the House and its Members, in their good judgment, to make wise decisions, whether we like public financing or not, we should vote for the rule. The Members who are against public financing should vote against the amendment that would install it. However, my good friend, the gentleman from Michigan, speaks of the fat cats being for this rule. I have never seen any fat cat yet who was for public financing, not one; and it is the only means, according to the Supreme Court, by which we can legally establish a binding and enforceable limitation on the amount of money that can be spent in an election campaign.

Mr. Speaker, there is one question: Do we want the seats in Congress to be put up for bid to the highest bidder like a seat on the New York Stock Exchange? If you think that is wrong, if you think there ought to be some way to control it, then vote for the rule. If you do not like some of the amendments, vote against the amendments. If you want an amendment, introduce it and vote for it. Nothing in this rule inhibits you.

Mr. Speaker, this is an open rule; and the question is, Do we want to allow the House to work its will on campaign reform?

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 198, nays 209, not voting 27, as follows:

[Roll No. 174]

YEAS—198

Addabbo	Fowler	Nowak
Allen	Fraser	Oakar
Ambro	Fuqua	Oberstar
Ammerman	Garcia	Obey
Anderson, Calif.	Gephardt	Ottinger
Andrews, N.C.	Giaimo	Panetta
Ashley	Glickman	Patten
Aspin	Gore	Patterson
AuCoin	Gudger	Pattison
Baldus	Hamilton	Pease
Barnard	Hanley	Pepper
Baucus	Hannaford	Perkins
Beard, R.I.	Harkin	Pike
Bedell	Harrington	Preyer
Beilenson	Harris	Price
Benjamin	Hawkins	Rahall
Bennett	Heftel	Rangel
Bingham	Holtzman	Reuss
Blanchard	Howard	Richmond
Blouin	Hubbard	Rodino
Boggs	Hughes	Roe
Boland	Ireland	Rogers
Bolling	Jacobs	Roncalio
Bonior	Jenrette	Rooney
Bonker	Johnson, Calif	Rose
Brademas	Jordan	Rosenthal
Breckinridge	Kastenmeier	Roybal
Brodhead	Keys	Russo
Brown, Calif.	Kildee	Santini
Burke, Calif.	Kostmayer	Schroeder
Burke, Mass.	Krebs	Seiberling
Burlison, Mo.	LaFalce	Sharp
Burton, John	Le Fante	Sikes
Burton, Phillip	Leggett	Simon
Carney	Lehman	Skelton
Carr	Levitas	Smith, Iowa
Cavanaugh	Lloyd, Calif.	Solarz
Chisholm	Long, La.	Spellman
Clay	Long, Md.	St Germain
Conyers	Luken	Staggers
Corman	Lundine	Stark
Cornell	McCormack	Stokes
Cornwell	McHugh	Stratton
D'Amours	McKay	Studds
Danielson	Maguire	Thompson
Derrick	Mahon	Traxler
Dicks	Markey	Tsongas
Dodd	Mattox	Udall
Downey	Meeds	Ullman
Drinan	Meyner	Van Deerlin
Duncan, Oreg.	Mikulski	Vanik
Early	Mikva	Vento
Eckhardt	Miller, Calif.	Volkmer
Edgar	Mineta	Walgren
Edwards, Calif.	Minish	Waxman
Eilberg	Mitchell, Md.	Weaver
Ertel	Moakley	Weiss
Evans, Colo.	Moffett	Wirth
Evans, Ind.	Moorhead, Pa.	Wolff
Fascell	Moss	Wright
Fisher	Motti	Yates
Fithian	Murphy, N.Y.	Young, Mo.
Florio	Murphy, Pa.	Young, Tex.
Foley	Natcher	Zablocki
Ford, Mich.	Neal	Zeferetti
Ford, Tenn.	Nedzi	
	Nolan	

NAYS—209

Abdnor	Fountain	Montgomery
Alexander	Frenzel	Moore
Andrews, N. Dak.	Gammage	Moorhead, Calif.
Applegate	Gaydos	Murphy, Ill.
Archer	Gibbons	Murtha
Armstrong	Gilman	Myers, Gary
Ashbrook	Ginn	Myers, John
Badham	Goldwater	Nichols
Bafalis	Gonzalez	Nix
Bauman	Goodling	Pettis
Beard, Tenn.	Gradison	Pickle
Bevill	Grassley	Poage
Biaggi	Green	Pressler
Bowen	Guyer	Pritchard
Breaux	Hagedorn	Pursell
Brinkley	Hall	Quayle
Brooks	Hammer-schmidt	Quie
Broomfield	Hansen	Quillen
Brown, Mich.	Harsha	Railsback
Brown, Ohio	Heckler	Regula
Broyhill	Hefner	Rhodes
Buchanan	Hightower	Rinaldo
Burgener	Hillis	Roberts
Burke, Fla.	Holland	Robinson
Burleson, Tex.	Hollenbeck	Rousselot
Butler	Holt	Rudd
Byron	Horton	Runnels
Caputo	Huckaby	Ruppe
Carter	Hyde	Satterfield
Cederberg	Ichord	Sawyer
Chappell	Jeffords	Schulze
Clausen, Don H.	Jenkins	Sebelius
Clawson, Del	Johnson, Colo.	Shuster
Cleveland	Jones, N.C.	Sisk
Cochran	Jones, Okla.	Skubitz
Cohen	Jones, Tenn.	Slack
Coleman	Kasten	Smith, Nebr.
Collins, Tex.	Kazen	Snyder
Conable	Kelly	Spence
Conte	Kemp	Stangeland
Corcoran	Ketchum	Stanton
Cotter	Kindness	Steed
Coughlin	Krueger	Steers
Crane	Lagomarsino	Steiger
Cunningham	Latta	Stockman
Daniel, Dan	Leach	Stump
Daniel, R. W.	Lent	Symms
Davis	Livingston	Taylor
de la Garza	Lloyd, Tenn.	Thone
Delaney	Lott	Treen
Dent	Lujan	Trible
Derwinski	McClory	Vander Jagt
Devine	McCloskey	Waggonner
Dickinson	McDade	Walker
Dingell	McDonald	Walsh
Dornan	McEwen	Wampler
Duncan, Tenn.	McFall	Watkins
Edwards, Ala.	McKinney	Whalen
Edwards, Okla.	Mann	White
Emery	Marks	Whitehurst
English	Marlenee	Whitten
Evans, Del.	Marriott	Wiggins
Evans, Ga.	Martin	Wilson, Bob
Fenwick	Mathis	Wilson, C. H.
Fish	Mazzoli	Winn
Flippo	Michel	Wydler
Flowers	Milford	Wylie
Flynt	Miller, Ohio	Yatron
Forsythe	Mitchell, N.Y.	Young, Alaska
	Mollohan	Young, Fla.

NOT VOTING—27

Akaka	Flood	Ryan
Anderson, Ill.	Frey	Sarasin
Annunzio	Lederer	Scheuer
Collins, Ill.	Madigan	Shipley
Dellums	Metcalfe	Teague
Diggs	Myers, Michael	Thornton
Erlenborn	O'Brien	Tucker
Fary	Risenhoover	Whitley
Findley	Rostenkowski	Wilson, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Akaka for, with Mr. Charles Wilson of Texas against.

Mr. Flood for, with Mr. Whitley against.

Mr. Metcalfe for, with Mr. Diggs against.

Mrs. Collins of Illinois for, with Mr. Shipley against.

Mr. Teague for, with Mr. Risenhoover against.

Mr. Dellums for, with Mr. Anderson of Illinois against.

Mr. Scheuer for, with Mr. Madigan against.

Until further notice:

Mr. Lederer with Mr. Frey.

Mr. Ryan with Mr. Michael O. Myers.

Mr. Thornton with Mr. O'Brien.

Mr. Tucker with Mr. Sarasin.

Mr. Erlenborn with Mr. Findley.

So the resolution was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 9, OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked for by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. MURPHY of New York, UDALL, EILBERG, BREAUX, STUDDS, HUGHES, MILLER of California, DODD, SEIBERLING, FISH, FORSYTHE, YOUNG of Alaska, and TREEN.

And as an additional conferee, Mr. DINGELL, of Michigan, solely for consideration of the provisions contained on page 8, lines 1–8; page 20, lines 12–14; page 30, lines 5–11; page 156, line 24 through page 158, line 18; and on page 167, lines 10–17 of the House engrossed amendment to the bill S. 9 and modifications thereof committed to conference.

CONFERENCE REPORT ON H.R. 5383, AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS OF 1978

Mr. HAWKINS. Mr. Speaker, I call up the conference report on the bill (H.R. 5383) to amend the Age Discrimination in Employment Act of 1967 to extend the age group of employees who are protected by the provisions of such act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Reserving the right to object, I do so only to ask someone as to what the program might be for the balance of the afternoon. Are we to take up any other legislation after the age discrimination conference report? Can the Speaker give us any enlightenment?

The SPEAKER. The Chair will report to the gentleman that in the event this will take less than an hour, we will go to the postal legislation.

Mr. BAUMAN. I thank the Speaker and withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 14, 1978.)

Mr. HAWKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The gentleman from California (Mr. HAWKINS) and the gentleman from Minnesota (Mr. QUIE) will be recognized for 30 minutes each.

The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. I yield myself such time as I may consume.

Mr. Speaker, on March 2, the House and Senate conferees reached a compromise agreement on this vital piece of legislation. Today, my colleagues in the House will have the opportunity to support the conference report agreed upon by the House and Senate conferees. While the bill is not a perfect piece of legislation, we believe that it represents the first step in our long struggle to abolish the practice of mandatory retirement based solely on age.

Let me point out that in striving to achieve this goal in no way implies that we are opposed to retirement. Instead, we want to reaffirm our intent to protect the employment opportunities of older Americans and afford them the opportunity to make their own choice between employment and retirement. The legislation that we are considering today will provide older working citizens with that choice which has been denied them thus far. As we in the Congress strive to eliminate all forms of discrimination, it is imperative that we act to end age discrimination in employment as well.

Mr. Speaker, I would like to briefly describe the action which the conferees took in approving this bill.

RAISING THE UPPER AGE LIMIT

First, both House and Senate bills raised the upper age limit for coverage under the Age Discrimination in Employment Act for non-Federal employees from the current level of 65 years of age to 70 years of age. The House provision delayed this action until 6 months after enactment while the Senate bill specified January 1, 1979, as the effective date for raising the upper age limit. The House receded from its position and agreed to extend the effective date of this provision as a means of providing employers with the maximum leadtime in order to bring their plans into compliance with the new law. Moreover, the administration had requested that the effective date be extended to January 1, 1979, in order to evaluate the potential impact of the new law and make appropriate recommendations to the Congress if necessary.

BONA FIDE EXECUTIVE EXEMPTIONS

During Senate consideration of amendments to the ADEA, an amendment offered by Senator PELL to exempt highly compensated executives was adopted. The House-passed bill did not contain a similar provision. In explaining his

amendment, Senator PELL made the following statement on the floor of the Senate:

. . . When this bill was considered by the full Human Resources Committee, the committee accepted a provision I offered to exempt a very small and very well defined group of high level executives from coverage under this bill after age 65. Today I ask for the support of my colleagues in retaining that exemption.

. . . This executive exception touches only a very small fraction of any company's work force, and even a small fraction of its executive personnel per se.

The Senate bill permitted compulsory retirement of highly compensated employees between the ages of 65 through 69 if they receive an employer-provided annual retirement income of at least $20,000, exclusive of social security benefits.

The conferees agreed to retain this provision with certain modifications. The conference bill provides that the exemption apply only to those employees who for the 2 years prior to retirement serve in a bona fide executive or high policymaking capacity. The conferees also agreed to raise the retirement income from $20,000 to $27,000 annually excluding social security, employee contributions and contributions of prior employers.

The conference amendment also clarifies that an employee will not be eligible for mandatory retirement solely because he or she meets the retirement income test of $27,000. The employee must meet the definition of bona fide executive or high policymaking employee. The conferees agreed that to fall within the test employees must be a bona fide executive as defined in regulations under the Fair Labor Standards Act (29 CFR 541.1), in addition to meeting the other requirements.

In addition, the conferees added the term "high policymaking" employee. This group of employees is limited to those individuals who have little or no line authority but whose position and responsibilities are such that they play a significant role in the development of a corporate policy and effectively recommend the implementation thereof. For example, the chief economist of a corporation typically has little line authority. The responsibilities of a chief economist would be to evaluate significant economic trends and to develop and recommend policy direction to the top executives. Such an employee would meet the definition of a "high policymaking" employee.

The conferees further agreed that this exemption is not applicable to Federal employees covered by section 15 of the act.

TENURED COLLEGE FACULTY EXEMPTION

The Senate bill also contained a provision, offered by Senator CHAFEE, which permits colleges and universities to maintain compulsory retirement policies for faculty at 65 or above who are serving under a contract of unlimited tenure. The House bill did not include such a provision. However, the House conferees agreed to a limited exemption which expires on July 1, 1982.

REMOVING THE UPPER AGE LIMITATION FOR FEDERAL EMPLOYMENT

An additional important provision contained in the conference agreement is the House amendment which entirely uncaps the upper age limitation for most civilian Federal employees. This amendment does not affect certain Federal employees whose retirement is required or otherwise authorized by statute. The Senate legislation did not affect the upper age limit with respect to Federal employees. However, the Senate conferees receded on this provision with an amendment that the effective date be delayed until September 30, 1978. The inclusion of Federal employees is largely the result of Senator PEPPER's tireless efforts to allow the Federal Government to serve as the model for private industry by abolishing mandatory retirement solely on the basis of age.

CLARIFICATION OF SECTION 4(f)(2)

Another significant provision contained in both House and Senate bills is the clarification of section 4(f)(2) of the act which prohibits mandatory retirement of an employee within the protected age group pursuant to a bona fide employee benefit plan or seniority system which requires or permits such retirement. The conferees agree that the purpose of this amendment is to make absolutely clear that this exception does not authorize an employer to require or permit involuntary retirement of an employee within the protected age group on account of age. This provision takes effect upon enactment with one exception. The conference agreement contains a provision which defers the effective date prohibiting mandatory retirement policies of persons aged 65 through 69 if such retirement is required or permitted by an employee benefit plan contained in a collective bargaining agreement in effect prior to September 1, 1977. The effective date of the prohibitions in these situations is the termination date of the collective bargaining agreement or January 1, 1980, whichever comes first.

In *McMann* v. *United Airlines, Inc.*, 98 S. Ct. 244 (1977), the Supreme Court ruled on the mandatory early retirement provisions in section 4(f)(2) for the first time, reversing a decision reached by the fourth circuit court of appeals (542 F. 2d 217 (1976)). Specifically, the Supreme Court upheld a plan which was established before the ADEA was enacted and which required retirement of all participants at age 60. Participation in the plan was voluntary, not compulsory. By virtue of this amendment, such a plan no longer falls within the section 4(f)(2) exception. Contrary to the Supreme Court's rationale, this amendment makes clear that regardless of when an involuntary retirement provision in a plan became effective—before or after the enactment of the ADEA or of these amendments—it is unlawful if it is triggered by the fact that an employee reaches an age within the protected age group. The conferees specifically disagree with the Supreme Court's holding and reasoning in that case, particularly its conclusion that an employee benefit plan which discriminates on the basis of age is protected by section 4(f)(2) because it predates the enactment of the ADEA.

WELFARE BENEFITS

Concerns have been expressed that these amendments will increase the costs of employee welfare benefit plans, such as those that provide disability, health, life and other forms of insurance for employees.

Benefits would not have to be equal where there is a legitimate economic or business purpose other than age which justifies the differential in benefits. The purpose of section 4(f)(2) is to encourage the employment of older workers by permitting age-based variations in benefits where the cost of providing the benefits to older workers is substantially higher. Any age-based differences in benefits would have to be evaluated under the standard in section 4(f)(2).

In view of the widespread interest in this subject, we would expect the Department of Labor to issue guidelines in the near future.

Mr. Speaker, I would like to take this opportunity to express appreciation to my colleagues in the House who have worked so long and so hard to bring us to this rewarding moment. Representatives PEPPER and FINDLEY, who authored this legislation and who sincerely represent the interests of this Nation's elderly, are to be congratulated for their outstanding leadership on H.R. 5383. In addition, Mr. WEISS and Mr. WAXMAN should be justly proud of this moment for their tireless efforts to end age discrimination in employment. I am also grateful for the support of my colleagues on the Subcommittee on Employment Opportunities as well as those members of the Select Committee on Aging who contributed significantly to the development of this legislation. I want to also acknowledge the 169 Members who cosponsored legislation to terminate age discrimination in employment. Finally, I want to express my appreciation to the 358 of my colleagues who joined with me in voting to pass this legislation last September 23.

I would be remiss if I did not thank our Senate colleagues, especially Senators WILLIAMS and JAVITS, who contributed so much to this final bill. I am well aware that there are countless others who have worked selflessly to help us reach this moment. We are also grateful to each and every one of you for your support.

Mr. Speaker, in closing, I urge the immediate adoption of this conference report.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, in order that there be no question about the committee handling of pension legislation, I have arranged with the gentleman from California to make the record very clear. I would like to put this question to the gentleman:

Is it the intention of the conferees that an employer will be permitted, under the Age Discrimination in Employment Act

of 1967 as amended, to maintain a defined contribution plan—other than a plan which is merely supplemental to a defined benefit or defined contribution plan maintained by the employer—which precludes employer and, if applicable, employee contributions to such a plan subsequent to an employee's attainment of the normal retirement age contained in the plan?

Mr. HAWKINS. Yes. The answer to the gentleman's question is "Yes."

The conferees intend that an employer will not violate the Age Discrimination in Employment Act by maintaining such a defined contribution plan. This position is in keeping with the general view of the House and the Department of Labor with regard to prohibited age discrimination in the context of pension plans covering employees who continue employment beyond the normal retirement age, as expressed in a letter of September 8, 1977, from Assistant Secretary Elisburg to me which appears in the CONGRESSIONAL RECORD of September 23, 1977, at page 30564.

Mr. DENT. Mr. Speaker, I thank the gentleman from California, and I want to assure the gentleman that we approve this action and support the legislation.

Mr. HAWKINS. At this point, Mr. Speaker, I yield such time as he may consume to the chairman of the full committee, the gentleman from Kentucky, Mr. CARL PERKINS, who has contributed such a great deal to the advance of this legislation, bringing the bill to the point that we are now voting on the conference report. I certainly wish to commend the gentleman for his leadership on the Committee on Education and Labor, and he is to be congratulated for the fine result we have obtained.

Mr. PERKINS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, the conference report before us is a much needed measure which will go a long way in protecting older American workers.

I strongly supported H.R. 5383—which passed the House overwhelmingly on September 23—as a sound piece of legislation, and I believe that the conference report which we have before us today reflects a satisfactory compromise between the House and Senate versions of the bill.

At the outset, Mr. Speaker, I want to commend the distinguished chairman of the Subcommittee on Employment Opportunities, the Honorable AUGUSTUS HAWKINS, for the expeditious manner in which he guided the bill through committee, onto the floor, and through difficult conference proceedings. I want to compliment the ranking minority member of the committee, Mr. QUIE, and members of the committee from both sides of the aisle for their efforts on this legislation.

I would be remiss if I did not make special mention of the contribution made by a freshman member of our committee—Mr. WEISS of New York. He is the author of a very significant portion of this report and he is to be commended.

H.R. 5383 was originally introduced by our able colleagues, the gentleman from Florida (Mr. PEPPER) and the gentleman from Illinois (Mr. FINDLEY), respectively the chairman and ranking minority member of the Select Committee on Aging.

Congressman PEPPER in particular has long been a recognized and leading advocate of legislation which will benefit older Americans, and he is to be commended for his unwaivering dedication to them.

Turning to the report, the upper age limit protected under the act for non-Federal employees is extended from the current level of age 65 to 70, effective January 1, 1979. The upper age protection for Federal employees is lifted entirely as of September 30, 1978.

The principal issues in the conference were the two exemptions in the Senate bill relating to tenured faculty and executives.

The Senate amendment provided that certain high-level executives may be mandatorily retired between the ages of 65 and 70. There was also a Senate amendment which would permit mandatory retirement of college and university faculty members between 65 and 70 years of age who are serving under a contract or similar arrangement which provides for unlimited tenure.

The House bill contained no such provisions, and we tried mightly to resist both of these exemptions in conference. However, the Senate was adamant. We were successful, however, in limiting both exemptions. In the case of the college and university faculty exemption, a House amendment was adopted which provides that the exemption will be repealed on July 1, 1982. We were successful, also, in restricting the scope of the executive exemption by more precisely defining in a limiting way the type of positions which would qualify for the exemption and by increasing the pension income that an executive must receive in order to qualify.

Mr. Speaker, this is both a practical and far-reaching piece of legislation. It is a bill which will not only aid a large and deserving segment of our population, but one which will benefit the Nation in terms of the special contributions that older workers can make to our society because of their wealth of knowledge and experience. I urge my colleagues to support this conference report.

Mr. QUIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the gentleman from California (Mr. HAWKINS) in urging the adoption of the conference report.

The House was nearly unanimous in passing H.R. 5383 last September, reflecting our strong commitment to protecting and promoting the individual worth of our older citizens. Our hearings amply demonstrated that the traditional mandatory retirement age of 65 has become a relic of the past. Advancements in medicine have enabled our citizens to live longer and to be healthier. Moreover, we realize from our greater understanding of the aging process how being able to work during the senior years vitally contributes to the well-being of the individual.

In short, these 1978 amendments continue to pave the way for our senior citizens to make valuable contributions to our society and our economy and, above all, to their own welfare.

As the gentleman from California (Mr. HAWKINS) has explained, the conference report continues to reflect our commitment to the policies that were embodied in the bill as originally passed.

We did accept amendments specifically which exempt tenured college professors, thus permitting them to be mandatorily retired when they reach 65 years of age. However, this exemption expires on July 1, 1982, and after which tenured professors will be protected through age 69.

It also permits the mandatory retirement of those individuals between 65 and 70 who for 2 years before retirement were employed as a bona fide executive or high policymaking position. That individual must be entitled to a pension from the employer of at least $27,000 a year in order to trigger this exemption.

I would only add a few comments regarding three important procedural amendments which were included in the Senate amendments to the bill.

Upon closer examination of these amendments and of their impact upon the enforcement scheme under the act, the conferees concluded that they should be accepted in modified form. The conferees believe that the compromise adequately rectifies the problems that gave rise to original Senate amendments. At the same time, the compromise does not upset the balance of interests struck by the original act.

Thus, the Senate amendment discarded the 180-day notice-of-intent-to-sue requirement in order to prevent unjustified dismissals of lawsuits on procedural grounds. Yet, in so doing, the amendment would have created a disparity with the 180-day charge requirement under title VII of the Civil Rights Act, which prohibits the other forms of employment discrimination—namely race, sex, national origin, color, religion. Further, elimination of the 180-day notice requirement would have sacrificed the benefits that accrue from early involvement of the Secretary of Labor in attempting to settle the dispute by conciliation. The provisions of the conference report avoids these problems while securing the goal of the Senate amendment:

One. Aggrieved parties must still file within 180 days of the violation;

Two. However, he need only file a charge rather than indicating an intention to file suit—which may very well have discouraged workers in the past from giving prompt notice to the Secretary of Labor; and

Three. Most importantly, the new charge requirement is subject to equitable modification. This means that where a plaintiff fails to give notice within the 180-day period, the court may examine the reasons for such failure. If it concludes, based upon equitable considerations, that the plaintiff had a legitimate excuse, then the lawsuit need not be dismissed.

The Senate adopted a second pro-

cedural amendment which provided that the statute of limitations, with respect to actions filed by the Secretary, could be tolled for a period of up to 2 years during the Secretary's efforts to resolve a dispute through conciliation. The conferees concluded that this extension of time unnecessarily prolonged the period in which suit should be brought.

Allowing the statute to be tolled for a period of up to 1 year achieves a more equitable accommodation of interests inherent in the conciliation and the limitations provisions of the statute. The combined effect of conciliation requirement and the limitations statute is to require the Secretary to fulfill his responsibility to achieve conciliation before legal action is begun.

However, there may be cases—large complex class actions—where it is simply not possible to fulfill this duty within the statutory time limit. The Secretary thus may be forced into court prematurely simply to protect his right of action. The tolling provision helps to alleviate this problem by allowing the Secretary up to an additional year before having to file suit.

The third, Senate amendment made explicit provisions for trial by jury in actions for monetary relief under the act. Subsequent to passage of the Senate amendment the Supreme Court in Lorillard against Pons held that the act as originally enacted did afford a right to trial by jury for claims for recovery of lost wages under the act. However, the court expressed no view on whether the act implicitly authorized a jury trial for claims for liquidated damages under the act. In adopting a revision of the Senate amendment, the conferees make clear that a jury trial is available for deciding those factual issues underlying claims for amounts owing as a result of a violation of the act. Liquidated damages are explicitly authorized as an amount owing under section 7(b) of the act.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Speaker, I just want to indicate my support for this conference report and express, however, my disappointment in the exemption that is granted to high-salaried executives. I think it is a most unfortunate exemption.

I am aware of the fact that a number of big businessmen have seen fit to urge this exemption. I think they are doing a disservice to the entire business community and to the private enterprise system. Proponents of this exemption make more enemies for private enterprise through the mandatory retirement of executives, who have devoted their lives to the businesses in which they have been engaged. I think it is a very shortsighted position on their part. I think it is unfortunate that the Senate felt compelled to accept this exemption, but I realize the position of the Members of the House. Notwithstanding this bad feature of the conference report, it is a good report and it is an excellent change which we are making in the law.

Mr. QUIE. Mr. Speaker, I appreciate that the gentleman realizes that we did not have those exemptions in the House-passed bill. But we felt this legislation was so important that we ought to accept a scaled down version of the Senate amendments.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I rise in support of this conference report to prevent age discrimination in employment. I compliment my distinguished colleague, the gentleman from California (Mr. HAWKINS), and also my distinguished colleagues, the gentleman from Florida (Mr. PEPPER), the gentleman from Minnesota (Mr. QUIE), and the gentleman from Illinois (Mr. DERWINSKI). I know all four of my distinguished colleagues have been in the forefront in making sure that this legislation was enacted this year.

These amendments to the Age Discrimination in Employment Act of 1967 increase the maximum age for protection under the act from 65 to 70 for most private employees, and remove completely the mandatory retirement age of 70 for most federal employees. The bill also clarifies a section of the 1967 act so that an employer may not require or permit involuntary retirement of an employee within the protected age group on account of age.

Many of us oppose mandatory retirement of individuals who are willing and able to work. This bill changes that. In some cases, financial reasons make continued employment necessary in order to maintain one's standard of living. In other cases, individuals simply enjoy their work and wish to continue at their chosen profession. There is no economic, sociological, or biological reason for denying those aged 65 and above the right to earn a living. On the contrary, all the evidence that we have shows that protecting older Americans' right to work is good for all our citizens—young and old alike. Older Americans typically are highly skilled from their years of experience. Their skills are often unique and irreplaceable. They are not only productive, they are often among the most productive members of society. The American standard of living goes down when such highly skilled and productive workers are forced out of the labor force. Furthermore, the right to work help many individuals remain active—the key to a long and healthy life.

I urge my colleagues to pass this needed legislation. We need to end age discrimination in employment.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, I rise in support of the conference report, and I especially wish to commend my good friend and associate in many legislative activities, the gentleman from Florida (Mr. PEPPER), for his untiring devotion to the principles covered in this measure. I am pleased to support the report.

As a conferee and signer of the conference report on H.R. 5383, I rise in support of its enactment.

I originally cosponsored legislation to end age discrimination in employment because I have long felt mandatory retirement based solely on age is arbitrary since chronological age alone is a poor indicator of ability to perform a job. Forced retirement at age 65 does not take into account people's differing personal abilities, energies, and capacities. Many people want to continue working after age 65 and are able to make a contribution to our economy, and in turn, earn their own way and continue to have the dignity their working brings them.

National public opinion polls show an overwhelming majority of Americans are opposed to mandatory retirement because of age.

This compromise measure eliminates mandatory retirement for most Federal employees, and raises the mandatory retirement age limit in the private sector from 65 to 70.

The bill also provides for the Civil Service Commission to prepare a study on the effect of amendments on Federal employees. This study is required to be sent to the President and the Congress by January 1, 1980.

Mr. Speaker, I urge prompt approval of this conference report.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding.

Mr. Speaker, I, too, want to commend the members of the conference committee representing the House for the work they have done in bringing before us this conference report, because we do want to move forward with this protection for older workers against discrimination that has been practiced in the past.

I want to say that I do still have some reservation with the exemption that is continued temporarily for older faculty members. As a former chemistry professor in real life, before I came to the Congress, I knew from experience that some of the best minds of the faculty could be found in all age groups of the faculty.

The best teachers were not limited to the younger members, nor were they limited to the older members. I personally see no reason to allow specific discrimination to continue against older faculty members.

Nevertheless, I appreciate the problem that faced the conferees. I think it is a substantial achievement that they have made in the interest of equity and fair treatment and appreciate the fact that they were able to include in this conference report a provision that discrimination against older teachers will expire in 1982. I would have liked them to have it expire tomorrow, but I appreciate the problem that the conferees had, and I commend the commit-

tee of conference for that achievement, at least.

Mr. QUIE. Mr. Speaker, let me say to the gentleman from North Carolina (Mr. MARTIN) that it is also a requirement of the bill that the Secretary of Labor conduct a study on the effect of this provision for executive employees to continue teaching personnel, so that when it comes up, the Congress may want, based on the findings of the study, to have it terminated sooner than that.

Mr. MARTIN. I would hope that my colleagues can be active and instrumental in getting this conference report agreed to and that they can personally keep attention focused on that question so that if it does appear that there may be earlier action to enable that discriminatory provision to be phased out, they can initiate it.

Mr. QUIE. I will leave that to those Members who will be here at that time.

Mr. MARTIN. Mr. Speaker, I thank the gentleman.

Mr. QUIE. Mr. Speaker, the material to which I referred earlier follows:

CONFERENCE REPORT ON THE AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS OF 1978 (H.R. 5383)

The conference report amends the Age Discrimination in Employment Act of 1967, to raise the maximum age for protection under the Act from 65 to 70 for most private employees, and to abolish the age limit completely for most federal employees.

ACTION BY THE 95TH CONGRESS

Passed House September 23, 1977 (359–4) (H. Rpt. 95–527, Part I).

Passed Senate October 18, 1977 (88–7) (S. Rpt. 95–493).

Conference reported March 14, 1978 (H. Conf. Rpt. 95–950).

CONFERENCE REPORT SUMMARY

The bill amends and strengthens the Age Discrimination in Employment Act of 1967 (ADEA) by increasing the maximum age for protection under the Act from 65 to 70 for most private employees, and by removing completely the mandatory retirement age of 70 for most federal employees. The bill also clarifies Section 4(f)(2) (bona fide retirement plans) under the ADEA so that the exception does not authorize an employer to require or permit involuntary retirement of an employee within the protected age group on account of age.

PRIVATE EMPLOYEES

Under ADEA, most employers, employment agencies and labor unions are prohibited from discriminating because of age against persons aged 40–65 in such matters as hiring, job retention, promotions and compensation. State and local governments are also covered under the Act. The bill would increase the maximum age for protection from 65 to 70, effective January 1, 1979, except for delays in effective dates and exemptions noted below.

Collective Bargaining Agreements: If a collective bargaining agreement in effect on September 1, 1977, provides for the involuntary retirement of individuals over 65 years of age but less than 70, the effective date for prohibiting such involuntary retirement is delayed until the collective bargaining agreement expires, or until January 1, 1980, whichever comes *first*.

Tenured Professors: The bill permits the mandatory retirement of tenured college professors who are 65 years of age but less than 70 until July 1, 1982. At which time, the exemption expires automatically.

Executives and High Policymakers: The bill permits mandatory retirement between the ages of 65 and 70 of an individual who, for the two years before retirement, is employed in a bona fide executive or high policy-making position, if the individual is entitled to a pension from the employer of at least $27,000 a year. Conferees agreed that this exemption is meant to cover high-level employees with important executive duties.

Labor Department Study: The bill directs the Secretary of Labor to study and report to Congress and the President with recommendations on the impact of raising the upper age limit under ADEA to 70, the feasibility of increasing the limit further or abolishing it completely, and the effects of the tenured professor and executive employee exemption of this bill. This Secretary is to transmit an interim report by January 1, 1981, and a final report by January 1, 1982.

FEDERAL EMPLOYEES

The bill abolishes the present mandatory retirement age (70) for most federal employees, effective September 30, 1978, and establishes a minimum age of 40 for protection of federal employees under the Act. (Federal employees subject to another statutory retirement age would not be affected by the bill. This would include such groups as law enforcement and firefighting personnel, air traffic controllers, and Foreign Service personnel.)

The Civil Service Commission would be required to study and report to Congress and the President on the effect of these changes by January 1, 1980.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, I support this conference report which gives final approval to legislation which marks an important step in affirming and protecting the rights of older Americans. The compromise we have reached seeks to end mandatory retirement for most Federal employees and to add 5 years to the working lives of most employees in the private sector. I believe, however, that our vote today goes far beyond the specific mandates contained in the legislation. In a broader sense, we are revising a national policy that does violence to our sense of dignity, the rejection of capable men and women from the work force based on an arbitrary factor—age.

Though the concept of protecting elderly workers against involuntary retirement has been overwhelmingly approved by Members of the House and Senate, it has met with skepticism from various segments of the public who would have us believe that we are opening Pandora's box. It is true that we are lacking a solidly based analysis of the legislation's prospective economic impact. However, we do have some data which allows us to predict what the impact of this initiative will be.

One fear frequently expressed is that this change will have a chaotic effect on the ability of companies to plan for future trends in employment and retirement. I would like to point out that major firms which have abandoned mandatory retirement and continued to operate successfully testified before the Select Committee on Aging, of which I am a member. While I am aware that each company has unique features and requirements which dictate certain personnel practices, the successful experiences of these major firms cast doubt on the belief that putting an end to mandatory retirement will automatically disrupt a company's efforts to plan for the future. In fact, representatives of several firms which favor mandatory retirement testified that the impact of the proposed change on their companies could well be negligible.

Another concern which has been expressed is that our current high level of unemployment will be exacerbated by Federal efforts to curb mandatory retirement. Testimony presented before the Select Committee on Aging indicated that no study has evidenced on a case by case basis that the retirement of an elderly person was the direct cause of the employment of a younger person. In addition, economists agree that there is no revolving door in the labor force which insures the employment of a younger person when an older person is forced to retire. Further, statistical records indicate that mandatory retirement not only renders old people themselves unemployed, but, particularly in periods of economic contraction, it also suppresses employment opportunities both for the general population and even more for youth. According to Dr. Robert D. Gordon, each person's job actually creates jobs for other people.

These two issues of company planning and unemployment deserve more consideration. The truths and myths about mandatory retirement will be proved or refuted with empirical data. Thus, I am pleased that this legislation before us directs the Secretary of Labor to study the impact of the changes to be made in the age limit, the feasibility of raising or abolishing the limit completely, and the effects of the exemptions which are included.

Regardless of the still unanswered questions which we may have, any compelling arguments or fears which may be expressed against mandatory retirement must be balanced against the cost of this policy to the self-confidence, personal dignity, and productivity of elderly persons. The decision we make today will solidly affirm our belief in the importance of these basic human needs to the lives of older Americans.

Mr. QUIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Speaker, I thank the gentleman for yielding. I am pleased to rise in support of the conference report to accompany H.R. 5383, to extend the age of protection under the Age Discrimination In Emloyment Act of 1965. The outstanding performance of the conferees in representing the views of the House, resulted in the strongest possible legislation to reduce the incidence of mandatory retirement and age discrimination in employment.

Mr. Speaker, mandatory retirement policies in non-Federal employment will certainly be reduced by the provision which extends the age of protection from ages 40–65 to ages 40–70, for most em-

ployees in the private sector. This amendment to section 12 of the act will become effective on January 1, 1979.

Additional protection from age discrimination for workers up to the age of 70 is provided by clarifying section (4)(f)(2) to prevent seniority systems and employee benefit plans from requiring involuntary retirement. This provision is effective immediately upon enactment, except for employees covered by collective bargaining agreements, in effect on September 1, 1977. Collective bargaining agreements which mandate retirement, will be granted an extension until the termination of the agreement or on January 1, 1980, whichever occurs first. However, nonunion employee benefit plans are not granted this extension and must comply with the amendment to section (4)(f)(2) on the date of enactment.

The conference report allows compulsory retirement between the ages of 65 and 70 of an employee that holds a bona fide executive or high policymaking position for 2 years immediately prior to retirement, if the employee is entitled to an immediate nonforfeitable annual retirement benefit from pensions, profit-sharing, savings, or deferred compensation plans which equals, in aggregate, at least $27,000. In calculating the retirement income, the conference agreement excludes social security, employer contributions, and contributions of prior employers. In addition to this exception, the bill permits compulsory retirement of college and university faculty members between the ages of 65 and 70, who are serving under a contract or unlimited tenure. However, the conferees agreed to accept a House amendment that will repeal this exemption on July 1, 1982.

With regard to Federal employment, section 12 of the act will be amended to eliminate the present mandatory retirement age of 70 for most Federal employees and establish a minimum age of 40 for protection from age discrimination. This amendment to the act will become effective on September 30, 1978. Federal employees whose retirement is authorized by other statutes, such as law enforcement personnel, air traffic controllers and Foreign Service personnel, will not be affected by this amendment.

Mr. Speaker, I urge passage of the conference report on H.R. 5383, as a measure of equality of opportunity for those who wish to remain in the productive segment of our society, regardless of age. The arbitrary retirement of persons, solely on the basis of age, is no longer morally justifiable nor economically sound. The elimination of mandatory retirement policies, will, in my opinion, have only a negligible adverse effect upon present labor and management practices, as a limited number of persons are presently subjected to mandatory retirement policies and the growing trend within this group is toward early retirement.

Revisions in our present mandatory retirement policies are certainly warranted by demographic factors such as increased life expectancy and the growing proportion of persons 65 and over within the population.

In addition to the economic tragedy of mandatory retirement, the human and social consequences of ageism are immeasurable. Compulsory retirement may impair the physical and emotional health of those whose job represents a major source of status, creative satisfaction, social relationships and self-respect.

Mr. Speaker, adoption of the conference report to accompany H.R. 5383, will open the door of equality of opportunity and freedom of choice in employment for countless productive older citizens. The long awaited legislative reforms, embodied in H.R. 5383, will provide dignity, productivity, and security through continued employment opportunity for our present and future elderly populations.

Mr. QUIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of the conference report.

Many people have spoken of certain aspects of this conference report that they felt were compromised that shouldn't have been compromised, but I think it is a practical conference report, perhaps a lot more than we could have expected when we first passed this bill last year.

Therefore, Mr. Speaker, I want to compliment the conferees on that score, because I think it is a great advancement in our continued effort to eliminate discrimination based on age.

I think it is the dawn of a new day when I hope two things will eventually happen: one, that there will not be any legal difference between public-sector employment and private-sector employment affecting age discrimination; and two, that it will usher in the day when there will not be any discrimination based on age and, hence, no laws needed.

I think that these laws are a step in the direction of mainstreaming senior citizens. Unless we do that, then, of course, no law is any good because the end result has to be to keep senior citizens in the mainstream of society until their days on Earth are brought to an end.

Age discrimination with the result of segregating senior citizens from the mainstream of society is unjustifiable and must end; this report is a step in the direction of keeping senior citizens in the mainstream of society.

Mr. QUIE. Mr. Speaker, I thank the gentleman for his comments because some of the senior citizen programs that this Congress has established and that have been in operation have been probably some of the most outstanding in order to enable those individuals to live useful lives and continue their health, which can only occur when they have the rewards of doing something of value for their community. Certainly, being employed is one of the most valuable things for a community that there is.

Mr. HAWKINS. Mr. Speaker, I yield myself such time as a I may consume.

I would be remiss if I did not indicate that the conference report is actually the united work of four Members, two members of the committee and also two others, including the gentleman from Illinois (Mr. FINDLEY), the gentleman from New York (Mr. WEISS), and the gentleman from California (Mr. WAXMAN).

Obviously, Mr. Speaker, we should point out that the leadership over the years in this field belongs to that veteran colleague of ours, Senator PEPPER, and at this time I am very pleased to yield 5 minutes to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, as chairman of the House Select Committee on Aging and as one of the principal authors of H.R. 5383, I call upon my colleagues in the House to approve this important conference report.

Mr. Speaker, I would like to pay the highest tribute that I possibly can to the distinguished gentleman from California (Mr. HAWKINS), and to the distinguished chairman of the Education and Labor Committee, the gentleman from Kentucky (Mr. PERKINS) for the magnificent leadership they have given to this cause since it came to the House of Representatives. In the Committee on Education and Labor and in the conference committee, both gave magnificent leadership to the cause and brought forth to a large extent the conference report that we have today. Mr. HAWKINS has already commended our distinguished colleague from New York (Mr. WEISS), and I want to pay the highest compliment to my coauthor, the gentleman from Illinois, Mr. PAUL FINDLEY. In addition, I would like to thank the entire Membership of our Aging Committee, particularly the committee's ranking Democrat, Mr. ROYBAL, and its ranking minority member, Mr. WAMPLER, who worked so hard toward enactment of this legislation.

Mr. Speaker, next to the sentiments of patriotism and to the instincts of honor, I know of no sentiment more deeply embedded in the American heart than the sentiment of fairness; fairness in every aspect of our national life. Today, we are implementing in a great way that principle of fairness to the older people of this country. We are stripping them of what has heretofore been the onerous burden of obsolete experience, or of unjustified prejudice in displacing them from their work in life because they happened to achieve a certain day on the calendar of time.

We know, Mr. Speaker, that time is not the criteria of competence, of an individual's ability to do creditably a job with which he and she has long been associated. And so today, by the passage of the conference report, and when the Senate shall adopt it, as they at an early date will, and when the President will have signed it, as we are sure he will be delighted to do, there will be lifted from the hearts of the elderly people of this country the fear, the unhappy knowledge, that if they are healthy and they survive to 65 years of age, no matter how qualified they are, they will be discharged from the performance of their jobs and be left to wander in the labor market, where there are no jobs ordinarily for people of that age. Now, they can aid the social security system under the law by staying on in their accustomed employment. They

can contribute to the growth and the productivity of our country. They can enjoy a new satisfaction in life, because they will feel that they have something to do in this world. They have not come to the end of their illustrious ways.

Mr. Speaker, in many an elderly heart all over America, when this bill becomes law, there will come back a new spirit of youth, a new vitality, because their Congress, with the strong approval of their fellow countrymen, has adjudged that they have work to do; that they are needed; that their experience is valuable; their competence is required, and that they too have a right to enjoy all the blessings of this wonderful land of ours.

We wish the other body had not insisted upon their exemptions, but we tempered those exemptions with modifications. For example, they wanted to exempt the tenured professors permanently. We limited that to July 1, 1982.

Similarly, they wanted all people whose annual pensions (minus social security) exceeded $20,000 to be exempt. We were able to raise that amount to $27,000 and otherwise narrow the class of employees exempted by the original Senate amendment. I would like to make absolutely clear, as the manager's report states that—

> An employee will not be eligible for compulsory retirement solely because he or she meets the retirement income test. The employee must also meet the definition of bona fide executive or high policymaker contained in the manager's report. This limitation will become especially important in the coming years, as inflation would otherwise bring more and more employees into the exempted group if the test were based solely on their pension incomes.

These restrictive definitions are consistent with the description given by Senator PELL in offering his original amendment. On the Senate floor, Mr. PELL repeatedly described this provision as "a very narrow amendment," applying only to "the topmost levels of corporate decisionmaking" affecting "a very small fraction of any company's work force, and even a very small fraction of its executive personnel * * *."

The conference report also addresses a recent Supreme Court decision in the case of McMann against United Airlines. That decision, issued December 12, 1978, permitted early forced retirement under a pension plan predating 1967. H.R. 5383 reaffirms that this was not the intent of Congress or the statute and that pension plan provisions requiring mandatory retirement that were in effect prior to the date of enactment are not exempt by virtue of the fact that they antedate the act or these amendments to it. This provision will insure that millions of competent workers are not exposed to the threat of forced retirement before age 65.

The exception under section 4(f)(2) of the act is just that—an exception—and as such must be viewed in the narrowest sense. The stated purpose of the act is "to promote employment of older persons passed on their ability rather than age (and) to prohibit arbitrary age discrimination in employment."

For example, employers may offer health and life insurance benefits to older workers that are different from those for other employees. The original reason for this exception was to promote the hiring of older persons. Passage of this act should not be construed by any employer, or any court, to permit the sudden, total and unilateral termination of a capable and healthy worker from a health, insurance or other welfare benefit plan solely on the basis of age and without full economic justification.

The ending of mandatory retirement for all but a few Federal workers is one of the most significant aspects of this legislation. Beginning with those employees turning 70 in September 1978, the Federal Government will be established as a model employer which will use competence, not age, to determine whether a person should retain a job. I am confident that this experiment will demonstrate the desirability of a complete ban on mandatory retirement in the private sector.

As one who looks forward to the day when there will be no discrimination at any age, I will continue to fight toward that end. The day after the President signs this bill into law, I will introduce new legislation to abolish all exemptions and end all age-based compulsory retirement.

Ending mandatory retirement is a bipartisan issue as is evident from the positions of both President Carter and the Republican National Platform on this issue. President Carter has said:

> We need to change the laws and policies that force retirement on older people who are willing and able to work.

The 1976 Republican National Platform declared:

> We favor the abolition of arbitrary age levels for mandatory retirement.

Our own House Select Committee on Aging has unanimously recommended that—

> Legislation to eliminate the upper age limit in the Age Discrimination in Employment Act of 1967 and to end mandatory retirement solely because of age should be enacted as soon as possible.

In fact, a committee report documenting this recommendation shows that outlawing involuntary age-based retirement would not stigmatize older workers, would not demoralize younger workers, would not traumatize supervisors or clog promotional channels with doddering incompetents, would not reduce productivity or jeopardize the financial security of retirees. Our Aging Committee has examined the arguments for and against mandatory retirement and concluded that many of the arguments for mandatory retirement are based on "myth not fact." Mandatory retirement is simply a euphemism which masks the cruelty of age discrimination and forced unemployment.

In addition to our study, studies by the Department of Labor, the Harvard School of Public Health, the National Council on Aging and the New York State Division of Human Rights, sustain the conclusion that in the areas of punctuality, on the job safety, attendance, and work performance, workers over 65, in general are equal to or better than younger workers. The Labor Department, in fact, notes that overall there is a greater discrepancy in work productivity within age groups than between age groups.

We all know the gallant instances in history of those who have achieved great distinction although of an advanced age: Sophocles of the distant past and Winston Churchill and Eisenhower of the recent past. We know also in our hearings a little bit ago that we had an illustrious roster of outstanding Americans over 70 years of age: Averell Harriman, Tom Corcoran, Ruth Gordon, Will Geer, Colonel Sanders of Kentucky Fried Chicken fame, John Wayne, and Bob Hope to mention only a few.

All we are asking, Mr. Speaker, is that an elderly person has the option either to retire at an early age when it is permissible or to continue to work, not being arbitrarily shunted off into the sidelines to be forgotten, neglected, and to die.

Now, Mr. Speaker, this bill will not only benefit the elderly, it will be constructive for American enterprise and business. It will help our social security system by relieving it of a drain of $600 to $700 million a year, it is estimated.

This bill marks a great day forward for America in the recognition of human rights around the world. Now we are beginning to practice that principle more completely at home, in this proposed legislation.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WEISS), the author of one of the bills which is consolidated as part of this report.

Mr. WEISS. Mr. Speaker, I want to pay my deepest compliments to the chairman of the Subcommittee on Economic Opportunities for his patience and perseverance and wisdom which allowed us to arrive at a conference report of which for the most part we can be proud.

Also I want to pay my deepest respects to our colleague, the gentleman from California (Mr. WAXMAN), who coauthored with me the provisions of this legislation which correct one of the most blatant distortions which crept into the law over the last 10 years with respect to section 4(f)(2).

Mr. Speaker, since 1967, the Age Discrimination in Employment Act (ADEA) has served to protect the employment rights of Americans age 40 to 65. The amendments to this act, to which we give final legislative approval today, both expand coverage under the ADEA as well as clarify a major loophole in the existing law. It is the second function of this legislation to which I would like to address my remarks.

The original ADEA provides for three exceptions for coverage under its provisions. Section 4(f)(1) of the ADEA exempts situations in which age is a "bona fide occupation exception reasonably necessary to the normal operation of the particular business"; this is generally meant to exclude so-called hazardous occupations from the provisions of the act.

Section 4(f)(3) states that older workers can be discharged for good cause. While there is universal acceptance of these two provisions, the third exception, section 4(f)(2), has been subject to a variety of interpretations including, most recently, that of the Supreme Court in the case of *McMann* v. *United Airlines*, (98 S. Ct. 244 (1977). It is the purpose of this legislation to clarify any misinterpretation of section 4(f)(2).

Section 4(f)(2) in its original form states the following:

It shall not be unlawful for an employer, employment agency, or labor organization—

To observe the terms of a bona fide seniority system or any bona fide employee benefit plan such as retirement, pension, or insurance plan which is not a subterfuge to evade the purposes of this act, except that no such employee benefit plan shall excuse the failure to hire any individual.

The original purpose of this exception was to facilitate the hiring of older workers without necessarily having to incorporate them fully into seniority or pension benefit plans.

Unfortunately, some employees have interpreted section 4(f)(2) as permitting mandated early retirement as long as such a requirement is included in the terms of a seniority or pension plan; under this interpretation an employer could mandate forced early retirement prior to the permissible age of this act by simply including such a provision in the employee's benefit package.

To remedy this situation, during subcommittee consideration of H.R. 5383, I introduced an amendment—based on legislation which Representative HENRY WAXMAN and I introduced in April, 1977—which closes the loophole in the existing section 4(f)(2). The amendment clarifies this section by adding the following clause to it:

* * * and except that the involuntary retirement of any employee shall not be required or permitted by any such seniority system or any such employee benefit plan because of the age of such employee.

The net effect of this amendment is to prohibit mandated early retirement provisions prior to the age of coverage of the ADEA in the terms of retirement, pension, or insurance plans.

It should be noted that it is not the intention of this amendment to have older workers cut off from their health and benefit plans the day they reach age 65. While employers, under this section, may not be required to fully integrate older workers into their seniority and pension benefit plans, they should not interpret the 1977 amendments to the ADEA as a license to cease to provide reasonable benefits to their older employees.

A second amendment which I proposed and which is part of this legislation permits seniority systems and pension plans under existing collectively bargained contracts to retain a mandatory retirement provision for workers age 65 and older for the duration of the contract or 2 years which ever first occurs. It will not be permissible for labor and management, however, to enter into new contracts which would force early retirement.

There has been increased attention focused on section 4(f)(2) in light of the Supreme Court ruling in the McMann case. Again, my amendment to section 4(f)(2) makes clear that the section does not allow an employer to require or permit the involuntary retirement of an employee within the protected age group. In reversing a decision reached by the fourth circuit court of appeals (542 f.2d 217 (1976)), the Supreme Court upheld a plan which was established before the enactment of the ADEA and which required the retirement of all participants at age 60; participation in that plan was voluntary, not compulsory.

As a result of the amendment to section 4(f)(2), the plan in the McMann case would no longer qualify as an exception to the ADEA. Under this amendment—contrary to the Supreme Court's rationale—a provision in a pension or seniority plan which would mandate early retirement would be unlawful regardless of whether the plan came into effect before or after the enactment of the ADEA or these amendments.

It is important to note that the plan in the McMann case did not leave the employer the option of deciding to force participants to retire; the employer was required to retire every plan participant at age 60, where the employer has an option, the plan is clearly unlawful even under the McMann decision rationale, since the decision to force an employee to retire would have to be made after the enactment of the ADEA.

The effect of these amendments will be both immediate and widespread, according to an analysis of forced retirement provision in pension plans made available by the Department of Labor, some 2 million Americans are currently subject to pension plans which give the employer the complete option to retire qualified workers prior to age 65. These workers will be protected upon enactment of this legislation. Workers over 65 will be protected by this clarification of section 4(f)(2) upon the effective date of this legislation, January 1, 1979.

I am pleased that my amendments are a major component of this legislation.

Although this legislation represents a significant advance in the way in which Americans will view older workers in the labor market, I must take exception to the two exemptions concerning tenured professors and highly compensated executives which were proposed in the Senate amendment to H.R. 5383 and which in a modified version were accepted by the conferees.

I am vigorously opposed to exemptions based on occupation and I voiced this opposition when the House conferees initially confronted this issue. In fact, the entire conference was stalled for a period of 5 months in an attempt to arrive at a compromise between the House position of no exemptions and the Senate position which called for permanent exemptions for tenured faculty members and for highly compensated executives with pension incomes of $20,000 per year. While the compromise agreed upon by the majority of the conferees is somewhat less onerous—it calls for a phaseout of the tenured professors exemption on June 30, 1982, and for a permanent exemption for executives with pension incomes of $27,000—it is no more logical than the original Senate proposal; the legislation as amended by these exemptions advocates an advance in the way in which society views the contributions of all workers age 65 to 70 as long as they are not tenured faculty members or are entitled to receive pension benefits of $27,000 a year or greater.

While my opinion of the exemptions ultimately was not shared by a majority of my colleagues on the conference committee, I am hopeful that this legislation, H.R. 5383, will provide the impetus to the elimination of all mandatory retirement provisions in our laws and that in the future the Congress will not burden what is essentially progressive and needed legislation with exemptions which are based upon occupational status or any other consideration.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I rise in support of the Conference Report on the Age Discrimination in Employment Act amendments. Final passage of the conference report will strike a major blow against age discrimination and for the rights of older Americans.

The ADEA amendments abolish compulsory retirement for most Federal workers and raise the mandatory retirement age for non-Federal workers from 65 to 70. My only regret is that the legislation is not stronger. As a strong supporter of the House bill passed last September, I was disappointed at the Senate's insistence on exempting tenured college professors and certain high level executives from the bill's protections.

The conference agreement provides that persons between the ages of 65 and 70, who for 2 years prior to retirement are employed as executives or in high-level profession capacities, and who have an annual retirement income exceeding $27,000, will remain subject to compulsory retirement. Similarly, college professors between the age of 65 and 70 will remain subject to mandatory retirement requirements until July 1, 1982. Both concessions are unjustified and regretable but I am pleased House conferees were successful in narrowing the scope of the Senate's exceptions.

LEGISLATIVE INTENT OF 4(f)(2)

As an original cosponsor of H.R. 6798, I am particularly pleased to see section 4(f)(2) of the Age Discrimination in Employment Act clarified. The confusion surrounding the original intent of Congress has lead to the involuntary retirement of workers prior to age 65. H.R. 6798, provisions of which were incorporated in H.R. 5383, sought to correct the misuse of this exception.

The purpose of the Age Discrimination in Employment Act was to "promote em-

ployment of older persons based on their ability rather than age; to prohibit arbitary age discrimination in employment; to help employers and workers find ways of meeting problems arising from the impact of age on employment."

A study of the legislative history surrounding the 4(f)(2) exception reflects the intention that it further and encourage the employment of older workers. Congress feared that requiring participation of older workers in benefit plans would discourage employment of newly hired older workers.

The conference report clarifies any doubt surrounding the intent of the exception and specifically disagrees with the finding of the Supreme Court in *McMann* v. *United States* (98 S. Ct. 244 1977). The agreement prohibits mandatory retirement for persons under age 70 enrolled in a bona fide retirement or pension plan. Plan provisions in effect prior to the date of enactment are not exempt under section 4(f)(2) by virtue of the fact that they antedate the act. One exception to this prohibition would be persons between 65 and 70 subject to a collective bargaining agreement in effect prior to September 1, 1977.

Such persons would be exempt from the bill's protections until the collective bargaining agreement expires or until January 1, 1980—whichever comes first. It has come to my attention that there is some concern that employers may seek to evade the restrictions of 4(f)(2) by reducing or eliminating welfare benefits to employees over 65. It is argued that this practice may be justified, as health insurance and other benefits are sufficiently more costly for workers between 65 and 70.

I am hopeful, however, that employers do not terminate capable and healthy older workers from benefit plans solely on the basis of age. In the absence of actuarial data which clearly demonstrates that the costs of this service are uniquely burdensome to the employer, such a policy constitutes discrimination and a conscious effort to evade the purposes of the act.

While the conference committee did not specifically address the status of health benefits to older workers protected under this act, it is the intent of this Congress to prevent both open and subtle forms of age discrimination. Exceptions should only be applied in the strictest sense and only with full justification and cause.

PRAISE TO CONGRESSIONAL LEADERS

While enactment of this legislation was the combined work of many, I would like to take a moment to recognize three of our colleagues who deserve special praise.

Passage of the ADEA amendments will stand as a testimonial not only to the capabilities of older Americans but as a badge of distinction to one Member who has labored tirelessly against the pervasive practice of age discrimination. Our colleague from Florida, CLAUDE PEPPER, has throughout his distinguished career served as a workhorse and champion of older Americans.

As chairman of the House Select Committee on Aging, CLAUDE PEPPER has provided the impetus and inspiration for a more enlightened attitude toward aging. In every sense, Senator PEPPER is the dean-emeritus of the struggle of older Americans for human rights.

It certainly should not come as a surprise that the force behind the swift consideration of this legislation is my good friend and fellow Californian AUGUSTUS HAWKINS. The distinguished chairman of the Employment Opportunities Subcommittee is always at the forefront of employment legislation and his masterful handling of this issue is a credit to his compassion and sensitivity to the concerns of older Americans.

TED WEISS, a primary cosponsor of H.R. 6788 and a member of both the Employment Opportunities Subcommittee and Select Committee on Aging deserves praise for his yeomen job in advocating so effectively the need for clarifying 4(f)(2) as well as his support for this needed legislation. Although only in his first term, our colleague from New York has distinguished himself as a most capable champion of the elderly and the disadvantaged.

Congressmen PEPPER, HAWKINS, and WEISS deserve special praise for the vigor and enthusiasm they marshalled in support of this legislation. The enactment of the ADEA amendments into law represent a most deserved change in public attitudes toward aging.

Mr. Chairman, I applaud the passage of the conference report and urge its swift adoption.

Mr. HAWKINS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Speaker, as a member of the Committee on Aging and coauthor of the bill, I would like to pay the highest compliment to the gentleman from Florida (Mr. PEPPER) not only for the way he insisted that members of the committee provide for the investigation necessary but also made it mandatory in this bill.

But I compliment the gentleman for the very excellent job that he did in seeing to it that it was actually "greased" through the House of Representatives. I use the words "greased through the House of Representatives" because it is a term that I feel should sometimes be used when expertise is applied. I think the gentleman from Florida (Mr. PEPPER) demonstrates the fact that he has vast experience in the field of legislation. He had it in the Senate of the United States and he has it in the House of Representatives. He demonstrated that vast experience when this bill finally reached the stage in which it is today.

May I also compliment the members of the Conference Committee for they have done a tremendous job. This bill is the result of a great deal of effort on the part of every member of the Select Committee on Aging. I also can say that it is the culmination of the combined efforts of Members of the House of Representatives where there was only one vote cast against it at the time it was passed. This means that every Member of this House, in a united manner, is in favor of this legislation.

This is a piece of legislation that I believe to be historic. I believe that this is the day when history will be made in making available opportunity to everyone regardless of their age. This should have come about a long time ago. I am glad that my colleague, the gentleman from Florida (Mr. PEPPER) is the one that started it, is the one that has advanced it and is the one today who has witnessed the day when the legislation has been passed.

Ms. OAKAR. Mr. Speaker, I rise in support of the conference report on the Age Discrimination in Employment Act Amendments of 1978. The Select Committee on Aging, of which I am a member, held numerous hearings including those in my district on the effects of mandatory retirement on those who wanted to work, and yet had to leave their job at the age of 65.

The trend today is to mandate retirement at age 65, and in some cases much earlier. While many people do want to retire, a number of people do not. For instance, in a 1974 survey of 8.8 million male workers of which 4.2 million were subject to termination of their jobs solely on the basis of age, over a quarter of these 4.2 million wanted to work past the retirement age. Another survey which sampled the views and experiences of 224,000 working women revealed that about 50 percent of the married women in this survey wanted to remain employed beyond the compulsory retirement age, and 75 percent of the unmarried women expressed the same desire. All of these people were able to work.

We are all well aware that age is no longer an accurate measure of a person's ability to be a productive worker. In addition, there is no evidence that a person's skills suddenly decline. In addition there is no proof that 65 is the "magical age" for retirement, because people do not decline in skills at the same rate.

The American Medical Association has given us specific evidence that arbitrary retirement and denial of opportunity to work is a prime factor in the health deterioration of many retired persons. Also a large number of older workers who are forced to retire lose their self-confidence, personal dignity, and ability to be productive.

Supporters of mandatory retirement argue that it is necessary in order to give younger workers an opportunity for employment and upward mobility. Statistical records, however, indicate that this is quite to the contrary. Mandatory retirement not only renders older people themselves unemployed, it also suppresses employment opportunity for the general population and even more for the youth. Advancement by "stepping up the ladder" destroys crossover opportunities in the job market. We hear that workers are retiring earlier and in greater numbers than ever before, yet we have an unemployment rate hovering at 7 percent or higher. Women and minorities are among those who suffer the most at a time of high unemployment and they do not benefit from forced retirements.

The public believes that "nobody should be forced to retire, because of age if he or she wants to continue working and is still able to do a good job." This was revealed in the Harris survey con-

ducted in 1975 for the National Council on Aging. The survey also revealed that only 37 percent of the hiring and firing decisionmakers feel a fixed retirement age for everyone makes sense.

Mr. Speaker, this is landmark legislation that we are voting on here today. We are finally coming to grips with one of the last vestiges of discrimination—discrimination because of age. We have a long way to go before we eliminate this insidious kind of discrimination, but these Amendments to the Age Discrimination in Employment Act that we are considering today are an excellent beginning.

Mr. HAWKINS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MEEDS). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ALLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 391, nays 6, not voting 37, as follows:

[Roll No. 175]

YEAS—391

Abdnor	Buchanan	Dicks
Addabbo	Burgener	Dingell
Alexander	Burke, Calif.	Dodd
Allen	Burke, Fla.	Dornan
Ambro	Burke, Mass.	Downey
Ammerman	Burleson, Tex.	Drinan
Anderson, Calif.	Burlison, Mo.	Duncan, Oreg.
	Burton, John	Duncan, Tenn.
Andrews, N.C.	Burton, Phillip	Early
Andrews, N. Dak.	Butler	Eckhardt
	Byron	Edgar
Applegate	Caputo	Edwards, Ala.
Archer	Carney	Edwards, Calif.
Armstrong	Carr	Edwards, Okla.
Ashbrook	Carter	Eilberg
Ashley	Cavanaugh	Emery
Aspin	Cederberg	English
AuCoin	Chappell	Ertel
Badham	Chisholm	Evans, Colo.
Bafalis	Clausen, Don H.	Evans, Del.
Baldus		Evans, Ga.
Barnard	Clawson, Del	Evans, Ind.
Baucus	Clay	Fascell
Bauman	Cleveland	Fenwick
Beard, R.I.	Cochran	Fish
Beard, Tenn.	Cohen	Fisher
Bellenson	Coleman	Fithian
Benjamin	Collins, Tex.	Flippo
Bennett	Conable	Florio
Bevill	Conte	Flowers
Biaggi	Conyers	Flynt
Bingham	Corcoran	Foley
Blanchard	Corman	Ford, Mich.
Blouin	Cornell	Ford, Tenn.
Boggs	Cornwell	Forsythe
Boland	Cotter	Fountain
Bolling	Coughlin	Fowler
Bonior	Crane	Fuqua
Bonker	Cunningham	Gammage
Bowen	D'Amours	Garcia
Brademas	Daniel, Dan	Gaydos
Breaux	Daniel, R. W.	Giaimo
Breckinridge	Danielson	Gibbons
Brinkley	Davis	Gilman
Brodhead	de la Garza	Ginn
Brooks	Delaney	Glickman
Broomfield	Dent	Goldwater
Brown, Calif.	Derrick	Gonzalez
Brown, Mich.	Derwinski	Gore
Brown, Ohio	Devine	Gradison
Broyhill	Dickinson	Grassley
Green	Mann	Roybal
Gudger	Markey	Rudd
Guyer	Marks	Runnels
Hagedorn	Marlenee	Ruppe
Hall	Marriott	Russo
Hamilton	Mathis	Santini
Hanley	Mattox	Satterfield
Hannaford	Mazzoli	Sawyer
Hansen	Meeds	Schroeder
Harkin	Meyner	Schulze
Harrington	Michel	Sebelius
Harris	Mikulski	Seiberling
Harsha	Mikva	Sharp
Hawkins	Milford	Shuster
Heckler	Miller, Calif.	Sikes
Hefner	Miller, Ohio	Simon
Heftel	Mineta	Sisk
Hightower	Minish	Skelton
Hillis	Mitchell, Md.	Skubitz
Hollenbeck	Mitchell, N.Y.	Slack
Holt	Moakley	Smith, Iowa
Holtzman	Moffett	Smith, Nebr.
Horton	Mollohan	Snyder
Howard	Montgomery	Solarz
Hubbard	Moore	Spellman
Huckaby	Moorhead, Calif.	Spence
Hughes		St Germain
Hyde	Moorhead, Pa.	Stangeland
Ichord	Moss	Stanton
Ireland	Motti	Stark
Jacobs	Murphy, Ill.	Steed
Jeffords	Murphy, Pa.	Steers
Jenkins	Murtha	Steiger
Jenrette	Myers, John	Stockman
Johnson, Calif.	Natcher	Stokes
Johnson, Colo.	Neal	Stratton
Jones, N.C.	Nedzi	Studds
Jones, Okla.	Nichols	Stump
Jones, Tenn.	Nix	Symms
Jordan	Nolan	Taylor
Kasten	Nowak	Thompson
Kastenmeier	Oakar	Thone
Kazen	Oberstar	Traxler
Kelly	Obey	Treen
Kemp	Ottinger	Trible
Ketchum	Panetta	Tsongas
Keys	Patten	Ullman
Kildee	Patterson	Van Deerlin
Kindness	Pease	Vander Jagt
Kostmayer	Pepper	Vanik
Krebs	Perkins	Vento
Krueger	Pettis	Volkmer
LaFalce	Pickle	Walgren
Lagomarsino	Pike	Walker
Latta	Poage	Walsh
Le Fante	Pressler	Wampler
Leach	Preyer	Watkins
Leggett	Price	Waxman
Lehman	Pritchard	Weaver
Lent	Pursell	Weiss
Levitas	Quayle	Whalen
Livingston	Quie	White
Lloyd, Calif.	Quillen	Whitehurst
Lloyd, Tenn.	Rahall	Whitten
Long, La.	Railsback	Wiggins
Long, Md.	Rangel	Wilson, Bob
Lott	Regula	Wilson, C. H.
Lujan	Reuss	Winn
Luken	Rhodes	Wirth
Lundine	Richmond	Wolff
McClory	Rinaldo	Wright
McCloskey	Roberts	Wydler
McCormack	Robinson	Wylie
McDade	Rodino	Yates
McDonald	Roe	Yatron
McEwen	Rogers	Young, Alaska
McFall	Roncalio	Young, Fla.
McHugh	Rooney	Young, Mo.
McKay	Rose	Young, Tex.
Maguire	Rosenthal	Zablocki
Mahon	Rousselot	

NAYS—6

Bedell	Gephardt	Pattison
Frenzel	Myers, Gary	Waggonner

NOT VOTING—37

Akaka	Hammer-schmidt	Ryan
Anderson, Ill.		Sarasin
Annunzio	Holland	Scheuer
Collins, Ill.	Lederer	Shipley
Dellums	McKinney	Staggers
Diggs	Madigan	Teague
Erlenborn	Martin	Thornton
Fary	Metcalfe	Tucker
Findley	Murphy, N.Y.	Udall
Flood	Myers, Michael	Whitley
Fraser	O'Brien	Wilson, Tex.
Frey	Risenhoover	Zeferetti
Goodling	Rostenkowski	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Anderson of Illinois.

Mr. Akaka with Mr. Tucker.

Mr. Shipley with Mr. Martin.

Mr. Metcalfe with Mr. Goodling.

Mrs. Collins of Illinois with Mr. Fraser.

Mr. Staggers with Mr. Erlenborn.

Mr. Teague with Mr. O'Brien.

Mr. Lederer with Mr. Ryan.

Mr. Diggs with Mr. Holland.

Mr. Dellums with Mr. Findley.

Mr. Fary with Mr. Madigan.

Mr. Flood with Mr. Hammerschmidt.

Mr. Rostenkowski with Mr. Murphy of New York.

Mr. Risenhoover with Mr. McKinney.

Mr. Whitley with Mr. Sarasin.

Mr. Zeferetti with Mr. Michael O. Myers.

Mr. Scheuer with Mr. Thornton.

Mr. Charles Wilson of Texas with Mr. Udall.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. MARTIN. Mr. Speaker, during consideration of the conference report on the bill H.R. 5383, the Age Discrimination in Employment Act, I took part in the debate and waited to vote and intended to vote and thought that I had voted. The electronic recording device thought otherwise and recorded me as not voting.

I take this opportunity to make a compensating statement that I support this bill and, except for some inadvertent unexplainable discrepancy either within or beyond my control, fully intended to vote for the bill, and am pleased that it passed by an overwhelming margin.

PERMISSION FOR SUBCOMMITTEE ON COMPENSATION, HEALTH, AND SAFETY OF COMMITTEE ON EDUCATION AND LABOR TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Compensation, Health, and Safety of the Committee on Education and Labor may be permitted to sit tomorrow during the 5-minute rule.

Mr. Speaker, I checked this out with the highest ranking minority member on the subcommittee, the gentleman from Pennsylvania (Mr. SHUSTER).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

POSTAL SERVICE ACT OF 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7700) to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CHARLES H. WILSON).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 364, nays 2, answered "present" 1, not voting 67, as follows:

[Roll No. 176]

YEAS—364

Abdnor	Carter	Flippo
Addabbo	Cavanaugh	Florio
Alexander	Cederberg	Flowers
Allen	Chappell	Flynt
Ambro	Chisholm	Ford, Mich.
Ammerman	Clausen, Don H.	Ford, Tenn.
Anderson, Calif.	Clay	Forsythe
Andrews, N.C.	Cleveland	Fountain
Andrews, N. Dak.	Cochran	Fowler
Applegate	Coleman	Fuqua
Archer	Conable	Gammage
Armstrong	Conte	Garcia
Ashbrook	Conyers	Gaydos
Ashley	Corcoran	Gephardt
Aspin	Corman	Gibbons
AuCoin	Cornell	Gilman
Badham	Cornwell	Ginn
Bafalis	Cotter	Glickman
Baldus	Crane	Goldwater
Barnard	Cunningham	Gonzalez
Baucus	D'Amours	Gore
Bauman	Daniel, R. W.	Gradison
Beard, R.I.	Danielson	Grassley
Bedell	Davis	Green
Beilenson	de la Garza	Gudger
Benjamin	Delaney	Guyer
Bennett	Derrick	Hagedorn
Bevill	Derwinski	Hall
Biaggi	Devine	Hamilton
Blanchard	Dickinson	Hammer-schmidt
Boland	Dicks	Hanley
Bolling	Dingell	Hannaford
Bonior	Dodd	Hansen
Bonker	Dornan	Harkin
Bowen	Downey	Harrington
Brademas	Drinan	Harris
Breaux	Duncan, Tenn.	Harsha
Breckinridge	Early	Hawkins
Brinkley	Eckhardt	Heckler
Brodhead	Edgar	Hefner
Brooks	Edwards, Ala.	Heftel
Brown, Mich.	Edwards, Calif.	Hightower
Brown, Ohio	Edwards, Okla.	Hillis
Broyhill	Eilberg	Hollenbeck
Buchanan	Emery	Holt
Burgener	English	Holtzman
Burke, Calif.	Ertel	Horton
Burke, Fla.	Evans, Colo.	Howard
Burke, Mass.	Evans, Del.	Hubbard
Burleson, Tex.	Evans, Ga.	Huckaby
Burlison, Mo.	Evans, Ind.	Hughes
Burton, John	Fary	Ichord
Byron	Fascell	Ireland
Caputo	Fenwick	Jacobs
Carney	Fish	Jeffords
Carr	Fisher	Jenkins
	Fithian	Jenrette
Johnson, Calif.	Montgomery	Sharp
Johnson, Colo.	Moore	Shuster
Jones, N.C.	Moorhead, Calif.	Sikes
Jones, Okla.	Moorhead, Pa.	Simon
Jones, Tenn.	Mottl	Skelton
Jordan	Murphy, Ill.	Skubitz
Kasten	Murphy, N.Y.	Slack
Kastenmeier	Murphy, Pa.	Smith, Iowa
Kazen	Murtha	Smith, Nebr.
Kelly	Myers, Gary	Snyder
Kemp	Myers, John	Spellman
Ketchum	Natcher	Spence
Keys	Nedzi	St Germain
Kildee	Nix	Staggers
Kostmayer	Nolan	Stangeland
Krebs	Nowak	Stanton
Krueger	Oakar	Stark
LaFalce	Oberstar	Steed
Lagomarsino	Obey	Steers
Latta	Ottinger	Steiger
Le Fante	Panetta	Stockman
Leach	Patten	Stokes
Leggett	Pattison	Stratton
Lent	Pease	Studds
Levitas	Pepper	Stump
Livingston	Perkins	Symms
Lloyd, Calif	Pettis	Taylor
Lloyd, Tenn.	Pickle	Thompson
Long, La.	Pike	Thone
Long, Md.	Poage	Traxler
Lott	Preyer	Treen
Lujan	Price	Trible
Luken	Quayle	Tsongas
Lundine	Quie	Udall
McClory	Quillen	Ullman
McCloskey	Rahall	Van Deerlin
McCormack	Railsback	Vander Jagt
McDade	Rangel	Vanik
McDonald	Regula	Volkmer
McEwen	Reuss	Waggonner
McFall	Rhodes	Walgren
McKay	Richmond	Walker
Maguire	Rinaldo	Walsh
Mahon	Roberts	Wampler
Mann	Robinson	Watkins
Markey	Rodino	Weaver
Marlenee	Roe	Weiss
Marriott	Rogers	Whalen
Martin	Roncalio	White
Mathis	Rooney	Whitehurst
Mattox	Rose	Whitten
Mazzoli	Rousselot	Wiggins
Meeds	Roybal	Wilson, C. H.
Meyner	Rudd	Winn
Michel	Runnels	Wirth
Mikulski	Ruppe	Wright
Milford	Russo	Wydler
Miller, Ohio	Santini	Wylie
Mineta	Satterfield	Yates
Minish	Sawyer	Yatron
Mitchell, Md.	Schroeder	Young, Alaska
Mitchell, N.Y.	Schulze	Young, Fla.
Moakley	Sebelius	Young, Mo.
Moffett	Seiberling	Young, Tex.
Mollohan		Zeferetti

NAYS—2

Collins, Tex.	Wilson, Bob

ANSWERED "PRESENT"—1

Nichols

NOT VOTING—67

Akaka	Foley	Pressler
Anderson, Ill.	Fraser	Pritchard
Annunzio	Frenzel	Pursell
Beard, Tenn.	Frey	Risenhoover
Bingham	Giaimo	Rosenthal
Blouin	Goodling	Rostenkowski
Boggs	Holland	Ryan
Broomfield	Hyde	Sarasin
Brown, Calif.	Kindness	Scheuer
Burton, Phillip	Lederer	Shipley
Butler	Lehman	Sisk
Clawson, Del	McHugh	Solarz
Cohen	McKinney	Teague
Collins, Ill.	Madigan	Thornton
Coughlin	Marks	Tucker
Daniel, Dan	Metcalfe	Vento
Dellums	Mikva	Waxman
Dent	Miller, Calif.	Whitley
Diggs	Moss	Wilson, Tex.
Duncan, Oreg.	Myers, Michael	Wolff
Erlenborn	Neal	Zablocki
Findley	O'Brien	
Flood	Patterson	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7700, with Mr. PATTISON of New York in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, March 20, 1978, all time for general debate had expired and pending was the amendment in the nature of a substitute offered by the gentleman from New York (Mr. HANLEY), which was being read by sections as an original bill for the purpose of amendment. The Clerk had begun reading section 2 and had read down to line 5 on page 4.

The Clerk will continue the reading of section 2.

The Clerk read as follows:

"(3) The remaining costs not attributed under paragraph (2) of this subsection shall be apportioned, after deducting an estimated amount for public service appropriations, among each class or subclass of mail or type of service as a revenue burden on the basis of—

"(A) the quality and character of the mail service provided to both the sender and the recipient, including collection, speed of transmission, privacy, and priority of handling and delivery;

"(B) the effect of the proposed rates on the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;

"(C) the available alternative means of sending and receiving letters and other mail matter at reasonable costs;

"(D) the educational, cultural, scientific, and informational benefit of the mail matter to the Nation; and

"(E) the relative demand for each class or subclass of mail or type of mail service.".

(c) Section 3626(a)(1) of title 39, United States Code, is amended by inserting before the semicolon a comma and the following: "as may be reduced under section 3622(b)(2) of this title".

(d) Section 3626(a)(2) of title 39, United States Code, is amended to read as follows:

"(2) the rates for mail matter under former sections 4359, 4421, 4422, and 4554(a) shall be equal, on and after the first day of the eighth year following the effective date of the first rate decision applicable to that class or kind, to the rates which would have been in effect for such mail if this subsection had not been enacted; except that revenues received from rates for not more than 250,000 pieces of each issue of a publication under former sections 4359, 4421, and 4422 which do not qualify to be mailed at a reduced per piece rate based on a 5-digit ZIP code sortation established pursuant to the proceedings in Postal Rate Commission Docket Numbered R77-1 shall not, on and after the first day of the eighth year following the effective date of the first rate decision applicable to that class or kind, exceed the postal costs attributable to mail of such class or kind (excluding all other costs of the Postal Service); the reduction authorized by this paragraph shall be applied by reducing the per piece charge otherwise applicable to not to exceed 250,000 pieces; and".

(e) Section 3683(a) of title 39, United States Code, is amended by inserting after "postage established" the following: "for the nonadvertising portions of mail matter described in former sections 4358, 4359, 4421, and 4422 of this title and".

Mr. HANLEY (during the reading). Mr. Chairman, I ask unanimous consent

that the amendment in the nature of a substitute be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, if the gentleman from New York (Mr. HANLEY) would confine his request to section 2, I would not object. I think it would be more orderly to consider the bill by sections.

Mr. HANLEY. The gentleman from New York is quite willing to do so.

Mr. BAUMAN. The request, then, is that section 2 be considered as read, printed in the RECORD and open to amendment at any point, is that correct?

The CHAIRMAN. That is correct.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DODD. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Connecticut is recognized for 5 minutes.

Mr. DODD. Mr. Chairman, yesterday the House of Representatives began consideration of a major piece of legislation, the Postal Service Act of 1977, H.R. 7700.

The major thrust of this legislation is that it will give both the President and Congress a greater role in the development of postal policy. I am very hopeful that this legislation will go a long way toward improving the efficiency of postal operations.

I would briefly like to discuss the importance of an amendment to be offered by Representative PAUL SIMON, which would keep the status quo for parcel post with respect to ratemaking. The current language under H.R. 7700 does not specify that parcel post rates should cover the costs of the service. Upon close examination this language could have the effect of allowing the Postal Service to underbid private delivery services.

I am very concerned over the adverse effect which a failure to provide statutory assurance for parcel post to compete fairly with private enterprise would have upon our economy. I am particularly concerned that the existing language could result in a loss of jobs in the private sector.

The amendment to be offered by Representative SIMON would require the Postal Rate Commission to set rates as at present, requiring the parcel post rates to reflect close to the real cost. It will continue a long stated principle of fair competition between parcel post and the private sector.

I therefore urge my colleagues to join me in supporting the Simon amendment.

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: Page 4, line 2 insert "direct and indirect costs which are a consequence of providing services for zone-rated parcels, including" after "recover".

Mr. SIMON. Mr. Chairman and Members of the House, I rise with some reluctance to differ with my colleague the gentleman from New York (Mr. HANLEY) and my colleague the gentleman from California (Mr. CHARLES H. WILSON) for both of whom I have a high regard. I know we use those words easily here, but both men have shown themselves to be independent, courageous, and with great ability, and I have had the honor of serving on a subcommittee under both of the gentlemen. But I disagree with them in one part of the bill that is now before us.

My belief is that the Postal Service ought to be encouraging the free flow of ideas which is fundamental to our system of government. That really is what we call "the melting pot strength" of this Nation. It is not a breeding process, it is this free flow of ideas. The rates we establish on our Postal Service on all our first-class mail, our magazines, our newspapers, ought to encourage that process. Those rates, in my belief, should not rise faster than the Consumer Price Index.

But when we come to parcel post we are not getting messages spread, we are not delivering ideas. And because of that distinction it seems to me that in general parcel post ought to carry its own weight financially.

But instead of having that kind of an operation the Postal Service today is operated like the American Can Co., it is operated under a principle of setting rates at what they call—and this is important—"elasticity of demand."

What do they mean by "elasticity of demand"? They mean this, that if you cannot impose enough in revenue on parcel post, you impose that additional revenue on first class or second class or somewhere else. Their aim clearly is to have rates that put their competitors out of business, just like American Can Co. would do. There is no fundamental philosophical framework for the Postal Service leadership which distinguishes it from American Can Co.

Let me give the Members the figures to back that up. From 1970 to 1977, since the Postal Service has been in operation, the Consumer Price Index has risen 54 percent. Parcel post rates have risen 28 percent; third-class rates, 95 percent; second-class rates, 129 percent; first-class rates, 117 percent. Those rates clearly say that there is no fundamental philosophy to the Postal Service as run today. It is a business, and when they see a competitor, they try to keep the rates down low to try to freeze out that competitor. Those are the facts of life.

The requested rates that are going to be ruled on in May by the Postal Rate Commission ask that the first-class rates go up from 13 cents to 16 cents and that parcel post rates be reduced in 11 of 14 categories.

I do not believe the people in your districts and in my district want this. I do not believe they want us to use tax money to put a tax-paying business out of business. I do not think they want us to use tax money to put tax-paying jobholders out of work and that is what we are faced with here.

What does my amendment do? It restores the status quo, and here I would direct the Members' attention particularly to the words of the present law. It says that each class of mail shall bear "the direct and indirect costs," and that is precisely what my amendment does. The Hanley substitute knocks out the word "indirect," and that is a very, very simple but very important distinction.

A second thing the Hanley substitute does is to say that attributable costs "shall be those costs which vary with the volume of class or subclass of mail, or the type of postal service over a period of not more than 3 years," so that buildings, vehicles, bulk mailing machines—those things are not counted as part of the cost of parcel post.

The Hanley substitute without my amendment does one other very important thing. It knocks out two U.S. court of appeals decisions.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 5 additional minutes.)

Mr. SIMON. The court decisions are very clear. Let me just read—and I have both of them here, and I would be happy to answer any questions about them—the court decision here. I am quoting the U.S. court of appeals which says:

The Postal Service's response to this requirement—

Of the law about "direct" and "indirect"—

was questionable at best. It proposed that the Commission "attribute" only 49 percent of the 10 billion dollars at issue. The remainder it said, should be "reasonably assigned." It presented a schedule of such assignments that, it said, had been derived by two of its employees through the use of a formula. The formula, in turn, was purportedly composed of three factors:—

And listen to these three factors the Postal Service wants to defend itself with—

(1) the hypothesized elasticity of demand for each class of mail; (2) the "value" of each class; and (3) the competitive stance of the Postal Service in those cases in which it lacked a legal monopoly.

I could go into the other court decision, but I am not going to take the time to do that right now.

What will it cost if my amendment is not agreed to? Let us go by what they have tried to do before the appellate court knocked it out, going to the 45-percent or 49-percent figure. Let us be conservative and go to a 50-percent figure. In fiscal year 1978, $159 million more either has to come out of first class mail or second class mail or there has to be an increased deficit for the Federal Government.

That is what we are talking about. I suggest the wise course is to not move in that direction.

I would point out that in the letter of Mr. Eizenstat to the chairman, the gen-

tleman from Pennsylvania (Mr. NIX) on March 15, he said—and let me just read two sentences:

The logical effect of this section is to increase the postage burdens of first-class mail users to cover the costs.

I am taking these two sentences separately and a little out of context—

The Administration believes that the creation of these hidden subsidies are not in the national interest and that it would be more equitable to directly subsidize those classes of mail that Congress determines are deserving of revenue foregone subsidies.

There are charges that Greyhound and UPS—the two largest private distributors—are getting rich. Greyhound has a loss in its operations.

The figures for UPS are: 3.5 percent profit in 1974; 5.6 percent profit in 1975; 1.4 percent profit in 1976; and 3.8 percent profit in 1977.

We are not talking about a huge company that can afford massive competition from a huge Government agency.

There are figures being circulated about the decline in the number of packages by the U.S. Post Office. In fact, in 1977 there was an increase. They did not count priority mail, third-class packages, and a number of others. In 1976, 1.3 billion packages went through the Postal Service.

I am a strong believer that the Postal Service must continue its parcel post service. There is no question that they have a healthy operation, and I want it to continue.

Mr. Chairman, I will yield to the gentleman from California (Mr. CHARLES H. WILSON) in just a moment, but my time is limited.

Mr. Chairman, I would point out that UPS has a total capitalization, counting buildings, automobiles, everything, of $800 million.

The Postal Service in bulk mailing centers alone has over a billion dollars.

But investing money is not enough.

We ought to be improving the service. My colleague, the gentleman from California (Mr. CHARLES H. WILSON) pointed out that in one bulk mailing center alone we had 3,700,000 packages that were destroyed and undeliverable. What the Postal Service ought to be doing is improving its service, not putting private companies out of business.

The parcel post system was started in 1912 in a move by Senator Jonathan Bourne of Oregon.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Senator Bourne said in 1912:

Mr. President, it is the desire of the committee and myself to establish a system of Parcel Post that we are satisfied will be completely self-supporting.

In 1950 Congress mandated that it pay its own way.

We now face the decision of how we can best invest the public's money. I think when we look at the facts, it clearly shows we ought to be saying to the Postal Service to let parcel post, insofar as possible, do as we mandate under the law right now, pay direct and indirect costs. Let us not put private people out of business, and put those who work for them out of jobs.

Mr. Speaker, now I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, two brief points, because there will be considerable argument against what the gentleman has stated.

The gentleman continues to use the year 1976. I would remind the gentleman, and I am sure the gentleman is aware, that is the year that UPS had a strike right at Christmas time, so people had no choice but to go to the U.S. Postal Service and this did reflect upon the number of parcels carried between the two systems at that time.

I think the gentleman must also be embarrassed by the figures used by the gentleman from Illinois when the gentleman said there would be hundreds of thousands of people put out of work if this amendment did not pass.

There is nothing like that here; I think the gentleman is aware of that. If anything, the people who might lose jobs as a result of the amendment the gentleman is introducing are the 40,000 who work for the Postal Service in parcel post. The UPS is not going to lose any jobs. That is just a scare tactic the UPS is trying to foster in their mail campaign and their phone campaign. They have been sending information to every Members of Congress, and it is a dishonest thing.

I have the greatest respect for the gentlemen in UPS, but I think the people who have been giving information to the gentleman from Illinois (Mr. SIMON) have been totally dishonest with him about what the effect of the amendment really is.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, I would like to respond to the gentleman from California (Mr. CHARLES H. WILSON).

I do not know precisely how many people might be put out of business, but having looked into the court decisions and the language of the court decisions and how the language of the substitute affects those court decisions, I think UPS and the other private carriers have legitimate fears.

How many jobs might be at stake, I frankly do not know. As to the gentleman's statement that I am using 1976 figures rather than 1977 figures, I would point out—and I am quoting from the figures supplied by the gentleman from New York (Mr. HANLEY) in his letter, which I believe was cosigned by the gentleman from California (Mr. CHARLES H. WILSON)—that there were 338 million packages under the category of parcel post in 1976 and 192 million pieces of priority mail, for a total of 530 million. Yet in 1977 there were 387 million packages and 205 million pieces of priority mail, for a total of 592 million. So the figures in fact escalated for parcel post in 1977.

Mr. Chairman, I would hope that my colleagues in the House will give serious consideration to the legitimate needs of the employees in these businesses.

Mr. MURPHY of Illinois. Mr. Chairman, I rise in support of the gentleman's amendment, and I commend him for his remarks here today. This amendment is similar to current law and requires that rates for parcel post recover any direct or indirect cost of the service.

I am afraid that unless the section of the bill concerning parcel post ratemaking is amended the private delivery services will be adversely affected. Those hundreds of firms that daily compete with parcel post will be undercut since parcel post would only be required to recover some of its costs and not all of its costs. This means that thousands of private sector jobs will be in jeopardy, including many jobs in my district.

I feel that a viable parcel post service must be maintained as a service to the public. This amendment will allow users to continue to have a meaningful choice in selecting a carrier for their goods. By keeping the package carrier industry competitive, we not only guarantee a higher quality of service to the public, but we preserve jobs.

It is my hope that this amendment is adopted on the floor to protect the private sector delivery services from having to compete with increasing Government subsidies.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I find myself in a very difficult position at this point. It is a position of being in opposition to a Member for whom I have great regard, one with whom I work very closely in this body.

I also find myself in opposition to the United Parcel Service, a representative of American industry for which I have great regard.

I believe that anybody who has followed the history of postal legislation in this Congress could only agree that I probably have been one of the greatest friends the United Parcel Service has ever had, and I will defend that record in this regard with anybody in the Congress or outside the Congress.

The original language of this bill unfortunately went just a little bit overboard in favor of UPS. Once that was noted, in fairness to the other people on the other side of this issue—and when I talk about the people on the other side of this issue, I am talking about the segment in America that wants to assure that there is an alternative parcel delivery service that would include rural areas in America—and once that was called to our attention, we sent the language back to the drawing board and asked that the experts hammer out a decent compromise. In due time they came back with what we thought was a very fair compromise.

At one point during the course of this deliberation, in my effort to be com-

pletely fair to private enterprise and with my absolute determination that the U.S. Government or the Postal Service should do nothing that might have the effect of undermining the ability of competition from the private sector, I said to the UPS people that—

I will call upon four or five rate experts who will not be at all self-serving and who will not have an axe to grind, and I will ask them to volunteer their services to interpret the language of this legislation and tell me whether or not we are treating United Parcel Service unfairly.

I also suggested that in that meeting be someone from the Office of Management and Budget. The men, who are recognized as rate experts, reported back, in this sense:

Look, my friend, you are not hurting the United Parcel Service.

Rates, for what it is worth, are highly complicated matters. I could get up here and I could reel off an awful lot of stuff about rates. I have great respect for the intelligence of the Members, but I do not believe the Members could absorb and understand. I do not have that good of an understanding of rates, and I have been dealing with it for a long, long time. I depend highly upon people who are objective, who spend their career in the matter of rates, appearing before public service commissions, and what have you.

So I can only assure the Members that we have tried hard to be absolutely fair. We have the utmost respect for United Parcel Service, recognizing the tremendous input that it provides into the coffers of the United States Treasury by virtue of tax money.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(By unanimous consent, Mr. HANLEY was allowed to proceed for 5 additional minutes.)

Mr. HANLEY. Mr. Chairman, I have the utmost respect for that industry, and I assured the people in the leadership of that industry that I did not want to do the first thing that would put them in a less competitive position. We have accomplished that in the language of this bill.

If the Members want to impose upon Parcel Post a situation which will have the effect of washing it out completely within a relatively short period of time, then support the Simon amendment; and in so doing, the Members will deprive a segment of America the ability to enjoy an alternative delivery service. I do not think that at this point in time we want to do this.

I have said to people, including the President of the United States, that there might come a time in the near future that we ought to get out of the parcel business altogether, that if private enterprise can do it—and it is doing it quite well, with 70 percent of the clients in America—there may well come a day that, a regulated industry, when we are assured that every citizen in this country, regardless of where they would reside, would get a quality of service, then maybe at that point in time the U.S. Postal Service ought to get out of it completely.

I have called upon the President, in recognition of the changes that have happened in this system over the last decade and the changes that I perceive happening over the next decade, "Please, Mr. President, consider the establishment of a national policy on Postal Service to determine exactly what the role of the Federal Government should be in providing this service."

I hope very much that the President will respond to my recommendation. And perhaps at a point in time in the not too distance future we can agree that as a regulated industry, assuring that all America will be served at a reasonable rate, then let us turn parcel delivery all over to private enterprise. But I think that by doing it at this point in time we would be shirking our responsibility to the American citizens who are still highly dependent upon the U.S. Postal Service for parcel delivery.

Mr. Chairman, let me say this: An amendment will be offered by the chairman of the full committee, the gentleman from Pennsylvania (Mr. NIX). I cannot see anybody disputing the fairness of the language of the amendment that he will offer, because we are going to write into this language that the Postal Service may not use the postal rate structure to discriminate unfairly against private parcel delivery services. I urge that when the gentleman from Pennsylvania (Mr. NIX) comes to the well that the Members pay a great deal of attention to what he has to say; because, essentially, what he is going to say is exactly what my good friend, the gentleman from Illinois (Mr. SIMON), intends, and that is that the Federal Government do nothing that is going to undercut the ability of private enterprise to succeed and progress.

I urge that the Members listen to the chairman of the full committee when he presents his amendment.

The CHAIRMAN. The time of the gentleman from New York (Mr. HANLEY) has expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. HANLEY was allowed to proceed for 5 additional minutes.)

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to my friend, the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I appreciate the gentleman's yielding.

The gentleman from New York (Mr. HANLEY) mentioned getting four experts together. I appreciate his doing that.

I called one of the gentlemen, the gentleman from the Department of Justice, and explained my amendment and told him that it included these words that bear the direct and indirect cost. I asked him whether he believed it was in the best public interest to reinsert that language in the law, and he said, "By all means, it ought to be reinserted."

Mr. HANLEY. Mr. Chairman, I do respect what the gentleman from the Justice Department said, but he did agree that the language in H.R. 7700 would not be detrimental to United Parcel Service's competitive position.

Mr. SIMON. But he was present for the presentation; was he not?

Mr. HANLEY. Yes.

Mr. SIMON. I thank the gentleman from New York.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield just for a clarification of intent?

Mr. HANLEY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, is it the gentleman's intent that we at this point continue debating directly to the point of the so-called Simon amendment or that we at this point look to the gentleman from Pennsylvania for his substitute?

Mr. HANLEY. It would be my intent that we address the Simon amendment; and then upon the conclusion of that, we would, hopefully, move to the consideration of the next amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

I was a little bit mystified by the gentleman's argument that somehow the parcel post operation of the U.S. Post Office is greatly damaged if the Simon amendment passes.

As I understand the Simon amendment, it is only to try to give equity to the private sector; and the gentleman clearly, I know, is not opposed to that.

Mr. HANLEY. That has been my purpose, I say to my friend, the gentleman from California, from the very beginning, to assure equity for the private sector.

When the gentleman talks about parcel post being damaged, it would be damaged by virtue of the fact that it would not enjoy appropriation considerations to the extent that other classes of mail would.

Mr. ROUSSELOT. I have never known the Committee on Appropriations to deny the Post Office the add-on deficit financing that it needs. As a matter of fact, I think they have been too generous many times.

I cannot understand why the Post Office cannot operate on $16 billion this year. When the Committee on Appropriations asks to give added money to the Post Office, that does not come out of first-class mail funding. Consequently, I do not understand the gentleman's argument.

Mr. HANLEY. We are talking about the effect of the Simon amendment on parcel post. The gentleman is now expanding his remarks to include the budget of the Postal Service.

Mr. ROUSSELOT. As the gentleman brought out, he thought the parcel post would not survive if the gentleman's position somehow did not prevail over the Simon position. The gentleman stated that the Simon amendment would have the "effect of washing it—parcel post—out completely within a relatively short period of time."

Mr. HANLEY. Essentially, that is correct.

Mr. ROUSSELOT. He indicated that that was because they could not be com-

petitive. They now have all those bulk mail services out there. They have all of that extra equipment for which we paid.

I do not understand why they cannot be competitive with the private sector. Can the gentleman explain that to me?

Mr. HANLEY. I have explained to the gentleman many times, but unfortunately he is not responsive or receptive to the explanation.

Mr. ROUSSELOT. I am trying to be responsive to the gentleman. He made the argument that if the Simon amendment passes, parcel post will not be competitive with the private sector. Surely the gentleman is aware that there will be a parcel post as long as it is so generously supported by the excess revenues created through the exorbitant rates charged for first-class mail. I would also like to point out that no one in the U.S. Postal Service will lose a job—you are aware of the no-layoff clause in the postal employees' contracts?

Mr. HANLEY. By virtue of the Simon amendment. The argument there is that if that does not pass, United Parcel is going to collapse.

Mr. ROUSSELOT. He did not say that.

Mr. HANLEY. Essentially.

Mr. ROUSSELOT. I ask Mr. SIMON if he said that.

Mr. SIMON. If the gentleman will yield, no, I did not say that. It would put it in jeopardy.

Mr. HANLEY. Just to respond again to Mr. ROUSSELOT, hopefully he has some respect for the Postal Rate Commission.

Mr. ROUSSELOT. Some. Not much, but some.

Mr. HANLEY. Actually, they are charged with the responsibility.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that the gentleman from New York be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. NIX. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. NIX. Mr. Chairman, I offer an amendment.

Mr. ASHBROOK. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. NIX. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GEPHARDT) having assumed the chair, Mr. PATTISON of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7700) to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes, had come to no resolution thereon.

PERMISSION FOR SUBCOMMITTEE ON HOUSING OF COMMITTEE ON VETERANS' AFFAIRS TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Housing of the Committee on Veterans' Affairs may sit tomorrow, March 22, 1978, while the House is proceeding under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

A 4-YEAR TERM FOR MEMBERS OF THE HOUSE OF REPRESENTATIVES

(Mr. DEL CLAWSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DEL CLAWSON. Mr. Speaker, credibility is defined by the Living Webster Encyclopedic Dictionary of the English language as "capability of being believed, such as one may believe worthy of credit, reliance, or confidence as to truth and correctness: Applied to persons and things." A quality essential to effectiveness in government, more often than not credibility is supposed to derive from demonstrable lack of personal gain arising from an activity or a position on an issue. It therefore follows, although not necessarily with pure logic, that effectiveness and credibility combine when from a stance of almost complete personal disinterest one is advocating action on "an idea whose time has come."

In the Extension of Remarks today I have inserted a column by Mr. Dick West which was reprinted in my hometown newspaper in February. Entitled "Over the Capitol Hill" it describes with tongue in cheek some of the problems associated with the approaching record of announced congressional retirees, a situation with a certain seriousness, especially since our number has since increased to 47. The article also serves to illustrate, in my opinion, the new timeliness of a proposal first debated in the Constitutional Convention of 1787 and which received considerable attention in the 89th Congress, the first Congress to which I was reelected. I refer to the proposal that the term for Members of the House of Representatives be 4 years.

We are told that the 2-year term originally was a compromise; that there were those who advocated a 4-year term and those who supported a 3-year term. We are all aware of the advantages of the 2-year term, but also conscious of the drawbacks which have mounted over the years. Improved travel and instant communication, nationwide, with lessened isolation and insularity of congressional districts are among the national changes which to some extent invalidate the assumption that a 2-year term is necessary to keep Members of the House close to the people. On the other hand, dramatic growth of our population has taken place and national issues have increased in complexity. The 4-year term would give a House Member more time to learn and function in the job of Congressman.

More adequate appraisal of the Representative's voting record by the people at home would be possible since it would be harder to shift sensitive decisions from one Congress to another. The 4-year term would build influence and prestige, encouraging more Members to remain in the House rather than using it as a stepping stone to a seat in the "other body." Members would be freer to focus on legislative responsibilities if they did not feel the need to plan the next campaign as soon as the election is won. Candidates representing a broader spectrum of vocational and economic backgrounds might be encouraged to participate in government through election to the House if the politics of election and survival were less insistent as a requirement for continued service in the House.

The amendment which I am introducing today would establish a 4-year term for Members of the House of Representatives commencing the second year after the year of the regular term of the President. I believe this arrangement will have certain advantages, especially in view of the growing strength of the Presidency and the executive branch bureaucracy. There would be more opportunity for feedback by the people, whether in opposition to or support of the incumbent administration. Members of the majority party could, if they chose, be more independent of the obvious tools of the Executive which make it easier to "go along to get along."

Our form of government needs as much diversity of input as possible both within and without the Government framework. The interplay of opposing factions should be encouraged to assure the best legislative product and also as a crucible for decisions at all levels. House elections in the Presidential midterm would place the Chief Executive on notice that his leadership would be more frequently evaluated by the people at the polls, but on the other hand Representatives would be encouraged to attend more to their own judgment, less to party doctrine, in the certainty that voting patterns would be studied. It is also my belief that under these circumstances House Members would consult more with the people and be more open to all the various legitimate groups affected by legislation, rather than to organized pressure groups.

Last, and not least, and I emphasize this point strongly in view of the prospect of costly public financing of congressional campaigns, a prospect I deplore, there is an advantage of economy. Obviously a 4-year term for the House would cut the bill to the taxpayers for public financing in half.

For the aforementioned reasons, and seizing the opportunity for credible action offered by my own coming retirement, I am today introducing a joint resolution, the text of which follows:

H.J. RES. 807

Joint resolution proposing an amendment to the Constitution of the United States to

provide for four-year terms for Members of the House of Representatives

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

"Article —

"SECTION 1. The terms of Representatives shall be four years and shall begin at noon on the 3rd day of January of the second year after each year in which a term of the President begins.

"SEC. 2. Section 1 shall apply with respect to terms of Representatives which begin after the end of the term of the President during which this article is ratified.

VIGIL FOR FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLLENBECK) is recognized for 5 minutes.

● Mr. HOLLENBECK. Mr. Speaker, I am pleased to participate today in the "vigil for freedom" which is being coordinated by the Union of Councils for Soviet Jewry and Congressman BRODHEAD.

It has been almost 3 years since the signing of the Helsinki Final Act, by which 35 nations committed themselves to the observance of basic human rights in their policies. Among those rights considered basic by the signatories to this agreement were the reunification of divided families, freedom of religion, and greater freedom of movement and emigration.

The pledges made by the Soviet Government in 1975 stand today as nothing more than empty promises. This is especially evident in the case of Meita Liebovna Leikina of Leningrad.

Three years ago last week, Mrs. Leikina was arrested on the charge of smuggling a violin to her daughter, who had recently emigrated to Israel. After being held incommunicado in solitary confinement for 6 months, she was transferred to a prison hospital. There, officials claimed that experts had diagnosed an involuntary psychosis and recommended her transfer to a closed psychiatric institution in Kazan under the supervision of the KGB. This action was particularly cruel to Mrs. Leikina, whose father lost his sanity under torture during the Stalin years.

The charges against Mrs. Leikina were so clearly falsified that she has never been granted the right to a trial. Her arrest, her lengthy confinement, and the denial of her wishes to emigrate all clearly violate basic human rights as well as the freedoms supposedly granted by the Soviet Constitution.

However, those concerned about her welfare are beginning to see a ray of hope. Last fall, I wrote the Soviet officials involved—Chairman Brezhnev, Ambassador Dobrynin, the Procurator General, and the Minister of Interior—requesting Mrs. Leikina's release in observance of the 60th anniversary of the Soviet Revolution. Although that request was neither granted nor acknowledged, her case did come up before a commission of physicians for review.

That commission was to decide whether to continue the confinement of Mrs. Leikina in the dreaded psychiatric hospital for women, or permit her to return home in the custody of her daughter and under the supervision of a local psychiatrist. The commission, which completed its work in January, reached the proper conclusion that Mrs. Leikina is sane. She is to be transferred to a hospital in Moscow, where her case will be processed in the city court.

Mrs. Leikina, who is 66, has suffered from a weak heart and poor health since being held in such inhuman conditions. She now weighs less than 80 pounds.

Mrs. Leikina and her family have suffered a great deal solely because of their desire to exercise those basic human rights which were supposedly guaranteed by the Soviet Government when it signed the Helsinki Agreement. By continuing our vigil for their freedom, we are saying that this Accord is more than the empty, unfulfilled promises of the Soviet Union.●

PRIVATE HIGHER EDUCATION AND THE FEDERAL GOVERNMENT: A POSITION STATEMENT BY THE EAST CENTRAL COLLEGE CONSORTIUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 10 minutes.

● Mr. MILLER of Ohio. Mr. Speaker, last month I met with the East Central College Consortium (ECCC), which is composed of seven private liberal arts colleges in Ohio, Pennsylvania, and West Virginia. The member colleges are: Bethany College, Bethany, W. Va.; Heidelberg College, Tiffin, Ohio; Hiram College, Hiram, Ohio; Marietta College, Marietta, Ohio; Mount Union College, Alliance, Ohio; Muskingum College, New Concord, Ohio; and Westminster College, New Wilmington, Pa. In 1968 these seven institutions established the ECCC for the purpose of promoting interinstitutional cooperation among seven colleges of similar size, similar educational mission, similar resources, and similar heritage.

In light of the current debate over tuition tax credits and the entire issue of rising educational costs, I thought my colleagues in the House would benefit from this excellent statement by the ECCC which grew out of a discussion on February 6 among the seven college presidents, deans, and several Members of Congress who serve districts in which the colleges are located:

PRIVATE HIGHER EDUCATION AND THE FEDERAL GOVERNMENT: A POSITION STATEMENT BY THE EAST CENTRAL COLLEGE CONSORTIUM

The ECCC expresses deep concern about the widening tuition gap between public and private higher education and the increasing difficulty which middle income families face with regard to financing college education at a private college. The Consortium urges the Congress to give close consideration to the impact upon small private colleges of any tuition-tax credit program that it considers. There is the serious danger that a tax credit in the range of $250–$500 will have the effect of making public higher education more affordable while not significantly helping to support young people to attend private colleges. This could contribute to further widening the gap between public and private colleges. We believe that the public interest is served best by the presence of both healthy public and healthy private higher educational institutions. Any program of federal assistance to relieve the tutition burden upon middle income families must be compatible with the health and well-being of private colleges.

A second area of growing concern to the member colleges of the ECCC is the increasing cost of compliance with federal regulations. Of particular concern in this context are the recent regulations from HEW with regard to meeting the needs of the handicapped. Strict compliance with these regulations will cost tens of thousands of dollars to our colleges. This is especially true of older, private colleges which have retained classroom buildings from the 19th century. In many instances the costs of equipping such buildings with elevators and ramps is prohibitive or is incompatible with the architectural integrity of a historical facility. The consequence is that many small colleges are simply not able to comply and therefore face the long-term possibility of loss of federal funds for student loans and other purposes. The irony of the situation is that traditionally small private colleges such as those in the Consortium have done an outstanding job of meeting the needs of students with handicaps such as blindness, deafness and other disabilities. Such persons traditionally have been aided out of the sense of commitment to students as individuals which is characteristic of the small college.

A third area of vital concern to our colleges is continued Congressional support for federal programs that are very beneficial to small colleges. These programs include work-study, direct student loans and cooperative education. As the costs of private higher education continue to mount, increasing numbers of students are able to attend private colleges only if they have access to loans, work-study or cooperative education programs which enable them to combine academic pursuits and income producing jobs. The federal programs under the auspices of the Office of Education have enabled many small colleges including several members of the ECCC, to initiate new programs of work-study and cooperative education which are enabling them to attract and to retain students who otherwise could not afford to attend a private college.●

UMW STRIKE SHOWS UNION POWER AND CREATES CRISIS OF GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, some liberal political leaders are amazingly quiet when it comes to the subject of violence, threats, intimidation, and destruction of property by striking union mine workers. Newspapers have carried headings, "Rocks, Fire Shut More Ohio Mines" and "Violence Hits Ohio Mines," and even in the maze of slanted news we get on television each night, we have see it there before our eyes—the raw,

brazen, even criminally abusive power of members of the United Mine Workers of America.

As ranking minority member on the House Labor Committee, I have participated in the many conferences and briefings on the coal mine strike. Liberals have continually based their policies or lack of policies on the alleged conclusion that miners will violate the law and not abide by Taft-Hartley's injunctive provisions. Many wanted seizure immediately. Of course, George Meany very bluntly said:

Seize the coal mines, give the mine workers what they want and then give the mines back to the owners.

At our White House briefing last week I specifically asked the President about the apparent lack of leadership in his administration regarding lawlessness and criminal conduct on the part of all too many of the striking mine workers. I pointed out that just the night before Arnold Miller had been quoted on national TV as saying, "Taft-Hartley will bring violence." How many times have we heard that?

To his credit, the President included a brief reference to violence and respect for law in his statement on Monday. That reference stands small, however, against the towering inaction which allowed the situation to get out of hand.

We cannot tolerate lawlessness and those who criminally conspire to destroy property or engage in acts of violence must be prosecuted to the fullest extent of the law.

A few weeks ago during the debate on the Consumer Protection Agency proposal, I noted that unions were to be exempted from its provisions despite the fact that unions have a considerable impact on the consumer. As I pointed out at the time, this exemption could easily be understood in the light of two circumstances. First, liberals in Congress are beholden to the unions and their vast political power and contributions which helps elect a virtual majority in the Congress. Second, unions have always operated on the assumption that they are a government and, unfortunately, the Government tends to treat unions like they are a government. These unions basically believe nonunion mines do not have a right to operate under their "forum" of government.

Unchecked power is antithical to American freedom. It is time to remind union leaders that they are not above the law, they are not a government and they must adhere to laws just as much as the rest of us.

Most Americans are sick and tired of laws which give draft dodgers amnesty, allow 10 million illegal aliens to stay in the country, give away our Panama Canal and order the forced busing of our children to schools out of their neighborhood. All of these are done under the rule of law. The Taft-Hartley is one of the many laws which regulate some part of our private, economic, or social lives. Coal miners are not above the law and Presidents, Governors, and law enforcement officials should not hesitate to apply the law to strikers as firmly as the law is applied to other Americans in all of our 50 States.

CAPITULATION TO THE UNIONS

From the beginning, the Carter administration capitulated to the power of the unions. The President in our sessions openly admitted that the owners had been pressured, not the unions. His economic advisers were on record warning of the inflationary effects of the 37-percent increase package. These warning were shunted aside.

In fact, the President's recommendations called for what was classically termed a "modified Taft-Hartley injunction." What was this? Give the unions what they wanted in increased benefits package and go back to work on that basis rather than the old contract. You do not have to be too smart to understand that would be a one-sided settlement.

What we are confronted with is not a coal mine crisis but a crisis of Government. When a small band of people, be they union members, radicals or militant terrorists, can thumb their noses at the Government and the people of the United States, you have a serious matter. The coal miners are in that position and the cause of law and order was seriously damaged by the administration's caving in to their illegal conduct.

The same public which is being hurt by this willful band of defiant union members is forced to pay for food stamps for those who act illegally. Here again the Democrat majority in the Congress shows its true nature. By using their legislative power, food stamps were extended to strikers. Welfare is also paid under some circumstances. A strike is economic in nature. That is the thrust of the union's strike weapon. To put the Government on their side is totally wrong but my Democrat colleagues do just that, the same Democrats who receive millions of dollars in campaign contributions from the unions.

One other union argument is negated by the coal mine controversy. Unions, acting like the Government they think they are, insist that all workers belong to the union, like it or not. Workers are forced to join. One of their arguments is that if they have a contract, they must be able to discipline all of the workers to uphold the union's end of the contract. Sounds good but whenever there is a wildcat strike, the union throws up their hands and proclaims they cannot do anything about it. Wildcat strikes in violation of contract have been a consistent problem with the UMW.

All in all, the coal mine strike gives a glaring example of the power of unions, the arrogance some have in violating the law with impunity, and the timidity of liberal Democrats when it comes to dealing with these excesses. It is like the riot situation in the big cities. As I have often pointed out, it is literally impossible for the mayor of New York or Detroit to protect the public from the looters and rioters. These big city Democrats pander to these same people for their votes at election time. Rather hard to then throw the book at them and uphold the public's right to safety. Those who pander to the union leaders are equally hard pressed to protect the public interest when it is challenged by these same union leaders.

H.R. 5383—REDUCING AGE DISCRIMINATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

● Mr. FRENZEL. Mr. Speaker, I was one of a very exclusive group of six in the House who voted against the conference report on H.R. 5383, a bill to reduce age discrimination.

I voted in favor of the bill when it passed the House. But, it had moved swiftly through committee, and was brought to the floor amid a flurry of speeches on good intentions with little discussion of its economic impact. Like many of my colleagues, I voted against age discrimination, but without thinking of what other effects might follow.

After the discussion in the Senate, I have concluded that, while the bill is basically a good idea, the present form of the bill is a blunt instrument which will keep some employees on the job, but in non-growth industries, will kill any new hiring for 5 years.

The Senate had the right idea with its deferral of the effect of the bill on tenured professors. That category is a perfect example of the problem that concerns me. Any industry in which there is little or no growth, or where the growth is less than inflation, will have to declare a living moratorium.

My preference would be a bill with a delay on the effective date, or a phased-in effective date so the economic impact will be reduced. I think we should have taken more time and more care on this matter. Then we could have passed a bill with a similar, but less disruptive, effect.●

CIGARETTE SMUGGLING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, I would like to present my testimony on the cigarette smuggling issue, spoken today before the Subcommittee on Miscellaneous Revenues of the House Ways and Means Committee.

TESTIMONY IN FAVOR OF H.R. 11152 FOR PUBLIC HEARINGS ON CIGARETTE SMUGGLING: CONDUCTED BY THE SUBCOMMITTEE ON MISCELLANEOUS REVENUES

Mr. Waggonner, Members of the Subcommittee, Ladies and Gentlemen, I am gratified for this opportunity to testify before you today in favor of H.R. 11152, which proposes to combat cigarette smuggling with an increased uniform, federal tax. And, as you know, the bill specifies that this new tax be rebated to states which do not levy more than a three cent additional tax. The cigarette smuggling issue is of great concern to me because Connecticut, along with other Northeastern states, has been seriously victimized by bootleggers in three primary ways. First, there is the obvious loss in uncollected revenues—an estimated $15 million in my state and $390 million nationwide each year.

Then, there are the violent crimes which invariably go hand in hand with illegal interstate traffic—the robberies, muggings, hijackings and homicides. Finally, there is the inevitable result that legitimate businessmen, who can't begin to compete with black market prices on cigarettes, are being forced out of the tobacco business, leaving all the spoils to organized crime.

Ideally, the problem should be solved by finding the criminals and prosecuting them. But cigarette smuggling is most often conducted by sophisticated crime syndicates. It's a well known fact-of-life that these men are professionals at evading the law and law officers. To understand and attack this crime, we must look at its source, which lies in the disparity among tax rates from state to state. Traveling up I–95 along the East coast, one can document the evidence. The tax rates increase almost systematically the farther one travels from the tobacco-producing states: 2 cents in North Carolina, 2½ cents in Virginia, 10 cents in Maryland, 14 cents in Delaware, 18 cents in Pennsylvania, 19 cents in New Jersey and 21 cents in both Connecticut and Massachusetts. It doesn't take a mathematician to see the obvious opportunity for making a fast few million bucks when the only overhead is a rented truck.

Similarly, it follows that cigarette smuggling, unlike other forms of illegal, interstate commerce, could be eliminated by destroying its impetus. And the uniform tax proposals seek to accomplish just that. Mr. Jones' bill, which I have cosponsored, suggests an equitable formula for redistribution and provides a positive incentive for states to cooperate with the program. In brief, the bill would impose a 14 cent federal tax in addition to the existing eight cent tax. The 14 cents would be rebated to states which do not levy their own tax in excess of three cents. The beauty of this bill is that the states would receive rebates equal to their existing tax revenues, plus the money they are now losing through uncollected taxes on bootleg cigarettes. Thus, in many states, such as my own, the state coffers would expand while the bootleggers' booty contracts.

In closing, I am pleased to say this is one tax bill for which new revenues would not come from the consumer's pocket or payroll check, but rather from the criminal's cache whose destruction is long overdue.

Thank you.●

REINTRODUCTION OF THE CONCURRENT RESOLUTION TO DISAPPROVE THE PRESIDENT'S REJECTION OF IMPORT RELIEF FOR THE METAL FASTENER PRODUCERS OF AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

● Ms. OAKAR. Mr. Speaker, as you know, I have been engaged in efforts to bring import relief to the domestic producers of nuts, bolts, and large screws. These metal fasteners manufacturers have been battered by the onslaught of foreign competitors over the last 8 years. My views on this matter are shared by many in the administration as well as scores of my colleagues in the Congress.

Today, I reintroduce the concurrent resolution that would override the President's action to deny tariff relief for this industry. The concurrent resolution now has over 50 cosponsors. As we await the action of the full committee, it is imperative that supporters of this legislation stand up and be counted. Recently, the members of the blue collar caucus have done just that. With the support of the blue collar caucus and the other proponents of this legislation, I am convinced that we will demonstrate to the administration that the American people want their Government to provide prudent protection from foreign penetration into domestic markets. The provisions of the Trade Act of 1974 provide for this process of congressional review, we must accept our responsibility to forge an effective and balanced trade and tariff policy.

Mr. Speaker, I urge my colleagues to give careful consideration to this issue as it has implications for every domestic industry and impacts on each and every congressional district. We have reached a critical impasse in international trade, and we must respond to this challenge in prudent and positive manner.

H. CON. RES. 542

Whereas the domestic producers of iron and steel industrial fasteners are facing serious injury from import competition; and

Whereas present rates of duty are inadequate for thousands of American workers in the metal fastener industry; and

Whereas the President of the United States has rejected the recommendations of the United States International Trade Commission for import relief of the metal fasteners industry: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress does not approve the action taken by, or the determination of, the President under section 203 of the Trade Act of 1974 transmitted to the Congress on February 10, 1978.●

IRISH REUNIFICATION URGED BY CHAIRMAN ZABLOCKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, as you personally know so well, Irish people everywhere have for too long endured the agony of a separated Ireland. The conflict in Northern Ireland has produced a tragic loss of life, bitterness, and misery for thousands.

The basic message my good friend and colleague, the Honorable CLEMENT J. ZABLOCKI, presented to the Milwaukee Press Club on St. Patrick's Day was that the eventual reunification of Ireland would help to heal those scars and bring Ireland the harmonious and peaceful future it so much deserves and wants.

As chairman of the House International Relations Committee, Mr. ZABLOCKI led a study mission on which I had the privilege of serving to Ireland last January. At that time we met with Prime Minister Jack Lynch and other officials of the Irish Republic, all of whom were firm and united in supporting the goal of eventual reunification. At the same time, the Irish leaders opposed a sudden withdrawal of British troops and applauded U.S. appeals to curb the flow of private aid to terrorists in Northern Ireland.

Because Mr. ZABLOCKI's remarks bear directly on matters of deep concern both to Congress and to all Americans interested in Ireland's future, I am pleased to place them in the RECORD at this point, together with the March 18 Milwaukee Journal report on the address. I commend the statement to the full and careful attention of my colleagues:

REMARKS BY HON. CLEMENT J. ZABLOCKI

It is a privilege for me to address the members and friends of the Milwaukee Press Club at this annual St. Patrick's Day meeting.

While I have no doubt that St. Casimer is of equal rank among the Seraphim with St. Patrick, I think we should be grateful that Providence has given us one genuine national American holiday: St. Patrick's Day. This is the day for national rejoicing—for the true "wearing of the grin" by young and old, male and female, black and white. It is the day on which all Americans—regardless of their race, creed, color or national origin—are convinced that they are Irish.

This is surely a remarkable tribute to one of mankind's most ancient yet most modern civilizations and cultures. As we Americans celebrate this holiday we should not overlook the profound contribution made by Ireland to the origins of Western civilization. The distinguished English historian, the late Sir Arnold Toynbee, reminded us that fifteen centuries ago Europe went through a long period of cultural darkness. At that point the light from Ireland rekindled faith and learning in Western culture. As Professor Toynbee observed, from the fifth to the tenth century A.D., "it was the Irish who imparted culture and the English and the continentals who received it."

This year and next we Americans are privileged to witness the depth and scope of this Irish contribution to world civilization in the Exhibition of Treasures of Irish Art, 1500 B.C. to 1500 A.D., which is visiting five of our major cities. This exhibition assembles such invaluable treasures as the Book of Kells, the Tara Broach and the Ardagh Chalice and has brought them to the United States as Ireland's tribute "to the American people for the generous help she has received for the past 200 years." The exhibition enables us, I believe, to look beyond Ireland's temporary troubles to the riches of its past and the potential glories of its united future.

As the son of Polish parents I have always had a deep affinity for the Irish. The Poles and the Irish share many virtues—and perhaps even a few vices—in common. Both possess:

A strong faith in God, in themselves and in their fellow human beings.

A deep love of family and of country, linked to an abiding passion for promoting human freedom and social justice not only for their own peoples but for men and women in every part of the world.

A history marked by suffering and sorrow as other nations crossed and re-crossed their homeland and as famine and hardship forced millions of Poles and Irish to move to other lands and nations.

A folk tradition, music and literature that maintained a sense of optimism about the future—a "smiling through the tears." What Chesterton said about the Irish could equally be said of the Polish: "Oh, the merry Gael whom God made mad, for all his wars are merry and all his songs are sad."

We all admire several gifts that we like to associate with the Irish: a swift wit, a keen intelligence, and—at least among Democrats—a great ability to organize politics. Will Rogers once said that he didn't belong to any organized political party—he

was just a Democrat! But we all know that this saying was only partly true—for the Irish in America helped the Democratic party to become a unity despite its great diversity. In the Congress of the United States we still see this Irish genius for politics at work in the former Speaker of the House, John McCormack, and his fellow Boston heir, Thomas "Tip" O'Neill.

An important feature of the Irish is their humor. I have never forgotten the story of St. Patrick. The Angel of the Lord promised him three great things for his special day: that some day no outlander would rule in Ireland; that there would be no rain in Dublin on his feast day—a major miracle of the first order; and that the flames of hell would release the souls of 12 Irishmen on St. Patrick's Day. I have not seen the weather report so I cannot vouch whether all parts of this promise are being fulfilled today. But when I walked in here today your President told me that the Milwaukee Press Club had suddenly had 12 new applicants for membership and he advised me to look carefully around the room!

The contribution of the Irish to American life and liberty is readily apparent. As a young boy I was drilled at home with the idea that Pulaski and Kosciusko were the mainstays of the American revolution. But one cannot long serve in the U.S. House of Representatives without learning each year that the Irish served so conspicuously in Washington's army that the backbone of the revolution—the Pennsylvania line—was renamed by General "Light Horse" Harry Lee as "the line to Ireland."

It is easy to overlook that in 1776 the "shot heard round the world" echoed in an Ireland that was also subject to England. George Washington saw independence as essential for both Ireland and America. In a famous letter he wrote:

"Patriots of Ireland! Champions of liberty in all lands—be strong in hope! Your cause is identical with mine!"

The Irish who came to America—and today some 20 million persons claim Irish descent—did not find their road an easy one. They worked hard and helped build a strong and vibrant United States—from the Erie Canal to the Golden Gate. They were abused and derided—and one hostile critic said in 1919 that their immigration should be restricted, arguing that even a 3% quota for Irishmen was "too damned much."

But against the slurs, against the obstacles, their faith, hard work, optimism and humor won out. Several years ago the Chicago-based National Opinion Research Center indicated the extent of their progress by noting that more than most other American groups the Irish today "are more likely to have Ph.D's or advanced professional degrees."

What has best served the Irish, I believe, is their feeling that life is not meant just for hard work but also for purposes of play and culture. Long ago the Irish learned to take human pretensions with a grain of salt. This is the core of their humor.

I remember a story of the young Irish girl who left Cork for New York. Before she left she visited her pastor to get a certificate of good character for a job reference. But when she arrived in New York she discovered that she had lost the paper.

Her friend, Seamus, was from the same village and said—don't worry, I know and I'll write another reference. His began—"To whom it may concern, Mary Haggerty had a good character when she left, but she lost it coming over on the boat!"

We need a sense of humor in our lives, in our culture, at all times. And St. Patrick's Day reminds Americans what we have gained from the Irish among us.

Ireland has a glorious past, a difficult present but a hopeful future. This is the message I suggest we should keep before us today. As we celebrate what being Irish means to all Americans today, we cannot avoid looking at the continuing difficulties facing contemporary Ireland.

On an occasion like this, it is important, beyond celebrating the past, that we recognize the troubles afflicting all of Ireland and the destiny of its inhabitants, both in the North and the South. These are matters of deep and continuing concern not only to Irish-Americans but to the House Committee on International Relations, on which I serve. In fact, I recently led a delegation of 12 committee members on a study mission to seven countries of the Middle East and Ireland. Our last stop was in Dublin. This, as we anticipated, was an important visit.

During our stay there, we met with Prime Minister Jack Lynch, Minister of Foreign Affairs Michael O'Kennedy, and the Honorable Garret Fitzgerald, former Foreign Minister and current leader of the main opposition party—the Fine Gael—and other government officials. All received us with traditional Irish warmth and the utmost cordiality.

The main purpose of these meetings was to ascertain the attitude and position of the Republic of Ireland toward the situation in Northern Ireland and the role that the U.S. should play in that area of the world. And instead of talking, as members of Congress are prone to do, we listened—and, I assure you, we listened intently.

I can briefly summarize some of the points which emerged from those discussions: all of the leaders with whom the study mission met agreed that the eventual goal should and must be reunification of Ireland. The Irish Times recently supported Prime Minister Lynch's avowal of reunification by editorially stating: "Proud as we may be of the achievement of this State, there is no such thing as 26-county patriotism. The patria is the whole island." While this common Irish view is seldom seen in the U.S. press, it clearly exists.

Ireland's leaders recognize, however, that reunification cannot be imposed and that it can only come about with the consent of all of the people of Northern Ireland. It is essential, therefore, that the sizeable portion of the area's population desiring continued union with Great Britain be convinced that their economic, political, religious, and other rights will be guaranteed in a reunited Ireland.

It is recognized everywhere that reunification is a long-range objective. However, our committee was told that the British government should now adopt a policy calling for the eventual reunification of Ireland. Prime Minister Lynch has urged Britain to remove its statutory "steel wall" ban to Irish unity and has called for Westminster to "indicate in a general way" that it would like to see the Irish people coming together—North and South.

At the same time, it was emphasized to us that most Irish would oppose a precipitous withdrawal of British forces at the present time, as this would lead to chaos and violence in Northern Ireland. In support of this view, Irish leaders noted that even an interim settlement in Northern Ireland was impossible as long as the violence continues.

In this same connection, the Government of the Republic emphasized its support and approval of the statement issued on St. Patrick's Day, 1977, by the Speaker of the House, Thomas P. O'Neill, Senators Edward Kennedy and Daniel Patrick Moynihan, and Governor Hugh Carey of New York. This statement appealed for an end to the violence and indicated that this was the approach that the U.S. should take with respect to the situation in Northern Ireland.

The Irish Government also welcomed the position taken by President Carter on August 30, 1977, in which he asked all Americans to refrain from providing financial or other aid to organizations whose involvement, "direct or indirect, in the violence delays the day when the people of Northern Ireland can live and work together in harmony, free from fear." Irish leaders also welcomed the President's offer to join with others to see how additional job-creating investment could be encouraged, to the benefit of all of the people of Northern Ireland once a settlement had been reached.

The subject of Congressional hearings on the situation in Northern Ireland was a matter of particular interest to our study mission. However, we met with firm and united disapproval of such action. Such hearings, the Irish leaders stressed, would exacerbate the situation and not contribute to a solution of the problems. They also argued that hearings would constitute an intervention in the internal affairs of Ireland and would be used by provisional IRA terrorists to rally support for their cause. This in turn would encourage continued violence and bloodshed.

The Northern Ireland of the present moment is not the generally tranquil Ireland of the Republic. Nor will it become such until—the Irish leaders believe—there exists one peaceful, united island.

The achievement of peace will require both leadership and a generous spirit of give and take between Ireland and England and within the Irish community itself.

But generosity has always been a dominant Irish trait. This was described in an ancient Irish poem when Finn MacCool's son said of his father: "If the leaves of the forest were of silver and gold, Finn would give them all away."

I have no doubt that the Irish—whose culture lives by generosity—will find a way to turn the troubles of the present into the bright promises of tomorrow.

[From the Milwaukee Journal, Mar. 18, 1978]

ZABLOCKI FAVORS IRISH REUNIFICATION

Speaking at a St. Patrick's Day luncheon at the Milwaukee Press Club Friday, Rep. Clement Zablocki (D-Wis.) said that recent meetings with Irish leaders in Dublin had convinced him that the United States should encourage the eventual reunification of Ireland.

He concluded a talk laced with witticism and leavened with additional foreign policy remarks by criticizing the Carter administration's relationship with Congress.

Zablocki, chairman of the House Foreign Relations Committee, met with Irish Prime Minister Jack Lynch and other officials of the Irish Republic in January.

REUNIFICATION AIM

"All of the leaders with whom the study mission met agreed that the eventual goal should and must be the reunification of Ireland," said Zablocki. "While this common Irish view is seldom seen in the United States press, it clearly exists."

Although about 110 members of Congress have signed resolutions calling for hearings on the Northern Ireland problem, said Zablocki, southern Irish leaders warned him that such hearings in the United States would only spark more violence in Northern Ireland.

Zablocki said the Irish leaders told him their people opposed a sudden withdrawal of British troops and applauded US appeals to curb the flow of private economic aid to the Irish Republican Army.

REMEDY SUGGESTED

"Our committee was told that the British government should now adopt a policy calling for the eventual reunification of Ireland," said Zablocki. "Not to do it now, but for England to look objectively and say, 'Someday there will be a reunited Ireland.' This will, I think, put aside some of the very emotional problems that are causing the killings, that are causing the atrocities."

When asked during a question and answer session if he was comfortable with the Carter administration, the 30 year congressional veteran replied that Carter has worked more closely with Congress than recent presidents, but not enough to meet expectations.

PRAISES APPOINTEE

"I think his White House kitchen cabinet could use a little improvement," he said. "Our liaison really wasn't the best. . . . Whenever he's in trouble he comes to us, but not before."

Zablocki indicated that his main criticism was that the president had too many Georgians on his staff. However, he said the appointment last spring of veteran congressional staff member William H. Cable, a former Milwaukeean, as chief of liaison with the House had improved that situation somewhat.●

RADIO SURVEY SHOWS VERY LITTLE SUPPORT FOR ANTISMOKING PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, from Albuquerque, N. Mex., comes news that a sampling of citizens of that city shows very litle support for HEW Secretary Joseph Califano's proposed antismoking campaign. Because New Mexico is not involved in the production of tobacco, or the manufacture of tobacco products, I think it is safe to assume that some other factors were responsible for the negative response. I would contend, further, that the most likely explanation is that the majority of the people sampled in the KOB Radio news survey regard Mr. Califano's proposals as an unjustified intrusion upon the personal choices of individuals, as well as a waste of Federal funds on a propaganda campaign which would merely reiterate the warnings of the Surgeon General.

Radio Station KOB does not claim that the survey is indicative of the opinions of the entire population of Albuquerque, nor do I. The survey does lead one to wonder, however, what a nationwide poll on the same subject would produce. I personally believe that a majority of Americans would agree with the KOB findings. KOB's explanation of the survey follows:

KOB RADIO NEWS SURVEY

70 percent of the people who responded to our latest KOB Radio News Survey did not think the federal government should spend thirty million dollars for a campaign to stop people from smoking.

The News Survey is made by randomly selecting numbers from the November 1977 Albuquerque Metropolitan Telephone Directory, using a selection code predetermined by random numbers. The code insures that no person called in a News Survey will ever be contacted again, and that mechanical or personal selection prejudice will not be a factor in the choice of phone numbers called.

Each call is automatically given the question with a thirty-second time period allowed for a reply. This reply is recorded and tabulated by an automatic device.

28 percent of the people responding believed money for an anti-smoking campaign would be well-spent. 2 percent were undecided. 102 people were reached in all with 83 of these responding. A total of 136 calls were made for this sampling.

The KOB Radio News survey is made public for the purpose of information and entertainment only and is not represented to be indicative of the opinions of the entire population of the city.●

THE WILLIAM JENNINGS BRYAN DORN VETERANS' HOSPITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, at its 78th national convention, held in Minneapolis, Minn., August 19–26, 1977, the Veterans of Foreign Wars passed a resolution calling for legislation that would name the Veterans' Administration hospital in Columbia, S.C., the "William Jennings Bryan Dorn Veterans' Administration Hospital."

A new replacement hospital is now being constructed in Columbia. Bryan Dorn, more than any other single individual, is responsible for this great facility. My colleagues will also recall that Mr. Dorn was instrumental in helping establish the new medical school at the University of South Carolina. Thanks to the former chairman of the House Committee on Veterans' Affairs, South Carolina will have two outstanding medical schools and a medical complex in Columbia that will rank among the finest in the country. Veterans and nonveterans alike will benefit from his efforts.

Mr. Dorn sat on the Committee on Veterans' Affairs for 23 of his 26 years in the House of Representatives—serving as chairman of the committee during the 93d Congress. As my immediate predecessor in the chairmanship of the House Committee on Veterans' Affairs, he provided strong leadership that benefited all America's veterans. He established a reputation as a knowledgeable and committed legislator. While in Congress, he played a vital role in the enactment of every major piece of veterans' legislation since World War II. The veterans of this country and their dependents have no greater friend than Bryan Dorn.

Accordingly, Mr. Speaker, in carrying out the mandate of the members of the Veterans of Foreign Wars of the United States, I take personal pleasure in introducing this bill in behalf of the organization to give the new Columbia VA hospital Mr. Dorn's name. This facility will stand as a symbol of his dedication to the welfare of those who served our country in a time of need. There follows a copy of the letter I recently received from Mr. Donald H. Schwab, director of the National Legislative Service of the Veterans of Foreign Wars:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., March 16, 1978.

Hon. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It is my pleasure to advise you that the 78th National Convention of the Veterans of Foreign Wars of the United States passed Resolution No. 315 to name the Veterans Administration Hospital in Columbia, South Carolina in honor of the Honorable William Jennings Bryan Dorn.

Our rationale therefor is that former Representative Dorn served in the Congress of the United States for 26 years and introduced, or cosponsored, considerable legislation beneficial to veterans, their dependents and survivors. Furthermore, by his own request, Mr. Dorn was a member of the Committee on Veterans' Affairs, United States House of Representatives for 23 years and during the 93d Congress was overwhelmingly elected Chairman of the Veterans' Affairs Committee and was instrumental in seeing that a new Veterans Administration hospital was constructed in Columbia, South Carolina.

In view of the foregoing, it would be greatly appreciated by the more than 1,850,000 members of the Veterans of Foreign Wars of the United States and the 590,000 members of our Ladies Auxiliary if you would introduce legislation in the House of Representatives to fulfill our resolution.

With best wishes and kindest personal regards, I am

Sincerely,
DONALD H. SCHWAB,
Director,
National Legislative Service.●

HOW TO LOWER BOTH UNEMPLOYMENT AND INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, the unemployment-inflation dilemma is one of the most critical economic problems we face today. This fact is obvious to virtually everyone. It is also obvious that the difficult task of resolving this dilemma—of reducing both the rate of inflation and the rate of unemployment—has fallen squarely on the shoulders of the Federal Government—on the administration, on the Congress, and on the Federal Reserve.

There is a third fact which is equally obvious: The Federal Government has yet to devise a program that is capable of reducing both inflation and unemployment.

It is evident to me that we need a fresh approach to our Nation's unemployment and inflation problems. What is to be done?

First. In my view, too much emphasis is being placed on macroeconomic policies aimed at controlling aggregate demand; such policies are, by themselves, inadequate to the task. At a minimum, demand management policies must be supplemented with a program of microeconomic policies designed for the purpose of alleviating pressures that arise from the supply side of the economy. Such a program should include, for example, actions aimed at the structurally

unemployed, and other measures targeted specifically at slowing the rate increase in unit labor costs over time.

Second. It is essential that we not undertake programs which have the effect of raising costs and prices without expanding output and employment; we must, as Arthur Okun put it recently, "stop the self-inflicted wounds."

Third. We must change the monetary-fiscal policy mix in such a way that more of the burden of fighting inflation is borne by fiscal policy. The Federal Reserve has for years anointed itself as the only anti-inflationary game in town. This has created a high interest rate policy which has proved inimical to private business investment spending. Not only is a low rate of capital formation detrimental to our long-run objective of slowing inflation. It also makes it difficult to absorb new entrants into the labor force in the future, and it slows the future growth of labor's real income.

Fourth. Finally, we must not allow ourselves to be pressured into using monetary and fiscal policies (or any other policies for that matter) for the purpose of artificially propping up the dollar, other than in a truly "disorderly market." Our best course with respect to the dollar is to let its price be determined by the forces of demand and supply in foreign exchange markets. We need to pass an energy bill that will effectively display to the world our intent to cut back on our consumption of oil.

But we ought never to sacrifice vital domestic objectives on the balance of payments altar.

A program forged on the basis of these principles would take us a long way toward solving our unemployment-inflation dilemma. Let us consider, therefore, each of these four principles at greater length.

1. MICROECONOMIC POLICIES IN SUPPORT OF MACROECONOMIC POLICIES

One of the most difficult problems we face today is the elimination of structural unemployment—unemployment which blights the lives of perhaps 3 million of our young people, racial minorities, and urban poor. We cannot possibly hope to achieve for these least advantaged citizens the low rates of unemployment we desire through an exclusive reliance on traditional monetary and fiscal policies. The result would simply be intolerable inflationary pressures for everyone with little impact on the problem itself.

What we need, therefore, are policies that address specifically the problems of the structurally unemployed. To be successful, moreover, these programs must be built on the basis of a close partnership between the public and private sectors.

Toward this end, I suggest that an extended network of federally-funded local employment councils be created, composed of large and small businesses, local banks, and labor and community leaders, whose purpose would be to match hard-to-employ persons with job opportunities that may in many cases already exist. Such a program would extend the work currently being done by the National Alliance of Businessmen, by many corporate sponsors of the Committee for Economic Development, and by many local business and business-labor organizations.

These local employment councils could administer a Federal training-wage subsidy plan. Qualified businesses would receive up to perhaps one-third of the wage of new employees in jobs with heavy training requirements. The effect would be to equip labor market entrants with skills, to provide them with a better shot at that all-important first job opportunity, and to insure businesses against the risk normally inherent in hiring from the hard-to-employ labor pool.

Last week I urged the President to give his immediate attention to this proposal. I also suggested that he make an announcement declaring it our objective to reduce structural unemployment by 1 million persons over the next 3 years, using private employers to the maximum extent possible, with an increase of public service employment absorbing the balance. The President could detach from his welfare reform program the proposal to double public service employment (from 700,000 jobs to 1.4 million), and send it to Congress for immediate action. I believe that such proposals will enable us to lower the unemployment rate with no concomitant increase in the rate of inflation.

There are other labor-market proposals which also ought to be given serious consideration in our fight to solve the unemployment-inflation dilemma. The most novel of these are the various tax-based income policy (TIP) proposals developed separately by Federal Reserve Gov. Henry Wallich, Sidney Weintraub and Arthur Okun. Although each of the proposals are marked by substantive differences, each shares one common feature—use of the tax system to lower real labor costs to employers, while at the same time raising after-tax compensation to employees. A successful TIP program would enable us to attain a lower rate of unemployment with a smaller increase in the general level of prices.

I am not fully convinced that TIP is an appropriate means of controlling inflation. But it is important that we learn more about it. I recommend that the Council on Wage and Price Stability (CWPS) study various TIP proposals, and report to us on their effectiveness and on their ability to be implemented in practice. Further, I ask that CWPS provide us with estimates of the extent to which past inflation rates would have been altered had a TIP policy been in place, what effects it would have had on incomes, and its net budget costs (if any).

2. SELF-INFLICTED WOUNDS

A number of actions were undertaken in 1977, and others are under consideration now, which will affect adversely our inflation rate this year and for years to come. Unfortunately, these very same proposals are also likely to lead to higher levels of unemployment and lower rates of production during 1978 than would otherwise have taken place. The sharp increase in payroll taxes enacted by the Congress late last year was perhaps the most significant self-inflicted wound of all. In addition, we readopted a farm program with its emphasis on acreage set-asides as a way of bolstering farm incomes. Such a policy reduces both agricultural supplies and agricultural productivity for which we get in return only higher agricultural prices. Other farm proposals currently under consideration are similarly inflationary in their impact. The minimum wage was recently raised 15 percent, with substantial further increases planned for the years ahead. And finally, a number of protectionist measures were put into effect last year which will be paid for by the American consumer in the form of higher prices for TV sets, shoes, steel and sugar.

What is the overall impact of all of these proposals? As Okun states in the March/April issue of Challenge magazine:

> Even with no allowance for the likelihood of additional price-raising energy taxes, the cost-raising actions of 1977 are likely to add roughly a point to the price level over the year ahead. That is more extra inflation than we would probably have gotten from doubling the size of the budgetary deficit through massive personal and corporate income tax cuts, and at least the latter course would have given us very substantial gains in output, employment, and capital formation.

We should never make the mistake, given the current structure of inflation, of assuming that these measures are only one-shot changes in the price level rather than persistent inflationary forces. As the 1978 Joint Economic Report, just released, states:

> Even when the price increase comes from a one-time change such as a decision to increase a payroll tax, or a decision by a State to increase its sales taxes, the higher prices become a part of the cost of living. This affects subsequent wage negotiations, and this, in turn, affects the behavior of unit labor costs, and therefore is likely once again to show up as a price increase. Consequently, even one-time changes that raise the price level tend to become embedded in the wage-price spiral.

As a result of these inflationary impacts, I support the proposal to reduce social security taxes by rolling back the withholding rate from 6.05 percent to the 1976 level of 5.85 percent. This proposal is also supported by the present director of CWPS, Barry Bosworth, and it ought to be embraced immediately by Secretary Blumenthal and the President. In my view, the additional scheduled rate increases should also be repealed. General revenues should be used instead to replenish and refurbish the unemployment insurance and social security trust funds. As regards the proposed tax cut for 1979, there should be a compensating reduction in the amount of personal income tax relief proposed by the administration.

With respect to our agricultural programs, I recommend the elimination of all acreage set asides. In addition, because higher price supports are both a source of inflationary pressures and an

inefficient means of insuring farmers a decent income, I recommend, first, a supplementary program of direct income supports, enabling the family farm to weather bad years without imposing unnecessary costs on consumers on socially wasteful restrictions on production; and second, a meaningful war-on-hunger program.

With respect to our international trade policies, we must continue to resist protectionist measures, seeking instead to search for ways to liberalize our trade policies and those of our trading partners.

Since, in addition to its inflationary impact, the minimum wage frequently creates the severest employment problems for precisely the people it is most intended to assist, why not try an experimental system of wage subsidies for employers in some labor markets where there exist large numbers of unemployed, unskilled teenage Americans? Should such a program prove successful, yielding demonstrable increases in employment without displacing workers who do not qualify for subsidy, then I recommend further experimentation with a differential minimum wage for new teenage workers in certain job classifications in, say, three selected labor markets. Such experimentation would serve to test whether any benefit may be had by allowing young people to earn money at subminimum rates in jobs that might not otherwise exist. Such a program should be designed with the strictest safeguards against any undermining of wage standards for those already employed, or likely to become employed by the natural growth of employment. If experimentation with wage subsidies shows that such safeguards can be designed, then differential minimum wages would seem to offer the prospect of a sufficiently attractive alternative (at no cost to the budget) to outright unemployment to justify such limited experimentation.

I further recommend the immediate enactment of a national energy plan. The proposed wellhead tax on domestic crude oil has become a political stumbling block and it should be dropped. It would be inflationary and it would not stimulate new supplies. The energy bill, with the remaining four elements of the President's plan, should become law promptly. Work should then begin on a phase two energy program, including more support for the development of alternative energy sources, such as solar, wind, and geothermal, and a standby gasoline rationing system to insure fair allocation in the event of a supply shortage.

Finally, in line with the recommendations made by Barry Bosworth last week in his internal memorandum to the President, and by Arthur Okun as well, I recommend that there be a public monitoring of all public policy microeconomic measures that raise or lower costs and prices. An increased awareness of the likely impact of these measures may help us to stop the self-inflicted wounds.

3. THE MONETARY-FISCAL POLICY MIX

Although the Federal Reserve is organizationally independent of Congress and the executive branch of Government, there is a growing concern over the consequences of this independence. This concern derives from the fact that the policy goals of the Government, on the one hand, and the policy goals of the Fed, on the other, frequently come into sharp conflict with one another—a conflict which many people view as destructive. In addition, because monetary policy is shrouded in so much secrecy, it has been difficult for the Government to formulate its fiscal policy plans with any degree of precision, since the future state of the economy cannot be known with any degree of precision without at least some knowledge of the intentions of the monetary authorities.

There are, of course, a number of very good reasons why monetary and fiscal policy ought to be coordinated. In the first place, in view of the fact that both monetary and fiscal policy can have a substantial short-run impact on the economy, there arises the possibility, in the absence of coordination, that the Fed could pursue an expansionary policy at the same time that the Government is pursuing a contractionary policy. The policy effects would cancel each other out, and neither the Fed nor the Government would attain its targeted objectives. In addition, it is also possible that the combined independent policies, without coordination, could be overly expansionary or overly contractionary; in other words, the combined policies could be a source of economic instability.

There are other reasons for cooordination as well. It is a widely held view that the Fed thinks of itself as the only anti-inflationary game in town. This kind of thinking has led the Fed a number of times to pursue a more restrictive monetary policy than was desirable from the point of view of its impact on business investment spending. In order to reduce both current and future inflationary pressures, it is essential that fiscal policy take on more of the burden of controlling inflation (not through overall aggregate measures, but through a series of specifically targeted microeconomic policies aimed at reducing cost-push and structural pressures) and that monetary policy become somewhat more expansionary in order to stimulate investment spending. In the absence of monetary-fiscal policy coordination, how are these goals to be accomplished?

As a result of these considerations, I fully endorse the recommendations contained in the 1978 joint economic report on the question of monetary-fiscal policy cordination. I do not share the views of those who believe that these recommendations threaten the Fed's independence. Indeed, as Walter W. Heller said recently in an open letter to Board Chairman G. William Miller:

> Coordination, trade-offs, and occasional compromise in pursuit of national economic goals represent not an erosion, but a constructive exercise of the Federal Reserve's independence.

4. DOMESTIC MONETARY AND FISCAL POLICIES AND THE DECLINE OF THE DOLLAR

Monetary and fiscal policy should not be used for the purpose of supporting the dollar in foreign exchange markets. I was critical, therefore, of the recent increase in the Federal funds rate and the rediscount rate, because they were specifically designed to achieve a more stable price for the dollar at the expense of our own domestic recovery program.

We also ought to use very sparingly our intervention in foreign exchange markets in support of the dollar. As I said in my speech on the floor of the House on March 9, 1978, E179, there is less reason to be concerned with the decline of the dollar than money reports would seem to indicate:

> The dollar is not in trouble. Nor is it sickly, anemic or suffering from an incurable illness as many foreign and domestic press people would have us believe. Put bluntly, the dollar is no more in trouble than is the German mark, the Swiss franc or the Japanese yen.
>
> In large measure, the continued decline of the dollar in recent months can be attributed to a number of basic market trends. The three trends most commonly cited by the Administration include: (1) The huge current account imbalances between the United States, on the one hand, and a number of our international trading partners (most notably Germany and Japan), on the other; (2) the more rapid growth experienced in the United States in comparison with the rather sluggish performances turned in by the vast majority of the major Western governments; and (3) a rate of inflation in the United States that exceeds those experienced by many of our major Western allies. Under a system of flexible exchange rates, it is quite natural to expect these differences to put downward pressure on the dollar and upward pressure on foreign currencies like the German mark, the Swiss franc and the Japanese yen. The decline of the dollar, under these circumstances, is not a sign that the dollar is sickly. On the contrary, its decline reflects the healthy operation of our foreign exchange markets. This is precisely the way flexible exchange rates are supposed to operate. This means, of course, that if (i) more investment funds are attracted home, (ii) our consumption of oil is slowed, and (iii) the differential rates of growth between the United States and her trading partners are narrowed (as the Carter Administration believes will be the case), the downward pressure on the dollar will slacken and its decline possibly reversed.
>
> In very recent weeks, a number of other pressures have been exerted on the dollar which contributed in a major way to the sharp decline registered last week. The first was a report suggesting that Iran will join with Kuwait to call for the establishment of a new pricing system for oil based on a whole group of currencies instead of just the dollar. Second, there seems also to have been some recent acceleration in the rate at which a number of foreign governments have been selling off their dollar reserve in favor of the German mark as a refuge currency. Third, although the growth prospects for Western Europe and Japan in 1978 are generally believed to be brighter than they were for 1977, it is now a widely held view that the initial growth forecasts were overly optimistic. And finally, the concern which has been expressed in recent weeks over the latest inflation and monetary base figures in the United States has caused a number of for-

eign exchange market analysts to revise upwards their expectations regarding the future course of prices in the United States for 1978. All of these factors, of course, have the effect of putting further downward pressure on the dollar. And although the magnitude of recent declines has been a source of alarm in Western Europe and elsewhere, it is hardly startling that the decline took place given the combined impact of all of the above-enumerated causes.

It also needs to be emphasized that virtually all of the depreciation of the dollar in recent months has been in terms of a few currencies only—primarily the German mark, the Swiss franc, and the Japanese yen. The Germans and the Japanese are certainly important trading partners, but they are significantly less important in terms of U.S. trade than Canada and the developing countries. And the dollar relative to those currencies has hardly depreciated at all. On the basis of trade-weighted exchange rates, the depreciation of the dollar has not been especially large. Indeed, the Federal Reserve Board has reported that since May 1970, the trade-weighted exchange rate for the United States has declined only 17 percent—hardly a startling decline.

The question that arises from all of this is: What should be the appropriate U.S. response? In my view, we should go very slow on all foreign exchange intervention operations. It was a mistake for the United States to negotiate yet another agreement with the German Bundesbank on March 13. Given the magnitude of the dollar holdings by foreigners (variously estimated at between $500 and $600 billion), and the dollar holdings of U.S. residents, there is virtually nothing that the United States or any other country can do to stem a significant attack on the dollar.

Realistically, it is a bottomless pit. We have already made more of a commitment in support of the dollar than is desirable, and we ought not to throw good money after bad. Given the events of the recent past, the foreign exchange markets are behaving about as expected. If Western European governments want to intervene to stem the dollar's decline, that may be their prerogative. But we should not be party to such a potentially costly venture.

There is every reason to believe that the dollar will stabilize and perhaps even reverse its decline once the differential rates of growth between Western Europe and the United States are narrowed. Indeed, one of the main sources of the huge U.S. trade deficit has been these differential growth rates. A study undertaken by the Congressional Budget Office last month suggests that if other industrial nations had recovered from the world recession at the same pace as the United States, we would have had by the second quarter of 1977 a small net surplus of goods and services exports over imports.

I hope that the dollar will turn around in the very near future. I was encouraged by the reports coming out of the most recent OECD meetings in Paris which suggested that most delegates had come to an agreement in favor of a more concerted growth policy on the part of all 24-member countries. I would like to see such a growth policy emphasize micro as well as macro programs. While the new concerted growth policy is still far from being implemented by the governments involved, it could serve as an optimistic prelude to proposed summit meetings in Bonn this July. In addition, the recent initiatives undertaken by the Japanese Government to eliminate some of its trade restrictions augurs well for the future reduction of that country's huge export surplus.

This leads me to the steps which can be taken by the U.S. Government that can give, as a desirable side effect, a significant boost to the dollar on the world's foreign exchanges. Foremost should be the rapid enactment of an energy bill. Our failure to enact such a bill has apparently played havoc with the dollar to the detriment of those countries against whose currencies the dollar has depreciated. We have stalled long enough. An energy bill needs to be enacted now.

We also need to do more to reverse the flow of investment spending abroad. Not only would such a return flow cause a step up in investment domestically, it would also help to push up the dollar. Under the circumstances, it seems entirely appropriate to urge American banks to reconsider their lending policies in a way that would reduce their foreign lending operations somewhat in favor of more generous lending policies to domestic business. Only a moderate shift in bank portfolios in the recommended direction would take a great deal of pressure off the dollar and it would help to finance the capital spending we so badly need. It would also take considerable pressure off the Federal Reserve, because it would permit interest rates to be brought down without excessively rapid growth in the money supply.

This is a reasonable request to make of our banking system. Interest rates are very favorable in the United States, and lending opportunities surely abound. Further, with the putting in place of the new Witteveen facility, foreign credit demands should be eased and it will then make sense for our banks to look homeward to a larger extent than they are presently doing.

And finally, there ought never to be any ambiguity with respect to the position of the United States in regard to flexible exchange rates. We will not return to the Bretton-Woods system of fixed par values, or any varient thereof. That system may have served us well in an earlier era, but in today's world economy it would only court disaster. Floating is the only exchange rate regime that permits each country the kind of flexibility it needs to realize its domestic goals without at the same time creating major problems for other trading partners. Intervention constitutes a step backwards toward that earlier era. We must not take any more steps into that past.●

RETREAT SEEN ON SOCIAL SECURITY BITE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

● Mr. BURKE of Massachusetts. Mr. Speaker, I am sure my colleagues are well aware of the mounting public pressure to reduce social security taxes and provide for a general revenue contribution to the social security trust funds. The Congress can no longer afford to ignore this plea from the public.

Employees and employers across the country are becoming increasingly aware of the tremendous burden that the social security taxes place upon them. If the Congress does not act to provide tax relief at the employment level this year, it is very clear that businesses will be forced to close their doors, and the unemployment rate in this country will increase dramatically. We cannot allow this to happen. We in the Congress have a responsibility to promote the principles of free enterprise and to encourage the working people of this Nation.

The following article which appeared in the Chicago Tribune on Sunday, March 19, 1978, illustrates the growing sentiment in the Congress to act now on social security tax reductions. As my colleagues study this issue, I bring to your attention my proposal, H.R. 10668, to reduce the tax rate from 6.13 percent to 3.90 percent in 1979 and provide a one-third general revenue contribution to the social security system.

The article follows:

RETREAT SEEN ON SOCIAL SECURITY BITE

(By Raymond Coffey)

WASHINGTON.—Three members of the House Ways and Means Committee are predicting confidently that Social Security payroll taxes will be sharply reduced before Congress goes home to face the voters in the November elections.

"The voice of the people has been heard," said Rep. Abner J. Mikva [D., Evanston], referring to a darkening storm of protest from taxpayers furious at the dent being put in their paychecks by Social Security deductions.

"There's going to be something done this year, some relief before we go home in October," he said.

Mikva was joined in his forecast by Rep. James A. Burke [D., Mass.], chairman of the Social Security subcommittee of Ways and Means, and by Rep. William A. Steiger [R., Wis.], like Mikva a member of the subcommittee.

Until last week such forecasts might have been discounted as political wishful thinking inspired by the approach of election day.

But last Wednesday House Speaker Thomas P. O'Neill (D., Mass.), whose political wisdom is highly valued these days in the Carter White House, added his powerful voice to the tax cut chorus.

O'Neill said he had told the White House of the growing political pressures on House members resulting from recent Social Security tax increases.

Some House members, O'Neill said, are concerned that "political repercussions will take place in the middle of their campaigns" for the November election unless there is a rollback of Social Security taxes.

"I would hope something would come from the White House" in the way of a solution, O'Neill said. "They are working on this."

But even if the White House refuses to reverse itself and support a tax rollback, Mikva, Burke, and Steiger say they are sure Congress will act on its own initiative.

With President Carter's support, Congress last year passed what amounted to the biggest peacetime tax increase in U.S. history—a bill to almost triple Social Security payroll taxes over the next 10 years as a means of putting Social Security on a sound financial footing until the end of the century.

The first of those increases is not even scheduled to take effect until next Jan. 1.

But a previously passed increase took effect last Jan. 1, boosting the tax rate for both employers and employees from 5.85 per cent to 6.05 per cent on the first $17,700 of a worker's earnings, with a maximum tax of $1,071 for the employe.

That instantly set off a storm of protest from the taxpayers.

And under last year's bill, next January's increase would boost the tax to 6.13 per cent on the first $22,900 of earnings, with a maximum tax of $1,404 for the employe.

Many members of Congress don't like even to think about what the public reaction will be.

Mikva, Burke, and Steiger have their separate ideas about what should be done to ease the burden on wage earners, but all agree that part of the load should be shifted from payroll taxes to general revenue income tax funds.

All three agree, too, that for a start at least the Social Security tax rates should be rolled back to 1977 levels—that is, as Mikva said, the 1978 increase should be eliminated and this scheduled 1979 increase be voted even before it takes effect.

Mikva says this could be accomplished by shifting at least part of the cost of the Medicare and-or Disability Insurance programs, now supported by Social Security taxes, to general revenue.

And he says this "could be accommodated within the President's own" proposed $25-billion income tax cut package—substituting a Social Security rollback for part of the income tax reduction.

Steiger also favors financing a portion of Medicare from general revenues, but according to a different formula.

Burke would settle now for a rollback to 1977 Social Security tax rates. But ultimately he favors rearranging the whole system and having it financed in equal one-third shares by employers, employes, and income tax revenues.

Burke intends to seek a vote in favor of a rollback on Social Security tax rates at an April 3 meeting of the Democratic Caucus, representing all members of the House majority.

He figures his support will be even greater by then, as members go home for the Easter recess and get more heat from their constituents.

Chairman Al Ullman [D., Ore.] of House Ways and Means and Chairman Russell Long [D., La.] of the Senate Finance Committee are both opposed to switching any part of Social Security financing to general revenues. Both command great power on Capitol Hill.

But Mikva, Burke, and Steiger do not believe either will be able to block a rollback on rates this year.

"The [public] outcry has been so great," Steiger said, that the House will surely act and "if we send it over there, there is no way the Senate is going to stand in the way" of anything so politically popular. I don't think [Long] is going to be able to stop it even if he wants to."

"These guys are going to get hit by a tidal wave [of public protest] the closer we get to the election," Burke said of opponents such as Long and Ullman.

Despite the political storm signals raised by O'Neill, a White House spokesman said he does "not expect our position on a tax rollback to change."

"The trouble," Burke said of the Carter White House, "is that we have people down there who don't know what they're talking about."

One of the administration's principal concerns, he noted, is reducing unemployment. Another is the increasingly menacing foreign trade deficit.

But, Burke said, the steep Social Security tax rates are damaging to the U.S. economy on both counts.

U.S. steelmakers, already suffering heavy market losses to foreign competitors, pay $1,500 more per worker per year in social security costs than any of their foreign competitors. The U.S. auto industry, he said, pays $1,150 more in such costs than its foreign competitors.

"If we're going to have a tax cut this year [as Carter proposes], and if the administration is talking about creating jobs [as it is]," Burke said, "then they ought to make the cut in the jobs area. It should be done at the employment payroll level."●

THE POLITICS OF SALT II

(Mr. CHARLES H. WILSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, the Encyclopedia Britannica book of the year for 1977 contains an excellent analysis of the politics of the SALT II negotiations now going on in Geneva, Switzerland.

The special report, written by Prof. Robin Ranger, a Canadian, provides a special insight into the perceptions of our allies with regard to the many concessions we have made so far to the Soviets. Professor Ranger, of St. Francis Xavier University in Nova Scotia, presumably has no political axe to grind. He points out that,

The basic problem with Carter's policy on arms control was his fondness for simplistic solutions to complex problems, his overcommitment to his chosen solutions, his resultant inability to listen to alternative arguments, and his difficulty in cooperating with other political powers, within or outside the U.S.

Professor Ranger also notes the President's acceptance of "liberal arms control thinking," as espoused by Mr. Paul Warnke, has "created expectations that could not be fulfilled and impeded such progress as could have been made, except in the case of the U.S.S.R."

"There," Professor Ranger correctly notes, "he secured agreements by repeating Kissinger's practice of excessively one-sided U.S. concessions to the U.S.S.R."

I would like to place this report in the RECORD for the consideration of my colleagues and highly recommend it as an unbiased review of what has happened to our national security interests in the short period of one year.

The report follows:

THE POLITICS OF SALT II

(By Robin Ranger)

During his campaign for the presidency of the U.S., Jimmy Carter had advocated much stronger U.S. policies to limit and reduce strategic arms, prevent nuclear proliferation, and curb conventional arms sales. His personal commitment to these ideals was greater than that of any of his predecessors and with characteristic vigour, he quickly initiated policies to implement them. The results, however, fell far short of expectations. The U.S. secured an outline agreement concerning the second round of the strategic arms limitation talks (SALT II) but only by means of unilateral concessions to the U.S.S.R., dropping all proposed limits on the latter's forces. The U.S.S.R. also seemed likely to agree to a comprehensive test ban covering only the superpowers and the U.K., a significant arms-control step but one that increased the already strong criticism of the nuclear test limitation package the Carter administration wanted ratified by the U.S. Senate.

On nuclear proliferation, Carter reduced planned U.S. nuclear electric power and established much stricter controls over U.S. export of nuclear power plants and fuel, establishing more stringent safeguards to prevent their being used to develop nuclear weapons, as India had done with Canadian and U.S. supplies. But he failed to persuade the other major nuclear exporting countries to do likewise, notably West Germany, which refused to cancel its 1975 agreement to sell Brazil a complete nuclear fuel cycle. Moreover, Carter's opposition to nuclear power and the resulting uncertainties over U.S. ability to meet fuel supply commitments increased Western European and Japanese determination to become self-sufficient in those fields, since they lacked the alternative fuel sources open to the U.S. Potential new nuclear weapons powers became more interested in such arms as security guarantees when Carter reduced U.S. overseas forces.

Carter's conventional arms sales policy was officially still being developed, suggesting that it was unlikely to be effective or coherent. Meanwhile, some cuts in arms exports were made but not to such major U.S. allies as Iran or Saudi Arabia. The consequent uncertainty about the availability of U.S. arms over the long run was, however, sufficient to increase interest in self-sufficiency and alternate sources of supply in buying countries, while U.S. rivals in the international arms trade (notably the Western European nations) were quick to take advantage of the situation.

The basic problem with Carter's policy on arms control was his fondness for simplistic solutions to complex problems. his overcommitment to his chosen solutions, his resultant inability to listen to alternative arguments, and his difficulty in cooperating with other political powers, within or outside the U.S. Since arms control problems are complex, and can only be solved by close cooperation between the U.S. and its allies, Carter's approach was often counterproductive. This was especially true because of the exceptionally high degree of ideological conformity to one version of arms control thinking in his administration. All Carter's appointees in the national security field (notably special adviser on national security affairs Zbigniew Brzezinski, Secretary of Defense Harold Brown, and Paul Warnke, head of the SALT negotiating team) believed in the liberal theory of arms control. This held that the superpowers had accepted the strategic doctrine of mutual assured destruction (MAD), whereby each could deter

an attack by being able to guarantee to inflict unacceptable damage on an attacker, even after absorbing a first strike on its own deterrent forces. In the real world, according to this view, very low levels of damage would deter any rational government from even risking the use of nuclear weapons, which were therefore politically useless. U.S. strategic forces were thus more than adequate for deterrence for the foreseeable future no matter what forces the U.S.S.R. developed, enabling the U.S. to hold down its military spending (hence Carter's cancellation of the B-1 bomber) and accept Soviet advantages in SALT II (see Table). While the superpowers sought to contain the strategic arms race, they should also work along with other countries to contain the proliferation of nuclear and conventional weapons on the principle that security was better served by arms control than arms.

CHANGES IN NUCLEAR-STRIKE FORCES UNDER SALT I: 1972-77

Weapons systems	Maximum range (mi)	Missile warheads: Number	Missile warheads: Yield (each) [1]	Missile warheads: Throw weight (thousand pounds): Range	Missile warheads: Throw weight (thousand pounds): Total	Aircraft: Speed (mach)	Aircraft: Weapons load (thousand pounds): Each	Aircraft: Weapons load (thousand pounds): Total	Deployment: First	Deployment: Number: 1972 (July)	Deployment: Number: 1977 (July)	Total equivalent megatonnage [2]	Maximum number of strategic targets [3]	Nuclear submarine launch vehicles: 1972	Nuclear submarine launch vehicles: 1977
UNITED STATES															
Intercontinental ballistic missiles (ICBM): [4]															
Titan II	7,000	1	5-10 mt	7.5					1962	54	54				
Minuteman I	7,500	1	1 mt						1962	300	0				
Minuteman II	7,000	1	1-2 mt	1-1.5					1966	500	450				
Minuteman III	7,500	[5] 3	170 kt	1.5-2					1970	200	550				
Total					2,200					1,054	1,054	1,460	2,154		
(SALT I allowance)										(1,054)					
Submarine-launched ballistic missiles (SLBM): [4]															
Polaris A-2	1,750	1	800 kt						1962	128	0			8	0
Polaris A-3	2,880	[6] 3	200 kt	1					1964	368	160			23	10
Poseidon C-3	2,880	[5] 10-[6] 14	50 kt	2					1971	160	496			10	31
Total					1,100					656	656	830	5,120	41	41
(SALT I allowance)										(656 or 710 [7])				(41 or 44 [7])	
Short-range ballistic missiles (SRBM):															
Pershing	450	1	kt range						1962	250	[8] 108				
Lance	70	1	kt range						1972		[8] 36				
Total										250	144				
Strategic bombers:															
B-52 D-F	11,500					0.95	60.0		1956	172	373				
B-52 G/H	12,500					0.95	70.0		1959	283					
Total								22,800		455	373	4,400	4,056		
Other nuclear-strike aircraft:															
F-B-111A	3,800					2.5	37.5		1969	76	68				
F-111A/E	3,800					2.5	25.0		1967	550	[8] 550				
F-105D	2,100					2.25	16.5		1960						
F-4	2,300					2.4	16.0		1962						
A-7A/B/D/E [9]	3,400					.9	15.0		1966						
Total										626	618				
SOVIET UNION															
Intercontinental ballistic missiles (ICBM): [4]															
SS-7 Saddler	6,900	1	5 mt	3-4					1961	210	109				
SS-8 Sasin	6,900	1	5 mt	3-4					1963						
SS-9 Scarp	7,500	1 or [6] 3	18 or 25 mt 4-5 mt	12-15					1965	290	238				
SS-11 Sego	6,500	1 [6] or 3	1-2 mt kt range	1.5-2					1966	970	840				
SS-13 Savage	5,000	1	1 mt	1					1968	60	60				
SS-17	6,500	[6] 4 or 1	kt range 5 mt	6					1975		40				
SS-18	7,500	1 [6] or 8	15-25 mt 2 mt	15-18					1975		50				
SS-19	6,500	[6] 6 or 1	kt range 5 mt	7					1975		140				
Total										1,530	1,477	2,950	2,647		
(SALT I allowance)					7,800					(1,618)					
Submarine-launched ballistic missiles (SLBM): [4]															
SS-N-5 Serb	750	1	1-2 mt						1964	30	21			10	7
SS-N-6 Sawfly	1,750	1 [6] or 3	1-2 mt kt range	1.5					1969	464	544			29	34
SS-N-8	4,800	1	1-2 mt	1.5					1972		284				21
Total										494	849	[10] 860	[10] 909	39	62
(SALT I allowance)					1,300					(950)				(62)	
Medium/intermediate-range ballistic missiles (M/IRBM):															
SS-4 Sandal	1,200	1	1 mt						1959	500	500				
SS-5 Skean	2,300	1	1 mt						1961	100	100				
SS-20	3,000	[6] 3	kt range	1.2					1977		20				
Total										600	620				
Long-range cruise missiles (LRCM):															
SS-N-3 Shaddock	450	1	kt range						1962	433	[11] 424				
Short-range ballistic missiles (SRBM):															
SS-1b Scud A	50	1	kt range						1957	300	750				
SS-1c Scud B	185	1	kt range						1965						
SS-12 Scaleboard	500	1	kt range						1969						
Total										300	750				
Strategic bombers:															
Tu-95 Bear	7,800					.78	40.0		1956	100	100				
Mya-4 Bison	6,000					.87	20.0		1956	40	35				
Total								4,700		140	135	780	270		

Weapons systems	Maximum range (mi)	Missile warheads: Number	Missile warheads: Yield (each) [1]	Missile warheads: Throw weight (thousand pounds): Range	Missile warheads: Throw weight (thousand pounds): Total	Aircraft: Speed (mach)	Aircraft: Weapons load (thousand pounds): Each	Aircraft: Weapons load (thousand pounds): Total	Deployment: First	Deployment: Number: 1972 (July)	Deployment: Number: 1977 (July)	Total equivalent megatonnage [2]	Maximum number of strategic targets [3]	Nuclear submarine launch vehicles: 1972	Nuclear submarine launch vehicles: 1977
Other nuclear-strike aircraft:															
Tu-16 Badger	4,000					.8	20.0		1955	800	740				
Tu-? Backfire B	5,500					2.5	20.0		1974		65				
Su-7 Fitter A	900					1.7	4.5		1959	750	[3] 1,000				
Tu-22 Blinder	1,400					1.5	12.0		1962						
MIG-21 Fishbed J/K/L	1,150					2.2	2.0		1970						
MIG-27 Flogger D	1,800					2.5	2.8		1971						
Su-17-20 Fitter C	1,100					1.6	5.0		1974						
Su-19 Fencer A	1,800					2.3	8.0		1974						
Total										1,550	1,805				

[1] Kiloton (kt) range means less than 1 megaton (mt).
[2] Equivalent megatonnage measures damage to unprotected area targets and is expressed as the 2/3 power of a weapon's explosive yield.
[3] Only separately-targetable delivery vehicles (warheads) are included in missile totals; bomber totals assume both standoff and gravity-bomb deployment.
[4] Covered by SALT I agreements.
[5] Multiple independently-targetable reentry vehicles (MIRV).
[6] Multiple reentry vehicle.
[7] If the Titan missiles were to be replaced by SLBM's.
[8] Figures for systems deployed in Europe only.
[9] A-7A/B/E are carrier-based aircraft.
[10] Includes capabilities of 60 missiles carried by diesel-powered submarines.
[11] 100 land-based, about 300 in 43 nuclear and 24 diesel-powered submarines, and the remainder carried by surface ships.
[12] Sources: International Institute for Strategic Studies, 18 Adam St., London, "The Military Balance 1977-1978, Strategic Survey 1976."

This view of arms control had become the dominant one in the U.S. But there were many critics of this concept, who argued that it was incorrect and disproved by experience. They pointed especially to Soviet pursuit of strategic advantage vis-a-vis the U.S. under SALT and in unstable regions of the world. Also, to these critics, those holding the dominant view were ethnocentric, assuming that decisionmakers in other nations, especially the U.S.S.R., either did or should think as they did and would therefore follow any arms control policies proposed by the U.S. But, as President Carter quickly discovered, neither the U.S.S.R. nor many U.S. allies thought as did his arms control advisers. Instead of accepting his proposals, they countered with their own, based on their perceptions of their strategic and nuclear energy requirements.

Carter's negotiations with the U.S.S.R. produced his first substantive agreements, SALT II and a comprehensive test ban, but these underlined his failure to achieve effective rather than just cosmetic arms control. The SALT negotiations had been deadlocked since then secretary of state Henry Kissinger's January 1976 Moscow visit because the U.S.S.R. insisted that its Backfire bomber should not be counted as a strategic delivery vehicle under the Vladivostok force limits but that the U.S. long-range cruise missile (LRCM) be severely restricted in range and numbers. The Soviets also rejected any restrictions on their strategic force buildup. U.S. Secretary of State Cyrus Vance (see Biography) therefore carried two proposals to Moscow in March 1977. The deferral plan sidestepped the Backfire/LRCM problem and was therefore rejected by the U.S.S.R. The U.S. comprehensive plan aimed at real strategic arms control, limiting intercontinental ballistic missiles (ICBM's) equipped with multiple independently targetable reentry vehicles (MIRV's), heavy Soviet ICBM's, and missile flight-testing. These, and the rest of the package, would lessen the imminent danger of either side acquiring an effective counterforce capability by means of rapid increases in missile accuracy. The U.S.S.R.'s increasing superiority in throw-weight (payload) gave it a greater counterforce capability, which the U.S. wanted restrained. In exchange the U.S. offered modest limits on the range of air-launched cruise missiles (ALCM's).

The Soviet Union rejected, as it had always done, any limits on its forces, calculating that Carter's personal and political requirements for a SALT II would force U.S. acceptance of its terms, as in the previous negotiations with Kissinger and Presidents Richard Nixon and Gerald Ford. The Soviet leadership bitterly opposed Carter's campaign for human rights in the U.S.S.R. but were sure he would drop this for a SALT II. They were right on both counts and secured an outline SALT II by October, in which Carter dropped all significant limitations on Soviet but not on U.S. forces. The U.S. ALCM force would be half that required to substitute for the canceled B-1 bomber, and very low range limits would be imposed on ground- and submarine-launched cruise missiles (G/SLCM's), claimed by Carter to his NATO allies to offset the massive buildup by the U.S.S.R. of its conventional ground forces, SS-20 IRBM's, and long-range strike aircraft. Moreover, despite Carter administration claims that the U.S. Minuteman force would be safe from a Soviet attack well into the 1990s, such an attack could be sure of destroying two to four times the number of existing U.S. ICBM silos by 1980. The new, mobile ICBM would be less vulnerable to such an attack because it would move back and forth along trenches 12 mi long, breaking out of these to fire. But this weapon, procurement of which was approved in September, had been so delayed that it could not enter service before 1983. Until then, the only new U.S. strategic forces being deployed would be the Trident I missile and submarine and the ALCM launcher aircraft. In contrast, the U.S.S.R. was deploying its fourth generation of strategic missiles, replacing the SS-7 through SS-13 series. They were also testing fifth-generation strategic missiles.

Carter's SALT II was thus open to the same criticisms as Kissinger's SALT I agreements and proposals. It imposed unilateral restraint on U.S. strategic forces without establishing any reciprocal restraint on Soviet troops or on the increasing Soviet counterforce capabilities vis-a-vis the U.S. These defects meant that even if SALT II could be completed it would have difficulty in securing the required U.S. Senate approval.

Carter's negotiation, in principle, of a comprehensive test ban with the U.S.S.R. appeared his one real success, provided the details could be worked out. For 20 years, such a ban had been regarded as a major restraint on nuclear-weapons development and testing. It could also lessen the chances of counterforce attacks, because, as with missiles, large numbers of tests are required before the necessary high confidence in the weapons can be developed.

The major obstacle to a test ban, initially, had been verification. Could the U.S. unilaterally verify Soviet compliance, using seismic detectors to monitor earthquakes and distinguish these from clandestine nuclear testing? By the late 1960s U.S. verification systems had been able to do this. The later and more significant obstacle was the military requirement for testing in order to develop new weapons and evaluate the performance of existing ones. This need caused the U.S.S.R.'s acceptance of a test ban to be puzzling; even if the Soviets were satisfied with their existing nuclear weapons, pressures would eventually build up for the development of new ones.

Doubts about Carter's ability to live up to his promises were reinforced by the failure to produce effective new policies limiting nuclear proliferation and conventional arms sales. Whether these could be devised and imposed solely by the U.S. was doubtful. The most the U.S. could hope to do was to coordinate its own extremely uncoordinated policies on these issues and try to persuade its allies to do likewise. Even then, success would be modest: the rate of proliferation of nuclear power plants, weapons, and of conventional arms could be slowed but not halted.

By the end of 1977 the Carter administration had made some progress on nuclear proliferation. Internally, the bureaucratic maze dealing with the export of nuclear power and the prevention of weapons proliferation (two conflicting aims) was being sorted out so that it could implement antiproliferation policies. Externally, France was persuaded to join the group of nuclear exporters formed in 1975 to try to formulate common policies on nuclear exports and safeguards. The problem of proliferation was dramatized in August, when the Soviet Union alleged that South Africa was about to conduct a nuclear test and secured U.S. and French cooperation in preventing them from doing so; however, France did not cancel its contract to supply South Africa with nuclear reactors. Moreover, this modest success was not matched by any progress in limiting the transfers of conventional but highly sophisticated weapons to the nations of the third world.

In conclusion, Carter appeared correct in his campaign claims that U.S. arms control policies had been far less successful than their Republican Party architects, notably Kissinger, had claimed. Carter also rightly stressed the reemergence of nuclear proliferation as a major problem, also recognized by the Ford administration. But Carter's acceptance of liberal arms control thinking and his assumptions of U.S. omnipotence and righteousness in this field created expectations that could not be fulfilled and impeded such progress as could have been made, except in the case of the U.S.S.R. There he secured agreements by repeating Kissinger's practice of excessively one-sided U.S. concessions to the U.S.S.R. SALT II and the comprehensive test ban would not remove the U.S.S.R.'s counterforce capability vis-a-vis the U.S. and seemed unlikely to produce political gains worth their cost.

MAJOR U.S.-U.S.S.R. STRATEGIC ARMS CONTROL AGREEMENTS, 1969-77.

1. Agreement to start Strategic Arms Limitation Talks (SALT) (1969)

2. SALT I agreements (1972)

a. Anti-Ballistic Missile (ABM) Treaty:

Signed May 26, 1972. As a treaty, it required the consent of the U.S. Senate (by a two-thirds majority) for ratification, given on August 3; entered into force Oct. 3, 1972, for indefinite period but subject to review every five years. Limited each side to 2 ABM deployment areas (each with up to 100 ABM launchers and radars), one defending their capital city and one defending their ICBM's. Banned the testing of surface-to-air missiles (SAM's) "in an ABM mode."

b. Interim Agreement and Protocol on the Limitations of Strategic Offensive Arms (Interim Agreement):

Signed May 26, 1972. As an executive agreement by the U.S. President this did not legally require U.S. Senate consent for ratification, but Section 33 of the 1961 act creating the U.S. Arms Control and Disarmament Agency (ACDA) bars action to reduce or limit U.S. arms except by Treaty or "unless authorized by further affirmative legislation by Congress." The Interim Agreement was, therefore, submitted to the U.S. Senate and House of Representatives for approval by a joint resolution. This was given on Sept. 30, 1972, only after the inclusion of Sen. Henry Jackson's (Dem., Wash.) amendment, which required U.S. equality with the U.S.S.R. in future SALT agreements. The Interim Agreement entered into force Oct. 3, 1972, for five years. It limited ICBM's and SLBM's to maximum totals for the U.S. and U.S.S.R.

c. Agreed Interpretations, Common Understandings, and Unilateral U.S. Statements on SALT I:

These claimed to define the key terms of SALT I but essentially represented U.S. interpretations that did not legally restrain the U.S.S.R. from subsequently deploying new strategic forces, especially ICBM's with vastly increased throwweight. The U.S.S.R.'s only violation of the letter of SALT I would have been the testing and/or deployment of SAM's and radars "in an ABM mode."

d. Standing Consultative Commission (SCC) on Arms Limitations:

Established on Dec. 21, 1972. The SCC was supposed to "promote the objectives and implementation" of SALT I. It did so only at a formal, legal level, avoiding substantive issues.

3. Basic Principles of U.S.–U.S.S.R. Relations (May 29, 1972):

This formalized détente on paper. The superpowers agreed to "avoid military confrontations and to prevent the outbreak of nuclear war," each refraining from seeking "unilateral advantage at the expense of the other" and basing their relations on the "principle of equality and the renunciation of the use or threat of force".

4. Threshold Test Ban Treaty (TTBT) (July 3, 1974) and Peaceful Nuclear Explosions Treaty (PNET) (May 28, 1976):

The TTBT limited underground nuclear weapons tests to a maximum yield of 150-kt provided an equivalent limit could be set on peaceful nuclear explosions (PNE's) to prevent their use as weapons tests, since the U.S.S.R. insisted on the right to conduct such. The PNET limited any one PNE to 150-kt yield, though a group explosion could exceed that total. These provisions may be verified by instrumentation and observers provided by the other party to the treaties. President Carter sought Senate ratification while trying to negotiate a comprehensive test ban treaty with the U.K. and U.S.S.R. that would ban all nuclear weapons tests.

5. Protocol to the ABM Treaty (July 3, 1974):

Reduced permitted ABM deployments to one from two sites each. Formalized the status quo of U.S. deployment of one at Grand Forks, N.D., protecting ICBM's (closed down in 1975) and Soviet deployment of one site defending Moscow (and some ICBM's).

6. Vladivostok Accord (Nov. 24, 1974):

Set framework for negotiations for a SALT II agreement to be in force from October 1977 to Dec. 31, 1985. Each side would be limited to a total of 2,400 strategic delivery vehicles, including bombers, of which only 1,320 could carry multiple independently-targetable reentry vehicles. The key aide-mémoire (official record of conversion) interpreting these terms was still secret in 1977.

7. Extension of the Interim Agreement (September 1977):

The U.S. and U.S.S.R. issued statements that each would behave as if the Interim Agreement was still in force after it expired on Oct. 3, 1977, pending its replacement by SALT II.

ECONOMIC DEVELOPMENT IN THE ST. LOUIS REGION

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, I include herewith an analysis of the economic development plans in the Madison-St. Clair Counties, Ill., and the city of St. Louis and other communities on Missouri side of the Mississippi River.

ECONOMIC DEVELOPMENT IN THE ST. LOUIS REGION

This position paper sets out in some detail an analysis of the challenges facing the St. Louis region, presents an outline of the ways in which regional leaders are planning to meet these challenges, and states the specific needs of the region in terms of support by its elected officials in Washington, D.C.

The paper is the basis for remarks by Armand C. Stalnaker, chairman of the board of the St. Louis Regional Commerce and Growth Association, at the RCGA's luncheon with members of the region's Congressional delegation in Washington on March 21, 1978. In his remarks, Mr. Stalnaker, who is chairman and president of General American Life Insurance Company, stressed that the overriding purpose of the RCGA luncheon was to extend the special commercial and economic expertise of the region's business community to the bi-state area's Congressional delegation as it considers issues affecting the economic life of the St. Louis region.

"We come here to offer our help. We come in a spirit of support and cooperation, extending whatever information and expertise we may have in matters bearing upon the economy and business and jobs of the St. Louis area," Mr. Stalnaker said.

I. ECONOMIC CHALLENGES FACING THE ST. LOUIS REGION

There are a number of general areas of the region's economy that deserve special consideration in terms of problems and challenges. These areas are set out below in their relative order of importance. Specifically:

Jobs: It is estimated that by the year 2000 more than 400,000 new jobs will have to have been created just to keep pace with the natural growth of the present work force. This fact has dramatic implications for the St. Louis region. It means, for instance, that on the average about 20,000 new jobs will be needed every year for the next two decades in order to keep youths, women, and minorities supplied with the job opportunities they will be seeking. Twenty thousand new jobs a year; this growth rate is anywhere from 25 to 50 percent greater than the increase in the area's job market in the past two decades.

Transportation: Although the St. Louis area abounds in great advantages in transportation resources—centrally located in the U.S., near the confluence of the Mississippi and Missouri rivers, at a national "crossroads" in interstates, etc.—many of the region's transportation systems are old, outmoded, and in need of improvement. The Alton Locks and Dam 26 on the Mississippi needs to be replaced. The railroads need to consolidate and exchange freight in new, modern yards. The bridges linking Missouri and Illinois need to be repaired and consolidated into the freeway system. The Port of St. Louis needs streamlining, reorganization and promotion in order to expand regional river commerce. Interstate highway systems, after nearly 20 years in various stages of planning, need to be completed.

Development land: While potential land for industrial development is abundant, land that has actually been zoned for development is in a more limited supply, and that land which is both zoned and provided with utilities is in short supply.

Regional rivalries: Long a problem in the St. Louis area but now decreasing noticeably in many important areas, regional differences continue to be a challenge. Contributing to the problem is the fact that the area is served by two federal regional offices. This makes regional planning difficult, especially when having to deal with virtually two sets of interpretations of regulations and with two groups of people providing federal assistance.

National image: Like regional rivalries, this problem is quickly becoming less of a serious concern. Improvements in the relationship between unions and management in the region have helped improve what once was a negative labor image, and other recent activities, such as the 1977 Spirit of St. Louis campaign and the St. Louis County Meeting Place campaign, are doing much to create a positive image for the St. Louis area nationally.

Environmental constraints: Business growth and job development in the region are impeded to a degree by the Environmental Protection Agency's constraints, particularly the amendments to the Clean Air Act of 1977.

II. REGIONAL EFFORTS TO MEET THESE CHALLENGES

There is a new spirit of regional cooperation and progress in the St. Louis area at this point in its history, and all signs point to a continued, successful rejuvenation of the region's economy, benefitting all those who live and work there. The elements coming together in the economic development of the St. Louis region include:

A. Efforts are now under way and a study is in progress to identity the needs of the region's railway system and modernization program. The first phase of the study has been completed, funded locally and with assistance from the Railroad Administration. The second phase, expected to cost some $3 million, will begin this year. This phase will lead to an engineered solution of the location of modern new rail yards, new rail corridors, and will also include the costs and identify potential sources of funding to modernize the rail transportation network of the region.

B. A Port of Metropolitan St. Louis Council was formed in 1977, consisting of the six port districts in the St. Louis area, regional political leadership, representatives of the private sector, and officials of various pertinent public agencies. Operating under the coordination of the Bi-State Development Agency, the Council is now implementing the recommendations of an exhaustive port study that was completed under the auspices of the East-West gateway Coordinating

Council. The Council is identifying problems associated with river transportation, planning for a national promotion campaign, initiating surveys of additional industrial sites along the river, and, in general, coordinating all efforts relative to the development of the economic potential of the port.

C. The bi-state bridge situation over the Mississippi is now being examined in order to establish a priority for highway construction in the years ahead.

D. Work is well under way for continued development and improvements of Lambert-St. Louis International Airport guaranteeing the region will have a first class air terminal.

E. For the past year and a half, leaders of business and organized labor in the St. Louis region have been meeting to form an organization similar to PRIDE, which is the St. Louis construction industry's answer for improving productivity, reducing costs and reducing jurisdictional disputes. The new regional labor-management group will help the area's industrial and service trades achieve the same success that PRIDE has enjoyed. Hopefully, the image and reputation of the St. Louis area will be enhanced, and the region will become more competitive for new business opportunities and more jobs.

F. A citizen-based group known as the Spirit 2000 Committee is now being formed through the East-West Gateway Coordinating Council and the RCGA to identify the direction of the physical growth of the region to the year 2000. Aimed at reducing local opposition to the growth and development of the region, the committee's first project is the identification of capital expenditures and specific projects in the region during the past 10 years, plus the identification of projects now on the drawing boards for construction in the next 10 years.

G. Based on the success of 1977's Spirit of St. Louis celebration and subsequent national tour as a "selling device" for the region, plans are now being considered for the creation of a new not-for-profit corporation that would become the full-time sales arm for the region. A new St. Louis Partnership of the City of St. Louis, St. Louis County and the RCGA would have responsibility for calling on industrial and business leaders throughout the U.S., and working with prospects developed in this effort. Supporting advertising and promotion campaigns are also envisioned.

H. In order to create a more effective process for skilled job training to meet the needs of industry in the region, the RCGA is coordinating an effort involving the CETA agencies and the area's business community.

I. The now-vacant site of the infamous Pruitt-Igot public housing project is being studied for possible development as a Business and Industrial Square that would be a major source of new jobs for persons in the surrounding neighborhoods. While the RCGA is spearheading this effort, a separate, not-for-profit corporation is planned to begin this development, if it becomes feasible, later this year or early in 1979.

J. One of the most important steps now being taken in the St. Louis region is the establishment of an Economic Development District, both in Missouri and in Illinois. In the Missouri portion of the St. Louis metropolitan area, an Economic Development District is scheduled for formation this year. It will bring political leaders, CETA agencies, business, labor and other community interests together to focus on economic development planning, as well as strategies to solve the region's job needs. This Missouri organization will be under the umbrella of the EWGCC, with staff assistance provided by both that organization and the RCGA. The Illinois sector has an Economic Development District that includes some 11 counties in the SWIMPAC organization. In addition, the Illinois Metro East organization exists as an affiliate of the RCGA, representing business and civic leadership concerned with the development of the economy of the Illinois portion of the region.

K. Numerous other studies and research programs are under way in the St. Louis area to solve specific problems, i.e., mass transit, and 208 water studies. Other unique efforts have been initiated in the St. Louis region as stimuli to the local economy. These include the Industrial Waste Exchange; Team Assist, a program to help local businesses solve their problems and begin to expand in the region; an active foreign trade program, including a foreign trade zone; and a new Energy Research Council, whose goal is to attract research funds to local universities in cooperation with local corporations.

III. HOW THESE PIECES FIT TOGETHER

The comprehensive, innovative, and far-sighted programs outlined in the previous section are clear evidence that the St. Louis area's business, political, and civic leadership is not only working hard together to achieve improvements in the area's economy, but is frankly optimistic about the future of regional cooperation.

As the community interests begin working together to meet the challenges facing the region, these efforts will be coordinated primarily through the joint efforts of the EWGCC and the RCGA. Most of the elements needed to solve the regional economic problems have been identified, and are falling in place to bring about a thorough, well-planned economic development effort for the region.

The "Spirit 2000 Committee" and "Jobs 2000" will identify the long-range capital expansion plans, and the region's job needs, respectively. These long-range programs, coupled with the Economic Development District's shorter-range plan, can be used to identify both the needs and the sources of funding to achieve the objectives.

Specific efforts, such as the rail modernization plan, will have the benefit of these broad-based planning goals for the metropolitan region. The labor-management committee, the Center Partnership effort, and the job skill programs each will focus on immediate problems and seek solutions.

By having representatives of the RCGA and EWGCC involved in each of these plans and programs the entire economic development undertaking will benefit from shared information and a real sense of unity.

All the elements of the St. Louis region—specifically the political leadership, business leadership, labor leadership, coupled with citizen representation—are now pulling as one in this new spirit of cooperation for the economic betterment of everyone.

IV. WHAT THE ST. LOUIS AREA NEEDS FROM WASHINGTON

There are two general areas in which the member of the region's Congressional delegation can and should be supportive and helpful. Each area is outlined below.

A. Funds are needed to complete the work—or to complement the local support—in many of the programs and plans described in this report. Specifically:

1. Approximately $90,000 is needed for a 1977–78 version of the Input-Output table. The current table is based on 1972 data and needs to be thoroughly updated. This work will be done through the University of Missouri, and includes surveys of local business and industry as well as the incorporation of the latest economic data into the table.

2. Staff support is needed to devote more time to the establishment of the Economic Development District . . . approximately two people for six months, estimated at a total of $25,000.

3. Initial funding for the staffing and research effort for the "Spirit 2000" plan and community support. Local funds have been identified for a portion of this initial effort, but about $50,000 additional is needed to begin the work of this committee.

4. Funding for the Pruitt-Igoe Business and Industrial Square is also an important community interest. Funds are needed for the completion of engineering studies, site acquisition, and construction of site improvements. Initially, $100,000 is needed for staff and consultant work, with another $200,000 needed for site acquisition.

5. Economic support data, promotional literature, and information programs to describe the region, its assets and advantages to those businesses evaluating the area for the new investment. Approximately $50,000 is needed for development and implementation.

B. Congress is now deliberating or expected to consider several specific matters that have a direct and important bearing on the economy of the St. Louis region. These are issues well known to the region's Congressional delegation, and are included here in the conclusion of this report as matters of great concern to the RCGA. Specifically:

1. Locks and Dam 26: The RCGA's position in favor of replacement is well known to the delegation. What is needed now in the Senate is, quite simply, a vote! The matter has been delayed far too long for the good of the St. Louis area.

2. The Federal Highway Act: The 1976 Act expired at the end of 1977, and, as a new Act is considered by Congress, the RCGA feels strongly that the Act should contain an extension of the highway trust fund with provision for the allocation of funds for completion of the St. Louis innerbelt highway and for the much-needed improvements for the bridges over the Mississippi in the downtown St. Louis area.

3. The UDAG proposal: Although not directly actionable by Congress, support is needed for the St. Louis request for one of the first Urban Development Action Grants to bring about the rejuvenation of the north side of the St. Louis downtown area, complementing the bright new look of the downtown area on the southern side.

4. International Air Service: Another issue that may be beyond the direct involvement of the region's Congressional delegation, but support is needed on the pending CAB decision regarding a "wild card" city for expansion of international air travel to include St. Louis.

5. Clean Air Act of 1977: The Congressional delegation is requested to study the economic effects of the implementation of this Act as amended. Business growth and the creation of more jobs may suffer from the consequences of this well-intentioned environmental legislation.

V. SUMMARY COMMENTS

The purpose of this position paper on the Economic Development of the St. Louis region has been to provide the Congressional delegation with a thorough update on all the activities now under way that will eventually bring about a better place to live, work and do business.

The comments and information in this paper are offered in the spirit of cooperation with the Congressional delegation, and are themselves representative of the spirit of cooperation now growing in the St. Louis area.

As Mr. Stalnaker noted in his luncheon remarks, there appear to be fewer and fewer serious differences between the traditional rivals of this or any metropolitan area: Mis-

souri-Illinois, City-County, Business-Labor, Black-White, and so on.

Surely, differences remain and deserve the immediate attention of everyone with a true concern for the future of the St. Louis area. But the differences are becoming narrowed down to more specific issues, and this in itself is encouraging. These "problems" are becoming "challenges" . . . and the new spirit in St. Louis in 1978 is to meet these challenges head-on.

In this endeavor, the RCGA stands ready to offer its help, expertise and opinions to the political leaders in Washington who certainly share this mutual desire to make the St. Louis area a better place for all.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JEFFORDS) to revise and extend their remarks and include extraneous material:)

Mr. HOLLENBECK, for 5 minutes, today.
Mr. MILLER of Ohio, for 10 minutes, today.
Mr. ASHBROOK, for 15 minutes, today.
Mr. FRENZEL, for 10 minutes, today.

(The following Members (at the request of Mr. HARKIN) and to revise and extend their remarks and include extraneous matter:)

Mr. ZABLOCKI, for 5 minutes, today.
Mr. COTTER, for 5 minutes, today.
Mr. BAUCUS, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Ms. OAKAR, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. ROBERTS, for 5 minutes, today.
Mr. DRINAN, for 30 minutes, today.
Mr. REUSS, for 10 minutes, today.
Mr. ANDERSON of California, for 15 minutes, on March 22.
Mr. LUNDINE, for 5 minutes, on March 22.
Mr. AUCOIN, for 5 minutes, on March 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CHARLES H. WILSON of California, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $739.

Mr. MURPHY of Illinois, to follow the remarks of Mr. SIMON during the debate on his amendment.

(The following Members (at the request of Mr. JEFFORDS) and to include extraneous matter:)

Mr. WYDLER.
Mr. DEL CLAWSON in two instances.
Mr. ARMSTRONG in two instances.
Mr. KETCHUM.
Mr. RUDD.
Mr. WHITEHURST.
Mr. WHALEN in two instances.
Mr. GILMAN.
Mr. CRANE.
Mr. DORNAN in two instances.
Mr. STEERS in two instances.
Mr. SYMMS.
Mr. FISH.
Mrs. HOLT.

(The following Members (at the request of Mr. HARKIN) and to include extraneous matter:)

Mr. WALGREN in two instances.
Mr. CHARLES H. WILSON of California.
Mr. BONKER.
Mr. DINGELL in two instances.
Mr. UDALL.
Mr. HAMILTON in two instances.
Mr. RODINO in two instances.
Mr. VOLKMER.
Mr. MIKVA.
Mr. WAXMAN.
Mr. BYRON.
Mr. MOAKLEY.
Mr. ANDERSON of California in two instances.
Mr. GONZALEZ in three instances.
Mr. EILBERG in two instances.
Mr. WON PAT.
Mr. CORMAN.
Mr. MINETA.
Mr. JONES of Oklahoma.
Ms. SCHROEDER in two instances.
Mr. OTTINGER.
Mr. HARKIN.
Mr. PERKINS.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 101. Joint resolution to authorize and request the President to issue a proclamation designating the third Sunday in May 1979, as "National Fallen Heroes Memorial Sunday" for firefighters and law enforcement officers who have been disabled or killed in the line of duty; to the Committee on Post Office and Civil Service.

ADJOURNMENT TO 10 O'CLOCK A.M., MARCH 22

Mr. HARKIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 22, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3620. A letter from the Mayor of the District of Columbia, transmitting the annual report of the Office of Emergency Preparedness of the District of Columbia for fiscal year 1977, pursuant to section 6 of Public Law 81–686; to the Committee on the District of Columbia.

3621. A letter from the Director of ACTION, transmitting a draft of proposed legislation to amend the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Education and Labor.

3622. A letter from the Secretary of the Interior, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3623. A letter from the Secretary of Housing and Urban Development, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3624. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of June 27, 1960 (74 Stat. 220) as amended by act of May 24, 1974 (88 Stat. 174, 176; 16 U.S.C. 469) relating to the preservation of historical and archeological data; to authorize appropriations under section 3(b) and 4(a) for fiscal years 1979 and 1980, and for other purposes; to the Committee on Interior and Insular Affairs.

3625. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to coproduce certain defense equipment with the Federal Republic of Germany (transmittal No. 78–24), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

3626. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of an increase in the funding level of the Agency's proposed fiscal year 1978 program in Cape Verde, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

3627. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the authorization for appropriations to carry out the Endangered Species Act of 1973; to the Committee on Merchant Marine and Fisheries.

3628. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works and Transportation.

3629. A letter from the Chairman, National Professional Standards Review Council, transmitting a request for reconsideration of the legislative action which removed the statutory requirement of an annual report from the Council to the Congress; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

3630. A letter from the Secretary of Transportation, transmitting the third annual report on the administration of the Deepwater Port Act of 1974, covering fiscal year 1977, pursuant to section 20 of the act; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

3631. A letter from the Comptroller General of the United States, transmitting a report on significant factors influencing ship force size and composition (PSAD–78–6, December 19, 1977); jointly, to the Committees on Government Operations, and Armed Services.

3632. A letter from the Comptroller General of the United States, transmitting a report on the status of the Army's Hellfire air-to-surface missile program (PSAD–78–19, March 21, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3633. A letter from the Comptroller General of the United States, transmitting a report on the status of the Navy's ocean mine countermeasures program (PSAD–78–22, March 21, 1978); jointly, to the Committees

on Government Operations, and Armed Services.

3634. A letter from the Comptroller General of the United States, transmitting a report on Federal Aviation Administration methods to detect pilots with alcohol problems, medical examination procedures, and educational efforts directed at the effects of alcohol on flight safety (CED-78-58, March 20, 1978); jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORT OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Joint Economic Committee. Report on the January 1978 Economic Report of the President (Rept. No. 95-995). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. Report on movie ratings and the independent producer (Rept. No. 95-996). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. Report on product liability insurance (Rept. No. 95-997). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 2852. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; with amendment (Rept. No. 95-998). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. NIX: Committee on Post Office and Civil Service. H.R. 9279. A bill to amend title 5, United States Code to provide for retention of grade and pay for certain employees, and for other purposes (Rept. No. 95-994, Pt. I). Reported and referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93-344, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Mr. BURKE of Massachusetts (for himself, Mr. AMBRO, Mr. AMMERMAN, Mr. CORNELL, Mr. DENT, Mr. EDWARDS of California, Mr. ERTEL, Mr. LUNDINE, Mr. MAGUIRE, Mr. MCHUGH, Mr. NOWAK, Ms. OAKAR, Mr. ROE, Mr. WALGREN, and Mr. AKAKA):

H.R. 11673. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By DON H. CLAUSEN:

H.R. 11674. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. COHEN (for himself and Mr. BRECKINRIDGE):

H.R. 11675. A bill to amend the Internal Revenue Code of 1954 to provide graduated corporate income tax rates; to the Committee on Ways and Means.

By Mr. CUNNINGHAM (for himself, Mr. DICKS, Mr. MILLER of Ohio, Mr. DUNCAN of Tennessee, Mr. GRASSLEY, Mr. YOUNG of Missouri, Mr. DORNAN, Mr. BAUCUS, Mr. HYDE, and Mr. SEBELIUS):

H.R. 11676. A bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. DELANEY (for himself, Mr. MOSS, Mr. STAGGERS, Mr. DINGELL, Mr. EDWARDS of California, Mr. OTTINGER, Mr. SCHEUER, Mr. MARKEY, Mr. CARNEY, Mr. KOSTMAYER, Mr. ROE, Mr. BONIOR, Mr. ZEFERETTI, Mr. SIMON, Mr. EILBERG, Mr. BIAGGI, Mr. FLOOD, Mr. SOLARZ, Mrs. MEYNER, Mr. NIX, Mr. FRASER, Mr. BROWN of California, Mr. STOKES, Mr. CORNELL and Mr. ADDABBO):

H.R. 11677. A bill to amend the Federal Food, Drug, and Cosmetic Act to repeal the exemption from regulation under that act for hair dyes; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL (for himself and Mr. OTTINGER):

H.R. 11678. A bill to amend the Energy Policy and Conservation Act to establish the means for obtaining both short-range and long-range comprehensive energy policy analyses; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. WINN, Mr. BONKER, Mr. PEASE, Mr. NIX, Mr. GILMAN, and Mr. STUDDS):

H.R. 11679. A bill to authorize supplemental appropriations for fiscal year 1978, and to authorize appropriations for fiscal year 1979, for the Peace Corps, and to make certain changes in the Peace Corps Act; to the Committee on International Relations.

By Mr. JOHNSON of Colorado (for himself, Mr. RONCALIO, Mr. ANDREWS of North Dakota, Mr. EILBERG, Mr. NOLAN, Mr. EVANS of Colorado, Mr. MADIGAN, Mr. MURPHY of Pennsylvania, Mr. THONE, Mr. STANGELAND, and Mr. SYMMS):

H.R. 11680. A bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail-highway crossings in certain impacted cases; to the Committee on Public Works and Transportation.

By Mr. KEMP:

H.R. 11681. A bill to amend the Internal Revenue Code of 1954 with respect to the determination of whether scholarships under certain employer-related programs of private foundations will be treated as taxable expenditures under section 4945 of such code; to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 11682. A bill to extend the service area for the Sacramento Valley Canals, Central Vallejo project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 11683. A bill to provide for a $300 payment to an owner of a pre-1968 motor vehicle who has the vehicle scrapped; to the Committee on Interstate and Foreign Commerce.

H.R. 11684. A bill to compensate certain persons who hold invalid patents issued erroneously by the Department of the Interior; to the Committee on the Judiciary.

By Mr. NEAL (for himself, Mr. HOLLAND and Mr. MANN):

H.R. 11685. A bill to provide that funds projected to be expended for a new program on smoking and health, announced by the Secretary of Health, Education, and Welfare on January 11, 1978, be redirected for research on any potentially harmful properties of tobacco; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE:

H.R. 11686. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979 and for other purposes; to the Committee on Armed Services.

By Mr. PRICE (for himself and Mr. MITCHELL of New York):

H.R. 11687. A bill to amend title 10, United States Code, to provide more efficient dental care for the personnel of the Army and Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. VANIK:

H.R. 11688. A bill to amend the Tariff Schedules of the United States in order to provide for the duty-free entry of dogs and cats, regardless of the purposes for which the animals are imported; to the Committee on Ways and Means.

By Mr. WALGREN (for himself, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. CORRADA, Mr. KINDNESS, Mr. BEARD of Tennessee, Mr. GUYER, Mr. GAYDOS, Mr. RAHALL, Mr. CARNEY, Mr. QUILLEN, Mr. HARRINGTON, and Mr. HEFTEL):

H.R. 11689. A bill to amend title 23 of the United States Code relating to the special bridge replacement program, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ALEXANDER:

H.R. 11690. A bill to bolster farm income by providing emergency assistance for producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes; to the Committee on Agriculture.

By Mr. ARMSTRONG:

H.R. 11691. A bill to amend the Water Resources Planning Act so as to strengthen and protect the rights of the States and delineate congressional authority and responsibility with regard to national water resources policy; to the Committee on Interior and Insular Affairs.

By Mr. BURKE of Massachusetts (for himself and Mr. RINALDO):

H.R. 11692. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. FORD of Michigan (for himself, Mr. HARKIN, Mr. STOKES, and Ms. SPELLMAN):

H.R. 11693. A bill to authorize funds for

the Hubert H. Humphrey Institute of Public Affairs; to the Committee on Education and Labor.

By Mr. FORD of Michigan (for himself and Mr. PRESSLER):

H.R. 11694. A bill to amend title IV of the Higher Education Act of 1965 to increase the availability of assistance to middle-income students and to amend section 1208 of such act; to the Committee on Education and Labor.

By Mr. FRENZEL:

H.R. 11695. A bill to amend the Internal Revenue Code of 1954 to provide a refundable Federal income tax credit for educational expenses; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. HALL, Mr. RICHMOND, and Mr. ROYBAL):

H.R. 11696. A bill to amend the Immigration and Nationality Act to exclude from admission into and to deport from the United States all aliens who persecuted others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany; to the Committee on the Judiciary.

By Mr. KEMP (for himself, Mr. BINGHAM, Mr. CAPUTO, Mr. DORNAN, Mr. EVANS of Georgia, Mr. FLOOD, Mr. FRASER, Mr. FRENZEL, Mr. FREY, Mr. GILMAN, Mrs. HOLT, Mr. LENT, Mr. MOFFETT, Mr. RYAN, Mr. CHARLES WILSON of Texas, and Mr. WINN):

H.R. 11697. A bill to provide for the issuance of a commemorative postage stamp in observance of the 30th anniversary of the founding of the modern State of Israel; to the Committee on Post Office and Civil Service.

By Mr. MARRIOTT:

H.R. 11698. A bill to provide grants to States for the restoration of abandoned uranium mill sites and to require the Secretary of Energy to restore such sites if the States fail to do so; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. PERKINS (for himself, Mr. FORD of Michigan, Mr. BLOUIN, Mr. SIMON, Mr. WEISS, Mr. HEFTEL, Mr. CORRADA, Mr. KILDEE, and Mr. MILLER of California):

H.R. 11699. A bill to amend, revise and consolidate the provisions of the child nutrition programs authorized by the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. ROBERTS (by request):

H.R. 11700. A bill to designate the proposed new Veterans' Administration hospital in Columbia, S.C., as the "Wm. Jennings Bryan Dorn Veterans' Hospital"; to the Committee on Veterans' Affairs.

By Mr. ROE (for himself, Mr. MCFALL, Mr. PERKINS, Mr. FASCELL, Mr. SISK, Mr. THOMPSON, Mr. BURKE of Massachusetts, Mr. CORMAN, Mr. ROSENTHAL, Mr. FRASER, Mr. MURPHY of New York, Mr. PATTEN, Mr. CHARLES H. WILSON of California, Mr. HANLEY, Mr. EILBERG, Mr. GAYDOS, Mrs. CHISHOLM, Mr. LENT, Mr. MOAKLEY, Mr. STUDDS, Mr. HUGHES, Mr. MARKEY, Mr. AKAKA, Mr. MURPHY of Pennsylvania, and Mr. CORRADA):

H.R. 11701. A bill to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976; to the Committee on Public Works and Transportation.

By Mr. ROGERS (by request):

H.R. 11702. A bill to revise and extend the provisions of title XIII of the Public Health Service Act relating to health maintenance organizations; to the Committee on Interstate and Foreign Commerce.

By Mr. SEIBERLING:

H.R. 11703. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day; to the Committee on Post Office and Civil Service.

By Mr. UDALL:

H.R. 11704. A bill to amend the Atomic Energy Act of 1954, as amended, to improve the nuclear siting and licensing process, and for other purposes; to the Committee on Interior and Insular Affairs.

[*Omitted from the Record of Mar. 20, 1978*]

By Mr. REUSS (for himself, Mr. BALDUS, Mr. ASPIN, Mr. STEIGER, Mr. ZABLOCKI, Mr. KASTENMEIER, and Mr. KASTEN):

H.J. Res. 805. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

[*Introduced Mar. 21, 1978*]

By Mr. BRADEMAS:

H.J. Res. 806. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. DEL CLAWSON:

H.J. Res. 807. Joint resolution proposing an amendment to the Constitution of the United States to provide for 4-year terms for Members of the House of Representatives; to the Committee on the Judiciary.

By Ms. KEYS:

H.J. Res. 808. Joint resolution to provide for the designation of the first Friday of March of each year as "Teacher Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. FISH (for himself, Mr. ROSENTHAL, Mr. SOLARZ, Mr. DERWINSKI, Mr. LAGOMARSINO, Mr. SCHEUER, Mr. WAXMAN, Mr. KREBS, Mr. MOORE, Mr. KINDNESS, Mr. WHITEHURST, Mr. LOTT, Mr. EILBERG, Mr. WEISS, Mr. BRODHEAD, Mr. MCDONALD, Mr. BADHAM, Mr. WALKER, Mr. SISK, Mr. LEDERER, Mr. VAN DEERLIN, Mr. LUKEN, Ms. HOLT, and Mr. LENT):

H. Con. Res. 541. Concurrent resolution expressing the sense of the Congress that the President should direct the U.S. Ambassador to the United Nations to offer a resolution in the General Assembly which would remove the observer status of the Palestine Liberation Organization; to the Committee on International Relations.

By Ms. OAKAR (for herself, Mr. ZEFERETTI, Mr. BEARD of Rhode Island, Mr. JOHNSON of California, Mr. MICHAEL O. MYERS, Mr. KILDEE, Mr. DENT, and Mr. HEFTEL):

H. Con. Res. 542. Concurrent resolution to disapprove the determination of the President denying import relief under the Trade Act of 1974 to the U.S. industry manufacturing metal fasteners; to the Committee on Ways and Means.

By Mr. UDALL (for himself, Mr. FOLEY, Mr. JOHNSON of Colorado, Mr. SKUBITZ, Mr. WEAVER, Mr. RONCALIO, and Mr. WAMPLER):

H. Con. Res. 543. Concurrent resolution relating to reviews of federally owned roadless areas; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

By Mr. HARRIS (for himself, Mr. BINGHAM, Mr. PHILLIP BURTON, Mr. DOWNEY, Mr. EDGAR, Mr. GIBBONS, Mr. KASTENMEIER, Mr. LAFALCE, Mr. LUNDINE, Mr. MOFFETT, Mr. PRICE, Mr. SEIBERLING, Mr. SIMON, Mr. STARK, Mr. WHALEN, and Mr. WIRTH):

H. Res. 1097. Resolution to amend the Rules of the House of Representatives to restrict provisions of and amendments to appropriation bills; to the Committee on Rules.

By Mr. FASCELL (for himself, Mr. BUTLER, Mr. MCCLOSKEY, Mr. RYAN, Mr. REUSS, Mr. WINN, Mr. LEHMAN, and Mrs. BURKE of California):

H. Res. 1098. Resolution to amend the Rules of the House of Representatives to restrict amendments to general appropriation bills, to restrict consideration of supplemental appropriation bills, and to prohibit consideration in the House of continuing resolutions; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

338. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to relations with the Republic of China; to the Committee on International Relations.

339. Also, memorial of the Legislature of the State of Indiana, relative to permitting the continued collection of tolls on the Indiana Toll Road; to the Committee on Public Works and Transportation.

340. Also, memorial of the Legislature of the State of Wyoming, relative to support of agriculture; to the Committee on Agriculture.

341. Also, memorial of the Legislature of the State of Wyoming, relative to land acquisitions by the National Park Service; to the Committee on Interior and Insular Affairs.

342. Also, memorial of the Legislature of the State of Wyoming, ratifying an amendment to the Constitution of the United States proposed on September 25, 1789, to require an intervening election of Representatives before any increase in compensation accrues to Senators and Representatives; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 11705. A bill for the relief of Mr. and Mrs. Joseph S. Fok; to the Committee on the Judiciary.

By Mr. KOSTMAYER:

H.R. 11706. A bill for the relief of Frank Ciccarone; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 11707. A bill for the relief of the heirs of Demetrio Madrid; to the Committee on the Judiciary.

By Mr. PATTISON of New York:

H.R. 11708. A bill for the relief of Alexander J. Paladin; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

418. By Mr. HOLLENBECK: Petition of the mayor and council of the borough of Bergenfield, N.J., relative to ConRail; to the Committee on Interstate and Foreign Commerce.

419. By the SPEAKER: Petition of board of aldermen, Somerville, Mass., relative to the abortion issue; to the Committee on Interstate and Foreign Commerce.

420. Also petition of the city council, Philadelphia, Pa., relative to living standards in public housing projects; to the Committee on Banking, Finance and Urban Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 11315

By Mr. PRESSLER:

Amend page 2, after line 5, by inserting: "(5) the term "incumbent" means anyone who is occupying the office of Representative in, or Delegate or Resident Commissioner to, the Congress.

(6) the term "challenger" means a candidate who is eligible under section 502 for payments under section 504 who is not an incumbent.

Amend page 3, line 10, by inserting after "$1,000" the phrase "for an incumbent or $1,200 for a challenger."

Amend page 4, line 22, insert after "$1,000" the phrase "for an incumbent or $1,200 for a challenger."

Amend page 4, line 24, insert after "$10,000" the phrase "for an incumbent or $12,000 for a challenger."

Amend page 5, line 9, after "$10,000" the phrase "for an incumbent or $12,000 for a challenger."

EXTENSIONS OF REMARKS

REPRESENTATIVE STRATTON ACCURATELY QUESTIONS U.S. DEFENSE ACTIONS, POLICIES, AND TRENDS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WON PAT. Mr. Speaker, there is widespread concern and disquiet within our own Nation and through much of the world about the apparent lack of direction or decisiveness in U.S. defense policies.

At home there is a growing perception that U.S. military forces have been consistently whittled away in recent years to the point where we no longer are capable of deterring an aggressor from attacking or successfully defending ourselves if necessary.

Overseas, because of numerous internal and international decisions and policies we are perceived as having lost our national will to face up to difficult situations and are a "paper tiger" nation, an uncertain ally and an "easy" adversary.

It is ironic that in recent years it has been previous administrations advocating greater U.S. military strength and growth, in opposition to contrary attitudes by Congress and the general public, whereas polls now indicate a majority of Americans believe we should have a stronger defense capability and Congress, in general agrees, while it is the administration urging further diminutions.

Congressman SAMUEL STRATTON, our distinguished colleague from New York, a leading member of the House Armed Services Committee and an authority on our national defense, detailed this alarming situation yesterday when he was honored by the Washington Chapter of the American Defense Preparedness Association.

His observations and conclusions were particularly cogent and I submit them for the RECORD for the benefit of all our colleagues:

SOME PLUSSES AND SOME MINUSES ON AMERICAN DEFENSE

The story is told of Winston Churchill that one evening as he was sampling the dessert course at a banquet, he summoned the waiter to his table. "Waiter", he said, "take this pudding away; I don't like it; it has no theme."

Today the same thing might be said of America's overall defense posture. It has no theme—no clear, unambiguous theme of where exactly we want to go, and what precisely are our intentions. The Executive Branch comes up with various statements and also various actions. But there is considerable confusion as to just what they all add up to, because more often than not, the words contradict the action, or vice versa, as in the case of our troop withdrawal from Korea while we loudly proclaim with increasing shrillness, our "commitment" to defend not only Korea but our other Asian allies as well.

Meanwhile Congress, or at least some portions of it, has undertaken to challenge the Executive Branch, as on the B–1, for example, sometimes successfully, sometimes not. You can hardly blame foreign governments for being at a loss to know just who speaks for America on defense, and just what our national policy really is.

The record over the past year has been a "mixed bag"—no clear-cut theme or direction, just a collection of minuses and plusses. You're already familiar, I'm sure, with most of them, but let me just run through a few to refresh your memory, first the minuses—which do indeed seem to outnumber the plusses:

Item: The plan to withdraw from Korea, a Presidential decision made without any prior military consultation or staffing, and at sharp variance with what the Joint Chiefs recommended as their preferred alternative. We have only 40,000 American troops in Korea today, compared to nearly 300,000 in NATO, and both areas are stable and relatively calm. Yet we are proposing to withdraw this comparatively meager force from Korea while we pledge still further troops and still greater expenditures to NATO. Is one area less dangerous than the other? Is one area more important to Americans than the other?

Item: With grudging concurrence from Congress, the President has finally succeeded in burying the B–1 bomber, America's newest and latest technology candidate for the traditional manned bomber leg of our nuclear triad—note I said the manned bomber leg, not the air-breathing leg!

Yet this action was taken at the very time the Defense Department's top research and development official was extolling America's superior military technology as the best and surest way to offset Soviet superiority in both size and number.

Item: Funds have been eliminated from the budget for deployment of the MX mobile missile, although the Pentagon readily admits that our existing Minuteman ICBM force is likely to become vulnerable to Soviet attack in the early 1980's; and even though an early start on deployment options would be one of the best ways of hedging against a Soviet capability that could come even sooner than we anticipate.

Item: Funds were deleted from the 1978 defense budget for a fourth nuclear carrier, and none were included in the 1979 budget for any carrier, nuclear or non-nuclear. Yet everybody knows that the only real margin of superiority which the U.S. Navy has over the Soviet Navy lies in its carriers, especially those unconstrained by the speed and refuel limitations imposed by conventional power systems. So once again we have deliberately and unilaterally renounced the very American defense technology on which we pretend to pride ourselves.

Item: Experts have long agreed that if the U.S. is not to slip behind the Soviets in military power, the Defense budget must be increased by at least 2 percent a year, discounting inflation. Last year's appropriations, once they had been pared down in the congressional process, added up to no increase at all.

Yet this year's budget is only a bare 2 percent over last year's appropriation level, and that leaves nothing at all for the usual congressional cuts.

Item: Allegedly in the interests of standardizing NATO weapons, DOD is pushing strongly for putting a new German 120mm gun on its XM–1 main battle tank, at the risk of a substantial boost in the XM–1 program costs and possibly still further delay in its initial operating capability.

As one—of course, unidentified—Pentagon official commented wryly the other day, if this 120mm gun had been built in Ethiopia we wouldn't have given it a second look. But the crowning irony is the 105mm tank gun which is presently in use on our M–60 tank is now the standard in NATO, and a 120mm gun could not possibly become the standard until 1990.

Item: The Executive Branch is still pushing hard for a SALT II treaty in which parity is figured only in numbers, rather than in the vastly more important categories of yield and throw weight. And it does this even though a treaty negotiated simply on the basis of numbers Vladivostok or otherwise—would freeze America permanently into nuclear inferiority to the Soviets.

Item: Steps are underway within the Pentagon to "reorganize" the Department of Defense in such a way as to push the Joint Chiefs of Staff and the uniformed personnel still further from the center of the defense decision-making process. And this operation is underway even though Congress long ago designated the Joint Chiefs as the "principal" military advisors—with direct access at any time—both to the President and to the Secretary of Defense; and even though one would assume that in military matters, no less than in economic or consumer affairs, policy cannot safely be made without some occasional reference at least to expert professional advice.

So much for the minuses. What about the plusses? Well there are fewer of them, it turns out:

Item: Surprisingly, there are signs that Congress this year, in spite of its consistent past practices, may be prepared to increase the Administration's defense budget rather than cutting it. Already the House Armed Services Committee has voted tentatively to add about $2 billion to the total, including full funding for another Nimitz class nuclear carrier and one nuclear powered cruiser.

Item: In spite of announced intention to hold down arms sales abroad, even to U.S. friends and allies—and sell them wheat instead—these sales have actually increased in the past year—adding not only to our own security in such vital areas as Iran and the Middle East, but also helping to win back some of those precious petro dollars, and also easing the unit producion cost of some of America's first line aircraft, likewise a consideration not exactly to be sneezed at.

Item: While many of its details are still classified or closely held, the general format of the proposed new SALT treaty has already been subjected to searching scrutiny in Congress and the press, with the observation being made that when it comes to defense matters, the opposition to the Panama Canal treaties is just a warm up bout for the main event against an unacceptable SALT II treaty.

Item: Two highly respected members of the Senate, Senators John Glenn and the late Senator Hubert Humphrey, joined earlier this year in co-authoring a report highly critical of the Administration's decision to withdraw ground troops from Korea. As one might expect, it has gotten no front page coverage in any newspaper.

Item: The U.S. Senate did succeed in adding to the first Panama Canal treaty two provisions insuring to the U.S. not only the right to use military force to keep the canal open, but also the right to negotiate a least for a Panamanian base for those troops rather than one thousand miles away from the canal. Not a major victory, to be sure, but at least a small step in the right direction. When it comes to deterrence, after all, it's always best to be on the spot, not thousands of miles away—whether it's Panama, Europe, or South Korea.

So there you have it, a kind of rough balance sheet on just where this country stands today in defense, taking into account not only our real military posture but also our perceived military posture.

General Maxwell Taylor, Army Chief of Staff under President Eisenhower, quit his job before his term was up and wrote a book of protest entitled, "The Uncertain Trumpet". The title comes from a quotation from the New Testament: "For if the trumpet gives an uncertain sound, who shall prepare himself to the battle?" Surely the mixed bag compendium I have listed above gives off "an uncertain sound" if General Taylor and I ever heard one. And if the New Testament is right, we are in bad shape.

Yet perhaps help is now suddenly at hand from an unexpected quarter. Last Friday President Carter delivered a major defense address on the campus of Wake Forest College in North Carolina. In that address the President made several statements with which this audience would enthusiastically agree, for example:

"Discounting inflation, since 1960 Soviet military spending has doubled, rising steadily by 3 to 4 percent every year, while our military budget is actually lower than it was in 1960."

"We will not allow any other nation to gain military superiority over us."

"...even as we search for agreement on arms control, we will modernize our strategic systems and revitalize our conventional forces. We shall implement our policy ... by maintaining and developing forces to counter any threats to our allies and our vital interest in Asia, the Middle East, and other regions of the world."

"Our strategic forces must be—and must be known to be—a match for the capabilities of the Soviets. They must never be able to use their nuclear forces to threaten, coerce, or blackmail us or our friends."

Just what does this surprisingly "tough" speech mean? Does it actually signal a new, harder line in the Carter Administration on defense matters, one that will give a clearer and more certain signal not only to our allies but also to our potential enemies? Or is this just another temporary swing to the right, soon to be followed by another compensating swing to the left? Senator Jake Garn of Utah was quoted as saying, "I like the speech, I agree with it, but I don't believe it."

This may, however, be too quick and too glib a reaction. Those of us who do favor a strong defense ought not to turn lightly aside the possibility of a formidable new ally in our struggle, and even a new day dawning ahead.

After all, the papers have recently been filled with accounts of a kind of struggle under way here in Washington for the President's mind on such questions—with Secretary Vance pressing for still more diplomatic negotiations and still more treaties, while National Security Advisor Brzezinski, alarmed at the threatening implications of the recent Soviet and Cuban operations in the Horn of Africa, has been pressing for a harder defense policy, bluntly stated, to counter such expansionist activities. Even the Defense Department, we learned on Sunday, wants to delay Secretary Vance's rush for a new treaty banning killer satellites, at least until we have gotten one of our own so we have something to ban!

Of course no one knows for sure what precipitated this Friday speech. It is possible that these developments in Africa have indeed had their impact and that the President has come to realize the urgency of moving more forcefully and unambiguously to strengthen Soviet perceptions of our deterrent stance and of our tougher intentions. On the other hand, it could of course be only more brave rhetoric, unsupported by correspondingly tough actions. Only time will tell. But at least we can hope.

Regardless of which way it turns out those of us, in Congress and outside, who do believe sincerely in the need for a strong defense will continue to work:

To support countries seeking to resist or to throw off Marxist control;

To seek ratification of only a SALT treaty that will promote an equality between ourselves and the Soviets in destructive power, not in numbers alone;

To see that the budget remains big enough to provide for adequate growth;

And to keep our uniformed professionals in a position to have their views fully heard out by the top civilian officials before the military decision is made rather than after.

In all these objectives we continue to hope we can win Presidential support. It will make our job a whole lot easier. But we will continue to fight in any case.

Yet one thing is absolutely certain: if the President does indeed see the need for a sharp change in defense policy and is willing to take the lead on these matters he can clearly carry the Congress with him. There is not a single bit of doubt on that score.

If that should happen, then we will have truly moved into a new era. The country will be better for it, and at long last our defense posture will have a theme, a clear and unambiguous theme. The trumpet will then give off a clear and a certain sound, and we shall be strong and ready—not because we want war, not because we want to sell our products and increase our profits—but, in spite of all our up and down of recent years, because a strong, confident, positive influential America is still the surest deterrent to war and the surest guarantee of a just and lasting peace, for ourselves and for all nations.●

OVER THE CAPITOL HILL

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. DEL CLAWSON. Mr. Speaker, the Daily Southeast News, published in Downey, Calif., contained a column on February 9, the Lighter Side, by Dick West. Because it treats a subject of particular interest and concern to all my colleagues, not only those of us who are "dropping out" and because I believe it is relevant to legislation I am introducing today, the column entitled "Over the Capitol Hill" is included at this point in the RECORD:

THE LIGHTER SIDE—OVER THE CAPITOL HILL

(By Dick West)

WASHINGTON.—Thus far, barely into February, 40 members of the 95th Congress have announced they will not seek re-election this year.

If the present rate continues, the dropout total will reach a new high, breaking the record of retirements two years ago.

Some lawgivers are stepping down for reasons of age or health, and some are seeking other offices. But most are quitting because they are frustrated, disenchanted, overworked or simply fed up with the whole thing.

Indeed, the percentage of members of Congress who fail to seek re-election may now have surpassed the percentage of members of the armed forces who decline to re-enlist.

The problems created by such a rapid turnover can hardly be underestimated. For one thing, it takes a lot of money to train a rookie congressman. Unless they stick around at least long enough to become a subcommittee chairman, the investment is largely lost.

Beyond that is the long-range question of whether the United States should continue to rely on an all-volunteer Congress, or whether we eventually may need to resort of some type of standby draft.

Compulsory congressional service is, of course, repugnant to our tradition of individual self-determination. But perhaps even more undesirable is the prospect of filling the legislative ranks with mercenaries who are lacking in partisanship, thirst for power, political fanaticism and other conventional motivations.

While political drafts are nothing new, most have been spontaneous aberrations brought about by deadlocked conventions or shortages of smoke-filled rooms. The concept of an organized draft on a permanent basis is something quite different.

A congressional conscription system presumably would work something like this:

Upon reaching the age of 25, which is the constitutional minimum for service in the House of Representatives, each citizen would register and be classified according to party affiliation, bigotries, conflicts of interest and so on.

The category 1-R, for example, would be assigned to right wing Republicans; liberal Democrats would be classified 1-D, and so forth.

Quotas would vary according to the number of voluntary candidates in each congressional district.

And what of draft-dodgers? Might not some people fake non-political beliefs or join third party movements to avoid being inducted into Congress?

The possibility does exist unless some

alternatives provided. I would favor giving conscientious objectors the option of serving for two years as unpaid lobbyists.

Otherwise, I fear we would see a mass migration to Canada.●

PREFERENTIAL TREATMENT IN THE TAX SYSTEM

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. BONKER. Mr. Speaker, why is it that our tax system is inherently unfair? Ten years ago, when I had no dependents to claim, it was discriminatory to unmarried citizens. Now it is married couples who are penalized, as a prominent editor in my district discovered when he entered the nuptial ranks recently. "Traditional" marriages, as he points out, are given preferential tax treatment while working spouses must pay a higher amount.

Mr. David Workman's letter to the President and myself is partially in jest, but it carries a profound truth and valid criticism of our taxing policies. Actually, it makes a good case for offering preferential treatment for working couples because, first, both are making a contribution to our economy and free enterprise system; second, not living off welfare or food stamps or unemployment; and third, not living in sin.

Mr. Speaker, I include Mr. Workman's letter in the RECORD for the benefit of my colleagues, especially those who serve on the House Ways and Means Committee:

WITH MY BOOTS ON

(By Dave Workman)

President JIMMY CARTER,
Congressman DON BONKER.

DEAR JIMMY AND DON: (I can call you that, can't I?)

I've got this little problem with my taxes. As Don knows, I got married last October. We're happy, and besides, it seemed like the right thing to do.

But, because we got married, now that tax time has rolled around, it appears that the government wants to bring the honeymoon to an abrupt end. We've found that it would have been to our advantage to have remained single and simply set up housekeeping together. We'd still be together, and we would have the added "plus" of getting a break on our income taxes.

Under the tax laws, only the "traditional" marriage—where the husband works and the wife stays at home—is given what one might call "preferential tax treatment."

Unfortunately, as with most young couples, we've found that, thanks to inflation, the cost of living, property taxes and costs ad infinitum, we are in a position that dictates we either both work or both starve. Therefore, we only qualify for a standard deduction of $3,200 while single working people living together qualify for deductions of $2,200 apiece, or a total deduction of $4,400. Now, is that fair?

Instead of being penalized for entering wedlock, married couples should get the "preferential treatment" because we are: 1) both making our contribution to the economy and free enterprise system; 2) not living off welfare or food stamps or unemployment; and 3) not living in sin.

I don't criticize without offering alternatives. I propose the tax laws should be changed to allow working spouses the same deductions as working unmarrieds who live together—$2,200 apiece, or $4,400. I further propose greater increases in deductions for dependents in families where in only one spouse works. In the case of singles living together, they should receive the lesser standard deduction for themselves and their "dependents," regardless of how many such dependents there are.

One might respond with the simple suggestion to itemize deductions. After looking over all the legal deductions to which we are entitled, we found, sadly, that they did not amount to a sum greater than the $3,200 standard deduction.

This is yet another reason why marrieds should receive the same benefits as unmarrieds; we now must pay a higher tax rate than singles, yet we must also absorb the cost of property taxes, sales taxes and more, while singles (who most likely rent) qualify for higher standard deductions to offset these costs. Even if single couples do purchase property and pay property taxes and such, they still are allowed $1,200 more in standard deductions than the married couple.

I could continue, but I think I've made my point.

Well, Don and Jimmy (I think I can call you that, now that we've talked), I hope you guys get on the ball and do something to change this situation. Feel free to contact me, anytime. Drop by the house and meet the wife; she's a great cook. But remember, we want action, not just talk.

We will be forever thankful.

DAVE WORKMAN.●

ENCOURAGING ELIGIBLE RESIDENTS TO VOTE

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. BYRON. Mr. Speaker, the Mason-Dixon Council of Boy Scouts has recently approved and will be implementing an important civic program to instill the Cub Scouts, Scouts, and Explorers of the region with a sense of "duty to their country." In accordance with the guidelines for achieving the citizenship skill award, the Scout is reminded of his responsibility as an adult to choose public officials in free elections. However, as we all know, only registered voters can exercise our invaluable constitutional right of freedom of choice. Therefore, the Mason-Dixon Council in conjunction with the Shawnee Girl Scout Council has launched a campaign designed to encourage all eligible residents of Washington County, Md., to register to vote.

Donald R. Frush has been appointed by council president, Charles King, to direct this project and its 3,400 enthusiastic participants. Election board authorities have estimated that nearly 43,000 residents in the area have not been registered to date. These young people under the supervision of Don Frush will canvass the homes of eligible voters in May and will solicit their support. The Scouts equipped with registration forms will attempt to expedite the process by registering interested persons on the spot.

I would like to take this opportunity to commend Don Frush and the Boy Scouts and Girl Scouts for their efforts and wish them every continued success in their endeavors. In an era, which had been plagued by apathy and antipathy, these young people should serve as examples to the rest of the citizenry for their active participation and cooperation in pursuing the goals of a democratic society. The members of these Scout organizations have been provided with a rare opportunity of demonstrating the highest tradition of the Scout oath, "to do my duty to God and my country."●

RESULTS OF 10TH CONGRESSIONAL DISTRICT OF ILLINOIS CONSTITUENT QUESTIONNAIRE

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. MIKVA. Mr. Speaker, approximately 14,000 residents of the 10th congressional district have demonstrated their feeling on handguns, sentencing of criminals and other major issues in responses to the 1978 10th district constituent questionnaires.

A majority of the people said they favor enactment of a Federal law banning the manufacture, sale, and distribution of handguns, except for the police, military, and licensed pistol clubs. Seventy-one percent would like such a law; 24 percent disagree and 5 percent are undecided. Legislation introduced by me last year for a handgun law is pending. I hope the response to this question will help Congress come up with realistic and effective thinking toward eliminating the handgun as a weapon of human destruction.

There is also a clear majority of people in the 10th district desiring a change in the way criminal offenders are sentenced. Seventy-five percent of the respondents believe fixed sentencing for specific crimes should be initiated along with abolishing the parole system. As a supporter of a measure to reform the Federal Criminal Code, I concur with the survey's consensus that changes in the criminal justice system, together with strict handgun controls, would provide a powerful combination for reducing the crime rate. Twelve percent said they disagree with fixed criminal sentencing and abolishment of paroles. Thirteen percent stand undecided.

On another topic, the questions on energy and the environment are significant due to their current debate in Congress. By the poll's widest margin, 82 percent of the people favor a shift in research funding to research on solar, geothermal and other renewable energy sources. At the same time, 63 percent reject the idea the environmental safeguards should be relaxed as a way to increase employment. This indicates to me that most Americans realize the urgent need to meet the environmental challenge head on before this century ends.

Looking at the responses on which way is most favored in financing social security benefits, the margin of difference is narrower than in the views expressed on the fore-mentioned topics. The questionnaire asked residents if they feel general revenue funds from the U.S. Treasury should be used to pay for part of the social security benefits. The idea is favored by 49 percent, while 35 percent disagree and 16 percent are undecided.

On the question of legislation to allow public financing of congressional campaigns, the measure is supported by a margin of 54 percent to 35 percent.

Turning to the part of the survey dealing with foreign policy, I am especially pleased that so many people in the 10th district are concerned with the important international issues that ultimately affect every U.S. citizen. Eighty-five percent believe that traditional U.S. support of Israel be maintained; 62 percent feel there should be a reduction of U.S. arms abroad; and by a narrower margin; 51 percent of the respondents support ratification of the Panama Canal treaties.

In summary, the results of this survey will be of tremendous assistance to me as the Congress looks ahead to making crucial decisions. With the interest shown by the people of the 10th congressional district I have gained both insight and strength on the vital issues before the House.

The complete questionnaire results follow:

[In percent]

	Yes	No	Not sure	No response
General:				
1. Do you favor the ratification of the Equal Rights Amendment?	52	37	9	2
2. Currently, Federal employees as well as many State and local government employees are not part of the social security system. Do you think these government employees should be included in the system as are other workers?	57	30	10	3
3. Currently, Presidential elections are federally financed in order to limit private contributions and the resulting influence of the contributors. Should this kind of financing reform be extended to congressional elections?	54	35	9	2
4. Should the B–1 manned bomber project continue to be funded?	39	43	16	2
5. Do you favor a Federal law to ban the manufacture, sale and distribution of handguns, except for the police, military, and licensed pistol clubs?	71	24	3	2
6. Should the United States commit resources to develop the neutron bomb?	39	41	18	2
7. Over the next several years, many economists predict that the private sector will not create enough jobs to hire every unemployed American able to work. Should Congress appropriate more funds to expand the public service jobs program for the unemployed?	40	47	11	2
8. 1 feature of the Carter administration's welfare reform proposal would replace welfare programs such as food stamps with straight cash payments. Do you favor such reforms?	20	63	15	2
9. Some people say that a way to increase employment is by relaxing the environmental standards for air and water pollution. Others argue that environmental safeguards should be maintained and that employment will not be adversely affected. Do you favor some relaxation of these environmental standards?	29	63	7	1
10. Convicted criminals who are sentenced to prison frequently serve a portion of their term and are then paroled. Some believe the parole system has not worked well, however. There are proposals in Congress to prescribe fixed sentences for specific crimes and abolish the parole system. Do you favor such proposals?	75	12	12	1
11. The Hatch Act currently places limits on Federal employees' political participation. Do you think that Federal employees should be allowed to participate in election campaigns, provided that safeguards exist to protect them from political pressure?	41	49	9	1
Foreign policy:				
12. In order to protect some U.S. manufacturers and American jobs, do you think that the United States should establish higher tariffs or quotas on imports, even if such action increased costs to American consumers?	37	48	13	2
13. Would you support the ratification of the Panama Canal treaties if the United States retained the authority to send in troops if necessary?	51	37	10	2
14. Do you think that there should be a general reduction in the sale cf American arms abroad?	62	26	11	1
15. Israel has been a long-standing ally of the United States and has received strong U.S. support. Some people, however, have questioned our support of Israel because of the importance of oil in Arab countries. Do you think the traditional support of Israel by the United States should be maintained?	58	27	14	1
Energy:				
16. Some people have proposed the elimination of Federal price controls on natural gas as a way of stimulating production. Others favor a modest increase in natural gas prices but with continued controls so as to keep the price of natural gas from going too high. Would you favor the elimination of all price controls on natural gas?	27	61	11	1
17. A major feature of President Carter's energy bill puts a new tax on the production of oil, with all the tax money raised being rebated to the people who pay those taxes. Others believe, however, that a portion of those tax revenues ought to go to the oil companies for development of new oil. Do you favor giving a portion of these tax revenues to the oil companies?	30	56	11	3
18. A significant portion of funds for energy research goes for research on nuclear energy. There have been proposals to shift some of those funds to research on solar, geothermal and other renewable sources. Do you tavor such a shift in energy research funding?	82	10	6	2
Social security financing:				
Although Congress approved a bill to strengthen the financing of the social security system, there are still a variety of opinions about how the financing should be done in the future. If social security benefits are to keep pace with inflation and our aging population, additional funds will have to be provibed. Which of the following do you favor for raising the necessary funds?				
19. The social security payroll tax (now set at 5.85 percent) should be increased	27	55	9	9
20. The amount of earnings taxes (now limited to the 1st $16,500 per year) should be increased	46	37	9	8
21. General revenue funds from the U.S. Treasury should be used to pay for part of social security benefits	49	35	10	6
22. The retirement age at which benefit payments begin should be raised	21	64	7	8
Health:				
23. To control hospital costs, the Carter administration has proposed a bill that would limit the percent of increase that hospitals could charge for their services. Do you favor such legislation?	67	24	7	2
24. As a result of a 1973 Supreme Court decision, abortion as a medical procedure is now available to women who can afford it, and many health insurance plans include coverage for an abortion. Do you think that similar coverage should be available to the poor, who presently receive all other medical care services through Government programs?	68	23	6	3

25. Which statement is closest to your view about national health insurance?	A	B	C	D
A. Congress should pass comprehensive national health insurance, covering all illnesses and all Americans.	31	42	25	4
B. Congress should confine itself to catastrophic health insurance, covering only that portion of the most costly illnesses.				
C. We should continue to rely solely on the current medical delivery system and on the private insurance industry.				

A TRIBUTE TO ABRAHAM LINCOLN

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. ARMSTRONG., Mr. Speaker, on February 11, I was privileged to address the Moffat County Lincoln Day dinner in Craig, Colo. It was a great evening and a very, very meaningful occasion for me for a number of reasons.

The highlight of the evening, however, was a moving tribute to Abraham Lincoln, delivered by my friend, Frances Harding. Over the years, I have read and heard many speeches on the subject of President Lincoln and his contribution to our Nation's heritage. But I cannot recall having heard such a perceptive, significant, and heartwarming tribute as that presented by Mrs. Harding. I would like to share it with you:

Few leaders or statesmen have escaped the tendency of power to harden, or at least to narrow, their human sympathies. But Abraham Lincoln possessed a natural wealth of "tender compassion" which became more tender in the stress of conflict and developed into an outstanding strength.

Abraham Lincoln thought of himself as a follower—a servant of the people. When he died, people sorrowed not because they had lost a President, but because they had lost a friend that they had loved simply—as a man. His belongings were nothing—he was considered ugly and awkward—and lacking of grace. The White House was the place he

lived—and nothing more. He was so modest by nature that he was perfectly content to walk behind any man who wished to walk before him. In his humility and honesty he labored to find what the people wanted and how to obtain that. It was his compassion and sense of justice which gave him his hold on others—it formed the magnetic field whose influences could not be escaped. But it was something he carried unconsciously.

These are not characteristics which come to mind when thinking of leadership potential. Yet this man brought this country through a violent, destructive war trying to keep eventual unity and peace in mind. In his Second Inaugural Address, he requested, "malice towards none, charity for all"—there was no exultation, no boasting—yet at this point, the war was almost over and the goal of freedom for all men finally to be realized. Such humility almost passes understanding. He had succeeded in upholding the peoples' rights under the Constitution—How many presidents have been tried to that extent? It's hard to comprehend what self-satisfaction and exultation most of us would feel if challenged to that limit—it boggles my mind.

One historian wrote: "Many great deeds had been done in the war. The greatest was keeping the North together in an enterprise so arduous and so confusedly related as the Union and freedom. Abraham Lincoln did this: nobody else could have done it; to do it he bore on his sole shoulders such a weight of care and pain as few other men have done. When it was over it seemed to the people that he had all along been thinking their real thoughts for them—but they knew this was because he had fearlessly thought for himself."

Ladies and gentlemen, what a remarkable man this was to embody tremendous humility and compassion with great leadership—he truly deserves to be honored as we are doing today—and may we all try to uphold our Republican ideals in Abraham Lincoln's spirit.●

PROBLEMS AND ISSUES IN THE FARM SITUATION

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. VOLKMER. Mr. Speaker, it appears likely that the House will soon be asked to vote on legislation to alleviate the current farm situation. I would like to share with my colleagues a recent speech by Secretary Bergland, where he bluntly outlines the problems and the major issues involved.

I believe that facts support the Secretary's contention that the farm prices have responded well to the authorities of the Food and Agriculture Act of 1977. The price of corn has increased 60 cents per bushel since September, wheat has increased 85 cents since June, and cattle and hog prices are nearly $9 and $7 per hundredweight above a year ago. There is every indication that prices will continue to improve for the major commodities.

The speech follows:

We have many things in common.

I believe in the efficacy of our farm family system of agriculture.

And so do you.

I believe the nation has a responsibility to help maintain that system economically with positive programs so that our farm families can operate on a stable sound basis in order that they can continue a high rate of production to feed 215 million people here at home and the millions in foreign countries who need our food.

You believe that too.

I believe that our food is this nation's most effective instrument to secure enduring world peace and understanding.

And so do you.

I believe that cooperatives are the farmers' best mechanism to create effective bargaining power in the marketplace and to meet the competition from other private enterprise institutions.

And so do you.

I can't think of a single, important issue relating to agriculture or to the whole nation, for that matter, where we disagree fundamentally.

I think it's been a few years since a Secretary of Agriculture could come to your convention and say the same thing.

Furthermore, I'm proud to say it.

As a member of the Farmers Union, I should speak frankly about those things that are the immediate concern to all of you, and to me as Secretary of Agriculture.

Some farmers—many farmers, in fact—are in serious financial trouble. They have grave cash flow problems—particularly the wheat and feed grain producers.

The arithmetic of their problems is simple: overproduction and record surpluses plus mounting production costs equals busted prices.

You don't need a lot of USDA statistics and trend charts to tell you that. And I didn't have to come here today to find it out. I've heard that from some 55,000 farmers in 26 states in the last four months.

Believe me, I've gotten the message.

So what do we do about the problem?

The arithmetic may be simple—but certainly the solution isn't.

You and I both know—after some bitter experiences—that there are some inescapable ground rules and some hard political realities that must be faced when we seek an answer to today's farm and food problems.

And whether we like it or not, we have to deal with those realities.

So let's take a look at some of them

When you have surpluses you have three options open to you.

One would be to pretend they aren't there—and they will just go away. Well, that's not the real world.

Finally, there is the third choice—and the one we chose.

We set out to finance the building of granaries on the farms. It's been a huge success. We have financed more farm storage last year than any year in the history of the program that has been going on since the 1950's. Granaries have been built on the farms where they belong and then we proceeded to make other accommodations to try to take care of the big crop which was in production, even in 1977, by increasing the loan rates on corn to $2 and raised milo and barley accordingly.

And the price of grain moved up and up—right in the peak of harvest. Grain prices moved up 50 cents a bushel because of that increase in loan rates.

We are now reaching the point of having the largest and most flexible food reserve program ever known to man—and it's on the farms where producers own it and control it.

This reserve means wealth. It means security to both farmers and the nation. It means strengthened prices for farmers and market stability.

You Farmers Union people have been talking about this for years. You have tried to do it with your grain cooperatives. In this case, the government is assisting all farmers in a number of ways. I have taken steps to cut the cooperatives in on this program—so as to give you a new bargaining instrument in the marketplace—both here at home and abroad.

I say that the Food and Agricultural Act of 1977 has given farmers the best opportunity they have ever had to do something for themselves in a positive and effective way.

Now the farmers have the tools to control their production of wheat and feed grains, to more nearly control the demands of the market.

You now have a way of handling your surplus inventories and free them from the price-depressing effect they have on the market.

And you farmers have the control. You have it in your power to affect market prices. The government is not the market of first and last resort.

To the extent that anything is possible in the risky business of farming, the program does blunt the ragged peaks and bottoms of the usual boom-bust cycles in agriculture. That's what every business tried to avoid—take as much risk out of your farming venture as you can. Put it on a business-like predictability basis and yet operate and benefit from a market-oriented kind of agriculture.

And there are some other realities in this approach—realities that you can't escape and must consider.

I know I can talk freely about political realities to you folks because the Farmers Union has been dealing with them face-to-face for all of the 76 years of its existence as a major farm organization.

You know that politics is a hard-nosed business. But it's also a give-and-take game, as well. And it is this give-and-take—the ability to compromise that makes this democracy work.

And I happen to know a little bit about it. I've watched government work from the outside as a farmer—just as you do. I've watched it work from the inside as a Congressman from Minnesota—dealing primarily with farm legislation.

And now I'm sitting on the hot seat and I think I can do more for farmers where I am now than in any of the other spots. At least, I'm trying.

But to get back to the business of politics. The political realities for farmers are plain to see.

Reality Number One is that farm population now represents less than 4 percent of our total population. In the House of Representatives farmers are outnumbered 400 to 35. We have a little more relative strength in the Senate but not much.

So where does that leave farmers?

If we looked only at the numbers, the prospect is pretty bleak. But that's not necessarily true if we look at political reality No. 2.

The nation's 218 million consumers constitutes that reality.

We've got them coming over to our side.

I saw this happen at first hand when I sat on the House Agriculture Committee for six years.

I saw it happen when we passed the Farm Act on 1973 and then I saw real evidence of it two years later when we tried to make some improvements in that act.

Most of you well remember those battles.

Special interests were voicing the cries of doom—that we were shipping all our food to Russia—that we were actually running short of grain—that bread prices would reach a dollar a loaf.

Farmers were really getting it in the neck. There was a calculated and quite successful campaign to blame the farmers and their programs for almost everything—primarily the cost of food.

And embargoes were ordered—foreign sales moratoriums were declared by an administration bending to the panic.

Even some of our friends in labor withheld their support or even openly opposed farmers.

But you know who came forward and stood up for the farmers?

It was some of the organized consumer groups—that's who.

My present Assistant Secretary of Agriculture, Carol Foreman, was one of those who led a most effective fight in your behalf. She and her people appeared before our Agriculture Committee time and again voicing support for farmers. The consumer organizations waged an educational campaign to make it clear that farmers were not the cause of high food prices.

It was these consumer groups who, alone, could reach the nonfarm sector with the message that it was farmers and only farmers who could fulfill the needs of the nation with adequate food and fiber. It was these consumer groups who said that it was in the nation's own best self-interest to help farmers maintain a high level of production. And that assistance meant adequate farm programs.

And so when the Farm Act of 1973 expired last year and this Administration and the new Congress started putting a new and better one together—we received the support of consumers and urban Congressmen once again.

Of course, the present program isn't everything that every farmer wants.

Can you tell me anyone—or point to any one organization—that can come up with a program that can completely satisfy every one of the some 2 million farmers we have today? Can anyone come up with a program that can meet the needs of some 400 different commodities?

Can anyone outline a program that would completely restructure our whole farm marketing system without, at the same time, completely destroying farmer independence?

Can anyone create a farm program that would take all the risks out of the weather?

After all, weather here at home and worldwide has more direct affect on price than all the government policies in this world laid end to end.

And finally, what about political reality No. 3?

What about the actual cost of a guaranteed farm price program?

Now, if you arbitrarily set the prices of all farm commodities at some magic figure called parity, we are faced with some hard problems—none of them attractive or feasible.

It would require a mandatory slash in production of wheat and feed grains—not voluntary, mind you, but by government flat. It would require the greatest and most restrictive production controls that farmers have ever experienced. It would require a restructuring of our marketing system—creating most monstrous bureaucracy.

There is nothing in the history of farm family agriculture that would indicate farmers would accept this sort of regimentation without being guaranteed adequate payments for land taken out of production. The government cost of financing such a program would be staggering and taxpayers wouldn't stand for it. Previous programs to pay farmers for not producing caused a waive of public resentment. A new and more costly attempt to revive the program would be most difficult to get through Congress.

Furthermore, such a program would dangerously imperil our reputation in foreign markets as dependable suppliers. We would become non-competitive in the export market. We could be put in a position where our reserves were inadequate to meet domestic and worldwide demands in periods of production shortfalls—which are inevitable.

And finally, arbitrarily pegging commodity prices too high would invite a new wave of farm speculation that would drive land prices up another 12 to 15 percent above current record levels. Such an increase would again have to be reflected in the artificial commodity price structure, thus perpetuating the costly cycle. Furthermore, another sharp increase in farm land prices would virtually foreclose, forever, any chance for young family farmers to enter agriculture or to develop adequate farm land resources. That point has already been reached for many farmers.

So where does that leave the farmer?

It leaves the farmer standing alone economically and politically naked.

I submit, my friends, that the Food and Agriculture Act of 1977 is not only the very best program that is politically acceptable and possible—but, more important, it is a very good program economically for farmers.

Give it a chance to work this year. It hasn't even been tested yet. And how can you be sure it won't work if you don't try it? I'm convinced it will.

From this farm program—from this Administration—you not only get understanding and awareness of your problems, which are very real—also get some positive government assistance. You have a vast reservoir of public support going for you now—that you never had before.

I say our existing farm programs, together with the help of a sympathetic Administration that cares about the welfare of family farmers gives farmers a golden opportunity to prove to themselves and the nation that they can make a self-help, voluntary program work.

The program provides outright government financial assistance. It provides the tools to control production. It provides a program to control surpluses. It will, I am convinced, greatly strengthen farm prices. The program makes us competitive and more secure in the foreign markets which are the life-blood of the wheat and grain producer.

And for the first time, we have a program that can create some semblance of economic stability within agriculture.

And I'm not just blowing smoke when I say this.

Agricultural economists are generally agreed that for every one cent increase in the market price of wheat and corn—farmers gain from $75 to $80 million dollars.

Now you just take a pencil and paper and figure out what your wheat was selling for in Bowman, North Dakota or Hayes, Kansas at its lowest point last year—and then compare it to the target price for wheat of $3.00 a bushel.

And I'm saying that if you participate in the set-aside and reserve programs, the price of wheat and feed grains can go well above the target level. And with a shortfall of production which is already evident in some parts of the world—that price could go much, much higher. And with your grain in reserve on your farm and under your control—you can sell it for that higher price.

So just multiply that $75 to $80 million dollars by 100 or 125 or 150 and get a walloping $7 to $10 billion increase in net farm income.

And if you don't use the programs offered to you—then you are saying, in effect, to the consumers and to the Congress that you really are not worried about the surplus—that you are satisfied with the current farm price outlook.

What other possible interpretation could consumers place on such inaction? And what other interpretation could the Congress, the President or I put on such a decision by farmers?

This is not a matter of throwing down the gauntlet and say "take it or leave it" without protest, without criticism, without trying to make things better for yourselves.

It's the blunt question of whether farmers want to take this opportunity to help themselves—keep farm land prices from going out of sight and thus freezing out future opportunities for young farmers. This is your opportunity to strengthen your support among the general public and help yourselves at the same time.

If I have been frank and blunt with you this evening, it is because I think you wanted it this way. That's the way friends ought to talk to each other.

As Secretary of Agriculture for all 2 and a half million farmers I have no alternative but to represent the best interests of all of them. I'm not just the advocate of the wheat farmers—or the corn farmers or the livestock rancher—the fruit grower—the dairyman. I have to consider all Americans. I no longer just represent 500,000 people in a district in Minnesota. My responsibility ranges from the potato farmer in Maine to the celery farmer in California, to the citrus grower in Florida, the tobacco farmer in Carolina, to the ranchers and farmers in between.●

CONGRESSIONAL LONGEVITY

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. DEL CLAWSON. Mr. Speaker, an editorial in the Washington Post of Monday, March 20, calls attention to a basic difference of opinion concerning the true origins of the problems of the legislative branch of the Federal Government and the consequent pitfalls which surround attempts to correct the problems through remedies founded on inaccurate diagnosis. The people enjoy a very precious right of determining how many terms a member of Congress may serve. Let us not erode the "rights" of the people further by imposing another limitation. The editorial follows:

CONGRESSIONAL LONGEVITY

One of those perennial attempts to reform Congress by limiting the terms of its members was trotted out again this week before a Senate Judiciary subcommittee. Under consideration are two constitutional amendments that would limit the service of future senators and representatives to 12 or 15 years. Proposals like these have been floating around at least since 1951, when the Constitution was changed to restrict presidents to two full terms. We hope they continue merely to float and don't light.

It needs to be conceded that proponents of amendments like these, introduced by Sens. Dennis DeConcini (D-Ariz.) and John C. Danforth (R-Mo.), are focusing on a real problem: the stagnation that prolonged terms in high office can produce. The seniority system, even though it is not so strong now as it once was, places enormous power in the hands of longtime members of Congress solely because they have been there so long. That, coupled with the political advantages that incumbency generates, makes it increasingly difficult for new blood to fight its way to Washington. Even when a veteran member has dropped out of touch philosophically with his constituents, he is often able to stay in office because party officials prefer power to issues.

Sen. DeConcini also argues that this distribution of power operates to deny equal representation to voters in states and districts where hot political competition makes it difficult for any person to stay long in Congress; the representatives of those areas are never able to stand on an equal footing with those from districts that send back the same legislator election after election.

Those are valid and appealing arguments. They make the proposed limits on congressional terms seem attractive. But the senators have traced the problems to the wrong source and are thus prescribing the wrong cure. The evils—and they are that—of which they speak grow not out of unlimited service but out of the way in which Congress itself has chosen to treat that service. The cure, then, is not to keep particular people out of Congress, but rather to limit the power and prerogatives that Congress grants to those members who win reelection repeatedly. For example, restricting the length of time a member could be a committee chairman or, even, serve on one committee might not change the situation as much as would the proposed amendment, but it would certainly reduce the advantages of long service.

To attack this problem the other way, as the proposed constitutional amendments do, is to place an additional restriction on the right of voters to choose whomever they want to represent them in Washington. That right of choice is so fundamental that it should not be tampered with. Voters should be allowed to elect—and reelect—to Congress whom they please.●

PHILADELPHIA, AIRLINES SIGN MAJOR AGREEMENT

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. EILBERG. Mr. Speaker, I am pleased to inform my colleagues that the city of Philadelphia and the scheduled domestic airlines which serve it have signed a 32-year agreement under which the airlines will pay for the $176 million modernization and expansion program already completed at the Philadelphia International Airport.

Signing the agreement were Joseph A. LaSala, city representative and director of commerce, and officials of the seven domestic carriers, including John Reagan, chairman of the negotiating committee for the airlines.

The pact paves the way for Philadelphia to sell airport revenue bonds to pay back funds which were advanced for the modernization and expansion program, which has provided the city with one of the finest air facilities in the country. The city's $80 million bond issue has been given the best rating since 1953 by the two bond rating firms, Standard and Poor, and Moody's.

In announcing the agreement, Mayor Frank L. Rizzo noted the city administration's efforts to get the region's new international airport off the drawing board and into construction, ending more than 20 years of delay.

Mr. LaSala said that the new agreement between the city and the airlines is retroactive to July 1, 1974, when the previous 25-year contract expired.

The cost of construction of the airport's new facilities will be returned to the city via a set of rates and charges to be paid by the airlines for use of the airport. The charges will cover landing fees, ramp fees, and rent for the use of office space and ticket counters.

The new pact includes a provision under which the airlines would finance future airport projects which they and the city deem necessary to improve accommodations to the public.

The total cost of the airport construction project is $200 million, including $24 million for new parking garages. The Philadelphia Parking Authority built the garages through its sale of revenue bonds.●

FIGHTING GOVERNMENT REDTAPE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. HAMILTON. Mr. Speaker, in a continuing effort to reduce burdensome Government redtape and paperwork, I have written to U.S. Secretary of Labor Ray Marshall urging him to adopt changes in a Federal law regulating corn detasseling. The law was originally written to eliminate abuses of migrant farm laborers but its reach is so wide that it has created an unnecessary burden on many agricultural businesses and may result in a reduction in summer employment for young people.

I would like to insert that letter into the Congressional Record:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 8, 1978.

Hon. RAY MARSHALL,
Secretary of Labor,
Washington, D.C.

DEAR MR. SECRETARY: One of my constituents in the seed industry, who hires students for one to three weeks of corn detasselling work during the summer, has brought to my attention the burdensome registration requirements of the Farm Labor Contractor Registration Act of 1963, as amended in 1974.

Testimony at the hearings before the House Subcommittee on Economic Opportunity on February 22, 1978 revealed that the Department of Labor is interpreting the reach of the law broadly and the exemptions narrowly. Examination of the definitions in sections 3(b) and 3(g) of the act, and the Department's interpretive memoranda on these definitions, convince me that what started as an independent farm contractor, or crew leader, law is now an agricultural employment law.

Several amendments have been offered to the Subcommittee which would revise the reach of the law back to the source of the problem, namely, unscrupulous crew leaders. Advocates for the seed industry, including my constituent, contend that they represent substantial business enterprises, not "fly by night" operations run by itinerant farm labor contractors, and that the requirements of the law, as interpreted, constitute an unnecessary burden on them. I agree with them. In his statement before the Subcommittee on February 22, your spokesman, Assistant Secretary Donald Elisburg, expressed opposition to all proposed amendments, but his statement contained no specific evidence of labor problems in the seed industry.

It is estimated that 250,000 young people are employed for a few weeks each summer in corn detasselling. The registration requirements for the processors and the employees who engage the students will cause many in this business to rely on sterile inbred lines and mechanical means in place of hiring corn detasselers. Furthermore, the Department has apparently only scratched the surface on the registration paperwork. Secretary Elisburg reported a total of 12,506 registrants in 1977, up from 9,707 in 1976. But the American Seed Trade Association estimates that more than 15,000 persons and 10,000 vehicles might have to be registered in corn detasselling operations alone.

To state the problem in general terms, Mr. Secretary, I believe that this law, both as written and as interpreted, is vastly overinclusive when its jurisdiction is compared with the evil it is intended to eliminate. The result is an unnecessary paperwork burden on certain agricultural businesses and a predictable reduction in summer employment for young people.

Since you and I both agree on the importance of maintaining and increasing employment opportunities, especially for the young, I wanted to bring this matter to your personal attention. Everyone who has testified at the hearings and discussed the matter with me agrees with the goals of the law. The question is whether we can redirect it to only those enterprises that require this added governmental regulation.

I know you will give this matter careful attention and I look forward to hearing from you soon.

Sincerely yours,
LEE H. HAMILTON, M.C.●

BYELORUSSIA INDEPENDENCE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. FLORIO. Mr. Speaker, March 25 will commemorate the 16th anniversary of the declaration of the independent State of Byelorussia. The proud peoples of Byelorussia, suppressed in this century by waves of invading armies and Soviet occupation, and peoples of Byelorussian descent around the world will celebrate this day with prayers and renewed hope for their once-free nation.

On March 25, 1918 a constitutional rada of the Byelorussian National Republic, representative of all national cities and counties, issued an official proclamation declaring a free and independent State. This democratic expression of sovereignty cast off forever any legitimate Russian imposition of control over the Byelorussian nation.

While still in the midst of the First World War, the free and independent State of Byelorussia made great strides in the fields of education, culture, and social welfare. Politically the nation enjoyed renewed spirit of its peoples and received international recognition by many sovereign States such as Poland, Bulgaria, Denmark, France, and Yugoslavia.

The close of the war, however, found Byelorussia vulnerable to swift moving events. Retreating German armies left a vacuum that was soon filled by Communist forces from the Soviet Union. The Bolsheviks soon occupied the Capital City of Minsk, and illegally divided the nation. Today, most of Byelorussia is under repressive Soviet control, with their own identifiable heritage and culture constantly under suppression by Communist Party organizations.

During the 60 years of domination by the Soviet Government, the democratic aspirations and hope of the Byelorussian people has not faltered. Many millions of Byelorussians have died or been deported for crimes against the Soviet State. At-

tacks on Byelorussian language and culture by government authorities have been unceasing. And yet, Byelorussian hopes for a free and independent homeland remains strong and will once again be renewed upon their 60th independence day anniversary this March 25. It is fitting that we, and all peoples of the world committed toward fighting for liberty and what is just, join the Byelorussians in their celebration.●

THE NATIONAL CHILD NUTRITION ACT

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. PERKINS. Mr. Speaker, I am today introducing the National Child Nutrition Act, a bill to expand, revise, and consolidate the child nutrition programs as authorized under the National School Lunch Act and the Child Nutrition Act of 1966.

This comprehensive piece of legislation is the work of the National Child Nutrition Coalition. This coalition is comprised of a group of dedicated individuals from all parts of the country whose expertise in the area of child nutrition has been if immeasurable service to the Congress in the past. This bill is the result of a major effort on the part of this coalition to address the national concerns that they have come to know through their continuous involvement with the child nutrition programs.

The principal features of this bill are: First, a consolidation of all of the child nutrition programs that are presently authorized under two separate acts, the National School Lunch Act and the Child Nutrition Act of 1966; second, a reauthorization and expansion of the two expiring programs: the special supplemental food program for women, infants, and children (WIC), and the Child Care Food Program; and third, a number of amendments to both the expiring and on-going programs in an effort to improve the overall effectiveness of these programs.

I would like to commend the National Child Nutrition Coalition for the time and effort they spent in developing this legislation; and I am introducing this bill today because of my respect for their past efforts to improve these programs and because I believe that their ideas ought to be placed on the public record so that everyone might be able to study them. I myself agree with the basic thrusts of this bill, such as the expansion of the WIC program; but I am reserving judgment on the detailed provisions until the committee has received the administration's proposals and has had an opportunity to hear a full and free debate on all of these issues.

Mr. Speaker, let me again state my respect for the work of the National Child Nutrition Coalition, and let me urge all the Members to study carefully the suggestions of this coalition.●

THE 157TH ANNIVERSARY OF THE INDEPENDENCE OF GREECE

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. ANNUNZIO. Mr. Speaker, Greek Independence Day has a special meaning for Americans, for 157 years ago, on March 25, 1821, Greek patriots raised the flag of revolt against their Turkish oppressors and the flag was blessed by Bishop Germanos of Palaeion Patron, at the monastery of Aghia Lavra.

There followed 7 years of grim fighting during which a handful of rebels held at bay the combined might of the Sultan's Ottoman Empire. The engagements of Valtetsi, Dervenaia, as well as Missolonghi, where Lord Byron fought and died, rank among the most glorious pages of Greek history, while the exploits of the Greek Navy, under Miaoulis, Kanaris, and Sachtouris, stirred the hearts of the peoples of Europe, who finally brought pressure upon their governments to intervene in the fight and to compel the Sultan to recognize Greek independence.

The cause of Greek independence immediately caught the imagination of the American people. Our new Nation was not in a position to offer substantial assistance to the struggling Greeks. However, a few Americans volunteered to serve with the badly outnumbered Greek patriots; others organized efforts to send packages of bandages and other supplies to the Greeks; and expressions of sympathy and solidarity were forthcoming from the highest Government officials and from communities throughout our young Nation.

During the long and bitter war of independence, the world was inspired by the indomitable resistance and heroic dedication of the Greek patriots. Our own John Adams remarked:

> My old imagination is kindling into a kind of missionary enthusiasm for the cause of the Greeks.

Following the intervention of Russia, England, and France in the Greek independence struggle, however, the Greeks saw their valor and tenacity crowned with success. After many centuries of foreign rule, freedom was regained by the Treaty of Adrianople of 1829 and the London Protocol of 1830.

During the next century, the Greeks devoted their efforts to extending their boundaries to include Greeks still under foreign rule, and to establishing a stable government. When they were threatened anew with the opening of World War II, they again showed their fierce devotion to freedom and independence. Their stubborn resistance to the German invasion of 1941 delayed the opening of the German campaign against Russia by several crucial weeks.

The end of World War II brought no respite to the Greeks. Their country was devastated, and they faced a new threat within their borders in the form of armed Communist guerrilla bands seeking to overthrow the government. However, once more they showed courageous determination to preserve their liberty at all costs. The struggle against the guerrillas was long. It delayed economic reconstruction by several years. But, finally it too was crowned with success.

Americans can be proud that they played an important role in this new struggle. In 1949, America's faith was rewarded, for hostilities came to an end and the Greek struggle against the Communist forces was successfully concluded.

It is a pleasure to extend greetings to Americans of Greek descent in the 11th Congressional District of Illinois, which I take pride in representing, as well as those in Chicago and across our Nation, on the occasion of their independence day and to recall a century and a half of genuine friendship between the people of America and the people of Greece.●

SHAPELL INDUSTRIES COMMENDED FOR ENERGY CONSERVATION EFFORTS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. MINETA. Mr. Speaker, in this age of dwindling fuel supplies, when the citizens of this country are concerned more than ever before with the conservation of our precious energy resources it is imperative that the country's building industry adopt a similar position of energy consciousness, and devote itself to producing homes that offer not only traditional values of luxury, craftsmanship, and beauty; but include an equal measure of built-in energy efficiency as well.

I am privileged to have in my congressional district a major homebuilder who has taken a leading role in the pursuit of these goals, and I would like to call to your attention that company's pioneering efforts in the area of home energy conservation.

I am referring to Shapell Industries, one of California's largest and most respected new homebuilders. Since its founding in 1954 by Nathan Shapell, David Shapell, and Max Webb, Shapell Industries has made great contributions to the betterment of community life and has strived to produce the best quality homes for buyers of all incomes. The company has been a leader in providing quality low-cost housing for southern California's senior citizens, and has been highly praised for both the esthetic beauty and the high standards of construction used in their communities.

Now, as the country faces the challenges created by diminishing energy resources, Shapell Industries has again assumed a leadership position—not on a mere experimental basis, but on a large scale at their new Quimby Hills development in San Jose, where highly energy-efficient homes are being built for as many as 400 families.

Shapell Industries has become California's first major developer to adopt

the new National Energy Watch program, a nationwide home energy conservation program sponsored by the Edison Electric Institute that encourages builders to meet strict guidelines for energy efficiency.

Starting at Quimby Hills, Shapell has built homes with more than twice the energy conservation features necessary to qualify as energy efficient, according to a scale established by Pacific Gas & Electric Co. Features include pilotless ignition gas furnaces, setback thermostats, dishwashers with off-and-on drying cycle switches, shower flow restrictors, glass-lined water heaters, and insulated hot water piping. In addition, buyers are offered a choice of three different solar energy systems that can increase the efficiency level of a home up to nearly six times the acceptable minimum.

Mr. Speaker, I would like at this time to commend the leadership of Shapell Industries, particularly President Nathan Shapell and his northern California management team including Jim Ghilmetti, Chuck Birkhead, Leonard A. Fryer, Garth Chambers, and Dennis Ysunza, for their outstanding efforts to reduce home energy consumption and extend the life of our present reserves until new sources can be developed to meet our future needs.●

A TRIBUTE TO GEN. LEW ALLEN

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mrs. HOLT. Mr. Speaker, during the past 8 months, Gen. Lew Allen, Jr., commander, Air Force Systems Command, has urged his field commanders and his staff in the headquarters at Andrews Air Force Base, Maryland, to establish goals consistent with Air Force and national objectives and to develop plans and timetables for reaching these goals.

General Allen has given pattern and perspective to the never-ending process of seeing that a cost-effective, reliable, supportable weapon system is designed, developed, and eventually produced and delivered to the operational air commands.

Bold management initiatives have been undertaken to implement Department of Defense instructions clarifying Office of Management and Budget circular No. 109, major system acquisition. New procedures have been adopted in the Air Force Systems Command to justify requirements and analyze alternatives early in the life cycle of a potential program in line with such concepts as milestone zero, mission element need statement (MENS), and zero based budgeting.

In the February 1978 issue of Government Executive, C. W. Borklund, publisher, has written a perspective article on the new management goals, initiatives and procedures undertaken by General Allen. His article deserves public attention, and I encourage everyone with any interest in this area to take the time to read it. I would also like to add personal congratulations to General Allen on his recent and most deserved promotion to the position of Vice Chief of Staff, U.S. Air Force.●

THE PANAMA CANAL TREATIES: LET'S MAKE A DEAL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. DORNAN. Mr. Speaker, last week's vote in the Senate by a margin of 68 to 32 to ratify the Carter-Torrijos "Treaty for Permanent Neutrality" of the Panama Canal was round one. Round two, and perhaps the critical moment in the White House design to give away the U.S. canal in Panama, will come early April or May when the Senate is asked to vote on the merits of the second treaty, the agreement which actually gives away the canal.

As one who remains actively opposed to this Panama Canal giveaway, I was naturally disheartened by last week's vote. But I was less disheartened than appalled by the nature and extent of the wheeling and dealing performed by the White House in the Carter administration's efforts to twist Senate arms. We have all heard too many reports of executive department officials moving free and easy with taxpayers money in order to win Senate votes by promising pork barrel patronage. The same Carter people who suffered finger strain pointing self-righteously during the Watergate season, are now inviting similar criticisms even by some of those offended Senators who are otherwise already for the treaties.

The Wall Street Journal recently editorialized against this wheeling and dealing game-show spirit with the Carter White House, and it is certainly worth reading and passing the word along to friends and colleagues. As an opponent to the Panama Canal giveaway, I note that you do not have to be against the treaties to be against the Carter administration's unfair campaign practices to see them ratified.

The article follows:

[From the Wall Street Journal, Mar. 16, 1978]

"LET'S MAKE A DEAL"

We knew the Panama Canal treaty was going to cost the American taxpayers something but we had no idea how much. It turns out that even if the Senate rejects the treaty today, there will be a big bill to pay.

That is because of the administration's rediscovery of an old way to win the hearts and minds of legislators. You give them things.

The administration has made some handsome offers to try to win over recalcitrant Senators. Senator Talmadge of Georgia has been promised administration support for his $2.3 billion emergency farm bill. That could raise the federal dole to farmers this fiscal year even higher and provide a new higher base for further increases next year.

Senator DeConcini has been promised a $250 million federal purchase of copper for the strategic stockpile. That's only half what the Senator wanted, but it's $250 million more than the administration was offering before the Panama Canal bargaining got hot and heavy.

We're told that the other reluctant Sentors have been wooed with equal ardor. "There must be something you want," the administration come-on goes. "Just tell us your heart's desire and you might be surprised what we will do."

Not all the Senators are reacting well to the White House romancing. Republican Senator Packwood, uncommitted but leaning towards support of the treaty, is quoted in The Washington Post as saying the President should not be "master of ceremonies at 'Let's Make a Deal'." Senator Brooke of Massachusetts accused the administration of making a "crude" offer, one which he would not reveal. Senator Moynihan of New York complained that he signed on early and only got a Cuban cigar from Vice President Mondale. Senator Zorinsky of Nebraska, who has never liked Washington wheeling and dealing, had some unkind comments about the White House for the television reporters.

We ourselves don't object to the principle of wheeling and dealing; politics would be no fun without it. But we do object to the money.

The money being used to buy Senate votes has to come from American citizens, through higher taxes or faster inflation or both. As we have said all along, the Panama Canal treaty is a foreign policy sideshow; we can take it or leave it. But we do care about taxes and inflation, which the administration is dealing away. And it's especially galling to see that even if the administration loses, the rest of us have to pay.

The next treaty ought to give us some protection. The text ought at least to stipulate that if it is not ratified by the U.S. Senate all political promises offered to secure its passage become null and void.●

THE NEW ALLIANCE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. CRANE. Mr. Speaker, I want to announce to my colleagues the formation of a precedent-setting new alliance: labor and the GOP. My colleague and friend, MICKEY EDWARDS, and I traveled to Youngstown, Ohio, last month to open this dialog. We put aside labels such as conservative and liberal and talked with local labor leaders in terms we all understood: Jobs, taxes, Federal regulations, and dumping rules. We all came away from the conference table struck by the similarity in outlook and pledged to a joint attack on these common problems.

On March 13, MICKEY and I returned to Youngstown with three pieces of legislation directed at the problems the union representatives had highlighted. These rank-and-file leaders approved of our legislative prescriptions, and our job stability package has now been dropped in the hopper.

This package contains three separate pieces of legislation. The first, the Urban Growth Act of 1978, directs itself to increasing employment opportunities and improving job stability in urban areas and areas of high unemployment.

Through a program of tax incentives (reductions in corporate tax rates, jobs tax credits for employee retention, extra investment tax credits for urban area investments, 1-year writeoff of costs of conforming to federally mandated regulations, indexing capital gains, and depreciation computations), this bill will encourage capital investment, job creation, and economic growth.

The second bill, the Truth-in-Regulation Act of 1978, requires that all Federal agency regulations be preceded by economic and environmental cost-benefit analyses to insure that the affected industries are not adversely impacted either financially or jobwise. In addition, a local business-labor-government task force will be established in each community to assess the economic and employment impacts on that locality. Should a finding be made by either the agency or the task force of any increased unemployment, the proposed regulation shall require the approval of Congress by joint resolution.

Finally, the Anti-Dumping Enforcement Act of 1978 accelerates the deliberations of the Treasury Department and the International Trade Commission when an inquiry into dumping of foreign imports in the United States is initiated. The findings timetable is cut in half, and a time certain of 6 months is placed on the final duty assessment stage. A labor-industry task force is created for the duration of the investigation to oversee Treasury's proceedings and act as liaison for the affected industries.

We have already added seven cosponsors—JACK CUNNINGHAM, BOB KASTEN, BILL KETCHUM, TOM KINDNESS, TRENT LOTT, FLOYD SPENCE, and STEVE SYMMS—to the list of those who share our excitement over this initiative. With no compromise of principles on either side, we believe a commonality of interest is reflected in this constructive legislation. We believe this package will appeal to Members from every location on the political spectrum. It is our basic premise, reiterated by the union representatives, that no-growth economic policies, overregulation, and inflation are combining to defeat those who seek to attain the American dream. The future for working Americans lies not with expanded Government programs and extended Government control over their lives, but with this thrust to lessen Government interference and preserve an economic climate for growth. We urge our colleagues to get on this bandwagon.●

HEALTH MAINTENANCE ORGANIZATIONS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. ROGERS. Mr. Speaker, on March 10, 1978, Mr. ROSTENKOWSKI and I introduced H.R. 11461, the administration proposal to revise and extend the existing authority with respect to health maintenance organizations. Today, I am introducing by request legislation, sponsored by Senator SCHWEIKER and others in the Senate as S. 2534, which also revises the existing health maintenance organization program. I am pleased to introduce this second proposal as I am certain it will be useful to the House in its consideration of necessary or appropriate amendments to the existing health maintenance organization authority.●

DR. ERNEST AMBLER'S WELL-DESERVED APPOINTMENT AS DIRECTOR OF THE NATIONAL BUREAU OF STANDARDS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. STEERS. Mr. Speaker, it is my great pleasure to acknowledge the recent accomplishments of a fine citizen and distinguished public official. Moreover, I am proud to number this man—Dr. Ernest Ambler, the new Director of the National Bureau of Standards—among my constituents in the Eighth Congressional District of Maryland.

As the eighth director of the 77-year-old National Bureau of Standards, Dr. Ambler will head the Nation's central reference laboratory. The bureau provides measurement methods, standards, and data that are used in industry, commerce, Government, and education. Dr. Ambler joined the National Bureau of Standards in 1953 and has continuously worked to make the Bureau an increasingly valuable scientific and technical resource. As a scientist, he has contributed directly to the state-of-the-art in measurement technology. His expertise in nuclear physics and cryogenics formed the basis in 1956 for a cooperative effort that disproved the law of parity conservation, a concept that nuclear scientists had adhered to for more than 30 years. As an administrator, Dr. Ambler has helped guide Bureau operations and policies since 1961. Among his continuing concern the Bureau's role in international science. He has long acknowledged that the Bureau can act as a prime agent in international scientific cooperation and can support U.S. foreign commerce though participation in international standardization activities. Dr. Ambler is the recipient of numerous honors, and has authored 51 publications. Born in England, he was educated at Oxford University. Dr. Ambler and his family are residents of Bethesda, Md.

An organization such as the National Bureau of Standards needs a talented person to direct it, and therefore I applaud the appointment of Dr. Ernest Ambler. Certainly he can look to continued success, and we can look optimistically to the future of the National Bureau of Standards.●

THE HOLLYWOOD 10

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WAXMAN. Mr. Speaker, it has been a generation since the Hollywood 10 were cited for contempt of Congress for refusing to testify on their political beliefs and associations. Those who sought protection in the first amendment were deemed guilty in the eyes of many. The institutions of government were used to stand cherished ideals of freedom of speech and assembly on their head. The careers of some of our best creative talent were destroyed by the hysteria and fear which gripped the Nation.

It has taken years to overcome the suspicion and doubt. Many have unfortunately forgotten what those times were like. It is perhaps a measure of both the agony and legacy of McCarthyism that films such as "The Front" and "The Way We Were" or television dramas such as "Fear on Trial" have only recently begun to recall these events.

In August 1976, the Subcommittee on Communications held hearings in Los Angeles on the issue of violence on television. We heard from some of the leading figures in the creative community. I recall vividly, however, that for each of these witnesses, the first few moments were troubled and difficult. There was something about writers and producers coming before a congressional committee, in the glare of television lights, which evoked other hearings, from another era. The tension was almost tangible. The moment passed with the knowledge that we were eager to learn from them, to have them share their wealth of knowledge and experience. But the memory has lingered.

I am therefore especially pleased, as a Representative from Los Angeles whose district includes Hollywood, to have helped reestablish a relationship of trust and respect between Washington and the film and television industry. But we must not allow understanding of the past to slip away in the harmony of the present.

Ring Lardner, Jr. was one of the Hollywood 10. He has written a sensitive and compelling essay on that period and his involvement. It should be required reading for all who are concerned with the preciousness of freedom, and the dignity of the individual. I am therefore pleased to reprint it in the CONGRESSIONAL RECORD:

[From the New York Times, March 18, 1978]

THIRTY YEARS AFTER THE "HOLLYWOOD 10"

(By Ring Lardner Jr.)

(The author of the following article, Ring Lardner Jr., is one of the survivors of the so-called "Hollywood 10" called to testify at hearings before the House Committee on Un-American Activities, which was investigating alleged Communist subversion in the movie capital. The article is adapted from an address at a recent program here, sponsored

by the American Jewish Congress, marking the 30th anniversary of the hearings. Since the Hollywood blacklist ended for him in the 1960's, Mr. Lardner has written several screenplays, winning his second Academy Award, for M*A*S*H, in 1970, and a book, "The Lardners: My Family Remembered.")

There were 19 of us who came to be known as "unfriendly witnesses" because of our expressed attitude toward the committee. I couldn't figure out then or now how they were selected, but on the available evidence, I'd say haphazardly, there were some fairly outspoken radicals, known by me as a party member to be Communists, but others of equal prominence were not on the list, and four or five of the ones that were had only the most tenuous connections with the party and the left generally.

Soon after we had been subpoenaed, 18 of the 19 met with a group of lawyers to talk about what to do at the hearings. The one who stayed away was Bertoit Brecht because of his special status as an alien and his anxiety to get to East Germany after his appearance without being delayed by legal procedures.

The first thing we had to recognize was that the committee had us in a rather tight bind, with strictly limited choices, all of them involving distinct risks to our liberty and continued employment, especially for those of us who were indeed members of the Communist Party.

If you weren't you could say so, but because it was under compulsion you would be conceding the right of Congress to go into such matters and helping to isolate those who had exercised their perfectly legal right to be Communists. If you told the Congressmen it was none of their business, you faced the likelihood of prosecution for contempt.

Some of the subpoenaed men who were Communists wanted to say so, to proudly proclaim an affiliation they had been reluctantly concealing because that was party policy in Hollywood. Their enthusiasm for this stand declined when it was pointed out that the committee's next demand would be to name all the other members they knew. If they balked at informing, they would still have to invoke either the freedom-of-speech or the self-incrimination provisions of the Bill of Rights, ending up in either case with a shakier defense against contempt than if they had answered no question at all in a privileged area.

Once that last position was agreed upon—to answer no such questions—the remaining decision for each of us and the group as a whole was whether to base our silence on the First or the Fifth Amendment. Beginning with the next round of hearings in 1951, scores of witnesses did invoke the Fifth, and it would have been quixotic, once our case had been lost, to follow our path to prison. For us, however, to use the Fifth back in 1947 would have had several drawbacks.

First, we would have been saying in practical effect that we thought it was a crime to be a Communist—this when no member of that party had even been indicted under the Smith Act.

Second, we recognized from the start that there was the danger of a blacklist emerging from these proceedings, and we know it would be hard for the studios to proscribe us if we were upheld by the courts for asserting our First Amendment rights. But even if we were upheld on the Fifth, the general stigma which unthinking people attach to it would make it easier for our bosses to organize and justify a blacklist.

The third and most important limitation was that while the Fifth could seriously impede the committee's work, and its application to a question about Communist membership needed testing, it did not challenge the committee's very existence. By using the First Amendment, we would be saying the whole investigation was unconstitutional—that where Congress was forbidden to legislate, Congress was forbidden to investigate. Hearings such as these would be proven to have no valid purpose.

In a situation, therefore, in which the only safe and acceptable course open to us was to repudiate everything we believed in and prove we meant it by making trouble for other people, we could not be regarded as heroes for choosing a course of decency instead. In fact, we were doubly disqualified from heroic status: We weren't volunteers and we thought we were going to be winners.

It is an interesting reflection on how far all three branches of the Government departed from American tradition during those dark years that all the relevant Supreme Court decisions up till that time gave us confidence that our position would be vindicated. One that seemed to apply had gone unchallenged since 1880. It said in part: "We feel equally sure that neither of these bodies possesses the general power of making inquiry into the private affairs of the citizen."

And another that sounded even more pertinent had been handed down as recently as 1943: "If there is any fixed star in our constitutional constellation, it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion or other matters of opinion, or force citizens to confess by word or deed their faith therein."

The very same court from which those words had come, with eight Roosevelt appointees, remained intact when we testified. It was the death of two of them in the summer of 1949, while our case was pending, and their replacement by Truman-appointed reactionaries, that lost us the four votes we needed for a review of the decision against us.

For us, the blacklist began only a month after the hearings and lasted for the more fortunate of us into the 1960's. In the spring of 1950 we were denied a Supreme Court hearing, with only Justices Black and Douglas dissenting, and by summer we were serving our sentences. In the fall our number was reduced by one when Edward Dmytryk announced from his place of incarceration that he had seen the light. Soon he discovered that a mere expression of remorse, however intense, was not enough for the committee or the producers. In order to work again, he was told, one had to name names. It didn't matter what names; the committee probably had them anyway. In fact, later on, when some cooperative witnesses couldn't come up with a respectable list, names were provided them by the committee staff from their ample supply. It was a ritual that was required, but not a meaningless ritual. To the unordained confessors on Capitol Hill, it was an act of perfect contrition.

In the years since then, the remaining nine have shrunk to four. Samuel Ornitz, Adrian Scott, Herbert Biberman, Dalton Trumbo and John Howard Lawson are dead. Of the survivors only Albert Maltz and I have been free to work in Hollywood more or less when we wanted to. Alvah Bessie and Lester Cole have not. But it isn't because two aging writers may still be blacklisted or graylisted, or that many more who came after us never were able to return to their old professions, that it is valuable to recall all this ancient history today.

It is, I think, because our nation has moved through two centuries in a continuous cycle from liberty to repression and back. And there is no more reason now to relax our vigilance than there was in the days when many people thought we had been through a Roosevelt revolution culminating in a grand alliance and the unconditional surrender of the forces of hate, intolerance and aggression.●

IS THE WHITE HOUSE "TWO-TIMING" ON ISRAEL?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. DORMAN. Mr. Speaker, the State of Israel is now as it has always been, America's principal Middle Eastern ally. No nation has come closer to perfecting a democratic model of government, nor been more tried and true as a friend in need of the United States. Israel remains the cradle of Western civilization. It was an exciting privilege for me to visit the Knesset in January and watch that dynamic law-making body in action.

Those of us who support Israel, however, and who worry about the continuing threats to her existence, have become increasingly concerned of late about a reported souring in United States-Israeli relations because of White House actions. These reported actions by the Carter administration are exactly opposite those Jimmy Carter had promised while he campaigned for the Presidency. They are opposite the standing American guarantee that Israel's sovereignty and welfare are the number one priority of United States-Middle East policy.

If Jimmy Carter has been "two-timing" on Israel, it is the latest and most unfortunate support of an age-old maxim by Seneca. Two thousand years ago, Seneca closed the vast circle of his knowledge by learning that a friend in power was a friend lost. The Carter administration is not faithful to its commitment to help Israel when the White House asks Iran to stop the flow of oil to Israel until Prime Minister Begin succumbs to President Sadat's latest demands. It is unfaithful to Israel when it lobbies other foreign neighbors to stop the sale of arms to Israel, arms she needs to assure her own survival.

With the surgical accuracy which characterizes so much of his writing, Mr. George Will recently analyzed the recent chill in the Carter administration's one time warmer relationship with Israel. I ask that it be included in the RECORD, and I urge my colleagues to join me in urging the White House to reverse yet another erosion of a campaign promise. The stakes are too high for any U.S. diplomatic polygamy when it comes to the fate of Israel.

The article follows:

THE WHITE HOUSE AS ISRAEL'S "AFFLICTION"

(By George F. Will)

From the welter of impressions created by three months of theatrics, one idea emerges. Far from pursuing new aims, Egyptian President Anwar Sadat is pursuing old aims with new methods. Since his Jerusalem trip, he has avoided negotiations

and relied on the United States to pressure Israel.

When Israeli and Egyptian negotiators began formulating a declaration of principles, there were seven points of disagreement. In half a day five were quickly resolved; then Sadat quickly withdrew his negotiators. He finched from a "merely" bilateral agreement. He wants to negotiate on behalf of others, dealing with what promises he can't keep.

In Jerusalem, he acknowledged Israel's existence. In response, Prime Minister Begin made an offer more generous than any previous Israeli government had contemplated. He proposed to return the entire Sinai (where, in 1974 and 1975, small adjustments were arduously negotiated) to Egyptian sovereignty, including Sharm al-Sheikh, where Egypt began the 1967 war by blocking Israel's southern port.

Begin asked only to keep two air bases and associated settlements, and probably would settle for one base and an associated settlement, involving a fraction of 1 percent of Sinai. The base and settlement would no more abridge Egyptian sovereignty than U.S. bases in Britain abridge British sovereignty.

Israel is the size of Maine, but needs for its security the world's third largest air force, and so needs five large air bases, one of which is in the Sinai, Israels' topography prevents moving it to within the 1967 borders. But the most compelling reason why Israel wants the Sinai base is that the base is along the historic invasion route to Palestine. It could not stop an army, but it could be an inhibiting presence. If Israel left Sinai completely, and Sadat's successor wanted to remilitarize Sinai, he would be more apt to hesitate if there was an Israeli presence in a strategic place.

Sadat does not like negotiating about such things. He likes cowboy movies, so President Carter took "How the West Was Won" to Camp David for their meeting. Sadat, always theatrical, said that inadequate U.S. support made him too distraught to enjoy movies. That had the desired effect. The administration got jittery and offered Air Force One if some senators would fly to Begin to press him for concessions.

The next issue of the Washington Review of Strategic and International Studies, published by Georgetown University's formidable Center for Strategic and International Studies, reports that the United States has approached Iran about stopping the flow of oil to Israel until concessions are made, and has asked various nations to delay arms purchases from Israel.

In addition, in the last days of Hubert Humphrey's life, the administration pressured him to send a letter reprimanding Begin for not making concessions. But Humphrey rejected the administration's draft, and his letter, sent the day before he died, said: "I realize that these (Sinai) settlements are important within the context of Israel's present security needs."

The administration says the settlements in the occupied territories are an obstacle to peace, and illegal. But most of the approximately 7,000 settlers are on the Golan Heights or in the West Bank, and can hardly be called an obstacle to peace that neither Syria nor Jordan will negotiate. And one interpretation of international law is that land from which unsuccessful aggression is launched can be occupied by the victors until they receive reasonable assurance that it will not be a source of aggression.

Pending such assurance for Israel, in the form of treaty undertakings by Egypt and Jordan, it is unreasonable for the administration to assume, and unfair for the administration to imply, that the settlements suggest illegitimate annexation rather than legitimate security concerns.

While pressuring Israel to trust the United States and adopt a more relaxed view of the connection between territory and security, the Carter administration has decided to try to sell F15s to Saudi Arabia; has sharply cut the number of F15s and F16s promised when Israel signed the 1975 Sinai agreement yielding the Mitla and Giddi passes; and tied those planes in a "package" with planes for Israel's adversaries.

So this week Begin arrives at the White House knowing that, more than at any time since 1948, the White House is among Israel's affiliations, not its assets.●

FRANK ANNUNZIO HONORED BY REPUBLIC OF ITALY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. RODINO. Mr. Speaker, Congressman FRANK ANNUNZIO has received one of the Republic of Italy's highest honors for his work in assisting in better relations between the United States and Italy. Retiring Italian Ambassador Roberto Gaja, in his last offiical act as Italian Ambassador to the United States, last week conferred the Grande Ufficiale of the Order of Merit of the Republic of Italy upon Congressman ANNUNZIO at Firenze House, the new Italian Embassy in Washington.

I was very pleased to be with Congressman and Mrs. Annunzio as Ambassador Gaja bestowed this honor in the name of Italian President Giovani Leone. We were joined by other members of Congress, officials of the National Italian American Foundation and members of the Washington, D.C., and Baltimore Italian American community. Members of Congress included: MELVIN PRICE, CLEMENT ZABLOCKI, BRUCE VENTO, MARTY RUSSO, JOSEPH LE FANTE, LEO ZEFERETTI, and ROBERT LEGGETT. Also in attendance were: Judge John J. Sirica; Robert Georgine, president of the Building and Trades Department of the AFL–CIO; Msgr. Geno C. Baroni, Assistant Secretary of HUD; and Mario T. Noto, Deputy Commissioner of Immigration and Naturalization Services.

Mr. Speaker, we all know FRANK ANNUNZIO as dedicated statesman, an exemplary chairman of the House Subcommittee on Consumer Affairs, and an outstanding representative, not only to his Illinois constituents but to the Nation as well. I am happy to call him my friend.

He can be proud to add this award to the many others he has received over the years for his diligent public service. Mr. Speaker, I know my colleagues join me in saluting FRANK ANNUNZIO.●

PHILADELPHIA FILES SUIT AGAINST EPA AND ITS TACTICS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. EILBERG. Mr. Speaker, the city of Philadelphia has just filed suit against the U.S. Environmental Protection Agency, and I am pleased to have this opportunity to provide the following background information for my colleagues.

The suit was announced by Hillel S. Levinson, managing director of the city, with the action being instituted in the U.S. District Court in Philadelphia.

Mr. Levinson said the action was begun because EPA has continually frustrated and delayed the city's efforts to build three new sewage treatment plants within a reasonable timetable, as required by the Federal Water Pollution Control Act.

Mr. Levinson explained that the city was taking this action reluctantly. He said:

> We have no choice. At Mayor Rizzo's direction, the city has been negotiating with EPA since last October for more reasonable treatment of Philadelphia, but EPA has now broken off negotiations, and wants to impose a harsh consent decree on the city.

The managing director said the consent decree would impose daily fines on the city for missing impossible deadlines. It would assert EPA control over every aspect of the planning, construction, and scheduling of the new sewage plants, and would bind the city in great and burdensome detail to numerous monthly and quarterly reports and deadlines.

In its suit, Philadelphia charges that EPA has imposed endless red tape on the city, delayed Federal funding for capricious reasons, arbitrarily refused approvals for city contracts and other procedures, required burdensome and unnecessary reports and deadlines, frequently gone back on its word, and attempted to levy fines for trivial paperwork violations.

Naming National EPA Administrator Douglas Costle and EPA Region III Administrator Jack Schramm as codefendants with EPA, the city's suit asks the district court to order EPA to cease its delays and hindrances; provide adequate funding; grant the city necessary time extensions as permitted by law; and cooperate with the city in carrying out its stream clean-up programs.

Among allegations in the city's complaint are the following:

First. EPA has unreasonably delayed approval of city applications for Federal funds needed to carry out a $464 million expansion and modernization of the three sewage treatment plants. This has delayed the start of construction at the northeast and southeast plants. Only the southwest plant is fully under construction.

Second. EPA has illegally withheld funds for the preparation of a site for the construction of the new southeast plant, but offers to release such funds if the city will sign a consent decree.

Third. EPA urged the city to improve some Fairmount Park land with digested sludge taken from three lagoons at the northeast plant, but afterwards refused to support the city's program for that project. Because the space occupied by these lagoons is needed for a new plant, the city cannot proceed with construction of the main elements of the plant despite the fact that design plans are ready.

Fourth. Other elements of the new northeast plant have been delayed by the fact that EPA has illegally sought to override normal city bidding procedures for the construction of new facilities. It has refused to let the water department rebid a rejected contract. This and other EPA-caused delays will raise the ultimate cost of the new plant.

Fifth. EPA has gone back on a 1975 agreement that set completion deadlines for Philadelphia's new secondary sewage plants ranging between 1978 and 1980. In June 1977, EPA insisted that the plants be upgraded to secondary treatment by July 1, 1977, even though two-thirds of American communities could not meet this national deadline. Since then Congress has amended the national law to permit extensions up to 1983, but EPA has refused to grant such extensions—or agree to interim treatment levels for sewage—unless Philadelphia signs a consent decree.

Mr. Levinson said that Philadelphia is on time, under the 1975 schedule, and will have its new sewage plants in operation by late 1980, as originally agreed.

He said:

We cannot, however, accept placidly a continuation of these unreasonable delays and hampering restrictions. The people of Philadelphia have too much at stake. Stream clean-up, done in a timely, orderly, and economical manner, is important to all of our citizens.

City Solicitor Sheldon Albert said:

We regret the need for a lawsuit, but all of our efforts to obtain EPA cooperation have failed. Mr. Levinson and I have been personally negotiating with EPA officials for some time. Although we have made numerous concessions, EPA remains adamant in insisting upon a harsh consent decree against the City.

Water Commissioner Carmen F. Guarino said that—

The hindrances to progress lie on the desks of EPA officials. All that the Water Department is asking is a chance to do its job, free of unnecessary restrictions. After all, our citizens do pay for the Federal aid that Congress has provided, and Philadelphia is entitled to this aid.●

UNITED NATIONS PEACEKEEPING FORCES IN LEBANON

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to bring to my colleagues attention information regarding the creation of the United Nations forces in Lebanon (UNIFIL) which will hopefully be able to start entering Lebanon over the next day or two as the Israelis start to withdraw and be able to keep Israeli-Lebanese border zone free of military activity.

Attached are copies of U.N. Resolution 425 of the Security Council adopted on March 19, 1978, a statement by Secretary General Waldheim of March 19, 1978 and U.N. Resolution 426 approving the Secretary General's report to the Security Council on the implementation of U.N. Resolution 425.

I think that my colleagues will agree that the language of UNIFIL's mandate is stronger than in some previous peacekeeping cases. Paragraph 6 of the Secretary General's report says that the forces:

Will supervise the cessation of hostilities, ensure the peaceful character of the area of operation, control movement and take all measures deemed necessary to assure the effective restoration of Lebanese sovereignty.

It is hoped that the United Nations forces will be able to reestablish calm in Southern Lebanon, the Palestinians will accept the United Nations presence, the Israelis will withdraw from Lebanon and Lebanon will be able to use this situation to reassert its authority in Southern Lebanon thereby using recent tragedies as a catalyst for reunifying the country.

This peacekeeping force has been established for a period of 6 months and its mandate can continue thereafter should the Security Council so decide. It is estimated that the costs of putting this force into Lebanon will be $68 million, some $29 mililon of which are start-up costs. The United States' share may be close to 30 percent of the total.

The United Nations documents relating to UNIFIL follow:

RESOLUTION No. 425

(Adopted by the Security Council at its Meeting on March 19, 1978)

The Security Council:

Taking note of the letters of the Permanent Representative of Lebanon (S/12600 and S/12606) and the Permanent Representative of Israel (S/12607).

Having heard the statements of the Permanent Representatives of Lebanon and Israel,

Gravely concerned at the deterioration of the situation in the Middle East, and its consequences to the maintenance of international peace,

Convinced that the present situation impedes the achievement of a just peace in the Middle East,

1. Calls for strict respect for the territorial integrity, sovereignty and political independence of Lebanon within its internationally-recognized boundaries;

2. Calls upon Israel immediately to cease its military action against Lebanese territorial integrity and withdraw forthwith its forces from all Lebanese territory;

3. Decides in the light of the request of the Government of Lebanon, to establish immediately under its authority a United Nations interim force for southern Lebanon for the purpose of confirming the withdrawal of Israeli forces, restoring international peace and security and assisting the Government of Lebanon in ensuring the return of its effective authority in the area, the force to be composed of personnel drawn from states members of the United Nations;

4. Requests the Secretary-General to report to the Council within twenty-four hours on the implementation of this resolution.

STATEMENT BY THE SECRETARY-GENERAL, MARCH 19, 1978

DEAR MR. PRESIDENT: Now that the Council has approved my report on the implementation of Security Council resolution 425 (1978), I shall proceed to put into effect the plan of operation outlined in paragraph 9 of that document. I shall instruct Lt. General Siilasvuo, Chief Co-ordinator of United Nations Peace-keeping Missions in the Middle East, immediately to initiate meetings on the withdrawal of Israeli forces and the establishment of a United Nations area of operation.

As I have informed the Council this morning following its adoption of Resolution 425 on Southern Lebanon, I have instructed Major-General Erskine, the Chief of Staff of UNTSO, to deploy UNTSO observers with a view to confirming the cessation of military action in the area.

In order to provide for an immediate presence of the new Force in the area, I have instructed Lt. General Siilasvuo to coordinate with the Commanders of UNDOF and UNEF the temporary transfer of reinforced companies from the Austrian Contingent in UNDOF and the Swedish Contingent in UNEF to serve, temporarily, as the advance guard of UNIFIL. I have contacted the Governments concerned with a view to having their agreement to the proposed temporary transfer.

I have today made initial contacts with a number of Governments with a view to ascertaining their willingness to provide contingents for the new Force. I hope to be able to consult with the Council on this matter in the very near future.

As we are about to engage in this new operation, I feel obliged to point out to the Security Council the extreme complexity and difficulty of the task confronting the United Nations Force in Southern Lebanon. It will have to ensure the peaceful character of the area of operations and to that end control movement into and out of the zone. It will have to co-operate with the Lebanese authorities, including the army and police, in the process of restoring Lebanese sovereignty.

A number of basic prerequisites have not yet been clarified. These include the modalities of the withdrawal of Israeli forces from Southern Lebanon. I shall do my best to clarify these and other matters both here at Headquarters and through the contacts which I have instructed General Siilasvuo to initiate in the area.

The nature of United Nations Peacekeeping operations, as ordered by the Security Council, requires the full co-operation of all those concerned for their effectiveness. I take this opportunity to appeal once again for such co-operation. These operations also require the full and constant support of the Council itself. This will certainly be particularly true of the operation on which we have just embarked. I shall, of course, keep the Council fully informed of developments relating to the Force and shall not hesitate to seek its support whenever necessary.

RESOLUTION 426 (1978)

(Adopted by the Security Council at its 2075th meeting on 19 March 1978)

The Security Council:

1. Approves the report of the Secretary-General on the implementation of Security Council resolution 425 (1978) contained in document S/12611 dated 19 March 1978;

2. Decides that the Force shall be established in accordance with the above-mentioned report for an initial period of six months, and that it shall continue in operation thereafter, if required, provided the Security Council so decides.

REPORT OF THE SECRETARY-GENERAL ON THE IMPLEMENTATION OF SECURITY COUNCIL RESOLUTION 425 (1978)

1. The present report is submitted in pursuance of Security Council resolution 425 (1978) of 19 March 1978 in which the Council, among other things, decided to set up a United Nations Force in Lebanon under its authority and requested the Secretary-General to submit a report to it on the implementation of the resolution.

TERMS OF REFERENCE

2. The terms of reference of the United

Nations Interim Force in Lebanon (UNIFIL) are:

(a) The Force will determine compliance with paragraph 2 of Security Council resolution 425 (1978).

(b) The Force will confirm the withdrawal of Israeli forces, restore international peace and security and assist the Government of Lebanon in ensuring the return of its effective authority in the area.

(c) The Force will establish and maintain itself in an area of operation to be defined in the light of paragraph 2(b) above.

(d) The Force will use its best efforts to prevent the recurrence of fighting and to ensure that its area of operation is not utilized for hostile activities of any kind.

(e) In the fulfillment of this task, the Force will have the cooperation of the Military Observers of UNTSO, who will continue to function on the Armistice Demarcation Line after the termination of the mandate of UNIFIL.

GENERAL CONSIDERATIONS

3. Three essential conditions must be met for the Force to be effective. Firstly, it must have at all times the full confidence and backing of the Security Council. Secondly, it must operate with the full cooperation of all the parties concerned. Thirdly, it must be able to function as an integrated and efficient military unit.

4. Although the general context of UNIFIL is not comparable with that of UNEF and UNDOF, the guidelines for these operations, having proved satisfactory, are deemed suitable for practical application to the new Force. These guidelines are, mutatis mutandis, as follows:

(a) The Force will be under the command of the United Nations, vested in the Secretary-General, under the authority of the Security Council. The command in the field will be exercised by a Force Commander appointed by the Secretary-General with the consent of the Security Council. The Commander will be responsible to the Secretary-General. The Secretary-General shall keep the Security Council fully informed of developments relating to the functioning of the Force. All matters which may affect the nature or the continued effective functioning of the Force will be referred to the Council for its decision.

(b) The Force must enjoy the freedom of movement and communication and other facilities that are necessary for the performance of its tasks. The Force and its personnel should be granted all relevant privileges and immunities provided for by the Convention on the Privileges and Immunities of the United Nations.

(c) The Force will be composed of a number of contingents to be provided by selected countries, upon the request of the Secretary-General. The contingents will be selected in consultation with the Security Council and with the parties concerned, bearing in mind the accepted principle of equitable geographic representation.

(d) The Force will be provided with weapons of a defensive character. It shall not use force except in self-defense. Self-defense would include resistance to attempts by forceful means to prevent it from discharging its duties under the mandate of the Security Council. The Force will proceed on the assumption that the parties to the conflict will take all the necessary steps for compliance with the decisions of the Security Council.

(e) In performing its functions, the Force will act with complete impartiality.

(f) The supporting personnel of the Force will be provided as a rule by the Secretary-General from among existing United Nations staff. Those personnel will, of course, follow the rules and regulations of the United Nations Secretariat.

5. UNIFIL, like any other United Nations Peace-keeping Operation, cannot and must not take on responsibilities which fall under the Government of the country in which it is operating. These responsibilities must be exercised by the competent Lebanese authorities. It is assumed that the Lebanese Government will take the necessary measures to cooperate with UNIFIL in this regard. It should be recalled that UNIFIL will have to operate in an area which is quite densely inhabited.

6. I envisage the responsibility of UNIFIL as a two-stage operation. In the first stage the Force will confirm the withdrawal of Israeli forces from Lebanese territory to the international border. Once this is achieved, it will establish and maintain an area of operation as defined. In this connection it will supervise the cessation of hostilities, ensure the peaceful character of the area of operation, control movement and take all measures deemed necessary to assure the effective restoration of Lebanese sovereignty.

7. The Force is being established on the assumption that it represents an interim measure until the Government of Lebanon assumes its full responsibilities in southern Lebanon. The termination of the mandate of UNIFIL by the Security Council will not affect the continued functioning of ILMAC as set out in the appropriate Security Council decision (S/10611).

8. With the view to facilitating the task of UNIFIL, particularly as it concerns procedures for the expeditious withdrawal of Israeli forces and related matters, it may be necessary to work out arrangements with Israel and Lebanon as a preliminary measure for the implementation of the Security Council resolution. It is assumed that both parties will give their full cooperation to UNIFIL in this regard.

PROPOSED PLAN OF ACTION

9. If the Security Council is in agreement with the principles and conditions outlined above, I intend to take the following steps:

(a) I shall instruct Lt. General Ensio Siilasvuo, Chief Co-ordinator of United Nations Peace-keeping Missions in the Middle East, to contact immediately the Governments of Israel and Lebanon and initiate meetings with their representatives for the purpose of reaching agreement on the modalities of the withdrawal of Israeli forces and the establishment of a United Nations area of operation. This should not delay in any way the establishment of the Force.

(b) Pending the appointment of a Force Commander, I propose to appoint Major-General E. A. Erskine, the Chief of Staff of UNTSO, as Interim Commander. Pending the arrival of the first contingents of the Force he will perform his tasks with the assistance of a selected number of UNTSO military observers. At the same time urgent measures will be taken to secure and arrange for the early arrival in the area of contingents of the Force.

(c) In order that the Force may fulfill its responsibilities, it is considered, as a preliminary estimate, that it must have at least five battalions each of about 600 all ranks, in addition to the necessary logistics units. This means a total strength in the order of 4,000.

(d) Bearing in mind the principles set out in paragraph 4(c) above, I am making preliminary inquiries as to the availability of contingents from suitable countries.

(e) In view of the difficulty in obtaining logistics contingents and of the necessary for economy, it would be my intention to examine the possibility of building on the existing logistics arrangements. If this should not prove possible, it will be necessary to seek other suitable arrangements.

(f) It is proposed also that an appropriate number of observers of UNTSO be assigned to assist UNIFIL in the fulfilment of its task in the same way as for UNEF.

(g) It is suggested that the Force would initially be stationed in the area for a period of six months.

ESTIMATED COST AND METHOD OF FINANCING

10. At the present time there are many unknown factors. The best possible preliminary estimate based upon current experience and rates with respect to other peace-keeping forces of comparable size, is approximately $68 million for a Force of 4,000 all ranks, for a period of six months. This figure is made up of initial setting-up costs (excluding the cost of initial air-lift) of $29 million and ongoing costs for the six month period of $39 million.

11. The costs of the Force shall be considered as expenses of the Organization to be borne by the Members in accordance with Article 17, paragraph 2, of the Charter.

March 19, 1978.●

CHILD HEALTH ASSESSMENT ACT

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WALGREN. Mr. Speaker, I would like to bring to the attention of my colleagues a letter from Mr. Edward J. Forrest, dean of the University of Pittsburgh's School of Dental Medicine:

MARCH 7, 1978.

DEAR CONGRESSMAN WALGREN: For many years, the Schools of Dental Medicine and the American Dental Association have been working to get support for programs to improve the dental health of all citizens, primarily children. During the Johnson Administration, a bill to help children was passed but never implemented. We have had the Early Screening Program which authorizes treatments that have been diagnosed by physicians in their screening examinations. Now we have the HSA Proposals and a review of their plans indicate very little attention to dentistry.

At a time when the Administration is thinking about health care, how can it even be considered reducing the dental programs for recipients of Medicaid. Good health is dependent on good nutrition which is dependent on a healthy oral cavity and good dentition.

The objectives of the dental profession include the hope that everyone will retain their teeth throughout their life time. When one reviews current programs that receive prime consideration, it seems that oral pain can best be relieved by extracting teeth. If we are to eliminate the extraction and denture program, we must start strong preventive and treatment programs for children. I respectfully urge you to give your most careful consideration to H.R. 6706, the Child Health Assessment Act.

Sincerely,

EDWARD J. FORREST,
Dean, University of Pittsburgh, School of Dental Medicine.●

JOHN J. BOYLE'S WELL-DESERVED APPOINTMENT AS PUBLIC PRINTER

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. STEERS. Mr. Speaker, it is my great pleasure to acknowledge and honor a fine citizen and his distinguished ac-

complishments as a public official. Moreover, I am proud to number this man—John J. Boyle, the new Public Printer of the United States—among my constituents in the Eighth Congressional District of Maryland.

As a 25-year employee of the Government Printing Office, Mr. Boyle is the first Public Printer to have worked his way through the ranks. He joined the office in 1952 as a proofreader after several years in the private printing industry. During his rise as an administrator, he was responsible for the establishment of the electronic photocomposition division, which consolidated all of the photocomposition activities into a single organization and evolved into the largest and most modern phototypesetting facility in the printing industry. As Public Printer and chief administrator of the Government Printing Office, Mr. Boyle oversees the printing of all orders placed by Congress and by the executive branch of the Federal Government. He also supervises the furnishing of supplies, preparation of catalogs, and distribution and sale of Government publications. Mr. Boyle has lectured throughout the United States and in England on new processes in printing and is considered to be a leading authority on the use of computers in composition. In 1977, he received the Horace Hart Award of the Education Council of the Graphic Arts Industry in recognition of distinguished public service in the field of printing and publishing. Mr. Boyle, a World War II veteran, has resided with his family in Silver Spring, Md., for 25 years.

An organization such as the Government Printing Office needs a talented person to direct it, and therefore I applaud the appointment of Mr. John J. Boyle. Certainly he can look to continued success, and we can look optimistically to the future of the Government Printing Office.●

INFLATION AND FOOD PRICES

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. HARKIN. Mr. Speaker, on Saturday, March 18, 1978, the Washington Post carried an article entitled, "The Inflation Memo." It concerned a "leaked" memo given to President Carter with regard to policies on holding down the inflation rate. The editorial writer went on to point out some things which the editorialist thought should be done to hold inflation down. One was to suggest to the President that we should not increase support prices to farmers for taking some land out of production. The writer then said that doing so would lead to "steep increases in food prices ahead." I rather doubt that they will be steep, even though I do feel that in the past few years food prices have slipped way behind other items that the consumer purchases. But the argument that higher support prices will lead to this is nonsense when you look at past history.

Does anyone think that food prices were too high in the 1940's? Too high in the 1950's? Or too high in the 1960's? Yet, when we look back at those years, we find that support prices far exceed the present level of support prices. Let us take a look at corn. In 1936, the first year we had Government support prices, the support price of corn was 55 cents per bushel. But when you factor in for inflation and bring that up in terms of 1977 dollars, the support price was $2.78 per bushel. In 1948 the support price was $1.44 per bushel, but again when you factor in for inflation and use 1977 dollars, the support price was actually $3.83 per bushel. In 1962 corn support prices, based on 1977 dollars, was $2.40 per bushel. In 1968 it was $2.31 per bushel. And then during the Nixon years, support prices began a precipitous decline. The support level went from $2.20 in 1969 to a low of $1.53 per bushel in 1975. The present support price for corn is $2 per bushel.

The 42-year average from 1936 to the present, based on 1977 dollars, is $2.86 per bushel. So to say that the present support price of $2 for corn cannot be raised because it will lead to "steep increases in food prices" is just not true. It may lead to small increases, but I think this is justified given the present plight of the farmer. However, these small increases need not even happen if the consumers will put pressure on the middleman to control their costs and to compete a little more aggressively in the process and distribution of food products.

The editorial writer went on to say that the President could expand meat imports as a check on prices that have been going up "especially fast in recent months." Again, this simply flies in the face of the facts. The fact is that, based on 1977 dollars (that is figuring in for inflation), the present retail price of beef is the lowest it has been in 30 years. Again, in 1949 the "all-cuts" retail price was 67.8 cents per pound, but based on 1977 dollars that translates to $1.86 per pound. In 1959, using the same method of calculation, retail beef averaged $1.75 per pound. In 1969, the average was $1.59 per pound. And get this, in 1973 it was $1.84 per pound; 1974, $1.72 per pound; 1975, $1.65 per pound; 1976, $1.49 per pound; 1977, $1.41 per pound. In the first 2 months of 1978 this price was increased to $1.48 per pound, not even to the level that it was in 1976.

If anything, the President should begin to restrict the import of beef into this country, and I am hoping that this will be done this year or else we will have to do it legislatively. Consumers ought to know that imported beef does not have to meet the same kind of inspection standards that American beef does, and yet there is no way for the consumer to identify this beef while shopping in a store. Also, by reducing imports and encouraging more beef production in this country, we help our balance of payments problem and return some marginal lands that are now being cropped to a better use, that is, grazing cattle. This helps in terms of conservation and also in insuring a stable supply of beef for the American consumer.

In short, the Washington Post editorial is extremely shortsighted. It sees only the immediate effects of its stated policy, but does not take into account the longer term, more drastic results that would come up if the President followed the advice of this editorial.●

POSTAL RATEMAKING AMENDMENT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mrs. SCHROEDER. Mr. Speaker, there appears to be much ado brewing over one of the amendments which I have proposed to section 2 of H.R. 7700, the postal reform bill. The amendment is:

One. Not a move to run charities from the mails.

Two. Not a move to drive rural publications out of business.

Three. Not a move to drive nonprofit periodicals from the scene.

Each of these types of mail is protected by the amendment, which limits direct charges to them to 60 percent of the share they should pay if they paid their own way.

For the benefit of my colleagues, a copy of the amendment and a discussion of it follows:

POSTAL RATEMAKING AMENDMENT

In the Hanley-Wilson substitute, strike the language from page 1, line 3 through page 5, line 3, and insert in lieu thereof the following:

RATES AND CLASSES

Sec. 2. (a) Section 3621 of title 39, United States Code, is amended by striking out its first sentence and inserting in lieu thereof the following:

"The Postal Rate Commission shall establish rates of postage and fees for postal services in accordance with this chapter."

(b) Paragraph (a) of section 3622 of title 39, United States Code, is amended to read as follows:

"(a) From time to time the Postal Service shall request the Postal Rate Commission to render a decision on changes in a rate or rates of postage or in a fee or fees for postal services if the Postal Service determines that such changes would be in the public interest and in accordance with the policies of this title."; and

(c) Subsection (b) of section 3622 of title 39, United States Code, is amended by striking the word "recommended", and subsection (b)(3) of this section is amended to read as follows:

"The requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to that class or type (including the costs caused by variability with volume, and all of the costs caused by the collection, transportation, processing, storing, and delivery of each class of mail or type of mail service), plus that portion of all other postal costs reasonably assignable to such class or type."; and

(d) Section 3626(a)(1) of title 39, United States Code, is amended by inserting before the semicolon at the end thereof a comma and the following:

"except that for the purposes of this subsection, those direct costs which exceed 60 percent of total estimated costs shall be reasonably assigned to all classes of mail.".

On page 5, line 4, strike the designation "(d)" and insert in lieu thereof "(e)"; and

On page 27, strike line 21 and insert in lieu thereof "60 percent of the postal costs directly attributable to mail of such class or kind"; and

On page 6, line 1, strike the designation "(e)" and insert in lieu thereof "(f)".

DISCUSSION

This amendment strikes the ratemaking provisions from the Hanley substitute and replaces it with criteria which will be fair to *all* classes of mail.

The amendment (1) by amending 39 USC 3622(b)(3), imposes proper accountability on the Postal Service and the Postal Rate Commission, by requiring full and complete attribution of all the costs which may be incurred by a class of mail.

(2) Preserves two exceptions in the bill which will allow only 60% of the direct costs of any mailing of certain mail of non-profit and charitable types and only 60% of the direct costs of the first 250,000 copies of any issue of a periodical to be charged to a mailer.

The language of section 2 of the Hanley substitute makes major changes in the criteria on which postal ratemaking will be based. The worst of these changes is that a cap of 60% is placed upon the Postal Rate Commission's authority to attribute costs of a class of mail to the mail generating these costs. If these costs—called direct costs—cannot be charged off to the mail which is incurring them, then they must be charged off to all mail classes. And the largest class of mail—first class—then gets the lion's share to pay.

Section 2 of the bill, as now written, is a disaster to the first class mailer. Nobody has done a study of its effects upon first class mail rates, but my own educated guess is that this section alone will jack up rates for first class mail by 2¢ a stamp. This increase will have nothing to do with rising costs of mail handling. It will have nothing to do with inflation. It will come about as the result of a statutory juggling of the books at the Postal Service.

The following is an example of how section 2 would work: Let's suppose that the Postal Service sends a truck to Time Magazine once a week to pick up its latest issue for mail. Time Magazine would only have to pay for 60 percent of the costs of that truck. First class mail users would pick up most of 40 percent left. However, if a like truck were being sent to the Bank of America each week to pick up first class Bankamericard bills, 60 percent of the costs of that truck would be charged to first class. But, because this is first class mail, the other 40 percent left would also mostly be paid by first class. Is it not sensible to think that America may view Electronic Fund Transfer Systems as a godsend.

In other words, section 2 of the bill would put into statute form a concept which Marie Antoinette would have loved. Those who eat bread—all of us first class users—would be forced to subsidize those who eat cake.

While section 2 of the bill might, for the short run, assist the Postal Service in, for example keeping large second class mailers from trying other sources of delivery, it is good to remember the story of the goose who laid golden eggs. Jacking up first class rates will lead to new alternatives for first class mail users. Electronic Fund Transfer Systems are coming on line. A high priced first class stamp would make the long distance birthday or anniversary telephone call a reasonable alternative. In a few years, the Postal Service could be left with a physical plant geared to the delivery of letter mail but with a reduced workforce handling magazines, junk mail, and a few parcels; and the result would not be caused by inflationary charges to first class service but an artificially created warp in the laws of supply and demand.

The large business mailers who would benefit from section 2 of the bill do so at more than just the expense of first class mail—60 percent of which is business mail itself:

A record club, by reason of subsidized postal rates on its records, would be able to undercut its competition: the small business, local record outlet.

A book club by reason of subsidized postal rates on its books, would be able to undercut its competition: local book dealers.

A magazine, with subsidized postal rates on mail subscriptions, would be able to undercut newstands prices. A person who goes to a newstand, and mails a bill on the way would be subsidizing, through the stamp used on the bill, a delivery service for magazines from which he himself gains no benefit.●

TAKE MEDICARE OFF THE PAYROLL TAX

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. MATTOX. Mr. Speaker, I want to call to the attention of my colleagues an editorial which appeared in the Christain Science Monitor on Friday, March 17, entitled "Take Medicare Off the Payroll Tax."

Mr. Speaker, that is exactly what I am trying to do, with H.R. 11306—take hospital insurance our of the social security system, and reduce payroll taxes by 2 percent this year. As the article notes, social security is an issue which will be delt with by many Congresses in the future, but it is the duty and responsibility of this Congress to cut down the regressive payroll tax, before the mandated increases take their toll on our economy.

I urge my colleagues to reflect upon this excellent editorial, and then to cosponsor with me H.R. 11306, so that the Congress can be, truly, a body which represents the people of the United States. The working people want it, employers want it—I say let's get it done.

The article follows:

[From the Christian Science Monitor, Mar. 17, 1978]

TAKE MEDICARE OFF THE PAYROLL TAX

Here is one way to start alleviating the social security payroll tax bite that is making congressmen yelp even though they don't have to pay it:

Remove medicare from social security.

The idea is not original with us, but we hasten to endorse it as a rejoinder for President Carter to offer House Speaker O'Neill after what Mr. O'Neill said to Mr. Carter this week. The general thrust was that if the White House did not get moving on cutting payroll taxes the Congress would. All this just three months after Congress passed the tax hike and the President signed it.

We have arrived at the medicare option as at least a start toward both lowering the payroll tax increase and meeting the no longer new objection of economist Milton Friedman that the payroll tax is "almost surely far and away the most regressive element in our tax system and a significant disincentive to work." He also pointed out that, for various reasons, high-income workers receive higher benefits than low-income workers in relation to taxes paid. The former, he noted, usually pay taxes for a shorter time because they start to work at a later age. And they receive more benefits because they tend to live longer.

Eventually Congress will have to come to grips with far-ranging revision of social security to meet the changing population and economic patterns of the future. But a beginning toward greater equity could be made by separating from the payroll tax those benefits which are not related to earnings. Medicare is not tied to earnings, but their financing is tied to payroll taxes. (The medical part of medicare, for which retirees pay monthly premiums, is separate from payroll taxes.)

The medicare hospital expenditures are projected to increase along with the escalation of hospital costs, exceeding medicare payroll tax income by greater and greater margins into the 1990s. The numbers are forbidding, but they are worth sampling to confirm that getting medicare off the payroll tax would become increasingly worth the effort.

By last year medicare already accounted for 15 percent of social security expenditures. It would reach twice that percentage, about 30 percent, by 1995, according to Social Security Administration projections. The dollar magnitude can be suggested by the 1977 total expenditure figure of $103,888,000,000, representing 12.88 percent of the payroll on which employee, employer, and self-employed social security taxes are paid. The medicare share was $16,166,000,000, or 1.99 percent of the taxable payroll. By 1995 these percentages are projected to rise to 15.27 percent (total) and 4.52 percent (medicare), indicating more than a doubling of the medicare percentage.

So there would be a growing saving to social security if medicare were financed in another way. The obvious alternative is the income tax, which is more progressive than the payroll tax. It is also a more appropriate source for benefits to the elderly that are not geared to their preretirement earnings. It is something for Speaker O'Neill to consider if he doesn't hear from President Carter.●

THE ROCHE BROTHERS—A SMALL BUSINESS SUCCESS STORY

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. MOAKLEY. Mr. Speaker, I would like to bring to your attention, and the attention of my colleagues, the accomplishments of two brothers from Roslindale, Mass., who together have exemplified what the ideal of the small American businessman should be.

Pat and Dan Roche share their roots in Boston's Roslindale and West Roxbury neighborhoods. The first generation sons of Pat and Ellen Roche, Pat and Dan put themselves through Boston high schools by working in a variety of retail grocery establishments, where they picked up both the essentials of managing and administrating grocery stores, and the even more essential requirement of knowing how to deal with people. Their experience was varied, from sweeping the floors, to working the cash register, to cutting meat. Their experience in neighborhood stores gave them the impression that in some instances the customer was being treated rather

unfairly. They felt an overwhelming desire to make sure that the customer was treated honestly, courteously, and promptly.

In 1952, Pat and Dan Roche noticed a "for rent" sign on the door of a small store in Roslindale. Deciding to open a meat market, the Roche brothers were unable to attract any capital backing from commercial banks, so were forced to borrow $3,500 from their parents to get their venture off the ground. The sun shone brightly on their establishment from their first week of operation. Grossing over $2,300 that first week the Roche Brothers Market doubled their weekly volume within the first year of operation. It was soon obvious that they needed more room. A loan from a Boston bank enabled them to knock down a wall and expand into the neighboring store.

Performing virtually every function necessary in running a retail establishment the likes of Roche Bros., from making the deliveries to plumbing repairs, soon necessitated the hiring of additional staff. Al DeFranco, hired in 1953, played a major role in the development of Roche Bros. Running the store from an administrative angle, Al, together with Pat and Dan, saw a need for becoming involved in community groups and local merchant associations. This involvement, together with the already well-developed rapport existing between the Roche Bros., and their West Roxbury-Roslindale neighbors, became the key element in their early success.

Roche Bros. opened a second 2,000-square-foot store in Needham in 1959; and a third, 15.000-square-foot store in Needham in 1965. Once again, service and personality seemed to be the key in their success with an opening week volume of almost $63,000. By 1966, Pat and Dan bought out the Elm Farm store in West Roxbury, feeling that the Roche Bros. name had been well established in Roslindale and Needham.

After the store opening in West Roxbury, a need arose to develop some type of upper management to handle problems that kept arising in the different stores. While Dan supervised groceries, Pat was in charge of meats. Eddie Kilduff, a former wholesaler who grew with the company, and became a part of the "family," handled the produce problems. Al DeFranco was placed in a capacity to ease the supervisory burden on the two Roche brothers that arose due to expansion. The addition of management personnel more or less followed the growth of sales. A meat supervisor/buyer and a grocery supervisor/buyer positions developed as the need for them arose.

These positions were filled with individuals who could handle people and problems that surfaced, making a decision if necessary, rather than just directing the problem to Pat or Dan. Dan Roche could perceive traits in certain individuals, whether it be an ability to deal with subordinates, a rapport with customers, or a knowledge of food retailing, and he cast these individuals in jobs that would best utilize these skills.

In 1970, Roche Brothers opened a store in nearby Westwood, financed through South Shore Bank. With the company's outstanding record, financing was no real major problem and good banking relations have developed over the years. Later in 1974, the largest store in Natick opened.

Store personality is still vital to Roche Brothers. Dan feels that the friendship and sincerity displayed by Roche Brothers personnel are keys to that personality. He also feels that Roche Brothers' success is due to store "attitude," and the level of communication between upper level management and the employees.

Roche Brothers currently has four stores; one each in Needham, West Roxbury, Westwood, and Natick. The success of the organization cannot be doubted. To a large measure, a good deal of the success is due precisely to the emphasis that Pat and Dan Roche and their staff through the years have placed on developing exemplary customer relations. In this day of giant conglomerates and multinational corporations, of consumer activism and consumer boycotts, it is refreshing to see a case which so merits our attention.

Pat and Dan Roche deserve to be honored for more than a quarter century of service to their local charities, their churches, and most importantly, their neighbors.●

PUBLIC SUPPORT FOR THE FEDERAL BUREAU OF INVESTIGATION

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. RUDD. Mr. Speaker, it is highly encouraging to see the genuine outpouring of public support for the Federal Bureau of Investigation and its special agents, who are being persecuted and maligned by the current administration because of their past intelligence-gathering efforts to stop domestic criminal terrorist groups.

A column by William F. Buckley in the Tucson Daily Citizen reports that the response was electric to formation of the Citizens' Legal Defense Fund for the FBI, whose initial resolution was to raise funds to give a proper defense to John J. Kearney, the former FBI special agent who was indicted on orders of Attorney General Griffin Bell for his surveillance of the terrorist Weather Underground.

The Citizen reminds us in an accompanying editorial that—

The Weather Underground, for those who may have forgotten, was a radical organization that originated as a dissident faction of the Students for a Democratic Society and which, in the early 1970s, was taking credit for numerous bombings in this country.

While the Justice Department's harassment and persecution of FBI special agents such as John Kearney have severly damaged the FBI and our entire national effort against organized crime and terrorism, the Citizen editorial optimistically notes that the indictment against Kearney appears to have created a turning point in the sordid persecution of intelligence agencies responsible for safeguarding American security.

For the sake of our people and the safety of our country, I certainly hope so. The public support for the FBI and the defense of its persecuted agents seems to reflect the people's attitude that our criminal justice system needs to do much more to fight and protect our society from the threat of dangerous crime.

The national public opinion research firm of Yankelovich, Skelly, and White has just completed a survey of public attitudes concerning our criminal justice system, and particularly the record of the courts. The results of that survey were reported yesterday in the Washington Post.

The Post story stated that—

The study found that community leaders and the general public thought the courts failed to take an active enough role in fighting crime—a position long held by police and prosecutors.

It is no wonder that this is so. A major reason for the failure of courts to take an active role in the fight against crime is that the Attorney General and the Department of Justice under his administration are tying the courts up in questionable litigation and persecution against selected victims, particularly in its attacks against the FBI and law enforcement officials whose job it is to stop crime.

Mr. Speaker, I hope that the Kearney case is a turning point in this sorry situation, and that the Department of Justice will soon get back to the business of supporting and leading our intelligence agencies and the courts in the needed fight against crime.

Furthermore, I hope that the Attorney General will one day see fit to respond to the concerns of Members of Congress, such as myself, who have asked him to explain and justify the Justice Department's apparent change of policy, which before he took office was to do everything possible in the intelligence-gathering area to locate, apprehend, and prosecute individuals and groups responsible for crime and subversion.

I would like to include at this point in the RECORD the recent editorial and Buckley column from the Tucson Daily Citizen:

[From the Tucson Daily Citizen, Feb. 28, 1978]

A TURNING POINT?

The Weather Underground, for those who may have forgotten, was a radical organization that originated as a dissident faction of the Students for a Democratic Society and which, in the early 1970s, was taking credit for numerous bombings in this country.

Without doubt, the Weathermen constituted a dangerous element in American society. It was for this reason that they came under constant surveillance by the Federal Bureau of Investigation. Sad to say, it was also for this reason that a federal grand jury in New York City saw fit, last April, to indict the former supervisor of the FBI's New York office, John J. Kearney, on charges that agents working for him illegally opened mail and tapped phones in search of fugitive members of the Weather Underground.

These charges, along with the other near-senseless attacks in which this country has indulged against the FBI, severely damaged that agency—just as they severely damaged the Central Intelligence Agency. Fortunately, the indictment against Kearney appears to have created a turning point in the sordid persecution of the two agencies that are responsible for safeguarding American security.

The story about what has followed in the wake of the Kearney indictment is contained in a column by William F. Buckley, appearing on this page today. The column should give heart to those who have been sensitive to the regrettable trials of the FBI.

WHAT OBJECT IN HARASSING FBI?

(By William F. Buckley)

When last April the Department of Justice brought in an indictment against former FBI agent John Kearney, for using allegedly illegal tactics in attempting during the early 1970s to penetrate and frustrate the terrorist Weathermen, a few observers became convinced that we had entered the lunatic phase of our campaign to purify ourselves, and a committee was born. It is called the Citizens' Legal Defense Fund for FBI, its address is Suite 808, 95 Madison Ave., New York, and co-chairmen are Clare Boothe Luce, former Secretary of the Treasury William Simon, and former Sen. James L. Buckley.

The initial resolution of the committee was to raise funds to give John Kearney a proper defense, and the result was electric. Contributions came in even from the ranks of the best-known recent purifiers. Leon Jaworski, for instance, the point-man in the Watergate prosecutions. Enough money to hire Edward Bennett Williams, who had expressed sympathy for the victimization of Kearney. So the defense is ready, when the attorney general strikes.

But the committee did not then go out of business. It is inundated with requests for help from other former agents of the FBI who are being harassed by civil suits. And two weeks ago, William Simon sent out an appeal for funds enclosing a document which is a chiller and which everyone concerned with the mad demobilization of our internal security apparatus should read.

It is a very long letter, from an FBI agent whose identity is protected. It tells us things we ought to know about domestic security, things that harmonize with the worrisome analysis recently given nationally by Time and Newsweek to the related problem of the CIA, and external security.

William Simon reminds us that the New York Times star foreign correspondent C.L. Sulzberger wrote, "It is believed Moscow has found a way to paralyze the U.S. by striking at its principal security services. As a consequence of such operations (attributed in part to the KGB's Department of Disinformation) the effectiveness of the CIA and FBI is held to be extremely anemic by apparently internal U.S. political arguments."

Listen now to a paragraph from the lead story in Time magazine on CIA Director Stansfield Turner:

"A Soviet KGB agent told a Time correspondent in Cairo last week: 'Of all the operations that the Soviet Union and the U.S. have conducted against each other, none has benefited the KGB as much as the campaign in the U.S. to discredit the CIA. In our wildest scenarios, we could never have anticipated such a plus for our side. It's the kind of gift all espionage men dream about. Today our boys have it a lot easier, and we didn't have to lift a finger. You did all our work for us.' "

The FBI agent who wrote to the Citizens' Legal Defense Fund makes it plain that in any comprehensive analysis, there is little difference between the CIA and the FBI. The same forces are aligned against them.

At least dramatically, the success of the see-no-evil hear-no-evil people has been astonishing. The agent writes, "A reduction in FBI investigation of domestic subversion has resulted from the imposition of . . . guidelines and recent policy changes. FBI Director Clarence Kelley revealed in September 1976 that its internal security investigations had then dropped from 21,414 in mid 1973, to only 626 (78 organizations and 548 individuals)—an amazing 97 per cent cut."

It is a symbol of our time that the Civil Service Commission, the agent reports, dropped the formerly conventional question put to applicants for federal employment: "Are you, or have you ever been, a member of the Communist Party?" Presumably we are not supposed to care. If it can be said that innocent-minded fellow travelers were once victims of thoughtless government pressure, the contemporary victims today, the Citizens' Legal Defense Fund points out, are men and women who have worked in our security forces.●

NAACP ENERGY POLICY STATEMENT—A TRAVESTY FOR BLACKS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. OTTINGER. Mr. Speaker, the recent NAACP energy policy statement which looked favorably on deregulation of the prices of oil and gas and expansion of nuclear power, allegedly to save jobs, was a tragic error. Nothing could be worse for the poor of our land among whom are unfortunately found a disproportionate percentage of our black population.

The entire premise of the NAACP statement is wrong and misguided. The capital-intensive, high technology solutions espoused will create less jobs than the Carter policy stressing conservation and solar alternatives, and the jobs that are created in nuclear technologies are likely to be highly skilled construction and engineering positions available to few blacks, as compared to the soft path solutions.

Also, the huge consumer costs of deregulation and high-technology options will be borne disproportionately by the poor. They have no margin except through diets with which to absorb the higher costs of fuel, electricity, food, et cetera.

Lastly the high technology route is so capital demanding that it will deplete the poor of capital that would otherwise have been available for urban redevelopment programs, neighborhood health centers, and other facilities of direct benefit to them.

The case against the NAACP statement is very articulately expounded by David Brower and Steve Lyons in this month's issue of Not Man Apart, which I submit for the benefit of my colleagues:

A MISSTEP ON A HARD PATH

(By David Brower and Steve Lyons)

The NAACP's recent announcement of its opposition to the National Energy Plan proposed by President Carter has delighted NAACP's traditional adversaries and saddened its friends. The glee engendered by the news of this surprising alliance with "big oil" should be ample warning of the hazards of the position.

Amory Lovins has been warning of those hazards too, and describing the energy policy that can lead us to a durable peace. But the authors of the NAACP report apparently haven't read Lovins yet—or if they have, they're refusing to listen. Several passages indicate they've closed eyes and ears to the energy crisis as well:

"We find it very disturbing to contemplate a future in which energy supply would become a constraint on our ability to solve these critically important social and economic problems. . . . We cannot accept the notion that our people are best served by a policy based on the inevitability of energy shortage. . . ." The clear implication is that the energy shortage is a myth—or at best a self-imposed hardship we'd be healthier without. But the truth, disturbing as it is to contemplate, is that the shortage is very real—the inevitable consequence of prodigal living on a finite planet. Wanting it not to be so will not change matters.

The NAACP's endorsement of nuclear power sadly and needlessly extends the life of "the once bright hope." The environmental hazards of the technology (properly acknowledged by the NAACP report) have been debated intensely for the past decade, but all the discussion has not brought us one step closer to solving the safety problems. As long as they remain unsolved, it is irresponsible to go on splitting atoms, with only a blind faith in technical progress to assuage our fears.

The telling arguments against nuclear power, however, are not only environmental but also economic. The cost of electricity from nuclear power is higher than that from any other conventional source and rising fast, spurred by escalating uranium prices (up sixfold in eight years), design changes required to lessen danger, licensing delays, and the increased capital costs that result from them. Nuclear power is also the least labor-intensive and most capital-absorptive of available energy technologies. Exxon Nuclear estimates that half a trillion dollars would be needed to build five hundred nuclear power plants by the end of the century. That's one billion dollars per plant and a total equivalent to President Carter's entire budget for government spending in 1979! A nuclear program on the Exxon scale would require three fourths of the nation's newly formed capital, cutting by two-thirds the capital that could be establishing work places in other sectors of the economy—housing, transportation, public health, education, new small businesses. The nuclear preemption of capital would provide a few jobs in a heavily automated nuclear industry and produce a net energy loss as long as the proposed nuclear growth rate continued. Clearly, nuclear power would not be the answer even if continuing to pursue it did not lead inevitably to nuclear proliferation.

Nor is faster consumption of domestic oil reserves the answer. Oil is a precious resource that is best saved for the petrochemical functions only it can serve. If we must waste it, it would be chauvinistically wiser to import foreign oil now and sit on our own reserves until they bring a price closer to their true value. The least sensible course is to pursue the old Nixon-Ford energy policy of "strength through exhaustion," which the NAACP report now would resuscitate. In the long run, strength can come only from efforts to reduce demand, rather than to increase supply. Energy conservation is an essential part of a sustainable economy. One dollar spent that way can make as much energy available as ten dollars spent on nuclear generating facilities.

In 1974 the Ford Foundation reported that the poor are not only harder hit by high energy prices than their wealthier neighbors (direct energy use is a larger fraction of their living expenses), but less able to compensate (the energy used is more essential to

their livelihood, and their homes lack such energy-saving devices as storm windows and insulation). It stands to reason that the poor (of which minority groups form too large a part) will benefit most from energy conservation measures. Installation of energy-saving equipment in their homes will reduce the large fraction of their incomes that now goes to energy, help them adjust to the energy price rises that are sure to come, and avoid the hidden costs, at the supermarket and elsewhere, that stem from wasting energy.

Using less energy does not commit us to sitting in the dark or to massive unemployment. That the NAACP fears these consequences of a conservation program attests to the power of this decade's most pernicious fallacy: that energy use is alleged to have added to the GNP or the "standard of living," it has brought with it the highest unemployment of black youths in our history. We are forced to infer that the doubling and the inequity are related.

Energy consumption does not guarantee employment. Quite the reverse: The primary function of energy in the American economy is to power machines, whose purpose is to replace labor, not to provide it. Between 1959 and 1969, jobs in the steel industry dropped from 450,000 to 100,000, but production rose 45 percent. This feat was possible because men were put out of work by machines, which ran on cheap oil, demanded no benefits, staged no strikes. The historical correlation between increasing employment and increasing energy use is no more indication of a causal connection than is the correlation between energy consumption and mental illness. In fact, the increase of industrial energy use this century, because it made automation possible, would have resulted in widespread unemployment had the economy not grown faster than the population and deflected the labor force into the provision of services. As Herman Daly has noted, "What is responsible for increasing total employment is the increase in total goods and services, not the increase in inanimate power production, which by itself must decrease employment."

Given the importance of energy conservation, there is still the question of how best to achieve it. Past efforts to encourage voluntary conservation have not worked well. The alternative is the one President Carter has proposed: deregulation and taxation. The NAACP very properly questions the advisability of adding to financial troubles of black Americans. And skepticism about the efficiency of the proposed rebates is understandable. But the alternatives the NAACP suggests—letting the oil companies keep the profits in the hope they'll invest in exploration for new supplies, which will in turn provide more jobs—is sure to be harder on the have-nots. If anything is clear from the history of the black struggle for parity, it's that windfalls don't trickle, down or up. In all sectors of the economy profits are taken off at the top, and little is left to ooze. That the profits in this case would go to the heavily automated and capital-intensive energy industry makes it all the more doubtful that appreciable benefit from the taxes would ever accrue to black Americans.

The NAACP report laments the absence of a black perspective in the formation of national energy policy. But what would such a perspective add? Black Americans want what all Americans want, only more so because they have had so much less for so long. Among the universal needs are financial stability, satisfying work, opportunities for healthful recreation, and a pleasant home. Too many Americans, black, white and otherwise, do without these essentials. Energy policy alone cannot change that, but these ends are more likely to be realized if our national energy policy emphasizes thrift and reliance on renewable sources of energy, rather than continued dependence on foreign oil reserves that are dwindling and a nuclear technology that is both expensive and dangerous.

If environmentalists feel upset on reading the NAACP report, they can also feel remorse. For various reasons, none of them good, essential black participation has been missing from the environmental movement. It's time that changed. Our movements and the people they represent have too much in common to go on working at cross purposes. We hope for exchanges that will bring lasting cooperation. We offer it, and welcome it.●

SUGAR DADDY TO THE NAVY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

column in the Wall Street Journal, the Members of the House are going to have to face up to some very difficult choices this year on the Navy's shipbuilding program, not the least of which is whether to build another *Nimitz*-size nuclear carrier at a cost of over $2 billion. Such ships are too costly and tend to soak up money that could otherwise be used to increase the size and readiness of our fleet. There is also serious question as to whether the *Nimitz* can perform successfully the power projection mission in areas of the highest threat that it was designed to do.

As Ken Bacon points out in a March 14 column in the Wall Street Journal, the Seapower Subcommittee and the House Armed Services Committee have been a "sugar daddy" to the Navy, continually advocating gold-plated, nuclear-powered, highly capable ships in a world of limited dollars and increasing vulnerability. We cannot continue on that course. I commend Mr. Bacon's article to my colleagues.

[From the Wall Street Journal, Mar. 14, 1978]

SUGAR DADDY TO THE NAVY

(By Kenneth H. Bacon)

WASHINGTON.—As most congressional hearings go, a recent meeting of the House seapower subcommittee got off to an unusual start: An audience of shipbuilding company officials stood when Rep. Charles Bennett entered the room and greeted him with a crisp, "Mr. Chairman."

The deference to the subcommittee's chairman is understandable. Year after year, criticism abounds about chaos and runaway costs in the Navy's shipbuilding program. Yet year after year, the seapower subcommittee and its parent, the House Armed Services Committee, advocate fat Navy shipbuilding programs.

Because of the subcommittee's traditional power over Navy matters, its budget proposal sets the tone of the Navy-shipbuilding debate in Congress. The appropriations committees and the Senate Armed Services panel end up devoting their energies to trimming the seapower subcommittee's proposal rather than modifying the normally less-generous Pentagon plan.

This year the subcommittee again is acting as sugar daddy to the Navy and its shipbuilders. The panel recently recommended a 68 percent increase in the Carter administration's shipbuilding request for the fiscal year that starts Oct. 1. It added a $2.13 billion nuclear-powered aircraft carrier and a $1.07 billion nuclear cruiser to the administration's plan to purchase 15 ships for $4.71 billion. The full armed services committee was only slightly less generous, scaling back recommended funding to a 50 percent increase over the administration's request.

THE NAVY'S GOAL

The House crew wants to bolster the Navy's fleet, which has declined to 459 ships from 976 just a decade ago. As large blocks of World War II ships have been retired, the Navy hasn't been able to build enough ships to meet its fleet goal of about 600.

But a prime reason for the shrinking fleet is that the House subcommittee, with the Navy's backing, favors expensive nuclear ships and submarines that soak up so much money that little is left for anything else. The $2.13 billion needed to build a 1,092-foot-long, 95,000 ton nuclear carrier is only the beginning. It costs at least $3 billion more to buy the 90 planes and associated equipment the ship carries. Nuclear-powered Trident submarines cost about $1.1 billion each, and that doesn't include the 24 intercontinental ballistic missiles each will carry; the Navy wants at least 14 of these giant subs. Nuclear attack submarines cost about $433 million each.

"When you add it all up we're getting about 12 combat ships and submarines a year," one admiral says. "Its' a pretty rich mix, but it's not enough. So we're being driven toward smallness," he adds. Moreover, the shrinkage comes at a time when the Soviet Union is strengthening its fleet and when the U.S. is more dependent than ever on shipments of foreign oil.

Another serious problem is the Navy's shipbuilding program. Ship construction projects are cumulatively about 100 years behind schedule and billions of dollars over initial cost estimates, partly because of the complexities involved in building nuclear ships. Relations between the Navy and its shipbuilders are so sour that the government has had to get court orders to compel some yards to complete ships. The three major U.S. shipbuilders—General Dynamics Corp., Litton Industries Inc. and the Newport News Shipbuilding & Dry Dock Co., a unit of Tenneco Inc.—have filed contract claims totaling $2.7 billion against the Navy.

Yesterday General Dynamics said it plans to stop work on 16 nuclear attack submarines, charging that the Navy has "materially breached" its contracts and failed to agree to an adequate settlement of $544 million in claims the company has filed on the program. The Navy said it will go to court if necessary to force General Dynamics to continue building the subs.

Management of the Navy's shipbuilding programs is so fouled up that "the more ships that are added to the program, the more the problem is exacerbated," according to Deputy Defense Secretary Charles Duncan.

By any concept of congressional oversight, the House Armed Services Committee and its seapower subcommittee ought to be making admirals shake in their stripes until the Navy resolves these problems. But the panels' message is quite different.

"I think it's fantastic you've done as well as you have," Rep. Bennett told Vice Admiral C. R. Bryan, commander of the naval sea systems command, at a recent hearing of the seapower subcommittee. "I think there's something wrong with the way it's being represented to the public [by the press], and it's hurting us in getting ships," the Florida Democrat said of the Navy's problems.

And when a subcommittee member had the temerity to suggest that the panel remove $1.19 billion from next year's budget for a new Trident submarine because General Dynamics has fallen more than a year behind schedule on each of the seven nuclear subs already under contract, Mr. Bennett replied: "I'm inclined to give the Navy everything it asks for this year and just add something to it."

When top Navy brass presented their budget to the House Armed Services Committee last month, members barely mentioned the Navy's problems. "I would like to have more ships," Rep. James Lloyd, a California Democrat, told them. "I want more nuclear ships." (The committee did remove most of the funds for the new Trident submarine but recommended approval of $274 million to start work on the sub.)

Not all of the committee's members share that view. Rep. Patricia Schroeder, a Colorado Democrat on the panel, complains that "this committee's idea of what's horrible with the Navy is that it's not going to get a new nuclear aircraft carrier."

ADMIRAL RICKOVER'S VIEW

But the majority advocate more nuclear seapower. After listening to the venerable Adm. Hyman Rickover, director of the Navy's nuclear propulsion program extol the virtues of nuclear power at a recent hearing, Democratic Rep. Charles Wilson of California declared: "If the preponderance of evidence favors" nuclear carriers (and it always does in Adm. Rickover's eyes), "we wouldn't be fulfilling our responsibility if we opted for an inferior carrier."

Committee members believe that nuclear ships make sense in an age of high oil prices and that the Navy is better off building big all-purpose ships than smaller ships for specialized tasks.

Ironically, that view may be challenged by President Carter, a former nuclear submariner and protege of Adm. Rickover. The administration currently is studying the size and structure of the Navy. Indications are that it will decide the service should start buying larger numbers of smaller, conventionally-operated surface ships that are less costly than nuclear models, Navy Secretary W. Graham Claytor has already told Congress he favors smaller, conventional carriers over giant nuclear ships. But the administration still backs nuclear submarines.

Those ideas aren't new, but the House Armed Services Committee and its seapower subgroup have always strived to torpedo any proposal that doesn't include big nuclear vessels. Witnesses before the committee face a plaque reminding them that the Constitution empowers Congress "to provide and maintain a Navy." But the Constitution doesn't say that the Navy has to be a small fleet of high-cost nuclear ships.●

CONGRESSMAN GILMAN HONORED FOR SERVICE TO THE HANDICAPPED

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. FISH. Mr. Speaker, I would like to take this opportunity to share with my colleagues a speech which was delivered by the distinguished gentleman from New York, Congressman BENJAMIN GILMAN, before the Mid-Hudson Branch of the National Rehabilitation Association in January.

Congressman GILMAN was given a special award for his distinguished service to the handicapped and was nominated for this distinction by Mr. Kraft and Mr. Shuldliner, of Occupations, Inc., an affiliate of the NRA.

The handicapped have traditionally been one of the most underserved segments of our society. With groups such as Occupations, Inc., and with dedicated public servants such as our colleagues, BEN GILMAN, the handicapped have begun to receive and will continue to receive superior representation.

Mr. GILMAN's remarks are as follows:

Good evening, Ladies and Gentlemen. I am very pleased to be among friends tonight . . . among so many who have given so much for the handicapped. I thank George Kraft and Bernie Shuldiner of Occupations, Inc., and all the National Rehabilitation Association members who have honored me with this special award and I thank all of you for your continued work in the field of rehabilitation.

We are all highly aware of the needs of the handicapped and the special problems that confront them in their daily lives. The field of rehabilitation is an ever expanding, growing field with advances in technology and with the vocalization of special needs by our handicapped. An important concept regarding rehabilitation has been recently people: That rehabilitation personnel and the American public should stress an individual's abilities rather than his disabilities.

Traditionally, the term "rehabilitation" has been defined as "restoration . . . to rank, privilege or property which had been lost." Another connotation of the word is used sociologically, to mean the "restoration of mental, physical and moral health through treatment and training for the defendant, deficient and criminal."

From just these few connotations of the word "rehabilitation" one is left with a negative attitude. "Defective and criminal", used as similar circumstances for which rehabilitation is necessary lead us to believe that the "defective" or handicapped individual is bad, or has committed an offense against society.

So too, the word rehabilitation connotes restoration, rather than an exploration of potential, inferring that the rights and privileges should be restorted, rather than recognized, as if they were taken away from the individual becauss of his disability,

We should, in rehabilitation, emphasize a new freedom for the handicapped, an opening of new doors. The handicapped has not been banished from his society, but rather is isolated from it. Rehabilitation is a welcoming into, a warm greeting, a lifting of barriers.

The year 1977 was a highly significant year for the handicapped in many ways. There were some long awaited actions on the part of the Federal Government, such as the signing of section 504 regulations, and the commitment vocalized by Secretary of HEW Califano that the handicapped are afforded all of the rights granted by the Constitution. First Lady Rosalynn Carter has pledged her support and efforts toward the betterment of mental health and handicapped services in this Nation. And in May of 1977, the first White House conference on handicapped individuals took place. For the first time, the handicapped traveled from all over the country to set before the Congress and the President an agenda for action, and to express their needs and frustrations and aspirations for all America to hear. The conference was a fine success, and in the spring, legislative and administrative suggestions will be emerging from the working group which has been compiling the suggestions set forth by the conference.

In the past few years, handicapped individuals have seen our Government's responsiveness toward their needs. The education for all handicapped children act has been signed into law, and is being implemented. The Rehabilitation Act Amendments of 1973 are effecting changes within the Government and within the private sector. Funding is increasing in the area of preventing handicapping conditions, and campaigns are underway to eliminate the threat and reality of stigma in all facets of handicapped life.

The Rehabilitation Act Amendments of 1973 are indeed significant. Hearings on the extension of these amendments will be scheduled early during this second session of the 95th Congress so that the Education and Labor Committee can assess needed changes in funding and focus.

Vocational rehabilitation programs have a comparatively long history in America. In 1920, the Smith-Fess Act was passed, becoming the Nation's first vocational rehabilitation legislation. Fifty-eight years of vocational rehabilitation legislation has brought handicapped individuals to a better understanding of their potentials and chances for increased productivity. The 1973 legislation was designed too "prepare (handicapped individuals) for, and engage in gainful employment . . . providing rehabilitation services to meet the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible so that they may improve their ability to live with greater independence and self-sufficiency." The 1973 Act also "promotes and expands opportunities in the public and private sectors for handicapped individuals and places such individuals in employment."

The Rehabilitation Services Administration (RSA) in the department of Health, Education, and Welfare, was appropriated in excess of $837 million in 1977. In 1962, that appropriation was only $64 million, indicative of the growing commitment on the part of the U.S. Government towards its handicapped and disabled citizens.

While the Government is expanding its participation in aiding the handicapped, let us not be too quick to express a hasty optimism or to exercise an uncritical attitude towards the Government's progress. There is still much, much more to be accomplished. Section 504, while ideal in spirit and purpose, cannot be implemented without increased Federal assistance. Upon several occasions, Members of Congress have requested cost estimates from HEW and GAO and have been informed that estimates are not available, and that "no one has even the slightest idea how expensive section 504 really is." The same holds true for P.L. 94–142, the education for all Handicapped Children Act. The spirit of this legislation is clouded by the shortage of Federal funds.

The department of HEW has attempted twice within the last six months to "reorganize." Both plans have been presented to Members of Congress and are incoherent and cumbersome.

The first plan was abandoned for the second, which pares down the developmental disabilities office, and which lumps together programs for the blind, mentally retarded, removal of architectural barriers, disability and rehabilitation programs. While the intentions of HEW are admirable—streamlining and making the programs more accessible—the client is apparently not taken into consideration. And the clients' needs, as we are all aware, should take precedence over all other considerations. The President's committee on mental retardation, the only

high level advisory committee, having access to the White House, and having a strong role as advocate for the retarded, has been given a one year extension before dissolution. These examples of shortsightedness in reorganization are occuring all too often.

The Congress, while cognizant of the handicapped population's needs, must coordinate their efforts to insure that comprehensive programs for the handicapped are developed and implemented. Piecemeal legislation indicates a lack of foresight and concern for the overall quality of programs. The Republican task force on the handicapped, a newly formed unit comprised of myself, Congressman GEORGE O'BRIEN and Congressman CLAIR BURGENER, has introduced legislation which would create a House Select Committee on the Handicapped. Such a select Committee, modelled after the House Select Committee on the Aging, would have the responsibility of coordinating legislative efforts for the handicapped, and would conduct hearings into the special needs of America's handicapped population. This legislation will be pushed during the second session of the Congress, and hopefully, other Members of Congress will support our efforts.

The White House conference produced several significant suggestions pertaining to vocational rehabilitation, each reflecting the need to retain, expand, and modify rehabilitation programs. One suggestion was that vocational rehabilitation counsellors should be evaluated on the quality of service produced rather than the number of cases processed; another suggests vocational rehabilitation departments should change their policies so that handicapped individuals over the age of 21 can be served. In the spirit of expanding the traditional offerings of vocational rehabilitation programs, a suggestion was made to encourage the National Endowment for the Arts, high schools, colleges, and vocational education centers to develop special courses and recruiting programs designed to make handicapped individuals more aware of existing career opportunities in the arts. Delegates to the White House conference suggested too, that vocational rehabilitation services be mandated "for all handicapped, making the goal 'the least restrictive living' rather than 'substantial gainful employment', and thereby mandating the goal of each institution as habilitation or rehabilitation and moving towards mainstreaming in the community."

Resolutions passed during the White House conference included several specifically concerned with vocational education. The Office of Career Education's grant programs should ensure that the needs of the handicapped are addressed in all research and demonstration projects, and that the National Advisory Committee on Vocational Education have a member who is knowledgeable in the concerns of the handicapped.

As well, the conference recommended that funds for vocational education under P.L. 94-482 should be increased from 10%-25%. The law presently sets aside ten percent of funds for training of handicapped individuals.

Perhaps the most valuable aspect of the White House conference on the handicapped is the after-effect, the realization that so many handicapped individuals gathered in one place to make their needs known, and the recognition of a very special plight. Accordingly, Members of the Congress must take note, and must become informed of all of the legislative remedies that can be employed to create a stable and substantial life for all handicapped individuals.

Increased Federal funding is a necessity to insure that section 504 is properly implemented and to insure that our handicapped population receives a "free and appropriate public education." Presently, funds are not forthcoming, and in the instance of the education legislation, the Federal share of funding is far below the States' contributions. States have been given a mandate by the Federal Government, and the Federal Government has done little to compensate the States in their efforts towards compliance.

It would be wise to take stock of new and innovative ways to fund these federally mandated programs and to assist the States in complying with the rules and regulations promulgated for the good of all handicapped individuals.

Funding for education can be increased by voting additional federal contributions. Architectural barriers can be eliminated if Public Works or CETA funds were authorized and appropriated for this purpose. Federal jobs for the handicapped can be increased if the civil service enforced existing provisions which state that the handicapped must be granted equal opportunities for employment. CETA funds could also be used specifically for the employment of handicapped individuals, and would allow these individuals to learn skills and training they would otherwise not have the opportunity to experience.

The consumer protection agency should adequately represent the handicapped as a special group of consumers and a separate office for handicapped affairs should be incorporated into the final agency plans. Ombudsman offices for the General Accounting Office should be established to insure that the handicapped are receiving fair treatment from federal agencies.

The 1980 census should take a special look at the handicapped population and should inform the country about special handicapped minority individuals. The tax system should be examined to determine ways for making handicapped life easier, and the present system of supplemental security should reflect changes with the time. Handicapped individuals should not be penalized for working, and their benefits should not be altered to reflect outside income.

These changes can and must be made. The handicapped can only benefit from such changes.

As we continue to work for and with the handicapped, let us not pat ourselves on the back for attempting to raise the standard of handicapped life. We must be wary that we stop working because we have made some strides forward. We must continue to move forward and when we finally arrive at total equalization and when the handicapped are welcomed into our communities as contributors in whatever small or large ways they can contribute, then we can rest and say that our work has been done.

In closing, permit me to thank you again for the honor you have bestowed on me, and may your dedication and devotion to your tasks be encouraged, and may your good works multiply.

God bless.●

WATER POLICY REFORM AMENDMENTS OF 1978

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. ARMSTRONG. Mr. Speaker, I am introducing a bill today to amend the Water Resources Planning Act of 1965. My bill seeks to protect the rights of States and individuals in the formulation of national water policy. This legislation will also strengthen congressional authority and responsibility over national water resources policy.

This legislation would make five major changes in the Water Resources Planning Act. Each of the changes addresses a problem that has been a subject of concern and complaint by State governments. The amendments are as follows:

First, proposals by the administration for changes in national water policy relating to or affecting water resource issues must be submitted to Congress and must be explicitly enacted into law before they can go into effect. The need for this safeguard has been vividly demonstrated by recent actions of the executive branch.

Second, procedures would be established by which the executive branch must hold public hearings where changes in national water policy are concerned.

Third, appointment of the chairman of the Water Resources Council by the President would be made subject to Senate confirmation.

Fourth, recommendations by the Water Resources Council concerning national water policies shall be transmitted to the Congress as well as to the President.

Fifth, chairmen of regional river basin commissions would be made subject to Senate confirmation.

These amendments would guarantee the rights of States would be protected, and that the concerns of States and knowledgeable private citizens will be heard before important changes are made in Federal water policy. This legislation also will restore to Congress the voice I believe it ought to have in the formulation of national water policy.

My bill will be important for all the States, but will be especially important to Colorado and her neighbors in the semi-arid West. Water has been always our most precious resource. There never has been enough of it to satisfy all of the desires of farmers and ranchers, miners, industry, and our burgeoning cities and suburbs. But through 100 years of trial and error, our State and other States in the West have worked out an equitable, practicable means of balancing the competing claims for this scarce resource.

For reasons known best to himself, President Carter, upon assuming office, decided that a thorough review of Federal water policy was in order. He established a task force to conduct a water resource policy study and recommend changes in policy.

This study was characterized by the reckless haste with which it was conducted, and by the inattention—the almost deliberate disregard—which was given to the views of State and local officials and knowledgeable private citizens.

The task force listed some 104 different policy "options" which ranged from a purely cosmetic alteration in policy to a wholesale uprooting of the entire legal system for adjudicating water rights in the Western States. The one theme that ran through all the options was an expansion of Federal authority at the ex-

pense of States' rights and individual property rights.

President Carter and other administration officials have pledged repeatedly that there will be no Federal attempt to interfere with State methods of allocating and appropriating water. But Coloradans who heard the same kind of talk last year before the axe fell on the Narrows, Fruitland Mesa and Savory Pot-Hook water projects remained wary.

It appears now that at least some of the westerners' suspicious will be justified. Secretary Andrus gave governors a preview of the likely new Federal water policy February 16. Although details are a closely guarded secret, one person who attended the closed-door meeting said the West "won't like" the new Federal water policy.

Secretary Andrus is treating the option papers as a super secret. So no specifics are known. But it hardly seems likely that these excessive security precautions would be taken if the proposed new policy is as innocuous as Carter administration spokesmen continue to maintain.

Actual submission of the water policy recommendations to the President has been delayed pending appeal of a temporary restraining order issued by a Federal court in North Dakota in a suit by the State of North Dakota, which is protesting the failure of the water policy task force to prepare an environmental impact statement on its recommendations. But there is no indication the administration plans to soften its proposed policy changes during the interim.

If the amendments that I am proposing today are enacted into law, it will no longer be necessary for States to go to Federal court in order to protect their water rights. A companion bill has been introduced in the Senate by Senators CURTIS, YOUNG, HAYAKAWA, MCGOVERN, GARN, HANSEN, ZORINSKY, JOHNSTON, LAXALT, GOLDWATER, and WALLOP.

I ask unanimous consent that the Water Policy Reform Amendments of 1978 be printed at this point in the RECORD. I ask further that the Denver Post editorials of December 16, 1977, January 10, 1978, and January 31, 1978, which point out the shortcomings of present Federal water policy, be printed in the RECORD following the text of the water policy reform amendments:

[From the Denver Post, Dec. 16, (1977]

WASHINGTON WOULD WRECK WESTERN WATER POLICY

If you live in the semi-arid West it's important that you note a water policy struggle going on between the Carter administration and Western state governments.

In a performance reminiscent of the Carter "hit list" strategy last winter—in which reclamation programs were axed secretly in White House back rooms—the administration now is trying to change the rules on Western water use.

If the plan succeeds, water use, jobs, farming, municipal growth and lifestyles could be drastically altered.

There's nothing wrong with intelligent change. But a check at the Colorado Statehouse—and a careful reading of Gov. Dick Lamm's current analysis of the federal efforts—induce a chill.

The federal people conducting the study don't know much about water use in the West. They look at water conservation in the same way they would regard fuel conservation. They don't seem to comprehend that water must be used and reused. It is not consumed by the first user. After a recent hearing a Colorado observer said of the federal planners:

"They seemed absolutely baffled by the fact that South Platte River water is used seven times between Denver and the Nebraska line. It would have been amusing if they didn't have so much power."

Backgrounding may be in order. Colorado and other water-scarce states have developed water law over many decades. The use of water generally is an ownership right, subject however to the requirement that the water be used beneficially. Court decisions have upheld and refined these laws. Western states additionally are governed by interstate water compacts approved by Congress and overseen by federal courts.

But now the Carter administration is pushing for powers which could impose federal regulation on Western water use. The impetus evidently comes from environmental pressures to stop agricultural "waste" of water and to control stream use and impoundment for additional farm and municipal diversions.

So early this year President Carter announced a water review task force. But by mid-year inept Interior Department policy makers had started the study off in hostile fashion.

The federal officers listed 104 options to be considered—but they gave state officials only one day to study the options before commenting—hardly a cooperative gesture for so complicated a subject.

Then, after taking testimony and refining the concept, the task force gave the states only two days to review the revisions before a joint meeting in Denver Nov. 16.

Such whipsawing of state officials, besides being annoying, seems to show that the Interior Department doesn't take state input seriously. The federal stance undermines President Carter's personal assurances that there will be no preemption of state water prerogatives.

But the real problem—and Governor Lamm has identified it in depth—is that the federal analysis of Western water problems is simply deficient. It fails to recognize what states have done and can do in this vital area. Further, the study teams have articulated no overall goals.

Among the specific charges against the states are these:

That the states have failed to establish water policies protecting the environment.

That they have failed to conserve water.

That there has been failure to integrate agricultural and municipal water.

Failure to provide minimum stream flows for fish and wildlife.

Failure to adequately plan and develop policies for water use.

Failure to integrate ground and surface water conservation.

As noted previously, some of the federal concepts simply are misguided. Coloradans earn $2 billion a year from agriculture, much of which rests on irrigation To call this "waste" is to advocate wrecking our economy. And to talk about impeding water storage is to surrender to the next drought.

But on the specific questions raised, Governor Lamm's Dec. 8 response is well-founded. He points out that Colorado has been a pioneer in effective use of water and will continue to be. Besides, as Denver area citizens are discovering in the Foothills controversy, state and local government is a lot more responsive than federal bureaucrats.

Lamm insists correctly that Colorado has achieved good environmental planning. Going back 30 years, Coloradans demanded protection of the environment during construction of the Colorado-Big Thompson project. Before Carter became president the Lamm administration went over—and improved—the environmental impact of federal dam plans in Western Colorado.

So how does the federal government get a corner on environmental guidance?

There are other points: The Colorado General Assembly two years ago passed a law requiring minimum stream flow to protect animals and aquatic life during dry periods. Similarly, the assembly has passed legislation governing use of ground and surface water to achieve the greatest amount of conservation.

As to integration of city and agricultural water, Northglenn, Thornton and Westminster have joined in a program of using farmers' irrigation water on an exchange basis. Federal involvement or not, this trend is going to continue. The state is ahead of the federal government.

The federal experts even mention the need for establishing metering of water use. Nearly every Colorado city outside Denver has metering and the Colorado General Assembly requires any community accepting state funds for water development to install meters as a condition of getting the state's help.

No, the federal effort leaves us as unimpressed as it did the governor. There is very little need to slip a federal collar on water use in the West. And there are very big reasons why we should not.

[From the Denver Post, Jan. 10, 1978]

WHY THE HASTE, MR. CARTER, IN YOUR RESOURCE PLANS?

President Carter took office a year ago amidst promises he would run an open, people-oriented presidency. Since then the president has angered and confused thousands of Westerners with secret White House maneuvers over natural resources.

This week, Vice President Walter Mondale is visiting Colorado and other parts of the West in a fence-mending role. He is out here to find out what is bothering Westerners. Well, there is a strong message he can take back to President Carter.

Environmental staffers, pretending an expertise they do not always have, last winter ripped salvagely into Western reclamation spending—ripping out long-planned or partly-finished projects—with no explanation.

Then the administration dumped a huge proposal for water policy changes on the West and Midwest. It gave state officials insultingly-brief periods in which to comment on the proposed options.

In both these cases Congress had to step in and correct or at least slow down the administration's headlong attacks.

You'd think the administration would have learned something from these unnecessary confrontations. Apparently not. The Office of Management and Budget, a White House agency, now has unleased a governmental resource reorganization team to plunge into a complex situation with the same inconsiderate haste so visible early last year.

On Dec. 19, just before the Christmas holiday, the OMB study team dropped into the Federal Register an announcement that it wanted response from the public on reorganization of federal resources and environmental agencies.

When? Plenty of time. Just have your comments ready by Jan. 14. A bare two weeks

counting the holidays. That's scarcely time enough for the average government body to alert the proper departments what's afoot. It certainly isn't enough to draw up a balanced response.

What's particularly painful is that the OMB study leader, William W. Harsch, had promised that OMB would inform the public of its plans through the press.

The Dec. 19 announcement was made through the obscurity of the Federal Register without benefit of supplementary press releases. It took days for even federal agencies to find out what was going on.

In past confrontations, resource agencies have suspected a covert alliance between environmentalists within the White House and those outside it. But this time the bureaucrats kept their secret so well they caught even environmental groups off guard.

The Colorado Open Space Council, a prominent environmental organization, met in Denver last week to hear details of the plan as gleaned from various sources. At the end of the meeting COSC's board voted to send a letter to OMB asking for more time to study the plan.

COSC is right regardless of one's view of resource agency reorganization. This is simply too important a subject to be disposed of in two weeks.

Many citizens have given thought to unifying such agencies as the Forest Service and the Bureau of Land Managament. The OMB team is looking at the whole picture. In one scenario it is asking the public to approve merely a better system of coordination among resource agencies. Or possibly, it says, we should set up entirely new departments according to function

That could mean a Department of Recreation office in say, Idaho Springs, adjoining a Department of Timbering office and a branch of the Department of Wildlife. Each office would be governing the same plot of ground which used to be a simple national forest tract. Is this what we want?

Or do we want to find out, first, where change is needed before plunging into reorganization?

Half the counties in 17 Western states have a stake in this reorganization. But we'll bet most of their officials don't even know they must react by Friday if they want to have some input on the subject.

The Carter administration needs to look in the mirror and ask itself if it really favors public input on public land decisions. If it answers "yes" there is a lot of groundwork to be done. The first thing to do is drop the Jan. 14 deadline and draft plans for a thorough public debate on federal reorganization of resource agencies. It is too important a subject to be handled hastily, capriciously and arbitrarily out of Washington.

[From the Denver Post, Jan. 31, 1978]

WATER WAR NOT YET WON

The Western States are going to have to maintain their battle stance on proposed federal water changes. There simply isn't any other conclusion in the wake of a federal-state meeting on the subject in Denver last Friday.

As readers may be aware the Carter administration has proposed sweeping federal controls on water policy which could wipe out much state water law, along with the private ownership right to priority use of water. The federal corrections being sought—compared to the size of the problem—constitute massive overkill.

The Carter Water Resources Policy Study Group is moving toward a Feb. 10 deadline in making recommendations to the president. The president will make a policy statement in March.

With irrigation states in the West thoroughly alarmed by these prospects, the White House last week sent Eliot Cutler of the Office of Management and Budget to Denver to consult with state lawmakers from several states.

Cutler was cordial, correct and cooperative. He promised Western input into the decisionmaking process. But he didn't promise that any Western rhetoric, as such, would get to the president's desk.

In short, Cutler didn't give away a single administration option in his Denver appearance.

That is what strikes many Westerners as unfair. The administration, protesting that "all options will be considered," is nonetheless using the old gimmick: 'What's mine is mine but what's yours we'll negotiate."

It isn't necessary to uproot the whole legal system of handling water in the Western States to get at the corrections needed, mainly involving water priorities and Indian rights. As Rep. John Scully of the Montana House of Representatives told the Denver meeting:

"I think the power (to make water policy changes) is already there—in the state courts."

Scully warned that shifting water decisions to the federal courts will merely shift the battle lines to a different sector.

"Bergland and Andrus have different positions on water use," he said in reference to the fact that Agriculture Secretary Bob Bergland and Interior Secretary Cecil Andrus represent agencies which tend to disagree on the priorities of irrigation use of water verus recreational uses.

Rep. David Little of the Idaho House of Representatives may have put the matter of federal control in the best perspective when he said:

"In southern Idaho, which is irrigated, food production is the biggest goal we have. In northern Idaho, which is timbered and has ample rainfall, there are different priorities. If we have trouble setting statewide priorities on water use in Idaho how can the federal government set policy for all 48 continguous states?"

That is an excellent question and Little partly answered it by suggesting that environmental politics is at the heart of the water policy re-write.

"Some people," he said, "are seeking federal support on water policy changes to override their enemies . . . so they can say 'to hell with irrigation.' "

Whether one agrees with the irrigation farmers or the recreationists it is obvious the whole West could suffer if the federal administration succeeds only in disrupting the present state governance of water with a blizzard of federal regulations.

Friday's meeting in Denver did little to develop any confidence the federal rule changes would have any positive message for the West's rural economy. The West's agricultural economy—while no one said so precisely—seems to be targeted as the main "problem." And that is unfortunate.

The National Conference of State Legislatures is to be commended for sponsoring the water meeting, and for trying to keep open the difficult dialogue between Washington and the West. Colorado State Sen. Dan Noble, R-Norwood, chaired the meeting and did a good job of reining in destructive criticism of the White House. But the federal planners should understand the growing bitterness. As Representative Scully of Montana observed to Cutler:

"You've united Montanans. You're making the Montana Legislature (which opposes the federal instrusion) look like a shining light—and that's the first time that's happened" in years.●

ACCOUNTING FOR POW'S AND MIA'S

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. KETCHUM. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following: Mr. Speaker, what is known as a status hearing has just been held concerning a constituent of mine, Comdr. (selectee) James B. Mills, USNR, who has been missing in action since September 21, 1966. Commander Mills is one of more than 600 American servicemen who are still officially carried as either MIA or POW (prisoner of war) as a result of the conflict in Southeast Asia.

I am sure that we all recall our President's promise that "changes in status will not take place until I am personally convinced that every man has been accounted for as accurately as possible. "Yet this status hearing was ordered by President Carter upon recommendation of Defense Secretary Harold Brown. The hearing and subsequent review will have a near-guaranteed result: a change in status to killed in action/presumptive finding of death. This determination will be based upon a lapse of time without information to indicate that the serviceman is still living. Instead of resulting from positive factual information concerning his status, the change will come about due to lack of information. Needless to say, actual information relating to Commander Mills and other POW/MIA's must come from the Communist rulers in Southeast Asia. Vietnam has blatantly ignored humanitarian consideration on many counts; not only have they denied us information on American servicemen—they have also detained many of their countrymen in "re-education" camps.

Despite Vietnam's lack of cooperation and disregard for the manner in which her own citizens are treated, the Socialistic Republic of Vietnam receives assistance from the UNDP, and has been allocated funds from multilateral financial institutions. Added to that, and as evidenced by remarks which recently appeared in the RECORD, the United States is shipping wheat to India, and India is now shipping wheat to Vietnam. The Vietnamese are being more than amply rewarded for their refusal to abide by basic humanitarian principles.

We are proceeding with death declarations for economic and political reasons. I am appalled by this situation. It would appear that the President's decision to "normalize" relations with Vietnam (including not only a seat in the U.N., but an offer to exchange embassies and to lift trade embargoes) has been thwarted by the obstacle of POW/MIA accounting. Declaring the missing servicemen dead is indeed an expedient method of eliminating this obstacle, but it is a desperately sad commentary on our Nation's moral fiber.

We have granted absolution to those who chose not to bother serving their country at all; now we are abandoning those who not only served, but who have given countless years of their lives in a limbo situation. POW/MIA families have believed in this Government for years—they have had faith that a nation which sends servicemen into combat would surely recognize the obligation to obtain the fullest possible accounting for those men. Congress has addressed this problem for an embarrassing number of years; we have voiced our indignation and issued forth demands which are now being quietly swept under the carpet.

It is our obligation and responsibility to state that demand once again, forcefully: An accounting must be forthcoming, and additional reconstruction funds should be withheld at least until basic humanitarian criteria are met.●

IN HONOR OF THE REVEREND ARTHUR S. JONES

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. RODINO. Mr. Speaker, this Saturday afternoon I will join many of my fellow New Jerseyans at a luncheon honoring the Reverend Arthur S. Jones. Reverend Jones is known as a leader and an inspiration in the communities of Newark and East Orange, and I am very proud to call him my friend. He has recently been named president of the New Jersey Council of Churches, and I would like to enter into the RECORD the following Newark Star-Ledger article naming him "Jerseyan of the Week."

The article follows:

[From the Newark Star-Ledger, Mar. 19, 1978]

CHURCH COUNCIL LEADER SINGS PRAISE OF WORK

(By Charles Q. Finley)

Rev. Arthur S. Jones of Newark, the new president of the New Jersey Council of Churches, is his own hardest taskmaster, whether it be as a minister, administrator, author or singer.

The pastor of St. Marks AME Church in East Orange and director of Newark's federally funded Comprehensive Employment and Training Delivery System, he often is up and writing before dawn.

"I'm really too tired to write at night," admitted Rev. Jones, who was earmarked as "The Young Paul Robeson" while a protege of the late renowned singer. "When I have an exciting idea, I'm up at 4 a.m. and write through until I go to my office in City Hall.

"I first came in contact with Paul Robeson in the basic progressive political movement in the late forties. We became friends and he took a personal interest in my singing. When I was directing a chorus in Boston I did a special arrangement of "Old Man River" for him and he came to sing."

Rev. Jones actually set out on a concert singing career before he felt a religious calling. He still gives recitals occasionally.

Born in Mebane, N.C., the son of a Methodist minister, he and his family moved often during his early years. He attended the North Carolina College for Negroes (now North Carolina Central University).

"I worked as a waiter, in factories, on the railroad and I dug ditches," he said. "That was the only kind of work a fellow like me could get in those days."

It was during this time that he experienced the call to the ministry and attended Kittrell College Seminary in Virginia.

"There wasn't any special event that changed the direction of my life," he recalled. "It was just the feeling of being called to do a certain thing."

After a stint in the Army Air Corps in World War II, he attended the seminary at Wilberforce University in Ohio. He also was married shortly after leaving the service.

Rev. Jones and his wife, Erma, have two children, Joseph, 32, of Newark, a counselor at Montclair State College, and Arthur L., 33, of East Orange, who is employed by a toy manufacturing firm.

Rev. Jones spent 10 years in Boston, still working at various jobs as well as in the ministry. In 1954 he became pastor of a church on Long Island, then was transferred to a church in Massachusetts. From there he became pastor of the Allen Temple AME Church in Bermuda, where he was instrumental in establishing a youth center, the first on the island.

After four years in Bermuda, he was given ministry of a church in Philadelphia, then became a consultant to the U.S. Office of Economic Opportunity (which supports the manpower program in Newark) for work with interracial day care centers in Mississippi. Following this assignment he received the OEO Achievement Award.

"I had some very scary experiences in Mississippi," Rev. Jones said, "including a crossburning at my front door."

Rev. Jones was a consultant for OEO when he came to Newark to establish a new manpower program and restructure the United Community Corporation, the OEO-funded community action program, in 1966. He took on the dual role of manpower program director for the city and pastor of the St. Marks AME Church in East Orange.

Adrienne Hatter, secretary to Rev. Jones in his city post, said "He is our leader, but at the same time he makes us feel that's what we should do. He gives us a genuine feeling what we're doing is worthwhile.

"He gets through a tremendous amount of work in a day yet remains calm. I have trouble keeping up with him."

Mrs. Ruth McClain, deputy director of the Newark manpower program, said her boss "is an enigma.

"At first blush, he strikes you as an unsophisticated, soft-spoken country preacher who could be dismissed easily, except that he's so tall. But as he talks, his wealth of experience shows through and you find his head is on straight, his priorities are in order and vast resources are available in his quick mind.

"He knows what he wants and makes his objectives clear. He expects it to be done, but he always gives those around him enough room in which to work."

Rev. Paul L. Stagg, general secretary of the New Jersey Council of Churches, expects Rev. Jones to "bring new vitality through his able and strong leadership.

"He has his feet firmly planted in the church and in the secular. He's alert and resourceful with an open spirit for all religious denominations whether within or outside the council. Being a member of a minority group himself enhances his critical vision of human justice."

Rev. Jones plans to call upon the churches and temples of the various denominations in the state to work more closely together for their common goals.

"Protestants, Roman Catholics, the Jewish community and others could make a significant difference if they cooperated more closely because most top business or political leaders are in some way associated with a church," he explained. "We would be better able to bring our combined influence to bear on the decision-making processes."

Rev. Jones said although the council is concerned with the needs of all communities in the state, the needs of the inner city are of most vital concern.

"So many youths, particularly in the minority groups, are out of work. The need for welfare reform is also a very pressing problem in the inner city," he said. "Every person should have the opportunity to do useful and meaningful work, and welfare reform should preserve the dignity of the individuals involved.

"I'm optimistic. Changes for the better have been made in Newark, he said.

"I'm especially pleased at the way those who live in the city are coming to look upon it. It's image is improving; The residents have a will to make the city work."

Rev. Jones said much progress has been made through the civil rights movement "but today another, and perhaps even greater, problem exists.

"It no longer is segregation as such with which we must contend, but rather how to bring the minority groups into the mainstream of our economic life. We have a long way to go in this area."

His optimism extends to the future of the church as a viable institution.

"I've seen the church and religion in general have its ups and downs in the last 20 years, but now I see an apparent upsurge and hope it will lead to a real religious revival along with a revival of ethical and moral ideas," he said.

Rev. Jones has written several plays which have been staged by the drama club in his church, and a book of poetry and prose called "Guidelines—from Predicament to Liberation"—which has been submitted to a publisher.

"The book contains my basic beliefs related to contemporary American society. It sets forth guidelines," he said. "The principal theme is we all grab too much, that we're all too greedy and don't care enough about the other fellow."

He finds moving among his parishioners invigorating.

"I come upon needs which stir me from one Sunday to the next," he explained. "These situations I encounter, plus my religious inspiration and reading, lead to my sermons.

"I shall continue to live by my religious convictions and its principles. Not being selfish and looking upon others with compassion and concern will continue to be my credos."●

FUNDING LEVEL FOR SPECIAL BRIDGE PROGRAM

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WALGREN. Mr. Speaker, I have recently been in correspondence with the President regarding a proper funding level for the special bridge program. The funding proposed by the President is dangerously inadequate and the response to

my letter to the President which came from OMB, not the executive office or the Department of Transportation, is both inadequate and insensitive to the problem.

I am including in the RECORD a copy of my most recent letter to the President for persons interested in the future of the special bridge program and the approximately 105,000 deficient bridges in the United States.

MARCH 16, 1978.

DEAR MR. PRESIDENT: I want to call to your attention a serious deficiency in the Administration's position on funding for bridge repair that is a great disappointment to me.

In answer to my recent correspondence with the White House about the need for funds for bridge repair, I have just received a response from the Office of Management and Budget (OMB)—a response characteristic of OMB's priority of restricting funding without proper consideration of need. I am concerned that the Administration views the bridge problem as a budgetary and not a transportation issue. As a result the Administration's transportation bill falls far short of hopes for action raised by rhetoric of the Secretary of Transportation.

In view of the kind of danger presented by deteriorating bridges, an adequate program must be measured by the time it will take to complete the work. The Administration's proposed bridge program will only slightly strengthen our currently inadequate Special Bridge Program. At the proposed $450–$500 million annual funding, it will take at least 46 years to repair all currently dangerous bridges and that makes no provisions for future deficiencies and inflation. A ten-year completion period will require $2 billion per year. I believe anything less would be short-sighted.

I can only express dismay at the process used by the Administration to derive, and subsequently justify, the proposed $450 million funding level for the Special Bridge Program. Simply put, the Federal Highway Administration (FHWA) did not ask what extra effort the state could make on the bridge problem.

In a letter dated June 30, 1977, the Federal Highway Administration asked the states to provide a list of bridge projects that could be authorized for construction during 1978 under the Special Bridge Replacement Program. These estimates, totalling $492 million, became the basis for the $450–$500 million funding level proposed by the Administration.

OMB is now using this figure as justification for a dangerously limited bridge program claiming that "states would have great difficulty in obligating bridge funds in excess of the budget levels proposed."

That is a terrible misunderstanding. Nowhere in the June, 1977, letter does the FHWA ask what extra effort states might make on bridge repair. In fact, the thrust of the letter is not that more funds may be available, but the funds are so limited that almost none would be available. Consequently, Pennsylvania only listed $6.8 million for 13 bridges despite a backlog of 403 deficient spans requiring $668 million to repair.

Dangerous bridges should be given a unique priority. Any plan that will not enable presently dangerous bridges to be fixed within ten years is not a solution.

The Administration is fast headed for direct conflict with the Congress on this issue. In the public interest, I respectfully urge you to order an immediate re-evaluation of the adequacy of the Administration's position on the level of funding for bridge repair.

Sincerely,

DOUG WALGREN.●

PATRICK SULLIVAN, OF THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, GREAT LAKES DISTRICT, HAS OUTLINED HOW THE ADMINISTRATION'S TRIGGER PRICING POLICY IS COSTING THOUSANDS OF U.S. JOBS AND IS THREATENING THE PORT OF BUFFALO

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. KEMP. Mr. Speaker, the economy of the Great Lakes region will lose up to $500 million—half a billion—this shipping season. Layoffs by shippers, port authorities, and businesses are expected, affecting longshoremen, grain millers, teamsters, and many others. Railroads will be affected. Even the St. Lawrence Seaway will lose money.

Why? Because of the inequities inherent in the administration's import restrictions. Those restrictions, as applied to the steel industry, use Japanese production and transportation costs to calculate minimum acceptable prices for steel import sales in the United States. Sales below those prices launch Federal antidumping actions.

Unfortunately, and it shows how little specific thinking was given to the mechanics of the trigger pricing formula as the administration rushed forward for any answer as the impact of steel imports reached a crescendo in the media, the trigger prices apply to all imports, whether they come from halfway around the world from Japan or just across the Atlantic from Europe.

There was adequate evidence before the analysts within the administration on the sources of steel imports, evidence which would have shown the substantial variation in price depending upon source. Yet one formula yielding one price was used.

I opposed the administration's policy from the outset, and I was and remain very vocal about it. The administration's policy is so shortsighted that it fails to deal altogether with the reasons why steel imports are price attractive to American users. That policy deals with the results of the problem and not one of its causes. If we are to have a long-range solution, it will have to be based on dealing effectively with the causes. And those causes are the unnecessarily high costs of doing business—especially the level of taxes paid accounting practices and regulations shouldered—by U.S. steel producers. Because the tax and accounting burdens and de facto price regulations have kept our producers from having sufficient capital to plow back into new and more modern equipment, expanded facilities, et cetera, we are less efficient than our competitors. Their steel mills—those of Japan and West Germany—are new, because they had to be rebuilt after the Second World War. Our's are often 40 years old. Putting in their new facilities and equipment has allowed those foreign producers to put in, as a part of initial construction, the pollution control devices which must be added to our facilities and equipment without adding any to increased production.

But aside from that, if this country is to have a protectionist steel import policy, then it should be a realistic one. It should differentiate between sources of steel, as to the costs of foreign production and transportation. This is what must be done, if we are to save jobs on the Great Lakes.

The specific problem on the Great Lakes is that the administration's trigger price is $48 per ton. That is the per ton trigger which should apply to Japanese steel under such a policy. But the relative cost of European produced steel on our east coast, on the Great Lakes, is $30 per ton.

What have been the results? First, some foreign steel producers are diverting steel from the Great Lakes to the gulf coast ports where lower shipment costs allow them to compete with U.S. steelmakers. The Great Lakes have lost a significant amount of cargo this way already. Cleveland's tonnage will drop by about 50 percent, or 300,000 to 400,000 tons, this year. That means jobs, starting right at the waterfront, as many as 100,000 jobs in the Great Lakes.

Second, grain shipments will suffer. About 11 percent of all U.S. grain exports now move from the Great Lakes, but they move on ships which first bring over foreign steel. Without those ships entering the lakes to unload steel, there will be none leaving with grain. As much as 50 percent of the grain leaving the lakes now could be lost to shipping, according to the director of systems and economic analysis for the St. Lawrence Seaway Development Corporation.

All of this was brought to the attention of the Great Lakes, and now to Congress, by Patrick Sullivan of the International Longshoremen's Association Great Lakes District in his statement and analysis on the administration's policy and its application to the Great Lakes.

Here is what he has said:

TRIGGER PRICING POLICY

IMPACT SUMMARY

The effect of the present policy is to destroy the present competitive transportation relationship between the nations' seacoasts. It will have disastrous effects on labor and industry in the Seaway ports since it unfairly discriminates against them. The relative impact on the Great Lakes/Seaway will be most severe since steel imports constitute 85% of total general cargo moving through these ports, and since the backhaul of grain, the principal export cargo for ships carrying steel in, will also be lost.

MAGNITUDE OF DISCRIMINATION

The normal differentials in ocean freight which establish our competitive hinterland have been seriously altered. The normal ex-

isting differentials between the Gulf and the Lakes have been nearly doubled. The result is that the more economic transportation routes become uneconomic, and cargo flows are shifted dramatically.

For example, Japanese steel via the Seaway can now be laid down in Cleveland, Ohio for $5.00 per metric ton less than via New Orleans and the river to Cincinnati. Under trigger pricing the cost advantage of the Seaway is completely lost and it is cheaper by $1.00 per metric ton to use the New Orleans route. European steel which has a $15.00 a ton advantage to cities such as Dayton, Ohio via the Seaway, could be delivered cheaper via New Orleans even though it is nearly 2,000 miles further by that route.

SOLUTION

The correct transportation differentials for Japanese steel are reflected in U.S. Census tabulations. These differentials must be maintained if competitive routings are to remain undisturbed.

Two options are possible:

(1) The Great Lakes trigger price as now calculated, would become a base rate. The East Coast and Gulf prices would be adjusted to reflect the Census freight differentials. This would mean raising the trigger prices to these coasts. (For cold rolled sheet steel this would be $6 per metric ton).

(2) Use the Gulf trigger price as the base and add the Census differentials. This would reduce the Great Lakes trigger price. (For cold rolled sheet steel this would be −$6 per metric ton). Interest charges from Japan should not alter the differential since they have never been a significant consideration in the Great Lakes/Seaway routing decision.

Note that the differentials will vary according to the kind of steel product and by specific tariff number. (See examples 1 and 2 attached).

ACTION NEEDED

The remedy must be taken immediately so as to be reflected at the earliest because of the short shipping season in the Seaway/Great Lakes. To wait until the third quarter would effectively lose the 1978 shipping season.

EXAMPLE 1.—*Cold rolled sheet from Japan, tariff schedule number 608.8744*

[Dollars metric ton]

Commercial rates[1]	Transportation costs from Japan to— Great Lakes	East coast	Gulf
Ocean freight, handling and insurance	$34	$30	$26
Differential, Great Lakes over Gulf and east coast	--	+4	+8
Alternative 1.[1 2]			
Trigger import charges	53	43	39
Revised trigger prices Lakes base (less differentials)	53	49	45
Net change	--	+6	+6
Alternative 2.[1 3]			
Trigger import charges	53	43	39
Revised trigger prices Gulf base (plus differentials)	47	43	39
Net change	−6	--	--

[1] Census rates, based on data compiled by the Bureau of Census for October 1977. Rates are weighted averages for Detroit, Cleveland and Chicago, Houston and New Orleans.

[2] Great Lakes as base coast, east coast and Gulf adjusted to commercial differentials.

[3] Gulf as base coast, Great Lakes and east coast adjusted to commercial differentials.

EXAMPLE 2.—*Hot rolled steel sheet from Japan, tariff schedule number 608.8742*

[Dollars metric ton]

Commercial rates[1]	Transportation costs from Japan— Great Lakes	East coast	Gulf
Ocean freight, handling and insurance	$33	$30	$25
Differential, Great Lakes over Gulf and east coast	--	+3	+8
Alterantive 1.[1 2]			
Trigger import charges	51	41	38
Revised trigger prices Lakes base (less differentials)	51	48	43
Net change		+7	+5
Alternative 2.[1 3]			
Trigger import charges	51	41	38
Revised trigger prices Gulf base (plus differentials)	46	43	38
Net change	−5	+2	--

[1] Census rates, based on data compiled by the Bureau of Census for October 1977. Rates are weighted averages for Detroit, Cleveland and Chicago, Houston and New Orleans.

[2] Great Lakes as base coast, east coast and Gulf adjusted to commercial differentials.

[3] Gulf as base coast, Great Lakes and east coast adjusted to commercial differentials.

If the administration is to maintain this policy, it ought to at least be a realistic policy. That requires amending this formula, the existing one on trigger prices, and amending it to provide that whether a particular steel is or is not undercutting U.S. steel be based on its true production and transportation costs, $48 from Japan, $30 from Europe. I call upon the administration to provide for this upgrading in the quality of their regulations and to do so as soon as possible.●

YOU CAN DO IT

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WHALEN. Mr. Speaker, I would like to congratulate the conferees who recently completed work on legislation H.R. 5383, to eliminate mandatory retirement before age 70 in the private sector and the Federal Government's present retirement age of 70 for most civilian employees.

Passage of this legislation represents many years of long interest and work by one of my former constituents, Mrs. O. R. Blalack, known professionally as Terri Blake. Ms. Blake proved long ago that it is never too late to realize one's ambitions. At age 50, she decided to do all the things she had wanted to do as a young woman but never had the chance.

Shortly after moving to Hollywood from Dayton, Ms. Blake began a career in movies with a role in "House on the Sea." Some 13 films followed together with appearances on television programs and talent shows. In addition, she has done volunteer work producing shows for the USO and the Veterans Hospital in Brentwood, Calif. Ms. Blake has also enjoyed a self-made success as a building contractor.

In 1970, Terri Blake published "You Can Do It," an inspirational book for anyone faced with advancing years and its accompanying problems. As early as 1968, she attempted to interest Members of Congress to introduce legislation prohibiting mandatory retirement at age 65. Ten years later, Mr. Speaker, I would like to add my appreciation to Ms. Terri Blake's long-standing efforts on behalf of this important legislation. I know that my colleagues join me in congratulating her as she celebrates her 75th birthday this year.●

SENIOR CITIZEN INTERN PROGRAM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WYDLER. Mr. Speaker, anyone involved in senior citizen affairs is painfully aware that Federal policy and legislation have an enoromous effect on the quality of life of our older Americans. Because of constant changes in these policies and laws, it is extremely helpful to develop an open line of communication among all parties involved, from agency personnel, to Congress, to, most important, the senior citizen.

Because it has proven to be such an important tool in that line of communication, I am very pleased to sponsor for the fifth consecutive year my senior citizen intern program. Two representatives of the senior community in my fabulous Fifth Congressional District will come to Washington to personally study the governmental activities that affect them. They, in turn, will be able to go home and share their knowledge with older American groups in the Fifth District, and, as an important fringe benefit, bring to me their concerns and reactions both during the program and after they return home.

The 1978 senior citizen intern program will be held in Washington, D.C., from May 8 until May 19, and is open to any Fifth Congressional District resident age 65 or older. Applications requesting information including details of a candidate's involvement in the senior citizen field are available from Fifth Congressional District senior citizen clubs and organizations, or from my district office at 150 Old Country Road, Mineola, N.Y. 11501, telephone 248-7676.

Candidates must be nominated by a senior citizen club or organization, and applications must be completed and submitted no later than Thursday, April 20. All applications will be reviewed by a panel of judges representing senior organizations in the Fifth District and Nassau County.

Participants will receive compensation in the amount of $700 for their 2-week stay in Washington.

I look forward to this year's senior citizen intern program, and to meeting the two residents of the Fifth Congressional District who will come to Washington to participate. I hope to get to know them well, for I will have many occasions to seek their counsel in the year ahead.●

MAMIE MOY: 1978 OUTSTANDING SENIOR CITIZEN OF GARDENA

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. CHARLES H. WILSON of California. Mr. Speaker, it is a pleasure for me to honor an outstanding resident of Gardena, Calif. Mrs. Mamie Moy has for years given a great deal to the people of Gardena—from youngsters to senior citizens. In appreciation for her work and tireless efforts, she was named the Outstanding Senior Citizen for 1978 by the city and the El Camino Kiwanis Club.

Being the recipient of this award does not tell the whole story. Mamie Moy may be 79 years of age, but it is 79 years young. For 10 years, she has involved herself in so many community and volunteer activities that they would be too numerous to mention. More than that, it has been her vitality and cheerful attitude that has helped so many.

Mrs. Moy was born in Aledo, Ill. She worked for a time in the Nation's Capital at the Census Bureau then moved to Chicago, Ill. with her husband where she lived for 35 years. She is the mother of three sons—Russell, Robert, and Philip and the grandmother of seven.

When her husband passed away 20 years ago, she decided to pick up and move on to Los Angeles. Instead of taking things easy, she got a job, at 58, at the Morningside Hospital as an assistant supervisor to the executive housekeeper. Even though she reached retirement age and could have opted to take things a little easier, she stayed on at the hospital until she was 69.

Helping people seems to be a very definite trait of Mamie's. For the past 3 years, she has volunteered time at the Denker Avenue Elementary School as a DOVE (Dedicated Older Volunteers in Educational Service). For 3 days a week, she spent her time helping youngsters who needed extra tutoring in reading, spelling, and mathematics. Unfortunately, some people feel they must be financially rewarded for their efforts, but with tight school budgets, it is not possible always to pay for the help our school children need. That is why people like Mamie are are so important to the community. To Mamie, her compensation is, "To see the individual progress and change the youngsters make with a little attention."

Mamie's favorite volunteer program and the one closest to her heart is SCAMP (the Senior Community Action Meals Program), which is held each weekday at the Gardena Community Center. She started with the program in January, 1976, 3 weeks after it went into effect because, as she says, she needed a real purpose, and if it seems at all possible, something to take up her time and something worthwhile. In 1977 alone, she devoted 1,441 hours of her time and talent working mainly behind the scenes, helping other volunteers to get meals on the tables for other senior citizens. For her work, she received an award for having given the most hours of dedicated service to the SCAMP program, and the Outstanding Senior Volunteer. But, characteristic of Mamie's attitude, she felt the award should have gone to someone else.

Mamie Moy is an example for all of us. She has given unselfishly of a precious commodity—her time. She is most deserving of the Outstanding Senior Citizen Award. She says, she is just a volunteer, but her work tells otherwise. She is, in every sense of the word, a perfect volunteer and an outstanding community servant.●

W. TROY BAKER—A DEDICATED PUBLIC SERVANT WHO REMEMBERED THOSE WHO SERVED THIS NATION, WHEN MANY AMERICANS FORGOT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. JONES of Oklahoma. Mr. Speaker, one of the joys of being in the Congress is the opportunity of working with dedicated public employees. On March 31 of this year, one of the most respected and admired of the public servants I have know will be retiring as regional director of the Muskogee, Okla., Veterans Administration.

That man is W. Troy Baker. Mr. Baker has served the veterans of this country since 1946, rising from a position of contact representative to his present duties as director. I have had the opportunity and pleasure to work with Mr. Baker on numerous occasions in an effort to insure that those who served our Nation in the Armed Forces were afforded the respect and benefits they have earned. Troy Baker is truly a sincere and conscientious man with a compelling desire to do a thorough and efficient job. He has always fervently pursued all avenues of assistance for a deserving veteran.

In this day and age it is all too easy to criticize the so-called bureaucrat and the shortcomings of our Government programs. In all the years I have known Troy Baker, I have never heard a single criticism of his administrative abilities—a great tribute to any man.

For those of us who were fortunate enough to work with Troy Baker. I must add that we will all miss him upon his retirement. We will miss his forthright and honest approach to his job—a job of serving his fellow man in need.

Troy Baker will long be remembered as a special sort of public employee who believed in his work and worked to see that his agency fulfilled its mandate. For in the final analysis, Troy Baker did an outstanding job. I wanted to know that this 2d session of the 95th Congress took note of his long, selfless service to the men who served their Nation.

Troy, we appreciate you, we wish you well in the future.●

THE VOLUNTARY SECTOR AND THE TAX SYSTEM

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WHALEN. Mr. Speaker, John W. Gardner, former Secretary of Health, Education, and Welfare and founding chairman of Common Cause, recently commented on tax reform as it relates to the American tradition of contributing voluntarily to the charity or charities of one's choice.

The House again is considering proposals to close loopholes in the tax code and to simplify Federal income tax returns. Historically, itemized deductions have been claimed for donations to religious, informational, scientific, educational, and charitable organizations, that is for private giving for public purposes.

However, due to increases in the standard deduction in the last 8 years, nonprofit organizations have lost about $5 billion in contributions as the percentage of taxpayers itemizing deductions has dropped from 50 percent in 1970 to fewer than 25 percent today.

All of this may be well and good. Yet, the question arises that if these social services are not funded by voluntary contributions, how then will they be financed? Alexander Pope wrote that—

All mankind's concern is charity.

But we may discover that the Government increasingly is becoming responsible for deciding which activities deserve support.

Once again, John Gardner's perspective is timely and relevant. His thoughts on this issue merit serious consideration by this body. I commend to my colleagues his remarks before the United Way of America in New Orleans:

THE VOLUNTARY SECTOR AND THE TAX SYSTEM

In the next two or three years the federal government may successfully destroy a unique and fundamental feature of the American system. And if events continue as they have recently, the destruction will be accomplished silently and invisibly as far as the American people are concerned.

The unique feature of our system that is endangered was best described by De Tocqueville 150 years ago in a passage familiar to every informed American:

"These Americans are a peculiar people. If, in a local community, a citizen becomes aware of a human need which is not being met, he thereupon discusses the situation with his neighbors. Suddenly a committee comes into existence. The committee thereupon begins to operate on behalf of the need and a new community function is established. It is like watching a miracle, because

these citizens perform this act without a single reference to any bureaucracy, or any official agency."

Out of that practice has come, over the years, an incredible variety of American institutions—not just the committees that De Tocqueville described but libraries, museums, civic organizations, great universities, the United Way, the Little Leagues of America, the Salvation Army, symphony orchestras, garden clubs, historical societies, adoption services, hospitals, religious organizations, Alcoholics Anonymous, the 4-H Clubs, and so on. Taken all together, they constitute a vitally important part of American life. Neither business nor government, they are sometimes referred to as the nonprofit sector.

This nonprofit segment of the private sector reaches into almost every field of human interest. The movement and vitality and creativity is constant. In 1973, the Center for a Voluntary Society estimated that 70 million Americans made some significant non-monetary contribution to the nonprofit sector.

Americans have always believed in pluralism—the idea that a free nation should—within the law—allow all kinds of people to take the initiative in all kinds of activities. And out of that pluralism, has come virtually all of our creativity. Within that tradition, unpopular ideas can be expressed, an utterly unknown person can come up with an important idea, religious groups can pursue their deepest convictions, great institutions of learning can arise and function independently.

When all kinds of people are left free to pursue all kinds of activities, a surprising number of them choose to serve some community purpose. And the American tradition has encouraged that. The private pursuit of public purpose is an honored tradition in American life. We do not regard the furtherance of public purpose as a monopoly of government. And that belief has released incredible human energy and commitment in behalf of the community.

But given the apparently bottomless reservoir of human commitment, one then needs another and more earthly ingredient—money. So it turns out that all of these nonprofit sector activities depend on another powerful American tradition—the tradition of private giving for public purposes. The ingredient of private giving supplies the element of freedom.

But now the alarm that should be shouted from the housetops is that our tradition of private giving for public purposes is endangered.

Government tax policy up to now has deliberately fostered that tradition. The tax deductibility of charitable gifts is a long-established policy designed to further an authentically American idea—that it is a positively good and important thing in American life for a great many people, quite independently, in their capacity as private citizens, to contribute to charitable, religious, scientific and educational activities of their choice. And we have demonstrated that preserving a role for the private citizen in these matters encourages creativity, and keeps alive in individual citizens the sense of personal caring and concern so essential if a mass society is to retain the element of humaneness.

But there is a new school of thought which takes a very different view. According to this school of thought, a tax deductible dollar given by Mrs. Jones to a school for blind children in her neighborhood is a dollar which—but for the deductibility—would have found its way into the federal treasury, and is therefore to be regarded as government money. It should in fact be labeled a "tax expenditure".

The new doctrine began innocently enough with a concern about the multiplicity of existing tax preferences. But the charitable deduction is not to be compared with—for example—an investment credit for industry. I happen to favor certain kinds of tax credit to industry, so I'm not raising the merits of the example. Let's just agree that the tax credit, justified or not, is a transaction between government and industry. The government grant financial benefits (through the tax code) to a profitmaking segment of our economy on the grounds that there will be an equivalent or greater benefit to the economy. It makes sense to calculate the amount of the benefit given by the government; and inventing the term "tax expenditure" to describe it was convenient and useful.

But from there on, the debate grows more complicated. Those who wish to simplify our excessively complex tax structure say "Get all of these 'special treatment' items out of the tax code altogether: if any group merits preferential treatment, let them receive it not through the tax code but through outright Congressional subsidy."

With all due respect to the tax code simplifiers, they've bitten off more than they can chew. As indicated earlier, I regard certain tax preferences for industry as justifiable, but I leave it to industry to make that case. I'm going to speak for Mrs. Jones and the school for the blind in her neighborhood—not by defending that particular case but by commenting on the broad and deep considerations that underlie it.

The area of our national life encompassed by the deduction for religious, scientific, educational, and charitable organizations lies at the very heart of our intellectual and spiritual strivings as a people, at the very heart of our feeling about one another and about our joint life. It is hallowed ground. And traditionally, government leaders have agreed that here if anywhere government should keep its distance, and the maximum degree of independence should be honored; here if anywhere the personal, family and community spirit should be preserved, here if anywhere those elements of the human mind and spirit that wither under bureaucratization should have a place to stand free

And this positive policy has worked. It has nurtured and enhanced some of the most creative elements in our national life. It has permitted the emergence of great world centers of learning, it has made our museums and medical centers famous throughout the world. And it has nourished our community life.

Have there been abuses? Of course. But they have been trivial compared to the great and lasting benefits in preserving our free society

I don't think the "tax expenditure" and tax simplification theorists reject these considerations. They just haven't given much thought to them. But there's another type of theorist we have to cope with, the government-knows-best type, who positively resents the freedom of the tax deductible gift. What right, he asks, does Mrs. Jones have to decide that that "government" dollar should go to a school for blind children? The sensible thing to do, he says, is to eliminate the tax deductibility and take Mrs. Jones' dollar (along with all the other tax deductible dollars) into the federal treasury. If the school for blind children needs money, let Congress and the federal agencies decide whether that's the best use for the money. After all, isn't Congress and the bureaucracy wiser than Mrs. Jones. There's no likelihood that they have seen (or ever will see) the school for the blind she contributed to, so their judgment will not be distorted by human feeling—or first-hand knowledge.

It's the kind of doctrine that makes your head ache. Here we always thought it was a really great thing that the American people are so remarkably resourceful in launching independent, private-sector activities designed to serve community purposes. We are proud that so many Americans give—of their own volition—to institutions or organizations that seem to them worthy, giving with their hearts, participating personally rather than authorizing some distant official to put it on a computer for them. We love the idea that the American people give $30 billion a year and contribute God knows how many billion more in volunteered non-monetary services. We are proud that 80 percent of individual giving comes from families with incomes of less than $20,000 a year We feel good about it precisely because it isn't a depersonalized processing of grants by a distant government, but a personal thing that keeps alive the spirit of concern and generosity in our people.

Now we're told that Congress and the vast agencies of government could do a better job of all that. Somehow the available evidence on government efficiency doesn't drive one toward that conclusion.

And when all activity serving public purposes is safely under Congressional control, what outlet will be left for all the personal caring and concern that is now the driving force for voluntary, independent, unbureaucratic activities. Does anyone believe that a manual of regulations from Washington will unlock that miraculous energy?

This is not to speak contemptuously of the Federal Government. I've served two tours of duty in government and I respect it. In our complex, swiftly changing society in which the conflicting interests of innumerable legitimate groups must somehow be reconciled and important shared purposes must be advanced, a vigorous competent government is necessary, and we must support it and make it work. But the government will best contribute to the health of the society if it actively furthers the vitality of the private sector.

Unfortunately, elimination of tax deductibility is only one of the ways in which contemporary tax theorists are whittling away at the vitality of our voluntary sector. There are all sorts of schemes afoot. I won't go into them here because I want to conclude with one final example of the way in which government erosion of the voluntary sector could alter the whole style of our community life. The United Way is a confederation of some 2000 local United Ways across the country, that enjoy grassroots autonomy. The national office is dependent on contributions from the local organizations. The locals raise the money in their own communities. Hundreds of thousands of Americans are involved in the raising of the money and in volunteer work in the agencies. Local leadership decides how the money should be allocated among the agencies in the community. There is never a time when local agencies aren't quarreling over who should get the money, but that's as it should be. The arguments will never end because there are more needs than dollars. But the important thing is that real, live, grassroots Americans, functioning as a kind of non-governmental "Community Board", trade it out at the community level and reach their own decisions.

Someday—soon I hope—we're going to wake up to the fact that the government of a gigantic, tumultuous society can't be administered unaided by a conventional, centralized, topdown governmental hierarchy. Local levels of government and local private sector institutions are going to have to figure out how they can collaborate to make things work in the community in which they live. Washington can't do it for them.

As a former Secretary of Health, Education, and Welfare, I can assure you there is no way that a huge federal agency can make

judgments that are right for local communities. Local leaders must make those judgments. The same kind of government-private sector collaboration has to take place at the state level, and we're going to see the United Way playing a greater role at that level.

Look at the leadership of any United Way campaign and you will find strong representation of the corporations, the unions, religious and racial groups, professional organizations—the whole array of groups outside of government. And just as all these groups are represented, so all of them should rise to the defense of the voluntary tradition. Every element of the private sector should recognize the threat. What is at stake is one of the most precious customs of the private sector—the custom that people give to activities of their own choice, at their own initiative. If that custom dies then the government will lift the dollars gently from your wallet in taxes, toss them into the political cauldron of Congress, run them through the Executive Branch computers, and your favorite object of philanthropy will get what it gets. Let the government do the worrying. Why should you sweat as a volunteer to help some institution you care about? Big Daddy will look after us all.

Those who are concerned with the preservation of individual responsibility and the vitality of nongovernmental America must point out that even the present charitable deduction isn't adequate to accomplish the best result.

Five increases in the standard deduction in the last eight years decreased the number of taxpayers itemizing deductions from almost 50% in 1970 to less than 25% today. The result has been damaging to the voluntary sector. Contributions to public charities have decreased, making it more difficult to meet the increasing demand for social services. Recent studies estimate that charities have lost about $5 billion in contributions because of these increases in the use of the standard deduction, and that in 1977 alone the loss will be over $1.3 billion. If the Carter Administration's tax reform proposals pass, it is estimated that the number of taxpayers itemizing their deductions will fall to 16%.

The only way to reverse this trend is to amend the tax code to allow all taxpayers to take a deduction for their charitable gifts whether they itemize or not. This change will eliminate a two-fold danger: first, that the denial to the vast majority of Americans of any encouragement to give will bring more government into our lives, and second, that charitable giving will become the province of only the wealthy.

In a bi-partisan effort Representatives Joseph L. Fisher (D-Va.) and Barber B. Conable (R-NY.) members of the tax writing House Ways and Means Committee intend to offer just such an amendment when that important committee takes up President Carter's tax proposals. Messieurs Conable and Fisher argue that public policy should encourage the work of charitable organizations, not diminish it. They are absolutely right and we had better get behind their effort.

Surely no substantial element in the private sector wants our tradition of voluntarism and private giving to die. And most government servants don't want that outcome either. All elements in the private sector should unite to maintain a tax policy that preserves our pluralism. And government should help in every reasonable way to insure that result.

It isn't easy to defend the area covered by private giving because it's made up of so many unrelated, unofficial, unclassifiable activities. But that's one of the very qualities that makes it beautiful. It isn't a describable thing. It's an arena in which freedom survives and flourishes. Let's keep it that way.●

IN SEARCH OF A RATIONAL LINER SHIPPING POLICY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. WHITEHURST. Mr. Speaker, on May 9, 1977, I introduced two bills dealing with rates or charges by State-owned and nonnational carriers in the foreign commerce of the United States, H.R. 7025, known as the Ocean Shipping Act of 1977, and H.R. 7026.

In further reference to the issues addressed in those two bills, I am introducing at this point in the RECORD a paper entitled "In Search of a Rational Liner Shipping Policy," which was presented at the Northwestern University Forum Transportation Center last week by Mr. Karl-Heinz Sager, deputy chairman of Hapag-Lloyd AG of Hamburg/Bremen, Germany. In this report, Mr. Sager deals with the various alternatives to organize worldwide liner shipping in the future.

I believe that Mr. Sager has raised a number of valid points, and I hope that my colleagues will give them careful consideration.

The paper follows:

IN SEARCH OF A RATIONAL LINER SHIPPING POLICY

(By Karl-Heinz Sager)

Ever since the existence of steamships enabled the inauguration of regular liner services, they have been the backbone of world trade. Technological progress over the past years which lead to new transportation systems has safeguarded that the major part of high valued industrial products will also in the future be carried by regular liner ships.

Its close network today is not only linking every seaport but also many inland points with the rest of the world. If world trade has grown manifold and if people can buy anything anywhere originating from any part on earth, this is largely due to the efficiency and steady improvement of this ocean transportation sector.

If the importance of liner shipping for our modern way of life is accepted, it must equally be recognized that the quality, frequency and economic pricing of today's liner shipping would not have been possible without the existence of Liner Conferences. The real value of these conferences still varies considerably depending on whether we look at the American trades and the so called "Open Conference" system or at the more sophisticated "Closed Conferences" in most other world trades which permits memberlines to fully rationalize their resources.

This brings me already to the heading of today's presentation:

THE VARIOUS ALTERNATIVES TO ORGANIZE WORLDWIDE LINER SHIPPING IN THE FUTURE

Why should the future look different from what has been practiced in the past? There are a number of reasons for it, most of which have developed during the past 10 years.

The growing emergence of fleets of developing countries with national cargo protection laws.

The capital intensive change to modern transportation systems, such as containers, lash, ro/ro.

The intrusion of a modern COMECON Merchant Fleet in the free trades of the Western world.

The increasingly narrow interpretation of the U.S. Shipping Act by the Department of Justice which virtually stopped the efficient work of liner conferences in the American trades.

The cross-effect of these developments has had such negative consequences for many shipowners and conferences that they will be unable to exist much longer unless changes take place.

The so called "freedom of the seas" is about to die. Bilateral equal-access agreements are common practice with and between developing and COMECON countries. How helpless the Western world is against these developments is demonstrated by the fact that even the Department of Justice has not opposed equal-access arrangements between the United States and some Latin-American countries as well as the quasi bilateral agreement with the Soviet Union both of which must be unforgivable violations against its philosophy of free competition.

But by far the majority of world trade moves between Western industrialized countries, almost all of whom have subscribed to the OECD Code of Liberalization! The adherence to this liberal philosophy has, however, so far only resulted in a diminishing influence of Western shipowners in the maritime world.

SO THE BASIC QUESTION IS, HOW IS THE WESTERN WORLD GOING TO ORGANIZE ITS LINER TRADES IN THE FUTURE?

One thing is an absolute certainty, there will be no alternative to effective conferences. The conference system is like democracy of which Winston Churchill said that it has many shortcomings, but that there is nothing to replace it.

But whereas all governments of the Western world have fully recognized the autonomy, efficiency and structure of strong conferences, the United States are about to strangle the rather weak kind of conference they permit to exist in their overseas trades.

What are the basic differences between these two types of conferences?

The expression closed conference is already misleading in its term. Even its closest version with an effective "deferred-rebate" system and a money pool has never been impenetrable for aggressive and qualified outsiders and even less so for a recognized national line of one of the trading partners.

However, these conferences offer to their members unlimited flexibility in the degree of cooperation from voluntary sailing limitations to fully integrated services within consortia and/or pools. It is today hardly questioned anymore, that such rationalization measures are not only a necessity but also to the benefit of shippers through lower transportation costs.

The other, may be even more significant is the privilege and duty of consultation between conferences and shippers. With the formation of National Shippers' Councils in most parts of the world in the 60's and the adoption of the so called "Note of Understanding" between the European Shippers' Council and CENSA in 1963 the consultation procedures became a formally established permanent institution.

Consultation should not be misinterpreted with negotiation. Consultation in its proper function means timely and meaningful discussions of all matters of mutual concern such as general rate increases or surcharges and the exchange of views before taking final decisions.

It has proved to be the most effective means of bringing shippers' views to the attention of conferences and created an understanding for the commercial necessity to have a balance of supply and demand of tonnage in liner services. The recent joint press statement by CENSA and European Shippers' Council at the conclusion of their annual

meeting at Montreux in September 1977 was an impressive manifestation that this type of conference system works to the satisfaction of both sides.

The same cannot be said of the Open Conference System which has to be practised in the American trades.

The U.S. Department of Justice has always opposed the special privileges and exceptions which were granted to conferences under the Shipping Act of 1916. Under this permanent pressure the limited operational freedom of conferences has been further restricted and its antitrust immunities over the last years eroded to a degree that their proper functioning is no longer possible.

The compulsory "open door" policy combined with either none or weak shippers' contracts offers little protection to conferences and their loyal shippers. Due to such lack of incentive, many lines or operators prefer to enter the U.S. trades as outsiders creating almost permanent overtonnaging. They feel not committed to the trade as a whole, pick out the most attractive cargoes and ports at their pleasure and leave the trade when they find better employment in the market. On the Northatlantic F.I. more than 50 lines have come and gone after worldwar II.

This philosophy prohibits any meaningful tonnage and service rationalization efforts. The fact that the American trades have developed into a real dumping ground for all categories of outsiders naturally hurts the largely conference-minded American lines the most, in spite of two Merchant Marine Acts passed in Congress for their protection.

This deplorable situation is almost unbelievable at a time when high capital demand for new sophisticated liner tonnage more than ever calls for new forms of multinational cooperation in order to maximize the economy of scale. There is no rationale other than that the traditional belief in unrestricted competition has grown into a religious doctrine wtih many influential people in the United States. This commercial and legal climate was also the reason that COMECON carriers had it so easy to enter the American scene in such a big way.

HOW CAN U.S. LAWS HAVE SUCH FAR-REACHING EFFECTS?

Many people rightly ask why the trading partners of the United States accept that the FMC or DoJ assume control over international sealanes. The answer is quite simple, most of them have no countervailing powers.

The exterritorial application of U.S. shipping legislation is being pursued so long as no national laws of its opposite trading countries are challenging its validity. Because most Western governments decided for good reasons not to regulate international liner conferences, their shipowners are now confronted with the full thrust of unilateral U.S. Anti-trust regulation.

In contract, the Department of Justice and even the FMC refrain from any interference wherever the other nation has its own maritime legislation. This is a two-way road of political behavior and encourages countries to introduce unilateral shipping Laws. As a consequence private shipowners are to a growing extent facing a combination of unilateralism, bilateralism, and protectionistic legislation all over the world.

IS THERE ANY MULTINATIONAL SOLUTION TO THIS DEVELOPMENT?

More and more shipowners and governments in the Western world are seriously considering whether the UNCTAD Code of Conduct for Liner Conferences, approved by an overwhelming majority of member countries in 1974, may in the end not be the best solution for a worldwide order in liner shipping.

In spite of a number of reservations which do exist with regard to certain parts of this document, the UNCTAD Code acknowledges many premises, which are indispensable for shipowners as well as shippers:

Absolute priority for "self regulation", i.e. government interference or the respective application of certain clauses of the Code will only take place if the commercial parties cannot agree amongst themselves.

The support of the conference system, which is under strong attacks in certain parts of the world, particularly the United States.

The promotion of cargo sharing, which is the only way for an economical operation in modern liner shipping with its huge investments.

The affirmation that shipowners should earn a reasonable profit.

The obligation for consultations between shipping conferences and shippers' councils.

The self-restraint of governments to the role of observer.

The fate of the UNCTAD Code depends largely on the maritime countries of the European community and Japan. In spite of certain differences of opinion they are presently in the last stage of finding a common platform to be able to jointly ratify the Code. If nothing else helped to unite them, it is the U.S. shipping legislation and the COMECON threat.

IS "DEREGULATION" ANOTHER ALTERNATIVE?

In this country there are many people who believe that "deregulation" may be the answer for liner shipping in the future. Deregulation has almost become a slogan as if it were an ingenious solution for all difficulties of our present worldwide economy as well as the transportation industry. In liner shipping deregulation means dissolution of conferences and a "free for all".

The Department of Justice is among its main protagonists and in this context came out early last year with a number of recommendations for the so called regulated liner industry. I hope that today the antitrust division looks more critical at this document which took two years to be completed and which was not exactly scientifically done, to say the least. But this can be no surprise when considering that none of these experts had any practical knowledge of the shipping industry.

If the conference system does not work in the American trades, it is not because the system is wrong, but because it was never allowed to function. If an aeroplane is never permitted to take off the ground no one can blame the pilot.

What the Department of Justice recommended was that conferences were to be stripped of their vital components even further. Most shipowners agree in that they would rather have "deregulation" or operate as outsiders than be members of such disabled conferences.

But no one should have illusions because "deregulation" would lead to a deadly rate war and without slightest doubt result in a financial collapse of many carriers within less than a year. Only the strongest would survive such battle with the state-owned comecon fleets in the forefront.

For the American lines—apart from those with very healthy parent companies—the only alternative would be a take-over by the U.S. government. But governments don't like to pay for shipowners' loses, they generally tend to rather allocate a specific part of their national trade to their national lines.

Therefore we can expect with near certainty that once the "deregulated" phrase is over, shippers will be faced with only few lines left, with cargo sharing legislation, and certainly with higher freightrates. If some people consider today's conferences in the American trades as monopolies, I wonder what they then are going to call them.

WHY IS A NEW REGIME REQUIRED IN U.S. TRADES?

Contrary to the days of conventional ships the organization of liner shipping in the container and ro/ro age requires not only a longterm commitment by the carriers in a particular trade but, above all, a capital investment which normally surpasses the financial capabilities of any individual company. It is therefore not only an option but often a commercial "must" for container carriers to look for partners in order to form a national or multinational consortia. This new form of international cooperation is strongly encouraged by governments all over the world with the exception of the United States, where these new technologies had their origin.

In the Conference linking Europe with the Caribbean and Central American countries F. I., a new fully-containerized joint service under the trade name of Caribbean Overseas Line (CAROL) was inaugurated last year with fast modern standardized vessels. Partners of this Consortia of otherwise independent lines are CGM of France, Hapag-Lloyd of Germany, Harrison of England, and KNSM of Holland. Research, planning, and preparation of this service took about 4 years with all lines ordering 6 sisterships at the same shipyard. I dare say that this unparalleled service would not exist, had the formation required Section 15 agreement in the United States.

But Section 15 agreements are only one of several features of the present U.S. shipping legislation and administration which stand in the way of modern linership operations. As long as this official American policy is not being changed there will be no real progress in its liner trades.

No one could have foreseen in 1916 when the Shipping Act was passed what the transportation requirements would be 60 years later. If this rather natural thesis is accepted, U.S. legislators should take the courage and wisdom to proceed with the necessary amendments that are long overdue. But those amendments should not only overhaul outdated legislation, they should also improve the slow and bureaucratic administrative procedure.

WHAT IS THE ANSWER FOR THE AMERICAN TRADES?

I believe, I have covered the various alternatives how liner shipping could be organized in the future, viz, the closed and the open conference system, unilateral legislation, bilateral equal-access agreements, multinational consortia and joint services, as well as deregulation.

I have mentioned the UNCTAD Code of Conduct for Liner Conferences as a possible compromise that would give liner shipping an international order which is so urgently needed.

With regard to the overseas trade to and from the United States I dare say that almost any change is better than what we have now. Conference members are more than anxious to offer American shippers and cosignees first class services at reasonable prices as well as regular consultations, but what they need in return is a legislative environment that would allow them—

To rationalize supply and demand of their services.

To make cargo sharing arrangements,

To set freightrates at appropriate levels for shippers to earn a reasonable return on investment,

To have rate-making authority on intermodal transportation,

To build a consultation machinery with shippers' councils to be formed in the United States,

To enter into effective contract arrangements with shippers, and

To protect themselves against competition, particularly from Eastbloc fleets.

It is my understanding that a growing number of responsible people in this country is becoming aware that liner shipping is in distress. I particularly refer to the former and the present chairmen of the FMC, Messrs. Bakke and Daschbach, who in remarkable public presentations strongly advocate a change of the American maritime policy vis a vis liner shipping.

But I know that a number of Senators and Congressmen who have taken an interest in this field, are seriously concerned as well. I call on them to introduce and promote new legislation. If my above points are taken into account, they will also be able to help the United States to a healthy Merchant Marine.●

FREEDOM FOR CYPRIOTS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. YATRON. Mr. Speaker, as a member of the House Committee on International Relations, I have long espoused the need to implement a foreign policy that adequately recognizes the great tragedy that has been perpetrated upon the Cypriot people by Turkey. It is essential that we restore the moral authority of this country in its conduct of foreign policy.

Despite strong words, the administration has failed to exhibit decisiveness in this area. It is the responsibility of the Congress, therefore, to insure that the people of the world know that the United States cannot and will not condone the injustices which have been perpetrated upon the Cypriot people. Clearly, this is an issue which cries out to all humanity for a solution.

In view of the uncontroverted evidence of violations by Turkey on Cyprus, I feel the United States must speak out now. If we are to preserve our credibility and commitment to human rights throughout the world, we must be prepared to stand up for those rights wherever violations occur.

America must take a firm and consistent stand with our allies as well as our adversaries, or our words will ring hollow to the world.

Turkish aggression against Cyprus symbolizes the deprivation of the most basic rights of an entire population through the use of force.

Recently I received a copy of the following resolutions from Mr. Frank Antinopoulos, supreme secretary of the Greek-American Progressive Association. Because my strong feelings on this issue concur with those expressed in these resolutions, I would like to present them to my colleagues in the House in the hope that they will receive favorable consideration:

FREEDOM FOR CYPRIOTS

RESOLUTIONS

Whereas, The unconscionable occupation of a part of the Island of Cyprus by Turkish troops has been condemned by resolutions of the United Nations as an invasion of a sovereign State, and the Congress of the United States, considering that invasion and occupation illegal acts perpetrated with the illegal use of NATO war material, has imposed restrictions to further military aid to Turkey, the lifting of which restrictions is to be contingent upon a substantial progress toward a peaceful settlement and termination of the occupation;

Whereas, The Turkish Government continues to ignore the resolutions of the United Nations and exerts pressure on the United States Government to lift the arms embargo without a change of the status quo in Cyprus and, instead of taking steps to end the occupation, the Turkish Government has populated the occupied parts of Cyprus with emigrants from Turkey;

Whereas, Resolutions of the United Nations have no practical value, unless the member nations severally and jointly act to enforce them;

Whereas, According to disturbing recent reports, the Executive Branch of the United States Government is considering further military aid to Turkey as an issue separate from the Cyprus Question and intends to seek the lifting of the embargo;

Whereas, The Turkish Government through various actions has selectively suppressed the rights of its citizens comprising the Ecumenical Patriarchate in Istanbul, has rendered that venerable institution a virtual prison of its occupants who live in constant fear of sacrilege and of the loss of their lives, and is repeatedly violating treaties in an obvious endeavor to extinguish the viability of the Ecumenical Patriarchate at its present location; and

Whereas, President Carter has promised in much-publicized speeches to speak and act forcefully regarding violations of human rights in other countries, and favorable consideration of Turkish requests at present would not be in consonance with such pronouncements; be it, therefore,

Resolved, That the Supreme Lodge of the Greek-American Progressive Association protests President Carter's intent to have the embargo of arms to Turkey lifted and petitions him to abandon this intent;

Resolved, That the Supreme Lodge of the Greek-American Progresive Association petitions the members of the United States Senate and House of Representatives to remain steadfast in their resolve now in effect, whereby the lifting of the embargo of arms to Turkey is conditional upon substantial and concrete steps taken toward ending the occupation of Cyprus;

Resolved, That the Supreme Lodge of the Greek-American Progressive Association petitions the President of the United States to use his influence to reverse the trend of actions being taken by Turkish authorities against the holy Ecumenical Patriarchate, its occupants and its institutions in Turkey, and to have restored the rights and privileges no longer enjoyed by the same; and

Resolved, That the Supreme Secretary is directed to send copies of these resolutions to the President, the Vice-president and the Congress of the United States, and to publicize these resolutions within and without the Association.

Adopted unanimously by the Supreme Lodge of the Greek-American Progressive Association in meeting assembled in Pittsburgh, Pennsylvania, on the 25th day of February 1978.●

NUCLEAR LICENSING REFORM

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1978

● Mr. UDALL. Mr. Speaker, today I am introducing the Nuclear Siting and Licensing Act of 1978. This is legislation proposed by the President to reform the process which this Nation licenses commercial nuclear generating facilities.

As we are well aware, the President's energy program contemplates increased reliance on present generation light water nuclear powerplants, while deferring fuel reprocessing and terminating the Clinch River Breeder project. It is the opinion of many that the current licensing system constitutes an insurmountable barrier to the attainment of the country's light water reactor goals and thus legislation is needed to streamline the process. Despite the nuclear industry's adamant, (and I believe shortsighted and self-defeating) opposition to the President's reprocessing and breeder reactor policy, the President is attempting to carry out his commitment to light water technology by proposing this legislation. I believe Mr. Carter is to be complimented for his good faith efforts, and indeed, his patience.

Mr. Speaker, there is much confusion about the purpose of this legislation. During the rather lengthy development of the bill by the Administration, we read news stories or heard public comment about a bill that would "expedite" or cut short the 10 to 12 years it takes to bring a nuclear reactor from the conceptual stage to operation. This characterization is misleading. The purpose, it seems to me, is to restructure the licensing process so that the delays ascribable to the licensing process are moved to an early time in the proceedings prior to industry investment of substantial capital. While this is a worthy objective that deserves full consideration, I must urge caution in its pursuit because of its inherent conflict with full public participation and the unencumbered authority to protect the public's health and safety. The conflict is not necessarily irreconcilable, but when the subject is nuclear power, limiting the ability to regulate or narrowing the public's roll in the process are steps which should not be lightly taken.

I think it also important to note at this time that nuclear licensing reform will not be useful unless something is done to boost public confidence in the Nuclear Regulatory Commission. I have observed that the NRC has had a difficult time in establishing itself as an independent regulatory agency separate from the agencies whose job it is to promote the use of fission power. I hope the administration takes careful note of the need to develop a strong and independent NRC when it selects the candidate to fill the Commission seat that is now vacant. It is particularly important that the appointee be well qualified to give full consideration to the technical and social factors that enter the Commission's decisionmaking.

Mr. Speaker, this is not the kind of bill that can move quickly and I intend no disrespect of the administration when I point out that it failed to meet its own goal in drafting this priority legislation by 7 months. The issues, which range from NEPA and federalism, to the complexities of administrative procedures

and nuclear technology itself, are all difficult. I am introducing this bill today not because I necessarily agree with the administration's resolution of these issues, but because the proposal deserves a full airing which will commence on April 4 when the Subcommittee on Energy and the Environment holds its initial hearing on the bill.●

HOUSE OF REPRESENTATIVES—*Wednesday, March 22, 1978*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

My grace is sufficient for Thee: for my strength is made perfect in weakness.—II Corinthians 12: 9

O God, our Father, the light of life, the strength of our spirits, and the glory of all that is good, we lift our hearts unto Thee that we may receive anew the wisdom, the power, and the love which make us sufficient for all our needs. We come to Thee with lives stained by wrongdoing, sobered by failure, subdued by difficulties yet with a desire and a determination to do our best for our country that there may be justice, freedom, and good will among our people and among the nations on this planet. Make us great leaders of a great people in a great age; for Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed a bill and a joint resolution of the House of the following titles:

On March 14, 1978:

H.R. 9851. An act to amend the Federal Aviation Act of 1958 to improve cargo air service.

On March 15, 1978:

H.J. Res. 746. Joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 494. Concurrent resolution expressing the sense of Congress regarding the operation of certain rail passenger service by the National Railroad Passenger Corporation.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3813) entitled "An act to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 6782. An act to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion.

ADJOURNMENT OF THE HOUSE FROM WEDNESDAY, MARCH 22, 1978, TO MONDAY, APRIL 3, 1978

Mr. WRIGHT. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 544), and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 544

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, March 22, 1978, it stand adjourned until 12 o'clock meridian on Monday, April 3, 1978, and that when the Senate recesses on Thursday, March 23, 1978, it stand in recess until Wednesday, March 29, 1978 or April 3, 1978, as determined by the Senate on Thursday, March 23, 1978.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FINANCIAL PLIGHT OF THE AMERICAN FARMER

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. WHITTEN. Mr. Speaker and my colleagues, you have honored me throughout the years by having me as chairman of the Subcommittee on Agriculture and Related Agencies of the Committee on Appropriations. We all have been disturbed recently at the terrible financial plight facing the American farmers at the moment. Not only that but those of us who have studied history realize that, if this problem is not soon solved, it will spread to other sections of our economy and we will all go down the road to financial ruin together.

Later today we will take up a supplemental appropriations bill to meet limited disasters in several sections of our Nation. At that time I expect to discuss in detail the legal authority and the funds we have now to alleviate the farmers' immediate problem without waiting for new legislation. I would like to call attention to a bill which I introduced, which would raise farm prices in the same proportion that the wages received by labor and the price index are increased. This bill, H.R. 9608, has been endorsed by all members of my Appropriations Subcommittee and many others. I hope it will have your support as well as that of members of the Legislative Committee who are considering its provisions at the present time.

SKOKIE MARCH SHOULD NOT BE ALLOWED

(Mr. LEHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN. Mr. Speaker, I strongly oppose the march of the American Nazi Party in Skokie, Ill., on April 20. The constitutional right of freedom of speech and freedom of assembly does not grant the license to incite violence and inflict injury.

Because so many survivors of Nazi Germany reside in Skokie, the Nazis have deliberately selected a place where the most harm could be directed toward Jews. They have publicly stated their aim to incite hatred since, in their words, "Where one finds the most Jews, one finds the most Jew-haters."

It is not the case that this march is planned simply to express an opposing point of view and thus should be absolutely protected by the first amendment to the Constitution. I believe in the protection provided by the first amendment to express views that I do not like, however disagreeable they are to me. However, when there is declared intent to arouse emotions, violence is not only likely, but intended. This goes far beyond the toleration and protection of views provided by the free marketplace of ideas where opposing viewpoints are presumed to compete equally.

Those of us who firmly believe in the first amendment can still consistently hold a hierarchy of values which allows us to recognize, in practice, when an act of physical harm is in the offing. John Stuart Mill, in his great work, "On Liberty," wrote of the difference between freedom of opinion and the responsibility of one's actions. Even opinions lose their immunity when the circumstances in which they are expressed cause injury.

It is my firm belief that where there is reasonable assurance that Nazi or similar activity is primarily used to incite violence, it must not be allowed.

AUTHORIZING THE CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED

Mr. WRIGHT. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, April 3, 1978, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, April 3, 1978, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR

WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 5, 1978

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, April 5, 1978, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the distinguished majority leader will tell us the calendar for the remainder of the day. I understand there have been some changes in the order. Will we finish the postal bill?

Mr. WRIGHT. If the gentleman will yield, yes, the gentleman is correct, there have been changes.

The business in order for the remainder of today is first the emergency appropriation for disaster relief, which we will take up immediately; second, we will consider H.R. 9518, the Shipping Act Amendments of 1978. That last measure is under an open rule with 1 hour of debate.

We would hope to complete those two bills, and if we do so within a reasonable time, then the House will adjourn. We do not expect to take up any further consideration of the postal reform bill today.

Mr. BAUMAN. In that event, does the majority leader have any time for adjournment, perhaps noon? It would seem to me we might be able to finish within 2 hours.

Mr. WRIGHT. If the gentleman will yield, we will finish just as quickly as we can.

I should not want to preempt or prejudge the disposition of the House, but I should think these two measures might be dispensed with in relatively good order.

Mr. BAUMAN. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EMERGENCY APPROPRIATIONS FOR DISASTER RELIEF

Mr. MAHON. Mr. Speaker, pursuant to the order of the House on Thursday, March 16, 1978, I call up the joint resolution (H.J. Res. 796) making an urgent supplemental appropriation for disaster relief for the fiscal year ending September 30, 1978, and ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 796

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1978, namely:

FUNDS APPROPRIATED TO THE PRESIDENT

FEDERAL DISASTER ASSISTANCE ADMINISTRATION

DISASTER RELIEF

For an additional amount of "Disaster relief", $300,000,000, to remain available until expended: *Provided,* That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in regard to this joint resolution (H.J. Res. 796).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, last week hearings were conducted by the Subcommittee on Housing and Urban Development, headed by the gentleman from Massachusetts (Mr. BOLAND), in regard to additional funds required for disaster relief. The full committee on Monday of this week approved the recommendation of the subcommittee and the resolution is now before us.

The legislation was handled in the subcommittee and in the full committee by the gentleman from Massachusetts (Mr. BOLAND) who will now make a statement in regard to the legislation.

Mr. BOLAND. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, this supplemental appropriation of $300 million is urgently required to fund relief activities in numerous States affected by severe weather.

To review the funding situation—the Congress provided $150 million for disaster relief in the regular annual Appropriation Act for 1978. It was believed that this amount would be sufficient to cover the costs associated with an average year for emergency and disaster declarations. However, the extensive flooding in Johnstown, Pa., Kansas City, and Appalachia in 1977 quickly demonstrated that additional funding would be required. In recognition of this the administration transmitted a supplemental request of $150 million with the President's budget in January. Since that time, severe weather conditions in Michigan, Indiana, Ohio, Massachusetts, Rhode Island, Connecticut, California, and elsewhere have resulted in a requirement for an additional $150 million. The request for the second $150 million increment of supplemental funding is still pending within the administration.

Over $168 million of the $300 million the committee is recommending is for reimbursement to other Federal agencies for relief already provided for past declarations. These reimbursements have had to be delayed due to the shortage of funds. This relief comes in many forms—such as temporary housing, unemployment assistance, individual and family grants, debris removal, and repair and restoration of damaged facilities. The balance of the $300 million is required to insure that States and localities will be reimbursed for costs they have already incurred and to provide a small reserve for potential emergency and disaster declarations during the balance of fiscal year 1978.

Mr. Speaker, the disaster relief fund is exhausted. Firm commitments to States and localities far exceed the current balance on hand. These funds are required today. I urge their immediate approval.

Mr. WHITTEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, my colleague, Hon. EDDIE BOLAND, of our Committee on Appropriations has done a fine job in bringing this bill for $600,000,000 before us to remedy as best we can the disaster costs that have accrued as he has pointed out.

Mr. Speaker, I take this time to point out a much greater threat—in fact, an impending disaster facing the American farmer and through him our entire economy.

I have pointed out the seriousness of the existing situation numerous times

on the floor, as well as before the legislative committee and numerous groups of farmers.

On February 14, I again called attention to the testimony before our Appropriations Subcommittee for Agriculture of which I have the honor to serve as chairman: We had before our Subcommittee Gov. Donald E. Wilkinson of the Farm Credit Administration. The Governor testified that farm income had dropped 28 percent since 1972 and 56 percent since 1973. He further testified that many borrowers from the Production Credit Associations were mortgaging their land to the Federal Land Banks to pay their production costs. The Farmers Home Administration has loans outstanding of more than $20 billion, much of it for farm production. The Federal Deposit Insurance Corporation is calling on commercial banks, which have deferred payments due to farmers, to foreclose farm mortgages.

Not only is this situation disastrous to the many who are engaged in agriculture, but it is also going to be felt by those with whom they deal and provide a major market for. If we do not do something to correct the situation, it will rapidly reach all the way through our economy.

As I mentioned a moment ago, on yesterday I called the attention of the Secretary of Agriculture and his associates to the fact that, under existing law, there is ample authority and enough money to meet the situation.

I would like to call the attention of my colleagues in the House to the fact that under the charter of the Commodity Credit Corporation, that corporation, which is a $14.5 billion corporation—and we find this in 15 U.S.C., 714(c)—is given the following specific authority: First, to support prices through purchases; second, to procure commodities for sale; third, to remove and dispose of surpluses; and fourth, to export for the development of foreign markets.

That means that this $14.5 billion corporation is presently authorized—and it has over $13 billion now available to move in and support farm prices at the present time on a moment's notice.

Not only that, but this Congress some time ago, at the instance of our Subcommittee on Appropriations, provided for a sales manager. At that time we had $10 billion worth of commodities on hand and our Government would not offer them for sale in world markets. We had no sales manager; we had no programs; we had nothing. Then we provided for a sales manager—see 15 U.S.C. 713 (a–10)—and in a short time, we sold these commodities for dollars. Now it appears we have a sales manager; but we have few, if any, commodities.

I want to make it plain that my suggestion would not call for channeling all our commodities through the Commodity Credit Corporation. But it would mean that we can support farm prices immediately in order to prevent an overwhelming disaster and to restore our farmers to a workable basis. Not only that, but if CCC had stocks on hand, our Government working through a sales manager, could assure that American companies, American international companies, or others maintain our share of foreign markets. In case they failed to sell our production, we could move in and sell such commodities to the point of keeping our customers and, thus, prevent another such disaster, such as the embargo on the export of soybeans.

So, Mr. Speaker, I want to repeat that I spent an hour yesterday with the Secretary of Agriculture and his associates pointing out that we already have existing law and existing funds that could be used to meet the present emergency. The Secretary was to have seen the President on this matter yesterday afternoon and, I understand, did see him.

In today's Washington Post—and I hope the Members will read that story closely—we will see that Mr. Bergland said the chances are 50–50 that the administration would move in under existing law to meet this need.

The Secretary of Agriculture is to meet with the chairman of the Legislative Committee of the House, Mr. FOLEY, and the chairman of the Senate Committee, Senator TALMADGE, tomorrow to see what can be worked out under existing law to meet the problems of our farmers. Certainly I hope and trust that we may have immediate action, for I am convinced additional legislation will come too late for this year.

Mr. Speaker, I call the attention of my colleagues to this important matter, and I ask them to join with me in urging our President and the Secretary of Agriculture to move in with the money they now have and with the authority they now have to prevent an overwhelming disaster which will certainly occur to the detriment of the whole economy unless we do act quickly and positively.

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Mr. COUGHLIN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the committee chairman has done his usual, very excellent job in explaining this joint resolution. The minority does concur with him.

I just wish to call the attention of the Members to one item which is contained in the committee report. That is in connection with snow removal. The committee has requested the FDAA to review the criteria under which localities may receive reimbursement for snow removal expenses. This provision has been applied in a very unfair way in the past.

I would hope that we could instruct the FDAA to review those criteria. Many communities which work hard and take care of their own snow removal expenses do not receive reimbursement, whereas other communities which are lax and wait for emergencies to occur do get funds for snow removal. That is inherently inequitable.

Mr. Speaker, I hope this can be reviewed so that fair criteria may be developed for applying these funds.

● Mr. KETCHUM. Mr. Speaker, I would like to commend the distinguished chairman for expeditiously handling this vitally needed appropriations measure.

In my own district of California I have witnessed firsthand the devastating effects of a dust storm in December and a torrential downpour less than a month later. The compounding of these natural disasters has dealt a serious blow to farmers, businessmen, and homeowners alike, and now communities across the district and State are attempting to pick up the pieces in the storm's aftermath. Through the Federal assistance we are appropriating here today, this House is taking an essential step to help them recover from these serious losses.

I would like to voice my concern, however, over the President's refusal to declare a Federal disaster for Kern County immediately following the dust storm. In many instances the dust storm had a more crippling effect on my constituents than the floods. Although many victims of both disasters have been helped through the declared disaster assistance for the floods, many others continue to suffer as a direct result of the dust storm alone. The Arvin Union School District, for example, desperately needs an appropriation of over $119,000 to recover from the dust storm's damage. It certainly is difficult to rationalize and explain how one school district with minor disrepairs can qualify for Federal assistance while another with major damages in the same area cannot.

Despite my frustration over this situation, I do want to applaud the action taken in this Chamber today, and I would urge the Federal Disaster Assistance Administration to fully implement the specific recommendations offered by the committee for implementation in the future.●

Mr. MAHON. Mr. Speaker, I move the

previous question on the joint resolution to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 393, nays 4, not voting 37, as follows:

[Roll No. 177]

YEAS—393

Abdnor	Carter	Flippo
Addabbo	Cavanaugh	Flowers
Alexander	Cederberg	Flynt
Allen	Chappell	Foley
Ambro	Chisholm	Ford, Mich.
Ammerman	Clausen, Don H.	Ford, Tenn.
Anderson, Calif.	Clawson, Del	Forsythe
Andrews, N.C.	Clay	Fountain
Andrews, N. Dak.	Cleveland	Fowler
Applegate	Cochran	Fraser
Archer	Coleman	Frenzel
Armstrong	Conable	Fuqua
Ashbrook	Conte	Gammage
Ashley	Conyers	Garcia
Aspin	Corcoran	Gaydos
AuCoin	Corman	Gephardt
Badham	Cornell	Giaimo
Bafalis	Cornwell	Gibbons
Baldus	Cotter	Gilman
Barnard	Coughlin	Ginn
Baucus	Crane	Glickman
Bauman	Cunningham	Goldwater
Beard, R.I.	D'Amours	Gonzalez
Beard, Tenn.	Daniel, Dan	Gore
Bedell	Daniel, R. W.	Gradison
Beilenson	Danielson	Grassley
Benjamin	Davis	Green
Bennett	de la Garza	Gudger
Bevill	Delaney	Guyer
Biaggi	Derrick	Hagedorn
Bingham	Derwinski	Hall
Blouin	Devine	Hamilton
Boland	Dickinson	Hammer-schmidt
Bolling	Dicks	Hanley
Bonior	Dingell	Hannaford
Bonker	Dodd	Hansen
Bowen	Dornan	Harkin
Brademas	Downey	Harrington
Breaux	Drinan	Harris
Breckinridge	Duncan, Oreg.	Harsha
Brinkley	Duncan, Tenn.	Hawkins
Brodhead	Early	Heckler
Brooks	Eckhardt	Hefner
Broomfield	Edgar	Heftel
Brown, Calif.	Edwards, Ala.	Hightower
Brown, Mich.	Edwards, Calif.	Hillis
Brown, Ohio	Edwards, Okla.	Holland
Buchanan	Eilberg	Hollenbeck
Burgener	Emery	Holt
Burke, Calif.	English	Holtzman
Burke, Fla.	Erlenborn	Horton
Burke, Mass.	Ertel	Howard
Burleson, Tex.	Evans, Colo.	Hubbard
Burlison, Mo.	Evans, Del.	Huckaby
Burton, John	Evans, Ga.	Hughes
Burton, Phillip	Evans, Ind.	Hyde
Butler	Fary	Ichord
Byron	Fascell	Ireland
Caputo	Fenwick	Jacobs
Carney	Fish	Jeffords
Carr	Fisher	Jenkins
	Fithian	Jenrette
Johnson, Calif.	Moore	Schulze
Johnson, Colo.	Moorhead, Calif.	Sebelius
Jones, N.C.	Moorhead, Pa.	Seiberling
Jones, Okla.	Moss	Sharp
Jones, Tenn.	Motti	Shuster
Jordan	Murphy, Ill.	Sikes
Kasten	Murphy, N.Y.	Simon
Kastenmeier	Murphy, Pa.	Sisk
Kazen	Murtha	Skelton
Kelly	Myers, Gary	Skubitz
Kemp	Myers, John	Slack
Ketchum	Myers, Michael	Smith, Iowa
Keys	Natcher	Smith, Nebr.
Kildee	Neal	Snyder
Kindness	Nedzi	Solarz
Kostmayer	Nichols	Spellman
Krebs	Nix	Spence
Krueger	Nolan	St Germain
LaFalce	Nowak	Staggers
Lagomarsino	Oakar	Stangeland
Latta	Oberstar	Stanton
Le Fante	Ottinger	Stark
Leach	Panetta	Steed
Lederer	Patten	Steers
Leggett	Patterson	Steiger
Lehman	Pattison	Stockman
Lent	Pease	Stokes
Levitas	Pepper	Stratton
Livingston	Perkins	Studds
Lloyd, Calif.	Pettis	Stump
Lloyd, Tenn.	Pickle	Symms
Long, La.	Pike	Taylor
Long, Md.	Poage	Thompson
Lott	Pressler	Thone
Lujan	Preyer	Treen
Luken	Price	Trible
Lundine	Pritchard	Tsongas
McClory	Pursell	Udall
McCloskey	Quayle	Ullman
McCormack	Quie	Van Deerlin
McDade	Quillen	Vanik
McEwen	Rahall	Vento
McFall	Railsback	Volkmer
McHugh	Rangel	Waggonner
McKay	Regula	Walgren
Mahon	Rhodes	Walker
Mann	Richmond	Walsh
Markey	Rinaldo	Wampler
Marks	Roberts	Watkins
Marlenee	Robinson	Weiss
Marriott	Rodino	Whalen
Martin	Roe	White
Mathis	Rogers	Whitehurst
Mattox	Roncalio	Whitten
Mazzoli	Rooney	Wiggins
Meyner	Rose	Wilson, Bob
Michel	Rosenthal	Wilson, C. H.
Mikulski	Rostenkowski	Winn
Mikva	Rousselot	Wirth
Milford	Roybal	Wolff
Miller, Calif.	Rudd	Wright
Miller, Ohio	Runnels	Wylie
Mineta	Ruppe	Yates
Minish	Russo	Yatron
Mitchell, Md.	Ryan	Young, Fla.
Mitchell, N.Y.	Santini	Young, Mo.
Moakley	Satterfield	Young, Tex.
Moffett	Sawyer	Zablocki
Mollohan	Schroeder	Zeferetti
Montgomery		

NAYS—4

Collins, Tex.	Obey	Wydler
McDonald		

NOT VOTING—37

Akaka	Florio	Shipley
Anderson, Ill.	Frey	Teague
Annunzio	Goodling	Thornton
Blanchard	McKinney	Traxler
Boggs	Madigan	Tucker
Broyhill	Maguire	Vander Jagt
Cohen	Meeds	Waxman
Collins, Ill.	Metcalfe	Weaver
Dellums	O'Brien	Whitley
Dent	Reuss	Wilson, Tex.
Diggs	Risenhoover	Young, Alaska
Findley	Sarasin	
Flood	Scheuer	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Anderson of Illinois..

Mr. Akaka with Mr. Blanchard.
Mr. Waxman with Mr. Teague.
Mr. Traxler with Mr. Young of Alaska.
Mrs. Boggs with Mr. Weaver.
Mr. Dent with Mr. Vander Jagt.
Mr. Flood with Mr. Cohen.
Mr. Whitley with Mr. Broyhill.
Mr. Meeds with Mr. Findley.
Mr. Metcalfe with Mr. Frey.
Mr. Risenhoover with Mr. Thornton.
Mr. Dellums with Mr. Tucker.
Mr. Florio with Mr. Charles Wilson of Texas.
Mrs. Collins of Illinois with Mr. McKinney.
Mr. Diggs with Mr. Maguire.
Mr. Shipley with Mr. Madigan.
Mr. Reuss with Mr. O'Brien.
Mr. Scheuer with Mr. Sarasin.

Mr. GONZALEZ changed his vote from "present" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 24, 1978, TO FILE REPORTS ON H.R. 11192 AND H.R. 10909

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that the Committee On Interstate and Foreign Commerce may have until midnight, Friday, March 24, 1978, in which to file the reports to accompany H.R. 11192, the Recombinant DNA Act, and H.R. 10909, the Clinical Laboratory Improvement Act of 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROVIDING FOR THE CONSIDERATION OF H.R. 9518, SHIPPING ACT AMENDMENTS OF 1978

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1074 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1074

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(l)(4) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9518) to amend the Shipping Act, 1916, to provide for a three-year period, to reach a permanent solution of the rebating practices in the United States foreign trade. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand

a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts (Mr. MOAKLEY) for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may use.

Mr. Speaker, the resolution provides for the consideration of the bill (H.R. 9518), to amend the Shipping Act of 1916, to provide for a 3-year period, to reach a permanent solution to rebating practices in the U.S. foreign trade.

This is a 1-hour open rule.

The resolution waives points of order against consideration of the bill under clause 2(l)(4) of rule XI. The rule requires the report to accompany each bill to contain an inflationary impact statement. The report (H. Rept. 95–922) does not contain such an estimate. However the report does contain a congressional Budget Office estimate which indicates that "no significant costs to the Government would be incurred as a result of enactment of this bill." As a result to Committee on Merchant Marine and Fisheries does not anticipate that enactment of H.R. 9518 would have any inflationary impact on prices and costs in the operation of the national economy. In view of this the Committee on Rules considered the waiver to be noncontroversial.

The resolution waives points of order against the committee amendment in the nature of a substitute under clause 7 of rule XVI. The committee substitute is technically not germane to the original bill. However, since any committee can eliminate the point of order by reporting a clean bill, the Committee on Rules views such waivers for committee substitutes as routine.

The adoption of a substitute precludes the motion to recommit from containing instructions to report back with any amendment. Again, since this problem would not exist with a clean bill, the Committee on Rules routinely provides for instructions in the case of a bill reported with a substitute. This simply protects the rights of the minority.

I would commend the gentleman from New York (Mr. MURPHY) and his colleagues on the Committee on Merchant Marine and Fisheries. The committee has worked very hard to monitor the Federal Maritime Commission investigation of rebating practices and has responded quickly and effectively to deal with the problems which became obvious in the course of this review.

The bill will restructure penalties to provide more meaningful deterrents to abuse and bring the authority of the FMC more in line with the usual practice of Federal regulatory bodies.

The bill was reported unanimously from committee and the rule was adopted in the Committee on Rules by voice vote. I know of no real opposition to the bill and I think there is general agreement that the rule provides a fair and orderly procedure for its consideration.

Mr. Speaker, I urge the adoption of House Resolution 1074.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1074 provides for the consideration of H.R. 9518, a bill to amend the Shipping Act of 1916. This is an open rule allowing 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries. The committee substitute is made in order as an original bill for amendment under the 5-minute rule.

Two waivers are contained in the rule. The first waives clause 2(1)(4) of rule XI, which requires an inflationary impact statement. The statement was not provided in the committee report. Second, all points of order which may lie against the committee substitute for failure to comply with clause 7, rule XVI, the germaneness rule, are waived.

After consideration of the bill under the 5-minute rule, the bill is to be reported to the House with any amendments adopted. A separate vote may be demanded in the House on any amendment to the bill or committee substitute. Finally, one motion to recommit is permitted with or without instructions.

Mr. Speaker, H.R. 9518 has received significant bipartisan support. The bill strengthens the provisions of the Shipping Act of 1916. It increases the penalties for illegal rebating in U.S. foreign trade. There have been indications of widespread secret rebating practices in the shipping industry. The roots of the problem possibly lie in overtonnaging and uncompetitively high shipping rates set by the common carriers. Though the bill does not directly address these problems, it does set higher fines as a deterrent to those companies that may consider engaging in illegal shipping practices.

Mr. Speaker, the rule should be adopted and the House proceed with consideration of the legislation.

Mr. Speaker, I have no requests for time. I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BROWN of California). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 365, nays 33, not voting 36, as follows:

[Roll No. 178]

YEAS—365

Abdnor	Duncan, Tenn.	Kostmayer
Addabbo	Early	Krebs
Alexander	Eckhardt	Krueger
Allen	Edgar	LaFalce
Ambro	Edwards, Ala.	Lagomarsino
Ammerman	Edwards, Calif.	Le Fante
Anderson, Calif.	Eilberg	Leach
	Emery	Lederer
Andrews, N.C.	English	Leggett
Andrews, N. Dak.	Erlenborn	Lehman
	Ertel	Lent
Applegate	Evans, Colo.	Levitas
Ashley	Evans, Del.	Livingston
Aspin	Evans, Ga.	Lloyd, Calif.
AuCoin	Evans, Ind.	Lloyd, Tenn.
Badham	Fary	Long, La.
Baldus	Fascell	Long, Md.
Barnard	Fenwick	Lott
Baucus	Fish	Lujan
Beard, R.I.	Fisher	Luken
Beard, Tenn.	Fithian	Lundine
Bedell	Flippo	McClory
Beilenson	Flowers	McCloskey
Benjamin	Flynt	McCormack
Bennett	Foley	McDade
Bevill	Ford, Mich.	McEwen
Biaggi	Ford, Tenn.	McFall
Bingham	Forsythe	McHugh
Blanchard	Fountain	McKay
Blouin	Fowler	Maguire
Boggs	Fraser	Mahon
Boland	Frenzel	Mann
Bolling	Fuqua	Markey
Bonker	Gammage	Marks
Bowen	Garcia	Marriott
Brademas	Gephardt	Martin
Breaux	Giaimo	Mathis
Breckinridge	Gibbons	Mattox
Brinkley	Gilman	Mazzoli
Brodhead	Ginn	Meyner
Brooks	Glickman	Mikulski
Broomfield	Goldwater	Mikva
Brown, Calif.	Gonzalez	Milford
Brown, Mich.	Gore	Miller, Calif.
Buchanan	Gradison	Mineta
Burgener	Grassley	Minish
Burke, Calif.	Green	Mitchell, Md.
Burke, Fla.	Gudger	Mitchell, N.Y.
Burke, Mass.	Guyer	Moakley
Burleson, Tex.	Hagedorn	Moffett
Burlison, Mo.	Hall	Mollohan
Burton, John	Hamilton	Montgomery
Burton, Phillip	Hanley	Moore
Butler	Hannaford	Moorhead, Calif.
Carney	Harkin	
Carr	Harrington	Moorhead, Pa.
Carter	Harris	Moss
Cavanaugh	Harsha	Mottl
Cederberg	Hawkins	Murphy, Ill.
Chappell	Heckler	Murphy, N.Y.
Chisholm	Hefner	Murphy, Pa.
Clausen, Don H.	Heftel	Murtha
	Hightower	Myers, Gary
Clawson, Del	Hillis	Myers, John
Clay	Holland	Myers, Michael
Cleveland	Hollenbeck	Natcher
Cochran	Holtzman	Neal
Coleman	Horton	Nedzi
Conte	Howard	Nichols
Conyers	Hubbard	Nix
Corcoran	Huckaby	Nolan
Corman	Hughes	Nowak
Cornell	Hyde	Oakar
Cornwell	Ichord	Oberstar
Cotter	Ireland	Obey
Cunningham	Jacobs	Ottinger
D'Amours	Jenkins	Panetta
Daniel, Dan	Jenrette	Patten
Daniel, R. W.	Johnson, Calif.	Patterson
Danielson	Johnson, Colo.	Pattison
Davis	Jones, N.C.	Pease
de la Garza	Jones, Okla.	Pepper
Delaney	Jones, Tenn.	Perkins
Dent	Jordan	Pettis
Derrick	Kasten	Pickle
Derwinski	Kastenmeier	Pike
Dickinson	Kazen	Poage
Dicks	Kelly	Pressler
Dingell	Kemp	Preyer
Dodd	Ketchum	Price
Downey	Keys	Pritchard
Drinan	Kildee	Quie
Duncan, Oreg.	Kindness	Rahall

Railsback	Simon	Ullman
Rangel	Sisk	Van Deerlin
Regula	Skelton	Vanik
Rhodes	Skubitz	Vento
Richmond	Slack	Volkmer
Rinaldo	Smith, Iowa	Waggonner
Roberts	Smith, Nebr.	Walgren
Robinson	Snyder	Walsh
Rodino	Solarz	Wampler
Roe	Spellman	Watkins
Rogers	Spence	Weaver
Roncalio	St Germain	Weiss
Rooney	Stangeland	Whalen
Rose	Stanton	White
Rosenthal	Stark	Whitehurst
Rostenkowski	Steed	Whitten
Roybal	Steers	Wiggins
Runnels	Stokes	Wilson, Bob
Ruppe	Stratton	Winn
Russo	Studds	Wirth
Ryan	Stump	Wolff
Santini	Taylor	Wright
Satterfield	Teague	Wydler
Sawyer	Thompson	Wylie
Schroeder	Thone	Yates
Schulze	Treen	Yatron
Sebelius	Trible	Young, Mo.
Seiberling	Tsongas	Young, Tex.
Sharp	Tucker	Zablocki
Sikes	Udall	Zeferetti

NAYS—33

Archer	Dornan	Pursell
Armstrong	Edwards, Okla.	Quayle
Ashbrook	Hammer-schmidt	Quillen
Bafalis	Hansen	Rousselot
Bauman	Holt	Shuster
Brown, Ohio	Jeffords	Steiger
Caputo	Latta	Stockman
Collins, Tex.	McDonald	Symms
Conable	Marlenee	Walker
Coughlin	Michel	Young, Fla.
Crane	Miller, Ohio	
Devine		

NOT VOTING—36

Akaka	Florio	Sarasin
Anderson, Ill.	Frey	Scheuer
Annunzio	Gaydos	Shipley
Bonior	Goodling	Staggers
Broyhill	McKinney	Thornton
Byron	Madigan	Traxler
Cohen	Meeds	Vander Jagt
Collins, Ill.	Metcalfe	Waxman
Dellums	O'Brien	Whitley
Diggs	Reuss	Wilson, C. H.
Findley	Risenhoover	Wilson, Tex.
Flood	Rudd	Young, Alaska

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Broyhill.
Mr. Akaka with Mr. Anderson of Illinois.
Mr. Shipley with Mr. Byron.
Mr. Traxler with Mr. Sarasin.
Mr. Gaydos with Mr. Frey.
Mr. Flood with Mr. O'Brien.
Mr. Whitley with Mr. Reuss.
Mr. Risenhoover with Mr. Cohen.
Mr. Staggers with Mr. Vander Jagt.
Mr. Charles Wilson of Texas with Mr. Scheuer.
Mr. Waxman with Mr. Findley.
Mr. Meeds with Mr. Goodling.
Mr. Charles H. Wilson of California with Mr. Rudd.
Mr. Dellums with Mr. Madigan.
Mr. Diggs with Mr. Young of Alaska.
Mr. Thornton with Mr. McKinney.
Mr. Florio with Mrs. Collins of Illinois.
Mr. Bonior with Mr. Metcalfe.

Messrs. EDWARDS of Oklahoma, MARLENEE, ARMSTRONG, and MILLER of Ohio changed their vote from "yea" to "nay."

Mr. YOUNG of Missouri changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 24, 1978, TO FILE REPORT ON H.R. 8494

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight, Friday, March 24, 1978, to file a report on H.R. 8494, the lobbying bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SHIPPING ACT AMENDMENTS OF 1978

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9518) to amend the Shipping Act, 1916, to provide for a 3-year period, to reach a permanent solution of the rebating practices in the U.S. foreign trade.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MURPHY).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 376, nays 0, not voting 58, as follows:

[Roll No. 179]

YEAS—376

Abdnor	Breaux	Coughlin
Addabbo	Breckinridge	Cunningham
Alexander	Brinkley	D'Amours
Allen	Brooks	Daniel, Dan
Ambro	Broomfield	Daniel, R. W.
Ammerman	Brown, Calif.	Danielson
Anderson, Calif.	Brown, Mich.	Davis
	Brown, Ohio	de la Garza
Andrews, N.C.	Buchanan	Delaney
Andrews, N. Dak.	Burgener	Dent
	Burke, Calif.	Derrick
Applegate	Burke, Mass.	Derwinski
Archer	Burleson, Tex.	Devine
Armstrong	Burlison, Mo.	Dickinson
Ashbrook	Burton, John	Dicks
Ashley	Burton, Phillip	Dingell
Aspin	Butler	Dornan
AuCoin	Byron	Downey
Badham	Caputo	Drinan
Bafalis	Carney	Duncan, Tenn.
Baldus	Carr	Early
Barnard	Carter	Eckhardt
Baucus	Cavanaugh	Edgar
Bauman	Cederberg	Edwards, Ala.
Beard, R.I.	Chappell	Edwards, Calif.
Beard, Tenn.	Clausen, Don H.	Edwards, Okla.
Bedell	Clawson, Del	Eilberg
Benjamin	Clay	Emery
Bennett	Cleveland	Erlenborn
Bevill	Cochran	Ertel
Biaggi	Coleman	Evans, Colo.
Bingham	Collins, Tex.	Evans, Del.
Blanchard	Conable	Evans, Ga.
Blouin	Conte	Evans, Ind.
Boggs	Conyers	Fary
Boland	Corcoran	Fascell
Bolling	Corman	Fenwick
Bonior	Cornell	Fish
Bonker	Cornwell	Fisher
Bowen	Cotter	Fithian
Brademas		Flippo
Flowers	Livingston	Rhodes
Flynt	Lloyd, Calif.	Richmond
Foley	Lloyd, Tenn.	Rinaldo
Ford, Mich.	Long, La.	Roberts
Ford, Tenn.	Long, Md.	Robinson
Forsythe	Lott	Rodino
Fountain	Lujan	Roe
Fowler	Luken	Rogers
Fraser	Lundine	Rooney
Frenzel	McClory	Rose
Fuqua	McCloskey	Rostenkowski
Gammage	McCormack	Rousselot
Garcia	McDade	Roybal
Gephardt	McDonald	Russo
Giaimo	McEwen	Ryan
Gibbons	McHugh	Santini
Gilman	McKay	Satterfield
Ginn	Maguire	Sawyer
Glickman	Mahon	Schroeder
Gonzalez	Mann	Schulze
Gore	Markey	Sebelius
Gradison	Marks	Seiberling
Grassley	Marlenee	Sharp
Green	Marriott	Shuster
Gudger	Martin	Sikes
Guyer	Mathis	Simon
Hagedorn	Mattox	Sisk
Hall	Mazzoli	Skelton
Hamilton	Meyner	Slack
Hammer-schmidt	Michel	Smith, Iowa
	Mikva	Smith, Nebr.
Hanley	Milford	Snyder
Hannaford	Miller, Calif.	Solarz
Hansen	Miller, Ohio	Spellman
Harkin	Mineta	Spence
Harrington	Minish	St Germain
Harris	Mitchell, N.Y.	Stangeland
Harsha	Moakley	Stanton
Hawkins	Moffett	Stark
Heckler	Mollohan	Steed
Hefner	Montgomery	Steers
Heftel	Moore	Steiger
Hightower	Moorhead, Calif.	Stockman
Hillis		Stokes
Holland	Moss	Stratton
Hollenbeck	Mottl	Studds
Holt	Murphy, Ill.	Stump
Holtzman	Murphy, N.Y.	Symms
Horton	Murphy, Pa.	Taylor
Howard	Murtha	Teague
Hubbard	Myers, Gary	Thompson
Huckaby	Myers, John	Thone
Hughes	Myers, Michael	Treen
Hyde	Natcher	Trible
Ichord	Neal	Tsongas
Ireland	Nedzi	Udall
Jacobs	Nichols	Ullman
Jeffords	Nolan	Van Deerlin
Jenkins	Nowak	Vanik
Johnson, Calif.	Oakar	Vento
Johnson, Colo.	Oberstar	Volkmer
Jones, N.C.	Obey	Waggonner
Jones, Okla.	Ottinger	Walgren
Jones, Tenn.	Panetta	Walker
Jordan	Patten	Walsh
Kasten	Patterson	Wampler
Kastenmeier	Pattison	Watkins
Kazen	Pease	Weiss
Kelly	Perkins	Whalen
Kemp	Pettis	White
Ketchum	Pickle	Whitehurst
Keys	Pike	Whitten
Kildee	Poage	Wiggins
Kindness	Pressler	Wilson, Bob
Kostmayer	Preyer	Winn
Krebs	Price	Wirth
Krueger	Pritchard	Wright
LaFalce	Pursell	Wydler
Lagomarsino	Quayle	Wylie
Latta	Quie	Yates
Le Fante	Quillen	Yatron
Leach	Rahall	Young, Fla.
Lederer	Railsback	Young, Mo.
Lehman	Rangel	Young, Tex.
Lent	Regula	Zablocki
Levitas	Reuss	Zeferetti

NAYS—0

NOT VOTING—58

Akaka	Dellums	Goodling
Anderson, Ill.	Diggs	Jenrette
Annunzio	Dodd	Leggett
Beilenson	Duncan, Oreg.	McFall
Brodhead	English	McKinney
Broyhill	Findley	Madigan
Burke, Fla.	Flood	Meeds
Chisholm	Florio	Metcalfe
Cohen	Frey	Mikulski
Collins, Ill.	Gaydos	Mitchell, Md.
Crane	Goldwater	Moorhead, Pa.

Nix	Sarasin	Waxman
O'Brien	Scheuer	Weaver
Pepper	Shipley	Whitley
Risenhoover	Skubitz	Wilson, C. H.
Roncalio	Staggers	Wilson, Tex.
Rosenthal	Thornton	Wolff
Rudd	Traxler	Young, Alaska
Runnels	Tucker	
Ruppe	Vander Jagt	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9518, with Mr. BURLISON of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. RUPPE) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to commend for favorable consideration of the House, legislation reported out unanimously by the Merchant Marine and Fisheries Committee; namely, H.R. 9518, a bill that would amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades. Under present law, common carriers by water in the foreign commerce of the United States are prohibited from charging any rates lower than those in their published tariffs. With extensive overtonnaging in our trades, many carriers have been offering secret kickbacks, commonly called rebates, to attract more cargo for their ships. The purpose of this legislation is to strengthen the provisions of the Shipping Act, 1916 and, thus, the powers of the Federal Maritime Commission relating to the prohibitions and sanctions for rebating in our foreign trades. Rebating threatens the stability and unimpeded flow of our ocean commerce, and the inability of the FMC to enforce our laws against rebating in a nondiscriminatory manner threatens the preservation of a strong and competitive U.S. merchant marine.

This landmark legislation would permit the FMC to carry out its regulatory function to deter rebates, in a swift, effective, and even-handed fashion. And, for the first time, foreign-flag ocean carriers would be required to comply with FMC subpenas and discovery orders or face exclusion from our ocean trades. Through this legislation, the committee intends that unlawful rebating practices will be severely curtailed and eliminated from our ocean commerce.

BACKGROUND AND NEED FOR THE LEGISLATION

In the spring of 1976, representatives of Sea-Land Service, Inc., the largest U.S.-flag unsubsidized container line, disclosed to the Federal Maritime Commission that extensive audits of its overseas operations in the U.S. ocean trades had revealed widespread payments of illegal rebates by Sea-Land employees and agents. Subsequent months of analyzing documents and negotiating a settlement culminated in an agreement dated January 5, 1977, under the terms of which Sea-Land agreed to pay a civil penalty of $4 million. This is the largest civil penalty settlement in the history of U.S. transportation. Widespread, illegal rebating in the U.S. ocean trades became apparent, when, based largely upon the Sea-Land disclosures, the FMC commenced investigation of more than 200 shippers and consignees and some 27 U.S.- and foreign-flag carriers.

Ever since enactment of the Shipping Act, 1916, there have been reports of malpractices in the U.S. foreign trade routes. In 1961, the Federal Maritime Commission was established as an independent regulatory body by reorganization plan No. 7, which separated the Nation's existing ocean shipping laws into two categories and entrusted them to different Federal agencies for administration. The Maritime Administration, U.S. Department of Commerce, assumed the promotional mission. The FMC was given responsibility for those statutes designed to protect U.S. shippers and the public interest as a whole against excesses on the part of common carriers by water and certain other persons "subject to the Shipping Act." From the extensive hearings held on H.R. 9518, it is apparent that the FMC has failed to provide consistent and effective regulation in dealing with the complex nature of the rebating problem. While sporadic penalties have been imposed for rebating violations, the problem, until recently, was never attacked in an organized and long range program or fashion.

Sections 16 and 18(b)(3) of the Shipping Act, 1916, as amended, prohibit common carriers by water in our liner trades from allowing any person to obtain transportation or related services for property at less than the published rates in their tariffs on file with the FMC. In other words, the statute prohibits any carrier subject to the jurisdiction of the Commission from offering any direct or indirect monetary inducement that departs from the rates contained in its published tariff in order to attract cargo. The act similarly prohibits shippers, cosignors, cosignees, forwarders, brokers, or other persons subject to the jurisdiction of the Commission, from obtaining or attempting to obtain transportation at less than the published tariff rates. Violations of these prohibitions are called malpractices, of which rebates are one example. Clearly, the statutory prohibitions constitute a mandate for "fair" competition in the U.S. liner trades. That mandate also goes to the very heart of the U.S. concept of the liner conference system.

The FMC has accurately explained the liner conference system and detailed the harmful effects of rebating. A liner conference is a group of carriers serving the same ocean trade that have agreed to operate on the basis of a common tariff covering ocean cargo rates and terms and conditions of service. In the U.S. ocean trades, a conference agreement must be approved by the Commission pursuant to section 15 of the Shipping Act, 1916, before implementation. The theory underlying the conference system is that the common tariff will neutralize, to a large extent, the prospect of predatory economic competition between carriers serving a given trade, thus providing shippers and consumers with dependable service at stable rates. Apart from the fact that rebating is illegal in the U.S. ocean trades, a conference carrier that "breaks ranks" by rebating is not only taking advantage of the honesty of his competitors who abide by the published conference tariff, he is also endangering the stability of our trades and the integrity of our tariffs. Hence, rebating within U.S. liner conferences is a particularly pernicious practice under our shipping laws as they stand today. In the final analysis, it is the American consumer who will pay the hidden costs.

Rebating is simply a device to attract traffic away from competitors. Generally speaking, when times are good, the load factors experienced by carriers in U.S. liner trades are sufficiently high that the incentive for "cargo stealing" diminishes even without the existence of other stabilizing mechanisms. Conversely, when times are bad, traffic is light and the incentive to "steal cargo" increases, since there are no effective stabilizing mechanisms in what is essentially a capital intensive industry. In other words, since there is no effective mechanism in a given U.S. trade to smooth out fluctuations in traffic and their economc impact on individual carriers, rebating goes hand-in-hand with the ratio between available cargo and the liner tonnage competing for that traffic.

Unlike a railroad that can increase or decrease the size of its trains to conform to the traffic, ocean carriers incur substantially the same voyage costs for bunkers, insurance, and crews' wages, whether the vessel is empty or fully loaded. Therefore, in periods of slack traffic, the demand for any cargo is progressively accelerated.

The FMC testimony clearly set forth the result of the deficiencies in our present shipping regulatory laws. We operate our liner trades on a "come one, come all" basis, inviting participation of foreign-flag carriers as cross traders (carriers trading between countries other than their own) as well as in our bilateral trades. Given the range, value, amount, and predictability of ocean cargo to and from the United States, our policy of freedom of access to our liner trades has attracted ocean carriers away from less lucrative routes. The result is that our liner trades tend to be overtonnaged even in good times, and, absent an effective mechanism to stabilize the liner cargo/tonnage ratio, a climate conducive to rebating often prevails in the ocean trades of the United States.

The hearing record on H.R. 9518 reveals that although the FMC has been proceeding deliberately in its rebating

investigation, nevertheless more than a year has elapsed since the Sea-Land settlement in January 1977 and no further compromise or penalty assessment with respect to any of the 27 foreign-flag or U.S.-flag carriers currently under investigation has yet been concluded. It then becomes obvious that a compelling need exists for legislation to furnish the FMC with new weapons for combating rebating.

PROBLEMS OF EFFECTIVE ENFORCEMENT OF REBATING PRACTICES

Rebating violations may be committed through a variety of complex transactions that frequently involve overseas accounts and records scattered throughout the world. With the onset of containerization even greater competitive pressure has been placed on the liner trades and rebating has become far more sophisticated and extensive. Varieties of rebating described by witnesses during the hearings included acceptance of currency at lesser rates of exchange than officially prevailing: absorption of drayage; nonassessment of demurrage on containers; and numerous other methods.

The major direct problems faced by the committee in fashioning legislation were:

First. The penalties for rebating under the existing provisions of the Shipping Act, 1916, have not been sufficient to take the profit out of rebating, and the difficulty of enforcing those penalties often makes rebating worth the risk;

Second. Every major foreign nation has adopted a hands-off policy in terms of regulation of its shipping, or has provided various statutory schemes designed to reserve cargo for its national flag carriers. Most of these countries permit closed conferences, shippers' councils, pooling and rationalization schemes, or have moved to enact cargo reservation laws similar to those contemplated in the UNCTAD code of liner conduct. In many foreign ocean trades, rebates are legal. Thirteen of our trading partners have enacted "blocking statutes" which, in one form or another, prohibit their companies from providing business records and other information to agencies of other nations, such as the FMC;

Third. Severe nonconference competition has contributed to the pressures that stimulate rebating. In recent years, this competition has taken on new dimensions in the form of state-controlled carriers whose goals may transcend commercial profit, and whose economic power comes from the state itself; and ultimately

Fourth. Overtonnaging in a capital intensive industry, such as the ocean transportation industry, has encouraged rebates and other malpractices, often committed in competitive self-defense.

NATURE OF H.R. 9518, AS AMENDED

On October 12, 1977, I introduced H.R. 9518, together with Mr. LEGGETT, Mr. BREAUX, Mr. ZEFERETTI, Mr. OBERSTAR, and Mr. AKAKA.

As introduced, the bill proposed to amend the Shipping Act, 1916, "to provide for a 3-year period, to reach a permanent solution of the rebating practices in the U.S. foreign trade." There are three major provisions in the bill:

First. All carriers and shippers in the foreign commerce of the United States would be required to respond fully to an expedited complaint procedure providing for an FMC order of hearing and investigation relating to rebates. Failure to cooperate subjected a carrier to severe penalties including tariff suspensions and denial of entry to U.S. ports;

Second. A provision was included to encourage everyone who had engaged in rebating to come forward and disclose such violations by providing immunity from civil penalties and criminal prosecution. This provision expressly would not affect any settlements already reached between the FMC and certain carriers, consignors, and consignees in any way; and

Third. A requirement that the FMC, within 18 months of enactment of the bill, would report to the Congress on the results of rebating disclosures encouraged by the provisions of the bill.

The Subcommittee on Merchant Marine of the House Committee on Merchant Marine and Fisheries held 7 days of hearings on H.R. 9518. Testimony was presented on October 14, 20, and November 1, 30, and December 6, 1977. Hearings resumed on January 24, 1978, and were concluded on January 27, 1978.

On January 31, 1978, the Subcommittee on Merchant Marine met in markup session and reported H.R. 9518, as amended, to the full Committee on Merchant Marine and Fisheries by a voice vote. On February 8, 1978, the Committee on Merchant Marine and Fisheries approved H.R. 9518, with amendment, by a unanimous vote of 28 to 0, and ordered the bill reported to the House.

The committee heard voluminous testimony in uniform support of a rebating bill, although there was considerable objection to provsions of H.R. 9518, as originally introduced. The amended version of H.R. 9518, a bill, "to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades," is legislation that results from carefully addressing this conflicting testimony on the original provisions of H.R. 9518. The immunity provision was struck in its entirety, and briefly, H.R. 9518, as amended would:

First. Increase the civil penalties now provided for malpractices by means of false billings, classification, and the like from not more than $5,000 per violation to not more than $25,000 per violation;

Second. Increase penalties for tariff related violations other than rebating from $1,000 per day to not more than $5,000 per day;

Third. Increase penalties for rebating violations from not more than $1,000 per day to not more than $25,000 per shipment. In addition, for a rebating violation the FMC could suspend a carrier's tariffs up to a year.

Fourth. Authorize the FMC to require certification by executives of carriers, shippers and forwarders relating to corporate policy and efforts to prohibit rebating and to cooperate in any investigation of rebating;

Fifth. Authorize the FMC to suspend tariffs for failure to comply with subpenas or discovery orders in a formal rebating investigation. The President would have authority to nullify such suspension orders in the interest of national defense or foreign policy requirements. Also, require the Secretary of State to negotiate with other maritime nations to secure compliance with the FMC's requirements for information;

Sixth. Clarify the intent of the Congress in the 1972 act which changed the specific rebating violations from a criminal penalty to a civil violation to insure that the provision would be retroactive and the intent of the Congress would be made clear; and

Seventh. Authorize the FMC to assess all civil penalties under the Shipping Act, 1916, in order to provide swift, effective, uniform action on rebate violators.

In sum, H.R. 9518, as amended, furnishes the Federal Maritime Commission with a veritable arsenal of weapons which can be brought to bear against those who in any way impede the free flow of commerce along our international trade routes.

The difficulties of combating rebating under the deficiencies of the Shipping Act and the uncooperative, if not hostile, foreign environment are compounded by this Nation's lack of a coherent national maritime policy.

Obviously, the resolution of these broader matters cannot come from hearings that were designed to, and for the most part did, focus on rebating. But, the discussions convincingly demonstrate the immediate need for a coordinated and single-minded governmental policy of support for the U.S. merchant marine, or we must be prepared to publicly abandon the concept of maintaining a merchant marine capable of preserving our economic security and meeting our defense transportation needs. The committee is currently addressing the root problem of overtonnaging and predatory competition from State controlled carriers in separate legislation.

H.R. 9518, as amended, constitutes a major step toward our objective of establishing a strong merchant fleet owned by American citizens, operated by American crews, and fully capable of serving our international economic, military, and political commitments under all foreseeable circumstances.

Mr. Chairman, fundamental notions of fairness and decency demand that we act swiftly to clear our international trades of illegal rebates. The payment of such rebates runs counter to the moral values and expectations of the American people. It is not only unethical, but it destroys fair competition and imposes unnecessary and hidden costs on the shipping public. Finally, they create severe problems between the United States and citizens of friendly foreign nations

which could result in serious foreign policy implications.

Mr. Chairman, I urge passage of this significant and very necessary legislation.

Mr. BIAGGI. Mr. Chairman, I rise in support of H.R. 9518, legislation intended to strengthen the power of the Federal Maritime Commission to combat rebating.

Mr. Chairman, the legislation we have before us is the outcome of a year of work by the dedicated chairman of our committee, Mr. MURPHY, the principal sponsor of this legislation. After months of hearings the committee has fashioned a bill to clear our foreign trades of malpractices and insure fair competition for U.S. liner fleets with their foreign-flag competitors.

For the first time the bill would enable the Federal Maritime Commission to invoke far more severe monetary penalties for rebating than now possible under the Shipping Act. The relatively light penalties that are now prescribed in section 16 and 18 of the act—$5,000 and $1,000 respectively—have not been sufficient to deter a carrier from illegally rebating to attract cargo or to deter shippers from soliciting or accepting such rebates. In other words, the economic benefits of rebating can often be greater than the penalties which are now prescribed for that illegal activity. The bill would increase the penalties to $25,000 per violation for all types of rebating prescribed by the act.

In addition, the FMC, upon finding of a rebating violation, could suspend any or all of that carrier's tariffs or right to utilize conference tariffs for up to 12 months. Such suspension would effectively exclude that carrier from our foreign trade. Any carriage of cargo during such suspension period would subject the offender to a civil penalty of not more than $50,000 per shipment.

These powerful penalties coupled with FMC power to assess them directly, will provide swift, even-handed deterrence against rebating and insure that our foreign trades will offer fair competition to U.S.-flag operators.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. The chairman has addressed what I consider and what the committee considers to be the heart of this legislation—the assessment of civil penalties on rebating. I want to rise in support of that particular issue and of the language the committee has drafted. But I would also like to compliment the chairman for a truly outstanding job.

The gentleman has expended a prodigious amount of effort and a great deal of time over the past 2 years in concentrating on this key issue, one that goes to the heart of the ability of the United States to compete in international commerce and to revive our merchant marine. Furthermore, the chairman has taken this issue on singlehandedly and has brought it to a very successful conclusion.

Mr. Chairman, that reminds me of the words of the great Governor of the State of Minnesota, Floyd B. Olson, who was one of the all-time heroes of our State. It was said that he was not afraid to step on the toes of the mighty.

In taking on this issue, the chairman has had to step on the toes of the mighty in this field, and I compliment him for the leadership he has exhibited.

Mr. MURPHY of New York. Mr. Chairman, I thank my colleague, the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, I rise in strong support of H.R. 9518, a bill to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trade.

I am pleased that we are able to bring this antirebating bill to the floor today, which I believe has been worked out to address and resolve the very real problems and concerns facing the ocean shipping industry.

H.R. 9518 would give the FMC power to assess all civil penalties under the Shipping Act, 1916. The Commission currently has the power to compromise claims for such penalties but refusal of a party to compromise leaves the FMC with only one option—to refer the case to the Department of Justice for collection of the penalty in a U.S. district court. This not only adds another layer of review and possible delay to the case but, results in inconsistent penalties that vary on the basis of the opinion of the particular court as to the seriousness of rebating activity.

The bill would leave with the FMC the power to compromise claims, but would add the power to adjudicate an appropriate penalty upon failure to reach a compromise. We believe this approach is proper in that it will help to ease the workload of the Federal courts, result in more expeditious penalty cases and provide a consistency to the level of penalties assessed.

Under these existing procedures there necessarily and unavoidably is a certain amount of dual and overlapping effort on the part of the Commission and the Department. The Commission has used its own judicial machinery to determine the existence or nonexistence of a violation. In the event it determines the existence of a violation and refers it to Justice, the Department must establish de novo in the U.S. district courts not only the bases for fixing of assessing penalties, but the factual existence of the violation itself.

When the actual complaint is filed in the court, a considerable period of time may elapse before the case may be assigned for trial because of the tremendous backlog of cases confronting most of the Federal courts.

This means that the penalty for violations of the Shipping Act may not be assessed for many months, and in some instances years after the infraction has occurred. By the time the penalty is imposed, any impact it has on business practices in the industry is diluted or lost completely.

Further, where a considerable period of time has elapsed from the infraction to the trial, the courts frequently are inclined to impose a much lighter sentence than if the case had been prosecuted promptly. No regulatory purpose is accomplished in these instances since the amount of penalty is usually insufficient to deter the offender from future transgressions.

The penalties should be in sufficient amounts to take away from the guilty party any profits which could be attributed to the violations plus such additional amount as will serve to discourage future violations.

Under present practices, penalties vary widely depending upon the court having jurisdiction. At present, penalties are fixed and assessed by various judges in various U.S. district courts. They have no special awareness of the intricacies of the shipping industry and the appropriate amount of penalties sufficient to constitute effective deterrents. They also lack awareness of the amount of penalties imposed by other judges of other U.S. district courts upon other violators who have similar prior records and who have committed similar offenses.

Consequently, the fixing and assessing of penalties has become largely a function of when, where, and by whom the fixing and assessing is done, rather than a function of consistency and relativity.

The Commission's primary function is regulation. Its day-to-day operations bring it into contact with many apparent violations. Because of this the Commission has developed a certain expertise which enables it to separate the wheat from the chaff. It knows what to look for and how to go about it and is better equipped to properly evaluate the offense and to adjudge an appropriate penalty designed to take the profit out of the rebating, and to deter the offender from further violations.

Further, the committee intends that this power to assess all civil penalties be effective upon enactment of this legislation, so that penalties for violations occurring with the 5-year period immediately preceding enactment could be assessed by the Commission. This will assist the FMC in clearing the backlog of rebating violations with appropriate civil penalties.

Mr. Chairman, I urge passage of H.R. 9518, as amended, in order that our international liner trades will be cleared of the costly and unethical practice of rebating.

Mr. ZEFERETTI. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from New York.

Mr. ZEFERETTI. Mr. Chairman, I rise in support of H.R. 9518.

One of the basic problems with enforcing our laws against rebating has historically been the difficulty of proving violations against corporations whose records are maintained in foreign countries. As a practical matter, only U.S. carriers and shippers now face a substantial risk of penalties for rebating. The problem is not only the mechanical one of service of

process abroad, but stems also from "blocking" statutes that have been enacted by at least 13 foreign nations which may prohibit their citizens from turning over business records to an agency of another government, such as our FMC.

To overcome this problem, H.R. 9518 provides for three mechanisms:

First, every carrier will be required to certify periodically, through its chief executive officer, that, among other things the carrier will cooperate with the FMC in any investigation of illegal rebating. Shippers and forwarders can also be required to file such certifications.

Second, the Secretary of State is directed to establish a regime of cooperation with other maritime nations to insure access to information necessary for FMC regulation.

Third, if a carrier refuses to comply with an FMC subpena or discovery order, the Commission may suspend that carrier's tariff until it has complied.

Since this subject is one which contains foreign policy ramifications, the President is given the authority to overrule the FMC on matters involving this suspension power.

Through these measures, H.R. 9518 will for the first time, permit nondiscriminatory enforcement of our antirebating statutes. This will permit U.S.-flag liner fleets to operate on a competitive basis to the benefit of the American consumer.

I would like to commend the gentleman from New York (Mr. MURPHY) for providing extensive hearings into all aspects of the bill which in turn has produced legislation that addresses the rebating problem.

Mr. Chairman, I urge my colleagues to vote favorably on this important maritime regulatory measure.

Mr. MURPHY of New York. I thank my colleague for his remarks.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Chairman, I want to rise in strong support of H.R. 9518, and urge the Members of this House to acknowledge the fine job done by the chairman of the committee with a favorable vote on final passage.

Mr. MURPHY of New York. I thank my colleague.

Mr. RUPPE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 9518, the Shipping Act Amendments of 1978. This is an important bill and should be passed by the House without delay.

I would like to congratulate the chairman of the full committee and the ranking Republican on the Merchant Marine Subcommittee for bringing this legislation to the floor.

Mr. Chairman, this legislation deals with a problem which has caused instability in the U.S. foreign commerce to the detriment of both U.S.- and foreign-flag ship operators. That problem, illegal rebating—the practice of a liner company kicking back a portion of the published freight rate for a commodity to a shipper in exchange for his agreement to ship his goods on the carrier's vessel—has been prevalent for years. Recently, this practice has reached epidemic proportions for two reasons.

First, there exists in our liner trades extensive overtonnaging which has increased the competition for cargo. In this regard, we must remember it costs just as much to operate an empty vessel as it does to operate a vessel fully laden with cargo. Secondly, there is the inability of the Federal Maritime Commission, the agency vested with regulatory authority over ocean transportation, to effectively enforce the prohibitions against rebating contained in the Shipping Act of 1916. In short, a carrier rebates because the competition for cargo is intense and the regulatory agency cannot effectively enforce the law.

H.R. 9518 addresses the latter situation. It makes no attempt to deal with the former. Although the committee recognized that overtonnaging in a capital intensive industry is one of the causes of rebating, we believed that consideration of that cause involves fundamental questions of maritime policy. Such a consideration will be very time consuming. Thus, the committee sought to make rebating less attractive by increasing sanctions for its commission and by enhancing the enforcement tools of the FMC.

Let us examine some of the major provisions of H.R. 9518. One of the most serious flaws in the regulatory machinery contained in the Shipping Act of 1916 is the lack of sanctions against foreign-flag operators who do not comply with Federal Maritime Commission requests for information. This flaw has severely hindered the FMC's ability to enforce U.S. shipping law in a nondiscriminatory fashion. This legislation authorizes the Federal Maritime Commission, after consultation with the Secretary of State, to suspend a carrier's tariff if such carrier refuses to honor subpoenas for documents.

Also, the bill specifically recognizes that the problem of access to information is not only caused by the intransigence of foreign-flag carriers, but by so-called blocking statutes enacted by foreign governments. In this regard, the bill directs the Secretary of State to enter into negotiations with nations whose vessels are engaged in the U.S. foreign trades to seek the establishment of a "regime of cooperation" which will allow the Commission to satisfy its requirements for information. The Secretary is given 180 days after enactment to report to the President and the Congress on the results of his negotiations.

This provision, which was contained in a similar bill authored by me, was added because the committee had received testimony from the State Department indicating that they were already engaged in such negotiations and that they were on the verge of concluding such a regime with several of our shipping partners. I strongly believe that these negotiations should be encouraged. At the same time, I believe that these negotiations should not be allowed to drag on indefinitely. If those negotiations fail to provide the FMC with satisfactory access to information, the bill states that the civil penalties specified for failure to comply with subpenas become mandatory.

Another provision of H.R. 9518 that will give the Federal Maritime Commission additional enforcement authority over foreign-flag carriers is that which requires certifications from U.S. and foreign carriers, forwarders, shippers, and other persons subject to the Shipping Act. Under this provision, the Commission will require the chief executive officer of every vessel operating common carrier in the foreign commerce of the United States to file a periodic, written certification, under oath, attesting to: The fact that it is company policy not to engage in illegal rebating; that such policy has been recently promulgated to all company owners, officers, employees, and agents; the steps taken within the company to prevent or correct illegal rebating; and that the company will fully cooperate with the Commission in its investigations of illegal rebating and in its attempts to end such practices. The bill also gives the Commission discretionary authority to require any shipper, consignor, consignee, forwarder, broker, other carrier, or other person subject to the Shipping Act of 1916 to file a similar certification.

Although the substance of the certification is generally described, the bill provides that the Commission may prescribe the frequency, form, and specific content of the certification. These provisions are intended to allow the FMC to achieve the purposes of the bill without imposing an undue administrative burden on the parties involved. To enforce the filing of these certifications, the bill authorizes a civil penalty of not more than $5,000 per day for failure to file a certification. As with other civil penalties provided for in the Shipping Act, the bill would allow the Commission to assess this penalty.

These provisions along with the tariff suspension provisions and increased penalties for failure to comply with Commission orders as well as for rebating will give the FMC significantly expanded powers over U.S.- and foreign-flag carriers. I firmly believe that these additional powers will discourage rebating and will help bring stability to the U.S. foreign trade.

In summary, H.R. 9518 is a good bill and I urge my colleagues to support its passage today.

Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Chairman, I rise in support of H.R. 9518, the Shipping Act Amendments of 1978 with some reservations. This bill represents an experiment—granting the Federal Maritime Commission new and strong measures to attempt to deal with the practice

of illegal rebating, a practice which is destructive to the conference system of shipping in the U.S. foreign trades and to all operators within that system, including the U.S. operators.

I want to commend the chairman of the committee, the gentleman from New York (Mr. MURPHY) for his leadership in bringing this bill to the floor under extremely difficult conditions and in trying to attack a major problem of the U.S. shipping industry and, indeed, the Nation, without the usual support that we would expect from an administration which promised to make maritime policy a matter of "continuing Presidential attention."

We do two things in this bill that we utlimately may have to reverse upon further consideration. First, we give the Federal Maritime Commission broad new powers to deal with illegal practices in the U.S. foreign trade. We do this despite the clear showing of the testimony before the committee that the Federal Maritime Commission, in the past 6 years has been wholly ineffective in exercising the powers that it has had. It may be that we will ultimately want to consider abolishing the Federal Maritime Commission entirely because of its past miserable record. If its future activities are as inadequate in protecting a strong U.S.-flag merchant marine as those activities have been in the past, we should, indeed, abolish the Commission.

The second thing that the bill does is to clear up an ambiguity in the law which we ourselves in the Congress created back in 1972.

I would like to make some legislative history on what we did in 1972 and what we do here today because it is clear that in this second aspect of the bill we remove the possibility of criminal prosecution against individuals and companies in the shipping industry of the United States. Upon very serious and sober reflection, it seems to me that despite this unhappy result of removing the possibility of criminal prosecution, it is the only fair thing that Congress can do under the circumstances that face us, and which we ourselves have created.

I say this because back in 1971 and 1972 our committee received testimony from the Federal Maritime Commission Chairman, Helen Bentley, and from the Attorney General of the United States, Richard Kleindienst, that we should change the penalties for illegal rebating from criminal to civil. We passed a bill, H.R. 755, in 1972 at the recommendation of the Federal Maritime Commission and the Attorney General. We passed the bill at their suggestion, believing that we were changing rebating from a criminal to a civil offense. But we have been advised by the Department of Justice in testimony in recent weeks, however, that under section 371 of the Criminal Code, the conspiracy section—making it a crime to defraud the U.S. Government of one of its lawful functions—the Department of Justice retained the right to bring criminal conspiracy charges against an individual or a company which engaged in illegal rebating. This is an anomaly in the law because in the case of a civil offense we do not ordinarily deem a conspiracy to commit a civil offense a crime. In a misdemeanor offense we have specifically limited conspiracy to commit a misdemeanor to misdemeanor status; to say that conspiracy to commit a civil offense should be a felony is to put citizens of the United States on notice while they can commit a civil offense and be subject only to a civil penalty, if at the discretion of someone in the Department of Justice the violation of law is grave enough for the Department of Justice to say that conspiracy to commit this civil offense is also conspiracy to defraud the Federal Maritime Commission of its lawful function of enforcing the rebating law, rebating can then become a felony. Under these circumstances we do not have a government of law, not of men, as I understand to be one of the treasured and basic principles of justice in this country. We have a government of men, because someone in the Department of Justice can contend at any time that a given civil offense is so grave that a conspiracy to commit it is, thus, a felony. No citizen and no company can then be put on notice as to what types of illegal rebating can be so grave as to justify criminal prosecution under the conspiracy statute.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. MURPHY of New York. I thank the gentleman for yielding.

I want to compliment the gentleman particularly for his assistance in this legislation and to make it crystal clear that the committee intended that the language in section 10 cover only rebating violations and would not preclude prosecution under laws, regulations, or statutes such as income tax, the Bank Secrecy Act, or violation of SEC laws.

Mr. McCLOSKEY. I thank the chairman for that intervention because I think it is clear that we on the committee have grave reservations about enacting into law a bill which intrudes on the historic prosecutorial discretion of the Department of Justice. But it was we in the Congress who chose to tell the world in 1972 that we considered rebating a civil offense. The fact of the matter is that probably rebating cannot be committed on a vast scale without violations of the Internal Revenue Code, without violations of the currency transfer laws, or without violations of the Securities and Exchange Commission's law and regulations. And we do not intend by this bill, as the chairman has pointed out, to remove anyone from criminal liability for any acts committed in the process of rebating, or committed in conjunction with rebating which would be criminal. What we say in this bill is that we do not think it fair, having told the shipping industry 6 years ago that rebating was a civil offense, to urge today that conspiracy to defraud the Federal Maritime Commission of its lawful function of enforcing the rebating laws should be a felony. The Federal Maritime Commission, which asked us in 1971 to transfer the jurisdiction of the enforcement of the rebating laws out of the Criminal Code to themselves, admittedly has been ineffective in enforcing this law. In fact, a year after the law was enacted, Chairman Bentley abolished the Bureau of Enforcement within the Federal Maritime Commission, and even after being apprized of the widespread existence of rebating as early as the fall of 1975, when Seatrain pleaded guilty, and then in the spring of 1976 when U.S. Lines and Sea-Land admitted that it was a widespread practice in the U.S. foreign trades, even then the record of the Federal Maritime Commission in the prosecution of civil offenses has not been good.

In this second aspect of the bill, clarifying our intent in 1972 that we intended all aspects of rebating to be civil rather than criminal, I think it is possible that we may ultimately want to reverse our action upon further reflection and after full hearings. We may very well want to again make rebating a criminal offense. We had testimony from one administration witness to that effect in the last few days, and unless the FMC can demonstrate far greater competence than it has shown in the past, it may be that stern criminal penalties may be the only way to control this pervasive practice which has so damaged the U.S.-flag shipping companies.

But regardless of what we may ultimately do to try to come up with a comprehensive new maritime policy for the United States, this bill today seems the only fair way to attack the confusion and ambiguity which we ourselves created back in 1972.

Again I want to commend the chairman for the gentleman's leadership in this regard. I think we have come up with a bill which is the only conceivable answer to the problem that the chairman has described. I am glad to support H.R. 9518; but as I say, I think our major obligation is to review the entire maritime policy of the United States and to supply what the administration has thus far refused to supply in its first 15 months in office, that is continuing Presidential attention to a new maritime policy which once again will make the U.S. maritime flag prosperous and a matter of pride to all of us.

While I agree with what this bill seeks to do, but am distressed that we are here considering only a partial and piecemeal remedy for what is admittedly a chaotic situation in U.S. maritime affairs.

What is needed is a comprehensive review and revision of the entire structure of U.S. maritime law. H R. 9518 seeks only to assist in resolving the illegal rebating problem, a problem which has seen the three major unsubsidized U.S. carriers—Sea Land, Seatrain, and U.S. Lines—admit to wholesale violations, and which finds 7 of the 10 U.S. subsidized liner operators currently under

investigation by the Federal Maritime Commission. As recently as last week Seatrain pled guilty to the very type of criminal charge—conspiracy to defraud the FMC by rebating—which this bill would prevent. All elements of the industry agree that rebating is caused by overtonnaging in the U.S. liner conferences. Chairman MURPHY himself said—

> The basic cause of rebating is over-tonnaging, and, consequently, a measure of control over capacity is probably the long term solution to this problem.

H.R. 9518 makes no effort to deal with the overtonnaging question. It attacks only the symptom of the problem, not its cause.

Overtonnaging occurs in large part because of longstanding philosophical differences among the Antitrust Division of the Justice Department and the Departments of State, Commerce, and Treasury.

To resolve these differences will require not only a review of the basis shiping laws of the United States but a solid resolution of policy by the administration.

The basic shipping laws of the United States are contained in the Merchant Marine Act, 1936, as amended in 1970, and the Shipping Act, 1916 as amended in 1972.

The difficulty with the 1916 act lies in the philosophy and enforcement policies of the Antitrust Division, as they conflict with the 1936 act's mandate to the Department of Commerce to promote the U.S. merchant marine. All witnesses before the committee conceded that until this conflict is resolved by the administration, there can be no solution to the current ills of the U.S. maritime industry.

The administration's failure to address this situation has been painfully clear during the past few weeks. After conflicting testimony from the Maritime Administration, the Federal Maritime Commission, the State Department, the Justice Department, and the Department of Transportation on the "pernicious practice of rebating—to quote Maritime Administrator Blackwell—the President's Office of Management and Budget declined the committee request to testify and present a uniform policy position. In recent weeks, the administration has repeatedly declined to appear before Senate and House committees to present an administration position.

The administration's failure to take the initiative to propose legslation is also clear. On October 14, 1977, Mr. Blackwell, the head of the Maritime Administration—the agency responsible for both the promotion of the U.S. merchant marine and, under section 212(a) of the 1936 act, for recommending statutory changes to remedy problems with such promotion—first admitted that legislative change is absolutely essential if we are to preserve a U.S.-flag merchant marine in our liner trades but then stated that we may "never" get legislative proposals from the administration to correct the situation. On February 7, 1978, Mr. Blackwell also admitted that he had withheld proposing legislation intended to promote the dry bulk portion of the U.S. fleet—by his own admission the weakest segment of the U.S. fleet—because he did not believe that the political climate after the defeat of cargo preference would be receptive to a proposal which would be perceived as being beneficial to the U.S. merchant marine.

The failure of the administration to face the underlying policy questions would not be quite as significant if it were not for the following:

First. Chairman MURPHY has properly stated:

> We have no coherent national maritime policy. . . . Unless immediate steps are taken in the near future—the United States Merchant Marine fleet will either be nonexistent or nationalized. . . . The Merchant Marine Act of 1970 . . . was a failure.

Second. Maritime Administrator Blackwell conceded the failure of the present law when, in 1977, he supported the ill-fated cargo preference bill after testifying in 1974 that:

> Cargo Preference . . . would be the most serious admission of failure of the Merchant Marine that we could make.

Third. Department of Transportation Secretary Adams recently stated:

> I believe that we are approaching a critical point in U.S. maritime policy. It seems apparent that before the end of this century, we will be unable to afford all of the maritime promotional policies currently contemplated by some of the segments of the industry. If they are adopted, ultimately nationalization of the industry appears to be inevitable. I would hate to see Conrail joined by "Conwater".

Fourth. Ten of the 13 major U.S.-flag carriers have either conceded wholesale violations of our basic shipping law or are under investigation by the FMC for possible violations.

Fifth. The FMC itself has been wholly unable to investigate, let alone enforce, the violations of the Shipping Act, 1916, within reasonable time periods.

Sixth. The Justice Department has had to step back into the prosecution of shippers and carriers using conspiracy statutes rather than leaving Shipping Act violations to the jurisdiction of the FMC as both Justice and the FMC testified to Congress in 1972 would be the most effective way to handle the rebating problem.

Seventh. The U.S. merchant marine, heavily supported by direct construction and operating subsidies (fiscal year 1979 construction subsidies equal $157 million and operating subsidies equal $262.8 million), is admittedly only "marginally adequate" to serve as an auxiliary to the Navy in the event of war, and is getting less adequate as each day passes without administrative action.

Eighth. Coordination between the Navy and the U.S. merchant marine has properly been termed a "national scandal" by Chairman MURPHY.

Ninth. Three of our 10 major subsidized liner operators are in poor financial condition and one has recently declared bankruptcy in spite of receiving $120 million in direct subsidies over the last 5 years, as well as extensive indirect assistance through U.S. mortgage guarantee programs and cargo preference policies.

At this point it might be appropriate to note what this administration's promises were prior to the President's election in November 1976.

In a letter dated May 25, 1976, to Jesse M. Calhoun, president of the National Marine Engineers' Beneficial Association, AFL–CIO, then-candidate Carter stated the following:

> My approach is to achieve a maritime program which will return us to the seapower status we deserve and need. I intend to work for the following objectives:
>
> 1. Assure continuing presidential attention to the objective of having our Nation achieve and maintain the desired U.S.-flag merchant marine.
>
> 2. Dedicate ourselves to a program which would result in a U.S.-flag merchant marine with ships that are competitive with foreign-flag ships in original cost, operating cost and productivtiy.
>
> 3. Enact and develop a national cargo policy which would assure our U.S.-flag merchant marine a fair share of all types of cargo.
>
> 4. Continue to enforce our American cabotage laws, such as the Jones Act, which require that U.S.-flag ships trade between our U.S. domestic ports.
>
> In the months ahead, I hope to issue a comprehensive paper on our overall program for returning our Nation to its No. 1 status as a maritime Nation.

In a brochure of President Carter's campaign promises prepared by Commerce Clearing House, the following commitment by the administration appears:

> (1) Favoring a strong, privately owned and operated American flag merchant fleet, backed by a force of skilled and highly trained seamen and managers from both industry and Government run schools. (Statement on Maritime Policy, Post-Convention No. 182).
>
> (2) Devising and implementing a national maritime policy which would include:
>
> (a) A commitment to a higher level of coordination of the diverse subcabinet activities involved in maritime policy (such as through the appointment of a marine affairs advisor to the President who would serve as a member of the NSC);
>
> (b) Commitment to the programs set forth by the Merchant Marine Act of 1970 and to its objective of maintaining, under the American flag a fleet whose vessels are in all respects competitive in original cost, operating cost, productivity and versatility, to foreign-flag fleets; and
>
> (c) Commitment to develop a national cargo policy to assure the American flag fleet access to a fair share of all types of cargo in the American trade.

It is almost a national disgrace that as H.R. 9518 is reported to the full House for consideration, the administration still is unable to advise:

One. Whether the administration supports H.R. 9518 or not;

Two. That the administration has achieved the promised "higher level of coordination of the diverse subcabinet activities involved in maritime policy," (or indeed any coordination of such policy at all); or

Three. What part H.R. 9518 might play in a new national maritime policy which works.

It is my hope that in the few months remaining for action by the 95th Congress, the administration will give us clear guidance in the consideration and adoption of a comprehensive new national maritime law which will both solve the overtonnaging problem and permit a strong, competitive, prosperous, and honest U.S.-flag merchant marine.

This bill will give the Federal Maritime Commission—FMC—new and expanded powers to deal with malpractices in the U.S. foreign trades. We do this despite the clear showing in testimony before the committee that the FMC has failed to come even remotely close to properly exercising the powers it does have.

The burden will be on the Commission in future months to prove that they can effectively regulate the U.S. trades. If they cannot, we should consider a different regulatory structure, including abolition of the FMC itself.

Mr. RUPPE. Mr. Chairman, we have no further requests for time. I yield back the balance of my time.

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to congratulate the gentleman from California (Mr. McCLOSKEY) on the gentleman's initiatives in this legislation. The gentleman very fully and clearly stated the case.

And, I would commend my colleague, the gentleman from California, for his own great efforts in fashioning the legislation which is before the House today. I would also say that we are in agreement that this legislation which is addressed to the issue of rebating does not by itself solve all of the problems of the deficiencies of the Shipping Act and this Nation's lack of a coherent national maritime policy.

During voluminous hearings on this bill wide-ranging testimony on rebating and a national maritime policy was adduced from all Government agencies involved, available carriers and trade associations.

The hearings have disclosed that the various Government agencies—FMC, Maritime Administration, Department of State, Department of Justice, Securities and Exchange Commission, Department of Transportation, Department of Treasury—differed sharply amongst themselves in regard to basic maritime policy decisions required to achieve control of overcapacity.

The hearings further revealed that there is a distinct lack of coordination among the Government agencies responsible so that we have no coherent national maritime policy. Indeed, the agencies and departments are often in conflict, with the result that it is difficult if not impossible to achieve the objectives of the Shipping Act, 1916.

In fact, specific diverse and often conflicting proposals from the witnesses to remedy overtonnaging included strengthening the dual rate contract system; providing for the operation of closed conferences, and the formation of shippers' councils; the control of entry into the U.S. liner trades; consideration of the UNCTAD 40–40–20 Code of Liner Conduct; the promotion of pooling and cargo sharing; bilateral trade agreements; the loosening of antitrust laws; enactment of controlled carrier legislation to block predatory pricing by the Soviets and Eastern bloc countries; and the use of the Trade Act of 1974 and the Special Trade Representative to oversee shippng.

Obviously, the resolution of these broader matters cannot come from hearings that were designed to, and for the most part did, focus on rebating. But the discussions convincingly demonstrate the immediate need for a coordinated and single-minded governmental policy of support for the U.S. merchant marine, or we must be prepared to publicly abandon the concept of maintaining a merchant marine capable of preserving our economic security and meeting our defense transportation needs.

As my distinguished colleague from California is aware, the Committee on Merchant Marine and Fisheries has been seeking to enact legislation that will carry out our national shipping policy as stated in the Merchant Marine Act of 1936 and the Shipping Act, 1916. That is, to establish and maintain a strong merchant fleet, owned by American citizens, manned by American crews, and capable of serving as a naval and military auxiliary in time of war or national emergency.

In addition to the measure before the House to clear our trades of malpractices, we are already engaged in hearings on H.R. 9998, a bill designed to remedy the problem of predatory rate-cutting which threatens the stability of our ocean trades by State-controlled carriers.

And this very morning we commenced hearings on H.R. 11422, a comprehensive bill whcse purpose it is to deal effectively with the overtonnaging problem. This bill, which has been cosponsored by my distinguished colleague from California, for the first time would make some of the most significant changes to our maritime regulatory system since the Shipping Act became law in 1916.

It is designed to remedy three basic problems in our maritime industry today. First. the authorization of closed conferences and the use by them of deferred rebate systems would tend to resolve the severe problems of overtonnaging in our trades in recent years. Shippers' councils would be authorized in order to offset the economic power of such conferences. Second, agreements between conferences of water carriers and bureaus of inland carriers would greatly assist development of through, intermodal services. Third, the problem of administrative delay in the approval of agreements in our liner industry would be eliminated by permitting all such agreements to become effective upon filing with the FMC. The Commission could thereafter disapprove any such agreement it found detrimental to commerce, contrary to the public interest or otherwise in violation of the Shipping Act.

The failure of maritime agencies at the Government level to cooperate, communicate, and coordinate their activities has left us vulnerable to other foreign flags since we lack a well-defined shipping policy. I must certainly agree that we cannot allow this historical lack of coordination and fragmentation to continue at a time when other governments are investing growing quantities of money, energy, and national pride in their merchant fleets.

We have set forth a comprehensive and dedicated program to effect a national, coherent maritime policy. We believe that the initiatives undertaken by the Merchant Marine and Fisheries Committee will result in a new maritime national law which will both solve the overtonnaging problem and permit a strong, competitive, and prosperous U.S.-flag merchant marine.

Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 9518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Shipping Act Amendments of 1978".

SEC. 2. Section 16 of the Shipping Act, 1916 is amended, by striking "$5,000" in the sixth paragraph, and inserting, in lieu thereof, "$25,000".

SEC. 3. Section 18(b) of the Shipping Act, 1916 is amended by deleting subsection (6) thereof and by adding the following new language in lieu thereof:

"(6) Whoever violates any provision of this section, other than subsection (b)(3) hereof involving rebates or refunds shall be subject to a civil penalty of not more than $5,000 for each day such violation continues.

"(7) Whoever violates subsection (b)(3) hereof by means of rebates or refunds, shall be subject to a civil penalty of not more than $25,000 for each shipment on which a rebate or refund was paid and to suspension by the Commission of any or all tariffs filed by or on behalf of such carrier, or suspension of that carrier's right to utilize any or all tariffs of conferences of which that carrier may be a member, for a period not to exceed twelve months. Any carrier whose tariffs or rights of use thereof have been suspended pursuant to this paragraph and who accepts cargo for carriage during the suspension period which cargo otherwise would have been governed by the provisions of the suspended tariff(s) shall be subject to a civil penalty of not more than $50,000 for each shipment so accepted.

"For purposes of this subsection and section 22(c) of this Act, a shipment shall mean all of that cargo, the carriage of which is evidenced by a single bill of lading.".

SEC. 4. Section 21 of the Shipping Act, 1916 is amended by designating the existing two paragraphs as subsection "(a)" and by adding a new subsection (b) as follows:

"(b) The Commission shall require the chief executive officer of every vessel operat-

ing as a common carrier by water in foreign commerce and to the extent it deems feasible, may require any shipper, consignor, consignee, forwarder, broker, other carrier or other person subject to this Act, to file a periodic, written certification under oath with the Commission attesting to—

"(1) a policy prohibiting the payment, solicitation, or receipt of any rebate which is unlawful under the provisions of this Act;

"(2) the fact that such policy has been promulgated recently to each owner, officer, employee, and agent thereof;

"(3) the details of the efforts made, within the company or otherwise, to prevent or correct illegal rebating; and

"(4) full cooperation with the Commission in its investigation of illegal rebating or refunds in United States foreign trades, and in its efforts to end such illegal practices.

The Commission may by regulation prescribe the form and content of any certification required under the authority of this subsection. Failure to file any such certification shall result in a civil penalty of not more than $5,000 for each day such violation continues.".

SEC. 5. Section 22 of the Shipping Act, 1916 is amended as follows:

(a) designate the two existing paragraphs as "(a)" and "(b)", respectively;

(b) amend subsection (b), as designated by this Act, by deleting therefrom the phrase "except as to orders for the payment of money,"; and

(c) immediately after subsection (b), as designated by this Act, insert the following:

"(c)(1) In addition to, and without limiting the authority granted to the Commission by subsections (a) and (b) hereof, the Commission may, on its own motion, institute an adjudicatory investigation into possible violations of section 16 (other than paragraphs First and Third) involving rebates or refunds in foreign commerce or violations of section 18(b)(3) involving rebates or refunds, with the powers set forth in subsection (c)(2) hereof in addition to those already contained in sections 27, 43, and other sections of this Act.

"(2) Failure on the part of any person, respondent to a proceeding instituted pursuant to subsection (c)(1), or any other person directly or indirectly controlling, controlled by, or under common control with such respondent, to comply with any subpena or any duly issued order compelling an answer to interrogatories or to designated questions propounded by deposition or compelling production of documents in relation to any investigation conducted under subsection (c)(1), shall authorize the Commission to issue an order to show cause why any or all tariffs filed pursuant to section 18(b) of this Act, by or on behalf of a respondent carrier, or any or all rights of a respondent carrier to utilize such tariffs in the case of conference tariffs, should not be suspended until that carrier or any person directly or indirectly controlling, controlled by, or under common control with such carrier, has fully responded to the pertinent deposition, interrogatory, production request or motion, or subpena, and after such proceeding, and after consultation with the Secretary of State, to so suspend those tariffs or the respondent carrier's rights to utilize such tariffs. Any carrier whose tariff(s) or rights of use thereof have been suspended pursuant to this subparagraph and who accepts cargo for carriage during the suspension period which cargo otherwise would have been governed by the provisions of the suspended tariff(s) shall be subject to a civil penalty of not more than $50,000 for each shipment so accepted.

"(3) The Secretary of State shall take appropriate steps to negotiate a regime of cooperation with other maritime nations engaged in United States foreign trades to secure compliance with the Commission's requirements for information. He shall issue a report to the President and the Congress within one hundred and eighty days after enactment of this Act on the results of those negotiations. If the President deems that the steps taken provide satisfactory Commission access to such information, he shall so certify to the Congress within thirty days after receipt of the Secretary's report. If such certification is not made, the penalties prescribed in paragraph (c)(2) for failure to comply with information requests shall be mandatory.

"(4) Before any tariff suspension ordered pursuant to paragraph (c)(2) becomes effective, it shall be immediately submitted to the President who may, within ten days after receiving it, disapprove any such order if he finds that disapproval is required for reasons of the national defense or the foreign policy of the United States.".

SEC. 6. Section 23 of the Shipping Act, 1916 is amended by deleting therefrom the language ", other than for the payment of money,".

SEC. 7. Section 27 of the Shipping Act, 1916 is amended by deleting from subsection (b) thereof the phrase "other than for the payment of money".

SEC. 8. Section 29 of the Shipping Act, 1916 is amended by deleting therefrom the phrase "other than an order for the payment of money,".

SEC. 9. Section 30 of the Shipping Act, 1916 is amended in the initial and final paragraphs thereof by deleting the phrase "for the payment of money" and by inserting, in lieu thereof, the phrase "for the payment of reparation".

SEC. 10. Section 32 of the Shipping Act, 1916 is amended by inserting at the end thereof the following new subsections:

"(d) No penalty shall be imposed on any person for conspiracy after August 29, 1972: (1) to rebate or refund in violation of the initial paragraph or paragraph Second of section 16, or under section 18(b)(3) of this Act; or (2) to defraud the Commission by concealment of such rebates or refunds in any manner.

"(e) Notwithstanding any other provision of law, the Commission shall have authority to assess or compromise all civil penalties provided in this Act: *Provided, however,* That, in order to assess such penalties a formal proceeding under section 22 of this Act shall be commenced within five years from the date when the violation occurred.".

SEC. 11. The provisions of this Act, including the amendments made by this Act, shall become effective immediately upon its date of enactment.

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any amendments to the committee amendment in the nature of a substitute?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BURLISON of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9518) to amend the Shipping Act, 1916, to provide for a 3-year period, to reach a permanent solution of the rebating practices in the U.S. foreign trade, pursuant to House Resolution 1074, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FORD of Tennessee. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 390, nays 1, not voting 43, as follows:

[Roll No. 180]

YEAS—390

Abdnor	Brinkley	Cunningham
Addabbo	Brodhead	D'Amours
Alexander	Brooks	Daniel, Dan
Allen	Broomfield	Daniel, R. W.
Ambro	Brown, Calif.	Danielson
Ammerman	Brown, Mich.	Davis
Anderson, Calif.	Brown, Ohio	de la Garza
	Buchanan	Delaney
Andrews, N.C.	Burgener	Dent
Andrews, N. Dak.	Burke, Calif.	Derwinski
	Burke, Fla.	Devine
Applegate	Burke, Mass.	Dickinson
Archer	Burleson, Tex.	Dicks
Armstrong	Burlison, Mo.	Dingell
Ashbrook	Burton, Phillip	Dodd
Ashley	Burton, John	Dornan
Aspin	Butler	Downey
AuCoin	Byron	Drinan
Badham	Caputo	Duncan, Oreg.
Bafalis	Carney	Duncan, Tenn.
Baldus	Carr	Early
Barnard	Carter	Eckhardt
Baucus	Cavanaugh	Edgar
Bauman	Cederberg	Edwards, Ala.
Beard, R.I.	Chappell	Eilberg
Beard, Tenn.	Chisholm	Emery
Bedell	Clausen, Don H.	English
Beilenson		Erlenborn
Benjamin	Clawson, Del	Ertel
Bennett	Clay	Evans, Colo.
Bevill	Cleveland	Evans, Del.
Biaggi	Cochran	Evans, Ga.
Bingham	Coleman	Evans, Ind.
Blanchard	Collins, Tex.	Fary
Blouin	Conable	Fascell
Boggs	Conte	Fenwick
Boland	Conyers	Fish
Bolling	Corcoran	Fisher
Bonior	Corman	Fithian
Bonker	Cornell	Flippo
Bowen	Cornwell	Flowers
Brademas	Cotter	Flynt
Breaux	Coughlin	Foley
Breckinridge	Crane	Ford, Mich.

Ford, Tenn.	Luken	Rodino
Forsythe	Lundine	Roe
Fountain	McClory	Rogers
Fowler	McCloskey	Rooney
Frenzel	McCormack	Rose
Fuqua	McDade	Rosenthal
Gammage	McDonald	Rostenkowski
Garcia	McFall	Rousselot
Gaydos	McHugh	Roybal
Gephardt	McKay	Runnels
Giaimo	Maguire	Ruppe
Gibbons	Mahon	Russo
Gilman	Mann	Ryan
Ginn	Markey	Santini
Glickman	Marks	Satterfield
Goldwater	Marlenee	Sawyer
Gonzalez	Marriott	Schroeder
Gore	Martin	Schulze
Gradison	Mathis	Sebelius
Grassley	Mattox	Seiberling
Green	Mazzoli	Sharp
Gudger	Meyner	Shuster
Guyer	Michel	Sikes
Hagedorn	Mikulski	Simon
Hall	Mikva	Sisk
Hamilton	Milford	Skelton
Hammer-schmidt	Miller, Calif.	Skubitz
	Miller, Ohio	Slack
Hanley	Mineta	Smith, Iowa
Hannaford	Minish	Smith, Nebr.
Hansen	Mitchell, Md.	Snyder
Harkin	Mitchell, N.Y.	Solarz
Harrington	Moakley	Spellman
Harris	Moffett	Spence
Harsha	Mollohan	St Germain
Hawkins	Montgomery	Staggers
Heckler	Moore	Stangeland
Hefner	Moorhead, Calif.	Stanton
Hightower		Stark
Hillis	Moorhead, Pa.	Steed
Holland	Moss	Steers
Hollenbeck	Mottl	Steiger
Holt	Murphy, Ill.	Stokes
Holtzman	Murphy, N.Y.	Stratton
Horton	Murphy, Pa.	Studds
Hubbard	Murtha	Stump
Huckaby	Myers, Gary	Symms
Hughes	Myers, John	Taylor
Hyde	Myers, Michael	Thompson
Ichord	Natcher	Thone
Ireland	Neal	Treen
Jacobs	Nedzi	Trible
Jeffords	Nichols	Tsongas
Jenkins	Nix	Ullman
Jenrette	Nolan	Van Deerlin
Johnson, Calif.	Nowak	Vander Jagt
Johnson, Colo.	O'Brien	Vanik
Jones, N.C.	Oakar	Vento
Jones, Okla.	Oberstar	Volkmer
Jones, Tenn.	Obey	Waggonner
Jordan	Ottinger	Walgren
Kasten	Panetta	Walker
Kastenmeier	Patten	Walsh
Kazen	Patterson	Wampler
Kelly	Pattison	Watkins
Kemp	Pease	Waxman
Ketchum	Perkins	Weaver
Kildee	Pettis	Weiss
Kindness	Pickle	Whalen
Kostmayer	Pike	White
Krebs	Poage	Whitehurst
Krueger	Pressler	Whitten
LaFalce	Preyer	Wiggins
Lagomarsino	Price	Wilson, Bob
Latta	Pritchard	Winn
Leach	Pursell	Wirth
Lederer	Quayle	Wolff
Le Fante	Quie	Wright
Leggett	Quillen	Wydler
Lehman	Rahall	Wylie
Lent	Railsback	Yates
Levitas	Rangel	Yatron
Livingston	Regula	Young, Fla.
Lloyd, Tenn.	Reuss	Young, Mo.
Long, La.	Rhodes	Young, Tex.
Long, Md.	Richmond	Zablocki
Lott	Rinaldo	Zeferetti
Lujan	Robinson	

NAYS—1

Stockman

NOT VOTING—43

Akaka	Diggs	Goodling
Anderson, Ill.	Edwards, Calif.	Heftel
Annunzio	Edwards, Okla.	Howard
Broyhill	Findley	Keys
Cohen	Flood	Lloyd, Calif.
Collins, Ill.	Florio	McEwen
Dellums	Fraser	McKinney
Derrick	Frey	Madigan
Meeds	Sarasin	Udall
Metcalfe	Scheuer	Whitley
Pepper	Shipley	Wilson, C. H.
Risenhoover	Teague	Wilson, Tex.
Roberts	Thornton	Young, Alaska
Roncalio	Traxler	
Rudd	Tucker	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Sarasin.
Mr. Akaka with Mr. Broyhill.
Mr. Shipley with Mr. Frey.
Mr. Traxler with Mr. Cohen.
Mr. Flood with Mr. Fraser.
Mr. Whitley with Mr. Findley.
Mr. Risenhoover with Mr. Anderson of Illinois.
Mr. Charles Wilson of Texas with Mr. Goodling.
Mr. Charles H. Wilson of California with Mr. Madigan.
Mr. Dellums with Mr. Young of Alaska.
Mr. Diggs with Mr. McKinney.
Mrs. Collins of Illinois with Mr. Thornton.
Mr. Metcalfe with Mr. Derrick.
Mr. Pepper with Mr. McEwen.
Mr. Florio with Mr. Roberts.
Mr. Edwards of California with Mr. Roncalio.
Mr. Lloyd of California with Mr. Udall.
Mr. Meeds with Mr. Tucker.
Ms. Keys with Mr. Teague.
Mr. Howard with Mr. Scheuer.
Mr. Heftel with Mr. Rudd.

Mr. GEPHARDT and Mr. BAUMAN changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the United States foreign trades."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members who wish to do so may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL FRIDAY, MARCH 31, 1978, TO FILE REPORTS ON H.R. 10822 AND H.R. 10823

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until Friday, March 31, 1978, to file the committee reports on H.R. 10822, the National Sea Grant Authorization Act of 1978, and H.R. 10823, authorizations for the National Advisory Committee on Oceans and Atmosphere.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL MIDNIGHT, FRIDAY, MARCH 31, 1978, to FILE CERTAIN REPORTS

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until midnight, Friday, March 31, 1978, to file reports on the following bills:

H.R. 11465. To authorize appropriations for the U.S. Coast Guard for fiscal year 1979, and for other purposes;

H.R. 10730. To authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980 and 1981;

H.R. 10878. To extend until October 1, 1981, the voluntary insurance program provided by section 7 of the Fishermen's Protective Act of 1967;

H.R. 10882. To authorize appropriations to carry out conservation programs on military reservations and certain public lands during fiscal years 1979, 1980 and 1981;

H.R. 10883. To authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1979, 1980 and 1981;

H.R. 10732. To authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1979, 1980 and 1981;

H.R. 10884. To authorize appropriations to the Office of Environmental Quality for fiscal years 1979, 1980 and 1981;

H.R. 10255. To assist the States in developing comprehensive fish and wildlife resource management plans and in implementing such plans with respect to nongame fish and wildlife:

H.R. 7749. To implement the Agreed Measures for the Conservation of Antarctic Fauna and Flora of the Antarctic Treaty, and for other purposes; and

H.R. 3489. To amend section 216(b) of the Merchant Marine Act of 1936, to entitle Delegates in Congress from Guam and the Virgin Islands to make nominations for appointments to the Merchant Marine Academy.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 11495, AUTHORIZING RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS RELATING TO AVIATION

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1000) on the resolution (H. Res. 1100) providing for the consideration of H.R. 11495 to authorize research, development, and demonstration projects relating to aviation, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 11400, AUTHORIZING APPROPRIATION OF SPECIFIED DOLLAR AMOUNTS FOR EACH OF NATIONAL SCIENCE FOUNDATION'S MAJOR PROGRAM AREAS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report

(Rept. No. 95–999) on the resolution (H. Res. 1099) providing for the consideration of H.R. 11400 to authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds, which was referred to the House Calendar and ordered to be printed:

APPOINTMENT OF CONFEREES ON H.R. 6782, RAISIN MARKETING PROVISIONS

Mr. FOLEY. Mr. Speaker, by direction of the Committee on Agriculture, and pursuant to clause 1, rule XX, I move to take from the Speaker's table the bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. The gentleman from Washington (Mr. FOLEY) is recognized for 1 hour.

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Speaker, I have heard—and I say this by way of rumor—that what we are doing is passing this so that we can then have a conference committee on the agricultural bill that the Senate has passed, so that the House in effect would end up with a major revision of agricultural policy in the United States without having had a chance to look at it more. Is that correct or incorrect?

Mr. FOLEY. Mr. Speaker, I will tell the gentleman that the Senate amendments to the Raisin Marketing Orders and Promotion Act are far reaching. They involve, among other things, proposed increases in targets and loans on wheat, feed grains, and upland cotton and provide for a land diversion program for soybeans as well as the forestated crops.

As the gentleman knows, however, any agreement that results from the deliberations of this conference committee will come back before the House to be either accepted or rejected by its membership.

Mr. SIMON. Mr. Speaker, I have great respect for my colleague, the gentleman from Washington, but it just seems to me when we are dealing with a matter that affects our balance of payments and that affects what can happen to the farmers of this Nation, we ought to have our House Agriculture Committee go into that in some depth and that we ought to really know what we are doing, and not be faced with a conference committee.

This is a legislative body and I am concerned about the haste with which this is, all of a sudden, happening.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I will be glad to yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Speaker, of course the gentleman from Illinois knows that the House Committee on Agriculture has held very extensive hearings for several weeks on this legislation and that time is of the essence in most of the country so far as farmers are concerned. I would hope that the House will agree to a conference and that the House conferees will come back with an agreement with the Senate conferees in short order so that our farmers can know what the program for 1978 is.

Mr. SIMON. Mr. Speaker, frankly I speak without knowledge of what has takes place. I would ask the gentleman has the House Committee on Agriculture in fact deliberated on the Dole bill for some time?

Mr. BURLISON of Missouri. Mr. Speaker, if the gentleman will yield further, the House Committee on Agriculture has held some weeks of hearings on the farm problem and the farm situation and on various proposals for solutions to them. As the gentleman may know I have testified before that committee and have followed very closely what they have done because of my interest in that bill. Because of constraints of time, the House should go to conference.

Mr. SIMON. I share that interest and concern and I hope we are doing the right thing.

Mr. ANDREWS of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Speaker, I would like to make a point, since we are talking about the parliamentary procedure, and I can understand the concern of the gentleman, but in reply let me say that out in the farming areas of our country that the season does not wait upon parliamentary procedure. Spring is here. The farmers are moving into their fields. We are about to go on a 10-day recess. We need this in order that the farm families of the country may know the full facts that they are going to have to face and what the program will be for the operation of their farms.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Speaker, I intend to support the motion offered by the gentleman from Washington (Mr. FOLEY). I think this matter should be taken care of as quickly as possible, albeit a bit extraordinary. I would also say that as soon as the motion passes that I intend to offer a privileged motion to instruct the House conferees to support the Dole amendment to the Senate bill or the House bill as adopted in the other body to maintain flexibility of parity approach and I would urge the adoption of that motion to instruct.

Again I thank the gentleman for yielding.

Mr. FOLEY. Mr. Speaker, I would say to the gentleman from Louisiana (Mr. MOORE) that although I appreciate his support of my motion, I do not and cannot support his desire to instruct the conferees in the event that it passes.

If we are to move here in a responsible way, I think we must have this body's permission to go to conference unencumbered so that we may truly consider and address the very complex matters involved in the Senate amendment. I would hope the gentleman from Illinois can appreciate and support the reasoning behind this request. In my view, to require that our Members go to conference with the Senate and accept without debate a very complex provision which has not been discussed in the House itself would be a serious abuse of parliamentary procedure. Under the circumstances, I would hope that the Members of the House will allow us some flexibility by supporting our effort to desire to disagree with the Senate amendment. If this is done, we will then come back to our colleagues in the House with a fully considered conference report and accept their judgment on it.

Because the so-called Dole amendment poses administrative difficulties that could well take many. many weeks to implement, it appears likely that its adoption at this time might further complicate the problems faced by the very farmers and ranchers we would like to help in 1978.

I urge those of you who are truly interested in providing relief for these hard pressed farm families of America not to mistakenly withhold that help by sending this committee into conference with instructions thereby eliminating all freedom to fully discuss these important issues and to work out a practical and efficacious solution.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

I certainly agree that nothing is intended by my motion to instruct to in any way delay or in any way harm what we hope will be forthcoming from that conference committee, but I do not think the chairman is telling the Members of the House that a motion to instruct binds the House conferees and certainly it does not instruct the Senate conferees.

Mr. FOLEY. I know the gentleman is correct when he says it does not bind the House conferees. What I fail to understand though, is why he would seek to instruct our conferees on an intricate amendment involving procedures, costs, and impacts unknown to most of our members before the conference meets to discuss these very points. I believe that support for my distinguished friend's motion to instruct the conferees will damage our opportunity to bring an effective bill to the floor of this House which will help farmers in this 1978 year.

Because this amendment has not been explored and discussed in the Committee on Agriculture or on the House floor to any degree, I think it is vital to all concerned that the conferees be allowed

to look at its provisions without previous instructions that it be accepted; to do otherwise runs contrary to responsible parliamentary action.

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

I simply want to concur with the chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), on resistance to the motion. We do not know the impact on America's farmers. We do not know the impact on our deficit. We do not know the impact on inflation. We do not know the impact on the balance of payments. These are things that we ought to take a look at. Just blindly to instruct our delegation, our conferees, is certainly not wise legislative procedure, and I hope we will support the chairman of the Committee on Agriculture in this resistance.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I thank the gentleman for yielding.

Mr. Speaker, I hope that this matter will come up on a motion to table in the event it should become necessary.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the distinguished minority leader.

Mr. RHODES. I thank my friend, the gentleman from Washington, for yielding.

It strikes me that if this Dole amendment is so complex—and I agree that it probably is, it is not wise to go to conference on it. It seems to me that maybe the best thing that could happen right now would be for the chairman to take the rest of this hour and try to explain to us what is in this bill. We have not heard a word yet as to the merits of it, and before I vote to go to conference on it, with the facts staring us in the face that there has been no hearing in the Committee on Agriculture, and with nobody on this side really knowing what is in the bill, I would like to be enlightened further. Lacking that, I feel that I might be constrained to vote against going to conference, even though I recognize that there is some haste in getting an agriculture bill.

Mr. FOLEY. I will say to the gentleman, the distinguished minority leader, that what we are dealing with here are provisions which the Senate has attached to a relatively simple and uncontroversial rasin marketing bill. Involved are some very far-reaching amendments to the present farm program which include provisions introduced by the distinguished chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, the gentleman from Georgia, Mr. TALMADGE, by the Senator from South Dakota, Mr. MCGOVERN, the Senator from Kansas, Mr. DOLE, and others. It is an extremely complex series of amendments. I hope that I might be pardoned for saying that I am not sure they are entirely consistent one with the other. In any event, they provide for significant increases in the target prices on wheat, feed grains, and cotton and for mandatory diversions being made available by the Secretary on wheat, feed grains, cotton, and soybeans.

The question that the gentleman from Louisiana raised with respect to the Dole amendment, authorizing payments of a substantially increased character to farmers who cut back as much as 50 percent of their plantings under a so-called flexible parity approach, in my view poses severe administrative problems in terms of implementation. It is my own judgment that if we are to have any meaningful program to boster the farmers income, it must be one which cannot only be passed by both bodies but can also be implemented without enormous administrative complications.

I am perfectly willing, as are the other House conferees, to consider all the Senate amendments in conference and try to work out an agreement which we can present to the House and the Senate for their consideration.

I am extremely concerned, however, over proposals to instruct the conferees in advance of the conference and while it is true that this has happened before on occasion, in most instances those instructions were fairly simple and dealt with issues which had been thoroughly debated in the House. As a result Members clearly knew the impact of their instructions. In this case, we must go beyond the more philosophical question whether we want to instruct conferees. This is a somewhat inflexible instruction involving an extremely complicated aspect of the farm problem. Moreover, it is important to realize that this instruction may not be entirely consistent with our ability to look at other features of the Senate amendments and then come back with an achievable and rational program.

Having said this, I urge that you allow us to go to conference and that you not bind or restrict us with a complicated instruction dictating our collective response to something the House has not had an opportunity to consider adequately.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Speaker, I think that the arguments just made are exactly why this motion to instruct is necessary. This House has never seen a portion of the bill and will never see it. This is the only opportunity the House will have whether they wish to see the Dole flexible parity approach in a farm bill. Most Members are familiar with that. Most farmers want that. That is what they have been telling us. The other body agreed to it in the bill and the Congressional Budget Office has told us this will cost less than any other part of this program.

Mr. FOLEY. Mr. Speaker, I concur that the House is not wholly familiar with this bill which involves a very complicated amendment raising difficult questions of administration. Furthermore, the cost analysis has not yet been completed. For these and other reasons which I have touched on, I urge that Members on both sides of the aisle not limit the scope of our consideration.

Mr. SEBELIUS. Mr. Speaker, I was prepared to rise and speak in support of the motion to instruct offered by the gentleman from Louisiana.

However, the majority leadership chose to table the motion and prohibit us from discussing the matter on its merits. I regret the action because this concept has over 35 sponsors in the House. It was introduced as a unique approach to the farmer problem and I was principal sponsor in the House.

The intent of the bill is not to react to farmer pressure but rather to respond to the economic problem that forced farmers to come to Washington in the first place.

The discussion of the flexible parity bill to date has focused on problems of cost and implementation. Of course these problems are subject to debate. However, the cost will be much less when we get our supply-demand picture back in shape.

The individual farmer can choose the target price he needs up to parity, but must scale down his production accordingly. Flexible parity will not interfere with exports. Now for the first time, farmers will have the ability to individually and collectively control their production.

The American farmer likes and wants the bill for those and many other reasons. Hundreds of my farmers say that the flexible parity approach is what they want most of all. It is their top priority. It will cost less than the Talmadge approach of paying for 31 million acres of set-aside.

In conference the farmer will doubtlessly come out the loser, if we did not instruct the conferees. I just wanted to do this part of the bill the way the farmer wants it for a change.

Mr. THONE. Mr. Speaker, one thing that can be effected with the flexible parity concept is a raise in the market price of farm commodities. Certainly this is necessary. And the time is now. Also, this concept allows a guarantee to the farmer of a target price certain, with the goal of a higher market price, but at least the guarantee is there.

The current inventory of our grains is in excess as we all know well. So we must reduce the production side of this equation, and the flexible parity concept addresses this problem head on. This then will shift a needed price increase from the Government to the marketplace. Our Nebraska farmers are not looking for a Government subsidy, they want just a little equality in this ridiculous cost-price disparity that is now in operation. Everything the farmer buys is sky high while his income is at a 30- to 40-year low.

This just cannot continue for the

farmers of America. The centerpiece of the Senate bill is the Dole flexible parity proposal, and it should be retained by the conferees.

Mr. FOLEY. The question before the House, Mr. Speaker, is on the motion to disagree with the Senate amendments and request a conference with the Senate thereon.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. YATES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 332, nays 63, not voting 39, as follows:

[Roll No. 181]

YEAS—332

Abdnor	Chisholm	Fuqua
Addabbo	Clausen, Don H.	Gammage
Alexander	Clay	Garcia
Allen	Cleveland	Gaydos
Ambro	Cochran	Gephardt
Andrews, N.C.	Coleman	Gibbons
Andrews, N. Dak.	Collins, Tex.	Gilman
Applegate	Conte	Ginn
Armstrong	Conyers	Glickman
Ashbrook	Corcoran	Goldwater
Ashley	Cornell	Gonzalez
Aspin	Cornwell	Gore
AuCoin	Cotter	Gradison
Badham	Coughlin	Grassley
Bafalis	Crane	Green
Baldus	Cunningham	Gudger
Barnard	Daniel, Dan	Guyer
Baucus	Daniel, R. W.	Hagedorn
Bauman	Danielson	Hall
Beard, R.I.	Davis	Hamilton
Beard, Tenn.	de la Garza	Hammer-schmidt
Bedell	Delaney	Hanley
Benjamin	Dent	Hansen
Bennett	Derrick	Harkin
Bevill	Derwinski	Harsha
Biaggi	Devine	Hawkins
Bingham	Dickinson	Heckler
Blouin	Dicks	Hefner
Boggs	Dingell	Heftel
Boland	Dodd	Hightower
Bolling	Dornan	Hillis
Bonker	Drinan	Holland
Bowen	Duncan, Oreg.	Holt
Brademas	Duncan, Tenn.	Horton
Breaux	Edwards, Ala.	Hubbard
Breckinridge	Edwards, Calif.	Huckaby
Brinkley	Eilberg	Hyde
Brodhead	Emery	Ichord
Brooks	English	Ireland
Broomfield	Ertel	Jacobs
Brown, Mich.	Evans, Colo.	Jeffords
Buchanan	Evans, Del.	Jenkins
Burgener	Evans, Ga.	Jenrette
Burke, Calif.	Fary	Johnson, Calif.
Burke, Fla.	Fascell	Johnson, Colo.
Burke, Mass.	Fish	Jones, N.C.
Burleson, Tex.	Fithian	Jones, Okla.
Burlison, Mo.	Flippo	Jones, Tenn.
Burton, John	Florio	Jordan
Burton, Phillip	Flowers	Kasten
Butler	Flynt	Kazen
Byron	Foley	Kelly
Carney	Ford, Mich.	Ketchum
Carter	Ford, Tenn.	Keys
Cavanaugh	Fowler	Kildee
Cederberg	Fraser	Kindness
Chappell	Frenzel	Krueger
Lagomarsino	Neal	Sisk
Latta	Nedzi	Skelton
Leach	Nichols	Skubitz
Lederer	Nix	Slack
Le Fante	Nolan	Smith, Iowa
Leggett	Nowak	Smith, Nebr.
Lehman	O'Brien	Spellman
Levitas	Oakar	Spence
Livingston	Oberstar	St Germain
Lloyd, Tenn.	Obey	Staggers
Long, La.	Ottinger	Stangeland
Long, Md.	Pattison	Steed
Lott	Pease	Steers
Lujan	Perkins	Steiger
Luken	Pettis	Stockman
Lundine	Pickle	Stokes
McClory	Poage	Stump
McCloskey	Pressler	Symms
McCormack	Preyer	Taylor
McDade	Price	Thompson
McFall	Pritchard	Thone
McHugh	Pursell	Treen
McKay	Quayle	Trible
McKinney	Quie	Tsongas
Maguire	Quillen	Udall
Mahon	Rahall	Ullman
Mann	Railsback	Van Deerlin
Markey	Rangel	Vander Jagt
Marks	Regula	Vanik
Marlenee	Reuss	Vento
Marriott	Rhodes	Volkmer
Martin	Richmond	Waggonner
Mathis	Robinson	Walgren
Meyner	Rodino	Walker
Michel	Roe	Walsh
Mikulski	Rogers	Wampler
Mikva	Rooney	Weaver
Miller, Ohio	Rose	Whalen
Minish	Rosenthal	White
Mitchell, Md.	Rostenkowski	Whitehurst
Mitchell, N.Y.	Roybal	Whitten
Moakley	Runnels	Wiggins
Moffett	Ruppe	Wilson, Bob
Mollohan	Russo	Winn
Montgomery	Ryan	Wirth
Moore	Santini	Wright
Moorhead, Pa.	Satterfield	Wylie
Murphy, Ill.	Sawyer	Yatron
Murphy, N.Y.	Schulze	Young, Alaska
Murphy, Pa.	Sebelius	Young, Mo.
Murtha	Seiberling	Young, Tex.
Myers, John	Sharp	Zablocki
Myers, Michael	Shuster	Zeferetti
Natcher	Sikes	

NAYS—63

Ammerman	Giaimo	Myers, Gary
Anderson, Calif.	Hannaford	Panetta
Archer	Harrington	Patten
Beilenson	Harris	Patterson
Blanchard	Hollenbeck	Pike
Bonior	Holtzman	Rinaldo
Brown, Calif.	Howard	Rousselot
Brown, Ohio	Hughes	Schroeder
Caputo	Kemp	Simon
Carr	Kostmayer	Snyder
Clawson, Del	Krebs	Solarz
Conable	LaFalce	Stanton
Corman	Lent	Stark
D'Amours	McDonald	Stratton
Downey	McEwen	Studds
Early	Mattox	Waxman
Eckhardt	Mazzoli	Weiss
Edgar	Miller, Calif.	Wolff
Erlenborn	Mineta	Wydler
Fenwick	Moorhead, Calif.	Yates
Fisher	Moss	Young, Fla.

NOT VOTING—39

Akaka	Fountain	Roncalio
Anderson, Ill.	Frey	Rudd
Annunzio	Goodling	Sarasin
Broyhill	Kastenmeier	Scheuer
Cohen	Lloyd, Calif.	Shipley
Collins, Ill.	Madigan	Teague
Dellums	Meeds	Thornton
Diggs	Metcalfe	Traxler
Edwards, Okla.	Milford	Tucker
Evans, Ind.	Motti	Watkins
Findley	Pepper	Whitley
Flood	Risenhoover	Wilson, C. H.
Forsythe	Roberts	Wilson, Tex.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Watkins.

Mr. Akaka with Mr. Tucker.

Mr. Lloyd of California with Mr. Kastenmeier.

Mr. Shipley with Mr. Goodling.

Mr. Teague with Mr. Thornton.

Mr. Charles H. Wilson of California with Mr. Cohen.

Mr. Pepper with Mr. Frey.

Mr. Mottl with Mr. Broyhill.

Mr. Risenhoover with Mr. Anderson of Illinois.

Mr. Roberts with Mr. Findley.

Mr. Flood with Mr. Forsythe.

Mr. Meeds with Mr. Evans of Indiana.

Mr. Metcalfe with Mr. Madigan.

Mr. Traxler with Mr. Rudd.

Mr. Whitley with Mr. Roncalio.

Mr. Fountain with Mr. Sarasin.

Mrs. Collins of Illinois with Mr. Scheuer.

Mr. Dellums with Mr. Charles Wilson of Texas.

Mr. Diggs with Mr. Milford.

Messrs. ERLENBORN, HUGHES, WOLFF, HARRINGTON, HOWARD, SNYDER, STRATTON, and PATTEN changed their vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

PREFERENTIAL MOTION OFFERED BY MR. MOORE

Mr. MOORE. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. MOORE moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H.R. 6782 be instructed to concur in the language of the Senate amendment as follows:

"TITLE II—PRICE SUPPORT FOR PRODUCERS SETTING ASIDE ACREAGE FOR THE 1978 CROPS OF WHEAT, FEED GRAINS, AND UPLAND COTTON

"SEC. 201. This title may be cited as the "Flexible Parity Act of 1978".

"SEC. 202. Effective only with respect to the 1978 crops, title I of the Agricultural Act of 1949 is amended by adding at the end thereof new sections 116 and 118 as follows:

"1978 WHEAT LOAN RATE AND TARGET PRICE

"SEC. 116. Notwithstanding any other provision of this Act—

"(a) The Secretary shall make available to producers loans and purchases on the 1978 crop of wheat at a level not less than $2.85 per bushel.

"(b) The established price for the 1978 crop of wheat shall be at a level related to the amount of cropland that the producers on a farm voluntarily elect to set aside from production. If the acreage the producers voluntarily set aside is—

"(1) 20 percent, the established price shall be $3 per bushel;

"(2) 25 percent, the established price shall be $3.25 per bushel;

"(3) 30 percent, the established price shall be $3.50 per bushel;

"(4) 35 percent, the established price shall be $4 per bushel;

"(5) 40 percent, the established price shall be $4.25 per bushel;

"(6) 45 percent, the established price shall be $4.50 per bushel;

"(7) 50 percent, the established price shall be $5.04 per bushel.

"1978 FEED GRAIN LOAN RATES AND TARGET PRICES

"SEC. 117. Notwithstanding any other provision of this Act—

"(a) The Secretary shall make available to producers loans and purchases on the 1978 crop of corn at a level not less than $2.40 per bushel.

"(b) The established price for the 1978 crop of corn shall be at a level related to the amount of cropland that the producers on a farm voluntarily elect to set aside from pro-

duction. If the acreage the producers voluntarily set aside is—

"(1) 10 percent, the established price shall be $2.10 per bushel;

"(2) 20 percent, the established price shall be $2.25 per bushel;

"(3) 25 percent, the established price shall be $2.45 per bushel;

"(4) 30 percent, the established price shall be $2.65 per bushel;

"(5) 35 percent, the established price shall be $2.85 per bushel;

"(6) 40 percent, the established price shall be $3.05 per bushel;

"(7) 45 percent, the established price shall be $3.25 per bushel;

"(8) 50 percent, the established price shall be $3.45 per bushel."

TITLE III—UPLAND COTTON

SEC. 301. Section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end of subsection (f)(4) the following new sentence:

"Notwithstanding any other provision of this Act, the established price for an individual producer for the 1978 crop of upland cotton shall be at a level related to the set-aside such producer voluntarily makes pursuant to this Act as follows:

"If the set-aside is:

"20 per centum, the established price shall be 54 cents per pound;

"25 per centum, the established price shall be 59 cents per pound;

"30 per centum, the established price shall be 64 cents per pound;

"35 per centum, the established price shall be 69 cents per pound;

"40 per centum, the established price shall be 74 cents per pound;

"45 per centum, the established price shall be 79 cents per pound;

"50 per centum, the established price shall be 84 cents per pound.".

TITLE IV—GRAIN RELEASE PRICES

SEC. 401. Effective for the period beginning on the date of enactment of this Act and ending one year thereafter—

(1) Section 110(b)(5) of the Agricultural Act of 1949 is amended by striking out "wheat has attained a specified level which is not less than 140 per centum nor more than 100 per centum of the then current level of price support for wheat or such appropriate level for feed grains, as determined by the Secretary" and inserting in lieu thereof "the commodity has attained a specified level which is not less than the current parity price for such commodity."

(2) Section 110(b)(6) of the Agricultural Act of 1949 is amended by striking out "is not less than 175 per centum of the then current level of price support for wheat or such appropriate level for feed grains as determined by the Secretary under this Act" and inserting in lieu thereof "is not less than 105 per centum of the current parity price for such commodity".

SEC. 402. Effective for the period beginning on the date of enactment of this Act and ending one year thereafter, section 110 (d) of the Agricultural Act of 1949 is amended by striking out "150 per centum of the then current level of price support for such commodity" and inserting in lieu thereof "the parity price for such commodity."

SEC. 403. Effective for the period beginning on the date of enactment of this Act and ending one year thereafter, the language following the third colon in the third sentence of section 407 of the Agricultural Act of 1949, as amended by section 408 of the Food and Agriculture Act of 1977, is amended by striking out "115 per centum of the current national average loan rate" and inserting in lieu thereof "the current parity price".

Mr. MOORE (during the reading). Mr. Speaker, I ask unanimous consent that my motion be considered as read and printed in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, earlier in the debate on the previous motion the gentleman from Washington (Mr. FOLEY) made the comment that many Members did not fully understand all the contents of the bill that is to be sent to conference. I also understand from discussions on the floor that there might be some attempt to cut off debate with a motion to table the pending motion offered by the gentleman from Louisiana.

I would hope that is not the case, and that we could have at least some discussion of the motion to instruct so that the Members could have a full understanding. This is the only vote we are going to have on the so-called Dole flexible parity part of the bill. I would hope that there would be no attempt to cut off discussion, even though some Members might be opposed to the provisions. With all the many problems facing our farmers the least we can do is to permit full debate on the parity issue as embodied in the Dole bill. It is an insult to American farmers to treat this issue in such a cavalier manner.

Further reserving the right to object, I wonder if the gentleman from Washington could give me assurance that he will not try to cut off debate on this important issue.

Mr. FOLEY. If the gentleman will yield, I have a privileged motion at the desk which I will ask the Clerk to read immediatley following the conclusion of the reading of the pending motion.

Mr. BAUMAN. So the gentleman does not intend to permit any discussion at all?

Mr. FOLEY. We have had discussion on the matter. We have had sufficient discussion on the matter, and we should proceed with this motion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. PRESSLER. Mr. Speaker, reserving the right to object, I would certainly like to join in the effort to get a discussion of the Dole bill and of the problems that face our farmers. I feel it would be very appropriate, in view of the condition of the American agricultural market and the efforts which have brought this to the attention of Washington, and very interesting to have a discussion of the farm problem this afternoon. If we wait until after the recess it will be tragic because spring planting in now underway. Our farmers need to know what the set-aside program will be. Let us act now. I urge a "no" vote on the tabling resolution to be offered by Mr. FOLEY.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. ROUSSELOT. Mr. Speaker, I object.

Mr. MOORE. Mr. Speaker, I withdraw my unanimous-consent request.

The SPEAKER pro tempore. The Clerk will read the preferential motion.

The Clerk concluded reading the preferential motion.

PREFERENTIAL MOTION OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. FOLEY moves to lay the motion to instruct conferees on the table.

PARLIAMENTARY INQUIRY

Mr. MOORE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The gentleman will state his parliamentary inquiry.

Mr. MOORE. Mr. Speaker, on behalf of the gentleman from Nebraska (Mr. THONE) and myself, I would like the Members of the House to understand that if this motion to table my motion to instruct the conferees is agreed to that that then will prohibit all debate, it cuts off all debate of whatsoever kind on the matter.

The SPEAKER pro tempore. The Chair will state that that is not a parliamentary inquiry.

The question is on the preferential motion offered by the gentleman from Washington (Mr. FOLEY) which is not a debatable motion.

The question was taken and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOORE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 224, nays 167, not voting 43, as follows:

[Roll No. 182]

YEAS—224

Addabbo	de la Garza	Ireland
Alexander	Delaney	Jacobs
Allen	Dent	Jenrette
Ambro	Derrick	Jones, N.C.
Ammerman	Dicks	Jones, Okla.
Anderson, Calif.	Dingell	Jones, Tenn.
	Dodd	Jordan
Andrews, N.C.	Downey	Kastenmeier
Applegate	Drinan	Ketchum
Ashley	Duncan, Oreg.	Kildee
Aspin	Early	Kostmayer
AuCoin	Eckhardt	Krebs
Baldus	Edgar	LaFalce
Beard, R.I.	Edwards, Calif.	Le Fante
Bedell	Ellberg	Lederer
Beilenson	English	Lehman
Benjamin	Ertel	Levitas
Bennett	Evans, Colo.	Lloyd, Tenn.
Biaggi	Evans, Del.	Long, La.
Bingham	Fary	Long, Md.
Blanchard	Fascell	Luken
Blouin	Fish	Lundine
Boggs	Fisher	McCloskey
Boland	Fithian	McCormack
Bolling	Florio	McFall
Bonior	Foley	McHugh
Bonker	Ford, Mich.	McKay
Bowen	Ford, Tenn.	Maguire
Brademas	Fountain	Mahon
Breckinridge	Fuqua	Markey
Brodhead	Garcia	Mathis
Brooks	Gaydos	Mattox
Buchanan	Gephardt	Mazzoli
Burke, Calif.	Giaimo	Meyner
Burke, Mass.	Gibbons	Mikulski
Burton, John	Gilman	Mikva
Burton, Phillip	Gonzalez	Miller, Calif.
Byron	Gore	Mineta
Caputo	Green	Minish
Carney	Gudger	Mitchell, Md.
Carr	Hamilton	Moakley
Cavanaugh	Hanley	Mollohan
Chisholm	Hannaford	Moorhead, Pa.
Clay	Harkin	Moss
Conable	Harrington	Murphy, Ill.
Conte	Harris	Murphy, Pa.
Conyers	Hawkins	Murtha
Corman	Hefner	Myers, Michael
Cornell	Heftel	Neal
Cotter	Holtzman	Nedzi
D'Amours	Howard	Nix
Danielson	Hubbard	Nowak

Oakar	Rosenthal	Stump
Oberstar	Rostenkowski	Thompson
Obey	Roybal	Tsongas
Ottinger	Russo	Udall
Panetta	Ryan	Ullman
Patten	Santini	Van Deerlin
Patterson	Schroeder	Vanik
Pattison	Seiberling	Vento
Pease	Sharp	Volkmer
Perkins	Sikes	Waggonner
Pike	Simon	Walgren
Poage	Sisk	Waxman
Preyer	Slack	Weaver
Price	Smith, Iowa	Weiss
Rahall	Solarz	Whalen
Rangel	Spellman	Wirth
Reuss	Staggers	Wolff
Richmond	Steed	Wright
Rodino	Steiger	Yates
Roe	Stockman	Yatron
Rogers	Stokes	Young, Mo.
Rooney	Stratton	Zablocki
Rose	Studds	Zeferetti

NAYS—167

Abdnor	Frenzel	Moore
Andrews, N. Dak.	Gammage	Moorhead, Calif.
Archer	Ginn	Myers, Gary
Armstrong	Glickman	Myers, John
Ashbrook	Goldwater	Natcher
Badham	Gradison	Nichols
Bafalis	Grassley	Nolan
Baucus	Guyer	O'Brien
Bauman	Hagedorn	Pettis
Beard, Tenn.	Hall	Pickle
Bevill	Hammer-schmidt	Pressler
Breaux	Hansen	Pursell
Brinkley	Harsha	Quayle
Broomfield	Heckler	Quie
Brown, Calif.	Hightower	Quillen
Brown, Mich.	Hillis	Railsback
Brown, Ohio	Holland	Regula
Burgener	Hollenbeck	Rhodes
Burke, Fla.	Holt	Rinaldo
Burleson, Tex.	Horton	Robinson
Burlison, Mo.	Huckaby	Rousselot
Butler	Hughes	Runnels
Carter	Hyde	Ruppe
Cederberg	Ichord	Satterfield
Chappell	Jeffords	Sawyer
Clausen, Don H.	Jenkins	Schulze
Clawson, Del	Johnson, Calif.	Sebelius
Cleveland	Johnson, Colo.	Shuster
Cochran	Kasten	Skelton
Cohen	Kazen	Skubitz
Coleman	Kelly	Smith, Nebr.
Collins, Tex.	Kemp	Snyder
Corcoran	Keys	Spence
Cornwell	Kindness	Stangeland
Coughlin	Krueger	Stanton
Crane	Lagomarsino	Steers
Cunningham	Latta	Symms
Daniel, Dan	Leach	Taylor
Daniel, R. W.	Lent	Thone
Davis	Livingston	Treen
Derwinski	Lott	Trible
Devine	Lujan	Vander Jagt
Dickinson	McClory	Walker
Dornan	McDade	Walsh
Duncan, Tenn.	McDonald	Wampler
Edwards, Ala.	McEwen	White
Emery	McKinney	Whitehurst
Erlenborn	Mann	Whitten
Evans, Ga.	Marks	Wiggins
Fenwick	Marlenee	Wilson, Bob
Flippo	Marriott	Winn
Flowers	Martin	Wydler
Flynt	Michel	Wylie
Fowler	Miller, Ohio	Young, Alaska
Fraser	Mitchell, N.Y.	Young, Fla.
	Montgomery	Young, Tex.

NOT VOTING—43

Akaka	Leggett	Sarasin
Anderson, Ill.	Lloyd, Calif.	Scheuer
Annunzio	Madigan	Shipley
Barnard	Meeds	St Germain
Broyhill	Metcalfe	Stark
Collins, Ill.	Milford	Teague
Dellums	Moffett	Thornton
Diggs	Mottl	Traxler
Edwards, Okla.	Murphy, N.Y.	Tucker
Evans, Ind.	Pepper	Watkins
Findley	Pritchard	Whitley
Flood	Risenhoover	Wilson, C. H.
Forsythe	Roberts	Wilson, Tex.
Frey	Roncalio	
Goodling	Rudd	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Tucker.
Mr. Akaka with Mr. Goodling.
Mr. Shipley with Mr. Thornton.
Mr. Flood with Mr. Roberts.
Mr. Teague with Mr. Frey.
Mr. Pepper with Mr. Broyhill.
Mr. Mottl with Mr. Anderson of Illinois.
Mr. Risenhoover with Mr. Findley.
Mr. Meeds with Mr. Madigan.
Mr. Metcalfe with Mr. Rudd.
Mrs. Collins of Illinois with Mr. Sarasin.
Mr. Traxler with Mr. Scheuer.
Mr. Whitley with Mr. Charles Wilson of Texas.
Mr. Dellums with Mr. Forsythe.
Mr. Diggs with Mr. Leggett.
Mr. Charles H. Wilson of California with Mr. Lloyd of California.
Mr. Evans of Indiana with Mr. Roncalio.
Mr. Barnard with Mr. Pritchard.
Mr. Milford with Mr. Watkins.
Mr. Moffett with Mr. St Germain.
Mr. Murphy of New York with Mr. Stark.

Mr. WHITE and Mr. KEMP changed their vote from "yea" to "nay."

So the preferential motion to table was agreed to.

The result of the vote was announced as above recorded.

EXPLANATION OF "FLEXIBLE PARITY" AMENDMENT

Mr. MOORE. Mr. Speaker, the purpose of this amendment is to raise 1978 market prices of wheat, feed grains, and cotton.

In the case of the grains, the amendment seeks to achieve this goal in two ways:

First, the individual grain farmer would be encouraged to reduce his 1978 plantings by an escalating price support tied to the size of his set-aside. In other words, the more land a grain farmer idled, the higher his farm deficiency payments would be.

If, for example, a wheat farmer set aside 20 percent of his 1978 wheat acreage he would be guaranteed $3 per bushel—the same as present law. If he set aside 50 percent, he would be guaranteed $5 per bushel—the January parity price for wheat.

Each farmer would make his own choice: first, whether to participate at all; and if so, to what extent. The CBO estimates that the "blend" of participation would be 35 percent. Thus there would be a significantly smaller wheat crop in 1978 under this program.

The second way this legislation tries to keep market prices up is through the device of preventing USDA from releasing or selling surplus grain back into the market at less than 100 percent of parity.

The way the present law works the "farmer-held" surplus grain will start coming back onto the market when wheat prices reach $3.15 a bushel—$3.29 if the loan is $2.35. Under the bill, the wheat price would have to reach $5 before this grain became available for commercial use.

Thus, a combination of these two devices * * * a larger set-aside and a stricter rule on sales of Government-controlled surpluses should bring 1978 grain prices up to profitable levels.

In the case of upland cotton, the amendment permits individual cotton producers to set aside up to 50 percent of their planted acreage in return for an 84 percent target price.

Unlike the grain provisions of the bill, however, the CCC release prices for cotton are not changed. The reason for this is that synthetic fiber competition makes such a policy impractical in the case of cotton.

ANSWER TO ARGUMENTS AGAINST FLEXIBLE PARITY

There have been three principal arguments advanced against the amendment.

The first is that it would be too complex to institute this year. This is just not so! The present law permits set-aside sign-ups until May 1. Surely the new regulations, if preliminary work were to begin right away, could be implemented in time to give producers their choices allowed under the bill. The flexible parity provisions simply parallel the present program and only give producers additional 1978 options.

The second argument advanced is that the release price provisions on grain would be disruptive and unfair to producers already signed up for the reserve program.

That argument does not hold water either, because the legislation is prospective and not retroactive in regard to existing agreements. It would cover only new agreements and all existing contracts would be honored. Of course, if the Secretary wished to renegotiate agreements with the consent of grain producers, he could do so.

The third argument is that this amendment will be unduly expensive. The source of this attack is the USDA. However, the Congressional Budget Office had a different view and when this amendment was debated in the Agriculture Committee of the other body they made the following estimate:

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

MARCH 10, 1978.

1. Bill Number: S. 2481.

2. Bill title: Flexible Parity Act of 1978

3. Bill status: As introduced on February 2. 1978

4. Bill purpose:

S. 2481 authorizes a program that would enable the producers of wheat, feed grains, and cotton to select a target price for each commodity. To receive the selected target price, the producer would be required to place a specified percentage of land in the voluntary set-aside program.

S. 2481 also changes the price release levels for the grain reserve program (Title XI of the Food and Agriculture Act of 1977). Release of stocks would be geared to parity prices rather than to the price support level for each commodity.

5. Cost estimate:

The following table presents the estimated costs of S. 2481:

[In millions of dollars]

Variable parity	
Fiscal year 1979	$1,650
Fiscal year 1980	−1,391
Fiscal year 1981	0
Fiscal year 1982	0
Fiscal year 1983	0

These costs fall within budget function 350.

6. Basis of estimate:

Using the Data Resources, Inc., agricultural model, each possible acreage set-aside level was analyzed. The cost estimate represents the 35 percent set-aside level on each crop, a likely average of the choices of various producers.

Costs for fiscal year 1979 increase because target prices rise faster than market prices, and thus total government outlays increase. However, the market price effect carries over to the 1979 crop year, decreasing deficiency

payments and loans in fiscal year 1980. Some minor effects may carry through to fiscal year 1981.

The maximum fiscal year 1979 cost of this bill would be approximately $3.4 billion, assuming that all producers select the target prices. The offsetting savings in fiscal year 1980 would be approximately $2.8 billion.

The provisions regarding grain reserve release prices are not likely to result in additional federal costs.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Marilyn K. Moore (225-7760).

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Thus a $300 to $600 million cost is a lot less than other alternatives and a lot better than letting thousands of grain and cotton farmers go under.

The fact is that this amendment touches the heart of the administration's "cheap grain" policy that the present grain reserve is constructed to accomplish.

The amendment has been thoroughly debated in the other body which adopted it on March 21 by a record vote of 55 to 39.

It is strongly supported by the minority side of this body and I hope there will be sufficient support from our friends on the other side of the aisle who would rather represent their districts than they would the White House economic planners who are committed to a "cheap grain" policy.

Thus I especially hope that colleagues who serve on the Agriculture Committee and who have already introduced "flexible parity" bills of their own, such as Mr. HIGHTOWER, Mr. GLICKMAN, Mr. JENRETTE, Mr. ROSE, and Mr. RISENHOOVER, will support this effort.

In its present form this amendment is less expensive than the alternatives available to the Committee of Conference—some $300 to $600 million net cost according to a CBO estimate of March 10, 1978.

This is an amendment that will give the House the chance to live up to its parity policy pronouncement on the Humphrey-Hawkins bill. It is an amendment that signals the end of unfair food policy toward the grain producers of our country, and it is an amendment that is battle-tested in debate in the other body.

I therefore sincerely urge the House to vote for my motion to instruct our House conferees to concur in a "flexible parity" amendment.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, on rollcall 181, the vote concerning the motion of the gentleman from Washington (Mr. FOLEY) to send the bill H.R. 6782 to conference, I was unavoidably detained on official business as I was meeting with a group of my constituents concerning important business in my district. Had I been present, I would have voted "aye" to send the agricultural bill to conference.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the motion to proceed to conference on the bill H.R. 6782.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. FOLEY, POAGE, DE LA GARZA, JONES of North Carolina, JONES of Tennessee, MATHIS, BOWEN, ROSE, RICHMOND, WAMPLER, SEBELIUS, JOHNSON of Colorado, and MOORE.

There was no objection.

GENERAL LEAVE

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the motion to instruct and on the motion to table on the appointment of conferees on H.R. 6782.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT, MARCH 31, 1978, TO FILE REPORT ON H.R. 11567

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to file its report on H.R. 11567 by midnight, March 31, 1978, when the House will not be in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

HOUSE DENIED OPPORTUNITY TO LOOK INTO IMPORTANT PART OF FARM BILL

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, I take this opportunity to let my colleagues know that I am very much disappointed we were given no chance to really debate my motion to instruct conferees. The set-aside provision is really the most important part of this emergency farm bill. The fact that the House is only going to have just a total of an hour to deal with the entire bill when the conference report is returned denies us the opportunity to really look into the most important part of the bill. Had the motion to table been defeated, we would have had a very needed additional 1 hour's debate on my motion and the all-important set-aside alternatives. My motion, in which we intended to instruct conferees to concur in the language of the Dole Senate amendment, is the best way to go about a set-aside program. The Congressional Budget Office has stated that it is cheaper than any other approach, the farmers want it, and ASCS officials have stated that it can be administered. The fact that we have been denied the right today to even discuss or debate it is a travesty.

CONGRESSIONAL ACTION TO AID AGRICULTURE

(Mr. BAUCUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BAUCUS. Mr. Speaker, I'd like to talk about agricultural problems and action Congress must take to help America's farmers and ranchers.

Agricultural legislation is one of my major interests. I grew up on a ranch in Montana's Helena Valley, so I have had a lifetime of experience with agricultural problems. Currently, I am chairman of the Congressional Rural Caucus Agriculture Committee, and serve on the House Subcommittee for Agricultural Appropriations. My work with Montana's farmers and with these committees convinces me that we are facing the most severe agricultural crisis in this Nation's history.

A recent survey of banks in Montana showed that a third of all agricultural borrowers are in trouble. Congress must take action now to avoid widespread farm and ranch bankruptcies.

We need to act in three areas. First, to alleviate the credit crunch many farmers and ranchers face, we have got to expand the availability of farm credit.

Second, we have got to raise farm prices. We must provide adequate price support so that farmers can cover their production costs and, in addition, earn a decent return for their hard work and huge investments.

Finally, we have got to expand foreign markets. American farmers are the world's most efficient food producers. To insure the long-term viability of agriculture, we have got to open doors to let our farmers sell their products overseas.

AGRICULTURAL CREDIT

I will cover each of these areas for action in more detail and explain the steps I believe are necessary.

Again, the most pressing problem is credit. Almost every day I am contacted by Montana farmers and ranchers being forced out of business because they lack credit.

It is not lazy or inefficient farmers in trouble. Almost all farmers have watched their capital positions erode through recent years of prices below costs of production. People in financial trouble now are those who started with limited capital—those just getting started or running small operations.

Many banks and production credit associations refuse to extend credit to borrowers who have had trouble meeting their payments in the past 2 years. Most of these borrowers are good farmers and have large equities because they own valuable farm and rangelands. But they cannot find anyone willing to refinance their operations.

I cosponsored legislation early this year to provide necessary refinancing through the Farmers Home Administration. My proposal would have allowed farmers who could not get funds elsewhere to borrow up to $1 million from the FmHA. The full amount of the loan would have to be repaid, with interest, but payments would have been deferred for 2 to 5 years—time to allow farm prices to rise.

Recently the Agriculture Committee included this idea of emergency refinancing in a comprehensive Farmers Home Administration bill. Their scheme is of lesser scope than my original proposal. Nevertheless, it will provide relief necessary to keep many of our farmers and ranchers in business.

Mr. Speaker and fellow colleagues, the FmHA bill has been passed by the Agriculture Committee and now awaits action by the full House. I cannot emphasize too much the importance of passing this bill quickly. Each day we delay will result in farmers being unnecessarily forced out of business.

The bill will double the lending limits for FmHA operating and ownership loans to $100,000 and $200,000 respectively. It will provide a refinancing scheme to help farmers suffering from the "economic disaster" of low farm prices. Under this program, the FmHA will guarantee loans of up to $400,000 made by private lending institutions.

LOAN RATES AND TARGET PRICES

Additional credit will keep farmers in business. But unless accompanied by higher prices, in the long run it only aggravates financial problems.

American agriculture and other farm groups have done a tremendous job convincing the public of the importance of higher farm prices.

It is clear now that the administration is not going to use the discretionary power it has under the 1977 Food and Agriculture Act to increase farm income. The Department of Agriculture could raise loan rates or make payments for set-aside land, but continues to resist that course of action.

So we in Congress must act.

Senator TALMADGE has introduced in the Senate a bill to provide cash payments to farmers who set aside land in excess of the 20 percent wheat and 10 percent feed grain set-asides required in the present program.

While the Talmadge bill would help some farmers, in its current form it is unacceptable for Montana. A large part of Montana's crop is winter wheat, planted last fall. Thus, Montana farmers who have already planted their crops cannot afford to take advantage of the set-aside payments offered by the Talmadge proposal.

To help wheat farmers, any bill we pass should increase loan rates and target prices for wheat and feed grains.

The U.S. loan rates have a big impact on world wheat prices. Some will argue that increases in loan rates will result in the loss of overseas markets for agricultural products.

In the short term this is unlikely. Currently, the United States is the only nation with major supplies of high quality wheat available for sale. Other major exporting nations have either sold their available supplies—as Canada has—or harvested small crops—as Austrialia did due to drought.

Over a period of years some nations might increase their production slightly to take advantage of higher wheat prices. But the potential for higher world wheat production is small.

And even if American sales do decrease somewhat, income will still increase because of the higher price. A recent USDA study on the effect of wheat prices at 100 percent of parity showed this clearly.

Even at 100 percent of parity, U.S. export sales in the near term would not decline much. By 1982 exports would be reduced 30 percent. But because the price received—$5.04 per bushel—is about double current market prices, export income would rise substantially.

Congress should raise the loan rate to something over $3 per bushel. Such a loan rate would immediately increase U.S. and world prices. It would increase farm income. And it would provide a positive benefit to the balance of trade deficit.

Our trade deficit is causing the value of the dollar to fall relative to other currencies. It is ridiculous to contribute to this deficit by underpricing the agricultural goods we sell abroad.

In addition to increasing loan rates, Congress must adjust target prices upward. Higher target prices are required to bolster farm income and encourage participation in set-aside programs.

I organized an effort with several of my colleagues that resulted in this House raising last year's wheat target price from $2.65 to $2.90. That increase produced $35 million in additional deficiency payments to Montana wheat producers. Those payments were necessary to prevent wholesale bankruptcies in farming communities.

Our farmers are "up against the wall" financially. And when farmers do not have money to spend, the communities that depend on farm purchases suffer also.

Farmers are major consumers of automobiles, trucks, tractors. and other manufactured goods. So the tremors of low-farm incomes are being felt throughout the U.S. economy.

The huge stocks of wheat and feed grains currently on hand continue to depress prices. Although I do not believe set-asides are a viable long-term solution to farm problems, we have got to do something to reduce these burdensome inventories.

Set-aside programs are voluntary. To get farmers to participate in set-asides, we provide an incentive in the form of a target price.

But current target prices are so low most farmers tell me they will not participate in set-asides. They will forgo target price protection and plant their normal acreages of crops.

To keep from adding to our surpluses we have to raise target prices. I believe the "flexibility parity" schemes offered in several Senate and House bills have merit.

Under flexible parity arrangements, the target price a producer receives is tied to the amount of land he sets aside. For example, the target price might be $3 per bushel for a 20-percent set-aside, $4 per bushel for a 35-percent set-aside, and $5 per bushel for a 50-percent set-aside.

To insure participation in set-aside programs, the payment for a minimum set-aside must be substantially above the loan rate. Thus, in the case of wheat, we need to provide a target price of about $4 per bushel for farmers who set aside 20 percent of the acreage they plant.

PROTECTION FOR LIVESTOCK PRODUCERS

We must be cautious not to aid crop farmers to the detriment of livestock producers. Cattlemen have suffered through 4 years of prices far below production costs.

During these 4 years cattlemen have substantially reduced cow herds. They are now cautiously optimistic about prospects for the industry. Montanans who produce cattle tell me they do not want Government price supports or production restrictions. But they do ask for protection from unfair foreign competition. And they do not want our crop policies to encourage a dangerous expansion in cattle numbers.

Thus, we should continue to discourage haying and summer grazing of set-aside lands.

I recognize that preventing grazing on croplands during winter months would disrupt some farm-ranch operations and I supported efforts to allow winter grazing in the present program.

Also, an unusually hard winter and drought last year depleted hay supplies in many Western regions, especially Montana. Some short-term relaxation of the ban on haying may be desirable. But it should not be done in such a way as to encourage farmers and ranchers to expand their herds.

We need to pass legislation to control the flow of imports into the United States. Foreign beef should meet the same inspection and labeling standards as domestic production and be labeled as imported. I introduced a bill (H.R. 2010) to do this over a year ago because I believe it is fair and necessary for both producers and consumers.

In addition, canned and processed beef should be included under the present import quotas and a countercyclical formula for imports explored. Under the present system imports increase as a percentage of domestic slaughter.

But the largest slaughter occurs when prices are low and cattlemen are reducing their herds. Imports are allowed to increase at the worst possible time—when domestic production is highest. When prices here are high due to short supplies, imports are unnecessarily restricted.

Livestock producers are aware of the importance of world trade, and few of them advocate completely stopping imports. But they object to imports entering in a way that disrupts the domestic industry.

EXPANSION OF WORLD TRADE

Two-thirds of the world's people live in developing countries. They will continue to need more food supplies to meet the needs of growing populations with growing incomes.

Congress must create opportunities for world trade so American farmers can profit from this increasing demand. World trade in grains is affected by a complex system of subsidies, tariffs, quotas, and Government purchasing

boards. This world system tends to discriminate against American grain.

One thing Congress has to do is work with the administration to reduce trade barriers.

Currently, the administration is involved in two sets of trade talks that affect agriculture. One is the Multilateral Trade Negotiations in Geneva. These talks, commonly called the Tokyo round, involve 97 countries and all manufactured as well as agricultural products. The second set of trade talks is the International Wheat Council negotiations, also in Geneva. These talks involve major wheat importing and exporting countries, and the goal is negotiating a new International Wheat Agreement.

Congress has a responsibility to provide input into these trade negotiations.

Any trade treaties negotiated by the administration have to be ratified by the Senate. In addition, any treaty changing U.S. domestic policies also requires House concurrence.

Farm State Congressmen need to work with Ambassador Strauss, the administration's chief negotiator, to see that our interests are protected.

The Trade Act of 1974 authorizes U.S. participation in the current round of Multilateral Trade Negotiations. That act specifies that agriculture will be treated equally with other industries in the negotiations.

This provision was necessary because agriculture got the "short end" in the Kennedy round of Multilateral Trade Negotiations in 1968.

During the Kennedy round of negotiations, members of the Common Market insisted that there should be no restraints on their internal policies. U.S. negotiators went along with this idea and let the European community keep its system of variable levies and export subsidies.

The variable levies keep grain prices within the Common Market fairly constant. When world prices decline, the variable levy increases.

Thus, our wheat and feed grains cannot compete in the European community even when we set prices very low. Common Market farmers are assured of their prices, which vary from $4.25 to $5.75 per bushel depending on the country.

A second trade problem with the European community is their export subsidies. The Common Market countries pay hefty export subsidies for dairy products, which then enter this country and compete with domestic dairy products.

Ambassador Strauss has promised not to come back from Geneva without trade concessions for agricultural goods.

I understand the difficulty of getting trade concessions from the Common Market. Agricultural policies have been called "the glue that holds the European community together." Their negotiators will be unwilling to relax quotas and variable levies.

But we have to present a tough stance and do the best we can. The present system is just too unfair to our farmers.

We should hold Ambassador Strauss to his promise to obtain concessions for agricultural goods during the multilateral trade negotiations.

The United States is also currently negotiating with other wheat-producing and consuming nations for an international wheat agreement.

The administration's proposal for the wheat agreement is an international system of reserves.

When prices reach a certain price, or lower "trigger" point, participating nations will have to add to their reserves.

If prices reach an upper "trigger" point or price, nations would have to release wheat from reserves.

This reserve system would have a stabilizing effect on world prices. Hopefully, the boom-to-bust cycle we have experienced the past few years would be moderated.

Most farmers I have talked to do not oppose the U.S. proposal in principle. But they are worried about what the trigger prices will be.

The upper and lower trigger prices will effectively set a ceiling and floor on world wheat prices.

I am concerned that the trigger prices might be set so low that farmers would not be able to obtain decent prices.

Recently, I joined other farm State representatives in cosponsoring a resolution asking the Presidest to seek two goals in intenrational negotiations—expansion of export markets and prices that would bring farmers parity returns.

In addition to cooperating with the President, there are things Congress should do on its own initiative.

One of the most important bills currently pending in Congress is the Agricultural Trade Expansion Act developed by Senator Humphrey and Congressman FINDLEY. I am a cosponsor of the House bill.

What the bill does is authorize the Commodity Credit Corporation to offer intermediate-term credit for periods of 3 to 10 years. In addition, the bill authorizes the CCC to offer credit to countries with nonmarket economies.

For many foreign countries, credit is a major factor in determining where they buy grain.

Intermediate-term credit has been lacking for buyers of U.S. wheat. The CCC currently can offer credit for only 3 years or less. Public Law 480 loans have been available for periods of over 10 years, but only to poor countries. Many countries cannot get commercial credit at a competitive interest rate.

SUMMARY

I have outlined major agricultural needs—additional credit, higher prices, and additional sales overseas—and my proposals for achieving these goals.

This is not to imply that other agricultural problems such as taxation, burdensome Federal regulations, public land uses, and so forth, are unimportant. Certainly, these problems deserve the full attention and consideration of Congress.

But we in Congress should set a major priority to pass legislation increasing the availability of farm credit and strengthening farm prices.

Our farmers and rural communities have a crying need for such legislation; and to quote William Jennings Bryan:

Burn down your cities and leave our farms and your cities will spring up again as if by magic; but destroy our farms, and the grass will grow in the streets of every city in the country.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished acting majority leader as to the program for the balance of the week, next week, and the week after that, if the gentleman has all of the information available.

Mr. KOSTMAYER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Speaker, the program for the House of Representatives for the week of April 3, 1978, is as follows:

On Monday, the House will meet at noon. The Consent Calendar will be called. There are 4 bills scheduled under suspension of the rules, and they are as follows:

H.R. 10984, Friendship Hill National Historic Site;

H. Con. Res. 359, recognition of General Kosciuszko;

H.R. 6900, Oregon Trail bill; and

H.R. 10970, Lowell, Mass., National Cultural Park.

On Tuesday, the House is scheduled to meet at noon. We will call the Private Calendar. There are three bills scheduled under suspension of the rules:

H.R. 8099, water rights for Ak-Chin Indians;

H.R. 11003, White House authorization; and

H.J. Res. 730, National Oceans Week.

There is also scheduled a series of nine House committee funding resolutions.

On Wednesday, the House is scheduled to meet at 3 p.m. to complete H.R. 7700, the Postal Act of 1978.

On Thursday, the House is scheduled to meet at 11 a.m. to consider H.R. 10899, the International Banking Act of 1978, subject to a rule being granted.

On Friday, the House is scheduled to meet at 11 a.m. to consider H.R. 11495, the FAA Research and Development Authorization Act of 1979, subject to a rule being granted, an open rule with 1 hour of debate.

Next the House will consider H.R. 11400, the National Science Foundation Act, 1979, subject to a rule being granted, an open rule with 1 hour of debate.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m. on all other days except Wednesdays.

Conference reports may be brought up at any time.

Mr. RHODES. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. KOSTMAYER). He has, as always, done a very thorough job of giving the program of the House to us.

All that remains for me to do, Mr. Speaker, is to wish the gentleman from Pennsylvania and the Members of the House a very happy Easter and a good work period, either at home or in Europe or in Africa or wherever the work might be performed.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would just like to address a question to the distinguished acting majority leader.

We just had the better part of an hour's debate on the Senate amendments concerning the farm program. We were told that it was imperative that action be taken on these before we adjourn.

Is the gentleman telling us that we are not going to act on any farm program before all the southern as well as other States will have to plant their crops? May I also ask the gentleman: Are we walking out of Washington with no farm program at all to act on? Is that the leadership's position? Perhaps that is an unfair question to put to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Speaker, if the gentleman will yield further, as the gentleman from Maryland (Mr. BAUMAN) knows, we will return here on April 3, convene at 12 o'clock noon, and take up appropriate business at that time.

Mr. RHODES. I thank the Senator and the gentleman from Pennsylvania (Mr. KOSTMAYER), and yield back the balance of my time.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE CERTAIN REPORTS ON H.R. 10210 AND H.R. 2660

Mr. KOSTMAYER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file certain reports on H.R. 10210 and H.R. 2660.

Mr. Speaker, this matter has been cleared with the committee minority.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ANNUAL REPORT OF NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION FOR FISCAL YEAR 1977—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

I transmit herewith the Annual Report of the National Advisory Council on Adult Education for Fiscal Year 1977, as required by Section 311(d) of the Adult Education Act of 1977 (Public Law 89-750), as amended.

JIMMY CARTER.

THE WHITE HOUSE, *March 22, 1978.*

REPORT ON ACTION TAKEN IN 1977 BY U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

One year ago, in my inaugural address, I pledged "perseverance and wisdom in our efforts to limit the world's armaments to those necessary for each nation's own domestic safety." The report which I am transmitting is an account of the actions taken in 1977 by the U.S. Arms Control and Disarmament Agency toward the fulfillment of that pledge.

The Arms Control and Disarmament Agency is the focal point of my Administration's efforts to reach arms control agreements through negotiations and to develop policies which will lead to reduced worldwide reliance on weaponry. This central role was legislated by the Congress seventeen years ago, and it is entirely in keeping with my concept of how these objectives should be pursued.

The arms control policy and goals set forth in this report reflect my own commitment to the achievement of these important objectives. In the nuclear age, when war could bring catastrophic consequences, our national security policy must include efforts to control arms, as well as to provide for our military defense. The two are complementary activities, both necessary to achieve our overall objectives—peace and security for this Nation and the world.

When necessary, we will maintain our security and protect our interests by strengthening our military capabilities. Whenever possible, however, we seek to enhance our security through arms control. Our security and the security of all nations can be better served through equitable and verifiable limits on arms than through unbridled competition. The United States has chosen arms control as an essential means of promoting its security. As we pursue this continuing course, we must convince other nations that arms control is in their interest as well. Their cooperation is vital if balanced arms control agreements are to be achieved.

Ensuring the stability of the nuclear relationship between the United States and the Soviet Union is the most urgent arms control task today. In the longer term, however, I believe that preventing the worldwide proliferation of nuclear weapons may be of equal significance. Other pressing problems, such as the worldwide traffic in vast quantities of sophisticated conventional arms and regional arms buildups, have far-reaching implications for our own peace and security and that of the rest of the world. As such, I have taken steps to restrict U.S. arms transfers and to gain the cooperation of other suppliers in curbing worldwide sales.

The challenge of preventing war—and redirecting resources from arsenals of war to human needs—is the greatest challenge confronting mankind in this last quarter of the twentieth century. It is a challenge I accept.

JIMMY CARTER.

THE WHITE HOUSE, *March 22, 1978.*

INTRODUCTION OF NEW YORK CITY LEGISLATION

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I want to announce to the House the introduction today with bipartisan cosponsorship by 11 members of the Subcommittee on Economic Stabilization of the Banking Committee—along with the chairman of the full committee—of the New York City Financial Assistance Act of 1978. In addition to myself and the chairman of the full Banking Committee. the cosponsors are the ranking minority member of the subcommittee, Mr. MCKINNEY of Connecticut, and Messrs. ASHLEY of Ohio, BARNARD of Georgia, BLANCHARD of Michigan, CAPUTO of New York, FAUNTROY of the District of Columbia, LAFALCE of New York, LUNDINE of New York, PATTISON of New York, and VENTO of Minnesota. By their cosponsorship of this bill, the cosponsors do not mean they are committed to every comma, word, or paragraph of this bill. It does mean that we have reached a consensus that this is a bill which so nearly approaches their beliefs that it can form a basis for bipartisan legislation for the subcommittee, for the full committee, for the House, and ultimately, the other body of the Congress.

Introduction of the bill follows lengthy, detailed, and tough-minded study of the New York City situation as it has evolved since passage by Congress in late 1975 of the present program of short-term seasonal loans. The bill we are introducing today was prepared by the Office of the Legislative Counsel under instructions by me to put into legislative language the proposal of the administration, as presented to our subcommittee by Secretary of the Treasury Blumenthal on March 2, but it is our bill and not theirs.

Its chief feature is authority for the Secretary of the Treasury to guarantee over the next 4 years up to a maximum of $2 billion of city or city-related securities, with a maximum guarantee period of 15 years. Unlike the Treasury proposal, our bill allows some use of this authority for short-term seasonal loans as necessary, but within the overall ceiling of $2 billion. In testimony before our subcommittee, the Secretary said he would not "propose" but he would not "oppose" such short-term seasonal financial assistance.

Mr. Speaker, I shall elaborate my thinking and that of my colleagues in extension of my remarks. Let me say here only that this bill sets no precedent for other cities or for a change in our constitutional system. It is the minimum that is necessary to get New York City on its feet and off our backs. Much as we might like to, we cannot turn our backs on this problem without taking very serious risks for the country as a whole. I believe that the House—and the other body—will come to see this as the bill moves forward along the legislative path.

LEGISLATION TO AMEND INTERNAL REVENUE CODE TO CLARIFY TREATMENT OF CONTRIBUTIONS IN AID OF CONSTRUCTION TO REGULATED ELECTRIC AND GAS UTILITIES

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I am today introducing a bill which has been cosponsored by a number of members of the Ways and Mean Committee to amend section 118 of the Internal Revenue Code of 1954 which will clarify the treatment of contributions in aid of construction to regulated electric and gas utilities.

Section 118 of the Internal Revenue Code should be amended to specifically confirm the long-standing rule that contributions in aid of construction and amounts similarly treated, termed as highway relocation reimbursements, do not constitute gross income to regulated gas and electric utilities. These amounts collected by gas and electric utilities should be treated as contributions to capital in the same manner as they are treated for water and sewerage disposal utilities.

In general, contributions to capital of a corporation are not income and, therefore, are not taxable. The Tax Reform Act of 1976 confirmed this treatment for regulated public utilities providing water or sewerage disposal services as long as the contributions or property purchased with these amounts are not included in the utility's rate base for ratemaking purposes. However, Congress failed to confirm the tax treatment of contributions in aid of construction for gas and electric utilities. It now appears that the Internal Revenue Service will not treat these contributions to gas and electric utilities as contributions to capital in the same manner as water and sewerage disposal utilities.

Generally, contributions in aid of construction are payments by the customers of a public utility for all or a portion of specific construction costs incurred to extend service providing gas or electric energy—including steam—in excess of a prescribed standard established by the applicable regulatory commission. Typically, they are payments made to extend utility service long distances or into isolated areas where use of the utility's own funds would not be justified from the standpoint of return on investment. If the facilities were built without receipt of any contributions in aid of construction, the cost of such facilities would be borne in part by customers who receive no service or benefits from them.

Reimbursements utilities receive from Government agencies for costs incurred in relocating their facilities to accommodate Government projects also have traditionally been excluded from gross income in a manner similar to the treatment of contributions in aid of construction. However, customer connection or reconnection fees, that is, payments made by a customer to have utility service turned on or off or to have service supplied within normal prescribed limits, have not been excluded from income by the gas and electric industry. These fees are taxable as income, and no change in the treatment of connection fees is contemplated by this proposal.

Contributions in aid of construction have the following additional features:

The utility is compelled by contract and regulatory requirements to use the contributions received solely for construction of the facility. Rules of both the Federal Regulatory Commission and of most State regulatory agencies require this result.

The property constructed for customers with such contributions is not depreciated for book purposes and is excluded from rate base. The utility cannot earn a rate of return on such property.

No investment tax credit or depreciation is allowable for Federal income tax purposes with respect to such property.

For almost 50 years, contributions in aid of construction to regulated public utilities have been excluded from gross income and treated as contributions to capital. The Internal Revenue Service issued Revenue Ruling 75–557, 1975–2 C.B. 33, on December 4, 1975, which could be misconstrued to change this long-standing historical treatment. The Tax Reform Act of 1976 eliminated this threat only for regulated public utilities providing water or sewerage disposal services. The applicability of this ruling to other utilities has not been resolved, but the Internal Revenue Service is now asserting its application to gas and electric utilities.

Failure to treat these payments as contributions to capital will create a serious inequity between water and sewerage disposal utilities and gas and electric utilities. To the extent the tax liability is not reimbursed by increasing the amount of the contribution, utility rates will have to be increased to pay for the tax, which would effectively force all utility customers to subsidize these projects. The alternative is to approximately double the contribution amount to provide sufficient funds to pay the tax liability on the contribution and to complete the construction work.

However, this alternative is unacceptable because it will drive up the cost of new housing. By taxing contributions in aid of construction received by utilities, a builder or developer is required to pay substantially higher front-end costs, which contributes to the accelerating housing cost problem. These costs are ultimately passed on to the consumer. Such result makes it more difficult for the average American family to afford the purchase of a new home. The inequity of the taxable treatment of contributions in aid of construction also increases the cost of public projects that require the relocation of utility facilities.

Since contributions in aid of construction and relocation costs have been regarded as nontaxable for over 50 years, this proposal results in no net revenue loss to the U.S. Treasury. The proposal only codifies the historic treatment of these amounts as nontaxable for gas and electric utilities.

RECOGNITION OF BERNARDO DE GALVEZ AND ORDER OF GRANADEROS DE GALVEZ

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, I am introducing a simple resolution today to recognize Bernardo de Galvez, for his great contribution to the independence of the United States, and the Order of Granaderos de Galvez whose purpose is to commemorate that contribution.

During our study of American history, we are well aware of a number of foreign officers who aided us during the Revolution, the Marquis de Lafayette of France, and Thaddeus Kosciusko of Poland, but nothing is mentioned of Bernardo de Galvez for whom the city of Galveston, Tex., is named. Perhaps he is not a part of our history texts because he was not formally recruited as a foreign officer, but his actions contributed a great deal to the winning of our independence from England.

Bernardo de Galvez Gallardo y Ortego was born in a village near the city of Malaga, Spain, in the year 1746. He enrolled in the academy at Avila, Spain, at the age of 16, and demonstrated his ability as an expert strategist, as well as a very competent diplomat. He served Spain in the army in Portugual, in New Spain against the Apaches, in Algiers, and was sent to Louisiana as colonel of the fixed regiment. He was subsequently named governor of the province by a royal decree in 1776.

The war that broke out with England soon thereafter afforded him the opportunity to utilize his talents, and his marriage to Felicitas de St. Maxent, the daughter of a prominent Louisiana family, identified him with the Creoles who later cooperated with him in the war.

In the 2 years preceding Spain's entry into the War of Independence, Galvez did all that he could to weaken the British in that quarter of the world, supplying the American soldiers with arms and seizing British ships that had been carrying on a profitable contraband trade with Louisiana.

Because of his efforts, every major British post in West Florida was destroyed and his control of the lower Mississippi basin made it impossible for the English to use this waterway to attack the Colonies from the Northwest.

The most famous episode of his career is his conquest of Pensacola. The forces defending this fort were so formidable that Galvez had to obtain reinforcements from Havana. And on his first attempt to reach Pensacola, his fleet was crippled by a storm. Undaunted, he returned to Havana, reorganized his fleet and made his second attempt to take this British fort. The admiral of the fleet, who was independent of Galvez, refused to cross the bar under the guns of the British fort, alleging that to do so would be to court certain destruction. Galvez finally had to resort to shaming him into compliance by running the gauntlet in a small ship, the *Galveztown*, that belonged to his own Louisiana forces. The

British were finally forced to surrender after a powder magazine exploded and opened a breach in the fortifications. His conquest of Pensacola was commemorated when he was made Count de Galvez and Viscount de Galveztown, and on his coat of arms was emblazoned the ship Galveztown with the proud inscription "Yo solo" (I alone).

Records indicate that Galvez had excellent relations with the American commanders during the war years, especially with Gen. George Washington.

He was appointed interim successor as Viceroy of Mexico after his father's death in 1784, and served in this capacity until his death in Mexico City in November 1786.

The Order of Granaderos de Galvez was formed to commemorate the ideals of patriotism and democracy espoused by Bernardo de Galvez and, at this point, I am including the pledge taken by members of this Order:

Because I love my country with my whole heart, my whole mind and my whole self.

Because I believe in the greatness of the United States of America.

Because I believe that to conquer the future, America must acknowledge its present and its past without omissions.

Because I believe that without the name of Spain and its contribution to the discovery, explorations, settling and the independence of the United States of America, I would not understand the richness of its history.

Because I believe George Washington and Bernardo de Galvez were two of the great heroes of the independence of our country and because I want to honor their memory and the memory of all men who fought and died for the independence of the United States of America.

I solemnly promise and swear before this Holy Book which is the supreme truth and I solemnly promise and swear on this symbol of my will to struggle, to uphold all of that which I believe and I pledge to support the articles of the Constitution and by-laws of the Order of Granaderos de Galvez.

It is a privilege to bring to the attention of my colleagues certain aspects of the life of Bernardo de Galvez and also the intent and purpose of the Order of the Granaderos de Galvez, and my hope is that the House will consider and support this resolution which honors a great and noble Spaniard who made such an outstanding contribution to our War of Independence.

EXECUTIVE BRANCH APPLICATION OF HUMAN RIGHTS POLICIES

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, the Congress has repeatedly made clear its desire for the furtherance of human rights in all countries of the world. A number of specific human rights provisions have been mandated in foreign affairs legislation passed by the Congress. The Committee on International Relations, I am pleased to say, has been in the forefront in efforts to insure that the executive branch gives full and effective application to the intent of Congress in this important area of our foreign policy.

It is in this context, Mr. Speaker, that I must point out at the same time the necessity for the executive branch to exercise a certain balance and perspective in its decisionmaking concerning human rights policies. There are other elements of our national interest—our security, our economy, our relationships in the international community—which also must be kept in mind. To pursue any single one of these elements without due account for the others can risk damage to our overall national interest and, indeed, can be counterproductive for particular human rights and other objectives we are trying to achieve.

It also is clear that an effective human rights policy is not necessarily an inflexible and intrusive one. There are many occasions in which quiet diplomacy, applied in appropriate and timely fashion, may do more for human rights than a highly visible approach.

The intent of Congress in enacting human rights provisions was to give general policy direction to the executive branch. We did not mandate a rigid formula, but rather allowed the administration a certain degree of flexibility in carrying out the policy. We did not expect that all foreign assistance decisions would be based solely on human rights considerations.

Because of congressional interest in this matter, I am inserting in the RECORD the following memorandum received by the International Relations Committee from Under Secretary of State Warren Christopher. The memorandum describes the framework and proceedings of the interagency group on human rights and foreign assistance—which Secretary Christopher heads.

The material follows:

THE DEPUTY SECRETARY OF STATE,
Washington, D.C., March 14, 1978.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Committee on International Relations, House of Representatives.

DEAR MR. CHAIRMAN: In view of the considerable amount of legislation requiring that human rights considerations be brought to bear on the distribution of foreign assistance, I thought you would be interested in knowing what arrangements we have made to comply with the statutory requirements. The attached memorandum provides a capsule view of our efforts.

Sincerely,

WARREN CHRISTOPHER.

THE INTERAGENCY GROUP ON HUMAN RIGHTS AND FOREIGN ASSISTANCE

STATUTORY FRAMEWORK

To assure compliance with our laws and policy on human rights and foreign assistance, the Interagency Group on Human Rights and Foreign Assistance was created pursuant to a National Security Council directive dated April 1, 1977.

The statutes which Congress has enacted in this area impose wide-ranging and substantial restrictions on the distribution of foreign assistance. Specifically, Section 116 of the Foreign Assistance Act of 1961, as amended, provides in pertinent part as follows with respect to U.S. bilateral economic assistance:

"Section 116. Human Rights—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country."

In addition, at the time the Interagency Group was created, a similar provision governed U.S. actions in the Inter-American Development Bank and the African Development Fund. In October 1977, that provision was extended to govern U.S. actions in the World Bank and the Asian Development Bank as well. The statutory provision applicable to these international financial institutions (IFI's) is Section 701 of P.L. 95–118, which provides in pertinent part as follows:

"Section 701. (a) The United States Government, in connection with its voice and vote in the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the African Development Fund, and the Asian Development Bank, shall advance the cause of human rights, including by seeking to channel assistance toward countries other than those whose governments engage in—(1) a consistent pattern of gross violations of internationally recognized human rights such as torture or cruel, inhumane, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial to life liberty, and the security of person; . . . . . ."

"(f) The United States Executive Directors of the institutions listed in subsection (a) are authorized and instructed to oppose any loan, any extension of financial assistance, or any technical assistance to any coutry described in subsection (a)(1) or (2), unless such assistance is directed specifically to programs which serve the basic human needs of the citizens of such country."

In addition, Section 703 of the same Act imposes an affirmative duty on the Executive Branch to seek to channel the rewards in international economic programs to countries whose governments show respect for human rights and to "initiate a wide consultation" toward that end.

Further, the Ex-Im Bank is under a statutory injunction to:

"Take into account, in consultation with the Secretary of State, the observance of and respect for human rights in the country to receive the exports supported by a loan or financial guarantee and the effect such exports may have on human rights in such country." (PL 95–143, October 26, 1977.)

Similar legislation is pending as to the International Monetary Fund and the Overseas Private Investment Corporation.

Another statute to which the Interagency Group is responsive is the new human rights amendment to PL 480. This amendment, enacted in August 1977 provides in pertinent part as follows:

"Section 112. (a) No agreement may be entered into under this title to finance the sale of agricultural commodities to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such agreement will directly benefit the needy people in such country. An agreement will not directly benefit the needy people in the country for purposes of the preceding sentence unless either the commodities themselves or the proceeds from their sale will be used for specific projects or programs which the President determines would directly benefit the needy people of that country. The agreement shall specify how the projects or programs will be used to benefit the needy people and shall require a report to the President on such use within six months after the commodities are delivered to the recipient country."

MANDATE AND COMPOSITION OF THE INTER-AGENCY GROUP

In light of these extensive legislative requirements, and in pursuance of the Administration's human rights policy, the Interagency Group was directed by the NSC to examine our bilateral and multilateral foreign assistance decisions as they relate to human rights, to provide guidance regarding specific decisions on bilateral and multilateral assistance, and in general to coordinate the Administration's position in this area. It was directed further that the Group should be chaired by a representative of the Secretary of State, that it should include a representative of the Secretary of the Treasury, as well as officials of the Department of Defense, the National Security Council Staff, and the Agency for International Development. Shortly after this directive was issued, the Secretary of State designated the Deputy Secretary of State as his representative to chair the Interagency Group.

The Group has met regularly since April 1977. Participants in the Group's deliberations have also included representatives of the Agriculture Department, the Commerce Department and the Ex-Im Bank. In addition, Treasury's representatives, the Assistant Secretary of the Treasury for International Affairs (or his deputy), have usually been accompanied by the U.S. Executive Directors to the World Bank and the Inter-American Development Bank. Thus several agencies, each with an interest in the subject matter, are represented at every meeting.

PROCEEDINGS OF THE INTERAGENCY GROUP

Prior to each of its meetings, the Group receives extensive agenda materials. These materials include detailed descriptions of the loans or grants to be considered, including consideration as to whether the proposed assistance would benefit the needy. The agenda materials also include extensive information on human rights conditions in the countries proposed as recipients of assistance. In addition, other fundamental U.S. interests with respect to the country in question are described, since the Group pays close attention to the relationship of our human rights concerns to other critical U.S. objectives. The agenda materials also include a list of other U.S. or multilateral assistance to the proposed recipient which is likely to be presented for decision in the near future, as well as a description of previous U.S. actions concerning the human rights situation in the country in question.

At the Group's meetings, each loan or grant on the agenda is separately considered. The representative of the relevant State Department regional bureau leads off the discussion with an assessment of our overall bilateral relationship with the recipient country, of the human rights situation there, and of the role our position on the loan or grant under consideration might play. Comments are then called for by other participants. There is a full airing of the issue. Typically, the discussion will focus not only on the current situation but also on whether there is a genuine trend toward or away from improvements in human rights conditions.

After discussion, the Group frequently recommends that the loan or grant should be approved, either because human rights conditions in the recipient country are good or are authentically improving or because the assistance will benefit the needy. When appropriate, the Group may advise that the approval should be accompanied by a diplomatic demarche explaining our human rights concerns and making it clear that we are seriously taking human rights considerations into account in our foreign assistance decisions. In general and where possible under applicable law, we prefer to discuss our human rights concerns diplomatically before taking any steps with respect to foreign assistance.

When the human rights situation in the proposed recipient country is poor and not improving, the Group may recommend that the U.S. not support the proposed assistance. This will particularly be the case where the assistance will not be likely to benefit the needy. In these circumstances the Group will frequently recommend that a diplomatic demarche be made to the government concerned, explaining our position and urging human rights improvements.

In practice, the Group has recommended the deferral of several AID programs to certain governments whose human rights practices were judged to be highly abusive. The number of bilateral assistance loans or grants which were recommended for deferral is small in comparison to the number of projects which were recommended for approval. The approval ratio reflects the fact that much of our bilateral economic assistance goes to countries with good or improving human rights records as well as the fact that such assistance is so heavily concentrated on meeting basic human needs. As has been frequently stated, the Administration fully endorses the view that human rights include the right to fulfill such vital human needs as food, shelter, health care and education

The Group has also recommended that the U.S. abstain or vote against approximately 20 IFI loans to governments wtih poor human rights records. Again, the number of loans which the Group has recommended for approval greatly exceeds the number as to which abstention or opposition has been recommended. This also results from the fact that many proposed recipients of IFI assistance have good or improving human rights records and because a large proportion of IFI assistance is designed to serve basic human needs. This proportion is not as great as in the case of our bilateral economic assistance.

The Group stays abreast of human rights developments in the countries receiving U.S. foreign assistance and has on a number of occasions recommended approval of loans or programs as to which it had previously recommended opposition, absention or deferral.

Needless to say, no automatic formula can be applied to decide how to vote on particular loans to particular countries, and inevitably seeming inconsistencies will appear. But the Group has learned that the diversity of cultures and the different stages of economic and political maturity make it essential to treat each country on the merits of its own situation and not to attempt to pursue our human rights obejctives in precisely the same way as to all countries. In short, tactics must differ from country to country, but our goal—to enhance respect for human rights—remains constant as to all countries.

The Group is continually examining its own procedures to determine how best to improve its operation and effectiveness. The Group is conscious that in systematically bringing human rights considerations to bear on the range of our foreign assistance decisions, it is performing a new function. Inevitably, performance of this function has at times been controversial, as the various participants grow accustomed to the new situation. Nevertheless, we believe it is an important function that must be performed if we are to comply effectively with statutory commands and to be true to our human rights commitments.

RURAL HOUSING ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 5 minutes.

Mr. LUNDINE. Mr. Speaker, I am extremely pleased today to join my distinguished colleague from Oregon (Mr. AUCOIN), in introducing the Rural Housing Act of 1978. Last year, Congressman AUCOIN and I sponsored both the Rural Housing Act of 1977, H.R. 6235, and the Consolidated Farm and Rural Development Act of 1977, H.R. 6236.

As a result of the supportive and cooperative efforts of the distinguished chairman of the subcommittee, Mr. ASHLEY, the Congress adopted a number of important rural provisions in the Housing and Community Development Act of 1977, Public Law 95–128, which were similar to those contained in H.R. 6235. These changes will enable the rural housing programs administered by the Farmers Home Administration to operate more effectively. In addition, at the initiative of the distinguished chairman of the Subcommittee on Conservation and Credit, Mr. JONES of Tennessee, two provisions contained in H.R. 6236, which will greatly improve the FmHA water and sewer grant program, have been added to legislation soon to be considered by the House.

We are pleased by this support of rural housing and community facility legislative efforts. There are, however, a number of additional steps which must be taken to adequately address the challenge of achieving the goal of a decent home for every American. Many of these further initiatives are contained in the legislation we are introducing today.

The Rural Housing Act of 1978 represents a step forward in broadening the service concept of the FmHA programs and in correcting deficiencies and omissions in the current delivery system for rural low and moderate income housing programs. Central to the legislation we are proposing is the strengthening of the FmHA and the ability of that agency to serve its program participants.

As a Nation, we have recognized that additional incentives are needed to allow the private sector to meet the housing needs of low- and moderate-income people. These problems are particularly acute in the rural areas of our country where higher levels of poverty prevail, where the population tends to be older and more dispersed, and where hardships are less obvious to most except those who suffer from them. It continues to surprise people that rural America contains almost two-thirds of the Nation's substandard housing while constituting only a little more than 30 percent of its population. This is a statistic in which we can take little comfort.

Much of the responsibility for the special housing needs of rural areas has been given to the Farmers Home Administration—FmHA—in the Department of Agriculture. This Agency had its origins in the depression of the 1930's when the Farm Security Administration was established as a lender of last resort for poor farmers and other rural people for housing and related purposes. The FmHA is unique among Federal agencies in that

it provides services directly from over 1,750 locally based county offices directly to rural residents. In addition, the FmHA can, through many of its programs, provide direct loans for housing and community development.

Over the years, FmHA has been given additional program responsibilities without corresponding budget support. Today, the FmHA has responsibility for numerous programs involving housing, farming and rural development. As a lender of last resort, the FmHA responds to the special needs of rural areas which are credit needy and often without the traditional public or private institutions which deliver housing resources. In the past few years, increasing costs of fuel, rising taxes, mounting construction costs, and inflation in general have adversely affected the ability of the FmHA to serve those people and communities most in need of assistance—low- and moderate-income people and the smaller, rural communities which are unable to provide basic services to their citizens.

The Rural Housing Act of 1978 is a series of amendments to title V of the 1949 Housing Act as amended. This is the basic law which provides the FmHA the authority to administer all of its housing programs. While there are 14 sections in the Rural Housing Act of 1978, I will limit my remarks to several sections which are of primary importance in our efforts to improve housing in rural America.

HOMEOWNERSHIP SUBSIDY FOR LOW- AND MODERATE-INCOME PERSONS

Since its inception, the major housing program administered by the FmHA has been its single family homeownership program. This program, section 502, provides credit for acquisition of newly constructed, existing, or rehabilitated housing. It is appropriate that this is the major housing program of the FmHA when one considers that almost 75 percent of rural Americans own their own home. Yet for low- and moderate-income people in rural areas, the dream of owning a home has all but evaporated.

We are all acutely aware of the corrosive effect of inflation on our lives. Nowhere has this been more true than in its effect on single family homeownership opportunities for low- and moderate-income persons. The level of income which can be served by the FmHA 502 homeownership program has been moving steadily upward with no alternative available for others. In some sections of the country, the impact of inflation, combined with skyrocketing costs of utilities and taxes, have made it almost impossible to serve any family with an adjusted income under $9,000. Under these circumstances, it is impossible for the FmHA to meet its legislative mandate to serve the housing needs of low-income families.

Section 8 of the Rural Housing Act provides for new authorities for the section 502 homeownership program which permit other items of housing costs to be included in any subsidy formula. This change parallels the authority which already exists in the section 8 program. Certainly if we can permit private owners to accumulate equity through subsidization of rental costs, the same benefits should be extended to those whose incomes are too low for eligibility under any available homeownership program.

This section of the Rural Housing Act also contains a provision that would prevent unjustified enrichment of the owner through appreciation realized on resale. This is accomplished by giving FmHA the authority to recapture subsidy funds when a profitable sale of an FmHA financed house is made.

While this homeownership provision is the most important feature of the Rural Housing Act of 1978, there are several other sections which merit a few words because of their importance to the long-term effectiveness of the FmHA housing programs. In particular, I will address the sections dealing with an appeals procedure, a research division within FmHA and loans on land subject to remote title claims.

APPEALS PROCEDURE

We believe that the FmHA is an ideal vehicle to serve the needs of rural people. Still, we are convinced that special care and attention must be given to make sure that the rights of people to have access to FmHA programs is fully protected. One of the ways this can be done is by providing an adequate appeals procedure for those who feel that they have not been treated fairly.

There are some documented cases where the rights of applicants have been abused through arbitrary decisions by FmHA employees, with little opportunity for such abuses to be challenged administratively in a due process system. The establishment of a due process appeals procedure will result in a more careful and responsive evaluation of administrative decisions by FmHA employees. Similar procedures for appeal already exist for builders faced with disbarment by FmHA, and many other agencies have had an appeals procedure in place for some time. For example, the USDA food stamp program and all HUD housing programs are subject to such an appeals procedure.

RURAL HOUSING RESEARCH

The Housing and Community Development Act of 1977, Public Law 95–128, directed the establishment of a research capacity within FmHA. The FmHA has not carried out this mandate. This section in the Rural Housing Act of 1978 directs FmHA to perform specific research directed toward the needs of the elderly, handicapped, farmworkers, and Indians. It requires a specific assessment of the impact of rural growth patterns, and the provision of economically and environmentally sound rural community facilities. Baseline data is often unavailable for small communities and rural areas. Therefore, we propose to increase the authorization for this research from $1 to $10 million annually.

Information similar to that available for urban areas as a result of HUD's $60 million-plus research capability is nearly nonexistent for rural areas. FmHA, which is currently the largest direct Federal lender in the country, is forced to assess rural patterns, rural community facilities and services, and the housing needs of special groups in a virtual vacuum. HUD simply does not engage in research peculiar to rural areas. Seasonal and migrant farmworkers, mountain people in the Appalachian area, Indians on reservations, the rural elderly and others rely on FmHA to meet their housing needs. It simply does not make sense to anticipate adequate solutions to these problems from an agency that has been so severely handicapped by the lack of appropriate research data. It is time for Congress to act on the recognition of these needs by establishing a separate research division within the Farmers Home Administration.

REMOTE TITLE CLAIMS

This amendment would permit the FmHA to make loans on land where an owner could not provide clear title because of a remote claim. The problem of remote claims clouding titles may be more widespread than originally thought. The problem is one faced by many low-income families in the Southeastern and Southwestern United States. In the Southeast, the problem is that of numerous heirs to property who are often very difficult to locate. In the Southwest, the problem is Spanish land grant claims. The cost of clearing title is often more costly than the land itself.

Under the proposed amendment the FmHA would permit loans for its housing programs on such land when convinced that the claim to the land were remote enough to make it unlikely that any future action would be forthcoming against FmHA. Experience with the FmHA 504 program, which does not require a clear title, shows that only 3 cases out of 43,000 loans and grants have resulted in adverse title action. Clearly, this is an acceptable risk to make use of land in areas where housing is in short supply.

Mr. Speaker, if we are to deal effectively with the rural housing problems of our country, it will be necessary to move aggressively and imaginatively with solutions. We hope you will join us in supporting the Rural Housing Act of 1978.

I include the text of the Rural Housing act of 1978:

H.R. —

A bill to amend title V of the Housing Act of 1949 to increase and extend authorities thereunder, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rural Housing Act of 1978".

FORECLOSURE PREVENTION POLICY STATEMENT

SEC. 2. Section 505 of the Housing Act of 1949 is amended by adding at the end thereof the following sentence: "Foreclosure or any other forced liquidation of the indebtedness of any loan made, insured, or guaranteed under this title shall be undertaken only as a last resort and only after a determination that granting of a moratorium under this section, cancelling inter-

est payments under this section, refinancing under section 501(a), crediting of interest under section 521(a), or any other authorized servicing or counseling measure cannot reasonably be expected to result in enabling the mortgagor to retain his or her right, title, and interest in the land (and improvements thereon) which secures the mortgage."

RURAL HOUSING RESEARCH

SEC. 3. (a) Subsections (b) and (c) of section 506 of the Housing Act of 1949 are amended to read as follows:

"(b) The Secretary is further authorized and directed to conduct research, technical studies, and demonstrations relating to the mission and programs of the Farmers Home Administration and the national housing goals defined in section 2 of this Act. In connection with such activities, the Secretary shall seek to promote the construction of adequate farm and other rural housing, with particular attention to the housing needs of the elderly, handicapped, migrant and seasonal farmworkers, Indians, and other identifiable groups with special needs. The Secretary shall conduct such activities for the purpose of stimulating construction; improving the architectural design and utility of dwellings and buildings; and utilizing new and native materials, economies in materials and construction methods, and new methods of production, energy conservation, distribution, assembly, and construction. In addition, the Secretary shall conduct such activities for the purpose of reducing the cost of such dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm and other rural housing use.

"(c) The Secretary is further authorized to carry out a program of research, study, and analysis of rural housing in the United States for the purpose of developing data and information on—

"(1) the adequacy of existing rural housing;

"(2) the nature and extent of current and prospective needs for rural housing, including needs for financing, subsidies, improved design, utility, comfort, and the best methods of meeting such needs;

"(3) the adequacy of the rural housing stock to meet the special needs of the elderly, the handicapped, farmworkers, and Indians and the best methods of meeting such needs;

"(4) problems faced by rural people, including farmers, eligible under section 501 for purchasing, constructing, improving, altering, repairing, and replacing their housing;

"(5) rural growth patterns and the interrelation of rural housing problems and the problems of housing in urban and suburban areas;

"(6) the status of community facilities and services in rural areas, problems resulting from inadequate facilities and services, and recommendations to alleviate such problems; and

"(7) any other matters relating to the provision of adequate rural housing and related community facilities."

(b) Section 506(d) of such Act is amended by striking out "capacity" and inserting in lieu thereof "division".

(c) Section 506 of such Act is further amended by adding the following new subsection at the end thereof:

"(f)(1) The Secretary shall conduct a study of housing which is available for migrant and settled farmworkers. In conducting such study, the Secretary shall—

"(A) determine the location, number, quality, and condition of housing units which are available to such farmworkers and the cost assessed such farmworkers for occupying such units;

"(B) recommend legislative, administrative, and other action (including the need for new authority for such action) which may be taken for the purpose of improving both the availability and the condition of such housing units; and

"(C) determine the possible roles which individual farmworkers, farmworker associations, individual farmers, farmer associations, and public and private nonprofit agencies can perform in improving the housing conditions of farmworkers.

"(2) The Secretary shall transmit the results of the study described in paragraph (1) to each House of Congress within 1 year after the date of the enactment of this subsection."

COMPENSATION FOR CONSTRUCTION DEFECTS

SEC. 4. (a) Section 509(c) of the Housing Act of 1949 is amended by striking out the last two sentences and by inserting the following after "structural defects" in the first sentence: ", or other defects not in conformance with such standards as he has prescribed under subsection (a),".

(b) Section 509(d) of such Act is amended to read as follows:

"(d) The Secretary is authorized, with respect to any previously occupied dwelling purchased with financial assistance authorized by this title which he finds to have structural defects, or other defects not in conformance with such standards as he has prescribed under subsection (a), to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property, if such assistance is requested by the owner of the property within eighteen months after financial assistance under this title is rendered to the owner of the property or, in the case of property with respect to which assistance was made available within thirty-six months prior to the date of enactment of the Rural Housing Act of 1973, within eighteen months after such date of enactment."

(c) Section 509 of such Act is amended by adding the following new subsection at the end thereof:

"(e) Expenditures pursuant to subsections (c) and (d) may be paid from the Rural Housing Insurance Fund created by section 517. The Secretary shall issue rules and regulations for the orderly processing of applications for assistance under subsections (c) and (d) and rules and regulations providing for due process review of any determination made by the Secretary denying assistance under such subsections. The Secretary shall also maintain records at a single location of all requests for assistance filed and the disposition of the requests. Nothing in this section shall be construed as precluding judicial review of any decision of the Secretary denying assistance under this section or as precluding any owner from seeking remedies under any other provision of law."

(d) Section 517(j) of such Act is amended by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(7) after October 1, 1978, and as approved in appropriation Acts, to make expenditures authorized by section 509(d).".

APPEALS PROCEDURE

SEC. 5. Section 510 of the Housing Act of 1949 is amended by redesignating paragraph (i) as paragraph (j) and by inserting after paragraph (h) the following new paragraph:

"(i) issue rules and regulations protecting the rights of all persons and organizations applying for or receiving assistance under any section of this title over which the Secretary has authority. Such rules and regulations shall provide that, whenever any person or organization has applied for assistance under this title and such assistance is denied for reasons other than the availability of funds, or whenever a decision has been made to terminate or reduce assistance under this title to any person or organization which is already receiving such assistance, such person or organization will be given—

"(1) adequate written notice of the reasons why assistance was denied, reduced, or terminated;

"(2) adequate written notice that such person or organization has a right to appeal the decision at a hearing held in accordance with the provisions of this section;

"(3) an opportunity to appeal any decision denying, reducing, or terminating such assistance to an impartial official who has the authority to reverse such a decision after having conducted a hearing within a reasonable time after it has been requested by the person or organization affected by the adverse decision; at such hearing the appellant shall have the right to (A) present evidence through witnesses or otherwise, (B) inspect records and data in the possession of the Secretary which pertain to the appeal, (C) cross-examine witnesses, (D) be represented by counsel, and (E) have the hearing officer make the decision on the record, in writing, stating the reasons for the decision; and

"(4) an opportunity to have the decision of the hearing officer reviewed by the Secretary; and such rules and regulations shall also provide that, whenever any person or organization has had assistance reduced or terminated and, as a result of an appeal or otherwise, it is subsequently determined that such assistance was erroneously or improperly withheld, such person or organization shall be entitled to receive all benefits and assistance that have been withheld as a result of the original decision to reduce or terminate such assistance; and".

ASSISTANCE AUTHORIZATIONS

SEC. 6. (a) Clause (b) of section 513 of the Housing Act of 1949 is amended to read as follows: "(b) not to exceed $100,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1979".

(b) Clause (c) of such section is amended to read as follows: "(c) not to exceed $50,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1979".

(c) Clause (d) of such section is amended to read as follows: "(d) not to exceed $10,000,000 for research and study programs pursuant to subsections (b), (c), and (d) of section 506 for the fiscal year ending September 30, 1979".

(d) Section 514(d) of such Act is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

(e) Sections 515(b)(5) and 517(a)(1) of such Act are each amended by striking out "1978" and inserting in lieu thereof "1979".

(f) Section 523(f) of such Act is amended—

(1) by inserting "and for the fiscal year ending September 30, 1979, such sums, not in excess of $25,000,000," immediately after "$10,000,000 for any such fiscal year," in the first sentence; and

(2) by striking out "1978" and inserting in lieu thereof "1979" in the second sentence.

(g) Section 523(g) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ", and not to exceed $5,000,000 for the fiscal year ending September 30, 1979".

(h) Section 525(c) of such Act is amended by inserting after the first sentence the following sentence: "There are also authorized to be appropriated for the fiscal year ending September 30, 1979, not to exceed $10,000,000 for the purposes of subsection (a) and not to exceed $10,000,000 for the purposes of subsection (b).".

CONGREGATE HOUSING FOR ELDERLY AND HANDICAPPED FAMILIES

SEC. 7. Section 515(d)(3) of the Housing Act of 1949 is amended by striking out "and" the first time it appears and by striking out the period at the end thereof and inserting in lieu thereof the following: ", and (C) provision is made for supervisory assistance personnel, including living quarters for a limited number of such personnel."

ASSISTANCE TO PERSONS RECEIVING LOANS TO PROVIDE OCCUPANT-OWNED, RENTAL, AND COOPERATIVE HOUSING

SEC. 8. (a) Section 521 of the Housing Act of 1949 is amended—

(1) by inserting "(A)" after "Sec. 521. (a)(1)";

(2) by striking out everything in the first sentence after "one-eighth of 1 per centum" and inserting in lieu thereof a period; and

(3) by inserting the following at the end thereof:

"(B) From the interest rate so determined, the Secretary may provide the borrower with assistance in the form of credits so as to reduce the effective interest rate to a rate not less than 1 per centum per annum for such periods of time as the Secretary may determine for applicants described in subparagraph (A) if without such assistance such applicants could not afford the dwelling or make payments on the indebtedness of the rental or cooperative housing.

"(C) For persons of low income under section 502 or 517(a) whom the Secretary determines are unable to afford a dwelling with the assistance provided under subparagraph (B), the Secretary may provide additional assistance, pursuant to amounts set forth in appropriation Acts and for such periods of time as the Secretary may determine, which may be in an amount not to exceed the difference between (i) the amount determined by the Secretary to be necessary to pay the principal indebtedness, interest, taxes, insurance, utilities, and maintenance, and (ii) 25 per centum of the income of such applicant.

"(D) With respect to borrowers under section 502 or 517(a) who have received assistance under subparagraphs (B) or (C), the Secretary shall provide for the recapture of all or a portion of such assistance rendered upon the disposition or nonoccupancy of the property by the borrower. In providing for such recapture, the Secretary shall make provisions to provide incentives for the borrower to maintain the property in a marketable condition, and the Secretary in appropriate cases may make provision for the borrower to receive from the sales proceeds a relocation allowance. Notwithstanding any other provision of law, any such assistance whenever rendered shall constitute a debt secured by the security instruments given by the borrower to the Secretary to the extent that the Secretary may provide for recapture of such assistance.

"(E) The assistance rendered to any borrower under subparagraphs (B) and (C) shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to welfare and public assistance programs.

"(F) Loans subject to the interest rates and assistance provided under this paragraph (1) may be made only when the Secretary determines the needs of the applicant for necessary housing cannot be met with financial assistance from other sources including assistance under section 235 or 236 of the National Housing Act.

"(G) Interest on loans under section 502 or 517(a) to victims of a natural disaster shall not exceed the rate which would be applicable to such loans under section 502 without regard to this section."

(b) Section 517(j) of such Act is amended by striking out "(2)" in paragraph (4).

RURAL RENTAL ASSISTANCE

SEC. 9. (a) Section 521(a)(2)(A) of the Housing Act of 1949 is amended by inserting after "rental" the second time such term appears in the first sentence the following ", congregate, or cooperative".

(b) Section 521(a)(2)(A) of such Act is further amended by striking out "income" the second time it appears in the first sentence and inserting in lieu thereof "adjusted annual income (as heretofore defined by the Secretary for purposes of determining eligibility for housing financed under sections 502 and 515)".

(c) Section 521(a)(2)(A) of such Act is further amended by striking out "20" each time it appears therein and inserting in lieu thereof "50".

(d) Section 521(a)(2)(A)(i) of such Act is amended by inserting "or by a loan under section 514" immediately after "section 515 for elderly or handicapped housing".

(e) Section 521(a)(2)(A) of such Act is amended by striking out "and (ii)" in the second sentence and inserting in lieu thereof the following: "(ii) when market conditions indicate that a substantial need exists for subsidized family housing that cannot be met without a greater percent of rental assistance, the Secretary shall make such payments without respect to the 50 per centum limitation, and (iii)".

MUTUAL AND SELF-HELP HOUSING

SEC. 10. Section 523(b)(1)(A) of the Housing Act of 1949 is amended by inserting "or land" after "options" in the proviso.

SITE LOAN CHANGES

SEC. 11. (a) Section 524(a) of the Housing Act of 1949 is amended by striking out "prescribed" in the second sentence and all that follows through "1 per centum," and inserting in lieu thereof "of 3 per centum,".

(b) Section 524(a) of such Act is further amended by adding at the end thereof the following: "The Secretary may guarantee loans made by banks and other public and private lending institutions to limited profit developers at the market rate. The authority for loans guaranteed under this section shall be separate from the authority for insured loans under this section. The processing of applications for such guaranteed loans may be conducted only by the State or district offices of the Farmers Home Administration. At least 50 per centum of the sites developed under the guaranteed site loan program shall be used to serve needs of persons of low income.".

LOANS ON LAND SUBJECT TO REMOTE CLAIMS

SEC. 12. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"LOANS ON LAND SUBJECT TO REMOTE CLAIMS

"SEC. 529. The Secretary may make, insure, or guarantee loans with respect to land where the title is otherwise uninsurable by private insurance companies because of remote claims or encumbrances to enable otherwise eligible persons who hold title to such land to benefit from assistance under this title, except that such land may not be part of any land which is divided or to be divided into two or more lots for the purpose of sale by the person holding such land. In the event of a court decision adverse to the title claim of any person holding any such loan after assistance has been made available to such person under this title, the Secretary may use the funds of the Rural Housing Insurance Fund to pay the holder of such remote claim or encumbrance and any funds so expended shall be reimbursed by annual appropriations.".

(b) Section 517(j)(3) of such Act is amended by inserting "including payments under section 529," after "Fund,".

(c) Section 521(a)(1) of such Act is amended by inserting "or 529," after "or 526(a),".

ENERGY CONSERVATION

SEC. 13. Title V of the Housing Act of 1949 is amended by adding the following new section at the end thereof:

"ENERGY CONSERVATION

"SEC. 530. (a) The Secretary shall withhold assistance authorized under sections 502, 514, 515, and 516 of this Act from any otherwise eligible borrower who, after January 1, 1979, fails to incorporate into any structure, commenced by such borrower after that date, such energy conserving construction techniques, design features, and materials as may be necessary to substantially reduce energy consumption. The additional costs attributed to such construction in order to reduce energy consumption may not exceed the estimated cost of the energy savings over a ten-year period. The Secretary shall take the long-term energy savings into account in determining eligibility under sections 502, 514, 515, and 516 and shall not deny assistance as a result of any increased construction costs resulting from energy conservation devices or techniques that are to be included in the structure.

"(b) The Secretary shall encourage the inclusion, in all housing constructed with assistance under this Act, of locally available space heating systems, including, but not limited to, coal and wood burning stoves, fireplaces or furnaces, heat pumps, low cost solar- or wind-powered systems, or any combination of such systems. The cost of such space heating systems may be included in the loan to any eligible borrower when it is determined to be economically feasible for the initial borrower, or to any subsequent borrower, who may seek assistance under the provisions of section 502 or 504 to replace or modify an existing space-heating system.

"(c) The Secretary shall establish minimum standards for implementing the provisions of subsections (a) and (b).".

AUTHORIZED PROGRAM LEVELS FOR GUARANTEED AND INSURED LOANS

SEC. 14. Section 517 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(o) Such sums as may be made available in appropriations Acts for the purpose of establishing the level of loan programs funded under this section shall be treated as budget authority for purposes of title X of the Budget and Impoundment Control Act of 1974.".

RURAL HOUSING ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, I am extremely pleased, along with my colleague from New York, Mr. LUNDINE, to introduce a bill which would do much to provide homeownership opportunities to moderate- and low-income families in rural areas. The bill also would mandate that FmHA create a research division within its organization and carry out a study of the housing needs of migrant and settled farmworkers—probably the most poorly housed group in our Nation.

As you know, Congressman LUNDINE and I also introduced the Rural Housing

Act of 1977. Thanks to the cooperation and leadership of the distinguished chairman of the Subcommittee on Housing and Community Development, Mr. ASHLEY, many of the provisions of that earlier bill were included in the Housing and Community Development Act of 1977. These changes will do a great deal to improve the delivery of housing assistance to low-income families in rural areas. However, there still is a need to improve existing programs and to create new ones to better meet the needs of this country's rural poor. That is the purpose of the bill which I introduce today.

Mr. Speaker, the First Congressional District in Oregon which I represent includes urban, suburban, and rural areas. The housing needs found in my district are just as diverse. I think my work on housing issues in the Congress has reflected the breadth of that need. During consideration of the Housing and Community Development Act of 1977, I worked hard to see that the major elements of the bill addressed the need of both urban and rural areas. And, I strongly supported a community development allocation formula to provide sufficient funds to battle the tragic blight for many of our largest urban areas.

The bill I introduce today addresses two critical rural housing needs: The ever-increasing inability of low-income families to achieve homeownership and the housing needs of migrant and settled farmworkers.

Farmers Home Administration currently provides low-income families to moderate- and low-income families to finance the acquisition of a newly constructed, existing or rehabilitated housing. However, increasing costs of homeownership have raised the minimum income which families must have in order to qualify for FmHA loans. This is true even when inflation is taken into account since homeownership costs have risen faster than the incomes of moderate and low-income households.

Mr. Speaker, the fact is that today FmHA can serve hardly anyone with an income under $7,000. I think that situation represents a perversion of the FmHA program especially when one considers that 75 percent of the households in rural America who live in substandard housing have incomes under $6,000.

Something must be done to help these people. It is clear that if the Farmers Home Administration is to fulfill the intent of Congress set forth in 1949, that every American is entitled to decent housing, then new authority must be provided to that agency.

The bill which Congressman LUNDINE and I introduce today will provide FmHA with the tool it needs to help in particular the very low-income people in rural areas obtain a home.

Section 8 of the act expands FmHA's section 502 homeownership program and creates a homeowner assistance program. It provides the FmHA may subsidize homeownership costs, including principal, interest, taxes, insurance, and maintenance. A family pays 25 percent of their adjusted gross income as their contribution toward total housing costs. The difference is paid by Farmers Home Administration.

The families may accrue equity, but the act provides that the Government may recapture equity up to the total amount of the subsidy to the family. Farmers Home Administration must make provisions to insure that families can retain some equity upon sale of the home. This equity for the family will serve as an incentive to keep up the home.

The program that we are proposing is not really a new concept. The costs that Farmers Home Administration will subsidize are the same costs that are subsidized under the Department of Housing and Urban Development's section 8 program. The difference between the two programs is that under section 8 of the Government's share of the rental costs benefit the owner of the rental unit which the low-income family is renting. The owner is using the Government subsidy to build equity as well as pay for taxes, insurance, interest, and maintenance costs. The renter household gains decent housing, but has nothing else to show for his share of those housing costs.

Under the homeowner assistance programs for rural Americans, can and have not only help provide a needy low-income family with decent shelter, but it can help that family build equity and, most important, achieve homeownership.

I am pleased to say that this proposal has the backing of the administration. It has submitted a similar proposal and requested funding in the proposed budget for fiscal 1979.

Mr. Speaker, the homeownership assistance program, and other housing programs for rural Americans, can and have done a great deal to improve housing conditions of the rural poor. But there is part of our rural population whose occupation makes it very difficult for them to access the housing resources available to other rural low-income families. Mr. Speaker, I am talking about the migrant farmworkers of this country.

These people perform work that most other Americans will not do. They are instrumental in getting the food we eat from the field to the table. Yet many farmworkers are forced to live in a kind of squalor, difficult for most Americans even to imagine.

Because of the intrinsic mobility in their jobs, farmworkers find it difficult to access the social services that are available to other rural poor. That is why special programs have been created to provide job training, day care, emergency food, and other kinds of necessary services.

Farmers Home Administration also has a special program to help provide housing for farmworkers. The section 514/516 program provides loans and grants for construction of farmworker housing. The units built under this program must be predominantly occupied by farmworkers, either seasonally or yearround.

However, costs of construction, operation, and maintenance being what they are, it has become nearly impossible to construct units with rents low enough for farmworkers to afford. In my district, this is especially true because much of any new housing built would only be lived in and produce rental income during summer months, although operation and maintenance costs would pile up year-round.

The Carter administration, to its credit, has recognized the need for assisting more farmworkers by significantly increasing the funding level requested for the 514/516 program. While this infusion of new funds is desperately needed, the housing produced will barely scratch the surface of need for decent farmworker housing. There is not now, nor is there ever likely to be, enough money to even begin solving the problem.

If we are going to improve significantly housing conditions of farmworkers, then we must look for better ways to encourage the development of new housing and the rehabilitation and maintenance of existing housing. More dollars in the current Farmers Home Administration program will help, but they will not do the job alone.

Mr. Speaker, for that reason I have included in the Rural Housing Act of 1978, a provision that Farmers Home Administration must undertake a study of the housing needs of migrant and settled farmworkers. It must report back to the Congress within 1 year with the results of that study, together with recommendations for improving the housing conditions of farmworkers.

The provision also requires that Farmers Home Administration consider the roles that individual farmworkers, and farmers, as well as public and private nonprofit organizations can play in providing decent housing for farmworkers.

In examining solutions, I hope Farmers Home Administration will not simply look at conventional publicly subsidized housing. It also should investigate incentives for farmers to construct and maintain adequate housing, use of housing, (such as student housing) that may be vacant during summer months, self-help housing and any innovative techniques that might be applicable.

Performing a study clearly is but a small step toward providing decent housing for this country's farmworkers. It is not intended to reexamine the impoverishment of farmworkers. Their circumstance is well documented. Instead, this study should examine concrete solutions for the problems we know exist.

Mr. Speaker, there are many other important provisions in this bill, including an appeals procedure for Farmers Home Administration, judicial review in the compensation for defects program, title insurance by Farmers Home for remote claims, and many others. However, I ask unanimous consent that a section by section summary of the bill be placed in the RECORD immediately following my remarks and I urge my colleagues to support this legislation on the basis of its social worth as well as the jobs it will stimulate in new construction.

SUMMARY OF THE RURAL HOUSING ACT OF 1978

SECTION 1—TITLE

This Act my be cited as the "Rural Housing Act of 1978."

SECTION 2—FORECLOSURE PREVENTION

Section 505 of the Housing Act of 1949 provides for moratorium relief to those who have problems meeting mortgage payments for reasons beyond their control such as illness and unemployment. Section 2 is language added to make clear to FmHA that foreclosure and forced liquidation of property for nonpayment are last step measures when all other steps fail. Testimony at Senate hearings on S. 1150 detailed cases when County Supervisors acted hastily in foreclosing without using the remedial tools at their disposal.

SECTION 3—RURAL HOUSING RESEARCH

The Housing and Community Development Act of 1977, PL 95–128, directed the establishment of a "research capacity within FmHA." The FmHA has chosen to ignore this mandate. Section 3 changes the term "capacity" to "division" which clarifies the Congressional intent. FmHA's housing programs are the major activity of the agency and yet most basic research is done by other USDA divisions which are basically oriented to Agriculture. In addition, housing matters must wait for their turn in the priority order of the other divisions.

Section 3 repeats the language of H.R. 6235 which directs the agency to perform specific research directed toward the needs of the elderly, handicapped, farmworkers, and Indians; the impact of rural growth patterns; and the provision of economically and environmentally sound rural community facilities. It also would increase the authorization for this research from $1 to $10 million annually. This is a small amount when compared to the $62 million being requested by HUD for research in FY 1978. Finally, it would direct FmHA to conduct a special study on migrant farm labor housing needs and solutions.

SECTION 4—COMPENSATION FOB CONSTRUCTION DEFECTS

PL 95–128 authorized FmHA to compensate purchasers of newly constructed houses for structural defects in their construction. Section 4 would extend such coverage to existing houses as well. In addition, section 4 broadens the coverage of defective items beyond those solely structural in nature. Finally, this section eliminates preclusion of judicial review in either the new construction or the existing housing programs.

SECTION 5—APPEALS PROCEDURE

Another very significant feature of this bill is the requirement that FmHA adopt a due process appeals procedure so that all persons and organizations applying for and/or receiving assistance under all FmHA housing programs have an opportunity to appeal the refusal, modification or termination of that assistance.

The FmHA County Supervisor, with whom most persons seeking FmHA assistance have primary contact, has almost unlimited discretion. Under the existing system the applicant does not learn of the specific reasons for an adverse action unless and until (s)he arranges a meeting with the County Supervisor, who then orally communicates the reasons. If the applicant seeks an appeal, the reviewing official is usually the district director, who has a stake in affirming the County Supervisor's decision because of the close working relationship which usually exists between them and the fact that a County Supervisor's poor record reflects badly on the district director.

The essence of this bill's appeals procedure is the right of the applicant to: know the specific reasons why the adverse decision was made; have the decision reviewed by an impartial official; present oral evidence at an evidentiary hearing; and have the appeal decided in a timely fashion, based on the record and not on shifting reasons.

SECTION 6—ASSISTANCE AUTHORIZATIONS

This section extends and expands the authorization for all FmHA Housing programs. It attempts to simplify what has become a cumbersome and verbose section in past legislation.

Specifically the section would make the following changes:

1. Section 504 Home Repair Loans and Grants—provide $100 million authority until September 30, 1979.

2. Section 516 Farm Labor Housing Grants—provide $50 million authority until September 30, 1979.

3. Section 506 Research—provide $10 million authority until September 30, 1979.

4. Section 514 Farm Labor Housing Loans—provide $50 million in authority until September 30, 1979.

5. Section 515 Rural Rental Housing—extends the present unlimited authority until September 30, 1979.

6. Section 523 Self-Help Technical Assistance Grants—provides $25 million in authority until September 30, 1979.

7. Section 523 Self-Help Site Loans—provides $5 million in authority until September 30, 1979.

8. Section 525(a) and (b) Technical Assistance Grants and Loans—provides $10 million authority for each of these programs until September 30, 1979.

SECTION 7—CONGREGATE HOUSING FOR ELDERLY AND HANDICAPPED FAMILIES

This is a technical amendment to take care of an inadvertent omission made when PL 95–128 was marked up. This provision will make the FmHA congregate housing authority similar to that of HUD.

SECTION 8—HOMEOWNERSHIP SUBSIDY FOR LOW AND MODERATE INCOME PERSONS

In the most far reaching provision in the bill, very low income persons, no matter how low income, "who cannot otherwise afford to repay a loan under section 502" would be afforded the opportunity to obtain homeownership. FmHA would pay the difference between 25% of the family's adjusted income and all homeownership costs, including mortgage payment, property taxes, insurance, utilities and maintenance. FmHA would be allowed to recapture subsidy payments in case of a profitable sale by the borrower, so long as the borrower received enough to relocate.

SECTION 9—RURAL RENTAL ASSISTANCE

This section would increase the number of units in a FmHA rural rental project which may be assisted by the rental assistance program. Presently the law allows only 20% of the units to be assisted when families are occupants. This section raises the percentage of units which can be assisted to 50 percent. When market conditions are such that there is a substantial need for housing for low-income people the Secretary would be required to subsidize more than 50 percent of the units.

The other provision of this section is technical in nature.

SECTION 10—MUTUAL SELF-HELP HOUSING

This section would allow the self-help revolving loan fund to be used to purchase land as well as obtain options.

SECTION 11—SITE LOAN CHANGES

The interest rate on Section 524 site purchase and development loans would be reduced from market rate to 3%. Section 12 would provide new authority to conduct a guaranteed site loan program for private limited profit developers. This new authority would permit the Secretary to guarantee loans made by public and private lending institutions to developers. At least 50 percent of the sites developed with such loans would have to be used to serve low-income people. Currently, only public and nonprofit bodies qualify for direct Section 524 loans.

SECTION 12—LOANS ON LAND SUBJECT TO REMOTE TITLE CLAIMS

FmHA would be authorized to make loans on land where private companies will not provide title insurance solely because of remote or outstanding claims or encumbrances on title.

SECTION 13—ENERGY CONSERVATION

All housing financed by FmHA would be required to incorporate energy conservation techniques in future construction and, at the same time, consider long term operating savings in determining borrower eligibility. Use of alternative local energy sources would also be made explicitly eligible and would be encouraged.

SECTION 14

This amendment would require that the program levels for the insured and guaranteed housing programs be treated as appropriations for purposes of impoundment control. Thus, if the President wished to defer the attainment of or rescind program levels which have been approved by Congress, he would be required to transmit a rescission or deferral message in accordance with the Budget and Impoundment Control Act.●

WILLIAM A. WOLF HONORED BY KNIGHTS OF COLUMBUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. LEDERER) is recognized for 15 minutes.

Mr. LEDERER. Mr. Speaker, it gives me a great deal of personal honor to recognize before the Members of this House, a man from Philadelphia's Fourth District Knights of Columbus. Knight William A. Wolf, a lifelong resident of the Borough of East Lansdowne, Pa., until his marriage in June of 1977 to the former Mary Gerhard, has received from his brothers in the Knights of Columbus a special and distinct honor. Brother Wolf has been recognized to possess the necessary talent, experience and leadership abilities to serve in the Office of State Deputy of the Pennsylvania Council of the Knights of Columbus. This is indeed a high honor for any knight and for any citizen.

Mr. Speaker, Brother Wolf has been a member of St. Cyril of Alexandria Parish his entire life. His primary education was received at that parish. He is currently a member of St. Charles Borromeo Parish in Drexel Hill, Pa. A necessary prerequisite for leadership in the Knights is an excellent education. Brother Wolf graduated in 1954 from St. Joseph's Preparatory School. In 1958 he received his B.S. in economics from the Wharton School of the University of Pennsylvania. He has continued over with his education in graduate studies.

Mr. Speaker, beyond his obvious mental abilities, Brother Wolf has worked

long and hard in both the civil and spiritual worlds. He has been a member of the Holy Name Society for most of his life. He has always been there when his parish needed him. He has served as a member of the local volunteer fire company, along with distinguished service as a fire policeman.

Brother Wolf is a bright, successful businessman. In 1958, he opened his own life and general insurance agency and now his agency is licensed in New Jersey, Delaware, and, of course, Pennsylvania. Brother Wolf has been appointed to the supervisory committee of the Knights of Columbus Philadelphia Federal Credit Union. In 1972, he was appointed committee chairman, and in December 1973, Brother Wolf became the new treasurer-manager.

Mr. Speaker, Brother Wolf's accomplishments in service of the Knights of Columbus are many and varied. It would require much more time than I am allowed to cite each accomplishment for the Members of the House. Allow me, however, to mention just a few.

Brother Wolf joined the Columbus Council No. 992 on his 18th birthday. His father, then State-Deputy-elect Carl A. Wolf, was his sponsor. Brother Wolf started as warden of his council and went on to serve in many offices as well as the grand knight.

Mr. Speaker, William A. Wolf is an example of the fine citizens in the Knights of Columbus. He is a true good American who has served his community and country selflessly. May I offer, as a Member of this House, my personal congratulations to Brother Wolf and to all the knights who he represents. It gives me a great deal of personal pride to have the distinct privilege to represent citizens like Brother Wolf in this august body.

HOW INFLATION DID IN BUGS BUNNY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, what will it take to induce our present administration to concentrate on the dangerous effects its policies are having on inflation?

A ratification of the proposed coal strike settlement will guarantee an upward surge of our Consumer Price Index. The eroding purchasing power of our dollar is driving up the cost of both imported goods, and products on the domestic market. With the farm community facing serious problems, retail food prices are certain to continue their upward spiral. And forthcoming negotiations in the construction industry promise to add to our inflationary woes.

If these dire economic consequences do not faze the President and his fiscal advisors, then perhaps they should read the following article, which appeared in the Washington Star on March 12, 1978:

HOW INFLATION DID IN BUGS BUNNY

(By John Fialka)

I have become resigned to the fact that inflation picks away at my wallet, silently disposing of income that I was disposed to dispose of.

I have stood patiently by while inflation nibbles away at the size of such familiar and useful things as two-by-fours and French wine bottles, secretly injecting us into a world of flimsy and fraud while giving us the illusion that was are making more money.

But this time it has gone too far. We have evidence of a heinous crime: the forced retirement of Bugs Bunny at the hands of inflation. This should be regarded as national scandal, a crime against the flag, for, as Robert MacKenzie, a television critic, recently pointed out, Bugs Bunny is "an American character as indigenous as Will Rogers."

Mind you, "The Bunny," as he is known in the trade, is not suffering. He still pulls in between $15 and $20 million a year endorsing products ranging from dental floss to brokerage firms, and by collecting the royalties on books and on the approximately 900 Bugs Bunny cartoons now in circulation.

But the chef d'oeuvre of The Bunny's creators, the five-minute cartoons that used to be shown in movie theaters, can no longer be made because they now cost too much to produce.

The Bunny is a true child of the later phase of America's industrial age. He was invented by a committee, a group of young animators and directors at Warner Brothers who decided in the 1930s that what the world needed was a new rabbit.

Their creation was named after one of the directors, "Bugs Hardaway," and he passed through a number of phases, depending upon which of four directors was handling him.

Mel Blanc gave The Bunny an accent "somewhere between Brooklyn and the Bronx" and the animators eventually stabilized the character around the concept of "a smart ___ easterner," as Hal Geer, executive director of animation for Warner Brothers, puts it.

While the characters of Warner Brothers' chief cartoon rival, Walt Disney, tended to be romanticized because they were aimed at children, The Bunny, according to Geer, was aimed at an adult audience. His jokes were "right out of the burlesque."

The new rabbit hit a nerve. He became everyman's dream. "Bugs one ups everybody simply by his wits. He always wins, usually because of the stupidity of his adversary," explains Geer, who has watched The Bunny develop since World War II.

Oh, if life could only serve up a series of enemies as wonderfully incompetent as Elmer Fudd, or the Tasmanian Devil or, my favorite Bunny foil, Yosemite Sam.

But the ultimate foil for The Bunny, according to Geer, has been "the dollar sign." It used to take one animator a week to do 40 feet of film or 30 seconds of the standard five-minute Bunny cartoon. Today's animators, according to Geer, must produce three times as much footage in a week to support themselves.

As a result, the modern cartoons are crammed with stick figures, moving in jerky animation when compared with the subtle grace and the wide range of expressions of The Bunny. While there were once 12 drawings per second of cartoon film, now there are only two.

As a result, the new cartoons done for television suffer from what Geer calls "eight frame itis" a variety of tricks designed to use the same drawings over and over again.

Beyond that, the adult movie market for the five-minute cartoon has almost disappeared. Theater owners now feel that they have to hustle popcorn and candy between feature films to stay afloat.

The old Bunny cartoons are still very big on television. Geer says The Bunny "walks away" in the ratings from any other Saturday morning cartoon show.

Nevertheless, Warner Brothers made the decision some time ago that if they could not afford to match the quality of the old Bunny cartoons, they would not make any more. The Bunny's occasional appearance on television specials, according to Geer, are usually expanded versions of the old drawings.

The hard truth is that Fudd's "wetched wabbit" has been put permanently in his hole by something far more lethal than Fudd's shotgun or Yosemite Sam's six-shooters.

Again, the Rabbit is not hurting. He is probably down there clipping coupons or opening royalty checks between carrots.

But the rest of us are the poorer for it. The Bunny has been taken away from us. We are being told we can no longer afford to laugh at a smart ____.

When inflation's hand in this treachery is exposed, woe be it to the congressman who is caught overloading the budget. We can tolerate a little tampering with wine bottles and two-by-fours, but some things are sacred.●

KANSAS CITY TO HOUSTON HIGHWAY BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 5 minutes.

● Mr. SKUBITZ. Mr. Speaker, today I am introducing a bill which authorizes the construction of the Sam Houston Memorial Highway. This highway would stretch from Kansas City, Mo., to Houston, Tex.

This legislation would link up one of the great commerce centers of the Midwest, Kansas City, to a great commerce center and port of the Southwest, Houston. Construction of the route would produce thousands of new jobs and generate millions of dollars of new trade in Kansas City, eastern Kansas, eastern Oklahoma, eastern Texas, and Houston. Construction of the route would greatly improve the traveling conditions between these two great cities and along the corridor route which the highway would follow. In many instances the route would upgrade existing highways from a safety condition that can only be termed extremely hazardous to a quality equal to that of our best Interstate Highways. The new highway would serve communities which are for the most part poorly served by the present Interstate System. Because of the proximity of the highway to the Port of Catoosa, Okla., the route would greatly improve the shipping efficiency to and from the port.

My bill provides that the route of the highway would generally follow existing U.S. numbered highways. The highway would be four lanes and have limited access. Funds for constructing the highway would be made available from the highway trust fund, if State and/or local governing bodies provide matching funds equal to 20 percent of the project's cost.

This 80–20 matching formula is not a

figure which I have drawn out of thin air, on the contrary, it is the matching formula recommended by the Carter administration for U.S. primary highways.

The route would traverse the shortest distance between Houston and Kansas City. I know this because it is provided for in the legislation and because the route would service four communities which make up the highway corridor. Those communities which would definitely be served by the highway are Nacogdoches and Longview, Tex., Broken Bow, and Afton, Okla., and Pittsburg, Kans. By naming these corridor communities, we are fairly certain of the highway's route; however, work in determining the highway's specific route would begin upon enactment of my bill. The route is named for Sam Houston not only because of his contribution to the Nation but also without the support of the Texas delegation, this bill will never become law.

The present administration as well as previous ones have placed heavy emphasis upon completion of the present Interstate System before work is begun on expanding the system. To a limited amount, I agree with this viewpoint. Because of this agreement work would begin, at the latest, 2 years after enactment of my bill. This would permit more construction on the Interstate System and most importantly the Congress would have an established timetable for beginning work on the Kansas City to Houston route.

It is my understanding that much of the work remaining on the Interstate System is within densely populated areas and thus the building time is relatively slow compared with the construction time in open country. I believe that we need to continue to link our great cities together by quality highways. Mine is only one proposal and I am sure that there are other projects which also have great merit and should also be constructed.

This bill may or may not become enacted before I retire from Congress at the end of this session. But what matters is that the seed has now been planted for the construction of this highway. Someday, I am confident there will be a route such as I have proposed between Kansas City and Houston. It was good to have the opportunity to plant this seed.●

AN IMPORTANT CLARIFICATION OF THE DEBATE ON LAST WEEK'S HUMPHREY-HAWKINS BILL AND THE KEMP-QUIE AMENDMENT TO ESTABLISH PERMANENT TAX RATE REDUCTIONS AS A MEANS OF ACHIEVING REAL ECONOMIC GROWTH AND JOBS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

● Mr. KEMP. Mr. Speaker, an important clarification of the record, of the floor debate, on last week's Humphrey-Hawkins bill and the Kemp-Quie amendment to establish permanent tax rate reductions as a national economic recovery goal, must be made. The closeness of the vote on that amendment, 194 to 214, meaning that only 11 people had to change their "nay" votes to "yea" votes for the amendment to have carried, requires that clarification.

In the course of the debate on Wednesday, March 15, the distinguished majority leader, JIM WRIGHT of Texas, used the following argument against the Kemp-Quie amendment, the following, and I quote verbatim from the CONGRESSIONAL RECORD of that date, page 7041:

> It is estimated by the Congressional Research Service that these reductions, were they to go into effect, would bring about a loss of revenue of more than $150 billion by 1983. I do not know whether that is accurate or not, but that is the estimate of the Congressional Research Service.

The majority leader's remarks were followed in the course of the colloquy by our colleague, PAUL SIMON, of Illinois, found on that same page 7041:

> I appreciate the gentleman (Mr. WRIGHT) yielding. There is just one minor correction. I had the same sheet the gentleman had that contained the error and the loss of revenue is not by 1983 but in 1983, according to the Congressional Research, it is $151.2 billion. The total increase in the deficit, were this amendment to be adopted, would be $570 billion by 1983.

The debate continued and the Kemp-Quie amendment was narrowly defeated and in substantial measure upon this part of the debate and the fear that it engendered. It is not my purpose here this afternoon to impugn the integrity of either gentleman. Both are of substantial reputation before this body, and I am confident neither would have used these figures if they had known how they were computed and how that computation makes them wholly invalid.

The facts, with respect to these figures, are as follows:

First, they were not figures prepared by the Congressional Research Service of the Library of Congress. The CRS has assured me of this. The CRS was called by a congressional staff member and asked for tax revenue projections with respect to the amendment, projections which could be used in helping defeat my amendment.

Second, the figures were from the computers of the Department of the Treasury, widely regarded as the least accurate of any in the country. They are regarded that way because the formula used in the econometric model on the computer is one of wholly static analysis. In other words, all it can tell anyone is what the the dollar loss would be if the Internal Revenue Code were amended such and such a way and that amendment produced absolutely no change in economic output and economic behavior. That is obviously and patently absurd, as a principle on which to base a projection, because everyone knows changes in the tax laws produce changes in conduct. As a matter of fact, the changes in conduct which are expected to occur are the very reasons Congress usually enacts a tax reform or a tax amendment.

Third, when the Department of the Treasury, presumably in recognition of the fact that its analyses are static ones, told the CRS what their figures were, it stressed that they were only gross revenue losses and not net revenue effects. In other words, that they were initial losses which could be offset by changes in economic conduct in each and every day after Congress enacted them. Thus, by definition, the net effects—which are the real ones with which Congress should have been dealing in its debate on March 15—would have been different. How much different is shown by the Department of the Treasury's projections on the gross revenue losses of the Kennedy tax cuts of the early to mid-1960's.

At the time President John Kennedy proposed tax rate reductions for both individuals and corporations—the reductions on which the goals of the Kemp-Quie amendment were patterned—the Treasury was asked to prepare estimates on the revenue impact. Treasury did so. In marked contrast with what actually happened after the tax cuts he proposed were enacted, because economic conduct was changed as a result of that enactment, Treasury estimated great losses.

Here is the dramatic difference between what Treasury said would happen and what actually did happen, all with respect to revenue impact:

[In billions]

Year	(1)	(2)
1963	−$2.4	+$7.0
1964	−5.2	+6.0
1965	−13.3	+4.0
1966	−20.0	+14.0
1967	−23.7	+19.0
1968	−24.2	+4.0
Total	−89.0	+54.0

[1] Treasury-estimated revenue losses.
[2] Actual revenue gains.

Furthermore, the beneficial effect of permanent tax rate reductions need not be measured only in terms of revenue impact, one which shows that more revenue is brought in, not less, because while the rates are lower, the economic base to which they are applied is larger because the economy grew as a result of the rate reductions. The beneficial effects can also be measured in terms of substantially reduced unemployment, the very objective of the Humphrey-Hawkins bill.

Look at the dramatic drop in unemployment after the Kennedy tax cuts were passed, especially the drop in unemployment among blacks, the hardest hit of the presently high, unacceptably high unemployment:

Unemployment rate after the Kennedy tax cuts

[In percent]

Year	All workers	Blacks	Black males 20 years+
1961	6.7	12.4	11.7
1962	5.5	10.9	10.0

Unemployment rate after the Kennedy tax cuts—Continued

[In percent]

Year	All workers	Blacks	Black males 20 years+
1963	5.7	10.8	9.2
1964	5.2	9.6	7.7
1965	4.5	8.1	6.0
1966	3.8	7.3	4.9

That is a 2.9-percent drop in unemployment among all workers—a drop of 43 percent in all those unemployed; a 5.1-percent drop in unemployment among blacks—a drop of 41 percent in those blacks unemployed; and a 6.8-percent drop in unemployment among black males 20 years of age or more—a drop of 58 percent in those blacks unemployed. That is something every Member of this Congress should be seeking, not something 214 should have opposed on March 15 by blocking a means of making similar reductions possible.

Fourth, the figure used by my colleague (Mr. SIMON) of $570 billion—which I reiterate is the static figure—is a compilation of the static figures for 1978, 1979, 1980, 1981, 1982, and 1983 combined. It is a total figure, not one for 1983. The Treasury figures which he used are as follows:

Treasury estimate of unadjusted revenue impact

[In billions]

1978	—$24.9
1979	—56.1
1980	—96.3
1981	—111.8
1982	—130.1
1983	—151.2
Total	—570.4

If the Treasury is as far off today, as it was when it made the Kennedy tax cut projections, that unadjusted revenue loss would translate into a $345.8 billion gain, although I am not about to fall into the numbers trap of saying that is what would absolutely happen. It is just that it is based on the same margin of error that resulted in the 1960's.

Mr. Speaker, I am fully aware of the nature of floor debate. Many Members are trying to speak, to be heard; others are coming and going. So-called fact-sheets are quickly drafted by staff to rebut assertions made in support of amendments.

In this case, I am sure no one would have ascribed figures to the Congressional Research Service, if they had known they had come from the Department of Treasury.

I am sure no one would have used the gross, initial impact figures, had they known that Treasury had made it very clear to CRS in its discussion with them, that there were "no feedback effects" in the figures, and that is a direct quote from Treasury.

I am sure no one would have used figures, which opened them to the allegation of CRS that the figures used were "a misquote," and that is a quote from CRS if they had known what the figures really were.

But these figures were used, and they were wrong. The next time this matter is debated on the floor, and it will be, I assure my colleagues of that, I trust that the right figures, the net revenue impact figures, will be available and used by the Members engaged in debate.

Of course, conditions are different in part today, parallels are never exact. Americans are all too painfully aware of the added cost; that is, tax, of excessive regulations, burdensome paperwork, and international pressures. But, my position is that reducing tax rates is a good starting point to helping turn around a discouraging work and investment climate in America.●

PROPOSALS FOR DISTRICT OF COLUMBIA BASIC CRIMINAL CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 10 minutes.

● Mr. DIGGS. Mr. Speaker, the following letter, which was written on Monday, March 20, 1978, concerns the proposals of the District of Columbia Law Revision Commission. I would like, at this time, to insert it into the RECORD for the information of my colleagues.

COMMITTEE ON THE
DISTRICT OF COLUMBIA,
Washington, D.C., March 20, 1978.

DEAR COLLEAGUES: I received from the Speaker the recommendations of the District of Columbia Law Revision Commission for a District of Columbia Basic Criminal Code. As you know, the Law Revision Commission was established by Congress in 1974, P.L. 93-379. I would like to take this opportunity to extend my deepest appreciation to the members and staff of the Law Revision Commission for the many long hours and the hard work, at great personal sacrifice, that were necessary to complete this task.

The District Committee's Subcommittee on the Judiciary, so ably chaired by my distinguished colleague, Mr. Mazzoli of Kentucky, has worked with the Law Revision Commission and the District of Columbia Council throughout the process to ensure that the recommendations were made in a timely fashion and that the views of the community were taken into account.

During the debate on the extension of the prohibition on amendment to the Criminal Code by the D.C. Council, which I introduced (P.L. 94-402; H.R. 12261; Congressional Record, Vol. 122 (1976)), it was my hope that the extra time provided by that act would enable the Law Revision Commission to submit a proposed Criminal Code for Congressional consideration so that jurisdiction over this area could be assumed by the locally elected government as contemplated at the time of enactment of the Home Rule Act.

It is my expectation that Congressional review of the proposals will enable the local government to assume these functions on February 1, 1979, as currently provided by law. Therefore, it is my desire that no further delay, as a minority of the Commission members seem to suggest, will occur to impede this important next step in the process of further Home Rule for the District.

Sincerely,

CHARLES C. DIGGS, Jr.,
Chairman, Committee on the District of Columbia.●

HOUSING REFORM NEEDED NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, this past week I had the opportunity to testify before the House Subcommittee on Housing and Community Development about an issue which I feel can affect the future of Federal housing policy in this country, particularly those programs serving low-income people. The Housing Subcommittee will reauthorize a number of our Federal laws pertaining to housing later this year and at that time it will recommend substantive changes in many of our housing programs. It is my hope that these recommendations will include several important changes in HUD's section 8 rental assistance program.

The section 8 program became this Nation's primary vehicle for providing housing to low-income people and the elderly in 1974 and although the program has made significant inroads into providing housing to the elderly, it, for the most part, has failed to serve families. In addition, section 8's track record in low vacancy areas, such as my own district in California, has been even worse.

Because I view the success of the section 8 program as an essential factor in the success of our overall housing policy, I would like to share my testimony with my colleagues in the House, bringing your attention to my specific concerns about the program and to the Rental Assistance Reform Act, sponsored by Representative KOSTMAYER and myself, which seeks to address these concerns.

Mr. Speaker, I submit a copy of my testimony to the RECORD:

TESTIMONY OF HON. LEON E. PANETTA BEFORE THE SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Mr. Chairman and Members of the Subcommittee: I greatly appreciate this opportunity to testify before the Subcommittee on a matter which I feel is of major importance to the success of federal housing policy in this country, particularly those programs serving low-income people.

In 1974, the Section 8 New Leased housing program became this nation's primary vehicle for providing housing to low-income people. Although the program was not entirely new, for the first time this program set out to permit eligible low-income families to enter into lease agreements with owners of private accommodations. This approach encourages mixing of economic groups by permitting low-income people the freedom of choice to decide where to live and provides an incentive for the private sector to become involved in construction of low-income housing by giving developers much of the responsibility for the operation of the program. I think the basic intent of the program was sound and continues to be important today.

However, after four years of experience with the program, it is time to examine where the Section 8 program is and where it is going. For the past several months I have been looking into this matter and the situation which I have found is alarming. A whole series of reports, including oversight hearings held in 1975; 1976, CRS reports in 1975 and 1976, a HUD Field Study in 1976 and a GAO report in 1977 show that Section 8

is less than successful and that major changes are desperately needed.

I recommend that members of the Subcommittee pay heed to these reports and to the comments of builders, public housing officials and tenants throughout the country who are urging Congress to take action to reform this important program. This year's reauthorization process provides us with an excellent opportunity to do just that.

A few weeks ago, Representative Peter Kostmayer and myself introduced the Rental Assistance Reform Act, a bill which we feel begins to address the problems with the Section 8 housing program. Already, we have 20 co-sponsors and the support of the Housing Assistance Council, the National Association of Counties and Rural America. At this point I would like to insert a copy of the bill into the record, along with a summary of provisions.

The Section 8 program is ineffective mainly because of a reluctance on the part of owners, public housing agencies, and developers to participate. Without this participation, low-income people cannot be served to the extent that is needed.

There are two primary reasons why the Section 8 program is not working. One, fair market rents do not accurately reflect the costs of building and managing units for low-income people, especially for large families, and in low vacancy areas: Two, the responsibility for the operation of the program has been taken out of the hands of local public housing agencies and given to regional HUD offices which are understaffed and out of touch with the needs of local housing markets.

I would like to discuss each of these problems in light of specific sections in the Rental Assistance Reform Act which address them.

The level of the Fair Market Rents set by HUD is crucial to the workability of the program. Low-income families, in general, require a number of services and amenities which private landlords are not normally equipped to provide and which serve to substantially inflate rents far above those for physically comparable units in the unsubsidized market. Since the success in the existing, new construction and substantal rehabilitation programs depends on the private owners' willingness to lease properties to lower income persons, fair market rents must provide financial incentives to attract their participation. As things stand now, the rents established by HUD many times do not reflect the current costs of producing and financing units as well as meeting Section 8 requirements. Fair market rents are even less effective in stimulating landlords participation in providing housing to families with three or more children.

A 1976 HUD Field Study indicates that 60% of the families served by Section 8 have one or two members and 80% of the participating families are occupying units with two bedrooms or less. In addition, fair market rents do not stimulate owner participations in low vacancy areas where the need for low income housing is even greater. I think that an extra financial incentive above the prevailing market rent is needed to encourage owners to assume the greater risk and more costly responsibilities involved in participating in the Section 8 program. For this reason, Section 3 of our bill allows the maximum monthly rents to exceed the fair market rents in low vacancy areas for units serving families and also spells out in detail all costs that must be reflected in FMRs so that developers will be compensated for extra expenses incurred as a result of HUD requirements.

A related problem for the owner and for the operation of the Section 8 program is the role of public housing agencies. Despite the fact that in 1974 the Congress firmly stated its intent that the primary responsibility for carrying out the leasing program should be vested in local public housing agencies, this is not the case today. In fact, subsequent HUD regulations have actually prohibited PHA's from becoming involved in administering assistance contracts and managing local housing units. This trend is unfortunate since it is the public housing agencies which have the experience and desire to serve low-income people. In many places, the local public housing agency may indeed be the only entity in the area with such experience.

Furthermore, private developers do not want to bother with cumbersome HUD regulations and administrative red tape. To change this situation. Sections 2, 4 and 6 of our bill will allow public housing agencies to become more involved in the management, and administration of the program. Also, the bill provides added incentives for public housing agencies to become involved in the rehabilitation and construction of new projects.

There are several other problems that have contributed to low participation rates in and the general instability of the Section 8 program. Low administration fees for PHAs and the lack of an effective outreach program have greatly impeded the full implementation of Section 8 in many areas of the country. Section 7 of H.R. 10844 establishes a minimum administrative fee for communities operating fewer than 50 units and establishes an outreach program to inform prospective tenants and developers about the program. I think these provisions will address the specific concerns of our smaller communities.

Mr. Chairman, the Section 8 program must be modified and improved so that it can better respond to the urgency of the housing crisis facing this nation. For example, in my own state of California, due to escalating property taxes and inflated land prices, virtually no housing will be available to low-income families if something is not done soon. We must recognize the cry for help coming from communities throughout the country by making the Section 8 program respond to this growing need. Therefore, I urge this Subcommittee to take on this challenge in the immediate future and I volunteer my service in providing whatever assistance is required to make these changes a reality. It is my hope that the Rental Assistance Reform Act sponsored by Representative Kostmayer and myself will provide the essential first step in this difficult task.●

RECOLLECTIONS OF THE ANSCHLUSS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, during my statement on the House floor last week celebrating the 40th anniversary of my arrival in the United States from Hungary, I recalled that the day before I arrived was the day of the Anschluss, Austria's capitulation to Hitler. The New York Times of Sunday, March 19, carried the following eloquent but grim recollection of that tragic day in a small Austrian town. The article was written by Mr. Hans Knight, a columnist for Discover, the Sunday magazine of the Philadelphia Bulletin.

"EIN VOLK, EIN REICH"

(By Hans Knight)

PHILADELPHIA.—The Town of Mödling, Austria (population 19,000) is a half-hour's tramway ride from Vienna, and although it is a beautiful piece of land where Beethoven and Schubert once sought solitude, it has never achieved fame beyond its immediate pine-wooded surroundings.

Not long ago, I went back to Mödling. I had spent my childhood there. It was early evening and I walked up the street until I came to the bank building across from the town hall. The town had changed little.

The bank still had the low windowsill on which I had perched, with some excitment, the night of March 12, 1938. I sat down on the ledge again.

Everything seemed large that night, the night of the *Anschluss*. Bonfires flickered from the hills. The wood-smoke wafted into the streets below, smelling pleasant and making eyes water. People lined the street, some milling about in low, muttering expectancy, and others standing in front of their homes and stores, listening and waiting.

From around the bend, far below the town hall, came the muffled sound of drums, the rhythmic crashing of feet, the blurry sound of voices. As the parade approached, the words became clear.

Solo: "Austria . . ."
Chorus: "Awake."
Solo: "Judah . . ."
Chorus: "Perish."
All together: "Ein Volk, ein Reich, ein Führer."
Solo: "Sieg . . ."
Chorus: "Heil!"

Now the marchers appeared. They were mostly young boys and girls, carrying flaming torches. Some of the people in the street melted into the column. Others stood quietly, their backs pressed against the walls. The marching column, unfolding, poured into the town hall square. Some 30 policemen appeared on the building's ramp, cautiously fingering their rubber truncheons, uncertain what to do.

The shouting had subsided to a low buzz. Somebody produced a wooden ladder and leaned it against the town hall's facade. A boy in leather shorts and white stockings climbed up the ladder, a small dagger dangling from his belt. With a few quick slashes he cut off the Austrian flag and fastened a swastika flag to the pole. The crowd along the periphery gasped. The boy looked down.

"The rats have left the sinking ship," he cried. "The Schuschnigg regime has resigned. The slavery is over, the Fuhrer is coming. Sieg Heil!"

The crowd took up the cry. Someone started singing the Horst Wessel song. A gray-haired man in a large overcoat stared at the tattered Austrian flag on the ground. "This should not be allowed," he kept saying. "Why don't the policemen arrest them?"

Another bystander answered him, softly: "There is nothing they can do. The Germans are marching in, I heard it on the radio. What do you want? Perhaps it will not be so bad. Perhaps things will be different again. It is best to howl with the wolves."

The policemen, though, had now received an order. They pulled swastika arm bands from their pockets and slipped them over their elbows. The crowd roared approval. Near the bank building, a couple of windows shattered.

A man wearing a cloth cap turned to his companion. "This can't last," he said. "The Russians won't allow it. The English are arming like mad. In six months this will be over." The other man said: "I don't care as long as they give us some work. Things can only get better."

The horn of a truck made the crowd part. The truck was filled with men in brown shirts. The side of the truck bore an anti-Jewish banner.

Not far from the town hall the synagogue was already burning. Tongues of flame licked upward toward the gilded Star of David. A fire truck carefully sprayed the adjoining buildings.

Near the creek that wound through the town, there was a commotion. Some students had grabbed a teacher, a well-known Catholic, handed him a pail of black paint and pushed him down the stone steps to the creek bank. They told him to write something on the wall.

He shook his head and a tall youth whipped his fist across his face. Another youth kicked his shin. Slowly the teacher began to write on the wall: "I am a patriotic swine. I am a traitor to the fatherland." They let him go and he vanished into the darkness. Up on the hills, the bonfires crackled far into the night.

Now, on my visit, I thought I could still smell the sweet, acrid scent of the wood smoke, hear the joyous chant, "We thank our Führer."

The next morning I walked down the stone steps to the creek bank. I tried to find a trace of what they had made the teacher write on the wall. The years had washed it away.●

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

● Mr. FOUNTAIN. Mr. Speaker, I found H.R. 50, as presented to the House for final passage, to be a reasonable statement of national policy for dealing with some hard questions on the related problems of both inflation and unemployment.

In fact, the bill as reported by the Education and Labor Committee was, in many respects, light years removed from the original text of the so-called Humphrey-Hawkins legislation first introduced a few years ago, a bill which I could not have supported as I indicated to my constituents.

Earlier versions of the bill would have authorized massive and expensive new Federal jobs programs, automatically making the Government the employer of last resort and guaranteeing a permanent job—of whatever nature and in whatever form—for every American adult. Let me repeat that—every American. Had this legislation been enacted in any of its previous forms, runaway inflation would have hit every American family, and massive increases in Federal taxes would have been the order of the day. Our private free enterprise and competitive system could not have long survived.

Fortunately, those bills were withdrawn when it became evident that the Congress and the American people would not stand for economic chaos of that magnitude.

About all the old bills and the new bill have in common are the introducers and the identifying number.

The version which passed the House sets economic goals for the Nation—goals for the private sector and Government to work together in meeting. Of course, not all the goals in this legislation—worthy though they may be—will be satisfied.

However, the emphasis is rightly placed on the role of private enterprise in providing jobs. The fiscally responsible way to reduce unemployment—and hold down inflation—is to encourage expansion in business and industry, increased capital formation, and greater private investments.

Polls show that an overwhelming majority of the American people regard inflation as a national problem much more serious than unemployment. Deficit Federal spending—such as that needed to finance new jobs programs—is directly related to inflation. But this bill authorizes no new programs, it appropriates no money, and it does not require any new Federal rules and regulations. In short, in the form in which it passed the House, it is an acceptable piece of legislation.

During floor debate, I supported many modifying amendments to the committee's bill. Among them were these:

To set a goal of 3 percent inflation by 1983 (rejected).

To establish price stability goals and require the President to submit to the Congress specific programs aimed at reducing inflation (adopted).

To set a goal of 100 percent parity for farmers by 1983 (adopted).

To make a balanced budget a national goal and to require the President to make recommendations aimed at achieving this goal (rejected).

To consider the effects of foreign imports on American jobs and unemployment (adopted).

To pay particular attention to the unemployment rate among veterans (adopted).

To consider job-related effects of limitations on outside income upon recipients of social security benefits and Federal pensions (adopted).

To require stimulation of private sector employment, small business, and rural development before new public jobs programs are initiated (adopted).

To provide permanent tax cuts for individuals and businesses as a means of spurring the economy (rejected).

To require the President to recommend reforms for improving the functioning of Federal agencies (adopted).

To insure that nonurban areas receive proportionate shares of any antirecession aid to State and local governments (adopted).

To exclude from the official unemployment figures those on strike, those out of work less than 4 weeks, those not seeking full-time jobs, those who voluntarily quit their last jobs, and those who have jobs waiting but have not yet begun work (rejected).

To insert a "sunset provision" terminating the bill's provisions after 5 years unless extended by the Congress (rejected).

Mr. Speaker, H.R. 50 is not a perfect bill. However, on balance, it is reasonable legislation which sets national policies, yet requires additional positive action by the Congress and the President before establishing, or extending, new or existing Federal jobs programs to achieve the goals enunciated in the bill.

While I support the overall aims and objectives of H.R. 50, I am reserving my judgment on what may come back in a conference report and on future legislation which may be proposed for implementation purposes. I will support responsible legislation, but I will not hesitate to oppose programs which are too inflationary or are wasteful of the taxpayers' money, as would have been the case with H.R. 50 as originally written. Again the new H.R. 50 is an entirely different piece of legislation establishing certain very deserving goals which hopefully can be reached through the private free enterprise system. A system that has helped to make our Nation great and strong. H.R. 50 was finally designed and so amended as to give encouragement to the countless numbers who truly need jobs and who are ready, able, and willing to work. That is the American way. That is democracy in action.●

PARTIAL CORPORATE INTEGRATION—RELIEF FROM DOUBLE TAXATION OF DIVIDENDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on Thursday, February 2, 1978, I published in the CONGRESSIONAL RECORD, page 2132, a proposal that would represent a start toward eliminating the double taxation of dividends.

Under my proposal, starting in 1979, eligible shareholders would receive a tax credit generally equal to 10 percent of their cash dividends. This shareholder credit would increase by 2 percentage points a year starting in 1981 to a total credit of 20 percent of cash dividends paid in 1985.

Under the proposal, credits allowable to the shareholders of any corporation would be limited to a portion of the Federal income taxes actually paid by the corporation. This portion of the corporation's taxes would be accounted for in a shareholder credit account maintained by the corporation. As a general rule, the amount to be added to the account for any taxable year would be limited to the maximum amount of shareholder credits the corporation could have declared for such taxable year if it distributed all of its fully taxed income. However, during an initial transitional period the amount to be added to the shareholder credit account was not specified.

In the floor statement accompanying my integration proposal, I asked witnesses to address themselves to it during the committee's hearings on the subject of double taxation of dividends. Since the publication of my proposal, various groups and interested parties have given me their comments on the proposal, particularly with respect to additions to

the shareholder credit account during the transition period.

In view of these comments, I have now formulated rules which could apply during the transition period. Starting in 1979, corporations would be permitted to add 100 percent of their Federal income tax liability to their shareholder credit accounts—instead of 10.83 percent of their tax liability discussed in the earlier integration proposal. This percentage would be phased down to 30 percent—instead of 21.67 percent—by 1987 when the total shareholder credit would be 20 percent of the cash dividends paid to shareholders.

When the integration proposal is fully phased in, a corporation distributing one-half of its earnings would receive the full benefit of the proposal so long as it has an effective Federal income tax rate at least equal to 25 percent of its financial income. Corporations with a lower effective tax rate—or a higher dividend payout ratio—would be given the choice of either declaring a lower rate of credit for its shareholders or of paying an additional tax.

I would again like to state that corporate integration is a structural change to the corporate income tax system; I do not intend for it to be a substitute for other tax reductions or to be contingent on enactment of any offsetting tax increases. My modified integration proposal is designed to have an initial revenue impact—about $1.6 billion—so that there is no need for any tradeoffs.

Besides the addition of a transitional rule, I have made other additions and modifications to the original integration proposal. I now insert into the RECORD a general explanation of the modified integration proposal.

PARTIAL CORPORATE INTEGRATION—RELIEF FROM DOUBLE TAXATION OF DIVIDENDS

GENERAL EXPLANATION

Present law

Under present law, income earned by a corporation is taxed at the corporate level at tax rates up to 48 percent. This corporate income is again taxed when distributed as a dividend to individual shareholders at individual tax rates ranging from 14 to 70 percent. In order to relieve a portion of this double tax, each individual is given an exclusion for the first $100 of dividends.

General proposal

Under the proposal, starting in 1979, eligible shareholders would receive a tax credit generally equal to 10 percent of the cash dividends received by them. The amount of this shareholders credit would increase by 2 percentage points a year starting in 1981 to a credit of 20 percent of cash dividends paid in 1985. The shareholder credit would be available for dividends paid from earnings and profits arising only after the effective date of the proposal.

For any corporation, credits allowable to its shareholders would be limited to the amount in a "shareholder credit account." This account would equal 100 percent of the U.S. Federal income taxes actually paid by the corporation for 1979 and would be phased down to 30 percent by 1987.

Whenever allowable shareholder credits would otherwise exceed this limitation, corporations would be given the choice of either paying a tax to the Treasury, which dollar for dollar would be treated as additional shareholders credits, or of electing a lower rate of shareholder credit for their shareholders.

Tax consequences to individual shareholders

Shareholders receiving dividends would include in their gross income the amount of any cash dividend received plus the amount of their shareholder credit. They would be allowed to claim the amount of the shareholder credit against their Federal income tax liability. Shareholders would be allowed to claim a refund if this credit exceeded their income tax liability.

The current $100 dividend exclusion could be phased out during a transitional period.

The following example illustrates how the proposal affects individual shareholders:

Under present law, individual shareholders A and B each compute their marginal Federal income tax liability attributable to their dividends as follows (the example disregards the dividend exclusion):

	Shareholder	
	A	B
Dividend income ($10×10 shares)	$100	$100
Tax rate (percent)	20	60
Tax liability on dividends	$20	$60

Under the proposed credit, the computation would be as follows:

	Shareholder	
	A	B
Dividend income ($10×10 shares	$100	$100
Gross-up by amount of shareholder credit ($100×10 percent)	$10	$10
Dividends included in gross income	$110	$110
Tax rate (percent)	20	60
Tax on dividends before credit	$22	$66
Shareholder credit	$10	$10
Tax on dividends after credit	$12	$56
Tax reduction from present law	$8	$4

The tax reduction is higher for the low-bracket shareholder than for the shareholder in the high bracket. This illustrates that integration is a relatively progressive way to reduce corporate taxes.

Shareholder credit account

Each corporation would maintain a "shareholder credit account" on its books. At the close of each taxable year a corporation would add a certain percentage of its Federal income tax liability (net of all allowable tax credits) to its shareholder credit account. The percentage of a corporation's tax liability which would be added to the shareholder credit account would be fixed by statute as follows:

Percentage of corporate tax liability added to shareholder credit account

Taxable years beginning in—	
1979	100
1980	100
1981	90
1982	80
1983	70
1984	60
1985	50
1986	40
1987	30

At the close of each of its taxable years, the the corporation would subtract from its shareholder credit account the total amount of the shareholder credits it declared for the benefit of its shareholders for the year. Unless the corporation elected a lower rate, this would initially be 10 percent of cash dividends paid.

Any amount remaining in the shareholder credit account after these adjustments would be accumulated in the account and carried forward to future taxable years. The transition rule could contain an appropriate limitation on additions to the shareholder credit account which may be carried over to future years.

Foreign tax credits

The Secretary of the Treasury would have the authority (within certain limits) to allow corporations to add a portion of their foreign tax credits to the shareholder credit account as a result of agreements with foreign governments. These agreements would be made subject to approval by both the House and the Senate.

Corporate election

The corporation would be required to declare the rate of shareholder credit applicable to any dividend prior to payment of such dividend.

Shareholders eligible for the tax credit

All U.S. citizens and individual resident aliens would be permitted to claim the shareholder credit. In addition, regulated investment companies, real estate investment trusts, subchapter S corporations, partnerships, trusts and similar entities would be able to make shareholder credits related to corporate dividends which they received from other corporations available to their own shareholders, partners or beneficiaries.

Shareholders ineligible for tax credit

a. Tax-exempt shareholders: Tax-exempt shareholders would not be permitted to claim the shareholder credit on dividends which they receive from U.S. corporations except to the extent such dividends are taxed to tax-exempt shareholders as unrelated business income. For this purpose, tax-exempt shareholders would include qualified pension and profit-sharing trusts.

b. Foreign shareholders: Foreign shareholders of U.S. corporations would not be permitted to claim the shareholder credit on dividends they receive from such corporations. However, the Secretary of the Treasury would have the authority to grant the foreign shareholders a portion of the dividend tax benefit through agreements with foreign governments (described above, *Foreign tax credits*).

Corporate shareholders

Under current law, corporations are generally entitled to a deduction equal to 85 percent of the amount of dividends received from U.S. domestic corporations. A 100-percent dividends received deduction is allowed for dividends received from small business investment companies and from members of an affiliated group.

Under this proposal, corporations would still be entitled to the dividends received deduction. However, corporations would not be entitled to claim the shareholder credit on dividends received from other corporations. Instead, corporate shareholders would be permitted to add to their own shareholder credit account the shareholder credit related to the dividends.

Corporate distributions eligible for shareholder credit

The shareholder credit would be given only with respect to pro rata cash distributions which are classified as dividends under the Internal Revenue Code. Thus, the share-

holder credit would not be given with respect to partial or complete liquidations, redemptions, constructive dividends, or other corporate distributions which are not paid from earnings and profits.

Net operating losses

Under present law, a net operating loss may be carried to, and allowed as a deduction in, the three immediately preceding taxable years and the seven taxable years following the year in which the net operating loss arises. A taxpayer, however, may elect not to carry the loss back to preceding years.

Under the proposal, if a net operating loss is carried back and applied against an earlier year's taxable income, the corporation would be required to adjust its shareholder credit account to reflect its reduced tax liability for the prior year.

Audit adjustments and amended returns

Any adjustments to tax liability for the corporation's previously filed tax returns made by an amended tax return or by an Internal Revenue Service audit would require adjustments to its shareholder credit account. The tax liability of any shareholder would not be affected by these adjustments.

Timely reporting

Corporations would be required to report to shareholders by the end of February the amount of dividends paid during the preceding calendar year and the shareholder credit allowable with respect to those dividends.●

EQUITY FOR CONSUMERS ON CHECKING ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, when we return from the recess, I plan to introduce legislation to provide clear authority for consumers to receive interest on checking accounts in all types of federally chartered depository institutions.

This legislation will be designed to end the charade over checking accounts which has cost the American consumer millions of dollars in lost interest and great inconvenience. At this moment, we have a myriad of Federal laws and regulations which do nothing but hamstring the checking account customer and dampen competition among financial institutions.

The proposed legislation would:

First, end the 45-year-old prohibition against the payment of interest by commercial banks on demand—checking—accounts;

Second, give federally chartered savings and loan associations and credit unions explicit authority to provide checking accounts for their customers and members.

Mr. Speaker, existing Federal laws and regulations provide a confusing picture for both consumers and financial institutions. Just recently, the Federal Reserve has issued regulations proposing that commercial banks be allowed to make "automatic" transfers of funds from savings to checking accounts—a first cousin to the payment of interest on demand deposits. The Congress has authorized NOW accounts (negotiable orders of withdrawal) in 6 New England States but not in the other 44 States. In addition, we have a variety of gimmicks employed by some financial institutions—telephonic transfers, bill payer services, and other devices designed to circumvent restrictions on checking and savings accounts.

It is time to stop this banking by gimmickry and allow the consumer a straightforward freedom of choice in handling his checking account. The depression-generated fears about the volatility of checking accounts are long outmoded and are groundless in an industry now highly sophisticated and with accounts backed by $40,000 of Federal insurance.

Mr. Speaker, I do not anticipate that the payment of interest on checking accounts will cause any substantial increase in the costs of banks and other financial institutions.

Financial institutions will compete for these funds on a straight price basis and will be in a position to give up many of the costly giveaways and other gimmicks now employed to attract deposits. The direct competition in the marketplace—on the basis of explicit price—will be beneficial to both the financial institutions and the consumers.●

REVERSE ANNUITY MORTGAGE BILL FOR OLDER HOMEOWNERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. MILFORD) is recognized for 5 minutes.

● Mr. MILFORD. Mr. Speaker, I have become extremely concerned about the plight of many of our older Americans. With the spiraling costs of food, energy, drugs, and other necessary items, they are having an increasingly difficult time making ends meet. I believe that all Federal, State, and local governments have an obligation to assist these older citizens in ways that are truly helpful to them without forcing them to turn to welfare programs or to exist in any substandard way. I believe it is a tragedy that many of these individuals, who have worked hard all their lives and have made valuable contributions to society and to us all, find upon retirement that they must "subsist" rather than to continue to live their lives fully.

It is out of this concern that I am introducing today legislation which will allow for a new type of mortgage instrument—the reverse annuity mortgage—which is designed to help older homeowners.

At this time, the only way a person can regain the equity built up in a home—often a home which was purchased many years ago and which is now paid for—is to sell. That is exactly what many older homeowners are finding they must do. There are two basic reasons for taking this course of action: they either need additional funds on which to live or they cannot afford to make the necessary repairs or improvements on their homes in order to continue living in them. The end result is the same—they must give up their homes. These are often homes in which they have lived for years and raised their children.

The reverse annuity mortgage, provided for in this legislation, would permit homeowners to borrow on the equity already built up on the home. This equity could be paid in increments and provide an income supplement or free up funds with which needed home repairs and improvements could be made. The individual would then have the advantage of being able to continue living in his or her own home.

The reverse annuity mortgage will tend to prevent deteriorating neighborhoods. Aging neighborhoods often go hand in hand with aging residents simply because these homeowners cannot afford to make needed improvements. Under the provisions of this bill, our senior citizens will be able to obtain additional funds on which to live or with which to repair a leaky roof, remodel an aging bathroom, or add an elevator to a stairway for the person who could no longer climb stairs.

Under the reverse annuity mortgage, this loan would not have to be repaid until the home was sold or the title changed hands. Under some conditions, the homeowner can have the loan receipts mailed to him as monthly payments to be used as subsistence, or irregular amounts to be used for such things as medical payments, and so forth.

I believe this is a good, sound way we can assist our older citizens in continuing to live in dignity in their own homes, without forcing them into substandard living conditions or to go on welfare.

I urge my colleagues' support for this program.●

LEGISLATION FOR THE FARMERS IS MOVING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 10 minutes.

● Mr. SIKES. Mr. Speaker, there is much satisfaction to be gained from the fact that legislation to provide more realistic programs for the benefit of American farmers and farm families is now moving through Congress. The Senate, under the leadership of Senator HERMAN TALMADGE of Georgia, has passed a bill which contains many of the features needed by farmers, including flexible parity. This is not in the form sought by farmers, but it is an improvement over present laws. The bill has been sent to a Senate-House conference and it is hoped that a meaningful bill will result. Activities by farmers in recent months to stress their plight resulting from bad crop years, high cost of production, and frequently poor markets, has finally reached the consciousness of the American public. Congress, which in the past

has been controlled too much by bureaucratic conceptions of solutions to the farmers' economic problems, now is taking more realistic steps to remedy the situation.

In addition, the Secretary of Agriculture is promising action, particularly by expanding crop insurance programs and in enlarged sales of farm produce abroad. All of these may require long deliberations in Congress before final action is taken. It is to be hoped that the administration will take a more active part in this program by supporting new legislation or in taking steps which are possible under administrative procedure to improve the present situation.

The activity of farmers on Capitol Hill has been helpful in focusing attention on the requirement for new programs if the farmers are to continue to produce. This, however, is a costly drain on their resources and planting time now is at hand. It is hoped that there is now sufficient awareness of the serious economic plight of the farmer to insure completion of needed action when Congress returns from the Easter recess.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, in the early afternoon of Monday, March 20, I was unavoidably absent from the House due to a late morning press conference in Boston with Governor Dukakis.

Had I been present for rollcall vote No. 166, ordering a second on a motion to consider the Middle-Income Students Assistance Act under suspension of the rules, I would have voted "aye."●

NATIONAL GOOD NEIGHBOR DAY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Pennsylvania (Mr. KOSTMAYER) is recognized for 5 minutes.

Mr. KOSTMAYER. Mr. Speaker, I yield my time to the gentleman from Montana (Mr. BAUCUS).

Mr. BAUCUS. I thank the gentleman for yielding.

Mr. Speaker, last Congress I introduced House Joint Resolution 542 to designate the fourth Sunday in September annually, as "National Good Neighbor Day." Passage of this resolution will recognize, coordinate, and promote the volunteer efforts of groups and individuals throughout America.

Supporters of and participants in this program need congressional action, not for the use of Government funds or facilities, but to provide further impetus to an idea continually gaining momentum.

The Governors of 19 States have issued proclamations supporting "National Good Neighbor Day" and the departments of education from 11 States have supported and helped publicize the efforts of the nonprofit National Good Neighbor Day Foundation.

It is certain, however, that the strongest support comes from senior citizens, handicapped citizens, and others who personally benefited from past activities. Evidence of volunteer efforts which benefited communities at large is also abundant; parks, recreation areas, and other public facilities miraculously appeared repainted, well groomed and free of litter the morning after Good Neighbor Day. These are only some of the examples of good done for our common environment by neighborly volunteers.

Through the legislative process a worthwhile resolution which will take little of our time can substantially benefit us in terms of a national community. In the past, more than 180 Members offered support for this effort and it is hoped that all of our colleagues join with us.

THE FEDERAL GOVERNMENT NEEDS TO DEVELOP ECONOMIC CONVERSION PLANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 10 minutes.

● Mr. DODD. Mr. Speaker, I would like to insert in the RECORD the remarks which I delivered to the House Budget Committee Human Resources Task Force this morning.

The problem of realinement of economies which are extremely dependent upon defense related contracts is not only of critical importance to my State of Connecticut, but also to many areas throughout the Nation.

Thank you, and at this time I insert my remarks in the RECORD:

STATEMENT OF HON. CHRISTOPHER J. DODD

Mr. Chairman and members of the committee, I would like first of all to express my enthusiastic support for the Budget Committee's timely decision to hold hearings on the very complex subject of economic conversion, and secondly I would like to thank you for giving me this opportunity to testify before you today.

I am here in several capacities: First and foremost as the Representative of the Second District of Connecticut which is, as many of you know, one of the most defense-dependent congressional districts in the Nation. As of 1962, over 71 percent of the civilian employment in the New London-Groton-Norwich area was estimated to be defense-related, and extremely vulnerable to any reductions or shifts in military spending. Since that time, no significant alteration of that defense-dependent relationship has taken place, and, in fact, the point has recently been driven home again with General Dynamics' announcement that it intends to cease production of the SSN 688 submarines on April 12th of this year. 27,000 individuals are currently employed at the electric boat facility, and the continued employment of more than half of these workers is jeopardized.

I am also here today as the chairman of the Members of Congress for Peace, through Law Task Force on Economic Conversion, that has recently been formed to bring greater attention to the problems of changing patterns in our defense spending, and to help support solutions to these problems.

I believe that there are several key points to be made in the course of any evaluation of the current "state of the art", and I would like to make them now before proceeding with a more detailed analysis of existing Federal programs, and with the presentation of a number of recommendations for future action.

1. First of all, it is clear that existing Federal programs, despite some improvements, are wholly inadequate to cope with the severe economic dislocations, associated with major realignments in our defense program. The suddent termination of the B–1 bomber program and the prospect of additional base closings later on this spring—and the panic these measures have created—have just recently served to underline how deficient the Federal role really is. In a country that is estimated to employ 938,500 people in the manufacturing of products for DOD consumption, and a total of 4.6 million people in defense-related industries, it is imperative that the Federal Government deploy massive resources in reversing its past neglect of conversion issues if we are to help local economies weather adjustments in defense spending.

2. One of the greatest deficiencies in the Federal role is a result of the fact that the present assistance mechanisms are designed mainly to implement recovery strategies rather than to help evolve them, and thus into play too late to have a preventive effect. The lag-time between defense-related layoffs and the economic recovery of a community is calculated to be about five years—and given this, crisis intervention can never be anything other than a weak substitute for thorough advance planning. The government must make a commitment to assist communities in the development of comprehensive conversion plans well before any actual decision to significantly alter defense spending in a given area is made.

3. Federal conversion efforts must focus not solely on the economic adjustment problems of military base closings as they do now, but must move to explicitly include cases of contract terminations or reductions in the planning process. While congressional concern over the issue of base closings has resulted in the adoption of a permanent advance notification system in The Military Construction Authorization Act for Fiscal Year 1978, no similar requirement exists for defense contract realignments despite the fact that the latter have represented an average annual loss of more than $200 million in the last eight years, and that they occur frequently.

4. Federal economic assistance programs must develop a specialized capability of targeting large sums into those relatively few areas of the country where defense-oriented employment is concentrated, and where the greatest impact of defense contract cutbacks could be expected to occur. At present, the eligibility criteria for these programs are extremely broad, and no priority is given to the alleviation of economic adjustment problems resulting from defense realignments.

In order to better demonstrate how Federal programs currently fail to address the needs of local areas suffering the impact of defense realignments, it is important first to understand the relationship of existing programs, the function of these programs, and the policies on which they are based.

At the Federal level, two offices have specific responsibility for providing economic adjustment assistance to local areas impacted by DOD initiated realignments—The Office of Economic Adjustment (OEA) in DOD and EDA's title IX program. In addition since 1970 DOD's OEA has served as the permanent staff to the President's Economic Adjustment Committee (EAC) which includes 19 Federal agencies and departments and is chaired by the Secretary of Defense.

The purpose of the EAC is to identify economic impacts resulting from base closures, base realignments, defense contract cutbacks, defense dependency and fast growth due to defense work. Furthermore the EAC

often proposes strategies for economic recovery and is supposed to coordinate with its 19 member departments and agencies to determine the type of assistance that is needed. In essence, it is OEA's job to use the EAC to create awareness of the special needs of a defense-impacted area so that the resources of ongoing Federal programs may be utilized.

In practice, OEA's relationship with the 19 members of the EAC is a very informal one. OEA has no authority to do anything other than lobby for assistance that it feels an area needs. Since OEA must rely on other Federal agencies to provide the actual assistance needed, OEA's role has been limited to conducting impact analyses.

On the other hand, it is the congressional mandate of EDA's title IX program to provide actual adjustment assistance to areas experiencing economic impacts resulting from Federal policy decisions. Largely in response to concern over base closings, the program was established in 1974 and includes the following forms of assistance: capital improvements, direct payments to workers, business loans and any other type of assistance which EDA deems appropriate.

Both OEA and title IX have tended to concentrate more on base closings than dislocations caused by defense related industries, despite the tremendous size of DOD's procurement budget and the large impact it has on local economies. DOD's procurement budget which accounts for approximately 75 percent of all Federal Government procurement has grown from $36 billion in 1970 to $55.6 billion in 1977.

While increased procurement by DOD is generally viewed as contributing to the health of the economy, often completely ignored are the adverse economic impacts resulting from the large number of DOD contract terminations that occur annually. In fiscal year 1977, 1318 defense contracts having a total value of $410 million were terminated. Over the last 8 years an average of 1422 contracts with an average value of $222 million were terminated annually.

Let me clarify this point by saying that these terminations occurred before the contracts were scheduled to expire. In some cases, the terminations occurred for reasons of convenience or default. Regardless of the reason, however, the impact of these actions on local economies has been ignored by Federal Government.

The following chart identifies the number, the total amount and the average size of DOD contracts terminated since fiscal year 1970. The information in the chart was supplied to me by DOD.

TABLE I.—*Defense contract terminations*

Fiscal year	Number	(1)	(2)
1970	1,559	$143	$91,744
1971	1,342	173	128,821
1972	1,259	122	96,938
1973	1,367	136	99,846
1974	1,418	348	245,064
1975	1,643	211	128,637
1976	1,470	235	159,710
1977	1,378	410	311,317
Average	1,422	222	157,760

[1] Total amount (in millions).
[2] Average size (in actual dollars).

SOURCE: "Military Prime Contract Awards, Size Distribution, for fiscal years 1970–77," published yearly by the Department of Defense—OASD (Comptroller) Directorate for Information Operations and Control.

Of the 11,376 defense contract terminations that have occurred since 1970, OEA has initiated adjustment projects in only 22 cases, whereas in 66 base closures OEA has conducted 126 adjustment projects.

Similarly, industrial dislocation projects have received very little of EDA's title IX program resources. In FY 1975, 1976 and 1977, title IX spent a total of $200 million conducting 150 economic adjustment projects.

Of these projects, 30 were DOD related; 24 were related to base closings; and only 6 projects were related to industrial dislocations.

Of the $200 million spent by title IX, $51 million was spent on all DOD related projects; $45 million was spent on base closure projects; and only $6 million was spent on industrial dislocation projects.

Of the $6 million spent on industrial dislocation projects, $5.8 million was spent on one project—the closing in 1973 of the Burlington Army Ammunition Plant in Burlington, New Jersey which resulted in the elimination of 1700 jobs. The Burlington project involved funds for both planning and capital improvements to make the site more attractive to industry. On the other hand, in the remaining 5 industrial projects, title IX only provided money to evaluate the economic impact and to propose a recovery strategy.

Although in fiscal years 1975, 1976, and 1977 title IX has evaluated defense contractor impacts which caused the elimination of 22,800 jobs, title IX funds have been used only once to provide assistance actually to implement a recovery strategy.

Although title IX is the only program which has the specific responsibility for providing assistance to defense-impacted areas, the largest part of economic aid to these areas has come from other EDA programs and other departments and agencies. Since 1973, EDA, EPA, and HUD have provided the greatest part of the Federal Government's assistance, $265.8 million, which has been channeled primarily into capital improvements and public works.

However, it is difficult for programs other than title IX to be targeted into areas experiencing defense impacts. For example, the eligibility requirements for EDA assistance have become so broad that it is estimated that 75 percent of the Nation now qualifies for EDA assistance. This broadening of EDA's function has stretched EDA's resources and has made it very difficult to address adequately the special needs of areas experiencing extreme hardship.

This is very different from what the original proponents of a National Economic Development Agency had envisioned. The original intention was to aid chronically depressed areas having structural rather than cyclical economic problems. The emphasis was intended to be on business loans to allow for growth of indigenous firms and the attraction of new firms.

However, the history of EDA spending between 1966 and 1975 reflects a much different approach. During this time period, 74 percent of EDA obligations have been for the more politically popular public works projects and only 17 percent have been for business loans.

While the focus of economic development programs has become broader and broader, there are only eight States in which employment in defense-oriented industries accounts for 9 percent or more of the total manufacturing labor force. It is in these States that the greatest impact from defense contract realignments could occur, and therefore, it is in these areas that the greatest need for adjustment assistance can be expected.

The following charts show the distribution of employment in defense-related manufacturing industries. The first chart shows that during the period 1965–1975 the level of defense-oriented manufacturing employment in each region of the country remained relatively stable, and remained concentrated in New England, the Mid-Atlantic, and the West. The second chart ranks all of the States according to the percentage of each State's total labor force working in defense-related manufacturing industries.

TABLE II.—EMPLOYMENT IN DEFENSE-ORIENTED MANUFACTURING INDUSTRIES

Regions	Number of employees in defense-oriented employment			Regional percentage of employment in defense-oriented manufacturing		
	1965	1970	1976	1965	1970	1976
National	1,305.8	1,268.3	938.5	100.0	100.0	100.0
New England (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut)	150.5	141.1	116.8	11.5	11.1	12.4
Mid-Atlantic (New York, New Jersey, Pennsylvania)	244.5	192.2	142.6	18.7	15.2	15.2
East north-central (Ohio, Indiana, Illinois, Michigan, Wisconsin)	164.0	158.3	97.9	12.6	12.5	10.4
West north-central (Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas)	89.9	102.7	70.3	6.9	8.1	7.5
South Atlantic (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida)	121.2	127.5	98.3	9.3	10.1	10.5
East south-central (Kentucky, Tennessee, Alabama, Mississippi)	44.5	48.9	51.3	3.4	3.9	5.5
West south-central (Arkansas, Louisiana, Oklahoma, Texas)	76.6	121.6	62.8	5.9	9.6	6.7
Mountain (Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada)	38.8	45.9	34.4	3.0	3.6	3.7
Pacific (Washington, Oregon, California, Alaska, Hawaii)	388.0	308.0	264.2	30.0	24.3	28.2

Source: "Shipments of Defense Oriented Industries, 1976," MA-175(76)-1, U.S. Bureau of the Census, U.S. Government Printing Office, Washington, D.C. 1978.

TABLE III.—STATES RANKED BY PERCENTAGE OF MANUFACTURING LABOR FORCE ENGAGED IN DEFENSE CONTRACT WORK, FISCAL YEAR 1976

Rank and State	[In thousands] Total manufacturing labor force	[In thousands] Defense contract labor force	Percent manufacturing labor force engaged in defense contract work
1. Connecticut	396	61.8	15.60
2. Arizona	106	16.0	15.09
3. California	1,647	234.0	14.20
4. Mississippi	219	23.4	10.68
5. Washington	243	25.3	10.41
6. Vermont	41	4.1	10.00
7. Maryland	232	22.2	9.56
8. Utah	71	6.7	9.43
9. Missouri	416	36.4	8.75
10. Virginia	387	34.0	8.56
11. Massachusetts	593	39.8	6.71
12. Florida	343	22.7	6.61
13. New Hampshire	94	5.8	6.17
14. Texas	859	52.2	6.07
15. Idaho	52	3.0	5.70
16. Kansas	165	9.0	5.45
17. Nevada	13	.7	5.38
18. Minnesota	318	17.1	5.37
19. New York	1,440	77.2	5.36
20. Colorado	141	7.0	4.96
21. New Mexico	30	1.4	4.66
22. New Jersey	753	29.3	3.89
23. Oklahoma	156	5.9	3.78
24. Tennessee	487	17.9	3.67
25. Indiana	682	20.6	3.02
26. Hawaii	24	.7	2.91
27. Ohio	1294	36.7	2.83
28. Pennsylvania	1332	36.0	2.70
29. Iowa	231	5.9	2.55
30. Wyoming	8	.2	2.50
31. Rhode Island	122	2.9	2.37
32. Maine	102	2.4	2.35
33. South Carolina	371	8.3	2.23
34. Alabama	340	7.3	2.14
35. Oregon	193	4.0	2.07
36. Nebraska	88	1.7	1.93
37. Louisiana	192	3.5	1.82
38. Michigan	1041	18.9	1.81
39. Wisconsin	512	8.8	1.71
40. Georgia	477	6.1	1.27
41. North Dakota	16	.2	1.25
42. Illinois	1190	12.9	1.07
43. Kentucky	271	2.7	1.00
44. West Virginia	124	1.2	1.00
45. Delaware	69	.4	.57
46. Arkansas	195	1.1	.56
47. North Carolina	758	3.4	.44
48. Montana	24	<.1	<.1
49. Alaska	39	<.1	<.1
50. South Dakota	22	<.1	<.1

Source: "Shipments of Defense Oriented Industries, 1976," MA-175(76)-1, U.S. Bureau of the Census, U.S. Government Printing Office, Washington, D.C., 1978.

The important question which these hearings must answer is what must be done to develop a sufficient capability within the Federal Government to provide assistance to areas of our country impacted by defense cutbacks in order for them to be able to convert from defense to non-defense use.

Based on what I have been able to determine from the information I have gathered, I believe it is very evident that the Federal Government currently does not have this capability. In fact, in the case of areas impacted by defense contract cutbacks, Federal assistance is effectively non-existent. The resources of OEA and title IX are limited, but perhaps as importantly, the resources of other Federal programs are spread too thin to be able to focus adequate attention on those few areas of the country where the greatest concentrations of defense-oriented employment is located and where contract realignments most often occur.

What then must we do to create the kind of mechanism which will deal effectively with an area's needs following a defense cutback?

This morning, you have heard our colleague from New York, Mr. Weiss, testify about how legislation he has introduced would deal with this problem. Undoubtedly, the Weiss-McGovern bill is the most comprehensive legislative proposal on this subject.

I support the concept of this legislation; however, I also believe there are many other opportunities on which advocates of conversion planning can seize. Therefore, it is my belief that we should identify those principles on which a sound conversion policy must rest, and then seek to apply those principles whenever policy relating to conversion is being considered.

It seems to me that there are four main principles on which meaningful conversion policy must be founded:

(1) Notice far enough in advance of the time that the actual cutback will occur so that the assessment of the impact can be made and contingency plans can be reviewed and implemented.

(2) Plans for the alternative, non-defense, use of a facility should be developed for all military bases and all defense contractors and periodically updated so that in the event of a cutback there is already available a conversion process that can be initiated;

(3) All elements of the community or communities affected—including labor, community representatives, as well as business management—should be involved in both the development and implementation of alternative use plans; and

(4) The responsibility at the Federal level for coordinating conversion planning and assistance should be vested in an office that has the authority to give direction to the various departments and agencies that must be relied upon to provide the actual assistance.

Already, the task force which I chair for MCPL is seeking to apply these principles which I have discussed to two proposals which are related to the conversion question.

There is now pending in the executive branch an Executive order which would formally recognize and authorize OEA to perform the coordinating role which it has sought to fulfill. As you know, a major criticism made against OEA is that it needs greater authority to be able to make departments and agencies take seriously its recommendations for assistance. The only authority under which OEA operates currently is a Presidential memorandum issued in 1970.

In our letter, we asked the President to include in the Executive order a specific requirement that defense contractors and military installations be required to develop alternative use plans. Furthermore, we asked to meet with his assistant for reorganization, Jack Watson, to discuss this matter further. The letter was delivered only yesterday so I do not have any response as yet. However, I will keep the committee informed of any developments that might result.

Furthermore, our task force plans to testify when hearings are held before the Subcommittee on Labor-Management Relations of the Committee on Education and Labor on the bill H.R. 8065, the Human Resources Act. This legislation which is sponsored by our colleague from New York, Mr. Lundine, was passed by the Committee on Banking, Finance, and Urban Affairs to which it was jointly referred.

This legislation would authorize funds for the establishment of Labor-Management Committees at the plant and industry level. We feel that the bill should also require that industries involved in defense production develop alternative use plans.

In addition, our task force is examining different ways in which the Congress can better monitor the impact of defense procurement on local economies. While our views on this matter have not been formalized as yet, it is our feeling that Congress as well as the agencies have failed to control the economic and social impacts of defense procurement on local areas. I will keep the committee informed of our activities in this area as well.

In sum, Mr. Chairman, I believe that the Congress and the executive branch should promptly move beyond the remedial process we currently rely upon. We must institutionalize, within short order, an adjustment process based on carefully pre-developed conversion schemes which recognize the need for new modes of production to replace the old ones that are being, for one reason or another, eliminated or reduced by Federal action. We must bolster the Federal role in advanced planning and give the responsible Federal agencies the funding they are going to need if they are to successfully cope with the extraordinarily complex problems of defense realignment.

I am confident that we can accomplish our goal of increasing the quantity and the quality of Federal conversion efforts, and I personally will remain committed to their success. Again, Mr. Chairman and members of the committee, I commend you for your leadership in this vital area, and I thank you for taking the time to hear my remarks which I hope will be of assistance during the course of these valuable hearings.●

CORRESPONDENCE WITH STATE DEPARTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. STUDDS) is recognized for 60 minutes.

Mr. STUDDS. Mr. Speaker, I take this time to place in the RECORD, the following correspondence between myself and the State Department deals with the proposed sale of advanced fighter aircraft by the United States to Saudi Arabia, Israel, and Egypt. The State Department reply to my list of preliminary questions on this subject contains a wealth of information which I believe will be of interest to the public and to Members of the House:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 21, 1978.

Hon. CYRUS VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: As you know, the House International Relations Committee will soon be asked to make the same judgment which the Administration has already made concerning the wisdom of selling advanced aircraft to Israel, Saudi Arabia and Egypt.

Undoubtedly, your Department will be providing the Committee, and the Congress as a whole, with a comprehensive explanation of the reasons for recommending these arms transfers at this time. My own thinking will be shaped, to a great extent, by the ability of the Administration to demonstate that:

1. These proposed sales will contribute to, or at least not disrupt, progress towards peace in the Middle East;

2. These sales will not create additional long range problems with respect to the arms race, and the political and military balance in the region;

3. These sales are necessary for the security interests of Egypt and Saudi Arabia, and that there is an urgency to this need;

4. The F-15 is uniquely suited to the genuine needs of Saudi Arabia, and that other aircraft, such as the F-14 and the F-16, are not so suited; and

5. These sales are consistent with the President's arms sales policy.

I am attaching a preliminary list of questions with respect to various aspects of the proposed sales. While I would prefer to receive a personal reply to all of them, I realize that the Administration will be preparing an official response to the questions posed in subsection 36(b)(1)(A-M) of the Arms Export Control Act, and that questions similar to mine may be posed by other members of Congress. As a result, I would be fully satisfied, in lieu of answers to some questions, with a description of where comparable responses might be found.

I would like to thank you in advance for any help you may be able to provide.

Sincerely,

GERRY E. STUDDS.

UNDER SECRETARY OF STATE,
FOR SECURITY ASSISTANCE,
Washington, March 21, 1978.

(Unclassified with secret attachments)

Hon. GERRY E. STUDDS,
House of Representatives.

DEAR GERRY: The Secretary has asked me to respond to your thoughtful letter of February 23, in which you discuss the Administration's proposal to sell aircraft to Israel, Egypt and Saudi Arabia. The answer to the series of questions you posed are enclosed. The five general oppositions raised in your letter are among the most important considered by the Administration in deciding whether to proceed with these sales. I would like, therefore, to discuss our thinking on each one of these points.

First, let me assure you that our desire to bring peace to the Middle East is paramount. If we had determined that the sale were not in the interest of bringing peace, we would not have gone forward. This was, of course, the most difficult question to assess. The sale of arms for the purpose of assisting a peace process admittedly seems paradoxical at first blush. A close look at the situation led us to conclude, however, that the United States could not ignore security needs we ourselves had determined to be valid and expect to be trusted as an intermediary. An essential ingredient in movement toward a settlement is confidence. The governments must make hard decisions to move the process along. It is our judgment that this is more likely to occur if the basic defensive needs of the three countries are fulfilled by the United States, the one country able to talk to all sides to the conflict.

Secondly, it is our judgment that the basic political and military balance in the region will not be affected by these purchases. Israel has now, and will retain well into the 1980s, a substantial margin of military superiority—especially air superiority. Our sales to Israel are designed to replace aircraft that will become obsolete and to provide Israel with a continuing edge in military technology. Saudi Arabia is inherently much weaker militarily than its larger neighbors. With 60 F–15s, Saudi Arabia in 1983 will still have less than one-third Iraq's number of combat aircraft and less than one-half Iraq's number of advanced fighters. Egypt now is in a weaker position with respect to aircraft than it was in 1973. The sale of F–5s will assist Egypt only in maintaining its defensive position relative to its neighbors; it will not give Egypt any qualitative or quantitative advantage.

In assessing the question of an arms race in the area, we must consider what might occur if the United States does not fulfill these defense needs. We must assume that other nations would fill this void. This would not have a positive long-range impact on the arms race.

Third, both Egypt and Saudi Arabia have an urgent need to strengthen their air defense capabilities. Egypt has not recieved any new aircraft from the Soviet Union in about three years and its inventory of MIGs is deteriorating. The F–5s will give Egypt the basis for a credible and efficient air defense system for its national territory. Saudi Arabia's air defense now relies heavily on British Lightnings that were purchased in 1966. These planes are scheduled to be retired because they will not be structurally sound by the time the first F–15s arrive in 1982. In fact, the Lightnings are already under restrictions on performance in order to prolong their useful life. Thus both governments have an urgent need to purchase replacement aircraft. In the context of these needs, delay could be taken almost as seriously as rejection.

Fourth, Saudi Arabia was given the opportunity to review the capabilities of four advanced fighters, the F–14, F–15, F–16, and F–18. In addition, consideration was given to the alternative of increasing the Saudi inventory of F–5 aircraft. The Government of Saudi Arabia chose the F–15 because it meets all of the criteria important to Saudi needs. It has the range necessary in a country as large as Saudi Arabia with relatively few airfield facilities. It has the radar capability Saudi Arabia needs in the absence of an adequate ground-based radar system. It is an all-weather aircraft and possesses other air superiority characteristics for its primary role as an air interceptor. It has two engines which the Saudis prefer for safety reasons.

The F–5 has limited range and radar coverage and is not an all-weather fighter. The F–14 has many of the same air superiority characteristics as the F–15, but it is a two-person aircraft; the Saudis prefer a one-person plane. The F–16 is a more effective air-ground aircraft than the F–15, but is less capable as an air interceptor and lacks significant all-weather air interceptor capability. The F–18 is not in U.S. inventories and, under the President's policy, could not be sold abroad. In any event, the F–18 would not be available within the time required to meet Saudi needs. There is, therefore, a strong case for supplying the F–15 as the U.S. aircraft best suited to Saudi Arabia's needs.

Finally, we judged that the sales met the criteria and are consistent with the President's arms transfer policy. The total amount of this sale represents a very large figure, and we will space the contracts over several years. As you know, we are reducing the levels of arms sales this year by eight per cent or $740 million. Clearly, under the operation of our ceiling the spacing of the aircraft package sales will mean there will be further limitations on the sale of U.S. arms abroad in future years. This is in line with the President's policy. Under the terms of that policy, we have an obligation to meet the security needs of our friends. We do so only after the most searching examination in order to ensure that our sales do not exceed minimum feasible levels.

I hope this information and the answers to the questions you posed will be helpful to you as you consider this important proposal. Please call on me if you require additional information. I would note also that we are prepared to offer you and other interested members of the committee a briefing on the military balance in the region and a briefing on the characteristics of the three aircraft. This latter briefing has already been given to a number of House and Senate staffers.

Sincerely,

LUCY WILSON BENSON,
Under Secretary for Security Assistance, Science and Technology.

Enclosure: Answers to questions on proposed aircraft sale. (Secret.)

1. Q. Precisely how will these three sales contribute to the progress of a peace settlement in the Middle East?

A. The sales will contribute to the peace process principally:

By enhancing the confidence of Egypt and Israel in their own security, thereby assisting them to make the hard decisions necessary for a peace settlement;

By demonstrating support for Saudi Arabia, a moderating influence in the area and a country which has strongly supported President Sadat's peace initiative.

By demonstrating US concern for their legitimate security needs and thereby reinforcing our role in working with the parties for a settlement.

2. Q. Should the present efforts to begin meaningful negotiations fail, will we have succeeded in doing anything other than simply upping the military ante in the area?

A. As the sales will not upset the military balance, but will augment the ability of each country to defend itself, our proposal should exercise a stabilizing effect on the region. Nations that are secure behind their borders are less likely to take action in anticipation of an attack.

3. Q. What are the comparative combat capabilities, and the relative costs, of various US advanced aircraft? How do these capabilities compare to those of Russian, French, and British planes which are, or may be, available for export?

A. Classified secret.

4. Q. What are the comparative military capabilities of all the nations in the Persian Gulf and Middle East area?

A. Classified secret.

5. Q. What is the delivery schedule for each of the three proposed sales? How do these mesh with the technical and absorptive abilities of the nations involved?

A. Classified secret.

6. Q. What U.S. training and technical support will be needed in each case, and for how long? What training and support commitments have already been made to the three countries? Have we analyzed our long term ability to meet these commitments without creating manpower or technical shortages in the U.S.?

A. Israel F–15: Only a minimum of additional maintenance training will be required. Technical support is currently being provided under the current Israeli F–15 FMS program and it is expected that approximately 15 man-years additional technical support will be required. No training or support commitments have been made.

Israel F–16: There have been no training or support commitments made to Israel for the F–16. Training and technical support requirements will be established in consultation with the Israelis at a later date. Tentatively, we estimate that two Weapon System Logistics Officers will be needed for three years and 24 man-years of contractor engineering technical services will also be required.

Saudi Arabia F–15: An initial cadre of RSAF technicians and pilots will be trained in the U.S. prior to the arrival of F–15s in Saudi Arabia. The exact requirement for training and technical support in Saudi Arabia by contractor personnel will be determined by a site survey. We estimate on a preliminary basis that approximately 40 USAF personnel will be assigned to program management responsibilities in Saudi Arabia. The number of contractor personnel estimated for initial introduction of the F–15 should be 500–600 personnel at peak employment two years after the Saudis receive the first aircraft in Saudi Arabia. No commitments have been made, however.

Egypt F–5: While this program has not yet been fully defined, the following support is being programed. The estimated U.S. Government involvement will be a management and training supervision team consisting of approximately 10 individuals

for a period of two years. Thereafter, USG program management and assistance would scale down to a three man effort for 3–5 additional years. Contractor involvement would begin with a three part effort: a maintenance technician team; a training team; and a contractor engineering technical services team. The maintenance technician team would consist of approximately 10 technicians who would help maintain the F–5 aircraft for the initial 18–24 month period or until self-sufficiency is attained. The contractor training team as presently envisioned would consist of approximately 12 individuals who would be responsible for some aircrew and technical training in Egypt for a period of approximately one year. The contract engineering technical service team will consist of approximately nine specialized engineers who will be on site to assist the Egyptian Air Force as necessary. They would remain in Egypt for at least 3–5 years with the number of specialists decreasing gradually until no longer required. No training or support commitments have been made.

DOD analysis of each of these sales confirms that we can meet these commitments without creating any manpower or technical shortages in the U.S.

7. Q. Trace the process by which each sale was chosen for a proposed letter of offer. In each case, why is the particular plane selected uniquely adapted to the perceived needs of the country involved?

A. A classified chronology for each sale is attached.

Each country has a legitimate need to maintain a credible defense capability, and in each case the requirement for air defense relates to the area or installations to be protected, the peculiarities of terrain, varying degrees of manpower and technical constraints, and the postulated threat. The Israeli requirement for F–15s and F–16s derives in large part from their need to maintain the kind of qualitative edge that compensates for demographic constraints. They do not have the manpower to expand their forces significantly. The mix of F–15s and F–16s is analogous to the US concept of hi-lo mix in which both the costs and the capabilities of aircraft are considered when structuring for an optimum force mix.

The F–5s offered to Egypt are less sophisticated than the advanced aircraft sought by Israel and Saudi Arabia. The F–5 is well suited to the air defense role for which Egypt intends it. The F–15 for Saudi Arabia is the only aircraft in the US inventory that meets the Saudi requirement for a single-seat, twin-engine, all-weather air superiority fighter. A full description of the unique Saudi requirements and how they relate to the Saudi choice of the F–15 is contained in the classified DOD analysis of the Saudi F–15 request which was forwarded to Chairman Zablocki on March 8.

Q. Would the capabilities of the F–15 be enhanced by the sale of an early warning radar system, such as the AWACS, the E–2C or the British NIMROD?

A. Yes, the capabilities would be enhanced by these systems; however, we do not believe that an F–15 sale to Saudi Arabia will lead to the sale of the AWACS, the E–2C or the British NIMROD. The F–15 has an excellent radar. Were the Saudis to purchase an aircraft with a less effective radar than the F–15, they would be more likely to seek an airborne radar system.

9. Q. Are early warning aircraft included in the planned Saudi military modernization program?

A. Such aircraft are not part of Saudi Arabia's Air Force planning.

10. Q. Has the U.S. discussed such an eventual purchase with Saudi Arabia?

A. No. After the assertion was made last month of Saudi interest in an early warning aircraft, we asked a Saudi official if it were true. He denied any such interest on the part of the Saudi Government.

11. Q. What is the purpose of the Saudi's air base construction program? Against what specific threat are the bases at Turayf, Gurayet and Tabuk aimed at providing protection? Why cannot bases further from Israeli borders serve the same purpose? Were these base locations selected in accordance with—or contrary to U.S.—advice?

A. Saudi military planning stresses dispersal of defensive air and ground units throughout the Kingdom with concentration on the Dhahran area in the oil-rich Eastern Province; at Taif to defend the Mecca-Medina-Jidda complex; and at Khamis Mushayt to defend the southern border. Our military advisers in Saudi Arabia have agreed with the Saudis in the wisdom of this dispersal program but have neither encouraged nor discouraged the establishment of individual bases.

New asphalt strips have been constructed near Turayf and Gurayat (180 and 210 miles respectively from the nearest point in Israel) to replace old dirt strips. This is part of a country-wide program to improve civil aviation and has no direct military application other than the general usefulness of any runway for emergency landings. There are no air base facilities at either of these civilian airfields. Fighter aircraft could not effectively operate from either field.

Tabuk is the only military installation in the northwest portion of the country. Installations have existed at Tabuk since before World War II, and thus pre-date the establishment of the State of Israel. Tabuk sits astride a traditional invasion route into the Kingdom used by both Turks and Egyptians in the past.

The Saudi airbase at Tabuk, located 125 miles from the nearest point in Israel (Saudi Arabia and Israel share no land borders), is an expansion of the civilian airport which has been used by the civil airline since the early 1960s. In 1974 a British firm completed additional facilities which will permit support for a squadron of Lightning interceptors.

12. Q. Is it true that ACDA opposes—or at one time did oppose—the Saudi sale? For what reasons? If their position has changed, for what reasons has it changed? What is the ACDA position with respect to the Egyptian and Israeli sales?

A. As you know, ACDA advises the Secretary of State, the National Security Council, and the President as to the potential arms control impact of prospective transfers under the FMS program. In particular, ACDA evaluates the potential impact of a proposed transfer on the stability of the region that includes the recipient nation, including the likelihood that the transfer may contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements. ACDA also evaluates independently whether a proposed transfer is consistent with the provisions of the President's arms transfer policy. These arms control analyses then constitute one factor which must be weighed against other consideration—military, political, human rights, etc.—in deciding whether or not to approve an arms transfer request.

As a result of such an analysis of possible Middle East aircraft transfers, the Director of ACDA expressed concern over the sale to the Middle East of aircraft as advanced in capability as the F–15. However, at the same time, he also noted that he appreciated the presence of other overriding national interest, and, therefore, was prepared to support a package of the type currently proposed. ACDA has never opposed the transfers under consideration of F–5Es to Egypt or F–16s to Israel. The ACDA position has not changed.

From the arms control standpoint, it is essential that the military balance among Middle East nations be maintained by even-handed treatment of the principal powers, in order to avoid destabilizing the situation. Beyond that, movement toward a peace settlement is, of course, a major arms control objective. It would be ideal if no new transfers were necessary. But given the prospect that movement toward a peace settlement may be facilitated by arms transfers, it is ACDA's view that the arms control risk associated with any given level of transfers is minimized by a balanced package, such as the announced combination of Saudi, Egyptian, and Israeli sales.

13. Q. Is it true that the Office of Policy Analysis and Evaluation of DOD opposes—or did oppose—the Saudi sale? What is the role of this office in the arms sales consideration process?

A. Classified secret.

14. Q. Where will the F–15s be stationed within Saudi Arabia? What control, if any, will the U.S. have over this decision? Does the U.S. have a recommendation?

A. The Saudi Government has indicated its intention to station its F–15s at Dhahran in the Eastern Province, near the Jidda-Mecca-Medina complex at Taif, and possibly at Khamis Mushayt in the South. We agree with these Saudi plans. These are the only three Saudi air bases which presently have the logistics infranstructure to support the permanent basing of F–15 aircraft.

The Saudis have indicated they do not intend to station these aircraft at Tabuk. The F–15 could not be assigned to Tabuk as a main operating base unless significant modifications and improvements were made in the base infrastructure. These changes would include new hangers, technical workshops, space parts storage—all of which would have to be built to American standards specifically designed for the F–15.

15. Q. Should there be an attack on Israel by Egypt or Syria, how likely is it that Israel would act to limit Saudi options by launching a preemptive strike to eliminate the potential threat posed by the F–15s? What would be the consequences of such a strike?

A. Saudi Arabia is not a confrontation state and has abstained from any significant combat in previous Arab-Israeli wars and any threatining gestures toward Israel. Israel has not launched pre-emptive strikes against either Iraq or Libya, nations which have extensive inventories of sophisticated Soviet-supplied equipment. Under these circumstances, and considering Saudi Arabia's intentions to use the F–15 defensively and not to deploy it so as to provoke an Israeli attack, we regard an Israeli pre-emptive strike against Saudi Arabia as unlikely.

16. Q. How will the F–15 sale complicate the military situation for Israel? Will it force them to divert some of their air squadrons from other theaters?

A. Israeli positioning of their air assets is based on their perceptions of all possible threats. Notwithstanding considerable evidence that Saudi F–15s would play no part in any future conflict, the Israelis might choose to modify their aircraft deployments as a hedge against possible Saudi involvement. But given the limited airspace to be defended and the excellent capabilities of the Israeli Air Force, it is most unlikely that any such modified deployment would constitute a diversion of forces from any theater.

a. Will it complicate their (Israeli) identification problems?

A. Aircraft are normally identified by radio call-sign, proper IFF (Identification Friend or Foe) coding and ground based radar tracking. The sale of F–15s to Saudi Arabia would not complicate the Israeli identification problem.

b. How do you tell a friendly F–15 from an unfriendly one?

A. Aircraft are normally identified by radio call-sign, proper IFF coding and ground based radar tracking.

c. Would the sale pose a threat to the survival of the Israeli E–2C?

A. No. The Saudi F–15s are for air defense of Saudi airspace and it is very unlikely that the planes would be used beyond Saudi borders to attack Israeli targets either on the ground or in the air. There is little chance that the Saudi F–15 would constitute a threat to the Israeli E–2C. The E–2C has a stronger radar than the F–15 and hence could acquire the F–15 on the radar scope before the F–15 could see the E–2C. The Israeli aircraft, a highly maneuverable radar platform, will be effectively defended by Israeli fighters and ground-to-air systems.

17. Q. Should war break out, is Saudi Arabia likely to fear a pre-emptive strike from Israel? If so, what steps could/would they take to prevent such a strike?

A. See 15 above.

18. Q. What was the Saudi military role in the 1967 and 1973 wars? Would this role have expanded if the wars had lasted longer?

A. The Saudis did not participate in the 1967 war, nor have they played a significant role in any Arab-Israeli war. During the 1973 war, a Saudi army brigade was stationed in Syria in a reserve position; this unit was engaged in one minor contact with Israeli forces. Also during the October 1973 war, the Saudis sent eight Agusta-Bell helicopters to operate in rearward areas of Egypt on logistic support missions. These helicopters, flown exclusively by Saudi pilots, were sold by the Italian company to the Saudi Air Force.

It is doubtful the Saudi role would have expanded if the wars had lasted longer. The Arab confrontation states do not look to Saudi Arabia for military assistance, but to Saudi financial and diplomatic support.

19. Q. Saudi Arabian Defense Minister Sultan has been quoted (Events, December 3, 1976) as saying that the Saudis have never accepted, and would never accept, arms sales conditions which would prevent them from re-transferring the arms which they receive to a third nation. Presumably this is not an accurate reflection of the Saudis attitude as expressed to the United States. How, then, can this statement be explained?

20. Q. King Khalid has been quoted as telling the New York Times in May, 1976, "When we build up our military strength, we have no aims against anybody except those who took by force our land and our shrines in Jerusalem." Is this an accurate—in context—quote?

21. Q. If statements like the two referred to above are made solely for home consumption, as it has sometimes been said, why was the Khalid statement made to the New York Times? Won't Saudi leaders be under considerable pressure to join in any future war effort against Israel? Is it true that Saudi Arabia experienced riots in 1967 and 1973 due to the lack of greater SA participation in the wars?

A. Each Letter of Offer accepted (DD Form 1513) contains several conditions of sale including the condition that the articles and services to be provided cannot be retransferred to a Third Country without the prior approval of the USG. In all of our conversations with the Saudis—and we have talked to the highest levels—they have indicated that they will abide by the provisions under which the United States supplies military equipment. At the same time they have assured us they have no aggressive intentions against any state in the region. The defensive nature of Saudi Arabia's armed forces modernization program and Saudi assurances they will not train the pilots of other Arab countries on the F–15 or transfer the aircraft were stressed by Vice Minister of Defense Prince Turki in his talks with Under Secretary Benson during her visit to Saudi Arabia this year. I understand similar assurances have been given by the Saudis to recent Congressional delegations visiting Saudi Arabia.

There were no riots in Saudi Arabia in 1967 and 1973 due to lack of greater Saudi participation in the wars. There was rioting in 1967 when groups attacked U.S.-related facilities to protest U.S. support for Israel.

22. Q. Have the Saudis been training Egyptian pilots on their F–5Es despite State Department protests? What could be the purpose of such training?

A. In late 1975 six Egyptian pilots received orientation training in the Saudi F–5s while nine Egyptian maintenance officers attended an English language course in Saudi Arabia. This training was terminated after two months, at our request. A second group—nine technicians—arrived in Saudi Arabia for training in May 1976. At our request that training program was never started and the nine Egyptians left for home. Subsequently, no further training of Arab Confrontation State personnel has been performed.

23. Q. Even if the F–15 is never intended for use against Israel, would not its presence free a greater number of Saudi F–5s for this purpose?

A. The F–15s will fill the air defense mission now performed by the British-made Lightnings after those planes are phased out of the Saudi Air Force. Provision of the F–15 represents a modernizing of an existing capability that already has been integrated into the Saudi air defense structure. Thus, the sale of F–15s to Saudi Arabia will not free F–5s for other missions.

We believe it is extremely unlikely that F–5s would be used in an attack on Israel. Their limited range and vulnerability in the dense Israeli air defense environment make the F–5 unsuitable for attack missions against targets in Israel.

24. Q. Maj. Gen. Keegan, former AF Intelligence, reportedly told the Senate Foreign Relations Committee that the F–15 sale would be: "A situation tailor-made for early compromise of American technology to the Soviets." Given the level of cooperation which exists between the Saudi, Egyptian and Syrian Air Forces, isn't this a serious risk?

A. There is no cooperation between the Saudi and Syrian Air Forces.

There has been orientation training for Egyptian pilots in Saudi Arabia in the past, but the number of pilots involved has been minimal. These activities have occurred only twice (1975 and prior to the 1973 war) and no pilots were ever actually qualified on the F–5 aircraft.

Security measures in Saudi Arabia are excellent and compromise of classified data to the Soviet Union, directly or indirectly, is highly unlikely considering the strong anti-communist attitudes of the Saudi Arabian people. The RSAF is extremely conscientious about military security, particularly physical security involving flight line or maintenance facilities. Although there are third-country nationals in Saudi Arabia, their access to U.S. classified information is not authorized. Airfields and other secured areas in Saudi Arabia have very tight entry and exit controls. Further, Saudi Arabia has no diplomatic relations with any communist country and Saudi controls over entry by foreigners is very strict.

25. Q. What real contributions have the Saudis made to the current attempt to negotiate peace? How much influence do they have with Syria and Jordan?

A. Saudi Arabia's contribution is based foremost on its firm commitment to a negotiated settlement of the Arab-Israeli conflict The Saudis strongly oppose the outbreak of another war which they believe would put intolerable strains on their highly valued relationship with the U.S., and bring about a return of radical and Soviet influence to the Middle East. Within this framework the Saudis have been active in seeking an end to the civil strife in Lebanon, have maintained financial support for Arab moderates and have supported Arab participation in a Geneva Conference.

Saudi Arabia has considerable influence with both Syria and Jordan, but, quite naturally, both of these countries insist on freedom of decision in questions involving their fundamental national interests, as does Egypt.

26. Q. How many weapons—and what type—has Egypt received from sources other than the U.S. since the 1973 war? Did they receive weapons from the USSR as late as 1977? If so, were these restricted to follow-on deliveries of previously signed contracts, or were some under newly assigned agreements?

A. Classified secret.

27. Q. Are France and Egypt proceeding with plans to establish an F–1 plant in Egypt? How does the F–1 compare with US fighter planes?

A. The French and Egyptian Governments have recently denied any plans to sell or coproduce the F–1 in Egypt.

The F–1 was designed essentially to compete against the F–16 for the NATO market; it is comparable, therefore, to the F–16. See also Question 3.

28. Q. Britain, reportedly, has previously refused to sell Jaguars to Egypt on the grounds that this would upset the military balance in the Middle East. Is this true?

A. We are not informed about the content of any discussions which may have taken place earlier on this matter between HMG and the Egyptian Government. In early November 1975, the British press speculated that the British Government was on the verge of approving the sale of Jaguars to Egypt. However, there was no subsequent confirmation of such a decision, and, to the best of our knowledge, the Egyptians have not expressed an interest in over two years relative to the purchase of Jaguar aircraft.

29. Q. Many of our arms sales, particularly to Saudi Arabia and to Iran, have been justified on the grounds of the potential threat to our allies which is posed by the nation of Iraq. At least one recent press report has indicated that Iraq's policies may be becoming more moderate:

"The traditional rivalries of the oil rich Persian Gulf may be easing significantly, diplomats in the region believe, with new efforts at détente in the strategic region. The key element has been a six-month push by Iraq . . . Iraq has promised to end all support of leftist groups opposing the other regimes, according to diplomatic sources, and has pledged to work for better relations and overcome residual hostility and suspicion. Baghdad is moving quickly toward resolution of its 16 year border dispute with Kuwait, and both have withdrawn troops from the area." (Baltimore Sun, 9/7/77.)

(a) Is Iraq moderating its policies? If so, what effect should, or will, this have on requests for U.S. arms by other Persian Gulf countries?

(a) Since the 1958 revolution, the Iraqi posture towards its Arab neighbors in the Gulf region has been cyclical. Threats, intimidation, subversion, and propaganda have been followed by efforts at détente; and then the pattern has repeated itself. The U.S. hopes that Iraqi policy toward the region will develop along more positive cooperative lines, but Iraq's Gulf neighbors, while sharing this hope, remain suspicious and skeptical. The ideologues in Iraq's Baath Party believe that revolution and Baathi-type socialism must be exported, but are willing to pursue a waiting game.

We believe that Iran as well as the Arab states in the Gulf region will remain apprehensive about Iraq's long-term intentions,

as well as about its already significant and growing military strength, and will seek to bolster their defenses accordingly.

(b) What efforts are underway to improve U.S.-Iraqi relations?

(b) The Administration has made quiet efforts to improve U.S.-Iraqi relations, in hopes that we could develop a dialogue at a policy-making level on issues which divide us, which include Iraq's rejectionist stance towards Middle East peace negotiations and its support for certain terrorist groups. Under Secretary Habib visited Iraq in 1977 with this objective in mind. While many important Iraqis want improved relations with the U.S., and seek wider access to American goods and services, Iraqi leadership has been reluctant to make any major steps in this direction.

On the commercial front, however, Iraq began purchasing from Western suppliers in 1972. Iraq-U.S. trade has grown from $26 million in 1972 to $210 million in 1977. Iraq also sends students to the United States for graduate level education. We view these commercial and cultural contacts as possibly leading to a broader dialogue on bilateral issues. Even should U.S.-Iraqi relations improve substantially, we see little or no change in the attitudes of the neighboring states toward the Baathist regime or in their interests in acquiring a modern defensive capability.

30. Q. On the military side, just how great a threat does Iraq post to Saudi Arabia?

(a) Are not the Saudi 5-Es plus their HAWK batteries sufficient to defend against an air attack, and isn't an armored attack from across the desert very unlikely to succeed?

A. (a) Iraq already has substantially more high performance aircraft than Saudi Arabia; its strength in armor, land transport, and manpower far exceeds that of Saudi Arabia. Iraq's offensive capacity is growing at a rate that may make it the best armed Arab military force in the region within a decade. Against this potential threat, Saudi Arabia has to defend widely dispersed population centers and its oil fields. The Saudis' F-5s and HAWKs need to be supplemented by higher-performance aircraft; by 1982 Saudi Arabia will have phased out its aging Lightnings. With the F-15s, Saudi Arabia will have significant defensive capabilities against air attack, but Saudi Arabia in the 1980s could not hold out for a lengthy period alone against a determined Iraqi military effort, whether by armored attack or by other operations.

(b) Doesn't Iraq have overwhelming reasons to fear a counterattack? They would be very vulnerable to such an attack either from SA or from Iran, or both. Don't they have the same overwhelming objective of maintaining freedom of navigation through the Persian Gulf which is central to the strategies of SA and Iran?

(b) In the event Iraq planned an attack against Saudi Arabia, it would have to take into account the possible reactions of Iran and Syria, as well as its increased vulnerability to Israel. By 1983 Iraq should have a sufficient number of modern combat aircraft to maintain an effective defense of its home territory against either Iran or Syria while mounting a strike against Saudi Arabia. In addition, Iraq's oil fields and facilities are more widely dispersed and more heavily defended than comparable installations in Saudi Arabia and Iran.

Iraq supports freedom of navigation in the Persian Gulf through which the bulk of its oil exports now pass. Iraq could, however, continue to export substantial quantities through its pipeline to a Turkish port as well as an ever greater quantity through Syria by pipeline to the Mediterranean (if the Syrians agreed to reopen that pipeline). Although Iraq has superior naval units compared to Saudi Arabia, the Iraqi Navy is clearly outclassed by Iran's and there is little likelihood that Iraq would attempt to use force to close the Persian Gulf to shipping.

31. Q. How would these sales, and components of these sales, be spread during the next few fiscal years?

A. Our plan is to have Letters of Offer valued at about $2.2 billion signed in FY-1978 and 1.3 in FY-1979. The remaining Letters of Offer will be signed in later fiscal years.

32. Q. How close will these sales take us to the ceiling for fiscal 1978?

A. The ceiling for FY-1978 is $8.6 billion. Under our ceiling management plan, we estimated a discretionary balance of approximately $3.3 billion. (This estimate assumes that all AWACS LOAs wil be signed in FY-1978 and sets aside ceiling dollars for significant sales previously approved by Congress but not signed by October 1, 1977, for cases involving major follow-on support and for small miscellaneous cases.) We estimate that about $2.2 billion in LOAs will be signed for the Middle East aircraft package. This leaves a little over $1 billion for other Foreign Military Sales.

33. Q. What other major sales, if any, are expected to be proposed during the remainder of this fiscal year?

A. We will be submitting to Congress pursuant to Section 36(b) of the Arms Export Control Act other Letters of Offer for the sale of defense articles or services valued at $25 million or more or for major defense equipment valued at $7 million or more. We do not anticipate that any of these sales will be major in scope.

34. Q. Will the size of these sales, coupled with the President's determination to stay within the sales ceiling, result in the elimination from consideration, or at least a substantial delay, in the proposal of other major sales? Particularly, the likelihood of additional advanced aircraft sales to Iran?

A. As indicated in Question 33, we do not anticipate any major aircraft sales to Iran this year.

35. Q. Is the President committed to the continuation of an annual reduction in arms sales to nonexempt nations, at least during the remainder of his first term?

A. In his statement of February 1, the President announced that the ceiling for FY 1978 would be $8.6 billion. As to the future, he said, "I intend to make further reductions in the next fiscal year. The extent of next year's reduction will depend upon the world political situation and upon the degree of cooperation and understanding of other nations."

36. Q. The United States turned down Israel's request to coproduce the F-16. This decision was made in accordance with the President's arms sales policy. Why was this decision made, and what has been the response of Israel? Have any other nations commented on this decision?

A. Decisions have not been taken on possible Israeli coproduction of the F-16, and Israel's request remains under consideration. We remain prepared to discuss with Israel all aspects of our arms relationship including the coproduction issue, as and when Israel wishes to proceed.

37. Q. Is the F-15 sale to the Saudis likely to result in any requests by the Saudis to transfer some of their less sophisticated planes to other nations?

A. The F-15s are intended in part to replace the U.K. origin Lightnings, currently in the Saudi inventory. The Lightnings are rapidly nearing the end of their structural life and will no longer be safe to fly. We therefore do not believe these aircraft will be transferred.

Saudi Arabia has requested our approval of the possible transfer of four of their older F-5B aircraft to the Yemen Arab Republic to begin the process of training the Yemenis in Western equipment. That possible transfer is unrelated to the proposed F-15 sale—Congress was notified of this possible transfer on September 20, 1977. The Saudis plan to retain the remainder of their F-5s for ground support and therefore they will not be transferred.

38. Q. A recent study of the Senate Energy and Natural Resources Committee states that the rapid increase in Saudi military expenditures can be traced to, among other factors, the greater arms buildup in Iran. The study also states that the Saudis consider the Iranians to be heretics, while hinting, in addition, that Iran may eventually be tempted by the vast oil reserves of Saudi Arabia once their own petroleum supplies begin to run out. Do the Saudis consider Iran to be an actual or potential threat to their national security?

A. Over the last decade following the British withdrawal from the Persian Gulf, the Saudis and Iranians have come to perceive a basic common interest in the region's security. They share a common recognition of the danger of radical forces to the Persian Gulf. Each regime has a deep concern for the long term political stability of the other and neither harbors territorial ambitions against the other. The Saudis need to be able to play an effective, credible role in cooperating with Iran to defend the Gulf.

39. Q. The Army Corps of Engineers supervises the massive military construction program now on-going in Saudi Arabia. To what extent, and in what way, does the U.S. seek to soothe Saudi sensibilities with respect to the use of Jews in supervising this program? Are Jewish members of the Corps participating? Is there any discrimination with respect to the selection of contractors and subcontractors?

A. The US Army Corps of Engineers' personnel practices are in strict compliance with USG policy that individuals should be considered and selected for overseas assignment on the basis of merit without reference to race, color, religion, national origin, sex, or age. No attempt has been made to exclude Corps personnel of the Jewish faith from assignments in Saudi Arabia, and Jewish staff members have travelled to Saudi Arabia in connection with their responsibilities. We have no record of complaints of discrimination with respect to the selection of contractors or subcontractors or their personnel.

40. Q. Do either the Saudi Arabians or the Egyptians fear an offensive military strike by the Israelis?

A. There is undoubtedly concern in some quarters in Saudi Arabia and Egypt about possible offensive action by Israel. See also question 15.

THE ALCOHOL FUEL ENCOURAGEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 60 minutes.

● Mr. HAMILTON. Mr. Speaker, as strange as it may seem to those of us who face the issue daily, there is still no consensus of opinion in the Nation on the dimensions of the energy crisis. Millions of Americans continue to act as if the energy crisis were a figment of someone's imagination. In my congressional correspondence I see a strong undercurrent of belief that Government and business have conspired to hoodwink the public with deceptive claims about energy demand and energy reserves. Perhaps such an attitude is understandable. The current abundance of petroleum and

the ready availability of natural gas this past winter have dimmed memories of long lines at the service station, cold homes, and closed factories. As long as automobiles are fueled, homes are heated, and the wheels of commerce turn, upleasant facts about the future may seem too remote to be of interest. How can we communicate to a skeptical public the possibility that conditions of critical energy shortage could appear, throwing the recovery off-track and precipitating an economic decline the proportions of which would have their only precedent in the Great Depression?

WHAT IS THE ENERGY CRISIS?

I will be the first to admit that the energy crisis is difficult to talk about. The pundits are confused and, as a consequence, the policymakers may be confused too. On the one hand, some experts say that supplies of fossil fuels, especially oil and natural gas, are dwindling and may be exhausted by the end of the century. They advocate research and development of alternative sources of energy which can eventually be used to take up the slack. On the other hand, many economists believe that the primary problem is not one of supply but of price—the cost of getting oil and natural gas out of the ground and into the market. They argue for continued reliance on traditional sources of energy, with increased incentives for the oil and natural gas industries to supply customers at competitive prices. Since these positions are usually presented in opposition to one another, those of us who would respond to the energy crisis find ourselves in a dilemma: Do we increase production of familiar forms of energy, or do we allocate short supplies as we switch to other sources? It is unfortunate that this either-or proposition has become the focus of the energy debate in Washington. The skepticism of the American public was eloquently expressed by one of my constituents:

If you can't tell me what the energy problem is, then don't tell me that there's problem!

As is the case with many other issues of public policy, the most reasonable view of the energy crisis probably lies somewhere between the two extremes. I do not believe that the production versus allocation dilemma is genuine because I 'am not convinced that the opposing views are mutually exclusive. To begin, there are large quantities of oil and natural gas left in the world. I am aware of predictions that the recoverable reserves of these fuels may run dry in as few as 10 years, but under other more generally accepted projections we should have adequate supplies well into the first half of the next century. Increased production could bring the supplies on line and maximum conservation efforts could extend "fossil fuel deadline" a number of years. Nonetheless, simple commonsense tells us that new production of oil and natural gas cannot go on indefinitely. There are limited quantities of these fuels on our planet and once they are used they cannot be replaced. To maintain consumption at present rates, we would have to find a new Texas or a new Alaska every 6 months. This simply could not happen. Furthermore, soaring prices, spot shortages, and outright panic will take hold sometime before the last reserves are gone. A transition to reliance on alternative sources is the only workable answer and the sooner we undertake the transition the easier it will be. Instead of prolonging a sterile debate of production versus allocation, those of us with the responsibility to make policy should be asking which alternative sources of energy hold the most promise for the future.

ALTERNATIVE SOURCES OF ENERGY

On which alternative sources should we pin our hopes? The question is not an easy one to answer because the risks of being mistaken are great. The most prudent policy would be one which moves us ahead on a number of fronts simultaneously. Of course, we should continue our efforts to achieve the full potential of our coal, nuclear, solar, hydroelectric, and geothermal resources. But we should not take a passive stance by assuming that efforts in these areas alone are sufficient. Greater dependence on coal is not possible until labor-management relations in the industry are improved and problems of pollution are met. Nuclear power carries with it the dangers of production mishaps and the proliferation of strategic material. Advances in exploitation of the Sun's energy remained blocked by technological obstacles and practical limitations on use. Hydroelectric and geothermal power are available only in certain regions of the country. It is clear that sources of energy other than these must be researched and developed.

What factors must be taken into account in the choice of exotic sources of energy?

I am no expert in these matters, but I believe that any source which satisfies several of the following eight conditions is a likely candidate:

First. Does the technology exist to produce the source on a large scale?

Second. Is such production economically feasible?

Third. Is the source versatile, that is, can it be used in a wide variety of circumstances?

Fourth. Can the source be used where other alternative sources cannot?

Fifth. Is use of the source free from serious hazards?

Sixth. Can the source be used without substantial changes in existing energy-consuming devices?

Seventh. Is the source renewable?

Eighth. Does use of the source help to solve problems in other areas of public policy?

Surprisingly enough, there may be one alternative source of energy that satisfies all these conditions. That source is alcohol.

ALCOHOL AS A FUEL

When we consider alcohol as a fuel we are really considering two different substances: methanol or wood alcohol, and ethanol or grain alcohol. The common names of these substances indicate the materials from which they are derived. Wood alcohol comes from wood, pulp, and wood wastes, but it can also be generated from coal and urban wastes. Grain alcohol comes from cereal grains, corn, molasses, and other vegetable matter with high starch and sugar content, but it can also be generated from oil and natural gas. Alcohol is produced in the United States by two major processes—fermentation and chemical synthesis. Of our total alcohol output of 700 million gallons per year, 400 million gallons are fermented and the remainder is synthesized from fossil fuels. Synthesis has partly replaced fermentation in the production of alcohol because of the comparatively low price of the fossil fuels. Synthesized alcohol is used in various industrial and chemical processes. All beverage alcohol, however, is fermented.

In recent discussions of alcohol as a fuel the term "gasohol" is often heard. By this term different things are meant. Most people use it to refer to a mixture of 10 percent ethanol and 90 percent gasoline recently developed and marketed as an automotive fuel under the auspices of the State of Nebraska. Others use it to denote any mixture of alcohol and gasoline. Still others take it to mean pure alcohol with no gasoline at all. Not withstanding the semantic dispute, the idea of gasohol is clear enough. Alcohol has potential as a liquid fuel, whether mixed with a petroleum product or in pure form, to power anything from an automobile to an electric utility. Gasohol, whatever it is said to be, may well be one of the fuels of the future.

USE OF ALCOHOL FUELS: PAST AND PRESENT

Unlike some of the more exotic sources of energy, gasohol has been tried successfully many times in the past, particularly as an automotive fuel. The use of alcohol and gasoline together in Europe goes back more than 60 years, when a fuel of 15 percent alcohol and 85 percent gasoline powered all kinds of motor vehicles. It was still in use some time after the First World War, replacing scarce petroleum products and diminishing the need for expensive imports. The most extensive use in Europe took place in Germany during the final stages of the Second World War. The failing Wehrmacht relied heavily on methanol distilled from wood, and on ethanol fermented from starchy agricultural commodities such as potatoes, to keep its war vehicles rolling in the face of declining stocks of oil. There are even more international examples to add to the list. In addition to Germany, more than a dozen other nations have used alcohol fuels in significant quantities. These include Austria, Czechoslovakia, Finland, France, Ireland, Poland, Spain, Sweden, and Yugoslavia in Europe, China and the Philippines in Asia, Brazil and Cuba in South America, and Egypt in Africa. Thus, it is no exaggeration to say that alcohol fuels have found application the world over.

Our parents and grandparents know that gasohol is no stranger to these shores. In the 1930's, service stations in Illinois, Kansas, Missouri, and Nebraska sold an alcohol-gaoline mixture known as Agrol. The blend seemed to work well in engines, but its producers were unable to survive price competition with oil firms that sold pure gasoline. In 1934 Hiram-Walker marketed a motor fuel called Alcolene, a mixture of alcohol and

gasoline, but this product also proved to be too expensive to compete with cheap gasoline. At about the same time, Chrysler Motors modified some cars to burn alcohol fuels and shipped them to a then oil-starved New Zealand. Another automotive manufacturer, International Harvester, used to boast that its vehicles built for export to the Philippines were "powered with engines especially designed to burn alcohol." Of course, alcohol has been employed pure and in various mixes for many decades in high-performance racing engines. Skeptics and detractors will play down these facts, but there is one fact—known to virtually all of us—that is too striking to ignore: some of Henry Ford's first horseless carriages ran on alcohol. But for a few hidden turns of history, we might now be discussing the feasibility of refined petroleum as a fuel.

Critics of gasohol must concede that the fuel has been tried, but they may not be swayed by the fact. In times of war or other national emergency, they will say, it is not unusual for a country to formulate and implement an energy policy that otherwise would not be called for. With some justification they may ask for examples of a modern nonexperimental application of gasohol. Examples are readily available since three nations—Brazil, Sweden, and West Germany—have recently moved themselves toward an alcohol-based economy. Consider the case of Brazil.

Although this South American giant has not been blessed with ample petroleum reserves, it happens to be the world's leading producer of sugar cane. Years ago, in an effort to prop up the sagging sugar cane industry, the Brazilian Government agreed to purchase the alcohol byproduct of sugar cane refining (ethanol) and blend it into all gasoline sold in Brazil. As the result of what was essentially an agricultural support program, Brazilian cars and trucks began to run on fuel with an alcohol content of 2 percent to 10 percent. However, by 1975 the Brazilian Government has seen the potential benefits of the program. By using special financing and by expanding the program to include the native manioc crop, it launched a concerted drive to convert Brazil to an alcohol-based economy. This year, a government budget of $500 million will raise the alcohol content of Brazilian gasoline to 20 percent, reducing total oil imports by 10 percent and saving about $400 million in foreign exchange. By the early 1980's, Brazil may produce nearly 1 billion gallons of alcohol, enough to supply about 20 percent of the nation's gasoline needs. Some projections put this supply figure at 75 percent—energy independence, in effect—by the end of the century. To achieve this goal even more rapidly, the Brazilian Government is considering the use of pure alcohol in passenger cars and a mix of 50 percent alcohol and 50 percent diesel fuel in trucks and buses. In addition, there is speculation that electric power plants in Brazil may be modified to burn alcohol. Beneficial side effects could have been anticipated and should not be overlooked in an assessment of the program. The cash value of Brazil's alcohol exports rose from $7 million in 1970 to $17 million in 1975. Alcohol technology is also exportable, especially to lands rich in agricultural produce. According to Brazilian officials, the new industry may create up to 1 million new jobs in agriculture as previously unfarmed regions are brought into the production scheme. Finally, Brazil stands to gain much in international prestige and strength: It may be the first "oil pauper" to free itself from the grip of the petroleum cartel.

STATE AND LOCAL INITIATIVES

Although the implications of the Brazilian venture have not been fully appreciated in the United States, the beginnings of interest have taken root here, particularly at the State level. As I noted before, Nebraska has developed and marketed an ethanol-gasoline mixture which it continues to use and test in State-owned vehicles. The State of Maine has looked into the matter of tapping its vast forest reserves for methanol. California has conceived an ambitious plan involving the construction of synfuel plants to produce methanol and the cultivation of energy crops in arid regions of the State to provide the raw materials.

It is well known that the State of Indiana has been in the forefront of research and development in alcohol fuels. A recent study funded by the Indiana General Assembly concluded that the production of ethanol from corn could be undertaken in the State. The study envisioned a plant that would convert over 7 million bushels of corn into 20 million gallons of ethanol every year. According to the study, the cost of the plant could be recovered in 5 years and its operation would be highly profitable. In a related development, scientists at Purdue University have discovered a new process by which alcohol can be generated from cellulose, a basic ingredient of plant life. Although cellulose-to-alcohol conversion has been understood for a long time, the Purdue process is much more efficient: it provides a 100 percent return, with each ton of cellulose yielding a ton of fermentable sugar from which alcohol can be derived. While the new process is still in the test tube stage, there can be no doubt that it and similar advances are carrying us a further step toward commercial, nationwide use of alcohol fuels. All Americans have a critical stake in these state and local efforts.

BENEFITS OF ALCOHOL FUELS

As I surveyed the growing literature on gasohol and other alcohol fuels, I was impressed with the great number of potential benefits that the widespread use of these substances would have. Aside from the obvious benefits in energy and agriculture, many governments, universities, private corporations and special interest groups point to exciting side effects that would not be apparent to the layman. Let me discuss very briefly some of the most important benefits and side effects.

IN ENERGY

While it would be misleading to represent alcohol as the cure for all our energy ills, only the shortsighted will discount the significant contribution it could make. Because the raw materials from which alcohol is derived are renewable, we would not have to worry about depletion of this energy source. Unlike oil and natural gas, alcohol could be produced by us virtually at will and on demand. Also, because alcohol would be produced here in the United States using domestic raw materials, then to the extent that we converted to it we could worry less about unreliable foreign sources of energy. There is near unanimous agreement that the importation of half our oil, a good share of it from the volatile Middle East, is exposing us to unacceptable international pressures and risks. In addition, the use of domestic alcohol as a fuel would reduce the massive outflow of dollars to the oil-producing states, an outflow which will very likely cause a record trade deficit this year. If we kept these dollars at home, then our trade account could be balanced, American jobs could be preserved and a measure of stability could be brought to the imperiled international monetary system. Finally, even a minimal reliance on alcohol would free up increasingly scarce supplies of domestic petroleum to be used in the manufacture of fertilizers, plastics, pharmaceuticals, and scores of other products.

IN AGRICULTURE

Besides its beneficial consequences in the area of energy, the use of alcohol as a fuel would cut to the heart of another of our most pressing national problems: The depressed state of American agriculture. We are all too well acquainted with the essential features of this problem. In the early years of this decade a huge foreign demand for our agricultural commodities kept prices up. Farmers grew what they wanted and the prices they received spiralled upward. Those who had no experience of the boom-bust character of farming planned for perpetual prosperity, but bumper crops abroad soon burst the bubble. Prices dropped sharply as surpluses piled up. As had happened so many times in the past, boom gave away to bust. I believe that a shift toward alcohol fuels would have a very positive impact on American agriculture. Consider just a few of the ways it might help to smooth out the boom-bust cycle.

To begin, experts have noted that producers of alcohol fuels have the potential to be the largest new market of farm produce. The existence of such a market could cut down current surpluses and virtually eliminate them in the future. For example, 80 million acres of land yielded 2 billion bushels of wheat last year, but farmers still had a bin-busting 1.1 billion bushel stockpile of the previous year's wheat on hand. If there had been fermentation plants to process the excess wheat, surpluses would have disappeared in the production of more than 4 billion gallons of alcohol, enough to replace slightly less than 4 percent of all the gasoline consumed in private automobiles during the year. Furthermore, the government would not have been obliged to pay the wheat farmers for what they did not sell. Besides the opportunity for greater sales, the new market would provide a stability in sales that

most farmers have not enjoyed to date. The farmer would always have someplace to go with the produce he could not sell as food.

Second, there is the matter of the set-aside under which a farmer is required to let a percentage of his productive land lie fallow in order to qualify for price supports. Farmers have always opposed the set-aside as an inefficient, illogical method of agricultural price control. With the producers of alcohol fuels as customers, however, quota systems such as the set-aside could not be justified. Farmers could bring fallow land into production and then sell the crop to fermentation plants. In addition, they would have an incentive to grow nonconsumable crops on land not fit for the production of food.

Finally, we should be aware that fermentation plants can use agricultural refuse such as corn stalks, distressed grains, and other spoiled, damaged, or inferior crops to make alcohol. At the present time this refuse has little value to the farmer, except in instances where it can be used as a soil supplement, et cetera. However, there are better uses for it. It is estimated that there is enough bad grain in Nebraska alone to make 20 million gallons of alcohol every year. There are also millions of pounds of unsold tobacco in storage—the less desirable bottom leaf—which could be disposed of in the same way.

IN POLLUTION CONTROL

The use of alcohol fuels would be very helpful to us in energy and agriculture, but its benefits are not confined to these areas alone. Environmentalists are excited about alcohol fuels, as well they might be. Since alcohol can be generated from the millions of tons of urban waste that are now being used for landfill or are being discharged into our rivers and seas, we have a ready solution to the many problems of urban waste disposal. Unsightly dumps, polluted coastal waters, and the financial burden of sewage treatment could become things of the past. In any case, the production of alcohol from urban waste may be the only long-range answer for communities where land is scarce and taxpayers are unable to fund adequate sewage treatment facilities. The recent Federal prohibition on ocean disposal of urban waste makes such production look even more attractive. We should also keep in mind that alcohol can be generated from the waste of the timber industry. Because about 35 percent of the timber used in paper and lumber production goes completely to waste, the potential for environmental savings here is enormous. Furthermore, the underbrush and dead timber that now retard our reforestation efforts could be harvested and put to a good use.

IN OTHER AREAS

Many other benefits would flow from the use of alcohol fuels. For example, there would be a huge increase in the availability of distiller's grains, an important byproduct of the conversion of cereal grains to alcohol. Experts sav that there would be over 6 pounds of distiller's grains for each gallon of alcohol produced. Distiller's grains are important because they have a protein content of 20 percent to 30 percent, depending on the type of cereal grain used and the method of processing. They are used principally in animal and poultry feed mixes. but they could be made fit for immediate human consumption. Valuable protein would be brought into the food cycle, and with the additional quantities of distiller's grains on the market it might cost a farmer less to feed his animals.

No discussion of the benefits of alcohol fuels should omit mention of the positive properties of the alcohol-gasoline mixtures themselves. Alcohol—especially ethanol—blends well in gasoline without any special energy-intensive process. Reported problems with separation, corrosion, and cold starts seem to be minor. Gasohol containing 20 percent or less alcohol works well in the typical, unmodified gasoline engine. In fact, because alcohol is a cool-burning fuel there is less engine wear if gasohol is used. Some experts have also cited increased fuel efficiency with gasohol. Researchers in the Nebraska experiment claim that test cars fueled with gasohol containing 10 percent alcohol averaged 5 percent better mileage than test cars powered by gasoline. Scientists at General Motors agree that cars at least 5 years old get better mileage on gasohol. Finally, there is the matter of exhaust emissions. Although knowledgeable sources are divided on just how clean burning gasohol is, it is generally conceded that its use would lower concentrations of one noxious pollutant—carbon monoxide—in a significant way. Of course, pure alcohol is known to be a very clean fuel.

One last benefit of alcohol fuels should be brought up. Alcohol fuels would spawn industry right in the very States where the raw materials were produced. Farming States would become centers of ethanol manufacture. Timber States would become centers of methanol manufacture. The economic development of rural America would surely be enhanced. In addition, the production of alcohol by fermentation is very much a backyard technology as Federal law enforcement officials are well aware. Thus, any small municipality, company or farm cooperative could profit by generating alcohol from locally available raw materials. I am pleased to see that some Government agencies have already realized this. The Office of Minority Business Enterprise recently awarded a grant of more than $86,000 to a small cooperative of black farmers in Alabama for the production of alcohol from farm vegetation. To my way of thinking, other Government agencies should follow suit.

PROBLEMS WITH ALCOHOL FUELS

Since we have some appreciation of the benefits of alcohol fuels, it remains for us to assess the problems. Why are we no nearer to the widespread use of alcohol fuels than we were 50 years ago? Why has the Government provided so little stimulus and so little direction to the development of alcohol fuels? Why did the National Energy Act—the most significant energy bill ever debated in Congress—contain only one sentence on alcohol fuels in its hundreds of pages? Obviously, there are some problems. We cannot call ourselves true proponents of alcohol fuels unless we face the problems squarely and begin to formulate solutions to them.

IN PUBLIC ATTITUDES

One problem is a simple failure to realize how important alternative sources have become. We are an innately conservative people who will usually try to do things as we have in the past. We tend to prefer the established, proven course to radical, uncertain change. However, this is not to say that we cannot rise to the occasion when the circumstances demand it. Whether the issue is a global conflict or a race to the Moon, we more than any other people have shown ourselves to be equal to the task. It may be helpful in this connection to consider the creation of the domestic synthetic rubber industry. During World War II our entire supply of natural rubber were cut off. Some of our foreign sources were overrun and others could not deliver across seas infested by submarines. President Roosevelt responded to the emergency with a crash program to make us self-sufficient in rubber. In the face of balance sheets and engineering problems that would have frightened away even the boldest investor, factories were built, support facilities were provided and huge quantities of synthetic rubber were turned out. Although it was a losing proposition at first, a few years later synthetic rubber was forcing natural rubber out of the market. We could bring about this sort of change again—this time for alcohol fuels. What is missing is the sense of urgency. We must create that sense of urgency with a rational argument from the facts. Doomsaying and scare tactics will get us nowhere.

IN ECONOMICS

A second problem seems just as serious. Many experts claim that, under present conditions, it costs more to produce a gallon of alcohol than a gallon of gasoline. If this is an accurate claim, then alcohol will be at a competitive disadvantage as a fuel even in a mixture with gasoline. Just how great a problem is cost? The answer would seem to depend on a variety of factors, not the least of which are the sources of the cost estimates and the type of alcohol produced. Different sources vary widely in their approximations, and the figures seem to be less certain for methanol than for ethanol. Consider methanol first.

By far and away the most attractive thing about methanol is the low price of the raw materials from which it can be derived. With timber residues running at $20 per ton and yielding 1 gallon of methanol for every 7 pounds, the raw material component of the cost would be very small indeed. It might be even smaller if urban waste were the raw material. However, this is not the only component that must be taken into account. Distillation and transportation costs, just to name two, would have to be added into the equation, and according to a study of alcohol fuels issued this January by the Library of Congress there

are really no solid estimates of what the final cost would be. The 1975 estimate of 14 cents per gallon made by Maine researchers is encouraging since it would make wood-derived methanol very competitive with gasoline (assuring an average production cost of about 36 cents per gallon of gasoline) even in terms of energy equivalence (a volume of methanol delivers about half the energy of the same volume of gasoline), but this estimate is based on conditions of mass production that might not exist for years. Under another estimate of 38 cents per gallon methanol is marginally competitive with higher grades of gasoline, at least in terms of volume equivalence, but the methanol so produced would come from coal. While the conversion of coal to methanol is something we should pursue, we must recognize that it does not have as many benefits as the derivation of methanol from other raw materials. The Library of Congress hazards the guess that the cost of methanol from wood and urban waste would possibly be about the same as the cost of methanol from coal, or perhaps a little more. This is to say that a mixture of such methanol with gasoline could just barely compete with pure gasoline in the market place.

Can the same be said for ethanol? Estimates of the production costs of ethanol are more certain, but unfortunately they do not seem to be as good. This is principally because of the higher price of the raw materials from which ethanol can be derived. Take corn, for example. Using a corn price of $2 per bushel, the best estimate is that ethanol fermented from corn would cost about $1.15 per gallon exclusive of transportation and other costs, enough to make it competitive with $1.20-per-gallon industrial alcohol produced by chemical synthesis but far too much to make it competitive with pure gasoline. Other grains and crops fare better or worse depending on their per bushel price, but none of them can really give an ethanol-gasoline mixture the competitive edge. How large is the gap? There are too many variables for a hard and fast answer, but we can approximate. If we suppose that gasoline costs 65 cents per gallon at the pump, then a mixture of 10 percent ethanol fermented from corn and 90 percent gasoline would cost 70 cents at the pump, about 8 percent more. For ethanol from corn to be competitive under this set of assumptions, the price of corn would have to fall to 75 cents per bushel, too low even to be considered.

Do these layman's cost analyses imply that methanol would limp along in the market without really catching on? Or that ethanol would be infeasible unless it were used industrially or were generated solely from agricultural waste? Given the analyses pessimists will throw up their hands and consign alcohol fuels to the scrapheap of ideas that could not possibly work out. How can we even begin to use gasohol, they will ask, if there is going to be an uncompetitive price difference at the pump? The typical consumer may want to help solve our energy, agricultural and environmental problems, but when faced with paying for fuel out of his own pocket he will always choose the cheaper fuel. This may be true, but we would not base our decision to undertake an alcohol fuels program on sketchy analyses of production costs. Other factors weigh heavily in the scales.

Consider some factors which might change the production cost picture substantially if they were duly taken into account. Omitted from many discussions is the fact that estimates of the cost of alcohol production are often based on the cost of alcohol in the very high state of purity of pharmaceuticals or chemical reagents. Of course, such alcohol costs more because it must be distilled more completely. Alcohol of lesser degrees of purity—which is better as a motor fuel in any case—costs less. Also, alcohol production has marketable byproducts. I have already mentioned distiller's grains, but vegetable oils, fuel oil and other items should not be overlooked. All these byproducts add value to the basic product and tend to offset high production costs. In addition, we should keep in mind that the cost of producing gasoline will be rising faster in the future as the world price of crude oil edges up and the proportion of "old" domestic oil in our refineries drops in relation to the proportion of "new" domestic and foreign oil. Forestry and farming costs will be rising as well, but not nearly as fast. Finally, it is a fundamental tenet of economics that increased capacity lowers cost. Alcohol production at the university or in a handful of pilot plants may not look too economical, but this is not necessarily an argument against the establishment of a nationwide industry. Our only genuine problem in this regard is the choice of the proper means of stimulus to get a fledgling industry rolling.

There is another factor that could brighten the future of alcohol fuels by making gasohol directly competitive with pure gasoline at the pump. That factor is the Federal tax of 4 cents per gallon on motor fuel. If a combination of 10 percent ethanol and 90 percent gasoline costs roughly 5 cents more per gallon than pure gasoline, then a repeal of the tax on the combination would do more than any other single thing to bring alcohol fuels into the market place forthwith. The option is attractive because it could be exercised by act of Congress. It is something that we could do in spite of technological or other problems that may exist. It would be an open invitation to the private sector to grab hold of alcohol fuels and to exploit them to the utmost. The State of Nebraska has already decided to forgo a 3 cents per gallon fuel tax for this purpose, and I am pleased that the Senate has seen fit to add a repeal provision to its version of the National Energy Act. I hope that the Senate provision will ultimately be made law.

Of course, there will be critics of a tax subsidy of this sort. Some well-intentioned people will denounce it as too large a drain on the public treasury. There can be no doubt that the drain could become large. If a 10 percent alcohol-90 percent gasoline mixture were to replace the 108 billion gallons of gasoline that are consumed each year in the United States, the tax subsidy would reach $4.32 billion per year, a sizable loss of revenue. However, two mitigating influences should be considered. First, the tax subsidy would buy us significant energy, agricultural and environmental benefits, and in any case Congress has often agreed to provide bigger tax subsidies to schemes of less merit. Second, the tax subsidy would put little drain on the coffers of Government at first because our present capacity to produce alcohol is so limited. It would become less essential as alcohol production grew, and eventually a fuel tax could be reimposed. The Senate bill has the exemption expiring on January 1, 1985. By that time, alcohol fuels should be able to stand on their own.

A further question must be asked in any comparative analysis of the costs of alcohol fuels and gasoline. That question is this: At what price do we depend on foreign sources of energy, support farmers through the low points in their business cycle, and suffer the consequences of an urban waste disposal problem that is getting out of hand? Alcohol fuels may be costly at the present time, but so are misdirected public policies in the areas of energy, agriculture, and environment. We should not forget that we pay out immense sums of money to import oil, to help the farmer, and to get rid of urban waste. Any fair assessment of the economic viability of alcohol fuels must include these expenditures on the other side of the ledger, since the widespread use of alcohol fuels would serve to cut them down.

There is one last economic problem that demands attention: The capital expenditures needed to establish alcohol production on a national scale would be enormous. It is apparent that the Government will have to take an aggressive role as a "private sector catalyst" beyond selective repeal of the Federal tax on motor fuel. As I see it, three things augur well for such a commitment. First, fermentation plants can be constructed more cheaply than oil refineries. Thus, the capital investment per gallon of fuel produced is lower and each public dollar behind the effort, whether in the form of a tax subsidy or a direct outlay, will have more effect than we might imagine. Second, concentrated production of ethanol has already been tried in the United States and some of the old facilities are still in existence. During World War II these facilities used more than 250 million bushels of wheat to produce ethanol for industrial purposes. We might be able to remodel and recommission them, thereby lowering at least the initial requirement of capital. Last, Congress has shown its readiness to get involved in the launching of the new industry. The Food and Agriculture Act of 1977 includes provisions for research grants and pilot projects for the production and marketing of alcohol and hydrocarbons from agricultural commodities and forest products. As regards the research grants, $24 million was authorized over 5 years, with $3 million allocated for the present fiscal year. As concerns the pilot projects, four were authorized with the De-

partment of Agriculture guaranteeing loans up to $15 million for each. Secretary Bergland is currently entertaining site proposals. Furthermore, the proposed budget for the next fiscal year contains $21 million for alcohol fuels research, up 240 percent from the estimated $8.7 million to be spent this fiscal year.

THE ALCOHOL FUEL ENCOURAGEMENT ACT

To consolidate the gains that have been made and to help make the widespread use of alcohol fuels a reality in America, I am today joining with Representatives DAN GLICKMAN, RICHARD NOLAN, and other Members of Congress in introducing the Alcohol Fuel Encouragement Act. I am convinced that this excellent bill would take us a long way toward the desirable goals of energy independence, farm price stability, and a clean environment. It would address the issue of alcohol fuels in a bold and comprehensive way.

The first major provision of the bill would mandate the availability of alcohol fuels on the Nation's streets and highways. Beginning 3 years after enactment, each service station selling more than 400,000 gallons of motor fuel annually would be required to offer a blend of 10 percent alcohol and 90 percent gasoline to its customers. However, both general and specific exemptions could be granted to protect affected parties from inadvertent noncompliance and the Secretary of Energy could extend the 3-year deadline if it were determined that stores of blended fuel were inadequate to meet requirements. Also, the Secretary could extend time on a case-by-case basis to service station operators who were unable to acquire needed equipment or stores of fuel. This provision is important because it would set the use of alcohol fuels as a national policy and would lift a valuable alternative source of energy from the closed circle of study and research in which it has been trapped.

The second major provision of the bill would provide for amortization of alcohol fuel production facilities over 60 months. This provision especially when taken in concert with the alcohol fuel tax subsidy in the Senate's energy bill, should attract the capital investment needed to assure that enough alcohol would be produced to be marketed nationwide. Even if handsome tax incentives such as these failed to do the job, others could be enacted and offered.

The final major provision of the bill is necessary to free alcohol fuels from certain time-consuming and costly regulations of the Clean Air Act. Under the current motor fuel additives certification program, the Environmental Protection Agency is obliged to ban the use of new gasoline additives unless the manufacturer first proves that the additive will not pollute the air. Even though alcohol is really a gasoline replacement—not an additive—the agency has forbidden its use pending proof of its environmental soundness. The narrowly drawn provision of the bill would simply make alcohol an exception to the proof-before-use rule. It would require the Administrator of the Environmental Protection Agency to show alcohol in gasoline to be environmentally damaging before it could be kept off the market, thereby shifting the onus of proof from the private sector to the Government. It is unlikely that alcohol would be banned at a later time since most studies demonstrate its clean burning properties.

I am impressed by the positive effects that alcohol fuels would have. I am equally impressed with the forceful, commonsense approach embodied in the Alcohol Fuel Encouragement Act. I commend both the exciting concept of alcohol fuels and this excellent bill to the attention of my colleagues. I urge that you give them all due consideration.●

U.S. TROOP WITHDRAWAL FROM SOUTH KOREA

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. SOLARZ) is recognized for 5 minutes.

● Mr. SOLARZ. Mr. Speaker, on Tuesday of this week, I testified before the House International Relations Committee in support of the administration's proposal to transfer approximately $800 million worth of military equipment from the U.S. 2d Division in South Korea to the Armed Forces of the Republic of Korea.

I firmly believe that the United States has a vital interest in maintaining the military balance of power between the North and South. The administration's position realistically seeks to maintain this commitment.

While I deplore the repeated violations of human rights by the Park regime, an abandonment of the U.S. commitment to South Korea might very well result in more severe human rights violations. I encountered this feeling on my trip to the Republic of Korea last year. As I indicate in my testimony, almost all of the dissidents with whom I spoke are more opposed to and afraid of the threat from the North than the government of Park Chung Hee.

I respectfully submit my testimony for the information of House Members:

TESTIMONY BY HON. STEPHEN J. SOLARZ BEFORE HOUSE COMMITTEE ON INTERNATIONAL RELATIONS, SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS ON FISCAL YEAR 1979 SECURITY ASSISTANCE, MARCH 21, 1978

Mr. Chairman, I am appearing here today to testify on behalf of the Carter Administration proposal to transfer approximately $800 million in equipment from the U.S. Second Division in South Korea to the armed forces of the Republic of Korea. While I personally deplore the human rights violations of the Park regime, I feel we have such a strong security interest in maintaining South Korea's defensive and deterrent capabilities, while we withdraw our own ground forces, that we must advocate the approval of this Administration proposal.

Mr. Chairman, I had occasion to undertake a fact-finding mission to the Far East last summer, during which I studied America's relations with Japan, South Korea, and the People's Republic of China. I ask that the report I submitted on my return be made a part of the record of these hearings.

In order to understand why I support the Administration's program to transfer the equipment of the Second Division, I believe it is important to look at several critical issues.

THE MILITARY BALANCE

Clearly, the United States has a vital interest in maintaining a military balance which will minimize the prospects of war in Korea. In the view of most observers, it now appears that North Korea has a substantial superiority over South Korea in the critical categories of air, armor, and artillery. Over the last several months the estimates of the number of tanks and artillery pieces in the North Korean inventory have been substantially upgraded.

The reason for this imbalance basically has to do with the fact that, over the course of the last decade and more, the North has devoted a much larger share of its GNP to military expenditures than the South. Between 1963 and 1972, for example, Pyongyang spent approximately 14 percent of its GNP on defense, while Seoul utilized only 4 percent of its resources for such purposes.

However, there is no reason in principle why South Korea should not be able to ultimately defend itself. Indeed, President Park acknowledged as much himself when he said, in August of 1975, that in 5 years there would no longer be a need for the active assistance of American ground forces. A quick look at the underlying demographic and economic realities of the Korean Peninsula should make it clear that the South has a much stronger human and financial foundation than the North. At $34 million, the population of South Korea is more than twice as large as the population of 16 million in North Korea. And the gross national product of South Korea is also slightly more than twice the size of the GNP in North Korea.

In recent years, the South Koreans have begun to demonstrate their own earnest intention to build armed forces that could independently defend their nation. The share of GNP devoted to national defense has risen to almost seven percent in 1977, a larger fraction than any of our European allies spend for such purposes themselves. In absolute terms, the ROK devoted about $2 billion to defense in 1977—a sixfold increase when compared to 1970 expenditures. In short, the South Koreans have demonstrated the capability and willingness to defend their own country.

Because of our commitment to South Korea, and particularly because of the importance which American allies like Japan attach to our behavior with respect to the Korean peninsula, I believe that we should be willing to provide the military equipment to South Korea which is necessary to redress the current imbalance. I believe the transfer of the Second Division's equipment to be instrumental in this regard. As Secretary of Defense Brown pointed out to the International Relations Committee on 22 February 1978, the equipment slated for transfer is designed to make up for existing deficiencies in the critical areas of firepower, armor, and mobility—and to thereby reduce existing vulnerabilities in the ROK forces.

NORTH KOREAN INTENTIONS

Unfortunately, this Committee is not engaged in an academic exercise when it considers this issue, because there is a very real possibility that weakness in the ROK forces could tempt the North Koreans to adopt an aggressive posture. North Korea today, under the complete control of Kim Il Sung, remains dedicated in word and deed to the reunification of the Korean Peninsula under Communist control. Based on his history, his ideology, his personality, and his politics, it seems fair to say that reunification remains Kim's major personal and political priority. He tried once before to achieve his ambitions through the force of arms and failed. But there are few who doubt that Kim would be prepared to attempt another attack if he thought he could succeed.

The possibility of another war in Korea is not as remote as some might think. From the perspective of Pyongyang there would appear to be few, if any, alternative methods of achieving the much sought after objective of reunification. Certainly it is easy to envision the possibility of a surprise attack designed to quickly seize Seoul (which is only 25 miles from the DMZ). The loss of Seoul, with its demographic and economic importance for the South could have a devastating psychological and political impact on the will of the South Koreans to resist a forced reunification of the Korean Peninsula.

To be sure, neither Russia nor China today appear to have much of an interest in the outbreak of another war on the Korean Peninsula. For the Russians, it would threaten the whole policy of detente. For the Chinese, it would probably bring to a halt the process of normalization which began with the Shanghai communique.

Yet the fact remains that the revolutionary credentials of Russia and China are somewhat dependent on Kim. The very existence of the Sino-Soviet split, which in some respects has been an essential element in the maintenance of a balance of power between East and West, has in other respects given Communist countries like North Korea a measure of political flexibility they otherwise would not have had. If war did break out on the Korean Peninsula, however much they wished it had not, both the PRC and the USSR would undoubtedly feel compelled, given the ideological and political competition between them, to support North Korea anyway. The fear of losing favor with Pyongyang would probably prevail in the calculations of both Moscow and Peking over their fear of alienating the West. And Kim Il Sung, who is very much aware of these elemental political constraints, is thus more or less free to pursue whatever course of action he thinks is in his own best interest. Moreover, today more than ever, North Korea appears capable of waging a war for a certain period of time against the South without resupply from the Soviet Union or China.

It is precisely for this reason that the maintenance of a balance of power in Korea is so important. Let the North develop a decided and demonstrable military superiority over the South and there is a reasonably good chance that Kim would conclude the time had come to strike again. In my view, the only way to deter an attack from the North is to make crystal clear that such an attack would fail.

THE U.S. COMMITMENT ON HUMAN RIGHTS

It is important to realize that the transfer of U.S. equipment to South Korea is proposed at a time when our commitment to, and our alliance with, South Korea is under its most severe test since the early 1950's. In particular, the repressive policies of the Park regime, while essentially stamping out democracy and dissent at home, have effectively fueled the flames of opposition to a continued commitment to the defense of South Korea within the United States.

While I totally deplore the repeated violations of human rights and the suppression of democracy that have characterized the Park regime, on my trip to the Far East last year I was struck by one unmistakable and indivisible fact. In many of the repressive dictatorships that we support, the dissident democratic forces favor the withdrawal of the American presence as a way of weakening the political and military viability of the existing regime. But in South Korea I found the opposite was true. In that country, almost all of the dissident elements with whom I spoke favored a continued American presence and a strengthening of the South Korean armed forces for one reason: no matter how much they may abhor Park Chung Hee, they are even more opposed and more afraid of Kim Il Sung.

So I, for one, feel that even from a human rights standpoint we have a strong reason for providing the necessary military support to preserve the independence of the territorial integrity of South Korea.

WITHDRAWAL AND THE U.S. COMMITMENT

Last year, President Carter announced that the United States would complete withdrawal of all American ground combat forces from South Korea by 1982. To be sure, the President has assured South Korea that American air and naval forces will remain even after the Second Division has been completely removed. These units should not only provide ROK forces with the kind of close air support and naval protection they would need in time of war, but they would also constitute a symbolic manifestation of American intentions in this regard. At the same time, they would provide a continuing incentive to Pyongyang, Peking, and Moscow to reach a peaceful agreement with Seoul designed to normalize the situation on the peninsula, if they want American forces completely removed from Korea.

Given continued American support for South Korea, demonstrated by the presence of U.S. Navy and Air Forces, continued American military assistance, and particular programs such as the compensation package, the withdrawal of the Second Division should not significantly impair the credibility of the American commitment to come to the defense of South Korea. Concerned primarily with the possibility of a surprise attack, and a sudden North Korean seizure of Seoul, the Republic of Korea has concentrated most of its 18 divisions between the 38th parallel and its capital city. Assuming the assets of the Second Division are transferred to the ROK forces, one additional American division will not add significantly to the ability of South Korea to thwart such an attack.

The forces on which South Korea would have to rely in such an eventuality would primarily be their own. Under these circumstances, the Second Division would help, but it is doubtful that it would make the difference. Its value, therefore, is more symbolic than substantive—yet, were we not to withdraw our ground forces, the erosion of public support for our Korean commitment would significantly outweigh the marginal advantages of keeping the Second Division where it is, in terms of the plausibility of the American deterrent.

President Carter's policy of gradually phasing out our infantry presence in South Korea should thus be seen as an exercise in both prudence and preparedness. By recognizing the realities of our political problems back home, it is designed to make more durable the nature of our commitments abroad. And by making the withdrawal of the Second Division implicitly contingent upon the completion of the force improvement program it will ultimately strengthen the capacity of South Korea to defend itself in the future.

We must also carefully understand that America's continued commitment to South Korea is, in some large measure, linked to the capability of the United States to withdraw its ground forces. Indeed, I would venture to say that the gratuitous involvement of U.S. ground forces, caught in a surprise North Korean attack against the South would create a major political controversy in the United States. For better or worse, the memories of our involvement in Vietnam are too compelling to sustain a U.S. ground military involvement under those conditions for very long.

Clearly, the transfer of the Second Division's equipment is a logical and necessary aspect of the Carter Administration's laudable withdrawal policy. It facilitates our withdrawal by making the South Koreans more independent militarily. In addition, by replacing the assets which we would otherwise be taking out, it reaffirms the strengthening and sincerity of our commitment to the security of South Korea.

Reinforcing the strength of our commitment to South Korea is an absolutely fundamental goal in the global context of our national interest. With the collapse of the American-sponsored effort in Indochina, new doubts have been raised about the value and viability of America's commitment to its Asian allies. Certainly, Japan is gravely concerned about the credibility of America's commitment to all of our allies in Asia, and will closely scrutinize our behavior in the Korean situation. If, through a failure of American will, the United States did not live up to its commitment to Korea by providing this equipment, it would raise grave doubts in Japan about the value of their mutual security treaty with us and would encourage the Japanese to think seriously about a major rearmament program—with all the negative consequences that would entail.

Moreover, the withdrawal of our ground forces from South Korea, without the adoption of the compensation package, could conceivably lead Kim Il Sung to conclude that we were not prepared to come to the assistance of South Korea, thereby increasing the possibility for the outbreak of another war on the Korean Peninsula.

For all of these reasons, Mr. Chairman, I think it is strongly in our interest to support the Administration's proposal. I might suggest, however, that the Committee carefully scrutinize the proposal in one regard. As you know, the Administration has asked us to transfer this equipment as a grant without any charge to the Government of South Korea. In my own mind, I am not fully persuaded that the ROK could not pick up at least part of the cost on a loan basis. I would hope that in your examination of this issue you would try your best to establish whether South Korea really can or cannot afford to pay part of the cost of this program. I believe that this proposal would have a much better chance of passage if the Korean government reiterated its own commitment to its own defense by furnishing some of the funds necessary for this program.●

STATEMENT OF CONGRESSMAN JAMES HOWARD ON INTRODUCING THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978

(Mr. HOWARD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HOWARD. Mr. Speaker, I am introducing today the Surface Transportation Assistance Act of 1978, undoubtedly the most significant piece of transportation legislation ever to come before this body. For the first time in the House, a committee will be marking up and reporting out a single bill covering highways, highway safety, and mass transportation. Furthermore, this legislation is the most far reaching legislation on highways since the 1956 Federal Aid Highway Act and on mass transit since the very well known acts of 1964, 1970, and 1974.

I would like to say, Mr. Speaker, that I am proud of this bill and look forward to bringing it to the floor of this House.

The highway and safety authorizations of this bill from the highway trust fund total $11.1 billion in fiscal year 1979 and $10.9 billion per year for each of the fiscal years 1980, 1981, and 1982. The mass transit authorizations are approximately $4.4 billion for the same 4 years.

In addition the Interstate Highway System is authorized through to completion in the year 1992 at an annual rate of $4 billion per year and the mass transit program to 1988 at $4.5 billion per year.

Mr. Speaker, I came before this body during the energy bill debates last year asking for a 5-cent increase in the gas tax for the highway trust fund and a new mass transit trust fund. I hope it is still possible to obtain a mass transit trust fund out of the energy bill. I also appeared before the Ways and Means Committee this year suggesting that a 2-cent increase in the gas tax would probably be required to finance the highway portion of this legislation. I went down to resounding defeat last year on 5 cents and was told by the Ways and Means Committee this year that any chance for 2 cents might be very difficult.

I find now that a gas tax increase to finance this bill is unnecessary. Instead an alternate proposal for financing will be proposed which merely builds on the longstanding, highly successful structure of the highway trust fund. The Ways and Means Committee recommended and this House passed an extension of the existing 4-cent gas tax until 1985 in the House version of the energy bill. That mere extension, applied to the highway trust fund, will finance the highway and safety titles of this bill. Such a move will obviate any need for a gas tax increase to carry out the provisions of the highway and safety portions of this bill.

Mr. Speaker, I ask the Members of this House to support this bill. It is necessary in all of its parts for the continuance of our vital transportation systems.

INTRODUCTION OF NEW YORK CITY FINANCIAL ASSISTANCE ACT OF 1978

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am introducing today, with bipartisan cosponsorship by members of the Subcommittee on Economic Stabilization of the Banking Committee, together with the chairman of the full committee, the New York City Financial Assistance Act of 1978.

Through continued monitoring of the New York situation since enactment of the current seasonal financing act in late 1975 and through comprehensive hearings that have just been completed, we have established to our satisfaction the following salient facts:

First, the city has made significant progress toward the goal of a balanced budget, but it still does not have access to the private credit markets.

Second, without further Federal financial assistance beyond the expiration of the present law on June 30, the city faces a serious risk of default, insolvency, or bankruptcy.

Third, such an event, if it should be permitted to occur, would have significant financial repercussions beyond the city itself, including probably on the international exchange rate of the dollar, though the extent of such ripple effects is necessarily a matter of judgment and cannot be calculated precisely.

Fourth, by far the best chance of achieving a permanent solution to the city's problem—indeed, probably the only chance—is to permit the city to borrow at long term, which means that this next, and last, extension of Federal assistance must be chiefly in the form of guarantees of long-term bond issues rather than short-term seasonal assistance.

Fifth, the New York situation is unique and passage of the legislation I have introduced will not set a precedent for other cities, in large part because no other city will want to subject itself to the rigorous external controls that New York has endured and will continue to endure.

Mr. Speaker, I find the task of legislating Federal financial assistance to a single city as distasteful as any Member of this body. It is not the way our constitutional system is supposed to work. While I see little or no danger in the precedent being set, I cannot deny that this assistance involves the exploration of new waters.

But the genius of our system is its flexibility, its ability to rise to new emergencies. We are faced here with an emergency, and rigid interpretations of the meaning of our Federal system should not stand in the way of our meeting that emergency. What we need—and what this country has so often shown in its history—is pragmatism and not rigid ideological consistency.

I cannot deny, Mr. Speaker, that this emergency has arisen in part because of the profligacy of local government in New York in the past, though that is not its only cause. But there are several things to be said about that.

One is that the city is paying for its sins. It has sharply reduced its local personnel and will cut further. Its services have been cut back. It has given up such hopeful experiments as free admission to the city university. It is no longer softheaded in granting eligibility for welfare.

Another thing to be said is that the parable of the prodigal son is part of our tradition. All through our lives we face the fine balance between helping forgiveness and stern retribution, including in our own families. None of us, I venture to say, will regard stern retribution as invariably, and in all cases, the right posture to take.

And finally, like it or not, we do have a national problem here, regardless of the past sins that brought it on. A bankruptcy of New York threatens, to some unknown degree, the municipal bond market and hence the interest rates paid by all our States, cities, school districts, and the like, with the worst effect on those that are basically credit-worthy but are not well known or are vaguely perceived by the market to have potential difficulties. The phenomenon is known as a flight to quality—mentioned by several of our witnesses—and the victims are often the innocent.

We have a national problem, too, in that a bankruptcy of New York is quite likely to lead in the end to outlays by the Federal Government that will far exceed any costs associated with guaranteeing a modest amount of the city's long-term bonds. New York City will not vanish from the Earth on the day it appears in court to declare bankruptcy. In effect, it would become an immediate candidate for a new kind of Federal disaster assistance.

Mr. Speaker, the bill we are introducing provides, we believe, the minimum that is necessary to achieve a lasting solution of the New York problem. A Federal guarantee of up to $2 billion in bonds with a maximum guarantee term of 15 years should make possible the sale of at least 1½ times that amount of bonds in addition, without guarantee, by the special financing entity called the Municipal Assistance Corporation and by the city itself. In turn, those sales of long-term bonds will make possible a start on the desperately needed renovation of the city's infrastructure, will cover the rapidly dwindling but still substantial budget gap, and will probably permit a reduction of debt service through restructuring of some existing debt.

Our bill will permit use of some part of this $2 billion authority in the early years for continued seasonal financing, so that the city does not run out of cash in this period before it can reenter the credit markets. But at no time could a total of more than $2 billion in Federal assistance be outstanding.

The bill was drafted at my request by the Office of Legislative Counsel and by no one else. While it generally reflects the views of the Treasury, it is our bill and not theirs. It differs from the administration proposal chiefly in its provision for seasonal loans if necessary, though within the overall $2 billion ceiling. Apart from that, the bill basically follows the administration proposal as presented to our subcommittee by Secretary Blumenthal on March 2.

Our bill reflects a lengthy analysis and examination by all of the parties concerned, including the Treasury. It is premised on a 4-year plan by the city that will end with a budget balanced by generally accepted accounting principles. A keystone is a significant expansion of budgetary aid from the State of New York, which has already been promised and the first year of which is now moving through the legislature.

A mere extension of Federal seasonal loans, Mr. Speaker, will not solve New York's problem. Indeed, it may not even avert bankruptcy. All of the parties who have examined the situation are agreed that the key to an eventual solution is a Federal guarantee to make possible a sale of long-term bonds. And while I do not dispute that a Federal guarantee is in every true sense assistance by the Federal taxpayer, I believe it is highly probable that no actual outlays will result.

Mr. Speaker, the House will be hearing more of this matter as the time between now and June 30 grows shorter. None of us will enjoy it. But the problem will not go away. Our bill is a responsible way of getting New York on its feet and off our backs. I hope that when the time comes the Members of this body will view the issue with reason and not with

vindictiveness. For in the end, we cannot run away from this problem.

Following is a copy of the bill and a section-by-section analysis thereof.

H.R. 11753

A bill to authorize the Secretary of the Treasury to provide financial assistance for the city of New York

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "New York City Financial Assistance Act of 1978".

TITLE I—EMERGENCY ASSISTANCE

DEFINITIONS

SEC. 101. For purposes of this title, the term—

(1) "city" means the city of New York;

(2) "State" means the State of New York;

(3) "Secretary" means the Secretary of the Treasury;

(4) "independent fiscal monitor" means an agency, board, or other entity authorized by the law of the State which has the authority to control the fiscal affairs of the city during the entire period for which assistance under this title will be outstanding and which authority the State has convenanted will not be repealed, invalidated, or otherwise substantially impaired during such period; and

(5) "financing agent" means any agency, board, or other entity authorized by the law of the State to act on behalf or in the interest of the city with respect to the city's financial affairs.

GUARANTEES

SEC. 102. (a) Upon the written request of the city and the Governor of the State, the Secretary may guarantee the payment, in whole or in part, of interest, principal, or both, of obligations (having a maturity of fifteen years or less) of the city or the financing agent in accordance with this title.

(b) Whenever any obligation is guaranteed under this title, the Secretary shall assess and collect (no less frequently than annually) from the obligor a guarantee fee computed daily at a rate of no less than one-half of one per centum per annum on the outstanding principal amount of such obligations outstanding. The Secretary may periodically escalate the guarantee fee in order to induce the obligor to enter the private market.

(c) If an obligation which is guaranteed under this title is sold, transferred, or otherwise disposed of (other than to a successor in interest or pursuant to a disposition not involving a change in beneficial ownership) other than by the issuer, the guarantee shall thereafter cease to be effective with respect to that obligation.

CONDITIONS OF ELIGIBILITY

SEC. 103. (a) The Secretary may make guarantees under this title only if—

(1) the Secretary determines that the city is effectively unable to obtain credit in the private market or elsewhere in amounts and terms sufficient to meet the city's financing needs;

(2) the city submits, with the approval of the independent fiscal monitor, in such detail and in accordance with such accounting principles as the Secretary may prescribe, a plan for bringing its operating expenses into balance with its recurring revenues for each full fiscal year of the city following the initial application for assistance under this title, and thereafter for as long as any such assistance remains outstanding; and the city agrees to publish, after the completion of each fiscal year covered by the plan, an analysis reconciling its actual revenues and expenditures with projected revenues and expenditures; and the city agrees to publish periodic projections which reflect the impact of the plan on tax rates;

(3) the city submits, with the approval of the independent fiscal monitor, in such detail as the Secretary may prescribe and in accordance with generally accepted accounting principles, a plan for bringing its operating expenses into balance with its recurring revenues for the fourth full fiscal year following the initial application for assistance under this title and for each fiscal year thereafter for as long as such assistance remains outstanding;

(4) the independent fiscal monitor demonstrates that it has the authority to control the fiscal affairs of the city for the entire period during which assistance under this title will be outstanding;

(5) the Secretary has received assurances to his satisfaction that a substantial portion of the long-term borrowing needs of the city will be met through commitments from the State, an agency of the State, private sources, or through capital markets;

(6) the Secretary determines that there is a reasonable prospect of repayment of the obligations to be guaranteed in accordance with their terms and conditions;

(7) the city agrees to have conducted annual independent audits of its books to be done by independent public accountants for each fiscal year during which the Secretary may guarantee obligations under this title or during which any assistance provided under this title remains outstanding; and

(8) the city agrees to comply with any other terms or conditions which the Secretary deems appropriate.

(b) Any determination by the Secretary that the conditions set forth in subsection (a) have been met shall be conclusive, such determination to be evidenced by the making of such guarantee or commitment to guarantee, and the validity of any guarantee so made shall be incontestable in the hands of the holder of such guaranteed indebtedness.

(c) Any term or condition provided for under paragraph (8) of subsection (a) may be modified, amended, or waived by the Secretary at any time.

LIMITATION ON THE AMOUNT OF GUARANTEES OUTSTANDING

SEC. 104. The total amount of all guarantees (exclusive of unearned interest) which may be outstanding under this title at any one time shall not exceed $2,000,000,000.

REMEDIES

SEC. 105. (a) The Secretary shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this title. Any sums recovered pursuant to this section shall be paid into the general fund of the Treasury.

(b) The Secretary shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this title, and upon making any such payment, the Secretary shall be subrogated to all the rights of the recipient thereof.

(c) Notwithstanding any other provision of law, the Secretary may provide for the withholding of any payments from the United States to the city or State which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the Secretary may have against the city or State pursuant to this title.

(d) The remedies prescribed in this title shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

(e) With respect to any debt of the United States arising under this title, for the purposes of section 3466 of the Revised Statutes (31 U.S.C. 191), the term "person" shall include the city and any financing agent."

INSPECTION OF DOCUMENTS

SEC. 106. At any time a request for a guarantee is pending or an obligation guaranteed under this title is outstanding, the Secretary is authorized to inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of the city or the financing agent relating to the city's financial affairs.

AUDITS

SEC. 107. No guarantee may be made under this title unless the General Accounting Office is authorized to make such audits as may be deemed appropriate by either the Secretary or the General Accounting Office of all accounts, books, records, and transactions of the city and the financing agent. The General Accounting Office shall report the results of any such audit to the Secretary and to the Congress.

REPORTS TO CONGRESS

SEC. 108. Within three months after the date of enactment of this title, and at six-month intervals until June 30, 1982, and thereafter at twelve-month intervals, the Secretary shall transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report containing a detailed statement of his activities under this title.

TERMINATION OF AUTHORITY

SEC. 109. The authority of the Secretary to make guarantees under this title terminates on June 30, 1982. Such termination does not affect the carrying out of any contract, guarantee, or other obligation entered into pursuant to this title prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying out operations under this title, except that no commitment to guarantee any obligations under this title shall be effective after such date.

AUTHORIZATION

SEC. 110. There are authorized to be appropriated such sums as may be necessary to carry out this title.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

TAXABILITY OF CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.

SEC. 201. (a) CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Section 103 of the Internal Revenue Code of 1954 (relating to interest (on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Any obligation—

"(1) which is issued after the date of the enactment of this subsection, and

"(2) the payment of interest or principal (or both) of which is guaranteed in whole or in part under title I of the New York City Financial Assistance Act of 1978 (as in effect on the date of the enactment of this subsection),

shall be treated as an obligation not described in subsection (a)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF A BILL TO PROVIDE FINANCIAL ASSISTANCE FOR THE CITY OF NEW YORK

Section 1

This section provides that the bill shall be titled the "New York City Financial Assistance Act of 1978".

TITLE I—EMERGENCY ASSISTANCE

Section 101

This section sets forth the definitions of various terms used throughout the bill.

Through the definitions, it makes clear that assistance is to be provided only for New York City, that the independent monitor's existence and authority must be covenanted by the State for so long as assistance under the bill is outstanding, and that the Department of the Treasury is to administer the program.

Section 102

Subsection (a) provides that the Secretary may guarantee the principal, interest, or both, of obligations of the city or a financing agent.

Subsection (a) also provides that such obligations may carry a maturity of up to fifteen years.

This subsection further provides that such guarantees must be applied for in writing by the city and the Governor of the state.

Subsection (b) provides that a fee of not less than one-half of one percent per annum on the outstanding principal amount of guaranteed obligations, computed daily, shall be assessed and collected at least annually.

This subsection also provides that the Secretary may increase the guarantee fee in order to induce the borrower to borrow in the private market.

Subsection (c) provides that the guarantee lapses if the obligation is sold, transferred, or otherwise disposed of, except to a successor in interest or in a disposition not changing the beneficial ownership.

CONDITIONS OF ELIGIBILITY

Section 103(a)

Paragraph (1) of this subsection require that the Secretary make a determination that the city is unable to meet its borrowing needs in the private market or elsewhere.

Paragraph (2) requires the city, with approval of the fiscal monitor, to submit a plan for bringing into balance its operating expenses with its recurring revenues for each full fiscal year after applying for assistance, and for each year such assistance is outstanding.

This paragraph also provides that the Secretary may prescribe the accounting principles and the details of the annual operating budget plans.

Paragraph (2) further requires the city to publish annually during the period covered by the plan an analysis reconciling the previous year's actual revenues and expenditures with projected revenues and expenditures, and to publish periodic projections reflecting the plan's impact on tax rates.

Paragraph (3) requires that, for the fourth full fiscal year after initial application for assistance, and for each fiscal year thereafter while assistance remains outstanding, the plans for bringing operating expenses into balance with recurring revenues be in accordance with generally accepted accounting principles.

Paragraph (4) requires the fiscal monitor to demonstrate that it has the authority to control the fiscal affairs of the city for as long as assistance will be outstanding.

Paragraph (5) requires the Secretary, before issuing guarantees under this Act, to obtain assurances to his satisfaction that a substantial portion of the city's borrowing needs will be met through sources other than Federal assistance provided under this Act.

Paragraph (6) requires the Secretary, before issuing guarantees, to make a determination that there is a reasonable prospect that obligations to be guaranteed will be repaid according to their terms and conditions.

Paragraph (7) requires the city to have audits of its books conducted annually while any assistance under this Act is outstanding. Such audits must be conducted by independent public accountants.

Paragraph (8) gives the Secretary authority to impose upon the city any other terms or conditions which he deems appropriate.

Subsection (b) provides that a determination by the Secretary that the conditions of subsection (a) have been met shall be conclusive.

Subsection (c) provides that the Secretary may modify, amend, or waive the terms and conditions made at his discretion under paragraph (8), subsection (a).

Section 104

This section provides that the amount of guarantees outstanding at any one time may not exceed $2 billion, exclusive of unearned interest.

Section 105

Subsection (a) provides that the Secretary shall take such actions as are necessary to enforce the rights of the United States as a result of the issuance of guarantees under this Act and that sums recovered shall be paid into the general fund of the Treasury.

Subsection (b) gives the Secretary authority to recover from the borrower, any amounts paid by the United States pursuant to guarantees issued, and gives to the Secretary all the rights of the recipient of the payment made by the United States.

Subsection (c) provides that the Secretary may, in the event of a claim of the United States against the city or state pursuant to guarantees issued under this Act, withhold payments due or to become due to the city or state from the United States.

Subsection (d) provides that the remedies prescribed in this Act are cumulative and not in limitation of or substitution for other remedies available to the Secretary or the United States.

Subsection (e) provides that, in the event of insolvency of the city or financing agency, the United States would have priority over other debtors with respect to the payment of debt created under this Act.

Section 106

Provides for the inspection of city documents by the Secretary.

Section 107

Provides for audits by the General Accounting Office.

Section 108

Provides for periodic reports by the Secretary to the Congress.

Section 109

Provides that the Secretary's authority to make guarantees terminates on June 30, 1982.

Section 110

Provides an authorization for the appropriation of such sums as may be necessary.

TITLE II

This title amends the Internal Revenue Code to provide that interest on obligations guaranteed under this Act are taxable for the period of the guarantee.●

SALE OF MILITARY AIRCRAFT TO EGYPT AND SAUDI ARABIA

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today I am sending a letter to President Carter asking the President to reconsider his decision to provide military aircraft to Egypt and Saudi Arabia. I am opposed to providing arms to Egypt and the Saudis until both countries renounce their support for the Palestine Liberation Organization as the sole representative of the Palestinian people. So long as the Arab nations support Palestinian leadership dedicated to destroying Israel there can be no peace. And, refusal by the United States to arm nations unwilling to disavow PLO leadership is the price that they must expect to pay.

Mr. Speaker, at this time I would like to include the text of my letter to President Carter:

MARCH 21, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have previously communicated with you my concern that the proposed sales of planes to Saudi Arabia and Egypt would be treated as a condonation of present policies in both of those countries. The recent raid by the Palestinian Liberation Organization on Israeli civilians, in which the PLO took pride in organizing an attack on civilians in a raid that had no military significance whatsoever, accentuates those concerns.

At the present time, both Egypt and Saudi Arabia formally and by declaration support the Palestinian Liberation Organization. They recognize the PLO as the sole representative of all Palestinians. The continual attacks by the PLO on Israeli civilians make it urgent that you, Mr. President, call upon Egypt and Saudi Arabia to withdraw their support of the Rabat decision which designated the PLO as the sole Palestinian representative. This threat to place the PLO in charge of the West Bank is a major roadblock to peace. In addition to its acts of terrorism, the PLO continues to proclaim its goal to eliminate Israel. In fact, after the recent murderous attacks the PLO referred to the heartland of Israel where the incidents took place as "occupied territory." Repudiation of the PLO by Egypt and Saudi Arabia would be a step towards developing an atmosphere in which constructive negotiations could take place.

Egypt and Saudi Arabia cannot pose as positive and stabilizing forces, deserving of U.S. arms, and at the same time continue in their posture of calling for terrorists to head the Palestinians. Some of the leaders in both of those countries have expressed private views that their withdrawal of support of the PLO would cost them some status with other Arab states. The United States ought to make it clear to Egypt and Saudi Arabia that continuing to recognize the PLO and to support the Rabat decision also has a price. It will cost them the close friendship and alliance that they seek with us and will make it impossible for Egypt to achieve the peace it seeks with Israel.

Mr. President, I urge you to move in these areas as rapidly as possible.

Very truly yours,

ABNER J. MIKVA,
U.S. Congressman.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOLLENBECK) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.
Mr. SKUBITZ, for 5 minutes, today.
Mr. KEMP, for 5 minutes, today.
Mr. ASHBROOK, for 30 minutes, today.

(The following Members (at the request of Mr. KOSTMAYER) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. DIGGS, for 10 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. ZABLOCKI, for 5 minutes, today.
Mr. NOWAK, for 5 minutes, today.
Mr. WEISS, for 5 minutes, today.
Mr. FOUNTAIN, for 5 minutes, today.
Mr. ULLMAN, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. BAUCUS, for 10 minutes, today.
Mr. ROYBAL, for 5 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. MILFORD, for 5 minutes, today.
Mr. SIKES, for 10 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. KOSTMAYER, for 5 minutes, today.
Mr. DODD, for 10 minutes, today.
Mr. SOLARZ, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BIAGGI, to follow the remarks of Mr. MURPHY of New York and to revise and extend his remarks.

(The following Members (at the request of Mr. HOLLENBECK) and to include extraneous matter:)

Mr. SARASIN.
Mr. ERLENBORN.
Mr. STANTON.
Mr. BADHAM.
Mr. BOB WILSON in three instances.
Mr. MARRIOTT in two instances.
Mr. YOUNG of Florida in three instances.
Mr. GILMAN in four instances.
Mr. BROOMFIELD in two instances.
Mr. MARTIN in two instances.
Mr. WALSH.
Mr. DORNAN in three instances.
Mr. WHITEHURST.
Mr. WAMPLER in two instances.
Mr. ABDNOR.
Mr. KEMP in three instances.
Mr. ASHBROOK in four instances.
Mr. STEERS.
Mr. LENT.
Mr. MILLER of Ohio in four instances.
Mr. HANSEN in five instances.
Mr. WHALEN in two instances.
Mr. MCKINNEY.
Mr. RHODES in two instances.
Mr. WYDLER.
Mr. PRESSLER.

(The following Members (at the request of Mr. KOSTMAYER) and to include extraneous material:)

Mr. RYAN.
Mr. CORMAN.
Mr. LEDERER.
Mr. FARY in two instances.
Mr. STUDDS.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. GORE.
Mr. MARKEY.
Mr. MOTTL.
Mr. HAMILTON.
Mr. WALGREN.
Mr. FISHER.
Mr. FRASER in five instances.
Mr. BLANCHARD.
Mr. MILLER of California.
Mr. SOLARZ.
Mr. RODINO in two instances.
Mr. UDALL in two instances.
Mr. BENNETT.
Mr. FAUNTROY.
Mr. WIRTH.
Mr. WRIGHT.
Mr. OTTINGER.
Mr. ROGERS in five instances.
Mr. NOWAK.
Mr. DINGELL.
Mr. SANTINI.
Mr. RICHMOND.
Mr. CARNEY.
Mr. BURLESON of Texas.
Mr. MAZZOLI.
Mr. ST GERMAIN.
Mr. BENJAMIN.
Mr. TEAGUE in six instances.
Mr. FASCELL.
Mr. FLORIO.
Mr. RANGEL.
Mr. AKAKA.

Mr. STUDDS, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $1,643.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3813. An act to amend the Act of October 2, 1968, an Act to establish a Redwood National Park in the State of California, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to two enrolled bills of the Senate

S. 833. An act for the relief of Ah Young Cho Kwak; and

S. 1135. An act for the relief of Young-soon Choi.

RECESS

The SPEAKER pro tempore. The Chair will observe that the legislative business for the day has been concluded. There are no further special orders, and the Chair would ask unanimous consent that the Chair be given the authority to recess the House, pending a message from the Senate. There will be no other intervening business that the Chair contemplates.

Is there objection to the unanimous-consent request of the Chair?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, it is my understanding that we are awaiting the adjournment resolution as it has probably been amended by the other body; is that correct?

The SPEAKER pro tempore. It is the understanding of the Chair that the Senate has not amended it, and there is no anticipation that they will amend it.

Mr. BAUMAN. So there will be no occasion for those of us who wish to stay here and solve the farm problem before we take an Easter recess, or junkets around the world, to obtain a vote on whether or not we would adjourn; is that correct?

The SPEAKER pro tempore. There is no vote anticipated by the Chair.

Mr. BAUMAN. That is unfortunate.

Mr. Speaker, the gentleman from Maryland withdraws his reservation of objection and wishes the gentleman from Illinois (Mr. ROSTENKOWSKI) a happy Easter.

The SPEAKER pro tempore. The Acting Speaker pro tempore wishes the gentleman from Maryland (Mr. BAUMAN), and all those within hearing of his voice, a happy Easter.

The House will stand in recess.

Accordingly (at 2 o'clock and 9 minutes p.m.), the House stood in recess subject to the call of the Chair.)

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. ROSTENKOWSKI) at 3 o'clock and 42 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 544. Concurrent Resolution providing for an adjournment of the House from March 22 to April 3, 1978 and a recess of the Senate from March 23 to March 29 or April 3, 1978.

ADJOURNMENT TO MONDAY, APRIL 3, 1978

Mr. CAVANAUGH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. In accordance with House Concurrent Resolution 544 of the 95th Congress, the Chair declares the House adjourned until 12 o'clock meridian on Monday, April 3, 1978.

Thereupon (at 3 o'clock and 43 minutes p.m.), pursuant to House Concurrent Resolution 544, the House adjourned until Monday, April 3, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3635. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title

10, United States Code, to eliminate the annual report on Reserve Forces; to the Committee on Armed Services.

3636. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period March 15 to June 15, 1978, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

3637. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

3638. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on Banking, Finance and Urban Affairs.

3639. A letter from the Deputy Administrator of General Services, transmitting a report on GSA's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3640. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3641. A letter from the Secretary, Postal Rate Commission, transmitting a report on the Commission's activities under the Privacy Act during calendar year 1977, pursuant to 5 U.S.C. 552a(p); to the Committee on Government Operations.

3642. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a report on the agency's activities under the Government in the Sunshine Act during calendar year 1977, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3643. A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes; to the Committee on International Relations.

3644. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, to 1 U.S.C. 112b; to the Committee on International Relations.

3645. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting annual reports covering calendar year 1977 on progress in the prevention and control of air pollution, measures taken in relation to motor vehicle emission control, and measures taken to prohibit Federal agencies from entering into contracts with violators of the Clean Air Act, pursuant to sections 313, 202, and 306(e), respectively, of the act, as amended; to the Committee on Interstate and Foreign Commerce.

3646. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

3647. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting several survey reports prepared by the Corps of Engineers; to the Committee on Public Works and Transportation.

3648. A letter from he Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELANEY: Committee on Rules. House Resolution 1099. Resolution providing for the consideration of H.R. 11400. A bill to authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds (Rept. No. 95–999). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 1100. Resolution providing for the consideration of H.R. 11495. A bill to authorize research, development, and demonstration projects relating to aviation, and for other purposes (Rept. No. 95–1000). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 2660. A bill for the relief of Ernesto J. Garcia, Jr., with amendment (Rept. No. 95–1001). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 10210. A bill for the relief of Martina Navratilova (Rept. No. 95–1002). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 11709. A bill to authorize the Secretary of Agriculture to conduct a study regarding purchases of agricultural land by persons who are not citizens or permanent residents of the United States and to require such persons to report such purchases to the Secretary of Agriculture; to the Committee on Agriculture.

By Mr. ANDREWS of North Carolina:

H.R. 11710. A bill to amend the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Education and Labor.

By Mr. VANIK (for himself, Mr. GIBBONS, Mr. ROSTENKOWSKI, Mr. JONES of Oklahoma, Mr. MIKVA, Mr. FISHER, Mr. STEIGER, Mr. VANDER JAGT, and Mr. FRENZEL):

H.R. 11711. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. AuCOIN (for himself and Mr. LUNDINE):

H.R. 11712. A bill to amend title V of the Housing Act of 1949 to increase and extend authorities thereunder, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BEDELL (for himself and Mr. BALDUS):

H.R. 11713. A bill to create a solar and renewable energy sources loan program within the Small Business Administration; to the Committee on Small Business.

By Mr. BENJAMIN (for himself, Mr. ALLEN, Mr. ANNUNZIO, Mr. BRODHEAD, Mr. CARTER, Mr. FITHIAN, Mr. GINN, Mr. HAMILTON, Mr. HYDE, Mr. JENKINS, Mr. MCDONALD, Mr. MURPHY of Illinois, Mr. NATCHER, Mr. PEPPER, Mr. PRICE, Mr. RAILSBACK, Mr. SIMON, Mr. STEIGER, Mr. STOCKMAN, and Mr. YOUNG of Florida):

H.R. 11714. A bill to establish the Highway of Flags National Servicemen's Memorial; to the Committee on Interior and Insular Affairs.

By Mr. BINGHAM (for himself, Mr. KILDEE, Mr. ROSENTHAL, Mr. BIAGGI, Mr. CONYERS, Mr. MOAKLEY, Mr. MICHAEL O. MYERS, Mr. SCHEUER, Mr. OTTINGER, Mr. NOWAK, Mr. HARRINGTON, Mr. GEPHARDT, Mr. CLAY, Mr. HOWARD, Mr. NEDZI, Mr. EILBERG, Mr. VENTO, Mr. RICHMOND, Mr. VANDER JAGT, Mr. PRICE, Mr. MCHUGH, Mr. ZEFERETTI, Mr. JOHN L. BURTON, Ms. MIKULSKI, and Mr. DRINAN):

H.R. 11715. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing rehabilitation grants to metropolitan cities and urban counties; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BLANCHARD (for himself and Mr. MCKINNEY):

H.R. 11716. A bill to amend section 312 of the Housing Act of 1964 to provide for additional authority for the conservation and rehabilitation of single family homes, multifamily buildings, and properties utilized in urban homesteading programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BURGENER (for himself, Mr. BEILENSON, Mr. BLOUIN, Mr. JOHN L. BURTON, Mr. DORNAN, Mr. EDWARDS of California, Mr. HUGHES, Mr. KETCHUM, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LENT, Mr. MCCORMACK, Mr. MURPHY of Pennsylvania, Mr. PEPPER, Mr. QUIE, Mr. SOLARZ, Mr. VAN DEERLIN, Mr. VENTO, Mr. WALGREN, Mr. WHITEHURST, and Mr. BOB WILSON):

H.R. 11717. A bill to provide for a national program of screening of newborn infants for metabolic disorders that could retard brain development; to the Committee on Interstate and Foreign Commerce.

By Mr. BURGENER (for himself, Mr. TREEN, Mr. KETCHUM, Mr. MOORHEAD of California, Mr. LOTT, Mr. RHODES, Mr. HYDE, Mr. ROUSSELOT, Mr. DERWINSKI, Mr. THONE, Mr. RUDD, and Mr. LUKEN):

H.R. 11718. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and/or other purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Ways and Means.

By Mr. BYRON:

H.R. 11719. A bill to amend the Clean Air Act with respect to the approval of revisions of implementation plans for standards in air quality control regions; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE (for himself, Mr. COHEN, Mr. CONTE, Mr. COCHRAN of Mississippi, Mr. EVANS of Delaware, Mrs. FENWICK, Mr. GILMAN, Mr. GREEN, Mrs. HECKLER, Mr. HOLLENBECK, Mr. JEFFORDS, Mr. JOHNSON of Colorado, Mr. MARKS, Mr. PRESSLER, Mr. PRITCHARD, Mr. STEERS, and Mr. STOCKMAN):

H.R. 11720. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives; to the Committee on House Administration.

By Mr. CORRADA (for himself, Mrs. CHISHOLM, Mr. GREEN, Mr. RICHMOND, Mr. BEDELL, and Mrs. COLLINS of Illinois):

H.R. 11721. A bill to amend the Bilingual Education Act, and for other purposes; to the Committee on Education and Labor.

By Mr. DORNAN:

H.R. 11722. A bill to amend title 28, United States Code, to grant the district courts of the United States original jurisdiction, exclusive of the courts of the States, of certain proceedings involving enforcement of foreign custody judgments, awards, or decrees; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 11723. A bill to amend the Railroad Retirement Act of 1974 with respect to the annuities payable under such act to the widows of retired railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. ERLENBORN:

H.R. 11724. A bill to amend title IX of the Education Amendments of 1972 (relating to nondiscrimination on the basis of sex) to include among organizations whose membership practices are exempted from coverage under the title service fraternities and service sororities; to the Committee on Education and Labor.

By Mr. FLIPPO (for himself, Mr. TREEN, Mr. NOLAN, Mr. MADIGAN, and Mr. PATTERSON of California):

H.R. 11725. A bill to provide for a research, development, and demonstration program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and used to generate electricity for domestic purposes; to the Committee on Science and Technology.

By Mr. FRENZEL:

H.R. 11726. A bill to amend the Internal Revenue Code of 1954 to provide that blood donations shall be considered as charitable contributions deductible from gross income; to the Committee on Ways and Means.

By Mr. GILMAN (for himself, Mr. BEARD of Tennessee, Mr. BIAGGI, Mr. BURKE of Florida, Mr. DE LA GARZA, Mr. GUYER, Mr. MURPHY of Illinois, Mr. NEAL, Mr. RAILSBACK, Mr. RANGEL, Mr. RODINO, Mr. SKUBITZ, Mr. WOLFF, and Mr. ZEFERETTI):

H.R. 11727. A bill to place phencyclidine in schedule I of the Controlled Substances Act, to amend the Controlled Substances Act to increase the criminal penalties under that act for the unlawful manufacture, distribution, or dispensing of, or the possession with intent to distribute or dispense, phencyclidine and to increase the penalties under that act for illegal distribution of phencyclidine to persons under 21 years of age, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 11728. A bill to amend title 5, United States Code, to include as creditable service under the civil service retirement system periods of service as contract technicans by individuals hired by private authority to perform work under Federal supervision pursuant to a contract between such private authority and the Federal Government, and for other purposes; jointly, to the Committees on Post Office and Civil Service, and Ways and Means.

By Mr. GORE (for himself), Mr. APPLEGATE, Mr. AUCOIN, Mr. BALDUS, Mr. BEARD of Tennessee, Mr. BEVILL, Mr. BLOUIN, Mr. BONIOR, Mr. JOHN L. BURTON, Mr. CHAPPELL, Mr. CORRADA, Mr. FUQUA, Mr. JEFFORDS, Mrs. LLOYD of Tennessee, Mr. MCHUGH, Mr. QUILLEN, and Mr. ROE):

H.R. 11729. A bill to direct the Secretary of Agriculture to establish a program for the purpose of indemnifying owners of dairy cattle which, under any Federal law, are destroyed in order to control or eradicate brucellosis, and for other purposes; to the Committee on Agriculture.

By Mr. HAMILTON:

H.R. 11730. A bill to encourage the use of alcohol in motor vehicle fuels by requiring certain retailers to make alcohol-blended fuels available for sale, by allowing the rapid amortization of facilities producing alcohol for use in motor vehicle fuels, and by exempting alcohol-blended fuels from certain requirements of the Clean Air Act; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. HIGHTOWER (for himself, Mr. GLICKMAN, Mr. JENRETTE, Mr. SEBELIUS, Mr. BURLESON of Texas, Mr. RUNNELS, Mr. KRUEGER, Mr. ROSE, Mr. RISENHOOVER, Mr. BREAUX, Mr. WATKINS, Mr. HALL, Mr. GAMMAGE, Mr. LUJAN, Mr. BAUCUS, Mr. YOUNG of Texas, and Mr. KAZEN):

H.R. 11731. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 through 1981 crops; to the Committee on Agriculture.

By Mr. HILLIS:

H.R. 11732. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

By Mr. HOWARD (for himself, Mr. SHUSTER, Mr. JOHNSON of California, Mr. CLEVELAND, Mr. ANDERSON of California, Mr. ROE, Mr. DON H. CLAUSEN, Mr. MCCORMACK, Mr. HAGEDORN, Mr. BREAUX, Mr. MINETA, Mr. ABDNOR, Mr. NOWAK, Mr. EDGAR, Mr. HEFNER, Mr. FARY, Mr. RAHALL, Mr. APPLEGATE, Mr. EVANS of Georgia, Mr. ROBERTS, Mr. RONCALIO, Mr. GINN, Mr. OBERSTAR, Mr. AMBRO, and Mr. HAMMERSCHMIDT):

H.R. 11733. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, for highway safety, for mass transportation in urban and in rural areas, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself, Mr. SHUSTER, Mr. BONIOR, Mr. ALEXANDER, Mr. OTTINGER, Mr. BLOUIN, Mr. WALGREN, and Mr. CORNWELL):

H.R. 11734. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, for highway safety, for mass transportation in urban and rural areas, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HUBBARD:

H.R. 11735. A bill to amend the Communications Act of 1934 to grant to the Federal Communications Commission the power to regulate pay television and to clarify the intent of the Congress regarding the regulation of pay television; to the Committee on Interstate and Foreign Commerce.

By Mr. JEFFORDS (for himself, Mr. AKAKA, Mr. ALLEN, Mr. BRODHEAD, Mr. EILBERG, Mr. DELLUMS, Mr. BONKER, Mr. BEDELL, Mr. CARTER, Mr. FREY, Mr. HEFTEL, Mr. MOFFETT, Mr. NEAL, Mr. PRESSLER, Mr. MADIGAN, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. PEASE, and Mr. SCHEUER):

H.R. 11736. A bill to authorize the Secretary of State to implement solar energy and other renewable energy projects in certain buildings owned by the United States in foreign countries; to the Committee on International Relations.

By Mr. JEFFORDS (for himself, Mr. AKAKA, Mr. ALLEN, Mr. BRODHEAD, Mr. EILBERG, Mr. DELLUMS, Mr. BONKER, Mr. BEDELL, Mr. CARTER, Mr. FITHIAN, Mr. FRASER, Mr. FREY, Mr. HEFTEL, Mr. MOFFETT, Mr. NEAL, Mr. PRESSLER, Mr. MADIGAN, Mr. MITCHELL, of Maryland, Mr. MURPHY of Pennsylvania, Mr. PEASE, Mr. SCHEUER, and Mr. WAXMAN):

H.R. 11737. A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado (for himself, Mr. BROWN of Ohio, Mrs. BURKE of California, Mr. DELLUMS, Mr. DRINAN, Mr. EDWARDS of Oklahoma, Mr. HANNAFORD, Mr. LEHMAN, Mr. MCCORMACK, Mr. GARY A. MYERS, Mr. PATTERSON of California, Mrs. SPELLMAN, Mr. STEERS, Mr. STOCKMAN, and Mr. WAXMAN):

H.R. 11738. A bill to direct the Secretary of Agriculture to conduct a study to determine the probable economic effects of a cessation of Federal assistance which serves to promote tobacco production and the manufacturing and marketing of tobacco products for human consumption; to the Committee on Agriculture.

By Mr. LAFALCE (for himself, Mr. AKAKA, Mr. CARNEY, Mr. CHAPPELL, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EILBERG, Mr. ERTEL, Mrs. FENWICK, Mr. HARSHA, Mr. HUCKABY, Mr. HUGHES, Mr. LENT, Mr. LOTT, Mr. MITCHELL of New York, Mr. MURPHY of Pennsylvania, Mr. NOWAK, Mr. OTTINGER, Mr. PATTISON of New York, Mr. RANGEL, Mr. RICHMOND, Mr. SEIBERLING, Mr. YATRON, and Mr. ZEFERETTI):

H.R. 11739. A bill to amend the Internal Revenue Code of 1954 to encourage the targeting of manufacturing related investments in labor surplus areas by providing, with respect to property placed in service in such areas, an additional depreciation deduction and an additional investment tax credit, and by providing, with respect to real property located in such areas, an additional deduction for State and local real property taxes; to the Committee on Ways and Means.

By Mr. LEACH:

H.R. 11740. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide mandatory social security coverage for Members of Congress, offsetting against any benefits based on such coverage the amount of any civil service annuities simultaneously payable (on the basis of such coverage) to such Members or their survivors; to the Committee on Ways and Means.

By Mr. LEDERER (for himself, Mr. BURKE of Massachusetts, Mr. BURLESON of Texas, Mr. CRANE, Mr. DUNCAN of Tennessee, Mr. JENKINS, Mr. KETCHUM, Mr. PICKLE, Mr. WAGGONNER, and Mr. ROSTENKOWSKI):

H.R. 11741. A bill to amend section 118 of the Internal Revenue Code of 1954 to clarify

the treatment of contributions in aid of construction to regulated electric or gas public utilities; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. D'AMOURS, Ms. MIKULSKI, Mr. JEFFORDS, Mr. HUCKABY, Mr. STEERS, Mr. MADIGAN, Mr. TRIBLE, Mr. BLANCHARD, Mr. CLEVELAND, Mr. NEAL, Mr. MAZZOLI, Mr. CARR, Mr. DENT, and Mr. RYAN):

H.R. 11742. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for insulation and other energy-saving property installed on an individual's principal residence; to the Committee on Ways and Means.

By Mr. McHUGH (for himself, Mr. McDADE, Mr. GILMAN, Mr. BINGHAM, Mr. KOSTMAYER, and Mrs. FENWICK):

H.R. 11743. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River between the State of New York and the Commonwealth of Pennsylvania as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MARLENEE:

H.R. 11744. A bill to amend the Agricultural Act of 1949 for the purpose of directing the Secretary of Agriculture to permit the production of hay on set-asides of acreage on certain farms producing wheat or feed grains; to the Committee on Agriculture.

By Mr. MARTIN:

H.R. 11745. A bill to amend the Internal Revenue Code of 1954 to permit individuals to amortize certain rehabilitation expenditures for certified historic structures which are not depreciable; to the Committee on Ways and Means.

H.R. 11746. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for his dependents; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. AMBRO, Mr. CORMAN, Mr. CUNNINGHAM, Mr. D'AMOURS, Mr. EDWARDS of California, Mr. EILBERG, Mrs. FENWICK, Ms. HOLTZMAN, Mr. KETCHUM, Mr. LEHMAN, Mr. OTTINGER, Mr. ROSENTHAL, Mr. SANTINI, Mr. STOCKMAN, Mr. VENTO, and Mr. WHITEHURST):

H.R. 11747. A bill to amend the Foreign Assistance Act of 1961 to provide for a reduction of the U.S. contribution to the United Nations; to the Committee on International Relations.

By Mr. MIKVA (for himself, Mr. BRODHEAD, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mr. FORD of Tennessee, Mr. HUGHES, Mr. LaFALCE, Mr. McHUGH, Mr. RICHMOND, Mr. SCHEUER, Mr. SIMON, Mr. WAXMAN, Mr. WEISS, and Mr. WOLFF):

H.R. 11748. A bill to amend the Foreign Assistance Act of 1961 to provide for a reduction of the United States contribution to the United Nations; to the Committee on International Relations.

By Mr. MIKVA (for himself, Mr. BOLAND, Mr. BYRON, Mr. CARR, Mr. COCHRAN of Mississippi, Mr. DODD, Mr. EILBERG, Mr. FISHER, Mr. FLORIO, Mr. FORSYTHE, Mr. HARRINGTON, Mr. LaFALCE, Mr. LONG of Maryland, Mr. MADIGAN, Ms. MEYNER, Mr. MURPHY of Illinois, Mr. NEAL, Mr. PATTISON of New York, Mr. RINALDO, Mr. RYAN, and Mr. WIRTH):

H.R. 11749. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself, Mr. DICKS, Mr. GLICKMAN, Mr. LENT, Mr. PATTERSON of California, Mr. RODINO, and Mr. STAGGERS):

H.R. 11750. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. MILFORD:

H.R. 11751. A bill to authorize the Federal Home Loan Bank Board to allow Federal savings and loan associations to issue reverse annuity mortgage instruments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOORE (for himself, Mr. KASTEN, Mrs. HOLT, Mr. ROBERT W. DANIEL, Jr., Mrs. SMITH of Nebraska, Mr. JOHN T. MYERS, Mr. HILLIS, Mr. SYMMS, Mr. LOTT, Mr. EMERY, Mr. MILLER of Ohio, Mr. ARMSTRONG, Mr. DUNCAN of Tennessee, Mr. GRASSLEY, Mr. HANSEN, Mr. KINDNESS, Mr. MADIGAN, and Mr. WHITEHURST):

H.R. 11752. A bill to increase agricultural exports, provide necessary agricultural credit, increase 1978 and 1979 market prices for wheat, feed grains, and cotton, revise and extend the sugar program, modernize and revise meat quotas, establish a farmer- and rancher-elected advisory board, restrict authority for agricultural embargoes, expand purchases of domestically produced agricultural commodities by United States Government agencies, revise certain agricultural tax laws, assign a higher priority for the use of natural gas for agricultural purposes, provide for congressional review of executive regulations and functions, and for other purposes; jointly, to the Committees on Agriculture, International Relations, and Ways and Means.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. ASHLEY, Mr. BARNARD, Mr. CAPUTO, Mr. FAUNTROY, Mr. LaFALCE, Mr. LUNDINE, Mr. McKINNEY, Mr. PATTISON of New York, Mr. REUSS, and Mr. VENTO):

H.R. 11753. A bill to authorize the Secretary of the Treasury to provide financial assistance for the city of New York; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. MOTTL:

H.R. 11754. A bill to designate the Veterans' Administration hospital located at 50 Irving Street, Washington, D.C., as the "Olin E. Teague Veterans' Hospital"; to the Committee on Veterans' Affairs.

By Mr. PANETTA (for himself, Mr. KOSTMAYER, Mr. AKAKA, Mr. BONIOR, Mr. BROWN of California, Mr. CORRADA, Mr. EDWARDS of California, Mr. EILBERG, Mr. HARRINGTON, Mr. LAGOMARSINO, Mr. LEGGETT, Mrs. MEYNER, Mr. MILLER of California, Mr. RYAN, Mr. STARK, Mr. WEAVER, and Mr. WEISS):

H.R. 11755. A bill to provide that contracts for rental assistance payments under section 8 of the U.S. Housing Act of 1937 be administered by local public housing agencies whenever possible, to permit such agencies to manage section 8 housing and to give them control over the eviction of tenants, to provide for higher rents for units which are located in low-vacancy areas or occupied by large families, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEASE (for himself, Mr. MOFFETT, Mrs. SPELLMAN, Mr. PATTERSON of California, Mr. RANGEL, Mr. SARASIN, Mr. JENRETTE, and Mr. MATHIS):

H.R. 11756. A bill to amend the Export Administration Act of 1969 to prohibit exporting to Uganda of goods subject to control under that act; to the Committee on International Relations.

By Mr. PEASE (for himself, Mr. DERWINSKI, Mr. UDALL, Mr. COLLINS of Texas, Mr. KEMP, Mr. SIMON, Mr. JENRETTE, Mr. FRENZEL, and Mr. MANN):

H.R. 11757. A bill to amend section 8118 of title 5, United States Code, to provide for physical examinations with respect to claims for compensation for work injuries, and to provide that continuation of pay under such section shall not begin until the fourth day of disability; to the Committee on Post Office and Civil Service.

By Mr. PEASE (for himself, Mr. MOFFETT, Mrs. SPELLMAN, Mr. PATTERSON of California, Mr. RANGEL, Mr. SARASIN, Mr. JENRETTE, and Mr. MATHIS):

H.R. 11758. A bill to prohibit the importation of Ugandan products into the United States; to the Committee on Ways and Means.

By Mr. PEASE (for himself, Mr. MOFFETT, Mrs. SPELLMAN, Mr. PATTERSON of California, Mr. RANGEL, Mr. SARASIN, Mr. JENRETTE, and Mr. MATHIS):

H.R. 11759. A bill to amend the Tariff Schedules of the United States in order to prohibit the importation of coffee which is the product of Uganda; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 11760. A bill to amend the National School Lunch Act to extend the benefits of the act to certain handicapped adults; to the Committee on Education and Labor.

By Mr. RICHMOND (for himself, Mr. SYMMS, Mr. AKAKA, Mr. BALDUS, Mr. GLICKMAN, Mrs. HECKLER, Mr. HEFTEL, Mr. McHUGH, Mr. NOLAN, and Mr. PANETTA):

H.R. 11761. A bill to establish procedures for the purposes of planning the coordination of certain nutrition education activities of Federal Agencies; to establish certain programs for the purposes of coordinating nutrition education activities and of testing and demonstrating methods of increasing the quality, effectiveness, and availability of nutrition information; and for other purposes; to the Committee on Agriculture.

By Mr. RINALDO:

H.R. 11762. A bill to authorize the Secretary of Health, Education, and Welfare to establish a grant program designed to develop methods of prevention and treatment of domestic violence, and for other purposes; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and the Judiciary.

By Mr. ROGERS (for himself and Mr. CARTER):

H.R. 11763. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to health services research, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 11764. A bill to amend the Developmental Disabilities Services and Facilities

Construction Act to revise and extend the programs under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 11765. A bill to amend the act popularly known as the National Gold and Silver Stamping Act of 1906 to require proper disclosure in representations of quality gold and silver jewelry, to prescribe the minimum statutory standard of fineness of gold articles at 10 karat fineness, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN (for himself and Mr. LUNDINE):

H.R. 11766. A bill to provide for the furnishing of congregate housing services under the U.S. Housing Act of 1937; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ST GERMAIN (for himself, Mr. REUSS, Mr. ASHLEY, Mr. MOORHEAD of Pennsylvania, Mr. ANNUNZIO, Mr. HANLEY, Mr. PATTERSON of California, Mr. LAFALCE, Mr. MATTOX, Mr. STANTON, Mr. MCKINNEY, Mr. HANSEN, Mr. HYDE, Mr. LEACH, and Mr. HOLLENBECK):

H.R. 11767. A bill to expand and facilitate urban lending investment by Federal savings and loan associations, and to simplify section 5(c) of the Home Owners' Loan Act of 1933; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SKUBITZ (for himself, Mr. RISENHOOVER, Mr. WATKINS, Mr. CHARLES WILSON of Texas, and Mr. WINN):

H.R. 11768. A bill to provide for the construction of the Sam Houston Memorial Highway between Kansas City, Mo., and Houston, Tex.; to the Committee on Public Works and Transportation.

By Mr. SOLARZ (for himself, Mr. AKAKA, Mr. CORRADA, Mr. DELLUMS, Mr. EDWARDS of California, Mr. EILBERG, Mr. FISH, Mr. KREBS, Mr. LLOYD of California, Mr. ROSENTHAL, Mr. SCHEUER, Mr. STOCKMAN, and Mr. WAXMAN):

H.R. 11769. A bill to amend title 5, United States Code, to provide sufficient flexibility in Federal employee work schedules to allow Federal employees to meet the obligation of their faith; to the Committee on Post Office and Civil Service.

By Mr. STEIGER:

H.R. 11770. A bill to amend the Internal Revenue Code of 1954 with respect to the estate and gift tax treatment of certain retirement plans; to the Committee on Ways and Means.

H.R. 11771. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to employers for the expenses of providing training programs for employees and prospective employees; to the Committee on Ways and Means.

H.R. 11772. A bill to amend the Internal Revenue Code of 1954 to provide that an unmarried individual shall be treated as a head of a household if the individual maintains a household for a child of such individual, without regard to whether such household is the home of such individual; to the Committee on Ways and Means.

By Mr. STEIGER (for himself, Mr. JENKINS, Mr. JONES of Oklahoma, and Mr. FRENZEL):

H.R. 11773. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 11774. A bill to amend title 5, United States Code, and the Federal Salary Act of 1967 to require pay rate distinctions for different grades, steps, schedules, and levels under statutory pay systems; to the Committee on Post Office and Civil Service.

By Mr. UDALL (for himself, Mr. SEBELIUS, and Mr. SEIBERLING):

H.R. 11775. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the U.S. Treasury to further implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VANIK:

H.R. 11776. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. WEAVER (for himself, Mr. AMMERMAN, Mr. AUCOIN, Mr. BAUCUS, Mr. BOWEN, Mr. BROWN of California, Mrs. BURKE of California, Mr. PHILLIP BURTON, Mr. DUNCAN of Oregon, Mr. FRASER, Mr. OBERSTAR, Mr. RICHMOND, and Mr. UDALL):

H.R. 11777. A bill to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes; to the Committee on Agriculture.

By Mr. WEAVER for himself, Mr. AMMERMAN, Mr. AUCOIN, Mr. BAUCUS, Mr. BOWEN, Mr. BROWN of California, Mrs. BURKE of California, Mr. PHILLIP BURTON, Mr. DUNCAN of Oregon, Mr. FRASER, Mr. KREBS, Mr. OBERSTAR, Mr. SYMMS, and Mr. UDALL):

H.R. 11778. A bill to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and other, and for other purposes; to the Committee on Agriculture.

By Mr. WEAVER (for himself, Mr. FOLEY, Mr. AMMERMAN, Mr. AUCOIN, Mr. BAUCUS, Mr. BOWEN, Mr. BROWN of California, Mrs. BURKE of California, Mr. DUNCAN of Oregon, Mr. FRASER, Mr. JEFFORDS, Mr. JENRETTE, Mr. JONES of Tennessee, Mr. KREBS, Mr. LOTT, Mr. MATHIS, Mr. NOLAN, Mr. OBERSTAR, Mr. RICHMOND, Mr. SYMMS, Mr. THORNTON, and Mr. UDALL):

H.R. 11779. A bill to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources; to the Committee on Agriculture.

By Mr. WEISS (for himself, Mr. AKAKA, Mr. BONIOR, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mr. FORD of Tennessee, Mr. GARCIA, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. KASTENMEIER, Ms. KEYS, Mr. KILDEE, Mr. LE FANTE, Mr. LENT, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. NOLAN, Mr. PATTISON of New York, Mr. RICHMOND, Mr. ROSENTHAL, and Mr. SEIBERLING):

H.R. 11780. A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been substantially and seriously affected by reductions in defense contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realine defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects; jointly, to the Committees on Armed Services, Banking, Finance, and Urban Affairs; Education and Labor, Government Operations, and Ways and Means.

By Mr. WYDLER (for himself, Mr. DOWNEY, Mr. LENT, Mr. PIKE, and Mr. WOLFF):

H.R. 11781. A bill to amend title 28, United States Code, to move the place for holding court for the District Court for the Eastern District of New York to Brooklyn and Hempstead, and for other purposes; to the Committee on the Judiciary.

By Mr. BROWN of California (for himself, Mr. WEAVER, Mr. KREBS, and Mr. AMMERMAN):

H.R. 11782. A bill to require the Secretary of Agriculture to periodically report to the Congress on the status, condition, and productive potential of privately owned forest land; to the Committee on Agriculture.

By Mr. BYRON:

H.R. 11783. A bill to prohibit fuel adjustment clauses in electric utility rate schedules; to the Committee on Interstate and Foreign Commerce.

By Mr. CONYERS:

H.R. 11784. A bill to revise the overtime compensation requirements of the Fair Labor Standards Act of 1938 to provide that after December 31, 1981, employees who work more than 35 hours in any workweek shall receive overtime compensation for such work at twice their regular rate of pay, and for other purposes; to the Committee on Education and Labor.

By Mr. ERTEL (for himself, Mr. STUDDS, Mr. LUKEN, Mr. BOLAND, Mr. MICHAEL O. MYERS, Mr. DAN DANIEL, Mr. MARKEY, Mrs. LLOYD of Tennessee, and Mr. BURKE of Massachusetts):

H.R. 11785. A bill to amend the Tariff Schedules of the United States to repeal, in the case of certain wearing apparel and nonrubber footwear, the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 11786. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; to the Committee on House Administration.

By Mr. KREBS:

H.R. 11787. A bill to amend the Fair Labor Standards Act of 1938 to exempt from the overtime compensation requirements of that act Federal employees engaged in the grading of fruits and vegetables; to the Committee on Education and Labor.

By Mr. LAFALCE (for himself, Mr. IRELAND, Mr. RICHMOND, and Mr. ST GERMAIN):

H.R. 11788. A bill to establish a Federal Insurance Commission to regulate the insurance industry, to establish Federal Product Liability Tort law standards, and to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, that a deduction shall be allowed for contributions to such trusts, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Ways and Means.

By Mr. MCKINNEY (for himself, Mr. CAPUTO, and Mr. GRADISON):

H.R. 11789. A bill to establish a Neighborhood Reinvestment Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MATHIS (for himself, Mr. ANDREWS of North Dakota, Mr. BEVILL, Mr. CARNEY, Mr. DAVIS, Mr. DERWINSKI, MR. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. KEMP, Mr. KETCHUM, Mr. LOTT, Mr. MCDONALD, Mr. MANN, Mr. MOTTL, Mr. WAMPLER, and Mr. YOUNG of Missouri):

H.R. 11790. A bill to insure a comprehensive, periodic review of U.S. participation in the World Bank and the International Monetary Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MAZZOLI:

H.R. 11791. A bill to amend section 601 (a)(2) of the Legislative Reorganization Act of 1946 to provide that the salaries of Senators and Representatives may not be subject to any cost-of-living adjustment under such section before October 1, 1979; to the Committee on Post Office and Civil Service.

By Mr. STARK (for himself, Mr. ADDABBO, Mr. MITCHELL of Maryland, Mr. NOLAN, Mr. KEMP, Ms. KEYS, Mr. EDWARDS of California, Mr. LEHMAN, Mr. EDGAR, Mr. VENTO, Mr. MOAKLEY, Mr. ROE, Mrs. LLOYD of Tennessee, Mr. RICHMOND, Mr. WALGREN, Mr. AKAKA, Mr. FRASER, Mrs. SPELLMAN, Mr. HARRINGTON, Mr. PATTISON of New York, Mr. PATTERSON of California, Mr. BONKER, Mr. Burke of Massachusetts, Mr. BRODHEAD, Mr. PRESSLER, and Ms. COLLINS of Illinois):

H.R. 11792. A bill to amend title XVI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. STARK (for himself, Mr. SOLARZ, Mr. LE FANTE, and Mr. HANSEN):

H.R. 11793. A bill to amend title XVI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. WHALEN:

H.R. 11794. A bill to establish a comprehensive program of long-term care services for aged and disabled individuals, and to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of such services; jointly, to the Committees on Agriculture, Education and Labor, Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. DAVIS (for himself, Mr. MANN, Mr. SPENCE, Mr. JENRETTE, Mr. DERRICK, and Mr. HOLLAND):

H.J. Res. 809. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. GAMMAGE (for himself, Mr. CHARLES WILSON of Texas, Mr. HIGHTOWER, Mr. ECKHARDT, and Mr. KRUEGER):

H.J. Res. 810. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. GIAIMO (for himself, Mr. COTTER, Mr DODD, Mr. MCKINNEY, Mr. SARASIN, and Mr. MOFFETT):

H.J. Res. 811. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as "Education Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. GUYER:

H.J. Res. 812. Joint resolution to provide for the designation of March 6, 1979, as "Private Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of Pennsylvania:

H.J. Res. 813. Joint resolution extending the deadline for the ratification of the equal rights amendment; to the Committee on the Judiciary.

By Mr. ST GERMAIN (for himself, and Mr. GEPHARDT):

H.J. Res. 814. Joint resolution to declare June 4 through 10, 1978, to be "National Neighborhood Week"; to the Committee on Post Office and Civil Service.

By Mr. HANSEN (for himself, Mr. MURPHY of New York, and Mr. ROGERS):

H. Con. Res. 545. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. JEFFORDS (for himself, Mr. AKAKA, Mr. ALLEN, Mr. BRODHEAD, Mr. EILBERG, Mr. DELLUMS, Mr. BONKER, Mr. BEDELL, Mr. CARTER, Mr. FITHIAN, Mr. FRASER, Mr. FREY, Mr. HEFTEL, Mr. MOFFETT, Mr. NEAL, Mr. PRESSLER, Mr. MADIGAN, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. PEASE, Mr. SCHEUER, and Mr. WAXMAN):

H. Con. Res. 546. Concurrent resolution expressing the sense of the Congress that the United Nations should convene a World Alternate Energy Conference having as its major purpose the establishment of an International Alternate Energy Commission to facilitate the transfer among countries of information relating to alternate energy sources and to otherwise encourage the use of alternate energy sources; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. FRASER, Mr. JACOBS, Mr. WALKER, Mr. MOLLOHAN, Mr. BURGENER, Mr. LE FANTE, Mr. VENTO, Mr. CAPUTO, Mr. COHEN, Mr. DORNAN, and Mr. BOB WILSON of California):

H. Con. Res. 547. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. CORNWELL (for himself, Mr. AUCOIN, Mr. BEILENSON, Mr. BINGHAM, Mr. BLANCHARD, Mr. BURKE of Florida, Mr. PHILLIP BURTON, Mr. BRODHEAD, Mr. DELLUMS, Mr. DRINAN, Mr. EDWARDS of California, Mr. EILBERG, Mr. EMERY, Mr. EVANS of Delaware, Mr. FRASER, Mr. GUYER, Mr. HARRINGTON, Mr. KEMP, Mr. MARTIN, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MOAKLEY, Mr. OTTINGER, Mr. PATTERSON of California, and Mr. PEPPER):

H. Res. 1101. Resolution expressing the sense of the House of Representatives with respect to the killing of some 1,000 dolphins by Japanese fishermen in February 1978, and encouraging the Government of Japan to reassess its policy in permitting such killing; to the Committee on International Relations.

By Mr. CORNWELL (for himself, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. JACOBS, Mr. JEFFORDS, Mr. LAGOMARSINO, Mrs. MEYNER, Ms. MIKULSKI, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. SEIBERLING, Mrs. SPELLMAN, Mr. STARK, Mr. STEERS, Mr. STUDDS, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, Mr. WIRTH, Mr. WOLFF, and Mr. YOUNG of Florida):

H. Res. 1102. Resolution expressing the sense of the House of Representatives with respect to the killing of some 1,000 dolphins by Japanese fishermen in February 1978, and encouraging the Government of Japan to reassess its policy in permitting such killing; to the Committee on International Relations.

By Mr. GONZALEZ:

H. Res. 1103. Resolution to recognize the contribution of Bernardo de Galvez to the independence of the United States, and the role of the Order of Granaderos de Galvez; to the Committee on Post Office and Civil Service.

By Mr. LEACH (for himself, Mr. BEILENSON, Mr. KEMP, Mr. STEERS, Ms. HOLTZMAN, Mr. FLOOD, Mr. TRAXLER, Mr. PEPPER, Mr. EDWARDS of California, and Mr. CORMAN):

H. Res. 1104. Resolution condemning the recent poisoning by terrorists of oranges exported from Israel; to the Committee on International Relations.

By Mr. WOLFF (for himself and Mr. BURKE of Florida):

H. Res. 1105. Resolution providing for the printing of the Congressional Resource Guide to the Federal Effort on Narcotics Abuse and Control; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

343. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to human rights in northern Ireland; to the Committee on International Relations.

344. Also, memorial of the Legislature of the State of New York, relative to the proposed sale of fighter planes to Egypt and Saudi Arabia; to the Committee on International Relations.

345. Also, memorial of the Legislature of the State of Idaho, relative to development of gasohol; to the Committee on Science and Technology.

346. Also, memorial of the Legislature of the State of Arizona, relative to th[illegible]omic health of the copper mining industry; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

421. By the SPEAKER: Petition of Hugh L. Carey, Governor of the State of New York, relative to a national urban policy; to the Committee on Banking, Finance and Urban Affairs.

422. Also, petition of the River Oaks Volunteer Fire Department, Fort Worth, Tex., relative to designating a memorial Sunday for firefighters disabled or killed in the line of duty; to the Committee on Post Office and Civil Service.

423. Also, petition of Charles T. Logue and other members of the Pennsylvania House of Representatives, Harrisburg, relative to an investigation of U.S. involvement in hostilities in northern Ireland; to the Committee on Rules.

SENATE—*Wednesday, March 22, 1978*

The Senate met at 9:30 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Father of all mercies, we, Thine unworthy servants, do give Thee most humble and hearty thanks for all Thy goodness and loving kindness to us, and to all men. We bless Thee for our creation, preservation, and all the blessings of this life; but above all, for Thine inestimable love in the redemption of the world by our Lord Jesus Christ; for the means of grace and the hope of glory. And we beseech Thee, give us that due sense of all Thy mercies, that our hearts may be unfeignedly thankful, and that we may show forth Thy praise, not only with our lips, but in our lives; by giving up our lives to Thy service, and by walking before Thee in holiness and righteousness all our days; through Jesus Christ our Lord, to whom with Thee and the Holy Spirit be all honor and glory, world without end. Amen.

Almighty God, who has given us grace at this time with one accord to make our common supplications unto Thee; and dost promise that where two or three are gathered together in Thy name Thou wilt grant their requests; fulfill now, O Lord, the desires and petitions of Thy servants as may be most expedient for them; granting us in this world knowledge of Thy truth, and in the world to come life everlasting. Amen.

—Common Prayer.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 22, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee (Mr. BAKER) is recognized, as in legislative session, for not to exceed 15 minutes.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BAKER. Mr. President, does the order provide for recognition to speak as in legislative session?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. Mr. President, is special permission or unanimous consent required to introduce a bill during the course of this time?

The ACTING PRESIDENT pro tempore. Yes, unanimous consent is required.

Mr. BAKER. I thank the Chair.

Mr. President, I ask unanimous consent that I may be recognized at this time for the purpose of introducing a bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Tennessee is recognized.

S. 2777—JOB OPPORTUNITIES AND FAMILY SECURITY ACT OF 1978

Mr. BAKER. Mr. President, I send to the desk for appropriate reference a bill introduced on behalf of myself, and Senators BELLMON, RIBICOFF, DANFORTH, MARK O. HATFIELD, STEVENS, and YOUNG, entitled the "Job Opportunities and Family Security Act of 1978."

Mr. President, this legislation represents a collective effort to effect necessary and meaningful reform of the present welfare system. Few, if any, problems have so perplexed the Congress and the country as how to adequately and fairly provide for the genuinely needy among us without encouraging dependence and discouraging work.

The bill which we offer today will not solve that problem once and for all, but it will move us a large step forward at a pace we should proceed and a cost we can afford. Though some of the cosponsors of this measure may differ as to what constitutes the ideal welfare system, we all share the view that welfare reform is essential and that it should be enacted this year. We are disturbed by the growing prospect that reform will not be achieved because of the cost and complexity of the administration's proposal. It is for that reason, and others, that we drafted this legislation.

The goals of our welfare reform alternative may be summarized as follows: To increase family stability; to reduce the current inconsistencies among the eligibility criteria of the respective States; to simplify and streamline the administration of welfare so as to avoid duplication and prevent fraud; to provide substantial fiscal relief to State and local governments; to provide major new incentives for the private sector to hire the hard to employ; and to make it more profitable to work than to collect welfare.

In order to achieve these objectives, our bill would begin by reducing major incentives for fathers to abandon their families. This would be done by mandating coverage of intact families in all States. We would attempt to reduce inconsistencies in eligibility criteria by establishing a national minimum benefit floor and a ceiling on benefits for which Federal matching funds would be available. Also, we would adopt uniform asset limitations and standardized deductions from earned income.

We would provide substantial fiscal relief to State and local governments by increasing the Federal matching share of AFDC costs. We would encourage private sector employment by providing job creation tax credits and wage vouchers targeted at the hard to employ. And we would make private employment more profitable than collecting welfare by expanding the earned income tax credit and returning it to the employee in his weekly or monthly paycheck.

In the process of drafting this legislation, Mr. President, I had the honor and the privilege of working with distinguished colleagues on both sides of the aisle:

Senator RIBICOFF, of Connecticut, who possesses such special knowledge and strength in this field and who not only serves as one of our colleagues in the Senate but served as this Nation's first Secretary of Health, Education, and Welfare in the administration of President Kennedy;

Senator BELLMON, of Oklahoma, the distinguished ranking Republican on the Senate Budget Committee who recognizes that few aspects of our effort to rationalize and bring coherence to the welfare system in the United States are more important than the budget impact and its effect on other governmental activities;

And Senator DANFORTH, of Missouri, who has shown such compassion and concern for the underprivileged, the underemployed, and the unemployed and who has brought such distinction to his State, to this body, and to himself in

his first full year of service in the Senate.

These and others have worked, Mr. President. in formulating this measure. I am particularly privileged, to have this opportunity to offer on behalf of all of us, this package, not because it is a perfect answer to the welfare challenge, but because I think it is the best we can do at this time and marks a significant step forward in the process of trying to improve the welfare system.

Mr. RIBICOFF. Mr. President, I am pleased to join with my colleagues Senators BAKER, BELLMON, and DANFORTH, in introducing a welfare reform proposal today. Welfare reform has been a difficult and controversial issue over many, many years. The question of how to help the Nation's poor has generated much discussion but few solutions. The bill we are introducing today is not the final answer to poverty in America, but it is a step forward.

This bill represents a moderate incremental approach. As long as the choices in welfare reform are all or nothing, we will get nothing. However, I do not believe that we should sacrifice another generation of people while we wait for the perfect answer. This legislation will not solve all our problems, but it will improve the operation of a welfare system and the situation of the Nation's poor.

We can all recite what is wrong with our current system. Today we have scattered administration of overlapping and sometimes inconsistent programs. In half of our States we push a father out of the home before we aid his family. We do little to provide meaningful job training or work experience. Too often work does not pay. Benefits vary widely from State to State. And some of our localities are straining under the financial burden.

This bill solves some of the problems in our current nonsystem and lessens others. In this legislation we expand the AFDC-unemployed parents program nationwide into a family security program which provides aid to poor families with children without forcing the unemployed father to desert his family. Mandating AFDC–UP in every State does not increase the fiscal burdens on these States because our bill also provides for an increased Federal match.

Mr. President, I was Secretary of HEW when the AFDC program was first expanded to two-parent families where the father was unemployed. In 1961 we could only get that program on a short-term trial basis. In 1962 I recommended its extension for 5 more years. The program has remained in existence at State option ever since. Times change; we learn from our experiences. Now I believe the country is ready to aid all poor families without forcing them to split up.

Our proposed family security program improves AFDC in other ways. While FSP/AFDC-UP would remain a State-administered program, eligibility criteria and the earned income disregard would be standardized. A national minimum benefit reaching 65 percent of the nonfarm poverty level in 1985 is phased in. At the same time consistency would be encouraged by the establishment of a ceiling of 100 percent of the poverty level on payments for which Federal matching would be available.

Poverty is a national—not a State or local—problem and a national responsibility. This legislation recognizes that fact by increasing the Federal matching rate. This increased match would provide substantial fiscal relief to State and local governments. The design of the increase also provides an incentive for States—many of which have surpluses—to relieve hard-pressed localities of the non-Federal share of costs.

Today the earned income tax credit is our major aid and encouragement to the working poor. This credit in effect rebates to our lowest paid workers their payroll taxes. This is significant because for these workers, payroll taxes are a much greater burden than income taxes. Our bill broadens the earned income tax credit by increasing it from 10 to 15 percent and extending it to the poverty line. Since the earned income tax credit would not be available for subsidized public service jobs, work in the private sector or in regular public jobs would remain more profitable for the employee.

The legislation retains universal coverage for food stamps but allows States the option of cashing them out for the SSI population.

Our bill enlarges the emergency assistance programs of the States and increases flexibility in the use of emergency assistance funds.

The legislation also reduces the SSI age 1 year at a time until it reaches age 62 in 1982.

Today we do too little to link the poor, the inexperienced, and the poorly trained to our regular job market. Public service employment is important. However, it should not be used just to hire those who could find work anyway. Portions of CETA must be targeted to the long-term hard-core unemployed. Our bill does not deal with the countercyclical function of CETA, but it does require some targeted CETA jobs. Most jobs in our economy are in the private sector. We must look there for jobs. WIN can be improved. Those registrants without experience in basic job search and job retention skills must be given those skills. Just pointing a man who has lost hope to a want-ad does not get him a job. State employment agencies have links into the private job market which have not traditionally been used to benefit the poor and the hard to employ. We must use those services.

Many private employers are reluctant to take a chance on the long-term unemployed or recipients of public assistance. Our bill provides some incentive to employers in the form of either a $1 per hour job voucher or $1 per hour tax credit. The employer chooses. Eligible employees are AFDC recipients, those unemployed for 26 weeks, unemployed youth and former CETA public service employment job holders who have sought work unsuccessfully. Employers must pay the prevailing wage and may not displace full-cost workers. In designing these options we have tried to cut out much of the redtape and other problems which discourage employer participation without eliminating protections against abuse. The programs are designed to encourage private employer involvement without Government intervention in the workplace or labor-management contracts.

Our goal is to put people to work. It is better and cheaper to do so for $1 per hour in the private sector than for $3 per hour in a public service job.

Mr. President, this bill is not perfect. If it became law tomorrow, our problems would not be over. But our situation and the situation of our Nation's poor would be better than it is today. And this bill costs under $9 billion as compared to $20 billion for the President's proposal.

I have always believed in moving step by step and in experimenting. This legislation provides authority for statewide pilot tests of a number of different "next steps" such as: complete cash-out of food stamps; consolidated, federalized approaches similar to the administration plan; block grants to States with State flexibility in program design; and one-stop service centers. This bill also provides for a national commission to review the legislation and its effects at the end of 4 years.

Mr. President, poverty is the overhead in the operation of our society—welfare is the cost of our failures. As long as the choices in welfare reform are all or nothing, we will get nothing. Eight years ago we tried and failed to make major improvements in our welfare system. We cannot sacrifice another group of people while we wait for the perfect answer. Let us take a big step forward this year.

I want to pay special tribute to the Senator from Tennessee (Mr. BAKER) and the Senator from Oklahoma (Mr. BELLMON), and the Senator from Missouri (Mr. DANFORTH) for the work on this legislation. The major concept was that of Senator BAKER and Senator BELLMON. When they talked with me about their thoughts and ideas, I was very much intrigued. It seemed to me that, in the work that they had put together, they really approached a new concept which Presidents had worked on and failed; Secretaries of HEW had worked on and failed, and many Members of the legislative bodies had worked on and failed. I have had some discussion about the Baker bill with other Senators and members of the executive branch. Frankly, they have expressed some doubt that from the other side of the aisle could come such a welfare reform package. I have said that, from my experience as Secretary and in this body, unless we get a welfare program that cuts across different philosophical thinking and across party lines, we are not going to get welfare reform. We shall talk about it; we shall argue about it; there will be much heat about it, but no bill will see the light of day.

I do not know whether this one will or not. But for the first time, there is

the possibility of doing something about welfare. I think, having reviewed all welfare proposals, that it is the best one I have seen. It has really been a privilege to work with Senators BAKER, BELLMON, and DANFORTH and their staffs. Ms. Susan Irving of my staff, who has been deeply involved in all welfare and social programs that come across my desk, has worked very closely with the staffs of the other Senators.

I think it is important to realize that there has been complete openness to ideas and changes on the part of Senators BAKER, BELLMON, and DANFORTH. We recognize and realize that this is not the final bill. We know that when it goes through hearings, there will be refinements. I am sure that Senator BAKER, as well as I, will be more than pleased to welcome any constructive changes. Our basic objective is to try to solve the welfare mess. It is a mess; it is expensive; it is debilitating. And we must have a constructive approach. I cannot be too high in my praise of the Senator from Tennessee and the Senator from Oklahoma for what they have achieved.

Somehow, if we are going to have a welfare bill in this session or the next, my prediction is that it will be built around the Baker-Bellmon proposal. So I am proud to join with my colleagues in cosponsoring this legislation.

Mr. President, I ask unanimous consent that a summary of the bill appear at the conclusion of all introductory remarks by the sponsors of this legislation and just before the section-by-section analysis of this bill.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAKER. Will the Senator yield to me for just a moment?

Mr. RIBICOFF. I am pleased to yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Connecticut, not only for his report and for his comments just made, but for his extensive assistance in conceptualizing this program and designing the structure of legislative language that has now been introduced. I believe no one in the Senate, indeed, no one in the country, has a sounder knowledge of this problem than the distinguished Senator from Connecticut. I never cease to be amazed by the breadth of his vision and the depth of his knowledge, and I am pleased to be associated with him in this endeavor.

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized as in legislative session for not to exceed 15 minutes.

Mr. DANFORTH. Mr. President, I am happy to join as a cosponsor of the job opportunities and family security bill. I am honored to participate in this effort with such distinguished Members of the Senate as Senators BAKER, BELLMON, and RIBICOFF.

The welfare reform bill being introduced today does not attempt to turn the welfare system upside down. Although there is some intellectual appeal in sweeping away everything from the past and starting over with a new, comprehensive program, the people who receive welfare are not intellectual concepts but very real people—the poorest in our Nation—with very real problems and needs. We must be careful that any reforms we make do not just look good on paper, but actually work. Therefore, our proposal does not throw away the old system, but makes critically needed and long called-for reforms in the context of that system.

The proposed plan removes many of the inequities in our existing welfare system. It provides for the first time a nationwide minimum benefit. This guarantees that every welfare recipient will have enough income with which to live, without regard to where he or she resides. The provision for a uniform, nationwide assets test assures that welfare is available to all those who are identically situated throughout the Nation.

The bill also corrects the anti-family bias which presently exists in our welfare system. By mandating welfare coverage for families irrespective of the presence of two parents, the bill reduces the incentive for poor families either to separate or to engage in legal deception.

Perhaps most importantly, the bill provides real job opportunities for those on welfare who are able to work. Rather than depend on a greatly expanded program of public service jobs, our proposal sets forth an ambitious set of incentives for private employers to hire welfare recipients, the long-term unemployed, and unemployed teenagers. At the same time, the bill increases the earned income tax credit so that those who are able to find work have real financial incentives for accepting that work.

And, the bill provides substantial fiscal relief to States and local governments, enabling those governments to use their scarce resources to tackle other, pressing local problems.

We are not holding the bill out as a cure-all for all problems in the welfare system. The bill provides for pilot testing of a variety of alternative approaches to the present welfare programs, including a complete cash out of food stamps, a consolidation of the Federal welfare programs, along the lines of the administration's plan, and the provision of no-strings attached block grants to States. In that way, we will have real experience to measure the value of these alternatives.

In enacting welfare legislation, I believe we must always remember that there are very real people across our Nation who need economic assistance. Our goal must be to improve the assistance that those people receive in a manner which does not disrupt their lives and which does not create new, unforeseen problems.

The bill being introduced today takes a careful, reasoned approach which builds on the current programs to create a much improved and fairer system of benefits for those truly in need.

Mr. President, I suggest the absence of a quorum.

Mr. BAKER. Will the Senator withhold that for just a moment?

Mr. DANFORTH. Yes.

Mr. BAKER. If the Senator will yield to me, I rise only to reiterate my statement of appreciation to the Senator from Missouri. He and his staff assistants have been extremely helpful in negotiating many of the difficult provisions of this bill in its formulation. I want very much again to pay my respects to him and express my appreciation for his valuable assistance.

Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished minority leader out of whose time this will come?

I ask the question because Senator BENTSEN has 5 minutes and I do not want it to prejudice him.

Mr. BAKER. Mr. President, I might say, as I understand it, there are 45 minutes in the aggregate for these three speeches and there are about 15 minutes, I would judge, left of that.

Is that not correct?

The ACTING PRESIDENT pro tempore. The Senator from Missouri has 10 minutes remaining. There was a total of 35 minutes.

Mr. BAKER. I am sorry.

If it is suitable to the Senator from Missouri, then I suggest the absence of a quorum out of his remaining time.

Mr. DANFORTH. Yes. That is suitable to me.

The ACTING PRESIDENT pro tempore. The Senator has such time, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I want to begin by thanking Senators RIBICOFF, BAKER, and DANFORTH for their comments.

The ACTING PRESIDENT pro tempore. The Chair would inquire as to who yields time.

Mr. DANFORTH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DANFORTH. How much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 8 minutes remaining.

Mr. DANFORTH. I am happy to yield all of that 8 minutes to the Senator from Oklahoma.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, I am not sure 8 minutes is enough. Does the Senator from Tennessee have remaining time?

Mr. ROBERT C. BYRD. Mr. President,

I suggest the Senator proceed. If he needs more time, we will try to get it.

Mr. BELLMON. I thank my friend from Missouri and my friend from West Virginia.

Mr. President, I thank Senator RIBICOFF and Senator BAKER for their comments and for the opportunity to work with them and their staffs in developing the proposed Job Opportunities and Family Security Act.

I am delighted to join my colleagues today in introducing the Job Opportunities and Family Security Act of 1978. This bill offers the Congress a carefully targeted, workable set of changes to our present welfare programs. It will make substantial improvements in the Nation's welfare system at reasonable cost.

There can be no doubt, Mr. President, that there are significant problems in the public welfare system in this country. I commend President Carter for putting welfare reform on the front burner for congressional consideration. It is my personal belief, however, that in presenting the administration's welfare proposals, President Carter and Secretary Califano have overstated the difficulty of dealing with the problems which exist. There are indeed inequities in current welfare benefits; there is poor management in some aspects of the programs; and insufficient priority is placed on work as an alternative to welfare. But in many of our States, including my State of Oklahoma, we have effective administration and humanitarian responsiveness to the problems of low-income people.

The bill we introduce today starts with the assumption that we can and should build on the strengths and correct the weaknesses in current programs. While there may be theoretical merit in the program consolidation approach President Carter recommends, the risks of unforeseen effects, as well as the high costs, make congressional approval of the President's plan in the foreseeable future highly unlikely.

Mr. President, that is the basic reason for this new approach.

We ought not to put the country through another experience of the type the family assistance program proposal produced in the early 1970's. In that instance, after 3 years of debate, the country was left with the old programs for providing assistance to families, despite a lot of rhetoric about how bad the programs were. In other words, instead of remedying defects in those programs, Congress and the administration struggled for 3 years over replacement of the programs and eventually failed to take any decisive action. That same thing could happen again if we focus our attention only on the administration's so-called comprehensive reform plan.

The bill we introduce today will make substantial improvements in the major problem areas identified by those who are trying to sell the Carter proposals: It will reduce discrepancies between States in payment of benefits. It will cover poor families where the father is present, as well as single-parent families in all States. It will provide cash benefits to people between 62 and 65 who are now ineligible for such benefits. It will enable States to choose whether to have the Federal Government replace food stamps with cash for low income elderly, blind, and disabled persons.

Our bill provides greatly increased work opportunities for welfare recipients and others who are in or on the verge of falling into welfare dependency. These opportunities are provided through a mix of wage subsidies for private jobs, strengthened work search requirements, and carefully-targeted public service jobs.

Mr. President, few issues related to our current welfare programs bother the average citizen as much as the perception that Government fails to make every reasonable effort to make sure welfare recipients who can work do in fact work. Enactment of our bill will provide work opportunities in private businesses and industries and governmental institutions for nearly a million people who would otherwise be totally dependent on public assistance.

Our bill will reduce food stamp costs by 8 percent and will help a million families who would otherwise be dependent leave welfare completely. This is indeed a "job opportunities" as well as a "family security" proposal as the title indicates. It offers real progress in breaking the cycle of welfare dependency and the constantly growing costs of welfare programs.

One of the most troublesome problems this country has encountered is in developing a responsible, workable system for providing essential food, shelter, medical care, and other necessities to the unfortunate members of our society who for one reason or another cannot care for themselves. The efforts to meet this responsibility over the years have resulted in the development of a maze of so-called welfare programs which have grown increasingly costly and which threaten to create in our society a subclass of professional welfare recipients who have little hope of, or in some cases little desire to become self-supporting.

In my experience in government, many attempts have been to "reform" the Nation's welfare system. In practically every case, these reforms have simply meant liberalizing the system and, in spite of their good intentions, have not succeeded in devising a system of helping our less fortunate citizens to help themselves. I sincerely believe this proposal makes major strides in the directions we should go. It puts major emphasis on putting people to work in private sector jobs. It will cause future welfare costs to drop as the cycle of dependency is broken for increasing numbers of families.

This proposal does not pretend to resolve all of the problems which surround the welfare system. But it does deal with the major problems in precise, understandable, workable, and cost-effective ways.

Mr. President, the Congressional Budget Office has analyzed the major components of this bill. I believe this is the first major welfare reform bill that has been exposed to this type of analysis as it was being developed. I ask unanimous consent that a copy of CBO's report, a memo from Robert Fulton of my staff commenting on the report, and a letter from me to Alice Rivlin requesting further analysis on the complete bill be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Within objection, it is so ordered. (See exhibit 2.)

Mr. BELLMON. Mr. President, based on CBO's work, we estimate the added costs of our proposals over the costs of operating the present programs to be in the range of $8 billion in fiscal year 1982, the first year in which all of the changes would be in effect. Between now and fiscal year 1982 costs would increase gradually as different aspects of the program are phased in, starting with less than a billion added costs in fiscal year 1979.

Mr. President, CBO estimates that the Carter welfare bill would cost the Federal Government over $17 billion in fiscal year 1982 as originally introduced, and over $20 billion as amended by the special subcommittee in the House. So, the Baker-Bellmon-Ribicoff-Danforth plan can be implemented at less than half the cost of the Carter plan.

Mr. President, since I came to the Senate, in 1969, Federal costs for public welfare have risen by more than 500 percent. We have not succeeded with that added spending in making much of a dent in the cycle of dependency. I am convinced the proposal we now lay before the Senate will result in permanent improvement in a set of problems that are of great concern to our citizens.

My colleagues and I recognize that our bill can be improved. We are, therefore, anxious to work with other Members of Congress, with representatives of State and local governments, with the Carter administration, and with everyone else who is interested in welfare reform in further improving this bill. We have already had considerable contact with State and local officials and organizations representing them as we developed this bill. As an illustration of the views of some of these officials, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, a statement on our proposal prepared by former HEW Secretary Wilbur Cohen and endorsed by several State welfare officials who have studied our plan.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 3.)

Mr. BELLMON. Mr. President, I feel that this is an important bill and that those who have worked on it so hard, both the Members of the Senate and members of our staffs, have made an extremely important contribution to the effort of cleaning up the Nation's welfare system and putting in place a program that will help people to break the welfare cycle and become self-supporting and contributing citizens in our society.

I urge the proper committee of the Senate to give this bill immediate and very careful attention, because I believe they will find that it offers a solution to the many problems which have plagued our Government for many decades.

I am pleased to be associated with

those who have brought this bill to the Senate for introduction this morning.

Mr. President, I ask unanimous consent to have printed in the RECORD a section-by-section description of the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 4.)

EXHIBIT I

SUMMARY OF JOB OPPORTUNITIES AND FAMILY SECURITY PROGRAM

I. FAMILY SECURITY PROGRAM

Mandate AFDC-Unemployed Parent program in all states with some changes:

(1) unemployment is defined as the equivalent of 130 hours times the federal minimum wage;

(2) initial eligibility is based on the lower of the state payment standard (see below) or definition in (1);

(3) exit from program if exceed either of:

(i) State payment standard, applied to total family income with earned income disregard; or

(ii) 130 times federal minimum wage, without earned income disregard, for 2 successive months.

Minimum need standard: 55% of the nonfarm poverty level in 1981; 60% in 1982, and 65% in 1985.

Value of food stamps added to cash payment to calculate total value of assistance.

No Federal match for payments above 100% of nonfarm poverty line.

SSI resource (assets) limits used in AFDC.

States may have up to three area differentials in payment/need standards—all must be within parameters defined above.

Earned income disregard standardized at $60 plus ⅓ plus actual child care expenses (maximum child care of $100 per child or $300 per family per month). This would increase to $65 (and $110) in FY '83 and to $70 (and $120) in FY '85. If actual work expenses exceeding $60 can be documented by recipient these (up to a maximum additional $60) may be granted instead.

Federal Match:

Gradually increased so that in FY '82 all states would receive match between 80% and 90% unless states did not take over local costs and/or did not reduce error rate.

Increases are: 120% of medicaid match in FY '80, 140% in FY '81 and 160% in FY '82. Except that for states at 75% medicaid match and above, match is increased in three equal jumps to 90%.

Third increase in match is conditional on states assuming entire non-federal share, and administrative responsibilities.

Final FY '82 match is reduced by up to one percentage point for every percent dollar error rate over 4%; maximum reduction of 5%.

Match must be passed through if localities are required to pay any part of cost.

II. FOSTER CARE/SUBSIDIZED ADOPTIONS

Revises Federal funding for foster care and creates new program of Federal support for subsidized adoptions.

Federal matching for adoption subsidies paid to adoptive parents of hard-to-place children, provided family incomes are under 115% of the state median. (Higher income limits permitted in exceptional cases.)

Medicaid coverage for conditions existing at time of adoption or, at state option, full Medicaid coverage.

Federal matching for foster care in public institutions housing less than 25 children.

III. AGE LIMIT FOR SSI

The age limit for eligibility for aid to the elderly under the Supplemental Security Income (SSI) program lowered from 65 to 64 in 1980, to 63 in 1981, and 62 in 1982.

IV. JOBS

A. Private sector:

Employers are offered the option of a tax credit or wage vouchers for one year. Value of either is $1 per hour for hiring an eligible employee for between 30 and 40 hours per week without displacing unsubsidized employees.

Eligible employees are:

(1) If they have unsuccessfully sought work for 90 days; AFDC recipients; people unemployed for 26 weeks and unemployed youth (high school graduates or at least 18 years old).

(2) If they have unsuccessfully sought work for 30 days: former CETA public service job holders who have completed CETA assignment.

The Governor designates a state agency to administer these programs. It may be the state employment agency.

Voucher program requires that employees are hired for between 30 and 40 hours per week at the prevailing wage.

Eligible persons are certified and have a document to show prospective employers. The employer reports the number of hours worked; voucher is validated by the state agency and redeemed through a bank.

Jobs tax credit requires hours of employment to be 102% of total employment in previous year. No employer may receive more than $100,000 in credits in one year.

B. Work incentive program (WIN):

The Governor's control over WIN is increased and he/she is given authority to designate the agency or agencies to administer WIN. The program is converted to an appropriated entitlement.

Job search is required but services to aid in job search and job retention are authorized.

The earned income disregard is applied to WIN public service employment. In-kind services are allowed. Penalty for failure to certify 15% of mandatory registrants is eliminated. Current 13-week limit on work experience assignments is increased to 26 weeks.

C. Public service jobs:

The bill addresses only a portion of CETA. It does not deal with the general countercyclical issue, but only with the existence of public service jobs for target recipients. Needed public service jobs to allow targeting on these participants is estimated at 375,000.

V. AID TO WORKING POOR

Earned income tax credit is expanded and changed:

Increased from 10 percent to 15 percent with coverage extended up to the poverty line (rather than current $4000); phaseout begins at income equal to non-farm poverty level and is at 20 percent;

Credit is paid on an "as earned" basis through reverse withholding;

Credit is not available for subsidized public service employment (WIN or CETA);

Eliminates requirement that worker must be at least 50 percent self-supporting to get EITC.

Emergency assistance:

Repeals current limit on emergency assistance grants which prohibits recipients from getting emergency assistance for a maximum of 30 days in any one year.

Increases authorization to $150 million. This would be in block grants to the states according to the state's share of the AFDC population.

Grants can be used for disaster, temporary and continuing assistance to individuals and families not eligible for AFDC or whose AFDC payment does not meet emergency needs.

(As currently, this will be separate from any steps taken to benefit victims of major disasters such as statewide floods, etc.)

Food stamps:

The only changes in food stamps are the state option to cash-out food stamps for the SSI population and the demonstration projects on broader cash-out.

VI. PILOT TESTS AND EXPERIMENTS

The legislation authorizes the appropriation of such sums as are necessary to conduct pilot tests or demonstrations of various future steps. Specific examples would be:

(1) Cash-out food stamps for AFDC households and/or for households not receiving public assistance.

(2) Consolidated, federalized welfare similar to program proposed by President Carter.

(3) Block grant approaches: States receive Federal block grants and have full flexibility to set eligibility, rules, and benefit levels for cash assistance, food stamps, Medicaid, and social service programs.

(4) "One-stop" service centers at which recipients fill out single application for cash assistance and related benefits and services to which they are entitled.

VII. EVALUATION OF POSSIBLE FUTURE CHANGES

The bill creates a National Commission on Public Assistance to make a three-year study of welfare programs, including the changes made by this bill. The Commission is to submit recommendations for further improvement of these programs.

EXHIBIT 2

U.S. SENATE,
Washington, D.C., March 22, 1978.

Dr. ALICE M. RIVLIN,
Director, Congressional Budget Office, Washington, D.C.

DEAR ALICE: Thank you very much for your letter of March 21 providing CBO's analysis of the preliminary specifications for the welfare reform proposal develoepd by my staff in conjunction with Senator Baker's staff and others.

Your report is a very thorough assessment of our proposal as it stood at the time we sent our specifications to you. As your letter and the report note, our bill, which is being introduced today, differs in several important respects from the specifications which CBO analyzed. The enclosed staff memo from Bob Fulton to me discusses some of the elements CBO did not address in its analytical work on our proposal.

In addition to further study of the cost implications of our bill for fiscal year 1982, the first full year most of the provisions would be in effect, I would greatly appreciate CBO's taking a longer range look at the effects on welfare costs of the various elements of our bill. In particular, I would like to know the longer-range budgetary impact of increasing numbers of welfare recipients getting private sector jobs. Specifically, what would be the budgetary impact by 1987 of removing 500,000 people per year from welfare rolls and putting them on payrolls?

Now that we have the final bill completed, I ask that CBO provide as soon as possible an updated cost-analysis on the complete bill, taking particular account of the provisions which were not addressed in your initial report.

Thank you very much.

Sincerely,

HENRY BELLMON.

Enclosure.

U.S. SENATE,
March 22, 1978.

To: Senator Bellmon.
From: Robert Fulton.
Subject: CBO estimates on Baker-Bellmon-Ribicoff-Danforth welfare reform proposal.

The attached letter and report from the Congressional Budget Office have been prepared in response to your request of last November for a cost analysis of major components of the welfare reform proposal on

which Senators Baker, Ribicoff and Danforth are now co-authors and which several other Senators are now co-sponsoring.

You will note that the "bottom line" in the CBO report is that the features of our plan analyzed by CBO would add $9.33 billion to Federal welfare costs in FY 1982 (over the cost of existing programs) and would reduce state/local costs by $3.05 billion, with a net increase in cost to all levels of governments of $6.28 billion. The following table compares the CBO cost estimates for the Carter plan, the Corman Subcommittee revisions of the Carter plan and the Baker-Bellmon-Ribicoff-Danforth plan:

	Federal cost	State/local cost	Total cost
Baker-Bellmon-Ribicoff-Danforth	$9.33	($3.03)	$6.28
Carter plan	17.36	(3.42)	13.94
Corman subcommittee	20.22	(2.21)	18.02

No CBO cost estimates have as yet been prepared for the Ullman plan, which has been introduced in the House and which has many features similar to those in our bill.

As you will recall, the "Dear Colleague" letter seeking co-sponsors for our bill included an estimate of $8 billion as the projected cost of our program to the Federal Government. That estimate was based on preliminary and incomplete data received from CBO. It is important to recognize however, that the attached CBO letter and report still do not price out our complete bill. The last two pages of the CBO report list a number of features of our plan that have not been analyzed. Several of these features would reduce costs considerably. There are also features which would increase cost which are also not dealt with in the CBO letter, but I am confident that the decreases will outweigh the increases by a considerable amount.

In addition to features not priced out by CBO, there are some aspects of the CBO estimates which raise questions about the computer model used by CBO in estimating some of the elements of our proposal.

For instance, CBO estimates that nearly $900 million of the $3.2 billion in benefits under our earned income tax credit (EITC) would go to families earning more than $15,000 a year. That is highly unlikely, since the earned income tax credit phases out, beginning at the poverty line, at a 20% rate, and we do not increase the credit on the basis of family size beyond a family of seven. This means that the credit will end completely for the largest size family units at about $20,500. A very small portion of the benefits should go to family units, units with incomes above $15,000.

Likewise, the CBO estimate does not take into account one of our key eligibility limitations for families eligible for AFDC benefits on the basis of the unemployment of a parent. This limitation was not in the specifications we originally supplied to CBO. Under our proposal, such families will stay on the rolls only until their earned incomes pass the lower of ¾ times the minimum wage or the state benefit level, whichever is lower. Therefore, it is clear that the $500 million in benefits CBO shows for families with incomes of over $10,000 would not actually be paid out as our bill is actually drafted (approximate Federal share $400 million).

Also CBO notes in its report that it does not take into account revenue increases from added taxes paid by people who have higher incomes as a result of the jobs aspects of our plan. Based on estimates prepared by CBO on the Carter plan, there should be at least 500 million of such offsets.

Finally, CBO's estimates assume that AFDC benefits will average 17% higher under our plan in FY 1982 than they woud be if existing programs remained in effect. CBO does not provide a clear explanation of why this occurs. It is reasonable to conclude that this produces an over-estimate of at least $500 million in our costs.

We can still realistically estimate our plan to cost the Federal government in the neighborhood of $8 billion in FY 1982, calculated as follows:

	Billion
CBO estimate	$9.33
Plus (features not priced by CBO):	
Reduced age limit for SSI	.3
Added WIN funding	.2
Total	9.83
Less:	
Revenue offsets	.5
Reduced EITC	.6
Reduced AFDC-U	.4
Lower increase in AFDC	.5
Net Federal costs	7.83

I recommend we continue to use the "approximately $8 billion cost" in discussing our bill, pending a further analysis by CBO of the complete bill as introduced. We should ask CBO to give particular attention to the cost factors discussed above.

ROBERT FULTON.

U.S. CONGRESS,
Washington, D.C., March 21, 1978.

Hon. HENRY BELLMON,
U.S. Senate, Washington, D.C.

DEAR SENATOR BELLMON: The enclosed document contains an analysis of the welfare reform specifications you sent to the Congressional Budget Office (CBO). These specifications were outlined in your letters of November 18 and December 12, and in a staff memorandum of March 6. As indicated in the document, these specifications for an incremental welfare reform proposal are not identical to the latest draft legislation you and Senator Baker are developing.

The specifications analyzed by CBO would result in increased welfare costs of $6.28 billion over current policy spending levels in fiscal year 1982. This increased expenditure would consist of an additional $9.33 billion of federal spending and a reduction in state and local welfare expenditures of $3.05 billion.

The specifications CBO analyzed would reduce the number of families in poverty in fiscal year 1982 by 975,000. This would represent a reduction in the incidence of poverty over that resulting from a continuation of current programs from 8.1 percent to 7.0 percent. The specifications CBO examined would result in about 1.8 percent of all families losing more thas $100 in income in fiscal year 1982, while 7.9 percent would gain more than $100. The vast majority of families would be unaffected by the reform specifications.

Finally, the specifications would result in a reduction in the poverty gap or the amount of money required to bring every low-income family up to its poverty threshold income. Compared to current welfare programs, the poverty gap would be reduced by $2.3 billion.

I hope this material is useful to you in your planning. CBO will be happy to provide you additional assistance in your work in this important area.

Best wishes,
Sincerely,

ALICE M. RIVLIN,
Director.

Enclosure.

U.S. CONGRESSIONAL BUDGET OFFICE

ANALYSIS OF SPECIFICATIONS FOR AN INCREMENTAL WELFARE REFORM PROPOSAL

(Developed By Senators Bellmon and Baker, March 17, 1978)

This paper provides the Congressional Budget Office's (CBO) analysis of a set of specifications for an incremental welfare reform proposal developed by the staffs of Senators Bellmon and Baker.[1] The components of this welfare reform proposal are those specified in letters sent from Senator Bellmon to CBO on November 18, and December 12, 1977 and in a staff memorandum dated March 6, 1978. These specifications do not conform exactly to the latest draft legislation entitled "Job Opportunities and Family Security Act of 1978" being developed by Senators Bellmon and Baker. This paper outlines the specific components of the incremental reform proposal, and presents preliminary costs and distributional effects of the reform proposal.

SPECIFICATIONS OF BELLMON-BAKER REFORM PROPOSAL

AFDC and Food Stamps.—The major specifications of the reform proposal consist of changes to a number of existing programs. The proposal would modify earned income disregards in the current AFDC program. The proposal would also establish a national minimum AFDC payment standard.

The AFDC disregard work expense formula would be adjusted to be in agreement with modifications adopted by the Senate Committee on Finance under its Public Assistance Amendments of 1977 (H.R. 7200). Based on H.R. 7200, the monthly earnings disregard would be raised to $60 (currently $30) for families whose earned income—less child care expenses—is less than $360. For families with up to $360 monthly earnings, an additional one-third of earnings would be disregarded. For families whose monthly earnings—less child care expenses—exceeded $360, 20 percent of net earnings would be disregarded.[2] All unearned income would be subtracted from the payment standard.

The minimum AFDC payment standard would be equivalent to an amount which, in combination with food stamps, would result in a basic guarantee equivalent to 60 percent of a family's poverty threshold.[3] For a family of four with zero income in fiscal year 1982, the minimum AFDC standard would be $2,028. At this level of assistance, the family would be eligible for $2,484 of food stamps, bringing its total assistance to $4,512.[4]

In developing the estimates presented in this paper for fiscal year 1982, CBO assumed that the maximum AFDC payment standard for each state in July 1976 would be adjusted annually by changes in the overall Consumer Price Index (CPI). This assumption is subject to some question. If states do not increase payment standards to keep pace with inflation, the estimated AFDC costs presented in this paper may be biased upward. Food stamp benefits, however, would be biased downward.

Between July 1976 and fiscal year 1982, CBO assumed prices would increase by 36.2 percent. Given this rate of increase, only one state (Mississippi) would have an AFDC payment which, in combination with food stamps, would be less than 60 percent of a family's poverty threshold. If a state's AFDC payment standard exceeded the national minimum requirement, CBO's estimates assumed the higher AFDC payment standard.

The proposal would mandate the current AFDC unemployed fathers (AFDC–UF) program nationwide and make all two parent families with children eligible for the program if: (1) their earnings were less than the equivalent of a full-time minimum wage job (estimated to be approximately $6,970 in fiscal year 1982), or (2) their earnings were less than the state's payment standard.

The proposal modifies federal matching rates for AFDC and AFDC–UF costs with the maximum federal match being raised to 90 percent in some states in fiscal year 1982. In states where the current federal matching rate is 50 percent, the maximum would be 80 percent. The federal matching rates would be reduced depending on: (1) the state's

Footnotes at end of article.

AFDC payment error rates, and (2) whether the state continued to maintain local cost sharing and administration of the AFDC program.

Public Service Employment—Job Search.—The proposal would authorize 375,000 full-time public service employment job slots paying $3.85 per hour (approximately 15 percent higher than the minimum wage in fiscal year 1982). Priority for the slots would be given first to AFDC units with unemployed fathers, second to single-parent AFDC units and finally to any family in which the primary earner had been unemployed longer than 26 weeks.

The proposal would require those AFDC recipients defined as employable to engage in job search activities. This provision (the same as that adopted by the Senate Committee on Finance under H.R. 7200) would essentially extend the current Work Incentive Program (WIN) requirements to include a continuing job search. In order to facilitate the new job search requirement, the proposal would require states to provide supportive services such as child care and transportation under a program of federal matching payments.

Private Employment Programs.—The proposal would attempt to encourage private and non-profit employment of welfare recipients through the creation of a new job voucher program. The voucher would provide a $1.00 an hour earnings subsidy to employers for new employees who are: the principle wage earner of an AFDC family, an unemployed youth, a CETA public service employment "graduate" or other persons unemployed longer than 26 weeks. Redemption of the voucher would be through the banking system. The proposal would also create a categorical job tax credit program providing a $1.00 an hour tax credit to a private employer for each hour of employment of an eligible person. A private employer could receive the credit for the same types of persons as those who would be eligible for the job voucher program. An employer could participate in either the tax credit or job voucher program but not both. New employees could qualify the employer for these wage subsidies for no more than one year.

Earned Income Tax Credit and Other.—The proposal would modify the earned income tax credit so that the credit would be equivalent to 15 percent of earnings up to a family's poverty threshold and phased-out at 20 percent thereafter. The proposal calls for an expansion of federal funding of the emergency assistance program from approximately $35 million to $150 million. The proposal would provide states the option of "cashing-out" food stamps for SSI beneficiaries.

Based on discussions with Senator Bellmon's staff, CBO has not included in this preliminary analysis any modifications to the current medicaid program or an expansion of Title XX day care funding.

COST OF SPECIFICATIONS

The specifications analyzed by CBO would cost all levels of government $39.05 billion in fiscal year 1982, $31.64 billion in federal costs and $7.41 billion state and local costs (see Table 1).[5]

TABLE 1.—TOTAL AND NET COST OF BELLMON-BAKER WELFARE REFORM PROPOSAL BY LEVEL OF GOVERNMENT IN FISCAL YEAR 1982

[In billions of dollars][1]

	Federal	State and local	Total
Total costs	31.64	7.41	39.05
Total offsets	22.31	10.46	32.77
Net cost	9.33	(3.05)	6.28

[1] Figures may not add to totals due to rounding.

Footnotes at end of article.

TABLE 2.—DIRECT COST OFFSETS OF BELLMON-BAKER WELFARE REFORM SPECIFICATIONS, BY LEVEL OF GOVERNMENT IN FISCAL YEAR 1982

[In billions of dollars][1]

Program[2]	Federal	State and local	Total
AFDC, AFDC-UF	8.93	7.58	16.50
Food stamps	6.69	.34	7.03
SSI	6.09	2.50	8.59
Emergency assistance	.04	.04	.08
Earned income tax credit	.56		.56
Total cost offsets	22.31	10.46	32.77

[1] Figures may not add to totals due to rounding.

[2] Based on CBO 5-yr current policy projections; "Five-year Projections: Fiscal Years 1979–1983" except the AFDC, SSI, and earned income tax credit estimates which were generated by the basic methodologies used to cost the welfare reform plan. Different methodologies underlie the current policy projections which indicate lower AFDC costs and higher SSI costs for 1982. However, in the aggregate the Federal cost estimated under the different methodologies differ by less than 5 percent.

The programs modified or replaced by the plan would cost all levels of government $32.77 billion in fiscal year 1982. $22.31 billion of this would be federal and $10.46 state and local costs. The details of these offsets are shown in Table 2.

Total costs, therefore, would increase by $6.28 billion in fiscal year 1982 under the specifications analyzed. Net federal costs would increase by $9.33 billion. while state and local governments would experience a decline in net spending of approximately $3.05 billion. These estimates do not include some secondary impacts of the reform proposal, such as increased federal and state tax revenues resulting from increased employment and some reduction in benefit payments in other income tested programs such as general assistance, housing assistance, child nutrition, and unemployment compensation programs. As mentioned earlier, CBO has not analyzed the impact of the proposal on the medicaid program. Some savings might be expected. however, given a net reduction in the AFDC caseload under the proposal.

INDIVIDUAL PROGRAMS

AFDC Programs.—Before taking into consideration the impact of the employment programs, the modifications to the regular AFDC program would increase the total amount of AFDC benefits by approximately $1.06 billion to $15.3 billion in fiscal year 1982. The number of AFDC families participating sometime during the year would decline by 390,000 families from current policy estimates of 4,823,000 families. Though this represents a net reduction in participation, some new families would begin to participate as a result of the proposal. Average AFDC benefits would increase approximately 17 percent over current policy estimates. This increase is attributable primarily to the modifications in the earned income disregard raising it from $30 to $60. This provision would increase the average benefit for the lower income families. Also, by terminating participation for some 390,000 families with high earnings and low benefits, the average benefit of participating units would increase. It should be noted that the current policy estimates provided in this paper for AFDC, SSI and the Earned Income Tax Credit rely on a different methodology than those published in CBO's five-year current policy projections, Five-Year Projections: Fiscal Year 1979–1983.

Before taking into consideration the impact of the employment programs. the AFDC–UF program would be expanded under the reform specifications. Approximately 740,000 families would participate in the AFDC–UF program sometime during the year, up from an estimated 217,000 under current law. Benefits would increase from about $525 million to nearly $1.92 billion under the reformed AFDC–UF program. Average benefits per participating family would increase by about 7 percent. The limitation of work expenses and income disregards, and the extension of program eligibility to families with earnings closer to minimum wage earnings, would result in a smaller increase in average benefits than the increase in benefits of the regular AFDC program.

Because the public service job specifications and the job voucher proposal would be targeted on AFDC and AFDC–UF families, benefits under these latter programs would decline. Based on simulation results, for every one dollar spent in the public service employment programs (targeted on AFDC families), AFDC benefits would decline by 54 cents. Therefore, AFDC benefits would decline by approximately $1.66 billion with a spending level of $3.0 billion in the public service job component of the proposal. Approximately 520,000 AFDC and AFDC–UF families would have their AFDC benefits reduced or terminated as a result of a public service job.

Similarly, based on the assumption (developed by staff of Senators Bellmon and Baker) that 350,000 AFDC or AFDC–UF units would benefit from employment as a result of the job voucher program, and that the average wage paid in the subsidized job would be $3.62 (eight percent more than the minimum wage in 1982), AFDC and AFDC–UF benefits would be reduced by $1.22 billion. Total AFDC and AFDC–UF benefits would be $14.35 billion in 1982 (see Table 3).

Federal-State Matching Rates.—Because the specifications would raise the federal matching rate for states by 30 percentage points, up to a maximum of 90 percent, state costs under the AFDC program would decline. However, all payments above the poverty threshold would be borne by the state if a state's AFDC payment standard plus food stamps for a family with no income exceeded their poverty threshold. Further, states failing to meet specified payment error rate standards would have their federal match lowered as follows:

Error rate:	*Approximate reduction in Federal matching rate (percentage points)*
4% but less than 5%	1
5% but less than 6%	2
6% but less than 7%	3
7% but less than 8%	4
8% or more	5

TABLE 3.—COSTS OF BELLMON-BAKER WELFARE REFORM SPECIFICATIONS, BY LEVEL OF GOVERNMENT IN FISCAL YEAR 1982

[In billions of dollars]

Program category	Federal	State	Total
Benefits:			
AFDC, AFDC-UF[1]	10.61	3.74	14.35
Public service employment	3.00		3.00
Food stamps[2]	5.06		5.06
SSI[3]	5.86	2.16	8.02
Emergency assistance	.15		.15
Earned income tax credit	3.12		3.12
Job voucher[4]	1.04		1.04
Job tax credit[5]			
Total benefits	28.84	5.90	34.74
Administrative costs:[6]			
AFDC, AFDC-UF, emergency assistance	.84	.84	1.68
Public service employment	.90		.90
Food stamps	.43	.27	.70
SSI	.40	.40	.80
Expansion WIN-job search[7]	.09		.09

Footnotes on following page.

TABLE 3.—COSTS OF BELLMON-BAKER WELFARE REFORM SPECIFICATIONS, BY LEVEL OF GOVERNMENT IN FISCAL YEAR 1982

[[In billions of dollars]

Program category	Federal	State	Total
Job voucher	.14	.....	.14
Total administrative	2.80	1.51	4.31
Total costs	31.64	7.41	39.05

[1] Simulation estimates indicate that a weighted average equal to 74 percent of the AFDC and AFDC–UF benefits would be federally funded. Estimates shown include adjustments for the work incentive disregard (currently $30 and ⅓ of additional earnings) for purposes of computing benefits but not for determining eligibility. Including this work incentive disregard for determining eligibility would raise benefit costs by 4.1 percent over estimates shown here. Estimates include adjustment for PSE and job voucher program earnings. Estimate also includes adjustment for quality control penalties on Federal matching rates associated with quality control sanctions).

[2] Includes an estimated $67,000,000 in cash out of food stamp benefits for SSI recipients.

[3] Estimate includes increase in benefits of $67,000,000 from cash out of food stamps.

[4] Estimated cost of the job voucher program based on Mar. 6, 1978, staff memorandum specifying 500,000 full-year, full-time job voucher slots and specific split of types of recipients. Memorandum indicates that the limit and recipient split could be accomplished through specific "capping" provisions in the program.

[5] Employment tax credit provision not estimated.

[6] Administrative costs were assumed to remain the same proporation of program benefits as under existing prereform programs

[7] Based on previous CBO estimate, see S. 95–573, "Public Assistance Amendments of 1977," Committee on Finance, H.R. 7200, Nov. 1, 1977.

The assumptions used in this cost estimate to account for these provisions are detailed in Table A which is attached at the end of this paper. The weighted average federal matching rate of all AFDC benefits, taking into consideration these factors, would be approximately 74 percent in fiscal year 1982. Federal AFDC benefits would be $10.61 billion, state costs would be $3.74 billion.

Public Service Employment.—The specifications call for 375,000 full-time job slots in fiscal 1982. Based on an assumed average wage rate of $3.85 (approximately 15 percent higher than minimum wage in 1982), the costs of the proposal would be $3.0 billion. It was assumed that the administrative costs for these jobs would represent the same proportion of administrative costs to benefits as exist under the Administration's welfare reform proposal—30 percent. Administrative costs of this provision would therefore be $900 million.

Food Stamps.—The food stamp program would not be explicitly modified under the reform proposal, but increased AFDC payments or increased income from employment programs would result in lower food stamp costs. Food stamp benefits would decline by approximately 8 percent ($425 million) from the current policy estimate and reach $5.06 billion in fiscal year 1982 (see Table 3). The number of households participating in the program sometime during the year would decline by 1,265,000 to 8,518,000. The provision which would allow states to cash-out food stamps for SSI benefits would cause food stamp costs to decline by an additional $67 million.[6]

Earned Income Tax Credit (EITC).—Modifications to the current EITC would result in costs of $3.12 billion. An estimated 6,014,000 families would either receive a refundable credit or have their tax liability reduced as a result of this provision in fiscal year 1982. This would be an increase from the 3,426,000 families who would benefit from the current EITC at a cost of about $560 million.

Job Voucher Program—Job Tax Credit.—The job voucher program would be restricted to one per family and the income of the family would have to be 70 percent or less of the BLS lower living standard. The voucher would provide a subsidy of one-dollar per hour for each employee hired under this program. The specifications of the job voucher program appear to provide a substantial inducement to employers ($1.00 per hour subsidy). However, the ability of the program to encourage the hiring of the specified categories of recipients can be questioned based on the disappointing results from the current WIN tax credit program aimed at AFDC recipients. Furthermore, in a previous analysis of employment subsidies, CBO has noted that the more narrowly defined the target category, the larger the administrative cost and the higher the subsidy will probably have to be to induce firms to participate.[7]

Using assumptions provided by Senator Bellmon's staff, the estimated gross cost of the voucher program would be $1.04 billion in 1982.[8] Administrative costs of the voucher program were estimated to be $144 million. Offsetting these increased costs would be a reduction in AFDC benefits of approximately $1.22 billion as indicated above. The net cost to the federal government of the job voucher program, then, would be a savings of $4 million.

No estimates have been developed for the impact of the job tax credit proposal. Assumptions as to the participating firms' marginal tax brackets must be developed in order to estimate revenue losses associated with the provision. A somewhat similar tax credit proposal introduced by Senator Baker in the last Congress (S. 731) was estimated by his staff to result in a revenue loss of $1.9 billion in fiscal year 1979. Offsetting the revenue loss would be a reduction in AFDC-UF benefits. These have not been estimated.

DISTRIBUTIONAL IMPACTS OF PROVISIONS[9]

Incidence of Poverty.—The provisions analyzed by CBO would result in a decline in the number of poor families in fiscal year 1982. Under the current program 7.1 million families (8.1 percent of all families) would be classified as poor. Based on the provisions analyzed by CBO, 6.1 million families (7.0 percent of all families) would be classified as poor (see Table 4).

TABLE 4.—FAMILIES IN POSTTAX, POSTTRANSFER POVERTY UNDER CURRENT POLICY AND UNDER BELLMON–BAKER WELFARE REFORM PROPOSAL, FISCAL YEAR 1982

[Families in thousands]

Category	Posttax, Posttransfer Income		
	Current	Bellmon-Baker reform proposal	Change from current policy
All families	7,060	6,085	−975
Incidence or poverty (percent)	8.1	7.0	−1.1

The proposal would affect different groups of the population differently. In general the proposal would reduce the incidence of poverty among families headed by a person 65 years of age or older less than the incidence among families headed by a person under 65 years of age. The incidence of poverty in families headed by a person under 65 would show a decline from 8.0 percent of all such families to 6.7 percent under the reform provisions (see Tables 5 and 5a).

Footnotes at end of article.

TABLE 5.—NUMBER OF FAMILIES IN POSTTAX, POSTTRANSFER POVERTY BY TYPE OF FAMILY AND REGION OF RESIDENCE UNDER CURRENT SERVICES AND BELLMON-BAKER WELFARE REFORM PROPOSAL, FISCAL YEAR 1982

[Families in thousands]

Characteristics of families	Postcash social insurance income	Posttax, posttransfer income[1]	
		Current policy	Bellmon-Baker reform proposal
All families	9,750	7,060	6,085
Age of head:			
65 and over	2,506	1,530	1,416
Under 65	7,244	5,531	4,668
Employment status of head:			
Working full time	1,392	1,208	1,065
Working part time	1,323	1,034	908
Unemployed	761	573	453
Not in labor force	6,274	4,246	3,601
Race of head:			
White	6,924	5,091	4,421
Nonwhite	2,826	1,965	1,764
Region of residence:			
South	3,670	2,937	2,611
West	1,944	1,290	1,136
Northeast	2,097	1,384	1,101
North-central	2,039	1,449	1,237

[1] Posttransfer excludes medicare and medicaid.

TABLE 5(a).—PERCENT OF FAMILIES IN POSTTAX, POSTTRANSFER POVERTY BY TYPE OF FAMILY AND REGION OF RESIDENCE UNDER CURRENT POLICY AND BELLMON-BAKER REFORM PROPOSAL, FISCAL YEAR 1982

Families in thousands]

Characteristics of families	Postcash social insurance income	Posttax, posttransfer income[1]	
		Current policy	Bellmon-Baker reform proposal
All families	11.2	8.1	7.0
Age of head:			
65 and over	14.3	8.8	8.1
Under 65	1094	8.0	6.7
Employment states of head:			
Working full time	3.1	2.7	2.3
Working part time	11.4	8.9	7.7
Unemployed	17.0	12.8	10.2
Not in labor force	24.9	16.8	15.2
Race of head:			
White	9.1	6.7	5.8
Nonwhite	26.7	18.6	15.7
Region of residence:			
South	13.5	10.8	9.6
West	11.5	7.6	6.7
Northeast	10.6	7.0	5.6
North-central	8.9	6.3	5.4

The proposal would reduce the incidence of poverty in families where the head of the family worked full-time from 2.7 percent to 2.3 percent. Families in which the head would be defined as working part-time, would experience a similar relative reduction in the incidence of poverty, declining from 8.9 percent of all such families under current programs to 7.7 percent under the reform provisions. Such families with an attachment to the labor force would benefit from the expansions of the EITC and AFDC–UF programs, along with the provision of public service employment. Families in which the head would be defined as unemployed, would experience a significant reduction in the incidence of poverty declining from 12.8 percent to 10.2 percent. Expansion of the AFDC–UF program would probably benefit this group the most. Those families defined as not being in the labor force would experience the least reduction in the incidence of poverty.

The proposal would be slightly more effective at reducing the incidence of poverty among nonwhite families as contrasted with white families. The incidence of poverty among white families is reduced from 6.7 percent to 5.8 percent, while the incidence among nonwhites is reduced from 18.6 percent to 15.7 percent.

The incidence of poverty is reduced in all regions of the country, with the Northeast region experiencing a relatively greater decline in poverty. Both the South and West regions would experience approximately the same relative reduction in the incidence of poverty.

In general, while the Northeast would experience the greatest relative decline in poverty under the provisions analyzed, relatively more families would gain income (in absolute terms) in the South. This apparent inconsistency is explained by the level of benefits under the current programs. Approximately 11.2 percent of all families in the South would gain more than $100 following the reform proposal, while 5.1 percent in the Northeast would show such gains (see Table 6). Since benefits under current programs are lower in the South and West relative to other areas of the country, the incidence of poverty shows a greater decline in the Northeast and North Central regions since fewer additional dollars are required to move families out of poverty.

TABLE 6.—PERCENT OF FAMILIES WHO WOULD LOSE, REMAIN UNCHANGED OR GAIN INCOME UNDER THE BELLMON-BAKER WELFARE REFORM PROVISIONS BY REGION IN FISCAL YEAR 1982

	Families losing more than $100	Families with no change	Families gaining more than $100
All regions	1.8	90.3	7.9
South	1.1	87.7	11.2
West	2.0	89.7	8.2
Northeast	2.8	92.1	5.1
North central	1.7	92.2	6.2

Distribution of Benefits by Pre-Welfare Income.—Tables 7 and 7a summarize the distribution of recipients and program benefits under the current welfare system and under the reform provisions in fiscal year 1982. Under the current programs approximately $23.7 billion in welfare benefits would go to families with pre-welfare income of less than $5,000. Under the reform system the amount of benefits going to this income class would be $26.9 billion. Most of this increase would be attributable to the expanded AFDC–UF and, the regular AFDC program, and public service employment programs.

Modifications to the AFDC and AFDC–UF program would shift the distribution of benefits away from the higher pre-welfare income classes toward lower income families. While under current programs the below $5,000 income class would receive 73 percent of the AFDC and AFDC–UF benefits, under the reform provisions these families would receive nearly 74 percent of such benefits.

The provision which would expand the EITC would shift classes. While under current law EITC families with pre-welfare incomes less than $5,000 would receive 38.7 percent of all EITC benefits, under the reform plan this would drop to 15.3 percent. The proportion of EITC benefits going to families in the $5,000 to $9,000 pre-welfare income class would decrease from 34.0 percent under current law to 31.5 under the reform provisions. Classes of families with pre-welfare incomes above $10,000 would experience an increase in amount of and proportion of EITC benefits.

While the provisions analyzed increased the absolute amount of benefits going to all income classes, the distribution of total benefits would be shifted. In absolute terms the pre-welfare income class of less than $5,000 would have an increase in benefits, but its relative share of the total benefits would decrease marginally from 60.0 percent of all the pre-reform benefits to 58.9 percent.

TABLE 7.—DISTRIBUTION OF FAMILIES AND BENEFITS BY PREWELFARE INCOME CLASSES UNDER CURRENT POLICY AND BELLMON-BAKER WELFARE REFORM PROPOSAL: FISCAL YEAR 1982 [1]

Program	Less than $5,000	$5,000 to $9,999	$10,000 to $14,999	$15,000 to $24,999	$25,000 and over	Total
Distribution (thousands of families):						
All families	11,137	10,284	9,921	18,044	37,414	86,801
Current policy:						
AFDC	2,762	834	542	345	66	4,584
AFDC-UF	64	54	42	52	8	220
SSI	2,489	410	247	163	43	3,347
Food stamps	6,228	1,732	969	498	21	9,448
GA	566	302	77	22	2	969
EITC	1,242	1,164	353	279	200	3,238
Bellmon-Baker reform:						
AFDC	2,660	753	365	242	61	4,080
AFDC-UF	217	216	201	57	2	692
SSI [2]	2,489	410	247	163	43	3,347
Food stamps	5,935	1,327	624	300	7	8,193
GA [3]	566	302	77	22	2	969
EITC	1,292	1,628	1,305	952	533	5,709
PSE	217	52	42	23	5	340
Benefits (billions):						
Current policy:						
AFDC	$10.1	$1.7	$1.0	$0.7	$0.2	$13.7
AFDC-UF	.2	.1	.1	.1	----	.5
SSI	4.5	.7	.4	.3	.1	6.0
Food stamps	3.2	1.9	.6	.4	----	5.1
GA	.8	.2	.1	----	----	1.1
EITC	.2	.2	.1	.1	----	.6
Other programs [4]	4.7	3.1	1.4	1.0	1.8	12.5
Total	23.7	6.9	3.7	2.6	2.1	39.5
Bellmon-Baker reform:						
AFDC	11.2	1.6	.8	.7	.2	14.5
AFDC-UF	.9	.4	.4	.1	----	1.9
SSI [2]	4.5	.7	.4	.3	.1	6.0
Food stamps	2.9	1.9	.5	.4	----	4.7
GA [3]	.8	.2	.1	----	----	1.1
EITC	.5	1.0	.8	.6	.3	3.2
PSE	1.4	.2	.1	.1	----	1.8
Other programs [4]	4.7	3.1	1.4	1.0	1.8	12.5
Total	26.9	8.1	4.5	3.2	2.4	45.7

[1] Figures may not sum to totals due to rounding. Figures are only for 50 States and District of Columbia.
[2] No interaction simulated between Bellmon-Baker changes in AFDC, AFDC-UF and current SSI program.
[3] No interaction simulated between Bellmon-Baker changes and general assistance program.
[4] No interaction was simulated between Bellmon-Baker and other welfare programs. Other welfare programs include veterans' pensions, child nutrition, and housing assistance.

TABLE 7a.—DISTRIBUTION OF FAMILIES AND BENEFITS BY PREWELFARE INCOME CLASSES UNDER CURRENT POLICY AND BELLMON-BAKER WELFARE REFORM PROPOSAL: FISCAL YEAR 1982 [1]

Program	Less than $5,000	$5,000 to $9,999	$10,000 to $14,999	$15,000 to $24,999	$25,000 and over	Total
Percent of families:						
All families	12.8	11.8	11.4	20.8	43.1	100
Current policy:						
AFDC	60.7	18.3	11.9	7.6	1.5	100
AFDC-UF	29.1	24.8	18.9	23.5	3.8	100
SSI	74.2	12.3	7.4	4.9	1.3	100
Food stamps	65.9	18.3	10.3	5.3	.2	100
GA	58.5	31.1	7.9	2.3	.2	100
EITC	38.4	35.9	10.9	8.6	6.2	100
Bellmon-Baker reform:						
AFDC	65.2	18.5	8.9	5.9	1.5	100
AFDC-UF	31.4	31.2	29.0	8.2	.2	100
SSI [2]	74.2	12.3	7.4	4.9	1.3	100
Food stamps	72.4	16.2	7.6	3.7	.1	100
GA [3]	58.5	31.1	7.9	2.3	.2	100
EITC	22.6	28.5	22.9	16.7	9.3	100
PSE	63.8	15.6	12.3	6.7	1.5	100
Percent of benefits:						
Current policy:						
AFDC	73.5	12.7	7.1	5.4	1.3	100
AFDC-UF	44.4	19.4	12.7	19.9	----	100
SSI	75.7	11.7	6.6	5.0	1.1	100
Food stamps	62.2	17.9	11.8	7.7	.4	100
GA	71.3	21.6	5.7	1.2	.1	100
EITC	38.7	34.0	11.6	8.9	6.8	100
Other programs [4]	37.9	24.7	11.2	12.0	14.1	100
Total	60.0	17.5	9.4	6.6	5.3	100
Bellmon-Baker reform:						
AFDC	77.0	11.3	5.5	4.8	1.5	100
AFDC-UF	48.4	22.5	22.7	6.3	.1	100
SSI [2]	75.7	11.7	6.6	5.0	1.1	100
Food stamps	61.8	18.6	11.7	7.7	.2	100
GA [3]	71.3	21.6	5.7	1.2	.1	100
EITC	15.3	31.5	24.4	18.1	10.8	100
PSE	75.9	12.1	6.8	4.3	1.0	100
Other programs [4]	37.9	24.7	11.2	12.0	14.1	100
Total	58.9	17.7	9.8	7.0	5.3	100

[1] Figures may not sum to totals due to rounding. Figures are only for 50 States and District of Columbia.
[2] No interaction simulated between Bellmon-Baker changes in AFDC, AFDC-UF and current SSI program.
[3] No interaction simulated between Bellmon-Baker changes and general assistance program.
[4] No interaction was simulated between Bellmon-Baker and other welfare programs. Other welfare programs include veterans' pensions, child nutrition, and housing assistance.

Poverty Gap.—The amount of money required to bring all low-income families up to their poverty threshold after counting the benefits of the current social insurance programs would be $35.6 billion in fiscal year 1982. This post-social insurance poverty gap would be reduced by $20.2 billion to $15.3 billion as a result of counting the benefits of the current welfare system. Since benefit costs of the current welfare system would be $39.5 billion, approximately 51 cents out of every dollar spent would be used to close the poverty gap.

The specifications analyzed for the Bellmon-Baker welfare reform proposal would reduce the post-social insurance gap by $22.5 billion, $2.3 billion more than the current welfare system (see Table 8). On the average 49 cents out of every dollar spent in the reformed welfare programs would be used to close the poverty gap. At the margin, the $6.2 billion additional expenditures under the reform provisions would close the poverty gap by $2.3 billion, hence for every dollar spent, 37 cents would go toward eliminating the poverty gap.

TABLE 8.—POVERTY GAP UNDER CURRENT POLICY AND BELLMON-BAKER WELFARE REFORM PROPOSAL IN FISCAL YEAR 1982

[In billions of dollars] [1]

Row	Post-social insurance	Posttax, Posttotal transfer	
		Current policy	Bellmon-Baker
Poverty gap	35.6	15.3	13.1
Reduction in gap		20.2	22.5
Total benefit cost		29.5	45.7
Average effectiveness ratio (2)-(3)		.51	.49

[1] Income excludes medicare and medicaid benefits.

PROVISIONS OF DRAFT BELLMON-BAKER BILL

This analysis was limited to a set of specifications that evolved over a period of three months. A draft bill developed by the staffs of Senators Bellmon and Baker will be submitted in the near future which will include a number of these specifications analyzed. This draft bill, entitled "Job Opportunities and Family Security Program" will, however, include a number of new provisions not covered here.

The provisions of the draft legislation which were not included in this analysis are listed below:

(1) Eligibility for the AFDC–UF program would be based on the average earnings over the two months preceeding application. To be eligible these average earnings would have to be less than three-quarters of a full-time federal minimum wage job.

(2) Up to a maximum of three AFDC cash assistance payment standards could be established within a state, to reflect differences in living costs among regions within a state.

(3) The AFDC assistance unit could not include individuals receiving SSI benefits, or any individual absent from the home for more than 90 days.

(4) The allowable work expense deduction and earned income disregards would be changed from those analyzed in this paper. A $60 standard earned income disregard would be allowed, and one-third of the remaining earnings above this amount. Additionally, recipients who could document work expenses exceeding $60 per month of earned income, would have this additional amount disregarded up to a maximum of $60. A total, therefore, of $120 in work expenses could be disregarded.

(5) AFDC grants would be reduced on a pro-rata basis for the presence of individuals in a household who are not eligible for assistance and who have other means of support.

(6) Financial incentives and matching payments would be paid to states for installing and modernizing computer systems for claims processing and management information systems.

(7) WIN funding authorization would be expanded from $365 million to $565 million.

(8) Federal payments for adoption of hard-to-place children would be provided. This is the same provision as developed by the Senate Finance Committee and included in H.R. 7200. In addition, legislation modifying federal matching of the foster care program would be developed.

(9) The priority selection for the public service jobs would be modified. First priority would go to any audit in any AFDC–UF household who had searched for private employment for at least 3 months. Of the remaining job slots, 50 percent would go to other AFDC recipients and 50 percent to other persons unemployed for longer than 26 weeks.

(10) Employers of persons qualifying for the job voucher program would be required to pay prevailing wages.

(11) AFDC and food stamp recipients whose incomes exceeded a specified level would be required to pay back to the federal government (through the federal income tax system) some or all of the benefits they received.

(12) The age limit for determining eligibility in the SSI program (aged component) would be dropped from 65 to 62, in fiscal year 1982.

TABLE A.—BELLMON-BAKER WELFARE REFORM FEDERAL MATCHING RATE ASSUMPTIONS BY STATE IN FISCAL YEAR 1982—RATES ASSUME A 50-PERCENT REDUCTION IN CURRENT ERROR RATES

[In percent]

State	Current error rate, July to December 1976	Assumed error rate, fiscal year 1982	Current law Federal matching rate, fiscal year 1982 [1]	Bellmon-Baker matching rate, no error rate adjustment, fiscal year 1982	Bellmon-Baker matching rate with error rate adjustment, fiscal year 1982 [2]
Alabama	6.0	3.0	65.8	90.0	90.0
Alaska	12.5	6.3	50.0	80.0	77.0
Arizona	12.4	6.2	56.5	86.5	83.5
Arkansas	7.3	3.7	72.1	90.0	90.0
California	4.7	2.4	50.0	80.0	80.0
Colorado	7.5	3.6	53.7	83.6	83.6
Connecticut	7.6	3.9	50.0	80.0	80.0
Delaware	9.5	4.8	50.0	80.0	79.0
District of Columbia	19.8	9.9	50.0	80.0	75.0
Florida	7.0	3.5	56.6	86.5	86.5
Georgia	12.2	6.1	62.0	90.0	88.2
Hawaii	9.4	4.7	50.0	80.0	79.0
Idaho	3.8	1.9	63.6	90.0	90.0
Illinois	12.1	6.1	50.0	80.0	77.0
Indiana	2.3	1.2	57.9	87.9	87.9
Iowa	11.0	5.5	52.0	82.0	80.0
Kansas	5.6	2.8	52.4	82.3	82.3
Kentucky	6.2	3.1	69.7	90.0	90.0
Louisiana	8.5	4.3	70.5	90.0	89.0
Maine	11.6	5.8	69.7	90.0	88.7
Maryland	11.5	5.8	50.0	80.0	78.0
Massachusetts	12.0	6.0	51.6	81.6	78.6
Michigan	9.2	4.6	50.0	80.0	79.0
Minnesota	5.8	2.9	55.3	85.3	85.3
Mississippi	9.2	4.6	65.0	90.0	89.0
Missouri	10.5	5.3	60.7	90.0	88.0
Montana	13.3	6.7	61.1	90.0	87.1
Nebraska	6.9	3.5	53.5	83.5	83.5
Nevada	.5	.3	50.0	80.0	80.0
New Hampshire	8.5	4.3	62.9	90.0	89.0
New Jersey	5.4	2.7	50.0	80.0	80.0
New Mexico	5.4	2.7	71.8	90.0	90.0
New York	12.1	6.1	50.0	80.0	77.0
North Carolina	6.7	3.4	67.8	90.0	90.0
North Dakota	3.4	1.7	50.7	80.7	80.7
Ohio	11.3	5.7	55.5	85.5	85.5
Oklahoma	3.1	1.6	65.4	90.0	90.0
Oregon	7.9	4.0	57.3	87.3	87.3
Pennsylvania	9.3	4.7	55.1	85.1	84.1
Rhode Island	3.8	1.9	57.0	87.0	87.0
South Carolina	8.5	4.3	65.0	90.0	89.0
South Dakota	5.3	2.7	63.8	90.0	90.0
Tennessee	8.6	4.3	65.0	90.0	89.0
Texas	5.4	2.7	56.3	86.5	86.5
Utah	8.1	4.1	69.0	90.0	89.0
Vermont	6.7	3.4	68.0	90.0	90.0
Virginia	6.4	3.2	57.0	87.0	87.0
Washington	5.4	2.7	51.6	81.6	81.6
West Virginia	4.9	2.5	70.2	90.0	90.0
Wisconsin	3.9	2.0	58.5	88.5	88.5
Wyoming	4.0	2.0	53.4	83.4	83.4

[1] Source: "Characteristics of State Plans for Aid to Families With Dependent Children," 1976 edition. Estimates are for Federal medical assistance percentage or regular Federal percentage for period Oct. 1, 1977 to Sept. 30, 1979.

[2] Estimates do not include adjustment for States which would continue local sharing of benefit costs of local administration.

FOOTNOTES

[1] Computer modeling and estimating assistance were provided by Mathematica Policy Research, Incorporated, under Basic Ordering Agreement, Task Order IG–01, December 23, 1977.

[2] The new formula for these modifications is as follows:

(1) For families whose monthly earned income less child care expenses is less than $360: AFDC Benefit=G—$Y_u$—.67 max (O, Y_e—CC—60)

(2) For families whose monthly earned income less child care expenses is equal to or greater than $360: AFDC Benefit=G—$Y_u$—.80 max (O, Y_e—CC—110)

Where:

G=AFDC payment standard by state for family with zero income

Y_e=Family earned income
Y_u=Family unearned income
CC=Child care expenses

[3] The estimated OMB poverty threshold for a family of four in fiscal year 1982 would be $7,520.

[4] CBO assumptions for the food stamp *guarantee* in fiscal year 1982 are those consistent with assumptions used to develop all other estimates in this paper (see *Food Stamp Act of 1976*, Report No. 94–1460, September 1, 1976). For a family of four with zero income the food stamp guarantee would be $2,496 annually ($208 monthly). In estimating the value of food stamps a family would be eligible for in fiscal year 1982 CBO included the food stamp standard deduction ($75 a month) and a combination shelter-child care deduction ($92.50 a month). These income deductions are consistent with the recently enacted Food Stamp Act of 1977—Public Law 95–113.

[5] All cost estimates include the 50 states, District of Columbia and outlying territories. The basic demographic and economic assumptions used in this analysis are consistent with assumptions used by CBO in developing previous estimates for the Administration Welfare Reform Bill (H.R. 9030) and the Welfare Reform Subcommittee bill (H.R. 10950).

[6] The basic methodology used to develop the cash-out estimate has been discussed previously and can be found in House Report No. 95–464 accompanying H.R. 7940, *The Food Stamp Act of 1977*, June 24, 1977. This methodology is being reviewed further by CBO.

[7] See Congressional Budget Office, *Employment Subsidies and Employment Tax Credits*, Background Paper (April 1977).

[8] CBO has not developed its own specific assumptions relative to this proposal. The assumptions specified by the staff of Senator Bellmon were that no more than 500,000 full-year, full-time persons would participate in this program and that 300,000 of these would be AFDC recipients if the voucher program did not exist.

[9] The estimates presented in this section reflect the following conditions: (1) the work incentive disregard provision would be used to calculate both eligibility and benefits for the AFDC program; relative to the actual proposal, the poverty reduction impact is upwardly biased in this section since the proposal would not allow the work incentive disregard for calculating program eligibility, (2) the estimates do not reflect the impact of the job voucher program and job tax credit provisions which would bias the poverty reduction estimates downward. Furthermore, the number of public service job holders is underestimated causing a downward bias in the poverty reduction estimates. This is partially offset by higher AFDC payments which reflect the lower public service employment calculations. All estimates in this section exclude the institutionalized population and Puerto Rico, comparable to previous CBO distributional analyses of the Administration's welfare reform proposal.

EXHIBIT 3

STATEMENT BY FORMER HEW SECRETARY WILBUR COHEN

The bill—Job Opportunities and Family Security Act of 1978—introduced by Senators Bellmon, Ribicoff, Baker and Danforth is a constructive and incremental approach to the improvement of the existing welfare system. While it does not solve all the problems which the Administration's proposal attempted to handle, it is a pragmatic and reasonable series of steps in the right direction.

We believe it is sound to undertake those legislative steps which are within our managerial, administrative, and fiscal capacities at the present time. There is nothing in the proposed bill which will impede future incremental improvements on the basis of experience and fiscal ability. Rather, the principle of federal standards incorporated in the bill is a significant step forward. This principle can be extended in the future. The standards established by Congress in the Supplemental Security Income program in 1972 have led the way to the adoption of standards in the Aid to Families with Dependent Children-Unemployed Parents (AFDC–UP) program and we believe that further progress in this direction can be achieved step-by-step which will demonstrate the ability of the federal-state system to work effectively in achieving welfare reform.

The AFDC–UP program, originally enacted in 1961, has been shown to provide a base upon which the coverage can be extended in the course of time to all the working poor.

The broadening of the SSI program to cover individuals age 62–65 will assist in helping many older persons, including any older persons affected by long-term unemployment. It will also result in less pressure on determinations for disability payments under the SSI program.

The proposal includes three provisions which utilize the federal tax system as an incentive to provide employment to low-income individuals and welfare recipients. We believe that it must be recognized that the welfare system cannot and should not be responsible for locating or providing work for welfare recipients. The proposal recognizes this principle and thus should help to advance improvements in the adequacy of welfare payments in the long run.

We recognize that several aspects of any comprehensive welfare reform plan, such as the one advocated by the Administration, are controversial. But we believe it is important to make some progress this year in improving the existing program. We believe that aspects relating to employment and to the financial aid of those persons (with children) who are unemployed and are capable, available, and willing to work will assist in bringing a better understanding to the general public of the constructive aspects of the welfare program.

EXHIBIT 4

SECTION-BY-SECTION DESCRIPTION: JOB OPPORTUNITIES AND FAMILY SECURITY ACT OF 1978

Section 1—The title of the proposed legislation—"Job Opportunities and Family Security Act of 1978"—reflects the two major thrusts of the bill: (1) to provide increased job opportunities, especially in the private sector, for employable recipients of public assistance; and (2) to improve programs which provide support to those citizens who cannot work and those who can and do work but who earn too little to meet their basic needs and those of their families in today's economy.

Title I—Family Security Program—Passage of this bill would begin the process of making much needed changes of terminology in the public welfare field. Both the current Aid to Families With Dependent Children Program and the Work Incentive Program would become components of a renamed program to be known as The "Family Security Program".

Section 101—Aid to Dependent Children of Unemployed Parents:

This section eliminates the option states now have to exclude from coverage in their AFDC programs two-parent families in which at least one of the parents is employable. 27 states and the District of Columbia currently provide support to such families while the remaining states do not.

In addition, section 101 repeals section 407 of the Social Security Act, thereby eliminating the so-called "work force connection" requirement under which a two-parent family is excluded from assistance unless the father has been in the work force during six of the preceding 13 calendar quarters.

Section 101 replaces the "100-hour rule" established by HEW regulations. Those regulations define "unemployment" as work for less than 100 hours in any given month. This provision creates a distinct work discentive by causing abrupt termination of assistance to two-parent families whenever the 100-hour line is crossed. Section 101 provides a new definition of unemployment based on earnings. Specifically, a family will be eligible for assistance if its income from earnings, averaged over a period of two successive months, does not exceed the equivalent of 30 hours per week (130 hours per month) times the Federal minimum wage. When the maximum cash assistance grant under the state program would be lower than the minimum wage equivalent just described, the lower figure will apply.

Section 101 adds to the law a requirement that AFDC recipients who are eligible for Public Service Employment under the Comprehensive Employment and Training Act (CETA) register for and accept such employment.

The provisions of section 101 would take effect October 1, 1980.

Section 102—Variations in Need Standards Within States:

This section allows states to establish up to three different payment standards for AFDC cash assistance, based on differences in living costs among regions of the state. None of these variations would fall below the minimum benefit amounts as defined in section 110. This section would become effective October 1, 1978.

Section 103—Assistance Unit Defined; Earned Income Disregard:

This section revises the definition of AFDC "assistance unit" to make clear that individuals receiving SSI benefits may not be included, and also to exclude persons absent from the home for more than 90 days, unless it can be established that the absence was for the purpose of seeking employment.

Section 103 also revises the allowable work expense deductions and earned income disregards for AFDC recipients who work. Under the new provisions, the first $60 per month of earnings, plus documented work expenses exceeding $60 per month up to an additional $60, plus one-third of earnings above that amount, plus an allowance for child care where necessary shall be deducted from income before offsetting earnings against the AFDC grant. The amounts to be deducted for child care are limited to $100 per month per child and $300 per family, and may not exceed 50 per cent of the recipient's earnings. The two $60 limitations will be increased to $65 in FY 1983 and $70 in FY 1985 to take account of rising costs. Likewise, the $100/$300 child care limitations will increase to $110/$330 in FY 1983 and $120/$360 in FY 1985.

Finally, section 103 would preclude disregard of earned income for any family member who fails to make a timely report to the state agency on earnings received. A similar provision is included in H.R. 7200 as reported by the Senate Finance Committee. However, the H.R. 7200 would preclude disregard of the earnings of all family members—not just the income of the person for whom no report, or an inaccurate report, was made to the state agency.

Section 103 would become effective October 1, 1978.

Section 104—Determination of Benefits in Certain Cases Where Child Lives With Individual Not Legally Responsible for His Support:

This section permits states to make pro-rata reductions in AFDC grants to take into account the presence in the household of individuals who are not eligible for assistance and who have other means of support. This provision is included in the Senate Finance version of H.R. 7200. It would take effect October 1, 1978.

Section 105—Additional Federal Funding for Certain Mechanized Claims Processing and Information Retrieval Systems:

This section adds to the AFDC program provisions similar to ones already in Title XIX for the Medicaid program (section 1903 (a)(3)), providing financial incentives and technical support to the states for installation of modern computerized claims processing and management information systems. States which submit plans approved by HEW for development and operation of such systems will receive 90 percent Federal matching fund for the initial development costs and 75 percent for system operations.

This section is similar to provisions in the Senate Finance Committee's version of H.R. 7200.

Section 105 would become effective October 1, 1978.

Section 106—Miscellaneous State Plan Requirements.

This section makes a conforming change (repeal of section 402(a)(23)) and adds a requirement that members of AFDC assistance units apply for any private or public retirement, disability, unemployment compensation and similar benefits to which they may be entitled.

This section will become effective October 1, 1978.

Section 107—Federal Payments to States; Maximum State Payments Subject to Federal Matching:

This section establishes a ceiling for Federal matching of state-local welfare costs. States would receive Federal matching as described below for AFDC benefits which, when combined with the value of food stamps, would provide a family (with no other income) total support equal to 100 percent of the Federal non-farm poverty line, as established by the Office of Management and Budget. States would be free to pay benefits which would exceed the poverty line (when combined with food stamps), but would themselves be required to pay 100 percent of the costs of going above the poverty line. The maximum benefit for Federal matching, as well as the minimum benefit provided for by section 109, would rise in future years in proportion to the cost of living.

This section also shifts from state and local governments to the Federal Government a substantial part of the current/local share of AFDC costs. The increased Federal matching will be phased in over a period of three years beginning in FY 1980. The percentage increase each state receives each year will be determined as follows:

FY 1980—States which under current law prior to these amendments) would have been entitled to receive 60 percent Federal AFDC matching funds or less under the alternative Medicaid formula will, in FY 1980, receive 10 percent higher Federal match than the Medicaid formula would have entitled them to receive. States which would otherwise be entitled to receive Federal matching funds at higher than a 60 percent rate in FY 1980 will receive Federal funds at the percentage to which the Medicaid formula would have provided, plus one-third of the difference between that State's Federal matching percentage under the Medicaid formula and 90 percent.

FY 1981—All states will receive another increase in the Federal AFDC matching funds percentage identical to the one received in FY 1980

FY 1982—Those states which meet the two conditions described below will receive a third increase in the Federal matching percentage equal to the increases provided in FY 1980 and FY 1981. Those states receiving the full increment in FY 1982 would thus receive Federal matching funds at no less than 80 percent and no more than 90 percent in FY 1982. Under the provisions of section 107, states which failed to meet either of the following conditions would receive reduced Federal matching funds as indicated:

(1) State Funding and Administration—Any state which, by FY 1982, still required local governments to either provide funding for, or administer the AFDC program, will not receive the increased Federal matching scheduled for FY 1982.

(2) Quality Control—Any state, which in the first half of FY 1981, had a dollar error rate in excess of four percent (from payments to ineligibles, overpayments, and underpayments), as determined by the Federal-State quality control program, would receive in FY 1982 a reduction in Federal funding as follows: If a dollar error rate of less than five percent but more than four percent were achieved, the Federal matching rate would be reduced by ten percent of the last full increment of increased Federal match to which the state was entitled. For each rise of one percent in its dollar error rate, the state's Federal matching rate would go down by 10 percent of one of the three increments to which it would otherwise be entitled, up to a maximum loss of up to 50 percent of that increment.

The following table shows how these provisions would apply to a range of states:

	Medicaid match in 1980	Increased Federal Match (fiscal years)		
		1980	1981	1982
States with full State funding and administration, and less than 4 percent dollar error rate by 1982				
State A	50	60	70	80.0
State B	55	65	75	85.0
State C	63	72	81	90.0
State D	69	76	83	90.0
States with local administration and/or funding, and with less than 4 percent dollar error rate by fiscal year 1982:				
State E	50	60	70	70.0
State F	55	65	75	75.0
State G	63	72	81	81.0
State H	69	76	83	83.0
States with full State administration and funding but with greater than 4 percent dollar error rate by fiscal year 1982:				
State I—Dollar error rate of 4.5 percent	50	60	70	79.0
State J—Dollar error rate of 4.5 percent	69	76	83	89.3
State K—Dollar error rate of 5.5 percent	50	60	70	78.0
State L—Dollar error rate of 5.5 percent	69	76	83	88.6
State L—Dollar error rate of 6.5 percent	50	60	70	77.0
State M—Dollar error rate of 6.5 percent	69	76	83	87.9
State N—Dollar error rate of 7.5 percent	50	60	70	76.0
State O—Dollar error rate of 7.5 percent	69	76	83	87.2
State P—Dollar error rate of over 8 percent	50	60	70	75.0
State Q—Dollar error rate of over 8 percent	69	76	83	86.5
States with both local funding and/or administration and greater than 4-percent dollar error rate by fiscal year 1982:				
State R—Dollar error rate of 4.5 percent	50	60	70	69.0
State S—Dollar error rate of 4.5 percent	69	76	83	82.3
State T—Dollar error rate of 5.5 percent	50	60	70	68.0
State U—Dollar error rate of 5.5 percent	69	76	83	81.6
State V—Dollar error rate of 6.5 percent	50	60	70	67.0
State W—Dollar error rate of 6.5 percent	69	76	83	80.9
State X—Dollar error rate of 7.5 percent	50	60	70	66.0
State Y—Dollar error rate of 7.5 percent	69	76	83	80.2
State Z—Dollar error rate over 8 percent	50	60	70	65.0
State AA—Dollar error rate over 8 percent	69	76	83	79.5

Section 108—Determination of Eligibility for, and Amount of, AFDC Payment;

This section authorizes states to base eligibility for, and amount of, AFDC payments on a one-month retrospective accounting period or a one-month prospective period. It also authorizes, but does not require, states to establish monthly reporting requirements.

These provisions will become effective on October 1, 1978.

Section 109—Minimum Benefit Amount:

This section requires that beginning with FY 1981, the combined food stamp and AFDC benefits provided to eligible families with no other income shall be not less than 55 percent of the official non-farm poverty level. The minimum benefit will increase to 60 percent of the non-farm poverty level in FY 1982 and to 65 percent in FY 1985. Based on anticipated increases in living costs between now and FY 1982, the minimum combined food stamps AFDC benefit under this provision for a family of four with no other income in FY 1982 will probably be about $4600.

Section 109 provides deviations from the poverty line in two situations: (1) the minimum benefit standard for a single-member AFDC unit shall be one-fourth of the standard for a family of four; and (2) states will satisfy the minimum benefit requirements for family units larger than seven members as long as their combinations of food stamps and AFDC payments equal at least 60 percent of the poverty line for a family of seven.

Section 110—Resource Limitation:

This section would standardize resource limitations affecting AFDC eligibility by adopting on a national basis the resource limitations used in the Supplemental Security Income (SSI) program. For example, single-member AFDC units would be ineligible if they had liquid assets exceeding $1500 in value. The limit on liquid assets for a family of two or more would be $2250, the same as the limit for a married couple in the SSI program.

Section 110 would take effect at the beginning of FY 1981.

Section 111—Change of Title of "Aid to Families With Dependent Children" to "Family Security Program":

This section would change all references to the AFDC program throughout the Social Security Act to "Family Security Program" or "Aid for Family Security" as appropriate. This change in terminology would take effect at the start of FY 1981.

Section 121—Implementation of Work and Training Requirements:

This section makes the following changes to the Work Incentive Program:

(1) Requires AFDC recipients defined as employable to engage in work search activities. This requirement is also included in the

Senate Finance Committee's version of H.R. 7200.

(2) Exempts from WIN participation AFDC recipients who are: (a) working for not less than 30 hours a week; (b) engaged in a college-level undergraduate educational program for not less than 30 hours a week; or (c) employed in a CETA public service job.

(3) Clarifies for treatment, for purposes of the AFDC income disregard, of wages and training stipends paid under the WIN program. Public service employment and on-the-job training stipends are to be treated as earned income, while work experience and classroom training stipends will not.

(4) Revises the authority of the Secretary of Labor to issue regulations for certain aspects of the WIN program by requiring that all such regulations be jointly issued by the Secretaries of HEW and Labor.

(5) Eliminates the requirement for 60-day counseling before terminating assistance to an AFDC recipient who refuses a job offer or participation in WIN activities.

(6) Authorizes social and supportive services during work search and after employment is accepted.

(7) Authorizes counting of in-kind state and local contributions toward required 10% state-local share of WIN funding.

(8) Exempts from the Fair Labor Standards Act work experience assignments of up to 26 weeks under the WIN program.

Section 121 will take effect October 1. 1978.

Section 122—Placement of Responsibility for WIN Programs With States:

This section makes a number of changes to Part C, Title IV of the Social Security Act to make clear that the primary responsibility for operating the WIN program rests with the States. The Secretaries of Labor and HEW are to issue joint regulations for the WIN program, and the Secretary of Labor is to handle Federal-level administrative functions and oversight.

Section 122 also enables Governors to determine what agency will serve as the WIN agency for their states.

Section 122 will take effect October 1, 1978.

Section 123—Limitations on Amount of Annual Authorization for Programs; Quarterly Payments to States; Allotments to States:

This section provides for WIN funding of $565,000,000 annually (as compared to $365,000,000 appropriated for FY 1978) and makes WIN an appropriated entitlement program as opposed to merely authorizing appropriations under current law. This will assure that the full $565,000,000 is actually made available to the states. The procedures for allocating WIN funds among the states are also clarified.

Section 123 will take effect October 1, 1978.

Section 131—Federal Payments for Adoption Assistance and Foster Care:

This section adds a new Part E to Title IV of the Social Security Act, providing revised authority for Federal funding of state foster care programs, and a new program of Federal support for subsidized adoptions.

This section includes much of the bill language developed by the Senate Finance Committee and included in H.R. 7200 as reported by the Committee (now awaiting Senate Floor action). The states will be able to receive Federal matching for adoption subsidies paid to adoptive parents of hard-to-place children, provided the adoptive parents have incomes under 115% of the state median for a family of four. (In special circumstances, states may pay subsidies to higher income families). The adoption subsidy may not exceed the amounts which could have been payable if the child were in a foster care home. A child with a medical disability existing at the time of adoption will continue to have Medicaid coverage for treatment of that condition, even though the adoptive family is ineligible for Medicaid. States will also have the option to extend full medicaid coverage to such children.

The subsidized adoption program will become effective October 1, 1978 and will terminate September 30, 1982 unless extended by Congress.

Section 131 will also enable states to utilize Federal funding for the first time for foster care provided by public institutions serving no more than 25 resident children. This funding will only be available for children placed in such institutions after the effective date of the Act.

Section 201—Amendment to Title VI of the Comprehensive Employment and Training Act of 1973:

This section extends Title VI of CETA for five years, and provides that no less than 375,000 subsidized public service jobs shall be provided under it each year.

Section 202—Employment of Long-Term Unemployed and Certain Recipients of Aid to Families With Dependent Children:

This section targets CETA Title VI Public Service Jobs, as follows:

First priority: a guaranteed job for one adult in any AFDC-Unemployed Parent household who has searched unsuccessfully for a regular job for 90 days.

Remaining jobs: 50 percent to other AFDC recipients; 50 percent to other persons unemployed for 26 weeks or more, whether or not receiving unemployment compensation.

Section 211—Private Sector Voucher Program for Jobs:

This section adds a new Title IX to the Comprehensive Employment and Training Act, providing for a job voucher program to encourage employment in the private sector of AFDC recipients, persons unemployed for more than 26 weeks, unemployed youth (all of whom have searched for work for at least 90 days) and persons terminated from CETA public service jobs (who have searched for work for at least 30 days).

The vouchers will provide a subsidy of one dollar an hour for one year to for-profit and non-profit private organizations who employ persons who qualify for the vouchers. Eligibility will be certified by a state agency designated by the Governor. Vouchers will be redeemed through the banking system by the Treasury Department.

Employers will be precluded from using voucher-eligible employees to replace or reduce the hours of other employees. Employers will be required to pay prevailing wages, and will be required to choose between participation in the voucher program and claiming the job creation credit. (See section 302.)

Section 211 will become effective on October 1, 1978.

Section 301—Earned Income Credit:

This section enlarges the refundable Earned Income Credit now provided for in section 43 of the Internal Revenue Code, and authorizes distribution of the credit, as earned, through a "reverse withholding" process. The credit will continue to be available only to families with dependent children. The maximum credit would be increased from 10% of the first $4000 of earnings, to 15% of earnings up to the poverty line. The credit will vary by family size, up to a maximum of seven family members. For a family of four, the maximum credit will be approximately $975 in 1979, the first year in which the revised credit will be in effect (based on poverty line of approximately $6500).

Once the credit reaches its maximum, it phases out as income rises at a rate of 20 percent of earnings. This would result in the credit phasing out for a family of four at slightly over $11,000 in 1979, using the above assumptions about the poverty line.

Section 301 provides for special withholding certificates to be filed and periodically updated by employees. It also requires employees to report to their employers promptly any changes in earnings or other circumstances which could make them ineligible for the credit or reduce its size. Employers will off-set the credits distributed to employees against Federal income taxes withheld for employees. In order to provide stronger incentives for searching for and taking regular jobs, the credit will not be available for subsidized public service jobs under either CETA or WIN.

Section 302—Job Creation Credit:

This section would revise the existing temporary jobs credit and make it permanent. The credit would be targeted on the same groups who are eligible for job vouchers under section 211. The credit, like the vouchers, would be for one dollar an hour for one year for each eligible employee. Employers could not receive the tax credit if they participated in the Job Voucher Program.

The credit would be available only after employers increased their employment by more than 2 percent over the prior year's average. To keep employers from having an incentive to hire part-time rather than full-time workers, the employer would be entitled to the credit only if hours worked exceeded the prior year's by more than 5 percent.

The credit would not be refundable; but it would be an off-set against any tax liability the employer owed, up to a maximum of $100,000 per year.

The revised credit would become effective on January 1, 1979.

Section 303—Recoupment of Excess Welfare and Food Stamp Payments:

This section provides for recoupment through the Federal income tax system of amounts paid in AFDC and food stamp benefits to taxpayers who, on an annual basis, have incomes above the point where they would normally be entitled to public benefits. To illustrate: The way the program would work can be seen in the example of a head of a family of four who worked for part of a year during which he received $11,000 in earnings. He was unemployed for the balance of the year during which he received food stamps and/or AFDC worth $1,000. Under this section, he would owe the Treasury $240 over and above any positive tax liability he may have.

The premise behind this section is that people who work intermittently, at relatively high salaries, should not be put in better positions because of the AFDC and food stamp programs than a family with steady employment but similar overall income.

Section 303 would become effective January 1, 1979.

Section 401—Cash Assistance in Lieu of Food Stamps for Supplemental Security Income Recipients:

This section authorizes states to elect to have the Federal Government cash-out food stamps for recipients of Supplemental Security Income (SSI). In those states which elect cash-out, SSI recipients will receive benefit checks increased by the average value of food stamps received by all SSI recipients in that state.

Section 401 will become effective October 1, 1978.

Section 402—Reduction in Age Limit for SSI:

This section would lower the age limit for eligibility for Supplemental Security Income (SSI) on the basis of age from 65 to 64 in 1980, 63 in 1981, and 62 in 1982 and thereafter. Benefits for the elderly under SSI would then have the same age limits as retirement eligibility under Social Security.

Persons newly eligible for SSI on the basis of age would be required to meet the same income and resource limitations as other SSI recipients. States would have an option on whether to provide Medicaid coverage for the newly-eligible SSI recipients.

Section 501—Demonstration Projects:

This section authorizes demonstration projects involving cash-out of food stamps for public assistance and non-public assistance households.

Section 502—Repeal of Section 410 of Social Security Act:

This section repeals an out-of-date provision relating to the food stamp program.

Section 601—Assistance to Meet Emergency Needs:

This section establishes a Federal block grant program of $150 million per year to assist states in responding to temporary, emergency needs of vulnerable people. The money will be divided in proportion to the AFDC population.

The states will have wide latitude in use of the funds. This program would replace the existing much smaller ($35 million per year Federal costs; $35 million state/local), and more restrictive emergency assistance program.

The Secretary of HEW would be required to hold back up to 10% of the funds and use them to respond to special needs as they arose.

Section 701—Demonstration Projects:

This section directs HEW to work with USDA, Labor, HUD and states and localities in running demonstration projects to evaluate the feasibility of consolidated public assistance centers, and of various approaches to making more fundamental changes in the public welfare system. The welfare reform concepts which could be tested under this authority include a Federally-operated, consolidated program approach of the type reflected in the Carter welfare proposals, and an approach under which states would be freed from Federal regulations entirely in the design and operation of their welfare programs.

Section 702—Review of Art:

This section requires HEW in cooperation with Labor, Agriculture, and Treasury to conduct a thorough review of the effects of this act and report to the Congress in the fourth year after the bill is enacted, including recommendations for legislative changes.

Section 703—National Commission on Public Assistance:

This section creates a National Commission on Public Assistance, directed to study current welfare programs, including the modifications made by this bill, and to submit recommendations for further improving these programs (or replacing them with new programs) to the President and the Congress within three years. The Commission would consist of 11 members, with seven appointed by the President and two each by the Speaker of the House and President Pro Tem of the Senate. At least two of the members would be senior officials of state and local governments. The membership would also include recipients and potential recipients of public assistance, as well as experts in program design and operation.

Section 704—Uniform Definitions:

This section requires the Secretary of HEW to work with other cabinet departments in developing uniform definitions of household units and other concepts used in needs-tested programs. Appropriate legislative recommendations will be submitted to the Congress as one of the results of this work.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. BELLMON. I yield.

Mr. BAKER. Mr. President, I take this opportunity to thank the distinguished Senator from Oklahoma for his magnificent contribution to the conceptualization and the formalization of this proposal. Without his valuable assistance, I am not sure we would ever have reached this point. I am happy to be associated with him in this venture.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet until 12:30 p.m. today to consider S. 2236, the bill to strengthen Federal programs and policies for combatting international and domestic terrorism, and to explore ways of preventing nuclear terrorism.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas (Mr. BENTSEN) is recognized, as in legislative session, for not to exceed 5 minutes.

S. 2778—PCP CRIMINAL LAWS AND PROCEDURES ACT OF 1978

Mr. BENTSEN. Mr. President, about 7 million Americans, 20 percent of whom are under the age of 18, have used or continue to use one of the most dangerous and insidious drugs known to mankind.

Mr. President, you can buy 5 milligrams of PCP on the street, in the school hallway, at the playground, for a dollar. PCP is the most dangerous, illicit drug in use today. It is one of the least expensive and most available, as well. For the price of a school lunch, an eighth-grade student can literally blow his mind, possibly forever.

The widespread use of phencyclidine, PCP, angel dust, or hog is a plague on the youth of America. The drug can kill and cripple the mind. Consider the following:

A recent survey by the National Institute for Drug Abuse uncovered over 1 million young people under the age of 18 who admitted using PCP. Forty percent of them said they obtained the drug from a friend.

There has been a 50-percent increase in the number of young people using PCP in the past year alone.

The average age of the person admitted to hospital emergency rooms suffering from the effects of PCP is 15 years.

Mr. President, the horrors engendered by the use of angel dust are appalling. The files of the Los Angeles Police Department contain evidence of a young man pulling out his own teeth with pliers while under the influence of PCP; another gouged his eyes from their sockets to avoid seeing grotesque visions; a third young person drank rat poison to kill the rodents he believed had infested his body.

Persons under the influence of PCP are not restricted to doing harm to themselves. Violent, unprovoked attacks on innocent bystanders—such as the recent incident in which a teenager murdered his mother and father with a high-powered rifle while suffering PCP hallucinations—are not uncommon.

Earlier this year, Senator PERCY amended the Criminal Code Reform Act to reschedule PCB into schedule I of the Controlled Substances Act and increase the penalties for trafficking in this terrifying drug. I commend the Senator for this initiative. It is certainly a step in the right direction.

However, I believe that there is more we can do—more we must do—to control the abuse of PCP, to get this curse of a drug off the street.

One of the basic problems in attacking PCP is the fact that any person with a few hundred dollars and perverse instincts can manufacture angel dust at home or even in the back of a van. He can freely order the ingredients from a mail order house, and turn a $200 investment into drugs worth $1,000 on the street. He runs a certain risk of blowing himself up in the process, but this does not deter these entrepreneurs of derangement. Most of the angel dust used by the young people of America today is manufactured by nonprofessional criminals out to make a quick buck.

Mr. President, if there is an achilles heel in the process by which PCP is manufactured and distributed, it is access to piperidine, one essential element of PCP. We produce only 500,000 pounds of piperidine annually—that is one ten-thousandth of a percent of U.S. total organic chemical production. The major legitimate use of piperidine is in curing rubber, but it takes only a few hundred pounds of this chemical to addle the minds of millions of young people.

I noted earlier that most "street" PCP is manufactured by weekend profiteers who are encouraged to participate in the highly lucrative synthesis of PCP by the veil of anonymity that presently surrounds the purchase of chemicals.

Mr. President, when it comes to piperidine the time has come to tear away that veil of secrecy. In this country you have to register to drive a car, you have to present identification to purchase a handgun or dynamite; you have to show proof of age to buy a bottle of whiskey; you cannot obtain most drugs without a prescription. I think anyone who purchases piperidine should be prepared to identify himself.

I am not suggesting a licensing procedure. I do not envision interfering with the normal flow of chemicals throughout our economy. I have no intention of creating cumbersome bureaucratic procedures. I am simply proposing that the individual who goes to a chemical supply company, in person or by mail, to purchase piperidine should be required to present positive identification.

The purpose of the PCP Criminal Laws and Procedures Act of 1978, which I am introducing today, is to bring to the formal attention of the proper authorities the names of persons purchasing piperidine and perhaps producing PCP illegally. The act also increases criminal sanctions for first offense trafficking in PCP to a maximum of 10 years in prison and a fine of up to $100,000.

The present penalty is 5 years in prison and a $15,000 fine.

My legislation would have three primary benefits. It gives law enforcement authorities important information on purchasers of piperidine—people who are either curing rubber legally or destroying minds illegally.

Second, the requirement to register upon purchase of piperidine would obviously deter the casual entrepreneur from obtaining one of the raw materials used in the manufacture of PCP.

Finally, by providing legal procedures for the purchase of piperidine, we give law enforcement officials an added weapon to use in prosecuting illegal PCP manufacturers.

Mr. President, my legislation has been favorably received by the Drug Enforcement Agency and numerous State and local law enforcement agencies.

Obviously, I do not pretend that it will solve the problem of drug abuse among the youth of America. I acknowledge that it will not necessarily eliminate PCP from our streets, schools, and playgrounds. I am well aware of the potential for piperidine leakage and the possibility of increased organized criminal involvement.

I do, however, submit, that the PCP Criminal Laws and Procedures Act of 1978, if enacted, will drive the small, casual producer from the marketplace; lead to a dramatic increase in the street price of PCP; and hopefully substantially decrease usage by the young people of this country.

I commend this legislation to the attention of my colleagues and hope that we shall be able to enact it into law during this session of Congress. I do not think this country can afford to wait any longer before acting to control the abuse of PCP.

THE PANAMA CANAL TREATY

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume consideration of Executive N, 95th Congress, 1st session, Calender No. 2, the Panama Canal Treaty, which the clerk will state.

The legislative clerk read as follows:

Executive N, 95th Congress, 1st Session, the Panama Canal Treaty.

The Senate resumed the consideration of the treaty.

AMENDMENT NO. 86

The ACTING PRESIDENT pro tempore. The pending question is on amendment No. 86 by the Senator from Alabama (Mr. ALLEN). Under the previous order the Senator from Alabama (Mr. ALLEN) is recognized.

Mr. ALLEN. I thank the Chair.

Mr. President, the pending amendment covers two separate related subjects. I ask the Chair if he will kindly have the clerk state the amendment for the benefit of Senators.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment numbered 86.

Amend Article I by adding at the end of Section 1(d) the following new Subsection:

(e) It is expressly provided, however, that (A) nothing contained in this treaty shall deprive the United States of the right it has under the 1903 and 1955 treaties to prevent the construction of a second canal in Panama by any nation other than the United States; and that (B) nothing contained in the treaty shall prevent the United States from negotiating with any other nation for the construction, maintenance, and operation of a transoceanic canal anywhere in the Western Hemisphere, or from construction, maintaining, and operating any such canal.

Mr. ALLEN. Mr. President, inasmuch as the amendment contains two separate divisible subjects, I ask that the Chair divide the subjects, and I will address my remarks to the first part of the amendment.

The ACTING PRESIDENT pro tempore. The Senator has that right, and the amendment is divided.

Mr. ALLEN. I thank the Chair.

Mr. President, this amendment is one of the most important amendments that will be offered to the Panama Canal Treaty. It covers provisions in the treaty that would prevent the United States for the next 22 years from negotiating with any other country for the construction of a second canal, and it provides that in return for that supposedly no second canal could be constructed in Panama without our permission.

This amendment in its two phases would allow the United States to continue to have the right to prevent another country from building a second canal in Panama but it would not impose this limitation on the United States that we cannot even negotiate with another nation for the construction of a second canal.

Mr. President, it has been stated time and time again by the proponents of these treaties that the two provisions now in the treaty, that is, that no other nation can build a canal in Panama without our consent and that in return for that we must agree that we will not negotiate with another country, such as Nicaragua or Mexico, for the construction of another canal were put in the treaty at our request. That is hardly reasonable, Mr. President, to contend that.

Of course, if we are prevented from negotiating with another nation for the construction of a canal, obviously the negotiators then insisted that in compensation for that, to offset that prohibition on the United States, Panama would have to agree that no other nation could build a canal in Panama. The fallacy of that position, however, Mr. President, is that under the existing treaties—and I say treaties, because there is not only the 1903 treaty, but there is also the 1955 treaty that confirms the monopoly that we have on the construction of canals in Panama—as I shall read in just a moment from the 1903 treaty and the 1955 treaty, we already have the right to prevent any other nation from building a canal in Panama. But under the treaties—now listen to this; this is the way they worded it—we give up that monopoly. We give up the right to prevent any other nation from building a canal in Panama. That monopoly, that right to prevent another nation coming into Panama for building a canal, is wiped out under the treaty that we have. How is it wiped out? It wipes out every single treaty, protocol, agreement, exchange of notes, whatsoever, between the United States and Panama with respect to the Canal Zone and the Panama Canal. And we have to start from scratch.

Under the Panama Canal Treaty, nothing heretofore that has been negotiated in good faith will remain the agreement between the two countries. Every bit of it is wiped out, wiped out in the preamble or the first proviso before we get the articles. So whereas now we can prevent the construction of another canal by another nation in Panama—that is the rule now—in order to get that right again in the new treaties, we have to make the ridiculous commitment that we are not going to negotiate with any other nation that might have a feasible route for another canal. We cannot even negotiate with such a nation for another canal for 22 long years. So, what sort of negotiating was that by our negotiating team? A right that we already have they give up and then in order to get back the right we have just given up we have to make this prohibitive concession that we cannot negotiate with another nation for another canal for 22 years.

Mr. President, when the Panama Canal was on the verge of coming into being, while they were considering routes, the House of Representatives back in 1902, by an almost unanimous vote, 300 some odd to 8, voted for the Nicaraguan route, not the Panamanian route. That was changed in the Senate to go the Panamanian route. But many top engineers of the time felt that the Nicaraguan route was the preferable route. The House of Representatives thought so strongly that they almost unanimously voted for the Nicaraguan route. But under the treaty we have before us we cannot negotiate with Nicaragua for the construction of a canal for 22 long years.

Some say that across Mexico and coming out on the Pacific side at the Bay of Tehuantepec is a good route for a sea-level canal. Well, we cannot negotiate with Mexico. We cannot negotiate with Nicaragua, under the terms of the treaty, for 22 years.

What is the situation now? It is going to be changed by these treaties, while we negotiate all day long, day in and day out, week in and week out, anywhere we want to go for a canal. Why should we give up that right? Mr. President, it does not make sense. Why should we not retain the right, if the Panama Canal is not properly operated? If it becomes too small to take care of our ships, why should we not have the right to negotiate with another nation for another canal? It does not mean we have got to do it, but we are deprived of the right even to negotiate with another country.

Now that right is given up under the treaty and in return for the giving up of that right they say, "Oh, well, in return

for that we will let let you say that you will prevent Panama from allowing another nation to construct a canal across Panama."

Well, we already have that right. So we are making a tremendous concession in return for a right that we already have. Why no reasonable person would negotiate such an agreement, and this is a vital flaw in this treaty.

Some of the proponents of the treaties state that they have open minds with respect to amendments, and I heard the distinguished majority leader on a television program on just Sunday state that he had an open mind with respect to amendments on this treaty. Well, I assume he had that same open mind with respect to amendments to the Neutrality Treaty, but it did not open it up sufficiently, Mr. President, to admit any amendments other than the leadership amendment.

So I think it is going to be interesting, as this debate proceeds, to see to what extent the proponents of the treaties have open minds with respect to amendments.

Now, I would say that any Senator with an open mind with respect to amendments should certainly see the fallacy in a treaty that puts such a burden upon the United States, a burden that does not now exist, a burden of not being able for 22 years to negotiate with another country for another canal, in return for giving us the right to veto another canal in Panama by another nation, which is a right that we now have, to make such a tremendous concession as that in return—in return for what? In return for nothing. Because we already have that right, the right to veto the construction of another canal in Panama.

So I would feel that openminded Senators would see the fallacy of these two provisions in the treaties.

Mr. SARBANES. Will the Senator yield?

Mr. ALLEN. I will yield for a question, yes.

Mr. SARBANES. Could I ask the Senator to what provisions in the Panama Canal Treaty is his amendment directed?

Mr. ALLEN. My amendment is directed to article I. That is what we have under consideration.

Mr. SARBANES. And what provision in article I is it that the Senator feels needs amending or what provision of the treaty before us is it that the Senator feels is deficient and requires this amendment?

Mr. ALLEN. This question is so vital, the question of eliminating this prohibition, that in all likelihood, if the leadership persists in its policy of stonewalling against amendments, if it persists in its policy of demanding that the Senate rubberstamp this treaty without amendment, this is an amendment, or these are amendments, that the leadership is going to have to face time and time again here in this Senate.

Mr. SARBANES. Well, that may be, but just to make it clear, what provision in the Panama Canal Treaty is it that the Senator feels creates the problem that he is addressing?

Mr. ALLEN. I will respond, but I hope the Senator will allow me to complete my response before he interrupts again to ask a question.

The distinguished Senator has asked to what provision of the treaty my amendment is directed. Well, obviously, Mr. President, only amendments to article I can be considered at this time, because in Committee of the Whole that is the procedure, and I am glad that we are in Committee of the Whole, because we have to take these articles one at a time, in order.

At this time we are on article I. So. naturally, my amendment is directed to article I. It adds an addendum to article I.

Now the particular provisions of the treaty that would be supplanted by these two amendments, if they are agreed to by the Senate, can be found in article XII, section 2, subsections (a) and (b), which I will now read for the distinguished Senator's edification.

Mr. SARBANES. May I assure——

Mr. ALLEN (reading):

No new interoceanic canal shall be constructed in the territory of the Republic of Panama during the duration of this Treaty, except in accordance with the provisions of this Treaty, or as the two Parties may otherwise agree.

Mr. President, that is the veto power to which I alluded that the United States is given under this treaty in return for section (b), which I will now read for the further edification of the distinguished Senator from Maryland.

(b) During the duration of this Treaty, the United States of America shall not negotiate with third States for the right to construct an interoceanic canal on any other route in the Western Hemisphere, except as the two Parties may otherwise agree.

Now, Mr. President, that is already the treaty law between the two states involved.

I want to now proceed to read the provision of the 1903 treaty to which I have alluded. We find that in article V of the 1903 treaty. But for just a moment I want to comment on the effect of the 1955 treaty.

We have heard so much, Mr. President, about the United States negotiating with Panama back in 1903, and I have heard the distinguished Senator from Idaho (Mr. CHURCH) say that if the Panamanians had not agreed to that treaty, they were going to face a Colombian firing squad, and that, of course, they had to agree to that treaty, that it was forced on them almost against their will. That, in fact, it was against their will; it was sign the treaty or face the firing squad, is the issue as the Senator from Idaho has stated it.

The 1903 treaty gives us the right to have a monopoly in perpetuity for the construction, maintenance, and operation of the canal. I will read it in full, so it will not be considered my version; it is only four lines:

The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean.

That is the right that we have under the 1903 treaty. Now, 52 years later Panama and the United States entered into another treaty. Well, they did not have that Colombian firing squad to force Panama to enter into that treaty; it was an arm's-length transaction between sovereign states. So let us not refer to the 1903 treaty as the only basis for rights of the United States to construct, maintain, and operate a canal in the Panama Canal Zone.

First, let us compare the provision I just read with the provision that the distinguished Senator from Maryland called upon me to read. Let us compare those two, and see if they were any different.

Mr. SARBANES. Is the Senator now referring to the provisions of article XII, paragraphs 2 (a) and (b) of the Panama Canal Treaty?

Mr. ALLEN. Yes. I read them a moment ago. I am pleased that the distinguished Senator identifies them at this time.

Mr. SARBANES. The provisions in article XII of the treaty?

Mr. ALLEN. Well, the Senator just got through saying that. There is no need of repeating it.

Mr. SARBANES. All right.

Mr. ALLEN. Now, to compare the provision that is already the law between the two countries, which gives us the monopoly and gives us the veto right on the construction of another canal—frankly, Mr. President, I do not regard that right as being worth a great deal. I do not believe any country is going to be foolish enough to spend $10 billion building a canal in Panama, and then have the Panamanians do as they are doing now, and say "Give us that canal." They might well expropriate it.

So I really feel that that is of small moment, the right that we have from the 1903 treaty and the 1955 treaty, and that is given us in the treaty before us in return for tremendous concessions. I do not put too much stock in that. I do not know of any country, unless it be the Saudis, that could build a canal and spend $10 billion. If they sought to amortize a $10 billion investment, they would have to have some traffic there. So I do not regard that as too much of right, that is worth a great deal to us, the right to say that another nation cannot build a canal in Panama.

But I do regard this prohibition against the United States from even negotiating with another country for another canal as an intolerable prohibition.

All right. I have read the 1903 treaty; now I am going to show how it was brought forward in the 1955 treaty, when there were sovereign states dealing at arm's length with each other.

This is what is provided in the present treaty:

During the duration of this Treaty, the United States of America shall not negotiate with third States for the right to construct an interoceantic canal on any other route in the Western Hemisphere, except as the two Parties may otherwise agree.

That is what we would give up in return for a provision we already have. That provision reads as follows:

No new interoceanic canal shall be constructed in the territory of the Republic of

Panama during the duration of this Treaty, except in accordance with the provisions of this Treaty, or as the two Parties may otherwise agree;

What does that give us in that section that we do not already have? The answer is a great big fat zero. It gives us absolutely nothing in addition to what we already have.

Now, Mr. President, let us look at the 1955 treaty, where concessions were made, where departures were made from the 1903 treaty, and the provisions about the monopoly that the United States has.

In 1955—let us read the heading of that, just for the information of Senators before we get to this paragraph.

This starts off, just to give the history of the 1955 treaty:

Treaty, with Memorandum of Understandings reached;
Signed at Panama January 25, 1955;
Ratification—

We speak loosely here in the Senate sometimes of the Senate ratifying. The Senate does not ratify, it merely gives its advice and, if it approves the treaty, its consent, or it could give its advice and nonassent and, of course, that is what I would like to see the Senate do, give nonassent to this treaty. But we do not ratify it, even though that is a phrase that is sometimes loosely used:

Ratification advised by the Senate of the United States of America July 29, 1955;

Now, this took about 6 months. Talking about all this delay on the present treaty, this was a treaty that there was practically no controversy over, and it took 6 months from the time of the signature to the time that ratification was advised by the Senate, from January 25, 1955, to July 29, 1955.

The present treaty was signed, I believe, September 7, 1977, and we have not been on this treaty much longer than they were on that treaty way back in 1955. So I do not believe we are taking an undue amount of time with respect to the consideration of this treaty;

Ratified by the President of the United States of America August 17, 1955;

So there is where the word "ratification" properly comes in. The President ratifies it, on advice from the Senate.

I do not believe we have given the President the proper advice, Mr. President, unless we point out to him and change provisions which are not in the best interests of the United States. It would be mighty poor advice, it seems to me, with full knowledge that the treaty is defective. How could the Senate properly advise the President to ratify it?

It is our duty, Mr. President, as I see it, under the advise and consent provisions of the Constitution, as part of our advice to point out and to implement that pointing out of defects. We should point out and change defects which are so apparent in the wording of the treaty. That is part of our advice.

The leadership and the floor managers of the treaty apparently do not think that the Constitution places very much authority, power, and duty on the U.S. Senate in considering these treaties.

Pretty soon we are going to see just how openminded are Senators, the leadership, and the managers of the treaty.

I will say this for my distinguished friend, the distinguished Senator from Idaho (Mr. CHURCH): He does not beat around the bush on his attitude with respect to these treaties. He says:

Do not add a single word. Eight words, six words, two words, will kill the treaty.

So we see what his attitude is going to be. I admire that frankness and that candor in stating straight out:

No, we are not going to allow any amendments to pass, no siree.

We know what the attitude of the manager is. He did not say he had an open mind on the treaties. I will say that to the credit of the distinguished Senator from Idaho (Mr. CHURCH).

Mr. SARBANES. Will the Senator yield?

Mr. ALLEN. No, I will not. We have divided time here. The Senator interrupted me a few moments ago. I gave him the information he desired. I prefer he use his own time because it interrupts my chain of thought.

Mr. SARBANES. I will be happy to use my time——

Mr. ALLEN. I hope the Senator will allow me to finish my remarks. He has plenty of time to make such remarks as he wishes. I see him taking notes over there.

Mr. SARBANES. I will say to the distinguished Senator I have not taken a note this morning.

Mr. ALLEN. It might be well for the Senator to start making notes.

Mr. SARBANES. I have been listening to the Senator's comments very carefully.

Mr. ALLEN. I am glad the Senator is paying attention.

Mr. SARBANES. If he feels he has queries he wishes to pose to us during our time, I hope he would be happy to do so. I would hope on occasion he would yield for the purpose of a question. I have one further question I would like to ask the Senator.

Mr. ALLEN. Very well, I will accommodate the distinguished Senator.

Mr. SARBANES. I appreciate that. I wanted to ask this question: The provisions of the Panama Canal Treaty, now pending before us, which create concern in the Senator's mind, and which he is seeking to change, are in article XII of the treaty. Why is he offering his amendment to article I? Why not offer it to article XII when that provision is before the Senate?

Mr. ALLEN. Is that the single question the Senator wanted to ask?

Mr. SARBANES. I would be interested in the Senator's reasoning on that point. By his own admission, I believe his amendment applies to article XII.

Mr. ALLEN. I thought the Senator had a single question to propound. Having propounded it, I hope he permits me to answer it.

Mr. SARBANES. I do not want to argue with the Senator. I hope he will answer my question.

Mr. ALLEN. I will answer it right now. The whole treaty is before the Committee of the Whole of the U.S. Senate. We are limited at this time to article I. Since the entire treaty is before us, since the thrust of the treaty is before us, it is entirely appropriate, I will say to the distinguished Senator, to present any phase of the treaty as an amendment to the first article. My amendment does not change one single word in the wording of article I. All it does is to bring to the fore one of the most important defects in the treaty and to point out a way to correct that defect.

If the leadership is going to stonewall amendments, if the leadership is going to insist that we have rubber stamp treatment of this treaty, then this amendment will be defeated.

I recognize the leadership is at the head of an army of some 60 Senators who are willing to vote according to the recommendations of the leadership. It may be possible that we will have to address this very same question not once but several times when we get down to article XII. We will probably still be needing this amendment.

The PRESIDING OFFICER. The Chair would like to remind the Senator from Alabama that there is no allocation of time.

Mr. ALLEN. Mr. President, I ask unanimous consent that the time between now and the time of the vote on the amendment be equally divided between the managers of the treaty and the Senator from Alabama.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I ask the Chair how much time the Senator from Alabama has consumed.

Mr. SARBANES. Under the unanimous consent request, I thought the time was equally divided between the two sides.

The PRESIDING OFFICER. The only thing the unanimous-consent agreement has in it is that we would vote at 1 o'clock and at 3:30.

Mr. SARBANES. I meant the time between when we started considering the amendment and the vote should be divided.

Mr. ALLEN. That is certainly all right. I will say for the benefit of the leadership, to give full credit to the leadership, the distinguished majority leader asked me last evening before we recessed if I would agree with that. I was going to honor that request even though it had not been made. Of course the time should be equally divided. I now ask the Chair how much time the Senator from Alabama has consumed.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mr. ALLEN. How much time has the Senator from Alabama consumed, Mr. President?

The PRESIDING OFFICER. The Senator from Alabama has used 38 minutes. The time began at 10 minutes after 10.

Mr. ALLEN. I thank the Chair.

The distinguished Senator from Maryland wished to make one further inquiry, which he did. He asked me why I was addressing by an amendment to article I something which appears down in article XII. The answer is that the Senator from

Alabama feels that the major issues in this treaty should first be addressed.

In the interest of seeing that the Senate is occupied with the consideration not of frivolous amendments, not of dilatory amendments, but of amendments which go to the very heart of the treaty is the reason the Senator from Alabama has brought up this amendment to article I.

I will say this to the distinguished managers of the treaty: Some interest has been expressed in wondering when this treaty might come to a vote. I say that if the distinguished managers of the bill will allow the Members of the Senate that they lead, the substantial majority of the Senators they lead, to vote their independent convictions in this area, and will see that much needed amendments are agreed to and added to this treaty, we will come to a vote much quicker than if the leadership and the managers of the treaty insist on the Senate rubberstamping these treaties, than if they insist on stonewalling against meritorious amendments.

If the Senate will permit or if the floor managers will permit Senators, if they will release them from blindly following the recommendations of the managers so that they might vote for amendments that are needed, let Mr. Torrijos worry about the ratification down in Panama and let the U.S. Senate give proper advice to the President with regard to the ratification of this treaty, in all likelihood, we could finish action on this treaty in the next few days.

I will say, no matter how the treaty might be amended by such amendments as the one that I have at the desk, as long as the treaty provides for giving the Panama Canal away, then I cannot vote for such a treaty. But there is a difference between not voting for a treaty and allowing an early final vote on the treaty. If we could, if the Senate would, in its wisdom, take care of the American taxpayer, with a substantial amendment providing that we are just going to give the canal to Panama and we are not going to pay them the hundreds of millions of dollars to take it—that is one amendment that needs to be adopted. Even though we are going to give it away, do not burden the American taxpayer, who will be overburdened with taxes, with the duty of paying thousands of millions of dollars to Panama.

If we knock out this provision that we must not negotiate with another country for the building of a canal; if we require the Panama Canal Commission, a commission of nine that takes over immediately—five U.S. citizens, four Panamanian citizens—if we allow those commissioners to be confirmed by the U.S. Senate so that we will not have just anybody that Torrijos names serving on this commission. That is a U.S. commission. It is not a United States–Panamanian commission. It is an agency of the United States.

To say that we are going to have to take as four of the nine commissioners four Panamanians whose names are submitted to us without any right to refuse those names—I challenge the supporters of these treaties to show that the United States has any discretion whatsoever in the naming of these four Panamanian out of nine members of this United States-Panama Canal Commission. We have to take whoever they name. I do not care whether they be men of poor character, violators of laws, rascals if you please, we have to accept those four Panamanians. Not one word about the United States having any discretion.

That is the sort of treaty that has been dumped in our lap. I feel that there are major amendments that should be made.

Another provision, Mr. President, I think needs careful attention. We have about—well, I shall not say the number. We have several thousand U.S. citizens working for the Panama Canal Company. Already, there are some 75 percent—I heard the distinguished Senator from Maryland use the figure 80 percent the other day—of the employees of the Panama Canal Company who are Panamanians. Of this 20 percent that is left who are citizens of the United States, do you know what the treaty provides? It provides that, within 5 years, we have to reduce that 20 or 25 percent that we have by 20 percent. I feel that there ought to be an amendment protecting the U.S. employees, U.S. citizens who are employees of the Panama Canal Company. They should be protected in their employment. If they are doing a good job, they should not be booted out.

The United States is supposed to have the operation of the canal for the next 22 years. What kind of operation is that? What kind of control is that, Mr. President, if we have to agree that we are going to reduce this 25 percent of employees that are U.S. citizens by 20 percent in 5 years?

Then, Mr. President, they talk about the dignity of Panama, when we cannot put any American employees down there, U.S. employees, add them to the work force down there, unless such person has a skill that is not available in Panama.

Well, it is one thing to give them the canal 22 years from now and to say that in the interim, we are going to keep control of the canal, we are going to operate it, and yet, we find that we have to start a systematic reduction right away of employees who are citizens of the United States.

How much more do they want, Mr. President, than 75 percent of the employees? That is a pretty good percentage on an operation that is supposed to be a U.S. operation. They are not satisfied with that. But we cannot send anybody down there unless he has a special skill and, of the employees that are there, we have to get rid of 20 percent of them in the next 5 years.

Mr. President, I was reading a moment ago, and I did digress somewhat. I was pointing out the steps in the ratification of the 1955 treaty. Mighty little has been said, Mr. President, about the 1955 treaty, entered into over 50 years after the first treaty. They talked about how helpless Panama was back in 1903, that we just took advantage of them down there and did not respect their sovereignty and they sent a Frenchman up here to sign a treaty for them, and all of that; even though some nine members of the Panamanian cabinet did sign the instrument of ratification showing approval by the Panamanian Government of the 1903 treaty. We have not heard a great deal about the 1955 treaty, more than 50 years later. I guess by that time, Mr. President, we were not exerting undue influence on them.

The charge has been made here, on the floor, that if the Panamanians had not signed the 1903 treaty, if they had not agreed to it, they would have faced a Colombian firing squad.

(Mr. SASSER assumed the chair.)

Mr. ALLEN. But I do not believe anybody feared a Colombian firing squad in 1955.

Let us go on here where it says, "Ratified by the President of the United States of America, August 17, 1955."

That is the 1955 treaty, ratified by Panama.

August 15, 1955, 2 days before the President ratified:

Ratifications exchanged at Washington, August 23, 1955, proclaimed by the President of the United States of America, August 26, 1955, entered into force August 23, 1955.

Now, let us see what the Panamanians agreed to with respect to the monopoly as to a canal and other interoceanic communication in this treaty 50 years later when they had arms' length bargaining between sovereign states.

I mentioned the provision in the 1903 treaty that did give us a monopoly on all interoceanic communication across Panama by railroad, by canal, even by roads.

Mr. President, in 1955, article III of that treaty, let us read the first paragraph. I think it will shed some light on it:

Subject to the provisions of the succeeding paragraphs of this Article, the United States of America agree that the monopoly granted in perpetuity by the Republic of Panama to the United States for the construction, maintenance and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean, by Article V of the Convention signed November 18, 1903, shall be abrogated as of the effective date of this Treaty in so far as it pertains to the construction, maintenance and operation of any system of trans-Isthmian communication by railroad within the territory under the jurisdiction of the Republic of Panama.

So by this article, in the first paragraph, the United States had a monopoly throughout Panama on any type of interoceanic communication from the Pacific to the Caribbean, whether it be by railroad, by canal, or even by roads.

But in this treaty, article V, the next paragraph, has to do with releasing this monopoly as to roads, but it retained the monopoly as to canals.

So we do not have to go back to 1903 to see this right that the United States has to have a monopoly in perpetuity on another canal.

In releasing it, in releasing as to railroads and roads, they just released, Mr. President, as I read it, the monopoly; they do away with the monopoly as to railroads and roads in Panama outside the Panama Canal Zone.

They retain that monopoly inside the zone. But they retain the monopoly on additional canal construction in all of Panama. This is a sovereign state in 1955, not worried about that Colombian firing squad as the proponents of the treaty say was one of the inducements to agreeing to the 1903 treaty. They reiterate in 1955 this monopoly.

So it seems passing strange to me, Mr. President, that with this right so deeply embedded in the law, reconfirmed in 1955 that the United States has a veto on canal construction in Panama, having that right already and then to proceed to release that right in the Panama Canal Treaty we have before us.

Then in order to get that right back, a right we now have, it seems rather strange Panama forcing our negotiators to put in a provision against our best interests and putting a limitation on the United States of America on negotiating with another nation for the construction of another canal in such other nation.

Why in the world would our negotiators put such a provision as that in there? They say it is put in at our request. Well, they say it was put in in order to get this veto power against another canal by another nation in Panama when we already have that veto power.

Now, what kind of trading is that? The Yankees are supposed to be pretty good traders. It looks to me like the Panamanians outtraded our fellows at every turn.

They get us to release rights and then when we want them back, they say, "Well, we will give them back to you provided you will do something else."

That is how this provision came into the treaty, that we cannot negotiate with another nation for the construction of another canal in a country other than Panama.

So this needs to be adjusted, Mr. President. This is going to be a major test, as I see it, of whether the leadership and the managers of the treaty are going to agree to provisions that will knock out provisions in the treaty directly against the best interests of the people of the United States.

If the leadership says, "Well, this is not needed," it is needed. Without an amendment at this point or later on in the treaty, we are going to find ourselves giving up a right we now have and, in order to get it back, making a concession that is a most ridiculous concession.

Why in the world should this be? The United States has a right to negotiate, I assume, with any nation on any subject. Why should it commit itself in this treaty not to negotiate with another nation for another canal, outside Panama for 22 long years? That is what the treaty provides.

This amendment would knock out those provisions, or it would have the effect of knocking them out, because it goes directly contrary to what it later says in the treaty; and I imagine it would be a mere formality to knock out the two provisions when we get down to them. But this is an issue that needs to be faced right at the very beginning of this debate.

I say again—I cannot emphasize too strongly—that we are really just now getting to the basic issue of these treaties. All that has been decided up to now is that in the year 2000 we are going to defend the canal. Well, many of us felt that the defense provisions were not strong enough. Be that as it may, we voted that under certain conditions we are going to have the right to intervene in Panama for the defense of the canal, even though at some time under this treaty we are providing that our troops have to be out of there, under the Neutrality Treaty, that our troops have to be out of there by the year 2000. That is all we have decided—that we are going to defend the canal.

So the basic thrust of the treaties still has to be addressed. Are we going to give the canal away? Are we going to protect the American taxpayer? If this treaty is approved, it would breathe life into the other treaty. It is absolutely dormant at this time—in a state of suspended animation, as it were, not worth a thing. It has no life, has no effectiveness, has no being, until this treaty is approved.

If this treaty is defeated, the other treaty falls. I argued in the first days of the first debate that we should take up this treaty first, decide first whether we are going to give the canal away, before worrying about whether we are going to defend it in the year 2000.

Let us see how the pending amendment would help cure this defect in the treaty—a major defect in the treaty, I might say. As I say, this is going to be a test of the leadership willingness to accept constructive amendments, whether the managers of the bill are going to insist on rubberstamping the approval of the treaty, whether they are going to stonewall against every amendment that is offered, no matter what its merit, whether we are going to be forbidden from submitting and obtaining passage of a single word change.

Mr. President, I wonder whether the leadership is going to come forward with a leadership amendment on this treaty. They saw some great defects in the other treaty, and they came forward with an amendment that they said takes care of these defects. Well, the amendment was the memorandum, word for word, entered into between the President and the dictator. They saved that treaty. They all said it was doomed. Both leaders said it was doomed, the members of the Foreign Relations Committee said it was doomed, unless the leadership amendment was adopted, and that was going to cure everything.

We discussed the leadership amendment quite a bit here. It had about as many defects as the treaty had, but the amendment is supposed to make acceptable something that was absolutely unacceptable, that was headed for defeat. It made the treaty so acceptable that no other amendments were permitted, not one. I wonder whether the leadership is going to come forward with an amendment to cure the manifest defects in this treaty. I hope they will. I will support it, just as I supported the inadequate leadership amendment on the other treaty. Let us see if the leadership is going to come up with perfecting amendments on this treaty.

I must say, Mr. President, that the Foreign Relations Committee did not make a single committee amendment. They had witnesses for weeks on end. They did not offer a single committee amendment. They gave approval to the leadership amendment, but the committee did not make a single committee amendment to either treaty—not one. I believe there is enough ability on that committee to see these defects and to offer amendments to correct them, but they have not done it. I am going to be watching with great interest to see if the leadership will offer leadership amendments to this treaty, which is full of holes and ambiguities and defects.

Back again to the amendment. It is in two parts. One part, and this is the one on which we will be voting first—there will be two separate votes—reads:

> It is expressly provided that nothing contained in this treaty shall deprive the United States of the right it has under the 1903 and 1955 treaties to prevent the construction of a second canal in Panama by any nation other than the United States.

Is that a radical departure? Is this putting in a surprise provision? Why, no. It is the present treaty between the two countries. It says that whatever the law is under the treaties now in existence between Panama and the United States—and I am referring not only to the 1903 treaty but also to the 1955 treaty—whatever is there, be it much or be it little, with respect to this one issue, the building of another canal in Panama by a nation other than the United States or Panama, whatever rights we now have under these treaties, they are not going to be done away with by the treaty we have before us, the present Panama Canal Treaty. That is all it does.

That is all it does. It does not put in this ignoble provision saying that we cannot negotiate with another nation about a canal in that other country.

Mr. President, what if the opponents of these treaties—or I might say those who have sought to strengthen these treaties—what if those who had thought to strengthen both of these treaties had suggested, I say to the distinguished Senators from Utah (Mr. HATCH and Mr. GARN), what if we or other like-minded Senators had sought to put a provision in either of these treaties that Panama could not negotiate with another nation for the building of a canal? Would there not have been a tremendous outcry from the leadership and the managers of the treaty that we should not heap this indignity on Panama, that we should not prevent them from taking lawful acts to protect their interests, that that would be a gross violation of the dignity and the sovereignty of Panama if we should seek to do any such outrageous thing? But yet we provide that, put that prohibition on ourselves under this treaty, and the managers of the bill apparently are going to seek to keep that provision in there. I will pose that question rhetorically to the distinguished Senators, and I am going to yield the floor in just a minute after I explain the second provision. That says that we will continue to have the right to prevent the construction of a second canal and then the other

provision about which I was alluding to a moment ago:

. . . nothing contained in the treaty shall prevent the United States from negotiating with any other nation for the construction, maintenance, and operation of a transoceanic canal anywhere in the Western Hemisphere, or from constructing, maintaining, and operating any such canal.

That is the rule now between the two countries, and our negotiators very foolishly allowed them to impose that prohibition upon the sovereign United States. This is the kind of stuff that you might think about having happen in reverse order back in 1903. You would not think a provision like that would be inserted in a modern-day treaty, to say the United States shall not have the authority to seek to provide another canal in another country, but for 22 long years we cannot take that action.

The first matter says that we shall continue to have our veto power over the construction by another nation of a canal in Panama irrespective of other provisions in the treaty. That will be the first question to be decided by the first part of this amendment.

I do yield the floor at this time, after asking Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 13 minutes remaining.

Mr. ALLEN. I thank the Chair.

I reserve the remainder of my time.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I have listened carefully to the distinguished Senator from Alabama, as I always try to do, and I appreciated him yielding on occasion for a question, although I understood and, of course, respected his desire not to do that too frequently and his desire to simply be allowed to go on and make his statement with respect to the amendment he has pending at the desk; the amendment he has offered to article I which has been now divided. So there will be two votes with respect to the provisions of the amendment. One at 1 p.m. today and one at 3:30 p.m. today.

The first point I wish to make, Mr. President, and it was a point that did come out in the colloquy that we were able to have earlier in the morning, is that as to the Panama Canal Treaty which is now pending before us, the provisions in that treaty to which the Senator from Alabama is now raising questions and concerns are found in article XII of the treaty, in article XII of a treaty which encompasses 14 articles. Yet the amendment that has been proposed to deal with provisions found in article XII has been proposed to article I of the treaty. Under the procedure for considering treaties in the Senate we proceed through the treaty article by article. In other words, article I is first before us for amendment, and when all amendments to article I have been disposed of and if there is no further debate we then move on to article II. Article II will then be before us for amendment. When all amendments to article II have been disposed of and if there is no further general debate we move on to article III, and in that way we move through the treaty article by article.

In addition, Mr. President, at the end of the consideration of all of the articles in sequence, article by article, it is then open to any Member of the Senate, if he wishes, to go back and offer an amendment to any of the articles through which we have passed.

What has happened here is that an amendment has been laid down to article I of the treaty which I do not think anyone would deny deals with article XII of the treaty. I think that is very clear. The distinguished Senator from Alabama in fact quoted the provisions of article XII of this treaty in the course of his exposition with respect to his amendment. I simply want to suggest to the Members of the Senate that, if we are going to consider every amendment to any provision of the treaty first as an amendment to article I of the treaty and then quite possibly again when we reach the relevant and pertinent article to which the amendment is actually addressed, in this instance article XII, and then, in addition, at the conclusion of having gone through all of the articles to go back and offer an amendment yet again, we are on a procedure which would appear to have no end to it.

It is, of course, the prerogative of the distinguished Senator from Alabama and any other Member of the Senate to frame their amendments in such a way as they choose and to offer them when they choose to whatever article they choose to do so. But I simply wish to suggest that the more logical and orderly way to proceed would be to offer amendments to the article to which the amendments are addressed and not to put the Senate in the position of considering amendments when the article to which the amendment applies is not pending before the Senate.

We have a situation here in which an amendment, which clearly goes to article XII of this treaty, has now been laid down to article I of the treaty. There is no provision in article I of the treaty that relates to the question to which the amendment is addressed. The provisions in the treaty that relate to the questions to which the amendment is addressed are to be found in article XII of the Panama Canal Treaty.

For the sake of some order and logic in how we proceed, it seems to this Senator that it would be a more sensible procedure for amendments to be presented at the time when the relevant provisions of the treaty to which they are addressed are before the Senate.

Now, turning to the amendment—and the Senator from Alabama has divided his amendment—turning to that portion of it which will be before us at 1 o'clock for a vote, which seeks to give the United States the right to, in effect, control the use of Panamanian territory with respect to the construction of any other canal in Panama, reference has been made back to the 1903 treaty, and it has been asserted that this is a right which we have under the 1903 treaty.

That may be. But the reason we are here considering these treaties that are before the Senate, the reason we are engaged in this entire debate, is that the 1903 treaty has not proven a satisfactory basis upon which to rest the relationship between the United States and the Republic of Panama.

We have been through that issue at great length in the consideration of the permanent Neutrality Treaty which this body approved by the quite sizable margin of 68 to 32. We have been through that issue, that the 1903 treaty, given how it was arrived at and given the nature of its provisions, has not proven to be a stable basis upon which to rest the relationship between the United States and the Republic of Panama.

We are here to renegotiate that relationship and to arrive at a different, more equitable, more permanent, more stable relationship between our two countries.

One of the things the people of Panama have always been sensitive to with respect to the 1903 treaty is that they do not have jurisdiction and control over their country like any other nation has; that the United States holds a corridor of land through Panama which divides that country in two. It is their territory, their country, and we hold a part of it and exercise jurisdiction over it. Of course, it has always been the contention on the part of the Panamanian people that this is unacceptable to them.

We discussed at great length on the floor of the Senate over the course of the 6 weeks we have now been engaged in this debate how the 1903 treaty was arrived at, the nature of the negotiations by Philippe Bunau-Varilla, the Frenchman, with our Secretary of State, without any Panamanians being involved in the negotiations; the hasty signing of a treaty document in advance of Panamanian negotiators arriving in Washington since it was perceived that the terms would clearly not be acceptable to the Panamanians; and then the subsequent ratification of that document by the Panamanians under the threat that unless they did so the American protection for the Panamanian revolution, leading to their independence from Colombia, that our protection of that would be withdrawn, and that those who had led the independence fight would be left at the mercy of the Colombian armed forces which, under the circumstances fairly clearly meant death at the hands of a firing squad.

Therefore, I think it is understandable, given that choice, why they chose then to subsequently ratify the treaty. But the treaty of 1903 was never accepted, and over the years the resentment toward it and the feeling that it was a completely unfair bargain imposed upon the people of Panama has grown and grown in that country.

It does not really answer anything to take the floor of the Senate, as the Senator from Alabama did earlier this morning, and say, "Well, this is a provision that is in the 1903 treaty and, therefore, it ought to be carried forward."

There are many provisions in the 1903 treaty which are not acceptable for nego-

tiating a new basis of our relationship with Panama.

The whole exercise in which we are engaged is to arrive at a new basis for the relationship between the United States and the Republic of Panama, a basis which is perceived to have equity to it, a basis that protects the interests of both countries, and a basis that is mutually acceptable and, therefore, gives us something on which to rest our relationship in the future.

So the fact that some provision was in the 1903 treaty and is not being carried forward is not an argument for that provision, because the whole 1903 treaty is before us for renegotiation. That is an argument for adhering to the 1903 treaty and, of course, I note there that the distinguished Senator from Alabama has been opposed to revision of our treaty relationship with Panama, has taken early, before these treaties were even presented to the Senate so that we knew their texts and what they involved, the position that he was opposed to revision of that relationship.

In fact, the other day, in all fairness to him, when he talked about amending the treaties and he suggested we should have considered them in reverse order, and he then suggested that had we done that there might have been 90 or 95 Senators or he said even 99 Senators who would then support the treaty—he was careful not to include the 100th—and, of course, in a genial response to a question he allowed as how he could not include the 100th because his own position would, of course, have been in opposition, which conforms to a pledge which he made to his constituency with respect to his position on the treaties. So we understand his opposition, as it were, from the very beginning, even before there was a treaty document before us to consider with respect to these treaties.

Reference was made to the revision in 1955, in the treaty of 1955, and it was mentioned that the preclusion of a canal by another party was carried forward in the 1955 treaty. That is correct.

The fact is that the revisions in 1936 under President Roosevelt's Good Neighbor Policy, and the revisions again in 1955 by President Eisenhower when he held the office of Chief Executive in this country, neither fully answered the concerns of the people of Panama with respect to the treaty of 1903.

Both sought to improve the situation, and did, in fact, improve the situation. But neither treaty was put forward by us, and certainly neither treaty was perceived by the people of Panama, as rectifying fully the 1903 treaty.

It is very important to appreciate that because what we are seeking to do here today is to move from the 1903 treaty and place the relationship between our two countries on a basis that can have a lasting quality to it.

That is why the treaty we approved only last week in a 68-to-32 vote, is called the Permanent Neutrality Treaty. That treaty runs without limitation as to time and is, of course, designed to insure the permanent neutrality of the Panama Canal or of any other canal constructed through the Isthmus of Panama. And I want to underscore that last point.

The regime of neutrality under the Neutrality Treaty which provides for the neutral operation of the Panama Canal and which provides that the Republic of Panama and the United States can take such actions as each of the countries deems are necessary to maintain the neutrality of the canal, those provisions would apply to any canal through the Isthmus of Panama, and those provisions, of course, take effect not after the year 2000, but take effect along with the Panama Canal treaties 6 months after the exchange of instruments of ratification with respect to these treaties.

Now that is very important because it insures a regime of neutrality of any canal through the Isthmus of Panama, and, of course, one of the premises of these treaties is that a neutral canal serves American interests. It best insures our ability to continue to use the canal both for military and for commercial purposes, and as it has been repeatedly said in this debate, the importance of the canal to the United States is its use. If we could not use the canal, if we could not make use of the canal for purpose of transit from one ocean to the other, the canal would not have any value. The canal value lies in its use and that is very important to be understood.

So the 1903 and the 1955 treaties to which the Senator from Alabama has referred constitute the past relationship and that relationship has proven to be inadequate. That relationship is not sufficient to structure a mutual cooperative and constructive framework between the people of Panama and the people of the United States. We are now trying to revive that relationship and arrive at an understanding that will enable us to move forward between the two countries in a way that serves our interests, the interests of the United States, and in a way that serves the interests of the people of the Republic of Panama.

Now I wish to address the Senate with respect to this question of a canal through Panama or through somewhere else and the importance of the provisions that Panama will not, as this new treaty states, allow anyone else to build a canal until the end of the century through their territory without the approval or the permission of the United States, and that we in turn will not negotiate outside of the country of Panama to construct such a canal.

I wish to read testimony that was given before the Foreign Relations Committee by Col. John P. Sheffey, U.S. Army, retired. When he appeared before the committee, Colonel Sheffey stated the following, and I am now quoting:

Mr. Chairman, gentlemen, I am Colonel John P. Sheffey, U.S. Army (Ret.). My experience in Panama Canal affairs has been rather extensive—five years as the Secretary of the Army's Military Assistance for Canal matters, five years as the Executive Director of the President's Atlantic-Pacific Interoceanic Canal Study Commission, and three years in the Department of State as Special Advisor to the U.S. Canal Treaty Negotiator on an appointment that was terminated by the Department of State in 1974. Subsequently, I have maintained contact with the State and Defense negotiators and have followed the development of the current treaty drafts.

He then goes on to say:

First, as the former Executive Director of the $22 million sea-level canal study in 1965–70, I assure you that there are no foreseeable circumstances in which the United States would be likely to consider building a new Isthmian canal outside Panama. The only feasible routes are in Panama. The economic, technical and political objections to the far longer routes in Colombia and Nicaragua eliminate them from practical consideration. Limiting the choice to Panama for the remainder of this century costs the U.S. nothing, and the treaty proposal for this prevents other powers meddling in the matter.

The theoretically feasible routes in Nicaragua and Colombia are 140 miles and 100 miles in length, respectively, as compared with 40 miles or less for the Panamanian route. The movement of large ships in narrow canal waters is a slow and hazardous operation. Ship operators would not readily accept the risk and time lost in transit on these long routes. The construction and operation costs of these longer canals would be three or four times the cost of the shorter canals in Panama, and even the shorter Panamanian routes are not economically feasible at currently forecast traffic levels.

I will read that sentence again. This is from the statement of Colonel Sheffey, who had been the executive director of the $22 million sea-level canal study from 1965 to 1970.

We have here the report of the Atlantic-Pacific Interoceanic Canal Study Commission, the final report which is a very thick document. I think it is fair to say it is over a thousand pages and it has extensive backup documents as well.

That was a special commission authorized by Public Law 88–609 of the 88th Congress. It was chaired by Robert B. Anderson and included as its members Milton S. Eisenhower, Raymond A. Hill, Kenneth E. Fields, and Robert G. Storey.

Mr. President, this was a very extensive study. Anyone interested in this issue really ought to examine carefully the study of this commission.

For example, they have chapters in this book which deal with the isthmian canal interest of the United States and other nations. They analyze the potential canal traffic and revenues. They considered the matter of excavation by nuclear methods. They considered important environmental matters. There was a very extended analysis of the alternatives, very careful analysis of financial feasibility. They dealt with the issue of the management of a sea-level canal and its construction and operation.

Now their conclusion, as Colonel Sheffey stated, was that the only feasible routes are in Panama. The economic, technical and political objections to the far longer routes in Colombia and Nicaragua eliminated them from practical consideration.

Colonel Sheffey stated:

Limiting the choice to Panama for the remainder of this century costs the U.S. nothing, and the treaty proposal for this

prevents other powers meddling in the matter.

Then Colonel Sheffey went on to say:

The construction and operation costs of these longer canals would be three or four times the cost of the shorter canals in Panama, and even the shorter Panamanian routes are not economically feasible at currently forecast traffic levels.

He then stated:

In the 1970 study, the Nicaraguan and Colombian routes were considered only for a sea-level canal constructed by nuclear excavation. Nuclear excavation is of questionable technical feasibility at best, and is politically infeasible beyond doubt. Conventional excavation costs on these longer routes were so great that they were not even estimated with any precision. Today's construction costs on either route would be in excess of $20 billion, and this could easily double by the time such a canal might be needed.

In the question period involving Colonel Sheffey, he was asked about the sea level canal, and he made the following points:

The argument that we need the right to build a canal outside Panama for some unforeseen purpose is an empty one. We cannot build a canal outside Panama.

He went on to say:

When we entered this study in 1965, one of our purposes was to prove that we could build a canal, a technically satisfactory canal, outside Panama because it would give us far better negotiating leverage to renegotiate our relationship with Panama.

We spent $22 million of the taxpayers' money in 5 years and proved only that we could not build outside Panama.

This is from the executive director of the study commission. I have not heard anyone question the quality of work which has gone into the interoceanic canal study commission.

To come back again to the provisions of the amendment of the Senator from Alabama, now before us, it, in effect, seeks to carry forward into this treaty the provisions of the 1903 treaty. I simply want to underscore again that we are here considering these treaties because it is clearly in our interest and has proven necessary to renegotiate the terms of the 1903 treaty. It does not advance us very far in considering these documents to fasten on to some provision of the 1903 treaty and insist that it be carried forward in terms of the relationship between the two countries.

The reason we are here with these new treaties, trying to arrive at a new relationship which will protect our interests, which is fair to the Panamanians, which will be the basis on which we can move into the future, is that so many of the provisions of the 1903 arrangement have proven to be unacceptable. That is the issue which is before the Senate.

Senators only avoid that issue, and the country only avoids it, if one proceeds on the premise that we are going to carry forward provisions of the 1903 treaty. If we could carry forward the provisions of the 1903 treaty as a basis of the relationship between the United States and Panama, we would not be here considering these treaties. That is the reason we are here and the reason we have been here for 6 weeks.

I would hope, Mr. President, that at some time we would reach an understanding on when we are going to conclude our considerations with respect to this treaty. I think it quite reasonable that an appropriate period of time should pass for considering each of the articles. However, I hope we can at least settle when that process is going to come to an end as we did with the Neutrality Treaty.

The reason we are here considering these treaties and have now spent 6 weeks on it, or over 6 weeks on it, is because the provisions of the 1903 treaty are not acceptable. Now to come with an amendment which seeks to carry those provisions forward is to proceed on an assumption that belies the realities of the situation with which we are confronted.

I feel that the proposal offered by the distinguished Senator from Alabama is really premised on the notion that the appropriate course for us to follow is to maintain the 1903 treaty, as revised in 1936 and 1955. Those revisions do not fully answer the problem, and we have to deal with the problem as it is. That is what we are trying to do with the treaties which are before us.

Mr. CHURCH. Mr. President, first of all I commend my colleague, the able Senator from Maryland, for a very fine argument against this amendment. I wonder if he would mind an exchange between us in which he might play the part of Panama and I might play the part of the United States. I ask this because it is useful to remind ourselves that we are dealing here with a treaty, one that has been negotiated at arm's length between two governments.

Normally, the Senate, in exercising its constitutional prerogative, does not undertake to rewrite a treaty that has been negotiated between two governments. We exercise our powers, either by consenting to the treaty as negotiated, or by refusing to consent to it, thus rejecting the treaty as negotiated; or by attaching conditions to our consent. Those conditions can take the form of reservations or understandings affixed to the instrument of ratification.

It has been 54 years since the Senate undertook to amend a treaty by actually changing its language.

A few days ago, it is true that the Senate, in adopting the amendments proposed by the leadership, as recommended by the Senate Foreign Relations Committee, amended the permanent Neutrality Treaty. It was the first time in 54 years that this has happened, though during that period the Senate has considered hundreds of treaties.

In amending the text of the permanent Neutrality Treaty, however, the Senate was careful to adopt interpretive language which had already been consented to by the two governments. Indeed, that language had, in effect, been submitted to the people of Panama and had been passed upon in their earlier plebiscite.

Mr. HATCH. Will the distinguished Senator yield for just one question?

Mr. CHURCH. Yes, I yield.

Mr. HATCH. I have enjoyed the comments of the distinguished Senator from Idaho, but I hope I am not misinterpreting. The distinguished Senator, although he indicates that most treaties, if not the vast majority, have not been amended on the floor of the Senate, is not arguing that the Senate does not have the prerogative or the right to amend, if the Senate finds that the treaties are not properly written, do not protect the United States, are ambiguous, or have other difficulties? It is within the prerogative of the United States to amend for any reason it so desires, even though past practice may have dictated otherwise.

Mr. CHURCH. Of course. I was just now mentioning our adoption of the leadership amendments.

Mr. HATCH. I thank the Senator.

(Mr. HODGES assumed the chair.)

Mr. CHURCH. In fact, as I have stated, the Senate saw fit, for the first time in 54 years, to amend the actual text of the Neutrality Treaty in order to clear up certain ambiguities that the Senate Foreign Relations Committee had identified. Obviously, it is within the power of the Senate to amend the treaty itself, but we were careful to do so in a way that had already been agreed upon by both the Government of the United States and the Government of Panama, the two parties to the Neutrality Treaty.

Mr. HATCH. Will the Senator yield for just one other question on that precise point?

Mr. CHURCH. Yes, I yield.

Mr. HATCH. Just so we understand at this point, the Senator is emphasizing that, although this is the first time in so many years that a treaty has been amended, the treaty was amended to use the precise language of the two governments. If I understand the Senator correctly, and just to correct the record, it is my understanding, and I believe the Senator would concur, that the Senate has the authority, the power, and the right, if it so desires, to amend a treaty for any reason the Senate desires, whether or not it is to amend to clarify language agreed upon by the two respective powers.

Mr. CHURCH. Of course, the Senate has that power.

Mr. HATCH. I thank the Senator.

Mr. CHURCH. But the usual practice of the Senate, when it has wished to impose a condition or make a change, has been not to amend the text of the treaty itself, but to amend the articles of ratification by adding reservations or understandings, so that the Senate's consent rests upon the conditions stipulated in the articles of ratification.

Now, this is the normal way of proceeding, for the reason that a treaty represents a contract negotiated between two sovereign governments. If we choose to change the treaty language, then, of course, the effect of that, unless we adopt language that has already been agreed to by the two governments, is to force a renegotiation of the treaty.

The able Senator from Maryland is a lawyer, and a good one. I, myself, am a lawyer——

Mr. SARBANES. And, I may add, Mr. President, a good one, a very good one.

Mr. CHURCH. Well, now that we have established our credentials——

Mr. SARBANES. We have to have some reciprocity here, just as we do in treaty negotiations.

Mr. CHURCH. Very well. I am going to ask if the Senator from Maryland would, for the moment, just for purposes of this debate, consent to play the role of lawyer for the Government of Panama and I shall act, for purposes of the debate, as the lawyer for the United States.

Mr. SARBANES. Let me say I am willing to do that for the purposes of the debate, as the able Senator from Idaho has suggested, but I want it very clearly understood, because the argument has been asserted on the floor of this body that there is an oversensitivity to Panamanian concerns, that those of us supporting these treaties do it, first and foremost, because we believe that the treaties serve American interests.

Mr. CHURCH. Absolutely.

Mr. SARBANES. We happen, among other things, to have a perception that American interests are served if there is a relationship between the United States and Panama which is acceptable to both peoples and protects their mutual interests; such a relationship may well serve American interests better than a situation like the 1903 treaty, which was arrived at in such a way and was so unfairly structured that it has provoked constant resentment and antagonism on the part of one of the parties to the relationship. That is one of the reasons these treaties are important and why they serve American interests.

Mr. CHURCH. Of course.

I ask the Senator to join me at an imaginary negotiating table only for the purpose of making a point that seems to be lost in this debate. As the Senator has correctly observed, the 1903 treaty was so odius to the Panamanian Government and its people that indignation over it led, in 1964, to serious riots and bloodshed, in which American lives, as well as Panamanian lives, were lost. The shock of such violence erupting in that small country led to a Presidential decision that the time had come to work out new treaty arrangements with Panama.

Now, if the Senator would, for a moment, take off his Senatorial hat, as I shall take off mine, and cast himself in the role of a lawyer negotiating for the Government of Panama, I shall cast myself in the role of a lawyer negotiating for the United States. Now, I put to you the following proposition.

The proposition is contained in this amendment offered by the Senator from Alabama. I ask you to agree to the following provision for the new treaty: First, that the United States, under the new treaty, will retain the rights it had under the old treaty; namely, to hold in perpetuity the exclusive right to construct a new canal in Panama. That is to say, we want to exclude any other country from ever building a new canal in Panama, thus depriving the Government of Panama, in perpetuity, from ever negotiating with any country except our own for the purpose of building a new canal in Panama.

However, the United States will not be so bound. For we shall insist on our right to negotiate with any government we please, should we decide to build a new canal.

All I am asking you to do, as the representative of Panama, is to relinquish Panama's right to negotiate with any country forever, while the United States shall have an unfettered right to negotiate with any country, at any time, for a new canal.

Now, Panama, are you willing to accept this provision in the treaty?

Mr. HATCH. If the Senator will yield——

Mr. SARBANES. Having put the question, I think the questioner himself ought to recognize an absence of any element of evenhandedness in that approach.

Mr. CHURCH. Well, after all, Panama should give a little here.

Mr. SARBANES. I must say I am being very restrained in that response, because I have great respect and affection for the questioner and I, in the end, want to have a good relationship between our two parties. But if you would just read your question again, and think about it for a moment, I would have to say to you that it is all take and no give. I cannot regard that as even the semblance of an evenhanded proposal.

Mr. CHURCH. All I am asking you to do is to give us the right in perpetuity to exclude any other country from negotiation with Panama for a new canal. Only the United States may build a new canal in Panama, provided we want one there.

On the other hand, the United States must naturally preserve its option to build a new canal in another country, should we decide some other place better serves our needs. Even then, Panama would remain bound by this provision to deal with no other government.

Now, why do you find that unacceptable? I am sure it would be approved in the United States overwhelmingly.

Mr. SARBANES. I am not fully familiar with all of your slang or phrases, but I think there is the phrase about having your cake and eating it, too, that well applies to this proposal that you are putting forward.

Mr. HATCH. Will the two distinguished lawyers yield for maybe a thought here, for just a second?

All I know is that I would have to admit both Senators are distinguished lawyers, but if I am a citizen of the United States, if I might play that role, I think I might want a different counsel representing me in these negotiations. [Laughter.]

As a matter of fact, I think I would want a counsel who would not start off by asking what I consider to be an objectionable question, but might start off pointing out the relationship that we have had, a good relationship, the $250 million that we put into the economy last year, and many other things, to try and show that maybe there is some reciprocity that might be very much interesting to our Panamanian friends.

Mr. CHURCH. I thank the Senator for his intervention.

Mr. HATCH. Well, I would rather have you be U.S. Senators who are actively working for our country. If we are going to have lawyers working for our country, have lawyers who know how to negotiate.

Mr. CHURCH. May I say to the Senator, even if he were there with all his skills, and made this proposal at the negotiating table I doubt that he would get any different response from the Panamanians than the reply offered by the Senator from Maryland.

Mr. HATCH. Will the Senator yield on that point?

Mr. CHURCH. I would prefer not to be interrupted again.

Mr. HATCH. It would be fair if the Senator would on that point, just that point, and then I will sit down.

Mr. CHURCH. I thought the Senator——

Mr. HATCH. And allow it to continue.

Mr. CHURCH (continuing). Wished me to yield for a question.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. CHURCH. I am happy to yield for a question.

Mr. HATCH. I would be very appreciative of the Senator from Idaho.

I would like to have been the negotiator of these treaties because I believe that we would have had a more forceful negotiation which would have benefited both countries, not just the country of Panama.

In addition to that, I think there would have been a lot of things pointed out that would have been for the benefit of both countries.

Mr. CHURCH. And the Senator's question?

Mr. HATCH. And the Senator's question is this: If the distinguished Senator from Idaho was the negotiator, would the distinguished Senator from Idaho beginning the negotiations for this canal, have started off with a question like the question he just asked of the other distinguished Senator and lawyer from Maryland and expect any nation, I do not care how small, insignificant, weak, ineffectual, or unrelated to the United States, to even negotiate? The answer is probably "no."

Mr. CHURCH. If I may supply my own answer to the Senator's question, it is this: The proposition I put to the Senator from Maryland was taken from the text of the amendment offered by the Senator from Alabama.

Mr. HATCH. Yes, out of context and——

Mr. CHURCH. Oh, no, not out of context.

Mr. HATCH. Surely.

Mr. CHURCH. It was paraphrased quite accurately. The Senator is wrong. He obviously knows that the proposition is so one-sided it could not possibly float.

Mr. HATCH. In the context it was given.

Mr. CHURCH. Well, the context in which it was written. It was the amendment itself which I read from.

Mr. HATCH. If we are going to be lawyers, let us at least be fair lawyers and fair negotiators, and let us consider all ramifications and not just take something out of context that seems to be repugnant to everybody and act as if that is going to be an effective negotiation for the United States of America, because it

certainly is not, nor is it, I might add, good law.

Mr. CHURCH. Nor, I might add, a proposal worthy of serious consideration.

Mr. SARBANES. Does the Senator from Utah, with all of his great skills, think there is any possibility that, if a plane was placed at his disposal, he could fly down to Panama now and say to the Panamanians, "I want you to agree to the following proposition. No other country is to be able to build a canal through Panama except the United States, but the United States can go anywhere else it wants other than Panama in order to build a canal," and expect the Panamanian people to agree to that?

Mr. HATCH. If I may answer that——

Mr. SARBANES. As being an even-handed proposition?

Mr. HATCH. I can answer that. I think I will be able to.

If I were negotiating this, I would not start off with that proposition.

Second, I would not have negotiated these awful treaties.

Third, as a lawyer who has written a lot of contracts and negotiated a lot of contracts and millions and millions of dollars in contracts, I certainly would not have had the imprecise, poor legal language that had to come from imprecise, poor negotiations.

Now, with the fait accompli——

Mr. SARBANES. Having said all that, what is the answer to the question?

Mr. HATCH. Let me answer it in my way. I know the Senator asked the question.

All I am saying is this, if I were negotiating, I believe I could have gone down to Panama and come back with new treaties which would have benefited both countries and which would have had that provision in it.

I know I could have done it. But, on the other hand, I would not have negotiated from a position of weakness, as our two lawyers are doing here. I would have negotiated from a position of strength and I would have come up with treaties that benefited my Nation first and foremost, and yet still would have been fair to the Panamanians.

I am willing—and I am not a betting man—but I am willing to bet I would have come back with that exact provision in the treaty.

Mr. CHURCH. Mr. President, if I may reclaim the floor, I must say that the Senator's confidence in himself is limitless.

Mr. HATCH. I think Senator Allen could have, also, and a number of other Senators I have confidence in, a number of other people.

Mr. CHURCH. If I may reclaim the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. CHURCH. Perhaps, the Senator from Utah has been endowed with the gift of working miracles. But the proposition we are faced with is a very plain one. I read it from the pending amendment.

It is a proposition which, in effect, stipulates that the United States, in perpetuity, shall have the exclusive right to build a new canal in Panama, that Panama can deal with no other country. But, on the other hand, the United States need not build a new canal in Panama, but reserves the right, on its part, to negotiate with any other country it may choose.

It would take a magician, indeed, to get the other party to agree to such a proposition in an arms-length negotiation.

Now, what proposition was agreed to?

Well, it is contained in section 2 of article XII and it is a proposition based upon some semblance of balance between the two countries. It is based upon a quid pro quo, which is always the case when governments negotiate at arm's length.

The provision is as follows:

2. The United States of America and the Republic of Panama agree on the following:

(a) No new interoceanic canal shall be constructed in the territory of the Republic of Panama during the duration of this Treaty, except in accordance with the provisions of this Treaty, or as the two Parties may otherwise agree.

In other words, the two governments consent that no new interoceanic canal will be built in Panama unless both governments agree.

Now, that gives us a veto. The Panamanians have conceded it to us. They may not go to another government—they cannot go to Japan, for example—and say, "You come in and make an arrangement with us whereby we will permit you to build a sea level canal across our country." Under this treaty, they have given up that right. They have said, "We will not allow a new canal to be built unless the United States consents to it." That is an important right we have obtained, and the Panamanians have agreed to it, under the terms of the treaty.

What did they get in exchange for giving us the exclusive option, in effect, to build a new canal in Panama, or at least a veto that could prevent them from dealing with any other country for that purpose? What did they get in exchange? That is covered in part (b) of section 2, article XII, of the treaty. It reads:

During the duration of this treaty, the United States of America shall not negotiate with third states for the right to construct an interoceanic canal on any other route in the Western Hemisphere except as the two parties may otherwise agree.

So we got a veto preventing Panama from dealing with any other country to build a sea level canal across Panama; and the Panamanians, in return, got a veto to prevent us from negotiating with any other country for that purpose, for the duration of the treaty. That was the quid pro quo.

We felt, on our side, that it was a good trade, because we do not have any intention of building a canal in any other country, anyway. We had already spent $22 million hiring the best of engineers to explore thoroughly all alternative canal routes in Central America. They came back to us, after careful study, and said in their report to the President of the United States that they found no feasible route for a sea level canal in any other country except Panama.

So, in effect, we gave away little or nothing in return for the Panamanian concession that we should have the right to veto their dealing with any other country on a new canal for the duration of the treaty.

As a matter of fact, I am told by those who negotiated the treaty that this was a provision we sought on our initiative, because we felt it served the American interest so well.

It is obvious what is intended here. If the Senate were to adopt this amendment, it would simply gut the treaty. It is an amendment unacceptable on its face. No self-respecting government could accede to it. If we are going to have a treaty entered into voluntarily by two sovereign governments, then it has to be based upon a certain evenhandedness. There has to be fair consideration given to the legitimate interests of both sides. Otherwise, of course, no treaty can be consummated; no agreement can be reached.

So, Mr. President, since we did not have magicians negotiating and had to deal with normal considerations of fair play, we have in this treaty a provision that reflects not only the sensitivities but also the interests of both parties.

I believe it is a provision highly favorable to the United States, one of the better provisions in the treaty, from the standpoint of American interests.

However, if the Senate should decide against this provision, if the Senate should wish to preserve for the United States its option to deal with other countries in Central America on the building of a sea level canal, the way to do that is by reservation to the articles of ratification, not by attempting to amend the text of the treaty itself.

Perhaps Senators believe that the exhaustive study that has been made heretofore on this subject, and the large amount of money spent on it, is insufficient to convince them that the engineers were right when they concluded that the alternative routes outside of Panama were not feasible. Perhaps the Senate wants a new investigation of that question, on which we could spend $35, $40, or perhaps $50 million, to reinquire into the matter during the next 5 years.

If that is the judgment of the Senate, the way to reach this provision in the treaty is not by trying to substitute a proposition so one-sided that it could not possibly be accepted by Panama, and thus kill the treaty; the way to do it is through an appropriate reservation to the articles of ratification.

For these reasons, Mr. President, I hope the Senate will reject this amendment.

I ask the Chair how much time remains to the two sides on the amendment?

The PRESIDING OFFICER. The Senator from Alabama has 13 minutes, and the Senator from Idaho has 20 minutes.

Mr. CHURCH. I thank the Chair.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. I yield myself as much of Senator ALLEN's time as I may require.

Mr. President, I have enjoyed the remarks of the distinguished Senator from Idaho. I know that he is very sincere and dedicated in his approach to try to resolve these problems and to try to put forth the best logic and position he can for the proponents of these treaties.

On the other hand, I had to interrupt him when the two attorneys were talking, because I felt that if we are going to negotiate these treaties, let us start from the beginning.

I was almost ready to interrupt him again, before the distinguished Senator admitted that it is his understanding that we voluntarily offered to do this. We voluntarily offered to put this provision in, binding the United States to not be able to build a new sea level canal anywhere else without the country of Panama's basically expressed provision. I do not think that is negotiating for our benefit. I do not think our negotiators were taking care of the good old United States of America, when they voluntarily bound us to the will or whim of a country of 1.7 million people, however much we want to have good relations between the two nations.

The fact is that nobody else is going to build a sea level canal in this hemisphere. As a matter of fact, back at the turn of the century, when this matter was being considered, the preferable route was thought to be through Nicaragua.

We all know the historical aspects surrounding the preferable route through Nicaragua and the force and power of Teddy Roosevelt, and others, who gradually overturned what seemed to be the overwhelming sentiment at the time and allowed us to go into the relations and negotiations with Panama which resulted in the 1903 treaty.

What I am saying is this: If we are going to have negotiators representing the United States of America, then let us get negotiators who represent the United States of America who are not people going down there just to volunteer binding commitments of the United States of America which we would not otherwise have to have.

I am not an engineer and I do not purport to say which route would be better and whether routes through Nicaragua would be better or whether there could even be a sea level canal or whether a route through Panama is better.

I heard both sides, and I have heard both arguments. I have heard persuasive arguments both ways.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. HATCH. I am delighted to yield.

Mr. SARBANES. Has the Senator read the interoceanic canal study of the Atlantic-Pacific canal study?

Mr. HATCH. No; I have read parts of it. I have not read it all. I have not read all 1,000 pages.

Might I ask the Senator from Maryland has he read it?

Mr. SARBANES. I think it is fair to say I have, yes.

Mr. HATCH. All of it, every page, from beginning to end?

Mr. SARBANES. No, I cannot guarantee the Senator that.

Mr. HATCH. That is what I cannot guarantee.

Mr. SARBANES. I think I studied this commission report and I know what is in it and I know its conclusions and recommendations.

Mr. HATCH. I have, also. I would say I have studied it as much as the Senator.

Mr. SARBANES. I do not know how the Senator knows that but, in any event, what does the Senator then think of the conclusions and recommendations?

Mr. HATCH. I think it is a good study, and the conclusions may be accurate. I do not know. I have also read the background materials for the 1903 study from what Senators at that time who wanted the Nicaraguan canal. I do not know. I am not an engineer. I cannot make the ultimate decision on that matter, and it may very well be this is the only definitive and important study.

My point is not that. My point is why do we bind the United States of America in any way? Why did we not negotiate to allow us without question to build it if we want to or not? I think we could have done it. I think when we volunteer to bind ourselves to the whims and fancies of Panama we did not have to do that.

That is one of the things that I find some fault with in the negotiations. It is only one of the things. I think there are many, many things we can find some fault with.

I know a lot of people in our society believe that our negotiators, at least one of them was representing certain banking concerns to which are owed upward of a billion and a half dollars, and that there was a definite conflict of interest, and that he was appointed for only 6 months for no other reason than he could avoid the confirmation process of the U.S. Senate, so that he did not have to come in and present his credentials and justify them in front of the Senate committees and prove that he did not have any conflicts of interest.

That is going to be a cloud that hangs over these treaties forevermore if they are passed.

And for anyone to act like it does not hang over bothers me, and for anyone to think we had the best negotiations in this matter bothers me also, especially when we look at the language of the treaty, which I think as a composite whole does not protect the United States of America the way it should. That is why some of these——

Mr. SARBANES. Mr. President, will the Senator yield on my time on that point?

Mr. HATCH. I am delighted to yield.

Mr. SARBANES. I do not want to consume the Senator's time.

Mr. HATCH. I understand our time is going rapidly.

Mr. SARBANES. I do not think the Senator should take the floor of the Senate and place a cloud over the integrity of Ambassador Linowitz. The Senator may want to quarrel with the negotiators on the substance of what they achieved—that is what we are supposed to be here arguing about as reasonable people. But to cast doubt on people's motives or integrity, that is an entirely different matter and I deplore it.

Ambassador Linowitz received from the Department of State a letter on the matter of conflict of interest. That letter has been placed in the RECORD and has been referred to previously in this debate. The letter set out a ruling from the legal adviser to the State Department that there was no conflict of interest present between his role as a negotiator and the various holdings which he had.

The Senator from Utah may want to differ with the negotiators over the substance of the treaty provisions, but I do not think he should place a dark cloud over people who have served the country well in many capacities, including both Ambassador Bunker and Ambassador Linowitz, and others.

Mr. HATCH. Let me add to the statement of the distinguished Senator from Maryland that I said "some people."

Let me go further. I do not think what has——

Mr. SARBANES. I do not think that takes care of the situation. If the Senator will yield, I think we are proceeding on my time.

Mr. HATCH. I am happy to allow the Senator to proceed on his time. But let me respond when I start.

Mr. SARBANES. Let me make the point.

I do not think it takes care of the point for the Senator to raise the issue and then attribute it to some other people and leave that dark cloud hanging.

If the Senator subscribes to that view, and if he does then I am most disappointed to hear it, he should let us know what his position is. I do not think he should trot out something which casts a dark cloud on the personal qualities of very distinguished people and then attribute it over to some other people.

If the Senator wants to disagree with the substance of what the negotiators have reached and question that, this is what a good part of this debate is about, but do not cast aspersions on the personal qualities of dedicated individuals.

Mr. HATCH. Mr. President, if I might respond——

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to my colleague from Maryland.

Mr. HATCH. Mr. President, who has the floor?

Mr. SARBANES. Mr. President, it is on my time.

The PRESIDING OFFICER. No. I think the floor is held by the Senator from Utah.

Mr. SARBANES. I see. I thank the Chair.

Mr. HATCH. Mr. President, I am delighted to yield to the distinguished Senator from Maryland, Senator MATHIAS. Is it on this point?

Mr. MATHIAS. Yes, it is.

Mr. HATCH. Mr. President, could I

make a point before he does that if I may?

I wish to answer the other distinguished Senator from Maryland. Let me say this: I did not put the cloud of Ambassador Linowitz's service over these treaties. The President did.

When there was a fuss raised about him being on the board of directors of Marine Midland Bank, he resigned temporarily, saying he will go back on, as I understand it, as soon as these treaties are concluded and any conflict of interest is resolved.

Mr. SARBANES. No.

Mr. HATCH. That is my understanding.

Mr. SARBANES. No.

Ambassador Linowitz, prior to that, had received a letter from the legal adviser of the State Department saying there was no conflict of interest.

Mr. HATCH. Then why did he resign?

Mr. SARBANES. Because a number of people perhaps including the Senator from Utah——

Mr. HATCH. Not including the Senator from Utah.

Mr. SARBANES. I do not know for a fact—who attacked him in any event, and he said, so that we do not even leave the basis for the attack he was quite happy to get off the board, but he had received an authoritative letter telling him there was no conflict of interest in response to his own careful inquiry.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. HATCH. I am delighted to yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. Mr. President, who in the devil is the State Department to do the job of the U.S. Senate? The Senate is the body that should decide whether or not there is a conflict of interest in the case of a nomination of a person to perform a diplomatic service. It may be true that someone in the State Department issued such a legal opinion, but as far as this Senator is concerned, that is no answer for me.

Mr. SARBANES. No; but that is an answer as far as the integrity of Ambassador Linowitz is concerned. He put the issue to appropriate legal officials and received a response.

Mr. HATCH. Who preselected them?

Mr. SARBANES. The Senator might want to say that he may disagree with the legal adviser, but the question is——

Mr. GRIFFIN. We did not get a chance to.

Mr. SARBANES. The question was put. The Senator had his opportunity.

I want to pursue with the Senator from Michigan——

Mr. HATCH. On the Senator's time. Is this on the Senator's time?

Mr. SARBANES. Yes. I assume all of this is on my time.

Mr. HATCH. All of this is on the Senator's time.

Mr. SARBANES. Because the Senator from Michigan never raised that point until after——

Mr. GRIFFIN. Now the Senator is going on to a different issue, is he not?

Mr. SARBANES. No. It is the same issue and as the Senator knows we have discussed it before.

Mr. GRIFFIN. The Senate can be concerned about it just the same. Even if this Senator were negligent in any way, that does not resolve the matter. Let us go back to whether or not he was a member of the board of directors of this bank; let us go back to whether this bank made a loan in the neighborhood of $50 million to the Government of Panama headed by Mr. Torrijos, and did he remain on the board of directors after he undertook the job of negotiator? If he did, never mind what this Senator did or did not do. Maybe I did not do my duty. I thought I did. But it seems to me that is beside the point. The Senator from Maryland is dodging the issue.

Mr. SARBANES. No; I am not dodging the issue.

I will ask directly to the Senator from Michigan whether he is asserting that Ambassador Linowitz had a conflict of interest and that his integrity in negotiating this treaty, therefore, should be questioned?

Mr. GRIFFIN. Under the Constitution those who are appointed to perform diplomatic functions are supposed to be confirmed by the U.S. Senate. As I have said before, I think it was very ill advised for President Carter—when he knew he would have to come to the Senate with the treaty for our consent after it was negotiated—to circumvent the Senate by obviously appointing Mr. Linowitz on a temporary basis, so the nominee would not have to come before the Senate.

Whether being a member of the board of directors of a bank which has a $50 million loan outstanding to the Republic of Panama, headed by the dictator Torrijos, is a conflict of interest in such a situation is a question that the Senate should have had an opportunity to pass upon.

It troubles me, frankly, that the administration and Mr. Linowitz himself, did not go through the regular channels and bring this out in advance. That would have been the thing to do, and then to have explained it.

Mr. SARBANES. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the exchange of correspondence between the chairman of the Committee on Foreign Relations and the Secretary of State concerning the appointment of Ambassador Linowitz to a temporary 6-month appointment, an appointment which I might point out was authorized under legislation enacted by the Congress of the United States. I ask unanimous consent that that material be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 31, 1977.

Hon. CYRUS R. VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: I am writing you with respect to our recent conversation concerning the appointment of Mr. Sol Linowitz.

It is my understanding that this appointment will be made for a period not to exceed six months and for the purpose of putting Mr. Linowitz in the position of U.S. co-negotiator on the Panama Canal talks. As I indicated to you, I have no objection to this arrangement for a not-to-exceed-six-month period, so long as the negotiations from the U.S. side are headed up jointly by Ambassador Bunker and Mr. Linowitz. I am sure you will agree with me that Ambassador Bunker has performed admirably throughout his tenure as chief negotiator and I am confident, as I am sure you are, that he will continue to perform in this fashion until these negotiations are brought to a successful conclusion.

I know that you will apprise me of any misunderstanding on my part about Mr. Linowitz's role. Similarly, I would appreciate being informed beforehand of any change in the co-negotiating procedure.

Sincerely,

JOHN SPARKMAN,
Chairman.

THE SECRETARY OF STATE,
Washington, February 10, 1977.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of January 31 concerning the appointment of Mr. Sol Linowitz. This is to confirm that your understanding that Mr. Linowitz is to be appointed as Co-Negotiator with Ambassador Bunker on the Panama Canal Talks, with the personal rank of Ambassador for a period not to exceed six months, is entirely correct. There has been absolutely no change in the co-negotiating procedure.

Sincerely,

CYRUS VANCE.

EXCERPT FROM FOREIGN SERVICE ACT OF 1946, AS AMENDED

APPOINTMENTS

SEC. 501. (a) The President shall, by and with the advice and consent of the Senate, appoint ambassadors and ministers, including career ambassadors and career ministers.

(b) The President may, in his discretion, assign any Foreign Service officer to serve as minister resident, chargé d'affaires, commissioner, or diplomatic agent for such period as the public interest may require.

(c) On and after the date of enactment of the Foreign Relations Authorization Act of 1972, no person shall be designated as ambassador or minister, or be designated to serve in any position with the title of ambassador or minister, unless that person is appointed as an ambassador or minister in accordance with subsection (a) of this section or clause 3, section 2, of article II of the Constitution, relating to recess appointments, except that the personal rank of ambassador or minister may be conferred by the President in connection with special missions for the President of an essentially limited and temporary nature of not exceeding six months.

EXHIBIT 2

DEPARTMENT OF STATE,
Washington, D.C., March 7, 1977.

Hon. JOHN J. SPARKMAN,
Chairman, Senate Foreign Relations Committee, U.S. Senate.

DEAR MR. CHAIRMAN: In light of certain statements by a member of the Senate and a member of the House with respect to Ambassador Sol M. Linowitz, I would like to make the following observations which may assist you and the members of your Committee in responding to questions or inquiries.

Ambassador Linowitz was appointed, last February 10, as Co-Negotiator for the Panama Canal Treaty, in the capacity of Special Government Employee with a six-month appointment to the personal rank of Ambassador, in accordance with applicable Federal and Department of State regulations and established procedures. He is serving in this capacity without compensation.

The Department of State conflict of interest regulations provide that no Department employee may "have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with his

Government duties and responsibilities" (22 CFR 10.735-205). Pursuant to these regulations, Mr. Linowitz prior to his appointment submitted to the Department a full statement of his memberships on boards of directors as well as his financial holdings. These were reviewed thoroughly by the Office of the Legal Adviser.

In the cases of two companies, Pan American World Airways, Inc., and Marine Midland Banks, Inc., Mr. Linowitz furnished information from them outlining their activities and financial interests in Panama. Appended are the statements from the Presidents of these two companies. Based on the Department's review, Mr. Linowitz agreed that in the unlikely event any aviation issues arise during the course of the treaty negotiations which might be of possible interest to Pan American, he would recuse himself from participation in the negotiation of any such issues. Continued membership on the board of Marine Midland Bank did not violate the applicable regulations because of the relatively low level of financial transactions of the bank with and in Panama.

Mr. Linowitz also agreed that his law firm "is not now and will not while I am serving in this capacity, represent any client on any matter related to the Panama Canal Treaty negotiation or the Canal Zone."

In the case of Mr. Linowitz' financial interests, two companies in which he had small shareholdings—AT&T and Texaco—did have business which the Legal Adviser believed might be affected by the outcome of the Canal Treaty negotiations. Consequently, Mr. Linowitz agreed to sell his shares in those companies, and has done so.

As a result of the Department's review and the foregoing undertakings by Mr. Linowitz, the Acting Legal Adviser gave a written opinion which concluded that the requirements of the applicable statutes and Department of State regulations on conflicts of interest had been satisfied.

Sincerely yours,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

NOTE

Note to F. C. Wiser.

Re Pan Am Activities in Panama—Intertrade.

Intertrade is a small distribution company, wholly-owned by Pan Am. Established in 1972, its principal functions are:

Provides bonded warehouse services, including customs clearance services and some inventory management services. It now has facilities at three locations: Colon Free Zone, Panama Airport, and Panama City.

Provides extensive local trucking services primarily between the Airport and its bonded warehouses.

Acts as Pan Am's General Sales Agent in Colon and certain other points in Panama.

Provides sea-air transhipment services; arranges for the receipt of goods by sea from Japan and other points in the Orient and for onward shipment, usually by air to points in Central and South America.

As indicated in the attached 1977 projections, 1977 Intertrade sales are expected to increase from the 1976 level of $703,000 to $946,000 and net profit before tax from $125,000 to $142,000. Pan Am originally invested $10,000 to establish the company. The underlying book value of our equity is now $170,000.

Intertrade is under the direction of Art Sumner, who has been with Pan Am 35 years, most of them as a resident of Panama. The other 58 employees are citizens of Panama.

Also attached is a recent brochure on Intertrade which may be of interest.

I understand you are being provided with information on SDISA through Art Best.

CHARLES W. TRIPPE.

JANUARY 7, 1977.

Note to F. C. Wiser.

Subject Pan American Operation, Panama.

Sales office location: Edificio Hatillo, Avenida Justo Arosemena, Panama City, Republic of Panama.

Hours/Telephone: Mon.-Fri. 8:00 am–12 Noon/1:00 pm-5:30, Sat.-Sun. closed. Telephone: 25–5425.

Airport/location: Tocumen International Airport, located approximately 18 miles from Panama City. The Airport operation at the present time is 100% handled by Pan American personnel, with the exception of inbound cargo, which is handled by Intertrade.

Director: Reeder Chaney Office Phone: 25–6510. Home Phone 26–0859.

Mr. Chaney is the only international employee in Panama, and is responsible for not only Panama, but offline west coast/South American General Sales Agents in Colombia, Ecuador, Bolivia and Peru.

Present Employment: 151 people.

Passenger Operations: 75 movements/month.

Passenger Sales/1976: $10,000,000.

Cargo Sales/1976: $4,000,000.

General Information: New Airport and terminal facilities will be in operation by fall of 1977.

Separate Corporations in Panama:

(a) Intertrade (separate report being prepared by C. Trippe).

Intertrade is wholly owned Panamanian cargo company and is the general Sales Agent for Pan American on the Atlantic side of the canal for cargo and passengers. They are also general Sales Agents for Pan Am for the balance of the Republic of Panama, other than the City of Panama.

An agreement has recently been signed with Intertrade to do all of our inbound cargo handling at Tocumen Airport.

(b) SDISA (Servicios y Diversiones Internacionales, S.A.).

A Pan Am wholly owned Panamanian Catering operation located at Tocumen Airport servicing all carriers.

A. S. BEST.

PAN AMERICAN OPERATION, PANAMA

Prior to World War II, Pan American operated from both the Atlantic and Pacific side of the Canal Zone in Panama. When World War II started, the operation at France Field, located on the Atlantic side, was consolidated with the operation at Albrook Field on the Pacific side.

Pan American's operation continued at Albrook Field until the Republic of Panama developed an International Airport at Tocumen in October, 1949.

At one time, our operation in Panama was considerably more active than at present. Due to retrenchment in military forces, reduction in Panama Canal Zone international employees, long-range and wide-bodied aircraft, Pan Am has decreased its total activity through Panama.

The present 151 employees represent only 9.2 percent of our employees in Latin America or slightly over 1 percent of our employees worldwide in the field marketing group. Likewise, today the total sales of $10,000,000 for passengers and $4,000,000 for cargo represents .8 percent of our revenue.

MARINE MIDLAND BANKS, INC., OPERATIONS RELATED TO PANAMA

A. Past or Dormant Investments.—

1. Banco Inmobiliario de Panama S.A.—This is a small mortgage bank in Panama that engages in medium- to long-term housing mortgages and the warehousing of mortgage paper. We have just sold our 2½ percent interest.

2. Financiera Centroamericana S.A.—This is a general finance company engaged in commercial, industrial, and real estate lending in Central America, as well as holding an equity interest directly and indirectly in bonded warehouses in Central America and the Caribbean. This 22.4 percent investment was just disposed of.

3. Servicio de Anuario Telefonico Internacional S.A.—This company sold and distributed telephone books in several Latin American countries. We have preferred shares at modest value. This investment will be written off.

B. Current Investments.—

Marine, through Intermarine London, owns Bream Shipping, which was formed a few years back in conjunction with the international lending operations of Intermarine London. This company is presently not being used; however, it has limited assets resulting from prior activities conducted external to Panama.

C. Branch Operations.—

Most international banks have involvements in Panama consistent with that country's currency relationship with the dollar and its favorable climate as a financial center. Accordingly, the Marine started in Panama with a Regional Representative Office for Central America in 1971. It subsequently opened a branch operation in October 1973 to complement the Representative Office with a primary focus on generating corporate business in Panama and Central America, as well as deposit gathering from Latin America. As of November 30, 1976, it has total claims of approximately $32.4 million (of which $18.5 million is claims in Panama, and the remainder is almost entirely claims due from other Central American corporate clients). In Panama much of its business involves financing trade of corporations located in the Colon Free Trade Zone. The combined Representative Office and Branch have a staff of 25, 3 of whom are U.S. nationals. This operation is not large when compared to the activities of several others.

As a large international money center bank, the Marine conducts business throughout the world. Panama has long been a center for trade, as well as a notable financial center. Loans in Panama are a national consequence of the position of the bank and the country.

Marine Midland, either directly from New York or through the Bahamas or Panama Branch or foreign affiliate, has a $100,000 short-term, unsecured loan available to the Hydroelectric Power Authority of Panama.

There is a $100,000 loan to the Agricultural Development Bank in Panama.

There is a $4 million loan to the Republic of Panama, due in November, 1983. There is Marine's share in a $115 million international syndicated loan, managed by Citibank/New York. InterUnion/Paris, in which Marine directly owns 45 percent, also has a loan of $2 million to the Republic of Panama.

In addition to these direct loans to the Government of Panama or institutes of the Government, the Marine is engaged in normal short-term lending operations through the banks and the private sector in that country.

* * * * *

Intermarine owns two Panamanian special-purpose shipping companies, International Ship Finance (Panama) Inc., and Avon Shipping, Inc. These companies each own a Panamanian flag vessel on behalf of Japanese owners, which vessels are financed by Intermarine. These corporations are financing vehicles, and they are only notionally involved with Panama.

Mr. HATCH. Mr. President, how much time do we have remaining for the Senator from Alabama and the other Senators?

The PRESIDING OFFICER. The Senator from Alabama has three minutes remaining. The Senator from Maryland has 15 minutes.

Mr. HATCH. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. All of this last colloquy was supposed to be charged to the Senator from Maryland. I believe we have more time.

Mr. SARBANES. Mr. President, I think what I said was that in order to be fair to the Senator from Utah, whatever time I consumed from the point I arose either to make responses or ask questions should come out of my time. If that is not reflected in the time figure just given to us by the Chair it should be.

The PRESIDING OFFICER. The time was allocated to the Senator who was speaking. Fifteen minutes and three minutes.

Mr. HATCH. Let me just say this, in closing: I believe that when we talk about negotiating treaties we ought to talk about why these treaties are not negotiated well, and when our ambassadors voluntarily bind the United States to something which they would not ordinarily have to bind them, then I call that pretty poor negotiation.

Having to go through the approach made by the distinguished Senator from Idaho in taking it out of context, as though he were negotiating for the United States, was not quite accurate in my judgment.

In addition, I think there will be a cloud over these treaties because Ambassador Linowitz, whether he is right or wrong—and I am not passing judgment on that—was appointed for only 6 months so he could avoid the confirmation process of the Senate, when they knew he was a member of the board of directors of Marine Midland Bank; when he has still maintained his membership on the board of directors, as I understand it, of Pan American World Airways, which has extensive interests in Panama; when he was a full partner, as I understand it, in the Coudert Brothers law firm, an international law firm, representing various international interests, and because of other, I think, pretty important issues.

It is my understanding—I do not believe I am incorrect in stating—that these treaties were negotiated in the last hours of that 6-month appointment.

Those things bother a lot of American citizens and deserve to be brought up here on the floor.

When I hear this type of a colloquy and interchange, as though they are negotiating effectively for the United States of America, and when we volunteer through these ambassadors to bind ourselves to things to which we would not have ordinarily been bound, I do not think we have been represented well.

I thank the Chair.

The PRESIDING OFFICER. All the time of the Senator from Utah has expired.

The Senator from Maryland.

Mr. SARBANES. Mr. President, how much time remains to the managers of the bill?

The PRESIDING OFFICER. Fifteen minutes or all of the time until 1 o'clock.

Mr. SARBANES. I thank the Chair.

Mr. President, I want to go back to this strange idea that some opponents of the treaties were to have that, when you negotiate a treaty or negotiate an agreement, you can unilaterally impose all of the terms and conditions.

By definition an agreement has to be arrived at between two parties. These agreements have been negotiated between the executive branch of our Government and the Government of Panama, and they are now presented to the Senate for advice and consent.

It is clear that the Senate has not simply taken the treaties as presented. We have, in fact, amended the Neutrality Treaty. Senator BYRD and Senator BAKER joined in proposing amendments to the Neutrality Treaty, and those were accepted by the Senate, by an overwhelming vote.

A number of reservations and understandings were adopted to the resolution of ratification, so the Senate has been working its will on these treaties.

On the other hand, when a treaty comes before us we should recognize, while it is wide open to do anything we want to it, that in doing so we may, in fact, lose the agreement with the other party. Then we have to make the judgment in terms of what is being proposed, whether it is of such sufficient consequence that it is worth running the risk of losing the agreement. That is simply what it boils down to, and people ought to recognize that as these amendments are proposed and judged. Many of the amendments, are not really addressed to a substantive concern but are designed to be simply for one purpose, and that is to defeat the treaties by indirection by making it impossible to have an agreement between the two parties.

I yield to my distinguished colleague from Maryland.

Mr. MATHIAS. I thank my colleague for yielding.

As he knows, I was trying to get the floor a moment ago to make a very simple and brief statement. The name of Sol Linowitz has been raised in this debate, and I merely want to say that I have known Sol Linowitz for a number of years. I view him as a man of obvious talent and capability. But beyond that he has always been a man who has been of the highest integrity. He has always been conscious of the special obligations of public service, and has been scrupulously observing the limits which bind and restrain the lives of those who are engaged in any form of public service.

I think the United States has been fortunate in having Sol Linowitz available to perform important public service when we have needed him.

I thank the Senator for yielding.

Mr. SARBANES. I thank the able Senator for his thoughtful and sensitive comment.

I want to return to that subject because I think it is quite important. I do not think in the course of debating these treaties and their substance we ought to cast any reflections or aspersions on American citizens who have served this country with distinction and with dedication.

I want to read into the RECORD a letter from the Department of State, from the Acting Assistant Secretary for Congressional Relations, to the chairman of the Committee on Foreign Relations, dated March 7, 1977, in other words, just over 1 year ago. The letter follows:

DEAR MR. CHAIRMAN: In light of certain statements by a member of the Senate and a member of the House with respect to Ambassador Sol M. Linowitz, I would like to make the following observations which may assist you and the members of your Committee in responding to questions or inquiries.

Ambassador Linowitz was appointed, last February 10, as Co-Negotiator for the Panama Canal Treaty, in the capacity of Special Government Employee with a six-month appointment to the personal rank of Ambassador, in accordance with applicable Federal and Department of State regulations and established procedures. He is serving in this capacity without compensation.

The Department of State conflict of interest regulations, provide that no Department employee may "have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially with his Government duties and responsibilities" (22 CFR 10.735-205). Pursuant to these regulations, Mr. Linowitz prior to his appointment submitted to the Department a full statement of his memberships on boards of directors as well as his financial holdings. These were reviewed thoroughly by the Office of the Legal Adviser.

In the cases of two companies, Pan American World Airways, Inc., and Marine Midland Banks, Inc., Mr. Linowitz furnished information from them outlining their activities and financial interests in Panama. Appended are the statements from the Presidents of these two companies. Based on the Department's review, Mr. Linowitz agreed that in the unlikely event any aviation issues arise during the course of the treaty negotiations which might be of possible interest to Pan American, he would excuse himself from participation in the negotiation of any such issues. Continued membership on the board of Marine Midland Bank did not violate the applicable regulations because of the relatively low level of financial transactions of the bank with and in Panama.

Mr. Linowitz also agreed that his law firm "is not now and will not while I am serving in this capacity, represent any client on any matter related to the Panama Canal Treaty negotiation on the Canal Zone."

In the case of Mr. Linowitz' financial interests, two companies in which he had small shareholdings—AT&T and Texaco—did have business which the Legal Adviser believed might be affected by the outcome of the Canal Treaty negotiations. Consequently, Mr. Linowitz agreed to sell his shares in those companies, and has done so.

As a result of the Department's review and the foregoing undertakings by Mr. Linowitz, the Acting Legal Adviser gave a written opinion which concluded that the requirements of the applicable statutes and Department of State regulations on conflicts of interest had been satisfied.

Now, that is the letter that was sent to the chairman of the committee in response to an inquiry from the chairman concerning the conflicts-of-interest question. Now, the attachments to those letters, which, of course, set out, as pointed out in the letter, both the activities of Pan American and Marine Midland loans—this lists the loans, and this has been referred to earlier——

Mr. GRIFFIN. What was the loan level of activity of the Marine Midland Bank?

Mr. SARBANES. I was just about to read that. It has listed under "loans" the following:

As a large international money center bank, the Marine conducts business throughout the world. Panama has long been a center for trade, as well as a notable financial center. Loans in Panama are a national consequence of the position of the bank and the country.

Marine Midland, either directly from New York or through the Bahamas or Panama Branch or foreign affiliate, has a $100,000 short-term, unsecured loan available to the Hydroelectric Power Authority of Panama.

There is a $100,000 loan to the Agricultural Development Bank in Panama.

There is a $4 million loan to the Republic of Panama, due in November, 1983. There is Marine's share in a $115 million international syndicated loan, managed by Citibank/New York. InterUnion/Paris, in which Marine directly owns 45 percent, also has a loan of $2 million to the Republic of Panama.

Mr. GRIFFIN. Forty-five percent of how much?

Mr. SARBANES (reading):

In addition to these direct loans to the Government of Panama or institutes of the Government, the Marine is engaged in normal short-term lending operations through the banks and the private sector in that country.

Mr. GRIFFIN. That was 45 percent of how much?

Mr. SARBANES. If the Senator will let me conclude, the attachment also covers what are referred to as "past or dormant investments," and it also covers the branch operations of Marine Midland with respect to their branch operations in Panama. Of course, as has been pointed out on this floor, Panama serves as an international banking center for South America and Central America, and has, I think, some 85 banks, not only American but a number of Japanese and European banks as well.

Now, this material from which I am quoting, as I pointed out in reading the letter from the Department of State, was made available to the State Department, setting out the activities——

Mr. GRIFFIN. Will the Senator yield for one inquiry?

Mr. SARBANES. Let me just quote that section:

In the cases of two companies, Pan American World Airways, Inc., and Marine Midland Banks, Inc., Mr. Linowitz furnished information from them outlining their activities and financial interests in Panama. Appended are the statements from the Presidents of these two companies.

So those statements were submitted to the Department of State for examination by the acting legal adviser prior to giving this written opinion, which concluded that Mr. Linowitz had met all the requirements of the applicable statutes and Department of State regulations on conflicts of interest, that those requirements had been satisfied.

Mr. GRIFFIN. Before the time runs out, will the Senator yield to me for just one inquiry?

Mr. SARBANES. Sure.

Mr. GRIFFIN. The Senator has said that the Marine Midland Bank had a 45-percent interest in a particular loan arranged by a group of banks. I do not think the figure of 45 percent of what was clear. What was the size of the loan, 45 percent of how much, that the Marine Midland Banks had outstanding to the Republic of Panama in that one loan?

Mr. SARBANES. Well, as I read this, I thought I read that paragraph, but I will read it again.

Mr. GRIFFIN. If so, I did not catch it.

Mr. SARBANES. For the benefit of the Senator from Michigan:

There is a $4 million loan to the Republic of Panama, due in November, 1983. There is Marine's share in a $115 million international syndicated loan, managed by Citibank/New York InterUnion/Paris, in which Marine directly owns 45 percent, also has a loan of $2 million to the Republic of Panama.

Mr. GRIFFIN. Of how much? Forty-five percent of how much; If the Senator does not have the information, I will tell him: It is 45 percent of $115 million.

Mr. SARBANES. I thought I read that for the Senator.

Mr. GRIFFIN. I am trying to get the Senator to say how much. I did not hear him say that; 45 percent of $115 million.

Mr. SARBANES (reading):

There is a $4 million loan to the Republic of Panama, due in November, 1983. There is Marine's share in a $115 million international syndicated loan, managed by Citibank/New York InterUnion/Paris, in which Marine directly owns 45 percent, also has a loan of $2 million to the Republic of Panama.

Mr. GRIFFIN. I am sorry.

Mr. SARBANES. Mr. President, I just want to go on.

Mr. GRIFFIN. So that is about $57 million.

Mr. SARBANES. That is the third time that I have read that paragraph to the Senator from Michigan, and I hope he has heard that paragraph now.

Mr. GRIFFIN. You stated that was a low level of activity.

Mr. SARBANES. Mr. President, if I may proceed, this information was submitted to the Department of State by Mr. Linowitz, who asked for a ruling with respect to whether there were any conflicts of interest, and he did that prior to his appointment:

Pursuant to these regulations. Mr. Linowitz prior to his appointment submitted to the Department a full statement of his memberships on boards of directors as well as his financial holdings. These were reviewed thoroughly by the Office of the Legal Adviser.

In the cases of two companies, Pan American World Airways, Inc., and Marine Midland Banks, Inc., Mr. Linowitz furnished information from them outlining their activities and financial interests in Panama. Appended are the statements from the Presidents of these two companies.

And then the Department then went on and said, in concluding:

As a result of the Department's review and the foregoing undertakings by Mr. Linowitz, the Acting Legal Adviser gave a written opinion—

The PRESIDING OFFICER. All time has expired.

Mr. SARBANES (reading):

which concluded that the requirements of the applicable statutes and Department of State regulations on conflicts of interest had been satisfied.

(The following proceedings occurred later in the day and are printed at this point in the RECORD by unanimous consent.)

Mr. SARBANES. Mr. President, earlier in the day I had an exchange with the distinguished Senator from Utah and the distinguished Senator from Michigan concerning Ambassador Linowitz and some conflict-of-interest questions which they raised, and I pointed out that material had been submitted to the State Department and examined and he had been given a legal opinion that there were no conflicts of interest before he entered on his assignment, a temporary 6-month appointment, as an ambassador to be involved in the negotiations.

In the course of that I read from a submission that was made by Marine Midland, on whose board he served, concerning their interest in Panama and, of course, the State Department ruled that the extent of their interest was at such a low level of financial transactions that there was no violation of any conflict of interest.

In reading a paragraph from that submission there was a misprint in the CONGRESSIONAL RECORD which made the meaning somewhat unclear, and I want to correct that RECORD and read now the exact, correct, disclosure or submission made by Marine Midland as to its loans to Panama.

The statement that they filed at the time when Ambassador Linowitz had requested a ruling with respect to any conflict of interest pertaining to his various holdings included the following provision:

LOANS

As a large international money center bank, the Marine conducts business throughout the world. Panama has long been a center for trade, as well as a notable financial center. Loans in Panama are a national consequence of the position of the bank and the country.

Marine Midland, either directly from New York or through the Bahamas or Panama Branch or foreign affiliate, has a $100,000 short-term, unsecured loan available to the Hydroelectric Power Authority of Panama.

There is a $100,000 loan to the Agricultural Development Bank in Panama.

There is a $4 million loan to the Republic of Panama, due in November, 1983. This is Marine's share in a $115 million international syndicated loan, managed by Citibank/New York. InterUnion/Paris, in which Marine directly owns 45 percent, also has a loan of $2 million to the Republic of Panama.

That paragraph is where the misprint occurred, and there was some question raised that Marine Midland had a 45-percent share in the $115 million international syndicate loan. That was not the case. Marine's share of the $115 million loan was $4 million only.

The 45-percent figure referred to Marine Midland's ownership in InterUnion/Paris which had a $2-million loan to the Republic of Panama. So Marine Midland had an ownership interest of 45 percent in a bank which had a $2-million loan to Panama and in addition Marine Midland had a $4-million share in the $115-million syndication, and that was the extent

of this loan involvement on the part of Marine Midland.

Understandably, I think because of the typographical misprint the Senator from Michigan took the view and suggested that Marine Midland had a 45-percent interest in the $775-million syndicated loan.

That was not the case. They had $4 million which was their share in that. In other words, their share of it was about 3½ percent, not 45 percent. I think that is an important fact to get on the record since the State Department, in its legal opinion, indicated "that continued membership on the board of Marine Midland Bank did not violate the applicable regulations because of the relatively low level of financial transactions of the bank with and in Panama."

I ought to point out that later on, even after obtaining this ruling, that there was no conflict of interest; Ambassador Linowitz, because of the queries some people had raised and, I think, because of the sensitivity that has always characterized his public service, and his own deep sense of integrity, went ahead and resigned from the board of Marine Midland voluntarily, although he was clearly not required to do that and, in fact, had been given a legal opinion that there was no conflict of interest.

I mention all of this again simply to underscore the outstanding service which Ambassador Linowitz has rendered this country, and to once again urge that while people may disagree with the substantive judgments of our negotiators or, in fact, with other people involved in the treaty, that we ought not to cast any aspersions on people's personal qualities in the course of carrying forward this debate.

It is important to underscore in this debate that Ambassador Linowitz has behaved throughout with a very high sense of standards and an uncompromising sense of integrity.

(This concludes proceedings which occurred later in the day.)

● Mr. THURMOND. Mr. President, I rise in support of part 1 of the Allen amendment to the pending Panama Canal Treaty.

This amendment would expressly provide that nothing contained in the treaty would deprive the United States of the right to prevent the construction in Panama of a second canal by any nation other than the United States.

Many might feel that this privilege granted to the United States in the 1903 and 1955 treaties is protected by article 12, part 2, section a of the current treaty.

That section reads as follows:

The United States of America and the Republic of Panama agree on the following:

(a) No new interoceanic canal shall be constructed in the territory of the Republic of Panama during the duration of this Treaty, except in accordance with the provisions of this Treaty, or as the two Parties may otherwise agree.

Thus, we can see upon examination of the pending treaty that the prohibition against construction in Panama of another canal by another state is negotiable and may be accomplished if the United States and Panama agree to it.

Mr. President, much has been said about what the United States had to give up to get an agreement from Panama that they would not allow another country to build a second canal in Panama. To keep what we already had in the original treaties it is claimed the United States had to offer a quid pro quo in the form of a provision preventing us from even negotiating to build another canal elsewhere.

The Senate must remember that the greatest giveaway of all is the treaty itself, in which we are giving the canal to Panama. One would think that after that giveaway we would not have to offer a quid pro quo to balance each provision of the treaty.

By surrendering the right to even negotiate with another country for another canal route, we not only surrender the canal, but surrender as well our leverage over Panama to keep the canal open.

Mr. President, this is the Western Hemisphere we are dealing with in these treaties. It is our national security and our economic health involved here. We are the ones with a small Navy which has to be shifted back and forth through the canal. We are the ones who need minerals from other nations that have to be shifted through the canal.

Once we act on these treaties it is final. When we pass a law and make a mistake we can do it over. If the Senate passes this treaty then the action is final. We will have to live with it forever.

Mr. President, I urge acceptance of this amendment by the Senate.●

The PRESIDING OFFICER. All time having expired under the previous order, the hour of 1 o'clock p.m. having arrived, the Senate will now proceed to vote on the division 1.

Mr. SARBANES. Mr. President, have the yeas and nays been ordered on division 1?

The PRESIDING OFFICER. They have not.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I ask unanimous consent that further proceedings under the quorum call be dismissed and I ask for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Mr. President, I move to table the pending amendment of the Senator from Alabama and I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. The Senator can only move to table division 1.

Mr. ROBERT C. BYRD. That is what he is doing.

Mr. SARBANES. That is what I am doing. I am moving to table division 1, which is now pending for a vote at 1 o'clock, and I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. NELSON assumed the chair).

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. McGOVERN), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Alaska (Mr. GRAVEL) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 56, nays 35, as follows:

[Rollcall Vote No. 74 Ex.]

YEAS—56

Abourezk	Hart	Metzenbaum
Anderson	Hatfield,	Morgan
Baker	Mark O.	Moynihan
Bayh	Hathaway	Muskie
Bellmon	Hayakawa	Nelson
Bentsen	Heinz	Pearson
Bumpers	Hodges	Pell
Byrd, Robert C.	Hollings	Percy
Case	Huddleston	Proxmire
Chafee	Humphrey	Ribicoff
Chiles	Jackson	Riegle
Church	Javits	Roth
Clark	Kennedy	Sarbanes
Cranston	Leahy	Sasser
Culver	Long	Stafford
Danforth	Magnuson	Stevenson
Durkin	Mathias	Stone
Eagleton	Matsunaga	Weicker
Glenn	Melcher	Williams

NAYS—35

Allen	Garn	Randolph
Bartlett	Griffin	Schmitt
Biden	Hansen	Schweiker
Brooke	Hatch	Scott
Burdick	Hatfield,	Stennis
Byrd,	Paul G.	Stevens
Harry F., Jr.	Helms	Thurmond
Cannon	Johnston	Tower
DeConcini	Laxalt	Wallop
Dole	Lugar	Young
Domenici	McClure	Zorinsky
Eastland	Nunn	
Ford	Packwood	

NOT VOTING—9

Curtis	Haskell	McIntyre
Goldwater	Inouye	Sparkman
Gravel	McGovern	Talmadge

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

SCHEDULE FOR NEXT WEEK

Mr. ROBERT C. BYRD. Mr. President, may I have the attention of the Members of the Senate?

Mr. President, there is at the desk House Concurrent Resolution No. 544 which provides for adjournment of the House on today over until 12 o'clock meridian on Monday, April 3. That resolution also provides that when the Senate recesses at the close of business tomorrow, it stand in recess until Wednesday, March 29, or April 3, as determined by the Senate on tomorrow, Thursday, March 23.

Now, Mr. President, I have asked that the verbiage of the resolution be worded in this manner so as to give the Senate the option no later than the close of business tomorrow to either recess until next Wednesday or the following Monday.

I have sought to secure an agreement on this treaty for a final vote.

I think that in view of the fact that the Senate has been debating the treaty now for 27 days, it is a part of the package. While the Senate was considering the Neutrality Treaty, the debate was wide-ranging and actually covered both treaties because, as I have said, and as some others in here have said many times, the two treaties constitute the package.

So we have been on the treaty now for 27 days. There is other legislation that is important and we are going to have to attend to it sooner or later.

I think Senators are entitled to know whether or not they are going to be required to come back next Wednesday or whether or not they can fulfill the schedule which was originally laid out for them which would allow them to come back on April 3.

Now, in my judgment, 27 days constitute an ample time for debate on these treaties.

I am not pressing to close the debate today, or tomorrow, or even the first week of April. But it seems to me that we ought to be able, and I think Senators are entitled to know, to reach a date, to agree on a date for a final vote, because I think all Senators want to be here when the final vote occurs, those who oppose and those who support the treaty. They want to be here. They want to cast their vote on that occasion and they are entitled to know sometime in advance when that date is going to occur.

I would like to see the Senate proceed to recess until April 3. The joint leadership made that announcement earlier this year, that that would be the period of time for the Easter nonlegislative period.

We cannot always foresee what eventualities may occur. I never anticipated that the debate on the treaties would extend 7 or 8 or 9 weeks, and we are already in the sixth week.

I think it is about time that we reached an agreement, if it is at all possible, on a date certain when a final vote will occur. That was done on the first treaty. I respect the opponents of the treaty for their consideration in that matter and for their helping us to reach an agreement.

We have been on these treaties now a total of 175 hours as of 11 minutes after 1 p.m. today. I cannot understand why it is not possible at this time to say that we will have had enough by April 10, or April 15, or some such. We could easily give the Senate another 10 days after it returns, if we stayed out until April 3, and that would seem to me to be a very reasonable length of time.

That is not pressing the opponents. That is not any attempt to gag anybody to institute the gag rule or to stop the debate suddenly. But the time has come when the leadership needs to know so that we can tell our Members on our respective sides of the aisle what they can expect.

I would hope that those who are opposing the treaty would see what they can do to help the leadership to bring about an agreement as to a time to vote.

I am not suggesting that it be April 3. I am not suggesting that it be April 10 even. But it would seem to me that we could agree on a date during the week of April 10, say April 14, that is on a Friday, Friday of that week. That would give the Senate 10 days, not counting Saturdays, 10 days after returning on April 3.

Having been on the treaties for 27 days already, we would still be on them tomorrow, that would mean we would have been on the treaties 37 or 38 days before reaching a vote on this second treaty.

So I hope that Senators will accept what I have said in the spirit in which I say it. I do not speak in criticism of anyone. I understand how strongly the opponents feel about the treaty.

But there has to come a time when we close the debate on this treaty and go on to other things. It seems to me it is only reasonable on the part of the leadership to ask those Senators who oppose the treaty if they would please get together during the afternoon, or tomorrow morning, and see if they cannot give the leadership an agreement so that that agreement can be announced and Senators can proceed to take the time off that was originally laid out by the joint leadership.

I want to bend over backwards. I want to be fair. I want to be reasonable. But I think that in return all the Members of the Senate are being discommoded when they cannot be given a definite time now, after 27 days of debate, on which we can reach a final vote.

The Senate itself is being discommoded We have other legislation. There are deadlines that have to be reached in connection with some of the legislation.

I would hope and I implore and beseech the opponents to continue in their efforts.

I want to thank Senator LAXALT. He has made efforts, very sincere efforts, he and others, to arrive at a time certain.

So I would just simply urge him to continue to try today and tomorrow, because, if we can reach an agreement tomorrow, then the Senate can resort to the alternative of reconvening on April 3. It will not be too late to do it tomorrow. But I will have to get the resolution up today because the House is waiting on it. The House is ready to adjourn.

Before calling up the resolution, I would be glad to yield to the distinguished minority leader.

Mr. BAKER. Mr. President, nothing, I suppose, in the nature of the leadership is more sacrosanct than the right of the majority leadership to set schedules for the Senate. However, as the majority leader knows I am really concerned about the possibility that we might abbreviate the Easter recess—not because it will discommode me. It will do that. But I am perfectly prepared to be here at whatever time and all the time the Senate is in session. I am concerned because of the fact that the people on this side of the aisle—and I am sure those on the other side of the aisle—have come to depend on the published schedule and have made their plans and representations in reliance on it.

I hope very much that the majority leader will consider any other alternative and other facts that could lead us to a reconciliation and a resolution of this problem without abbreviating the recess.

I urge that the opponents of the treaty and the proponents of the treaty and the distinguished majority leader try to arrive at some solution to this dilemma. Otherwise, I think it will cause an enormous hardship on Members of the Senate on both sides of the aisle. I urge that we try to find a solution to it.

I do believe, Mr. President, that we should go ahead with the full recess. I must respectfully disagree with the majority leader in that respect. While we are on the same side with reference to the ratification of these treaties, I find that we do not agree on this particular item.

I urge that we try to find a way out of this dilemma, to remove the possibility that the recess will be abbreviated.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. I appreciate everything he has said. I realize that to bobtail the recess would discommode Senators on both sides of the aisle. I know that no Senator needs me to say that our first responsibility, I think, is to attend to the business of the Senate. I think the Senate would be severely criticized if, after spending 28 days on the treaties, it proceeds to take 10 days off, knowing that when we get back, we have no agreement as to a final vote and that we have no way of knowing how long the debate is going to continue, with important legislation backed up, committees being hampered in their operations, with other legislative matters scheduled far down the road, and keeping in mind that it is hoped that the Senate can close down a scant month before the election in November.

So I think the Senate would be severely criticized—and it would be justifiable criticism—if the leadership took off 10 days, without an agreement as to a final vote.

I am very sorry, Mr. President. If Senators want to blame anybody, I will take my share of the blame. But I have diligently sought to get an agreement. I hope

the opponents will rise to this occasion and help the leadership to get an agreement, so that not only they but also their colleagues will not be discommoded.

I cannot—as majority leader, I simply cannot—say that we are going to go out until April 3, unless we get an agreement, and I will not say that. I just cannot see that as my responsibility. I have to have an agreement, or we will have to call the Senate back next Wednesday. That discommodes me, too, but I see no alternative.

I am perfectly willing to continue to work today and tomorrow, in the effort to get an agreement. But I think it is about time that we agreed on a target date for a final vote. I do not believe that is unreasonable at all, after all the time we have spent on these treaties. I think the American people want to see us get this issue behind us one way or the other.

If the opponents win, that is fine with me. But let us have a showdown; let us have a vote. If the proponents win, that is fine with me. I happen to be a proponent. I think the American people are entitled to have their business consummated in the Senate, and I do not think they want to see the Senate stay on and on and drone on and on with respect to these treaties.

I have had my say.

Mr. LAXALT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LAXALT. Mr. President, I would like nothing better, representing the opposition, than to be able to comply with the majority leader's request. But I have consulted with several of my colleagues during the course of the last couple of days, and I simply am not prepared to enter into any firm time agreement at this time.

The fact is that, upon evaluation of the entire subject matter, we have had extensive debate here, but there are vital areas in connection with the canal treaty that we really have not touched. We really have not dug in detail into the administration aspects in connection with the Commission. We certainly have not dug into the economic aspects in connection with the payment schedule.

Above all that, our problem is a mechanical one. If I could offer the majority leader a time agreement today, I would, because, as I have indicated to him, I want the debate to be expedited; I want this matter to be concluded. I think all the colleagues in opposition share that view. But at this point, from the standpoint of pure mechanics, we are not prepared to do that.

The fact is that we presently have in the works, among opposition Senators, major amendments to the canal treaty, some in the nature of a substitute, which are going to take some time to prepare. They would like the period during the recess to do that. When that is done, we will sit down and evaluate how much time is going to be required to process those amendments adequately.

My own view, I say to the majority leader, is that, in all probability, upon returning here from the recess, we can conclude this matter by April 14 or so—perhaps before. But I cannot, in this position, at this point, much as I would like to settle upon a firm time agreement, make such an agreement.

I ask the majority leader, in terms of what the minority leader said, to preserve the recess. Plans have been made by many Senators to go back to their constituencies—it is not any form of vacation—and do their public service, see how the people have reacted to their votes on the canal treaty.

Then we will come back, and as soon as I have an opportunity to develop these amendments, I assure the majority leader that we can sit down and arrive at a time agreement. Until that point, I do not think we will be able to do that.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GRIFFIN. Mr. President, I should like to supplement what the Senator from Nevada has said.

I think it important that everyone realizes, particularly the American people who have been listening to the Senate debate, that it requires unanimous consent of the Senate to impose such a time agreement. It is not just a matter of the leadership, of the opposition, or a majority vote of the opposition.

If there is one Senator out of a hundred who will not go along with a time agreement, then obviously we cannot impose the restriction that the distinguished majority leader seeks.

I, for, one, will say that I am in the opposition group, but I would favor the proposal of the distinguished majority leader. However, that leaves us a long way from having the unanimous consent of a hundred Senators.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. LAXALT. I yield.

Mr. McCLURE. Mr. President, there is no one who is aware of the burdens of scheduling the matters before the Senate who cannot sympathize with the problem that the Senator from West Virginia is confronted with in trying to expedite this matter and others. I think there is a great deal of sympathy with that problem on the part of the vast majority of the Members of the Senate.

However, there is another side to that problem as well, and that is that there are 99 other Senators who also have problems with their own schedules. That is one of the reasons why many of us have pressed for a fixed recess schedule, so that we can attend to some of the work that must be done among the people whom we have the duty to represent here.

The Panama Canal treaties are very important issues. There are, as the majority leader has said, a number of other important issues. I am among those who find it advisable as well as proper that I draw from the experience and the judgment of the people of Idaho in order to assist me and guide me in how I should answer the questions which will be asked us on a number of legislative issues.

I regard the legislative recess schedule as simply a way of allocating our time between the work we do here and the work we do outside of these Chambers. I assure the Senator that I will share with him my fixed schedule for all of next week, starting on Sunday evening and running through the entire week, based upon the firm assurances I have had from the joint leadership over a long period of time that I could make that schedule. I have any number of people and groups of people in my State who have sought to reach me, to tell me what they think should be done. They all cannot come 2,500 miles across the country to reach me here. I try to make myself available to them here.

My schedule next week is full—absolutely full—of firm commitments I have had for weeks, based upon firm commitments made to the Senate that we would be able to do that.

I know from my conversations with the Senator from Nevada that this matter can be expedited as soon as it is possible for Senators who have various amendments to get together and try to work out which ones have to be offered and which ones might be left without being offered.

Mr. LAXALT. Mr. President, will the Senator yield at this point?

Mr. McCLURE. I yield.

Mr. LAXALT. I indicate to the Senator from Idaho as I previously have to the majority leader that we have been in the process on a staff level of attempting to distill and coordinate some 55 amendments, reservations, and understandings we have at the desk. That has been quite successful. I think realistically, I say to the majority leader, looking at it less from the standpoint of what is on the desk, between 20 and 25 amendments. The unanswered questions, I must emphasize again, are the unprinted amendments, which are going to be substantial in nature. They will be drafted as soon as we recess and we will evaluate them when we come back.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. LAXALT. I thank the Senator from Idaho. I yield.

Mr. McCLURE. I thank the Senator for yielding.

Let me add this: We have yet a half day remaining this week, today, we have Thursday and Friday; that is 2½ days yet this week, and we are talking about coming back on Wednesday of next week in order to gain 3. I suspect if we had a unanimous-consent agreement entered into right now we would end up having no votes on Thursday and Friday, and we would have then given up 2 days in order to avoid giving up 3 next week. The 2 that are being given up this week are where every Senator had reason to expect that we would be here on legislative business. As to the 3 that are affected next week, every Senator had reason to believe we would not be here. So I really most sincerely request of the majority leader that he give sensitive concern to the needs of 99 Members of the Senate, many of whom have very grave commitments and commitments that are very difficult for us individually either to break there or to break here. It is a matter of extreme urgency as far as the Senator from Idaho is concerned because I think it is a part of our job to be there. If we do not have certainty

in scheduling we cannot be there. It goes to the credibility of our process. It goes to the credibility of assurances given to us by the leadership and of our assurances, in turn, to the people of the States that we represent.

I say that in all sincerity and with full recognition of the problems that the majority leader has in trying to expedite the legislative schedule here.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, there is not a day, not a day, that I am not reminded of the sensitive concerns of the other 99 Senators. I am very well aware of those concerns and if there has ever been a majority leader who has attempted to bend over backward in order to accommodate the needs, problems, and concerns of the other 99 Senators any more than I have I would like for someone to speak up and say that name right here and now. I am aware of the concerns.

I get no satisfaction. I have been wrestling with this very question for several days, and I have been going back and forth to Senators who lead the opposition side, and they know that; and Senator LAXALT has reacted in a very splendid way. He has sought to get an agreement. But this brings me no satisfaction, not any, and I know my colleagues on this side of the aisle, I am sure, do not look upon an abbreviated recess with any joy or satisfaction.

So, let no one be under the impression that I have not already wrestled with this matter, and it has been quite tortuous to me, but I recognize where my duty lies, and I think my duty is right where I have stated.

I do not want to come back in the middle of next week, but if we could go out with an agreement that would say we would vote on April 18, which would be Tuesday, 2 weeks from next Tuesday, that would give Senators all of the recess in which to prepare their amendments. They would have all of the first 2 weeks after the Senate reconvenes on the 3d, and they would have Monday and Tuesday of the third week. It seems to me that is ample time, but we would at least know when the vote is going to occur. So do not hold me responsible alone in this bobtailing of the recess. I am simply trying to get the Senate to move on to other business.

We have been on this matter 27 days, and the arguments have been made and they have been repeated ad nauseam, and they will continue to be repeated. So let us all share this responsibility.

Mr. MUSKIE. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Do not put the responsibility on the majority leader. The majority leader has to do what he thinks he has to do in order to keep the legislation moving.

So I would hope that the Senator from Nevada (Mr. LAXALT) and his colleagues on his side of the question would continue to discuss this today and tomorrow. We do not have to decide at the moment, but I have laid out a suggestion here that seems to me to be amply reasonable and which would give the opponents plenty of time. We know that the implementing legislation still has to come on. So, this treaty is not the end all. We are going to have implementing legislation in which the House of Representatives will have to vote.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MUSKIE. Mr. President, I did not intend to say anything on this point. But given the number of Senators who have expressed concern about the majority leader's decision, I think he needs some support, and I must say I concur in his decision. I do not intend to repeat any of the reasons of the majority leader, but I wish to add one.

I have been around here many years in which an overriding issue that was very time consuming hit the session, and the result all too often was that we consumed and wasted so much time on that single issue that we gave inadequate attention to the issues that followed, that were thereby crowded into too few days and too few weeks. I have seen that happen too many times with time agreements becoming shorter and shorter and speeches on the floor more and more meaningless.

I understand the importance of these treaties and the importance of giving everyone adequate time to address the issue.

But we have other difficult issues coming down the pike and I for one wish to see those given the kind of adequate attention they have not always gotten when they have followed an issue of this kind that consumed a lot of time. I am concerned about that. I can see some of those issues down the road.

I do not like to give up an Easter recess either. It takes me a little longer to get around my State than it did when I was younger, so I like ample time. But I really think the majority leader is on target. He has indicated he is willing to go to the 13th, 14th, the 18th, and I suspect he would even give a couple more days on top of that in order to get certainty.

Mr. ROBERT C. BYRD. No question about it.

Mr. MUSKIE. And I think that is reasonable.

We are always crowded with legislation. We have to begin markup on the budget resolution on the 4th of April. We must finish that by the 15th. If we did not adopt some time-collapsing procedures we would never get that bill marked up, and we have to cover the whole range of Government programs, $500 billion worth, in a week or more.

But we recognize time is a constraint. We discipline ourselves to live within that constraint and we get our work done or at least we have never failed up to now. It may be more difficult this year. But I really think what the majority leader has been proposing provides ample time to do the kind of thing that the Senator from Nevada is describing as being necessary.

I want to join the majority leader in complimenting Senator LAXALT on his management of this side of the debate. I think he has been responsible, I think he has been decent, and I think he has been accommodating. So I am not being critical.

But I really think we have to discipline ourselves in this case to reach a date certain, and I do not care whether it is the 10th of April or the 20th of April. Certainty will enable us to address all the other problems that we have more effectively and with greater service.

So I join the majority leader, and I do not expect a response to these comments immediately, and I suspect the majority leader does not. But I would hope that all who are involved will take the next day-and-a-half to consider these matters, and this is why I rose to add this one other reason.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Maine for his fine statement.

Mr. SCOTT. Mr. President, will the Senator yield briefly?

Mr. ROBERT C. BYRD. I yield.

Mr. SCOTT. Mr. President, I was not here when this colloquy began, and yet I believe I grasp the substance of the matter. Let me say for the benefit of the majority leader we have 100 not 99 Senators who need to be accommodated, and I think certainly our distinguished leader, the majority leader, should be included rather than just to refer to 99.

I have heard the objection made, the statement made, that we do not need more than 2 weeks, from among people on this side of the aisle, and some on the other side. I would believe, and certainly it is agreeable with this Senator, but more importantly, it is agreeable with a number of Senators, to have a time limitation if the matter was presented after the recess.

The resentment that I see—and I use the word "resentment" advisedly—is that we set a time that we are going to have recesses, and the schedule was made up a long time ago. The leverage is used of denying us some time off provided we will agree to something, a question of pressure being applied, saying, "You children are not going to get off for a period of time unless you agree to a time limitation."

That is where I see the opposition, and I say that in all candor and in a friendly manner to our distinguished majority leader.

I believe when we come back there will not be the slightest difficulty in a 2-week or thereabouts limitation on debate. I would hope that my distinguished friend from West Virginia might consider that because that is the complaint I have heard, and I am talking just candidly and frankly to the majority leader.

Mr. ROBERT C. BYRD. I appreciate the Senator's candid statement. But I do not think such resentment, if there is any, is justified.

The leadership has not attempted to keep the Senate in late. All Senators know that. The leadership has not attempted to bring the Senate in early day in, day in, and day in. The leadership has sought to give committees an opportunity to meet; did not come in on Saturdays. I have not pressed for Saturday meetings, and there has been no

effort to invoke cloture. As a matter of fact, I have tried to discourage any consideration of a cloture motion, and I do not think that is the way to go in this situation.

Mr. LAXALT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. So the leadership, I think, should be given the benefit of the doubt in a situation like this.

I do not know how Senators can complain about the leadership utilizing what was originally laid out as nonlegislative periods as a threat or as a stick to get an agreement. I do not see how they can say that because, after all, this action that I feel bound to take brings me pain, even more pain than those Senators who have been speaking.

Stand in my shoes, wear my shoes, a little while, and see how you would feel about it.

I need a week off as much as anyone needs a week off. I need that time off as much as anyone needs it off. I also make appointments; I make speeches; I have to run for reelection. I have the same problems that any other Senator has here.

But I wish you would consider the position that the leadership, the joint leadership, is put in when we lay out a schedule.

If in the future we are going to have these kinds of problems—I can remember when we did not lay out nonlegislative periods. There were no periods set aside for Senators to count on. We went out on Thursday night before Good Friday, and we came back in on Monday or Tuesday. There were no nonlegislative periods.

I can remember, and the Senator from Louisiana can, when we did not have a month off every other year in August. Things have come a pretty long way, and I have made my contribution toward the fact that we now have nonlegislative periods.

But I think we are all going to have to share this responsibility. If we have to come back next week on Wednesday do not point to the majority leader. Just say, "Those of us who are opposing the treaties and who would not enter into an agreement, we will share it with him; we share that with him," because I think I would not be unfair in stating if we took that nonlegislative period, some of the opponents would be the very first to criticize the leadership of the Senate for not staying in. That would be the first thing they would say, "Well, they ought to have kept us there. We should have stayed on the job."

Well now, you cannot have it both ways. I am willing to bear the brunt of any criticism, but I will have to say to the American people who are listening that we all share responsibility here to reach a decision on these treaties in due time and get them behind us. I am willing to let the chips fall where they may. If the opposition has the votes, that is the end of it. If the proponents have the votes, that is the end of it, but we do have to get on to other things.

May I just say once again——

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes. The Senator has been seeking the floor, and I will give him the courtesy of yielding.

I do not want to carry the argument any further. I have stated the condition I think the Senate is in. I have stated the reason why we ought to have a time agreement, and I have stated my hopefulness that we will take throughout today and tomorrow and obtain an agreement. I think reasonable men can certainly obtain an agreement by tomorrow that will give all Senators a certain target date.

I do not care—I said the 18th of April a minute ago. I say the 21st of April. That will give the Senate 3 full weeks, and we can come in on Saturdays if the opponents want more time. We can come in on Saturdays during that period. But 3 full weeks—just give us a date, that is all I am asking so that Senators will know how to plan.

You say that Senators—you point to the leadership and you say, "The leadership laid out a schedule. Now, if it bobtails it, it impairs our capabilities of making plans. We cannot make plans with certainty." That is what I am asking for now. Give us a target date so that we can all make plans with certainty, so that we will know the day and hour when we will reach a final decision on this treaty.

Mr. STENNIS. Mr. President, I do not want to reargue anything, but I do feel like perhaps I want to say just a word along this line. There has been no prior discussion with the leader. But as one of many who have been holding a lot of hearings on matters that are to follow this important matter, it seems to me that we ought to follow the leadership here. He has had cooperation from many others, but I think he has handled this thing very skillfully in keeping it going and getting it along. I think we are going to have to make a choice between changing our rules where we will not have the freedom of debate, and so forth, that we have now or tightening up on ourselves more with some self-discipline, and giving the benefit of the doubt to the leadership, if I may express it that way, when they so honestly feel that they should take this course.

I am frank to say I will not be making any sacrifice by staying here, I have a lot of appointments, but many others will. But this is our place of duty. This budget resolution has got to be met. Time is running out on that. There are a lot of matters coming following this. I expect in all other things we ought to follow the leader.

Mr. LAXALT. Mr. President, will the leader yield for just a moment?

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Mississippi, as I thank the distinguished Senator from Maine.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I did promise to yield to Mr. ALLEN.

Mr. LEAHY. I wonder if Mr. ALLEN will yield to me for a couple of minutes.

Mr. ALLEN. Yes.

Mr. LEAHY. Go ahead. I will proceed after you complete your remarks. I am perfectly willing to wait.

Mr. ALLEN. I think the Senator.

Mr. President, I say to the distinguished majority leader, whom I admire and respect so much and whose leadership I enjoy following here in the Senate, that I am mindful of the duties and responsibilities and the burdens of the leadership, and even though the distinguished majority leader of necessity has to be in almost daily contact with each Member of the Senate, either directly or through the minority leader, yet I see that the majority leader's position is a lonely one, somewhat like the Presidency; it is a lonely position, and he does come in for criticism as well as praise. That is one of the burdens of the office.

I stated with respect to the other treaty that I felt we could agree on a time certain to vote, and we were able to reach a reasonable agreement that gave satisfaction on all sides, and certainly gave the leadership and the managers of the treaty, and the President himself, I am sure, the opportunity to get sufficient votes to obtain approval of the first treaty.

I believe that there would be no great difficulty in reaching a time agreement—a reasonable time agreement—after we come back from the recess; and I do feel that if we did not have the problem of the recess, we would have no difficulty today in reaching an agreement on a time limitation. But when you mix the two together, when you mix the recess with the demand or the request, shall I say, that we agree to a time limit, that is where we meet considerable difficulty; because if it is said to us that we must reach a time agreement or the recess is to be canceled, or half of it, that is not conducive to reaching an agreement.

I do not care about the recess myself; I would just as soon stay here. I have a full schedule of speeches down in Alabama; I would like to keep it, but that is not important. What is important is whether we are going to be called on, as I see it—others may not see it that way—to sacrifice a principle for the little comfort that is contained in a recess.

We need not have another day's recess, as far as I am concerned, if that is the way it is felt, but I do believe that we should not be called on to agree before we recess on a time limit, or else we will forfeit these days of recess; I just feel like that does not please Senators so very much.

I recognize that the Senate is going to go along with the majority leader; but I do hope that the majority leader will accept the assurances, the sincerity, and the good faith, the bona fides of Senators, and feel confident that when we return from the recess, good faith efforts will be made to come to a time agreement; and I would anticipate that the agreement that would be reached would not be greatly different from the time suggested by the majority leader, possibly well within that.

What is resented, I will say with all the deference, respect, and admiration that I have for the majority leader, is that coupling these together does not sit well, at least with the Senator from Alabama—possibly it does with others.

but I believe possibly it does not—that we are told, "Agree today or tomorrow on a time limit, or we are going to cancel half of your recess."

I just question whether the right course is being pursued, and I hope the majority leader will accept the assurances of those who do not want to be forced into a time limit that a good faith effort will be made.

Before I stop, I want to say that not only do I admire the distinguished majority leader, I admire the distinguished minority leader for the position that he is taking on this matter. I do not believe the fate of this treaty is at stake in permitting this recess. I do not give a rap about the recess personally. It does not make a bit of difference to me; I had just as soon consider this treaty for days on end. That suits me fine. But I do believe we can come to an agreement after the recess, and I hope we will not be put to this requirement that we reach an agreement before the recess.

I appreciate the majority leader's strong stand on this issue, and I thank the distinguished majority leader for yielding to me.

Mr. ROBERT C. BYRD. Mr. President, the Senator from West Virginia does not just indicate now that we must have an agreement today or tomorrow or the holiday will be bobtailed. I have indicated this for several days, and the majority whip, in his whip notice, I believe of last Friday, indicated that if an agreement were not reached we would probably have to shorten the holiday. This is not something that has just suddenly come up. Members have been put on notice for quite some time that this would be a distinct possibility.

Mr. ALLEN. Well, I would like to say to the distinguished majority leader and Senators that if this "agree or we cancel the recess" is the penalty that is being placed on the opponents of the treaties, it would seem to me that this penalty, like the rain that falls on the just and the unjust alike, is going to fall on the 68 Senators as well as the 32 Senators, because they are going to be inconvenienced also.

Mr. ROBERT C. BYRD. Mr. President, we all know that, and we know it is not a penalty being placed on the opponents, so let us clear the RECORD on that. It is a penalty being placed on all of us.

If we cannot sit down as reasonable men and agree on a time limit now, how does the Senator think he can assure the majority leader that when we come back on April 3 we can agree on a time limit and reach an agreement then, if it only takes one Senator at that time to object?

Mr. ALLEN. It only took one Senator the other time, I would remind the majority leader.

Mr. ROBERT C. BYRD. I am glad the Senator reminded me of that. But I am willing to work today and tomorrow to reach an agreement, and it seems to me that reasonable men should be able to reach an agreement today or tomorrow as easily as 10 days from now, and I hope we can.

But this is not a penalty on those opposing the treaty. It is a penalty on all of us. I guess I would be the one who would have the greatest whiplash of all, but that is a thing I have to contend with.

I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I heard a thing or two that disturbed me somewhat when the distinguished Senator from Mississippi (Mr. STENNIS) was speaking earlier. I might say I know of no Member of this body I admire more than Senator STENNIS. I know of no one in this body who has more of a sense for the history and traditions of the Senate than Senator STENNIS. When I hear him saying that he is concerned that we either reach a point where we can make agreements on time limitations on some of these matters or we may be faced with a position where the rules of the Senate themselves will have to be changed, I think when someone of Senator STENNIS' caliber and background and known philosophy in this area would make a statement like that, it shows the amount of concern it has caused.

I think the Senate owes a tremendous debt of gratitude to our leaders, Senator ROBERT C. BYRD and Senator BAKER, for the amount of work they have done during the time they have been the leaders of the Senate in working out time agreements. As Senator BYRD knows, I am ordinarily one of the first to ask, "Can we not have some exact times when we will be here and we will not be here?" As the distinguished majority leader knows, I have, during the past 3 years, been back to my home State just about once a week, for one thing or another. The people of Vermont want to see me back there, and I want to be back there. But I support the majority leader on this matter very, very much.

Even though I have matters planned all of next week in every part of the State of Vermont, and which would begin well before dawn every day and extend past midnight, talking with the people of Vermont to find out how they feel about various issues, discussing among other issues the treaties, I know there will be one question I will be asked by every single person who has any question in Vermont. That is going to be: "You have been on this treaty now for a month and a half."

I might say, incidentally, Mr. President, that every reliable poll taken in Vermont shows the people there split right down the middle, half in favor of the treaty and half against.

All will say the same thing. We have been on this treaty now for a month and a half. When we ratified the NATO treaty, the treaty which set up the most significant alliance in recorded history, it took us 12 days. The people in Vermont know that we are facing energy problems, we are facing farm problems—and I believe we will have the farm bill coming back here—we are facing taxes, social security, and all the other issues which impact on them directly every single day of the year.

They say, "My God, is there anybody down there who can make up their mind at this point? We can certainly make up our minds." Every one of those Vermonters have made up their mind. They say, "Can you tell us, Pat, old boy, what day you will finish that up and get on to these other matters which are really necessary to us?"

Quite frankly, Mr. President, I would rather see the distinguished majority leader cancel the whole recess so I can tell the people in Vermont that we are down here working, trying to get this matter cleared up so we can get to the other things that are of far more importance. I support the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator. I would like to read a note which was handed to me. I was supposed to make a speech today at 1:45, or something like that. It would have been a speech which would have been of benefit to me. I have been handed a note:

The speech was canceled as the people had to leave at 2 p.m.

So this cuts across all of us when we stand here and do our duty and have to cancel a few speeches. I thought it might be appropriate to indicate that I did not cancel this one; the people who were going to have me speak canceled it because of my having to be here to take a stand on what I think is in the best interest of the country.

Mr. LONG. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. I thank the distinguished majority leader.

The Senator from Louisiana all the time has been thinking that if we are going to pass this treaty we will have to enter a motion and limit the debate. We have a rule for that. Some of us did not enjoy setting a new precedent, when some of our Members were fully employing their rights under the rules and conducting, we might say, a filibuster after cloture. But they had a right, certainly. They had precedents on their side to do it. It would seem to me that from time to time we just have to live by the cloture procedure even though we prefer not to.

I honestly think it really serves no purpose to change the plans, to change the schedule. If the Senator has to do it, he can get it to a vote just as quickly by filing a cloture motion. I applaud the Senator for pleading with Senators to cooperate. I think he ought to do that. Before he comes out with a cloture motion, he definitely ought to plead with everybody, cajole, or just beg, just do anything he can to try to intrigue Senators to cooperate and bring the matter to a vote.

If the Senator cannot have the cooperation, it seems to me he ought to just face the fact that he can file a cloture motion and force the matter to a vote. We have a rule for that purpose. If he has to do it, he ought to just do it.

We do not like to tell people they cannot talk as long as they want to, but when we get down to it, does the Senator think the American people understand our sitting here for 3 solid months on something which is controversial, but where people do have the chance to make up their minds? It is pretty clear to this Senator most people know how they are going to vote.

In the end, do we not resolve the positions of Senators by calling the roll at some point?

Mr. ROBERT C. BYRD. Exactly.

Mr. LONG. It seems to me that the Senator, whether he likes it or not, will find himself forced into that rather unhappy position. I know he does not like to apply for cloture, but I think he will be forced to do it, unless he can bring Senators around to him.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. MELCHER). The pending question is on the second division of the amendment by the Senator from Alabama. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, I have an emergency matter that I would like to take up with the leadership. It should not take over 2 minutes.

Mr. ALLEN. I yield to the Senator.

Mr. MAGNUSON. This is a rescission from the White House. The Senator from Maine should be interested in this. The President has requested that Congress rescind the expenditure of close to $60 million. It must be acted upon today because time will run out shortly.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Washington may proceed as in legislative session for not to exceed 5 minutes.

Mr. ALLEN. Reserving the right to object and I shall not object, Mr. President, I would like to ask the majority leader if we are going to be able to return to the amendment this time which has been used.

Mr. MAGNUSON. Mr. President, I ask unanimous consent——

Mr. ALLEN. I am not talking about the House message. We have been talking for an hour and a half. Will that be taken from the time of the amendment or will it be added back to the time on the amendment?

Mr. ROBERT C. BYRD. Mr. President, there will remain something like an hour and 10 or 15 minutes after this. I am sure the proponents of the treaty will yield all but 5 minutes of that, or 10 minutes, so the Senator would still have his time.

Mr. ALLEN. I have no objection to the Senator from Washington proceeding.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, if $60 billion is involved——

Mr. MAGNUSON. $60 million.

Mr. HARRY F. BYRD, JR. $60 million?

Mr. LEAHY. $60 million here and $60 million there would add up to a lot of money.

Mr. HARRY F. BYRD, JR. Even if it is only $60 million, we should have a little more time than just 5 minutes.

The PRESIDING OFFICER. Does the Senator from Virginia object?

Mr. HARRY F. BYRD, JR. No.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Will the Senator yield for a request?

Mr. MAGNUSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on Mr. ALLEN's amendment occur at 4 p.m. today, and when the Senator from Washington completes his action that a Senator may put in a quorum call so that those of us who are nearby can arrive and discuss these matters further.

The vote on the amendment will occur at 4 p.m.

The PRESIDING OFFICER. Without objection, both unanimous-consent requests are agreed to.

The Senator from Washington.

RESCISSION OF CERTAIN BUDGET AUTHORITY

Mr. MAGNUSON. Mr. President, there is being held at the desk, pursuant to unanimous consent, H.R. 10982, the first budget rescission bill of fiscal year 1978, and due to the fact that this measure has been cleared on both sides, the Senate must take action on this matter.

I ask that the Chair lay before the Senate a message from the House on H.R. 10982.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 10982) to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95-285), transmitted pursuant to the Impoundment Control Act of 1974.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the bill shall be considered as having been read twice; that the Senate proceed to its immediate consideration, and that it be considered to have been read the third time and passed, and that a motion to reconsider as having been made and tabled.

Mr. HARRY F. BYRD, JR. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator from Virginia reserves the right to object.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. May I ask the distinguished Senator what the $60 million——

Mr. MAGNUSON. I was going to explain that. I have to make this motion first.

Mr. HARRY F. BYRD, JR. How do I know whether I want to object or not.

Mr. MAGNUSON. Well, I will explain it.

Mr. HARRY F. BYRD, JR. I would like the Senator to explain it.

Mr. MAGNUSON. I will withdraw that motion and I will explain it.

The PRESIDING OFFICER. Without objection, the bill will be considered as read twice.

Mr. HARRY F. BYRD, JR. The objection is withdrawn.

The PRESIDING OFFICER. The Chair must point out that the bill must be before the Senate to be considered without objection.

The bill will be considered as having been read twice and the Senate will proceed to its immediate consideration.

Mr. MAGNUSON. Now, Mr. President, this is the first budget rescission bill reported by the Committee on Appropriations for the fiscal year 1978 under the Congressional Budget and Impoundment Control Act of 1974. It just passed the House of Representatives on March 10 by a vote of 318 to 0.

It involves three items and rescinds $55,225,000 representing the same amounts proposed by the President.

The three items are: $40,200,000 under the military assistance program, which they do not need; $10,055,000 for the Federal Home Loan Bank Board, that they do not need; and $5 million for contributions for international peacekeeping activities under the State Department that they do not need.

I know of nothing controversial about the proposed rescissions. They represent a portion of the funds provided in previous appropriations that were not required due to subsequent events and other circumstances.

The proposed rescissions have all been reviewed by the respective chairmen and the ranking minority members of both Appropriations Committees, House and Senate.

As I say, the rescission was agreed to by the House on a vote of 318 to 0.

Now, Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection?

Without objection, the bill is considered to have been read the third time and passed, and the motion to reconsider is tabled.

SENATE RESOLUTION 424—SUBMISSION OF A RESOLUTION RELATING TO A NEW CANAL CONNECTING THE ATLANTIC AND PACIFIC OCEANS

Mr. MAGNUSON. Now, Mr. President, while I am on my feet, I have another matter which will take only a moment.

I send to the desk a resolution on behalf of myself and many other Senators, I think, who will join me, dealing with a second transoceanic canal.

I must say that I have been interested in this issue for a long time, dating back to 1938, as I mentioned to the Senate some time back during this an earlier debate on the need for a second canal.

This is a sense of the Senate, resolution that the President of the United States should immediately begin negotiations with the Government of the Republic of Panama or with the government of any other appropriate country, if agreed to by the two parties, regarding the construction, the maintenance, the operation of a new canal connecting the Pacific and Atlantic Oceans.

I thank Senators for yielding.

Mr. GARN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I yield now to the distinguished Senator from Maine (Mr. MUSKIE).

INFLATION AND THE FARM BILL

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, yesterday the Senate rejected by overwhelming votes Senator BELLMON'S and my effort to keep the Nation's budget in perspective. By overwhelming margins the Senate voted to increase the rate of inflation by a full point. By overwhelming margins the Senate voted to increase the Federal budget deficit. And by overwhelming margins the Senate voted to reject the discipline that we imposed on ourselves with enactment of the Budget Act 4 years ago.

Mr. President, for whatever reasons the absence of a clear administration position on the legislation supported this erosion.

Mr. President, today in the Washington Post there is an article on the warning by the Saudi Arabians that continued decline in the value of the dollar will inevitably lead to an increase in oil prices. There is an inference in that article that the concern of the President with this potential has triggered renewed anti-inflation initiatives, and expanded efforts to shore up the dollar. I find this inference, in light of yesterday's results in the Senate, interesting at best.

President Carter and his Secretary of Agriculture had a unique opportunity to take a tough stand on inflation on the farm bills. They did nothing. They waffled. And it is this kind of waffling that is discrediting the value of the dollar.

In that same story, it is suggested that the administration is considering a major effort to increase exports as a means of offsetting the decline in the dollar and improving our balance of payments. I cannot, Mr. President, believe that this administration would, on the one hand, consider improving our balance of payments by increasing our exports when at the same time their silence supported passage of legislation which will significantly reduce production of the most significant exports this country has.

I will not repeat the statistics I cited on the floor yesterday, but a decline in farm production inevitably will lead to a decline in commodities available for export. Whether or not the increased price as a result of reduced output will offset that decline depends entirely on the ability of the world to pay what may become exorbitant prices for food and feed grains. In any event, a reduction of production at this time can only lead to a reduction of our capacity to meet the demands of the export market and thus could erode hoped-for increases in exports and the associated improvement in the balance-of-payments situation.

It may be that many of my colleagues, and apparently the President, do not understand the critical nature of the current economic situation. Another round of oil price increases would have a serious and perhaps disastrous impact on recovery. Another round in devaluation of the dollar will have an equally serious effect on the world economy and the growing deficit in the Federal budget can only lead to another round of double digit inflation.

Mr. President, it will take a team effort to control inflation, to reduce the budget deficit, and to shore up the dollar. I think it is well for us to recognize the importance of that fact. Those few Senators who yesterday put national interest ahead of special interest obviously cannot do it alone. The failure of the President and two leading Senate contenders for the Presidency to exercise this kind of responsibility suggests that the public should not anticipate increased confidence in the dollar, control of inflation, and reduced deficits.

Mr. President, I ask unanimous consent that that article be printed at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. There is an inference in that article, Mr. President, that concern of the President with this potential has triggered renewed antiinflationary initiatives and has expanded efforts to shore up the dollar. I find this inference, in the light of yesterday's results in the Senate, interesting at best.

EXHIBIT 1

[From the Washington Post, Mar. 22, 1978]

SAUDIS LINK OIL PRICES TO A STABLE DOLLAR

(By Hobart Rowen)

King Khalid of Saudi Arabia has told President Carter that oil prices may have to be raised if the U.S. dollar continues its decline in world markets.

The Saudi leader said in a recent letter that his nation, in effect, has resisted several efforts within the Organization of Petroleum Exporting Countries (OPEC) to raise prices, but the United States could no longer be sure that the Saudi view would continue to prevail.

Authoritative sources stressed that Khalid's letter was not threatening, and that in fact, "it was very well reasoned." They said the anti-inflation program that President Carter now has under consideration had not been triggered by the Khalid letter.

The declining dollar, which contributes to inflationary pressures here by boosting the cost of imported goods, also has had an adverse impact on the oil cartel. For OPEC, which sells its oil for dollars around the world, a cheaper dollar amounts to a cut in their prices, and a loss of real revenues.

Officials conceded that a series of three government announcements of steps to shore up the dollar—most recently, an accord with West Germany—have not yet had the desired results, and that "some more definitive signal of a fundamental nature is going to be needed."

Congressional approval of an energy conservation bill is cited as the most important signal. But pressure has also been increasing on Carter for a stronger anti-inflation program that might give foreign exchange markets more confidence in the dollar.

Carter has been urged to take stronger anti-inflation steps by Federal Reserve Chairman G. William Miller, and by both Republican and Democratic members of the Joint Economic Committee. Additional anti-inflation measures have also been urged by the Government's own wage-price watchdog, Barry Bosworth, director of the Council on Wage and Price Stability.

As part of a new basket of actions dealing with inflation, the Administration reportedly is considering a Government task force to see how American exports might be stimulated.

An intensified export drive, some Administration officials believe, would cut down the U.S. trade deficit, which is one of the sources of pressure on the dollar.

An export program, officials said, could lead to some new form of tax incentives for exports, in effect reversing current Carter Administrative policy.

White House officials have been working on various anti-inflation options with the hope of making something public by tomorrow. But officials cautioned yesterday that that date might "slip," because final decisions have not been made by the President.

The idea of an export task force has been pushed by the Commerce Department, and endorsed by Special Trade Representative Robert S. Strauss.

"The answer to this nation's problems," Strauss said in an interview, "is not in restricting imports, and making the buying public pay more money when they're already choked by inflation, but the answer is a tremendous thrust from an export program."

But other officials, who concede that it would be useful to sweep away any artificial impediments to exports, caution that any benefits would not be gained in the short run, and certainly not quickly enough to ease current pressure on the dollar.

High on the list of potential actions to stimulate exports, according to informed sources, are tax incentives, even though the Carter Administration has rejected continuation of one form of export tax incentive, the DISC program, in its own tax bill now before Congress.

Other possible steps include beefed-up export financing, a bolstered export promotion drive, and an effort to persuade private businessmen that great export opportunities exist if they would put more effort into it. "We may have to act more like the Japanese do," one official said.

Not all Administration officials are sold on this approach, especially if it includes a politically embarrassing reversal on tax incentives for exports. "Besides," says one unconvinced official, "if the United States tries to pay its oil bills by pushing exports into the less-developed countries with the help of subsidies, that's hardly a contribution to global strategy."

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I think some of the points that the Senator from Maine has raised I would agree with. But there are vital points that are not mentioned at all.

When we are talking about the Government of Saudi Arabia and their part in setting OPEC-priced oil, we have to admit that the oil sent through OPEC was set at a considerably higher price than had been the case prior to 1973. We have to admit that our balance of payments is seriously aggravated by the imports of OPEC oil.

But we cannot lose sight on that oil they produce, the exports they have, the OPEC countries protected the price of their export. They set high oil prices and that is their major export.

We have not done anything in setting the price for American grain that is exported. It is much too low.

Mr. MUSKIE. Will the Senator yield?

Mr. MELCHER. If the wheat that we export was not being sold at around $2.60, $2.85 a bushel, but was set at a price that would compare to OPEC oil, our balance of payments would be much better.

I am delighted to yield to the Senator.

Mr. MUSKIE. No. 1, I want to make it clear to the Senator that I was as indignant and am still indignant after 3 years about the action of the OPEC prices, in quadrupling oil prices at the time that it did. I did not try to cover the history of that situation in my brief remarks.

The point I wanted to make is a very simple one. The Budget Committee within the last 2 weeks held a hearing on inflation. The witnesses included the new Chairman of the Federal Reserve Board, and others. There is no question, based on the testimony we have had, not only in that hearing, but in the hearings throughout this budget season, that our No. 1 problem is inflation.

Why is it the No. 1 problem? Initially, of course, as the record of those hearings made clear, it was triggered by that escalation in energy prices.

But what sustains it? What sustains it, may I say to the Senator, according to the testimony of these experts—I am no economic expert—what sustains it is the determination of every individual in our economy, every group in our economy, to catch up.

The underlying catchup inflation has been steady at a 6 to 6½ percentage increase for the last 2 years.

This inflation is not some new inflationary input into the economy. It is a circular thing. Everybody is catching up with everybody else and chasing everybody else in a circle.

So, unless somebody at some point breaks out of the circle to go through the anti-inflation door, that circle is going to continue to turn.

We seem to reject every opportunity to take a deflationary action. We seem to embrace—and I am not talking about just yesterday—every attractive opportunity to help somebody catch up, refusing to recognize that that catchup effort is itself inflationary.

I do not know of any smooth, painless, nonsacrificial way for us to stop that circle from turning. But I do think, as chairman of the Budget Committee, I have a responsibility, which I am going to try to exercise more conscientiously than I have in the past, to identify those inflationary inputs that keep that inflation circle whirling at what everybody tells us, who knows anything about economics, is a faster and faster pace.

Now, Senators who made their vote yesterday, cast it as a matter of conscience, and my good friend from Montana did, as well. But to pretend, as I heard one speech on the floor yesterday pretend, that voting for that bill yesterday was in no way inflationary, is simply to ignore reality.

Mr. MELCHER. Mr. President, I voted for that bill, not just on the basis of helping farmers, not just on the basis of raising our loan rates on grains and cotton so farmers could get a higher price in the marketplace, and not just on the basis of raising target prices for these commodities so farmers could survive during this tough economic crunch, but I also voted on the basis of the long-range good for the United States.

There is no way that we can correct our balance of payments without selling American grain abroad. There is no way that we can catch up, as the Senator from Maine says that we should catch up, without recognizing that we have to have a price commensurate with our exports that will match the price of imports.

The OPEC price for oil is real. They did it for their own good. The prices set on other imports that we bring into this country are set by other countries for their own good.

We have to make sure that American grain farmers and cotton producers have some protection, too.

The long-range effect, if we do not do something to protect them, is that we lose these producers and we will be in worse shape on our balance of payments, our economy will be in worse shape. We simply cannot take it out of the hides of farmers to meet the rising costs of inflation and to assure a stability on those rising rates simply by holding down farm prices. The agriculture producers must survive or our balance of payment will worsen, the dollar will be weaker, and the American economy will be much worse.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator from Kansas.

Mr. DOLE. Mr. President, I appreciate the comments just made by the distinguished chairman of the Budget Committee and also by the distinguished Senator from Montana.

The House in a vote less than an hour ago did agree to go to conference on the farm legislation, and in the process an effort was made to instruct the conferees on the so-called flexible parity bill, that was defeated, but I think the important thing is that I understand House conferees have been appointed and the Senate conferees will be appointed and they will go to conference.

I think they will overcome some of the real fears, I might add, expressed by the chairman yesterday, because it is not possible to judge the impact of the McGovern, the Dole, and the Talmadge amendments when we did not know about the one until midnight the night before.

Perhaps I am wrong in the eyes of the chairman, but I certainly do not criticize his efforts to call it to the attention of the Senate, and to point up the problem, so long as it is done with an even hand, and that is the way the Budget Committee has been operating—with an even hand—in the school lunch programs and the farm programs. I do not think we can quarrel about that.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. MUSKIE. I express my appreciation to the Senator. He always applauds my efforts, even when he does not agree with them.

Does the Senator have any idea when the conference will meet before this weekend?

Mr. DOLE. I am not certain. Senator TALMADGE, I understand, may be in the process now of contacting Senators who may be appointed as conferees on the part of the Senate. We hope we can do it during the recess—perhaps not vote until after the recess, but at least assure the farmers that there will be something to vote on when we return, if there is a recess. I suppose that is another question.

Mr. MUSKIE. I assure the Senator that I will do my best to get the budget evaluation and the economic evaluation and all the other pertinent information that is was not possible for use to have yesterday, so that the conferees will have it at their disposal at the conference.

Mr. DOLE. I hope the staff of the Budget Committee will be available to some of us on the conference, because we should know what the impact will be so far as consumers are concerned and so far as inflation is concerned—not just the benefit, but also the other side.

Mr. MUSKIE. We will try to comply with the Senator's requests.

Mr. DOLE. Mr. President, I hope—as does the Senator from Montana (Mr. MELCHER)—that we can resolve the differences in conference in the next few days, either this week or next week. Whether or not there is a recess, the conferees can meet. It seems to this Senator that the need is that urgent, that the farmers need some assurance.

I also suggest that, notwithstanding certain White House pressures and other efforts to defeat the so-called flexible parity concepts, that concept is very popular with America's farmers. I was heartened today by the vote in the House of Representatives, when a motion to table, with instructions to the conferees to adopt the flexible parity approach, received 160 votes to some 230 votes—a difference of 47 or 57 votes. It indicates to this Senator the strong support of the voluntary flexible parity concept, which I believe many of my colleagues—Democrats and Republicans—believe would be the least costly. It would not be subject to the criticisms of paying farmers not to farm, and I think it has great appeal. I hope that when the conference does meet, this Senator and others who will be conferees can persuade the conferees to adopt that view.

Mr. President, I suggest the absent of a quorum.

The PRESIDING OFFICER (Mr. MELCHER). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PANAMA CANAL TREATY

Mr. HELMS. Mr. President, I ask unanimous consent that Mr. Nick Nonenmacher, of my staff, be accorded the privileges of the floor during consideration of and any votes thereon of the Panama Canal Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. THURMOND. Mr. President, I rise in support of the Allen amendment. This is the second portion of the Allen amendment No. 86. It reads this way:

Nothing contained in the Treaty shall prevent the United States from negotiating with any other nation for construction, mainte-

nance, and operation of a transoceanic canal anywhere in the Western Hemisphere or from constructing, maintaining, or operating any such canal.

Article XII of the current treaty prevents the United States from negotiating with another country for the right to construct an interoceanic canal in the Western Hemisphere.

As stated in the debate earlier today this was supposedly a U.S. concession to obtain from Panama an exclusion that no other country build another canal in Panama.

The administration contends the concession is of no great significance since studies show Panama is clearly the best place for a future canal.

While this may be true, the concession was significant because it takes from the United States a strong leverage over Panama during the treaty period.

Since resort to military force, both legally and practically, would be no viable alternative to the United States, we would find it difficult to exert any real pressure on Panama in a dispute. However, if the United States were free to construct a sea-level canal elsewhere this would give the United States leverage on Panama not to take unreasonable actions.

The canal is of overwhelming economic importance to Panama, and the freedom of the United States to create a competitive and superior waterway elsewhere would form a most powerful incentive for Panama to come to reasonable accommodations in whatever disputes that might arise.

Although current studies indicate that Panama is the only place worth considering for a sea-level canal, I wonder why we felt compelled to sacrifice flexibility in taking advantage of unforeseen future developments which might open up a better solution in another location? When looking as far ahead as 22 years, one ought never say "never."

Mr. President, much has been said about what the United States had to give up to get an agreement from Panama that they would not allow another country to build a second canal in Panama. To keep what we already had in the original treaties it is claimed the United States had to offer a quid pro quo in the form of a provision preventing us from even negotiating to build another canal elsewhere.

The Senate must remember that the greatest giveaway of all is the treaty itself in which we are giving the canal to Panama. One would think that after that giveway we would not have to offer a quid pro quo to balance each provision of the treaty.

By surrendering the right to even negotiate with another country for another canal route, we not only surrender the canal, but surrender as well our leverage over Panama to keep the canal open.

Mr. President, this is the Western Hemisphere we are dealing with in these treaties. It is our national security and our economic health involved here. In case of war especially we would be forced to shuttle ships from one ocean to the other, and it could be done quickly through the canal. We are the ones who need minerals from other nations that have to be brought through the canal, otherwise they would have to go around the Horn and travel thousands of miles further, using a lot more fuel and costing much more each trip.

Once we act on these treaties it is final. When we pass a law and make a mistake we can do it over. If the Senate passes this treaty then the action is final, and we cannot do it over. We will have to live forever with the treaty that we have ratified.

Mr. President, I urge acceptance of the Allen amendment by the Senate.

Mr. President, on January 17, 1978 I wrote the Secretary of State and propounded some questions with regard to defense installations and matters of that nature.

On March 20, 1978, over 2 months later, a letter has come to me in answer to those questions. I am not altogether satisfied with the answer given to question 3 in this letter. It was answered by Lawrence W. Jackley, colonel, U.S. Army, special assistant, Panama Canal Treaty negotiations. In Question 3 the question I propounded to the Secretary was this:

Question 3. What use do the treaties give the United States of military installations, air bases, pipelines, forts and naval installations that go over to Panama upon ratification:

Answer. The few secondary, active military facilities transferred to Panama upon entry into force of the treaty include:

The troop area of Ft. Amador.

Albrook (East), which includes the light aircraft capable Army airfield and warehouse facilities.

The troop area of Ft. Gulick between three and five years after entry into force of the treaty. These facilities will be used by Panamanian Armed Forces which are assigned a Canal defense role. Under the terms of the Panama Canal Treaty, there are no naval installations or pipelines required to be transferred to Panama until December 31, 1999.

So, Mr. President, it can be seen that that answer is not completely responsive to the question I propounded. It does not address my question of what use the United States can make of these facilities should a requirement so develop.

Mr. President, I think it might be helpful to the Members of this body if these questions and answers are made available. They do provide for the Senate clarification of questions which the State Department could not or would not answer last fall. The listings in outline form are easy to read and should help clarify for the Senate what goes over to Panama, what may go over and what we keep during the treaty period. I ask unanimous consent that the letter dated March 20, 1978, addressed to me and signed by Col. Lawrence W. Jackley, with attachments, be printed in the RECORD following these remarks.

There being no objection, the letter and attachments were ordered to be printed in the RECORD, as follows:

OFFICE OF THE
SECRETARY OF DEFENSE,
Washington, D.C., March 20, 1978.

Senator STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: The Department of State has asked the Department of Defense to respond to your letter of January 17, concerning the lands and waters arrangements of the proposed Panama Canal Treaty. I regret the delay, caused through administrative error, in responding to your questions.

Question 1. What title transfers will be made in the Ports of Balboa and Cristobal? Are these properties essential to the operation of the Canal?

Answer. Article XIII of the Panama Canal Treaty transfers to Panama all rights, title and interest of the United States in property, installations and equipment in the Ports of Balboa and Cristobal, the boundaries of which are set forth in the Map Atlas supporting Annex B, Agreement in Implementation of Article III of the treaty (attachments 1 and 2). The United States retains the use of specific port installations, required to carry out our responsibilities to operate the Canal, described in detail in various articles of Annexes A and B of the Implementing Agreement cited above and retains our existing titles to them.

Article V of the Agreement in Implementation of Article III of the Panama Canal Treaty sets out the guidelines and conditions under which Panama will be responsible for the operation and maintenance of the Ports of Balboa and Cristobal and the Panama Railroad, which will be transferred to Panama without charge upon the entry into force of the treaty. It also establishes a Ports and Railroad Committee which has certain decisionmaking authority and certain coordinating responsibility concerning these Ports and the Railroad activities developed as a balance of our needs to ensure the continuation of essential port and railroad services and Panama's desire to obtain the economic and commercial advantages connected with these facilities.

ANALYSIS OF PORT PROVISIONS

Panama will have jurisdictional rights over vessels in the ports and must approve vessel movement to and from the docks and piers. The United States, however, will control all vessel movement in Canal waters including those within the ports in order to maximize Canal efficiency and to continue the excellent safety record of Canal operations. In the exercise of this authority the Commission may require Commission pilots to be aboard any vessel for which it deems a pilot necessary.

Paragraph 2 (c) and (d) refer to paragraphs in Annex B which contain lists of port installations and equipment which Panama agrees to maintain and over which the United States has certain use rights.

With reference to those facilities listed in paragraph 3 of Annex B, the Commission will have a right to their use on a guaranteed basis in accordance with the normal schedule for maintenance of its equipment and in emergency situations. Under this scheme, facilities which are required from time to time as a necessary part of Canal maintenance but are not fully utilized at present can be made available for related commercial uses under Panama's authority without impairing our right to use them when needed.

In paragraph 2(e), Panama agrees to schedule port services on a priority basis for vessels transiting the Canal in order to avoid all possible delays in the scheduling of Canal transits.

Paragraph 2(f) contains a general undertaking by Panama to operate the ports in a manner compatible with Canal operation and to terminate any activity found to be incompatible.

Finally, the United States is authorized to use the Naval Industrial Reserve Shipyard in the Port of Balboa in the event of an emergency relating to Canal defense. Panama has agreed that the United States may retake those facilities transferred to Panama under the treaty which are included within the Naval Industrial Reserve Shipyard as it is defined in paragraph 20(b) of the Agreed Minute to this Implementing Agreement.

Question 2. Does the treaty include transfer of the installation and equipment of the Panama Railroad Company?

Answer. Yes. Details are as described above. The treaty also provides that the U.S. shall have the right to reassume management and operations of the railroad if Panama decides that its continued operation of the railroad at the minimum levels of service agreed upon is no longer viable (paragraph 4(e), Article V, Agreement in Implementation of Article III, Panama Canal Treaty).

ANALYSIS OF PANAMA RAILROAD PROVISION

Panama makes the commitment to maintain it in efficient operating condition with service necessary for effective Canal operation and defense. The United States has the following rights with respect to the railroad:

(a) to have access to, construct, use, and maintain utilities along the railroad right of way;

(b) to use the railroad on a priority basis for purposes of Canal operation or defense at costs no larger than those charged Panama's most favored customer on a commercial basis;

(c) to retain responsibility for spur tracks and sidings servicing installations in Canal operating areas; and

(d) to resume operation of the railroad if Panama decides it is not viable to continue the operation of the railroad at the agreed levels of service.

Paragraph 5 establishes the Ports and Railroad Committee and sets out its functions. The Committee will be the appropriate body to agree upon additions to the Ports or Railroad areas from areas made available under the treaty for the use of the United States. The Committee must approve any change in land use in the ports or railroad areas before it takes place as well as any initiation of, change in or termination of services relating to the ports or to the railroad. The level and frequency of railroad services scheduled for 1977 will be maintained until the Committee is able to establish new ones.

The Committee also will maintain adequate safety, fire prevention and oil pollution standards for these facilities. Again, those Panama Canal Company standards in effect immediately prior to the entry into force of the treaty will be maintained until the Committee is able to established new standards.

The Committee will also establish procedures to facilities the movement of vessels and coordinate the activities of the two governments in the port areas.

Finally, the principle is established that the Committee will be guided by the premise that the operation of the ports and the railroad shall be consistent with efficient Canal operation and defense. Detailed understandings related to the operation of the ports and railroad are specified in the Agreed Minute to the Agreement in Implementation of Article III.

Question 3. What use do the treaties give the United States of military installations, air bases, pipelines, forts and naval installations that go over to Panama upon ratification:

Answer. The few secondary active military facilities transferred to Panama upon entry into force of the treaty include:

The troop area of Ft. Amador.

Albrook (East), which includes the light aircraft capable Army airfield and warehouse facilities.

The troop area of Ft. Gulick between three and five years after entry into force of the treaty. These facilities will be used by Panamanian Armed Forces which are assigned a Canal defense role. Under the terms of the Panama Canal Treaty, there are no naval installations or pipelines required to be transferred to Panama until December 31, 1999.

Question 4. Please provide a list by name, location and size of military installations or facilities to be transferred to Panama upon ratification of the Treaty.

Answer. At Attachment A is an overall status of the military facilities and installations as reflected in the Implementing Agreement to Article IV of the Panama Canal Treaty. Information concerning the size of each installation will be available on completion of the boundary survey required by Paragraph (1) of Annex A to the above Implementing Agreement.

I trust that this information will be helpful.

Sincerely,

LAWRENCE W. JACKLEY,
Colonel, U.S. Army, Special Assistant, Panama Canal Treaty Negotiations.

TREATY DAY: STATUS OF MILITARY FACILITIES AND AREAS

I. Defense Sites: U.S. Control for Life of Treaty:

A Howard AFB and Ft. Kobbe.

B. Rodman Naval Base, Marine Barracks, Cocoli, Arrijan and Farfan areas.

C. Ft. Clayton.

D. Albrook AFB (West).

E. Corozal Army Industrial Support Area.

F. Ft. Davis.

G. Ft. Sherman.

H. Galeta Island Naval Communications Station.

I. Semaphor Hill Communications Link.

J. US Navy Transisthmian Pipeline.

II. Military Areas of Coordination (Green): U.S. Control for Life of Treaty, or, as Long as Required, Unless Otherwise Noted:

A. Ft. Amador;

Troop area to Panama Treaty Day.

Housing and Community Support Areas: Retained as long as required.

B. Quarry Heights:

Military and Communications Facilities Retained for Life of Treaty.

Site of Combined Board.

C. Curundu Heights Housing and Antenna Field:

To Panama (for Military Personnel) in three Years (Except BOQ's).

Antennas Relocated to Howard AFB.

D. Curundu Housing:

Contractor Portion of Housing Area Retained as Long as Required.

Remainder Retained for Life of Treaty.

E. Corozal Cemetary:

F. Ft. Clayton Training Area (Retained as Long as Required).

G. Empire Firing Ranges (Retained for Life of Treaty).

H. Summit Naval Radio Station:

Retained for Life of Treaty.

Special Regime, Only U.S. Access.

I. Pina Firing Ranges (Retained for Life of Treaty).

J. Ft. Sherman Training Area (Retained for Life of Treaty).

K. Ft. Gulick and Ammunition Storage Area:

Housing, Community Service Areas and Ammunition Storage Area Retained as Long as Required.

Troop Area for One Panamanian Rifle Company Transferred in Three Years.

Remainder of Troop Area Transferred to Panama in Five Years.

L. U.S. Naval Station, Panama Canal, Ft. Amador:

Retained for Life of Treaty.

Special Regime, only U.S. Access.

M. Coco Solo Hospital:

Retained for Life of Treaty.

Special Regime, Only U.S. Acess.

N. Coco Solo/France Field Housing:

France Field Housing to Panama in Five Years.

Coco Solo Housing Retained as Long as Required.

O. Schools and housing, medical/health facilities and miscellaneous facilities as described in par (3), Annex A, Agreement in Implementation of Article IV of the Panama Canal Treaty.

III. Areas and Facilities Transferred to Panama by the Agreement in Implementation of the Panama Canal Treaty:

1. Ft. Grant:

No Military Facilities.

FAA Site Retained Under Separate Agreement.

2. Vera Cruz Strip:

Panama to Construct Road (Location Subject to U.S. Agreement).

Will Replace Panamanian Access Through Howard AFB.

3. Empire Range Parcels:

Not Required by U.S.

Moves Boundary Away from Urban Area (Arrajan).

4. Albrook (East) and Warehouse Area:

Provide Helicopter Facility to Panamanian AF.

Enable Panamanian Commercial Development.

Warehouse Area Phased to Panama in Three Years (U.S. Facilities Relocated to Defense Sites).

U.S. Helicopter Facilities Relocated Howard AFB.

5. Ft. Clayton Training Area Parcel:

Parcels not Required by U.S.

Border on Panamanian Urban Areas.

6. Cerro Tigre:

Former Ammunition Storage Area.

Not Used by U.S.

Rail/Highway Ammunition Transfer Point Retained.

7. Cerro Palado:

Former Ammunition Storage Area.

Not Used by U.S.

8. Pina Training Area Parcel (Not Required for Ranges).

9. Sherman Training Area Parcel (Not Required for U.S. Training).

10. Ft. Gulick Reservation Parcels:

(Not Used for Military Facilities).

11. Coco Solo Area, North of the "Colon Corridor":

Contains several unused WWII Military Facilities.

Except for Facilities/Areas Noted in Sections I and II Area is not Required for Military Purposes.

12. U.S. Army Tropic Test Center Parcel:

Surveyed for data collection.

Primarily used for static environmental tests.

If area is used for other purposes by Panama, test sites will be moved to Empire Range.

Mr. THURMOND. Mr. President, I yield the floor.

Mr. HELMS. Mr. President, I wonder if the distinguished Senator from Alabama will yield to me.

The PRESIDING OFFICER. There is no time limit.

Mr. ALLEN. I yield such time as he may require to the distinguished senior Senator from North Carolina.

The PRESIDING OFFICER. There is no time involved. The Senator from North Carolina may proceed.

Mr. HELMS. I thank the Senator.

Mr. President, I apologize for the raspiness of my voice. I think I caught my cold from my grandson, and in that case I will say it was worth it. But, Mr. President, I rise in support of the amendment of the distinguished Senator from Alabama.

Mr. President, I am delighted to yield at this time to the distinguished majority leader, if he desires the floor.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from North Carolina.

Mr. President, the proponents and the opponents have had an opportunity to sit down and discuss the matter as to when the Senate will reconvene and as to when we might view with some certainty the prospect of a final vote on the treaty, and the method by which we could reach an agreed-upon final vote.

There seems to be a consensus of agreement among the floor managers on both sides of the aisle and between the minority and majority leaders and supporters of both positions anent the treaties that the final decision as to a date and time for a vote on the resolution of ratification of the Panama Canal Treaty would be placed in the hands of the majority leader, the minority leader, and Mr. HELMS; and that, further, the majority and minority leaders and Mr. HELMS would sit down no later than April 5 and agree upon a date and time certain for the vote on the resolution of ratification, with the understanding that such date and time certain would not be later than the date of April 26.

With that understanding, I am agreeable to proceeding with the recess as it was laid out originally, and also with the understanding that upon our return we can meet and have a method, a modus operandi, for reaching a definite date for a vote on the resolution of ratification, with the outside date being no later than April 26.

The meeting among the majority and minority leaders and Mr. HELMS would occur at 3 p.m. on April 5.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes, I yield to the minority leader.

Mr. BAKER. Mr. President, the proposal of the majority leader, as described, is one that I think is eminently fair, and was arrived at after extensive conversations with the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from Alabama (Mr. ALLEN), and others.

Mr. ROBERT C. BYRD. May I also say, Mr. SARBANES and Mr. CHURCH?

Mr. BAKER. And Mr. CHURCH.

Mr. ROBERT C. BYRD. And the minority leader and myself.

Mr. BAKER. And has been discussed with the distinguished Senator from North Carolina, who has agreed to serve on this committee. I think it is a good arrangement, Mr. President.

I would only say that the agreement does not say that the vote will occur on April 26. It says instead that the parties described, that is, the majority leader and minority leader and the distinguished Senator from North Carolina, will meet at 3 p.m. on April 5, which is two days after we return, and that we will consider and make a judgment at that time, by majority vote, with regard to when the Senate will proceed to final action on the Panama Canal Treaty.

Mr. ROBERT C. BYRD. With the understanding that that date will not be later than April 26.

Mr. BAKER. That is correct, but I think it very well could be earlier.

Mr. ROBERT C. BYRD. Could be earlier, yes.

Mr. BAKER. I would like to express my appreciation to the majority leader, who I know has worked hard and diligently to get to this point, to the Senator from Alabama, who has been a careful and energetic opponent of these treaties, but has been eminently fair in trying to get to a decision, to the Senator from Nevada, and to all others who have made it possible to get to this point at this time.

Mr. DOLE. Mr. President, reserving the right to object, is there a precedent for vesting that authority in a committee of this kind?

Mr. ROBERT C. BYRD. I do not know if there is a precedent, but I would not want this to be one.

Mr. DOLE. The point I make is that there are 100 Senators in this body, and there are about 15 present right now, and we are about to enter into some unanimous-consent agreement whereby three Senators—we know the vote would be 2-to-1 in any event—would make a decision on when we would have a final vote on the treaty. I just wonder if that is the right way to proceed. I understand the desire to reach a vote, but there are some of us who have questions about up-or-down votes on some of the important amendments. Would that be addressed at a later time, or would we be boxed in on a time limit, so that we cannot raise that question effectively?

Mr. ROBERT C. BYRD. This agreement would not waive the rights of any Senator under the rules.

Mr. DOLE. But there is no precedent for vesting this much authority in such a committee?

Mr. ROBERT C. BYRD. I know of no such precedent. I would not say that in the history of the Senate something like this has not been done before, but I certainly would not want this to be accepted as a precedent.

Mr. DOLE. Is the Senator from West Virginia satisfied that this a proper precedent and the proper way to handle it? I have great respect for the majority leader, which is the reason why I ask the question.

Mr. ROBERT C. BYRD. Well, I think it is about the best way of reaching an understanding here that would, I think, be acceptable to both sides of the question, and certainly the representations in the meetings that we have had talking about it have been by proponents and opponents.

I do not want to see this as a precedent any more than the Senator from Kansas wants to see it as a precedent. It seems to me it does allow ample time for further debate of the treaties and yet it assures the Senate and the people that the day of decision is not going to be held beyond a certain point.

Mr. SCOTT. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. As far as I am concerned, that would be the understanding.

Mr. DOLE. So it would be that the vote would be on the 26th of April and it would not necessarily add this other factor? I am willing to vote on April 26, but I am wondering about the committee arrangement, perhaps voting earlier than the 26th. There is the fact that we ought not to be spinning our wheels here, but we ought to be voting.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator that I hope we could reach an agreement on a final vote before the 26th. If such an agreement is reached, it would seem to me it would be one that would be entered into with the understanding of both sides and it would be a reasonable way of handling this matter.

I sought to get an agreement earlier today to vote by a certain date. If that agreement had been reached, it would have been entered into by no more Senators, not a greater number of Senators, than are now on the floor. Quite often unanimous-consent agreements are entered into establishing a date and time certain to vote with only a few Senators on the floor. But I do this because on my part I feel I am speaking for the majority, and if there is a Senator on my side of the aisle with an objection he would have lodged it with me and I would certainly protect him.

Mr. DOLE. Basically, the question would be if we decided to vote on the 12th. If that does not meet with the approval of someone, could there be a motion on the floor, or how would we fix the date? Is that it?

Mr. ROBERT C. BYRD. I think, as we always reach that stage, if before the time certain it is agreed to for a vote on a very controversial matter, the majority leader, the minority leader, and their respective managers of the measure on both sides of the aisle reach an agreement. Many times we put out on the hotline what the agreement is going to comprehend and if there is any objection we go in another direction. I do not particularly like this approach, but I think it is one which protects both sides and protects all Senators.

Mr. DOLE. It would seem to this Senator that the vote is already 2 to 1, which would make the decision. I do not know what protection those of us who have objections would have. We have great respect for the majority and minority leader. We also know they are probably anxious to get this matter behind the Senate. I have not tried to delay this, but I do have some amendments on which I would like to get up or down votes. If I am deprived of the ability to say to the treaty proponents that I intend to debate this at length unless I can have an up or down vote because of some time agreement, I will lose that leverage.

Mr. LAXALT. Will the Senator yield for an observation?

Mr. ROBERT C. BYRD. I yield.

Mr. LAXALT. In response to the concern of the Senator from Kansas, I share that concern. The majority leader, and he can correct me if I am wrong, will say that the only thing which has been settled by virtue of this understanding timewise is that the vote will be taken by the 26th of April.

Mr. DOLE. I agree with that.

Mr. LAXALT. Within that, whatever comes out of the so-called committee of three will be subject to a unanimous-consent agreement, and if it did not fall within the objection of the Senator from

Kansas, we would have to look for another solution. Is that correct?

Mr. ROBERT C. BYRD. The decision by the three Senators aforementioned would be the decision as to the date and time of the vote.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. SCOTT. Would it be the understanding of the distinguished majority leader that that would be a unanimous vote, that it would have to be a unanimous vote?

Mr. ROBERT C. BYRD. No.

Mr. SCOTT. Then there would be no protection at all. I would object. I do not object at this time, but I reserve the right to object. The distinguished Senator from North Carolina can very vigorously defend the position of those who oppose the treaty but be outvoted by those who favor the treaty, the majority leader and the minority leader. So we have no protection.

I was thinking that this would be coming back to the Senate and the Senate would probably agree to whatever final date was recommended. If it is this way, then the minority has no protection, if our minority leader and the majority leader, both proponents of the treaty, would vote one way and the distinguished Senator from North Carolina would be helpless, because his one vote would not outweigh the two votes.

Mr. ROBERT C. BYRD. What the Senator is asking is that the vote of the Senator from North Carolina outweigh the two votes of the minority and majority leaders. That is what he is suggesting.

Mr. SCOTT. No; I am not.

Mr. ROBERT C. BYRD. That is precisely what he is suggesting, that it would require a unanimous vote, which would mean that Senator HELMS, by objecting, would be binding the hands of the two leaders.

Mr. President, I hope the Senator would have confidence in the two leaders. We will be as accommodating as we can be and as considerate as we can be of the needs and desires of the opponents. They will be well represented, I say to the Senator.

Mr. SCOTT. If the Senator will yield further, Mr. President, I do not have any reservation about the distinguished Senator from North Carolina or the distinguished majority or minority leader. But I am saying if the will of the Senate is to be carried out, it would seem reasonable that whatever agreement would be reached would probably be ratified and would probably be pro forma. But I still think that the definite date agreed upon at the April 5 meeting should come back before the Senate. I would undoubtedly support it and I believe others would.

Mr. ROBERT C. BYRD. If the Senator will allow me, I am perfectly agreeable to doing that. I am stating that was not our understanding. That is perfectly all right with me. I would really prefer it that way, if I may speak for my personal preferences at this point. I would prefer that whatever date the three decide upon be brought back to the Senate and be subjected to a unanimous-consent agreement, with the condition that there be no date later than April 26.

Mr. ALLEN. That is a good modification. I think that is a good modification.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Reserving the right to object, does the distinguished majority leader revise the unanimous-consent request?

Mr. ROBERT C. BYRD. I so revise it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators for their cooperation in this matter.

ADJOURNMENT OF THE HOUSE AND RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, as in legislative session I ask that the Chair lay before the Senate a message from the House on House Concurrent Resolution 544.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, March 22, 1978, it stand adjourned until 12 o'clock meridian on Monday, April 3, 1978, and that when the Senate recesses on Thursday, March 23, 1978, it stand in recess until Wednesday, March 29, 1978 or April 3, 1978, as determined by the Senate on Thursday, March 23, 1978.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The concurrent resolution (H. Con. Res. 544) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. I yield to the Senator from Georgia.

EMERGENCY AGRICULTURAL ACT OF 1978

Mr. TALMADGE. Mr. President, as in legislative session I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 6782.

The Presiding Officer (Mr. MELCHER) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TALMADGE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Mr. President, reserving the right to object, and I shall not object.

The PRESIDING OFFICER. The Senator from Utah reserves the right to object.

Mr. GARN. However, Senator DOLE wished to be present at the time this recommendation was made, and they are seeking his presence at this time.

Mr. TALMADGE. We are appointing the conferees recommended by Senator DOLE on the minority side.

Mr. GARN. All I know is that he did request to be on the floor. I did not say that he would disagree.

Mr. TALMADGE. I would never have requested the appointment of conferees without checking with the ranking minority member, and I am appointing conferees that he recommended, I can assure my friend from Utah.

Mr. GARN. I withdraw my reservation.

Mr. TALMADGE. I thank my friend from Utah.

I may say that Senator DOLE's relationship and mine has been extremely pleasant, and we get along together extremely well. I would never appoint the Republican conferees without clearing it with the ranking minority member.

Mr. GARN. Senator Dole is now here, and may I say I did not question the senior Senator at all, the chairman of the Agriculture Committee. It is just that in operating the floor for the minority I was instructed that he wanted to be here and that was the extent of my reservation. I have no question at all about the Senator's motives.

Mr. TALMADGE. I thank my friend from Utah.

The motion was agreed to; and the Presiding Officer appointed Mr. TALMADGE, Mr. EASTLAND, Mr. MCGOVERN, Mr. ALLEN, Mr. HUDDLESTON, Mr. DOLE, Mr. YOUNG, and Mr. CURTIS conferees on the part of the Senate.

APPOINTMENT OF SENATOR STAFFORD AS VICE CHAIRMAN OF THE U.S. DELEGATION TO THE INTERPARLIAMENTARY UNION CONFERENCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. STAFFORD be designated the vice chairman of the Senate delegation attending the IPU Conference during the next few days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? Once more, I beg his indulgence.

ORDER FOR RECESS TODAY UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, so that Senators may be on notice now that the nonlegislative period will extend to April 3, 1978, I ask unanimous consent that when the Senate completes its busi-

ness today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TOMORROW UNTIL 12 MERIDIAN ON MONDAY, APRIL 3, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate recesses on tomorrow, it stand in recess, in accordance with the provisions of House Concurrent Resolution 544, until the hour of 12 noon on Monday, April 3, 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes; I yield.

Mr. ALLEN. I commend the distinguished majority leader for his fine spirit of compromise with respect to this resolution and the setting of the return from the recess at April 3, in accordance with the announced recess schedule early this year. I feel that his spirit of compromise has enabled this unanimous-consent agreement to be reached and I feel sure that there is going to be no disposition on the part of the opponents of the treaties to squeeze the last day out of this allotted time. Speaking for myself, I am hopeful that a much earlier date can be agreed upon. I believe that is the sentiment of all of the opponents of the treaty.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator from North Carolina will yield, I thank the distinguished Senator from Alabama. I am glad to receive those assurances. I know they are sincere and I know that the Senator will work with other Senators in attempting to reach a final conclusion prior to April 26. He indicated that to me in private; he has said that in public. I am grateful for it, and I respect him for it.

Mr. ALLEN. I thank the distinguished Senator.

Mr. HELMS. Mr. President, I, too, commend the distinguished majority leader. I think what we have seen here is a restoration of good faith which ought to prevail at all times in the Senate. I feel sure that the final vote on this treaty will occur much sooner than he has contemplated.

Mr. ROBERT C. BYRD. I thank the Senator.

THE PANAMA CANAL TREATY

The Senate resumed the consideration of the treaty.

Mr. ALLEN. Mr. President, I yield to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I rise in support of the amendment of the Senator from Alabama. It is entirely possible that the United States may wish to build another canal, if the present canal becomes unavailable to us.

There have been some attempts on this floor to assert that the canal is of declining importance commercially and militarily. But the Senator from North Carolina believes that it is the consensus of expert opinion that the canal is growing in importance and will be of even more importance to us by the year 2000.

There are two issues here which must be distinguished very carefully. The first is the need to have an interoceanic canal between the Atlantic and the Pacific. The second is whether the present canal is sufficient in its present size and configuration to meet the needs of the United States and of world shipping. There is no question but that the experts agree on both points, particularly if major modernization is carried out by the addition of a third lane of locks.

Mr. President, frankly, there is only one situation that would justify the construction of a new canal: the circumstance that would arise if Panama were unwilling or unable to operate the canal efficiently and without discrimination. As a result of these treaties, ownership and control of the canal will pass to Panama. In other words, whoever controls Panama will control the canal. It is all very well to say that it is in Panama's interest to keep the canal open and efficient. By the same token, it was in Egypt's interest to keep the Suez Canal open and efficient. Yet Suez was closed twice, to the detriment of world shipping. International power pressures are often beyond the capability of small nations to resist.

Nor is there any guarantee that the Government of Panama will represent the interests of the people of Panama. Indeed, there is considerable doubt that Dictator Torrijos represents the interests of the people of Panama. Indeed, there is considerable doubt that Dictator Torrijos represents the interests of the people of Panama even today. Despite the fact that other governments of Panama have sought new treaties too, there is very little reason to conclude that the present dictatorship represents the interests of Panama.

When we consider the massive corruption of the Panamanian dictator and his family, their Swiss bank accounts, the lack of reliable accounting for public funds, the exploitation of the people through excessive state-controlled lotteries and gambling, the documented participation of the Torrijos family and Torrijos cronies in international narcotics trafficking, the gross mismanagement of governmental affairs and enterprises, the constant and gross violations of human rights—all of these things suggest that Torrijos does not have the interests of the Panamanian people at heart. For all practical purposes, we might as well be giving the canal to the Mafia. We are certainly not giving it to the Panamanian people, and that point ought to be clear to all. Torrijos is the only gangster in the world who issues his own postage stamps.

So there is no guarantee that the best interests of the people of Panama will prevail. It is far more likely that once Torrijos gets his hands on a $10 billion asset—to wit, the Panama Canal—it will be run for his benefit, not for the Panamanian people's benefit. Once the canal passes into Panamanian sovereignty, the United States will have no more say in the matter, if Panama chooses to ignore the treaty. We could only assert our rights through military force. And since there seems to be little disposition in this body to defend U.S. rights in the Canal Zone by military force, at a time when the assets belong to us and are administered as part of U.S. territory, we must assume that there will be even less disposition to invade Panama to enforce our interpretation of treaty rights.

Moreover, we cannot evade the political implications of the ideological orientation of the Panamanian Government. I do not know that Torrijos is a Communist in the technical sense. I do not even know whether he can be called a Marxist in the technical sense. To call him a Communist would impute a sense of discipline and obedience to orders. He is probably too self-seeking to be part of the disciplines of the international Communist movement. Nor, to my knowledge, has anyone ever accused him of being an intellectual able to spin out ideological theory.

Be that as it may, Mr. President, but the fact is that both his parents were Communist organizers and that, by choice, he chose a dedicated Marxist intellectual, Romulo Escobar Bethancourt, to negotiate this treaty. Just because he trots out some U.S.-oriented advisers to argue his case with visiting U.S. Senators does not tell us anything about the future. Those U.S.-oriented advisers may very well have to flee to the United States once these treaties are ratified.

Nor should we put any stock in supposed assurances General Torrijos gives to U.S. Senators who have visited with him. He gave assurances that he would never allow Communists in Panama. After all, we must remember that General Torrijos was doing a selling job when the Senators visited him. What was he supposed to tell those Senators in a sales talk? Was he supposed to tell us or them that he was waiting to turn everything over to a hostile power the minute the treaty is signed?

I have no idea whether he is going to do that or not, but I do credit the man with enough shrewdness not to tell us what he is going to do. So let us, regardless of all the rhetoric in this Chamber, let us not pretend to the American people that pronouncements of General Torrijos on Communism have any value whatsoever.

As a matter of fact, Mr President, I remember that in 1946 and 1947 Mao Tse-tung was not a Communist, to hear the way some experts explained it to us at that time. They told us that Mao Tse-tung was an agrarian reformer. And back in 1958, Fidel Castro was not a Communist either, to hear these same experts come back home and tell us what a great fellow he was. Well, we fought two wars in Asia, because too many people believed the former; that is to say, that Mao Tse-tung was not a Communist. We fought two wars because the American people had been misled on that point and now we are rapidly losing our influence in Africa because too many people believed all of these experts when they said that Fidel Castro was not a Communist.

Now, Mr. Castro, as soon as he took over Cuba at gunpoint, he declared, "I am a Communist now and always have been and always will be," but before he took over, the major news media of this country, the commentators, the political experts, went down and worshiped virtually at the shrine of Fidel Castro and came back and said he is an agrarian reformer.

Now if we look at the pattern of nationalization in Panama, the takeover of the Panama Light & Power Co., the takeover of the telephone company there, the pressures against the Chiriqui Land Co., that is, the banana plantations of United Brands, all of these betray that anti-U.S. nationalism which often becomes anticapitalism and alinement with nonmarket economies.

It is disheartening to see U.S. businessmen who have been taken to the cleaners by the Dictator Torrijos, businessmen pleading today on behalf of these treaties. Those businessmen who still retain some business interests in Panama, or hope to gain or retain the dictators' favor, are merely feeding the alligator, hoping that the alligator will eat them last.

Now we must not forget, Mr. President, that Panama is already a member of the bloc of nonalined nations, with Torrijos attending their meeting at Sri Lanka.

Now, Mr. President, neither is there any contradiction between Marxism and the development of Panama as a banking center. Marxism is basically opposed to private ownership of the means of production and the free market but not even communism is exempt from the need to raise and manage capital. The Communists are some of the best bankers in the world. They know the value of the dollar even better than we seem to know it in the United States. They speak the same language and they deal with the same money markets as do international banks in the free world. It is not surprising that the Red Chinese, for example, maintain one of the biggest banks in Hong Kong. It is not even surprising that, for their own purposes, they allow the existence of Hong Kong, which, like Panama, is an important offshore banking center.

And finally, Mr. President, I might point out that events often accelerate beyond the intentions or expectations of leaders, and that may be that the present dictator of Panama has no intention or inclination to go any further in anti-American actions. But the prelude to Castro and Cuba was Batista. And in some respects the comparison of Torrijos to Batista is even more appropriate, with regard to corruption and wholesale violations of human rights. By making ourselves the partner and guarantor of gangster rule in Panama, we are setting ourselves up to be the target of a Communist revolution there.

And let us make no mistake about it.

Now there is no attempt here by this Senator from North Carolina to prophesy. I do not have a crystal ball, Mr. President, and I doubt that any other Senator does. I am simply attempting to show that the development of a hostile government in Panama is a reasonable consideration. It is a contingency that prudence demands we be prepared for. It is reasonable to believe that the treaties may improve our relations with Panama. It is equally reasonable to believe that our relations might deteriorate.

The notion of some treaty proponents that only favorable circumstances can develop as a result of these treaties is pure fantasy. Life is full of surprises. We can hope for the best, but we should also be prepared to protect our interest if something less than the best happens.

Now the only leverage that the United States would have over Panama would be the threat to build a canal elsewhere. If Panama should become unreasonable, we must maintain the option to go somewhere else. In the judgment of the Senator from North Carolina, we probably would not have to go elsewhere; the threat to go elsewhere would probably be sufficient to bring Panama around.

But the one thing we would have no reason to do is to build another canal, a sea-level canal in Panama. The experts fully agree that there is no way to justify, on an economic basis, a sea-level canal. The cost would be too high to be self-supporting. The economics of it do not make any sense. The advantage of a sea-level canal over the present lock canal is too slight to justify the enormous expenditure that would be required. It is simply not cost-effective, particularly when we consider that the present canal could be modernized with a third lane of locks to handle larger ships at about one-fifth to one-third the cost of building a sea-level canal.

However, if the present canal were denied to us, if Panama became hostile, or became, unwillingly the puppet of a state hostile to us, then we would need a new canal, and obviously we would build it somewhere else.

The treaty gives us a right we do not need; namely, the right to build another canal in Panama; and at the same time, gives up a right that we do need, that is, the right to go somewhere else. And this is plainly, Mr. President, a bad bargain.

So, again, I would say that I enthusiastically support the amendment of the distinguished Senator from Alabama, and I urge its approval by the Senate, and I thank the distinguished Senator for yielding to me.

Mr. ALLEN. Mr. President, we have only 10 minutes before the vote on the amendment, and I shall use only 5 minutes, in order that the proponents of the treaty may have an equal amount of time.

I commend the distinguished Senator from North Carolina (Mr. HELMS) for his very fine speech on behalf of this amendment, and I commend the distinguished Senator from South Carolina (Mr. THURMOND) for his very persuasive speech in support of the amendment.

This is the second part of the amendment. The amendment has been divided into two parts, and a vote was had earlier today on the first part. The second part of the amendment knocks out, in effect, a provision of the treaty putting the prohibition on the United States that for the next 22 years we shall not have the authority to negotiate with another country for a transoceanic canal in the Western Hemisphere, connecting the two oceans; that we cannot even negotiate with another nation; that we cannot build, operate, or maintain a canal other than in Panama.

If a prohibition such as this had been sought to have been placed on Panama, we would hear all sorts of objections from the proponents of the treaties, saying that we should not place this indignity upon Panama, but it is all right to place an indignity on the United States and provide that we cannot, for 22 years, negotiate with another nation for another canal.

The negotiators said that is necessary in order to get the concession that we shall have the veto power over the construction of another canal in Panama. Well, we already have that right of veto, not only in the 1903 Treaty but also in the 1955 Treaty. This puts us in the anomalous position of having a right to say that no other nation can build a canal in Panama, while we have that right under both of those treaties. The treaties provide that we shall give up that right. Then, in order to get back that right—a right we already have, which the treaties have us do away with—we have to put in the humiliating provision that for the next 22 years, no matter what the need for another canal, no matter how dire the necessity for another canal might be, we cannot negotiate with another nation for such canal.

Who in the world would suggest that the United States build another canal in Panama, to cost us some $10 billion, and have Panama expropriate it or become so unhappy with the treaty that the United States would negotiate another treaty with them as to the second canal, giving them that canal?

So there is no danger of the United States wanting to build another canal in Panama; nor, as I see it, is there any danger of another nation spending some $10 billion to build another canal in Panama. How would they amortize that indebtedness? They could not possibly do it, because we have not even paid for the original canal. We still owe $319 million on it. Of course, under the treaty, that is going to be canceled. It is going to be given to Panama.

The amendment we have before us would merely eliminate the provision that we cannot negotiate with another nation for another canal. What is the reason for placing that prohibition on the United States? They say that we should not abuse the sovereignty of Panama. Well, we certainly should not abuse the sovereignty of the United States and place such a limitation upon the exercise of our right to negotiate with another nation.

Mr. President, I hope the amendment will be agreed to. I feel that this is going to be a test of whether the leadership is going to stonewall all amendments, whether they are going to call on the Senate to rubberstamp this treaty without amendments. I am going to be in-

terested in seeing whether the leadership comes forward with a leadership amendment to this treaty, as they did to the other treaty. Things are going to be very interesting. This is one of the major tests of the leadership's willingness to accept provisions that will benefit the United States of America.

I yield the floor, Mr. President.

Mr. SARBANES. Mr. President, we go to a vote at 4 o'clock on this amendment. Therefore, not only will I be very brief, but also, I must of necessity be very brief.

I do make the observation that in listening to the concluding remarks of the distinguished Senator from Alabama, I think it is fair to say that almost every amendment he puts forward is a major test of one thing or another. I notice that this was characterized in that way, and I notice that virtually every other amendment he has presented in the course of these treaties has been characterized in the same way.

The study that was referred to earlier, the very extensive study on which the United States spent $22 million, the Atlantic-Pacific Interoceanic Canal Study Commission, concluded that the only feasible place to build a sea-level canal if you were to build one—and there are a lot of questions involved as to whether one should or should not be built, whether it is economically feasible, what the environmental consequences of doing it would be—in any event, if it were to be done, the only feasible place to do it is in the Republic of Panama. That is the basis on which the arrangement contained in article XII of the treaty before us was arrived at.

This amendment, as I noted earlier in the day, is being proposed to article I of the treaty, which has absolutely nothing to do with this subject matter. It is not being proposed to article XII of the treaty, which is the pertinent and relevant article. It is being brought in here to article I of the treaty. I hope that as we proceed, we can get amendments offered to the pertinent articles of the treaty and not all brought in with respect to article I, with the possibility that they will be brought back again with respect to the article to which they are pertinent, and with the even further possibility that they will be brought back at the end.

What is embodied in the treaty constitutes a reciprocal arrangement between ourselves and Panama. As the executive director of this study indicated, we have really obtained something for nothing, and I think the provision should be seen in those terms.

The distinguished Senator from North Carolina made some reference to the regime in Panama and their treatment of United Fruit, in their operations. I simply want to underscore that the chief executive officer of United Brands Co., of which United Fruit, which operates the banana plantations in Panama, is a division, appeared before our committee and stated:

> We are convinced that ratification of the Panama Canal treaties is the only fair conclusion to the good faith negotiations conducted by our two countries over the last several years.

He went on to say:

> Our most important reason for urging ratification of the treaties can be stated simply and succinctly: We believe it is the right thing to do.

It is important to point this out, because this company's experience in Panama was cited as a reason not to support these treaties; yet, here is the chief executive officer of the company that is being cited for that proposition taking a very strong position in favor of these treaties. He also points out that it is his view that the Panamanian Government and the Panamanian people are capable of assuming the responsibility for managing the canal over the period of time set forth in the treaty documents.

He points cut that the company has a long history in Panama; that the United Fruit Co. Division, which is engaged in the production and distribution of tropical agricultural products, has operated in Panama for nearly 90 years; that they are the largest single user of the Panama Canal.

During 1977 their vessels transmitted the canal nearly 400 times, an average of 33 trips per month. They paid approximately $3 million in canal tolls and transit-related charges.

So here is a company with a very direct involvement which has been cited on the floor in terms of their experience as an argument against the treaties and here is this company on the basis of their experience urging, as strongly as they can, the ratification of the Panama Canal treaties as the only fair conclusion and as the right thing to do.

The PRESIDING OFFICER. Under the previous order the hour of 4 p.m. having arrived the Senate will now proceed to vote on division 2 of amendment No. 86.

Mr. SARBANES. Have the yeas and nays been ordered on the division?

The PRESIDING OFFICER. They have not.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Mr. President, I move to table division 2 of the amendment of the Senator from Alabama now pending before the Senate and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table division 2 of the amendment of the Senator from Alabama. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. KENNEDY). The Senate will be in order. The clerk will withhold until the Senate is in order.

The Senate is not in order. Senators are requested to take their seats and take their conversations to the cloakroom, please. The clerk will continue to suspend until the Senate is in order.

The Senate is not in order. The Senate is still not in order.

Senators are requested to take their conversations to the cloakroom.

The clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Vermont (Mr. LEAHY) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

The result was announced—yeas 52, nays 42, as follows:

[Rollcall Vote No. 75 Leg.]

YEAS—52

Abourezk	Hart	McIntyre
Anderson	Hatfield,	Moynihan
Baker	Mark O.	Muskie
Bayh	Hathaway	Nelson
Bentsen	Hayakawa	Pearson
Biden	Heinz	Pell
Bumpers	Hodges	Percy
Byrd, Robert C.	Hollings	Proxmire
Case	Huddleston	Ribicoff
Chafee	Humphrey	Riegle
Church	Jackson	Sarbanes
Clark	Javits	Sasser
Cranston	Kennedy	Sparkman
Culver	Long	Stafford
Danforth	Magnuson	Stevenson
Durkin	Mathias	Weicker
Eagleton	Matsunaga	Williams
Glenn	McGovern	

NAYS—42

Allen	Griffin	Randolph
Bartlett	Hansen	Roth
Bellmon	Hatch	Schmitt
Brooke	Hatfield,	Schweiker
Burdick	Paul G.	Scott
Byrd,	Helms	Stennis
Harry F., Jr.	Johnston	Stevens
Cannon	Laxalt	Stone
Chiles	Lugar	Talmadge
DeConcini	McClure	Thurmond
Dole	Melcher	Tower
Domenici	Metzenbaum	Wallop
Eastland	Morgan	Young
Ford	Nunn	Zorinsky
Garn	Packwood	

NOT VOTING—6

Curtis	Gravel	Inouye
Goldwater	Haskell	Leahy

So the motion to lay on the table division 2 of amendment No. 86 was agreed to.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Louisiana is recognized. The Senate will be in order; the Senator is entitled to be heard. The Chair requests the Senator to withhold until order is restored.

The Senator from Louisiana.

Mr. LONG. Mr. President, I ask unan-

imous consent to be recognized as in legislative session.

Mr. ROBERT C. BYRD. For how long?

Mr. LONG. Five minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

EXTENSION OF THE TEMPORARY DEBT LIMIT

Mr. LONG. Mr. President, there is at the desk a bill (H.R. 11518) to extend the present debt limit of $752 billion through July 31 of this year. This represents neither an increase nor a reduction in the debt limit; it simply leaves it the way it is, but it extends it through July 31. This is necessary if Congress is to recess even for a few days. I know of no objection, at least no serious objection, to its immediate consideration, Mr. President, and I ask unanimous consent that the Senate proceed to its consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 11518) to extend the existing temporary debt limit.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? Without objection, the bill will be considered to have been read twice, and the Senate will proceed to its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. Yes.

REQUEST FOR COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I have been asked by the Senator from Mississippi (Mr. EASTLAND) to ask unanimous consent that the Committee on the Judiciary be authorized to meet in room 208 at this time, to report out the nomination of Mr. Civiletti.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, reserving the right to object, I do object, while the Senate is in session.

The PRESIDING OFFICER. Objection is heard.

EXTENSION OF THE TEMPORARY DEBT LIMIT

The Senate continued with the consideration of H.R. 11518.

Mr. LONG. Mr. President, under present law, the debt limit is $752 billion which consists of a $400 billion permanent limit and a $352 billion temporary additional limit which expires on March 31, 1978. Without any action by Congress, the legal limit will fall to $400 billion on April 1.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order. Senators are requested to take their seats or to withdraw with their conversations to the cloakrooms.

The Senator from Louisiana may proceed.

Mr. LONG. Revised estimates of budget outlays were made available to the Finance Committee on Tuesday, March 14, 1978. These revisions indicate it will be possible for the administration to carry on for an additional 4 months without an increase in the present debt ceiling, because actual outlays continue to fall short of budget estimates. Legislation is necessary, however, to continue the present debt limit for the additional period.

The budget revisions attribute the shortfall to, first, a review of the fiscal year 1978 total outlays in view of the overestimate of actual spending in the first months of the year; second, policy changes enacted by Congress or proposed by the administration since the budget was submitted; and third, technical changes in several of the estimates.

As a result, the estimate of outlays was reduced by $8.7 billion from $462.2 to $453.5 billion, and estimated receipts were increased by $100 million. The new calculations reduce the budget deficit estimated for fiscal year 1978 from $61.8 to $53 billion.

A simple extension of the present limit for the additional 4 months appeared to be the most desirable choice at the present time. By July, Congress will have adopted the first budget resolution for fiscal year 1979 and several of the appropriations bills for that year will have been passed. There will be available then some congressional guidance with respect to the targets for budget totals and debt limit, and a debt limit bill at that time reflects the contents of the budget resolution.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. LONG. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the Federal funds deficit for fiscal year 1979 is projected to be $74 billion. I point out that that is the largest Federal funds deficit in the history of our Nation. I ask unanimous consent to have printed in the RECORD at this point a table showing the national debt for each of the fiscal years beginning in 1900. This table will show that the national debt has doubled in the past 7 years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The national debt in the Twentieth Century: Total at the end of fiscal years 1900–79

(Rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	20
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	40
1940	43
1941	49
1942	72
1943	137
1944	201
1945	259
1946	269
1947	256
1948	251
1949	252
1950	256
1951	254
1952	258
1953	265
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	363
1971	410
1972	437
1973	468
1974	486
1975	544
1976	632 to 646
1977	709
1978*	778
1979*	866

*Estimated Figures.

SOURCE.—Office of Management and Budget (March 1978).

Mr. BARTLETT. Mr. President, I call up my amendment No. 89.

Mr. LONG. Is that on this bill?

The PRESIDING OFFICER. The Senate is still considering the debt limit bill. The question is on the third reading of the bill.

The bill (H.R. 11518) was ordered to a third reading, was read the third time, and passed.

THE PANAMA CANAL TREATY

The Senate continued with the consideration of Executive N, 95th Congress, 1st session.

AMENDMENT NO. 89

Mr. BARTLETT. Mr. President, I call up my amendment No. 89 as a substitute, revising the Panama Canal Treaty to a lease agreement between the United States and Panama.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an amendment numbered 89:

Strike paragraph 2 of article I and insert in lieu thereof the following:

2. Notwithstanding any other provision of this Treaty, the Republic of Panama hereby leases to the United States of America the areas and installations made available by the Republic of Panama for the use of the United States of America under this Treaty and related agreements, and agrees that the United States of America shall have the rights necessary to regulate the transit of ships through the Panama Canal, and to manage, operate, maintain, improve, protect, and defend the Canal, except that such lease and such agreement shall terminate at the close of a period of ninety-nine years beginning on the date of entry into force of this Treaty, unless the United States of America, at its option, renews such lease and such agreement for additional periods of ninety-nine years. The consideration for such lease and such agreement shall be the amount required to be paid under paragraph 4 of Article XIII of this Treaty to the Republic of Panama by the Panama Canal Commission, a United States Government agency provided for under this Treaty. The Republic of Panama guarantees to the United States of America the peaceful use of the land and water areas leased pursuant to this paragraph.

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SCOTT. Will the Senator yield?

Mr. BARTLETT. I yield to the distinguished Senator from Virginia.

Mr. SCOTT. Mr. President, I appreciate the Senator yielding. I wanted to mention that when the Senate resumes after our recess next week, I intend to offer a further amendment to article I of the treaty. The principal amendment that I would offer relates to the United States retaining the ownership of the Canal Zone, but sharing the operations of the zone with other American countries. I believe that the American people are more concerned about the loss of ownership and control of this property than they are about anything else.

The preamble of the proposed Panama Canal Treaty says, "Acknowledging the Republic of Panama's sovereignty over its territory," and I believe that is intended to mean to include the Canal Zone. In any event, it says that upon "entry into force, this treaty terminates and supersedes the 1903 Treaty" and a variety of other treaties the United States has with Panama, and, in effect, would mean that we would lose the sovereign rights over the Canal Zone, we would lose proprietary rights, and we would lose control of the zone.

We have acquired proprietary rights not only from Panama under the 1903 treaty, but we have acquired them by purchase and condemnation from the private owners. We have acquired them from the French Company and also from Colombia.

It would appear, if we read only article I, that we would have a conflict as to whether the United States is giving up its proprietary rights. When we turn to article XXIII it says that we are going to turn over the canal property in operating condition and free of liens and debts except as the two parties may otherwise agree, and that the United States transfers without charge to the Republic of Panama all right, title, and interest the United States of America may have with respect to all real property, including nonmovable improvements thereon, as set forth.

Mr. President, I just wanted to make an announcement in advance of the recess, because we will be appraising the language during the recess period. The essence of this amendment, which will be offered when we reconvene after the Easter recess, is that the United States would retain title but that we would have the Board of Directors of the Panama Canal Company made up of one American citizen, one Panamanian, and citizens of five other Continental American countries to be selected by the respective governments of those states.

To me, that would eliminate the charge of colonialism, and yet the United States would maintain title and have a voice in the control. We could get rid of any suggestion of colonialism and we could protect the canal. As Admiral Moorer said, there is no substitute for ownership and control when we are thinking about a military situation.

I appreciate the distinguished Senator from Oklahoma yielding so I could make this very brief statement. I thank the Senator.

Mr. SARBANES. Will the Senator yield?

Mr. BARTLETT. I yield to the Senator from Maryland.

Mr. SARBANES. For the benefit and enlightenment of our colleagues, I wonder if we could reach a time agreement on when we will go to a vote on the amendment. I believe it would be very helpful to the Members. I suggest there be 90 minutes, equally divided. Is that satisfactory?

Mr. BARTLETT. That would be fine.

Mr. SARBANES. Mr. President, I ask unanimous consent that with respect to the amendment of the Senator from Oklahoma——

Mr. BARTLETT. Will the Senator yield? I will be happy to reduce that to 60 minutes.

Mr. SARBANES. Mr. President I ask unanimous consent that the vote with respect to the amendment of the Senator from Oklahoma which is pending at the desk, take place not later than 1 hour from now, with the time equally divided between the author of the amendment and the managers of the treaty.

The PRESIDING OFFICER. Is there objection?

Mr. BARTLETT. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. I yield to the Senator from Utah.

Mr. HATCH. Mr. President, I intend to call up an amendment immediately following the distinguished Senator from Oklahoma. Perhaps it would be well at this time, since we are getting some of the procedural problems set aside, to say that I would also agree to 1 hour on my amendment as well, to be divided equally, if that is satisfactory to the distinguished Senator from Maryland. I doubt if I will use the whole time, and I would hope the distinguished Senator from Maryland would not use his full time.

The PRESIDING OFFICER. Is the Senator from Utah propounding a separate request?

Mr. HATCH. Yes.

Mr. SARBANES. Mr. President, I make a further unanimous-consent request that following the vote with respect to the Bartlett amendment, Mr. HATCH be recognized to call up an amendment, and that the vote with respect to the amendment called up by the Senator from Utah occur no later than 1 hour thereafter, with the time to be equally divided with respect to that amendment.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. SARBANES. Will the Senator yield for a further moment?

Mr. BARTLETT. I yield.

Mr. SARBANES. In view of the unanimous-consent requests which have been entered, I think we ought to advise Members of the Senate to anticipate a vote at 5:30, or thereabouts, perhaps somewhat earlier, on the Bartlett amendment, and a vote about 1 hour later, or somewhat less than that, on the Hatch amendment.

I thank the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, after many years of public discussion and official negotiation, during four administrations, after weeks of debate here in the Senate, concluding in the ratification of the treaty of neutrality, the treaty ratification process now advances to the very heart of the Panama Canal issue.

Article I of the Panama Canal Treaty terminates all previous treaties between the United States and the Republic of Panama, redefines the rights and responsibilities which are delegated to the United States and Panama for the management, operation and defense of the canal, and affirms the goal of uninterrupted, efficient operation of the canal.

In a sense, however, the real essence of this article, and of the entire treaty issue, is the recognition of Panama as territorial sovereign over the canal and Canal Zone.

Both in Panama and in the United States, the debate over the present treaty is virtually as old as the treaty itself. The focus of this debate has been the matter of sovereignty, a circumstance which has regrettably made discussion of the treaty far more emotional and complex than it might have been, had the new agreement conformed to the treaty precedent the United States had established a half century earlier.

The United States and Colombia, Panama's former sovereign, had long enjoyed a mutually beneficial commercial arrangement under the Bidlack-Mallarino Treaty of 1846. The treaty, while guaranteeing Colombia's sovereignty over the Isthmus of Panama, granted the United States "the right of way or transit across the Isthmus of Panama upon any modes of communication that now exist or that may be, hereafter, constructed."

With the treaty, the United States acquired the right to preserve the neutrality of transportation routes across the isthmus. Thus, America's Panama Canal policy was truly formulated 65 years before the canal became a reality. In the exercise of that policy, the United States built the highly successful Panama railroad across the isthmus. It was also in the legitimate exercise of that policy that the United States deployed military forces and warships to Panama on occasions when transportation across the isthmus was jeopardized.

These principles were reaffirmed on January 22, 1903, when U.S. Secretary of State John Hay signed a treaty with Colombian Minister Tomas Herran. The Hay-Herran Treaty, while granting the United States the right to construct a canal across the isthmus, acknowledged Colombian sovereignty of the Canal Zone. The treaty established U.S. jurisdiction and control over the canal and Canal Zone by leasing the property to the United States for a period of 100 years. The lease was to be renewable indefinitely at the option of the United States.

This precedent was followed again by Secretary of State John Hay in treaty negotiations with the new Republic of Panama. The treaty originally drafted by Hay appropriately avoided the question of sovereignty and proposed instead a simple 100-year lease of the Canal Zone by the United States, renewable indefinitely by our country. Under Hay's proposal, it is quite possible that the matter of renegotiation of the treaty might never have arisen until the year 2003.

Fortunately, in the opinion of the Senate and the Roosevelt administration, the Hay proposal was substantially revised by Panama's own Envoy, Phillipe Bunau-Varilla. Rather than simply leasing the Canal Zone, the revised treaty granted the United States "sovereign rights" over the Canal Zone "in perpetuity."

Thus, the new treaty was undermined from the beginning, as John Hay would later confess in a letter to Senator John C. Spooner of Wisconsin, champion of a Panamanian route versus a Nicaraguan route for the canal. Hay described the new treaty as "very satisfactory, vastly advantageous to the United States, and we must confess, with what face we can muster, not so advantageous to Panama. . . . You and I know too well how many points there are in this treaty to which a Panamanian patriot could object."

In negotiating a new treaty with the Republic of Panama, the United States should have been guided by the precedents which existed before the Hay-Bunau-Varilla Treaty. We might have also been guided by another international agreement, negotiated, ironically, in the same year as the Panama Canal Treaty. The agreement, entered into force February 23, 1903, renewed in 1934, and remaining in effect indefinitely, provides for the lease to the United States by the Republic of Cuba of an area of land and water known as Guantanamo Bay.

The treaty is entitled "Lease of Lands for Coaling and Naval Stations," and, while its provisions are not precisely analogous to the issue of the Panama Canal, the language of article III of the agreement is indeed relevant to our current dilemma. Article III states:

> While on the one hand the United States recognizes the continuance of the ultimate sovereignty of the Republic of Cuba over the above described areas of land and water, on the other hand the Republic of Cuba consents that during the period of the occupation by the United States of said areas under the terms of this agreement the United States shall exercise complete jurisdiction and control over and within said areas . . .

It is extremely important to note the manner in which the separate concepts of sovereignty and jurisdiction and control were addressed in this agreement. This distinction is, perhaps, the primary reason the Guantanamo Bay lease remains in effect and undisputed today. Likewise, the absence of such a distinction is a principal defect, not only of the 1903 Panama Canal Treaty, but the proposed new treaty before us.

Mr. President, as I outlined in detail in a statement of February 23, 1978, the weight of evidence before the Senate affirms once again that the Panama Canal is vital to America's economic and national security interests, and that these interests will be secured only by continued U.S. administration and control of the Panama Canal.

It is clear that "America's Panama Canal policy," formulated a half century before the canal was constructed, remains valid today. I believe the course we must take to preserve that policy is equally clear.

The necessary revisions in the 1903 treaty between the United States and Panama will be achieved most appropriately and effectively through a lease agreement—an agreement similar in principle to those in force or proposed by the United States prior to the 1903 treaty, and to the existing treaty covering Guantanamo Bay, Cuba. Such an agreement would surely have appealed to the Republic of Panama. Within the framework of an international lease, every reasonable demand of Panama could be met.

First, the complex and emotional issue of sovereignty could finally be resolved in Panama's favor. At the same time, more tangible concessions could be made to address the justified resentment Panamanians have held for the U.S. presence, not only as a sovereign power, but a superior one in their own country. Dual economic, social, and legal standards would, and should, be dissolved.

Other appropriate concessions could include:

A substantial reduction of the land and water area of the Panama Canal Zone.

A substantial reduction in the number of U.S. military bases in Panama.

A substantial reduction in the level of U.S. forces in Panama.

A substantial increase in Panamanian employment in the operation of the canal and participation in higher levels of management of the canal.

A substantial increase in the share of the canal revenues for Panama.

A substantial increase in the U.S. annuity to Panama.

It should be noted that these provisions are not inconsistent with the terms of the Panama Canal Treaty before us. However, the proposed new treaty goes far beyond these generous concessions to phase out and eventually relinquish completely U.S. administration and control over the canal and Canal Zone.

During the recent debate over the treaty of neutrality, many Senators, perhaps even a majority, expressed serious misgivings about the loss of the U.S. rights to assure the continued effective operation of the canal. My amendment, revising the proposed new Panama Canal Treaty as a legitimate international lease agreement, reaffirms those rights. Unlike the 1903 treaty, however, it would do so in a fair and just manner, in good faith and without apology.

I would explain to my colleagues that if the Senate agrees to the provisions of my amendment, I would then at a later time introduce another amendment of paragraph 2 of article II, which would deal with the termination provisions in that paragraph.

There could be other minor changes that would be necessary in the body of the Panama Canal Treaty required because of the adoption of this amendment.

I think that this amendment is particularly important because it does put to rest, once and for all, the sovereignty issue, the issue which has been the burning area of debate over the last several months, several years, several decades.

It is the issue that has caused the real problem. It is the issue that the Panamanians want redressed.

So I hope that my colleagues in the Senate will seriously consider this proposal and will see fit to pass it as an amendment to the Panama Canal Treaty.

Mr. President, I withhold the remainder of my time.

Mr. SARBANES. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from Oklahoma has 15 minutes remaining. The Senator from Maryland has 30.

Mr. SARBANES. Mr. President. I hope not to use the full 30 minutes.

The amendment which the distinguished Senator from Oklahoma has offered, in effect, reestablishes a perpetuity arrangement with respect to the American presence in Panama. It calls for, and I quote now from the amendment:

> A lease which shall terminate at the close of a period of 99 years beginning on the date of entry into force of this treaty unless the United States of America, at its option, renews such lease and such agreement for additional periods of 99 years.

I want it very clearly understood what the amendment calls for is not only a 99-year lease at the outset, but renewals

for further 99-year periods—and I stress the word "periods" in the plural— additional periods of 99 years, at the option of the United States—not by agreement between the United States and the Republic of Panama, but at the option of the United States.

So, in other words, what this amendment would do is establish the principle of perpetuity with respect to the American presence in Panama.

Mr. President, it should not take much elaboration on the amendment for everyone to perceive that this runs directly counter to and contrary to the premises on which the treaties before us have been negotiated. There is absolutely no possibility that the other party to the agreement, the Republic of Panama, would accept a relationship which established in the United States the right, at its own option, to renew such lease and such agreements for additional periods—and again I underscore "periods"—of 99 years.

Now, earlier in considering the Neutrality Treaty, the permanent Neutrality Treaty, which governed the situation after the year 2000 and preserved to the United States important rights to take action and maintain the neutrality of the canal, efforts were made to amend that treaty to either give the United States a perpetual right to remain in Panama or to give it a right over a period of years.

Those proposals were rejected by the Members of the Senate by rather large margins in each instance, and the proposal which the Senator from Oklahoma has now submitted is not only a renewal of those proposals, but really goes much further than most of the ones that were presented before this body.

The whole question of perpetuity has been one of the issues of contention between the United States and Panama.

There are many countries in which we have American bases or some other American presence, but there is no country in which the United States has the right for such a presence in perpetuity—perpetually. Under the treaty before the United States has the right to have a continuing presence both in terms of the military and in terms of operating and managing the canal until the end of this century.

This amendment is not only a 99-year lease, but has the provision, and I want to read these words again:

> The United States of America, at its option, renews such lease and such agreements for additional periods of 99 years.

Now, I ask anyone who engages in making anything that approaches an even-handed bargain whether they would characterize any agreement with another party whereby the other party had the right to continually extend it, not with your agreement, but of their own volition, as constituting an even-handed agreement.

Obviously, the amendment, which attacks the entire basis of the treaty negotiation, really goes back to an approach that was embodied in the 1903 treaty which has been one of the difficulties in contention between the United States and the Republic of Panama.

Mr. President, I reserve the remainder of my time.

Mr. BARTLETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I thank my distinguished colleague from Oklahoma for yielding to me.

It seems to this Senator that the Senator from Oklahoma has hit upon a very workable, practical solution to what, obviously, is becoming an extremely difficult problem.

I can understand, as I am certain all Senators do, the concern that Panamanians feel over the issue of sovereignty. That seems to be one of the most difficult of all the problems that we have been trying to address in working out a treaty that will be workable, that can be counted upon to give the kind of assurance that the United States must have and, indeed, upon which a significant part of the world depends in order to assure the accessibility to the canal that is obviously in the interests of all people.

A treaty which would recognize this lease arrangement successfully resolves the issue of sovereignty. We do not challenge the sovereignty of Panama but we, by virtue of a lease arrangement, again will have the advantages that sovereignty, for such a period of time, might provide.

I think it should be observed that the lease arrangement has worked well in Guantanamo Bay in Cuba, a country that has certainly been hostile in recent years to the United States. We have in that Communist-controlled country a very important naval base. If it can work in Cuba, it most certainly could work in Panama.

I think we can find other illustrations throughout the world where the United States has had military bases and has occupied land under a lease arrangement. That argues well for the implementation of this same concept in the nation of Panama.

Furthermore, this amendment would keep intact the major provisions of the proposed Panama Canal Treaty. There are other advantages that could be pointed out.

The Senator from Oklahoma has said that these are concessions which certainly could be considered and might very well be included in a lease arrangement: a substantial reduction of land and water area of the Panama Canal Zone; a substantial reduction in the number of U.S. military bases in Panama; a substantial reduction in the level of U.S. forces in Panama; a substantial increase in Panamanian employment in the operation of the canal and participation in higher levels of management of the canal; a substantial increase in the share of the canal revenues for Panama.

And lastly, he calls attention to a concession which would be in the interests of Panama; namely a substantial increase in the U.S. annuity to Panama.

I think the Senator from Oklahoma has come forward with a very excellent suggestion. We had difficulty with these treaties and almost every Member of this body has participated at one time or another in trying to resolve the extremely complex and difficult issues in there two treaties before the Senate.

The efforts to which the White House and the executive have gone in trying to secure a sufficient number of votes to assure ratification of this treaty, I think underscores the difficulties that fair-minded people have had in trying on the one hand to state that we cannot amend the treaty and turning around and amending the resolution of ratification; thus, assuring Senators who were deeply concerned and disturbed that we have in fact accomplished through indirection that which we would be denied accomplishing in a straight-forward manner.

I have been one who does not believe that we can have it both ways. I do not think that it makes sense to say that if the Panama Canal Treaty is amended it will automatically constitute a rejection of the treaty, as indeed I believe it will, and then to find assurance and comfort in the device that has been put forward by three proponents in saying that, despite the fact that we cannot amend the treaty, we can amend the resolution of ratification. We must adopt reasonable tenable positions and explain our actions to our constituents. Otherwise, Americans who later look at what we have done here today will wonder how on earth we could have arrived in a rational way at the conclusion that seemingly we have reached.

I salute the distinguished Senator from Oklahoma. I hope that his amendment will be given serious consideration and the support that I think it deserves. It would resolve many of the issues that I think need to be resolved. It will resolve them in a way that will not disrupt the whole process that is taking place here and yet would accomplish and would secure for the United States those important operational rights that we know and recognize are important.

I thank my colleague from Oklahoma for yielding, Mr. President.

Mr. BARTLETT. I thank the distinguished Senator from Wyoming for those very important, interesting, and pervasive remarks in favor of this proposal. I appreciate his taking the time to address himself on this support matter.

I would say to the distinguished Senator from Maryland that the treaty with Cuba on Guantanamo Bay provides that the United States has a lease on the land and water as long as it is occupied by the United States. So, in effect, it has a very similar provision to that in this lease proposal.

This lease proposal is nearly identical with the proposal that the Secretary of State, John Hay, had prepared for negotiation with Panama. I think it erases the basic problem that exists in the 1903 treaty that was executed and ratified between the two countries.

It replaces the 1903 treaty with a much more workable agreement that provides for a long-term lease which can be renewed indefinitely at the option of this country.

It permits the opportunity for the

United States to manage the Panama Canal. I think this, along with the sovereignty issue, is a basic issue in the minds of many of the people in this country. They know that this country has done a good job of managing the canal. It has kept the fees at a reasonable level. It has kept the Panama Canal open and available to ships of all nations, and it has provided a deterrent for anyone who might have had in mind mischief in or around the canal. It has provided very capably for the defense of the canal.

I think we have this responsibility to continue as a leader of the Western Hemisphere including effective management of the Panama Canal. It is vital that the world be assured that the canal will continue to be operated.

There are so many severe questions about the Panama Canal under the Panama Canal Treaty and the Treay of Neutrality, under the management of Panama and even during the period up to 1999, when the management of the Panama Canal will be more or less a joint effort between the two nations. There is danger of the canal becoming a white elephant economically. There is a good possibility that it will be brought out in this debate after the year 1999 that the Panama Canal will have severe economic difficulties. There is not the assurance of continued operation and management with Panama as the manager, as compared with that of the United States.

So I hope my colleagues will join me in supporting this amendment. I am prepared at this time, if the distinguished Senator from Maryland is prepared, to yield the remainder of my time.

Mr. SARBANES. Mr. President, I will take just a moment.

I think it must be clearly understood that the proposed amendment would not only eliminate the day which is now set at the end of the century, 22 years away, which is almost a generation for ending an American presence in Panama but would substitute for it not only a 99-year lease duration period, but that such period, is renewable for successive 99-year periods at the sole option of the United States. So, in essence, the proposed amendment would provide for an in perpetuity arrangement.

After many years of negotiations between the United States and the Republic of Panama the parties have agreed upon an extended period for U.S. operation of the canal and U.S. military base rights in Panama.

That period is 22 years, until the end of the century. Moreover, the United States obtained in the Permanent Neutrality Treaty rights of indefinite duration with respect to the use of and defense of the Panama Canal.

This amendment, therefore, is totally contrary to the premises of the negotiations. It is obviously completely unacceptable to the other party, and it would really mean that we would lose the opportunity to conclude these agreements.

Feeling strongly as I do that these agreements serve American interests, our defense interests, our economic interests, and our foreign policy interests, I urge my colleagues to reject the amendment.

Mr. President, I am prepared to yield back my time and go to a vote if that suits the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I have just a word to say and then I will be prepared to yield back the remainder of my time.

I think, from the debate that has taken place so far, and the amendments, reservations, and understandings which have been adopted, that the majority of Senators of this Senate are not pleased with the agreement that is so strongly supported by the distinguished Senator from Maryland.

This amendment is a new means of approaching a treaty, one that has precedent in this country and one that eliminates the difficulty that has been created down through the years over the sovereignty of the Panama Canal.

So this is done in a way that I believe leads to a solution of the problems that exist between our Nations regarding sovereignty and yet permits the continued management and operation of the canal and the waters and area around it by this Nation. In my opinion, it is so important to assure the people of this country that the Panama Canal will be properly maintained, equipped, and protected as well as managed.

I am ready to yield and do yield the remainder of my time, along with the Senator from Maryland.

Mr. SARBANES. Mr. President, I yield the remainder of our time.

The PRESIDING OFFICER (Mr. ZORINSKY). All time having been yielded back the question is on agreeing to the amendment of the Senator from Oklahoma.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "nay."

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 15, nays 76, as follows:

[Rollcall Vote No. 76 Ex.]

YEAS—15

Allen	Hatch	Schmitt
Bartlett	Helms	Scott
Eastland	Laxalt	Stevens
Garn	Lugar	Thurmond
Hansen	McClure	Tower

NAYS—76

Anderson	Brooke	Cannon
Baker	Bumpers	Case
Bayh	Burdick	Chafee
Bellmon	Byrd, Harry F., Jr.	Chiles
Bentsen	Byrd, Robert C.	Church
Biden	Cranston	Clark
Culver	Danforth	Huddleston
DeConcini	Dole	Humphrey
Domenici	Durkin	Jackson
Eagleton	Ford	Javits
Glenn	Griffin	Johnston
Hart	Hatfield, Mark O.	Kennedy
Hatfield, Paul G.	Hathaway	Leahy
Hayakawa	Heinz	Long
Hodges	Hollings	Magnuson
Mathias	Matsunaga	McGovern
McIntyre	Melcher	Metzenbaum
Morgan	Moynihan	Muskie
Nelson	Nunn	Packwood
Pearson	Pell	Percy
Proxmire	Randolph	Ribicoff
Riegle	Roth	Sarbanes
Schweiker	Stafford	Stennis
Stevenson	Stone	Talmadge
Wallop	Weicker	Williams
Zorinsky		

NOT VOTING—9

Abourezk	Gravel	Sasser
Curtis	Haskell	Sparkman
Goldwater	Inouye	Young

So Mr. BARTLETT's amendment was rejected.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Utah (Mr. HATCH) is recognized.

UP AMENDMENT NO. 14

Mr. HATCH. Mr. President, I call up my unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 14:

At the end of Article I, add the following:

"5. The Republic of Panama agrees that, for the duration of this Treaty, it shall not nationalize, expropriate, seize ownership, or control of any property owned by the Panama Canal Commission, or any property owned by any United States citizen, or owned by any corporation, partnership, or association in which United States citizens have an interest or interests, situated in Panama or in any area made available to the United States of America by the Republic of Panama, pursuant to this Treaty and related agreements.".

The PRESIDING OFFICER. On this amendment there is a time limitation of 1 hour, to be equally divided between the Senator from Utah (Mr. HATCH) and the Senator from Maryland (Mr. SARBANES).

Mr. HATCH. Mr. President, while we have enough Senators present, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President, I have agreed to keep my remarks brief, so that we can consider this amendment with expedition. I intend to conclude my remarks in less than 10 minutes.

During the course of this debate——

Mr. CHURCH. Mr. President, will the Senator yield? I apologize for interrupting.

Mr. HATCH. Yes.

Mr. CHURCH. Will the Senator be able to make his unanimous-consent agree-

ment conform, with a total of 20 minutes, 10 minutes to a side?

Mr. HATCH. Mr. President, I ask unanimous consent that the time for consideration of this amendment be limited to not more than 20 minutes, the time to be equally divided between the parties.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATCH. Mr. President, during the course of this debate I have discussed many of the serious ambiguities contained in these treaties. Today I would like to draw attention to a fatal omission. Nowhere in this treaty is there a provision which protects the United States should Dictator Torrijos decide to nationalize the canal. Indeed, the language of the treaty contains no guarantee that the Republic of Panama will not expropriate the property made available to the Panama Canal Commission, and is silent as regards the property rights of American citizens and corporations or other business enterprises in Panama.

Perhaps the proponents of the treaty wish to argue that Panama would have no reason to nationalize the canal or sell it to a third party because such action would jeopardize Panama's right under the treaty and related agreements to millions of dollars in the form of payments and credits.

At first glance, this would appear to be a reasonable response. But upon reflection we must ask ourselves why the Panamanians might not be encouraged to seek greater profits through a nationalization scheme involving payments from a third party, such as the Soviet Union or one of its satellites.

What I am suggesting, Mr. President, is that the payment provisions are not an iron-clad guarantee that the Panamanians will not, at some future date, nationalize the canal or turn over the facilities to a regime hostile to the United States.

Furthermore, I think that Senators should be mindful of what took place regarding the Suez Canal. Suppose Panama flagrantly violates either the letter or the spirit of the treaties and puts the Panama Canal Commission out of business or at the mercy of a hostile power? Would that justify the use of force to secure our rights and to maintain neutrality?

We did not think so with Suez. In 1954, Egypt made a treaty with Great Britain whereby Great Britain would withdraw its troops from the Suez Canal by 1956. In return, Egypt agreed that Great Britain would retain installations and technicians at Suez for 7 years. The British troops were withdrawn on June 13, 1956. In July, Egypt seized the canal, breaking the treaty with Great Britain.

Moreover, in the 1954 treaty, Egypt had agreed to observe the Convention of Constantinople of 1888, upon which the present neutrality treaty is based. The treaty of 1888 required the Suez Canal to be open to commercial passage in time of war as well as in time of peace to vessels of all nations. But from 1950 to 1956, Egypt denied Israeli ships and cargo passage through the canal. Israel appealed to the U.N. and the Security Council under article 25 ordered Egypt to fulfill its obligations. Egypt as a signatory to the U.N. Charter was bound to obey; yet she refused.

Egypt had thus violated the 1888 treaty, the 1954 treaty, and the U.N. Charter. And yet when Israel, Great Britain, and France attacked Egypt, the United States joined the Soviet Union at the U.N. in using threats and pressure against Israel, Great Britain, and France for violating the U.N. Charter. Egypt had violated three treaties, yet the aggrieved nations could not use force against her under international law.

To prevent a similar situation from developing in Panama, it seems to me, Mr. President, that this treaty requires some specific guarantees with respect to the possibility of nationalization. I recognize that these would be only paper guarantees, but at least they are better than what we now have—which is no guarantee at all.

Accordingly, I am offering an amendment to article I of the treaties which states simply that the Republic of Panama guarantees that, for the duration of this treaty, it will not nationalize, expropriate, seize ownership, or control of any property owned by the Panama Canal Commission, or any U.S. citizen, corporation, partnership, or association in which U.S. citizens have an interest. I might add that the Foreign Assistance Act of 1961, as amended, contains similar provisions in order to discourage countries receiving foreign aid from nationalizing or expropriating American property.

Mr. President, in the interest of expedition, I reserve the remainder of my time. Might I ask how much time is remaining to the Senator from Utah?

The PRESIDING OFFICER. Four minutes.

Mr. HATCH. I thank the Chair. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, this amendment is directly contrary to our national policy. In our relations with other sovereign governments, we have always recognized that those governments have the right of eminent domain, even as our Government possesses that right. We have only insisted, when other governments exercise the right of eminent domain as to us, taking over private property and converting it into public ownership, that the private owners, if they be American citizens, are fairly compensated.

This amendment would deprive the Republic of Panama from exercising the right of eminent domain. It is thus clearly contrary to the established policy of the United States with respect to our dealings with all other governments in the world.

If we read through the amendment carefully, it goes even further. The first sentence reads:

> The Republic of Panama agrees that for the duration of this treaty it shall not nationalize, expropriate, or seize ownership or control of any property owned by the Panama Canal Commission.

Let us stop there.

Since the Panama Canal Commission, under the treaty, is an agency of the U.S. Government, any effort by the Government of Panama to nationalize, expropriate, or seize ownership or control of any property owned by the Panama Canal Commission would be an act taken directly against the United States. It thus would be a violation of the treaty and, in turn, release the United States from any of its obligations under the treaty.

Therefore, the first part of this amendment is totally unneeded. But the amendment continues:

> or any property owned by any United States citizen, or owned by any corporation, partnership, or association in which United States citizens have an interest or interests, situated in Panama.

In other words, the amendment reaches out beyond the Canal Zone and now imposes upon the entire Panamanian nation a protection which would prohibit the Government of Panama from exercising the right of eminent domain against any privately held property or any business if any part of that business was owned by an American citizen.

Let us assume that a Mexican company was the object of an eminent domain proceedings. If we were to adopt this amendment, that Mexican company having holdings in Panama would be protected as long as one American citizen owned one share of stock in the company.

So the amendment not only goes further than any such proposition that I have ever seen before in attempting to handcuff another government and prevent it from exercising eminent domain against legitimate American business interests, but it would cover foreign business interests as well, as long as one stockholder was an American citizen.

The amendment, Mr. President, is effectively wrong even from the standpoint of those who would depart from American national policy and establish a unique rule in our dealings with Panama, because it obviously extends its umbrella not only to American companies but to foreign companies as long as there was any form of participation, even a single share of stock owned by an American citizen.

For all these reasons, Mr. President, it would be a grave mistake to adopt such an amendment. At the appropriate time it is my intention to move to table this amendment.

Mr. President, I reserve the remainder of my time.

Mr. HATCH. Mr. President, I appreciate the comments of the distinguished Senator from Idaho. I would like to call his attention to the fact that my interest in this amendment is the interest of protecting American citizens, American companies, American business interests, as well as the Panama Canal Commission against expropriation and/or nationalization by Panama. I think there is a distinctly different law in both countries between the right of eminent domain and the expropriation of American property, or the nationalization of Amer-

ican property. I think our citizens deserve to have this kind of protection.

I want to protect American citizens as well as our country, even those citizens who own as little as one share of stock in a Panamanian company or in some Pan-American interest or in some American company in Panama which might otherwise be expropriated.

The problems of expropriation and nationalization are not new to the United States of America. We are in a tremendous bind right now from an oil and energy standpoint as a result of these very same problems.

We understand that this is a unique situation. It is one thing to always protect the wonderful feelings of the Panamanians. I cannot see any way that this would be offensive to those feelings. This amendment would benefit U.S. citizens, this country, and Panama in the process because we would both know where we stand. Therefore, I urgently urge my colleagues to support this amendment. It is meritorious. If it is not supported, I will have to conclude that the same stonewalling as has taken place in the past is continuing.

Mr. President, I reserve the remainder of my time, but I am prepared to yield the remainder of my time back and have a vote up or down.

Mr. President, if I could make one further comment, the Foreign Assistance Act has the same language as we have here. It is an act which has governed foreign relations of this country for many years. This amendment has been artfully drafted to protect the U.S. interests and this country, and I think it does no harm to Panama other than to let them know where we stand on this issue. I yield back the remainder of my time.

Mr. CHURCH. Mr. President, as I have already explained, the amendment, as drafted, does not represent American policy toward any other country. If the Senator from Utah cannot see how it would be regarded by the people of Panama, then I really think he should take off his blinders. Suppose Panama were to say to us that the Government of the United States might not, for the duration of the treaty, exercise the right of eminent domain in the language of this amendment, which would then extend not only to Panamanian property but to any property in the United States in which a Panamanian held any interest, even a single share of stock.

The amendment reaches much further than I think even its sponsor intends and on that basis alone should be rejected.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. HATCH. I appreciate the distinguished Senator yielding. Basically, all we are doing is incorporating the language of the Foreign Assistance Act of 1961, pursuant to which almost all foreign policy of this country is based. The language is very similar. Incidentally, if the distinguished Senator from Idaho is concerned about the fairness in the United States, I would be willing to grant the same privilege to Panama, that we will not expropriate or nationalize any of their interests in our country.

Mr. CHURCH. The Senator's argument does not correspond with the language of the amendment. I know the provision in the Foreign Aid Act to which he refers, but we have never taken a position, under that act or any other, that foreign governments may not exercise a right of eminent domain. You can use other words. You can say "confiscate," you can say, "expropriate;" but those are just other words for the right of eminent domain by which a government takes private property. Our policy has always been to recognize the right of other governments to exercise the power of eminent domain, even as we insist upon our right to exercise that power. But, in cases where private businesses owned by American citizens are seized by foreign governments, we have always insisted that the owners be fairly compensated. That is the policy of the United States. It is not reflected in the language of this amendment. Indeed, this amendment contradicts that policy.

For that reason, Mr. President, I move to lay the amendment on the table.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. Yes. I do not know how much time we have.

The PRESIDING OFFICER. The motion is not debatable.

Mr. CHURCH. I withhold my motion, if there is time for me to do so.

Mr. HATCH. It was my understanding that we were going to vote up or down on this. I talked to both Senators on the other side.

Mr. CHURCH. No, the only understanding we had was as to the 20-minute limitation, divided half and half.

Mr. HATCH. I talked to both of you and said, "Let's have an up and down on this." You must not have heard me, then.

I respectfully request that we vote up or down.

Mr. SARBANES. Will the Senator yield on that?

Mr. HATCH. Yes, I am delighted.

Mr. SARBANES. I simply want to state for myself—Senator CHURCH will have to answer for himself—but I say to the Senator that at no time do I recall that question being put to me by the Senator, and I certainly did not respond.

Mr. HATCH. It was, but obviously, you did not hear it, so I shall have to accept it.

Mr. CHURCH. I did not hear it, either.

Mr. HATCH. That was one reason I offered to cut down on the time. But I did ask it and perhaps you did not hear it.

I would like to ask you to consider having a vote up or down on this. It certainly would not hurt anything. Since I remember mentioning it, even though I accept the fact that you did not hear it, I think it would be only fair.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. SARBANES. Well, Mr. President—has all time expired?

The PRESIDING OFFICER. Yes; it has.

Mr. SARBANES. I ask unanimous consent to proceed for 2 additional minutes.

Mr. CHILES. I object.

The PRESIDING OFFICER. The objection is heard. The question is on agreeing to the amendment.

Mr. LEAHY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. What is the situation on the amendment? Has it been tabled?

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered.

Mr. CHURCH. Mr. President, the Senator from Maryland would like to have an additional minute. I ask unanimous consent that he may have that additional minute.

The PRESIDING OFFICER. Is there objection?

Mr. HATCH. If the Senator from Utah may have the same unanimous consent for an additional minute, which I shall probably not use.

Mr. CHURCH. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. I want to say that a motion to table is a standard and respected parliamentary procedure. The Senator from Utah did not make that request of me and the Senator from Idaho said he did not make it of him. I, frankly, do not respond positively to the tactic that says, "Well, I will do it in a certain amount of time if you will do it my way, but you are not going to do it my way, I am not going to do it in a certain amount of time." We have not asked that with respect to the parliamentary rights of the opponents to the treaty as they propose crippling amendments. It seems unreasonable to me that they should seek to place us in this position. Given where we are right now, I frankly think we ought to move to table because I do not think we should be dealt with in this unfair fashion.

The PRESIDING OFFICER. The Senator's minute has expired.

The Senator from Utah has 1 minute.

Mr. HATCH. In my 1 minute, I would like to say this: I have already acknowledged that the two Senators on the other side probably did not hear me, but I did say, "If we cut this down, we will go back-to-back with Senator BARTLETT's. I will try to cut it down to an hour." Then we cut it down to 20 minutes.

It was right here, at the head table, that I said I would like to have a vote up or down. I thought you both said yes. Apparently, you did not hear me. I accept that. Now I am asking you, in fairness, let us have a vote up or down. If you do not want to, that is your right and privilege, and I shall have to consent to it.

Mr. SARBANES. Does the Senator have time he could yield to me?

The PRESIDING OFFICER. All time has expired.

Mr. SARBANES. I am happy to go to a vote up or down, but I want it understood that this tactic is not accepted by me.

Mr. HATCH. Now, wait a minute.

The PRESIDING OFFICER. The yeas and nays have been ordered.

The PRESIDING OFFICER. All time

has expired. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Tennessee (Mr. SASSER), the Senator from Alabama (Mr. SPARKMAN), the Senators from Mississippi (Mr. STENNIS and Mr. EASTLAND) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) is absent on official business.

Mr. STEVENS. I announce that the Senator from Nebraska (Mr. CURTIS), Senator from Arizona (Mr. GOLDWATER), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

The result was announced—yeas 26, nays 62, as follows:

[Rollcall Vote No. 77 Ex.]

YEAS—26

Allen	Hansen	Randolph
Bartlett	Hatch	Roth
Brooke	Hatfield,	Schmitt
Cannon	Paul G.	Schweiker
DeConcini	Helms	Scott
Dole	Laxalt	Stevens
Domenici	Lugar	Thurmond
Ford	McClure	Tower
Garn	Nunn	Wallop

NAYS—62

Abourezk	Griffin	Metzenbaum
Anderson	Hart	Morgan
Baker	Hatfield,	Moynihan
Bellmon	Mark O.	Muskie
Bentsen	Hathaway	Nelson
Biden	Hayakawa	Packwood
Bumpers	Heinz	Pearson
Burdick	Hodges	Pell
Byrd,	Hollings	Percy
Harry F., Jr.	Huddleston	Proxmire
Byrd, Robert C.	Humphrey	Ribicoff
Case	Jackson	Riegle
Chafee	Javits	Sarbanes
Chiles	Johnston	Stevenson
Church	Kennedy	Stone
Clark	Leahy	Talmadge
Cranston	Long	Weicker
Culver	Magnuson	Williams
Danforth	Matsunaga	Young
Durkin	McGovern	Zorinsky
Eagleton	McIntyre	
Glenn	Melcher	

NOT VOTING—12

Bayh	Gravel	Sasser
Curtis	Haskell	Sparkman
Eastland	Inouye	Stafford
Goldwater	Mathias	Stennis

So the amendment was rejected.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 30 minutes, with statements limited to 5 minutes each.

The PRESIDING OFFICER (Mr. WILLIAMS). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT—PM 156

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

One year ago, in my inaugural address, I pledged "perseverance and wisdom in our efforts to limit the world's armaments to those necessary for each nation's own domestic safety." The report which I am transmitting is an account of the actions taken in 1977 by the U.S. Arms Control and Disarmament Agency towards the fulfillment of that pledge.

The Arms Control and Disarmament Agency is the focal point of my Administration's efforts to reach arms control agreements through negotiations and to develop policies which will lead to reduced worldwide reliance on weaponry. This central role was legislated by the Congress seventeen years ago, and it is entirely in keeping with my concept of how these objectives should be pursued.

The arms control policy and goals set forth in this report reflect my own commitment to the achievement of these important objectives. In the nuclear age, when war could bring catastrophic consequences, our national security policy must include efforts to control arms, as well as to provide for our military defense. The two are complementary activities, both necessary to achieve our overall objectives—peace and security for this Nation and the world.

When necessary, we will maintain our security and protect our interests by strengthening our military capabilities. Whenever possible, however, we seek to enhance our security through arms control. Our security and the security of all nations can be better served through equitable and verifiable limits on arms than through unbridled competition. The United States has chosen arms control as an essential means of promoting its security. As we pursue this continuing course, we must convince other nations that arms control is in their interest as well. Their cooperation is vital if balanced arms control agreements are to be achieved.

Ensuring the stability of the nuclear relationship between the United States and the Soviet Union is the most urgent arms control task today. In the longer term, however, I believe that preventing the worldwide proliferation of nuclear weapons may be of equal significance. Other pressing problems, such as the worldwide traffic in vast quantities of sophisticated conventional arms and regional arms buildups, have far-reaching implications for our own peace and security and that of the rest of the world. As such, I have taken steps to restrict U.S. arms transfers and to gain the cooperation of other suppliers in curbing worldwide sales.

The challenge of preventing war—and redirecting resources from arsenals of war to human needs—is the greatest challenge confronting mankind in this last quarter of the twentieth century. It is a challenge I accept.

JIMMY CARTER.

THE WHITE HOUSE, *March 22, 1978.*

REPORT OF THE NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION—MESSAGE FROM THE PRESIDENT—PM 157

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the Annual Report of the National Advisory Council on Adult Education for Fiscal Year 1977, as required by Section 311(d) of the Adult Education Act of 1977 (Public Law 89-750), as amended.

JIMMY CARTER.

THE WHITE HOUSE, *March 22, 1978.*

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on March 13, 1978, he had approved and signed S. 838, an act to amend the Indian Claims Commission Act of August 13, 1946, and for other purposes.

The message also stated that on March 14, 1978, he had approved and signed S. 2076, an act to authorize the Secretary of the Interior to make payments to appropriate school districts to assist in providing educational facilities and services for persons living within or near the Grand Canyon National Park on nontaxable Federal lands, and for other purposes.

MESSAGES FROM THE HOUSE

At 10:59 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 544. A concurrent resolution providing for an adjournment of the House from March 22 to April 3, 1978 and a recess

of the Senate from March 23 to March 29 or April 3, 1978.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1396 An act for the relief of Mrs. Sun Pork Winer;

H.R. 1751. An act for the relief of Lucy Davao Jara Graham;

H.R. 1779. An act for the relief of Gilberto Taneo Gilberstadt;

H.R. 1938. An act for the relief of Santos Marquez Arellano;

H.R. 2291. An act for the relief of Carmen Cecilia Blanquicett;

H.R. 2555. An act for the relief of Michelle Lagrosa Sese;

H.R. 4607. An act for the relief of William Mok;

H.R. 5230. An act for the relief of Jung In Bang;

H.R. 5933. An act for the relief of Jonathan Winston Max;

H.R 6801. An act for the relief of Hye Jin Wilder;

H.R. 6934 An act for the relief of Donna Marainne Benney;

H.R. 7795. An act for the relief of Veronica Judith Hudson;

H.R. 8192. An act for the relief of Andree Marie Helene McGiffin; and

H.R. 8308. An act for the relief of Jac Keun Christianson.

ENROLLED BILLS SIGNED

At 12:53 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bills:

S. 833. An act for the relief of Ah Yong Cho Ewak;

S. 1135. An act for the relief of Youngsoon Choi; and

H.R. 3813. An act to amend the Act of October 2, 1968, an Act to establish a Redwood National Park in the State of California, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

At 2:45 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement of raisins and distribution among handlers of the pro rata costs of such promotion; asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. FOLEY, Mr. POAGE, Mr. DE LA GARZA, Mr. JONES of North Carolina, Mr. JONES of Tennessee, Mr. MATHIS, Mr. BOWEN, Mr. ROSE, Mr. RICHMOND, Mr. WAMPLER, Mr. SEBELIUS, Mr. JOHNSON of Colorado, and Mr. MOORE were appointed managers of the conference on the part of the House.

At 6:13 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that the House has passed the joint resolution (H.J. Res. 796) making an urgent supplemental appropriation for disaster relief for the fiscal year ending September 30, 1978, in which it requests the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 1396. An act for the relief of Mrs. Sun Pok Winer; to the Committee on the Judiciary.

H.R. 1751. An act for the relief of Lucy Davao Jara Graham; to the Committee on the Judiciary.

H.R. 1779. An act for the relief of Gilberto Taneo Gilberstadt; to the Committee on the Judiciary.

H.R. 1938. An act for the relief of Santos Marquez Arellano; to the Committee on the Judiciary.

H.R. 2291. An act for the relief of Carmen Cecilia Blanquicett; to the Committee on the Judiciary.

H.R. 2555. An act for the relief of Michelle Lagrosa Sese; to the Committee on the Judiciary.

H.R. 4607. An act for the relief of William Mok; to the Committee on the Judiciary.

H.R. 5230. An act for the relief of Jung In Bang; to the Committee on the Judiciary.

H.R. 5933. An act for the relief of Jonathan Winston Max; to the Committee on the Judiciary.

H.R. 6801. An act for the relief of Hye Jin Wilder; to the Committee on the Judiciary.

H.R. 6934. An act for the relief of Donna Marainne Benney; to the Committee on the Judiciary.

H.R. 7795. An act for the relief of Veronica Judith Hudson; to the Committee on the Judiciary.

H.R. 8192. An act for the relief of Andree Marie Helene McGiffin; to the Committee on the Judiciary.

H.R. 8308. An act for the relief of Jac Keun Christianson; to the Committee on the Judiciary.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 22, 1978, he presented to the President of the United States the following enrolled bills:

S. 833. An act for the relief of Ah Young Cho Kwak.

S. 1135. An act for the relief of Youngsoon Choi.

ORDER FOR COMMITTEE REPORT ON S. 1264

Mr. CHILES. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs have until midnight, Friday, March 24, 1978, to report S. 1264, a bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT OF S. 2525

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a star print of S. 2525. I make the request on behalf of Mr. HUDDLESTON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on behalf of Mr. HUDDLESTON that 500 extra copies of the star print be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Governmental Affairs, without amendment:

S. Res. 423. An original resolution to authorize a staff investigator of the Senate Permanent Subcommittee on Investigations to present himself and give executive session testimony before the Select Committee on Assassinations of the United States House of Representatives. Ordered placed on the calendar.

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

H.R. 5981. An act to amend the American Folklife Preservation Act to extend the authorizations of appropriations contained in such act (Rept. No. 95-712).

By Mr. LONG, from the Committee on Finance, without amendment:

S. 2779. An original bill to authorize additional appropriations for the work incentive program established by title IV of the Social Security Act (Rept. No. 95-713).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 8423. An act to amend titles II and XVIII of the Social Security Act to make improvements in the end stage renal disease program presently authorized under section 226 of that act, and for other purposes (Rept. No. 95-714).

By Mr. CHILES, from the Committee on Governmental Affairs, with an amendment:

S. 1264. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies (together with additional views) (Rept. No. 95-715).

By Mr. CRANSTON, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2790. An original bill to amend the Renegotiation Act of 1951 (together with additional views) (Rept. No. 95-716).

S. 2791. An original bill to amend the Renegotiation Act of 1951 (together with additional views) (Rept. No. 95-717).

● Mr. CRANSTON. Mr. President, I am filing on behalf of the Committee on Banking, Housing, and Urban Affairs, reports on the Renegotiation Abeyance Act of 1978 and the Renegotiation Exemption Act of 1978.

The Renegotiation Act of 1951 was originally intended as a temporary statute to meet the emergency procurement situation existing at the time of the Korean war. The act has been amended and extended 13 times in the past 24 years. I do not know whether this sets some sort of record for long-lived temporary agencies, but the 94th Congress did finally allow the authority of the Renegotiation Board to expire on September 30, 1976.

The Board, of course, continues to exist, living off the stored up fat of its accumulated backlog of filings.

The Banking Committee, however, by a vote of 8 to 6 adopted the Lugar-Cranston proposal to put the Renegotiation Act in mothballs until such time as the President determines, during a national emergency, that authority to renegotiate contracts would be in the best interests of the United States. And, we make specific that the Board is to cease existence when its backlog is completed.

I think many will agree that under

emergency conditions when careful procurement practices and hard negotiations with contractors are not feasible renegotiation is called for, as provided in the committee bill.

Since 1970, the defense procurement process has been under a major overhaul and strengthening process. The Truth-in-Negotiations Act has been a good policeman on the beat in protecting the taxpayer against faulty pricing information.

Under that act, contractors must permit the Defense Contract Audit Agency to perform a defective pricing audit at any time including 3 years after completion of the contract. The Defense Contract Audit Agency has the power to adjust downward retroactively the price of the contract, including any profit derived from inaccurate, incomplete or noncurrent data. Ten million dollars were recovered in fiscal year 1976 by the Agency.

Placing the Renegotiation Act in mothballs will not deprive the taxpayer of these protections.

Profits are not the problem in defense costs. The Renegotiation Board last year reviewed some $40 billion in contracts. It could find only $19 million in excessive profits. That figure is almost equal to the monthly cost overruns on the Trident submarine.

Costs and overruns are serious problems in defense procurement. Much is being done to control costs and to improve the Government's procurement program. The Cost Accounting Standards Act, under which mandatory, uniform cost accounting standards are promulgated, is aiding this process.

The profit incentive is the mainspring of our economic system. The belief that people will work willingly and hard for reward lies at the heart of economic and contractual relations, whether these be business contracts or collective-bargaining agreements.

The Government should bargain hard. The losses sustained by defense contractors are proof that the Department of Defense is not necessarily a pushover.

The committee believes that stripping away profits earned through efficiency, good management—and sometimes good luck—by means of a subjective determination of what constitutes an "excessive" profit is not in the best interests of Government contracting policy or the efficiency of our economic system. In fact, many suspect, as I do, that when so-called excessive profits result from other than efficiency and good management, the fault is more than likely the Government's for failing to bargain knowledgeably and responsibly prior to signing the contract.

That is why I support all efforts to improve the performance of Government procurement officials and contract managers. With the skills, knowledge and legal tools already in hand, I am willing to risk letting the profit-incentive system do its part to produce more efficiencies in the defense procurement field.

The second bill being reported today is the Renegotiation Exemption Act. This bill, which is taken from a provision of S. 1594, as introduced by the distinguished chairman, Senator PROXMIRE, raises the threshold for exemption from the act from $1 million to $5 million, retroactive to 1972. The committee was informed by the Renegotiation Board that this would eliminate about 58 percent of the Board's current backlog. This action, together with the Renegotiation Abeyance Act, would hasten the day that the Renegotiation Board, a relic of the Korean war, is finally mothballed.●

● Mr. BROOKE. Mr. President, today I join with my colleagues on the Banking, Housing, and Urban Affairs Committee in reporting S. 2791, the Renegotiation Abeyance Act of 1978.

The current act—the Renegotiation Act of 1951—was allowed to lapse on September 30, 1976. But there is a great deal of uncertainty as to the future of the Renegotiation Board, which is currently working on a 5-year backlog of contracts completed prior to the expiration of its authority. The bill which the Banking Committee is reporting today would settle, in a definitive manner, the question of the future status of the Renegotiation Board. S. 2791 would put the Renegotiation Board into abeyance until such time as the President determines, during a national emergency, that it would be in the best interests of the United States to reconstitute it. The Board's authority to make determinations in cases which came before it during its authorized period would remain in force. But in view of the overwhelmingly negative evidence which was presented to the Banking Committee during its 4 days of hearings, and thereafter, the committee felt that this was an appropriate time to let the sun set on this anachronistic bureaucracy.

Let me briefly recapitulate the reasoning behind our decision.

Few would argue that the renegotiation process is not a vital element of procurement in times of national emergency, when normal orderly procurement processes are inadequate to cope with demands. Such was the case in 1951, when the current Renegotiation Board was conceived to deal with the unusually high demands on the procurement process of the rearmament program during the Korean War. The Board served our Nation well during that period and in the decade which followed, when the procurement process was still in a rather inchoate stage. But during the 1960's and early 1970's, a number of improvements to the process were made, both by legislation and regulation. I might note these changes came under the leadership and prodding of our chairman, Senator PROXMIRE. It was the opinion of the majority on the committee that these reforms, such as the greatly improved government contracting and audit capacity (which currently has more than 54,000 employees, including 9,000 auditors), the Truth-in-Negotiations Act, and the imposition of cost accounting standards, do much to create a fair and equitable contracting process and significantly reduce the probability that contractors will earn excessive profits.

Recent studies by the Department of Defense, the Conference Board, and the Renegotiation Board's own statistics indicate that defense contractors are not reaping excessive profits on Government contracts. Quite the contrary; they are averaging a lower return on sales than those engaged in commercial business. Over the last few years, the investment community's valuation of firms heavily involved in defense contracting has reflected a generally low level of expectation based on profits which have been spotty and unspectacular during the 1970's. The claim by proponents of a strengthened Renegotiation Board that hundreds of millions of dollars in excess profit determinations could be realized if only the loopholes in the legislation were closed does not appear to be verified by the stock market performance of the defense industry during recent years.

Among the arguments which were most telling against the Renegotiation Board were the following: With its focus on profits rather than costs, renegotiation is actually counterproductive to the goal of keeping defense costs down. Because of the uncertainty it creates, it aggravates the serious problem of capital shortfall in the defense industry. Worst of all, it may actually deter new or additional contractors from entering competition for defense production, thus stifling competition and most probably increasing costs to the Government.

Moreover, there was strong evidence that the Renegotiation Board was not cost effective. A General Accounting Office study confirmed that there were indeed significant incremental costs associated with compliance with the Renegotiation Act. For Hewlett-Packard, the firm most closely audited, the costs associated with compliance amounted to one-half of one percent of renegotiable sales. If one were to assume that compliance costs on an industrywide basis were only half that of Hewlett-Packard, the costs would still amount to over $100 million annually. Excluding Justice Department and court costs, which are substantial in view of the fact that the vast majority of excess profit determinations since 1971 have been appealed to the Court of Claims where they are heard de nova; and excluding the actual operating costs of the Renegotiation Board itself ($6 million last year), it has been costing the Government in the range of $5 to $10 for every dollar recovered by the Board in excess profit determinations over the past 2 years. Needless to say, it was the feeling of the majority of the committee that it simply does not make good sense for the Government to be engaged in such a losing enterprise.

In sum, the case for terminating the authority of the Renegotiation Board seemed incontrovertible. It was clearly a counterproductive and unnecessary bureaucracy which had become not only superfluous but destructive in its effect on our defense industrial base. I urge my colleagues to support the Banking Committee in its effort to streamline the Federal bureaucracy by getting rid of the anachronism which is the Renegotiation Board.●

● Mr. LUGAR. Mr. President, today the Banking, Housing, and Urban Affairs Committee is reporting S. 2791, the Renegotiation Abeyance Act of 1978, which would suspend the authority of the Renegotiation Board to review defense contracts until such time as the President deems it necessary to reconstitute the Board to cope with procurement needs during a national emergency. This bill was reported out of the Banking, Housing, and Urban Affairs Committee as a substitute for S. 1594, which would have extended and broadened the authority of the Renegotiation Board.

The simple fact is that the Renegotiation Board is a bureaucracy which has outlived it usefulness. During the 1950's, the Board was an important part of the procurement process, serving as a watchdog that saved the taxpayers millions of dollars. In recent years, however, it has become a superfluous and counterproductive bureaucracy, which spends more money auditing defense contractors than it collects in the form of excess profits. It also has frustrated efforts to administer our defense industrial base in an efficient and effective manner. Recent studies by the General Accounting Office and others have indicated that the Renegotiation Board costs the taxpayer between $3 and $5 for every $1 which it returns to the Treasury as a result of actions taken by the Board.

The current act—the Renegotiation Act of 1951—was passed in response to the abnormal procurement situations associated with the Korean war. That the Renegotiation Act was intended as a temporary, emergency measure is evidenced by the fact that its expiration date was set for 2 years from the date of enactment. However, this "temporary legislation" has been amended and extended 13 times in the past 25 years. The authority of the Renegotiation Board, which administers the act, was finally allowed to expire on September 30, 1976. Without authorizing legislation, the Board has no authority to review contracts concluded after that date. It is, however, currently working on a 5-year backlog of contracts concluded prior to the expiration.

In recent years, almost all of the Board's determinations have been against smaller firms, producing low technology products. This does not mean that larger defense contractors have been escaping the renegotiation process through subterfuge. Rather, it indicates that, on the whole, the procurement process has been working and the Government has been driving hard bargains.

Low levels of profitability have been verified by recent studies of defense and defense-related industries and by the published statistics of the Renegotiation Board itself relating to overall renegotiable earnings. In fact, there is compelling evidence that profits in the defense industry may be inadequate for the maintenance of an effective and efficient defense industrial base and for assuring competition within that base.

The Profit '76 Department of Defense study analyzed a 5-year period of defense industry profits. That study found that, when measured on the basis of sales, defense contractors' profits on the average were lower than those in commercial business. During the 1970–74 period, pretax profits of defense contractors averaged 4.7 percent on sales, while the profits of commercial producers of durable goods averaged 6.7 percent.

If the Congress wishes to improve the procurement process to protect against undue profits and inefficiency, it seems reasonable that we attack this problem at the heart, at the beginning of the process, through better contracting and auditing procedures. Renegotiation was conceived as a safety net to guard against hasty or faulty procuring techniques. That it is no longer needed is evident. Indeed, in recent years it has only compounded the problem it was designed to ameliorate. I urge my colleagues to join with me in ridding our Government of this archaic bureaucracy.●

By Mr. ABOUREZK, from the Select Committee on Indian Affairs, without amendment:

H.R. 2540. An act pertaining to the inheritance of trust or restricted lands on the Umatilla Indian Reservation (Rept. No. 95–718).

By Mr. ABOUREZK, from the Select Committee on Indian Affairs, with amendments:

S. 1633. A bill to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes (Rept. No. 95–719).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from Committee on Energy and Natural Resources:

H. William Menard, of California, to be Director of the Geological Survey.

(The nomination from the Committee on Energy and Natural Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

● Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources today approved the nomination of Dr. H. William Menard to be Director of the Geological Survey.

Dr. Menard is a distinguished marine geologist who has been for many years professor of geology at the Scripps Institute of Oceanography.

The committee held a hearing on this nomination last Friday. I ask unanimous consent that Dr. Menard's statement to the committee and his sworn financial statement be printed in the RECORD at this point.

I also ask unanimous consent that letters from Robert J. Lipshutz, Counsel to the President, and from William L. Kendig, Acting Interior Department Ethics Counselor, to Dr. Menard be printed in the RECORD. These letters deal with the actions to be taken by Dr. Menard to comply with conflict-of-interest statutes and regulations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF DR. H. WILLIAM MENARD

Mr. Chairman and distinguished Senators, it is an honor to appear before you as the President's nominee for Director of the United States Geological Survey. My nomination has been unusual in the sense that, unlike eight of the nine previous Directors, I am not a member of the Survey itself. However, I assure you that I share the universal view that the Survey is one of the greatest scientific agencies in the Government and, indeed, in the world. Likewise, I assure you that, if confirmed, I shall be as devoted and diligent to protect and enhance the legitimate interests of the Survey as were those Directors who matured within it. At the same time, I shall be as concerned as they were that the Geological Survey shall continue to serve the Nation's needs for reliable, credible, scientific information of the highest quality. I believe that these needs are growing rapidly because of the increasing difficulties we encounter in finding adequate resources while protecting the environment.

If confirmed I shall be the tenth Director and shall serve in the hundredth year of an organization that is characteristically vigorous rather than venerable. I hope to lead the Survey into a century that will outshine the first. The Survey is not an organization that does science for science's sake but it cannot fulfill its mission of service unless it is staffed by the best scientists and they cannot be the best unless they sometimes pursue knowledge wherever it leads. For example, it is science at its limits that allows us to hope we can predict earthquakes. Thus it is important to the Survey's mission that the Earth sciences have just entered a golden age brought on by the unifying theory called "plate tectonics." The new technology of satellites and computers is enabling us to develop these great scientific advances and at the same time to enhance enormously our ability to serve the Nation.

If the Geological Survey is to serve the Nation best, it will need some of the best young scientists in the Nation. Fortunately these young men and women are challenged by the problems of resources and the environment and I believe that we can attract them to careers of service through science.

As to my qualifications to be the Director of the United States Geological Survey, my education, service, career, achievements and finances have been bared for your inspection. The procedure does credit to the openness of our form of Government but offers little scope for elaboration on my part. Instead, please allow me to answer any questions about my background which may remain.

Thank you.

FINANCIAL STATEMENT

Provide a complete, current financial net worth statement which itemizes in detail all assets (including bank accounts, real estate, securities, trusts, investments, and other financial holdings) and all liabilities (including debts, mortgages, loans, and other financial obligations) of yourself, your spouse, and other immediate members of your household.

ASSETS

Cash on hand and in banks, $191,000.

U.S. Government securities—add schedule,[1] $150,000.

Listed securities—add schedule,[2] $331,708.

Accounts and notes receivable: Due from others, $6,200.

Real estate interests, including mortgages—add schedule,[3] $400,000.

[1] $100,000 U.S. Treasury, 20 July '78. $50,000 U.S. Treasury, 20 April '78.

[2] See attachments.

[3] 7337–39 Eads Ave., La Jolla, $140,000. 7948 Roseland Dr., La Jolla, $260,000.

Personal property, $37,000.
Other assets—itemize: Vested interest in retirement fund, $42,100.
Total assets, $1,158,908.

LIABILITIES

Accounts payable

Unpaid income tax, $150,000.
Real estate mortgages payable—add schedule,[4] $144,300.
Other debts—itemize: Building contract, $20,000.
Total liabilities, $314,300.
Net worth, $843,608.

1. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous relationships, professional services and firm memberships or from former employers, clients, and customers.

I have four older books in print that may yield $1000/yr.

In addition I have just edited a book for W. H. Freeman & Co. that, perhaps, may yield $2000–$4000/yr. for a while.

2. Are any assets pledged? No.

3. Are you currently a party to any legal action? No.

4. Have you ever declared bankruptcy? No.

H. WILLIAM MENARD.

ATTACHMENT 2

Listed securities held separately or jointly by H. William and Gifford M. Menard.

Values, unless otherwise indicated, as of December 10, 1977

59	American Brands	$2,603
43	American Cyanamid	1,118
506	American Telephone (25 Jan. '78)	30,083
59	Armco Steel	1,586
100	Atlantic Richfield	4,913
59	Chesapeake and Ohio	1,888
113	CPC International	5,283
77	Exxon	3,561
101	Firestone Tire	1,566
100	Florida Power and Light	2,675
73	General Foods	2,373
37	General Motors	2,313
40	Long Island Lighting	755
40	Mobil Oil	2,520
400	National Gypsum	6,450
20	Niagara Mohawk Power	315
121	Norfolk and Western	3,086
500	Potomac Electric Power	8,000
500	Public Service Colorado	9,375
320	San Diego Gas and Electric	4,960
300	Middle So. Utilities (25 Jan '78)	5,418
200	Municipal Investment Trust Fund (25 Jan '78)	205,006

PREFERRED STOCKS

7	General Motors	499
37	General Telephone, Fla	583
37	Pacific Gas and Electric	614
7	Public Service Electric and Gas	350
17	Niagara Mohawk Power	655
18	Celanese Corp	914
	Total	331,708

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Henry William Menard.
Position to which nominated: Director, U.S. Geological Survey.
Date of birth: October 12, 1920.
Place of birth: Fresno, Calif.
Marital status: Married.
Full name of spouse: Gifford Merrill Menard.
Name and ages of children: Andrew Ogden Menard, 29; Elizabeth Merrill Menard, 27; Dorothy Merrill Menard, 25.

Education—
California Institute Technology, 1938–42, B.S., 1942.
California Institute Technology, 1946–47, M.S., 1947.
Harvard University, 1948–49, Ph. D., 1949.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement—

Bronze Star Medal, Navy Commendation Ribbon; Teaching Fellow, Cal Tech and Harvard and Woods Hole Ocean. Inst.; Guggenheim Fellow; Overseas. Fellow, Churchill College, Cambridge Univ.; Member National Academy Sciences; Am. Academy Arts and Sciences; Shepard Medal of Soc.

Economic Paleontologists and Mineralogists.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations—

National Academy Sciences, 1968-date.
Amer. Assoc. Adv. Sciences, 1948?-date.
Geological Soc. America, 1948?-date.
Amer. Assoc. Petroleum Geologists, 1948?-date.
Amer. Geophysical Union, 1952?-date.
Royal Astronomical Soc., 1972?-date.
Cosmos Club, 1966-date.
Explorers Club, 1975-date.
Federation Amer. Scientists, 1970-date.
Authors Guild, 1970-date.
Amer. Academy Arts Sicences, 1975-date.

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and date—

1942–46, U.S. Navy, Ensign to Lt., Photo Interpretation, Pacific & European Areas.

1946–49, Graduate schools, with temporary employment as a geologist with So. Calif. Edison Co. (3 months) and Amerada Oil Co. (5 months).

1949–55, Marine geologist, U.S. Navy Electronics Lab., San Diego, Calif.

(1953–56), President, director and diving geologist, Geological Diving Consultants, Inc., San Diego, CA (A collaterial activity during leave and with the permission of the Director U.S.N.E.L.)

1956-date, Associate Professor to Professor, and sometimes acting director, Institute of Marine Resources, and Scripps Institute of Oceanography, Univ. of Calif., La Jolla, CA.

(1965–66), Technical Assistant (GS–18) (for oceanography and geology) Office of Science and Technology, Exec. Office President, Washington, D.C.

(See attached biography for additional information).

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions—

In addition to those listed under employment, I have frequently been a consultant to the Federal government through committees of the National Academy of Sciences. I have also advised the Office of Technology Assessment, the National Science Foundation and the Navy directly.

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written—

See attached bibliography of about 100 publications including four books.

Qualifications: State fully your qualifications to serve in the position to which you have been named (attach sheet)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate—

I shall be on a leave of absence without pay as is customary with the University of California.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization—

See above.

3. Has anybody made you a commitment to a job after you leave government?

See above.

4. Do you expect to serve the full term for which you have been appointed?

Yes, although there is no specified term.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated—

None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated—

My wife and I have minor holdings of oil company common stocks.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated—

None.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy—

During the years 1975–76 I provided depositions as an expert witness in an action of the State of California vs. the Department of the Interior, i.e. People v. Kleppe et al. 50041335–LA75CV2203, which was dismissed on 19 July 1976. It was concerned with the adequacy of environmental impact statements.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items—

I expect to sell the oil stocks.

Qualifications:

The U.S. Geological Survey consists of a large group of professional scientists of the highest quality and reputation. The Director has been and should be a scientist of stature whom these professionals will respect and follow. I have been recommended for the position by the National Academy of Sciences. My qualifications include a doctorate in geology, and I am a professor of geology. In addition, I am a registered professional geologist, and have been a consultant to government, universities and large corporations. I have published about a hundred professional articles and books, based on original research, which are widely cited by other scientists. My efforts have been rewarded by election to the National Academy of Sciences and other honorific societies and by awards of fellowships and prizes.

It might be questioned whether the career of a prospective Director has been narrowly focused or whether it has been broad enough so his leadership will be in directions that are important and useful for the nation. As to this, my career for about fifteen years concentrated on the exploration of the deep sea on oceanographic expeditions. My scientific reputation derives largely from this type of research which still continues. However, in 1965–66 I served a year in the Office of Science and Technology and became concerned with

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[4] La Jolla Federal Savings and Loan, $54,874. Bank of America, $89,426.

the sociology of science, governmental institutions for science, and environmental versus resource problems. Since then I have participated in many environmental and resource studies and have been a member of the Committee on Science and Public Policy and also the Commission on Natural Resources of the National Academy of Sciences. I have also published a book, "Science, Growth and Change," that analyzes both scientific careers, in sociological terms, and the factors that influence the growth of federal scientific agencies including the USGS. In another book, "Geology, Resources and Society," I have attempted to relate geological education to the basic problems of resource depletion, environmental preservation and geological hazards. I have also published research papers on oil exploration and deep sea mineral resources.

Another question is whether a prospective Director is experienced at, or capable of, managing a large organization. I have no such experience. I have studied organizational history and management, however, and I have been offered managerial jobs including, a decade ago, a position as Assistant Director of the USGS. I am familiar with the management of small, complex organizations. I have organized and led numerous multiship, multi-institution, and multi-national oceanographic expeditions. I conceived and co-organized a highly successful business doing underwater geology. I also developed and led a group that produced one of the first computerized data-management systems for marine geophysical observations.

THE WHITE HOUSE,
Washington, D.C., March 15, 1978.

MR. HENRY W. MENARD, Jr.,
Director-Designate, U.S. Geological Survey, Department of the Interior, Washington, D.C.

DEAR MR. MENARD: I acknowledge receipt of your Response to the Outline of Information Requested of Prospective Nominees. I also acknowledge receipt of your letter of commitment to the President and congratulate you on your pending appointment as Director, U.S. Geological Survey, Department of the Interior.

You indicate in your submission that you are a Professor at the University of California and intend to take an unpaid leave of absence from the University upon your confirmation as Director of the U.S. Geological Survey. Under the Carter-Mondale Guidelines on Conflicts of Interest your retention of a professorship in a leave of absence status is entirely appropriate. In view of your continuing relationship with the University of California, however, this disqualification should continue throughout your period of government service, unless you completely sever your relationship with the University at some future date. I remind you, however, that pursuant to 18 U.S.C. 208(a), you should disqualify yourself from acting on any particular matter affecting the interests of organizations you have served for financial gain in the 12 months prior to taking office. This disqualification should be for such limited period of time as you, in your discretion, determine necessary to remove the appearance of the possibility of prejudice on your part.

You also indicate that you have an interest in the University of California retirement plan and that you will continue to make payments into this plan while you are on leave of absence. I understand that you will receive no disbursement from the University of California into your retirement plan while you are employed at the Department of Interior. Your participation in an established retirement fund of this sort is permissible under the applicable federal statutes.

Your submission notes that you have a substantial portfolio of securities. In addition, your wife has stock interests in several companies. As you know, the Carter-Mondale Guidelines on Conflicts of Interest impute the interests and assets of one spouse to the other. Accordingly, as Director of the U.S. Geological Survey, you must disqualify yourself to act on any particular matter, as defined in 18 U.S.C. 208(a), which would affect the interests of any of the companies in which you or your wife hold a security or other form of financial interest.

You advise in your submission that your wife is unemployed. Should she decide to accept employment while you are at the Department of Interior, you should disqualify yourself to act on any particular matter which would affect her employer.

Based on our review of the materials submitted by you and assuming you take the actions you have indicated you will take and those that are suggested in this letter, it appears that you will have complied with the Carter-Mondale Guidelines on Conflicts of Interest.

I wish you every success in the undertaking you are about to assume in the interest of the people of the United States.

Sincerely,

ROBERT J. LIPSHUTZ,
Counsel to the President.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 16, 1978.

Dr. H. WILLIAM MENARD,
Director-Designate, U.S. Geological Survey, Department of the Interior, Washington, D.C.

DEAR DR. MENARD: I have reviewed the list you have provided to the Senate Energy and Natural Resources Committee showing securities held by you and Mrs. Menard. My review concentrated on matching your financial interest to the specific prohibitions which apply to U.S. Geological Survey employees, and to the general conflict of interest provisions which apply to all Department of the Interior employees.

As you know, you are not officially required to file the Confidential Statement of Employment and Financial Interests required by the Department of the Interior until you are confirmed by the Senate and you enter on duty. However, I have reviewed your voluntary submission and I am presenting my findings as I would if you were, in fact, Director of the U.S. Geological Survey. I have concentrated my review at this time totally on your security holdings.

The Organic Act of March 3, 1879 (43 U.S.C. 31) which established the U.S. Geological Survey imposes the following specific restriction on Survey employees:

"The Director and members of the Geological Survey shall have no personal or private interests in the lands or mineral wealth of the region under survey, and shall execute no surveys or examinations for private parties or corporations."

This prohibition is incorporated into Department of the Interior conduct regulations as 43 CFR 20.735–12(b)(3). This prohibition is all encompassing and does not allow consideration of the substantiality of the financial interest. Any financial interests held by Survey employees in companies having extensive acreages of leased Federal lands under exploration for oil, gas and mineral development would violate the Organic Act restriction. Five companies shown on your financial interest statement come within the restrictions imposed by the Organic Act. They are Atlantic Richfield, Exxon, Mobil Oil, Public Service Company of Colorado, and Pacific Gas and Electric.

By regulations contained in 43 CFR 20.735–13(b), the Survey has implemented a policy which imposes another restriction specifically on Survey employees, as follows:

". . . Members of the Geological Survey shall not hold substantial personal or private interests, direct or indirect, in any private mining enterprise doing business in the United States. . . ."

This prohibition does allow consideration for the substantiality of the financial interest. The basis for judgment of substantiality is to view substantiality in terms of what we believe the average citizen would consider to be a material dollar interest. This means that substantiality is a factor to be judged apart from the percentage of ownership it represents. The most important aspect of determining substantiality is to relate job duties to the investment. Duties presenting frequent opportunity for the employee to deal in matters related to his financial interests mean that even low dollar value financial investments may create a problem. Substantial financial interests held by Survey employees in companies whose revenue is generated in large part by mining activities would violate the Survey's regulatory policy restriction. Of the stocks you list, four companies come within the restrictions imposed by the Survey's regulatory policy. They are Armco Steel, Chesapeake and Ohio (Chessie System), National Gypsum, and Public Service Electric and Gas Company. It is my opinion that virtually any interest in these companies by the Director would be considered substantial.

Two other major restrictions are pertinent. One, the Surface Mining Control and Reclamation Act of 1977, applies to certain Federal employees and the second, 43 CFR 20.735–15(a) applies to all Interior employees.

The Surface Mining Act (P.L. 95–87 sections 201 (c) and (f)), and the implementing regulations in 30 CFR 706 prohibit Federal employees who perform functions or duties under the Act from having any direct or indirect financial interest in underground or surface coal mining operations. The position of Director, U.S. Geological Survey, is identified as a position which requires performance of functions or duties under the Surface Mining Act and, therefore, the position is subject to the financial interest restriction. One company you listed, Norfolk and Western, wholly owns Pocahantas Land Corporation (PLC). PLC has 1.4 billion tons of coal reserves. Because PLC contributes a relatively small amount to Norfolk and Western's revenue, your interest does not violate the Survey's regulatory policy. As discussed subsequently, your interest in Norfolk and Western is nevertheless of concern in terms of the Surface Mining Act restrictions.

The Department's Employee Responsibilities and Conduct regulations in 43 CFR 20.735–15(a) state that:

"No Department employee shall have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with his or her Government duties and responsibilities."

In view of the Geological Survey's involvement in matters related to the mineral industries, it is essential that your financial interests be reviewed in terms of the appearance of conflict of interest. It is my belief that as Director of U.S. Geological Survey the financial interests you have in the companies I have listed above would, in addition to violating the restrictions mentioned, each create an appearance of a conflict of interest and would therefore be prohibited holdings.

The restrictions imposed by Departmental regulations and by the Surface Mining Act apply to the interests of the employee, his spouse, minor child, or any other relative living in the employee's home.

In summary, when you are confirmed by the Senate you will be required to file a Confidential Statement of Employment and Financial Interests with me as Acting Department Ethics Counselor. Assuming your security interests are the same as shown on the listing you provided to the Senate Com-

mittee and based upon the principles stated previously, I would counsel you to divest of the financial interests in Armco Steel, Atlantic Richfield, Chesapeake and Ohio (Chessie System), Exxon, Mobil Oil, National Gypsum, Norfolk and Western, Public Service Company of Colorado, Pacific Gas and Electric, and Public Service Electric and Gas.

I am returning herewith the copy of your financial statement provided to me. I trust this information will be helpful and I extend my best wishes for a swift and early confirmation.

Sincerely yours,

WILLIAM L. KENDIG,
Acting Department Ethics Counselor.●

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By MR. BAKER (for himself, Mr. BELLMON, Mr. DANFORTH, Mr. RIBICOFF, Mr. MARK O. HATFIELD, Mr. STEVENS, and Mr. YOUNG):

S. 2777. A bill to establish a family security program, to provide public service jobs for certain public assistance recipients, to provide a voucher program for private sector employment, to increase the earned income credit, and for other purposes; to the Committee on Finance.

By Mr. BENTSEN:

S. 2778. A bill to provide for increased criminal penalties for the unauthorized manufacture or distribution of PCP and to provide for piperidine reporting; to the Committee on the Judiciary.

By Mr. LONG (from the Committee on Finance):

S. 2779. A bill to authorize additional appropriations for the work incentive program established by title IV of the Social Security Act. Original bill placed on the calendar.

By Mr. HATHAWAY:

S. 2780. A bill to amend the Public Health Service Act to provide for grants and contracts for projects to provide health and dental care to medically underserved rural populations, and for other purposes; to the Committee on Human Resources.

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. PACKWOOD, and Mr. MARK O. HATFIELD):

S. 2781. A bill to amend the Federal Unemployment Tax Act so as to exclude from coverage thereunder agricultural hand-harvest labor performed by a full-time student under the age of sixteen (16) years; to the Committee on Finance.

By Mr. PELL:

S. 2782. A bill to protect consumers from misrepresentative advertising of gold and silver jewelry, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MATHIAS:

S. 2783. A bill for the relief of Mary Motamen; to the Committee on the Judiciary.

By Mr. SCOTT (for himself, Mr. HELMS, and Mr. LAXALT):

S. 2784. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 2785. A bill to amend the Federal Aviation Act of 1958 in order to require the Administrator of the Federal Aviation Administration to prepare and put into effect comprehensive noise abatement plans for airports operated by the Administrator; to the Committee on Commerce, Science, and Transportation.

By Mr. HANSEN:

S. 2786. A bill for the relief of Hanna-Luisa Heck; to the Committee on the Judiciary.

By Mr. CHILES (for himself, Mr. DECONCINI, and Mr. HEINZ):

S. 2787. A bill to provide for the resolution of claims and disputes relating to Government contracts awarded by executive agencies; to the Committee on the Judiciary and the Committee on Governmental Affairs, jointly, by unanimous consent.

By Mr. LONG (for himself, Mr. MAGNUSON, and Mr. STEVENSON):

S. 2788. A bill to amend section 216 of the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $600,000,000 of the series A preferred stock of the Corporation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LONG:

S. 2789. A bill to provide authorization for appropriations for the Office of Rail Public Counsel, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON (from the Committee on Banking, Housing, and Urban Affairs):

S. 2790. A bill to amend the Renegotiation Act of 1951. Original bill placed on the calendar.

S. 2791. A bill to amend the Renegotiation Act of 1951. Original bill placed on the calendar.

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. PELL, Mr. RANDOLPH, Mr. EAGLETON, Mr. CHAFEE, Mr. RIEGLE, Mr. HATCH, and Mr. HATHAWAY):

S. 2792. A bill to revise and extend the program for Gifted and Talented Children in order to provide a consolidation of that program with other educational programs, and for other purposes; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAKER (for himself, Mr. BELLMON, Mr. DANFORTH, Mr. RIBICOFF, Mr. MARK O. HATFIELD, Mr. STEVENS, and Mr. YOUNG):

S. 2777. A bill to establish a family security program, to provide public service jobs for certain public assistance recipients, to provide a voucher program for private sector employment, to increase the earned income credit, and for other purposes; to the Committee on Finance.

(The remarks of Mr. BAKER when he introduced the bill appear earlier in today's proceedings.)

By Mr. BENTSEN:

S. 2778. A bill to provide for increased criminal penalties for the unauthorized manufacture or distribution of PCP and to provide for piperidine reporting; to the Committee on the Judiciary.

(The remarks of Mr. BENTSEN when he introduced the bill appear earlier in today's proceedings.)

By Mr. HATHAWAY:

S. 2780. A bill to amend the Public Health Service Act to provide for grants and contracts for projects to provide health and dental care to medically underserved rural populations, and for other purposes; to the Committee on Human Resources.

RURAL HEALTH ASSISTANCE ACT OF 1978

● Mr. HATHAWAY. Mr. President, it is my great pleasure today to introduce the Rural Health Assistance Act of 1978. This legislation is intended to improve access to quality health and dental care in medically underserved rural areas.

That greater Federal attention must be focused on health care in rural areas cannot be denied. This became clear during the hearings of the Senate Subcommittee on Health which I chaired in Bangor last summer and in Washington last month. Sixty percent of the medically underserved population in this country live in rural areas. Many indicators of health status indicate a serious and growing disparity in the health of rural Americans in contrast to the Nation as a whole. Experts in rural health have indicated that low population density creates special problems since the critical mass of people in an area is often far less than that usually required for services, resources, or facilities. There are more elderly poor people and more elderly residents in rural areas, often requiring more care than the general population. In addition, fewer rural residents are covered by health insurance than their urban counterparts.

The need for services is great, yet the availability of services is sorely limited. There is still a critical shortage of physicians, dentists, and other health care professionals in rural areas. Emergency medical services are less available, and accessibility to the limited care that is available is restricted by long distances, geographic barriers, and inadequate transportation services.

Congress has been taking steps to improve the availability of health care in rural locales. For example, the Rural Health Clinics Act was recently passed to extend medicare and medicaid coverage to nurse practitioners and physician assistants in rural health clinics. I was pleased to cosponsor this measure as I believe it will make care accessible to communities which lack adequate coverage by doctors. There are 70 such communities in Maine alone.

While some progress is being made, we still have a long way to go. The level of Federal attention to the problems of rural America is still inadequate. This is particularly true where the health of our citizens is concerned. While more than one-half of the medically underserved Americans live in rural areas, they receive less than 25 percent of the available Federal funds. Testimony at the Health Subcommittee hearings revealed that HEW currently spends more than $7.50 for every medically underserved urban resident, but only about $2.25 for each rural person in a medically underserved area.

The legislation which I am introducing today is an attempt to rectify this imbalance. The Rural Health Assistance Act of 1978 recognizes the need for improved rural health care and authorizes grants and contracts for projects to provide health and dental care to medically underserved rural areas.

The bill is designed to encourage innovative approaches to the delivery of

care, drawing on existing resources as well as identifying and attracting new ones. It is intended to allow for maximum flexibility without imposing administrative requirements such as those required of community health centers, which might be difficult or impossible to meet. Furthermore, it will replace the health of underserved rural areas project with a permanent statutory authority.

The Rural Health Assistance Act also amends section 330 of the Public Health Service Act relating to community health centers to increase the assistance to rural areas. To date, the community health centers program has been largely directed to urban areas. Testimony from the Health Subcommittee hearings, citing a report prepared by Rural America, Inc., indicated that approximately 75 percent of the comprehensive community health centers, accounting for more than 80 percent of the funds, were located in cities. To correct this inequity, the final provision of the bill I am introducing today will require that a minimum of 40 percent of community health center funds be used for grants to centers in medically underserved rural areas.

I am hopeful that this legislation will receive favorable consideration as it progresses through the legislative process.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2780

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Rural Health Assistance Act of 1978."

SEC. 2. (a) The Congress finds that—

1. there is a shortage of health and dental manpower in rural areas;

2. there are proportionately more poor people and more elderly people in rural areas, requiring more medical and dental care than the general population;

3. fewer rural residents are covered by health insurance than non-rural residents;

4. access to health and dental care services is impeded in rural areas due to distance and geographic barriers;

5. the health and dental care planning and service delivery needs and capabilities of rural areas to address those needs are different from those of urban areas.

(b) It is the policy of the United States and the purpose of this Act to encourage and support the development and demonstration of innovative methods for delivery of health and dental care to medically underserved rural populations.

SEC. 3. Title III of the Public Health Service Act is amended by inserting after section 328 the following new section:

"HEALTH AND DENTAL CARE PROJECTS FOR MEDICALLY UNDERSERVED RURAL POPULATIONS

"SEC. 329(a). The Secretary is authorized to make grants to and enter contracts with public and non-profit private entities to conduct projects for the development and demonstration of innovative methods for the delivery of health and dental care to medically underserved rural populations.

(b) For the purposes of this section, "medically underserved rural population" means—

1. an area that is not an urbanized area (as defined by the Bureau of the Census) and is designated by the Secretary as an area with a shortage of personal health services; or

2. a population group located in an area that is not an urbanized area (as defined by the Bureau of the Census) and designated by the Secretary as having a shortage of such services.

(c) Grants and contracts may be made pursuant to this section to examine—

1. methods of attracting and retaining physicians, dentists, physician assistants, nurse practitioners, and other allied health professionals to practice in medically underserved rural areas;

2. different organizational models tailored to meet the unique needs of rural settings;

3. methods of identifying, coordinating, and integrating existing facilities, services, and programs to maximize use of available resources, avoid duplication of effort, and ensure a coordinated, comprehensive care system. Projects under this subsection may include development and demonstration of a regional approach to the delivery of health care linkages between health care, social, and supplemental services;

4. programs of prevention and health education to gain full utility from resources available;

5. specific services or mixture of services appropriate for a given area, including ambulatory care, home health care, environmental health services, community outreach services, transportation services, and other supplemental services;

6. effect of availability of primary care and home health services in rural areas in terms of reduction of emergency room visits, hospitalizations, and long term care facilities;

7. management and technological improvements to increase productivity, effectiveness, efficiency, and financial stability of health and dental care providers, including new or improved methods for biomedical communication, medical and financial record-keeping and billing systems;

8. identification and development of potential funding sources for health and dental care; and

9. other innovative approaches designed by the applicant and approved by the Secretary to improve the availability of quality health and dental care in medically underserved rural areas.

(d) The Secretary shall submit an annual report to Congress which shall include a description of actions taken, services provided, and funds expended under this section, and evaluation of the effectiveness of such actions, services and expenditures of funds, and such other information as the Secretary considers appropriate.

(e) An application for a grant under this section shall be in such form, submitted to the Secretary in such manner, and contain such assurances, as the Secretary may require.

(f) The amount of any grant under this section shall be determined by the Secretary, but shall not exceed the amount that the Secretary determines is needed to carry out the purposes of the grant.

(g) The Secretary may make payments under this section in advance or by way of reimbursement, and at such intervals and on such conditions as the Secretary finds necessary.

(h) There are authorized to be appropriated for the purpose of making grants and contracts under this section $20,000,000 for the fiscal year ending September 30, 1979, $25,000,000 for the fiscal year ending September 30, 1980, and $30,000,000 for the fiscal year ending September 30, 1981.

SEC. 4. Section 330 of the Public Health Service Act is amended by adding at the ends of subsection (g)(1) and subsection (g)(2) the following sentence:

"No less than 40 percent of the funds appropriated under this subsection shall be used for grants for community health centers in areas that are not urbanized areas (as defined by the Bureau of the Census).●

By Mr. JACKSON (for himself, Mr. MAGNUSON, Mr. PACKWOOD, and Mr. MARK O. HATFIELD):

S. 2781. A bill to amend the Federal Unemployment Tax Act so as to exclude from coverage thereunder agricultural hand-harvest labor performed by a full-time student under the age of sixteen (16) years; to the Committee on Finance.

FEDERAL UNEMPLOYMENT TAX ACT AMENDMENTS

● Mr. JACKSON. Mr. President, on behalf of myself and Senator MAGNUSON, I am introducing legislation which will amend the Federal Unemployment Tax Act (FUTA) so as to exclude from coverage thereunder agricultural hand-harvest labor performed by full-time students under the age of 16 years; provided that such labor is not accorded unemployment benefits under existing State law.

This legislation is designed to rectify a situation whereby farmers are required under FUTA to pay Federal unemployment taxes on labor performed by youngsters who are not eligible to receive unemployment compensation benefits under State law. Farmers throughout the State of Washington have brought this situation to the attention of Senator MAGNUSON and myself, and have stressed the need for positive congressional action to relieve them of the burden of this unjust and inequitable Federal requirement that, quite simply, sweeps too broadly.

Furthermore, the amendment will relieve to a significant degree much of the attendant excessive paperwork and recordkeeping which is required by FUTA. Many of the farmers affected by this legislation hire more than 1,000 children for just a few weeks work in the summertime, and it is almost impossible for them to meet these stringent bookkeeping requirements during the hectic pace of the harvest season.

While serving to relieve the individual farmer of these tax and recordkeeping burdens, this legislation will also bolster the valuable berry farming and processing industries of the State of Washington. The berry crop provides summertime employment for thousands of youngsters in the fields and hundreds of adults in the processing plants. Since 1974, however, the State of Washington has witnessed a 30-percent decline in total acreage devoted to berry farming, and thousands of jobs have been lost as a result. To help counter this trend, and to enable youngsters to return to the fields for an educational and traditional summertime experience, Senator MAGNUSON and I were instrumental in gaining Senate approval of an amendment to the Fair Labor Standards Act which permits youngsters between the ages of 10 and 12 to pick hand-harvest crops. The FUTA amendment Senator MAGNUSON and I are sponsoring will, in addition to the Fair Labor Standard Act amendment, further help to assure farmers that berry crops are profitable and a worthwhile agricultural endeavor, and one which will not

tie them down with needless paperwork and an unjust tax.

The legislation, however, is also designed to protect youngsters ages 10 to 16 in the event that State law provides unemployment benefits for them. In States where such benefits are available to these individuals, this exclusion shall not apply and farmers will be required to pay the required FUTA tax.

The entire Washington delegation in the House of Representatives has endorsed legislation (H.R. 11305) which will provide the necessary relief. However, I must stress the fact that this inequitable and discouraging situation is not peculiar to Washington State. Oregon has a large number of berry farming and processing concerns employing thousands of youths, and has also experienced a drastic reduction in employment and total acreage devoted to this particular type of agricultural operation. Given these circumstances, Senators PACKWOOD and HATFIELD have joined in cosponsorship of this measure to provide sufficient relief so that berry farming and processing in the Northwest States can remain viable and productive industries.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3306(c)(1) of the Internal Revenue Code of 1954 is amended—

(1) in subparagraph (A)—

(A) by striking out "subparagraph (B))" in clause (i) and inserting in lieu thereof "subparagraph (B), but taking into account labor excluded in subparagraph (C)",

(B) by striking out "subparagraph (B)" in clause (ii) and inserting in lieu thereof "subparagraph (B), but taking into account labor excluded in subparagraph (C))", and

(C) by striking out "and" at the end thereof, and (2) in subparagraph (B), by adding "and" at the end thereof, and

(3) by adding at the end thereof the following new subparagraph:

"(C) such labor is performed by an individual other than a full-time student under the age of sixteen years as a hand-harvest laborer in an agricultural operation; provided, however, that this subparagraph (C) shall not apply if such labor is covered by the state unemployment compensation law of the state in which such labor is performed."

(b) The amendments made by subsection (a) shall be effective in the case of services performed after December 31, 1977.●

By Mr. MATHIAS:

S. 2785. A bill to amend the Federal Aviation Act of 1958 in order to require the Administrator of the Federal Aviation Administration to prepare and put into effect comprehensive noise abatement plans for airports operated by the Administrator; to the Committee on Commerce, Science, and Transportation.

NOISE ABATEMENT AT AIRPORTS

● Mr. MATHIAS. Mr. President, many who live in the Washington metropolitan area, including a number of my constituents, are subjected daily to the thundering noise of aircraft approaching and taking off from Dulles and National Airports. Interrupted conversations, and disrupted sleep are among the petty annoyances that those who live within earshot must endure on a continuing basis. Of a more serious nature, however, is the fact that many medical authorities maintain that sustained noise pollution has a detrimental effect on health. And structural damage to buildings is another serious and costly side effect of aircraft noise.

Our modern aerospace technology has provided us with fast, sleek planes capable of carrying large numbers of passengers. However, the technology has not yet conquered the side effect of noise, which many people in metropolitan areas must endure.

The bill I am introducing today directs the Federal Aviation Administration (FAA) to develop and implement a comprehensive noise abatement program for the two airports it operates—National Airport in Arlington, Va., and Dulles Airport in Chantilly, Va.

The FAA has been studying the problem of aircraft noise for many years now. In fact, in November of 1976 the FAA produced an "Aviation Noise Abatement Policy." The bill I am introducing today would require the FAA to implement this policy at National and Dulles. Specifically, my bill directs the FAA to tailor a noise abatement plan for Dulles and National that would deal with several important areas: Aircraft operating procedures on landings and takeoffs; reduction of incompatible land uses adjacent to the airports; and cooperation with State and local governments to help devise land-use programs. Once implemented, the FAA plan will serve as a model for other airport proprietors around the country.

I have circulated a draft of this bill to 38 citizen and civic associations along the Potomac River flight path from National Airport. Many of them endorsed the language of this bill or its concept. None expressed opposition. I ask unanimous consent that a letter endorsing this legislation from Judith Toth, a Maryland House delegate, appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection.

(See exhibit 1.)

Mr. MATHIAS. The Citizens Coordinating Committee on Friendship Heights, Inc., a group of 13 citizen associations representing 6,000 families, also endorses the bill I am introducing today. In a letter to me, the committee states:

Not enough has been said about Secretary Coleman's splendid paper called, "Aviation Noise Abatement Policy" published on November 18, 1976. We are pleased that your bill proposes that its comprehensive approach be reflected in the Airport Noise Abatement Plans that will be required under the new law.

The Potomac Valley League, which represents 23 civic associations of Montgomery County along the National Airport flight path, has also formally endorsed this bill at its meeting of September 20, 1977. As the league so aptly pointed out in their letter to me:

The Potomac Valley League believes that the biggest legislative "gap" is the absence from the Federal Aviation Act of any Congressional demand that the FAA itself, where it is "proprietor and operator" of an airport (i.e., National and Dulles), devise, implement and monitor a "comprehensive noise abatement plan" for either airport. The EPA has suggested the FAA can require such plans of other airport operators. We believe the Congress should require FAA to take the lead in bringing all of its expertise to bear on National and Dulles Airports.

Such a legislative approach fills a gap in the Federal Aviation Act, accords with the DOT's "Aircraft Noise Abatement Policy" dated November 1, 1976, and avoids picking-and-choosing among the strategies now being urged by various civic groups. For example, we enclose for your consideration the recently adopted "noise" positions of—

(a) The Montgomery County Council (accepted by the County Executive);

(b) The Montgomery County Civic Federation;

(c) Representative Newton Steers; and

(d) Representative Joe Fisher of Virginia.

From these varying documents, three fundamental conclusions emerge: first, the problem is real and needs correcting, second, various corrective strategies need truly expert technical evaluation in a comprehensive context, and three, the FAA needs Congressional direction if any substantial improvement is to be made in the local aircraft noise environment.

The Potomac Valley League believes that the proposed bill amending section 611 of the Federal Aviation Act realistically takes all of these fundamentals into account, and can result in real benefits if adopted by the Congress. The Potomac Valley League therefore strongly urges that the proposed bill be introduced in both Houses of Congress, hopefully co-sponsored by the Maryland and Virginia delegations.

We believe it can be strengthened by providing for formal participation by citizens and local governments. For example, the FAA might be required to publish a draft plan in the Federal Register and receive public comments before making it final, and the FAA adoption of implementing procedures and regulations should be done after notice and hearing.

Aircraft noise intrudes, unwelcomed, into the lives of 7 million Americans. It need not be so. The tools are at hand to reduce this problem significantly and alleviate the general psychological stress created by noisy airplanes. And I believe the responsibility for initiating measures to reduce aircraft noise lies with the Federal agency responsible for controlling commercial airport operations, the FAA.

The introduction to the FAA's Aviation Noise Abatement Policy made this point succinctly:

The scope of the noise problem, the interrelationship and special responsibilities of the many parties concerned with it, and the general confusion and prevalent uncertainty about what it is possible to achieve and who is resppnsible have led us to conclude that the federal government should address the overall noise problem with a more comprehensive approach than mere promulgation of a new regulation . . . As the federal officials principally concerned with aviation noise, it is our duty to provide leadership in a national effort to reduce aircraft noise.

I would hope that the Committee on Commerce, Science, and Transportation will schedule early hearings on this bill to provide a forum for the many parties concerned with aircraft noise.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2785

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 611 of the Federal Aviation Act of 1958 is amended by inserting at the end thereof the following new subsection:

"(f) The FAA shall, for each airport which he operates, after consultation with the EPA—

"(1) prepare a comprehensive aircraft noise abatement plan, which shall (A) be based on an integrated approach to his proprietary and air traffic control functions, (B) take into consideration all measures discussed under the heading of 'Additional Federal Action' and 'Protecting the Airport Environment' as Subsections C and D of Section III of Part Two of the Department of Transportation's 'Aviation Noise Abatement Policy' published November 18, 1976, and (C) be designed to minimize the aircraft noise impact of such airport's use, consistent with safety.

"(2) publish such comprehensive aircraft noise abatement plan in the Federal Register not later than 450 days after such date.

"(3) within 545 days of such date, after notice and evidentiary hearing, adopt for each such airport procedures and regulations, mandatory on all concerned including Federal Aviation Administration personnel, implementing such aircraft noise abatement plan,

"(4) establish and maintain an aircraft noise monitoring program at each such airport, publishing the results thereof at least semiannually, and

"(5) review annually thereafter each aircraft noise abatement plan in light of its monitored results and any technological or other relevant developments, and, after consultation with the EPA and with the affected local governments, adopt such changes in the plan and in the mandatory procedures and regulations implementing it as the FAA determines, after notice and hearing, to be in the public interest, bearing in mind his responsibilities as set forth in subparagraph (1) hereof.".

ANNAPOLIS, MD.,
September 27, 1977.

HON. CHARLES MCC. MATHIAS, Jr.,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: I want to add my voice to those of the many citizens of Potomac Valley who are in support of the bill that would amend Section 611 of the Federal Aviation Act so as to require the FAA, as the operator of National Airport and Dulles Airport to (a) develop a comprehensive noise abatement plan for each airport, taking into consideration all strategies and its responsibilities as "proprietor" as well as air traffic controller, (b) adopt mandatory implementation measures, (c) monitor the results, and (d) adjust the plan annually in light of actual results.

I can not overstate the need of the citizens of the area from the air traffic noise along the Potomac corridor.

As you know, I live in Cabin John and can speak from first hand experience. There are times when all the windows are closed that it is impossible to hear the television, let alone normal conversation. If that doesn't connote excessive noise I don't know what does.

I appreciate all you can do in pushing the proposed legislation through Congress. Please let me know what I can do to be of assistance.

Very truly yours,

JUDITH C. TOTH.●

By Mr. CHILES (for himself, Mr. DECONCINI, and Mr. HEINZ):

S. 2787. A bill to provide for the resolution of claims and disputes relating to Government contracts awarded by executive agencies; to the Committee on the Judiciary and the Committee on Governmental Affairs, jointly, by unanimous consent.

CONTRACT DISPUTES ACT OF 1978

Mr. CHILES. Mr. President, I am today introducing a bill which would reestablish principles of equitable treatment for both the Federal Government and Government contractors in contract disputes and claims.

The present means for resolving disputes under Government contracts is a mixture of contract provisions, agency regulation, judicial decisions, and statutory coverage. Basically the methods and forums for handling such disputes exist by executive branch fiat—that is, by the insertion of contract terms specifying how disputes in specific areas will be resolved—and by agency regulations governing the procedural and substantive adjudication of disputes. The agency boards of contract appeals are appointed by, report to, and are paid by the agency involved in the dispute. Their subpena power is limited. Often they must decide cases concerning action by high-level agency officials. The contractor has as long as 6 years to initiate an appeal of an agency board decision under the provisions of the Tucker Act. The availability of such review is limited by the Wunderlich Act and subsequent judicial interpretation of it.

Direct access to the courts is limited to so-called breach of contract claims, and the agencies can, and do, circumscribe such access by terms and conditions in contracts that are not, in general, subject to negotiation. In other words, a contractor has little choice in the matter.

In large part, the present Government contract remedies system has developed in an unplanned manner. Many of the rules and requirements that govern the system are the result of knee-jerk reactions to various events and decisions. The predilections of different agencies to boards of contract appeals and court decisions bring forth new provisions and procedures that are restrictive and uncoordinated. There is a continuing power struggle between the boards and the courts, abetted to a degree by the astuteness of some practicing attorneys in looking after their clients' interests.

The problems are further compounded by the sporadic and ambivalent characterization of agency contract appeal boards by the Supreme Court and by the inappropriate application of Administrative Procedure Act philosophy to the contract dispute adjudicatory process. Although the boards have evolved into trial courts, as the result of S. & E. Contractors, Inc., against United States the Government may be barred totally from appealing adverse findings and conclusions of law by these boards. Furthermore, the present system is often too expensive and time-consuming for the efficient and cost effective resolution of small claims and, on the other hand, often fails to provide the procedural safeguards and other elements of due process that should be the right of litigants.

The existing dispute system, as we know it, may have been satisfactory in earlier years, but Government procurement has grown too important and too complex for the disputes-resolving machinery to operate in a horse and buggy mode. How procurement functions has a far-reaching impact on the economy of our society and on the success of many major Government programs. Both can be affected by the existence of competition and quality contractors—or by the lack thereof. The way potential contractors view the disputes-resolving system influences how, whether, and at what prices they compete for Government contract business.

One cannot dispute the almost universal expressions of opinion by industry and the practicing bar that the system needs change. A good remedies system is a major element in good procurement, and a good system depends not only on fairness and justice, but also on whether the people who are subject to the system believe it is fair and just.

Most, if not all, of the Procurement Commission's recommendations in the disputes and remedies area have been proposed and debated before. Each recommendation traditionally has had its proponents and its opponents. Each group generally has been for or against particular recommendations, depending on whether they would serve his interest group, whether it be the Government, the private bar, or industry. Since no single group has generated enough support to get its favorite recommendations adopted, the present system remains, while the debates continue.

I believe the time has come for the Congress to take positive action to bring order out of this chaos. This bill would achieve the objectives sought by the Commission on Government Procurement:

Induce resolution of more contract disputes by negotiation prior to litigation.

Equalize the bargaining power of the parties when a dispute exists.

Provide alternative forums suited to handle the different types of disputes.

Insure fair and equitable treatment of contractors and Federal agencies.

When considering the individual sections of this remedies bill, it is important to understand that they were designed to complement one another in order to accomplish this set of objectives.

Mr. President, competition, minimal Government regulation, the fair and swift resolution of disputes, these benefits can hardly be measured in dollars, yet they form an important part of the foundation on which this country prospers.

Mr. President, I ask unanimous con-

sent that an analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF MAJOR SECTIONS OF "THE CONTRACT DISPUTES ACT OF 1978"

CLAIMS AND DISPUTES SETTLEMENT AUTHORITY

Section 4 embodies recommendation #5 of the Commission on Government Procurement to enable each executive agency to decide, settle and make payment on all disputes and claims arising out of the contract entered into between the agency and a contractor apart from any boards of appeal. This would include those disputes arising out of claims under the contract, as well as those of breach of contract.

At the present time, the lack of an "all disputes" clause leads to fragmentation of claims and remedies between those under the contract and those in breach. If a contracting officer denies a claim there must be a determination as to which course of action to take. It is often difficult to differentiate between claims under the contract and breach claims. If the contractor decides to press his claim as breach of contract in a court of law and this appeal is denied, he has often lost recourse to an administrative remedy because a 30-day appeal time has been exhausted while the claim was being decided in court. He has no further recourse and his claim must then be forfeited.

This consolidated disputes authority for the agencies should strengthen and simplify the contractors' business relationship with the Government and the Government's ability to deal directly with contractors. It is more efficient for both parties if this artificial division of remedies can be simplified by statute. This increased agency jurisdiction is balanced by the provision of optional direct access to judicial forums (Section 10(a). Otherwise the contractors opportunity for complete justice would be severely curtailed.

DECISION BY THE CONTRACTING OFFICER

Section 5 would require that decisions by the contracting officer be prompt within sixty days from written request, thus insuring prompt and definitive rulings on claims. This would eliminate many problems contractors now have with obtaining decisions at the contracting officer level.

INFORMAL ADMINISTRATIVE CONFERENCE

Section 6 deals with the Procurement Commission recommendation #2 to provide an informal administrative conference to explore the possibility of settlement of the dispute between the contractor and the agency. Under this provision the contractor may request an informal conference on a decision by the Contracting Officer for the purpose of satisfactorily disposing of the claim before it goes on to litigation.

The Commission felt that if contracting officers knew their decisions could be informally reviewed it would give them additional confidence in making decisions that they felt to be controversial or unpopular with their superiors. There is the added benefit in giving the agency the opportunity to review a decision that it may basically not agree with.

Emphasis is placed on the possibility of settlement rather than merely reviewing the decision of the contracting officer. This informal conference must be held or waived by the contractor before any further proceedings take place. Many agencies now provide for formal and informal review of a contracting officer's findings prior to board or court proceedings. However, as of now, the contractor does not normally participate.

CONTRACTORS' RIGHT OF APPEAL TO BOARD OF CONTRACT APPEALS

Section 7 would extend the period from the current thirty days to ninety days and would insure that contractors will not be shut off from the appeals opportunity due to clerical errors, mistakes, or the need to obtain legal advice.

AGENCY BOARDS OF CONTRACT APPEALS

Section 8 implements parts of the Commission's recommendation #3 and would place agency boards of contract appeals on a statutory footing providing independence and giving board members appropriate salaries needed for recruitment and retention.

The statutory minimum of five person boards would eliminate inefficiencies now exhibited in some of the smaller boards. The role of the Administrator of Federal Procurement Policy will insure uniformity of rules and procedures between the boards and will act as a central clearing point to insure that the boards meet the guidelines for establishment. The inclusion of increased subpoena, discovery and other judicial-type powers will insure the board's capability to give fair and equitable treatment to all parties.

SMALL CLAIMS

Section 9 sets into motion the establishment of rules and regulations for expedited resolution of claims of $25,000 or less. By giving the Government no judicial review and allowing the contractor to go to the court with a de novo trial upon receiving an adverse decision, the opportunity for resolution of small claims is increased considerably.

SUIT IN COURT: JUDICIAL REVIEW OF BOARD DECISIONS

Section 10 implements the Commission's recommendations Nos. 6, 7, 8, and 9. Contractors would now be able to go to court directly if they chose.

Such direct access has been called the keystone of the entire reform system recommended by the Commission. It will provide the flexibility that the Commission saw as essential to a fair and workable system. Direct access would permit questions that ultimately must go to court because of their size, importance or nature to go there directly and without delay. It would further assure contractors of their fundamental rights to a full judicial trial.

This recommendation restores to a contractor the right to a day in court, a right which has been eroded by the creation of administrative regulation and subsequent court interpretations of such regulations. Thus, intent of the Tucker Act, which limited the doctrine of sovereign immunity is reaffirmed.

At present, a trial on the merits is afforded to all other plaintiffs filing actions where sovereign immunity has been relinquished and was in this field until the enactment of the Wunderlich Act in 1954 (repealed by this Act).

Time limits are established in this section which give the contractor twelve months to appeal an adverse decision as opposed to the six years presently allowed. This 6-year time period often results in the government being called on to present a defense many years after personnel with knowledge about the case are available and documents or records important to the case have been destroyed.

The government is given 90 days in which to appeal an adverse decision. This stricter time limit has been placed on the government because until a final decision is made in his favor, a contractor cannot get paid for the work in dispute. Contractors must, under government contract requirements, continue work pending a final decision of the claim.

The Attorney General may appeal an adverse decision for an agency when he concurs with the request for appeal from the head of an executive agency. The Administrator of Procurement Policy must also approve this request.

Also included in this section is a new remand policy whereby the court reviewing a board decision may receive additional evidence as may be necessary to make final disposition of the case.

SUBPOENA, DISCOVERY AND DEPOSITION

Section 11 embodies part of the Commission's recommendation No. 3 and gives the administrative boards greater subpoena powers by compelling the attendance of witnesses and requiring the submission of evidence through deposition and discovery techniques. These procedures will, in turn, aid the contractor in developing his case.

INTEREST

Section 12 implements the Commission's recommendation No. 11 and provides for the payment of interest to the contractor upon winning his appeal.

REPEALS AND AMENDMENTS

Section 14(a) implements the Commission's recommendation No. 12 and raises the jurisdictional limit for the district courts from $10,000 to $100,000. This would provide the opportunity for more contractors to appeal cases in their home locale.

Section 14(g) gives the district courts jurisdiction to give injunctive and declaratory relief to contractors in government contract cases.

Mr. CHILES. Mr. President, I ask unanimous consent that the bill be jointly referred to the Committee on the Judiciary and the Committee on Governmental Affairs. I have discussed this action with the chairman of the Judiciary Committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hearing none, it is so ordered.

By Mr. LONG (for himself, Mr. MAGNUSON, and Mr. STEVENSON):

S. 2788. A bill to amend section 216 of the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $600 million of the series A preferred stock of the Corporation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

U.S. RAILWAY ASSOCIATION AMENDMENTS ACT OF 1978

Mr. LONG. Mr. President, there has been increasing concern and much discussion over the Federal funding role in the field of rail transportation in recent years. More recently the subject has been raised with the submission of the Consolidated Railroad Corporation's 5-year plan to the U.S. Railway Association.

As most of my colleagues are aware, it has been a little less than 2 years now since ConRail, capitalized with $2.1 billion of Federal money, went into business by merging parts of six bankrupt northeastern railroads. Since beginning operations in April of 1976, ConRail has been struggling to rehabilitate its revenue car and locomotive fleet which was in poorer physical condition than anticipated by the U.S. Railway Association in its final system plan. The predecessor railroads, especially the Penn Central, did not ade-

quately maintain their physical plants and equipment during the period from bankruptcy to conveyance date. Therefore, the age and condition of ConRail's car and power fleets adversely affected the railroad's performance and manpower during its first 2 years of operations. In addition, many of the yard and shop facilities were in poor condition, requiring substantial repair and modernization.

ConRail's current problems are not entirely due to the inheritance of a deteriorated plant and equipment. ConRail expended over $750 million, excluding depreciation in roadway and track rehabilitation programs during its first year of operation. Although many of these programs were ahead of final system plan projections, the net benefit to the railroad's financial performance was negligible during this period. During the first quarter of 1977 the railroad was adversely affected by the severe winter weather. Losses of over $100 million have been attributed mainly to lost revenues and increased maintenance and labor costs. ConRail continues to refer to this situation as the reason for its poor performance in certain operational and financial areas.

In conclusion, Mr. President, ConRail's operations during its first 2 years have exceeded expectations in some areas, but have lagged behind final system plan projections in others. Its operational and financial statistics for the period indicate the railroad has not progressed in many crucial performance areas. Major problems exist in the operational, revenue generating and cost control areas. Since the long-term goal of ConRail and USRA is to develop a self-sustaining railroad, improvements throughout the system will be required. ConRail projects that it will need an additional $1.283 billion in Federal financing during the period from 1978 to 1982 to support rehabilitation of physical assets, to provide adequate working capital, and to compensate for operating losses. ConRail is seeking a first installment of approximately $600 million to cover its fiscal year 1979 funding shortfall.

There are a number of recommendations that have been suggested for dealing with ConRail's short-term money requirements for fiscal year 1979. I am introducing legislation today which will provide a means for examining these alternative funding mechanisms and conducting oversight hearings on ConRail's operating performance since April 1, 1976.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Railway Association Amendments Act of 1978".

SEC. 2. (a) Section 216 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726) is amended by striking out "$1,100,000,000" each place it appears therein, and inserting in lieu thereof in each such place "$1,700,000,000".

(b) Section 216(b) of such Act (45 U.S.C. 716(b)) is amended by striking out "$2,100,000,000" and inserting in lieu thereof "$2,700,000,000".

SEC. 3. The amendments made by section 2 of this Act shall become effective on the date of enactment of this Act.

By Mr. LONG:

S. 2789. A bill to provide authorization for appropriations for the Office of Rail Public Counsel, and for other purposes; to the Committee on Commerce, Science, and Transportation.

RAIL PUBLIC COUNSEL AUTHORIZATION ACT OF 1979

Mr. LONG. Mr. President, I am introducing today the Rail Public Counsel Authorization Act of 1979 for appropriate reference.

The Rail Public Counsel's Office was created by section 304 of the Railroad Revitalization and Regulatory Reform Act of 1976 to provide responsible and professional representation for the many communities and users of rail service who otherwise might not be adequately represented in proceedings involving rail matters.

This legislation will assure that the public interest considerations are properly presented before the various deciding bodies.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27(6) of the Interstate Commerce Act (49 U.S.C. 26(b)) is amended—

(a) by striking out "and" immediately after ", 1977,"; and

(b) by inserting immediately before the period at the end thereof the following ", and not to exceed $800,000 for the fiscal year ending September 30, 1979".

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. PELL, Mr. RANDOLPH, Mr. EAGLETON, Mr. CHAFEE, Mr. RIEGLE, Mr. HATCH, and Mr. HATHAWAY):

S. 2792. A bill to revise and extend the program for gifted and talented children in order to provide a consolidation of that program with other educational programs, and for other purposes; to the Committee on Human Reources.

GIFTED AND TALENTED EDUCATION ACT OF 1978

Mr. JAVITS. Mr. President, on March 15, I introduced S. 2749, the Gifted and Talented Education Act of 1978. Unfortunately, a major error in the printing of the bill resulted in the substitution of part of another piece of legislation for part of S. 2749, rendering the printed version of S. 2749 incomprehensible.

I, therefore, introduce the proper text as a new bill, with the following cosponsors: Senators WILLIAMS, PELL, RANDOLPH, EAGLETON, CHAFEE, RIEGLE, HATCH, and HATHAWAY.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Gifted and Talented Education Act of 1978".

AUTHORIZATION

SEC. 2. Section 401 of the Elementary and Secondary Education Act of 1965 (hereinafter in this Act referred to as the "Act") is amended by redesignating subsection (d), and all references thereto, as subsection (e), and by adding after subsection (c) of such section, the following new subsection:

"(d) There is authorized to be appropriated the sum of $50,000,000 for obligation by the Commissioner during the fiscal year 1979 and for each of the four succeeding fiscal years, for the purpose of making grants under part D (Education of Gifted and Talented Children) of this title.".

ALLOTMENT

SEC. 102. (a) (1) The first sentence of section 402(a)(1) of the Act is amended by striking out "subsections (a) or (b), or both," and inserting in lieu thereof "subsections (a), (b), or (d) or under any such subsection,".

(2) The second sentence of such section is amended by striking out "under part B or part C, or both" and inserting in lieu thereof "under part B, part C, or part D, or any such part,".

(b) (1) Section 402(a)(2) of the Act is amended by striking out the second and the third sentence thereof.

(2) Section 402(a) of the Act is amended by inserting after paragraph (2) the following new paragraphs:

"(3) From the amounts appropriated to carry out part D of this title for any fiscal year pursuant to subsection (d) of section 401, the Commissioner shall reserve 75 per centum of such amounts to be allotted to the States. The Commissioner shall allot to each State from such amount so reserved an amount which bears the same ratio to such amounts so reserved as the number of children aged five to seventeen, inclusive, in the State bears to the number of such children in all the States.

"(4) For the purpose of this subsection, the term 'State' shall not include Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands. The number of children aged five to seventeen, inclusive, in a State an in all States shall be determined by the Commissioner on the basis of the most recent statisfactory data available to him.".

(c) Section 402(b) of the Act is amended by striking out "part B or C" and inserting in lieu thereof "part B, C, or D".

STATE PLANS

SEC. 4. (a) Section 403(a)(2) of the Act is amended by striking out "parts B and C" and inserting in lieu thereof "parts B, C, and D".

(b) Section 403(a)(8) of the Act is amended by striking out "and" at the end of clause (B), by striking out the semicolon at the end of clause (C) and by adding at the end thereof the following new clauses:

"(D) that not less than 25 per centum of the amounts which such State receives from its allotment under sections 401(d) and 402 (a)(3) in any fiscal year shall be used to make payments to local educational agencies to be used by local educational agencies for programs and projects which include identification and education of disadvantaged gifted and talented children from low-income families; and

"(E) from the funds described under clause

(A), the State will administer the provisions of State plans relating to section 441(a) of part D.

(c) Section 403(a) of the Act is amended by striking out "and" at the end of paragraph (10), by striking out the period at the end of paragraph (11), and inserting in lieu thereof a semicolon and the word "and", and by adding at the end thereof the following new paragraphs:

"(12) provide, with respect to programs and projects authorized by part D of this title—

"(A) satisfactory assurance that funds paid to the State from its allotment will be expended solely to plan, establish, and operate programs and projects which—

"(i) are designed to identify and to meet the special educational and related needs of gifted and talented children, and

"(ii) are of sufficient size, scope, and quality as to hold reasonable promise of making substantial progress toward meeting those needs:

"(B) that the State educational agency will establish such policies and procedures as are necessary for acquiring and disseminating information derived from educational research, demonstration and pilot projects, new educational practices and techniques, and the evaluation of the effectiveness of the program or project in achieving its purpose; and

"(13) provide that funds made available to any local educational agency from the State's allotment for the programs authorized under part D of this title may be used for the acquisition of instructional equipment to the extent such equipment is necessary to enhance the quality or the effectiveness of the program for which the application by such an agency is made.".

PAYMENTS

SEC. 5. Section 405 of the Act is amended by inserting "(a)" after the section designation, and by adding at the end thereof the following new subsection

"(b)(1) From the amounts allotted to each State under section 402(a)(3) for carrying out programs authorized by part D, the Commissioner shall pay to that State an amount equal to the Federal share of the amount expended by the State in carrying out its State plan (after withholding any amount necessary pursuant to section 406 (f)).

"(2) The Federal share for the fiscal year 1979 shall be 90 per centum, for the fiscal year 1980, 80 per centum, for the fiscal year 1981, 70 per centum, for the fiscal year 1982, 60 per centum, and for the fiscal year 1983, 50 per centum.".

PROGRAM AUTHORIZED

SEC. 6. Title IV of the Act is amended by adding at the end thereof the following new part:

"Part D—Education of Gifted and Talented Children

"PROGRAM AUTHORIZED

"SEC. 441. (a) The Commissioner shall carry out a program from 75 per centum of the amounts appropriated pursuant to section 401(d) (for making grants to the States pursuant to States plans approved under section 403) for the planning, development, operation, and improvement of programs and projects designed to meet the special educational needs of gifted and talented children at the preschool and elementary and secondary school levels.

"(b) From 25 per centum of the sums appropriated pursuant to section 401(d) the Commissioner is authorized to—

"(1) make grants to State educational agencies to assist them in establishing and maintaining, directly or through grants to institutions of higher education, a program for training personnel engaged or preparing to engage in educating gifted and talented children or as supervisors of such personnel;

"(2) make grants to institutions of higher education and other appropriate nonprofit institutions or agencies to provide training to leadership personnel for the education of gifted and talented children and youth; and

"(3) enter into contracts with, and make grants to, public and private agencies and organizations, including State and local educational agencies, for the establishment and operation of model projects for the identification and education of gifted and talented children.

For the purpose of clause (2) of this subsection, leadership personnel may include, but are not limited to, teacher trainers, school administrators, supervisors, researchers, and State consultants, and grants under such clause may be used for internships, with local, State, or Federal agencies and other public or private agencies or institutions.

"(c) Notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act, the National Institute of Education shall, in accordance with the terms and conditions of section 405 of such Act carry out a program of research and related activities relating to education of gifted and talented children. The Commissioner is authorized to transfer, from amounts available for the purposes of subsection (b), to the Institute of Education such sums as may be necessary for the program required by this subsection, but such sums shall not exceed 5 per centum of the amount available for this part in any fiscal year. As used in the preceding sentence the term 'research and related activity' means research, research training, surveys and demonstrations in the field of education of gifted and talented children and youth, or the dissemination of information derived from such research, surveys or demonstration, and all such activities, including experimental and model schools.

"ADMINISTRATION

"SEC. 442. (a) The Commissioner shall designate an administrative unit within the Office of Education to administer the programs and projects authorized by this part and to coordinate all programs for gifted and talented children and youth administered by the Office of Education.

"(b) The Commissioner shall establish or designate a clearinghouse to obtain and disseminate to the public information pertaining to the education of gifted and talented children and youth. The Commissioner is authorized to contract with public or private agencies or organizations to establish and operate the clearinghouse.".

ADDITIONAL COSPONSORS

S. 1010

At the request of Mr. MCINTYRE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 1010, the Consumer Cooperative Bank Act.

S. 2533

At the request of Mr. CHURCH, the Senator from New York (Mr. JAVITS) and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 2533, a bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel.

S. 2557

At the request of Mr. HUDDLESTON, the Senator from Nebraska (Mr. ZORINSKY) and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 2557, the Emergency Transportation Repair Act.

S. 2565

At the request of Mr. MATHIS, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 2565, a bill to provide for further research and services with regard to victims of rape.

S. 2568

At the request of Mr. DOMENICI, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 2568, a bill for the relief of Pranas Brazinskas.

S. 2569

At the request of Mr. DOMENICI, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 2569, a bill for the relief of Algireas Brazinskas.

S. 2573

At the request of Mr. HELMS, the Senator from Nebraska (Mr. CURTIS) and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 2573, a bill to limit the jurisdiction of the Supreme Court concerning voluntary prayer in public schools.

S. 2606

At the request of Mr. CHURCH, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 2606, a bill to amend and supplement the Federal reclamation laws.

S. 2727

At the request of Mr. STEVENS, the Senator from Washington (Mr. MAGNUSON), the Senator from Louisiana (Mr. LONG), the Senator from Kentucky (Mr. FORD), the Senator from Michigan (Mr. RIEGLE), the Senator from Colorado (Mr. HART), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 2727, a bill to promote and coordinate amateur sports.

S. 2730

At the request of Mr. WILLIAMS, the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. STEVENS), and the Senator from Maine (Mr. MUSKIE) were added as cosponsors of S. 2730, a bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship.

SENATE JOINT RESOLUTION 118

At the request of Mr. JOHNSTON, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of Senate Joint Resolution 118, to declare an Emergency Medical Services Week.

SENATE RESOLUTION 419

At the request of Mr. DECONCINI, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Maryland (Mr. SARBANES), the Senator from Alabama (Mr. ALLEN), the Senator from Rhode Island (Mr. PELL), the Senator from Kansas (Mr. DOLE), the Senator from Oregon (Mr. PACKWOOD), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Resolution 419, condemning the kidnaping of former Italian Premier Aldo Moro.

SENATE CONCURRENT RESOLUTION 72

At the request of Mr. CASE, the Senator from New Mexico (Mr. DOMENICI), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of Senate Concurrent Resolution 72, regarding efforts to counter international terrorism.

SENATE RESOLUTION 423—ORIGINAL RESOLUTION REPORTED AUTHORIZING A STAFF INVESTIGATOR TO PRESENT TESTIMONY

Mr. JACKSON, from the Committee on Governmental Affairs, reported the following original resolution, which was ordered placed on the calendar:

S. RES. 423

Whereas, by letter dated March 16, 1978, the Chairman of the Select Committee on Assassinations of the United States House of Representatives has requested that Philip R. Manuel, a staff investigator of the Senate Permanent Subcommittee on Investigations, appear and give executive session testimony before that body on matters pertinent to the inquiry currently being conducted by that body;

Whereas, the subject matter of that executive session testimony pertains to information obtained by Mr. Manuel in the course of his employment as a staff investigator for the Senate Permanent Subcommittee on Investigations; and

Whereas, by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, no information secured by staff employees of the Senate pursuant to their official duties may be revealed without the consent of the Senate: Therefore, be it

Resolved, That Philip R. Manuel is authorized to present himself and give executive session testimony before the Select Committee on Assassinations of the United States House of Representatives pursuant to the written request of the Chairman of said Select Committee.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Honorable Louis Stokes, Chairman, Select Committee on Assassinations, United States House of Representatives, Washington, D.C. 20515.

● Mr. JACKSON. Mr. President, I report today a resolution to permit executive session testimony by a staff investigator of the permanent Subcommittee on Investigations of the Committee on Governmental Affairs pursuant to the written request of the chairman of the Select Committee on Assassinations of the House of Representatives.

By letter dated March 16, 1978, the Honorable LOUIS STOKES, chairman of the House Select Committee on Assassinations, requested that the permanent Subcommittee on Investigations authorize Philip R. Manuel, a subcommittee investigator, to appear and give executive session testimony before that body concerning information obtained by Mr. Manuel in the course of his employment as a staff investigator and pertinent to the inquiry currently being conducted by the Select Committee on Assassinations.

Pursuant to rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, such testimony may not be presented without the approval of the Senate.

Accordingly, I report the resolution approved by the Committee on Governmental Affairs, and ask that this resolution be agreed to.●

SENATE RESOLUTION 424—SUBMISSION OF A RESOLUTION RELATING TO A NEW CANAL CONNECTING THE ATLANTIC AND PACIFIC OCEANS

Mr. MAGNUSON submitted a resolution, which was referred to the Committee on Foreign Relations:

S. Res. 424

Resolved, that it is the sense of the Senate that the President of the United States should immediately begin negotiations with the government of the Republic of Panama, or with the government of any other appropriate country if agreed to by the two Parties, regarding the construction, maintenance and operation of a new canal connecting the Pacific and Atlantic Oceans.

(The remarks of Mr. MAGNUSON when he submitted the resolution appear earlier in today's proceedings.)

AMENDMENTS SUBMITTED FOR PRINTING

NAVIGATION DEVELOPMENT ACT—H.R. 8309

AMENDMENT NO. 1742

(Ordered to be printed and to lie on the table.)

Mr. SARBANES (for himself and Mr. MATHIAS) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 8309) authorizing certain public works on rivers for navigation, and for other purposes.

● Mr. SARBANES. Mr. President, I send to the desk on behalf of myself and my able colleague, the distinguished senior Senator from Maryland (Mr. MATHIAS), an amendment to H.R. 8309, the Navigation Development Act, which authorizes the U.S. Army Corps of Engineers to deepen the channel of the Choptank River and the Cambridge Harbor turning basin in Dorchester County, Md. My amendment will authorize the corps to increase the channel and harbor depth to 25 feet so that more vessels with larger cargoes can call on the Cambridge Port.

The deeper channel and harbor are vitally important to the economy of Cambridge, Md., and to the eastern shore area which it serves. The area's seafood packing industry depends on a steady traffic of fully loaded vessels. In addition, Cambridge has undertaken a special effort to export agricultural products and recently a vessel loaded with locally grown corn departed Cambridge for Nigeria. This was the largest vessel ever to use the harbor and there is a great export potential with clear benefits for the local farm economy. Cambridge is also undertaking a vigorous economic development program in which it seeks to expand its economic base. All of these activities require that the harbor and channel be deep enough to handle fully loaded cargo vessels.

The Cambridge community strongly support this project and community leaders and local officials, particularly Mayor Albert Atkinson and State Senator Fred Malkus, have been unstinting in their effort to get this project underway. After some delays, the channel and harbor dredging have now been approved by the Corps of Engineers and the Department of the Army. The project has a fine cost-benefit ratio and local financial participation is assured. Mr. President, this is a most important project and I urge my colleagues to support its authorization when H.R. 8309 is considered by the Senate.●

VETERANS PENSION—S. 2384

AMENDMENT NO. 1743

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. THURMOND (for himself, Mr. HANSEN, and Mr. STAFFORD) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2384) to amend title 38 of the United States Code in order to provide a security pension program for non-service-connected disabled veterans of a period of war who are in need, for surviving spouses of veterans of a period of war who are in need, and for surviving children of veterans of a period of war who are in need; to provide for annual automatic cost-of-living adjustments in the security pension program; to prevent reductions in security pension benefits solely attributable to cost-of-living increases in social security benefits; and for other purposes.

NATIONAL PROGRAM OF WATER RESEARCH AND DEVELOPMENT—S. 2704

AMENDMENT NO. 1744

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (S. 2704) to promote a more adequate and responsive national program of water research and development, and for other purposes.

● Mr. DOMENICI. Mr. President, when I joined recently in cosponsoring S. 2704, by request, I made a speech on the floor analyzing the bill. In that speech, I explained why the new bill must not be used to undercut the 1977 initiative authorizing four demonstration projects for saline water conversion. Unless we amend S. 2704, it would repeal entirely the Water Research and Conversion Act of 1977 (Public Law 95–84).

I am today submitting an amendment that would incorporate within S. 2704 the exact language approved by the Congress in Public Law 95–84. Section 2 of that 1977 law directed the Secretary of the Interior—

To study, design, construct, operate, and maintain desalting plants demonstrating the

engineering and economic viability of membrane and phase-change desalting processes at not more than four locations in the United States . . . provided, that at least two such plants shall demonstrate desalting of brackish ground water.

A total of $40,000,000 was authorized for the section 2 program, beginning in fiscal year 1978, with additional sums to be available "as are necessary to defray operations, maintenance, and energy costs for demonstration plants during the periods of Federal responsibility for such activities."

Specifically, my amendment creates a new section 206 in S. 2704, and provides specific dollar authorizations for this work in section 402 of the bill. As indicated, this would merely codify the 1977 provision within this new, organic act.

Mr. President, I ask unanimous consent that the text of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1744

On page 18, after line 19, insert the following:

"SEC. 206(a) Notwithstanding any limitation imposed by Section 205(b)(3) of this Title, the Secretary is authorized and directed to study, design, construct, operate, and maintain desalting plants demonstrating the engineering and economic viability of membrane and phase-change desalting processes at not more than four locations in the United States, including Puerto Rico, Virgin Islands, and Guam: *Provided*, That at least two such plants shall demonstrate desalting of brackish ground water.

"(b) Funds appropriated pursuant to the authority provided by this section may not be expended until thirty calendar days (excluding days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the chairman of the Committee on Interior and Insular Affairs of the House of Representatives and the chairman of the Committee on Environment and Public Works of the United States Senate. Such report shall present information that includes, but is not limited to, the location of the demonstration plant, the characteristics of the water proposed to be desalted, the process to be utilized, the water supply problems confronting the area in which the plant will be located, alternative sources of water and their probable cost, the capacity of the plant, the initial investment cost of the demonstration plant, the annual operating cost of the demonstration plant, the source of energy for the plant and its cost, the means of reject brine disposal and its environmental consequences, and the unit cost of product water, considering the amortization of all components of the demonstration plant and ancillary facilities. Such report shall also be accompanied by a proposed contract between the Secretary and a duly authorized non-Federal public entity, in which such entity shall agree to furnish, at no cost to the United States, necessary water rights, water supplies, rights-of-way, power source interconnections, and brine disposal facilities. Such proposed contract will further provide that the United States will construct the plant described in the report at no cost to the non-Federal public entity and that the United States will provide all costs of operation and maintenance of the plant for a term of at least two but not more than five years, during which access to the plant and its operating data will not be denied to the Secretary or his representatives. The Secretary is authorized to include in the proposed contract a provision for conveying all rights, title, and interest of the Federal Government to the non-Federal public entity, subject only to a future right to re-enter the facility for the purpose of financing at Federal expense modifications for advanced technology and for its operation and maintenance for a successive term under the same conditions as pertain to the original term."

On page 25, after line 16, insert the following:

"(c) There is authorized to be appropriated, to remain available until expended, for the fiscal year ending September 30, 1978, and thereafter the sum of $40,000,000 to finance the construction of demonstration plants authorized by Section 206 of this Act. There are also authorized to be appropriated such additional sums as are necessary to defray operation, maintenance, and energy costs for demonstration plants during the periods of Federal responsibility for activities under Section 206 of this Act." ●

INTERNATIONAL DEVELOPMENT CORPORATION ACT OF 1978—S. 2420

AMENDMENTS NOS. 1745 AND 1746

(Ordered to be printed and referred to the Committee on Foreign Relations and the Committee on Governmental Affairs.)

Mr. KENNEDY submitted two amendments intended to be proposed by him to the bill (S. 2420) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development by establishing the International Development Corporation Administration, and for other purposes.

● Mr. KENNEDY. Mr. President, beginning today I am submitting a series of amendments to strengthen provisions of S. 2420, the International Development Cooperation Act of 1978, now pending before the Committee on Foreign Relations.

As my colleagues know, this is the late Senator Hubert Humphrey's final piece of legislation, and it is a monument to his many years of dedicated work and concern over America's foreign assistance program. His bill, prepared during the final months of his life, is probably the most significant legislative initiative in the foreign assistance field since President Kennedy's proposals in the early 1960's.

The Humphrey bill wipes the slate clean and starts anew. It broadens the humanitarian and developmental purposes of our foreign assistance program, and strengthens the "new directions" mandated by Congress in recent years to guide our Nation's effort in helping developing countries around the globe. I am pleased to be a cosponsor of this legislation, and I shall work with others in the days and weeks ahead to assure its favorable consideration and final passage.

However, as we all know, the pending bill was considered by Senator Humphrey to be a "working bill"—a strong and firm place from which to begin the large task of rewriting and replacing the Foreign Assistance Act of 1961, as amended. Hearings on the bill have just begun, and there will clearly be a number of major changes and revisions in the bill as its many innovative and important new provisions are more closely studied.

It is within this context, Mr. President, that I will be offering a series of "working amendments" to the bill—to place before the Foreign Relations Committee and its Subcommittee on Foreign Assistance certain proposals to modify the bill, to expand it in certain areas, and to perfect some portions of it.

INTERNATIONAL HEALTH PROGRAMS

First, one of the most important features of the pending bill is its basic revision of the authorizing language for our bilateral development assistance programs. In general, I strongly support the new language in the bill, especially in the agricultural and nutrition field, as well as in human resources development. However, I am concerned over a lack of emphasis on international health programs, and the need to strengthen the bill's provisions in chapter II for population and international health assistance.

We are passing through a period of critical choices in our Nation's foreign assistance program. In this, as in many other areas of U.S. foreign policy, we are faced with the need to reassess our approach and policy toward overseas assistance. The increasing limitation on funds demands that we carefully review our foreign aid expenditures to assure that they support our legitimate foreign policy objectives as well as satisfy the humanitarian needs of the world and the development needs of underdeveloped countries during the coming decade.

In a series of hearings over the past several years before the Subcommittee on Refugees and the Subcommittee on Health, both of which I have served as chairman, a number of important points have emerged which I believe must be given greater emphasis in designing new and productive approaches to our foreign assistance program. The first of these is that the economic development of any country depends greatly upon the well-being of its peoples. Economic advance will always be impeded by hunger, by widespread disease, and by overpopulation. Second, we must recognize that the humanitarian components of any assistance program must be well integrated, so that assistance programs in the areas of nutrition, health, and population can no longer be thought of as independent of one another. Third, we must devise health programs that will meet the real needs of the poor people of these countries and learn to formulate projects that will get the benefits of our assistance program down to the grassroots level. Finally, in this changing political world, we must realize that it is no longer suitable to work alone and paternalistically in our international health programs. We must develop truly cooperative ventures with needy countries, directed more at helping them to solve their own health problems for the long term, rather than attempting to effect our own short-term solutions to these problems.

Mr. President, the amendments which

I am proposing today focus on the international health aspects of our foreign assistance program, although they do have large implications in other areas.

But even in the health field, the problems of the Third World are massive, and we should be doing more about it. Moreover, what we do, we should do more effectively. This is not only a question of satisfying the traditional American humanitarian concern; it is also something that we should be doing in our enlightened self-interest. The health of one part of the world inevitably affects the health of another part. By helping to eradicate smallpox in the last afflicted areas of the globe, we eliminated the need for expensive, and sometimes hazardous, smallpox innoculations in other areas of the world.

Today, the health problems of the world, and especially of developing nations, are truly staggering. It is an enormous human tragedy that one-fourth of the people on this Earth have no access to any health care whatever, while another billion people have only the most rudimentary and ineffective care. In some nations, four persons out of every five receive no health care at all throughout their lives. These are the very people who need health care the most. Over 300 million people throughout the world suffer from filariasis, while in Africa 1 person in 10 will be affected by the "river blindness" form of this disease, which seriously impedes agricultural productivity and economic development. Malaria affects 200 million people, and in some parts of tropical Africa every child over 1 year old will catch this disease and 1 million children will die of it each year.

The list is very long, and statistics like these are well known. But behind the figures are the people, the hundreds of millions of human beings living lives of desperation. Fear and hunger, sickness and death, are the horsemen of their daily living apocalypse.

Why is not more being done? Why do the experts tell us that the situation will get worse by the year 2000? It is time that the people of the United States and other advanced nations rise up in outrage at these conditions, and demands that governments work together to end this global blight. In the United States, very little research is being carried out on tropical diseases, and yet this must be an important component of any foreign assistance program.

Mr. President, I would suggest that not only can much be done about these disease problems, but that dollars spent in this area are some of the most cost effective in terms of foreign assistance. Further, improvement of the health of peoples abroad can have a direct influence on the health and the health-care costs of the American people. Again, I need only cite one example of this. The U.S. contribution to the worldwide smallpox eradication campaign cost us a total of some $25 million, but because eradication of this disease enabled us to terminate our own domestic smallpox vaccination program, we are now able to save over $125 million a year domestically as the direct result of our modest international effort in this area.

Mr. President, the principal objectives of these amendments are:

First, to give full recognition to health activities in our foreign assistance program, and to integrate these activities with related efforts in nutrition and population;

Second, to attempt to orient our foreign assistance program more toward the solution of the problems of the rural poor in terms of the most prevalent tropical diseases and needs of a developing primary health care system, rather than to engage in activities which primarily benefit the urban rich;

Third, to encourage the Agency to utilize more effectively the technical and professional competence that now exists in the Department of Health, Education, and Welfare, in those assistance programs which require the skilled expertise and backup scientific support that exist in such units as the Center for Disease Control and the National Institutes of Health;

Fourth, to mobilize the universities and other institutions to provide the necessary backup in research—basic biomedical, primary health care, et certera—and training of health professionals and paraprofessionals that any development program will need, with an emphasis on helping Third World countries develop their own experts to do much of what has to be done for themselves; and

Fifth, to attempt to free up the foreign assistance agency from its old style parochialism and lack of technical expertise by involving outside professionals more extensively in policy-decision and implementation.

EXPLANATION OF AMENDMENTS

Mr. President, my first amendment, entitled "Health and Disease Prevention," separates the authorization for health from that for population, and is intended to direct the health activities of the agency as devising and carrying out in partnership with developing nations and international organizations a strategy for programs of preventive medicine and basic health care. It focuses on the problems posed by the most serious infectious diseases in underdeveloped countries, with an emphasis on programs carried out in and in cooperation with developing countries, but linked with and supported by the unique health facilities and personnel in American institutions.

The second amendment creates a new title IV in chapter II, and is devoted to strengthening institutional capacity for health development. Section 241, general provisions, emphasizes the importance of strengthening the capabilities of universities and other institutions to assist in the research and teaching efforts required to improve the health of developing countries, and calls for programs of research and application of health technologies in developing countries, linked closely with these American institutions.

Section 242, general authority, authorizes the Administrator to undertake programs to build and strengthen the institutional capacity and human resource skills both in developing countries and within the United States, so as to utilize the expertise of American institutions to the best advantage in the training of foreign nationals and the establishment of collaborative programs to meet the health needs of developing countries.

Section 243 establishes a Board for International Health Development, composed of members with broad expertise in the international health area, some of whom will represent other governmental departments, so that a full integration of U.S. governmental efforts in this area may be achieved. Among the duties of this Board are participation in the formulation of basic policy and strategy, the recommendation of the apportionment of funds in the health area, the assessment of the impact of health programs in developing countries, and the establishment of a peer review system to serve as a quality review monitor of grants and contract programs in the health field.

Section 244 contains the authorization for the utilization for these purposes of the funds made available under section 204.

Section 245 requires of the administrator an annual report to Congress of the activities carried out under this title during the previous year, and a projection of future activities to be conducted during the subsequent fiscal year.

Mr. President, it is time that our foreign assistance program was made more rational, and more responsive both to the needs of the American foreign policy as well as to the problems of hundreds of millions of poor people throughout the world who are ravaged continually by disease and whose desperate appeal for help we can no longer disregard.

Mr. President, I ask unanimous consent that the text of these health amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1745

On page 6, line 16, after "poverty", insert "and disease".

On page 11, line 12, after "population planning", insert "; health;".

On page 17, line 3, after "POPULATION" strike out "AND HEALTH".

On page 17, line 4, strike out "poor health conditions and".

On page 17, line 17, strike out all after "nutrition." through line 20.

On page 17, line 25, insert "," after "planning" and strike out "In addition to" and insert in lieu thereof "principally".

On page 18, line 2, after "research" insert "." and "In addition,".

On page 19, strike all of line 18 through line 3 of page 20.

On page 20, line 4, section "(f)" is relettered "(e)".

On page 20, line 5, after "section" insert "and section 204".

On page 20, line 10, insert the following new section:

"SEC. 204. HEALTH AND DISEASE PREVENTION. (a) The Congress recognizes that poor health and widespread debilitating disease can vitiate otherwise successful development efforts. The widespread existence of acute and chronic infectious diseases afflicting tens and hundreds of millions of people inhibits food production, accentuates the effects of malnutrition, and impedes economic progress.

Good health conditions are a principal element in improved quality of life and contribute to the individual's capacity to participate in the development process. The Administrator is authorized, on such terms and conditions as he may determine, to furnish assistance for disease prevention and control, improved sanitation and water facilities, basic health education and the extension of primary health care facilities—

"(1) to expand significantly the provision of basic health and sanitation education and services, especially to rural poor people, and to support such research into primary health care services as may best enhance their capacity for self-help.

"(2) to control the major endemic infectious diseases and their consequences; and

"(3) to expand significantly the provision of simplified and improved health technologies to combat these diseases, especially among rural poor people.

There are authorized to be appropriated to the Administrator for the purposes of this section, in addition to funds otherwise available for such purposes, $ for the fiscal year 1979, which amounts are authorized to remain available until expended.

"(b) Assistance provided under this section shall be used primarily for activities which are specifically designed to conserve or restore the health of the poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; the training of appropriate medical care and public health personnel as suitable to their needs; and the creation and strengthening of systems, particularly at the community level, to provide other services and supplies needed by sick people and those at risk from disease, such as by immunization programs, disease vector control, epidemiological support, pure water, health education and improved sanitation.

"(c) The Congress finds that human suffering and disease are widespread and growing in the poorest and most slowly developing countries. In the allocation of funds under this section, special attention shall be given to improving the health in countries which have been designated as relatively least developed by the United Nations Conference on Trade and Development.

"(d) Assistance provided under this section shall be used in coordination with programs carried out under sections 202 and 203, since the problems of malnutrition, disease, and excessive population are intimately connected. In particular, the Administrator is encouraged—

"(1) to devise and carry out in partnership with developing nations and international organizations a strategy for programs of preventive medicine and basic health care, emphasizing the most serious infectious diseases which affect large portions of the population and especially those which affect children;

"(2) to insure that programs of maternal and child health include a population planning component;

"(3) to provide technical, financial, and material support to individuals or groups at the local level for such programs; and

"(4) to utilize to the maximum extent practicable the professional and technical capabilities of the Department of Health, Education, and Welfare through inter-agency agreements.

"(e) Health research carried out under this Act shall—

"(1) be undertaken to the maximum extent practicable in developing countries by developing country personnel, linked with and supported by the unique biomedical research facilities and highly trained personnel of private, public, and governmental research laboratories within the United States;

"(2) take account of the special needs of the poor people of developing countries in the determination of research priorities, including research having a focus on the important disease problems and health care needs of these nations; and

"(3) make extensive use of field testing to adapt basic research to local conditions.

Special emphasis shall be placed on disseminating research results to local health units in which they can be put to use, and especially on institutional and other arrangements needed to assure that the general population has effective access to both new and existing technology.

"(f) Local currency proceeds from sales of commodities provided under the Agricultural Trade and Development Act of 1954, as amended, which are owned by foreign governments, shall be used whenever practicable to carry out the provisions of this section."

Sections "204" through "208" are renumbered "205" through "209".

AMENDMENT No. 1746

On page 40, following line 23, insert the following new Title:

"TITLE IV—STRENGTHENING INSTITUTIONAL CAPACITY FOR HEALTH DEVELOPMENT

"SEC. 241. GENERAL PROVISIONS.—(a) The Congress declares that the United States should strengthen the capacities of United States public institutions, universities, and other eligible private agencies in program-related health institutional development and research, consistent with sections 203 and 204, to enhance the institutional capabilities of the developing countries to provide for themselves the basic public health care needed by their populations; should improve the participation of United States public institutions and universities in the United States government efforts to apply health sciences more effectively to the goal of protecting and improving the health of the people of the world; and in general should provide increased and longer term support to the application of science to solving the special health problems of developing countries.

"The Congress so declares because it finds—

"(1) that the good health of its people is one of the most significant foundations for the economic progress of a nation;

"(2) that the improvement of health and nutrition is of the greatest benefit to the poorest majority of the developing world;

"(3) that research, teaching, and the appropriate application of medical technologies are prime factors in improving health abroad, as well as in the United States;

"(4) that medical research and services abroad has in the past and will continue in the future to provide benefits for the health of the American people, and that improving the health of peoples abroad is of benefit to all; and

"(5) that universities and other institutions need to be encouraged to continue or to expand their efforts to assist in improving the health in developing countries.

"(b) Accordingly the Congress declares that, in order to prevent disease and establish freedom from illness, various components must be brought together, including—

"(1) strengthening the capabilities of universities and other institutions to assist in the research and teaching efforts required to improve the health of developing countries;

"(2) institution-building programs for development of national and regional biomedical research and application capacities in the developing countries;

"(3) international health research centers, including support of appropriate activities by the World Health Organization;

"(4) research program grants, including the establishment of specialized centers for research and training in the disease problems of underdeveloped nations; and

"(5) contract research.

"(c) The United States should—

"(1) effectively involve United States universities and other eligible institutions more extensively in each component;

"(2) provide mechanisms for the universities and institutions to participate and advise in the planning, development, and implementation of each component; and

"(3) assist such universities and institutions in cooperative joint efforts with—

"(A) health institutions in developing countries; and

"(B) regional and international health research centers, directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and primary health care activities for solving problems of disease in underdeveloped countries.

"SEC. 242. GENERAL AUTHORITY. (a) To carry out the purpose of this title, the Administrator is authorized to provide assistance on such terms and conditions as he shall determine—

"(1) to strengthen the capabilities of universities and other eligible institutions in teaching, research, and the application of health technologies to enable them to implement current programs authorized by paragraphs (2) through (5), and those proposed in the report required by section 245;

"(2) to build and strengthen the institutional capacity and human resource skills of developing countries so that such countries may participate more fully in the health care of their own peoples;

"(3) to provide program support for long-term collaborative university research on the disease and health care problems of developing countries;

"(4) to involve universities and other eligible institutions more fully in the international work of biomedical science, including the international research centers, the activities of international organizations such as the World Health Organization, and the institutions of developing nations; and

"(5) to provide program support for international medical research centers, to provide support for research programs identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries, with emphasis on the special needs of their developing health care systems.

"(b) Programs under this title shall be carried out so as—

"(1) to utilize and strengthen the capabilities of universities in—

"(A) developing capacity in the cooperating country for instruction in public health and medical care skills, and other relevant skills appropriate to local needs;

"(B) biomedical research to be conducted in the cooperating countries, international medical research centers, and in the United States;

"(C) the planning, initiation, and development of services through which information concerning health and related subjects will be made available directly to the poor people of developing countries by means of education and demonstration; and

"(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

"(2) to take into account the value to the health of the American people of such programs, integrating to the extent practicable programs and financing authorized under this title with such programs as are supported by other government resources so as to maximize the contribution to the development of health in the United States and in developing nations; and

"(3) to build on existing programs and institutions whenever practicable, including

those of the Department of Health, Education, and Welfare, the Center for Disease Control, the universities, and other institutions.

"(c) To the maximum extent practicable, activities under this section shall—

"(1) be designed to achieve the most effective interrelationship between the teaching of health sciences, biomedical research, and health care delivery systems;

"(2) focus primarily on the health needs of developing countries;

"(3) be adapted to local circumstances; and

"(4) be carried out within the developing countries.

"SEC. 243. HUBERT H. HUMPHREY INTERNATIONAL HEALTH FELLOWSHIP PROGRAM. The Administrator is authorized to establish on such terms and conditions as he shall determine, a program of training of medical, public health, and support professionals required to accomplish the purposes of section 204 and of this Title. This program shall be known as the Hubert H. Humphrey International Health Fellowship program. Not less than 50 percent of all fellowships awarded shall be for the training in appropriate institutions of personnel from developing countries.

"SEC. 244. BOARD FOR INTERNATIONAL HEALTH DEVELOPMENT.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Health Development (hereinafter in this title referred to as the "Board", consisting of ten members, of whom one shall be the Administrator, one shall be the Director of the Office of International Health in the Department of Health, Education, and Welfare, one shall be the Director of the Center for Disease Control, one shall be the Director of the National Institutes of Health, one shall be appointed from the private health-related voluntary organizations, and not less than two shall be appointed from the universities. Terms of members shall be set by the President at the time of the appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the Administrator deems appropriate.

"(b) The Board's general area of responsibility shall include, but not be limited to—

"(1) participation in the planning, development, and implementation of,

"(2) initiating recommendations for, and

"(3) monitoring of,

the activities described in section 242.

"(c) The Board's duties shall include, but not necessarily be limited to—

"(1) participating in the formulation of basic policy, procedures, and criteria for project and program proposal reveiw, selection, and monitoring;

"(2) recommending which developing countries could benefit from programs carried out under this title, and identifying those nations which have an interest in participating with the United States in establishing or developing health institutions which engage in teaching and research;

"(3) reviewing and evaluating memoranda of understanding or other documents that detail the terms and conditions between the Administrator and universities and other institutions participating in programs under this title;

"(4) recommending to the Administrator the apportionment of funds authorized under section 242 of this title; and

"(5) recommending to the Administrator the numbers and types of medical, public health, and support professional fellowships to be awarded within the program established in section 243, and the continued review of the quality and efficacy of this program; and

"(6) assessing the impact of programs carried out under this title in improving health in developing countries.

"(d) The Administrator shall publish the recommendations of the Board, with his response to those recommendations, and in those cases where he disagrees he must publish the bases for such disagreement.

"(e) The Administrator may authorize the Board to create such subordinate units as may be necessary for the performance of the duties, including but not limited to the development of an appropriate and effective peer review system to monitor the grants and contracts adopted under section 204 and under this title. The Administrator is encouraged to the maximum extent practicable to utilize existing governmental peer review mechanisms.

"(f) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by Section 245 and on other health development activities related to programs under this title.

"SEC. 245. AUTHORIZATION.—(a) The Administrator is authorized to use any of the funds made available under section 204 to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 207 and 208 (b) of this Act.

"(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

"(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

"(d) Universities and other eligible institutions may accept and expend funds from other sources, public or private, to carry out the purposes of this title. All such funds, both prospective and in hand, shall be periodically disclosed to the Administrator as by regulation required, but no less often than in an annual report.

"SEC. 246. ANNUAL REPORT.—The Administrator shall transmit to the Congress, not later than February 1 of each year, a report detailing the activities carried out in pursuing of this title during the preceding fiscal year and containing a projection of program activity to be conducted during the subsequent fiscal year. Such report shall contain a summary of the activities of the Board established pursuant to section 243 and may include the separate views of the Board in respect to any aspect of the programs conducted or proposed to be conducted under this title.".●

DECLARATIONS SUBMITTED FOR PRINTING

DECLARATION NO. 3

(Ordered to be printed and to lie on the table.)

Mr. MAGNUSON submitted a declaration intended to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95–1.

ADDITIONAL COSPONSORS—EX. N, 95–1

AMENDMENT NO. 10

At the request of Mr. DOLE, the Senator from Utah (Mr. GARN) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of amendment No. 10 intended to be proposed to the Panama Canal Treaty, Ex. N, 95–1, eliminating the treaty restrictions against U.S. negotiations for a new interoceanic canal.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY CONSERVATION AND REGULATION

● Mr. JOHNSTON. Mr. President, the Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources will hold a series of hearings in preparation for committee markup of S. 2692, the bill authorizing fiscal year 1979 funds for the civilian programs of the Department of Energy. These hearings will be held in accordance with the following schedule:

Thursday, April 13—Administrator, Economic Regulatory Administration.

Friday, April 14—Assistant Secretary for Conservation and Solar Application; Director of Administration.

Tuesday, April 18—Chairman, Federal Energy Regulatory Commission; Administrator, Energy Information Administration.

Questions about these hearings should be addressed to Ben Cooper or James T. Bruce of the committee staff at 224–9894.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, as chairman I wish to announce that the Subcommittee on Taxation and Debt Management of the Finance Committee will hold a hearing on Monday, April 24, 1978, on S. 2738, a bill to provide for the indexation of certain provisions of the Federal income tax laws. The hearing may also consider other bills which may be introduced relating to tax indexing.

Senator BOB DOLE is the chief sponsor of S. 2738. Senators JAMES A. MCCLURE and ROBERT P. GRIFFIN are cosponsors.

The hearing will begin at 10 a.m. in room 2221, Dirksen Senate Office Building.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on Friday, April 14, 1978.

The provisions contained in S. 2738 are of general applicability and would result in a reduction in Federal revenues as follows:

(Billions of dollars)

FY 1979	−5
FY 1980	−12
FY 1981	−21
FY 1982	−30
FY 1983	−41

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SUBCOMMITTEE ON PARKS AND RECREATION

● Mr. ABOUREZK. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks and Recreation of the Committee on Energy and Natural Resources.

The hearing is scheduled for April 6, 1978, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building and will include the following measures:

S. 1655—To provide for the establishment of the Lowell National Cultural Park in the Commonwealth of Massachusetts, and for other purposes.

S. 2566—To amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the United States Treasury for further implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes.

S. 2699—To amend the Act of June 27, 1960 (74 Stat. 220) as amended by the Act of May 24, 1974 (88 Stat. 174, 176; 16 U.S.C. 469) relating to the preservation of historical and archeological data; to authorize appropriations under section 3(b) and 4(a) for fiscal years 1979 through 1983, and for other purposes.

Those wishing to submit a written statement for the record should write to the Parks and Recreation Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding the hearing, you may wish to contact Tom Williams or Laura Beaty at 224-7145.●

ADDITIONAL STATEMENTS

HELP PROVIDED OVER-65 TAXPAYER

● Mr. CHURCH. Mr. President, the Internal Revenue Service has emphasized repeatedly that the Federal Government wants no individual to pay more income tax than legally due.

Each taxpayer is entitled to all exemptions, deductions, and credits authorized by law.

The Committee on Aging has a long-standing interest in protecting older Americans from overpaying their income taxes.

Hearings conducted by the committee make it clear that large numbers pay more income tax than required, because they are unaware of tax relief measures designed to help them.

Each year the committee prepares an updated checklist of itemized deductions.

This publication also summarizes major tax relief measures—such as the tax credit for the elderly and the partial or total exemption from Federal income tax of the gain on the sale of a personal residence—for older Americans.

In addition, the committee maintains a supply of tax publications for the elderly, including "Tax Benefits for Older Americans," "Tax Information on Pension and Annuity Income," and others.

Another helpful addition for older persons is a recent article by Sylvia Porter. She provides many useful tax tips—as well as important information—for persons 65 or older.

In addition, she describes sources where taxpayers may obtain assistance.

This article, it seems to me, would be of assistance to Senators and their staff in answering tax questions for elderly constituents.

Mr. President, I submit for the RECORD that Sylvia Porter's article entitled "Help Provided Over-65 Taxpayers."

The article follows:

YOUR MONEY'S WORTH—HELP PROVIDED OVER-65 TAXPAYERS

(By Sylvia Porter)

Q: Which U.S. government agency provides nationwide toll-free telephone assistance, toll-free TV-phones and teletypewriters for the deaf, free information booklets (many printed in extra large type for the partially blind), runs overseas seminars, and offers free walk-in counseling services, some designed particularly for those who don't speak English, for the elderly, the handicapped, and low-income citizens?

A: The Internal Revenue Service.

Why? Because our tax laws are so complex and change so frequently that even if you are more informed than most taxpayers, you may not be aware of all the deductions, credits and exemptions to which you are intitled.

To whom is this of extraordinary importance? The millions who are 65 or over, for when you reach 65 or retire, you are suddenly faced with a myriad of new federal income tax provisions.

What's more, if you're retired, your taxes are no longer withheld by your employer. Your income comes largely from pensions, annuities, investments, business activities, etc., not subject to withholding. The laws governing these forms of income are among the most befuddling in the tax code and require you to fill out several additional schedules as well as the long Form 1040.

In addition, Congress has passed many special tax-relief provisions for the elderly alone—as a result of which about 18 million of the 24 million of you considered older citizens currently pay no federal income tax at all. You can receive levels of income tax-free which are roughly double the tax-free income levels for those under 65.

If you, for instance, are a taxpayer younger than 65, you can now receive income of $3,200 before you become liable for taxes. But if you are single and over 65, you do not have to pay taxes until your income tops $6,400. And your tax-free level may be even higher if you receive Social Security benefits (which are exempt from taxes).

Of every four older Americans, only about one—or approximately 6 million—actually pay income taxes. You are relatively well-off, with your incomes averaging close to $20,000 a year. Under current law, you, too, are entitled to special treatment.

As one illustration, you are granted an extra personal exemption of $750 under today's law. You also are allowed an exemption for all gains on sales of homes selling for $35,000 or less and a portion of gains for your residence if you sell it above this.

These and other tax preferences for you cost the U.S. Treasury a towering $6 billion annually—and under the tax proposals President Carter has submitted to Congress, your tax liabilities, as an older citizen, would be cut even more. More than a million additional returns now filed by taxpayers 65 or older would be dropped from the tax rolls. The average net tax cut would be $250.

If you are 65 or over and single, your tax-free level of income would rise by $850, from $6,400 to $7,250. If you're a couple, both 65 or over, your tax-free level of income would jump by $1,200, from $10,450 to $11,650.

But while many of today's measures ease and new proposals would further reduce the tax burdens of millions of you, they are of little value unless you know they exist and how to take advantage of them.

To help you avoid overpaying your taxes this year, the Senate's Special Committee on Aging has published a revised checklist of itemized deductions for use in preparing your '77 return.

A limited supply of this brochure is available on your request from the Committee on Aging, Room G-233, Dirksen Senate Office Building, Washington, D.C. 20510. When this supply runs out, you may get a copy for $1 from the Government Printing Office, Washington, D.C. 20402.

The IRS also distributes publications to assist older taxpayers. "Tax Benefits for Older Americans" is the main information booklet. It is free and you can get a copy at IRS and Social Security offices. The 1979 brochure will be simplified and will carry sample forms illustrating many of the tax situations which an older taxpayer will face.●

TUITION TAX CREDIT

● Mr. PACKWOOD. Mr. President, last September Senator MOYNIHAN and I introduced S. 2142, a bill to provide a tax credit for persons paying tuition to elementary and secondary schools, colleges, and vocational schools.

The response in Congress to this legislation has been better than we dared to hope. Fifty Senators have cosponsored S. 2142. The Finance Committee has approved a variation of it, sponsored by Senators ROTH, RIBICOFF, MOYNIHAN, and myself, by a vóte of 14 to 1.

A majority of both the House and the Senate support tuition tax credits. The Senate approved amendments offered by Senator ROTH to create college tuition tax credits three times in the last 2 years. The Congress specifically allowed funds for tuition tax credits in the fiscal year 1978 budget. In a key test vote in the House of Representatives on March 20, a majority of Representatives, 218 to 156, indicated they wanted tuition tax credits considered in connection with proposals to liberalize student grant and loan programs.

In spite of the strong showing of support in Congress, it is still difficult to predict how soon Congress will enact this proposal. The outcome will be influenced by the quality of the arguments made by those on both sides. And measured by this standard I feel that Senator MOYNIHAN's recently published article, "Government and the Ruin of Private Education" in the April 1978 issue of Harper's magazine, could be decisive. I never cease to be amazed by the ability of Senator MOYNIHAN to weave words and arguments and logic in a way which raises the quality of the discussion.

Mr. President, I submit for the RECORD a copy of Senator MOYNIHAN's article.

The article follows:

GOVERNMENT AND THE RUIN OF PRIVATE EDUCATION

(By Daniel Patrick Moynihan)

AN ARGUMENT FOR TUITION TAX CREDIT AS A WAY TO SUSTAIN NONGOVERNMENTAL SCHOOLS

What is likely to be among the most important debates on education in American history began quietly with three days of Senate hearings in January. Sen. Bob Packwood (Rep.-Oreg.) and I introduced a bill to provide tax credits to help pay the tuition costs of parents with children in nonpublic schools and colleges and universities. Our bill was distinctive in that fifty Senators were cosponsors. There were twenty-six Republicans and twenty-four Democrats, ranging from

Sen. George McGovern (Dem.-S. Dak.) to Sen. Barry Goldwater (Rep.-Ariz.).

The hearings were distinctive in the strength of the views passed upon us that this was a measure middle-class Americans felt they had coming to them. They had put with and supported a chaos of government programs designed in aid of other classes and, for that matter, other worlds. Now there was something for them. For education. Just as notable was the strength of the opinions of the constitutional lawyers and scholars who testified that in their view there is no question that tuition tax credits are constitutional as a form of assistance to nonpublic elementary and secondary education. Catholics testified, of course. But so did Lutherans, and representatives of Hebrew schools and Baptist schools. A generation ago this was a Catholic issue. It is nothing of the sort any longer. It is an issue that reflects a broad revival of interest in religious education, an upheaval in constitutional scholarship, and a pervasive sense in American society that government has got to stop choking the life out of institutions that could be seen to compete with it.

What in a sense was not distinctive was the response of the Administration, which came early in February.

As is routinely now the case, the party in power and the President in office were pledged to some form of aid to nonpublic elementary and secondary schools. Just as routinely, whoever wins the election seems to break the commitment when the possibility of keeping it arises. What was distinctive in the response of the Carter Administration was that the President, in a White House news conference, announced that he was prepared, as a substitute for our bill, to spend $1.2 billion for the expansion of existing programs of college student assistance. This came just days after his first budget message provided next to nothing. You have got to not want something pretty badly to be willing to spend $1.2 billion to keep from getting it. As for aid to elementary and secondary schools, HEW Secretary Joseph A. Califano, Jr., at the same press conference, allowed that, wotthehell, Republican Presidents had promised the same.

This is the kind of behavior in an institution—the federal government—for which Marxists reserve the formulation: "It is no accident, Comrade."

IN SUPPORT OF PRIVATE SCHOOLS

In the contest between public and private education, the national government feigns neutrality, but in fact it is anything but neutral. As program has been piled atop program, and regulation on regulation, the federal government has systematically organized its activities in ways that contribute to the decay of nonpublic education. Most likely, those responsible have not recognized this; they think themselves blind to the distinction between public and private. But of course they are not. They could not be. For governments inherently, routinely, automatically favor creatures of governments. They know no other way. They recognize the legitimacy of no other institutions. Joseph Schumpeter's gloomy prophecy that liberalism will be destroyed through the steady conquest of the private sector by the public sector bids fair to come true in the United States, and in no domain of our national life is this clearer or seemingly more inexorable than in education.

It is remarkable that the bureaucracy gets away with this, for at the political level nothing is clearer than the avowed support of the parties and their leaders for private education, and for federal policies to buttress it. In its 1976 platform, the Republican party stated:

"We favor consideration of tax credit for parents making elementary and secondary school tuition payments. . . . Diversity in education has great value. . . . Public schools and nonpublic schools should share an education fund on a constitutionally acceptable basis."

The Democratic party platform in 1976:

"Renew[ed] its commitment to the support of a constitutionally acceptable method of providing tax aid for the education of all pupils in nonsegregated schools in order to insure parental freedom in choosing the best education for their children. Specifically, the party will continue to advocate constitutionally permissible federal education legislation which provides for the equitable participation in federal programs of all low- and moderate-income pupils attending the nation's schools." [In the interests of full disclosure, let me say I wrote the plank.]

Three years earlier, on behalf of the Nixon Administration, Secretary of the Treasury George P. Shultz testified before the Ways and Means Committee in support of a tax credit for nonpublic school tuitions. "The nonpublic school system plays a vital role in our society," Shultz said:

"These schools provide a diversity of education in the best of our traditions and are a source of innovation and experimentation in educational advances which benefit the public school system and the public in general. In many American communities, they are an important element of stability and civic responsibility. However, education costs are rising, the enrollment in the nonpublic schools is declining, and an important American institution may be in jeopardy."

Tax credits, he flatly predicted, will help "reverse this trend."

During his 1976 Presidential campaign, Jimmy Carter said almost precisely the same thing in a message to the nation's Catholic school administrators:

"Throughout our nation's history, Catholic educational institutions have played a significant and positive role in the education of our children. . . . Indeed, in many areas of the country parochial schools provide the best education available. Recognization [sic] of these facts must be part and parcel of the consciousness of any American President. Therefore, I am firmly committed to finding constitutionally acceptable methods of providing aid to parents whose children attend parochial schools."

In a major address just a few months ago, Education Commissioner Ernest L. Boyer echoed this sentiment. "Private education is absolutely crucial to the vitality of this nation," Dr. Boyer averred, "and public policy should strengthen rather than diminish these essential institutions." But the moment we got serious, as it were, and proposed legislation that might do this, Boyer, as his office requires, was on the other side. He was quoted: "We would be saying for the first time that the extra costs of private education are deserving of governmental support." This is their essential point: government has no responsibility to any form of education government does not control. It is a modern doctrine, as I shall discuss, and not always an especially honest one. With respect to "extra costs" our witnesses confirmed that, generally speaking, "private" schools, which is to say neighborhood Catholic, Protestant, and Jewish schools, spend about one-fourth of the per-pupil expenditure of their neighboring public schools. But the advocates of this doctrine are fierce and unshakable in their conviction that theirs is the cause of true liberalism, and that those who disagree are the instruments, witting or no, of the pope and the plutocracy. No argument is too weak to be advanced. The Department of Health, Education, and Welfare did not send an education official to testify at our hearings, but its assistant secretary for legislation was supplied with the boiler plate for the occasion: "An elementary-secondary tuition tax credit could undermine the principle of public education in this country." Undermine! When church-related schools existed and thrived in the United States generations before the public schools as we know them came into being?

If there is an argument, it is that the public schools are a threat to their existence. But this is not really what HEW meant. It meant that private schools undermine the principle of state monopoly. If the bureaucracy was to be open and say that private schools challenge and even defy that principle, then well and good. But the bureaucracy is never open, and often truly dishonest. The hapless assistant secretary was forced to say that our bill would "dry up local and state money for education." If there is one clear correlation in American education it is that wherever there is a large proportion of students in nonpublic schools, public expenditures for public schools are very high indeed. New York City is surely a prime example.

Our bill, the Tuition Tax Credit Act of 1977, would enable a taxpayer to subtract from the taxes he owes a sum equal to 50 percent of amounts paid as tuition. The credit is limited to $500 per student per year, which is to say that after tuition passes $1,000 per student, no additional credit is obtained. If the taxpayer in question owes no taxes, or does not owe the full amount, the Treasury will pay the difference to him. This is by no means the only feasible approach to the matter. Sen. Abraham Ribicoff (Dem.-Conn.) has for some time urged a formula whereby the credit would be a varying percentage of tuitions at different levels, this giving additional benefit to those paying higher tuitions. Another variation offers a flat tax credit for whatever the tuition may be, up to a cutoff point.

This past December, Sen. William Roth (Rep.-Del.) brought up on the Senate floor such a tax credit bill—with a $250 ceiling—and it passed by a vote of 61 to 11. Attached as an amendment to the Social Security Bill, it deadlocked the House-Senate Conference Committee until the House conferees agreed that this year the matter would be allowed to come to a vote on the House floor, where it would surely pass.

Almost any formula would entail legislation on the scale of the Servicemen's Readjustment Act of 1944 (the "G.I. Bill"), the National Defense Education Act of 1958, and the Elementary and Secondary Education Act of 1965, placing it among the half-dozen great educational statutes of our history. Although even now not much notice is being paid, this in a curious way is rather a positive sign. At our hearings in January, Rabbi Morris Sherer of Agudath Israel of America, a fifty-five-year-old national orthodox Jewish movement, observed that when he first testified on this subject—seventeen years ago, during the Administration of President Kennedy—it was "so shocking," as he put it, that the *New York Times* put his picture on the front page. But in the interval, he suggested, the climate has so changed, the idea of public support for nonpublic schools had become so widely accepted, that he was sure "today, . . . seventeen years later, it will be relegated to page 99." In the event, not a line about the three days of hearings made it onto any page of the *Times*, albeit they came to the attention of the White House! But the rabbi made a point: there has been a vast change in attitudes on this subject, such that it might reasonably be described as an idea whose time has come, and be judged to have made its way at least partially into that realm of political ideas so "self-evident" that few bother to express what almost everyone takes for granted.

Two-thirds of the tax credits that would

be paid under this bill would go to defray the tuition costs of persons attending colleges and universities. A very considerable sum is involved; altogether the bill would cost the Treasury some $4 billion annually, and the bulk of these funds would be devoted to the central principle of maintaining diversity in higher education. But there is certainly no constitutional issue involved at the college level, and not much political argument either. The House Ways and Means Committee has not previously wanted to commit the money, and that is always a perfectly respectable contention. But should it change its mind, as it might well do now, the matter could be disposed of in an afternoon, as middle-income Americans have come to feel a genuine grievance over this matter.

These are the people who pay most of the taxes in America and get few of the social services. In the main, this has been fine by them. The social legislation of the past generation has been enacted primarily by legislators who represent such constituencies. But in the last decade it has come to be seen that taxes are preventing the education of their children, and this they will not have. In this sense, our bill is straightforward, and similar to many others that have somewhat different formulas but the same objective, one that Americans have pretty much agreed upon since the Northwest Ordinance of 1787.

The Administration's alternative is not bad legislation. It raises the income limits of a good program, the Basic Education Opportunity Grants, from $15,000 to $25,000. For what it may be worth, I drafted the Presidential message that first proposed the program. Sen. Claiborne Pell (Dem.-R.I.) has been an immensely devoted and immensely skilled advocate of this program and its "Pell Grants." The drawbacks are twofold with respect to the program itself. It leaves many families out. It puts all other families under a means test. One must see the form to believe it, and one must ask whether it is really necessary to create that much more digging into our private lives for the federal bureaucracy. (Tax credits work directly through the Internal Revenue Service and need involve nothing more than an extra line on form 1040. But the real problem of the Administration's response is that it leaves out elementary and secondary schools altogether.)

Ours is a disincentive measure, precisely with respect to the support it would provide to elementary and secondary schools that are outside the public school system. This involves an argument that has been going on from the beginning of the American republic, namely, support for church-related schools. Here we enter a dark and bloody ground where battles have raged for generations. And yet here, too, there is every sign that finally the matter is to be resolved. This would be an achievement of social peace that goes well beyond education policy, and rewards a certain elaboration.

THE ORIGINS OF PUBLIC EDUCATION

If you like, the accepted interpretation of the Constitution is changing. It is changing back to its original meaning and intention, which in no way barred public support for church-related schools. After more than a century—a period in which religious fears, and, to a degree, religious bigotry, distorted our judgment about what was and was not constitutional—we are getting back to the clear meaning of the plain language in which the Constitution and the Bill of Rights are written.

The most notable element in this regard concerns the demystification of the First Amendment. Demystification is anything but a plain word with a clear meaning, but it is a useful concept that first appeared in Marxist literature, and is now making its way into more general circles. It embodies the argument that social groups commonly conceal from themselves, as well as from others, the true motives and interests that account for their behavior. All manner of myths grow up to explain and justify actions that are founded on a reality that for one reason or another no one wishes to admit. Frequently a condition of social change is to "demystify" such action, and to reveal the true sources of behavior.

This is happening to the First Amendment, through an interaction of legal argument and historical studies. The historical fact is that education in colonial America was almost exclusively an activity of religious sects, just as in that period, as Bernard Bailyn writes (in Education in the Forming of American Society), "sectarian religion became the most important determinant of group life. . . . And it was by carefully controlled education above all else that denominational leaders hoped to perpetuate the group into future generations." In the diverse school systems of the time, we see a now-familiar phenomenon at work. Eighteenth-century Americans didn't necessarily want religious toleration; they simply had no choice, such was the number of religions. In time, public support for all manner of church schools was common and unremarked. Bailyn makes the nice point that it came about in part because there was no effective way to endow church schools. Back in England, endowments meant land, which meant tenants, which meant rents. But with free land on the frontier, American tenants could not be found, and so the church schools came to be supported by taxes.

With the founding of the American republic, the arrangement continued, for a time. As with much else, change first appeared in New York City. At the turn of the nineteenth century, public funds from New York State's "permanent school fund" were used to support the existing church schools and four private charitable organizations that provided free education for needy youngsters. In 1805, however, the state legislature chartered the New York Free School Society, which shortly obtained a "peculiar privilege," not shared by the other groups, of receiving public funds to equip and construct its school building.

This favored status was soon challenged by the Baptists, whose schools were experiencing financial difficulties in the aftermath of a depression during the 1820s. The Free School Society responded by challenging both the integrity of the Baptist school organization and the legitimacy of any public money going to support schools associated with religious denominations. "It is totally incompatible with our republican institutions," the Society argued, "and a dangerous precedent" to allow any public funds to be spent "by the clergy or church trustees for the support of sectarian education."

Although New York Secretary of State John Van Ness Yates urged the legislature to support the Baptist position, his advice was rejected, and in 1824 the state turned over to the New York City Common Council the responsibility of designating recipients of school funds within the city. In 1825, the Council ruled that no public money could thereafter go to sectarian schools, and the following year, as if to reinforce the claim that it alone represented non-sectorian "public" education, the Free School Society changed its name to the New York Public School Society. Although it remained a private association with a self-perpetuating board of trustees, the Society obtained what amounted to legal recognition that only its version of education—nonsectarian but Protestant—would thereafter receive public support. The phrase "public school" that endures in New York—as in P.S. 104—is a legacy of this change in the name of a private organization.

By 1839, the Public School Society operated eighty-six schools, with an average total attendance of 11,789. In that year, the Catholic Church also operated seven Roman Catholic Free Schools in the city, "open to all children, without discrimination," with more than 5,000 pupils in attendance. "Nonetheless," as Nathan Glazer and I wrote in Beyond the Melting Pot in 1963, "almost half the children of the city attended no school of any kind, at a time when some 94 percent of children of school age in the rest of the state attended common schools established by school districts under the direction of elected officers."

Catholics in the city began clamoring for an immediate share of public education funds, but were flatly turned down by the Common Council, nothwithstanding even Bishop John Hughe's offer to place the parochial schools under the supervision of the Public School Society in return for public money.

As tempers rose, in April, 1841, acting in his capacity of ex officio superintendent of public schools, Secretary of State John C. Spencer submitted a report on the issue to the state senate. Spencer was a scholar—he was Tocqueville's first American editor—as well as an authority on the laws of New York State. He began by examining the essential justice of the Catholic request for public aid to their schools:

"It can scarcely be necessary to say that the founders of these schools, and those who wish to establish others, have absolute rights to the benefits of a common burthen; and that any system which deprive them of their just share in the application of a common and public fund must be justified, if at all, by a necessity which demands the sacrifice of individual rights, for the accomplishment of a social benefit of paramount importance. It is presumed no such necessity can be urged in the present instance."

To those who feared use of public funds for sectarian purposes, Spencer replied that all instruction is in some ways sectarian: "No books can be found, no reading lessons can be selected, which do not contain more or less of some principles of religious faith, either directly avowed, or indirectly assumed." The activities of the Public School Society were no exception to this rule:

"Even the moderate degree of religious instruction which the Public School Society imparts, must therefore be sectarian; that is, it must favor one set of opinions in opposition to another, or others; and it is believed that this always will be the result, in any course of education that the wit of man can devise."

As for avoiding sectarianism by abolishing religious instruction altogether: "On the contrary, it would be in itself sectarian; because it would be consonant of the views of a peculiar class, and opposed to the opinions of other classes."

The Catholics got no satisfaction from the legislature, but the Public School Society was, in effect, disestablished in 1842. The legislature was persuaded, chiefly by Democrats of a Jacksonian persuasion, that the society was a dangerous private monopoly over which the public had no control. The new school law allowed the society to continue to operate its schools but only as district public schools under the supervision of an elected board of education and the state superintendent of common schools.

CLARIFYING THE FIRST AMENDMENT

Soon, a specifically anti-Catholic nativist streak entered the opposition to public support for church-related schools. President Ulysses S. Grant, looking around for an issue on which he might run for a third term, seized on the danger of papist schools. The Republican platform of 1876 declared:

"The public school system of the several states is a bulwark of the American republic; and, with a view to its security and per-

manence, we recommend an amendment to the Constitution of the United States, forbidding the application of any public funds or property for the benefit of any school or institution under sectarian control."

Observe. In 1876 there were those who thought that public aid to church schools should be made unconstitutional. But at least they were clear that the Constitution would have to be amended to do so. It is extraordinary how this so obvious fact got lost in years that followed. We may hope that the matter has now been settled by Walter Berns in his devastatingly clear historical account, The First Amendment and the Future of American Democracy. What Congress intended by the First Amendment was to forbid the preference of one religion over another. At the time of the Revolution, nine of the thirteen colonies had established religions. The establishment clause forbids the nation from having one, this for the obvious reason that to have picked one religion over the others could have destroyed the Union.

To repeat, it is astounding how this plain meaning became lost. We are not here interpreting the Dead Sea Scrolls, or the Upanishad. The House of Representatives debated the First Amendment during the summer of 1789. Then, as now, the Congressmen spoke English. Then, as now, their deliberations were printed up overnight and placed on their desks the next morning. Thus, on August 15, 1789, in reply to Peter Sylvester of New York, who feared the draft amendment "might be thought to have a tendency to abolish religion altogether," Madison responded that "he apprehended the meaning of the words to be that Congress should not establish a religion, and enforce the legal observation of it by law, nor compel men to worship God in any manner contrary to their conscience."

It is necessary here to insist that because the First Amendment does not prohibit aid to church schools it does not follow that the authors of the amendment favored such arrangements. Some did, some didn't. Madison surely would not have. The plain point is that this was left as a political choice, as an issue of public policy to be resolved however we chose, and changed however often we might wish.

Here, then, a friendly word for the nativists. Early Americans were considerably suspicious of non-English immigrants. Bailyn reports that even Benjamin Franklin was "struck by the strangeness . . . of the German communities in Pennsylvania, by their lack of familiarity with English liberties and English government," such that he helped to organize the Society for the Propagation of the Gospel to the Germans in America. Why ought George Templeton Strong in New York City of the 1860s not have wondered what would come of the flood of Catholic Irish, not half of whom, probably, spoke English, and yet be more fearful of the Central and Southern Europeans who followed, none of whom spoke English, none of whom came from a country where political liberties existed? How could he not have suspected the Pope of Rome?

The only perceptible political preference of the papacy in that republican age was for monarchy. In 1870, as if for the purpose of outraging the rationalism of the age, the Vatican Council of Bishops, after nineteen centuries of blessed unawareness, discovered that the pope was infallible—a curious doctrine, and singularly out of harmony with its age. One would not, at the turn of the century, have been overly confident of the Russian and Polish Jews who were then arriving, with a religious faith that had never shown any great interest in political democracy, and an element of nonreligious who were all too well versed in the latest antidemocratic doctrines of the Continent. But the point is that it all worked out. German Protestant and Italian Catholic and Polish Jew have all produced recognizably American progeny, enough to calm the fear and perhaps even to arouse the patriotic fervor of the most nervous nativist of generations past. All that is behind us, and political choices that were at least understandable a century ago make no sense today.

SUPREME COURT RULINGS

What then holds us back? The answer, simply, is the Supreme Court. For generations state legislatures have been passing bills that provide various kinds of aid to church-related schools, but for the last generation the Court has been declaring them unconstitutional in whole or in part. The degree to which the seemly disarray of eighteenth-century arrangements has persisted into the twentieth century is impressive. In 1938, eight states (Maine, Connecticut, New Hampshire, New York, North Carolina, Tennessee, Vermont, and Virginia) paid funds to private schools under certain circumstances. Two decades later, eight states (Alabama, Georgia, Maine, Nevada, New York, Pennsylvania, South Carolina, and Virginia) had constitutional provisions specifically authorizing public aid to private schools. But now the Supreme Court began to fight them, armed with the extension by the Fourteenth Amendment of First Amendment requirements to state governments. The decisive case, the first of its kind, was Everson v. Board of Education in 1947, involving a New Jersey statute authorizing school districts to reimburse parents for bus fares paid by children traveling to and from schools. The Court held that neither Congress nor the state legislature may "pass laws which and one religion, aid all religions, or prefer one religion over another." Nor may any tax "in any amount, large or small, . . . be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion." Now this was simply wrong. To cite Berns: "It does not accurately state the intent of the First Amendment." This has nothing in the least to do with whether the New Jersey statue was a desirable one or not. It is merely that incontestably the First Amendment did not prevent the New Jersey legislature from adopting it.

Mr. Justice Black, who wrote the opinion, depended primarily on views of Madison and Jefferson, who, in 1784, got much exercised over a bill reported favorably by the Virginia legislature "establishing a provision for teachers of the Christian religion." The late Mark DeWolfe Howe of the Harvard Law School put it that in Everson the justices made "the historically quite misleading assumption that the same considerations which moved Jefferson and Madison to favor separation of Church and State in Virginia led the nation to demand the religion clauses of the First Amendment." This, he wrote, was a "gravely distorted picture."

The Supreme Court had no sooner ruled in Everson than it began to retreat from its ruling. Slow at first, this of late has become a genuine rout, and in all truth has become an embarrassment. In our hearings, perhaps the most passionate statements came from legal scholars who pleaded that the Court has got to be relieved of this enterprise in which it has got itself hopelessly mixed up. Pass a bill, our scholars urged us; declare it to be constitutional; the Court will be only too willing to agree.

The alternative is the present confusion verging on scandal. Not five years after Everson, recalling the evident duty of all American institutions to foster piety, the Court held:

"We are a religious people whose institutions presuppose a Supreme Being . . . When the state encourages religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs . . . . The government must be neutral when it come to competition between sects."

From that not especially edifying passage, the justices seemingly abandoned their own standards of evidence, and even the dictates of reason, to justify the unjustifiable. In *Tilton* v. *Richardson* (1971) the Court was required to pass upon the constitutionality of the Federal Higher Education Facilities Act of 1963 insofar as it applied to church-related colleges and universities. Most of the statute was found constitutional, but only four justices could agree in an opinion. On their behalf, Chief Justice Burger noted that "candor compels the acknowledgment that we can only dimly perceive the boundaries of permissible government activity in this sensitive area of constitutional adjudication."

It was necessary, of course, for the Court to find a serviceable distinction between church-related elementary and secondary schools and sectarian colleges and universities. Venturing toward those dimly perceived boundaries in his judgment for the plurality, the chief justice asserted that "there is substance to the contention that college students are less impressionable and less susceptible to religious indoctrination."

Now surely this "contention" is an empirical statement whose "substance" is susceptible to verification. It is a statement by the justices that something is so. It is a statement, then, for which there must be evidence. The justices know about this sort of thing. When, in Brown v. Board of Education (1954), they held that segregated schools were educationally inferior to integrated schools, they cited evidence. One may argue as to how good the evidence was; that is the nature of social science. But the Court had no doubt that it needed evidence if it was going to say things like that. Very well, then. What is the state of the evidence concerning the greater or lesser impressionability with respect to religious indoctrination of seventeen-year-olds as against nineteen-year-olds, or rather, high schools students as against college students, inasmuch as ages vary considerably? One doubts there is much evidence one way or an other.

But the justices did not rely solely on this contention. "Many church-related colleges and universities are characterized," the chief justice wrote, "by a high degree of academic freedom, and seek to evoke free and critical responses from their students." What an extraordinarily patronizing endorsement! Would the justices have said the same of "many state universities"? Of "many Ivy League campuses"? What about "many elite preparatory schools"? Obviously not "many Catholic elementary schools"!

It gets worse. In a commencement address at LeMoyne College in May, 1977, I suggested that the problem was that the Court had been given "the thankless task of finding constitutional legitimacy for the religious bigotry of the nineteenth century, and that the quality of its decisions suggest the misgivings with which the deed has been done."

Forty-one days later, on June 24, 1977, the Court handed down its decision in Wolman v. Walter, which tested an Ohio statute dealing with expenditure of public funds to provide aid to students in nonpublic elementary and secondary schools. A three-judge district court panel had upheld the statute, and citizens and taxpayers had appealed. Mr. Justice Blackmun handed down what may be the most embarrassing decision in the modern history of the Court. It concludes:

"In summary, we hold constitutional those portions of the Ohio statute authorizing the

State to provide nonpublic school pupils with books . . . We hold unconstitutional those portions relating to instructional materials. . . ."

Backward reels the mind. Books are constitutional. Maps are unconstitutional. Atlases, which are books of maps, are constitutional. Or are they? We must await the next case.

But where are we for the moment? We are at the point where the United States Supreme Court has solemnly found that books are safe but equipment (also "field-trip services") is not safe. Verily, the history of modern man, and assuredly the experience of the Catholic Church, teaches that books are the one truly subversive element in the culture! Maps may err. And, in the case of the Mercator projection, for example, may even give rise to erroneous views that there is a natural tendency for armies and glaciers in the northern hemisphere to move south. But in the end it is books that are to be feared, doubtless even to be forbidden. But no, says the Supreme Court. Beware, says the Court, of field trips. Clearly, and not the least in jest, the Court needs to be rescued from this. As the Court itself bids fair to plead. Observe the state of opinion of Mr. Justice Blackmun's brethren in Wolman:

Chief Justice Burger concurred in part and dissented in part.

Mr. Justice Rehnquist and Mr. Justice White concurred in the judgment in part and dissented in part.

Mr. Justice Brennan concurred in part and dissented in part and filed an opinion.

Mr. Justice Marshall concurred in part and dissented in part and filed an opinion.

Mr. Justice Powell concurred in part and dissented in part and filed an opinion.

Mr. Justice Stevens concurred in part and dissented in part and filed an opinion.

In his Wolman opinion, Mr. Justice Stevens cites with avowed deference Clarence Darrow's argument in the Scopes trial on the great harm that comes to both Church and State whenever one depends on the other. This is not without charm, but must we really accept Mr. Darrow as a constitutional authority in such matters? Darrow was virtually a professional agnostic whose great triumph in the Scopes case was to elicit the admission from William Jennings Bryan that the Silver-Tongued Orator believed every word in the Bible to be true. Well, so does the thirty-ninth President of the United States, and no one thinks it especially hilarious. None of us knows as much as we knew in those fine old times in the hills of Tennessee. Even Darwin is having troubles.

POLITICS AND PLURALISM

In rather striking contrast, the political realm has been far more pluralist and, if you will, liberal in these matters. In 1875 President Grant addressed the Army of Tennessee in Des Moines, exhorting his old comrades that no money should "be appropriated to the support of any sectarian schools . . . Leave the matter of religion to the family altar, the church, and the private school, supported entirely by private contributions. Keep the Church and State forever separate."

The following year, as anticipated in his party's platform, Rep. James G. Blaine (Rep.-Maine) proposed a constitutional amendment to this effect, but it failed in the Senate. Altogether, between 1870 and 1888 there were eleven separate amendments proposed, five in the House and six in the Senate, but all were rejected. In the meantime, state and local governments continued to provide support of one sort or another to sectarian schools, and do so to this day. According to an authoritative survey by the Congressional Research Service, thirty-seven states supplied some aid to nonpublic schools as of January, 1977, although often in tiny amounts, for sharply limited purposes and through quite roundabout means. The public has been a good deal more perceptive about the First Amendment—and about the motives of some politicians—than have the courts.

After World War II, support began to develop for federal aid to elementary and secondary education, which President Kennedy first proposed to Congress in 1963. It failed because the Catholic hierarchy insisted that church-related schools should share in the program, and the Congress, in effect, agreed. In 1964 I negotiated a plank in the Democratic platform which stated:

"The demands on the already inadequate sources of state and local revenues place a serious limitation on education. New methods of financial aid must be explored, including the channeling of federally collected revenues to all levels of education, and, to the extent permitted by the Constitution, to all schools."

The bishops agreed that on these terms they would support a bill, and the Elementary and Secondary Education Act of 1965 followed directly. But church schools got precious little of the federal funds that followed, and today private-school students receive only dribs and drabs of the services to which they are entitled. With respect to Title I, for example, which is the major E.S.E.A. program delivering remedial educational services to disadvantaged youngsters, supposedly without regard to the auspices of the schools in which they are enrolled, a recent study conducted for the National Institute of Education by Dr. Thomas W. Vitullo-Martin concludes that "the program reaches only 47 percent of the nonpublic-school students who should be eligible for it, and provides them with only about 18 percent of the services they should receive." In most communities, Vitullo-Martin continues, "Children with the same level of educational disadvantages have less chance of receiving Title I services if they are enrolled in private schools, and will receive fewer and poorer services."

Now a new element appears. The Catholic issue recedes, and it turns out that all manner of Protestant and Jewish groups want to be able to mantain their schools. They said as much at our hearings. What we now have is a fight for educational pluralism, with the sense arising that something precious to this society is being lost. Nor is this just a matter of religious schools. A spokesman for CORE testified that his organization has "begun a community school in the Bronx. In this school, children read, on the average, at approximately grade level, while in the public schools of District 9, which services the area, children are over a year behind by grade 5 and almost two years behind by grade 8." This experience with one school reinforces Professor Thomas Sowell's research findings attesting to the importance of private schools in the education of black youngsters. "One of the great untold stories of contemporary American education," Sowell writes, "is the extent to which Catholic schools, left behind in ghettoes by the departure of their original white clientele, are successfully educating black youngsters there at low cost."

The cost differences are significant. In our hearings, persons from one city after another offered statistics indicating that the parochial schools in their community customarily educate their students at 25 to 40 percent of the cost of the local public schools. Without students, these schools will vanish. And with them will vanish a large measure of the diversity and excellence that we associate with American education.

I take pluralism to be a valuable characteristic of education, as of much else in this society. We are many peoples, and our social arrangements reflect this disinclination to submerge our inherited distinctiveness in a homogeneous whole.

Our private schools and colleges embody these values. They provide diversity to the society, choices to students and their parents, and a rich array of distinctive educational offerings that even the finest of public institutions may find difficult to supply, not least because they are public and must embody generalized values.

Diversity, pluralism, variety. These are values, too, and perhaps nowhere more valuable than in the experiences that our children have in their early years, when their values and attitudes are formed, their minds awakened, and their friendship formed. We cherish these values, and I do not believe it excessive to ask that they be embodied in our national policies for American education.

Tax credits for school and college tuitions furnish an opportunity to support these values. And they do so without raising any question of constitutionality. They are not a sufficient recognition of private education. But they are a necessary beginning, and a sound example of a public-policy idea whose time, one hopes, at last has come.

If we don't act, the question is likely soon to become moot. The conquest of the private sector is well advanced. In no small part as a result of its inequitable treatment at the hands of the national government, private education in the United States has taken a drubbing in the past quarter century. Everyone knew that elementary school enrollments would decline between 1965 and 1975—it was a demographic inevitability. But it is less widely known that nonpublic schools accounted for 98 percent of the entire net enrollment shrinkage, and that this loss of 1 million students represented more than one-fifth of their total enrollments.

At the college level, private institutions accounted for a majority of all students enrolled in 1951. Twenty-five years later, more than three quarters of all college and university students were in public institutions.

At the elementary and secondary level there is surely a revival of Protestant and Jewish education, but the truth is that Catholic spirits have flagged. Some dioceses—New York is a prime example—press on. In others, the bishops have seemingly come to think that schools are not part of the vocation of the Church, and in any event it is hopeless, given the Supreme Court. It would be ironic for them to give up just as the climate of liberalism was changing in their favor; but it could happen.

The Catholic hierarchy will no doubt consider trying to prevent the creation of the Department of Education that the President has proposed, and no doubt they should. In its proposed configuration it will merely institutionalize at yet a higher level those prejudices that have systematically opposed and sought to bring about the end of church schools. Why should the anti-Catholicism of the Grant era be given a seat at the Cabinet table of a twentieth-century President? Of course, that is not what the President intends. It is not what the distinguished Congressional sponsors of Department of Education bills intend. It is not what the National Education Association intends. But is it to be avoided, in view of the attitudes prevalent within the bureaucracy that would inexorably move from the Office of Education to the Department of Education? Is it right that two-and-one-half centuries after the first Catholic schools opened their doors in New Orleans, the Cabinet of the United States should acquire a member who presides over a bureaucracy devoted to the demise of such schools?

There is something larger involved here. It is time liberalism redefined its purposes in the area of education. State monopoly is

no more appropriate to liberal belief in this field than in any other.●

CONNECTICUT'S PRICELESS COASTLINE

● Mr. RIBICOFF. Mr. President, in 1972 the Congress approved the Coastal Zone Management Act. This legislation was a response to the problems of pollution, overdevelopment, shore erosion, and population expansion along the Nation's seashores. The Coastal Zone Management Act gave the 30 coastal States the primary responsibility for developing plans to protect and promote the 20,000 miles of America's coastline. One area which would benefit under the provisions of this measure is the 270 miles of Connecticut coastline along Long Island Sound.

For the past several years the Connecticut Coastal Area Management Programs has been working to develop a coordinated system for the management of Connecticut's coastal land and water resources. The coastal area management program has conducted hearings and public workshops throughout the State to acquaint Connecticut citizens on its objectives and to seek public recommendations. An advisory board has been actively assisting in the formulation of a comprehensive coastal area management program.

Earlier this year draft legislation was released for public review and comment. This measure is presently working its way through the Connecticut General Assembly. It contains the new or amended legal authority necessary to create a coastal management program for Connecticut with a view toward protecting and enhancing both economic and environmental coastal resources.

The proposed Connecticut coastal area management program is not only consistent with the Long Island Sound Heritage program I proposed last summer—S. 1968—but it also represents an important step forward in preserving and protecting the shoreline along the Long Island Sound. The sound and its shoreline are being menaced by our own carelessness. They are important assets which are diminished by pollution, shoreline erosion, the destruction of important wetlands, and the loss of open spaces.

I am hopeful that the Connecticut General Assembly will carefully and thoughtfully consider the future of the sound and its coastline as it reviews the coastal area management legislation which has been presented to it. This measure will stimulate a strong working partnership between the State and coastal towns in developing programs which will protect this valuable but endangered resource.

Earlier this week a very timely and perceptive editorial on the Connecticut coastal area management legislation appeared in the New York Times. I submit this editorial for the RECORD.

The editorial follows:

CONTROLLING CONNECTICUT'S COAST

Connecticut's coast comprises 270 miles of decaying industrial ports, sandy beaches, offshore islands and quaint seaport villages. Coastal recreation facilities are strained beyond capacity and pollution threatens them further. Over half the state's tidal wetlands have been destroyed. Some 500 Federal, state and local agencies vie for jurisdiction over planning and zoning, road construction, fish management and channel dredging. The Connecticut General Assembly is now considering area management legislation to bring some order to this coast.

The Federal Coastal Zone Management Act of 1972 provided for incentive grants to states to prepare and administer plans for the preservation of their coastlines. The Connecticut bill would authorize the state to proceed with such plans in cooperation with the 36 coastal towns. Once the plans are ready, development proposals for sites near the coast would be scrutinized for their ecological and economic impact.

The main dispute over the Connecticut legislation arises from the fear of coastal towns that they will lose control over their own shorelines, and particularly municipal beaches. However, understandable these concerns, they are exaggerated. The proposed bill clearly authorizes localities to assume responsibility for planning and regulating coastal development. If the state disagrees with a local choice, it cannot unilaterally reverse the judgment; it must go to court. Regulations that will govern the program must be submitted for comment to the affected towns well in advance of their adoption and must be further approved by the General Assembly's Environmental Committee.

Ultimately, of course, the state and public interest in the preservation of the shoreline ought to take some precedence. Municipal control cannot be absolute; indeed, it isn't so now, given the panoply of agencies already in the coastal picture. The jurisdictional maneuvering should not be allowed to obstruct passage of a needed measure. Marine resources, from which millions derive food, recreation and livelihood, are common property that ought to be prudently managed for the benefit of generations to come.●

MARYLAND DAY

● Mr. MATHIAS. Mr. President, this Saturday is the 344th anniversary of the founding of the State of Maryland.

It is fitting that we celebrate Maryland Day in the spring of the year, for the founding of the State of Maryland represents a time of rebirth and renewal, of rejuvenation and hope. And, it represents an honorable and historic quest for liberty.

Symbolic of the State's rich and noble history, and our country's role as a bastion of liberty, is the Liberty Tree at St. John's College in Annapolis.

Patriotic meetings were held under the yellow poplar, or tulip tree, known as the Liberty Tree, to protest against the oppression of Parliament.

The aging Lafayette was reportedly received by the citizens of Annapolis under the tree's winter-barren branches in December of 1824, and it remained an important landmark during the 19th century, especially as a favorite gathering place for Fourth of July picnics.

In his book, "The Ancient City," Elihu S. Riley wrote that the tree was accidentally set on fire in 1848, and—

The occurrence excited as much interest in and exertion on the part of our inhabitants to extinguish it and save the old favorite tree from extinction as if it had been one of the finest buildings of the town.

But an earlier incident is perhaps more memorable. In 1840, school boys exploded 2 pounds of gunpowder within the tree's hollow, apparently destroying it. But, in fact, the effect was just the opposite, and the next year the tree put out lush new growth. One account said "The explosion destroyed worms that were gnawing away at its vitals!"

So, the tree—like our own great State—has enjoyed a full and fabled history from the days of the first settlers; for, the Liberty Tree was almost certainly part of the forest which was growing when Annapolis was first settled by the Puritans in 1649.

On Monday, March 27, in a belated commemoration of Maryland Day, the Caritas Society of St. John's, and other Marylanders, are joining with me in planting on the United States Capitol grounds a sapling directly descended from America's last living Liberty Tree—the last living link with the American Revolution. That tree will add a rich historical dimension to the plantings on Capitol Hill. It will also stand to remind the visitors who come to the Capitol from every corner of the United States that Maryland's Sons of Liberty, who met during the Revolution beneath the Liberty Tree at St. John's, were in the vanguard of the independence movement that created the United States of America.

To my colleagues, Marylanders, and others wishing to observe the planting, I welcome and invite you to meet with us just off Liberty Drive on the U.S. Capitol grounds at 10:30 a.m. this Monday morning.●

FEDERAL FUNDING SOURCES FOR SENIOR CENTERS

● Mr. CHURCH. Mr. President, senior centers have grown in number and effectiveness over the years and are now at work in every State.

But many centers, old or new, need assistance: for expansion or renovation, for staffing expenses, for equipment, or for other reasons. The Senate Committee on Aging is constantly asked for information on funding sources for senior centers. The more popular and widespread the senior centers have become, the more requests for such information we receive.

Therefore, I was very pleased to learn that the National Institute of Senior Centers and the Administration on Aging worked together to define the Federal funding sources for senior centers. Funding for staffing, training, operations, materials, and the facilities are shown in this analysis.

Mr. President, I think that this information can be very valuable to my colleagues in responding to their constituents' requests and I ask that the funding sources be listed in the RECORD.

The material follows:

A TECHNICAL ASSISTANCE GUIDE: FEDERAL SOURCES FOR MULTIPURPOSE SENIOR CENTERS

In addition to Title V of the Older Americans Act (OAA) which supports Senior Center acquisition, alteration, renovation and some expansion, a number of Federal pro-

grams have funding resources that may be used for Senior Centers. Depending on the program, support may be available for facilities, materials, staff or training. Though competition for funds is keen, and each program has its particular requirements and restrictions, it is valuable for Senior Center boards, administrators and staff to know what programs exist and to explore the availability of funds in their states and areas.

The chart below, adapted from an Administration on Aging (AoA) Senior Center handbook for area agencies, outlines the Federal programs. Details on potential Senior Center uses of these programs, restrictions and applicant procedures are on following pages.

Funding sources	Service elements			
	Staff	Training	Materials	Facilities
1. OAA, title III, sec. 303	X	X	X	
2. OAA, title III, sec. 308	X	X		
3. OAA, title IV-A		X		
4. OAA, title V			X	X
5. OAA, title VII	X	X		
6. OAA, title IX	X	X		
7. CETA	X	X	X	
8. Public works				X
9. Community development block grants				X
10. HUD, housing for the elderly and handicapped	X			
11. Revenue sharing	X		X	
12. FHA, home improvement and winterization				X
13. ACTION, RSVP	X			
14. ACTION, SCP	X			
15. ACTION, VISTA	X			
16. ACTION, minigrants	X			
17. Title XX	X		X	
18. Title XX training		X		
19. Senior opportunities and services	X		X	
10. Snyder Act—Counseling	X			
21. Snyder Act—General assistance	X			
22. Arts and Humanities Act, arts education	X			
23. Arts and Humanities Act, program development	X			
24. Higher Education Act	X	X	X	

FEDERAL FUNDING SOURCES FOR MULTIPURPOSE SENIOR CENTER SERVICES AND FACILITIES

PROGRAM NAME	POTENTIAL SENIOR CENTER USES	APPLICANT PROCEDURE
Administration on Aging, DHEW, Older Americans Act of 1965		
1 Area Planning and Social Services: Title III, Section 308.	Provides funds that can be used for the administration, evaluation, development and expansion of senior center services, including salaries, rental costs, equipment and supplies.	State issues guidelines and directly funds service areas not covered by an area plan. Area agencies set forth program objectives and budgets in area plans subject to state approval.
2 Model Projects: Title III, Section 308	Can be used to support uniquely innovative senior centers that can be replicated nationally. Projects are generally approved for a period of 12 months. However, if more time is obviously needed to realize project objectives, a project may be approved for support for a period of 3 years contingent on the availability of funds and acceptable evidence of satisfactory progress.	Contact the Administration on Aging.
3 Training: Title IV–A	Can be used to train staff and participants in senior centers, to develop training materials, and statewide or areawide conferences, workshops, and seminars.	State agency develops a training plan with input from area agencies. Contact should be made with the state agency.
4 Multipurpose Senior Centers: Title V	Grants or contracts to pay up to 75 percent of the cost of acquiring, altering, or renovating existing facilities to serve as multipurpose senior centers; money can be used for initial equipment and furnishings.	Area agency or other eligible applicants apply to state agency; state agency to AoA.
5 Nutrition: Title VII	At least 80 percent of these funds must be used to provide a hot meal once a day, 5 or more days a week, to people 60+ and their spouses. Remaining funds can be used for such supportive services as outreach, nutrition education, counseling, transportation, recreation, shopping assistance, and escort services.	State plans must be submitted by the state governor to AoA on prescribed state plan format.
6 Senior Community Service Employment: Title IX	As a subsidized employment program, Title IX can provide part-time staff for senior centers. However, the goal of title IX is to move these individals into unsubsidized employment. Title IX employees must be economically disadvantaged and age 55+. Funds may also be used to provide training for Title IX staff and employee transportation costs when performing their job.	Application should be made to local subcontractors who hold the Title IX slots. In addition, in July 1977 the governor of each state will be given an allocation of Title IX funds. State agencies can apply to the governor of the state to administer the funds. Application may be made to the state agency or to Title IX subcontractor.
Employment & Training Administration, DOL Comprehensive Employment & Training Act of 1973 (CETA)		
7 Titles I, II, III, VI	Can provide training and staffing for senior center programs by providing subsidized employment to individuals who are eligible based on unemployment and income considerations. Funds may also be used to provide training for CETA staff. Funds may not be used for supplies, equipment, and other property except in specified training situations.	State and area agencies should contact the CETA prime sponsor in their area or state governor's office. The state Manpower Services Council can provide this information.
Public Works & Economic Development Administration Department of Commerce		
8 Local Public Works & Capital Development & Investment Act of 1965: Title I	Unlike Title V, grants may cover 100% of costs for construction, and may also fund renovation and repair and other improvements to community facilities including senior centers; EDA funds can be used in lieu of the non-federal match required under Title V.	State agency can apply to the state Economic Development Administration Regional Office. Area agency or senior center can apply to local municipality.

FEDERAL FUNDING SOURCES FOR MULTIPURPOSE SENIOR CENTER SERVICES AND FACILITIES—Continued

PROGRAM NAME	POTENTIAL SENIOR CENTER USES	APPLICANT PROCEDURE
	Community Planning and Development, HUD	
9 Community Development Block Grants, Housing and Community Development Act of 1974: Title I	Can be used for developing, improving and coordinating senior center services to benefit low and inadequate income individuals. Money can be used as matching funds for other federal service programs. Programs focus on urban areas where there is a great need for physical redevelopment. While some money is available for services, priority in most communities goes to neighborhood redevelopment, housing, rehabilitation, sewer construction, etc.	Contact the locality (city, town or county) which receives Community Development entitlement.
	Department of Housing & Urban Development	
10 Housing for the Elderly & Handicapped Housing Act of 1959, as amended in 1974	Housing projects assisted under Section 202 are to be designed to provide for sufficient activity space for elderly individuals living in this housing. Elderly in the community-at-large may be encouraged to participate.	Only voluntary non-profit agencies or organizations may be sponsors. Applications should be made to HUD regional and field offices.
	U.S. Department of the Treasury, General Revenue Sharing	
11 State and Local Fiscal Assistance Act and 1976 Amendments	Funds may be for program operations, staffing and capital expenses. Revenue sharing funds may be used to match other Federal funds. Since particular consideration is given to non-recurring expenditures these funds are particularly applicable to the development of senior center facilities and the purchase of furniture and equipment. A public hearing is required; senior citizens and their organizations shall have the opportunity to be heard.	Procedure is highly localized. Contact local government (state, county, town, etc.). Provide input into plans for use of these funds through hearings, contact with agency heads, examination of plans now in effect, and state reports of fund allocation. Approach political and budgetary officials for guidance.
	Farmers Home Administration Act, Department of Agriculture	
12 Home Repair and Winterization Housing Act of 1949	Loan money to establish community facilities such as community centers in rural areas or communities with a population of 20,000 or less which are not part of a designated standard metropolitan statistical area.	Contact local county office of the FaHA listed in the telephone directory under U.S. Government—Agriculture.
	ACTION, Domestic Volunteer Services Act of 1973	
13 RSVP; Title II, Part A	RSVP can provide senior volunteer personnel for senior center programs and transportation for the volunteers as needed.	State ACTION office establishes eligibility procedures and issues RSVP forms to applicants. Applications are submitted to state ACTION office.
14 Senior Companions (SCP); Title II, Part B	Stipends for part-time employment of low-income people age 60+, providing supportive services to other older adults.	Contact State ACTION office.
15 VISTA	VISTA can supplement senior center staff with full-time volunteers not exceeding 2 years but not less than 1 year. Volunteers may include professionals and low-income locally recruited individuals.	Contact State ACTION office.
16 Mini-Grant Program; Title I, Part C	Up to $5,000 demonstration grant to mobilize part-time uncompensated volunteers. Amounts over $2,000 must be matched by non-federal funds.	Contact State ACTION office.
	Office of Human Development, HEW, Social Security Act of 1974, Title XX	
17 Social Services	Can be used for staff and other program parts in senior centers in states which have elected to provide any of the following services to older persons in the annual state plan: social group services, telephone reassurance, socialization, friendly visiting, recreational services, and camping services.	Contact the state or local agency (Department of Social Services or Public Welfare) administrating Title XX regarding possible purchase of services contracts with service providers.
18 Public Social Service Training	Can be used for training and retraining of center personnel funded under Title XX. A state training plan must be submitted prior to the beginning of each program year.	Contact the state or local agency (Department of Social Services or Public Welfare) administering Title XX.
	Community Services Administration	
19 Senior Opportunities and Services, Community Services Act of 1974, Title II	Can be used to establish senior center services or to remedy gaps and deficiencies in existing centers and for the expansion of CSA outreach services to low-income elderly.	Community Action Agencies may delegate individual projects by contract to other agencies. Contact regional Community Services Administration office to determine the appropriate local Community Action Agency.
	Bureau of Indian Affairs, Dept. of the Interior	
20 Indian Social Services and Counseling, Snyder Act of 1921	Can be used to fund senior center provision of information and liaison assistance enabling Indians to secure welfare services and assistance from state and local agencies for Indians living on and near reservations, including Indians in Alaska and Oklahoma.	Contact should be made with the local or regional Bureau of Indian Affairs offices.

FEDERAL FUNDING SOURCES FOR MULTIPURPOSE SENIOR CENTER SERVICES AND FACILITIES—Continued

PROGRAM NAME	POTENTIAL SENIOR CENTER USES	APPLICANT PROCEDURE
21 Indian Social Services General Assistance	Can be used to provide senior center services to needy Indians living on or near Indian reservations or in jurisdictions under the Bureau of Indian Affairs in Alaska and Oklahoma.	Contact should be made with the local or regional Bureau of Indian Affairs offices.
	National Endowment for the Arts	
22 Promotion of the Arts-Education, National Foundation on the Arts & the Humanities Act of 1965	Can be used to provide professional artists as staff to instruct center participants in arts activities. Funds can not be used for rehabilitation or construction of facilities.	Contact should be made with the Office of Special Constituencies, National Endowment for the Arts, Washington, D.C.
	National Endowment for the Humanities	
23 Promotion of the Humanities—Public Program Development National Foundation on the Arts and the Humanities Act of 1965.	Can be used to fund center projects which involve humanities programming, i.e., cultural, philosophical and historical dimensions of contemporary public concerns, for center members.	Contact should be made with the Division of Public Programs, National Endowment for the Humanities, Washington, D.C.
	Office of Education DHEW	
24 Lifelong Learning Activities Higher Education Act of 1976, Title I	Can be used to fund senior center learning activities, and the training and retraining of center staff. Instructional materials for older people may be made available under this Title.	Contact should be made with the Office of Education, DHEW.●

"NEITHER SNOW, NOR RAIN, NOR GLOOM OF NIGHT"

● Mr. BAKER. Mr. President, every once in a while, it is a good idea to get a historical perspective on current problems. With all the concern over our mail system, I thought it might be a good idea to call to the attention of my colleagues the fact that in May of this year, delivery of U.S. mail will celebrate its 60th anniversary.

The first days of airmail were rough ones, and early in 1934, the task of carrying mail by air was given briefly to the Army Air Corps. Perhaps the decision to shift airmail delivery from private air carriers to the Air Corps was a stroke of good luck, or perhaps it was carefully planned. In any event, it eventually helped lead to the formation of a separate Air Force.

The story of the Air Corps' brief entry into the mail delivery business has been told in a fascinating article by one who was there, retired Air Force Brig. Gen. Ross G. Hoyt. In the January issue of Air Force magazine, he vividly describes the men and the planes that were the airmail service, and how that experience helped lay the foundation for our U.S. Air Force.

Mr. President, I submit for the RECORD the article "Neither Snow, Nor Rain, Nor Gloom of Night" and I recommend it to my colleagues.

The article follows:

NEITHER SNOW, NOR RAIN, NOR GLOOM OF NIGHT

(By Brig. Gen. Ross G. Hoyt, USAF (Ret.))

Chiseled into the facade of New York City's Main Post Office is a translation from the works of Herodotus, a Greek historian of the fifth century B.C. Describing the fidelity to duty of the Persian mounted couriers carrying messages during the Greek-Persian war of 500 B.C., he wrote: "Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds."

When, in February 1934, the Air Corps was called upon to provide the aerial couriers to carry the mail, an operation designated Army Air Corps Mail Operation (AACMO), it was confronted with a multitude of additional obstacles. If there is added fog, freezing temperatures in open cockpits, and icing wings; airplanes unsuitable and inadequately equipped for the mission; lack of adequate tools and spare parts resulting in poor maintenance and forced landings; deficiencies in training pilots to fly on instruments and at night, and to following a radio beam; complete unfamiliarity of Air Corps personnel with the organization needed to efficiently carry the mail; unfamiliarity of pilots with the routes they were required to fly; no per diem funds for the first forty-six days of the operation; and an extended period of dangerous flying weather, one has a picture of most, but not all, the problems facing the Chief of the Air Corps, his staff, and, as a matter of fact, the entire Air Corps with the exception of students at service schools and personnel needed to administer Air Corps bases. The Air National Guard also participated in the operation to the maximum of its ability.

When, on February 9, 1934, the Chief of the Air Corps, Maj. Gen. Benjamin D. Foulois, informed Harlee Branch, Second Assistant Postmaster General, that the Air Corps could carry the mail, he was well aware of the Air Corp's deficiencies. He and his predecessors, since the air arm had become a separate branch of the Army, had tried with little success to get remedial measures funded through the War Department budget.

General Foulois, in later years, stated he had reasoned at the time that AACMO would bring Air Corps's deficiencies to the attention of the news media, the Congress, the President, and the nation with a resultant increase in funds. How correct he was is now history, as are the inevitable accidents and deaths, adverse political reactions, accusations, and recriminations caused by those deficiencies. The labor pains were severe and protracted, but there was born an infinitely better-trained, equipped, and eventually better-organized air arm of our national defense.

TEN DAYS TO PREPARE

The Air Corps was given the job of flying the mail with little warning and scant time to prepare. Due to irregularities in the mail contracts between the Post Office Department and the airlines, the contracts were abruptly canceled by Postmaster General James A. Farley with the approval of President Franklin D. Roosevelt.

The rapidity with which the contracts were canceled and the job turned over to the Air Corps is best illustrated by the sequence of events from February 7 through 9, 1934.

On February 7, Karl Crowley, Solicitor General of the Post Office Department, completed a study of domestic airmail contracts and concluded the contracts were illegal by reason of alleged fraud and collusion. Farley concurred and arranged a meeting with the President on February 8. Farley, accompanied by William Howse and Harlee Branch, his First and Second Assistants, and Crowley, recommended to Roosevelt that the domestic airmail contracts be canceled. The President directed Farley to annul the contracts provided Attorney General Homer L. Cummings held the move to be legal.

On February 9, Cummings advised Farley, Branch, and Crowley there were sufficient grounds for the cancellation. That same afternoon Branch informed the Chief of the Air Corps of the contemplated action and asked if the Air Corps could carry the mail. General Foulois requested four to six weeks to prepare. He realized the enormity of the task he had taken upon himself and the Air Corps.

Also on February 9, General Foulois reported to the office of the Chief of Staff of the Army, Gen. Douglas MacArthur, to inform him of the action taken, and found the information had preceded him. Maj. Gen. Hugh A. Drum, Deputy Chief of Staff of the Army, handed General Foulois Executive Order 6591, dated February 9, 1934. It had been prepared in advance by the White House.

The order directed Secretary of War George H. Dern to "place at the disposal of the Postmaster General such airplanes, landing fields, pilots, and other employees and equipment of the Army of the United States needed or required for the transportation of mail during the present emergency over the routes and schedules prescribed by the Postmaster General." Simultaneously, the airlines were directed to cease carrying the mail on February 19, 1934.

There were but ten days in which to prepare, barely time to recover from the shock!

General Foulois knew the Air Corps pilots were the best trained in the world in basic flying techniques. They were not adequately trained in the use of auxiliary equipment essential to flying safety under all weather conditions. The airplanes were nearly all obsolescent—open cockpit pursuit, bombard-

ment, attack, observation, and transport planes lacking instruments and radios. In the case of the smaller types, military equipment had to be removed to provide mail compartments.

Toward the end of AACMO, twelve Martin B–10 bombers, twin-engine monoplanes with closed cockpits, retractable landing gear, and more sophisticated navigation, communication, and instrument flying equipment and capable of carrying a ton of mail, became available for use on the transcontinental airway from Newark to Oakland. Lt. Elwood "Pete" Quesada, now a retired Air Force lieutenant general, flew the last leg of that final AACMO transcontinental airmail flight piloting a B–10. The elapsed time from Oakland to Newark was fourteen hours, including several stops, bettering the best commercial airline time.

ORGANIZING THE OPERATION

On February 10, General Foulois formed an organization to initiate AACMO. Brig. Gen. Oscar Westover, Assistant Chief of the Air Corps, was put in charge with an already functioning staff. Maj. Carl Spaatz (later to become first USAF Chief of Staff) was Chief of the Training and Operations Division, Office Chief of the Air Corps, and acted as General Westover's Chief of Staff. I was G–3 (Operations) under Major Spaatz, and I vividly recall the task placed upon the entire Air Corps during those first ten days and the succeeding months until the airmail was turned back to the airlines on June 1, 1934.

During the first ten days, all Air Corps activities in the continental United States, including those of the Air National Guard, were notified of the impending operation. The National Guard Bureau, the governors and adjutants general of each state, and the commanding generals of the six Army Corps Areas were notified and their cooperation requested.

All Air Corps communications facilities were placed on twenty-four-hour alert; special legislation was requested to obtain funds, since Post Office funds could not be transferred to the Air Corps. This caused the delay in per diem funds, creating some severe hardships. For example, Lt. Paul K. Jacobs, now a retired Air Force colonel, who was control and engineering officer at Pittsburgh, reported the airport to be fourteen miles from the city, six miles from the nearest town, and no accommodations within three miles. This was particularly difficult for mechanics who, after long hours on duty walked to their lodgings if they could obtain credit, before per diem payments started. Some often went hungry and slept on hangar floors or in cockpits.

In cooperation with postal officials, the continental United States was divided into three Air Mail Zones: Eastern, Central, and Western. Each Zone was diveded into routes, and each route into sections with designated airmail stops.

The Eastern Zone, with the most extensive routes of the three, included the territory east of a line from Chicago, St. Louis, and Memphis (all excluded), to New Orleans (included), and was commanded by Maj. Byron Q. Jones, whose headquarters was finally established at Mitchel Field, N.Y., on March 12. The Central Zone, with headquarters at Municipal Airport, Chicago, was commanded by Lt. Col. Horace M. Hickam, and extended from the Eastern Zone boundary to a north-south line through, but not including, Cheyenne. The Western Zone ran from there to the western seaboard and was commanded from headquarters at Salt Lake City Municipal Airport by Lt. Col. Henry H. Arnold.

All Air Corps personnel except those especially exempted and all equipment except a minimum at bases was available to Zone Commanders, subject to coordination with Corps Area commanders and the Chief of the Air Corps.

Basically, there was the transcontinental federal airway with lights, radio beacons, and emergency landing fields, running through all three AACMO Zones from Newark via Cleveland, Toledo, Chicago, Des Moines, Omaha, Cheyenne, Rock Springs, Salt Lake City, Elko, and Sacramento to Oakland. The AACMO routes coincided with those of the airlines, as shown on the accompanying map.

When their contracts were canceled, the airlines were using 500 airplanes and carrying 3,000,000 pounds of mail a year over a 25,000-mile federal airways network.

The route mileage flown by AACMO was less than half that of the airlines. During AACMO, the Air Corps flew 1,600,000 airplane-miles and carried 800,000 pounds. Had the Air Corps continued to fly the airmail for a full year, it would have carried 3,200,000 pounds of mail (more than that carried by the airlines in 1933) with half the number of airplanes.

Upon notification of the impending operation, all Air Corps activities began working round-the-clock to install instruments and radio equipment, and remove all military equipment from many planes to provide mail compartments. Training in night and instrument flying and following the radio beam began, and continued after February 16.

An officer at Langley Field, Va., with a crew of twenty, installed fifty-two radio sets in planes from February 12 to 16. Comparable work was progressing at all major Air Corps stations, Air Corps detachments, and National Guard units. The question arises as to where all those instruments and radios had been reposing prior to the emergency, and why. And why had not a directive been issued previously making it mandatory that all pilots be fully trained in instrument flying?

With the establishment of the routes, the feverish rush began to place personnel (control officers, engineering officers, pilots, and mechanics), airplanes, and spare parts at control points by February 19 or earlier, to allow familiarization flights over the routes.

Morale was high throughout the preparatory period. Everyone was striving to live up to the inscription on the New York City Post Office, in spite of the multitude of additional obstacles encountered along the way. When the accidents, fatalities, but especially criticism started, morale reached a low ebb.

A PYRRHIC VICTORY

Everyone and everything was reported in place by February 19, the day the operation was to begin. I recall standing in the entrance of the Munitions Building in Washington that February morning and not being able to see across Constitution Avenue because of the dense fog. It was a foretaste of the bad weather that dogged AACMO much of the time from February 19 to June 1, 1934. The adverse weather, together with the deficiencies previously mentioned, was responsible for fifty-seven accidents and twelve Air Corps fatalities, all given full publicity.

In a recent conversation with Brig. Gen. Joseph G. Hopkins, then a lieutenant, he described his experience on an airmail flight into Denver in a P–12 open-cockpit pursuit plane. He landed, taxied to the line, stopped the engine, and had to reach over with his right hand to unclench the fingers of his frostbitten left hand from the throttle. Variations of that experience were typical during AACMO operations.

Several fatal accidents were caused by radio failure in bad weather, coupled with lack of instrument flying training, and the inability of pilots to interpret meteorological information.

Lt. Norman D. Sillin, now a retired major general, reported after the death of his roommate, Lt. D. C. Lowry, that he and Lowry, both experienced pilots, had memorized a sentence, each word of which began with one of the ten code letters used by the flashing beacons on each 100-mile segment of the lighted airway. This was all for naught. Lieutenant Lowry crashed fifty miles off the radio beam. His death was attributed to radio failure in bad weather.

Lt. Beirne Lay, Jr., reported his first night practice flight from Chicago to Nashville in a P-12E in which the radio failed, the compass spun, and he had only Rand McNally maps without adequate data. He "climbed from the cockpit at Nashville ahead of schedule, but an old man."

Accidents and casualties in the Eastern Zone were typical: Seven airplanes crashed because of engine trouble. One bomber was abandoned at night, the pilot and two passengers parachuting successfully. When another bomber was landed in a swamp among small trees, the pilot was uninjured but the crew chief was killed and a passenger fractured a collarbone.

In the Western Zone, two accidents in one day resulted in the deaths of three pilots before operations began on February 19. Both airplanes were on familiarization flights, one at night.

At tragic cost, the spotlight of adverse criticism brought into sharp relief the deficiencies of the Air Corps in training and equipment due to the fiscal policy of the War Department and its concept of the Air Corps mission as purely auxiliary to the other branches of the Army.

When the President began receiving adverse criticism from the Congress, the press, radio, and the airlines (they had lost forty valuable contracts), he—apparently wishing to forestall unfavorable political reactions—called Generals MacArthur and Foulois to the White House and blamed the Army and Air Corps for the accidents and deaths. General Foulois, who had considered the accidents and deaths commensurate with the increased flying activity, is reported to have said: "Mr. President, airmail or not, there is only one way to prevent flying accidents and deaths in the Air Corps, and that is to stop flying."

The immediate effect of AACMO was stated in General Foulois's final report: "In the blaze of editorial and congressional reaction to the deaths of army flyers, the President and the Congress were, in my opinion, forced to release funds for immediate use in the Air Corps experimental and research work, for the immediate procurement of advanced types of aircraft and aircraft materiel and for the immediate training of Army Air Corps personnel."

AACMO—CATALYST OF AIRPOWER INDEPENDENCE

There was another far-reaching effect AACMO had on the Air Corps, one that has not heretofore been sufficiently emphasized: a decisive role in the progressive changes in Air Corps organization from an inherent branch of the Army to an independent Department of the Air Force.

In order to establish a line of departure for this evolutionary process, one must retrogress more than a half century to 1921–23 and the sinking of the naval vessels by aerial bombardment off the Virginia Capes and Cape Hatteras under the command of Brig. Gen. William Mitchell, Assistant Chief of Air Service. The sinkings were much to the surprise and no doubt disappointment of the War and Navy Departments. The War Department saw the possibility of losing a branch of the Army. The Navy saw a definite threat to the prestige of the battleship. The War Department should have been delighted,

for it was then engaged in a debate with the Navy Department before the Joint Board as to which should be responsible for coast defense.

The euphoria caused by the brilliant success of General Mitchell's bombers created throughout the Air Service a wave of enthusiasm for a separate air force, expressed volubly and vehemently by those officers who participated in the bombing, and by others. Among those officers, then considered dissidents and undisciplined malcontents by the War Department General Staff, but now looked on by the Air Force as pioneers, far ahead of their times, were General Mitchell; Majs. H. H. Arnold, Herbert Dargue, and Carl Spaatz; Capts, Robert Olds, George Kenney, Harold Lee George, and Donald Wilson; and Lt. Kenneth Walker. All reached general officer rank.

General Mitchell's court-martial in 1925 and the disciplinary action against Major Arnold for his activities in General Mitchell's behalf suppressed outward expression of the movement temporarily, but by 1933 the movement was stirring again. But efforts of the General Staff to suppress any progress toward a separate air force never ceased.

It appears that when the War Department General Staff wished to adopt a new policy or reaffirm an old one, a board was appointed, the results of which confirmed the preconceived ideas of the General Staff.

Accordingly, on August 11, 1933, a special committee of the General Council, known as the Drum Board, was appointed, chaired by Maj. Gen. Hugh A. Drum, Deputy Chief of Staff and a determined opponent of anything smacking of a separate air force. Other members of the Board were the Assistant Chief ci Staff, War Plans Division; the Commandant of the Army War College; the Chief of Air Corps; and the Chief of Coast Artillery. The Board was to review and revise the Air Plan for the Defense of the United States, which the Chief of the Air Corps had been directed to submit for the use of a GHQ (General Headquarters) Air Force in each of three war plans. (A GHQ Air Force did not exist at that time except in war plans.) It had been conceded that such a force was desirable in war, but only under the War Department and the Army commander in the field.

The Drum Board did not accept the recommendations of the Chief of Air Corps, General Foulois. The Board proceeded to "formulate its own views thereon and to embody them in a report of the Committee as a whole as a substitute for the one under consideration." A slap in the face for the Chief of Air Corps.

A detailed study of the Drum Board report reveals how completely the General Staff integrated GHQ Air Force into the Army war plans, tactically, and strategically. The Chief of Air Corps signed the report, thereby concurring. For the time being it was the nadir of hopes for a separate air force. (In those days, the proponents of a separate air force metaphorically defined a Board as something "long, narrow, and wooden.")

In April 1934, because of AACMO experience, but before its termination, Secretary Dern appointed the War Department Special Committee on the Air Corps, known as the Baker Board, chaired by former Secretary of War Newton D. Baker. The Board was charged to "make a constructive study of the adequacy and efficiency of the Army Air Corps for its mission in peace and war."

The Baker Board consisted of six civilians experienced in military aviation including James H. Doolittle, recently resigned from the Air Corps, and four general officers of the General Staff including General Drum as vice chairman, and General Foulois, Chief of the Air Corps.

The Baker Board made many recommendations beneficial to the Air Corps, but always as an integral part of the Army. It concurred with the Drum Board as to control of the GHQ Air Force, probably due to the influence of General Drum and the other three general staff officers. The report stated, "this force, when adequately equipped and organized, will be able to carry out all missions contemplated for a separate or independent air force, cooperate efficiently with the ground forces and make for greater economy." Doolittle submitted a strong minority report in favor of a separate air force. It kept the thought and spirit alive.

However, the Baker Board recommended the organization of the GHQ Air Force, effective March 1, 1935. It consisted of all pursuit, bombardment, and attack units in the continental United States, under the command of a general officer of suitable air experience, with headquarters outside Washington. The first commanding general of the GHQ Air Force was Maj. Gen. Frank M. Andrews. His death in an aircraft accident at Rekjavik, Iceland, early in World War II was a great loss to the Air Force and the nation.

GHQ TO USAF

Even though it remained under the Army, the GHQ Air Force was the first small step toward a Department of the Air Force—a concession that there was a strategic mission for the air arm separate from that of the ground forces and a chink in the armor of the opponents of a separate air force.

Another action for which AACMO was responsible, together with the general burgeoning of aviation at the time, was the appointment by President Roosevelt, in June 1934, of the Federal Aviation Commission (FAC), whose mission was to "make recommendations concerning all phases of aviation." Many Air Corps officers were called to present their views on the future organization of the Air Corps. They were instructed by the General Staff to familiarize themselves with War Department policy and not to testify contrary thereto unless their statements were identified as personal opinion. They expressed themselves in convincing terms in favor of a separate air force.

In view of the fact that the GHQ Air Force was to be organized, the FAC refrained from commenting directly on the matter of an independent air force. However, it did state: "It must be noted that there is ample reason to believe that aircraft have now passed far beyond their former position as useful auxiliaries, and must in the future be considered and utilized as an important means of exerting directly the will of the Commander in Chief. An adequate striking force for use against objectives both near and remote is a necessity." Once again, the principle of an independent air force was expressed.

AACMO, by its disclosure of deficiencies in the Air Corps, triggered actions by the War Department, the Congress, and the President that caused a tremendous upsurge in the technical development and performance of aircraft.

Thus, the tools, in the form of greatly improved fighters and bombers, were provided the USAAF. Operating as a separate air force in World War II, these tools enabled it to destroy German industry, the Luftwaffe, and the will of the German people to effectively resist, and in cooperation with the US Navy to defeat Japan.

Those successes, together with the continued pressure and persuasion of Generals Arnold, Spaatz, Kenney, George, McNarney, Eaker, Norstad, and Kuter along with their converts—President Truman, Generals Marshall, Eisenhower, MacArthur, and many members of Congress—gave sufficient impetus to the movement toward a Department of the Air Force to convince Congress to enact the necessary legislation—the National Security Act of 1947.

General Foulois's "yes," when asked if the Air Corp could carry the mail, set forces in motion that provided the means for the USAAF to prove in combat that it was capable of assuming the role of an independent United States Air Force.●

ENERGY AND LABOR

● Mr. KENNEDY. Mr. President, last week I chaired hearings on how energy policy affects our employment situation. We found that the executive branch does not calculate this effect, even though three witnesses were each able to show research results which reveal great jobs advantages from energy efficiency efforts. We also were shown our tax system favors utilities, large corporations, and energy intensive activities, at the expense of small businessmen, minorities, and the poor.

The real lesson of our hearings is that only through a massive energy efficiency effort can we hope to achieve a full employment economy. This lesson offers much to the labor movement. For without a labor intensive energy strategy more and more jobs will be lost to automation. Barry Commoner has summed up this argument in a February speech to the Canadian Labour Congress. His points are equally applicable to the labor sector in the United States.

Mr. President, without objection I submit a copy of Dr. Commoner's speech for the RECORD.

The speech follows:

SPEECH BY BARRY COMMONER

The theme of this conference—jobs and the environment—is a timely and crucial one. Both are urgent and unsolved problems. Canadian unemployment has jumped from a "normal" rate of 4 or 5 percent to 8.4 percent, the highest since World War II. In the United States, despite a 6.4 percent figure in December, unemployment averaged 7 percent last year. About 15 percent of young workers are unemployed and nearly 40 percent of young, black workers are unemployed. At the same time, in spite of major legislation and a huge effort to clean up the environment, we are still plagued by pollution. Some environmental problems, like toxic chemicals, have become even worse. Their most serious effects, such as sterility and cancer, have been imposed on labor—the workers who produce and use these chemicals.

Now the persistent problems of unemployment and environmental decay have been joined by a third one—the energy crisis. Although there is much confusion about what the energy crisis is, who is to blame for it and even whether it is real, this much is clear: Whatever is done about energy or even if nothing is done, it will have enormous effects on both jobs and the environment, and indeed on all the other issues with which labor is concerned—prices, working conditions and the strength of the economy.

We therefore confront three serious, simultaneous problems: Unemployment, environment and energy. The worst feature of this troublesome triumvirate is that it seems impossible to solve any one problem without making the others worse. When more than 20,000 U.S. steelworkers were laid off in the last six months and steel plants closed, the industry blamed the cost of pollution controls for its inability to compete with steel

imports. Here in Canada you are told that to meet the nation's energy needs, much of Alberta's land and water must be diverted to mining tar sands, and that the resulting environmental damage must be borne as a kind of patriotic duty.

People seem ready to accept the notion that there are built-in, insoluble conflicts among the three goals of employment, energy sufficiency and environmental quality. Compromise seems to be the only way out, trading off jobs for environmental quality and energy for agricultural land and clean waters. "There is no free lunch," we are told; we cannot meet all these goals at once, something has to give. Anyone proposing to solve one of the problems is expected to question the importance of solving the others. The oil companies call for strong incentives for oil and natural gas production, but want environmental controls to be "reexamined" and made "more reasonable." Those of us who are seen as "environmentalists" are expected to argue strongly for environmental quality and energy conservation, making only some sympathetic sounds about the plight of the unemployed.

And inevitably, labor is caught in the middle. Utility executives and business leaders pressure labor to join battle against environmentalists, claiming that their opposition to nuclear power plants will throw people out of work. Auto executives pressure the unions to join in condemning gasoline conservation for fear that it will worsen the economic situation in the auto industry.

Before I examine this situation, let me make my own position unambiguously clear:

If there were in fact a conflict between jobs and environmental quality, or between maintaining the supply of energy and ecological balance, I would personally favor actions that cut unemployment and maintain the flow of energy, and suffer the environmental consequences. I say this because my own interest in the environment and in a sensible energy policy is based on a much more fundamental aim—the improvement of human welfare. And I know of no way to accomplish that aim if people are out of work, if inflation is rampant and the economic system is in a decline.

I'd like to carry this argument even further, and assert that of these three issues, the one which most urgently needs to be solved is unemployment, and the attendant problems of runaway inflation and economic decline. Unless we can solve the unemployment problem, the rest won't matter very much. How long can we tolerate the rejection of one in every five young workers—or two in five if they are black—trying to find their very first job; trying, as every young person must, to discover if they can find a place in society?

It is hard to conceive of a nation finding the will to tackle the enormously complex energy crisis or coping with thousands of chemical pollutants when the new generation which is supposed to reap the benefits of these improvements is condemned to such despair. Or to put it in more practical terms, an economic system incapable of finding work for such a large proportion of its new generation of workers could hardly be expected to muster the huge financial resources needed to clean up the environment and to weather the energy crisis. On these grounds I am convinced that if we were forced to choose among them, the task of reducing unemployment and of rebuilding the faltering economy would have to take precedence over the energy and environmental crisis.

But are we in fact forced to make this desperate choice? Must we sacrifice environmental quality—which is, after all, also essential to human welfare—on the altar of high employment and economic stability? My answer is no.

I am aware that this is a strong claim which seems to fly in the face of common wisdom about our trio of crises. And I would agree, if you are convinced that people are unemployed because they don't want to work, that the Arabs are to blame for the energy crisis and that pollution is due to our sloppy habits, it is indeed hard to see any connections among the three issues. Looked at this way, there does not seem to be a way to harmonize the three goals rather than compromise them; to solve all the crises rather than trying to improve one situation by worsening the others.

But if we look for more fundamental reasons why, like ancient Egypt, we have been afflicted with this series of unexpected plagues, we will discover that they are connected. More than that, we will discover that the only way to meet the fundamental needs of labor—to reduce unemployment and inflation and reverse the present economic decline—is to adopt a policy that would at the same time make sense out of the energy crisis and reduce pollution. The reverse is also true: the only sound energy and environmental policy—a policy that can best give the nation a stable energy supply and a clean environment—is one that serves these needs of labor. This is the main point of my remarks, in which I hope to demonstrate why I have reached these conclusions.

To begin with, we must recognize that the place where labor works, where energy is produced and used, and where most environmental problems are created, is the same: the productive enterprise—the mine, the factory, the farm. This means that the relation between the availability of jobs, the production and use of energy and impact on the environment depends on how these productive enterprises are designed and operated—more generally, on the technology of production.

In turn, the design and operation of a mine, a factory or farm involves economic factors: the wages paid to labor, the price of energy and other necessary inputs, the amount of capital needed to buy or build the productive machinery, the value of the goods that are produced and the expected rate of profit.

The welfare of labor—the availability of jobs, for example—depends on how this complex system operates, and that, in turn, depends on how all of its different technological and economic elements are connected. What labor requires from this system, simply stated, is that it should operate at its highest possible capacity; that it should provide, for all who can work, decent jobs at decent pay, in conditions that protect safety and health; that the goods which it produces should be sold at prices that labor can afford; that inflation, which erodes the standard of living, should be controlled; that labor should be free to organize and to take part in the decisions which affect its welfare.

Our task here is to learn how the production and use of energy and the quality of the environment affect these requirements which labor—and indeed society as a whole—must place on the production and economic system. Specifically, we need to ask what energy policy will encourage strong economic activity, ample job opportunities, control inflation and enable labor to play its proper role.

The first, most obvious feature of such a policy is that energy must be available. It is a simple, but often overlooked fact that every form of production—in factories, farms, transportation, offices—requires energy and cannot operate without it. This is the inescapable result of the physical laws which govern the production and use of energy. These laws tell us that work must be done if we wish anything to happen that won't happen by itself (for example, producing an auto) and that work can be done only if there is a flow of energy. Any block in the flow of energy means that production stops—and people lose their jobs. And a small interruption in the flow of energy can have a much larger effect on the economy. For example, when the Midwest ran out of natural gas last winter—because Texas producers preferred to make an extra profit of $1 per thousand cubic feet by selling gas within the state rather than shipping it north at a lower, regulated price—the resulting economic dislocation involved losses, in wages alone, many times greater than the cost of the missing fuel. No matter what else is done about energy, it must continue to flow if goods are to be produced and people are to remain at work.

The second basic point is that the availability of energy depends on its price. People have frozen to death because they couldn't afford to pay their utility bill. In turn, the price of energy has a heavy influence on general inflation and worsens its damaging effects: reduced purchasing power, lowered demand for goods, depressed production and unemployment.

Because energy is used in producing all goods and services, when the price of energy rises it inevitably drives up the cost of everything else. When the price of energy, which was essentialy constant for 25 years, suddenly began escalating in 1973, wholesale commodity prices followed suit. Before 1973 commodity prices had been inflating at a modest rate of about 2 percent a year. After 1973 they took off, going into double-digit figures in 1974, and since then running at more than 10 percent a year.

The prices of goods that are particularly dependent on energy are hardest hit by inflation. Unfortunately, these energy-intensive goods include housing (which depends on the cost of fuel and electricity), clothing (most of which is now made from petroleum-based synthetic fabrics) and food (which now heavily depends on fertilizers and pesticides, chemicals made out of petroleum and natural gas). This puts a particularly heavy burden on the poor. In the United States, the poorest fifth of all families use about 25 percent of their budget to buy such energy-intensive items; the wealthiest fifth of the families use only 5 percent of their budget for this purpose. When the price of energy rises the poor suffer most.

The rising price of energy also damages the economy and increases unemployment because of its influence on economic predictability. This is an important factor in a new industrial investment because an entrepreneur needs a reliable prediction of the long-term cost of the energy needed to operate it. This is how the rate of return on the investment is computed—the famous "bottom line" which determines whether or not an investment will be made. The price of energy is now rising at a rate unprecedented in the history of the United States. In the ten years before 1973 the energy price index increased at about 3.7 percent per year; in 1973-76 it increased at the rate of 25 percent per year. The problem for the businessman is not so much the actual price of energy, since in most cases he can pass the cost—and usually a little more—along to the consumer. What the businessman cannot cope with is the rate of increase, because when the rate is very high it is also uncertain, making future energy costs highly unpredictable. Several business commentators have pointed to such uncertainties as a major cause of the present slow rate of investment—which means that plants are not built, and job opportunities are lost.

Unfortunately, nearly all of our energy

now comes from sources that must, inevitably, rapidly increase in price. Nearly all of our energy comes from oil, natural gas, coal and uranium. These are nonrenewable resources. They are limited in amount. We are "running out" of them. At this point some people tend to visualize oil and gas supplies slowing down to a trickle as the underground pools run dry. But that is not the way it works.

What happens as oil, for example, is taken out of the ground is that the easiest oil to produce is produced first. As a result, the cost of producing oil inevitably escalates as more oil is produced. The law of diminishing returns is at work. As production of oil, natural gas and, more recently, uranium, increased it became necessary to drill deeper, to tap smaller deposits and to use more expensive recovery methods. Inescapably, whenever the limited supply of a nonrenewable fuel is sufficiently depleted, its price begins to rise exponentially—that is, the higher the price, the faster the price increases. (In the case of oil this is sometimes blamed on OPEC and the Arab states' embargo. But in fact two years before the embargo, the OPEC oil ministers got their cue from a massive and detailed report published by the U.S. National Petroleum Council. The NPC—which should know, since it is composed of the officers of the U.S. oil companies—predicted that the price of domestic U.S. oil, which had been essentially constant for the previous 25–30 years, would, beginning in 1972–73, need to rise exponentially if the oil companies were to maintain their rate of return on investment. The OPEC oil ministers believed their American colleagues and took steps to see that they were not left behind.)

In sum, the situation is this: As long as we continue to use nonrenewable energy sources, the prices of energy will continue to escalate, causing a series of disastrous economic effects—rapid inflation, an erosion of the standard of living of poor families and uncertainties about investments in new production—all of which depresses the economy and worsens unemployment. Continued dependence on nonrenewable energy sources inevitably hurts the country, and labor in particular.

A third basic link between energy and the economy is provided by capital. We now hear frequent complaints in the financial columns that the present weakness of the economy is in good part due to the lag in new capital investment. This is an ominous sign, for a slow rate in investment in new productive enterprises today means much lower productive capacity—and job opportunities—tomorrow. The availability of capital, and the willingness of investors to risk it in new productive enterprises, is a crucial feature of the economy's health.

There is a close connection between the flow of energy and of capital. It is widely recognized that the availability of capital strongly influences energy production. Utilities have been forced to abandon new construction projects (especially nuclear power plants) and investors have been forced to abandon synthetic oil and shale oil projects for lack of the necessary capital. What is less well-known is that the opposite connection is also important: The ways in which we now produce and use energy strongly influence the availability of capital, and therefore the rate of new investment which depends on it.

Various methods of producing energy differ considerably in their capital productivity—that is, in the amount of energy (for example, BTU's) produced annually per dollar of capital invested. One dollar invested in oil production (in 1974) produced about 17 million BTU's of energy per year. But that same dollar invested in producing strip-mined coal yielded only 2 million BTU per year; in shale oil about 400,000 BTU per year; and nuclear power brings up the rear with the equivalent of 20,000 BTU per year. Thus, any energy policy which emphasizes the production of electricity (particularly from nuclear power plants), rather than direct burning of fuel; which favors the use of coal over oil and natural gas; or which emphasizes the production of synthetic or shale oil, would worsen the energy industry's already serious drain on the availability of capital.

Each of the different ways of producing energy also has its own particular demand for labor. For example, in 1973 for every unit of energy yielded (trillion BTU's), oil and natural gas extraction created six jobs; strip mining, six jobs; deep coal mining, 18 jobs. As a result of these differences, and differences in capital productivity, the same amount of capital invested in different ways of producing energy can have very different effects on unemployment. For example, one calculation shows that a given amount of capital would produce two to four times as many jobs if invested in solar energy rather than electricity generation. A report to the New York State Legislative Commission on Energy Systems calculated that investment in energy conservation would produce about three times as many jobs as the same capital invested in nuclear power.

Finally, the impact of different forms of energy production on working conditions and on the general environment also vary a great deal. The physical dangers of work in coal mines and the risk of diseases such as black lung are well known. In the nuclear power industry, uranium miners are exposed to particularly high risks of radiation-induced cancer. The risks of radiation to other workers in the industry are still poorly understood, but some recent studies suggest that they may be higher than most earlier estimates. Shale oil production and conversion of coal to synthetic fuels produce highly carcincgenic substances; workers in a pilot coal conversion plant operated in West Virginia in the 1960's suffered 16–37 times the incidence of skin cancer as comparable workers in different jobs. There may be similar problems in tar sands operations.

The environmental impact of different energy sources closely parallels their impact on the workers' health. Coal mining, shale oil and tar sands oil production devastate the land and use large amounts of scarce water. Coal conversion operations are heavy polluters of the air. Coal-burning power plants pollute the air with nitrogen oxides, sulfur dioxide and carcinogens.

The nuclear power industry has yet to solve its serious environmental problems, such as safe disposal of radioactive wastes. Recent reports show that radiation leaking from reactors has contaminated milk from nearby dairies with unsafe levels of strontium 90. When energy is conserved all of these difficulties are, to that extent, reduced. And if solar energy were used instead of these conventional sources, environmental impact would be very sharply reduced.

From these considerations it is apparent that the effect of energy production on major factors which govern the welfare of the nation, and of labor in particular—inflation, employment, the availability of capital, working conditions and environmental quality—varies greatly depending on the form of energy which is produced. While a continuous flow of energy in some form is essential to keep the production system going and the economy strong, the way the flow is sustained can have the opposite effect. For example, if we were to choose to sustain the necessary flow of energy by relying heavily on very capital-intensive sources of energy (such as nuclear power, shale oil production and the production of synthetic fuels from coal) the enormous drain on capital would hinder investments in the productive enterprises that use the energy and seriously disrupt economic development. It is true that continued production of energy is essential to the economy. But it is also true that we could literally bankrupt the economy by investing heavily in the wrong kinds of energy production.

Perhaps the most striking example of this danger is nuclear power, as Saunders Miller, a prominent utilities investment counselor, has pointed out:

"Based upon thorough in-depth analysis, the conclusion that must be reached is that, from an economic standpoint alone, to rely upon nuclear fission as the primary source of our stationary energy supplies will constitute economic lunacy on a scale unparalleled in recorded history, and may lead to the economic Waterloo of the United States."*

If we turn now from the ways in which we produce energy to a consideration of the ways in which we use it, we see once more that there are profound differences which seriously affect both labor and the national welfare. Here we need to consider how efficiently energy, capital, and labor are used in production processes. A convenient way to measure these efficiencies is in terms of productivity of an enterprise, such as a particular manufacturing operation. This measures how much economic gain—usually expressed as value added—is produced per unit of energy, capital or labor used. Thus, three basic productivities need to be considered:

Energy productivity, or how efficiently the enterprise converts the energy that it uses into value added. This is measured as: dollars of value added per BTU used in production.

Capital productivity, or how efficiently the enterprise converts the capital invested in it into value added. This is measured as: dollars of value added per dollar of capital invested.

Labor productivity, or how efficiently labor is converted into value added This is measured as: dollars of value added per man-hour.

Let us compare the productivities of two industries which produce competing materials: leather products and the chemical industry which produces the plastics that have so heavily replaced leather and other natural materials. Of the two industries, leather production is about 4.5 times more efficient in converting capital into value added, and nearly 13 times more efficient in its use of energy. This relationship between capital and energy productivity is quite general among different industries. Five industries, petroleum products, chemicals, stone, clay and glass products, primary metals and paper, account for about 59 percent of electricity and 77 percent of the total energy used in manufacturing. They also have the lowest capital and energy productivities of all major sectors of manufacturing. There is a good correlation between energy productivity and capital productivity because energy is used to run the machines purchased by capital; the more capital (machinery) involved in an industry, the more energy it uses. And in many cases, this means fewer jobs, since the energy is often used to replace human labor. For example, for the same economic output the chemical

* "The Economics of Nuclear and Coal Power," Miller, S.: New York: Praeger Publishers, 1976; p. 109.

industry uses less than one-fourth the amount of labor than the leather industry.

Another important feature of the relation between energy and the economic system is that—strange as it may seem in the light of supposed economic principles—capital and energy tend to flow toward those enterprises that use them least efficiently. Capital used in industrial production flows heavily toward those sectors which are low in both energy productivity and capital productivity. For example, the five industries cited earlier that use energy and capital least efficiently use nearly one-half of the capital invested in all manufacturing industries. In contrast, the seven most energy-efficient industries (such as leather production) use only 7 percent of the capital invested in manufacturing.

As pointed out earlier, various methods of producing energy also differ significantly in their capital productivity (i.e., how efficiently capital is used to produce energy). Here too capital tends to flow toward those enterprises which use it least efficiently. For example, although electric power represents only 21 percent of the total amount of energy which we use, it consumes 56 percent of the capital invested in energy production. At the same time, due to thermodynamic limitations, no more than one-third of the fuel used to drive a power plant is converted into electricity. Electric power is therefore by far the most expensive form of energy in terms of capital expenditure.

When electricity is used to produce space heat, more than 97 percent of the thermodynamic value of the original energy is wasted. Yet about a fifth of U.S. electric power is used in this way—an enormous waste, not only of energy, but also of the capital needed to produce job-generating factories and homes.

In recent years industries with high energy and capital productivity (such as leather) have given way to industries with low capital and energy productivities (such as plastics). This is particularly true of the displacement of natural products (leather, cotton, wool, wood, paper and soap) by synthetic ones (plastics, synthetic fibers and synthetic detergents). For the reasons cited earlier, this displacement not only drains supplies of energy and capital, but also worsens unemployment. In the U.S. about half of the unemployment is "technological"—that is, job opportunities lost when such new production technologies are introduced and cut the overall demand for labor—and usually disproportionally increase the demand for energy and capital.

Now we can see the basic links among energy, the economic system and the environment: The same shifts in production technology that reduced the productivity of capital and energy and have cut the number of jobs usually increased the impact of production on the environment. As synthetic products replaced natural materials more petroleum and natural gas were used both as raw materials and for fuel, polluting the environment with combustion products and toxic chemicals. The petrochemical industry demonstrates the close links among the wasteful use of energy and capital, the assault on the environment and unemployment.

Thus, we find that unemployment is part of the same economic trends that generated the energy crisis and the environmental crisis: Energy has been produced increasingly in forms (especially electric power, and nuclear power in particular) which use a great deal of capital relative to the amount of energy that they yield. As a result, energy production has claimed an increasing proportion of the capital available for business investment, making it less available for investment in new job-creating enterprises. (In 1960, energy production claimed 26 percent of the capital invested in industry; by 1980 it is expected to claim more than a third.) At the same time, industries which use energy inefficiently also use capital inefficiently; they also pollute the environment most heavily and are often least effective in creating jobs. In sum, the same economic tendencies—the displacement of labor by energy-driven machines—that have worsened employment carry a good deal of the responsibility for the energy crisis and the environmental crisis. The crises in employment, energy, and the environment are, in this sense, the same crisis.

Against this background what can be said about Carter's National Energy Plan, which is the United States' first effort to establish a comprehensive energy policy? Judged by the standards developed above, most of the plan must be given rather bad marks, especially for its effect on labor. The plan is based on the strategy of raising energy prices as a means of encouraging energy conservation. Leaving aside that the plan would in fact accomplish very little conservation (only 16 percent of the increased demand for energy between now and 1985 would be met by conservation) this approach will only worsen inflation, and with it unemployment and all the economic ills which trouble labor. The plan mandates a sharp increase in the present rate of nuclear power plant construction and in the use of coal—with a resulting doubling in the contribution of electricity to the energy to be acquired between now and 1985. This means heavy reliance on the ways of producing energy that are most wasteful of capital, a step that is certain to add to our present economic difficulties. At the same time, by increasing the availability of electricity (relative to direct use of fuel) the plan would encourage those industries that are power-intensive—and which are thereby likely to use little labor. Finally, the plan would create enormous new environmental difficulties, because it relies so heavily on the two methods of producing energy that most severely threaten the environment—the use of coal and nuclear energy.

In sum, the National Energy Plan is likely to aggravate the energy crisis rather than solve it, for it would worsen the main effects of the energy crisis: inflation, unemployment and economic uncertainty. This means, I fear, that if the plan is enacted in anything remotely resembling its present form, we would be confronted even more by the divisive antagonisms among those concerned with unemployment, energy and the environment that only contribute confusion to a national debate that cries out for clarity.

Is there no way out? There is. There are alternatives to the nuclear power plants, the strip mines, the coal gasification projects, to the continued use of oil and natural gas which will rise in price forever. The alternative is, of course, solar energy.

Now at this point many people will react with a far-away look in their eyes, and perhaps with some impatience and frustration, expecting to hear another one of those pie-in-the-sky schemes about a beautiful solar future. But that is not what I am talking about. I am not going to tell you that all will be well if we do more research on solar energy, set up a few more demonstration houses or learn how to build a solar power plant in space. What I am going to tell you —and not on my own authority, but on the authority of U.S. government agencies—is that for most methods of using solar energy the technology is already in hand, and can be introduced at once in most parts of the country, for a wide variety of uses, at economically competitive costs.

To many people, and apparently to some government officials, this is news. But it is good news, for the most important thing about solar energy is that unlike conventional energy sources it will stabilize the price of energy, slow inflation and improve investment planning; it will create rather than destroy jobs; it can turn the country's faltering economy around. It can give us a real energy plan that solves the energy crisis rather than making it worse—the kind of energy plan that meets the needs of labor.

Here are a few reminders about what solar energy is all about.

First, unlike oil, natural gas, coal or uranium, solar energy is renewable; it will never run out (or at least not in the next few billion years). Because solar energy is renewable it is not subject to diminishing returns—which means that its price, instead of escalating like the price of present energy sources, will be stable and even fall as the cost of devices continues to decline. By stabilizing the price of energy, solar energy reduces the threat of inflation and eases the task of planning investments in new productive enterprises, thus relieving two of today's worst economic problems.

Second, the use of solar energy does not depend on any single technique. There are different sources of solar energy, some forms more available in one place and other forms in other places. Everywhere that the sun shines solar energy can be trapped in collectors and used for space heat and hot water. Of course, the amount of sunshine varies from place to place, but not as much as most people think. The sunniest place in the United States, the Southwest, gets only twice as much sunshine as the least sunny place, the Northwest. In some places the most available form of solar energy may be wind (the wind blows because the sun heats the air on the earth's surface unevenly). In agricultural areas solar energy will be available in the form of organic matter (which is produced by plants, through photosynthesis, from sunshine): manure, plant residues, or crops grown to be converted into methane (the fuel of natural gas) or alcohol. In forested areas, waste wood, or even wood grown for the purpose, can be converted into heat, either directly, or by being made into gas. And wherever the sun shines, photovoltaic cells can be used to convert solar energy directly into electricity.

Third, for each of these solar processes the scientific basis is well understood and the technological devices have been built and are in actual use. Solar collectors are used all over the world, and were once (about 30 years ago) common in Florida and California; small windmills used to dot the farm landscape; methane plants are in operation in hundreds of thousands of Indian and Chinese villages; alcohol produced from grain was used extensively, mixed with gasoline, to run cars and trucks during World War II; photovoltaic cells now power satellites and remote weather stations. Of course solar energy needs to be stored during the night or over cloudy periods. This can be done in batteries, in tanks of alcohol or methane, in silos full of grain, as standing timber, or for that matter in piles of manure. All these items exist.

The main questions are, once again, economic: Granted that most solar technology exists, does it pay to introduce it? More precisely the question is not whether it will pay, but when. The cost of conventional nonrenewable fuel is now rising exponentially and will do so indefinitely. Since it is renewable, the cost of solar energy is fixed only by the cost of the equipment, which will fall in price as experience is gained. Place these two curves on the same time scale and inevitably they will sooner or later cross. Solar energy, which a few years ago was more expensive than the conventional alternatives, will inevitably equal them in

price and then each year become cheaper relative to conventional energy.

Estimates of when and how solar energy systems become economically advantageous have now been made by the Solar Energy Task Force of the Federal Energy Administration (now part of the new Department of Energy). Here are the main features of the task forces "National Solar Energy Plan":

Solar heating: In most of the central part of the United States, if the government would provide low-cost loans, it would today pay a householder who uses electricity or oil for space heat and hot water to replace about half of it with a solar collector system. Even borrowing all the necessary funds at eight percent interest, with a 15-year amortization period, would cut the average annual heating bill by 19–20 percent.

Photovoltaic electricity: Here is the biggest surprise. For a long time even those of us most optimistic about solar energy were convinced that this technology—a wonderfully simply way to produce electricity from sunshine—was unfortunately so expensive as to remain uncompetitive for some time to come. Now the FEA report shows that the production of electricity from photovoltaic cell systems can compete with conventional power sources and exactly how that can be accomplished. The report shows that, beginning immediately for the more expensive installations such as gasoline-driven field generators, within two years for road and parking lot lighting, and within five years for residential electricity in the southwest, photovoltaic units can compete, economically, with conventional power. All that is required to achieve this remarkable accomplishment is to invest about $0.5 billion in the purchase of photovoltaic cells by the federal government. This would allow the government to order about 150 million watts capacity of photovoltaic cells. This order would allow the industry to expand its operations sufficiently to reduce the price of the cells from the current price of $15/watt (peak) to $2–$3/watt in the first year; to $1/watt in the second year and to $0.50/watt in the fifth year, achieving the competitive positions noted above and successfully invading the huge market for conventional electricity. A similar federal (or state) purchase plan could bring large-scale power-generating windmills down to a competitive price, according to the FEA report.

Methane and alcohol production from organic matter: While methods of commercializing these sources of solar energy have not yet been worked out by the FEA task force, current research already begins to show how that can be done. Public works funds can be used effectively to rebuild urban garbage and sewage-sludge disposal systems so that they generate methane, which can help meet a city's energy demand. In certain farm operations—such as a dairy with 200 or more cows or a farm raising 5,000 or more chickens—it is already economical to replace current manure-disposal systems with methane generation, using it, for example, to produce electricity to drive farm machinery and heat to warm the barns. In Texas, one company has already begun to sell methane produced from feed-lot manure to the natural gas pipelines. Several Midwestern states are actively developing alcohol production from grain, as a partial substitute for gasoline in cars, trucks and tractors.

The most important aspect of solar energy, I believe, would be its effect on employment and economic recovery, but solar energy has another unique feature—it has no economy of scale. In all conventional energy production, there is a very large economy of scale—the cost of the energy falls sharply with the size of the unit. Solar energy is very different. When a farmer wants to produce more corn he does not produce bigger corn plants, but plants more of them over a larger area. And each corn plant operates at the same efficiency, so that one acre of corn traps solar energy as efficiently as 1,000 acres of corn. The same is true of all solar techniques, such as photovoltaic cells. You can run a flashlight or a whole house on photovoltaic cells, at the same energetic efficiency.

In conventional energy production the large economy of scale means that only very large corporations can compete (that explains why the energy corporations are such big ones). In solar energy production a small or middle-sized company (or a household) can do as well as a corporate giant. As a result, huge, centralized solar installations are unneeded. The power can be produced on a scale that matches its use, where it is used, thus eliminating the need for heavy transmission systems (although light ones will be useful to balance out production and demand). It is easy to see that the introduction of solar energy would mean a rebuilding of not only our system of energy production, but also many of the ways in which energy is used in manufacturing, agriculture and transportation. This would mean a vast program of new construction; it would create new jobs, and in doing so begin to control inflation.

The point of the foregoing analysis of the economic consequences of different ways of producing and using energy is not so much to support this particular theory about the role of energy in the production and economic system. What I wish to emphasize is the basic point that all energy sources and ways of using energy in production, are not alike in their effects on jobs, inflation and economic stability—and therefore on the interests of labor. Yes, some form of energy must be available if production and the economy is to continue—if goods are to be produced and if people are to have jobs and afford to buy what they need. But it makes a big difference which form of energy is chosen to support production, and how it is used. Choose the wrong form of energy and the effort to support the economy and create jobs will have the reverse effect. The economy will suffer and jobs will be lost.

Consider, for example, the often repeated claim that nuclear power plant construction is a good way to produce energy, support the economy and create jobs. This claim simply does not stand up before the facts. When compared with alternative ways of producing the needed energy it becomes clear that nuclear power is not the best way to sustain the economy and to provide jobs. Here is a concrete example: The Fiat Company, in Italy, has just announced the availability of a cogeneration unit ("TOTEM") which uses natural gas, or methane produced from a solar source, to drive a converted gasoline engine, producing electricity and recapturing the normally wasted heat as a source of space heat. About 67,000 TOTEM units would produce a total of about 1,000 megawatts of power—the capacity of a typical U.S. nuclear power plant. However, whereas the nuclear plant would cost about $1 billion, the TOTEM units would cost only $191 million, and they would produce electricity at about one-fourth of the cost of electricity from the nuclear plant.

The economic efficiency of such cogeneration units, as compared with nuclear power means not only lower electricity prices, but also a more effective use of capital, therefore more opportunities for productive investment of captal—and more jobs. Because they can run on methane—a renewable solar fuel—such units can help bridge the gap between our present dependence on nonrenewable fuels and a solar economy. As should be evident from Fiat's accomplishment, such units could readily be manufactured in U.S. and Canadian auto plants, where they could take up the slack created by the disruptive effects of the energy crisis.

It is also informative to compare nuclear power with photovoltaic cells. If the proposed U.S. federal purchase plan were carried out, in five years or so the photovoltaic industry would expand enough to begin to allow local installations to compete economically with nuclear power in many parts of the United States. Again, many more jobs would be created by the solar technology than the nuclear one.

The widespread availability of competitive photovoltaic cells would also create many opportunities for new types of industrial production. For example, it would encourage the development of battery operated handtools, since batteries could readily be recharged by a photovoltaic unit mounted on the factory roof.

These are only two examples of the choices that are now open to us, and I mention them only to emphasize that there are choices. There is only one way in which the familiar arguments that pit jobs against the environment, that put labor leaders on the side of nuclear utility executives, makes sense. And that is if we accept the assumption that the alternatives to a new nuclear power plant is no new electricity and that the alternative to massive strip mining is no new sources of heat. In other words, this argument holds only if we give up the right to choose, among the different ways of producing energy, those which best serve the nation's—and labor's—needs. Then, of course, the bitter choice between jobs and the environment must be made, for if the flow of energy is disrupted we will surely suffer massive unemployment and economic disaster.

I am aware that labor groups have often decided to support nuclear power, shale oil production, coal conversion and similar energy sources which, on the basis of the foregoing analysis, seem to be not in labor's interests. But I know of no instance in which such support has been based on an actual comparison with alternative sources of energy. In every case, it is not a matter of making the wrong choice, but of avoiding a choice—in the belief that energy is essential for production and jobs (which is correct) and that all forms of energy will yield the same beneficial effects (which is not correct). Resolutions have been passed by labor groups which in one place strongly urge a fight for jobs and against inflation, and elsewhere urge the development of all forms of energy, listing sources such as nuclear power and coal conversion—which are bound to do employment and inflation more harm than good—alongside solar energy, which is labor's most powerful weapon against energy-driven inflation and unemployment.

If labor is to win its fight for jobs, for reasonable prices, for decent working conditions and for a strong economy, it must accept the responsibility of deciding, for itself, which forms of energy and which ways of using it will best sustain these aims. Up to now these decisions have not been made by labor, but by management. And now that management's choices—for nonrenewable sources such as oil and capital-intensive sources such as nuclear power, rather than the solar alternative—have precipitated the energy crisis, the decisions are being made by government executives and legislators. But, again, labor is on the sidelines.

Unless labor enters into the debate—on its own terms, making its own decisions about what energy policy best serves the needs of society, and labor in particular—we will make the same disastrous mistakes once more.

Nor is it enough for labor to rely on "environmentalists" and other people of good will to suggest the right way to produce and use energy. There is no guarantee, for example, that an energy policy will be free of serious economic and social disadvantages just because it is based on solar energy. De-

votion to solar energy is not, after all, proof against indifference to social welfare, greed or simple foolishness.

Consider for example two different ways to achieve a transition to solar energy. One option is to deliberately increase the price of conventional energy, so that solar technologies will become more quickly competitive. The other is to hold down the price of conventional energy as much as possible and use public funds to cut the cost of solar alternatives and make them competitive. For the reasons already given, the first approach would place an intolerable economic burden on the people, especially the poor and the minorities who suffer most from unemployment. At the same time, wealthier people would benefit from the transition. This strategy would increase both the general cost of energy and the price the consumer needs to pay to shift to a solar source. Poor people, unable to afford the high price of the new solar technology, would be forced to pay higher fuel prices, while wealthy people, who could afford the solar investment, could avoid buying the high-priced fuel. The strategy of rising fuel prices in order to encourage solar energy would tax the poor and favor the rich, justifying the suspicion already being voiced that public movements for energy conservation and solar energy are likely to be more in the interest of the wealthy than of the poor and the unemployed.

Perhaps the most serious dangers of this approach arise from a feature which in some quarters would be regarded as a virtue—the strategy relies on the "free marketplace" to govern the introduction of solar technologies. Bluntly stated, this means that the introduction of each solar technology would be governed by a single criterion—that it generate a profit for its producer greater than one he might obtain from an alternative investment. Such a strategy would please the companies now entrenched in the energy field. The oil companies would, of course, benefit from higher oil and natural gas prices. Even if the price increase were generated by taxes, it would make the oil companies' holdings in coal and uranium more valuable, and help support the price of oil in the world market—in which most of the U.S. companies are also involved. Private utilities could also benefit, by using their position in the consumer market and their access to capital to sell or lease to their customers whatever solar technologies are most profitable and least damaging to their centralized operations.

The last to gain from such a solar transition would be the poor. They would need to wait for benefits until, in the course of time, the massive substitution of solar energy for conventional sources stabilized the rising price of energy, and reduced the rate of general inflation. Finally, when the cost of the solar technologies fell far enough, the poor could afford them too. Such a profit-oriented transition would mean that the benefits of solar energy would be allowed, as usual, only to trickle down to the mass of people.

Clearly, it would not serve labor's interests—or for that matter, the nation's—to rely on such an approach to an environmentally-sound system of solar energy. Rather, labor and the nation need an approach which permits rational planning of the development, testing and introduction of solar technologies in keeping with their efficacy in the overall process of transition rather than on the basis of the narrow criterion of profitability. This approach would, of course, challenge the widely fostered notion that private profit is the sole acceptable basis for new productive investments. But this has happened before, in connection with the development of energy resources—notably in the development of hydroelectric projects, in particular the Tennessee Valley Authority, rural electrification and most recently nuclear power. In each case the creation of the system required public initiative and at least the initial investment of public funds. The issue is not necessarily one of public ownership, since in the case of nuclear power, the decision to develop it and the design of the technology was determined socially, while the ownership and operation of most of the industry has been in private hands. The example of nuclear power should also remind us that social governance of such decisions is by no means a guarantee that they will be in the best interest of society. Social governance is a necessary but not sufficient condition for maximizing social welfare.

An independent labor position on energy could provide a powerful remedy for some of the serious economic difficulties in U.S. and Canadian industry. Many industries—auto, steel, textiles, shoes and electronics—are being forced to cut back because they cannot compete with imports. These industries face the enormously difficult job of overcoming the economic advantages of foreign producers, achieved by their more modern productive facilities, in order to regain their share of the market. Meanwhile, plants close and people are thrown out of work. From what has been said earlier it should be evident that to cope with the energy crisis all industrial countries will need to develop new renewable sources of energy and new energy and capital-efficient production technologies. Promising examples are photovoltaic cells and cogeneration units such as Fiat's TOTEM. Consider this very sobering thought—that U.S. and Canadian industry, still locked in the old pattern of producing and using energy—will not move quickly enough to develop photovoltaic cells and cogeneration units, failing to meet the inevitable demand for them. If that happens we will soon see Japanese photovoltaic cells and Italian cogeneration units capturing not just a part of the North American market, but all of it. We will have been frozen out of a good chunk of the enormous world-wide industrial transformation that is certain to take place under the impetus of the energy crisis.

I believe that labor can protect us from that fate, strengthen economic development and create jobs by taking its rightful place in the decision-making process that will determine our response to the energy crisis. Labor has the most to lose from the wrong decisions, and the most to gain from the right ones. Labor has the experience to understand how old production facilities can be converted to new uses and how to train workers in the new skills. Labor has the experience to defeat the notion, already being heard in some quarters, that union labor would drive prices up and make the solar transition that much harder, and to show that non-union labor would mean shoddy workmanship that could only hold back the new technologies. Finally, only labor has the political strength to break the corporate stranglehold on energy and to help society apply the power of public governance to the creation of a new energy system that can truly serve human welfare.●

TIPPING THE SCALES OF JUSTICE

● Mr. MATHIAS. Mr. President, last August Congressman PAUL SIMON and I were joined by a number of our colleagues in petitioning the President to declare the conviction of Dr. Samuel Alexander Mudd in the Lincoln assassination conspiracy null and void. It is our belief, supported by extensive evidence, that Dr. Mudd treated John Wilkes Booth's broken leg as any dedicated doctor would routinely treat anyone who was suffering.

Since last summer the White House has sought and received the views of the Justice Department on the case and on the validity of our request. Action by the White House could be forthcoming at any time.

There has been wide popular response to this petition—all of it favorable. This leads me to hope that the President too will find it in his heart to overturn Dr. Mudd's conviction.

If further inducement for favorable Presidential action is necessary, I think I have found it. It comes in the form of letters to Dr. Richard D. Mudd, grandson of Dr. Samuel Alexander Mudd, from students in Mrs. Kern's second grade class at Schluckebier School in Bridgeport, Mich. It pleases me especially that these delightful and persuasive letters come from Michigan schoolchildren because for many years our distinguished colleague from Michigan, the late Senator Philip Hart, was the prime mover in the effort to clear Dr. Mudd's name.

I submit for the RECORD the letters written by Mrs. Kern's second graders, with no editorial changes. I only regret that there is no way to include the pictures which some of the students did instead of letters. Their caliber is equally high.

The letters follow:

DEAR DR. RICHARD MUDD, We have studied about your grandfather. And he did not know that Booth killed Abraham Lincoln. He killed Abraham Lincoln when he was watching a movie. And Booth jumped out of the window and broke his leg. And then that is how he got into the big big prison. But I am very very sorry that your grandfather dide. I am sorry that your son dide in the air plane. But thank God your still alive. I lik you even if I have never even seen you. But we have talked about you. And you seem like a nice man. But do you know what hapend to Abraham Lincoln well? his mother died of milk sick and they tride to do every thing they could. But she still dide and all of her Uncles and Aunds got milk sick. But when Abe was a boy he use to do devilish thing. like number one he got his friend to hold him up and that is how he walked on the seiling. Now we can get back to your grand father when he was put in prison those walls were 8 feet thick. and runing water around the hole prison. and on top of that it was alligaters in the water. And still on top of all that they wep him from his wife and his kids And they put chains on him and did not giv him a nice dinner. And I hop you like your letter that I wrote. And I hop you wife can read this letter with you. And that is the truth about all of this letter.

Love MONTY. And all of thes class and my teacher and my friends.

(Monty Brown).

DEAR DR. MUDD: We read about you and my teacher read us the fort Jefferson. President Lincoln got shot in the back of the head. He was shot by John both. Dr. A Mudd was in a vary big prison for a year. Abraham Lincoln was born in Kentucky. Lincoln's mom was kild from milksik, and his friends where kild to Abraham was born in 1809 and he was kild in July 1865. I'em sorry that your grendfather was in prison. He got out of prison because he helped the people from yellow fever. In the water there are alligaters surroundings it. Abe and his friend played a trick the well was pained his frniend lft him up and he

(anonymous)

DR. SAMUEL MUDD: We were studying about Abraham Lincoln we read a story about Abraham Lincoln in the story we herd his mom died when he was 8 from mike sick and his Aunt and uncle died from mike sick too. He work in losts of places and he like to read books and he playd ticks on people like when he did foot marks on the ciling. I'm sorry your grandfathen got put in prison.

COLLEEN.

DEAR DR. MUDD: we have ben studing about Abraham Lincoln. And Abraham Lincoln was born in 1809 and Dr. Samuel Mudd was but in jail in 1865. When Abraham Lincoln was pore when he was little. And we all love Abraham Lincoln. And John Wilkes booth killed Abraham Lincoln. And Dr. Samuel Mudd fixed John Wilkes booth lag. And after he fixed he's lag. And he got put in jail. And was in jail fore 2 year's. decause he halp the sike people. And there was all water around it.

BONNIE WENDT.

DEAR DR. RICHARD MUDD: We have been studying about you. and we Read about you being in prison. and I Read about Abraham Licoln geting shot by John wilkes Booth. and He Lincona always like to Read Books to. and He use to fool people. and we heard that your son Dieb in a plan cras. and I am sorry that your dad was in prison. For 2 years. Well I have to now.

(anonymous)

DR. RICHARD MUDD: We have ben suding a little about you and Abraham Lincoln. MRS. kerns read a old news paper. Abraham Lincoln was born in 1809 and he was a nice little boy. I feel sad for your granfather because he did not now about the guy. The mans name was John Wilkes Booth. Dr. Samuel Mudd got put in the jail because he fixed John Wilkes Booth. Abraham Lincoln was a very nice man to the slaves. His mom died of milk sick and his aunt and Uncle. Dr. Samuel Mudd helped the people who was sick. Abraham Lincoln had a sister her name was Sara was a year older than Abraham Lincoln.

MITZI WIL.

DEAR DR. MUDD: We have been studying about your grandfather and Abraham Lincoln. I believe that Dr. Samuel Mudd did not have anything to do with the President being killed. Dr. Samuel Mudds home state was Maryland. Dr. Samuel Mudd was put in prison just for doing his job. They took him to Florida and put him in prison. The walls were eight feet thick.

JILL STEDRY.

DEAR DR. MUDD: I habe ben studying. A lot. And I have ben reading a lot. And John Wilkes shot Abraham Lincoln in the neck at the Theater. Abraham Lincoln grew up to be a nice president. And Dr. Mudd got put in prisin.

JEFFERY ALAN MCKINSTRY.

DEAR RICHARD MUDD: We have been studying about Abraham Lincoln. Mrs. Kerns read us one book of Abraham Lincoln and she is starting another one. Abraham Lincoln got shot in the back of the head. Abraham Lincoln was born in 1809. And was shot in 1865. Mrs. Kerns told us you live in Saginaw. John Wilks booth went to Dr. Samuel's house and said, Dr. Dr. you gotta help me so the Dr. fixed John booth's leg. Abraham Lincoln was a good President. from

JULEI SLIVA.

DEAR DR. MUDD: We have been studying about you. Abraham Lincoln got shot in the back of the head. I feel very sory about this. I hope they believe you Dr. Mudd. Dr. Samuel Mudd lived in Maryland. He was a very nice Doctor. Abraham Lincoln lived in Kentucky. I feel very sory for you him. Dr. Samuel Mudd helped peple from yellow fearver so they let him out of prison. The End.

LISA RAE KEITH.

DEAR DR. MUDD: We have studi about Abraham Lincoln. Aunt and Uncle died of milk sick. Abraham was a good President. Mr. Mudd I feel bad about our grandfather died. Abraham Lincoln got shot thew his head. We have ben study about you and our gand father

MARIE ELLIS.

DEAR DR. MUDD: we have studied alot about Abraham Lincoln. He was a nice Pressident and he fighted a war just for the country the people who did not want slavery one the war. When Abraham Lincoln was in a theater he got shot in the head. When he was a boy his parints painted the seeling he got his friend to lift him up and walked acrost the seeling. And on a Sunday Abraham Lincoln fell in the river when he wasint supposet o go swiming. Abe and his frend liked to get in troble. I'm sas that your granfather went to the big big prison. for two years.

MICHAEL CROSS.

DEAR DR. MUDD: We have been study about Abraham Lincoln. Abraham Lincoln got shot in the back of the head. Abraham Lincoln was a poor boy. Lincoln was born in 1809 and got shot in 1865. Lincoln got shot by John Wilkes Booth. John Booth jump on to the stage and broke is leg. The next day John Booth went to Dr. Samuel Mudds house. Dr. Samuel Mudd fixed is leg. And then some people came ovr and said "You fixed the prson that killed Abraham Lincoln", You have to go to prison and he stayed in there for tow years. There was no excapd.

Love,

DEANNA LYNN LEHMAN.

DEAR DR. MUDD: We have learned about Abraham Lincoln got shot in the neck by John Wilkes Booth. And Abraham Lincoln's mom died from milksick. Abraham Lincoln died one hundred years ago. Abraham Lincoln moved to Kentucky in, 1809 he was just a little boy then. Then he moved to Indiana in, 1819. Abraham Lincoln was the sixteenth President and he was in a war.

TODD MICHAEL HARTMAN.

DEAR DR. SAMUEL A. MUDD: We had leard about Abraham Lincoln. Dr. Samuel Mudd is one of are spelling word. Abraham Lincoln got shot in the neck. He died in July 1865. He like to read every day. He like to play every day. Abraham Lincoln was a very good President. Abraham Lincoln He was born in Kentucky. He had lols of friends. Abraham Lincoln was born in 1809. Abraham Lincoln had a war of seth.

WALTER JAMES GRANGER.

DR. RICHARD MUDD: We have been learning about Abraham Lincoln they lifted in Maryland. I'm sorry If your grandfather was put in prison. I know who kill Abraham Lincoln? John Wilkes Booth kill Abraham Lincoln. fort Jefferson was either feet long.

MARC R.

DEAR DR. RICHARD MUDD: I know your grandfather did his job like he was suppose to do. Then he got put in prison for about two years. The first year in prison he wrote notes to his wife. The second year he did the same again. Abraham Lincoln's mother Nancy Lincoln died from milksick. The cows get sick and give the milk. I remember when little Abe fell into the water.

(anonymous)

DEAR DR. MUDD: I'm sorry thet your grandfather was in prsin. Abraham Lincoln was the 16 President we hav ben studding a dot you. I love you

MARY JO.

DEAR DR. MUDD: We have been studying about Abraham Lincoln. And slavery. And I am interested in it. I know that When Abraham Lincoln was a boy he was very pore. And he lived in Kentucky. He liked to played tricks on people. He lived in a log cabin. And his mothers name was Nancy. And his fathers name was Thomas. Abraham had one sister Sarah. Abraham's and Sarah's autn and uncle came over. Abraham and Sarah loved to here the grownups talk. They had lot's of fun. But the fun didn't last for long. Milksick came. Abraham's and Sarah's uncle and aunt deid and so did his mother. A long time later when Abraham was a president he went to a theater and John Wilkes Booth shoot Abraham Lincoln. The end.

(anonymous)

DEAR DR. MUDD: I feel bad about your grand father put in prision. We have been studing about you and Abraham Lincoln. Abraham Lincoln was a good President.

(anonymous) ●

INFLATION

● Mr. BENTSEN. Mr. President, inflation has become one of the most serious social problems of the 1970's. It continues to erode the confidence of average Americans in their free enterprise system. It systematically hits hardest those least able to defend their own economic interests—the poor, the elderly, and the hard pressed hourly wage earner. It ultimately destroys jobs because higher prices mean lower consumer purchasing power and hence less sales, less production, and less jobs. In short, inflation poses a grave threat to the economic well-being of all Americans.

Our inability to bring inflation under control is an understandable frustration to responsible, serious minded public policymakers. So it is perhaps not surprising that a majority of my distinguished Democratic colleagues on the Congressional Joint Economic Committee, honestly and intensely searching for a way to break the back of inflation, have once again approved a recommendation for mandatory wage and price controls.

That recommendation is contained for the second year in a row in the Joint Economic Committee's Annual Report. The report recommends that legislation be enacted giving the Council on Wage and Price Stability authority to "require prenotification of planned price increases from selected industries and to delay for modest periods wage or price increases which could have serious inflationary effects on the economy." Since the authority to delay wage or price increases is logically the authority to fix and control wages and prices, the committee is in fact calling for a limited system of mandatory wage and price controls.

In my opinion the committee recommendation is a serious mistake.

This proposal is likely to spark a healthy renewal of public discussion re-

garding the advisability of mandatory wage and price controls as a tool to fight inflation. Because of my deeply held belief that price and wage controls provide only the illusion of fighting inflation, I want to be one of the first to participate in the public dialogue about to be renewed.

Government dictation of wages and prices has never worked to control inflation in peacetime. Wage and price controls attack the symptoms of the disease, but not the disease itself. They may provide a temporary disguise, they may present a comforting illusion, but sooner or later consumers will confront the harsh reality of shortages, low quality products and hundreds of devices designed to circumvent the controls. Price and wage controls put the economy in a straightjacket which invariably results in inequities among both workers and business enterprises.

Wage and price controls cannot be imposed on our economy without exacting a heavy cost in the form of serious misallocation of resources, inefficient production, and the potential domination of our daily lives by faceless Government bureaucrats. Excessive Government regulation of business, which results in waste and inefficient production, is one of the major reasons for our inability to bring down the cost of living. It is one of those ironies of life that the Joint Economic Committee itself is making a recommendation that would add substantially to the regulatory burden thrust upon the people of this country.

Overregulation by Government is not a new problem.

The great British historian of the last century, Thomas Babington Macaulay, wrote:

> Nothing is so galling to a people as a meddling government . . . which tells them what to read and say and eat and drink and wear.

Almost 150 years after those words were written the people of this country are confronted by a government that not only meddles but, as often as not, does an incompetent job of it.

If we want to fight inflation, to keep prices from rising so rapidly, the way to do it is not by adding on more Government regulation in the form of wage and price controls.

One of the most positive steps we can take to reduce inflation is to reduce Government regulation. Federal regulation in 1976 cost American business and the American consumer some $65 billion—$300 for every man, woman, and child in this Nation.

Most leaders of business and labor strongly oppose the concept of wage and price controls. Businessmen know that controls will result in less investment, low productivity, and slow growth. Labor leaders know that it is more difficult for workers to circumvent wage controls than it is for business to get around price controls. Both business and labor leaders correctly recognize that there is no easy, simple solution to the problem of inflation. We will bring inflation under control when in addition to reducing excessive Government regulation business, we develop ways to encourage competition through the entry of new businesses into our Nation's marketplaces; when we provide adequate incentives for business to invest in more productive machinery and equipment, and when we bring the Federal budget under control.●

COMMITTEE CONFIRMATION PROCEDURES ADOPTED

● Mr. RIBICOFF. Mr. President, in accordance with the provisions of the Legislative Reorganization Act of 1970, I now submit for publication the rules, and an amendment to the rules, of the Committee on Governmental Affairs. The amendment was adopted by the committee on March 20, 1978.

The amendment (rule 8) establishes confirmation standards and procedures for Presidential nominees referred to the committee.

The procedures adopted in the rule have been used by the committee, on an interim basis, since last October. That period of time allowed the opportunity to refine and clarify the process. In formulating the rule, the committee considered the helpful proposals advanced last fall by Common Cause in its study of confirmation. The rule also reflects the findings and recommendations of the committee's own review of the confirmation process, contained in volume I of our "Study on Federal Regulation."

Thus, rule 8 results from what I consider to have been careful and informed consideration of the strengths and weakness of the confirmation process, as it has existed in the past.

Promulgation of this rule does not, in my opinion, detract from the importance of adoption by the Senate of confirmation procedures applicable to all committees. I continue to support Senate Resolution 258, which contains comprehensive Senate-wide confirmation reforms. That measure is cosponsored by Senators PERCY, JAVITS, MATSUNAGA, and myself. The situation that warranted introduction of that resolution last year has not been altered by the passage of time.

Advice and consent is a fundamental constitutional responsibility of the Senate. The power to appoint is shared coequally by the President and the Senate. The Constitution is plain on that important principle: The President "shall nominate, and by and with the advice and consent of the Senate, shall appoint" public officials. In my opinion the Constitution does not envision a passive role for the Senate, merely approving what is presented to it by the President. It is the combined wisdom of the President and the Senate which places a person in a position of public trust. Both are properly held accountable to the people for the subsequent performance and fitness of that official. I believe that the public has a right to expect as much care and deliberation from the Senate in the confirmation process as it does from the President in the selection process.

The exercise of that important responsibility requires published standards and procedures. I believe the committee rule satisfies that requirement. Without sacrificing needed flexibility, it assures a complete and even-handed inquiry into the background and integrity of nominees.

The committee rule guards against unwarranted and unnecessary invasions of personal privacy. Only information essential to an informed judgment by the Senate will come to light. Moreover, it insures fair and even treatment of all nominations. Hereafter all nominees will know, in advance, the requirements and stages of our committee confirmation process. The committee rule recognizes the human dimension of confirmation.

Essentially, the confirmation process is a judgment on the character and suitability of individuals for particular positions. Of course such appraisals mark all selection decisions. But Senate confirmation is in that regard distinctive, because those judgments occur in public. Nominees are subject to general examination and comment in public hearings, public discussions, and public votes. A person's reputation and career could be damaged, even destroyed, by that decision and the manner in which it is reached.

Senate confirmation must not be a trial by fire process. Reasonable expectations of privacy and fair treatment must be guaranteed. To do otherwise would result in discouraging the very people we hope will be attracted to high Federal office. Obviously, the objectives of a careful confirmation process would be defeated if that occurred.

On the other hand, the Senate must know the nominees it is asked to confirm. The Senate must be convinced that nominees are affirmatively qualified for Federal office. How else can the Senate discharge its public trust of advice and consent? All of that requires information, which can only result from a reasonable inquiry into the background and integrity of Presidential nominees. Confirmation, also by its nature, is and must be a public process. Accepting nomination necessarily involves some sacrifice of personal privacy. Background information will come to light, and will be considered.

I believe our committee rule strikes a delicate balance between those competing considerations.

First, there will be a thorough process and established standards. A careful inquiry into the nominee's experience, qualifications, suitability, and integrity will be conducted. Financial and biographical information will be provided by nominees as a requirement of confirmation. The investigative summaries on nominees, prepared by the FBI and other executive agencies, will be reviewed. The nominee will be interviewed, and will be questioned under oath at a public hearing. Real and potential financial conflicts of interest will be considered.

A written report on the background of the nominee will be presented to the committee. That report will detail any unresolved or questionable matters that may have arisen during the course of the inquiry. The committee will recommend confirmation, upon a finding that the nominee has the necessary integrity and is affirmatively qualified by reason of

training, education, or experience to hold the office to which he or she was nominated.

However, the committee process also insures impartial treatment of nominees, and careful handling of sensitive background information. Responsibility for the inquiry will be focused in designated persons, and information will not be distributed pell mell. Financial information provided by nominees will be made available for public inspection, but will not be published.

The committee inquiry will be conducted by experienced investigators, designated by the chairman and ranking minority member. Those individuals will have regular access to reports on nominees prepared by the FBI and other agencies. Every effort will be made to substantiate concerns about a nominee before they are considered by the committee. The written report will be made available in the committee office for inspection by members of the committee.

In summary, I believe that rule 8 will result in an informed confirmation process without unnecessary or haphazard infringements on reasonable expectations of privacy.

I submit the committee rules, including our new rule on confirmation standards and procedures, for the RECORD.

The material is as follows:

RULES OF PROCEDURE ADOPTED BY THE COMMITTEE ON GOVERNMENT AFFAIRS

PURSUANT TO SECTION 133B OF THE LEGISLATIVE REORGANIZATION ACT OF 1946, AS AMENDED

Rule 1. Meetings and meeting procedures other than hearings

A. *Meeting dates.* The committee shall hold its regular meetings on the first Thursday of each month, when the Congress is in session, or at such other times as the chairman shall determine. Additional meetings may be called by the chairman as he deems necessary to expedite committee business. (Sec. 133(a), Legislative Reorganization Act of 1946, as amended.)

B. *Calling special committee meetings.* If at least three members of the committee desire the chairman to call a special meeting, they may file in the offices of the committee a written request therefor, addressed to the chairman. Immediately thereafter, the clerk of the committee shall notify the chairman of such request. If within three calendar days after the filing of such request, the chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the committee members may file in the offices of the committee their written notice that a special committee meeting will be held, specifying the date and hour thereof, and the committee shall meet on that date and hour. Immediately upon the filing of such notice, the committee clerk shall notify all committee members that such special meeting will be held and inform them of its date and hour. If the chairman is not present at any regular, additional or special meeting, the ranking majority member present shall preside. (Sec. 133(a), Legislative Reorganization Act of 1946, as amended.)

C. *Meeting notices and agenda.* Written notices of committee meetings, accompanied by an agenda enumerating the items of business to be considered, shall be sent to all committee members at least three days in advance of such meetings. In the event that unforeseen requirements of committee business prevent a three-day notice, the committee staff shall communicate such notice by telephone to members or appropriate staff assistants in their offices, and an agenda will be furnished prior to the meeting.

D. *Open business meetings.* Meetings for the transaction of committee or subcommittee business shall be conducted in open session, except that a meeting or portions of a meeting may be held in executive session when the committee members present, by majority vote, so determine. The motion to close a meeting, either in whole or in part, may be considered and determined at a meeting next preceding such meeting. Whenever a meeting for the transaction of committee or subcommittee business is closed to the public, the chairman of the committee or the subcommittee shall offer a public explanation of the reasons the meeting is closed to the public. This paragraph shall not apply to the Permanent Subcommittee on Investigations.

E. *Prior notice of first degree amendments.* It shall not be in order for the Committee, or a subcommittee thereof, to consider any amendment in the first degree proposed to any measure under consideration by the Committee or subcommittee unless a written copy of such amendment has been delivered to each member of the Committee or subcommittee, as the case may be, and to the office of the Committee or subcommittee, at least 24 hours before the meeting of the Committee or subcommittee at which the amendment is to be proposed. This subsection may be waived by a majority of the members present. This subsection shall apply only when at least 72 hours written notice of a session to mark-up a measure is provided to the Committee.

F. *Agency comments.* When the Committee has scheduled and publicly announced a mark-up meeting on pending legislation, if executive branch agencies, whose comments thereon have been requested, have not responded by the time of the announcement of such meeting, the announcement shall include the final date upon which the comments of such agencies, or any other agencies, will be accepted by the Committee.

Rule 2. Quorums

A. *Reporting legislation.* Nine members of the committee shall constitute a quorum for reporting legislative measures or recommendations. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

B. *Transaction of routine business.* Five members of the committee shall constitute a quorum for the transaction of routine business, provided that one member of the minority is present.

For the purpose of this paragraph, the term "routine business" includes the convening of a committee meeting and the consideration of legislation pending before the committee and any amendments thereto, and voting on such amendments. (Rule XXV, Sec. 5(a), Standing Rules of the Senate.)

C. *Taking sworn testimony.* Two members of the committee shall constitute a quorum for taking sworn testimony: *Provided, however,* That one member of the committee shall constitute a quorum for such purposes, with the approval of the chairman and the ranking minority member of the committee, or their designee. (Rule XXV, Sec. 5(b), Standing Rules of the Senate.)

D. *Taking unsworn testimony.* One member of the committee shall constitute a quorum for taking unsworn testimony. (Sec. 133(d)(2), Legislative Reorganization Act of 1946, as amended.)

E. *Subcommittee quorums.* Subject to the provisions of section 5(a) and 5(b) of Rule XXV of the Standing Rules of the Senate, and section 133(d) of the Legislative Reorganization Act as amended, the subcommittees of this committee are authorized to establish their own quorums for the transaction of business and the taking of sworn testimony.

F. *Proxies prohibited in establishment of a quorum.* Proxies shall not be considered for the establishment of a quorum.

Rule 3. voting

A. *Quorum required.* No vote may be taken by the committee, or any subcommittee thereof, on any measure or matter unless a quorum, as prescribed in the preceding section, is actually present.

B. *Reporting legislation.* No measure or recommendation shall be reported from the committee unless a majority of the committee members are actually present, and the vote of the committee to report a measure or matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

C. *Proxy voting.* Proxy voting shall be allowed on all measures and matters before the committee, or any subcommittees thereof, except that, when the committee, or any subcommittee thereof, is voting to report a measure or recommendation, proxy votes shall be allowed solely for the purposes of recording a member's position on the pending question and then, only if the absent committee member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be addressed to the chairman of the committee and filed with the chief clerk thereof, or to the chairman of the subcommittee and filed with the clerk thereof, as the case may be. All proxies shall be in writing and shall contain sufficient reference to the pending matter as is necessary to identify it and to inform the committee as to how the member wishes his vote to be recorded thereon. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

D. *Announcement of vote.* (1) Whenever the committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

(2) Whenever the committee by rollcall vote acts upon any measure or amendment thereto, other than reporting a measure or recommendation, the results thereof shall be announced in the committee report on that measure unless previously announced by the committee, and such announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment thereto by each member of the committee who was present at that meeting. (Sec. 133(b), Legislative Reorganization Act of 1946, as amended.)

(3) In any case in which a rollcall vote is announced, the tabulation of votes shall state separately the proxy vote recorded in favor of and in opposition to that measure, amendment thereto, or recommendation. (Sec. 133 (b) and (d) Legislative Reorganization Act of 1946, as amended.)

Rule 4. Chairmanship of meetings and hearings

The chairman shall preside at all committee meetings and hearings except that he shall designate a temporary chairman to act in his place if he is unable to be present at a scheduled meeting or hearing. If the chairman (or his designee) is absent ten minutes after the scheduled time set for a meeting or hearing, the senior Senator present of the chairman's party shall act in his stead until the chairman's arrival. If there is no member of the chairman's party present, the senior Senator of the committee minority present shall open and conduct the meeting or

hearing until such time as a member of the majority enters.

Rule 5. Hearings and hearing procedures

A. *Announcement of hearings.* The committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearing, unless the committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date. (Sec. 133A (a), Legsliative Reorganization Act of 1946, as amended.)

B. *Open hearings.* Each hearing conducted by the committee, or any subcommittee thereof, shall be open to the public unless the committee, or subcommittee, determines that the testimony to be taken at that hearing may (1) relate to a matter of national security, (2) tend to reflect adversely on the character or reputation of the witness or any other individual, or (3) divulge matters deemed confidential under other provisions of law or Government regulations. (Rule XXV, Sec. 7(b), Standing Rules of the Senate.)

C. *Radio, television, and photography.* The committee, or any subcommittee thereof, may permit the proceedings of hearings which are open to the public to be photographed and broadcast by radio, television or both, subject to such conditions as the committee, or subcommittee, may impose. (Rule XXV, Sec. 7(c), Standing Rules of the Senate.)

D. *Advance statements of witnesses.* A witness appearing before the committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least one day prior to his appearance, unless this requirement is waived by the chairman and the ranking minority member, following their determination that there is good cause for failure of compliance. (Sec. 133A(c), Legislative Reorganization Act of 1946, as amended.)

E. *Minority witnesses.* In any hearings conducted by the committee, or any subcommittee thereof, the minority members of the committee shall be entitled, upon request to the chairman by a majority of the minority to call witnesses of their selection during at least one day of such hearings. (Sec. 133A(e), Legislative Reorganization Act of 1946, as amended.)

Rule 6. Committee reports

A. *Timely filing.* When the committee has ordered a measure or recommendation reported, following final action the report thereon shall be filed in the Senate at the earliest practicable time. (Sec. 133(c), Legislative Reorganization Act of 1946, as amended.)

B. *Supplemental, minority, and additional views.* A member of the committee who gives notice of his intention to file supplemental, minority or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the chief clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the committee report may be filed and printed immediately without such views. (Sec. 133(e), Legislative Reorganization Act of 1946, as amended.)

C. *Draft reports of subcommittees.* All draft reports prepared by subcommittees of this committee on any measure or matter referred to it by the chairman, shall be in the form, style, and arrangement required to conform to the applicable provisions of the Standing Rules of the Senate, and shall be in accordance with the established practices followed by the committee. Upon completion of such draft reports, copies thereof shall be filed with the chief clerk of the committee at the earliest practicable time.

D. *Cost estimates in reports.* All committee reports, accompanying a bill or joint resolution of a public character reported by the committee, shall contain (1) an estimate, made by the committee, of the costs which would be incurred in carrying out the legislation for the then current fiscal year and for each of the next five fiscal years thereafter (or for the authorized duration of the proposed legislation, if less than five years); (2) a comparison of such cost estimates with any made by a Federal agency; or (3) a statement of the reasons for failure by the committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Sec. 252(a), Legislative Reorganization Act of 1970.)

Rule 7. Subcommittees and subcommittee procedures

A. *Regularly established subcommittees.* The committee shall have six regularly established subcommittees. The subcommittees are as follows:

Permanent Subcommittee on Investigations.

Intergovernmental Relations.

Governmental Efficiency and the District of Columbia.

Federal Spending Practices and Open Government.

Energy, Nuclear Proliferation and Federal Services.

Civil Service and General Services.

B. *Ad hoc subcommittees.* Following consultation with the ranking minority member, the chairman shall, from time to time, establish such ad hoc subcommittees as he deems necessary to expedite committee business.

C. *Subcommittee membership.* Following consultation with the majority members, and the ranking minority member, of the committee, the chairman shall announce selections for membership on the subcommittees referred to in paragraphs A and B, above.

D. *Subcommittee meetings and hearings.* Each subcommittee of this committee is authorized to establish meeting dates and adopt rules not inconsistent with the rules of the committee.

E. *Subcommittee budgets.* Each subcommittee of this committee, which requires authorization for the expenditure of funds for the conduct of inquiries and investigations, shall file with the chief clerk of the committee, not later than January 10 of that year, its request for funds for the 12-month period beginning on March 1 and extending through and including the last day in February of the following year. Each such request shall be submitted on the budget form prescribed by the Committee on Rules and Administration, and shall be accompanied by a written justification; addressed to the chairman of the committee, which shall include (1) a statement of the subcommittee's area of activities, (2)its accomplishments during the preceding year; and (3) a table showing a comparison between (*a*) the funds authorized for expenditure during the preceding year, (*b*) the funds actually expended during that year, (*c*) the amount requested for the current year, and (*d*) the number of professional and clerical staff members and consultants employed by the subcommittee during the preceding year and the number of such personnel requested for the current year. (Sec. 133(g), Legislative Reorganization Act of 1946, as amended.)

Rule 8. Confirmation standards and procedures

A. Standards. In considering a nomination, the Committee shall inquire into the nominee's experience, qualifications, suitability, and integrity to serve in the position to which he or she has been nominated. The Committee shall recommend confirmation, upon finding that the nominee has the necessary integrity and is affirmatively qualified by reason of training, education, or experience to carry out the functions of the office to which he or she was nominated.

B. Information Concerning the Nominee. As a requirement of confirmation, each nominee shall submit on forms prepared by the Committee the following information:

(1) A detailed biographical resume which contains information relating to education, employment and achievements;

(2) A financial statement which lists assets and liabilities of the nominee; and

(3) Copies of other relevant documents requested by the Committee, such as a proposed blind trust agreement.

At the request of either the Chairman or the Ranking Minority Member, a nominee shall be required to submit a certified financial statement compiled by an independent auditor.

Information received pursuant to this subsection shall be made available for public inspection; provided, however, that tax returns shall, after review by persons designated in subsection (C) of this rule, be placed under seal to ensure confidentiality.

C. Procedures for Committee Inquiry. The Committee shall conduct an inquiry into the experience, qualifications, suitability and integrity of nominees, and shall give particular attention to the following matters:

(1) A review of the biographical information provided by the nominee, including any professional activities related directly to the duties of the office to which he or she is nominated;

(2) A review of the financial information provided by the nominee, including tax returns for the three years preceding the time of his or her nomination;

(3) A review of any actions, taken or proposed by the nominee, to remedy conflicts of interest; and

(4) A review of any personal or legal matter which may bear upon the nominee's qualifications for the office to which he or she is nominated.

For the purpose of assisting the Committee in the conduct of this inquiry, a Chief Investigator shall be designated by the Chairman and a Minority Investigator shall be designated by the Ranking Minority Member. The Chairman, Ranking Minority Member, and the designated Investigators shall have access to all investigative reports on nominees prepared by any Federal agency, including the Federal Bureau of Investigation. The Committee may request the assistance of the General Accounting Office in conducting an audit of financial information provided by nominees.

D. Report on the Nominee. After a review of all information pertinent to the nomination, a confidential report on the nominee shall be submitted to the Chairman and the Ranking Minority Member. The report shall detail any unresolved or questionable matters that have been raised during the course of the inquiry. Copies of all relevant documents and forms, except any tax returns, submitted pursuant to subsection (B) shall be attached to the report. The report shall be kept in the Committee office for inspection by Members of the Committee.

E. Hearings. The Committee shall conduct a public hearing during which the nominee shall be called to testify under oath on all matters relating to his or her suitability for office, including the policies and programs which he or she will pursue while in that position. No hearing shall be scheduled until at least 72 hours after the following events have occurred: the nominee has responded to pre-hearing questions submitted by the Committee; and the report required by subsection (D) has been submitted to the Chairman and Ranking Minority Member, and is

made available for inspection by Members of the Committee.

F. Action on Confirmation. A mark-up on a nomination shall not occur on the same day that the hearing on the nominee is held. In order to assist the Committee in reaching a recommendation on confirmation, the staff shall make an oral presentation to the Committee at the mark-up, factually summarizing the nominee's background and the steps taken during the pre-hearing inquiry.

G. Application. The procedures contained in subsections (C), (D), (E), and (F) of this rule shall apply to persons nominated by the President to positions requiring their full-time service. At the discretion of the Chairman and Ranking Minority Member, those procedures may apply to persons nominated by the President to serve on a part-time advisory basis.●

TWO STATE LEGISLATURES OPPOSE DISMEMBERMENT OF USDA

● Mr. TALMADGE. Mr. President, I bring to the attention of the Senate two resolutions adopted in recent weeks by the Legislatures of Colorado and Idaho.

House Joint Resolution 1013, sponsored by several members of the Colorado House and Senate, opposes the transfer of the Soil Conservation Service and the U.S. Forest Service from the Department of Agriculture to the Department of the Interior. The resolution urges the Federal Government to "move cautiously in its deliberations regarding any change in the organization for management of the Nation's renewable resources."

I think the Colorado Legislature should be commended for its action. But the resolution adopted by the Idaho Legislature may be even more significant.

Since leaving the governorship of Idaho to become Secretary of the Interior, Cecil Andrus has made no secret of his desire to capture the Forest Service from the Department of Agriculture in the President's reorganization process.

A joint memorial of the Idaho House and Senate to the President, to the Secretary of Agriculture, to Secretary Andrus, and the Congress opposes the transfer of the Forest Service from Agriculture to Interior.

As I said in my press statement of December 27, 1977, there are powerful forces at work in this Government that would tear the Department of Agriculture to pieces. Once again I wish to serve notice that I will oppose these forces with all my ability. I welcome the support of these great State legislative bodies, as well as endorsements I have received for my position from the National Association of Counties, the American Forestry Association, the National Association of Conservation Districts, the National Rural Electric Cooperative Association, the Forest Farmers Association, and others.

Mr. President, I submit the resolutions adopted by the Colorado and Idaho Legislatures for the RECORD.

The resolutions follow:

H.J.R. 1013

Whereas, President Carter has approved a plan to study whether federal responsibilities for natural and environmental programs are effectively organized and to consider possible improvements; and

Whereas, The scope of the study includes a proposal to remove the United States Forest Service and the United States Soil Conservation Service from the United States Department of Agriculture to the United States Department of the Interior; and

Whereas, Because approximately thirty-six percent of the land in Colorado is federally owned, said Forest Service and said Soil Conservation Service have a vital role in Colorado, and their operation in a manner consistent with the needs of the rural areas of Colorado is crucial; and

Whereas, The United States Department of Agriculture has a long history of land management with resource capabilities for carrying out land programs and related activities and has the expertise and facilities for carrying out such programs and related activities on a cooperative basis with ranchers and farmers; and

Whereas, There is a close relationship between land resources and the production of food and fiber which has been historically administered by the United States Department of Agriculture; and

Whereas, When land and water resource management is viewed as the mutual responsibility of government and the private sector, the United States Department of Agriculture is centrally involved, in that ninety percent of the land area of this nation is affected by its programs and policies for conservation and its use of renewable resources; and

Whereas, It is in the interest of all of the residents of Colorado to consider the impact of legislation concerning federally owned land and privately owned land contiguous thereto; and

Whereas, The United States Department of Agriculture has historically managed to balance the demands on public lands and has more experience in the multiple use concept of public lands than any other federal department or agency; and

Whereas, Such actions as are being proposed which concern the transfer of certain functions of the United States Department of Agriculture to other departments will relegate said Department to less than a cabinet-level department of the federal government and leave it without a voice concerning the economic growth of this nation; now, therefore,

Be It Resolved by the House of Representatives of the Fifty-first General Assembly of the State of Colorado, the Senate concurring herein:

That this General Assembly opposes the transfer of the United States Forest Service and the United States Soil Conservation Service from the United States Department of Agriculture to the United States Department of the Interior and that the federal government move cautiously in its deliberations regarding any change in the organization for management of the nation's renewable resources.

Be It Further Resolved, That copies of this Resolution be transmitted to the President of the United States, to the Natural Resources Environment Division of the United States Office of Management and Budget, and to each member of the Congress of the United States from the State of Colorado.

HOUSE JOINT MEMORIAL No. 17

Whereas, the United States Forest Service, established in 1905 within the Department of Agriculture, was created and designed to serve the interests of the public through the management of the forest resources of this nation; and

Whereas, over the span of nearly three-quarters of a century, members of the agricultural community have participated with the Forest Service in beneficial use of forest lands, including grazing of livestock and harvesting of timber in ways which contribute to a sound economy and a wise management of resources; and

Whereas, a long tradition of operation through the Department of Agriculture should not be disturbed without a significant demonstration that the existing organizational structure has failed to serve the public interest; and

Whereas, proposals are now under consideration which would transfer the Forest Service to the Department of Interior or other possible umbrella agency and interrupt the history of service and progress which has served the people of the State of Idaho and of this Nation.

Whereas, we find that the existing structure has served well for nearly seventy-five years, and we encourage the Congress to carefully consider this history of service and accomplishment.

Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urge the Congress and the President to reject proposals for the transfer of the Forest Service from the Department of Agriculture.

Be it further resolved that the Chief Clerk of the House of Representatives, be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Honorable Secretary of the Department of Agriculture, Robert S. Bergland, the Honorable Secretary of the Department of Interior, Cecil D. Andrus, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States.●

SOCIAL SECURITY TAX CREDITS

● Mr. EAGLETON. Mr. President, on almost any day this year, we have been able to pick up the newspaper and read stories, editorials, and letters to the editor about the Social Security Amendments of 1977. The theme of much of this coverage has been the American public's outrage at the staggering new tax rates included in those amendments. The people are telling us that these new payroll taxes are simply too much to bear.

During the past months, several bills have been introduced in response to this public outcry. These bills would pump general revenue funds into the social security system, thereby enabling us to roll back some of the 1977 payroll tax increase. I am glad to see such legislation introduced this year; as my colleagues will recall, I unsuccessfully advocated partial general revenue funding during last year's debate on the social security amendments.

Unfortunately, the prospects for this type of legislation still do not appear favorable. The President, the distinguished chairman of the Senate Finance Committee, and the distinguished chairman of the House Ways and Means Committee all are presently opposed to any use of general revenue funds for social security. I am enough of a political realist to know, Mr. President, that the formidable opposition of these three gentlemen will make it practically impossible for any legislation of this type to be enacted this year.

The calls for relief continue to be heard from our constituents, however, and we are compelled to offer some relief. One possible avenue of such relief can be found in connection with President Carter's tax cut proposal, which was sent to the Congress earlier

this year. My colleagues will recall that part of the President's reason for offering this income tax cut was to compensate for the higher social security payroll taxes. However, as the details of the President's proposal were made available, it became apparent that an amendment to the plan would be needed. This is because the President has proposed that all taxpayers share equally in the benefits of the income tax cut, even though not all taxpayers will share equally the burden of the new, higher social security tax rates.

This flaw in the Carter proposal is best illustrated by a hypothetical example. Let us imagine two identical families of four, the Smiths and the Joneses, who live side-by-side in identical houses. Both families have $20,000 annual incomes. The only difference between them is that Mr. Smith works for the Federal Government, while Mr. Jones works in private industry.

In 1979, Mr. Smith, who works for the Government, will find that his income tax bill is $270 less than it was in 1978, thanks to the Carter income tax cut. Furthermore, since Smith, as a Federal worker, does not participate in social security, he pays no additional social security tax. He therefore realizes a net benefit of $270. If Smith responds according to the President's plan, he will spend that money and stimulate the economy.

Next door at the Jones House, Mr. Jones also discovers that his 1979 income tax liability is $270 less than his 1978 payment. However, Jones also notices that his social security withholding for 1979 went up in the amount of $261 over 1977, leaving him with a net increase in income of only $9. Obviously, this is not fair. Smith and Jones have identical income and dependents, and they should receive approximately equal net benefits from the tax cut.

This is the object of a bill (S. 2459) which I introduced on January 31, 1978. Under the terms of my bill, an individual would be allowed a credit against income tax equal to 15 percent of the individual's social security tax payments during the tax year. This credit would assure that a portion of the benefits of the income tax cut, specifically the portion aimed at compensating for higher social security taxes, would go only to those who actually pay social security taxes. Remaining benefits of the income tax cut would be shared equally by all income taxpayers.

As I mentioned earlier, direct infusion of general revenue funds into social security proved unacceptable to the Congress last year, and most likely again will prove unacceptable this year. That being the case, I would like to suggest to my colleagues one other possible way to respond to the avalanche of mail from back home seeking relief from the new social security payroll tax rates. That way is to join in cosponsoring my bill, which would provide immediate relief to beleaguered social security taxpayers.●

ALEXANDER GINZBURG

Mr. JACKSON. Mr. President, I wish to take this opportunity to remind my colleagues in the Congress of the plight of the young, heroic Russian, Alexander Ginzburg.

He has already served 7 years in Soviet forced labor camps. He was arrested for a third time on February 3, 1977. Since then, he has been held incommunicado in Kaluga Prison. He has been charged with no crime. He has been permitted no visitors. He cannot communicate with his family or his friends; they do not know whether their communications are allowed to reach him.

Why was Alexander Ginzburg arrested?

He was arrested because he administered a humane charity for political prisoners, and because he spoke the truth about Soviet noncompliance with international accords to which the Soviets themselves are a party.

Alexander Ginzburg was the administrator of the Russian Social Fund, a charitable organization founded by Mr. Solzhenitsyn from the proceeds of the Gulag Archipelago to aid political prisoners confined for their beliefs in Soviet camps, jails, and psychiatric hospitals and to assist their suffering families with food, clothing, and medicine.

He has also been one of the resolute activists on behalf of human rights. In the face of repeated arrests and harassment, he stayed the course. As one of the founders of the Helsinki Watch Group, he spoke out about the Soviet Government's violations of the Helsinki Accords and other international human rights agreements.

The Alexander Ginzburg Defense Committee sums up the matter this way:

If Alexander Ginzburg is brought to trial, it will mean that it is a crime in the Soviet Union to dispense mercy; and that it is a crime in the Soviet Union to speak the truth about violations of law and international agreements.

At this stage, public attention and exposure are the only factors which might bring about some improvement in the fate which looms over this kind, goodhearted, and courageous man. I call upon my colleagues to join in focusing public attention on the story of Alexander Ginzburg.

In this spirit, I submit for the RECORD the text of the recent appeal of Andrei Sakharov on behalf of Alexander Ginzburg.

The material follows:

DR. ANDREI SAKHAROV'S APPEAL

Exactly a year ago, Alexander Ginzburg, manager of the Russian Social Fund of help to political prisoners and their families and member of the Helsinki Accords Watch Group in the USSR, was arrested. He has two small children and is his old mother's only son. He is a kind and generous man, an active man, always compassionate and attentive to other people's sufferings. Our friend, our Alik.

He is still in a prison cell, under investigation, awaiting trial. None of his relatives and friends know what he is being charged with. So many things have happened since Ginzburg's arrest, and yet his imprisonment continues being for us a fact of the greatest importance, a highly alarming fact of which we think with invariable deep bitterness.

Ginzburg became known to the whole world ten years ago, when our country's intelligentsia launched a vast campaign to defend him and his companions against an unjust and harsh sentence. His friend, the poet Yuri Galanskov, who was sentenced during the same trial, perished in a forced labor camp. Over one thousand people at that time signed letters of protest in their defense, thus clearly demonstrating their attitude towards the repressive policy of our regime.

What Ginzburg is facing today is even more unjust and more cruel. His defense must be most energetic and worldwide. Ginzburg's arrest has been the beginning of a tide of political repression. Members of the Helsinki Watch Group have been singled out particularly as victims of this repression.

Ginzburg's defense is at the same time the defense of all his companions and a fight against political repression as such.

February 2, 1978 Andrei Sakharov

TAXPAYERS STANDING TO CHALLENGE IRS RULES

● Mr. KENNEDY. Mr. President, during the tax reform debate in the 94th Congress, I proposed an amendment to authorize judicial review of certain Internal Revenue Service determinations and regulations. My amendment—No. 1966—would have allowed any person to seek judicial review of a private tax ruling if the ruling decreased the tax liability of another person by an aggregate amount of $1 million or more for any taxable year, or of any ruling raising a substantial question of infringement of Federal constitutional rights. In my statement on the amendment, appearing in the July 26, 1976, CONGRESSIONAL RECORD at page 23886, I cited specific examples of giveaway rulings and the basic legal argument for authorizing judicial review of those rulings. Unfortunately the amendment was not adopted by the Senate.

The Congress did, in that tax reform legislation, provide that IRS rulings were to be made public. The publication of rulings will, of course, make clear on a regular basis to the Congress and the public the nature and magnitude of private IRS determinations. To insure greater equity in the ruling process and to allow the public an independent avenue of redress when a ruling which is unconstitutional or otherwise illegal winds up giving away large amounts of Federal dollars, judicial review should now be made available.

A recent article appearing in Tax Notes by Prof. Michael Asimow makes a strong case for Congress' renewing its consideration of this standing issue. Professor Asimow states that—

It is time . . . to sweep away the anachronistic rules precluding suits which challenge lenient tax rules.

After an exhaustive and documented analysis of the arguments for and against a new judicial review statute, he concludes:

The arguments against such a statute, whether on constitutional or policy grounds, are unpersuasive. Erroneously lenient tax rules threaten the horizontal and vertical equity of our tax structure. They also threaten public confidence in the independence of the Treasury and the fairness of the taxing system. As prescribed by a carefully drawn statute judicial review would be good medicine for these ills.

Professor Asimow has proposed his own taxpayer standing statute which,

while similar in objective, differs in a few ways from the one I proposed almost 2 years ago. I believe that it is important that both of these approaches receive careful examination by the Treasury Department, the public, and ultimately the Congress. I intend to introduce legislation on this subject again after I have obtained the views of the IRS. To that end I have asked Commissioner Kurtz for his views on both my earlier amendment and Professor Asimow's proposed statute.

I submit for the RECORD the article entitled "Standing to Challenge Lenient Tax Rules."

The article follows:

STANDING TO CHALLENGE LENIENT TAX RULES: A STATUTORY SOLUTION

(By Michael Asimow)

The Treasury Department is a rulemaking factory. On its assembly line, thousands of pages of regulations and hundreds of thousands of public and private tax rulings have been produced. Although the product is generally of acceptable quality, occasional rules are defective because they are inconsistent with the Internal Revenue Code.

Usually, of course, the effect of the disputed rule is to increase the taxes of a particular taxpayer or group of taxpayers. Present law provides ample protection to aggrieved taxpayers in the form of comprehensive judicial review of the legality of rules which cost them money. But a second, much smaller, class of defective rules have the effect of decreasing the taxes of a particular taxpayer or group of taxpayers. These rules will be referred to in this article as "lenient rules." This article addresses the appropriateness of judicial review of lenient tax rules and the means by which it can be obtained.

1. THE NEED FOR JUDICIAL REVIEW OF LENIENT RULES

The persons whose taxes are directly affected by a rule are not the only ones with an interest in it. In many situations, the competitors of the favored taxpayer must bear a higher tax burden and are thereby injured by the rule. In other situations, the employees or the customers of the beneficiary of a lenient rule may be harmed by the rule.

Even if no person suffers particularized harm from a lenient rule, everyone in the United States may suffer an injury. All of us, as citizens and fellow taxpayers, should be distressed when the horizontal equity of the tax structure is disrupted by a rule which fails to treat similarly situated persons equally.

By the same token, all taxpayers are injured by rules which undercut the progressive character of our tax system by favoritism to high-bracket taxpayers. A failure to collect taxes which legally could be collected will increase the federal budgetary deficit, with a corresponding effect on the rate of inflation, the money supply, and the interest burden on the federal debt. Large budgetary deficits also preclude Congress from initiating or expanding social programs and militate against a decrease in tax rates. In short, a lenient tax rule which is inconsistent with the statute inflicts a spectrum of injuries—perhaps only the pinprick of principle, perhaps a serious wound.

The scope of the problem

It is impossible to document in any rigorous way the scope of the problem of Treasury leniency in rulemaking. Every tax professional has his or her own list of detested (or cherished) rules of dubious legality. Often, for obvious reasons, the beneficiary of the rule is not anxious to publicize it, so many such rules have no notoriety. At this point, I shall list a number of rules whose consistency with the Internal Revenue Code could reasonably be questioned. Some of these rules still exist; others have been weeded out, but only after having thrived for years.

(a) Scholarships given the children of private university faculty members (at their own institutions or at other institutions) are not taxed to the parent or the child, even though the parent's services created an entitlement to the scholarship.[2] This rule illustrates a rather common phenomenon: it has created a substantial reliance interest. Many academic employers make use of this fringe benefit and it is taken for granted by its recipients. The Service recently proposed regulations which would tax such scholarships,[3] but the proposals were withdrawn after they met a barrage of protests.[4]

(b) The deduction of five years' prepaid interest was permitted for many years.[5] This rule gave rise to a huge volume of tax avoidance transactions [6] before it was ultimately revoked.[7]

(c) Free travel fringe benefits given to airline employees are not taxable.[8]

(d) Professionals, such as doctors and lawyers, are given far more favorable treatment than other self-employed persons in applying the maximum tax on personal service income.[9]

(e) The Treasury traditionally viewed group life insurance protection provided by an employer as nontaxable to an employee.[10] This fringe benefit ultimately became so significant that it was legitimized by statute.[11] Perhaps this anomalous statutory provision would never have been enacted but for the reliance interest created by prior rulemaking.

(f) For several years the Treasury viewed a stock option given by an employer to an employee as nontaxable on exercise if "noncompensatory." [12] As a result, stock options became so popular that Congress ultimately enacted legislation conferring generous tax treatment on restricted stock options.[13]

(g) A regulation providing an option to immediately deduct intangible drilling costs of productive oil and gas wells was probably contrary to the statute.[14] However, an enormous reliance interest was created by the regulation; when it was judicially questioned, Congress enacted a theoretically unjustified statute which sanctioned the practice.[15] The case casting doubt on the lenient regulation arose only because of an unusual difference of opinion between the Commissioner of Internal Revenue and the Secretary of the Treasury.

(h) Rulings allowing the immediate deduction of prepaid intangible drilling costs and prepaid state and local income or property taxes [16] seem vulnerable to attack.

(i) The Treasury ruled that a distribution from a qualified pension plan occurring by reason of a reorganization produced a capital gain, even though the employee continued in the same job for a new entity.[17] Although the Tax Court thought this ruling erroneous,[18] it was powerless to alter the situation. Ultimately, the ruling was revoked.[19]

(j) Regulations which classify entities as partnerships or corporations [20] have been heavily criticized by many commentators.[21] These regulations preclude the IRS from treating as corporations many limited partnerships organized to exploit tax shelters. As often occurs, the favorable regulation now has powerful political backing which apparently forestalls the Treasury from revoking the regulation.[22] The Treasury is pinning its hopes on litigation by which it seeks to circumvent the terms of its own regulation.[23]

Undoubtedly, any person working in the tax field could extend this list by adding his or her own favorites.[24] Some of the rules on the list will strike most tax professionals as vulnerable to judicial challenge (either now or at the time they were outstanding); others may seem probably correct. Some of the rules remain outstanding; some have been corrected by the Treasury itself, but only after substantial periods of time.[25] Still others have been confirmed by Congress, a decision reflecting the almost irresistible political pressure generated by threats to a long-standing lenient rule.

Avenues of protection

If the presence of defectively lenient tax rules presents an important problem of tax administration, what avenues of protection are available? Certainly, reconsideration by the Treasury is the swiftest and best approach. The Treasury can and does re-examine its own rules; such reviews may be stimulated by outsiders who criticize the rules or by petitions to reconsider the rules.[26] They may be prompted by internal changes of position. However, Treasury reconsideration of its rules is not an entirely satisfactory solution to the problem. No agency enjoys admitting that a prior position was erroneous, and none relishes exhuming a matter thought to be forever settled.

Moreover, it is commonly suspected by outsiders that the political and economic importance of the beneficiary of lenient rules led to adoption of the dubious rule in the first place [27] and precludes an even-handed reconsideration. Indeed, it seems fairly obvious that well-organized political pressures can abort threatened changes in popular rules.[28] The fact that the beneficiaries of lenient rules are often such powerful interests as the oil and gas industry, important charities, private universities, or the real estate construction industry, gives rise to justifiable doubts that the agency can be relied upon to correct an unwarranted rule on its own.[29]

Many people would also argue that Congressional oversight is sufficient protection against dubiously lenient tax rules. Certainly, Congress has often acted, usually to confirm such rules after they have been questioned.[30] And the important policy issues raised by lenient rulings should ultimately be resolved by Congress.[31]

The shortcomings of congressional review

But many lenient tax rules are sufficiently obscure that they will never be called to the attention of Congress. Needless to say, the beneficiaries of the rules generally prefer to keep them as obscure and unknown as possible. Other rules do not lend themselves to legislative solution.[32]

But most significantly, the political posture in which Congressional reconsideration arises casts grave doubt on this avenue of protection. The persons seeking tax reform (through correction of erroneous lenient rulings) have no national constituency, typically, they are poorly organized and thinly financed. However, the beneficiaries of the largesse are frequently well organized, lavishly financed, and very highly motivated. They may well have the Treasury on their side. Thus, the prospects for an even-handed Congressional evaluation of the propriety of tax rules are dim.

Another shortcoming of reliance on Congressional review of lenient rules is the inertia factor. Persons who question rules are attacking the status quo; it is they who must try to initiate the change, over the opposition of the beneficiaries of the rule (and often the Treasury). Congress is a powerful, but very sluggish monster; it is unlikely to initiate change unless powerful interests are demanding it. This simple observation tends to explain why so few favorable tax rulings are ever reversed by Congress (in the absence of urging by the Treasury).

However, if a judicial decision invalidates a tax rule, the Congressional inertia factor then favors tax reformers. If the courts invalidate a lenient rule, it is the beneficiaries of the rule who must initiate change through the legislative process and undergo all the

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difficulties and frustrations of moving Congress to act. It is true, certainly, that these difficulties have been overcome at times and the beneficiaries of questioned or invalidated tax rules have succeeded in reincarnating them.[33] But the Treasury may well switch sides after its position has been disapproved by a court. This would, in many cases, effectively thwart Congressional reinstitution of invalidated lenient rules.

A role for the courts

If administrative review and Congressional oversight are important but insufficient checks on lenient tax rules, what of judicial review? Should the courts have a role to play in assessing the legality of such rules? At present, judicial review is unavailable.[34] However, in the opinion of the author, judicial review of lenient tax rules would serve a salutary purpose of tax administration.

In evaluating judicial review, it is essential to place the problem in perspective. Judicial review of agency rules has become the norm. Nonreviewability is the rare exception. Today, in administrative law, it is almost a truism that judicial review is to be favored, to be presumed. Judicial review is widely considered a wise antidote to administrative lethargy and control of administrative agencies by regulated interests. No longer is judicial review considered an unwarranted interference by the courts in the affairs of the agencies; on the contrary, the courts and agencies are viewed as engaged in a collaborative effort in implementing the will of Congress.[35]

In interpreting federal statutes, the courts strain to find that review has not been precluded [36] or committed to agency discretion.[37] Many rules that once would have been considered not ripe for review are today routinely reviewed.[38] The barrier of sovereign immunity has been removed by statute[39] and other statutory changes have simplified jurisdictional and venue problems.[40] The courts often feel at liberty to impose procedural requirements on agency action[41] and to take a "hard look" at the assumptions, hypotheses, and factual data on which agency rules rely.[42] It is no exaggeration to say that judicial review of agency rules has undergone a revolutionary change in a brief span of years.[43]

Historically, the standing requirement has been a serious obstacle to those seeking judicial review of administrative rules. But in recent years, the law of standing has been entirely recast, and many plaintiffs now have standing to obtain review without benefit of any statute more specific than the Administrative Procedure Act, [44] even though prior law would have required dismissal of the case. Today it is well recognized that a television viewer has standing to complain of FCC leniency toward a licensed company; [45] any person with even a remote and tangential interest in an environmental issue can complain in court of regulatory policies destructive of the environment.[46] Competitors, or others in a business relationship to persons receiving favorable regulatory treatment, can attack such treatment.[47] Consumers have free rein to attack rules harmful to their interests.[48] Judicial review has become the norm; nonreviewability the rare exception. Why should judicial review of lenient tax rules be the exception rather than the rule?

The next section of this paper details briefly the difficulties presently confronting challengers of Treasury leniency in the courts. Then a statutory solution will be suggested. Finally, the proposed statute will be explained and defended; and some of the reasons why judicial review of lenient tax rules might be opposed will be discussed.

2. OBSTACLES TO JUDICIAL REVIEW OF TREASURY LENIENCY

Recent developments in the law of standing have made it virtually impossible for anyone to mount a judicial challenge of a lenient tax rule. These developments contrast sharply with the general broadening of the standing rules for other plaintiffs. This section will sketch the standing problem briefly, and will set the stage for a detailed discussion of a statute specifically conferring standing to challenge lenient tax rules.[49]

Persons whose only interest in a dispute is as a citizen or as a taxpayer clearly lack standing in the absence of a statute conferring it. In *Flast* v. *Cohen*,[50] the long-established rule that a federal taxpayer lacks standing [51] was relaxed to a limited extent. The plaintiff challenged a federal spending program as violative of the establishment clause of the First Amendment. The *Flast* decision established that the plaintiff must have a personal stake in the dispute to have standing. This restriction on standing is based on the case or controversy limitation of Article III; additional standing restrictions are merely "prudential."

The Supreme Court found the requisite personal stake in the *Flast* situation because there was a nexus between plaintiff's status (taxpayer) and the program (taxing and spending); moreover, plaintiff alleged a specific (rather than general) constitutional inhibition on the spending program. Unfortunately, the *Flast* decision is not clear on whether these requirements—that plaintiff challenge a spending rather than a regulatory program, and that a specific constitutional limitation bar the expenditure—are constitutional or prudential limitations.[52]

The *Flast* case, originally hailed as a "cornerstone" of the law of standing,[53] has proved to be little more than an aberration. All attempts to expand it have failed.[54] For example, persons challenging primarily executive action (as distinguished from Congressional exercise of the spending power) have no standing under *Flast*.[55] Similarly, citizens, as opposed to taxpayers, have no standing.[56] Thus, *Flast* confers standing to challenge violations of the establishment clause through appropriations—and apparently that is all. Taxpayers challenging Treasury interpretations of tax laws cannot meet the *Flast* criteria.[57] However, it should be noted that *Flast* did establish one essential point: a federal taxpayer can suffer an injury sufficient to confer Article III standing. *Flast* is, therefore, a hopeful portent for a statute conferring standing on taxpayers.

The EKWRO case

Persons challenging tax interpretations, and claiming an injury more particularized than that imposed on taxpayers in general, have met with no recent success.[58] The leading case is *Simon* v. *Eastern Kentucky Welfare Rights Organization* (hereinafter referred to as *EKWRO*).[59] The plaintiffs in *EKWRO* were poor people who had been turned away when they sought reduced charge medical care at private hospitals. The dispute concerned the correctness of an IRS ruling [60] that a private hospital could be "charitable" even though it charged poor persons the full price for all nonemergency services.

The plaintiffs in *EKWRO* claimed standing under section 702 of the Administrative Procedure Act, claiming to be adversely affected or aggrieved within the meaning of a relevant statute. This claim was indeed a plausible one, in light of earlier Supreme Court interpretations of this statute which required only an "injury in fact." [61] However in *EKWRO*, the Court imposed strict rules based on causation and remediability. The plaintiffs lacked standing because their pleading failed to provide a causal link between the IRS ruling and the hospitals' decision to deny them service. Similarly, they could not allege that a court-ordered change in the ruling would cause the hospitals to provide them service.[62]

The *EKWRO* decision was the first to impose strict requirements of causation and remediability in a case challenging an administrative rule as being inconsistent with statutory requirements. However, *EKWRO* drew on several earlier constitutional cases which imposed these requirements. For example, in *Warth* v. *Seldin*,[63] plaintiffs were both poor people and builders who attacked a system of exclusionary zoning. The poor people lacked standing since they failed to point to a specific housing project which they could have afforded and which would have been built but for the zoning requirements. Similarly the builders lacked standing since they failed to allege any specific project currently thwarted by the zoning law.[64] Although it is not crystal clear, it would appear that the causation and remediability requirements imposed by *Warth* and *EKWRO* are constitutional, rather than prudential.[65]

The *EKWRO* causation requirement apparently will stifle complaints against lenient tax treatment brought by a competitor as well as a customer of the favored taxpayer. In the *ASTA* case,[66] travel agents attacked the legality of IRS' failure to tax the profits from promoting tours which were earned by a charity. The court observed that a change in the IRS' policy might well produce no benefits to the travel agents. Imposing a tax might not change the price of the services offered by the charity; even if the charity's price rose, the clients might continue to patronize the charity rather than the plaintiffs.

The zone of interest test

Another barrier to the standing of plaintiffs attacking Treasury leniency has been a strict application of the zone of interest test which requires that the interest asserted by a plaintiff be "arguably" within the zone of interests either protected or regulated by the statute in question.[67]

In *Tax Analysts & Advocates* v. *Blumenthal*,[68] the plaintiffs attacked rulings which granted the foreign tax credit to royalties paid by international oil companies. Plaintiff's standing was based on his ownership of a domestic well; he received only a deduction, not a credit, for his royalties. The court found that this competitive disadvantage supplied the necessary injury in fact,[69] but ruled that the interest asserted by plaintiff was outside the zone of interest arguably protected or regulated by the foreign tax credit. That provision was designed only to protect taxpayers operating abroad from double taxation, not to either benefit or penalize their domestic competitors.[70]

Thus it seems unlikely that anyone—whether it is a taxpayer, a customer, or a competitor—has standing under present law to attack lenient tax rules.[71] If such rules should be judicially reviewed, it is necessary to consider a statute which would confer standing. A proposed statute which would grant standing to challenge lenient tax rules is set forth in the box.

3. THE CONSTITUTIONALITY OF THE PROPOSED STATUTE

Undoubtedly, constitutional attacks would be leveled against such a statute. Consequently, the first task in defending it is to inquire concerning its constitutionality. In the author's opinion, the statute is constitutional.

(a) Taxpayer Standing by Statute:

It seems unlikely that serious Article III problems will arise in connection with a statutory grant of standing to anyone who has an injury defined by the statute.[72] Congressional authorization of the suit solves the problem of separation of powers perceived to be present in so-called public actions.[73] Sensitive to becoming a modern counterpart of the Council of Revision, the Court is reluctant to become the repository of every statutory or constitutional grievance which a plaintiff brings to it. But, if Congress has determined that the challenge is appro-

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priate, the judiciary does not overstep its proper limits by entertaining the challenge.

Moreover, Congressional approval of the action should dispel concern about whether the plaintiff can be expected to present his case with appropriate vigor and whether the parties are sufficiently adverse, both as required by Article III.[74] Indeed, the vigor of the plaintiff's presentation and the adverseness of the parties has never been strongly correlated with the nature and extent of plaintiff's injury.[75] Thus, a finding by Congress that the requisite vigorous presentation and adversity is likely to be present should weigh heavily with the Court. Finally, the issues presented (whether a statute and a rule are consistent, or whether procedural requisites for rulemaking have been met), and the relief sought (a declaratory judgment that the rule is unlawful), are the sorts of business routinely done by the federal courts. The issues are therefore presented in a "form historically viewed as capable of judicial resolution." [75a]

A statute conferring standing on all citizens would probably be constitutional, if the statute first defined a right possessed by all citizens and allowed any citizen to sue to vindicate that right.[76] For example, under the Freedom of Information Act,[77] any person has the right to request information from the government, regardless of need; if the information is not forthcoming, a right of action is provided. The constitutionality of this statute apparently has not been questioned. The plaintiff has the requisite constitutional injury because he has been denied a benefit to which the statute entitles him. Similarly, Congress has granted standing to "any person" to challenge the failure of the Environmental Protection Agency to perform a nondiscretionary duty owed to anyone (including the United States) in violation of emission standards of limitations.[78] Presumably, the basis of this provision is that everyone in the United States has a right to be free from environment-degrading action or inaction by the EPA.

Congress can grant standing by statute

Justice White's frequently cited concurring opinion in *Trafficante*[79] is significant authority for the proposition that Congress can create a right and then give a particular plaintiff standing to enforce that right, even though, in the absence of statute, the plaintiff would have no standing. *Trafficante* involved a complaint by a white resident of an apartment complex that the landlord was discriminating against minority tenants. The legislative history of the applicable federal statute suggested that the harm done by racial discrimination in housing extended to the whole community, not merely to minority victims. The statute provided that anybody who claimed to be injured could complain to the agency and had a right to sue. Justice White explained that the case or controversy requirement was met where a statute gave a right to sue to everyone who is authorized to complain to the agency, even though that same complainant would have no Article III standing in the absence of the statute.

Thus, the proposed statute begins by declaring that every taxpayer is injured by Treasury rules which are inconsistent with the Code or otherwise unlawful. The injury (which could be elucidated by legislative history or written directly into the statute) is that lenient Treasury rules interfere with both horizontal and vertical equity, reduce tax collections, and increase inflation, government borrowing, and the interest burden of the national debt. These effects tend to preclude the possibility of cuts in tax rates as well as increased appropriations for new or existing programs. Since the statute states that all taxpayers are economically injured by rules which have this effect, it should follow that all of them suffer injury in fact in the constitutional sense.

To be sure, the injury suffered by all taxpayers is generalized, not particularized. The generality of the injury would preclude judicial review in the absence of statute.[80] But in *Warth* v. *Seldin*,[81] the Court made it clear that the requirement of particularity of the injury was prudential, not constitutional. Therefore, this requirement can be removed by statute. Moreover, in a real sense, the injury is particularized; the statute requires a plaintiff first to petition for the repeal of the rule. If this relief is denied, the plaintiff has suffered a particularized injury in the same way as a Freedom of Information Act plaintiff suffers an injury from being denied the information requested.[82]

Finally, it seems clear that taxpayers suffer an injury in fact sufficient to meet Article III standards, at least with the aid of a statute. How else to explain *Flast v. Cohen*,[83] allowing a federal taxpayer to challenge a taxpaying-spending decision under the Establishment Clause? Surely, the impact upon a taxpayer from a failure to tax other taxpayers is identical to the injury described in *Flast*—unlawful spending. To be sure, the *Flast* decision contains a further limitation: the taxing-spending provision must contravene a *specific* constitutional limitation. But the requirement is attributable to the fact that no statute conferred a right to sue. Therefore, it was necessary to establish that the plaintiff as a taxpayer had an interest which the Court could vindicate. The Establishment Clause provided such an interest.[84] But where Congress has first defined a right possessed by taxpayers, and conferred standing to vindicate that right. *Flast* would be strong authority for upholding the statute. Moreover, the Court has traditionally entertained taxpayer actions appealed from state courts, provided there is a genuine "pocketbook injury" to the taxpayer plaintiffs.[85] Since Article III standards are applied in such cases, it seems clear that a taxpayer can suffer economic injury which is sufficiently "distinct and palpable" [85a] from taxing or spending decisions, where the right to be vindicated is defined by the Constitution or by a federal or state statute.

(b) Competitor or Customer Standing by Statute:

The proposed statute attempts to overrule *EKWRO* [86] and *ASTA*[87] by providing that persons suffer economic injury in fact when their interests are impaired directly, indirectly, or incidentally, by a rule or regulation.[88] Such persons are then given standing to sue to remedy this injury.[89] Surely, the patients denied standing in *EKWRO*, or the competitors denied standing in *ASTA*, can meet this standard.

However, the constitutionality of this provision is arguable, for it abrogates the strict causation and remediability requirements of *EKWRO*.[90] It may be that these requirements are incorporated within the irreducible minimum of injury necessary to meet the standing rules of Article III. However, it seems unlikely that the Court would so hold. As previously explained, it seems clear that Congress can create a right to be free from a particular form of government injury, and then give standing to vindicate that right.[91] This is precisely what the statute attempts; it confers a right on persons who are indirectly or incidentally injured by an unlawful rule benefiting their competitor (or someone else in a business relationship with them) to be free of such injury, and gives standing to sue to remedy the injury. Since the right is to be free from indirect or incidental harm, surely persons suffering such harm will have standing.

Moreover, the causation and remediability requirements seem to be instances of the broader rule that nonstatutory standing cannot be based on an injury which is too speculative or hypothetical.[92] But whether particular injuries are too speculative is very much a matter of degree, not an absolute distinction. Accordingly, it seems clear that Congress would have power to define where the line should be drawn, whether such power flows from Congress' power to define the jurisdiction of the federal courts [93] or whether it flows from the taxation power together with the necessary and proper clause.[94]

(c) Standing to Recover the Penalty:

Subsection (e) of the proposed statute provides for a $100 payment b ythe government to a prevailing party (other than the Attorney General). This provision is designed to bring the statute under the authority of the cases supporting qui tam actions. A qui tam action is one brought pursuant to a statute which orders that the plaintiff recover a bounty for a successful suit. For example, in *United States ex rel Marcus* v. *Hess*,[95] the statute allowed anyone to file suit against a person who had defrauded the United States. It provided that any damages recovered would be shared between the United States and the plaintiff. The Supreme Court upheld the validity of the statute, construing it very generously in the plaintiff's favor.

The $100 bonus given a successful plaintiff under the proposed statute would seem akin to the potential recovery of damages under the statute involved in the *United States ex rel Marcus v. Hess*. It seems that the pecuniary benefit to the plaintiff, if he wins the case, is sufficient to give him standing under Article III.[96] At the same time, the $100 bonus is hardly sufficient to attract a rash of litigation since it would be far less than the attorney's fees likely to be incurred in the case.

(d) Standing to Represent the United States:

Still another technique is employed in the proposed statute to assure its constitutionality. The statute first confers standing on the Attorney General to sue the Secretary of the Treasury in the event the Attorney General believes that a Treasury rule is unlawful.[97] It then provides that if the Attorney General declines to sue, a private individual can then sue on behalf of the United States asserting the same claims that the Attorney General could have asserted.[98]

Apart from constitutional concerns, it seems quite appropriate to lodge the primary enforcement responsibility in the Attorney General. The claim that a lenient tax rule is unlawful is really a claim on behalf of the public interest. It would seem that the Attorney General is the most appropriate party to vindicate the interests of the public at large. Therefore, the proposed statute requires that any taxpayer, competitor, or other aggrieved person must petition the Attorney General to bring suit. [99] Only if the Attorney General declines to do so, whether because he believes the rule is lawful or because he lacks personnel ir other resources to conduct the litigation, can the private plaintiff proceed.[100]

The constitutional argument in favor of the suit runs as follows: The Attorney General clearly has standing to sue to vindicate the public interest.[101] Indeed, his standing has often been recognized even in the absence of statute.[102] Consequently, with the aid of a statute, there could be no doubt that he is an appropriate party under Article III.

Moreover, the Attorney General clearly can be given standing to sue another officer of the federal government. Many Supreme Court cases have sustained the standing of a federal government representative (such as the Attorney General) to seek judicial review of the decisions of another federal agency.[103]

Finally, it would seem that Congress could lodge this law enforcement responsibility in any person it chooses, even though that person is not a paid employee of the executive branch.[104] Thus, Congress could decide that a "private attorney general" [105] in the most

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literal sense could litigate on behalf of the United States.[106]

4. IN DEFENSE OF THE PROPOSED STATUTE

This section will discuss the criticism that might be directed at the proposed statute (aside from constitutional arguments).

(a) Floodgates. It could be argued that this statute would open the floodgates to a huge amount of litigation which would tie the IRS in knots and congest the courts.[107] I think that this floodgates argument, like those forthcoming whenever an expansion of standing doctrine is at issue, is greatly exaggerated. For one thing, taxpayer actions against states and municipalities are almost universal; these actions permit taxpayers or private citizens to challenge any city or state expenditure, even though in many cases the action questioned actually has nothing to do with taxing or spending. The literature contains no complaints that any courts have been flooded or that any agency has been unduly hampered in its job by such litigation.[108]

The proposed statute contains no provision for attorney's fees to the prevailing party. Therefore, it will not attract a pack of hungry lawyers. Surely the $100 payment to the plaintiff would not begin to compensate for the costs of extended litigation through trial and appeal. Moreover, the costs of suit (other than attorney's fees) are imposed on the plaintiff if he loses, a not substantial item in protracted litigation.[109] (Indeed, if Congress wished to do so, it could impose a requirement that, in the court's discretion, the plaintiff be required to post security to cover the costs borne by defendants if plaintiff loses.)[110] The tremendous costs and burdens of protracted federal court litigation will discourage all but the most determined and vigorous plaintiffs from attacking Treasury rules.[111]

One quite valid concern with a statute like the one proposed is that it will attract tax protestors. There are many persons who appear to devote all their time and energy to battling the IRS. Such persons might welcome an opportunity to litigate the taxes of others. The statute deals with this problem by giving the trial judge the power to dismiss the action if it appears that the plaintiff does not fairly and adequately represent the interests of all taxpayers.[112] Thus, persons litigating the matter pro se or with only a perfunctory investment in research could be hastened from the court.

To further limit the impact of the statute, the definition of attackable rules excludes any that could be effectively challenged through the ordinary procedures in the Tax Court, the District Court, or the Court of Claims.[113] This provision is designed to avoid undercutting the policies behind the Anti-Injunction Act and the Declaratory Judgment Act[114] which require that taxpayers harmed by a rule forego litigation until the rule is actually applied against them (or against someone else) by the IRS. Therefore, the statute will not affect the rules prescribed in such cases as *Bob Jones Univ. v. Simon*[115] which prevent premature litigation of tax rules which increase someone's taxes.

Considering the limitations imposed by the section, and the high costs of litigation, it simply is not credible that the section will open the floodgates. If the section does produce an unexpectedly large amount of litigation, Congress can easily introduce further limitations.

(b) Adversaries of the Treasury. A valid concern with a statute conferring standing to challenge lenient rules is that the Treasury may not be wholehearted in its defense. Indeed, it may be sympathetic with the plaintiff's position. This might occur in cases (like that of the rule which excludes scholarships given the children of faculty members) where the Treasury's attempt to change its pro-taxpayer policy was apparently forestalled by vehement opposition.

This problem is dealt with by the statute in several ways. First, it provides an absolute right of intervention for a person who claims that his interests would be damaged by a decision in favor of the plaintiff.[116] Thus, the beneficiaries of the largesse clearly can enter the suit and take part in each aspect of the litigation. However, in order to prevent delays or confusion attendant upon the presence of too many intervenors, the court would have power to control the case by limiting either the number of intervenors or the mode of their participation. These provisions would be parallel to rules for mandatory intervention presently embodied in Rule 24 of the Federal Rules of Civil Procedure.

In addition, the statute provides that if the court is concerned that the interests of the beneficiary may be impaired or impeded, the court is empowered to order the joinder of one or more additional persons as necessary parities.[117] Thus, if no beneficiaries intervened, or if the intervenors mounted an inept defense of the rule (and the Treasury's defense was also inadequate), the interests of other beneficiaries might, as a practical matter, be injured and the court could and should order them (or some of them) to be joined.

The decision in a case in favor of the plaintiff would collaterally estop the Treasury and any intervenor or necessary party from relitigating the issues involved. It would not bind any other person, who, in litigation involving his own taxes, later seeks to assert that the regulation or rule was correct all along.[118] Needless to say, however, the decision in the plaintiff's favor would probably be followed as a matter of stare decisis but it need not be.[119]

(c) *IRS Has Opportunity to Consider.* One objection to a statute allowing standing to challenge lenient rules is that such an action usurps the independence of the Treasury to modify its own rules. Thus, an important limitation upon the rights of any plaintiff to bring suit under the proposed statute is that notice must be given the Treasury prior to filing, by means of a petition to revoke the rule.[120] The Treasury is given 120 days to consider the petition.[121] In some cases, therefore, the lawsuit may be mooted by repeal or modification of the rule.[122]

(d) *Ripeness problems.* Another valid concern with a statute conferring standing is that some rules might not be ripe for judicial consideration in the absence of actual application. In some cases, the judicial decision might be facilitated by concrete, particularized facts. In such cases, the court can still dismiss the action as unripe for review.

However, many rules, including interpretive rules and policy statements, have been reviewed by the courts in advance of actual application.[123] Under the *Abbott Laboratories*[124] formula, the variables are the plaintiff's need for immediate review and the fitness of the issue for judicial resolution. Of course, the plaintiff's need for immediate review would vary, depending upon whether the plaintiff was a competitor or customer[125] of the favored taxpayer, or only an aggrieved taxpayer. Another factor might be the magnitude of the revenue loss incurred as a result of the rule.[126] The fitness of the issue for review would turn upon the extent to which purely legal issues were presented which would not be further illuminated by subsequent developments. Also relevant are the degree of formality and finality involved in the rule. For example, the court might be more willing to find a regulation ripe for review than a private ruling issued at a relatively low level by the Service with apparently relatively little consideration.[127]

Thus, there may well be lenient tax rules which are not ripe for immediate review. However, the ripeness doctrine should be applied cautiously in this context. There may never be a time which is more appropriate for judicial review, since the agency will never actually "apply" its rule. The favored taxpayer will simply engage in private conduct and the agency will do nothing. And the circumstances of the private conduct might be difficult or impossible for the plaintiff to ascertain. Moreover, the variable concerning the plaintiff's need for immediate review should be applied cautiously, assuming Congress decides that every taxpayer suffers an injury from an unlawful erroneous rule. There will be no time at which such injury is demonstrably greater than some other time.

(e) Prospectivity of decision. If a judicial decision striking down a lenient rule were retroactive in effect, there would be real concern that unexpected tax consequences would be visited on transactions entered into in good faith reliance on the rule.[128] Ordinarily, Treasury revocation of rules is prospective in effect.[129] The same should be true of judicial decisions invalidating lenient rules.[130] The degree to which the decision should be retroactive or prospective, and the precise terms of a prospective decree, would be left in the sound decision of the trial court.

5. CONCLUSION

Although the courts were once reluctant to review administrative rules in advance of their application, such review has now become commonplace. Where suits were once dismissed for lack of standing or ripeness, or because of sovereign immunity, or because the action was committed to agency discretion or review was precluded, or for reasons relating to jurisdiction or venue, today the petitions are routinely heard. Although the scope of review of rules has not changed, the actual degree of scrutiny by the federal courts of both substance and procedure has greatly intensified.

It is time for this current of change to sweep away the anachronistic rules precluding suits which challenge lenient tax rules. Although the courts are reluctant to intrude into tax administration by hearing such suits, such concern should dissipate in the wake of statutory sanction. If Congress approves judicial oversight of IRS rulemaking, the courts should have no difficulty in providing it. The arguments against such a statute, whether on constitutional or policy grounds, are unpersuasive. Erroneously lenient tax rules threaten the horizontal and vertical equity of our tax structure. They also threaten public confidence in the independence of the Treasury and the fairness of the taxing system. As prescribed by a carefully drawn statute, judicial review would be good medicine for these ills.

Proposed taxpayer standing statute

(a) Rights of taxpayers—it is hereby declared:

(1) Taxpayers in general—That every taxpayer, as defined in subsection (i), suffers an economic injury in fact by reason of a rule or regulation as defined in subsection (g), which is inconsistent with the provisions of the internal Revenue Code, or otherwise unlawful;

(2) Competitors, etc.—That any person whose economic or competitive interests are impaired, directly, indirectly, or incidentally, by a rule or regulation, as defined in paragraph (g), suffers economic injury in fact if such rule or regulation is inconsistent with the provisions of the Internal Revenue Code, or otherwise unlawful;

(3) Right of review—That every person who suffers an injury described in subsection (1) or (2) has a right to be free of such injury and can enforce such right by maintaining a suit for judicial review as provided in subsection (b).

Footnotes at end of article.

(b) Authorization—The following persons shall have the right to obtain judicial review of any rule or regulation as defined in subsection (g):

(1) Attorney General—The Attorney General of the United States;

(2) Any taxpayer—Except as provided in subsection (h), any person described in subsection (a)(1).

(3) Competitor, etc.—Except as provided in subsection (h), any person described in subsection (a)(2).

(c) Prerequisites to suit—Before any person described in subsections (b)(2) or (b)(3) may obtain judicial review:

(1) Petition to repeal—Such person must petition the Secretary of the Treasury to revoke the rule or regulation in question.

(2) Petition to Attorney General—If the Secretary of the Treasury declines to revoke the rule or regulation in question, or 120 days elapse from the date of the petition to the Secretary, whichever occurs first, such person must petition the Attorney General of the United States to file suit to obtain judicial review of the rule or regulation in question. If the Attorney General declines to seek judicial review, or 60 days elapse from the date of the petition to the Attorney General, whichever occurs first, such person may file suit to obtain judicial review. If the Attorney General files suit for judicial review during the 60-day period described in the preceding sentence, no action may be brought by the persons described in subsections (b)(2) or (b)(3) unless the suit by the Attorney General is not vigorously pursued or is concluded without a decision on the merits.

(d) Rights of plaintiffs—A person described in paragraph (b)(2) or (b)(3) may assert any claims concerning the invalidity of the rule or regulation which the Attorney General could have asserted.

(e) Costs and payment—The costs of an action brought under authority of this section shall be assessed in accordance with section 2412, Title 28. If a person described in paragraph (b)(2) or (b)(3) is the prevailing party, such person shall be entitled to payment of $100 by the United States.

(f) Procedural rules—The following rules shall apply to actions brought under this section:

(1) Jurisdiction and venue—Actions under this section may be brought without regard to the amount in controversy in the United States District Court for the district in which the plaintiff (or any one of the plaintiffs) resides, or in the District of Columbia.

(2) Intervention—Any person who claims that his interests would be damaged if the plaintiff prevails shall be entitled to intervene in the action, but the Court shall have discretion to limit the number of intervenors, or limit their participation in the action, upon a finding that such limitation is needed to avoid undue delay or prejudice to the adjudication of the case.

(3) Joinder—The Court may require that any person be made a party if he is so situated that the disposition of the action in his absence may as a practical matter impair or impede his ability to protect his interests.

(4) Dismissal—The Court shall dismiss the action if it appears that the plaintiff does not fairly and adequately represent the interests of all taxpayers (if he is a person described in subsection (b)(2)) or others similarly situated (if he is a person described in subsection (b)(3)).

(5) Prospective relief—In the discretion of the Court, the relief to be granted a plaintiff may be prospective only.

(g) Rules which may be challenged—Any rule or regulation relating to any tax imposed by the Internal Revenue Code, which is published in the Federal Register, the Internal Revenue Service Cumulative Bulletin, or comparable medium of publication, or which is a written determination, as defined in section 6110(b)(3)(A), can be challenged under this section, except:

(1) Certain policies—A rule consisting of the Treasury's policy concerning whether to litigate or not to litigate particular issues, whether it will follow or not follow the decision of any court, or whether it will rule or not rule on particular transactions;

(2) Procedural rules—A rule of agency organization, procedure, or practice.

(h) Rules which increase taxes—No action shall be brought by a person described in subsections (b)(2) or (b)(3) if the lawfulness of the rule or regulation could be effectively challenged by the plaintiffs through litigation in the Tax Court or through an action for a refund in the Federal District Court or the Court of Claims.

(i) Taxpayer—For purposes of this section, a taxpayer is a person who has paid, or expects to pay, any tax imposed by the Internal Revenue Code during the calendar year in which the action described in this section is filed.

(j) Partial invalidity—If any provision of this statute, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the statute and the application of such provision to other persons and circumstances shall not be affected thereby.

FOOTNOTES

[1] Administrative rules which are inconsistent with the statute are unlawful. In addition, a rule might be invalidly adopted because of procedural defects in the rulemaking process. *See*, e.g., *Simon* v. *Eastern Kentucky Welfare Rights Org.*, 506 F.2d 1278, 1290–91, n.30, (maj. op.), 1291–92 (diss. op.), 1293 (dissent to denial of petition for rehearing en banc), *rev'd on other grounds*, 426 U.S. 26 (1976).

[2] Reg. § 1.117–3(a). *But see Armantrout* v. *Commr.*, 67 T.C. 996 (1976), on appeal (7th Cir.)

[3] Prop. Reg. § 1.117–3(a),–(c), 41 Fed. Reg. 48132 (Nov. 1, 1976).

[4] 42 Fed. Reg. 3181 (Jan. 13, 1977). *See* Teschner, *The Tuition Remission Skirmish*, 55 Taxes 240 (1977). The withdrawal of the proposed regulations may have been prompted by a cryptic statement by the Ways and Means Committee that it intended to study the tax treatment of scholarships. H. Rep. 94–658, 94th Cong. 1st Sess. p. 427. This proposed "study" might be in response to taxpayer protests about the Service's policy concerning taxation of forgiven student loans as well as tuition remission programs.

[5] I.T. 3740, 1945 C. B. 109.

[6] *See* Asimow, *Principle and Prepaid Interest*, 16 U.C.L.A. L. Rev. 36, 37–45 (1968).

[7] Rev. Rul. 68–643, 1968–2 C.B. 76. *See* IRC § 461(g) which codifies the ruling disallowing immediate deduction of prepaid interest.

[8] *See* Prop. Regs. 1.61–16 (f), ex. 1 and 2, —— Fed. Reg. ——, (Sept. 11, 1975), withdrawn, —— Fed. Reg. ——, (Dec. 17, 1976). *See generally* Note, 89 Harv. L. Rev. 1141 (1976).

[9] *See* Reg. § 1.1348–3(a)(2), (a)(3)(ii).

[10] L.O. 1014, 2 C.B. 88 (1920). *See Enright* v. *Commr.*, 56 T.C. 1261 (1971).

[11] I.R.C. § 79.

[12] Reg. 101, § 22(a)–1, –3(1939). This regulation prematurely conceded the correctness of *Geesman* v. *Commr.*, 38 B.T.A. 258 (1938), acq. 1939–1 C.B. 13, a decision favorable to the taxpayer, which was ultimately repudiated in *Commissioner* v. *LoBue*, 351 U.S. 243 (1956).

[13] Int. Rev. Code of 1939 § 130A. After many years of paring, the qualified stock option (the lineal descendant of the restricted stock option) was finally phased out by § 603 of the Tax Reform Act of 1976.

[14] *See F.H.E. Oil Co.* v. *Commr.*, 147 F.2d 1002, *reh. den.* 149 F.2d 238, *reh. den.*, 150 F.2d 857 (5th Cir. 1945).

[15] Int. Rev. Code of 1939 § 711(b)(1)(I) (excess profits tax) and Int. Rev. Code of 1954 § 263(c). *See* H. Con. Res. 50, 79th Cong. 1st Sess. (1945) which gives retroactive approval to the regulation.

[16] Rev. Rul. 71–252, 1971–1 C.E. 146 (intangible drilling costs), I. T. 4054, 1952–2 C.B. 36 (state income tax).

[17] Rev. Rul. 58–94, 1958–1 C.B. 194.

[18] *Gittens* v. *Commr.*, 49 T.C. 419 (1968).

[19] Rev. Rul. 72–440, 1972–2 C.B. 225.

[20] Reg. § 301.7701–2 and –3.

[21] *See, e.g., Hyman, Partnerships and "Associations": A Policy Critique of the Morrisey Regulations*, 3 J. Real Est. Tax. —— (1976).

[22] Proposed regulations which would have taxed most limited partnerships as corporations were almost immediately withdrawn.

[23] In *Larson* v. *Commr.*, the Tax Court first issued an opinion which read the regulations with extreme hostility in order to hold a limited partnership taxable as a corporation this opinion was later withdrawn in favor of a second one which read the regulations more literally and held that the partnerships were to be taxed as partnerships. 66 T.C. 159 (1976). The case is now on appeal to the 9th Circuit.

[24] Some additional examples:

a) Royalties paid by oil companies to foreign countries in the form of income taxes qualify for the foreign tax credit. *See Tax Analysis & Advocates* v. *Blumenthal*, ------ F.2d ------, 77–2 U.S.T.C. Para 9478, (D.C. Cir. 1977) pet. for cert. pending.

b) The failure to tax profits earned by a charity from organizing tour groups as unrelated business income. *See American Society of Travel Agents* v. *Blumenthal*, ------ F.2d ------, 72–2 U.S.T.C. Para. 9484 (D.C. Cir. 1977), pet. for rehearing pending (hereinafter cited as ASTA).

c) For more than 20 years, I.R.S. rulings allowed a "cost company" engaged in mining to avoid being treated as a taxpaying entity. *See* Rev. Rul. 77–1, 1977–1 I.R.B. 16, revoking Rev. Rul. 56–542, 1956–2 C.B. 327.

[25] Many egregiously doubtful rules have been changed by the Treasury, although often they remained outstanding for many years. For example, consider the rulings on prepaid interest, lump sum distributions, and proprietary stock options, discussed at text accompanying notes 5–7, 12–13, and 17–19 *supra*.

[26] See 5 U.S.C.A. § 553(e).

[27] Thus, it seems likely that vigorous lobbying by the private hospital industry caused the Treasury to rule that private hospitals can be tax-exempt even though all patients are charged full rates. Rev. Rul. 69–545, 1969–2 C.B. 117, further discussed at notes 59–65 *infra*. Similarly, many suspect some sort of political interference was behind the Treasury's ruling (later revoked) that the ITT-Hartford transaction qualified as a tax-free reorganization. *See generally International Telephone & Telegr. Corp.* v. *Alexander*, 396 F. Supp. 1150 (D. Del. 1975); *ITT-Hartford Rulings Issue: Did the Transaction Add Up to a Tax-Free Reorg?*, 41 J. Tax 4 (1974).

[28] Consider, for example, Treasury withdrawal of proposed regulations which challenge compensatory scholarships and limited partnerships. *See* text at notes, 2–4, 21–23 *supra*.

[29] The fact that many of the dubiously lenient rules used as examples have in fact been revoked by the Treasury should not suggest that most such rules are, in fact, revoked. Revocation of a rule by the Treasury is a sufficiently notorious event that it calls attention to the prior ruling. But the vast majority of lenient rules gain no notoriety because neither the Treasury nor their beneficiaries have highlighted them.

[30] For example, after commentators had questioned the asset depreciation range regulations, Congress wrote most, but not all of them, into law. *See* Bittker, *Treasury Au-*

thority to Issue the Proposed "Asset Depreciation Range Systems" Regulations, 49 Taxes 265 (1971); IRC § 167(m), 263(e). Similarly, consider the intangible drilling cost rules and the stock option rules, discussed at text accompanying notes 12–15, *supra*.

[31] *See* Thrower. *Public Interest Litigation to Affect Substantive Tax Decisions*, 27 Ntl. Tax J. 389 (1974) and Jaffe, *The Citizen as Litigant in Public Actions: The Non-Hohfeldian or Ideological Plaintiff*, 116 U. Pa. L. Rev. 1033 (1968). Jaffe analogizes judicial review of agency action to the role of the courts in checking state laws which unduly burden interstate commerce. Although Congress can and should resolve the issues raised by such laws through preemption statutes, the Supreme Court has played an indispensable role in protecting the national market through its commerce clause decisions.

[32] This may well be the case with the problem of distinguishing partnerships from corporations for tax purposes. *See* text accompanying notes 20–23 *supra*. But a decision invalidating the regulations could force the Treasury to draft new ones.

[33] Thus, the beneficiaries of favorable rules on stock options and intangible drilling costs managed to have the rules written into law after the courts of the Treasury had tried to alter them. *See* text at notes 12–15 *supra*.

[34] *See* text at notes 49–71 *infra*.

[35] *See Environmental Defense Fund* v. *Ruckelshaus*, 439 F.2d 584 (D.C. Cir. 1971).

[36] *See*, e.g., *Abbott Laboratories* v. *Gardner*, 387 U.S. 136 (1967).

[37] *See* e.g., *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402 (1971).

[38] *See*, e.g., *Abbott Laboratories* v. *Gardner*, *supra* note 36; *National Automatic Laundry & Cleaning Council* v. *Schultz*, 443 F.2d 689 (D.C. Cir. 1971).

[39] P.L. 94–574, which amends 5 U.S.C.A. § 702.

[40] E.g. P.L. 94–574, amending 28 U.S.C.A. § 1331(a) to eliminate the amount in controversy requirement; § 1391(e) concerning venue and joinder, 28 U.S.C.A. § 1361 concerning mandamus.

[41] E.g. *Thompson* v. *Washington*, 497 F.2d 626 (D.C. Cir. 1973).

[42] E.g. *Greater Boston Television Corp.* v. *F.C.C.*, 444 F.2d 841 (D.C. Cir. 1970), *cert. den.* 403 U.S. 923 (1971).

[43] *See generally K. Davis. Administrative Law of the Seventies* 646–687 (1976).

[44] 5 U.S.C.A. § 702 states, in part, "Any person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute, is entitled to judicial review thereof."

[45] *United Church of Christ* v. *F.C.C.*, 359 F.2d 994 (D.C. Cir. 1966).

[46] *See*, e.g., *United States* v. *SCRAP*, 412 U.S. 669 (1973); *Scenic Hudson Pres. Conf.* v. *F.P.C.*, 354 F.2d 608 (2d Cir. 1965), *cert. den.* 384 U.S. 941 (1966).

[47] E.g. *Association of Data Processing Serv. Orgs.* v. *Camp*, 397 U.S. 150 (1970); *Barlow* v. *Collins*, 397 U.S. 159 (1970).

[48] *See*, e.g., *Reade* v. *Ewing*, 205 F.2d 630 (2d Cir. 1953); *Federation of Homemakers* v. *Hardin*, 328 F. Supp. 181 (D.D.C. 1971), *aff'd*, 466 F.2d 462 (D.C. Cir. 1972).

[49] The standing issue has been discussed in many excellent and comprehensive law review articles. *See*, e.g., Tushnet, *The New Law of Standing: A Plea for Abandonment*, 62 Cornell L. Rev. 663 (1977); Albert, *Standing to Challenge Administrative Action: An Inadequate Surrogate for Claims for Relief*, 83 Yale L.J. 425 (1974); Monaghan, *Constitutional Adjudication: The Who and When*, 82 Yale L.J. 1363 (1973); Scott, *Standing in the Supreme Court: A Functional Analysis*, 86 Harv. L. Rev. 645 (1973); Jaffe, *supra* note 31; Davis, *Standing: Taxpayers and Others*, 35 U. Chi. L. Rev. 601 (1968); Berger, *Standing to Sue in Public Actions: Is it a Constitutional Requirement*, 78 Yale L.J. 816 (1969); Jaffe, *Standing to Secure Judicial Review: Public Actions*, 74 Harv. L. Rev. 1265 (1961).

[50] 392 U.S. 83 (1968).

[51] *Frothingham* v. *Mellon*, 262 U.S. 447 (1923).

[52] The plaintiff in *Flast* challenged the program as unauthorized by the statute as well as unconstitutional. Unfortunately, the Court did not discuss the statutory claim, so it is not clear whether plaintiff had standing to assert it.

[53] Davis, *supra* note 49 at 601.

[54] *See generally* Note, *Taxpayer Standing to Litigate*, 61 Georg. L. Rev. 747 (1973).

[55] *Schlesinger* v. *Reservists Comm.*, 418 U.S. 208 (1974); *United States* v. *Richardson*, 418 U.S. 166 (1974); *Public Citizen. Inc.* v. *Simon*, 539 F.2d 211 (D.C. Cir. 1976).

[56] *Schlesinger* v. *Reservists Comm.*, *supra* note 55.

[57] Since there is no specific constitutional limitation violated by the rule. Moreover, the rule might not be considered as a Congressional exercise of the taxing and spending power. *See Tax Analysts & Advocates* v. *Blumenthal*, *supra* note 24.

[58] In several cases involving racial discrimination, plaintiffs were found to have standing to challenge IRS rulings which granted tax exemptions and assured deductibility for contributions. In *Green* v. *Kennedy*, 309 F. Supp. 1127 (D.D.C. 1970) (3 judge court), subseq. op. sub nom. *Green* v. *Connally*, 330 F. Supp. 1150 (1971), *aff'd* mem. sub nom. *Coit* v. *Green*, 404 U.S. 997 (1971), plaintiffs attacked the tax benefits given a segregated private school. The plaintiffs (school children and parents) had standing because the tax benefits provided a source of funds for private schools which undermined a court-ordered unitary public school system. In *McGlotten* v. *Connally*, 338 F. Supp. 448 (D.D.C. 1972) (3 judge court), plaintiff was a disappointed applicant for membership in a segregated fraternal order. His claimed injury was that the tax benefits generated funds to enable the order to maintain its segregated policies, and also that the tax exemptions constituted an endorsement of discrimination by the federal government. It is unclear whether these cases, arising in the unique context of racial discrimination, would survive EKWRO, discussed in text at notes 59–65 *infra*. At the very least, the cases are severely threatened by the strict causation requirements imposed by EKWRO.

In *Tax Analysts & Advocates* v. *Shultz*, 376 F. Supp. 889 (D.C. Cir. 1974), the court conferred standing to challenge a lenient gift tax ruling which enhanced the influence on political campaigns of large donors (thus reducing that of small donors). The plaintiff was a small campaign contributor. The court relied on the theory that a diminution in voting power is sufficient for standing citing *Baker* v. *Carr*, 369 U.S. 186 (1962). This case may be limited to the fact that it concerns voting in federal elections. However, like the race cases discussed in this footnote, much of the reasoning seems at war with *EKWRO*.

[59] 426 U.S. 76 (1976).

[60] Rev. Rul. 69–545, 1969–2 C.B. 117, revoking Rev. Rul. 56–185, 1956–1 C.B. 202.

[61] *Assoc. of Data Proc. Serv. Orgs.* v. *Camp*, *supra* note 47; *Barlow* v. *Collins*, *supra* note 47. These cases also require that plaintiff meet the "zone of interest" test, discussed at notes 67–70 *infra*. The "zone of interest" test was not discussed in *EKWRO*.

[62] The *EKWRO* majority opinion seems vulnerable to a criticism levelled by the dissents: it imposes unduly strict pleading requirements. If the plaintiffs had been allowed discovery, it is possible that they could have surmounted the causation and remediability problems through admissions by the hospitals that the decision to deny service in fact resulted from the IRS ruling, rather than from an economic decision unrelated to tax consequences.

[63] 422 U.S. 490 (1975). Similarly, see *Linda R. S.* v. *Richard D.*, 410 U.S. 614 (1973) *Linda R. S.* involved a constitutional attack by the mother of an illegitimate child against a Texas law which imposed support duties upon legitimate, but not illegitimate fathers. The Court observed that even if the law were struck down, and even if the father were prosecuted and convicted for nonsupport, the mother still might not receive any money.

[64] The *Warth* hurdle was surmounted in *Village of Arlington Hts.* v. *Metropolitan Hous. Dev. Corp.*, 97 S. Ct. 555 (1977). Both the builder and a buyer successfully pleaded a desire to build and buy houses in a project which had been specifically blocked by the city.

[65] See *American Society of Travel Agents* v. *Blumenthal*, *supra* note 24. *But see Tax Analysts & Advocates* v. *Blumenthal*, *supra* note 24.

[66] *American Society of Travel Agents* v. *Blumenthal*, *supra* note 24. *But see Tax Analysts & Advocates* v. *Blumenthal*, *supra* note 24, which held that a domestic competitor of international oil companies met the injury requirement. The plaintiff argued that giving the international companies a tax credit, rather than a deduction, for oil royalties was competitively harmful to him. Not only were his taxes higher, even though his economic situation was identical, but the value of his properties was decreased (vis-a-vis foreign properties) by the differential. However, it is far from clear whether this analysis is correct. The injury to plaintiff might be too indirect to meet constitutional requirements. The *ASTA* logic seems more consonant with *EKWRO*. Merely because a competitor is leniently taxed might make little or no difference in one's competitive position or the value of his investment. Similarly, the injuries claimed in *TAA* might well be considered excessively speculative or hypothetical to meet constitutional standards. *See O'Shea* v. *Littleton*, 414 U.S. 488 (1974); *Metcalf* v. *Nat'l Petroleum Council*, 553 F.2d 176 (D.C. Cir. 1977).

[67] The zone test was first promulgated by *Association of Data Processing Serv. Org.* v. *Camp*, and *Barlow* v. *Collins*, both *supra* note 47. The test was applied with considerable latitude by the Supreme Court in *Investment Co. Inst.* v. *Camp*, 401 U.S. 617 (1971). The zone test applies to plaintiffs whose standing is based on section 702 of the Administrative Procedure Act. The test is clearly not a constitutional requirement; it is either a prudential requirement imposed by the Court or an interpretation of the language of section 702. *EKWRO*, 426 U.S. at 39, no. 19.

[68] *Supra* note 24.

[69] *But see* note 66 *supra*.

[70] With unwarranted strictness, the court ruled out examinations of legislative history in applying the zone test (unless it provided a very clear indication); it also refused to look to any statutory provisions except the foreign tax credit. Finally, it refused to find a negative inference in the foreign tax credit which would deny the credit for royalties which were not, in substance, income taxes, thus protecting domestic competitors who paid identical royalties. For a similar strict interpretation of the zone test. *Rhode Island Committee on Energy* v. *Gen'l Serv. Admin.*, 561 F.2d 397 (1st Cir. 1977). For a more liberal interpretation, *see Int'l. Tel. & Tel. Corp.* v. *Alexander*, 396 F. Supp. 1150 (D. Del. 1975).

[71] Of course, it may be that *Tax Analysis and Advocates*, *supra* note 24, was correct on the injury in fact test, but wrong on zone of interests; and that *ASTA*, *supra* note 24, was wrong on the injury in fact test, but right on zone of interests. In that case, competitor standing would still be possible, notwithstanding *EKWRO*. Similarly, it may be that the race cases described in note 58 were cor-

rectly decided (perhaps on the ground that encouragement of racial discrimination by tax rulings harms racial minorities). But in the wake of *EKWRO* it is difficult to imagine the Supreme Court endorsing taxpayer standing in any case. This was the view of Justice Stewart, concurring in *EKWRO:* nobody has standing to challenge another's taxes. 426 U.S. at 46.

[72] This is the consensus of the commentators. *See* Tushnet, *supra* note 49 at 665–670; Monaghan, *supra* note 49 at 1375–79. Case law contains broad dicta to the effect that the Article III standing problems would not arise in the presence of a statute conferring standing. *See Linda R.S.* v. *Richard D., supra* note 63 at 617 n.3; *Sierra Club* v. *Morton,* 405 U.S. 727, 732 n.3 (1972); *United States* v. *Richardson, supra* note 55 at 178 n. 11; *Schlesinger* v. *Reservists Comm., supra* note 55 at 224 n.14; *Flast* v. *Cohen, supra* note 50 at 120, 130–33 (Harlan, J. dissenting); *Trafficante* v. *Metropolitan Life Ins. Co.,* 409 U.S. 205, 212 (1972) (White, J. concurring). More recent dicta have been more cautious. *See EKWRO, supra* note 59 at 41 n.22; *Warth* v. *Seldin, supra* note 63 at 501. They point out that even after Congress has acted, the plaintiff must allege a distinct and palpable injury to himself, whether or not it is shared with others.

[73] *See,* e.g., *United States* v. *Richardson, supra* note 55 at 188–97 (Powell, J. concurring).

[74] *See Flast* v. *Cohen, supra* note 50 at 106.

[75] *See* e.g., Scott, *supra* note 49 at 669–82.

[75a] *Flast* v. *Cohen, supra* n. 50 at 101.

[76] *See* Tushnet, *supra* note 49 at 669–70. Tushnet's excellent discussion of the issue focuses on the necessary and proper clause; if creation of the underlying statutory scheme is constitutional, it follows that the creation of citizen standing to enforce it would be necessary and proper in implementing a constitutional power.

[77] 5 U.S.C.A § 552(a) (3.

[78] Sec. 304 of the Clean Air Act Amendments, 42 U.S.C.A. § 1857h–2(a). Similarly, § 307 confers standing without any limitations at all. Id. § 1857h–5(b) (1). The constitutionality of these provisions has been queried by some courts. *See NRDC* v. *EPA,* 481 F.2d 116 (10th Cir. 1973); *NRDC* v. *EPA,* 507 F.2d 905 (9th Cir. 1974). Others have expressed no doubts about their validity. *See NRDC* v. *EPA,* 484 F.2d 1331 (1st Cir. 1973); *Metro. Wash. Coal. for Clean Air* v. *Dist. of Colum.,* 511 F.2d 809 (D.C. Cir. 1975). *See generally,* Currie, *Judicial Review under Federal Pollution Laws,* 62 Iowa L. Rev. 1221 (1977). Very broad grants of standing are not unusual in recent statutes. For example, "any person" can secure judicial review of rules under the Toxic Substances Control Act, 15 U.S.C.A. § 2618, and "any person" can sue anyone who violates any rules under the Act or the Administrator to compel him to perform a nondiscretionary act. 15 U.S.C.A. § 2619. Moreover, the Act provides for "citizen's petitions" to initiate or repeal a rule; it requires the Administrator to explain his reasons for denying such petitions and provides for judicial review to force the institution of a rule making proceeding 15 U.S.C.A. § 2620. The legislative history lists a number of similar statutes. S. Rep. 94–698, pp. 9, 12, 27–29, 1976–4 U.S. Code Cong. & Adm. News, 4499, 4502, 4517–19.

Another good example is 2 U.S.C.A. § 437h (a), giving standing to any person eligible to vote in a presidential election to bring suit to construe the constitutionality of the Federal Election Campaign Act. In *Buckley* v. *Valeo,* 96 S. Ct. 612, 631 (1976), the Court entertained challenges to the constitutionality of the statute; however, at least some of the parties had more concrete interests than those to be asserted by any voter. Consequently, the Court held that the action was appropriate under Article III without reaching the issues that would have been presented if only voters had been plaintiffs.

[79] *Trafficante* v. *Metropolitan Life Ins. Co., supra* note 72 at 212.

[80] *See Schlesinger* v. *Reservists Committee, supra* note 55; *United States* v. *Richardson, supra* note 55; *Sierra Club* v. *Morton, supra* note 72; *Frothingham* v. *Mellon, supra* note 51.

[81] *Supra* note 63 at 499.

[82] *See Trafficante* v. *Metropolitan Life Ins. Co., supra* note 72. Similarly, see the provision allowing a citizen petition to the EPA to institute or repeal a rule under the Toxic Substance Control Act. 15 U.S.C.A. § 2620, discussed in note 78, *supra.* This provision allows any such petitioner to obtain judicial review of denial of his petition; if successful, he can compel the administrator to institute a rulemaking proceeding.

[83] *Supra* note 50. There is some indication in *Flast* that the Court believes in a "best plaintiff" principle: that it would prefer to have the case brought by the person most directly injured. Consequently, it distinguished between taxpayers suing to vindicate a claim under the establishment clause (where nobody has a particularized injury) and under the free exercise clause (where presumably someone will have a direct injury). *Id.* at 104 n.24. *But see id* at 98, n.17. As in an establishment clause case, there may be no better plaintiff in a case involving a lenient ruling than a taxpayer or occasionally the customer-competitor denied standing by *EKWRO.*

[84] In contrast, in *Frothingham* v. *Mellon, supra* note 51, a taxpayer action attacking a federal spending program under the Tenth Amendment, the Court held that the Constitution conferred no rights to vindicate federalistic principles on individuals or states. This point was aptly made in *Schlesinger* v. *Reservists Comm., supra* note 55 at 224, n. 14, where the Court contrasts the plaintiff's action (under the incompatibility clause of the Constitution) with an action to vindicate the same interests but brought under a hypothetical federal conflict of interest statute. The Court stated that the requisite injury necessary to establish standing could flow from an invasion of the rights conferred by such a statute. Similarly, *see United States* v. *Richardson, supra* note 55 at 178 n.11. For the connection between standing doctrine and the requirement that plaintiff plead a right to be free of the injury done by the defendant, *see* Albert, *supra* note 49.

[85] *See Doremus* v. *Bd. of Educ.,* 342 U.S. 428 (1952) which held that a taxpayer had no standing in a case questioning Bible reading in the schools since there was no alleged or proved "pocketbook injury." In an earlier taxpayer's suit, *Everson* v. *Board of Education,* 330 U.S. 1 (1947), questioning expenditures for school busses, the Court heard the case. *Doremus* is cited with approval in *Flast* v. *Cohen, supra* note 50 at 102.

[85a] *Warth* v. *Seldin, supra* note 63 at 501.

[86] *See* text at note 59 *supra.*

[87] *See* text at note 24 *supra.*

[88] Stat. § (a) (2).

[89] Stat. /(b) (2).

[90] As well as those stated in *Warth* v. *Seldin, supra* note 63, and *Linda R.S.* v. *Richard D., supra* note 63.

[91] *See* text at notes 72–85 *supra.*

[92] *See, e.g., EKWRO, supra* note 59 at 41–46; *O'Shea* v. *Littleton, supra* note 66.

[93] Constitution, Article III, sec 2 *Cf. Katzenbach* v. *Morgan* 384 U.S. 641 (1966).

[94] Art. 1, sec. 8, clause 18. *See* Tushnet, *supra* note 49 at 669–70. Other constitutional objections to the proposed statute would appear to have little substance. It is not an attempt to Interfere with the prosecutorial discretion of the executive, since it involves only rulemaking, not adjudication. *Compare Linda R.S.* v. *Richard D., supra* note 63; *Dunlop* v. *Bachowski,* 421 U.S. 560, 575 n.12 (1975). Nor would the statute call for an advisory opinion. *See Tushnet, supra* note 49 at 677–79; K. Davis, *Administrative Law Treaties* § 21.01 (1958).

[95] 317 U.S. 537 (1943). See *also Marvin* v. *Trout,* 199 U.S. 212, 225–26 (1905).

[96] *See EKWRO,* n. 59 at 39, which states: "The necessity that the plaintiff who seeks to invoke judicial power stand to profit in some personal interest remains an Article III requirement." Similarly see *Harrington* v. *Bush,* 553 F. 2d 190 (D.C. Cir. 1977), which declares that the basic purpose of the doctrine of standing is that the individual complaining party have a connection to the controversy so that its outcome will demonstrably cause him to win or lose in some measure. Presumably, the prospect of winning the $100 bounty would be sufficient to meet this test.

[97] Stat. § (b) (1).

[98] Stat. § (d).

[99] Stat. § (c) (2).

[100] Should the Attorney General file suit but fail to prosecute the matter diligently, or should the case be dismissed without a decision on the merits, private plaintiffs could sue. Stat. § (c) (2).

[101] *See,* e.g., *United States* v. *Raines,* 362 U.S. 17 (1960) (clearly appropriate to give standing to Attorney General to litigate to protect private rights); *United Steelworkers* v. *United States,* 361 U.S. 39 (1959) (United States may be given standing to enjoin a strike to protect public rights).

[102] *See,* e.g., *New York Times Co.* v. *United States,* 403 U.S. 713, 741–48 (1971) (only Justice Marshall questioned the standing of the United States to sue to enjoin publication of Pentagon Papers); *United States* v. *City of Jackson,* 318 F. 2d 1, *reh. den.* 320 F.2d 872 (5th Cir. 1963); Note, *Nonstatutory Executive Authority to Bring Suit,* 85 Harv. L. Rev. 1566 (1972).

[103] *See,* e.g., *United States* v. *Nixon,* 418 U.S. 683 (1974); *Federal Maritime Bd.* v. *Isbrandtsen Co.,* 356 U.S. 481, 483 n. 2 (1958); *Secretary of Agriculture* v. *United States,* 347 U.S. 645 (1954); *United States ex rel Chapman* v. *FPC,* 345 U.S. 153 (1953); *United States* v. *ICC,* 337 U.S. 426 (1949); *ICC* v. *Jersey City,* 322 U.S. 503 (1944), *See Associated Ind. of N.Y.* v. *Ickes,* 134 F.2d 694, 704 (2d Cir. 1943), *vacated as moot,* 320 U.S. 707 (1943).

These cases require that conflicts between officers of the executive branch present issues traditionally justiciable and the litigants must be in fact adverse to one another. The question of whether a regulation is consistent with a statute is surely one which is traditionally justiciable. Presumably, the Attorney General would not institute litigation unless he believed the regulation was unlawful; vigorous presentation of the issues would be likely. Of course, if a particular suit appeared to be collusive or nonadverse, it could be dismissed.

[104] This theory could well be the basis for upholding actions by plaintiffs under qui tam statutes; they are private attorneys general enforcing the rights of the United States. *See* text at 95–96 *supra.*

It might be appropriate to make clear in the statute that a decision against the plaintiff would be res judicata against the Attorney General and all other persons seeking to represent the public interest.

[105] The phrase was coined by Judge Frank in *Associated Industries of New York* v. *Ickes, supra* note 103, and has often been employed in administrative law to describe the situation on which a plaintiff given statutory standing is allowed to represent the public interest in litigation. *See,* e.g., *Trafficante* v. *Metropolitan Life Ins. Co., supra* note 72, which recognizes the need for private attorneys general to enforce the federal open housing statute, since the Attorney General

lacks the resources necessary to enforce it. Since Congress had given a right to an entire community to be free of housing discrimination, it was appropriate to let any community member obtain judicial enforcement.

[106] The rule that provides that a litigant cannot represent the interests of another is prudential. *Warth* v. *Seldin, supra* note 63; *Flast* v. *Cohen, supra* note 50. The rule is shot through with exceptions. *See,* e.g., *Singleton* v. *Wulff,* 96 S. Ct. 2868 (1976). It clearly can be altered by statute. E.g., *Trafficante* v. *Metropolitan Life Ins. Co., supra* note 72. *See generally* Sedler, *Standing to Assert Constitutional Jus Tertil in the Supreme Court.* 71 Yale L.J. 599 (1962).

[107] *See Thrower, Public Interest Litigation to Affect Substantive Decisions,* 27 Ntl. Tax J. 389 (1974). *Cf. Louisiana* v. *McAdoo,* 234 U.S. 627 (1914). In *McAdoo,* a state which produced sugar attacked the Secretary of the Treasury for imposing too low a tariff on imported sugar. The case was dismissed on the grounds of sovereign immunity, but the Court noted that such actions would disturb the whole revenue system and could clog the wheels of government.

[108] *See generally* Note, *Taxpayer Suits: A Survey and Summary,* 69 Yale L.J. 895 (1960). Certainly, there has been no indication that *Flast* v. *Cohen, supra* note 50, which allowed federal taxpayer suits under the Establishment Clause, has led to any vast amount of litigation.

[109] These could include the costs borne by intervenors as well as by the Government. *See* Prop. stat. § (e).

[110] Compare the requirement in some states that plaintiffs in a shareholder's derivative suit post security for the expenses which will be borne by the defendants. *See* e.g., Cal. Corp. Code § 834(b).

[111] *See generally* Scott, *Standing in the Supreme Court—A Functional Analysis,* 86 Harv. L. Rev. 645 (1973).

[112] This is similar to the provision now applicable in class actions and shareholder derivative suits. *See* Fed. R. Civ. Proc. §§ 23(a)(4), 23.1.

[113] Stat. § (h).

[114] IRC § 7421; 28 U.S.C. § 2201. It might be well, however, to amend those provisions to make it clear that actions attacking lenient tax rules would be permissible.

[115] 416 U.S. 725 (1974); *Alexander* v. *Americans United,* 416 U.S. 752; *International Tel. & Tel.* v. *Alexander, supra* note 70.

[116] Stat. § (f)(2). A right to be heard in this situation could be based on constitutional due process. *See Int. Tel. & Tel. Corp.* v. *Alexander, supra* note 70, and Thrower, *supra* note 107.

[117] Stat. § (f)(3). Joinder of necessary parties in this situation is provided by Rule 19(a)(2)(i) of the Federal Rules.

[118] *Cf. Divine* v. *Commissioner,* 500 F.2d 1041 (2d Cir. 1974) (Commissioner not collaterally estopped to reassert his position after losing similar case against another taxpayer.)

[119] Since the plaintiff is representing the interests of the United States, a decision against the plaintiff would collaterally estop the Attorney General from relitigating the issue against the Treasury.

[120] Stat. §(c)(1). This petition would be identical to those filed under sec. 553(e) of the Administrative Procedure Act. This section allows any person to petition an agency for the issuance, amendment, or repeal of a rule.

[121] A comparable limitation is placed on citizen suits under the Clean Air Act and the Federal Water Pollution Control Act. *See Nat. Res. Def. Conc.* v. *Train,* 510 F.2d 692 (D.C. Cir. 1975).

[122] The legislative history of the statute might provide that the courts could place the case off calendar upon a bona fide assertion by the Treasury that it is continuing to study the matter and considering possible modification of the rule. Of course, the plaintiff's case could not be sidetracked indefinitely by such an assertion.

[123] *See* Asimow, *Public Participation in the Adoption of Interpretive Rules and Policy Statements,* 75 Mich. L. Rev. 521, 567–69 (1977).

[124] *Abbott Laboratories* v. *Gardner,* 387 U.S. 136 (1967).

[125] Thus the patients who were plaintiffs in *EKWRO* might have a far more urgent need for review than Mr. Field, the owner of the competing oil well in *TAA* v. *Blumenthal, supra* note 24. In other cases, however, competitors could suffer quite serious and immediate harm. *See., eg., I.B.M.* v. *United States,* 343 F.2d 914 (Ct. Cl. 1965), *cert. den.* 382 U.S. 1028 (1966).

[126] I included no requirement that the plaintiff establish a particular revenue loss attributable to the rule. Such requirements are contained in some of the statutes previously proposed. However, such a limitation would provoke much difficult and problematical litigation about a side issue. It would seem that plaintiffs would seldom be interested in litigating rules which caused only a trivial revenue loss.

[127] Another factor in considering whether a rule is ripe for review is the state of the administrative record in support of the rule. An adequate record should be produced by reason of the plaintiff's petition to the IRS to modify or repeal the rule; the IRS' response to this petition would set forth the grounds for its rejection of the petition. In addition, if a regulation is in question, the public comments made to the Treasury when the regulation was proposed would be part of the record.

[128] *See F.H.E. Oil Co.* v. *Commissioner, supra* note 14.

[129] I.R.C. § 7805(b).

[130] Stat. § (f)(5).●

SENATOR RIBICOFF SPEAKS OUT ON YOUTH CAMP SAFETY

● Mr. WEICKER. Mr. President, although an estimated 8 to 10 million children attend some 10,000 camps each summer, there are no uniform national standards governing health and safety conditions at these camps. For almost 12 years my colleague from Connecticut, Senator RIBICOFF, has been working to try to provide some meaningful protection for the youngsters who attend summer camps. I have been pleased to serve as a principal cosponsor of Senator RIBICOFF's Children and Youth Camp Safety Act.

Yesterday, the Senate Child and Human Development Subcommittee conducted a hearing on S. 258, the Ribicoff youth camp safety bill, and on the overall issue of health and safety conditions at youth camps throughout the country. Senator RIBICOFF appeared as the lead-off witness and I submit his statement to the committee to be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR RIBICOFF

Mr. Chairman, I first want to express my appreciation for your decision to hold these hearings on my bill—S. 258, the Children and Youth Camp Safety Act—and on the general issue of health and safety conditions in the Nation's youth camps. I am hopeful this session will result in positive action on the very critical issue of youth camp safety.

I regret, however, that it is necessary for me to appear before you this morning. It has been almost twelve years since I first introduced legislation establishing a Federal role in encouraging and aiding States to develop health and safety standards for children attending youth camps. For well over a decade I have worked with such able legislators as our former colleague Vice President Walter Mondale and the late Senator Hubert Humphrey to provide some meaningful protection for the eight to ten million American youngsters who attend an estimated ten thousand summer camps every year. As yet, such protection has not been forthcoming at the Federal level and is virtually nonexistent at the State level.

It is a sad and curious commentary that the Congress enacts legislation to protect plants, sealife, eagles and other bird species, wild horses and burros, and marine mammals. Nevertheless, we fail to provide substantive safeguards for the millions of boys and girls—our children and grandchildren—who attend summer camps.

Camping can be a rich and rewarding experience. A child can learn many new skills and crafts as well as something about himself and his ability to adopt to new surroundings and new challenges. The young camper will have experiences which will help to mold and develop him. In some instances summer camp is the only respite a child may have from crowded urban tenements. A week or month at camp is an important ingredient in developing a child's self-confidence; it contributes toward his maturity.

However, as Professor Betty van der Smissen of Pennsylvania State University has so aptly observed, the camping contribution "can be minimized if the environment in which the camp experience takes place is not safe. To be in a safe environment is a right, not a privilege of the participants."

The fact is, Mr. Chairman, that conditions at many summer and youth camps are simply appalling. All too frequently there is dangerous equipment, unsafe or improperly operated vehicles, poor sanitation facilities, inadequate medical provisions, untrained personnel, improper supervision, and hazardous activities. Consequently children have been killed, permanently injured, sexually abused, or suffer accidents requiring some degree of medical attention. Many of us have seen disturbing and dramatic news accounts of some of these incidents. Nevertheless, only ten States have some type of agency responsible for monitoring camp conditions and operations. I am glad to say, at least, that Connecticut, California, and Michigan are among those ten States.

At times I hear that the Federal Government has no proper role in the area of child and youth camp safety. Some say the issue is better left to the individual States. I would be among the first to agree that it is both the duty and function of each State to protect, safeguard and monitor the health, safety, and welfare of the Nation's youngsters attending youth camps. However, only 12 States have some meaningful health and safety regulations and only 28 States have some regulations dealing with youth camp safety.

Furthermore, 45 States have no regulations which apply to camping personnel; 17 have no standards relating to program safety; 24 States have no requirements for personal health, medical aid, and medical services; 45 States have no regulations covering out-of-camp trips or "primitive outpost" camps; and 35 States do not regulate day camps.

As with Connecticut and a few other States, good safety laws are possible when States want to protect their young campers. Regretably, all States are not so inclined.

Consider, if you will, last summer's abduction of 15-year-old Charlotte Grosse who was camping with a group of Girl Scouts in a remote Florida state park. Shortly after this incident occurred my office inquired into the Florida statutes governing camping. The State of Florida has no comprehensive youth

camp safety laws. Regulations at that time simply dealt with health issues such as camp cleanliness and food preparation. The Florida State Recreation and Park Division advised that the only requirement for young campers is that they be accompanied by an adult.

Some 100,000 children attended 300 camps in Maryland last summer. Yet the State of Maryland has no safety or health standards for its camps, even covering the most hazardous sports and activities. Despite the long and persistent efforts of Maryland Delegate Lucille Maurer, a camp safety measure has yet to be enacted in Annapolis.

Neither Federal nor State regulations can prevent accident. It is not possible to legislate accidents away. We can take affirmative steps, however, to eliminate the causes of many accidents by encouraging and assisting States to develop proper and effective standards for youth camps.

The legislation I introduced in January 1977 is identical to the measure favorably reported out of the former Children and Youth Subcommittee—this panel's predecessor—in the 94th Congress. My bill clearly recognizes that the States "assume responsibility for the development and enforcement of effective youth camp safety standards."

Under this measure the Department of Health, Education and Welfare will establish minimum standards for the operation of safe and sanitary camp facilities. Such standards are to be developed in cooperation with an Advisory Council on Children and Youth Camp Safety and must be approved by both Houses of Congress. The regulations will go into effect 21 months after enactment. States have three choices—to enforce their own regulations which must be at least equal with the Federal guidelines, to accept and enforce the Federal standards, or to grant HEW authority to enforce the Federal requirements. Because the State should have the primary responsibility, financial incentives—up to 80 percent matching funds—will be available to States choosing to enforce the program themselves.

Is such a law redundant in those few, isolated instances where responsible State regulations exist? I think not. In my State of Connecticut, the camp safety law has worked rather well for the past nine years. We have a Camp Safety Advisory Council which reviews the camp inspection program and advises on policy. The State regulations are being constantly improved and upgraded. Even so, the Environmental Health Services Division of the State Health Department, which is responsible for carrying out the camp safety requirements, is anxious for a Federal statute. It believes a Federal law will lead to better interstate cooperation. It recognizes the need for the Federal Government to give guidance and direction, particularly in those areas where there are no State regulations or State enforcement.

Respectable and well-known groups such as the American Camping Association, the Association of Private Camps, scouting organizations, and a number of religious groups have endorsed a Federal camp safety law. They, too, recognize the need for proper camp safety standards. Some have had to develop and enforce their own standards because of inadequate or nonexistent State and Federal regulations. They know that parents must have some effective benchmark against which to judge the conditions of the camps to which they send their children.

Mr. Chairman, over six years ago the Senate passed legislation similar to my current bill. Unfortunately, it was seriously weakened by the House. The only outcome of youth camp safety legislation to date has been an HEW study which a recent House Education and Labor Committee report has characterized as "unreliable and ineffective." This HEW study—which effectively postponed substantive action on the issue for several years—did reveal that State youth camp safety laws mostly were nonexistent or grossly inadequate.

We can wait no longer! Had substantive youth camp safety legislation been enacted by this time I believe that many of the estimated one hundred deaths and more than a quarter of a million serious accidents which occur at camps each summer could have been avoided. I appreciate your consideration of this issue. I urge that prompt and favorable action be taken on pending camp safety legislation so that young campers can have the protection they need and deserve.●

AN AWARD TO THE ATLANTIC CEMENT CO.

● Mr. MOYNIHAN. Mr. President, it is my great pleasure to inform my colleagues that the Atlantic Cement Co. of Ravena, N.Y., is the recipient of the 1978 National Environmental Industry Award of Excellence in Overall Pollution Control. This award was presented jointly to Donald M. Halsted, Jr., president of Atlantic Cement, by Charles Warren, Chairman of the Council on Environmental Quality, and Richard Hoard, chairman of the Environmental Industry Award.

The award citation recognized Atlantic Cement's "complete environmental concern" and its capturing and reuse of pollutants from the cement manufacturing process.

I know my colleagues join me in congratulating the Atlantic Cement Co. for its outstanding accomplishments in pollution control.●

THE INDIAN TRUST INFORMATION PROTECTION ACT OF 1978—S. 2773

● Mr. ABOUREZK. Mr. President, on Tuesday, March 21, I introduced legislation to remedy the problem of the release of Indian trust information by various Federal agencies pursuant to the Freedom of Information Act. The proposed Indian Trust Information Protection Act of 1978, S. 2773, has a two-fold purpose: First, it would prevent the disclosure of Indian trust information in order to preserve the confidentiality required by the trust relationship between the Indian people and the Federal Government; second, it would authorize the disclosure of such information to Indian tribes, individual Indians, and others where limited disclosure is required to fulfill the trust responsibility. The information protected from release under the bill is not limited to information concerning the natural resources or other trust assets of Indians, but includes tribal enrollment records, financial or business records, and all other information held, obtained or prepared by the Federal Government in the discharge of its trust responsibility to Indian people.

Under the bill, nonrelease of Indian trust information would be the rule, and release of such information the exception, whereas under FOIA, disclosure of information is presumed, and withholding of information is the exception. The bill would, however, permit the release of trust information to the following:

(a) (1) in the case of information pertaining to an Indian tribe—to the chief executive officer or any tribal councilman or official of an Indian tribe authorized to receive such information by the tribe;

(2) in the case of information pertaining to an individual Indian—to the individual Indian to whom the information pertains;

(3) in the case of information pertaining to an Indian tribe—to any member of the tribe, provided the tribal member in requesting such information, has exhausted all tribal judicial and administrative remedies and the head of the respective Federal department or agency, after consultation with the Secretary of the Interior, finds that the release of the information is not inconsistent with the Federal trust responsibility;

(b) to either House of Congress or, to the extent the matter is within its jurisdiction, to any committee, joint committee, or subcommittee thereof;

(c) (1) in the case of information pertaining to an Indian tribe—to any person where the chief executive officer or tribal council by resolution authorizes the release of the information;

(2) in the case of information pertaining to an individual Indian—to any person where the individual Indian to whom the information pertains authorizes the release of the information;

(d) to any person where the information has previously been lawfully made public;

(e) to any person if the information concerns funds provided under a Federal grant or contract if such information is otherwise required by law, including but not limited to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(c)), to be provided to the person requesting the information;

(f) to any person as may be required by any court of competent jurisdiction under the rules of evidence or discovery; and

(g) to any Federal department, agency, or employee or agent thereof where the information is required in furtherance of official duties. The bill would also establish administrative and judicial review procedures and criminal penalties for unauthorized disclosure of Indian trust information.

Although the Department of the Interior has adopted the position that Indian trust information is not required to be disclosed under FOIA, this has not always been the case, and past experience has shown that the exemptions under FOIA are inadequate to protect this confidential information. This legislation is needed to resolve the dilemma facing Federal agencies who are forced to choose betwen fulfilling the mandates of FOIA and maintaining the confidentiality required by the trust relationship between Indian people and the Federal Government.

Mr. President, I submit the text of the bill, S. 2773 to be printed in the RECORD in its entirety.

The bill follows:

S. 2773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian Trust Information Protection Act of 1978".

FINDINGS

SEC. 2. (a) The Congress finds—

(1) that the Federal Government has charged itself with a trust responsibility to Indian tribes and people;

(2) that in the discharge of the Federal trust responsibility, the Federal Government holds information pertaining to Indian tribes, indiivdual Indians, and their trust assets;

(3) that release of this information without the knowledge or consent of the tribe or individual Indian to whom the information pertains is inconsistent with the Federal trust obligation;

(b) The purpose of this Act is to prohibit the release of information held, obtained, or prepared by the Federal Government, its departments and agencies, as a consequence of the Federal trust relationship with the Indian people.

DEFINITIONS

SEC. 3. (a) For the purposes of this Act, the term "Indian tribe" means any Indian tribe, band, nation, pueblo, colony, or other organized group or community including any Alaska Native Villages or groups and regional or village corporations, as defined in the Alaska Native Claims Settlement Act, 85 Stat. 688, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(b) For the purposes of this Act, "Indian" means any person who is a member of an Indian tribe as defined in subsection (a) or who otherwise qualifies for and is a recipient of benefits under a program administered by a Federal agency because of his status as an Indian as defined in the statute, regulations or administrative practices of the agency, and shall also include any Indian-owned corporation, association, or business enterprise.

PROTECTION OF TRUST INFORMATION

SEC. 4. (a) Notwithstanding the provisions of the Freedom of Information Act (5 U.S.C. 552) or any other Federal statute, no information held, obtained, or prepared by the Federal Government, its departments or agencies, in the discharge of the Federal trust responsibility to the Indian people shall be released to any person except as provided in this Act.

(b) Information held, obtained, or prepared in the discharge of the Federal trust responsibility includes, but is not limited to, the following:

(1) memoranda, records, tribal minutes, or other documentary material relating to the internal operations of an Indian tribal government;

(2) financial and business data submitted to the Federal Government in confidence by tribes, individual Indians, or persons doing business with Indians;

(3) leases of trust lands and royalty or rental statements from the leasing of trust lands;

(4) information, data, studies, or inventories of Indian mineral, timber, water, geophysical, geothermal, or other natural resources;

(5) tribal enrollment records and any information of a personal nature contained therein;

(6) information of a confidential nature the disclosure of which would constitute an invasion of privacy.

EXCEPTIONS

SEC. 5. Notwithstanding the provisions of this Act, the above-described information shall be released to the following:

(a)(1) in the case of information pertaining to an Indian tribe—to the chief executive officer or any tribal councilman or official of an Indian tribe authorized to receive such information by the tribe;

(2) in the case of information pertaining to an individual Indian—to the individual Indian to whom the information pertains;

(3) in the case of information pertaining to an Indian tribe—to any member of the tribe, provided the tribal member, in requesting such information, has exhausted all tribal judicial and administrative remedies and the head of the respective Federal department or agency, after consultation with the Secretary of the Interior, finds that the release of the information is not inconsistent with the Federal trust responsibility;

(b) to either House of Congress or, to the extent the matter is within its jurisdiction, to any committee, joint committee, or subcommittee thereof;

(c)(1) in the case of information pertaining to an Indian tribe—to any person where the chief executive officer or tribal council by resolution authorizes the release of the information;

(2) in the case of information pertaining to an individual Indian, to any person where the individual Indian to whom the information pertains authorizes the release of the information;

(d) to any person where the information has previous been lawfully made public;

(e) to any person if the information concerns funds provided under a Federal grant or contract if such information is otherwise required by law, including but not limited to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(c)), to be provided to the person requesting the information;

(f) to any person as may be required by any court of competent jurisdiction under the rules of evidence or discovery; and

(g) to any Federal department, agency, or employee or agent thereof where the information is required in furtherance of official duties.

ADMINISTRATIVE PROCEDURES

SEC. 6. (a) Persons seeking the release of information under this Act shall request the release of information from the Federal department or agency possessing the information, and shall notify the tribe or individual Indian to whom the information pertains of the request. The Federal Department or agency shall take into consideration objections to release of the information offered by the tribe or individual Indian to whom the information pertains, determine within 30 days of the request whether to release the information, and promptly notify all parties of the determination to release or withhold the information, of the reasons therefor, and of their right to appeal the decision to the head of the department or agency.

(b) Any party aggrieved by the decision may appeal the decision to the head of the department or agency within a reasonable period of time under regulations prescribed by the department or agency and by notifying all parties of the appeal. All parties shall be entitled to participate equally in the appeal and a determination of the appeal shall be made within 30 days and all parties notified of the decision, of the reasons therefore, and of their right to judicial review.

(c) No information may be released under the provisions of this Act by any department or agency during the course of the administrative proceeding provided for in this section or within the time allowed for the filing of an action for judicial review or pending judicial review as provided for under section 7.

JUDICIAL REVIEW

SEC. 7. (a) Any party aggrieved by a final agency determination to release or withhold information protected under this Act may, within 30 days of the final agency determination, seek judicial review of the agency determination in any United States district court of competent jurisdiction and such court shall either enjoin or order the release of such information in accordance with the provisions of this Act.

(b) Any party who participated in the administrative proceedings provided for in section 5 shall be accorded the right to intervene in the action. The party seeking judicial review shall serve a copy of the complaint on such party by registered mail along with a notice of their right to intervene.

(c) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred if the court finds that the release or withholding of information under this Act by the Federal department or agency was arbitrary, capricious, or in bad faith.

CRIMINAL PENALTIES

SEC. 8. (a) Any officer or employee of any department or agency of the United States, who has possession of, or access to, records of such a department or agency which contain information the disclosure of which is prohibited by this Act, and who knowing that disclosure of such information is so prohibited, willfully discloses the information in any manner to any person or entity not entitled to obtain it, shall be guilty of a misdemeanor and fined not more than $5,000, or subjected to imprisonment for not more than one year, or both.

(b) Any person who knowingly and willingly seeks and obtains in any manner from any officer, employees, agency, or department of the United States any information to which said person is not entitled and the disclosure of which is prohibited under this Act, shall be guilty of a misdemeanor and fined not more than $5,000, or subjected to imprisonment for not more than one year, or both.

CONSTRUCTION WITH OTHER STATUTES

SEC. 9. This Act shall not be construed as requiring the release of information which would otherwise be withheld from release under the provisions of the Freedom of Information Act, 5 U.S.C. 552(b) or the Privacy Act (5 U.S.C. 552a).●

FARM LEGISLATION

Mr. EAGLETON. Mr. President, yesterday the Senate passed a very significant farm bill. As a matter of fact, it really passed about three different farm bills—bills that are not exactly complementary either. In any event, at least two key parts of that legislation will cause sizable acreage of cropland to be diverted from food production to fallow or nonproductive uses. Mr. President, I find it both ironic and tragic that at the same time the U.S. Senate is voting to take a minimum of 30 million acres out of food production—and it is more likely to be 45 million acres or even more—the U.N. Food and Agriculture organization reported in a global survey that "the rich are getting fatter and the poor hungrier." According to an AP report dated March 13, the U.N. Food and Agriculture organization pointed out that:

The world food survey, based on reports from 161 countries, also estimated the world's undernourished at about 450 million, or a quarter of the underdeveloped world, and likely to increase. Firm evidence of any significant progress being made since 1974 in reducing the numbers affected by inadequate supplies of food is not yet available.

I submit the full text of the AP release for printing in the RECORD at the conclusions of my remarks.

Mr. President, I recognize that the United States cannot solve its agricultural problems by shipping free food all over the world. I merely wanted to bring to the attention of my colleagues the tragic situation that we find ourselves in at this time with respect to world hunger. People are starving, yet they have no purchasing power to buy the bountiful harvest of the American Farmer. I do not have a solution to offer—just a puzzled

comment, and a fervent hope that a solution can be found.

The material follows:

ROME.—The U.N. Food and Agriculture Organization reported in global survey today that the rich are getting fatter and the poor hungrier.

The World Food Survey, based on reports from 161 countries, also estimated the world's undernourished at about 450 million or a quarter of the underdeveloped world, and likely to increase.

"This review is disquieting," FAO said, "firm evidence of any significant progress being made since (1974) in reducing the numbers affected by inadequate supplies of food is not yet available."

In the rich and industrialized countries the FAO found "excessive food intake or improper diets" leading to "the steadily rising prevalance of diseases" as daily calorie intake per person soared to 3,380, in the 32 poorest countries, calorie consumption is on the decline with the figure now around 2,000, according to the study.

As a result, the percentage of the malnourished in the developing countries of Africa rose from 25 percent of the population in 1970 to 28 per cent four years later. A similar increase was noted in Asia.

The Food and Nutrition Board of the National Academy of Sciences in Washington estimates that the average U.S. male between the ages of 23 and 50 should consume 2,700 calories a day. American females of that age bracket should take in 2,000, according to the board's 1974 figures, the most recent. For U.S. residents older than 50, the figures are 2,400 calories daily for men and 1,800 for women.

American children between four and six years old should have 1,800 calories a day and those between seven and 10, 2,400 daily, the board said.

The FAO study found that in the poorest countries close to one-half of all children can be classified as underfed. It said about 22 million babies a year, one-sixth of all births, weigh less than 5.5 pounds at birth, 95 percent of them in developing areas.

Because of the malnourishment, the study said, about 40 percent of adult females in the developing countries are anemic, up to 100,000 children go blind each year and 200 million suffer from goiter. In Latin America, more than half of all deaths during the second year of life are attributed to nutritional deficiency.

"Many countries," the FAO report said, "would need to achieve growth rates in food supply over 4 percent per annum (until) 1990 if the average food supply is to reach 2,500 calories per capita per day by that year."

But the situation is likely to worsen and the food gap widen because, as the study reported, poor countries with low food production also have high birth rates.●

THE GREAT ADDRESS BY SENATOR McINTYRE ON PANAMA CANAL TREATIES

● Mr. MOYNIHAN. Mr. President, the Panama Canal treaties debate will remain memorable, if for no other reason that the great address made in support of ratification by Senator MCINTYRE of New Hampshire. I commented at the time that his courageous repudiation of the "politics of threat and vengence" reminded one of the granite of his native State, for surely that granite was there that day, in his honor and in his will. James Wechsler of the New York Post has written an especially insightful commentary on that event. He points out that Senator MCINTYRE rightfully equates the rhetoric and divisive politics of the radical new right with the similar efforts of the "purist left" of the 1960's.

I submit for the RECORD the text of Mr. Wechsler's column.

The column follows:

[From the New York Post, Mar. 9, 1978]

ONE MAN'S CRY OF CONSCIENCE AMID PANAMA PANIC

(By James A. Wechsler)

When he won a hard-fought election in 1962, Thomas James McIntyre became the first New Hampshire Democrat to achieve a Senate seat in 30 years. Now, facing a reelection challenge in November, he has placed his political life on the line by declaring his support for the Panama Canal treaties.

He did so the other day in a Senate speech that will merit remembrance long after the Panama panic promoted by frenzied opponents of the agreements is a footnote in the casebooks of ideological aberration.

McIntyre's address did not stop many presses or incite any brawls in our local taverns. But its echoes are being belatedly heard in many places. For McIntyre, a 62-year-old, self-described moderate, did more than take a stand on an issue that has been inexplicably inflated into a bellicose battle of the century.

He delivered an impassioned indictment of the "politics of threat and vengeance" practiced by the rabble-rousers of the New Right.

"The campaign waged by certain opponents of ratification in my state and across the nation," he said, "has impugned the loyalty and motives of too many honorable Americans to be ignored or suffered in silence a minute longer. . . .

"My political fate is not my concern here today. My concern is the desperate need for people of conscience and good will to stand up and face down the bully boys of the radical New Right before the politics of intimidation does to America what it has tried to do to New Hampshire."

For those who were around in the oppressive years of Joe McCarthy, McIntyre's speech inevitably stirred recollection of another great moment in the Senate's history. On a day in June, 1950, another New England Senator—Maine Republican Margaret Chase Smith—rose to recite her "declaration of conscience" and decry those who sought political gain "through the exploitation of real bigotry, ignorance and intolerance."

McIntyre's utterance may hardly seem a comparable valor to those who dwell in areas like New York where no high antitreaty fever is discernible. But New Hampshire is far more explosive territory. There William Loeb, the Neanderthal publisher of the state's largest newspaper, and Gov. Meldrim Thomson, national chairman of the so-called Conservative Caucus, have been feverishly depicting sponsors of the treaties as agents or dupes of subversion.

They and their allies mounted a concerted war of nerves against McIntyre many months ago. Last summer, as McIntyre told the Senate, Howard Phillips, national director of the Conservative Caucus, urged his adherents to make "a political sitting duck" of Tom McIntyre and "make it a political impossibility for McIntyre to vote for that treaty."

Last December, New Hampshire's branch of the caucus formally censured McIntyre for a speech in which he took no stand on the treaty but promised to weigh all conflicting testimony.

Angered by the "abrasive, threatening tone" of the censure verdict, McIntyre refused to appear for questioning before the caucus. The storm mounted.

Meanwhile, in another context, caucus director Phillips was quoted as saying:

"We must prove our ability to get revenge against people who vote against us. We'll be after them if they vote the wrong way."

And Paul Weyrich, director of the Committee for the Survival of a Free Congress, was declaring:

"We are different from previous generations of conservatives. We are no longer working to preserve the status quo. We are radicals working to overthrow the present power structure of this country."

Their rhetoric, McIntyre validly pointed out, bears remarkable resemblance to some of the manifestos of "the purist left." He had also suffered their taunts in the past. Indeed, Phillips' words might have been plagiarized from Mark Rudd and other fringe voices of the 1960s.

McIntyre shunned any plea for mercy from Thomson and Loeb. He recalled Thomson's charge that the Carter Administration was pursuing "a pro-Communist course," his attack on Martin Luther King as a man who "did great harm to the American way of life," and his tributes to South Africa's John Vorster as "one of the great statesmen of today"—a pronouncement warmly defended by Loeb's paper after it had been assailed by 14 New Hampshire clergymen.

"I cannot believe," McIntyre said, "that the loutish primitivism of Meldrim Thomson and William Loeb is what the American people want in their leaders, no more than I can believe that the American people want the divisive politics of the radical New Right to determine the course of the nation."

McIntyre's speech had begun with the sober statement that "after six months of hard study, I have concluded that on balance the new treaties are the surest means of keeping the Canal open, neutral and accessible to our use, and are in keeping with our historical commitment to deal justly and fairly with lesser powers."

But his message transcended the traumas of the Panama dispute. It was addressed more urgently to the poisonous tactics of the radical right in 1978 than to the disposition of the Canal in the year 2000.

"If you want to see the reputations of decent people sullied, stand aside and be silent," he said.

"If you want to see the fevered exploitation of a handful of highly emotional issues distract the nation from problems of great consequence, stand aside and be silent.

"If you want to see your government deadlocked by rigid intransigence, stand aside and be silent . . .

"In the long run, I am confident that the forces of decency and civility will prevail over the politics of intimidation . . .

"But if that does not occur in time to save the treaties—or those of us who support them—I for one will go home to Laconia, N.H., sad to leave this office but content in heart that I voted in what I truly believed were the best interests of my country."

The outcome of the campaign of fear and smear against Tom McIntyre may reveal a lot about the state of the nation.●

INDIAN MEDICAL SCHOOL: DELAYED

● Mr. ABOUREZK. Mr. President, the Indian Health Care Improvement Act, Public Law 94-437, marked a significant attempt by Congress to establish a much needed comprehensive program to improve the comparatively low health status of the American Indian and Alaska Native people.

However, our responsibility did not end with the passage of Public Law 94-437. Instead, a more important duty lies before us, and that is to insure that this act is sufficiently and meaningfully funded in the appropriation process. To

do otherwise would only be to repeat this Government's past practice toward Indians of promising much, but delivering little.

Public Law 94-437 attempted to establish a health program that took into account all the factors contributing to the low health status of Indians. One of these factors is the severe lack of trained Indian medical professionals. The act thus called for a study to be conducted by the Department of Health, Education, and Welfare to determine the need for and the feasibility of establishing an American Indian School of Medicine to train Indians and interested non-Indians in the unique medical and personal skills necessary to working among American Indian and Alaska Native people.

On Sunday, March 19, 1978, the Washington Post carried an article by Dave Goldberg on the American Indian School of Medicine, and one particular Tribe's attempts to see that it becomes a reality.

I would like to draw the attention of my colleagues to the fact that this special Indian Medical School was deemed one of the two most needed medical schools in the country by an independent Carnegie Commission on Higher Education in 1975. Today, 3 years after that study, 1½ years after the act was signed, and a half year after the feasibility study was to have been delivered to the Congress, the American Indian School of Medicine remains "snarled in red tape."

Mr. President, for the interest and information of my colleagues, I submit the attached article to be printed in the RECORD.

The article follows:

INDIAN MEDICAL SCHOOL SNARLED IN RED TAPE—NAVAJOS RESIGNED TO MORE STUDIES, LACK OF FUNDS

(By Dave Goldberg)

SHIPROCK, N.M.—The pain in the old Navajo's stomach would not subside, even after the medicine man's three-day sing. Now he would ride 75 miles over back-country dirt roads to seek the white man's medicine.

The old man spoke only Navajo, and his son translated the words of the young white doctor. You need an operation, the doctor said. Your gall bladder must come out.

But the old man's misunderstanding was deeper than just language. No, he would have to consult the medicine man again.

The doctor's lack of understanding was just as deep, a chasm of centuries and of cultures. Your father needs an operation, he insisted to the son. What is all this medicine man stuff?

Dr. Taylor McKenzie, a Navajo, may be the only man who can bridge the gap. In 1971, he decided the only way to upgrade medical care on the reservation would be to create an American Indian school of medicine to reconcile modern medicine with ancient Indian healing arts.

McKenzie, the only Navajo physician among the 104 Indian Health Service doctors who serve up to 150,000 Indians and the only Navajo among 79 American Indians who practice modern medicine, has worked on the reservation for 16 years. He is deputy director of the Indian Health Service on the reservation and prospective president of the medical school.

But his impact on the community is even greater. Though he no longer practices medicine regularly, many Navajos trust only him for their medical care, so he spends a good deal of time explaining to people why he can't treat them.

The clash of cultures is not the only thing holding up an Indian medical school; three government-sponsored reports have called the project feasible, but progress is delayed by jurisdictional problems, long-term funding, accreditation and red tape. Even if Congress would approve funds this year, it would be nearly a decade before the school would have significant impact on Navajo health care.

All that exists of the school now is a converted civic center with a medical library that overlooks Shiprock Peak on the 25,000-square-mile reservation.

UNIQUE HEALTH PROBLEMS

There are eight Indian Health Service centers on the reservation that spans rocks, canyons, buttes, mesas and mountains between High Point, N.M., and Tuba City, Ariz. A half-dozen state and federal highways crisscross the area, but most Navajos raise sheep and horses and do their weaving in solitude, miles from the nearest neighbor.

Many homes still are traditional one-room mud and stone hogans. More than half have no running water or toilets, and parts of the reservation are still without electricity.

That leads to health problems unique in North America. There are a half-dozen cases of bubonic plague reported on the reservation each year. There are occasional cases of diphtheria; dysentery and tuberculosis are common maladies, and the rate of gastroenteritis among Indians is 11 times the national average.

Many doctors on the reservation are simply serving time—a two-year stint with the Public Health Service. And their numbers have fallen since the Vietnam war, when a number of young doctors chose Indian service as an alternative to the draft. Most take a year or more to learn the subtleties of Navajo practices, then leave soon afterward.

In late 1971, McKenzie and other Navajo leaders decided an Indian medical school was the best way to train homegrown doctors and interested non-Indians. In March, 1972, the Department of Health, Education, and Welfare recommended that work begin to set up the school and that $150,000 be appropriated over three years for preliminary planning. But the money was never appropriated.

Four years later, a Carnegie Commission on Higher Education examined proposals for nine medical schools and recommended that priority be given to two: a school at Morehouse College in Atlanta that would train black doctors and the American Indian School of Medicine.

In the fall of 1976, Congress acted on an Indian health care bill, which originally contained a provision creating an American Indian school of medicine and appropriating $27 million over five years to finance it. The figure was amended to $16 million over three years; then the bill was amended again to delete the medical school and authorize another feasibility study.

The Navajos took matters into their own hands in February, 1977, when the Navajo Tribal Council approved a charter for the school under tribal auspices. The first step was to continue the search for accreditation begun after the first HEW study.

Among the many requirements for accreditation by the American Medical Association and the Association of American Medical Colleges, three are basic:

1. The college must have a source of long-term revenue.

2. It must be affiliated with a recognized university with a strong science program.

3. It must be affiliated with teaching hospitals.

The Indian school tentatively managed the second two. But it did not have the long-term financial guarantee. Pending that, all other things would have to wait.

So while awaiting the outcome of the HEW study, it sought funds from the Bureau of Indian Affairs. The reasoning was that while HEW handled health care, the BIA was responsible for Indian education. The school involved both.

"They were a little surprised when we chartered our own school," says Thomas Atcitty, the former president of Navajo Community College who heads the board of trustees of the Navajo foundation running the medical school.

The first request to the BIA was for $100,000. Atcitty says he assumed the money would be available because at the end of the 1976 fiscal year, the BIA returned $28 million in unappropriated funds to the Treasury. But the BIA replied there was no money available.

Subsequently, Atcitty was told BIA would coordinate with HEW "in determining which agency can best serve the interests of the American Indian School of Medicine." Nothing was said about money.

RESIGNED TO DELAY

The latest study was completed last Aug. 29 and sent up through channels in HEW. It is still being reviewed, although those involved with it say there is little question about this conclusion:

"Based upon all factors, an American Indian School of Medicine is needed."

The Navajos, meanwhile, make their plans. They already have about 10,000 volumes in the medical library and the Indian Health Service's Shiprock Hospital and clinic is about a quarter mile away.

There still is no school, and the Navajos are resigned to more delay. They have sought foundation funds, but the foundations want to see government money first.

Despite plans by the Navajos to locate the school at Shiprock, the HEW report deliberately avoids recommending any one site. And both congressional and HEW sources question whether the school should be run by one tribe, although the Navajos have support from other Indian groups and plan a board of trustees that represents the national Indian population.

Nonetheless, there is some optimism that McKenzie will get the job done.

"We think very highly of Taylor McKenzie," says Dr. James Schofield of the Association of American Medical Colleges, who heads the accreditation team. "He's no Michael DeBakey, but for the Navajos, he's just the right person."●

THE KIDNAPING OF ALDO MORO

● Mr. CASE. Mr. President, the kidnaping of former Prime Minister Aldo Moro of Italy is another and extremely disturbing manifestation of international terrorism.

An increasingly vicious campaign of terrorism has been carried out by Italian terrorists and the kidnaping of the distinguished Italian leader apparently is an attempt to strike at the very heart of that country's society.

The resolution, Senate Resolution 419, sponsored by Representatives RODINO in the House and passed 398 to 0, and Senator DECONCINI here, eloquently expresses our outrage at the action by the Red Brigade in Italy.

Not only is the action disturbing in itself, but it appears to be another sign of cooperation between various terrorist groups. According to specialists on anti-terrorism from various countries, the Italian group has been getting some assistance and money from groups and countries outside Italy. Therefore, I believe it is all the more important that the civilized governments of the world step up their efforts to counter terrorism,

both by making better use of the legal tools at hand and through improved cooperation and legislative measures.

The resolution I introduced last Thursday, Concurrent Resolution 72, which now has 26 cosponsors, is part of the effort to encourage the United States and other governments to intensify the campaign against terrorists.●

THE FEDERAL BUILDINGS ARTISTIC ENHANCEMENT ACT

● Mr. MOYNIHAN. Mr. President, I am delighted to join my distinguished colleague, the junior Senator from Rhode Island, in introducing the Federal Buildings Artistic Enhancement Act. The Senator from Rhode Island has put a great deal of effort into the development of this bill, and I congratulate him for his excellent work.

The fruits of this bill are legion. Public buildings up and down and across this land will become the setting for the finest works of art fashioned by the living artists of this and every succeeding generation. The bountiful talents of our American artists will be encouraged and displayed—once again they will be able to capture the public imagination. And our citizens will be delighted.

In 1962, while serving as Executive Assistant to the Secretary of Labor, I drafted the "Guiding Principles for Federal Architecture" at the request of President John F. Kennedy. The "Principles," which are still the guiding policy for Federal design and architecture, said in part that "the Federal Government * * * should take advantage of the increasingly fruitful collaboration between architecture and fine arts." To implement this principle, I recommended that "fine art should be incorporated in the design, with emphasis on the work of living American artists." To see this principle at last implemented is most exciting.

Our proposal is a companion bill to S. 2641, "The National Art Bank Act of 1978," introduced by the junior Senator from New Jersey on March 3. S. 2641 is modeled after the Canadian Art Bank, which was established in 1972 and has acquired 7,000 works of art since that time.

The art bank concept, which has met with much success and support in Canada, is a broader scheme within which our program could comfortably fit. The art bank establishes the Federal Government as a collector, with the National Endowment of the Arts as its agent. Our plan puts the emphasis on exhibition in public buildings, which is consistent with the broader proposal in S. 2641.●

THE CONTRIBUTIONS OF THE NATIONAL BURN VICTIM FOUNDATION

● Mr. WILLIAMS. Mr. President, on February 24, the Nation witnessed another tragedy, the explosion of a propane tanker in Waverly, Tenn., killing 11 persons and injuring some 50 others, many seriously burned.

All tragedies such as the Waverly accident are disheartening and regrettable. We as a nation, should begin to take the necessary steps to prevent any such incidents from occurring in the future.

But, on a positive note, I would like to bring to the attention of my colleagues and the Nation, the action of an organization that has been founded to deal with such tragedies. The organization is the National Burn Victim Foundation of Orange, N.J., headed by Mr. Harry Gaynor, its founder and president. The foundation, through its unique and successful national burn disaster system, was prepared to organize its 80 on-call volunteer specialists, from 23 States, and was on the scene in Waverly within hours of the explosion. Because burn victims are in need of immediate and very specialized care and treatment, the arrival of the specialists was gratefully welcomed by local officials and medical personnel in the Waverly area. They quickly went to work treating those victims who suffered so severely from the burn injuries.

I am extremely pleased with and proud of our New Jersey-based operation. In the years that the foundation has been in existence, I have had the privilege of working closely with Harry Gaynor and other officials in our efforts to provide for New Jersey, and now the Nation, a much-needed and effective burn treatment operation.

Mr. President, I wish to submit for the RECORD two newspaper articles that appeared immediately after the Waverly tragedy which highlighted the fine contribution of the National Burn Victim Foundation following that unfortunate accident:

The article follows:

[From The Tennessean, Feb. 26, 1978]

NATIONAL BURN MED TEAM AIDS VICTIMS

Shortly after the violent propane gas explosion roped through Waverly on Friday, the National Burn Victim Foundation started its wheels rolling.

The organization based in Orange, N.J., and comprised of 103 burn surgeons contacted several available doctors and a handful of nurses who dropped what they were doing and prepared to fly to the scene.

Response to the worst disaster in Waverly's history was "overwhelming and almost instantaneous," said Stephen Taylor, administrator of the town's Nautilus Memorial Hospital.

One ambulance after another pulled up to the hospital Friday with the dead and injured after a derailed tanker car blew up, sending bodies and debris flying.

"We have doctors and nurses flying in from all over," said Taylor. "They heard about the injuries on the radio and television and just came in on their own."

The hospital has about 105 employees, Taylor said, and "I looked around (Friday night) just trying to see who was here and I saw that about 100 of them showed up. It was fantastic."

A sister hospital in Trenton, Tenn., sent several doctors and nurses. Ten nurses and four doctors flew in from Ft. Campbell, Ky., and three doctors arrived from Martin, Tenn. Ambulances were driven from as far away as Memphis, 155 miles to the southwest of the town of 5,000.

By midnight Friday, four burn specialists, several nurses and a load of medical supplies from the burn victim foundation were on board an Air Force C-141 Transport at Newark International Airport headed for Tennessee. Another mercy mission had begun.

"They're on call 24 hours a day," said spokesman Dave Gulick. He noted that the most recent aid missions were to a fire at Providence College in Rhode Island in December, and a gum factory explosion in New York early last year.

With the cooperation of the American Burn Association, the foundation's network now extends to 34 states. Since Tennessee is not included, doctors had to be brought into the state.

"We know where the beds are for burn victims in all the states and we can move quickly to help people," Gulick said.

Medical personnel in Nashville Friday afternoon prepared to receive an unknown number of injured from the explosion site, as helicopters hummed in the skies.

"We don't know how many are coming," said one paramedic. "We've heard a hundred have been injured but we don't know for sure."

The explosion occurred at 2:59 p.m. and by 4 p.m., nine persons had been carried to an open field on the North side of Nashville. The helicopters left as quickly as they came, and the ambulances which transported the first group of victims to the hospitals were already back.

"I'd say eight of the nine were critical," said Larry Price, a paramedic who rode with two of the victims. "That means they had burns over 60, 70, 80% of their bodies."

As the sun went down, so did the temperature. A woman in a nearby office building wheeled out a table with some coffee. Police and newsmen joined the medics in line.

"I rode in with two men," said paramedic Floyd Murrell. "They were both in critical condition. They had burns over 75% of their bodies. Their skin was like jelly.

"One man said he was a crane operator. He said he was sitting in the crane when it happened," Murrell said. "The other man didn't say anything."

[From the Sunday Star-Ledger, Feb. 26, 1978]

BURN TEAM TREATS SURVIVORS

(By Kenneth Woody and Anthony F. Shannon)

NASHVILLE.—When the big Air Force jet touched down at Nashville Metropolitan Airport early yesterday morning, a moment of apprehension gripped the doctors and nurses still strapped in their seats—all specialists from the New Jersey-based National Burn Victim Foundation in Orange who had come to assist the survivors of the Waverly disaster.

Nashville police cars, waiting impatiently on the tarmac, rushed the group to nearby St. Thomas Hospital where nine of the victims of the propane explosion were receiving emergency treatment, pending arrival of the specialists.

"Thank God you're here," said Sister Mary Frances, the hospital administrator. "We have a very bad situation which we're really not equipped to handle."

The foundation's network of 103 physicians—80 on 24-hour call—encompasses 34 states. Tennessee is not one of them.

"I knew it would be bad," Phyllis Russo, an associate professor of nursing at Seton Hall University, said later in the day. "But I'd never experienced anything quite like this."

St. Thomas, an ultra-modern institution specializing in heart surgery, was gearing up for eight open heart operations tomorrow when the first badly-burned victims arrived by ambulance and helicopter from Waverly, 60 miles away.

"You've done a remarkable job," Harry Gaynor, president of the National Foundation, told Sister Mary Frances after inspecting the recovery room along with burn specialists Dr. John Stein and his wife, Dr. Beth Stein, both of Jacobi Hospital in New York City, and Dr. Anthony Luppino of West

Orange, a 46-year-old psychologist and former burn victim who directs the burn crisis intervention team at the NBVF.

Over the next seven hours, the Steins were at work in the recovery room, treating patients and assisting the hospital's team of physicians called in to help meet the emergency. Dr. Luppino, meanwhile, met with relatives and friends of the victims, attempting to relieve the strain during the extraordinary crisis.

"The main support system we use when there's real trouble is to keep the victim's family from falling apart," Luppino said later. "This group took it pretty well. They were very worried, of course, but they were reassured the victims were getting the best care possible."

Luppino, a pilot during the Korean War, was hospitalized for 10 months after his jet trainer crashed and burned in 1955.

"From my own experience, I know the victim worries as much about his family as the family worries about the victim," he said.

After a brief rest, the Steins, Luppino and Gaynor went to Baptist Hospital—also in this city—where they looked in on two other victims of the tragedy, including a 6-year-old girl.

"The situation was well in hand," Gaynor said. "We've seen other situations where this was not the case."

Phyllis Russo accompanied the group as did Kathy Murray of Summit, an instructor at Seton Hall where she received a master's degree, and a nurse for 10 years, along with three other nurses from Jacobi Hospital, Judith Grimaldi, Susan Schmid and Georgina Garrison.

"The hospital's nurses were extremely cooperative," Miss Murray said. "They said they were very happy to have us here. Everyone did a tremendous job."

The veteran nurse was called at her Summit home late Friday night by Harry Gaynor, who asked her to call Phyllis Russo.

"They call you and tell you to go to work—and you go," Miss Russo declared.

Both nurses had put in a full day earlier at Seton Hall.

Gaynor, meanwhile, checked with nine other hospitals between Waverly and Nashville where burn victims had been taken.

"All thanked us for offering help," he said, adding that "it appeared they'd be able to handle things without further assistance. They did a fine job, considering the fact they have no real facilities for treating burn victims."

Then Gaynor added somewhat philosophically: "The best response to a disaster is being prepared for it. This is what the foundation wants to accomplish. We want to see all the states working together so they can effectively and efficiently respond when disaster strikes."

As the weary burn specialists prepared to return home, Sister Mary Frances met with them in her office at St. Thomas Hospital.

"You've done a wonderful job, and we really don't know what we would have done without you."

Then she asked, "Have you had a chance to evaluate our performance here?

"Indeed we have," Gaynor replied. "It was excellent." ●

SOVIET SALT I VIOLATIONS

● Mr. PELL. Mr. President, there have been recent press reports that the Soviet Union is violating the 1972 Interim Agreement on strategic offensive arms by operating 64 ballistic missile submarines—two more than the agreement allows.

As a member of the Committee on Foreign Relations, and Chairman of the Subcommittee on Arms Control, Oceans and International Environment, I was very interested in determining the accuracy of this allegation, and I immediately asked the Department of State to comment on this charge. I have just received a response which I believe should be shared with my fellow Senators.

The Honorable Douglas J. Bennet, Jr., Assistant Secretary of State for Congressional Relations, informs me:

As you know, according to the terms of the Interim Agreement the Soviet Union is allowed to deploy no more than 62 modern nuclear powered ballistic submarines. Submarines are counted against these limits as soon as they have gone to sea trials.

All information available to the Administration indicates that those published reports are incorrect. The number of modern Soviet submarines currently deployed does not exceed the number allowed under the SALT I agreement.

I submit the full text of Mr. Bennet's letter for the RECORD following my remarks.

Mr. President, the allegation that the Soviets had exceeded the specified ceiling was the first major charge in regard to Soviet strategic weapons activities in the period since the Interim Agreement expired last October 3. Since the agreement was not extended, neither side is strictly bound to continue adhering to the SALT I limits. Accordingly, it would be incorrect to say that either we or the Soviet Union would be in "violation" of an expired agreement in this transition period before SALT II.

Fortunately, each side has declared that, in order to maintain the status quo pending a SALT II agreement, it intends not to take actions inconsistent with the interim agreement or the ongoing negotiations so long as the other side exercises similar restraint. The United States has been steadfastly adhering to this standard. Similarly, the evidence is that the Soviet Union is sticking to its stated intention.

Since we are in the period of transition in our efforts to achieve further limits, I find Mr. Bennet's letter and other information available to me very reassuring. Fortunately, Soviet submarine activities are adequately verifiable. We will have solid information upon which to judge their adherence to both the expired interim agreement and their statement of intention to maintain the status quo.

Adherence to the submarine limit will constrain the Soviet Union as their submarine construction program continues. Continued Soviet restraint should help create an atmosphere conducive to a new agreement at an early date and serve, in the meantime, as evidence of Soviet good faith in regard to SALT.

The Soviet submarine program is completely consistent with what the two sides are trying to achieve in SALT II. Since SALT II appears likely to limit the two sides to between 2,160 and 2,250 strategic delivery vehicles, the Soviet Union is going to have to reduce its land-based and sea-based ballistic missiles and heavy bombers by about 300. A vigorous submarine program within that lowered ceiling will necessarily mean a greater proportion of Soviet strategic forces at sea and a reduced force of land-based missiles—together with the threat those ICBM's could pose to us.

So long as there is a firm ceiling on the mix of forces, both sides gain from the deployment of greater portions of those forces at sea, since sea-based forces are far less vulnerable to attack and less provocative—thus reinforcing deterrence. Greater Soviet emphasis on sea-based forces within the framework of SALT will not give cause for concern. Their submarine program and our own active Trident missile programs should provide mutual reassurance by strengthening stability.

Mr. President, the letter follows:

DEPARTMENT OF STATE,
Washington, D.C., March 14, 1978.

HON. CLAIBORNE PELL,
Chairman, Subcommittee on Arms Control, Oceans and International Environment, U.S. Senate.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of March 2 regarding published reports that the Soviet Union is in violation of the SALT I agreement by virtue of having deployed 64 modern ballistic missile submarines.

As you know according to the terms of the Interim Agreement the Soviet Union is allowed to deploy no more than 950 submarine launched ballistic missiles on no more than 62 modern nuclear powered ballistic submarines. Submarines are counted against these limits as soon as they have gone to sea trials.

All information available to the Administration indicates that those published reports are incorrect. The number of modern Soviet submarines currently deployed does not exceed the number allowed under the SALT I agreement.

I hope this will be helpful to you and the members of the Committee.

Sincerely

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations. ●

THE 60TH ANNIVERSARY OF THE PROCLAMATION OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

● Mr. DOMENICI. Mr. President, on the occasion of the 60th anniversary of the proclamation of the Byelorussian Democratic Republic, I would like to commend the Americans of Byelorussian descent for their continuing vigil in remembrance of their brothers captive in the Soviet Union.

Let us all remember the fate of a nation which boldly decreed her right to self-determination and freedom. Liberty was the goal of these brave and proud people, tyranny their reward.

The hope and striving for freedom has not diminished and we here offer strength by holding high the principles of freedom and human rights.

On March 25 when the Byelorussian community in America commemorates their past and celebrates their heritage, I urge my colleagues to reflect and rededicate our support for the right of self-determination and freedom. ●

SENATOR BROOKE ON MIDEAST POLICY

● Mr. JAVITS. Mr. President, on February 27, 1978 Senator BROOKE addressed the United Jewish Appeal Youth League in Washington, D.C. As we have come

to expect of Senator BROOKE, his speech on Mideast policy is very cogent and eloquent. Over the years, Senator BROOKE has gained a reputation as being one of the best informed Senators on Mideast questions, and he is a proven friend of the best in United States-Israel relations. I believe that the insights contained in Senator BROOKE's speech on Mideast policy deserves the attention of the Senate. Accordingly, Mr. President, I submit the full text of Senator BROOKE's speech of February 27 be printed in the RECORD.

SPEECH BY SENATOR EDWARD W. BROOKE

I am deeply honored to be with you on this occasion. For so many years, we have shared an intense desire for an end to conflict in the Middle East that would free the energetic impulses of the Israeli people to concentrate on fulfilling the blessings and opportunities of the promised land.

During the past several months, we have witnessed what could still be the gateway to the peace we have longed for. In Jerusalem, after three decades of vituperation and four bloody wars, the leader of the most populous Arab state symbolically accepted Israel as a bona fide Middle East state. But, clearly, Israel's existence as a national Jewish homeland is not, and must not be, predicated upon the decisions of any Arab country. Nevertheless, the Egyptian gesture was important in shaping the psychological environment of the Middle East.

Yet, a false euphoria must be avoided. For, we know that the road to peace is not an easy one to travel. Nor, are the difficult issues which divide Israel and Egypt likely to be resolved in public debate. The klieg lights of the television cameras were useful in lighting the road to Jerusalem, but, as a Talmudic scholar once said, "Nothing is more precious than light; yet, too much light is blinding."

I am afraid it will take many months of arduous, private negotiations to determine whether the present fragile will to peace can be forced into acceptable binding agreements. America's hopes and fears are deeply intertwined with these historic negotiations. We have a deep and abiding commitment to the permanence of a secure Israel. Ours is a sacred obligation, to be ignored only at the sacrifice of our own ideals, and ultimately, at our own peril. For Israel is an island of stability in the sea of chaos that is the Middle East. And, no U.S. policy can be effective without that stability.

Many reasons can be offered for the U.S. interest in Israel. We are all aware and sensitive to them. Tonight, I do want to emphasize that undergirding and overarching this relationship is the fundamental reality that our commitment to Israel is a test of our own values, purposes and ideals. To lessen our commitment would be, in fact, to abandon our belief in the principles of democracy, freedom, and justice upon which our own self-esteem as a distinct nation is based. We cannot, we must not do so, either by degree or abrupt decision.

While our relationship with Israel is grounded in this fundamental identity of basic values, we all have come to realize that the relationship is multifaceted and extends in its implications, beyond the bilateral context. For instance, in the last few years, it has become apparent that it is in the interest of both Israel and the United States to establish effective working relations with moderate Arab states. The primary goal of such relations must be the establishment of an environment within which an acceptable peace can be pursued.

A return to the estrangement that so long characterized our relations with Egypt, or a deterioration in our relations with Jordan, would ill-serve Israel and our country. The chance for an early peace without further war would be forfeited and the negative consequences immeasurable. That is why so much effort has gone into inducing Jordan to join the negotiations in Cairo and Jerusalem.

But, there are other reasons for encouraging moderation in the Arab world. We have learned through past experience that each crisis in the Middle East places severe strains on the fabric of our alliances with Europe and Japan. At the time of the Yom Kippur War in 1973, Japan was 98 percent dependent on the Middle East for its petroleum supplies, and Western Europe 90 percent. Small wonder that they felt so vulnerable when the Arab states decided to use oil as a political weapon. The unfortunate consequence of this vulnerability was a fundamental divergence in views as to the proper response to the conflict. It is neither in the interest of Israel nor ourselves that our alliances with Europe and Japan be undermined. It is essential that the foundation of unity of the world's democracies be maintained. And, we must impress upon the moderate Arab states that their interests, too, are linked to the preservation and stability of these alliances. In doing so, we must take whatever measures are necessary to deny to anyone the capacity to blackmail the industrial democracies by use of the so-called "oil weapon."

Yet, while we pursue our interest in better relations with the Arab states, we cannot afford to be anything but realistic regarding the fragile nature of those relations. Instability continues to characterize much of the Arab world. What might be a firm basis for a relationship today, can disappear in the vortex of Arab politics overnight. Hence, the steps we take to improve our relations with the Arab moderates must be cautious and measured and predicated upon performance rather than mere promise.

It is in this regard that I am compelled by prudent realism to take issue with the wisdom of the Administration's decision to sell sophisticated lethal military equipment to Egypt and F-15's to Saudi Arabia at this time. Such a decision, in my opinion, is not in our interests and should only come, if at all, when there is substantive evidence that the achievement of an effective peace agreement between Israel and Egypt is in the offing. To enter into such agreements at this point appears premature and could very well weaken the movement toward peace.

Equally, it could not help but increase what I am convinced is the misperception in the Arab world that the United States relationship with Israel is weakening. It is the height of irresponsibility to allow such a misperception to exist and deepen. For the Arab states, believing this to be true, would be unlikely to make the compromises so clearly necessary for peace. Indeed, they might be tempted to use a time of counterfeit peace as a means to continue war. U.S. actions and statements should not increase that temptation.

It is also clear that Israel and the United States have an overriding interest in minimizing the influence of the Soviet Union in the Middle East. We have learned from sad experience that Soviet policies and actions tend to exacerbate tensions and, hence, increase the risk of war. And, Soviet behavior leading up to and during the 1973 Yom Kimpur War is illustrative of the Kremlin's intentions and long term policy in that area.

We must not forget that Moscow armed the Egyptians and the Syrians to the teeth with the most sophisticated military equipment available. They neither restrained their Arab clients nor warned of the impending attack. During the conflict they mounted one of the history's greatest airlifts to keep the war going. Finally, they even threatened to intervene physically, backing off only after the President called a worldwide military alert to demonstrate our intolerance for such behavior. Their's was hardly a policy of prudence and restraint.

If we are to limit the Kremlin's capacity to "fish in troubled waters," I am convinced that our goal must be a durable settlement in the Middle East. And, by durable, I mean a settlement that embodies "effective peace" and is arrived at by the decision of those in the Middle East who are committed to allowing a free exchange of people ideas, and trade between Israel and the Arab world. It cannot be imposed from without or require of Israel substantive compromises in return for paper promises.

We all know that such a durable peace may not be achieved on a comprehensive basis in the near future. But, Israel and Egypt have taken the first step toward it. And, our hopes and prayers must be that further progress will be made during the next year.

Ironically, the major issue which appears to divide the two parties is not the final border arrangements between Egypt and Israel; it is probable that an equitable solution to that problem could be worked out. Rather, it is the highly volatile issues of the future of the West Bank and the Gaza Strip which promises to be the most difficult to resolve.

While President Sadat seems to feel no responsibility to defer his pursuit of peace with Israel because of Syrian objection, he apparently does link his effort to his advocacy of a national Palestinian entity. At the very minimum, what this means is the creation of a Palestinian state on the West Bank of the Jordan and the Gaza Strip. Clearly, such a state would be a dagger pointed at the heart of Israel.

Prime Minister Begin has rightly rejected the idea of establishing an independent West Bank Palestinian state. He is only too painfully aware that President Sadat and other Arab leaders are unwilling to define what is meant by the "legitimate rights of the Palestinians," saying that it is for the Palestinians themselves to define those rights. And, we all know that as far as the PLO is concerned, its definition of such "right" includes the "right" to destroy the state of Israel and replace it with a secular state of Palestine. This is, and has been a central tenet of the PLO charter. Although there have been many attempts by the Carter Administration and moderate Arab leaders to induce the PLO to renounce this article of its charter, the PLO leadership has steadfastly rejected any moves in that direction.

Even while Israel has wisely rejected the concept of a PLO-dominated independent state on the West Bank, it has offered a legitimate proposal for negotiations. In doing so, it is clear that the current Israeli cabinet is understandably taking the position that every Israeli cabinet has taken since 1967—Israel is prepared to trade pieces of territory for incremental steps towards peace on the part of their adversaries. On the West Bank and the Gaza Strip, the Begin government has offered to abolish the military administration and replace it with an Arab administrative council. Residents of those territories would be offered the choice of Israeli or Jordanian citizenship, and those who opt for Israeli citizenship would be eligible to buy land and settle in Israel. Until the ultimate question of sovereignty is finally resolved, Israel would retain its present right to claim sovereignty over the West Bank and Gaza. Israel has adopted this approach ". . . in the knowledge that other claims exist and in the interests of peace," in the words of Prime Minister Begin.

The Israeli proposal is a meaningful contribution to the substantive negotiations. It is a bona fide effort to promote the search

for an equitable peace arrangement between Israel and her Arab neighbors

The United States must lend encouragement to these efforts. But, we must always remember that our proper role is as a mediator—not an initiator of proposals. An attempt to move us in the direction of dictating peace terms is apparently being made by President Sadat. He has warned the U.S. Government that unless pressure can be brought to bear on Israel to accept the idea of a Palestinian state in a prior declaration of principles, the stalled political talks cannot be successful.

President Sadat is well aware of the strategic dependence of Israel on the United States. We are, after all, Israel's only reliable ally. It is our sophisticated weaponry which enables Israel to maintain the strategic balance in the Middle East. Since the 1973 Yom Kippur War, the United States has supplied an annual military budget subsidy in grants and credits of almost a billion and a half dollars a year.

Moreover, it is our moral and emotional commitment to Israel which has served as the deterrent to keep the Soviet Union from actual physical intervention in the past three wars in which Israel has defeated Soviet clients.

Anwar Sadat is well aware of the crucial role which the United States has played in Israel's past victories and current strength. That may be why he chose to launch his peace offensive through the good offices of Walter Cronkite and Barbara Walters rather than through diplomatic channels. By seeking to capture the American news media, particularly the instantaneous satellite television audience, he has sought to project his image as the man of peace right into the living rooms of America, bypassing to a large extent, the filtering and opinion-forming effect of official government comments. Moreover, his careful and attentive handling of the American press corps has been designed to enhance the image he has tried to create among the American public.

Polls revealed a 20 percent point jump almost overnight in Sadat's popularity and in the American public's opinion that he was a sincere man of peace. In an unprecedented opinion change, the American public's opinion that Sadat sincerely desired peace leapfrogged that of his Israeli counterpart, with 58 percent of the public believing Sadat to be sincere in his desire for peace as against only 47 percent answering affirmatively when asked the same question about Prime Minister Begin. Hopefully, that misperception of Prime Minister Begin is being corrected.

Of course, the peak in Anwar Sadat's popularity has not been maintained since the dramatic days in November, while the deepfelt affection and respect for Israel has remained high among the American people, and I might add, the Congress. But, the lesson of the peace offensive should be clear. Anwar Sadat has staked his political future—and given the manner in which Middle East governments change, perhaps his very life—on the assumption that an acceptable peace agreement can be reached with Israel and that U.S. pressure is a key to that settlement.

The Egyptian President's expectations that the United States would put undue pressure on Israel, unfortunately, would appear to be well-grounded. We have become only too painfully aware that the Carter Administration appears bent upon pressure tactics. A few examples will suffice to illustrate the point.

In one of his first news conferences the President announced that a "stabilization" of the Middle East "would involve substantial withdrawal of Israel's present control over territories" and only "minor adjustments" of Israel's pre-1967 frontiers. A week later, speaking at a town meeting in Clinton, Massachusetts, the President alluded to the need for a "Palestinian Homeland." Administration spokesmen scrambled to explain away these apparent changes in policy. But, in a diplomatic arena where the presence or absence of the definite article "the" is considered to be fraught with meaning, this new rhetoric seemed to portend a major change in U.S. policy. The President's newness to the world of diplomacy was used to justify the new terms, but as one diplomat explained, "Half the people in the Carter Administration don't understand the language of the Middle East, and the other half are trying to change it."

When, at a May 26th news conference, the President again reiterated his belief that the Palestinians had a "right" to a "Homeland" I took to the Senate floor to question the wisdom of the Administration's approach. No satisfactory explanation was forthcoming. Indeed, the Administration compounded the problem when on October 1st, Secretary Vance unveiled a joint Soviet-American statement in which there was a reference to the "legitimate rights" of the Palestinians and the absence of any reference to "secure borders" for Israel. Again, I protested the Administration's insensitivity to the diplomatic problems caused for Israel. But once more, the Administration argued that there was really nothing new in this seemingly pro-Palestinian document. And a week later, in an attempt to offset its impact, strongly pro-Israel remarks were inserted into the President's address to the United Nations. This trial and error diplomacy has served the interests of no one.

It has made of the United States an "uncertain trumpet" in its mediation role.

Another weakness in the Administration's approach was its frantic attempts to arrange an ill-prepared-for Geneva Conference in December. This was particularly unfortunate in view of the delicate diplomatic position in which Israel found itself as a result of Administration rhetoric about the "legitimate rights of the Palestinians." As a consequence of that rhetoric, many in the Arab world appeared convinced that the United States would deliver to them the victories they had been unable to obtain by the clash of arms. That dangerous misperception persists and requires correction lest it become an insurmountable roadlock to peace efforts.

This need to convince the Arab countries that the United States will not apply onesided pressure on Israel has become even more important in light of President Sadat's recent visit to the United States and the Administration's most recent statements regarding the proposed transfer of sophisticated military equipment to Egypt and Saudi Arabia. It would be a blunder of immense proportion to mislead the Arabs into thinking that at some point in time the United States would deliver Israel bound hand and foot to the negotiations table to acknowledge a dictated settlement. This we cannot, we will not do.

We can, and must, of course, serve as an important communications channel between Israel and Egyptian leaders. We can also express our opinions or proffer friendly advice at the appropriate times. But, our role must be that of a midwife to any peace settlement. That settlement will, ultimately, be born out of Israeli-Arab efforts and they are the ones who will have to live with its joys and sorrows.

For as I have said, not too many months ago, peace seemed hopelessly beyond our reach. That is no longer the case, although the euphoria of November has been replaced by the sober realization that the road is still a long one, strewn with obstacles. The leaders of Israel and Egypt have taken halting but meaningful steps towards the goal. But in the end whether we attain an equitable peace in the Middle East, one that endures beyond the immediate joy of its proclamation, depends not only upon the mutual goodwill of the inhabitants of palaces and parliaments, but also those of the deserts and kibbutzim. Let us pray that God blesses them with the spirit of the peacemaker. For as it is written in the Book of Proverbs "Peace after emnity is sweeter than honey." ●

SUPPORT FOR CONFERENCE REPORT ON AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS OF 1978

● Mr. CHURCH. Mr. President, I support the adoption of the conference report on H.R. 5383, the Age Discrimination in Employment Act Amendments of 1978.

There is one feature in the bill, though, which I do not favor. And, I shall have more to say about that provision in a moment.

But at this time, I would like to comment about other measures in this legislation—several of which I either sponsored or advanced.

First, H.R. 5383 would have the effect of raising the mandatory retirement age from 65 to 70.

This represents an important step toward the goal of employment based on merit.

As chairman of the Senate Committee on Aging, I have long maintained that functional capacity—not chronological age—should determine whether a person is hired, fired, promoted, or demoted.

Chronological age alone is a poor barometer of one's ability to perform on the job.

In fact, several studies make it clear beyond any doubt that older workers form as well on the job as their younger counterparts and quite often noticeably better. A New York State Division of Human Rights survey, for instance, found that persons 65 or older are generally equal to, and in some cases significantly better, than those under 65 in areas of attendance, punctuality, on-the-job safety, and work performance.

Administrators and personnel officers make judgments each day about the competence of employees under 65 years old. These same standards can and should be applied to persons 65 and above.

Older workers are not asking for any preferential treatment. All they want is a chance to compete on equal terms with others on the basis of ability and not chronological age. I strongly believe that they should have this opportunity.

Second, H.R. 5383 would abolish mandatory retirement, for the vast majority of Federal employees, effective September 30.

As the Nation's largest employer, the Federal Government is ideally suited to test out the feasibility of eliminating manadatory retirement completely.

If the experience proves successful, many private employers may want to adopt a similar practice. In that regard, Mr. President, I would like to ask unanimous consent to insert in the RECORD a press release I issued on March 21.

Third, the bill would modify the existing 180-day notice of intent to sue requirement, which has oftentimes proved to be a trap for the unsuspecting.

The Department of Labor estimates that the courts have dismissed nearly two-thirds of all private age discrimination suits without a hearing on the merits

because an individual failed to comply with the act's procedural requirements. One of the most troublesome is the 180-day notice of intent to sue requirement.

H.R. 5383 would simply require that an individual file a charge with the Department of Labor within 180 days after the alleged violation before commencing a suit, rather than comply with the more formal notice of intent of sue standard.

Moreover, the conference agreement makes it clear that the "charge" requirement is not a jurisdictional prerequisite to maintain a suit under the law. Courts would be permitted to excuse the failure to file a charge for equitable reasons.

Fourth, I am pleased that the conferees agreed to phase out the provision permitting tenured college and university faculty members to be mandatorily retired at 65. Under the conference agreement, the mandatory retirement age would be raised from 65 to 70 for them on July 1, 1982—or 2½ years after the effective date for other workers.

I would have preferred an earlier effective date for raising the mandatory retirement to 70 for tenured faculty members.

I do not support, though, the exemption in the bill, permitting high level executive or policymakers to be mandatorily retired at 65 if they have retirement benefits of $27,000 a year or more, exclusive of Social Security benefits.

One of the major purposes of the Age Discrimination in Employment Act is to promote employment on the basis of ability.

This goal is not well served by carving out exemptions in the law. An exception should be made only if compelling reasons exist. In my judgment, the compelling case for this exemption has not been made.

Fortunately, the number of persons affected is small. But the exemption is likely to be the source of much litigation or confusion.

Taken as a whole, though, I think the bill includes many beneficial—and perhaps landmark—provisions for older Americans.

For these reasons, I reaffirm my support for the conference report on H.R. 5383.

I submit a news release from my office for the RECORD.

The news release follows:

NEWS RELEASE FROM SENATOR FRANK CHURCH

WASHINGTON, D.C., March 21, 1978.—Senator Frank Church today urged the U.S. Civil Service Commission to prepare adequately for the probable end of mandatory retirement in the Federal service this autumn.

Church, Chairman of the Senate Committee on Aging, said it appears likely that legislation to end employment cutoffs at age 70 among Federal employees will soon receive final Congressional approval and go to President Carter for signature. The abolition of forced retirement would take effect in October.

"And," said Church, "this deadline is rushing toward us at just exactly the same time that President Carter has presented his plan for Civil Service reform."

In an address this morning before the American Personnel and Guidance Association (9:00 a.m., Sheraton-Park Hotel), the Senator said the President's proposals apparently do not deal with needs that will intensify with an end to mandatory retirement in the Federal government.

Church said:

"I'm thinking of such programs as:

"Mid-career training to prevent skill obsolescence;

"Development of objective tests of work capability;

"Flexible work arrangements for older workers who may care to change from one job or another, or to enter part-time work, or to make other changes which will make Federal service more attractive to them and more productive for the agencies they serve;

"And pre-retirement training programs with a decided emphasis on work options before retirement, as well as personal interests and concerns after retirement."

Church said that the Senate Committee on Aging has long urged the Civil Service Commission to become a model employer in its treatment of middle-aged and older workers.

"Now, with an end to mandatory retirement for Federal agencies within sight, it's time for the Commission to ask for help in dealing with an entirely new situation," he added.●

WATERWAY USER CHARGES AND THE TYRANNY OF THE BENEFIT-COST RATIO

● Mr. DOMENICI. Mr. President, the debate over the dollar impact and the form of my proposal to phase-in waterway user charges has obscured a related advantage of user charges. This would be a lessening of the life-or-death tyranny now imposed by the benefit-cost analysis of water projects.

Adoption of my amendment No. 1460 to H.R. 8309, or a similar provision linking costs to expenditures, will move the Nation closer toward the use of a more realistic assessment—a market test—of the worth and value of water resource projects which have commercial beneficiaries. A determination of the willingness of the users and beneficiaries to pay all or a portion of the costs of a project provides a far stronger guide to whether a project merits Federal assistance than any artificial calculation that the "benefits" exceed the "costs."

The Federal water resources effort is now the source of much public dissatisfaction. That is unfortunate. Much of this dissatisfaction grows from the fact that so much of the program is "free." It may be secondary that the project is really needed or that it provides the best solution.

Well, it is not "free". The American taxpayers are paying for it. And the only shroud of protection provided the taxpayer is the mythical benefit-cost computation.

The "benefit-cost ratio" stems from section 1 of the Flood Control Act of 1936. At that time, Congress determined that water resource projects could move forward if "the benefits to whomsoever they may accrue exceed the costs." No other type of Federal investment requires such an analysis.

There is certainly nothing theoretically wrong with this approach, but as a practical matter, the "B–C" ratio is sometimes worthless. It can depend on how games are played with the interest rates applied to the invested dollars. It allows a water resources agency to calculate a series of hyped-up benefits, and it is often subject to off-the-wall estimates on prices, totally unrelated to what a project will actually cost the public.

To cite one example, the benefit-cost analysis is distorted by the requirement of section 7(a) of the Department of Transportation Act (49 U.S.C. 1656(a)), which mandates the use of inflated "savings to shippers" figures in computing a benefit-cost ratio on inland navigation projects. Another myth involves so-called regional benefits, which many would like to graft onto the benefit-cost process as a way to bolster benefits. Regional benefits for a project are ones, which, in effect, are subtracted from other areas of the Nation.

Conversely, projects in many poor or lightly populated areas of the Nation never seem to come up with positive benefits. While local businesses desire the project, knowing it can provide long-term improvements to the area, and they would often be willing to repay much or all of the cost, the tyranny of the benefit-cost ratio kills the idea before it gets off the ground.

Personally, I believe we must find a better way to evaluate the need for water resource projects. One better alternative is a "user-pays" approach. This philosophy is embedded in programs for hydropower production, water supply, and irrigation. There is no reason why a market test cannot be extended across a broad range of projects, including those that benefit the big barge companies.

Thus, waterway user charges can and should move the Nation beyond the time where every new project is a battleground over some arbitrary benefit-cost ratio. It will move us into a discipline where the Congress and the President can act with greater assurance because the local industries, users, and other direct beneficiaries are willing to share in the cost.

Mr. President, the marketplace is a far better test of value than the computers in the offices of the Army Corps of Engineers. It is important that we focus the limited Federal dollars that are available on projects with a base stronger than any tenuous benefit-cost analysis.

And there is an additional factor. When the commercial users are paying, they have a direct and forceful interest in making certain that the Federal water agency brings in the project in the most cost-effective way for the benefit of the taxpayers and the users. It is time that we replace cost overruns with beneficiary responsibility.

Mr. President, as an indication of the vagaries of the cost-benefit ratio, I recently asked the Army Corps of Engineers for a list of those water resources projects in the President's 1979 budget that lack a positive benefit-cost ratio. I submit for the RECORD a copy of this list.

The resulting tables follow:

PROJECTS BELOW UNITY AT 6⅝ PERCENT INTEREST RATE

Q. At the present interest rate of 6⅝ percent, how many projects in the budget for construction funds have a benefit-to-cost ratio of less than unity? Please list the projects, the sum in the budget for each, the total remaining cost of each, as well as the benefit-cost ratio for each using 6⅝ percent.

A. There are 55 projects in the FY 1979 budget, that are under construction, that have a benefit-to-cost ratio of less than unity using 6⅝ percent interest rate. The list of projects and requested information are as follows:

[Dollar amounts in thousands]

Division/project	BCR at 6⅝	Fiscal year 1979 budget	Balance to complete after fiscal year 1979
New England: Park River, Conn	0.81	$14,800	$8,376
North Atlantic:			
Elizabeth, N.J	.83	3,500	15,030
Tyrone, Pa	.55	1,000	29,144
Bloomington Lake, Md. and W. Va	.72	26,000	30,919
Blue Marsh Lake, Pa	97	5,898	0
Cowanesque Lake, Pa	.97	19,000	12,270
Tioga-Hammond Lakes, Pa	.77	5,700	1,315
South Atlantic:			
Masonboro Inlet jetties, North Carolina	.81	4,000	42,395
Falls Lake, N.C	.86	19,500	33,138
Tallahala Creek Lake, Miss	.95	5,500	46,16
Tennessee-Tombigbee Waterway, Ala. and Miss	.90	142,750	831,403
Ohio River:			
Evansville, Ind	.74	4,495	13,841
Dayton, Ky	.69	1,900	3,652
Paintsville Lake, Ky	.85	8,100	13,897
Laurel River Lake, Ky	.64	1,850	6,895
Chartiers Creek, Pa	.97	500	2,931
Beech Fork Lake, W. Va	.75	900	2,366
Burnsville Lake, W. Va	.81	1,200	6,480
East Lynn Lake, W. Va	.62	1,100	1,764
R. D. Bailey Lake, W. Va	.53	8,000	8,157
Stonewall Jackson Lake, W. Va	.93	6,400	93,645
Lower Mississippi Valley:			
Kaskaskia River navigation, Illinois	.53	4,200	19,144
Mermentau River, La. (channel improvement)	.88	1,330	900
Red River Waterway, Mississippi River to Shreveport, La	.62	40,000	865,762
Red River levees and bank stabilization below Denison Dam, Tex., Ark., and La	.70	4,000	9,615
East St. Louis and vicinity, Illinois	.97	800	37,229
Clarence Cannon Dam and Reservoir, Mo	.68	11,050	34,436
North Central:			
Freeport, Ill	.58	$175	$9,042
Fulton, Ill	.64	4,100	4,638
Waterloo, Iowa	.86	5,000	6,648
Saginaw River, Mich	.83	430	38,367
Mankato and North Mankato, Minn	.80	7,000	22,560
Roseau River, Minn	.99	5,000	13,661
Southwestern:			
Big Hill Lake, Kans	.78	4,500	5,783
Los Esteros Lake, N. Mex	.78	3,445	575
Copan Lake, Okla	.80	12,450	9,082
Optima Lake, Okla	.66	1,509	0
El Paso, Tex	.51	3,300	26,546
San Antonio channel improvement, Tex	.70	800	20,072
Texas City and vicinity (hurricane and flood), Texas	.92	1,600	3,149
Vince and Little Vince Bayous, Tex	.49	1,135	5,431
Missouri River:			
Missouri River, Sioux City to mouth, Iowa, Kansas, Mississippi, and Nebraska	.95	2,900	20,699
Big Sioux River at Sioux City, Iowa and S. Dak	.83	1,655	0
Clinton Lake, Kans	.96	3,000	2,153
Hillsdale Lake, Kans	.76	13,200	15,114
Little Blue River Lakes, Mo	.74	9,500	72,008
Smithville Lake, Mo	.59	7,900	5,857
Harry S. Truman Dam and Reservoir, Mo	.63	33,000	37,393
North Pacific:			
Applegate Lake, Oreg	.52	17,400	47,286
Lost Creek Lake, Oreg	.83	2,500	17,806
Tillamook Bay and Bar, Oreg	.59	4,128	0
Pacific Ocean: None.			
South Pacific:			
Corte Madera Creek, Calif	.67	140	9,190
Cucamonga Creek, Calif	.99	11,800	47,223
Dry Creek (Warm Springs) Lake and Channel, Russian River Basin, Calif	.65	35,000	121,818
New Melones Lake, Calif	.95	27,000	32,378
Mississippi River and tributaries: None.			

HUMAN RIGHTS IN EAST GERMANY

Mr. HELMS. Mr. President, the sad state of human rights in Eastern Europe has been documented so many times that Americans seem to have become numbed to new charges that are raised. This is regrettable.

Indeed, I am concerned that we have become numbed to the existence of gross violations of human rights that exist in Europe. Meanwhile, elements of the major media never fail to seize upon every new allegation of rights violations supposedly occurring in those countries in Latin America, Asia, and Africa which happen to be friendly to the United States. It does not seem to matter to the media that these allegations so often prove to be unfounded rumors, or worse. Such selective outrage by the major media, too, is regrettable.

Therefore, when an authoritative document comes to light laying out human rights violations in detail, it is worthwhile to pay close attention to it.

Such a document is the "White Paper on the Human Rights Situation of the Germans in the German Democratic Republic (GDR) and East Berlin," published by the CDU/CSU group of the German Bundestag.

Mr. President, Germany is the only country in Europe divided between East and West. One of the most inhuman borders on Earth divides the people of one nation, separating thousands of families.

Almost daily, people die in their attempts to exercise a most fundamental human right, that of free movement. As they attempt to cross the border from East to West, they are shot, maimed or captured. The Berlin wall, and countless other border emplacements are mute reminders of the quality of human rights in East Germany.

As the report of the CDU/CSU group shows, basic human rights still do not exist in East Germany. Nor will they be observed as long as the United States and other nations which speak of freedom do nothing to put their words into action.

Mr. President, I commend to my colleagues this report. The CDU/CSU group is the largest single political group in the German Bundestag. Much time and labor went into this report. It is well worth considering as the United States proceeds into further negotiations with East Germany's soulmate in the observance of human rights—the Soviet Union.

Mr. President, I ask unanimous consent that the "White Paper on the Human Rights Situation of the Germans in the German Democratic Republic (GDR) and East Berlin" be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

THE HUMAN RIGHTS SITUATION OF THE GERMANS IN THE GERMAN DEMOCRATIC REPUBLIC (GDR) AND EAST BERLIN

1. The inhuman border through Germany and Berlin:

Germany and the German people are divided by a border which the GDR Government has built up on its side with minefields and various other inhuman fortifications. The wall in Berlin and the barriers set up by the GDR along its border with the Federal Republic of Germany have become a symbol of the forceful division of a country and the division of a nation, a symbol of a policy irreconcilable with human rights.

In contravention of Principle VII of the CSCE Final Act and Article 12(2) of the International Covenant on Civil and Political Rights, the Government of the GDR denies its inhabitants the right to leave the territory of the GDR freely. In order to ensure that they cannot do so, the GDR Government has built a system of fortifications along the border with the Federal Republic of Germany and along the sectoral border in Berlin. A whole series of other measures have been introduced inside the GDR, likewise to prevent free movement.

Since the signing of the CSCE Final Act, those barriers and devices and the various other measures have not been removed; on the contrary, they have been increased and made more efficient. All these installations, ranging from mines and self-triggering firing devices, as well as the use of fully automatic weapons against people trying to escape, have claimed further victims and wounded others along the border. By keeping the people locked up within the State borders, the GDR Government is depriving them of an essential part of the basis on which to exercise their right to run their lives as they themselves see fit. This denial of free movement is a particularly grave encroachment upon their rights since its purpose is to separate the people of one nation and thus causes millionfold suffering.

1. The border through Germany and Berlin: The 1,393 km long border between the Federal Republic of Germany and the GDR, as well as the sectoral border in Berlin, more or less correspond to the border of the Soviet-occupied zone of Germany to the West laid down in the London Protocol of 12 September 1944. The demarcation line from Lübeck to Hof was first closed to traffic in both directions on 30 June 1946 by the Control Council for Germany at the request of the Soviet occupying power. Not until the Control Council issued Directive No. 63 on 29 October 1946 was traffic between the Soviet and the Western zones of occupation again possible, although subject to controls and with the introduction of the inter-zonal pass.

At first, the demarcation line was patrolled only by the Soviet army on the Eastern side,

then by units of the "Garrisoned People's Police" as well as from July 1948. Anyone who crossed the border illegally was usually detained for several days or weeks. It was not until two and a half years after the establishment of the German Democratic Republic that the situation along the demarcation line changed drastically. On 26 May, 1952, the Council of Ministers of the GDR issued an "ordinance on measures to be taken along the demarcation line". In that ordinance the Ministry for State Security was instructed to take steps to cut off the zonal border area completely. Since then the border right through the middle of Germany has been developed in various ways into an ever more perfect system of fortifications to prevent the free movement of the people in Germany.

2. The border fortifications today:

2.1 Restricted Area and Protective Strip: Along the whole of the border there is a Restricted Area which in parts is up to 5 km deep. People living in this area have a special entry to that effect in their identity cards. Special Police regulations apply in the Restricted Area. For instance, meetings, etc. and private celebrations must end at 10 p.m. The part of the Restricted Area adjacent to the border is the Protective Strip. In parts it is up to 500 m wide and even people who live in the Restricted Area may only enter it with special permission.

2.2 The actual installation and devices are as follows:

2.21. Metal trellis fence: As from the early seventies, the barbed-wire entanglements along the entire border were gradually replaced by fences made of prefabricated metal trellis sections fixed to concrete posts. There are two types. One is 2.40 m high and mounted in two rows with contact mines in between. The more recent type is 3.20 m high which is erected as a single fence and has "SM 70" automatic shooting devices attached to it. Both types of fence, depending on the terrain, are 30–70 m from the actual border line.

2.22. The vehicle ditch: In the open terrain immediately in front of the metal trellis fence seen from the GDR side a ditch about 1 m deep and 2 m wide has been dug to stop vehicles trying to crash through the border. The side of the ditch facing the Federal Republic of Germany is lined with concrete slabs which ordinary vehicles cannot cross.

2.23. The tracking strip: Immediately in front of the metal trellis fence or, where one exists, in front of the vehicle ditch, which all growth is removed. This strip shows up all tracks clearly and is checked every day by a special border control unit.

2.24. The relief road: In front of the tracking strip there is a road consisting of two rows of concrete slabs. Its purpose is to ensure the fast movement of border alarm groups and can be used by 16t lorries.

2.25. The protective Strip fence: The Protective Strip is marked off from the Restricted Area by a metal trellis fence only half the normal height but with electric contacts on top. If they are touched an optical signal is immediately flashed to the nearest command post of the guard company on duty. A siren may also be sounded. This enables the alarm groups to take action from two sides to stop the person trying to escape.

2.26. The observation towers: All along the border observation towers made of prefabricated concrete parts, steel or wood have been erected at irregular intervals. Usually they are in sight of one another. Some of them have bunkers as bases for the alarm groups. Others have command posts and the guards have rifles with telescopic sights.

2.27. The long-leash dog patrols: At points along the border that cannot so easily be kept under observation, dogs trained to attack humans are used for patrolling purposes. They are attached to a 200 m-long wire leash about 3 m high. This enables them to attack any escaper within their range. Nearly 1000 dogs are used in this way.

2.3. The "SM 70" automatic shooting and warning device: The "SM 70" automatic shooting devices are attached to every fourth concrete post of the metal trellis fence at different heights on the side facing the GDR. The "SM 70" consists of the firing apparatus with the cone-shaped shooting funnel, the ignition and reporting mechanism, and the fixture. They fire in a direction parallel to the fence. They are triggered if the wire is cut or moved about 2 cm. The trigger wire leads from one device to the fixture of the next at the same height. The funnel is filled with about 100 g trinitrotoluol (TNT). On top of this charge are about 110 sharp-edged pieces of steel roughly 4 mm long and weighing 0.5 g each. Up to a distance of 25 m they tear wounds in the victim similar to those caused by dum-dum bullets. And as the funnel, made of aluminum, is also shattered when the device goes off there is an added splinter effect.

The affect of the "SM 70" is exactly described by Dr. Werner Stoll of Wustrow, district of Lüchow-Dannenberg, in the Medical Report of 30 Juli 1976 on the death of the refugee Hans-Friedrich Franck of MeiBen, GDR, which reads:

"Hans-Friedrich Franck, who was injured by an automatic shooting device on the metal trellis fence along the GDR border within the Federal Republic of Germany, could not be kept alive in spite of the most intensive efforts by the doctors and all others helping to save his life. The irregularly shaped, jagged metal splinters, which have the same effect as a dum-dum bullet, if not worse, had shredded Franck's vascular structure below the groin to such an extent that suture was extremely difficult and slowed up the operation considerably." (See also the Pictoral Documentation, p. 99 seq.).

2.4. The orders to shoot: The GDR maintains 28 regiments along the intra-German border, including the border around West Berlin. Each border regiment usually has three battalions of four companies each. The frontier brigade "Coast" patrols the North Sea Coast. It consists of three groups of boats totalling 18 patrol vessels of the "Kondor" class.

The section of the Elbe between Schnackenburg and Lauenburg is guarded by frontier companies and the river itself by 24 patrol and long-range boats. Altogether the GDR border force comprises about 47,000 men. The use of fire-arms along the border is governed by Regulation "DV 30/10". The orders prescribed by this regulation are given orally only. Border guards are under orders to shoot to kill anyone in the immediate vicinity of the border fence or wall. They may only challenge or fire a warning shot if there are at least 50 yards between the metal trellis fence and the person trying to escape. If a person shot in this way is lying within the range of the border security installation he must be left there until the alarm group has been called.

2.5 Total length of the fortifications: The intra-German border—not counting the sea area in the Lübeck Bight—has fortifications of the kinds described above along its total length of 1,393 km. They can be broken down as follows:

As of July 15, 1977

[In kilometers]

Metal trellis fence	1,083
Protective strip fence	788
Minefields	491
SM 70 devices	248
Concrete walls/sight screens	8
Anti-vehicle ditches	739

Observation towers including treetop observation posts, 584.

Since the signing of the CSCE Final Act, the metal trellis fence has been lengthened by 93 km, the Protective Strip fence by 171 km, and the SM 70 firing devices have been installed along an additional length of 60 km.

2.6. The border around West Berlin: The border around West Berlin—including the sectoral border in Berlin—measures in all 165.7 km. Since 1961, its main element has been the Wall, which divides East and West Berlin over a distance of 46 km. In their present form, these border installations were for the most part put up between 1964 and 1970, viz., 55.2 km of metal fencing, 104 km of wall slabs topped with piping, 150 km of concrete wall, 123 km of fencing with electric signals (6—10 volts), 124 km of asphalt relief road. Situated along the wall are 251 observation towers, 144 bunkers with firing slits, 260 dog runs.

3. Victims of the border fortifications: Since 13 August 1961, members of the GDR border guard have fired at people trying to escape on 1509 occasions. Seventy people trying to escape and others helping them have been killed along the Wall. Sixty-six of them were shot. Ninety-one people have been seriously wounded. Over the past 16 years, 3,002 people have been arrested trying to escape over the Wall.

From 1949 to 1 August 1977, to the extent known to the Federal Republic of Germany, 182 people have been killed by mines, shot by guards or firing devices, or killed by other means along the entire intra-German border, including the border around West Berlin. Four of this number have been killed since the signing of the CSCE Final Act.

4. Penalties for attempting to exercise the right of free movement: The border fortifications also have as their equivalent the criminal law of the GDR, which imposes penalties on persons "guilty" of "unlawfully crossing the border" (section 213, GDR Penal Code). Under these provisions "anyone who obtains by devious means or for himself or another person a permit to enter or leave the German Democratic Republic or who leaves the territory of the GDR without government authorisation or fails to return to that territory" can expect a prison sentence of up to two years. Both preparation for and the actual attempt to escape are punishable. "In serious cases the offender may be sentenced to a term of imprisonment from one to five years" (Section 213 [2], GDR Penal Code). An example of a serious case is when a man and his wife together (i.e. a "group") intend to escape or the exit papers of another person are used or a "border security installation" is damaged.

Anyone who assists persons trying to leave the GDR without authorisation may be liable to prosecution for "anti-State trading in humans" (section 105, GDR Penal Code), almost a charge of slave trading, in spite of the fact that the inhabitant of the GDR concerned freely accepts such help. In April 1977—just as preparations were being made for the CSCE follow-up meeting—the GDR introduced stiffer penalties, so that now "particularly serious cases" may carry a life sentence.

For a good number of years there have been at least 2,500 people in custody in the GDR for attempting to "flee the Republic". Then there are a similar number of political prisoners who have been prosecuted for exercising the right of free speech and attempting to leave the country (see below II, 1.2; III, 1., 1.2).

The GDR uses some of these prisoners as a means of obtaining foreign exchange. For between 40,000 and 80,000 DM (German Marks) per person some are released after serving part of their sentence, usually to go to the Federal Republic of Germany.

From 1962 to 1976 inclusive, at least 720 million DM of budgetary funds of the Federal Republic of Germany alone was paid over

in this way. On top of this there are the special material concessions made to the GDR for this purpose within the scope of intra-German trade. But in spite of all these "purchases", the "reservoir" of prisoners shows no signs of drying up. It is kept full by making it a crime for people to escape from one part of Germany to the other, and even to make a lawful application for permission to leave the GDR or to voice critical opinions.

II. Other serious violations of human rights and disregard for the aims of the CSCE Final Act:

The GDR disregards the aims and the declarations of intent of Basket III of the Final Act with regard to "co-operation in humanitarian and other fields".

The underlying purpose of Basket III of the Final Act is to increase contacts between the people with a view to consolidating peace and understanding. The object is to bring families together and facilitate marriages between citizens of different States. It aims to improve travel, primarily on family grounds but also for business reasons and tourism. And Basket III says that no one should be placed at a disadvantage for submitting the appropriate application to the authorities of his country.

The law and practice of the GDR run contrary to this aim of the Final Act.

1. Separation of families and refusal to allow families to reunite: Part 1(b) of Basket III of the Final Act reads:

"The participating States will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family, with special attention being given to requests of an urgent character—such as requests submitted by persons who are ill or old. They will deal with applications in this field as expeditiously as possible. They will lower where necessary the fees charged in connection with these applications to ensure that they are at a moderate level. Applications for the purpose of family reunification which are not granted may be renewed at the appropriate level. . . . .Until members of the same family are reunited meetings and contacts between them may take place in accordance with the modalities for contacts on the basis of family ties.

The participating States confirm that the presentation of an application concerning family reunification will not modify the rights and obligations of the applicant or of members of his family."

1.1. Since the signing of the Final Act there has been an increasing flow of complaints from GDR citizens and their relatives in the Federal Republic of Germany about the way applications for family reunion have been handled.

There is a close connection between applications for the reuniting of families and for permission to be able to visit relatives. Often a citizen of the GDR or a family will at first only submit an application for one visit to relatives in the Federal Republic. The application leads to reprisals (described later on) by the GDR authorities or personnel departments of "people's enterprises". The lasting disadvantages which result prompt the GDR citizens to apply for settlement in the Federal Republic of Germany because they see no further possibility of a secure livelihood in the GDR.

1.2. In order to prevent the reuniting of families the GDR authorities resort to the following means:

They have introduced a narrower definition of "family". It is usually equated with "family household", in other words only the husband, wife and legitimate children under 18 living with their parents are regarded as members of the family.

Parents, in-laws, grandparents, adult brothers and sisters, half brothers and sisters, or relatives of the third or fourth degree, are not recognized as members of the family.

In fact, exit visas are sometimes granted only to certain members of a family (e.g. only to the parents and children under age), which causes even more separation.

Time and again reports are received to the effect that the GDR authorities inform applicants that the United Nations Human Rights Conventions and the International Covenants on Human Rights, as well as the GDR's contractual commitments to respect human rights, as embodied in article 2 of the Basic Treaty between the GDR and the Federal Republic of Germany and in the Final Act of Helsinki, are not directly binding.

And there are growing numbers of reports that the GDR authorities treat applications for exit visas as a criminal offense and dismiss the applicants from their jobs; they are not given work by other "people's enterprises" or public administrations; they are then accused of being "shirkers" and in accordance with the provisions of the GDR's Labour Law, of "asocial behaviour", and sentenced to terms of imprisonment. The process of constraint and making criminal offenses out of applications also takes the following form: GDR inhabitants who apply for exit visas are immediately declared to be "persons in possession of secret information" and therefore forebidden to have "contacts with the West"; in many cases it is assumed that they have ignored this ban by maintaining relations with members of their families in the West; this automatically entails criminal proceedings.

Constraint by the GDR authorities is particularly common as regards families with children who apply for exit visas. The authorities threaten to deprive them of their parental rights and to have their children transferred to state homes because they have not brought them up to hate the West and hence their Western relatives. If they thereupon withdraw their applications they are promised leniency.

Even people who have not applied for exit visas but do not discriminate against those who have or send them to Coventry can also expect reprisals.

The GDR authorities are also in breach of human rights in that they infringe the privacy of applicants' mail and monitor all their communications with others.

But contempt for the spirit and letter of the Final Act is manifest in particular in the fact that renewed applications for permission to reunite with members of the family lead to a ban on contacts with relatives in the West altogether, i.e. no travel in either direction.

The number of pending applications for permission to join family members in the Federal Republic of Germany is estimated at 30,000. The fact that only 4,914 persons in this category were allowed to transfer to the Federal Republic of Germany in 1976 shows how far this deeply human problem still is from solution.

1:21. Particularly serious are those cases where one member of a family succeeds in escaping to the Federal Republic of Germany. His relatives are first advised to induce that person to return. If this fails pressure is put on the husband or wife to break off relations with the spouse in the Federal Republic of Germany and in particular to cease all correspondence. Then after a certain period the man or wife, who is not permitted to leave the country, is urged to seek divorce. If this person is in the public service, has an important job, or is otherwise a "possessor of secret information" (within the broad definition applied by the GDR) he is required to sever all contacts with relatives in the Federal Republic of Germany. He must undertake to discontinue all written or oral communications, and is not even permitted to meet his parents if they visit the GDR. The disadvantages both at work and otherwise for anyone breaking this ban are so grave that a young man who recently had a clandestine meeting with his parents who had travelled to the GDR from South Germany has said he will not see them again because the risks to himself and his family are too great. The mere fact that parents or a man or wife who have remained in the GDR apply for permission to transfer to the Federal Republic of Germany is enough to bring them personal and economic disadvantages and to expose them to chicanery and discrimination which may go so far as social degredation.

* * * * *

1.3. Persons engaged to be married kept apart: Paragraph 1 (c) of Basket III of the Final Act reads:

"The participating States will examine favourably and on the basis of humanitarian considerations requests for exit or entry permits from persons who have decided to marry a citizen from another participating State."

Whether it is a question of engaged couples or the reuniting of families, the attitude of the GDR authorities is the same.

Judging by reports from people who have been affected, the GDR authorities are if anything even quicker to arrest single persons, and with more ruthlessness than in the case of married people.

The reprisals are much the same as the ones described above:

No legal basis;

Off-handed treatment of applicants, the tedious, involved processing of applications;

Applicants are moved to another place of work and degraded;

They are dismissed on fictitious charges;

Fiance(e)s from the West are refused entry visas, as are other relatives or friends;

Isolation and discrimination in the local community, etc.;

Ultimately arrest and sentencing for asocial behaviour or "incitement against the State".

In many cases the fiance(e) in the West is recommended to come to marry in the GDR. They are told that they will have similar professional opportunities as in the West. In practice, however, these promises are not kept and there are three serious restrictions which deter engaged persons from moving to the GDR to marry.

Firstly, former citizens of the Federal Republic of Germany who transfer to the GDR are allocated to low-grade jobs on the grounds that this is in keeping with the GDR's internal security provisions; secondly, those with a university training are not allowed to take scientific or social literature, even fiction, with them to the GDR because such works are denounced as "inflammatory imperialistic literature"; thirdly, those coming from the West are treated in the same way as inhabitants of the GDR, which means that people of non-pensionable age are not allowed to travel to the West; but if they marry someone in the West they hope to be able to travel to the East.

In view of these main restrictions (but there are others resulting from the internal system of the GDR) of human rights and freedoms, young people in the West engaged to be married to someone in the GDR refuse to move there to get married.

The fact that the GDR authorities refuse to allow any inhabitant of the Federal Republic of Germany who is engaged to an inhabitant of the GDR to enter the GDR as a visitor is a particularly blatant obstacle to human contacts and a violation of the provision of Basket III, 1 (c), of the Final Act. Numerous West Germans and West Berliners have been turned back at the border for this reason, even though they have been in possession of an entry visa. Nor are the citizens of the GDR affected allowed to travel to socialist States, which means that they cannot meet their fiancé(e) anywhere in the world.

1.4. Inhuman deprivation of parental rights, compulsory adoptions: The GDR's policy of destroying family ties between Germans is particularly obvious from the way the children of persons who have left the GDR "illegally" are treated. In flagrant disregard of the natural right of parents to care for their children themselves and to decide where they should stay, the children are kept in the GDR and put in homes or given to other people to be looked after. Frequently, parents are even refused information as to the whereabouts of the child. After a time the parents are asked to agree to their child being adopted by a family they do not even know. If they refuse their approval is replaced by a court decision. The ground given for the adoption is either that it is for the child's well-being, that the child is better off with a socialist upbringing, or that the parents have allegedly not looked after the child and been indifferent to it. The court deliberately ignores the fact that because the child has been kept in the GDR the parents have had no chance to care for it.

Neither the Final Act of Helsinki nor the human rights conventions have deterred the GDR authorities from holding back the children of parents who want and are in a position to look after them and apply for permission for them to leave the GDR, from having them brought up by strangers and ultimately allowing them to be adopted.

* * * * *

2. Citizens of the GDR are prevented from visiting relatives in the Federal Republic of Germany or other Western countries:

2.1. Paragraph 1 (a) of Basket III of the CSCE Final Act reads:

"In order to promote further development of contacts on the basis of family ties the participating States will favourably consider applications for travel with the purpose of allowing persons to enter or leave their territory temporarily, and on a regular basis if desired, in order to visit members of their families.

Applications . . . will be dealt with without distinction as to the country of origin or destination . . . The issue of such documents and visas will be effected within reasonable time limits; cases of urgent necessity—such as serious illness or death—will be given priority treatment . . .

They confirm that the presentation of an application concerning contacts on the basis of family ties will not modify the rights and obligations of the applicant or of members of his family.

2.2. Inhabitants of the GDR have sent thousands of reports to the effect that this declaration of intent, which their leaders, by signing the Final Act, have adopted, has not been put into practice. The reports show that the procedures for dealing with applications for exit permits have not been simplified. As before the CSCE, the situation is one of arbitrary action.

Only GDR inhabitants who have reached the statutory retirement age, that is, women from the age of 60 and men from the age of 65, as well as invalids, may visit relatives in nonsocialist countries once or several times a year for a total of 30 days (to countries outside Europe, for up to three months). Pensioners have been permitted to leave the country since 1 November 1964.

2.3. With regard to other inhabitants of the GDR, that is, the great majority, formal rules have been published according to which travel to non-socialist countries may be allowed on urgent family grounds, which means for births, marriages, silver and golden wedding anniversaries, sixtieth, sixty-fifth, seventieth wedding anniversaries, serious illnesses and deaths. Entitled to apply are grandparents, parents, children and brothers and sisters (according to the GDR decree governing the travel of GDR citizens, dated 17 October 1972, as amended on 14 June 1973—Law Gazette I, p. 269).

But these regulations only say that permission "may" be granted; they do not concede any right to travel; it is entirely at the discretion of the authorities. Apparently, local GDR authorities are bound by restrictive instructions that have not been published. This explains the fact that every year only about 40,000 GDR citizens are allowed to travel to the Federal Republic of Germany on urgent family grounds, although there are very many such occasions within the meaning of the GDR decree because the Germans living in the Federal Republic of Germany, the GDR and Berlin together make up about 77 million people.

To prevent travel to non-socialist countries, the GDR again resorts to the method of declaring large sections of the working population to be "carriers of secret information" who may therefore not maintain contacts with people in the West. These include not only servicemen, police and teachers, but many other members of the party and state apparatus and "people's factories", and from the world of science and culture. Banned contacts with the West include, apart from travel to non-socialist countries, visits from such countries as well as contacts by telephone or correspondence with persons in "capitalist countries". The "illegal" maintenance of such contacts results in disadvantages both in the community and at work, for instance allocation to a lower grade and hence lower paid job.

Under GDR law, the authorities do not have to state any reasons for refusing applications for travel visas, so that the person concerned can do nothing about it.

Inhabitants of the GDR deplore in particular the fact that the final Section of paragraph 1(a) of Basket III of the CSCE Final Act has not been put into practice. With the exception of pensioners, people of working age who submit applications for exit visas must usually expect not only long periods of interrogation but also disadvantages at work and in the local community (downgrading, transfer to another place of work, eviction, refusal of holiday accommodation, etc.).

In almost every exceptional case where an exit visa is granted on urgent grounds (serious illness or death) only one person is allowed to travel. GDR citizens accuse the authorities of keeping either the husband or wife and children back as hostages. Single adults of working age are practically never granted a visa, even on the most urgent grounds.

Inhabitants of the GDR also report that permission to travel for family celebrations (birthdays, baptisms, weddings and jubilees) are almost never granted to persons under retirement age—not even to either husband or wife.

In general people complain mostly about the arbitrary and impolite treatment of the GDR authorities. Applications are handled very restrictively and the applicants themselves subjected to extensive interrogation to induce them to withdraw their applications. There are reports of close co-operation between the authorities and the "people's factories" and constant references to pressures and intimidations which completely reverse the purpose of Basket III of the CSCE Final Act.

In view of the large numbers from the Federal Republic of Germany—including West Berlin—who visit relatives in the East (1976: over seven million), the people in the GDR feel themselves degraded because in their case hardly anyone under retirement age is allowed to visit the Federal Republic of Germany. The intensity of the frustrated desire to visit the Federal Republic is indicated by the fact that for many years about a million pensioners have been visiting the Federal Republic every year. They are only permitted to travel when they have reached the age at which the GDR Government no longer regards them as vital to the State.

In the Federal Republic of Germany, too, there is mounting criticism of the fact that it is becoming increasingly difficult to visit relatives in East Germany. The main complaint is that the GDR authorities reject applications for entry visas if a member of the family to be visited has applied for a visa to travel to a Western country.

And finally there are many reports from people in the Federal Republic who have been asked by their relatives in the GDR not to visit them because the outcome (particularly for young people) could be discrimination at work and in other respects.

The attitude of the GDR authorities runs contrary to the postulate of the CSCE Final Act, which is that efforts will be made to intensify and improve family contacts.

2.4. Financial obstacles to travel: The financial obstacles put up by the GDR Government also militate against the Final Act, which calls for easier travel arrangements. Whereas GDR pensioners who have been given permission to travel to the Federal Republic are allowed to bring only 15 DM with them p.a., which means that their stay in the West must be paid for entirely by their relatives (with grants from public funds from the Federal Republic of Germany), Germans from the federal territory travelling to the GDR are charged 15 DM for the visa as well as a road toll for cars, depending on the length of the journey. In addition, each visitor must exchange 13 DM per day, the only exceptions being people of pensionable age, invalids, persons fully incapacitated and on full pension, and children under 16. Thus visits by or to relatives as between the two German States are considerable financial burdens.

3. Refusal to grant permission for contacts between people who are not relatives: Paragraphs 1 (d)—(h) of Basket III of the Final Act of Helsinki speak of improving and simplifying the procedures for "travel for personal or professional reasons", tourism, meetings among young people, sports and other contacts.

This is another intention which the GDR has failed to carry out in relation to the Federal Republic of Germany.

According to para 1 (h), participating States are supposed to develop contacts among governmental institutions and non-governmental organizations and associations.

On account of the negative attitude of the GDR Government, such communication between the two German States is very rare. That meetings between sports associations, youth groups and other clubs, etc., as well as meetings at communal level, help to foster peace is obvious; all attempts by the Federal Republic of Germany to establish such contacts with the appropriate institutions in the GDR have up to now—apart from a few cases where the GDR leadership has had a specific political interest—proved abortive.

4. Discrimination against and prosecution of people who, trusting in and invoking Basket III of the Final Act of Helsinki, apply for permission to settle in or travel to the Federal Republic of Germany; The GDR has omitted to establish unequivocal and generally applicable rules of law which set out the rights of its citizens. As in the days prior to the CSCE, ambiguous regulations hold out only a vague possibility of permission being granted; some of them have not even been published.

It is irreconcilable with the aims of the CSCE Final Act for the GDR to announce in its constitution and laws, and by publishing the CSCE Final Act, that its citizens "may" apply for a visa to leave the country or settle in the Federal Republic of Germany—only then to punish people who enquire about the administrative channels

they have to go through in order to avail themselves of the possibility, or if they submit applications. And it is also intolerable for citizens who, having submitted applications in conformity with the law, are not even told why their applications have been rejected. As a result of the attitude of the GDR leadership, countless inhabitants of the GDR—the number is put at 200,000—are now in personal difficulty or see their very livelihood threatened; they address urgent appeals to the signatories of the CSCE Final Act not to allow them to suffer for having believed in this document—and hence in the word given by the representatives of Europe and North America.

* * * * *

III. Free speech and freedom of information, as well as freedom of conscience and religion, are still not respected in the GDR:

1. No freedom of thought:

1.1. Contrary to the intentions of Principle VII of the Final Act and to Article 19(2) of the International Covenant on Civil and Political Rights, the people in the GDR are denied the right to express their views freely. As in the past, the dissemination of views unwelcome to the party and the leadership of the GDR carries the threat of prosecution and "social disadvantages". The persons concerned are prosecuted in particular under section 106 of the GDR Penal Code ("incitement against the State"). Any publicly or privately expressed criticism of the social situation, even criticism within the system, can easily be placed in this category. In recent times more and more persons have been prosecuted under this provision for standing up for human and civil rights, or for saying they were applying for permission to leave the GDR because the situation there was not to their liking. They can be sentenced to as much as 10 years' imprisonment. Since the signing of the Final Act, the provisions have been made more severe by the introduction of the second Penal Law Amendment Act of April 7, 1977. According to section 220 of the GDR Penal Code, for instance, anyone who "disparages" measures taken by government agencies or social organisations in public are prosecuted. People who criticise even subsidiary organs of the party and the State can also expect to be charged.

By applying these arbitrary provisions of criminal law, which can be given practically any interpretation, the right of free speech can be reduced to nil.

In fact the mere threat of such punishment creates an atmosphere of fear and lack of freedom. Even writers and artists who are generally in line with official ideology but have criticised certain aspects of the GDR regime have been isolated by the police, arrested, or forced to move from their local community against their will.

Professor Robert Havemann, for instance, the internationally known scholar, has been under strict house arrest in East Berlin since November 1976 on the strength of a court order for protesting to SED Secretary General Honecker against the decision to strip artists and writers of their citizenship, and for expressing critical views in the West German press about conditions in the GDR. Western journalists, and even the Swedish Foreign Minister, have been refused permission to speak to Havemann, who had incurred the displeasure of the GDR authorities as early as 1968 when he protested against the intervention in Czechoslovakia.

The East Berlin economist Rudolf Bahro, although a convinced Marxist and member of the SED, was arrested in August 1977 for criticising the GDR system.

Dr. Hellmuth Nitsche, professor of German, was arrested with his wife in April 1977 for writing to President Carter about violations of human rights in the GDR. He had already lost his chair at the East Berlin Humboldt University in 1974 for voicing criticism and been downgraded to the post of technical school teacher. In September 1977 he was allowed to go to the Federal Republic. In his letter to President Carter in March 1977 he wrote.

"The number of persons who have applied to be relieved of GDR citizenship, invoking the constitution, the United Nations Charter, the Declaration of Human Rights, and not least the Final Act of Helsinki, is estimated at over 200,000. The Government of the GDR cannot cope with this flood of applications. It therefore reacts with dismissals without notice, shameless defamation, interrogation, and other reprisals. Only a tiny few of the applications have been approved. The great majority of applicants have been deprived of their livelihood and attempts are made to "starve' them, in other words to force them to work as labourers for the communist regime by continually rejecting their applications without reason, or simply not dealing with them any more . . .

. . . The GDR's policy of walling itself off from the Federal Republic of Germany has been taken to the extreme. The communist rulers consider it a political crime for someone even to speak of the unity of the German nation. Anyone in the GDR who has the courage to express his own opinion (as 'guaranteed' in the constitution), anyone who invokes human rights or the Helsinki Final Act, is dismissed without notice. Applications to be relieved of GDR citizenship are refused without any reason being given or they are simply no longer processed; they disappear in the bureaucratic apparatus of this State. In fact even people who merely apply to be reunited with their families are forcibly deprived of their livelihood, irrespective of whether they are scholars, artists, or taxi drivers. Slander, outlawing and 'starring' of applicants, these are the methods used by the GDR Government for the past six months and more to stifle the demand by its people for the exercise of human rights . . ."

The Frankfurter Allgemeine Zeitung published in its 30 August 1977 edition a list—still incomplete—of writers and artists who have voluntarily left the GDR or have been deported; it includes for 1975 to 1977 alone:

Reinhardt, Andreas, stage designer.
Biermann, Wolf, writer.
Brasch, Thomas, writer.
Faust, Siegmar, writer.
Hagen, Nina, actress.
Jentzsch, Bernd, writer.
Renft, Klaus, musician.
Schleef, Einar, director, Berliner Ensemble.
Thalbach, Katharina, actress.
Cohrs, Eberhard, comedian.
Dresen, Adolf, director.
Graf, Dagmar, actress.
Hagen, Eva-Maria, actress.
Krug, Manfred, actor, singer.
Kunze, Reiner, lyric poet.
Medek, Tilo, composer.
Fuchs, Jürgen, writer.
Kunert, Christian, musician.
Pannach, Gerulf, writer of political songs.
Nitschke, Karl-Heinz, doctor.
Nitsche, Hellmuth, professor of German.
Kirsch, Sarah, writer.

1.2. Sentences passed on the basis of these penal provisions keep the number of political prisoners in the GDR at a consistently high level. There are at least 4000–5000 prison inmates and others held in custody pending trial, including the 2,500 or so imprisoned for attempting to flee or helping others to do so. Countless dissidents who express their views orally or in writing suffer professional or "social" discrimination. Of late there has been an increasing number of cases of people who support human rights and invoke the CSCE Final Act, the United Nations human rights conventions reaffirmed therein, and the provisions of the GDR constitution relating to basic rights, being prosecuted.

According to reports from many persons having been released from prison, prison treatment in the GDR, even after the signing of the CSCE Final Act, falls short of even the minimum guarantees endorsed in the Final Act and in particular Articles 7 and 10 of the International Covenant on Civil and Political Rights. Many cases have become known in which prisoners have been treated in a manner which grossly conflicts with the requirement of Articles 10, i.e. that "all persons deprived of their freedom shall be treated with humanity and with respect for the inherent dignity of the human person." This applies in particular to strict solitary confinement, usually in the cellar with no more than a plank bed and a blanket. In the daytime there is nothing to sit on; the heating in winter is inadequate. The daily ration consists merely of 200 g bread and a jug of malt coffee or tea, with warm soup without meat only every third day.

Former inmates of Cottbus hard labour prison, for instance, have described the completely overcrowded conditions as follows:

Cottbus prison, which was built for 600, was completely overcrowded in 1975/76. In each cell four beds were placed on top of one another to accommodate about 1,200 inmates. Eighty per cent of them are political prisoners and the last Church service held in the prison was in 1973. Since then there has been no ministerial work in the prison; the prisoners have even been refused a Bible.

Former prisoners of Brandenburg prison tell a similar story. There, too, the cells have three times as many occupants as originally intended. The inmates have to work three shifts round the clock. Their rest period is deliberately disturbed by number calls.

In the second half of 1976 alone, 91 cases of maltreatment in GDR prisons were reported to the Central Office of the Regional Judicial Authorities of the Federal Republic of Germany in Salzgitter, which keeps a record of such cases.

On 5 May 1977, in view of the approaching CSCE review meeting, the GDR introduced a new law on the prison regime. Whether the GDR will actually change its treatment of prisoners, which is known to be both severe and inhumane, remains to be seen.

2. No freedom of information:

2.1. Contrary to Principle VII of the Final Act and the human rights conventions reaffirmed therein, the GDR Government restricts the right to free information. Its laws and their practical application are in contravention of Article 19 (2) of the International Covenant on Civil and Political Rights, according to which everyone is free "to seek, receive and impart information and ideas of all kinds regardless of frontiers, either orally, in writing or in print, in the form of art or through any other media of his choice".

The GDR makes the statutory restriction permissible under paragraph 3 of this article the rule and thus reduces to nil the essence of the right to free information:

The purchase of Western literature is as good as forbidden since the GDR has placed an "Import ban" on

Newspapers and other periodicals not contained in the postal newspapers list of the GDR;

Calendars, almanachs, yearbooks and lists of addresses;

Records, in so far as they are not classical works or genuine modern works; magnetic tapes and other sound carriers;

Literature and other printed matter "the content of which is inimical to the preservation of peace or the import of which is in any other way inconsistent with the interests of the socialist State and its citizens".

The postal newspaper list of the GDR does not contain any non-communist newspapers. The last part of the above enumeration, which is taken from the GDR information bulletin "Information on Customs and For-

eign Exchange Regulations of the GDR" of November 1976, is used more or less as a general ban.

2.2. Contrary to the declaration of intent in Basket III of the Final Act on "improvement of working conditions for journalists" and of the exchange of letters of 8 November 1972 "on working possibilities for journalists" (in connection with the initialling of the Basic Treaty between the two German States), the GDR Government has even gone so far as to expel the West German journalists Mettke (1975) and Loewe (1976). In spite of complaints by the persons concerned and the Government of the Federal Republic of Germany, it has not given any reasons for their expulsion as required under part 2 (c) of Basket III of the Final Act. Again, the personal contacts between journalists and their sources of information envisaged in the same provision are severely restricted, if not prohibited altogether, as in the case of contacts with even communist writers like Professor Havemann, though they are critics of the regime.

3. Discrimination on account of the Christian faith; Principle VII of the CSCE Final Act reads in its paragraph 1: "The participating States will respect human rights and fundamental freedoms, including freedom of thought, religion or belief, for all without distinction as to race, sex, language or religion." Article 18 of the International Covenant on Civil and Political Rights, which was reaffirmed in the Final Act, guarantees the right to freedom of thought, conscience and religion, including religious worship, and the freedom of parents to ensure the religious and moral education of their children in conformity with their own convictions. Other articles prohibit discrimination on religious grounds (Articles 2, 24, 26). The actual situation in the GDR contrasts sharply with these guarantees of religious freedom. True, on the surface religious services and other rites appear to be subject to few restrictions, but on the outside, this being a strictly internal Church matter, government and party organs are very carefully and persistently striving to assert their atheist ideology absolutely. The struggle against Christianity is conducted in "an atmosphere of quiet determination", in the words of a Protestant regional bishop. From the cradle to the vocational school, children are exposed to an intensive atheist influence which is complemented by pressure on their parents. Teachers are committed to the educational principles of the official State ideology, which embrace active atheist, anti-religious propaganda.

Moreover, children are made to fear possible discrimination when they later start work. They are told that they are spoiling their future chances by professing Christianity and attending religious lessons, receiving Communion, or being confirmed. Moreover, Christian instruction, which is in any case only possible outside school hours, is made increasingly difficult because of the heavy physical strain on the children, who have to take part in "working groups" and other activities organised by the school or the party, precisely with the aim of excluding Church influence. In townships where all-day schools have already been introduced, regular Christian instruction is hardly possible. Parents who are considered prone to influence are put under pressure by teachers, on the instructions of the local party secretaries, not to allow their children to attend religious lessons or preparatory instruction for Confirmation; otherwise, they are told, their children would face serious disadvantages later. Parents are urged not to have their children baptised but to prepare them for their "dedication to a socialist way of life". Party and government departments work closely together in the fight against Christianity. The slogan drilled into members of the SED's children's organisations, the "Young Pioneers" and the "Thälmann Pioneers", is: "a pioneer does not attend Christian lessons".

At district level there is a "Youth Dedication Committee" which co-ordinates agitation against Christianity. Many cases are known of parents who have their children taught the Christian faith being called in by the works or group leader and having to undertake not to allow their children to be confirmed, on penalty of discrimination at work. They are told that the "dedication of the young" is the expression of a political attitude and that it alone conforms to the new type of "socialist personality". For some time now, assessments of school leavers (after the 10th year) have been supplemented by an internal remark: "took part in the youth dedication", or "took part in only the youth dedication". If they are confirmed they have little chance of obtaining one of the highly coveted apprenticeships. The children of Protestant pastors are in the worst position.

Further training is increasingly being made dependent on the person concerned leaving the Church; in the case of married persons, the next step is to insist that the whole family leave. And in some trades applicants must sever their ties with the Church before they can be appointed. The "decree on canditure, selection and admission to direct studies at universities and institutions of higher education", dated 14 July 1971, states as a prerequisite for admission "active participation in the development of the socialist society and a willingness to play an active part in the defence of socialism." Young persons with religious ties are not considered to have the ideological awareness necessary for this. Pressure on children is furthermore intensified by exposing them to ridicule.

* * * * *

The advantage to be gained by early withdrawal from the Church lies in better occupational opportunities and preferential treatment in the allocation of flats for young married couples. And by giving money and other gifts to those who dedicate themselves to the socialist way of life, the SED tries to make these socialist ceremonies popular.

Anti-Church activities are conducted with differing degrees of intensity. In the spring of 1976, the heads of the SED associations in districts that still have a relatively high proportion of Christians were reprimanded by the party central committee. Since then the fight against the Christian Church in those districts has been noticeably stepped up.

In August 1976, the Protestant Pastor Oskar Brüsewitz committed suicide by self-immolation in the market place of his home town of Zeitz and thus drew world public attention to the desperate situation and lonely martyrdom of many young Christians in the GDR in particular. On a placard he had written the words: "the Churches accuse communism of supressing the young".

IV. Bringing up young people to hate: In contrast to the Principles of the Final Act, which express the political will to improve relations between States, to foster the solidarity of peoples, and to overcome mistrust, the political leaders in the GDR have not desisted from their policy of educating young people to hate the "imperialist enemy". In GDR schools, during pre-military training, and in the political youth organisations, with the support of literature and statements by political leaders, young people are taught to hate the alleged "class enemy". Without regard for the demands embodied in the Final Act, the Chairman of the GDR Council of State, Erich Honecker, speaking at the 9th SED Congress on 18 May 1976, confirmed "irreconcilable hatred of the enemies of the people" as being the political guideline for the education of young people. The Chairman of the Council of State has thereby followed up his previous constant advocacy of teaching hatred, which he derives from the "irreconcilability of socialism and imperialism". The GDR's Minister of Defence, General Heinz Hoffmann, also disregarded the Principles of the Final Act when, at a ceremony to mark the 20th anniversary of the National People's Army on 28 February 1976 in East Berlin, he stressed that the result of this government policy was that the party (the SED) had taught millions of citizens "to hate the enemy". This was part of a sequence of guidelines for training, countless speeches, and routine orders to units of the National People's Army. Thus, for instance, addressing cadets about to leave the GDR military academy immediately before the initiating (8 November 1972) of the Treaty on the Basis of Relations between the Federal Republic of Germany and the German Democratic Republic, he underlined the need to teach young people "to hate imperialism and its rotting social system". To do so, he said, it was not sufficient "simply to reject and hate imperialism as a system; that hatred must be directed in particular against all those who stand ready to attack us under the command of imperialist generals and officers".

In teaching young people to hate in this way the GDR's leaders leave no doubt as to the object of their hatred. Since the social system is the State's substructure, the alleged "imperialist enemy"—though a more moderate tone appears expedient—are those States with a different social system, in other words the democratic States of the West who signed the Final Act. It is incompatible with the aim of fostering international friendship and solidarity as embodied in the Final Act to fill the hearts of young people with hatred of the people and the leaders of other States. Avowals of peace and security in the Final Act become mere lip service if the intransigent struggle remains part of the ideological concept.

The GDR has no serious intention of giving effect to the Final Act of Helsinki: The fortifications put up by the GDR running right through the middle of Germany and the use of the armed forces and military equipment against civilians trying to cross them are utterly incompatible with the principles of humanity and the aims of the CSCE Final Act. These inhuman fortifications and the instructions given to border guards to shoot to kill make nonsense of the notions of "security" and "co-operation" and block the path to the goals inherent in the name of the Helsinki Conference.

Only if the use of military weapons against civilians in the form of mines and shooting devices were discontinued and the "orders to shoot" cancelled could one take it as a sign that the GDR seriously intends to pursue these aims. The GDR Government would only give proof of such intention to meet the requirements of Principle VII of the Final Act and allow the exercise of the individual rights embodied in Article 12 of the International Covenant on Civil and Political Rights if its authorities were to take specific steps to grant free movement pursuant to Article 12(2) of the Covenant instead of making the exception contained in Article 12(3) the rule. The granting of permission to travel to the West only to people in retirement and the issue of exit visas in but a few cases conflict with the dictates of international law.

URBAN POLICY AND JOBS

Mr. DOLE. Mr. President, I invite the attention of my colleagues to a speech given by Jerry Wurf, president of the American Federation of State, County, and Municipal Employees, before the National Press Club yesterday.

Mr. Wurf's speech was on urban policy and related matters. I would like to highlight his statement rejecting the "concept of Government as the employer of last resort." He further notes that the Federal Government should concentrate on the creation of good jobs in the private sector—a view which I share.

Likewise, his other views on urban policy should be of interest to my colleagues. Mr. President, I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

URBAN AMERICA: THE CRISIS NEED NOT BE PERMANENT

Almost to the point of monotony, we have catalogued the details of America's urban miseries, talked about our insights, and debated our solutions. But on the whole we have approached the urban crisis as a permanent emergency. We have defined the problem as essentially one of poverty. Sometimes competently, and sometimes ineptly, we have tried to respond to the problems of the poor. To be sure, it's the poor who deserve our great and immediate attention. But the heart of the problem is not pain. It is comfort, and even affluence.

I am here to tell this audience that reasonable effort to help the dispossessed cannot succeed without reasonable effort to help and respond to the needs of the middle class.

From time to time, partial solutions and emergency measures have helped to assuage the pain of urban decay. Revenue sharing, countercyclical assistance, targeted community development grants, the CETA program and other federal initiatives have helped us fight important battles. But we are losing the war.

Funding has been inadequate. Inadequacy has been compounded by waste. Federal aid has not been targeted narrowly enough. Most importantly, we have not evolved a coherent program.

If these are truly united states, and not the semi-autonomous demi-nations which existed under the Articles of Confederation; if we are truly a nation and not a loose collection of loners; we must pursue a determined effort of national work for the revival of our hard-pressed cities.

The cross-cutting problems of urban blight are not only a cruel infliction on the urban poor. They are also a powerful force which is driving the moderate income-earner into the suburbs and carrying hopes for recovery with him. We can't repair the fabric of urban blight without unraveling and reweaving the whole cloth.

That kind of effort demands leadership, national coordination, rational planning, and prudent strategy.

As President of the nation's largest union of public employees, I reject the concept of government as the employer of last resort. This theory, this slogan, is a sure and proven loser.

Public jobs are vital; but public employment cannot work as a system of welfare.

This is a capitalist society. It is unreasonable to expect such a society to work without capital. The availability of private sector jobs is a prerequisite for the health of American cities as well as the foundation of a prosperous American society.

Do not misunderstand me. Our cities must deliver high quality, high volume public services which educate, house, provide safety, and recreation, and deliver all the other amenities which will keep the middle class in Metropolis or lure them back.

It is just that private sector employment must be the linchpin of true urban recovery and incentives for private investment are the key to a workable program of urban progress.

The cities are lacking two kinds of investment—investment in the physical capital of factories, equipment, and buildings; and investment in the human capital of job training, education, and health care.

We can aim for mere survival or we can work to rebuild a truly vital urban environment.

The present need for assistance to the indigent should not disguise the need for a long-range solution. In the long run, the present recipients of inadequate largesse must be integrated into the mainstream of our society.

By and large, we have taken a Ward-of-the-State approach to solving the urban crisis. If we choose, we can continue to follow that course. The city can be tethered to a federal life support machine. Food stamps and welfare payments can be funneled in through tubes. Artificially created public sector jobs can project the illusion of useful employment. Inadequate food, shelter, and clothing can be pumped in through the umbilical cord.

That kind of system may keep the cities breathing. But there will be no life there, no vitality, no share in the commerce, pride, and dignity of our national community.

The long-range solution demands more. It demands the revival of self-sufficiency in our once-great urban centers. Private investors have abandoned the cities in droves, taking jobs and opportunities with them. Government policy has encouraged and rewarded that trend.

It is a trend which must be diverted. That is why the stimulation of commerce, industry, jobs and a reasonable, safe environment in the hardship cities is crucial to urban recovery.

Not long ago, the citizens of Redding, Connecticut faced a terrible dilemma. Should $69,000 in revenue sharing funds be spent on a bridle path, tennis courts, or a new dog pound? I think Redding should be spared such painful decisions and Redding is not unique.

Every community would like a sizable share of the federal government's largesse. But the fact is that every American community, including Redding, will share in the rewards of federal urban investment.

The problem is not a regional one. Cleveland, New Orleans, and Boston have many things in common, but geography is not among them. An investment in urban recovery is a national investment, not a fragmented form of foreign aid.

Even in the Sunbelt, and the West's still prosperous cities and states, the ripple effects from outside and the signs of decay from within are beginning to appear.

So far, targeted federal aid and incentives for private investment in jobs have failed to dovetail in a seriously funded and wisely coordinated package.

In the 1960's many thousands of middle class Americans fled the cities. But from 1970 to 1975 alone, more than twice as many followed. It was urban blight in all its manifestations which drove them away.

Property taxes are fundamentally regressive; but property taxes account for 60 percent of all local government revenues. Moreover, a further portion of the local load is carried by other regressive taxes on sales and even wages. As moderate income earners flee such burdens, the tax base diminishes.

The cost of delivering public services actually increases. Taxes are hiked again. More taxpayers leave. More jobs disappear. The tragedy deepens.

From 1970 to 1975, Cleveland lost almost 30,000 manufacturing jobs. Saint Louis lost 69,000. Philadelphia lost 76,000.

Twenty years ago, the federal government sent Cleveland only two cents for every tax dollar raised locally. Today, Washington matches each of Cleveland's tax dollars with more than sixty cents. In 1957, Detroit got only a little more than one federal cent for every local tax dollar. Today, the figure is almost seventy-seven cents.

Through the growth of urban dependence on federal aid, and through the federal government's potential to make and influence policy, our national leaders have been given powerful leverage. That leverage must be used. The delivery of federal dollars must be matched by Washington's insistence on progressive state and local taxes. It must also be matched by sounder economic and political judgment than we have been getting.

In 1976, Mr. Carter castigated the Republicans for failing to devote sufficient funds and attention to the cities. He also made a precise, unequivocal, and certainly unprecedented campaign pledge: "I will never tell New York to drop dead."

The President has refrained from wishing death on that city, just as he has refrained from producing an effective long-range strategy for revitalizing it.

Mr. Carter made another campaign promise, a pledge to undertake a "massive effort" for the "revitalization of the cities." But after the votes were counted, the President's first State of the Union Address gave the cities one sentence.

In 1976, Mr. Carter sought votes by calling for more aid to state and local governments. But in 1978, the President proposed a meager 6 percent increase.

Under the Administration's own inflation estimates, that amounts to a real dollar increase of zero.

In 1976, Mr. Carter insisted that military spending should be cut by $7 billion. As President, he urged the Congress to increase military spending by $10 billion, arguing that Jerry Ford would have made it $17. That rationale is not convincing.

Barry Goldwater admires the President's frugality but I doubt that he voted for him. Millions of black people, poor people, unemployed people, and people who work at low-income jobs did.

They deserve his attention and compassion. Most importantly, they deserve his determination to bring them into the mainstream of our communities.

After eight years of ill-placed Republican parsimony, President Carter's budget calls for a real dollar domestic spending increase of only 2 percent. In a word, ladies and gentlemen, that is an absurd preparation for the "massive effort" we were promised.

It also appears that the President's thrift is unlikely to be mitigated by brilliant strategy.

He has called for a $25 billion tax cut; but he has failed to suggest that tax relief be targeted to families with unfair tax burdens.

He has courageously tackled the welfare fiasco and proposed some sound improvements. But the jobs portion of his reform package was unworkable and counterproductive.

He has argued that private sector jobs will blossom when his economic policies produce a magic 5.6 percent unemployment rate by 1981. But boosts in national employment are not evenly distributed, particularly in the hardship cities. Things won't change until federal funds and recovery programs are funded fully and targeted wisely.

I don't question the President's credibility, nor his intention to fulfill his promises. I question his timetable.

Let us not forget the responsibilities of the Congress. It takes statesmanship for a farmbelt Senator to vote appropriations which flow to distant cities.

It takes leadership for a Congressman from Oklahoma to sell his constituents on the need for investments in Newark; or even in Texas, for that matter.

Under Presidents Nixon and Ford, Congress increased aid to state and local governments by 16 percent each year. In the absence of sensitive leadership from Nixon and Ford, it appears that Members of Congress were willing to shoulder important burdens. Let's hope that some of this willingness survives.

The President's responsibilities for drawing up a workable urban agenda are clear. The need of Congress to respond is obvious—and it is utopian to ignore that there are real problems here.

I would argue that there are seven key elements to an effective urban agenda. Congress and the Administration must deal with each of them in order to respond effectively to the urban disaster.

First on the agenda is the need for federal tax policies capable of encouraging private, job-producing investments. Federal property tax relief can create a tax advantage for living and working and building in the city. A system of increased differential tax credits can stimulate commercial investment, encourage the influx of new business, and persuade existing businesses to stay. We need an investment tax credit of 20 percent for blighted urban locations. Special emphasis can be placed on the rehabilitation of old homes and businesses and on the generation of new urban jobs with training at all levels of skill and endeavor.

Second on the list is the need for new and more effective public manpower policies. The need for a beefed-up CETA program is an important corollary to the demand for private sector jobs.

In the largest 48 American cities, CETA accounts for more than 16 percent of the urban public workforce. The CETA program keeps many of those cities in business. That program should be expanded and targeted to address both the structural and cyclical elements of high urban unemployment. Now, if someone in this audience should get up and shout that this is nothing more than additional revenue sharing, I'd agree. It's also a far superior alternative to the barren life-support system I condemned a few minutes ago. CETA should put 300,000 permanent public sector jobs on line and target them to the cities most in need.

Third on the agenda is the need for more sharply focused federal aid to state and local governments.

General revenue sharing funds are spread too thin and targeted too broadly. Countercyclical assistance is funded too meagerly, but targeted very well. That program expires in the fall. It must be renewed and increased.

Fourth, federal grant formula must be constructed more carefully. State and local governments are ill-prepared to revise programs, plans, and tax systems without Washington's support and encouragement. Such revisions must be made. Federal grant formulas should reward progressive taxes and investment incentives which can help stem the hemorrhage of jobs from the hardship cities.

Fifth, the gross inefficiency of existing tax policy on state and local bonds must be corrected. Interest on those bonds is currently exempt from federal taxation. In the fiscal year 1978, that exemption will cost $6 billion.

Only two-thirds of this expenditure will actually go to the relief of states and cities. The rest will further enrich wealthy investors. To redress that injury, the federal government should institute a taxable bond option with direct subsidy from Washington back to the local or state jurisdictions for up to 40 percent of the cost of borrowing.

Sixth, President Carter's welfare program is seriously flawed and must be repaired. Welfare costs for many cities and states are enormous. On the campaign trail, Mr. Carter favored lifting that fiscal burden. But under the President's plan, no relief at all is due till 1981. Even then, Washington will pick up only a portion of the tab. Moreover, the smallest portion of relief is slated for states and cities with the heaviest welfare costs.

Seventh, and finally, the direct relationship between fouled-up city pension plans and declining fiscal solvency must be effectively treated.

State and local pension systems suffer a total unfunded liability of more than $300 billion. More than four years after the birth of ERISA, we still have no "governmental plan" of regulation. Four million state and local government workers have no Social Security coverage. Many of them rely on underfunded public pension plans which may ultimately fail the workers or bankrupt their communities.

The public pension fiasco demands strong federal oversight. It is a powerful argument for universal Social Security coverage.

These federal initiatives and others like them will not come cheap. The cost will be very high indeed. But a failure to make that investment will cost far more.

Our government has been prepared to prop up a community when the military abandons the local air field, or the Interior Department expands a National Park, or a defense contractor goes down the tube. We owe the cities and states no less. We owe them a chance to make it. The nation's future is tightly wrapped up in theirs.

When private corporations invest their money in South America, the Overseas Private Investment Corporation insures them against the loss of their property. That kind of protection is not available to those who risk their investments in the South Bronx. Are foreign earnings for a few entrepreneurs more important to this nation than the health of its own communities?

One of President Carter's recent initiatives has been the proposal of a $25 billion tax cut. One half of those revenues can serve as a down payment for repairing this nation's declining cities.

Whether we are city dwellers or suburbanites, the future of the cities will impact our future. Whether we live in New York or New Mexico, the fate of Harlem and Bedford-Stuyvesant will help determine our fate. Whether we are rich, poor, or part of that ubiquitous middle class, the health of America's urban communities will influence the health of our communities.

We can't close our eyes, seal our borders, roll up our windows when driving through the blight and expect that the cancer will not spread one day to our own doors. It must be stopped. It must be eradicated.

CAMBODIAN CARNAGE: AN ADMINISTRATION OVERSIGHT?

Mr. DOLE. Mr. President, when President Carter took office 14 months ago, there was a good deal of talk about a commitment to advance the cause of human rights throughout the world. In retrospect, it appears that the least attention by the Carter administration has been given to the worst offender: the Communist Government of Cambodia. Despite the fact that one of the most savage crimes against humanity in modern times is underway in Cambodia today, little attention or concern has been directed to the situation. The silence by our own Government regarding the brutal conditions is deplorable.

We have heard much about human rights violation in the Soviet Union and South Africa. The President has publicly deplored conditions in Chile and South Korea. We have even managed to focus a little attention on violations that exist within Panama, during the current treaty debate.

But where is the concern and the action that the Cambodian situation deserves?

A SAVAGE SOCIETY

In its overbearing efforts to restructure Cambodian society after the fall of the democratic regime in 1975, the Communist regime instituted a primitive and barbaric agrarian society that has no equal in the modern world. Literally millions of Cambodian people were driven from the cities into the countryside, to undertake forced labor at the behest of the regime. Schools and universities were closed, and cities became villages. According to State Department testimony before the House Foreign Relations Committee last year, "Tens if not hundreds of thousands" of Cambodians have perished under the Communist regime. Many have been slaughtered. Others have died of disease or malnutrition. The Cambodian situation has been appropriately compared to the death camps of Nazi Germany, and the excesses of Stalinist Russia.

I recall the widespread outrage that prevailed when President Nixon sent American troops into Cambodia in the spring of 1971, particularly among many of my colleagues who still sit in this body. Where is that righteous indignation today? We have heard much in recent months about the Indochina refugees—the destitute persons who have been able to flee the Communist brutality. Their situation deserves attention. But it is those who remain in Cambodia that need help most urgently. It is they who deserve the commitment of the free world to work for their relief.

Most of all, they need the commitment of the President of the United States. and of the Secretary General of the United Nations, to direct unrelenting attention to the atrocities which shock the sensitivities of mankind. Is it really possible for so brutal a situation to be virtually ignored by those in whom the conscience of the free world is vested? If human rights is to be anything more than a mere excuse for moral posturing, then certainly the Cambodian situation deserves whatever efforts President Carter and Secretary General Waldheim can muster for its relief.

DOLE RESOLUTION

Mr. President, last November I proposed Senate Resolution 323, denouncing the disregard for basic human rights by the Communist Cambodian regime, and calling upon the President to take effective measures to register the concern of the American people about the Cambodian repression. Twelve of my Senate colleagues joined in cosponsoring that resolution, including Senators McCLURE, GARN, HELMS, CASE, HAYAKAWA, GOLDWATER, GRIFFIN, PROXMIRE, HATCH, NUNN, LUGAR, and CRANSTON. I remain hopeful that the Senate Foreign Relations Committee will conduct hearings and favor-

ably report this resolution during this session of the 95th Congress. The House of Representatives has already approved a similar resolution, and I believe this action will effectively register the legitimate outrage of Congress and the American people over the carnage in Cambodia.

Recently, the former minister of information for Cambodia during the Lon Nol regime presented a series of lectures in Wichita, Kans., illustrating the seriousness of the barbaric conditions in Cambodia today. Mr. Chhang Song delivered a persuasive appeal for American attention to the matter, and was instrumental in the subsequent formation of a "council for human rights" in Wichita which will study the Cambodian situation, and the prospects for its relief, during the coming months. I believe Mr. Chhang's appeal deserves careful consideration by the President and by every Member of this Congress.

Mr. President, I ask unanimous consent that the text of Mr. Chhang Song's paper, "Human Rights and Cambodia," may appear in the CONGRESSIONAL RECORD at this point, along with a column by Mr. William F. Buckley, Jr., "Where Is Mr. Carter on Cambodia?," which appeared in the Washington Star on March 16, 1978.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS AND CAMBODIA

The Preamble of the United Nations' Universal Declaration of Human Rights reads as follows:

"Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people.

Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law . . . and . . ."

We need go no further. In Cambodia, all these noble sentiments and lofty principles are flagrantly violated every hour and minute of every day. The new communist Cambodian national anthem sets the tone for today's Cambodia: "The red, red blood splatters the cities and plains of the Cambodian Fatherland . . ."

For almost three years, the terrible, heartrending cries for help from more than two million victims, men, women, and children in Cambodia have gone unheard. Let us examine some of the chief articles in this noble document, the United Nations Universal Declaration of Human Rights, and compare these with the facts of life in "the new Cambodia."

Article 3 states: "Everyone has the right to life, liberty and security of person." Among the several authoritative accounts of the events that have transpired during the first three years of the Khmer Rouge communist rule in Cambodia is a small book entitled "Murder of a Gentle Land" by Reader's Digest editors and authors, John Barron and Anthony Paul. Mr. Barron was also a witness at the Frazer Committee Hearings on Human Rights in Cambodia. Authors Barron and Paul interviewed, in great detail and depth, more than three hundred refugees from Cambodia who escaped to neighboring Thailand. These refugees all paint the same, terrible picture.

Immediately following the communist take-over in Cambodia, all the cities were emptied of their populations. Those who failed to heed this order were shot on the spot. If you can imagine the entire population of Kansas, some 2½ million persons, suddenly ordered into rural concentration camps, you have the picture. More than three million persons in Phnom Penh were forcibly evacuated in a brutal march under a scorching sun. And April is the hottest month in Cambodia. They had neither water, food, shelter nor medicines. Many children died along the crowded highways out of the city. Many others, especially the old and the sick, died. It was a brutal, primitive emigration and unnumbered thousands perished. It was a symbol of even worse things to come.

The explanation given by Khmer Rouge authorities for this act of cruelty was that the Americans were going to bomb Phnom Penh and the population would have to scatter into the countryside. However, everybody would be allowed to return to his home in three days. Thus, "life, liberty and security of person" were murdered within hours of the communist takeover in Cambodia. They have never been resurrected. Phnom Penh today is a ghost town of less than 20,000 persons. All the other cities in Cambodia are equally dead. Cambodia is a nation without cities! It is a nation where "culture" and "civilization" are dirty words. "Cities," to the new communist leadership in Cambodia, are considered "evil," "bourgeois" and "negative" influence.

Article 4 of the Universal Declaration of Human Rights states: "No one shall be held in slavery or servitude; slavery and slave trade shall be prohibited in all their forms." The entire Cambodian population lives in a state of servitude. The "new Cambodia" makes a mockery of this article. The yoke of the people in Cambodia is heavy. Work days begin at 5 A.M. and end, frequently, at 9 P.M. There are long indoctrination sessions that run late into the evening. Tiny children, the elderly, women, all work in the fields. Armed guards watch them labor. The simplest of medicines to relieve their suffering and pain are non-existent. Malnutrition and sickness is endemic to the entire population. Cambodians are slaves in the new, Twentieth Century model.

Article 5 states: "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment." All available evidence suggests that the new administration in Phnom Penh matches the worst excesses of Hitler's Germany and its treatment of the Jews. Let us look at the sorry record in Cambodia.

Evidence points to December 1975 as the date when a grim order went out from the Khmer Rouge high command. "Execute all army officers ranked lieutenant and above, and all civilian officials who held significant responsibilities in the old regime, together with the families of these enemies of the people."

Refugees from Battambang in western Cambodia describe hundreds of former officers of the government forces (F.A.N.K.) assembled in a school building under the pretext they were to greet Prince Sihanouk. There they were bound, loaded onto trucks and gunned down outside the city. These were fortunate. Most refugee accounts attest to the fact that, to conserve ammunition, Khmer Rouge executioners frequently switch to the more economical method of dispatching their victims by breaking the back of their skulls with a grubbing ax. Other refugee accounts describe victims tied together and buried alive by bulldozers, or executed through the device of plastic bags tied around their heads until they suffocated.

Other evidence points to January 1976, as the period when the new regime issued its most wide-reaching order for extermination. Anyone with an education, anyone from the grade of private on up in the old government forces, anybody connected in whatever way with the old regime, became a target for elimination. Doctors, engineers, technicians, teachers, students, disappeared in the new wave of retribution. Hunger and disease added to the staggering toll in suffering. It is a purge that has carried away wives, grandfathers, tiny infants. There are few parallels in modern history unless we return to the worst excesses of Stalin in Russia, Hitler in Germany, landlord trials in communist China or tribal genocides in Africa.

By mid-1977, two years after the onset of these disasters in Cambodia, the U.S. Congress issued a statement condemning these atrocities in Cambodia. The Department of State was equally delinquent in taking a position on the barbarism in Cambodia. And this in spite of the fact that the Department's "Cambodia watchers" in Bangkok had been continuously documenting the terrible excesses in Cambodia. In mid-1977, the Department's Richard Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, acknowledged to the Frazer Committee on Human Rights in Cambodia that the number of Cambodians who have perished under the Khmer Rouge regime "appears to be in the tens if not the hundreds of thousands in Cambodia."

Article 6 of the Universal Declaration of Human Rights states: "Everyone has the right to recognition everywhere as a person before the law." Article 7 continues in the same vein. There is only one law in Cambodia today and it bears the name "Angkar." Angkar means "the organization." It is a word designed to strike fear in the hearts of Cambodians. Central authorities in Phnom Penh issue their directives in the name of "Angkar." The lowliest Khmer Rouge peasant soldier, as he leads an innocent victim to death, will inform him, "Angkar wants to re-educate you." "Angkar" is the power of life and death. "Angkar" is omniscient, omnipresent and "omnicruel." No one has rights before "Angkar." Nor is there further appeal. There are no prisons in Cambodia since all mistakes are fatal.

It would be possible to continue through each of the remaining articles of the Universal Declaration of Human Rights and catalogue the violations and sufferings of the Cambodian people. In the name of the long-suffering Cambodian people, I accuse the Government of Democratic Kampuchea of the grossest violations of each and every one of the thirty articles of the United Nations Universal Declaration of Human Rights. A misguided group of political fanatics have decided that their solution to the "purification" of Cambodia is to destroy every vestige of the Khmer civilization, both ancient and modern, and return Cambodia to a "native," agrarian state. The symbol of a "pure agrarian state" in Cambodia is a picture of an entire nation toiling from dawn to dusk under the guns of guards.

Religion is dead in today's Cambodia. Most religious leaders have been executed. These were accused of being "parasites" and "preaching the gospel of an imported God." Temples and churches are closed.

There are no schools in "the new Cambodia." There are no universities. Children are taught to sing revolutionary songs. They are "graded" according to their revolutionary zeal and their ability to uncover "individualistic tendencies" among their own family members.

Love is an alien word in the Khmer Rouge lexicon. Numerous refugee accounts cite examples of young people who have been executed for displaying signs of affection toward each other.

The market system and even the currency have been abolished in Cambodia. "Marketing" has been judged to be a "capitalistic, imperialistic" method of exploitation. Salaries might create class inequities since those able to set aside savings could become the future exploiters. The few factories still in operation are kept running by an estimated one thousand Chinese technicians.

There is no freedom of movement in Cambodia. Unnumbered thousands of Cambodian refugees have been killed either by Khmer Rouge patrols or mines, in their attempts to escape to Thailand. These unfortunate victims "voted with their feet." An escape attempt from Cambodia is one of the most hazardous undertakings in the world. The figures prove it. Of the 100,000 Indochinese refugees in camps in Thailand, only 10,000 of these are Cambodian.

There are refugee accounts of cannibalism in some of the most impoverished areas of Cambodia. Many mothers no longer have milk in their breasts for their children. Other Cambodian women no longer have their menstrual cycles. Based on some estimates, it is believed that there may be as few as ten percent males in the two-thirds of the population that came under communist control after the fall of Phnom Penh.

Most of the leadership of the "new Cambodia" is French educated. There is savage irony in the ideals of French and Marxist philosophical thought perverted to the genocide that has transpired in Cambodia! Khieu Samphan, Ieng Sary, Salot Sar alias Pol Pot, Son Sen . . . these are the men who must be held accountable for one of the worst crimes of the Twentieth Century.

It is a sorry reflection on the state of our world that, with all its lofty principles and noble objectives, the United Nations has chosen to remain silent on the terrible crimes committed in Democratic Kampuchea. And, the trials of the Cambodian people are now compounded by a new threat, this time to their national integrity. I refer to the invasion of Cambodia by Vietnam . . .

There are several theories on the origin of the Vietnamese-Cambodian border conflict.

1. It is a manifestation of the traditional ethnic rivalry between Khmer and Vietnamese. Since the Tenth Century the Vietnamese have been expanding south and west at the expense of the Khmer peoples, in a search for fertile land to feed an ever-growing population.

2. It is a "war by proxy" in which the Chinese and Russians are backing their Southeast Asian "clients." In this case, the Soviets have thrown their support to the Vietnamese while the Chinese support the Cambodians. Ultimately it is the Soviets or the Chinese who will dominate Southeast Asia and the strategic waterways of the area through the success or failure of their smaller surrogates.

3. It is a drive for hegemony and the final annexation of all Indochina by Vietnam. Either through military occupation or the installation of pliable, puppet regimes in Laos and Cambodia, the powerful, united Vietnamese state is now in a position to dominate the entire Indochina region.

While I hold that there are elements of arguments 1 and 2 in the present conflict, I lean strongly towards argument 3 as the essential explanation.

With more than one-third of the seven million population of Cambodia decimated by mass purges, disease and starvation, and the balance of the populace working at subhuman standards, any change that would mean liberation from the cruel and bloody grip of the Khmer Rouge would be welcomed by the people of Cambodia. While periodic reports from the hermetically-sealed Cambodian communist state have pointed to sporadic internal revolt and resistance, there is no evidence that the efforts of internal dissidents and rebels have met with any degree of success. At the same time, most Cambodians probably fear that the combination of disasters from within and without may spell the end of the Khmer civilization.

In his final testament to the Vietnamese people, Ho Chi Minh said, "We will take all Indochina." The present flag of Democratic Kampuchea is that which was handed to Khmer Rouge leaders Ieng Sary and Saloth Sar in Berlin in 1951 by the Vietminh. Ieng Sary, Vice Premier for Foreign Affairs, is himself a Vietnamese immigrant from South Vietnam. He has been quoted as saying, "What good is it to maintain borders between Cambodia and Vietnam? Why maintain an independent Cambodia within a socialist Indochina?"

If the present trend continues, the Cambodian people may soon become an extinct species. Those who do survive may find themselves identified merely as one of the several ethnic minorities in a "Greater Vietnam." Hanoi has forty years of experience in revolutionary warfare. When annexation is complete Vietnam will move into Cambodia not as a "conqueror," but as a "liberator" and demonstrate once again its skillful use of propaganda.

TOWARD A SOLUTION

I have a commitment with myself. I will not rest until the disasters that have befallen my people are well known and understood by the peoples and governments of our world. I am here in the United States because America still represents the last great hope for Justice and Fair Play in the World. America was built by peoples who themselves were fleeing tyranny and oppression.

I am thoroughly familiar with the divisions in American society that took place during the Vietnam War. Desperate though the situation is I am not suggesting a military action to free the enslaved people of Cambodia. On reflection, though, it does strike me that wars have been fought and military actions undertaken over far more trivial causes than the enslavement and genocide of a people. What I am now asking is that the American people join me in launching a peace offensive aimed at saving the pitiful remnant of the Khmer people, their culture and civilization, before these are totally destroyed by the barbarism from within and the new attacks from without.

I am urging the American Congress to enunciate a strong, unequivocal policy directed at ending the terrible suffering of the Cambodian people. I am asking individuals, organizations and governments of good will and dedication to the principles of Justice and Human Rights to join forces and find the means to ensure that the cry for help from the Cambodian people will not continue to go unheard.

Those organizations whose raison d'etre is to alleviate human suffering should have been the most vocal in their efforts to assist the people of Cambodia. Where were they? Why the deep silence of these and others towards the terrible three years of atrocities in Cambodia?

The United States has already demonstrated its devotion to the principles that have made it a great nation through the acceptance of one hundred and fifty thousand Indochinese refugees. I believe that these future citizens will prove their worth in the years ahead. They will add to the already-rich fabric that is part of the American civilization. But now it is time for the United States to play a more active role in seeking measures that will guarantee the survival of the people of Cambodia. In a real sense the lot of the people of Cambodia can be compared to that of the passengers on a hijacked airplane. The hijackers are a group of international criminals who have shown their utter contempt for any standards of decency and "normal" behavior.

An international conference to examine the horror and gross inhumanity in Cambodia would appear to be the very minimum effort required by the international community. Steps to end the Vietnamese incursion into Cambodia would be a by-product of such a conference.

Finally, I bring to you a message from the people of Cambodia. It was carried, at great risk, by a recent Cambodian escapee: "Save those of us who are still alive before it is too late."

[From the Washington Star, March 16, 1978]

(By William F. Buckley, Jr.)

WHERE IS MR. CARTER ON CAMBODIA?

BANGKOK.—In January, Mr. Leo Cherne of the International Rescue Committee brought together an impressive congregation of men and women concerned for the awful ravages of the diverse Communist victories in Southeast Asia, and, with William J. Casey, former under-secretary of State, headed out for Thailand. The investigators were of varied political inclinations, including John Richardson, the head of Freedom House; Albert Shanker, president of the American Federation of Teachers; James Michener; Rabbi Tannenbaum, and others. What they found turns the blood cold: Cambodia leads the list of criminal states, that is if you don't count the countries, the United States primarily, that have let it all happen.

About Cambodia, Mr. Cherne could only think to say: "The events which have taken place in Cambodia and which continue to make of that country a land so inhuman tempts one to wonder whether here, finally, is a place where the living envy the dead."

The litany becomes all the more horrible for its failure, over a period of three years now, to arouse attention. It is as though the daily figures were read out publicly for Rovensbruck, Buchenwald, and Auschwitz, to an assembly where everyone was engaged in playing gin rummy. Mr. Cherne, whose committee was founded in 1933 to help refugees from Nazi Germany, was blunt. "The fact that the various international institutions designed to assert and protect human rights, and even life itself, have been silent despite repeated appeals, adds to our emphasis. Just such an appeal and protest to the United Nations Commission on Human Rights in June of 1975 remained unanswered for months before the appeal was denied because the U.N. Commission insisted that it could not act on second-hand information."

The U.N. commission has never hesitated to act on second-hand reports when addressing itself to the (relative) peccadillos of Chile, South Africa, and Israel. Mr. Cherne pursued the point relentlessly: "The inhumanity which continues to exist in Cambodia is so beyond rational description that it is probably unlikely that evidences of world concern so long withheld will have any moderating effect upon the behavior of the Khmer Rouge . . . No circumstances since the death camps of Germany more nearly describe the circumstances which presently exist in Cambodia . . ."

Now then Mr. Cherne, Mr. Casey, Mr. Michener, Mr. Shanker and everybody addressed themselves, as was quite proper under their mandate, to the questions of the refugees. And of course they are correct: all the red tape that deprives them of succor should be brushed aside. It is the job of the International Rescue Committee by tradition to rescue those who have, in a sense, already been rescued.

The Cambodians who sit, desparingly, in

the great refugee camps of Thailand are objects of pity. But they have, by other standards, already been saved. It is those who are still in Cambodia that need help most urgently. The Jews who escaped the ovens of Germany and Poland deserved every consideration; but mostly, they deserved the resolve of the civil community to rescue those whose rendezvous with the ovens was fast approaching; and who, one wonders, is asking for action at this level? No doubt Messrs. Cherne et al would personally endorse such action, but they are confining themselves, quite properly, to the limit of their franchise.

But where are the others? For instance, where is Congressman Pete McCloskey, who made a career for months of bewailing the fate of Cambodian refugees forced to resettle as a result of allied bombing? Where is the encephalophonic lead editorial in the New Yorker Magazine that spoke about how with Mr. Nixon's incursion we had forever, ruined the pastoral life of the Cambodian? And—the biggest question of all—where in the name of God is President Jimmy Carter who elevated human rights to his right side on ascending the throne at the White House?

ORDER FOR HOUSE JOINT RESOLUTION 796 TO BE HELD AT THE DESK

Mr. MAGNUSON. Mr. President, I ask unanimous consent that House Joint Resolution 796 be held at the desk until tomorrow, when we will try to resolve the procedural matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, this is a very important appropriation bill. It involves about $300 million for disaster relief in many parts of the country. They may run out of money by April 3.

The Senator from North Dakota and I and other members of the Appropriations Committee are now discussing whether we should refer the matter to the Appropriations Committee and have the full committee meet, because when you are talking about $300 million you should have a full committee meeting and pass on it. I am sure the committee would agree to it.

However, it may be that tomorrow we will not be able to obtain a quorum, I say to the majority leader, and this matter probably will have to be taken up by the Senate tomorrow. I just wanted to alert Senators that the matter, in all probability, will come up tomorrow. It involves $300 million. It is for disaster relief in many parts of the country—droughts, floods, and other things that happened this last winter.

The Senator from North Dakota and I are going to get together, prior to 11 o'clock, we hope, so that we might come to a decision on this matter. If and when we do, we will have to get it over to the House by 1 o'clock, because I understand they are leaving about 1 o'clock, and we want to get the matter to the White House.

I want to alert Senators that this matter will be brought up tomorrow. If it is held at the desk now, we will see what we can resolve about it tomorrow, because time is of the essence in this matter.

I yield to the Senator from North Dakota.

Mr. YOUNG. Mr. President, this is a matter that should be considered by the Appropriations Committee. Because of the emergency situation, I doubt that we should wait until Congress returns from the Easter recess, which will be about 2 weeks. I believe that this matter is of sufficient importance that we may want to consider bringing it up tomorrow.

Mr. MAGNUSON. I say to the Senator from North Dakota that the full Senate committee undoubtedly will approve this bill unanimously. But I want to alert the Senate, because it does involve $300 million, and we do not want to be accused of just slipping through a bill which involves that sum of money.

This has been gone over thoroughly by the House, and we all know the situation, and we will see what we can do tomorrow. We are going to try to do it right after 11 o'clock, in order to get it over to the House in time.

SENATE RESOLUTION 419—RESOLUTION CONDEMNING THE KIDNAPING OF FORMER ITALIAN PREMIER ALDO MORO

Mr. DECONCINI. Mr. President, I ask unanimous consent to have the Foreign Relations Committee discharged of any further consideration of Senate Resolution 419. I also ask unanimous consent that Senate Resolution 419, condemning the kidnaping of former Italian Premier, Aldo Moro, be considered by the Senate immediately as in legislative session.

Inasmuch as the House has already unanimously passed this identical resolution, I believe that the Senate should take a moment from its debate on Panama to demonstrate to the Italian people and to the world its concern over the fate of this fine man. We need, also, to again reaffirm our abhorrence of wanton acts of violence and terror in the political arena.

Mr. President, I ask that the Senate adopt this resolution unanimously.

Mr. ROBERT C. BYRD. Mr. President, in the absence of the distinguished senior Senator from Alabama (Mr. SPARKMAN), who is the chairman of the Committee on Foreign Relations, I am constrained to object; and I do so regretfully, I say to my friend from Arizona.

The PRESIDING OFFICER. Objection is heard.

Mr. DECONCINI. Mr. President, in that case, I ask unanimous consent that the names of the following Senators be added as cosponsors of Senate Resolution 419: Senator ABOUREZK, Senator SARBANES, Senator ALLEN, Senator PELL, Senator DOLE, Senator PACKWOOD, and Senator WILLIAMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENTS UNDER AGRICULTURAL ACT OF 1949

Mr. PACKWOOD. Mr. President, as in legislative session, I ask the Chair to lay before the Senate a message from the House on H.R. 11055.

The PRESIDING OFFICER (Mr. WILLIAMS) laid before the Senate H.R. 11055, an act relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977, and to extend for 1 year the existing treatment of State legislators' travel expenses away from home.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by its title, and the Senate will proceed to its consideration.

Mr. PACKWOOD. Mr. President, this is a very simple bill. The Department of Agriculture made some unintentional late payments to farmers for crop supports and disaster relief. The payments fell in January 1978. They could not be declared on 1977 income. This measure, for this year only, would allow farmers who received those payments in 1978 to declare them as income on their 1977 income tax.

Mr. DOLE. Will the Senator yield?

Mr. PACKWOOD. Yes.

Mr. DOLE. I think it is an excellent bill and it does, as the Senator from Oregon has indicated, permit the farmer to treat disaster or deficiency payments attributable to a 1977 crop as 1977 income if, under ordinary circumstances, income from the crop, the deficiency payments could have been reported as income in 1977.

Mr. President, I support H.R. 11055.

This bill incorporates in modified form a proposal made by the Senator from Kansas last January.

Under the bill a farmer may elect to treat disaster or deficiency payments attributable to a 1977 crop as 1977 income if, under ordinary circumstances, income from the crop, or the deficiency payments, could have been reported as income in 1977.

DEFICIENCY PAYMENTS

Mr. President, the Food and Agriculture Act of 1977 extended authority for crop deficiency payments granted in the Agricultural Consumer Protection Act of 1973. Deficiency payments are made when the average price received by the farmer during the first 5 months of the marketing year for wheat and feed grains is below the target price set in the law. The payment is equal to the difference between the average price and the target price, but may not exceed the difference between the target price and the price support loan level.

Because of higher market prices in the first 3 years of the program, deficiency payments were not made until last year. However, the lack of experience administering the program until last year has delayed a needed correction.

TAX PROBLEM

Many farmers who are entitled to crop disaster payments for crops which they harvested (or would have harvested) in 1977 did not receive these payments from the Department of Agriculture until 1978. Under present law, farmers on the cash method of accounting would have to include these payments in income in 1978. Since income from crops sold in 1978 would also be reported in 1978, the income of these farmers would be bunched in

1978 rather than spread over 1977 and 1978, as would be the normal situation.

Also, a great many farmers who are entitled to deficiency payments on their 1977 crops, because of low crop prices did not receive these payments from the Department of Agriculture until 1978, although, under normal circumstances, these payments would have been received in 1977. The problem appears to be particularly crucial in the case of deficiency payments for wheat. Deficiency payments for the 1977 wheat crop would ordinarily be expected to be received in December of 1977 because, unlike most other crops, the period for which market price information is used to compute the amount of deficiency payments ends in 1977. Since deficiency payments for wheat harvested in 1978 would also be reported in 1978, the income of these farmers will be bunched in 1978 rather than spread over 1977 and 1978.

DOLE PROPOSAL

Mr. President, in early January, I wrote Secretary Blumenthal detailing the tax problems associated with these deficiency payments. On March 8, I introduced S. 2686, to alleviate this tax problem.

This bill is positive action on the part of the Congress to help our farmers when they need it most.

I also wish to announce the support of my colleague, Mr. MELCHER, in support of this legislation.

The Congress should be congratulated in taking this swift action.

Mr. PACKWOOD. I appreciate the statement from the Senator from Kansas.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 11055) was read the third time, and passed.

RESOLUTION OF THE JOINT COMMITTEE ON PRINTING

Mr. PELL. Mr. President, the Joint Committee on Printing, at its meeting on Thursday, March 16, 1978, adopted unanimously a resolution regarding the implication and effect of marking certain material in the CONGRESSIONAL RECORD with a "bullet."

The resolution makes it clear that the purpose of the "bullet" mark is simply to distinguish the manner of delivery of statements or insertions, and that the intent of the Joint Committee on Printing in prescribing the use of the "bullet" marking is in no way to limit the protection afforded Members of Congress under the speech and debate clause of the Constitution.

As chairman of the Joint Committee on Printing, and on behalf of the committee, I ask unanimous consent that the text of the resolution adopted by the Joint Committee be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE JOINT COMMITTEE ON PRINTING

Whereas, effective March 1, 1978, the Joint Committee on Printing amended the Rules for Publication of the CONGRESSIONAL RECORD to identify statements or insertions in the RECORD where no part of them was spoken;

Whereas, unspoken material in the CONGRESSIONAL RECORD will be preceded and followed by a "bullet" symbol, i.e., ●;

Whereas, the Joint Committee, after consulting with the leadership of both Houses, instituted these changes only to make the CONGRESSIONAL RECORD a more precise history of the actual proceedings taking place on the House and Senate floors;

Whereas, the Joint Committee determined that these changes are the most effective means to inform other Members of Congress of their colleagues' views and proposals;

Whereas, the Joint Committee made such changes knowing that delivered and inserted statements are part of the official record as Congressional Speech and Debate and are fully protected under Article I, Section 6 of the Constitution of the United States: Now, therefore, be it

Resolved, That paragraph 3 of the Rules for Publication of the CONGRESSIONAL RECORD is amended to read as follows:

"3. Only as an aid in distinguishing the manner of delivery in order to contribute to the historical accuracy of the RECORD, statements or insertions in the RECORD where no part of them was spoken will be preceded and followed with a 'bullet' symbol, i.e., ●.".

SEC. 2. The Joint Committee directs its Chairman and Vice-Chairman to insert copies of this resolution into the permanent record of the House and Senate.

Mr. ALLEN. Will the Senator yield for a moment?

Mr. PELL. Certainly.

Mr. ALLEN. I want to state that as a member of the Joint Committee on Printing, I am pleased that at our meeting the other day the distinguished Senator from Rhode Island (Mr. PELL) was elected as chairman of the Joint Committee. I look forward to working on that committee under his leadership.

Mr. PELL. I thank my friend from Alabama for those remarks.

TIME-LIMITATION AGREEMENT—CONFERENCE REPORT ON AGE-DISCRIMINATION BILL

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the conference report on the age discrimination bill is called up before the Senate there be a time-limitation overall with respect to that conference report of 30 minutes, to be equally divided between Mr. JAVITS and Mr. WILLIAMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW YORK CITY AFFAIRS

Mr. PROXMIRE. Mr. President, whether New York City will make it or not, whether it will avoid bankruptcy in the long run, depends not simply on the Federal Government—not on what we may do between now and June the 30th; it depends fundamentally on the underlying economic strength and the growth of New York City in the next 5 or 10 or 20 years.

I think that many of those who have discussed the issue, both in the House committee and in the Senate committee itself have overlooked the plain simple arithmetic. They consider what New York City has to raise, what New York City faces in terms of balancing their budget, what they need for a capital budget, what is available from their pension fund, what is available from the banks following the line of credit there and what the city's instrument for borrowing back can borrow. I think that the report of the Senate Banking Committee will make a great deal of sense.

Mr. President, the fundamental issue is whether New York itself has the economic strength to survive and there are two remarkable analyses of New York City that are very hopeful in that respect.

I would like to quote from both the first, which is a study by Mr. Bienstok, made in December 1977, just 3 months ago, with regard to New York City's affairs.

Mr. Bienstok finds that—

New York City's loss of 650,000 jobs since 1969 is associated with a major shift of nonfarm jobs from the Northeast to the South and West and declines in other major urban centers. New York's 13.3 percent loss in employed residents from 1969 to 1976 was about in line with a 12.3 percent drop in Chicago and was more moderate than the declines of 17.7 percent in Baltimore, 20.9 percent in Philadelphia and 31.7 percent in Detroit.

Furthermore, he says, the city's underlying strengths and its changing demography suggest the possibility of an improved local economic environment by the early 1980's. The widespread economic and social impact of the baby boom of 1947 is about to end. That group will soon be the over-30 generation. But more significant for the years ahead is that the United States is about to be heavily influenced by a different cohort, the young men and women born since 1960.

Since 1960, the number of live births in America has dropped from about 4 million to about 3 million a year. This is close to the number in 1944, before the postwar baby boom, a number that, at that time, was added to a much smaller population than today's 215 million. Trends in New York City follow the same pattern.

Beginning from now, the number of people reaching 18 years of age should begin to decline significantly. In 1982 and in the years beyond, the number of college graduates can be expected to level off. In fact, the number of young people entering the labor market will begin to decline significantly as we get toward the end of this decade and move into the early 1980's.

This suggests a period in which the fierce competition for jobs that recent college graduates have experienced should moderate substantially. There will be relatively fewer college graduates entering the labor market all through the 1980's, and the demand for college-educated men and women will continue to rise. Even during the height of the last recession when the country lost almost 2 million jobs, the number of professional, technical, managerial, and administrative jobs, typically held by

college graduates, rose by 750,000. Peter Drucker's "knowledge society" is alive and well, and in this knowledge society, the key resources are people.

With regard to manpower and education in New York City, it was noted earlier that the substantial immigration of blacks and Puerto Ricans with below-average educational attainment may have contributed to the city's problems. During the last two decades, the city's goods-producing industries declined sharply. Service-producing activities increased, providing white-collar jobs which require more education. The pace of jobs loss in the city's goods-producing industries has moderated; in fact, factory employment actually edged up in 1976. Also, during the 1970's there has been a notable cutback in the number of persons migrating from the South or Puerto Rico to New York City.

Looking at the future of the New York City labor market, educational trends in the past decade may augur well for the city's development of its human resources. The number of Puerto Ricans and blacks entering the City University of New York tripled between 1967 and 1972. The number of whites entering CUNY rose by over one-fourth during the same period. In 1975, 79 percent of New York City's high school graduates went further with their education, primarily in college, while in the country as a whole the figure was 51 percent. This suggests that New York City, with its unique array of educational facilities and institutions, will be in a favorable position to strengthen its human resources as it approaches the year 2000.

New York City's talent pool will not only be sought by industry, but may attract industry to the city. Although the city has lost corporate headquarters employment, it is still the home base for more major industrial companies than any other city. Headquarters locate in New York, because it is the commercial, communications, and cultural center of the Nation, a major port, a center for financial, legal, educational, and health services and, although rarely heralded as such, a major manufacturing center. Many companies that left the city have moved only to nearby suburbs from where they are still able to draw upon the city's resources and services.

New York City's cultural activities are a bastion of the city's economy and provide many jobs for skilled and unskilled workers. The 1,500 cultural institutions and organizations in the city, while generating over $3 billion in expenditures and receipts annually, also contribute over $100 million in tax revenues. These institutions stimulate the tourist industry even as they draw businesses to New York and strengthen real estate development—and, as long been recognized, strengthen the city's social and economic life.

In conclusion, the current economic situation remains relatively tight, and job development must rank high among the challenges facing New York City. However, the declining birth levels since the early 1960's will provide a more favorable climate for the New York City labor market of the 1980's—given an appropriate level of economic activity. With the decline in the number of young people in the city's population, many of the city's current problems involving youth may stabilize and improve. In a labor market requiring "knowledge" workers, New York City may find that the high proportion of its youth continuing on to higher education may serve to stabilize and strengthen the city's economy.

It is now commonplace to view the situation in New York City as a total disaster—perhaps as commonplace as it was in the late 1950's and early 1960's to ignore the clear signals of impending crisis. Observers of long-term trends are, however, prepared to expect "quantum" shifts that current indicators may not clearly herald. In the late 1970's, H. R. Bienstok tends to be as optimistic about New York City's future as he was pessimistic in the early 1960's.

Now a very excellent analysis of the Corporate Headquarters Complex in New York City is prepared by the Conservation of Human Resources Project—Columbia University:

CORPORATE HEADQUARTERS COMPLEX

1. This complex accounts for over one-fifth of all wage and salaried workers (586,000) in New York City and a considerably higher proportion, over one-fourth, of total payroll ($8.7 billion). As such, it represents the largest aggregation of economic activity in the city, considerably larger in terms of jobs and income than manufacturing, municipal government, or nonprofit enterprises.

2. Corporate headquarters employment in New York City is the smallest of the three components of the complex accounting for 135,000 jobs. The largest element is the corporate service firms which provide 314,000 jobs. Employment in firms producing ancillary services is estimated at 137,000.

3. Employment in corporate service firms is around 2.5 times larger than in corporate headquarters. What is more, while employment in corporate headquarter is much lower now than in the early 1960's, the opposite is true with respect to corporate service firms.

THE CONCENTRATION OF CORPORATE SERVICE

12. As noted earlier corporate service firms continued to expand and more than compensated for the decline in corporate headquarters employment that occurred during the past two decades. The three most important sub-groups among corporate service firms are banking, legal services and accounting. The importance of each is underscored by the following:

(a) In banking, the 10 largest commercial banks in the nation accounted, at the end of 1976, for 45 percent of the deposits in the top 200 banks. Six of these top 10 are New York banks which account for $173 billion or 27 percent of the deposits of these 200 largest banks. When it comes to foreign deposits in U.S. banks, which totalled $161 billion at the end of 1976, the New York City banks are even more important: they held $86 billion or more than half of the total of these foreign deposits.

(b) In terms of the large law firms (over 81 members) that provide a wide range of specialized corporate services, New York has one-third of the nation's total, 16 out of 48, while Chicago has 7 and Philadelphia and Washington each have 5. If these data for the mid-1970s are compared with the mid-1950s one finds little change other than an increase of large law firms in Washington from 2 to 5. During this same period, New York also maintained a leadership role as a center of firms specializing in international law, the number of such firms in the City increasing from 54 to 131, the number of members from around 600 to about 2250. The other principal centers of firms specializing in international law are Washington, Chicago, Houston and Los Angeles. The New York law firms serve far more Fortune 500 headquarters, both in and out of the city, than do the big law firms located in any other city. Further, they serve almost all of the Fortune 500 firms' investment banks.

(c) In accounting, six of the big eight firms have their main office in New York City. The New York based firms have as clients 356 of the Fortune 500 list and 29 of the nation's 47 largest banks. Chicago is in second place, far behind New York, with 79 Fortune 500 corporations and 6 banks. The international offices of all eight major accounting firms are located in New York City, and they have a monopoly on it.

THE INTERNATIONAL DIMENSION

18. The last two decades have seen a substantial increase in economic relations between the U.S. and foreign countries with respect to financial transactions, trade, and investments in plant. Much of this expansion has been through firms located in New York. In the mid-1970s the foreign sales of the Fortune 500 firms in the top 50 Standard Metropolitan Statistical Areas totalled $213 billion. Corporations located in the New York area accounted for $99 billion or 46 percent of that total. Detroit was second with $21.5 billion followed by Pittsburgh, San Francisco and Chicago each with between $15 and $11 billion.

19. The more striking development, however, has been the growth of foreign economic activity in New York City reflecting in particular the location here of banks, branch headquarters, and increased activity in the real estate market as evidenced by the following:

(a) An analysis in the early 1970s of over 1,700 foreign firms operating in the U.S. disclosed that 60 percent were headquartered in New York City and another 15 percent in the suburban area. If the location of Canadian firms is disregarded, the concentration in New York City ranged between 98 percent for Italian firms to 68 percent for firms from the Netherlands.

(b) Between 1970 and 1976 the number of foreign banks in New York City increased from 47 to 84 and their assets increased from $10.6 billion to $40.3 billion or almost fourfold.

(c) Between the beginning of 1975 and 1977 foreign concerns leased 466,000 square feet of office space in New York City with an aggregate rental value of $88 million. From September 1975 to April 1977 there were 10 major purchases by foreigners of New York City properties.

The following sets forth the policy directions growing out of the indepth inquiry into agglomeration that hold promise of contributing to the continual growth and vitality of the corporate headquarters complex in New York City:

(a) With the corporate headquarters complex in New York greatly dependent on the City's primacy as a money center, the leaders of the financial community, together with the local political leadership, should be constantly alert to actions in New York, Albany and Washington that could strengthen the predominance of the City as the leading financial center of the world. The recent debacle over the bond transfer tax illustrates the need for continuing vigilance and cooperation. With the decline of London as an international money center and the increasing importance of the Middle East as a source of investment funds, the leadership of the financial community should explore how changes in the federal and state laws and administrative practices could make New York more attractive to foreign investors.

(b) Since corporate location decisions are greatly influenced by problems involving space utilization, the continued vitality of the corporate headquarters complex in New York requires a strong commercial construction industry. If the City is to maintain its position as the leading corporate headquarters complex new commercial office buildings must be erected at costs and rents that are reasonably competitive with alternative locations. The last years have seen substantial narrowing in the gap between the cost of prime space in New York and other competitive locations. The leaders of the construction industry, the construction unions, and local government should seek ways of cooperating to assure that the City's new office buildings are completed at a rental cost that will encourage corporate headquarters and corporate service firms to remain and expand in the City and that will help attract others here.

(c) A major spur to corporate relocation to the suburbs has been the desire of middle and upper management to rear their families in a conducive environment. The new trends to later marriages, lower births and the increased career interests of educated women provide the City with an opportunity to attract and retain professional couples both of whom hold good jobs and are career-oriented.

That kind of family situation, with husband and wife working, makes the city much more attractive than it is with the family in which the wife is at home and does not work.

To do so, the leaders of the real estate industry and the City officials should intensify actions aimed at neighborhood conversion and neighborhood rehabilitation to provide such couples with a wider range of desirable living accommodations.

(d) A major source of the City's strength has been its attraction to individuals who place a premium on a wide range of cultural activities including theatre, restaurants and concerts. Since this cultural-entertainment complex not only provides important ancillary services to the corporate sector but also much needed employment to many recent inmigrants, continuing efforts involving business and labor leaders and government officials should be directed to maintaining and strengthening this important sector. An expansion of the hotel industry should be high on the agenda.

(e) Another favorable opportunity that the City should seek to exploit is the potential for further increases in foreign banks, foreign headquarters, foreign investors and foreign visitors. Most foreigners find New York City attractive. The foreign business community should be an important target for the forthcoming public-private effort directed at placing before businessmen the multiple strengths of New York City in the hope of encouraging them to locate activities there.

(f) Special attention must be paid by business and government leaders to maintaining the excellent air transportation that has done so much to keep New York as the focal center of domestic and international economic activity. The maintenance and improvement of interurban and intraurban transportation can likewise contribute to strengthening the agglomeration process.

(g) In years past the estrangement between business and political leaders contributed to the exodus of corporate headquarters because many chief executives concluded that local government was at best uninterested and at worst hostile. Recent cooperative actions aimed at achieving and maintaining the fiscal viability of the City is a major step in the right direction. So too are efforts to put a lid on business and personal income taxes and where possible to reduce those which weaken the competitive position of New York City.

Mr. President, I make these points, because I think it is overlooked that New York has enormous strength and has a great potential for growth in the future, and that that element is what is going to permit New York to survive.

NOW IS THE TIME TO ACT ON THE GENOCIDE TREATY

Mr. PROXMIRE. Finally, Mr. President, on another subject, 30 years ago, the United Nations drafted the Genocide Treaty, which declared any act of genocide a crime under international law. The United States was instrumental in drafting that treaty and winning its unanimous support in the General Assembly.

For 30 years, the debate over the advisability of our ratifying the treaty has gone on. In this decade, there has been a growing sentiment in favor of such ratification. It is important to analyze the effectiveness of the treaty since its birth in order to understand this increasing support. Such an analysis will make it clear that we must give our complete support to this treaty, in the form of ratification.

It is true that we are unable to estimate how many lives have been saved because of the treaty. It is impossible to point to all participating countries and say with complete assurance that life has been made more civilized in every phase. But the benefits, however subtle, are undeniable.

In the same way that our Declaration of Independence inspired countless Americans to preserve the values under which this nation was founded, the Genocide Treaty has served as a standard of protection for human beings which has influenced many individuals throughout the world. Moreover, the treaty has provided more than moral persuasion; it created sanctions against genocide. These sanctions have not been used, but their deterrent effect should not be overlooked.

It is shameful that we have failed to ratify this treaty. We should have ratified it in 1948. Fortunately, we can turn this omission into something positive at this time. Our ratification would reemphasize the vigilance needed for the physical protection of minority groups throughout the world. It would also allow us to take a more forceful role in other areas of human rights.

We must not let this opportunity pass us by. The Genocide Treaty should be ratified, and promptly.

Mr. President, I yield the floor.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. ALLEN. The Senator from Alabama has been waiting to hear the distinguished Senator from Wisconsin mention the Genocide Treaty again here and the reasons why we should approve it in the Senate. He waited until about the fifth item that he mentioned tonight, and I was somewhat apprehensive that he was not going to mention the Genocide Treaty, but I am glad that he did finally get around to it and express his views about the necessity to approve this treaty that has been before the Senate now for 30 years.

Mr. PROXMIRE. I want to thank the distinguished Senator from Alabama. He is a most patient man. He has been my best audience. He has been on the floor night after night after night when I have delivered the statements.

As he knows, I have been making statements like this for 11 years on the floor of the Senate. I intend to make them until it is passed, and if nothing else it will maybe help the Genocide Treaty to have me sit down, shut up.

Mr. ALLEN. As I say, the Senator has mentioned this matter almost daily for quite a long time. But I keep listening in the hope that I can find an argument that I agree with that would indicate the necessity for giving approval to this treaty.

Mr. PROXMIRE. Well, I am disappointed in that. But I think the Senator from Alabama is a very reasonable man, and I am sure that if he listens long enough, I hope it will not take another 30 years, that he will be persuaded.

Mr. ALLEN. I thank the distinguished Senator.

A PIONEER FAMILY IN ALASKA

Mr. STEVENS. Mr. President, in recent years the State of Alaska has risen from a position of relative obscurity to one of higher visibility in the eyes of the American public.

In an effort to educate the public and trace Alaska's history, the National Endowment for the Humanities has granted funds for production of an historical documentary entitled: "A Pioneer Family in Alaska." In addition to the production of this film, the National Endowment for the Humanities will be traveling to various localities in Alaska to gather necessary information to assist in the development and promotion of cultural programs within the State. I encourage these efforts wholeheartedly so all Americans can be more cognizant of the rich cultural heritage of Alaska.

Mr. President, I ask unanimous consent that an article appearing in the Alaska History News be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEH FUNDS "A PIONEER FAMILY IN ALASKA" FOR HOMER MUSEUM

The Museums and Historical Organizations Program of the National Endowment for the Humanities has funded the proposal of the Homer Society of Natural History to produce the historical documentary film entitled "A Pioneer Family in Alaska." The $41,783 grant was made to create from 30 years of film footage a 90-minute chronicle centering on the Yule Kilcher family homestead near Homer on the Kenai Peninsula. Yule describes the project: "The film starts in 1945 when I and my family moved at low tide 12 miles up the beach from Homer on Kachemak Bay in a military 4x4 truck, ascended the cliffs afoot, and settled in an abandoned trapper's cabin. There are scenes of cutting timber, haying on the rough, open meadows with six-foot-tall grass, and all the family at work. Hauling logs with horses in breast-deep snow and building a barn and

hand-hewn log cabin in winter, planting a garden the next summer . . . scenes of the last salmon fishing fleet to go out under sail in Bristol Bay in 1949, where I repaired to recoup the financial situation."

The new film will extend the time frame from before 1945 (with available film and photos of the family in Switzerland) to the present. There will be several segments, filmed at the same locations, showing how man has changed nature over a period of a third of a century, and how the 1964 earthquake has adversely affected the beaches. A spectacular shot shows the shrinkage of a glacier, filmed 30 years later."

Joining the Homer Museum in the project is the University of Alaska, Anchorage, Media Services Program and the Alaska State Library. When completed, "A Pioneer Family in Alaska" will convey to the general public an important segment of the history of the American West and that of the 49th State. With the dimensions of sight and sound, it will portray the economic, political, and social forces which shaped the attitudes of a homesteading family toward the land and themselves. When completed, prints of the film will be used by the Alaska State Library, public television, and the Homer Museum to enhance its permanent collection.

ORDER FOR RECESS UNTIL 9:30 TOMORROW MORNING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF MR. JAVITS AND MR. DANFORTH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the prayer, Mr. JAVITS and Mr. DANFORTH be recognized each for not to exceed 15 minutes, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF CONFERENCE REPORT ON AGE DISCRIMINATION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of the two aforementioned orders tomorrow the Senate proceed to the consideration of the conference report on age discrimination, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF THE PANAMA CANAL TREATY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on age discrimination in the morning, the Senate resume consideration of the Panama Canal Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF THE EMERGENCY SUPPLEMENTAL APPROPRIATION BILL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. MAGNUSON be authorized to call up the emergency supplemental appropriation bill tomorrow if he and Mr. YOUNG are in agreement thereon at any point.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF MR. PROXMIRE TOMORROW MORNING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PROXMIRE be recognized at some point tomorrow morning for not to exceed 30 minutes to speak on the Panama Canal Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

FISHING VESSEL LOAN GUARANTEES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 644.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

Calendar Order 644 a bill, H.R. 9169, to amend Title XI of the Merchant Marine Act, 1936, to permit the guarantee of obligations for financing fishing vessels.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the title be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-703), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

The purpose of the legislation is to place fishing vessels in the same category as other vessels not receiving a construction differential subsidy, to qualify for Federal loan guarantees under title XI of the Merchant Marine Act of 1936. To accomplish this purpose, the legislation would amend the act to authorize the Secretary of Commerce to guarantee obligations up to 87½ percent of the cost of constructuring or reconstructing fishing vessels. The act currently authorizes an obligation guarantee of up to 75 percent.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed; and, Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HUBERT H. HUMPHREY INSTITUTE OF PUBLIC AFFAIRS AND THE EVERETT McKINLEY DIRKSEN CONGRESSIONAL LEADERSHIP RESEARCH CENTER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 647.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2452) to authorize funds for the Hubert H. Humphrey Institute of Public Affairs.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill (S. 2452), which had been reported from the Committee on Human Resources with amendments as follows:

On page 1, line 4, after "Affairs" insert "and the Everett McKinley Dirksen Congressional Leadership Research Center";

On page 2, beginning with line 3, insert the following:

(b) In recognition of the public service of Senator Everett McKinley Dirksen, the Commission is authorized to make grants in accordance with the provisions of this Act to assist in the development of the Everett McKinley Dirksen Congressional Leadership Research Center, located in Pekin, Illinois.

On page 2, line 14, after "$5,000,000" insert a comma;

On page 2, beginning with line 16, strike through and including line 17;

On page 2, beginning with line 18, insert the following:

(b) There are authorized to be appropriated such sums, not to exceed $2,500,000, as may be necessary to carry out the provisions of section 2(b) of this Act.

(c) Funds appropriated pursuant to this Act shall remain available until expended.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center Assistance Act".

SEC. 2. (a) In recognition of the public service of Senator Hubert H. Humphrey, the Commissioner of Education (hereafter in this Act referred to as the "Commissioner") is authorized to make grants in accordance with the provisions of this Act to assist in the development of the Hubert H. Humphrey Institute of Public Affairs, located at the University of Minnesota, Minneapolis-St. Paul.

(b) In recognition of the public service of Senator Everett McKinley Dirksen, the Commissioner is authorized to make grants in accordance with the provisions of this Act to assist in the development of the Everett McKinley Dirksen Congressional Leadership Research Center, located in Pekin, Illinois.

SEC. 3. No payment may be made under this Act except upon an application at such time, in such manner, and containing or accompanied by such information as the Commissioner may require.

SEC. 4. (a) There are authorized to be appropriated such sums, not to exceed $5,000,000, as may be necessary to carry out the provisions of section 2(a) of this Act.

(b) There are authorized to be appropriated such sums, not to exceed $2,500,000,

as may be necessary to carry out the provisions of section 2(b) of this Act.

(c) Funds appropriated pursuant to this Act shall remain available until expended.

Mr. BAKER. Mr. President, I am pleased to urge passage of S. 2452, a bill to authorize funds to develop the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota. The institute, which will support research in public policy and planning, will, at Senator Humphrey's request, be the main memorial to his memory. The strong bipartisan endorsement which this measure has received within both the House and Senate is further indication of the respect and affection with which he was regarded by his colleagues.

Mr. President, the Congress has, in the past, sought to honor distinguished colleagues following their deaths in various ways. In 1972, for example, we authorized the Allen Ellender fellowship program. In 1973, Federal aid was provided for the Sam Rayburn Library in Texas. In 1976, funds were made available to support the Wayne Morse Chair of Public Affairs at the University of Oregon. In addition, of course, Congress has traditionally provided funds to support libraries housing the papers of former Presidents, as well as Eisenhower College, the Harry S. Truman fellowship, and the John F. Kennedy Center for the Performing Arts.

In view of this tradition, I am particularly pleased that the Committee on Human Resources has included in S. 2452 an authorization for up to $2.5 million to assist the Everett McKinley Dirksen Congressional Leadership Research Center in Pekin, Ill.

While many of my colleagues, and especially those who knew and worked with Senator Dirksen, are familiar with the purpose and programs of the Dirksen Center, I would like to take this opportunity to summarize briefly the center's background and the work which it has undertaken.

Before his death in 1969, Senator Dirksen expressed his intention to create an endowment to establish a Center for Congressional Leadership in his home city of Pekin, Ill. It was his belief that "since the legislative branch of our Government is the heart of American democracy, a broadened understanding of its function would strengthen our country," and he hoped that "students of government, of political science, and of history, from here and abroad, would come to inquire, to learn, to understand, and, hopefully, to be inspired."

In 1975, construction of a joint facility to house the Dirksen Center and the Pekin Library was completed, and the building was dedicated by President Ford in August of that year. All of Senator Dirksen's papers and memorabilia were moved into the center, and work was begun on cataloging and organizing this vast collection of material so that it may be available for public study and research.

The long-range goal of the center is to become the Nation's recognized institution for congressional leadership education, research, and collections. It is hoped in the future that the center will be able to house or provide access to all collections and materials relating to congressional leadership.

The Dirksen Center has made significant progress toward that goal. It is known in historical, governmental, and archival circles in the Midwest and throughout the country, and I believe that with additional support provided in S. 2452, the center will thrive as a unique institution which will fulfill Senator Dirksen's hopes of stimulating study and promoting understanding of the important role of the Congress and its leadership in contemporary America.

Mr. President, the Humphrey Institute and the Dirksen Center are intended to stimulate study and improve understanding of public issues and the importance of public service. I can think of no finer tribute to these two great legislators, and I look forward to enactment of S. 2452 at the earliest possible time.

Mr. ALLEN. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. ALLEN. Would the Senator mind stating how much is authorized on this institute?

Mr. ROBERT. C. BYRD. Yes, if the Senator will allow me a moment to check.

The answer is $2.5 million for the Dirksen Institute, and $5 million for the Humphrey Institute.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to authorize funds for the Hubert H. Humphrey Institute of Public Affairs and for the Everett McKinley Dirksen Congressional Leadership Research Center.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–706), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF THE COMMITTEE BILL

Section 2(a) of the bill authorizes the Commissioner of Education, in recognition of the public service of Senator Hubert H. Humphrey, to make grants to assist in the development of the Hubert H. Humphrey Institute of Public Affairs, located at the University of Minnesota, Minneapolis-Saint Paul.

Subsection (b) authorizes the Commissioner to make grants, in recognition of the public service of Senator Everett McKinley Dirksen, to assist in the development of the Everett McKinley Dirksen Congressional Leadership Research Center, located in Pekin, Ill.

Section 3 requires that payments be made upon applications containing such information as the Commissioner may desire.

Section 4(a) authorizes $5 million for grants to the Hubert Humphrey Institute of Public Affairs. Section 4(b) authorizes $2.5 million for grants to the Everett McKinley Dirksen Congressional Leadership Research Center. Section 4(c) provides that funds shall remain available until expended.

HUBERT H. HUMPHREY INSTITUTE OF PUBLIC AFFAIRS

One of the last requests of the late Senator Hubert H. Humphrey was that his primary memorial be the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota. Dedicated to the "education, stimulation and recruitment of bright young men and women for positions in public and community service," the Humphrey Institute will be a fitting tribute to a beloved teacher and public servant. In the spirit of Hubert Humphrey's leadership, the Institute will be structured so as to allow its programs to confront the social, technological, and environmental changes in our society and the emergence of new challenges in the public sector.

Senator Humphrey hoped that the central purpose of the Institute would be to attract into Government service bright young men and women. The best way to encourage excellent students to choose a particular graduate program is to offer substantial fellowships. The Senator expressed the hope that the resources of the Humphrey Institute would be used to assist financially students of high caliber during their graduate studies of government. At a press conference on July 27, 1977, he spoke of his own financial hardships during graduate school in the 1930's. It had often been necessary for him to take time off from his studies at the University of Minnesota to return to South Dakota and work in his father's drug store. He hoped that the Institute would be able to provide for some of its students so that they would not face the obstacles he himself had encountered as a student.

The Humphrey Institute was named on September 9, 1977, and will be officially dedicated on July 1, 1978. Fund raising efforts have been extremely successful, a testament to the fact that the long-time Senator and former Vice President touched the lives of millions during his years of public service.

National fund-raising efforts have raised $8.3 million to date. Extensive fund-raising activities are planned all over the Nation. For instance, in New York, Radio City Music Hall will be donated for an event May 18 which is expected to raise between $500,000 and $1 million for the Institute. A dinner in Washington, D.C., on December 2, 1977, raised $1,074,000.

Individual contributions have ranged from small unsolicited amounts to contributions of $1 million or more. Labor contributions have also been most generous: The AFL–CIO donated $30,000 and the UAW pledged $25,000 from its international union. In addition, gifts have come from individual State, local, and city labor organizations.

An International Committee headed by Dr. Henry Kissinger and Mr. Leonard Marks has raised $1,250,000 thus far through gifts from the Governments of Japan and Iran.

Though funds have been raised in substantial amounts for the Humphrey Institute, many of the donations are earmarked for a specific purpose. For instance, a gift of $1 million from Mr. Dwayne O. Andreas is to be used solely for preserving and organizing the late Senator's papers in the Humphrey Archives at the Institute. Another gift of $1 million, from Mr. Curtis L. Carlson, must be expended to support a distinguished lecturer series at the Institute. These generous gifts are of great help to the Institute, but cannot be used for fellowships. Thus the Director of the Humphrey Institute, Dr. John S. Adams, anticipates that there will be a lack of unencumbered funds to help support able students through prestigious fellowships, the very purpose of the Institute envisioned by Senator Humphrey himself.

S. 2452 addresses this need—for an endowment fund which can provide annual fellowships to attract the very best students to the Humphrey Institute. No part of the $5 mil-

lion provided by the Hubert H. Humphrey Institute of Public Affairs Assistance Act will be used for the Institute building or for other capital purposes. Instead, the funds will be handled with professional investment fund managers who will invest them with an eye toward growth of the endowment over the years. In this way, income from the fund will grow with inflation, so that fellowships can be provided which actually cover a student's living expenses.

It is planned that the congressional appropriation of $5 million will be invested in low-risk securities with an expected 5 percent rate of interest, so that the annual yield will be about $250,000. The Institute plans to use fully half of the annual income from the endowment for student fellowships.

Public Service Fellowships awarded by the Office of Education provide $7,800 in annual stipends for the calendar year—$3,900 for tuition and expenses, and $3,900 for living expenses. Using these figures as estimates of fellowship amounts, the Humphrey Institute anticipates that it will be able to provide about 15 or 16 fellowships to first year students, and the same number to second year students. With a total enrollment of between 50 and 60 students in each class, then, the Institute will be able to provide substantial financial assistance to over one fourth of its students as a result of the enactment of S. 2452.

It is expected that the income from the invested appropriation which is not used for fellowships will make up a general fund for the support of the Institute's programs. This money may be expended for such things as the Institute's weekly public television public policy forum, grants for research projects in public policy and planning to faculty and advanced students, and stipends for student public service internships.

The amount authorized by the Hubert H. Humphrey Institute of Public Affairs Assistance Act comprises about one quarter of the estimated $20 million necessary for the development of the Institute. The $5 million authorization will substantially help the Institute in reaching its July 1, 1978, goal of $20 million. It was thought that one quarter of the total necessary for the Institute's development was an appropriate amount for the United States to provide, especially in light of the large gifts received from governments of other nations.

The following letter in support of S. 2452 was received from Henry A. Kissinger, former Secretary of State:

HENRY A. KISSINGER,
March 16, 1978.

MISS ALLISON WOLF,
Office of Senator Wendell R. Anderson, U.S. Senate, 304 Russell Senate Office Building, Washington, D.C.

DEAR MISS WOLF: Thank you for your kind letter of March 3, 1978, on the subject of S. 2452, the bill introduced by Senator Wendell Anderson to authorize $5 million for the Hubert H. Humphrey Institute of Public Affairs, and its companion bill in the House. As Chairman of the Internal Committee for the Humphrey Institute, I am happy to declare my strong support of this legislation.

The Institute will be a fitting and living memorial to Hubert Humphrey. Its goal will be to insure that his example will continue to advance after his death the humane ideals that he so fully embodied during his lifetime. I know how proud and happy Hubert was to know before his death that an Institute in his name would be educating new generations of young men and women to his ideals of intellectual excellence, public service, and human decency.

For Hubert Humphrey set a standard of integrity and humane concern that enriched not only American public life but also the common endeavors of the democratic nations to build a better world for our children. It is no accident that this Institute has received generous financial support from so many friendly nations. For Hubert was a champion of international cooperation. He understood that the common enemies of mankind—war and famine, disease and illiteracy, inequality and racial hatred, fear and human suffering—ought to be the focus of redoubled international effort.

This is in the noblest tradition of the American people. It is certainly deserving of broad national support as S. 2452 would so well represent.

Best regards,

HENRY A. KISSINGER.

EVERETT MCKINLEY DIRKSEN CONGRESSIONAL LEADERSHIP RESEARCH CENTER

The estate of the late Honorable Everett McKinley Dirksen, U.S. Senator from the State of Illinois and Senate Republican Leader, created an endowment to establish a Center for Congressional Leadership in his home city of Pekin, Ill.

Senator Dirksen meant for this Center to house his papers and memorabilia plus related materials as his friends and heirs might deem appropriate. He further hoped that this Center would give the subject of congressional leadership the attention it deserved. The Senator believed that "since the legislative branch of our government is the heart of American democracy, a broadened understanding of its function would strengthen our country." He hoped that "students of government, of political science, and of history, from here and abroad, would come to inquire, to learn, to understand, and, hopefully, to be inspired."

The Dirksen Center's Board of Directors has determined the Center's long-range goals:

"To serve as an educational institution * * * for the art and science of American politics and American government, in particular the role of the United States Congressional Leadership.

The Center plans to establish both an Advisory Board, to consist of leaders in business, labor, and the Congress itself, and a Research Council, to consist of experts in economics, political science, international affairs, history, and related fields.

The Dirksen Center will serve the Nation as a unique educational institution, devoted to the study of Congress and Congressional leadership. It is a nonpartisan entity functioning in the field of civic education.

The Center has an adequate facility, with ample space for additional collections. It has acquired several collections and is seeking more. The building, which houses both the Dirksen Center and the Pekin Library, was dedicated in 1975.

The Dirksen Center's initial endowment was $30,000. Approximately $1,500,000 has been raised by private fund-raising. To augment the Center's present endowment, the fund-raising activities are being maintained very vigorously. Gifts from private sources built the Center, provided for professional Staff and archives, supported the initial public programs, and funded current operations.

The purpose of the Committee bill is to assist in the development of the Dirksen Center. The intention is to contribute to the Center's endowment. An increase in endowment income will be used to develop an outreach capability on a nonpartisan basis to inform the citizenry on the functions and leadership of the United States Congress. More specifically, current activities and planning are devoted to:

"Educational programs for all levels, from secondary to postgraduate, including the American public at large;

"Timely seminars throughout the United States on current public policy issues;

"Publications and other projects to encourage an understanding of the Congress; and

"Expansion of research materials available at the Center for the study of Congress and Congressional leadership."

Just as Presidential libraries invite interest in the executive branch, the Dirksen Congressional Center exists to stimulate inquiry and to educate the citizenry on the crucially important role of Congress and congressional leadership in contemporary America.

Legislation to fund educational institutions in the name of former congressional and executive branch leaders is not without precedent. For instance, grants to Eisenhower College of a total $14 million were authorized in 1968 and 1974. The 94th Congress established an endowed chair at the University of Oregon in the name of Senator Wayne Morse, with an authorization of $500,000. In 1972, Congress established the Ellender fellowship program, with authorizations of up to $1 million, to ensure the participation of low income students in the closeup program. The Sam Rayburn Library received Federal aid up to a total of $1 million, as a result of legislation passed in 1974, the same year that a total of $30 million was authorized for the Harry S Truman scholarship program.

The committee, while unanimous in supporting the two grants proposed in this bill, expressed concern about the proliferation of this type of award.

To maintain the integrity of such awards, and to assure an orderly process in evaluating future award proposals, the Committee accepted two guidelines:

"First, that the project intended for funding show evidence of substantial popular support through successful fund-raising activities or through public subscription;

"Second, that the amount authorized by the Committee be no greater than 50 percent of the project's total funding."

For future awards, the committee will take these criteria into consideration.

SENATORS' PAPERS

The committee recognizes the unique and extraordinary contributions of Hubert Humphrey and Everett Dirksen during their service in the Senate, and that such accomplishments obviously merit the proposed Federal support. It is notable that significant private support has been manifest in these two examples. The committee wishes to point out that any person who serves in the Senate, particularly Members who serve for long periods and undertake substantial legislative activities, will amass records and documents of particular value to scholars, lawyers, and public officials. Appropriate preservation and archival organization of such papers present a difficult problem to many members.

Under the present circumstances, each member must make his own arrangements, often with a university in his home State. This leads to an irregular and uncoordinated outcome. Often the private resources available, and not the historical value of the material, determines the way in which papers are preserved or lost.

Any mechanism covering the papers of individual members and their preservation and organization is outside the jurisdiction of the Committee on Human Resources. However, the committee does have jurisdiction over legislation for libraries, universities, and educational institutions in general, and would be pleased to assist other committees in their deliberations. It is hoped that the consideration of S. 2452 will serve as a catalyst for the appropriate committee or committees to review the appropriate preservation of papers of Members of the State.

VOTES IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in committee.

1. Motion by Senator Stafford to accept amendment relating to the Everett Dirksen Congressional Leadership Research Center. Adopted by voice vote.

2. Motion by Senator Javits to report S. 2452, as amended. Adopted by voice vote.

CONGRESSIONAL BUDGET OFFICE
U.S. CONGRESS,
Washington, D.C., March 15, 1978.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Human Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 2452, the Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center Assistance Act.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE, MARCH 15, 1978

1. Bill number: S. 2452.

2. Bill title: Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center Assistance Act.

3. Bill status: Ordered reported from the Senate Human Resources Committee, February 28, 1978.

Bill purpose: The purpose of this bill is to authorize funds for the Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center. The funds are subject to subsequent appropriation action.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1978	1979	1980	1981	1982	1983
Authorization level:						
Hubert Humphrey Institute		5.0				
Everett Dirksen Center		2.5				
Total		7.5				
Estimated net cost:						
Hubert Humphrey Institute		5.0				
Everett Dirksen Center		2.5				
Total		7.5				

6. Basis for estimate: The cost estimate for S. 2452 is based on the maximum authorization levels stated in the bill. Although the authorizations are not designated for a particular fiscal year, the Human Resources Committee staff has indicated that this item would, if possible, be included in the fiscal year 1979 appropriation bill. It was further assumed by the Committee staff that a lump sum payment would be made to each of the institutes. Thus, a hundred percent spend-out rate was applied.

7. Estimate comparison: On February 16, 1978, CBO prepared a cost estimate on H.R. 10606, the Hubert H. Humphrey Institute of Public Affairs Memorial Act. That bill only authorized funds for the Hubert H. Humphrey Institute.

8. Previous CBO estimate: None.

9. Estimate prepared by: Deborah Kalcevic.

10. Estimate approved by:

C. G. NUCKOLS,
(For James L. Blum,
Assistant Director for Budget Analysis).

REGULATORY IMPACT

In accordance with paragraph V of rule XXIX of the Standing Rules of the Senate, the following statement of the regulatory impact of the bill is made.

The basic purpose of S. 2452 is to authorize the Commissioner of Education to make grants to the Hubert H. Humphrey Institute of Public Affairs and the Everett McKinley Dirksen Congressional Leadership Research Center.

Since these grants would be made to educational institutions already in existence, no additional individuals or businesses would be subject to regulation. There would, therefore, be no additional economic impact due to increased regulation. There would be impact on the personal privacy of any individuals involved, and the only additional paperwork which would be required would be that necessary for grants to be received by the institutions specified in the legislation.

SECTION-BY-SECTION ANALYSIS

Section 2(a) of S. 2452 authorizes the Commissioner of Education to make grants to assist in the development of the Hubert H. Humphrey Institute of Public Affairs, located at the University of Minnesota, Minneapolis-St. Paul.

Section 2(b) of the bill authorizes the Commissioner to make grants to assist in the development of the Everett McKinley Dirksen Congressional Leadership Research Center, located in Pekin, Ill.

Section 3 provides that payments shall be made upon application at such time, in such manner, and containing or accompanied by such information as the Commissioner may require.

Section 4(a) authorizes the appropriation of $5 million for the Hubert H. Humphrey Institute of Public Affairs.

Section 4(b) authorizes the appropriation of $2.5 million for the Everett McKinley Dirksen Congressional Leadership Research Center.

Section 4(c) provides that funds appropriated shall remain available until expended.

The title is amended to reflect the amendment adopted by the committee.

CHANGES IN EXISTING LAW

Since S. 2452 does not amend existing law, no changes need to be shown in order to comply with subsection (4) of Rule XXIX of the Standing Rules of the Senate.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow morning at 9:30. After the prayer, the Senator from Missouri (Mr. DANFORTH) and the Senator from New York (Mr. JAVITS) will be recognized, each for not to exceed 15 minutes. At the conclusion of those two orders, the Senate will proceed, under a time agreement, to the consideration of the conference report on H.R. 5383, the Age Discrimination bill. Upon the disposition of that conference report, the Senate will resume its consideration of the Panama Canal Treaty.

There may be rollcall votes tomorrow, and at some point during the day it is anticipated that the urgent supplemental appropriation bill will be called up.

That is about it. I would anticipate that the Senate will be in session possibly until around 3 or 4 o'clock tomorrow afternoon.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. With that, Mr. President, and with a cheerful good night to everyone, I move that the Senate, as in executive session, stand in recess until the hour of 9:30 tomorrow morning.

The motion was agreed to; and at 6:44 p.m. the Senate, as in executive session, recessed until tomorrow, Thursday, March 23, 1978, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 22, 1978:

DEPARTMENT OF STATE

David D. Newsom, of California, a Foreign Service officer of the class of Career Minister, to be Under Secretary of State for Political Affairs.

U.S. ADVISORY COMMISSION ON INTERNATIONAL COMMUNICATION, CULTURAL AND EDUCATIONAL AFFAIRS

Olin C. Robinson, of Vermont, to be a member of the U S. Advisory Commission on International Communication, Cultural and Educational Affairs for a term of 1 year (new position).

SECURITIES INVESTOR PROTECTION CORPORATION

The following-named persons to be directors of the Securities Investor Protection Corporation for the terms indicated:

Ralph D. DeNunzio, of Connecticut, for a term expiring December 31, 1979 (reappointment).

Brenton H. Rupple, of Wisconsin, for a term expiring December 31, 1978, vice Glenn E. Anderson, term expired.

Michael A. Taylor, of New York, for a term expiring December 31, 1980, vice Henry W. Meers, term expired.

THE JUDICIARY

Daniel M. Friedman, of the District of Columbia, to be chief judge of the U.S. Court of Claims, vice Wilson Cowen, retired.

Harold H. Greene, of the District of Columbia, to be U.S. district judge for the District of Columbia, vice John J. Sirica, retired.

Gustave Diamond, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice Edward Dumbauld, retired.

Donald E. Ziegler, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice Rabe F. Marsh, retired.

IN THE COAST GUARD

The following graduates of the Coast Guard Academy to be permanent commissioned officers in the Coast Guard in the grade of ensign:

Will Daniel Agen
Gene Raymond Allard
David W. Alley
Iain Anderson
Timothy Teall Arthur
Mark Edward Ashley
Charles Francis Barker
Jon Michael Bechtle
Keith Marshall Belanger
Jack Raymond Bentley
Paul Sparks Berry
William Clarke Billings, Jr.
Robert M. Bishop, Jr.
Bruce William Black
Rex James Blake
Christopher Thomas Boegel
Christopher Alden Bond
Jay Frank Boyd

Jeffrey E. Brager
John Brooks
Manson Kevin Brown
Douglas Eugene Burke
Mark J. Burrows
Michael Paul Butler
Michael J. Cappello
Lance Wayne Carpenter
Kevin Paul Carpentier
Abraham G. Cassis
Joseph Roland Castillo
Mark William Cerasale
Eric Kendall Chapman
Thomas Joseph Chuba, Jr.
Donald R. Clinkenbeard
George Abel Cognet
Wayne Nelson Collins
Clifford Keith Comer
Douglas Charles Connor
Kenneth Bryan Cowan
Patrick Joseph Cunningham, Jr.
Richard William Cusson, Jr.
Robert Mitchell Czechowicz
Mark Edward Dahl
Paul Steven Dal Santo
William Gary Davidson
John Earl Dejung
Robert Attilio D'Eletto
Stephen Thomas Delikat
Paul D. Destefano
Peter J. DiNicola
Bruce A. Drahos
Alfred Martin Ducharme
Robert Walker Durfey, Jr.
Douglas N. Eames
George Thomas Elliott
William Arthur Emerson
Daniel M. Finney
Brian James Ford
Mitchell Randy Forrester
Mark Alan Frost
Adeste Esteban Fuentes
Thomas Stephen Fullam
Richard Bradley Gaines
Michael John Gardner
Jeffrey Allan Georges
Randall Richard Gilbert
Andrew Glen Givens
Clinton Scott Gordon
Michael James Hanratty
Michael Eric Hanson
Benjamin Maurice Harrison
Frederic Comstock Harwood
Robert Charles Hayden
David K. Hebert
Ronald Thomas Hewitt
Jay Richard Hickman
Mark Dana Hill
James Thomas Hogan, Jr.
Scott Michael Holley
John R. Huber
Kenneth Hull
Bryon Ing
Martin L. Jackson
Scott Jeffrey Johnson
Stephen L. Kantz
Thomas John Kavanaugh
Jeffrey Alan Kayser
Kenneth Keefe
George Wildie Kellam, III
James William Kelly
Mark John Kerski
James Patrick Kevin, Jr.
Paul Joseph Lammerding
Mark Herting Landry
Michael James Lapinski
John Joseph Lapke
W. Patrick Layne
Jonathan Bruce Lemmen
Tedric Rudolph Lindstrom
Joseph Cornell Loadholt
Michael Paul Lucia
Eddie Vincent Mack
Kent Palmer Mack
Robert Louis Maki
Michael John Mangan
Gerard David Massad
David George Maylum
Robert Waite McCarthy, III
Dwight Keith McGee
William James McHenry
James Allen McKenzie
Lloyd Mark McKinney
Bruce Ray McQueen
Larry C. Mercier
William Frederick Meyn, Jr.
Mark Lee Miller
Thomas J. Murphy
Bruce Robert Mustain
Richard Wayne Muth
Gary Arthur Napert
Richard Ainsworth Nickle
Kevin Allen Nugent
Brian John O'Keefe
Michael Hugh O'Neill
Stuart Overton
Joseph Vincent Pancotti
Wayne Carlton Parent
Steven Thomas Penn
James Lawrence Person
Joseph Gora Pickard
Barry Lee Poore
Paul Aldege Preusse
Ronald James Rabago
Michael Phillip Rand
Steven Holland Ratti
Robert Earl Reininger
Kelly Patrick Reis
Robert Francis Reynolds
Daniel J. Rice
Edward Arthur Richards, Jr.
Douglas P. Riggins
Joseph Terrence Riordan
Robert Kenneth Roemer
Walter F. Rogers
Timothy William Rolston
Lee Thomas Romasco
Kevin Guy Ross
Stephen Anthony Ruta
George F. Ryan
George Stanley Sabol
Lawrence Richard Sandeen
Gene Lynn Schlechte
Keith Emory Schleiffer
David Craig Senecal
Michael Ralph Seward
Kenneth Dale Sheek
Samuel Keith Shriver
Mark Joseph Sikorski
Cleon Webster Smith
Jack R. Smith
LeRoy Edward Smith
William Vic Smyth
Timothy James Spangler
Jeffrey Bruce Stark
Martin Dennis Stewart
Thomas Joseph Sullivan, Jr.
Norman Keith Swenson
Robert Alan Van Zandt
Matthew Jeremiah Vaughan
William Philip Vieth, Jr.
Michael Henry Vincenty
William John Wagner
Bruce David Ward
James Angus Watson, IV
Kerry Batchelor Watterson
Marin Raymond Weikart
Kurt Reid Wellington
Richard Everett Wells
Daniel Clemens Whiting
Edward Lee Wilds, Jr.
Congress Harel Williams, Jr.
Brooke Edmund Winter
Matthew James Wixsom
Ronald Francis Wohlfrom
Richard Clayton Yazbek
Douglas Edward Yon
John Walter Yost
Edward Lewis Young, Jr.

IN THE ARMY

The following-named Army Medical Department officer for temporary appointment in the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general, Medical Corps

Brig. Gen. Raymond Holmes Bishop, Jr., [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

The following-named Army Medical Department officers for appointment in the Regular Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306.

To be brigadier general, Medical Corps

Brig. Gen. Raymond Holmes Bishop, Jr., [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

Maj. Gen. Enrique Mendez, Jr., [redacted], Army of the United States (colonel, Medical Corps, U.S. Army).

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. David L. Ahrens, [redacted].
Maj. John Anderson Jr., [redacted].
Maj. David T. Arendts, [redacted].
Maj. Armando Arvizu, [redacted].
Maj. Donald E. Barnhart, [redacted].
Maj. Frederick L. Bonney, [redacted].
Maj. Joseph M. Byrne, [redacted].
Maj. Enos N. Chabot, [redacted].
Maj. Willis I. Crumpler, [redacted].
Maj. David R. Cummock, [redacted].
Maj. George A. Duncan, [redacted].
Maj. Thomas R. Emmett Jr., [redacted].
Maj. George A. Fisher Jr., [redacted].
Maj. James D. Flick, [redacted].
Maj. Charles P. Ford, [redacted].
Maj. Richard L. George, [redacted].
Maj. Jule V. Goehring, [redacted].
Maj. William R. Greer, [redacted].
Maj. Joe K. Griffin, [redacted].
Maj. Harold L. Gustafson, [redacted].
Maj. John M. Hubbard, [redacted].
Maj. Fred N. Larson, [redacted].
Maj. James D. McKay, [redacted].
Maj. Dan R. McKinney, [redacted].
Maj. Jon M. McMahon, [redacted].
Maj. Frederick A. Moore, [redacted].
Maj. Irtalis Negron, [redacted].
Maj. James W. Piercy, [redacted].
Maj. Raymond A. Prince, [redacted].
Maj. Neal T. Reavely, [redacted].
Maj. John F. Ruby, [redacted].
Maj. Ralph W. Sirek, [redacted].
Maj. Nicholas C. Sivo, [redacted].
Maj. William H. Snead, [redacted].
Maj. Carleton B. Waldrop, [redacted].
Maj. Stanley F. Wied, [redacted].
Maj. Robert Wilbur, [redacted].
Maj. John F. Williams, Jr., [redacted].
Maj. Charles F. Wood, [redacted].
Maj. Howard A. Zike, [redacted].

JUDGE ADVOCATE

Maj. Bennett W. Cervin, [redacted].
Maj. Harry Lee, [redacted].

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. William J. Austin, [redacted].
Maj. Edward L. Bailey, [redacted].
Maj. James C. Bergholt, [redacted].
Maj. Kenneth L. Brandt, [redacted].
Maj. James F. Brown, [redacted].
Maj. Alfred W. Clark, [redacted].
Maj. Gervase L. Connor, [redacted].
Maj. Jesse T. Cantrill, [redacted].
Maj. Gerald R. Corvey, [redacted].
Maj. Dean W. Crowder, [redacted].
Maj. George B. Doty, [redacted].
Maj. James K. Ehni, [redacted].
Maj. John H. Fenimore V, [redacted].
Maj. William E. Galt, [redacted].
Maj. Raymond J. McGeechan, [redacted].
Maj. Dennis O. Hugg, [redacted].
Maj. John K. Ianuzzi, [redacted].
Maj. Ralph J. King, [redacted].
Maj. Clifton F. Landis, [redacted].

Maj. Franklin J. Lane, [redacted].
Maj. William J. Lofink, [redacted].
Maj. Thomas N. McLean, [redacted].
Maj. Ralph E. Meade, [redacted].
Maj. John A. Molini, [redacted].
Maj. John R. Rees, [redacted].
Maj. Carlos G. Rodriquez, [redacted].
Maj. Pere W. Saltzgiver, [redacted].
Maj. Henry A. Simmons, [redacted].
Maj. Joe T. Strow, [redacted].
Maj. Frederic L. Symmes, [redacted].
Maj. Howard E. Travis, [redacted].

JUDGE ADVOCATE

Maj. Robert E. Dastin, [redacted].
Maj. Edward L. Fanucchi, [redacted].

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be first lieutenant

Aboe, Errol S., [redacted].
Ace, Jeffrey K., [redacted].
Acone, Gregory L., [redacted].
Acree, Richard A., [redacted].
Adair, Gerald G., [redacted].
Adams, Paul J., [redacted].
Adams, Richard A., [redacted].
Aguirre, Ralph G., [redacted].
Akeo, Alvin L. K., [redacted].
Albright, Mark D., [redacted].
Alderman, Ronald G., [redacted].
Alford, Edgbert, [redacted].
Allen, Michael D., [redacted].
Allen, Stephen J., [redacted].
Alley, Richard L., [redacted].
Amburn, Elton P., [redacted].
Anderson, Dale R., [redacted].
Anderson, Dennis W., [redacted].
Anderson, Kenneth V., [redacted].
Anderson, Mark W., [redacted].
Anderson, Roland E., [redacted].
Anderson, Steven D., [redacted].
Andert, Michael J., [redacted].
Andrews, Marlo S., [redacted].
Angle, Thomas E., [redacted].
Aponte, Carmen R., [redacted].
Archambault, Gary J., [redacted].
Arlington, Christopher A., [redacted].
Arnold, Christopher D., [redacted].
Arnold, Stanley W., Jr., [redacted].
Aronson, Fred D., [redacted].
Arrington, Curtis H., III, [redacted].
Artery, Duane R., [redacted].
Atkins, George B., [redacted].
Attarian, Howard W., [redacted].
Augustine, Charles D., [redacted].
Austin, Steven J., [redacted].
Babineaux, Preston J., Jr., [redacted].
Bacon, Catherine T., [redacted].
Bagnell, Everett J., Jr., [redacted].
Bailey, Timothy C., [redacted].
Bailey, William A., [redacted].
Bakun, Walter S., [redacted].
Baldwin, Dick B., [redacted].
Baldwin, Margaret K., [redacted].
Barker, Randy D., [redacted].
Barker, Thomas R., [redacted].
Barkman, Danny K., [redacted].
Barlow, Samuel R., III, [redacted].
Barnes, Robert M., [redacted].
Barnett, Dennis L., [redacted].
Barninger, David R., [redacted].
Barr, Henry L. E., [redacted].
Barton, Charles K., [redacted].
Barwick, Sidney K., [redacted].
Barzellone, Stephen F., [redacted].
Basill, Carl A., [redacted].
Bassi, Joseph P., [redacted].
Baumann, Martin J., [redacted].
Baumert, William J., [redacted].
Baumgartner, Lawrence D., [redacted].
Bean, David M., [redacted].
Becker, Rudy W., [redacted].
Bedford, John C., [redacted].
Beeker, Emmet R., III, [redacted].
Beers, Robert A., [redacted].
Beggs, Donald L., [redacted].
Beidel, David S., [redacted].
Bell, John R., [redacted].
Bell, Steve W., [redacted].
Belt, Robert B., [redacted].
Bennett, Raul C., [redacted].
Benningfield, Steven A., [redacted].
Bent, James E., III, [redacted].
Berg, Robert L., [redacted].
Bergeron, Steven J., [redacted].
Bergmann, Patrick S., [redacted].
Bergquist, Randy L., [redacted].
Beveridge, William B., [redacted].
Bidgood, James K., Jr., [redacted].
Bingham, Michael W., [redacted].
Bircher, Jeffrey R., [redacted].
Blackhurst, Jack L., [redacted].
Blakeley, Carl K., [redacted].
Blanchette, Stephen M., [redacted].
Bloom, Claude A., Jr., [redacted].
Blouin, George K., [redacted].
Bluhm, Raymond M., [redacted].
Blunden, Robert J., Jr., [redacted].
Bodenhamer, Charles D., [redacted].
Budenheimer, Michael W., [redacted].
Boesch, Brian P., [redacted].
Boles, Gordon D., [redacted].
Bolles, Wilhem, [redacted].
Bolli, John H., Jr., [redacted].
Bollo, Timothy R., [redacted].
Boltjes, Michael B., [redacted].
Bongarts, Monty D., [redacted].
Bontadelli, James A., Jr., [redacted].
Boone, Lloyd D., [redacted].
Borgiasz, William S., [redacted].
Borochoff, Steve E., [redacted].
Bower, Martha H., [redacted].
Boyer, John C, III, [redacted].
Boyless, James A., [redacted].
Boyt, Raymond E., [redacted].
Bramlitt, Larry T., [redacted].
Brickman, Jerry M., [redacted].
Bright, Daniel W., [redacted].
Brink, Burton L., [redacted].
Brisco, Worthey C., Jr., [redacted].
Briscoe, Norman R., [redacted].
Britto, John D., [redacted].
Brooks, Michael E., [redacted].
Brough, Rulon L., [redacted].
Brown, George T., [redacted].
Brown, Kirk L., [redacted].
Brown, Paul D., Jr., [redacted].
Brown, Robert J., [redacted].
Brown, Stephen D., [redacted].
Brown, Steven C., [redacted].
Browning, Gary E., [redacted].
Bryan, Reginald B., [redacted].
Bryant, Ronald G., [redacted].
Bryce, Edward G., [redacted].
Bryden, John R., [redacted].
Buendel, Gerald A., [redacted].
Buis, Gary L., [redacted].
Burcham, Roy F., Jr., [redacted].
Burckle, Edwynn L., [redacted].
Burgess, Edward P., Jr., [redacted].
Burke, Bron A., [redacted].
Burns, Patrick A., [redacted].
Busby, William S., III, [redacted].
Byrd, John L., [redacted].
Caissie Paul A., [redacted].
Caldwell, Mark S., [redacted].
Callahan, Joseph R., Jr., [redacted].
Callender, Marion E., Jr., [redacted].
Calvert Mike, [redacted].
Campbell, Clarence L., Jr., [redacted].
Campbell, James L., [redacted].
Campbell, William E., [redacted].
Canny, Regis, [redacted].
Capps, Lawrence D., [redacted].
Carlton, Gaylord K., [redacted].
Carmichael, Bruce W., [redacted].
Carr, Ralph R., [redacted].
Carr, Wendy J., [redacted].
Carter, Dorothy K., [redacted].
Cason, Milton C., Sr., [redacted].
Castelli, Garry L., [redacted].
Caulder, Leland M., Jr., [redacted].
Cavit, Dennis D., [redacted].
Cecil, Douglas M., [redacted].
Chandler, Clifford H., Jr., [redacted].
Chaney, Robert W., [redacted].
Charles, Jeffrey R., [redacted].
Charters, Patrick S., [redacted].
Childress, Creed T., Jr., [redacted].
Chin, Marvin L., [redacted].
Chiniara, Anthony J., [redacted].
Chmar, Mark S., [redacted].
Choate, Timothy J., [redacted].
Chrisinger, Lance E., [redacted].
Christopher, Charles H., II, [redacted].
Cirillo, Linda S., [redacted].
Clark, David F., [redacted].
Clark, Fred P., [redacted].
Clarkson, Thomas P., Jr., [redacted].
Clayson, Rickie L., [redacted].
Clemens, William A., [redacted].
Coffee, William R., [redacted].
Cole, Garry W., [redacted].
Colello, Dean A., [redacted].
Coleman, Stephen R., [redacted].
Collene, Dennis M., [redacted].
Collier, Daniel J., [redacted].
Collier, George A., [redacted].
Collins, Thomas J., [redacted].
Collman, Gregory R., [redacted].
Coln, Barry K., [redacted].
Coltharp, Douglas C., [redacted].
Condit, Roger B., III, [redacted].
Conklin, William G., II, [redacted].
Conley, Raymond E., [redacted].
Connell, Ruthann, [redacted].
Converse, Curtis D., [redacted].
Cook, Edward M., [redacted].
Cook, Joseph J., [redacted].
Cook, Wyatt C., [redacted].
Cooner, Walter J., Jr., [redacted].
Cooper, John D., [redacted].
Cooper, Virgil L., [redacted].
Copsey, Gary L., [redacted].
Cornelius, Russell K., [redacted].
Cornell, Thomas E., III, [redacted].
Costello, Michael E., [redacted].
Crabtree, Eric W., [redacted].
Crane, Sharon M., [redacted].
Crawford, Victoria K., [redacted].
Crawley, John L., III, [redacted].
Cressman, Frederick W., III, [redacted].
Croft, Joann, [redacted].
Cronk, Richard J., [redacted].
Cross, Stephen E., [redacted].
Crow, Robert P., Jr., [redacted].
Crowe, Jerry W., [redacted].
Crowe, William E., Jr., [redacted].
Cry, Michael A., [redacted].
Curione, Robert G., [redacted].
Curran, Stephen M., [redacted].
Currie, Douglas E., [redacted].
Curry, William A., Jr., [redacted].
Cutler, Mary K., [redacted].
Damratoski, Charles A., Jr., [redacted].
Danforth, Rhoda, S., [redacted].
Davenport, James H., [redacted].
Davenport, Michael A., [redacted].
Davidson, Scott J., [redacted].
Davis, Colvin L., [redacted].
Davis, Conrith W., Jr., [redacted].
Davis, Fred T., Jr., [redacted].
Davis, Gary L., [redacted].
Davison, Scott E., [redacted].
Day, Albert W., [redacted].
Day, Larry M., [redacted].
Debruler, Douglas R., [redacted].
Decarvalho, Luiz O., [redacted].
Decker, Stephen J., [redacted].
Decoursey, Robert L., [redacted].
Decuir, Kenneth M., [redacted].
Deeble, Kenneth M., [redacted].
Degi, Bruce J., [redacted].
Deleo, Richard L., [redacted].
Destefano, Thomas M., Jr., [redacted].
Diamond, Wright W., III, [redacted].
Dicenzo, Anthony M., [redacted].
Dickey, Raymond P., [redacted].
Dietz, John K., [redacted].
Dill, David H., [redacted].
Dipentino, Daniel F., [redacted].
Dishart, Urban E., III, [redacted].
Dismuke, Oscar H., [redacted].
Divelbiss, Charles G., Jr., [redacted].
Dixon, William R., [redacted].
Dlouhy, David W., [redacted].

Doering, Richard P., xxx-xx-xxxx.
Dohlman, Wayne R., xxx-xx-xxxx.
Dolle, Dennis B., xxx-xx-xxxx.
Donovan, Gregory J., xxx-xx-xxxx.
Dornette, Mark E., xxx-xx-xxxx.
Doten, Neal L., xxx-xx-xxxx.
Dougherty, Joseph P., Jr., xxx-xx-xxxx.
Dougherty, William B., xxx-xx-xxxx.
Douglas, Arthur G., xxx-xx-xxxx.
Douglas, Donald A., xxx-xx-xxxx.
Douglas, James L., Jr., xxx-xx-xxxx.
Dow, Ryan S., xxx-xx-xxxx.
Drain, John W., Jr., xxx-xx-xxxx.
Drake, Leo M., xxx-xx-xxxx.
Drifmeyer, Kenneth R., xxx-xx-xxxx.
Driggers, Mitchell N., xxx-xx-xxxx.
Dspain, Michael L., xxx-xx-xxxx.
Dufresne, Ronald R., xxx-xx-xxxx.
Dugas, George K., xxx-xx-xxxx.
Duggan, James W., xxx-xx-xxxx.
Duke, Carter S., xxx-xx-xxxx.
Duncan, Stanley W., xxx-xx-xxxx.
Dunn, Robert A., xxx-xx-xxxx.
Dura, Timothy L., xxx-xx-xxxx.
Eastham, Michael H., xxx-xx-xxxx.
Eberhart, Charles S., xxx-xx-xxxx.
Eberling, Raymond A., xxx-xx-xxxx.
Eckert, Daniel F., xxx-xx-xxxx.
Edens, Phyllis J., xxx-xx-xxxx.
Edwards, Stephen R., xxx-xx-xxxx.
Eglinton, Donalt J., xxx-xx-xxxx.
Ehmen, Robert L., xxx-xx-xxxx.
Ellerbeck, Dennis L., xxx-xx-xxxx.
Elliott, Michael S., xxx-xx-xxxx.
Ellis, Paul V., xxx-xx-xxxx.
Enlund, Irene P., xxx-xx-....
Erdahl, Robert E., Jr., xxx-xx-xxxx.
Erdelt, Kenneth P., xxx-xx-xxxx.
Estrada, Franklin A., xxx-xx-xxxx.
Evans, Edwin R., xxx-xx-xxxx.
Evans, Lewis H., xxx-xx-xxxx.
Evans, Richard D., xxx-xx-xxxx.
Everly, Walter K., xxx-xx-xxxx.
Fadum, Torgeir G., xxx-xx-xxxx.
Fahie, Charles D., xxx-xx-xxxx.
Fairbanks, Tim A., xxx-xx-xxxx.
Fairlie, Andrew A., xxx-xx-xxxx.
Farkas, Peter T., Jr., xxx-xx-xxxx.
Farrell, James M., xxx-xx-xxxx.
Fayne, Barry D., xxx-xx-xxxx.
Federinko, John F., xxx-xx-xxxx.
Fee, Jeffrey G., xxx-xx-xxxx.
Fehl, John W., xxx-....
Fellows, Richard T., xxx-xx-xxxx.
Fenn, Alvin W., xxx-xx-xxxx.
Fernandez, Mark A., xxx-xx-xxxx.
Fernandez, Richard, xxx-xx-xxxx.
Fernandezizquierdo, Octavio, xxx-xx-xxxx.
Finnegan, Lawrence J., Jr., xxx-xx-xxxx.
Fischer, William H., xxx-xx-xxxx.
Fish, Jim C., xxx-xx-xxxx.
Fisher, Charles B., xxx-xx-xxxx.
Fisk, Robert B., III, xxx-xx-xxxx.
Fitzpatrick, Joseph H., xxx-xx-xxxx.
Fitzpatrick, Paul F. X., xxx-xx-xxxx.
Flamish, Richard A., xxx-xx-xxxx.
Flannery, Robert L., xxx-xx-xxxx.
Fletcher, Joseph V., xxx-xx-xxxx.
Flint, Lee W., xxx-xx-xxxx.
Flowers, Lewis D., xxx-xx-xxxx.
Folkerts, John H., xxx-xx-xxxx.
Folkes, Thomas F., xxx-xx-xxxx.
Force, Robert K., xxx-xx-xxxx.
Forcier, Bernard C., xxx-xx-xxxx.
Forness, Terry L., xxx-xx-....
Forrester, Conrad T., xxx-xx-xxxx.
Fowler, Dennis B., xxx-xx-xxxx.
Fox, Jennifer B., xxx-xx-....
Fox, Joseph L., xxx-xx-xxxx.
Franklin, James J., xxx-xx-xxxx.
Franklin, Loras E., xxx-xx-xxxx.
Fraser, William M., III, xxx-xx-xxxx.
Fred, Martha E., xxx-xx-xxxx.
Freeman, Louis L., xxx-xx-xxxx.
Freeman, Paul L., xxx-xx-xxxx.
Freitas, Armand P., xxx-xx-xxxx.
French, William G., xxx-xx-xxxx.
Frill, Dennis R., xxx-xx-xxxx.
Fritts, George D., xxx-xx-xxxx.
Fulop, Michael A., xxx-xx-xxxx.
Gagnon, Raymond C., Jr., xxx-xx-xxxx.
Gallagher, Clayton G., Jr., xxx-xx-xxxx.
Gallagher, William F., Jr., xxx-xx-xxxx.
Gallion, Donald R., xxx-xx-xxxx.
Gammon, Thomas V., xxx-xx-xxxx.
Gamon, Robert E., xxx-xx-xxxx.
Garbe, Thomas F., xxx-xx-xxxx.
Garcia, Jose C., xxx-xx-xxxx.
Gardner, Clifford C., xxx-xx-xxxx.
Gardner, Kenneth S., III, xxx-xx-xxxx.
Garland, David E., xxx-xx-xxxx.
Gaskill, Roy B., xxx-xx-xxxx.
Gatewood, Clinton F., xxx-xx-xxxx.
Gatewood, Milton T., xxx-xx-xxxx.
Gendron, Gerald J., Jr., xxx-xx-xxxx.
Gerfen, Larry R., xxx-xx-xxxx.
Gibbons, Francis J., xxx-xx-xxxx.
Gilbride, Richard L., xxx-xx-xxxx.
Giles, Gerald L., xxx-xx-xxxx.
Gillespie, Cheryl M., xxx-xx-xxxx.
Gillespie, Jerome F., xxx-xx-xxxx.
Gillespie, William A., xxx-xx-xxxx.
Gillis, James B., xxx-xx-xxxx.
Gillmore, Charles P., xxx-xx-xxxx.
Giorvigen, Rick M., xxx-xx-xxxx.
Goad, Dan M., xxx-xx-xxxx.
Goble, Mark O., xxx-xx-xxxx.
Godfrey, Ronald G., xxx-xx-xxxx.
Goebel, Stephen J., xxx-xx-xxxx.
Goetz, William L., xxx-xx-xxxx.
Goode, Samuel P., xxx-xx-xxxx.
Goodell, Gary G., xxx-xx-xxxx.
Gordon, Wayne A., xxx-xx-xxxx.
Gosdin, Malcolm E., Jr., xxx-xx-xxxx.
Gove, Channing L., xxx-xx-xxxx.
Graham, Sanford M., Jr., xxx-xx-xxxx.
Grasso, Joseph D., xxx-xx-xxxx.
Gration, Jonathan S., xxx-xx-xxxx.
Gray, Steven R., xxx-xx-xxxx.
Green, Edward L., xxx-xx-xxxx.
Green, Michael E., xxx-xx-xxxx.
Greenly, Mark D., xxx-xx-xxxx.
Greenwaldt, Thomas R., xxx-xx-xxxx.
Gregor, Stephen W., xxx-xx-xxxx.
Grimes, Joe M., xxx-xx-xxxx.
Grimm, David A., xxx-xx-xxxx.
Groebe, Gerald R., xxx-xx-xxxx.
Grones, John G., xxx-xx-xxxx.
Guarino, William R., xxx-xx-xxxx.
Guest, Thomas L., xxx-xx-xxxx.
Gulbranson, Blaine D., xxx-xx-xxxx.
Haar, Ronald D., xxx-xx-xxxx.
Hack, Miles, Jr., xxx-xx-xxxx.
Haggstrom, Glenn D., xxx-xx-xxxx.
Hahn, Carrel W., xxx-xx-xxxx.
Hahn, John D., xxx-xx-....
Hails, Edward T., Jr., xxx-xx-xxxx.
Haley Paula W., xxx-xx-xxxx.
Hall, Barry C., xxx-xx-xxxx.
Hall, John A., xxx-xx-xxxx.
Hall, Stephen B., xxx-xx-xxxx.
Hamilton, David E., Jr., xxx-xx-xxxx.
Hammer, Steven L., xxx-xx-xxxx.
Handrich, William F., xxx-xx-xxxx.
Hansen, Kip L., xxx-xx-xxxx.
Hargis, Thomas S., xxx-xx-xxxx.
Harlow, Barry R., xxx-xx-xxxx.
Harrington, Patrick J., xxx-xx-xxxx.
Harris, James C., xxx-xx-xxxx.
Harris, Paul H., xxx-xx-xxxx.
Harrison, Joe F., xxx-xx-xxxx.
Harrison, Sandra L., xxx-xx-xxxx.
Harvey, Flossie N., xxx-xx-xxxx.
Hasling, Robert F., Jr., xxx-xx-xxxx.
Haugen, Gordon J., xxx-xx-xxxx.
Hawk, Gilbert R., xxx-xx-xxxx.
Hawkins, Jerome D., xxx-xx-xxxx.
Hayer, Christopher F., xxx-xx-xxxx.
Hayes, Philip C., xxx-xx-xxxx.
Hays, Geoffrey L., xxx-xx-xxxx.
Heald, Russell W., xxx-xx-xxxx.
Healey, Ralph G., Jr., xxx-xx-xxxx.
Healion, Deirdre A., xxx-xx-xxxx.
Heberle, Frederick J., xxx-xx-xxxx.
Heinen, Roger L., xxx-xx-xxxx.
Heiser, John L., xxx-xx-xxxx.
Heiserman, Dennis W., xxx-xx-xxxx.
Henthorn, David E., xxx-xx-xxxx.
Hernandez, Armando A., xxx-xx-xxxx.
Herve, Keith E., xxx-xx-xxxx.
Hess, Barry R., xxx-xx-xxxx.
Hester, Charles B., xxx-xx-xxxx.
Hibbard, Larry S., xxx-xx-xxxx.
Higashihara, Ken K., xxx-xx-xxxx.
Higgins, Mary K., xxx-xx-xxxx.
Highberg, Stewart P., xxx-xx-xxxx.
Hightower, Janice M., xxx-xx-xxxx.
Hill, Bartholomew G., xxx-xx-xxxx.
Hnat, Anthony R., xxx-xx-xxxx.
Hobbs, Warren W., xxx-xx-xxxx.
Hobbs William C., xxx-xx-xxxx.
Hockett, Michael C., xxx-xx-xxxx.
Hodges, Harry J., III, xxx-xx-xxxx.
Hodgson, Dean J., xxx-xx-xxxx.
Hoehna, Klaus J., xxx-xx-xxxx.
Hoile, Daniel L., xxx-xx-xxxx.
Holbert, Alexander S., Jr., xxx-xx-xxxx.
Holden, Paulette D., xxx-xx-xxxx.
Holden, William E., Jr., xxx-xx-xxxx.
Holmes, David K., xxx-xx-xxxx.
Holmes, Kenton H., xxx-xx-xxxx.
Hopkins, Harry A., xxx-xx-xxxx.
Hopper, Martin P., Jr., xxx-xx-xxxx.
Horting, Daniel R., xxx-xx-xxxx.
Horton, John A., xxx-xx-xxxx.
Houston, Henry J., xxx-xx-xxxx.
Hovey, Martin S., xxx-xx-xxxx.
Howard, Ernest G., xxx-xx-xxxx.
Howard, James N., Jr., xxx-xx-xxxx.
Howe, Todd M., xxx-xx-xxxx.
Howell, David E., xxx-xx-xxxx.
Hubatka, Larry D., xxx-xx-xxxx.
Hubbard, Richard P. G., xxx-xx-xxxx.
Huddleston, James E., xxx-xx-xxxx.
Hudson, Frederick S., xxx-xx-xxxx.
Hudson, Lanson J., xxx-xx-xxxx.
Hudson, Paul J., xxx-xx-xxxx.
Hughes, Robert G., xxx-xx-xxxx.
Hughes, Wayne E., xxx-xx-xxxx.
Humphrey, Margie L., xxx-xx-xxxx.
Hunt, James W., xxx-xx-xxxx.
Hunt, Steven L., xxx-xx-xxxx.
Hunter, Eugene A., xxx-xx-xxxx.
Hunter, Jon C., xxx-xx-xxxx.
Hutchens, Landon R., xxx-xx-xxxx.
Hutcherson, Norman B., xxx-xx-xxxx.
Hutchinson, Harold E., xxx-xx-xxxx.
Hyland, David J., xxx-xx-xxxx.
Ifland, George V., xxx-xx-xxxx.
Illies, Curtis A., xxx-xx-xxxx.
Inselman, John D., xxx-xx-xxxx.
Isaacks, William L., xxx-xx-xxxx.
Ivey, Patrick L., xxx-xx-xxxx.
Jackson, Donald M., xxx-xx-xxxx.
James, Thomas G., Jr., xxx-xx-xxxx.
Java, Bruce J., xxx-xx-xxxx.
Jenkins, Richard G., xxx-xx-xxxx.
Jenkins, Thomas H., xxx-xx-xxxx.
Jensen, Glynn E., xxx-xx-xxxx.
Jensen, Terry W., xxx-xx-xxxx.
Jeremica, Vernon B., xxx-xx-xxxx.
Jinneman, Bruce M., xxx-xx-xxxx.
Johnson, Charlie D., xxx-xx-xxxx.
Johnson, Jackie M., xxx-xx-xxxx.
Johnson, Jerry S., xxx-xx-xxxx.
Johnson, Michael E., xxx-xx-xxxx.
Johnson, Paul E., xxx-xx-xxxx.
Johnston, James E., Jr., xxx-xx-xxxx.
Johnston, Richard S., xxx-xx-xxxx.
Jones, David J., xxx-xx-xxxx.
Jones, Johnny R., xxx-xx-xxxx.
Jones, Larry C., xxx-xx-xxxx.
Jones, Phillip D., xxx-xx-xxxx.
Jones, Stephen M., xxx-xx-xxxx.
Jones, Walter I., xxx-xx-xxxx.
Jones, William B., xxx-xx-xxxx.
Jones, Wilmer E., xxx-xx-xxxx.
Jordan, Howard W., xxx-xx-xxxx.
Joubert, Joseph G., xxx-xx-xxxx.
Juarez, Richard F., xxx-xx-xxxx.
Judge, Michael R., xxx-xx-xxxx.
Justice, Stanley L., xxx-xx-xxxx.
Kaiser, John F., xxx-xx-xxxx.
Kalinoski, Robert E., xxx-xx-xxxx.
Katz, Robert A., xxx-xx-xxxx.
Kays, Larry E., xxx-xx-xxxx.
Kazmierczak, Ronald A., xxx-xx-xxxx.
Kazqak, Donald J., Jr., xxx-xx-xxxx.
Keating, Christopher B., xxx-xx-xxxx.
Kelley, Michael A., xxx-xx-xxxx.
Kelley, Michael J., xxx-xx-xxxx.
Kelly, Gregory F., xxx-xx-xxxx.

Kern, Konrad E., [redacted].
Keyes, Ricky J., [redacted].
Kiele, William A., [redacted].
King, Christine L., [redacted].
King, Randy R., [redacted].
King, Robert M., [redacted].
Kirtland, Michael A., [redacted].
Kirtley, Alan D., [redacted].
Kish, Steven, Jr., [redacted].
Knight, Gregory F., [redacted].
Knutson, Knute C., [redacted].
Knutzon, George K., [redacted].
Kopas, Steven F., [redacted].
Kopec, John S., [redacted].
Kopf, Alan L., [redacted].
Korntved, Harold L., [redacted].
Kouns, Barry L., [redacted].
Kowa, Mike W., [redacted].
Krause, Steven J., [redacted].
Kraynik, Robert J., [redacted].
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Kringer, Leo E., Jr., [redacted].
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Kunciw, Janet L., [redacted].
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Lampley, Virginia A., [redacted].
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Laras, Frank, [redacted].
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Latterman, Donald, [redacted].
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Ludwig, Carol E., [redacted].
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Magee, Gregory L., [redacted].
Maggard, Terrance F., [redacted].
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Mailhiot, Gary S., [redacted].
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Monhemius, Erwin D., [redacted].
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Moore, John M., [redacted].
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Oliver, Lloyd W., [redacted].
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Orr, Stephen R., III, [redacted].
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Owens, Onnie D., Jr., [redacted].
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Pardeck, Ronald L., [redacted].
Parker, Gail M., [redacted].
Parker, Robert L., [redacted].
Parkinson, Kelly E., [redacted].
Parks, Carlton R., [redacted].
Parks, Edward C., [redacted].
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Parma, Patrick J., [redacted].
Parris, Charles A., [redacted].
Patch, James C., Jr., [redacted].
Patterson, J. Barry, [redacted].
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Piazza, Thomas J., [redacted].
Pierce, Sammy A., [redacted].
Pike, Dennis L., [redacted].
Plant, Thomas J., [redacted].
Pleasant, Joseph E. G., [redacted].
Ploetner, Billy G., [redacted].
Plummer, Benjamin E., [redacted].
Plummer, Joseph W., [redacted].
Poates, Carolyn A., [redacted].
Podonsky, Glenn S., [redacted].
Poe, Don R., [redacted].
Poff, James D., [redacted].

Polce, Ronald L., [redacted].
Ponds, Clarence, [redacted].
Poole, Kenneth H., [redacted].
Pope, Wallace, [redacted].
Popper, Shirley L., [redacted].
Porter, Riley P., [redacted].
Posey, Charles R., II, [redacted].
Postal, Mark F., [redacted].
Postel, James C., Jr., [redacted].
Pound Miles S., [redacted].
Pounder, Joseph J., III, [redacted].
Powell, Nancy A., [redacted].
Prescott, Glenn E., [redacted].
Preston, Richard R., [redacted].
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Provenzano, Salvatore T., [redacted].
Provost, Karl J., [redacted].
Pruden, Mary J., [redacted].
Pruitt, Daniel B., [redacted].
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Quinn, Scott T., [redacted].
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Quintin, Michael B., [redacted].
Railton, Ione E. E., [redacted].
Ramsey, Charles E., [redacted].
Randle, Suzanne M., [redacted].
Rasmussen, Frank H., [redacted].
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Rauth, Donald R., [redacted].
Records, Robert E., [redacted].
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Reese, George R., [redacted].
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Reis, Robert A., [redacted].
Remington, Charles L., [redacted].
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Rollo, Jerry R., [redacted].
Rook, Richard, C., [redacted].
Root, Linda J. M., [redacted].
Ross, Donald O., Jr., [redacted].
Roth, Franklin D., [redacted].
Rowley, Douglas S., [redacted].
Rozdal, Edward J., [redacted].
Rubinos, Jane E., [redacted].
Ruhmann, Edwin P., IV, [redacted].
Runt, David J., [redacted].
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Rybacki, Kai L., [redacted].
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Smith, Ronnie, [redacted].
Smith, William F., [redacted].
Smith, William T., [redacted].
Snook, Richard D., [redacted].
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Snyder, Rita M., [redacted].
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Spence, David E., [redacted].
Spencer, Richard E., [redacted].
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Spruell, Harold D., [redacted].
Stabley, Stevenson E., [redacted].
Stanley, James L., Jr., [redacted].
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Steck, Henry E., [redacted].
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Surline, John T., [redacted].
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Thedieck, Ann H., [redacted].
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Umbarger, Robert F., [redacted].
Unger, Virgil F., [redacted].
Urbanski, David P., [redacted].
Vancleave, Marjory A., [redacted].
Vandeusen, Frederick I., [redacted].
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Viator, Robert D., [redacted].
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Wells, J. D., [redacted].
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Whiteford, John E., Jr., [redacted].
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Whittenberg, Edward L., [redacted].
Whyte, Arthur G., Jr., [redacted].
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Torrington, Allan R., xxx-xx-xxxx.
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Whitmire, Thomas J., xxx-xx-xxxx.
Williamson, Michael L., xxx-xx-xxxx.
Willier, Glen D., II, xxx-xx-xxxx.
Wood, Stephen G., xxx-xx-xxxx.
Young, Esli K., xxx-xx...

EXTENSIONS OF REMARKS

URANIUM MILL SITE RESTORATION ACT OF 1978

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MARRIOTT. Mr. Speaker, yesterday I introduced H.R. 11698, the Uranium Mill Site Restoration Act of 1978. This bill would provide grants to States to carry out a restoration plan for abandoned uranium mill tailings.

This is necessary because of preliminary studies by ERDA in 1974 which identified 19 sites in the States of Arizona, Colorado, Idaho, New Mexico, Oregon, Texas, Utah, and Wyoming, where there existed large quantities of radioactive uranium mill tailings at the sites of inactive mills.

Comprehensive studies were completed by DOE on these sites last November. They are all mill sites which produced by far the greatest part of their output of uranium under contracts with the U.S. Atomic Energy Commission during the period 1947 through 1970.

In recent years there has developed a growing concern about the possible adverse effects to the public from long-term exposure to low-level sources of radiation from these tailings at the sites of the inactive mills.

I feel very strongly that the Congress needs to address this serious problem. Action has already been taken by the 92d Congress and again by the 95th to address this problem in Grand Junction, Colo. However, this was only a beginning, and now action is necessary to resolve it at the remaining 19 sites.

The problem is particularly acute in my State because of the large unstabilized mill tailings located in downtown Salt Lake City.

This covers a 128-acre area, which is clearly a threat to the health and welfare of those Utahans who live, work, or travel near them. These tailings were left there by the Vitro Chemical Co., which processed uranium ore under contract to the Federal Government between 1951 and 1964, and vanadium between 1965 and 1968.

In addition to the Salt Lake site, there are two other sites in Utah located at Green River and Mexican Hat.

The other sites are located in Monument Valley, Ariz.; Tuba City, Ariz.; Durango, Colo.; Maybelle, Colo.; Naturita, Colo.; Rifle, Colo.; Slick Rock, Colo.; Lowan, Idaho; Ambrosia Lake, N. Mex.; Shiprock, N. Mex.; Lakeview, Oreg.; Falls City, Tex.; Ray Pointe, Tex.; Riverton, Wyo., and Spook, Wyo.

This comprehensive piece of legislation deals with the problem of the tailings and calls for a federally funded program to be carried out by the individual States. In order to participate, the State makes application to the Department of Energy within 3 years. Should a State not wish to participate, then the DOE would undertake this restoration project.

In addition, it calls for a pilot study in Salt Lake City to determine to what extent, if any, radiation from uranium mill tailings at abandoned sites contaminates structures located within a 10-mile radius and to what extent it poses a health hazard to individuals living or working in the area. The Salt Lake site was chosen because of the location of the tailings within a large metropolitan area.

I urge my colleagues to carefully consider this legislation as a solution to the serious threat these abandoned uranium mill tailings pose to many of our citizens.●

MAZZOLI RENEWS SUPPORT FOR PUBLIC FINANCING OF CONGRESSIONAL RACES

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MAZZOLI. Mr. Speaker, as one who has long advocated public financing of congressional campaigns—and twice voted for public financing—I am appalled over the bill which comes before us today which is supposed to serve as the vehicle for public financing.

I strongly oppose the rule providing for the consideration of H.R. 11315.

This bill, which would cut by 70 percent what political parties can spend on House races and by 50 percent what political action fund-raising committees of business, labor, and other groups can

spend, is severely lopsided in favor of my own party.

I am a good Democrat and I am in favor of keeping the Republican Party the minority party. But, I want to accomplish this mission by fairly fought, fairly financed elections—not be undermining the two-party system which has served our Republic well over the years.

The purpose of providing public financing for congressional campaigns is to take big money and its influence out of the election process—to further restore the public's confidence in the objectivity of their elected officials.

How can we justify supporting a bill in the name of restoring the public's confidence when the bill is, at heart, a partisan exercise directed at dealing a hard, if not lethal, blow to the Republican Party.

Efforts may be made to establish that a vote against the rule to take up H.R. 11315 is tantamount to a vote against public financing. But that is, of course, Mr. Speaker, far removed from the fact.

The actual fact for me—and for at least some of my colleagues—is that I cannot in good conscience vote to undermine the two-party system in order to be able to take a vote on public financing.

If this rule is rejected, as I hope it will be, then House leadership on both sides of the aisle should take that as a signal to send to the floor a straight, uncluttered public financing bill so the House can work its will on this vital reform.●

CRAMER HILLS BOYS CLUB

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FLORIO. Mr. Speaker, back in November 1953, 12 boys from Cramer Hill, who wanted so desperately to play basketball in an organized league but had no sponsor or uniforms, needed franchise money and a place to play, asked several of their fathers for assistance to make their dream a reality. All within a matter of days, uniforms were purchased for $35, the franchise money of $25 was arranged to enter the Junior Moose League and they were meeting competition for the first time in their young lives. They won the league championship the first year.

Things worked out well for these 12 boys. They wanted to continue their athletic efforts and enthusiastically talked of entering a baseball league in the spring of 1954. By this time several of their fathers were equally enthused and proud of this small group of kids and agreed that they would try to get the new organization underway so that they could compete in another sport.

The first meeting was called for January 6, 1954, at the Ablett Village Community Hall with 14 adults in attendance.

Weekly meetings were held and money was being raised immediately to pay for referees and janitor fees at Veteran Memorial Junior High School.

The adult membership continued to grow weekly and one money making project after another made it possible to field six teams in the Cramer Hill Boys Club Little League, and one team in this Junior Moose League in the spring of 1954, and a senior football team was also fielded in first year of the newly organized Boys Club.

In early 1955, a small building that was formerly a toy factory, located near 29th and Pierce Avenue, was purchased for $5,000. It was completely reconstructed by the adult members who worked nights and weekends. The finished building was beautiful and many many adults who helped in the reconstruction were justly proud of their work. The club now had their own clubhouse for meetings that included a kitchen which was put to good use in raising funds with suppers, cake sales, and socials. A finished basement accommodated shuffle boards, ping-pong tables, pool tables, storage rooms, facilities, for wrestling, boxing, and weight lifting.

The first ladies auxiliary to the Cramer Hill Boys Club consisted of a grcup of active mothers who organized in 1955 and deserve much credit for their accomplishments through the early years of the Boys Club development.

In 1957, the Boys Club became an associate member of the National Boys Club of America, the first affiliation in south Jersey.

In 1963, growing pains became the topic of conversation at the weekly meetings and when the Rio Theater was offered for sale, some of the more aggressive members suggested that it be purchased and converted into a full gymnasium. Again the adult members went into action reconstructing the former movie house into what is now the present River Avenue Boys Club, one of the few self-sponsored Boys Club in the State of New Jersey.

In the past 24 years, hundreds and hundreds of boys and girls have been given the opportunity to have a clubhouse to engage in recreational and athletic activities in an organized fashion. Many of the young adults, formerly participants in the youth program, are now married with children of their own and are still active in the Boys Club—and this is the sign of progress and success.

Credit for the success of the Cramer Hill Boys Club most certainly belongs to each and every adult, both male and female and young men who have contributed to curbing juvenile delinquency in their community.●

HIGHWAY OF FLAGS SERVICEMEN'S MEMORIAL

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BENJAMIN. Mr. Speaker, today I am proud to reintroduce a bill to establish the Highway of Flags Servicemen's Memorial in Highland, Ind., as a national monument.

This monument, which stands on proud display at the intersection of U.S. Highway 41 and Route 6, is an outstanding tribute to those servicemen who fought for their country in time of need. Since each of the U.S. military service organizations are represented here, it is truly a symbol of American pride and patriotism.

This legislation was prompted by the untiring efforts of Mrs. Mary Lou Kieswetter from Munster, Ind., and the National Council for the Encouragement of Patriotism, of which she is the founder.

The council was founded on January 17, 1968, in an effort to instill a better sense of patriotism among our citizens. Its accomplishments symbolize what citizens can do when endowed with a firm dedication of purpose and unyielding determination. In the few short years of existence, the council has had all of U.S. 41 from Michigan to Florida proclaimed as the Highway of Flags—a tribute to our Nation's banner and to our servicemen and women.

In addition, the National Council for the Encouragement of Patriotism, under the guidance of Mrs. Kieswetter, built the Highway of Flags Servicemen's Memorial strictly through the donations and volunteer efforts of citizens who share the same flame of patriotism.

I hope that you will join me in support of this measure in an effort to further the goals of the council; that is, to stimulate all citizens to rededicate themselves to the American heritage; to remember and honor our heroes, our institutions, and our national achievements, and to strengthen and perpetuate the American way of life by involving all citizens.●

IF TOBACCO, WHY NOT BEETS?

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. NEAL. Mr. Speaker, our distinguished colleague, Mr. JOHNSON of Colorado, has advised us that he is continuing his "legislative efforts to end Federal assistance which serves to promote the production and marketing of tobacco for human consumption." The gentleman says he is reintroducing a bill calling for a Department of Agriculture study to determine the probable economic effects of a cessation of Federal assistance which "serves to promote tobacco production and the manufacturing and marketing of tobacco products for human consumption." The bill also contains a "sense of the Congress" provision which supports an end to Federal assistance for tobacco, while taking into account family farmers who earn part or all of their income by growing tobacco.

Mr. Speaker, in his zeal to protect us from our own personal choices, the gentleman has selected a commodity which is neither grown nor manufactured in his State. He conveniently has overlooked the fact that his district produces at least two other agricultural commodities, sugar beets and grain, which can be detrimental to the health when used

abusively as refined sugar and grain alcohol. If the gentleman is sincere in his concern for protecting the public health by ending Federal involvement in potentially hazardous commodities, he ought to be willing to amend his bill so as to eliminate Federal supports for sugar beets and grain.

Using the same arguments that the gentleman applied to tobacco, we might propose an end to Federal assistance for sugar beets, contending that refined sugar can be harmful to the health. Mr. Speaker, the following paraphrases the gentleman's own letter:

I believe there is no justification for continuing Federal support for sugar beets once the government recognizes that the consumption of sugar is a serious health problem. The enormity of this problem was reaffirmed recently in a report of the Senate Select Committee on Nutrition, which called for a 45 percent reduction in sugar consumption.

Sugar consumption has a known relationship to tooth decay, obesity, and diabetes. As a major cause of overweight, it is suspected of being a factor in heart disease. The National Center for Health Statistics recently released results of a weight study of 13,600 people, checked from 1971 to 1974. Women under age 45 weighed an average of 4.7 pounds more than women of equivalent height checked in a 1960 to 1962 study. Men under age 45 were 3.8 pounds heavier than their counterparts of a decade earlier and those older than 45 were 4.8 pounds heftier. The Consumers Union reported earlier this month that obesity usually is detrimental to the health. It increases the possibility that disorders such as heart disease, high blood pressure, diabetes, gallstones, varicose veins, back ailments and arthritis might develop or become more severe.

While the federal government is committed to educating the public about proper nutrition and Congress has enacted legislation supportive of such efforts, we have continued to foster the production and marketing of sugar beets by guaranteeing farmers they will receive a good price for sugar beets. It is estimated that in FY 1978 the government will spend $2.28 million for various activities to support sugar beets, and that year will hold $545 million worth of outstanding price support loans made to sugar beet farmers. This dichotomous attitude toward sugar beets is self-defeating and confusing to the public. Certainly, it challenges the sincerity of our commitment to protect public health.

Mr. Speaker, that is the substance of the gentleman's argument. It is no less logical applied to sugar beets than to tobacco. It could be used with equal validity against grain for alcohol, or meats containing saturated fats. Frankly, however, it does not make good sense in any of these cases, because the proper role of Government in these instances is to inform, and not to impose its own choices upon the personal lives of the citizens of this free society.●

JACK HAMMETT'S SERVICE TO COSTA MESA TO BE HONORED

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BADHAM. Mr. Speaker, I would like to call the attention of my colleagues to the distinguished service of Jack Hammett to the city of Costa Mesa in the 40th Congressional District of California, whose service will be recognized at a banquet in his honor on March 30, 1978.

Jack Hammett has retired this year after serving 8 years as a member of the Costa Mesa City Council, including 2 years as mayor. And may the record show that his retirement was voluntary.

Jack is a retired Navy Warrant Officer, who came to Costa Mesa a number of years ago to take the city by storm. He served 2 terms as president of the chamber of commerce; served 7 years on the city's planning commission, including 2 years as chairman; served as a director of the Rotary Club, as vice-chairman of the California Aeronautics Board and as a member of the California State Department Transportation Advisory Committee and chairman of the Costa Mesa Transportation Committee.

In addition, Jack has served on several statewide boards, has been a reserve police officer, and last year received a government service award from the Orange County Bar Association.

As it is easy for the Members to see, Jack Hammett has kept busy during the years he has been in Costa Mesa and at the same time, with his wife, Mary Jo, raised a family which includes four children, Bruce, Debbie, Mark, and Jill.

It is my pleasure to rise today to pay tribute to a fine community leader such as Jack Hammett, and I join all of Jack's friends from Costa Mesa and all of Orange County in wishing him well in the years ahead and give him hearty thanks for his long and faithful service to his city.●

NEW YORK STATE SENATE OPPOSES SALE OF ADVANCED MILITARY AIRCRAFT TO SAUDI ARABIA AND EGYPT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. KEMP. Mr. Speaker, the President has proposed to sell advanced military combat aircraft to Egypt and Saudi Arabia in advance of the conclusion of a peace settlement in the Middle East. This proposed arms sale has been offered as a "package deal" to include Israel in the same transaction. The lesson of the past 2 weeks of anti-Israel terrorism should persuade the elements of the administration who have thus far favored the sale, that it would be imprudent to risk a change in the military balance in the region until the fundamental issues of peace are resolved.

As one who has consistently supported the "special relationship" between the United States and Israel, I was pleased to see the New York State Senate recently go on record in this matter when it passed resolution No. 116 memorializing the Congress to "veto and annul the decision of President Jimmy Carter to sell fighter planes to Egypt and Saudi Arabia." The resolution, in my view, speaks for itself in its forthright condemnation of the sale, and I am including the complete text of that resolution at the conclusion of my remarks, and I congratulate these Senators from the State of New York for their leadership:

LEGISLATIVE RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO VETO AND ANNUL THE DECISION OF PRESIDENT CARTER TO SELL FIGHTER PLANES TO EGYPT AND SAUDI ARABIA

Whereas, President Jimmy Carter during his 1976 campaign for the Presidency uttered scathing attacks against then-President Ford's alleged lack of full support for Israel and vowed that, if elected, he would exert the influence of his office and his personal and full support and effort to the survival and perpetuation of the democratic Government of Israel; and

Whereas, President Carter, at this point in time, apparently marches to a different drummer as manifested by his recent decision to sell fifty short-range fighters to Egypt and sixty F-15 fighters to Saudi Arabia which decision is an affront, indeed, to the principle that Israel's integrity as a free democratic nation must not be imperiled; and

Whereas, This paradoxical decision of the President, a chilling one, indeed, bodes no good for the nations of the Middle East, particularly Israel and is an embarrassment which will outrage a large proportion of the people of this State of every political persuasion; and

Whereas, It is the sense of this Legislative Body that it ought to express its outrage at this decision of President Carter which this Body feels is an expression of the mind of the great majority of the people of this State and urge the President to overrule his judgment in making such an improvident and dangerous decision to arm the avowed and ancient enemies of a friendly nation; now, therefore, be it

Resolved, That this Legislative Body memorializes the Congress of the United States to veto the decision of President Jimmy Carter to sell fifty short-range fighter planes to Egypt and sixty F-15 fighters to Saudi Arabia thereby eliminating the clear and present danger that this decision creates to the sovereign State of Israel; and be it further

Resolved, That copies of this resolution, suitably engrossed, be transmitted to the President Pro Tempore of the Senate of the United States; to the Speaker of the House of Representatives of the United States; and to each member of the Congress of the United States from the State of New York.●

TRIBUTE TO MILTON BERLE, "MR. TELEVISION"

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. CORMAN. Mr. Speaker, this Sunday, March 26, the television industry will salute one of our greatest comedians, Milton Berle, with a 1-hour "Tribute to Mr. Television."

A pioneer of show business, Milton Berle's talents run the gamut of the entertainment world. He began as a child actor in vaudeville and silent films, and later charmed audiences in night clubs, movies, and legitimate theater with his song, dance, and relentless humor and antics.

In 1928 he made his first radio debut with the great Rudy Vallee and 20 years

later was the first individual to accept the challenge of an as yet unperfected medium, television.

Within 4 months of launching the "Texaco Star Theatre" Milton Berle became a giant in the industry receiving the highest rating ever reported for a regularly scheduled radio or television show. Yet, far more impressive and important was Mr. Berle's ability to win the hearts of the public for his ability to make people laugh. It gained for him the permanent and endearing nickname, Uncle Miltie.

Milton Berle has touched each of us somewhere along the way of his 50 years of entertaining. His success has been our good fortune. He has made us smile or laugh, and many times when we least thought it possible. He has had a full, active, and successful career, and deserves every best wish for continued success and good health. I join the television industry in honoring Mr. Berle and thank him for the happiness he has brought to so many.●

IMPACT OF REGULATION ON BUSINESS DEVELOPMENT

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. NOWAK. Mr. Speaker, with the social and economic costs of Government regulation becoming very great, the question is no longer whether reform is needed, but rather, identifying what steps to take to insure that the cost of compliance does not outweigh the public benefit.

Government alone cannot remedy the problem. For as Alec Flamm, senior vice president of Union Carbide Corp., points out—business must do its part before any meaningful reform is possible. Adds Mr. Flamm in his recent address to the Commercial Development Association:

> The ability of American business to gain the trust and confidence of the American people will greatly determine the course of government regulation and control.

The gentleman's remarks merit serious consideration in the ongoing debate. That is why I am inserting excerpts from his speech in today's RECORD:

THE IMPACT OF REGULATION ON BUSINESS DEVELOPMENT

I would like to examine the impact business has on regulation—the impact we may have on the regulatory climate as a result of the way we do business.

Let me begin by noting some changes in that climate that have already occurred. I think it's fair to say that we can begin to see the emergence of some shared perceptions with the public and with government about the enormous growth of regulation in recent years. Hardly any segment of our population is satisfied with the results. Both Congress and the executive branch have regulatory reform on the agenda. The public believes it has not been well served by the regulatory agencies. And business, of course, has long regarded the headlong rush to regulation as an inefficient means of achieving social and economic goals.

There are hopeful signs of a changing attitude toward regulation, which may signal opportunities for further changes. But we need to keep such hopeful signs in perspective.

The Department of Labor's decision to reduce and simplify OSHA regulations certainly does not mean it has forsaken any interest in worker health and safety. I hope the move to streamline OSHA regulations suggests a growing awareness that much of the business community has come to accept its goals. And that business can, if permitted, be counted on to display its own initiative and imagination in the drive to achieve them. If that's true, perhaps we'll find other opportunities to encourage the application of reason to regulation, and to build the momentum for constructive change.

But that will mean a meeting of minds as well as a changing of minds. We must make clear some fundamental facts about business and the economy. And we in business must do more to let people know that we acknowledge and accept a role in helping society advance its goals.

For a start, we can make it clear that we understand the need for regulation; that while we may seek to modify the shape and thrust of regulation, we know that in a complex society and economy, in which we are all living downstream from someone else, business autonomy is bound to be at least partly circumscribed by government.

We also understand the limitations of the market with respect to meeting social goals. Some things Americans want and need cannot be found in the marketplace. Individuals cannot purchase clean air and clean rivers. They cannot purchase expanded job opportunities for the disadvantaged, or equal rights for women and minorities. Individual market decisions cannot always ensure wise use of scarce resources.

Clearly the government and regulatory agencies must articulate those objectives and values in national policy. And the policies must be implemented through law and regulation.

Thus, most businessmen are not asking how we can rid ourselves of regulation, but rather, how much do we need, and what form should it take? We have reached the point where nearly every aspect of our business operations is subject to some form of regulation. The cost to business and to the public is astronomical . . . but do we get our money's worth? Or do some of these costs simply fuel inflation, and thereby limit our ability to achieve needed economic growth? And now that an awareness is building about the social and economic costs of regulation, where do we go from here?

Many are still convinced that the answer when regulation fails is more regulation. Their way out of the hole is to dig even deeper. Despite the current reaction against that approach, we cannot be sure it won't be tried if the public sees no reasonable alternative. We in business must make a more convincing case about our commitment to accept and advance the legitimate goals of regulation before the rules are written.

That commitment is there. I can document it in my own company and industry in a dozen ways. You can do the same in yours. But business has a checkered history, and we continue to labor under a legacy of mistrust. That mistrust, I believe, is the most serious obstacle in the way of reducing the burden of regulation.

The fact is, that few are willing to believe business can be counted on to do what is right . . . unless pressured to do so. Surveys continue to show that most Americans believe that business puts profits ahead of morality. They feel business cares little about the consumer. That we care little about the environment. In sum, says one research group, most Americans feel that business needs more watching over.

So while Americans have been saying they have no taste for further government intrusion in business, they are unlikely to signal a halt unless they trust business to do what is right without it.

We therefore have at least two parallel concerns with respect to regulation. We must restore public trust in businesses, so that when new problems and concerns arise, as they surely will, the public does not feel impelled to seek solutions from government. We must also address the damage already done to the economy by unwise regulation, and help regulators and lawmakers understand the problems and find reasonable and acceptable solutions which serve the public interest.

There are a number of legislators and regulators who are deeply concerned about the extent to which unreasonable regulation has been a brake on business development. Let's examine a few of the ways in which it has.

One problem is that regulation is a moving target. There's a substantial risk associated with every large-scale business venture. Our forecasting tools can help us anticipate market shifts and changing economic conditions. But how can be know what regulations we will be dealing with when the new venture comes on-stream in four or five years? That uncertainty simply adds to the risk, and it may, and often does, consign the already high-risk projects to the shelf.

Changes in the regulatory process made in the interest of easing business planning problems, could no doubt offer some help. But I'm convinced that a stable regulatory situation will elude us until the public believes that business operates in a way that makes new and more elaborate restrictions unnecessary.

Those of you who have new product responsibility may have faced another variety of regulatory roadblock. It's one combined of delay by regulators in reaching decisions about new products, and inconsistency in the determinations once they are made. When management is unable to tell from one day to the next whether a product will be pulled off the market, there is no great eagerness to risk resources on producing it in the first place.

Here again, we can seek relief through revamping of agency procedures. But a more fundamental solution will become available only when the public believes that manufacturers have done their own homework before the regulators get into the act. It is only a climate of public trust that, in the long run, will encourage regulators to remove unnecessary obstacles to the introduction of new and useful products.

That word "useful" raises another point I'd like to make about public attitudes. Opinion research we've commissioned at Union Carbide shows the public makes a clear distinction between products with real benefits, and those it regards as having none. When people do perceive a benefit, as in the case of saccharin, they are quite willing to make up their own minds about whether the risk a product may pose is worth the benefit derived from using it. On the other hand, if the product has no perceived benefit, as was the case with red dye, they are quite willing to have it banned if it poses any risk at all.

The message is very clear: the public wants to know more about the products its offered, and it will increasingly reject the doubtful ones that serve no useful purpose. I don't know how we could ask for a more sensible attitude, or why any business should fail to respond.

Failure will simply mean further confrontation with regulators and the public, and new, more restrictive regulation. Let's take a look at some of the larger economic consequences of a regulatory system that makes

business the adversary of those we are supposed to serve.

One is the deadening effect on innovation. In the current climate, companies are doubtful about the chances of getting even thoroughly tested products to market. As a result, many look for new markets via the safer route of modifying old products and product development efforts are delayed or abandoned. Pesticides are a good example. We have a situation now where growers may well have to wait an unreasonably long time for the ecologically sound pesticides they need to replace the ones discovered to be dangerous. And a wide range of other useful products may never be produced because an excessively heavy regulatory burden will make them uneconomic.

The pace of technology growth is also affected by excessive regulation. Other factors are involved in the technology slowdown, but the burden of regulation and regulatory costs is certainly a large part of the problem.

You may have seen some of the data in the Department of Commerce study of technology policy.

The study observed that technology intensive industries grew 45 percent faster than others. That employment in such industries grew 88 percent faster. That productivity grew 38 percent faster. And that the rate of increase in the price to unit output ratio was 44 percent slower. Who can say those achievements are not in the public interest?

So it is something more than business hyperbole to claim that our technology has made a tremendous contribution to our very advanced condition of material prosperity, that it has more than kept pace with the growing needs of an expanding population. That it has given us a preeminent position in world markets, and has brought considerable benefits to those with whom we trade.

But if current trends continue, the heyday of U.S. technology may be passing. Some say it has already passed. Our share of worldwide patent awards is declining. Fewer technology-based companies are starting us. Our lead in productivity has narrowed by 50 percent since the 1950's and its current growth is below the historical trend. Right now a favorable balance of trade for our technology-based industries exists only with the developing countries and with Canada.

Plainly, we are now playing catch-up ball with much of the rest of the world . . . under rules that favor the competition. In other advanced countries, industry can count on rewards for developing technology, with a wide variety of incentives designed to make their products more competitive in world trade.

But American companies face anti-trust laws that discourage long-range cooperative technical programs, tax disincentives, and export restrictions on technology-intensive products.

I wish there were some quick solutions to propose. But there is no quick fix.

Regulators must be made to assess broader economic implications of the regulations they propose. To what extent will increasing regulatory costs curtail business expansion? And if business activity is curtailed, what are the effects on inflation and unemployment? Such considerations would make it plain that regulation can work against the public interest as well as for it, and that we are obliged to understand the total impact of regulation before we regulate.

Only when government is fully aware of that impact will it really work to eliminate needless regulation. And only then will it appreciate the need to look to other public policy areas to balance the nation's economic interests with the interests served by regulation.

Tax policy is certainly one place to look for that balance.

But even commonsense tax measures are difficult for Congress to approve when so many of their constituents regard a vote for business as a vote against the public interest.

Unless that attitude can be changed in the months and years ahead, we will get only partial solutions to problems that will grow more serious for business and the nation.

How shall we proceed with the task of restoring public trust?

First, it seems to me that we need to accept valid criticism, change the conditions that brought it on, and make the public aware of the changes. Only when our standing improves will we be in a position to deflect the criticism that is undeserved. And much of it is.

The chemical industry is a case in point. Opinion surveys continue to show that the public rates us poorly with respect to environmental concerns. But our record offers a very different picture.

With few exceptions, chemical companies have met the July 1977 deadline for applying the best practicable technology to water pollution control. The job was a costly one. My company alone has spent some $95 million to bring us into complete compliance with the "best practicable" standards. When everyone meets that standard, including the 60 percent or so of municipalities that aren't there yet, we'll be well on the way to meeting the national goals for fishable, swimmable water in 1983.

I think we can show that business supports the nation's social goals. Moreover, we know that helping to reach them is not only right, but can provide opportunities for commercial development as well . . . .

We have a good story to tell about our commitment to social goals, and the role we have played and must be allowed to play if the nation is to reach them.

Let's communicate that to the public, and let's be more attentive to what it's telling us. What I hear is a growing public concern about business operations, and business products, particularly, although not exclusively, with regard to employee and consumer health and safety.

There is no mystery about addressing those concerns. The fears grow when the public feels ill-informed. They will subside when business is seen to be more open and candid.

Are we prepared to go all the way in spelling out what hazards may exist in handling certain materials in the workplace, rather than simply asking our employees to take it on faith that we know what they are and have provided adequate safeguards?

Are we prepared to deal as openly with the people who buy our products?

With the communities in which we operate our plants?

The penalties for doing anything less can be enormous. They are being assessed in the court of public opinion, in the form of punitive regulation that drives up the cost of doing business. And they are being assessed in courts of law, where juries are returning astonishing awards to injured plaintiffs.

We are not dealing with an irrational public, in my judgment. No one is asking that we make machines so safe they can't be started. Or pesticides so safe that they kill no insects. Or to idle our plants because there is some small risk involved when they're running.

So in the long run, if we want less regulation, we can take no more certain approach than to convince Americans that less is needed. Regulation is costing us billions. Some of that expenditure buys real benefits. But much of it buys few or none, and should more properly be funding new products and new ventures. Companies have begun to document the cost of regulation, and the figures are staggering. Dow Chemical, for example, reported that complying with federal regulation cost the company $186 million in 1976, up 25 percent from the year before. General Motors spent $943 million in 1975 to comply with government regulation, about $2,000 for each of the company's U.S. employees, and about $300 for every car GM sold in America.

That is a situation that simply must be turned around. It's in the public interest and in our interest. Because if we don't serve the public well, we can count on being coerced to serve it poorly.●

THERE IS NOTHING "REVERSE" ABOUT DISCRIMINATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ASHBROOK. Mr. Speaker, like other liberals, President Carter refuses to believe that there can be such a thing as discrimination against white people. By using the term "reverse discrimination," leftists make it sound as if the only real discrimination is that practiced by whites against nonwhites. When Mr. Carter threw the force of his administration against Alan Bakke, its spokesmen say, it was not using the evil quota system against someone with a brown skin, which would be bad, but rather against a white, which is the essence of liberal morality.

The fact is that the policy of California in the Bakke case is racist. This California racism backed by Carter is no different from that which was advocated by the Governor of Georgia whom Mr. Carter succeeded in 1971. The only apparent difference, in fact, is that the Carter racism does not even give the pretense of affording Alan Bakke "separate but equal" treatment. Liberals state openly that they plan to hurt Mr. Bakke, and as many other young white people as possible, to make up for the alleged sins of earlier generations of white people.

Liberals have created a new "peculiar institution" in America. Our ancestors called slavery the "peculiar institution" because it existed in a country founded on and dedicated to the principles of freedom. It took the Civil War to get us to face the fact that slavery was not "peculiar." It was simply slavery. What about today's liberals, who use governmental force to back up racial quotas in the teeth of both laws and clear constitutional prohibitions to the contrary? What will it take before they recognize their racist practices for what they are?

Mr. Carter's is the first openly racist administration this country has had in over a century. There is nothing "peculiar" about Mr. Carter's personal order to his attorney general to support the racist university administration before the Supreme Court. It is not "reverse racism." It is not "peculiar racism." It is plain, old fashioned bigotry in action, aimed at picking up votes.

Bigotry always has an excuse. Whites excused discrimination by saying that, since white people founded and built the country, its benefits should accrue first to their race. Leftism racism excuses itself by insisting that we must make up for yesterday's evils by punishing white

people for them today and tomorrow. How long is this to go on? One hundred years from now it can be correctly alleged that blacks are descendants of those who were slaves in our earlier history. That crutch will be used by some forever. The only figure liberals give is "350 years of oppression and exploitation of black Americans." Does this mean that true equality of opportunity will be considered respectable in liberal circles a third of a millenium from now? This is, as I have said, the only solid figure I have seen them give.

Of course, Mr. Carter's racism is not actually motivated by a concern for past oppression. The reasons for Jimmy Carter's policy of racism are the same as those of Theodore Bilbo and Idi Amin: he has been given power and the groups he depends on for that power favor discrimination. Discrimination, consequently, is the administration's policy. Like Bilbo, like Amin, and like others of their kind down through history, the liberals will use their power to set race against race until that power is taken away from them by popular will. Hopefully, that time is soon.●

A PRESUMPTION OF DEATH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. GILMAN. Mr. Speaker, the conflict in Vietnam has still not ended for the families of our MIA's.

The family of one serviceman, Lt. Cmdr. James B. Mills, still remains in the dark on his status, almost 12 years after his disappearance on a reconnaissance mission over Vietnam.

Most recently the U.S. Navy held a formal hearing over the issue of the presumption of Lieutenant Commander Mills' death on that fateful air patrol. I have consistently opposed the procedures by the Defense Department which would presumptively declare our missing in action dead, based on presumptive findings. A finding of death in this case, and in others, could be accomplished only upon presumed evidence. There is nothing in the record to show that this officer is deceased.

By declaring Lieutenant Commander Mills dead, based on hunches, guesswork, and probability, is extremely unfair to this flier and his family. We would, in fact, be denying him the due process of law.

I should also point out, under Navy regulations, the burden of proof of life and death falls hardest on the families of the men. The families of our missing do not have the means that the Government enjoys in proving the life or death status of these individuals.

The Government, I contend, cannot prove beyond a shadow of a doubt that Lieutenant Commander Mills is deceased, and because there remains a possibility that he is alive, I strongly urge the Secretary of the Navy to decline to declare Lieutenant Commander Mills and other MIA's as KIA, based upon presumptive evidence.●

HUMAN RIGHTS IN IRELAND PROCLAMATION SIGNED IN NEW YORK STATE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BIAGGI. Mr. Speaker, St. Patrick's Day 1978 took on special significance this year in the State of New York when Governor Carey signed a proclamation declaring it "Human Rights Day in Northern Ireland." This came following passage by the New York State Senate and Assembly of resolutions calling on the Governor to issue such a statement.

The significance of this proclamation rests in the fact that the issue of human rights in Ireland, once not even a point of discussion, has become a central concern of many Americans who support peace and justice in Ireland. New York joins a growing list of States and localties which have passed resolutions or proclamations condemning human rights violations in Ireland.

The charges of human rights violations and deprivations in Ireland are well documented. Yet the time is not for recriminations but rather rectification. There cannot be peace in Ireland while there are ongoing human rights violations. Respect for law and life are fundamental to English common law. Modern-day Britain must reaffirm this respect in their dealings in Ireland.

I commend the sponsors of the respective New York State Senate and Assembly resolutions. Senators Winikow and Flynn as well as Assemblymen Sullivan and Ryan. In an earlier statement I submitted the list of senate cosponsors I now wish to do the same with the assembly cosponsors.

LIST OF ASSEMBLY COSPONSORS

Assemblymen Boyland, Butler, Connor, Conners, Fink, Finneran, Goldstein, Gottfried, Graber, Greco, Griffith, Keane, Koppell, Lafayette, Marchiselli, McCabe, Orazio, Schumer, Tallon, Walsh, D. B., Walsh, S. P., and Yevoli.

I also commend the Governor for taking this important iniative. The issue of human rights has been of deep concern to the Irish-Americans community and this proclamation is of great significance to them.

The remain committed as chairman of the 103-member Ad Hoc Congressional Committee for Irish Affairs to congressional hearings on Ireland to focus on human rights and all other facets of the Irish question. We must work for peace and justice. I urge my colleagues to join me in this effort.

The New York State proclamation follows:

PROCLAMATION

The people of New York State have long joined with freedom-loving people the world over to condemn violations of human rights. New Yorkers have, for centuries, condemned the persecution and discrimination that have been such a large part of the sad history of Northern Ireland.

Recently the European Court of Human Rights denounced the maltreatment by Britain of prisoners in Northern Ireland, a condemnation we trust will end such outrageous abuses. Much still remains to be accomplished in securing basic human rights in Northern Ireland. Blatant inequities in employment, housing, religious tolerance, and political freedom still exist. The problem is complex and violence is not the answer.

Human rights can only be secured by groups and individuals who work through the rule of law with mutual respect. Appropriate action can be taken by reinstituting a democratic form of government and providing for a just sharing of power among the different communities in Northern Ireland. The persuasion of public opinion towards a just and peaceful settlement in that troubled land must include the reestablishment of fundamental civil rights.

Now, as the feast of Ireland's patron saint, St. Patrick, approaches, I once again condemn the pattern of oppression and violation of human rights. I call upon all New York citizens to add their voices to the millions who demand peace and justice in Northern Ireland now

THEREFORE, I, Hugh L. Carey, Governor of the State of New York, do hereby proclaim March 17, 1978, as "Human Rights Day in Northern Ireland" in New York State.

Given under my hand and the Privy Seal of the State at the Capitol in the City of Albany this fifteenth day of March in the year of our Lord one thousand nine hundred and seventy-eight.

HUGH L. CAREY,
Governor.

BYELORUSSIAN INDEPENDENCE DAY

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. O'NEILL. Mr. Speaker, on March 25, 1918, people of Byelorussia in declaring their freedom from the tyrannical Czarist rule exercised the principle of self-determination for national independence and sovereignty as set forth by President Woodrow Wilson. Within a year their expression of the human cry to be free and to determine one's own destiny was suppressed by the oppressive rule of the Bolsheviks. Although 60 years have passed since the people of Byelorussia made their attempt to be a free and separate nation, their spirit for freedom has not waned. The glow of this spirit still shines brilliantly as a hopeful beacon to all other captive nations throughout the world.

On this anniversary date of Byelorussian's remarkable demonstration for freedom and her people's unrelenting desire to be a sovereign nation, I would like to join with my distinguished colleagues to commemorate Byelorussian cultural and historical achievements, both in their motherland and in the rest of the world.

In the continuous and universal quest of all people for liberty and justice, we are fortunate to have a President who champions the cause of human rights throughout the world. Thus, it is appropriate on March 25, 1978, to pause not only to reassure the people of Byelorussia and Americans of Byelorussian descent of our resolute suport but also to remind all people of the free world we must maintain a constant vigil until that day when all people will be free to decide their own political destiny.●

RURAL STUDY NEEDED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ABDNOR. Mr. Speaker, on Monday it was my privilege to join my colleague, the Honorable CLAUDE PEPPER, and other members of the House Select Committee on Aging in testifying before the Select Subcommittee on Education of the House Education and Labor Committee.

The Select Committee on Aging was making its recommendations for improvements to the Older Americans Act which this Congress will be called upon to reauthorize this spring.

Some of those recommendations resulted from a hearing the Aging Committee held in my home district in South Dakota last December. Of particular interest to South Dakota, and indeed to all of truly rural America, is a recommendation calling for a study of the needs of the elderly who live in our Nation's wide open spaces.

My testimony follows:

STATEMENT OF REPRESENTATIVE JAMES ABDNOR

Mr. Chairman. Thank you for the opportunity to appear before your committee today.

I do not need to tell this committee of the growing importance of the Older Americans Act since it was first enacted in 1965. If the Act had not already proved its worth in the 13 years it has been in operation, we would not be here today. The main question before the committee is not reauthorization, but improvement of the Older Americans Act.

While programs under the Older Americans Act have been quite successful in fulfilling objectives set out by Congress, there are some areas where it has not been as effective as it can or should be.

Mr. Chairman, in the Select Committee on Aging's oversight of the Older Americans Act, it has become abundantly clear that the programs have had their best results in metropolitan areas. It also is quite clear that while the programs are functioning in rural America, their successes were achieved under many handicaps and are largely due to the determination and versatility of the rural elderly who are involved.

In both the manner in which the programs have been designed and in the manner in which they are administered, there is a wholesome lack of rural perspective. This can be expected, considering the urban makeup of the Congress. Even on the Select Committee on Aging, nearly a third of our membership comes from the predominantly urban states of New York, New Jersey, and Pennsylvania.

Urban domination, however, does not negate rural qualification or need for these programs. The Older Americans Act was written for all the nation's elderly, not just those whom it is easiest to reach and to serve.

Metropolitan domination is not the only factor at work. As I have repeatedly pointed out to the Aging Committee, where many national policies are concerned "rural" means any community of 50,000 persons or less, regardless of location. In South Dakota, 50,000 people represents our second largest city, and the largest city located in my 46-county Congressional district.

When I speak of a wholesale absence of rural perspective I speak from a viewpoint which is "truly rural."

"Truly rural" America is something we know very little about. It is very easy to overlook.

Yet "truly rural" America has unique problems—not the least of which are a disproportionate share of the nation's substandard housing inadequate health care thanks to a severe shortage of physicians and other health care personnel, and very limited public transportation with which to cover the great distances.

As one of the few representatives from "truly rural" America on the Aging Committee, it is my responsibility to speak to the problems of the truly rural elderly who are trying to work with the programs of the Older Americans Act.

To ensure "truly rural" input into our oversight of OAA, I asked that one of the Aging Committee's hearings be scheduled in my district of South Dakota. In the years I have served in Congress my office has become well acquainted with the experiences South Dakota has had in working with OAA. In many instances our people have made the programs successful despite OAA program restrictions. I felt our experiences were comparable to those of other "truly rural" states,

Chairman Pepper graciously agreed to my request.

The hearing in Huron, South Dakota, December 9, 1977, demonstrated not only some problems with existing provisions of the Older Americans Act but also some fine opportunities for more effective programs should the provisions be amended.

Since that time we have sought means to remedy the problems and take advantage of the opportunities.

We started looking for hard data to justify a weighted formula—a rural factor, if you will—which, when added to other information, would take into account distance, population density and other qualities found only in "truly rural" America. This factor would recognize the needs of older people living in widely separated small towns.

What we have found—more than anything else—is that we really don't know very much about "truly rural" Amerca.

To be sure, we have some general statistics: about seven million people 65 years and over live in rural America mostly in nonfarm communities. Over half the substandard housing is located in non-metropolitan areas and a third of these are occupied by older persons. Rural people aged 65 years and older comprise 31% of the nation's elderly, but they account for 44% of the elderly who are considered poor.

General data on population, housing, health, etc., is there.

What is almost totally lacking, however, is the hard data needed for specific recommendations. Not only is it lacking, there has been a singular lack of response to past and current efforts to obtain this data.

Thus, we have the recommendation for a rural study. We need to delineate rural needs and costs; to determine the severity of inflation, service access and delivery problems, the energy crisis and other factors affecting the elderly living in truly rural America.

Mr. Chairman, the Select Committee on Aging includes the following among its recommendations:

We recommend, therefore, that the Administration on Aging, under title IV research and development projects, undertake a comprehensive study of the plight of America's rural elderly:

(1) To determine the needs of rural elderly with special attention given to housing, health, income, transportation and employment;

(2) to determine the problems of service access and delivery for those rural elderly at risk;

(3) to determine the unit cost of service differential between services delivered in a rural area vs. those in an urban area.

We recommend further that the Administration on Aging, under title III model projects, contract with at least two rural States to design a comprehensive service system for the rural elderly, including utilization of approaches, methods and techniques especially suited to rural areas, and the AoA disseminate to the relevant States through the National Information and Resource Clearinghouse for the Aging information related to comprehensive rural service delivery systems.

Mr. Chairman, if we are to make the Older Americans Act function effectively in "truly rural" America it is urgent we obtain the hard data we need.

With other members of the House Select Committee on Aging, I urge inclusion of this study in your reauthorization of the Older Americans Act.

Thank you.●

TRIBUTE TO AMBASSADOR ARTHUR GOLDBERG

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BROOMFIELD. Mr. Speaker, today I would like to commend a distinguished American, Ambassador Arthur J. Goldberg, for his courageous leadership in behalf of human rights and humanitarian issues at the recently concluded Belgrade Conference on Security and Cooperation in Europe.

Our country is extremely fortunate to have a man of his caliber serve as head of the U.S. delegation to the Belgrade Conference, and I was especially pleased when President Carter announced his appointment. This well-known American, a former Supreme Court Justice and Ambassador to the United Nations, is among our most famous civil libertarians. It was, in fact, my pleasure to serve with him and Congressman L. H. FOUNTAIN as delegates to the 22d General Assembly of the United Nations. Throughout his illustrious career, Mr. Goldberg, to say the very least, has been most sensitive to the issue of individual human rights.

As for individual rights, Belgrade was the first multilateral meeting at which cases of individual human rights violations had been raised. Under Ambassador Goldberg's leadership, the U.S. delegation established that individual human rights are a legitimate matter of inquiry—an inquiry relevant to the implementation of the Helsinki Declaration.

From Belgrade's beginning to end, Ambassador Goldberg emphasized the importance of the implementation of all aspects of the accords and repeatedly called attention to the lack of compliance of the Soviet Union and certain other signatories in relation to human rights. Throughout the conference, Mr. Goldberg delivered sweeping indictments of East European failures to live up to the pledges on human rights made several years ago at Helsinki. In particular, Mr. Goldberg condemned the practice of imprisoning or exiling persons for making their thoughts known as well as restrictions on the right of individuals to travel or emigrate.

Despite the strong warnings by Mr. Goldberg and the West, however, the Soviet Union continues to disregard the outcries for human rights and proceeds to efficiently silence dissent. The Soviets, for example, have arrested and exiled many members of a citizens' group formed to monitor Soviet compliance with the human rights provisions of the Helsinki agreement. These arrests, as well as exiles, have become indicative of the continued Communist harassment of dissidents and in particular, the persistent Soviet repression of stubborn opposition to "Russification".

More recently, the illusion of individual freedom was dramatically broken when the Soviet Union labeled Rostropovich, director of our National Symphony, as an idealogical degenerate and stripped him of his citizenship. For people like Rostropovich, it was simply one more in a series of blows to those who have dedicated themselves to freedom and individual rights. In March alone, of this year, the Soviet Union banished Rostropovich, Pyotr Grigorenko, a Red Army major in the United States for medical treatment and Galina Vishnevskaya, the famous soprano and wife of Rostropovich. Moreover, the Soviets have continued to boast about their so-called success in thwarting Western efforts to raise substantive questions at Belgrade.

Despite these setbacks, however, Mr. Goldberg has nevertheless been a persistent leader—a forthright spokesman—the kind of spokesman we need who will hold out hope for human rights and insist upon Soviet compliance to the Helsinki accords. Arthur Goldberg is an American leader who has the United States squarely speaking out for human rights.

In his final speech at the European Security Conference, Ambassador Goldberg deplored the lack of agreement on new confidence-building measures to improve East-West relations stating that:

Efforts to squelch the truth at Belgrade or at home will not change the truth. And they will not deflect the United States from insisting that candor is as important to the healthy development of international confidence as is respect for sovereign equality and individuality.

Arthur Goldberg is indeed an individual concerned about other individuals—a true confidence builder—for all people throughout our world.●

INVESTMENTS OVERSEAS AND UNEMPLOYMENT AT HOME

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. AKAKA. Mr. Speaker, I recently had the pleasure of listening to Mr. William H. Ryan, legislative director of the International Association of Machinists and Aerospace Workers, address the Hawaii Federal Lodge No. 1998 at their installation of officers luau.

I was singularly impressed by his remarks, because they address the problem of unemployment from the perspective of foreign investment. In this Congress, we have devoted a great deal of legislative energy to seeking solutions for unemployment, and I feel that Mr. Ryan's remarks highlight an area that we are not always cognizant of. While the expansion of business must certainly be encouraged, it should not do so at the expense of the American worker.

I urge my colleagues to consider Mr. Ryan's views and insert his statement at this point in the RECORD:

INVESTMENTS OVERSEAS AND UNEMPLOYMENT AT HOME

I welcome this opportunity to meet with you today because I mean to use it to tell you how workingmen and women many who are our members are faring under this nation's trade, tariff, tax and foreign investment policies. The news I bring is not good. So far as the working people of America are concerned their jobs (and thus their stake in the private enterprise system) are being destroyed by policies of unrestricted overseas investment and trade. Though these policies are deeply embedded in both tradition and law, they are slowly but surely transforming the United States from a highly developed to an industrially underdeveloped nation.

If you think this is an overstatement, let me refer you to a definitive study of multinational corporations which was written a couple of years ago and which is entitled "Global Reach." In it the authors, Ron Muller and Richard Barnet, defined an underdeveloped country as "one that exports raw materials to maintain its balance of payments while it imports finished goods to maintain its standard of living."

That is a good description of what's happening to the United States. The 200 largest corporations that control two-thirds of this nation's productive capacity have been steadily transferring production and jobs to low-wage areas of the world. And because of unthinking acceptance and reverence for the economic dogmas of 19th century economists, our government has done absolutely nothing to prevent this internal subversion of the nation's industrial base. In fact, it has done just the opposite.

The wholesale export of American jobs and technology has been actively encouraged by tax, trade, tariff and investment policies that make it more profitable for a U.S. company to operate in Indonesia than in Illinois.

As a result, the United States must not export its grain, cotton, timber, wool, coal and other raw materials in order to pay for cameras, TV sets, radios, tools, shoes, clothing, glassware, textiles, typewriters and a host of other finished products. Between 1960 and 1970, the annual rate at which American capital was invested overseas rose by 400%. And this outflow continues. While the business community demands new and bigger investment tax breaks to encourage capital expansion, last year U.S. companies made 25% of their total capital investments overseas.

This investment is not only being made in places like Taiwan, Hong Kong, Malaysia, Singapore, Haiti and the Dominican Republic. After 30 years of cold war, during which American workers were conditioned to view communism as the devil incarnate, American corporations are now rushing to build factories, complete with advanced American technology, behind the Iron Curtain. American capitalists can hardly wait to get at all that good, cheap, state-controlled Communist labor.

These corporations that are destroying America's industrial base, by closing down factories here and opening them overseas—include some of America's largest employers and defense contractors.

They include American Can, Chrysler, Firestone, General Foods, Honeywell, IT&T, Singer, Union Carbide, Warner-Lambert, General Electric and Westinghouse.

To visit one of America's major centers of industrial production, you no longer have to confine your travels to the United States. You can go to Taiwan and find American-owned firms producing pharmaceuticals, electrical equipment, textiles, toys, chemicals, machinery, food, clothing and scores of other products for American markets. Even a partial list of the companies that have gone to this dictator-controlled island, in order to exploit women and children with 30 cents an hour wages and 12-hour workdays, reads like a who's who of American industry. It includes such good old American brands names as Admiral, Bendix, RCA, Arrow Shirts, Mattel Toys, Dow Chemical, Dupont and Singer.

Anyone who doubts the connection between the export of capital and the export of jobs need only look at the extent to which the electronics work force has been decimated in recent years.

Zenith is only the latest to give up on an attempt to compete against foreign, low-wage imports. Zenith was the last of the U.S.-based TV manufacturers, and I give them a lot of credit for trying. The Machinists Union represents many of the thousands of workers whose jobs are now going to be exported. And Zenith made it clear to us that they were not leaving because of any lack of productivity and workmanship. They found they simply could not compete against companies taking full advantage of every tax, tariff, trade and investment incentive that our Government gives corporations who produce overseas for resale back into American markets. Zenith can save itself by leaving. As every economist knows capital is mobile but labor is not. Thus thousands of skilled workers in Sioux City, Chicago, Philadelphia and elsewhere will be reduced from economic assets to social liabilities.

Unfortunately the electronics industry is only the tip of a very large iceberg. Between 1962 and 1970, the ratio of exports to imports in rubber manufacturing went from a 100% surplus to a 10% deficit. In the apparel industry, the ratio of imports to sales has doubled in recent years. In one four-year period, from 1969 to 1973, a $22 billion rise in manufactured imports caused a direct decline of 346,000 jobs in U.S. factories.

Today 20% of all cars, 40% of all glassware, 60% of all sewing machines, calculators and cassettes, 95% of all radios and a high proportion of shoes, clothing and other manufactured goods sold in the United States are produced abroad, mostly by American-owned factories.

Unrestricted overseas investment is not only eroding the jobs of American workers but their rights under the law of the land. Specifically, I am referring to the right to bargain collectively.

American workers gained this right over forty-two years ago when Congress recognized that the best way to give workers a stake in the free enterprise system was to establish a mechanism through which they could negotiate a fair share of the wealth produced by their labor. U.S.-based multinationals are systematically destroying that stake by exporting the jobs that workers need to support their families.

A further effect of unrestricted overseas investment is the draining away of the nation's technology for the greater profit of a relatively small number of multinational corporations.

Some years back the government solicited organized labors support for trade policies which would make it even easier for other countries to sell in the United States. I might say, incidentally, that ever since the end of World War II we have had the most liberal trade policies in the world. But this liberality has not been reciprocated. Other-

countries seem to be able to erect all kinds of barriers against our products. When workers questioned further liberalization, they were assured that American labor would not be undercut by cheap labor because of our long lead in technology.

A fact to note about this technology, which is now being sold out from under us, is that it results from research and education which are mainly supported by the taxes of the American people. Between two-thirds and three-fourths of all basic research and development is publicly funded. The engineers, scientists, craftsmen and other personnel that industry needs are all trained at public expense. What I am saying, in essence, is that America's technology has really been bought and paid for by the Tax dollars of the American people. That includes the working people. Therefore, this technology really belongs to all of us. But multinational corporations have expropriated it to themselves and have been exporting it as fast as its been developed. Moreover, in their pursuit of the fast buck, they've been selling off our technology at fire sale prices. During the 1960's Japan alone got $10 billion worth of America's industrial know-how, including advanced steel-making and aerospace technology, for which they paid only $1 billion. For 10 cents on the dollar, they got one of the greatest bargains in history.

When we go to Congress to protest corporate exploitation and profiteering on resources that properly belongs to all of us, the experts come in from the other side and piously proclaim that there must always be a free flow of technology between nations. Unfortunately, during the debate on the latest trade bill passed in 1974. Congress bought this free flow of technology argument. In rejecting the Burke-Hartke bill, which labor supported, they left multi-national corporations free to loot the nation's technological resources.

Some day our government may wake up and realize that technology is a commodity of commercial value with an investment cost that can be measured, a dollar value that can be computed and a clear market value for those who possess it. I agree that everyone benefits from the free flow of technology. Everybody would also benefit if Saudi Arabia gave away its oil and Japan gave away transistor radios. But the fact is they don't. Those who denounce labor for suggesting that the U.S. Government has a responsibility to its own work force conveniently overlook the fact that in other nations, whether industrialized or underdeveloped, the first priority of economic policy is the protection and maintenance of job opportunities for their own work force.

In the 1974 trade legislation, Congress not only refused to consider even minimal safeguards against further export of technology and investment, but, at the urging of the business community, made it even easier and more attractive for American firms to move overseas. They did this by setting lower tariffs on goods produced in underdeveloped countries. This is, of course, and open invitation to American corporations to go to these underdeveloped countries and produce solely for sale in U.S. markets. Because so many are accepting this invitation, city after city in the United States are becoming littered with empty factories.

To the extent that overseas investment generates unemployment at home, it also contributes to the skyrocketing costs of social welfare. Because Americans cannot get jobs we are spending $40 billion a year for public assistance and $20 billion a year for unemployment benefits. If national policies were designed to discourage, rather than encourage the export of technology, capital investment and jobs. Americans would be cashing more paychecks and fewer welfare checks.

By creating high levels of unemployment here at home, multinational corporations have harmed America in still another way. Sociological studies in areas of high unemployment show that the rising tide of joblessness has been paralleled by rising levels of violence, family breakups, child abuse, crime, alcoholism and suicide.

Many of the problems that afflict our society have been caused or aggravated by companies that take every advantage America has to offer but which no longer identify themselves with America's future. A few years ago, a Vice President of the Ford Motor Company stated, and I quote, "We . . . look at a world map without any boundaries. We don't consider ourselves basically an American company. We are a multinational company." If the Ford Motor Company doesn't consider itself American, who does? Certainly not the President of the Motorola Corporation when he was asked why he was abandoning plants in the United States while opening them in South Korea. He said, and again I quote, "We can train Korean girls to do the same job as American workers. They are hungrier and more motivated. They will work harder for less."

Of course these hungry Korean girls can't afford to buy the products they are making. Those products are aimed straight at the American market. Forgotten is the fact that as more and more jobs are exported, fewer and fewer consumers will be left to buy Motorolas or Fords or anything else in the United States. You simply can't go on milking a cow indefinitely without feeding it.

But instead of recognizing this elementary fact of economic life most of our political, business and academic leaders seem to believe that the fault lies not in our trade, tax, tariff and foreign investment policies but in our work force.

Fortunately a few Congressmen, especially in areas that have been hardest hit, are beginning to question the validity of 19th century economic doctrines in a 20th century world.

One of these is Congressman Joseph Gaydos of Pennsylvania. As he so aptly pointed out in a speech to the House of Representatives, "The unschooled girls of Taiwan can do just as well assembling complex TV components as the high school graduates of New Jersey. The untrained workers of Africa and Asia can be taught to produce complex products ranging from tiny transistors to giant turbines, as readily as the skilled workers of Pennsylvania and the West Coast. The depressed inhabitants of the most squalid slums of the Far East can be taught to make specialty steel products just as well as the experienced workers of Pittsburgh."

The point is we are no longer talking about unskilled jobs in low wage industries. We may have started out by exporting the jobs of shoe, textile, leather and electronic workers. But now we are losing out in high technology industries. I can best illustrate the point by describing an example that directly affects members of our union. We happen to be the largest union of aerospace workers in the world. In addition to those employed in the manufacture of the big commercial and military planes, thousands of our members produce light aircraft for companies like Beech, Cessna and Piper. For many years Brazil was the number one importer of these light planes. But then, some years ago, the Brazilian Government decided to create more jobs for their own work force by developing their own light aircraft industry. They did this in two steps. First they levied prohibitive taxes on the importation of light planes. Second, since they had no light aircraft industry of their own, they invited an American manufacturer, Piper, to come down there and produce with Brazilian workers. As a result Brazil is not only taking care of its own markets, with the help of American capital and technology, but is now taking over traditionally American markets throughout the rest of South America. And to add insult to injury they are even selling Brazilian-made planes back into the United States.

While more Brazilians now have jobs, more Americans have joined the ranks of the unemployed. We can chalk up one more casualty to our government's devotion to 19th century doctrines of free trade. We contend there is nothing free about trade when other countries close their markets to us, import our industry, and then demand open access to our markets. There is nothing free about trade in which Brazil can sell planes to us. But we cannot sell planes to Brazil.

The proponents of our free and easy trade, tax, tariff and investment policies admit that while these policies may hurt workers, they benefit consumers. And this is one of the biggest fallacies of all. In the first place workers are consumers. But more significantly, the lower cost of foreign production are not necessarily reflected in the market place. They are more likely to be diverted into bigger profits for the manufacturers and middlemen. A few years ago, for example, the Washington Post carried a report on two pairs of shoes. They were identical in every way except that one pair was made in Italy and one pair in Mississippi. The labor cost of the Italian shoes was less than half that of the Mississippi shoes. And God knows in Mississippi wages are low enough. But in the stores, the retail price was exactly the same. Since the difference went to higher profit margins, the wholesalers and retailers quite naturally pushed the Italian-made shoes over the American-made brand.

The proponents of our present policies also claim that when American workers are hurt, the answer is not to restrict overseas investment, but to compensate such workers with what they call "adjustment assistance." This is a form of supplemental unemployment benefits which neither adjusts nor assists. After this concept was adopted, in the early 1960's, we took cases to the Tariff Commission. But it took us seven years to finally get them to agree that a group of our members had lost their jobs not because of an act of God but because of an act of Congress. Our experience since then has convinced us that adjustment assistance is one of the biggest frauds ever perpetrated on the American work force.

Finally, the advocates of unrestrained overseas investment say it really doesn't matter if we lose our manufacturing base because we'll become what economists call a "rentier" economy. That means most people will live off overseas investments while the rest go into service trades. Quite frankly, it's my opinion that anyone who believes this also believes in the "tooth fairy." The fact is that 60% of all corporate stocks and virtually all corporate bonds are owned by a small and wealthy elite consisting of no more than 4.4% of the population.

That 4.4% can live off investments. But the rest of us have to work for a living. And because we do, policies that make it more profitable for U.S. firms to operate in Malaysia than in Maryland, can only end in tragedy for the work force and thus for the Nation.

We are already well down a perilous path. Chronic unemployment has been growing decade by decade. In the 1950's anything over a 4% rate of joblessness was considered unacceptable. By the end of the 1960's it was 5%. For the past few years it has been ranging between 7 and 8% and there are signs it is going to get worse.

In demanding that this Nation's trade, tariff, tax and investment policies be brought in line with economic realities, the labor movement is not seeking a retreat to economic isolationism. We only ask that we be allowed to play by the same rules that others have adopted. If other countries want to sell to us, that's fine. But they should be willing to let us sell to them. If American corporations want to go to Taiwan and

South Korea, fine. But they should not be allowed to take advantage of incentives that have been set up to help so-called underdeveloped nations. They should not be permitted to take out technology, largely developed at the expense of American taxpayers, out of the country and then use it to beat the American work force into poverty. As long as a shortage of investment capital exists in the U.S., they should not be permitted to make 25% of all their new investments overseas.

In conclusion let me say that perhaps none of you are included in that fortunate 4.4% who can live off their investments. But if so, you may think you don't have to worry about what happens to the American work force, at least not until the overseas holdings of American companies are expropriated. But let me suggest that you look around at the rest of the world. Look at those countries in which a fortunate few at the top live in the lap of luxury while the overwhelming majority suffer the squalor of horrendous poverty. These are the countries in which the long term outlook for investment is most unfavorable. These are the countries in which terrorism and communism can barely be held at bay by even the most brutal repression. A nation cannot build nor maintain a stable society upon a foundation of "trickle down" economics. Prosperity must begin with that overwhelming majority that works for wages. To sum it up investors cannot prosper unless America prospers. And America cannot prosper unless working people prosper.●

DOT EMBRACES RACIST QUOTA SYSTEM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ASHBROOK. Mr. Speaker, I was disturbed to read that the U.S. Department of Transportation has embraced a racist quota system in awarding Government contracts. Although Secretary of Transportation Brock Adams refused to specify any percentage, one DOT official suggested that, as a goal, 15 percent of its contracts would be set aside for minority business firms.

According to the Washington Star—

Each agency will have to maintain mailing lists that identify minority business firms and will be required to screen all outside procurements for possible awards to minority firms through a form of bidding under which only minority enterprises would be allowed to submit bids.

It is ridiculous for DOT to reserve 15 percent of its contracts which only minority enterprises can bid upon. This is unfair to all the other contractors who are excluded from the bidding process. Why should a contractor be denied the opportunity to bid competitively on a Government contract simply because of the color of his skin?

Such a procedure is also unfair to the taxpayers of our Nation. Since as much as 15 percent of the contracts will not be open to normal competitive bidding, more tax dollars will be needed to pay for DOT projects.

Following is the article on this subject which appeared in the March 6 Washington Star:

ADAMS ORDERS DOT EFFORT ON MINORITY CONTRACTORS

(By Stephen M. Aug)

Secretary of Transportation Brock Adams today ordered the Department of Transportation to set aside an unspecified percentage of contracts for minority business firms.

Although Adams declined to set any absolute percentages, one DOT official, Kenneth E. Bolton, suggested the goal would be 15 percent.

Bolton is director of the Minority Business Resource Center, a section of the Federal Railroad Administration which was created under federal law to help minority businesses participate in a $6.4 billion federally funded program to improve the nation's railroads.

DOT during the current year has about $1.3 billion that it expects to use on outside contracts. One DOT official said it is difficult to set a percentage of this to go to minority businessmen because in some instances the contracts would be very large and no guarantees could be given as to how much a subcontractor might set aside for minorities.

He pointed out that the Coast Guard, for example, is expected to order $190 million worth of helicopters this year, and the contract would go to a single firm. Just how much of that business the helicopter manufacturer could or would set aside for minority business firms is difficult to calculate, he suggested.

Adams' order, issued today, requires the head of each of DOT's operating administrations—such as the Federal Aviation Administration, Federal Highway Administration, and Coast Guard—to establish an annual goal for minority businesses in its direct contracting. The goal would be expressed as a percentage of the operating administration's contracting dollars.

Further, each agency will have to maintain mailing lists that identify minority business firms and will be required to screen all outside procurements for possible awards to minority firms through a form of bidding under which only minority enterprises would be allowed to submit bids.●

Q. AND A.: AID TO NEW YORK

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ROSENTHAL. Mr. Speaker, as the time for decision nears on aid to New York City, it is particularly important to have access to the views of all the parties involved. The judgments that this body must make will be difficult enough without having to penetrate the clouds of misinformation.

For this reason, I am inserting in the RECORD today an important series of questions and answers which should serve to introduce the principal issues which confront Congress in considering extension of aid to New York City:

1. Why does the City of New York need a long-term guarantee of its bonds?

The guarantee is needed because the City does not have access to the public credit markets, as was demonstrated by the failure of the Note Offering in November and reinforced by the difficulties encountered by the Municipal Assistance Corporation issue in January. For that reason, the City cannot obtain short-term funds or long-term capital from private sources. Even an extension of the Seasonal Financing Act will not enable the City to secure the long-term capital necessary to renovate the physical plant because lenders do not have confidence in the City's ability to meet its financing obligations.

2. Aren't there more than enough funds within New York to meet the City's financial needs?

While there are more than ample financial resources within the City, the ability to lend and the willingness to lend are unfortunately not the same thing. Lenders lack confidence in the City's ability to repay—they think the risk is too high. To reduce the risk to a level that even the most prudent fiduciary can accept, the City requested Federal guarantees of its bonds.

3. What will be the cost to the Government?

It is expected that the guarantee will, like the Seasonal Financing Act, produce a profit for the Treasury. The profit will come from the guarantee fee the City is offering to pay the Federal government. While the size of the profit will depend on the level of the fee and the amount of bonds guaranteed, the Federal Government will have made over forty million dollars from the Seasonal Loan Act by June 30, 1978 as a result of the premium the City has paid for this facility over the Government's interest cost.

4. What has New York City done to justify the guarantee?

The City has taken the following actions to justify a Federal guarantee of its securities:

A reduction in the work force by 21%, or 61,000 positions, since 1975;

The imposition of tuition at City University;

The reduction of the welfare rolls to the lowest level in eight years;

A 40% increase in the subway fare;

A reduction in fringe benefits for City employees by $41 million;

The closing of 25 fire companies;

The elimination of 77 day care centers;

The retention of independent accountants to audit City's financial statements;

The imposition of a new financial management and control system; and

Perhaps most important, the prospect of a balanced budget for the current fiscal year, ending June 30.

In addition, during the four year period, the City will take the following actions:

A further reduction in the municipal work force through attrition—4% in fiscal 1979, 3% in 1980, 2% in 1981 and 1 percent in 1982 for a total employment drop of 10% or nearly 20,000 employees;

A cost control program in materials and supplies that will force a decline in real purchases of 12% over the four year period;

Management improvements based on audits compiled by the City Comptroller;

Changes in health service delivery; and

The elimination of unnecessary programs.

5. What has the State done to help the City?

As Secretary Blumenthal said in his testimony, New York State has taken major steps to help. It now advances $800 million annually to finance seasonal short-time needs. It funds 75% of the costs of the City University senior colleges. It is assuming responsibility for funding the City's courts. It established the Emergency Financial Control Board to oversee the City's budgets and borrowings. Most recently, Governor Carey has stated his willingness to provide the City with $200 million in additional aid in fiscal 1979 to help the City balance its budget.

6. Why can't the State guarantee the City's bonds?

The State of New York is constitutionally prohibited from lending its credit in this way.

7. Why has the State proposed a $700 million tax cut if the City needs more help?

The tax cut is designed to stimulate eco-

nomic activity within the State. In the past, businesses left the State because of the heavy tax burden but it is believed that the tax cut will stop or at least reduce the overflow. To the extent this happens, it will benefit the City. However, Mayor Koch has said that if the State cannot provide the City with enough funds to balance its budget from other sources, the tax cut should be reduced.

8. What has the Federal Government proposed?

On March 1, Secretary of the Treasury Blumenthal testified before the Moorhead Committee and in his testimony he called for the Federal Government to guarantee up to $2 billion of City bonds to be sold to City and State pension funds. The guarantee would last for up to fifteen years, with the length to be determined by the Secretary. As a condition of the guarantee, the City would have to secure additional commitments for $2 billion from private sources and it would have to make its "best efforts" to sell its bonds in the public market. In addition, the City would have to accept continuation of outside review of its finances.

9. Does the Secretary's proposal address the City's seasonal financing needs?

In his testimony, the Secretary said that he believed that with the long-term guarantee in place the City would be able to meet its seasonal needs from other sources. These sources include: City and MAC public note sales, a bank line of credit, the pension funds and the State of New York. While the City hopes to be able to meet its short-term needs from these sources, it believes that it would be more prudent if the Federal Government provided a seasonal back-up.

10. Will the City accept continuation of outside review of its finances?

In his campaign, Mayor Koch called for continuation of outside review. The Administration is currently working on a proposal that it will submit to the Federal Government and the financial institutions.

11. Why does the City need a guarantee in view of its cash surplus?

Because the fiscal 1977 deficit was lower than expected and because it has been spending at a slower rate than projected this year, the City has excess cash. However, the City still expects to need outside funds early in the next fiscal year as a result of the imbalance between its spending and revenue patterns. To the extent that the City continues to generate more cash than anticipated, the outside need for seasonal financing will be reduced but the City will still need to borrow nearly $300 million in July. Unless the City has outside financing assistance, it will probably not be able to obtain these funds in view of the failure of the November Note Offering.

12. When will the City obtain a truly balanced budget?

As mentioned, the City has taken many steps to obtain an equilibrium between its revenues and its expenses and it expects to have a balanced budget in the current fiscal year on the basis of the Municipal Assistance Corporation legislation. As outlined in the Four Year Financial Plan submitted to the Secretary of the Treasury on January 20, the City expects to have a budget balanced in accordance with generally accepted accounting principles in fiscal 1982.

13. Won't a high labor contract make a balanced budget difficult to achieve?

The Mayor has, like the Secretary of the Treasury, said that any wage increases must come out of productivity and other savings so that there is no additional cost to the City.

14. In 1975, the City said the Seasonal Financing Act would be the only financing help it needed from the Federal Government. Are there any assurances that the guarantee program is the last Federal financing help the City needs?

In 1975, City and State officials believed that the Seasonal Financing Act would be sufficient to enable the City to balance its budget in accordance with the MAC Act and thereby regain access to the credit markets. Although the City expects such a balanced budget for the fiscal year ending June 30, 1978, the market problems were more severe than anyone realized and the City has not been able to sell its securities publicly, as seen in the failure of its Note Offering in November. In addition, the seasonal facility did not enable the City to make the capital improvements necessary to attain long-term vitality. Without that vitality, investors lack assurance that the balance between revenues and expenses can be maintained. While no one can predict the future with certainty, City officials believe that a continuation of the seasonal program combined with a long-term guarantee will give the City time to achieve a record of balanced budgets while reducing past financing pressures so that it can enter the market on its own strength at the expiration of the proposed program four years from now.●

INFLATION: THE WORST IS YET TO COME

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BLANCHARD. Mr. Speaker, last fall when the House of Representatives debated renewing the existence of the Council on Wage and Price Stability, a large number of Representatives and private organizations argued that the agency was not needed. I argued on this floor that the Council was the only Federal agency which could objectively monitor inflation and its multitude of causes. I also pointed out that this function was needed, especially in view of the fact that so many people and their Representatives here in Congress would prefer the easy road of finding some convenient scapegoat for inflation, rather than having to face the reality of the numerous causes of inflation.

I suspect this attitude is precisely why the Carter administration finds it difficult to discuss inflation or develop a comprehensive plan for dealing with this difficult and persistent issue. Too many groups and interests, including the Congress, want to avoid whatever scrutiny they may receive if the Government zeros in on a specific anti-inflation proposal.

In this context, I think a recent column by Hobart Rowen in the Washington Post should be called to the attention of my colleagues. This March 16 item reads as follows:

INFLATION: THE WORST IS YET TO COME

"Inflation," says the nation's chief wage-price watchdog, Barry Bosworth, "just will not take care of itself." That may prove a fitting epitaph to the Carter administration's moribund anti-inflation program.

If there is a single dramatic failure of the Carter administration so far, it has been its inability to grapple with rising prices. Perhaps more than anything else—more than the absence of a believable energy program—Carter's lackluster leadership on the anti-inflation front has been responsible for the tumbling U.S. dollar.

At the final pre-Inaugural meeting of his economic advisers in Plains, Ga., in December 1976, Carter may have given away the ball game by abandoning the notion of anything as mild as voluntary wage-price guideposts. The paranoiac fear, then, was that even a gentle hand to moderate wage and price increases would shatter "business confidence."

Bert Lance was ruling the roost at that time, espousing the philosophy "If it ain't broke, don't fix it." Even liberal economic adviser Charles L. Schultze thought the economy could be pushed forward for a year or so without rekindling inflation.

Bosworth, frustrated by an endless list of Carter administration actions actually boosting inflation, has presented his colleagues with a shopping list of actions the government itself could take to curb inflation.

Treasury Secretary W. Michael Blumenthal, who has done little behind the scenes to get Carter onto a tougher anti-inflation stance, now labels inflation instead of unemployment the nation's No. 1 economic problem. G. William Miller, the new chairman of the Federal Reserve Board, has hinted broadly that unless he gets some help from the administration in fighting inflation, the burden of the battle will continue to fall on the Fed through high interest rates.

The key fact that Carter must come to grips with is that in his administration the declining trend of inflation from 1975 to 1976 was reversed in 1977, and threatens to go higher.

And unless Carter takes some decisive action now to slow rising prices in 1978, the nation will enter a highly active collective-bargaining year in 1979 with an inflationary spiral at high momentum. It could be another disastrous double-digit experience.

Anxiety has been heightened by the consumer price index for January, already at an annualized rate of 9.9 percent. True, just one month, but a bad one. The wholesale price index jumped 1.1 percentage points in February, more than it used to rise in some whole years. And while some of the wholesale price rise is traceable to food costs, which may come down later, it doesn't bode well. To talk about an "underlying" inflation rate of 6 percent, as Schultze insists on doing, is to ignore what is actually going on.

And just look at what lies ahead: There is the prospect of ever higher energy prices, including coal after the current strike is over, and natural gas, which now has the Carter blessing for deregulation.

Dollar depreciation raises the costs of a whole range of imported goods. Moreover, inflationary pressures are touched off by restrictive trade quotas, minimum prices for steel, the cargo preference system, new minimum wages, farm-support legislation and last, but not least, by sharply higher Social Security taxes—all actions initiated or supported by Carter.

The times cry out for a stronger antiinflationary guide to the private sector than Carter has been willing to risk. The Federal Reserve Bank of New York—surely no radical institution—recently observed that some means of breaking the deeply entrenched wage-price spiral is needed, adding: "It is the basic appeal of incomes policies that they might provide a means of doing so."

A half-dozen noted economists ranging from liberal James Tobin of Yale to Henry Wallich, conservative governor of the Federal Reserve, have suggested using tax credits or penalties to induce business and labor to comply with numerical guideposts.

The idea may have bugs in it, but the Carter White House, still reflecting Bert Lance's prejudices, has peremptorily ruled it out as politically unwieldy. "We've got enough problems with Congress, business and labor without looking for more on this thing," says an influential White House advisor.

So all we've got left is the administration's plea to business and labor to decelerate wage and price increases by one-half point a year. The only new thing on the horizon, in-

siders say, is "better advertising" of this wet-noodle initiative. So batten down the hatches, folks—the worst is yet to come.●

THE 60TH ANNIVERSARY OF BYELORUSSIAN INDEPENDENCE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FARY. Mr. Speaker, I would like to take this opportunity to remind my colleagues that March 25 marks the 60th anniversary of the declaration of independence of the Byelorussian Democratic Republic. It is, indeed, a shame that this independence was so short-lived.

In March of 1917, czarist rule in Russia came to an end and the people of Byelorussia, long a victim of Russian imperialism, had an opportunity to restore their national sovereignty. Later that year, the First All-Byelorussian Congress, consisting of 1,872 democratically elected representatives, choose independence and on March 25, 1918, the Council of Congress proclaimed the creation of the Byelorussian Democratic Republic. This freedom, however, was only temporary, for in December of 1918, divisions of the Soviet Red Army swarmed into this new nation, thus reducing it to the mere status of a union-republic of the Soviet Union. Since then, the Byelorussian people have come to know the oppression of Communist tyranny.

For instance, in 1929, the forced collectivization of agriculture was accompanied by the arrest and deportation of 1.5 million Byelorussian peasants. The terror tactics, mass arrests, shootings, and deportations continued into the 1930's. In 1933–31, many intellectuals were arrested; in 1933–34, all the Byelorussian members of the Polish Parliament were arrested; and in 1936–37, over 90 poets, writers, composers, dramatists, artists, and professors were arrested and many were shot.

Even becoming a member of the Communist Party was not enough to spare Byelorussians from Stalin's atrocities. In 1938, many high Byelorussian Communist Party officials were arrested and many thousands of their government officials liquidated. Their replacements were non-Byelorussians.

Furthermore, these people have been subjected to intensive Russification by their Russian masters, who are the ruling segment of the population in Byelorussia and who represent these people before the world, giving the impression that Russians are the same as Byelorussians.

As a result of the Russian presence, the Byelorussian people are deprived of the use of their language in the government, in scientific and cultural institutions, and in the schools, with the exception of some rural areas where the Byelorussian language is still allowed.

Mr. Speaker, it is very popular to speak of détente in this day and age, and while we must continue to seek an easing of international tensions, we also must not forget that there are many in the world who do not enjoy the fruits of freedom and therefore, are at the mercy of their oppressors. Such is the case in Byelorussia.

This day of commemoration should remind us that this yoke of oppression still binds many people of the world. As a nation that knows how precious freedom is, we extend our compassion and understanding to the Byelorussian people who must still struggle to be free.●

THE NEW YORK CITY FINANCIAL ASSISTANCE ACT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. McKINNEY. Mr. Speaker, the New York City Financial Assistance Act of 1978 was introduced today with cosponsorship by a majority of the members of the Economic Stabilization Subcommittee of the Banking Committee. As ranking minority member of this subcommittee, I am pleased that we can say the proposal has bipartisan support.

As Secretary Blumenthal said when he testified on the issue of assisting New York, most immigrants arriving in this country still believe that New York City is America's capital. Most of our ancestors probably had that belief long before arriving on our shores because New York is our premier city throughout the world.

Continuing a program of Federal assistance to New York should not be a partisan issue. The accumulation of fiscal programs goes back 10, 20, or 30 years—depending on your perspective—and includes city and State administrations of both persuasions. Who should be blamed for the city's fiscal condition is not the major issue. What has been done to correct the abuses and how much more has to be done to finish the job are the points that must be addressed by all of us.

Our recent hearings illustrated the importance of a continued Federal role in New York. The city has made a great deal of progress since 1975, but the job is only half done. Without our participation the gains will be lost and, before long, Congress will be asked again to respond to an imminent bankruptcy.

Therefore, I think it is a positive sign that the Economic Stabilization Subcommittee has taken this initiative now and in this form.

I hope that we will hold markup sessions on this bill immediately after the district work period. I expect that some of my colleagues may have amendments to today's language. None of us who are sponsoring this bill feel that it represents perfection. But it does embody our basic belief that the Secretary of the Treasury should be authorized to extend assistance to the city under extreme conditions and severe controls.

This bill does not represent a threat to our federalist system but it does allow for strong oversight by Federal authorities. It does not establish a precedent for other cities because New York City is, in fact, unique among all American cities. I, for one, feel that we should be prepared to offer other cities assistance because existing Federal and local actions will only lead to more urban disaster areas. But since Congress only deals with existing cases, and never anticipates future problems, I am willing to concede this point and make this assistance available only to New York.

The chairman of my subcommittee, Mr. MOORHEAD of Pennsylvania, is including in today's RECORD a copy of the bill and explanatory language. I do not intend to be repetitive so I am using this time simply to add my strong endorsement for this proposal and the intent behind it. We have recognized New York's condition and now I am proud that we are acting responsibly to correct it.

Time is a critical factor and we must move quickly. Not only in the Banking Committee but in this Chamber as well as in the other body. I can tell you now that this committee will bring a bill to the floor that will complete New York City's fiscal recovery and terminate our periodic involvement. I urge my colleagues to give us their support when we present our finished package.●

STATEMENT ON CONFERENCE REPORT TO CURTAIL MANDATORY RETIREMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BIAGGI. Mr. Speaker, we are on the threshold of achieving another legislative milestone in the history of this Nation. Passage of this conference report will mean the curtailment of one of the most vicious and unjustified forms of discrimination practiced against any group in these United States—namely the practice of mandatory retirement on the basis of age. I am personally proud to have been so closely associated with this legislation by being a member of the two committees which were the foremost advocates of this bill, the House Education and Labor Committee and the House Select Committee on Aging.

The legislative history of H.R. 5383 is replete with both commonsense and practical compromises. The end result is a good bill which should gain easy House and Senate approval as well as a certain Presidential signature.

The justification for this legislation are abundant and clear. There has never been shown one rational reason why persons solely on the basis of age should be forced to retire. Conversely a whole host of reasons ranging from economic to humanitarian exist for abolishing this travesty.

I have conducted hearings as a member of the House Select Committee on Aging and have learned firsthand from both victims of and exceptions to mandatory retirement that the elderly person of today wants to work. They want competency, not chronology, as the criteria for continued employment. They

want their value measured by their experience, not demeaned by their age.

There are compelling medical reasons to do away with mandatory retirement. An American Medical Association study stated that forcing people to retire against their will accelerates the aging process and is a direct threat to the health and life expectancy of the persons affected.

In no area are the harsh consequences of mandatory retirement felt more than economically. Retirement income is just one-half that of preretirement. This results in more senior citizens sliding into poverty and a life filled with despair.

I also cite the relationship between lifting the mandatory retirement age and the future of the social security system. The trust fund's depletion was due in large part to a decreasing number of younger workers and an increasing number of elderly beneficiaries. We know statistically that allowing persons to work past 65 and continue contributing to the system could result in savings for the system of $600 million in 5 years.

We are undertaking an important first step here today. I would prefer, and have cosponsored legislation, to bar mandatory retirement entirely. The realities are that this concept is not acceptable yet. I would expect nonetheless to sponsor legislation, once this bill is signed, to remove all remaining exemptions and to have this practice abolished entirely.

This Nation is overwhelmingly in favor of this legislation. Eighty-six percent of those surveyed in a Harris poll expressed their opposition to mandatory retirement. Another 4 million elderly were identified by the National Council on Aging as being willing to work if an opportunity were available.

In 1964, Congress passed the landmark Civil Rights Act. In 1965, Congress passed the equally significant Voting Rights Act. In 1978, Congress will pass H.R. 5383. The parallels are obvious. All these bills were sponsored and passed to rid this Nation of an injustice, a practice, which violated the principles of democracy. All came after strong advocacy by the affected groups. All had strong leaders in the Congress pushing for passage. In the case of H.R. 5383, the driving forces and inspirations are Chairman CLAUDE PEPPER of the House Select Committee on Aging and Congressman GUS HAWKINS, Chairman of the Subcommittee on Employment Opportunity.

Discrimination is an evil which must be expunged from this Nation. It must be destroyed wherever and against whomever it is directed. We are taking a major step in removing the stigma of age discrimination in employment today. It is a step long overdue which cannot wait a day longer to be completed.●

CONGRESSIONAL LONGEVITY

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BENNETT. Mr Speaker, the March 18 edition of the Washington Post carried a very interesting editorial entitled "Congressional Longevity." For many years I have looked at the longevity situation and made studies about it and the conclusion I have come to is that it is the basic right of all communities to send whatever Congressman they want to send to the House of Representatives regardless of age, race, sex, et cetera, and this should not be tampered with. However, to say that there is no difficulty about the present longevity or seniority system in Congress is to play the ostrich. There are committees in Congress in which the incoming chairman from time to time, more likely than not, will be in his late sixties or early seventies or even older because whoever preceded him as chairman either came to the chairmanship about the same age and then stayed on or came to the chairmanship at a much earlier age and stayed on through decades or at least many years.

A much better system would be to have some sort of limit on the length of terms of chairmen. I have suggested in legislation I have introduced a limit of three terms of 6 years; but 10 years might be a good compromise. Having a definite period toward which one could look for the chairmanship would allow preparation for the work to be done; and having a limited term would give a sense of fulfillment of using those years of chairmanship for the very best results. More important, the opportunity for fresh leadership would be available by such a system. The editorial in the Washington Post is included hereunder and it supports the idea for which I have been working for a long, long time:

CONGRESSIONAL LONGEVITY

One of those perennial attempts to reform Congress by limiting the terms of its members was trotted out again this week before a Senate Judiciary subcommittee. Under consideration are two constitutional amendments that would limit the service of future senators and representatives to 12 or 15 years. Proposals like these have been floating around at least since 1951, when the Constitution was changed to restrict presidents to two full terms. We hope they continue merely to float and don't light.

It needs to be conceded that proponents of amendments like these, introduced by Sens. Dennis DeConcini (D-Ariz.) and John C. Danforth (R-Mo.) are focusing on a real problem: the stagnation that prolonged terms in high office can produce. The seniority system, even though it is not so strong now as it once was, places enormous power in the hands of longtime members of Congress solely because they have been there so long. That, coupled with the political advantages that incumbency generates, makes it increasingly difficult for new blood to fight its way to Washington. Even when a veteran member has dropped out of touch philosophically with his constituents, he is often able to stay in office because party officials prefer power to issues.

Sen. DeConcini also argues that this distribution of power operates to deny equal representation to voters in states and districts where hot political competition makes is difficult for any person to stay long in Congress; the representatives of those areas are never able to stand on an equal footing with those from districts that send back the same legislator election after election.

Those are valid and appealing arguments. They make the proposed limits on congressional terms seem attractive. But the senators have traced the problems to the wrong source and are thus prescribing the wrong cure. The evils—and they are that—of which they speak grow not out of unlimited service but out of the way in which Congress itself has chosen to treat that service. The cure, then, is not to keep particular people out of Congress, but rather to limit the power and prerogatives that Congress grants to those members who win reelection repeatedly. For example, restricting the length of time a member could be a committee chairman or, even, serve on one committee might not change the situation as much as would the proposed amendment, but it would certainly reduce the advantages of long service.

To attack this problem the other way, as the proposed constitutional amendments do, is to place an additional restriction on the right of voters to choose whomever they want to represent them in Washington. That right of choice is so fundamental that it should not be tampered with. Voters should be allowed to elect—and reelect—to Congress whom they please.●

INDIAN POLICY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FISHER. Mr. Speaker, the following is the text of a speech recently given by one of my constituents, Theodore W. Taylor, before the Interstate Congress for Equal Rights and Responsibilities in Denver, Colo. The speech is entitled, "Indian Policy with Respect to Rights and Responsibilities."

Mr. Taylor is a former Deputy Commissioner of Indian Affairs and I believe his remarks will prove beneficial to my colleagues as the debate on Indian policy continues.

The speech follows:

INDIAN POLICY WITH RESPECT TO RIGHTS AND RESPONSIBILITIES

(Remarks by Theodore W. Taylor, formerly Deputy Commissioner of Indian Affairs, prepared for the meeting of the Interstate Congress for Equal Rights and Responsibilities, Denver, Colorado, February 24, 1978.)

One of the most challenging issues facing us as a nation is the eroding linkage between (1) rights and services received and (2) responsibility to support and work for such rights and services. Rufus Miles in his book "Awakening From the American Dream" (Universe Books, 1976) points to this problem for our society as a whole. Here, however, we will consider only the situation of the American Indian, which has unique aspects which tend to intensify the problem.

Beginning in the 1800s Indians became citizens through treaties or statutes, and in 1924 all Indians not already citizens became citizens. They are citizens of the United States and of the states in which they reside. How are the "rights" and "responsibilities" of state citizenship being carried out by the state's reservation Indian citizens?

GOALS OF INDIAN POLICY

We cannot examine the history of Indian policy here, but will briefly discuss the current aims of Indians, state governments, and the federal government.

Indian leaders look toward self-sufficiency. Responses to a questionnaire in 1971 indicated that Indian leaders desired to build up individual and tribal competence, increase economic resources and payroll, and look to the day when Indians can support themselves and their governmental institutions. (Theodore W. Taylor, "The States and Their

Indian Citizens," GPO, 1972, hereafter referred to as The States, p. 256 ff.)

States look toward self-sufficiency. For example, Montana indicates ". . . it is the legislative policy of this state that the best interests of the Indians will be served by the fostering of a program which is designed to establish and place our Indian citizens in a position whereby they will be able to take their rightful place in our society, and assume the rights, duties and privileges of full citizenship. . . ." Florida's Indian legislation ". . . is to protect the Seminole Indians of Florida against undue and unnecessary hardship during these difficult years of transition from their ancestral culture . . . and to aid said Indians to obtain independence as a tribe and as individuals."

States also recognize that Indian culture has to be respected and that progress in adjustment to the surrounding culture will require Indian desire and participation. The Minnesota Commission on Indian Affairs recommeded that state officials in law enforcement, welfare, education and other functions "place emphasis on outreach programs that recognize the Indian as an Indian and that facilitate his participation and achievement." A former Deputy Commissioner of the Maine Department of Indian Affairs stated: "There should be no unilateral action on the part of non-Indians to improve Indian conditions. The situation will be changed only through determined efforts on the part of Maine Indians." (The States, pp. 202, 203)

Indians recognize the states as important in achieving the goal of self-sufficiency. Former Chairman of Arizona's Commission on Indian Affairs, Bill Alcaida, a member of the Colorado River Tribe, hoped the Commission's report of working with state and federal agencies, tribal councils, and legislators would "bring about circumstances that will definitely include the cooperation of the Indian citizens of Arizona as an important part of the state's future." The Oklahoma commission voiced similar objectives.

Federal policy looks toward self-sufficiency. As Commissioner Louis Bruce put it in 1971: "Most everyone will claim the same goals for Indians—economic self-sufficiency, the fulfillment of promises made by the Federal Government, and a standard of living comparable to that of other American communities." (The States, p. 122)

Thus, the policy goal of self-sufficiency—the ability of Indian people to stand on their own feet—seems to be the same on the part of many Indian leaders and state and federal leaders.

FACTS AND MYTHS

Before turning to possible policies for achieving the goal of self-sufficiency let us review some current facts that bear on what approach may yield the greatest promise.

1. "Where" do Indians Live?

When we talk about Indians we tend to picture a homogenous tribal group on contiguous trust land within a reservation boundary. Often this is not the case. There may be 10 million persons with some Indian blood in the United States (Nancy O. Lurie, "The Enduring Indian", Natural History Magazine, Nov., 1966), yet the 1970 census showed only 827,000 identifying as Indians. Of these, only 477,000 had some connection with the Bureau of Indian Affairs (BIA) in 1970 (638,000 today), the others being scattered through the rest of the population along with the 9 million who did not identify as Indians. In 1970, 37 percent of those identifying as Indians lived in metropolitan areas such as Los Angeles, with 25,000.

Thus, Indians are widely dispersed and many do not live on reservations or under tribal governments.

2. "Who" is an Indian?

The Indian Reorganization Act (IRA) of 1934 provided that Indians who were descendants of enrollees in federally recognized tribes in 1934, or who had at least 50 percent blood could qualify for Indian preference under the terms of that act. Federally recognized tribes may set any degree of blood quantum they wish; some members have minute quantities of Indian blood. Federal statutes defining eligibility for Indian education prescribe a minimum of 25 percent Indian blood. BIA decides who qualifies for Indian claims awards. The Meeds' Bill (H.R. 9950) defines an Indian member of a tribe as one domiciled on the reservation, while the Abourezk Bill (S. 2502) does not require domicile on the reservation.

As indicated above, many people with Indian blood no longer identify as Indians. There is a great deal of movement, too, of federally recognized Indians between their reservations and outside communities—for work, for visiting, and for greater or lesser periods of time. Many non-Indians live on fee land within reservations, work for the tribes or business enterprises on the reservation, and inter-marry with Indians.

3. Adequacy of Indian Land and Physical Resources

It is recognized by most that the Indian land base cannot adequately support Indians that are members of tribes with reservations. Although Indian and BIA efforts to use resources available for maximum results are to applauded, they cannot support all of the tribal membership in most instances. Nor can sufficient land be acquired to provide a land-based economy for most Indian tribes. Self-sufficiency will require other solutions in addition to maximum use of physical resources.

4. Trust Land

It should be remembered that the trust concept was applied to Indian land to protect it, on the assumption that Indians were not competent to manage the land themselves in the context of the larger society by which they had been engulfed. The American Indian Policy Review Commission (AIPRC) report recommends expanding the trust concept to all federal activities to assist Indians, thus legislating a moral obligation for a broad scope of government services. The Commission stated that "the concept of sovereignty and trust are imperative to the continuation of the Federal-Indian relationship." As we have seen there is not enough Indian land to support most Indian groups.

Rather than expanding the trust concept, a close look at current trust operations might be more appropriate. If the Indian on an allotment wants to use his land (rather than lease it) he receives very little supervision. The same is largely true of tribes, eg. Navajo grazing. If a lease or use of non-renewable resources such as oil or coal is contemplated, the BIA must approve. Even here the tribes often take the initiative and argue "self-determination" if the BIA proposes to interfere with their desires. AIPRC recommended that tribes have the right to override government exercise of the trust, with the proviso that the government not be liable for the results in such a situation.

The fact is that Indians are more and more making their own decisions with regard to their land and physical resources, though the trustee is still liable for any miscalculations. The formation of the Council of Energy Resource Tribes (CERT) and Peter MacDonald's recent discussions with James R. Schlesinger and President Carter are indicative of this Indian initiative in the management of their resources. The sophistication of tribes and their leadership have changed markedly in the last 15 years.

The actual practice of the trust responsibility should be reviewed to see if it is applicable to today's reality.

5. Responsibility for Indian Condition

If Indian income is low, health poor, or Indians suffer some other disadvantage, the tendency is to blame BIA, IHS, or "the government". To some extent this may be merited, but not entirely. Progress on the part of an individual or a group depends on their desire, their will, and the discipline exercised to achieve a goal. The best administered, amply funded program cannot change individuals or a group if they do not desire the change, work for the change, and become involved in the change. As Black Elk said "We often blame the white man for our lack of progress but we must also shoulder a large part of the blame." (The States, p. 130)

This nation has a responsibility to help Indians adjust. But if they do not wish to adjust, so be it. We do not have a perpetual obligation to provide a special Indian subsidy.

In this connection the "guilt complex" of many citizens for the past treatment of Indians should be assessed. The Iroquois decimated the Hurons. Our ancestors invaded North America. None of us alive today were responsible for either event. We need to resolve today's problems without the myopia of "guilt" on the one hand or the myth of an "eternal obligation" on the other.

6. Indian "Sovereignty"

It is easy to see how the concept of Indian sovereignty developed. It used to be true. Indian groups were independent when the Europeans invaded America. Our negotiating tools were treaties and the army.

Many changes have occurred. Game was slaughtered and Indians forced onto reservations. They could not support themselves. Many were issued rations, including the Sioux, in order to survive. Treaty making stopped in 1871. Indian agents became the "government" for many tribes.

In 1924 all Indians became citizens of the U.S. and of the states in which they resided. Sovereignty under our constitution rests with the people, and they have designated two levels of government to act on their behalf—the federal government and the state governments. The Indians are now a part of "the people".

The courts still say that Indian tribes possess full sovereign powers except in foreign relations and to the extent they are limited by Congress. Most tribes are limited by Congress. The courts almost have to take this posture in the case of tribes who have no statutory base for their governments. But this statement is used to build up the myth that Indian groups are still sovereign and semi-independent.

Lets look at some of the facts that do not fit into the concept of sovereignty:

a. Congress, not Indian groups, has supreme legislative authority on Indian matters.

b. Major crimes on Indian reservations are tried by U.S. attorneys in federal courts, not by Indian tribal members in tribal courts.

c. Many civil cases are processed in state courts for some reservations rather than tribal courts.

d. Most tribal land, as well as individual Indian land, is under government trusteeship—which means the federal government, not Indian government, has final approval of the use of the land.

e. Many tribal governing documents are based on the IRA or other statutory authority, not on inherent sovereignty of the tribe.

f. The federal Indian Civil Rights Act controls Indian tribal governments.

g. Seventy percent (70 percent) of reservation Indian children are educated in state public schools, not tribal schools; they are under state school law, curriculum, and procedures. Practically all non-reservation Indian children are in state public schools.

h. The categorical aid programs under Social Security (Old Age Assistance, Aid to the Blind, Aid to Families with Dependent Chil-

dren, Aid to the Permanently and Totally Disabled) are administered through the states for all of their citizens, including Indian citizens both on and off the reservation.

i. Reservation roads, for the most part, are built and maintained by the state, county, or federal governments, not tribal governments.

j. Most hospital and medical services on reservations are provided and operated by HEW; normally they are not funded and operated by tribes or tribal governments.

k. Most tribal governments do not tax tribal members to support governmental services; they are subsidized by the general taxpayer through BIA and HEW and/or use income from the sale of tribal resources. Over one billion dollars in special Indian subsidies are appropriated by the Congress for programs for federally recognized Indians each year. The states also, in varying degree, provide funds and services for their Indian citizens, including those on federal reservations (courts, child welfare services, schools, universities, penitentiaries, roads, and many others).

It is obvious that Indian governments and Indian citizens on federal reservations may be more dependent on the state and federal governments than the rest of us. They receive many services for which they do not pay. They are not self-supporting. This is a condition that could better be described as "dependency" rather than "sovereignty".

Yet the concept of Indian "sovereignty" misleads many Indians and non-Indians. Congress should legislate statutory authority for Indian governments not now having such authority and flatly state that there remains no vestige of tribal sovereignty.

REPRESENTATION WITHOUT TAXATION

Indians are not taxed on trust land, nor on the proceeds from trust land. Yet they vote (and hold offices) in county and state elections which affect every citizen in the county and the state, except Indians residing on trust land within a federal reservation in some instances.

On the other hand, non-Indians within a reservation boundary, even though they own their land in fee, may be taxed or regulated by the tribal government, some Indians and others claim (See AIPRC report). These non-Indians do not generally have the right to vote in tribal elections. So there is also the possibility of "taxation and regulation" without "representation" of non-Indians as illustrated by the Oliphant case (Susquamish).

RIGHTS WITHOUT RESPONSIBILITIES

Indians recognized by the federal government living on trust land within federal reservations.

Have the right to a free education (from the state or federal government) without having to pay for it.

Have the right to medical and hospital services without having to pay for them.

Have the right to many services extended by the state—police, courts, child welfare, institutional care, and the like—without having to pay for them.

Can vote in local and state elections which will primarily affect other citizens, not themselves.

Can be elected to local and state office and take action affecting local or state citizens, but which they and other Indian citizens may not be subject to.

Have the right to have their land managed by federal employees without cost to them, and to receive the proceeds of the land.

Have the right to damages if the federal managers of their assets make a mistake.

Have the right to be free of taxes on their land and trust assets, yet receive the income from them and other governmental services without cost.

Have the right to fish and hunt on Indian land and some non-Indian land without regard to state conservation measures, thus in some cases jeopardizing the wildlife supply for themselves and other citizens.

These "rights", it seems to me, are not balanced by related "responsibilities".

ALTERNATIVE POLICIES FOR REACHING GOALS

One approach is that proposed by the AIPRC: development and entrenchment of the concept of Indian sovereignty and covering all services by the federal government under the aura of "trust responsibility". Thus the proposed "Tribal—State Compact Act of 1978" provides for putting into statutory language: "The policy of this Nation is premised on the status of tribal governments as a continuing part of the American political fabric". The forwarding of the social and economic development of Indians would be provided in this framework. The bill also makes it difficult for the Secretary of Interior to carry out his trust responsibility in a flexible manner. This approach hampers the matching of rights and responsibilities because of the institutional conflict built into it. This view is most likely to prevail, although I believe it is unnecessarily cumbersome. It has not been chosen as a process by all tribes in the past. I suspect other tribes and states will want to modify current relations in the future if the evolution of events makes it logical and desirable to do so.

Another approach is that presented by Lewis Meriam in his landmark study of 1928, and which underlay much Indian policy up through most of the 1950s. (The Problem of Indian Administration, edited by Lewis Meriam, Institute for Government Research, Johns Hopkins Press, 1928.) Meriam saw the dangers of rights without responsibilities. He believed the primary task of the federal government to be education—to forward the social and economic development of Indians—so that they could either (1) be absorbed into the prevailing civilization or (2) "be fitted to live in the presence of that civilization at least in accordance with a minimal standard of health and decency." The States, p. 123; Meriam p. 21.) He went on to say "It is essential that the Indians be educated to utilize the services furnished by local and state governments and that they learn the obligation to contribute to the support of these activities." (Meriam, p. 43) Further he stressed that the process must be gradual, must build on Indian culture, and must be related to ability to pay. It should be done in such a way that the "relationship between benefits received and tax payments therefor should be obvious." (Meriam, p. 43)

The above illustrates two different policy approaches. There certainly are other possibilities, but these illustrate alternatives in procedural and policy emphasis to meet the mutually agreed on goal of self-sufficiency.

POLICY ISSUES REQUIRING ACTION

The preceding discussion indicates the need for certain legislation:

1. Legislation specifying that since Indians are citizens of their states and the U.S. that neither Indians nor Indian groups have any unique sovereignty because of their Indianness. Indians without a statutory charter for their governmental powers should be subject to such legislation.

2. Legislation that will encourage local self-government of Indian groups under state legislation, such as for counties and cities, and provide federal assistance to make this possible for at least as long as trust land cannot be taxed.

The Tribal State Compact Act of 1978 (S. 2502) should be adopted as it would provide a flexible framework for negotiation and agreement between tribal and state governments. However, S. 2502 should be modified to eliminate (1) the premise of "tribal governments as a continuing part of the American political fabric" and (2) the limitations on the tribal and state governments and the Secretary of the Interior in carrying out the Secretary's trust responsibility provided in the bill as proposed.

If S. 2502 is not acceptable, then the specific division of jurisdictional responsibility between tribes and state should be considered along the lines of the Meeds Bill, H.R. 9950. If the S. 2502 or H.R. 9950 approaches are not seriously considered, there may be increasing sentiment for the Cunningham approach, H.R. 9054.

3. Legislation to establish a commission of Indian and non-Indian members to study the actual operation of the current trust responsibility to determine if it is still needed for all groups or whether it should be modified.

There are three other areas requiring legislation but which were not discussed in the body of these remarks:

1. Adequate appropriations to facilitate and speed up resolution of reservation boundaries, water rights, and heirship problems. These are clearly federal responsibilities.

2. Legislation to provide for a statute of limitations in Indian law.

3. Adequate appropriations by state legislatures are essential for any functions or services to be provided reservation-based Indians by the state. The lack of funds was a serious flaw in state performance in many instances under P.L. 280. Fortunately, S. 2502 recognizes the importance of funding to adequate performance. It provides authorization for the federal government to fund states and tribal governments in carrying out the provisions of compacts or agreements negotiated if local resources are not sufficient.

If the above can be accomplished, I believe the foundation will have been laid on which citizens of good will—Indian and non-Indian—can build to achieve self-sufficiency and a balance between "rights" and "responsibilities".●

HUMAN RIGHTS VIOLATIONS CONTINUE IN CYPRUS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. EILBERG. Mr. Speaker, as a body which is committed to the defense of human rights wherever they are endangered, we should be aware that a grave violation of freedom and human dignity is still taking place in Cyprus.

The Nation of Turkey continues to occupy more than 40 percent of Cypriot territory. Right now, there are some 30,000 Turkish troops on the island of Cyprus, as well as Turks who have been sent to Cyprus as illegal colonizers by the Turkish Government.

These troops and settlers have been given Greek-Cypriot homes and land in the Turkish-occupied territory, in defiance of international law.

Mr. Speaker, I share the concern of many of the citizens of Philadelphia who are outraged by the continued Turkish occupation of Greek-Cypriot land, and who vigorously oppose the lifting of the U.S. embargo against the sale of arms to Turkey.

Recently, the Senate of Pennsylvania adopted a resolution which demonstrates the deep concern felt by residents of our city and State. I commend the text of this resolution to my colleagues, because it is an eloquent commentary on the humanitarian crisis which now exists in Cyprus because of the refusal of Turkey to remove its troops:

Whereas, For over six decades through two world wars and an intense civil war to hold back communism, Greece has been a fighting ally and friend of the United States, and is now an indispensable ally and the symbol of democratic government in Eastern Europe; and

Whereas, Greece is essential to the security of the United States and the Free World in the Mediterranean area and is essential for the safeguarding of the Sixth Fleet in the Mediterranean; and

Whereas, Turkey has attacked, seized and continues to occupy the independent island nation of Cyprus, by illegal use of United States supplied military weapons in violation of the United States Foreign Military Assistance and Sales Acts, and in violation of four United Nation Resolutions; and

Whereas, The humanitarian crisis on Cyprus, involving 200,000 Cypriot refugees, grows increasingly more desperate, as the prospects for a negotiated settlement appear dim; and

Whereas, President Carter has declared that the United States foreign policy shall be committed to the protection of human rights, and he has proceeded to withdraw United States aid from nations which have persisted in violation of human rights, such as Turkey has committed, and is continuing to commit, against the people and the nation of Cyprus; now therefore be it

Resolved, That the Senate of the Commonwealth of Pennsylvania urges the President and the Congress of the United States to exert their best efforts towards a just resolution of the Cyprus conflict, to effectuate a removal of all foreign troops from Cyprus, to restore the 200,000 suffering Cypriot refugees to their homes, and to restore to the people of Cyprus the right of self-determination; and be it further

Resolved, That the Senate of the Commonwealth of Pennsylvania urges the President and the Congress of the United States to give generous support to the Cypriot refugees, and to continue to support Greece by annual aid authorizations and to continue the embargo on arms to Turkey until such time as Turkey acts to resolve the Cyprus conflict; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States and to the presiding officer of each House of Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States.

CAMPAIGN REFORM OR POLITICAL POWER PLAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. GILMAN. Mr. Speaker, I have long been a supporter of public financing of election campaigns, and have both publicly enunciated my support for the concept in general, and have also cosponsored public financing legislation—H.R. 10536 (93d Congress) and H.R. 5159 (95th Congress)—bills to improve the conduct and regulation of Federal election campaign activities and to provide public financing for such campaigns. I have consistently embraced campaign reform and responsible measures to assure that election practices are conducted within well defined boundaries of probity.

Thus, it is with some regret that I was forced yesterday to vote against the rule making it an order for the House to consider H.R. 11315, Federal Election Campaign Act Amendments of 1978. However, the procedures used to bring this bill to the floor reflect a most blatant attempt by the majority party to circumvent established rules governing the consideration of legislation by the House.

While the majority leadership would have us believe that their concern is with assuring that House candidiates enjoy an equitable sharing of contributions, in effect the House Administration Committee has reported out a bill which if passed would have electively begun the process of shaking the foundation out from under the feet of this Nation's cherished two-party system.

Others, besides the Republican Party and a sizable number of Democrats voting against consideration of H.R. 11315, were quick to point out the unconcealable partisan provisions of this legislation. In a March 10, 1978, editorial entitled "In Front of God and Everybody," the Los Angeles Times pointed out that Democratic Party maneuvering to undercut successful GOP fundraising has produced a bill conceived of the principle that "All shall be equal—except that the Democrats, already in power, shall be a little more equal." The Times branded the Democratic maneuver as an "attempt to mug the opposition in broad daylight in front of the Capitol."

The Washington Star, also in a March 10, 1978, editorial, queried, "What are the Democrats afraid of?" The Star asserts that, "A more partisan maneuver hasn't come along in a long time." Describing Democratic efforts to "cut down the other guy," the editorial states that, "The Democratic Party, because of inefficiency or other reasons, can't seem to raise as much money as the Republican Party." As to the measure of campaign reform involved, the Star points out that, "The Democrats won't even answer Republican questions as to what public interest their (the Democrat's) proposal is supposed to serve."

Moreover, according to a Washington Post article of March 22, 1978:

Fred Wertheimer, vice president of Common Cause, the chief lobby supporting public financing, said, "Opponents of public financing could not have had better allies than House Administration Chairman Frank Thompson and Majority Whip John Brademas.

Their legislative proposal to drastically cut political party limits completely sabotaged this effort to enact congressional public financing.

In effect a coalition of majority members of the House Administration Committee, alarmed that Republican Party financial support continued to outpace Democratic Party resources, voted to drastically reduce the availability of Republican funds raised according to the provisions of previous legislation and Federal Election Commission guidelines. The motivating factor in this partisan maneuver: The Republican Party raised $18.5 million in 1977, while the Democratic total for the same period amounted to only $5.6 million. The Republican Party has been able to financially support its members more vigorously than its Democratic counterpart; however, under the terms of the proposed legislation the Republican Party's efforts would be devastated while the funding capabilities of the Democrats would emerge only minimally disturbed. The legislation would have drastically reduced the political effectiveness of 1.3 million Americans who contribute an average of less than $25 to Republican candidates through party contributions.

Consideration of H.R. 11315 was characterized by secretive maneuvers denying open hearings and the timely consideration of key provisions of the legislation.

The minority members of the House were gratified by the significant number of Democrats who joined their Republican colleagues in defeating the motion to consider this ill-conceived legislation. The minority, and indeed all citizens concerned with protecting minority rights and preserving the long respected tradition of a two party system, were vindicated by the defeat of power politics.

Just prior to floor consideration of this legislation, several last ditch movements appeared to patch up the bill so as to compensate for the inequities Republican Members would suffer at the hands of H.R. 11315 as introduced. However, the history of partisan shenanigans associated with the measure gave little assurance to those Republicans wishing to support public financing that the debate on H.R. 11315 would be free of strong-arm parliamentary maneuvering which in the end might reinstate those provisions of the bill deliberately designed to favor Democrats and severely undercut legitimate Republican fundraising efforts.

True campaign reform does not arbitrarily shift the rules of the game in favor of one political party. A vote against considering this legislation was not a vote against public financing of political campaigns. Rather, a negative vote registered the indignation of those alarmed by the blatant partisan maneuvers circumventing established rules of the House. While one's concern might lie in supporting responsible public financing legislation, a vote in favor of the rule to consider H.R. 11315, was a vote to ratify the dubious and deceptive process by which this bill came to the floor.

After the debacle surrounding the consideration of this legislation, we in the House of Representatives who are still sincerely concerned about campaign finance reform are in the process of drafting new, responsible legislation devoid of any partisan considerations.●

RETIREMENT CREDIT FOR CERTAIN CONTRACTOR-FURNISHED TECHNICIANS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. GONZALEZ. Mr. Speaker, I am introducing a bill, identical to S. 2447, to provide civil service retirement credit to certain contractor-furnished technicians who have been unfairly denied their

benefits because of adverse Civil Service Commission rulings.

Let me take a few minutes to review the history behind this legislation. Because of the shortage of technicians in the years following World War II, the Federal Government secured the services of skilled technical personnel through contracts with private companies. While these technicians were paid by the Government, they were recruited by these private contractors. They were known as contract technician service personnel (CTSP) and did most of their work for the Armed Forces. The Government then continued this practice through the 1950's and into the 1960's.

Then in 1963 the House Post Office and Civil Service Committee questioned the legality of CTSP contracts, and a decision issued by the Comptroller General's office in 1965 held that the contracts were in fact illegal. Thus, the CTSP jobs were illegal.

This decision resulted in CTSP being given the opportunity to convert to Federal service along with their jobs. There was no problem in the change-over and the last conversion took place in 1967. The problem has developed, however, since a number of these personnel have reached retirement age. They have discovered that the Civil Service Commission refuses to count their service as CTSP in determining their retirement benefits.

The circumstances of their hiring and the nature of the jobs, combined with the conflicting and confusing policies of the Federal Government, all point to the fact that these personnel have been denied their retirement benefits. Plus the fact that precedents have been set in several court cases which make this denial inconsistent.

Turning to the human side of this picture, the fact remains that the denial of retirement benefits has had a serious impact on the retirement income of individuals who have spent their entire careers in service to the Federal Government. These personnel were unable to transport their private pension plans to the Federal retirement system and they could only accrue the minimum amount of civil service retirement credit after they made the switch. I believe that these people have been placed in a very unfair position and deserve to have this situation rectified.

The bill I am proposing would allow only those under contract before March 4, 1965, to receive additional civil service credit for the years they spent as CTSP. Those wishing to receive this additional benefit would have to buy into the system paying the amounts they would have paid into the system had they been eligible for Federal retirement annuities in the first place. Those who chose to have complete Federal coverage would have to forfeit their social security benefits for that period of coverage, and the amounts the individual paid into the social security system would be transferred to the Federal retirement fund to reduce the contributions that former CTSP would be obligated to make to receive their additional credit. Another important provision calls for a dollar-for-dollar reduction for any amount CTSP receive from private pension plans based on their CTSP service. This is to assure that the legislation provides benefits only to those for whom CTSP service has resulted in hardship and to prevent anyone from receiving more generous retirement benefits than those available to Federal workers.

I am not sure exactly what the cost would be, but I understand that only about 2,000 personnel are involved; so it appears that the cost would be small.

Mr. Speaker, the intent of this legislation is in no way designed to open up the doors of the civil service retirement system to those who in some way, shape, or form, worked for the Government in the past. But it is intended to right a wrong that has penalized a small group of people who have served the Federal Government and the American people.●

THE 157TH ANNIVERSARY OF THE INDEPENDENCE OF GREECE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FARY. Mr. Speaker, it is truly a pleasure for me to inform my colleagues that on March 25, millions of Greeks and Greek-Americans will celebrate the 157th anniversary of Greek Independence Day. It is a fitting opportunity for us to reflect back on their rich history that has left its mark on the people of that great nation and the world.

One hundred and fifty seven years ago, a band of Greek patriots, led by Prince Alexandros Ypsilantis and sparked by their love of freedom, initiated a series of uprisings in Greece that openly defied 400 years of oppression at the hands of the Ottoman Turks. Against overwhelming odds and constant pursuit, this initial band of patriots had swelled its ranks and soon become an army. In the face of political factionalism and the inclusion of Egyptian mercenaries, this dedicated Greek force withstood the merciless onslaught which was thrust against them. With the assistance of their American and European friends, the Greek Army stood resolute in their passion for independence and on September 14, 1829, the Treaty of Adrianople was signed, ending the hostilities and establishing the independence of Greece. Three years later, in 1832, Turkey also recognized Greece as an independent nation.

During the next century, the Greeks devoted their efforts to extending their boundaries to include Greeks still under foreign rule, and to establishing a stable government. When they were threatened anew with the opening of World War II, they again showed their fierce devotion to freedom and independence. Their stubborn resistance to the German invasion of 1941 delayed the opening of the German campaign against Russia by several crucial weeks.

The post World War II period was a turbulent one in Greek history. Communist insurgents waged guerrilla war from 1947 to 1949 but were thwarted thanks to the efforts of the United States, who saw the Soviet Union as the instigator in the rebellion. Proclaiming the right to self-determination for all nations, the United States poured massive amounts of aid into Greece, providing the Greeks with the opportunity to successfully prevent a Communist takeover.

As Greece approaches the last quarter of the 20th century, the flame of freedom again burns brightly. In 1975, Greece was able to finally overthrow their oppressive military dictatorship that had been in command of the nation since 1967. The return of now Prime Minister Constantine Karamanlis in 1975 and the ensuing parliamentary elections represented a blow against the tyranny of the past and offered a real hope for freedom in the future.

Mr. Speaker, although I am not of Greek blood, I am of Greek heart and therefore, it is with great pride and honor that, on this day, I join with Greek-Americans and their Hellenic compatriots in the observance of their independence.●

MANDATORY RETIREMENT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. GEPHARDT. Mr. Speaker, I rise to express my deep concern about passage of H.R. 5383, amending the Age Discrimination in Employment Act to raise the mandatory retirement age to 70 and eliminate it altogether for Federal employees. While there is substantial merit to the argument that considerable benefits can be derived from insuring senior citizens remain productive members of society, the bill we have passed could have far broader and possibly damaging implications.

First, I am not convinced we have sufficient data to support setting the mandatory age at 70 as opposed to a different age. I think the age 70 is as convenient for us as the age 65 was for Bismarck. Second, it cannot be denied that the mandatory retirement issue is inextricably tied to the social security system. Any change in retirement policies will have a significant impact on the country's major pension program. Nevertheless, while the Congress continues to grapple with the difficult mission of finding an adequate and acceptable means of financing social security, we have passed a bill which will affect this effort, but in a way that has not yet been determined.

Furthermore, we cannot anticipate how the Nation's economy, and particularly the employment market, will be affected. Would the bill discourage early retirement or have little effect on current custom? Will it reduce opportunities for younger workers or minority workers? Will it raise unemployment?

In conclusion, I believe the House has acted hastily and prematurely in passing this bill to change retirement policies. Its goal is admirable but its effect could have serious repercussions for workers of all ages.

A recent column in the Washington Post by David Broder offered an excellent

commentary on the need for a closer look at this legislation. I ask that the article be inserted in the RECORD at this point.

THE RETIREMENT-AGE BILL: 'I'M ALL RIGHT, JACK'

(By David S. Broder)

With little public notice, Congress is about to pass a bill that will affect the future work opportunities of almost every American. It is a measure opposed by most business organizations and viewed with skepticism by the AFL–CIO, and yet there is hardly a politician ready to raise a word of caution about it.

It is the bill that would ban any mandatory retirement age for federal workers and give almost all private-sector employees protection against involuntary retirement up to the age of 70, instead of the present ceiling of 65.

The political appeal of the measure is indicated by the fact that it passed the House last year with only four dissenting votes. And it was approved in slightly different form, by the Senate, with only seven "nays."

A conference committee of the two bodies now has agreed on a compromise version of the bill, which may be up for approval in the House as early as this week.

It is a politically appealing measure, described by proponents as an answer to the evils of "age discrimination." But, from another perspective, it can also be called an "I'm all right, Jack" bill. For if it becomes law, it means that those of us who have jobs already can hold onto them longer, if we wish, while younger people, scrambling for a foothold on the employment ladder, wait still longer in the cold.

The hearings on this measure, which whisked through Congress with extraordinary speed, are full of noble sentiment about the rights of senior citizens. But they are conspicuously lacking in anything that can be called a solid estimate of the legislation's impact on a job market where teenagers are having a tough time finding entry-level opportunities, and minority youth unemployment rates in some cities run up to 40 percent.

It is known that voluntary early retirement before the traditional age of 65 has become more and more popular in the past decade.

Relying on that trend, the Department of Labor told Congress that it estimates that only 150,000 to 200,000 older workers would take advantage of the bill's protection against forced retirement at age 65. Even a shift of 200,000 jobs from the young to the normally retired is a social decision of some consequence. But there are indications the effects may be much larger than that.

A personnel officer of Sears, Roebuck Company said he thought that the law would cut new hiring by 7 percent in his firm and eliminate 20,000 "job-change opportunities" (hirings and promotions) in the first five years of application to that one company alone.

Arthur C. Prine Jr., testifying for the U.S. Chamber of Commerce, said it was "very clear to us that if this legislation goes through, it is going to undermine in many companies the affirmative-action programs, which provide for improved opportunities for young and minority workers." Vernon Jordan of the National Urban League expressed the same fear, and so did Bert Seidman, director of the Social Security department of the AFL–CIO.

"It may be unjust to force retirement on those who are healthy and want to continue working," Seidman said. But it is "equally unjust to lay off younger workers with families to support and retain at work elderly workers who are eligible for Social Security benefits, a good private pension and health care."

Despite Seidman's reasoned objections, the AFL–CIO has now adopted a position of neutrality toward the legislation, after winning a provision "grand-fathering in" all existing union contracts that have mandatory-retirement provisions at an age younger than 70. "We decided," said one AFL–CIO lobbyist, "just to let Congres go its way."

The Carter administration, no more eager than Congress to affront the elderly and their lobbies, is giving the bill its blessing. So there is little to halt its progress.

Questioning benefits for the elderly is dangerous for politicians—and even for reporters, like this one, who are on the downward side of their own graceful slump toward retirement. A previous column on the subject of the exponential growth of federal payments to the retired, a few years back, gave ample warning that any discussion of such questions is likely to invite the charges of ingratitude toward one's elders.

But the issue is there—whether we like it or not. There are hard choices involved. Every elderly third-grade teacher who decides to stay in the classroom an extra five years means that five more classes will be taught by a 1935 college graduate, rather than a 1975 graduate.

Every federal employee who decides to hold onto his job indefinitely means that much less change in the bureaucracy.

These issues deserve more debate than they have received in the legislation about to become law.●

SIX MONTHS AND STILL WAITING FOR DOL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ASHBROOK. Mr. Speaker, after being in Washington, D.C., for a number of years, I have become somewhat accustomed to governmental delays, inertia, and a general lack of responsiveness. The Carter administration, however, seems determined to carry these traits to new extremes.

Last summer Secretary of Labor Ray Marshall testified before the Labor-Management Relations Subcommittee on which I serve regarding the labor reform bill. At that time he offered to reply to any written questions that I might have. Pursuant to his offer, I wrote a letter with my questions dated August 5, 1977.

Over 6 months passed. In that time the House of Representatives passed the labor reform bill. The Senate, meanwhile, is expected to take up the bill within the next several weeks.

On February 23, 1978, I finally received a "response" from Secretary Marshall. According to the letter, the Department of Labor is "currently addressing the questions raised" and is "hopeful that a response will be forthcoming in the near future . . ."

At the rate DOL is going, it won't make much difference what the letter says. The Senate as well as the House will probably have taken final action before I ever receive Secretary Marshall's response.

Oh, well. What can you expect from the Carter administration?

I am including Secretary Marshall's letter so you will all know what to expect when you wait over half a year for a response:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,

Hon. JOHN M. ASHBROOK,
U.S. House of Representatives,
Washington, D.C.

Washington, D.C., February 23, 1978.

DEAR CONGRESSMAN ASHBROOK: This is to advise you that we are currently addressing the questions raised in your letter of August 5, 1977, concerning the labor law reform legislation now pending in Congress. I am hopeful that a response will be forthcoming in the near future, and it is certainly my intention to transmit the response just as soon as it has been completed.

I regret the delay and apologize for any inconvenience occasioned thereby.

Sincerely,

RAY MARSHALL,
Secretary of Labor.

FOREIGN AID AND HUMAN RIGHTS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BINGHAM. Mr. Speaker, recent remarks made by Ambassador Edwin M. Martin provide a realistic, down-to-earth approach to the question of linking human rights observance with U.S. foreign aid programs. An economist and diplomat of the highest rank (career ambassador), Edwin Martin has served his country long and well—as coordinator for U.S. participation to the World Food Conference (1974), senior advisor to the Secretary of State, U.S. Ambassador to Argentina, chief U.S. representative to the OECD in Paris, Assistant Secretary of State for Economic Affairs, Minister Counselor at the U.S. Embassy in London, director of European regional affairs at the State Department and Assistant Secretary of State for Inter-American Affairs.

Ambassador Martin's extensive experience in dealing with foreign governments lends weight to the points of view he expresses on foreign aid. It is interesting to note that he favors a flexible approach on the question of linking aid to human rights. He draws a clear distinction between military and economic aid. In his remarks, quoted in full below, he notes that most foreign societies differ from ours in terms of conditions of life and concepts of law, that U.S. observance of human rights performance should be applied equally abroad, with exceptions justified only on the basis of major national security considerations, that the denial of U.S. aid for human rights reasons has seldom had sufficient impact to force a foreign government to change its ways, and that America needs a sense of humility in seeking the universal observance of human rights, for "our knowledge of the chemistry of international dealings is still in its infancy."

Ambassador Martin's remarks, entitled "Should Observance of Basic Human Rights Be a Prerequisite for Aid?" and delivered February 8 at the 25th Annual International Development Conference, follow:

I'd like to propose a positive statement of what I think U.S. policy should be with respect to aid and human rights.

"Aid should be given to an LDC when doing so is more likely to improve the observance of basic human rights in the future than withholding it."

I want to make half-a-dozen general comments on this policy and its implementation and then talk about handling aid specifically.

It is a pragmatic criteria—how can we effect what happens elsewhere?—how we feel about ourselves is irrelevant; there is no room for actions to soothe our consciences or vent our anger at violations.

We are dealing with societies in various stages of progress toward modernization. Most of them have ancient and strongly held cultural patterns and institutional arrangements which more often than not are quite different in the fields covered by human rights from those of the English common law or the Napoleonic civil code. Moreover, the conditions of life with which these institutions and value systems have to deal are quite different from our own, not only economically but also politically, as many of them find themselves in a no-man's land between traditional and modern societies.

What are the basic human rights to be observed? It is not a phrase that is self-defining, glibly as we are accustomed to using it. For Americans the most familiar summary of what we hold dear is in the Declaration of Independence—"all men are created equal, that they are endowed by their creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness."

Starting from this statement, I identify five types of human rights as deserving U.S. support:

(1) Laws protecting rights such as movement, speech, political organization, etc.

(2) Methods of enforcement of all laws which ensure a rational process for the fair and prompt determination of guilt or innocence.

(3) Institutional arrangements which permit adult citizens to play a role, directly or indirectly, in policymaking by their government.

(4) Absence of discrimination for reasons of race, religion, wealth, sex, etc., in the formulation and application of laws or public programs, or in significant human relationships of a non-governmental character.

(5) Provision of basic human needs without which "life" is endangered, "liberty" is a fraud, and "happiness" cannot be pursued but only starvation and disease postponed a bit.

Since economic aid has a direct relation to point (5), economic human rights, I'd like to say a little more about them. First, I wish to read a quote:

"Human needs are inseparable from human rights—that while civil and political liberties are good in themselves, they are much more useful and much more meaningful in the lives of people to whom physical survival is not a matter of daily anxiety.

"To have sufficient food to live and work, to be adequately sheltered and clothed, to live in a healthy environment and be healed when sick, to learn and be taught these rights, too, must be the concerns of our governments. To meet these needs, orderly economic growth is crucial. And if the benefits of growth are to reach those whose need is greatest, social justice is crucial as well."

This quote is from the address of President Carter to the Indian Congress last month. I endorse all of it but would add two basic needs. The first is that all parents have the effective capacity to have the number and spacing of children they want. The second is that a job which will provide a decent living for oneself and those for whom one is responsible is a central economic right, basic to self-respect. It is also usually the most efficient way to meet other basic needs. Since first writing this paragraph, I was pleased to hear President Carter refer in his State of the Union message to a job as a human right.

"Observance" of human rights means, of course, "observance" in practice, not just in theory of law. The most basic right is the right to enjoy one's rights. A perfect legal and judicial system is no protection if one is unable to know what one's rights are or doesn't have the money to defend them. Economic rights are even more dependent on availability of resources.

"Observance" also should follow the rule established in our quote from the Declaration of Independence that "all men are created equal." Violations of the human rights of any person—the tortures endured by a starving infant in an Asian village or inflicted by the political police on a distinguished scientist—are equal, abhorrent crimes which should be of equal concern to us.

Sticking to the rule of the equality of all humans precludes the application of a double observance standard in choosing countries as targets for our human rights efforts. Exceptions should have to be justified fully on major U.S. national security grounds, with the burden of proof clearly as those who would make exceptions.

One may have to seek observance of some rights while accepting stagnation with respect to others. Particularly difficult is the trade off between freedom and order. I suspect a good many Americans living in our cities would give up a few legal freedoms to feel able to take a walk around the block after dark without fear of being mugged; for them it would be a not inconsiderable freedom. The potential for conflict between order and economic progress in many LDCs is even more serious, hard for us at our level of income to appreciate.

When human rights and their observance are so defined it is clear that what we need are changed attitudes toward them throughout a society. Otherwise we may get favorable public actions from government leaders from time to time but not the constant vigilance at every level in public and private actions, which is necessary to assure their observance.

If one accepts this emphasis on attitudes rather than merely legal rules, one must look for the best means to motivate people to want to improve human rights conditions in their community and country. I feel that punishment can often produce compliance but seldom believers and what we need are more true believers. Converts are made by communication, not by iron curtains.

I would, therefore, put no limit on what we say publicly or privately, except that public statements should be designed solely to promote observance of human rights, not to boost our pride in ourselves.

We need a strong dose of humility in our approaches to this issue. There will surely be many surprises, pleasant and unpleasant, no matter what we or other outsiders may do—the Nazi and Fascist regimes in our century are prime examples of the latter and India last year of the former. But we must keep trying, evaluate the results continuously and alter our tactics accordingly. Our knowledge of the chemistry of international dealings is still in its infancy.

What are the tools given us by foreign aid to pursue our human rights goals? I see foreign aid as falling logically into two quite different categories for this purpose. First, there is that designed to do our share in cooperative programs with developing countries to improve the economic, social and political conditions of their peoples. In this category, I put bilateral and multilateral economic aid and food aid. Second, there are those activities designed to strengthen, directly or indirectly, the military power or foreign governments. In this category, I put military assistance and our related programs of supporting assistance. I realize that these compartments are not watertight in either direction, but the differences are deep enough to justify separate treatment for our purposes.

Let me treat military assistance first. As a general principle, I am against giving it to countries with poor human rights records. Adding to the military strength of such a government can only help it to keep the lid on its opponents and block change. There would rarely be any compensating benefit for human rights from such aid which could outweigh the encouragement given to human rights violators by the close political friendship which military cooperation inevitably implies, going far beyond the significance of economic aid cooperation.

The only rational exceptions to this rule that I can think of would be situations in which the receipt of military assistance from the U.S. would strengthen the position of a government threatened by external or internal enemies from the right or left whose accession to power would be likely to make the human rights situation appreciably worse. But the threat and the need for our help must be clear and success probable. Even in such cases I would like to believe that the government being helped was prepared to make an honest effort to improve human rights conditions, either on its own or as a condition for receiving such aid from us.

It is also particularly likely to be the case with military assistance that other foreign policy considerations will be thought to outweigh those of human rights. But I would put the burden of proof squarely on those who would seek such an exception to the policy I have advocated.

When it comes to economic aid, I would reverse the U.S. position, putting the burden of proof very much on those who would withhold it for human rights reasons, even though there is no doubt that the usual effect of giving economic aid to a country is to strengthen the position of the government in power. If it is a government with a record for violating human rights, that is bad. But it isn't the whole story. It is not inevitable that a stronger government will be more repressive. It sometimes turns out to be the reverse. And quiet talks associated with our aid transaction can sometimes make sure that conditions improve.

Moreover, if wisely chosen and supervised, the aid can bring about improvements in the short term in the basic needs aspect of human rights, as the Congress has recognized. This may outweigh lack of progress in other human rights areas. To enable aid to do so we must accept several guidelines for our aid activities. First, help must go most generously to those countries most in need of our aid to meet such needs, and prepared to use the total resources available to them in ways which give a proper priority to meeting the needs of their poorest citizens.

We must also recognize that a new road or power line, seed, fertilizer or food aid for poor rural areas cannot be restricted as to use to just the poor in the foreign region served. We can only select areas in which the poor predominate and make a special effort to encourage and facilitate their use of them.

It is essential too, that we recognize that it is not rational to seek virtue for ourselves alone by requiring that all our aid go directly to the poor and that other donors do the rest. For there is an essential rest—just meeting human needs even depends on infrastructure investments as well as direct help for the poor.

Giving reality to the right to a job depends heavily on that "overall economic growth," which President Carter endorsed in his New Delhi speech. Of course, it is also necessary to stress labor-intensive technology and open export markets for labor-intensive products, the latter a problem about which I need say no more to this audience.

More important, however, is the effect that the right aid programs can have on the long-term evolution of the attitudes of society. Development is change and, if the situation is bad, what is needed is change. No doubt it will be slow, even zig-zag, as it has been and still is in some fields in the U.S. Let us not become impatient if, despite our aid, there appears to be backsliding here and there.

As an example of the long-term potential of aid, support for democratic principles has almost invariably in the past come from people above the poverty line and with some education. And governments selected democratically have generally improved the observance of other types of human rights. There is no guarantee, of course, of this outcome, especially in the short run, but progress has seldom been made without this contribution of "overall economic growth." Slums, urban or rural, can produce only mobs, not democratic political parties.

Finally, my NO vote rests on the ineffectiveness of the only alternative to giving aid in the way I have urged, namely, denying it to regimes with poor human rights records. Unfortunately, U.S. economic aid is seldom important enough to a country that denying it will force a government to change its basic policies. These policies have usually been chosen because they are considered necessary to stay in power. And survival is just as fundamental a goal for governments as for people.

If, however, U.S. economic aid should be large enough that denial would cause trouble—unlikely as long as U.S. aid appropriations are so small for so great and rich a country—let us remember that all our experience suggests that democratic societies, devoted to human rights, have never been nourished on the soil of economic depression and cannot be constructed overnight by dictatorial fiat. The more likely result will be even greater political repression to maintain order in the face of a worsening condition of economic human rights, made inevitable by the aid denial. An already bad government is likely to find this their only answer.

To summarize, at base what is required in repressive societies is change, changes in value systems and changes in power structures. Development aid, wisely given, can change current attitudes only slowly, but it can open a few windows, widen opportunities for some people, create communities capable of doing more things for themselves and proud of it. All these are steps toward increased respect for themselves and for others as human beings, steps which inevitably undermine that blind acceptance of centralized authority which is the antithesis of respect for human rights.

Let us then seek in every way we can for pragmatic levers which will improve human rights abroad, political and economic, and think hard about what will work, never substituting high moral fervor for action that will accelerate the process of change. And above all, let us never forget that the most effective instrument we have is very probably the example we present to the world of a society which respects the human rights of all and in which the result is an enhanced quality of life for all, a better opportunity to enjoy "life, liberty and the pursuit of happiness." For obserance of basic human rights is a valid goal only so long as we use it to improve this quality of life.●

BRUCELLOSIS RELIEF ACT

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. GORE. Mr. Speaker, today I am introducing legislation entitled the Brucellosis Relief Act. Brucellosis is a disease of the bovine reproductive system, causing premature abortion of cattle fetuses and ultimately death. The purpose of this act is to make certain improvements in the present brucellosis eradication program. These adjustments will ease the destructive impact that this disease has on dairymen and cattlemen, and will promote greater cooperative efforts between Government and farmers.

In many of the 300 open meetings that I have held since taking office in 1977 I have heard of how brucellosis, or Bang's disease as it is often called, has infected herds and caused terrific hardship. But I have also been told of the even harsher burden imposed by the eradication program. This program monitors the spread of the disease by testing at the market terminals and in area-wide surveillance programs. When a member of a herd is found to have brucellosis, that animal must be slaughtered and the entire herd placed under quarantine.

These measures are necessary. There is no known cure and the disease is highly contagious. Last year brucellosis caused $30 million in damages. It has been estimated that if left unchecked, the resulting damage would be in the neighborhood of $850 million per year.

However, these control measures have not resulted in wiping out the disease, even after 30 years of hard work by USDA. These measures have, instead, resulted in wiping out many farmers. When a cow is slaughtered, the owner receives the salvage value plus a Federal indemnity—$50 for grade cattle, $100 for registered breed cattle. No distinction is made for dairy cattle. This combined indemnity is usually adequate for beef cattle; however, a milk-producing cow may be worth up to $1,500 or more. It is not unusual for the difference between the sum paid to the dairyman and the actual value of the animal to be over $600. And this is not the only loss. During the quarantine the dairyman's flow of income is disrupted while his expenses continue for feeding and maintaining his herd.

There are also complicating factors. At present, testing procedures are not completely reliable. It is easy to understand the reluctance of a dairyman to give his full cooperation when it is conceivable that his whole herd might be destroyed on the basis of a series of testing errors. There is also some uncertainty about the vaccines. There is no generally accepted adult vaccine. The only viable alternative at present is calfhood vaccination. However, calf hood vaccination is an expensive and time-consuming task. Unless it is conducted uniformly and universally it may be less than futile in any long-range sense.

In my district there are several dairymen who despite their best efforts—including vaccination, new barns, and sophisticated sanitation systems—have had herds under quarantine for 7 years. I know of cases where a dairyman tried to clean up his herd, yet despite, or because of his efforts went bankrupt or lost the farm, sometimes a farm that had been in the family for generations. Still, we are nowhere close to eradication of the disease. Unless something is done, these cases will continue to multiply, and the eradication program may falter from lack of cooperation.

EXPLANATION OF THE RELIEF ACT

Title I of the act requires that the indemnity make up the difference between slaughter price and 95 percent of the fair market value as a dairy cow. Title II will make available vaccine for free distribution by cooperating States, and directs that research and development be directed toward new vaccines and new testing methods. Title III allows dairymen who have Farmers Home Administration loans on their dairy operations to defer payments during the period of quarantine.

I believe that this program will receive the support of all dairymen. In a survey I conducted late last year among 4,400 dairymen in my district, 48 percent of those who responded reported that they had experienced brucellosis in their herd, with the majority (79 percent) reporting low and medium levels of infection. Of those with infected herds, the median range of income loss during the quarantine period including the loss of slaughtered animals was recorded at from 55 percent to 65 percent. The most frequent financial loss per slaughtered head was in the $500 to $600 range (43 percent). The most frequently criticized portions of the program were the testing procedures (69 percent opposed), the indemnity level (63 percent), and the vaccination (62 percent). When asked about proposals similar to those contained within the bill I am introducing, 95 percent favored a higher indemnity, 99 percent favored calfhood vaccination and indicated they would participate, and 98 percent favored allowing deferment of Farmers Home Administration loans.

This survey demonstrates two things: First, the present program is a heavy burden on those who are affected, and second, there is overwhelming support for the provisions of the act. The burden of eradicating brucellosis should not fall entirely on those whose sad luck it is to be stricken by the disease. Often the disease is contracted from a neighboring farm or from infected replacement stock. All cattlemen and all consumers will eventually benefit from the eradication of brucellosis.

A bill follows:

H.R. 11729

A bill to direct the Secretary of Agriculture to establish as program for the purpose of indemnifying owners of dairy cattle which, under any Federal law, are destroyed in order to control or eradicate brucellosis, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Brucellosis Relief Act".

TITLE I—BRUCELLOSIS INDEMNIFICATION PROGRAM

COMPENSATION

SEC. 101. (a) Except as provided in section 102, the Secretary of Agriculture shall compensate any farmer or rancher residing in any State, who the Secretary certifies owns any dairy cow which, under any Federal law, is destroyed in order to control or eradicate brucellosis.

(b) The amount of compensation a farmer or rancher receives under this section with respect to a dairy cow destroyed in order to control or eradicate brucellosis shall be equal to the greater of—

(1) the amount which the Secretary determines to be the difference between—

(A) 95 percent of the fair market value of such animal as a dairy cow at the time of its destruction; and

(B) the total amount of compensation the farmer or rancher receives in connection with the destruction of such animal from one or more of the following: the Federal Government under any other provision of law, any State, any other source; or (2) two hundred dollars.

RESTRICTION ON PAYMENT OF COMPENSATION IN CASES OF VIOLATION OF LAW OR REGULATION

SEC. 102. No payment shall be made by the Secretary under section 101—

(1) with respect to any dairy cow which has been moved or handled by the owner thereof or his agent knowingly in violation—

(A) of a law or regulation administered by the Secretary for the prevention of the dissemination of any communicable disease of livestock for which such cow was destroyed, or

(B) of a law or regulation for the enforcement of which the Secretary enters or has entered into a cooperative agreement for the control or eradication of any communicable disease of livestock for which such cow was destroyed, or

(2) with respect to any dairy cow which has moved into the United States contrary to a law or regulation administered by the Secretary for the prevention of the introduction of a communicable disease of livestock for which such cow was destroyed.

TITLE II—VACCINATION PROGRAM; RESEARCH PROGRAM

GRANTS TO THE STATES

SEC. 201. (a) The Secretary, through grants made under contracts or other arrangements with the States, shall undertake and conduct each of the following:

(1) a program for purchasing, and distributing without charge to farmers and ranchers who own cattle, vaccine against contraction of brucellosis by cattle;

(2) a program for notifying farmers and ranchers of the vaccination program conducted under paragraph (1) and for encouraging them to participate in such vaccination program; and

(3) intensive research and studies concerning methods of testing for, and identifying, brucellosis and concerning development of improved vaccines against contraction of brucellosis by cattle.

(b) Any contract or other arrangement made with any State for the conduct of a program under subsection (a)(1) or (a)(2) or research or study under subsection (a)(3) shall contain or be subject to such conditions and requirements (including such fiscal control and fund accounting procedures) as the Secretary may determine to be reasonable and consistent with the objectives of this title.

TITLE III—DEFERRAL OF CERTAIN PAYMENTS ON OPERATING AND EMERGENCY LOANS MADE UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

OPERATING LOANS

SEC. 301. Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended—

(1) by inserting "(a)" before "The Secretary" in the first sentence of such section;

(2) by striking out "Such" in the second sentence of such section and inserting in lieu thereof "Subject to the provisions of subsection (b), such"; and

(3) by adding at the end of such section the following new subsection:

"(b)(1) Upon the written request of a farmer or rancher—

"(A) who owns dairy cattle which, under any Federal law, are subject to a quarantine imposed in order to control or eradicate brucellosis, and

"(B) who is repaying under this title a loan related to his dairy operation or operations,

the Secretary, under a contract or other arrangement made with such farmer or rancher, shall make all payments of principal and interest which become due on such loan during the period for which such quarantine is in effect and for 60 days thereafter.

"(2) Any contract or other arrangement made with a farmer or rancher under this subsection shall contain or be subject to such conditions and requirements as the Secretary considers necessary to assure that, within a repayment period which the Secretary determines to be reasonable taking into consideration the needs of such farmer or rancher, such farmer or rancher will repay without interest the total amount of all payments made by the Secretary under such contract or other arrangement.

"(3) As used in this subsection, the term 'dairy cattle' means—

"(A) cattle raised for the purpose of producing milk or other dairy products, and

"(B) cattle raised for the purpose of establishing or maintaining a breeding stock of cattle referred to in subparagraph (A).".

EMERGENCY LOANS

SEC. 302. Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended—

(1) by striking out "All" in the second sentence of subsection (a) of such section and inserting in lieu thereof "Subject to the provisions of subsection (d), all"; and

(2) by adding at the end of such section the following new subsection:

"(d)(1) Upon the written request of a farmer or rancher—

"(A) who owns dairy cattle which, under any Federal law, are subject to a quarantine imposed in order to control or eradicate brucellosis, and

(B) who is repaying under this title a loan related to his dairy operation or operations,

the Secretary, under a contract or other arrangement made with such farmer or rancher, shall make all payments of principal and interest which become due on such loan during the period for which such quarantine is in effect and for 60 days thereafter.

"(2) Any contract or other arrangement made with a farmer or rancher under this subsection shall contain or be subject to such conditions and requirements as the Secretary considers necessary to assure that, within a repayment period which the Secretary determines to be reasonable taking into consideration the needs of such farmer or rancher, such framer or rancher will repay without interest the total amount of all payments made by the Secretary under such contract or arrangement.

"(3) As used in this subsection, the term 'dairy cattle' has the same meaning such term has under section 316(b)(3) of this Act.".

TITLE IV—GENERAL PROVISIONS

REGULATIONS

SEC. 401. The Secretary may issue such regulations as he considers necessary to carry out the provisions of this Act.

DEFINITIONS

SEC. 402. As used in this Act, the term—

(1) "dairy cow" or "dairy cattle" means—

(A) any cow or cattle raised for the purpose of producing milk or other dairy products, and

(B) any cow or cattle raised for the purpose of establishing or maintaining a breeding stock of cattle referred to in subparagraph (A); and

(2) "State" means any of the 50 States or the District of Columbia.

EFFECTIVE DATE

SEC. 403. The provisions of this Act shall become effective on October 1, 1978.

LIST OF ORIGINAL COSPONSORS

Mr. Applegate, Mr. AuCoin, Mr. Baldus, Mr. R. Beard of Tennessee, Mr. Bevill, Mr. Blouin, Mr. Bonior, Mr. J. Burton of California, Mr. Chappell, Mr. Corrada, Mr. Fuqua, Mr. Jeffords, Mrs. Lloyd, Mr. McHugh, Mr. Quillen, and Mr. Roe.●

POLICY NEEDED TO SOLVE UNEMPLOYMENT PROBLEM

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. RHODES. Mr. Speaker, I insert the following article for the interest and benfit of my colleagues. It demonstrates the need for the United States to adopt an economic policy which will solve our unemployment problem:

[From Business Week, Mar. 13, 1978]

INVESTING TO UPGRADE THE LABOR FORCE

(By Herbert E. Striner)

This nation's dismal unemployment rate is inexcusable, politically and economically. While successive U.S. Administrations wring their hands over the problem, another major industrial country has rolled up its sleeves and dealt with it. Over the last decade, West Germany has outperformed us on employment, productivity, and inflation control, and we steadfastly refuse to learn the lesson. The West Germans, like most of the West European countries, view their work force as a form of "capital." They assume that this capital must be trained and retrained on a continuing basis to supply the changing spectrum of sophisticated skills needed by a high-technology nation. To do so requires a labor force "investment policy."

Beginning in 1964, West Germany has provided, as a right to every adult, whether employed or unemployed, up to two years of full-time training or retraining. All training costs plus an income subsidy, which can be as high as 90 percent of the last wage, are covered. The income subsidy varies inversely with the last wage. Thus, a low-wage employee loses little income in upgrading his or her skills and increasing productivity. A higher-paid worker will lose proportionately in income, thus guaranteeing there are no frivolous decisions to leave a job. The psychology works. Most people want to make more money rather than less. If they are given help to achieve this goal they will do so. Those needing the most help, but with the most to gain, are the low-paid workers. Hence, they are subsidized the most. But the economy gains the most by their becoming higher-skilled workers. Moving allowances and short-term rental allowances to encourage moving where the good jobs are located are all included.

Because of the success of the West German approach, the French passed similar legislation in 1971, and the British followed in 1975. But even before the German legislation of 1963, the Danes and Swedes had already proven the efficacy of the "investment" approach.

RESISTING AN EFFECTIVE IDEA

Meanwhile, the U.S. has continued to nibble around the edges of the unemployment problem, seeing it as a sort of disguised welfare problem involving people who should be urged to use their bootstraps with minimal help from unemployment payments. We view workers as an asset as long as they are employed. They become a liability when un-

employed, and we are reluctant to spend too much money on them, hoping instead that the economy will improve or they will somehow find some sort of job.

We have had some training programs, of course, but our expenditures have been slight when compared with the relative efforts of West German, French, and, since 1975, British programs. We have not, since the GI bill following World War II, provided both an adequate income supplement and a long enough period of training to do the job of maintaining a work force capable of supplying our advanced industrial and service sector needs. No U.S. Administration has really considered the European experience. Our key policymakers are most often "educated" by economic advisers about the inevitability of the Phillips curve and its trade-off between low unemployment rates and higher inflation. But these economic advisers seldom make the point that each country has a different Phillips curve, with our being one of the worst.

THE WRONG EMPHASIS

We continue to spend money during the hot summers to cool off human tinder. We spend money for public service jobs that can be done by functional illiterates or by workers who can read and write but have too few skills for the better jobs that are vacant in both the public and the private sectors. We urge businessmen to design jobs for low-skilled workers. What a travesty! We perpetuate economic fraud in these efforts. In November, 1977, when the U.S. unemployment rate was about 7 percent, the Conference Board's index of help-wanted advertising reached an all-time peak. The jobs are there, but the trained people are not.

Until we adopt an investment approach to our labor force and spend funds that are really adequate for a continuing upgrading of this key resource, our unemployment rate will remain above acceptable levels. Our $2,000 billion economy probably needs an ongoing training program that covers about 2 percent of our work force each year.

Even when European unemployment rates are adjusted for U.S. data collection methods, the West German rate is around 4 percent, and the French is around 5 percent. Scandinavian rates are, of course, well below 3 percent.

Such a program should be modeled on the German system, which in turn follows the pattern set by our own GI program. It would provide payments and counseling to unskilled workers, but it would let them decide what sort of training they wanted and where they would get it. Private schools, public schools, and on-the-job training programs could then compete on the basis of efficiency.

It will cost a great deal more than we are accustomed to spending for education and training to deal adequately with the problem of an effective work force. But, as every successful businessman knows, you have to spend money to make money. Many of the industrial countries in Western Europe have learned that lesson with respect to their work forces, and their high economic performance has shown it. We have refused to learn from what they have done, especially the West Germans, and our low economic performance has shown it.●

VFW VOICE OF DEMOCRACY CONTEST WINNER IN TEXAS

HON. OMAR BURLESON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BURLESON of Texas. Mr. Speaker, I am pleased and proud to offer for the RECORD the speech and poem written by my young constituent, Matt Nanny, of Graham, Tex. Matt has received the first place award in the VFW Voice of Democracy Contest for our State of Texas. I commend Matt and offer hearty congratulations on this fine work.

Matt delivered this speech before the annual meeting of the VFW in Washington, D.C., in a most forceful and effective manner and deeply impressed the vast audience who heard him:

AMERICA: NOW

I have written a poem that perhaps depicts what I see as the greatest responsibility that young people of today can know. The poem is narrative in style. It sends a youth of today back to a scene in the Revolutionary War to show him what a soldier that was preparing to die for his country might say to the youth. The soldier's name you will not recognize, for he is many.

The title of the poem is "Americae Amor" which is translated "A Longing for America."

In the dark and gray of twilight,
My mind from hence doth wonder away,
And upon a wintery day I see
An American in quest of liberty.

As my mind wonders yet still,
I gaze beyond the realms of chill—
In times, now past, I fully see
A man with a scarred and bended knee.

Who is this man? Who could he be?
His name is Patrick O'Riley?
Even still, so what?
What good is a man that's about to be shot?

At that very moment, he looked up at me
With a tear that would tear the hardest of hearts.
The words from then on I could not fain forget
As he said, "Son, just sit with me a bit."

As down I sat, he looked me in my eye
And he said, "It shall NEVER be a shame to die!
For though I'm not much, I'm giving my all
To a country whose ears hear liberty call!

"For my children, you see, are going to be free.
They can do what they want, with no king's decree.
This flower, my son, is destined to bloom,
And God's own mighty hand shall protect it from doom!

"So, you see, my lad, death cometh not in vain!
Just look to America and do not disdain,
This land, oh, hold on, and it WILL be free;
The treasure's at hand and you hold the key."

Then a shot sounded out from just behind,
And Patrick O'Riley met death, but mind,
That it was from such people, America was born,
So we could have hope and never be forlorn.

Now, of Our Country 'Tis of Thee,
Our Sweet Land of Liberty,
May we always in unison sing—
And evermore listen as freedom shall ring.

Who is Patrick O'Riley? Well, he is every person that has given his life for America. He is rich and poor, old and young, well-educated and ignorant. He welcomes the chance to talk to the young person. He realizes that the key to the treasure, for which he is dying, is held by the youth. The treasure is to know freedom.

What must the young people of today do to know freedom? There are four easy steps to fulfilling this desire.

First of all, he must listen to those who have "been around awhile." They may seem not to be with it, maybe even a bit senile, but they've lived through problems that the young person is yet to face. Experience is the best teacher, and from listening to them, the young people can better understand the price of freedom.

Secondly, the young person of today must discover his own self. He must ask the questions that bother him the most, and he must be willing to be hurt by the answers. He must search for his deepest convictions. When he finds them, he will have found the Truth. "To thine own self be true" for in this way, we can be true to those around us, our fellow Americans.

Thirdly, in the words of Abraham Lincoln, "United we stand; divided we fall." The young person alone is very small, but as an American, he is a mighty fortress with a wonderful heritage, ready to face the world with pride and dignity.

Finally, as young people have listened to others, searched themselves, and found their role in America, they must meet the biggest and most frightening responsibility growing up and taking control of the America of tomorrow. Many problems will face them. No one ever said it would be easy and it may even call for fighting to preserve these freedoms that we have.

I believe that the majority of the youth today recognize their responsibilities. As I look around, it is evident that the spirit of Patrick O'Riley lives on in today's youth. Tomorrow is an exciting challenge and with a realistic thought and revived belief in God and America, we can exceed the greatest hopes of those who have preserved liberty for us. The feelings of apathy and concern are finally giving way to Americanism!

Tomorrow can be the greatest era that freedom has ever known. It can be—it can be—it will be!●

THE 60TH ANNIVERSARY OF THE BYELORUSSIAN NATIONAL REPUBLIC

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ANNUNZIO. Mr. Speaker, March 25 marks the 60th anniversary of the independence of the Byelorussian National Republic, and I am glad to have the opportunity today to join my colleagues in the Congress in commemorating this important date in the distinguished history of Bielarus.

The Byelorussian people have been known under most confusing and improper terminology in English as Byelorussians and White Russians. That terminology is incorrect and offensive to Byelorussian national pride, because it was taken from the Russian language and not the Byelorussian language. The Byelorussian Coordinating Committee of Chicago has informed me that the people of their country prefer to be called Byelorussians and prefer the country of their ancestry be called Bielarus.

Mr. Speaker, excerpts from a statement on the occupation and oppression of Bielarus by Soviet Russia issued by the Byelorussian Congress Committee of America follows:

MARCH 3, 1978.

Hon. FRANK ANNUNZIO,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: March 25, 1978 will be of great significance for American citizens of Byelorussian descent. This will be the 60th anni-

versary of the proclamation of independence for the Byelorussian Democratic Republic. In occupied Byelorussia, this national observance is not allowed by the Soviet Russian Government.

The following events took place in Byelorussia 60 years ago. On December 15, 1917 the First All-Byelorussian Congress assembled in Mensk. It consisted of 1,872 representatives, elected by the people of all ethnographical territories of Byelorussia. Bolchevik-Russian delegates were in a small minority and were not able to influence the Congressional decisions. After the Congress had chosen independence for the Byelorussian State, the Soviet Russian Army dispersed this national representation.

However, on March 25, 1918 the Council of this Congress proclaimed the independence of the Byelorussian Democratic Republic. A new Byelorussian Government organized the administration in the country and started the formation of military forces, schools, cultural activity, and the revitalization of economy devastated by the war.

Ignoring the right of self-determination of nations, Soviet Russia created a fictitious state, the Byelorussian Soviet Socialist Republic (BSSR) on January 1, 1919 and invaded Byelorussia with its own Red Army, and subsequently conquered most of Byelorussia.

All policy of the Soviet Russian Government toward Byelorussia was directed to exploitation of its natural resources and population. At the same time Russia tried to destroy all ethnic and cultural distinctions of Byelorussia. It strove to assimilate Byelorussians transforming them into unified Soviet Russian nation.

Soviet Russian Government, during 60 years of domination, has accomplished a great destruction of the national Byelorussian heritage. Starting in 1927 thousands of Byelorussian intelligentsia were annihilated. The main segment of Byelorussian peasantry, about 2 million, were shot or deported to the concentration camps of Siberia at the time of collectivization of agriculture. Waves of mass terror passed through Byelorussia. They annihilated a new, growing, nationally conscious generation. After World War 2, Russian detachments of political police, called "Smersh", investigated the entire population of Byelorussia. They annihilated around one million "unreliable" Byelorussians.

In reality, the Soviet Russian Government uses a policy of genocide toward the Byelorussian nation. Presently it is intensifying change of city population in Byelorussia into Russian, by sending many Russians there for permanent settlement. Simultaneously, many Byelorussians, mostly educated youth, are transferred to Siberia and other ethnic territories of the USSR.

The Russian language was introduced in the BSSR for use by the government, cultural institutions and schools. Only a small part of the rural schools is allowed to use the Byelorussian language.

85% of the newspapers published in BSSR are in Russian, and only some 10% in Byelorussian. The same relationship exists for magazines and literary books. All scientific and technical literature in the BSSR is printed in Russian only.

In BSSR, the schools, institutions, farms (colkhozes), museums, libraries, cities, streets, etc., are named in honor of Russian communist and tsarist dignitaries, writers, etc.

Russians in Byelorussia are the ruling part of the population. They represent Byelorussia before foreigners, giving the false impression that Byelorussians are the same as Russians. Those Russians are organizing in the entire Byelorussia their own clubs, choirs, folklore entertainments, pushing aside Byelorussian ethnic culture.

Buildings in the BSSR are erected in typical Russian pseudo-classical style. But ancient Byelorussian buildings and monuments of independent style of architecture are destroyed.

The eastern part of Byelorussia, with cities of Smalensk, Bransk, Roslaul, Nevel, etc., annexed to the Russian SFSR, is treated as an eternal part of Russia. Nothing of Byelorussian is allowed in this part.

Despite the huge devastations and severe oppression by Russian Government, the Byelorussian people are preserving their own national character. Byelorussians fought for their independence during World War 1. During World War 2, the Second All-Byelorussian Congress convened in Mensk on June 27, 1944. This Congress annulled all ties of Byelorussia with Russia, and approved a proclamation of independence for Byelorussian Democratic Republic, according to the declaration of 1918. The Byelorussian National Guard fought for the liberation and independence of Byelorussia.

The new Constitution of the USSR, approved in 1977, has changed nothing in the formal and real situation of Byelorussia. The new national anthem of the USSR. approved in 1977, accentuated openly the conqueror's character for the Great Russian nation in the USSR.

We are sure that in the future, when a favorable situation will appear, Byelorussians will fight again with arms in hand for their liberation from Soviet Russian colonialism.

Very respectfully yours,

JOHN KOSIAK,
President.
MICHAEL SIENKO,
Secretary.

Mr. Speaker, I am honored to join Americans of Bielarusian heritage in Chicago and all over this Nation as they celebrate this 60th anniversary of Bielarusian independence and I extend to them my warmest best wishes as they continue to contribute mightily to the United States and its ideals of freedom and human dignity.●

BURYING NUCLEAR WASTE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BOB WILSON. Mr. Speaker, I recently made a speech about "The New El Dorado—By-Products From Processed Nuclear Fuel" in which I pointed out the costlines of trying to get rid of nuclear powerplant waste by burying it instead of reprocessing it. I want to add some further thoughts.

About half of the oil in the United States is in abandoned wells, too thick to extract without a wasteful expenditure of energy—heat—to make it less viscous. Yet, there is a nuclear fuel processing byproduct, strontium, which could supply a good portion of the needed heat to liquify those trapped oils. The strontium could be almost "for free" if and when the processing of commercial powerplant fuel waste starts. The Government plant at Richland, Wash., has been extracting strontium for years from the wastes of the plutonium production reactors used in the national security program. The strontium was encapsulated in titanium and sold on the commercial market as heat sources. So it can be done.

A multitude of other useful isotopes are also available. The following report by George P. Dix of the Department of Energy—formerly the Energy Research and Development Administration—on "Beneficial Utilization of Nuclear Waste—1977" covers a number of applications. These are not fairy tales like purses out of sows' ears, or gold from straw. Instead of spending $20 billion figuring out how to bury this energy, let's use it.

The report follows:

BENEFICIAL UTILIZATION OF NUCLEAR WASTE—1977

(By George P. Dix)

ABSTRACT

High level waste from the nuclear energy cycle is currently considered to be a national liability, but in the future it could well become a needed asset. The fission product and transuranium ashes of the nuclear fuel cycle contain large and potentially valuable sources of metals, special purpose energy sources, industrial radiation sources, and other unique materials whose intrinsic value is measured in the billions of dollars and whose strategic potential has not yet been realized. This paper elucidates some of the potentials for high level nuclear waste and discusses some of the programs underway today to convert much of this waste from a national liability to a national asset.

I. INTRODUCTION

High level waste from the nuclear energy cycle is currently considered to be a national liability, but in the future it could well become a needed asset. The fission product and transuranium ashes of the nuclear fuel cycle contain large and potentially valuable sources of metals, special purpose energy sources, industrial radiation sources, and other unique materials whose intrinsic value is measured in the billions of dollars and whose strategic potential has not yet been realized. This article will elucidate some of the potentials for high level nuclear waste and discuss some of the programs underway today to convert much of this waste from a national liability to a national asset and reduce the magnitude of the waste management problem.

II. NUCLEAR FUEL CYCLE STATUS

Late in 1976 it was stated that the U.S. should no longer regard reprocessing of used nuclear fuel to produce plutonium as a necessary and inevitable step in the nuclear fuel cycle, and that we should pursue reprocessing and recycling in the future only if they are found to be consistent with our international objectives. With respect to nuclear fuel reprocessing, the agencies of the Executive Branch were asked to implement the decision to delay commercialization of reprocessing activities in the U.S. until uncertainties were resolved. This caused a rather significant effort to reevaluate the nuclear fuel cycle.

Prior to this statement, a vigorous effort was underway to close the nuclear fuel cycle for the dozens of light water reactors operating in the U.S. This effort was to get on with the recovery and recycling of uranium and at some future date, plutonium, and the demonstration of a viable means for disposing of high level nuclear wastes. After extraction of uranium, the waste stream would be vitrified and placed in a geologic formation. This relegated waste byproduct extraction and utilization to a parallel, non-interference, future opportunity. In addition, once the wastes were vitrified and placed in permanent geologic storage, it appeared that the extraction of byproducts would not be economical.

This reexamination of nuclear fuel reprocessing may possibly reopen the issue of

byproduct extraction and utilization. However, it does appear that future economic and strategic resource patterns will evolve and new reprocessing and extraction methods are evolving which may allow this potential to be realized some day. This may not occur until the 1990's, and only if sufficient research and development is done in the interim to provide for the opportunity to separate and utilize byproducts.

III. WASTE BYPRODUCT INVENTORIES

Table I gives an estimate of inventories of selected materials contained in spent nuclear fuel in 1980 and 1990 (in grams). Table II gives the cumulative inventory of selected isotopes in units of radiation (megacuries) and thermal energy (megawatts) at the turn of the century. These estimates are only for U.S. civilian reactors and do not include military reactors. Worldwide inventories could be several times higher. Inventory calculations of this type are dependent upon assumptions of the installed nuclear electrical capacity, the reactor and fuel cycles, and other factors and generally vary by a factor of 2 or 3 depending upon the assumptions.

It is clear that a large inventory of various strategic materials will be present in the spent fuel elements. It is not clear whether or not they will be extracted and utilized.

TABLE I.—ESTIMATED AVAILABILITY OF SELECTED MATERIALS IN GRAMS

	Year[1]	
	1980	1990
Stable krypton	3.0×10^{6}	2.5×10^{7}
Stable xenon	4.4×10^{7}	3.6×10^{8}
Stable palladium	1.1×10^{7}	6.0×10^{7}
Stable ruthenium	1.8×10^{7}	1.6×10^{8}
Krypton-85	2.0×10^{5}	1.3×10^{6}
Strontium-90	4.1×10^{6}	3.4×10^{7}
Cesium-137	9.5×10^{6}	8.0×10^{7}
Promethium-147	5.1×10^{5}	2.7×10^{6}
Technetium-99	6.8×10^{6}	6.1×10^{7}
Ruthenium-106	3.3×10^{5}	2.0×10^{6}
Rhodium-103	3.2×10^{6}	3.3×10^{7}
Neptunium-237	3.9×10^{5}	3.6×10^{7}
Plutonium-238	5.2×10^{4}	8.5×10^{5}
Curium-244	3.3×10^{5}	2.0×10^{6}
Americium-241	4.2×10^{5}	6.5×10^{6}

[1] Installed nuclear generating capacity 1980 (85 GWe), 1990 (400 GWe).

TABLE II.—NUCLEAR WASTE INVENTORIES BY THE YEAR 2000† (SELECTED NUCLIDES

Nuclides	Inventory‡ (megacuries)	Annual generation rate (megacuries)	Thermal inventory (megawatts)	T-1/2 (years)	Thermal output (megawatt-hours)*
^{90}Sr	10,000	770.0	67.0	28.6	12,500,000
^{137}Cs	15,600	1,500.0	74.0	30.0	14,600,000
^{85}Kr	1,200	150.0	1.8	10.0	118,000
^{238}Pu	31	.2	1.0	87.8	576,000
^{244}Cm	260	23.0	8.9	18.1	1,057,000
^{147}Pm	8	1.1	2.9	2.6	64,000

†See the following table:

	Year	10^{3}W(e)
Installed Capacity	1980	153
	1990	368
	2000	735

‡LWR fuel processing inventory 90 days and LMFBR 30 days after discharge from reactor.
*Computed over 1 half-life of the radioisotope.

IV. WASTE BYPRODUCT EXTRACTION

The inventories listed in Tables I and II are inventories contained in the high level wastes. Chemical or physical separation processes are required to extract individual elements and more exotic processes are required in some cases to separate or enrich a given isotope within an element to facilitate its use. The chemical separation processes for all elements have already been demonstrated. Certain isotope separation processes, such as centrifuge, laser and other methods, are under intensive development for uranium enrichment and will be applicable to enriching or segregating specific by-product isotopes.

Extraction costs are uncertain at this time although it is clear that it will be more cost-effective to extract suites of elements or multiple by-products than to extract one product (e.g., uranium) in a reprocessing plant. In addition, subsequent nuclear waste management could be facilitated by removal for use of the majority of the heat-producing nuclides, those with penetrating radiation, and those having extremely long half-lives. Trade-offs of how by-product extraction could facilitate waste management or enhance the economics of nuclear fuel reprocessing have not been updated. A 1965 paper by Rohrmann of PNL indicated a by-product net value of $232,538 per tonne of spent fuel equivalent to a net of $232 per kilogram or 1.055 mills per electrical kilowatt-hour for nuclear electricity.

Strontium fluoride and cesium chloride are currently being separated from the military high level wastes at Hanford, Washington. Strontium and cesium capsules are now being produced at the Hanford Waste Encapsulation and Storage Facility. Hundreds of these capsules are being produced and stored in a pool there to dissipate their heat, which is about 1 KW(t) for the strontium capsules and 300 W(t) for the cesium capsules. Unfortunately, the capsules were designed for pool storage, and studies are underway to determine the modifications required for their utilization in irradiators and special-purpose thermal and thermoelectric devices. One of the problems is to obtain by-products for demonstrating their various applications. The only resource of separated nuclear waste is from the government production and military reactor operations and these are waste management-oriented. As such, it is difficult to obtain most by-products in sufficient amounts and suitable form to perform the requisite experiments to demonstrate applications which in turn will drive the requirements to separate by-products and, ultimately, to affect their utilization.

V. APPLICATIONS FOR WASTE BY-PRODUCTS

ERDA has a modest but active program to explore the utilization of nuclear waste by-products. This program is to evolve an applications base and explore factors including societal benefit, identification of those applications utilizing large quantities of by-products, safety, environmental compatibility, and cost effectivity.

Several applications have been identified which have multibillion dollar potentials. These include the use of radiocesium to convert sewage sludge to fertilizer, use of platinum family metals for catalytic processes or corrosion-resistant materials, and transuranium elements for special-purpose energy sources and detection or metering devices. Other applications of lesser economic value have been demonstrated including self-luminous light sources, food irradiation, and remote power supplies.

A number of other applications for waste by-products will be studied as time and resources permit. Although new applications will ultimately be found, it is not expected that a consummate scenario, wherein all the wastes can be ultimately utilized, will evolve. Thus, disposal of some nuclear waste (e.g., radioiodine) may always be required although high level waste disposal should be facilitated if the primary heat and radiation-producing nuclides are extracted. For example, radiostrontium constitutes about 8% and radiocesium about 9% of the thermal energy in nuclear wastes initially and much higher percentages as wastes age. Therefore, if they are utilized in beneficial applications, such as those discussed herein, heat management of the residual wastes should be facilitated.

VI. PLATINUM-GROUP METALS

The Platinum-group of metals consists of platinum, palladium, rhodium, iridium, ruthenium, and osmium. Nearly all of the world production of these metals is in South Africa (49%), U.S.S.R. (44%), and Canada (6%). They serve primarily as catalysts and corrosion-resistant materials. Although the U.S. recycles these metals to the extent of 10% of our needs, 90% of our needs are met by imports. Our heavy import dependence for these critically important industrial metals has strategic implications and the outflow of dollars ($503 million in 1974) will continue to adversely affect the U.S. balance of payments in the future. From now to the year 2000 the U.S. will require 1.7 billion grams and the entire world will consume greater than 6.2 billion grams of these metals. By comparison U.S. mines are forecast to supply only a fraction of one percent of our domestic reserves estimated to be about 30 million grams. Some of the platinum-group metals may substitute for one another in industrial applications.

The nuclear wastes contain large amounts of palladium, rhodium, ruthenium, and the transitional element, technetium, which in large measure could serve our industrial needs. Although, they vary from slightly radioactive to sufficiently radioactive to delay from use for 20–25 year periods, they could be used, as is, in closed systems, and new methods are now being developed to separate the radioactive isotope from the metal element.

In the light of mounting balance of payments problems, our total dependence on foreign suppliers with regard to availability and cost of these metals, the rising U.S. need for catalysts and exotic metals, and uncertain supply scenarios, the extraction of these metals from the nuclear wastes should be carefully considered.

The cumulative U.S. demand for palladium from 1973–2000 is given as 746 million to 1 billion grams. Our domestic reserves of palladium are thought to be 300,000 to 600,000 grams. By comparison, in 1990 the nuclear wastes are estimated to contain 60 million grams of fission product palladium, with a factor of 5–10 more by the year 2000. Fission product palladium contains six palladium isotopes (^{104}Pd, ^{105}Pd, ^{106}Pd, ^{107}Pd, ^{108}Pd, and ^{110}Pd). Of these only Palladium-107 is very slightly radioactive, and could have restricted use in industrial applications without creating a health hazard. Over 80 percent of the fission palladium is non-radioactive.

The cumulative U.S. demand for rhodium from 1973 to 2000 is 59 million to 87 million grams. Domestic production of rhodium never exceeded 62,000 grams per year and it ceased in 1967. There will be about 31 million grams of rhodium in the wastes by

1990 and the quantities available in 2000 should be sufficient to meet our domestic needs. Unless radioactive species are removed from the fission product rhodium by advanced isotope separation means; it must be stored or used only in closed systems for 20 years before its radioactivity reaches levels suitable for unrestricted use.

Ruthenium has applications in electronics, superconductivity, and oxidation resistance. It costs approximately $2 per gram and is imported from abroad. There will be approximately 93 million grams of ruthenium in the nuclear wastes by the year 1990 and 5 to 10 times more by 2000. Ruthenium-106 produces 33 thermal watts per gram and must either be removed from the ruthenium or be held up for 25 years for radioactive decay to permit unrestricted use of the remaining ruthenium metal.

Technetium does not occur in nature but is a substitute for platinum in the production of anti-knock fuels and in antifouling and corrosion resistant surfaces. The inventory of fission product technetium by 1990 will be about 62 million grams. As the needs for catalysts to produce liquid fuels, without additive, increase this may become a vital resource.

In summary, in gross terms our U.S. resources of fission product platinum-family metals will approximate our domestic needs before the year 2000. We are essentially dependent upon imported supplies of these materials and possess less than 31 million grams of natural domestic reserves of these materials versus requirements of 1.7 billion grams from now until 2000.●

PRESIDENT'S INFLATION PROGRAM

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

Mr. RHODES. Mr. Speaker, I understand that tomorrow the President will at long last announce a program to control inflation. In anticipation of this long overdue event, I want to welcome the President to the club. This club is a large one, comprising the 82 percent of the American people who believe, according to a just-released Harris Poll, that inflation is the most serious domestic problem we face. There is still room for Mr. Carter, however, even if it did take him the 427 days he has been in office to come to the conclusion that inflation was a big and real problem.

Now newspaper reports indicate that the centerpiece of the Carter anti-inflation program will be the requirement that Federal agencies assess the inflationary effects of proposed rules and regulations. I expect every Member of the Congress will join me in applauding this proposal. But what Mr. Carter may neglect to tell the American people is that the requirement for inflation impact statements for regulations was originated by President Ford in 1974. While the requirement brought howls of pain from OSHA and EPA and all the other regulatory agencies, the last Republican administration was able to stop some very inflationary regulations by firmly enforcing the requirements through the cabinet-level Economic Policy Board. What Mr. Carter is highly unikely to mention is that just before leaving office in January of 1977, President Ford extended the Inflation Impact program for another year, but the requirements were not enforced by the Carter administration, and therefore very few regulatory agencies prepared inflation impact statements. What Mr. Carter will never admit to is that when the Executive Order mandating inflation impact statements came up for renewal in January 1978, he let it expire. That's right, he let all the regulatory agencies off the inflation-hook by letting the program expire.

So tomorrow, when the President announces his anti-inflationary program, he ought to be asked to explain why he let the inflation impact program expire. He should explain why in the future the requirements of the program will be enforced not by a cabinet-level working group but instead by a collection of subcabinet officials. Indeed, I hope the President will be able to explain why it has taken him over a year to show any movement whatsoever in fighting inflation.

UNICO AWARDS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. RODINO. Mr. Speaker, on Sunday, March 12, I attended the third annual achievement awards breakfast of the Newark Chapter of UNICO National. This organization of Americans of Italian descent is well known for its service to the community and its furthering of the Italian heritage in America. The UNICO awards go to those who have distinguished themselves in a particular area and who exemplify high moral standards. The five people who have been honored by Newark UNICO were all familiar faces, having spent most or all of their lives in the Newark area, and their achievements have not gone unnoticed.

Mrs. Anne Pannullo is active in several church organizations, and spends much time at St. Mary's Orphanage and teaching Christian doctrine at St. Joseph's School. Mr. Anthony Verducci has dedicated the last 22 years of his life to encouraging young athletes at Seton Hall Preparatory School. As a physical education teacher and football coach, Tony is known as one of the most successful coaches in the State, as is his brother Frank, another award winner. Frank, who is now chairman of the department of health and physical education at Barringer High School, has brought Barringer five city championship teams and was named 1977 High School Football Coach of the Year by the Newark Star-Ledger. The fourth honoree, Chester Parlavecchio, is a young man who has distinguished himself at Seton Hall Prep as an all-State football player and a member of the all-American high school football team. He plans to attend Penn State University and I am sure he will continue to make his family and friends very proud of him. The last award winner is someone I know very well because we have worked together to improve Newark's housing situation ever since he began working for the Newark Redevelopment and Housing Authority in 1965. Robert Notte, now executive director of that organization, is one of the most dedicated—and extremely effective—public servants I have ever known in my long career in the Congress. The citizens of Newark are lucky to have him, and I am very proud to call him my friend.

Mr. Speaker, all of these award winners, Anne Panullo, Tony Verducci, Frank Verducci, Chet Parlavecchio, and Bob Notte, are all recognized as distinguished members of our community. I was happy to be with the UNICO members to honor these fine citizens and I salute their achievements.●

FEDERALLY CHARTERED SAVINGS AND LOAN ASSOCIATION LENDING POWERS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ST GERMAIN. Mr. Speaker, on March 2, 1978, Chairman REUSS and I introduced the Urban Lending Act of 1978. That bill was proposed by Chairman Robert H. McKinney of the Federal Home Loan Bank Board to pave the way for increased participation by the Nation's savings and loan associations in redeveloping our cities. This would be accomplished by granting savings and loans authority to:

First, invest in urban areas participating in community development block grant or other Federal dollars city aid programs;

Second, have substantially increased investments in rehabilitation and home improvement loans; and

Third, invest in State and local sponsored housing finance agencies.

These changes, however, will be more understandable as a result of a simplification of 5(c) of the Home Owners' Loan Act.

Presently, the language in 5(c) is unnecessarily complex. This often results in misunderstanding by legal as well as lay minds. Straightforward English rather than legal mumbo jumbo is needed in this and other sections of our banking codes. To that end I am joined in the cosponsorship today of this bill by a number of my colleagues who serve on the House Committee on Banking, Finance and Urban Affairs.

The bill represents an effort to streamline the statute which governs the general lending and investment authority of Federal savings and loan associations. The new section is shorter and clearer. The only substantive changes in savings and loan authority are those contained in the Urban Lending Act of 1978—which are incorporated into this proposal.●

THE OLIN E. TEAGUE VETERANS HOSPITAL

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MOTTL. Mr. Speaker, one of the priority goals of the Veterans of Foreign Wars' current legislative program is the enactment of legislation to designate the Washington, D.C., Veterans' Administration Hospital, the "Olin E. Teague Veterans Hospital."

In accordance with that organization's request, I am introducing a bill today that would accomplish that goal.

Legislation is already pending to name the VA hospital at Temple, Tex., after the distinguished former chairman of the Committee on Veterans' Affairs. I am sure there will be others. The accomplishments of the gentleman are such that it would be appropriate for any VA facility to bear his name.

Mr. Speaker, the membership of the Veterans of Foreign Wars is limited to veterans who have served overseas on active duty in our Armed Forces during a period of war or national peril for which a badge or medal was authorized. It is logical that an organization with so many of its members having experienced combat action against the enemy would automatically identify with TIGER TEAGUE. TIGER TEAGUE has a war record which has earned him the tribute all the years he has been in the Congress as the Member with the most military decorations.

It was the third Purple Heart decoration for gunshot wounds inflicted by the enemy in Europe that eventually sent TIGER TEAGUE back to the United States for a long period of convalescence. As a patient recovering from extensive wounds, TIGER was to gain an insight into the desires, concerns, and needs of veterans that was to be extremely helpful in the years ahead as a Member of this great body.

Perhaps it was fate that TIGER TEAGUE was elected to serve on the Veteran's Affairs Committee, and in a few years to become its chairman. During his years in Congress he has successfully championed the causes of veterans and was the leader in building a structure of veterans' rights and benefits unparalleled throughout the world. TIGER has authored more veterans' legislation than any other Member of Congress since the founding of this Republic. More importantly, he provided the leadership necessary to get the legislation enacted into law.

It is only fitting and proper that the VFW would urge Congress to name a VA facility in honor of TIGER TEAGUE. By choosing the VA hospital in the Nation's Capital, the VFW has chosen the one hospital which perhaps is symbolic of all VA hospitals because of its location.

Mr. Speaker, I am sure other bills will be introduced to name various VA hospitals in TIGER'S honor. As I indicated before, any one of the existing hospitals would be appropriate. Therefore, I am pleased and honored to introduce this bill today for the VFW which proposes to honor the one Member of this body who respectfully deserves the title "Mr. Veteran."●

GREEK INDEPENDENCE DAY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. SARASIN. Mr. Speaker, March 25 marking the 157th anniversary of the Greek war for independence, it is with great pleasure that I give tribute to that nation whose contributions and influence transcend the boundaries of time and history to inspire and bear fruitful consequences for modern civilization. The Greeks earn the respect, admiration, and appreciation of all of us who have come to love and cherish the very principles of democracy: The dignity of the individual, the sovereignty of the State, and the primacy of freedom, virtue, and integrity. These are the pillars of our Nation—pillars that have their foundation in the Golden Age of Classical Greece and around which have flowered our own American tradition and law.

If Greek influence had merely been political, they would have been long remembered in the annals of world history. However, their talents have touched and embellished every aspect of life—from art and architecture, to athletics, mathematics, science, and law, to mention only a few. Indeed, a short tour of our Nation's Capital betrays not a mild touch of Greek heritage as it is immortalized in the architecture of the Lincoln Memorial, the Treasury Building, and the Capitol itself.

The benefits that our Nation has shared with the heritage of Greece are not only derived from its classical period, however, and the innumerable contributions of both contemporary Greeks and Greek-Americans are deserving of their due tribute. The continual efforts of Greece in preserving peace and freedom whenever imperiled—as in World War II against the Fascists, or in the more recent battle against communism—are ready reminders to us all that Greece is at our side to keep the spirit of freedom and liberty forever alive.

Greek-Americans do much to strengthen this noble heritage in the society of 20th century America. Since their first settlement in North America in New Smyrna to the present day, they have continually made invaluable contributions to their community, their nation, and the betterment of life for all. As educators, humanitarians, scientists, and politicians, they have stepped to the forefront in preserving a heritage and a philosophy of life on which the very foundation of America has been built.

It is, then, with great pride that I applaud this nation and its people on an occasion that serves as a reminder to all Americans of their very own principles that will hopefully one day become a reality for all—independence, freedom, and liberty for all peoples everywhere. It is with best wishes that I join them in celebrating the Independence of their homeland—the ancient motherland of American ideals.

CLASSIFYING PCP AS A SCHEDULE I DRUG AND ESTABLISHING MANDATORY MINIMUM PRISON SENTENCES FOR ITS ILLICIT MANUFACTURE OR SALE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. GILMAN. Mr. Speaker, within the past few years, phencyclidine (PCP) has become the major hallucinatory drug of abuse, supplanting the mind-altering LSD that was popular among this Nation's youth during the mid-1960's and early 1970's. Some experts, including NIDA's Director Dr. Robert DuPont, regard PCP as "the most dangerous drug to hit the streets" and to be consumed by our youngsters.

Effective February 24, 1978, phencyclidine was transferred by an administrative ruling (43 F.R. 3359) from schedule III to schedule II of the Controlled Substances Act, thereby upgrading the warning to the public that consumption of this hallucinatory drug "may lead to severe psychological or physical dependence," but also acknowledging that despite its "severe restrictions" this dangerous drug, under schedule II standards, has "a currently accepted medical use in treatment in the United States."

PCP, commonly known as "angel dust," "hog," "tic," "tac," "PeaCe Pill," and other street names was originally developed in the 1950's by Parke, Davis & Co. as an anesthetic but was discontinued when many patients developed severe postoperative reactions that proved unacceptable for human use. Although PCP has not been approved for medical use in humans, it has been medically approved for veterinarian use as an animal tranquilizer, and accordingly was not placed as a schedule I controlled substance as recommended by the National Institute on Drug Abuse (NIDA).

According to some medical scholars, PCP "has no equal in its ability to produce psychoses nearly indistinguishable from schizophrenia." In a paper entitled, "The PCP Psychoses: A Hidden Epidemic," Dr. Paul V. Luisada, a leading medical authority on PCP at Saint Elizabeths Hospital here in the Nation's Capital, has characterized PCP psychosis as follows:

> The PCP psychosis may be defined as a schizophreniform psychosis which occurs in some individuals after phencyclidine use and which persists for more than a day. The psychosis may last for days or weeks despite abstinence, and it characteristically becomes more severe during the first few days of its course.
>
> The psychosis is characterized by the appearance of the cardinal signs of schizo-

phrenia and unpredictable aggressive or withdrawn behavior. Characteristically, there is autistic and delusional thinking, commonly including global paranoia, delusions of superhuman strength and invulnerability, as well as delusions of persecution and grandiosity. A formal thought disorder, with loosening of associations, blocking and auditory hallucinations can be demonstrated. Affect is generally blunted, with periods of suspiciousness often alternating with extreme anger or terror. Patients are ambivalent and unpredictable even toward their close friends and relatives.

Behavior is extremely unpredictable. These patients may be reluctantly cooperative one minute and violently assaultive the next. Some carry lethal weapons to protect themselves from their imagined persecuters. Bystanders have often been furiously, unpredictably and unremittingly attacked without provocation because the psychosis may include both extreme global paranoia and delusions of superhuman strength.

An estimated 7 million individuals mostly between ages 12 and 25, have reportedly tried this mind-crippling drug. Data gathered by the Drug Enforcement Administration (DEA) from hospital emergency rooms, medical examiners, and crisis centers indicate that between 1975 and 1976 the number of PCP patients rose from 2,431 to 3,283, or an alarming 35-percent increase within the 2 years. Unfortunately, these figures do not reveal the depth and magnitude of the PCP problem, since not all cases of PCP abuse are reported, and since this hallucinatory drug produces symptoms that mimic schizophrenia, cases of PCP usage are frequently misdiagnosed by medical personnel.

However, the amount of PCP dosage units removed from this Nation's streets by the DEA and DEA task forces clearly demonstrate the national significance of this drug abuse problem. In 1974, DEA agents seized 1,597,000 PCP dosage units; in 1975, the seizure of PCP dosage units escalated to 1,844,000 and declined in 1976 to 1,713,000 (but an increase of 116,000 dosage units from the 1975 seizure). Last year, PCP abuse reached epidemic proportions. In 1977, the amount of PCP dosage units removed from our streets by DEA agents rocketed to 3,518,000, or more than twice the amount of PCP removed the previous year. During this same 4-year period, the number of DEA arrests for the illicit manufacture or sale of PCP rose by nearly 59 percent; from 176 arrests in 1974 to 279 arrests in 1977.

PCP abuse has become a drug crisis for this Nation. It has reached epidemic proportions among teenagers who are the primary users of this pernicious drug, and New York, Chicago, Detroit, San Francisco, Los Angeles, and this Nation's Capital are currently the major illicit manufacturing and distributing centers for this dangerous substance. Law enforcement authorities have attributed hundreds of murders, suicides, accidental deaths, and bizarre, self-inflicted injuries, to PCP intoxication. New York State Police, Troop F, which is headquartered in Middletown, N.Y., in my congressional district, have stated that arrests resulting from PCP are increasing in Orange, Ulster, and Sullivan counties. Nearly one-third of San Diego's 126 deaths by drug overdose have been attributed to PCP abuse.

Dr. Luisada, who has examined more than 100 PCP patients in the last 3 years, has stated that during some months between 1975 and 1976, admissions for PCP intoxication reached epidemic proportions at Saint Elizabeths Hospital and that "PCP psychosis became our leading inpatient psychiatric admissions, surpassing both schizophrenia and alcoholism." He also maintains that "PCP presently remains the major drug abuse in the Washington Metropolitan area." Richard L. Hamilton, Director of Maryland's Drug Abuse Administration, recently stated that 32 percent of the patients enrolled in drug-treatment programs in Maryland "have had some problems with PCP."

Mr. Speaker, unlike heroin, cocaine, and some other dangerous drugs that involve intricate cultivation processes grown only in certain regions of the world and then manufactured, transshipped and distributed internationally by organized criminal syndicates, PCP is a nonnarcotic, synthetic drug that can be manufactured in any part of the world. Anyone with an elementary knowledge of chemistry can turn out this hallucinatory drug from over-the-counter chemicals. The manufacturing process is easy. The chemicals are readily available and inexpensive. An estimated $100 worth of chemicals can produce PCP worth a street value in the United States of about $100,000.

PCP is also easy to market. It can be sprayed as a liquid or sprinkled as a crystal on marihuana, tobacco, or parsley; it can appear in the form of a tablet, capsule, or powder. The PCP user can smoke, inhale, swallow, or inject this hallucinatory product and its more than 30 analogues, the effects of which cause unpredictable behavior to the user—producing irrational and violent behavior, delusions of grandeur and superhuman strength, and delusions of persecution. Under the influence of PCP, the user is clearly a danger to himself and to those around him. With these dangers in mind, it is puzzling as to why anyone, particularly youngsters, would want to take this deadly drug.

Mr. Speaker, because of the direct and immediate danger that PCP presents to both the user and to society, I am today introducing legislation that (1) would place phencyclidine into schedule I of the Controlled Substances Act and (2) would establish within section 401(b)(1)(B) of that act, which governs penalties for nonnarcotic schedule I and schedule II drugs, mandatory minimum prison sentences for those who unlawfully manufacture, dispense or distribute PCP or any of its analogues, derivatives or variants.

The criteria for placing a drug into schedule I of the Controlled Substances Act are threefold: First, the drug must have "a high potential for abuse"; second, the drug must not have "a currently accepted medical use in treatment in the United States"; and third, "there is a lack of accepted safety for use of the drug or other substance under medical supervision."

PCP meets all three criteria for being classified as a schedule I drug. The record is clear with regard to the abuse and danger that this hallucinatory, psychoses-schizophrenia producing drug presents to the user and to those around him, and because of these dangers, PCP has not been medically approved for treatment in humans with assurances that the patient, under medical supervision, would be safe from the postoperative effects of this dangerous drug.

Unlike heroin, a narcotic, addictive-causing pain killer, some thought has been given as to whether this drug should be used for terminally inoperative cancer patients, thereby minimizing the pain and suffering that these patients undergo. Mr. Speaker, PCP does not possess this redeeming quality. It is a pernicious drug and accordingly should receive the most stringent warning and control available under the Controlled Substances Act.

Under the leadership of the distinguished Senator from Illinois (Senator PERCY), the Senate overwhelmingly adopted his amendment to place PCP as a schedule I drug in S. 1437, the Federal Criminal Code, that passed the Senate on January 30, 1978. In my view, it is now time for the House to act to classify PCP as a schedule I drug and also to provide stiff mandatory minimum prison sentences for the unlawful manufacture or distribution of this horror drug.

With regard to the second aspect of my measure—the unlawful manufacture, distribution or dispensing of PCP—anyone convicted of violating this proposed legislation, which differs from S. 1437, would be subject to a mandatory minimum sentence of 3 years in prison with no parole eligibility. A convicted felon, regardless of whether the first conviction was drug-related, who subsequently is convicted of violating this measure, as a two-time offender, would be subject to a mandatory minimum sentence of not less than 7 years in prison with parole eligibility after serving a prison sentence of 5 years.

With regard to an individual who unlawfully distributes or dispenses PCP or any of its derivatives to a person under 21 years of age, the convicted violator would be subject to a mandatory minimum sentence of 8 years in prison with no eligibility for parole. An individual convicted of a felony, regardless of whether the prior conviction is drug-related, would be subject, as a two-time offender, to an imprisonment of not less than 11 years with parole eligibility after serving a prison sentence of 9 years.

Any sentence imposed under my proposal would not be suspended and probation would not be granted.

A court of competent jurisdiction would, however, have discretion and flexibility to reduce the term of parole ineligibility or imprisonment, to provide a term of imprisonment with no term of parole ineligibility, to place the violator on probation, or to suspend the sentence if the court found that (1) the individual's mental capacity was significantly impaired, (2) the individual was under unusual duress, (3) the individual was an accomplice whose participation in the prohibited offense was relatively minor,

or (4) if the court found that after the arrest, the individual supplied law enforcement officials with information useful in the apprehension of anyone who violated this proposed measure.

Mr. Speaker, transferring PCP from schedule II to schedule I without providing stiff, mandatory minimum prison penalties for its unlawful manufacture or distribution would amount to cosmetic legislation, since the penalty for violating section 401(b)(1)(B) of the Controlled Substances Act includes, among other penalties, a sentence of not more than 5 years in prison, which, in my view, is not very stringent considering the devastating mind-crippling effects that PCP can cause to its user. Commenting on the relatively lenient Federal and State penalties for the unlawful manufacture and distribution of PCP and several Maryland proposals to increase its penalties, The Washington Post, in an editorial entitled, "PCP: Infernal 'Angel Dust'" (Feb. 27, 1978, stated:

We suspect that as the terrifying effects of PCP become better known, more states will want to consider the thinking behind the Maryland proposals: That is, that given the ease with which PCP can be illegally produced and the profits that can be realized from its sale, it's important now to up the stakes for those who are either now in or considering this illegal line of work.

Mr. Speaker, in the interest of providing the most stringent Federal warning to the public regarding PCP abuse by classifying it as a schedule I drug and in the interest of clamping down on those who illicitly manufacture or distribute this horror drug to our teenagers, I am at this point in the RECORD inserting the complete text of my bill and will welcome the support of my colleagues to provide stiff, mandatory minimum penalties to those merchants of human suffering:

H.R. —

A bill to place phencyclidine in Schedule I of the Controlled Substances Act, to amend the Controlled Substances Act to increase the criminal penalties under that Act for the unlawful manufacture, distribution, or dispensing of, or the possession with intent to distribute or dispense, phencyclidine and to increase the penalties under that Act for illegal distribution of phencyclidine to persons under 21 years of age, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Controlled Substances Act (21 U.S.C. 812) is amended—

(1) by repealing "(7) Phencyclidine." in Schedule III(b);

(2) by deleting the numbers "(8)", "(9)", and "(10)" in Schedule III(b) and inserting in lieu thereof the numbers "(7)", "(8)", and "(9)"; and

(3) by adding "(18) Phencyclidine." at the end of Schedule I(c).

SEC. 2. Section 401(b) of the Controlled Substances Act (21 U.S.C. 841(b)) is amended by inserting after "such person shall" in the first sentence of paragraph (1)(B) the following: ", except as provided in paragraphs (4) and (5) of this subsection,", and (2) by adding after paragraph (4) the following new paragraph:

"(5)(A) Except as provided in subparagraph (B), in the case of a violation involving phencyclidine or any analogue, derivative, or variant of phencyclidine that is in a schedule under this title, such person shall be sentenced to a term of imprisonment of not less than 3 years. In imposing a sentence of imprisonment under this subparagraph a court shall, notwithstanding section 4205 of title 18, United States Code, designate in such sentence a minimum term of 3 years which must be served before the person subject to such sentence would become eligible for parole.

"(B) If any person commits a violation of subsection (a) with respect to phencyclidine or any analogue, derivative, or variant of phencyclidine that is in a schedule under this title after one or more prior convictions for an offense punishable under this paragraph or for any other felony under any other provision of law, such person shall be sentenced to a term of imprisonment of not less than 7 years. In imposing a sentence of imprisonment under this subparagraph a court shall, notwithstanding section 4205 of title 18 United States Code, designate in such sentence a minimum term of 5 years which must be served before the person subject to such sentence would become eligible for parole.

"(C) In the case of any sentence imposed under subparagraph (A) or (B), imposition or execution of such sentence shall not be suspended and probation shall not be granted. A term of imprisonment imposed on a person under subparagraph (A) or (B) shall run consecutively to any other term of imprisonment imposed on such person, and a term of parole ineligibility imposed on a person under subparagraph (A) or (B) shall run consecutively to any other term of parole ineligibility imposed on such person.

"(D) Notwithstanding the provisions of subparagraph (A) or (B), the court may sentence any person who violated section 401(a)(1) by manufacturing, distributing, or dispensing phencyclidine or any of its analogues, derivatives, or variants to a shorter term of parole ineligibility or imprisonment than required under subparagraph (A) or (B), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the courts finds that, at the time of the violation—

"(1) such person's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution.

"(2) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution, or

"(3) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor,

or if the court finds that after the arrest of such person such person supplied law enforcement officials with information useful in the apprehension of any other person who violated this title.".

Sec. 3. Section 405 of the Controlled Substances Act (21 U.S.C. 485) is amended—

(1) in subsections (a) and (b) by striking out "at least eighteen years of age" wherever it appears in such subsections; and

(2) by adding at the end of such section the following new subsection:

"(c)(1) Except as provided in paragraph (2), the court, in setting the sentence under section 401(b)(1)(B) of any person who violated section 401(a)(1) by distributing or dispensing phencyclidine or any analogue, derivative, or variant of phencyclidine that is in a schedule under this title to a person under twenty-one years of age, shall not sentence such person to probation or suspend imposition or execution of the sentence, or sentence the person pursuant to chapter 402 of title 18, United States Code, but shall—

"(A) except as provided in subparagraph (B), sentence such person to a term of imprisonment of not less than eight years and shall designate a term of parole ineligibility of not less than eight years; or

"(B) sentence such person to a term of imprisonment of not less than eleven years and shall designate a term or parole ineligibility of not less than nine years, if such person committed such violation after such person had been convicted of a felony.

A term of imprisonment imposed on a person under this subsection shall run consecutively to any other term of imprisonment imposed on such person, and a term of parole ineligibility imposed on a person under this subsection shall run consecutively to any other term of parole ineligibility imposed on such person.

"(2) Notwithstanding the provisions of paragraph (1), the court may sentence any person who violated section 401(a)(1) by distributing or dispensing phencyclidine or any analogue, derivative, or variant of phencyclidine that is in a schedule under this title to a person under twenty-one years of age to a shorter term of parole ineligibility or imprisonment than required under paragraph (1), to a term of imprisonment with no term of parole ineligibility, or to probation, or may suspend imposition or execution of the sentence, if the court finds that, at the time of the violation—

"(A) such person's mental capacity was significantly impaired, although not so impaired as to constitute a defense to prosecution,

"(E) such person was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution, or

"(C) such person was an accomplice, the conduct constituting the offense was principally the conduct of another person, and such person's participation was relatively minor,

or if the court finds that after the arrest of such person such person supplied law enforcement officials with information useful in the apprehension of any other person who violated this title.".●

FARM BILL

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. PRESSLER. Mr. Speaker, I am extremely disappointed that we have not addressed the farm bills today or tomorrow. We are going into recess. It is tragic that our farmers have not had a chance to plan their spring planting. If a farm bill is revised in early April, by the time the Agriculture Department issues regulations on set-asides it will be at least mid-April. Much of the planting will be underway throughout our Nation by that time.

Already much of the South has planted its crops. And in the upper midwestern area, we are in a situation that finds us wtih farmers planning, buying fertilizer and seeds. It is almost impossible for them to respond to a farm program that is not adopted until April 15.

Mr. Speaker, my reasons for voting no on the motion to table by Mr. FOLEY was that I feel strongly, as I said on the floor, that we should stay in session and discuss this farm bill here today.●

VIGIL FOR FREEDOM: HILLEL BUTMAN

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. LENT. Mr. Speaker, I welcome this opportunity to participate in the Vigil of Freedom organized by my distinguished colleague from Michigan, Representative BRODHEAD and the Union of Councils for Soviet Jews. I am pleased to again call the world's attention to the plight of my adopted prisoner of conscience, Hillel Butman, a victim of Soviet repression.

In 1970 Hillel was charged with participating in a plot by several desperate Jews to hijack an airplane to Sweden because their emigration applications had repeatedly been turned down. Not only was Hillel hundreds of miles away from the scene, but he had consistently tried to dissuade the participants. Nonetheless, the Soviet justice system sentenced him to 10 years in prison. His sentence runs through June 1980.

Due to the well known harshness of Soviet prisons, I am deeply concerned for Hillel's survival. His first 5 years of the sentence were spent in the most dreaded prison in Russia, Vladimir, whose cells once held prisoners of the Czar. Conditions at Vladimir are inhumane. For example, according to a letter Hillel managed to smuggle to his wife, the Ministry of the Interior designates a prisoner's first month as a "hungry month." After this month, the food ration is increased to 800 calories per day. Six prisoners are now crammed into cells which held three in the days of the Czar. For 5 years, Hillel was kept in solitary confinement in a cell with a plank bed, no plumbing, one visit a year, one letter a month, the 800 calories a day, and no food parcels. When he was finally transferred from Vladimir, we hoped the worst was over. However, Hillel has recently been reassigned to Vladimir with the stipulation that he serve the remainder of his sentence there. The inhumanity of it all.

In addition to the heavy toll such circumstances take on a man over 40 years old, the impact on his family is incalculable. His wife and two daughters live in Israel, having emigrated from the U.S.S.R. in 1973. The youngest has never even seen Hillel.

This inhumanity must not be allowed to continue. Together with Hillel's many friends the world over, I am continuing to keep up the pressure on the Soviets to end this mockery of justice and let Hillel be reunited with his family and loved ones. As Hillel said at his trial—

> I am asking for just one thing—justice! Injustice is more terrible for me than a prison. Injustice kills better than a bullet.

Since 1970, Hillel Butman has endured the bondage of Soviet repression which strikes like a cold dagger to the heart of this freedom-loving, compassionate man. In the name of basic human rights, in the name of the accords signed in Helsinki, in the name of common, human compassion, I say to the Soviet Union, "Free Hillel Butman" ●

DEVELOPMENT DISABILITIES LEGISLATION

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ROGERS. Mr. Speaker, I am introducing today legislation to extend the Development Disabilities Act, and to make various improvements in it. I am pleased to be joined in sponsoring this legislation by my esteemed colleague from Kentucky, the ranking minority member of the Subcommittee on Health and the Environment, Dr. Tim Lee Carter.

The proposed legislation is based on recommendations for changes in the Developmental Disabilities Act which were carefully formulated and endorsed by a number of groups who have long been active in this field, including the National Association for Retarded Citizens, the Epilepsy Foundation, the United Cerebral Palsy Association, Inc., the National Society for Autistic Children, the American Association of University Affiliated Programs, the American Association on Mental Deficiency, the National Association of State Mental Retardation Program Directors, the National Association of Private Residential Facilities for the Mentally Retarded, the Kennedy Foundation, and many others. While introduction of legislation incorporating their basic suggestions does not represent my personal endorsement of every change they have proposed, I do believe the thrust of the changes is a good one, and that they should be the starting point for consideration by the Congress and the public as we move to extend the developmental disabilities legislation this year. I look forward to receiving testimony on the proposal in early April.

I should note one additional point. When we last considered the Developmental Disabilities Act, some groups suggested changes in the definition of what constituted a developmental disability. In order to provide us with better information on which to base our decision, we authorized an independent study of that issue. As part of that study, a National Task Force on the Definition of Developmental Disabilities was established. The report is now in; the majority recommended a relatively significant expansion of the definition, while a sizeable minority recommended a definition closer to that of the current law. Members will note that the bill I am introducing today does not propose a change in the existing definition. I preferred to receive direct testimony from representatives of both the majority and minority of the task force, as well as from the administration and other interested parties, before formulating my own views on appropriate changes. Again, I believe the testimony we receive during hearings on the proposed legislation will be most helpful to the committee as we develop recommendations to the Congress on this issue.●

THE NATIONAL CONSUMER NUTRITION INFORMATION ACT

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. RICHMOND. Mr. Speaker, today it is my privilege to introduce a bill entitled "The National Consumer Nutrition Information Act of 1978." As you will note by the list of cosponsors, the bill is nonpartisan in its support. This is especially fitting since providing the public with accurate and useful information about the relation of diet to health and the coordination of Federal programs to achieve this worthwhile goal are not the province of any one political party or any one sector of our society.

One year ago the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, which I chair published a report by the Congressional Research Service of the Library of Congress titled "The Role of the Federal Government in Nutrition Education." According to that study the Federal Government spends almost $70 million a year on a patchwork of more than 30 uncoordinated and unfocused programs administered by 11 different agencies located primarily in the U.S. Department of Agriculture and the Department of Health, Education, and Welfare.

Despite the existence of this array of programs, consumers report they are evidently confused as to what constitutes sound nutrition.

In September of 1977, the subcommittee heard from more than 50 witnesses including consumers, health professionals, leading scientists, nutritionists, communications experts, public interest advocates, and community workers. We were told that serious nutrition education gaps exist in our country today.

How can the American consumer make a wise choice in a marketplace offering over 9,000 individual food products backed by an advertising budget of $4 billion? Fundamental to our democracy is the concept of an informed public. Yet how can consumers rationally choose among such a bewildering variety unless they have the knowledge and skill to distinguished foods on their nutritional merits and not their advertised seductiveness? This need for information is especially critical to children who, it is estimated, watch between 8,000 to 13,000 food and beverage commercials a year.

Consumers, assaulted by a barrage of commercial food claims, dire health warnings and conflicting and contradictory advice, are either falling victim to panic or throwing their hands up in utter befuddlement. Turning away from the

loud voices of commercial persuasion, consumers we are told are turning to the Federal Government for reliable, unbiased information about the relation of diet to health.

According to the Comptroller General of the United States, in a report titled "Informing the Public About Nutrition," which I am releasing today, "Clearly efforts of the Federal Government to help inform the American people about nutrition have been insufficient." On the basis of an official survey the Comptroller General found that:

Currently, the Federal Government's efforts to coordinate its nutrition dissemination activities is minimal. There is no formal coordinating or central planning directed at improving the food and nutrition practices of consumers. Each agency and program tends to operate independently and with little cooperation on mutual goals, concepts, and strategies.

Given the profound relation of nutrition to health and the high level of consumer concern and interest in achieving a healthy diet, it is a shocking fact that among USDA efforts the extension food and nutrition program is reaching only 2 percent of its intended audience and the expanded food and nutrition education program only 20 percent. The figures for HEW are equally dismaying. Head Start serves only 15 percent of its audience; the nutrition program for the elderly 23 percent, and the adult education component of the consumer and homemaking program a scant 2 percent.

Clearly our efforts must be guided by a policy at the national level which coordinates responsibilities and activities and which is held accountable to the reach as well as the quality of the services and information it provides.

But what of our nutrition education programs themselves? If one were to judge the materials we produce, the pamphlets we distribute and the way we communicate with the public we might conclude that we are still living in the era of the frontier.

In an age of mass media and instant communication, nutrition education approaches such as a one-on-one and small group instruction are inefficient and misguided. For consumers concerned about cancer, heart attack, and diabetes simplistic pamphlets and lectures on the basic four and advice to eat a balanced meal are of little help. How long can we rely on outdated, unattractive, and incomprehensible pamphlets to be substituted for a coordinated, dynamic and effective national nutrition education effort?

Both HEW and USDA programs rely heavily on the printing and distribution of pamphlets as a major feature of their nutrition education programs. But because of an overall lack of evaluation by the two departments the Comptroller finds that they are "unaware as to who was reached with their information; how well the information was communicated; whether it supported the objectives of the nutrition education programs; if the intended message was being delivered; and whether the language, form and distribution channels used were effective."

To speak of Federal efforts alone, however, is to confine ourselves to a limited approach. We must also be certain that the forces of the marketplace are allied rather than competing with Government. A recent survey of the food industry's role in nutrition education by our subcommittee revealed the same lack of focus, confusion of message and duplication of effort which plagues existing Government programs. Major food companies did not agree on what constitutes nutrition education; for some nutrition education is simply product information, for others, promotional slogans. Industry emphasizes Government responsibility to educate children in the school system. Yet a major area of industry's nutrition education activities is the development of materials for schools. All too often these materials are product promotions under the guise of public service.

Food, diet, and health are not the proprietary business of any one sector of our society. The Congress must view this as a national concern. The old nutrition education of simplistic slogans, useless pamphlets, outmoded strategies, and inefficient and ineffective programs must be replaced with a new nutrition education. To be worthy of its name this new approach to consumer education must be:

First. Diet and health oriented;

Second. Based on the most current and accurate scientific knowledge;

Third. Supported by the efforts of the public and private sectors;

Fourth. Designed to reach all consumers in ways and places that are relevant to their varying lifestyles and needs;

Fifth. Comprehensive enough to enable consumers to make wise choices in a free marketplace.

Having summarized the problem, Mr. Speaker, let me in the remaining portion of my time outline the various sections of the bill which I and my colleagues are introducing to address the needs of the American consumer for accurate and useful information about food, diet, and health.

TITLE OF BILL: NATIONAL CONSUMER NUTRITION INFORMATION ACT OF 1978

PURPOSE OF BILL

To establish a National Nutrition Education Council for the purposes of planning the coordination of nutrition education activities of Federal agencies; to establish certain programs for the purposes of coordinating activities concerning nutrition education and of testing and demonstrating methods of increasing the quality, availability, and effectiveness of nutrition education.

TITLE I. INTER-DEPARTMENT PLANNING AND COORDINATION AND INTRADEPARTMENTAL COORDINATION

Under this title, a National Nutrition Education Council would be established in the Department of Agriculture for the purpose of planning a national nutrition education policy that would coordinate activities and research of the Federal Government in this area. The Council will include representatives from USDA, HEW, FTC, the National Science Foundation, all of which have significant jurisdiction in nutrition education and research, as well as those representing the views of nutrition educators and scientists, consumers, farmers, food processors, food marketers, and voluntary groups. At the end of 2 years, the Council shall report its findings to Congress.

The Secretary of Agriculture with the assistance of a task force of the Department shall establish a departmental policy with respect to nutrition education and report to Congress on any reorganization that it undertakes or legislative authority it needs to achieve a better coordinated and a more effective nutrition education program.

TITLE II. RESEARCH AND DEMONSTRATION PROJECTS ON THE DISSEMINATION OF NUTRITION INFORMATION TO CONSUMERS AT THE COMMUNITY LEVEL

Under this title, the Secretary of Agriculture shall conduct at least six pilot projects in standard metropolitan statistical areas and two in rural areas which demonstrate methods of delivering information concerning the relationship between diet and health and methods of achieving a healthy diet.

Three types of entities may undertake these projects with at least two being assigned to each category: Agencies under the Department; units of local government; and nonprofit organizations.

Among the criteria the Secretary must use in selecting a plan are the extent to which the project reaches a significant portion of the population and the extent to which local resources and services such as voluntary organizations, retail food markets, and local media are involved and coordinated. All projects must contain evaluation components that will assess their effectiveness. At the conclusion of the projects the Secretary must present his own report and evaluation to Congress.

TITLE III. DEMONSTRATION PROGRAM ON GRAPHIC LABELING

The purpose of this title is to evaluate consumer acceptance and use of graphic methods of food labeling. In order not to be in conflict with the "nutrition label panel" that is presently used on packaged or canned commodities and processed foods this title calls for the use of bulk fruits and vegetables as test subjects. Supermarkets and other retail food outlets would be used by mutual and voluntary agreement as test sites.

TITLE IV. TELEVISION DEMONSTRATION PROJECTS

Under this title, the Secretary shall call for competitively produced television public service announcements which will present to the public visual and aural information concerning the relationship between diet and health and the methods of achieving a healthy diet.

These TV "spots" are required to be of the same quality as nationally broadcast TV commercials. After selecting those proposed which are determined to be the most suitable and receiving the finished advertisement, the Secretary shall contract for the performance of demonstration projects to test the cost and effectiveness of, and public receptivity to the different public service announcements, methods, and techniques used in such projects.

TITLE V. GENERAL PROVISIONS AND DEFINITIONS

The subcommittee will hold hearings on this bill on April 12 and markup on April 18.●

THE FIRST PANAMA CANAL TREATY VOTE—NOTHING LOST YET

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. HANSEN. Mr. Speaker, the hairbreadth Senate win for the first Panama Canal Treaty took a lot of doing, including unprecedented wheeling and dealing. Many Americans are wondering what some of their Senators sold out for. The Wall Street Journal commented on this very subject on page 1 of their March 17, 1978, edition. The Journal stated that—

Carter strategists hit a surprise snag as they sought to dispense favors to Senators wavering on the Panama Canal treaties. A top White House aide phoned HUD Secretary Harris to see what help her department could give the state of one undecided Senator; she angrily replied that the request had "Nixonian overtones."

The fact remains, though, that America has lost nothing yet. Even though President Carter was successful in gaining approval of the Neutrality Treaty, the treaty that actually relinquishes control of the Panama Canal to the Republic of Panama and costs the American taxpayers untold billions of dollars still remains to be voted upon. Without approval of the Panama Canal Treaty, the neutrality pact means nothing.

Therefore, it is now more important than ever for concerned Americans along with their families and friends to contact their Senators and Congressmen and tell them exactly how they feel about the Panama Canal giveaway. Many pro-treaty Senators are claiming that various regional polls show that the American public actually favors the proposed treaties, yet the recent results of a national poll conducted by the Opinion Research Corp. of Princeton, N.J. indicates that over 72 percent of Americans oppose the treaties. It is time to again clearly express the real views of the American people on this issue and the best indicator of public opposition or support of an issue remains the letters and postcards received from constituents.

Many Senators and Congressmen may claim that the people elected them for their judgment and not to reflect the views of the majority, but this is absolutely not true. An elected representative is chosen by the majority of the people and the views of his constituents should continue to be important after the polls close. Personal judgment should certainly be a factor, but not in direct defiance of the people when there is enough time to get a good educated consensus of opinion from the public. No one can claim that they did not have enough time to check back home on the Panama Canal issue.

I have spoken out on many occasions to urge the House to assert its legitimate role with respect to the disposition of U.S. property and territory in the Canal Zone and the appropriations necessary for conveyance. It is unconstitutional and inappropriate for the multibillion dollar investment of the United States in the Canal Zone to be transferred to the Republic of Panama by treaty alone.

Article IV, section 3, clause 2 of the Constitution gives the Congress the exclusive power to dispose of U.S. property and territory. And article I, section 9, clause 7 states appropriations can only be made by law. Failure to exercise these powers properly in this crucial question involving massive disposal of property and expenditures to transfer the Canal Zone will be a disastrous precedent for the separation of powers in our Government.

Early last fall I introduced House Concurrent Resolution No. 347 which stated that U.S. property in the Canal Zone could be conveyed to Panama only by an act of Congress. This resolution has 235 cosponsors, a clear majority of the Members of Congress. This is a constitutional issue supported heavily by both parties—it is not one of partisan politics. A recent national poll conducted by Opinion Research Corp. found that 70 percent of Americans favor the House of Representatives voting on the disposition of property in the Panama Canal Zone. Only 17 percent said no. The people obviously understand the Constitution and it is our duty as their elected representatives to honor their wishes and protect their interests.

Despite the overwhelming support of House Concurrent Resolution No. 347, the influence of the Carter administration's efforts to restrict treaty action to the Senate has made House action difficult to obtain and predict. Therefore, I have begun a discharge petition (No. 6) to force early consideration and now have well over 100 signatures on the way to the needed 218. Hopefully reason will the influence of the Carter administration circles to make this constitutional confrontation unnecessary.●

BYELORUSSIAN INDEPENDENCE DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. RODINO. Mr. Speaker, on March 25, Americans of Byelorussian descent will celebrate the 60th anniversary of the Proclamation of Independence of the Byelorussian Democratic Republic. On this day in 1918 the elected representatives of the Byelorussian Congress declared the independence of the Byelorussian Democratic Republic. The newly adopted constitution provided for free elections and guaranteed basic human rights.

The people of Byelorussia fought and died for their belief in independence. Their efforts to prevent domination by an outside country were unsuccessful, but military force could not crush the spirit of freedom that survives today in the hearts and minds of the Byelorussian people. Their bravery and courage stand as a reminder that liberty must always be cherished and preserved.

Mr. Speaker, we all look forward to the time when the Byelorussian struggle for freedom and self-determination will end in success.●

A SALUTE TO GREECE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. DELANEY. Mr. Speaker, Western Civilization has traditionally, and rightfully, looked upon Greece as the birthplace of our democratic form of government and many of our most cherished principles. Over 2,000 years ago the ancestors of the modern Greeks founded their model state and made freedom the law of the land. But by the beginning of the Christian era their country was in turmoil and eventually fell under Roman domination.

Greece was never completely free again until early in the 19th century, and it is the anniversary of the beginning of that struggle for freedom which I would like to call my colleagues' attention to today. This Saturday, March 25, will mark the 127th commemoration of the day in 1821 when Alexander Ypsilanti and Archbishop Germanos of Patros sparked the northwestern revolt which was to lead to Greek independence after centuries of alien domination.

The Greek struggle for freedom stirred the American press, roused American orators, and stimulated neo-classic trends in our art, literature, and architecture. American opinion was unanimous: A people whose tradition was such a source of inspiration to our democracy should be completely free.

When the Congress of the United States assembled in December 1823, President Monroe made the revolution one of the subjects included in his annual message. A resolution by Daniel Webster in the House of Representatives was the first official expression by any government supporting the independence of Hellas.

Mr. Speaker, one of the first statements made by the new Greek Senate in May of 1821 was addressed to the American people:

Friends, Fellow Citizens, and Brothers, they said, Having formed the resolution to live or die for freedom, we are drawn toward you by just sympathy, since it is in your land that liberty has its fixed abode . . . Though separated from us by mighty oceans, your character brings you near us . . . Our interests are of such nature as to cement more and more an alliance founded on freedom and virtue.

On this day of joyous celebration I join all my countrymen in wishing Greece well. I send my greetings to all the Hellenic residents of the New York metropolitan area and extend my thanks for their many invaluable contributions to our history and our culture.●

POLITICIZING U.S. GEOLOGICAL SURVEY

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MARRIOTT. Mr. Speaker, I want to take this occasion to share with my colleagues a very unusual situation.

I recently received a petition signed by some 212 Utah geologists and earth scientists strongly protesting the recent firing of Vincent McKelvey as Director of the U.S. Geological Survey. The petition was circulated by "Utah Geologists Against Politicizing the U.S. Geological Survey" and contains the signatures of many of the most prominent geologists in the State from industry, academia, and State government. The petition states:

This is the first time in the 98-year history of the survey that a U.S.G.S. director has been suspended for political reasons, and we respectfully request that the House Interior Committee thoroughly investigate this matter to determine the reasons behind the firing. If the media are correct in assessing Dr. McKelvey's suspension as being due to his public statement on the energy situation in contrast to the Carter administration's energy "policy," then we demand a satisfactory explanation from Secretary of the Interior Andrus. If a satisfactory explanation is not forthcoming, then we demand the resignation of Mr. Andrus. It is the place of the Geological Survey and its staff of career experts to advise the administration on questions of natural resources and not the other way around.

Of significance is the fact that there are only 270 Utah members of the Utah Geological Association and that the many Utah geologists employed by the Federal Government were not asked to sign the petition, for their own protection. There thus appears to be nearly unanimous condemnation among the geological profession in Utah of this highly unusual political action of the Carter administration.

And I could not agree with them more.●

"SLIP SLIDIN' AWAY" FROM THOSE INVITATIONS

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. SANTINI. Mr. Speaker, I am most impressed with the policy of our colleague, Mr. SIMON, with respect to invitations to dinners and receptions.

Invitations are voluminous, the affairs are time consuming, often little is accomplished, and precious time is taken from work and family.

With the permission of the gentleman from Illinois, I would like to share the column he sends when declining receptions and dinners. I believe he is right on target.

The column follows:

THANKS, BUT NO THANKS

This day's mail is like most others: nine invitations to receptions around Washington. And in this morning's mail I have a letter from a labor union unhappy because I didn't show up at their reception.

When I first came to Washington as a House member, I tried to drop in briefly at quite a few receptions and dinners. But I soon discovered that I couldn't afford the expenditure of time.

I like people as much as anyone does. I enjoy visiting. But it became obvious to me that while it was pleasant visiting, little of a constructive nature was being accomplished.

So I started suggesting to people who invited me to receptions that, rather than my going to their cocktail parties, they drop by my office for a 10-minute chat about whatever interested them. It saves me time each day and gives them a chance to talk about the issues that really concern them.

So don't feel insulted if I don't accept your invitation if you belong to the Lumber Dealers or the Real Estate Association or the Carpenters Union or the Mental Health Society or any one of the thousands (literally) of groups which hold receptions. All of these associations are fine, but I must make a determination of where I can most effectively spend my time, and it's clear to me that I serve the people of my district best, and the people of the Nation best, by digging into the issue papers and mail which accumulate on my desk, rather than digging into some caviar and sipping drinks you pay for.

And let me add a word to the various organizations: My guess is that most other Members of Congress feel as I do about this. They would sooner have you save your money and drop into their offices where more substantial conversation can take place.

It sometimes strikes me that we have a vicious circle going. Organizations feel obligated to put on a costly reception for Members of Congress, and Members of Congress feel an obligation to attend functions where constituents have indicated an interest—but privately most admit that they would sooner be working in their offices or be at home with their families.

So I'm volunteering to break the circle.

That does not mean that I won't go to dinner with a friend, nor am I saying that I will never again go to a reception. But the dinners I attend will be because I want to, and rarely will they be massive, organizational functions. And it will be unusual to find me at a reception.

The cause of all of this is simply too much to do in too little time. The conscientious Member of Congress—and most are that—works a great deal more than 40 hours a week, as do their staffs.

Right now I have a pile of mail on my desk that accumulated during the days when I visited the district. I have information on various subjects that my staff believes I should at least glance through—and it's piled up more than one foot in height.

Should I leave all of that to visit one or two or a half dozen receptions going on tonight?

The right answer, for me at least, is no.●

JIM LINDSEY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. TEAGUE. Mr. Speaker, one of my longtime newspaper friends in College Station is retiring and several articles have appeared in local papers concerning his career. Jim has done many favors for me over the period of time I have served in the Congress, more than I can ever return. He is a great Texan and a great American and I wish him well in his retirement.

The articles follow:

[From the Battalion, Feb. 2, 1978]

JIM LINDSEY: RICH WITH FRIENDS

Newspaper people spend most of their lives writing about other people. Very seldom does anyone write about them. But this is such a time for one newspaperman.

Jim Lindsey retired Wednesday after 15 years as director of information for Texas A&M University. During those years, Mr. Lindsey has endeared himself to Battalion staffs as a frequent ally, occasional opponent and constant friend. But Texas A&M is only the last stop in his long and varied career.

Mr. Lindsey has crammed several lifetimes of Texas newspaper work, education and politics into the last 40 years. He spent over 20 years on Texas newspapers, including 10 years as managing editor of the Midland Reporter-Telegram after stints as managing editor of the San Angelo Standard-Times and assistant managing editor of the San Antonio Express-News. Mr. Lindsey spent seven years on the board of regents of his alma mater, Texas Tech University.

He resigned from that board in 1962 when he became Texas A&M's director of information.

Gen. Earl Rudder, president of Texas A&M from 1959 to 1970, asked Mr. Lindsey to become the University's information director. Mr. Lindsey had served as information officer under Rudder in the Army Reserve's 90th Division. A lieutenant colonel in the reserve, Mr. Lindsey fought in World War II as an enlisted man.

A life-time observer of Texas politics, Mr. Lindsey was a member of the State Finance Committee from 1969 until then-Governor Preston Smith appointed him to the State Banking Board in 1971. He remained on that state bank-chartering board until 1976. Not devoting all his time to public service, he has served on state committees of the Baptist General Convention of Texas.

But a list of jobs-filled and posts-held can't give you an appreciation of the man. You see, Mr. Lindsey loves people. All people really, but young people especially. He admitted the other day that his greatest regret about leaving Texas A&M will be not spending as much of each day with students as he has in the past.

He often claimed that being around young people has kept him younger than the 63 years he is. In fact more often he's been the one keeping us young. He's saved many a day for beleagured students by walking up, extending a handshake with one hand while holding in the other hand one of the big Cuban cigars he always carries and less often smokes, and offering some sage one-liner.

Mr. Lindsey says he is retiring. But relocating would be a better word—relocating to Austin where he can start another career in education or politics or information or whatever else strikes his fancy.

"Friends are the most valuable possession," Mr. Lindsey has advised many times. If so, you're a rich man, Jim Lindsey.—L.R.L.

[From the Eagle, Feb. 4, 1978]

CIGARS, PEOPLE, NEWS; THAT'S JIM LINDSEY

Every weekday as the pace was winding down and the last of the reporters were finishing up stories, a big cigar entered The Eagle newsroom followed by a genial man.

Jim Lindsey was delivering the daily budget of news from the Texas A&M University news bureau and copies of The Battalion, the student newspaper.

Jim stopped to chat with people along his route through the newspaper building to the newsroom. That was his way. His long association with news media and politics showed—he enjoyed people. To be involved in either the news business or politics one has to enjoy people.

There was always a story or two, other than the ones in his news packet—about the weather, the students, the news business, politics, or about life. Jim was never at a loss for words.

Words were his business. He managed them and told them what to do for more than a quarter of a century in which he was involved with news. He loved newspapers, as

most of us do, and his eyes sparkled when he talked about the days when he was reporting and editing.

Just being in a newspaper office seemed to do something to him.

There also was a twinkle in his eyes when he talked politics. In his career he was involved with many of those whose names have made Texas' political drama national hit. He served on state boards and as a regent of Texas Tech University.

This week the cigar did not show up at the end of the day. Jim Lindsey retired as director of information Wednesday. That is, Jim Lindsey left his position at A&M. He won't retire. He'll be busy wherever he is, and he has said he is going to Austin.

We'll miss Jim Lindsey. Texas A&M will miss him and Bryan-College Station will miss him.●

MALCOM RANDALL CITED FOR SERVICE TO VETERANS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FUQUA. Mr. Speaker, I would like to bring to the attention of the Nation and my colleagues an outstanding honor bestowed upon Mr. Malcom Randall, the director of the Veterans' Administration Hospital in Gainesville, located in the Second Congressional District of Florida which I am privileged to represent.

Mr. Randall has received the distinguished Administrators Award for Executive Leadership. This award was presented to Mr. Randall by Max Cleland, Administrator of Veterans' Affairs, at a recent conference of hospital directors, regional office directors, directors of data processing centers, and directors of national cemeteries.

The award cites Mr. Randall for "overall excellence, professional ability, and extraordinary leadership in supporting and furthering the mission of this agency." As Mr. Cleland pointed out during the presentation, simply stated, this honor is in recognition of Randall's "competent, courteous, and compassionate service to veterans."

Mr. Randall has been extremely active in community affairs in Gainesville and Florida. He has been chairman of the Combined Federal Campaign in the United Way Drive for Alachua County, serves on the State Health Coordinating Council, and was one of the organizers of health planning in our part of the State, currently serving as vice president of the North Central Florida Health Planning Council.

In addition, Mr. Randall is a professor of health and hospital administration in the College of Health Related Professions at the University of Florida and serves as a member of the Health Center Council and the President's Administrative Council.

I am indeed proud to bring this special tribute to the ability and remarkable achievements to Mr. Randall for service to our Nation's veterans to the attention of this House.

Our veterans have served our county well and we as a nation are indebted to them. It is reassuring to know that their medical needs are well attended at the Veterans' Administration Hospital in Gainesville.●

COMMENT ON THE REAUTHORIZATION OF THE OLDER AMERICANS ACT

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ROYBAL. Mr. Speaker, as you probably know, the House Select Committee on Aging is in the process of making recommendations for the reauthorization of the Older Americans Act of 1965.

Members of our committee have traveled throughout the Nation conducting field hearings and getting grassroots input concerning possible improvements in the 13-year-old law.

The act, which is currently under consideration by the House Subcommittee on Select Education, has been the primary vehicle to assist older Americans in securing full participation in our democratic society. We want to make it as effective as possible.

This week, my colleague on the Aging Committee, Mr. JIM SANTINI from Nevada, testified before the Subcommittee on Select Education concerning the value and effectiveness of the Older Americans Act.

His testimony reflects many of the findings of the Aging Committee and suggests some of the legislative improvements we should attempt to make in behalf of our senior citizens.

Mr. Speaker, I would like to share Mr. SANTINI's testimony with our colleagues at this juncture:

REAUTHORIZATION OF THE OLDER AMERICANS ACT

It's a pleasure to appear before the Subcommittee on Select Education to endorse the recommendations of the House Select Committee on Aging on the reauthorization of the Older Americans Act. The Aging Committee has expended considerable effort in time, research and travel in preparing these comprehensive recommendations. In fact, the Committee has journeyed to my district—the State of Nevada—to assess the needs and concerns of those at the local level involved in Older Americans Act programs.

Until recently, the television and news media placed old people in stereotyped roles of the forgetful, spinster aunt or the graying, grouchy uncle—the Nevada Congressman excluded. Although we're beginning to see and read about seniors in a diversity of roles, the average old person has not yet achieved national status.

A growing awareness of the unique problems of the elderly resulted in the creation of a Federal agency devoted to improving the quality of life for older Americans: the Administration on Aging. The Older Americans Act provided the legislative vehicle to assist older persons in securing full participation in the benefits of our democratic society.

Much has been accomplished under the Older Americans Act to recognize and alleviate many of the peculiar problems facing this large portion of our population. But, it's also evident that the specific objectives of the Act—adequate income, suitable housing, employment without discrimination, to name a few—have not been met.

There is a clear need for the consolidation and coordination of many existing programs, for the elimination of unnecessary red tape, and for the establishment of priorities.

For example, Nevada—which is experiencing a rapid growth in its elderly population—has a Federally funded senior and handicapped transportation system operating in Las Vegas and Reno. Due to Department of Transportation guidelines, this service meets the needs of a very limited group of individuals. A community may be filled with a myriad of services for its older citizens. But, these various health and social services are of no value if the senior cannot get to the source.

It's clear that the Older Americans Act must address itself toward some kind of consolidation of other Federal programs and resources. To achieve this goal, the Aging Committee recommends that the Older Americans Act be amended to clarify that the coordination authority for AoA extends to all Federal programs.

The needs and concerns of the senior population—nutrition, health, housing, transportation, and limited fixed incomes—are well known. These are wide-ranging topics which vary from one member of the senior population to another. Furthermore, these problems are compounded for those living in rural areas. Although 41 percent of the Nation's elderly live in rural areas, these problems have been largely unaddressed.

It's not uncommon for many of my constituents to travel 60 miles to a doctor or 100 miles to the nearest shopping center—a distance which is uncomprehensible to many of us living in this metropolitan area. The Aging Committee has noted this problem and has recommended that AoA undertake a study of the plight of the rural elderly. This should be a definite priority item.

Title V of the Older Americans Act, which provides for the acquisition, alteration or renovation for multipurpose senior centers, was funded for the first time last year. And, I'm sure that many of you have had the opportunity to take part in the many activities of your district's senior centers.

In essence, a senior center works to build and maintain community support by linking the older population with available services. A center is committed to the many aspects of the older person's well-being by creating an atmosphere that acknowledges the value of human life, individually and collectively. The center affirms the dignity and self-worth of the older adult. The significance of the senior center stems from its total concern for older people and its concern for the total older person.

Members of the Aging Committee have recognized the importance of senior centers and have incorporated some necessary reforms of Title V into this report. These recommendations deserve support so that the senior centers may reach their full potential.

Crime is a problem which sparks concern in all of us. Granted it's not a malady confined to only one segment of society; but, crime and the fear of crime impacts most heavily upon the elderly. The theft of a television set to a younger person with a relatively good income is certainly a misfortune. To an elderly person on a fixed income and living alone, it can be tragedy. A report prepared by the Aging Committee, "In Search of Security: A National Perspective on Elderly Crime Victimization," documented the fact that residential burglary is the most frequent crime against older persons. Therefore, this Committee recommends that the Older Americans Act be amended to provide for broader assistance in order to promote residential security for the elderly.

Another area of concern to all of us is employment. This Congress has devoted considerable attention to the employment problems pervasive in all elements of society. Title IX of the Older Americans Act promotes

part-time work opportunities for low-income persons who are 55 years of age or older and who have poor employment prospects. I've personally noted the success of Title IX and the various older worker programs under ACTION in Nevada. For the senior citizen living on fixed and limited incomes, these programs have been life-savers. The evidence to date dramatically points to a continuing and pressing need for strong older worker programs. The Committee's recommendations with respect to these worthwhile programs deserve consideration.

In conclusion, I'd like to thank this Committee for the opportunity to speak in behalf of our seniors in the Nation and in Nevada. I hope that these recommendations receive serious and favorable consideration. Thank you.●

INCREASED FUNDS FOR OLDER AMERICANS PROGRAMS URGED

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BLOUIN. Mr. Speaker, I would like to call to the attention of my colleagues a resolution I recently offered on February 2, 1978, for consideration to the House Select Committee on Aging. This resolution, which was adopted unanimously by the committee, urges an increase in appropriations for programs that provide greatly needed services to older persons.

Our committee hearings document the overwhelming need for improvements in the level of resources committed to bettering the lives of America's 23 million senior citizens. Knowing of this need, I am appalled by the proposed budget cuts as well as the call for no expansion of major programs serving the elderly. The proposed requests do not reflect inflation or the increasing number of persons over 65 who will need services provided under these programs. Consequently, the budget request means a loss of funds to our senior citizens.

For example, ACTION's retired senior volunteer program (RSVP) would receive a cut of 24 percent—a reduction of $4.7 million to a program which serves communities across our Nation by meeting the basic needs of minorities, the poor, and the isolated. These services take the form of transportation, tutoring, and such essentials that otherwise would be more costly to the taxpayer if they were provided by any other means. According to ACTION's budget statement, RSVP is their least costly volunteer program. ACTION acknowledges that the proposed budget cut will reduce the number of RSVP volunteers from 250,000 to 220,000.

I am hopeful that as these programs come to the attention of the appropriate committees for their consideration, you will lend your support to see adequate funding is provided. I would like to share with my colleagues in the House the resolution as adopted by the House Select Committee on Aging. I insert it in the RECORD in its entirety at this point:

RESOLUTION

Be it resolved, That the Select Committee on Aging

—believes that the current level of appropriations for programs aiding senior citizens is not adequate to meet the existing need for services;

—opposes cuts in major federal programs providing services for older Americans, and stresses that the 1979 appropriation for these programs should, at an absolute minimum, be increased to compensate for inflation;

—concludes that, for several specific programs, substantial increases in the FY 1979 appropriations will be required to help bring these programs closer to the need for assistance they provide;

—calls on the Appropriations and Budget Committee to act on FY 1979 budget resolutions and appropriations bills to provide increased support for programs for senior citizens;

—calls on the Education and Labor Committee to approve authorization levels which would more adequately meet the needs of our elderly population.●

UKASE TO THE UKRAINE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. DORNAN. Mr. Speaker, Russian emperors and governments historically impose on their people proclamations with the force of law, or ukases. The Sovietization of the Baltic States has imposed many things on non-Russians through ukaze, including a foreign language. The U.S. Information Agency is conforming to this process, as was pointed out to me recently by a constituent of Ukrainian descent.

Walter J. Lesink of Santa Monica sent me a clipping from the February 15, 1978, New York Times which announced an exhibition of American farm machinery and brochures in the Ukraine. The 57-page brochure prepared for distribution at the Kiev exhibit in April was prepared in Russian by the USIA. I agree with Mr. Lesink that a brochure written in Russian for citizens of the Ukraine is an affront, and I would like to share with you and our distinguished colleagues part of Mr. Lesink's articulate letter:

. . . As an American of Ukrainian descent I'm shocked at the decision of the U.S. Information Agency to print a brochure in Russian for distribution in Kiev, Ukraine. The language of the people of Ukraine is Ukrainian, not Russian.

The USIA decision is a crass bureaucratic blunder. This decision is an affront to the Ukrainian people and to Americans of Ukrainian descent. Our Federal Government has an annual budget of 500 billion dollars. Surely we can afford to employ people who know the difference between the Ukrainian and Russian languages (they are not the same!).

Violations of human rights in Ukraine are common and growing. Ukrainian dissidents are opposing religious persecution, political oppression, and cultural russification by the Soviets. The USIA decision is a blunder and works against human rights.

I can only add my hopes that the present focus of concern on human rights will filter down to those translators for the USIA who are charged with communicating with the culturally autonomous peoples of the Baltic States, as they strive to retain their national identities.●

APPROPRIATENESS REVIEW OF DELIVERY OF HEALTH SERVICES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. DINGELL. Mr. Speaker, one of the most important health related bills to be considered by the 95th Congress will concern the renewal of the National Health Planning and Resource Development Act of 1974. This legislation created a nationwide network of regional and State health planning agencies to oversee efforts to improve the operation of the health care system.

One of the key provisions of the act, Public Law 93-641, is that which provides for appropriateness review. This provision was enacted to enable the health planning agencies to take an in-depth look at whether health services are being delivered appropriately.

With this in mind, I wish to bring to the attention of my colleagues one interpretation of this process which is the result of a contract between HEW and the Orkand Corp., a Maryland-based health consulting firm, to develop the purpose and meaning of the provision. The following is a summary of a paper which was presented last November to the American Public Health Association convention here in Washington.

The paper follows:

APPROPRIATENESS REVIEW UNDER P.L. 93-641

(By Charles Eby and Arthur Janovsky)

INTRODUCTION

One of the major responsibilities assigned to the health planning agencies created by the National Health Planning and Resource Development Act of 1974 (P.L. 93-641) is "review on a periodic basis (of) all institutional health services . . . respecting the appropriateness . . . of such services." This review has the potential to be one of the most powerful tools available to the areawide Health Systems Agencies (HSAs) and State Health Planning and Development Agencies (SHPDAs) for altering the delivery of health services. It is, however, also one of the least clearly understood and most widely debated of all the functions given to these agencies by the Act.

Given the lack of detail in the basic mandate for appropriateness review (AR) and the fact that AR is a new function with which agencies have no experience (unlike the project review and plan development features of P.L. 93-641), a number of basic questions had to be addressed. For example, what kind of procedural mechanism is required to carry out AR? What does the output of the process look like? What kinds of analytic techniques can be applied to AR? What are the data requirements of AR? What is the relationship of AR to other planning and resource development activities? How can AR findings be used by HSAs, SHPDAs and others?

The Orkand Corporation was awarded a contract by the Bureau of Health Planning and Resources Development (BHPRD) within HEW to address these questions and to suggest approaches which may be used by health planning agencies in conducting AR. The approaches suggested were based upon the legislative history of the appropriateness review clause of P.L. 93-641, upon regulations defining the roles of HSAs and SHPDAs, and finally, upon field tests which attempted to simulate performance of appropriateness reviews at two HSAs. During the course of our

project we examined the rationale for appropriateness review, as well as various other issues raised by the process. Our conclusions are the main subject of this presentation. Based on these conclusions we also present some thoughts about the future of appropriateness review in light of recent developments surrounding Congressional cost containment proposals.

RATIONALE FOR APPROPRIATENESS REVIEW

The original idea for review of appropriateness stemmed from the perception of Congress that earlier generations of health planning agencies (created under Section 314 of P.L. 89–749) were unable to implement their planning goals with respect to existing institutional providers who were not proposing construction or modification. Originally, sponsors of the legislation which became P.L. 93–641 proposed that the planning agencies created by the Act would periodically review and recertify the *need* for continued provision of a service.

This wording was altered from "need" to "appropriateness" on the floor of both Houses. Congress thereby accepted the argument of providers that it would be difficult to obtain funds for projects under circumstances where a project could be deemed "needed" at the time of its proposal, but "unneeded" at some later date. Congress still thought it was important, however, for health planning agencies to have some mechanism for review of the existing institutional health care system; the concept of such review would otherwise have been eliminated entirely from the Act.

The most important characteristic of appropriateness review, which distinguishes it from planning and project review functions, is its ability to focus on the current provision of all institutional health services in relation to agency goals, while at the same time indicating specific steps which should be taken to reach those goals. In contrast, project review generally occurs haphazardly, according to an unplanned agenda resulting from the internal plans of various institutional providers.

The interrelationship of appropriateness review, project review and planning requires the coordination of goals, criteria, standards and procedures across various agency activities. The example review process developed by the Orkand Corporation accepts as a guiding principle that appropriateness review can and should build on the experience gained and materials developed in the performance of project review and planning activities.

In summary, appropriateness review is based on a sequence of steps, which may be simplified to the following:

1. Establish criteria and standards.

2. Collect data addressing the established criteria and standards.

3. Compare actual service characteristics (i.e. the collected data) with the criteria and standards.

4. Make judgment regarding appropriateness or inappropriateness.

SUMMARY OF THE SCREENING APPROACH

Our approach is based on the premise that detailed, in-depth review of the appropriateness of all institutional health services and institutions is impractical within a three or five-year period. It is suggested, therefore, that in order to fulfill the requirements for review of all services a health planning agency should employ successively detailed levels of analysis, as follows:

1. Screening of the health system to identify potentially inappropriate services.

2. Areawide review of each service identified to select some institutional providers of the service for further review and to formulate recommendations on areawide provision of the service.

3. In-depth investigation of selected institutional providers of the service, if necessary.

Findings at the service-institution specific level are incorporated into findings for the service as a whole.

CRITERIA AT EACH LEVEL OF REVIEW

The term "appropriateness" as it was refined during our project, refers to the degree to which the institutional provision of the service meets established criteria and standards relating to the broad characteristics of the health care system mentioned in the Planning Act. These are:

1. Availability
2. Accessibility.
3. Cost.
4. Quality.
5. Continuity.
6. Acceptability.

The criteria used at each level of review must be focused at that level. We have developed, as part of our contract, criteria at each of the three levels.

SYSTEM-WIDE SCREENING CRITERIA

In selecting services for further review during the system-wide screening, criteria should be kept as broad as possible and not be tied to specific standards. While reduction of underutilized or unnecessarily utilized capacity should be emphasized, it is clear that other considerations in P.L. 93–641, such as accessibility, quality and cost must also be taken into account. We suggest that the HSA and SHPDA should assess services in terms of their perceived general performance on each of the six characteristics mentioned in the Planning Act. Devotion of excessive attention to selection of services should be avoided, to allow the HSA and SHPDA to proceed with in-depth review of problem services. A criterion at the system-wide level might therefore by "perceived adequate quality", applied without time-consuming statistical interpretation.

AREAWIDE REVIEW CRITERIA

The criteria used at the areawide level are at the core of appropriateness review. The criteria reflect goals for delivery of the service separately for each institution and cumulatively for delivery of the service as a whole in the area and state. The criteria we have developed at this level are sub-components of the six broad characteristic areas. Our criteria are general enough to be useful in review of almost any service; they clearly require adaptation to be useful in evaluation of a specific service.

Examples of areawide criteria are:

For availability: rates of service utilization.

For accessibility: proportion of HSA residents residing within an acceptable travel time of the service.

For cost: total cost per unit of service.

For quality: availability of adequate patient review processes.

For continuity: availability of adequate discharge planning procedures.

For acceptability: provider observation of patient rights.

SERVICE-INSTITUTION SPECIFIC REVIEW CRITERIA

HSAs should approach review of an institution's provision of a service first as a process through with the institution is given the opportunity to explain its failure to meet service-screening standards, and second as a means of working cooperatively to reduce any inappropriateness discovered. We believe that HSAs are more likely to achieve change if attempts to work out voluntary solutions are attempted before a regulatory solution is enforced. In any case, we strongly favor HSA recommendations which contain:

The reasons for current inappropriateness in service delivery.

A brief description of appropriate delivery of the service.

A plan of action to achieve the transformation from the current to the more appropriate method of service delivery.

The plan of action should lay out particular actions to be taken by particular institutional providers in order to achieve more appropriate delivery of the service. The HSA and SHPDA may also recommend actions by regulatory bodies, third-party payors, non-institutional service providers, and the public in order to achieve more appropriate service delivery. We view the absence of any plan of action (in other words, a simple labelling of an institution's provision of the service as "appropriate" or inappropriate") as politically risky. The HSA is on much safer ground if it can point out not simply what things are wrong, but how it is possible to make them better.

ISSUES SURROUNDING APPROPRIATENESS REVIEW

We now turn to some of the more controversial issues surrounding appropriateness review. There are three basic views of the use of appropriateness review. Which view is adopted in a particular state will depend upon the health planning environment of the state.

The first, and most controversial use is for purposes of regulation. Requiring discontinuance or alteration of service delivery on the basis of appropriateness review findings, although not explicitly supported in P.L. 93–641, is certainly permitted by that Act. If a state wishes to enact a recertification of need clause, tied to appropriateness review, there is nothing to prevent it from doing so. To date, only one state, New York, has formally enacted a recertification of need provision. The state has not yet used its powers under this law, and there is some question as to whether it will be able to do so.

An alternative regulatory approach is the attachment of fiscal sanctions to findings of inappropriateness. This approach has succeeded in reducing some excess capacity in New York State, and could be applied in other states which have legal authority to control a high percentage of reimbursement rates.

The second view of appropriateness review may be classified as plan implementation. In this approach, the planning agencies use every means at their disposal to bring about changes in the delivery of the service, short of application of sanctions. Available methods to achieve change include negotiating with institutional providers, publicizing findings of inappropriateness, and advocating action by private third-party payors to encourage institutional cooperation with actions recommended by the planning agency.

Finally, some agencies may feel unable to use appropriateness review as more than an additional planning tool. Comprehensive health planning agencies have in the past produced plans for various services. These plans generally contain no more than a description of an appropriate system for delivery of the service. This approach would be best suited to states where planning activities are in early stages of development.

APPROPRIATENESS REVIEW AND COST CONTAINMENT

Appropriateness review relates to the administration's recent cost containment proposal (H.R. 6575) in two regards.

First, assessment of the appropriateness of costs can be tied to the criteria contained in the cost containment bill. Inappropriate cost can be tied to the penalties provided for by the bill.

Second, the findings of appropriateness review would serve as input to decisions made under the capital expenditures ceiling provided for in Title II of the bill. Closing of inappropriate services or entire facilities can increase the amount of construction permitted under the cap, and the findings of the review can serve to direct expenditures toward improving appropriateness.

It should also be mentioned that the findings of appropriateness review can be used

to guide decisions on when financial incentives to close services or facilities should be provided. Provision of incentives is the key concept in bills which have been introduced as alternatives to the Administration proposal.

CONCLUSION

Appropriateness review can be a function useful to health planning agencies in bringing about beneficial change in the health care system. In order for it to achieve its purposes, the following conditions must prevail:

Planning agencies must integrate its performance into other agency activities, particularly planning and project review.

Institutional providers must be encouraged to participate in the process to gain their commitment to change and to stimulate the development of creative solutions to inappropriate service delivery.

The process we have suggested is sufficiently adaptable to be useful to planning agencies of various levels of sophistication, and to be integrated into various cost containment proposals or enactment of recertification of need.

The ultimate fate of appropriateness review lies, however, in the hands of those who attempt to apply it. Only several years of experience will tell whether review of existing institutional health services, in whatever form it takes, is indeed a worthwhile endeavor.

The second session of the 95th Congress convenes at a time of continuing controversy over national health policy. One of the most important bills to be considered will concern the renewal of the National Health Planning and Resources Development Act of 1974. This legislation created a nationwide network of regional and state health planning agencies to oversee efforts to improve the operation of the health care system. Such improvement is a critical prerequisite for enactment of a federally-sponsored health insurance program.

One of the key provisions of the Act, designed to further its important mission, is "appropriateness review". This provision was enacted to enable the health planning agencies to take an in-depth look at whether health services are being delivered "appropriately".

Recognizing that this wording left much room for interpretation, the Department of Health, Education and Welfare undertook to more fully develop the meaning and purpose of the provision. A contract was awarded in 1975 to The Orkand Corporation, Silver Spring, Maryland, to perform this task. The results of this contract are summarized in a paper presented last November to the American Public Health Association convention here in Washington.

I hereby request that this paper be entered into the Record in the hope that my colleagues will take it into consideration in their deliberations over renewal of the health planning act.●

BYELORUSSIAN INDEPENDENCE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WHALEN. Mr. Speaker, on March 25, Americans of Byelorussian descent will celebrate the 60th anniversary of the Declaration of Independence of the Byelorussian Democratic Republic. Soon after the declaration, a provisional convention adopted a constitution that guaranteed basic human rights and self-determination. In this era of concern for these ideals, it is appropriate that we remember this birth of freedom.

The Byelorussian independence was short-lived. Following World War I the nation was split between Poland and Russia. Later she became what she remains today: the Byelorussian Soviet Socialist Republic, a free nation in name and form only.

But the thirst for independence remains unquenched and that is why Americans of Byelorussian descent celebrate this day. They keep alive the rich folklore of their native land. They seek to keep alive the spirit of freedom. And they wait for their country to again be free of foreign domination. We in Congress commend them for their struggle.●

GOVERNMENT AGENCIES POSE NEW GUN CONTROL THREAT

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. HANSEN. Mr. Speaker, frustrated Federal bureaucrats who have had little success in Congress with strong Federal gun control proposals seem to be again moving to the back door approach.

One way or another it looks like the Federal Government is trying to regulate America's hunters and gun owners.

The Department of Treasury's Bureau of Alcohol, Tobacco and Firearms control has proposed new regulations calling for the indexing of all firearms imported or manufactured in the United States.

In addition, the new proposed rules by the Bureau requires each Federal firearms licensee to report to the Bureau any theft, loss, or recovery of a firearm.

All licensed manufacturers will be required to submit a quarterly report of firearms manufactured. The licensed manufacturers, importers, and dealers must also submit to the Bureau a quarterly report of firearms dispositions.

No matter how you word it, it still amounts to gun control. During the last session of Congress, gun control legislation was defeated. Now the administration is trying to make an end run and, in effect, require registration without congressional approval.

I am also gravely concerned over the Occupational Safety and Health Administration's move to cripple sport hunting in the United States.

In a recent Louisiana case OSHA officials ruled that hunters represent a real hazard to timberworkers when they are not controlled.

The implications of control in the position now being taken by OSHA are so far reaching that they stagger the imagination.

If allowed to stand, the agency's ruling could ultimately cause individuals and privately owned corporations everywhere to reconsider allowing sportsmen access to those millions of acres of game-rich timberland that they privately own or control.

In addition, free access to certain public lands such as national forests and refuges, where hunters and workers have traditionally shared the woods, could also be severely curtailed or jeopardized.

Federal regulatory burglars seem to be endlessly finding new ways to rip off the basic rights of American citizens. It may be a well-intended Robin Hood act, but the loss of freedom in the name of do-good programs is still something to be seriously reckoned with. Citizens must respond forcefully and aggressively to these challenges to their freedoms or face losing them.●

HEALTH CARE INFORMATION COLLECTION AND ANALYSIS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ROGERS. Mr. Speaker, today, I and Representative CARTER, the ranking minority member of the Subcommittee on Health and the Environment, have introduced legislation which would amend the Public Health Service Act to revise and extend the authorities for programs under the National Center for Health Services Research and the National Center for Health Statistics. The proposed legislation is intended to place increased emphasis on the collection and analysis of information respecting the cost of health care delivery and the costs attendant with environmentally related diseases and conditions. It would provide for the establishment of guidelines for the collection, compilation, analysis, publication, and distribution of statistics and information necessary for determining the effects of conditions of employment and indoor and outdoor environmental conditions on the public health.

Under the provisions of the proposed legislation, the National Center for Health Statistics is to serve as a clearinghouse for requests for such statistics and information, every Federal agency is to comply with requests for such statistics and information, and every entity which receives Federal assistance is to provide assurances that they will comply with requests for such statistics and information. It is my view that the availability of this kind of information will be extremely useful to the Congress in our consideration of environmentally related legislation and in our efforts to better assure the health status of the American people.

As the proposed legislation extends the authorities for programs which expire at the end of this fiscal year, I intend to schedule subcommittee hearings early next month with a view toward having legislation reported by the committee and ready for consideration by this body by May 15, 1978.●

HUMPHREY-HAWKINS BILL

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FISHER. Mr. Speaker, the Humphrey-Hawkins bill, passed by the House last week by a large margin, was a far cry from the original Humphrey-Hawkins bill of more than a year ago and a far cry from what many persons around the country think it is. Essentially the bill, as passed, is a statement of intention to reduce the unemployment rate to 4 percent (3 percent for adults) over a period of several years by advancing a coordinated set of unemployment reducing policies. There is nothing binding or mandatory in the bill; no actions will automatically take place on failure of the unemployment rate to reach the goal. A large number of possible programs are mentioned in the bill from which the Council of Economic Advisers and the President would select those to be recommended, and the Joint Economic Committee and the Congress would have a similarly broad choice for actions it might propose. But the actions themselves, whether by authorization, appropriation, regulation, or whatever, would have to be taken separately from the Humphrey-Hawkins bill by means of the normal kinds of congressional enactment.

The bill sets forth other purposes as well: Targets for employment as well as unemployment, for real income, for productivity, and then numerous others that were added by amendments on the floor of the House. In the end the bill became a whole collection of worthy objectives, including special attention to veterans, the handicapped, capital formation, 100 percent price parity in agriculture, national defense, anti-inflation measures, budget balancing emphasis, and so on and on. The bill is a veritable catalog of good intentions. But even with all of this extra baggage, the central emphasis and purpose remains: To establish a target for unemployment and to require that proposals be brought forward for moving toward that target.

Therefore, I came to the conclusion that the bill as finally voted on continued to have an excellent central purpose but had been overstuffed with all manner of worthy objectives and pious intentions. One of the major difficulties, it seems to me, is that people generally are reacting in terms of much earlier versions of the bill in which achievement of low unemployment was guaranteed, with Federal programs and spending mandated. The bill as passed by the House was not like this at all; the guarantees and mandates had been entirely removed. But large numbers of people do not understand this and are still thinking in terms of earlier symbols.

I would have preferred a much simpler, shorter, more direct bill than the one that finally was adopted in the House. The two essentials of a good bill, in my judgment are: More emphasis on jobs and reducing unemployment, with coordinated programs to move the national economy in this direction; and the addition of reducing inflation as a major purpose of the bill. I would have preferred to eliminate all numerical, quantified statements of goals, both for unemployment and for inflation, not to mention the 100-percent parity for farm prices. But once it seemed that the 4-percent unemployment rate goal was going to be retained in the bill I supported a 3-percent inflation rate goal as well. Preferring neither numerical goal, I was unwilling to see the unemployment rate goal alone without a similar quantitative goal for inflation.

It is too bad that the two central objectives for unemployment and inflation could not have been written into a short, clear amendment to the Employment Act, specifying also that on both the executive and the legislative sides, a strong effort be made to bring forward a coordinated program for advancing the country toward these twin objectives. Along with other Members I found myself thinking, "if only I could have written this bill myself."

In a way the House, and everybody in the country interested in the bill, were spinning wheels in the debate, especially over the quantification of unemployment and inflation targets. Suppose, for example, there is finally enacted a 4-percent unemployment rate goal, what would happen? One President and Congress, let us say very much on the conservative side, would then recommend tax cuts and program cuts to achieve the 4 percent. The opposite kind of President and Congress would recommend perhaps tax cuts and program increases as a way of moving toward the 4 percent. In short, any particular President could recommend from a wide range of taxes and programs what he thought would achieve the objective, and any particular Congress would have an equally wide range of choices of measures to consider. The same could be said of a quantified inflation reduction target. So the quantities, the percentages, actually would bind the Government to very little. As I say, I think we were spinning our wheels in this debate.

On the whole, when the final vote came, despite many misgivings, I came down on the side of approving the bill. Its heart is in the right place. Full employment, tempered by concern for inflation and budget deficits, should be the goal of economic policy in the United States, and I see no reason why this should not be recognized in statute. The importance of stating this, that, or the other percentage targets has been vastly exaggerated. But the importance of making progress toward full employment—a good job for everyone willing, able, and seeking work—cannot be overestimated. And the bill as approved wisely omitted any mention of requiring or mandating Government expenditures.

I hope very much the chaff can be blown out of this bill during Senate consideration and in a joint conference of Senate and House, which surely will have to be appointed to reconcile differences between the two bodies. If, after this process has run its course, there is still too much chaff in the bill, I could in the end vote against the final conference compromise. But at this stage, I will hope for improvement so that the central issue—the pledge of intention on the part of the Government to reduce unemployment—can be made more clearly a national objective. In the end a large majority of my colleagues in the House came to the same conclusion, although perhaps for somewhat different reasons. Also most of the organizations in the country interested in the bill came to its support, with even several of the major business organizations that were opposed to the earlier version reducing or dropping their objections to the bill that was finally passed in the House.●

RETIREMENT OF POLICE CHIEF RUSSELL FISHER OF HILLSBOROUGH, CALIF.

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. RYAN. Mr. Speaker, Chief Russell Fisher of the Hillsborough, Calif. Police Department is one of those special kinds of persons who had made a lifetime career of quietly effective law enforcement. That career has come to a premature close at the age of 56 with Chief Fisher's disability retirement following a heart attack last fall.

Before joining the Hillsborough Police Department as a captain in 1957, Fisher had served with the Oakland Police Department and the California Highway Patrol. He was appointed chief in 1962.

In his 15 years as Hillsborough's top law enforcement officer, Fisher was instrumental in starting the county's police training academy and was one of its first instructors. He was also one of the forces behind establishment of San Mateo County's narcotics enforcement task force.

It was primarily through Fisher's efforts that the first K–9 unit in the county was created after he had testified at numerous Senate hearings on the subject.

Development of an effective peace officer association was a longstanding project with the chief. He is the past president of the Bay Area Peace Officers Association and is still treasurer of the Peninsula branch. He served 1 year as president of the Police Chiefs Association of San Mateo County.

Fisher, a native of San Pablo, has also been involved with the scholarship committee for police officer candidates at College of San Mateo.

His fraternal affiliation is with the Native Sons of the Golden West. He has held the statewide post of grand trustee and is the past president of the local chapter.

I join his many friends in Hillsborough and throughout San Mateo County in wishing him well in the years ahead, and hoping that they will be full, happy, and rewarding for him.●

CONSIDERATION OF H.R. 11315, FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. STEERS. Mr. Speaker, as we all know, the House defeated the rule governing debate on H.R. 11315, the Federal Election Campaign Act Amendments of 1978. This rule provided for 2 hours of debate with a special provision allowing for the consideration of the nongermane amendment on public financing.

I fully support public financing and testified in support of it.

I nevertheless voted against this rule because this was the first opportunity and perhaps the only opportunity to insure that this country will have a two-party system. I joined with every Republican present to help vote down this rule. The bill that was reported by the House Administration Committee would have slashed the ability of political parties to contribute to their own candidates. It was a blatant attempt to deny to candidates of the Republican Party funds that have already been accumulated by the national party. According to the Washington Post of March 22, 1978, the Republicans have raised $18.5 million and the Democrats have raised $5.6 million for this upcoming election.

Let no one assume that the money raised by the Republican Party was given by "fat cats" and special interest political action committees (PAC's). Undisputed facts recited by our colleague, Congressman VANDER JAGT during yesterday's debate follow:

Any bill, which diminishes the role of the political parties automatically magnifies the role of special interests and fat-cat giving. Of all money contributed to the Democrat Party last year, 66 percent came from special interest pacs and fat cats. That is not going to get into the political process in 1978 because there is no surplus. The funds of our committee, at which this bill is really aimed, 99-plus percent came from small contributors. Ninety-seven percent of all contributions were under $100. Ninety-two percent came from contributors who gave under $50 and 72 percent of the contributors gave under $20. The average contribution of the whole shebang is $18.21. This bill restricts the right of that little giver who has already given to participate in the political process thru the political party of his choice.

As I stated earlier, all of the Republicans present voted against this rule, because of the threat to the two-party system. There are a number of Republicans who support public financing. I have stated that I support the Foley-Conable amendment on public financing that was to be offered to H.R. 11315. It is my understanding that Congressman CONABLE will introduce that amendment as a separate piece of legislation; I am proud to be one of the original cosponsors of that bill.

No doubt, some will attribute opposition to the rule to opposition to public financing. That may be true for some of my colleagues, but speaking for myself, I agree with Mr. Fred Wertheimer, vice president of Common Cause, who stated in the Washington Post of March 22, 1978:

Opponents of public financing could not have had better allies than House Administration Chairman Thompson and Majority Whip John Brademas. Their legislative proposal to drastically cut political party limits completely sabotaged this effort to enact congressional public financing.

It was clear that passage of the rule was dependent on support from minority members who publicly support public financing. If the House Administration Committee bill had not attempted to ruin the two-party system, this is one minority Member who would have gladly supported the rule.

In the end, the only restraint on a majority, in a democracy, is self-restraint. While that self-restraint was lacking in committee, it reemerged on the floor of the House, with the help of the minority party. It is truly regrettable that a potential for good (the possibility of amending the bill to cover public financing) had to be lost, because of the potential for evil (the attack on the two-party system, already incorporated into the bill).●

CALIFANO SMOKES AGAIN

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MARTIN. Mr. Speaker, our Secretary of Health, Education, and Welfare, Joseph Califano, has today announced that the full force of his high office will be used to compel the consolidated University of North Carolina to adopt a policy of racial integration which his own principal subordinate acknowledges to be impossible and not achievable. Nevertheless, Secretary Califano insists on exercising his authority and wisdom by forcing the university administration to adopt goals that cannot be reached.

According to David Tatel, Director of the HEW Office of Civil Rights Compliance, the object of this is to get the university system to publicly adopt and commit to unreachable goals as a psychological device for getting a maximum effort toward greater racial progress. He agrees that in fact the university system is making great progress and that it has no policy of racial discrimination. He and Secretary Califano feel they must prove themselves by exerting greater pressure even, apparently, if it is not needed. Califano disregards the high reputation of the university and its President William Friday, insisting instead that we do it his way.

In taking this arbitrary stance he has offered compelling evidence that the Office of Education needs to be taken out of HEW—or that Secretary Califano needs to be.●

BRITAIN'S FUTURE SUPPORT OF NATO JEOPARDIZED BY EXTREME LEFTIST ELEMENTS IN THE LABOR PARTY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. KEMP. Mr. Speaker, America's oldest ally, Great Britain is a key member of the NATO alliance whose daily defense activities are closely tied to our own. As a consequence, developments in British politics which may affect the character of her participation in the defense of the West are matters of utmost concern to all Americans. My concern about the evolution of British politics of the next decade or less has been aroused by a compelling analysis of trends in the Labor Party, currently in power, which may have a dramatic effect on British-American defense relations over the next few years.

The analysis to which I refer was published in the London Daily Telegraph on January 10 and 11 of this year. The analysis was prepared by Prof. Douglas Eden, a life-long Labor Party member and distinguished trade unionist. Professor Eden was a member of the Greater London Council, similar to a city council in the United States, as a Labor Party member. As a consequence, his observations have the ring of authority as an inside observer, not as an opposition party critic.

In summary, Professor Eden has laid out an unnerving review of the domination of key organs of the Labor Party by trade union leaders and elected officials who express an unambiguous preference for the Soviet-bloc nations, cultivate "fraternal" ties with Soviet-bloc trade unions which are nothing less than organs of the various intelligence services of the Soviet-bloc states, and participate in Soviet-bloc sponsored functions that are KGB-operated events to accelerate the subversion of the nations of Western Europe. Professor Eden's conclusion is stark:

The Labour movement of this country is being drawn slowly and undramatically into totalitarianism.

When circumstances such as these are observed involving a major institution of the Labor Party such as its National Executive Committee, it is reasonable to inquire as to what the consequences might be for American defense interests (and the other nations of NATO as well) if these trends in the Labor Party persist. I have included the complete text of Professor Eden's essay at the conclusion of my remarks:

[From the Daily Telegraph, Jan. 10, 1978]

LABOUR, TUC AND THEIR COMRADELY LINKS

(By Douglas Eden)

The Labour party's programme of policies, from which, according to the party's rules, its next General Election manifesto must be drawn, would advance Britain further on the road to the total Marxist State than the programme of the Italian Communist party.

This is not the work of Trotskyist lunatics, but of very careful and sober men and women who understand power and who serve as members of or advisers to Labour's National Executive Committee and the leadership of the trade unions.

The programme consists of the two documents, "Labour's Programme for Britain" and "Banking and Finance" adopted at the party's 1976 annual conference, and Jack Jones's resolution to abolish the Lords passed at the 1977 conference. In each case the two-thirds majority required on a card vote to adopt these items as Labour's Programme was easily achieved through the heavily one-sided casting of the trades unions' bloc votes.

This is hardly startling inasmuch as the TUC leadership was closely involved with the NEC and its Home Policy Committee in preparing the documents. As the home policy chairman, Anthony Wedgewood Benn, told Labour's 1976 conference: "Comrades, 'Labour's Programme 1976' contains our joint analysis now and our perspective for the future . . . We are asking this conference to vote for it formally so that . . . it will become the official party programme from which we shall draw our next manifesto." With 90 per cent of the votes at the conference assigned to the trade union bloc the result was hardly in doubt.

It has to be faced that Left-wing strength in the Labour party does not derive from the young Trots of the "Militant" and other ultra-Left tendencies running wild in the constituency parties. It stems from a hard-line core in the trade union establishment, flowers darkly in the TUC General Council and blooms brilliantly on Labour's NEC. In the hierarchy of the Labour movement, there is but one Trotskyist: Mr. Nick Bradley, NEC representative of the "Militant"-controlled Young Socialists.

In the past three years, the NEC has established relations with the Communist parties of Rumania, Yugoslavia, Poland, East Germany and the Soviet Union—never mind the "Eurocommunist" parties in Italy, Spain and France—hardly the sort of activity to commend itself to followers of Trotsky. These arrangements have taken place through the auspices of the NEC's International Committee, which is chaired by the prominent professional consultant on East-West trade, Mr. Ian Mikardo MP. (Self-employed, as he is, it is interesting to speculate on how Mr. Mikardo came a few years ago to be president of ASTMS, Clive Jenkins's union). He led the way three years ago when he attended the Rumanian Communist (Stalinist) party congress on behalf of the NEC.

Mr. Mikardo also chaired the NEC working party on banking and insurance nationalization which was set up in response to a resolution passed at the 1971 annual party conference, placing this matter on Labour's policy agenda for the first time. The resolution was moved by Miss Jo Richardson, since elected MP for Barking, for a long time Mr. Mikardo's personal assistant and still a director of his company and secretary of the Tribune Group. After some social democratic resistance stymied Mr. Mikardo's efforts, a resolution moved by AUEW-TASS (more of them later) at the 1975 conference revived the issue and led to the publication and adoption of "Banking and Finance" in 1976.

The recent exploits of Mr. Alex Kitson in Moscow are only the latest in a continuing series of similar events involving NEC members and union leaders which are at last receiving the attention they deserve from British Press and public. In 1972 Mr. Kitson was accorded the privilege of speaking before a Congress of Soviet "trade unions" in the Kremlin. He said that on behalf of Upper Clyde Shipbuilders he thanked them sincerely and that without their "tremendous financial support" the UCS work-in would not have been able to carry on.

A sponsor of the Moscow "Peace Congress" in 1973. Mr. Kitson was elected to the executive committee of the Communist-dominated Labour Research Department (no relation to the Labour party) in 1975 and perhaps first came to public attention when be conducted Boris Ponomarev on his tour of Britain as a guest of Labour's NEC.

In November, having humiliated the British Labour movement in a live performance in Moscow, Mr. Kitson returned to London leaving behind a seemingly endless string of primed stink-bombs which have been going off every few days on Russian television and radio at the pleasure of his Soviet friends. By a marvelous exercise in "new-speak," the NEC's International Committee exonerated Mr. Kitson of doing anything unseemly, claiming he had been "misreported." (I refer the uncertain to the verbatim reports of the BBC Monitoring Service.)

According to Press reports of the two meetings where the Kitson affair was discussed, the International Committee members who expressed support for Mr. Kitson were Mr. Norman Atkinson, MP, party treasurer; Mr. John Forrester, deputy general secretary of AUEW-TASS; Mr. Sam McCluskie, National Union of Seamen; Mr. Alan Haddon, Boilermakers' Union; Mrs. Judith Hart, MP, Overseas Development Minister; Mr. Frank Allaun, MP, and Mr. Mikardo, Mr. Forrester, a frequent speaker on Communist Morning Star platforms, went so far as to move a resolution endorsing Mr. Kitson's actions which was not put to the vote in deference to the objections of Mr. Michael Foot.

The significance of this list of names is that all of them bar Mr. Allaun and Mr. Mikardo owe their NEC seats to trade union nominations and bloc votes at Labour's annual conference.

Of the 26 NEC members elected by the annual conference, the trade union bloc effectively controls the election of 18. In addition to the above these include such hard-line Marxist luminaries as Miss Joan Maynard, MP, and Mr. Emlyn Williams, secretary of the South Wales miners' union. Hence, the trade union bloc provides about 10 of the 15- to 17-strong Marxist-dominated Left-wing group which controls the National Executive Committee of the Labour party.

Each autumn, the trade union leaders turn up at Labour's annual conference with some 5.7 million votes in their pockets, allegedly representing the views of those of their members who do not opt out of paying the political levy. It is impossible to believe that even one in ten of these members holds anything resembling Marxist-Leninist views, yet some three million of their votes were cast on their behalf for nationalising the banks and insurance companies (the card vote was 3,314,000 to 526,000) and nearly all available votes were cast for "Labour's Programme 1976" (5,883,000 to 122,000).

If these voting figures did not represent the views of the trade union membership, they certainly reflect—as does the mark-up of Labour's NEC—the views of the most important trade union leaders.

The Labour National Executive's rather more powerful counterpart at Congress House, the TUC General Council, also has an International Committee. Its chairman, Ian Mikardo's opposite number, if hardly his mere equal (for in today's Labour movement some brothers are more equal than others), is Mr. Jack Jones, C H. He will hold this high office until the next Trades Union Congress meets in September although he retires as general secretary of the Transport and General Workers' Union in March. He will be succeeded at the TGWU by his protege, Mr. Moss Evans, who was elected to the TUC General Council last September.

For the past five years Mr. Jones has guided the TUC in establishing fraternal relations with the national trade union organisations of the East European dictatorships, presaging the parallel activities of Labour's NEC at a party political level. Mr. Jones and his colleagues have, using the facilities of the International Labour Organisation, organised three conferences in Geneva bringing together TUC representaitves led by Mr. Jones and members of the Soviet régime, the latter attending in their capacity as leading "trade union officials"; which perhaps goes some way toward explaining why the TUC does not share the view of the ILO held by its American counterpart, the AFL-CIO, nor approve of President Carter's recent decision to withdraw the USA from membership.

It is perhaps too much to hope that everyone is aware of the status and methods of Soviet "trade unions." They are of course an arm of the totalitarian Soviet State and not free and voluntary associations of workers as in Britain. (Ours are still voluntary, aren't they?) They administer the direction of labour on behalf of the State and their officials are selected by the Communist party of the Soviet Union and are part of the government apparatus. Therefore, if the British TUC pursues relations with East European trade unions (the Soviet pattern applies in all the satellite States) it is in effect dealing with their Governments and ruling Communist parties, not with voluntary groups of workers.

Jack Jones has led delegations to Poland, Hungary, Czechoslovakia, Bulgaria, East Germany and the Soviet Union. On each occasion meetings were held with "leading political figures and central trade union organisations." In Bulgaria this went so far as to include private discussions with the First Secretary of the Bulgarian Communist party.

Mr. Jones told the 1974 TUC "We have opened the door to discussion and understanding; to putting emphasis on the aims which unite us rather than on the details which divide us."

In Mr. Jones's report to the 1976 TUC of his East German visit it was uncritically stated that "the GDR was a Workers' State and the trade unions were not therefore in opposition . . . the only help (the GDR) had received from outside being from the Soviet Union in preserving the freedom of the country." His report mentioned that his East German hosts "drew attention to . . . the sometimes undersirable impact of West German television and of the exchange of visitors with" West Germany. "Details" like the Berlin Wall were not mentioned.

The apotheosis of Jonesian diplomacy was achieved at the end of March, 1975, when three members of the Soviet Government and the State-appointed secretary of the Soviet TUC visited Britain as guests of the TUC General Council. The delegation was led by the infamous A. N. Shelepin, then a senior member of the CPSU's Politburo and former head of the KGB, and the two other notables were members of the Presidium (the Soviet Cabinet). They were described by Congress House as a "trade union delegation."

In October, 1976, Mr. Jones and Mr. Len Murray organised a reception at Congress House for Boris Ponomarev. The TUC contrived to ignore Alexander Solzhenitsyn and Vladimir Bukovsky when they came to this country.

During his 1976 visit to the Soviet Union, which caused the Prime Minister to cancel urgent talks on the sterling crisis, Mr. Jones was quoted as saying the Russian unions were "doing an exceptionally good job" and that

the people of Soviet-occupied Latvia were "running their own affairs very effectively." While in East Germany he was reported to have declared that he "feels at home" there. Unlike his TGWU colleague, Mr. Kitson, Mr. Jones has never claimed to have been "misreported."

IT IS TIME WE STOOD UP TO THE HARD-LINERS ON THE LEFT

Last February, the Social Democratic Alliance published my brief summary of 40 facts showing that 16 of the TUC General Council's 39 members were actively pursuing associations with Communist organizations. None of the facts has ever been disputed.

The document included a detailed account of how the TUC General Council frustrated the efforts of Frank Chapple's Electricians' union to get the General Council "to consider whether the protests they made about events in other countries (e.g. Spain, Chile, South Africa) were not rendered less effective by their ignoring events in the Communist countries; to give practical support to Congress policy (on human rights) by protesting to the Soviet Government, or, if not, to state the basis of their differentiation between various régimes; and to state whether the political system they favoured was that existing in the Soviet Union." (Now what would Mr. Kitson say to that?)

At one stage, the General Council, to quote from the report of Jack Jones's International Committee, asserted that "trade union freedoms were not at issue in the case of dissidents in the Soviet Union" and, acting as a neutral and disinterested party, referred the EETPU's complaints without comment to the Soviet Ambassador in London for reply. The anodine reply, when received, was simply passed on to the electricians.

At September's TUC an attempt by the Colliery Overmen's Union and the electricians to get adopted a resolution supporting General Council policy on human rights in South Africa but asking for its extension to East Europe was easily defeated after Jack Jones attacked these two unions from the platform.

I would like to ask the two unions who came to the rostrum what they did about the situation in South Africa (*applause*) and I want to say that you really cannot equate suppression of a majority of the nation in South Africa with even the sort of thing that you claim to be happening in Eastern Europe. You can't equate it. And you ought not to justify South Africa because this resolution as written could very well have been written by Ian Smith and the South African Government, and you know it. And if you pass it today you give an excuse to the continued attitude of Ian Smith and the South African Government in trying to suppress the overwhelming majority of their nation. And, having said that, let me say that the motion and its sweeping condemnation of the Soviet Union and the satellites, as though they're all the same and we know they're not, but it asks you to proceed by way of confrontation with our relations with Eastern Europe. That's contrary to the policy which we have consistently adopted year after year.

That policy was most succinctly stated in a resolution moved and seconded at the 1975 TUC by two AUEW delegates who are members of the British Communist party. It called for the establishment of close relations with the World Federation of Trade Unions, the Communist "trade union" front organisation based in Prague and controlled by the Soviet Union. It was easily carried with the support of the General Council.

As Mr. Bob Wright reminded the 1974 TUC, the AUEW has campaigned since 1971 "to encourage fraternal relations" between the free trade unions of the West and the "unions" of the Eastern bloc. Mr. Wright is currently the candidate of the Broad Left (a Left-wing Labour/Communist party alliance) for the presidency of the AUEW in succession to Mr. Hugh Scanlon, who was also a Broad Left candidate and serves on the TUC International Committee. Mr. Scanlon had an interesting anniversary recently: his period of Labour party membership at last exceeded his previous 20 years' membership of the Communist party.

About 10 per cent of the delegates at this year's TUC were open members of the Communist party and one in five were invited to address congress. Important resolutions were actually moved or seconded by 17 Communists. Four of them hold the general secretaryships of their unions: Mr. Ken Gill, AUEW-TASS (John Forrester of the Labour NEC is Mr. Gill's deputy); Mr. George Guy, Sheet Metal Workers; Mr. Ben Rubner, Furniture and Timber Union; and Mr. Stan Broadbridge, Further and Higher Education Teachers (including polytechnic lectures).

Mr. Gill was re-elected to the TUC General Council with over nine million votes and Mr. Guy was elected for the first time with more than eight million. Three other Communist members were put up as candidates. They were unsuccessful but achieved very respectable votes putting them in good positions for future contests. Mr. Broadbridge, standing for the first time, received over four million votes; Mr. Rubner managed more than three million, and Mrs. Christine Page of NALGO attracted nearly four million.

The only major omnibus resolution on economic policy, a baldly Marxist one, considered at last September's TUC was moved by Mr. Gill. It was overwhelmingly carried on a show of hands. It is now TUC policy and thus became more or less binding on the trade union delegations which attended the Labour party's annual conference a month later.

When I arrived at the Metropole Hotel, Brighton, a day before Labour's conference, the first face I saw was Ken Gill's. Not being a member of the Labour party, he could not attend the conference as a delegate; but, like other Marxist-Leninists in the AUEW leadership who do not belong to the Labour party, he was able to attend, speak and vote at the private meetings where his union's delegation considered their position on conference resolutions and candidates for the NEC. At the crucial 1976 Labour conference, Mr. Mick McGahey, vice-president of the National Union of Mineworkers and this year's chairman of the Communist party of Great Britain, presided at the private pre-conference meeting of the NUM delegation.

It would seem the British Communist party's industrial organiser, Mr. Bert Ramelson, was not speaking idly when he said in 1974, "The party can float an idea early in the year and it can become official Labour policy by the autumn." Nor was Leonid Brezhnev improvising when he told the 25th Congress of the CPSU in 1976 "We continued to extend our ties (last year) with progressive non-Communist parties—revolutionary-democratic, and also Left-socialist. Our contacts with the socialist and social-democratic parties of a number of countries, including . . . Britain . . . have noticeably expanded. We appreciate the progress made in this domain, and shall continue to work in the same direction."

It gives a member of the Labour party and trade unionist like myself no pleasure to raise these matters, but unless the non-Left leaders of the Parliamentary party join with the anti-Communist minority in the trade union leadership to overthrow the hard-line Leninist elements which control the TUC and the national Labour party organisation, the Parliamentary party will itself be overwhelmed by an intake of Marxist MPs—elected as Labour—perhaps as early as the next General Election.

The Labour movement of this country is being drawn slowly and undramatically into totalitarianism. At this price, party unity is too dearly bought, but, this near a General Election, social democratic office-holders seem determined to pay it. Whether they can sell it to Labour voters and the British electorate at large remains to be seen.●

WHO SHOULD SERVE IN CONGRESS?

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. TEAGUE. Mr. Speaker, since I am going to retire from Congress this year, after 32 years of service, I thought I should share with you my ideas about who should serve in Congress, and who should not.

I do not intend to draw a congressional model for you. In fact, my aim is to do just the opposite. I intend to suggest qualities and characteristics that are important to possess for such a responsible position. Variety is one of the principal strengths of the House of Representatives and should never be lost or diminished.

To begin, the House is a much more diversified body than the Senate. For example, the House has 17 women Members; the Senate has one. In the House there are 17 black Members; while the Senate has but one. The House more accurately reflects the ethnic, religious and ideological mix of the United States, and that is as it should be. It is in a very real sense a House of Representatives.

The greatest diversity in the House often manifests itself in the educational attainments of its Members. We have Rhodes' Scholars, lawyers, doctors, and clergymen, and we have many Members who are self-made and who have overcome the disadvantages of limited formal education. However, there seems to be little or no correlation between a Member's effectiveness and performance and his or her educational background.

There is no room for intellectual snobbery in the House. Everyone has something to offer, and those who have the most usually stay the longest and travel furthest in the quest for responsibility and leadership.

Neither do I want to suggest that all Congressmen are saints or that everyone presently in the House should be there. We have our share of sinners, just like the rest of the world. But I do think that the American public, under the constant influence of the news media, tends to believe that misconduct and misbehavior on Capitol Hill are far more common than they actually are. After 32 years of experience and service in the Congress, I can say with some authority that the average Representative is a decent, hard-working individual, a credit to his constituents and a credit to his country. Two Texans who served admirably in the House, the late Speaker Sam Rayburn and the late Judge Marvin Jones, who represented the 18th (Pan-

handle) District of Texas with distinction for many years, expressed the opinion that people get the kind of government they deserve. The House of Representatives is the people and in the long run the House will either preserve the Republic or destroy it.

I firmly believe that if the people have a continuing interest in their Government and exercise careful attention in choosing and electing their congressional representatives, then Congress will continue to be the principal preserver of the American way of life as we know it.

Let me now turn to specifics. Who should serve in Congress? At the outset, the ideal candidate for Congress should have a definite philosophy of his or her own and that philosophy should be shared with the constituents represented.

This person should be a leader, not a follower. During my years in the House I have known my share of politicians who have followed the dictates of expediency rather than those of conscience. This kind of person is almost immediately recognized by his colleagues for what he is and is relegated by those colleagues to the lowest degree of respect and attention.

The most effective and respected Member is one who has a definite political philosophy, who lets his constituents know what it is before election, and within reason, maintains that philosophy while he is in office. I say "within reason" because there must be room for intellectual growth and constructive change. Most Congressmen, after a few terms in office, tend to change or modify their ideology from that which they expressed when they first came to Washington. A Congressman who is too rigid or doctrinaire becomes ineffective in a changing world and in a dynamic political institution like the Congress. However, these chages in philosophy should be consistent and come from the heart and the head and not from a frightened glance at the public opinion polls.

I know I have changed in some of my philosophical concepts since I first came to Capitol Hill, but I did try to let my constituents know why I was changing my opinion on certain issues. I found that the citizens of the Sixth District of Texas, by and large, respected my honesty, even if they didn't always agree with my thinking. I believe I have never lost a single voter by being honest, and I hope my successor in the House will follow the same philosophy.

Now let me attempt to talk about the importance of integrity. By integrity I mean personal faithfulness to certain ideals as well as public faithfulness to those ideals. No person should come to Congress with the idea of using his or her position as a means to amass personal wealth. That is basic and immutable. I can say with a wry sense of pride that I shall leave office this year with no accumulated wealth and nothing of importance in my estate except my pension which I consider not only adequate, but generous. However, I must add that I depart with a wealth of experience and an increasing admiration for this Nation, its people and its political system.

Temptations for a Congressman in Washington are numerous. Favors and privileges are offered regularly, but an effective and responsible public servant must always answer to only his conscience and his constituents. In all my years on Capitol Hill. I have not personally been approached by a lobbyist with an improper offer. All the lobbyists I have known have been honorable and knowledgeable people and I have learned a great deal from them, listening to both sides of an issue and then, in private, making up my own mind.

Good lobbyists serve a definite and useful purpose in government. They are specialists in their own areas of reference and since a Congressman cannot even begin to become an expert in everything that comes up before the House, he should learn as much as he can from as many reputable and knowledgeable people as are available. The lobbyists I have known have been educators and advocates. I am grateful to them and I honestly believe I have been a better Congressman because I have used them honestly and intelligently. I realize that others may have had different experiences; I can only speak for myself in this situation.

A dedicated Congressman must be prepared to work long and hard hours. If a Congressman really does his homework he is accepted by his colleagues, no matter what political faith he might be. If a Member tries to get by with short cuts, blarney, or other substitutes for work he will not have earned the credibility among his colleagues to be suggested for positions of leadership or sensitivity. The leaders of Congress have reached their positions through years of hard work and they have no intention of forwarding anyone, no matter how personally attractive, who has not earned the right to promotion.

In summary, I hope my successor as your representative will be a person of irreproachable professional and moral integrity, one whom every voter in the sixth district can be proud. He or she should be a person whom you would be proud to welcome in your own house as well as sponsor to represent you in your Goverment's house.

In my continuing comment about who should serve in Congress, I believe I should discuss the subject of "seniority" at this point. Although this is a term that has fallen from good graces in recent years, seniority in Congress is no different from seniority in any other profession or job. A person must be given the opportunity to gain experience in a position or mature a little in that capacity before he can be of maximum effectiveness and value. This is particularly true for Congressmen. The congressional system is complex and encompasses a myriad of responsibilities. It takes at least one term to observe or "get your feet wet" before being able to affect change. If an electorate sends a capable, well-qualified young person to Congress there is a better chance that this person will have time to mature in office and eventually attain a leadership position where he can serve the Nation, his State and his district best.

As Texans we are going to have a problem next year. Many of our most senior Members are retiring this year and will be replaced by freshmen. I believe that the departing statesmen should be replaced by people of integrity who have a viable political philosophy and who have the youth to enable them to stay in Washington for enough time to gain experience and eligibility for a leadership position.

So far, we have talked about the necessity for integrity and a viable political philosophy for potential candidates to Congress, and the added advantage of being young. I would like to talk now about the importance of fiscal responsibility for all would-be candidates.

By fiscal responsibility I mean both a personal and public financial conscience. A person who is irresponsible in his or her own personal finances can hardly be expected to behave honorably when dealing with the finances of his country. A person is either honest or dishonest. There is no room for borderline judgment here. In public financial matters, it is very easy for a Member of Congress to woo votes from his constituency by recklessly voting to spend the money of the general taxpayers.

There is a wise proverb that says there is always a simple answer to any complex problem—and it is usually the wrong answer. Today, many Members of Congress think that the only political answer to any governmental problem is to spend more and more taxpayers' money. These people—and they are, thankfully, a minority—have always struck me as having an extremely shortsighted and selfish point of view. They either cannot understand or refuse to accept the fact that unlimited spending, now, will create fiscal havoc for Americans in generations to come. They are interested in spending now to appear concerned and conscientious and to get reelected. They are not mindful of what effect today's decision will have on tomorrow.

I have no aversion to spending tax money when that money is well spent and the need is apparent. As chairman of the Veterans' Affairs Committee of the House for over 10 years, I was, at least partially, responsible for the expenditure of a great deal of money, and I do not regret a penny of it. The veterans gave everything they had for their country and deserve in return, everything a grateful Nation can possible afford to do to alleviate their problems at a time when they are in greatest need. Even in veterans' affairs however, reckless or sentimental squandering of tax dollars is not the answer to the problems. The spending must be controlled, selective and constructive, or else it does far more harm than good.

During my years on the Space Committee (now known as the Committee on Science and Technology), both as chairman of a subcommittee and then as chairman of the full committee, I oversaw the expenditure of billions of dollars.

Such expenditures were criticized by many who could not see that those dollars were being spent in this country, not on the moon, and that they not only

created hundreds of thousands of new jobs here, thus helping to keep the economy healthy, but also made an essential contribution to the security and international status of the Nation. The space program reaffirmed America's world scientific leadership at a time when the Soviet Union's scientific expertise was threatening to eclipse ours in the judgment of many people around the world.

The point is that the spending of money by Congress in itself is not bad, but the reckless spending of money for political advantage is always bad. The opposite is also true, however. Over the years there have been some Members of Congress, for reasons I think were just as political as those of the big spenders, who in effect, refused to vote for appropriations for anything, no matter how worthy the objective. Such Members gloried in calling themselves "the watchdogs of the Treasury." They were nothing of the sort; they accomplished nothing, and they stood only for blind reaction and the preservation of the status quo.

I have found over the years that the House of Representatives generally pays little attention to the radicals of the far left or right, but listens with respect to the moderates with a reputation for fiscal responsibility. I believe that responsible Members of Congress understand that we cannot spend what we do not have, and we cannot fail to spend, within reason, what is necessary for our national safety and the prosperity of our people.

I believe the major function of a Congressman is to weigh all the evidence on every case (and the evidence is often conflicting) from every segment of the population and then decide what action, if any, should be taken.

Thus a Congressman must feel what his people feel. He must have compassion for their needs, sympathy for their goals. At the same time, a Congressman cannot be purely provincial in this thinking. He must weigh the desires of his people with the overall welfare of the Nation. For instance, if a Congressman does not understand or care about the terrible effect inflation has on retired people of fixed incomes, he could, by his votes, inflict real harm on those who deserve the best from us.

One facet of a Congressman's job that touches his constituents directly is casework. Through casework a Congressman helps his constituents in their dealings with their Government. This task takes patience as well as compassion. The average citizen is astonishingly ill-informed about the way in which his government operates. He is bewildered by the huge, faceless bureaucracy, the computers and the endless forms. My office has received thousands of letters each year from constituents claiming the Government has mishandled their cases. I have found most of these grievances justified. These problems must be handled with understanding as well as efficiency.

Every 2 years Members of the House go before the people to ask their support. Too many Members forget that the people need—and should have—their support every day of every year. If a person has not the will or the spiritual ability to extend that compassionate support to all of his constituents, then that person has no right to be a Member of the House of Representatives. A person must have the potential for learning and growth, and must have the courage and the will to face up to the real responsibilities, and not seek easy short-term solutions to difficult problems.

I hope my friends and constituents will keep some of these thoughts in mind when the time comes for them to choose their new representative from the Sixth District of Texas.●

HUMPHREY-HAWKINS IS A FIRST STEP—MANY MORE STEPS MUST FOLLOW

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MARKEY. Mr. Speaker, last week I voted for the revised Full Employment and Balanced Growth Act because I believe in the truth of the ancient proverb that the journey of a thousand miles begins with a single step. But I remain apprehensive that this bill, if enacted into law, may be misread as the solution, completed with the stroke of the Presidential pen, to the misery of massive unemployment in our Nation. This bill is no such thing, and we must be honest enough to say so.

Quite simply, this measure is no longer the ambitious commitment to the achievement of full employment which it did embody in its earlier versions. In its present form, it has become a mandate without a method. As first introduced, the Humphrey-Hawkins bill was based on the sound proposition that no matter how costly it is to put people to work, it is far more costly and wasteful to pay them not to work. It was the recognition that to pay people not to work is a ruinous social policy that America has too long permitted to continue.

A job is a right, a human right. The original Humphrey-Hawkins bill made that right a reality. The revised bill does not. It offers not jobs, but promises. What is missing—crucially missing—are the specific mechanisms committing the Federal Government to take swift action, as needed, to serve as an employer of last resort.

We need to insure that millions of new jobs will continue to be created in the next decade. Most of these jobs will be created in the private sector. It is clear, however, from the record of the past decade that some of the jobs to be created must come in the public sector. When I endorsed the Humphrey-Hawkins bill during my campaign for election to this office, I declared then that "public jobs are necessary to take up the slack in the private sector"—public works jobs, public service jobs, public jobs which are productive jobs, in which the role of the Government is to guarantee that the right to a job at a decent wage is a reality for all Americans.

Rebuilding our cities, cleaning up our rivers and harbors, turning our railbeds into the underpinning of an energy-efficient transportation system, finding labor-intensive solutions to energy conservation, improving day care and education, delivering health services to those who go without—these are the challenges which public employment can meet, on a permanent, antirecessionary basis.

The dimensions of unemployment in America have reached the proportions of a massive human tragedy. The real unemployment rate, many believe, is far higher than the one issued by the Department of Labor. One in four Americans is directly touched by unemployment, either as an individual or within their family. Every unemployed wage earner ready, willing and able to work is a walking, breathing American tragedy—not a cold, gray Government statistic. And yet Herbert Stein, who was Chairman of the Council of Economic Advisers for Nixon, recently suggested: Ignore the high rates of joblessness in our society, and simply declare employment "full."

This would be the most "cruel hoax" of all. It would come at the expense of cities in my district such as Revere, which had a rate of unemployment for 1977 averaging nearly 11 percent, and cities like Everett, with over 10 percent, and Winthrop with nearly 9 percent. Other cities in my district also are hit with intolerably high rates: Chelsea, Stoneham, and Wakefield, with a 1977 rate averaging over 8 percent; Malden, Medford, Woburn, and Saugus, at over 7 percent; Melrose, Winchester, Lynnfield, and Burlington, at over 6 percent; and Reading, at nearly 5½ percent. The average rate of joblessness in my district last year was nearly 8 percent—double the 4-percent goal this bill sets for 5 years hence.

Each unemployed worker costs taxpayers an average of over $18,000 per year in lost taxes, unemployment insurance, and other support programs, according to the 1977 Midyear Review of the Economy of the Joint Economic Committee of Congress. Every time the jobless rate goes up 1 percent, it costs the Federal Government around $14 billion annually in tax revenues it would collect if these people were working. Tax revenues of State and local governments are also reduced, and valuable public services must be sacrificed. Moreover, the same 1-percent of unemployment costs our country $50 billion in lost goods and services annually. Thus, the difference between 4-percent and 7-percent unemployment comes to a staggering sum of $150 billion annually.

Leon Keyserling, chairman of the Council of Economic Advisers under Truman, estimates that failure to maintain full employment cost the United States over $3.5 trillion from 1953 to 1975. According to another recent report, high unemployment could cost the U.S. economy a total of $6 trillion to $15 trillion in our gross national product by the year 2000. With so much to be done in our country, this is a price we cannot afford to pay in lost opportunities.

Other costs of underemployment are

not so readily perceived. But they are nonetheless real. The Social Security Administration, for instance, released a study showing that, if unemployment were reduced only 2 percentage points, Social Security income over the next 4 years would show a surplus of $10 billion instead of the actual projected deficit once feared to total $11 billion. Thus, even a moderate cut in the jobless rate could have averted the sharp boost in social security payroll taxes recently enacted.

It is therefore astonishing to read the statement from the White House in the Budget document for 1979 which defines "high employment" by 1983 as 4.7 percent. This arithmetic should give each of us pause before basking in the glow cast by the promises of the Humphrey-Hawkins bill. Quite simply, the definition of "full" employment has been edging steadily upward since the mid-1950's. In a recent report by the economist Steven Sheffrin and published by the Exploratory Project for Economic Alternatives, a different conclusion is reached. Sheffrin argues convincingly that the Federal Government should not accept a jobless rate higher than 2 to 3 percent. I agree.

To me the value of the Humphrey-Hawkins bill, in its revised form, is that it insures a regular debate on the problems of joblessness and stagnation in our society. There is real value in specific provisions of the bill which make this debate possible and require more coordination in the framing of national economic policy. I salute the sponsors of the bill for their devoted work in the successful effort to pay, by a vote of 257 to 152, this legislation. In its present form, however, the bill is largely of symbolic value. Not one job will be created as a direct result of passing this bill. But symbols can be important in politics, as in the rest of life. For this reason, I decided to vote for the bill. Enactment will be only the first step. We must take many other steps before the journey is done. The millions of people who want to work will settle for nothing less.●

1977 TRUCK DEALER OF THE YEAR

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WAMPLER. Mr. Speaker, I was deeply pleased to join in honoring my good friend and constituent, Frank Goodpasture, Jr., of Bristol, Va., at a luncheon held in his honor on January 19, 1978. Frank was selected as the 1977 Truck Dealer of the Year by the American truck dealers division of the National Automobile Dealers Association and Business Week Magazine. This is an annual award, and Frank was selected from 5 regional winners by judges at Columbia University Graduate School of Business for his record as a quality truck dealer and for his community service in Bristol. He is the president of Goodpasture Motor Co., a GMC truck dealership in Bristol. The fine example he sets for other area businessmen in merchandising, community service, and contributions to the economic growth of his community are recognized by this award.

Our small businessmen are invaluable for their contributions to the communities in which they live, and their positive effect on the local economies and the free enterprise system. Frank has my sincere and hearty congratulations on being named 1977 Truck Dealer of the Year, and is certainly deserving of this recognition.●

EMERGENCY SHELTER LEGISLATION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MILLER of California. Mr. Speaker, I am introducing today legislation to amend title XX of the Social Security Act in order to permit the expenditure of Federal funds for emergency shelters for adults, including victims of domestic violence. I am especially pleased that the three authors of related pieces of legislation concerning family violence, Congresswomen BOGGS and MIKULSKI, and Congressman STEERS, are joining me as primary cosponsors of this bill.

Last week, I chaired two very informative days of hearings on my colleagues' bills. We heard the testimony of experts who reported that domestic violence, and especially wife beating, is one of the most overlooked crimes in our Nation. A recent study by the Washington Star indicated that one-half of the country's married women are, at some point in their marriages, subjected to physical abuse by their husbands, and that at least 10 percent receive severe injuries as a result.

Domestic abuse does not refer to simply slappings or other minor forms of assault. In California, it has been shown almost one-third of all victims were murdered by their husbands. Nationally, one-fifth of all police killed on duty in 1974 were intervening in domestic disputes at the time of their deaths.

In preparation for these hearings by the Subcommittee on Select Education, I spent several evenings visiting homes for battered women, discussing the programs and the problems with shelter organizers and with victims, too. I also spent an evening riding in a police car with officers experienced in intervening in domestic violence situations. As a result of these experiences, I have learned the value police themselves place in having a shelter available in their communities. Police are generally grateful to have such a facility, because it provides them with a valuable resource to which they can direct victims. Victims of domestic violence have confided in me that, in many cases, they endured years of abuse because they had no alternative living option to turn to on an emergency basis.

Within the last several years, a nationwide network of shelters has appeared, offering havens to thousands of previously victimized women. Often with no resources except those of volunteers and donations from the community, these shelters have been established and maintained for the victims of abuse. No one who has discussed the benefits of these shelters with the women who have come to them, as I have done, could doubt the great benefits they provide and the need for more such facilities.

It seems to me that, when we consider the role of the Federal Government in dealing with the subject of domestic violence, we must be extremely careful not to encumber existing community-based programs with bureaucratic red-tape and regulations which will do far, far more harm than good. We in Government did not discover the problem of domestic violence, and we did not invent the solutions. Our role should be one of aiding the community people who have exposed the epidemic, and who have developed their own shelters in response.

One of the positive actions we can take is to enact legislation to provide greater Federal assistance to people developing or operating shelters. My cosponsors, and others in the Congress, have been working on such legislation for many months, and I am hopeful that we will soon be able to report a bill from the subcommittee.

In addition, we should eliminate those barriers which exist in Federal programs to the funding and support of shelters and related service programs for the victims of domestic violence. Witnesses at our hearings last week testified, for example, that facilities providing emergency shelter for adult victims of domestic violence may not receive title XX funds under the Social Security Act.

The legislation I am introducing today would remove that unreasonable restriction, permitting these shelters to receive such funds. Payments to any one shelter would be limited to $25,000 in any one year. At last week's hearings, we heard that women who flee battering husbands frequently arrive at shelters entirely without resources, even though they technically may come from affluent homes. The family's finances frequently are controlled by the very spouse from whom the shelter resident is seeking refuge. Therefore, it seems reasonable to me to impose no income eligibility test on victims utilizing title XX funded shelters.

I am hopeful that this legislation will be considered quickly, either as a separate piece of legislation, or as an amendment to the Social Security Act during the next markup of a relevant bill. I also invite my colleagues to join me in sponsoring this bill which will make substantial funds available to community people who have taken it upon themselves to meet a serious problem which exists throughout our country in very alarming numbers.

The text of the bill follows:

A bill to amend title XX of the Social Security Act to authorize payments there-

under for the cost of emergency shelter or services furnished to individuals (whether adults or children) because of the danger of abuse or injury

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2002 (a)(11) of the Social Security Act is amended by striking out "and" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D), and inserting "; and", and by adding at the end thereof the following new subsection:

"(E) any expenditure for the provision of emergency shelter, for not in excess of thirty days in any six month period, provided as a protective service to an adult in danger of physical or mental injury, neglect, maltreatment, or exploitation. Payments made under this section shall not exceed $25,000 to any one shelter or provider of services in any fiscal year. Notwithstanding any other provision of this section, in determining the eligibility of individuals to have payment made under this section with respect to such expenditures, the State shall conclusively treat all individuals who are found to need such shelter or services as meeting (for the purposes of such payment) any income requirements which would otherwise be applicable under this section." ●

INFLATION: AMERICA'S GREATEST DOMESTIC PROBLEM

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. STANTON. Mr. Speaker, I want to make some remarks today about the greatest domestic problem America faces in these critical times: Inflation.

Mr. Speaker, the President of the United States likes to talk about how (quote) lean (unquote) his $500 billion budget for fiscal 1979 is but he says little about his fat $60 billion estimated deficit.

I submit, as do many of my colleagues and also Washington Post financial writer Art Pine, that the estimated Carter deficit of $60 billion is likely to swell as the Carter tax package is picked to pieces by the Congress. In fact, it is in my view and that of many other Members of the House that the fiscal 1979 deficit could balloon to $80 billion or higher.

Through its Economic Stabilization and Domestic Monetary Policy Subcommittees, the House Banking Committee, serves as an inflation watchdog. As ranking Republican on the House Banking Committee, I want to do a bit of howling today about the inflationary dangers that face Americans in the months and years ahead.

When we talk about the causes of inflation, we are concerned with both fiscal and monetary policy. We know that the two are related and that both have an impact on the economy. I will speak of monetary policy a little later but right now I want to discuss the financing of Federal deficits and the effect that has on our economy.

When the Federal budget runs a deficit, the Treasury must sell bills and bonds to cover that shortfall. At the same time, the Federal Reserve Board decides whether to buy some of those bills and bonds. If the Fed does not do so, the monetary base is not expanded and inflation does not result. But then the Treasury Department must compete with private borrowers in the money market and this drives interest rates up if the deficit is huge. The result is that private borrowers are squeezed out of the money market by the Government, and this hampers the business investment that is needed to produce growth and new jobs.

There is always the possibility, of course, that the Fed will buy some of those Treasury bills and bonds and thus increase the monetary base. If this is done on a large scale, the result in the longer term is inflation.

If you accept the premise that the fiscal 1979 deficit may very well mount to at least $80 billion—and I do—then you can readily see that we face either rapidly increasing inflation down the road or a credit crunch that will push up interest rates and hurt industrial investment.

Since the President called in his state of the Union message for the private sector to shoulder the responsibility for generating thousands of new jobs, you might guess that the Fed under its new Chairman may choose increased inflation rather than a credit squeeze.

The role of the Fed is highly important in fighting inflation, but the new Fed Chairman, G. William Miller, recently stated in an appearance before the House Banking Committee that the Fed's inflation-fighting powers are limited. He must have been wondering what the Fed can do to combat inflation at a time when the President is proposing a $60 billion deficit and the Congress itself is legislating inflation.

During that same appearance before the Banking Committee, Miller said inflation is the Nation's No. 1 problem. Prior to his being confirmed as Fed Chairman, Miller told the Senate Banking Committee that Fed policy should be in harmony with that of the administration. It seems to me Miller is going to have a tough time harmonizing Fed policy with that of the administration if he really is setting out to do battle with inflation.

The President announced an anti-inflation program in his state of the Union address—and then just left the rhetoric hanging in midair. It seems the President makes a practice of doing this sort of thing—announcing lofty goals and then doing nothing to achieve them.

Somebody should tell President Carter that the American people want performance—not promises.

Now it is reported that the administration is getting ready to announce another anti-inflation program. If this is true, I hope it succeeds. But I am afraid it may not be any more meaningful than the program announced by the President in January.

It is said that the past is prolog. You have to look at where you have been to see where you were going.

From 1948 to 1961, the inflation rate in our country averaged 2 percent a year while the money stock also grew at only about 2 percent a year.

Shockingly enough, inflation averaged 7 percent a year from 1971 to 1977, a time when the money supply grew at a 6-percent average for the narrowly defined base.

Experience has shown us that when the money supply is increased and a new higher growth rate is maintained, output and employment increase over a period of 2 to 4 years. But when that effect wears off, we are left with a higher rate of inflation.

What we must do to achieve stable prices is to carefully, gradually return the money supply growth rate to a low level—as former Fed Chairman Arthur Burns sought to do. He could not do the job alone. Struggle as he did against inflation Dr. Burns was faced with a flood of Treasury financing of one huge Federal deficit after another. The odds against him were insurmountable.

There is no question that at present the trend of inflation is up, and that the Carter fiscal 1979 deficit—which I see swelling in the hands of the Democratic-controlled Congress—will have an adverse impact on the economy. We will either head toward a repeat of double digit inflation or we will experience a severe shortage of investment capital and possibly a housing depression.

In 1978 we will see an accelerated rise in prices and also higher interest rates as the economy finishes digesting the 1977 surges in money supply. My fear is that these trends will continue at an even more rapid pace in 1979 as the economy feels the impact of the Carter budget and Carter's and the majority party's horrendous deficit.

Even if inflation simply continued at what the administration calls "an underlying rate" of 6-percent inflation, the end-result would be disaster.

The straight mathematics of a 6-percent annual rise in prices means that prices double in 12 years. Six-percent inflation continued for another 12 years would mean that prices again would double. In other words, 6-percent inflation continuing for 24 years would produce a price level four times the level of the starting period. Among 12 years of 6-percent inflation would give us a price level eight times that of the starting period. In 48 years—by 2026—the price level would be 16 times the starting level.

In less than 50 years of continued 6-percent-per-year inflation, the present 50-cent loaf of bread would cost $8, the $2 roast would cost $32 a pound, and a 7-cent egg would cost $1.12.

A worker earning $10,000 today would have to receive $160,000 a year in the year 2026 just to stay even with 6-percent annual inflation.

Our country cannot survive continued 6-percent annual inflation. That is the grim truth of the matter.

Consumer prices rose 6.8 percent in 1977. In 1978 the Consumer Price Index is certain to rise at a brisker clip. The trend will be up, and the annual rate of inflation likely will hit 7½ to 8 percent by the end of the year. From there, I fear, the thrust of Carter and majority party fiscal 1979 spending will shove consumer prices upward and onward toward double digit inflation.

Do we need more evidence that double-digit inflation may be on the way?

Then we need only look at the wholesale finished-goods index for February, which rose to 13.2 percent on an annualized basis from a 7.2 percent annualized rate in January. The February rise is all the more alarming when you consider that the finished-goods index remained relatively stable during the 3-month period prior to February. Shockingly, the finished-goods index figure for last month was the highest in 3 years.

Short-term interest rates increased from 4.7 to 6.7 percent in 1977. But with more rapid inflation in 1978, short-term rates will reach 9 percent by year's end and may climb higher in 1979.

Long-term interest rates were stable in 1977. In 1978 mortgage rates probably will rise to 10 percent by year's end, provided the Federal Reserve Board does not expand the money supply aggressively. But if the Fed does juice up the money supply, the market will interpret this as a major concession to inflationary forces and long-term rates will rise even higher.

The economic state of the Union currently is dismal, in my view, particularly for young people hoping to buy their first home and for Americans on relatively fixed incomes.

How are our people going to make ends meet? They will welcome the proposed tax cut, of course. But President Carter has conceded that scheduled social security tax increases and inflation that bumps taxpayers up into higher tax brackets will pretty much eat up the proposed income tax reductions. And what about that young couple trying to buy a house? Take a married pair with both partners working and their incomes subject to social security tax. At what point do the Carter tax cuts offset their social security tax increases?

I submit that the Carter administration and the Democratic-controlled Congress have been legislating inflation and are continuing to do so.

Of course we had to deal with the social security funding crisis. But why did we find the social security system in such critical shape? Because the Democratic-controlled Congress for years dispensed bigger and better benefits without having the guts to keep the system sound and solvent.

So what we have experienced, particularly in the past year, is the enactment by Congress of a series of measures that are boosting business and consumer costs. This Congress has been legislating inflation. And the administration has also pumped new inflationary pressures into the economy.

Let me tick it all off for you: In addition to the social security tax increases, we have had the minimum wage increases, the steps to raise sugar prices, the increase in the support price of milk, the cutbacks in exports of low-priced shoes to this country from South Korea and Taiwan, the Coal Mine Safety Act provisions raising coal costs, the hold down in national forest timber cutting which would ease lumber and housing prices.

Certainly there are arguments in favor of all these actions, but my point is that it all adds to business costs and drives up consumer prices. In a word, it all adds up to inflation.

What has President Carter done to combat inflation? Nothing. What has the Democratic-controlled Congress done to fight inflation? Nothing.

I believe with former Fed Chairman William McChesney Martin that "inflation is still the biggest problem of the free world." Said Martin in a recent interview, "Inflation is the enemy of growth, and you can't have high levels of employment unless you control inflation." Martin, by the way, is a Democrat.

And Dr. Burns said in a speech a couple of months ago:

> I cannot overstate the importance of unwinding the inflation that is continuing to plague our economy. There is a paramount need for avoiding new cost-raising measures by government, of which the recently legislated increase in the minimum wage is only the most recent very troublesome example. We simply dare not take steps that would result in any appreciable enlargement of our already swollen budget deficit.

I think investors are calling for a drastic change in the policies of an administration which is redistributing the wealth in virtually every major action it takes.

The money and securities markets simply are not convinced that President Carter can solve America's problems. Investors and businessmen know that productivity is down. It increased only 1.8 percent last year. Wage demands are up. Hourly earnings rose 7.8 percent last year. Fringe benefits are up. Dollar value is down. And the budget deficit is huge.

Businessmen see very little concern in the Carter administration over the gigantic Federal deficit and no concrete moves to combat inflation. Small wonder there is great hesitancy on their part to invest in new plant and equipment.

And as Dr. Burns commented in a recent speech:

> Inadequacy of investment in plant and equipment—and also in human capital—is the most important reason why the ongoing economic recovery has been somewhat disappointing; it also is a factor in explaining why so little headway is now being recorded in lowering the basic inflation rate.

He continued:

> Indiscriminate injections of purchasing power into the economy would do little to end business reluctance to invest in major projects. To achieve a substantial lift in capital formation, specific attention to the shortcomings of the business environment is needed—particularly, to uncertainty about governmental policy concerning taxes, inflation, energy, and environmental controls.

As Albert H. Cox Jr., president of Merrill Lynch Economics, Inc., put it: Carter's $60 billion budget deficit amounts to "disastrous fiscal policy carrying ominous implications for inflation and interest rates."

The clear message of the Carter budget is that Carter's huge deficit, which Congress no doubt will fatten, will reduce the flow of capital for private enterprise and increase inflationary pressures.

President Carter has talked about zero-based budgeting. If he had, indeed, employed zero-based budgeting on his fiscal 1979 spending plan, he would probably have saved enough to give us genuine tax relief and to avoid a gigantic deficit.

More than any other factor, the current weakness in business investment is due to inflation. To control inflation, we should gradually reduce the money supply growth and employ a fiscal policy aimed at achieving a balanced budget as the economy enters the fiscal full-employment zone. A balanced budget at full employment would free up more of the economy's savings to create jobs in the private sector.

The tax system is one of the principal tools we have to influence the rate of capital formation and economic growth. But rather than fine-tune the tax system, we might very well gain the greatest benefit for all of our people by straightforward, across-the-board tax cuts for individuals and business.

We all want what is best for the American people. What I am asking you to think about today is that rapid inflation dampens business activity and actually creates unemployment. We must all join in fighting inflation. Inflation means misery for millions of Americans. Think about it.●

TAX CREDIT FOR WORK ON CERTIFIED HISTORIC STRUCTURES

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MARTIN. Mr. Speaker, I am today introducing legislation which would extend to homeowners the tax advantages now enjoyed by businesses and corporations when they perform certified rehabilitation work on certified historic structures. This bill is identical to the bill S. 1158, introduced last year in the other body by Senators THURMOND, HEINZ, HUDDLESTON, and STEVENS.

Presently, structures listed on the National Register of Historic Places, or in specifically designated historic districts, and certain other designated properties can give rise to a desirable tax break (amortization over 5 years of certified renovation expenses) when they are restored. Unfortunately, the benefit is limited to commercial properties.

In many cities across this country, homes of considerable historic significance and architectural merit are being allowed to deteriorate because of the high cost of restoration and preservation. An irreplaceable part of our heritage is giving way to the wrecking ball as homes give way to parking lots, cinder block stores, and steel-and-glass replacement structures.

We need to compare this trend to what is taking place elsewhere. France is a good example, one with which more than a few of our colleagues are familiar. There, the owner of a maisson classe—which would be sort of like a home listed here on the National Register—gets a

tax credit for half or more of what he spends to restore, and maintain, that classic structure. It is no wonder towns over there can keep their historical integrity, tax bases, charm, and tourist dollars.

Under this legislation, those benefiting would have responsibilities. First, they would have the responsibility for seeing that their homes met standards applicable to historic structures and districts. Second, as a quid pro quo they would have to hold their homes open at least 12 days a year to the general public, as many historic structures are already held open for "house and garden tours" and similar events which serve also as a stimulus for preservation and restoration work.

The Treasury Department has estimated the cost of this legislation, had it been enacted last year, at—

Calendar year	*Revenue loss in millions*
1977	$7.6
1978	23.2
1979	40.0
1980	57.0
1981	77.0
1982	90.0

I believe, Mr. Speaker, that legislation such as this will serve well to preserve for the 21st Century the private homes of great architectural merit, not only in such noted areas as Charleston, Philadelphia, Boston, and Washington, but also—and perhaps more importantly—in smaller places and rural areas where the economic forces operating against preservation are less likely to be countered by economic and social forces favoring preservation.●

H.R. 11222

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

Mr. KOSTMAYER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

H.R. 11222

Mr. Kostmayer (for himself, Mr. Lundine, Mr. McHugh, and Messrs. Gephardt, Gaydos, Bonior, LaFalce, Corrada, Ottinger, Edgar, Vento, Markey, Ertel, Seiberling, Weaver, Pease, Pattison, Harrington, Patterson, Weiss, Nowak, Rangel, Bedell, Ms. Spellman, and Mrs. Chisholm):

A bill to preserve jobs and stabilize communities by facilitating employee, or employee-community, ownership of concerns that would otherwise close down or move out of the community, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voluntary Job Preservation and Community Stabilization Act".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress hereby finds and declares that—

(1) unemployment is a serious problem that causes grave economic loss and social suffering to the individuals affected, their families, neighborhoods, communities, and the Nation,

(2) programs of unemployment insurance alleviate some of the economic loss and social suffering of the unemployed and their families, but such programs are under financial and administrative pressure because unemployment is widespread and the resources of the States and the Nation are greatly taxed in order to provide support for such programs,

(3) unemployment should be prevented whenever possible by strengthening local initiative and responsibility, and by helping individuals and communities to use their own resources to solve this problem,

(4) Federal initiatives to reduce unemployment should be multifaceted, not limited simply to temporary compensation which does not create jobs nor to job training programs where success is often limited, but should include measures designed to prevent the loss of jobs in the first place and thereby reduce excessive pressure on unemployment compensation and job training programs,

(5) shutdowns and outmigration of industrial, manufacturing, business, and agricultural concerns, cause grave social and economic harm to employees, local communities, and the Nation, which even maximum attempts to create new jobs and new concerns can never fully repair,

(6) experience and research demonstrate that in some cases a transfer to employee, or employee-community, ownership, in the case of concerns being shut down, has saved jobs, maintained viable economic enterprises, and strengthened the local economy and the ability of employees and the community to meet their problems, but that numerous obstacles exist that make it difficult to transfer ownership, save jobs, and stabilize communities, and

(7) it is therefore necessary to provide Federal support through loans and technical assistance to avoid shutdowns or the outmigration of such concerns and the resultant loss of jobs in those cases where the successful continued operation of such concerns is feasible.

STATEMENT OF PURPOSES

SEC. 3. (a) It is the purpose of this Act to save jobs and to stabilize communities through a voluntary program that will facilitate employee, or employee-community, purchases of concerns that would otherwise be shut down or moved out of such communities by providing—

(1) information and assistance to employee, or employee-community groups in order that these groups may understand the option encouraged under this Act for voluntarily preventing shutdowns or outmigration,

(2) technical assistance to such groups for the purpose of evaluating the economic and social feasibility of purchasing the concern and running a successful operation,

(3) information and assistance to the current owners of the concern regarding the successful management of a potential voluntary transfer of ownership in order to provide maximum benefit to both the current owners and the employee, or employee-community groups,

(4) technical assistance to the employee, or employee-community, group on financial, engineering, marketing, legal, and organizational aspects of the transfer,

(5) loans to the employee, or employee-community, group to provide funds for technical assistance and startup and operating costs associated with the purchase of the concern, and

(6) loans to individual employees that will enable them to purchase stock in the concern.

(b) It is a further purpose of this Act to support the local tax base by maintaining viable concerns, and to test the value of a government loan and technical assistance pilot program to help employees and local communities purchase concerns being shut down or moved out of the communities as an alternative to unemployment insurance and other methods for dealing with unemployment.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) the term "Secretary" means the Secretary of Commerce, acting through the administrative unit of the Department of Commerce responsible for economic development programs.

(2) the term "employee", when used with respect to a concern, means all full-time employees at that concern, including managerial employees,

(3) the term "concern" means any industrial, manufacturing, business, agricultural, or service organization, including any division or subsidiary thereof, conducting operations, whether for profit or not for profit, which provide employment at a location or locations within a community.

(4) the term "State" includes, in addition to the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands,

(5) the term "resident" means an individual who meets residency requirements for purposes of voting in a community,

(6) the term "community" means the unit of general purpose local government in which a concern is located and any surrounding area designated by the Secretary, as appropriate, in the case of that concern.

(7) the term "organization" means, except for purposes of paragraph (3) of this section, any organization of employees of a concern, or of such employees and/or residents of the community, which meets the requirements of section 5(c)(2), and

(8) the term "form of ownership and control" means a form under which an organization is: (A) owned by the employees, (B) owned jointly by the employees and residents of the community, or (C) any other form of organization approved by the Secretary which is consistent with applicable State law and the purposes of this Act, and under which an opportunity for ownership is provided to all employees of the concern on a nondiscriminatory basis.

FEDERAL ASSISTANCE TO VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION PROJECTS

SEC. 5. (a) The Secretary shall conduct a continuing investigation throughout the States in order to identify concerns which are in danger of ceasing operation or of outmigration and where, in such event, there will result substantial unemployment and economic dislocation to the community. In conducting this investigation, the Secretary shall seek the voluntary assistance of concerns and of appropriate State and local agencies, including assistance, wherever possible, by means of advance notification to the Secretary regarding potential shutdowns or outmigration of concerns.

(b) For the benefit of concerns identified under subsection (a) and employees and communities associated with those concerns, the Secretary, from funds appropriated under section 10(a), shall disseminate information regarding the option of transferring ownership of concerns to employee, or employee-community, organizations, and regarding the loans and technical assistance available under this Act. Such information shall include, to the extent practicable, a description of various forms of ownership and control of organizations which are possible under the law of the appropriate State.

(c)(1) For the purpose of enabling those organizations to assume ownership and operation of an employee or employee-community concern identified under subsection (a) of this section, the Secretary, from funds ap-

propriated under section 10(a), shall provide loans for technical assistance and startup and operating costs to any organizations that have an application approved under section 6.

(2) In order to be eligible to receive loans and technical assistance under this Act, an organization shall:

(A) Be incorporated in the State in which the concern is located.

(B) Certify to the Secretary that the form of ownership and control (i) has been adopted by members of the organization after full consideration and deliberation of all options relating to the form of ownership and control available under the laws of the State in which the concern is located, (ii) provides guarantees to individual stockholders of the organization that they will be kept informed on a continuous basis of any change in the distribution of shares held in the concern, insofar as is consistent with State law, (iii) allows for the inclusion of new employees in ownership and participation, and (iv) provides, to the extent practicable, a method for the acquisition of stock of those no longer associated with the concern for purposes of making that stock available to all the employees of the concern on a nondiscriminatory basis, insofar as is consistent with State law.

(C) Agree to serve as the administrative agent of the Federal Government, through a system of wage deductions acceptable to the Secretary, for collecting loan and interest repayments from employee members of the organization who receive loans from the Federal Government as provided under subsection (d) to purchase stock in the concern.

(d) For the purpose of enabling employee members of an employee, or employee-community, organization to purchase stock in a concern, the Secretary, from funds appropriated under section 10(a), shall authorize loans to employee members of an organization that has an application approved under section 6 in order to provide additional equity funding for the purchase of the concern: *Provided, however,* That loans authorized shall not be made available to an employee until said employee has made a good faith effort to secure a loan from financial institutions located within the community. Loans under this subsection shall be made to employee members under such terms and conditions, including the rates of interest to be charged, as the Secretary shall establish. The rate of interest charged shall in no case exceed the prevailing rate, as determined by the Secretary, for loans or similar amounts made under similar terms and conditions to other creditworthy borrowers in the community. There shall be no forgiveness of the obligation of the borrower on such loans, and no loan shall be made to said employee members of an organization until the organization has secured a written commitment from each employee member seeking a loan that he or she will allow the organization to serve as the administrative agent of the Federal Government, through a system of wage deductions acceptable to the Secretary, for collecting loan and interest repayments on such loans. No loan shall be for a period longer than ten years, nor in an amount to any individual employee greater than $15,000.

APPLICATIONS

SEC. 6. (a) The Secretary may provide loans for technical assistance and startup and operating costs under subsection (c) to any organization which applies for such assistance, at such times and in such manner as the Secretary shall establish by regulation, if the feasibility study conducted under subsection (b) provides reasonable grounds to expect that the proposed transfer will be successful. The Secretary shall provide appropriate assistance to any organization regarding application procedures, eligibility requirements for application, including advice in obtaining financial support for the purchase from other sources, and the amount of funds currently available for feasibility studies, loans, and technical assistance under section 10.

(b) The Secretary or, at his discretion, any individual, group, or entity designated under contract or agreement with the Secretary, shall conduct a feasibility study of any concern identified under section 5(a) which is associated with an organization, in order to determine those concerns where a transfer of ownership to an organization may reasonably be expected to achieve results in accordance with the purposes of this Act, including successful management of financial operations and maintenance of employment. The Secretary shall consult with the organization before selecting an individual, group, or entity to conduct such a feasibility study and shall insure the appropriate participation of the organization in the feasibility study. Each such study shall be completed within sixty days after the Secretary has authorized a feasibility study to be undertaken, and shall consider, with respect to such concern, whether there are reasonable prospects for—

(1) viable transfer of the long-term ownership of the concern to an employee, or employee-community, organization (either through the creation of a new corporation or through the transfer of ownership within the existing corporation),

(2) cooperation in the transfer by managerial employees and the likelihood of their continued involvement in the concern after a transfer,

(3) technical assistance from other organizations or agencies located in the community,

(4) potential profitability of the concern, based upon available data relating to operations and finances,

(5) prompt cooperation on the part of the existing owners with respect to the proposed transfer of ownership, and

(6) major sources of funding for the transfer of ownership, including contributions from employees, residents of the community, financial institutions, and any other sources.

(c)(1) The Secretary shall provide to any organization whose application under subsection (a) he approves such loans for technical assistance and startup and operating costs as are needed.

(2) Loans under this subsection shall be made to the organization under such terms and conditions, including the rates of interest charged, as the Secretary shall establish. The rate of interest charged shall in no case exceed the prevailing rate, as determined by the Secretary, for loans of similar amounts made under similar terms and conditions to other credit-worthy borrowers in the community. There shall be no forgiveness of the obligation of the borrower on such loans.

(3) Technical assistance under this section shall include—

(A) information with respect to various forms of ownership and control which are possible under State law, and to how similar ventures have effected the transfer of ownership of concerns to employee, or employee-community, groups and have operated such concerns successfully,

(B) information and assistance to the owners of the concern, prior to the transfer, with respect to successful management of the transfer, including assistance relating to disclosure of appropriate information (other than trade secrets or confidential information affecting competition) under an agreement which limits the liability of such owners based on such disclosed information, except for cases of fraud,

(C) financial, engineering, marketing, legal, and organizational advice to the organization with respect to the transfer, and the design of the work environment after the transfer, including worker motivation, productivity, job satisfaction, and the improvement in the quality of working life through increased employee participation in decisionmaking.

(d) The Secretary may provide loans for the purpose of enabling employee members of an employee, or employee-community, organization to purchase stock in a concern to any such employee who applies for such loans, at such times and in such manner as the Secretary shall establish by regulation as provided under section 5(d).

(e) Not more than 10 per centum of the amount of any loan to an organization under this section may be used for necessary consulting services in connection with the operation of such concern after such purchase, including services relating to worker motivation, productivity, job satisfaction, and the improvement of the quality of working life through increased employee participation in decisionmaking.

APPLICATION OF THE SECURITIES ACT OF 1933

SEC. 7. In cases where the Secretary determines that the public interest and the purposes of this Act will be served, the Secretary may notify the Securities and Exchange Commission that the securities issued by an organization receiving assistance under this Act shall be exempt from all the provisions of the Securities Act of 1933, except the provisions of subdivision (2) of section 12, section 17, and section 24 as applied to any willful violation of such section 17.

COOPERATION OF OTHER FEDERAL PROGRAMS

SEC. 8. The head of any Government office or agency, such as the Economic Development Administration, the Small Business Administration, the Department of Housing and Urban Development, and the Farmers Home Administration, which has authority to make loans related to economic development, shall give priority in making such loans to organizations receiving loan assistance under this Act.

REPORT

SEC. 9. The Secretary shall monitor and evaluate the success or failure of transfers of ownership assisted under this Act. The Secretary shall report to the Congress concerning the results of such monitoring and evaluation, and make appropriate recommendations, not later than October 1, 1981, and not later than October 1, 1985.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. (a)(1) There are hereby authorized to be appropriated to carry out this Act for the fiscal year ending September 30, 1979, and for each of the succeeding six fiscal years, an amount not to exceed the amount calculated under paragraph (2) for that fiscal year.

(2) The amount calculated for purposes of paragraph (1) for the fiscal year ending September 30, 1979, shall be the higher of (A) $100,000,000 or (B) 1 per centum of the amount expended for unemployment compensation during fiscal year 1977 under all State laws of unemployment compensation approved by the Secretary of Labor pursuant to section 3304 of the Internal Revenue Code of 1954 and under any other State or Federal laws of unemployment compensation. For each of the succeeding six fiscal years, the amount calculated for such purposes shall be an amount 10 per centum greater than the amount calculated for the previous year.

(c)(1) Not more than 10 per centum of the total amount of the funds appropriated under subsection (a) may be used for feasibility studies, technical assistance under sections 6(c)(3) (A) and (B), and for administrative costs associated with such studies and assistance.

(2) The funds appropriated under subsection (a) which are not used for feasi-

bility studies, technical assistance, and associated administrative costs as authorized by paragraph (1) of this subsection shall be placed by the Secretary in a fund from which loans to employees under section 5 shall be made, and from which loans to employee or employee-community, organizations for initial startup costs and technical assistance as provided for under section 6(c)(3)(C) shall be made.

AFRICA: THE SOVIET PLAN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. DORNAN. Mr. Speaker, events in the Horn of Africa are moving fast and American policy toward that strategic area of the world has not been to say the least, clear. This is partly because America has not, until recently, been actively concerned with events in Ethiopia and Somalia. There can be little doubt, however, that the Russians and their Cuban "gurkhas" have been all too active throughout much of Africa in the past few years.

Two of our parliamentary colleagues from the British House of Commons, Julian Amery, M.P. (a former deputy foreign minister) and Winston Churchill, M.P. (shadow deputy minister of defense) have just returned from a fact-finding visit to that area. Mr. Amery wrote a very timely and informative report on his visit for the London Daily Telegraph (March 3, 1978). While not necessarily endorsing Mr. Amery's point of view, I believe his article will be of interest to my colleagues and others concerned with the interests of the West in Africa.

I ask that it be inserted in the RECORD at this point in my remarks:

[From the Daily Telegraph, Mar. 3, 1978]

AFRICA: THE SOVIET PLAN

(By Julian Amery)

I have just returned from a visit to Somalia accompanied by Winston Churchill, the Opposition spokesman on defence, and Col. Bill Maclean, an acknowledged authority on the Horn of Africa. We had talks in Mogadishu and Hargeisha with President Ziad Barre, his Minister of Defence, and members of the ruling Central Committee.

A few months ago these men were among Moscow's favourite sons. They had given the Red Navy a vital window on the Indian Ocean. In return they were receiving Soviet tanks and fighter aircraft. In lengthy sessions with Brezhnev and other Soviet leaders they were assigned a crucial role in Soviet grand strategy.

The Soviet Grand Design for Africa and the Middle East is no figment of a cold warrior's imagination. The Soviets explained it in detail to the Somali President. Here it is, as he explained it to me.

Somalia was to be the base for a "socialist" take-over of the Horn of Africa. Djibuti was to be overrun as soon as the French had withdrawn their garrison. In Kenya a guerrilla movement was to take over the countryside, driving the aged President and any colleagues loyal to him into the towns and eventually starving them out. In the Sudan, the Communist party—22,000 strong, so Moscow claimed—would overthrow President Numeiry in a coup. Ethiopia would then be surrounded by "socialist" States and its anachronistic regime would soon crumble. Somalia's reward was to be Djibuti, the Ogaden and the Northern Frontier District of Kenya, all predominantly Somali-inhabited areas.

The plan for the Horn of Africa was, so the Soviets said, only part of a still wider strategy. President Nyerere of Tanzania was already committed to Moscow. His occasional neutralist speeches were only designed to placate the West. With his help and that of "socialist" Mozambique and "socialist" Angola, President Kaunda of Zambia would soon be "tipped over" and Zaire "neutralised." The way would then be open for the final takeover of Southern Africa with its vast mineral resources and its command of the southern approaches to the Indian Ocean.

Meanwhile from a parallel base in Aden, the civil war would be resumed in North Yemen to threaten Saudi Arabia's southern border. Guerrilla operations would also start up again against Oman. Those, with Iraqi help from the north, would lead to a take-over of the oil-rich Gulf. At some stage Egypt would be brought to its knees with the help of pressures from Libya and Sudan. "Sadat after all," the Soviets argued, "could only count on the petitbourgeois forces of Egypt."

When the Somalis asked about the danger of world war, the were told that the West had lost their nerve and would not recover it.

As it happened, the "socialist" revolution came first to Ethiopia. There, after a period of chaos and confusion, a pro-Soviet group headed by Col. Mengistu seized power. Mengistu's victory presented the Soviets with a dilemma. They had promised the Ogaden to Somalia. But if they took it away * * * Ethiopians, the shaky Mengistu regime would collapse. The Soviets had already brought in some Cubans to prop up Mengistu. They now called in Fidel Castro to try to reconcile their two client States, Somalia and Ethiopia.

Castro urged the Somalis to be patient. The great thing, he said, was to establish a "socialist" Horn of Africa. Later on, some form of autonomy could be devised to satisfy the different minorities. When Ziad Barre sought to probe his thinking, Castro replied "it is no use arguing, they have already thought the whole problem through in Moscow."

Despite his colourful personality the Somalis soon dismissed Castro as a mouthpiece of the Kremlin. They nick-named him "Fidelnastro" or "tape-recorder." Nor did they appreciate his claim that he had 40,000 to 50,000 men in Angola. It might have been only a boast but it sounded like a new colonialism with a vengence.

Their suspicions of the Soviets were deepened by a curious incident. Soon after Castro's visit, Ziad Barre sent a delegation—one of them spoke fluent Russian—to Moscow with a personal letter to Brezhnev. When eventually granted audience they were shocked by the change in his appearance. They had all met him several times before, but, to their surprise, they heard him turn to one of his aides and say, "Who are these people, are they from Djibuti or Ethiopia?" Brezhnev hardly spoke during the meeting but the tone of his colleagues was unusually harsh.

By mid-summer of last year the Somalis were increasingly concerned that the Soviets might cheat them out of their promised reward of the Ogaden. They determined to put Moscow's intentions to the test and launched an offensive against the Ogaden in support of the West Somali Liberation Movement which, ironically, the Soviets had previously supported against Haile Selassie. They swept into Jigjiga and were soon in the suburbs of Harrar, the provincial capital.

The Mengistu régime was already deeply embroiled with the liberation movements in Eritrea and against the anti-Soviet Ethiopian Democratic Union in the northern frontier provinces. With the opening of a Somali front it faced collapse; and with it the stifling of the pro-Soviet revolution in Ethiopia.

The Soviets reacted swiftly. They pumped in massive supplies of war material by sea and air. Soviet and East German cadres were flown in including senior Soviet officers then serving in Somalia. Units of regular Cuban troops soon followed. It was Angola over again.

What is the military outlook? With the best will in the world the Somalis cannot withstand an offensive spearheaded by 400 Soviet tanks (we have only 500 in Rhine Army) and unlimited Soviet air power. * * *.

Will the Ethiopians stop at the border as their Soviet masters have assured the Americans? The Somali leaders are convinced they will press on in hot pursuit to set up a pro-Soviet puppet régime in Hargeisha and Berbera.

Alternatively they could stop at the border and seek, in the aftermath of a Somali defeat, to engineer a coup against the Ziad Barre régime and re-establish Soviet influence. Either way the Soviets seem determined to teach the Somalis a lesson and make an example of their leaders.

Ziad Barre does not claim that he was given specific American assurances. But certainly individual Americans and Governments in the area friendly to the West encouraged him to believe that, once he had expelled his Soviet advisers, he could count on Western support. The Soviets were duly dismissed.

The West were asked for arms. Our response remains astonishing. First the Somalis were told that this was an African issue for the OAU. This despite the massive extent of Soviet and Cuban intervention. Then they were described as aggressors. Their request for arms was turned down and they were told to withdraw within their own frontiers. No corresponding demand was made for a matching withdrawal of Soviets and Cubans.

No Somali Government could agree to abandon Western Somalia to Mengistu. The population is predominantly Somali. Nearly all have co-operated actively with the Somali Liberation Movement. To abandon them to the Mengistu régime—Idi Amin is a liberal by comparison—would be to condemn them to virtual extermination.

Respect of frontiers is an important international principle and not least where a frontier runs between two independent African States. But Ethiopia is no longer independent. It is a Soviet colony. Mengistu would not last a week without Cuban and Soviet support. The question is: Will the Soviets consolidate their new Empire in Ethiopia and so take over the Horn of Africa as a whole? If they do it will be a catastrophe for the whole area and for the West. By comparison the issue of the border is a technicality.

Western arguments about the border are not genuine reasons. They are excuses for doing nothing. And yet nearly all our friends in the area, Persia, Oman, Saudi Arabia, Jordan, Egypt and the Sudan, have pressed us to help the Somalis. Only Kenya has taken a different view; and Kenya would change its attitude if the West were to guarantee the northern Kenya frontier. A Soviet-dominated Ethiopia is a much greater threat to Kenya's existence than a Somalia returned to the Western sphere.

Sir Winston Churchill once remarked that there are few more undignified spectacles than a statesman on his knees with his ears to the ground. The Governments of the West have ceased to lead public opinion. They only seek to follow it. American opinion is still oppressed by the defeat in Vietnam, Watergate and the devaluation of the dollar. Britain, France and Italy are busy electioneering. No one wants an international confrontation whatever the stakes.

And yet the risk of a confrontation is slight. The lines of communication from the Horn of Africa to the Soviet Union and to Cuba are long and exposed. The West still has naval and air superiority. Most of the surrounding countries are our friends. There are many possibilities of "linkage" not only over SALT but over wheat supplies and credit facilities. In any confrontation the Soviets would have no choice but to climb down and withdraw.

What then should Western policy be? The first priority is to supply the Somalis with modern defense weapons—principally anti-aircraft and anti-tank missiles. They should be helped to stabilise the front and to allow time for negotiation. On the political side the Western objective should be to demand the total withdrawal of Soviet, Cuban and other Soviet bloc forces from Ethiopia. If necessary the Somalis could then be asked to withdraw within their borders on condition that an international force was brought into the Ogaden. Its task would be to safeguard the local population until a settlement of the border problem was negotiated between Somalia and whatever Ethiopian regime might emerge after a Soviet withdrawal and the consequent disappearance of Mengistu.

The Horn of Africa is a far-away region of which most people in the West know very little. Yet it may offer the last opportunity to check Soviet imperialism and stop the drift to a Third World War. We still have a chance to save peace through strength. Will we take it?●

OHIO NEWSPAPERS GIVE CREDIT WHERE CREDIT IS DUE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. UDALL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Congressman JOHN SEIBERLING, as chairman of the Interior Committee's Subcommittee on General Oversight and Alaska Lands, has been involved for more than a year in the drafting and refining of H.R. 39, the "Alaska National Interest Lands Conservation Act." Largely through his efforts, the Interior Committee has reported by a resounding 32 to 13 vote an amended version of H.R. 39 which seeks to place significant areas of Alaska's magnificent wildlands into protected national park, wildlife refuge, wild and scenic river, and wilderness status. The following editorial from the March 19 Akron Beacon-Journal says it all:

ALASKA BILL NEEDS FAST ACTION

Legislation preserving vast areas of Alaska is about to emerge in relatively good shape from the House Interior Committee, thanks to the bird-dogging of Rep. John Seiberling (D-Akron).

The committee informally agreed last week to recommend the measure for approval by the full House. A final committee vote is expected Tuesday.

The bill would put about 95 million acres of Alaskan land into parks, wildlife refuges and scenic river systems. If the bill is enacted by Congress, the land would be the largest addition to the nation's parks and national forest system ever made.

Although there were some concessions to developers interested in tapping the state's vast mineral wealth, the bill contains most of the key features sought by Rep. Seiberling and environmentalists. "We didn't lose any areas we absolutely had to have," said a representative of one conservationist group.

Rep. Seiberling was head of a subcommittee that drafted the final measure. His work to keep much of Alaska in its awesome, natural state should be appreciated by generations of Americans to come, assuming, that is, that the final congressional bill bears a close identity to the House committee version.

With a Dec. 18 deadline for Congress to complete action, the measure should receive a high priority from the Senate.●

DOLPHIN SLAUGHTER MUST STOP

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. YOUNG of Florida. Mr. Speaker, in an effort to show the concern the House of Representatives has regarding the slaughter of dolphins by Japanese fishermen, I have cosponsored House Resolution 1065 which is now pending before the Committee on International Relations. I believe it is imperative for the U.S. Government to express the interest of the American people in this serious matter. Recently, Japanese fishermen clubbed and stabbed to death some 1,000 of these seagoing mammals because they felt the dolphins were eating their fish catch. The killing was approved by the Provincial government and the acts of violence were carried out by capturing the animals in nets or by frightening them to shore where they were killed.

This senseless slaughter is disgusting and we must do what we can to stop it. I urge the appropriate subcommittees, International Organizations and Asian and Pacific Affairs, to schedule hearings and take positive action on this matter as soon as possible. Prompt action is needed before this act of violence has the opportunity to occur again. The outcries of numerous citizens and representatives of various countries will show the Japanese Government that this brutal killing will not be tolerated and that any further killing of this type should be banned in the name of decency and concern for all forms of life.

The Japanese Government must reconsider the consequences of this inhumane act before it decides to approve any future "hunts" of this nature. Our resolution reaffirms the position of concern the American people have regarding the killing of these intelligent and playful mammals. It further urges the Japanese Government to join in discussions to be held by the International Whaling Commission's Small Cetacean Subcommittee in June 1978 regarding methods of eliminating the necessity of killing these dolphins.

I have also written to the International Whaling Commission urging its members to give serious consideration to this important issue during their upcoming meeting and to adopt appropriate measures to prohibit such activities in the future. A copy of this letter follows in the hope that my colleagues in the House and other interested citizens will also contact the Whaling Commission:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C. March 20, 1978.

INTERNATIONAL WHALING COMMISSION,
The Red House, Station Road,
Histon, Cambridge,
CB4–4NP, England.

DEAR COMMISSIONERS: This letter is written with regard to a matter of great concern to many people throughout the world. Namely, the recent savage murder of dolphins by Japanese fishermen.

I cannot tell you how strongly I deplore this senseless slaughter of the most intelligent of the world's sea mammals which, according to several press and wire service accounts, were driven ashore on the Japanese island of Iki and then bludgeoned and stabbed to death—an act sanctioned and encouraged by Japanese authorities who paid a bounty of $12 per head for the dead dolphins. This wasteful, bloody destruction of an intelligent creature must not be allowed to continue.

As a Member of the House of Representatives of the United States, I have joined with many of my colleagues in signing a resolution that reaffirms the concern of this body, and thereby the American people, regarding the slaughter of these intelligent and playful mammals. It further urges the Japanese government, with which we share the problem of achieving the delicate balance between basic economic subsistence and ecological considerations, to join in discussions to be held by your Small Cetacean Subcommittee this June, regarding methods of eliminating the necessity of putting these animals to their untimely deaths. I therefore urge you to give serious consideration to this issue during your upcoming meeting and to adopt appropriate measures to prohibit such activities in the future.

With best wishes and personal regards, I am

Very truly yours,
C. W. BILL YOUNG,
Member of Congress.●

THE 60TH ANNIVERSARY OF BYELORUSSIAN PROCLAMATION

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WALGREN. Mr. Speaker, I would like to join my colleagues in observing the 60th anniversary of the proclamation of the Byelorussian Democratic Republic signed in Minsk on March 25, 1918. The struggle of the Byelorussian people remind us once again of the plight of Eastern European peoples who have lost their right of self-determination.

In spite of Soviet domination, the Byelorussian people have maintained their national character and heritage. In 1973, the Soviet Union threatened the cultural integrity of the Byelorussian people by setting up new administrative partitions irrespective of ethnic groupings. The intent of these new partitions was to absorb the Byelorussians into a unified culture and dissolve their culture. To this day, however, the Byelorussians have persisted in their efforts to maintain and develop their own heritage.

The plight of the Byelorussians, as

well as other Eastern European peoples, demonstrates the continuing need for concerted action in mustering world opinion as an influence in eliminating the denial of basic personal freedoms.

Therefore, I want to pay special tribute to the heroic effort by the Byelorussian people in Eastern Europe and throughout the world. I salute the Byelorussian observance of the proclamation of independence signed in 1918.●

GEN. WILLIAM V. McBRIDE TO RETIRE APRIL 1ST

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WRIGHT. Mr. Speaker, on April 1 of this year Gen. William V. McBride will step down as Vice Chief of Staff of the U.S. Air Force, culminating a distinguished career of 35 years' service to his country. I want to call the attention of my colleagues to the career of this outstanding military leader.

General McBride was born in the little town of Wampum, Pa., near Beaver Falls, on May 25, 1922. He attended school in Wampum, earning letters in basketball during his years in the senior high school there, and subsequently attended the Garfield Business Institute in nearby Beaver Falls.

When World War II broke out, Bill McBride was one of the first men from Wampum to volunteer for the fledgling Army Air Corps. He enlisted in March of 1942 and a few months later began training as an aviation cadet at the Pan American Airways Navigation School at Coral Gables, Fla. It is typical of his approach to the job that McBride chose to be a navigator at a time when many of his associates' first choice for aviation cadet training was as pilots.

He has often remarked in subsequent years that he wanted to become a navigator because he felt that the navigator's job was a tougher one, perhaps more important to the combat crew than even that of the pilot.

After completing his cadet training in January 1943, he received his silver navigator's wings and was commissioned a second lieutenant. A few months later, after he had also completed bombardier school, he joined the 556th Bomb Squadron, 387th Bomb Group in England, where he served initially as a combat crew navigator and subsequently as a squadron navigator and a group navigator. During this time he helped plan and flew many important missions in support of Allied ground forces, including D-Day operations over Europe in June 1944.

After the war he helped train navigators at the Army Air Corps Navigation School at Ellington Army Airfield in Texas and in March 1946 he was assigned to help plan what is now the Air Force's Basic Military Training Center at Lackland Air Force Base near San Antonio. In July 1947, at the urging of many of his senior officers, he began training as a pilot at Randolph Air Force Base, graduating in July 1948, thus becoming one of the Air Force's first triple-rated officers. At this time General McBride began what was to become a long association with the Military Airlift Command in such diverse missions as weather reconnaissance, air rescue and airlift functions.

During the Korean War he commanded an Air Rescue Group on Okinawa in the Philippines; later he saw service at Air Rescue Headquarters and still later commanded the Military Airlift Wing at Charleston Air Force Base, S.C. In August 1949 he came to Washington for the first time as a student at the National War College, where one of his fellow classmates was David C. Jones, who subsequently became the Air Force Chief of Staff and for whom General McBride has served the past 2 years as Vice Chief of Staff.

Several Pentagon assignments followed the War College schooling and in June of 1964 General McBride was chosen by the then Secretary of the Air Force Eugene M. Zuckert to be his military assistant. He remained in this very important job for 2 years, also serving as Military Assistant to the then Secretary of the Air Force Dr. Harold Brown, present Secretary of Defense.

In August 1966 General McBride returned to Charleston Air Force Base as the Commander of the 437th Military Airlift Wing. Subsequently he held a number of key positions at the Military Airlift Command Headquarters at Scott Air Force Base, serving successively as Deputy Chief of Staff for Materiel, Deputy Chief of Staff for Operations, and Chief of Staff for the worldwide Airlift Command.

General McBride became the Vice Commander in Chief of the U.S. Air Force in Europe in September 1971. A year later he was selected for the very important job as Commander of the Air Training Command at Randolph Air Force Base, Tex.

During the next 2 years General McBride made many significant changes in the organization and activities of the Air Force Training Command. Air Force recruiting was one of the important missions assigned to the Air Training Command, and General McBride helped make the all-volunteer force the success that it is today in the U.S. Air Force.

Following 2 short years in the training command, he was selected by the President for promotion to four-star general and was assigned as Commander of the Air Force Logistics Command at Wright-Patterson Air Force Base, Ohio. One year later General Jones tapped him to become the Vice Chief of Staff. As the Vice Chief, Bill McBride has run the Air Force on a daily basis, coordinating the activities of some 600,000 active duty military personnel, 250,000 civilian employees and 250,000 Air National Guard and Air Reserve personnel. He has been responsible for insuring that over 9,000 aircraft assigned to the Air Force and its reserve components operated safely and efficiently and were kept in a constant state of high readiness.

General McBride has been an outstanding public servant. I am sure my colleagues join me in expressing our appreciation for all he has done for his country and in wishing him well in his retirement.●

A TRIBUTE TO "CHAPPIE" POSILLIPO

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. OTTINGER. Mr. Speaker, on February 19, I was privileged to join with a number of friends and colleagues to pay tribute to the dean of Westchester County's public officials, Anthony J. "Chappie" Posillipo.

Close to 1,000 were on hand that evening to honor their friend and public servant—a man who has consistently placed the needs of others first and who works tirelessly to see that those needs are met.

I would like to take this opportunity to share with my colleagues an article and editorial which appeared in the Port Chester, N.Y., newspaper, the Daily Item, on the day of Chappie's testimonial.

POSILLIPO: A MAN WORTH LISTENING TO

(By Jim Mones)

Friends say he has the habit of keeping his ever-present cigar in his mouth when he doesn't want to say anything. It's his subtle, but effective way to avoid giving an opinion too hastily.

But like E. F. Hutton in the television commercials, when Anthony Posillipo speaks, people listen because he's invariably right.

"I don't volunteer any opinions to just prove I know all the answers. I'm still learning," said the 70-year-old Democrat, sitting behind a desk in his Rye Town supervisor office last week. "I can't go around crying, I've served for 24 years as supervisor. What more is there to learn? Sometimes what you learn yesterday isn't any good today."

However, "Chappie" Posillipo has learned a great deal and has taught residents even more about how much one man can accomplish. In appreciation for his many political, social and athletic contributions, more than 850 people will honor Posillipo at tonight's Silver Jubilee Dinner Dance at the Rye Town Hilton Inn.

Posillipo has already attended more dinner dances as the guest of honor than most others have as paid guests, but there's always more than enough reasons to salute him again.

As supervisor since 1954, he has been responsible for planning the development of Rye Town. When he first took office, the unincorporated area of the town had no comprehensive plan, no zoning, no sewer districts, no town police, no garbage collection and less than 3,000 residents. It now has all of those services, three times as many residents and one of the lowest town tax rates in the county.

Posillipo was instrumental in the development of the Rye Town Hilton Inn and takes pride in helping to land $1.1 million in federal public works money granted last year to the town through the Economic Development Agency.

He's a former Port Chester mayor and trustee and former minority leader of the old Westchester County Board of Supervisors. He's founder and still president of the 28-year-old Port Chester Little League, the oldest organization of its kind in the county

In addition, he is involved in enough charitable organizations to keep him busy around the clock.

Though he's not looked upon as a political boss, Posillipo has dominated the Rye Town Democratic Party and local politics for years with close friends Anthony "Red" Zaccagnino, Rye Town councilman, Town Comptroller Dom Patafio, Accessor Sal Rollo, Felix Fidelibus, town engineer, and Nick Fasolino, town Democratic chairman.

That domination has been livened by Posillipo's dry sense of humor, which has become almost as much a trademark as his big cigars.

Earlier this week, when asked about tonight's big bash in his honor he said, "I'm getting scared as the day nears. Maybe I shouldn't show up."

While talking about his strong ties to the area, he said, "I didn't have any ambition to travel when I was growing up. I didn't even get out of Port Chester for a vacation."

Almost as well-known as his cigars and humor is Posillipo's knack for talking at 70 miles per hour, with gusts up to 80, and answering one-sentence questions with 10-minute dissertations that occasionally leave listeners wary, if not lost.

When discussing his childhood, he begins to talk about neighborhood kids doing imitations of movie stars, then explains how important the "family unit" is and somehow winds up speaking about today's Port Chester Little League.

When talking about the little league, he begins by discussing how good a program it is, then tells of how he helped get Corpus Christi Stadium built and finally recalls his days as a semi-pro baseball manager.

However, when Posillipo eases back in his big leather chair, takes the cigar out of his mouth and talks about his accomplishments, he doesn't list first his 13 consecutive terms as supervisor or his bringing in the Hilton Inn to Rye Town or his nomination for lieutenant governor at the Democratic State convention at Syracuse in 1962 or his overcoming Republican domination to become supervisor.

Instead, he says he's most proud of having helped to keep his family together when he was growing up.

Posillipo had thoughts of becoming a priest, but those plans changed in 1918 when his father, Thomas, died. Though only 11, Posillipo had six sisters and a brother and it soon became necessary for him to help his mother, Ann Rose, keep the family going.

"I had to go to work at an early age to keep the family together," said Posillipo, who looks much younger than 70. "We were faced with the possibility that the family would be split up . . . three or four would go into a home."

He followed in his father's footsteps and became a bricklayer, and a good one at that. By age 18, he was elected corresponding secretary of Bricklayers Local 48, a union with 800 members then, many of them twice and three times Posillipo's age.

He learned to handle men and in 1937 learned to handle other people's money when he was elected as the union's full-time business agent and financial secretary. Posillipo resigned as business agent when first elected Rye Town supervisor in 1953, but he's still financial secretary.

He said, "Coming up with labor, there were plenty of opportunities for me to get rich quick. I feel a great sense of satisfaction never having to fall to that temptation. My goal as a kid never was to make money; I always dreamed of someday having a nice home, car, wife, kids. I never had a desire for money."

His actions seem to bear that out. He lives a simple, quiet life in a modest home at 319 Olivia Street in Port Chester with his wife, Rose. He donates a large chunk of his salary to charities.

"I probably give away more of my pay. . . . Sometimes the government can't believe the money I give away," said Posillipo, a force behind the building of Corpus Christi Church in the '20s. "I believe in being charitable, having a love for (my) fellow man. I've always believed in the old doctrine that if you help people, you don't have to worry about yourself. Eventually it will be provided."

Such an attiude has gained him the respect and confidence of his constituents.

"If they looked at me as a politician, not a friend, they would lose respect, faith in me," said Posillipo, who claims he never gambles or curses. "People believe in me. They look at politicians in the worse sense. Once people start looking at you as a politician, that's the quickest way to get beat."

"But I've always believed that word would get around that Chappie is not a politician; they would stick with me. If they didn't look at me as a friend, I could not have been in public office for so long."

Though an elected official for almost three decades, Posillipo has never ventured into country or state politics.

"The offers were made . . . they were dangled in front of me," said Posillipo, smiling.

But he added, "When my name was mentioned for some job, I couldn't get myself to leave them (area residents)."

He's now the dean of Westchester supervisors and mayors, but Posillipo said he's not thinking of retiring and hasn't slowed down much over the years, pointing out that he still arrives at work early—at 8 or 8:15 in the morning—and often puts in time on Saturdays.

"I could take it a little easier. That's not for me, though," he said.

Posillipo will relax a little tonight when friends honor him for all he has done for the community. But such a tribute, he says, won't alter his attitude about working hard. He won't be in his office the first thing Monday morning, but he would be if he weren't attending a state conference in New York City.

A SALUTE TO "CHAPPIE"

More than 850 people will gather tonight at the Rye Town Hilton Inn to honor one of this area's most popular personalities—Anthony "Chappie" Posillipo. The occasion is his Silver Jubilee—25 years—as supervisor of the Town of Rye.

Posillipo needs no testimonial—although this is the second of several special salutes planned in his honor this year. His testimonial is the legacy he has given his community—first as a trustee and mayor of Port Chester and then as Rye Town supervisor.

His indelible mark can be seen in the orderly and controlled development of the town, which just a generation ago was the province of the sheltered and private estates of a privileged, wealthy few.

The private domains succumbed to the post-World War II pressures that imposed critical choices upon open suburbia forced to cope with the population surge and the economic boom that made maintenance of large estates impossible and their development highly profitable.

It was "Chappie's" guidance that molded the town's future. Developments of homes arose; a few corporations took root; and the hotel where this dinner is being held developed and expanded. That guidance continues today.

Posillipo is also the consummate politician. During his terms on the old County Board of Supervisors—now the County Board of Legislators—Posillipo was one of the leading spokesmen of the Democratic minority. He later became the board's minority leader. His brand of politics, logic, philosophy and cutting humor made him a respected leader and a worthy adversary. What a pity that more of his opposing views were not taken to heart by the Republican majority. His legacy is also the simplicity and efficiency of the Rye Town government. Residents of the town enjoy a comparatively low tax rate and an adequate level of services. Unfortunately, "Chappie" has no control over county and school board levies.

But Posillipo is much more than a politician, an administrator, labor leader or cigar afficionado. He is a friend to all who avail themselves of his acquaintance. A friend who is always willing to help—be it to clear the snow, serve on a committee or help cut the red tape of various levels of government.

No, "Chappie" needs no salute or testimonial. It is the voters of the Town of Rye and the Posillipo family who should be honored. For it has been their support and guidance that have maintained Posillipo and brought his wisdom and leadership to the Rye Town helm for this past quarter of a century.

SIXTIETH ANNIVERSARY OF BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WYDLER. Mr. Speaker, March 25 marks the 60th anniversary of the proclamation of independence of the Byelorussian Democratic Republic. We must not let this anniversary pass without, first of all, calling to the attention of the American people the current plight of the Byelorussian people, and second, lauding the Byelorussian people for their continuing valiant fight for freedom.

Byelorussia no longer exists as an independent democratic republic. It is now the "Byelorussian Soviet Socialist Republic." In other words, it has been swallowed up by the Government of the U.S.S.R., a government which is dominated by the R.S.F.S.R., the Russian Soviet Federal Socialist Republic. What the Russians began under the czars, the Marxist-Leninists in the Kremlin have continued with ruthlessness, thoroughness, and vigor.

We should not be misled by the name "Byelorussia" into thinking that the people who bear this name are ethnically one with the Russian people themselves. In language, and ethnic and cultural characteristics, the Byelorussian people are distinct from the Russian people. From the 19th century onward, the Byelorussians have sought with increasing fervor to throw off the Russian yoke and pursue their own destiny. They wish to be a free and independent people, and for this millions of them have been slaughtered by the Soviet Russians; they

have been deported to other parts of the U.S.S.R. while Russians have moved into the Byelorussian cities; their language and culture is suppressed, while a vigorous policy of "Russification" is imposed on the country; and the natural resources of Byelorussia and the labor of the Byelorussian people have been exploited by the Soviet Russian Government. It is the same story of tyranny, exploitation, and cultural genocide that is told of other unfortunate peoples of Eastern Europe who have been unable to withstand the military might and dictatorial methods of the Soviet Russian Government.

But, as in the case of other enslaved Eastern European peoples, the Byelorussian people are resisting the Kremlin's domination, and resisting valiantly, and we in the free world applaud the courage of the Byelorussians in their struggle for freedom and maintenance of their ethnic heritage and identity.●

PHILADELPHIA'S HUD SHOULD MEET CITY'S HOUSING NEEDS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. EILBERG. Mr. Speaker, one of the top priorities of the city of Philadelphia leadership is to improve standards in the homes owned by the Philadelphia Housing Authority.

Recently, the city council of Philadelphia, under the leadership of Council President George X. Schwartz, approved a resolution expressing its concern that adequate funds are not available from region III of the Department of Housing and Urban Development to meet the costs of correcting deficiencies at housing projects throughout the city, particularly the Raymond Rosen apartments.

I offer for the RECORD the text of the resolution approved by the city council of Philadelphia, because I share the concern voiced by council that funds be made available to meet the urgent housing needs in Philadelphia:

RESOLUTION

Memorializing Congress of the United States to appropriate and the President of the United States to direct the Secretary of Housing and Urban Development to allocate funds to the Philadelphia Housing Authority sufficient to bring the Housing Authority projects in Philadelphia up to acceptable housing and living standards.

Whereas, Public Housing projects are generally in need of heating, electrical structural repairs and replacements, particularly Raymond Rosen Apartments; and

Whereas, The tenants of Raymond Rosen Apartments in conjunction with other tenants have petitioned, on more than one occasion, for necessary repairs and maintenance of the apartment complexes; and

Whereas, A Resolution has been introduced in the City Council requesting the appointment of a Council investigation committee; and

Whereas, The Philadelphia Housing Authority admits there are deficiencies in the housing accommodations in various projects; and

Whereas, An estimate of the cost to eliminate the deficiencies at Raymond Rosen Apartments alone, is six million five hundred thousand (6,500,000) dollars; and

Whereas, The said Authority does not have sufficient funds to completely correct the existing conditions; and

Whereas, The Area Director of Region III of the Department of Housing and Urban Development stated in a letter that special project funds are necessary for the work; and

Whereas, The said Area Director further stated that such special project funds are not available; therefore

Resolved, By the Council of the City of Philadelphia, That the Council hereby memorializes the Congress of the United States to appropriate and the President of the United States to direct the Secretary of Housing and Urban Development to allocate funds to the Philadelphia Housing Authority sufficient for it to correct the presently existing deficiencies in the housing and living conditions at the Housing Authorities projects, with particular emphasis on Raymond Rosen Apartments.

Further Resolved, That certified copies of this Resolution be sent to the President of the United States, the President pro tempore of the United States Senate, the Speaker of the United States House of Representatives, the Senators from Pennsylvania and the members of the House of Representatives representing Philadelphia.●

FEDERAL SALARY ACT OF 1967 AMENDMENT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. UDALL. Mr. Speaker, today I am introducing a bill to amend the Federal Salary Act of 1967 to require pay rate distinctions for different grades, steps, schedules, and levels under statutory pay systems. As it presently exists, the Federal Salary Act of 1967 establishes a statutory ceiling which places a limit on the maximum amount of money a Federal employee can earn.

A problem arises nearly every year, however, when annual comparability increases are awarded to employees. Many "super" grade employees reach the statutory limit, thus eliminating distinctions between grades and causing compression at the top levels.

I think it is important to maintain some salary distinction between grades. I also think that it is important that a supervisor earn more money than someone who works for him/her. I am introducing a bill which requires the President to make adjustments in rates of pay under each statutory pay system in order to maintain at least some nominal distinctions between grades as well as steps within grades.

I include the text of the bill in the RECORD:

H.R. —

A bill to amend title 5, United States Code, and the Federal Salary Act of 1967 to require pay rate distinctions for different grades, steps, schedules, and levels under statutory pay systems

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Pay Rate Distinctions in Case of Comparability Adjustments.

SECTION 1. (a) Section 5305 of title 5, United States Code, relating to annual pay reports and adjustments, is amended by adding at the end thereof the following new subsection:

"(s) Subject to the limitation of section 5308 of this title, at the time of any adjustment of any rate of pay under this section, the President shall make such additional adjustments in rates of pay under each statutory pay system as may be necessary to maintain pay distinctions between grades, steps within grades, schedules, and other levels of pay under such system in cases in which pay distinctions would exist but for the operation of section 5308 of this title."

(b) Section 5305(b) of title 5, United States Code, relating to annual pay reports, is amended—

(1) in paragraph (3) thereof, by striking out "and" after the semicolon;

(2) in paragraph (4) thereof, by striking out the period and inserting "; and" in lieu thereof; and

(3) by adding at the end thereof the following new paragraph:

"(5) provide, subject to the limitation of section 5308 of this title for such adjustments in rates of pay under each statutory pay system as may be necessary to maintain pay distinctions between grades, steps within grades, schedules, and other levels of pay under such system in cases in which pay distinctions would exist but for the operation of section 5308 of this title."

PAY RATE DISTINCTIONS IN THE CASE OF QUADRENNIAL ADJUSTMENTS

SEC. 2. Section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), relating to certain executive, legislative, and judicial salaries, is amended by redesignating subsections (j) and (k) as subsections (k) and (l) respectively, and by inserting after subsection (i) the following new subsection:

"(j)(1) Subject to the limitation of section 5308 of title 5, United States Code—

"(A) the review conducted by the Commission under subsection (f) of this section,

"(B) the report by the Commission under subsection (g) of this section, and

"(C) the recommendations of the President under subsection (h) of this section

shall provide for such adjustments of rates of pay under each statutory pay system as may be necessary to maintain pay distinctions between grades, steps within grades, schedules, and other levels of pay under such system in cases in which pay distinctions would exist but for the operation of section 5308 of title 5, United States Code.

"(2) For purposes of this subsection, the term 'statutory pay system' has the meaning given such term by section 5301(c) of title 5, United States Code."

EFFECTIVE DATES

SEC. 3. (a) The amendments made by the first section of this Act shall apply with respect to reports transmitted more than 30 days after the date of the enactment of this Act.

(b) The amendment made by section 2 shall apply with respect to recommendations transmitted more than 30 days after the date of the enactment of this Act.●

EXPORT INCENTIVES ENCOURAGED

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BLOUIN. Mr. Speaker, many months ago I became convinced that with a steadily increasing trade deficit the worst policy this country could adopt would be to eliminate perhaps one of the last meaningful incentives available to encourage the export of U.S. merchandise. I am speaking specifically about the incentives provided through the Domestic International Sales Corporation (DISC).

At this particular time, I will not present my case for retention of DISC, but rather will reserve my comments until next month when I will offer remarks on this matter to the House Ways and Means Committee. Until that time, however, I feel that it is vitally important that the House's attention be given to the thoughtful consideration of this matter and the adverse effects that could occur as a result of its elimination.

To aid the Members of the House in their consideration of this subject, I would like to insert into the RECORD at this time the recent testimony given by Mr. Tom Parks, President of Kwick-Way Industries, Inc., of Cedar Rapids, Iowa.

Mr. Park's years of experience in export matters certainly give him the expertise and authority to address the subject of DISC and his commonsense observations are well worth consideration.

Mr. Park's testimony follows:

I ask your indulgence of two brief remarks intended only to establish a modest amount of personal credibility.

The views I must express are predicated upon 25 years of personal day-to-day working experience in international markets, they are not speculation, conjecture or theory. During that 25 years I have been personally or severally responsible for marketing in five companies which have, in ensuing years, had culmulative sales of manufactured products abroad exceeding $2 billion. A most important point to ponder is that all of these businesses were, when we began exporting, small businesses by definition.

We operate in an economic environment which is generally considered principally agricultural, yet it exports more manufactured goods per capita than any other metropolitan area in the United States. Between 12–15% of our total workforce derives its total income from international sales, we are discussing approximately 7,000 jobs in Cedar Rapids, Iowa alone, a city of only 112,000 people with a workforce approaching 65,000, many of whom commute from adjoining areas. In short Iowa is very much involved in exporting of manufactured products, as well as agricultural commodities. We feel qualified to speak on the subject.

Our time today should not be spent only upon useless rhetoric, repetitions of weary but true arguments. I will simply endorse without qualification those who attest to the intricate inter-relationship between our future in export markets and continuance of DISC tax deferral provisions. I echo those who say that its abrupt termination is a betrayal catching us in the midstream of significant financial commitments; that DISC has been a major enabling factor in building critically needed export business; that elimination of DISC is but one more crippling step in an international competitive posture already seriously eroded; and that contrary to slanted reports, DISC has been a major contributor to our nation's export trade since its inception.

The Special Committee for U.S. Exports maintains that DISC accounted for as much as $9 billion of additional exports since 1971. Such claims may be controversial, but it is unarguably true that in our small manufacturing company, which has been exporting only a few years, little material growth occurred until DISC freed much needed capital from the tax grasp of a marginally productive federal bureaucracy. Since 1971 our export business has grown from $1.1 million annually, or only 6.2% of sales, to $5.6 million in 1976, or 36.2% of sales, 1976 being the last year on which audited figures are available. Translated into jobs, 144 people of approximately 400 people employed in our modest operations are now totally dependent upon export for their employment. 144 people approximates our total employment in pre-DISC days, evidence that an encouraged and properly operated business grows, improving our tax base.

I prefer to temporarily divert your attention from the complexities of international economic policy and concentrate upon the straightforward fundamental economic war which we are losing, at home and abroad, a defeat that will be hastened by moves such as the proposed DISC elimination. That's what we're really discussing today, we are in a terminal war in which the tides are running against us, and we are hiding our heads in the bottomless sands of argument.

Most opposing views on this subject are neither right nor wrong, they simply reflect different minds grappling with frustrating segments of a gigantic problem, a faltering economy. The problem rests not upon labor, policies such as DISC, business practices or tariffs, to name but a few symtomatic ghosts, but upon the diminishing productive capabilities of the United States.

Measures addressing only symptoms, such as high unemployment, balance of payments deficit, or taxation modification, have only temporary merit and are ultimately inadequate procrastination. We must look to the origins or our diminishing superiority and make such fundamental adjustments as necessary. The alternative is accepting relegation to the role of a pathetic staggering second class has-been like England, recent oil finds notwithstanding.

Many cite labor, socialism, ad infinitum, as England's illness and accuse the U.S. of following suit. But the clear truth is that England's economic cancer is a cessation of demand for what it has to offer its domestic and world markets. This terminal illness is the common ground between our economies. we are losing our markets at home and abroad in a landslide of shifting buying which we seem unwilling to acknowledge.

U.S. manufacturers captured many of England's foreign and domestic markets, it was easy! They were outmoded, high priced, difficult to deal with, constantly changing pricing due to inflationary pressures, unreliable due to labor strife, and convinced that governmental band aids on international policy would stem the tide drowning them. I am chagrined to admit that this description now fits a large part of the U.S. economic community, the evidence abounds.

OPEC pressures have been significant, but those who cite this relatively new phenomenon as the underlying cause of our balance of payments illness are ignoring devastating truths. $11 billion of the almost $21 billion deficit increase resulted from reversals in non-petroleum trade, we'd have had a deficit without OPEC impact. I repeat for emphasis that our business house is nearing collapse, and like Nero's proverbial folly, we sit today contemplating adding fuel to our own funeral pyre by eliminating a positive assist to our efforts, DISC. In the midst of an economic war we debate economic disarmament when we should be considering increasing our armaments.

I emphasize this declining situation because it is so critically interrelated with DISC and all efforts intended to stimulate foreign trade. I ask you to recognize who is capturing our foreign and domestic markets and, more importantly, why. One might logically respond with names of industrialized giants such as Japan or Germany, and be generally correct. But I submit that an equally large segment is being lost to the combined efforts of the unrecognized competitors. If you are to truly grasp the profound catastrophic plight of U.S. manufacturers, reflect on the truth that ever increasing percentages of our markets are being captured by Brasilian shoes, Pakistan and Formosan machines, India steel, Polish Fiats and hosts of other previously ignored competitor nations. As we falter, they attack, and it is to their credit that they attack well.

Last week I returned from a marketing trip to 10 Latin American countries, during which my experience duplicated that when visiting the Middle East, Europe and Scandinavia the past nine months. While you argue DISC, and Commerce leans on Japan, we lose the Columbian auto market to Poland, the large gains in Central America fall to Korea's Hyundia automobile, machine tool gains are chalked up to China, Pakistan, India and the Caribbean appliance market is invaded by excellent products manufactured in Trinidad. The economic scene is altering drastically, as Detroit knows only too well, here and abroad. If we fail to act upon these signs, your considerations of DISC tax income implications are futile over the long run.

The free enterprise economy of the United States has shown a world once ravenously hungry for our products that an enterprising economy incomparably fulfills human material needs. While they were buying from our shores, they were vigorously copying us. With U.S. Aid help, providing machinery and equipment plus foods for their masses, while they diverted their economic energies to internal growth, they have risen to challenge us with superior plant and equipment.

Is the answer to stop U.S. Aid, assume a protectionist stance, or end DISC? These are reactions, not answers. The answer rests in addressing a diminishing national productivity of goods and services, produced by an antiquated physical plant requiring incredible investment to become competitive. The answer rests in recognizing that without reversing this trend further trade deficits, greater unemployment and general economic decay, is inevitable.

It is the world economy which we must reach to cure domestic economic ills, we must strive to quietly reacquire world economic dominance. I have not patience for those who wish to trade off my position as an entrepreneur, daily risking everything I possess, in the name of obscure international harmony. I have lived on the international scene more than most, I know this harmony to be unobtainable in this self depreciating manner. My counterparts abroad know this also, they find great humor in our suicidal debates on stifling ourselves, they thank me for making their role easier.

We have armed forces because we need them. I submit that we have an even greater

need for the ability to produce more and better goods and services in a sophisticated manner, to avoid a defeat in the economic war that will render us incapable of raising the taxes for armed defense. U.S. business can roll back some gains made here and abroad by countries we must recognize as competitors. Given help to do so, U.S. business will thus create jobs and generate income currently flowing away from our shores and away from our foreign markets to our competitor nations. If we can recapture our ability to dominate foreign markets we shall automatically be posturing ourselves to provide the goods and services our domestic markets are presently turning abroad to obtain. That equates the best increased employment program we could conceive.

We've the natural resources, technical skills, business acumen, and, most importantly, the most educated general public in the world, with which to win this economic war. No other single economy is so well endowed, at least one of these assets is missing in all other countries. What, therefore, is restraining us?

European aircraft are eroding our markets, here and abroad, while we ponder imagined ills resulting from this critically necessary industry heavy DISC benefits. Is it better that we strangle them? Why is Pakistan becoming Turkey's primary machinery supplier instead of the United States? Our true problem is risk capital formation to promote economic activity which created our past greatness. Risk capital is desperately needed to modernize, expand, to underwrite that art at which we excell, imaginative innovative Research and Development. Given capital, the U.S. economy will prove its abilities.

This is the only single problem which can stand the test of evaluation as a root cause cure for our economic cancer. It is the broad stroke cure of most other much discussed problems. Just as we accepted the need for farm subsidies years ago we must now accept the truth that our nation's plants and equipment are antiquated, they need a massive capital infusion. Most assuredly depriving them of the modest but important DISC benefits is inconsistent with this desperate need and inconsistent with the best interests of the United States.

Foreign producers will not surrender their gains easily, if at all. Nor will they measurably cease their expansive policies to ease our way; they recognize that as simply unintelligent from their point of view. But given a bit more assistance, and less government created obstacles, our U.S. producers can turn the tide. Some will argue that certain corporate giants have surplus capital now, a truth that becomes immaterial when contrasted against the predicament of the vast array of medium sized companies which will provide tomorrow's growth. Others will cite big as sinful, business as onerous, and many other erroneous self-serving presumptions. But they feed the gristmill of our enemies; we are a business economy which will die, along with our political institutions, if such nonsense continues to be heeded. An excellent moment to turn the tide in the right direction is to defeat this proposal to terminate DISC benefits.●

RESULTS OF THE 1978 QUESTIONNAIRE SURVEY OF THE 19TH OHIO DISTRICT

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. CARNEY. Mr. Speaker, in February 1978, I sent out approximately 155,000 questionnaires to the residents of my congressional district, which is made up of all of Mahoning County, part of Trumbull County, and includes such cities as Youngstown, Warren, and Niles. In that questionnaire, I asked my constituents their opinions on some of the major issues facing our country, including campaign financing, national energy policy, national health insurance, "Buy American" policies, and foreign trade. I also asked them to express their opinions on how to solve local economic problems in the Mahoning Valley caused by the shutdown of the Youngstown Sheet and Tube Co.'s Campbell plant.

Approximately 16,500 questionnaires were completed and returned to me, many of them answered by both husband and wife. Mr. Speaker, the results of my questionnaire survey have now been compiled, and they are both interesting and significant. I am inserting those results in the RECORD at this time for the information and consideration of my colleagues in the U.S. Congress, as well as the President of the United States. The results of the questionnaire follow:

RESULTS OF FEBRUARY 1978 OPINION SURVEY OF THE 19TH OHIO CONGRESSIONAL DISTRICT

[In percent]

1. How would you rate the job that President Carter is doing?

(a) Excellent	3
(b) Good	18
(c) Fair	36
(d) Poor	43

2. How would you rate the job that Congress is doing?

(a) Excellent	1
(b) Good	13
(c) Fair	46
(d) Poor	40

3. Do you think that there should be public financing of Congressional election campaigns?

(a) Yes	32
(b) No	68

4. Do you believe that the country needs a national energy policy?

(a) Yes	81
(b) No	19

5. Do you favor a national health insurance program covering most medical and hospital costs for every American?

(a) Yes	54
(b) No	46

6. Should Congress cut Federal income taxes for low- and middle-income individuals, even if it would increase the Federal budget deficit?

(a) Yes	63
(b) No	37

7. Should Congress reduce the Federal tax burden on the business community, even if it would increase the Federal budget deficit?

(a) Yes	29
(b) No	71

8. Should Congress pass a law establishing full employment as a national policy, and guaranteeing a job for every American who is willing and able to work?

(a) Yes	55
(b) No	45

9. Should the Federal Government be required to buy American-made products even though they cost more than foreign-made products, if it would mean jobs for American workers?

(a) Yes	84
(b) No	16

10. Should the Federal Government impose strict import quotas on foreign steel and foreign cars to help the domestic steel and automobile industry, even if it might bring retaliation against American products by foreign countries?

(a) Yes	78
(b) No	22

11. Should environmental standards be lowered and air and water pollution deadlines be extended, if it would help keep industries in the Mahoning Valley?

(a) Yes	84
(b) No	16

12. Who do you think has the *primary* responsibility for economic planning and development in the Mahoning Valley?

(a) Federal Government	16
(b) Ohio State government	15
(c) County and local governments	37
(d) Local business, labor, and civic leaders	31
(e) Other	1

13. If massive economic aid were available to the Mahoning Valley, how should the money be spent?

(a) Reopen Youngstown Sheet & Tube Co.'s Campbell plant	21
(b) Provide incentives to bring new, diversified industries to the area	75
(c) Create public service jobs	3
(d) Other	1

14. What kind of assistance should the Federal Government provide to the steel industry?

(a) Direct cash grants	8
(b) Tax credits	19
(c) Long-term, low-interest loans	53
(d) No Federal assistance	20

15. What suggestions do you have for solving the economic problems which face the Mahoning Valley?

Most of the people responding to this question expressed a desire to see new diversified industries come into the Mahoning Valley. A significant number of people felt that various economic incentives should be provided to encourage industries and businesses to locate or stay in the valley. Some persons suggested import quotas, controls on wages and prices, and relaxed environmental standards, as ways to facilitate continued industrial activity. Many people also expressed a belief that increased management efficiency and labor productivity are needed.●

ELISE BOULDING SPEAKS ABOUT THE "UNDERSIDE OF HISTORY"

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WIRTH. Mr. Speaker, Dr. Elise Boulding of the University of Colorado's Institute for Behavioral Science recently spoke to us as part of the "Dialogues on America's Future," series sponsored by the Congressional Clearinghouse on the Future.

Dr. Boulding urged us to take into account women, children, and older people as we set policy for the land. She calls these groups the "underside of history"—those neglected by the systems analysts, yet those for whom the systems are devised.

I highly recommend her remarks to my colleagues, and the full text of her presentation and our questions to her follows:

DAYDREAMING FOR THE FUTURE

It is a pleasure to be with you tonight. The areas in which I deal are those areas that are teeming with life in our society—women, children, older people—I call it the "underside"—and I am delighted to be on Capitol Hill where life also challenges and where important decisions are made. I believe that much of what is most important in life occurs in parts of our society that we are not aware of, and I am interested in getting these parts into the public arena and helping them become legitimate.

I became a futurist when I looked at the task of social change. I translated Image of the Future by Fred Polak in 1961. This Jewish Dutchman survived WWII by living in a hole, coming out only at night, and as he sat in his hole he began to see that human history was made of images of different futures.

I think there are at least three ways to get at this visionary process. The first is when we are daydreaming. It is never more alive than when we are in this state. But by our teens, daydreaming is wiped out. Children are scolded for daydreaming, yet those are the hours where a disciplined, yet free-floating thought can be the most important part of social dreaming. Our images for our own future mobilize us, and picking alternative futures is an intuitive process. As Members of Congress, you are performing an intuitive role deciding which images are appropriate. We don't have to have a reactive future, and daydreaming is a way to keep the images real.

200-YEAR PRESENT

Another aspect of futures thinking is that we have to get hold of an appropriate time span. The now controls our present thinking. We need to get the feel of a 200-year present. There are people living today who are 100 years old, who were born on March 9, 1878. And there are children born today who will be 100 years old on March 9, 2078. This is our time span; we are organically related to these birthdays. And we need to feel that we are part of this time span. If we don't feel a part, we aren't thinking about the 100-year-olds and the babies. Unless we look at this 200-year present, our priorities will be dominated by the now, and the future will not be psychologically accessible.

A third way to image the future has been developed by Warren Ziegler. I attended a session with him and a group of people, and he put us through the following steps:

First. We had to come up with a common concept of what we would like to see in 1998.

Second. How would we know we had got it?

Third. What happened in 1977 that was the last step to reaching our goal in 1998?

Fourth. What happened in 1996? In 1995? In 1994? And so on. Finally we had worked our way back to where the thing desirable existed. The idea behind this technique is that it is hard for us to look forward, and so we might consider working backward.

And so the 3 kinds of futures thinking are social, daydreaming, understanding our 200-year present, and working backward toward our desired state.

I want to talk a little now about social systems thinking because we are all general systems people today. The policies you make are based on it, and there are so many unmapped areas in the system which cause us to work with faulty information.

WOMEN LEFT OUT OF PLANNING

Women represent a submerged arena in our society. A transition strategy for our time would be to have more women participate in planning. Planning is inappropriate because women's experience is not used.

While doing some work with AID, I looked at the food production in the third world. AID has not been helpful, as a rule, in increasing household consumption or food production. The reason for this, I found, is that up to 80% of farming is done by women but the planning is directed towards male farming. The things that women need—new tools, seeds, credit, storage facilities—have not been developed.

In the U.S., the same situation exists. I have been told that there are too few women farmers in the U.S. to warrant female input at the planning stage. Yet in one county in Texas, 25% of the farmers are women. Our Extension Service is focused on male farmers, and tools are developed in this country for men. The women are making it as they can, but if we want to improve the quality of rural life, we need to help women farmers, too.

Another place we are seeing a breakdown in systems planning is in the growth communities of the Rocky Mountain region where a community may experience 1000% of growth in a year's time. There is no way that the best planner or human relations specialist or psychologist can step into that community and stop the violence—drugs, alcoholism, depression, juvenile delinquency, crime, etc.—that is a result of such rapid displacement. Sometimes I wonder if we decided to throw away a whole generation when I look at the agonies of this kind of boardroom planning.

I have been asking myself for a long time, what has to happen for people to thrive? And one answer I have come up with is that people have to shape their environment. I don't mean coping, either. Coping is staying afloat. Shaping is making your environment, creating it. Children and women die psychologically unless they can shape their environment. I think about the trailer villages and I see a mother inside her trailer home with inadequate space to shape. She is trying to stay sane. Nothing is familiar; she has no shoulder to cry on. Her husband is in a new job and has pressures on him, too. Professionals cannot come into this situation and solve the problem. What is needed is a sense of the social process, which begins with a mother and her child.

In growth impact of communities, we must understand what it is that makes successful copers and shapers. We must consider the capacity of human bonding. Where we are in the human process is based on our coping and shaping of history.

There are too few women in planning and social design. When I was doing research for UN Internat Databook on Women I found out that only 10% of all the women in the world are administrators We need many more in these positions. There is a vast experience world which is relevant to deal with human problems caused by technological society and it is not being reached.

CHILDREN ALSO LEFT OUT

Children are another unmapped group in our systems planning, and they play an important part in our experience world. Most children enter the labor force by age 4, and then are in the work force in some noticeable way for the rest of their lives. In subsistence societies, boys aged 12 have produced as much as has been invested in them. We have no statistics on girls, but the figure is probably about the same if not higher. We must recognize that children are contributing to the production in our society

Our image of people under 21 and over 65 is similar. Yet, by age 16, males and females are in the labor force and begin child bearing. But they cannot vote or participate in many of the decisions that affect their lives until they are 21. Most of the decision making in the public arena occurs between ages 21 and 65. An important thing we must do is to start breaking down this age barrier so that those between 21 and 65 do not have to carry the world on their backs. Many things are started by young students throughout the world Teenagers develop youth networks which cross national boundaries. And the elderly are now creating their own networks and will soon have an effect on the decision making process.

By denying our young and old people a part of our society, we are trying to deal with the 20th century with blindfolds on, plugs in our ears, and our hands tied behind our backs. All of those who experience life are not consulted in the policy making process.

To break the barriers down we can try several things. We were probably wrong about ERA. We should have worked for Equal Rights for Men and worked on developing nurturing capacities in them. We should not have arbitrary role assignments based on age or sex.

CONFLICT RESOLUTION CRUCIAL FOR THE FUTURE

Another approach to breaking apart inadequacies of the systems analysis approach is to develop methods to resolve conflict both at community and international levels. We need to develop early warning indicators of violence to prevent it. If we redefine the role of the soldier to mean a keeper of the peace, and if women enter the military, we would undoubtedly see a change in the way we deal with conflict situations.

We might also give some status to a National Peace Academy and set up a United Nations University which would have an international perception of what it is to be human in our world in the 20th century. These are just some ways that I see that may help us to deal with the future a little more effectively.

QUESTIONS AND ANSWERS

Q. Exclusion of women in planning is a viable concern, but you must also agree that second generation farm sons were forced to go to the university. Should we send professors and students back to farms as is done in China?

A. We need a mental construct of the nature of society and what we do in the now must represent the broader 200-year present in the future construct.

An exercise I do with my students to give them the idea of the complexity of the planet and to harness their intuitions to the complexity of things is to tell them to begin with their bodies and think of it as a total system. Then I tell them to include their families in their bodies, then the city they live in, then the planet. Take all of these things within the boundaries of your body, and you will begin to see them intuitively instead of analytically. If we get so we can't do this, we will have lost our artist's touch, and we must never lose the artist's touch when shaping our future.

Q. Maybe we should make it illegal for students to go to school after age 14. We have set a schedule in industrialized societies of one's life patterns of work and leisure to help solve unemployment problems. Maybe we need to look at this schedule and readjust it in an information society so people can learn and work when they want to.

A. Yes, I agree, and sabbatical leave for

every working person would probably eliminate the unemployment problem.

WOMEN IN 2078

Q. Would you speculate on the role of women in the year 2078?

A. I see two scenarios. I see a continuation of the urban to rural trend begun in 1970 with one group of women going toward more voluntary simplicity. And I see another group moving toward spaceship model cities. I see a labor intensive society, and an androgynous society with no sex separation of labor. I also see no male/female separation in bringing up children, and I see more children caring for children. I see local societies/communities using communications technology to keep in touch with other parts of the world. Small is not beautiful if you can't get away.

Q. Would you focus on being in the Congress for a minute. It is tough to daydream in Congress. We have two-year mentalities. You can help us learn to daydream with 2-year mentality. We need more free time. One week of in-house training on the economy is a help, but it is not enough. We need help if we are to have visions as leaders for our country. What should we do?

A. Well, you are creating a neighborhood by coming to these dinners of the Clearinghouse, and that is the first step. You might want to encourage more rather than less of this sort of gathering. Insist that you have daydreaming time on a regular basis.

Q. What we need is a "you're OK; I'm OK" mentality in Congress.

A. Yes, and a knowledge that it is OK to daydream.●

NATIONAL ZOOLOGICAL FOUNDATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WHITEHURST. Mr. Speaker, on March 3, 1978, I introduced H.R. 11295, a bill to establish a National Zoological Foundation. This Foundation would be empowered, among other things, to: award scholarships and fellowships for the training of professional and paraprofessional staff for zoos and aquariums; initiate and support programs to promote the development of methods to improve the welfare of animals at zoos and aquariums; establish recommended standards of accreditation; make grants for pilot projects to serve as models for zoos or aquariums; make grants for the purpose of establishing "survival centers"; and support new programs to enhance the educational and scientific value of zoos and aquariums.

There is now a precedent for providing such funds for zoos and aquariums, since the newly established Institute of Museum Services, operating within the Department of HEW, has a limited amount of money for this purpose. However, the maximum grant available from the Institute would be $25,000, and it would be for operating expenses only; this is completely inadequate for the kinds of programs that are needed. It seems to me that zoos and aquariums should be funded under a separate program entirely, and this is one of the reasons for my latest bill.

In the 91st Congress, we passed the Animal Welfare Act of 1970, which gives the Department of Agriculture the responsibility for insuring that at least minimum standards of housing, feeding, and care are met by zoos. This is fine as far as it goes. However, zoos and aquariums are, or should be, far more than simply places where animals are housed and fed.

As our society becomes ever more urbanized, zoos and aquariums will provide the only available exposure to the world of nature for increasing numbers of children and their parents. The hundreds of thousands of citizens across the country who visit these facilities each day make it clear that people enjoy being able to see a wide range of animals. However, while one function of zoos and aquariums is to provide visitors with a means of enjoyment and recreation, their major purpose is conservation and education. Thus zoos should be much more than the "prisons of concrete and steel" that some still are; they must attempt to provide facilities that are as similar as possible to the natural habitats of the animals. The sad thing is that while many other cultural and educational facilities are able to obtain considerable Federal assistance in recognition of the service they offer to the people, zoos and aquariums must in large measure continue to struggle to meet their conservation and education responsibilities entirely on their own. This is an uphill battle indeed.

There are many people who feel that zoos should be phased out, that television can somehow replace them, that animals should be set free. In this connection, I would like to call to the attention of my colleagues two fine articles which have appeared in recent years. Space does not permit that they be reprinted here, but copies can be obtained from the Library of Congress for anyone who wishes to read them. One, entitled "Why Zoos?" was written by Emily Hahn and appeared in the February 25, 1975, issue of the New York Times Magazine. The other appeared in the April 17, 1975, Washington Post. Entitled "National Zoo Has a Farm Club," it was written by Robert Barkdoll; it was reprinted in the RECORD on page 10921 in the issue of April 18, 1975. Many of the animals now found in zoos either no longer exist at all in the wild, or will be gone within the next generation, and thus the zoos are their last, and indeed only, refuge. On page 17096 of the May 30, 1974, RECORD, I included a fine article from the Christian Science Monitor by Frederic Hunter which further reinforces my contention that zoos and aquariums must be upgraded.

As what we like to call civilization continues to encroach upon the natural habitats of many animals, more and more will be driven over the brink to extinction. It seems to me that since zoos and aquariums are in effect rapidly becoming today's Arks, it is incumbent upon us to make them the best possible refuges for the few members of these species left, so that future generations may have at least a small sample of magnificent species that we have been able to take for granted. Making this possible with the best possible facilities and care is the purpose of H.R. 11295.

CONGRESSIONAL COMMITTEE TRAVELS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BOB WILSON. Mr. Speaker, as ranking member of the Armed Services Committee, I can personally vouch for the obvious advantages of travel by members of the committee value to our defense posture, and to the Nation as a whole. Our committee oversees the expenditure of hundreds of billions of dollars, and there is no better way to understand the costs and possible savings than observing our troops, materiel, and weapons in place all over the free world. A recent letter written by our distinguished colleague, Representative WILLIAM DICKINSON, in response to a critical editorial well expresses the point I wish to make. I include the letter as a portion of my remarks:

MARCH 3, 1978.

Mr. RAY JENKINS,
Editorial Page Editor, The Montgomery Advertiser, Montgomery, Ala.

DEAR MR. JENKINS: Your recent editorial and accompanying cartoon relative to my Committee travels completely ignores some facts which in all fairness should be made known to round out the picture. I hope you will print this reply.

Since being honored by the good people of the Second District by being sent to Congress 13 years ago the Department of Defense has submitted budget requests totaling over one trillion dollars—$1,129,573,000 to be more exact. The House Armed Services Committee, on which I serve as the second ranking Republican, has authorized several hundred billions of dollars since I have been a member. The Research and Development Subcommittee on which I am the ranking Republican has jurisdiction over almost a $12½ billion budget this one year alone (FY 79). There are over 30,000 items in the R & D budget—ranging from super-secret planes to clothing. As a member I have to pass judgment on supporting or cancelling all of these projects.

In addition to passing judgment on the spending of these billions of dollars we necessarily have a duty of oversight to see that the funds are spent as directed and to assess how well the projects and programs are progressing. I cannot do this part of my job sitting in my office. Our weapons, military treaties, servicemen and bases are all over the world.

In addition, but not included in the above, are our Foreign Aid Programs, foreign military sales ($6 billion a year to Iran alone) NATO commitments, etc.

What would you and the other critics have us on the Committee do? Under Article I, Section 8 of the Constitution, it is the obligation of the Congress to raise armies, appropriate funds, and carry out other essential responsibilities that relate to the security of our country. Would you have us merely ask the Defense or the State Departments where

the money should be spent and how the programs are being run? Would you advocate a policy that would enable the military to be absolutely autonomous, govern itself, and simply come to the Congress for a blank check? I don't believe that you or anyone else would seriously support such ideas that would lead to an abrogation of the responsibilities of the Congress. Conversely, if not done by the Congress (who has to answer to the people, and who makes the decisions of raising and spending the monies), by whom then? How would you propose it be done—by a panel of newspaper editors, elected by no one and responsible only to the persons that own the newspapers?

Is our Committee worth what it costs? I think so. On our last Committee trip to the Mid-East we were go-betweens for Prime Minister Begin and President Sadat and were instrumental in setting up their first historic meeting. The announcement was made three days after we met with them both. How much is that worth?

A year ago in New Zealand Prime Minister Muldoon went directly from our meeting with him to a press conference to announce a change in their nation's policy and from that day on United States nuclear submarines and warships could use harbor and port facilities in New Zealand. Australia followed suit within two hours!

What dollar tag could you put on that?

As a result of a Committee trip to Germany they have better school and commissary conditions for American children and dependents in Europe. Would that justify a trip there?

The list could go on and on. Every trip at home is approved by the Committee Chairman and every trip overseas is approved by both the Chairman and the Secretary of Defense—in writing.

In closing let me say that my travels and my Committee's travels are not only justified, they are necessary. It comes with the job. What the travel costs the taxpayers is infinitesimal when compared to the millions of dollars saved the taxpayers by our oversight. As long as the people of the Second District let me keep my job (and I am the first to realize this is subject to change), I will continue to do my best and go wherever my job takes me.

Sincerely yours,

WM. L. DICKINSON.●

ALTERNATIVES TO INSTITUTIONALIZATION

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WHALEN. Mr. Speaker, I am pleased to sponsor legislation introduced by the gentleman from Minnesota (Mr. FRASER) which would make available a few basic services to assist elderly Americans in retaining their independence and dignity, rather than continue to shunt these important older citizens off to institutions.

The Congressman's home of Minneapolis long has been recognized as leading the Nation in its approach to home care and long-term personalized care for senior citizens.

Over 2 years ago in a series of hearings before the Select Committee on Aging entitled "Innovative Alternatives to Institutionalization," the executive director of the Minneapolis Age and Opportunity Center (MAO), Mrs. Daphne H. Krause, and her staff described a functioning, integrated program offered to their community which included housekeeping services, health, nutrition, carpentry, transportation, and counseling assistance. This testimony dealt not only with humane concerns, but with cost-effectiveness. Under the services provided by the consortium—with important volunteer contributions such as chauffeuring back and forth for medical attention, the differences in costs between helping an older couple to remain together in their own home and in placing them in a hospital or nursing home are simply astronomical. I commend to my colleagues the hundreds of case studies in the MAO files, many of which have been presented at hearings before the select committee.

Today the American taxpayer subsidizes the nursing home industry to the tune of almost $3 billion annually, primarily through medicare and medicaid. With creative, thoughtful attention such as is possible under H.R. 8589, we could offer approximately 40 percent of these citizens desirable alternatives to institutionalization.

This legislation would make possible establishment of community long-term-care centers which would provide, coordinate, and monitor a variety of home services along with counseling. The home services would be offered on a sliding fee basis to insure that senior citizens from all income groups would have access to the program.

Mr. Speaker, this represents an exciting, forward-looking approach. No longer are we prepared to ignore the existence of—or to remove from our sight—the elderly poor, or the elderly who live alone, or those who are not greatly impaired, but who do need an occasional helping hand.

Too, the long-term-care community center concept provides an opportunity for an expansion of meaningful public service positions, and for valuable contributions from such volunteer groups as the Retired Senior Volunteer Corps (RSVP). For too long the trend in our country has been one of alienation, due partly to increased mobility which tended to separate the members of the greater family and also to immigration too large, impersonal cities where people no longer identified with their neighbors. Enactment of H.R. 8589 would represent a turn away from that trend and would fill a serious gap in our current system of care for the elderly. I urge my colleagues to support this approach.●

HOUSE POST OFFICE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. MOAKLEY. Mr. Speaker, recently an industry publication, Transgas decided to see what happens when an American follows the age-old adage, "Write your Congressman."

Naturally, their first stop was the House Post Office.

I think this article provides an excellent view of the first-rate work being done for us by the House Post Office. Our distinguished Postmaster, Robert V. Rota does an outstanding job for us and I would like to share this article with my colleagues. I think all my colleagues, on both sides of the aisle, will agree with the magazine's assessment of Bob's performance:

HAVE YOU WRITTEN YET?

"WRITE YOUR CONGRESSMAN"

That advice, put forth by an increasing number of organizations, interest groups and businesses, is apparently being followed by record numbers of citizens these days. Americans are indeed sending their messages to Washington by the millions each month.

While communicating with elected representatives isn't about to unseat spectator sports as the national pastime, it is practiced by an active minority that is willing to take the time to compose the letter to Congressman Billthumper or Senator Snort that most people only talk about writing.

Writing elected officeholders can achieve many things.

It brings individual Americans into the governmental process, giving them a direct link to the nation's legislative nerve center. It allows them to help shape new laws and policies.

It reminds lawmakers that they are accountable to their constituents for each vote they cast in Congress, and that all reasonable viewpoints must be considered before casting a vote.

It also provides a way for voters to let off steam and seek action from a lumbering bureaucracy—to pry loose a balky government loan or reinstate a Social Security benefit lost in some distant computer.

A major newspaper recently pointed out that many taxpayers write to complain about the growth of government, particularly of Congressional staffs, not realizing letters such as their own are a contributing factor in that growth.

It takes a lot of time and a lot of people to sort, open, read, tabulate and respond to all that mail.

Still, in spite of the work and costs involved, most members of Congress encourage the folks back home to express their opinions. The "district mail" keeps them on their toes and often has direct bearing on how they vote on individual issues.

In an effort to find out just what happens to your "Dear Congressman" letter once it reaches Washington, Transgas visited several offices at the Nation's Capital recently.

Busiest of them all, around the clock, is the House Post Office in the Longworth Office Building.

In operation nearly 20 hours per day, 363 days per year, the HPO handles well over 8.4 million pieces of mail in an average month. Constituent mail has more than tripled since 1970 and accounts for more than 3 million pieces per month, according to House Postmaster Robert Rota.

An elected official of the House of Representatives since 1972, Rota hastened to point out that for every piece of constituent mail referred to an agency by a member of Congress, another 2.1 pieces of mail (on the average) are generated from that agency, besides the replies from Congressional offices.

Rota's mail handling crews start work at 2:30 in the morning and X-ray all incoming

pieces before sorting them. Delivery is made to 725 different stops along the maze of corridors that typify Capitol Hill.

There's a good reason for not shutting down the House Post Office except for Christmas and New Year's, Rota explained.

"If we shut down for one day, there's no way we can store all the mail. The trucks are sometimes backed up on the avenue waiting their turn to come in and unload as it is."

However, the House mail room does shut down an extra day every fourth year—for Inauguration Day.

By continually improving the efficiency of his growing operation, Rota has managed to buck the normal trend of burgeoning bureaucracy. He hasn't increased the size of his staff in all the time he's been Postmaster of the House.

That's not the case with representatives and senators' staffs, which are responsible for the host of behind-the-scenes duties that keep Capitol Hill offices humming. The size of staffs varies from office to office, but generally they have grown steadily in recent years to keep pace with an increased legislative workload and the rising tide of constituent mail.

The size and organization of each Congressman's staff reflect the personal preferences and responsibilities of the lawmaker. We talked with staffers from two states in Transco's market area—one on the House side and one on the Senate side—to find out some of the ways correspondence from constituents is handled.

"The sheer volume of mail on certain key issues sometimes prevents a Congressman from reading every letter personally," explained Don Wilson, administrative assistant to Rep. James T. Broyhill of the 10th District of North Carolina.

"We can get five to six hundred letters a week on a single subject."

In Broyhill's office all mail is opened by clerical staff, then sorted according to subject. Wilson gets the next look at all letters dealing with legislation, while "case work" mail—requests for the Congressman's assistance with various problems—is assigned to several other staff members.

Wilson passes letters along to Rep. Broyhill, and when a vote is coming up in the House he sees that all opinions expressed by constituents on the pending issue are tabulated for the Congressman's review.

"This office is different from most," he said, "because we answer all legislative mail from North Carolina, whether it's from our own district or not."

Mail from other states is not always answered, but letters with constructive ideas are often filed for future reference.

Preparing responses to constituents requires the use of modern office techniques, including memory typewriters.

"For many recurring issues we draft a form response, such as to explain the Congressman's proderegulation stance on natural gas," Wilson said.

"Of course, these are updated constantly and are personalized as much as possible."

When asked if he detected any new trends in voter mail, Wilson said that not only is the volume increasing, but he also feels the public has a greater awareness today of what Congress is doing, thanks to improved communications.

He feels both these trends are evident on the energy issue. Before the 1973 Arab embargo, energy was a subject most letter writers never even thought of.

Moving to the Senate side of the Hill, we spoke with Ned Kelly, press aide to Sen. Richard S. Schweiker of Pennsylvania, about how a typical senator's office operates.

"We may not be entirely typical," Kelly warned, "because we try to be very service-oriented.

"For example, we answer all mail, and try to do so within one week after its received."

Since a senator represents an entire state, the volume of mail received is proportionably greater. Sen. Schweiker's office often receives 10,000 pieces in a single week.

"All mail is tabulated weekly according to 'pro' or 'con', with a breakdown of the 10 leading issues," said Kelly.●

NONDISCRIMINATION IN EDUCATION PROGRAMS ON BASIS OF SEX

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. ERLENBORN. Mr. Speaker, I have today introduced a bill to amend title IX of the Education Amendments of 1972—relating to nondiscrimination in education programs on the basis of sex—to include among those organizations whose membership practices have been specifically exempted from the title certain fraternities and sororities which have social functions but whose principal activities are rendering a variety of services to their campuses and communities. It is my firm belief that the Congress intended to exempt such organizations from the title IX requirements in an amendment to title IX—section 3(b) of Public Law 93-568—in 1974. However, HEW has construed that amendment so as not to include them.

In the 1974 amendment, the Congress exempted the membership practices of the purely social fraternities and sororities and to certain other voluntary youth service organizations, specifically including the Young Men's Christian Association, Young Women's Christian Association, Girl Scouts, Boy Scouts, and Camp Fire Girls. It was clear that in enacting title IX the Congress had never intended to go to such lengths as to include the membership practices of such organizations, thus forcing them to admit both men and women, but that nevertheless was the interpretation of HEW. Unfortunately, by a very narrow construction of the amendment HEW could reach other, similar, organizations. The purpose of my bill is to correct that situation. It amends clause (A) of section 901(a)(6) of title IX to make the terms "social fraternity" and "social sorority" read "social or service fraternity" and "social or service sorority", thus extending the exemption from title IX membership requirements to these additional organizations.

The two service organizations which I have in mind—although there may be others similarly situated which would be included in this category—are the Alpha Phi Omega National Service Fraternity and the Gamma Sigma Sigma National Service Sorority, which were established to carry out the ideals and purposes on college campuses and in campus communities, respectively, of the Boy Scouts and the Girls Scouts of America. While they have some of the aspects of the Greek letter social fraternities and sororities which we exempted from what HEW has interpreted to be the membership requirements of title IX their primary function is that of a service organization.

When we were considering the conference report in 1974 which contained the title IX amendment incorporated in section 901(a)(6)—known as the Bayh amendment—it was noted that the parliamentary situation severely restricted the conferees in their ability to go beyond the amendment and cover organizations similarly affected by the HEW interpretation, and that this was a possible defect in the Bayh amendment. The need to cover service fraternities and sororities such as the two I have mentioned is the only one which has come to my attention. Accordingly, I have introduced this bill to correct that situation.●

ELDERLY IN THE UNITED STATES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. YOUNG of Florida. Mr. Speaker, today many problems face our Nation's elderly and I would like to discuss some of the positive steps taken thus far in the 95th Congress that would alleviate to some extent the burden these citizens must face. The average person over the age of 65 has less than one-half the national median income—$4,600 compared to $10,600. While many areas remain in which congressional action must be taken, we have at least made some progress to aid this most deserving segment of our society.

An unprecedented $699 million for spending under the Older Americans Act has been approved by this Congress and enacted into law. This figure represents an increase of $140 million from 1976. Amendments to the act will be voted on later this year and I am confident the House will approve additional funding of these valuable programs. The House Select Subcommittee on Education is presently working on this bill and I have submitted testimony to the subcommittee urging expanded funding. At the request of 7,000 constituents who receive program services, I recommended the elimination of the 3-year limitation specified in HEW regulations with regard to funding of title III programs. I would like to insert a copy of my testimony to the subcommittee into the RECORD at this time:

TESTIMONY OF CONGRESSMAN W. C. BILL YOUNG OF FLORIDA BEFORE THE HOUSE SUBCOMMITTEE ON SELECT EDUCATION

Mr. Chairman, I appreciate the opportunity to submit this testimony to the Subcommittee to voice my support of the extension of the Older Americans Act and to urge expanded and continued funding for social service programs under Title III.

Unfortunately, many of our citizens are forgotten and relegated to second-class citizenship once they reach a certain age. The work you as Chairman and the other Mem-

bers of the Subcommittee have accomplished on the Older Americans Act has done a great deal to remind these individuals that they have not been forgotten and has provided them with the means to maintain their personal dignity and independence in the face of fixed incomes, higher prices, failing health, and other hardships. There are 10,200 individual recipients of Title III funded services in Pinellas County, Florida and they need to be assured of the continuation of funds. I urge the Subcommittee to consider what this continuation means to them as well as other Members' constituents.

The Title III programs in the Sixth Congressional District of Florida are a cooperative network to serve older people through a system of comprehensive coordinated services designated to meet their needs. The Administration on Aging regulations and instructions have been designed to give both State and area agencies on aging wide latitude in determining how they should use the Federal dollars made available to them. However, the regulations are causing concern to local officials and service recipients alike because they require that funding be discontinued after three years unless special approval is given by the Commissioner on Aging. This approval will be given for an annual extension of funding only when it can be shown that substantial efforts have been made by the local area agency on aging to attract funding for such social services from other sources, and that the support requested will not be available in the foreseeable future. Some of the Pinellas County programs have already passed the three year limit and others will reach the limit this year. Fortunately, waivers have been granted so far by HEW for some and its approval for continuation of the others will be sought.

The ability to approve the continuation of Title III program funding is supposed to be transferred to the State level soon, but I believe this policy should be scrapped with the three year time limitation being eliminated. This time limitation policy of the Department of Health, Education, and Welfare is not a viable one for the provision of services to the aging. In many areas, the number of citizens eligible for Title III services is increasing yearly and local agencies and organizations will not be able to take on the full funding of the services at any time.

These services for our elderly citizens should become a permanent reality in local communities. I urge the Subcommittee to amend the Act to provide for full and permanent support of Title III projects by public funds as has been done with other projects. The lives of older Americans are too unsure as it is. For those who depend on these programs for needed services, every year is another time of guessing whether the program funding will be continued or whether some far-away bureaucrat will discontinue funding because of this regulation. There will never be sufficient local funding available in areas where there is a high population percentage of elderly citizens. I hope the Older Americans Act will be amended to reflect this reality.

I thank the Subcommittee again for affording me the opportunity to inform you of how thousands of my constituents view this matter. They are so alarmed at the possibility of discontinuation of these funds that nearly 7,000 senior citizens signed a petition urging the elimination of the three year limit. It is on their behalf and that of thousands of other deserving Americans that I recommend this change in the law.

Mr. Speaker, the Social Security Financing Amendments Act of 1977, which has been signed into law, makes several important changes for senior citizens. Limits to be applied now to the wages or salary that social security recipients over 65 can earn on jobs without losing some benefits are far more generous. Their earnings limit under the new law is now $4,000, up from $3,000 in 1977. The limit will increase each year until it reaches $6,000 in 1982. After 1982, no earnings limit will apply to people age 70 or older rather than the original age of 72. Another change made by this law will allow widows and divorced spouses of social security recipients who are over 65 to remarry without a reduction or termination of the benefits due them under their previous spouse's account. Prior to enactment of this new law, many senior citizens were faced with living their lives alone after losing their marriage partner because remarriage would greatly reduce or terminate their benefits. Many of these people live on small, fixed incomes and any type of reduction might well mean financial disaster for them. With this change in the law, they will now be allowed to remarry and decide whether to continue to receive widows benefits or draw benefits under their new spouse's earnings record.

When the House recently considered H.R. 50, the so-called Humphrey-Hawkins Full Employment and Balanced Growth Act, the House unanimously approved an amendment I offered to the bill that would insure that the effect of the outside earned income limitation on the employment status of recipients would be part of the President's Economic Report provided for in the measure. This will insure that proper attention is given to the effect of this unfair limitation on jobs our elderly citizens would like to have, but do not take because they would lose part of their benefits.

Congress gave the Community Services Administration $82.5 million in 1977 to weatherize homes belonging to the poor, elderly and handicapped. Some $2.2 billion has been approved by Congress until 1980 for section 202 housing for the elderly, and $100 million was set aside for the continuation of a loan authority program for housing for the elderly. Under the provisions of another bill, which has now been signed into law, airlines will be allowed to offer the elderly reduced air far on a standby basis.

In the area of health, the Medicare-Medicaid Anti-Fraud and Abuse Act has now become law. We have all heard reports of abuses and frauds in the medicare and medicaid programs. This change in the law will hopefully help to uncover and expose abuses and fraud in the program, and keep those persons already convicted of fraudulent activities from further participation in the program. Also, this new law states that nursing-home or hospital operators may be punished with a $25,000 fine and a jail term of up to 5 years for requiring a "contribution" to their institution as a precondition for admitting a medicaid patient.

The conference report on the Age Discrimination in Employment Act Amendments of 1977 was approved by the House yesterday. When the Senate approves the measure and it is signed by the President, the new law will put an end to forced retirement of Federal Government employees. It will raise the age limit for coverage under the act so that a non-Federal employee presently covered to 65 will be protected against age discrimination until he is 70.

The administration's proposal to cut funding of the retired senior volunteer program (RSVP) disturbs me. There are over 500 volunteers in the Sixth Congressional District of Florida who are depending on this valuable program being funded in the future at least at present levels. I have joined with several colleagues to inform the Director of the Office of Management and Budget of our disapproval of this cutback, and to call his attention to the importance of this program to our senior citizens and their local communities.

Of course, many problems still remain for our senior citizens, and I have introduced legislation to correct some of the inequities that exist under present law. Just a few of these measures are:

H.R. 1385, legislation to insure that veterans' pensions and compensation will not be reduced or discontinued because of increases in their monthly social security benefits.

H.R. 1387 which provides for increases in pensions for the Mexican period and World War I veterans and their dependents. I have also introduced H.R. 1386 to provide these same veterans with a certain priority for hospitalization and medical care. I testified before the House Veterans' Affairs Subcommittee in behalf of these bills. As a result of these hearings, the Veterans' and Survivors Pension Improvement Act of 1978 (H.R. 10173) has been reported to the full committee for consideration. Under the provisions of this bill, veterans' pension benefits would be determined under a new formula, establishing a maximum annual pension payment so that no eligible veteran or widow will be required to live below the poverty level. Another provision contained in the bill would automatically increase veterans' pensions when social security benefits are increased. For too many years, when social security benefits have gone up veterans have found their pensions decreased by the same amount. The goal of my bill, H.R. 1385, has been incorporated into H.R. 10713 in order to correct this unfair situation.

H.R. 1391 would freeze all out-of-pocket costs that must be borne by an individual for hospitalization and nursing home care covered under the medicare program at the 1976 level. The amount of money a person under the medicare program must pay if he is hospitalized or requires nursing home care has been steadily increasing. My bill would lower the money that this individual would have to pay to that set by medicare in 1976.

H.R. 1645 would authorize payment under the medicare program for certain services performed by chiropractors.

H.R. 2240 would allow payment for pre-

scription drugs under medicare part A—the hospital insurance program.

H.R. 5387 would remove all limits on the number of home health visits paid for under both part A and part B of medicare.

H.R. 5391 would establish a home health clearinghouse to provide elderly persons with a single place where they can obtain complete information on Federal health programs available to them.

H.R. 5428 would include dental care, eye care, hearing aids, physical checkups and foot care among the items and services for payment under the supplementary medical insurance program.

The problems facing our senior citizens will continue to receive the active attention of the Congress. In 1974, I offered an amendment which the House overwhelmingly approved that created the Select Committee on Aging. The committee has as its mandate the responsibility to conduct continuing and comprehensive studies of problems which face our senior citizens, especially in the areas of housing, health, income-maintenance, employment and participation in community life. From its studies of these problems, the committee has and will continue to develop recommendations to be acted upon by the appropriate committees of the House. It was a privilege to be instrumental in the establishment of the committee which is doing so much to aid our elderly citizens.

The problems facing our senior citizens today must be given careful consideration and it is my intention to continue working for legislation that will be helpful to them.●

A CRITICAL LOOK AT THE ADMINISTRATION'S PLANS TO REVAMP THE CIVIL SERVICE SYSTEM

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WALSH. Mr. Speaker, I have many reservations about the administration's recently announced proposals to revamp the Civil Service Commission. Congress must look very carefully at these proposals, especially in light of recent criticism by the chairman of the House Service Subcommittee that the administration's figures on how many Federal workers are fired each year because of incompetence is drastically understated. Backers of this reorganization plan have said only 226 Federal workers were fired in 1977. Yet investigation by the House subcommittee showed that in fiscal year 1976 alone, 17,000 Federal workers were relieved of duty because of poor performance. Surely that number did not decrease so drastically last year.

Because of this discrepancy, we in Congress must look at this plan with a sharp and thorough eye, and with this in mind, I submit the following article as food for thought. It was written by Vincent Connery, president of the National Treasury Employees Union:

(By Vincent Connery)

Old Hickory came to the White House more than 100 years ago and brought with him the "spoils system."

With their coonskin caps and deerhide boots, the supporters of Andy Jackson soon found jobs throughout our still fledgling Government, while the clerks, bookkeepers, and tariff collectors from the opposition party were thrown into the streets.

That was patronage in its rawest, most blatant form. Today, the world is much more sophisticated and so are those who wish to resurrect the spoils sytsem. Nothing simple for them; instead we have an inch-thick report which has been submitted to the President by Dwight Ink and his personnel management project.

Taken together, the 125 recommendations contained in the "Ink Report" would restructure the personnel system from top to bottom, paving the way for absolute presidential domination of the Federal Government and its employees. To accomplish this, the task force proposed sweeping changes in the hiring rules, the job protections accorded employees and managers, compensation practices, and the role of unions in the Federal Government.

With regard to hiring practices, the task force has a fistful of recommendations, each aimed at providing executive branch officials much wider discretion in choosing candidates for Federal jobs. For example, one proposal would eliminate the "rule-of-three" under which agency managers must hire one of the top three individuals on a civil service register. In its place, broad categories would be created and hiring officials would be free to choose anyone in the highest category.

Another proposal requires that 5 percent of all new hires would be selected each year by Federal managers, without having to compete for their jobs under merits selections principles. In addition, under another recommendation, the discretion of Federal managers would be greatly expanded so that they could hire temporary employees, virtually whomever they saw fit, and then convert the "chosen" to career appointments in 2 years.

Just these three proposals by themselves would greatly change the composition of the Federal workforce. It is not difficult to imagine the vast numbers of political jobseekers who would become ensconced throughout the Federal Government if these recommendations were adopted. But that is just the beginning.

To gain true control of the Federal workforce, it is necessary not only to fill the GS–5, GS–7, and GS–9 positions with political loyalists, but top management must also be "the President's men." The Ink Task Force would achieve this by creating an "Executive Service," which would include all GS–16 and above positions. Those in the Executive Service would be cut adrift from the General Schedule, with their pay determined on an individual basis. They would no longer be eligible for step increases and they would be shuttled from agency-to-agency on the basis that any "good manager" can manage without having to know the jobs of those he or she directs.

Most importantly for those in the administration, the members of the Executive Service would lose the job protections which they now have. It would take little effort, and no need for imagination, to remove a recalcitrant GS–17 career manager and replace that individual with someone more willing to follow the party line. Just a quick transfer or a year of unsatisfactory service as determined by the President's appointees, and the GS–17 executive would find himself out the proverbial door.

For lower-level managers, life would not be very much better. In addition to losing their step increases, they could be removed with very limited appeals rights. Once again, those who are not sufficiently loyal, would find themselves in a lot of trouble. They could be transferred, reduced in rank, forced into retirement, or simply fired. And, for all intents and purposes, that will be the end of the matter.

No one would suffer more, however, than rank-and-file employees. Promotions would be few and far between, with vacancies being filled by the party faithful. While they would still be technically eligible for step increases, employees would find them very scarce. Supervisors would be encouraged to deny employees step increases, and these same individuals would be evaluated on the basis of how few they recommended. Of course, the lower the number, the higher the supervisor's evaluation.

In addition, the Ink Task Force urges a series of proposals to reduce the wages and fringe benefits of bargaining unit employees and to eliminate quality step increases. The task force recommendations also make it easier to fire employees by relaxing the standard for dismissal and by forcing them to prove why they should be allowed to keep their jobs. Currently, the burden of proof in an adverse action is on management; under the task force proposals it would be shifted to the employee. Once an employee has been removed from the rolls, there is nothing to prevent filling that position with someone who has proved their loyalty to the administration.

Simply stated, the Ink Task Force report is a clever scheme, cloaked in pious pronouncements, to politicize the entire Federal workforce, while driving down the pay and fringe benefits of the rank-and-file. Campaign supports of the President will find it much easier to be hired, to move quickly through the ranks, and then find their ultimate reward as a manager receiving bonuses for their outstanding loyalty. In the meantime, other Federal workers will face a shrinking paycheck and will be haunted by the constant threat of dismissal to make room for one of the "chosen."

Predictably, the Ink Task Force proposed the creation of a new agency called the Merit Protection Board that is supposed to prevent all of this from happening. However, the members of the Board will be appointed by the President and they will report directly to him. More importantly, with the free reign that the task force gives to Presidential appointees, throughout the Government, the Board members would be powerless to stand against what would be a horde of political roughriders.

Just think, it was only a few months ago that the President's lobbyists were telling Congress that law enforcement officers, as well as those engaged in audits, inspections, and administering grants, should be excluded from Hatch Act reform for fear of overly politicizing the "Federal bureaucracy." Those on the Ink Task Force certainly did not share this concern. Their proposals would not only wipe out any Hatch Act protections, it would reward employees for actively supporting the administration and penalize those who did not.

In order to remove as many obstacles as possible to the politicizing of the Federal workforce, the Ink Task Force report seeks to narrowly restrict the role of Federal employee unions. Matters which are not negotiable would be removed from the bargaining table. For example, under Executive Order 11491, unions can negotiate contract provisions requiring that current employees receive first consideration for higher level vacancies. Under the Ink recommendations, this would be forbidden. The President's people would get the jobs.

This effort to strap Federal unions is not surprising. After all, strong, active unions are an anathema to political control of Federal employees. However, using a smoke

screen to cloak their true intentions, the task force has proposed such things as independent Federal Labor Relations Authority, an agency shop, a consultative board to discuss revisions in the Federal Personnel Manual and binding arbitration of removal actions.

Even here, however, the Ink Task Force is disingenuous. Upon close examination, the independent Labor Relations Authority turns out to be not so independent, with its members reporting to the President, just as they do now, and sharing the same office space with his personnel advisors. With regard to the agency shop, everyone knows that it is a virtual certainty that Congress would refuse to approve the necessary legislation to implement this concept.

At first blush, the expansion of the grievance procedure to include removal actions seems like a big step forward. But, in reality, it is no more than a hollow promise. By lowering the standard for dismissal and by forcing employees to prove their innocence, Federal workers would be denied due process, while arbitrators would be so restricted it would be nearly impossible for them to rule on behalf of employees.

As far as the creation of a union board to review FPM supplements, all I can say is that 7 years of meaningless dialog on the Federal Employees Pay Council clearly demonstrates the futility of any consultative procedure. Sitting on such a board would simply constitute a dubious right to talk at someone who is already locked into a course of action.

Naturally, among the 125 recommendations there are a few proposals that would improve the current system. But make no mistake, the task force report, if adopted, would seriously harm Federal employees. In effect, it would turn the clock back to the days of Old Hickory when job security and fairness were unknown and Federal unions did not exist.

Proposing a grand design to politicize this country's civil service system is abhorrent, but even worse has been the means taken by administration spokesmen to sell this scheme to the American public. To wit, planted news articles about Federal employees who allegedly have nothing to do and cannot be fired.

Their tactic is simple, direct the public's attention to these carefully selected horror stories as the justifications for civil service reform. By so doing, they are seeking to disguise their real motive—political control of the Federal workforce. For them, the "spoils system" is the name of the game.

A wide open road is being paved for massive political chicanery and all in the name of civil service reform. This must leave the spirit of Andrew Jackson chuckling and right proud.●

MEDICAL TREATMENT OF POW'S

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. YOUNG of Florida. Mr. Speaker, our Nation has recently seen the end of a tragic period where many Americans lost their lives in Vietnam, others spent years as prisoners of war, and many are still listed as missing in action. As time goes on some people tend to forget many of the unpleasantries that occur during wars but one of my constituents, Gen. Delmar T. Spivey, USAF, retired, who was himself a POW, having been shot down over Germany in WWII, will not forget the changes that can occur in the lives of those held as prisoners of war.

General Spivey has written to me presenting some very interesting information he had received from Mr. Stanley G. Sommers, director of the National Medical Research Committee for American Ex-Prisoners of War, Inc. It is my feeling that the information contained in the correspondence from General Spivey and Mr. Sommers is very important, and I take this opportunity to present it to my colleagues in the House of Representatives:

LARGO, FLA., *March 3, 1978.*

Hon. C. W. YOUNG,
House of Representatives,
Federal Building,
St. Petersburg, Fla.

DEAR CONGRESSMAN YOUNG: It was my misfortune to be shot down over Germany during World War II and to become a POW of the Germans. It was my good fortune to survive this ordeal in fairly good mental and physical condition. As one of the senior officers in the huge Stalag Luft III Camp for Allied Air Force POW's it was my duty to carefully observe the more than 13,000 men and intercede for them with the Detaining Power, Protecting Power, the International Red Cross and YMCA Thus I was able to observe first hand the health and mental condition of the POW's in this particular camp. My interest has continued to this day.

As my Congressman I wish to convey to you some of the observations I have made and relate to you some facts which have come to my attention concerning these unfortunate men. I do this hoping that you, in your capacity as a Congressman, can use your influence to help those who are now suffering mentally and physically from their traumatic experiences.

Ever since the end of WW II, I have kept in touch with hundreds of former POWs through personal contacts, letters and close affiliation with U.S. and Allied POW organizations. I have been able to encourage many and to intercede directly for others. Our government, especially the Congress, has shown concern and generosity for POWs of WW II, Korea and Viet Nam, yet there are many who have not received proper medical attention nor have they been awarded adequate compensation for their war connected disabilities. It is in their behalf I appeal to you.

Recently I attended a conference of former POWs in St. Petersburg where we were briefed by Stanley G. Sommers, Director of a group of eminently qualified doctors and researchers known as the National Medical Research Committee (Medsearch) for American Ex-Prisoners of War, Inc. I asked Mr. Sommers to give me a synopsis of his findings and observations during the past 10 years while directing "Medsearch". I am enclosing a copy of it for your files.

My concern is for former prisoners of war who have not received adequate medical treatment and compensation for their war connected disabilities. Many of these disabilities are just now being recognized by individuals while others have been affected for years but have not been able to get proper treatment nor compensation from our V.A. Anything you can do for them will be greatly appreciated by all of us who were former POWs.

Sincerely,

Gen. DELMAR T. SPIVEY,
USAF, Retired.

MEMORANDUM

To: Delmar T. Spivey, Maj. Gen. U.S.A.F. Ret.
From: Stanley G. Sommers, Director, National Medical Research Committee for American Ex-Prisoners of War, Inc.

On May 26, 1970, a concerned Congress passed Public Law 91-376 which presumes with respect to former prisoners of war of Japan, Germany, North Korea or North Vietnam (or other countries if the former prisoners of war suffered from dietary deficiencies, forced labor or inhumane treatment), that (1) certain listed diseases suffered at any time after military service, or (2) psychosis which became manifest within two years following service were incurred in or aggravated by such service. This presumption would be rebuttable.

Section 3 of the Committee Bill contains a special provision related to former prisoners of war. Because of the conditions of their captivity and the kinds of long-range harm that may have been caused, it is sometimes difficult for a former prisoner of war to establish, some time after the completion of his military service, that a disability or the aggravation of a previous disability is related to his military service.

The provision of the Committee Bill concerns former prisoners of war who were POWs for six months or more who suffered from dietary deficiencies, forced labor, or inhumane treatment. The Bill considers any veteran who was a prisoner of Japan or Germany during World War II, North Korea and thereafter, or North Vietnam to have suffered from dietary deficiencies, forced labor or inhumane treatment.

Under the Bill, the following diseases would be presumed to be service-connected if suffered by a former prisoner of war who meets the criteria discussed above:

Avitaminosis.
Beriberi (including beriberi heart disease).
Chronic dysentery.
Helminthiasis.
Malnutrition (including optic atrophy associated with malnutrition).
Pellagra.
Any other nutritional deficiency.

Under present law, a psychosis which became manifest within one year of the veterans' separation from military service is presumed to be service-connected. (The period is two years for admission to a V.A. Hospital as a service-connected patient.) The Bill extends this period of presumption of service connection from one to two years in the case of former POWs who suffered from dietary deficiencies, forced labor, or inhumane treatment.

The Committee is highly sympathetic with the problems of former POWs and wishes to stress its desire that the Veterans Administration administer this provision in the most liberal fashion possible.

We have found that many times P.L. 91-376 is not being enforced by the V.A., and that the spirit of the law is interpreted by the V.A. for its benefit and not that of the veterans, in fact, many times we must prove we were prisoners of war. As of now, 33 years later, we must for some reason prove with buddy statements, doctor statements, et cetera that we indeed suffered from the very disease which Congress has already established in P.L. 91-376 that we as ex-POWs are presumed to have suffered from.

Often we hear that these statements are from "remote memory" and not admissable.

We are to receive the "benefit of the doubt". An ex-POW may have as many as four statements from private doctors stating his medical problems are interconnected with his imprisonment, yet, he will be turned down on these disabilities by the V.A. as they were not established within the applicable time limits.

We feel that we are living proof of what the after-effects of malnutrition and stress are. We have never had examples, such as we are, to study, research and learn from before. It is time that the time limit be waived as recommended for former POWs by the International Conference on "Later Effects of Imprisonment and Deportation", the Hague, Nov. 20-25, 1961.

Many times the V.A. doctors will give a

physical examination of a cursory nature and not in keeping with the "thoroughness to discover, if possible, all disabilities common to prisoners of war even where there had been no complaint or prior evidence of such conditions" as promised by three former V.A. Administrators and by the present Administrator.

Concerning the payment of dental work, specifically for outpatient dental treatment. we have received numerous inquiries from former POWs saying they have been denied this authority. Title 38, U.S. Code, paragraph 612 and 6120 states that we are eligible.

The National Medical Research Committee of the American Ex-Prisoners of War, Inc. has been researching the after-effects of incarceration for the past ten years. The following is a brief summary of our findings.

The disabilities that are now affecting many thousands of ex-POWs who suffered extreme war stresses and malnutrition are now increasing due to the fact that we suffer from premature aging.

"NYU's Dr. Haas believes that many symptoms found in former camp prisoners today are either misinterpreted or overlooked in diagnosis. He urges physicians in private practice to acquire more information about the late sequelae of starvation and stress, so that they will be better able to recognize and manage these conditions." (Medical World News, 1965)

"To further complicate matters, the multiplicity of deficiency and other diseases, the duration of captivity and difficulty in assessing after-effects, * * *. Few nutritional disease manuals or other medical text books cover the effects of a combination of nutritional diseases." (D. F. Moore, M.D., C. O. Twining, M.N., England, 1963)

48 doctors, all experts on the after-effects of imprisonment (World Federation Holland, 1961) state that three of the main factors which have made the ex-POW into a constantly ailing person are:

1. Job fatigue does not appear at the beginning of old age, but in adults who are young.
2. Old age is premature.
3. Early death occurs.

The 48 experts also say, "The cardiovascular and nervous systems, although not the only ones to be impaired, are more often those to be affected and this always leads to serious developments."

Let me mention briefly Premature Aging—"While one year in war ages a man as much as two years of peace, a year in a prisoner of war camp puts at least four years on his age." (Ficher & Klotz, 1961)

To quote Dr. A. Hoffer, President of the Huxley Medical Fountain, July, 1977: "I'm writing a book now called "Aging Without Senility", so I'm keenly involved. What happened to you in camp produced a premature aging. It ages you probably 20 years. . . . So many of the symptoms of aging, which are arthritis, crinkly skin, vision, hearing, memory, confusion, fatigue, inability to sleep—these things happened to the POWs, and instead of happening at 70 they happen at 50, and then you go on from there. . . ."

With all the research available concerning premature aging and the ex-POW, there should be no question that all of us do indeed suffer from it and that we are plagued by the diseases and complications of the elderly many years before our time.

We now have the question of early death. The records note a high percentage of deaths for ex-POWs in the first few years after release, then the rate slowed but is increasing with age, but is always higher than the non-POW rate.

The prolonged strain of imprisonment must also be considered. Let us not forget the torture, the forced labor, the inhumane treatment, the death marches, and the prison hell ships and cattle cars that transported us to distant prisons. As POW's we never knew from one day to the next if we would be alive.

Dr. Seyle, one of the world's top authorities on stress, maintains that all diseases stem from stress. That all body organs and tissues are affected. This concept has been confirmed in several studies involving both human and animal reactions to stress.

Many of us suffered from beriberi and beri beri heart disease. In 1960 the V.A.'s Dr. John J. Robinson of Lake City, Florida reported this in the Southern Medical Journal in his excellent paper, 'Degenerative Heart Disease Resembling Beriberi': "Beriberi heart is often confused with and can be masked by arteriosclerotic heart disease and without thorough necropsy studies the chief cause of death would be reported as arteriosclerotic".

As a result of our imprisonment and its after-effects, knowledgeable doctors throughout the world, after much research, came up with the KZ Syndrome which consists of:

1. Failing memory and difficulty in concentration.
2. Nervousness, irritability, restlessness.
3. Fatigue.
4. Traumatic dreams.
5. Headaches.
6. Depression.
7. Moodiness.
8. Loss of initiative.
9. A feeling of insufficiency.
10. Many of us shun large crowds and social activities.

All of us suffered from malnutrition and the fact, in many cases, the effects of such malnutrition would escape detection in ordinary physical examinations because some symptoms are not as detectable as they are in such disorders as beriberi and pellagra. The after-effects of malnutrition vary and, in certain cases, do not show up until long after the POW has been released from confinement.

Ancel Keys writing in Jolliffe's Clinical Nutrition, 1950, had this to say, "When reasonably good diets are re-introduced after severe undernutrition there is evidence that the incidence of diabetes and hypertension increases beyond the normal pre-starvation level."

Gilbert W. Beebe, Ph.D., National Research Council, Washington, D.C., has been researching the ex-POW's for 20 years. In his excellent article, 'Follow-up Studies of World War II and Korean War Prisoners', published in 1975, "It appears morbidity and disability in the period 1946–65 is significantly elevated for ex-POW's, especially for Japanese and Korean POWs in comparison to veterans who were not POWs. In addition, more than one-third of the European POWs studied had experienced painful feet, cramps and intestinal disease. Perhaps the most remarkable difference between ex-POWs and controls is the seemingly longlasting psychiatric disorders common to the POW."

The foregoing are not casual observations but factual studies conducted by outstanding authorities in the field of nutrition and incarceration.

It is surprising that these very interesting and valuable scientific papers are not being used in the treatment of the ex-POWs. If these findings were recognized and used the POWs would be justly compensated without a long extensive nerve racking hassle with the V.A.

In conclusion, let us remember the ex-POWs are proud. When their country was under attack they answered the call. These gallant men while in combat became prisoners of war. Through God and their faith in their country they survived months and years of incarceration.

They returned to their loved ones and started their lives over, determined to be taxpaying and self-sufficient Americans and some even refused assistance by the government because of their pride and love for their country. Many knowingly ignored the disabilities and handicaps of their bodies in their desire to be good citizens. Now years later, the after effects of incarceration continues to take its disabling toll, they need help in their time of need.●

WHY THE CONSUMER BILL WENT DOWN

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. KOSTMAYER. Mr. Speaker, in the aftermath of the defeat of the bill to create an Office of Consumer Representation there has been much discussion of the reasons for the bill's defeat. I would like to share with my colleagues an article which appeared in the February 25, 1978, issue of the Nation. The author is Mark Green, director of Congress Watch. Mr. Green speaks of the valuable lessons learned by the consumer movement, even though this most important bill did not pass, and I commend this article to my colleagues:

WHY THE CONSUMER BILL WENT DOWN

(By Mark Green)

What can you say about a bill that passed the House or Senate five times in seven years, that was endorsed by President Carter, Speaker O'Neill and 150 consumer, labor, elderly and citizen groups, that the public supported by a 2 to 1 margin in Harris surveys—and yet was defeated 227 to 189 in early February.

In a Washington populated by surrogates and symbols, the vote against legislation to create a consumer advocacy office in Washington was widely heralded as a major defeat for Ralph Nader and President Carter. But surely this misses the more significant point that it was a major defeat for consumers. As the fourteen Democratic and Republican members of the Senate Governmental Affairs Committee unanimously concluded in 1977, "at agency after agency, participation by the regulated industry predominates—often overwhelmingly. . . . For more than half of the proceedings there is no consumer participation whatsoever. In those proceedings where participation by public groups does take place, typically, it is a small fraction of the participation by the regulated industry." The purpose of this consumer advocacy office was to make regulation work better by making the adversary process work better. Its defeat means that the influence of producers' interests on regulation will continue.

In defeat, though, the consumer movement learned valuable, if expensive, lessons. The reasons for the bill's loss illuminate how power is played out in The City of Results. Why did it lose?

BUSINESS LOBBYING

Big business interests—such as the U.S. Chamber of Commerce, the Business Roundtable, the National Association of Manufacturers, Armstrong Cork, Procter & Gamble, Sears—made the bill a litmus-test issue of a Representative's fidelity to their creed. Speaker of the House Tip O'Neill said that he had "never seen such extensive lobbying" in his quarter-century in Congress. A campaign of stimulated mail inundated the desks of undecided members. The Business Round-

table[1] hired Leon Jaworski to lobby against the bill in early 1977, and later hired the North American Precis Syndicate (NAPS) to send around canned editorials and cartoons against the consumer agency to 3,800 newspapers and weeklies. These prepared statements—statements that never acknowledged as their source a business lobby opposed to this bill—appeared approximately 2,000 times, according to NAPS. Identical hostile editorials also appeared in ten newspapers around the country, newspapers not of the same chain. (Oxnard Press-Courier, Calif.; Thomasville Times, N.C.; Mt. Vernon News, Ohio; Middletown Journal, Ohio; Ypsilanti Press, Mich.; Santa Paula Chronicle, Calif.; Greenwood Commonwealth, Miss.; Roseburg News-Review, Ore.; Kentucky New Era.; Murray Ledger and Times, Ky.).

The U.S. Chamber of Commerce conducted a national opinion poll in 1975, which it then repeated several times over the next three years, concluding that "81 percent of Americans are opposed to a new consumer agency." The Library of Congress, however, discredited this survey as biased and unfair because the key question was phrased as follows (italics added): "Those in favor of setting up an *additional* consumer protection agency on top of *all the other agencies*," etc. This phony poll led an outraged Sen. Charles Percy to denounce it from the floor, saying, "The dissemination of useless poll information does nothing to help the image of American business, which is at an all-time low."

THE ANTI-GOVERNMENT MOOD

Business efforts successfully capitalized on a political fad, which one could call "the new anarchism." It holds that all regulation is bad, indeed that all government is bad. From Wallace to Reagan to Ford or even Carter, the sense that government is the problem, not the solution, has spread from the ultra-Right to infect some moderate members of Congress as well. One of them, a ranking Northern Democrat, told Vice President Mondale that he opposed the bill because we have "too much government." (It will be interesting to see how such Congressmen apply this maxim in the future to corporate subsidy programs worth billions.)

The opposition lobby had the money and machinery to propagandize that the issue was "big government"—not consumer fraud, not consumer health and safety, not one-sided regulatory proceedings. Thus, the repeated refrain that the Office of Consumer Representation was just more "OSHA-like" regulation stuck—even though there was no reasonable comparison between a regulatory agency with a $136 million budget and the power to order business to keep fire extinguishers 2 feet off the floor, and a $15 million nonregulatory advocacy office armed only with the power of an advocate.

As the vote neared, many members acknowledged that they supported the bill on its merits, but didn't, as one said, "want to explain 500 times in my district why the consumer office wasn't just more government." Afterward a Southern Democrat who swam against the current and voted affirmatively said, with some bitterness, "If we had voted today on a bill to abolish the U.S. Government, it probably would have passed."

DEFECTIONS AMONG ANXIOUS MODERATES

Anxiety over right-wing opposition exploiting the "big government" slogan provoked defections from the consumer camp. Reps. Tom Foley (D., Wash.) and John Anderson (R., Ill.)—respectively the chairman of the House Agriculture Committee and the chairman of the Republican Conference—had previously supported the legislation. Then in the spring of 1977 these two respected House bellwethers recanted and announced their opposition—Foley three days after an ultra-conservative had won a special Congressional election in nearby Seattle, and Anderson after discovering that his own party's right wing had targeted him for defeat. These defections made respectable subsequent ones by moderates in marginal districts, e.g., Representatives Schroeder, Panetta and Fish: who like Anderson and Foley, were nervous about challenges from the Right. Speaker O'Neill's injunction—"some members say they're worried about the next election; do the right thing and the election will take care of itself"—was not always heeded.

There were, to be sure, some profiles in courage. Rep. Wyche Fowler of Georgia was the only member of his delegation to vote yes; Rep. Jim Mattox of Dallas voted yes; so did Republicans William Cohen of Maine, Carl Pursell of Michigan and Chalmers Wylie of Ohio, despite substantial contrary pressure (a week before the vote one of these members picked up a suit at his cleaners, and found a note opposing the bill pinned to its lapel).

LACK OF DEMOCRATIC PARTY COHESION

The Republicans made the consumer bill a partisan issue, as peer pressure led House Republicans to vote 11 to 1 against. Yet fully 101 Democrats voted no. In the freshman Democratic class of 1975, twenty-five voted yes and twenty-four voted no. Many in the Democratic opposition, of course, were the Dixiecrats and far West Representatives who often join with Republicans to oppose reform measures. But added to these blocs were a couple of dozen moderates (even four Democratic *co-sponsors* of the bill—Representatives Rose, Volkmer, Steed and Neal) who made the margin of difference. Whatever the cause—a devolution of the powers of the Speaker, an antipathy to Rayburn-like arm-twisting or Johnsonian log-rolling, the decline of Democratic Party funds for candidates, the non-coattails of President Carter—this lack of solidarity consternated Tip O'Neill. He had worked intensely and passionately on behalf of the bill. On the House floor just before the vote, he bellowed out his support in tones recalling Norris and Kefauver: "Never mind the commitment that you may have made to a businessman along the line. You have only one commitment, and that commitment is to the public . . . the consumer."

Having thus committed his prestige, the defeat was especially wounding to O'Neill. At a raucous meeting of Democratic Whips the next day, he thundered that Democratic Congressmen couldn't reap the benefits of their party association, and then vote Republican—especially when the Republicans had made this a partisan issue. To do so would lead to collective calamity in November. Others in attendance complained that President Carter's half dozen phone calls the day before the expected vote was an underwhelming effort. There was widespread resentment that they had fought harder for the administration's bill than had the President.

BUSINESS MONEY INSTEAD OF PARTY LOYALTY

Replacing the benefits of party cohesion and Presidential coattails of yesterday is the promise of business contributions today. One of the "reforms" of recent years permitted corporations to raise money for candidates. Last year, for the first time ever, corporate contributions through "political action committees" (which do not include the millions given by individual executives) exceeded labor contributions $987,000 to $844,000. Many Democrats can now ignore the exhortations of a Speaker or President because they have independent access to the kind of money needed for re-election.

One California Democrat in a meeting with consumer advocates half-joked that he might vote for the consumer bill if their groups could throw him the $100,000 fund-raiser" he might sacrifice by doing so. Two swing House members candidly told labor lobbyists that they had recently and for the first time raised $20,000 to $40,000 from small business groups, who had been instructed by the Chamber to be opposed. One Representative was told by his campaign finance chairman that their major contributors were opposed to the bill—at which point, to his credit, the Congressman fired his finance chairman. One Florida Representative told Ralph Nader that he had no objections to the bill, but added, "I'm afraid that the Chamber will run a candidate against me in the primary."

Large business interests, it must be emphasized, do not crassly announce that money will or won't be forthcoming, depending on how a Representative votes. They don't have to. But this system of corporate funding of campaigns, rather than public funding, results in business interests shaping legislation by the mere weight of their wealth.

REVERSAL BY THE WASHINGTON POST

After endorsing a consumer advocacy office several times in the past, The Washington Post stunned both business and consumer advocates by editorially opposing the bill the day the voting began. The reasons offered were embarrassingly muddled: the editorial talked about how consumer-oriented had been Carter's appointments (as though having a Brandeis on the bench would mean a defense counsel was no longer needed) and it managed to deprecate the need for consumer representation in genuine adversary proceedings as "another pile of briefs on commissioners' desks." But for those Representatives who needed a plausible reason beyond the "big government" slogan to oppose the bill, the respectable Post provided the perfect fig leaf.

Interestingly, the day after the bill's defeat, a front-page Post headline repeated the charge that Ralph Nader had defeated the bill—not the business lobby against it, not the previous supporters who abandoned the bill, not its own editorial. The theory was that Nader's pressure on wavering members had antagonized them into voting no. A few members tried to use Nader as an alibi for their anti-consumer vote, which is a comment on their own independence and integrity. If the U.S. Chamber goes into districts, Nader obviously will do so as well. It is a useful way to give members of Congress a conscience—in H. L. Mencken's definition of conscience as "the inner voice which warns us that someone may be looking." Or as Admiral Hyman Rickover said of some members' criticism of Nader on this bill, "They never complain when business tries to buy them, only when someone stands up for the people."

POOR TIMING

The vote on the consumer agency was originally to have been taken last November, at the very end of the first session of the 95th Congress. But a good-faith disagreement occurred between Esther Peterson, the President's Consumer Adviser, and consumer groups on the one hand, and the House leadership and Frank Moore's White House Lobbying Office on the other. The former thought that if the votes were ever going to

[1] A study of the Roundtable released by Congress Watch shortly before the House vote documented that 58 percent of the 157 members of this group had in the past five years either admitted to an illegal or improper payment, been named in an antitrust case by the Antitrust Division or been named in a Federal Trade Commission complaint.

be there, it would be in November—due to the favorable momentum generated by the nationwide grassroots "nickel campaign" for the bill and by a compromise version that had corralled fourteen new votes. The latter thought the votes weren't there. And, especially, the delay was due to the Speaker's and the President's preoccupation with other matters at the end of a hectic session. The bill was pulled from the House calendar.

Anybody can speculate as to what might have happened in November, but at least this much is known: in the week before the originally scheduled vote, Representatives Rose, Neal, Steed, Volkmer, English, Pressler, Cavanaugh, Cornwell, Fish and Gammage all indicated they would vote for the bill; also Representatives Koch and Badillo were then still in Congress. By February, none of these Congressmen voted in favor. Supporters of the bill allowed business interests three months to build up pressure against wavering members—and they did.

The bill's demise is instructive to the consumer, Congressional and business communities. Consumer groups must reconcile two divergent facts. On the one hand, Louis Harris calls consumerism the most broadly supported movement he has ever studied; his surveys document a 55 to 28 percent public endorsement for the consumer advocacy bill. Yet it lost. The goal for consumer groups, therefore, is to convert broad popular support into legislative punch. The problem is how to organize millions of unwealthy, scattered supporters so that they may prevail against a minority of wealthy, focused interests.

Two obvious approaches include local organizing and public finance reform. "You win or lose in the districts, not in Washington," said freshman Rep. Donald Pease to two supporters of the bill. Consumer organizations will have to organize better at the neighborhood level so that on future votes people will hear from interested indigenous consumer groups and not merely from local Chamber voices. In addition, until some version of public funding of public elections cuts the cord between business giving and members voting, citizen interests will forever compete at a disadvantage in the political marketplace. Nothing succeeds like failure, and if the defeat of H.R. 9718 leads to these two results, it may yet prove an inadvertent blessing.

This case study demonstrates why our elected officials should have the courage and skill to try to educate their districts about the costs and benefits of government programs, rather than merely surrender to purchased prejudice. Congress allows slogans to paralyze its effectiveness when it snaps to attention on hearing the phrase "big government." You know, these bureaucrats aren't people that fell from Mars," commented Hubert Humphrey in a 1975 debate with Ronald Reagan; "they are the sons and daughters of people that we think of rather highly." It should not prove impossible to argue that government can work to improve people's lives—that the Civil Rights Acts give blacks legal equality, and the South hundreds of black officials; that the Auto Safety Act saves an estimated 12,000 lives a year; that the Food and Drug Administration prevented the sale of thalidomide in the early 1960s; that public financing for the past Presidential election succeeded in keeping much tainted money away from our highest office.

Finally, as for the big business groups, this bill may prove that nothing fails like success. When the vote tally pushed beyond 218 on February 8, business lobbyists in the House galleries burst into applause and much backclapping. But one wonders whether big business should cheer when large companies received a 16 percent favor able rating in a recent Harris poll. In a survey conducted for the House Ethics Committee, eleven organizations were rated according to the public's perception of their ethics. Consumer "action groups" rated first and "large companies" tenth.

Big business lobbies have handed candidates an issue for next November. It is, "Who owns your government—the people or big business?" It is, "Why can't the President get energy reform, tax reform, consumer reform? Because big business won't let him." Ultimately, business lobbyists cannot continue to oppose all attempts to reform government and society. "What counts now is not just what we are against," said Adlai Stevenson in 1952, "but what we are for." Since corporate illegality, consumer fraud, and one-sided agency proceedings continue, it is now time for business to do more than veto change. What is their consumer program—for without one they will continue to deserve the obloquy they earn. "Those who want it all," said Jack Brooks, chairman of the House committee that reported out the consumer bill, "will lose it all."●

FLEET RESERVE ASSOCIATION'S WHITE HATS' PAY PANEL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. BOB WILSON. Mr. Speaker, I had the distinct pleasure last summer of participating in the Fleet Reserve Association's White Hats' Pay Panel. This panel held exhaustive all-day hearings around the country, taking testimony from 164 active duty witnesses.

As Congress embarks on a thorough review of military pay, benefits, and retirement, once the report of the President's Commission on Military Compensation is formally submitted, I commend to my colleagues' attention the excellent summation of the findings of the White Hats' Panel, "Sound Off to Congress." I would like to take this opportunity to share with other House Members the observations of one panel member, Mr. John R. Blanford, whom many of you will remember well as Russ, the distinguished former chief counsel of the House Armed Services Committee. Russ' remarks appear in the April issue of Naval Affairs:

COMMENTS OF THE PANELISTS ON THE TESTIMONY RECEIVED

(By John R. Blandford)

As a result of participating in the extensive hearings conducted by the Fleet Reserve Association, I am convinced that many of our enlisted men in the armed forces have lost faith in their leaders. The people who testified before the White Hats' Pay Panel almost unanimously expressed concern for their future prospects, should they remain on active duty. Rightly or wrongly, they feel that many of their benefits have been eliminated, or have been or will be seriously reduced. They point the finger at Congress and the White House.

Surprisingly, there was relatively little complaint about the present pay system, except that nothing irritates a member of the armed services more than to tell him his pay is comparable with his civilian counterpart. The witnesses say you cannot compare a 50-, 60- or 70-hour work week at a naval base or on board ship with a 40-hour week in the civilian community. And, they are right!

There were complaints about long family separations; inadequate housing; and statements by public officials that service pay is quite high—when an estimated value is placed on "tax advantages," commissaries, post exchanges, free medical care, non-contributory retirement, golf courses, swimming pools, nurseries, and even tombstones. This type of pay analysis is not only misleading, but never applies—in its total—to any one service member.

The primary concern of the members of the armed forces, who were interviewed, seems to be "What will they take away from me next?" If the 20-year retirement privilege for enlisted personnel is taken away, a substantial number of our petty officers will not reenlist. That is a foregone conclusion. The loss of leadership will be staggering, and its effect upon our national security could be devastating.

The witnesses expressed grave concern about medical care, particularly since they were assured, when recruited, that they and their dependents would be given medical care while on active duty and after retirement. They know that in some cases medical care is very inadequate and in some cases, especially for retirees, there is no care available.

They recognize and understand that the long waits for appointments are the results of an insufficient number of medical personnel to provide for their needs. And almost all the witnesses said that when they received medical care, it ranged from good to outstanding, but sometimes they were not able to get an appointment or they or their dependents had to spend hours waiting at a dispensary or an outpatient clinic. They had great praise for the Family Practice Plan, but, of course, there are very few of these plans in operation. Some even suggested that military personnel would be better off with an insurance program.

Their reaction to the "Up or Out" promotion system was split almost 50–50. Some liked it—others did not.

Many of the junior enlisted men feel that it is unfair to penalize married men, who are E–3's and below (or E–4's with under two years of service) insofar as moving household effects and dependents is concerned.

The question of equal pay and allowances for married and unmarried personnel was raised by many. The vast majority feel that there should be no advantage to take home pay just because the service member is married.

Sea pay—to most men—is a joke.

Many of our enlisted personnel, like many civilians, simply don't understand the Social Security System.

It is obvious that a far better job must be done in keeping our service people informed. Too many people in uniform form their opinions based upon rumor.

The President's Pay Panel and the Congress would be wise to consider seriously the report of the White Hats' Pay Panel, for it is most certainly representative of the views of a vast majority of the men and women now serving in our armed forces.

If changes are made in the retirement system, they must be prospective and not applicable to those now serving on active duty. It is true that we have an energy problem in this country and many other problems including unemployment and inflation, but all of these problems will fade into insignificance if the President's Pay Panel ever make recommendations that are interpreted by the men and women as inimical to their present status and their future benefits.

Some of the solutions may be costly but this nation faces a possible catastrophe if it is not willing to meet the challenge of providing adequately for people throughout the world who are defending this nation.●

INTERDEPENDENCE AND THE LAW OF THE SEA: CAN WE MAKE A PLANETARY BARGAIN?

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FRASER. Mr. Speaker, The seventh session of the third U.N. Conference on the Law of the Sea opens in Geneva on March 28 and a number of us have high hopes that the negotiators can reach agreement on a comprehensive international treaty on the Law of the Sea at this session. If they can, the concerned states of this increasingly interdependent world will have taken a large step in the direction of striking a planetary bargain. On the eve of this session, we would do well to put this session of the conference in context to gain some perspective on the meaning of these negotiations. To this end, I would first like to refer to the recent two-part article by John J. Fialka on the upcoming Geneva session which appeared in the Washington Star. In the first part, "Stakes Are Immense in Talks on Law of the Sea"—March 12—Mr. Fialka contends that sovereign nation states of the world have immense stakes in the minerals of the deep seabed beyond national jurisdiction and in the proposed comprehensive Treaty on the Law of the Sea. He then describes some of the problems that developed and developing states face in negotiating the proposed seabed authority, and contrasts views of the authority expressed by two important representatives, Mr. Paul Engo, of the Cameroons, Chairman of Committee I, and Ambassador Elliot Richardson, Special U.S. Representative to the Conference. In his second article, "U.S. Holds Bad Hand in Sea Resources Poker"—March 13—he outlines the difficulties in translating the principle of the common heritage into practical arrangements acceptable to the Conference. Committee I Chairman Engo, Fialko reports, complains that the United States and other major powers want a veto over any decision the authority might make and that they are in too much of a hurry to explore the minerals of the seabed. In Engo's view, "It is impossible to convince anyone of the merits of a complete veto by one state."

Enactment of domestic legislation on deep seabed mining by the House, thought to be an "ace in the hole" at the bargaining table, has run aground, depriving Richardson of a stronger hand on his way to Geneva where he will encounter Engo who feels that "the concept of the common heritage will eventually bully man into cooperating for the common good."

High stakes, political rhetoric, and knotty problems confront the negotiators on the eve of the seventh session, and temper our expectations for the success of the Geneva session this spring. There is, however, another important perspective on the upcoming negotiations, that we must constantly keep in mind: the place these negotiations have in making a planetary bargain and constructing a viable world order for an increasingly interdependent planet in the last quarter of the 20th century.

There can be little doubt that we live in an increasingly interdependent world in which relations among states and their peoples are inescapably interrelated—technologically, ecologically, economically, and politically.

Interdependence is a fact of our existence on this planet of some 150 sovereign states, 4 billion people, limited resources, and few unexplored frontiers. We Americans as well as a lot of other people in the world find it uncomfortable to live with the facts of interdependence. The Third World states, the so-called group of 77 (actually well over 100 states now) see interdependence as a vehicle by which multinational corporations and rich states seek to enslave them into "dependencia." The United States, after almost 125 years of isolation from European states, still sometimes finds it difficult to comprehend the complex web of relations that involves it with other states, and the fact that it is a member of an international community where no one state calls all of the shots all of the time.

Interdependence manifests itself in several important ways. First, complex transitional relations have helped generate an awareness among concerned states and groups that creative solutions to global problems must be found. The agenda, according to a recent study by the Aspen Institute for Humanistic Studies, "The Third Try at World Order: U.S. Policy in an Interdependent World (1977)" includes: creating a food reserve, assuring energy supplies, depressing fertility rates, stabilizing commodity markets, protecting the global environment, managing the oceans and its seabed, rewriting the rules of trade and investment, reforming the monetary system, mediating disputes, controlling conflict in a world of proliferating weapons, keeping the peace when it is threatened and restoring it when it is broken. Finding solutions to these problems requires that concerned states and their peoples—both developed and developing, haves and have nots, engage continuously in parallel negotiations about strategically related but tactically separable matters. But, there must also be a shared sense that bargains can be made, that, to quote from the Aspen Institute study, a political consensus can be reached "by the widespread realization that peoples of every race and nation are in a dangerous passage together in a world of finite resources, ultimate weapons and unmet requirements. It is the complex of principles, strategies, and institutional changes necessary to get it all together and serve human needs that we call the Planetary Bargain."

Second, solutions to these problems require multilateral consultation. In an increasingly interdependent world, the role of international institutions and multilateral diplomacy thus acquires increased significance. Within the United Nations and its agencies and through the multilateral consultations they facilitate, representatives of states and groups of associations can find ways to harmonize and coordinate their actions to solve problems on the global agenda I just enumerated. Let me emphasize here the important notion, harmonize. The United Nations is not a world government with the power to enforce rules it makes or to tax states and their citizens. It is an organization of sovereign states that have formally agreed to consult with each other and coordinate their actions. Members have authority to recommend collective action but it is up to individual sovereign states to enforce international decisions they collectively agree to.

Despite these limitations, the United Nations has been a major contributor to international law on a range of subjects, including diplomatic privileges and immunities, human rights, and the law of the sea.

And the United Nations has made remarkable progress, I think, even though it has never been insulated from the forces of world politics. The membership crisis in the United Nations in the mid-1950's and the financial crisis of the 1960's both reflected the deeper conflicts between the Soviets and the Americans in the cold war. Today discord between developed North and developing South dominates global politics and permeates the debates of the United Nations and its agencies. This and the forms it takes cannot be wished away; but we can do something about it. We can help create the environment necessary for striking a bargain on those problems that produce this conflict, and seek to reach consensus on their solution. This will take time, a great deal of patience, and extended consultation in many international fora on the full range of problems on the global agenda. The result could be a more durable, liveable, and saner world.

What relevance do these points about interdependence have for the long view on the Law of the Sea Conference? Simply this, I think. The U.N. Law of the Sea Conference reflects the fact and characteristics of interdependence. This, the largest diplomatic conference in the world's history, offers the best hope we have for solving one of the most important problems on the global agenda—the management of 70 percent of the Earth's surface and the multiple uses of ocean space. If we can solve this problem, we will have taken a big step in the direction of promoting the planetary bargain and in creating the atmosphere for subsequent bargaining.

Other characteristics of the interdependent world we live in are reflected in the Conference. The Conference's attention to the protection of the marine environment reflects the importance of our ecological interdependence with the world ocean. The ocean is, after all, a major source of our supply of protein, and the planet's oxygen. Scientific and technological interdependencies among

states have enabled us in cooperation with others to advance knowledge of the world ocean as well as to develop new uses of ocean space. These developments have overtaken the existing law of the sea and made it necessary to rewrite the rules governing ocean space. Political and economic interdependencies have also been apparent during the Conference. The industrial North consumes the lion's share of raw materials produced by the developing nations but must depend upon the group of 77 which represents most of the developing nations at the Conference, to help build consensus on an international agreement. Negotiations have also spawned numerous crisscrossing interests between maritime and nonmaritime states, coastal and geographically disadvantaged, developed, less developed, and the least of the developing states.

It is remarkable that the Conference opened in 1973 not with a draft treaty on the negotiating table, but an outline of issues to be discussed, and that in five subsequent sessions or the equivalent of less than 1 year, representatives of 150 states have been able to harmonize diverging views on over 400 provisions dealing with the details of the breadth of the territorial seas, the legal status of the proposed 200-mile economic resource zone, the rights of transit through international straits, the status of the continental shelf, the conservation of living resources, the freedom of scientific research, the protection of the marine environment and the settlement of disputes. Negotiators are well on their way to reaching consensus; indeed they are 90 percent of the way to the goal of reaching a comprehensive agreement. The knotty problem of resolving several particular issues of the proposed deep seabed authority remains, however. Let us remember that even here the negotiators have come a long way since the Caracas session in 1974 in reducing the ideological conflict between north and south. Last year's session produced an informal composite negotiating text (ICNT) whose provisions on the proposed seabed authority Ambassador Richardson pronounced unacceptable to the United States on procedural and substantive grounds. Since then intersessional meetings on some of the issues of the authority have taken place, and, hopefully, these will contribute to consensus on a comprehensive treaty in Geneva this spring. Meanwhile, rumors of doom and gloom abound, and pessimism is in high fashion. Ambassador Richardson considers that there's a one-in-three chance to obtain agreement on the authority. Others say the odds are one in five. Can the bargain be struck? Can we find a creative solution to this issue and put the keystone of the agreement in place? A lot may depend on it; for instance, the shape of the world to come.

The articles follow:

[From the Washington Star, Mar. 12, 1978]

STAKES ARE IMMENSE IN TALKS ON LAW OF SEA

(By John J. Fialka)

It has been 10 years since an obscure foreign diplomat, a former ambassador to the United Nations from the island of Malta, Dr. Arvid Pardo, introduced a resolution in the U.N. General Assembly advocating that the vast, unknown resources of the world's deep seabeds should be developed as the "common heritage of mankind."

The resolution was passed, but like many thinks that happen at the world body, it was largely ignored. Only recently have the world's industrialized nations, led by the United States, come to realize that what Pardo did was light a time bomb, one with a long fuse, one that could very well explode at the seventh session of the Law of the Sea Conference which starts in two weeks in Geneva.

The stakes in the emerging battle over just what the "common heritage" philosophy means are truly stupendous. They comprise the minerals that lay on or under half the world's surface: the wealth of the ocean floors that are beyond the territorial claims of any country.

Since only about 3 percent of this land mass has ever been explored, we have only a few hints of the value of what is there. The oil reserves alone are estimated in trillions of dollars. Estimates of the value of crystalline deposits of such strategically important metals as manganese, nickel and cobalt go into the hundreds of billions.

Also at stake is a comprehensive treaty that amounts to the first body of law covering the high seas. Although recent Law of the Sea conferences have been criticized as boring talkathons, much work has been done. According to various estimates, there is now agreement on roughly 90 percent of the substantive issues.

There is, as one diplomat put it, "much blood on the text" of the treaty. As it now stands it represents years of give and take, some of it extremely difficult for the United States which has had to fight an increasingly uphill battle against a large group of developing nations, collectively known as the "Group of 77."

The time bomb that could explode all of this is a section, now embedded in the negotiated text, that grew out of Pardo's concept of "common heritage." It is the outline of a new institution, unique in the history of the world, called the "International Seabed Authority."

As it stands, its function would be to bargain with multinational corporations, granting them license to explore, mine or drill on assurances that they will share their technology, reveneus and knowledge of the mineral riches of the ocean floor with the developing countries of the world.

The authority would be controlled by 150 nations, each one of which would have one vote. In practice that means that the real power would be in the hands of the developing nations, the so-called Third World, which has come to dominate the debate of the U.N. General Assembly through sheer weight of numbers.

A U.S. company dealing with the authority would have to pick two ocean sites that it intended to explore. Later the authority would pick one of them for itself. An arm of the authority called "The Enterprise" would acquire technology from the company at a price that the authority will set. The Enterprise will then have the option to exploit the area itself, earmarking the returns for the needs of the developing nations of the world.

The current shape of the authority, its powers and the momentous precedent it will set, is regarded as a problem of awesome proportions by the policy makers who worked to hammer the agreement together over the years. Lee Retiner, a Washington lawyer who was formerly one of the chief U.S. negotiators at Law of the Sea conferences, put it this way:

"You are dealing with one of the great economic policy decisions to be made in this part of the 20th century."

Ambassador Elliot L. Richardson, the current leader of the U.S. Law of the Sea delegation, has called the proposal "fundamentally unacceptable" and has stated that the United States might be prepared to abandon the entire treaty and go it alone unless the powers of the authority are substantially curbed.

Richardson and many of the other industrial nation delegates to the conference are more comfortable with the old concept, "The Law of the High Seas," which meant, in effect, first come, first served. They had hoped for an authority that would be more like a regulatory agency, one that would merely issue licenses and extract a small royalty from enterprising private corporations.

But for the last two years the power at the conference has been running against them, much of it manipulated by one man, a clever London-educated lawyer named Paul Bamala Engo, representative from the United Republic of Cameroon, a tiny nation (pop. 6.5 million) on the west coast of Africa.

While the United States has been sending a new ambassador to the Law of the Sea conferences every other year, Engo, a former judge, has been there since the beginning.

On the surface the conferences are large U.N.-style debates, involving 150 delegates seated in the same room, facing each other behind the nameplate of their nation. Underneath, however, there is a network of secret levers and pulleys which makes things happen: secret meetings by small "informal negotiating groups" which tend to write much of the script for the seemingly spontaneous debates that later occur on the floor.

U.S. ambassadors have become skilled at manipulating this machinery, but none of them has ever quite reached the virtuosity of Engo, who has emerged in recent months as a power to be reckoned with. As the leader of the Group of 77, he is the authority behind the authority.

Engo, who was recently interviewed at the U.N., explained that when the concept of the "common heritage" first came up, "the young countries were frightened because of their lack of knowledge."

Few of them had ever thought seriously about the resources under the sea, but Engo was more than willing to learn. Soon, he explained, "we begin to see there was a lot more to this than meets the eye."

When the Law of the Sea Conference was formed, the major powers decided that an African had to head the so-called "First Committee," which would deal with the seabeds issue. Engo, now 46, was picked because he was a bridge between two hemispheres.

Bearded, with a fondness for wearing bright dashikis, Engo spoke the legal language of the more industrialized Northern Hemisphere. He also assiduously cultivated a power base among African and South American diplomats.

Students of international relations have talked for years about the so-called "North-South split," the growing tensions over distribution of food, energy and other resources between the industrialized nations of the north and the predominantly developing nations of the south.

Engo soon found himself standing in the middle of the split. Some American diplomats have called him a "rabble rouser" because of his eloquent, impassioned defenses of the Third World cause. Others are more cautious in their appraisal of Engo.

"Engo is politically astute in the sensory sense of the word," explained one of them "He has instincts and they are politically sound. What he did to the U.S. during the last conference was very shrewd."

The current dispute over the powers of the authority first took shape in New York during the conference's session in the spring

of 1976. Engo, as chairman of the First Committee, was in charge of preparing the texts to be negotiated and he had already stimulated considerable thought by drawing up plans for an authority and an enterprise that would have total control over ocean mining.

As Engo explains it:

"Then we had a situation where the big boys, the Soviet Union and the U.S., said, 'We have the technology and we don't want to be part of this. . . . We want to feel that we are entitled to go ahead and explore. Exploitation should be done by states, not by new organizations.'

"The debate went backwards and forwards until we began to accept the fact that both states and The Enterprise on behalf of mankind as a whole will exploit. . . . The problem right now is what are the modalities of that?"

For a while during the 1976 conference it appeared that the United States, working behind the scenes, was going to iron out "the modalities" so that there would be an acceptable parallel system. The authority would license private companies as well as operate The Enterprise.

Then the behind-the-scenes system of compromise at the conference suffered a breakdown. An "informal group" of negotiators, which tended to be dominated by the United States and other major industrial powers, had been meeting early in the morning, preparing texts and planning the debates over them that would happen later that day during the formal meeting of the First Committee.

Engo, who worked closely with the group, would later release the texts, as though he had prepared them, and preside over the debates during the formal committee meetings. The breakdown came when former U.S. Secretary of the Treasury William Simon balked at one point of the proposed agreement, a quota arrangement which would limit the amount of ocean minerals produced during the first years of operations.

The result, according to Retiner, who handled negotiations in the informal group for the United States, was "a jam up. No more texts went up to the floor." After weeks of negotiations with Simon, the logjam broke and Engo suddenly released a flood of textual changes.

Developing nations which were not in the informal group, led by Algeria, began to complain that somebody was trying to railroad the treaty through secret maneuvering.

"Everyone sort of knew the secret negotiations" were going on, but they did not like to be told about it," explained Retiner. "You can't rub their nose in it."

The developing nations were angry. They were angry at the United States. They were angry at Engo. They were angry at Henry Kissinger, who began building up pressure for a quick compromise that would produce a breakthrough in the Law of the Sea conference during the summer of 1976, a development that would not have hurt President Gerald R. Ford's campaign for the presidency.

Kissinger arrived at the New York conference and personally offered a series of compromises that have haunted the U.S. delegation ever since. During a round of whirlwind visits with delegates and a press conference, Kissinger promised that the United States would share newly developed ocean mining technology with the authority in order to gain access to the deep ocean beds.

Engo is still not sure what Kissinger promised because Kissinger announced it at a press conference.

"We were not able to get all the details. He said he will guarantee that the authority will be able to get through the first project. We didn't know what he meant by that. Was it financing for The Enterprise, or financing and technology?"

At any rate, Kissinger's "breakthrough" never happened. Many members of the Group of 77 were confused by the events of the 1976 conference. They also realized that there was a good chance that a new American president might be even more friendly to the cause of the Third World.

So they waited until the 1977 session of the conference opened and Richardson, fresh from the departments of State, Defense, Justice, the Court of St. James's and the Department of Commerce, arrived as the next U.S. Law of the Sea ambassador.

Right away he could see there was trouble. The U.S. industries which were joining in four major international consortiums to begin mining for manganese nodules were apoplectic about Kissinger's compromise offer.

Their chief defender in Congress, Rep. John M. Murphy of New York, chairman of the House Merchant Marine and Fisheries Committee, was going around saying that Kissinger had taken an "incredible" position that would "bargain away many vital interests" of the United States in order to complete the treaty.

Meanwhile the developing countries were waiting for further compromises. Engo, smarting from his problems during the last session, was working to rebuild his power base among the Third World diplomats.

Richardson seized the initiative by working out an "informal arrangement" that would replace Engo with Sven Evensen, minister for the law of the sea for Norway, as leader of the "informal negotiating group."

In theory, at least, Evensen then became the controller of the text, and a number of compromises were worked out in "informal discussions" that would have transferred mining technology from multinational mining corporations to The Enterprise through a process over which the industrial nations would retain some control.

In fact, however, Engo had retained his title as chairman of the First Committee and was preparing his own version of the text, as Richardson later complained, "working in secret with advice from a handful of individuals."

As Engo later recalled the events of the 1977 conference: "I am told Mr. Evensen set up his own little think tank. It is possible Ambassador Richardson may have thought that this group was representative and they may have agreed on certain things and thought that that text was an agreed text. Nobody agreed to it except those who were there."

And so the Engo text—with an all-powerful authority in it—emerged two days after the conference ended as the official text of the First Committee.

Two days after that Richardson, in high dudgeon, held a press conference in which he complained that the Engo text "cannot be viewed as a responsible substantive contribution to further negotiation."

Richardson charged that there was a "lack of fair and open processes" at the conference.

Asked about the press conference, Engo states, "I deeply regret that he took it upon himself to attack me personally because there was no procedure that was not approved by the conference."

Still, both men are diplomats and the Law of the Sea Conference, like show business, must go on. Asked whether he bears any personal animosity toward Richardson, Engo smiled and then said:

"He has a wonderful enthusiasm. It is the same enthusiasm that the rest of us had 10 years ago."

U.S. Holds Bad Hand in Sea Resources Poker

On March 28, when the seventh session of the United Nations Conference on Law of the Sea opens in Geneva, a complicated game of poker, played for extremely high stakes, will resume.

The problem is that at the moment one of the principal players in the game, U.S. Ambassador Elliot L. Richardson, is not holding very good cards.

His initial intention was to confront a powerful group of developing nations, the "Group of 77," with the notion that if there is no acceptable international organization to govern the mining of the riches in the world's deep seabeds, the United States has the power, the finances, the technology, and the help from fellow industrialized nations to go it alone, treaty or no treaty.

According to the game plan, Congress was supposed to back him with a bill that would give the U.S. partners in four international mining consortiums the authority to begin exploration and mining operations, providing that they paid a small percentage of their profits into an escrow account for the world's developing nations. The money in the account would be paid to an international seabed development organization if and when the Law of the Sea Conference agrees on a treaty creating it.

Last week, however, efforts to get the bill passed before the Geneva session began blew up as the result of an elaborate series of disagreements between Richardson and four House committees over how the mechanics of the bill should work. According to an aide to Rep. John M. Murphy, chairman of the House Merchant Marine and Fisheries Committee, efforts to pass the bill will now be suspended for one month.

Nearly everyone agreed that the United States must make some gesture to comply with a notion that is running very strong among Law of the Sea delegates, the notion that some of the riches mined from the depths of the sea should be used to aid the world's developing nations.

The idea stems from a U.N. resolution offered 10 years ago by Dr. Arvid Pardo, former Ambassador to the United Nations from the island of Malta. Pardo maintained that the fruits of the development of the deep sea beds, the remaining unclaimed areas that cover 50 percent of the earth's surface, represented the "common heritage of mankind" and should be developed as such.

But just how strong the gesture should be or what form it should take is one of the problems that Congress, Richardson and the U.S. mining industry can't seem to agree upon. Also unsettled is the problem of whether Congress could or should indemnify a U.S. mining company against possible adverse future rulings made by an international body which decides the gesture isn't enough.

The Group of 77, which includes sea powers like India and Indonesia along with most of Africa and South America, have created an institution around the "common heritage" idea. It is called the International Seabed Authority and it would issue licenses to companies interested in ocean mining.

The way the authority is now described in the text that the Geneva session will work from, it will have a policy-making assembly in which each of 150 nations would have one vote. The assembly would have the right to demand that a private mining corporation exchange technology for the right to mine. The assembly would be able to determine royalties and to set the "fair price" for the value of the exchanged technology.

The assembly would also control a separate international entity, the Enterprise, which would mine part of the ocean land prospected by the private company. Enterprise profits would be earmarked as aid for developing nations. After 20 years, there is the possibility that the Seabed Authority would take over all ocean mining projects.

In the concept of the authority, the Group of 77 has pushed the "common heritage"

principle very far—so far, in fact, that even Pardo has disowned the proposal as being "quite simply, not viable."

But that is no help for Richardson now. Through a series of mishaps during the 1976 and 1977 conferences, the proposal for an all-powerful authority has found its way into the official negotiating text.

Meanwhile, the leaders of the four ocean mining consortiums — Kennecott Copper, U.S. Steel, Lockheed and International Nickel Co., the U.S. subsidiary of a Canadian company—have told Richardson and Congress that there is no way that they would even discuss trading their mining technology to an international body for access to the deep sea beds.

"We have just invented technology that nobody has ever seen on the face of the earth and already people want to see us give it away." asserts Lee Retiner, attorney for Kennecott and a former negotiator for the United States at the Law of the Sea conference.

The object of the initial interest in ocean mining are nodules containing deposits of nickel, cobalt, copper and manganese that are found on the ocean floor. They grow there, forming like crystals through a process that is only dimly understood.

They represent vast new deposits of relatively scarce metals which are essential to industrial nations. Cobalt, for example, has strategic importance for the United States because it is used in high temperature alloys and tool steels. At the moment, 98 percent of our supply has to be imported, most of it coming from Zaire.

The nodules are there for the taking, that is if anyone can figure out how to take them from the ocean bottoms where we know they exist, in water between 10,000 and 18,000 feet deep. The depth means the mining processes are going to be very expensive.

According to Retiner, each mining consortium is prepared to put up as much as $700 million in capital to begin prospecting operations by 1983, providing it can convince the banks that ocean mining is a "bankable proposition."

Retiner feels that if a company's rights are left up to the whim of a majority of a group of 150 nations, the risks may be too high. This prospect also bothers Richardson.

As he asserted in a recent speech "The assembly would be founded on what is at best an anomalous principle — one nation, one vote—which bears no rational relationship either to the principles of democracy or to the distribution of power, values and interests. . . .

"To allow resources constituting the common heritage of mankind to be disposed of by a nose-count of nations would be a bad precedent for the international institution-building of the future."

On the other hand, Richardson is convinced that the mining companies will eventually have to retreat some from their position that "the law of the high seas," should govern, meaning that the first person who takes the nodules owns them.

Richardson has been searching for some common ground. "We maintain that the concept of common heritage is not inconsistent with our exercise of the high seas rights to retrieve manganese nodules," he explained to a reporter. "Many countries dispute this. That issue is not important so long as we are jointly pursuing an effort to form an international body."

One way to do it would be to bargain for a "grandfather clause," that would allow Kennecott and the other companies that are preparing to mine to go ahead, without waiting for the licenses that an international regime would impose later.

As one lawyer, a veteran of past Law of the Sea conferences, suggested, "that would be damn hard to get."

Dr. Paul Bamala Engo, ambassador to the Law of the Sea Conference from the United Republic of Camaroon, and the leader of the Group of 77, agrees.

"What is the hurry? The companies won't be able to begin to mine until 1985 anyway. What is the hurry? You think about that one," he told a reporter.

The United States and other major powers, Engo complains, seem to want a "veto" over any decision the Authority might make. "With the U.N. experience, it is becoming impossible to convince anyone of the merits of a complete veto by one state."

After 10 years participating at various Law of the Sea conferences, Engo admits that he is tired and that he would like to go home to his family, but he feels that the concept of the "common heritage" will eventually "bully man into cooperating one with the other for the common good."

Engo feels that what is being offered is an even trade. "You need the nickel? We give you access to the nickel. In return, we get money for my country which needs the finances to build roads."

"I think this is revolutionary," adds Engo. "You've never had a situation in which you are trying to reconcile the interests of all parties, great and small. It is our last chance to pull it all together, the energy, the technology, the human resources.

"One looks out into the ocean and he can see the ocean pointing its finger at him and saying 'I am the last hope for you. Use me for the benefit of all of you, or you will perish in the chaos that you've already created.'" ●

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. WAMPLER. Mr. Speaker, I was very pleased to learn that a student from my district had won the Voice of Democracy Contest for the State of Virginia, Stephen Michael Oliveira, of Dugspur, Va., has captured the essence of democracy and freedom in America.

More than 250,000 secondary school students participated in the contest this year. They were competing for the five national scholarships which are awarded as the top prizes. First prizes is a $10,000 scholarship, second prize is $5,000, third prize is $3,500, fourth prize is $2,500, and the fifth prize is $1,500.

Stephen is 17 years old, and is now a Senior at Carroll County High School. He hopes to attend Emory and Henry College in Emory, Va. and he plans to pursue a career in law.

The following is Stephen's winning entry on the contest theme, "My Responsibility to America":

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM
VIRGINIA WINNER

(By Stephen Michael Oliveira)

I live in the greatest country in the world. I am free. I may worship as I choose and speak or print whenever and whatever I wish without fear. I live in a country where the citizens cherish their rights to "Life, Liberty and the pursuit of Happiness." This land is blessed with majesty and unparalleled progressive technology. All her people are provided with education and equality in opportunity for success. My country also grants protection from harm to all within her bounds. My country is America. For the life and the freedom that she has given to me, I have a responsibility to her. This is to direct and strengthen her and protect her ideals for all of my life, that her greatness and her freedom shall never perish from the earth.

I, as a responsible citizen, must guide America on a straight course toward betterment. I need to, through my actions as one gear in a massive and great machine, help mold America into more of the ideal our forefathers conceived. This entails a great deal. In the first place, I must choose for governmental positions those with the leadership to strengthen America. Through taking advantage of my privilege to vote, I help elect those candidates I feel would be the hardest working, most honest, and best representative of the people. Secondly, it is my obligation to America to make an expose of corruption and dishonesty, for a nation with corruption stabs a thorn in the flesh of its people and destroys itself Furthermore, I must be well informed and receive the highest and best education within my ability. Through education, I meet my responsibility of dispelling ignorance in America.

I need to always maintain my faith in America in the face of anything from economic struggle to the division of her people. I cannot despair in the light of trouble. I must believe that America will fare every storm to face tomorrow. And, in close connection with this, I shall always support America with my tax dollars and especially with my prayers to God that He might always be with her.

As with helping direct America, I am also responsible to help strengthen and protect her. Through my lifetime, I must see that the ideal of freedom that America stands for never dies. I am responsible for conserving energy and resources, for without these America cannot be strong. I must see that her planes can fly and her ships can sail, that she may have the strength to defend herself and her allies from those who desire power or the destruction of the freedom and equality of men. I must then be prepared and willing to protect my country with my sacred gift of life. America needs the assurance of a safe tomorrow. This truth I cannot deny.

My final and perhaps greatest responsibility to America is to convey to my fellow citizens the sense of pride I have in her. Pride not only for what she is, but more for what she might become. Our democracy was established for growth. The potential for a better America is within her, inherent in her people. What course other Americans shall take I know not, but as for myself, my choice is made. For if I adhere to my responsibility to America, then I can be at peace with myself through whatever course she may take. I alone hold not the total control of the destiny of America, but through being a responsible American, I play a part in it.●

FOOD CRISIS IN LAOS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. FASCELL. Mr. Speaker. I would like to call to the attention of the Members of the House a recent exchange of correspondence with the State Department concerning the agricultural situation in Laos and the impact the projected food shortage there will likely have on refugee needs in the region.

According to the Assistant Secretary

of State for Congressional Relations, starvation or serious food deprivation could occur in certain areas of Laos and more Lao refugees may move into Thailand as a result. As the Congress considers legislation this session to assist Indochinese refugees, I hope it will take into account the additional needs caused by this very unfortunate food crisis in Laos.

The letters follow:

FEBRUARY 17, 1978.

Hon. CYRUS VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: It has been brought to my attention that many of the Indochinese refugees now residing in Thailand have come from Laotian provinces currently experiencing one of the most serious droughts in Laotian history. Recent reports further indicate that the human misery in Laos may be severe; signs of malnutrition are evident to some observers and there is at least a possibility that there may be loss of human life. According to some judgements, the total estimated Food deficit for 1978 represents roughly 65 per cent of the annual rice needs, at subsistence level, for the people of Laos. The most serious period of food shortage will begin in March of this year.

If these reports are true, the potential famine situation in Laos may have a dramatic impact on United Nations refugees programs funded with United States assistance. More importantly, the human suffering possible poses a very real challenge to traditional American humanitarian concern and the human rights policy of the administration.

To understand more fully what the actual needs in Laos are and how the United States Government can best respond, I respectfully request information from the Department of State in the following areas:

1. What is the extent of Laos anticipated food deficit? When will the most serious effects of food shortages occur?

2. How will these shortages likely affect the population in Laos?

3. What do you anticipate will be the impact on refugee flows into Thailand and the consequent impact on the requirements of the United Nations refugee program?

4. What is the Laotian Government doing?

5. What is the probable response of other potential donors?

6. What should the United States do?

In the past, the United States has received criticism, in some cases deserved, for delay in meeting the challenge of a very real crisis affecting the most basic needs of human beings. To ensure that the United States cannot again be criticized for not taking prompt account of potential human disaster, prompt attention to the situation in Laos seems appropriate at this time.

Your attention to this matter is greatly appreciated.

Sincerely,

DANTE B. FASCELL,

Chairman, Subcommittee on International Operations.

DEPARTMENT OF STATE,
Washington, D.C. March 9, 1978.

Hon. DANTE B. FASCELL,
Chairman, Subcommittee on International Operations, Committee on International Relations, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to thank you for your letter of February 17 in which you asked about the present food shortage in Laos and how the United States should respond to this situation.

To answer your specific questions about the food shortage, the Lao Government and the United Nations Development Program office in Vietiane have issued two joint reports on the extent of the food shortage and on a program for emergency drought assistance. The second report, prepared after the 1977 harvest was in, estimated that the Lao would need to import approximately 113,000 tons of food commodities (mainly rice) in 1978 in order to provide a minimal ration of 12 kilograms per person per month to their population.

Although we have no way of verifying independently exact data on production and shortages, all sources reporting from Vientiane, including our own Embassy, have estimated that the Lao will have to import more than 100,000 tons of food staples during 1978. The UNDP/Lao Government estimates are based on surveys of the most-affected Lao provinces and on population and consumption data. Other estimates are based on rough Lao population figures, on observation of the drought, and on data on the amount of foodstuffs Laos needed to import in more normal crop years. The 113,000 tons of foodstuffs which the Lao Government projects it will need to feed its population at a reduced level of consumption represents about ⅙ of the estimated total consumption in 1977.

The Lao Government has stated that it has food stocks from the November, 1977 harvest to last until March, 1978. The next wet season harvest comes in about November so that the imports will be needed to cover shortages from March until November. (Since only some 5 per cent of the rice area is irrigated, rice production depends mainly upon wet season rainfall.

As a result of the food shortages, an increase in malnutrition and disease may be expected among the Lao population. Depending on the success of the Lao Government's appeal for aid and on the outcome of other measures taken to dig irrigation ditches, plant dry season rice, and plant substitute crops (maize, sweet potatoes, etc.), starvation could occur in the most-affected areas of Laos.

You inquired particularly about the effect of a severe food shortage in Laos on refugee flows into Thailand. We have no way of predicting what refugee flows into Thailand will be as they depend on a number of variables. It seems likely, however, that if Lao citizens are faced with starvation or serious food deprivation, more Lao will attempt to cross the border into Thailand.

As noted above, the Lao Government is actively promoting the production of dry season rice and starchy substitute crops. Local administrators are encouraged to organize the population to dig irrigation ditches and do other agricultural labor in addition to their regular work. On the other hand, the social, political and economic upheaval resulting from the Lao Government's efforts to remake their society in the communist mold have also taken their toll of both factory and agricultural production. The Lao have imposed an agricultural tax which apparently operates as a disincentive to surplus production. Nonetheless, it would appear fair to say that, whatever their Government's policies, the Lao would have been faced with a food deficit this year from natural causes.

In response to emergency appeals, the Lao have received commitments of some 50,000 tons of foodstuffs so far. Donors include the World Food Program, UNHCR, UNICEF, the European Economic Community, Sweden, the Netherlands, Australia, Thailand, India, Burma and Caritas and some other voluntary agencies. The USSR and the People's Republic of China may also provide food assistance. (A number of other countries including Japan and West Germany and several communist nations have regular developmental bilateral aid programs with Laos.)

The Lao Government has appealed to a number of countries, including the United States, for emergency food assistance to make up its estimated shortage. The Executive Branch has the Lao request under active consideration. We will, of course, take into account Congressional and public views on this issue. Although we are sympathetic to the Lao request, no decision has yet been reached.

Sincerely,

DOUGLAS J. BENNET, Jr.
Assistant Secretary for Congressional Relations.●

THE DEADLY ANGEL DUST

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1978

● Mr. DORNAN. Mr. Speaker, there is an angel of death descending on the youth of America. It is descending on the young because those who come in contact with it do not live to grow old.

Our children are dying from it at a rate unparalleled since the Vietnam war—and we pay little attention to it. The street drug called phencyclidine (PCP), "Angel Dust," is doing the killing.

I offer the recent Newsweek magazine article on "Angel Dust" for the RECORD and ask the question: When will we stop having meetings in Monterey on this problem and start saving the lives of our children?

The article follows:

THE DEADLY "ANGEL DUST"

A 21-year-old Washington, D.C., man stepped out of his shower, climbed naked down the wall of his second-story apartment and started running to New Jersey. The police stopped him several blocks away.

A young California girl and her fiancé decided to go for a swim. While he was changing, she went into the pool. When her fiancé returned, he found her lying dead at the bottom.

A 17-year-old New Jersey boy and his girlfriend decided to rob a nearby summer home at the seashore. Instead, the youth chose to bludgeon to death the elderly woman who lived in the cottage. He awoke the next morning covered with blood and with no recollection of his brutal act.

These bizarre and tragic events have a common thread: three people were high on the latest—and probably most dangerous—street drug to come along since heroin and LSD. The drug is phencyclidine (PCP), but it is better known to its users by such colorful names as "angel dust," "super weed," "busy bee," "mist," "goon," "crystal," "hog," "tic" and "tac." So pervasive has its use become that the National Institute on Drug Abuse and the Department of Health, Education, and Welfare convened a priority meeting of drug-abuse experts in Monterey, Calif., last week to exchange observations on PCP and decide how to cope with it.

Federal officials estimate that nearly 7 million people, most of them from 12 to 25, have tried PCP. Last year alone, the drug sent at least 4,000 of its users to hospital emergency rooms, took 100 lives and triggered an untold number or strange, suicidal or homicidal acts. "It's the most toxic of all the substances

I've seen since I started working with street drugs in 1965," says Dr. David Smith, founder of San Francisco's Haight-Ashbury Free Medical Clinic. Adding to PCP's special dangers is the fact that the drug is easy to make and can cause severe reactions with a single dose.

PCP was developed by Parke, Davis & Co. as an anesthetic in 1956. It was effective enough, but it also produced postoperative symptoms of agitation, delirium and disorientation and was thus unacceptable for use in humans. PCP is approved, however, as a veterinary anesthetic. During a "summer of love" concert in June 1967, San Francisco's flower children took up the drug and Smith treated 30 cases of toxic reactions. The drug then fell out of use until a sudden re-emergence in the mid-1970s. Aware of its great popularity, the Federal Drug Enforcement Administration last month classified PCP as a "Schedule II" drug, putting it in the same legal category as barbiturates.

'Wired': PCP can be synthesized by anyone with a modicum of laboratory skill from ingredients obtainable at any chemical-supply house. The major illicit labs are centered in Washington, D.C., Detroit, Los Angeles and Philadelphia. But labs have sprouted in basements and garages all over the U.S. Last year, the DEA put 42 such operations out of business.

Users rarely inject liquid PCP. More likely, they spray the liquid or sprinkle crystals of PCP on plants such as marijuana, tobacco, mint and parsley and smoke it. The drug can also be snorted, or pressed into tablets or capsules for oral use. Although it was originally used as a booster or additive to other street drugs, in recent months at least half of the users of PCP have been taking the drug as their sole means of attaining a high.

Reactions to PCP are totally unpredictable. According to San Francisco psychologist Steven Lerner, most users report that their first experience was a pleasant one. "I feel wired," "I feel powerful," "I feel superior," are typical testimonies. But there are plenty of bad trips. Angel dust, says Dr. Beatrice Kresky of New York's Jamaica Hospital, can make "Grimm's fairy-tale characters come to life. Parents, nurses and doctors appear as monsters or witches, and police cars take on the form of dragons."

Psychotic reactions to PCP mimic the symptoms of paranoid schizophrenia with hallucinatory voices and combative or self-destructive impulses. The drug can also give users a distorted sense of their own bodies; people often feel their arms or legs are growing or shriveling. Users may also suffer loss of bowel or bladder control, slurred speech, inability to walk, jerky eye movements and grimmacing. Acute toxic reactions can last up to a week after a single dose, and the mental effects can linger for more than a month, often recurring in sudden episodes while the patient is apparently recovering. Taken in larger doses, PCP can induce seizures, coma and death.

The sudden emergence of PCP as a major drug has caught doctors without sure-fire methods of diagnosing and treating its ill effects. The drug tends to lodge in fat and brain tissue, and some poison-control centers are using large doses of vitamin C to acidify the urine and hasten its excretion from the body. Mental disturbances have been treated with tranquilizers such as Valium, but physicians can't agree yet whether these drugs reduce the effects of PCP or may actually accentuate them.

Until some of these questions have been answered, the experts at Monterey agree that the best course is to try to educate physicians on diagnosis and treatment. To reach consumers, NIDA is distributing a message about PCP to be aired by television stations throughout the country later this month. It is delivered by Robert Blake, star of TV's "Baretta." "Don't go near it," warns Blake. "It's a rattlesnake and it will kill you."—Matt Clark with Susan Agrest.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 23, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the impact of building codes on housing rehabilitation.
5302 Dirksen Building

MARCH 31

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on a report by the National Research Council on the space shuttle main engine.
235 Russell Building

APRIL 3

9:00 a.m.
*Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities.
1114 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Coastal Zone Management Act (P.L. 92-583).
235 Russell Building

*Select Small Business
To resume hearings on S. 2733 and title I of S. 807, to authorize grants to individuals and small business concerns for development of solar energy equipment and energy related inventions.
424 Russell Building

11:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2534, to extend through FY 83 programs for health maintenance organizations; S. 2450, authorizing funds for FY 79 for Community Mental Health Centers and for biomedical research; and S. 2466, to establish a National Institute of Health Care Research.
Until 1:00 p.m. 4232 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold joint hearings with Select Small Business Committee on budget estimates for FY 79 for the Small Business Administration.
S-146, Capitol

APRIL 4

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on FY 79 authorizations for the Consumer Product Safety Commission.
1202 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on the Environmental Noise Control Act (P.L. 92-574).
4200 Dirksen Building

*Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
1224 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Judiciary, and on supplemental appropriations for FY 78.
S-146, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

Banking, Housing, and Urban Affairs
To resume mark-up of S. 2065, 2470, and 2546, bills to protect consumers' rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed legislation to provide a means of safe nuclear waste disposal.
3302 Dirksen Building

Foreign Relations
Open business meeting.
4221 Dirksen Building

Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury. Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

APRIL 5

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on FY 79 authorizations for the Consumer Product Safety Commission.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To continue oversight hearings on the Environmental Noise Control Act (P.L. 92-574).
4200 Dirksen Building
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 2318, the proposed Buy American Act.
318 Russell Building

10:00 a.m.
Appropriations
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold oversight hearings into how the U.S. Coast Guard will benefit from two proposed Intergovernmental Maritime Consultative Organization treaties.
235 Russell Building
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
1202 Dirksen Building
Finance
Social Security Subcommittee
To hold hearings on S. 2503, S. 2501, and related bills dealing with refinancing of the social security system.
2221 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Rules and Administration
To resume hearings on S. Res. 166, to reorganize administrative services of the Senate, and to consider other legislative matters.
301 Russell Building
Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
218 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AMVETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6225 Dirksen Building

APRIL 6

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on FY 79 authorizations for the Consumers Product Safety Commission.
5110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building
Environment and Public Works
To hold oversight hearings on the Public Building Cooperative Use Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building
Commerce, Science, and Transportation
To hold hearings on S. 2224, to establish a national ocean policy, to set forth the missions of the National Oceanic and Atmospheric Administration.
318 Russell Building
Finance
Social Security Subcommittee
To continue hearings on S. 2503, S. 2501, and related bills dealing with refinancing of the social security system.
2221 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 7

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2541 the Highway Safety Act.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2701 and 2704, bills to promote a more adequate and responsive national program of water research and development.
4200 Dirksen Building

10:30 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on S. 2520, FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings jointly with the Human Resources Subcommittee on Education, Arts, and the Humanities on proposed FY 79-80 authorizations for the National Sea Grant College program.
235 Russell Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2410, to amend certain sections of the Public Health Service Act relative to health planning and health resources development, and S. 2579, to establish a President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.
Until 1:00 p.m. 457 Russell Building

APRIL 10

9:00 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 50, the Full Employment and balanced Growth Act.
1202 Dirksen Building

9:30 a.m.
Health Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2549, FY 79 authorization for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs.
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on FY 79 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building
Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

APRIL 11

9:30 a.m.
Environment and Public Works
To consider proposed building prospectuses for the Nuclear Regulatory Commission and a Los Angeles FBI field structure.
4200 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on proposed reforms of the Speedy Trial Act (P.L. 93-619).
318 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 74, to amend P.L. 94-565 so as to include payments for lands on which certain semiactive or inactive military installations are located.
3110 Dirksen Building
Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. C-407, Capitol

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed Federal aid highway legislation.
4200 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Commerce, Science and Transportation
To hold hearings on proposed FY 79 authorizations for the U.S. Coast Guard.
235 Russell Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Rules and Administration
To hold hearings on S. 1029, to authorize construction of museum support facilities for the Smithsonian Institution, and to consider other legislative matters.
301 Russell Building
Select Indians Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume markup of S. 50, the Full Employment and Balanced Growth Act.
155 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the Rail Services Act (P.L. 94-210).
318 Russell Building
Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on and the reauthorizations for the Endangered Species Act (P.L. 93-205).
4200 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Arms Control and Disarmament Agency, Board for International Broadcasting, International Communications Agency, and on supplemental appropriations for FY 78.
S-146, Capitol
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 2691, the Congregate Housing Services Act.
4232 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on S. 2520, FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 14

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1896, FY 79 authorizations for the Hazardous Materials Transportation Act.
235 Russell Building
Commerce, Science, and Transportation
Science, Technology, and Space Subcommitte
To mark up S. 2527, proposed FY 79 authorizations for NASA.
1202 Dirksen Building
Judiciary
Improvements in Judiciary Machinery
To hold hearings on S. 2253, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
4232 Dirksen Building
Select Small Business
To hold hearings on the nomination of Milton D. Stewart, of New York, to be Chief Counsel for Advocacy, Small Business Administration.
424 Russell Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To continue oversight hearings on and the reauthorizations for the Endangered Species Act (P.L. 93-205).
4200 Dirksen Building

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building
Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

APRIL 17

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2090 and S. 2081 proposing an extension of certain programs of the Economic Opportunity Act.
4332 Dirksen Building
Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume markup of proposed Federal aid highway legislation.
4200 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on H.R. 9370 and S. 2582, to provide for the development of aquaculture in the United States.
235 Russell Building
Finance
Public Assistance Subcommittee
To resume hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To mark up S. 2549, proposed FY 79 authorizations for the National Science Foundation; S. 2416, to extend through FY 81 the program of assistance for nurse training; and S. 2474, to extend through FY 83 the Public Health Service Act.
457 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of State, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 18

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2090 and S. 2081, proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To meet in closed session with Secretary of State Vance to discuss foreign policy.
S-146, Capitol
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings jointly with the Senate Banking Subcommittee on International Finance on technology exports and research and development investments.
Room to be announced
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on FY 79 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building

Finance
Public Assistance Subcommittee
To continue hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
5110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for International Organizations and Conferences, and on supplemental appropriations for FY 78.
S–146, Capitol

APRIL 19

9:30 a.m.
Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
424 Russell Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Justice, and on supplemental appropriations for FY 78.
S–146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for fiscal year 1979 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To consider proposed water resources legislation.
4200 Dirksen Building

Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Rules and Administration
To resume hearings on S. 2 and S. 1244, to require periodic reauthorization of Government programs, and to consider other legislative and administrative business.
301 Russell Building

APRIL 20

9:00 a.m.
Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2390, the Citizens' Access to the Courts Act.
6226 Dirksen Building

9:30 a.m.
Appropriations
Agricultural Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of Agriculture and related agencies.
1224 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To consider proposed regional and community development legislation.
4200 Dirksen Building

Judiciary
To resume oversight hearings on the application and enforcement of the FBI Charter.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Attorney General Bell on budget estimates for FY 79 for the Department of Justice.
S–146, Capitol

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgement of a Federal relationship.
318 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estiments for FY 79 for the Department of Justice.
S–146, Capitol

APRIL 21

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To consider proposed resource protection legislation.
4200 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommitee
To hold hearings on S. 1314, to provide that State and Federal prisoners may petition the Federal courts in a writ of habeas corpus.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estiments for FY 79 for the Department of Justice.
S–146, Capitol

APRIL 24

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To consider proposed nuclear regulation legislation.
4200 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Commerce, and on supplemental appropriations for FY 78.
S–146, Capitol

Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on FY 79 authorizations for the Fishery Conservation and Management Act (P.L. 94–265).
235 Russell Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Commerce, and on supplemental appropriations for FY 78.
S–146, Capitol

APRIL 25

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4332 Dirksen Building

9:30 a.m.
Environment and Public Works
To consider proposed highway legislation.
4200 Dirksen Building

Judiciary
To resume oversight hearings on the application and enforcement of the FBI Charter.
2228 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Secrtary of Commerce Kreps on budget estimates for FY 79 for the Department of Commerce.
S–146, Capitol

Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

Finance
Public Assistance Subcommittee
To resume hearings on S. 2084, to replace the existing Federal welfare program with a single coordinated program.
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Commerce, and on supplemental appropirations for FY 78.
S–146, Capitol

APRIL 26

9:00 a.m.
Commerce Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to examine the science and technology aspects of the Federal Research and Development budget.
5110 Dirksen Building

Human Resources
Employemnt, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To resume consideration of proposed regional and community development legislation.
4200 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute for Building Sciences.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Foreign Claims Settlement Commission, Japan-U.S. Friendship Commission, and the Legal Services Corporation.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
235 Russell Building

Finance
Public Assistance Subcommittee
To continue hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Transportation Safety Board and the ICC.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the FCC, Federal Maritime Commission, FTC, International Trade Commission, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 27

9:30 a.m.
Environment and Public Works
Resource Protection
To resume consideration of proposed resource protection legislation.
4200 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Civil Rights Commission, EEOC, and on supplemental appropriations for FY 78.
S-146, Capitol

Commerce, Science, and Transportation
To continue oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
6226 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on budget estimates for FY 79 for the Renegotiation Board, SEC, and on supplemental appropriations for FY 78.
S-146, Capitol

APRIL 28

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to examine the science and technology aspects of the Federal Research and Development budget.
235 Russell Building

9:30 a.m.
Environment and Public Works
Resource Protection
To continue consideration of proposed resource protection legislation.
4200 Dirksen Building

Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2559, to provide a judicial remedy against the U.S. and U.S. officials who take retaliatory action against employees who charge impropriety in the Federal Government.
2228 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony on budget estimates for FY 79 for the Departments of State, Justice, Commerce, the Judiciary, and related agencies.
S-146, Capitol

Banking, Housing, and Urban Affairs
To mark up proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

Finance
Public Assistance Subcommittee
To resume hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

Finance
Public Assistance Subcommittee
To continue hearings on S. 2084, to replace the existing Federal welfare programs with a single coordinated program.
2221 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
4200 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 17

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

CANCELLATIONS

APRIL 3

10:00 a.m.
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judiciary Machinery Subcommittee
To hold hearings on S. 2253, to encourage prompt, informal, and inexpensive resolution of civil cases by the use of arbitration in U.S. district courts.
2228 Dirksen Building

APRIL 26

Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings on the impact of company mergers and economic concentration.
2228 Dirksen Building

APRIL 27

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on the impact of company mergers and economic concentration.
2228 Dirksen Building

MAY 9

9:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the Antitrust Division, Department of Justice.
2228 Dirksen Building